IBM BANKING INDUSTRY FRAMEWORK
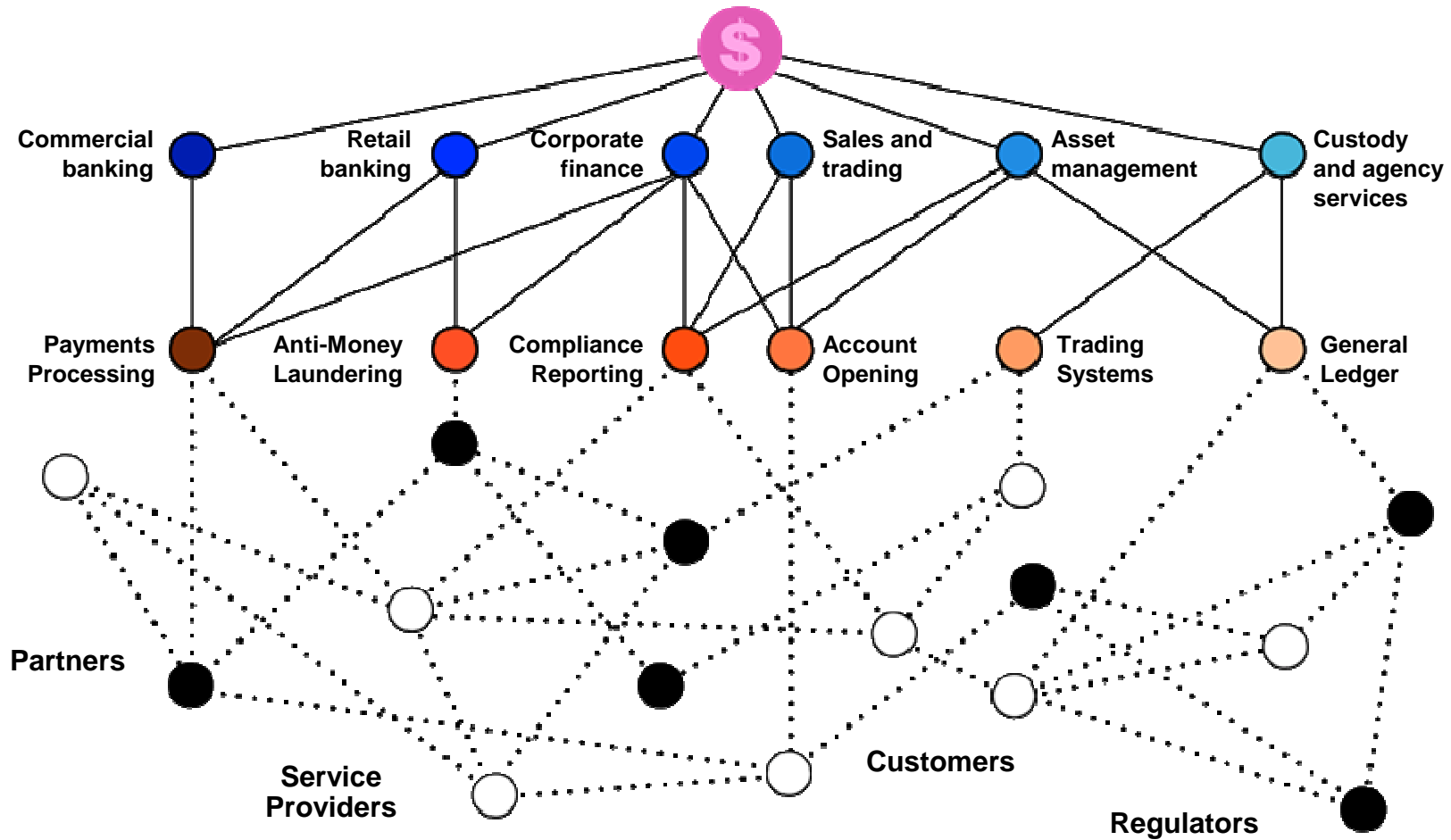## Solutions for payments

May 20th 2011

Ebru Binboga– CEE Industry Solutions Leader for Banking, IBM SWG

Inflexible, complex operations and silo'd data hinder progress in using data as a strategic asset

These complexities increase cost, lengthen delivery time and increase project risk

