

# Enterprise-wide stress-testing product of the year

## Moody's Analytics

Stress-testing plays an important role in enhancing risk management practices. However, it requires significant co-ordination and participation, and banks must optimise their resources, technology and data to ensure they can respond quickly to management and regulatory requests. Moody's Analytics' Scenario Analyzer provides a solution to the challenges of stress-testing by ensuring data quality and integrity, efficient resource utilisation and process management, and effective technology investment, while offering leading modelling expertise.

Scenario Analyzer can combine datasets of any format or size from various source systems, including structured and spreadsheet files. The data management platform includes thousands of data quality and validation checks as standard, and allows banks to customise and create their own checks where required. Validations can be predefined and automated, and data patching rules are also automated.

Banks' most common operating models are supported, including centralised, decentralised or centrally defined and executed at organisational unit level. Scenario Analyzer's data and process management enables banks to run the same model across different entities seamlessly while adhering to the operational control and sign-off processes pertinent to each individual unit. Multilevel signoff and control processes are supported with full auditing and repeatability. Banks can make the appropriate decisions at each level of signoff, providing supporting documentation, which is held centrally. Results before and after decisions can be viewed to help answer questions from internal management and regulators. Real-time monitoring provides central tracking and oversight of the stress-testing process.

Scenario Analyzer acts as a centralised model



Andy Frepp, Moody's Analytics

catalogue. Banks can integrate their own models, or those from specialist external providers, with Moody's Analytics' RiskCalc and Commercial Mortgage Metrics models. The framework supports models developed in a number of scripting languages, including R and Python. Scenario analysis abilities allow banks to create unique strategies with macroeconomic variables for different business lines and apply them in their chosen models at the click of a button.

### Judges said:

"A market leader that has improved data integration and has added integration of third-party statistical scripting languages."

"A welcome focus on the underlying data for stress-testing."

"Moody's Analytics has the broadest and deepest stress-testing capabilities."

### Andy Frepp, general manager of enterprise risk solutions at Moody's Analytics, says:

"Stress-testing plays a critical role in how banks manage risk. Understanding the potential impacts of different scenarios leads to more informed business decisions. Stress-testing exercises have traditionally required the participation of numerous groups within an institution, and often took several months to complete. Today, banks must be able to respond to regulatory and management requests faster, while also extracting business value from the exercises' results. Moody's Analytics stress-testing solutions allow banks to optimise their resources, data and technology to transform their stress-testing programme from purely a regulatory compliance exercise to a strategic management resource." ■

# Thank You

Your confidence in Moody's Analytics recently earned us six wins in the 2019 Risk Technology Awards:

- » Bank ALM System of the Year
- » Credit Data Provider of the Year
- » Wholesale Credit Modelling Software of the Year
- » Enterprise Wide Stress-Testing Product of the Year
- » IFRS 9 – Enterprise Solution of the Year
- » IFRS 9 – ECL Modelling Solution of the Year

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