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Trading as a Service:
Turning SP Trading Back into a Strategic Growth Engine for Banks

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ABSTRACT

Post Global Financial Crisis reforms such as Basel III and the Volcker Rule raised the cost of holding credit risk at banks, prompting them to pull back from capital intensive trading. In Securitized Products (SP)[1], this retreat hollowed out trading desks that once served as the connective tissue of the market. Balance sheet was cut, senior talent exited, and desks were juniorized. Trading, once a core competency and a moat that protected the banking business, became a subsidized cost center rather than a driver of returns. As desks shrank, dealers concentrated activity in the most liquid names. Liquidity pooled at the top, leaving most issuers with a steeper path to scale and investors with less consistent secondary support.

This paper introduces Trading as a Service (TaaS), an adaptation to the existing dealer model that preserves full control of execution and risk while better aligning banking and trading incentives. It is not designed to replace an existing trading desk, but to complement it by embedding consistent, deal specific, service driven market making that works in conjunction with banking to help win mandates. Investors receive daily liquidity and price discovery, while issuers receive secondary support that translates into tighter new issue pricing and a faster path to scale. Through its focus on client service, TaaS helps banks expand client services and turns trading back into a strategic growth engine for the bank.

[1] Throughout this paper, private label SP includes the following asset classes: Non-Agency Residential Mortgage-Backed Securities (RMBS), Collateralized Loan Obligations (CLO), Commercial Mortgage-Backed Securities (CMBS) and Asset-Backed Securities (ABS).

1. How SP Trading Lost Its Strategic Value

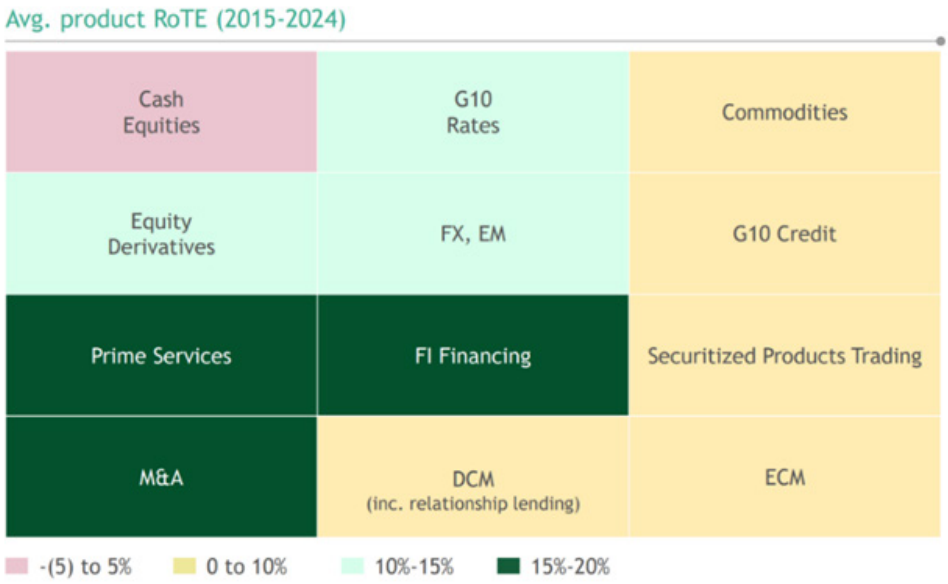
Over the past decade, private label SP trading has undergone a fundamental transformation. Following the GFC, regulators focused on what they saw as a key vulnerability in the financial system. Through Basel III, regulators introduced significantly higher capital requirements for credit-sensitive assets. These changes raised the cost of holding inventory and made market making in SP a more expensive business to run for investment banks.

Facing increased capital charges, volatile trading revenue, and the need to protect return thresholds, investment banks adopted several strategies to combat these pressures:

- Redirected capital to banking businesses with better capital treatment and higher returns
- Scaled back trading capital in favor of a capital-light model to reduce revenue volatility
- Lowered infrastructure costs by juniorizing desks and cutting compensation

Fewer resources led to lower profitability for these asset classes, as reflected in their returns (Figure 1).

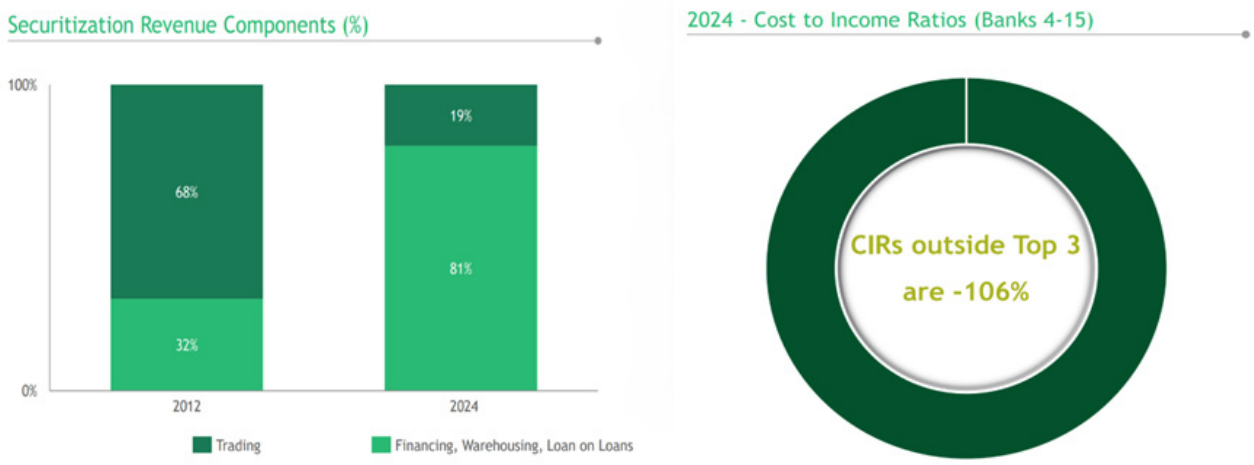
Figure 1. Cash Equities and Flow Fixed Income Trading (excluding Agency RMBS) are the lowest returning businesses for banks outside of the Top 3.



Source: BCG Expand 2025

We observe the results of these actions in bank business unit performance. In 2012, SP trading contributed 68% of total SP revenue, but **trading's share of revenue plummeted by ~70% by 2024** (BCG Expand 2025). Conversely, financing and warehousing activities now dominate SP revenue generation, accounting for approximately 81% in 2024. Additionally, the top 3 US banks capture over 75% of SP revenues generated today, leaving the rest fighting over the smaller, lower margin remains (see Figure 2).

