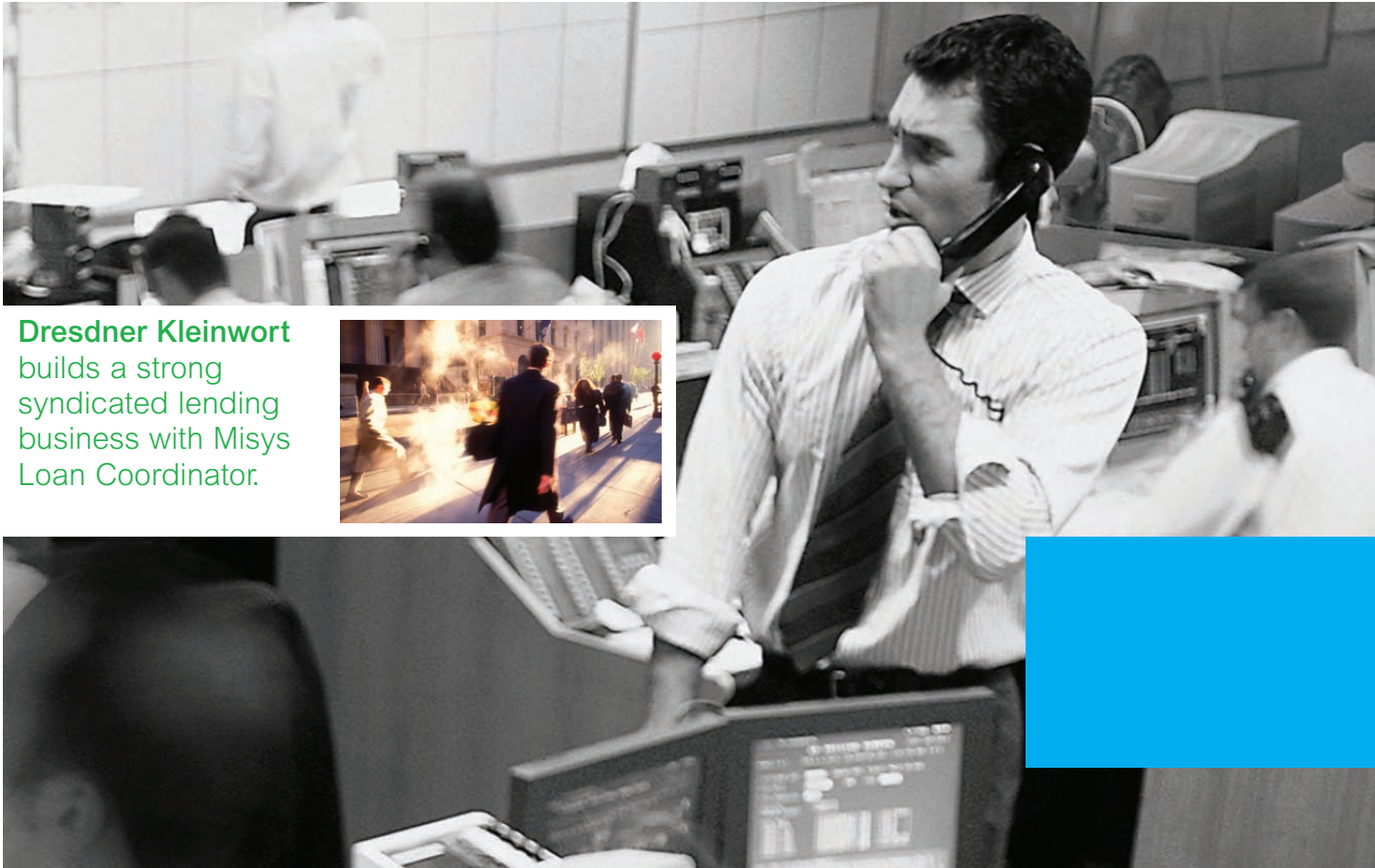


Misys Loan Coordinator

Dresdner Kleinwort



Dresdner Kleinwort builds a strong syndicated lending business with Misys Loan Coordinator.



Dresdner Kleinwort

Dresdner Kleinwort, the investment and commercial banking division of Dresdner Bank AG and a member of the Allianz Group, has a successful syndicated loan business – with particular strengths in its two home markets of Germany and the UK – and an international reputation and reach to serve customers on a global basis.

Syndicated loan sector trends

Dresdner Kleinwort saw business accelerate in the European and global syndicated loan sector in the early 2000s. The volume, size and complexity of loans it was servicing were increasing, investor demand was broadening and regulatory requirements were becoming stricter. The bank therefore decided to develop a single electronic solution to support its loan syndication business and to bring operational efficiency to the process of syndicating loans, with benefits for both internal and external parties.

Many of Dresdner Kleinwort's loan management systems at that time were difficult to maintain. Staff across the company's loan origination, syndication and sales teams were using multiple spreadsheets to handle loan books. As loan volumes grew, generating accurate reporting, with up-to-the-minute status updates and positions on performance, syndications, accruals and repayment schedules, was an increasing challenge.

