

IFRS9 Impairment Module

Prometeia ERMAS



We are a leading provider of consulting services and software solutions focused on Enterprise Risk & Performance Management

Founded in 1974 as an independent institute for economic research by a group of young university professors in Bologna, in 1981 Prometeia began offering analysis services to businesses and financial intermediaries. Since the '90s, the company's activities have focused increasingly on the integration of research, analysis, consultancy and software system development. This

distinctive mix of services has made Prometeia a leading European company in risk and wealth management solutions, business consulting and advisory services for institutional investors. Prometeia collaborates closely with its clients to help them maximize their performance, whether they are banks, insurance companies, institutional investors, businesses, or public authorities.

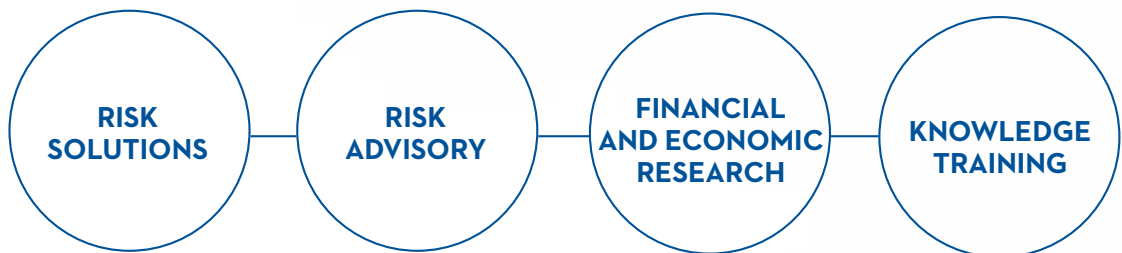
Our combination of tech proposition, quantitative advisory, training and economic research makes our business model unparalleled in today's market

Prometeia's approach to Enterprise Risk Management is based on the development of quantitative models and analysis methodologies. The production of highly specialized software applications leverages leading technologies, the knowledge of our subject matter experts

and our ability to successfully respond to the growing demands of regulation. Our deep understanding of international markets, derived from proprietary economic research, adds a unique element to Prometeia's business model and value proposition.

- > with over **800** industry experts
- > more than **40** years of economic expertise
- > we serve more than **200** financial institutions, including **50** primary banking groups in EMEA
- > in **20** different countries
- > through a network of branches in **Europe, Russia, Turkey, the Middle East** and **Africa**

Our unique
business model
combines



Our flagship Risk Management Suite

ERMAS Suite is our advanced and flexible solution designed to **support the active management of enterprise risks and maximize value generation**, while meeting the requirements set by national and international regulators.

ERMAS modular architecture

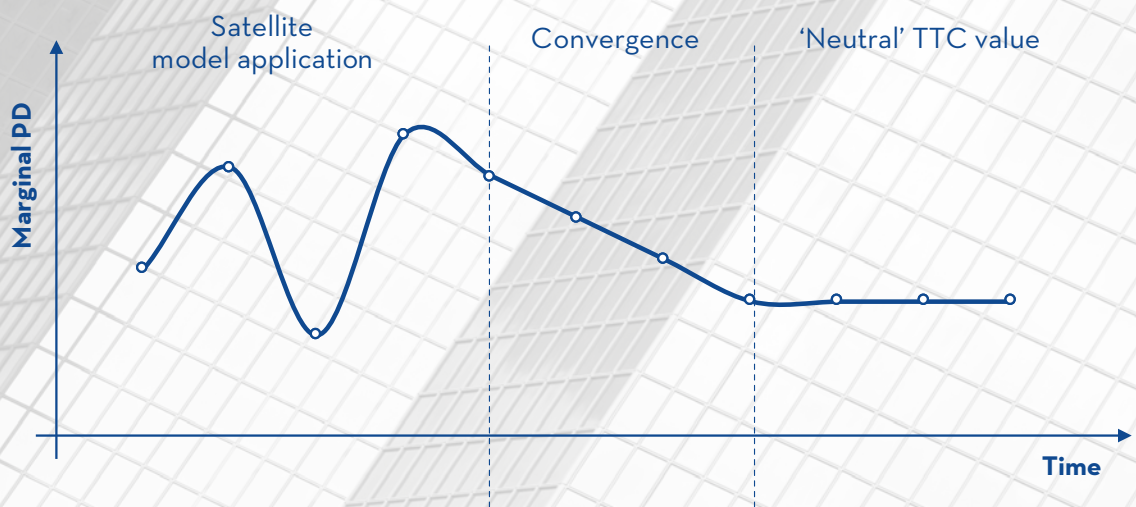
allows the activation of each module independently to fill a specific gap of the bank's risk infrastructure, as well as the benefits of a single, integrated solution based on a common data warehouse and state-of-the-art technology.



