

SOLUTION OVERVIEW

Transforming Custody Service

Intelligently finance your business with smarter repo trading and securities lending decisions



INTRODUCTION

Transcend at a Glance

Transcend's modular solution suite empowers the profitability of collateralized businesses by **optimizing global inventory, funding and liquidity decisions.**

Unlike any other provider in the space, Transcend sits on top of your existing technology suite to accelerate ROI and holistically optimize your business.

100+

Industry Integrations

\$2.5T

Assets on Platform

35+

Solutions Implemented

135+

Team Members

100%

Client Retention

3-7

Average Months to Implement

SOLUTIONS FOR THE ENTIRE CAPITAL MARKETS COMMUNITY

- Banks
- Dealers
- Custodians
- Buy-side

SERVING A BROAD SET OF BUSINESS AREAS

- Sec Finance
- Funding
- Treasury
- Operations
- Derivatives
- FCMs
- Prime Services
- Risk & Regulatory

Transcend in the News

Custodian Triparty Services

Transcend Partners with State Street to Build a Strategic Tri-party Platform

“State Street has announced the addition of State Street Triparty to its Collateral+ platform, in line with the strategic expansion of its collateral management programme.”

“The tri-party collateral service release comes on the back of a period of extensive testing with clients — and further testing is currently ongoing with buy-side and sell-side firms in preparation for extending this service for securities lending, repo trades and for peer-to-peer transactions that are expected to go live before the end of 2021.”



**2021 AFTAs Winner: Best Collaboration Initiative
Transcend & State Street Collateral+**

Collateral Validation Service

Acadia and Transcend Form Partnership to Mitigate UMR Challenges for the Buy-Side and Dealers

“This service allows the buy-side and broker-dealers to confidently manage the growing complexity and volume of margin activity driven by Uncleared Margin Rules (UMR).”

Transcend and Acadia’s Collateral Validation Service is designed to ensure that all end of day collateral balances held at third-party and tri-party custodians meet the required criteria, including collateral eligibility, sufficiency, concentration, and wrong-way risk according to the requirements defined in their related collateral agreements.”



New and Complex Market Drivers



Global Regulations

Global rules have significantly increased the need for improved collateral control and analytics



High Liquidity Standards

Liquidity and risk standards for financial institutions reduce the supply of high-quality collateral



Low Visibility / Optimization

Collateral data is usually trapped in silos, preventing visibility and optimization across the enterprise



Higher Capital Risk

Firms need a smarter method to match sources and uses of collateral otherwise risk significantly higher capital and funding costs



Today's Industry Challenges

Collateral
Services

Custody

Securities
Finance

- Siloed business and operational platforms across Securities Finance, Custody, Collateral Services
- UMR regulation is increasing demand for custodians to provide tri-party like capabilities
- Fragmentation of client inventory and collateral is driving the need for real-time visibility and optimization capabilities
- Collateral transformation needs require tighter integration between Securities Finance and Collateral Services
- Sub-optimal portfolio decisions across Agent Lending and Collateral Services
- Lack of unified MIS and analytics



