# IBM Banking Industry Framework for payments and securities:
Accelerating more flexible and efficient processing

Simplifying the enterprise payments infrastructure: A banking imperative

The payments industry is the backbone of our global economy, enabling billions of financial transactions each day. The global marketplace looks to financial institutions to provide secure, fast and reliable payments processes. However, as payments operations have expanded to meet the needs of an evolving global economy, many have become fragmented, complex, inflexible and costly to maintain.
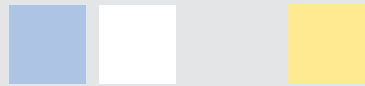
Banks today face tighter margins and greater pressure on fees. Global regulation and standardization initiatives are increasing the need for change. And while technology has enabled greater connectivity in payments, settlement systems and exchanges, these advances have also opened the door to new competitors. These market pressures are changing the way banks must operate.

A more streamlined payments infrastructure is required. However, large scale transformation efforts are often costly, risky and slow to generate a return on investment. Today, banks need a better approach that enables them to transform their payments infrastructure over time, project by project, leveraging the assets they already have and driving value along the way. Now banks can build a technology roadmap to meet these needs with the IBM® Banking Industry Framework for payments and securities.
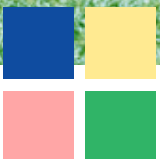
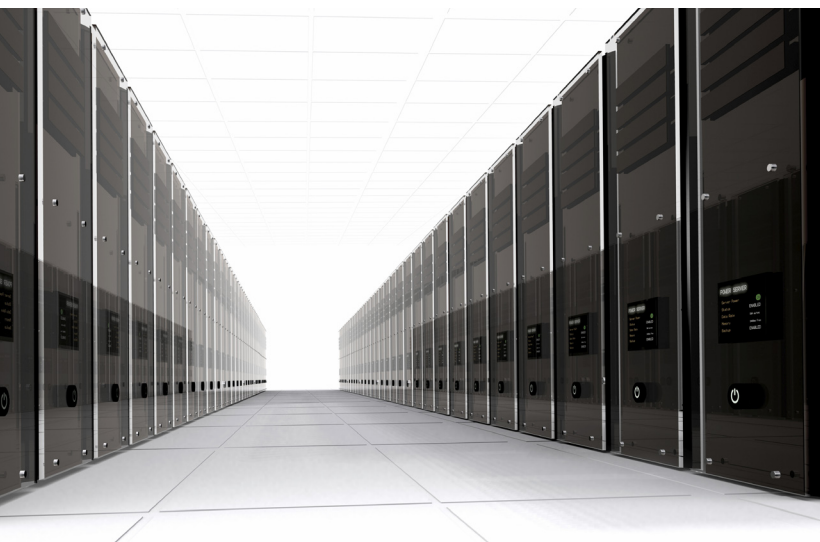**Bridging the gap between business requirements and IT capabilities: A framework approach**

The IBM Banking Industry Framework provides a software platform with pre-built payments-specific software extensions, solution accelerators and best practices to help you significantly speed time to value in implementing solutions. It provides an approach for a progressive, managed, business-driven transformation of your payments and securities processing infrastructure.

As you prioritize your business needs, you have a choice in how to get started. Along with a selection of applications from leading independent software vendors, the framework supports your transformation journey with payments and securities projects in the following categories:

- Corporate services: *Support corporate customers with greater transparency and market-driven integration of cash management, liquidity, and trade services.*
- Digital payments conversion: *Transform paper-based transactions with electronic processing.*
- Payments process efficiency: *Create federated, enterprise processing for all payments and securities applications, reducing costs while improving efficiency.*
- Retail payments: *Move from proprietary and aging systems to more flexible, supportable and available retail payments systems that are adaptable to changing market conditions.*
- SEPA compliance: *Transform your payments and securities processing to support maturing SEPA standards and ensure compliance.*
- SWIFTNet modernization: *Modernize your back-end applications to SWIFTNet services with a single window into industry-standard processing services.*
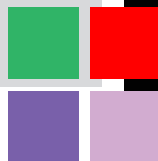
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The IBM Banking Industry Framework: Giving you what you need

A framework approach delivers benefits quickly to your payments infrastructure. With improved monitoring and tracking of payments through the process, you can better manage your business processing, improve customer service, and enable transaction auditing transparency. By moving to dynamic process routing, you gain the flexibility to change processes as your business needs change, further reducing costly manual intervention in processes. With better risk and security management, you can feel confident in the security of your payments processes each time a change is made or you integrate with a third-party. Plus, as you simplify and create a more flexible infrastructure, you can integrate with enterprise risk management, core banking and customer-facing processes.

Take advantage of our vast expertise

IBM is a global leader in financial services. Financial institutions around the world are using an industry framework approach to simplify their technology infrastructure. IBM can help you get on the path to greater agility, whether you're just starting out, seeking to optimize your existing infrastructure or somewhere in between. Talk to your IBM representative today about conducting a business value assessment to identify ways to get started.

The IBM Banking Industry Framework for payments and securities provides:

- A pre-defined design and flow for your processes and data
- A single window to SWIFTNet services and reliable processing of high volume messages and files
- Assets to help you build an enterprise payments hub that provides integrated high level service performance through transaction-level visibility to payments
- Transformation of payments and securities message data to industry standards
- Efficient XML data management to industry standards
- Service oriented architecture (SOA)-based services reference templates to help you develop payments business services faster
- Best practice business and technical implementation patterns for service-oriented architecture based payments solutions

Case study: A European bank becomes more flexible
A major European bank needed greater payments-systems flexibility and data accessibility to comply with European Central Bank regulations—and to improve its ability to identify and intercept payments associated with known terrorists.

After SWIFT introduced a pair of new messaging services—known as SWIFTNet FileAct and SWIFTNet InterAct—the bank knew it had to integrate these new services into its payments infrastructure. However, doing so within its existing point-to-point framework would be slow to deploy costly to maintain and would increase complexity. The bank realized it needed a more open and flexible approach to integration, so it turned to IBM.

IBM proposed a comprehensive solution. Payments and securities tools from the IBM Banking Industry Framework were used to create a separate integration layer through which the bank could plug services such as InterAct into the core payment system—while at the same time keeping it separate and insulated from other applications.

By acting to replace its rigid, point-to-point financial messaging infrastructure with a flexible, hub-based architecture, the bank is now in step with broader trends in the banking industry. It is differentiating itself as one of the more agile players in the industry while reducing integration-related IT costs and time to deploy new capabilities. At the same time it has improved its ability to offer global banking services, increased customer satisfaction and distinguished itself through new payments-related services that drive revenues.

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