

## Press notice

### **FRSGlobal adds Expected Credit Loss for increased risk management**

FRSGlobal, the only global provider of risk and regulatory compliance solutions on a unified platform with coverage for over 40 countries, today announced that it has introduced an Expected Credit Loss (ECL) component as part of the Credit Risk module within its unified risk and profitability analysis solution, RiskPro, to help the banking, insurance and corporate sectors strengthen risk management insight.

Credit risk - the risk of financial loss due to an unexpected deterioration of counterparty's credit quality - has played a significant role in the majority of financial crises to date, which makes it a crucial factor to be able to measure and manage. Credit risk management starts with an assessment of credit quality (i.e. rating, probability of default, loss given default) and credit exposure at a counterparty level. The ECL component in RiskPro provides an accurate analytical solution that calculates:

1. The cost of the expected losses due to credit risk
2. The expected lost cash flows of a contract due to credit risk.

The highly performant methodology behind the ECL component analyses the expected loss of financial contracts on a model encompassing all risk factors using the [Edgeworth expansion](#) formula. The model insures high accuracy, high performance and addresses the industry need for integrated analysis.

**Thomas Brouwer, Head of Product Management, FRSGlobal, commented:** "Sound credit risk measurement is the necessary foundation stone for building institution-wide risk measurement and management methodologies. The addition of our ECL component insures a high level of accuracy, high performance and further addresses the need for integrated analysis which is becoming increasingly important."

ECL is part of FRSGlobal's RiskPro Credit Risk solution which provides the user with the power to measure credit exposure, potential future exposure and credit Value at Risk (VaR) including sophisticated stress testing functionality that enables strategic decisions to be made with confidence.

FRSGlobal's RiskPro solution covers a broad scope and depth of financial analysis ensuring consistency of results, and reduction in the costs of analysis which includes:

- Easy-to-use and highly flexible modular software platform satisfying the internal and external analysis requirements in financial risk analysis - for small to large organisations;
- Extensive financial product coverage - from saving accounts, complex loans and insurance instruments to exotic options and structured products;

- Experienced and talented implementation and support resources - providing quality services and complete knowledge-transfer to ensure effective solution implementation, use and support;
- This covers worldwide accessibility and global delivery capability through local presence and international teams.

--Ends--

### About FRSGlobal

FRSGlobal is the only provider of risk management and regulatory compliance reporting solutions on a unified platform with a single data model.

**FRSGlobal solutions are a combination of modules from [RegPro](#) and [RiskPro](#), sharing a single [DataFoundation](#) and [CalculationEngine](#):**

- **RiskPro** provides profitability analysis across the following risk types: Asset Liability Management (ALM), Liquidity, Market, Credit, Basel II, IFRS/IAS32 and 39, Solvency II, Funds Transfer Pricing and Economic Capital.
- **RegPro** enables financial institutions to address major regulatory and compliance requirements locally and globally – with reports for more than 40 countries.
- Subscribing clients benefit from the **FRSGlobal Guarantee**, which ensures the regulatory reports are maintained in line with the Regulators' requirements.
- FRSGlobal **Centre of Risk & Regulatory Excellence** monitors risk and regulatory activities in 100+ countries.

FRSGlobal has nearly 20 years of industry expertise and its solutions are used in over 1500 financial organisations - including 41 of the top 50 global banking institutions. It is owned by the Carlyle Group and Kennet Partners.

FRSGlobal is headquartered in Brussels with a further 19 other offices in North America (Boston, New York and Toronto), Europe (Amsterdam, Brussels, Dublin, Lisbon, London, Luxembourg, Madrid, Paris, Zurich, Lausanne, Warsaw and Cluj-Napoca (Romania)), Dubai and Asia Pacific and Japan (Hong Kong, Pune and Singapore).

###

### **COMPANY CONTACTS**

FRSGlobal

Lauren Dearmer, PR Manager

Tel: +44 (0) 20 7539 6525

Email: [lauren.dearmer@frsglobal.com](mailto:lauren.dearmer@frsglobal.com)