Spring-Summer Issue 2014

Financial IT
Innovations in Technology

Chris Principe,
Vice President
Transaction Banking,
Trade Solutions Group

Tracking Transaction Banking Transitions

Increase Your Business Agility With Legacy Renovation

Mikhail Kryuchkov
Director, Global Markets at Diasoft

Banking Best Practices for Liquidity Management Solutions

Gil Gadot, President, Fundtech
Sanjay Dalmia, EVP, Fundtech India

5 Key Challenges in Corporate Actions Processing

Paul Phillips, Business Development Manager, Corporate Actions Solutions, EMEA, SunGard's XSP

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Editor's Letter

Cui Bono?

In the previous edition of *Financial IT*, we observed that change in the global financial system is being driven by innovation which, in turn is being driven by technology. We also explained how the technology revolves around the adoption of the standards which underpin the world's financial services infrastructure.

In short, our discussion of change focused mainly on a question which can be summarised in one word: Why? In this edition, we look at change by focusing on a different question, but one that may also be summarised in one word: Who?

As our lead story and features make plain, the fundamental changes involving the application of standards and technology to financial services have traditionally been driven by banks (or, more precisely, the financial institutions) who are the clients of technology vendors.

This goes some way to explaining the resilience of legacy solutions. Systems that are based on infrastructure which dates back to the 1980s will usually be sub-optimal in a world where new regulations and the pressures of global competition are forcing institutions to adapt fast. However, wholesale replacement of legacy solutions is very costly, disruptive and risky. Progressive renovation of legacy solutions is often an attractive alternative for banks, who must recognise the needs of a number of stakeholders – including investors, business partners and regulators – as well as clients and customers. Renovation works for many organizations, most of the time.

Dependence on (renovated) legacy solutions has often forced the banks to sub-ordinate the interests of clients and customers – by encouraging them to deal with the banks through the distribution channels that are cheapest and most convenient – from the banks' point of view. For a long time, this has not mattered, because the banks have been able to be seen to be increasing the benefits that they are providing to the clients and customers, thanks to easy credit conditions, rock-bottom interest rates and product innovation.

The increasingly widespread use of gunpowder (and further application of technology to armaments) from the 16th century resulted in a trend towards a centralization of power – of which the ultimate expression was a geopolitical landscape dominated by two super-powers in the late 20th century. Since well before the fall of the Berlin Wall in late 1989, though, the spread of modern Information Technology has resulted in a decentralization of power. Individual corporate clients and retail customers have become more empowered relative to the financial institutions and the financial system.

One expression of this is the (much) greater ease with which corporate clients can deal with multiple banks, a trend that has been accelerated by the global financial crisis of 2008-09. Another expression has been the rise of omni-channel banking, where retail customers deal with their financial institution through several electronic (and, often, traditional) channels simultaneously.

In part because of the impact of the global financial crisis, and in part because of rising regulatory pressures, change has become disruptive – in that banks and vendors need to adapt to survive. Our lead story focuses on developments in Transaction Banking: however, other articles in this edition of *Financial IT* highlight how disruptive change is also an issue in those parts of the global financial services industry which concentrate on the provision of products and services to retail customers.

This edition's lead story highlights how there is an opportunity for vendors to take the initiative in – and bear the costs and risks of – developing new products and solutions that meet the needs of the market. In essence, by focusing on the needs of the banks' corporate (and, indeed, retail) clients, the vendors can develop state-of-art offerings that the banks will actually want to buy. In any case, the banks' need for integrated, multi-faceted solutions means that the banks should be more willing to consider vendors' offerings than they have been in the past.

Put another way, vendors that are overly dependent on legacy products will face extremely challenging conditions in the coming years if the delivery of Software as a Service (SaaS) via the Cloud becomes the norm.

The title of this Editor's Letter is *Cui Bono?* – a Latin phrase which means 'to whom the benefit?' As optimists, we are confident that the vendors will rise to the challenges of developing the new solutions that are needed. Many will profit handsomely as a result. However, the vendors will not be the only beneficiaries. With access to new solutions, systems and products, the banks will more easily be able to cross sell their offerings, with the result that they can boost revenue streams. As our lead story discusses, this is the attraction of Transaction Banking at a time that revenues from mortgage lending, derivatives trading and other activities have been compressed.

The various feature stories in this edition of *Financial IT* highlight how the distinctions between traditional financial institutions and other actors have become blurred. In relation to payments, for instance, mobile service operators are playing an increasingly important role. As vendors (especially) and banks see the necessity for, and opportunities from, new products and solutions, the distinctions will blur further. It is very likely that the coming years will see a wave of mergers and acquisitions. Many of the deals will involve vendors who can see strategic advantages from closer collaboration in the development of cutting edge solutions. Some of the deals will involve vendors and mobile service operators (or other non-traditional players). Some of the transactions will combine traditional banks with vendors. However, that is a theme for a future edition of *Financial IT*.

Andrew Hutchings, *Editor-In-Chief*

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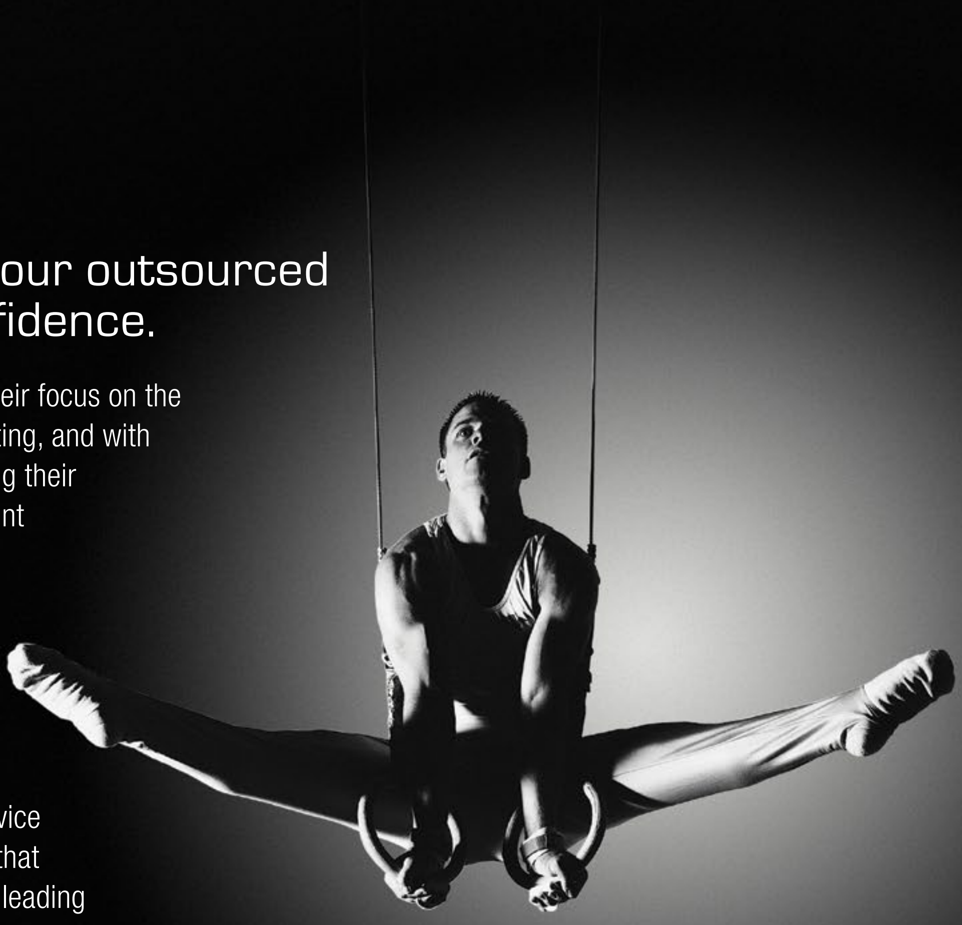

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Scotsman Hotel, Edinburgh: May 15th at 5pm. Click here to register

Shangri-La Hotel, The Shard, London: May 29th at 5pm. Click here to register

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IN THE NEWS DEALS

SWIFT Expands Compliance Services Portfolio with Omnicision Acquisition

27 March 2014

SWIFT announced the acquisition of Omnicision, the UK-based provider of financial crime prevention services and solutions. The acquisition underscores SWIFT's commitment to invest in its compliance offering and will enable SWIFT to grow its Sanctions Testing service and further expand its compliance services, leveraging Omnicision's technology, expertise and product pipeline. Under the terms of the agreement, SWIFT acquires Omnicision's existing Sanctions Testing product, as well as a number of new initiatives under development. The acquisition further strengthens SWIFT's compliance services unit by adding financial crime prevention experts with specialist knowledge in areas such as sanctions, AML and Know Your Customer (KYC). The Omnicision acquisition marks a further step in the expansion of SWIFT's compliance services portfolio. SWIFT recently created a dedicated Compliance Services unit to manage its growing compliance services offering and in January 2014 announced the creation of a global Know Your Customer (KYC) Registry, a centralised utility for the collection and distribution of standard information required by banks as part of their due diligence processes.

Advent International, ATP and Bain Capital Jointly Acquire Nordic Payment Firm

26 March 2014

Advent International, ATP and Bain Capital (the "Consortium") signed an agreement to acquire 100% of the share capital of Nets from the existing shareholders, a group of 186 primarily Danish and Norwegian banks, for a cash consideration of DKK 17.0 billion, corresponding to a price per share of DKK 92.37.

Nets, headquartered in Copenhagen, is a leading Northern European provider of payments, information and digital identity solutions. Founded in 1968, Nets has a strong history of securely handling payments transactions. The firm employs 2,600 employees in five countries (Denmark, Norway, Finland, Sweden and Estonia) and connects banks, merchants and businesses through its network. In 2013, the company handled more than 6 billion card transactions supporting more than 33 million payment cards and over 500,000 merchants in the Nordics.

According to Peter Lybecker, Chairman, Nets: "Today's announcement has been preceded by an extensive review of Nets' strategic alternatives. The outcome of this review was that Nets needs a new owner with the expertise, commitment and financial resources to develop the business in a rapidly changing payments industry. The overriding focus for the Board of Directors of Nets has been to select the best owner out of many interested parties with a clear understanding of the role Nets plays in society, including the importance of developing Nets' unique sector solutions such as Dankort and BankAxept and the need for safeguarding data."

There will be no change to the existing regulation of Nets, and Nets will continue to be supervised by the respective Danish, Norwegian and Finnish FSAs and competition authorities. Equally, the requirements for Nets with regard to data protection are unaffected by the ownership change and the Consortium will implement additional measures to safeguard Nets' data privacy profile.

MasterCard Buys C-SAM to Promote m-Payment Globally

24 February 2014

At Mobile World Congress, MasterCard announced that the company has entered into an agreement to acquire C-SAM, Inc. ("C-SAM") a leading provider of mobile wallet and on-device software and services. In acquiring C-SAM, MasterCard will speed the development and deployment of mobile wallets and payment solutions globally, including the rollout of its MasterPass™ digital service. The announcement builds upon a global strategic partnership developed between the two companies in December 2012, as well as a minority investment by MasterCard. C-SAM has powered many commercial mobile payments services in India, Japan (DNP), Mexico, Singapore (Starhub), the United States (ISIS) and Vietnam.

The C-SAM platform also supports customer-specific offers, loyalty incentives, banking, bill-pay options and non-financial secure transactions. Adding C-SAM's proven expertise in developing mobile platforms will support MasterCard's work with financial institutions to bring new, innovative and secure solutions to market. C-SAM's on-device application and back-end infrastructure will aid development efforts to enable consumers to use MasterPass both in-store and online across multiple communications technologies, including NFC, QR/barcodes and remote checkout. "Consumers today are living digital lifestyles, shopping in new ways using a range of new products and devices. Bringing C-SAM's mobile expertise into MasterCard will help us launch a wider range of mobile and virtual solutions better and faster — bringing convenience and choice to consumers, while adding value to our expanding partnerships with telcos, governments and merchants," said Ed McLaughlin, Chief Emerging Payments Officer, MasterCard. The closing of the acquisition is subject to regulatory approval and is expected in the first quarter of this year.

SimCorp acquires 100% of the associated company Equipos Ltd.

25 February 2014

SimCorp A/S has acquired Equipos Ltd., an award-winning reporting software developer. The EUR 10m acquisition of the UK-based company and its subsequent full integration into the SimCorp organization will enhance and support SimCorp's strategy of growing the business based on its single product platform — SimCorp Dimension. Prior to the full acquisition, SimCorp held a 20% stake in the private limited company's share capital. Since 2008, Equipos Ltd. has enjoyed rapid growth in both revenue and staffing. For the full year the acquisition of Equipos Ltd is expected to increase SimCorp's total revenue by 2% measured in both local and reported currency. Equipos' mainstay product is the award-winning Equipos Coric™ Client Communications Suite.

"Coric enables investment managers to present increasingly complex portfolio data to their clients quickly, professionally, and cost-effectively," explained Klaus Holse, CEO of SimCorp, adding: "That makes it a perfect match to our ambition of constantly providing up-to-date and modern solutions spanning the entire investment management value chain."

"We're very excited at the prospect of becoming part of this expanding and innovative financial software company," said Simon Still, Chairman of Equipos. "The long-proven integration with SimCorp Dimension, as well as the obvious potential for the reporting solution as a standalone system, leverages the already great potential Coric has to increase penetration within the investment management vertical on a global scale. We're happy that we have now transitioned our close partnership to become fully integrated into SimCorp's strong organization."

Misys completes acquisition of IND Group

10 February 2014

Misys has completed its acquisition of IND Group, the leading innovator in digital channels solutions. The acquisition adds world-class consumer-oriented solutions to Misys' leading core banking capabilities, delivering the broadest retail banking solution in the market.

IND Group is an innovator and provider of award-winning online and mobile banking, personal finance management and payments solutions. Founded in 1997, it now has more than 30 clients around the world, including Alior, Erste Bank, and UBS, supported by over 200 employees based from eight offices. IND's digital solutions enable banks to differentiate themselves from their competitors by delivering the highest quality experience to customers online.

This acquisition builds on the partnership which Misys signed with IND Group in March 2013 and will augment future investment in the combined offering. IND brings to Misys a wealth of technical expertise, innovation and a passion for changing the way in which banks interact with customers. Customers now have a suite of pre-integrated solutions which deliver an omni-channel experience to consumers. By leveraging greater customer insight across both branch and online interactions banks can now transform their digital channels into a customer engagement and sales business, giving more opportunities for revenue generation.

Misys plans to increase investment in all areas of the business, further scaling it and increasing geographic reach for the innovative solutions. This ensures that more Misys customers can gain a significant competitive edge in digital banking.

New Acquisition Adds Predictive Analytics Capabilities to Bottomline's Technology Portfolio

30 January 2014

Bottomline Technologies announced the acquisition of Rationalwave Analytics, an early stage predictive analytics company. Bottomline's data-rich applications provide a compelling opportunity to utilize predictive analytics. The company plans to leverage Rationalwave's technology and expertise to extend the innovation Bottomline offers its customers and the competitive advantage it enjoys in the market.

