

CRD Article 122a Investment Solution



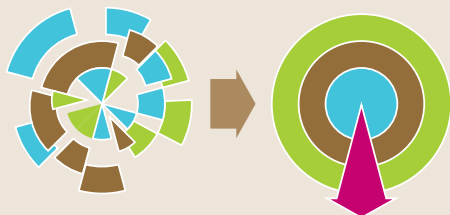
Investment due diligence, risk & operations on a single platform

Article 122a EU CRD

Before investing and in an ongoing manner, credit institutions must show they have a comprehensive understanding of all securitization positions and formal procedures in place to analyze and record:

- The originator's net economic interest and disclosures about collateral performance;
- Risk characteristics of individual tranches;
- The performance metrics and statistics of underlying collateral pools;
- Structural features of deals, e.g. waterfall, transaction triggers, embedded hedges;
- Historical performance of the originator;
- Valuation methods applied to underlying collateral where relevant.

Stress testing should be appropriate to an asset's risk profile and institutions must demonstrate that due care is taken to validate third party model assumptions and structures prior to investment.



Principia SFP provides credit institutions with a comprehensive solution to consolidate investment analysis and risk surveillance for structured finance assets, with overall control of their investment portfolio.

The portfolio management, risk exposure analysis, stress testing and operational platform unifies understanding and risk oversight across deals, portfolios and business units. With a single software backbone institutions can efficiently address and evolve with due diligence mandates.

Master Investment Analysis

- A single view across structured credit and fixed income assets on a dedicated portfolio management, risk surveillance and operations platform
- Unify performance data and credit analysis from internal and external sources and fully integrate cashflow models into deal and portfolio wide assessments
- Analyze deal specific risk characteristics for existing and potential deals (seniority, cashflows, performance, credit enhancement etc)
- Assess historical and current performance at the collateral, tranche, deal and portfolio level, with asset specific metrics (delinquency and loss rates etc)
- Evaluate third party valuations and apply forecasting to project future cashflows (through Principia's integration of Intex models)

- Know your issuer and interface to standard bond issuance reporting templates.

Proactively Manage Risk

- Query portfolio exposures (asset, geography, ratings etc) and performance exposures (30 day delinquency, LTV etc) across assets and business units
- Set flags, triggers and limits to automate warning signs across any portfolio, deal, tranche or collateral metrics and comply with investment guidelines
- Stress test valuations based risk parameters, including prepay, default, interest rate and delinquency static and vector assumptions
- Full suite of standard and customizable structured finance deal cashflow, performance, portfolio and compliance reports.

Streamline Operations

- Full audit control and streamlined processes from portfolio management, through risk surveillance and into accounting
- Implement formal policies and procedures with customizable interfacing, workflow and reporting
- Address investor due diligence requirements now e.g. FSA (Bipru), Bafin (German Banking Act) and rapidly evolve with future operational credit analysis criteria.

For more information about Principia SFP, contact us:

US 156 William Street, 11th Floor, New York, NY 10038. Telephone: +1 (212) 480 6355

UK Queen's House, 8-9 Queen Street, London, EC4N 1SP. Telephone: +44 (0) 20 7618 1350

Email info@ppllc.com | www.principiasfp.com

PRINCIPIA

CRD Article 122a Investment Solution

Principia Structured Finance Platform

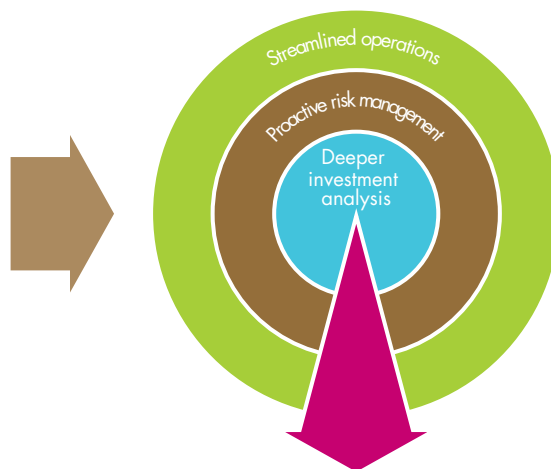
Available as an installed solution or via the web, Principia SFP is the benchmark operational solution for the management of structured finance investments. No other commercial or in-house system offers the same breadth of functionality to support fixed income, complex structured credit investments, as well as the spectrum of funding and hedging instruments.

With Principia, businesses can gain a deeper insight into their investments on a unified platform, proactively manage and monitor risk exposures, demonstrate due diligence and increase overall efficiencies across the credit investment business.

A fragmented view...



or a single focused solution?



Organizations can employ out-of-the-box investment analysis, portfolio management, risk and operational functionality, or rapidly implement business specific workflows, reports and processes using Principia's powerful customization framework.

Software-as-a-Service

SaaS provides access to the breadth of Principia SFP, limiting customization and infrastructure costs. The software is hosted by Principia and accessed on the web via a monthly subscription.

Deeper Investment Analysis

- Unify performance and deal data from any source, for on-demand portfolio analysis
- Assess future performance with advanced cashflow analytics and forecasting
- Slice and dice by any combination of collateral, deal or portfolio characteristics.

Proactive Risk Management

- Analyze, monitor and report on collateral performance
- Stress test by default, delinquency, prepayment or interest rates
- Process and disseminate risk reports for any stratification of the business
- Reduce barriers to maintaining investor and regulatory compliance.

Streamlined Operations

- Centrally manage multiple portfolios to increase efficiency and transparency
- Integrate portfolio management, risk control and accounting on a single operational backbone
- Eliminate inconsistencies from front to back office with audit and workflow control.

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