

SILVERLAKE SYMMETRI EXPOSURE MANAGER

The Current Landscape

Financial institutions throughout the world are becoming increasingly risk averse. Traditionally, organisations lacked the ability to determine their full exposure on a timely basis.

Today, regulatory requirements make it critical for every bank to monitor the risks they face more closely than ever, whether posed by individual counterparties, industry sectors or national economic events.

Integral to the risk management process is the proper usage of collateral, as security against potential defaults and losses.

In volatile markets, banks need up-to-date and accurate assurance of the precise value of their collateral. Too little security means inadequate protection against risk; too much could lead to an excess of liquidity and lost opportunities for more profitable lending or investment. At the same time, and just as importantly, there must be clear visibility of the organisation's total exposure to its customers, and careful management of credit limits across all lines of business.

Robust and centralized approaches to both collateral and limits management can provide a strong foundation for credit risk management as a whole. However, with data typically generated by multiple systems, the challenge for banks is to manage disparate information efficiently, and gain a holistic, consolidated view of the risks it represents.

REAL-TIME
SOLUTION

Silverlake Symmetri Exposure Manager

Silverlake Symmetri Exposure Manager gives banks a comprehensive, real-time solution for collateral and limits management across the enterprise. The solution suite can be integrated with existing core banking, trade finance and treasury systems for up-to-the-minute valuation of collateralised assets, across all asset categories, continual monitoring of credit limits and a centralized, holistic view of exposure to risk.

Silverlake Symmetri Exposure Manager Solution Suite consists of the following components:

- o **Silverlake Symmetri Collateral Management** provides a comprehensive, real-time collateral management system, with capabilities for centralized asset administration and pledge management, multiple asset valuation methods and data capture across all asset classes. For real-time, management-level insight into risk exposure, the solution will integrate with and accept collateral data from all banking systems, including core banking, trade finance and loan origination.
- o **Silverlake Symmetri Limits Management** provides an enterprise-wide, real-time, multi-currency, multi-hierarchy limits management system. Through the solution, banks can monitor limits for customers and internal business lines, set automated alerts for different thresholds and set up their own limits approval processes.



Silverlake Symmetri Exposure Manager gives banks a comprehensive, real-time solution for collateral and limits management across the enterprise.

Covering a wide range of asset classes and valuation methods, and offering superior reporting capabilities, Silverlake Symmetri Exposure Manager provides a centralized, holistic view of exposure to risk. It enables banks to meet current regulatory and market challenges by helping them to:

1 Minimise Capital Requirements

Manage collateral and risk weighted assets (RWAs) more effectively and mitigate credit risk in line with regulation.

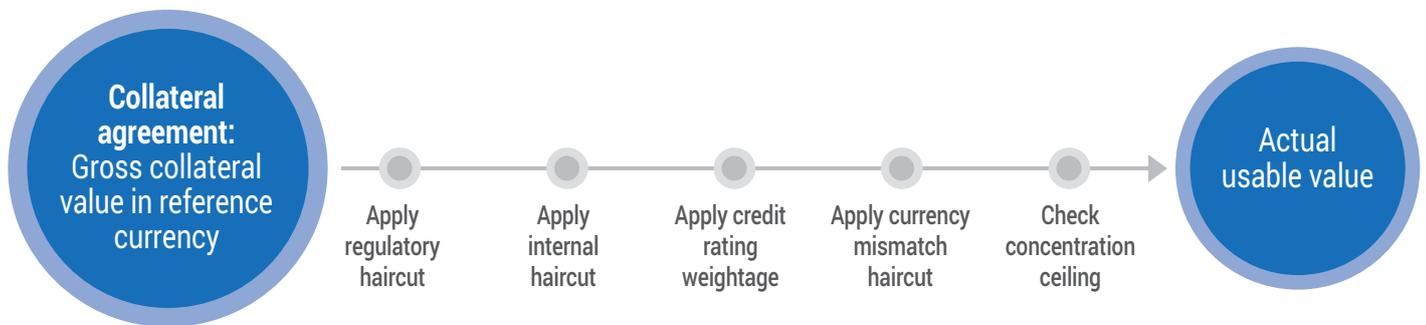
2 Control Risk

Use multiple asset valuation methods and a real time, multi-currency, multi hierarchy limits management system across all business lines.