Figure 2. Financing now drives securitization revenues as banks struggle to maintain SP trading revenues. Cost to income ratios outside the top 3 banks are negative.

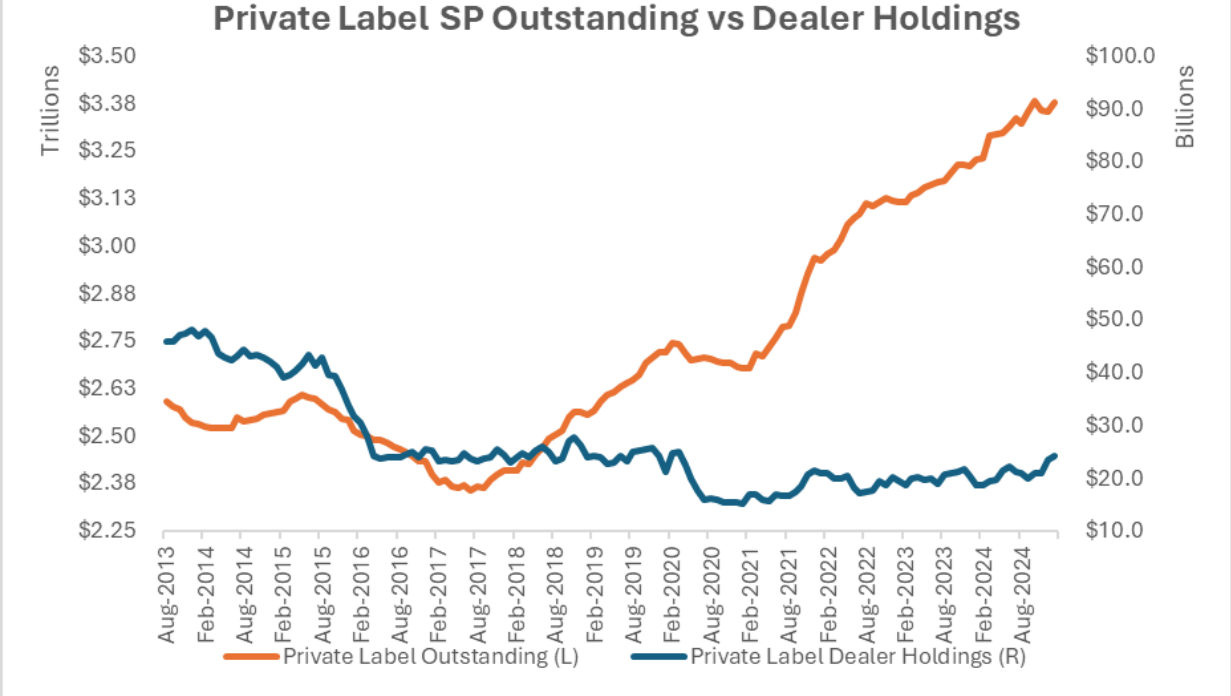


Source: BCG Expand 2025

These steps may have helped to protect ROC targets, but they also create unintended consequences. As trading's value eroded and resources reduced, the competitive environment shifted to a banking-first model: easier to enter, harder to defend, and far more vulnerable to fee compression. **With more institutions aggressively positioning as arrangers, competition has moved from service to price, accelerating a race to the bottom in banking fees**.

Fueled by the focus on banking, the SP market continued to grow, while trading balance sheets were pared back. Since 2013, the SP market grew ~1.5x, but trading balance sheets nearly halved (see Chart 1). This divergence **creates a yawning gap in secondary market liquidity and has rewired market structure**. We highlighted this structural retreat in "Disappearing Dealers" (CreditFlux, Aug 2025) and it's left the SP markets structurally under-served. However, bank clients (issuers and investors) still expect the arranging banks to provide secondary trading support, and bank SP desks struggle to meet these expectations consistently.

Chart 1. Total private label SP outstanding has grown by ~1.5x since 2015 as dealer balance sheets have nearly halved. Dealer balance sheets now represent ~1% of the outstanding private label SP market.



Source: Entegra (data from Federal Reserve Bank of New York 2025; SIFMA 2025)

Into this vacuum has stepped new competitors: private-credit funds, commission-based brokers, and non-bank financial institutions (NBFI's) that now intermediate flows once dominated by banks. These players thrive precisely because they operate without the regulatory burdens that constrain investment banks. **If banks do not evolve their decades' old business models, they risk ceding liquidity, client relationships, and pricing influence to these less regulated actors.**

For banks, the challenge is existential as they risk losing relevance as clients seek liquidity, transparency, and insight elsewhere. Restoring trading's role requires more than balance sheet. It demands a model that fits today's market structure and client expectations. **To regain strategic value, banks need a way to scale client service, improve trading returns, and reestablish trust in their ability to support markets.** Further, they must make this pivot while retaining full control over execution, risk, and relationships.

The next section describes how Trading as a Service (TaaS) helps banks innovate **without making wholesale changes to their trading business model**.

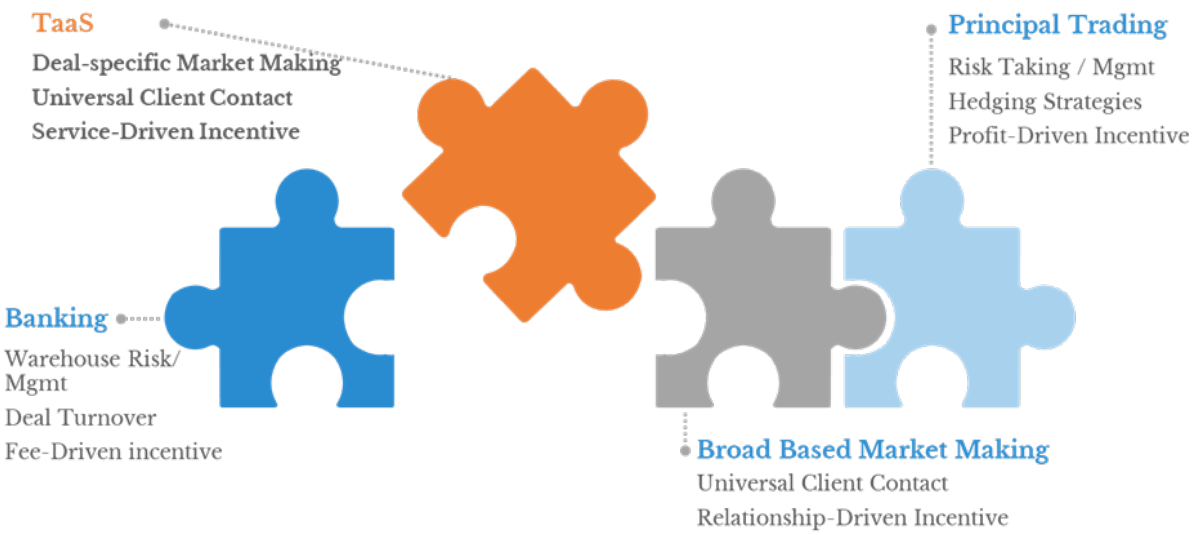
2. TaaS: A Partnership Solution that Bridges the Gap

The retrenchment of SP trading widened the gap between what clients need and what dealer desks can consistently deliver with limited capital and shrinking bid-ask spreads. TaaS addresses this gap by adapting the existing dealer model. By operating as an embedded, white label service inside a bank's infrastructure, TaaS aligns banking and trading incentives, enabling more reliable secondary market support without altering how desks take risk. Figure 3 illustrates where this adaptation fits within the dealer operating model.

