



ON Scenario Analysis for CRE provides lenders the ability to run city-specific macroeconomic scenarios on their CRE loan portfolio using forward-looking ON CRE Forecasts. Risk professionals get access to immediate and actionable intelligence on the CRE portfolio down to the individual property level, enabling you to:

- Run scenarios on your entire CRE loan portfolio without worrying about limited and costly resources, backward-looking data, technology, and modeling capabilities.
- Plan ahead for market changes and formulate targeted risk mitigation strategies to reduce defaults and charge-offs and better manage capital requirements.
- Use early warning indicators to take a proactive approach to portfolio monitoring and adjust your lending and review strategy to gain efficiency without sacrificing credit quality.
- Identify opportunities for growth, even in turbulent economic cycles making your lending process less restrictive, thereby supporting borrowers in times of stress.

Value proposition:



- Know where risk is coming from and instill peace of mind with OakNorth Credit Intelligence (ONci) Base Scenario and Stress Scenario.
 - BASE SCENARIO: A forward-looking view which considers the impact of prevailing trends in the economy across various cities and property types.
 - STRESS SCENARIO: A forward-looking downside scenario considering severely stressed economic conditions across cities and property types.



PROPERTY TYPES

ONci's CRE scenarios provides coverage for 6 property types – multi-family, office, retail, industrial, warehouse, and hotels; and caters to both investment loans and construction loans

20+

MACRO VARIABLES BEHIND CRE SCENARIOS

Built from the bottom up, using 20+ macroeconomic variables and property specific demand and supply data from 100+ metropolitan statistical areas

COVERAGE FOR

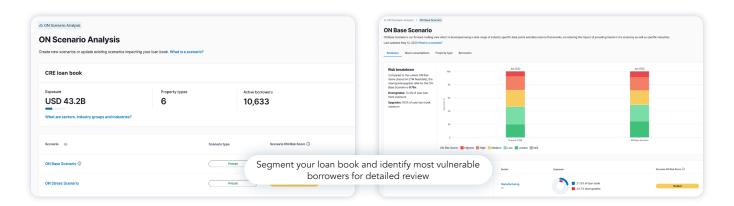
1000

CITIES ACROSS THE US

Forecasts models for 1000 cities across US for each property type. Identify the main drivers of risk across CRE portfolio and develop targeted risk mitigation strategies.

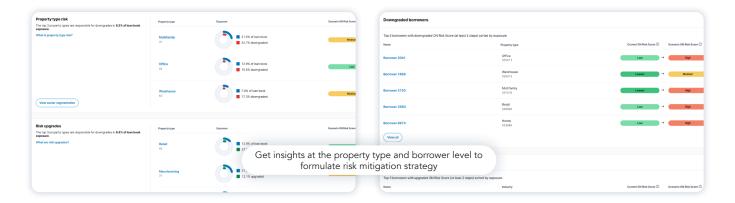


- Analyze the impact of each scenario on your CRE portfolio and identify losses up to 12 months earlier.
- Use ONci's forward-looking city and property-level forecasts to better understand risk, and layer these onto
 existing historical analyses which don't consider the changing future macroeconomic environment.
- Improve efficiency by segmenting your loan portfolio by scenario impact and identify the major drivers of risk.
- Pick up vulnerable borrowers early for detailed review and reduce time spent on low-risk borrowers.



2 Allow your teams to access insights powered by the same data and analysis, from the portfolio down to the borrower level

- Break the silos throughout the credit lifecycle with connected portfolio views.
- Drill up and down, from the overall portfolio and location level down to the property type (six property types) and borrower level, to better understand the impact each scenario could have on your CRE portfolio.
- Give your teams the data and tools they need to identify the sources of risk and the underlying drivers behind it –
 enabling you to formulate a targeted risk mitigation strategy for better capital allocation.
- Identify the borrowers that have the greatest impact on your CRE loan book and the property types or regions that contribute the most to changes in performance.

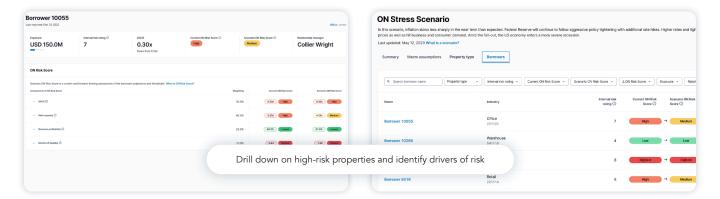






Take preventive action to get ahead of market changes and reduce defaults and charge-offs

- Highlight areas of risk for property types and individual borrowers that may not be identified by internal rating models, thus helping you take proactive steps to prevent potential credit deteriorations.
- Identify high-risk locations and property types in your CRE loan portfolio across ONci scenarios, investigate further (informed by your internal risk rating view) and make targeted decisions through a nuanced forward-looking view of location-specific and property type-specific risk.
- Support borrowers better through the cycle with a more detailed forward-looking view of their property's projected performance



PROACTIVE FORWARD-LOOKING PORTFOLIO MANAGEMENT

ON Scenario Analysis enhances your team's risk mitigation practices with an easy-touse automated solution for creating multiple "what-if" scenarios that apply forwardlooking models to commercial loan books, allowing them to better assess credit risk and support borrowers through the lending cycle.

Request a demo

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