- Hard-coded links between applications

- Duplicate systems and redundant processes

- Relevant information difficult to access real-time

- Inability to track transactions through processes

- High degree of manual intervention in processes

- Technology not aligned with business needs

…slowing deployment of solutions and decreasing agility

There are common challenges in transaction processing and management

- Controlling cost and expense
  - Industry standards change requiring significant implementation expense
  - Regression testing is very expensive when introducing change
  - Duplication of services across different payment engines/applications

- Inability to increase revenues and add growth
  - On-boarding new Customers is complicated and expensive
  - Difficult to introduce new services
  - Lack of business agility
  - Timeliness of introducing new services
  - Difficult to comply with new regulatory requirements

- Increased operational risk
  - Difficult to produce analytic information relating to payment processing
  - Difficult to introduce business activity monitoring around payment processing
  - Difficult to centralize business rules
  - No complete audit trail on payment processing steps

- Poor customer satisfaction
  - Disparate systems in payments landscape - unable to track the status of a payment
  - Unable to provide transparency on payment processing to customers

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Managing Financial Operations

Designed to provide a set of pre-integrated solutions to gain visibility, control payment transactions, balance financial risk, and facilitate effective financial planning and performance management.

Transact
Improve visibility and control in financial transactions while enabling the management of clearing & settlement
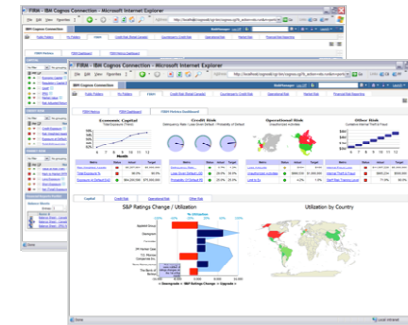

Measure
Enable planning, budgeting, and tracking performance.

Govern
Enable planning, budgeting, and tracking to perform against strategic financial goals
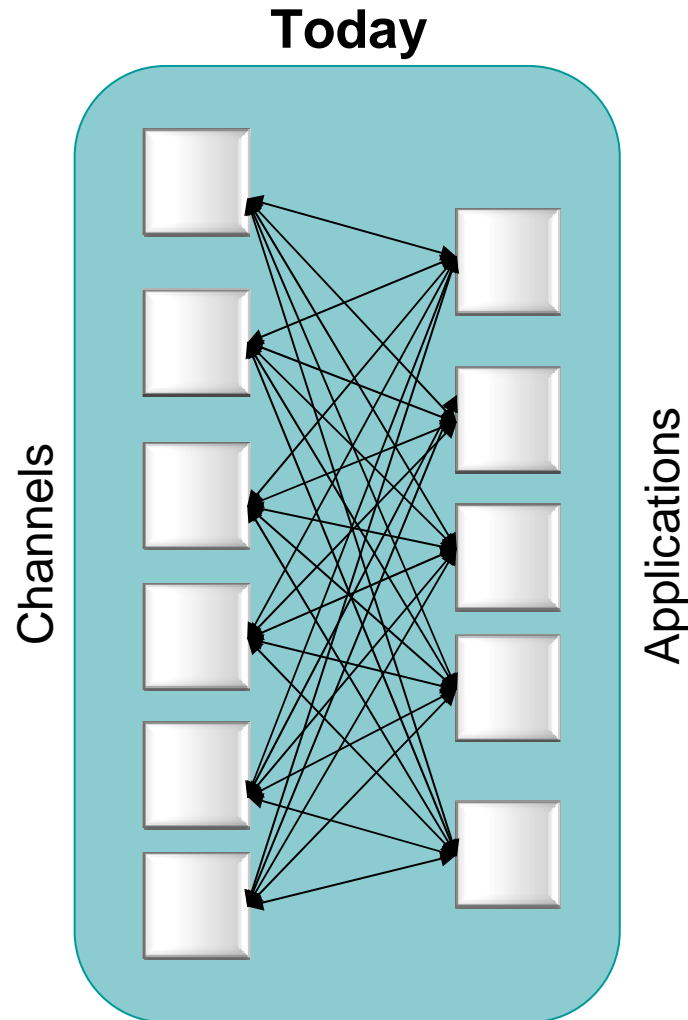

Optimize performance   **Balance Risk**   **Increase Visibility**

IBM Financial Transaction Manager
simplifies complex financial transactions processing