The key features of TaaS are:

- **People and Coverage:** Senior traders with extensive experience across SP sectors, providing consistent, deal-specific secondary market coverage
- **Data and Analytics:** Proprietary valuation models and market intelligence
- **Connectivity and Workflow:** Integration with the bank's surveillance & compliance
- **Governance**: A regulated entity that complies within bank limits, approvals, and controls
- **Incentive Structure:** Subscription-based compensation tied to client service rather than trading commissions, as TaaS does not operate a prop book or seek carry profits

Figure 3. Linking the banking and trading businesses with TaaS



Source: Entegra.

Banks engage TaaS on a subscription basis to provide deal-specific secondary market coverage within their existing trading infrastructure. In practice, this brings additional people, tools, and workflow into the desk to support client service and flow execution under full bank control, with minimal balance sheet usage. The effect is not a new trading model, but a more predictable and service-oriented operational setup. Senior traders spend less time on flow trading and more time on high-value client and risk decisions, while still delivering comprehensive market support.

By adjusting incentives and workflow without changing how desks take risk, TaaS positions trading to enable the banking franchise. It mitigates the long-standing trade off between service and capital efficiency. The expanded service supports mandate competitiveness, improves return on capital, and stabilizes earnings without increasing balance sheet or fixed headcount. These design choices form the basis of a more durable dealer operating model. Because this outcome is often confused with outsourced trading approaches, it is important to clarify why TaaS and credit markets are fundamentally different.

2.1 TaaS ≠ Outsourced Trading

The improvements described above are often conflated with outsourced trading models that emerged in liquid macro markets, but the distinction is fundamental in credit and for primary dealers. Outsourced trading shifts execution, decision making, and, often, client interaction outside the bank. Outsourced trading thus prioritizes speed and scale over continuity, control, and balance sheet discipline. While that approach may work in highly liquid products, it breaks down in credit markets where liquidity is episodic, capital costs are material, and client relationships are central to franchise value.

TaaS is designed to avoid those trade-offs and allow banks to retain necessary controls. Execution, client relationships, and data remain fully owned by the bank, while TaaS operates within established risk, compliance, and governance frameworks. **Purpose-built for credit and in partnership with banks, TaaS focuses on execution quality, continuity, and full lifecycle engagement, allowing banks to preserve control while improving cost and capital efficiency** (see Figure 4).

Figure 4. The TaaS Solution Gives Banks Operational Control Across Governance, Execution and Efficiency.

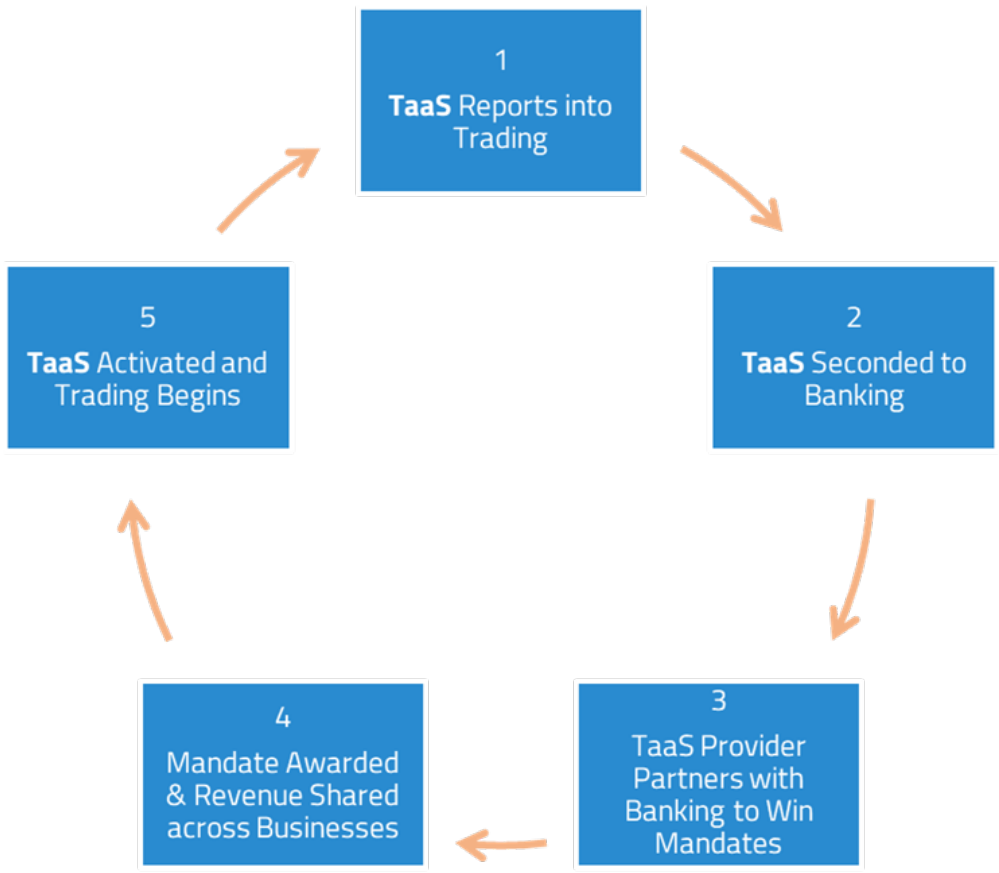
Source: Entegra.

Unlike commission driven outsourced models, TaaS is compensated on a subscription-basis which aligns incentives to mandate support, liquidity provision, and long-term franchise value rather than trading volume. This structure allows banks to prioritize client service and execution quality while remaining flexible across different operating models. Whether a bank is establishing SP trading for the first time or augmenting existing desks, trading capacity can be scaled deliberately in line with strategic objectives rather than constrained by capital, headcount, or infrastructure limitations.

