



SAS® Risk Intelligence for Credit Unions

Creating an enterprisewide risk-aware culture

Overview

Uncertainty is tightly woven into the fabric of any financial services organization. While some strategic elements within an organization actively seek to exploit inherently risky opportunities, others strive to manage the hazards that may result. It's a delicate balance – too much risk, and you're vulnerable to disaster; too little, and you may miss out on key opportunities.

In order to strike the right balance, credit unions must be able to maximize investment potential while optimizing exposure by using hindsight, insight and foresight to create and nurture a risk-aware culture that reaches every corner of the business. SAS Risk Intelligence for Credit Unions is your answer.

Powered by our industry-leading business intelligence platform, SAS Risk Intelligence for Credit Unions draws from a comprehensive portfolio of advanced risk and compliance capabilities to provide a single point of control for credit unions to effectively govern critical enterprise risk and compliance activities.

SAS takes a broader view of risk than other vendors, helping you managing both exposures and opportunities to find that optimal balance of risk and reward.



Challenges

- Incomplete view of risk.
- Resource limitations.
- Insufficient risk tools.
- Manual, spreadsheet-based reporting processes.
- Too much duplication of effort and rework.
- Inability to access the right data when it's needed.

Why SAS®?

By providing an integrated, consistent, forward-looking view of risk across the enterprise, SAS Risk Intelligence for Credit Unions enables a more efficient allocation of risk capital while consistently measuring and controlling the risk of new business activities.



Building an integrated view of risk across all lines of business

The solution

SAS Risk Intelligence for Credit Unions delivers a current, credible understanding of the risks unique to your organization across a broad spectrum that includes all types of risk, lines of business and other key dimensions. With SAS, you can:

- **Improve financial performance by:**
 - Reducing losses.
 - Improving capital management.
 - Building a risk-aware culture throughout the organization.
- **Reduce by:**
 - Effectively and efficiently managing all types of risk.
 - Lowering associated costs.

Benefits

Optimize capital and risk

SAS enables you to balance risk and reward across credit, market, operational, compliance and fraud disciplines with a portfolio of integrated analytic applications that empower you to optimize strategies, investment choices and asset allocations so you can:

- Free up capital.
- Increase earnings.
- Lower funding costs.
- Maximize member value.

Increase visibility, foresight, agility

SAS Risk Intelligence for Credit Unions provides an early-warning system that gives you a 360-degree view of the organization so you can:

- Accurately identify, measure and report exposures early on.
- Prioritize exposures for the most appropriate action.
- Make the right decisions at the right time.

Gain an integrated view

While every situation is different, you must be able to reconcile different definitions and map them into common terms understood by all. SAS uses structured modeling, data mapping and metadata to:

- Preserve “uniqueness” at a granular level while enabling translations into terms most users can understand.

- Ensure consistent, transparent, audit-able information across the enterprise.

Build a risk-aware business process

SAS provides an integrated approach to managing your risk and compliance activities, so you can:

- Use a common means to capture, calculate and report on risk information using consistent definitions and standard metrics.
- Distribute the right information to the right people, at the right time, in the right format.
- Make risk management an integral part of your business processes.

Achieve a robust data management and analytic environment

SAS is the only vendor that provides the ability to:

- Access, transform and improve data quality as a seamless bridge into analytic applications.

Risk-based performance management

SAS enables sound corporate governance by incorporating a performance management approach into all areas of risk, so you can:

- Gather data from every source, transform it into usable knowledge and communicate strategic decisions throughout the organization.

- Promote an enterprise-level environment for aggregating, managing and optimizing disparate risk exposures and key risk indicators in a single, integrated risk profile.
- Facilitate the exchange of information with other business solutions across your organization.
- Help ensure that everyone is working toward the same goals.

Market risk

Today, you need to consolidate information from across the organization, combine multiple instrument types into one portfolio, perform scenario and stress tests, calculate at-risk measures, and deliver customized reporting back to users. SAS software's superior data management capabilities let you:

- Access and consolidate market and position data regardless of location, platform or system.
- Analyze and explore data on multiple dimensions.
- Compute accurate, insightful risk measures and deliver them to decision makers in their preferred format.

Credit risk

SAS Credit Risk Management is the most complete end-to-end application available, integrating data aggregation, analytics and reporting within a single, transparent framework so you can:

- Measure current and potential credit risk exposures accurately.

- Evaluate alternative strategies for reducing, shifting or transferring risk to ensure that adequate capital reserves are maintained and appropriate economic capital charges are assessed.
- Gain a complete view of your institution's credit risk position, extending beyond regulatory requirements.

