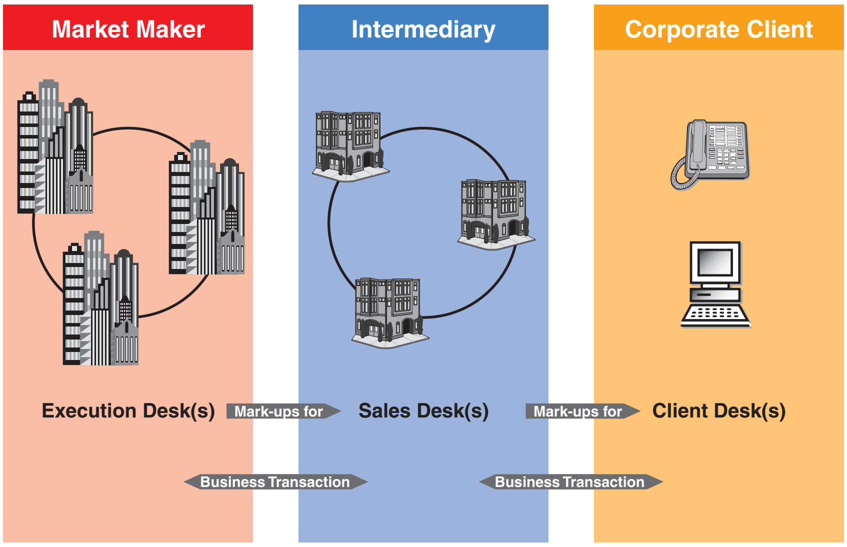
IBM Global Services
Finance

Valuta-Direct® Trading & Selling

The e-commerce solution for fixed-price transactions with standardised OTC products



Business Model II — The solution with multi-bank capability for real-time fixed-price transactions

Highlights

- ***Fully automated transaction processing — worldwide, with partner banks/branches as intermediaries and as a service offering direct for business clients***
- ***Cost reduction for each transaction due to workflow support via independent organisational units (multi-bank capability)***
- ***Customisation of the basic package to bank-specific business processes***
- ***Specification of flexible client-specific mark-ups***

Many people are involved in fixed-price transactions — but there is only one requirement: speed with the greatest possible security and actuality Commercial banks must exploit all potentials for rationalisation in the global money market, foreign exchange and OTC securities business. In a tough competitive environment, it is a question of handling client transactions quickly, efficiently and with an extremely exact database that is current at all times.

Branches or internal departments managed as profit centres demand optimum client service in fixed-price transactions with the lowest possible deployment of resources and personnel.

Important business clients should be provided with a secure, convenient, tailored solution so that they can carry out e. g. foreign financial transactions independently with the same professionalism and efficiency they are accustomed to from their commercial bank.

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Valuta-Direct® Trading & Selling optimises the electronic sales channel

Valuta-Direct® Trading & Selling systems enable a commercial bank to process transactions directly with their clients. Two organisation structures with different complexity can be mapped:

- *Business Model I (B2B) recognises two business partners: the bank and their clients. A transaction takes place between these two parties.*
- *In Business Model II (B2B2B), the connected intermediary bank is added as another business partner. Their clients receive binding offers as the basis for concluding trading transactions with their bank. The intermediary bank can thus offer their clients the same service as a large commercial bank at low cost, without the need to implement the entire infrastructure and risk management for the relevant business areas.*

Valuta-Direct® Trading & Selling provides a uniform, consistent platform for these business models. All standard fixed-price transactions can be processed on this platform:

- *In real time*
- *With virtually 100% automation (Straight Through Processing)*
- *With client-specific mark-ups.*

React faster, reduce costs, accelerate processes

The basic package Valuta-Direct® Trading & Selling can be implemented quickly and simply; it is only customised to integrate with existing business processes. This means that it can be used productively within a very short time. It consists of the Execution Desk and Sales Desk on the bank side as well as the Client Desk on the client side.

