



## Press release

### Lombard Risk announces real-time platform to manage collateral for centrally cleared transactions

**LONDON, UK – March 17, 2011:** [Lombard Risk](#) Management plc (LSE:LRM) ("Lombard Risk"), a leading provider of integrated collateral management and liquidity and regulatory reporting solutions for the financial services industry, today announced the release of **Colline® CCP** (Central CounterParty) - proactive collateral management for centrally cleared transactions.

This latest version of [Colline CCP](#) has been developed to meet the demand for a real-time unified view of centrally cleared and bilateral trades of all product types. Colline CCP's real-time platform aggregates and compares mark-to-market trade valuations by central counterparty, principal and independent valuation across product types, meeting a market need to understand and optimise capital opportunity at the time of trade.



**Helen Bramley, Product Manager at Lombard Risk**, explains: *"We developed Colline CCP working closely with clearing houses and customers to deliver a consolidated view of risk and costs associated with the clearing of OTC derivatives and listed transactions. Given the increasing complexity of managing and reporting cleared and uncleared trade populations, understanding credit risk from a total cost perspective becomes a necessity and, once employed, a competitive advantage for our customers. Transparency of data is key!"*

Colline CCP provides clearing brokers, direct clearing entities and financial institutions with the calculation, validation, reconciliation, workflow and reporting capabilities they need to proactively manage counterparty credit risk and facilitate the handling and flexible reporting of omnibus and segregated trade **populations required by evolving regulatory regimes worldwide.**



**John Wisbey, CEO of Lombard Risk**, said: *"With the move of OTC derivatives transactions to futures industry infrastructure, margin costs are expected to rise significantly. Given these increased costs, it is more important than ever to manage collateral proactively and expertly. Colline CCP provides our customers a sophisticated view of their counterparty risk and the tools to manage that risk in every way that is required by internal, clearing and regulatory concerns."*

Colline CCP data management and exception processing tools were designed to be responsive and flexible for those who must grapple with complex OTC trade characteristics within existing futures industry frameworks.

Colline's powerful margin management and reporting tools allow clearing entities of all types to undertake OTC trades with confidence and onboard new clients with ease.

### **Colline CCP: LIGHT application, HEAVYWEIGHT features:**

- Proactive, real-time unified view of CCP and bilateral grades
- Comparison of valuation MTM by CCP, principal and independent valuation
- Powerful reconciliation features
- MTM tolerances - proactively set and validate CCP vs. principal trade flow
- Dedicated CCP dashboard
- Enhanced, fully automated event-driven workflow by CCP, on segregated and omnibus basis
- Calculate and validate relationship exposure and manage up, down and across organisations
- Clearing broker-specific functions- initial and variation margin and settlement management and reporting
- Trade searching by CCP, MTM difference and valuation type
- Robust and flexible CSA and clearing agreement set-up and maintenance

### **About [Lombard Risk](http://www.lombardrisk.com) – [www.lombardrisk.com](http://www.lombardrisk.com) (London Stock Exchange: LRM)**

Lombard Risk enables firms in the financial industry significantly to improve their approach to managing the risk in their businesses. Founded in 1989 and headquartered in London, Lombard Risk has offices in New York, Shanghai, Hong Kong and Singapore. Our clients include banking businesses - over 20 of the world's "Top 50" financial institutions - almost half of the banks operating in the UK, as well as investment firms, asset managers, hedge funds, fund administrators and large corporations worldwide.

**The Lombard Risk solution suite is developed and supported by an extensive team of risk and financial experts and includes:**

**[COLLINE](#)<sup>®</sup> CCP - collateral management.** A highly sophisticated, web-based collateral management solution that facilitates efficient management and straight through processing of the entire margin call and reconciliation process.

**[LISA](#)<sup>®</sup> - scenario analysis and stress testing.** Built using state-of-the-art technology with a powerful web-based graphical user interface, LISA<sup>®</sup> is a solution that can satisfy new liquidity risk management requirements and support growing regulatory demands for timely and reliable information.

**[\(STB\)-REPORTER](#)<sup>®</sup> - regulatory reporting.** The ideal solution for all automated regulatory reporting requirements. With full support for key supervisory computations including capital adequacy (Basel II and III), large exposures, and combined with LISA, provides a comprehensive solution for global regulatory reporting with the stress and scenario testing.

The Lombard Risk software solution suite also includes [OBERON](#)<sup>®</sup> trade capture and valuation, [Firmament](#)<sup>®</sup> credit and equity valuation and [\(STB\)-Detector](#)<sup>®</sup> AML and customer due diligence.

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