



**Monte Titoli**

*London Stock Exchange Group*

# MONTE TITOLI

Your global partner in post-trade excellence



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*«Monte Titoli is a pioneer in the evolving settlement landscape in Europe; committed to deliver innovative, efficient and cost-effective solutions that will empower our clients to reach new horizons.»*

P. Cittadini, CEO of Monte Titoli

## The company

Monte Titoli is a leading pan-European provider of efficient and secure post-trade services across a wide range of products. Part of the London Stock Exchange Group since 2007, it has an extensive international customer base of over 400 banks and brokers, CCPs and trading venues as well as more than 2,000 issuers.

In 2005, it was assessed by the International Monetary Fund as one of the most efficient, safe and sound post-trading systems in the world.



Monte Titoli provides a comprehensive range of services in four main areas: pre-settlement, settlement, custody and asset services.

It manages a highly sophisticated routing engine providing on-exchange and OTC trade matching and confirmation. Its ability to route trades to various settlement systems makes it a powerful tool for supporting increased cross-border business.

We operate one of the most reliable and cost efficient settlement systems in Europe, ensuring that cash and securities are exchanged in a timely and secure manner for a multitude of domestic and international products.

MonteTitoli is the trusted safekeeper for all asset classes, providing a full range of custody services such as distribution and settlement of new issues, income collection, tax reclaim services and timely and accurate corporate actions processing.

Before the end of 2011, Monte Titoli will launch a state of the art collateral management platform providing optimised allocation and re-use of collateral for an array of different purposes. It supports tri-party repos, general collateral transactions, OTC trade collateralisation, securities lending and borrowing and treasury liquidity services.

Actively participating in the Target2 Securities initiative, the company is represented in all project working groups.

# Pre-settlement: the gateway to global clearing and settlement

X-TRM is Monte Titoli's sophisticated pre-settlement system for capturing trades executed both on-exchange and OTC and routing them on to CCPs and settlement venues.

It provides all the necessary data enrichment and reporting to allow trades to be processed automatically from execution through to settlement, using a single system.

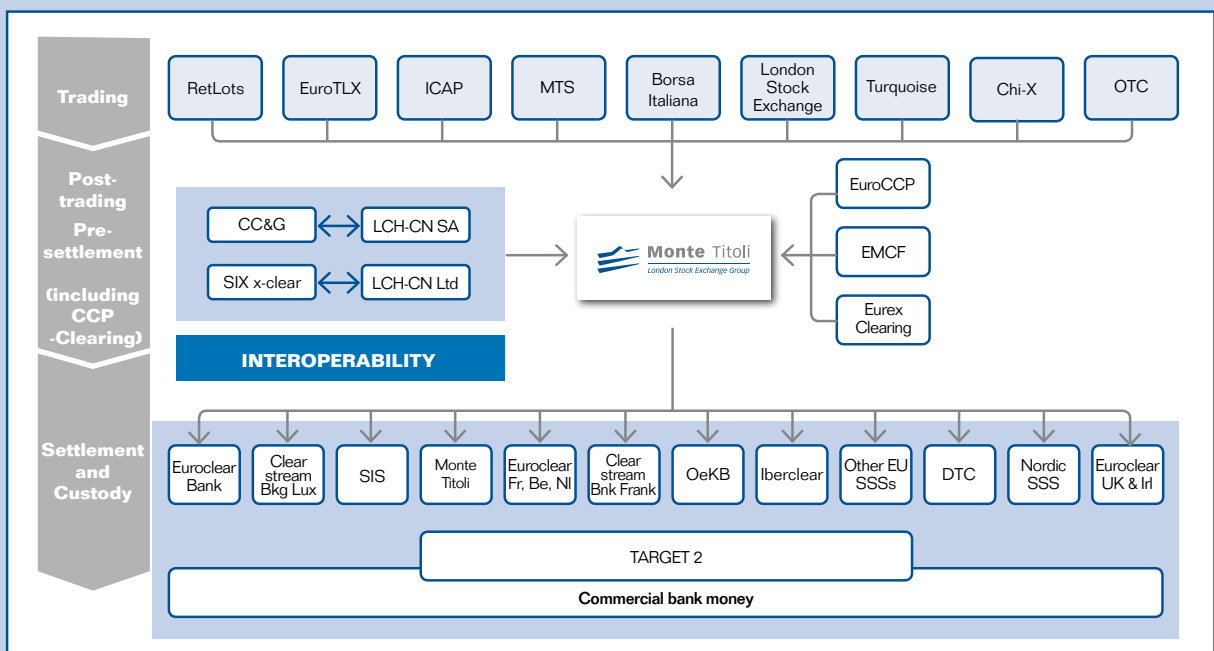
Functionality including interposition, position-netting, shaping and partial settlement gives central counterparties a comprehensive set of tools for efficiently managing risk.

