



**Business Intelligence
& Risk Solutions**

CRISIL
An S&P Global Company

**Computation of
Expected Credit Loss**

complemented with Analytics and Technology

Adapt to the shift in recognizing credit losses

Choose the most appropriate frameworks, risk benchmarks and implementation

CRISIL's offerings to compute Expected Credit Loss (ECL)



Develop an ECL framework to stage borrowers across your portfolio



Validate your existing ECL frameworks and offer recommendations for optimisation

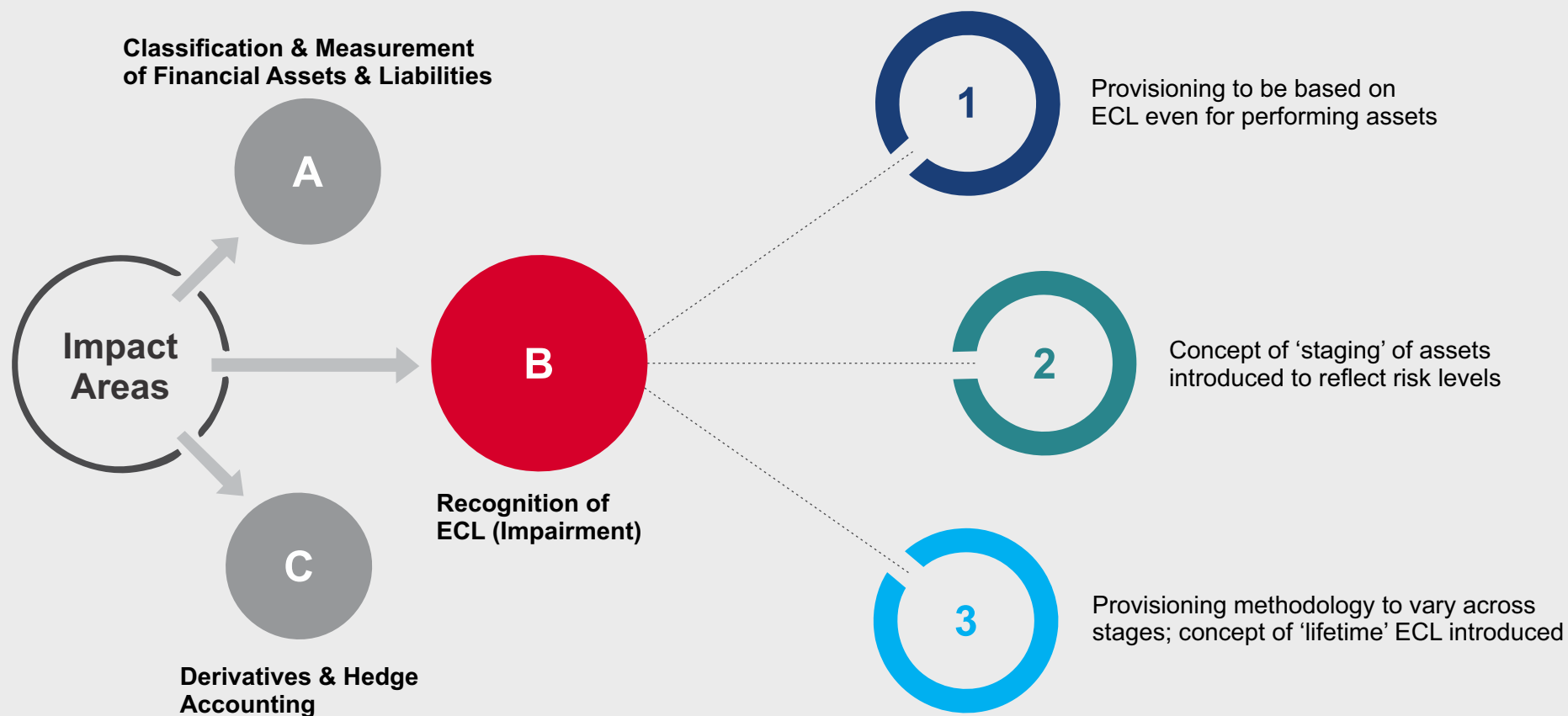


ECL computation services



Easy-to-configure proprietary ECL Tool

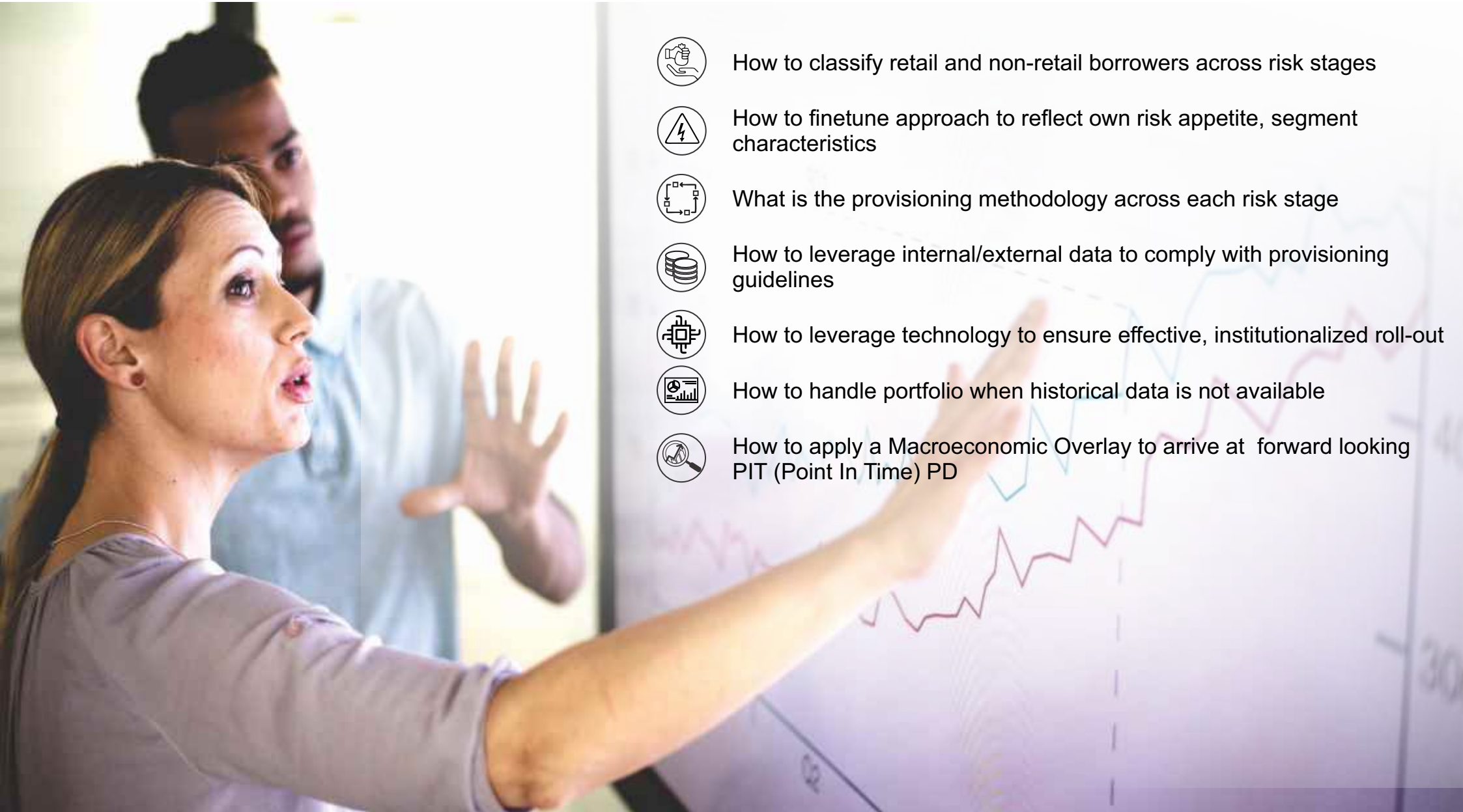
Implications signal
**a principle shift
in the way credit losses
are recognized**



SUMMARY → Under IND AS 109, a credit event need not have occurred for recognition of credit losses

Key Challenges for Banks / Non-Bank Finance Companies

Choosing the most appropriate frameworks, risk benchmarks and implementation technology



