

BlueSuite

Keeps you out of trouble

Contact:

Oxial

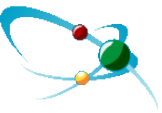
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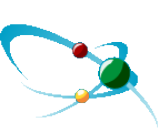
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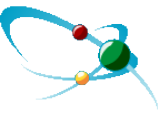


SUMMARY

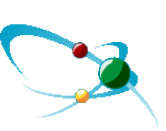
- Who are we?
- What do Oxial's clients want?
- Challenges for Solvency II
- Optimal Mitigation of Operational Risks
- Oxial Solutions
- Risk Register – Dashboard - Reporting
- Commercial Benefits/Advantages



- Swiss company
- Offices in UK, Switzerland and France
- Product mature and live since 2005
- 30+ clients in Europe
- Clients in Banking, Asset Management, Insurance, Industry, Public Works and other sectors
- Strategic partnerships



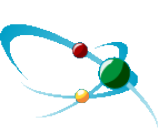
- Simple, scalable and fully integrated solution to manage operational risks
- Tailored applications to address specific needs (Risk Reporting, Information Security, Treating Customers Fairly, Health Safety & Environment etc.)
- Holistic view of risk exposures across organisation
- Rich reporting with real-time dashboards for timely remedial action
- Incident database (losses & near-misses) with integrated incident management system. Data can be collected for capital modelling purposes
- Evaluate effectiveness of controls in tackling particular risks
- Fewer controls/better controls
- Integrated Methodology for calculating residual risk
- **Competitive Edge – all information to hand – good visibility of risks – focus on problem areas**
- **Reduce Capital Requirements – Modelling**
- **Demonstrate compliance with regulatory standards**



- Operational Risk – The “forgotten” risk
- Capital provision up to 15% for Op Risk
- Op Risk “Overlap” between other risk classes
- ORSA

- How arrived at capital provision number?
- How you have controlled the risk?
- How effective are my controls?

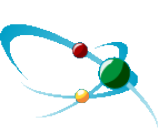
On the whole most is judgemental, not based upon formal testing or procedural methodology. **Could be subject to scrutiny.**

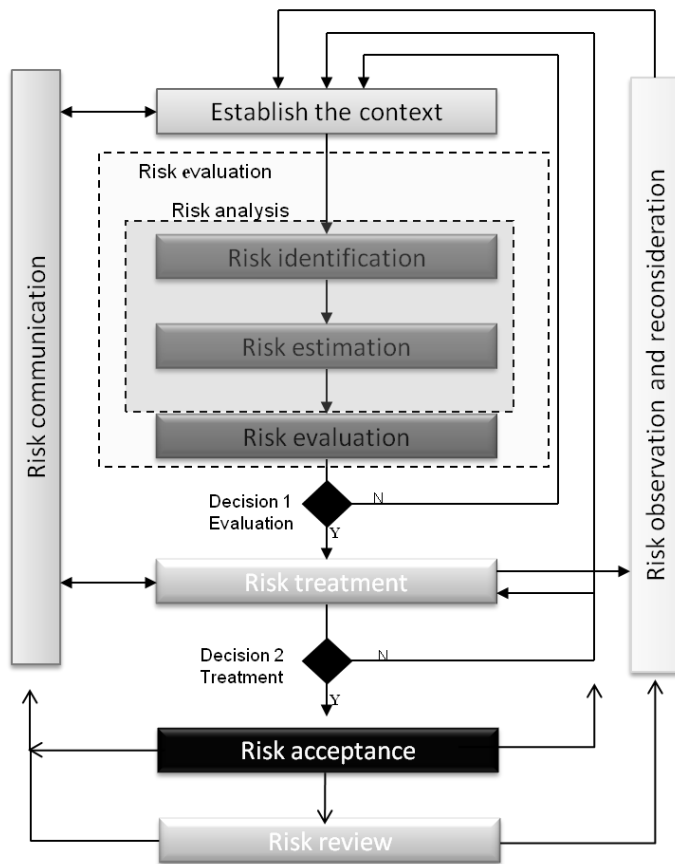


Oxial is different because we approach Operational Risk Management from a Controls Assurance perspective. Drawing upon our extensive knowledge of controls management and measurement, Oxial developed a suite of applications to support the risk function.

