



inside riskart®

ed. 2 (July 2010)

table of contents

riskart S.p.A.

a new approach to derivatives management

software features

contact

riskart S.p.A.

- riskart S.p.A. has been operating in Milan since 1975.
- Following the acquisition of Tomato Financial & Treasury Services, S.A., it was decided to re-engineer the FOSWin® software application. The aim was to use new technology to allow the easy and immediate application of riskart's services and systems to the field of financial risk management. The result of this process is the riskart® application, which has achieved its aim by focusing on system quality, standardised language and a high degree of compatibility with numerous platforms (Windows, Unix, Linux, etc.).
- The riskart® application is mainly specialised in the management of Middle and Back Office processes and their integration with accounting procedures. Particular attention is given to the management of OTC derivatives but the flexible nature of riskart's financial platform is such that it leaves ample space for managing other client requirements.
- riskart® constantly updates and develops the core software, leveraging off its flexibility and ensuring that it is aligned with financial markets' developments and the evolution of regulatory requirements.

riskart®

It is the dedicated solution for the operational, administrative and accounting (Middle/Back-Office) support of financial agreements.

- It manages proprietary and third party accounts for almost any kind of financial contract and is an integral part of the overall system of Risk Management .
- It supplies the data required by financial settlement systems (e.g. SWIFT).
- It integrates market systems used for calculating and controlling margins.
- It supports collateral management.
- It generates all necessary entries for accounting purposes in full compliance with the IAS/IFRS rules (principles 32 and 39).
- It produces the data required by regulatory reporting systems (e.g. PUMA2).

External

Market

Counterparty

Business Process Management

Front Office

Money Market and Forex products:

Time Deposit, Currency Spot, Outright, Forex Swap, Currency Option

Interest Rate Derivatives:

IRS, FRA, OIS, CCS, DCS, Index Swap, Cap, Floor, Collar, Swaption

Equity Derivatives:

Plain Vanilla and Exotic Option, Index Futures, Equity Futures, Equity Swap, Equity Asset Swap, Equity Linked Note and structured product, Inflation Swap

Credit Derivatives:

Credit Default Swap

Middle and Back Office

Deal entry • Counterparty Checks • Deal Confirmation • NAV Calculation • Generation of Accounting Entries • Hedge Accounting • Settlement • Collateral Management • Management Reporting • Regulatory Reporting

