
Introduction

The **riskpro™** Credit Rating System covers the full scope of the credit rating and scoring process. It goes far beyond the classical and applicable understanding of this area. Along with an advanced balanced score card based direct rating engine, the system provides unique functionalities for automatic calibration and optimization of credit rating models. Its results can flow into the **riskpro™** credit analysis modules for the counterparty rating or to other systems.

Direct Rating

The **riskpro™** direct rating tool is a multilingual web based application for the evaluation of customer data and the calculation of the credit score/rating. The balanced score cards defined in the direct rating tool are highly customizable and flexible in their configuration. The system supports the whole data management, limit management and business process management related to the rating process. All results are represented in highly dynamical ways using multidimensional reporting functionalities.

Automated Calibration and Optimization

Given the risk appetite of an organization which is expressed in a concrete / ratio and based on so called "business questions" –which are the optimization target of the model– the system automatically finds an optimized model which has the highest accuracy and uses the lowest possible number of attributes.

Worst/Best Matrices Analysis

After optimization the system shows the worst and best matrices with their attributes and weights. This in-depth analysis of the modeling allows identifying the prediction power of all attributes, their relevancy in the current model as well as the combinations of attributes with the best and worst prediction impact.

Model Management Migration Matrices

The system offers complete model management, model versioning, backups, audit trail and historization. User rights management at group level and by role is also provided. In this way full transparency and audit ability are guaranteed. Different models can be compared and their migration matrices edited. Shifts in accuracy and consistency of different models can be observed over time.

Model Explanation

The system provides complete model explanation and documentation. The model tree is provided before and after optimization with all the attributes and their connections.

Simulations

A flexible simulation engine allows running different scenarios and observing the impact on profitability. By modifying the predefined thresholds the figures change according to the accuracy of the model which has been set. Increased profitability can be shown upon the increased accuracy of the model.

Special strengths

- ▶ Universal tool used for risk/opportunity based profit optimization
- ▶ Advanced balanced score card based direct rating
- ▶ Fully automated optimization and calibration of credit ratings as input for the **riskpro™** credit risk analysis models or stand alone
- ▶ Applicable for banks, insurances and other institutions focused on increasing their profits through advanced customer data analysis and customer intelligence