

Credit Portfolio Management

The credit policy of banks is driven by the demand to find a balance between striving for profit and shares in the market and restricting the credit risks at the same time.

Product Information

CREDIT POLICY

PMS (Portfolio and Risk Management System) offers you a multitude of functions for managing your credit portfolio. The following pages provide an overview of the functions sorted by topic.



Credit Portfolio Position Management

- ◇ Captures credits and models various types of credits e.g. including call rights, partial amortisations, covenants (simple, Bermuda) and leasing
- ◇ Various credit adjustments such as service of interest payments, notional amount, deferred loan repayments, permanent changes, cancellation
- ◇ Booking on customer accounts
- ◇ End-of-day processing
- ◇ Creates accounting records and sub-ledgers

Credit & Credit Portfolio Evaluations

- ◇ Cash flow representation (ex post & ex ante)
- ◇ Calculation of the net present value and various financial key figures
- ◇ Margin calculation
- ◇ Contribution margin
- ◇ Condition contribution
- ◇ Interest rate sensitivity gap table
- ◇ Maturity transformation
- ◇ Capital commitment
- ◇ Interest income analysis
- ◇ Acquisition price analysis for treasury results
- ◇ Net present value transition to profit & loss reporting
- ◇ Moving averages for variable products
- ◇ Formulas for opportunity interest rates
- ◇ Representation via replication portfolios
- ◇ Treasury results
- ◇ Proof of liquidity
- ◇ Liquidity management (LCR, NSFR)

Credit Derivatives & Complex Credit Issuances

- ◇ Credit Default Swap (CDS)
- ◇ CDS on Basket, CDS on Spread, CDS on Index (CDX like ITRAXX US, EU)
- ◇ Total Return Swap (TRS)
- ◇ Credit Linked Note (CLN)
- ◇ Collateralised Debt Obligations (CDO)
- ◇ Asset Backed Securities (ABS)
- ◇ Mortgage Backed Securities (MBS)

Credit Risk Measurement & Management

- ◇ Simulation including interest rates, rating, foreign currency, correlations, volumes, PDs
- ◇ Setting & monitoring limits
- ◇ Various risk-related key figures
- ◇ Marginal & Incremental Risk
- ◇ Expected Shortfall
- ◇ Calculation of EAD and LGD
- ◇ CVaR according to CreditMetrics
- ◇ CVaR according to CreditRisk+
- ◇ Credit Spread Risk
- ◇ Credit Spread Risk in Market VaR
- ◇ Rating, scoring
- ◇ Hedging of counterparty risks
- ◇ Hedge efficiency measurement and presentation of hedge proposals
- ◇ Optimisation proposals e.g. according to the Strategic Frontier approach
- ◇ Calculation of CVA, DFA and FVA

Regulatory Reporting

- ◇ MaRisk
- ◇ Principle I & II
- ◇ GroMiKV
- ◇ Solvency Regulation
- ◇ Basel III, CRD IV, KSA
- ◇ LCR, NSFR
- ◇ IRRBB
- ◇ IFRS 9 & 13
- ◇ Hedge Accounting
- ◇ Profit & Loss pursuant to IFRS

Collateral Management

- ◇ Capturing collaterals
- ◇ Position management
- ◇ Historicisation
- ◇ Collateral valuation
- ◇ Assignment to credits in the relation n*m
- ◇ Inclusion of the Solvency Regulation
- ◇ Haircut management
- ◇ Collateral management subsystem
- ◇ Dispute management

Customer Management

- ◇ Customer data capturing
- ◇ Borrower management (retail & companies)
- ◇ Credit data capturing
- ◇ Rating/scoring
- ◇ "Grant of credit" form
- ◇ Various tabular representations

Reporting

- ◇ As PDF file
- ◇ As web-based dashboard representation via desktop, tablet and smart phone

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