

Leveraging SWIFT Alliance Lite2 to create a single pipe for global banking partner integration



Tele-discussion
September 10, 2014



Agenda

- Speaker Introductions
- Treasury evolution and operational challenges
- Comprehensive solution: TMS + SWIFT
- Case Study
- Summary of Benefits



Who is SWIFT?



- ❖ 10,500 customers (1,300+ corporates)
- ❖ 215 countries
- ❖ 99.999% network availability
- ❖ 5 billion messages per year
- ❖ 0 lost messages in 40+ year history

Keith Gilroy – Senior Regional Manager

- Member-owned cooperative owned by the financial community
- Provide the global communications platform, products and services to connect the world's banks, securities institutions, and corporates
- Enable automated exchange of standardised financial messages in a secure and reliable manner
- Help companies lower costs, mitigate risk, and reduce operational inefficiencies.
- Bring together the financial community to collaboratively shape market practice, define standards and debate issues of mutual interest.



Who is Elire?



- ❖ 128 clients
- ❖ 18 of the Fortune 500
- ❖ 9 year history



- Elire is the industry leader in ERP Treasury workstation installations but our expertise also goes well beyond Treasury
- We help our clients choose success by efficiently implementing, integrating, and upgrading software investments in the areas of Strategic Financial Services, Human Capital Management, and Advanced Technology
- We also provide strategic guidance and support to assist with a wide variety of business process improvement consulting needs including ChartField re-design

