

Intra-day Liquidity Management

A real-time financial solution

Timely and accurate information is the key to managing Cash & Liquidity risk in the 21st Century

Where is my liquidity, is my intra day exposure more than my balance sheet, do my overnight balances expose my shareholders to huge credit risks?

As recent events have shown it is essential for banks and financial institutions to manage their risks and exposures in real-time. This will not only satisfy the regulators but also ensures risk and compliance policies are fully met.

Traditionally, Cash and Liquidity Management has been an after the event process, based on historic information and lagging indicators. This is because information, necessary to make sound risk management decisions, only becomes available after a transaction or trade has been executed or completed. Resolution can be days after an event. New regulatory directives require intra day risk management processes.

All banks face the risk that counterparties to a transaction does not deliver cash or securities on a specified value date as per the contractual agreement. Non receipt of funds can lead to liquidity, credit risk and possibly replacement cost.

How can Clareti Cash Reporting help manage your risks?

Clareti Cash Reporting has been designed specifically to give banks instant availability of transaction data from multiple bank and multiple currencies in real time so that Risk Managers can develop pro-active management capabilities

based around leading indicators and real-time data.

Clareti Cash Reporting offers real-time monitoring of expected settlement providing a timely identification of risk.

Real time data can be streamed to multiple back office systems and also offers browser alternative with XML and Excel downloads.

On most occasions, a non-receipt is due to clerical error; with real-time information a counterparty can be contacted intra-day for real-time resolution.

Benefits

Managing and reducing customer risk

- Minimise intra-day limits.
- Reduce overdrafts.
- Give customer a real-time white label solution.
- Tighter controls or charges for intra-day liquidity.

Managing and reducing liquidity risk

- Real-time limits.
- Real-time overview of limits, assets in the right place at the right time.
- Tighter intra-day limits.
- Maximise investment opportunities.
- Regulatory compliance.
- Reduce cost of borrowing.

Timely risk and liquidity management

- Minimise intra-day exposure.

- Better utilise intra-day limits.
- Reduced settlement risk means reduced counterparty exposure.
- Real-time data offers the opportunity to begin counterparty profiling. Integrating real time data with other back office data offers a comprehensive risk management system.
- Historic trend monitoring can facilitate stress testing.

Banks are responsible for the sound management of liquidity risk and face many external challenges from Basle II, FSA and the Payment Services Directive to name but a few. Clareti Cash Reporting helps keep banks ahead of their competitors when dealing with these challenges.

Further information

For more information on how Clareti Cash Reporting can help your company visit

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