

Sell-Side Securities Finance Outsourcing

A managed 'front to back' technology and post-trade processing service delivering increased flexibility, enhanced business capability and a targeted 30% cost reduction

New Industry Solution

Delta Capita has combined its managed service 'know how' with its Securities Finance consulting expertise to bring to market an outsourced industry utility platform to help clients adapt their business models to a more flexible, lower cost model.

The solution offers a fully hosted Technology front and back office platform with intelligent, high STP business functionality to help re-gain competitive advantage, with an optional outsourced post trade managed service.

Why?

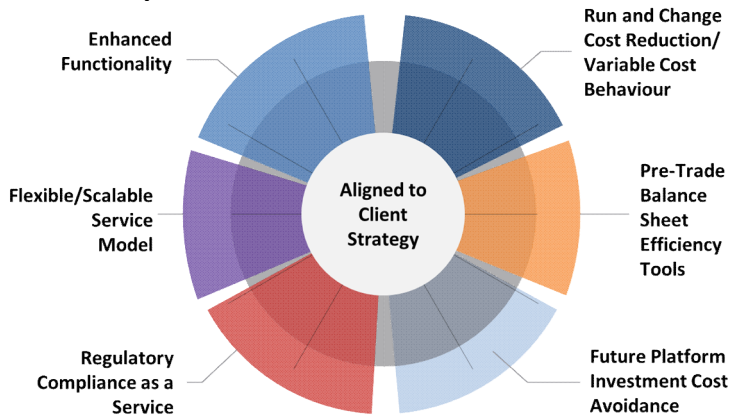
Increasing regulation and more stringent capital rules have led to restricted balance sheet usage. This has caused a shift to lower volume, higher margin, more structured trades which has caused the cost-income ratio to narrow further.

Clients are looking at ways of reducing overheads and complexity, whilst upgrading their legacy technology to access enhanced tooling for better managing balance sheet impact and 'smart' trade selection.

Industry challenge:

- Lower volumes, greater complexity and reduced profitability
- On-going regulatory change demand
- Higher cost of capital – need for smarter use of balance sheet
- Legacy platforms and multiple integrations are expensive and difficult to manage
- Multiple external service providers to manage (exchanges, CCPs, tri-party agents, depositories, sub-custodians etc.)
- Lack of STP/Increased operational risk

Value Proposition



ASP Technology Platform

- Modern Securities Finance front and back office technology modules delivered on a hosted infrastructure and managed as a service
- Modern technology allowing easier integration and improved security
- Mutualised production and change costs

Outsourced Post-Trade Processing

- Flexible post trade processing managed as a service
- On-shore expert client service team
- Industry standard operating model delivered using best practice processes, service level agreements and risk control frameworks

Service Model Overview

FRONT OFFICE	Trade/Basket Deal Capture	Overborrows Management	Locates	Rates/Fees Management	Collateral Trading
	Pricing	B/S & Risk Management	Trade Maintenance	Returns Management	Position Management

↑ Account Management

↓ Service Level Agreements

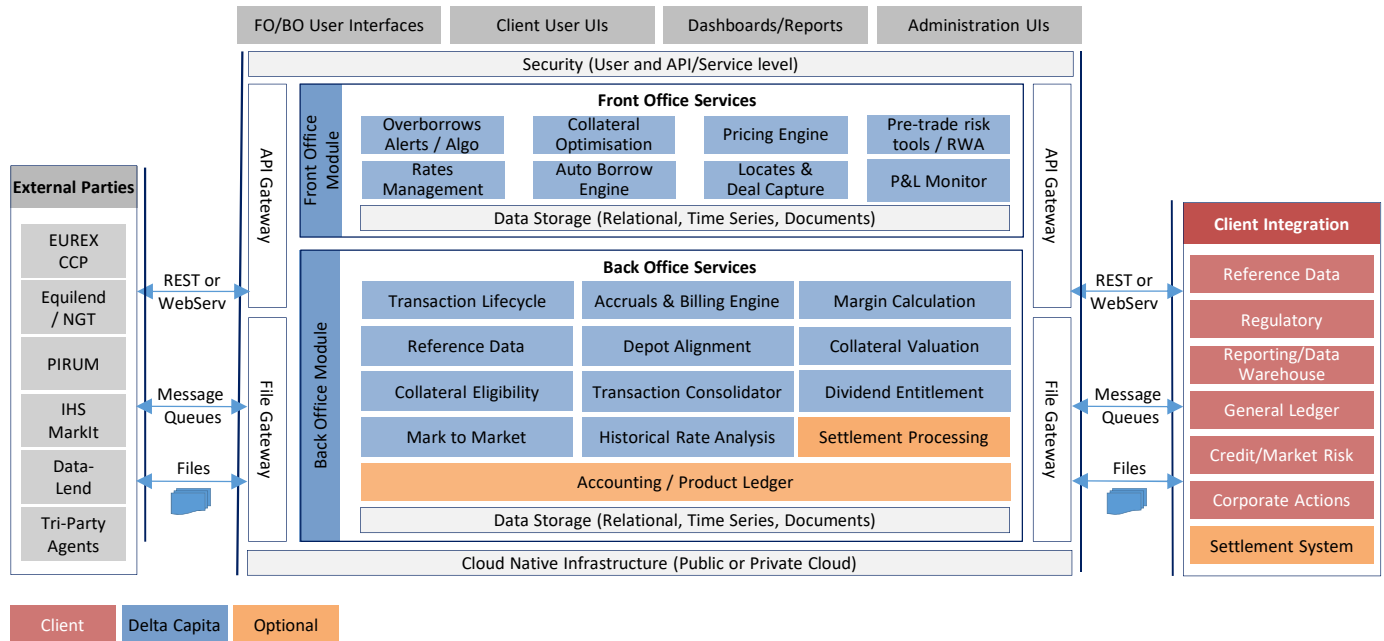
POST TRADE	Trade Validation	Trade Confirmation	Margin Call Management	Collateral Optimisation	Corporate Actions	Static Data Maintenance	Settlement
	Pre-matching	Settlement Instruction	Claims Management	Fails Management	Billing Management	Cash & Stock Reconciliation	Depot Management
Accounting/Transaction Ledger							

