

A banner image showing a close-up of a computer keyboard on the left and a pair of glasses resting on a document with tables and numbers on the right. The text 'Colline' is overlaid in the center.

Colline[®]

Your Proactive Collateral Management Solution

Automating Collateral Management: It's A Mission Critical Business Process.

Managing collateralised trading has recently come under fire as a 'mission critical' operational process that needs to be tightly managed and controlled. Manual, inefficient and labor-intensive procedures and systems once considered "good enough" are now being reexamined to determine if they can be managed more effectively. For a significant number of banks, hedge funds, asset managers, large corporations and financial service providers around the globe, the collateral management process is still paper-based or managed in silos using home-grown systems with almost no visibility or control over the entire collateralised trading process.

With credit, collateral and liquidity risk being such big issues at the moment, market participants must ensure that collateral-related information is processed consistently and managed according to policy. An automated approach to collateral management allows for more control over credit risks with timely delivery of critical information to proactively manage exposure levels, asset utilisation and counterparty risk.





Colline[®] Proactive Collateral Management The cornerstone of your credit risk reduction strategy.

Colline[®] is a powerful end-to-end collateral management system designed by collateral management experts. Colline[®] provides the ideal solution for mitigating credit risk while satisfying the growing demand for multiple entity, cross-product, global collateral management. Sophisticated, web-enabled design enables Colline[®] to integrate with your existing technology permitting secure access anywhere in the world.

Designed By Collateral Management Experts.

No other vendor can match the practical experience that is behind Colline[®]'s intelligent design. Developed by a team of experienced collateral management practitioners in collaboration with expert technologists, Colline[®] is a robust solution that merges industry best practice with state of the art software, making it a practical and powerful solution for managing all parts of the margin call process.

Intuitive Web-Based Design.

Colline[®] is a pure internet application that runs securely within a web browser from anywhere in the world without requiring any desktop software. Thanks to an intuitive user interface that takes advantage of familiar web navigation elements, such as drop down boxes and drill down menus, the solution is easy to deploy, easy to learn, and even easier to use. In addition, Colline[®] is fully scalable enabling it to meet the needs of growing, global collateral management organisations.

Complete Transparency and Operational Control

Manage all daily margin requirements through one dynamic dashboard. Configurable for each collateral manager, geographical team, or client service team, Colline[®]'s Central Dashboard presents each manager with a view of his or her daily workload, outstanding approvals information, and the status of assets in transit.

- Assess daily calls, collateral movements, interest actions, and more.
- Automatically send out margin call letters through the scheduler.
- Track dispute age and amounts.
- Accurately report on daily processing.





Powerful Automated Workflow

The built-in automated workflow features within Colline[®] help you to implement and automate tasks and events dramatically reducing your manual workload and operational risk.

Task Scheduling:

Schedule the import of trades, market data or generate internal management reports. Design and implement your own workflow procedures and work practices. Automatically send out margin call letters. Release collateral bookings for onward settlement and reverse affirmation. Set diary reminders for operational events.

Electronic Data Messaging:

Share or receive data from any other system through a variety of methods including Straight Through Processing (STP) or SWIFT, as well as Colline[®]'s built-in messaging service.

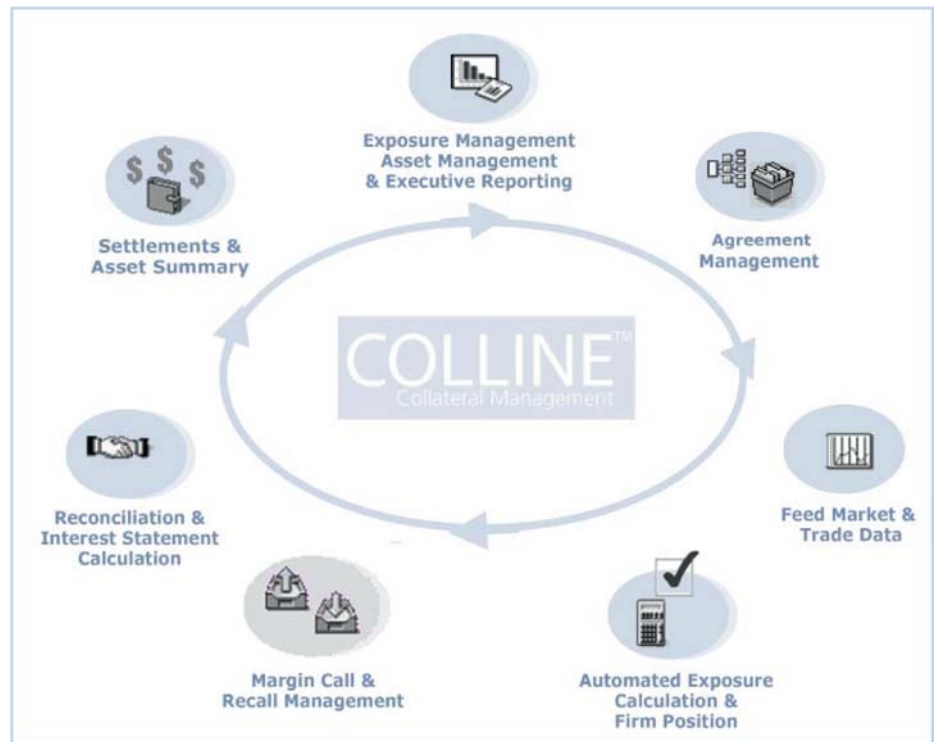
Market And Trade Data Automation:

Colline[®] comes with a powerful trade type generator which allows you to create new trade types on-the-fly. The system can accept trade feeds from anywhere in your organisation or from your client's trading system.

