

AFP® Annual Conference



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ORIGINAL
ESSENTIAL
UNBIASED
INFORMATION



Multi-Channel Bank Account Management

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Three Perspectives

- The Corporate View
- The Bank View
- The Standards

The Corporate View – the Challenge of Bank Account Management

➤ For large corporates (> \$10 billion in revenue) the numbers tell the story.

Average number of bank accounts: 2,500

Number of banks used: 10-100

Number of legal entities: 10-1,000

Average number of signatories: 5,000

Corporate signatories: 5-100

Transactional signatories: 100-10,000

Treasury organization: 80% centralized

Changes needed annually: 15% - 25%

Number of geographies: 10-100

Delta's Challenge

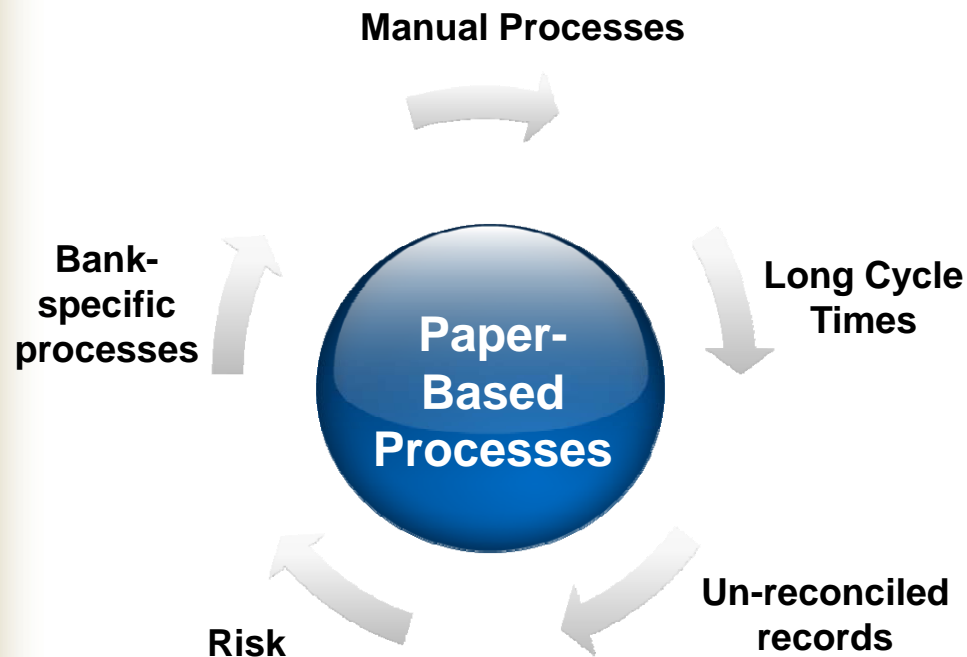
- Delta works with over 100 banks in more than 80 countries, with hundreds of bank accounts and more than 20 legal entities
- Delta operates with a centralized treasury structure
 - A limited number of key treasury individuals must be signatories on all accounts, in addition to the local country signatories
 - The selection of banks and establishing of bank relationships is done at a centralized level
- Delta must have banking relationships in each country serviced by Delta Air Lines
- Managing bank accounts, with the associated legal entities and signatories is a time-consuming, expensive, complicated, and difficult process

Benefits of eBAM for Delta

Using eBAM, Delta will be able to:

1. Eliminate paper
2. Control bank account changes with a centralized approval process, while still providing flexibility to empower local staff to initiate requests
3. Track the progress of a bank account request internally and across our banks
4. Search for and request changes to a single signatory across all applicable bank accounts
5. Use search capabilities to generate reports
6. Update the corporate address, contact data, legal structure, and any other data and/or information that is associated with a bank account
7. Create a virtual signature card for each signatory that is legally-binding and regulatory-compliant
8. Provide authoritative reporting for corporate compliance needs

