TREASURY & RISK
THE FUTURE OF FINANCE TODAY

Moderator: Jiro Okochi, CEO, Reval

Panelists:
- David Wyshner, EVP & CFO, Avis Budget Group, Inc
- Martin Ragnartz, US Treasury Director, Hewlett-Packard Co.
- Dan Rosen, VP, Financial Risk Mgmt, Capital One Financial Corp.

Financial Risk Management

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Financial Risk Panel

November 5, 2008

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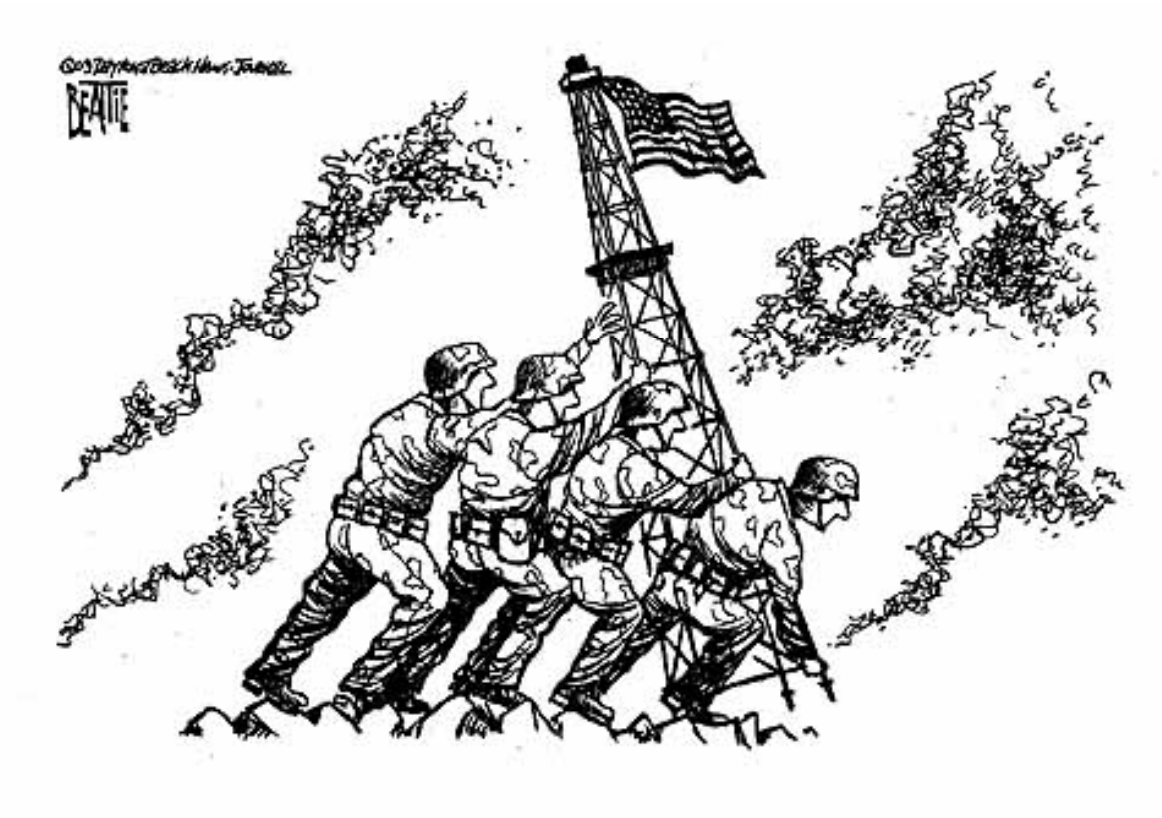
Butterfly Flaps Wings In Asia…



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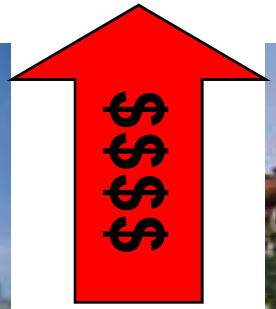
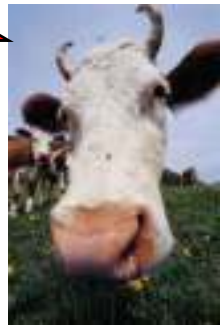
…..Hurricane In Florida





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Hey Gasoline Is Cheap…

- Diet Snapple 16 oz for $1.29 = $10.32 per gallon

- Quart of Milk 16 oz for $1.59 = $6.32 per gallon

- Evian (water) 9 oz for $1.49 = $21.19 per gallon

- STP Brake Fluid 12 oz for $3.15 = $33.60 per gallon

- Vicks Nyquil 6 oz for $8.35 = $178.13 per gallon

- Pepto Bismol 4 oz for $3.85 = $123.20 per gallon

- Whiteout 7 oz for $1.39 = $254.17 per gallon

Who Knew….Everyone!

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Four Horsemen of The Apocalypse

- War (Iraq): Volatile Commodities Prices
- Greed (Subprime): Credit Tightening
- Ignorance (Consumers): Fed Cuts
- Intolerance (Everyone Else): Weak $

Garbage In Garbage Out

- How good is the exposure information you receive?
- How timely is it?
- Documenting the proper risk you are designating is key for policy & FAS 133
- Understanding the risk you are hedging comes first
  - Do you know how your exposures are correlated against each other

Event Risk & Fat Tails

- Do You Stress Test?
- It's a good prospective test for FAS 133
- It's good for SEC risk reporting or IFRS 7
- It's good if you use VaR
  - VaR only gets 95% confidence
  - Stress Test can capture 5 times in 100

Financial Risk Management Panel

- Martin Ragnartz, Director, US Treasury, Hewlett Packard
- Dan Rosen, VP, FRM, CapitalOne
- David Wyshner, CFO/Treasurer, Avis-Budget Group