

Option Computers Ltd
9 Bonhill Street
LONDON, EC2A 4PE
UK

Tel: +44 (0) 20 7382 4150
Email: sales@dealhub.com
Web: www.dealhub.com

DEALHub Case Study: Bank Creates Own Dealing Network

Leading global investment bank saves US\$2,000,000 annually with DealHub/Connect

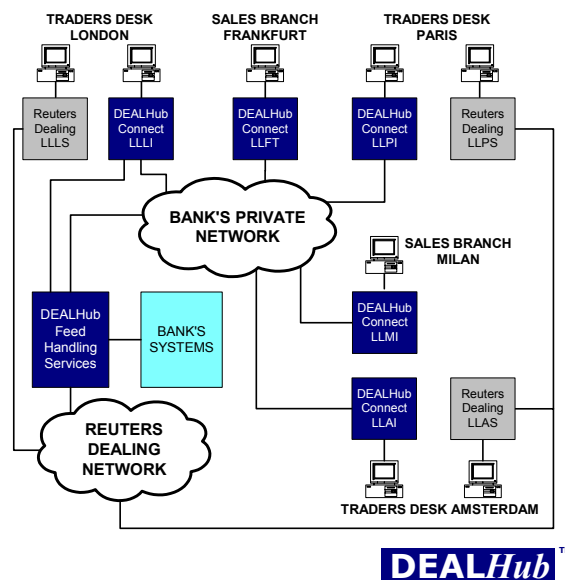
Using third-party proprietary networks such as Reuters and EBS for internal dealing may seem to make sense at first sight. But is it really the best option?

For many banks, internal FX dealing is unavoidable. Branches chat and trade with each other whilst sales desks chat and trade with spot desks and options desks. In most cases, internal trading activities and communications are carried out on the same systems and proprietary networks as those used for external trading.

At many locations proprietary services, such as Reuters and EBS, are only used for internal trading, thus pushing the cost per trade even higher. This situation arises from a time when no other option was available and third-party networks were the natural solution. However, vendors have taken advantage of this monopolistic situation to maintain high prices and charging structures that impose fixed costs on users regardless of their level usage.

Creating an internal dealing network using DealHub/Connect

Option Computers has addressed this anomaly with DEALHub/Connect. DEALHub/Connect provides a low cost alternative to using proprietary networks for conversations and dealing by providing a secure, reliable and fully functional alternative; either using a bank's own existing network or securely encrypted over the Internet. This results in a bank being able to create its own customisable internal dealing environment locally, regionally or across the globe at a fraction of the cost of using proprietary networks. This internal dealing environment can even be extended to the bank's customers by placing a branded version of DEALHub/Connect at the customer's premises, thus providing a captive channel.



DEALHub/Connect includes familiar forms based conversations and dealing along with a long term archive for instant recall of conversations and tickets as well as supporting forwarding of conversations and tickets to internal bank systems using standard protocols.

One major international FX bank has deployed DealHub/Connect over its internal network in all its major dealing centres across the globe in conjunction with implementation in sales branches. From a dealing centre perspective, DealHub/Connect sits alongside and complements Reuters Dealing, whilst in the branches it has replaced existing services at a fraction of the cost.

The primary objective was to reduce the dependency on third party proprietary services where only internal dealing is required. This has meant that many branches, which historically had their own Reuters Dealing servers / codes and associated keystations and conversations, have either significantly reduced the requirement for Reuters Dealing or eradicated it altogether. DEALHub/Connect's extensibility and flexibility with respect to numbers of dealing codes, users and conversations has further facilitated this process as well as enabling the bank to reduce the number of keystations at the main dealing locations.

Key Benefits of DealHub/Connect to the Bank

The benefits to the Bank have been twofold. Firstly, recurrent costs associated with the use of Reuters Dealing have been reduced by US\$2,000,000 per year. This was achieved by reducing the number of third-party dealing codes, keystations and conversations. Secondly dealing access has been provided to a larger community within the branches, without incurring any significant additional costs. Operationally this has permitted the Bank to provide a quicker and more effective service to its clients, adding to the bank's competitive edge. DEALHub has enabled the bank to increase its operational effectiveness by leveraging its existing network infrastructure as well as reducing its third-party vendor costs.

About Option Computers

Founded in 1985, Option Computers (www.dealhub.com) is a leading provider of software solutions and services to trading and back office operations. DealHub, the flagship product, is targeted at FX trading operations ranging from single locations through to complete global operations. It provides extensive real-time conversation and trading monitoring, including statistics on customer interactions and dealing code usage, whilst its multi-source deal capture capabilities provide for STP from the front office right through to back office systems. All activity is archived, thus supporting investigation of out trades etc. DealHub is used by 5 of the top 10 banks at 18 locations globally.

External sources supported by DealHub include Reuters Dealing, EBS Spot, EBS Trader, EBS Prime, AVT, TIB Mercury, Voice Broker DDN, FXall, Currenex, FX Connect and Garban ICAP ETC as well as in-house trading platforms.

In addition, DealHub/Connect is a cost cutting alternative peer-to-peer FX dealing solution designed to integrate counterparties, branches and FX dealing portals without the need for routing via expensive FX dealing networks.

For more information contact:

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