



FIS DERIVATIVES UTILITY

The Next Generation Multi-tenant Operations and Technology Outsourcing Solution

The FIS Derivatives Utility – a transformation of the clearing industry

A powerful combination of people, process and technology to support derivatives clearing

As a trusted provider of cost-efficient derivatives clearing technology for more than 30 years, FIS has long been a valued partner to the clearing industry. Through its post-trade systems, FIS technology is already responsible for processing the majority of the transactions in the market via the Clearvision™, GMI™ and UBIX™ systems. FIS has the technology footprint that makes it uniquely qualified to expand its services beyond technology into a solution encompassing both operations and technology. At the same time, many firms in the industry have come to the realization that a key to their future is adopting a strategy to outsource non-core functions of their business that do not differentiate them from their competition. The FIS Derivatives Utility™ was created to address this growing demand for outsourced derivatives clearing operations.

In 2015, Barclays became the first client of the utility. Through this agreement, FIS acquired the Barclays' global operations and technology team supporting cleared derivatives. In early 2016, Credit Suisse became the second client, adding its own global operational and technology staff to the utility. With the utility providing clearing operations and technology for both firms, it now has the people, the technology, the experience and the scale to provide the same clearing capability to the rest of the industry. The FIS Derivatives Utility is now being the most comprehensive solution in the marketplace providing greater scale, efficiency and control to its participants.

FIS Derivatives Utility:

- More than 500 operational staff in nine cities across Europe, the Americas and Asia
- Support for cleared OTC and listed derivatives across the global clearing marketplace
- Backed by financially secure, non-bank company with market cap of \$25 billion and annual revenues of \$9 billion

Empowering
the Financial World



FIS DERIVATIVES UTILITY

The Next Generation of Operational Outsourcing

What is the FIS Derivatives Utility?

The FIS Derivatives Utility is a centralized, multi-tenant outsourced operating model for derivatives clearing technology and operations. FIS does not provide the clearing memberships, nor does it take any financial positions in derivatives trading. Rather, it provides completely outsourced technology and operational services for the full scope of middle- and back-office functions required to support derivatives clearing.

The FIS Derivatives Utility serves multiple types of firms in the industry today that trade or clear derivatives:

- Intermediary firms such as global brokers, regional brokers and other firms that clear derivatives trades on behalf of other entities
- Proprietary traders that clear their own book of business
- End-users of derivatives that have made a business decision to self-clear

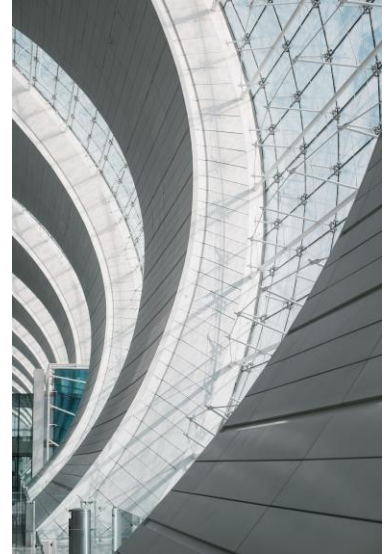
How is the FIS Derivatives Utility different from other outsourcing models?

The FIS Derivatives Utility is a core business for FIS and a cornerstone of the FIS growth strategy in the clearing space. With long-term contracts already signed with both Barclays and Credit Suisse, FIS is already committed to this business for the long run. This level of commitment makes FIS the most stable and safe provider of clearing operations in the market.

FIS is the only firm today who can provide the full scope of operational services in the utility model by leveraging industry standard technology that it owns. Other providers either can only provide one area of operational outsourcing or provide the full range of services but are dependent upon third-party or proprietary technology to do so. In both cases, their technology increases complexity, cost, risk and time to market compared to the FIS Derivatives Utility.

The financial industry is increasingly moving toward utilities as evidenced by multiple new offerings in the space – the benefits of mutualized change costs, “best-of-breed” operational and technical expertise, and multi-tenant technology allow utilities like the FIS Derivatives Utility to process at a far greater efficiency than any other operating model. That efficiency means lower and more predictable costs in the long run for utility participants compared to any other outsourcing arrangements.

The FIS Derivatives Utility is solely focused on providing technology and operational services to its clients. FIS does not take on any economic role or use its own balance sheet for trading or clearing activities. This reduces the risk profile of using the FIS Derivatives Utility compared to getting these services from an intermediary. It also means that operational services and technology can be removed from other services your firm might receive from that same intermediary, lowering your business continuity risk.





What services does the FIS Derivatives Utility provide?

FIS can provide all significant middle- and back-office processing that are required for derivatives clearing including trade clearing, margining, funding and control, brokerage, as well as the technology, infrastructure and change management required to keep all of these systems up to date with the rapidly evolving clearing markets and regulations.

More specifically, the FIS Derivatives Utility provides firms with:

- The ability to support derivatives clearing on any of the markets serviced by the utility, currently more than 80 markets globally
- Scalability to meet both current and future needs – the utility construct allows resources to be quickly added where they are needed, when they are needed
- A deep knowledge pool of subject matter experts who deliver operational and technology expertise unparalleled anywhere else in the industry
- A superior change management model for moving into new products and markets that does not require long, effort-intensive and error-prone projects to deliver. FIS resources can be quickly made available as you need them to address your requirements for new products and markets

Why FIS

As a publicly traded company with a market capitalization of more than \$25 billion and annual revenues of \$9 billion, FIS has the financial stability and size to make a long-term commitment to providing these services. This makes the FIS Derivatives Utility the most stable, cost-effective and comprehensive provider of operational outsourcing in the market today.