MARS Collateral Management
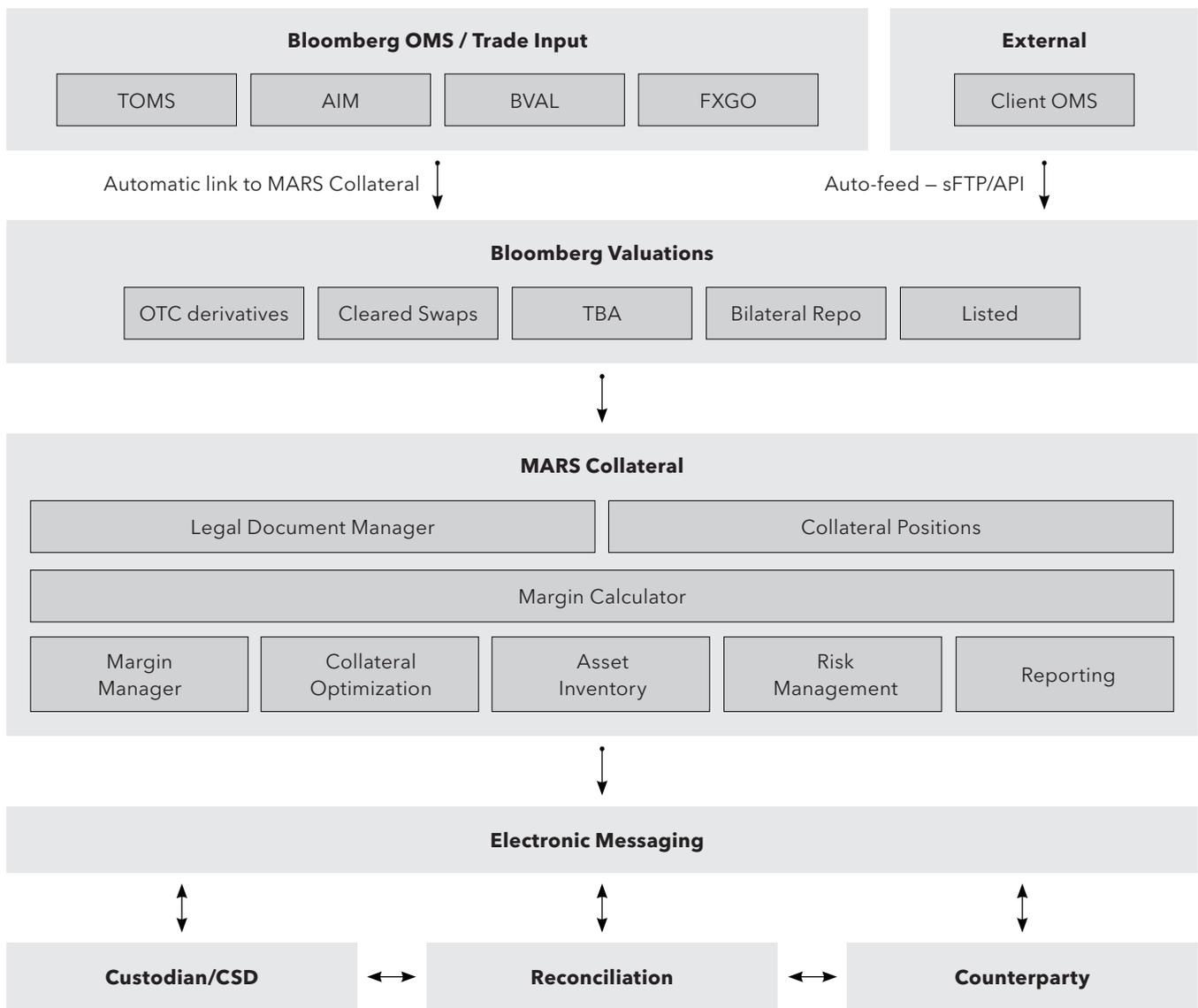
Bloomberg

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Bloomberg MARS Collateral Management

Collateral management has been a long-standing credit mitigation technique employed by the sell side and larger buy sides for many years. Since the financial crisis, regulatory pressures have been at the forefront of the collateral management industry. What was once thought of as a back-office function done primarily on manual spreadsheets is now part of the trading and risk decision-making process. Dodd-Frank and EMIR brought central clearing and trade reporting to the buy side. BCBS/IOSCO and the subsequent global regulations for uncleared margin are now in their final stages. With evolving regulations, increasing margin requirements and new market participants entering the arena, it's more important than ever to choose a technology partner that can both help comply with the regulations and provide a full end-to-end collateral management workflow.

