

FUSION LOAN IQ **ADVANCED COLLATERAL MANAGEMENT**

Proactive, Efficient Collateral Management



Advanced collateral management enables the proactive and efficient capture and management of all loan associated collateral in a single, global deployment, for greater counterparty risk control.”

Financial institutions today need fiscal discipline, especially when dealing with corporate cash flows. Efficient collateral management can ensure enhanced loan data management not only across region, time zone and collateral type but can provide deeper insight into the economics of the underlying, income producing collateral.

Controlled Asset Management, Increased Opportunity

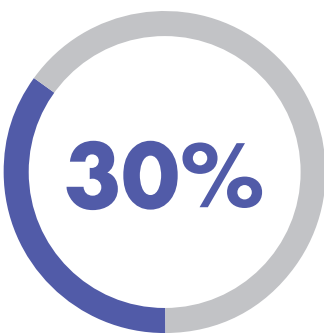
Detail-intensive, paper-based, and error-prone, the management of collateral, covenants and guarantees is often troublesome, exposing financial institutions to the potential for unnecessary losses, defaults and risk. Having the ability to capture and streamline loan and associated collateral data can provide not only insight into how a loan is performing today but how it may perform in the future, allowing for enhanced investor reporting as well as the ability to take advantage of new business opportunities and strategies with confidence.

While many packaged systems offer extensive, pre-defined collateral catalogs, few are capable of meeting the varying

needs of different business-lines spanning diverse countries without costly vendor customization. Fusion Loan IQ responds to this need with an Advanced Collateral Management module that enables the proactive and efficient capture and management of collateral in a single, global deployment, for greater counterparty risk control.

Fusion Loan IQ enables efficient and controlled management and surveillance of collateral associated with collateralized loans on a single global platform. It is the foundation for all types of secured loans including financial securities, real estate and other physical assets, commercial mortgages, construction loans, receivable and inventory lending (Asset Based Lending or ABL) and dealer floor plan financing.

Efficient and Controlled Management and Surveillance of Collateral on a Single Global Platform



cost savings can be achieved with collateral management efficiencies contributing to streamlined lending systems

Key Benefits

- Increased efficiency through comprehensive creation and maintenance of collateral and guarantees
- Data and process needs specific to each business-line and geography, perfectly matched through system configuration
- Control over local and business-line variations assured by a unified global data model
- Improved basis for decision-making and risk management through high data integrity levels
- Rapid response to new regulation without coding thanks to 'add and amend' custom fields
- Consistent management of loan collateral across the institution on a single platform and database
- Intuitive aids like graphical 'SmartFolders' make complex deals more accessible and reduce risk

Improved Transparency for Collateral Management and Reporting

Advanced Collateral Management includes configurable best practices for managing perfections, manual revaluations, renewals and releases, ensuring compliance with policy and dramatically reducing operational risk. Automated collateral revaluations driven by any number of pricing sources are also supported.

Administrators can define and deploy all types of agreements, collateral, insurance certificates, documents and tax obligations quickly and intuitively while improving reporting. It all makes the Advanced Collateral Management module the ideal solution for every collateralized business-line, including:

- Commercial Real Estate and Construction
- Aviation
- Shipping
- Financial Securities
- Cash Accounts
- Commodities



SmartFolder Complete View

SmartFolder Isolation View

Adaptable Platform

Administrators have the ability to create custom fields and configure field-level validations and business rules specific to each business-line and geography. So the platform can be readily adapted to meet evolving business, regulatory, and risk management requirements.

Flexible catalogue definition combines with best-practice configuration and usability to deliver the efficiency needed by users and the control and transparency demanded by managers and regulators.

Simplifying the Picture

Managing collateral involves many moving parts—especially when the customer is part of a complicated legal entity with many independent borrowings tied together by a complex web of guarantees and cross-collateralization.

A SmartFolder Home Screen offers a simple and intuitive view of all the interrelationships, reducing time and complexity and ensuring that all customers and related parties can access the information they need.

Key Functional Highlights

- Customization across the full range of off-the-shelf collateral, guarantees, insurance, tax obligations and supporting document types
- Easy addition of new fields in response to changing business or regulatory demands
- Configuration of validations, approval policies and 'best practice'
- Capture of unit details of collateral (rent-rolls and invoices, for example)
- Cross-collateralization
- Automatic revaluation from multiple pricing sources
- Management of perfectings, renewals, revaluations and releases
- Automatic recalculation of each lender's share of collateral (syndications and club deals)
- Use of 'SmartFolders' to make complex relationships easy to view, understand and manage
- Off-the-shelf reports, online coverage and portfolio analysis

Advanced Collateral Management Streamlines Day-to-Day Processes with SmartFolders

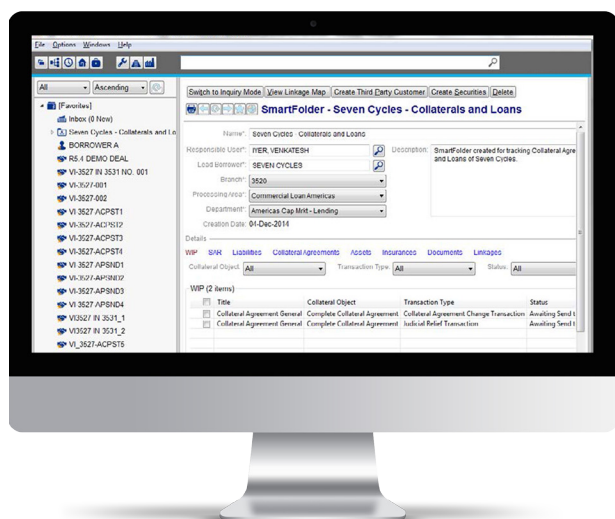
Intuitive, Efficient User Interface

Advanced Collateral Management's user interface is based on "SmartFolders". The system allows users to organize all the essential pieces, understanding and managing the entire relationship. The resultant master record transcends individual borrowings.

Any user with the correct security profile can copy an existing SmartFolder into their favorites folder. But only its owner can modify or delegate management of the contents.

Streamlining Day-to-Day Processes

Advanced Collateral Management drives efficiency, streamlining day-to-day processes through the SmartFolder. For example, the user may add all customers and related parties (such as appraisers, insurers, etc.) to the SmartFolder at the beginning of the process. These customers then populate any "customer" drop list found in any object when it is created or managed in the SmartFolder, avoiding repeated, tedious and time-consuming look-ups.



SmartFolder Home

Screen: Users create and access SmartFolders within Fusion Loan IQ's Navigator User Interface. Here, users can view and manage activity pertaining to a set of related collateral objects.

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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