



Internal Capital Adequacy Assessment Process (ICAAP)

Effective capital management has moved from a matter of regulatory compliance to one of survival for banking institutions around the world. As economic conditions worsen, senior banking executives are coming to a fuller realization that ICAAP can not be viewed as an isolated process – that it must be a central component of an organization's strategy for managing risk to create value. Developing a sound ICAAP requires more than a set of tools and checklists for implementation; it requires a deep understanding of the sources, nature, and interactions of risk. Our team of unbiased experts can help you navigate the complexities of your organization to speed implementation of your ICAAP framework.

In order to optimize the use of capital to create value for your organization and ensure its viability in times of economic stress, you need to:

- › Develop, articulate and communicate the vision for how the bank will manage its capital through economic cycles
- › Establish effective policies, practices, and techniques to identify and address the full spectrum of risks
- › Build credible stress tests, early detection tools, and actionable contingency plans
- › Enhance capabilities, knowledge, and skills within your organization to manage risk under changing circumstances
- › Create documentation which embodies the risk strategy and practices of your organization
- › Demonstrate implementation of methods, procedures and information systems to ensure adequate capital

Our Approach

Moody's Analytics Risk Management Services can work with you to design, develop, deploy, and document an ICAAP that spans your unique portfolios and takes account of all material risks faced by your institution. Our comprehensive and forward-looking approach helps you develop long term solutions to maintain shareholder value through the cycle by ensuring you have the standards, structure, systems, and skills to effectively manage risks and capital.

Our approach brings together award-winning risk and capital management tools developed by pioneers KMV and Fermat International, industry-leading risk and economic data, and over a century of expertise in measuring and managing risk. We bring these tools to bear in working with our clients to define the cornerstones of their risk strategy and implement a solution that treats ICAAP as a core management tool and not just a regulatory exercise.

Data & Research

Exclusive access to proprietary information sources, including Moody's Economy.com, the leading provider of economic analysis, data, and forecasts; and our Credit Research Database, the industry's most comprehensive credit risk data set

Analytical Tools

Award-winning tools and technology developed by the industry's foremost thought leaders and innovators

Consulting Solutions

Highly customized advisory engagements that use the full breadth of Moody's resources. Our consulting group builds fully integrated capital solutions that apply the best of Moody's Analytics offerings and the expertise of our risk professionals.



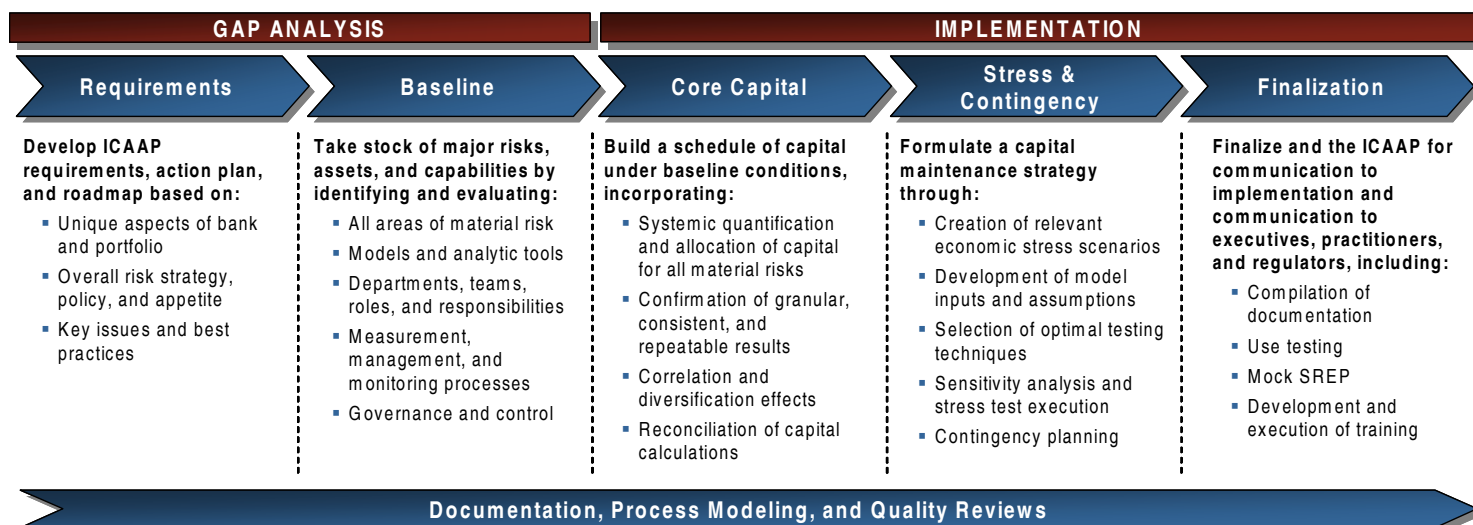
Moody's Analytics



We take the time to understand the unique aspects of your organization and develop an ICAAP solution that helps you achieve your business objectives as well as pass compliance tests and challenges from regulatory supervisors.

Moody's Analytics follows a phased approach for ICAAP development. The first stage is aimed at designing an ICAAP framework that fits your institution's profile and risk appetite. During implementation, our consultants partner with you to build the organizational structure, systemic solutions, and skills required to measure your risks, stress test your exposures, and allocate capital in an optimal way.

Moody's Analytics ICAAP Approach



Our Commitment

Unparalleled Expertise and Thought Leadership

Professionals with practical experience as former analysts, practitioners, and regulators – backed by over 30 years of credit risk data and a century of experience in risk assessment – provide independent evaluations and insights that reflect a true understanding of your business, wherever you are in the world

Proven Methodologies and Data

Leading edge tools, robust and validated models, transparent frameworks, and the industry's most comprehensive proprietary credit risk data set drive immediate results

Comprehensive Solutions

A multidisciplinary and integrated view of risk management across the value chain creates solutions customized to your needs, from data architecture through advanced portfolio optimization, to support more effective decision-making

Contact Us

To learn more about how Moody's Analytics Risk Management Services can help you meet your capital challenge, please contact one of our specialists or email rms@moody's.com.

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