

MANAGING CREDIT RISK WITH WHITELIGHT

MAKING INFORMED DECISIONS IN DYNAMIC MARKETS

Managing credit risk has never been more challenging. Increased competition, global operations, and dynamic regulatory environments all put pressure on financial institutions to act quickly and decisively in the face of changing conditions. Even small deviations from expected loan defaults can erode or obliterate profit margins.

Fortunately, next-generation analytic applications are up to the task, offering companies new ways to maintain stable portfolios and optimize profitability in a complex, rapidly changing environment.

THE NEXT GENERATION OF CREDIT RISK ANALYSIS

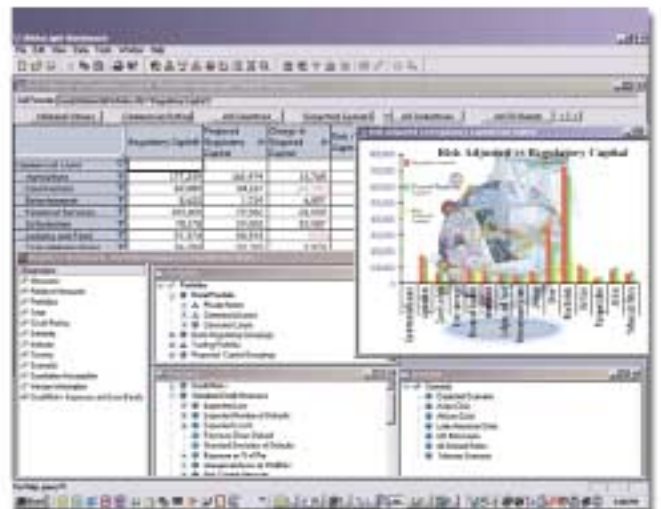
Traditional approaches to managing credit risk simply cannot deliver the insight or agility required to thrive in today's environment. Spreadsheets alone don't address large volume analysis tasks, and users cannot audit or share results easily. Most analytic solutions can't handle the scope and scale of relevant data sources. And existing solutions don't help companies adapt in real time to changing conditions, or put interactive analysis capabilities directly in the hands of decision-makers.

THE WHITELIGHT PLATFORM FOR CREDIT RISK MANAGEMENT

The WhiteLight Analytic Application Suite is a complete platform for building and deploying flexible, analytic applications that can address the most demanding and complex business environments.

Using the WhiteLight Analytic Application Suite, companies can build applications that reflect the most complex business conditions, embedding a global view of credit risk and delivering trusted, reproducible results. Risk managers can make better decisions by modeling potential portfolio or assumption changes and predicting effects on risk exposure or profitability.

With extensive experience in credit risk modeling and application development, WhiteLight's consultants and partners speed the deployment of tailored credit risk applications for almost any financial environment.



ALL PHASES OF CREDIT RISK MANAGEMENT

The WhiteLight Analytic Application Suite provides a platform for a wide range of credit risk applications, from basic analysis to sophisticated predictions and portfolio optimization.

- **Immediate insight into risk exposure:** Using the WhiteLight Analytic Application Suite, users can assess risk by all kinds of factors, including exposure size, tenor, counterparty, industry, country, currency, and instrument type.
- **Testing and implementing portfolio strategies:** WhiteLight lets companies proactively test and implement portfolio strategies, rapidly building models to calculate metrics such as expected loss, unexpected loss and economic capital requirements. Users can also adjust and test the impact of model assumptions, such as the default probability or loss given default.
- **Advanced portfolio optimization:** Linking credit risk data with traditional profitability information enables companies to optimize profitability for well-defined risk levels and mitigate unacceptable positions. WhiteLight provides an outstanding platform for building applications to measure risk adjusted return on capital, identify risk/reward outliers, and price marginal risk contributions.

THE WHITELIGHT DIFFERENCE

WhiteLight's next-generation capabilities are uniquely suited to the demands of credit risk management, combining the power and flexibility of a global analysis application with the accessibility and ease-of-use of a spreadsheet.

Real-world modeling

Credit managers and analysts can create business models that accurately reflect real financial environments. There is virtually no limit to the kinds of models that WhiteLight can handle.

- The many variables and complex interrelationships of real-world finances are managed effectively with WhiteLight's scalable, multidimensional capabilities.
- Business analysts can adjust and fine-tune models interactively, reacting in real time to changing business rules, products, regulations, or economic conditions. These changes can take effect immediately, without programming or IT support.
- Credit risk applications cannot exist in a vacuum. WhiteLight offers open integration with existing credit calculation engines, scoring models, legacy systems and proprietary applications, enabling an enterprise-level view of risk.

Predictive modeling capabilities

Risk managers can run scenarios against business models to test assumptions and support decisions. WhiteLight's graphical environment gives these users the ability to manipulate and test models in a hands-on fashion:

- Testing different scenarios before making decisions
- Predicting the effects of product changes or economic events
- Stress testing the model assumptions themselves

Audit and security

The WhiteLight Analytic Application Suite offers all of the security required from a critical financial application.

- Users can trace and verify every calculation in a model – even working backwards from any result.
- Automated audit, data validation and model integrity checking ensure that decisions are based on sound data.
- Companies can control access to models and data with flexible security levels, securing data to the “cell” level.



WHITELIGHT®

A brighter way to make decisions.

www.whitelight.com

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