riskart

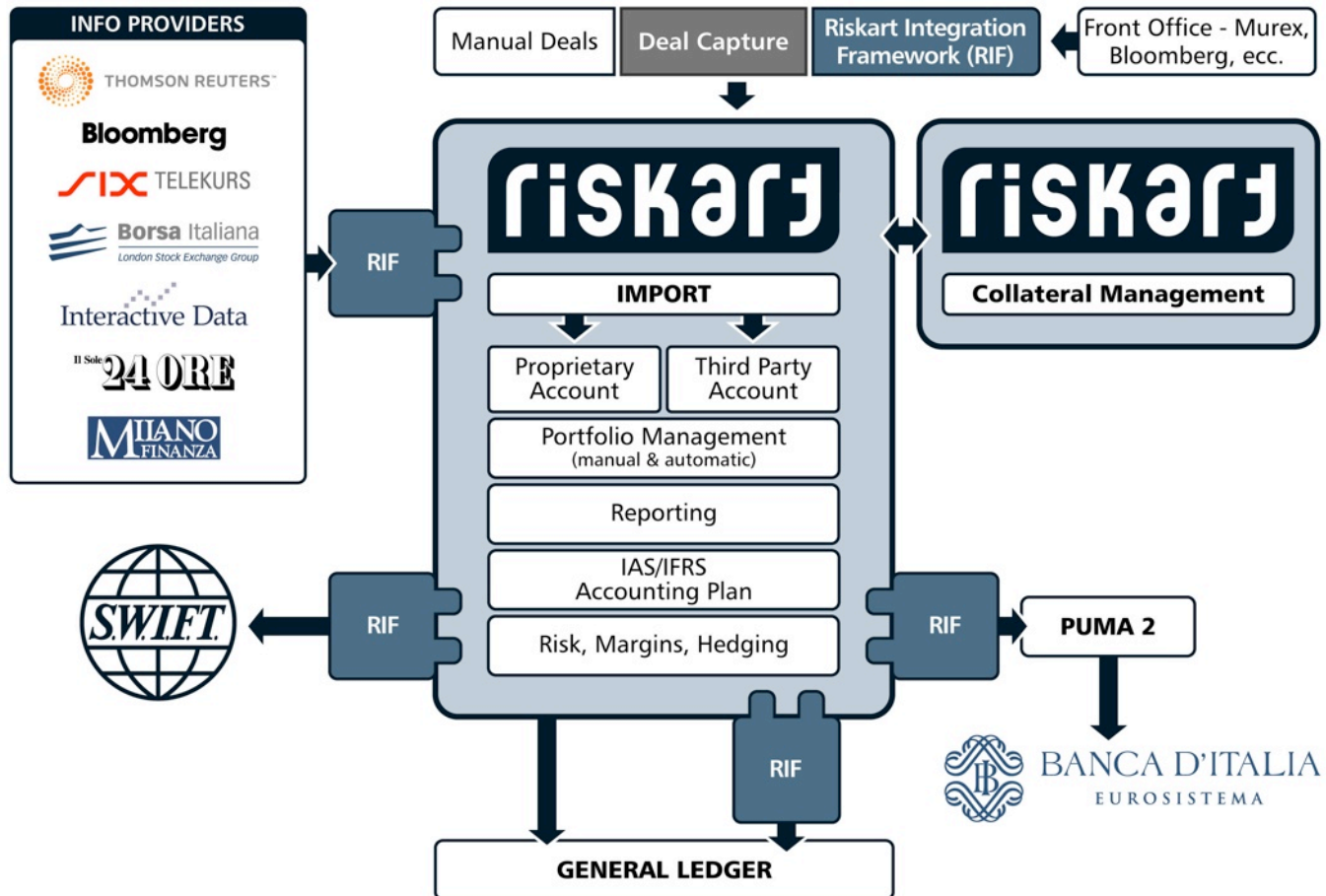
Market data

Inter-bank communication

Accounting

Supervisory Reporting

integration



a “scientific” approach developed over time

The long experience developed with FOSWin®, the forerunner of riskart®, led to the definition of a general theoretical model applicable to any financial instrument.

The model has been implemented using a state-of-the-art technological architecture that renders it independent of any software operating system.

Adaptation to the customer’s organisational needs is achieved through parameterisation but without modifying the core software.

The solution is fully aligned with best practice in terms of auditing and internal governance.

Money Market and Forex products:
Time Deposit, Currency Spot, Outright, Forex Swap, Currency Option

Interest Rate Derivatives:
IRS, FRA, OIS, CCS, DCS, Index Swap, Cap, Floor, Collar, Swaption

