

# Leading UK Market Maker, KBC Peel Hunt, Selects Penson For Clearing Services

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Penson Provides KBC Peel Hunt with Online, Real-Time Access to Trade Data for Improved Operational and Cost Efficiencies

London, 5 November 2004 – Penson Financial Services Ltd., part of the Penson Worldwide group, a leading provider of execution, clearing, custody and settlement services for the global securities markets, today announced it has been selected as outsourced clearing partner for leading UK securities house KBC Peel Hunt Ltd.

Penson will provide KBC Peel Hunt with clearing services, including real-time, web-enabled access to support its London-based business. The new service will go live on Monday 8 November 2004.

KBC Peel Hunt provides market making services to London Stock Exchange members and agency trading for institutional clients. It is switching clearing providers in a bid to enhance customer service, reduce costs and improve efficiencies. The Penson Bureau suite of services will support both business lines, which includes making markets in more than 1,200 small and mid-cap UK stocks and average daily volumes of over 4,000 transactions per day.

Tim Cockroft, CEO, KBC Peel Hunt, comments: "This is a strategic move for KBC. We have outsourced our clearing services for a number of years, enabling us to focus on our core business activities. Penson's flexible approach, industry experience and leading-edge technology solutions are unparalleled in the market."

KBC Peel Hunt has also authorised Penson to operate as 'nominee under mandate' for all UK equities. According to this agreement, Penson will act as the holder of records, responsible for the registration and transfer of securities, including the delivery of physical securities to CREST. Penson will provide this service from its City of London office, minimising operational risk and trade processing time.

Sharron Davey, Head of Sales and Marketing, Penson Financial Services Ltd, says: "This is a significant win for Penson. With nine new clients signed this year, including such a well respected, high profile correspondent as KBC Peel Hunt, Penson's experience and commitment to delivery is paying dividends."

Davey adds: "To provide KBC Peel Hunt with comprehensive clearing services, including an entirely new web front-end to provide detailed trade information, on-line, in real-time, as well the ability to up-to-date customised report, within a six-month timeframe, is a challenge for even the most experienced provider."

The transition will take place during the weekend 5-7 November, and will be live prior to LSE opening on Monday 8 November.

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\*Editors Notes

Model A

As clearer and settlement agent, Penson is responsible for settlement of correspondents' trades using custodial and banking facilities. Contract notes and confirms are issued in the correspondent's name and stock and cash are moved under delegated mandate. Title remains with the correspondent firm and assets and liabilities appear on the correspondent's balance sheet.

Penson enters into a service contract with correspondents and provides a multi-currency books and records service. The service includes support for operational and regulatory reporting requirements and management control. Model A also can be supplemented by the Global Custody service.

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

Penson Worldwide, Inc. is the holding company for Penson Financial Services, Inc., Penson Financial Services Ltd., Penson Financial Services Canada, Inc., and Penson Financial Futures, Inc. The Penson Worldwide group of companies provides execution, 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 Financial Services Ltd. is a member of the London Stock Exchange and is authorized and regulated by the Financial Services Authority. Penson Financial Futures is a Futures Clearing Merchant member of the National Futures Association.

Penson's services include:

• Clearing and settlement

• Direct market access execution

• Exchange market hub-hosted connectivity

• Custody

• Penson provides international trading systems through its independent subsidiary Nexa Technologies

About KBC Peel Hunt: [www.kbcpeelhunt.com](http://www.kbcpeelhunt.com)

KBC Peel Hunt Ltd, the growth company specialist, is an integrated securities house focused on the small and mid-cap sector. Our comprehensive corporate advisory and stock broking services encompass financial advice, corporate broking, research, sales, trading and we are a leading market maker of small and mid-cap securities quoted in the UK. We advise over 100 companies which are at all stages in their development, from those at looking for venture capital to those that are quoted and large enough to be included in the FTSE 250 index. Our research coverage is prepared on an industry basis focused on small and mid-cap UK companies and is widely distributed to key investing institutions.

KBC Peel Hunt Ltd is authorised and regulated by the Financial Services Authority. KBC Peel Hunt Ltd is a member of the London Stock Exchange, the London Investment Banking Association and the KBC Group."