



Vault System

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In addition to expanding your product offering via Custodian Services fee-based income, the KRY\$ Value Proposition includes benefits which aim to reduce costs and risks, improve earnings and profitability; and eliminate human error and reconciliation bottlenecks:

- Regulatory reports, though important, do not earn money but often requires lots of time and highly skilled/trained staff to produce. The KRY\$ Vault system produces/generates regulatory reports including FSC/IMF (daily, weekly, monthly) reports within a few minutes. Hence the efforts of your highly skilled and valuable staff maybe re-aligned towards more cost reduction and improved earnings and profitability activities.
- Complex business processes including Securities management, pricing and cross-currency valuation require a guru of intelligence often entitled to one staff member. This leaves the company exposed when that staff is not available. The KRY\$ Vault system is capable of embedding and reproducing this guru of intelligence without the concerns for inherent human error; while reducing exposure and improving reliability.
- Garbage in, garbage out: Duplicating efforts to re-enter source documents in different systems is a sure means of spiraling data reconciliation nightmares. The KRY\$ Vault system is designed to facilitate integration with existing KRY\$ modules and external information systems including the Central Bank Payment, Settlement and Securities management systems. This eliminates the reconciliation paradigm and promotes a single source of data entry followed by automated data transfer among participating information systems.
- The KRY\$ Vault system allows a company to expand its product/service offering to its clients by leveraging its embedded Securities/Collateral Custodian functionalities along with Cashbook and General Ledger accounting management. The system facilitates formalizing the Custodian Services into a fee-based line of business hence improving the company's earning and bottom-line.

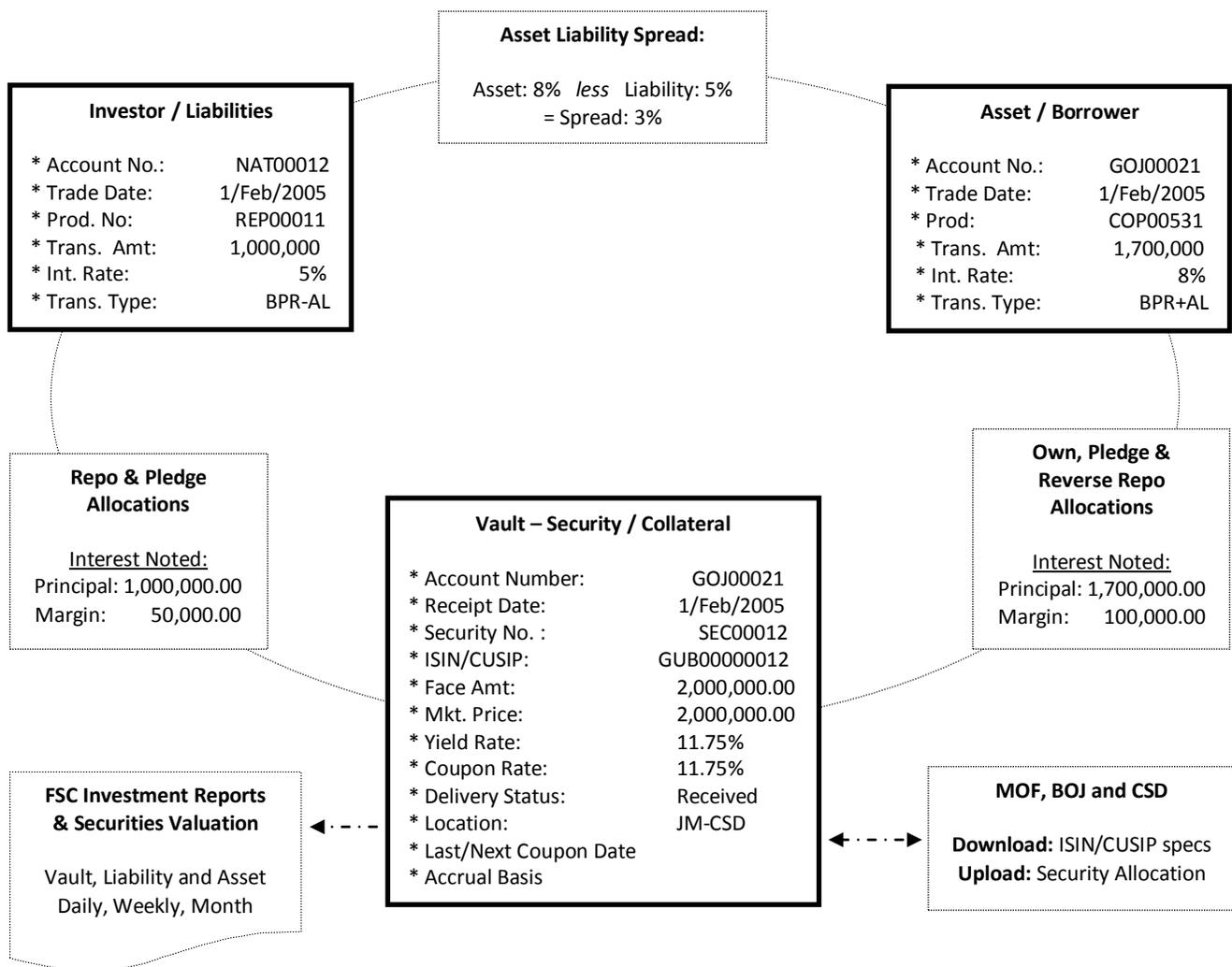
The KRY\$ Vault Module is an essential business tool used to effectively manage day-to-day Vault and Security custodian activities in order to effectively manage risks and support decision-making in the global marketplace.

