



## TCS B&NCS

### Lending and Borrowing

#### Future Proof your Lending and Borrowing

#### A Fresh Perspective

Once an activity restricted to the back office, Securities lending and borrowing has become a major front office department for Custodians, Broker Dealers and Investment Managers during the last few years. Securities lending today plays a major role in the efficient functioning of the securities market worldwide. The volume of securities on loan has grown multiple times thanks mainly to an active hedge fund community and institutional investors looking for enhanced returns.

Traditionally, Securities lending and borrowing transactions were supported by an intricate balance of telephone and fax communications. However, as the industry grew, financial institutions were faced with challenges; difficulty in managing the ever-growing Securities lending and borrowing operations using manual processes; heavy manual intervention resulting in various traceability issues and audit shortcomings. Although some firms developed an automated front end, there was a lack of end-to-end integration and this resulted in further challenges in incorporating the securities lending and borrowing portfolios into firms' Enterprise Risk Management systems.

Going forward, Industry experts believe that an efficient operational framework built upon strong technology will be the key to successfully managing the growing Securities lending and borrowing program. Technology solutions, which provide global access to pools of liquidity (multiple security types), ease of use and end-to-end lifecycle management of loaned/borrowed securities, will help the solution to emerge victorious.

#### Broad Enough to Meet Your Needs

The Lending and Borrowing solution from TCS B&NCS is a technologically robust solution that enables financial institutions to operate more efficiently and effectively through automation of complex loan and collateral processing. The system acts as a stand alone application for the Securities lending and borrowing desk at Investment Managers, Custodians and Third Party Agents, and automates their Securities lending and borrowing processing. It also provides an easy and flexible interface with various external systems.

The solution offers end-to-end lifecycle management to enable true Straight Through Processing (STP) of all types of loans and allows effective exception handling capabilities.

It has a future-proofed modular design and extensive configuration options to meet each customer's specific business requirements. The system has separate modules for

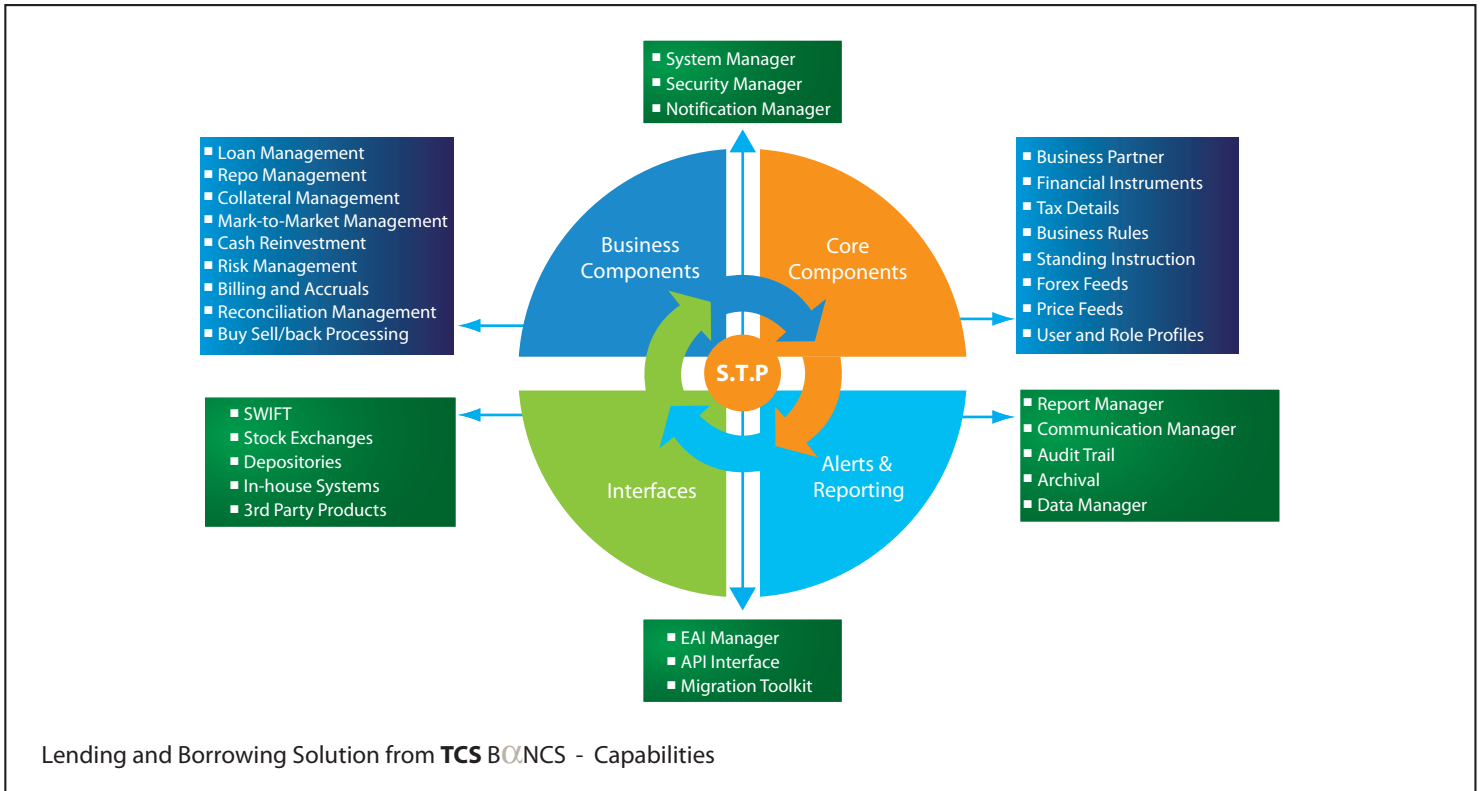
- Position management
- Loan management
- Collateral management
- Mark-to-Market management
- Cash Reinvestment and Reconciliation
- Risk management
- Billing and Claims management
- Workflow management

