



COLLINE[®]

Proactive collateral management

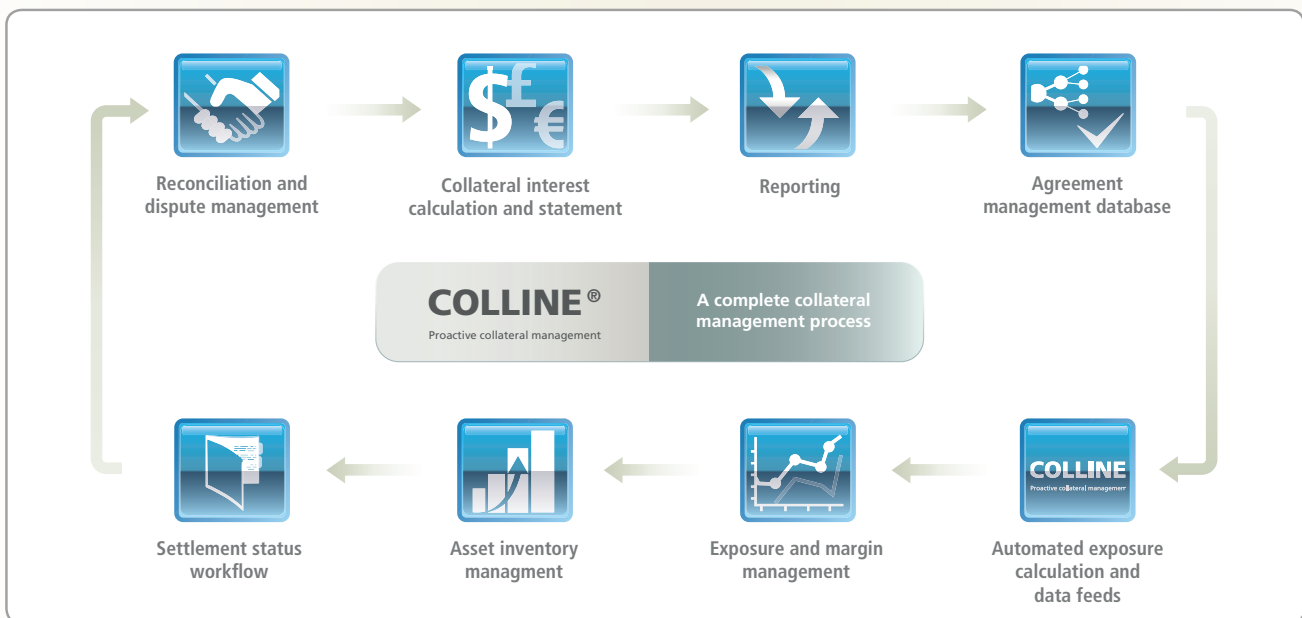
Since the economic crisis, firms have faced increasing regulatory pressures, liquidity concerns and associated market challenges. As a result managing collateral efficiently has become a high priority issue across the global financial services sector.

Firms, large and small, use Lombard Risk's COLLINE to manage their collateral. COLLINE[®] is a powerful, web-based collateral management system designed by experienced business practitioners for complete, end-to-end, cross-product collateral management.



COLLINE provides firms with a complete, end-to-end collateral management solution for proactively managing collateral across the organisation

- Multi-agreement, multi-region and cross-product collateral management
- CCP Clearing, ISDA Dispute Resolution Protocol and electronic messaging initiatives are supported
- Flexible, configurable workflow to enable users to design screens with bespoke views
- Rule-driven collateral optimisation functionality
- Bespoke exposure calculation capability
- "What if" scenarios to forecast liquidity impact of credit rating changes
- Extensive reporting capability
- Customer and Counterparty self-service



Agreement management database



All international collateral agreement types are supported – including ISDA CSA, GMRA and GMSLA.

Key agreement attributes, used to calculate the margin call requirement, are retained AS WELL AS an electronic version of the original agreement for easy reference, sharing and security.