"Predictive analytics will bring new levels of capability to our product set and significant business value to our customers," said Rob Eberle, President and CEO of Bottomline Technologies. "We are delighted to welcome Rationalwave Analytics' talented employees to Bottomline. Their wealth of experience and knowledge of the space will help drive the continued success of our business."

Rationalwave Analytics is a pre-revenue company. The purchase price for the acquisition was $8 million, consisting of $1.2 million in cash and approximately 206,000 shares of Bottomline common stock. Approximately 45% of the stock was issued to key employees joining Bottomline and is subject to a four year vesting schedule. The transaction will have no material impact on Bottomline's financial results.

Deutsche Börse acquires Impendium Systems

13. January 2014

Deutsche Börse Market Data + Services has acquired Impendium Systems, a London-based firm that deploys cloud-based software solutions to help customers' achieve regulatory compliance in Europe, North America and Asia-Pacific. The acquisition was completed on 10 January 2014 for an amount in the single digit million euro range. The deal represents an important step in Deutsche Börse's growth strategy of integrating technology and data offerings to better serve client needs.

"The integration of market data and technology services has enabled us to further enrich our global data sets as well as utilize existing capacity to tap into specialized markets and growth areas," said Hauke Stars, Chief Information Officer and Executive Board Member responsible for the Information Technology and Market Data + Services division of Deutsche Börse. Deutsche Börse is currently integrating the Elements platform into its existing data offerings and will introduce it to clients who require EMIR support. The platform will manage the complete lifecycle of EMIR trade reporting from consumption of trade data through to reporting to the trade repositories.

Apart from EMIR, Impendium's coverage will continuously be expanded to include additional key regulations in Europe and Asia-Pacific.

IN THE NEWS PEOPLE MOVES

Former Citi Executive John Kohari Joins Zafin as Regional CEO of the Americas

April 08, 2014

John Kohari, former executive at Citi, has joined the senior management team as regional CEO of Zafin Americas.

During his 33-year career at Citi, John held many executive positions, most recently as the Global Head of Treasury & Trade Services' (TTS) Prepaid Cards business. Having implemented Product and Pricing Lifecycle Management Solutions at Citi, John's track record of growing global product lines will be instrumental in the next phase of the company's strategic growth.

"What initially attracted me to Zafin was that I saw a company delivering a vital solution to the financial services industry," said Mr. Kohari. "Zafin's solution is built specifically for banks and focused on transforming and re-engineering the bank's technological infrastructure."

"Drawing on my experience executing strategic market expansion around pricing, billing and client lifecycle management, I can clearly see the tremendous opportunity that Zafin's value proposition and solution bring to the market," noted Mr. Kohari.

"Mr. Kohari is a highly respected financial services executive and a tremendous asset to our newly formed team of regional CEOs," said Michael Sgroe, President of Zafin.

SimCorp Appoints Peter Hill as New MD of UK, Ireland & Middle East Business

12 March 2014

SimCorp announced the appointment of Peter Hill as Managing Director, SimCorp Ltd., based in London. In his role Mr. Hill will be responsible for the growth of SimCorp's business in the UK, Ireland, and the Middle East.

Mr. Hill was previously Managing Director, SimCorp Asia Pacific, a position he held since 2006. He oversaw the company's expansion in Australian and Asian markets, with particular focus on client satisfaction and development of the business.

Commenting on his appointment, Mr. Hill said: "SimCorp has grown significantly in the UK, Ireland and Middle East in recent years as our ability to excel at providing solutions that the industry needs, such as the Investment Book of Record, has made us the first choice technology partner for the investment management community in the regions. My goal is to build on this success, attracting new clients, and strengthening our existing relationships, while also evolving the local support for SimCorp Dimension to best enable our clients to build their business in a cost effective and low risk manner."

Prior to joining SimCorp, Mr. Hill spent over 25 years in leadership and client relationship roles, the last 11 of which were in sales of high-end application solutions to the financial services industry. He joined SimCorp from Fiserv Asia Pacific where he was Managing Director. He also worked with IBM Australia for 18 years, initially in sales roles and later in management positions that culminated in his appointment as general manager for finance and insurance industries for Australia and New Zealand. Mr. Hill replaces Klaus Andersen, who has headed SimCorp's London-based business since 2008. Mr. Andersen has recently taken on the position as Managing Director for SimCorp's wholly owned subsidiary company, Equipos Ltd.

smartTrade Technologies appoints Lalit Nathwani as Business Development Director

05 March 2014

smartTrade Technologies announced that Lalit Nathwani has joined the company as Business Development Director. Based in London, Mr. Nathwani will focus on growing global revenue. Mr. Nathwani has extensive experience in the financial industry, helping clients implement solutions which deliver business value. "I am delighted to be joining the highly experienced and client centric team at smartTrade." said Mr. Nathwani. "The company is well positioned to meet the ever growing requirements for hosted and non-hosted, cross asset trading applications, allowing financial organisations to concentrate on their competitive differentiators, whilst reducing costs."

Before joining smartTrade, Mr. Nathwani was Global Sales Director for the Ultra Messaging Business Unit of Informatica Corporation. He spent over five years with Informatica and 29West building the high speed messaging business in Capital Markets. Prior to his role at Informatica, Mr. Nathwani built up a network of partners and clients in the EMEA region for many organisations, such as Springsource (now part of EMC). With a BSc in computer science, Mr. Nathwani has solid technical expertise, enabling him to understand and help clients with pressing challenges. He began his career as an apprentice in Electronics and Telecommunications for Marconi Instruments and worked with companies such as Hewlett Packard (Digital Equipment), Novell, Unisys, SEEC and Nortel Networks. He also served in technical sales and business development at IONA Technologies and Persistence Software (now Progress Software).

Fiserv Names Kevin Gregoire Group President, Financial Institutions Group

03 March 2014

Fiserv, Inc. announced that Kevin Gregoire has been named Group President of its Financial Institutions Group. In this role Mr. Gregoire will oversee several Fiserv businesses, including Card Services, Financial and Risk Management Solutions, Investment Services and Lending Solutions.

Mr. Gregoire most recently led the Card Services division at Fiserv, with responsibility for debit and credit processing solutions, prepaid card services, ATM processing and the Accel™ payments network. He joined Fiserv in 2002 as part of its acquisition of EDS Consumer Network Services, which he joined in 1996. His background includes a number of diverse leadership roles in product development and management, settlement operations, risk management, and security and compliance.

"Kevin brings a deep understanding of financial services, proven leadership ability and client focus to this role," said Mark Ernst, Chief Operating Officer, Fiserv. "I am confident that he will be instrumental in continuing our proud tradition of delivering innovative, high-quality solutions that create value for our clients and their customers."

BATS Chi-X Europe Appoints Jill Griebenow as CFO

27 February 2014

BATS Chi-X Europe announced the appointment of Jill Griebenow as Chief Financial Officer. Ms. Griebenow joins from parent company BATS Global Markets with immediate effect, and is responsible for all financial control and human resource functions at BATS Chi-X Europe, including financial planning and reporting. Ms. Griebenow is based in London, reporting directly to CEO Mark Hemsley.

Most recently, Ms. Griebenow served as Assistant Controller at BATS Global Markets where she managed the daily operations of the company's U.S. accounting function. She joined BATS Global Markets in 2011 as a Financial Reporting Specialist from global accounting firm EY (previously Ernst & Young), where she held the position of Senior Manager, focusing on audits of public companies within the asset management and financial services sectors. Ms. Griebenow has more than a decade of experience in the financial and public accounting industries. She is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants (AICPA), graduating from the University of Northern Iowa cum laude in 2001.

NICE Systems named Americas chief Barak Eilam as CEO

05 February 2014

NICE Systems (NASDAQ: NICE) announced that its Board of Directors appointed Barak Eilam, President of NICE Americas, as its new Chief Executive Officer to succeed Zeevi Bregman, who is retiring from his position to pursue personal interests. The transition is expected to take place by the end of April, 2014.

Mr. Eilam is currently the President of NICE Americas, which is a $500 million per year business. Prior to this position, Mr. Eilam was the head of sales and the general manager of the Enterprise Group in the Americas. Earlier in his career, he founded and served as the general manager of the NICE Interaction Analytics Global Business Unit. In his 15 years with NICE, Mr. Eilam has served in a variety of executive positions within NICE, managing different aspects of the business in product development, sales and marketing and services.

"Barak has a strong track record of building businesses and delivering results, and has been a major contributor to the growth and success of NICE. Throughout Barak's career, he has demonstrated great ability in leading organizations, including product and sales teams, and introducing new technologies and innovation," said David Kostman, Chairman of the Board of Directors of NICE Systems. "Barak's appointment is a clear demonstration of the depth of management talent at NICE. I am confident that he is the right person to enable NICE to capitalize on the many opportunities in the market, and lead the Company to continued growth in years to come."

"I am very excited to be appointed as the new CEO of NICE and to lead its winning team and highly skilled management," said Mr. Eilam. "NICE is a successful, innovative and strong company, with great people, cutting-edge technologies, and loyal customers and partners. I am very much looking forward to the many opportunities ahead."

IN THE NEWS MANDATES

Emirates NBD Selects miRevenue from Zafin to Power Customer-Centric Strategy

19 March 2014

Zafin is pleased to announce that Emirates NBD has selected Zafin's miRevenue to power its customer-centric relationship banking strategy. During the first phase, Emirates Bank will implement the miPricing module of miRevenue across its retail banking operation. "We are thrilled to work with Emirates NBD to implement miRevenue to power its customer-centric strategy," said Anugopal Venugopalan, managing director of Zafin. "Relationship pricing continues to be a key differentiator for financial institutions worldwide."

"At Emirates NBD, our vision is to be the most dynamic financial service provider in the Middle East," said Fuad Mohamed, Vice President, IT, Emirates NBD. "As market leaders, we are constantly looking for innovative ways to deliver more value to our clients by pricing products based on the entire value of their relationship with the bank." Moving forward, Emirates NBD plans to extend miRevenue to the rest of the Emirates NBD group.

TSB Selects NCR to Update its Retail Banking Network

03 March 2014

NCR Corporation announced that TSB is installing 80 new NCR SelfServ™ ATMs in just three months across the UK as it transforms its retail banking network to improve banking services for its customers. Located in communities that range from Aberdeen to the Isle of Wight and Swansea to Norwich, the ATMs being installed by NCR will be free to use and available before the end of April 2014. The deployment illustrates the bank's commitment to serving the local communities in which it operates and will increase TSB's ATM real-estate to over 830 across the U.K. Almost half (45%) of U.K. residents live within two miles of a TSB ATM and more than 56 million cash transactions are made at TSB ATMs annually, dispensing nearly £4 billion on average across the U.K. every year. For people wanting to 'check their cash and dash', TSB ATMs will enable them to check their balance, withdraw cash and manage their PIN. The ATMs also offer a host of other services, including bill payment, ordering of postal statements and mobile phone top-ups.

"At TSB we are committed to the local communities in which we operate. This investment in new ATMs is yet another sign that we are intent on providing great service to our customers," said TSB's Managing Director of Branch and Business Banking, Peter Navin. "Our partnership with NCR and their innovative technology is helping us make this a reality."

SelfServ ATMs are designed to create a bigger visual impact on the street, and deliver a faster service and a more engaging experience for consumers. In the future, the contactless card capabilities will allow customers to carry out small transactions quickly and securely, thereby decreasing transaction time, cutting down queues and improving service. In addition, the new NCR SelfServ ATMs are Windows 7 ready — an important feature with Windows XP support from Microsoft expected to end in April 2014. From an operational perspective all SelfServ ATMs are configured with a full motion video lead-through, self–healing technology and an express recovery system ensuring maximum uptime minimizing service related interventions.

"The U.K. banking industry is evolving to provide convenient banking for consumers who demand a choice of where and when they bank," said Rachel Nash, Director of Financial Services at NCR U.K. "As banks, such as TSB, look to develop their retail banking network they increasingly employ a combination of self-service, assisted-service and personal banking to provide the right mix of customer service. TSB is achieving this by focusing on the communities that will always lie at the heart of our society, and by making every day easier for consumers when they bank with them."

Interprombank Deploys FLEXTERA BI from Diasoft

28 January 2014

Diasoft continues the complex project of FLEXTERA BI implementation in Interprombank. Currently FLEXETRA BI "Reporting" implemented in Interprombank supports all 15 reporting forms, as well as currency control forms. The choice of FLEXTERA BI is based on a long-lasting cooperation of Interprombank with Diasoft. The bank is an active user of Diasoft`s complex core banking solution.

Development of Interprombank's business required an increased performance and improved business-processes, while constant changes of regulatory requirements made the extended reporting functionality critical for the bank. As a result of FLEXTERA BI implementation, Diasoft automated key processes of Interprombank in terms of the most complex reporting forms.

The "Reporting" solution, which is based on the FLEXTERA BI Analytical Center, allows building of an effective reporting process. It ensures improved work performance, thanks to the minimal need for involvement by IT specialists. The system provides opportunity for data enrichment and report specification through the inclusion of visualization tools. Errors can be identified and analyzed.

"We were able to achieve the desired results within five months. Since all the necessary data had already been collected in a single storage module, development of reporting forms was much faster", said Irina Nikotineva, Head of Interprombank's Reporting Department. "We could process additional FLEXTERA BI forms in real time. Due to the recent tightening of the calculations algorithm by the local regulator, we introduced the new reporting form 0409125 (information on assets and liabilities by claims and repayment period) based on FLEXTERA BI. We very much appreciate the professionalism and teamwork of the Diasoft specialists who were involved."

KBC Bank Ireland Chooses Temenos Banking Solutions for Retail Bank Transformation

10 January 2014

Temenos provides KBC Bank Ireland with T24, its multi-award winning core banking system, as well as its Insight Business Intelligence suite, as the bank continues to transform itself into a full retail bank. KBC Bank Ireland has been operating in Ireland for 40 years, and its parent KBC Bank NV is one of Europe's largest banks. KBC provides business and personal banking services to customers throughout Ireland, with approximately 800 employees. KBC Bank Ireland launched a new current account proposition to retail consumers in September with full online and mobile banking capability. The Bank also opened retail hubs in Limerick and Galway in addition to the existing hubs in Dublin and Cork.

Jean-Michel Hilsenkopf, Temenos Regional Director for Europe, said: "We are delighted that KBC Bank Ireland has chosen Temenos as its core banking system provider. Our platform will enable it to upgrade its systems in order to offer superior service to the Irish market. A key consideration for the bank was T24's product-building capability that will allow it to offer flexible and innovative products that can be brought to market quickly without the need to write bespoke code."

Rudi Peeters, KBC Group Chief Information Officer, commented, "Our purchase of Temenos' products highlights our commitment to the Irish market. We want to offer a complete range of modern financial services, underpinned by a distinctive customer experience, and working with Temenos provides us with the opportunity to do that."

