



# NRI

## Information Package

April 2020

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## The acquisition

On 28 April 2020, NRI entered into an agreement with Commonwealth Bank Australia (CBA) to acquire Australian Investment Exchange Ltd (AUSIEX). AUSIEX is the wholesale arm of CommSec and trades under the brand name CommSec Adviser Services. The CommSec retail broking business is not affected by the sale.

Eric Blewitt, General Manager of CommSec Adviser Services said; “The management and staff of AUSIEX are pleased with the acquisition by NRI and believe that the industry expertise, global market knowledge and technology capability of the NRI Group will help AUSIEX to continue to deliver market leading solutions and services to our customers.”

Masaaki Komiya, General Manager of NRI Securities Solution Division said; “AUSIEX is a very good business with a strong market position that complements NRI’s global operations. We are looking forward to working with the AUSIEX team to successfully complete the transition to a standalone business that is dedicated to meeting the needs of our customers, and to grow the business to become the market leader in wholesale broking and portfolio administration services in Australia.”

The AUSIEX acquisition excludes the Accelerator Cash Account (ACA) and investment lending products which are offered under the CBA banking license, and will continue to be offered by CBA.

## About NRI

NRI is an independent business listed on the Tokyo Stock Exchange. The company is well capitalised with a strong balance sheet, and is a respected provider of wholesale technology and operational services to the Japanese broking market. NRI also has a significant global business with operations in 15 countries globally.

Established in 1965 as a spin-off from the research and computing department of NRI Securities, and headquartered in Tokyo, NRI has a presence in all the major financial centers around the world. NRI has been listed on the Tokyo Stock Exchange since December 2001 and provides innovative, cross-asset, multi-currency, front- and back- end financial IT solutions for investment banks, asset managers, banks and insurance providers in the global market.

For more information about the NRI Group please visit <https://www.nri.com/en>.

### NRI at a glance

|  |  |  |
|--|--|--|
| <b>Headquarter</b><br><br>Tokyo, Japan                         | <b>Sales</b><br><br>JPY 501 billion<br>AUD 7.6 billion | <b>Operating Profit</b><br><br>JPY 71 billion<br>AUD 1,072 million |
| <b>Market Cap</b><br><br>JPY 1,667 billion<br>AUD 25.2 billion | <b>Employees</b><br><br>12,578                         | <b>Offices</b><br><br>69 subsidiaries in 15 countries              |

Japan GAAP, 1 AUD = 66.21 JPY, Market Cap as at 27 April 2020, other data as of March 2019

## A global business

NRI have a significant global business and are present in 69 subsidiaries in 15 countries and regions.

### NRI GROUP WORLDWIDE OFFICES



#### NORTH AMERICA

United States

#### EUROPE

Luxembourg  
Russia  
United Kingdom

#### ASIA PACIFIC

|           |              |             |          |
|-----------|--------------|-------------|----------|
| Japan     | India        | Singapore   | Taiwan   |
| Australia | Indonesia    | South Korea | Thailand |
| China     | Phillippines |             |          |

## NRI Financial IT Solutions Division

The AUSIEX business will become part of the NRI Financial IT Solutions Division post acquisition.

NRI Financial IT Solutions is a core business of NRI and provides consulting and managed services to meet clients' needs and move the market forward. With state of the art, research driven insights NRI provide a deep understanding of the operational issues facing financial services firms, ensuring clients are able to make more insightful decisions every day.

Up to 80% of capital markets firms in Japan operate on NRI solutions and around 50% of total transactions on the Tokyo Stock Exchange are managed by NRI solutions.

NRI operates across the following financial services sectors:

- **Securities** - Japan's defacto standard solution for over 40 years, NRI's IT solutions have won the trust of the securities industry, serving as a market infrastructure.
- **Insurance** - NRI business systems support contract management, sales support, and client management, ideal for the insurance industry.
- **Banking** - NRI helps retail banks keep up with changing market and regulatory needs, including providing internet banking systems and investment trust sales support.
- **Asset Management** - More than 80% of Japan's fund's NPV calculations are done using NRI solutions. NRI offers end-to-end solutions for total operational support.

NRI are committed to becoming the leading managed service provider in the world. In Japan, they serve over 80% of institutional brokers, 50% of retail brokers and 80% of asset managers.



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## Solutions for brokers and asset managers

NRI's **I-STAR Suite** offers a modern back office broking system that is well-established in various markets, both mature and emerging. NRI's I-STAR broking solution supports broker dealers' entire post-trade operation.



Within the I-STAR suite, **I-STAR/GV** provides back office solutions ideal for broker dealers' working across borders. It eliminates the need for complex systems in multiple offices with one solution that provides real-time processing regardless of location.

Provided by ASP and combined with leading **Business Process Outsourcing (BPO) services**, NRI offers complete solutions designed to streamline activities across offices while increasing business efficiency.

Combined with solutions such as **THE STAR**, Japan's most widely used brokerage accounting system, NRI can help brokers increase the efficiency of peripheral post-trade operations.

## I-STAR/GV in Australia

I-STAR/GV Australia is a platform to support back-office operations for clearing and settlement participants and is accredited with ASX. Key highlights of the I-STAR/GV Australia platform include:



**Multi asset**

- Clearing and settlement of multiple asset classes like equities, exchange traded funds, exchange traded options etc.



**Multi currency**

- Support for multiple currencies enables support of international trade in the same platform



**Rich API set and interfaces**

- Out of the box API and interface
- Support for ISO 15022, ISO 20022, CHES, MCM, IRESS, OMGEO, DAML



**Risk mitigated client onboarding**

- Risk mitigated and quick client onboarding following ASX recommended process



**Interfaces with Wealth Platforms**

- Established connectivity with leading Wealth Platforms
- Out of the box interfaces and APIs to connect with Wealth Platforms



**Straight through processing system**

- Support for high volume trade at optimised operational cost
- Exception driven system



**Easy and cost effective customisation**

- Easy to customize enterprise gateway
- Cost effective customisation



**Easy template based white labelling**

- Easy template based white labelling of end customer facing reports like contract notes



**Advanced technology**

- Cloud ready solution
- Easy to scale upsurge in trade volume through on demand horizontal and vertical customisation



**Future with Direct Ledger APIs**

- Forerunner vendor in CHES replacement through direct ledger API
- Partnership with DAH, capability of DAML Apps development

## Footprint in Australia

NRI have a strong record of successful acquisitions both globally and in Australia.

Acquired in 2016, ASG is an Australian cloud technology firm who is growing with support from NRI. NRI's strong balance sheet is helping close large new contracts. They have a vision to continue to grow the business and join the top 10 league of IT services companies in Australia.

ASG currently have 6 offices in Australia, 2,000 employees and revenue of around A\$500m.



## Vision for the future AUSIEX

NRI have a vision of becoming a market leader in Australia, providing equities trade execution, clearing and settlement, white label online broking and portfolio administration services.

NRI will build on AUSIEX's legacy and are committed to investing in the long term success of the business.

The initial investments planned for the current platform include:

- Improving efficiency through automation – an API driven, digital platform
- Expanded trade execution capability
- Expanded product offering
- Introduction of next generation wealth management solutions – digital transformation
- CHESS replacement compliant – block-chain technologies

NRI will work closely with the existing management and staff of AUSIEX, along with CBA, who will provide extensive support services, to ensure a successful transition of AUSIEX to a standalone, independent company with minimal disruption to clients and staff.

A new board will be appointed to act as a governing body. NRI expects that the local leadership team will be responsible and accountable for the performance of the business, with limited operational involvement from NRI Group Headquarters in Tokyo.