

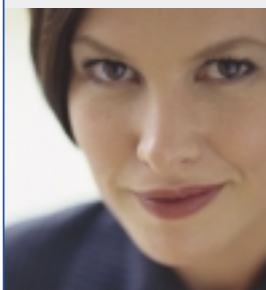


Crédit Agricole Asset Management and Omgeo OASYS GlobalSM: a winning investment

Shaping STPSM



THE PROMISE OF STRAIGHT THROUGH PROCESSING



The quality management of Crédit Agricole Asset Management (CA-AM) is based on rigorous methods, consistently applied and backed by strict and systematic risk control at all stages of trade processing. In 2002 this demanding approach earned CA-AM an AA+ rating for all its offices from ratings agency Fitch-AMR, subsidiary of FitchRatings. CA-AM is Crédit Agricole SA's asset management subsidiary. It has offices in 12 countries, over 750 employees and EUR 166bn of assets under management.*

Automating confirmations: a vital step

The excellent rating that Fitch-AMR gave CA-AM's trade-processing system owed much to the policy of introducing straight-through-processing (STP) that CA-AM's management has pursued since 1998.

At the time the top strategic priority was to reduce operational risk since trades were then being processed manually by fax, email and telex. Other priorities of the CA group were to reduce costs and improve controls on the trade confirmation process. After investigating a number of potential partners, CA-AM found that only Omgeo could supply an automated trade processing solution tailored to their specific needs.

In 1999, Omgeo installed three *Omgeo OASYS GlobalSM* stations, which allow asset management companies and broker/dealers to communicate trade details electronically.

At the same time, with the help of Omgeo, CA-AM encouraged its brokers to adopt *OASYS Global* to automate all their trading communications.

After this initial step there was one more challenge: to shorten the cycle between order placement and confirmation from four hours to one hour. *Omgeo OASYS Global DirectSM* proved to be the best solution for achieving this. *OASYS Global Direct* provides a dedicated "host-to-host" connection, linking the asset management company's internal infrastructure directly with the *OASYS Global* host. The "host-to-host" link is provided over a dedicated lease line, which means that the delivery of trade allocations and confirmations is more timely and reliable, even during peak periods.

In 2001, CA-AM has been connected to the *OASYS Global Direct* service, in order to process all their confirmations through the system by the end of 2002. Since then, CA-AM's main brokers have also signed up for the service and use it for their confirmations.

With STP and Omgeo: objectives achieved

Today, around 99% of CA-AM's domestic and cross-border equity trades are processed electronically by *OASYS Global* and *OASYS Global Direct*.

"Before the implementation of OASYS Global and OASYS Global Direct, it took 4 hours on average to process each trade manually and our SDA rates were just 45%", said Christophe Kieffer, head of equities trading at CA-AM. "Today, it takes an hour from execution to confirmation of a trade on OASYS Global Direct, which is in line with our target and our SDA rate has risen to 92%, despite having to deal with countries in time-zones behind us. This rapid response time means we can quickly track down any errors and generally resolve them during the same day. We can also handle sharp rises in trading volumes effortlessly."

The increase in the trading volumes between 1999 and 2001 required five staff to manage CA-AM's *OASYS Global* system. Since *OASYS Global Direct* came on stream in 2001, CA-AM has twice been able to reduce the number of staff required and the system is currently run by just three people, the other two having been assigned elsewhere, one to the Middle-Office and the other to work on the implementation of *OASYS Global* for fixed income trades. The 3 assistants spend most of their time on control procedures, activity reporting or monitoring custodian pre-matching. Clearly, operational risk has been much reduced. For instance, late entry booking and manual intervention on forex operations have now virtually disappeared.



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The next steps: extending automation

In just a few years, CA-AM has gone much of the way towards implementing a full STP solution, and is already seeing the benefits.

Not only have transaction volumes risen considerably since the days of manual processing but CA-AM has also seen a positive return on its investment. Total equity trade processing costs have reduced considerably.

The next stage, already under way since the beginning of 2003, will be to automate the processing of fixed-income trades.

CA-AM is now well placed to respond to the impending tightening of French and European regulations. One of the missions of the new French Financial Markets Authority (Autorité des Marchés Financiers), created from the merged COB, CMF and CDGF, will be to ensure greater transparency in the way asset management companies measure and report their performance, and in the way they conduct their policies on costs and operational risk. Thanks to the automation of its processes and the introduction of internal and external STP, CA-AM is ready to take its place as one of Europe's pioneers in this field.

About OmgeoSM

Omgeo is the leading provider of post-trade pre-settlement trade management solutions, processing over one million trades per day and serving 6,000 investment managers, broker/dealers and custodians in more than 40 countries. We partner closely with service providers, infrastructure suppliers, industry standards organisations, and our clients to increase operational efficiency and reduce risk for the world's investment management community through STP solutions. With 27 combined years of experience, Omgeo is the result of a global joint venture between The Depository Trust & Clearing Corporation (DTCC), the securities industry's respected utility and Thomson Financial, a leading provider of financial workflow solutions. For more information about Omgeo and how we can help streamline settlement and stimulate success, go to www.omgeo.com.

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