

easy2comply

 Practical Compliance Solutions™

Operational Risk Module key features

- Evaluating risks in 3 ways: Qualitative assessment (heat square or by a questioner) and quantitative assessment (based on Monte-Carlo simulation)
- Performing risk evaluation for process and organization
- Documenting and Managing complicated, horizontal risk surveys
- Assigning risks to risk tiers based on Basel2 or Solvency2

- Management Tools – full featured report generator, allowing the user to generate any type of report using smart filters
- Management Tools – Graphic dashboards, for example: qualitative and quantitative risk distribution dashboards.
- Assigning risks to risk tiers based on Basel2 or Solvency2
- Creating and documenting KRI's

- Documenting and analyzing loss data events – assigning tasks, linking loss events to risks and controls, conducting an investigation and evaluating damage (direct, indirect)
- Management Tools – full featured report generator allowing the user to generate any type of report using smart filters
- Management Tools – Graphic dashboards, for example: qualitative and quantitative risk distribution dashboards.

- Alert mechanism;
- Action plan mechanism based on work-flow
- Multilanguage support;
- Multi Regulatory solution;
- Integration between modules;
- Customer References;
- Easy to install or upgrade (web application);
- Easy to customize;
- Easy to implement;
- Integration with third-party application (SAP included).

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Screen shots

Application Center

Home Application Center Loss Events Sign-Off Processes Action Plan KRI Reports Configuration

Modules Chooser Edit Add Move Back Move Next Delete Rename Cut Copy Paste

Operational Risk : Amsterdam : HR-2:Information Systems

Risks & Controls Flowchart Narrative Process Details Risk Profile Duplicate

View: Risks & Controls Display IIA: Yes Generate Template Delete Selected

| Id | Risk | Impact |
|-------|---|----------------------|
| 11430 | Changes are logged, reported, and reviewed | critical Ineffective |
| 11440 | File control totals are reconciled to ensure th | high |
| 11420 | Access to system configuration options is r | minor Ineffective |
| 9110 | Invoices are reviewed for accuracy (ie. pric | medium Ineffective |

HR-2-B Financial statements can be misstated Minor Likely medium

| Control ID | Description | Weight | Status | Non Executable |
|------------|-------------|--------|--------|-------------------------------------|
| 9100 | | | | <input checked="" type="checkbox"/> |
| 11410 | | | | <input type="checkbox"/> |
| 11400 | | | | <input type="checkbox"/> |
| 9110 | | | | <input type="checkbox"/> |

Page: 1 Of: 1 Total Found: 3

Save Close Print

The full Process and Business Unit hierarchy can be modeled within the system to n levels

Users can view the Organization by Process or by Business Unit

Clients can choose to model their processes using extensive flowcharting capabilities

All business units and processes can be fully documented using Narrative functionality within the software and / or attachments

Logout Refresh Theme Language Help

▼ Loss Events

Home Application Center **Loss Events** Sign-Off Processes Action Plan KRI Reports Configuration

