Loanet Accounting and Settlement Control

Loanet is a highly automated accounting and settlement processing system for securities finance transactions, with an emphasis on borrow and loan activity that settles through Depository Trust Company (DTC). Since its beginnings in 1980, the Loanet system has aimed to provide the highest degree of automation possible, fully integrating Securities Lending activity with its clients' trading, bookkeeping, stock record, risk, capital, credit, regulatory, settlement and funding systems.

Loanet is designed to automate the flow of information between all systems that are involved in the Securities Lending process. For clients that utilize the system to its fullest capacity, Loanet becomes the single point of entry to control and distribute Securities Lending data to all systems that need to know about this activity.

Loanet invoices clients on a transaction basis for the core accounting, reporting and settlement processing services it provides. Included with the billable services that are detailed on the Loanet invoice each month are the following underlying services for which Loanet does not bill its full service users.

LOANET FULL SERVICE BENEFITS

Community Access

Loanet provides access to the largest single community of borrowers and lenders utilizing a common processing environment. Because Loanet provides an information exchange standard for all participants, Loanet clients enjoy seamless automation between participants without the need for clients to build "one off" and/or customized information exchanges.

The Loanet system supports not only internal automation for a client's own systems as described above, but a high degree of automation with other participants in the marketplace - in trade initiation through Loanet Centralized Order Routing (LCOR); collateral maintenance through Loanet Automated Mark System (LAMS); automated return processing through Loanet.

- Automated Receive System (LARS); real-time interactive daily contract reconciliation through Contract Compare and Correction; rebate accrual reconciliation through Daily and Monthly.

- Rebate Comparison; automated Callback processing through Autowrap; real-time contract recall processing through the Loanet Automated Recall Management System (ARMS) – amongst others.

As of April 2016, more than 175 unique borrowers and lenders, representing more than 400 separate business units, participate in the Loanet community

Unlimited Scalability

Clients do not need to be concerned about systems capacities, because Loanet ensures that its platforms and systems are constantly upgraded and enhanced to handle the largest volume of securities lending transactions in the world.

All Loanet services and features are provided on an unlimited basis to Full Service Loanet clients. In other words, whether you have 100 contracts or 100,000 contracts, and whether you do business with 10 or 200 accounts, contract comparison (for instance) is provided free of charge with all your participating contra parties.

Reliability, Data Security and Integrity

Loanet has consistently scored "no exceptions" with internal, external and client auditors.

Loanet systems and platforms are designed to be extremely fault tolerant. Loanet has proven to be the most reliable processing environment in the industry since its inception. The Loanet system has been up, operational and available every business day since 1980. Even when clients have experienced business disruptions, such as a loss of access to their own offices, the automation provided by Loanet has continued to function, ensuring that when clients have regained access to their internal systems, no Loanet data was lost.

The Loanet system is fully replicated in real-time, ensuring full data integrity should Loanet's operations need to proceed from its alternate processing site.

24 Hour Support

With more than 35 years of specialized knowledge in Securities Lending, and a wide variety of industry systems – such as DTCC, SIAC, ADP, etc. Loanet's staff is highly specialized and fully focused on the service we provide. Clients receive unlimited telephone support for questions related to using the application. Loanet provides a single point of contact for all questions related to application processing, data processing/ operational issues, network/communications issues and general business/industry questions.

On-going Compliance Support for Regulatory and Industry Initiatives

As a specialized service provider, Loanet is highly focused on the regulatory environment and industry initiatives affecting securities lending. Loanet is constantly updated for its clients to ensure their securities lending platform is compliant to all underlying industry requirements.

On-going Support for DTC Initiatives

Loanet works closely with Depository Trust & Clearing Company (DTCC) to ensure Loanet systems are always up-to-date with changes that affect DTCC's processing environment. Loanet clients receive the benefit of this close working relationship and have access to all features of DTCC that affect securities lending.

On-going Enhancements

Loanet is an evolving platform. As business needs change, and as clients provide suggestions and feedback, the Loanet system is regularly enhanced to provide higher degrees of automation and integration. All Loanet clients derive the benefit these enhancements automatically.

About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index. To learn more, visit www.fisglobal.com. Follow FIS on Facebook, LinkedIn and Twitter (@FISGlobal).