

Banking and capital markets



Delivering Secure Data Movement and Seamless Business Integration

Executive Summary

Both the operations and the reputations of the banking and capital market sectors have been hit hard by the global financial crisis. The key elements of the crisis have (for the foreseeable future) materially changed the shape and focus of these sectors.

When business circumstances change rapidly, it is critical to have the ability to re-align business community operations equally rapidly. The banking and capital markets business communities depend on electronic and often real-time transactions and information transfer. This results in a critical need for extremely responsive business process integration technology.

- Over 90% of the FORTUNE® 100 financial services companies use Sterling Commerce solutions
- 10 of the top 10 U.S. banks use Sterling Commerce solutions
- 5 of the top 5 U.S. insurance companies use Sterling Commerce solutions
- AT&T is the parent company of Sterling Commerce

The Sterling Commerce solution Driving profitability by optimizing processing efficiency

The core business of Sterling Commerce is the provision of industry-leading solutions for the secure movement of business data and transactions throughout your business collaboration network. This means within your organization, and across network connections to other organizations with which you do business. We can and do connect banks to their corporate customer communities, linking the customer service technology in one bank to the diverse technologies in hundreds of that bank's corporate customer enterprises.

The challenges and the solution capabilities

For the banking and capital market sectors, recent events have produced business challenges that zero in on some specific issues.

Imprudent lending by a number of organizations has attracted the attention of national regulators in many countries. New business controls and structured reporting requirements are already evolving and more will follow. Reportable data must be extracted from diverse systems and locations. Sterling Commerce solutions can deliver on data consolidation, report compilation and submission.

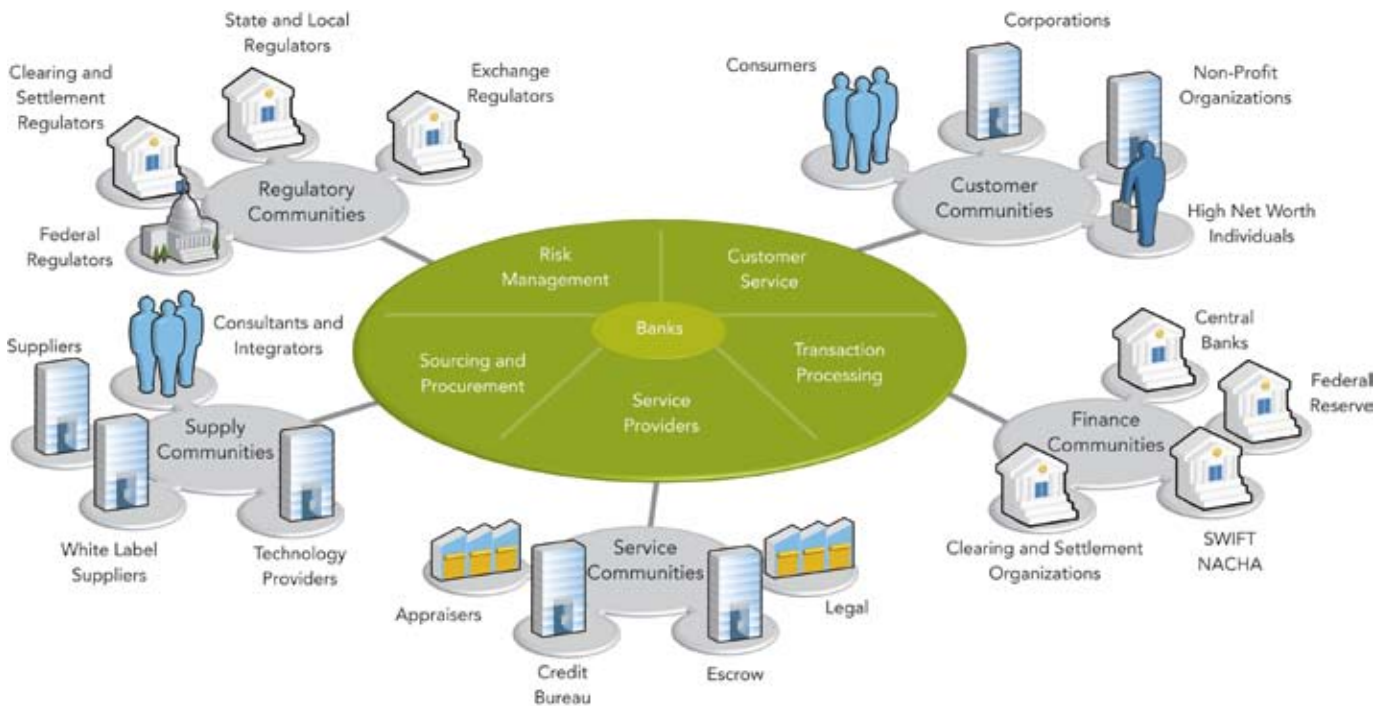
Ill-researched investment in debt-based assets has resulted in re-evaluation of financial risk management applications. Sterling Commerce supplies the process connectivity by which risk management applications can acquire and process the correct data, from the correct sources, at the correct time.