Edit Move Back Move Next

Company

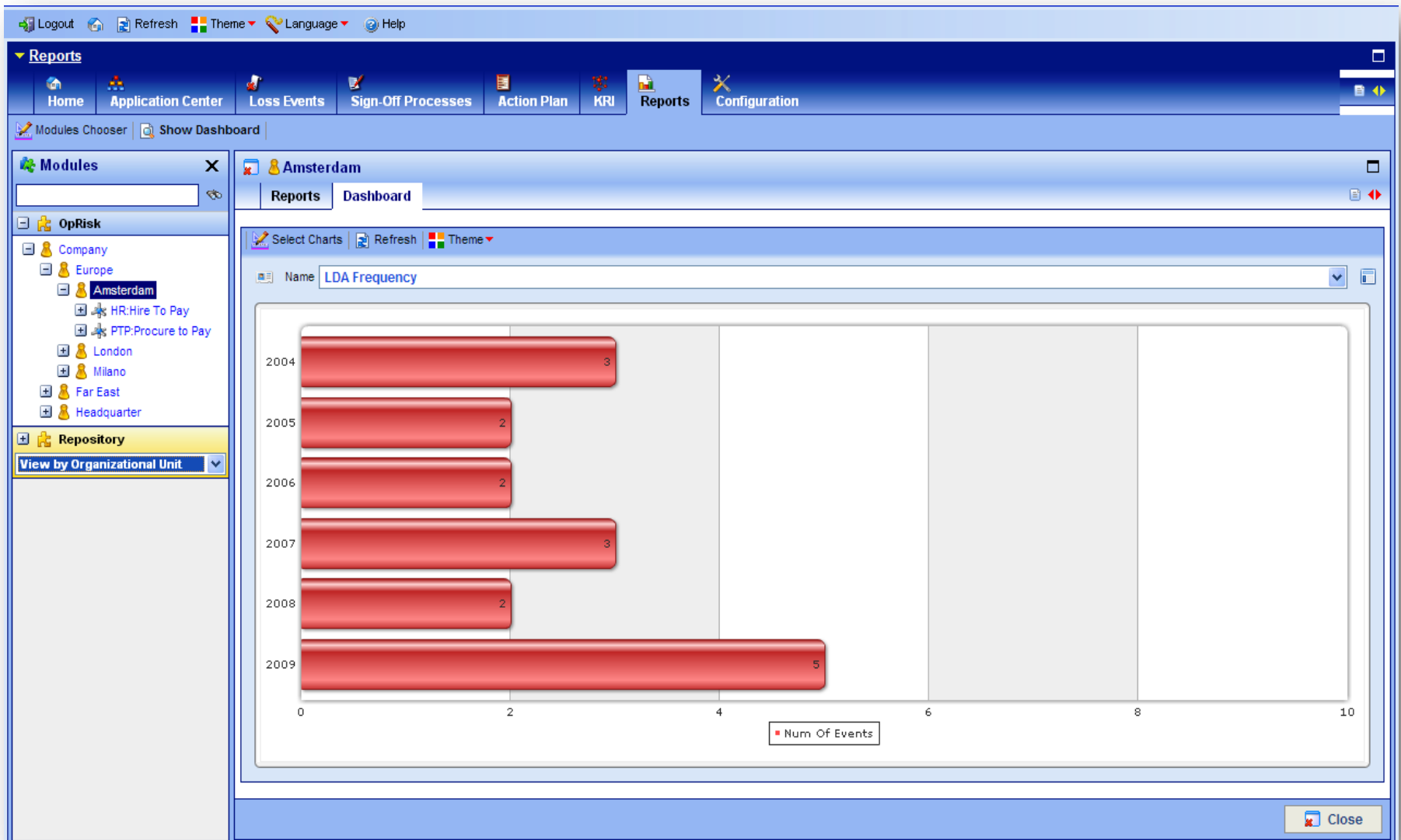
Loss Events

Organizational Unit

All loss events can be filtered by business unit and / or process

| | Name | Initiator | Report Date | Business Line |
|--|--|-----------------|-------------|------------------------|
| | CDO manager assumptions not being indidently checked of Treasury by IMO | Noam Bahadoones | 12/05/2004 | Retail banking |
| | Systeme Availability Problem | Mati ram | 12/05/2004 | Payment and settlement |
| | Acquisition order was signed by the wrong manager | Frank Kian | 12/05/2004 | Trading and sales |
| | Corporate banking | Davide shade | 11/05/2005 | Corporate finance |
| | Booking Error | Anna Milo | 18/05/2005 | Payment and settlement |
| | Elements of security not complete | Moshe Razon | 10/05/2006 | Trading and sales |
| | Dan Hamods | Dan Hamods | 10/05/2006 | Asset management |
| | Acquisition order was not verified and approved by management | David shade | 09/05/2007 | Trading and sales |
| | A supplier charge more then the approve amount in the acquisition order | Anna Milo | 14/11/2007 | Retail brokerage |
| | Information Theft | Noam Bahadoones | 03/12/2007 | Asset management |
| | Overdrawn at citibank because unclear settlement date on put option. | Mato Sabares | 14/05/2008 | Commercial banking |
| | Acquisition order was not verified and approved by the correct manager | Jhon smith | 20/11/2008 | Asset management |
| | Slow disclosure of a breach to B lender | J R Euing | 26/05/2009 | Commercial banking |
| | Suspense reconciliations not carried out on a timely basis. | Noam Bahadoones | 26/05/2009 | Payment and settlement |
| | A contract under EU IPF 2003 funding was issued | Chilicon Carnes | 26/05/2009 | Asset management |
| | Internal door activation not being controlled via cryptag during changeover from one security card to another. | Dora Selectors | 26/05/2009 | Asset management |
| | Incorrect booking of trade | David Blinches | 26/05/2009 | Commercial banking |

