LoanAnalytics™

LAstress

Project Your Future!

How robust is your internal stress test process?

LAstress enables you to apply unlimited stress scenarios to your portfolio. Identify and analyze expected and unexpected volatility. Stress testing is used to project allowance for loss and capital requirements under defined stress scenarios.

- You define the stress scenarios
- Stress customer PDs and loan LGDs
- Create a "watch list" to identify and mitigate risk
- Stress test to comply with Basel III

You will have the power to define your stress scenario(s), duration of the stress, and magnitude of the stress.

Main SetUp Stress Migration Clear Help

Report Name: PD stress testing

Financial Institution: Financial Institution

Extract Date: 12/31/2010

Select years of stress: 1

1
2
3
4
5

Industry	Business Revenue	Business Expense	Subsidy Payments	Wage & Salary	Interest Rate	Current Assets	Non-C As		Stress Magnitude
Construction	-5.0%	2.0%		-10.0%	1.5%	-5.0%	-15.0%		80%
Agriculture	-4.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%		80%
Retail trade	-6.0%	1.0%		-10.0%	1.5%	-5.0%	-15.0%		80%
Health Care	-2.0%	2.0%		-10.0%	1.5%	-5.0%	-15.0%		80%
Manufacturing	-8.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%		80%
Wholesale trade	-5.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%		80%
Others	-4.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%		80%

Note: Interst Rate stress is entered in basis points, i.e. 1.00% equals a 100 point increase in interest expense.

Main Stress Migration Matrix ViewAll Export Header Extract Graph Help

Industry Stress

INDUSTRIES	Business Revenue	Business Expense	Subsidy Payments	Wage & Salary	Interest Rate	Current Assets	Non-Current Assets	Credit Score
Construction	-5.0%	2.0%		-10.0%	1.5%	-5.0%	-15.0%	
Agriculture	-4.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%	
Retail trade	-6.0%	1.0%		-10.0%	1.5%	-5.0%	-15.0%	
Health Care	-2.0%	2.0%		-10.0%	1.5%	-5.0%	-15.0%	
Manufacturing	-8.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%	
Wholesale trade	-5.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%	
Others	-4.0%	3.0%		-10.0%	1.5%	-5.0%	-15.0%	

Stress Testing Portfolio (Click migration percentages to view loans) 1 year migration

PD Rating	Exposure	%Exp.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	%Exp.
1	51,185,334	19%	**79%**	37%	10%	2%											9%
2	44,889,639	16%	6%	**24%**	22%	15%	25%	5%									8%
3	56,271,950	21%	2%	18%	**49%**	197%	138%	14%	20%								9%
4	39,769,906	15%		3%	4%	**19%**	75%	52%	47%								24%
5	46,107,785	17%					**39%**	11%	50%	0%							26%
6	12,860,934	5%						**15%**	41%	40%	4%						8%
7	19,930,723	7%							**2%**	91%	7%						11%
8	2,693,910	1%									100%						5%
9	225,056	0%															
10	-																
11																	
12																	
13																	
14																	
Total	273,935,236			Beg - Rating			3.43		End - Rating		4.44		Volatility				1.01

If you don't have customer data, a simulated portfolio would be used for stress testing.

Easily see expected and unexpected migration volatility. The migration matrices are used to stress your allowance and capital requirements. Drill-in to view stressed customers and loans.

> *"LoanAnalytics is an outstanding, affordable solution for portfolio risk management… Our partnership has been in place for many years and has consistently delivered excellent product and excellent customer service!"*
>
> *PT,Bank EVP in Georgia, $1.4billion*

LoanAnalytics™ LAstress

Watch List

What customers should you keep an eye on? ***LAstress*** enables you to proactively identify customers who could migrate to an unacceptable level of risk.

Drill-in to identify the migration of individual loans and customers. Select desired customer to view the detailed stress report.

