

# Global Investment Bank Reduces Turnaround Time & Portfolio Risk for Complex Financial Documentation by 70%

## Introduction

A full service investment bank provides large corporate, government and institutional clients with financing and risk management solutions. Their Structured Products Group (SPG) produces a range of complex derivative products in complicated, multi-stage transactions. Recently, SPG has experienced breakout annual growth in excess of 50%. Complexity has also increased due to the inclusion of new markets/ jurisdictions, and the development of a more extensive product set.

## Challenges

For SPG Legal, the daunting challenge was how to manage ever-increasing volumes and complexity, yet achieve greater transparency and reduction of portfolio risk. All while avoiding large budget increases and turnaround delays. Specific problems addressed included the following:

- Detailed contract data was not available in a consistent format to support search, analytics and reporting, making pro-active portfolio management very difficult
- Lawyers were spending too much time handcrafting documents, and fixing MS Word formatting problems, rather than thinking about business issues, structure, and content of the contract
- Poor visibility into key terms of executed agreements, made it difficult for the bank to react quickly to contractual triggers when things “went wrong” and increased the risk of “illegal” and reputation damaging actions

**Their #1 priority was to improve output of consistent, high quality documents so that the level of risk was not compromised.**

## The Exari Solution

Exari Contracts™ helps the SPG document complex derivative agreements quickly and accurately. The webbased system enables lawyers to continue producing high quality documents, while freeing them up to spend more time on the mission-critical commercial and legal issues crucial to each deal.



Through a combination of Exari's Document Generation and external workflow, SPG has been able to provide a fully featured contract creation and management solution. It provides enhanced speed and quality in the production of Structured Product contracts.

Users can now draw upon a repository of smart templates, precedents and clauses which they quickly and easily consolidate into fully compliant documents, driven by real-time business considerations. Exari's browser based, "plain English" interview process means that the time and effort necessary to produce first and subsequent iterations of a contract have been significantly reduced. Initial turnaround times have been reduced by between 45% and 70%.

Advanced analytics and reporting provide valuable management information to understand the metrics associated with the entire portfolio, or any individual deal. A more efficient and effective process for the adoption of new regulations and/or new developments has also been enabled.

With the success of the system, the bank has extended contract automation to other complex agreements, including International Swaps and Derivatives Association (ISDA) Master Schedule and Credit Support documents, Global Master Securities Lending Agreements, and Global Master Repurchase Agreements. Projects to automate various Term Sheet document requirements and link them with Final Term contracts, to improve Straight through Processing of all the legal documentation, are now underway.

By capturing more detailed contract data, Operations and Legal are able to target the overall portfolio of contracts, with advanced analytics and data mining. This gives the bank a deeper understanding of the legal and commercial risks embedded within the many thousands of contracts across its entire portfolio and related milestones. In addition, with the solution's ability to support a wide variety of complex industry documents, many with multi level, nested clauses and fallback positions meant that they could now house all of their documents in one central system. Sophisticated collaboration tools improved communication across the firm, making them more responsive, more accurate and ultimately, more competitive.

With Exari Contracts, they were able to streamline contract creation, dramatically reduce negotiation time and accurately capture every risk and obligation. As a result, they've become more competitive and agile, increasing their returns and maintaining a leadership position in the market.

## ABOUT EXARI

---

Exari delivers the most complete Enterprise Contract Lifecycle Management platform, used every day by market-leading companies to understand all aspects of their contract ecosystem worldwide. With Exari, customers can reduce contract risk and improve operating efficiency with 100% Contract Certainty™.