Save Close Print



The screenshot displays the 'Operational Risk : Amsterdam : PTP-3:Acquisition' interface. The left sidebar shows a tree view of organizational structure with 'PTP-3:Acquisition' selected. The main area shows a table of risks and a detailed view of controls. A blue callout box on the left states: 'Assessments can be performed at any level of the organizational structure'. A blue callout box on the right states: 'Risks can be added as needed, offering the organization the ability to see where the biggest problems exist'. The control table is as follows:

| Control ID | Description | Weight | Status | Non Executable |
|--|--|----------|-------------|-------------------------------------|
| H-C-5 | acquisition orders associated as ban | low | Effective | <input type="checkbox"/> |
| H-C-6 | acquisition orders processed ordinary | low | Effective | <input type="checkbox"/> |
| H-C-7 | management views each approved acquisit | critical | Ineffective | <input type="checkbox"/> |
| H-R-1 | acquisition order without proper approval | Major | Ineffective | <input type="checkbox"/> |
| H-C-2 | acquisitions approval by mangement | medium | Effective | <input checked="" type="checkbox"/> |
| H-C-1 | authorized signer listed kept for approval | low | Effective | <input type="checkbox"/> |
| H-R-2 | acquisition order typing mistakes | Moderate | Ineffective | <input type="checkbox"/> |
| H-C-4 | acuisitin order's daily supervision | high | Ineffective | <input type="checkbox"/> |
| H-C-3 | acquisition order's sum and price approval | critical | Ineffective | <input type="checkbox"/> |
| Controls That Are Not Assigned To A Risk | | | | NA |

Risk -- Webpage Dialog

General Details | **Qualitative Assessment** | Quantitative Assessment | Assertions | Risk Tiers | Di

Inherent
 Impact * 50,000-100,000 Euro Likelihood * once a year

Tolerance
 Impact * 100,000-1,000,000 Euro Likelihood * once a month

Risk Square

| Impact: | 0-10,000 Euro | 10,000-50,000 Euro | 50,000-100,000 Euro | 100,000-1,000,000 Euro | 1,000,000-10,000,000 Euro |
|---------------|---------------|--------------------|---------------------|------------------------|---------------------------|
| Likelihood | | | | | |
| once every 10 | | | | | |
| once a year | | | 4.00 | | |
| once a month | | | | | |
| once a week | | | | | |
| once a day | | | | | |

Summary

Inherent 6
 Tolerance 12
 Residual Risk Level 0.00

Save Close Print

Risks can be assessed qualitatively....

...and quantitatively

Risk -- Webpage Dialog

General Details | Qualitative Assessment | **Quantitative Assessment** | Assertions | Risk Tiers | Di

