



# Credit Risk Management

**18 straight years of record revenues, net  
income, and earnings per share.**

# **PAYCHEX**<sup>®</sup>

*SOLUTIONS FROM HIRE TO RETIRE*

- Provider of comprehensive payroll and integrated human resource and employee benefits outsourcing solutions for small- to medium-sized businesses
- 572,000 clients
- More than 100 offices nationwide and in Germany
- Eighteen consecutive years of record revenues, net income, and EPS
- Fiscal 2008 – revenue of \$2 billion, pre-tax income of \$855 million, and net income of \$576 million
- Founded in 1971, public in 1983

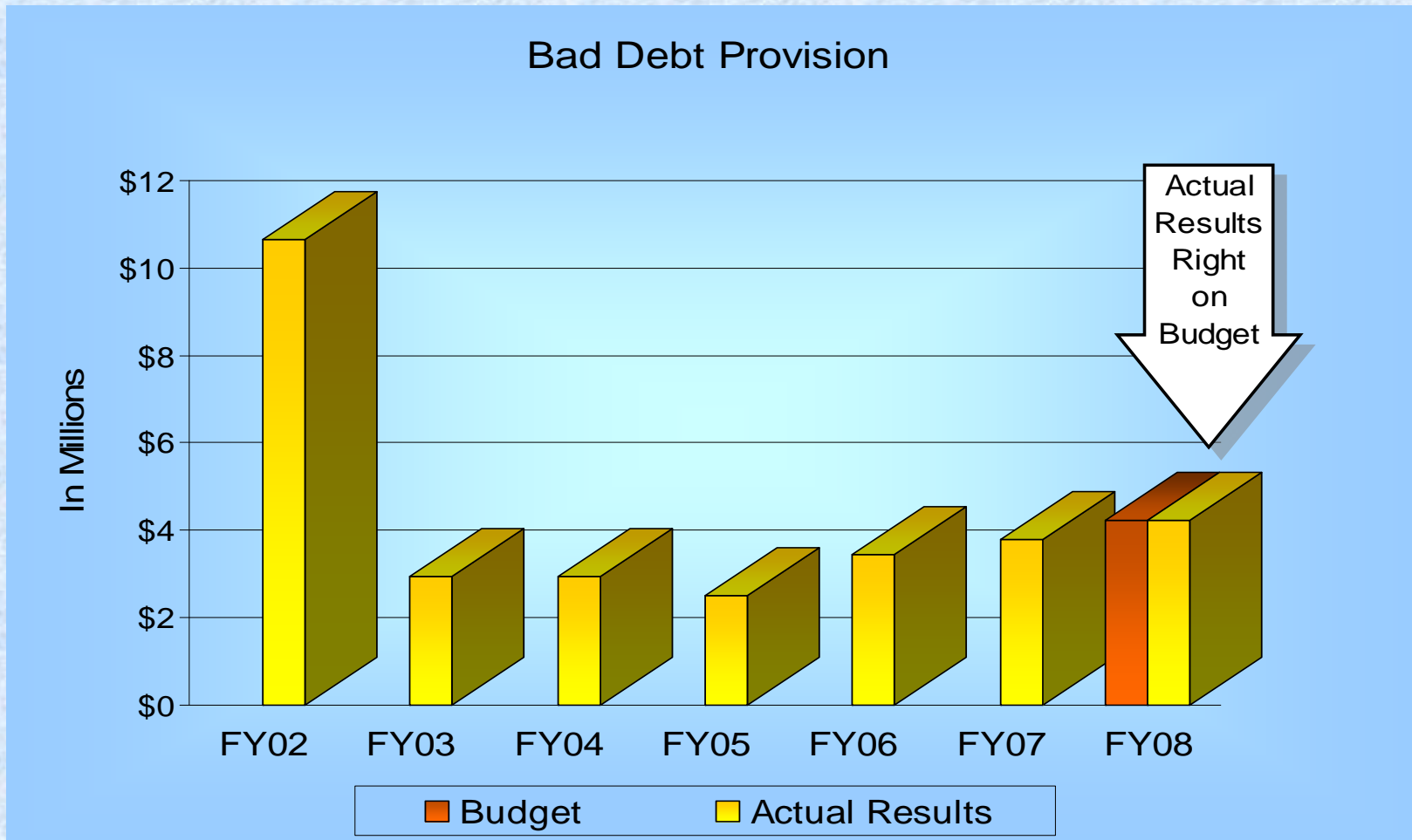
# Credit Risk Management

*Moving proactively into the future.....*

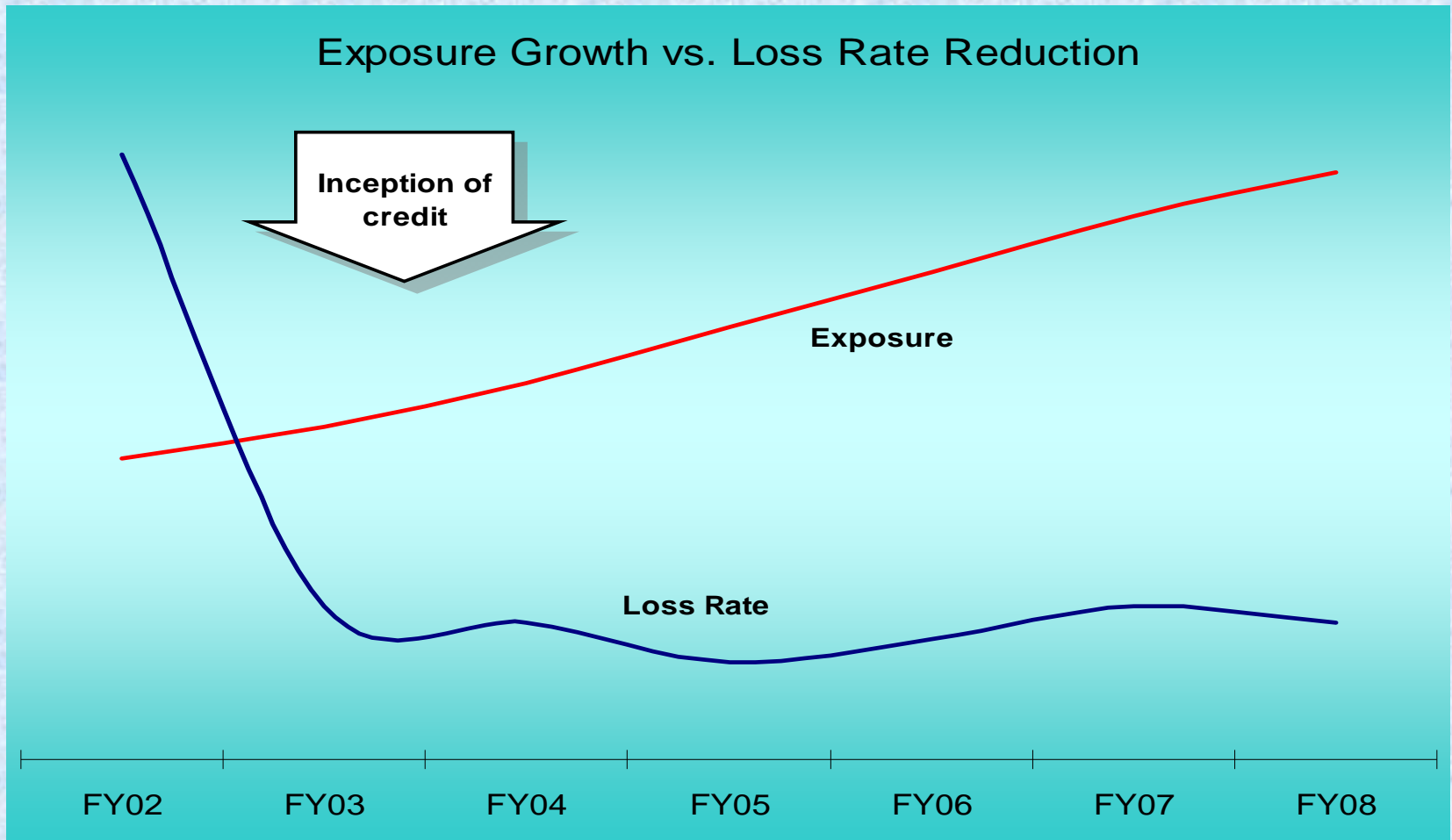
- Fraud Prevention – *Employ creative solutions to combat the criminal mind*
- “Trigger” Program – *Enterprise Risk Management utilizes preemptive strategy to make surgically precise strikes to defend against the riskiest market segments*
- Logical Error Program – *Making operational changes to mitigate risk*