How to classify retail and non-retail borrowers across risk stages



How to finetune approach to reflect own risk appetite, segment characteristics



What is the provisioning methodology across each risk stage



How to leverage internal/external data to comply with provisioning guidelines



How to leverage technology to ensure effective, institutionalized roll-out



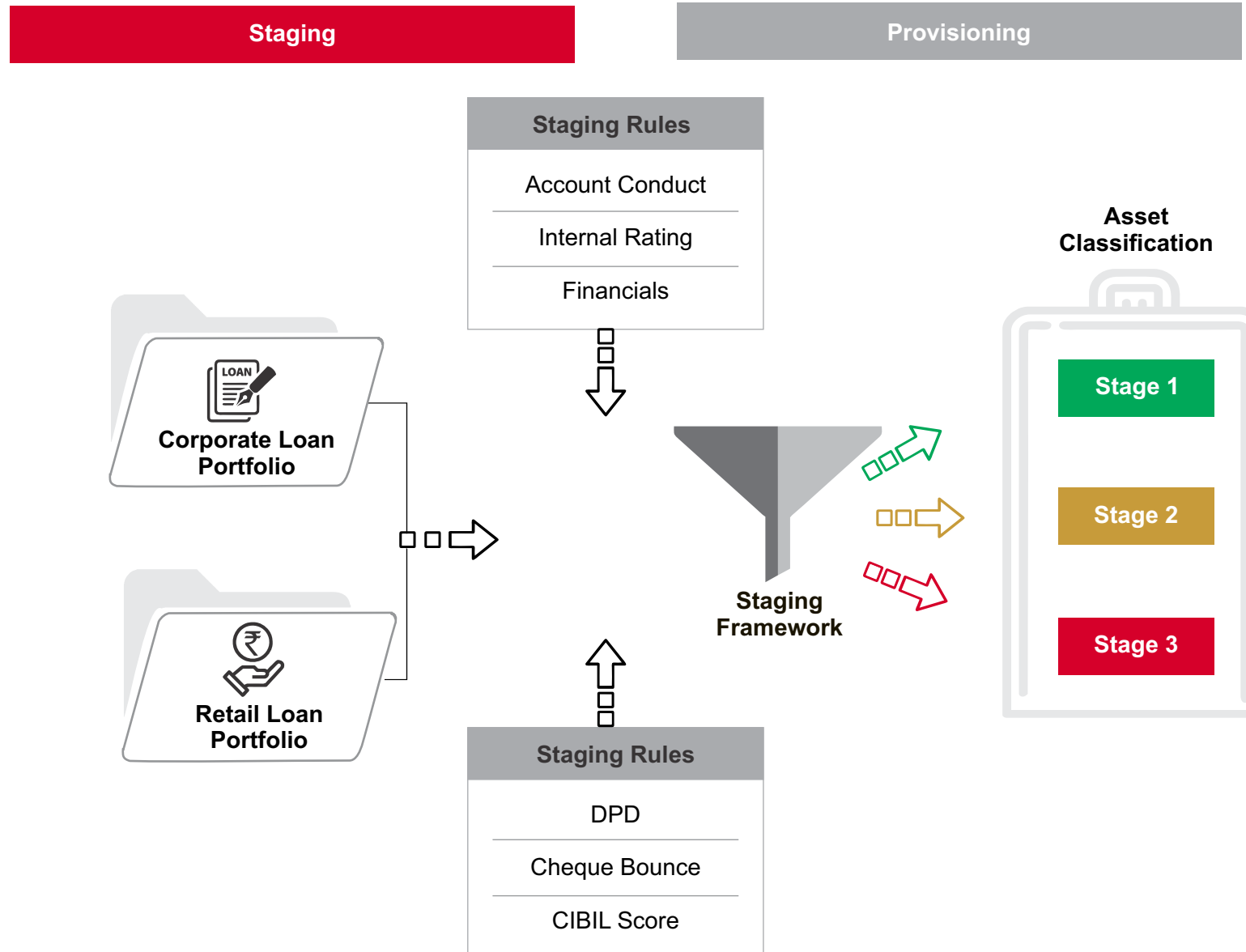
How to handle portfolio when historical data is not available



How to apply a Macroeconomic Overlay to arrive at forward looking PIT (Point In Time) PD

