



TOWERGROUP

The Power of Knowledge

SWIFT

Expanding Worldwide Communications Capabilities

Opening Remarks

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Introduction to TowerGroup



- ✦ **Focused Globally on the Financial Services Industry**
 - **Bridge to business and information technology**
- ✦ **Comprehensive Research and Advisory Services**
 - **Insurance**
 - **Banking**
 - **Securities and Investments**
 - **Cross-Industry Services**

Strategic Business Imperatives



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Capitalize on core capabilities and opportunities

- ✦ **Organic and acquisition growth plans**
- ✦ **Drive for top-line revenues**
- ✦ **Emphasis on financials**
- ✦ **Demands for transparency**
- ✦ **Competitive advantage**
 - **Communications**
 - **Reporting**
 - **Real-time processing**



Source: TowerGroup

Barriers to Standards Adoption

Can traditional thinking breed new results?

ORGANIZATION

- ▶ Structure
- ▶ Roles and responsibilities
- ▶ History/Culture



BUSINESS

- ▶ Multiple products
- ▶ Various markets
- ▶ High-value & low-value transactions



GEOGRAPHY

- ▶ Global businesses
- ▶ Global clients
- ▶ Global competitors



TECHNOLOGY

- ▶ Numerous facilities
- ▶ Complex operations
- ▶ Legacy that lacks scalability





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Financial Institutions Share Common Concerns

Disconnect of data and process architectures

- ✦ **Our business is too complicated**
- ✦ **Our back offices are expensive, fragmented, outdated, and non-interoperable**
- ✦ **Leadership does not mean we are innovative**
- ✦ **Firms are reluctant to drive change across the industry – the task is too daunting**

*Source: Keynote speech Sibos 2004 Atlanta
Heidi Miller, Treasury & Securities Executive, JP Morgan Chase & Co,
TowerGroup*

Financial Institutions Share Common Goals



Bring IT power closer to the business

- ✦ **Deliver more value to our customers**
- ✦ **Make our back offices more efficient**
- ✦ **Drive innovations to market**
- ✦ **Get excited about the possibilities**
- ✦ **Work together and get things done**

*Source: Keynote speech Sibos 2004 Atlanta
Heidi Miller, Treasury & Securities Executive, JP Morgan Chase & Co,
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Financial Institutions Value Standards



Services providers can help drive efficiencies

✦ **Collaboration that is endorsed**

- **A common rule-book with guaranteed delivery and non-repudiation**
- **The promotion of industry-wide cost sharing initiatives**
- **The identification of areas of common interest**
- **The establishment of minimum standards in areas such as business continuity planning**

*Source: Keynote speech Sibos 2004 Atlanta
Frank Bisignano, CEO, Citigroup*

The Insurance Industry Can Participate



Complexity of business continues to escalate

Securities

Treasury &
Derivatives

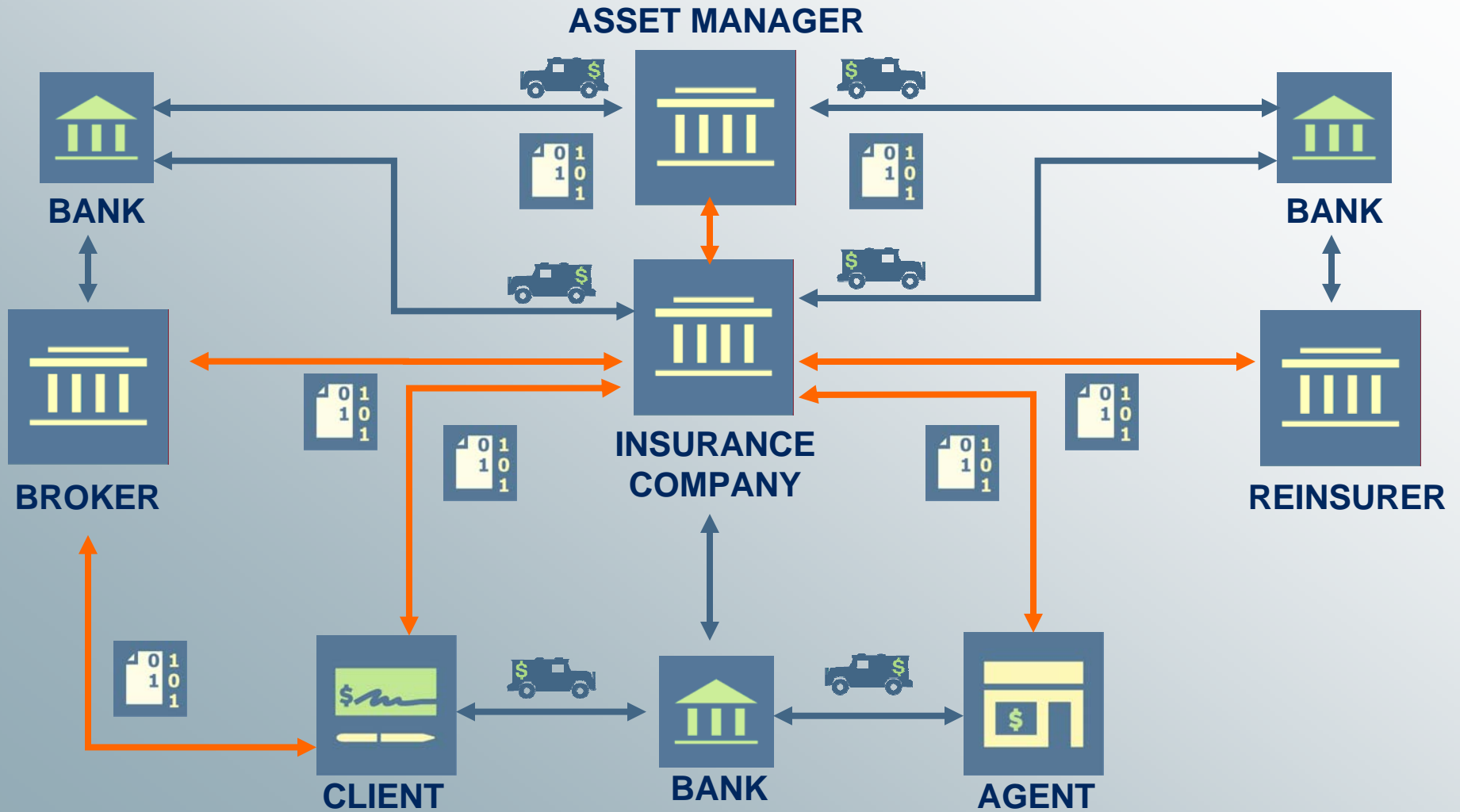
Payments &
Cash Management

Trade Services

- ✦ **Ensure data integrity and transparency**
- ✦ **Protect and manage business securely**
- ✦ **Increase operational efficiencies**
- ✦ **Build standards acceptance and adoption industry-wide**

Source: TowerGroup

Representative Transaction Flow



Standards Can Transform Businesses



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Break free of long-standing beliefs and technology!

- ◆ **Improve turnaround times**
- ◆ **Lower processing costs**
- ◆ **Meet regulatory demands**
- ◆ **Lessen exposure to risks**
- ◆ **Enhance profitability**
- ◆ **Drive competitive advantage**



Standards adoption is an ongoing business strategy.

Source: TowerGroup



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SWIFT Introduction

Johan Kestens, SWIFT

