

AFP® Annual Conference

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ORIGINAL
ESSENTIAL
UNBIASED
INFORMATION



Alliance Lite as a SWIFT Connectivity Platform

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Presentation Agenda

- **Introductions – Oxy & Trellis**
- **SWIFTNet and Alliance Lite**
- **Integration Options**
- **Costs and Benefits of Alliance Lite**
- **Alliance Lite at Oxy**
- **Project Background**
- **Current Situation**
- **Questions**

Occidental Petroleum



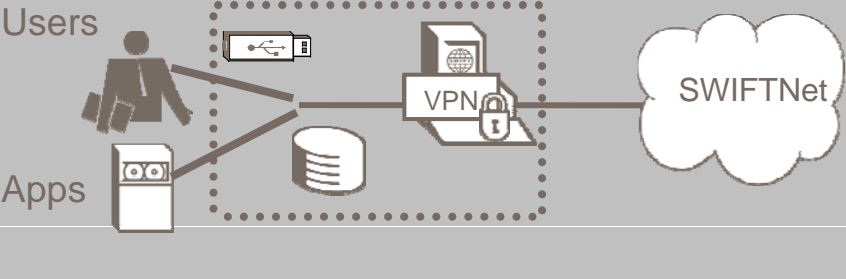
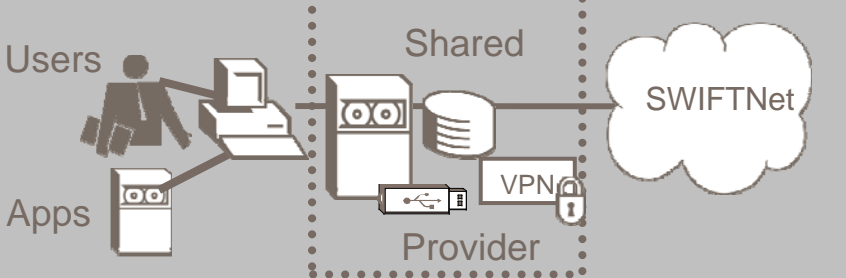
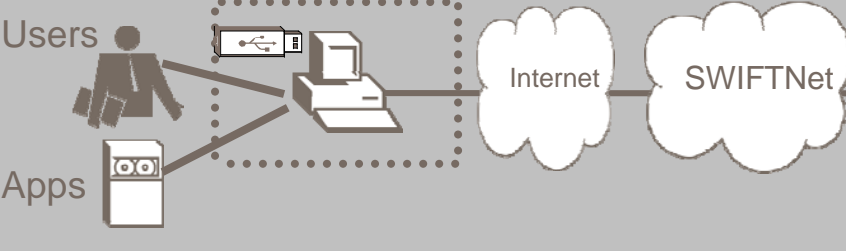
- Int'l Oil and Gas E & P with Chemicals Company
- Founded 1920 – 30,000 employees & contractors
- Fourth largest US Oil & Gas Company
- Domestic operations in Texas, New Mexico, California, Kansas, Colorado & Utah
- Middle East/Africa in Qatar, Oman, Libya, Yemen & Bahrain
- South America in Colombia, Argentina & Bolivia
- Occidental Chemical in 11 US States plus Canada, Brazil and Chile

Trellis Integration Partners



- Founded in 2007 by ex-Microsoft IT Treasury Members
- Specialty Consulting and Integration for SWIFT Technology
- Extends base Microsoft products into industry vertical solutions for corporate treasuries, community banks, investment managers and medical bankig participants
- Microsoft Gold Certified partner
- SWIFT partner and Alliance LITE Wholesaler