Commenting on today's announcement Wim Verbraeken, Chief Executive of KBC Bank Ireland, said: "We are seeking to harness the opportunities that now exist within the Irish market as the banking landscape changes. Consumers are recognising us more for our personalised customer service, our innovative approach to our products and online banking and by working with the Temenos solution we will be delivering that superior service that customers want when it comes to their everyday banking requirements, giving them the choice of a real alternative for their banking needs.

Bank of America Merrill Lynch and Earthport Sign Strategic Agreement

19 December 2013

Bank of America Merrill Lynch and Earthport, the cross-border payments service provider and existing key supplier for the bank, announced a multi-year agreement to significantly expand Bank of America Merrill Lynch's low value clearing capabilities globally, and to advance the efficiency of its high volume, low value payments. The agreement provides the bank's global corporate client base with a greater number of solutions in more countries to help them process payments around the world.

Under the agreement, Bank of America Merrill Lynch's corporate clients will have increased access to the cross-border payments capabilities needed to enhance their global competitiveness. The bank's clients will benefit from an expanded set of countries as well as faster, more transparent and cost efficient payments that are deeply integrated with Bank of America Merrill Lynch's robust FX solutions.

The strategic agreement continues Bank of America Merrill Lynch's expansion of international capabilities, which is in keeping with the firm's commitment to serve its clients wherever in the world they do business, and to ultimately support their long term goals.

"Our clients are asking us to help them quickly enter new markets across the globe. In many cases, a low-value international payment vehicle perfectly suits their needs. The situation reflects the increasing trend for clients to ask for financial products and services that support new models, rather than services designed for a different purpose, in a different era." said Ather Williams III, Head of Global Payments for Bank of America Merrill Lynch. "We are pleased that the agreement with Earthport will deepen our ability to provide clients with industry leading solutions."

"Having signed an initial agreement with Bank of America Merrill Lynch in December 2012 for a specific payments service in North America, I am delighted today to announce the progression of this relationship, and the signing of a worldwide contract, said Hank Uberoi, Chief Executive Officer of Earthport. "The new contract with Bank of America Merrill Lynch marks a commitment to a long term strategic relationship, and represents a large and international strategic opportunity across several of Bank of America Merrill Lynch's payments services. We look forward to continuing to work together to provide leading payment products to its corporate customers."

With local clearing capabilities in more than 60 countries and an efficient and transparent cross-border payments service, Earthport is uniquely positioned to support Bank of America Merrill Lynch in advancing its share of the global low value payments market.

Tracking Transaction Banking Transitions

by Chris Principe, *Vice President Transaction Banking, Trade Solutions Group*

Since the financial crisis, banks have actively sought to make up lost revenues from mortgages, derivatives and other risky lending. The challenge has been to find new revenue streams which provide the opportunities for growth and management of risk. One of the key areas that meet these criteria is Transaction Banking. Over the last few years, Transaction Banking has become a key profit driver for many institutions. There are widespread expectations of increased revenues and cost synergies.

Transaction Banking defined

So, what is Transaction Banking? I define Transaction Banking as a corporate banking offering that has no retail cross-over. Some vendors believe that they can take a corporate banking product, strip out the onboarding, FX, pooling etc. and – *voilà* – produce a retail product. I am sorry, but, to my mind, things do not work that way.

I see Transaction Banking as a suite of uniformed products that address the key corporate needs for working capital optimization. That suite of products includes solutions that are designed for corporates and which integrate cash, trade finance, FX and payments.

True Transaction Banking convergence is a challenge which will take time and hard work. The financial services industry struggles with legacy applications, limited resources, internal co-operation (or lack thereof) and, of course, funding. Corporates have already made great progress in operational and logistical efficiencies: this means that CFOs have been able to manage working capital more effectively.

However, with the extension of global supply chains, the financial implications of all this have grown markedly. Corporates understand these implications, and are driving banks to provide a Transaction Banking suite which can benefit them. Currently, the corporates tend to see banks as consisting of separate silos: technology vendors have been regarded as a part of the problem, not the remedy.

I think that there are two key questions. Can banks and vendors deliver on the promise of Transaction Banking rather than stay true to existing silos? How can corporates profit from a seamless banking solution that delivers benefits?

It will take co-operation from both sides to make the shifts that are needed to realize all the potential rewards. Banks need to incorporate the thought processes of corporate CFOs in the design and development of Transaction Banking solutions. Corporates need to have an end-to-end view of all transactions that have an impact on working capital, with all relevant reports centralized in one single place. That single place should be a secure portal with a dashboard which is designed to provide a user-friendly experience.

Of course, the dashboard is just one aspect of a properly conceived Transaction Banking solution. I would suggest that the solution should also provide the following key benefits:

- Initiation of transactions, from which information is fed to cash management (for position forecasting), FX Contracts placement, investment decisions, accounts receivable and accounts payable. In short, a holistic view of working capital should allow the CFO to mitigate risks for the corporation both in its home market and internationally.
- Combination of cash, trade, FX and payment information in both standard reports and user-built reports. This needs to happen in real-time, so that the CFO can see the current position and forecast cash flow effectively.
- An Omni-link approach that will seamlessly connect the many forms of communication available today. This will range from traditional bricks-n-mortar, to on-line, video to NFC, EDI and

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Twitter to RFID and mobile (smart phones, tablets, wearable devices, etc.)

- Provision of Electronic Bill Presentment and Payment (EBPP) and e-invoicing capabilities that can be based on information from the buyer or the seller. The system should also include processing of Purchase Orders (PO) which matches them to Invoices and other relevant documents.
- Automation of settlement information, in order to carry the PO-Invoice matches into the acknowledgement of payments made by buyers and sellers. This will relive the corporates of the odious work of reconciliation and may actually be a fee-generator.
- Connection with the bank's FX system, or interface with a provider of real-time FX rate information. FX contract information should also be automated.
- Features such as cash concentration, netting, account sweeps and pooling for liquidity management, which make it easier for corporates to manage working capital.
- Identification of the optimal timing of settlement, taking account of supplier discounts and the earnings potential of company funds. This can take place manually, or in an automated payment processing system.
- A single on-boarding capability that automates compliance screening and due diligence.

Building the right solutions

For the vendors, the challenge is to develop a corporate Transaction Banking solution that can be applied by banks to the needs of all corporate clients – large, medium and small. The solution should enable banks to extend the full range of products and services to small and medium-sized enterprises (SMEs) who play a key role in the supply chains of the banks' larger corporate clients. Meanwhile, the larger corporate clients need a consolidated single view – and one that incorporates the clients' dealings with different banks.

In short, the message for vendors is simple: build solutions that the corporates need, and you will have solutions that the banks will buy. Too often, though, the vendors have a blinkered view that the banks are their customers and that the banks will tell the vendors what the banks think that the corporates want. This is true of most vendors because it is the larger customers (i.e. the banks) which pay for the development of new products.

In other words, the vendors opt not to bear the costs and risks of developing new products that meet the needs of the market. They want to be able to claim a position of leadership, but without paying for it. Very few vendors have the imagination to develop a solution that the corporates really need and then tell the banks that the banks should adopt the solution.

A case in point is mobile banking for corporate clients. Banks have focused on retail mobile products and solutions – which produce no income. Meanwhile, very little attention has been given to mobile banking for corporates. This is astonishing, given that corporates – unlike retail customers – will be prepared to pay for the service. The features that a bank can offer to a corporate client are straightforward: however, it is important to differentiate between corporate usages of smart phones as opposed to tablets.

On a smart phone, there are limitations as to what can be done. It is reasonable for a corporate to expect 'remote approval' type functions. These include the viewing and approval of payments, payroll and travel expenses, as well as certain other transactions, by executives who are out of the office. In addition, the executives have the ability to view statements, review transactions, perform cash movements and check positions. These functions include alerts and two-way messaging for corporate actions – with a degree of personalization and content ability for both large and SME corporate clients.

So, what else do the corporate customers need from mobile solutions that are delivered by smart phones? I suggest the following:

- Improved user experience.
- Flexible and bi-directional (i.e. bank-to-customer and customer-to-bank) alerting and messaging capability that is linked to the overall dashboard view.
- Support for third party applications for host-to-host transfers.
- Enhanced performance and security with proven capabilities.
- Ease of maintenance that comes from application monitoring by the bank on a real-time basis.
- E-Mail/SMS notification for authorizer, status and administrative changes.

I would also note that the opportunity exists for banks to use different message modes for the cross-selling of complementary bank services, such as the offering of an FX contract or cash pooling.

The tablet offers broader functionality, with fewer limitations as to what may be done. Like a phone, a tablet is expected to provide the ability to view statements, approve transactions, perform payment authorizations and to check positions with alerts and two-way messaging. However, a tablet offers a greater degree of corporate personalization and content management. Corporates expect that full business-to-business transactions can be undertaken on a tablet, in the same way that they would be on a desktop computer. Workflows can take account of the full life cycle of a transaction. It should be possible to collect essential data (e.g. settlement date, amount, currency etc.) from an internal or external system at an earlier stage in the overall process.

Meanwhile, trade finance is largely uncharted territory for mobile banking. Banks hope that corporate clients will use tablets (and, to a lesser extent, smart phones) to enter in applications for imports, exports, stand-by facilities, guarantees and other trade-related transactions. This should enable the banks to broaden corporate relationships and to increase fee income by coordinating corporate transactions.

However, the challenge is that trade is driven by documents which are not all in electronic format at this time. Paper documents are slowly moving to electronic formats, which will boost the value of tablet processing. Once documents have been captured and digitized, images can be accessed by all parties to a transaction. That would give corporations the ability to check the status of pending bills or payments, to know if a transaction has been executed, to view the current and scheduled inflows and outflows of cash, and to adjust funding requirements.

Mobile services can assist trade partners in relation to financing, scheduling, and payments – as buyers and sellers can communicate and co-operate. Invoices, packing lists, shipment information and other documents can be created automatically.

Integrating FX, trade processing and risk management

In relation to FX, online banking systems can provide very useful international currency services for banks' customers. Requests for real-time rate retrieval, FX pricing, spot or forward contract placement and trading can be integrated into a Transaction Banking suite of products. FX is needed to facilitate cross-currency payments initiation and processing.

In particular, there needs to be support for the common practice of tethering a spot or forward contract to a trade transaction in order to provide a level of risk mitigation against currency fluctuations over the transaction tenor. By enabling corporations to match their trade transaction with their FX needs, a bank will have a much enhanced cross-selling opportunity. The opportunity can be boosted through the use of automated alerts and messages in multiple formats, for instance at the time that a trade transaction is initiated in a currency that is not the base currency.

Cash management is that part of a bank's ecosystem where cash, trade, payments and FX are integrated. In true Transaction Banking, banks can extend the features of cash management to the trade portfolios of their corporate clients in order to enable the clients to better manage their working capital. Products such as account sweeps, multi-currency accounts and liquidity management tools can be introduced, to provide the corporate client with more accurate cash flow forecasting. Settlement also presents opportunities where the bank could do both collection and payment for inter-bank clearing. Further, with EIPP and EBPP in trade, banks should be able to give their clients end-to-end visibility of cash, trade, FX and payments together. Ultimately, the individual executives who use the data should be able to define how the relevant statistics are structured and when and to whom they are distributed.

Of course, a Transaction Banking suite should facilitate risk management. It should be possible for the bank to see its overall exposures to countries, correspondents and clients. It should also be possible to assess particular deals in terms of Risk Adjusted Return on Capital and other widely used metrics. Meanwhile, a corporate client should be able to see and manage the exposures of its various subsidiaries, brands, divisions or recently acquired operations.

From the point of view of the CFO of the corporate client, the Transaction Banking suite should provide the ability to distribute information within the organization according to the 'parent/child' model. As 'parent', the CFO has a complete view and the ability make well informed decisions in order to optimize the use of the corporate's capital. As 'children', the various line executives only have access to the information that is directly relevant to them.

I suggest that many of the online cash management offerings of large banks are capable of meeting the functional needs of most of their corporate clients most of the time. On average, though, the offerings are six to twelve years old and sorely needing an upgrade to the latest technology and functionality. All this begs an important question: what should the banks be looking for when they update their cash management offerings? I believe that the goals should include: an enhanced user experience; a single platform for cash, trade, FX and payments that is available through a single, secure, common portal; and the possibility of Software as a Service (SaaS). I believe that there are opportunities for banks – and vendors – to leap ahead of their competitors by providing innovative and holistic solutions rather than the single-faceted products that have been common in the past.

Options for banks, opportunities for vendors

There are many attractive options for banks that are looking to expand their Transaction Banking business. The challenge is change focus from using automation to lower costs towards increasing revenue – by monetizing the 'gold' in the data that the banks possess. Finding paying corporate clients should be no problem. Corporate CFOs have the mandate and the funds to invest in new solutions that will reduce finance costs. Overall, though, this provides even greater opportunities for vendors:

- Many banks have reached a crossroads. Old technology does not provide consistent functionality for all clients and all purposes. Many banks are looking at replacing old technology with new.
- Banks no longer want single purpose products and instead want the potential that comes from integrated, multi-faceted solutions.
- The solutions need to suit corporates of all sizes – from SMEs to large multi-nationals.
- Many banks are increasing the resources that they are making available to their Transaction Banking businesses.
- Banks are at least prepared to consider SaaS approaches.
- For all these reasons, banks are more willing to consider vendor solutions than they have been in the past.

This is a new reality for vendors, and one that will drive new revenues and profits well into the next decade. Vendors who are selling to banks will need to have a deeper – and more valuable – understanding of the needs of the banks' corporate clients. The vendors need to shift from being receivers of orders from the banks to becoming providers of integrated solutions to the banks.

In practice, this means that the vendors have to consolidate the various 'silos' within their own organisations, which sometimes involve products that are in direct competition with each other. Management teams need to be reorganized around integrated solutions rather than individual products. Compensation of, and incentives for, each product group need to be rethought.

For vendors, the ability to provide SaaS is a definite advantage. SaaS saves banks the start-up costs that are involved with on-site installation, as well as the operational costs and complexities involved with hardware and software. In the area of supply chain finance, for instance, I have seen that the vendors who have a SaaS offering have generally been far more successful than those vendors whose products need to be installed on the bank's own premises.

Vendors whose revenues come mainly from legacy products that are installed on banks' premises need to prepare for a new world in which the delivery of SaaS offerings through the Cloud is the norm. The product teams of such vendors will be the victims of an addiction to client-funded development, with no 12-step rehabilitation program to move them towards innovation and recovery.

Far too many legacy vendors are unable to see the opportunities and the challenges. To use another metaphor, they are donkeys when they need only be cats or dogs. Cats and dogs can sense traffic on a busy road and – usually – can take appropriate action to get to safety. Donkeys cannot sense the danger, and tend to remain in the middle of the road, oblivious to the traffic.

In this metaphor, the traffic represents those vendors who truly understand how integrated, multi-faceted Transaction Banking suites of products can benefit the banks' corporate clients. Delivered through the cloud, the product suites offer information-rich solutions that benefit the clients and which can be monetized by the banks. Costs are contained and maintenance is much easier. When vendors take the lead in the development of Transaction Banking suites of products, all can benefit – the banks, the corporate clients and, of course, the vendors themselves.