Bank Account Management today – limited due to reliance on paper



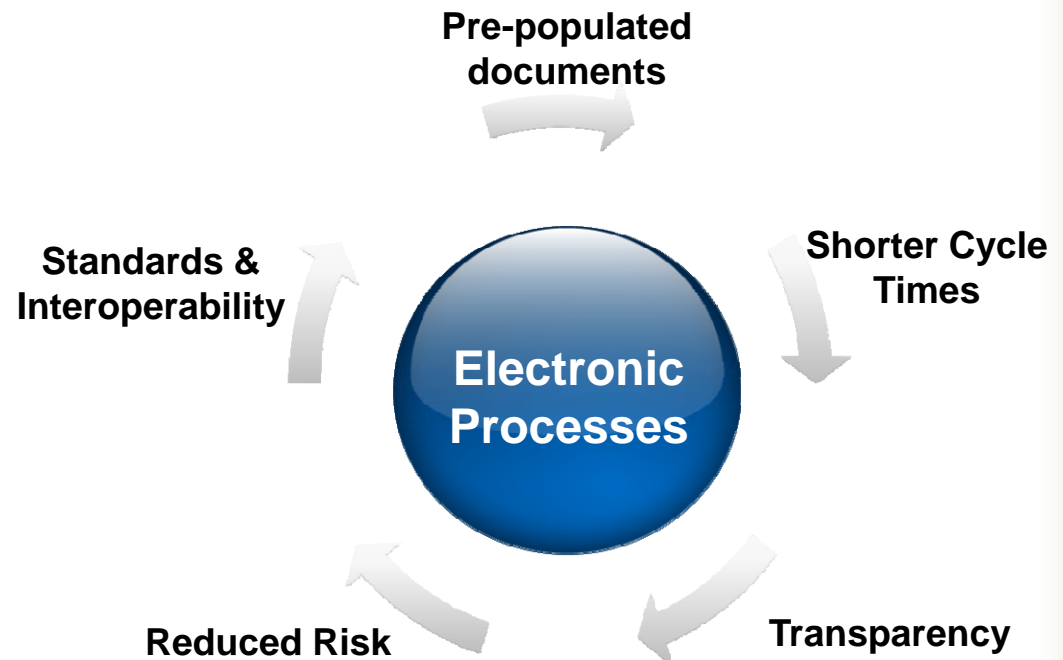
Paper-Based Processes

- **Manual Processes**
 - Populating bank documentation
 - country regulations
- **Long cycle times**
 - Mail signed documents
 - Lack of transparency
- **Un-reconciled records**
 - Account lists
 - Signer lists
- **Embedded Risk**
 - Numerous hand-offs
 - Resolutions subject to interpretation
- **Country and Bank specific processes**
 - Forms and processes
 - National and regional regulations

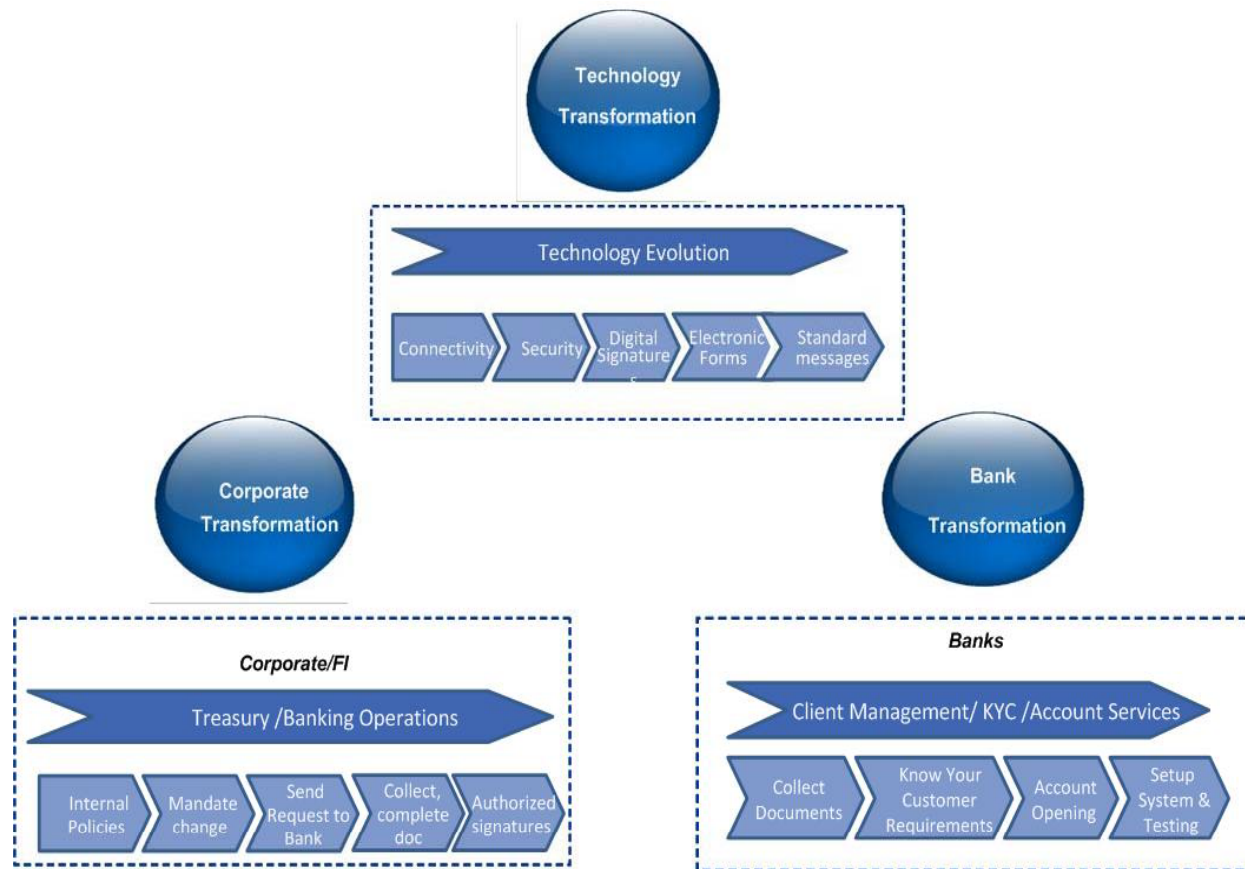
The New Paradigm – electronic processes yield substantial benefits