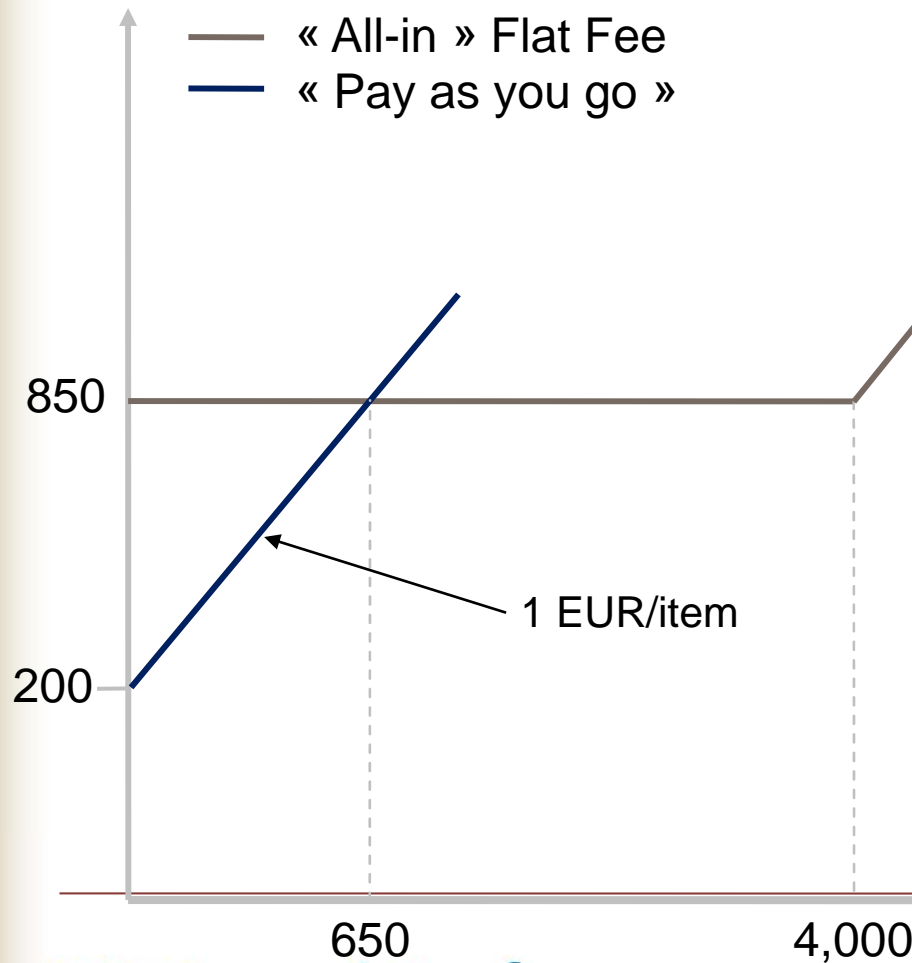
How to connect to SWIFTNet

<p>Private Infrastructure SWIFTNet connectivity infrastructure owned and operated by the customer</p>		<p>Flexibility and control</p>	
		<p>One time 25-50 KEUR</p>	<p>Yearly 20-25 KEUR</p>
<p>Indirect Connectivity SWIFTNet connectivity infrastructure owned and operated by third party</p>		<p>Outsource</p>	
		<p>One time 1.5 KEUR + provider cost</p>	<p>Yearly 7.7 KEUR + provider cost</p>
<p>Alliance Lite Simplified, Internet based, secure connectivity, more business oriented</p>		<p>Easy and light</p>	
		<p>One time -</p>	<p>Yearly 10.2 KEUR</p>

* Prices for average 200 FIN messages/day

Alliance Lite Pricing

Price (EUR/month)



« All-in » Flat Fee

850 EUR/month, includes traffic up to 4000 items/month
(+ 1.0 EUR/item > 4,000 items/month)

« Pay as you go »

200 EUR/month + 1.0 EUR/item

Monthly billing

1 item = 1 FIN MT, 1 InterAct, or 1 FileAct chunk (up to 100 KB)