Gil Gadot
President, Fundtech Asia-Pacific and Head of Global Cash Management, Fundtech

Banking Best Practices for Liquidity Management Solutions

Sanjay Dalmia
EVP, Global Cash Management and CEO, Fundtech India, Fundtech

When the financial crisis erupted, corporates around the world suddenly found themselves faced with two key concerns: the first being the solvency of all banks and the potential impact on their own business if one or more of their main banking providers collapsed; the second being the reining in of lending to businesses by banks, as a reflection of their own liquidity concerns and difficulties assessing lending risks accurately.

In response to both challenges, corporate treasurers executed a fundamental change in their use of banks, by first opening and then actively using accounts with several institutions, often across a range of geographies. The move to a multi-bank model brought the benefit of reducing their exposure to individual banks' solvency and widening their access to funding and liquidity. The change also brought its own problems around maintaining visibility and control over the company's overall liquidity and capital.

Ultimately, the global financial crisis of 2008-2009 triggered a radical reshaping of the corporate treasury landscape and the way that corporates interacted with banks. Pre-crisis, the world of cash and liquidity management was a relatively simple place. Access to capital was rarely a bottle-neck, even for highly- leveraged corporates, and many had strong, long-standing relationships with a single bank that helped meet most of their funding and cash management needs.

The crisis catalyzed corporate treasurers to make a concerted move towards using multiple banks. This change is now embedded in the marketplace and while the move to multi-banking opens up opportunities for corporate treasury functions to reduce risk and optimize cash, it simultaneously requires them to address new challenges. Banks have been forced to adjust accordingly and those on the front-end of these trends have been able to position themselves as valued partners to their corporate customers.

Best Practices for Banks to Address Corporate Liquidity Needs

For banks setting out to navigate the optimal path through today's reshaped corporate liquidity management landscape, action is necessary and several questions must be addressed. What solutions should they offer to address their corporate customers' liquidity management needs? How can they enhance these solutions by simplifying and automating the processes involved? And, in turn, how can they deliver advances such as increased STP, enhanced visibility, improved performance and more effective capital management?

The following outlines eight best practices that banks should bear in mind when developing and offering corporate liquidity solutions.

1. **Implementing a Centralized or De-centralized Model**
   Corporations can opt for a centralized model to run a single cash and liquidity management solution across countries or regions, or a decentralized model where the solution focuses on particular markets. A decentralized model is generally the more efficient and effective approach of the two because it enables a corporate to manage its working capital and liquidity needs in a consistent, standardized and integrated way across all banks and geographies, globally or regionally.

2. **Improving Cash Forecasting to Enhance Liquidity Management**
   A critical requirement of today's corporate treasurers is timely, accurate and consolidated information to facilitate cash forecasts. Banks should look to offer cash management solutions that ensure this information is made available centrally to their corporate customers, allowing them to identify in a fast and accurate way whether the inflows and outflows of funds match, and determine the extent to which the available liquidity will cover the organization's operational costs.

3. **Offering Information Reporting to View Aggregate Balances Across Banks**
   Comprehensive balance and transaction reporting helps a bank's corporate customers improve their cash flow management and monitor their payables and receivables more effectively.

4. **Focusing on Receivables and Payables to Enhance the Cash Position**
   Management of working capital is one of the most important and influential activities a treasury department can undertake to improve the bottom line of the organization as a whole. Banks can now offer their corporate customers a wide range of payables and receivables solutions that help them improve the speed, efficiency and effectiveness of their working capital management.

5. **Providing Real-Time, Multi-Bank Liquidity Information to Support Liquidity Optimization**
   Leading liquidity optimization solutions will provide banks with the capability to deliver intra-day liquidity information to their corporate customers in real-time, enabling them to manage cash flows, credit facilities and working capital quickly and responsively across multiple accounts and subsidiaries.

6. **Enabling Visibility Along the Entire Supply Chain**
   Cash management solutions should help corporates manage their financial supply chains by enabling corporates and banks to connect electronically with their trading partners. The exchange of transaction-related documents, all the way along the supply chain, should help address financing and document management needs.

7. **Applying Advanced Liquidity Management Techniques**
   There are several advanced techniques for liquidity management that banks can offer as part of their corporate solutions portfolio, including physical balance consolidation and notional balance consolidation.

8. **Leveraging Channel Enablers**
   Advances in technology, including integrated electronic banking solutions for cash and liquidity management and mobile and tablet services, present banks with opportunities to offer corporates new services to boost automation and STP.

Ultimately, post-crisis changes to the banking landscape have and will continue to have an impact on the liquidity management needs of corporates.

Corporates now, more than ever, need to maintain visibility across cash at various banks and in multiple accounts, often run by subsidiaries in different countries and denominated in a variety of currencies. They also must be able to optimize and pool liquidity across accounts in order to optimize interest rates and costs while ensuring funds and working capital are available in the right place at the right time.

At root, effective and efficient management of liquidity and working capital has now become a core capability of all corporates. Banks need to reflect this change and make best practice liquidity management equally core to the solutions they provide to all corporate customers.

Mikhail Kryuchkov
Director, Global Markets at Diasoft

Increase Your Business Agility with **Legacy Renovation**

Ability to change quickly remains to be one of the key priorities for every financial institution across the globe. And it becomes more and more challenging to be in-line with the actively evolving environment, demands of the market and ever-increasing legislation. In order to remain competitive modern institutions should have enough flexibility to simultaneously implement the most cutting-edge technologies into their infrastructures.

But, how do you enable these innovative technologies, when you are running your business on aged, irresponsive and complex infrastructure? We all know that the legacy applications require significant investments and extra efforts for their maintenance and adjustment to growing requirements. That is why it has become vital for modern organizations globally to have a technology modernization plan, if they are to realize their strategies. Only the most flexible and technologically advanced companies will easily adjust to changing regulations and new initiatives such as mobile technology, the Cloud and big data. They should also deal more easily with competition from existing and new market entrants. Today, ability to turn new challenges into business advantages is a key for successful business development.

Top business and technology priority

It is the technological excellence which allows a company to become a leader in the highly competitive environment. The need for business development and desire to benefit from the modern technologies make businesses re-estimate their IT infrastructure capacity and take steps toward its improvement.

Legacy solutions slow the competitive response and business agility of organization through their inability to quickly support changes in products, services, and business processes.

With many hard coded functions and tight point-to-point integration, it becomes difficult to partially modernize the platform to support new business models, introduce new products or delivery channels, and provide due technological performance and availability.

In addition, legacy systems become more and more expensive to maintain due to limited programming resources, higher licensing fees for older technologies, lack of flexibility for modernization, and long time-to-market of new products.

That is why modern organizations more and more often consider renovation of their aged applications, and legacy modernization is considered as a top business and technology priority by the world`s leading analytical and consulting agencies.

What are the key challenges legacy technologies bring to organizations

According to Ernst and Young, most large financial services institutions are still operating on first and second generation technology platforms that were designed and built during the 1970s and ‘80s. These systems were developed in order to respond to market requirements of that time and they required numerous modifications to meet current needs of organizations. As a result it appeared to be too expensive to maintain these legacy applications.

Forrester Consulting states that cost reduction is one of the key migration drivers today: “IT leaders are reeling from cost and complexity of their legacy technology in their bloated application portfolios, and skills shortages will grow worse as boomer retirement nears, making maintenance even more costly and complex.”

However, there are many more reasons for CIOs' commitment to modernization. Recent market surveys show that companies start considering their legacy solutions transformation basing on:

- High TCO of legacy systems;
- Low business agility;

- Low IT platform performance, slow service run-time, complexity in launching new services or products;
- Lack of flexibility and scalability;
- Lack of specialists able to maintain legacy systems;
- Difficulties with web-enablement;
- Difficulties with IT maintenance and component replacement;
- Difficulties of integration with new technologies and applications;
- Outdated business performance and functionality;
- Low ROI of IT spending;
- Loss of market share due to irresponsive technology.

Rewriting, replacement or renovation?

As Ernst and Young analysts fairly noted — "Unfortunately, legacy IT, unlike fine red wine, does not get better with age. In fact, the opposite is true: the problem gets worse the longer you leave it."

A dynamic financial institution with an extensive development strategy will surely not want to rely on an imperfect IT infrastructure. In looking for state-of-the-art alternatives, such an institution has four alternatives. It may: rewrite the implemented legacy solutions; seek to replace the legacy solutions entirely; undertake a so-called re-hosting project; or to select a less expensive legacy renovation approach. This last alternative is an innovative and cost effective way of modernizing infrastructure through migrating legacy systems to up-to-date technology: the approach does not interrupt the normal operations of business and capitalizes on investment that has been sunk into the legacy solutions.

Some institutions prefer to rewrite their legacy solutions. This is a very costly and time-consuming process that requires extensive efforts from the organization's side and has a high impact on the company's operations. Other institutions prefer some kind of a 'Big Bang' approach — full replacement of their core systems. But these projects are very risky: they can last for decades, requiring entire recreation of the business logic and a lot of data migration. It is also fairly difficult to find a single solution that can simultaneously cover all functional areas of the business, support the established business logic and fully replace the existing, customized, systems. Such projects tend to run over budget and over schedule.

The right approach to legacy systems modernization

Analysts believe that to stay competitive, all modern organizations should modernize their legacy solutions over the next 5 to 10 years, as each year brings numerous innovations to the market and will make such kind of modernization projects more and more complex, time consuming and risky.

That is why in 2012 Diasoft introduced to the market its unique approach to legacy solutions enhancement that involves the automated conversion of legacy source code (COBOL, SmallTalk, Oracle Forms, Delphi, Visual Basic, Gupta, etc.) into the cutting-edge JavaEE technology. Diasoft's approach makes it possible to rapidly transform aging IT infrastructures into the modern 3-tier architecture without the need to reconstruct the existing business processes or get rid of the corresponding customized software features. It brings legacy systems to a new level of flexibility, increases their performance and enhances integration and development capacities. Diasoft's approach retains the business logic and provides the opportunity to continue operations, and even the user interfaces, that stakeholders are accustomed to.

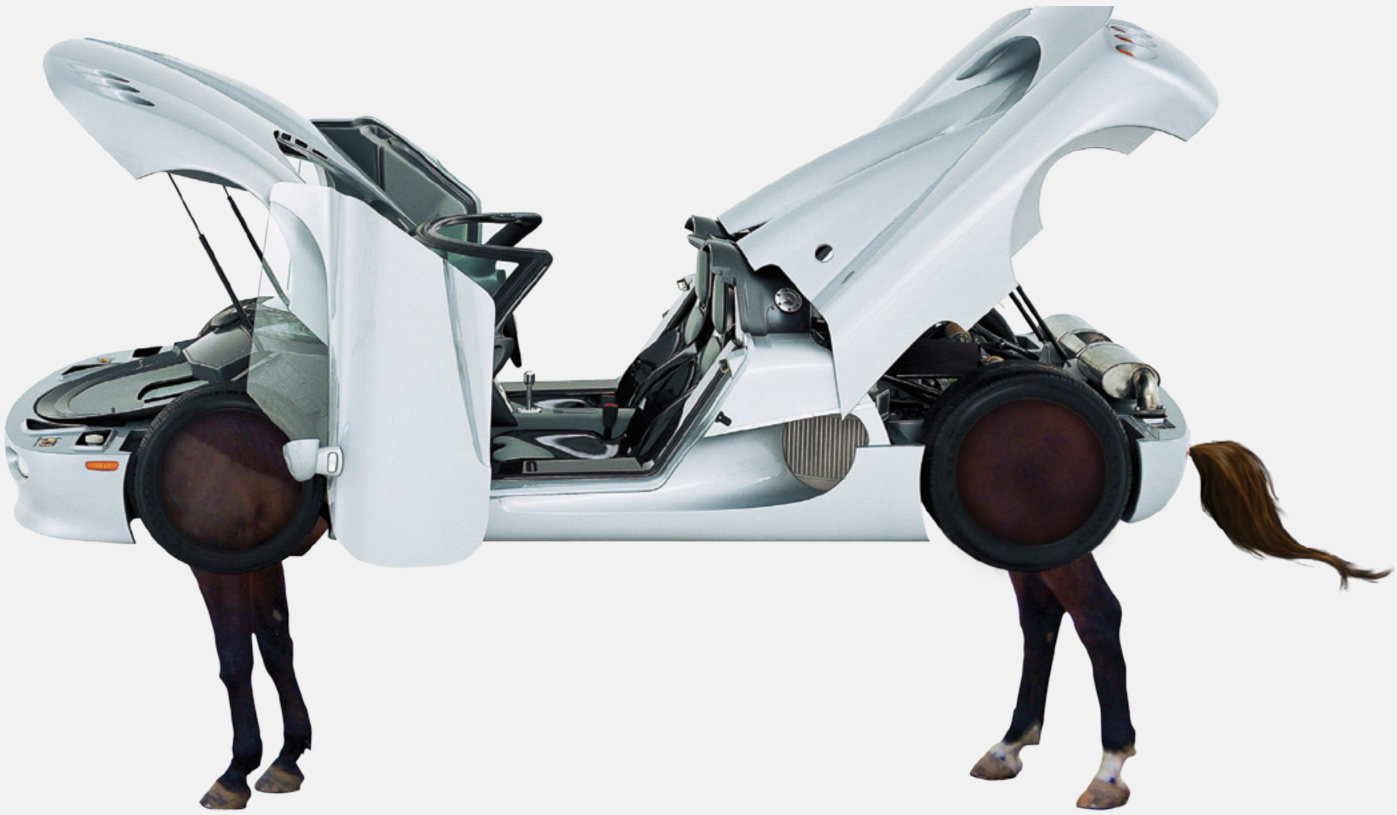
In comparison with full scale system replacement or rewriting, Diasoft's approach offers many advantages including:
- Minimization of the transformation time,
- Retaining of the existing business logic and business processes,
- Reduced costs of porting legacy applications to modern system platforms,
- No training expenses,
- Flexible tools for integration with third party modules or services,
- Increased transformation ROI.

In addition, the institution acquires the advantages of the Service-Oriented Architecture (SOA) and can use the in-built Diasoft Framework Java development tool-kit. There is also the potential for further IT and business development. With the cost effective and low-risk approach, the modern institution can capitalize on the investments and years of work spent on perfecting legacy software.

DIASOFT the way it should be

LEGACY RENOVATION

YOU'RE NOT FOOLING ANYBODY WITH THE WAY YOU DEAL WITH LEGACY SYSTEMS



Over the last years traditional approaches to legacy systems management have become less and less effective.

It is evident that today technologies basing on COBOL, SmallTalk, Oracle Forms, Delphi, Gupta and other legacy languages can`t serve as a strategic basis of IT-development.

That is why in 2012 Diasoft introduced to the market its unique approach to modernization of legacy software by migrating legacy source code to modern JavaEE platform.

After the migration you will be able to evolve renovated solution as a flexible and maintainable Java-based system.

- Minimization of the transformation time,
- Retaining of the existing business logic and business processes,
- Reduced costs of porting legacy applications to modern system platforms,
- No training expenses,
- Flexible tools for integration with third party modules or services,
- Increased transformation ROI,
- Access to the advantages of SOA and Java development tools.

