CubeLogic

CREDIT CUBE

On-the-fly Credit Risk Management for Energy and Commodities Trading

The first real-time credit exposure calculation tool for the commodities industry brings high performance reporting and exposure monitoring.

CubeLogic fully understands the needs of credit risk professionals and has brought to market the first, real-time multidimensional Credit Cube, the ultimate flexible risk reporting tool for the energy sector.

Fast Track to Advanced Credit Reporting and Tracking

The key to Credit Cube is to experience immediate business benefit, through technology. Credit Cube is a fast track to managing credit risk, offering immediate business benefits without the need for expensive, long drawn-out implementation projects.

Credit Cube uses advanced Cube technology to offer an *ultra-fast, real-time analysis tool.* Users access the cube through a familiar and *easy-to-use Excel front end*. Using pivots and charts, reports and graphing can be easily displayed, with *a variety of breakdown criteria and multiple drilldown possibilities.*

There is *no complex set-up and configuration required.* A standard set of interfaces allow trades to be uploaded from the trading platform quickly.

Credit Cube includes a *powerful analysis tool and reporting engine, settlement, accrual risk, and current mark-to-market values.* Exposure computations in the Credit Cube take into account all netting agreements, collateral and parental guarantee hierarchies.

Credit Cube can *define and maintain a complete set of limit structures* to be applied to the portfolio. Limits can be assigned at various levels in the hierarchy for individual or groups of counterparties. Exposures are measured and tracked against the limits.

Credit Cube Reporting utilises Microsoft's SQL Reporting Services to provide a set of *standard pre-configured reports,* which can be delivered in Excel or PDF format. Moreover, users can *completely define their own reports* through the tool using the underlying Credit Cube data.

Cube features include:

- Multi-dimensional exposure data structure;
- Counterparty hierarchies and aggregation engine;
- Advanced, flexible limits management;
- Highly sophisticated reporting tool;
- Impact management of collateral positions;
- 24/7 real-time architecture;
- Expected Loss calculation;
- Stressing and What-If;
- Advanced integration engine to rapidly link the Credit Cube to the front office trading platform;
- Full pre-deal checking capability including liquidity analysis and what-if impacts.

Immediate business benefits:

- Increased staff productivity through the automation of essential risk reporting requirements thereby reducing manual calculations and potential errors;
- Real-time engine with nothing pre-calculated, allows new and potential trades to be added into the Credit Cube to gauge the impact on limits and exposure positions;
- Exposure reporting from MTM, Delivered not Invoiced, Invoiced not Paid, PFE, and Expected Loss;
- Use of familiar, industry standard tools;
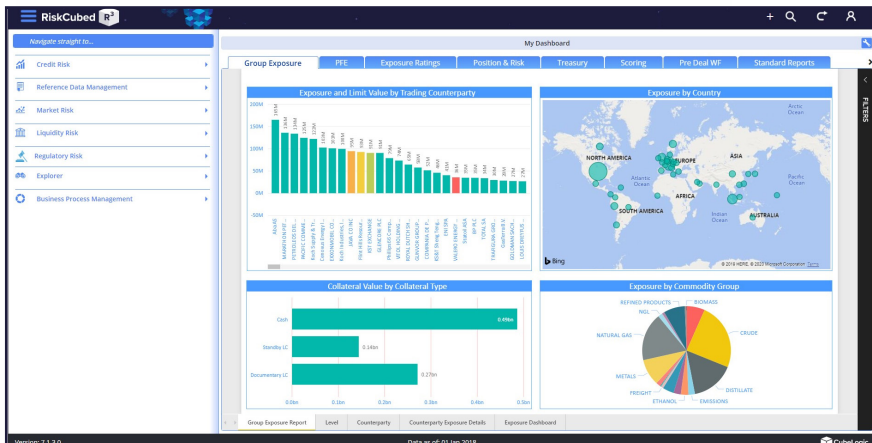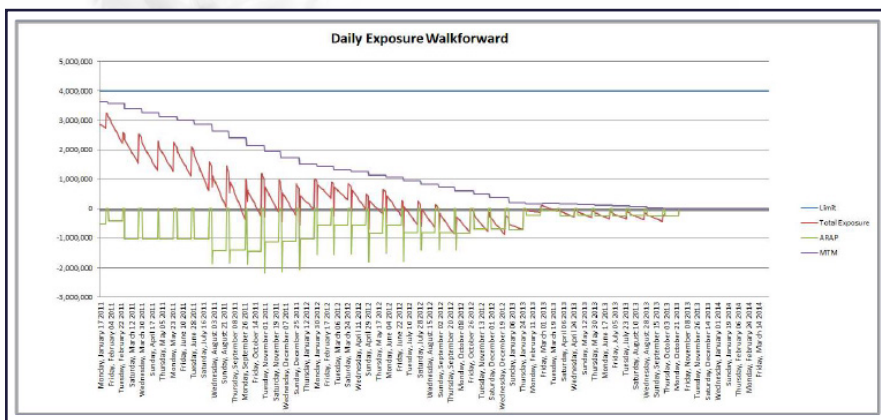- Real-time, self-service reporting.

Figure 1: Credit Dashboard

The ultimate Business Intelligence tool

- Ultra-flexible multi-dimensional exposure cube;
- Real-time calculation engine to see the impact of new or potential trades immediately;
- Report stressed exposures;
- Manage margin calls and perform liquidity analysis and what-if credit scenario analysis;
- Advanced reporting and analysis through Excel;
- Scalable solution for both large and small operations;
- Cloud deployment;
- Highly extensible data mart;
- Flexible limit management tool for defining limit structures and maintaining counterparty limit policy;
- Utilises the latest advanced Microsoft technology.

Figure 2: Graphing an exposure walk-forward from the Credit Cube

Technology Story

- Built on top of Microsoft's Business Intelligence platform;
- Advanced Cube database technology platform using Microsoft's SQL Server;
- Highly integrated with Excel for front end analysis directly on the Credit Cube;
- Sophisticated integration technology, ETRM agnostic;
- Microsoft Azure Compliant for Cloud-Based Deployment or on-premises.

CubeLogic provides Business Intelligence products and services in risk management for the energy, commodity and investment banking markets. In the current volatile market conditions, CubeLogic addresses the increasing demand for robust, cost effective Business Intelligence solutions for risk management. The founders of CubeLogic are all renowned experienced industry specialists who have an impressive track record of developing and implementing global risk IT solutions.