



# RAAS

Risk Platform

**Rating as a Service**

Artificial Intelligence for  
credit risk management

a modefinance product

# Risk management common problems



- **Inefficient tools** for risk management, available at **high prices** and based on **outdated information**;
- Exhausting and **time-consuming** paper based risk procedures, where siloed team structures without a central database lead to wrong results;
- **Lack of standardized methods for** internal and external **data integration**, with a consequent loss of value;
- Different outputs based on personal analysts' results;
- Rating Agencies only cover 10% of the listed universe.



# Market trends



- Improving and automating current process, by integrating **Artificial Intelligence**: more revenue via better operations (67% of priority\*);
- Increasing data value to win and differentiate the finance business via **Advanced Analytics** (81% as TOP 3 technologies in finance\*);
- Exploiting unstructured data, coming from different sources, and transforming **BigData** into **Smart Data**: more business on digital (67% of priority\*).

\* Gartner Analysis

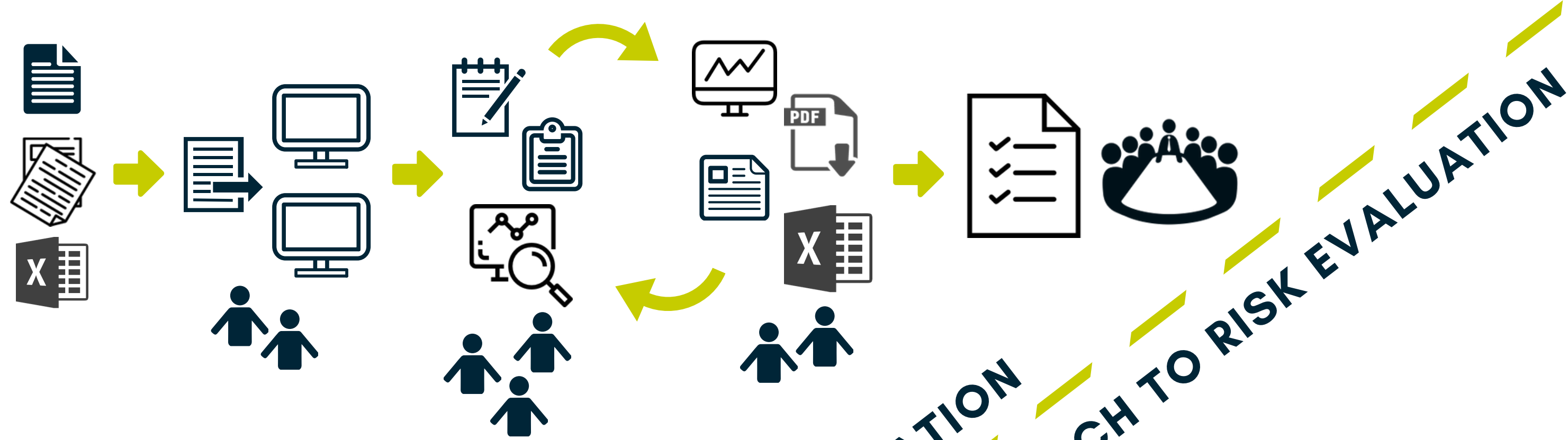


