



RAS Commercial Real Estate

RAS Fast-Tracks Portfolio Risk Management and Control

Market volatility is driving a new set of priorities among U.S.-based commercial real estate (CRE) lenders. With CRE concentrations and related exposure to capital at historic highs, CRE portfolios are undergoing greater scrutiny and expectations for more sophisticated risk management techniques and tools continues to grow. For CRE lenders and risk managers, having regular streams of comparative, actionable market information on the CRE portfolio can accelerate an institution's ability to demonstrate new levels of risk identification, measurement, management, and control.

As the country's only comprehensive, industry-standard credit risk benchmark, RAS CRE addresses this need from a vantage point that crosses the portfolio. With standardized terms and key risk parameters set and defined by a Steering Committee comprised of leading U.S. CRE lenders, RAS CRE serves as an independent, member-driven credit data consortium that bridges the gap between institutional and industry-wide CRE risk intelligence that drives continuous improvement and competitive advantage.

Why RAS

Leading U.S. CRE lenders rely upon RAS CRE for gauging their performance in relation to other institutions and the market as a whole. The data extracted from member banks' lending systems and data warehouses delivers uncommon depth and breadth that facilitates detailed benchmarking analysis. RAS CRE provides an ongoing ability to monitor an institution's relative exposure to risk in key portfolio segments and to manage policy limits, compliance, and market expectations accordingly.

RAS CRE focuses on those loans that are particularly vulnerable to cyclical CRE markets, such as land development and construction loans, REITs, and commercial mortgages where the primary source of repayment is derived from rental income or the proceeds of the sale of the property. Owner-occupied CRE is explicitly excluded from the RAS CRE data set.

How RAS Works

RAS U.S. CRE member banks provide a quarter-end loan-level secure data extract from their data warehouse or commercial lending system(s) via a secure electronic transmission to AFS, the data custodian. Data are then segmented into property type and location, product type, purpose code, deal size, and several other indicative loan characteristics according to a standardized set of rules and definitions. This set of governing rules and definitions was designed under the auspices of the RAS CRE U.S. Steering Committee.

Who Uses RAS CRE

- Chief Risk Officers
- Chief Credit Officers
- Portfolio Management leads
- Line of Business leads
- Risk analytics, reporting, loan review and audit specialists

Comparative Data Elements

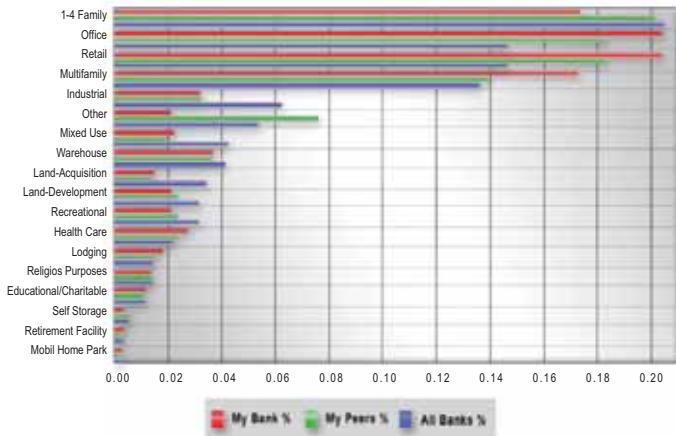
Tailored to U.S. commercial bank risk and portfolio management needs—as well as current regulatory requirements for Commercial Real Estate Risk Management Practices—RAS risk analytics offer multi-dimensional comparisons across relevant risk metrics and segments.



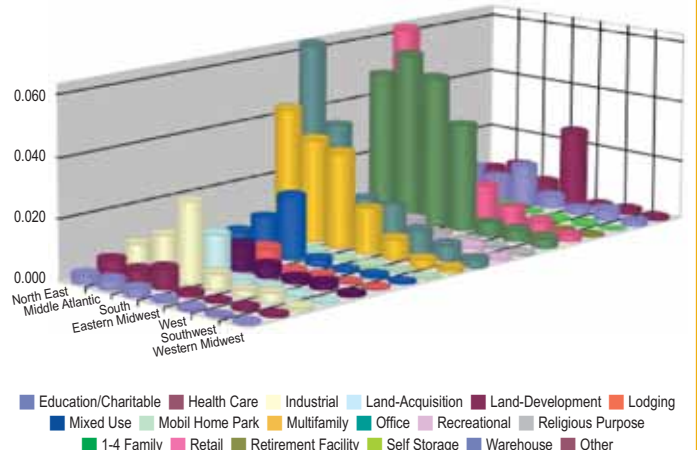
RAS Workstation

Member banks access RAS data through a Web-based analytical tool—the RAS Workstation. Featuring more than 40 standard report views and almost unlimited querying and customized reporting capabilities, the RAS Workstation offers multiple display methods (tabular, graphic) and also integrates easily with other presentation and analytical tools.

