



Deutsche Bank

Integration and Automation of Credit Derivatives Trade Processing Flows

Deutsche Bank is a top tier global financial institution whose activities span Corporate Banking & Securities. A Private & Business Clients business provides private individuals and small businesses with a full range of traditional banking products and an Asset & Wealth Management arm. The Bank employs nearly 100,000 staff worldwide.

The bank offers financial products and services for corporate, institutional private and business clients. Services include sales, trading, research and origination of debt and equity, mergers and acquisitions, corporate finance, wealth management, retail banking, fund management, transaction banking, and risk management products such as derivatives.

Deutsche Bank is one of the largest foreign exchange dealers in the world with a market share of around 20%.

The Goal – seamless integration between ICE Link (formerly T-Zero) and in-house Deutsche Bank systems

ICE link is the world's most widely adopted CDS trade workflow and connectivity provider with connectivity to more than 800 buy-side institutions, 26 sell-side dealers and 12 prime brokers and provides full support for CS transactions through a single user interface or API.

Deutsche Bank had made an internal decision to use the ICE link post-trade connectivity and middleware platform for the credit default swaps (CDS) market, with the aim of reducing the time to process trades and to reduce operational costs. ICE Link provides industry participants with electronic workflow and connectivity through to real time clearing, minimizing operational risk and cost while helping participants to meet new regulatory clearing requirements. However, Deutsche Bank's management mandated that it must be integrated seamlessly into their in-house trading

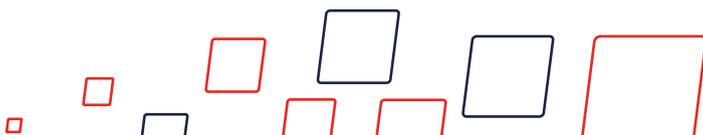
systems. Once a trade has been received from the Deutsche Bank trading systems, it must be alleged on the ICE Link platform against the selected Hedge Fund. After the trade has been accepted by the hedge fund, the connector automatically inserts the fund allocations into the Deutsche Ban trading systems.

To achieve the required business benefits, a custom solution was required to link Deutsche Bank to ICE Link providing:

- Coverage for CDS Single Names and CDS Indexes.
- Coverage for core Deutsche Bank CDS workflow including new trades and trade amendments, as well as automated fund allocation insertion into Deutsche Bank systems.
- A robust architecture with guaranteed message delivery within the very tight timescales required by the two platforms.
- A solution with minimal configuration required for each additional client added to the Deutsche Bank systems.

"Digiterre delivered an excellent solution, on time, in a very complex, changing environment. They demonstrated an expertise in both technical and business knowledge and I would highly recommend them"

Michael Murray, Assistant Vice President, Group Technology and Operations, Deutsche Bank





Domain knowledge a key criterion

Deutsche Bank considered a number of potential sources for a solution:

- In-house development.
- Offshore development.
- Specialist third party development

Deutsche Bank identified two principal criteria in selecting the source for the solution – excellent domain knowledge in the credit derivatives area and deep knowledge of the ICE Link messaging API.

Having considered the pros and cons of each option, Deutsche Bank selected Digiterre Trading Solutions as the preferred third party specialist to develop and implement the Deutsche Bank Connector

Deutsche Bank best practices ensure an effective solution

The scope of the engagement included specification, prototyping, development and testing.

Digiterre worked closely with both Deutsche Bank and ICE Link throughout the development to ensure that the Connector was integrated with the latest versions of the API and that internal Deutsche Bank best practices were followed.

Regular reviews were carried out involving all three parties throughout the process, which helped to ensure that the project met the requirements of the business.

Solution cuts trade processing times and reduces cost

The Digiterre solution has allowed Deutsche Bank to reduce the time required to process trades and to reduce operational costs.

The connector integrates seamlessly into in-house systems, alleging trades on the ICE Link platform against the selected Hedge Fund, and automatically inserting the fund allocations into the Deutsche Bank trading systems.

The solution provides:

Coverage for CDS Single Names and CDS Indexes

Coverage for core Deutsche Bank CDS workflow including new trades and trade amendments, as well as automated fund allocation insertion into Deutsche Bank systems

A robust architecture with the guaranteed message delivery within the very tight time timescales required by the two platforms.

A solution with minimal configuration required for each additional client added to the Deutsche Bank systems.

About Deutsche Bank

Deutsche Bank has offices in major financial centres including London, Madrid, Frankfurt, New York, Paris, Moscow, Amsterdam, Warsaw, Istanbul, Dublin, Cayman Islands, Toronto, Kuala Lumpur, Sao Paulo, Singapore, Hong Kong, Tokyo, Sydney, Dubai, Riyadh, Manila, Mumbai, Bangkok and Belgrade