



# Digital End-to-End Trade Finance

Trade as a Service

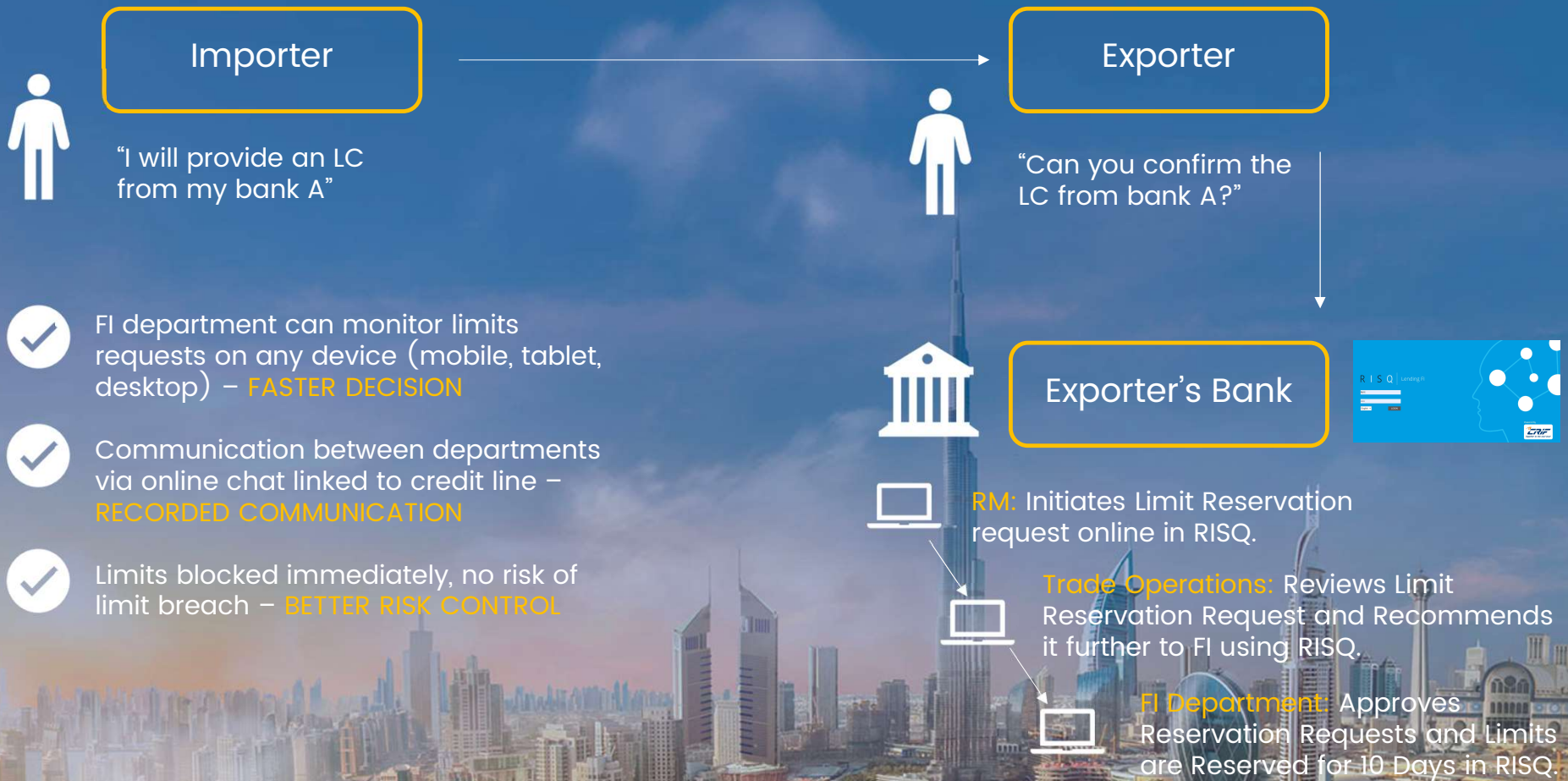
RISQ | financial institutions and Finastra Trade Innovation