With their Execution Desk functionality, commercial banks can apply binding prices to their products, tailored to individual clients. Based on these tradable quotes, the dealers at the Sales Desks conclude legally binding transactions on behalf of their clients, or business clients capture their own transactions at the Client Desks. The transaction data is passed on to further systems for checking and further processing without additional manual processing (Straight Through Processing).

With Valuta-Direct® Trading & Selling, commercial banks increase the number of their fixed-price transactions, lower costs over the long term, and are able to offer their clients a perfectly tailored service directly or through intermediary banks.

Execution Desk — setting the course for automatic transaction handling

The Execution Desk is the front end for the market maker. Traders can specify their prices centrally here. For the system administrators, there are comprehensive functions for data setup and maintenance.

At the Execution Desk, you can:

- *Import current market rates – Various market data providers or in-house systems can be connected via common trading platforms such as Triarch, Tibco and TTRS.*
- *Specify individual mark-ups – Mark-ups specific to clients, products and amount classes can be added to the market price.*
- *Stay up-to-date regarding market rates and client-specific prices – Price information is provided in real time.*
- *Centrally check orders and individual price requests – Limit orders and price requests of sales representatives are controlled with the help of integrated monitoring tools.*
- *Have transactions processed automatically – The data is routed online to connected position keeping, back office and risk management systems.*
- *Gain more time for consulting – As standard quotes are processed automatically, the traders can concentrate on advice-intensive business.*

- *Conveniently manage authorisations – Individual authorisations with regard to user profiles and groups can be assigned on a central basis.*

Sales Desk — everything that sales representatives need for their business
Dealers at branches, internal profit centres and partner banks are provided with a powerful instrument: For money market and foreign exchange products as well as OTC securities, they can offer their clients an optimised service — with a minimum of organisational and personnel overhead in the background.

The Sales Desk offers a wide range of products: spot, outright, swap transactions, limit orders, fixing transactions, fixed-term deposits and loans, and other specific OTC products. Special entry functions that are available include block trades, pending transactions, draw downs and prolongations.

At the Sales Desk, you can:

- *Provide reliable information immediately – All prices are client-specific and transferred in real time – a requirement for successful consulting.*
- *Reach a conclusion more quickly – All transactions are entered online; the conclusion is confirmed directly.*
- *Optimise the profit margin – The dealer has authority to define his or her own client mark-ups.*
- *Maintain a comprehensive overview – The system provides permanent tracking of all transactions.*
- *Inform others immediately – Exceeding of limits or trading with exotic currencies require rapid decisions. The system offers a convenient dialog function for individual price requests to the Execution Desk.*

Client Desk — concluding fixed-price transactions independently
The Client Desk uses the Internet and Java-enabled browsers to provide business clients with all the functionality for their fixed-price trading. Transactions take place quickly, precisely and without complications thanks to the comprehensive user interface and the online connection to the intermediary bank/ market maker. This way, clients can execute trading transactions around the clock — on their own and independent of location. Nonetheless, the bank is always “visible”: For branding purposes, the Internet front end can be charged to reflect the bank’s own corporate identity.

With the Client Desk, your clients can:

- *Make informed decisions quickly – All price information is provided in real time and geared specifically to each client.*
- *Work directly with the system – Transactions and limit orders are entered online; deals are confirmed immediately. Deal tickets are printed at the push of a button.*
- *Precisely monitor their transactions – The system offers a complete overview of all trading transactions and executed limit orders.*

System requirements
Server
Valuta-Direct®: Unix** (AIX, Solaris)

Workstations
POWER.Trader: The client software runs under WinNT** and Win 2000**.

Internet PC
NET.Trader®: The Java** applets for trade at the Client Desk are provided for download by browsers with Java capability and run on all common operating systems.

For more information
To learn more about IBM Valuta-Direct® Trading & Selling solutions, send an e-mail to: Global-Services.Finance@de.ibm.com

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