Controlled Access for Audit Control and Enhanced Security

Multi-level access and audit controls track all functional activity and ensure system security. The audit trail can be configured to meet your individual needs. In addition, full forensic auditing features are available for critical areas such as collateral agreements and exposures with full drill-down to trade ticket level from each agreement. The system also incorporates user profiles and business groups to restrict access and to ensure segregation of responsibilities.

Complete End-to-End Margin Management Functionality



Scalable and Fully-Integrated Architecture

Colline[®] is a flexible and scalable application supporting multiple business areas including OTC Derivatives, Energy, Repo and Securities Lending. The system is 'open' or 'neutral' when it comes to system interfacing, and is designed to receive data from multiple sources, both internal and external to an institution.

- Designed using advanced componentbased, n-tier distributed architecture
- Built to J2EE compliant standards
- Familiar open Oracle[™] and Microsoft SQLServer[™] database technology

Agreement Management

Colline[®] can be used as an automated housing area in which to hold, view, and archive all critical agreement information. By having the full agreement immediately accessible, your organisation can move away from labour-intensive paper-based processes and keep up with the growth in collateral management and expanded

trading opportunities. If your organisation already has a Legal Agreement Repository, the critical information required by your collateral department can be transmitted to Colline[®] in real time, or scheduled to be updated automatically as often as you require.

Automated Exposure Calculation and Firm Position

Colline[®] will automatically calculate all collateral exposures (OTC Derivatives, Repos, Energy and Securities Lending) under all agreements (ISDA, ISLA and ICMA contracts and CSA and most custom agreements). Rates are fed from your sources (Bloomberg, Reuters, internal systems, etc.), trades and valuations are fed from chosen sources, and all exposures and or deficits are calculated and quickly transmitted to the application. Firm Position summarises information regarding the availability of collateral and displays information concerning the collateral positions held within Colline[®] and incorporates firm-wide information for the verification of long/short positions across all sources.



Margin Call and Recall Management

Colline® will automatically calculate, draft and send the margin call notification to any given client. This saves time and negates the risk of margin calls not being made or miscalculated. Letters can be emailed or saved as templates for future use and provide full descriptions of instruments, exposure and counterparty information among other notables.

Margin ReCall/Release Management

Using Colline®, collateral that has been pledged to a counterparty can be monitored to ensure that excess collateral can be recalled or released on a timely basis. This ensures a more effective utilisation of collateral for other transactions.

Comprehensive and Frequent Reconciliation

In the event of trade valuation disputes, an escalation process ensures they are investigated and resolved in a timely and predetermined manner. Colline® will accept numerous counterparty file formats to automate this process and supports one-to-one, one-to-many, and many-to-one trade scenarios. All work in progress is archived and Colline®'s reconciliation program is fully ISDA compliant.

Interest Statement Calculation

Colline® calculates all interest on cash collateral, both to be paid and received, and produces the necessary invoices. Every contract / agreement has its own comprehensive collateral statement which contains positions or individual trades, as well as all collateral movements

undertaken on that account. These statements detail the outstanding call amounts, current exposures and asset holdings for individual agreements.

Automated Settlement Status

Colline® publishes the transactions for settlement and receives back a confirmation message electronically from your counterparties. This automated loop eliminates human involvement and actively supports 'confirmed' rather than 'assumed' settlements.

- Monitor and track the progress of all collateral and cash interest entries from initial booking to final settlement.
- Full drill-down for further details about individual entries.
- Track disputes age and amounts

Valuable Executive-Level Information Daily portfolio exposures

Exposures can be viewed per counterparty or at a portfolio level, indicating the call requirements and life cycle stages for outstanding margin entries. The linking of information for each counterparty and agreement is processed logically, presenting the user with a clear view of all activities required. Accurate and concise information is displayed, enabling swift decision-making.

Flexible Executive Reporting

The Reporting Suite generates customised reports, eliminating the lengthy process for month-end/year-end reporting. All reports can be viewed on-the-fly from within Colline®, or exported to MS Excel, CSV, XML or PDF. Colline® provides a wide range of user-definable reports, covering the following key areas:

- Collateral Assets
- System Audit
- Legal Documentation
- Business Operations
- Risk Management
- Trade Reconciliation

Simple Installation and Straightforward Integration

Colline® is designed to work seamlessly within existing technology frameworks eradicating the need for expensive client installation or maintenance. Authorised users simply access the application using Microsoft® Internet Explorer™.

- Can be deployed in-house, hosted by Lombard Risk, or accessed on a fully-outsourced, software as a service basis.
- Clients can choose to carry out integration activities independently or through our industry knowledgeable resources.

For further information about Colline Collateral Management or any other product or service available from Lombard Risk, email sales@lombardrisk.com or go to lombardrisk.com.

The Right Collateral, At The Right Place, At The Right Time.

For further information about Colline® Your Complete Collateral Management and Reconciliation Solution, or any other Lombard Risk product or service, go to www.lombardrisk.com.

Please contact your nearest Lombard Risk office, or visit our website at www.lombardrisk.com

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