



## PRESS RELEASE

### Lombard Risk acquires regulatory reporting business of SOFGEN

- Top provider of regulatory reporting products to foreign banks in the United States

**LONDON, UK – 19<sup>th</sup> December 2011:** [Lombard Risk](#) Management plc (LSE: LRM) ("Lombard Risk"), a leading provider of integrated collateral management and liquidity, regulatory and MIS reporting solutions for the financial services industry, announces that it has acquired the regulatory reporting business of SOFGEN for a total consideration of US\$ 4,250,000 payable in a combination of cash, loan notes and equity.

The acquired business is profitable, and in addition the Board expects appreciable revenue synergies over and above the sum of the two businesses at present. The equity component of the transaction will be satisfied by SOFGEN subscribing for 2,327,556 new shares in Lombard Risk at 11.75p, the price prevailing on the date on which a letter of intent was signed. Application has been made for the admission of these new shares to AIM. Following the transaction the number of Lombard Risk shares in issue will increase from 206,926,786 to 209,254,342.

- [The RNS relating to the acquisition as published on the London Stock Exchange](#)

The main part of the business acquired, which in the past was known in the U.S. regulatory market as IDOM USA, is the United States and Canada regulatory reporting product REG-Reporter<sup>®</sup> which has a very strong client base in North America including top banks such as Bank of America and Royal Bank of Canada.

#### The transaction will make Lombard Risk:

- The top provider of regulatory reporting products to foreign banks in the United States
- The third largest provider (*as measured by assets reported on, not number of institutions*) of regulatory reporting to domestic banks in the United States after FIS and Jack Henry
- and with a bigger presence than all of Lombard Risk's international competitors combined.

Lombard Risk already has a major business in regulatory reporting through its existing [REPORTER](#) product which is used globally including in the United States. **The combined business now has over 250 clients for bank regulatory reporting around the world.** Lombard Risk has the largest market share of any regulatory reporting product used by banks in the United Kingdom - with around 130 UK clients.

As well as the UK and the Americas, Lombard Risk also has extensive coverage of Asia Pacific markets with regulatory reporting solutions in use in Singapore, Hong Kong, Japan, Indonesia, Thailand and other Asian countries. Lombard Risk recently announced a contract win for [Chinese regulatory reporting](#), and has Indian and Korean regulatory reporting under development.

Lombard Risk also has products live for [liquidity reporting](#) and regulatory stress testing, and is becoming the vendor of choice among top banks for its COLLINE® [collateral management](#) and clearing product. Regulatory initiatives such as Dodd-Frank have already won business for the company.

**Commenting on the acquisition, John Wisbey CEO of Lombard Risk said:** “This is an important strategic breakthrough for us, as it gives critical mass in the North American market place, both for foreign and domestic banks in the United States. We already had this for collateral management but we now have it for regulatory reporting. The REG-Reporter business and its management are well respected in the market, and it has built an impressive and very loyal client base. As the market moves away from having multiple suppliers in different countries, this acquisition will allow us to serve our global clients better with much more ability to conclude deals in multiple countries and continents. We understand this business and its business model extremely well, so we are absolutely ‘sticking to the knitting’ with this acquisition.”



**[Vincent Raniere](#), who, following the acquisition, will be Managing Director and Head of Regulatory – Americas for Lombard Risk, commented:** *“My team and I are very pleased for REG-Reporter to have the backing of a global software company which understands regulatory reporting so well. Our technology team will have access to a much deeper technology organisation which is already very experienced in regulatory requirements, web technology, XBRL, workflow and the requirements for fast and scalable performance, while at the same time we will have the ability to extend our international reach greatly and to offer more international regulatory services to our U.S. clients”.*

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About [Lombard Risk](#) – [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, Luxembourg, South Africa and Singapore. Our clients include banking businesses - **30 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](#)® - collateral management and clearing.** 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

**REPORTER** - regulatory reporting in multiple countries. A fully scalable solution for regulatory compliance at branch and/or head office level with global coverage. Fully supports key supervisory computations and integrates with LISA for stress testing and scenario analysis. Powerful and streamlined integration to multiple source systems enabled by the ETL functionality.

**REG-Reporter**<sup>®</sup> - US and Canadian regulatory reporting. Supports reporting requirements of domestic and foreign banks from Tier 1 to smaller organisations.

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

**MIS** – 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.

The Lombard Risk software solution suite also includes **OBERON**<sup>®</sup> trade capture and valuation and **FIRMAMENT**<sup>®</sup> credit and equity valuation.

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