

VERSION CONTROL

february 12th/2013

Improving middle office processes

Version Control spoke with Bernard Tardy, Sales and Marketing Director of SLIB, about the company's SLIB Middle Office for Brokers product.

Bernard, could you please tell us a little about your company?

Our solutions have been helping financial institutions to improve processing of securities for 25 years. By 'processing', we include securities order and trade, clearing, settlement, custody, online voting prior to General Meetings and risk control. We have 50 clients. About half of these are broker-dealers in France and the UK. Six are globally prominent clearing members. We also work with two of the largest US banks. Our total turnover in 2012 was about €20mln. We are a private company with capital of around €4mln. BNP Paribas and Natixis are our strategic shareholders.

Where and how do you operate?

We are based in France, but our people operate across the Europe Middle East and Africa (EMEA) region. Our software and IT infrastructure are hosted in two highly secure computer centers, which are designed for high availability and business continuity.



Bernard Tardy,
Sales and Marketing Director
of SLIB



SLIB is both a software publisher and an Application Services Provider. For almost 25 years, SLIB has been a reliable partner to the financial services industry, in step with the changes in the European securities landscape, by supplying its customers with innovative software solutions to streamline their securities processing and improve their performance, whilst mitigating their risks. The SLIB solutions support securities order and trade, clearing, settlement, custody, online vote of shareholders prior to General Meetings and risk control. To date 50 securities services providers throughout Europe are using SLIB solutions.

Company contact details

Postal Address: 10/12 Avenue Winston Churchill 94677 Charenton-le Pont Cedex, France

Key Contact: Mr. Bernard Tardy, Sales and Marketing Director

Telephone: +33 1 70 36 97 00 Fax: +33 1 70 36 97 01

E-Mail: sales.contact@slib.com WebSite: www.slib.com

We provide 'software as a service' (SaaS). This means that each of our customers, wherever their premises might be located, can easily access the services that they need from our systems. This model is lean and cost-effective, for both us and our customers. There is reduced need for our customers to invest in their own IT infrastructure. They do not have to worry about periodic upgrades. The customers' economies of scale are greater than they otherwise would be. We have the benefit of not having to maintain a permanent physical presence in each of the various countries/regions in which our customers operate.

If you were to showcase just one product in Version Control, what would it be?

We would prefer to highlight our entire portfolio of solutions, which is designed in a modular fashion. It encompasses five software suites, each of which contains 19 software components. The suites and components can be selected to match, and to evolve with, each customers' requirements as those requirements change over time. The five suites are:

- *SLIB Order & Trade* streamlines all processing steps along the trade lifecycle: order and allocation management, confirmation and trade reporting to the back office;
- *SLIB Clearing & Settlement* interactively processes all clearing and settlement activities, as well as reconciliation with the CCPs and CSDs;
- *SLIB Position Keeping* assists in all the tasks related to account / position keeping and custody;
- *SLIB Voting* automatically collects and transmits the voting instructions of shareholders, prior to a General Meeting. SLIB is the provider of VOTACCESS, the innovative platform chosen by the French marketplace;
- *SLIB Risk* monitors in STP mode and optimizes the clearing risk across more than 10 CCPs in the world.

However, if we were constrained to discussing just one solution with you, it would be *SLIB Middle Office for Brokers*. In the wake of T2S, the speed of settlement across Europe is being harmonised at T+2. It is therefore essential for brokers to be able to allocate and confirm trades more quickly. At the same time, the broker has to reduce risks and costs, in the context of a constantly changing business environment.

We would emphasise two key features of *SLIB Middle Office for Brokers*. One is its adaptability. No matter how complex the trade and post-trade landscape is, or will be, our solution can cope. It is easily integrated with all kinds of IT environments. It can handle multi-venue,

multi-currency, multi-instrument and multi-channel confirmation. The other aspect is inter-connectivity. Thanks to the integration with our existing *SLIB Confirmation* product, a broker may connect to networks or exchanges using various protocols – such as CTM, SWIFT, SBI, fax, mail and so on.

What are the key benefits to customers of this product?

First of all, the product offers better quality of information to the user. The dashboards that are available to the user can handle the user's global middle office needs. The dashboards provide alerts which enable the user to respond more quickly to situations that require attention. We would also note the operational excellence of *SLIB Middle Office for Brokers*. By relying on a high-performance technical architecture (i.e. modules exchanging through a JMS bus, developments in Java resting on the Eclipse RCP framework), *SLIB Middle Office for Brokers* provides a unique user interface for the middle office function. Users can enjoy the full power of the ergonomics of this framework: Drag & Drop, column sorting, user preferences, driving views, colour highlighting, etc. By making use of standard and effective Internet services for the client/server dialogue, the data uploading time is optimised and balanced: the modules are independent and can be adapted to the broker's own information systems. With advanced parameterization level ranging from 'fully manual' to 'full STP', SLIB's solution allows reconstituting and processing of executions, orders and allocations with a minimum of clicks.

How long does the implementation of this product typically take?

There is no 'implementation' as such. We connect the client, take-over the data and switch the service on after the necessary training. Based on our experience, a new customer can start very quickly, depending on the complexity of the interfaces and the need to include a migration from a previous system or not. We can have a client working with *SLIB Middle Office for Brokers* in three months. By contrast, some of our larger projects can last up to 12/15 months when the scope is wider (front to back) and extensive migration of data is to be included.

How would you describe the competitive position of this product?

We are providing *SLIB Middle Office for Brokers* to about a dozen organisations, including four very large ones. As a matter of policy, we do not discuss competitors or their products. However, we think that the competitive

advantages of *SLIB Middle Office for Brokers* are as follows:

- The adaptability and inter-connectivity of the solution, as discussed above;
- The centralized support of multiple channels;
- The scalability of the solution, which allows integration with other SLIB suites and components;
- Its ability to absorb 'peak' traffic flows. If a customer's activity levels are materially greater than those which had been expected, SLIB can easily add more capacity to the solution;
- Its cost-effective SaaS business model;
- State of the art technology.

How often is the product upgraded?

Typically, there are two or three releases per year, and a major upgrade every two years. We are planning an

extension of the product so that it may be used by buy-side customers.

Finally, what do you see as the most important industry-wide trends affecting the market for this product?

In an increasingly competitive context, ratings, regulations, costs and risk control require brokers to reach the highest level of operational efficiency. If major investments have already borne fruit as far as front office optimisation is concerned, middle office efficiency becomes absolutely crucial. A broker's operational excellence is often judged by the reactivity of its middle office, the strategic hub between trading and operations.

Thank you very much.

RELEVANT LINKS PROVIDED BY THE COMPANY



SLIB Middle Office Product Sheet



White Paper "The challenges of middle office for a broker"



News

COMPANY'S ATTENDANCE AT PARTNER EVENTS

Market Force: The future of Clearing & Settlement 2013

*March 12, 2013
Le Méridien Piccadilly, London*

The 13th Annual NeMa 2013 - Network Management Conference

*18 - 20 June 2013
Hilton Warsaw Hotel & Convention Centre*

The 20th Annual European Clearing and Settlement

*25 - 26 June 2013
The Royal Horseguards Hotel, London*