

RISK INTEGRATED

COMPLETE TREASURY SOLUTION

Bloomberg TRM Risk is part of Bloomberg's complete treasury solution for corporate treasuries and risk managers that includes

- » Aggregated exposure management
- » Dashboards
- » Integrated market data
- » Portfolio valuations
- » The ability to manage financial exposures against policy limits
- » Foreign Exchange market analysis, including the macro environment, hedging strategies, forward rates, and forecasts
- » Advanced credit analytics for banking partners, counterparties or key customers/suppliers
- » Calculated credit value adjustment (CVA) for OTC derivative positions and/or portfolios.
- » Interest expense simulation and interest rate risk analytics
- » The ability to set limits on counterparties
- » Commodity risk analysis
- » Stress testing, scenario analysis and VaR calculations
- » Full integration with Bloomberg's hedge accounting solution



The Bloomberg Treasury and Risk Management (TRM) solution allows you to have a single view of your commercial and financial exposures, value your financial positions and integrate your risk policies, into your cash and execution management system.

Bloomberg TRM Risk allows you to analyze strategies to mitigate your exposures via the use of derivatives and real-time market data, as well as implement and manage limits including trader limits, counterparty limits, and instrument limits. All of this can be accomplished with Bloomberg's unparalleled analytic capabilities allowing you to take risk management to the next level in FX analytics, CVA and DVA calculations, sensitivity and stress testing, scenario analysis, and value at risk.

INTEGRATED EXPOSURE MANAGEMENT

Bloomberg TRM Risk is integrated with TRM Cash, allowing risk managers to aggregate and analyze their commercial and financial exposures in one simplified workflow. Information is updated in real-time as subsidiaries update their forecasts or as hedges are executed to mitigate exposures.

Views can be customized—monthly, weekly or even daily exposure forecasts can be managed seamlessly.

VALUATIONS

Bloomberg TRM Risk provides market standard valuations of OTC derivative contracts. Valuations can be run in real-time or periodically on a daily, monthly or quarterly basis.

Market data is fully integrated with Bloomberg TRM functionality. TRM Risk supports setting defaults per your policy for curve bootstrapping, FX rates, and other market data inputs via the swap valuation engine (SWPM) or the FX valuation engine (OVML).

Bloomberg

Robust documentation of valuation models provides transparency for auditors, who already use Bloomberg tools as the benchmark for derivative valuations.

RISK POLICY INTEGRATION

TRM Risk allows users to set minimum and maximum amounts for unhedged exposures. A user can customize these limits based on duration and/or currency of the exposure.

Integration with Bloomberg's electronic trading platform allows the user to execute one-click hedging actions provisioned on a user by user basis. Once a hedge has been executed, exposure limits update in real-time.

Bloomberg's trade execution platform, FXGO, allows users to set counterparty limits based on the user's credit risk policy as well as maintain baskets of counterparties approved to execute with.

FOREIGN EXCHANGE RISK

Bloomberg TRM Risk includes access to advanced FX analytics. Analysis of the foreign exchange market begins with a comprehensive overview of FX information to quickly identify market opportunities and risk. Bloomberg provides access to pricing, data, news and analytics for countries, regions and metals to help you stay on top of the global markets that affect your business.

Included in Bloomberg TRM Risk is the ability to:

- » Analyze FX hedging strategies, including the use of forwards, vanilla options, collars and range forwards.
- » Calculate projected ranges of outcomes to find the most appropriate strategy given the underlying exposure.
- » Compare FX forward rates against analyst forecasts and adjust your hedging strategy accordingly.
- » View analyst rankings by bank with the institutions scored and ranked by the accuracy of their forecasts.
- » Calculate market consensus forward rates for standard settlement dates; know before hedge execution what indicative forward rates may be.

CREDIT RISK

TRM Risk contains multiple ways to track and understand credit risk. These include:

- » Bloomberg's supply chain analysis which allows users to view, at a glance, the major suppliers and customers for their organization and their peers'.
- » Independent, objective company credit ratings that utilize fundamental and market data in a cutting-edge quantitative model.
- » Bloomberg's transparent estimates for default likelihood, issuer credit rating and implied 5-year CDS spreads.
- » Access to transactional counterparty exposures

- » Credit Valuation Adjustment (CVA) calculations based on the terms of instruments and counterparties; quantifying the credit charge built into hedging transactions.
- » Pre-trade and what-if CVA calculations that highlight the impact of CVA if counterparties are changed.