The Transcend Difference

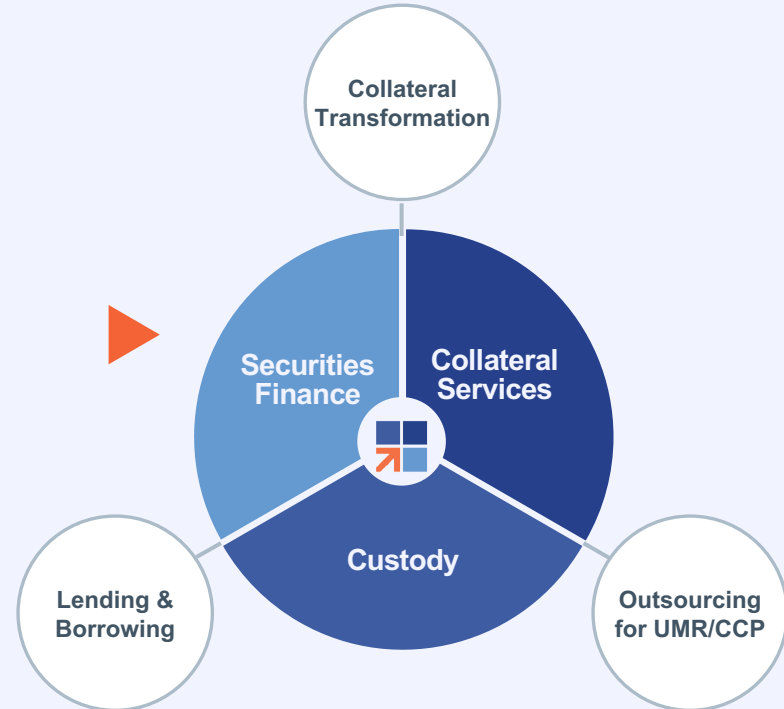
Former State



Next generation
technology facilitating
strategic transformation



Future State



A New Paradigm for Your Client Services

Connectivity Solutions

Real-time connectivity to banks, custodians and utilities with margin, agreement and collateral data

Eligibility Central

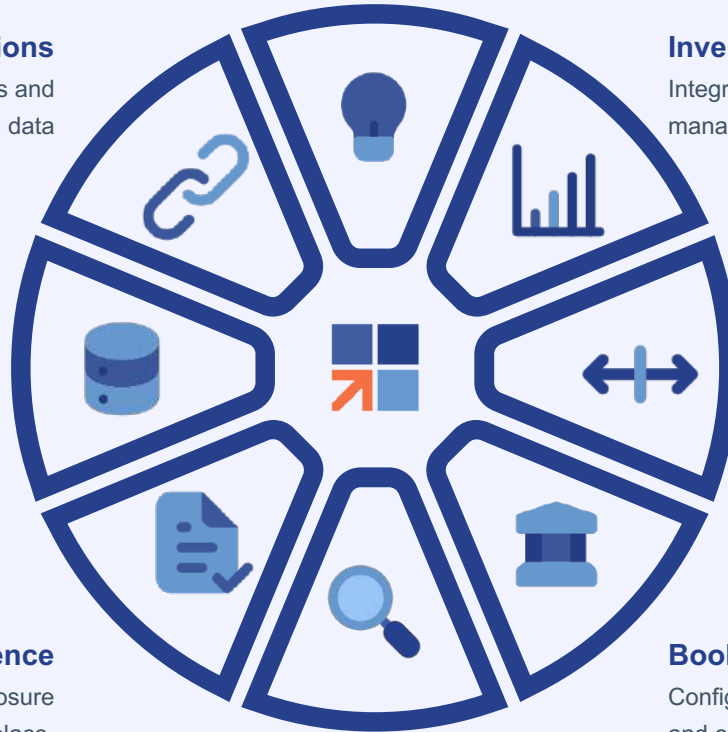
Harmonize, analyze and manage eligibility data across derivatives, securities finance, lending, ESG and fund requirements.

Collateral Validation

Seamlessly evaluate whether collateral balances held at third-party and tri-party custodians meet criteria defined in agreements.

Margin Intelligence

Manage margin activity and exposure across the enterprise from one place.



Inventory Intelligence

Integrate, harmonize, forecast and manage security inventory real-time

Cash & Liquidity Intelligence

Analyze, forecast and manage cash and security flows intraday to reduce exposure risk and lower operational and funding costs.

Global Optimization Engine

Maximize liquidity while reducing funding and operational costs through unique algorithmic and rules-based processing.

Booking Service

Configurable rules framework to automatically and optimally instruct collateral movements via a common API to internal systems.