*“It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.” Charles Darwin*

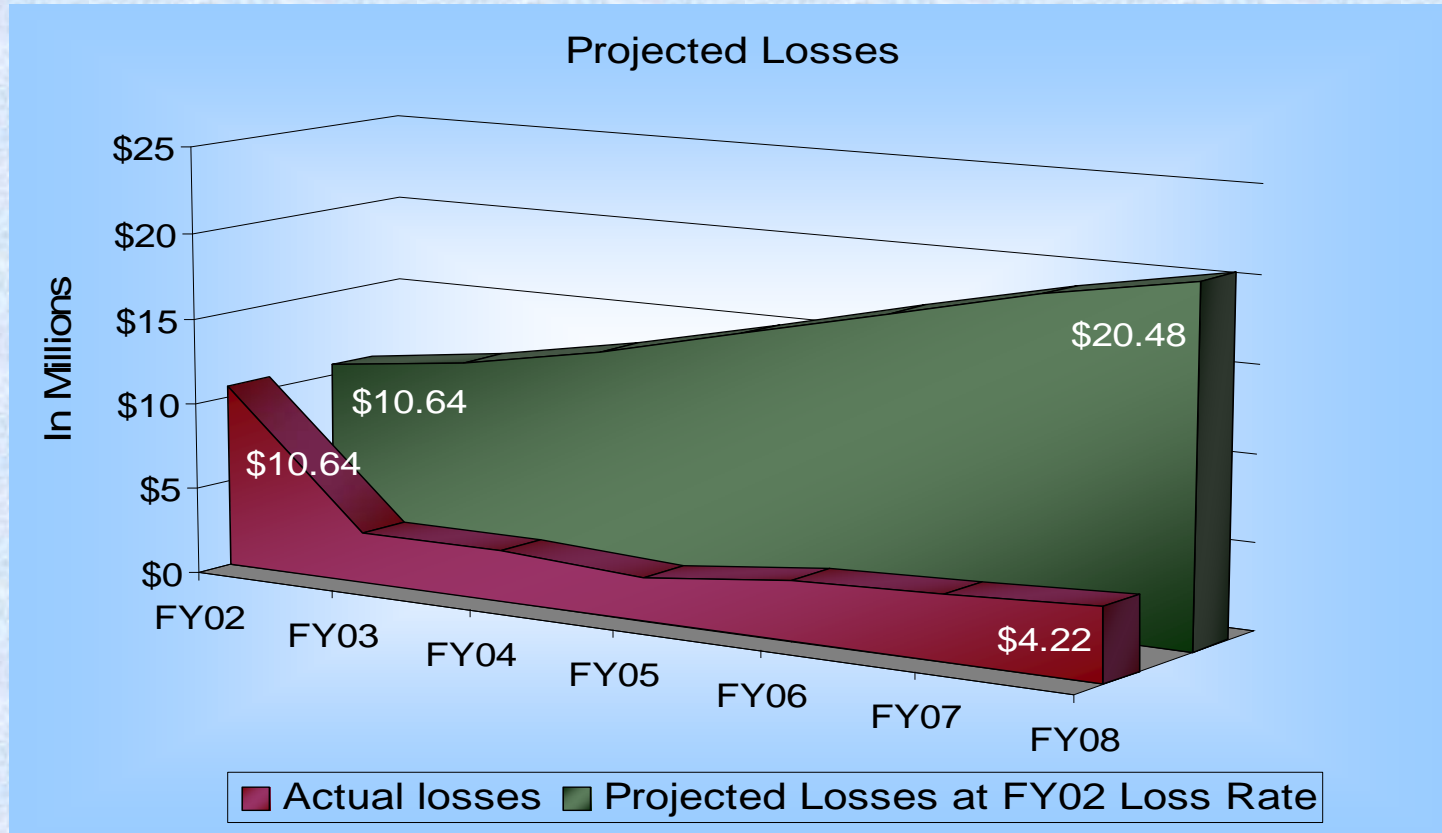
# Results



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**If the FY02 loss rate had continued unchecked, bad debt would have capped \$20 million in FY08, equating to nearly \$0.03 per share...**