TRaiCE

How TRaiCE is helping a California bank expand its portfolio with reduced risks

OVERVIEW

Our client, a California-based community bank, specializes in providing banking and credit services to SMBs in the region. They turned to us for help in mitigating risks as they looked to expand their commercial lending portfolio into new verticals.

CHALLENGE

The client's goal was to increase loan volumes in the food and beverage industry without adding to its risks. They had a list of hundreds of local restaurants they intended to contact with preapproved credit offers. However, they wanted to temper their outreach goals with more informed decision-making. They understood that depending solely on manual reviews of credit bureau reports and FICO scores wouldn't give them the full picture of a business's health and wanted an in-depth due diligence process that took more risk variables into account.

TRaiCE SOLUTION

Using proprietary LLM models, TRaiCE first collected all available data for each business on our client's list. It also gathered information on the business's subsidiaries, owners, and guarantors.

This was done by parsing:

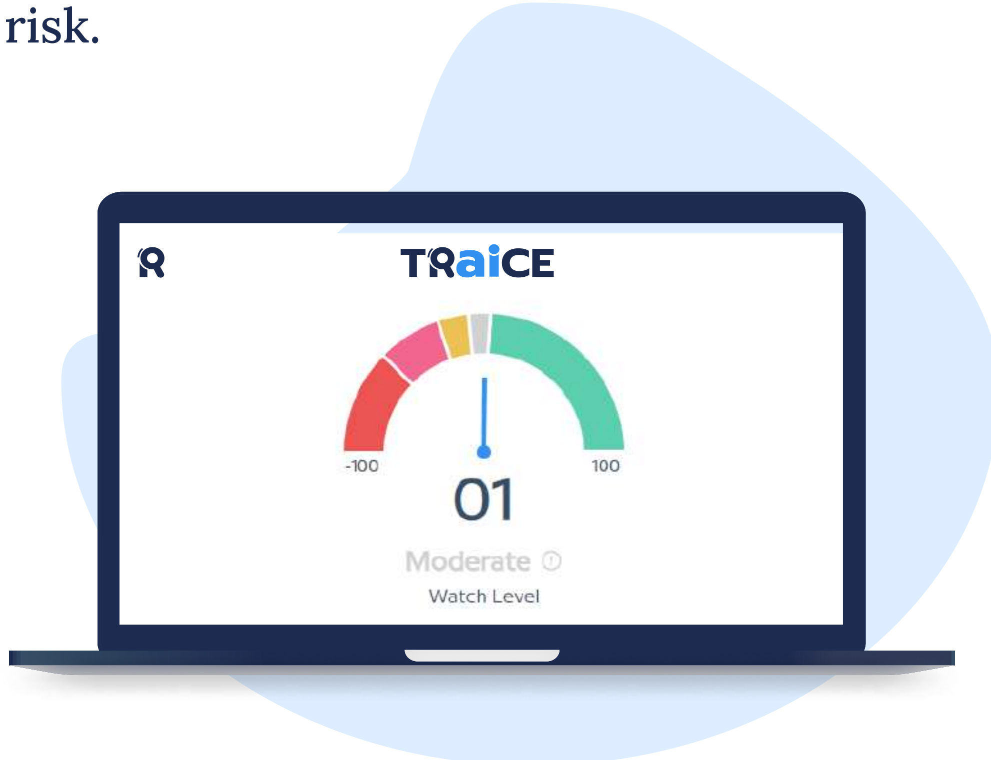
- 71,000+ media sources (news & social media, discussion panels, review sites, etc)
- Credit bureau reports
- Available company reports
- Regulatory documents