3 Increase Operational Efficiency

Centralise asset administration and pledge management and build in automated alerts and approval processes for limits management.

Asset valuation



Margining/call management



MINIMISE CAPITAL REQUIREMENTS

1 Minimise Capital Requirements

Ongoing regulatory change, such as Basel III, is increasing capital requirements for banks. To keep the resulting costs down, organisations must evaluate the amount of capital they need to hold with great precision. It's fair to say that in order to maintain optimal capital adequacy ratio, mitigate credit risk and comply with regulation, banks need a highly accurate view of their RWAs and the often complex relationships between them.

However, in many organisations, data on RWAs is stored across multiple systems. This makes precise, timely calculations and optimal use of capital a challenge.

We Understand Your Needs

Silverlake Symmetri Exposure Manager's solution suite gives banks a single source of high-quality, in-depth data on RWAs, enabling them to optimise their use of collateral while complying with regulation.

- o **Silverlake Symmetri Collateral Management** helps banks optimise capital usage by improving the quality of data and processes that support collateral and RWA management. For accurate capital ratio calculations, the solution provides a detailed view of both RWAs and the relationships between them (whether one-to-one or one-to-many) plus the ability to optimise those relationships.



"Silverlake Symmetri Collateral Management helps banks optimise usage by improving the quality of data and processes."

CONTROL RISK

2 Control Risk

Collateral is a catch-all term for many types of security: each representing a completely different risk proposition for a bank, often even within the same asset class. For example, real-estate markets, and therefore the risk ratings for properties, can differ greatly from one location to another.

As a result, valuation methods for collateral types will also vary widely, with haircut levels and concentration ceilings determined by a complex, and ever-shifting, range of internal compliance and external regulatory requirements. Typically banks will also have to manage collateral in a range of currencies, and the impact of fluctuating exchange rates.

Meanwhile, due to share price volatility, they will need to monitor the value of securities in as close to real-time as possible, for timely margin-call and sell-call decisions.

At an enterprise level, the management of limits requires a similarly multi-dimensional approach. For example, lending relationships with a global corporation will usually extend across multiple holding companies, countries and currencies. Each company's or region's individual limits will be set according to a range of criteria, from the currency they trade in, to the risk profile of their collateral. Banks will also set their own internal limits, to reduce the concentration of risk on particular products.

So, to meet the requirements of the regulators as well as their internal rules and policies, today's banks must monitor and control risk across a complex hierarchy of collateral and limits. This in turn requires them to take a more systematic and coordinated approach to credit monitoring and management.

Need for Centralised Exposure Management

Support business objectives

Customer service	Risk management		Capital management
<ul style="list-style-type: none"> o Interchangeable customer limit allocation o Collateral allocation across facilities 	<ul style="list-style-type: none"> o Centralised bank-wide concentration risk mgmt. o Support bank-wide netting across facilities 	<ul style="list-style-type: none"> o Maturity band-wise reporting o Process standardisation & real-time monitoring 	<ul style="list-style-type: none"> o Rating grade-wise monitoring for Internal Ratings-based o Input for decision on capital allocation

Multiple dimensions of limit monitoring

<ul style="list-style-type: none"> o Single/group borrower limits o Currency-wise exposures 	<ul style="list-style-type: none"> o Industry and sector specific limits o Limits depending on end-use of financing 	<ul style="list-style-type: none"> o Exposures to joint ventures/subsidiaries o Margin requirements for BGs, LCs etc. 	<ul style="list-style-type: none"> o Specific types of financing/ investments o Exposure to capital markets
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INCREASE OPERATIONAL EFFICIENCY

We understand your needs

Silverlake Symmetri Exposure Manager's solution suite gives banks the enterprise-wide visibility they need of their collateral and credit limits, across business lines, customers and subsidiaries, to monitor and control risk more effectively.

- o Silverlake Symmetri Collateral Management combines asset administration, collateral administration and collateral assignment functionality to provide a **comprehensive, real-time** collateral management system. The solution can capture a wide range of data on every asset category, including deposits, real estate, vehicles, bonds and shares, commodities, guarantees, receivables, negotiable instruments and insurance.
- o **With capabilities for multiple asset valuation methods**, Silverlake Symmetri Collateral Management covers regulatory and internal compliance, quality rating weightage, currency mismatch and concentration ceiling calculations. For credit risk monitoring solution also enables ad-hoc valuation for margin-call and sell-call decisions.
- o Silverlake Symmetri Limits Management provides an **online, real-time, multi-currency, multi-hierarchy** limits management system across all business lines. To improve risk management at enterprise level, the solution works across multiple dimensions, including product, currency, counterparty, customer group, group of branches, bank, country, region and maturity of the bank. Event-based earmark/exposure updates enable flexible limits management at enterprise level.