Today

Channels

Applications

Problem

- **Complex** – costly to maintain

- **Lack** of visibility

- **Difficult** to make changes

- **Duplication** of services, data, processes and functions

- **Not in control** of environment

IBM Financial Transaction Manager
simplifies complex financial transactions processing

With FTM

Channels

IBM Financial Transaction Manager

Applications
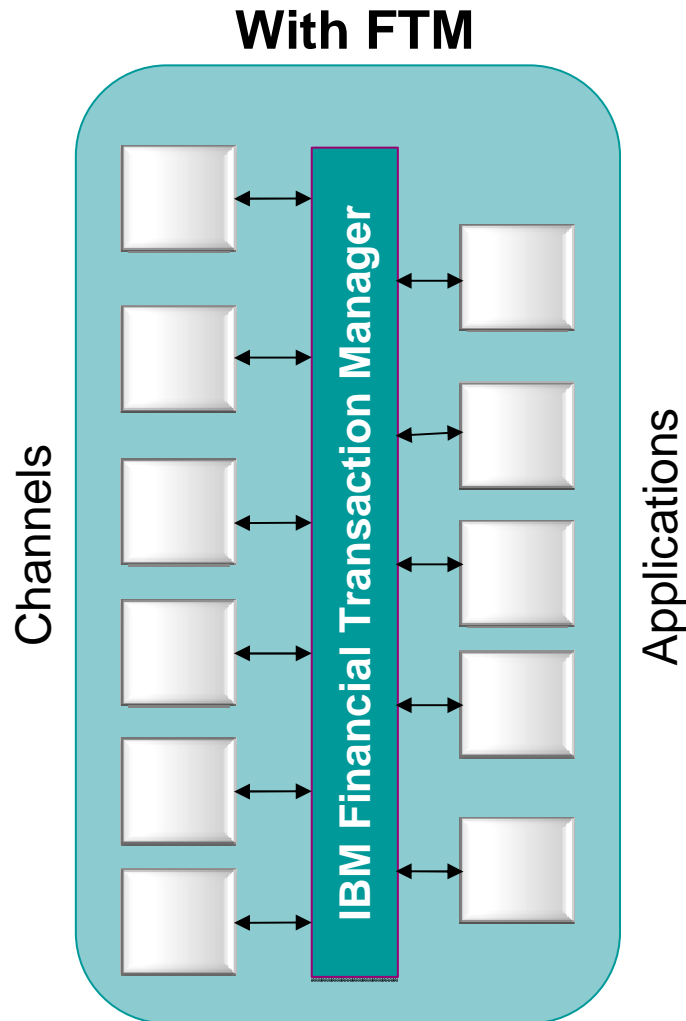
Solution

- **Streamlined** easier to maintain

- **Improved** transaction visibility

- **Easier** to make changes with reuse

- **Faster** time to value for new services

- **Re-use** of services, data, processes
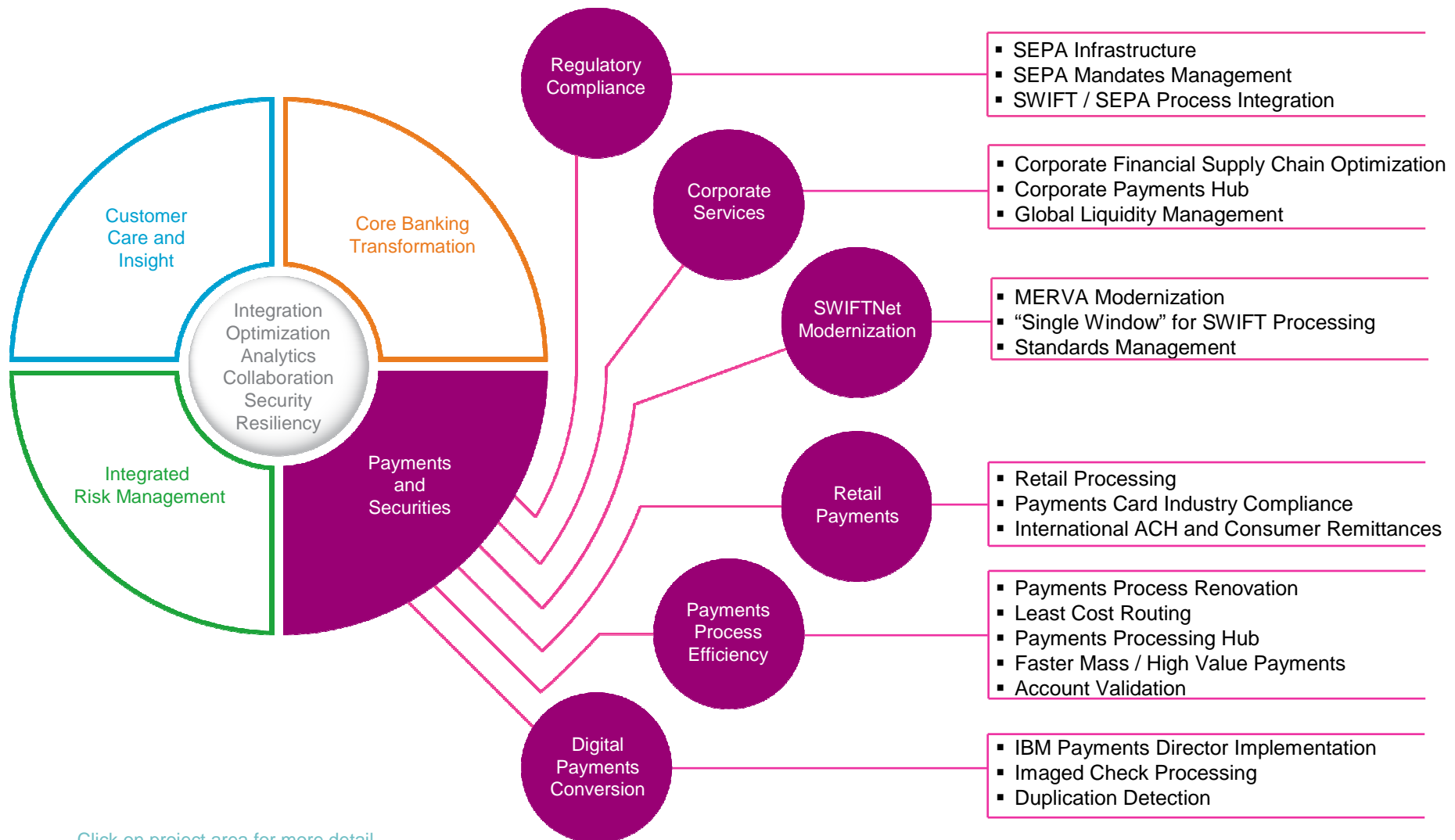
- **Control** of environment

What is IBM Financial Transaction Manager?

- Provides a single standard representation and storage of messages
  - Common data model and single message storage format
- Enables common storage of events for monitoring
- Standardizes routing to applications and lines of business
- Establishes rules-based routing
  - Common rules enforcement in applications
- Stores message and audit data
  - Works with existing enterprise data management solutions
- Defines unified development methodology and environment for middleware integration
- Leverage SWIFT message services and processing from WBI FN
  - Message entry/repair, printing, SWIFT file processing, validation and auditing
- Is a common platform for financial management applications – buy, build, and assemble

