

## Introduction

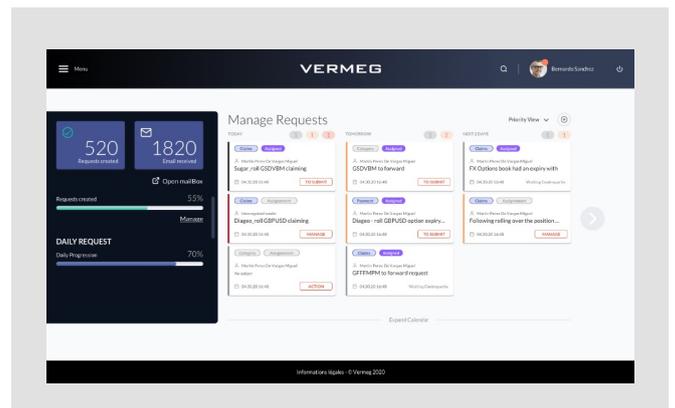
Past pandemics have, like COVID, galvanized people to innovate their way out of problems and reinvent new models for a new reality. While containing the short-term disruption is the priority, financial organizations still need to prepare for the future by transforming their IT systems to be cost-effective, more flexible, regulatory compliant and built to be scalable and resilient.

At VERMEG, we consider that this is the perfect timing to keep and accelerate investing in Colline, our collateral solution, to further expand our offer towards cloud-enabled and agile services across the financial ecosystem. To achieve that we leverage VERMEG's digital Store of Components, driving technical and business innovation into Colline, in a swift time-to-market manner and with modern micro-services architecture.

## Achieve Higher STP rates through Colline Email Processor

Many processes in the collateral space are still performed through the use of emails: Margin calls, allocations, bookings, reconciliations, interests processing etc. These processes require users to key the data into their collateral systems causing inefficiencies, operational risks, poor services to clients and associated costs. To avoid such costs and risks, we utilized our digital Store of Components to integrate an Email Processor within Colline to interpret, identify and route the requests received by emails. A parsing engine learns and detects the keywords that allow to 'decode' the messages requests and trigger the appropriate processes in Colline.

A new dashboard is provided to monitor the efficiency and to remediate to any STP break.



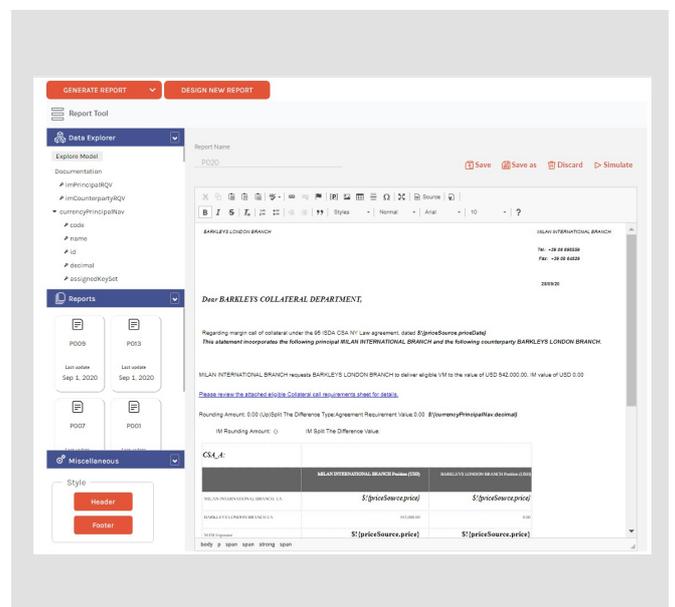
## Improved Client Servicing through the Colline Reporting Studio

Servicing clients or counterparts requires providing ad-hoc data whenever they ask for in an accurate and timely manner. In many cases pulling the data from collateral systems is quick but formatting it into client-ready documents might require time and the use of additional systems.

To facilitate this, we have added a Reporting Studio to Colline by utilizing our digital Store of Components. This is a user-friendly tool, that allows simple drag & drop and copy & paste (from docs, PDFs, etc..) features to configure templates and simulate on the fly final reports that can be sent to end clients or counterparts.

Any collateral data can be accessed including margin letters, returns and deliveries but also data such as agreement details or eligibility schedules

The Colline Reporting Studio will help financial firms achieve better efficiency through this easy to use reporting tool, whether providing reports to internal departments or final clients.



## Comply to UMR through **Colline.Cloud**

Many of wave 5 and 6 firms will be required to calculate Initial Margin to avoid exchanging it by staying under the 50-million-threshold. Firms need to consider the best model between outsourcing to services providers, subscribing to utilities or keeping control internally. There won't be a unique model applicable to all firms but rather a fit for purpose setup that fulfils the objectives of each institution.

Colline provides a package of cloud-enabled services to which wave 5 and 6 firms can subscribe to comply with the Uncleared Margin Rules, either by monitoring the threshold or by exchanging and processing SIMM, all along with a longer-term view to transforming your collateral management.

Typically, firms can choose one of these Services or combine many of them according to their collateral target operating model:

- / SIMM Calculation and threshold setup and monitoring
- / Collateral exchange (Agreements Setup, Eligibility Schedules, STP)
- / Settlement through Third Party Agents and/or Third-Party Custodians
- / Leverage beyond Uncleared OTC Derivatives (Cleared products, other business lines, Repo, SBL, etc.)
- / Optimization benefits (especially with UMR new collateralization requirements)

## Further Reduce your IT Collateral Cost through **PostgreSQL**

We have seen many of our clients move to our SaaS cloud-based hosting platform over the past few years. This trend has recently been gathering speed for larger size financial firms. The SaaS support model has proven already significant cost savings for our clients.

To help in further reducing the infrastructure costs, we added and validated PostgreSQL as an additional database management system.

Combined with Colline's micro-services architecture allowing more containerization and a support model that could relieve banks IT teams from heavy 'run-the-bank' activities, PostgreSQL management could drastically assist in reducing the collateral IT overheads.