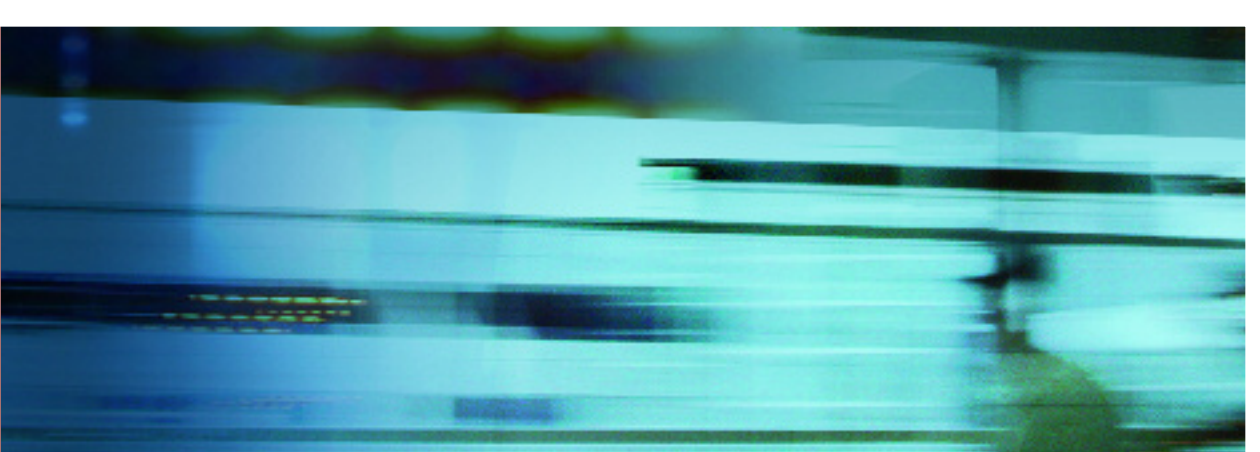


OPERATIONAL RISK CASE STUDIES



Algorithmics

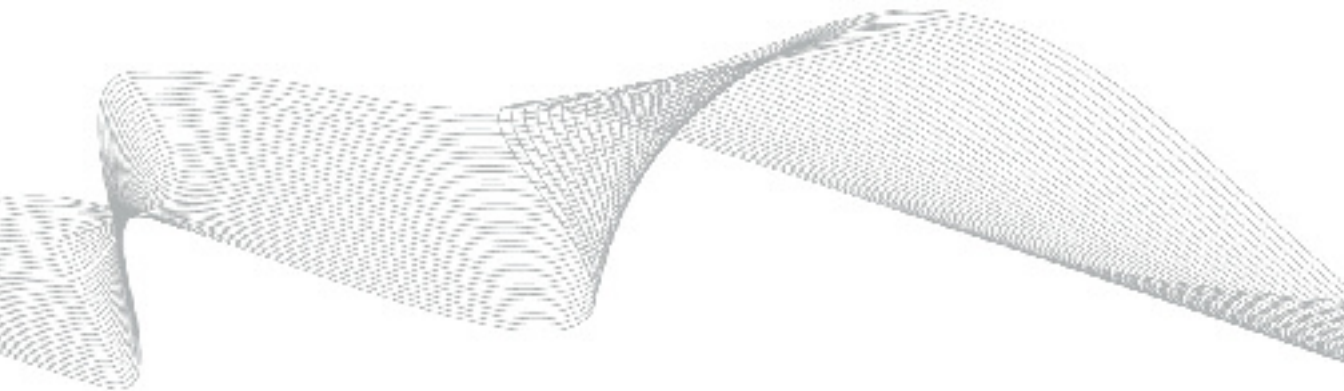


Industry-leading research solution helps firms understand and manage operational risk.

Contingent commission payments
Market timing of mutual fund shares
European Union anti-trust investigations
Information breaches
System failures
Research analyst conflict-of-interest
Split-capital trusts
Corporate accounting frauds
Stock option pre-dating
Directed brokerage payments

OPERATIONAL RISK CASE STUDIES

Algorithmics' external operational risk loss database is a uniquely designed solution that helps organizations understand, identify, and manage operational risk. Containing over 7,000 case studies, Algorithmics' research tool offers operational risk professionals detailed information on control breakdowns, event triggers, and lessons learned. Filled with relevant insights gathered by experienced operational risk research analysts, Algorithmics' external loss data solution is unrivaled in its depth and industry coverage.