Automated exposure calculation and data feeds



The user-configurable Exposure Management screen and real-time dashboard displays the collateral requirements as they are automatically calculated. COLLINE interfaces with firms' existing systems

to re-use information efficiently (e.g. interest and FX rates, multiple trading systems, internal and external valuations, asset prices and credit rating).

Exposure and margin management



The margin call workflow is optimised by intelligent automation through user-configurable business rules. Customised notifications automatically inform counterparties of margin events.

Users can see the status of key business issues - margin events, upcoming corporate actions, margin disputes, concentration limit breaches and collateral settlement status - on the real-time dashboard with 'traffic light' displays with full drill-down capability



for users to process events. Users can create bespoke views on Exposure Management screens to reflect their individual business requirements and work processes.

Margin events are managed by a comprehensive and configurable workflow that reflects the firm's business process, through to completion. Drill-down functionality on exposure statements enables users to see exposure at agreement, product and trade level, as well as view outstanding collateral balances.

Reconciliation and dispute management



Margin call disputes can be tracked and managed in different ways - by age, amount, counterparty and history.

The integrated reconciliation engine enables differences to be reconciled and details of disputes and reconciliation results can be exported from the COLLINE reporting studio to help resolve disputes with counterparties.

Asset and inventory management



The COLLINE Asset Manager provides users with an overview of the collateral inventory showing assets available for rehypothecation and confirmed and predicted asset positions. The Asset Manager also accepts firm-wide positions to make available a wider pool of assets.

Collateral interest calculation and statement



User-definable rules determine how the collateral Interest Manager calculates interest on cash assets, and statements are produced and automatically sent to clients for confirmation.

All configurable interest periods, rates, spreads and internal firm financing rates are supported by the Interest Manager and, once interest is confirmed by the counterparty, forms part of the settlement workflow. Users can track the status of the interest claim on the dashboard.

Settlement status workflow



Progress of collateral and cash interest entries, including the reporting of failed settlements, is monitored and tracked in the settlement workflow.

Upon approval, collateral movements can be processed automatically – in a straight through process.

Conditional approval of booked collateral movements is achieved using either the 4 or 6-eyes process to ensure the appropriate level of monitoring and control.

MIS reporting



Fully configurable report templates are provided including details of trade details, collateral holdings, exposure statements, mark-to-market comparisons and margin call dispute history and more.

Reports can be run on an ad-hoc or scheduled basis, sent to specified email addresses and/or exported in XML, Excel or PDF formats for re-use

For more information:

visit our website: www.lombardrisk.com

email: info@lombardrisk.com



Lombard Risk

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, Luxembourg 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.

Managing collateralised trading - Enabling regulatory compliance

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

COLLINE® - collateral management. A state-of-the-art, web-based solution designed by experienced business practitioners for end-to-end, cross-product collateral management. It provides a consolidated solution for mitigating credit risk while satisfying the growing demand for multiple global entities, cross-product margining, Central Counterparty Clearing (CCP), MIS reporting and electronic messaging.

REPORTER® - regulatory reporting. A fully scalable solution for regulatory compliance at branch and/or head office level with global coverage. Fully supports key supervisory computations (including capital adequacy (Basel II and III) and large exposures) and integrates with LISA for stress testing and scenario analysis - now part of the regulatory scene. Powerful and streamlined integration to multiple source systems enabled by the ETL functionality.

MIS - management reporting. A flexible and easy-to-use module for reporting across the Lombard Risk product range AND with external sources. Provides valuable Business Intelligence by combining risk and regulatory information in reports or on-screen dashboards, enabling well-informed business decisions to be made with confidence.

LISA® - scenario analysis and stress testing. LISA® satisfies the latest liquidity risk management requirements and supports growing regulatory demands for timely and reliable information.

The Lombard Risk software solution suite also includes OBERON® trade capture and valuation and FIRMAMENT® credit and equity valuation.

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