Mike Graham – Partner and Treasury Expert



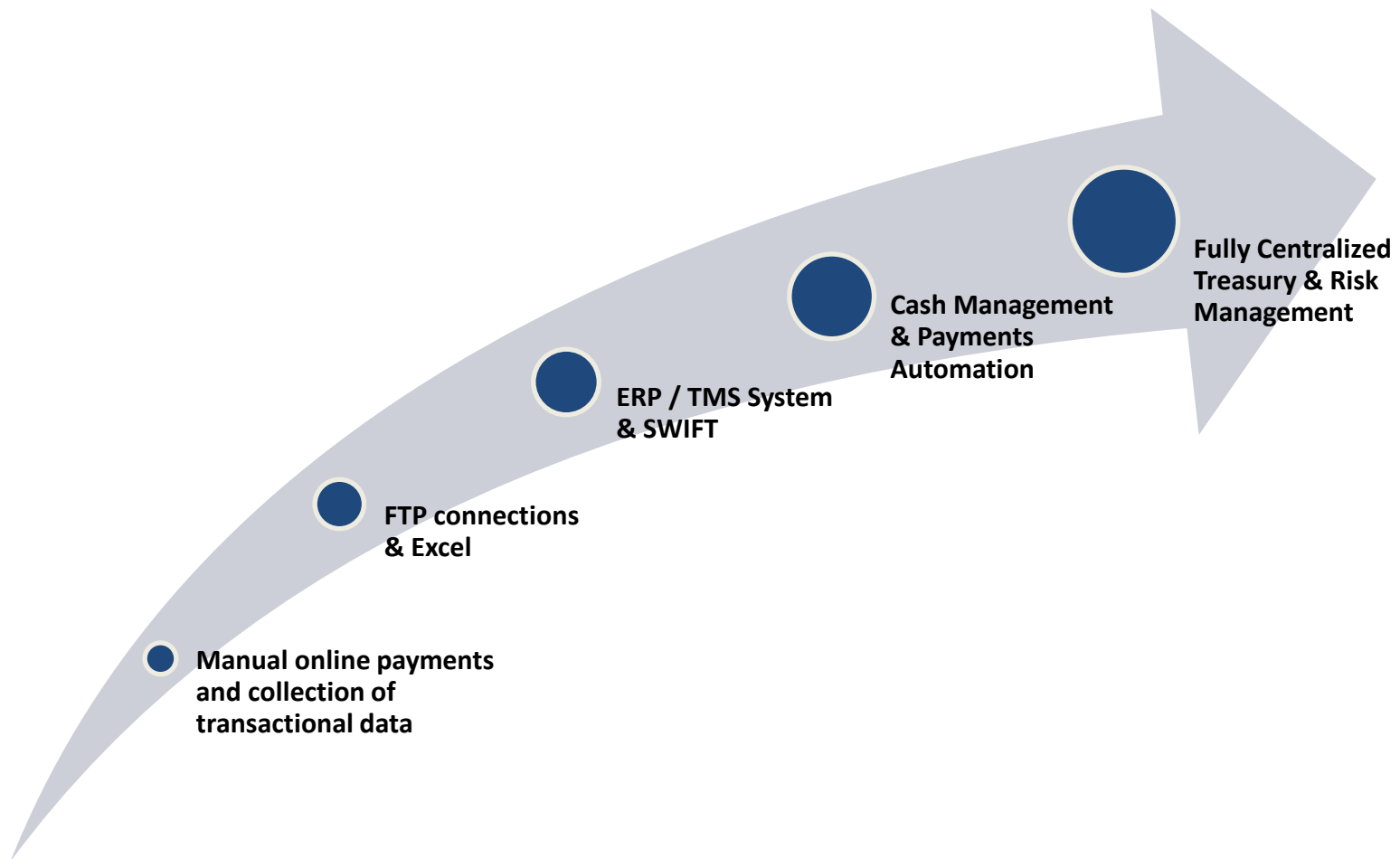
Common Business Objectives

- Gain global visibility to cash
- Achieve straight-through-processing
- Mitigate risk
- Maintain compliance / Strengthen controls
- Improve operational efficiency
- Enhance investment returns

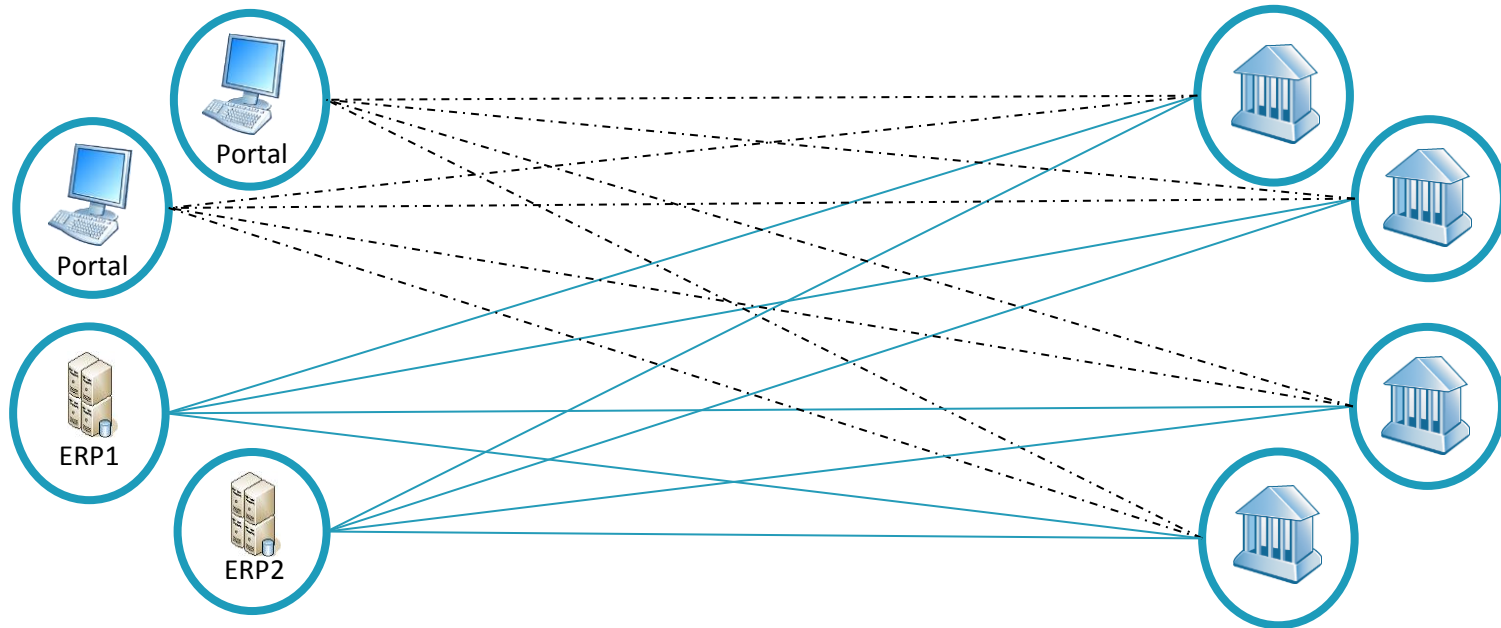
... all while reducing costs!