To learn more visit **www.diasoft.com/LR**
Looking to transform your Legacy System, contact us at **info@diasoft.com**

5 Key Challenges in Corporate Actions Processing

A corporate actions department in any financial organization is faced with many of the same challenges. Too much information is being received in too many different formats and is being managed by too few staff with too little time to process the work. The risks associated with processing these events are constant and consistently high.

For example, each staff member on a corporate actions team may personally process around 250 events per year, and the majority of these might be mandatory events such as cash dividend payments, bonus issues and stock dividends. They may also process about 20 voluntary events per year. Many would agree these activities represent high risk in the back-office environment, exposing banks to considerable financial loss from manual processing.

Automating the corporate actions process has been a challenge for the financial services industry since the mid-‘90s. Whereas other aspects of middle- and back-office processing have suffered similar levels of scrutiny, regulatory oversight and shifts towards automation, few have seen the sustained attention and levels of frustration experienced with corporate actions. Due to the diversity and complexity of the process, corporate actions automation has remained a key industry focus for more than a decade.

So why is it still such a challenge? And why is the financial services industry struggling to find a way to resolve the challenges presented by this part of the back office? If you break the process down, these five distinct stages highlight the challenges:

1. **Data Management** — Data is received from many different sources, with information often incomplete, frequently updated or received from each of these sources at different times. This significantly increases the risk of missing, misinterpreting or failing to update the information received.
2. **Event Management** — Once the information is received, an ‘event’ needs to be created. This event needs to be clearly understood from all of the available data, and all key dates pertinent to the event need to be recorded and tracked. This requires a near constant review of what is happening and when, as the information relating to the event is always subject to change.
3. **Position Management** — Stock record capture can prove especially challenging when positions and transactions are maintained across many different trade processing systems and when assets are heavily traded and the positions are constantly changing. There are often numerous reconciliation points to accurately determine eligibility and to ensure that the correct entitlement is calculated or position recorded for the election process.
4. **Election Management** — The election process on voluntary and choice corporate action events presents the most significant element of risk to the whole process. A failure to elect accurately — or worse, not at all — presents considerable risk to incur potentially significant financial loss and, often more importantly, to harm the reputation of the bank.
5. **Entitlement Management** — Failure to ensure entitlements are calculated accurately and incorporated into the correct accounts could result in incorrect positions, inaccurate valuations of positions and the possibility of traders dealing on these inaccurate positions, sometimes inadvertently selling short in the market.

To successfully automate this entire process, you are required to be able to effectively collect, convert and correlate external information quickly and link this information to asset, position and transaction information received from many third-party systems. You must manage change very quickly and ensure that all points of reference for processing are recorded. You need to ensure that all shareholders are fully aware of the nature and consequences of the event and that, when necessary, they advise you of their requirements in sufficient time to be able to execute that requirement, enmasse, with the requirements of all other interested parties. You are required to be able to calculate costs and entitlements and apply those to the correct accounts at the correct points in time… And you must do this several thousand times each year.

Automating the corporate actions process to achieve 100-percent straight-through processing may not be realistic. Decisions still need to be made by people and organizations, so there will always be a need to interact with someone, somewhere. However, by automating the data collection, event management and stock record allocation processes, you can significantly reduce the workload processing staff undertake for every event. The focus then shifts to the exceptions around data and positions, allowing the processors considerably more time to ensure that each event is processed accurately.

By automating the election process, you are removing risk from the bank and into the domain of the client. This will ensure that any outcome is as a direct result of the client’s investment decision and not an error in corporate actions processing. That, above all else, must be the priority for the entire process.

Paul Phillips,
Business Development Manager, Corporate Actions Solutions, EMEA, SunGard's XSP

Bethan Cowper,
Head of International Marketing at Compass Plus

The Consumer Drive Towards **Omni-Channel Banking**

The relatively static retail banking industry has really been knocked for six over the last decade or so. Until fairly recently, the banks were the dominant entities in the relationships between themselves and their customers. Banks therefore chose which products and services to push in the market and drove customers to use those which were the cheapest and most convenient for the banks to run. The idea of customer service was the notion of queries and complaints being answered face to face or over the phone, and the customer experience was generally a uniform, one-size-will-fit-all affair, regardless of sex, age, geography or socio-economics.

Developments in technology and the availability of choice, whether regarding the products and services on offer or between financial institutions, have led to one truly significant progression: the customer is now in charge. Technology has both directly and indirectly enabled customer centricity, where customer requirements drive advancements in technology and, therefore, innovation: this has turned the previous balance of power on its head. With an increasing market for innovation, new and disruptive players have begun to covet and successfully gain a percentage of the market share that once only belonged to banks. In fact, the growth of players in the financial sector has increased to such an extent, that we no longer refer to banks as the collective noun for these institutions. With the proliferation of these new, non-traditional players including mobile service operators, payment services providers is a far more appropriate term.

Back when the banks were driving technology-led innovation, the move from traditional channels to newer channels, such as the Internet, were based on the same business models that had been used for branch banking and ATMs. Services were simply amalgamated into a graphical user interface based on what the bank wanted to offer customers. This move towards a more multi-channel approach was operational; with the growth of different touch points for a consumer to interact with their bank.

Multi-channel banking was really the first significant step towards customer-centricity, offering consumers the opportunity to take more control over the where and when of their finances. Still very much in play in the majority of brick and mortar institutions today, multi-channel strategies continue to encourage customers towards the least expensive channels for the bank. This approach tends to offer little consistency across all available channels and ultimately a fragmented end user experience.

Due to the business principles applied and the technology available at the time, traditional channels generally weren't built to support an integrated customer experience across multiple channels. To keep up with innovative products, services and applications, and the channels they are offered through, it can be tempting for more established financial institutions to attempt a 'plug and play' approach to implementation. This can often be quite complicated given the legacy nature of the systems in place and the consequent lack of architectural flexibility. To remain competitive and at the forefront of innovation, without the added pressure of often high profile technology failures, these types of bank should seriously consider a complete system overhaul.

The challenge that banks face today, is therefore, how to offer a seamless, secure, and personalized experience to their individual customers on an underlying technology architecture that not only supports innovation but encourages it. This shift in customer experience is down to what customers demand from their banks, and failure to comply can be detrimental to both customer adoption and retention. This is where an omni-channel strategy comes in to play.

The omni-channel experience isn't just driven by the availability of services for the customers 24/7/365, but also the consistency of these services regardless of touch point. Omni-channel is a holistic approach to customer service, despite the multiple channels available. This channel neutral strategy is quickly becoming essential to meet growing consumer demand for having more control over their own personal banking experience: customers need to move seamlessly between channels and even optimizing their experience by using several channels at once.

The use of more than one digital channel to perform an action known as sequential screening, is now commonplace. Some 90% of consumers are using multiple screens to complete daily tasks, 46% of whom use multiple screens to manage their finances (Google Inc.). Smartphones are the most common starting place for online activities. Due to the significant technological advancements in, and growth of access to, these devices, the ways in which consumers behave and interact with their banks are changing. This fluidity in the financial services market and growth in the digital era means that banks need to be able to adapt quickly to incorporate new and innovative products and services or risk getting left behind.

That said, banks need to be careful here. It is all very well jumping on the innovation bandwagon, but new products, services, apps and so-forth need to be created based on customer behaviour, not based on the channel or device. Of course everything needs to be taken into consideration when realizing the customer journey: however, consumers use channels differently and interchangeably, dependant on external factors such as geography and convenience. The banking experience needs to span everything from social media to the branch, optimizing the unique capabilities of each channel for customer use.

A bank that is omni-channel enabled will ultimately eliminate technology silos by utilizing a modern payment platform. It will be channel agnostic. It will deliver a successful and intuitive banking journey for the customer.

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Marc Murphy,
Chief Executive at Fenergo

REGULATORY ONBOARDING — Where Data, Documentation, Compliance and Onboarding Converge

The investment banking and capital markets space is currently experiencing a lot of upheaval as a result of new and enhanced regulatory requirements, a transition that is expected to last for a number of years to come.

Specifically, over the last year or so, we've seen the debut of newer regulations such as Dodd-Frank, FATCA, EMIR and MiFID II, in addition to proposals for the 4th EU Money Laundering Directive and the completion of FinCEN's Customer Due Diligence (CDD) rules — all of which aim to introduce greater accountability and transparency into the financial services sector.

Each of these regulations has a sizeable impact on the data, documentation, classifications, checks and screenings that need to be completed for all new and existing clients, making the process of client onboarding far more challenging. In fact, each of these regulations has a significant impact on time to revenue, a key metric in client onboarding. Time to revenue is a factor of the time it takes to comply with the regulations and collect or locate all the necessary data and documentation required to support the regulatory frameworks, in addition to credit and legal approvals etc. The longer it takes to complete these processes, the longer it takes to onboard a client, therefore, the longer it takes to realize revenue.

To introduce greater efficiencies into this process, financial institutions should seek to implement the following guidelines into their regulatory onboarding operations:

1. IDENTIFY REGULATORY, DATA AND DOCUMENTATION DEMANDS UPFRONT

Every regulatory onboarding process starts with data. However, client-facing functions very often don't know what documents to request from clients or, indeed, if they already have possession of these documents through other business lines or divisions. This usually means that they end up contacting the client multiple times requesting data and documents that may have been submitted already, which can significantly sour the client onboarding experience.

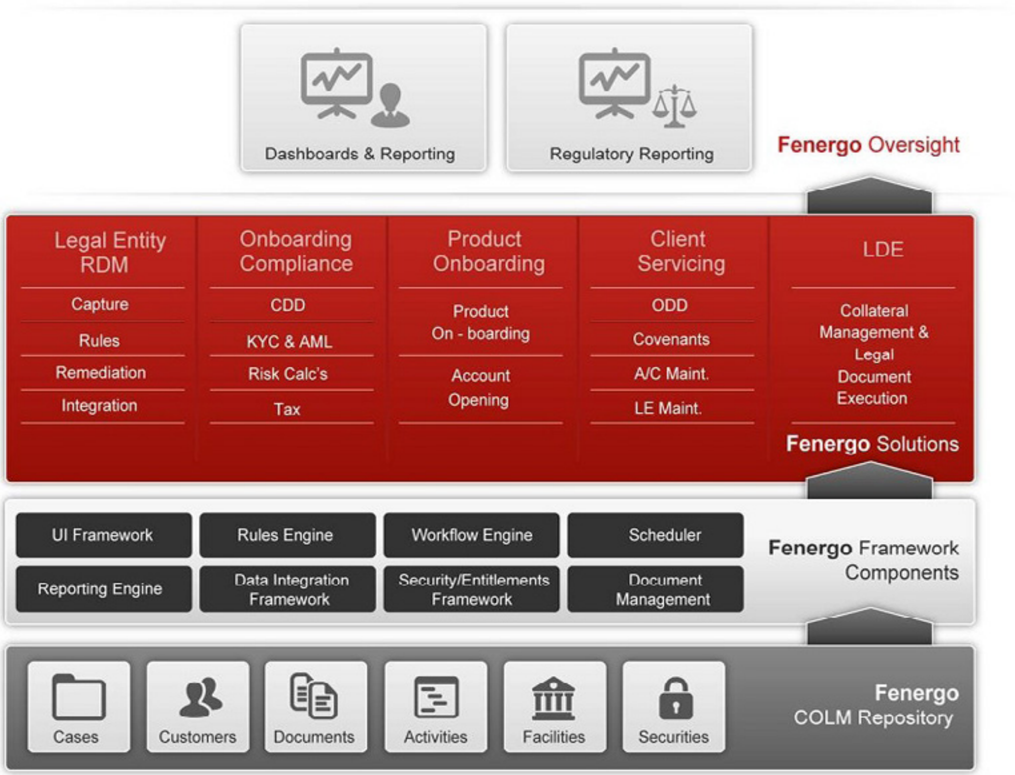
By implementing a rules engine configured for each of the regulations, client-facing teams need only collect an initial set of data (e.g. client type, jurisdiction, products traded etc.), which when entered into a rules engine, determines:

- the classifications that need to be completed,
- the regulations that need to be supported (KYC, AML, Dodd-Frank, FATCA, EMIR, MiFID II etc.),
- the compliance questions that need to be answered, and
- the data and documentation required to support these regulatory obligations.

In this way, the client-facing teams can request this information upfront and in one go from the client.

2. RE-USE EXISTING DATA AND DOCUMENTATION AND IDENTIFY THE DELTA

The ability to re-use client data and documentation saves a lot of time during the onboarding process, and also helps to enhance the onboarding experience by eliminating the need for clients to resubmit data and documentation. Re-usability is a simple concept, however, it is surprising how many financial institutions lack the capabilities and technologies to do this. To enable financial institutions to share and re-use data and documentation across the institution, integration to key bank systems is critical. Most financial institutions will have client data / document repositories in place. It's not about deploying a rip and burn strategy but leveraging tools that enable financial institutions to identify the data and documentation that are both available and



not available to it. The delta between the documentation required to support various regulatory frameworks (based on the client's data) and the data and documentation already held by the institution should then collected from the client accordingly.

3. ENABLE CLIENTS TO SELF-SERVE WHEN SUBMITTING DATA OR DOCUMENTATION

The collection of data and documentation from clients can take a significant amount of time, which can further elongate the compliance process and delay the overall client onboarding process. The more manual the process, the more difficult it is to manage. Financial institutions should look to implement or complement existing technologies with a secure, self-service web-portal to enable new and existing clients to securely and conveniently submit registration forms, data and documentation in support of their onboarding, KYC and other regulatory requirements (e.g. W-series forms for FATCA). This client web enablement should reduce the overall amount of time it takes to collect data and documentation from clients and offers an enhanced level of convenience to clients during the onboarding process.

4. ONBOARDING CLIENTS AND MANAGING REGULATORY LIFECYCLE EVENTS

When all the data, documentation and regulations have been identified and collected, it's about onboarding the client as efficiently and compliantly as possible to generate revenues immediately. A positive initial onboarding experience is a prerequisite for encouraging clients to onboard new, higher value products over their lifetime.

Regulatory onboarding and data / document management processes should be capable of managing the maintenance of a client profile over the lifetime of the client. This involves reviewing client records either as part of a regular scheduled or ad-hoc review program or as part of an event-triggered process as the client progresses through different lifecycle phases.

Regular, scheduled or ad-hoc reviews are an essential part of the due diligence compliance process and are usually based on the client's AML / KYC risk-score e.g. high risk client will be reviewed more regularly than a lower risk client. Retrospective or look-back reviews like this provide an excellent opportunity to review all existing client data and documentation against existing or potentially new regulations to determine if they are fully compliant and identify any data or documentation that is outstanding or needs to be updated.

Event-triggered lifecycle events are captured when something changes in the client's circumstances or relationship with the financial institution. This may trigger a fresh compliance process to review the KYC / AML risk rating or may introduce new geographically-specific regulatory obligations.