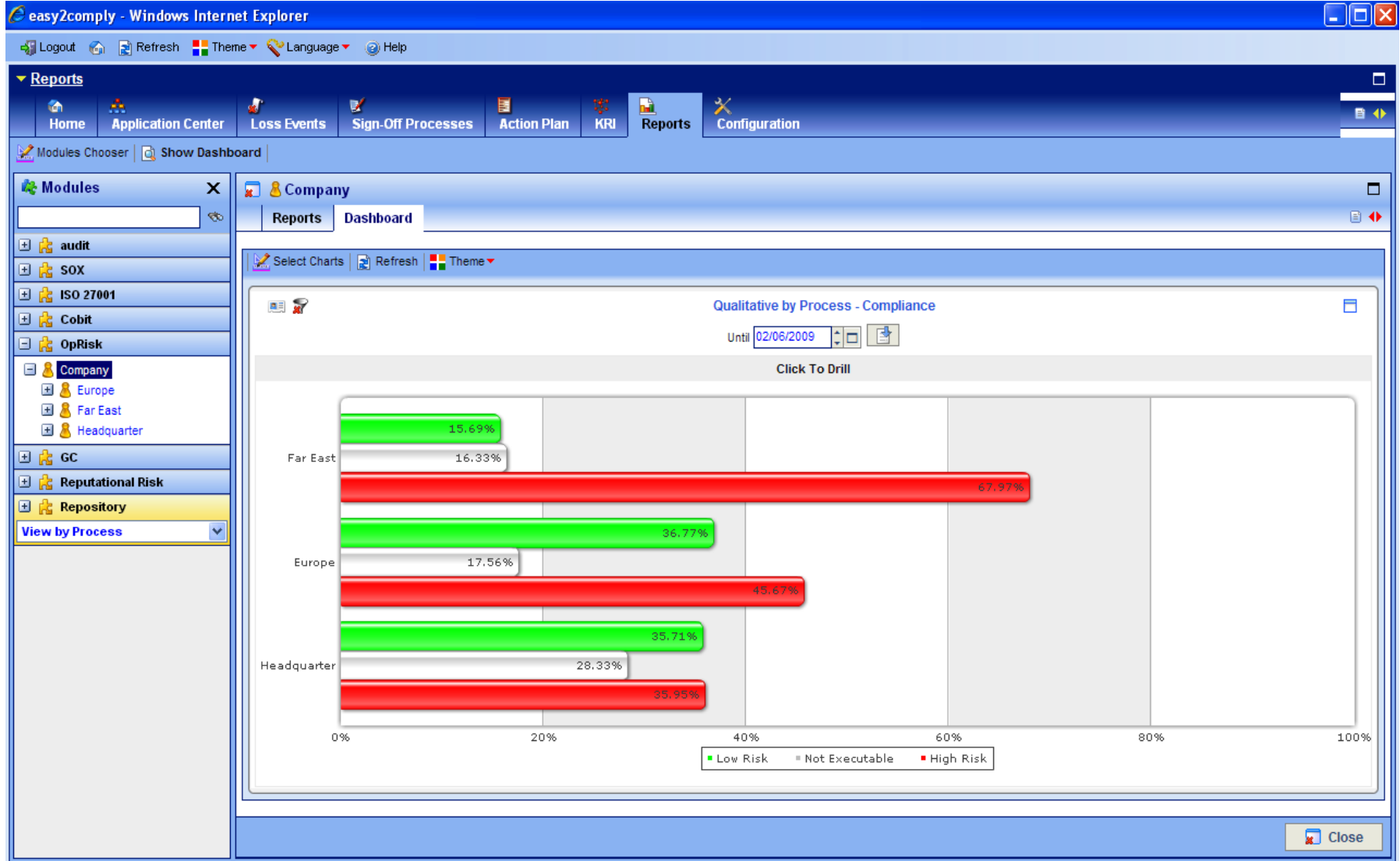
Quantitative Assessment

Num Of Events Per Year 20
 Expected case damage \$100
 Worst case damage \$200
 Annual Expected Damage \$1,945.41 Annual Unexpected Damage \$3,020

The screenshot displays the 'Control -- Webpage Dialog' in a Windows Internet Explorer browser. The interface is divided into several sections:

- Application Center:** A sidebar on the left with a tree view showing a hierarchy of modules. Under 'Operational Risk', 'Company' is expanded to show 'Europe', which is further expanded to 'Amsterdam'. Under 'Amsterdam', 'PTP-2: Invoice Processing' is selected and highlighted in blue.
- Control -- Webpage Dialog:** The main window contains a form with the following fields:
 - General Details:** Control ID (9110), Name (Invoices are reviewed for accuracy (ie: pricing terms, shipping, taxes, calculations) prior to posting.), Control (Classic Index), Is Passive (checkbox).
 - Mitigation Effect:** Impact (checkbox), Probability (checkbox).
 - Owner:** Team manager, New Owner button.
 - Frequency:** Undefined.
 - Control Type:** Manual.
 - Financial Impacts:** checkbox.
 - Reliance on other Controls:** text field.
 - General Control:** checkbox.
 - Transaction Type:** text field.
- Buttons:** Save, Close, Print buttons are visible at the bottom of the dialog.

