

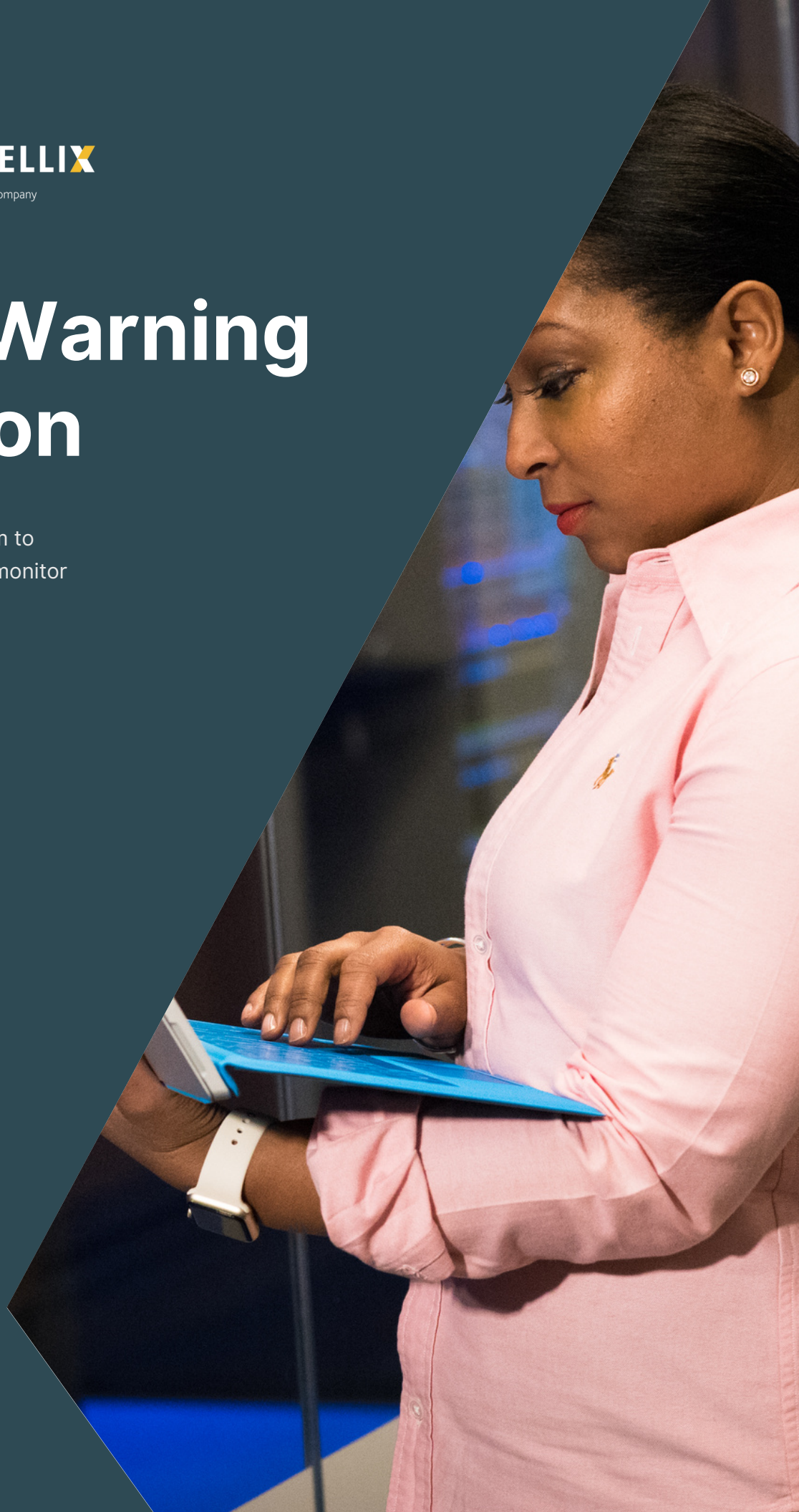


FINTELLIX

A Group ICRA Company

Early Warning Solution

A comprehensive system to
proactively assess and monitor
borrower credit risk



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Challenge

Rising non-performing loans pose a serious challenge to the financial sector. NPAs could be a result of negative business results, fraudulent behavior or adverse macroeconomic condition. However, the impact of NPAs pose a direct threat not only to financial institution's top line and bottom line but also to its reputation.

With the external factors playing the causal role, gaps in proactive governance and technological innovation have been identified as a major impediment to preempt potential delinquency of borrowers.

There is a clear need for a holistic framework for early detection, prevention, and reporting of financial stress and frauds. However, the biggest challenge in implementing such measures, remains the availability of data and eventual amalgamation of internal and external data. Some financial institutions have made significant advances on the data front, however, bringing the operational efficiency to manage borrower assessment, regularly monitor risk and recommend actions internally, remains elusive.



