



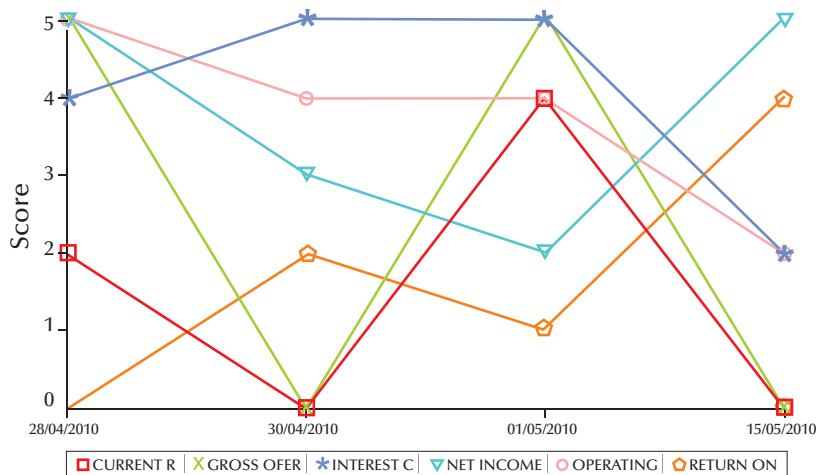
AutoRISK

AutoRisk provides financial institutions with customer-specific (corporate, SME, consumer) and industry-specific (Textile, construction, cement, etc.) models to help them assess the creditworthiness of their customer base.

The solution is designed to analyse any entity by performing quantitative (financial information) and Qualitative (industry risk, management risk, operational risk and market risk) assessments to determine its obligor and facility risk ratings. The system applies best practices and approaches used by the industry's leading practitioners and can be tailored for use by any financial institution according to their business processes and risk practices.

AutoRISK provides a framework for the management and analysis of historical balance sheets, income statements and cash-flows. The system also provides automatic calculation of financial ratios, cash flow analysis and assistance in achieving reliable and accurate credit risk ratings for customers.

Financial Ratios



AutoRISK

1. Parametrized Risk Rating Model

- The system is capable of servicing any bank's requirements via its parameterized setup, allowing banks to tailor it according to their own risk rating model, procedures and policies.
 - Customizable and flexible risk rating model definition.
 - Ability to define multiple rating models for different type of customers e.g. FI's (Commercial banks, Development Financial Institutions, Leasing Institutions), Corporate, SME, and Consumer.
 - Provision of maintaining multiple standards for rating grades such as the bank's internal and central bank grades with the facility to map the two against each other

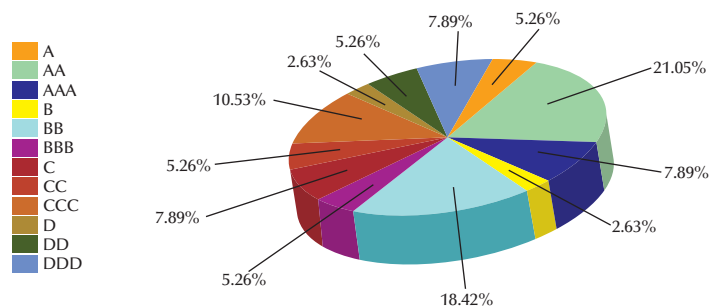
2. Financial Statements Upload Mechanism

- The system is capable of servicing any bank's requirements via uploading of its customer's financial statement.
 - Customizable and flexible template definition.
 - Ability to upload financial statements for different type of customers e.g. FI's (Commercial banks, Development Financial Institutions, Leasing Institutions), Corporate, SME, and Consumer.
 - Provision of maintaining multiple years of any financial statement.
 - Ability to upload current and projected statements with different financial year's definition.

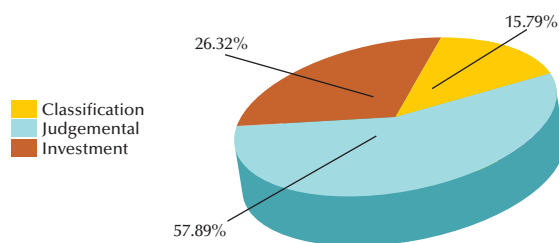
3. Obligor Risk Rating

- The system performs comprehensive and in-depth analysis of an obligor based upon actual and meaningful statistical figures, to calculate the obligor's capacity to repay a loan and assign the appropriate grade as per the central bank's guidelines.
 - Flexible and in-depth quantitative and qualitative analysis to carry out obligor risk rating
 - Automatic calculation of financial ratios and correspondingscores
 - In-depth analysis of low, medium, high industry segments by conducting a comprehensive industry assessment for an obligor
 - In-depth operational risk assessment by evaluating systems and controls, account operations, CIB reporting, supplier/buyer concentration and legal structure of an obligor
 - Measure management strength by analysing management depth, competence of management, evaluation of BOD, risk management
 - Provides detailed financial ratio analysis for a single or a group of obligors

