

## Assumed Settlement Reconciliation – Securities Finance

A large international bank was struggling with the reconciliation between assumed and the actual settlement of trades in their Securities Finance business, which was costing them large amounts of interest and other cost plus extensive manual work. Brickendon were engaged to assess the existing situation, devise a programme to remove operational risk from the current process in an urgent tactical programme and to provide a strategic solution going forward.



Business Consulting

Strategy & Advisory

### Client Challenges:

The client had many challenges to reconcile the data in their system with the client positions due to market inefficiencies, outdated processes which was increasing their operational risks. These included:

- Existing processes were slow and inefficient with extensive manual input, leaving potential for substantial human error.
- These errors, and the resulting regular operational incidents, were frequent and were impacting the bank's reputation and costing significant sums of money.
- Official books and records often did not match the actual events leaving the bank either overdrawn or under-investing its cash as a result of the inaccuracies.
- Significant reliance on end-user computing solutions for core daily processes.
- A number of core spreadsheets are not adequately supported by IT.
- Significant key person risk who were relied on to manually adjust inaccurate client positions after confirming with clients by email.
- Complex interaction with systems which didn't communicate with each other and many manual workarounds.



AI & Data

### Brickendon Solution:

The Brickendon team helped to map out the exact problem and provide both a short term tactical solution and a long term strategic solution to the issues. The work included:

- A complete end to end process flow of all processes through all systems was mapped out and strategically the highest impact areas were targeted for work in the first instance.
- A rapidly deployed tactical-to-strategic solution removing manual processes, documenting requirements and putting the business in a stable scalable position
- Document current and future state process flows highlighting areas for change and improvement
- Mitigate risk by improving processes and systems and target improved alignment between assumed and actual settlements
- Provide process efficiencies and reduce reliance on manual processes
- Provide a tactical and strategic roadmap for remediation of problem areas
- Engage Brickendon developers to deliver a permanent technical solution in four phases



Business Consulting

Digital & Technology



# CASE STUDY

## Client Benefits:

After a number of years of substantial challenges in this area, the benefits of Brickendon’s tactical solution was realized in just 2 months and the strategic solution was rolled out after month 9. The budget for the project was constrained and all phases over two years were delivered within the time and budget allocated. The benefits included:





- ⚙️ A clear plan detailed to the banks board and regulators of the plan and fixes to be carried out.
- ⚙️ A detailed roadmap for the internal teams to follow as Brickendon upgraded processes and systems.
- ⚙️ Operational Risk Reduced — The implementation of the tactical solution cut issues by 65% and the strategic solution to above 98%
- ⚙️ Bank staff were freed up from time-consuming manual processes and were able to move up the value chain in servicing the customers or redeployed.
- ⚙️ These staff were then able to chase clients with unsettled positions.
- ⚙️ Front office teams received data faster and more accurate leading to better trading and risk management.



## Multi-award Winning Team



## Why choose Brickendon?

-  **Our track record:** We have demonstrated a long, proven track record since 2010 of transforming our clients through our innovative bespoke solutions.
-  **Our innovative approach:** No one client is the same, therefore our intelligent, experienced and focused consultants use their industry experience to address each challenge in an innovative way.
-  **Our Specialist Teams:** Our in-country, nearshore and offshore capabilities mean we are well placed to cater for all our clients’ needs, making the best use of our consultants’ 10 years-plus industry experience.
-  **Our passion:** We love what we do and thrive on improving our clients’ profitability, efficiency and increasing their competitive edge. We are driven to see the tangible benefits at our clients.

To find out more about how Brickendon can transform your business, please do not hesitate to contact us.



info@brickendon.com



brickendon.com



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@BrickendonIntl