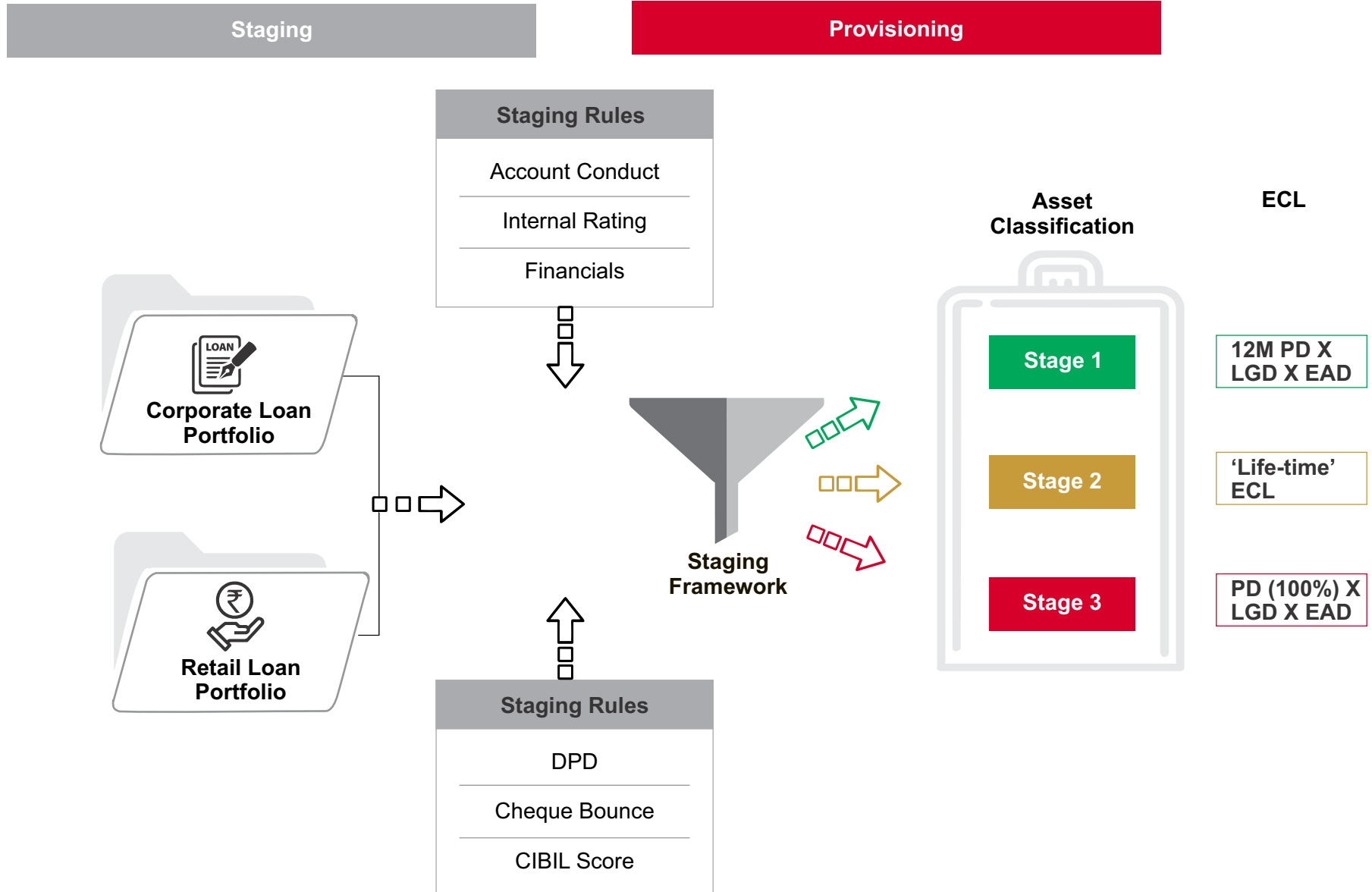
Classify Loan Assets across Stages

Staging rules are aligned with the lender's portfolio characteristics, borrower segment and overall risk appetite



Provisioning or ECL Calculation

For each stage, factor in the borrower's risk profile, recovery rate and exposure at default



A comprehensive tool
**combining robust frameworks with
relevant technology, for compliance
with regulatory guidelines**



Conducts staging of loan assets based on multiple risk indicators



Enables segment-specific application of risk benchmarks



Computes provisions across stages along with cashflow simulation



Provides risk insights through dashboards, reports



Allows stress-testing and scenario analysis for further portfolio analysis



| Our Clients

Business Intelligence and Risk Solutions (BIRS) provides a comprehensive range of risk management tools, analytical solutions and consulting services to financial institutions, banks, and corporates globally. We operate with a resource pool of 180+ analysts/developers and have engagements spanning 100+ clients in diverse geographies with a large presence in India, Sri Lanka, Mauritius, Malaysia, UAE and Africa. Some of our key clients include:

- India's top 2 public sector banks by assets
- India's top 3 private sector banks by assets
- Mauritius' banking regulator
- UAE's largest bank
- A large private financial services provider in Mauritius.
- A premier private sector commercial bank in Sri Lanka
- A Mid-sized Malaysian Bank
- A leading African alternate credit financier



About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

About CRISIL Business Intelligence & Risk Solutions (BIRS)

CRISIL Business Intelligence & Risk Solutions (BIRS) is uniquely positioned to help banks and financial institutions in their data and analytics needs. Our deep domain knowledge of processes and best practices across the entire BFSI spectrum enables us to offer innovative solutions that aid decision making across Corporate & Investment Banking, Commercial & Retail Banking, Cards, Asset Management and Insurance domains. Our proprietary technology platform combined with deep business domain knowledge helps us deliver best in class solutions across all the key functional areas including Risk Management, Sales & Marketing, Financial Control & Reporting, Regulatory Compliance and Governance. The solutions are designed to provide advanced insights into data with an emphasis on actionable intelligence, ensuring you take data driven decisions to achieve your business objectives. To know more about what we do please visit us at www.crisil.com

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