

## **PRESS RELEASE**

### **HSBC Implements Risk Integrated's Specialized Finance System for Commercial Real Estate Assets**

New York / London - 30 March 2009 - Risk Integrated, the leading consulting and technology firm focused on risk management for specialized finance, today announced that HSBC has installed the firm's Specialized Finance System (SFS). HSBC is using the system to gather detailed data on its commercial real estate loans and report on the portfolio's risk profile. The system covers lending to both investment properties and construction projects.

At a time of increasing regulatory and risk management pressures, HSBC is using the SFS to strengthen the reporting of its commercial real estate (CRE) assets to give management, the board and regulators an increased understanding of the portfolio. Starting in 2009 it is expected that all new large UK CRE transactions will be entered into the SFS at origination and that over time this will be extended to all new CRE transactions.

The project was implemented in three phases. Phase one gave the bank access to the SFS software as a service on Risk Integrated's web servers, allowing HSBC to train users and start to enter the portfolio into the SFS database. For phase two, HSBC requested minor changes to the system including data fields that are specific to HSBC. In phase three the enhanced system was installed in-house on HSBC's servers. The system is now being supported through a multi-year maintenance agreement with Risk Integrated.

#### **About HSBC**

Headquartered in London, HSBC is the largest banking and financial services organization in the world. HSBC's international network comprises around 9,500 offices in 85 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

#### **About Risk Integrated**

Risk Integrated is a consulting and software firm focusing on risk measurement for specialized lending such as commercial real estate and project finance. We deliver models, systems and training to assist financial institutions to quantify, manage, and report their risks. These systems can be implemented either in-house or as a monthly web service. Our objective is to give each client a clear view of their current risk on outstanding loans, to properly assess the "riskiness" of new deals in the pipeline, and to show how the risks can be profitably mitigated.