# How to solves these problems



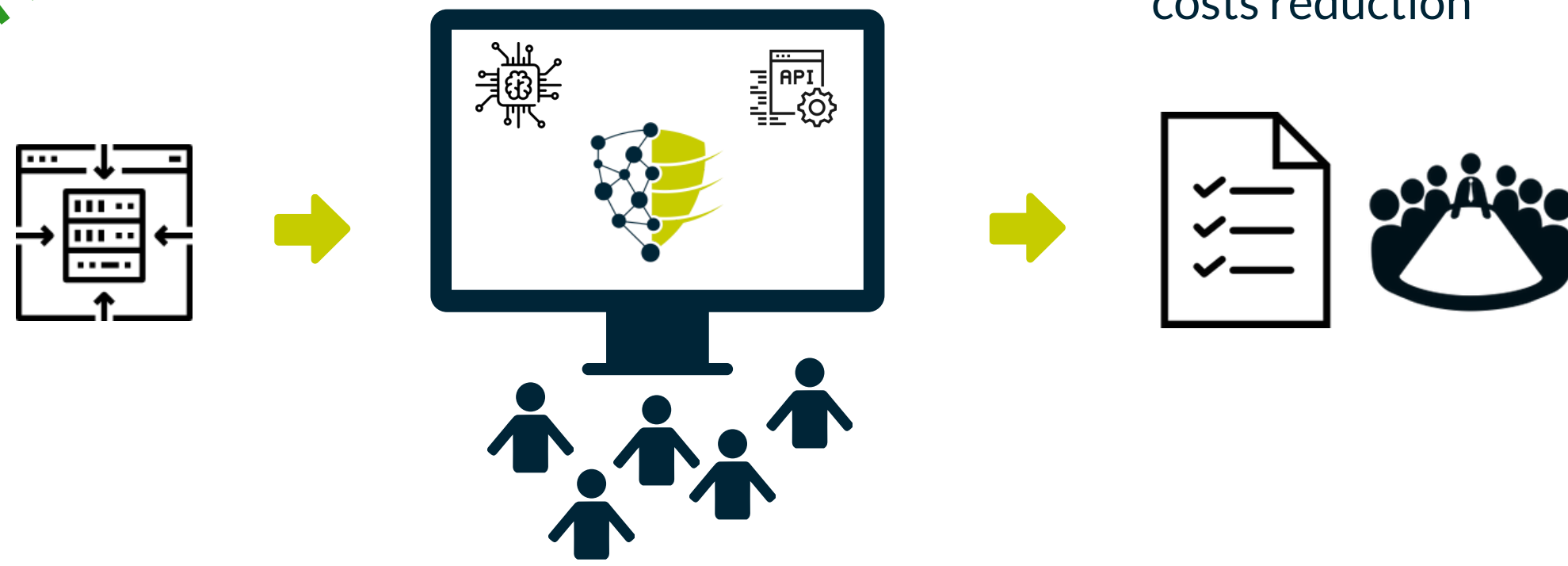
- Reaching **thousands of listed companies and millions of privates**;
- **Nowcasting** credit analytics to the user, thanks to smart technologies, constant updating corporate news flow and smart reviewing;
- Equally and consistently assessing listed and private companies, where there isn't a real independent credit risk management **dedicated to private positions** in the market;
- A **verified** and always up-to-date **methodology** behind the evaluation process (MORE);
- **Adaptive, customizable and flexible solution**, rooted on core fundamental analysis.





exhausting and time-consuming paper based risk procedures, lacking of process automation

**TRADITIONAL APPROACH TO RISK EVALUATION**  
**INNOVATIVE APPROACH TO RISK EVALUATION**



workflow cut and simplification, decision making process' time and costs reduction

single data input, unique platform, procedures and decision process customization: the practice is managed entirely from the pre-feasibility to the approval



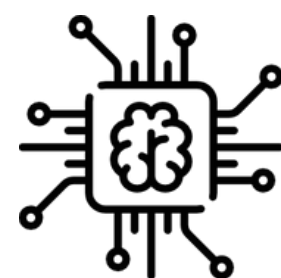
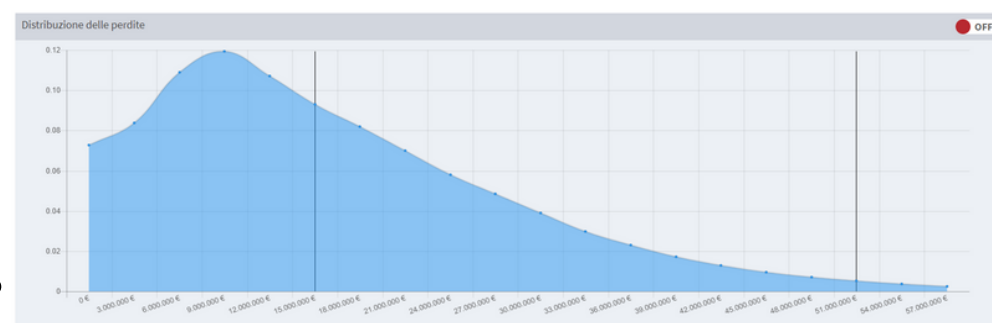
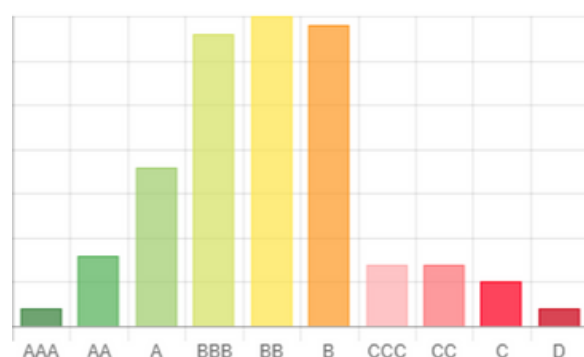
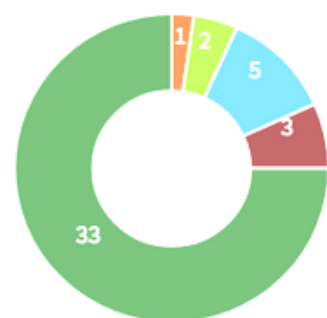
**Data**