CONCLUSION

At the end of the day, taking regulatory compliance in a piecemeal fashion, on a regulation-by-regulation basis, is not a strategy for success. Instead, it will only succeed in cementing siloed walls between functions, creating deeper pools of disparate data and documentation collected from repeated requests from clients, and seriously hamper the onboarding experience.

With regulatory deadlines coming hard and fast at financial institutions, some with converging implementation dates, it's important to be able to manage the myriad of regulatory compliance, data and documentation demands across all regulations simultaneously and across the lifetime of a client.

ZERO CODING with electra iTx Series

Financial IT speaks with Mr. Jose Thattil, Head of Global Sales and Marketing at Electra Card Services about company's latest Electra iTx series suite of products that delivers high performance, high security and simple transformation with zero coding.

Jose, please introduce us your company.

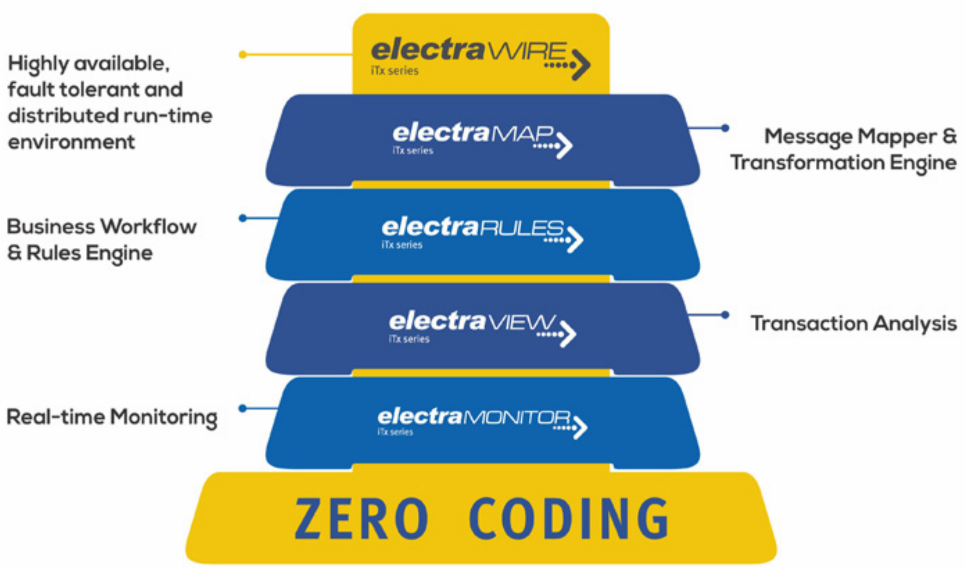
ElectraCard Services is a leading global provider of software solutions and processing services for electronic payment and card systems. We deliver end-to-end solutions across the payment industry including banks, financial institutions, retailers, exchanges and telecoms. Our suite of products enables customers to process in real-time card transactions, online transactions, mobile payments and services, and contactless payments. Additionally, ECS offers third party processing services. The company is a PCI-DSS certified Third Party Processor (TPP) for MasterCard® and VISA® across the card issuance and transaction acquiring realm. ECS customer solutions and services are available in more than 30 countries with support for multiple institutions, currency and different business requirements using a single platform. Our global experience and extensive domain knowledge, along with a robust solution, enables us to provide cost effective results.

What is the latest product you wish to showcase in our magazine?

The latest product offered by ECS is electra iTx Series, a next generation transaction platform that was built on open standards and industry best practices to support the Service Oriented Architectures (SOA). The modern platform helps bridge the divide between the old and new payment worlds by increasing the agility and flexibility of traditional payments technologies. The iTx series provides flexibility and speed to market for the entire payments chain.

The architecture delivers high performance and separates transaction acquiring channels from the application components. This unique architecture enables us to offer customers with 'Zero Coding' capabilities that ensure quick adaptability to changes and easy rollout of solutions and services.

With the electraiTx series zero coding capabilities, users are given the freedom and flexibility to adapt the solution to meet their varying needs. It is simplified to enable addition of new services, new products, without the need to code.



At ECS, Mr. Jose Thattil is responsible for the overall sales and marketing strategy. He has wide expertise in the retail payments domain which enables him with an understanding of market requirements. He successfully drives the global sales team and also overlooks all the integrated marketing requirements.

Mr. Jose Thattil has over 16 years experience in this domain and has held various leadership positions in the areas of implementation services, business solutions, and product management.

Prior to joining ECS, he was part of the retail technology group at ICICI Bank where he was involved in the EFT switch implementation and debit card launch for the bank. He is an engineering graduate and holds a Management degree from Mumbai University.

Please describe what benefits the product brings to end clients.

The electraiTx series platform is a functionally rich acquiring and issuing solution that caters to the end-to-end needs of card transactions. The 'Zero Coding' feature allows user easily make changes, roll-out new services and solutions and truly offers freedom from the need to code every change or alteration. Furthermore, it is an extremely flexible and scalable solution that has been proven time. The platform is enhanced with additional applications like electraMAP, electraRULE, electraMONITOR, electraVIEW and electraWIRE.

- electraMAP – is a message mapper and transformation engine that facilitates mapping of various internal and external interfaces (Interchanges, CBS etc)
- electraRULES – is a powerful business manager that enables customers to add and change business rules and workflows
- electraVIEW – is a centralized configuration of logging events with an asynchronous logging mechanism. Using this, the client can subscribe for multiple events without a change in the system.
- electraMONITOR – is a monitoring tool that provides a bird's eye view of the entire network – ATMs, applications and transactions
- electraWIRE – is a middleware that distributes applications across multiple platforms, databases and operating systems using message based communications.

How long does a typical implementation of this product require?

Implementation timeframes depend on multiple factors such as complexity, category of product, whether this is a greenfield installation or a migration and whether the model is one of licensing or one of processing. Timeframes can range from a couple of months to a year.

Who are the main customers of the product?

ECS provides payments solutions to the world's most innovative organizations in a number of sectors, including financial institutions, transportation, retail, telecommunications and government. ECS supports the largest ATM network in the world through its customer SBI and also works with some of the largest banks globally.

What are the names of the principal competitors to this product?

- ACI Worldwide - Base 24
- FIS - IST
- Alaric - Authentic.

What are the competitive advantages of your product over rival products?

Enhance Business

- Deployment – functionally rich and comprehensive suite across issuing, acquiring and fraud management to meet the requirements of the payments systems across payments value chain
- Empowerment – high degree of parameterization empowers customer to set up/modify business rules and reduce time to offer new services
- Scale – drive thousands of devices, issue millions of cards and process millions of transactions.

Ease of Integration

- Ease of integration – powerful business rules engine eliminates customization, shortens time to launch new services.

Lower Total Cost of Ownership

- Migrate – proven migration experience reduces risk
- High performance – benchmarked to process payment transactions using very small processing units; saves infrastructure and data center.

Conduct Business With Confidence

- Leverage – PA DSS certified products to secure data in transit and at rest
- World class certified infrastructure – PCI DSS, MasterCard certified processing center, SLA based bizops (secure, reliable, predictable).

How do you position your product in the market against its competitors?

When most customers are making a move from legacy systems that do not meet the needs of today's payment market, we are the ideal solution which provides them freedom and scalability along with advanced security features. With the electra iTx suite of products, customers can efficiently reduce their transaction cost by 30%. Our solutions are PA DSS certified and is the best-in-class.

How often is this product upgraded?

Typically new product versions are released once every 12-18 months. The association mandates are made available as per the mandate cycle published by the associations.

The defects related releases are planned and provided to clients based on the criticality of the issues. Fixes for critical issues are provided within response and resolution times as per SLAs set for the category of defect. Fixes for other issues are provided as service pack to all the customers. Release notes are provided with fixes and service packs.

A new version may involve partial or substantial migration. Minor customizations are delivered as additional modules

How are upgrades delivered to existing users?

Upgrades are delivered through the ECS support team under the umbrella of 'electraONE'. electraONE is a single stop solution for providing all kinds of support services including product support services, account management and value added services. The ECS offers its support services based on the type of support purchased by the customer.

Have you launched, or are you planning to launch, a completely revised version of this product?

The electra iTx Series is the revised version of our earlier product electra. We have launched this suite of products in the last year and have taken additional measures to meet the dynamic needs of the payments space.

Please could you describe how users/customers pay for the product?

The customers pay licensing fees for the product.

What are the most important industry-wide trends affecting the market for this product?

There are many reasons why financial institutions may need to move to a newer platform. However, the need for improved security when offering customers their card solutions is key.

There are a large number of security attacks that takes place in the payments space. To secure this there is a need for newer and robust solutions that can increase security by issuing chip-based cards, biometric tracking for cards, Securecode and other modes of security when transacting online. This and the need for improving customer convenience through online transactions, payment gateways, mobile banking etc., are all crucial to modern day banking solutions.

What is the marketing strategy for this product?

ECS sales team are aligned to geographies in which ECS operates. ECS sales offices are located in Mumbai India, Omaha Nebraska USA, Dubai UAE (April, 2011) and Singapore (April, 2011).

The Product Marketing and Marketing Communications teams are located centrally. ECS regional offices work with ECS resellers, system integrators, and alliance partners (HP, IBM, and Oracle) and System Integrators.

ECS participates in the following tradeshows to increase its reach to the customer

- Cards Middle East, Dubai
- Cards Asia, Singapore
- R DS, USA
- ATMIA and Prepaid Expos in the US

ECS works closely with the HP NonStop teams in the US, Middle East and Asia regions to develop product bundles jointly identify opportunities and hold roadshows.

ECS is a preferred processor for prepaid for MasterCard for APMEA region. ECS has utilised this relationship to expand its reach in the markets.

ECS also works closely with Gartner to determine new Geographies to enter and Verticals to cater to. ECS attends global events organized by Gartner.

Company background

Parent Opus Software Solutions was founded in 1997 with a vision to be 'technology partner of choice for the retail payments marketplace'. Opus launched electra suite of products in 2000 and first customer went live on electra in 2001. ECS was founded in 2006 by Opus Software Solutions with a vision to be a leading provider of software solutions and processing services for electronic payment and card systems. ECS is headquartered in Pune, India with regional sales and marketing offices in Mumbai, USA, Singapore and Dubai.

The corporate possesses a strong team of over 1200 technical and industry experts that provide customers with cost effective, safe and reliable solutions to overcome the challenges of today's financial market. The extensive ECS product suite is an end to end solution for payment requirements of banks, financial institutions, retailers, finance companies and corporations.

There are over 100+ customers, 200+ installations across 30+ countries. ECS drives 50,000+ ATMs, processes four billion transactions annually and manages 200+ million payment cards.

The company has acquired world class IT infrastructure, security practices compliance and certifications — PA DSS, ISO 27001, ISO 9001:2008, CMMI Level 5 for Software Development, CMMI Level 5 for Services.

Karthik Vadivel,
Consultant, Zafin

Des Farrell,
Executive Consultant, Zafin Advisory

Why Banks Are Separating Product Pricing Management From Core Banking Systems

Introduction

Traditional product-centric banking value propositions are at risk of becoming obsolete through a combination of increasing competition, regulatory change and technology advances, which are driving increased customer service expectations. New and changing regulations – EMIR, Frank-Dodd, SEPA, Basel III, to name just a few – are imposing obligations, which means the rules of customer engagement are being changed in time and again. All of these factors mean that banks have to shift their focus towards more customer-centric product and pricing propositions in order to better influence revenues and profitability.

Against this backdrop, just how easy is it for banks to adapt their core banking systems in order to meet these rapidly shifting conditions and still successfully manage revenues and margins? Traditional core banking systems were designed for an increasingly outdated proposition – one that valued security, reliability and redundancy. Today's dynamically changing environment demands agility, flexibility and speed, and all geared towards developing customer-centric strategies, while still maintaining security and reliability. How can banks meet these modern demands? Consider three options.

Option 1: Replace core systems

The first option is to replace multi core-processing systems with a universal, flexible core banking system across all products and services. In reality, each core processing system will have specialist functional or operational features that would be costly or difficult to replicate in one overarching platform. Bringing all functionality into one platform could also heighten system and processing risks, include outage implications. On balance, cost, resource and risk factors make this unviable.

Option 2: Do nothing

The second option is to do nothing. Again, this is not feasible for banks that wish to retain existing and attract new customers.

Option 3: Separate product information from the core

A third option has emerged: to manage product and pricing capability in a separate, dedicated pricing and billing solution. By separating product and pricing management, core processing systems focus on their key strengths, while necessary data from each is made available to the product and pricing platform. This approach allows banks to shift from siloed product-centric models to more customer-centric propositions. Banks can put customers, rather than products, at the centre of their universe.

Strategic pricing in banks

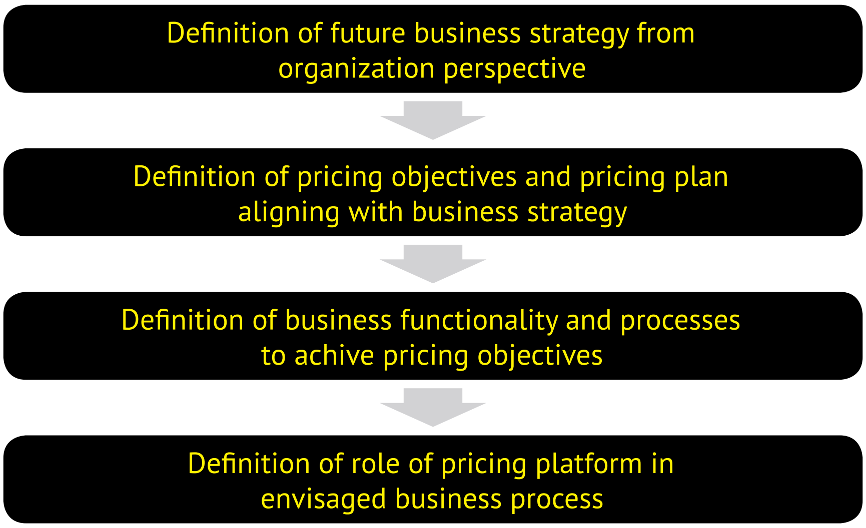
Banks are facing the challenge of increasing revenues and maintaining profitability in the face of increasing competition, from incumbents and new entrants alike, from increasing customer expectations and also from regulation. By focusing on improving their price management strategies, banks can counter these challenges. Solutions that enable banks to define the relationships between products, product attributes and delivery channels will allow them to build strategies to influence and change customer behaviour. In this way, well-designed strategies can bring material benefits to both the top and bottom-line by:

- Improving customer retention and acquisition;
- Improving wallet share by increasing the number of, and extent to which,customers consume products;
- Promoting preferred, cost-effective delivery channels;
- Extending and promoting greater self-serve options; and
- Rewarding customer loyalty.

The role of a strategic pricing platform

In order to meet and adapt to changing strategic business objectives, banks require product pricing solutions to demonstrate the ability to:

- Tailor prices to different clients and client segments;
- Price agilely to secure position and counter competitive threats, both globally and locally;
- Structure tariffs and pricing models in line with pricing policies and principles;
- Record fixed and variable costs for products and support profitability calculations;
- Flexibly and efficiently manage price changes; and
- Define price governance and approval workflows.