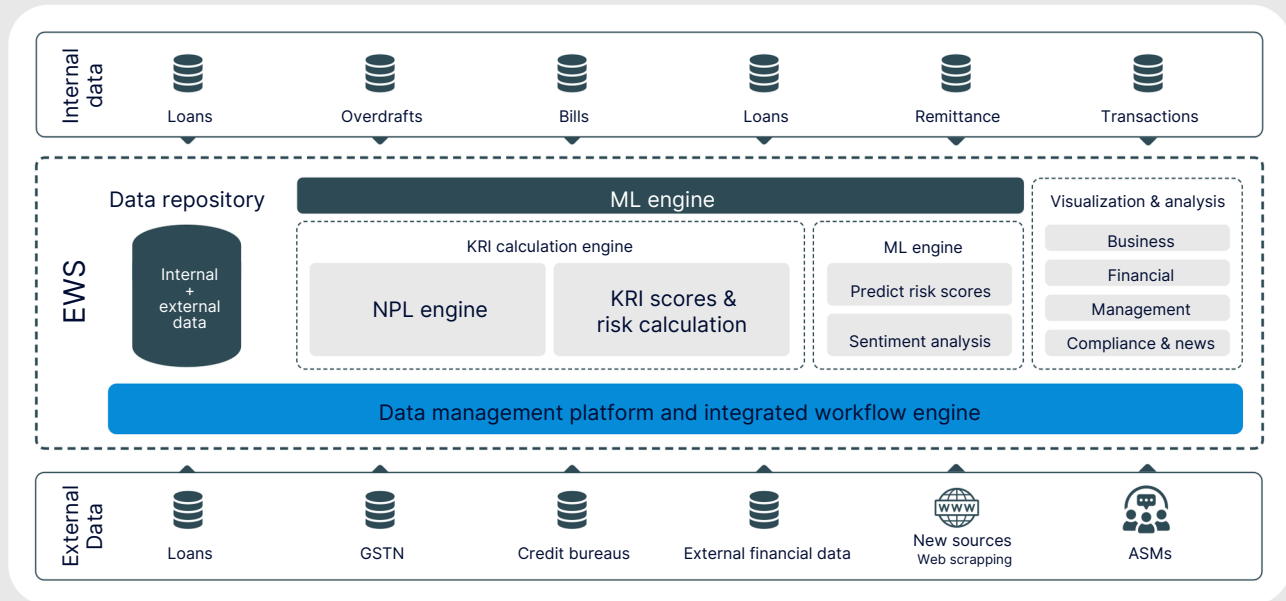
Solution

Fintellix India Pvt Ltd Early Warning Solution (EWS) helps banks not only to solve the data puzzle with availability/ amalgamation of internal data and external data on the same platform, but also incorporate a complete workflow driven solution for collaboration across teams. Users can continuously monitor risk profiles of borrowers through deeper analysis of the underlying contributing factors using advanced ML models. A recommendation engine also helps to flag accounts for corrective actions in a transparent and an auditable manner.

Highlights

- **Holistic data**
Combine bank's internal data with multiple sources of alternate external data such as company master data, ratings, credit bureau, legal, newsfeed, social media, etc.
- **Borrower 360 view**
Holistic data provides a single view of customer aiding in comprehensive credit risk assessment at the time of origination.
- **Loan monitoring and borrower risk score**
Monitor loan portfolio and assess borrower financial health through risk engine.
- **ML-powered algorithms**
Machine learning (ML) powered algorithms help in increasing the accuracy of risk score engine.
- **Pre-packaged risk indicators**
Pre-packaged risk indicators along with ability to add custom ones.
- **Configurability**
Configure key parameters such as weightage, threshold, etc. to suit your own needs.
- **Workflow management and audit**
Configurable internal workflows to assign, track and audit actions.
- **Cloud enabled**
Cloud deployment for cost optimization.

Solution architecture



Features

Configure	Monitor	Analyse	Resolve
Risk indicators - Fully configurable settings enabling bank to configure critical risk indicators and monitoring parameters at bank, segment, and individual customer levels - Can configure features like external parameters, weights, thresholds, score bands along with risk values	Borrower risk - Decision making with fully comprehensive customer assessment at loan origination - Continuous customer and loan monitoring - Decision making with early detection of customer financial stress - View new signals in the cycle as applicable to the customer - View risk indicator scores at portfolio-level - Sentiment analysis based on news about the Borrower, Company and Related parties - Using probability prediction models to identify the future probable defaults and fraud	Borrower profile - Search for customer to view customer risk dashboard - Easy UI-based onboarding of a new customer - View customer information, risk indicator scores across different analysis areas: - Business - Financial - Management - Compliance and legal - Drill down each risk indicator score to underlying contributing factors, conditions and measures - Trend analysis	User workflow - Approve/reject EWS for customers based on analysis - Escalation mechanism for critical and unattended EWS - Define action points for RMs to mitigate risk - Input outcome of actions taken as feedback loop



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About Fintellix India Pvt Ltd.

Fintellix is operating in the intersection of regulators and regulated entities by providing cutting edge risk, regulatory, supervisory and data analytics solutions.