It manages a wide range of post trade activities including management of settlement instructions, enrichment and validation of settlement information, the interposition of central counterparties, the calculation of net settlements and the routing of settlement instructions, management of corporate actions on failing trades and full reporting.

X-TRM serves numerous trading platforms and supports interoperability between CCPs and settlement systems.

## Advantages

1. Unique functionality allows X-TRM to increase efficiency and reduce operational risk
2. One-single matching tool and entry point to various settlement systems
3. A comprehensive real-time STP reporting for all asset classes
4. Hold and release functionalities according to ECSDA standards
5. Access to pan-European market, with more than 40% international clients





## Your gateway to pan-European settlement

Monte Titoli operates one of the most efficient, flexible and cost effective settlement systems in Europe, with an impressive 99.6% settlement rate (based on number of contracts).

It provides straight-through processing settlement for both guaranteed and non-guaranteed on-exchange and OTC trades, for all asset classes.

Express II has proven to be one of the most efficient, flexible and cost-effective settlement system in Europe, thanks to:

- Combination of efficient day and night cycles
- Automatic functionality for partial delivery and shaping
- Optimisation of liquidity (purchasing power is maximised thanks to firm and self-collateralisation functionality)
- Multilateral netting
- Segregated liquidity from central bank
- Securities lending
- Full reporting through multiple communication channels and compliance with ISO15022 standards

### Cross border Custody and Settlement

Monte Titoli offers a gateway to settlement and custody services across Europe, providing global solutions to global markets. Customers can rely on cut-off times very close to those granted by domestic systems at highly competitive rates. High performance straight-through processing routing and real time reporting on all linked settlement systems complete the service offering.

### Monte Titoli to lead adoption of T2S

Monte Titoli is a first mover in the implementation of T2S, the Eurozone next generation settlement system. Target 2 Securities will bring about increased harmonisation in the settlement landscape, increasing cross-border opportunities. Monte Titoli is strongly committed to take advantage of these opportunities while minimising the impact the implementation will have on clients.



## Custody: real-time services for issuers and intermediaries

Monte Titoli holds 42,000 financial instruments under custody, with a countervalue in excess of € 3,000 billion and has a direct relationship with more than 2,000 issuing companies for financial instruments issued under Italian and foreign laws.

Issuers can use Monte Titoli as a single gateway to exchange information with the whole financial system, including markets, CCPs, financial authorities and (I)CSDs.

The company's wide network of links with other (I)CSDs allows intermediaries to have a single point to safe-keep international securities.

Monte Titoli collects information on securities and corporate actions from issuers, (I)CSDs and other sources, makes it available to customers through reports, database inquiries or publications via multiple channels and manages intermediaries' instructions with fully automated straight-through processing.