Pricing challenges in core banking systems

Most core banking systems were developed at a time when processing capabilities and specific product execution-related functionalities were considered to be important. These inadvertently created a product or system-oriented internal view of customer activity.

Although the notion of customer-centric propositions was always important in principle and in reality for select key clients, all the while revenues and profitability grew, banks had little incentive to change their models. Consequently, and as the landscape changes ever more rapidly, changes to pricing functionality are typically being delivered as add-ons, patches and minor modifications to the existing core banking systems. These short-term workarounds often compromise overall processing efficiency and wind up erasing any potential business gains because of higher IT costs, increasing dependency on manual processing, increasing errors and reduced agility.

Compounding the problem is the increased vulnerability each new workaround brings to the core system. System and code changes and competing business objectives all combine to expose the core system to potential problems. Changing any one business process or rule can lead to a ripple effect across multiple levels of architecture – even minor changes to a single product can have unforeseen long-term impacts.

Workarounds slow down innovation. And when innovation slows down, it becomes far more difficult for banks to agilely and efficiently develop product and pricing propositions to lead or counter the competition. Banks risk losing product sales and revenues to competitors if their core banking systems hamper their ability to respond effectively to customer needs.

Modern pricing propositions embrace capabilities and functionality that typically cannot be delivered by a core banking system. Pricing functionality is typically limited, including the following examples:

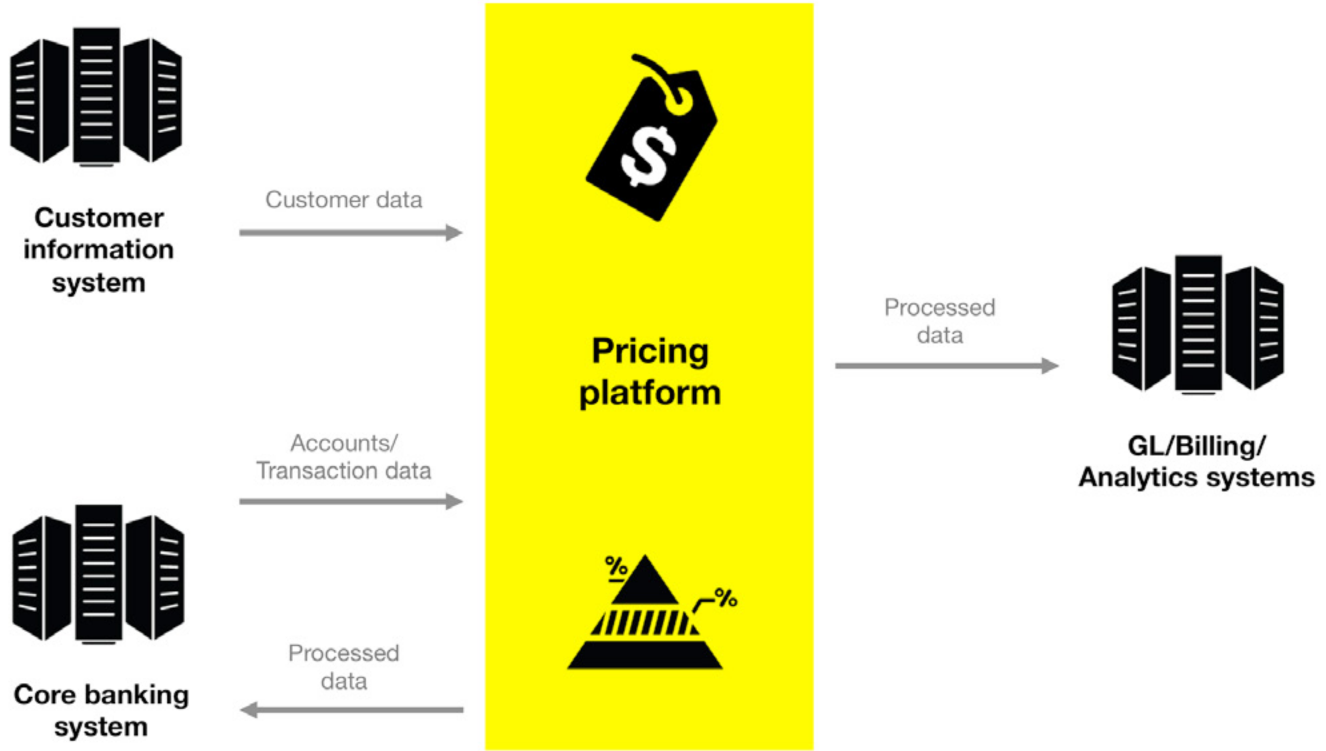
- Account or product-level pricing only;
- Inability to individualize pricing at all or without any systemic pricing controls;
- Pricing for products executed through a particular platform or system make it difficult, if not impossible, to offer targeted price campaigns or offers;
- No well-defined capability for defining pricing-based special terms or conditions,such as balance thresholds;
- Pricing criteria changes require code changes and workarounds;
- Revenue leakage due to manual processing, errors, unpriced or unbilled transactions and unauthorized discounts;
- Siloed pricing data significantly hampers the ability to price products based on a customer-centric, 360-degree view of the customer;
- Typical focus of core systems is restricted to interest and non-interest bearing margin calculations, rather than fee-based revenues;
- Difficulties in meeting ever-changing regulatory requirements in the banking and financial services industry; and
- Lengthy time-to-market for new products or product variations.

Advantages of a dedicated pricing platform outside the core

The limitations of core banking systems, coupled with the challenges banks face due to the dynamically changing banking environment, are shifting focus to alternative product and pricing technology solutions. Banks across the globe are considering the IT landscape required to deliver nimble, responsive and proactive customer-centric pricing propositions.

A smart option for banks is separating product and pricing capability from the core banking systems. By providing an enterprise pricing capability as an innovation layer to complement existing systems, it is possible to take once disparate, fragmented product information and develop overarching customer-centric propositions. Such a platform essentially encapsulates core systems to provide product innovation and pricing capabilities for the bank, while allowing core processing systems to remain operational.

The new technology layer manages exchange and sharing of assets, for example, by calling for data from upstream systems, such as core banking systems, performing pricing and charging calculations through a flexible, rules-based approach and passing that data back to downstream systems, including GL systems. This kind of implementation strategy allows banks to modernize their systems by moving from a vertically siloed, product-centric operating model to a horizontally aligned, customer-centric operating model that isolates and disaggregates key logical architectural components, such as business rules, logic, and data constructs. This Service Oriented Architecture (SOA) allows



business services and components to be developed once and shared efficiently across channels, lines of business, operational processes and product lines.

Among the key advantages of implementing a dedicated pricing platform in conjunction with core bank systems including the ability to:

- Define pricing and perform price calculations at multiple levels – from the customer level through to transaction levels;
- Set individualized pricing for customers and customer segments, subject to defined approval workflows;
- Enable easy packaging and bundling of products and services across different lines of businesses (LOBs);
- Allow for transfer pricing across lines of business where cross-LOB bundles or packages are created;
- Simplify change management through parameterization and configuration;
- Bring products and product variations to market more quickly, supported by modeling and trialing (through customer campaigns); and
- Streamline pricing processes, facilitating easier monitoring, follow-up and quicker recovery of revenue opportunities.

The diagram above illustrates how a pricing platform can work with a core banking system to facilitate customer-centric product and pricing propositions.

The need for a dedicated pricing platform from Day 1

Even though the advantages of having a dedicated pricing platform are potentially huge, banks can still be reluctant to take up such initiatives. While the scale and possible impact of such transformational change can at times feel overwhelming to business and technology stakeholders alike, it must be remembered that neither competitors nor customers will stand still.

Modern product and pricing solutions provide banks with arguably the best pathway towards creating the customer-centric product and pricing propositions that will increasingly be necessary to meet regulatory obligations, competitive challenges and customer expectations in the future. The ability to price products based on a full 360-degree view of clients, with a full understanding of client and product pricing, revenue and profitability, will enable banks to develop and adapt their propositions in dynamically changing environments.

A dedicated pricing platform:

- Sets the foundation for the bank to identify the behaviour of the customer and to develop pricing strategies to maximize customer relationship value;
- Executes standard, dynamic and relationship pricing;
- Centralizes maintenance of pricing policies;
- Provides a platform for greater innovation, while reducing risk and operational costs;
- Offers customer-centric analytics to pinpoint business and value drivers;
- Reduces performance issues by allowing core processing engines to operate to their key strengths;
- Streamlines pricing processes across lines of businesses, which in turn improves operational efficiency;
- Creates a business and IT landscape well-positioned for future market and pricing challenges; and

Core banking pricing vs. a dedicated pricing platform

CORE BANKING PRICING	DEDICATED PRICING PLATFORM
Pricing at the product or account level	Pricing and pricing calculations at multiple levels, from customer level all tne way through to transaction level
Individualized pricing without restriction or executed manually	Individualization for customer supported by systemic approval workflows
Pricing always associated to a product in a particular line of business	Support for multiple lines of businesses with ability to bundle/package across lines of businesses
Standard product-centric pricing	Dynamic, relationship-based, customer-centric pricing
No mechanism for special terms and conditions and promotion-based pricing	Built-in mechanism for special terms and conditions and promotion-based pricing
Pricing criteria changes require code changes, workarounds or patches	Rules-based framework enables implementation of pricing criteria changes with configuration
Revenue leakage due to manual processing, errors, unpriced transactions and unauthorized discounts	Revenue leakage control due to full coverage of pricing and discounts
Pricing data kept as silos across the system in a product-centric view	Pricing data kept in a single centralized location with the provision for customer-centric view
Focus is on spread-based income	Focus is on spread-based income, as well as fee-based income
Difficulty in complying win regulatory requirements	Easier compliance with regulatory requirements
Lengthy time to market for new products - upwards of six months to a year	Lengthy time to market tor new products - upwards of six months to a year
Barrier to pricing analytics due to silos of pricing related data	Faditates pricing analytics, including price, revenue and profitability management due to centralized pricing related data

- Facilitates expansion across regions without imposing constraints on pricingobjectives.

Disadvantages of postponement

Banks that are trying to embark on this journey through a centralized, dedicated pricing platform have to overcome several obstacles, due to limitations imposed by existing systems and incoherent pricing processes being carried out across many systems with varying degrees of manual dependency and support.

Despite such obstacles, the implications of postponement can be significant:

- Client pricing value chain will come under pressure as the gap between capability and delivery grows;
- Losing out on business opportunities due to inability to be nimble and offer customer-centric pricing;
- Ad hoc changes necessary to existing infrastructure to meet new requirements will cause deviation from emerging industry best practices;
- Future change becomes more complex as, over time, the number of dependent systems grows due to expansion of business and operations;
- Ongoing technology maintenance costs will increase as the ability to meet regulatory obligations diminishes; and
- Standardization of processes across the applications requires changes in multiple applications,incurring greater costs.

As demonstrated above, having a dedicated pricing and billing platform will take banks to the higher end of the pricing value chain to hold off the competition from others.

Conclusion

For banks wanting to move towards customer-centric models, that are able to offer sustainable and adaptable customer value propositions, separating product and pricing operations from core systems can offer major advantages. The pricing platform will work seamlessly with the core banking and surrounding systems to offer an innovative platform capable of delivering market-leading and differentiating product and pricing propositions and tailored to the existing and changing needs of different customers. These are likely to be the cornerstone of future revenue and profitability growth.

About Zafin

Zafin is an award-winning provider of relationship banking software solutions to the financial services industry. As the market leader in relationship banking for Retail, Corporate, Wealth Management and Correspondent Banking, Zafin is transforming the way banks manage products, pricing, loyalty and billing across the entire client relationship.

Our flexible software suite, miRevenue, is a complete Product and Pricing Lifecycle Management (PPLM) platform – a ‘start-to-finish’ view of the way banks bring products to market quickly and easily with a focus on revenue enhancement. Our global client base includes many of the world’s largest and most respected Tier-1 banks, all of whom are referenceable. With a growing presence worldwide, miRevenue routinely generates 100 percent ROI in under 12 months.

Zafin is privately owned and operates out of multiple global locations, including North America, Europe, Middle East, Africa, and Asia-Pacific. For more information, visit www.zafin.com.

John Wroath
Digital Marketing Manager, EMEA Equinix Group Ltd.

Technology was Never Intended to be Small

Technology was never intended to be small. For decades, computers and networks have been increasing in power and capability — following a trajectory known as Moore's Law after a prediction made by Gordon Moore, co-founder of Intel, that the number of transistors on a chip would double every two years.

Ever more powerful computing devices, in servers, desktops, cameras and phones, have enabled us to create digital data at exponential rates. Over the past ten years industry analysts have expressed concerns about the data explosion, as the quantity of information we now look to store have increased in parallel to that of processing power.

This data explosion is taking place both within and outside the corporate boundary. Even while organisations collate increasing quantity of information about customers, manufacturing equipment, business processes and collaborative activities, online social networks and content sharing sites are growing at an inordinate rate.

According to industry figures, some 2.5 quintillion bytes of data are being created every day. All in all, ever-increasing volumes of data, both in-house and online, have become a standard element of the new IT landscape, and this reality needs to be taken into account by IT decision makers. The concept of 'big data' was established to describe the phenomenon of data growth and the challenges it causes — not least around data accessibility and management but also in terms of compliance and governance. Equally, a number of new capabilities now exist to actually do something with this data, in a way that it can be analysed and used as a basis for decision making.

So, why should we care about 'big data'? The technology industry tends to define big data in terms of the problems it causes, that is, data being created in such a volume, velocity and/or variety that it cannot be processed using traditional technologies and approaches such as relational databases and analytics tools.

To define something in terms of what can't be done is not necessarily the best starting point for decision makers looking to harness this concept — particularly as mechanisms now exist to enable analysis of even the biggest data sets.

Grasping the concept of big data is not just about recognising the problem, then; as we shall see, it should also take into account the raft of new options available to organisations.

To help understand both the challenges and opportunities presented by big data, it is useful to consider what characterises 'big'.

Back in 2001, analyst firm Gartner was the first to consider such huge data sets in terms of their different dimensions. These were initially characterised as the three V's — volume, velocity and variety, as follows:

- **Volume** — in that we are generating and storing more data than ever before, indeed more than many organisations know what to do with.
- **Velocity** — the rate of creation of data is growing, both in quantity and level of detail, relative to our abilities to do anything with it.
- **Variety** — the number of data types and formats is also increasing, across databases of structured data to unstructured content.

Each of these terms serves to illustrate why big data is such a challenge. Data sets used to be well-bounded and manageable individually, whereas now they quite simply are not. Data scientists and other experts continue to have deep discussions about the nature of this complexity — in addition to these V's for example, commentators have talked about veracity (that is, data quality), variability, verifiability, value... no doubt the big data debate will continue for a long time.

