

FIRMAMENT[®]

Trading and risk management application

Because of escalating credit volumes and the breadth of instruments traded, more and more financial institutions are relying on applications designed to handle their credit trading and risk management requirements with maximum efficiency.

From a single point of trade entry Firmament Credit Trading covers the full life-cycle of credit products from pricing and trade capture, through to valuation, reporting and ISDA compliant documentation.

Firmament is a suite of next generation trading and risk management applications, based on advanced and highly integrated component architecture. Firmament applications are designed to cover the full life-cycle of a wide range of tradable instrument types, allowing you to manage credit risk enterprise wide, and cut the costs of market data maintenance by a significant margin. Firmament will:

- Handle increasing trade volumes and user numbers
- Cope with an increasing diversity of tradable credit types
- Help control operational risks
- Manage risk efficiently
- Enable internal auditing, aiding compliance with regulatory accords.

Consistent Processes

Firmament Credit Trading identifies potential arbitrage between bond and Credit Default Swap (CDS) prices, through consistent valuation models. It also provides a consolidated and consistent view of all trading positions.

Market Data Module

The Market Data Module allows users to set up, distribute and maintain a range of current and historical price and rate data, including Live Feeds from the major providers:

- Bloomberg
- Reuters

The module's intuitive design removes the hassle of market data input, reducing operational risk and increasing user productivity.

FIRMAMENT[®] CREDIT TRADING

Firmament covers an extensive range of tradable credit instruments including:

- Credit Default Swaps (CDSs)
- CDS Indices
- Credit Linked Notes (CLNs)
- 1st and nth to default baskets
- Constant Maturity CDSs
- Collateralised Debt Obligations (CDOs)
- Bonds
- Loans

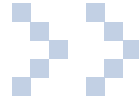
FIRMAMENT[®] EQUITY TRADING

Firmament covers an extensive range of tradable equity instruments including:

- Equity Options on Single Stocks, Baskets and Indices
- Asian Average Price and Strike Option
- Barriers
- Binary Options
- Equity Variance Swaps
- Total Return Swaps
- Contracts for Difference



Firmament Key Features



Transparency and Control

- Users can use their own market data, curves, default correlations and other calculated data to price both simple and structured credit instruments. This data, and the resulting curves, can then be distributed across the enterprise.
 - Enables users to input discount curves, bond prices and a wide range of Credit Default Swap prices.
 - Bespoke credit curves can be created with ease.
 - Algorithms can be applied based on specific needs allowing, for example, calibration from bonds or vanilla credit default swap instruments.
 - Firmament applications integrate seamlessly with Colline to form a powerful trading, risk management and collateral management tool. Firmament is available as an entire suite, or in component form.
- Consolidated reporting of credit risk at trade, reference entity and portfolio levels
 - Comprehensive intra-daily P&L Reports
 - Tracks actual cashflows, and forecasts default adjusted cashflows
 - Full audit trail
 - Ad-hoc customisation of standard report set

Continuous Development Pipeline

We operate a continuous development pipeline approach to our software. We are continually developing new product functionality within Firmament Credit Trading, often in partnership with our customers. This means we stay ahead of market trends, and as new instruments are traded, our software can handle them.

Extensive Reporting

The reports are highly flexible - both the input and output criteria can be changed, and further reports can be added to meet individual customer's build requirements. The automated collation of market data guarantees numeric accuracy, and since manual calculation is not required, valuable time can be saved.

Features:

- Provides a set of common reports, including:
 - o Daily Mark-to-Market
 - o Daily Mark-to-Model
 - o Risk exposure by reference entity
 - o Hedging Reports
 - o Position Reports
- Designed using advanced component-based N-tier distributed architecture
 - J2EE compliant and uses standards such as XML
 - Familiar Oracle and Microsoft SQL database technology (the application is database neutral)
 - Comprehensive user access controlsFacilitates 'plug and play for new pricing algorithms, proprietary or 3rd party
 - Quick to implement - the application is installed, configured and ready to use within 5 days on average
 - Specifically designed to be low maintenance
 - Does not need a dedicated administrator to manage day-to-day tasks

