

axeCollateral Management

A UNIFIED AND STREAMLINED
COLLATERAL LIFECYCLE

A UNIFIED AND STREAMLINED APPROACH TO COLLATERAL MANAGEMENT

TAKING YOUR PAIN POINTS OFF YOUR SHOULDERS

The market stress, driven by the COVID-19 pandemic, has highlighted the importance of developing and maintaining a cutting-edge collateral management capability.

Being essential for effective monitoring and for managing credit risk exposure, identifying counterparty stress, and enabling optimization of collateral inventories during periods of high market volatility.

To address these vulnerabilities, lenders should efficiently

automate their end-to-end collateral lifecycle.

axeCollateral management solution allows lenders to streamline and monitor their collateral portfolio within a structured framework and comprehensive data model. All types of collateral are managed including commercial and residential real estate, shares, equipment, or any other tangible or intangible assets.

The entire Collateral Lifecycle is handled starting from the credit initiation at the proposal stage through valuation (initial and subsequent), documentation, perfection, documentation, deferrals, LTV monitoring, release and disposal in the event of

1 ADD COLLATERALS

Facility or Collateral

2 LINK COLLATERALS

One to one, one to many, many to one or many to many

3 ALLOCATE COLLATERALS

Based on absolute value or percentage basis

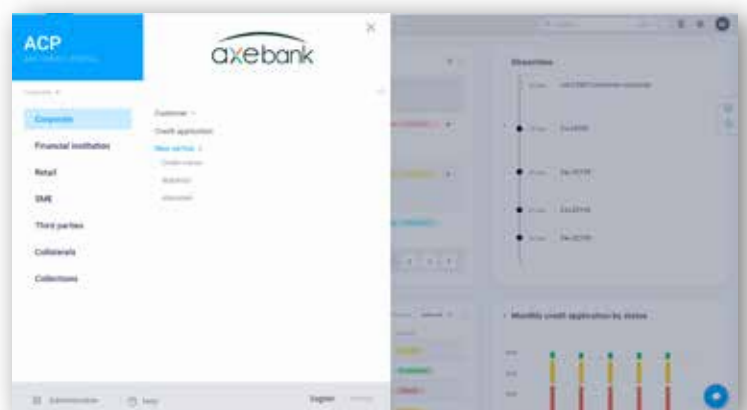
4 CONTROLS & CHECKS

Standard checks (duplicate, thresholds) or Custom controls

5 COLLATERAL POOL

Configure a custom pool of collaterals with controls & rules

- / AI-powered end-to-end collateral automation solution
- / Granular & limitless customization options
- / Multi-segment/language/currency/industry/entity
- / Zero-code collateral configuration
- / Rich customizable dashboards to drive collateral metrics
- / Open architecture integrating external asset valuers



CENTRALIZE YOUR COLLATERAL REPOSITORY AND STREAMLINE THEIR PROCESSES

- / Capture detailed collateral and guarantee data in an itemized and granular manner
- / Assign multiple collaterals to multiple facilities and allocate mitigation level, rank, etc.
- / Ensure appropriate data quality & consistency across the portfolio and credit objects
- / Control appraisal and physical monitoring processes
- / Cover the full spectrum of collaterals: securities, bonds, equities, real estate, equipment, etc.
- / Reduce operational risk by minimizing manual processing and multiple entries of the same information
- / Integrate with various data sources for collateral valuation (market, real-estate indices, etc.)
- / Store historical valuations for trend analysis
- / Data model richness
- / Workflow driven collateral lifecycle
- / Re-use of existing collaterals if not fully utilized
- / Embedded collateral eligibility rules
- / Documentation: attachment and generation based on the bank's templates
- / Automated perfection processes
- / Security details for financial collaterals (number, quantities, and custodian)
- / Handling of multiple valuations (initial, perfected, registered, amortized, used, etc.) and methods (OMV, FSV)
- / Data traceability through workflows
- / Assured data consistency through business rules, mandatory fields, calculated fields, etc.

PROACTIVELY MANAGE YOUR COLLATERAL PORTFOLIO

- / Consistent collateral documentation (deeds, insurance, assignment declarations)
- / Monitor LTV and LTV trend and raise margin when necessary
- / Apply the right haircuts at granular or category level as per the regulatory or internal policy
- / Monitor collateral concentration across the portfolio, by type of collateral, by guarantor, by region, by market shares
- / Ensure high reactivity in case of market movements (collateral disposal)
- / Monitor collateral portfolio liquidity
- / Monitoring reports
- / Alert and ticklers through various channels
- / Proactive monitoring and tracing of collateral waivers, release, deferrals
- / Automated Collateral portfolio revaluation tools
- / Dynamic calculation of collateral availability
- / Partial/total release workflows
- / Insurance schedules, alerts, messaging, and remedial workflows