Client Service

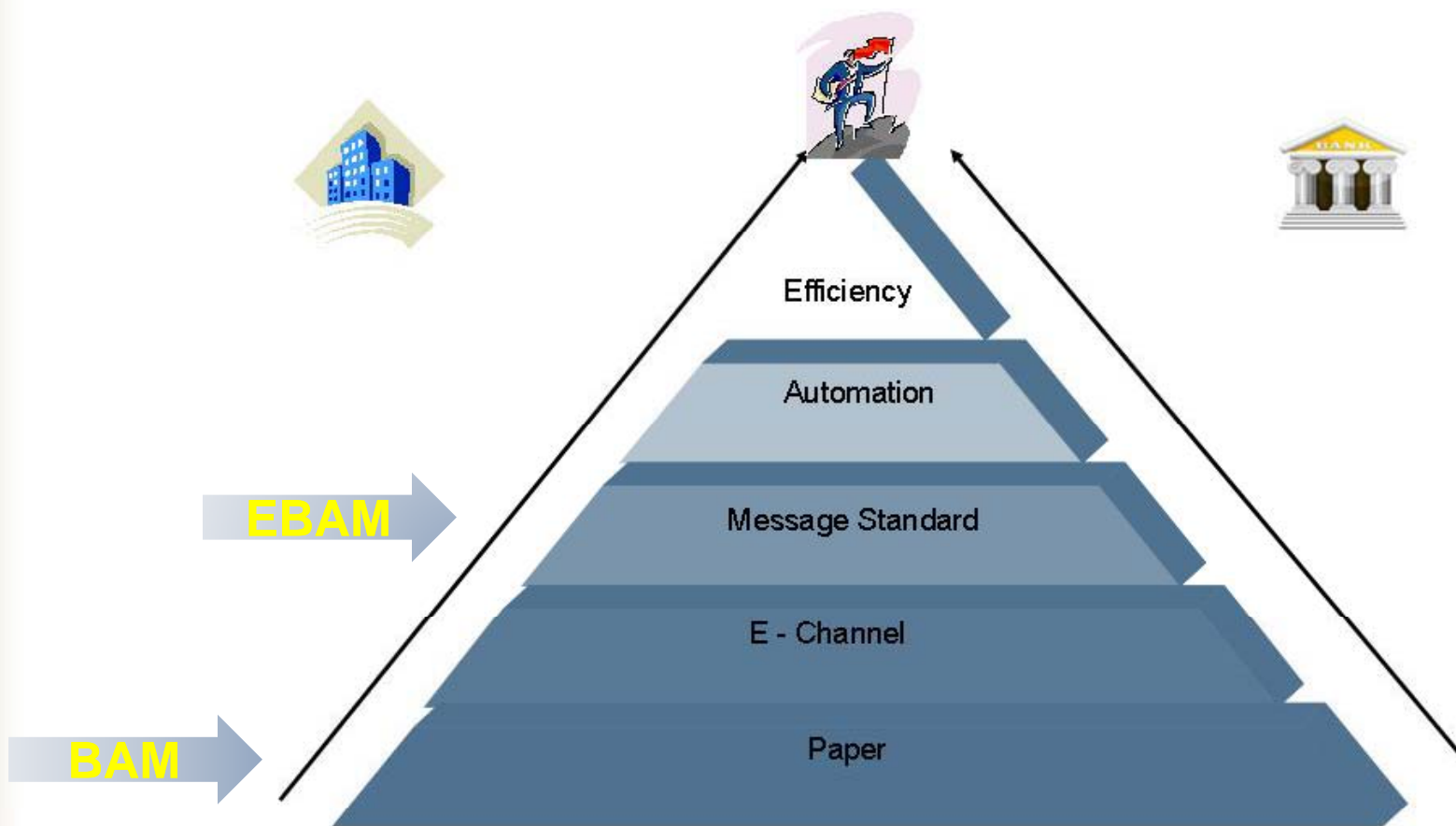
- Security
- Efficiency
- Visibility & Control
- Bank-agnostic processes



