TriOptima

OTC Swap Exposure Management - triResolve

May 2011
About TriOptima

- Founded 2000
- Offices in
  - Stockholm, London, New York, Singapore, Tokyo
- Specializing in risk mitigation and risk elimination for OTC derivatives
- Regulated by the Swedish FSA
- 100% owned by ICAP, a publicly listed company
- Main services
  - triReduce – early termination/compression
  - triResolve – exposure management and reconciliation
• Facilitates agreement on exposure
• Enables daily reconciliation of the *entire* portfolio per counterparty.
• Vanilla and complex products
• Covers all OTC derivative products under CSAs
• (e.g. Rates, Credit, Equity, Commodities, FX)
• Key economic details including mark to market exposure valuation
• Is open to all users, from large dealers to small funds
• Focus is on early detection and resolution of discrepancies
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• **Create a framework where participants work in a collaborative manner**
  – Uniform, multilateral, network community on a single platform
  – Analytical dispute *prevention* is the goal

• **Design a *proactive* solution that facilitates fast and broad take-up**
  – Web-based, low cost, low risk; no installation (Fast Time to Market)
  – Automated SFTP upload in any format – we do data mapping for both sides
  – Significant market take-up of the service

• **Interoperable with related services**
  – Framework in place for interoperability with existing industry confirmation and matching services
How it works

Peer-to-peer model

Centralized service model

Dealer

Buy-side firm

Asset Servicer

Energy Firm

Regional Bank

Dealer

Buy-side firm

Asset Servicer

Energy Firm

Regional Bank
• 6.1 million live trades (single-counted) reconciled on regular basis - an estimated 70-75% of all non-cleared OTC derivatives globally

• Regular reconciliations performed for
  – 3 200 unique legal entities
  – Belonging to 500+ institutions
  – Reconciling trade population and mark-to-market

• Margin call management
• Dispute resolution