Products
Multi-asset class
Cash Pools
Non-Cash Collateral
Multi Currency

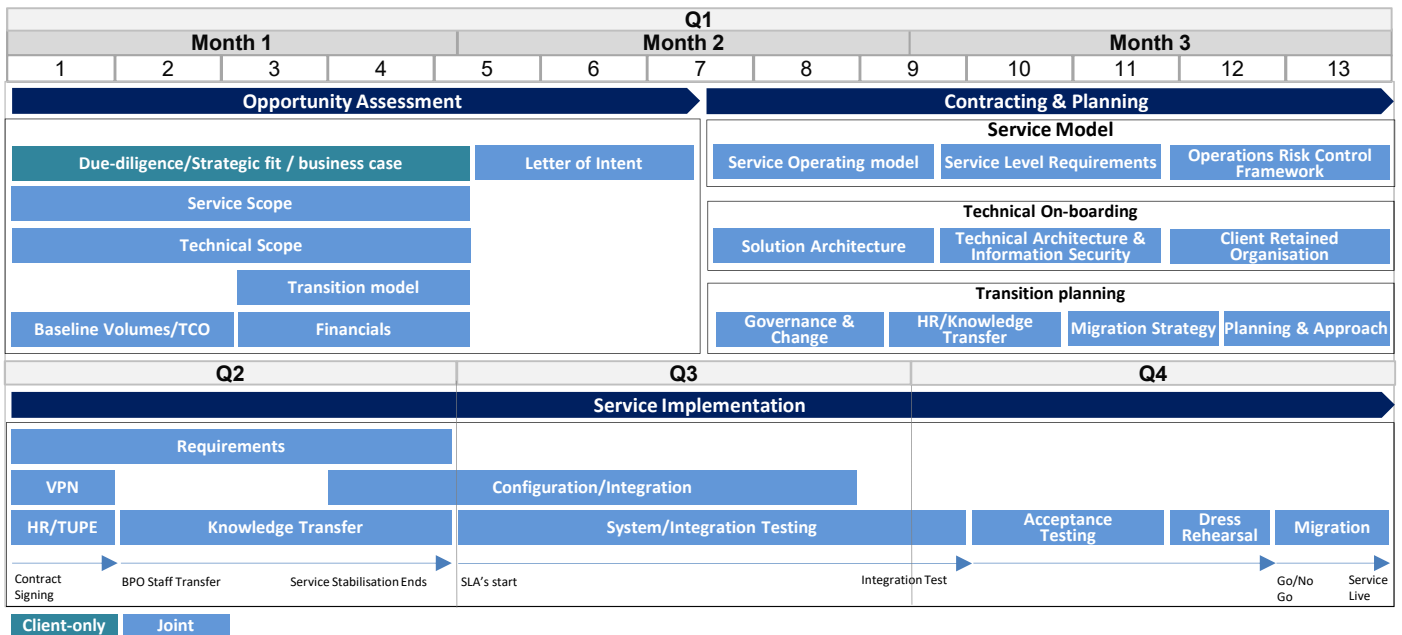
Client Delta Capita Optional

The client retains responsibility for economic and risk decisions, trade capture and amendments, trade management, G/L accounting, regulatory oversight and control as well as regulatory responsibility.

Technology Architecture Overview



Timelines (Full Front to Back Managed Service Offering)



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