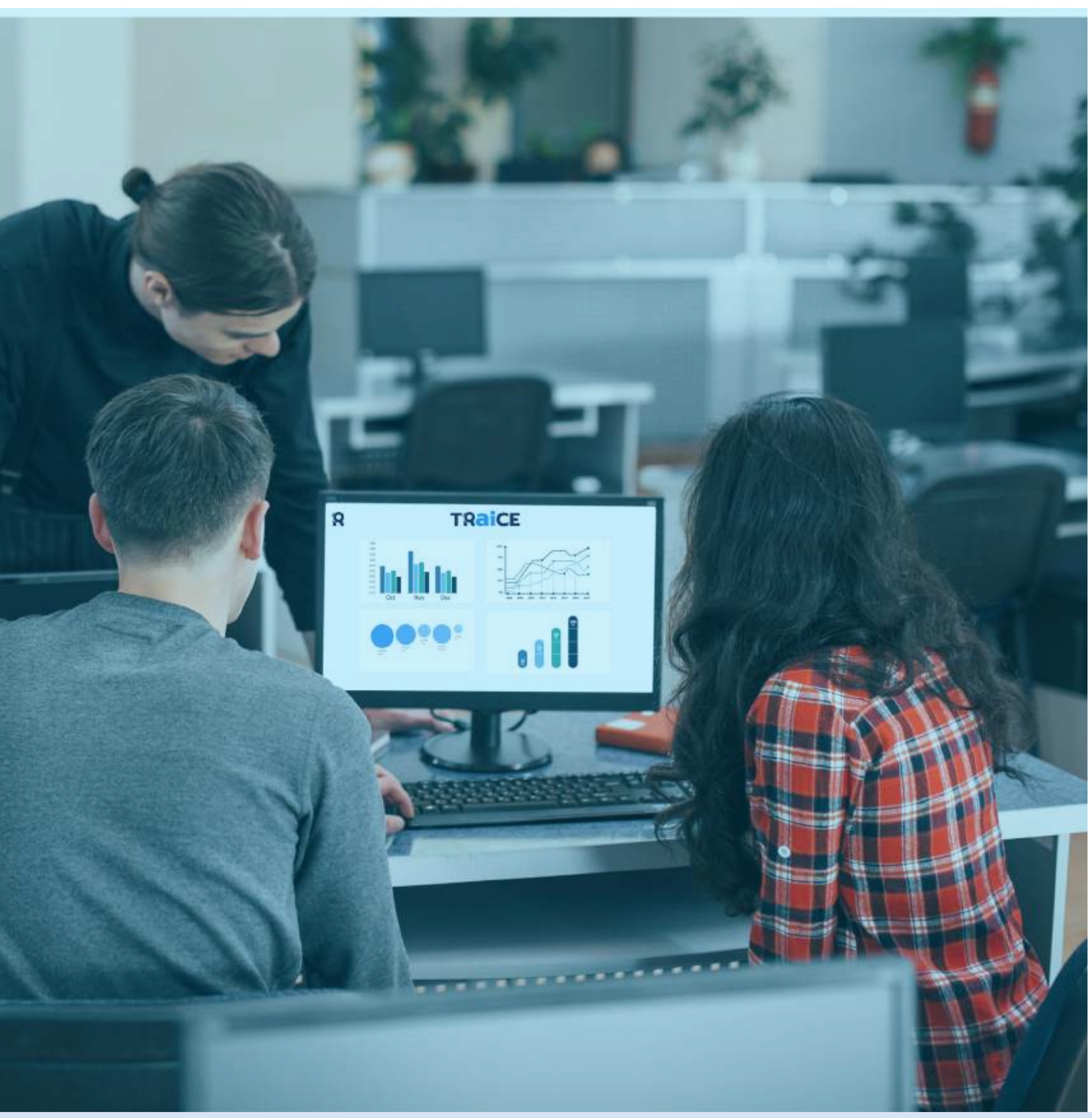
FINDINGS

Our NLP algorithms analyzed the gathered information to produce a time series risk scorecard for each business. The TRaiCE platform assigns risk scores on a scale from -100 to +100, where a score of -100 indicates the highest level of borrower risk and a score of +100 represents the lowest level of risk.

From our client's list, TRaiCE found:

- About 20% of the businesses had negative risk scores between -1 and -20 which put them in the medium to moderate risk category
- The remaining businesses had positive risk scores of 25 or more putting them in the least risky category





OUTCOME

Using the TRaiCE platform, our client got

1. A lead prospecting list that was 20% - 30% cleaner
2. Better identification of high-risk borrowers from their customer pool
3. An in-depth due diligence process that included more risk variables
4. Improved and auditable risk mitigation measures

Our insights enabled our clients to expand into newer territories with more confidence and increased stakeholders trust in the resilience of their risk mitigation measures.