FTM is a software package used for the implementation of an integration layer to manage, orchestrate and monitor financial transactions. FTM provides the functionality to collect and manage the state of transactions while providing integration capability including common data and message models based on an industry standard (ISO 20022).

The IBM Banking Industry Framework
Payments and Securities project areas

Regulatory Compliance
- SEPA Infrastructure
- SEPA Mandates Management
- SWIFT / SEPA Process Integration

Corporate Services
- Corporate Financial Supply Chain Optimization
- Corporate Payments Hub
- Global Liquidity Management

SWIFTNet Modernization
- MERVA Modernization
- "Single Window" for SWIFT Processing
- Standards Management

Retail Payments
- Retail Processing
- Payments Card Industry Compliance
- International ACH and Consumer Remittances

Payments Process Efficiency
- Payments Process Renovation
- Least Cost Routing
- Payments Processing Hub
- Faster Mass / High Value Payments
- Account Validation

Digital Payments Conversion
- IBM Payments Director Implementation
- Imaged Check Processing
- Duplication Detection

Customer Care and Insight

Core Banking Transformation

Integration
Optimization
Analytics
Collaboration
Security
Resiliency

Integrated Risk Management

Payments and Securities

Click on project area for more detail

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Project Use Case – Regional Bank

Client Challenges

1. Disparate message management across systems
2. Expensive implementation to handle updates
3. Low perceived value for new services
4. Difficulty with SWIFT message management
5. Many payments transformation projects in queue