Real-time Analytics



Real-time integration of front, middle, and back-office activity



Drill down to atomic trades, positions, balances and movements



Seamless connectivity with network of custodians, tri-parties, and CCPs



Inventory visibility across legal entities, asset types, collateral uses, liquidity, and funding



Powerful dashboards for targeted business metrics and actionable intelligence

Trusted by Industry Leaders

Analytics

- Major bank using **Inventory and Sources & Uses** to assess collateral and funding usage across regions and business lines
- Tier 1 European bank live with **Transfer Pricing** for Global Equities
- Global bank extended Transcend to enterprise risk management for visibility into **failed/disputed margin and collateral**
- G-SIB **forecasting cash** usage across funding silos and flows

Optimization

- Custodian leveraging Transcend for **Inventory Management, Triparty Optimization & Booking Automation** to help clients comply with UMR
- **CCP Central** launched with Tier 1 bank partner. The new module harmonizes global eligibility schedules, margin & collateral data coupled with STP
- Global bank's operations team leveraging optimization algorithm to drive **optimization efficiencies, while limiting collateral moves**

Automation

- Outbound SWIFT messages enabled to **mobilize collateral at custodians and triparty agents**
- UK bank expanding client directed allocation **connectivity with JPM and Euroclear**
- New “Reserve & Release” ensures **proper usage of shared inventory** across business lines and functions

Compliance

- Successfully met client's regulatory reporting mandate with full implementation of Transcend **QFC Recordkeeping**
- Asian broker-dealer **validated received collateral** to ensure compliance with business and legal terms
- Canadian bank enforced **tight exposure controls** with a sophisticated alert framework
- Helped client meet **Reg YY**



The Transcend Client Experience

Strategy & Planning

Our team members are champions in their respective fields. We leverage deep industry expertise to carve out a tailored implementation roadmap designed to minimize complexity and quickly delivers measurable results.

“Transcend truly understands the real-world complexities around financing, collateral and liquidity. Their innovative solutions helped us address key challenges within our business which we then scaled for the whole enterprise.

- HEAD OF INVESTOR SERVICES, GLOBAL BANK

Implementation

Our implementation team gains a profound understanding of project requirements and tactfully deploys resources to make sure client solutions are successfully deployed on-time and on-budget.

“Transcend redefined our expectations around vendor implementations. The high-quality development was sharp, as is the Transcend implementation team. They are engaged, responsive, and knowledgeable.

- PROJECT MANAGER, ASIAN INVESTMENT BANK

Customer Success

We pride ourselves on maintaining a tight relationship with each of our clients. This partnership helps ensure our solutions are leveraged to maximize impact and elevate client performance.

“Transcend’s innovative and comprehensive technology is helping us achieve our key business challenges today, and it is the only solution in the market that has the scalability and integration we will need tomorrow.

- SENIOR MANAGING DIRECTOR, GLOBAL CUSTODY BANK



**Strategic
Partner**



**Domain
Expertise**



**Agile &
Flexible**



**Solution-
oriented**



**Deep
Commitment**



**Quick
Results**



transcendstreet.com



APPENDIX

Solution Overviews



Inventory Intelligence

Integrate global asset balances in one place and analyze enterprise-wide inventory attributes such as composition, utilization and sourcing.

Enable coordinated funding, collateral allocation, and trading decisions with real-time insights into current and projected settlement positions.



Connected

Connect global depositories with front- and back-office systems to automatically integrate trading and allocation activity in real-time.



Transparent

Aggregate enterprise-wide inventory with the ability to drill into reference data and trace positions to the trading activity driving flows



Strategic

Power optimization and transfer pricing initiatives with a harmonized source of asset, obligation, and agreement data.



Eligibility Central

Digitize, harmonize and analyze eligibility schedules spread across CCP, tri-party, derivatives, and bi-lateral securities finance systems.

Reveal new funding opportunities and accelerate the completion of critical collateral initiatives such as optimization and mobilization.