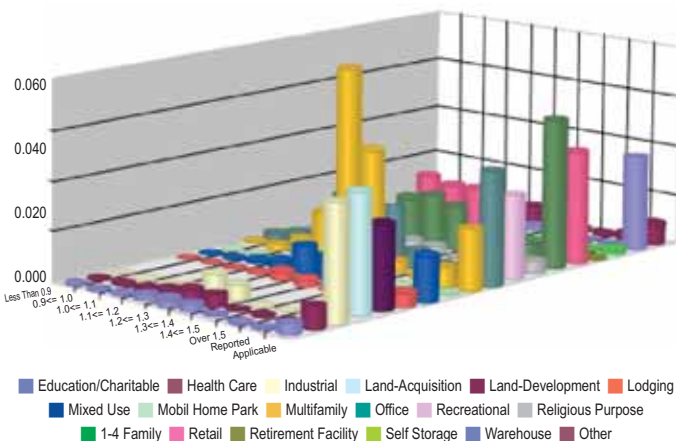
Property Type by Exposure



Property Type by Location by Exposure



Loan Outstandings by Property Type and DSC



Loan Outstandings by Property Type and LTV

	Current Period	% Loan Outstandings	All Banks									
			All Status	All Geography	All DSCs	All PDs	All LGDs	All Expected Loss				
	All LTVs	Less than 50%	50% < 60%	60% < 70%	70% < 80%	80% < 90%	90% < 100%	100% < 110%	110% < 120%	Over 120%	No LTV Available	
All Property Types	100.00%	6.00%	15.53%	16.92%	33.23%	6.66%	11.67%	5.08%	2.54%	1.40%	0.95%	
Educational/Charitable	1.51%	0.12%	0.22%	0.25%	0.41%	0.11%	0.25%	0.06%	0.06%	0.03%	0.01%	
Health Care	2.37%	0.13%	0.37%	0.41%	0.76%	0.17%	0.30%	0.11%	0.07%	0.04%	0.01%	
Industrial	6.44%	0.15%	1.14%	1.14%	3.26%	0.30%	0.30%	0.15%	0.01%	0.01%	0.00%	
Land - Acquisition	4.86%	0.14%	1.57%	1.57%	1.16%	0.18%	0.18%	0.05%	0.01%	0.00%	0.00%	
Land - Development	3.39%	0.07%	0.59%	0.59%	1.73%	0.16%	0.16%	0.08%	0.00%	0.00%	0.00%	
Lodging	1.38%	0.04%	0.20%	0.21%	0.57%	0.14%	0.11%	0.09%	0.01%	0.01%	0.01%	
Mixed Use	4.58%	0.21%	0.76%	0.80%	1.94%	0.24%	0.39%	0.12%	0.06%	0.04%	0.01%	
Mobil Home Park	0.38%	0.02%	0.02%	0.02%	0.18%	0.06%	0.04%	0.07%	0.00%	0.00%	0.00%	
Multifamily	19.34%	0.68%	3.07%	3.27%	6.50%	1.01%	1.55%	0.76%	0.19%	0.20%	0.09%	
Office	14.33%	1.27%	1.94%	2.25%	3.07%	1.12%	2.58%	0.77%	0.71%	0.31%	0.30%	
Recreational	3.38%	0.07%	0.59%	0.59%	1.73%	0.16%	0.16%	0.08%	0.00%	0.00%	0.00%	
Religious Purposes	1.83%	0.17%	0.24%	0.28%	0.49%	0.13%	0.32%	0.08%	0.07%	0.03%	0.01%	
1-4 Family	13.83%	1.13%	1.67%	2.06%	3.24%	1.25%	1.90%	1.45%	0.56%	0.39%	0.18%	
Retail	14.33%	1.27%	1.94%	2.25%	3.07%	1.12%	2.58%	0.77%	0.71%	0.31%	0.30%	
Retirement Facility	0.27%	0.02%	0.04%	0.04%	0.08%	0.04%	0.04%	0.02%	0.00%	0.00%	0.00%	
Self Storage	0.63%	0.10%	0.05%	0.06%	0.18%	0.04%	0.12%	0.06%	0.02%	0.00%	0.00%	
Warehouse	4.25%	0.08%	0.75%	0.75%	2.08%	0.23%	0.20%	0.14%	0.01%	0.01%	0.00%	
Other	2.91%	0.34%	0.36%	0.30%	0.70%	0.16%	0.47%	0.30%	0.05%	0.02%	0.03%	