2.2 TaaS Expands Client Service without Compromising Control

Implementing Trading as a Service does not require a platform build or a reorganization of the trading desk. Instead, it follows a simple operating sequence across both trading and banking by aligning reporting lines, incentives, and client objectives. TaaS is embedded directly within the dealer's existing structure. TaaS personnel report directly into trading while remaining closely integrated with the banking business. Figure 5 illustrates how this implementation unfolds in practice, from initial desk integration through mandate support, revenue alignment, and the activation of secondary market trading.

Figure 5. The TaaS Implementation Sequence Within the Primary Dealer Operating Model



Source: Entegra

Implementation begins with TaaS formally onboarded within the trading organization, reporting directly into the desk with full supervisory oversight. Trading retains responsibility for risk management, compliance, and execution standards, and allocates a defined portion of existing book limits to support TaaS activity. This step is deliberate rather than mechanical and requires explicit sponsorship from the head of the trading desk, ensuring that secondary market support is governed by established control and risk frameworks.

From that position, TaaS is seconded into the banking workflow on a deal-specific basis. Secondment institutionalizes the link between banking and trading and allows secondary market considerations to be incorporated directly into origination strategy. TaaS partners with bankers during the marketing and execution of new deals which strengthens mandate competitiveness and aligns trading activity with banking objectives.

Once a mandate is awarded, the economic linkage between the two businesses is formalized. Because the service itself resides within trading, revenue can be explicitly attributed across banking and trading for the first time in a structured way. This framework for revenue sharing compensates trading for delivering client service and liquidity support, addressing a long-standing point of friction between the two businesses.

With governance, incentives, and economics aligned, TaaS is activated and secondary market trading begins. Trading now operates with a clear service mandate that is directly tied to the underlying banking relationship, closing the loop between origination, execution, and aftermarket support in a way that is consistent, repeatable, and capital disciplined.

Banks do not outsource accountability under TaaS. The bank retains ownership of the client relationship, strategy, mandate, and performance management, while TaaS is embedded to execute and support coverage under bank direction. Coverage priorities, risk limits, and service standards remain set by desk leadership; revenue stays with the franchise, with TaaS paid via a defined subscription fee, and escalation is clear because the bank controls the playbook, the risk, and the client dialogue.

TaaS' integration creates flexibility for banks across different build-out phases. For banks with an existing trading business, TaaS is plug-and-play with current infrastructure. For banks looking to establish flow market making capabilities, TaaS is a turnkey service that comes pre-packaged with data, analytics, modeling, and experienced traders without requiring a multi-year platform build or a permanent increase in headcount. Ultimately, the **operating structure delivers measurable benefits to primary dealers and transforms secondary market support from a cost of doing business into a driver of franchise value.**

While TaaS is intended to be a non-invasive adaptation to existing trading structures, adoption is not automatic. **Successful implementation requires explicit sponsorship from senior trading and banking leadership**, clear governance, and agreement on how service-oriented trading activity fits within the broader franchise. Better structure does not eliminate market risk or organizational friction; it contains them by making trade-offs explicit rather than implicit.

It is equally important to define what TaaS is not. **TaaS does not warehouse risk, replace senior risk-taking desks, or optimize for directional or macro-driven trading strategies.** Those functions remain central to the trading franchise and continue to require judgment, balance sheet commitment, and risk appetite. **TaaS's goal is to support client-driven flow, deliver consistent secondary market coverage, and align incentives around service rather than inventory accumulation.**

This clarity of scope makes TaaS governable at scale. By clearly separating these roles, banks avoid the false choice between client service and risk discipline. Trading retains control over risk and capital allocation, while TaaS provides a structured mechanism to deliver predictable service within those constraints. **Accordingly, TaaS supports improved outcomes without overstating scope or promising to solve market risk itself.**

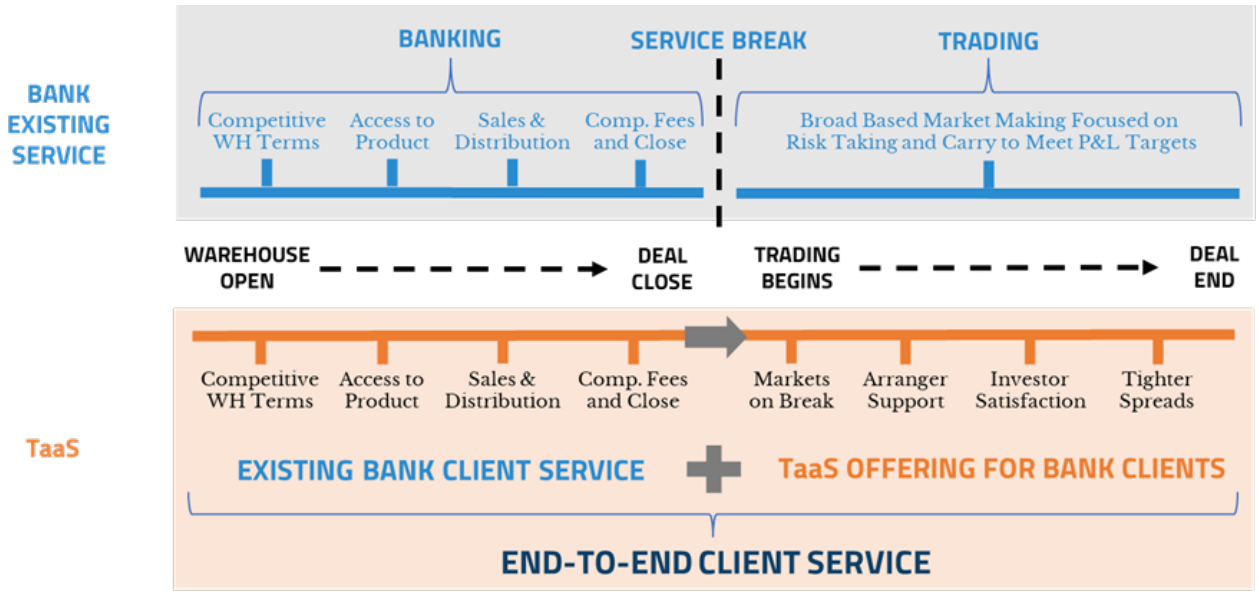
3. Strengthening Primary Dealers with TaaS

By realigning incentives, governance, and workflow, TaaS changes the economics of secondary market support for primary dealers. The model is designed to scale client service without requiring incremental capital, strengthen topline performance without increasing risk, and reduce costs without sacrificing revenue. Taken together, these outcomes reposition trading from a constrained support function into a predictable driver of franchise value.

