



FIS Cleared Derivatives Solution



Unified, modular real-time middle and back office

Introducing the strategic solution for post-trade derivatives processing

It is no secret that the derivatives clearing industry has faced unprecedented challenges in the past 10 years. Since the financial crisis, firms have faced a toxic mix of increasing operational costs, persistently low interest rates, rapid regulatory changes, stringent leverage ratios, low revenue growth and technological disruptions. This perfect storm of market challenges has put tremendous pressure on bottom lines, pushing global as well as regional market participants to review their business and technology models around derivatives clearing. With hope dim that the record profits of the past will ever return, it is clear that success and failure in the future will be divided between those that can find a way to adapt and thrive in these adverse conditions and those that cannot.

As a trusted provider of post-trade derivatives solutions for more than 20 years, FIS is uniquely positioned to leverage its middle- and back-office systems, global team of subject matter experts and unparalleled network of client firms to bring a solution that can meet the challenges facing post-trade customers. In anticipation of this need, FIS has significantly invested in a reimagining of the post-trade middle-and back-office that has become the **FIS Cleared Derivatives** solution. FIS Cleared Derivatives is the FIS strategic post-trade solution replacing Clearvision (Middle-Office/Trade Clearing), GMI and UBIX (Back-Office) functional coverage.

Our next generation offering has been designed at the outset to support both middle- and back-office functions across exchange-traded and OTC cleared derivatives that can be deployed in a phased and modular approach **based on your priorities**.

The modularization of FIS Cleared Derivatives not only allows you to **mitigate the risk and reduce the cost** that would be associated with the conversion of your full back-office all at once, but also allows you to **start leveraging FIS' new technology for specific functional areas earlier**.

Our unique Post Trade Services organization, a combination of our **Full Service Operations** and software teams, enabled us to be **early adopters of our own technology**. Operational and product teams are partnering throughout the product life cycle, including deployment, ensuring best practices and a proven solution that can be leveraged by the rest of our client base.

Operational workflows increasing efficiency

A real-time, scalable and unified platform that is built to support the needs of today's and tomorrow's derivatives clearing market.

- Real-time positions, margins and financial balances to provide intra-day view of business
- Operational management driven by rules accessible by users (Robotic Processing Automation)
- Transparent and configurable processing rules, providing greater adaptability to business changes
- Intuitive workflow-based process with guided resolution logic facilitating break resolution
- Straight-through processing from trade clearance to resulting position and financial balance updates. The status of all stages in the processing cycle can be easily viewed

Operational controls mitigating risk

- User friendly and granular audit trail to improve traceability of events and isolate break sources more easily
- Customizable operational dashboards that can be configured by users to monitor the activity and manage priorities
- Integration monitoring via a dedicated dashboard with the ability to control and interrogate inbound and outbound APIs
- Built-in KPIs encompassing technical and operational areas to support overall continuous improvements

A REAL-TIME POST-TRADE SOLUTION FOR DERIVATIVES CLEARING.

- Reducing total cost of ownership (TCO) and operational risk
- Increasing efficiency of post-trade derivatives processing
- Improving time to market
- Enabling scalability to support new clients/services
- Improving compliance and transparency

Technology evolutions reducing Total Cost of Ownership and risks

FIS Cleared Derivatives leverages a new technology stack. This includes:

- **Open-source client-facing technology** leveraging a large pool of resources
- **API-based** system with data easily:
 - Accessible by business and IT users
 - Interrogated by external systems
 - Extracted for downstream processing
- **Event-driven architecture** enabling native real-time processing
- **"Insert only"** logic enabling optimum traceability and transparency
- **Containerization** of the deployment for easier and quicker releases
- **Multi-node architecture** with scaled storage and retrieval ensuring high performance and reliability

The approach to testing has been completely revamped with the introduction of:

- An automation Testing Suite, including a proprietary testing tool and testing scenarios
- End-to-end testing (UI, API, functional)
- Performance testing
- Continuous integration, providing a rationalized system and the ability to adapt more quickly to uncertain or last minute regulatory requirements, and improving overall time to market

A workflow based dedicated module can also be leveraged for data cleansing and data conversion, reducing the cost and the risk of migration.

Cloud based enabled, FIS Cleared Derivatives can be hosted within FIS data centers, leveraging FIS infrastructure state of the art capability and managed services expertise.

Extended & modular functionality supporting new requirements

Post trade functionality has been extended to provide enhanced value to our clients.

It has also been modularized so it can be deployed in accordance to business priorities, and in order to reduce the overall migration risk.

Some of the enhanced or added functionality include:

- Trade Allocator, an end to end allocation workflow and average price system

- Matching wizards and overdue activity monitoring at the middle-office
- T+1 clearing support
- Margin Advisor, a Cloud-based cleared derivatives margin engine for on-demand portfolio calculations
- Cash and Collateral Management, an enterprise-wide client margining and collateral management solution
- Position Manager, an automated position reconciliation & closeout between the back office and the Central Counter Parties (CCP)
- Reconciliations, a comprehensive, fully automated reconciliation solution providing Total Equity reconciliations of ETD and OTC derivatives.

FIS Cleared Derivatives can also leverage FIS Clearing Market Data service for product, contract, settlement and fees.

All FIS post trade solutions can be deployed as an Enterprise solution, or via FIS Managed IT Services or FIS Full Service Operations.

New operating model

Beyond the cost savings and operational efficiency derived from the technology and functionality inherent to FIS Cleared Derivatives Solution, our offering enables firms to rethink their operating model.

With FIS Cleared Derivatives Solution, there is no longer the concept of, or distinction between, the middle-office and back-office.

Some of the benefits of a unified system for post trade processing:

- A single source for referential data means more consistent and streamlined processes and data flow as well as reduced reconciliation needs as compared to multiple systems
- Removal of the interface between Middle and Back, reducing associated IT and operational processing, overheads and risks (maintenance, testing, etc.)
- Unified KPIs and data analytics across Middle and Back Office, encompassing historical, intraday and predictive metrics, unlocking the value of post trade data, making it possible to see trends and drive efficiencies that were previously hidden across multiple systems
- One post trade solution means greater automation and Straight Through Processing, and coordination for business events that take place across the middle and back office. Whether dynamically scaling performance in the back office to match trading volume spikes in the middle office or coordinating backups and restores, a unified middle and back office system means greater efficiency and stability than ever possible before
- One "client view" through one set of data across all post trade functions, facilitating a better client service and reporting.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 53,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit **www.fisglobal.com**



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