Financial accounts  
Private info  
Data providers  
Credit Bureau

BigData  
Artificial Intelligence  
MORE technology

web service / API  
ERP integration  
PDF Report  
Excel data

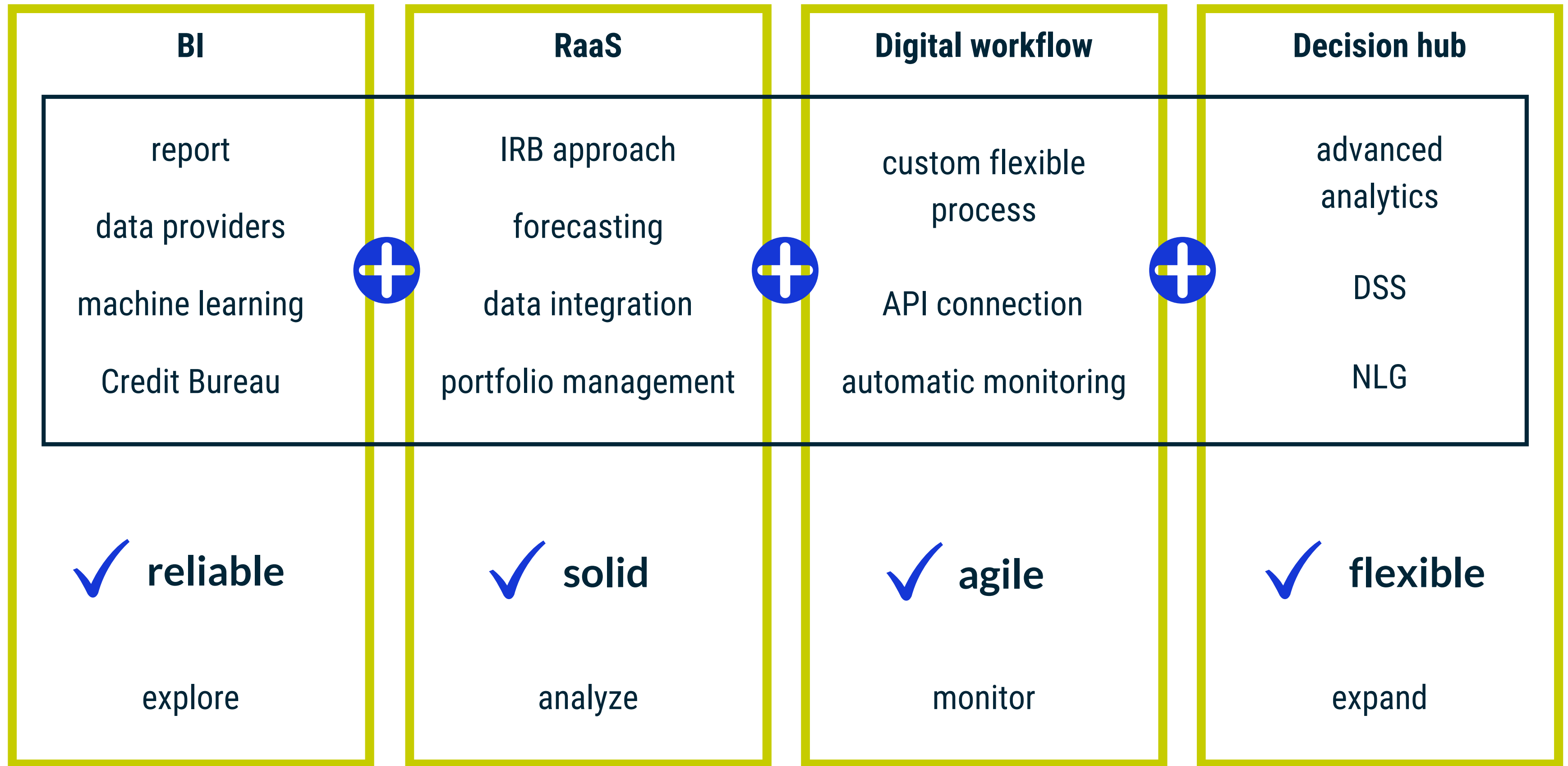
## Analytics



## Features

- Ratings
- Probability of default
- Portfolio analysis
- Debt capacity
- Sensitivity analysis
- Custom Credit Limit
- Expected Losses
- Value at Risk
- Loss Given Default
- Forecasting & stress-test
- Massive analysis
- Multi-company folder
- Other custom models





# Features

**Global approach:**  
global Credit  
Scoring model for  
corporates and banks,  
worldwide.

**Artificial  
Intelligence:**  
automatizing the  
process, with more  
accurate information.

## Sector analysis

NACE sector 2811, year 2016.