Treasury Evolution

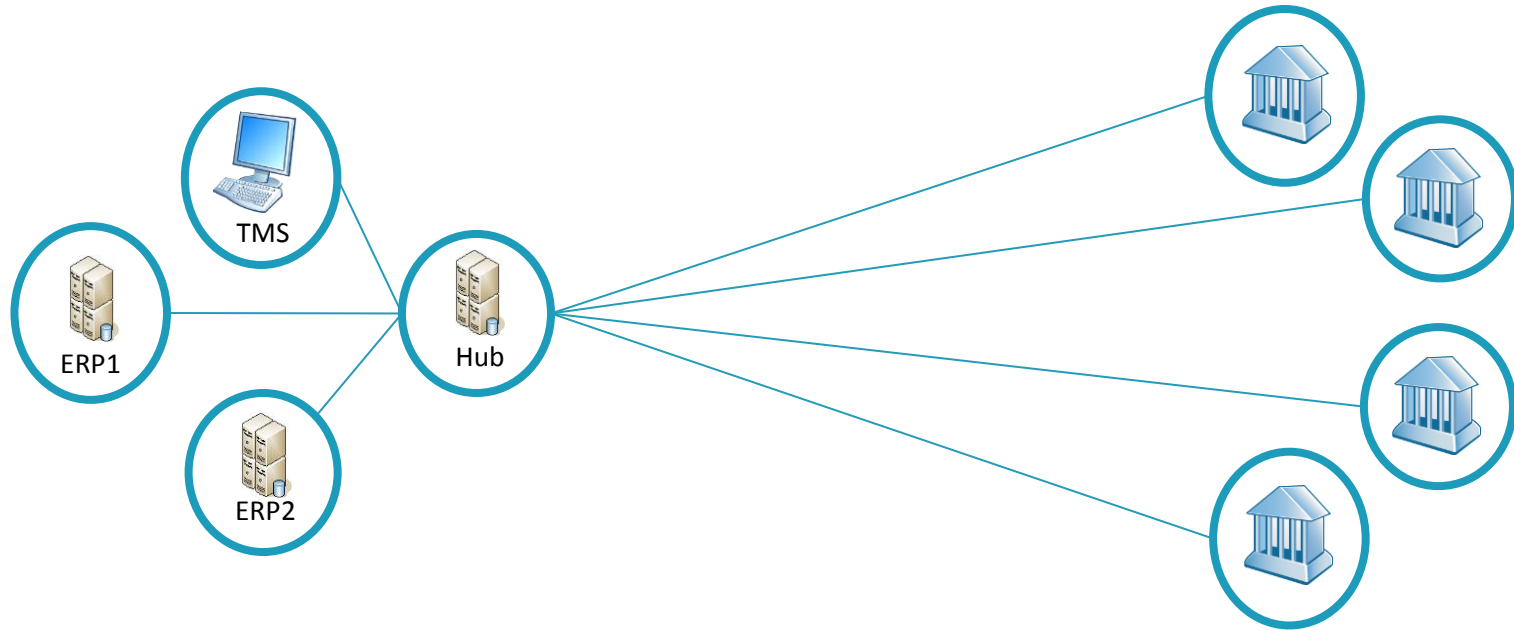


Operational Challenges



- Multitude of systems and processes, often manual
- Lack of centralized visibility to global cash
- Non-scalable, bank-by-bank approach
- Security and resiliency issues

