



## Due Diligence Securities Settlement

Company	Realisation - approach	Result
International universal bank	<ul style="list-style-type: none"><li>• Scope definition – securities settlement, proprietary trade and settlement of securities finance transactions (securities lending, Repo, Tri-Party) based on the functional target architecture</li><li>• On the basis of a previous pre-study and RFI, in total 5 Business and System-Providers were chosen for the RFP. At the same time the analysis for the „internal optimization“ option was continued</li><li>• Definition of business processes according to the entities „client-“ (depot B) and „non-client“ business (depot A)</li><li>• Completion of extensive questionnaires for the RFP regarding general questions, functional and non-functional requirements and pricing with the respective business and IT-departments</li><li>• Workshops with the respective providers and meetings with the senior management</li><li>• Validation of the respective offers on the basis of pre-defined solution options</li><li>• Development of baseline and business case for the final decision paper</li></ul>	<ul style="list-style-type: none"><li>• Completion of an overview of all functional and non-functional requirements including the bank specific and indispensable requirements</li><li>• A cost-benefit analysis for the „internal optimization“ was generated and a baseline as a basis for all options to be considered</li><li>• A rating model for the 8 options based on the variations/combinations of build, buy or outsource and a comparison on the basis of the factors „functional“, „commercial“, „strategy“ and „risk“ was completed</li><li>• Finalisation of business cases for the specifically chosen options for the decision paper, at the same time taking running projects for the securities settlement platform into consideration</li><li>• Development of a comparison of the two chosen options based on commercial factors (e.g. project costs, external service costs, IT costs (CtB, RtB), base case and total costs (P&amp;L))</li><li>• Completion of a decision paper for the senior management with recommendations and definition of the next steps for the further approach</li></ul>
<b>Initial situation</b>		
<p>The existing securities settlement platform was more than 25 years old. The implementation of changes became more and more complex – coupled with a concurrent increase in regulatory demands. The inherent risks (complexity and costs) were the major reasons for the development of alternative measures.</p>		
<b>Task</b>		
<ul style="list-style-type: none"><li>• The objective was to consolidate the overall solution scope, including the consideration of external options (buy software / Business Process Outsourcing) to only a few viable solutions</li><li>• The overall result was to contain a decision paper with proposed actions</li></ul>		