3.1 Scale Client Service Without Scaling Capital

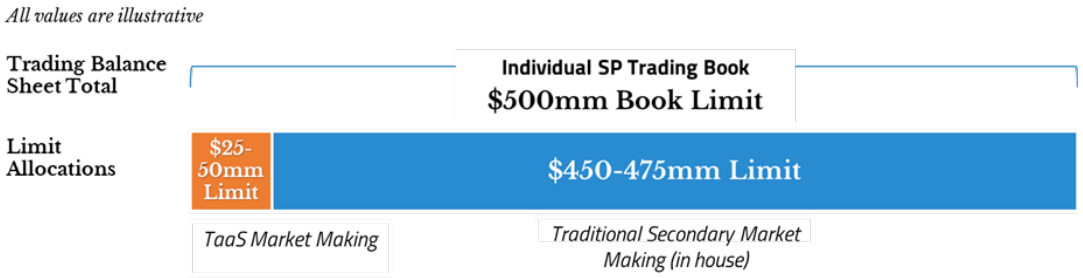
Issuer and investor needs have not changed, and reliable secondary market support remains a key input into mandate decisions. Historically, however, that support became increasingly inconsistent as banking and trading incentives diverged, creating a service break across the deal lifecycle. As Jesse Forster of Coalition Greenwich noted, "Investors are not getting their proper trading coverage, and they have been vocal about that" (Matt Levine, Bloomberg, 2024). TaaS extends existing banking coverage with committed secondary market support after deal close, thereby restoring end-to-end client service (Figure 6). Crucially, this does not require a meaningful expansion of trading risk. In practice, TaaS operates within a defined allocation of an existing trading book limit on the order of 10% (Figure 7). **This allows banks to deliver consistent aftermarket support while preserving the vast majority of balance sheet capacity for traditional market making and risk-taking activities.**

Figure 6. TaaS Connects Banking and Trading to Support the Full Deal Lifecycle



Source: Entegra.

Figure 7. Illustrative Trading Book Allocation for TaaS Market Making



Source: Entegra.

By restoring continuous client service with a modest and disciplined use of existing trading capacity, TaaS allows primary dealers to scale secondary market support without altering their risk profile.

3.2 Expand Revenue Within Existing Risk Constraints

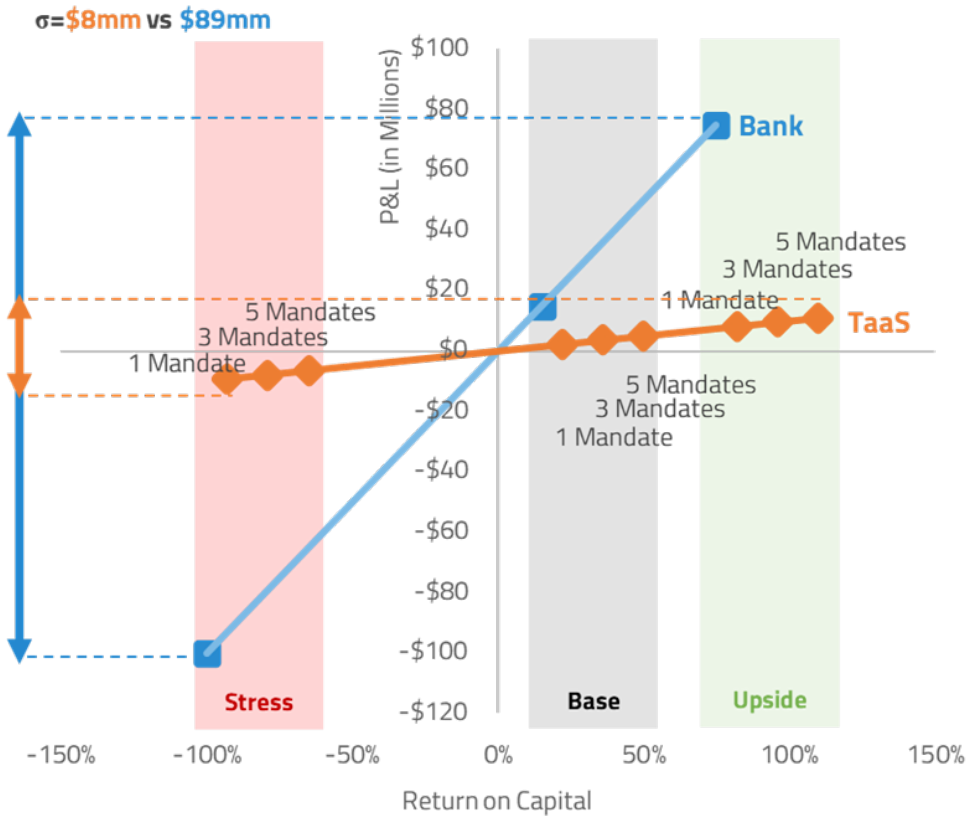
A defining characteristic of the TaaS model is a materially flatter P&L profile across stressed, base, and upside environments[2] , combined with higher return on capital per dollar of balance sheet deployed (see Figure 8). Because the balance sheet allocated to TaaS is fixed and modest, performance is driven by mandate activity rather than directional risk. In stressed markets, traditional trading desks experience pronounced drawdowns as risk and carry reprice. Despite this dynamic, TaaS maintains a relatively narrow range of revenue outcomes. In base and upside environments, returns improve incrementally as additional mandates are added, without introducing step function increases in capital usage, volatility, or cost.

This dynamic changes how returns are generated. Rather than relying on balance sheet expansion or market beta, TaaS converts consistent client service and mandate flow into repeatable, capital-efficient returns. By linking compensation to measurable client outcomes rather than carry or inventory accumulation, banks that incorporate TaaS can shift the source of returns from balance sheet exposure to mandate-driven flow. The result is a trading construct that dampens downside variability while preserving upside participation, enhancing ROC through stability and scalability rather than risk accumulation.

Notably, these gains in return stability and capital efficiency are supported by a structurally lower and more predictable cost base, an economic dimension examined in the next section.

[2] Return on Capital modeled using unlevered return on balance sheet assumptions of 3%,-20% and 15% for base, stress and upside, respectively. Assumptions informed by analysis of 2013-2023 spreads and carry for an 80/20 mixed portfolio of AAA/BB CLO, using Bank of America Global Research CLO Spreads. Base case returns based on year to date P&L, stress returns based on peak to trough P&L and upside returns based on one standard deviation shock.

Figure 8: Dealers are able to enhance ROC within a narrow P&L band across market environments



Source: Entegra.

