Validation is key

Find the key to optimizing your
rating model accuracy

CredaRate
EXPERTS FOR CREDIT RISK & ESG

Expertise - over 20 years of experience in the
complex process cycle of model validation

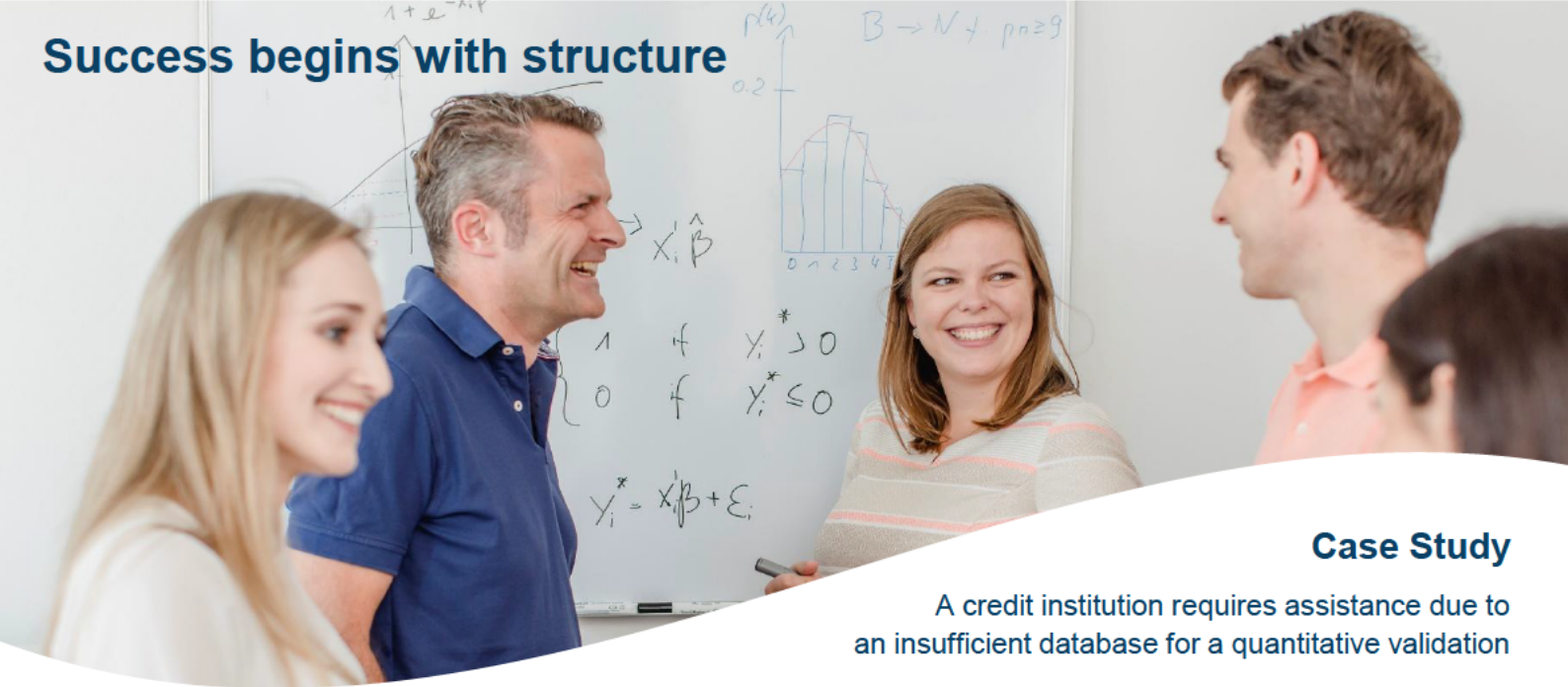**Data pool** - extensive, quality-assured pool data
set, steadily growing since 2005

Infrastructure - efficient validation of external
models based on established processes for our
internal models

Support - assistance with audits by our experts
in our credit and data science & analytics teams

Our expertise
Your benefits

➢ Validation of rating procedures and other models

➢ Development of challenger models on pool/customer data

➢ Review of the quality of individual ratings

➢ Benchmarking of third-party models against the CredaRate models

➢ Preparation of regulatory-compliant validation concepts

➢ Programming of the validation analyses required by supervisory law

➢ Preparation of validation documentation and presentations

Benefit from our expertise!

Success begins with structure

Case Study

A credit institution requires assistance due to an insufficient database for a quantitative validation

Rating Model Validation

1

Technical documentation and formula system provided by the institution:

– Scope of application

– Institution-specific model

– Description of the relevant risk factors

2

Replication of the formula system using our data pool and infrastructure

– Develop mapping rules

– Create a representative data set

– Calculate the probability of default based on the rating model

3

Quantitative validation analyses:

– Descriptive

– Correlation

– Discrimination

– Model stability

– Calibration

4

Regulatory compliant reporting

– Presentation of the results

– High quality documentation

– Cost efficiency through annual replication (optional)

Let's talk about your case

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