



PRESCIO

Analytics & Financial Technology

FINANCIAL MODELING

OCC 2011-12 COMPLIANT



Managing enterprise-wide risks requires analyzing present and historical data and modeling potential future outcomes. To address this challenge, Prescio developed a wide range of tools to model each financial risk and then combine these risks into overall measures.

As each enterprise addresses specific situations, custom models are often developed on a case-by-case basis. The employment of both off-the-shelf models and custom models requires independent model validation before their results are employed.

The Prescio team boasts over 20 years of combined experience in validating existing models and developing new models in various financial settings.



FINANCIAL MODELING SERVICES

General Validation Approach

Prescio maintains a holistic approach to model validation by first developing a complete map of the entire modeling process and the operations environment. The approach then focuses on data inputs, key assumptions, and sound theoretical formulation and documentation.

Model Review Approach

Our model review teams are comprised of leading experts in the banking and finance industries who work alongside Prescio mathematicians and statisticians. The goal of this approach is to provide sound judgment in the theoretical foundation of the model related to data analysis, customized testing of model fit and output, and regulatory compliance.

Benchmarking

Prescio has developed a suite of proprietary financial applications that are used for benchmarking during our model validation process. These benchmarking products cover a wide spectrum of risk model requirements.

Deposit Forecasting

As a part of the independent model validation process, Prescio helps institutions improve their balance sheet management capabilities. We have deep domain expertise in both building and validating ALM risk models.

Operational Risk Model

Prescio maintains an in-house operational risk model that merges a Bayesian methodology with the Loss Distribution Approach (LDA). We use this in-house model for comparison when externally validating a given operational risk framework.

THE VALUE OF PRESCIO

- ▶ We are your partner and resource for a wide range of financial and technical solutions
- ▶ We help your business minimize operational costs
- ▶ We help you run your business more efficiently
- ▶ We help you assess and manage risk
- ▶ We remain cost-effective
- ▶ We remain flexible and accessible
- ▶ We remain stable and focused
- ▶ We maintain an experienced and knowledgeable team
- ▶ We complement and add value to your existing team
- ▶ Committed to researching, developing, and testing new concepts, ideas, and technology

Prescio is an analytics and financial technology consulting firm with decades of combined experience in risk management, financial modeling, systems and IT, data administration, and software development.

Partner with Prescio to develop technical business solutions and outsource or complement your existing team. Our talented analysts, engineers, and consultants are ready to assist you with your next project.

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