The following is a list of some features and functions of the KRY\$ Vault module:

- Ability to maintain different types of collateral such as Motor Vehicle, Financial Securities and Property
- Automatic/Manual update of Security specifications based on International Security Identification Number (ISIN)/CUSIP
- Configurable Multi-point Transaction Approval
- Securities Pricing via extrapolated yield curve prices
- Valuation based on International Financial Reporting Standards (IFRS)
- Cross match Collateral with Asset/Liabilities Fair Values
- Cross/Multi currency allocation from Vault to Liabilities and Assets inclusive of Principal and security Risk Margin
- Configurable security Risk Margins
- Facilitate Collateral tracking activities – Inspection, Valuation, Insurance
- Reports:
 - Vault Inventory to Asset / Liability Allocation Reports
 - Vault to Asset / Liability Valuation & Exception Reports
 - FSC Investment Match Report
 - Collateral (Vault) Tracking
- Diary and Message Management
- Automatic Investment Allocation or Matching
- Extensive On-line Query Facilities
- Automatic Activity Audit Trail
- Multi-Currency Transaction Options
- Automatic and On-line General Ledger Updates
- Automatic G/L & Investment Reversal
- Limits and Budgets controls
- Reconciliation – Bank vs. KRY\$ G/L
 - G/L, Value, Transaction & Holiday Date Controls
- Cheques, Receipts, Certificates, Contract Printing
- Letters & Document Printing
- Detail & Summary Client Statements
- Accruals, Receivables and Payables Reports
- Investment, Portfolio & Cost of Funds Reports
- Cash, Tax, General Ledger, Trial Balance Reports
- Customized Detail & Summary Reports
- Lien Management & Reports
- Marketing Reports – Labels, Balance Listing & Client Listing
- Percentage Holding, Aged Allocation & Liquidity Management Reports
- Exception Reports – Rate, Maturity Listing, etc.
- Interest, Tax, Maturity, Amortization Calculations
- Fees, Penalties, Rebate, Statutory Computations
- Stock Bonus, Splits, Dividends Computations
- Computations in terms of Percentage, Rate & Amount
- User, Menu, File, Record, Field Security
- Integrates with Microsoft Word, Excel and other applications
- Automated End of Day system Maintenance
- Calculator & Calendar assisted data entry
- Data Archiving Facility
- Un-attended End of Day process execution
- Liability to Vault allocation via Liability Investment Screen
- Vault to Asset allocation via Vault Investment Screen