Credit scoring

SAS Credit Scoring incorporates award-winning data management, analytic and reporting capabilities into a powerful in-house credit scoring solution that lets you:

- Develop, validate, deploy and track credit scorecards faster, cheaper and more flexibly than any outsourcing alternative.
- Perform application and behavioral scoring to assess and control risk within existing portfolios and to improve acquisition strategies.
- Gain a better understanding of the risk characteristics and attributes that lead to delinquency, default and, ultimately, bad debt.

Operational risk

SAS OpRisk Management lets you identify, measure, monitor, aggregate, evaluate and report operational risks to help you mitigate and control these risks, calculate capital reserves and comply with regulatory requirements. The solution includes:

- SAS® OpRisk Monitor, a Web-based application that collects, manages, tracks and reports information about

The SAS® difference

- **Comprehensive.** Only SAS provides an enterprise risk management solution that lets you measure, manage and report on market, credit and operational risk, as well as compliance and fraud, across all lines of business.
- **Flexible.** As new methods emerge for calculating economic capital or pricing financial products, SAS provides the flexibility to rapidly adapt to changing business needs.
- **Integrated.** SAS gives you a more holistic view of risk, granting the clarity and confidence to effectively manage risk at the enterprise level.
- **Scalable.** SAS is completely scalable to support your growing needs.

operational loss events, key risk indicators, risk assessment maps and control assessment scores.

- SAS® OpRisk VaR, a sophisticated yet user-friendly analytic value at risk model that lets you splice, dice, drill down, adjust, trend and plot operational loss data at will, following a fully transparent, intuitive and sequential process.
- SAS® OpRisk Global Data, a comprehensive database of external loss data that enriches the statistical sample used for modeling, documenting more than 10,000 publicly reported operational loss events of \$1 million or more.

Anti-money laundering

Anti-money laundering solutions from SAS help you identify and investigate criminal financial activities, comply with national and international regulations and protect your business reputation by:

- Managing and refining mountains of member data from all areas of the business.
- Automatically identifying, classifying and surfacing suspicious activities.

Sarbanes-Oxley

SAS offers a comprehensive, flexible solution that lets you:

- Define, communicate, assess, certify and improve compliance procedures and processes.
- Support a closed-loop process for ensuring continual compliance and constantly improving performance.
- Effectively track, store, document and audit every financial process and control within your business.
- Reduce reporting cycle times by quickly accessing, consolidating and cleaning all the financial data throughout the enterprise.
- Use time saved to review analytic results and evaluate the success of compliance initiatives.

Fair banking

Fair lending legislation in the US, such as HMDA, FHA, ECOA and CRA, has had credit unions struggling to efficiently capture and analyze their lending performance and report the information in an accurate and timely manner. SAS Fair Banking helps you:

- Gain a comprehensive understanding of members and lending activities so you can achieve community lending, investment and service goals.
- Fully grasp your lending track record and compliance risk exposures.
- Know your potential for extending goals to better meet market needs.
- Execute compliance programs for all members reliably and fairly by providing the analytic depth to help you know materiality, set priorities and enhance risk controls.

Fraud detection

SAS Fraud Management solutions provide an end-to-end knowledge infrastructure designed to create consistent and reliable enterprisewide intelligence on fraud. Based on an integrated fraud data mart, these solutions enable you to:

- **Detect account-/transaction-level fraud** with the only solution that scores 100 percent of all card transactions – purchase, payment and non-monetary – in real time at the POS to better protect your members and to reduce fraud losses.

- **Identify network-level fraud** with end-to-end detection, prevention and investigation management for organized network fraud, with the unique ability to visualize member data networks and actually see previously hidden connections and relationships.

About SAS

SAS is the leader in business intelligence and analytical software and services, with more than three decades of experience working with the financial services industry. More than 2,900 financial services companies worldwide use SAS to manage their strategy, risk, customers and channels, including 96 percent of banks on the 2007 FORTUNE Global 500®.

Customers at 44,000 sites use SAS software to improve performance through insight from data, resulting in faster, more accurate business decisions; more profitable relationships with customers and suppliers; compliance with governmental regulations; research breakthroughs; and better products and processes. Only SAS offers leading data integration, storage, analytics and business intelligence applications within a comprehensive enterprise intelligence platform. Since 1976, SAS has been giving customers around the world THE POWER TO KNOW®. **www.sas.com**



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