

# Penson Launches Industry-First European Execution Service

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Penson Worldwide Launches Industry-First eTrading Solution Combining a Hosted OMS with Direct Market Access, Backed by Established Clearing, Settlement and Custody Service

Low-Cost Multi-Market, Multi-Exchange, Multi-Instrument from Single Front-End

London, 2 February 2004 – Penson Worldwide, a leading provider of clearing, custody, and settlement services in North America & Europe, today extended its European offering and launched an electronic execution service to meet the growing needs of its European broker/dealer and asset management client base. Penson's 'one-stop shop' execution, clearing, custody and settlement service will support its clients' trading activities via their own Exchange memberships and provide electronic direct market access trading of equities, derivatives and CFDs to all other European and North American markets. The addition of this low-cost, hosted Order Management Solution (OMS) and electronic Direct Market Access to Penson's more traditional business areas of clearing, settlement and custody will provide UK, Irish and European broker/dealers and private client asset managers with an end-to-end e-trading solution.

Chris Gregory, Director of Execution Services, Penson Worldwide, comments: "2004 marks a new phase in Penson's development as we expand our services to accommodate the front and middle office. We wanted to provide our global client base with a 'one stop shop' trading solution that simplifies the processes within the increasingly sophisticated worlds of agency trading, as well as risk arbitrage, hedge fund and programme trading, and further improving Straight-Through Processing. Penson's end-to-end eTrading platform will do just that."

The project, providing a multi-market, multi-instrument trading system, Exchange-hub connectivity and electronic Direct Market Access brokerage, all backed by Penson's established comprehensive settlement, clearing and custody service covering all European Equities, Exchange-traded Derivatives, and CFD Swaps, is due for completion by the end of Q1 2004.

The Exchange-hub connectivity for Penson's Execution Service is provided in partnership with RTS Realtime Systems.

The trading will be supported in two ways:

1. Exchange connectivity trading software enables clients to trade under their own membership against Exchanges and Retail Service Providers (RSPs)

## 2. Multi-market, multi-instrument, electronic Direct Market Access through Penson

The trading software is available in three levels:

1. Professional Level II client application, with full OMS, risk management and trading functionality, with hosted server architecture;
2. Browser-based version of the full trading functionality;
3. White labeled client order entry browser.

Penson's International Execution Service, backed by a single, multi-asset clearing, settlement and margin account from Penson, will also deliver significant cost savings to its financial institution client base.

Gregory adds: "Financial institutions worldwide are increasingly experiencing hikes in the fixed costs of maintaining their own operational infrastructure. This factor, combined with growing regulatory compliance demands and the need to constantly evolve to maintain a competitive edge, has paved the way to an increase in demand for quality, dependable and low-cost outsourced alternatives. We are already seeing the demand for these services among our existing and prospective customer base and we now look forward to reaching out to the wider market."

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Press enquiries to:

Julia Gregory / Katie Ainsworth, Cre8 Results Limited

Email: [penson@cre8results.com](mailto:penson@cre8results.com)

Tel: +44 (0)20 7734 9199

Notes to Editors – Penson Background Information

1. Penson provides clearing, settlement and custody services to broker dealers and private client asset managers in US, Canada and UK
2. In the UK, historically provide: outsourced back-office ~ Model A Crest clearing and Model B Crest

clearing.

3. Penson is one of the top three largest clearers in each of its home markets - globally it handles between 500,000 and 700,000 trades a day and hold over \$1.75 bn customer assets in custody.

4. Bank of New York (BONY) take over of Pershing (about 1 year ago) has clarified Penson as the only viable alternative provider of outsourced (backoffice) services to stockbrokers and private client asset managers in the UK.

NB Photo available on request.

About Penson Worldwide: [www.penson.com](http://www.penson.com)

Penson Worldwide, Inc. is the holding company for Penson Financial Services, Inc., Penson Worldwide Settlements, Ltd., Penson Financial Services Canada, Inc., and Penson Financial Futures, Inc. The Penson Worldwide group of companies provides clearing, custody, and settlement services in the United States, Canada, the United Kingdom, and Europe for broker/dealers trading in securities and financial futures, including single stock futures, and fixed income products. Penson Financial Services, Inc., headquartered in Dallas, Texas, has served the clearing needs of all types of broker/dealers since 1995.

Penson Financial Services, Inc. is a member of the Chicago Stock Exchange, National Association of Securities Dealers, Inc. and SIPC. Penson Financial Services Canada, Inc. is a participating organization with the Toronto Stock Exchange, the Montreal Exchange, the Canadian Venture Exchange, is regulated by the Investment Dealers Association of Canada, and is a member of the CIPF. Penson Worldwide Settlements, Ltd. is a member of the London Stock Exchange and is regulated by the Financial Services Authority. Penson Financial Futures is a Futures Clearing Merchant member of the National Futures Association.

About RTS Realtime Systems Group: [www.rtsgroup.net](http://www.rtsgroup.net)

RTS Realtime Systems Group is a market leader in electronic trading software for futures, options and equity traders. In business since 1992 as a privately held and profitable company, RTS has local sales and support offices in the financial centres of Amsterdam, Chicago, Frankfurt, London, New York, Paris, Sydney, and a logo partner in Athens.

As one of the pioneers in the industry, RTS has developed a suite of products for market makers, proprietary traders, brokers, and day traders, including the RTD Quote Machine®, the RTD Electronic

Eye® and its basket trading system. By offering an integrated trading, risk management and pre-execution limit control system, the RTD software products provide a comprehensive solution for trading on different exchanges worldwide from a single window. Trading, speed, reliability, a proven track record and world-class trading functionality have made RTD an outstanding product in the industry.