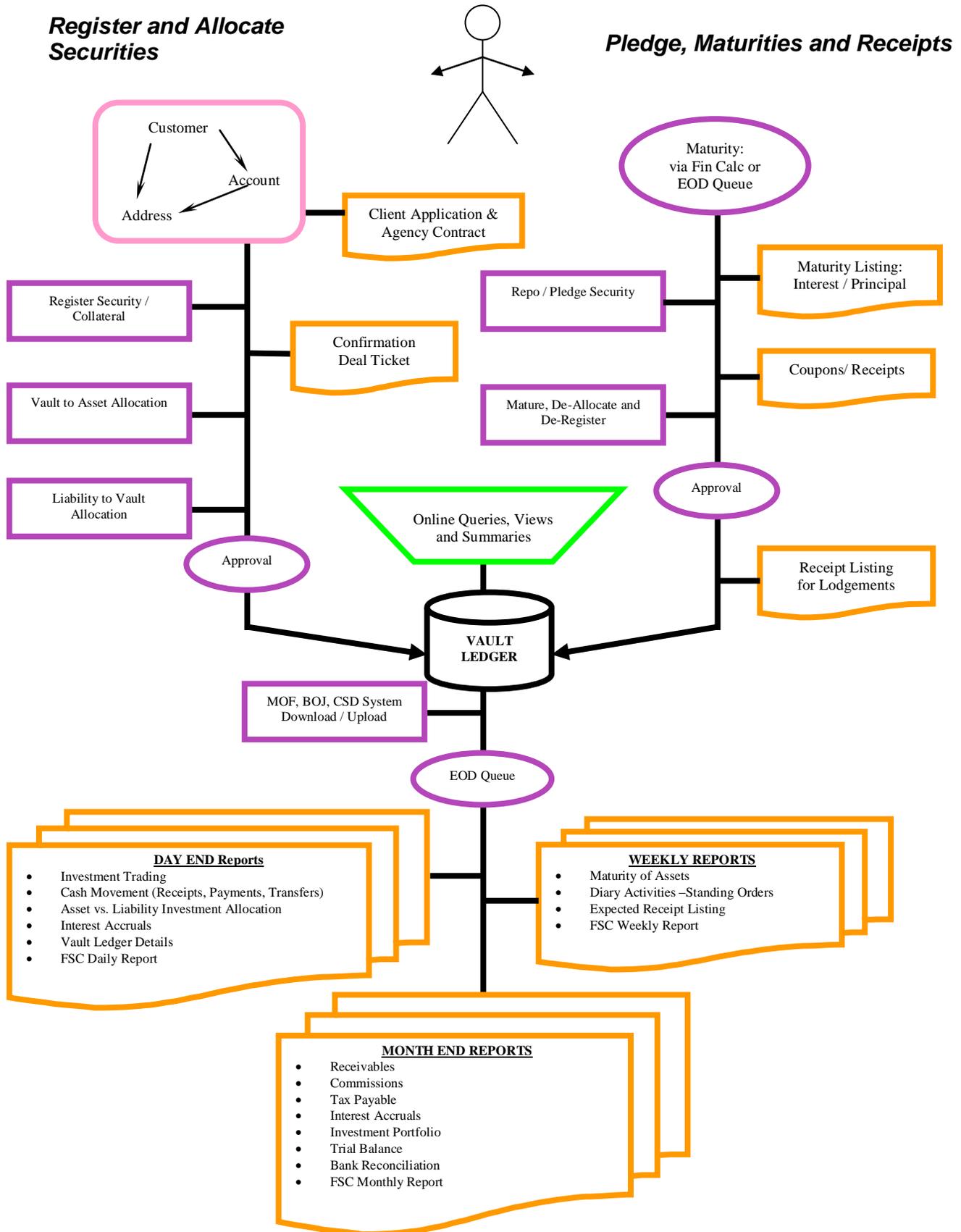
System Features and Functions

- Option to copy Asset specification from Asset Investment Screen to Vault Investment Screen
- Security Interest noted automatically validated with security denomination
- Option to copy Liability specification from Liability Investment Screen to Liability Allocation Screen
- Security sub-links automatically de-allocate upon maturity
- Perform security movement (Repo in / Out) via Fincalc option



The KRY\$ Vault System Model diagram:

- Liability trades may be allocated to Asset trades to reflect interest spread or trade gain
- Asset trades may allocated to Vault Securities as collateral for money lent/traded with brokers
- Liability trades may be allocated to Vault trades to reflect collateral for investment
- Security ISIN/CUSIP specifications may be imported from the CSD System
- Trade Allocations may be automatically exported to the CSD system
- FSC Reports may be generated from allocations between Vault to Asset and Vault to Liabilities
- Allocation specifics include Principal and Trade Margin on Securities



This document reflects KRY\$ workflow processes, tasks and activities configured within the organization. These configurations are expected to change as the organization evolves through its business lifecycle. The basic data flow of the KRY\$ system can be traced as starting from the Client Profile and Trading Account through updating Transactions and the running of Reports.

