

# CASE HISTORY - PROPERTY REVALUATIONS

## Context and requirements

- Location: Italy
- Basel 2: the new international disposition offers banks the chance to reduce their control capital by taking steps to their credit risk mitigation activity
- The requirements include: revision of the value of assets backing guarantees, to carry out by statistical analysis of the market value trend in the specific real estate sector
- These valuations may represent a problem for banks in terms of information recruiting on the assets and associated costs

## The Pirelli RE Property solution

### MAGISTER

- Master Assessment Geo- referenced Isometric and Territorial: software for statistical analysis of value of large property portfolios
- Operates on: static basis by reporting of current market value and on dynamic basis: by monitoring of local market trend (reports property values since 1996)
- Ensures highly reliable values thanks to: normalization and adjustment of figures provided by the bank, detailed map-making, model populated with values from 4 different sources (1 external, 3 internal at Pirelli RE group), algorithm which governs all the system