COMMODITY RISK

Comprehensive commodity spot and forward curve libraries are included in Bloomberg TRM Risk. Also included are extensive commodity market fundamental data, graphing capabilities and sector analysis. Bloomberg supports smart analysis, pricing and risk management along the entire commodity value chain.

Flexible graphing, seasonality tools, margin analysis and arbitrage monitoring functions support pre-hedge analysis, income forecasting and strategic planning. Bloomberg also offers powerful mapping tools to provide location, status and detailed information for commodity-related assets around the world.

INTEREST SIMULATION

TRM Risk includes simulation capabilities and what-if analysis of potential interest expense for a given period.

Analyze the cash deficits (or surplus) based on your commercial and financial cash flows integrated with TRM Cash. Based on these forecasts, TRM Risk will calculate the interest expense charged to cover the deficit, or the potential income generated by investing excess cash. Model expected funding costs and track expected outcomes against budget.

INTEREST RATE RISK

Bloomberg TRM provides data and analysis on yield curves and relevant credit spreads to help you develop a deeper understanding of the current and future interest rate environment. Utilize a suite of forecasting tools for interest rate and economic data. Forecasts are aggregated from dozens of sources and reflect market consensus to inform and support your decision making.

ADVANCED RISK ANALYTICS

Bloomberg TRM leverages the Multi-Asset Risk (MARS) platform allowing you to perform advanced analytics on your exposures and their related hedges.

Analyze the sensitivity of your hedges to interest rate or FX movements via DV01 and FX01 calculations. Stress test your portfolio by parallel shifting interest rate and FX curves. Identify the impact of tail risk events, such as the Asian Currency crisis, the Global Financial Crisis or the Japan earthquake, or build a custom scenario around several risk factors.

Calculate your portfolio's Value at Risk (VaR) using the market standard historical VaR method.

DASHBOARDS

TRM Risk includes a powerful dashboard where users can view key risk metrics such as derivative market values, counterparty exposures, DV01's and FX01's at a glance. View your liquidity position and take action to mitigate shortfalls or optimize surpluses.

REPORTING

Risk analytics provided by Bloomberg TRM can be exported easily to many standard file formats for off-line analytics and reporting. Formats supported include MS-Excel, PDF, CSV, HTML and XML.

HEDGE ACCOUNTING INTEGRATION

Once exposures are identified and analyzed and the appropriate hedging action is taken, Bloomberg TRM Risk allows for seamless integration with hedge accounting. Bloomberg's hedge accounting solution is U.S. GAAP and IFRS compliant.

Designate relationships from directly within TRM Risk under fair value, cash flow or net investment hedge programs. Automatically create hypothetical derivatives for cash flow hedges of forecasted exposures and run day one retrospective and prospective assessments. Bloomberg's hedge accounting solution manages all aspects of post-trade maintenance and ongoing effectiveness testing with standard designation templates.

SECURITY

Access to TRM Risk is part of the high level of security included within all Bloomberg's products where the single sign-on makes it easy to navigate within the different modules. Segregation of duties is included with the solution where users with different profiles will only have access to the areas of the system and the data that they are entitled to.

ONBOARDING

TRM Risk can be accessed from central treasury with access to the Bloomberg Terminal.

The TRM services team is comprised of industry professionals who get the system up and running in weeks instead of months. Our team will lead you through the process step by step through migration of data and going live on the platform. No additional charge is required for on-boarding.

Our packaged solutions mean the on-boarding is very time efficient and by using industry best practices we ensure the system delivers immediate and maximum value to the business.

TRAINING

Training sessions are conducted after the initial system configuration is set, and are performed on the users own system and data. This allows users to acclimate themselves to the system with actual workflows and actual data. All training is included as part of the subscription price.

SUPPORT

Bloomberg's legendary global customer support including 24/7 availability and access to expert corporate treasury professionals will help you use the system effectively.

LEARN MORE

For additional information please visit Bloomberg.com/TRM or press the <HELP> key twice on the Bloomberg Professional® service.

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