

European Asset Management Report 2007



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About the report

The European Asset Management Report 2007 was written and compiled during the period from September to December 2006. The report is based on desk research and on a Request for Information sent out to a group of 38 vendors, representing all of the commercially available Asset Management systems for Europe.

The authors selected the vendors and their products after consulting with Capgemini's international Banking Packages network. The report focused specifically on Asset Management solutions with a strong position on the European continent.

The European Asset Management Report 2007 is the latest report in a series of reports/surveys on banking systems. The Private Banking Systems Survey was published in October 2005, the Retail Banking Systems Survey in January 2006 and the Treasury Systems Survey in January 2007.

About the authors

The authors of the European Asset Management Report 2007 are Henk Dekker, Walter Hendriks and Gerard Peters. They are leading consultants of the Securities Services and Retail Banking practice in Utrecht, the Netherlands.

The report entitled 'Nordic Asset Management Report 2006' compiled by Capgemini Sweden forms the basis for the European Asset Management Report 2007. Some excerpts from the Treasury Systems Survey have also been reused in this report with the kind permission of its authors Erik van Druten and Henk Dekker.

The authors would like to thank all the participating vendors and Capgemini professionals who worked on this report.

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Preface

We are very proud to present the Capgemini European Asset Management Report 2007.

This year's report provides an insight into the state of the package solution providers industry serving the Asset Management business for asset managers, banks, pension funds and insurance companies in Europe.

The main objective of this report is to help you understand the various Asset Management systems which are available for the European market. This report gives you insights into business trends, package selection criteria, implementation methods and information on the solutions supplied by the participating vendors. It should assist you in efficiently and fundamentally narrowing down the search for the right solution and make it easy to connect with the vendors on a well-informed basis.

Capgemini can provide incomparable benefits in the area of system selection and implementation. These include:

- A broad spectrum of services and experience of every phase of the system selection process;

- Outstanding knowledge of the software packages available in the market, supported by an international 'Package Based Solutions' database with information on 1,000 packages and 500 suppliers;
- An exceptional track record based on the successful implementation of many different types of package solutions;
- Different application maintenance contracts on vendor solutions;
- Leading-edge capabilities closely attuned to current and future industry changes;
- Strategic and comprehensive services tailored to the individualised needs of each client;
- Global services and resources, combined with strong regional teams with excellent local delivery capabilities.

Should you require any further information or assistance in this area, please contact Capgemini. We welcome feedback and suggestions on how to improve this report.

Yours sincerely,



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1 Introduction

The financial markets have clearly rebounded, regaining ground after the spectacular losses during 2000-2002.

Long-term interest rates have remained relatively low worldwide, despite the fact that the US Federal Reserve has been continually raising short-term rates in 2004, 2005 and 2006.

Coming out of the recent years of cost pressure, which have had their effect on the whole of the financial Asset Management industry, the future of this sector looks promising. There has been a (partial) restoration of the public's investment freedom and confidence and asset managers are now taking the necessary action to stay ahead in an increasingly international and competitive environment.

Technology is, as always, a vital factor in the search for that competitive edge. System support for asset managers is essential for cost efficiency, customer relations and investment performance. It is not surprising that technology spending is increasing and new, creative IT-strategies are being formed.

The vendors with a new generation of Asset Management systems, taking a holistic approach and in a quest to combine cost efficient transaction processing with best of breed functionality, are meeting this renewed demand for investment technology. In the European countries, new technology is likely to improve the level of straight through processing and integration between markets, investors and custodians. Within company walls, data integration and functionality upgrading will also improve the use of information for customer relationship management and investment decisions.

However, finding your way in the broad and complex world of Asset Management systems is not easy.

The number of systems available is extensive and vendors are releasing new versions at an increasing pace. There is an ongoing process of vendor consolidation and large vendors are buying systems from other vendors to complement their system portfolios. It is not easy to know where to start looking and what to look for.

The purpose of this report is to provide an update on the world of Asset Management systems, showing current trends and an overview of available systems. Our intention is to bring some order into the 'system jungle' by grouping systems into categories and describing the attributes of each category. We also describe a selection of systems within each category that is most relevant to the European market. Last but not least, we take a glance at the implications of ongoing regulatory issues. Over the last few years the impact of regulators in the financial markets can be seen as a landslide and there is more to come!

The report is divided into three sections. The first section looks at industry market trends and their impact on business model strategies. The following section gives an overview of technological system developments and possible ways for asset managers to achieve the desired level of functionality. Finally, in the last section there is an introduction on how Capgemini works with system market surveillance as well as its methodology for packaged systems strategy, selection, implementation and maintenance. This report also includes an appendix that lists and briefly describes 75 selected systems available in the marketplace.



About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and

collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

Capgemini employs approximately 68,000 people worldwide and reported 2006 global revenues of 7.7 billion euros.

More information about our services, offices and research is available at www.nl.capgemini.com

More information

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