DRSIK (Risk Event Resolutions)

Credit Suisse is a Private Banking.

When we normal people take loan we have to some physical asset as collateral.

But in case of investment bank the amt of loan is so large that the organisation taking loan might not be having physical asset (collateral) matching to it loan amount. So instead of going via asset as collateral, they go via market value.

But Market Value of any organisation fluctuates a lot.

For every Credit Suisse customer, there is a predefined threshold. If market value falls below that threshold, a risk is generated. Risk is a business is generated but technical term is event.

The event is captured by “Event360” and data is persisted to RER Table.

After capturing the Event dRisk comes into picture.

dRisk is a dashboard application, that is used by internal organisation people in case risk(event) is generated. If Risk is generated then, Relationship Manager contacts the customer asking them in how many days this risk can be mitigated. If risk is not mitigated, then this risk has to be escalated to Credit Specialist or Manager of RM.

For e.g. If the amount is very high, then escalation happens directly to Manager of RM and that has to happen immediately. If amount is not big enough then escalation happens to Credit Specialist and escalation happens by EOD.

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What are Control Events?

Control Event in laymen terms means Operational Risk.

For Example: - Suppose a customer comes to bank to acquire a loan and is eligible for 0.4LTV(Loan To Value) as standard way, but seeking it reputation or business growth or market size bank can leverage up to 0.6LTV. There is risk associated with extra leverage of 0.2LTV. The risk associated to this extra leverage is called Control Event.

Priority flow   
Critical -> Low -> Acknowledged -> Redeemed (Event Rectified)

Child Event Status Change Flow  
New -> Updated -> Redeemed

Group Event Status Change Flow  
New -> In Progress -> Closed

RSIN -> Generate Event. In Future will be taken by Event360.

Note:- Events k liye task bante hai...for example agar escalation hota hai toh....same event k liye new task banega.

T1(E1,E2) ---after escalation 🡪 T2(E1,E2).   
Thus child event remains same......It creates new task for CRM Manager when escalated.

Event Generated (by Event 360) 🡪 dRisk creates resolutions 🡪workflow create task

**DB Scripts**

UI side configurations specifically related to AgGrid.

Data Useful data

UI (Events View)

Supply Chain

Cache

RER

Ag Grid Configurations

DB Script

Data -> Events data + Resolution data + snapshot data.

Supply Chain 🡪 It process data that it gets from Cache and configurations from DBScript.

2.

Amazon S3 Bucket

DLS

Dante

pLTV + Carat

Application

3.

4.

Events Generation

Events Engine

Events Data Source

Events Validation

dRisk Application

RER

Step 1.

1. pLTV and Carat Application performs some operation and generates 2 files (Operational.avro and Simulation.avro file).
2. Operational is actual data file. Simulation is sort of bench mark.
3. Both these files are stored in Dante DB.

Step 2.

1. From dante using a DLS(Delivery Service) we send these 2 files to S3 Bucket.

Step 3.

1. Events Data Source listens to S3 bucket for both avro files.
2. Once S3 Bucket has avro files, it sends both the files to Events Data Source.

Step 4. (Overview Of Events Data Source)

In Events Data Source contents from both avro files are processed to create Adjustment Data Object **(ADO).**

Processing means mapping and converting the data into a format so that Ice Cream Engine **(I.C.E)** can process it.

Step 5. (Overview Of Events Engine)

1. Calls the parametrized engine.
2. So based on inputs of CO, parametrized engine decide which rule to trigger & which rule not to trigger. Basically parameters are given by CO.
3. Data from parametrized engine + ADO are sent to I.C.E.
4. I.C.E contains total 24 rules (10 implemented) which decides the rule that will be triggered and will have a defined trigger type.
5. The triggered rules are sent to events generation along with ADO.

Step 6. (Overview of Events Generation)

1. Based on data received(ADO + rule triggered) from I.C.E, Events are generated. Some other properties related to events are also created there. For e.g. UBK, creation time, external id, event type, event class sub type, event type, etc.
2. Events Generated are sent to Events Validation.

Step 7. (Overview Of Events validation)

1. From RER we fetch previous day events.
2. Based on events that we get from Events Generation, we categorize the events as New, Updated, & Redeemed.
3. Also based on different conditions events validation decides whether the generated event are valid or not.
4. The valid Events are then saved to RER, which can be fetched from by dRisk Application. via Pulsar Queue.

**App Flow for Control Events**

1 2 3

Queue

RER DB

RER

Event 360

4

Queue

6

5

dRisk

Lifecycle(LCE)

Qualitative (QCE)

Approval (ACE)

A.C.E

1. Any mismatch in operational & simulation file results in generation of ACE
2. If trigger type is Extramile positive it results in generation of ACE.

Q.C.E

If trigger type is:

1. Non Standard Lombard Flag.
2. Current fixed LTV less than current padLTV.
3. Current hardLTV less than current padLTV.

L.C.E

If trigger type is:

1. Increase in Extramile.
2. Decrease in Base LTV.
3. Maturity
4. Extramile positive pad LTV decrease
5. Decrease of fixed LTV