



*Global operation,
reduced costs,
lower risk*

Benefits

- Minimise risk
- Meet regulatory demands
- Reduce operational costs
- Improve response times
- Enhance client service

Affirmations

*Single-screen access to all your treasury trades
across all your counterparties*

Currently, many buy-side treasury market deals are either confirmed by email or fax or not confirmed at all. The operational and settlement risk introduced by this manual process is unacceptable in today's market environment. SWIFT's Affirmations application shows the details of all your trades with all your counterparties on a single screen. Accepting or rejecting them is done by a simple mouse click. As a result, your exposure to risk from unconfirmed trades is eliminated.

Benefits of Affirmations

Minimise risk

A reduction in the time during which there is uncertainty about a trade enables operational risk to be minimised. Faster error detection prevents delays in processing, allows better management of exposure and reduces settlement risk.

Reduce operational costs and improve efficiency and STP

Using Affirmations means less manual intervention, such as handling faxes. This reduces processing costs.

Operational efficiency is improved, enabling higher rates of straight-through processing (STP).

No IT staff are required, as the Affirmations application is operated centrally by SWIFT.

Archival and audit trail

An integrated audit trail provides binding evidence of trades which are securely stored at SWIFT. The optional Long Term Archive (LTA) enables you to outsource your data storage to SWIFT. LTA stores all information related to a trade for a period of ten years from maturity date. User-friendly search functionality provides easy access to archived data.

Lower response time

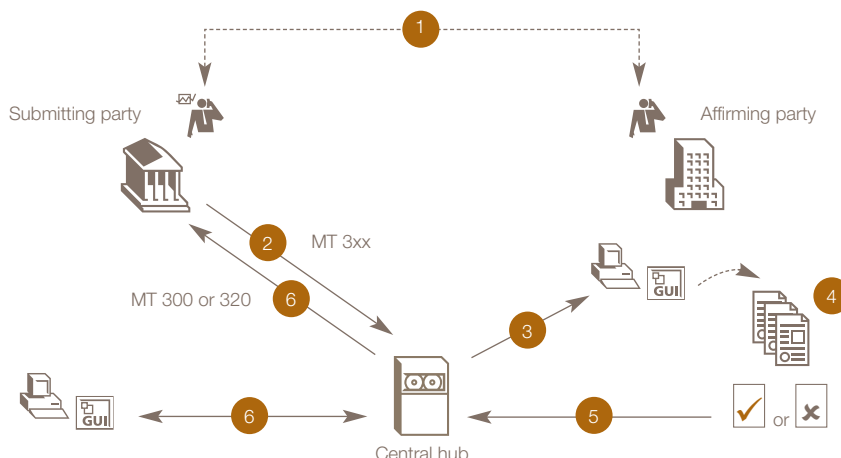
Trades appear in real time in the graphical user interface (GUI). You can agree or disagree within seconds. Chasers allow you to communicate instantaneously with counterparties.

Multiple asset class coverage

Affirmations supports multiple asset classes – foreign exchange (FX), FX options, money market instruments and interest rate swaps.

Support

SWIFT offers world-class customer support services, which are available on a 24/7 basis around the globe.



Affirmations process flow

How Affirmations works

The above figure illustrates the Affirmations process flow.

1. The trade is executed between two institutions. In the context of the Affirmations service, we refer to the two sides as submitting party (submits the trade confirmation to the service) and affirming party (accepts or rejects the trade), either directly or via a broker.
2. The submitting party generates an MT 3xx confirmation and sends it to the central hub at SWIFT. To indicate that this confirmation is to be affirmed, you can use a code word in field 72 or the Affirmations GUI.
3. The affirming party views all trades in a user-friendly GUI running inside SWIFT's Alliance WebStation.
4. Specific buttons allow the user to accept or reject every transaction. At any stage, a chaser may also be sent to complement the acceptance or rejection.
5. All actions are recorded in the Affirmations database and can be reviewed at any time.

6. The submitting party can see the resulting status of his confirmations in the GUI in real time. Alternatively, a FIN message with the status of a trade can be sent for integration in back office systems. An API is available for even tighter integration.

Additional benefits

Access your data from anywhere

Central storage means data can be accessed at any time from anywhere.

Operators can access data from different entities belonging to the same group.

Manage future traffic growth

There is no need to invest in system upgrades as traffic increases.

You can maintain a single view on all trades with all counterparties.

Reuse your existing SWIFT infrastructure

Affirmations builds on existing SWIFT infrastructure. It uses SWIFTNet PKI for authentication, access control and non-repudiation. It is easy to install, requiring only an Alliance WebStation with the Affirmations GUI.

Instruments supported by Affirmations

Affirmations caters for the following SWIFT message types:

- MT 300 – Foreign Exchange Confirmation
- MT 305 – Foreign Currency Option Confirmation (vanilla)
- MT 306 – Foreign Currency Option Confirmation (exotic)
- MT 320 – Fixed Loan/Deposit Confirmation
- MT 330 – Call/Notice Loan/Deposit Confirmation
- MT 340 – Forward Rate Agreement Confirmation
- MT 341 – FRA Settlement Confirmation
- MT 360 – Single Currency Interest Rate Swap Confirmation
- MT 361 – Cross Currency Interest Rate Swap Confirmation
- MT 362 – IRS Rate Reset Confirmation

For more information, please contact your SWIFT account manager or visit www.swift.com.