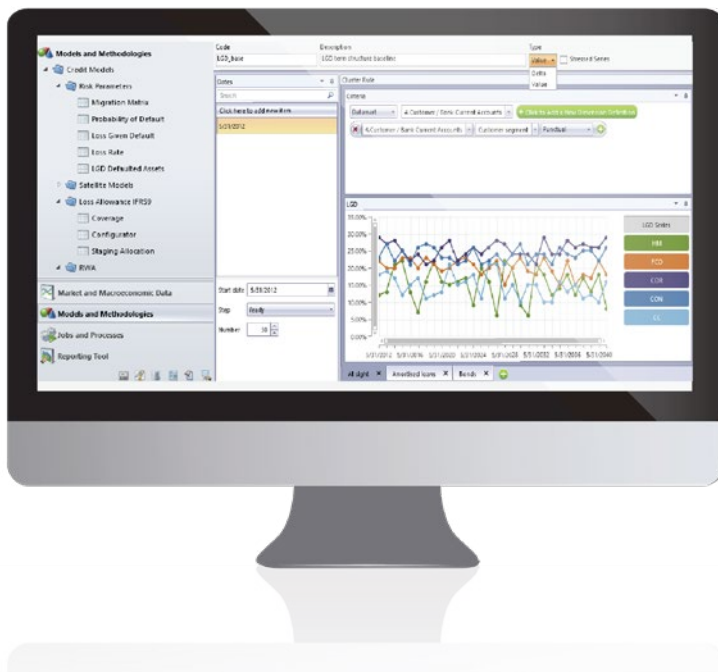
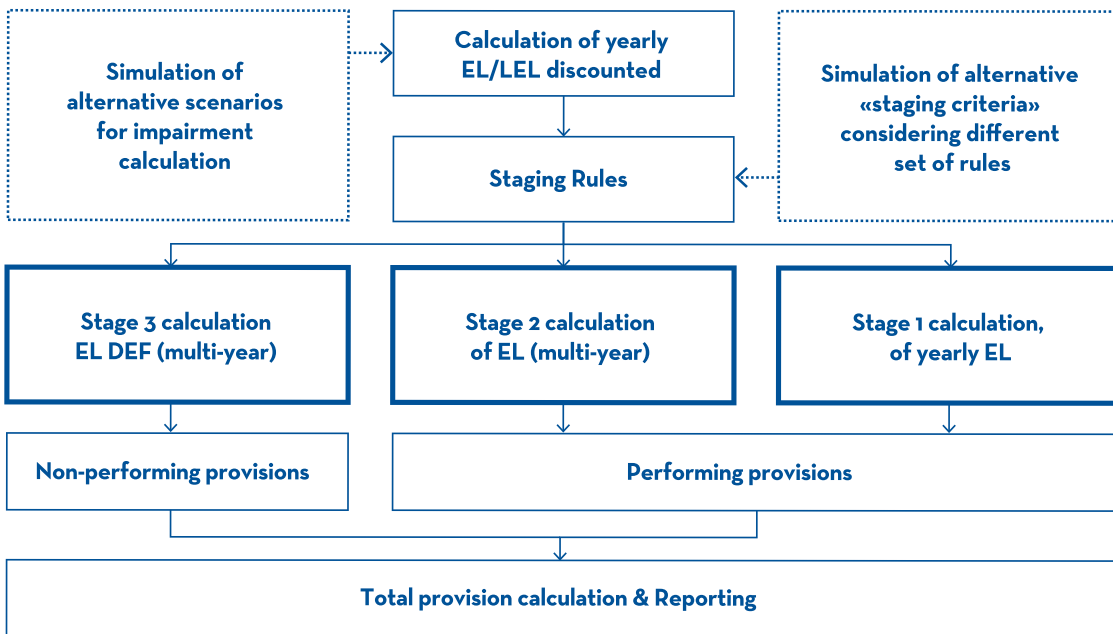
<p>RiskTech 100 2018 Category Winner Liquidity Risk & ALM</p>	<p>Risk Technology Awards 2018 Winner</p> <p>Prometeia Enterprise-wide stress-testing product</p>	<p>Chartis RiskTech Quadrant® Category Leader Technology Solutions for Credit Risk 2.0, 2018</p>	<p>Chartis FinTech Quadrant™ Category Leader IFRS 9 Technology Solutions 2017</p>
<p>RiskTech 100 2015 Category Winner Customer Relationship</p>	<p>Risk Technology Rankings 2016</p> <p>Winner Liquidity risk management</p>	<p>Chartis FinTech Quadrant™ Category Leader Data Integrity and Control in Financial Services 2018</p>	<p>Chartis RiskTech Quadrant® Category Leader Credit Risk Management for the Banking Book 2016</p>

Our IFRS expertise

ERMAS supports the new IASB accounting standards, **including IFRS9 impairment requirements and IFRS13 fair value measurement**. By combining credit risk rating and satellite models, the lifecycle information on each individual financial instrument and a transparent and auditable contract level IFRS subledger with powerful reporting tools, the solution is fully compliant with all requirements for accounting, disclosure and reporting.



IFRS9 Impairment Module



Analytical capabilities

Comprehensive data management capabilities to improve data quality process and reduce reconciliatory burden

Credit risk models that forecast PD, LGD and EAD under normal and stressed scenarios

Benchmark test to assess the modification of time value of the money, to determine whether the SPPI criterion is still met

Expected credit loss assessment, considering a one year horizon or a lifetime expected credit loss calculation for every asset of the Institution and for every stressed scenario

Industry leading models for cash flow generation, including the application of advanced behavioural methodologies

Allocation of each individual contract to one of the credit quality stages as defined by IFRS9

IFRS13 compliant fair value measurement techniques

Calculation of credit-adjusted effective interest rate (EIR), amortized cost and effective interest

Multi-dimensional reporting, supporting disclosure requirements such as:

- PD and LGD evolution
- official loss allowance for each transaction
- loss allowances under various business scenarios and economic conditions
- transition matrix between stages
- fair value hierarchies



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