Incorporating a powerful suite of applications for testing and optimising the effectiveness of internal controls, identifying control weaknesses and trends, and implementing sophisticated risk treatment plans to substantially reduce costs and operational losses.

- Ease of risk and controls capture into centralised register
- Holistic view of risks & controls across the organisation
- Less controls - better controls
- Real-time incident & near misses management
- Meaningful and detailed reporting



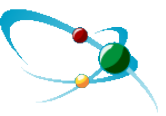


BlueSuite is a next-generation risk management & controls assurance solution, incorporating a powerful suite of applications for testing and optimising the effectiveness of internal controls, identifying control weaknesses and trends, and implementing sophisticated risk treatment plans to substantially reduce costs and operational losses.



Tailored Applications

- Risk Reporting
- Information Security
- TCF (Treating Customers Fairly)
- BCP (Business Continuity Planning)
- HSE (Health Safety & Environment)



BlueSuite 4.2 / REF - Base de démonstration / Eric-VAIO

Domains Edition Synoptic Reports Options Help <<<

Risks mitigation plan by nature Risks mitigation plan effectiveness Risks mitigation plan with graphs

Nature/Category/Sub category/Risk/Risk event/RMP	Sub process	BU	Impact amount	Impact	Freq./year	Frequency	Inherent risk	Risk level	Effectiveness %	Effectiveness	Residual risk	Residual level	Trend (%)
Operational risk													
Commercial													
Client deficiency													
Bad cash collection													
Credit limits could be exceeded without explanati...													
Risk of selling despite exceeded credit limit + ris...													
Risk of selling despite exceeded credit limit + r...	Credit limit		100 000,00	Moderate	1,00	Occasionnal	100 000,00	Medium					
Customer credit limit management		Somfy Moro...							82,24%	Weak	17 760,96	Very low	-17,76%
Too high or too low credit limit													
Too high or too low credit limit - Levant	Credit limit		100 000,00	Moderate	1,00	Occasionnal	100 000,00	Medium					
Organize credit limit revision		Somfy Levant								Weak		Medium	
Delivery, execution & process management													
7.1. Completeness and accuracy of processing of t...													
Inacurate claims processing													
Claims not inserted into the system	Handling and input of claims		10 000,00	Minor	50,00	Very Frequ...	500 000,00	Critical					
Completeness of claims input									96,68%	Medium	16 582,06	Very low	0,31%
HUMAIN, Employment relationship													
Illness													
Illness													
Contract analyzed too superficially	Legal / Analysis of contractue...		25 000,00	Moderate	55,00	Very Frequ...	1 375 000,00	Very critical					
Verification of legal validation									40,00%	Weak	825 000,00	Critical	6,00%
HUMAIN, Involuntary													
Failure of a procedure or a process, or humain error													
Illness													
Défaut de qualité dans la planification d'une mi...	Envoi d'email aux audités		15 000,00	Moderate	6,00	Infrequent	90 000,00	Medium					
Maitrise du risque de qualité sur les missions...									97,44%	Weak	2 304,41	Very low	47,44%
HUMAIN, Malicious acts													
Internal fraud													
Unauthorized activity													
Classification defect when archiving documents	Legal / Storage of the originals		1 500,00	Minor	1,00	Occasionnal	1 500,00	Low					
Procedure to archive folders in Legal service									30,00%	Weak	175 000,00	Critical	3,80%
Poor gathering of original documents	Legal / Storage of the originals		250 000,00	Major	0,10	Occasionnal	25 000,00	Very low					
Full verification of archived folders									50,00%	Medium	12 500,00	Medium	10,00%
NATURAL CATASTROPHE, ACCIDENT													
Accident													
Major natural events													



Evolution des résultats de contrôle

Fiche TSFAF_A11.1 / Plan de contrôle Exchange give-up - Derivatives

Date de : 14/07/2009 à 14/07/2010

Plan de contrôle : Exchange give-up - Derivatives Stade avancé : A faire

Module de contrôle : A. Policies & Procedures

Commentaire : Rules for brokerage structure may not be maintained.

