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REASONS
TO PARTNER
WITH
CU* ANSWERS
FOR YOUR
CONCENTRATION
RISK NEEDS

CU* ANSWERS CONCENTRATION RISK OFFERINGS 2011

DATA AT YOUR FINGERTIPS

Our flagship CU*BASE product has all the data you need to successfully manage your concentration risk requirements. Our loan codes allow you to quickly determine and monitor portfolio segments and large named borrower concentrations. You can export this information to a spreadsheet and conduct whatever tests the NCUA or state regulatory agency requires for your institution.

To learn more about how CU*BASE can meet the concentration risk management needs of your institution, check out **“Completing Concentration Risk Analysis on the CU*BASE Platform.”** There is no need to look anywhere else for your concentration risk requirements.

LOW COST

If you are not interested in running your own reports, CU*Answers can run these reports for you at a cost much lower than our competitors. The fee covers an in-depth analysis of your loan and investment portfolios, in order to give you everything you need to pass your examinations. This same information will help you and your board make informed choices regarding the management of your portfolio during your planning sessions.



For more information, check out the “Concentration Risk Pricing Guide” and the “Sample Risk Concentration Analysis” documents.

EXPERTISE

When your credit union purchases risk and compliance services from CU*Answers, you are buying top expertise. Our primary risk managers have over 35 years combined experience in managing risk issues.

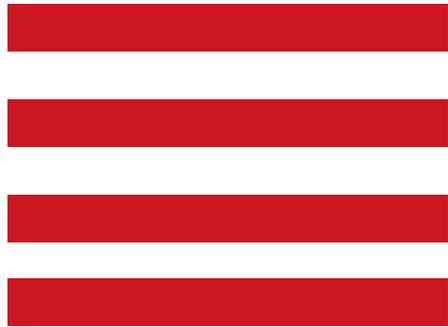
Jim Vilker launched his career as an examiner where he gained knowledge and depth of insight into regulations required of credit unions. At CU*Answers, Jim launched the strategic Audit Link business, educating clients through an online Advisor newsletter and designing premier training plans for clients of Audit Link and internal staff of CU*Answers' credit unions. His working experience with clients and CU*BASE tools uniquely qualifies him to write and instruct in the monitoring of regulated activities.

Patrick Sickels began his career as an attorney, and quickly branched out into the technological services industry, where he used his legal skills to help companies manage their compliance requirements. Patrick used these skills to develop into a classically trained auditor and risk manager. At CU*Answers, Patrick's background of law and technology make him uniquely suited to assist credit union clients in managing their risk requirements with a minimum of cost.



LONG TERM RELATIONSHIP

CU*Answers is always cultivating long-term relationships with our clients, and concentration risk is no exception. We'll be there for you as your credit union's risk profile changes over time. We will continue to make enhancements in our concentration risk offerings to better help your credit union pass examinations.

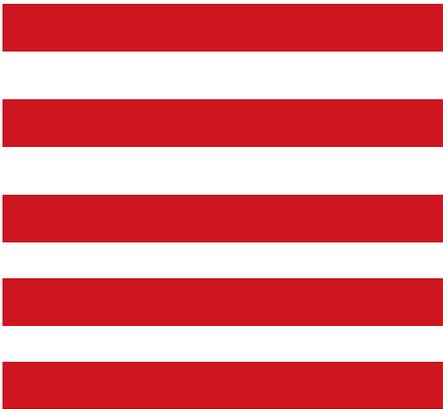


When your credit union is successful, we are successful. CU*Answers will always be here for you, to help with any questions you may have or to provide individualized attention on the problems facing your institution.



CLARITY

Our reports won't be filled with gibberish and indecipherable graphs and charts. Instead your report will be clean and tailored to fit the risk profile of your institution. The reports you get from CU*Answers will be complete with details on what the data shows, so you and your board of directors can confidently analyze your risks.



Don't take our word for it; check out the check out the "Sample Risk Concentration Analysis" documents and see what a difference CU*Answers can make for your institution's risk management.



CONCENTRATION RISK PRICING GUIDE

INITIAL ENGAGEMENT. The upfront analysis of portfolio segmentation, data identification, redesign of ALLL calculations, determination of model variables, and economic drivers will be determined. Depending upon the complexity of the credit unions portfolio this phase should take between 8 and 16 hours.

DATA GATHERING. During this phase the loans and investments will be classified in accordance with their specific segments. In the majority of cases security codes, loan categories, and purpose codes will be used and sorted through the "Select Loan Trial Balance" option. The best practice recommendation will be to utilize security code while taking into consideration call report requirements. The investments will be classified according to their "investment type" and sorted through the "Investment Trial Balance" option. Participations and guarantees will need to be determined and the manner in which these will be netted out for analysis purposes.

CHANGING SECURITY CODES. Depending upon the amount loans or investments it may be economically feasible to have our programming staff bid a special job request to change programmatically. In some cases this will not be required. A template has already been built to facilitate this phase.

RISK TO CAPITAL DETERMINATION. The fourth phase will be the actual testing of the segments against the model and determining the risk to capital, recommended board approved limits, and development of the final report. During this phase the establishment of growth goals in each segment will also be necessary as it relates to the maximum limits. Also, for segments which have potential loss exposures to capital of 30% or greater monitoring and loss mitigation rules will be determined.

ON-GOING TESTING. In accordance with the concentration guidelines segments approaching 20% potential loss exposure will be tested on a quarterly basis or on a frequency the credit union determines is appropriate. Dependent upon the credit unions risk tolerance or expected movement in the economic indexes utilized to augment historical loss ratios management may also require testing of other segments which do not meet the minimum thresholds.

PRICING

Credit Union Assets	Cost
0-\$50m	\$1,500
\$50.1m to \$100m	\$2,000
\$100.1m to \$300m	\$3,000
\$300.1m and above	\$3,500
Annual Review	\$500
Quarterly Runs	\$250
Board Education and Presentation for Final Report	\$250
In-person presentation (travel expenses additional)	\$250