

QFC INSIGHT[™]

QUALIFIED FINANCIAL CONTRACTS

An Apogee Analytic Pack[™]

Resolution Preparedness

01 - THE CHALLENGE

Large financial institutions face increasing pressure to evaluate and disseminate in real time key data points associated with their qualified financial contracts (QFCs). SR 14-1 requires daily recording of critical information across a variety of document types and transactions, as well as across a range of financial and risk-related topics. Given the scope and complexity of the data points required, maintaining this information on a recurring and real-time basis using traditional manual solutions is not only expensive and cumbersome (with tracking costs for most organizations measured in the millions annually), but is largely unworkable.

02 - THE SOLUTION

The QFC Insight[™] is Apogee's comprehensive answer for the regulatory requirements surrounding QFC contract analysis. Built by Apogee on the Seal Software contract analysis platform, QFC Insight combines the best of artificial intelligence with Apogee's deep understanding of the financial services industry's compliance and regulatory needs. QFC Insight delivers an unprecedented level of insight and automation into a wide variety of QFCs.

03 - PRODUCTS AND TOPICS ADDRESSED

QFC Insight is built to correspond to the most common QFC issues and products. Specifically, we have created targeted analytics that are built to extract the following representative topics from a wide range of derivatives documentation, including ISDA, Repo, SLA and other transactions. Representative topics include:

- Additional Termination Events
- Agreement Version
- Automatic Early Termination
- Currency (Base/Termination)
- Branch Name
- Cancellable (Trade Termination/Breakage Fee)
- Change of Control
- Credit Event Upon Merger
- Credit Support
- Cross-Default
- Day of Month Interest Payment Due
- Documents to Deliver
- Downgrade Event - Credit Rating/Agency
- Governing Law
- Guarantees
- Independent Amount
- Interest (Benchmark/Compounding/Payment Frequency/Spread)
- Margin Threshold
- Master Agreement Type
- Master Agreement Version
- Minimum Transfer Amount
- Multibranch
- Net Asset Value Determinations
- Netting (Payment and Closeout)
- Payment on Early Termination
- Pledgor identification
- Ratings and Rating Agencies
- Secured Party identification
- Set Off
- Specified Entities
- Specified Indebtedness
- Split Ratings
- Substitution of Collateral
- Termination - Illegality
- Threshold
- Transferee/Transferor Identification
- Use of Posted Collateral
- Valuation Date Frequency
- Valuation Time

04 - GOING BEYOND THE SURFACE - GRANULAR REPORTING

QFC Insight does much more than identify whether a topic is generally addressed. It is a detailed analytic set designed to dovetail with specific regulatory requirements and business needs.

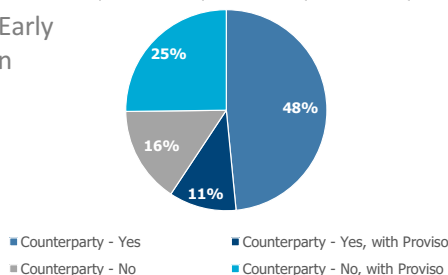
For example, QFC Insight doesn't simply answer the question: "is payment netting applicable to a QFC transaction." Instead, QFC Insight looks across related QFC documentation and asks and answers detailed additional questions such as:

- Is payment netting applicable to transactions entered into under a specific QFC master agreement or schedule?
- What is the specific language giving rise to the payment netting obligation?
- Are specific transactions excluded or included in a party's payment netting obligation (i.e., FX and Currency Option transactions)?
- In what documents or documents is the relevant payment netting language present?

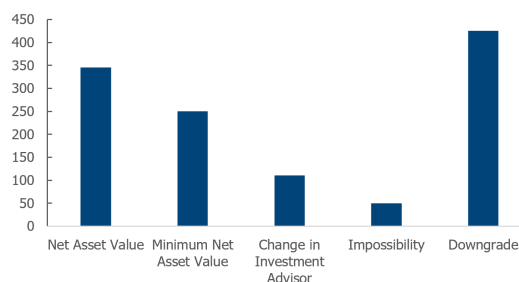
Importantly, where applicable, QFC Insight also reports on these obligations on a party specific basis.

SAMPLE REPORTING

Automatic Early Termination



Additional Termination Events



05 - COMPONENTS OF QFC INSIGHT

- **Comprehensive Analytics Set** – easy to install on the Seal platform, tested in most strenuous environments against tens of thousands of contracts
- **Standardized Reporting Templates** – recommended reports for the most common queries and use cases
- **User Guide** – know what to expect from each analytic
- **User Views and Queries** – recommended "playbooks" (views, queries, etc.) for the most common use cases
- **Regular Updates** – additional analytics to correspond to evolving business and regulatory requirements

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