eBAM - The Transformation

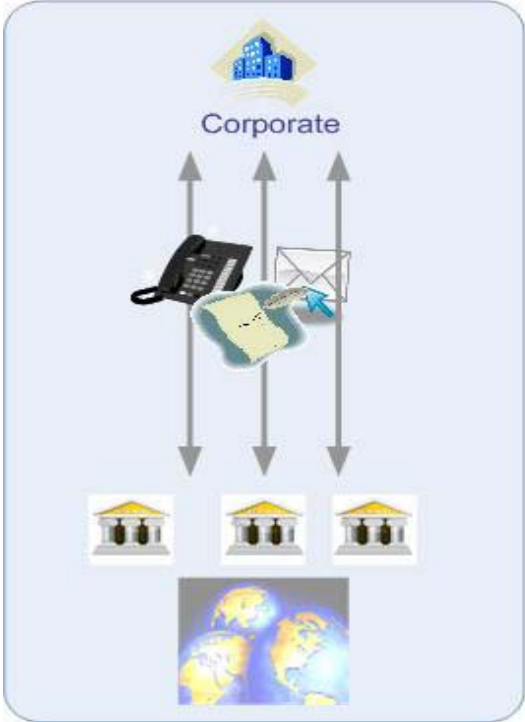


eBAM – Building the foundations



eBam – an Evolution

TODAY



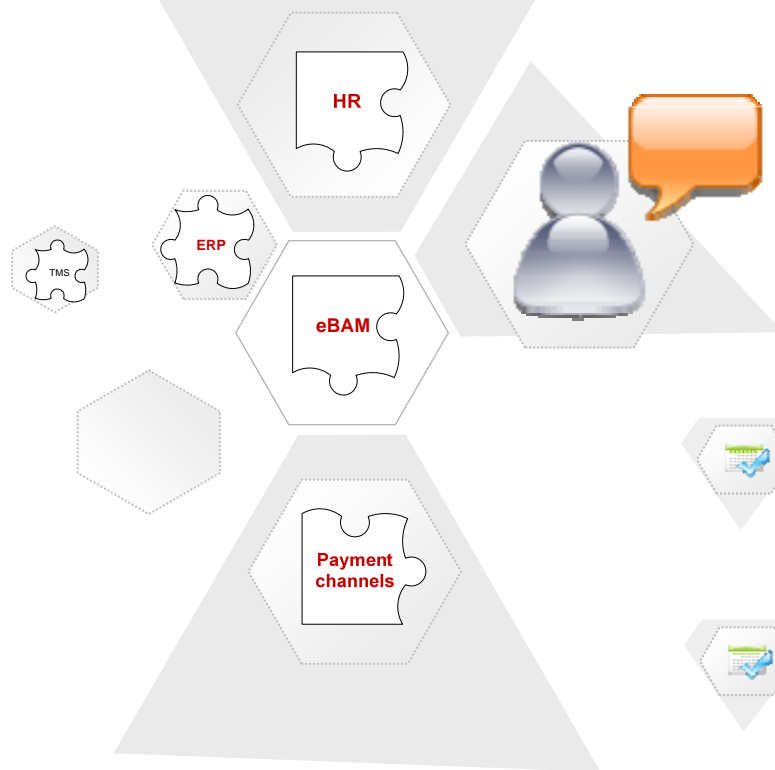
TOMORROW



eBAM – a reality

- Live clients, live processing

- Opportunity to automate and increase efficiency, for both banks and customers



- EBAM offers the means for automated and streamlined account management
- Full E2E integration needs to happen in banks' and customers' processes

What is SWIFT?

A
co-operative
organisation
serving the
financial
industry

A
provider of
highly secure
financial
messaging
services

The
financial
standardisation
body

A little humor...

