IRS 3.0-Internal Rating Solution
Premium & Lite

A comprehensive, workflow-driven solution designed to automate lending decisions for Banks and NBFCs. IRS streamlines credit decisions with intelligent workflows and in-house credit risk models tailored for Corporates, Infrastructure, and Retail segments. It empowers faster, model driven loan approvals and pricing—while ensuring full compliance with Basel norms, RBI guidelines, the IRB approach, and EASE parameters.

Snapshot of Workflow

Solution Modules	Loan Origination	Risk Scoring	Credit Sanction	Risk based pricing and risk analytics	
Solution Features	Web Based architecture	Configurable workflow	Custom report builder	Audit log / backups	User access & security

Key Features

- **Scoring Engines**
  Assigns internal risk ratings based on quantitative and qualitative factors
- **Credit Risk Models**
  Uses statistical and expert judgement-based models to calculate PD, loss given default (LGD), and exposure at default (EAD)
- **Internal Risk Rating Framework**
  Borrower Risk Rating, Facility Risk Rating, 10-point Internal Risk Rating Scale
- **Integration with Credit Lifecycle**
  Use internal ratings in loan origination, pricing, monitoring, and provisioning. Ensure alignment with IFRS 9 and Basel capital requirements
- **Interoperability**
  APIs for integration with LMS, LOS, CBS, EWS and other banking systems
- **Reporting**
  Custom report builder to ensure standard, ad-hoc, regulatory and MIS reporting
- **Documentation**
  Ensure explainability and auditability of models through detailed model documentation

Key Benefits

Enhanced Credit Decision-Making

- Provides a structured, model-driven approach to assess borrower creditworthiness
- Reduces subjectivity and improves consistency in loan approvals

Improved Risk Management

- Enables early identification of deteriorating credit quality and NPA management
- Supports proactive risk mitigation strategies

Regulatory Compliance

- Aligns with Basel, RBI guidelines and IFRS 9/ Ind AS 109 requirements for capital adequacy and provisioning. Facilitates internal ratings-based (IRB) approaches for regulatory capital calculation
- Under RBI's Scale-Based Regulation (SBR), NBFCs are expected to have robust internal risk management systems

Capital Optimization

- Helps allocate capital more efficiently based on risk-adjusted returns
- Supports risk-based pricing and portfolio diversification strategies

Portfolio Monitoring

- Enables real-time monitoring of credit risk across segments and geographies

Operational Efficiency

- Automates risk assessments and reduces manual effort. Integrates with loan origination and core banking systems for seamless workflows

Why ICRA Analytics Limited?

ICRA Analytics Ltd, a wholly owned subsidiary of ICRA Ltd, provides services, solutions, analytics and digital platforms for Risk Management, Mutual Funds, Fixed Income, ESG Data, Analytics, BRSR Consulting and Knowledge Services. We serve a wide range of global and domestic clients, starting from BFSI players, fund managers, financial intermediaries, regulators, industry bodies, government organisations, and other market participants, providing an array of digital tools and research, risk advisory, market data and analytical support to assess and manage risks in lending and investment decision-making. We provide actionable insights through our expertise, accuracy, and timeliness, adding value with our deep domain knowledge, strong functional competence, and technological expertise.

20+ years of organizational experience

800+ committed professionals

10000+ assignments

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