



**SUNGARD** AMBIT ISLAMIC BANKING

Ambit Quantum

# AMBIT SOLUTIONS FOR ISLAMIC BANKING

## AMBIT QUANTUM

With the market for Islamic banking growing at rapid rates and becoming far more competitive, it is increasingly necessary for financial institutions offering Islamic Banking portfolios to find ways of effectively managing cash and risk, while at the same time remaining in compliance with Sharia'h business principles. As such, many Islamic banks are looking for technology that will help them streamline their treasury operations, as well as offer them the flexibility needed to establish the necessary controls for Sharia'h compliance.

market can strain a bank's treasury operations. Furthermore, in addition to the identical set of business and financial risks that conventional banks face, Islamic banks must also deal with commodity and inventory risk, equity position risk, mark-up risk and transfer risk.

**Ambit Quantum is a highly sophisticated core treasury workstation solution that is based on a flexible technology and offers Islamic banks complete front-, middle- and back-office treasury support.**



The Islamic marketplace is unique within the realm of financial services, characterized by the distinctive requirements of Sharia'h law. Issues such as differing interpretations of Sharia'h standards, the slow development of Sharia'h compliant, Islamic financial instruments, a limited inter-bank market and the absence of an Islamic secondary

Aware of the specific needs of Islamic banks, SunGard offers Ambit Quantum, a treasury management solution for Islamic Banking. Ambit Quantum is a highly sophisticated core treasury workstation solution that is based on a flexible technology and offers Islamic banks complete front-, middle- and back-office treasury support, as well as a centralized means of managing and storing data. Ambit Quantum, part of SunGard's Ambit solution suite for global banking, provides Islamic banks with debt management and investment management, currency management and in-house banking, helping them to gain visibility and control around liquidity management. The solution is customizable, meaning components can be purchased and utilized to supplement a bank's existing treasury system.

### **HIGHLY SOPHISTICATED TREASURY, RISK & CASH MANAGEMENT**

Ambit Quantum can provide an Islamic bank's treasury with a powerful front-, middle- and back-office treasury, risk,

and cash management system that includes fully integrated accounting capabilities and promotes STP. This solution brings together a range of disparate data sources and information into a single, customizable desktop, offering a one-touch, real-time snapshot of your global risk and cash positions with connectivity and integration. Ambit Quantum provides support for: currency management, investment/ debt management, cash management, trade management, counterparty risk management, bank relationship management, accounting and decision support.

## MANAGE SHARIA'H COMPLIANCE

The various regulatory frameworks that Islamic banking is in the process of developing are often contradicting and can pose difficulty, therefore standardization of Sharia'h-compliant rules across the sector is becoming increasingly necessary. For instance, there's little consistency in the accounting treatment of the numerous Islamic financing methods. Comparing results of one Islamic financial institution to another is therefore difficult. Ambit Quantum can help with this problem by providing a unified view of data and an embedded set of best practices that can help your Islamic bank adhere to Sharia'h principles.

## SUPPORTS A WIDE RANGE OF INSTRUMENTS

Recently, a number of new Sharia'h-compatible instruments have been introduced to the market in the form of a number of applications derived from the Sukuk structure. Other developments are also underway with several Islamic alternatives to the conventional inter-



bank market being investigated for future implementation. Additionally, the legal and institutional infrastructure for the development of an Islamic secondary market is being strengthened by the recent establishment of the International Islamic Financial Market (IIFM), which is working to develop an active secondary market in Sharia'h-compatible instruments.

Ambit Quantum can adapt to the financial instruments your Islamic bank currently uses, as well as adapt to new ones that may emerge in the future. All instruments within Ambit Quantum are user definable. An instrument can be marked for use as a borrowing, investment or both. Additionally, Ambit Quantum can scale to handle growth in the number of transactions and support an expanded set of business needs without causing an increase in operating costs.

## REAL-TIME LIQUIDITY & RISK MANAGEMENT

Addressing liquidity management is a critical issue for Islamic banks, as they face bigger challenges due to Sharia'h considerations and the unique nature of their operations. Most available conventional instruments used for liquidity management are interest based, therefore, not Sharia'h compatible. Several types of instrument have been introduced recently, such as Sukuks or

Islamic bonds. Instruments of this type help finance long-term projects and infrastructure development. They also promote the growth of the Islamic capital market and serve as good instruments for managing liquidity.

Ambit Quantum can improve your bank's liquidity management by offering flexible support for a wide range of financial instruments and the ability to view cash and predicted usage from a single screen. Information is up-to-date, available immediately and consistent from top to bottom of the business. Additionally, the solution provides accurate cash flow forecasting, consistent and definable financial data, real-time liquidity and risk, enhanced control of global cash flow and productive utilization of existing systems.

### **EASILY CUSTOMIZED**

The flexibility of Ambit Quantum allows you to customize your controls to ensure that collaterals are being given appropriate Islamic treatment. Islamic workflow and documentation, based on best practices corresponding with the relevant Islamic calendar and removed references to interest and loans, are also easily introduced through the solution.

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## KEY BENEFITS

- Provides treasury & capital markets departments with the tools to drive real business value within a Sharia'h environment
- Allows management of financial risks across product classes
- Lower cost of operations
- Reduction in error rates
- Scalability
- High performance

## KEY FUNCTIONALITY

- Dealer tools and trade capture
- Deal/transaction lifecycle management
- Integration services
- Risk management
- Nostro/ Vostro management
- Liquidity management

## WORKFLOW AND MANAGEMENT TOOLS COMPONENTS

- SWIFT connectivity
- STP integration
- Internal communication tools
- Browser-based delivery capability

## DEALER DESKTOP

- Check compliance of a transaction against limit breaches
- Monitor limits
- Price potential deals using up to date market data
- Monitor and benchmark portfolios of trade
- Perform real-time revaluations

## BUSINESS PROCESSING AND ACCOUNTING

- Trade capture
- Allocation rules and back to back deal support
- Trade approval (multi-level)
- Confirmation matching (deal, settlement and events)
- Cash flow settlement (including cash flow, netting defaults)
- Transaction lifecycle events
- Multi-currency trade accounting
- SWIFT interaction

## TRANSACTION MANAGEMENT

- Manage transaction workflow
- Live and Historical Audit Trail management
- Currency and profit rate transaction management
- Integration with external dealing platforms
- Customizable front-end presentation



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For more information, contact us at [ambitinfo@sungard.com](mailto:ambitinfo@sungard.com)

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SunGard's solutions for banking are used by more than 800 banks in 70 countries including 41 of the world's top 50 banks. SunGard provides a comprehensive core banking solution and best-of-breed point solutions for retail, commercial and private banking, straight through enterprise processing, treasury management, finance, risk and compliance, including Apsys, BancWare, STeP and System Access.

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