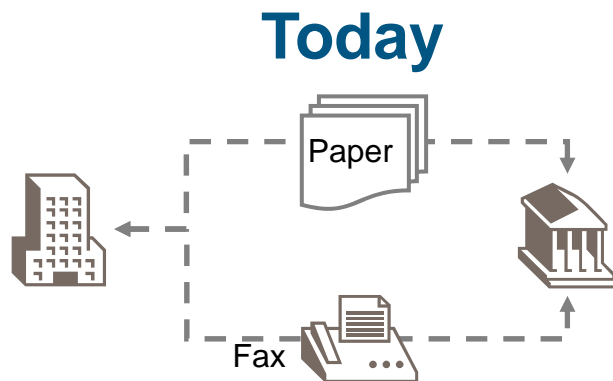


SWIFT's role in this initiative



- International standards organization bringing the community together to collaborate and define “common” market practices
 - Requirements driven by the industry for the industry
 - Community initiative driven by financial institutions, corporations and vendors globally
 - 2008 – SWIFT eBAM Initiative started – Standards workgroup
 - 2009 - Global Pilot and Submission for ISO Certification
 - 2010 - ISO 20022 Certification, production pilots and live adoption
 - Standards will be used over the SWIFT network and proprietary channels
 - The EBAM standards will continue to evolve based on market adoption and feedback
-

Electronic Bank Account Management Today and tomorrow



- Slow
- Expensive
- Low integration
- Low satisfaction



- Automated
- Standardised
- Dematerialised
- Faster/cheaper

What is SWIFT eBAM?

Standards to facilitate Account opening, Maintenance, Closing and reporting on account features (e.g. auditor requests)

Messaging service FileAct

Secure guaranteed
delivery

Header
specifications
(ACMT)

Attachments
supported
Multiple formats & standard
naming conventions

Personal Digital Signature -Technical specifications

Sign a XML

Sign attachments

Transport
certificates

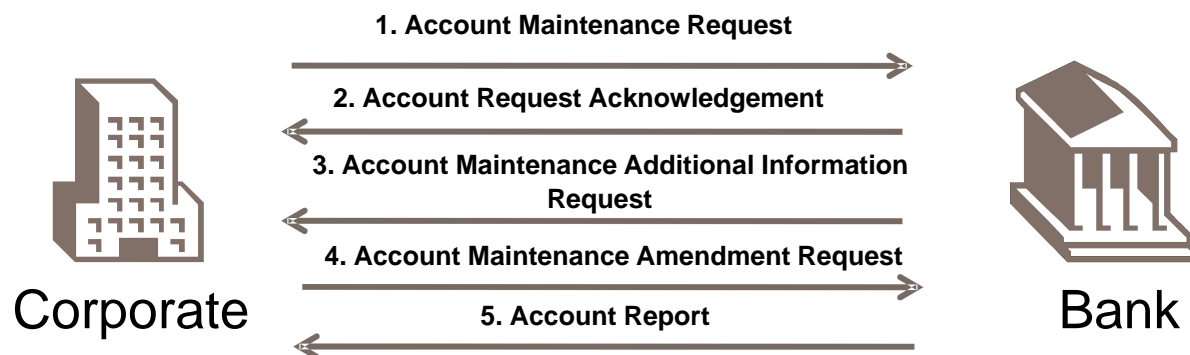
XML ISO messages

15 messages

18 business
scenarios

Standards in action

Example - Account maintenance request



- ✓ The request is sent by an authorised individual within the company, this person is known and identified by the bank (process supports Personal Digital Identity)
- ✓ The bank acknowledges the receipt of the request
- ✓ The bank may request additional information
 - If so, the bank request is addressed by the company automated through the standard messages
- ✓ All messages contain a unique ID so that they can be referred to the initial request
 - The model guarantees traceability
- ✓ The process is completed by the bank sending the account report message
 - This reporting message contains all bank account information and guarantees the corporate that the request is fully processed by the bank

Benefits

How can standards help?



Help the industry speak a common language globally

Lower industry TCO by improving STP and minimizing complexity – save time and resources

Reduce paper and support green initiatives

Increased transparency through automated workflows

Minimize risk through improved process turn around times and process improvements - eliminate errors

Lessen audit concerns through standardized processes, electronic audit trails and reporting of information

In closing

Key considerations for Corporates

Number of bank relationships

- Number of accounts (domestic and international)
- Resources and time allocated to this process

Current bank account management process

- Do you have an accurate record of your accounts and agreements?
 - How is that maintained?
 - Do your records match what your bank(s) have on file?
 - How do you audit this information to ensure it is up to date?

How many signatories/signature cards do you maintain?

- How do you ensure this information is current?
- How do you secure this information? How does your bank store this information and maintain its accuracy?

Questions...