3.3 Reduce Costs Without Reducing Revenue

Running a trading business today carries a high and largely fixed cost base. Market data, pricing tools, connectivity, and post-trade infrastructure represent recurring expenses that are difficult to scale down and expensive to replace, creating operational drag and long-dated investment commitments. **TaaS streamlines expenses by consolidating infrastructure-heavy components of secondary market support into a single, predictable subscription, typically on the order of one basis point. At that level, the cost is comparable to an accountant's fee on many transactions and represents a low hurdle for flow market-making P&L to reach breakeven.** Operating entirely within the bank's existing systems, TaaS avoids redundant platforms, vendor overlap, and incremental headcount, lowering the marginal cost of activity. The result is a leaner operating model with steadier expenses, improved operating leverage, and a clearer path to profitability without sacrificing client service.

Unlike traditional trading desks, which require dedicated headcount, infrastructure, and balance sheet to support secondary market activity, banks are able to concentrate TaaS resources where client demand exists. **As illustrated in Figure 9, a modest allocation of trading capacity supported by TaaS avoids the fixed personnel and platform costs that weigh on standalone desks, while still enabling banks to capture mandate-linked revenue.**

Because costs remain largely fixed as mandate volume increases, incremental revenue generated through TaaS is high operating leverage. With no incremental infrastructure build and limited incremental staffing, banks are able to preserve revenue while materially reducing the cost intensity of secondary market support. In practice, this translates into a meaningfully higher share of gross trading economics retained by the firm. Using an illustrative $50 million trading allocation, the reduction in fixed costs combined with mandate-driven revenue contributes to an estimated improvement of approximately 8 percent in return on capital, while maintaining discipline around risk, liquidity, and funding costs.

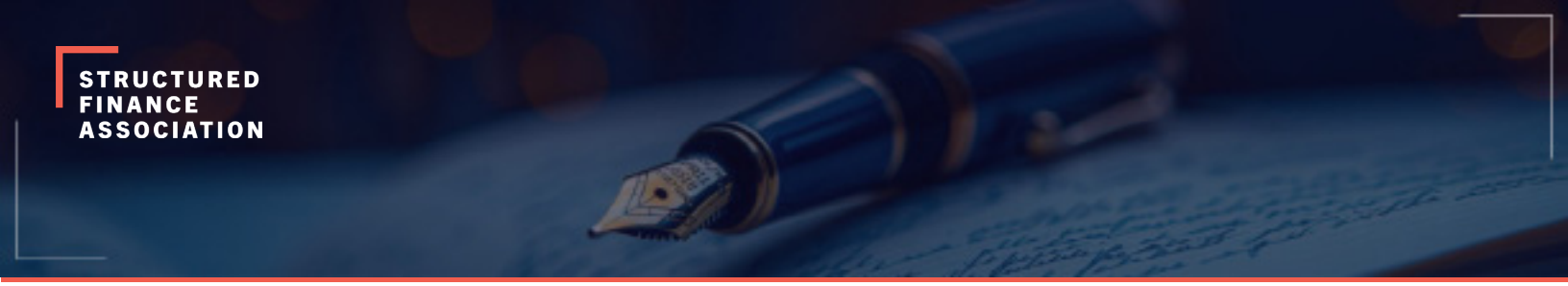
Figure 9: TaaS supports ROC by enabling mandate-driven revenue without increasing capital[3]

Assumptions	Traditional Desk	TaaS
Assumed Balance Sheet	$ 500 mm	$ 50 mm
Assumed Raw Return	3.0%	3.0%
Cost of Trader/yr	$ 750,000	$ 150,000
Cost of Infrastructure/yr	$ 1,000,000	$ -
Gain per Mandate	$ -	$ 700,000

$ PNL	Desk	TaaS					
New Mandates #	**-**	**0**	**1**	**2**	**3**	**4**	**5**
New Mandates (Banking & WH Fees)	$ -	$ -	$ 700,000	$ 1,400,000	$ 2,100,000	$ 2,800,000	$ 3,500,000
% Return							
New Mandates	0%	0.0%	1.4%	2.8%	4.2%	5.6%	7.0%
Desk PnL	3%	3%	3%	3%	3%	3%	3%
Total Return	**3%**	**3%**	**4.40%**	**6%**	**7%**	**9%**	**10%**
% Cost							
L1 - Cost of Capital (10-15%)	**15%**	15%	15%	15%	15%	15%	15%
L2 - Cost of Liquidity (100-150 bps)	**2%**	2%	2%	2%	2%	2%	2%
L3 - Cost of Funds (0-100 bps)	**1%**	1%	1%	1%	1%	1%	1%
Additional Costs							
Trader	*0.15%*	*0.30%*	*0.30%*	*0.30%*	*0.30%*	*0.30%*	*0.30%*
Infrastructure	*0.20%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Total Cost	**18.4%**	**18.3%**	**18.3%**	**18.3%**	**18.3%**	**18.3%**	**18.3%**
Return on Capital (ROC)	**16%**	**16%**	**24%**	**32%**	**39%**	**47%**	**55%**

Source: Entegra.

[3] Analysis assumes base case scenario of 3%, benchmarked on historical unlevered returns for CLO AAA/BB portfolio spreads. Assumed values for costs and mandate P&L are illustrative.



The economic outcomes described above are intentionally scoped. TaaS is purpose-built to deliver predictable, mandate-linked returns by supporting client-driven flow and consistent secondary market coverage. Its flatter P&L profile and capital efficiency reflect this design choice. By separating service-oriented market making from risk-intensive trading activity, banks can preserve the upside of traditional desks while reducing the volatility and cost burden associated with maintaining continuous client coverage.

Acknowledging these limits is critical. TaaS does not eliminate market risk or substitute for active risk management. Rather, it allows banks to deploy risk capital more deliberately, reserving balance sheet for opportunities where it is most effective while ensuring that client service does not depend on episodic risk-taking. This clarity of role is what underpins the return stability and capital efficiency demonstrated in this section.

4. How TaaS Helps Issuers / Managers and Investors

The benefits of that restored linkage extend beyond the dealers themselves. As liquidity returns, pricing becomes more transparent, confidence improves, and market depth broadens. This section examines how TaaS helps issuers regain pricing power and how investors recover reliable visibility.

