

APEX: Maximizing Technology's Potential in Global Securities Finance



Q&A

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Technology limitations, such as disparate legacy systems and cumbersome integration between systems and processes, place constraints on a securities finance business's ability to positively transform their strategies and workflows, and effectively compete.

Today's securities finance participants are seeking a complex mix of positions management, trading and collateral lifecycle processing, in a technology solution that offers flexibility, control and transparency. With an increased focus on cost controls, firms require technologies that help alleviate the time, cost and effort of supporting and maintaining multiple systems across entities and geographies.

SunGard's Apex solution removes the common technology constraints by providing an integrated front-to-back office solution with an open, flexible architecture. Supporting equity and fixed income securities lending and financing, Apex helps firms increase productivity and automation, reduce costs, and improve operational efficiency by providing a full front-to-back office solution for global securities finance trading and operations.

How have the industry's requirements for securities finance technology changed in the past 12 months?

Impending increases in regulation, greater recognition of the importance of transparency, and an even greater emphasis on cost effectiveness, have all become key drivers in the industry. The need for global control and access to information means that integrated solutions that provide holistic views of business activity across multiple business entities, currencies and products also are in great demand.

Open technology architecture is also in greater demand, in order to provide much needed flexibility to address changing requirements and support growth to help firms leverage their investment in their existing systems. Apex was designed using an open framework to allow customers to use their preferred technology standards and existing expertise that enable them to easily integrate Apex into their existing environment.

What success has Apex had in helping customers meet their requirements and achieve their goals?

Since SunGard's Apex consolidated securities finance solution was launched a year ago, the industry response has been extremely positive. Today, seven financial institutions are using Apex in a production environment, with several more in the process of implementation.

SunGard's Apex is helping firms manage their entire global securities finance business – equities and fixed income – in one framework. From position management, trading and P&L analysis on the front end, through risk and operations management in the middle-office, and settlement and interfaces in the back-office, Apex is serving firms well as a comprehensive international solution. Working in combination with SunGard's Loanet solutions, the industry standard for brokers in the US broker/dealer markets, Apex can provide a complete view of a firm's international and domestic securities finance business.

What are some live examples of customer uses of Apex?

Here are examples of several customer implementations of Apex on a global scale.

A large Japanese investment bank using Apex for its global repo business wanted to utilize the system across different geographical locations, starting in London and expanding into the US and Asia. The first phase focused on consolidated positions management, with the second phase extending the use of the flexible trade booking and lifecycle capabilities. Apex provided the bank with tools that allowed it leverage its existing internal technical infrastructure, thereby minimizing integration time and effort.

Another major investment bank is using Apex as part of a multi-product solution to service its new Prime Services business. Apex provides the bank with automated position management, helping to ensure internally available assets are utilized prior to seeking a required security on the street. This process is carried out fully and automatically, thereby increasing efficiency and reducing costs. Apex also facilitates the movement of assets between 'books' and/or cost centers with associated securities movement instructions as necessary, and automatically books the inter- or intra-entity trade using a rules engine for an applicable fee.

A third international investment bank implemented Apex for its new US business using a phased approach that began with its US domestic equity business, and leveraged Apex's integration with Loanet for the automation of the borrowing and lending operational lifecycle and settlement with DTCC. Further phases of the bank's Apex implementation, including US domestic repo and international SBL and repo, will provide the bank with a consolidated, front-to-back platform across business lines.

What were some of the unexpected benefits customers have derived from Apex?

Customers have been pleased with Apex's ability to help them tailor the solution to their proprietary business and technical requirements to ensure the best possible fit with existing and developing business lines. Customers have also found that Apex provides them the opportunity to consider the replacement of legacy integration code with Apex's standard integration functions, thereby eliminating the need for them to maintain one-off interface functionality.

What's next for Apex in terms of enhancements?

SunGard continues to have active discussions with multiple customers and counterparties in the industry to determine priorities for future functionality of Apex. SunGard will build upon Apex's functionality for broker-dealer community, as well as deliver expanded principal and agency lending combined on one platform.

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