	Company	Healthy	Balanced	Vulnerable
<b>Solvency ratios</b>				
Leverage ratio ⓘ	0.4	0.51	1.58	3.02
Financial leverage ⓘ	0.0	0.11	0.51	1.14
Total asset/Total liabilities ⓘ	3.47	2.98	1.63	1.27
<b>Liquidity ratios</b>				
Current ratio ⓘ	1.56	2.4	1.39	1.15
Quick ratio ⓘ	1.39	1.85	1.16	0.83
Cash Cycle ratio	-26.0	-11.0	0.0	0.0
<b>Probability ratios</b>				
Return on investement ROI ⓘ	-29.94	13.88	3.68	1.23
Return on equity ROE ⓘ	-42.23	12.39	5.91	-2.35
Asset turnover ⓘ	1.26	1.01	0.95	0.81
EBITDA/Sales ⓘ	-0.21	0.14	0.09	0.03
<b>Interest Coverage ratios</b>				
EBIT interest coverage ratio ⓘ	-219.04	127.8	7.09	0.52
EBITDA interest coverage ratio ⓘ	-191.84	119.9	24.88	0.98
<b>Monetary cycle (days)</b>				
Days Sales of Inventory (DIO) ⓘ	10.0	44	46	65
Days Sales Outstanding (DSO) ⓘ	39.0	56	78	65
Days Payable Outstanding (DPO) ⓘ	6.0	36	50	57
Cash Conversion Cycle (DIO + DSO - DPO)	43.0	64	74	73
<b>Numerosity of companies analyzed</b>				
	-	50	99	57





Load a file

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X

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Close

Proceed

Codes to insert

Insert fiscal codes or euvats (max 1000) between commas or starting a new line each.

oplon

RISK PLATFORM

Main menu

Dashboard

Your activities

Companies

Portfolio

Prospecting

Massive analyses

Administration

Name, fiscal code, ...

Support

Session: Test

Massive analyses sessions list > Test

Session's main informations

Created by

Support modefinance

Dossier Type

Bond Issuance

Analysis Type

MORE Credit Scoring

Creation date

October 01, 2018 15:53

130 COMPLETED

0 IN ELABORATION

0 ELABORATION ERROR

Insert new analyses

Insert new analyses from excel

Filters

Go to Portfolio

Search:

Show 10 entries

Input codes	Fiscal code	Euvat code	Elaboration status	Creation date	Link to Analysis
IT01378000184	06906520157		COMPLETED	October 01, 2018 15:55	
IT07266591218	07266591218		COMPLETED	October 01, 2018 15:55	
IT10493801004	10493801004		COMPLETED	October 01, 2018 15:55	
IT03321440137	03321440137		COMPLETED	October 01, 2018 15:55	
IT01088210313	01088210313		COMPLETED	October 01, 2018 15:55	
IT06834900638	06834900638		COMPLETED	October 01, 2018 15:55	
IT03883941001	03883941001		COMPLETED	October 01, 2018 15:55	
IT02037360233	02037360233		COMPLETED	October 01, 2018 15:55	

Open ticket

# Features

**Massive analysis:**  
perform up to a 1000  
analysis at the same  
time.

**Portfolio simulation:**  
the feature above, along  
with portfolio risk  
analysis, enables  
different portfolio  
scenarios.

# Features

**For-ST:** to automate the whole financial forecasting and stress-testing.

The model performs budget simulation on different scenarios, allowing to stress-test key variables, in order to define the company's debt capacity and the investment strategy to pursue.