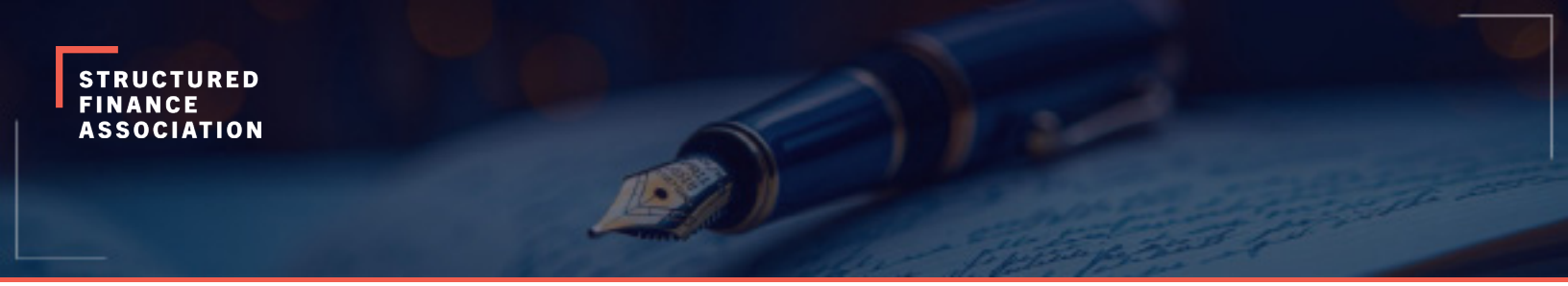
The retreat of dealer balance sheets reshaped bank economics and fundamentally altered how investors interact with the credit market. Since 2014, SP trading turnover roughly halved, even as total outstandings grew from approximately $2.5 trillion to $3.3 trillion (Creditflux, "Vanishing Volumes," Sep 2025). With fewer active dealers, liquidity has increasingly pooled at the top of the market, leaving much of the sector thinly supported and increasingly isolated.

As dealer participation declined, liquidity bifurcated and turnover fell, leading to wider bid–ask spreads and weaker price transparency. In this environment, investors relied more heavily on scale and reputation than on observable market signals, accelerating the quiet migration of risk toward private markets.
In private credit, the absence of mark-to-market volatility creates an appearance of stability. That stability, however, is optical rather than structural. Private credit's appeal stems from muted price signals, not from lower underlying risk, making it an imperfect substitute for the secondary trading that underpins true market transparency. Without active markets, valuation discipline erodes and risk migrates to less visible corners of the system.

For asset managers, these dynamics translate into higher funding costs, thinner coverage, and fewer opportunities to compete on performance alone. For investors, they mean reduced optionality and greater vulnerability when volatility returns. This is the hidden cost of vanishing volumes: structural inefficiencies that weaken transparency, confidence, and the resilience of credit markets The following sections examine how TaaS addresses these challenges for issuers, managers, and investors, with a more detailed, data-driven treatment of issuer and investor outcomes explored in a forthcoming paper.

4.1 Increase Pricing Power for Issuers and Managers

TaaS helps reverse the bifurcation of liquidity by rebuilding what we describe as the *Liquidity Ladder* (Creditflux, Nov 2025). By embedding a dedicated flow market making function under the arranger's banner, TaaS restores secondary market support as a consistent, bank-controlled service rather than an intermittent outcome. Continuous quote availability and steadier turnover reconnect primary and secondary markets, strengthening pricing continuity across the deal lifecycle.



The value of that liquidity is increasingly measurable and driven by market visibility. Long understood by traders, pricing power improves as a name is seen more frequently and consistently in the market. Visibility operates across three reinforcing dimensions:

- **Frequency,** reflecting how often a deal trades;
- **Intensity,** capturing how broadly that visibility extends across a manager's platform; and
- **Duration,** measuring how long visibility persists between issuances.

When sustained together, these dimensions compound. Frequent and broad visibility keeps platforms top of mind for investors, reduces execution risk, and supports tighter pricing over time. TaaS institutionalizes this dynamic by maintaining consistent trading activity across deals and cycles, transforming liquidity from a byproduct of scale into a repeatable service advantage. The result is stronger investor confidence, more resilient demand, and tighter primary pricing that directly lowers issuers' cost of capital.

4.2 Improving Liquidity and Exit Outcomes for Investors

As dealer balance sheet and headcount receded, investors absorbed the costs of thinner coverage, weaker liquidity, and intermittent price discovery. **While entry pricing remains important, investors are ultimately judged by where they are able to exit positions rather than where they enter them. In liquid markets, realized outcomes—not theoretical marks—determine returns.** When liquidity disappears, exits crowd quickly and price discovery breaks down, with smaller managers in particular struggling to secure timely axes and responsive markets.

TaaS-covered deals reinstate continuous price discovery and actionable markets under the bank's infrastructure. With observable daily liquidity signals, investors gain greater confidence in their ability to resize, recycle, and hedge portfolios across market conditions. Consistent market making support also strengthens demand over time. When investors seek to sell existing holdings to participate in new issuance, TaaS facilitates that transition by providing reliable exit liquidity. This allows capital to roll efficiently from one transaction to the next, broadening participation, tightening spreads, and supporting both portfolio performance and fundraising. The same visibility premium that benefits issuers is reinforced by investors' ability to transact daily at observable levels, deepening market confidence and sustaining secondary depth across cycles.

The benefits to issuers, managers, and investors described above are not separate from the dealer operating model, but a direct extension of it. When trading is structured to deliver consistent service rather than episodic risk taking, liquidity becomes observable, confidence returns, and capital circulates more efficiently across market cycles. TaaS enables this alignment by reconnecting banking and trading around client outcomes, allowing dealer franchises to support healthier market dynamics while improving their own return profile. In this way, market structure and dealer economics reinforce one another rather than trade off.

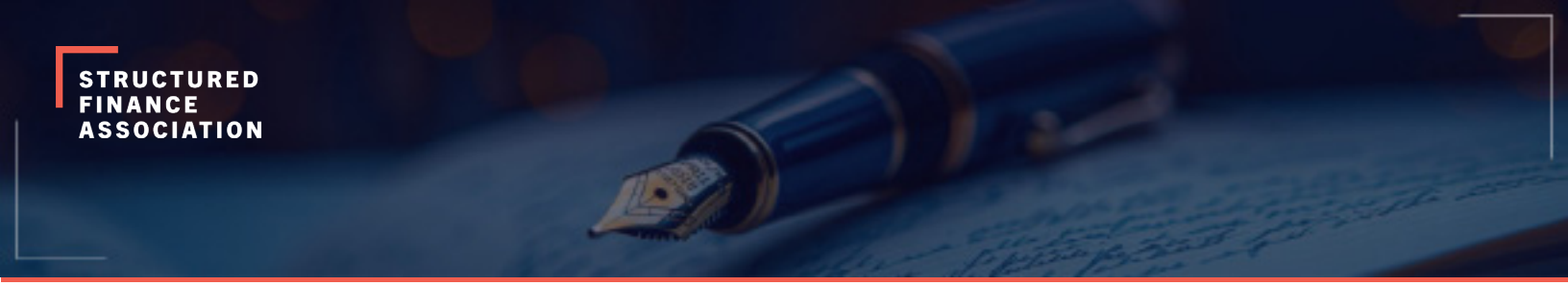
5. Conclusion: A Modern Trading Solution for a Modern Market