Starting the Workflow with Registration and Allocation

Client (Identity) Profile and Trading (Portfolio) Account

The process begins with a new Client contact with the organization. Here a Client Profile and a Trading Account is setup on the system. The Client is assigned a Client# and Trading Account# which are used to identify all related future transactions.

A custom designed 'Client Application & Agency Contract' document /report may be generated and signed by the Client. This is opposed to doing the form manually then updating the information on the system. A scanned Picture of Client Documents may be stored on the hard disk and link-references placed on the Client Profile and Trading Account in order to allow easy access.

If the Client has an existing profile and account then update any changes to the profile or account otherwise skip to the next workflow process, task or activity.

Register Security / Collateral

Securities are updated on the system to reflect the securities particulars; each transaction entry is assigned a batch number. Securities generic particulars may be downloaded from the Bond Issuers site.

Transaction batches are assumed to be valid on first entry prior to approval, as this reflects the honest intent of employees and customers. Transactions broadcast information across the system to allow other members along the workflow to plan ahead of execution. Transaction approvals are aimed at identifying and resolving exceptions to the normal procedures and policies of the organization prior to communication to external customers and other trading parties.

Confirmation Deal Ticket

This document (report) provides the Security/Collateral particulars for approval by the Security Custodian/Officer. This forms part of the source document used to facilitate the system enabled transaction approval.

Vault to Asset Allocation

Securities are linked to the associated trade(s) in the various currencies. Information stored relates to link date, Interest Noted and Principal and conversion of same to the vault currency where applicable. Over-allocation of trades and/or securities is block by default but may be configured otherwise.

Liabilities to Vault Allocation

Liabilities are linked to show the investors interest in various securities. Information stored relates to link date, Interest Noted and Principal and conversion of same to the vault currency where applicable. Over-allocation of trades and/or securities is block by default but may be configured otherwise.

Approval of transactions

Transaction Approval allows management to review source documents and system configured policy breaches prior to confirming Client transactions and user actions. Client sensitive documents are normally printed after Transaction Approval in order to reduce transaction risks and provide more accurate results to Clients.

Continuing the Workflow with Pledge, Maturities and Receipts

Maturity: via Fin-Calc or EOD Queue

The Maturity process is used when the Security principal and/or interest is due (fully or partially). Fin-Calc is normally used for unscheduled calculations or removal of security from Vault while the EOD Queue is used for the maturity of security based on pre-defined schedule dates

Maturity Listing: Interest / Principal

This report is a list of all investments due for maturity on the user specified date. It is effective in allowing users to identify and track all maturing transaction amounts prior to the actual maturity dates.

Repo / Pledge Security

Vault securities linked to a liability is considered to be Repo/Pledge.

Coupons/Receipts

This document (report) provides evidence of the payment received on maturing investments. Receipts can be printed in bulk, batch or single for specified Clients and is generated with a unique document number for each record.

Mature, De-Allocate and De-Register

This process involves removing a link/allocation to a security or switching/swapping an allocation from one security to the next.

Receipt Listing for Lodgments

This Document Listing report is a list of all receipts issued for payments received within a specified period and is used to support or reconcile funds lodged to the bank account.

Workflow Intermission, Consolidation and Business Day Closure

Vault Ledger

The Vault Ledger acts like a central data warehouse for all types of Client transactions. Several documents, reports and financial views are generated from the Vault Ledger to meet client, management and regulatory demands.

Online Queries, Views and Summaries

Several views are available from the system including views summarized by Date, Product Class, Client Account and Transaction Types. Views can be generated on a time-variant basis retroactively to support prior period financial reports while users update new client transaction.

EOD Queue

The EOD Queue provides a central facility for running pre-configured automated reporting and system processes. Most reports and end-of-day processes may be configured in the EOD Queue to be executed on demand, adhoc or based of scheduled periodic processes.

Day End Reports, Next Day Reports, Month End Reports

These reports may be custom designed and generated on a periodic basis to assess the past performance, manage current day-to-day activities and formulate the basis for strategies that ensures competitive advantages.

Vault Transactional Flow

Asset → Vault Transaction

Security is registered in vault and flagged with a status i.e.

