



BUILT FOR CREDIT

Credit risk is felt across the entire business. The front office has to stay within its trading limits, while the middle and back offices manage invoices, collect and analyze counterparty credit information and manage the overall state of credit risk. Traders and marketers depend on counterparty credit risk management, as well as counterparty margining, scoring and credit limit management, to ensure that they're overseeing their risk as precisely as possible.

Allegro streamlines and automates the flow of timely, accurate and comprehensive credit data, shedding light on credit risk across the entire enterprise. Along with exposure management and margining, the evaluation of credit limits can also be handled. Whether for a scheduled annual review of a counterparty, or a situation in which a trader is requesting a credit line increase, Allegro's customizable scoring model can be leveraged to quickly determine the creditworthiness of a transaction or trading partner.

Because Allegro is meant to ease much of the load on day-to-day operations, you and your colleagues can devote more time to strategic tasks, such as predicting future liquidity needs based on predicted margin calls and invoices. Trading trends can be analyzed to determine if you have too much exposure in a particular geography, product vertical or rating group, and any expected losses can be analyzed to aid in the calculation of appropriate credit reserves.



THE BUSINESS CHALLENGE

With complexity only continuing to grow in the commodity sector, it's more important than ever to understand the totality of one's credit exposure. The proper evaluation of that exposure against established limits and the planning for any number of future scenarios are critical to effective risk management.

But what's the best approach to this considerable challenge? Ultimately, what's required is the ability to identify potential problems early. By doing so, your company can mitigate the impact of potential business setbacks and remain on the path to success. Allegro is designed to help you do exactly that.



THE ALLEGRO SOLUTION

Allegro's solution for credit is one of the core strengths of the platform's architecture. With Allegro, credit exposure can be calculated directly from the system's trade capture view, and exposure profiles can be checked against current and future predicted credit availability. Thanks to this functionality, credit and risk managers will have a complete view of their exposure landscape, both for the present and into the future.

By using Allegro, risk managers can monitor the latest daily collateral, margin and liquidity requirements. Additionally, they'll be able to construct credit risk scoring models by integrating current rating agency data into their proprietary in-house information.

KEY BENEFITS OF ALLEGRO



By taking full advantage of Allegro's credit functionality, you'll be able to automate the tasks that software systems manage better, leaving your team members with more time to concentrate on tasks that require human judgment and creativity.

AMONG THE ADVANTAGES OF ALLEGRO ARE:

Ability to identify limit breaches and potential breaches, in addition to providing any necessary alerts when issues arise

Management of credit-relevant terms of contracts, along with control over the mapping between trade contracts and credit terms

Forward analysis that will show exposure, availability and predicted margin requirements and that uses the best-available delivery data to predict future exposures

Analysis of liquidity through the prediction of future margin calls

The combination of accounts receivable/accounts payable with stress scenarios and ratings movements for liquidity and exposure analysis

Automated retrieval of financial data, combined with configurable scoring models, to simplify the counterparty review process

Support for enhanced exposure netting, as the platform's settings allow out-of-the-box support for a wide range of legal structures and contracts

Custom-scenario support, with ratings upgrades and downgrades and the ability to stress prices to different levels, simultaneously and across multiple time ranges

Ability to import transactions from third-party deal-capture, accounting and credit systems

Flexible margin management and margin letter generation, supporting a completely customizable margin template



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