



## Automated Risk Insights

A PwC Product

Streamlined credit  
risk analysis



# The challenges



At many banks concerned with credit, financial performance of companies is analysed manually



Time-consuming and error-prone assessments lead to an inefficient credit risk management



Analysis may not be done consistently and therefore, cannot be compared or benchmarked



Employees spend too much time reviewing data and not enough to leverage the insights received from talking to their customers

## About Automated Risk Insights

At many banks and other institutions concerned with credit, the financial performance of companies is analysed manually. This results in a time-consuming and error-prone assessment leading to inefficient credit risk management. Consequently, employees spend too much time reviewing data and not leveraging insights enough. This problem is solved by PwC's tool Automated Risk Insights, a tool which enables you to save time and gather observations more frequently and thus, create new opportunities. In addition, it increases the quality of your credit risk identification, measurement, management, and reporting using state-of-the-art statistical models. Automated Risk Insights ensures consistency by supporting every analysis with the same metrics.

## What does it do?

- Ability to gather insights into the risks present much more frequently due to the decreased effort
- Identifying previously unknown risks, especially the front office can see very easily which companies might need different products, thereby creating commercial opportunities
- Ability to roll forward historical data into a coherent forecast



# Key uses

**Prioritisation of arrears management Inflow:** Financial institutions need a smart way to segment and prioritise incoming clients, with optimised sector-specific predictors of the required handling period, the required type of treatment and the value at risk in order to focus scarce human efforts on the clients for which additional attention will benefit the most.





**Supply chain risk management:** Many international companies, especially in manufacturing or similar industries, face the challenge of being dependent on many B2B suppliers. If any of these suppliers (or the suppliers of your suppliers) were to be unable to deliver, your delivery could become jeopardised. Staying on top of the financial health of all parties in your global supply chain is therefore a key business challenge. In our solution, the manufacturing company can compose a portfolio of companies across the world and monitor its financial wellbeing in a single tool.

**Account manager conversation support:** The tooling comes preloaded with the financial statements and financial forecasts of the company based on public data. This allows the account manager to look at the numbers before meeting the client, and become primed with insights.







# Value proposition

## Features

-  The application is hosted on Microsoft Azure and can be easily implemented on the cloud platform of your choosing via Kubernetes/ Docker based approach.
-  APIs form the approach of choice in the application, whether it is the integrate internal/external data sources or to provide input to downstream applications.
-  The data science in the risk models and the forecasting are integrated in a use- friendly user interface (UI), allowing for complex models to be exposed to large user groups.
-  Stay up to date with the latest available data through automated retrieval of data and calculation of the latest metrics.

## Benefits

-  State-of-the-art statistical models allow rolling forward financials up to three years and analysing the risks present. The use of trusted risk scores (e.g. Altman) and validated PwC models ensure high quality and consistency of data.
-  The tool visualises key performance and risk metrics to promote effectiveness along with providing details up to the individual line item.
-  With an automated process to generate the risk insights, analysis saves time. The decreased effort enables you to gather insights into the risks present more frequently, thereby allowing you to identify previously unknown risks.
-  The tool enables you to spot companies that might be in need of different products, creating commercial opportunities. It opens up avenues to cross-sell to current clients based on the more extensive insight into their financial situation.

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