

Loan Portfolio Valuation



Faster, Easier and More Accurate Valuation for Bigger Profits

"Our data sets have grown extremely large in response to client requests for more detailed portfolio analysis and our need to handle increasing loan origination volumes. Insightful lets us work with arbitrarily large data sets with ease... We also love the transparency provided by the visual interface. It is very valuable in showing our thought processes as we work on improving our models."

Glenn Schultz

*Dir. of Prepayment Modeling and Analytics
Banc One Capital Markets, Inc.*

"Insightful is on the leading edge of analytic software providing decision-makers with the solutions required for anticipating opportunity, reducing risk and improving efficiency."

Dan Vesset

*Research Manager, Analytics and Data
Warehousing, International Data Corporation
(IDC)*

Whether buying, holding or selling, analysts in commercial banks, loan originators and the secondary markets know that valuing a loan portfolio has never been easy. Institutions can be exposed to unnecessary risk or poor performance when they can not quickly assign accurate scores to individual loans as well as to entire portfolios of loans. In addition, the complexity of most valuation systems forces business people to wait for in-house expertise whenever an analysis requires even slight modification, causing costly delays in the decision-making process.

The Insightful Loan Portfolio Valuation Solution provides senior analysts and less technical decision-makers with essential capabilities for improving portfolio profits:

- Streamlined, self-documenting process is easy to explain, share and maintain
- Flexible and adaptable to fit your existing environment and grow with your changing needs
- Score even the largest portfolios at the individual account level for greater accuracy
- Create more profitable loan products by identifying drivers of portfolio cash flows and risks
- Empower decision-makers to perform their own analysis

HIGHER PROFITS WITH SCALABLE, LOAN-LEVEL SCORING

Investors today demand more information on the drivers that influence a loan portfolio's performance.

Prepayment rates, default risks, underwriting practices and servicing policies combine to create a product's unique risk/return profile. Rather than segmenting loans by gross characteristics, Insightful delivers higher accuracy by identifying the specific borrower and loan attributes that influence the portfolio's cash-flow at the account level. It efficiently scores even the largest portfolios at the individual loan level, so buyers and sellers make more profitable decisions, and lenders have the information needed to develop product strategies that capitalize on new market opportunities at the point of loan origination.

The Insightful approach also provides management with powerful surveillance tools to identify best performing loan products, strategically manage risk, support residual valuations and manage the company's interest-risk exposure. For example, managers can now quantify the performance of retail versus broker-originated loans, or compare loan performance of specific originators.

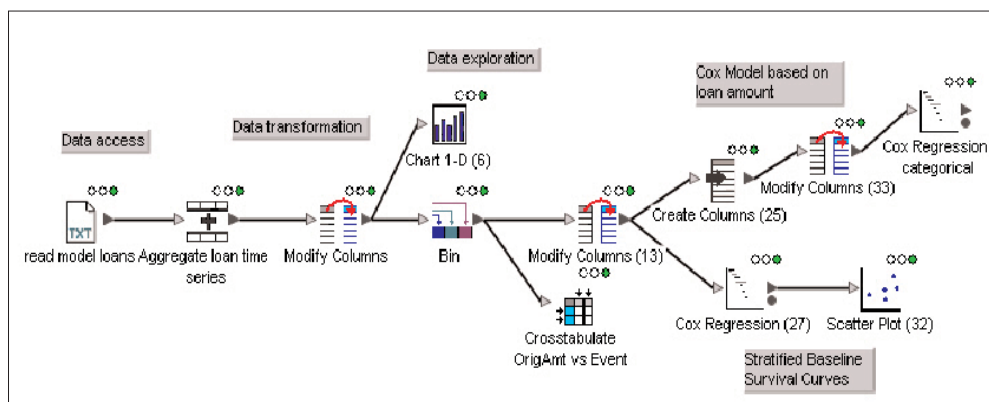


FIGURE 1: The Insightful Loan Portfolio Valuation Solution is a turnkey software, training and implementation services package that ensures your success with side-by-side development and tailoring of your first valuation and reporting application.