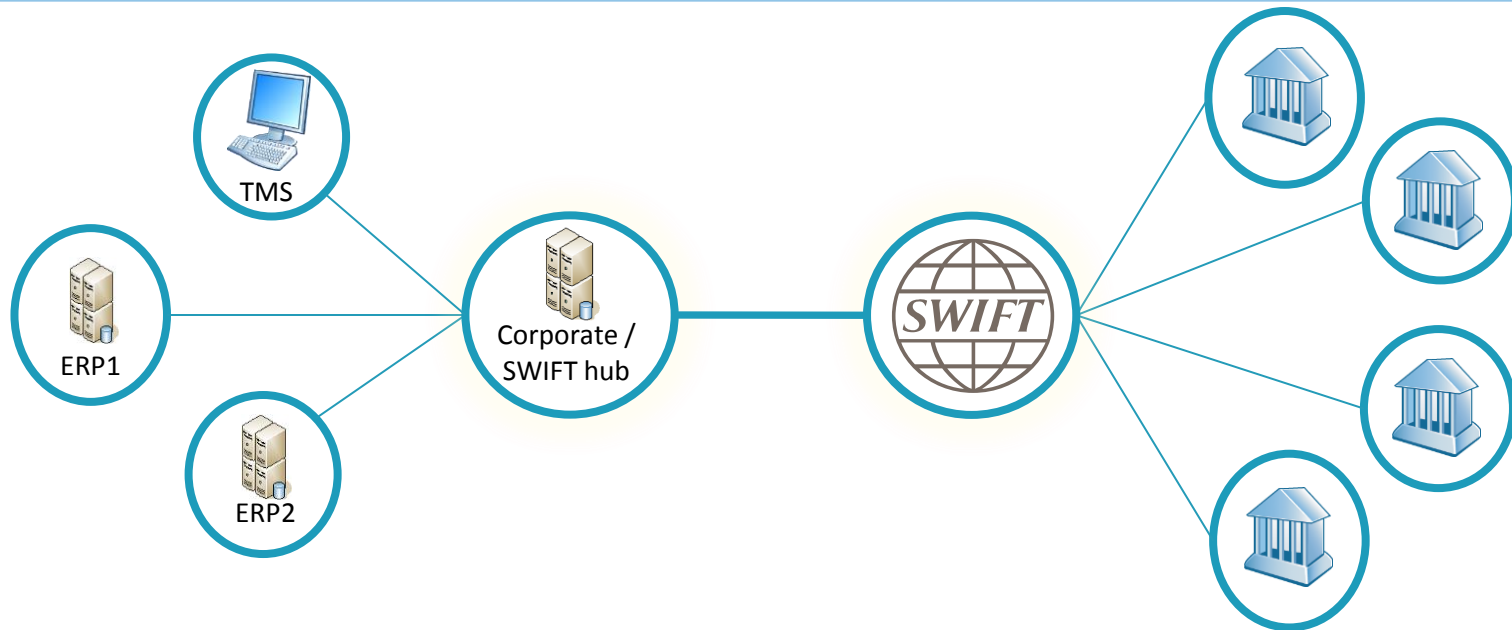
Partial Solution: Treasury System



- Challenge: how best to connect the TMS to your banks?
 - Bank connectivity project for each bank
 - Inefficient bank-by-bank processes remains an issue
 - Bank connectivity tied to the TMS solution / provider
 - Sub-optimal controls and traceability

} = Higher Cost

Holistic Solution: TMS + SWIFT



- Connect to SWIFT to consolidate and streamline all bank communications
 - TMS connected once to SWIFT for all bank data
 - Singular process for both cash reporting and payments
 - Bank connectivity independent of TMS solution / provider
 - Optimal controls and traceability