These help our customers achieve higher STP rates, better client servicing, lower operational costs, increased efficiency and enhanced returns.

#### Turning our Technology to Your Advantage

Lending and Borrowing from TCS B&NCS is a next generation solution designed to provide custodians, broker-dealers and investment managers with high maintainability, extensibility and configurability, at a lower cost of ownership and drive increased productivity. Customers deploying TCS B&NCS achieve higher STP rates with enhanced returns on securities lending and borrowing.

- Multi-market, multi-entity and multi-currency processing across full loan and collateral lifecycle
- Full SWIFT ISO 15022 support, enabling STP
- Significantly parameterized and rule-driven configuration
- Support for multiple collateral types: Cash, Equities, Fixed Income Securities, Letter of Credit, and Triparty System supports more than one collateral type for a single loan
- Computation of counterparty exposure (including approved credit limits, approved collateral types, and pre-settlement credit exposure)
- Manual and Automatic Loan creation
- Collateral Substitution
- Mark-to-Market
- Loan Recall and Return
- Seamless integration with Corporate Actions and Custody
- Facilitates global changes to Loan Rates, Collateral Type, Borrower ID and Security ID
- Comprehensive reporting capabilities and workflow features
- Automatic notifications through SWIFT, E-mail, Web, Fax



**TCS BANCNS - Enabling Transformation**

TCS BANCNS enables transformation in financial services through its holistic suite of solutions. A market ready universal financial platform, each solution in the suite runs as a scalable, robust component, fully integrated with existing business models, enterprise and technology infrastructures. The TCS BANCNS platform encompasses an array of pre-configured, customizable banking, capital markets and insurance products. All these products are integrated across their respective value chains through the business process configurability available in the service integrator component of the product suite. Built on open architecture, this component-based product suite leverages service-oriented and event-driven architectures. Developed on TCS' in-depth market understanding through numerous interactions with more than 250 customers across 80 countries, this product suite offers one of the broadest end-to-end functionality for financial services.

**Benefits of the Lending and Borrowing Solution from TCS BANCNS**

- **Increased coverage**  
Multi-site, multi-market deployment with an exhaustive functionality covering loan/borrow and collateral settlements, and enabling rich capabilities/services for notifications, billing and risk
- **Higher productivity**  
Increased operational efficiency and cost reductions by eliminating redundant processes and errors due to manual intervention
- **Process convergence**  
Loans and collateral processing is consolidated and processed across

geographies as a shared service, eliminating duplication of effort and reducing operating costs

- **Improved customer servicing**  
The system supports a range of notifications through SWIFT, email, Web, Fax, automated reminders, response tracking and consolidated, integrated reporting to clients
- **Straight Through Processing (STP)**  
STP engine supports configuration, audit, scalability and integration with workflow. Dashboards are provided for application administration and STP
- **Enhanced workflow**  
Workflow enabled with aspects like organization structure, rule/SLA based work item assignment and proactive notification

**About Tata Consultancy Services**

Tata Consultancy Services (TCS) Limited is an IT services, business solutions and outsourcing organization that delivers real results to global businesses, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled services delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. With over 143,000 of the world's best trained IT consultants located across the world, TCS is uniquely positioned to deliver its flexible world class services seamlessly to any location. For more information please visit <http://www.tcs.com>.

Connect us:

To know more about the Lending and Borrowing solution from

TCS BANCNS, connect with us at [tcs.bancns@tcs.com](mailto:tcs.bancns@tcs.com) or

Visit [www.tcs.com/bancns](http://www.tcs.com/bancns)