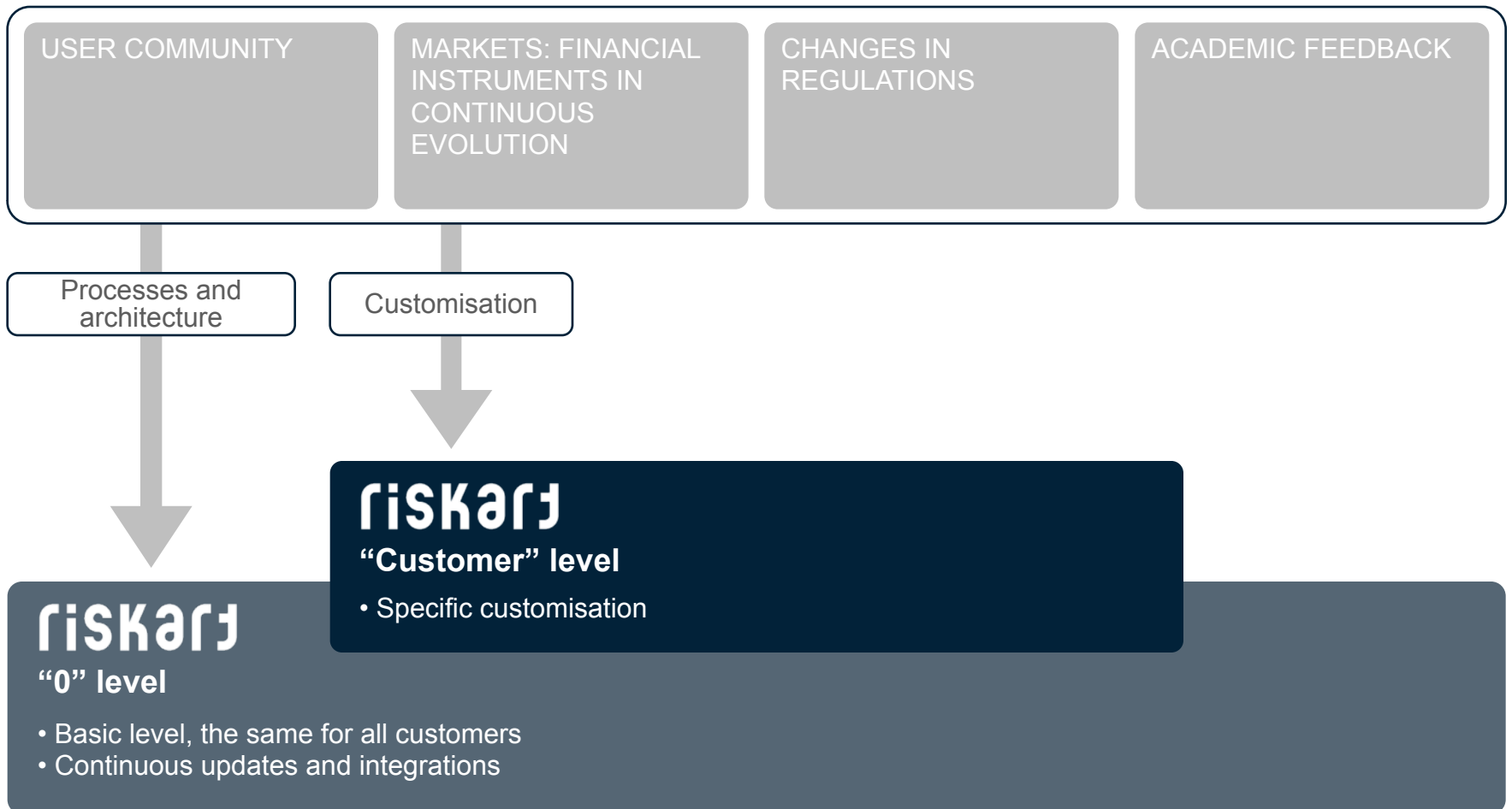
Equity Derivatives:
Plain Vanilla and Exotic Option, Index Futures, Equity Futures Equity Swap, Equity Asset Swap, Equity Linked Note and structured product, Inflation Swap

Credit Derivatives:
Credit Default Swap

sharing know-how

- riskart's knowledge of the evolution of financial instruments is maintained constantly up-to-date. All new features are promptly analysed and included in the core conceptual software layer, known as “zero level”, which is common to all users.
- riskart® manages, implements and adapts to the changes based on the following elements:
 - Regulations
 - Markets and financial instruments
 - Feedback from users
- The distribution of software updates enriches the core conceptual software layer, zero level, without requiring any changes to the client's customized version of the system.

sharing know-how



riskart's objectives

■ Respond immediately to customers' needs:

- Constant updating in terms of new financial instruments
- Compliance with regulations
- Customisation of clients' "modus operandi" via the Workflow/Dashboard
- Adaptation of the parameterisation in line with users' changing needs

■ Reduce operating risk:

- Automated management of operating processes
- Management of security
- Audit trail for data input and process management

■ Reduce IT risks & costs:

- Multi-platform system architecture
- Software parameterisation and insertion of new financial instruments without resort to software code changes
- Flexible commercial formulae

functional features

■ Flexibility:

- Screens can be parameterised for managing transactions and administrative/accounting events
- Agnostic approach to reporting requirements (even if MicroStrategy is “embedded”)

■ IAS compliant:

- Classification of financial instruments and registered positions
- “First Time Application” and reclassification
- “IAS compliant” and “double binary” accounting entries
- Effectiveness testing for “Hedge Accounting”

■ Core software layer of client configurations managed and developed by riskart S.p.A.

technological features

■ Quality:

- Developed with standard and open methodology
- Modular approach (concept of “engine”)
- Homogeneous, functional and professional graphic interface (colours, forms and dialogue)