Bloomberg's MARS Collateral Management (BCOL) is an end-to-end collateral management and processing hub that provides clients with a straight-through solution to holistically manage and monitor their exposures and collateral positions in real time. Powered by Bloomberg's world-class pricing library, MARS Collateral Management features cross-product support, regulatory compliance – variation and initial margin (SIMM/CCP) calculations, portfolio reconciliations, inventory management and scenario analysis.

Bloomberg OMS / Trade Input

| TOMS | AIM | BVAL | FXGO |

External

| Client OMS |

Automatic link to MARS Collateral

Auto-feed – sFTP/API

Bloomberg Valuations

| OTC derivatives | Cleared Swaps | TBA | Bilateral Repo | Listed |

MARS Collateral

| Legal Document Manager | Collateral Positions |

| Margin Calculator |

| Margin Manager | Collateral Optimization | Asset Inventory | Risk Management | Reporting |

Electronic Messaging

| **Custodian/CSD** | ↔ | **Reconciliation** | ↔ | **Counterparty** |

MARS Collateral provides solutions to address today's complex challenges.

Client types supported:
- Asset and investment managers
- Insurance companies
- Banks
- Broker-dealers
- Corporations

Agreement types supported:
- Bilateral legacy CSA
- Regulated VM CSA (included gross/net, gross/gross)
- Regulated Initial CSA
- MSFTA
- (G)MRA
- Clearing Agreements (cleared swaps/futures and options)

Connectivity:
- Access to full universe of Bloomberg market data including, but not limited to, world-class pricing, ratings, and interest and FX rates
- Bloomberg connects you to each other — send and receive margin calls via Acadia Margin Manager, Bloomberg MSG and IB; use Bloomberg IB to connect to your counterparties and internal partners to investigate disputes and reconciliations
- Licensed vendor of ISDA SIMM
- CCP initial margin calculations
- Acadia IM Exposure Manager for SIMM reconciliations

Legal documentation management
- Stores legal entity, master and collateral agreement data
- Linked to market and security data and global LEI database
- Drives margin calculations
- Robust eligibility criteria

Valuations & initial margin
- Vanilla and exotic derivative valuations using best-in-class data and pricing models
- Margin calculation, including standard lookup method and ISDA SIMM
- Sensitivities calculation for SIMM using Bloomberg SHOC infrastructure
- Cleared swap and futures IM calculations

Margin call management
- End-to-end collateral management and processing hub
- Send and receive margin calls electronically via Acadia Margin Manager or email
- Provides collateral manager everything they need to know: what is eligible to post, how much to post and what is available to post
- Audit trail

Risk analytics
- Run risk scenarios across collateral agreements to analyze liquidity and counterparty risk
- Pre-trade SIMM
- SIMM Backtesting

Trade management
- Direct link to Bloomberg OMS (TOMS/AIM)
- Automatically load deals booked in BVAL and FXGO
- Easily load your trades from your current platform to MARS Collateral

Disputes & reconciliations
- In-system portfolio reconciliation tool (RecStation)
- Compare and match principal and counterparty trade information
- Automatically chat via IB with colleagues and counterparties

Inventory management
- Track posted/held collateral across all counterparties and agreements
- Manage all available assets in inventory
- Link to Bloomberg OMS inventory platform

Collateral optimization
- The cheapest-to-deliver monitor allows you to see which currencies would be cheapest to use as collateral based on specific FX curves
- Used to automatically select across cash collateral in asset inventory in BCOL workflow

Engineering & support
- Ability to scale horizontally and vertically and adapt quickly to changing regulatory demands
- 24/7/365 technical support
- Includes Bloomberg's world-class premium ADSK support with a dedicated email address and help IB chat

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