



Global Tier 1 Bank Transforms Operations to Fuel Long-Term Growth

When a banking giant realized that breakthrough improvements in speed, productivity and quality were needed to support their strategic plans, they turned to a trusted resource—a partner who brought expertise, innovation and scale to post-trade processing. In addition to significant reductions in cost-per-trade, they gained ways to reduce risk while freeing up operating capital.

Tackling complex global challenges

This Tier 1 Global Financial Services provider engages in investment banking, personal banking, corporate banking, and wealth management. They have a worldwide presence in the Americas, Europe and Asia.

In the U.S., their Institutional Broker-Dealer business processes tens of millions of transactions each month across a broad range of assets, including fixed-income and equity trades. They perform repurchase and financing transactions worth trillions of dollars.

Since the financial crisis, this firm has taken steps to streamline operations, improve performance and reduce costs. However, they had reached a stage where incremental gains were no longer sufficient. They needed to reduce cost-per-trade, manage risk and strengthen their balance sheet—all while building the capabilities and agility to fuel growth.

In order to transform their operating model, they needed a partner that understands their business, processes and data—who also brings the scale and expertise required for post-trade processing. They found that partner in Broadridge.

Broadridge point of view

In the aftermath of the financial crisis, government regulations added cost and complexity to bank processes. Leading firms looked first towards technology as the way to improve margins. This Tier 1 bank is one of many that relies on the Broadridge Technology platform for post trade processing.

But technology is no longer the limiting factor. Market seasonality, staff attrition and capital requirements add pressure to already stressed processes. Post-trade processing is one area where scale, automation and experience can make a dramatic difference.

By outsourcing non-differentiating functions, this client could future-proof their business, linking costs to volumes and service levels. As a trusted outsourcing operation for 30 broker-dealers, Broadridge provided the expertise, best practices and flexibility they needed to reduce costs, mitigate risks and eliminate unnecessary capital and resource investment.

“Managed Services makes financial services firms more efficient and better equipped to optimize their operations. They can enter new markets with significantly less investment.”

—Mike Alexander, President, Wealth & Capital Markets Solutions, Broadridge



Broadridge®

Broadridge Solution

Given the highly technical and sensitive nature of these operations—including the exposure to financial and regulatory risk—it was critical to choose a provider who could process complex, high-volume trades and reconciliations with speed and accuracy. They selected Broadridge Managed Services to handle post-trade processing for their institutional broker-dealer in the U.S.

Broadridge's innovative, outcomes-based Managed Services model aligns technology, personnel and workflows to achieve operational excellence. This approach provides an enhanced client experience and significant cost savings, resulting in a strong competitive advantage. Deployed in less than six months, this integrated solution achieved cost mutualization quickly by combining experienced staff, best practices, and award-winning technology.

Broadridge now supports all of the client's U.S. domestic equity and fixed income post-trade processing, including regulatory accounting and compliance, clearance and settlement, tax operations as well as government settlements and stock loan operations. A comprehensive governance and control model, developed under SEC and FINRA scrutiny, establishes ongoing oversight policies that give the client, auditors and regulators confidence that investors' interests are never compromised.

Transforming their operations in every way

Broadridge offered the client complete, follow-the-sun support with stringent SLAs around each function, and contractual liability for operational errors. Proprietary tools allowed Broadridge to measure, monitor, and report on a wide range of operational metrics for complete performance transparency.

Risk was mitigated by strong operational controls: all processes were well documented at the procedural level, and the impact of key personnel loss was eliminated throughout the operation.

With a deep domain expertise, Broadridge easily provided additional support in times of high transaction volume. The team completed the transition from in-house operations to full Managed Services quickly, with no impact to the customer experience or organizational stability. Ongoing investments in infrastructure ensure superior performance and scalability.

Currently Broadridge Managed Services oversees 30 broker dealers with more than 19 million customer accounts, with over \$600 billion in assets and ~2 million daily trades. The team settles nearly \$11 trillion in assets every month and the clients account for 20% of the daily US institutional fixed income trade volume.

Given the success of the US operations, the client has expanded the scope to include technology and operations outsourcing for their global brokerage operations.

Results

With Broadridge Managed Services, this global firm realized significant cost savings and increased straight-through-processing rates within the initial contract year. In addition to freeing up operating capital, they reduced risk and enhanced service. Specific benefits include:

- 100% reduction in aged options security number exceptions
- 90% reduction in aged P&S day-breaks
- 50% reduction in aged dividends receivable values
- 40% reduction in average daily count of Stock Loan DTC custody breaks
- 24% reduction in average equity T+2 trade breaks

The client upgraded from Broadridge technology to a full Managed Services solution in less than six months, and many of their staff were transitioned to Broadridge. Today, this client is well positioned to tackle new opportunities and manage volume swings with confidence, speed and efficiency—paving the way for long-term growth.

For more information on this case study, please contact us at +1 800 353 0103 or email to marketing@broadridge.com

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR) is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally.