Solution

- Streamlined integration through FTM
- Impact of change reduced, moving to fewer interactions shielding applications from changes
- Improved business agility and time to value for new services
- SWIFT message managed with message entry repair, validation
- Payments transformation industry models to deploy progressively
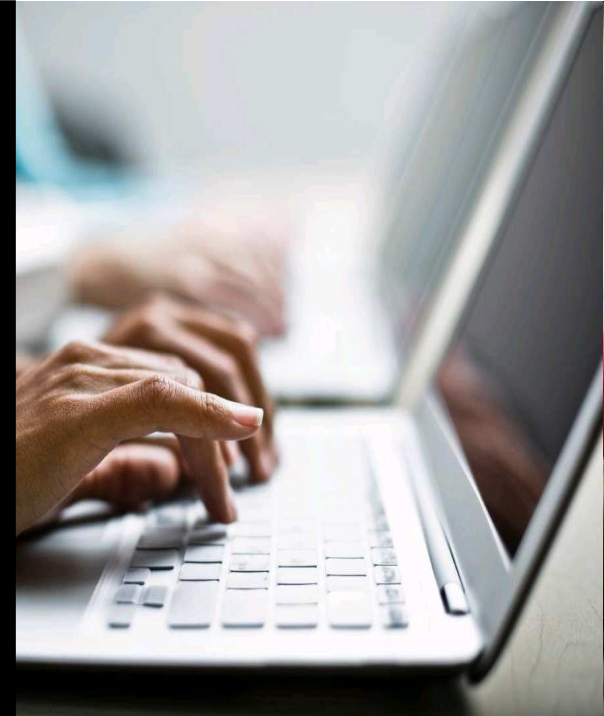
Smarter Business Outcomes

- Streamlined processing of payments – reduction in maintenance costs
- Ability to quickly offer new services to customers
- Greater control over processing environment
- Ability to produce valuable analytical information from centralized operational data store
- Standardized environment for ongoing payments transformation
- Minimal impact of change on application testing

Project Use Case – Global Bank

Client Challenges

1. Difficulty on-boarding clients
2. Lack of content-based routing
3. Complex interaction with systems
4. Incomplete audit and message tracking
5. Need to scale for peak processing
6. No business intelligence and analytics

Solution

- Business analysis reporting from common message repository
- Real-time access to message status
- Design for peak and normal processing
- Common interaction design to systems

Smarter Business Outcomes

- Reduce cost of on-boarding new customers
- Provide better service to customers with greater transparency
- Increase revenue through offering new value added services to clients
- Increase operational efficiency and higher STP rates
- Improved market image

Project Use Case – DnB NOR

DnB NOR

Client Challenges

- The bank needed a payments message hub that could send and receive SEPA Credit Transfers from the European Bankers Association
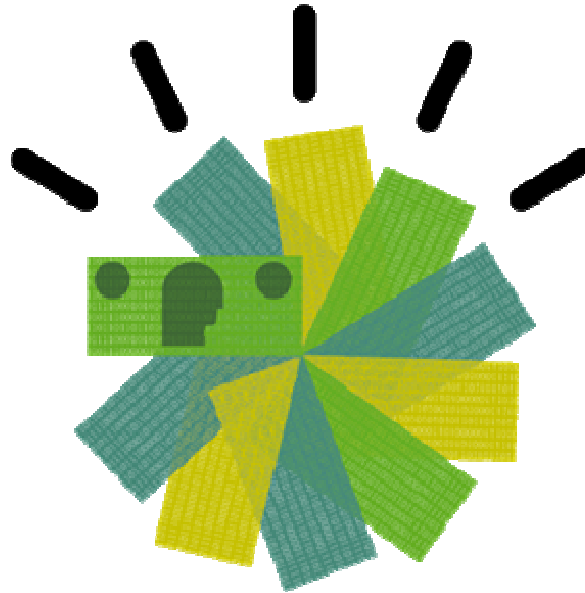
Solution

- Implemented a payments mediation, monitoring and management infrastructure across the DnB NOR SEPA payments business

- The solution has a base common product with industry specific SEPA processing engine

Smarter Business Outcomes

- Ability to accommodate payments network / gateway changes without costly changes to back-end applications
- Enhanced monitoring of payments processes
- Transparent payments rules that business users can comprehend; rules can be changed in hours or days vs. weeks or months

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Thank you

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