At the end of 2004 global syndicated loan volume was growing by around 14% annually (Thomson Financial) and it was clear that for Dresdner Kleinwort to maintain its ability to adopt lead arranger positions, it would need to significantly

improve its business critical software to mitigate the associated risk of managing larger and more complex loans.

Duncan Moon, Vice President at Dresdner Kleinwort comments: "There were strong market drivers for change. Our growing client base and the increasing numbers of participants in deals meant it was a challenge to effectively manage the more sizeable loans. This increasing complexity meant we had to change to keep our risk positions under control."

Leveraging software-as-a-service technology for loan management

Dresdner Kleinwort opted to build a proprietary loan market system, eLoancoordinator™, which was launched in 2005. Misys acquired this system in September 2007 and has since developed it into Misys Loan Coordinator.

One of the objectives of the original platform was to serve a dispersed stakeholder base – Dresdner Kleinwort's loan distribution and trading capabilities in London, Frankfurt, New York and Hong Kong interact with investors (predominantly CLOs and prime brokerages), hedge funds and high yield managers in the primary and secondary loan market on a global basis.

Summary

Dresdner Kleinwort is the commercial and investment banking division of Dresdner Bank AG and a member of the Allianz Group. Following a strategic review in 2004, Dresdner developed eLoancoordinator, an innovative online platform to support its loan syndication business. The solution has subsequently been acquired, developed and rebranded by Misys as Misys Loan Coordinator, with Dresdner established as the first chartered user.

Website

www.dresdnerkleinwort.com

Business situation

- + Increasing size and complexity of loans
- + Increasing number of participants in syndication deals
- + Over-reliance on spreadsheets and manual document distribution
- + Strain on existing systems that had grown organically

Project objectives

- + Single online platform for the entire loan syndication business and global client base
- + Replace legacy systems with an online solution
- + Reduce significant manual processes and paperwork
- + Minimise risk through increased automation in performance tracking, accruals, repayment schedules

Solutions & Services

Misys Loan Coordinator is an electronic platform that enables book-runners, borrowers and investors to access comprehensive real-time and secure pipeline information about syndicated loans and improve efficiency in the loan syndication process.

Key benefits

- + Single point of information for obtaining real-time deal information (contacts, commitments, paperwork) delivered in customised downloadable reports
- + Improved deal analytics to forecast investor appetite
- + Efficiency gains from optimised workflow, and minimised correspondence and documentation delays and errors
- + Expected long-term product stability with seamless global data access
- + Improved data consistency and accuracy
- + Better real-time data handling capability

The bank's average loan sizes have expanded by 65%, with its largest deal of £1.8bn originated in February 2007. Dresdner Kleinwort now assumes many more leading positions in deals as the mandated lead arranger, book-runner, documentation agent or facility agent.

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Duncan Moon, Vice President
of Dresdner Kleinwort

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“In essence, the goal of the project was simple”, Duncan Moon explains. “We wanted to develop a single electronic platform, enabling real-time, high quality and secure data to be accessible by all participants.”

eLoancoordinator™ was one of the first electronic and real-time platforms for participants in the loan syndication market aiming to deliver technology similar to that used in the bond markets at that time. It was quickly recognised as a one-stop-shop solution for managing syndicate communication and information sharing. All participants were able to access real-time data remotely, view syndicate contact details and generate up-to-the-minute reports.

Misys acquired eLoancoordinator™ in September 2007 and has subsequently invested in the platform and its technology to develop it into a new enhanced solution. It was believed that a hosted platform would give unrivalled straight-through-processing functionality and allow further development. This new solution is now used by Dresdner Kleinwort's 50-strong loan origination, syndication and sales team as a front-to-back commercial lending platform.

Growing faster than the market

The journey from spreadsheets to Misys Loan Coordinator for Dresdner Kleinwort has been fruitful. It is convinced that eLoancoordinator™, its once in-house proprietary platform, aided its progress in syndicated loans in recent years.

The bank has become a leading market player for syndicated loan transactions in Germany and Europe in all product segments including investment grade, acquisition finance, leverage finance and mid-cap deals. In 2006, it was No.1 for German syndicated loans by deals and in 2007 it ranked No.1 for German

Mandated Lead Arranger by deals (Dealogic). The bank's average loan sizes have expanded by 65%, with its largest deal of £1.8bn originated in February 2007. Dresdner Kleinwort now assumes many more leading positions in deals as the mandated lead arranger, book-runner, documentation agent or facility agent.

Dresdner Kleinwort expects that using Misys Loan Coordinator, as a single repository for getting real-time, high quality and secure data to all participants, will enable users to obtain customised reports and fresh deal information on a daily basis.

Result

The solution provides a single platform to securely manage information sharing and communication amongst syndicate members, as well as to enhance deal visibility at origin.



For more information on
Misys Loan Coordinator,
please visit:
www.misys.com

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