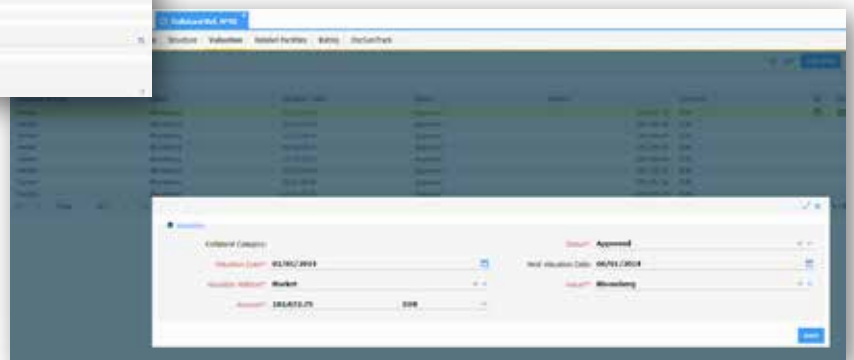
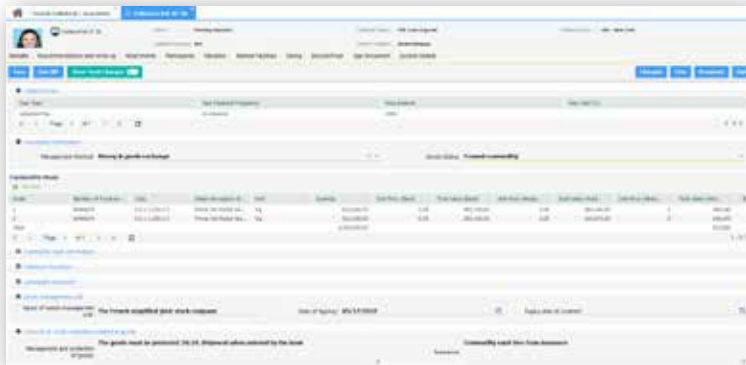
COMPLY WITH POLICIES AND REGULATIONS

- / Implement and enforce standard business processes in collateral management, across business units and subsidiaries
- / Complete documentation workflows
- / Maintain collateral checklists and eligibility rules
- / Ensure full traceability in the collateral lifecycle
- / Apply regulatory haircuts
- / Generate your regulatory reporting
- / Feed your risk systems and data-warehouses with consistent and quality collateral data
- / Use collateral/facility data history to better calibrate your EAD/ LGD measures against model back-testing
- / Detailed audit trails
- / Regulatory collateral classification
- / Data model flexibility and evolution
- / Collateral adherence
- / Better collateral assignment for optimized capital calculations Document tracking and compliance with internal policies and regulations

DIGITAL COLLATERAL MANAGEMENT ON YOUR OWN TERMS THANKS TO ZERO-CODE CONFIGURATION TOOLS

axeCollateral is provided with axeStudio, a set of embedded zero code administration tools for limitless customization options with no need for vendor intervention

- / BRM for rules management
- / GUI Designer for screen layouts
- / BPM for workflow to design and manage triggered credit events via dedicated and fully configurable workflows
- / DMS for electronic document management: automatically generate credit-related documents straight from the system as per your collateral templates
- / IAM for ACP users to grant the right permission levels abiding by the bank's security policies.



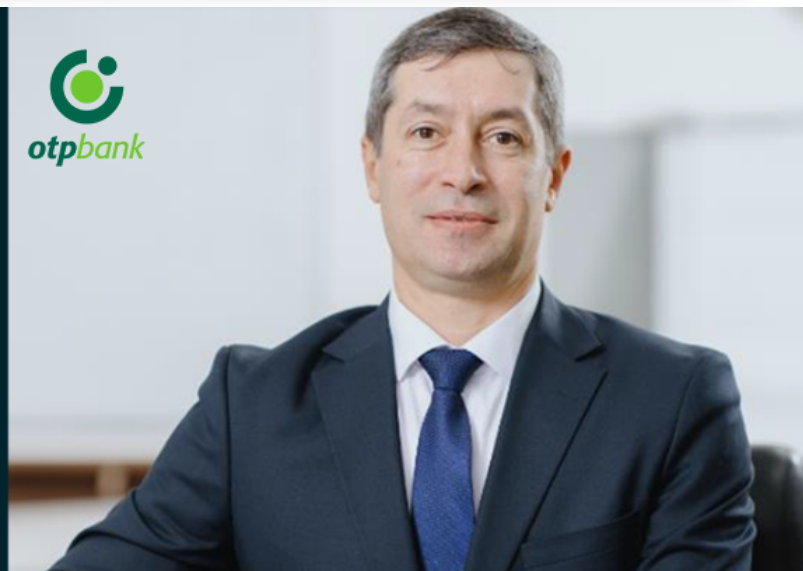
ABOUT A SUCCESSFUL POS FINANCING SOLUTION GO LIVE AT OTP MOLDOVA



AXE CREDIT PORTAL (ACP) HAS BEEN PRODUCTIVELY RUNNING SINCE 2017 AND WE ARE SATISFIED WITH THE SOFTWARE PERFORMANCE AS WELL AS THE SERVICE & SUPPORT QUALITY.

IN 2021, A SUCCESSFUL VERSION UPGRADE TOOK PLACE TO MOVE FROM ACP V.6 TO V.7 ALONG WITH THE IMPLEMENTATION OF A NEW POINT OF SALES MODULE (POS) TO GIVE ACCESS TO THE DIFFERENT TYPES OF PARTNERS AT OTP BANK OF MOLDOVA.

THANKS TO ACP, WE HAVE BEEN ABLE TO REDUCE DRASTICALLY THE TURNAROUND TIME TO MAINTAIN A HIGH DEGREE OF CUSTOMER SATISFACTION, AS WELL AS ENHANCE OUR OVERALL CREDIT PROCESSES.



DELINSCHI PETRU
DEPUTY CEO- COMMERCIAL DIRECTOR RETAIL BANKING
OTP BANK - MOLDOVA