3 Increase Operational Efficiency

In the current regulatory environment, banks need to monitor their overall exposure to risk as closely as possible, calling for an enterprise-wide, centralized view of assets and exposure across all business lines. But in reality, information on both collateral and limits will be collected from customers by a multitude of different systems, from trade finance and loans to credit card and stock trading solutions. Collating and reporting data from these systems can take time, reducing operational efficiency and preventing up-to-the-minute view of risk that the bank needs to manage its exposure to, for example, troubled economies or industries. In addition, to minimise the impact of potential economic events, banks must now find ways to simulate the valuation of their multi-faceted collateral into the future.

To improve efficiency, there is also a growing need for banks to centralise pledge management. While it is possible for a single customer to enter into multiple collateral agreements with a bank, each agreement can involve numerous assets. Likewise, one asset might be assigned to multiple agreements, and one agreement pledged to multiple facilities. Without a consolidated, real-time view of this activity, an organisation can quite easily lose track of how much credit is or isn't available to a customer – and either breach limits or lose opportunities for further lending as a result.

A real-time view of credit limits is necessary as well, not only to monitor the limits of corporations as a whole but also their individual subsidiaries. For high levels of control, banks must put in place robust approval processes for the setting and revising of limits.



“Limits can be set and monitored not only for customers but also for the bank’s internal business lines.”

We understand your needs

Silverlake Symmetri Exposure Manager’s solution suite will integrate with multiple existing systems for an **enterprise-wide, real-time view of risk and timely management reporting**, providing a **centralized solution** for collateral and limits management.

- o Silverlake Symmetri Collateral Management allows **centralized asset administration**, giving banks the ability to register all assets of a customer with and without encumbrances. For real-time, **management level insight into risk exposure**, it will accept collateral data from all the bank’s existing systems. For improved operational efficiency, the solution also combines a **centralized pledge management** facility.
- o Silverlake Symmetri Limits Management provides the ability to build automated alerts to business users and customers for different limit thresholds, for early warning of breaches and help with decision making. Limits can be set and monitored not only for customers but also for the bank’s internal business lines, to **minimise exposure to potentially risky products**. The solution also gives banks the flexibility to incorporate and manage their own limits approval processes, according to internal policies.

About Silverlake Symmetri Exposure Manager

Silverlake Symmetri Exposure Manager gives banks a comprehensive, real-time solution for enterprise collateral and limits management. The solution suite can be integrated with existing core banking, trade finance and treasury systems for up-to-the-minute valuation of collateral assets, across all classes, continual monitoring of credit limits and a centralized, holistic view of exposure to risk.

About Silverlake Symmetri

Silverlake Symmetri's solutions provide banks with a range of banking software that enables them to address their core banking, customer management, online banking, mobile banking and card management requirements.

Banks around the world are using the suite's componentised business solutions to help drive their customer service, retention and core operational strategies through improved visibility of customer relationships and increased front to back office efficiencies. The flexibility and functional breadth of these solutions helps banks to optimise the customer experience, improve operational efficiencies and excel through innovation, ensuring banks drive profitability and maintain compliance.

About Silverlake Axis

Silverlake Axis creates technologies and build sustainable and dynamic environments to enable the Digital Economy. What sets Silverlake Axis apart is the foundation for its computing principles, which are grounded on mathematical theories.

Silverlake Axis has more than 25 year track record of experience and a breadth of expertise as a leading provider of Digital Economy solutions and services for major organizations in Banking, Insurance, Payments, Retail and Logistics industries. Over 40% of the top 20 largest banks in South-East Asia run the Silverlake Axis core banking solution, and we are the core system platform partner of choice for 3 of the 5 largest ASEAN super regional financial institutions.

Today, the Group's solutions are delivering operational excellence and enabling business transformations at over 200 organisations in ASEAN, Australia, China, Europe, Japan, Middle East, New Zealand and South Asia. Silverlake Axis is listed in the Mainboard of the Singapore Stock Exchange (SGX).

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