



Press contact: Lara Lueder,  
[marketing@fea.com](mailto:marketing@fea.com), 1-510-548-6200  
FOR IMMEDIATE RELEASE

## **VaRworks® 4.0 Adds Advanced Stress Testing, Market-Risk Scenario Builder Tool**

March 2, 2001 — Berkeley, CA

Financial Engineering Associates, Inc. (FEA), a leader in the development of value-at-risk (VaR) software technologies, announces the release of VaRworks® 4.0 — the latest edition of the company's VaRworks software for market risk management.

To the VaRworks program's proven value-at-risk analytics, VaRworks 4.0 adds comprehensive stress testing functionality, as well as an easy-to-use utility for designing shocks and analyzing risk conditions before they hit the market. "FEA's new stress testing gives users the ability to see exactly how industry forecasts, corporate trends and their own intuitions can be transformed into profits and losses in their portfolios," notes Laurent Birade, FEA's Global Sales Manager. In VaRworks 4.0, users can build and apply shocks to revalue portfolios, using the latest stress testing methods.

Financial professionals worldwide already trust FEA's VaR software and its reputation for superior performance and results. They use VaRworks to calculate and analyze VaR; to precisely identify and quantify risk exposures; and to mark-to-market and assess performance of simple to very complex portfolios. And only FEA VaRworks users can properly attribute risk to the portfolio's components — a powerful risk analysis tool, exclusive to FEA's VaRworks software, and driven by FEA's patented, proprietary VaRdelta® technology.

To this tested set of VaR tools, the VaRworks 4.0 release adds other powerful new functions, customization and automation features. Simplified real-time VaR allows faster risk-impact analysis of proposed investments. Historical VaR now accommodates weekend data points. In VaRworks 4.0, portfolios can contain user-defined, individual equity instruments, and users can automatically generate portfolio-specific asset and maturity lists.

"With release 4.0, we've made VaRworks very easy to use," comments Dr. Carlos Blanco, FEA Manager, Global Support and Training. "With new utilities, improved interfaces and tutorials, even new users are up and running in a few hours."

FEA leads the market in the practical application of VaR theory and developed VaRworks to make financial risks more transparent — easier and faster to analyze, report and reduce. "Regulatory bodies worldwide continue to tighten the requirements imposed upon companies to understand and communicate risk," said Mark Garman, FEA's Chief Scientist and President. "Today, the most competitive organizations use FEA's VaR software tools to confidently take actions for turning risk to their advantage."

VaRworks 4.0 is a set of Excel spreadsheet add-ins and includes FEA-designed templates for use or adaptation. FEA's companion product to VaRworks 4.0, VaRlib™ 4.0, is an object library permitting maximum flexibility for customization and integration. VaRlib 4.0 and other FEA products are also licensed through the FEA Alliance Partners program as embedded components of customized trading and risk management solutions. FEA Alliance Partners include Alstom (NYSE:ALS), Triple Point Technology, Inc. and PeopleSoft (Nasdaq:PSFT), along with two dozen other well-known companies.

###

### **About FEA**

Focusing on the financial, energy and commodities markets since 1989, Financial Engineering Associates, Inc., is renowned for the development of option valuation models and market risk assessment software. Powered by constant innovation, aggressive release schedules, and superb technical support, FEA is routinely first-to-market with pricing models and authoritative risk management tools for the latest, most-complex financial instruments. FEA's more than 650 institutional clients include energy firms, money center banks, Fortune 500 companies, trading enterprises, and leading financial firms worldwide. FEA remains at the forefront of financial engineering through an on-going commitment to meeting the needs of its clients worldwide. For more information, please visit [www.fea.com](http://www.fea.com).