



# Collateral Management

Meeting emerging collateral management needs

26.417

31.012

12.0

CGI TRADE360

## BENEFITS

### Customer

- Totally seamless process
- More responsive turnaround on collateral and related transactions
- Added compliance protection provided by the bank
- Custom global reporting
- Integrated with trade finance solutions
- Portal access to traditional and structured trade finance, open account or supply chain financing

### Bank

- Manage collateral and commodity finance on an integrated platform with traditional trade, payables, receivables, financing and cash management
  - Move collateral management from fragmented manual deal data to an integrated global database
  - Enhance risk management and regulatory compliance capabilities
  - Obtain a high degree of straight-through processing
  - Gain flexibility in operations and customer service
  - Provide a truly global service
  - Realize significant operational efficiencies
  - Facilitate stronger customer relationships
  - Gain flexibility to easily deploy commodity finance processes globally
  - Create capacity to scale the business
  - Gain global visibility of the business and its customers
- ### CGI Trade360 SaaS by the numbers
- 19 years in operation
  - 103+ countries
  - 58,900 Corporate Portal Users
  - 230+ bank locations globally
  - 2.4+ million transaction annual run rate

### When a customer says, “I need the bank to provide structured/commodity financing based on complex collateral structures.”...

With CGI Trade360, the bank is able to provide end-to-end structured/commodity finance deals to support trade and finance products using complex collateral structures.

Deal types:

- Repurchase agreements
- Borrowing base
- Warehouse financing exchange

### When a bank says, “How can I more effectively manage the regulatory compliance and market risks of my structured/ commodity finance business?”...

With CGI Trade360’s collateral management features, the bank has real-time visibility of its entire collateral portfolio, including:

- Deal and portfolio market valuation
- Portfolio concentration exposure
- Loan to collateral value ratios
- Reconciliation to physical stock
- Denied party screening
- Know your customer and anti-money laundering support

### When the bank needs to take its collateral processing to a new level...

CGI Trade360 provides a global collateral platform with robust capabilities and streamlined processing, including:

- Full deal life cycle support
- Traditional trade and open account support
- Global database for all collateral
- Customer onboarding
- Management of required documents and related events
- Flexible definition of collateral data and types
- Real-time reporting
- Rule-driven market-to-market
- Rule-driven commodity pricing
- Allocation of collateral to members of syndicated/participated facilities
- Local and global workflow and imaging support
- Denied party screening and exception processing

Commodity trade finance is an important growth market for banks globally. Emerging market economies in Latin America, Asia and Africa, combined with a revitalization of infrastructure needs in developed countries and the ever-increasing worldwide need for agricultural commodities, continue to fuel the need for bank financing on a global basis. The ability of energy and commodity companies to monetize their commodity assets by pledging them to banks will continue to make this market segment a vital growth opportunity for banks.

As global trade in commodities reaches new peaks, banks have greater opportunities to offer structured commodity trade finance. However, tougher regulations governing collateralized lending mean they also face new challenges.

Regulatory and internal pressures place particularly unique requirements on bank commodity and trade finance lending, the middle office, and operations transaction processing areas. As a result, they need to manage the complex commodity finance credit structures that are put in place to provide their customers with these important and profitable facilities.

CGI provides collateral management functionality that is fully integrated with CGI Trade360’s global transaction services platform. This functionality leverages a global workflow infrastructure, reference data structure and transaction processing functionality. The collateral management component of CGI Trade360 is comprised of the following:

- **Deal (collateral)**—the total collateral types assigned to a particular facility, e.g., borrowing base, repurchase agreement, warehouse exchange finance, etc.
- **Collateral types**—the bank-defined definitions that describe the underlying assets pledged as collateral
- **Collateral details**—the bank-defined attributes that define individual collateral types and provide the basis for defining how the bank recognizes an asset as eligible collateral
- **Reporting**—reports that enable the bank to create deal and portfolio reports in real time

- **Collateral functionality**—the rules and parameters that drive the manipulation of the underlying collateral details and market-driven events that define how the system will manage the underlying assets in accordance with the bank’s collateral management business model
- **Documentation**—ability to create and historically store required documentation and correspondence related to collateral positions, margin calls and collateral agreements; ability to receive and store customer and third-party documentation related to the management of customer collateral positions