Insightful Loan Portfolio Valuation Solution

Software Applications

- Insightful Miner Visual Data Analysis Workbench
- S-PLUS® data analysis and programming engine
- S+FinMetrics™ for advanced time series analysis (optional)
- S+NuOPT™ for advanced optimization strategies (optional)

Fast-start Training and Implementation Services

- On site or Web-based interactive training in the development and deployment of models for portfolio analysis
- Comprehensive loan-level scoring pipeline tailored to your environment, including:
 - One data source connection
 - One data preparation and transformation pipeline
 - One existing model translation
 - One account-level scoring and rollout pipeline

Fast Facts

- Over 16 years of leadership in software and services for statistical data analysis, data mining and knowledge access
- Over 70% of the largest banks, lenders and credit card companies rely on Insightful software and services to gain intelligence from their stores of numbers and text with analytic applications tailored to their specific business needs

Decision-makers can execute more profitable exit strategies through stronger negotiation with the rating agencies, and they can justify the premium paid by investors for the perceived certainty and quality of cash flows.

Servicing organizations also benefit from Insightful's granular approach. Identifying those borrowers with higher probability to default supports more efficient management of outbound calls, loss mitigation and early intervention strategies. Plus, Marketing can target those least likely to default with enhanced products tuned to their needs.

EMPOWER BUSINESS ANALYSTS TO MAKE BETTER DECISIONS, FASTER

The Insightful Loan Portfolio Valuation Solution uses an easy-to-understand, self-documenting workflow to extend sophisticated portfolio analysis capabilities to less technical decision-makers. Standardized deployment of loan valuation processes improves collaboration and quality of information, and avoids costly mistakes associated with using multiple spreadsheets or software programs. Your decision-makers will also quickly understand what's happening in the analysis and can easily tune the steps to fit their needs, streamlining the loan valuation and risk management process for improved efficiency and consistency across your organization.

FLEXIBLE AND SCALABLE TO GROW WITH YOU

Detailed loan-level analysis was often impractical on very large portfolios. But Insightful's solution is uniquely flexible and scalable, so you get a long-term solution for loan valuation. This industry-proven solution can score over 10 million loan records in less than one hour using common server hardware. And when an opening arises to advance your competitive position with proprietary analysis, use Insightful's award-winning S-PLUS language and financial toolkits to power business decisions that leave your rivals behind.

TRANSPARENCY IMPROVES COMMUNICATION

The visual workflow interface provides a visual history of all processing activities. In addition to cutting your regulatory compliance burden, these self-documenting worksheets clearly communicate the steps used to assign loan scores so sharing, explaining and modifying the analysis is a snap.

DEPLOY ANALYSIS AND REPORTS TO THE FRONT LINES

Insightful's portfolio solutions put answers at your organization's fingertips. From empowering business users to perform their own analysis to publishing Web-ready reports or scoring accounts with automated processes, Insightful supports numerous deployment options that scale up to the heaviest demands. With Insightful, your decision-makers can take action quickly and decisively for increased productivity, reduced costs, and better competitive position.

EXPERTISE YOU CAN BANK ON

The pressure to make better and faster decisions is driving financial leaders to invest in more sophisticated and more powerful analytic applications. Insightful is one of the world's most sought after data analysis partners for its expertise in analytical solutions that improve portfolio performance and control risk in all facets of the financial services value chain.

Our Professional Services team is renowned for both analytical experience and project management skill. Whether we go shoulder-to-shoulder to train your staff and assist with initial implementation, or you want us to lead your analysis efforts, we know banking requirements and define the ideal solution, providing exactly what is required.

ABOUT INSIGHTFUL CORPORATION

Insightful Corporation (NASDAQ: IFUL) provides enterprises with scalable data analysis solutions that drive better decisions faster by revealing patterns, trends and relationships. The company is a leading supplier of software and services for statistical data analysis, data mining and knowledge access. Insightful products include S-PLUS®, Insightful Miner, StatServer®, S-PLUS Analytic Server®, and InFact®.

For more information visit <http://www.insightful.com> or send e-mail to info@insightful.com

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