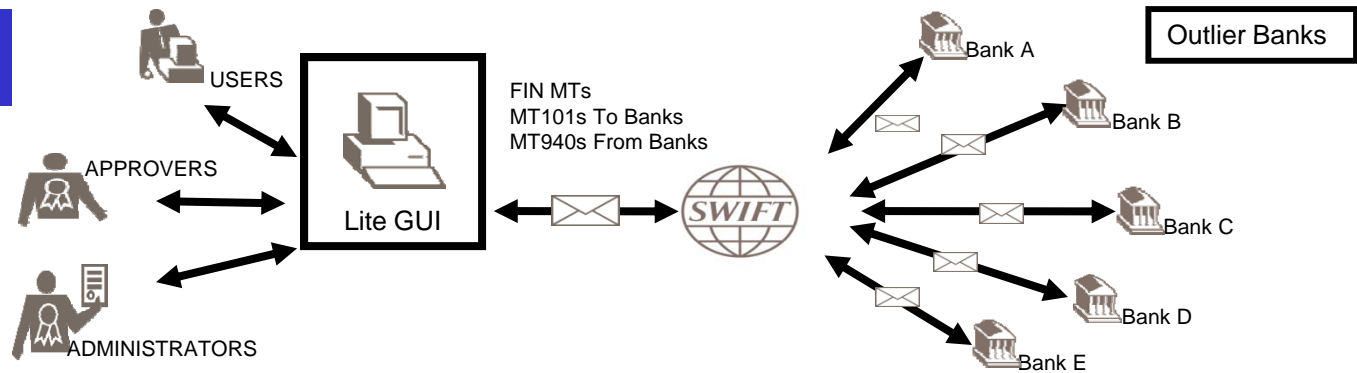
Traffic (sent+received items/month)

What's on your keychain?