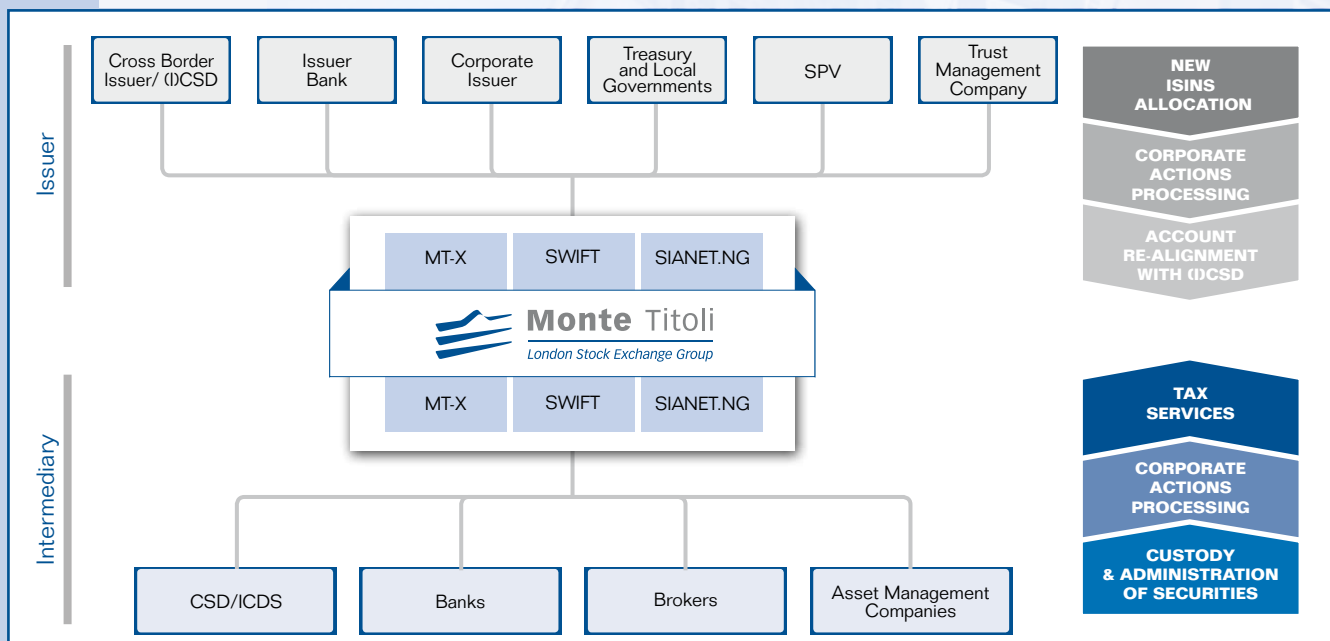
Our comprehensive and real-time corporate actions service comprises the following:

- Collection of income and redemption proceeds
- Accurate corporate action notification
- Execution of corporate action instructions
- New issue services

Our proactive tax management service provides:

- Withholding tax relief at source
- Filing the official tax reclaim form with the local tax authority
- Notification of the date of filing with the local tax authorities
- Monthly reclaim reports.

### CUSTODY & ASSET SERVICING



# Collateral management

Monte Titoli will shortly launch an innovative, state-of-the art, international collateral management platform: X-COM. The service aims at increasing client liquidity by allowing sophisticated use of collateral, helping treasury departments reduce operational and administrative cost and helping clients focus on their core business. It is able to manage collateral for multiple purposes and from multiple sources.

X-COM's solutions:

- Collateral allocation and settlement
- Auto-substitution and recall
- Daytime Settlement
- Re-use of securities
- Fail management and optimized use of collateral
- Mark-to-market mechanism
- Margin call
- Matching of OTC trades
- Reporting
- Automatic securities selection
- Automated exposure management
- Efficient use of securities portfolio
- Constant control over portfolio
- Re-financing with the central bank.

Monte Titoli verifies that the securities submitted by the collateral giver as collateral comply with the eligibility criteria and concentration limits.

On-line reports reflecting the daily value of collateralised securities are available via the collateral management platform.

Monte Titoli offers its complete range of custody services on the collateralised securities including all forthcoming deadlines and corporate actions, allowing for timely action.



## Advantages

1. One single pool of collateral
2. Re-use of collateral for different purposes
3. On-line real-time reporting
4. Settlement in central bank money
5. Settlement optimisation
6. More freed-up capital, in line with Basel III.



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