For many 'tier 1' enterprises, profitability has been compromised by the repayment overhead imposed by unprecedented public sector 'bail-out'

loans. Operational cost reduction is now critical for the affected companies. Process automation opportunities that were 'marginal' in previous assessments will now have become essential, and Sterling Commerce is working with customers to improve straight-through processing in these areas.

Recent market performance by major institutions has caused continuing conservative reassessment of inter-bank credit lines. The resultant restriction in available loan funding and revenue potential has increased focus both on deposit retention and acquisition, and on the efficiency and scope of transaction services operations. Sterling Commerce solutions are enabling banks and capital markets companies to expedite the implementation of new and upgraded electronic services.

In addition to operational consolidation following escalating instances of mergers and acquisitions, market conditions are causing widespread re-assessment of service sourcing. Which lines of business to expand? Which to contract? Which to host? Which to outsource? The rapid execution of changing strategies in business relationships with third party organizations and partner companies requires agile process integration technology at the edge of the enterprise. Sterling Commerce provides industry-leading solutions that expedite the effective integration of new financial communities following all types of multi-enterprise business realignment.



Business Collaboration Network

Sterling Commerce helps financial services providers transform and optimize their business collaboration networks.

The Sterling Commerce portfolio for banks and capital markets companies

Sterling Commerce provides a comprehensive Business Integration Suite of solutions that support:

- All major financial services data standards and messaging formats
- Managed file transfer
- ‘Intelligent’ data analysis, authorization, validation, translation and routing
- Straight-through processing
- Business process mapping
- Multi-enterprise financial process enablement

- Customer e-commerce connection utilities
- Physical network connection services
- A hosted Service Bureau connection to SWIFTNet
- Comprehensive security utilities
- Consolidated control and visibility over all data movement processes

Either individually or in any combination, the components of this portfolio deliver powerful data connectivity—selectively, securely and automatically moving business information and transactions from any suite of systems in any common financial or commercial format, to any other systems requiring data entry in different standards or formats.

The Sterling Commerce financial services banking and capital markets portfolio addresses the following issues:

Issue	Capability	Benefit
Need for efficient and agile data movement and process integration	<ul style="list-style-type: none"> • Data content analysis • Data authorization • Data validation • Data translation between all common financial services standards and protocols • Data routing to correct destination 	<ul style="list-style-type: none"> • Improved operational accuracy • Improved processing speed • Rapid connection/disconnection between different systems • Rapid connection to/disconnection from business partners, and third party service providers (clearing houses and exchanges) • Rapid customer onboarding
Need to reduce operating costs	<ul style="list-style-type: none"> • Rules-driven straight-through processing • Consolidated process control and visibility 	<ul style="list-style-type: none"> • Reduced manual processes • Faster execution of business operations • Lower maintenance overheads and improved status monitoring over multiple processes via a single dashboard
Need to improve data and process security	<ul style="list-style-type: none"> • Comprehensive industry-leading data encryption options • Enterprise perimeter security • Critical security processes run in memory • Automatic transmission process recovery 	<ul style="list-style-type: none"> • Opportunities for unauthorized data access, and change are minimized • Business is protected from denial of service and similar external technology attacks • Improved security—sensitive data is not stored on accessible media • More reliability—data transmissions supported by utilities guaranteeing delivery
Need to rapidly implement consolidated operations following merger and acquisition events	<ul style="list-style-type: none"> • Solutions contain all of the utilities required to map processes and data movement accurately between different systems, networks, technology platforms, and locations 	<ul style="list-style-type: none"> • No requirement to ‘rip and replace’ existing technology purely to run merged operations • Existing process outputs are mapped and moved to the preferred destination formats, systems, and locations

An established and reliable worldwide business partner

In the U.S., we provide business-critical corporate banking connectivity following one of the 'top 10' bank mergers of 2008. In Europe, we provide the business process engine that drives the entire domestic clearing and settlement operations in at least one country. In both Europe and Africa, we provide essential connectivity to national Real Time Gross Settlement Systems. In Asia-Pacific countries we provide numerous transaction data processing connections. We also provide online data communication services between fund managers, custodians, and other participants in securities trading communities.

Did you know?

Sterling Commerce provides Business Integration Solutions to some 800 banks worldwide.

Our own network reaches some 19,000 commercial organizations.

Inter-connects from our network to the networks of others extends our reach to some 8,000 financial services institutions, and to tens of thousands of commercial organizations.

About Sterling Commerce

Sterling Commerce, an AT&T Inc. (NYSE:T) company, helps companies optimize and transform their Business Collaboration Network quickly, easily and securely so they can accelerate revenues, reduce costs and protect their enterprise. Sterling Commerce provides more than 30,000 customers worldwide with applications and integration solutions to connect, communicate and collaborate with their customers, partners and suppliers. Learn more at www.sterlingcommerce.com.

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