A blue callout box with a white border and a pointer to the form contains the text: "All controls can be fully documented, categorized and tested where appropriate".



Logout Refresh Theme Language Help

KRI

Home Application Center Loss Events Sign-Off Processes Action Plan **KRI** Reports Configuration

Edit

Amsterdam

KRIs

Unit: Amsterdam

| | | Id | Name | Organizational Unit |
|--|--|-----|---|---------------------|
| | | 22 | Amount of leaving staff | Amsterdam |
| | | 23 | Transactions in dormant Accounts | Amsterdam |
| | | 56 | The amount of DOS attempts | Amsterdam |
| | | 230 | Users with deviation (2 STD and more) from group normal access to dormant accounts per week | Amsterdam |
| | | 1 | Acquisition order | Amsterdam |
| | | 299 | Total amount of invoices | Amsterdam |
| | | 24 | Staff - Percentage not Completed Primary Anti-Money Laundering Training | Amsterdam |

Any risk can have one or more associated KRIs

Save Close Print

The screenshot displays the 'KRI -- Webpage Dialog' window with the following sections:

- General Details:** Last Testing Info (Date: 07/05/2009, Tester: admin, Testing Status: 16.0)
- Insert Test Result:** Date: 17/06/2009, Test Result: 80
- Status Table:**

| | Update Date | User Name | Test Result | Percentage Change | |
|---|-------------|-----------|-------------|-------------------|---|
| ◆ | 07/05/2009 | admin | 16 | +60.0 | % |
| | 14/05/2008 | admin | 20 | +100.0 | % |
| | 16/05/2007 | admin | 10 | 0.0 | % |

A callout box states: **KRI data can be collected over time, allowing the system to trend the data to foresee future movements**

The screenshot shows the 'easy2comply - Windows Internet Explorer' browser window. The main navigation bar includes 'Home', 'Application Center', 'Loss Events', 'Sign-Off Processes', 'Action Plan', 'KRI', 'Reports', and 'Configuration'. The 'Action Plan' section is active, displaying 'Amsterdam' and 'Lower Levels Tasks'. A table lists tasks with columns for Status, Control ID, Control, Responsible, Due Date, and Organizational Unit.

| Status | Control ID | Control | Responsible | Due Date | Organizational Unit |
|----------------|------------|---------------------|------------------|------------|---------------------|
| Approved Tasks | | | Correy Gosh... | 20/01/2009 | Amsterdam |
| Open Tasks | 9140 | Recurring invoic... | boris | 18/02/2009 | Amsterdam |
| Open Tasks | | | David Milles ... | 18/02/2009 | Amsterdam |
| Approved Tasks | | | boris | 17/02/2009 | Amsterdam |
| Approved Tasks | | | boris | 17/02/2009 | Amsterdam |
| Approved Tasks | | | boris | 09/02/2009 | Amsterdam |

Actions can be monitored at any level of the business hierarchy

Logout Refresh Theme Language Help

Reports

Home Application Center Loss Events Sign-Off Processes Action Plan KRI Reports Configuration

Modules Chooser Show Dashboard

Modules

Amsterdam

Reports Dashboard

Select Charts Refresh Theme

Deficiencies Chart

Until 02/06/2009

Click To Drill

| Category | Count |
|----------------------|-------|
| Effective Controls | 16 |
| Ineffective Controls | 11 |

