

Problem and Goal

- Problem:
 - Bank Examiners must rely on offsite risk modeling tools to monitor banks, particularly smaller institutions that do not have as frequent onsite examinations
- Goal:
 - Create a model that helps with early detection of financial distress and/or failure of a bank. The early detection system can help stem losses and save taxpayers from potentially costly government bailouts.
 - Utilize predictive analytics and further data analysis to detect individual bank weakness and vulnerability to failure.



Market Adaptability and Insight

- Scalability of model for updates and iterative revisions
- Ease of model adoption for large array of regulatory bodies (FDIC, FRS, CSBS)
- Robust design for ease of manipulating variable importance for improved identification
- Simplicity focused with binary output for flagging forecasted failure