



T-Mobile rationalises its electronic banking platforms using SWIFT and achieves 182% ROI

“Using SWIFT, T-Mobile can run a central platform with a single standard for every country and every bank for the first time.”

Vice President Finance & Treasury, T-Mobile International

T-Mobile provides mobile communications services to 103 million customers in 12 countries. The company, established in 1999, is responsible for the mobile communication business of the Deutsche Telekom Group and is wholly-owned by Deutsche Telekom AG. T-Mobile employs 55,000 people and had revenues of EUR 23.6 billion as of September 2006.

Business challenges

- Special e-banking systems in four countries led to high costs
- Decentralised structure made it difficult to control payment flows
- Multiple banks and accounts at national level

Benefits for T-Mobile's clients

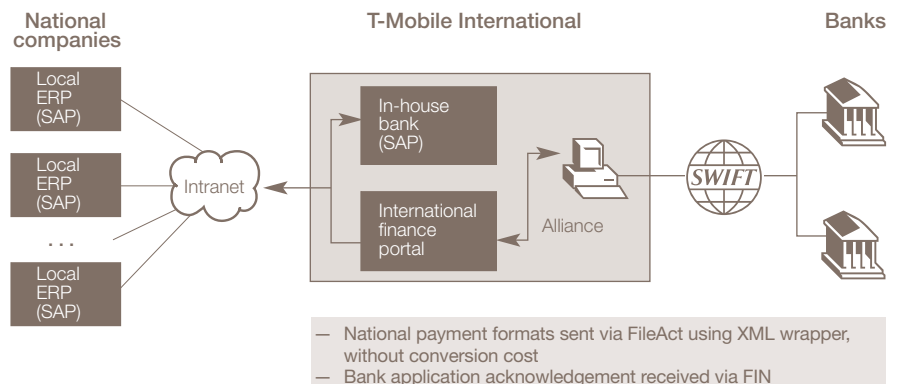
- Central platform with single standard for every country and every bank
- Staff re-allocation, bank messaging system cost reduction, economies of scale
- Improved security and simplified compliance

T-Mobile uses SWIFT as its messaging platform to support an in-house bank and payment and collection factory, processing payments and statements for its European subsidiaries.

Business challenges

Before SWIFT, each national company had its own bank interfaces and formats. Across four countries, a total of 15 different systems were in place.

The costs for operating and maintaining these interfaces were very high. The decentralised structure made it difficult for T-Mobile to control its payments flows and did not allow payment orders to be signed using distributed electronic signatures (first local, second central).



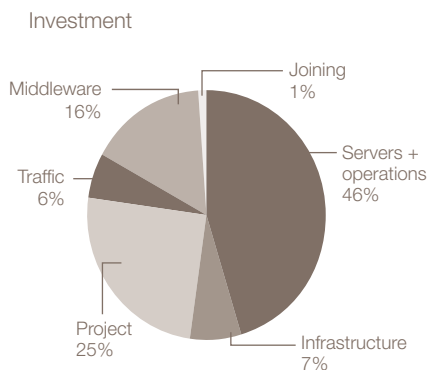
Investment

T-Mobile's investment includes SWIFT costs to cover:

- joining MA-CUGs (Member Administered Closed User Groups)
- infrastructure, consisting of Alliance Access and Gateway
- traffic, mainly FileAct files including direct debits.

The other project costs include:

- project management to plan and deploy the infrastructure and SWIFT related part of the payments factory
- servers + operations, to run the SWIFT infrastructure, perform daily operations, maintenance, etc
- middleware enhancement to provide the connection to Alliance and allow FIN and FileAct messaging.



Benefits for T-Mobile

Generates operational and financial benefits for T-Mobile:

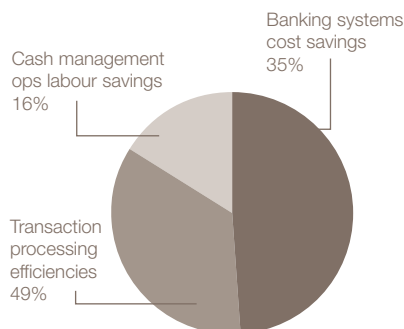
- Cash management operations labour savings: a higher degree of automation allows T-Mobile to re-allocate two staff equivalent
- Banking systems cost savings: using SWIFT, T-Mobile can retire 15 systems in four locations
- Transaction processing efficiencies from central operations lead to economies of scale and reduction in payment transactions costs.

This translates into net benefits of EUR 4.5 million over five years – and a financial return on investment (ROI) of 182%.

T-Mobile is able to achieve a payback on its investment in three years.

In addition to the quantified benefits, T-Mobile can lower the risk of fraud because only group treasury can release payments, and now does so to fewer banks.

Benefits



Solution overview

In March 2006, T-Mobile started the project to replace its multiple bank connections. The first country went "live" on SWIFT in February 2007, followed by two more countries in March and April.

The central operation consists of a middleware product that provides an international finance portal to the subsidiary companies, an in-house bank running on SAP, and a SWIFT connection to its bank partners.

Bank statements are received via FileAct in domestic or MT 940/942 format and processed into the various accounts held in the finance portal. The national companies can view their own accounts while group treasury can view all accounts.

Payment orders and direct debit files generated by a subsidiary's SAP system are authorised by group treasury and sent via FileAct to the bank partners. An MT 199 message is received to provide a functional application acknowledgement.

Future opportunities

T-Mobile plans to further deploy SWIFT to enhance its payments factory by:

- bringing additional national companies on SWIFT
- looking at the opportunity of SEPA to harmonise payments and direct debit formats.

Solution overview

- Participant in MA-CUG
- Alliance Access and Gateway
- Bank statements received via FileAct in domestic or MT940/942 format
- Payment orders and direct debits sent via FileAct to bank partners

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect over 8,300 banking organisations, securities institutions and corporate customers in more than 208 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest. www.swift.com

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