# LC Confirmation – pre trade WITHOUT RISQ



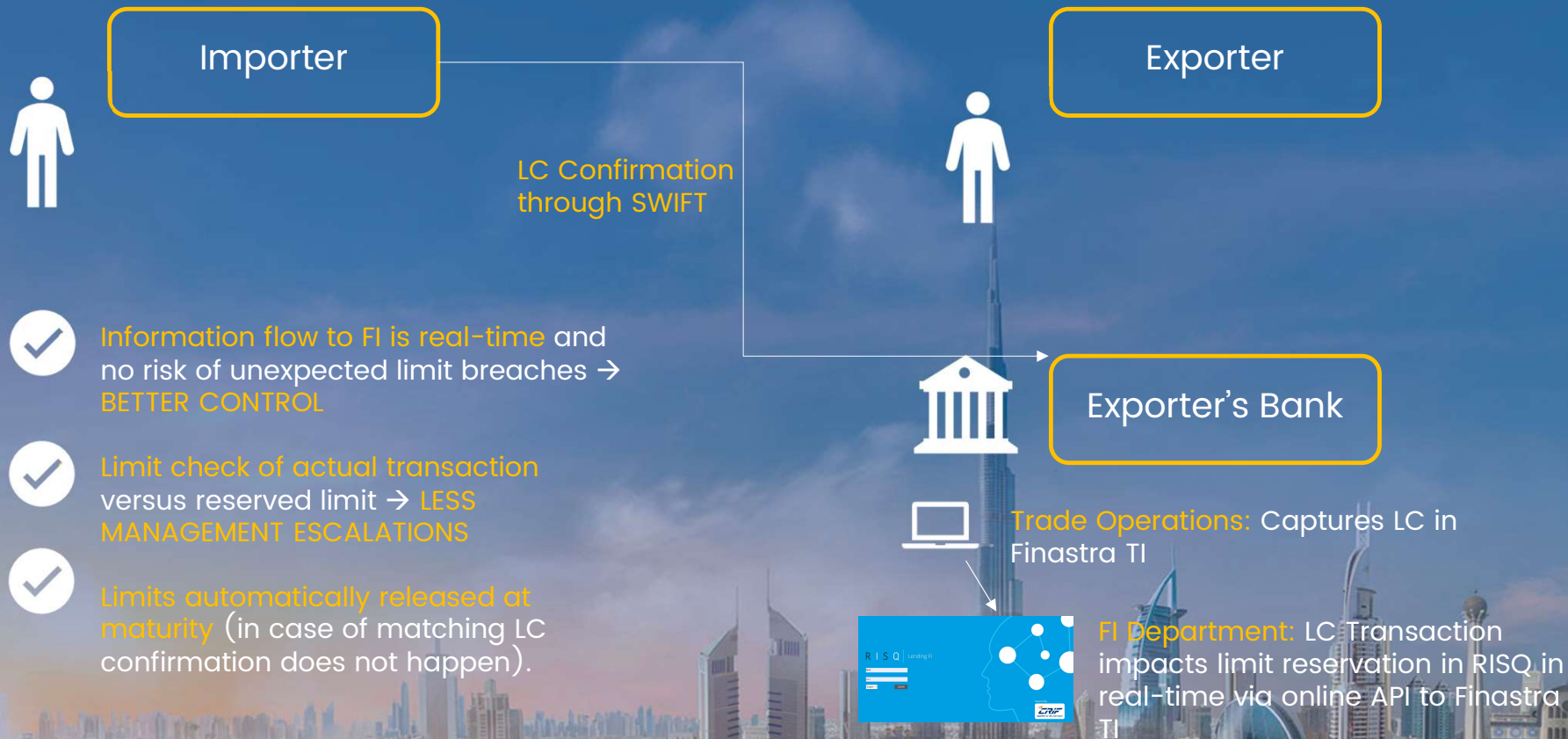
# LC Confirmation – pre trade WITH RISQ



# LC Confirmation – trade flow WITHOUT RISQ



# LC Confirmation – trade flow WITH RISQ



# Why is the limit module in TI not enough?



- It is **against the regulatory best practices** (maker/checker principle) that the consumer of a limit (Trade Ops) can also approve the limits by themselves (from FI) → This would require FI to login to TI and set limits. If so FI team needs to login to multiple systems (trade finance, core banking, factoring etc.) and capture limits separately in each system. **This is a huge operational burden and risk.**
- As **FI limits are shared among multiple business units** (treasury, trade finance, subsidiaries, etc.), it will be impossible to know how much limits are really available as another unit might have blocked it in the meantime already.
- **TI is not designed as a global limits system** and misses other tools/features (RAROC calculation, workflow based approvals, collateral management, ongoing servicing of lines, etc.)

# Clients' Challenges – Summary

## Trade Finance challenges

- Manual check of counterparty and country limits availability (through FI department)
- No online limits reservation capability (blocking lines between the enquiry and the actual transaction to happen)
- Operational errors (policy breaches, covenants mismatches, etc.)
- Limit breaches (as lines are not blocked during enquiry)
- Long response times due to manual processes

## Other challenges (for FI department)

- No real-time country limits view
- Email/phone communication with FI department during approval process → not recorded
- No consolidated reporting

# Value Proposition of RISQ



1. A complete and comprehensive limit management system designed for FI business
2. Digitize the missing part of the trade finance process → no overlap with TI

The screenshot displays the RISQ software interface for a limit management system. The top navigation bar includes the RISQ logo, a search bar, and user information. The main content area is divided into two panels. The left panel shows a tree view of limits for 'IIB/CN/CHINABANK/2020-70', with columns for Limit, Tenor Cap, Temp Allocation, Usage, and Available. The right panel shows the 'Basic Information' tab for the selected limit, including fields for Level, Ref, Type, Detached, Summation, Auto Increase, Currency, Allocation, Temp Allocation, and Limit Proposition.