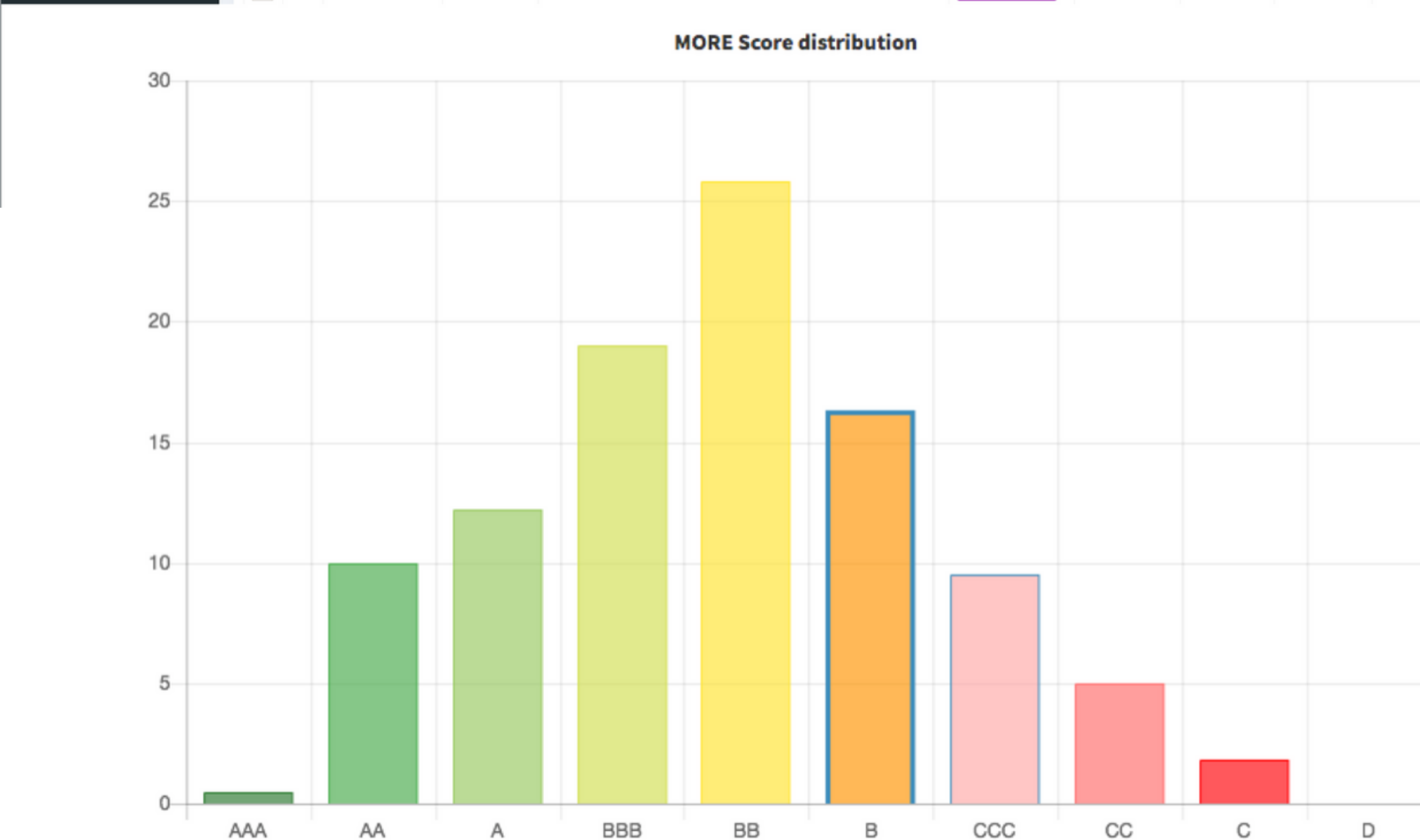
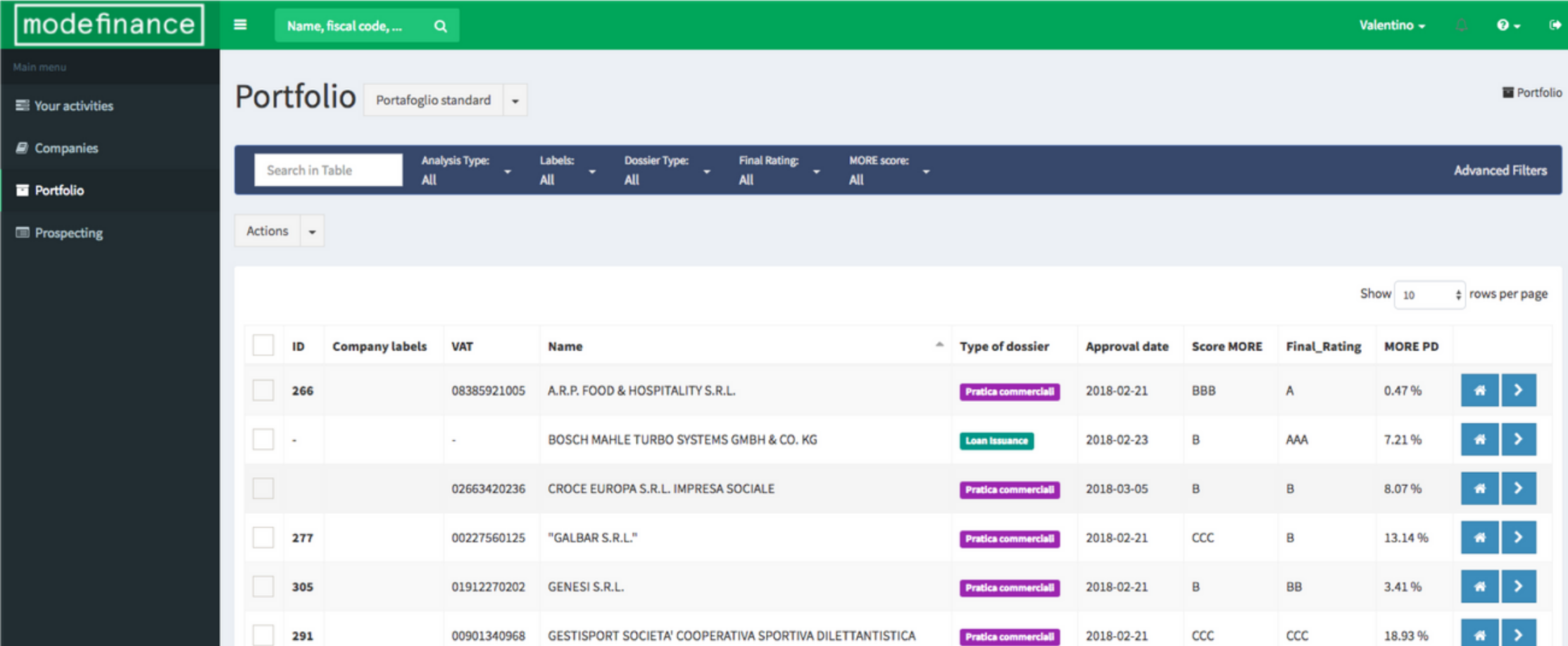
Up Trend					
	<a href="#">Show details</a> <a href="#">Download excel</a>				
	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
	UNCONSOLIDATED	UNCONSOLIDATED			
modefinance score	CCC	BB	BBB	BBB	BBB
One year probability of default	2,12%	0,86%	0,86%	0,82%	0,79%