Connected

Gain direct connectivity to tri-party agents, CCPs, central banks and technology systems and send harmonized eligibility data to downstream systems



Intelligent

Empower smarter trading decisions by identifying acceptable collateral types, with associated margins and constraints



Insightful

Analyze granular agreement data, from acceptable collateral types to constraints around ratings, maturity, & index composition, to concentration limits



Cash and Liquidity Intelligence

Harmonize cash and securities balances across depots, nostros, and internal accounts. Comprehensively analyze intraday account activities and accurately forecast balances in order to make smarter cash and liquidity decisions.

Manage unencumbered assets most effectively and reduce a reliance on cash buffers and unnecessary credit line draws.



Proactive

Accurately forecast balances across funds / accounts and avoid cash deficits



Efficient

More effectively utilize assets by limiting the size of cash buffers and reveal optimal funding scenarios



Compliant

Seamlessly comply with various liquidity guidelines, such as BCBS248 and LCR



Collateral Validation

Connect collateral balances, eligibility schedules and reference data in a single platform to automatically analyze whether collateral received satisfied business and legal terms related to sufficiency, eligibility, wrong-way risk and concentration limits.

Identify and address the source of potential collateral validation breaks before they create unnecessary risks for your firm and investors.



Seamless

Leverage pre-built connectivity to tri-party and third-party custodians as well as bi-lateral trading systems for real-time balance updates.



Transparent

Customizable workflows showing collateral exception reasons with the ability to drill down to security level details



Comprehensive

Consolidate agreement terms across disparate collateral ecosystems including tri-party, ISDA margin, CCP/FMU, SBL, and more



Sources and Uses

Trace firm-wide assets back to their original source and empower liquidity, trading, billing, and financing decisions that ensure your financial resources are being utilized most efficiently.

Reveal the best scenarios for your assets and improve overall efficiency, transparency, and performance.



Strategic

Fund securities and derivatives trading more effectively and proactively with intraday allocation visibility



Efficient

Identify inefficient collateral usage such as tenor mismatches and ensure you are monetizing assets that trade at a premium



Dynamic

Easily configure allocation models that emulate business waterfall methodologies to ensure alignment with business policies and priorities



Transfer Pricing

Calculate the cost of carry associated with each trade and allocate as expenses on your books and records tied to the appropriate business, desk and trader.

Incentivize smarter collateral and funding decisions to improve business- and firm-wide profitability.



Transparent

Reveal insights into secured and unsecured funding and liquidity costs across the enterprise in order to drive smarter decision.



Consistent

Ensure consistency and neutrality across the firm's business lines by enforcing consistent funding policies.



Impactful

Eliminate internal arbitrage opportunities and achieve a better outcome for the firm by driving more informed pricing and trading decisions.



Collateral Optimization

Configure scenarios and apply dynamic cost parameters to identify the collateral allocations that best align with your organization's efficiency, risk and financial priorities.

Identify and execute the smartest collateral allocations for bi-lateral finance, tri-party, and derivative margin activity from a single platform.



Dynamic

No-code configuration to implement optimization objectives in real-time via powerful algorithmic and rules-based decision making.



Holistic

Create a single source of enterprise-wide eligibility, inventory, and obligation data with out-of-the-box connectivity to CCPs, and tri-party agents



Automated

Achieve STP with an integrated booking service that automates the execution of thousands of collateral moves in minutes



Booking Service

Connect your post-trade and collateral management platforms to order management systems to seamlessly mobilize your cash and collateral via settlement, trade, and collateral allocation instructions.

Seamlessly operationalize collateral management and optimization activities by executing one or thousands of transactions in minutes, regardless of complexity.



Transparent

Monitor execution statuses in real-time, with support for full execution, approval and audit workflows



Configurable

Configure rules to instruct movements between triparty agents, CCPs and bilateral counterparties



Efficient

Achieve STP and reallocate attention formally spent selecting and executing bookings to other initiatives