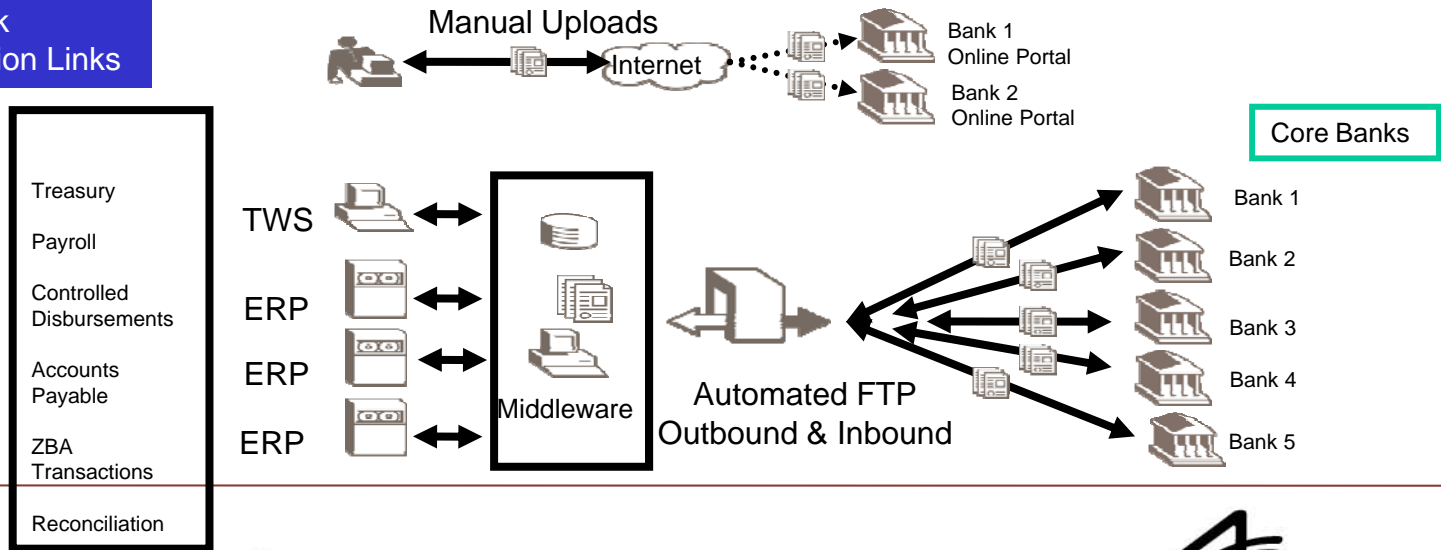


Alliance Lite in a non-integrated environment

Non-Integrated SWIFT Alliance Lite

