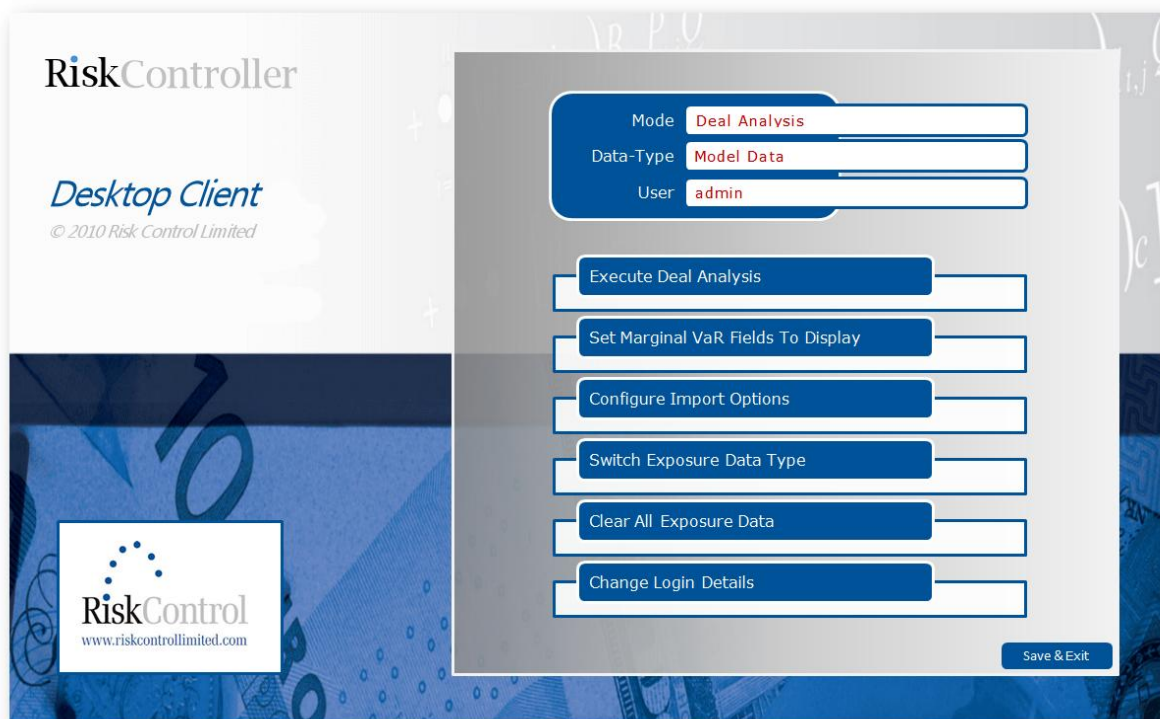




DEAL ANALYSIS

Deal Analysis is a powerful new web services application that can be used with our *Risk Controller* engine to evaluate in real time the capital required by a single or multiple prospective deals that the user is considering.



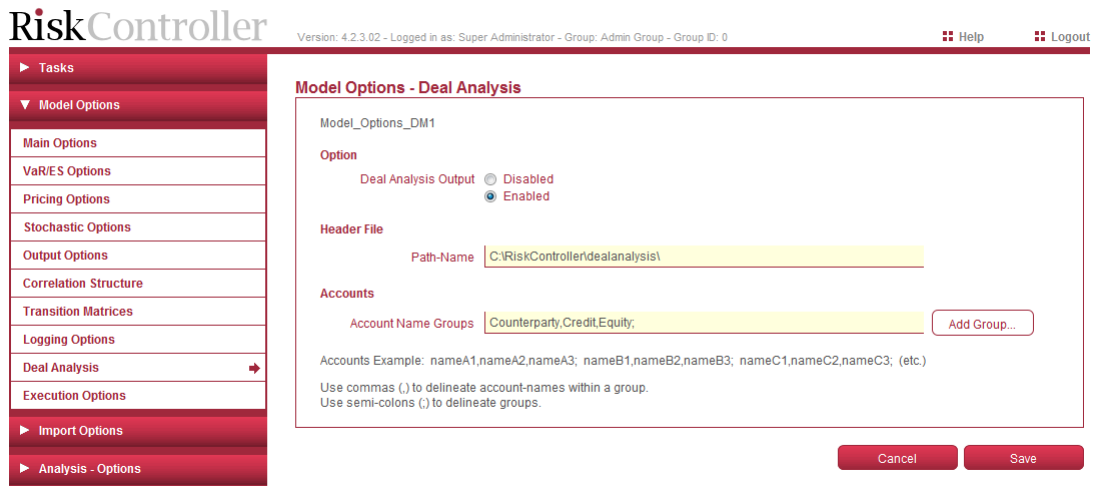
The user enters details of the deal into an Excel client on their desktop (the *Deal Analysis* plug-in) and then at the click of a button initiates a run of the model installed on one or more clustered servers.

Within seconds, the application delivers back to the Excel client the results of a Marginal VaR calculation (or other measure of incremental capital required) for the exposure in question.¹

¹ The length of time depends on the exposure type in question and on such settings as the number of Monte Carlo replications. But for a typical single server configuration and exposure type, the Marginal VaR may be calculated with 1m replications in 10 to 20 seconds.

The Marginal VaR and other risk measures are exactly equal to those one would have obtained by performing a Monte Carlo of the institution's entire portfolio plus the prospective single exposure one is evaluating.

With *Deal Analysis* the user can obtain a quick picture of the riskiness of any prospective deal as if this deal were part of the existing portfolio, but with no need to re-run the lengthy simulation.



The *Deal Analysis* plug-in does not introduce any new financial algorithm into the framework: it solely leverages the existing and thoroughly tested infrastructure of Risk Controller to produce results quickly and in a consistent way even in cases whereby the main portfolio of exposures is relatively large.