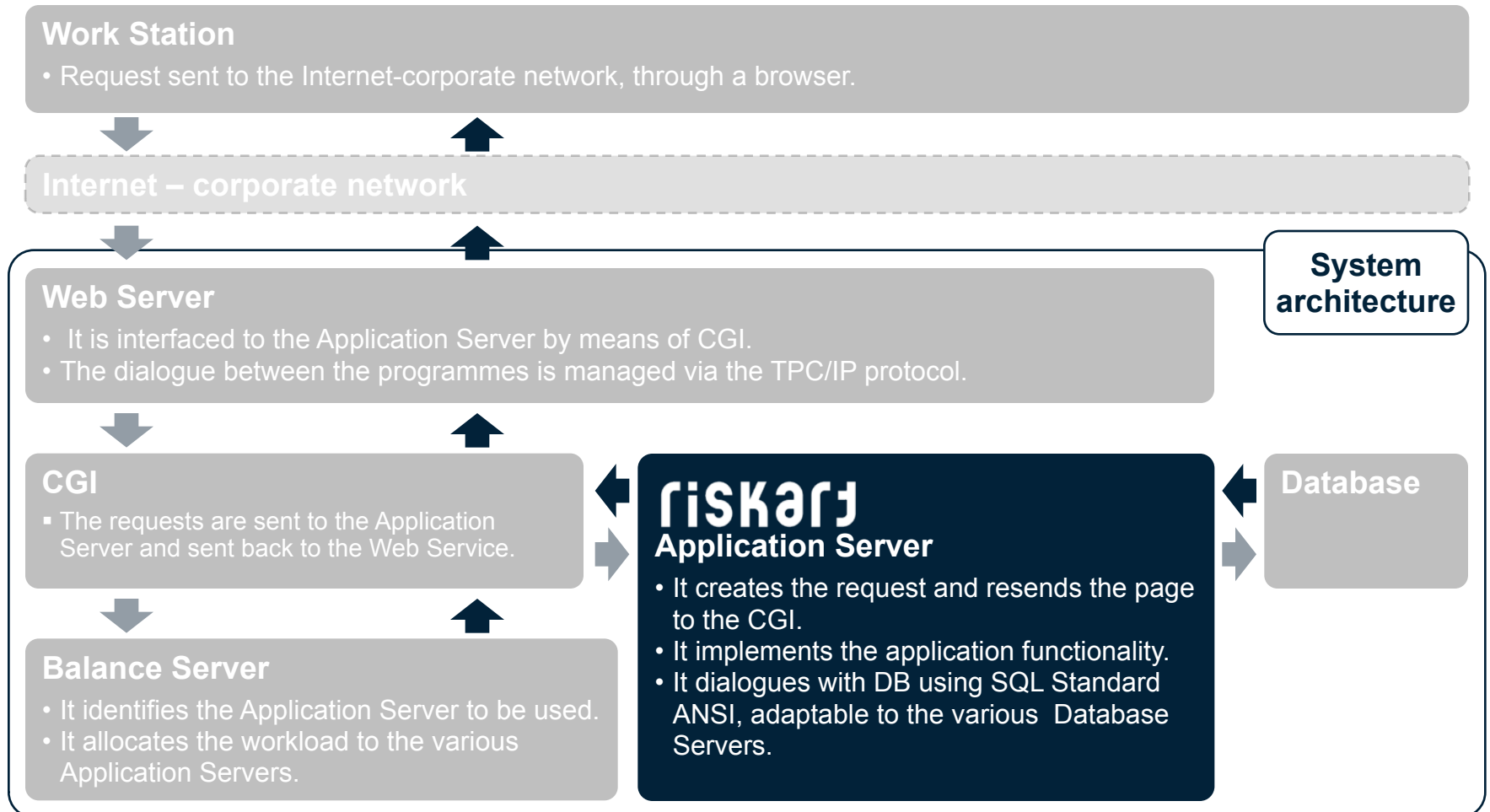
■ Standard:

- ANSI SQL
- XML, C++ Standard
- Import/export data via MQ Series/Web services

■ Multi-platform:

- Windows/Unix/Linux
- Multi-lingual
- Oracle/MS Sql/Db2/Postgres
- Client Browser (pure HTML)

system architecture



commercial models

■ Installation at Client site:

- Software licence
- Customisation
- System integration

■ ASP installation (Application Service Provider):

- “Pay per use” system
- Customisation
- User scalability

contact

■ riskart S.p.A.

www.riskart.com

+39 02.45506393

■ Sales

g.mahony@riskart.com

■ Management

f.marinotti@riskart.com

■ Product

e.vallini@riskart.com



riskart S.p.A.

Via Montebello, 25 - 20121 Milan
Tel.: +39 02.45506393 - Fax: +39 02.6592724