

Case study

Absa Bank implements SWIFTNet FileAct to replace pension tapes and balance of payments reporting



About Absa Bank

Absa Bank is one of South Africa's largest financial services organisations in terms of staff, serving both individuals and corporate customers in South Africa.

For more information, contact Liezl Squier at liezls@absa.co.za or visit www.absa.co.za.

About Misys

Misys works in 120 countries and has been listed on the UK stock exchange since 1989. Revenue reached GBP 900 million in 2004.

For more information on Message Manager, contact mick.fennell@misys.com or visit www.misys.com.

Business challenges

- Cost-effective use of services
- Ensure infrastructure can support services
- Achieve and sustain competitive advantage

Benefits for Absa Bank

- Shorter time for processing pension payments
- Reuse of SWIFTNet security model for balance of payments reporting
- Exceptions and failures drastically reduced
- Reduction in messaging costs



“We wanted to implement FileAct and InterAct in a cost-effective way. Misys Message Manager, implemented in 2004, provided us with a flexible financial messaging foundation on which to implement Absa solutions based on SWIFT messaging.”

Sean Mouton, System Architect at Absa Bank

Business challenges

In 2003, Absa Bank realised that with the new SWIFTNet services Absa could offer a number of new solutions. As Sean Mouton explains, “The need for real-time account information and bulk payments solutions provided a good business opportunity for Absa, but we needed to implement the solutions cost effectively, and take advantage of all streamlining potential to improve efficiencies.”

Absa needed to ensure that all solutions could use the foundation messaging and integration infrastructure so that it would be able to support the new SWIFT services and standards. It looked at various third party providers and in 2004 selected and implemented Misys Message Manager. Using this financial messaging application meant that Absa could implement services such as SWIFTNet FileAct and SWIFTNet InterAct, and could process SWIFTNet FIN messages as well as SWIFTStandards XML, all based on the same foundation architecture.

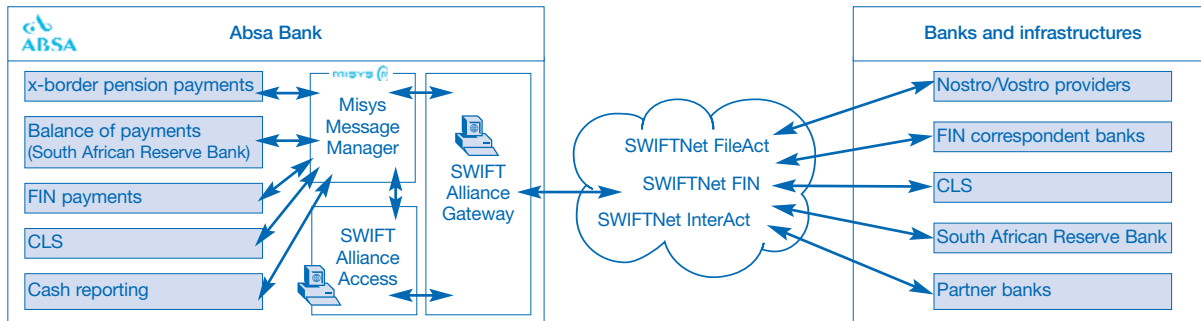
Balance of payments reporting with the Reserve Bank of South Africa and the exchange of pension tapes with the central bank were the first challenges. They were migrated smoothly to SWIFTNet FileAct.

Absa firmly believes that there is competitive advantage in being able to implement support for new SWIFTNet services and SWIFTNet-based solutions quickly. In addition, risks due to changes to its legacy systems, which have a direct impact on migration timelines, can be avoided. Using the SWIFTNet services, FileAct amongst others, helps to improve business processes internally and enables Absa to offer new solutions to its customers.

Benefits for Absa Bank

Using SWIFTNet FileAct together with Misys Message Manager has provided Absa Bank with these benefits:

- **Shorter time for processing pension payments with the central bank**
Prior to using FileAct, this was a totally manual, inefficient and cumbersome process. The implementation of SWIFTNet FileAct has reduced the processing time from an average of 5 days to 30 minutes.
- **Reuse of SWIFTNet security model and infrastructure for balance of payments reporting to the Reserve Bank of South Africa (SARB)**
Absa previously used a SARB proprietary network with a bespoke security infrastructure. This was a major overhead. By switching to FileAct, they could reuse the SWIFTNet security model and infrastructure.
- **Exceptions and failures drastically reduced**
Using SWIFTNet FileAct helped Absa streamline its internal file handling process and exceptions and failures were drastically reduced.
- **Reduction in messaging costs**
Absa has been able to cut its messaging costs and implement support for FileAct very efficiently.



SWIFTNet FileAct as implemented at Absa Bank

Solution overview

Misys delivered a proof of concept that led to Absa's final selection of Misys Message Manager. It took only four days to implement, using the Misys Message Manager building blocks.

Misys Message Manager is an open, flexible financial message processing hub which automates support for SWIFTNet standards and services within a back office. It allows the bank to configure workflows, routings, message contents and user processes. Message Manager provides full audit trails and support for SWIFTNet FIN, ISOXML, SWIFTNet FileAct and InterAct within a technologically advanced and scalable J2EE environment. It has a user interface with sophisticated access to all message data as well as dashboard control for daily SWIFTNet messaging operations. However of crucial importance to Absa was the fact that it allowed open access to data via other interfaces.

Absa was already using Misys Message Manager for FIN message traffic, where it helps to improve STP and monitors outgoing and incoming messages. Misys had developed FileAct and InterAct modules for the system, so it was simply a case of installing software and using the pre-built connectors that are part of the Message Manager application. Integration with the back office was easy and quick.

The initial implementation of SWIFTNet FileAct took approximately five days. This mainly involved configuring the components necessary for specific FileAct services.

Now that the foundation infrastructure has been commissioned, Absa is able to implement SWIFTSolutions across all areas without impacting its legacy systems.

The central bank pension payments service was the first moved onto FileAct, followed by balance of payments reporting for the Reserve Bank of South Africa. It required all of 30 minutes to configure this second service.

Next steps

Absa bank is one of only two South African CLS Settlement members and as such, is already using SWIFTNet to access CLS Bank. Encouraged by the success of FileAct, Absa has also embarked on implementing SWIFTNet InterAct for real-time cash reporting.

In the near future, Absa plans to roll out SWIFTNet FileAct services to other areas and extend the solutions being offered both internally and externally. Their internal messaging infrastructure gives them the confidence to take on all the challenges and opportunities that SWIFTNet offers.

"At Absa, we realised that the new services integral to SWIFTNet would offer us opportunities to enhance and extend current solutions and to achieve new efficiencies as a result of process streamlining. Thanks to the FileAct implementations, we have already started to reduce costs and increase efficiency. In addition, we expect to be able to exploit new business opportunities and enhance current solutions as a result of real-time account information and messaging services on SWIFTNet," concludes Sean Mouton.

Solution overview

- SWIFTAlliance Gateway
- SWIFTNet FileAct
- Misys Message Manager
- VPN box and IP router

About SWIFT

SWIFT is the industry-owned co-operative supplying secure, standardised messaging services and interface software to over 7,800 financial institutions in more than 200 countries.

Contact us

For more information please contact andre.casterman@swift.com or visit our website www.swift.com.

For more information on SWIFTNet FileAct on www.swift.com, go to Products and Services - Messaging Services - SWIFTNet FileAct.

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