Directifs : Written accounting policies and procedures are in place and are being implemented by the company. The policies and procedures include the following cycle/transactions:

- new client acceptance
- client assessment
- cash collections
- invoicing
- transaction processing
- allowance for doubtful accounts
- accounting procedures
- middle-office controls and trade management
- back-office controls and trade management
- client profiles management (creation, change...)
- credit monitoring & control

Nature : Détection événement

Fréquence d'exécution : Annuelle

Résultat attendu : Moyenne des pourcentages sur échantillon

00_023 STD: Suivi d'une mission d'audit

Audit de la production Informatique #

Unité d'affaire : London Gloucester Agency

Etat d'avancement des tâches d'audit:

Nombre de : 0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0

Legend: En cours (orange), Non commencé (blue), Terminé (green)

Module: Exécution

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 RCG Paris B 800 590 070 - Code APE 6413Z - N° de TVA Intracommerciale: FR 87 300 590 070

Top 10 DMR Trend Up

List of risk mitigation plans

Code	Label	Status	Calc. efficiency	Efficacité	Net score	Net risk	Trend (%)
#RMP_4.1.1	Completeness of claims input	Actif	87.93 %	Bonne	60750.00	Moyenne	51.52 %
DMR_021	Vérification de la validité juridique	Actif	40.00 %	faible	825000.00	Très faible	0.00 %
DMR_023	Vérification complétude dossiers archivés	Actif	50.00 %	Moyenne	12500.00	Moyenne	2.00 %
DMR_006	Suivi mise à jour documentation contractuelle	Actif	89.50 %	Bonne	640.00	Très faible	0.94 %
DMR_022	Procédure archivage dossier service juridique	En	30.00 %	Moyenne	175000.00	Très faible	0.00 %
DMR_012	Politique de gestion des conflits	Actif	80.00 %	Bonne	49500.00	Moyenne	0.00 %

Risk Criticity

Risk status

Amount by risk level

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Analyse de conformité

Questionnaire n° 1 - novembre 2008

Conformité par domaine de sécurité

Taux de conformité

Control results evolution

Fiche: 00006 / Plan de contrôle Bank control plan Demonstration

Date from: 30/07/2009 to: 30/07/2010

Control area: Bank control plan Demonstration Progress Status: Not started

Control module: Function / Back office exchange and payment facilities

Control: Control of annual software application of checks audit

Objectif: Ensure that the control procedure of checks is enhanced (check with value over GBP 100k have been treated within the bank control).

Nature: Exécution

Exécution frequency: Quarterly

Exigibilité result: Pourcentage d'opérations sur les chèques de > 100GBP

Value type: Decline values average on data subset

Evolution of values on data subset:

Legend: Total samples (red), Inputed values (blue)

Results number per Area:

Evolution of results:

Legend: Results (red)

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Reporting pertes et incidents pour la direction des banques

Date de : 01/10/2009 à 01/10/2010

Analyse des pertes et incidents de la période: à compléter

Analyse de révélation des pertes et incidents: à compléter

Nombre d'incidents de risque opérationnels ouverts durant la période	36	Nombre des pertes opérationnelles durant la période en %	100.00
Nombre de pertes opérationnelles durant la période	2	Nombre des pertes opérationnelles durant la période en %	100.00

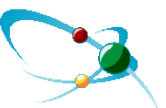
Repartition des incidents survenus au cours de la période par type de risque opérationnel (en nombre):

Repartition des incidents survenus au cours de la période par type de cause (en nombre):

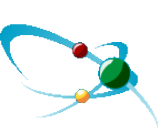
Legend: Non classifié, 91 %; Clients, 5 %; Ressources humaines, 5 %; Divers, 9 %

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- **Avoid repeating the mistakes that were central to many of the losses associated with the financial crisis by focusing upon the quality and non-proliferation of controls, integrating operational risk activities, and allowing operational risk to play a part in business growth**
- **Evidence of risk management efforts** - demonstrate to customers, prospects and key stakeholders that all significant risks and controls are identified, assessed, treated, monitored and reported, and that governance is strong
- **Trend analysis of controls effectiveness (predictive control failure) means pre-emptive action can be taken before a loss arises**
- **Real-time incident management with alerts and escalation**
- **Meaningful and detailed reporting**
- **Improved risk mitigation leads to lower capital requirements**



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