



# Rethinking banking book collateral management can drive significant cost savings

Luke Nestor, *Founder and EVP of Rockall, a Broadridge Business*

Bank profit margins have fallen by as much as 50% in the past decade. It's no surprise that banks are looking inward to uncover ways to facilitate more business, more efficiently.

## **COMPLEX LOANS AND LEGACY SYSTEMS CREATE HURDLES THAT IMPEDE THE PATH TOWARD GREATER PROFITABILITY**

Operational challenges hinder loan management processes and impact customer relationships. Among other things, error-prone, manual workflows increase risk and make it difficult to synchronize operations.

A robust collateral management solution can drive significant operational savings by simplifying workflows and creating a golden view of banking book collateral.

Reduce  
operational  
costs

up to 30%

# Four ways banking book collateral management solutions can help drive down costs



## 1. CREATE A SINGLE SYSTEM OF RECORD

Dedicated banking book collateral management solutions standardize complex data into a single view of collateral across the banking book. This knits together disparate loan relationship data, enabling banks to consolidate and get a single view of credit risk across fragmented loan businesses and geographies.



## 2. AUTOMATE MANUAL WORKFLOWS

By automating collateral management, you can reduce processing errors and avoid financial regulatory penalties that cause reputational damage. Our data shows that some banks experience a 10% reduction in FTE's involved in collateral and document operations.



## 3. SIMPLIFY LOAN PERFECTION

Automated solutions make it easy to perfect and release loan collateral, helping to systematize collateral management and maintenance in the banking book. This is key to resolving data across numerous internal systems, interfaces and jurisdictions. By using our platform, you can minimize penalties and credit losses resulting from the inadvertent release of loans.



## 4. ESTABLISH BETTER UNDERWRITING STANDARDS

Over-estimating Loss Given Default (LGD) in your loan book can result in over-secured loans and under-utilized capital. Automation helps standardize reporting across the organization and ensure more accurate collateral valuations.

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## MONETIZE COLLATERAL ACROSS YOUR ENTIRE LENDING LIFECYCLE

Operational challenges continue to put a drag on banking profits. We can help. COLLATE by Broadridge is the only platform that puts a golden view of loan collateral at your fingertips. Empower decision makers and client-facing teams with the real-time intelligence they need to see and understand the big picture. Simpler, more accurate compliance reporting enables you to right-size capital requirements and unleash your true lending capacity.

### ABOUT THE AUTHOR



Luke Nestor has been in the Financial Services technology business for over thirty years. An expert in credit and loan systems, Luke founded Rockall to

create banking book collateral management products that deliver value both operationally and strategically. Over his career, Luke has designed and built retail banking systems across multiple divisions.

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