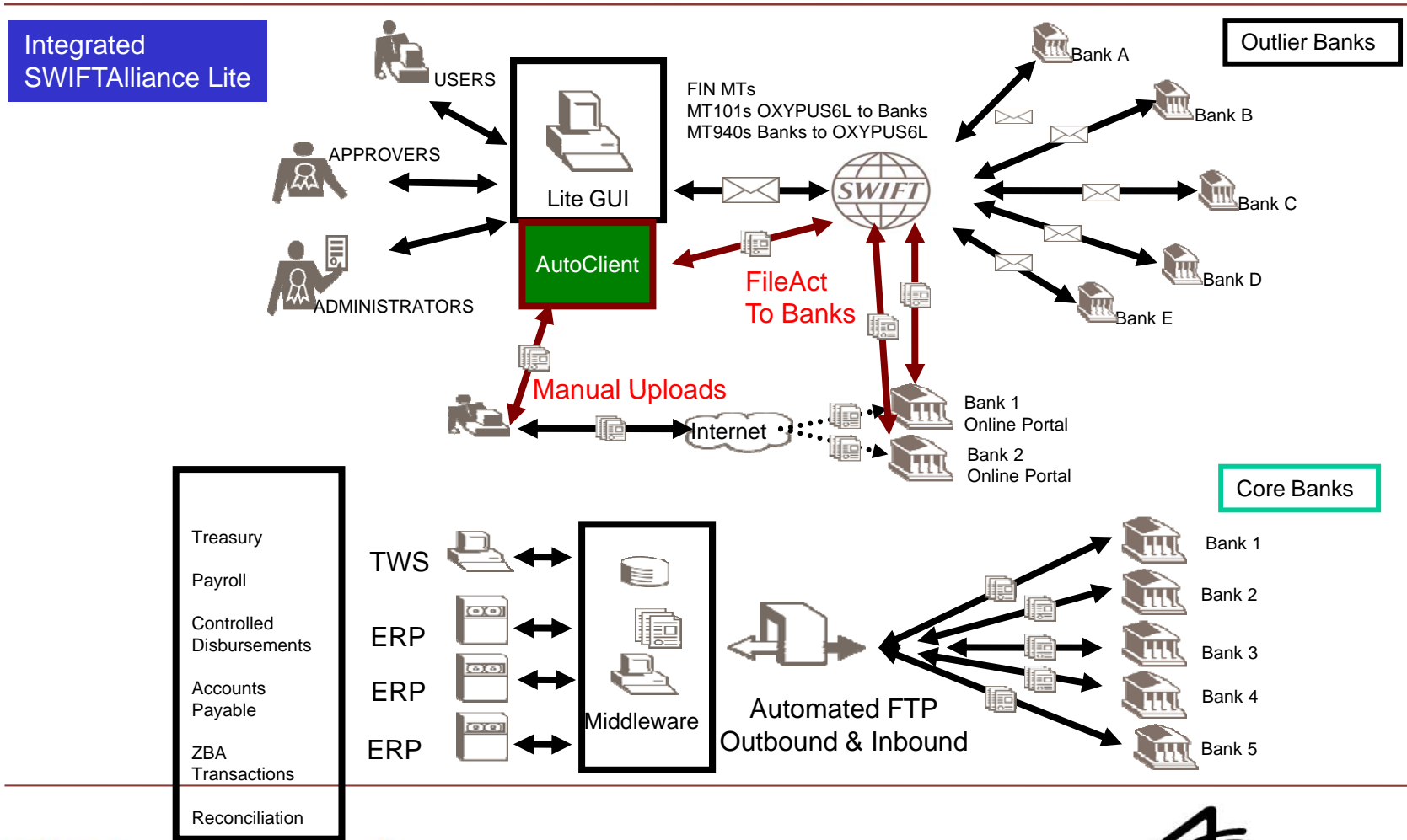


Existing Bank Communication Links



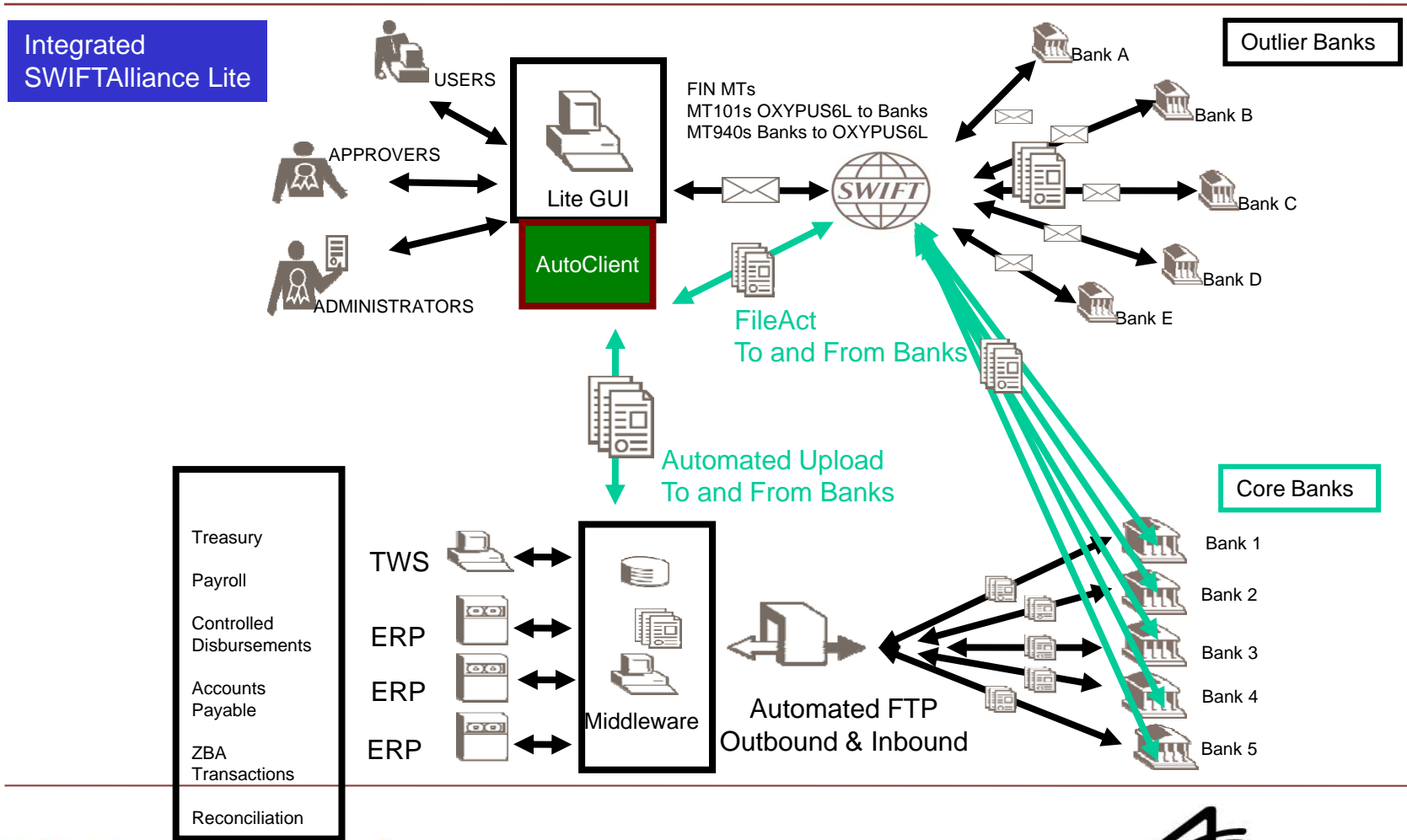
Alliance Lite in an integrated environment