= Lower Cost



SWIFT for Treasury

- ✓ Automated
- ✓ Global cash visibility
- ✓ Straight-through-processing

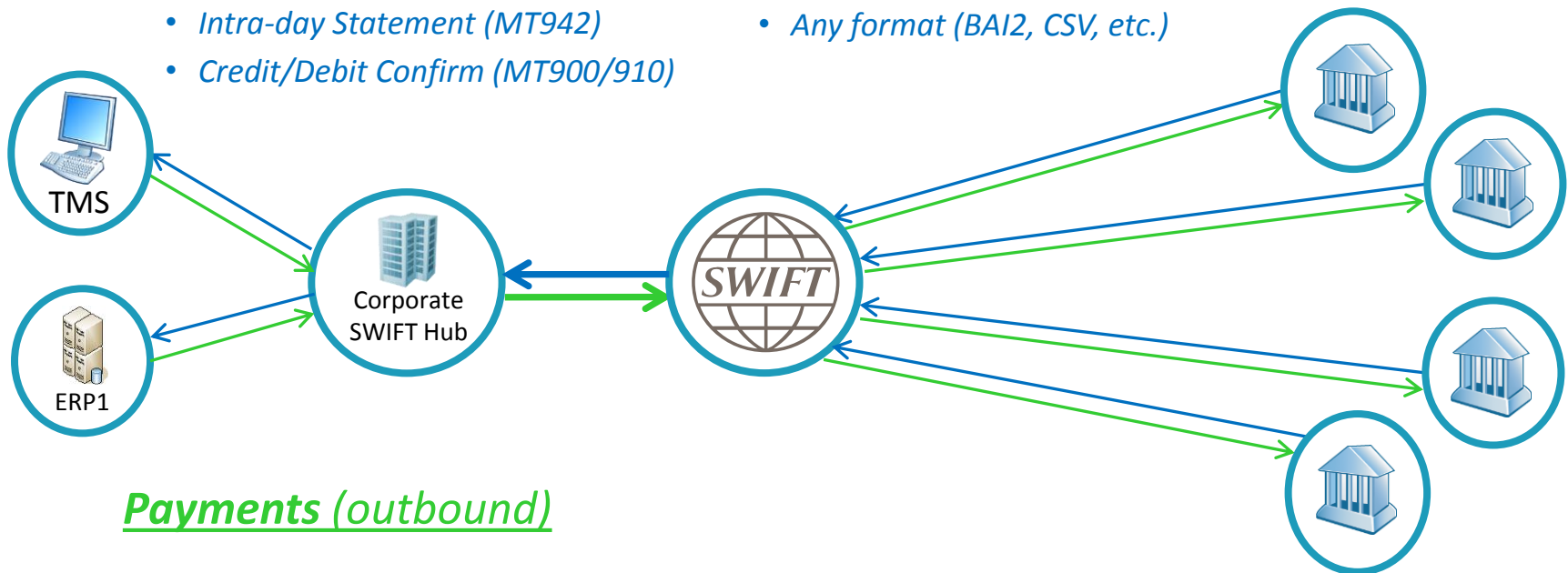
Cash Balance Reporting (inbound)

FIN

- End-of-Day Statement (MT940)
- Intra-day Statement (MT942)
- Credit/Debit Confirm (MT900/910)

FileAct

- ISO20022 / XML (camt)
- Any format (BAI2, CSV, etc.)



Payments (outbound)

FIN

- Credit Instruction (MT101)
- Typically high value wire

FileAct

- ISO20022 / XML (pain)
- Any format (NACHA, CSV, etc.)
- Typically low value

SWIFT Messages for Corporates

Business area	Description	SWIFT solution
Payments	High-value & bulk payments	MT 101 ISO 20022 pain
Cash Management	Intraday and end-of-day statements	MT 9xx, MT 210 ISO 20022 camt
Foreign exchange	Deal confirmations	MT 3xx
Multi Asset Class Matching	FX/MM, Derivatives, Commodities, Securities	Matching on Accord & Affirmations MT 3xx, MT 5xx, MT 6xx
Trade Finance	Letters of Credit, Demand Guarantees	MT 798 ISO 20022 tsrv
Supply Chain Finance	<ul style="list-style-type: none"> ▪ BPO based services (risk mitigation, pre/post-shipment financing, faster payment) ▪ Approved payables financing (proprietary) 	ISO 20022 tsmt on Trade Services Utility All file formats
Regulatory requirements	Trade reporting, clearing and collateral management (EMIR/Dodd-Frank)	MT 300 All file formats
eStatements	Electronic end-of-period statements	All file formats e.g. PDF
eBAM	Account (opening, closing) and mandate management (signatories, user entitlements)	ISO 20022 acmt All file formats e.g. PDF, ...



