

Risk Analysis Service

Global Credit Benchmarking

Risk Identification

Risk Measurement

Risk Mitigation

Risk Evaluation

Manage Credit Risk

Compare Exposures

Satisfy Stakeholders

Support Compliance

Assess Portfolio Performance

Enable Business Strategy

Achieve Success



***The RMA & AFS Risk Analysis Service
Industry Standard Credit Risk Benchmarking***

***[RAS] is extremely important because a good benchmark
helps institutions improve their systems and asset quality.***

– Henning Giesecke, CRO, UniCredit Group

RAS: The Industry Standard—Global Reach, Local Markets

The RMA and AFS® Risk Analysis Service (RAS) is global banking's only comprehensive industry standard for credit risk benchmarking. Representing an industry-led consortium, RAS members perform actionable comparisons of their own data with that of peers banks and the industry as a whole across multiple asset types and segmentations.

The depth of analysis RAS delivers is especially important in today's banking environment. Its benchmarking data—normalized through standard data definitions for meaningful comparability across the industry—empowers business strategy while satisfying regulators, boards of directors and investors as they seek to understand whether your institution's levels of risk are in relation to the industry.

Key Features of RAS Membership

- Provides multi-dimensional comparisons that cross an array of relevant risk categories
- Delivers unmatched risk management analytics using the RAS Workstation, which powers multidimensional comparisons and furnishes templated and limitless ad hoc reporting
- Timely access to actionable data, expert analysis and peer-to-peer dialogue through quarterly standard reports, periodic webinars, periodic working groups and an annual workshop

Unmatched Strategic Risk Management

Armed with new knowledge of relative risk in your portfolio, you can comprehensively manage risk and formulate business strategy by:

- Assessing the composition and performance of your portfolio
- Monitoring and managing your relative exposure to credit risk in key portfolio segments
- Relating loan performance to portfolio segments on an industry-wide basis
- Improving strategic intelligence linked to geographic and line of business growth
- Supporting compliance and disclosure
- Benchmarking risk rating parameters to market data for Basel II validation

Did you know that... ...among global banks:

- More than 70% of financial institutions lack confidence in their data quality, a key component of RAS
- A majority of financial institutions will invest in risk analytics as a component of their overall risk management
- On average, only 1 in 5 auditors is satisfied with management's risk reporting and progress

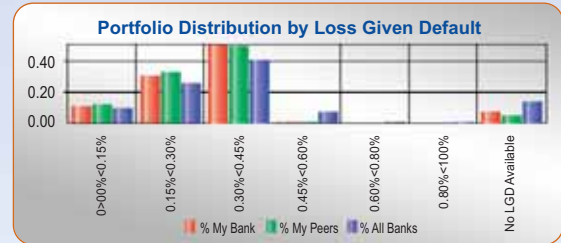
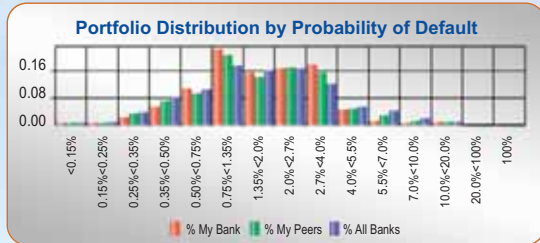
Sources: The RMA/AFS, KPMG

Benefits to Financial Institutions

- Supplies key portfolio metrics for analysis
- Reflects key concentrations of credit
- Supports executive presentations
- Provides independent benchmark for risk rating calibration
- Addresses risk rating metrics according to sound practice and regulatory guidance and aids market disclosure efforts for standards such as Basel II, Pillar 3
- Highlights opportunities to alter portfolio makeup
- Identifies emerging areas of portfolio weakness
- Supports data quality, integrity and cleanup initiatives

Easy, On-Demand Risk Analytics for Financial Institutions

RAS is easy to deploy and use. Member banks provide a quarter-end, loan-level data extract from a data warehouse or commercial lending system(s) via a secure electronic transmission to AFS, the data custodian. Data are then loaded into the RAS Workstation for on-demand access. Sophisticated enough for analyst needs—yet intuitive enough for all users—the RAS Workstation facilitates standardized peer comparison reporting, customized reports, queries targeted by specific need and other impromptu analysis prompted by market events.



Easy, On-Demand Risk Analytics

- ▶ Comparative data updated quarterly
- ▶ On-demand RAS Workstation
- ▶ Limitless querying capabilities
- ▶ Clear graphics-based reporting that exports to software such as Excel and PowerPoint

Enterprise and Industry-Wide Relevance

- ▶ Key component for cross-silo communication
- ▶ Platform for industry and peer dialogue
- ▶ Appropriate for use among the CRO, CCO, Portfolio Management Leads, Line of Business Leads and Risk Analytics, Reporting, Loan Review, and Credit Audit

Actionable Comparisons

- ▶ Delivers benchmark thresholds
- ▶ Leads to strategic roadmaps for risk management
- ▶ Offers credibility among key stakeholders
- ▶ Leads to continuous improvement/validation

Comprehensive Metrics

- ▶ Data are tailored to RAS categories
- ▶ Includes deal and exposure details
- ▶ Reflects geographic locales, industry sectors, collateral types, and vintages
- ▶ Correlates to risk ratings

In short, we [use RAS] to benchmark our data against data from other institutions within the same markets. We need those enlarged samples to build and calibrate our internal credit risk models for low-default portfolios.

– Rui Barrento, Head of Risk Infrastructure and Methodology, Santander Group

Five Years of Comparative Data and Growing

Started in North America, RAS has delivered credible, reliable, and timely credit risk management data for more than five years to the world's leading banks.

Through our commitment to bring the best in credit risk benchmarking to the industry we have been able to develop and refine our approach with the help of participating members to ensure that RAS remains at risk management's leading edge, providing practical information that drives continuous improvement.

About The Risk Management Association

Founded in 1914, The Risk Management Association (RMA), is a not-for-profit, member-driven professional association, whose sole purpose is to advance the use of sound risk principles in the financial services industry. RMA promotes an enterprise approach to risk management that focuses on credit risk, market risk, and operational risk.

Headquartered in Philadelphia, Pennsylvania, RMA has 3,000 institutional members that include banks of all sizes as well as nonbank financial institutions. They are represented in the association by over 20,000 risk management professionals who are chapter members in financial centers throughout North America, Europe, and Asia/Pacific.

About Automated Financial Systems, Inc.

Automated Financial Systems, Inc. (AFS) is the global leader in providing commercial lending solutions to top-tier financial institutions. We work with a majority of the world's 50 largest financial institutions to build lending processes based on a straight-through model and on-demand technology and services. These banks collectively process trillions in commercial loans on AFS' systems. In doing so, we partner with client banks to understand their organization's strategic goals and work proactively to achieve their business and technology objectives. AFS is headquartered in Exton, Pennsylvania, a suburb of Philadelphia; its European subsidiary, Automated Financial Systems GmbH, is based in Vienna, Austria. For further information, visit our website at www.afsvision.com.



1801 Market Street, Suite 300, Philadelphia, PA 19103-1628 • +1-800-677-7621 • rmahq.org



Corporate Headquarters: Automated Financial Systems, Inc. • 123 Summit Drive, Exton, PA 19341 • phone: +1 610 524 9300 • fax: +1 610 524 7977

European Subsidiary/EMEA Head Office:

Automated Financial Systems GMBH • Seidlgasse 22, Top 4, 1030 Vienna, Austria, phone: + 43 (1) 714 1009 • fax: + 43 (1) 714 1009 1099

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