Neutral Trend					
	<a href="#">Show details</a> <a href="#">Download excel</a>				
	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
	UNCONSOLIDATED	UNCONSOLIDATED			
modefinance score	CCC	BB	BB	BB	BB
One year probability of default	2,12%	0,86%	0,91%	0,97%	1,08%

Down Trend					
	<a href="#">Show details</a> <a href="#">Download excel</a>				
	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
	UNCONSOLIDATED	UNCONSOLIDATED			
modefinance score	CCC	BB	BB	B	B
One year probability of default	2,12%	0,86%	0,86%	1,10%	1,15%

Up Trend					
	<a href="#">Show details</a> <a href="#">Download excel</a>				
	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
	UNCONSOLIDATED	UNCONSOLIDATED			
modefinance score	CCC	BB	BBB	BBB	BBB
One year probability of default	2,12%	0,86%	0,83%	0,85%	0,85%
Months	12	12	12	12	12
Balance sheet (€)					
✚ Total assets	1.561.482.000	1.032.118.000	1.053.805.427	1.174.154.206	1.220.677.882
✚ Shareholders funds	353.653.000	410.159.000	456.276.869	494.846.212	527.615.869
✚ Total liabilities	1.207.829.000	621.959.000	597.528.558	679.298.993	693.062.013
Total shareh. funds & liab.	1.561.482.000	1.032.118.000	1.053.805.427	1.174.145.206	1.220.677.882
Short term debts	85.050.000	57.197.000	80.000.000	104.000.000	135.200.000
Long term debts	269.777.000	233.326.000	178.640.219	232.232.285	255.781.338
Cash & Cash equivalent	1.139.000	679.000	933.124	1.064.770	1.064.770
Net debt	353.688.000	289.844.000	257.707.095	335.167.515	335.835.308
Working capital	(10.124.000)	19.930.000	-	-	-
Net current assets	(571.003.000)	189.207.000	-	-	-