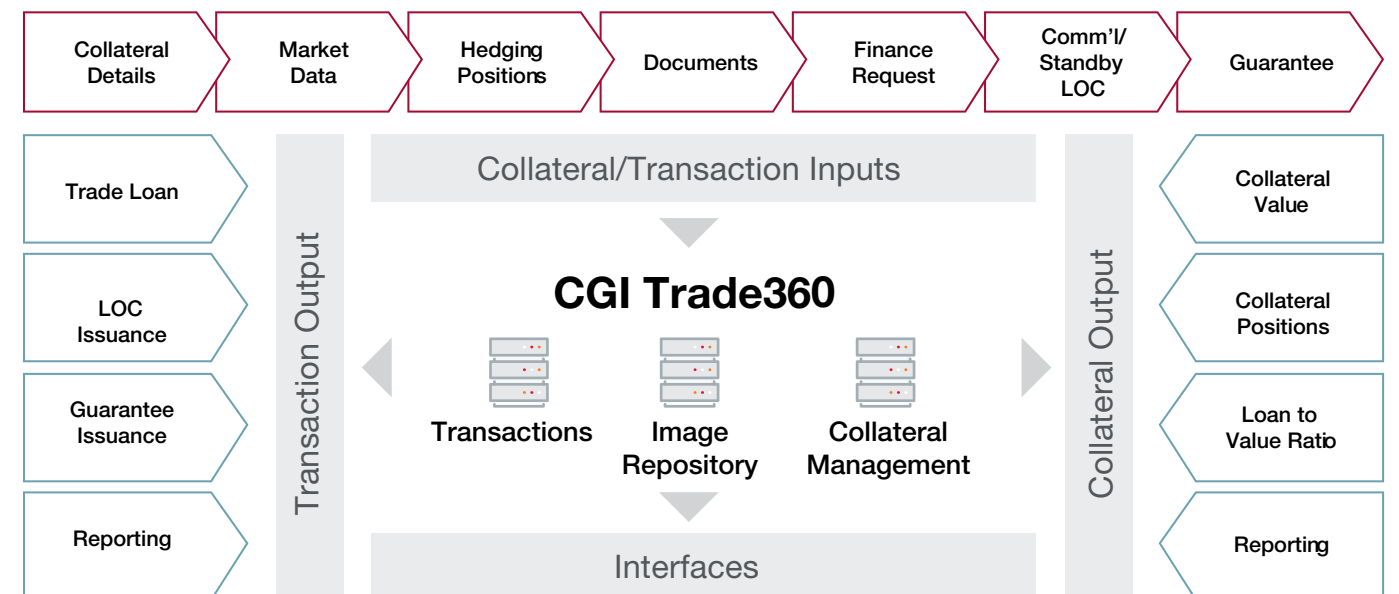
### Collateral Management High Level Overview

CGI Trade360’s collateral management capabilities span the entire commodity trade finance and related transaction process—from the preparation of deals and their capture, to the monitoring and control of the underlying collateral, to the execution of the related financing and contingent instruments.

## KEY FEATURES

CGI Trade360 collateral management features include the following:

- Capture and tracking of all collateral management documentation
- Capture of deal data and details of collateral being financed
- Activities to manage the collateral
- Automatic revaluation using market feeds
- Automatic reconciliation to collateral manager feeds
- Powerful reporting capabilities, including the ability to assemble profiles and ratios in relation to the aggregated collateral financed



# End-to-End Collateral Management

Deal Preparation and Capture CGI Trade360 Collateral Deal Processing Portfolio Management		Monitoring and Control CGI Trade360 Portal and TPS Processing Operations and Middle Office	
<b>Administration</b> <ul style="list-style-type: none"> <li>• Customer on-boarding</li> <li>• Facility documentation imaging</li> <li>• Facility limit management</li> </ul>	<b>Collateral Management</b> <ul style="list-style-type: none"> <li>• Collateral deal creation</li> <li>• Collateral management rules</li> <li>• Collateral pricing rules</li> <li>• Collateral revaluation rules</li> <li>• Event tracking</li> <li>• Collateral agreements</li> <li>• Control and pricing</li> </ul>	<b>Transaction Processing</b> <ul style="list-style-type: none"> <li>• Letters of credit</li> <li>• Loan processing</li> <li>• Other transactions</li> <li>• Transaction maintenance</li> <li>• Compliance</li> <li>• Interest and fee management</li> <li>• Customer service</li> <li>• Documentation control</li> </ul>	<b>Risk Control</b> <ul style="list-style-type: none"> <li>• Collateral control</li> <li>• Collateral revaluation</li> <li>• Warehouse management</li> <li>• Portfolio reporting</li> <li>• Collateral limits</li> <li>• Warehouse limits</li> <li>• Stock reconciliation</li> <li>• Management reporting</li> </ul>



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