Main Matrix Customers Sort A-Z Sort Z-A Show All Header Print Extract Help **Customers migrating from a 5 to a 7**

BO #	Customer	CIF #	Industry	PD	Volume	Solvency	Liquidity	Capacity	Cr.Score	B-PD	E-PD
1	BELANGER ED	36714	236117	5	537,993	76%	1.80	164%	5	5	7
1	CARVER JIM	2812766	236118	5	404,048	76%	2.71	132%	6	5	7
1	J B DAVIS INC.	2812783	236210	5	552,543	76%	2.71	128%	5	5	7
2	PRUITT KELLY	3159756	237210	5	921,495	76%	2.71	128%	7	5	7
2	WILDBUR JIM	3159769	237210	6	98,311	76%	2.71	128%	7	5	7
1	FENTON MICHEAL	3009941	236210	4	105,189	76%	1.80	155%	8	5	7
4	CLOSSER JESSE	60957	238210	5	489,623	78%	2.92	134%	5	5	7
3	WRIGHT DAN	3224071	236210	5	157,308	81%	4.88	129%	6	5	7
5	GARNER RAY	2086037	237210	6	1,331,755	67%	2.46	138%	7	5	7
2	VAUGHT RANNY	1596911	236210	5	450,183	68%	3.24	151%	5	5	7
3	DUCKETT LYLE	2764978	238210	5	279,318	66%	6.17	141%	6	5	7
1	HENRY JIMMY	2691860	238310	5	1,165,396	59%	2.52	192%	7	5	7
2	SCHREFFLER PAUL	3148019	238910	5	131,250	78%	3.46	130%	5	5	7
2	LOVELACE HANK	3055967	238210	5	415,203	65%	7.91	160%	6	5	7

Main Customers Financials Header Print Extract Help

HENRY JIMMY

Branch Office Code: 1

Industry: Manufacturing

Balance Sheet		12/31/2010		12/31/2011
Current Assets	$	204,500	$	223,495
NonCurrent Assets	$	1,873,394	$	1,592,385
Total Assets	**$**	**2,077,894**	**$**	**1,815,879**
Current Debt	$	81,092	$	81,092
NonCurrent Debt	$	767,315	$	686,223
Total Debt	**$**	**848,407**	**$**	**767,315**
Net Worth	**$**	**1,229,487**	**$**	**1,048,564**
Solvency Ratio...............		59%		58%
Liquidity Ratio................		2.52		2.76

Earnings Statement		12/31/2010		Projection
Business Income	$	790,707	$	729,624
Business Expense	$	586,469	$	601,758
Wage & Salary	$	53	$	47
Net Income	**$**	**168,020**	**$**	**91,643**
Available for Debt Service	$	244,875	$	168,498
Interest on Term Debt	$	46,677	$	58,187
Principle on Term Debt	$	81,092	$	81,092
Available Margin	**$**	**117,106**	**$**	**29,220**
Capacity Ratio..............		192%		121%
Credit Score..................		7		7
PD Rating		**5**		**7**

Stress	Percent	Dollars
Business Income	-8%	(61,083)
Business Expense	3%	15,288
Gov. Subsidy		-
Wage & Salary	-10%	(5)
Interest Expense	2%	11,510
Current Assets	-5%	(10,225)
Non-Current Assets	-15%	(281,009)
Credit Score		-

One year projection.

Current Calculations

Net Income = income - expense - withdrawls - taxes
Available for Debt Service = net inc. + depre. + int. on term debt
Available Margin = available - interest and principle debt service

Stressed Calculations

Current Assets = current assets + stress margin + years of stress
NonCurrent Assets = noncurrent assets + NC assets change
Current Debts = current debt - prin. on term debt * years of stress
NonCurrent Debts = noncurrent debt - prin. on term debt * years of stress
Business Income = income + inccome change + gov. subsidy change
Business Expense = expense + expense change
Wage & Salary = wage & salary + wage & salary change
Net Income = net income + income, expense, wage & salary change
Available for Debt Service = net income + depre. + int. on term debt

See a snapshot of the selected customer's financial condition before and after the application of the stress.

Call Today to Schedule a 20-Minute Value-Based Web Demonstration. See for yourself how LoanAnalytics **LAstress** enables you to:

Define your stress scenarios

Compile individual customer stress test analyses

Create a "watch list" and take action to mitigate the risk

Forecast portfolio performance based on your defined stress scenarios (Do you currently have this capability?)

Email today! info@loananalytics.com Or call 952-322-2220

LoanAnalytics™
www.loananalytics.com