Manual file transfer via AutoClient & FileAct



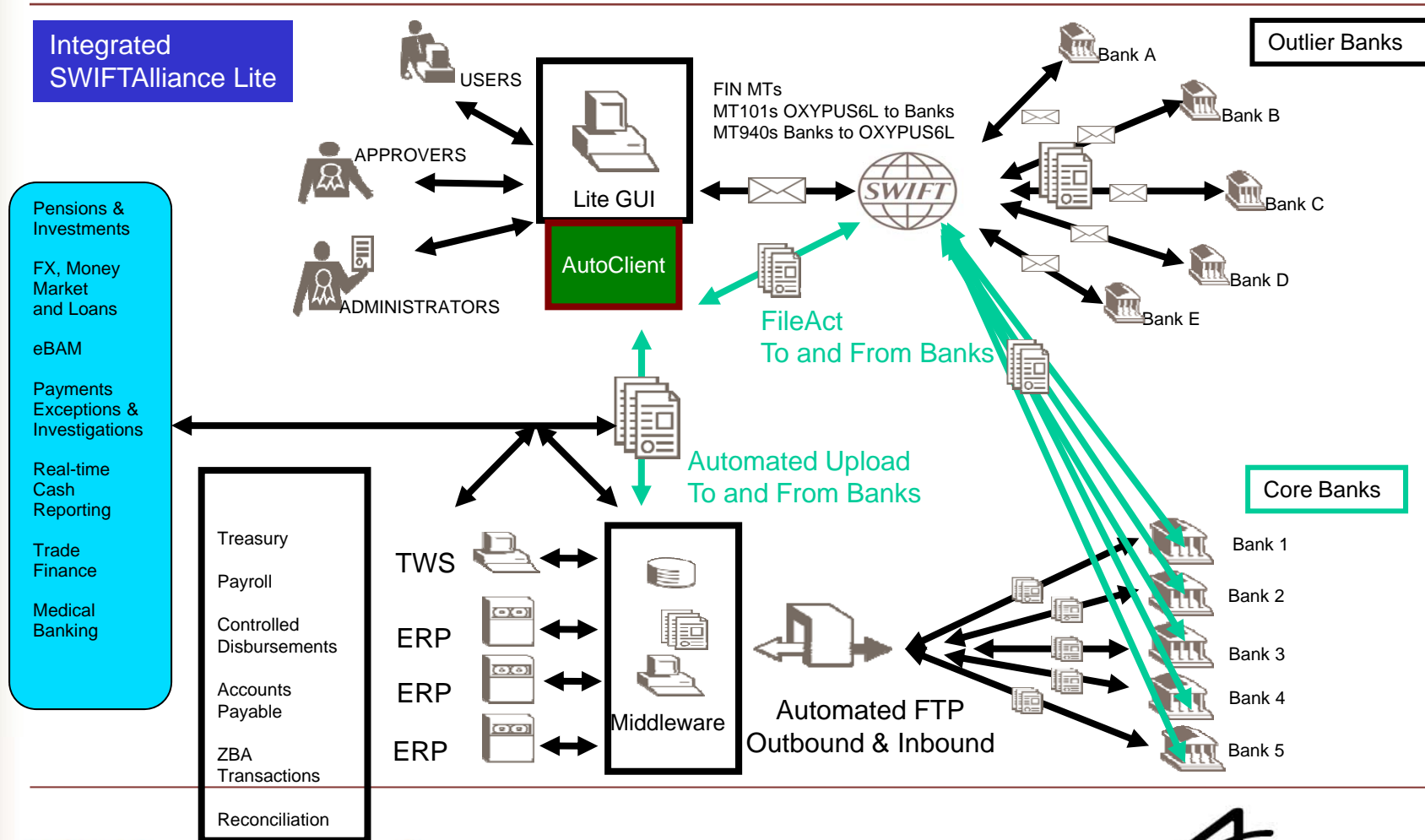
Alliance Lite in an integrated environment

