



STREAM CREDIT MONITOR FOR COUNTERPARTY EXPOSURE

In a volatile market, managing risk becomes a major challenge. Yet while many firms focus on their internal risk, it's just as important to understand their counterparty risk and the exposure of financing transactions.

While firms often have advanced risk management software, when it comes to counterparty risk, many organizations still rely on manual systems that require human intervention. Besides being slow to calculate exposure and excess, the lack of automation means that there is often little communication between operations, where exposure and excess is calculated and monitored, and the accounting department, where regulatory reporting is performed – yet they need the same information.

SunGard's Stream Credit Monitor solution automates the process of credit risk and regulatory accounting monitoring for repo and other financing products. Automatic alerts notify firms of counterparty exposure and excess at the start of the day, allowing users to quickly address exposure from an operational perspective and notify senior management of any issues right away.

The solution also helps customers manage regulatory accounting processes, monitoring counterparty credit risk to determine the deficit amounts needed for determining capital charges. The regulatory accounting calculations are performed nightly and again at close of business to apply confirmed amounts to be used as capital charges to reduce the firm's net capital per SEC rule 15c3-1. Stream Credit Monitor captures the results of the operational workflow, helping ensure that regulatory accounting's submission of net capital charges is accurate.

Stream Credit Monitor's core rule set enables firms to establish separate haircut schedules for credit risk and regulatory accounting. Users can also define the rates by type of transaction (repo vs. reverse), type of account, type of collateral, time to maturity or specific contract overrides. Other rules include exposure and excess minimums for generating alerts, due date tracking and definition of products included in either the credit risk or regulatory accounting calculations.

Stream Credit Monitor performs counterparty calculations and lists the exposure or excess in the reporting currency. Contracts on U.S. government and agency collateral that have been novated are excluded from the computations.

In addition to the overall monitoring, Stream Credit Monitor provides online inquiry of the calculation results, so users can view details of how the counterparty or the firm determined the margin or exposure. Credit limits by currency are captured and displayed with the summary results.

Stream Credit Monitor also displays open fails and produces alerts for tracking concentration limits by counterparty or the firm, reverse excess, and repo charge by counterparty. The solution provides a full suite of reports based on the nightly results and again at close of business.

KEY BENEFITS OF STREAM CREDIT MONITOR FOR COUNTERPARTY EXPOSURE:

- Provides automated monitoring of counterparty exposure
- Aggregates counterparty activity across multiple source systems
- Provides workflow to track the activities performed to address the exposure and excess
- Offers an online inquiry tool for examining current and historical calculation results
- Delivers alerts to notify firms of counterparty exposure
- Features a flexible rules engine to categorize haircuts
- Includes a suite of summary and detail reports

NEED MORE INFORMATION?

Contact your sales representative at +1-800-825-2518 or visit us at www.sungard.com/streamcreditmonitor.