SP trading declined not because it lost relevance, but because legacy desk structures failed to adapt as capital became more expensive and balance sheet was constrained. The result was thinner liquidity, weaker client service, and a loss of competitive edge in a market where consistent secondary support remains an important differentiator, even if it is not uniformly provided. As banks retrenched, market making became more selective and trading activity concentrated in the most liquid names, leaving much of the market with less consistent coverage. **The question is no longer whether banks should provide trading; it is how to do so in a capital efficient, strategically aligned way that meets the needs of today's market.**

TaaS is the how. By embedding service driven market making inside a bank's infrastructure, TaaS restores secondary support on a predictable cost base while the bank retains full control of execution, risk, and client relationships. It complements in-house desks by shifting the day-to-day execution burden away from risk takers, allowing them to focus on higher value client service and book positioning. The result is stronger and more stable returns for banks, improved pricing power for issuers, and more reliable liquidity and price discovery for investors.

At the market level, the effects of this shift compound over time. Initially, TaaS may provide an opportunity for nascent players to quickly expand services and gain market share. **Eventually, TaaS may become the market-wide preferred model for its efficiency and simplicity without sacrificing control.**

Differences in timing are therefore likely to translate into differences in market position. Viewed in this context, TaaS represents a structural response to post-crisis constraints rather than a tactical adjustment. By re-anchoring secondary trading to client service within appropriate governance and capital limits, it offers a path for banks to reposition trading as a durable contributor to franchise value rather than a residual cost of doing business. **This is how Trading as a Service transforms trading from a cost center into a strategic growth engine and restores it to its essential role alongside the banking franchise.**



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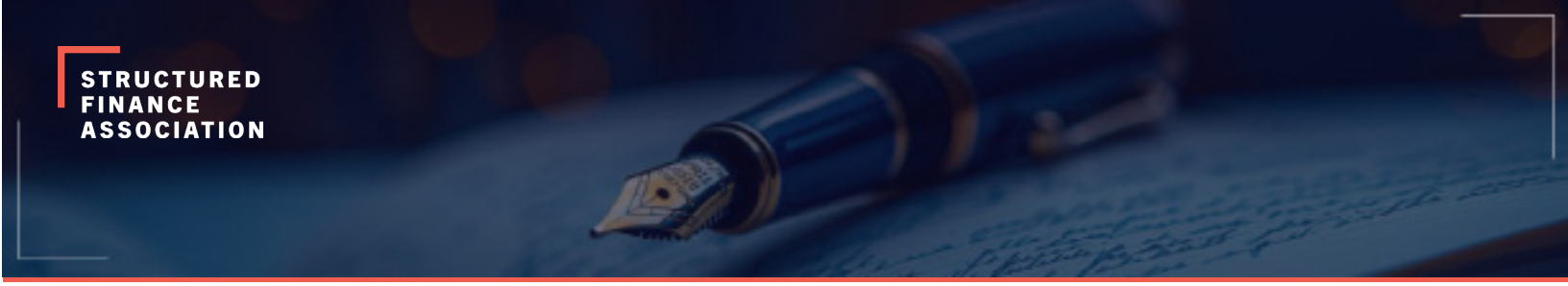
Note: ChatGPT was used for mechanical editing of this paper; all substantive analysis is the author's own



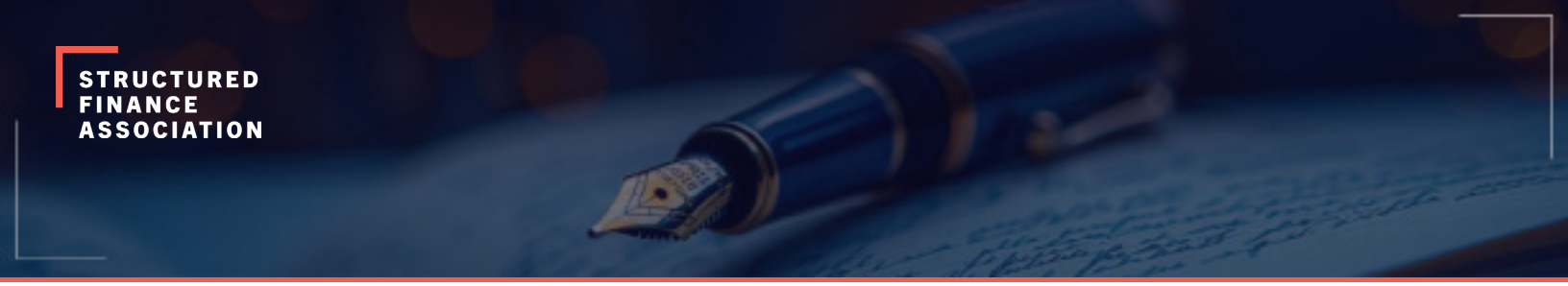
About Entegra

Entegra LLC is an independent financial services firm with two divisions and one mission: restoring trading as a growth engine in credit markets. Entegra Securities delivers Trading as a Service (TaaS), a capital-light, white label model that provides daily, deal-specific market support to enhance liquidity and returns. Entegra Solutions complement this by combining market expertise, intelligence, and analytics to give institutions operational leverage and sharpen their competitive edge. **Together, these businesses help banks deliver more consistent secondary support, issuers access deeper distribution and better execution outcomes, and investors allocate with greater confidence through improved visibility and liquidity.**

About Daniel Ezra

Daniel is the founder and CEO of Entegra, a financial services firm he established after a 25-year career at Credit Suisse, where he served as Global Head of Securitized Products (SP) Trading. He began on the Non Agency RMBS desk running both loan and securities trading and helped guide Credit Suisse's RMBS desk to profitability through the 2008 financial crisis. As Global Head of CLO Trading he pioneered the MASCOT structure, applying RMBS technology to the CLO market. He also led data science initiatives for Securitized Products that improved trading volume and connectivity and was instrumental in Credit Suisse's role as a founding member of Octaura, the electronic marketplace for leveraged loans and CLOs.

Daniel graduated from Harvard in 1998 with a BA in Economics. He captained the Varsity Squash team to four National Team Titles, won the Individual National Squash Championship, and was inducted into the Harvard Varsity Hall of Fame in 2013 as well as the College Squash Hall of Fame in 2019.



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