Limit	Tenor Cap	Temp Allocation	Usage	Available
CHINABANK	6 Months	25,000,000	1,600,000	23,400,000
ENBD	6 Months	20,000,000	1,600,000	18,400,000
IIB	6 Months	10,000,000	1,600,000	8,400,000
FI	6 Months	10,000,000	1,600,000	8,400,000
FUNDED	6 Months	10,000,000	0	8,400,000
UNFUNDED	6 Months	10,000,000	1,600,000	8,400,000
Expo2020 (TS)		1,000,000	0	1,000,000
FUNDED		1,000,000	0	1,000,000
UNFUNDED		1,000,000	0	1,000,000
TREASURY	6 Months	10,000,000	0	10,000,000
PFE		0	0	0
MM	6 Months	10,000,000	0	10,000,000
ISSUER		0	0	0
REPO		0	0	0
SETTLEMENT		0	0	0
EI	6 Months	5,000,000	0	5,000,000

Basic Information

Level:  Entity  Department  Product Group  Product  
 Product TS  TS  Generic Product TS

Ref: UNFUNDED

Type: Credit

Detached:  OFF

Summation:  OFF

Auto Increase:  OFF

Currency: USD

Allocation: 10,000,000

Temp Allocation: 10,000,000

Limit Proposition:



# Key Benefits for clients

## Trade Finance benefits

- Online limit reservation → no limit breaches
- Fully streamlined trade-finance operation (even TI digitize majority of the process still pre-trade and FI approval is manual )
- If no limits available, FI department can re-allocate limits instead of rejecting
- Online RAROC check during approval → approval based on profitability
- Faster response times to client enquires

## Other benefits

- Real-time country limit impact, communication is fully digital
- FI department can easily broadcast limits to all departments

# Reference Client in MEA



- Leading Bank in the Middle East
- **Entire FI business is digital now** (no manual processes, no paper) since 2016
- **RISQ FI is used across the entire banking group** (Emirates Islamic, Denizbank) as well as **wholesale branches globally**
- Online integration between RISQ and Trade Finance System
- Real-time limit monitoring and reporting
- Can handle 25% more volume with same staff
- Reduced overall approval time by over 50%
- Operational errors reduced by 99%



# Thank you