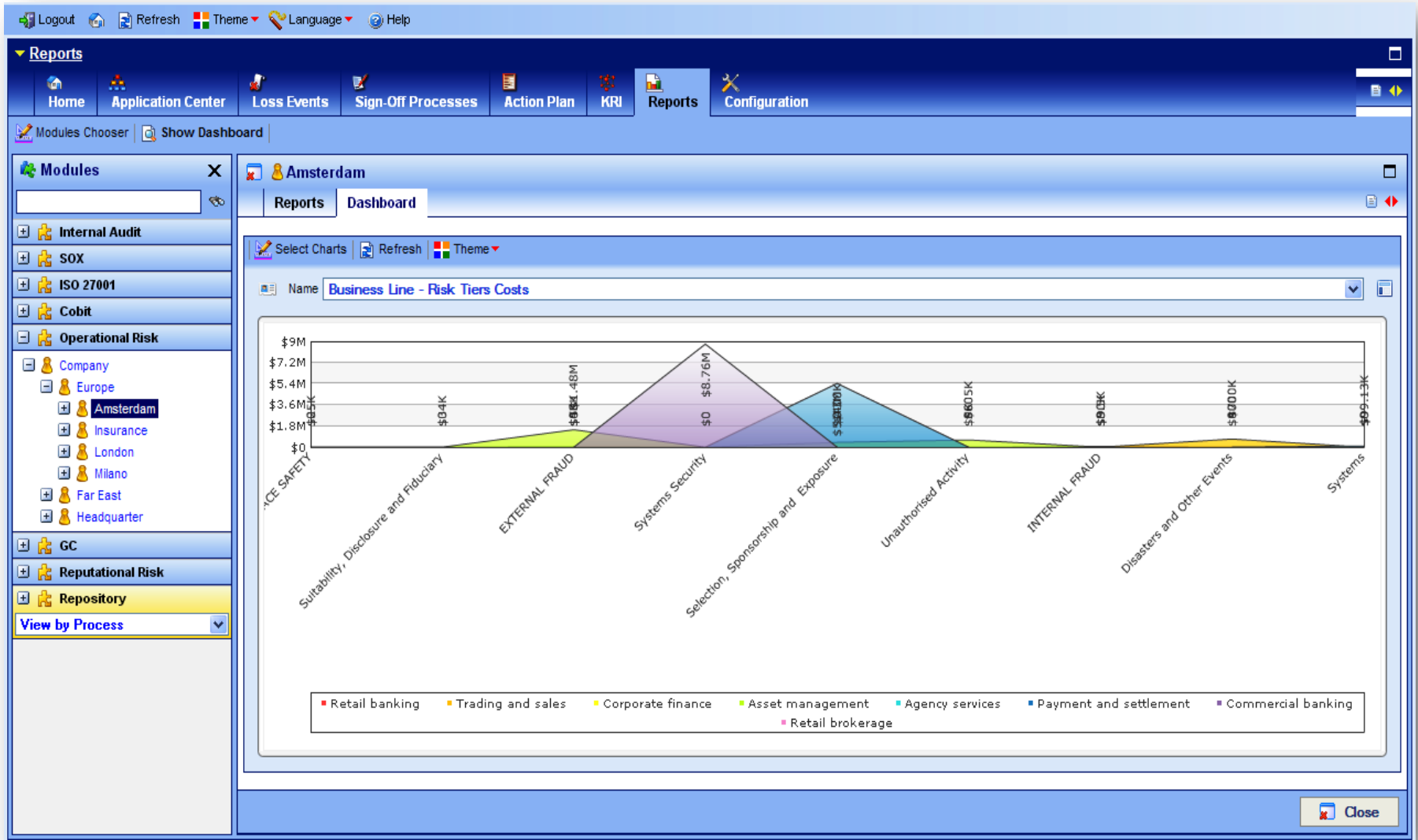
Qualitative by Process

Until 02/06/2009

Drill Up Amsterdam

| Process | Effective Controls | Ineffective Controls | Not Applicable |
|----------------|--------------------|----------------------|----------------|
| Procure to Pay | 8 | 6 | 2 |
| Hire To Pay | 8 | 5 | 3 |

Close



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Thank You