Automated File Transfer via AutoClient & FileAct



Alliance Lite in an integrated environment

Other potential processes for integration with SWIFT



Cash and Banking Systems at Oxy

- 130 US bank accounts concentrated in 2 main banks
 - 160 International bank accounts in 24 countries with regional concentrations
 - Multiple interfaces from ERP's to Banks for EFT payments
 - Multiple bank on-line transaction systems
 - Multiple interfaces from Treasury Workstation to bank on-line systems
 - Several local Int'l banks with one-off systems
 - Joint venture and non-operated assets
-

System Concerns & Challenges

- Time and effort requirement issues
 - IT resource availability
 - Increased exposure due to number of entry points
 - Flexibility to add banks acquired via mergers and acquisitions
 - Consolidate and simplify
 - Position for the future
-

Project Background

- SWIFT identified as potential connectivity solution
- Joined SWIFT as a SCORE member
- Obtained company BEI
- Reviewed options for access to SWIFT
- Elected to subscribe to SWIFT Alliance Lite
 - Meet EFT needs of outlier banks (MT101)
 - Import balances and transaction data (MT940)
 - Familiarize company with SWIFT capabilities
 - Ordered SWIFT Alliance Lite on line

Alliance Lite Functions and Capabilities

- Internet browser-based interface
 - Secure Public Key Infrastructure (PKI)
 - Supports multiple FIN Message Types (MT) including
 - MT 940 balance and transaction info
 - MT 101 transaction request
 - Supports FileAct messages up to 100KB
 - AutoClient allows automated send & receive
 - Inbox/outbox function acts as a status dashboard
 - Testing environment built into Lite
-

Alliance LITE Implementation

- On line ordering
 - Thin client installation, administrators & users
 - Selected banks for initial setup
 - Send RMA messages to target banks
 - Contact bank through regular treasury contacts
 - Identify Bank SWIFT implementation team
 - Begin dialog with SWIFT Team
 - Define bank implementation requirements
-

Bank On boarding Requirements

- SCORE Service Level Agreement with each bank
- Transfer implementation forms
- Balance and transaction information forms
- Specific bank BIC to use for transfers
- Special field requirements
- Testing between bank and Lite test systems

Project Benefits

- Single channel for multiple banks
 - Secure Internet access using UBS memory stick
 - Low cost access to SWIFT
 - Limited technology resources required
 - Reduces need to add bank systems
 - Reduces host to host interfaces
 - Elimination of faxed wire requests
 - Transaction templates eliminate rejects
 - Built-in BICPlusIBAN Directory
-

Challenges & Lessons Learned

- Thin client conflict with bank system token
- Operating systems supported
- Connecting with proper people at banks
- Different on boarding requirements for each bank
- Different field requirements by bank
- Third party expertise very beneficial
- Time consuming process to implement

Standards – the lesson of the railroads

Standards represent a significant investment



Validation helps



Consider backward compatibility



Engineers will find a better standard



Watch for mushrooming in nascent technologies

SE Asia	1.000 m
S Africa	1.067 m
World	1.435 m
Russia	1.520 m
Brasil	1.600 m
Iberia	1.668 m
India	1.750 m

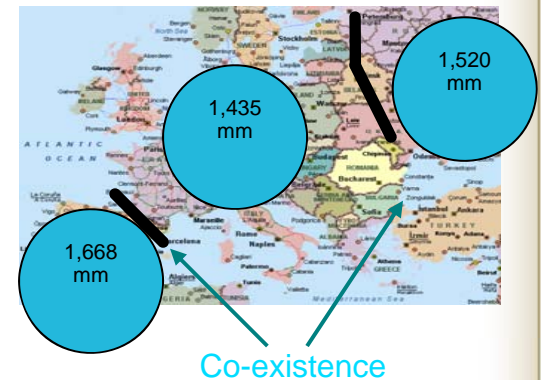
Co-existence is possible...



... but is inherently messy



Coexistence tends to work between domains, but not within



Lite will accommodate and insulate you from SWIFT standards in both a manual & integrated modes



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Q & A