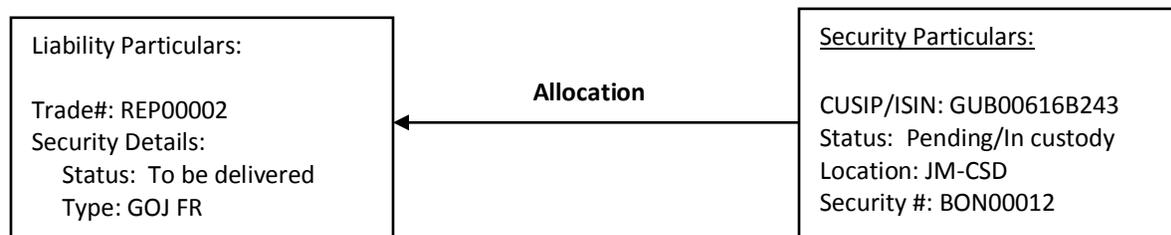
- Pending - Await Security Arrival
- In custody – Received into Vault



Liability → Vault Allocation

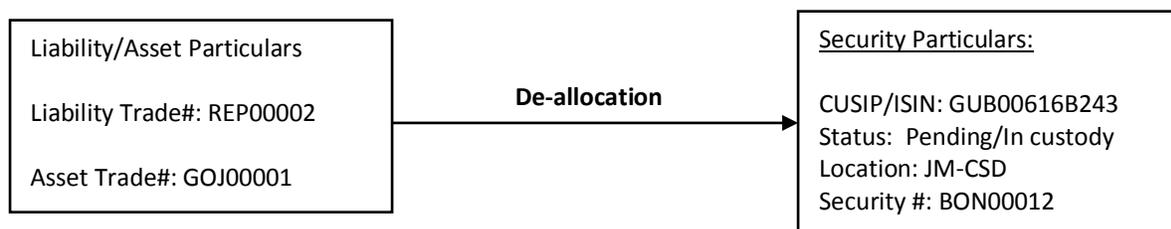
Security is allocated to Liability based on interest noted i.e. principal and security margin and flagged with a status:

- Pending – Pending delivery to investor
- Delivered - Remove security and deliver to investor
- Held - Security is held in custody on behalf of the investor



Asset and Liability De-allocated - at maturity or at security swap/switch

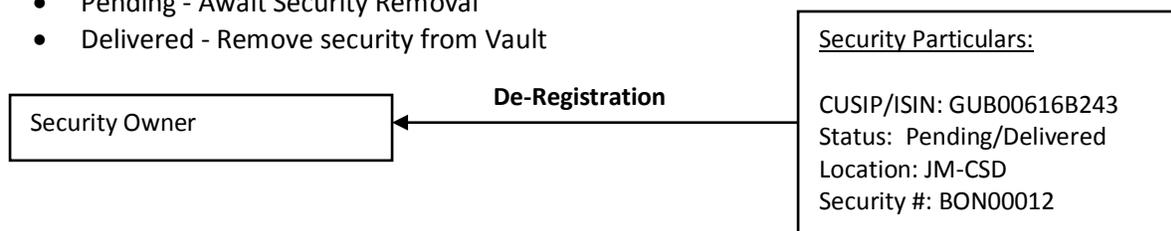
Security may automatically be considered un-allocated at maturity.



Security de-registered/removed from custody

Security is de-registered in vault and flagged with a status i.e.

- Pending - Await Security Removal
- Delivered - Remove security from Vault



Allocation Reports:

These Reports show Assets/Liabilities trades matched to their allotted or associated Vault Securities (Certificates) for comparison and analysis of surplus or shortfall positions.

Details include:

- Institution / Investor
- Original Principal
- Current Principal
- Security Margin
- Interest Rate
- Maturity Date

Inventory Listing:

The Vault Inventory Listing reports provide an analysis of the delivery/receipt status of Vault Securities (Certificates) and associated Assets/Liabilities. Details include:

- ISIN/CUSIP
- Security Description
- Nominal Value
- Status
- Last in/out Date

Vault Exception Report:

The Vault exception report provides a listing showing discrepancies [based on regulatory and/or internal policies] in matching Assets/Liabilities and their associated vault Securities (Certificates).

The report groups data by the following exception criteria:

- Not covered by Titles / Collateral
- Assets/Liabilities redeemed but title not redeemed
- No vault entries exist
- No Asset exists for titles

FSC Investment Match Report:

This report displays liabilities principal matched to securities principal:

- The liabilities are grouped by account classification
- Securities are grouped by ISIN then bucket by Own/Outright, Reverse Repo and Pledged
- Sub-totals are available based on ISIN, Issuer, Security Location and Security In and Not in Jamaica's Central Depository System (CSD)
- All source amounts are converted to the local value based on the FX rate specified via the price file