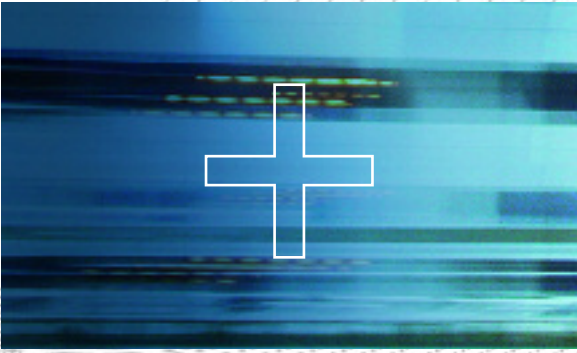
Industry-leading risk loss event database:

An integrated approach to compliance and operational risk

While acting as New York State Attorney General, Eliot Spitzer scrutinized and criticized business conduct, in some cases making common, longstanding practices illegal. Spitzer's approach is representative of a new era, in which activist regulators view operational risk events as more than isolated one-off frauds, such as large unauthorized trading events. Today, some of the largest and most avoidable risks an organization faces are investigations into matters that concern daily business practices. As a result, it is no longer acceptable for an organization to say "a competitor might be in trouble but it will not impact me."

Market practice issues, along with corporate governance and strategic matters, demand that a financial institution be proactive in how it identifies and manages risk. Since firms must be aware of operational risk events that they may yet to experience themselves, external risk loss data becomes an important part of this equation. A multi-dimensional approach to operational risk, that includes lessons learned from external operational risk loss events, can help financial institutions uncover areas where potential conflicts may lie, and highlights issues that regulators, shareholders, and analysts may target tomorrow.

Algorithmics provides financial institutions with a database of external loss events to help understand, identify, and manage operational risk. Containing over 7,000 case studies, Algorithmics' solution connects risk professionals with detailed information on control breakdowns, event triggers, and management responses. The industry's only research tool that puts real-life case studies within an operational risk framework, Algorithmics' solution is a powerful complement to a firm's other content sources, such as internal and consortium data, scenarios, and self-assessments.



In-depth case studies

Loss events are detailed with analysis of key factors, including internal breakdowns, management responses to events, easy-to-read graphs and charts, and industry lessons learned. The solution's searchable database enables users to find and research loss events by a variety of factors, including product type, event triggers, and control breakdowns.

Improve understanding of potential exposures

Case studies are easily shared between departments, providing valuable content for internal newsletters, management reports, and scenario and self-assessment workshops. Since loss events are presented in a scenario-based format, risk and compliance officers, internal auditors, and senior management can more easily participate in discussions relating to potential operational risk exposures.

Reduce investment risk

Through Algorithmics' solution, institutions can identify potential risk exposures by product type, so that proper controls can be put in place to improve new product research processes. Management can also reference Fitch ratings, linked to the timing of events, to see if there are contextual relationships between events and impact on the cost of capital.

Features & Benefits

Enhance trend analysis

Firms gain the ability to examine commonalities among a series of events and to track emerging patterns. By benchmarking internal loss history against the event experience of peers, organizations can also improve their competitive insights.

Easy to use

Free-text searching allows users to easily identify events using everyday language, while a powerful search engine allows users to search by a variety of factors, including product type, loss type, event trigger, control breakdowns, and Basel II categorizations. XML links enable users to download direct feeds from the Algorithmics' database into internal or external operational risk, corporate governance, or knowledge-based systems.

Increase access to relevant insights

Algorithmics' operational risk research analysts have a background in financial analysis. This experience helps ensure that they understand which loss event details are relevant to financial institutions – and that these insights are passed along to subscribers.

Special coverage for large-scale events

Catastrophic or fat tail events are detailed with timelines, which allows for day-by-day or hour-by-hour analysis of breakdowns that led to loss.

Access to online newsletter

Database subscribers gain access to Algorithmics' operational risk online newsletter. The newsletter is designed to raise awareness of topical issues that can impact day-to-day business operations, and provides excerpts from relevant case studies.

Algo Academy

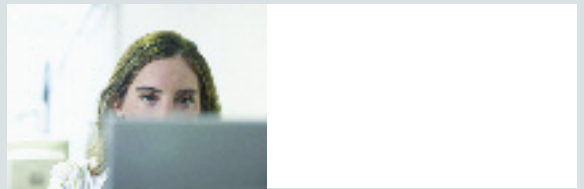
Algorithmics offers courses for each of its risk management solutions through training centers in Frankfurt, London, and Toronto. From introductory sessions to advanced workshops, Algo Academy courses provide product user training related to enterprise risk management. Whether you are looking to develop new skills, increase productivity, or enhance current expertise, the Algo Academy provides a valuable opportunity to turn risk management knowledge into a competitive advantage.

Algo Assist

Combining state-of-the-art technology with expert product knowledge, the Algo Assist team provides Algorithmics clients with world-class technical support via telephone, email, and the Algo Assist website. AlgoAssist.com provides anytime, anywhere access to key features including a service request system, knowledge base searches, and a documentation library. Clients may choose to enhance coverage with Premium Support, which provides additional benefits including 24/7 access to live Algo Assist personnel.

About Algorithmics

Algorithmics is the world's leading provider of enterprise risk solutions. Financial organizations from around the world use Algorithmics' software, analytics, and advisory services to help them make risk-aware business decisions, maximize shareholder value, and meet regulatory requirements. Supported by a global team of risk experts based in all major financial centers, Algorithmics offers proven, award-winning solutions for market, credit, and operational risk, as well as collateral and capital management. Algorithmics is a member of the Fitch Group.



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