# Features



**Monitoring:** automatic monitoring of all the portfolio positions.

**Customization:** BigData integration of both public and private data into customized models.

**Nowcasting**



# Features

**Integration:** customized Credit Rating policy and procedures with flexible users' hierarchy management.

**Easy connection:** cloud-based platform access and data transfer, through Machine Learning technology.

## Approved analysis

### Complete analysis

MORE score

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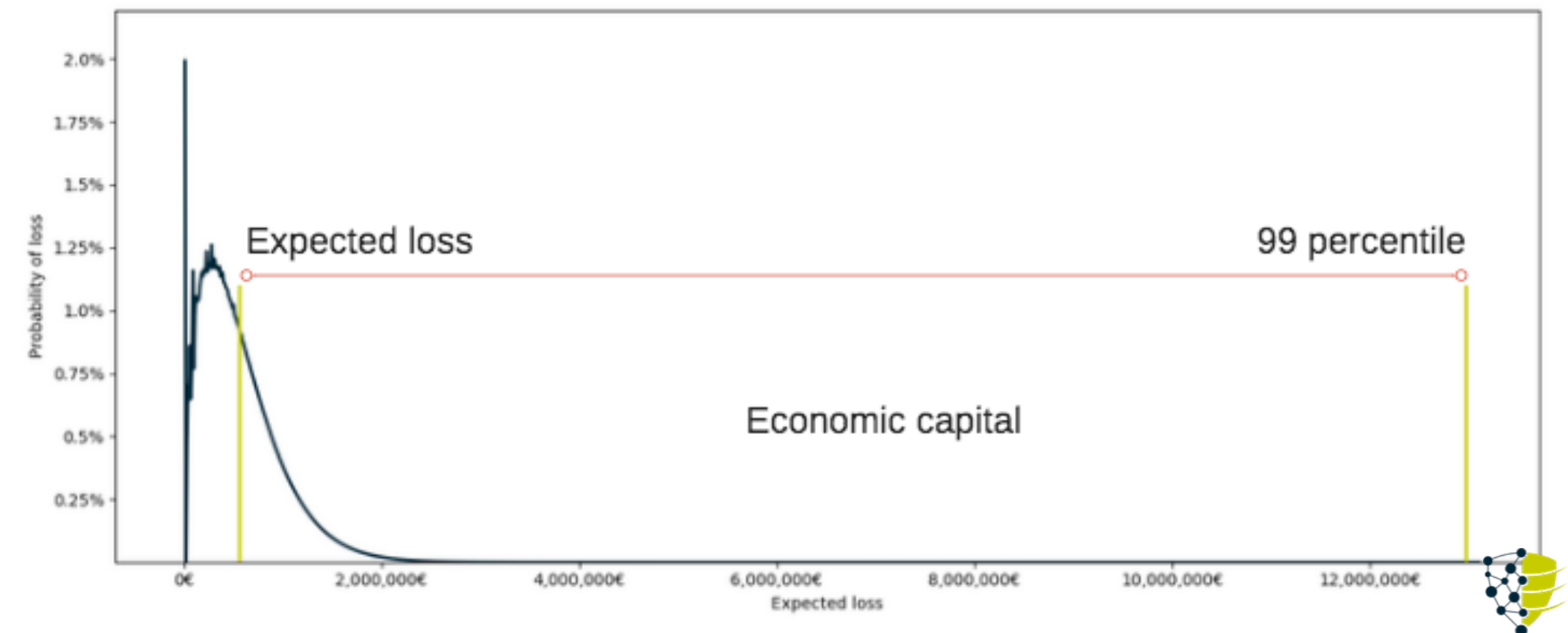
Probability of default 7.21 %

Final rating

AAA

## Analysis in progress

### Quantitative Credit Scoring



# already adopted RaaS:



# Key competitive advantages

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## REAL-TIME AND NOWCASTING DATA APPROACH

- significant reduction of companies' analysis process



## IMPROVED RISK MANAGEMENT

- internal risk management policies and procedures adaptability



## CUSTOMIZED DATA INTEGRATION

- rating and analytics on the entire portfolio with customized qualitative analysis when needed



## ZERO ONBOARDING TIME

- cloud-based modular tools
- adaptive and customizable tools rooted on core fundamental analysis






## MULTI-SECTOR AND MULTI-CRITERIA APPROACH

- a credit rating and risk management model for both corporates and financial institutions





