



OneConnect Financial
Technology Co., Ltd.



Collateral

Total Control and efficiencies in collateral management

Management of collateral is often complex and troublesome, exposing financial institutions to the potential for unnecessary inefficiencies, losses and defaults. As credit risk remains a key concern for the Banking and Financial services industries, banks and financial lenders need to be vigilant in adopting sound credit risk management standards and practices to guard against these external vulnerabilities.

Banks and financial institutions want to reduce their credit risk yet, at the same time, be able to offer additional loans to their customers. The BFS industry is also changing rapidly with more stringent regulations, increasing competition from new entrants, more demanding customers and pressure on margins.

OneConnect's Smart Collateral System is a modular yet comprehensive solution designed to drive growth through efficiency and be in greater control of various collaterals associated with loans. The solution optimises and simplifies a wide range of activities like the creation and update of collateral, cross collateralisation, verification and valuation of collateral, collateral liquidation and release. The system provides a 360 degree view of collaterals within the organisation and can be easily integrated with various external systems such as core banking, loan origination system, loan management system and to provide a seamless experience.

Challenges



Complex Process Flow

Lack of calling processes to cope with high volumes of demand and new requirements. Collateral eligibility requirements must be met, necessitating new or expanded processes.



Controls

Collateral information remains dispersed across the organization, which makes it difficult for the risk management team to get collateral data for capital calculation.



Manual Process

Time-consuming process due to high dependence on manual processing and decision making at stages throughout the flow.



Collateral Values

Monetary value of collaterals fluctuate according to market volatility and time. Timely monitoring required to ensure lenders' LTV is within risk limits.



Data Visibility

Lack of timely data feeds, reliable and accurate data, and fast turnaround times in parts of the process.

How Smart Collateral Addresses The Challenges



Customisable Workflow

Backed by a rules-based intelligent selection of workflows that can be configured to suit the needs of each individual organization, enabling any levels of complex processes, appraisal workflows, and collateral investigation needs.



Powerful Platform

With configurable forms, corporate clients can capture any and all data points according to their needs, unrestricted from capturing a wide range of different collateral categories including real estate, vehicle, equipment, securities and inventory



Adaptable For Various Collateral Assets

Adding new categories and fields is simple and allows for virtually unlimited support capabilities in response to shifting business or regulatory requirements.



Simplified Environment

Coordination and accessibility for all parties are made easier by an intuitive view of interrelationships.



Improved Efficiency

With automations, dynamic workflows, and deduplications, creating and maintaining collateral across various business lines is made simple.



Tighter Compliance

Configurable workflows for operations management, with manual and automated revaluations, renewals, and releases. Standardised risk control measures such as haircuts help prevent undue risks.



Enhanced Opportunity

Automated lifecycle management and collateral data capture to support variations of secured lending.

Easy Integration

Integrable platform to Core and LOS, with configurable workflows, triggers, and prioritisations

Highly Configurable

Ability to support secure lending landscape. Build and manage customisable collateral forms and categories.

Cloud Architecture

Cloud-based platform with intuitively interconnected modules and configurable access rights



**OneConnect Financial
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Data Protection & Privacy

OneConnect will work closely with you to ensure your firm stays compliant with applicable data protection and privacy laws throughout our engagement with you. We will take care to ensure we fulfil our obligations as a data intermediary to protect your data accordingly.

To find out how OneConnect Solutions help you to stay ahead of the innovation curve, visit www.ocft.com.sg or email us at enquiry@ocft.com