The 'cloud factor' isn't going to go away — quite the opposite. It is well recognised that, taken globally, the amount of storage and processing taking place in the cloud is increasing at a faster rate than that of in-house IT. In other words, of the total quantity of data in existence in the world, the proportion being stored by in-house IT systems is diminishing. Data scientists call this phenomenon Data Gravity: whereas the centre of data gravity was once within corporate IT systems, it is moving to lie within the cloud.

In summary, organisations must not only think about coping with the increasing volumes of data created within their own corporate boundaries, and reap the rewards that big data can offer. They are also looking to address the blurring line between traditional, in-house IT and cloud-based services — which is causing a transition of data's centre of gravity from corporate IT systems towards cloud-based infrastructure.

For reasons very familiar to IT decision makes, the answer isn't a wholesale migration of corporate IT systems in to the cloud; neither can organisations stand still and continue to try and do everything in-house. So, what to do? The answer lies in creating an appropriate mix, enabling organization to gain the positive benefits of Big Data and Cloud, while still being able to address their core businesses.

For big data reasons among others, it may be timely to revisit your infrastructure and assess what data challenges you may be hitting. Even if you don't think that you may have a big data challenge or opportunity right now, you may uncover both. With data continuing to grow in volume, velocity and variety, doing nothing is no longer an option.

Financial IT

Financial Technology Buyers' Guide

Spring-Summer · 2014

ARQA Technologies is a leading Russian software vendor of solutions to sell and buy-side players for automation of their front-middle-and-back-office operations in financial markets. The flagship product is QUIK — a multi-instrument, multi-market front-end trading platform used for proprietary operations and servicing clients. QUIK has versatile risk management functionality for efficient online pre-trade checks, portfolio evaluation and margin trading. ARQA's clientele comprises more than 300 financial institutions including 7 out of top-20 global investment banks, as well as investment and asset management companies.

COMPANY PROFILE	
Company type	Sole proprietorship
Annual turnover	Undisclosed
Number of Customers Total	300
Number of Employees	160
Inception	2000
Geographical coverage	Russia, CIS, Europe

COMPANY CONTACT DETAILS	
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Bravura Solutions is a trusted provider of software solutions for the wealth management, life insurance and transfer agency industries, underpinned by functionally rich technology that enables modernisation, consolidation and simplification. We are committed to increasing operational and cost efficiency for our clients, enhancing their ability to rapidly innovate and grow, minimising their risk and enabling them to provide better service to their customers. Backed by over 30 years of experience, our installed or managed hosted solutions are mission critical to some of the world's leading financial institutions. We support our clients with a team of more than 750 people in 16 offices across Australia, New Zealand, Asia, United Kingdom, Europe and South Africa.

COMPANY PROFILE	
Company type	Private
Annual turnover	Undisclosed
Number of Customers Total	Over 150 client installations
Number of Employees	750+
Inception	2004
Geographical coverage	Australasia

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Broadridge Financial Solutions, Inc. is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge's investor communications, securities processing and operations outsourcing solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure processes more than $5 trillion in fixed income and equity trades per day, and underpins proxy voting services for over 90% of public companies and mutual funds in North America. Broadridge employs approximately 6,400 full-time associates in 13 countries.

COMPANY PROFILE	
Company type	PLC/Listed firm
Annual turnover	$2.432 billion
Number of Customers Total	Nearly 1,000
Number of Employees	6,400
Inception	1962
Geographical coverage	Global

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Compass Plus provides proven software and services for financial institutions, including retail banks and payment processors across the globe that operate in complex and rapidly changing business and technology environments. Compass Plus builds and quickly implements comprehensive and integrated payment technologies that allow customers to increase revenue and profits, and improve their competitive position by implementing flexible systems that meet market demands. With hundreds of successful projects spanning card, account and merchant management, card personalisation, mobile and electronic commerce implemented in record breaking time, Compass Plus ensures its customers make the most of their technology investments.

COMPANY PROFILE	
Company type	Limited Partnership
Annual turnover	Undisclosed
Number of Customers Total	Undisclosed
Number of Employees	Undisclosed
Inception	1989
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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DEALHub

Option Computers Ltd is a leading provider of trading, trade processing and business intelligence solutions to global financial markets through its flagship DealHub product. Founded in 1985, the company has offices in London, New York and Singapore. DealHub's low latency, high throughput solutions encompass the complete trading lifecycle from liquidity sourcing, through price distribution and ecommerce workflows, to STP, trade monitoring and processing, regulatory reporting and compliance archiving. Solutions are tailored to support front, middle and back office workflows across all business functions.

COMPANY PROFILE	
Company type	Sole proprietorship
Annual turnover	Undisclosed
Number of Customers Total	Undisclosed
Number of Employees	40
Inception	1985
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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DIASOFT
the way it should be

Since 1991 Diasoft has been providing cutting edge financial software solutions supporting all the aspects of retail, corporate and universal banking, treasury and capital market services, and insurance business. The company's main offer to the global financial market is FLEXTERA — a SOA-based software solution for front-to-back automation of financial services. Using the most advanced technologies to create its software products, Diasoft became one of the first companies having implemented SOA-principles in the banking solutions, which is attested by IBM Banking Industry Framework certification. The company is ranked in TOP 100 global financial technology providers and TOP 5 software vendors in Russia

COMPANY PROFILE	
Company type	Sole proprietorship
Annual turnover	2013 results are not ready so far, will be announced in summer
Number of Customers Total	360
Number of Employees	1,600
Inception	1991
Geographical coverage	Asia, Europe, Russia

COMPANY CONTACT DETAILS	
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ecs ElectraCard Services
an Opus company

ElectraCard Services, a subsidiary of Opus Software Solutions, provides products and third party processing services for credit and payments management industry across the world. ECS is a PCI DSS certified Third Party Processor (TPP) for MasterCard® and VISA® across the issuing and acquiring spectrum of the electronic payments business. ElectraCard Services enables financial institutions, retailers, finance companies and corporations to electronically process, in real-time, any type of payment transaction, including credit, debit, pre-paid, and ACH. In addition to typical back office processing, ECS also offers ecommerce gateway and switching solutions.

COMPANY PROFILE	
Company type	Sole proprietorship
Annual turnover	Undisclosed
Number of Customers Total	80
Number of Employees	1,100
Inception	1997
Geographical coverage	Asia, North America, Africa, South America, Europe

COMPANY CONTACT DETAILS	
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EQUINIX

Equinix, Inc. (Nasdaq: EQIX), connects more than 4,500 companies directly to their customers and partners inside the world's most networked data centers. Today, enterprise, cloud, networking, digital media and financial services companies leverage the Equinix interconnection platform in 32 strategic markets across the Americas, EMEA and Asia-Pacific. By connecting directly to their strategic partners and end users, customers are forming dynamic ecosystems inside Equinix. These interconnected ecosystems enable companies to optimize the performance of their content and applications and protect their vital digital assets.

COMPANY PROFILE	
Company type	PLC/Listed firm
Annual turnover	Reported 2013 Revenue $2,152.7M
Number of Customers Total	4,500+
Number of Employees	3,500+
Inception	1998
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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Fenergo is a global leader in Client Lifecycle Management software solutions for capital market firms and investment banks. Its world-class client onboarding workflow technology streamlines onboarding, account opening and client maintenance processes, while delivering regulatory onboarding processes that ensure compliance with global and local regulations such as AML, KYC, Dodd-Frank, FATCA, MiFID and EMIR based on clean, golden source entity data. These award-winning solutions enable financial institutions to significantly improve time-to-revenue, regulatory compliance, client experience, and reduce overall operational costs.

COMPANY PROFILE	
Company type	Privately Held
Annual turnover	Undisclosed
Number of Customers Total	Undisclosed
Number of Employees	70+
Inception	2009
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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Headquartered in Bangalore with offices in Mumbai, New York, Sandton, Dubai, Manila and Hanoi, iCreate is a global Banking Decision Sciences leader that works with banks worldwide to enable faster, better decision making and regulatory compliance. iCreate's enterprise-grade Analytics, Risk & Compliance solutions integrate seamlessly with Banking systems and delivers a fully functional Decision Enablement and Risk & Compliance System running in a fifth of the time when compared to conventional alternatives, at the lowest TCO and with advanced solutions in areas such as Retail Banking, Corporate Banking, Analytics 360, etc. iCreate currently has over 35 progressive financial services institutions across 11 nations as customers.

COMPANY PROFILE	
Company type	Sole proprietorship
Annual turnover	Undisclosed
Number of Customers Total	15
Number of Employees	120
Inception	2006
Geographical coverage	United Kingdom, South Africa, Kuwait

COMPANY CONTACT DETAILS	
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INDATA is a leading industry provider of software and services for buy-side firms, including trade order management (OMS), compliance, portfolio accounting and front-to-back office. INDATA's iPM — Intelligent Portfolio Management technology platform allows end users to efficiently collaborate in real-time across the enterprise and contains the best of class functionality demanded by sophisticated institutional investors. INDATA provides software and services to a variety of buy-side clients including asset managers, registered investment advisors, banks and wealth management firms, pension funds and hedge funds. What sets INDATA apart is its single-minded focus on reducing costs and increasing operational efficiency as part of the technology equation.

COMPANY PROFILE	
Company type	Limited Liability Company (LLC)
Annual turnover	Undisclosed
Number of Customers Total	Over 200
Number of Employees	Over 150
Inception	1968
Geographical coverage	North America, Europe

COMPANY CONTACT DETAILS	
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Lombard Risk is a leading provider of integrated collateral management and liquidity, regulatory and MIS reporting solutions — enabling firms in the financial services industry to significantly improve their approach to managing the risk in their businesses. Our clients include banking businesses — over 30 of the world's "Top 50" financial institutions — almost half of the banks operating in the UK, as well as investment firms, asset managers, hedge funds, fund administrators, insurance firms and large corporations worldwide. The Lombard Risk solution suite is developed and supported by an extensive team of risk, regulatory and financial experts.

COMPANY PROFILE	
Company type	PLC/Listed firm
Annual turnover	2013 - £16.8m
Number of Customers Total	300+
Number of Employees	280
Inception	1986
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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Milestone Group is a global provider of advanced software solutions to asset managers, fund product manufacturers and distributors, life and pension companies, and fund administrators. Its pControl funds platform is a single application platform delivering market leading operational efficiency, transparency and control to key business functions. Milestone Group brings global insight and proven technology to deliver a unique business partnership.

COMPANY PROFILE	
Company type	Limited Partnership
Annual turnover	Undisclosed
Number of Customers Total	Undisclosed
Number of Employees	Undisclosed
Inception	1998
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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Misys provides the broadest portfolio of banking, treasury, trading and risk management solutions available on the market. More than 1,900 banks and financial institutions use Misys software to run their businesses, all benefitting from the continual investment in innovation and product quality. Misys solutions create value across banking and trading book operations, underpinned by the deep domain expertise and experience of Misys employees and partners who help ensure customers get maximum benefit from the solutions and operate more effectively. Misys has the broadest range of solutions available to meet the most complex requirements.

COMPANY PROFILE	
Company type	Privately-owned
Annual turnover	Undisclosed
Number of Customers Total	1,900
Number of Employees	4,500
Inception	1979
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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As developers of the award-winning Metro electronic trading and market-making platform, Chicago-based OptionsCity Software has helped options traders make markets and trade on the world's leading derivative markets since 2006. OptionsCity continues to innovate with the development of Freeway, a multiasset algorithmic trading platform designed to streamline the development and deployment cycle with micro-second execution, and AlgoStore, an online algorithm repository and community launched by OptionsCity in early 2012 that enables third-party developers to write and sell their self-authored algorithms to traders around the world.

COMPANY PROFILE	
Company type	Corporation
Annual turnover	Undisclosed
Number of Customers Total	Undisclosed
Number of Employees	60
Inception	2006
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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Founded in 1990, PROFILE Software is a specialised financial solutions provider, with offices in Geneva, Dubai, London, Singapore, Athens and Nicosia, delivering market-proven solutions with an exceptional track record of successful implementations in the Banking and Investment Management industries. PROFILE is recognised as an established and trusted partner in a number of regions, offering a wide spectrum of solutions to the financial services sector. PROFILE's solutions enable institutions worldwide to align their business and IT strategies while providing the necessary business agility to proactively respond to the everchanging market conditions.

COMPANY PROFILE	
Company type	PLC/Listed firm
Annual turnover	Undisclosed
Number of Customers Total	200
Number of Employees	102
Inception	1990
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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Reval is a leading, global Software-as-a-Service (SaaS) provider of comprehensive and integrated Treasury and Risk Management (TRM) solutions. Our cloud-based software and related offerings enable enterprises to better manage cash, liquidity and financial risk, and includes specialized capabilities to account for and report on complex financial instruments and hedging activities. The scope and timeliness of the data and analytics we provide allow chief financial officers, treasurers and finance managers to operate more confidently in an increasingly complex and volatile global business environment.

COMPANY PROFILE	
Company type	Sole proprietorship
Annual turnover	Undisclosed
Number of Customers Total	more than 500
Number of Employees	more than 350
Inception	1999
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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SAGE SA delivers innovative solutions that help financial institutions make better investment decisions and build client trust even in uncertain market conditions by allowing them to communicate investment decisions in total transparency. SAGE SA has solutions for investment tracking, wealth management, asset management, risk management and more. SAGE SA has the ideal solution for today's financial services provider. SAGE SA offers Prospero, a suite of wealth management solutions that is user-friendly, robust and cost-effective; and BlackSwan Finacial Platform, a Portfolio Optimization solution. SAGE SA, which was founded in 1986, has its headquarters in Switzerland, and has branches in Dubai and Singapore.

COMPANY PROFILE	
Company type	Corporation
Annual turnover	Undisclosed
Number of Customers Total	Undisclosed
Number of Employees	80
Inception	1986
Geographical coverage	Asia, Europe

COMPANY CONTACT DETAILS	
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Both a software publisher and an Application Services Provider, SLIB is a trusted partner to the financial services industry, always on the lookout for changes in the European securities landscape, by supplying its customers with innovative software solutions to streamline their securities processing and improve their performance, whilst mitigating their risks. SLIB solutions support securities order and trade, clearing, settlement, custody, online vote prior to General Meetings and risk control. To date 50 securities services providers throughout Europe are using SLIB solutions.

COMPANY PROFILE	
Company type	Partnership
Annual turnover	More than $25 Million
Number of Customers Total	Over 50
Number of Employees	110
Inception	1988
Geographical coverage	Europe

COMPANY CONTACT DETAILS	
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Surecomp is the leading global provider of trade finance solutions for banks and corporations. A market pioneer for over 25 years, Surecomp maintains a proven track record delivering innovative solutions worldwide. With a global network of regional offices and six state-of-the-art development centers, Surecomp successfully supports hundreds of installations in over 80 countries. Surecomp's integrated portfolio of trade finance, supply chain finance and treasury confirmation matching solutions streamlines the transaction lifecycle to minimize costs and maximize profits.

COMPANY PROFILE	
Company type	Privately Held
Annual turnover	Undisclosed
Number of Customers Total	300+ installation sites globally
Number of Employees	235 globally
Inception	1987
Geographical coverage	Global

COMPANY CONTACT DETAILS	
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