# Thanks to RaaS, you will get:

-  the **continuous development** of the product, to promptly respond to market changes and clients' needs.
-  a vertical **training**, to **fully understand** the platform and to maximize the value of the investment.
-  a **dedicated solutions' expert**, to help our clients to better use the products and the technologies implemented.



modefinance

where the most advanced BigData and Artificial Intelligence  
technologies meet finance

by the first European Fintech Rating Agency



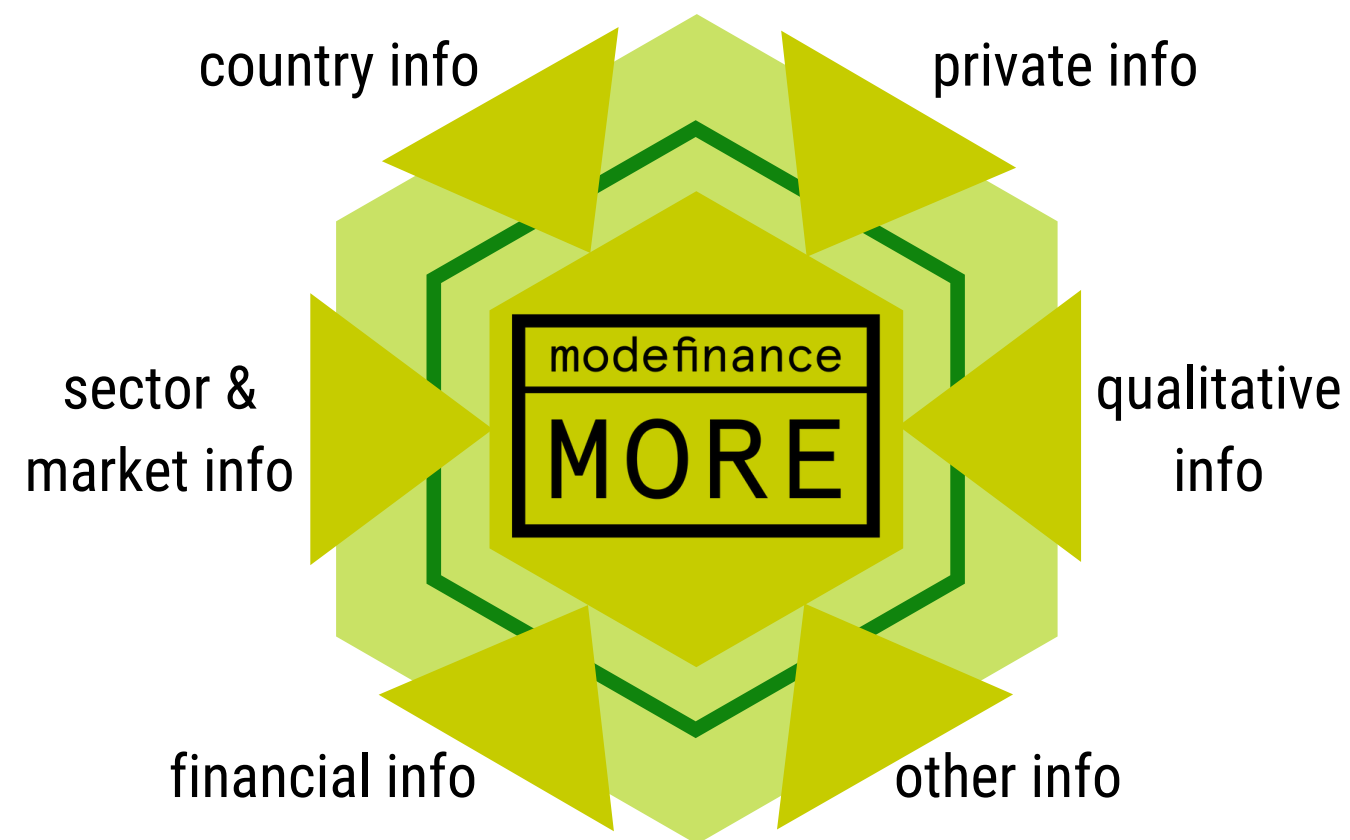


# modefinance core: **MORE** methodology



**No size or  
sectors limits:**

**more than  
250million  
companies and  
more than 65'000  
banks worldwide.**



Thanks to its innovative technology,  
MORE allows the consistent  
integration of all information, both  
quantitative and qualitative,  
determining an accurate assessment  
of the Credit Rating.

It is based on the most innovative  
numerical methodologies,  
connecting Machine Learning,  
decision making processes and  
BigData analysis.



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