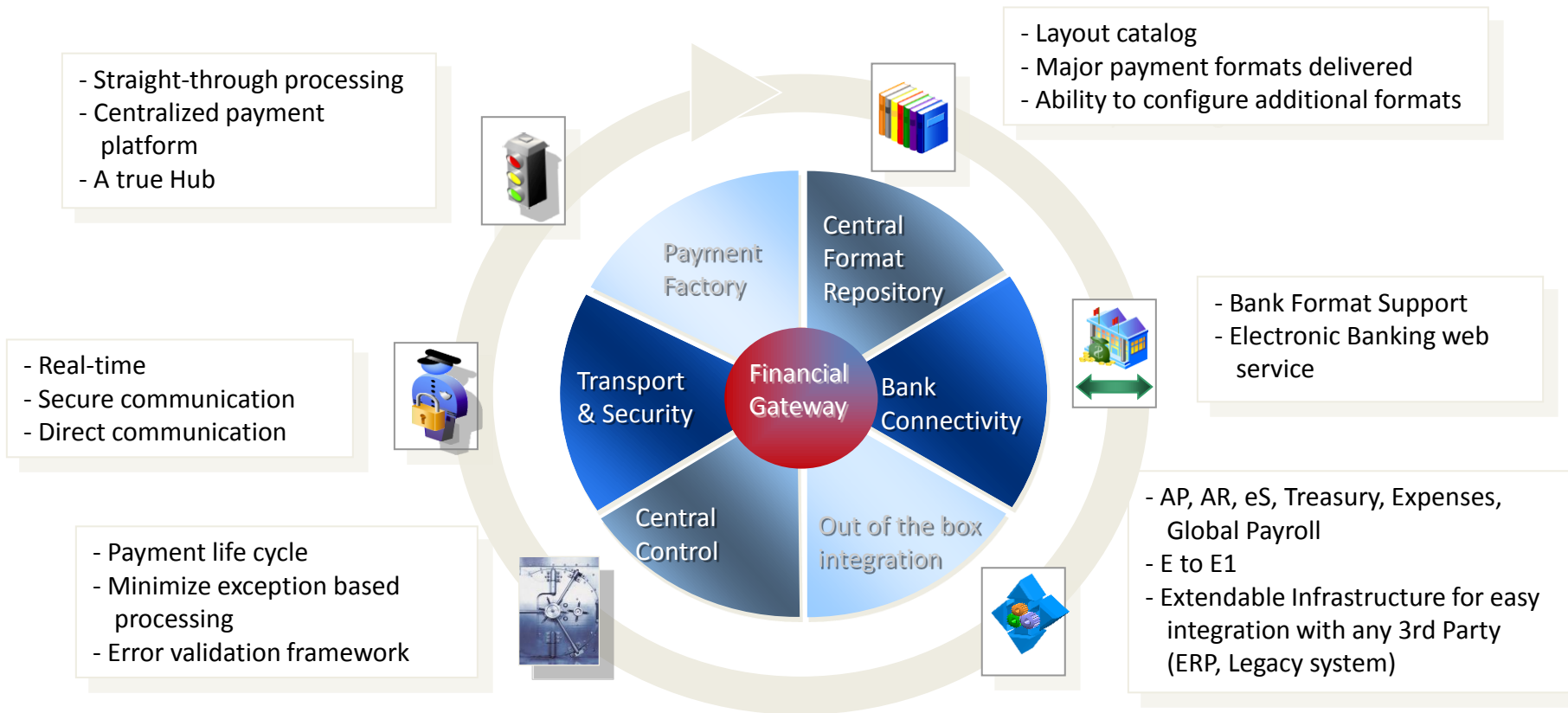
Case Study

- ~\$4.5 billion revenue staffing solutions company
- Support clients in more than 60 countries
- Domestic Payments
 - 378 payment files per month with 3 banks
- International Payments
 - 445 payment files per month with 6 banks
- Implemented a holistic solution
 - PeopleSoft Financial Gateway + SWIFT Alliance Lite2



PeopleSoft Financial Gateway

Streamlined Payment Processing Hub



Alliance Lite2



- Easy, cost-effective connectivity to SWIFT
- Facilitates straight-through-processing from payment dispatch through transmission to acknowledgement confirmations.
- SWIFT MTxxx messaging to standardize across all banking partners
- File Act transfers for bulk payment file transmission
- All bank messaging. Any formats.

Single point of contact

Seamless integration
with your existing
systems

SWIFT's world-class
levels of security and
reliability



Results

- Consolidated all payments into single process
 - Removing custom SQR's jobs for payment creation
- Eliminated FTP process
 - Automated payment file from PeopleSoft directly to Swift server streamlining IT support
- International Bank Statements
 - Added new process to support ISO20022 and SEPA as required
- Standardize on payment methods
 - EDI820, SEPA, ISO20022
- Added Acknowledgements
 - Bank and Swift transmission verifications
- Provided stronger audit controls, reporting and security
 - Automated production control alerts



In Summary

Compelling Value Proposition

- ✓ Bank-agnostic solution: 1 connection for thousands of banks globally
- ✓ Gain global visibility to cash (90%+), improving working capital and enhancing returns
- ✓ Automate processes, reducing risk of error and allowing for redeployment of human resources to more strategic initiatives
- ✓ Enhance security, reliability & controls in financial communications
- ✓ Reduce IT systems and support dedicated to financial communications

❖ *Automation*

❖ *Risk mitigation*

❖ *Cost Reduction*



Thank You



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