Obligor Risk Rating Portfolio



Classification Wise Obligor Risk Rating



4. Industry wise Quartiles

- The system performs comprehensive and in-depth analysis of all financial institutions e.g. Development Financial Institutions, Leasing Institutions, Commercial Banks based upon actual and meaningful statistical figures, to calculate the corporate's capacity and assign the appropriate grade as per the central bank's guidelines.
- Flexible and in-depth financial statements and its analysis to carry out risk rating.
- Automatic calculation of financial ratios and correspondingscores.
- In-depth analysis of maxima, minima and average ratios by conducting a comprehensive industry wise average.
- Measure institution strength by analysing institution depth, competence of ratios, evaluation on quartiles and score calculation.

5. Facility Risk Rating

- The system performs a broad analysis of the facility that an obligor is applying for, to determine the exact burden the obligor will face while paying the instalments and also the bank's position to accommodate the obligor.
- For a particular facility, provision to carry out facility rating by analysing
 - Analyze the term of a particular facility in order to determine the loss given default (LGD) and the recovery period for that particular facility
 - Analyze the structure of a particular facility, which when compared to the financial statements of an obligor will help determine the debt burden on an obligor
 - Analyze the collateral types fixed against a particular facility in order to ensure recovery of the investment

6. Analyze Risk Profile

- The system performs an in-depth analysis of all obligor's risk profile, allowing the bank to:
 - Maintain, view and analyse detailed balance sheet and income statements for all obligors. Users may easily create different structures for different type of obligors.
 - Load customer's balance sheet, cash flow statement and income statement for 'n' no of years for accurate statistical analysis.
 - Distribution.
 - View migrations which have occurred from one grade to another during the past year.
 - Determine and analyse the main sectors in a rating grade.
 - Analyse financial ratio trends in a single or a group of obligors.

7. Credit Risk

Credit Risk Module is a comprehensive set of applications designed specifically for the Banks operating in Pakistan's regulatory framework. The most unique feature of this system is that it can function independently as a solution as well as integrated with any other core banking system.

The main features are listed below;

- Loan Origination System (LOS)
- Risk Management Approval tools
- Real time covenant monitoring mechanism
- Predefined system based Watch-listing mechanism
- Vendor management tools
- Real time industry concentration monitoring system
- Stress testing on real time basis as per SBP guidelines

8. Market Risk Module

- This module in-line with any other treasury system broadly covers the following;
 - Equity Portfolio (AFS, HTM, and HFT)
 - Foreign Exchange Portfolio
 - Fixed Income portfolio

9. Liquidity Risk Module

- This module in-line with any other treasury system broadly covers the following;
 - Maturity Gaps
 - Interest Rate Gaps
 - Real-time Monitoring of Un-utilized Commitments
 - Real-time Monitoring of Deposit & Funding Concentrations

10. Operational Risk Module

- This module broadly covers the following;
 - Development of RCSA based on inherent risk of the business
 - Identification of high residual risks
 - Development of Loss Event Database Template as per Basel II guideline
 - Development of KRIs
 - Development of loss matrix & mapping of losses
 - Implementation of Operational Risk Action Plans (ORAP)

11. Capital Management Module (Basel II, III and CAR)

The solution helps through this module to the bank to monitor its RWA for Credit, Market & Operational risk at real time basis and calculation of CAR. At broad level it covers the following;

- Mapping of exposures as per SBP's MCR document, parking them in the right bucket to get RWAs
- Calculation & Aggregation of Risk weighted Assets for CAR computation. (Standardized approach for Credit, Market and Operational Risk.)
- Incorporating deductions in capital under Basel III for parallel reporting of Basel III CAR to SBP
- Allocation of Operational risk capital under Basel II and Basel III
- Capital allocation for Market risk under adopted approach under Basel III
- Calculation of CAR for regulatory compliance Basel II and Basel III