



At the largest aerospace company in Europe, Accord reduces manual intervention for confirmation matching by 90 per cent

“Accord is essential to reduce FX (post-) trading processing risk. We have achieved automated matching rates that prove that using Accord was the right decision. It is a cost-effective and user-friendly confirmation matching service.”

Andreas Drabert, Vice President, Treasury Controlling, EADS

About EADS

EADS, European Aeronautic Defence and Space company, the world's second largest aerospace company, has a turnover of EUR 30 billion and employs over 100,000 people in more than 70 production sites.

For more information, please contact andreas.drabert@eads.net or visit www.eads.net

About EFiS

EDI Finance Service AG (EFiS) offers services to banks, industrial companies and public bodies. It is the first private SWIFT Service Bureau in Germany.

For more information please contact armin.gerhardt@efis.de or visit www.efis.de



Business challenges

- Messaging standards and industry practices
- Matching service
- Low-cost infrastructure
- Worldwide access

Benefits for EADS

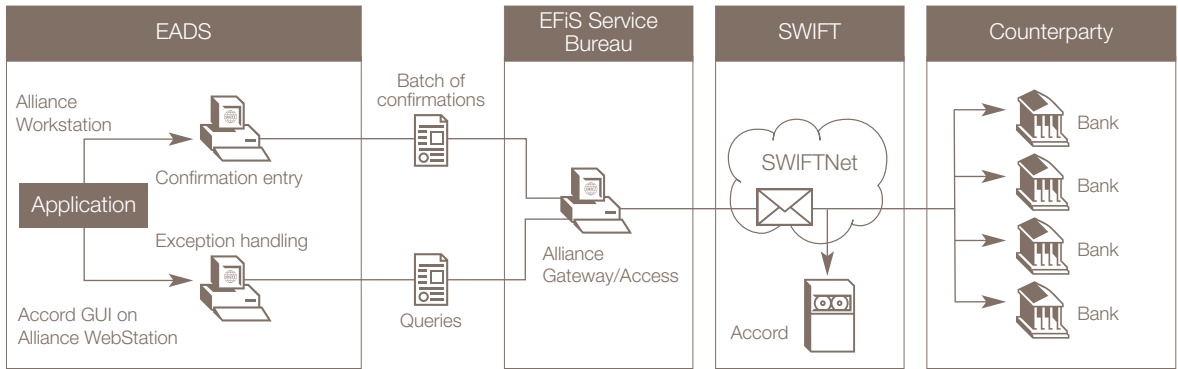
- Risk reduction
- Low-cost solution
- Automation
- Global reach
- Single supplier
- Light integration

Business challenges

EADS has one of the biggest corporate FX portfolios in Europe — with an FX hedge portfolio in excess of USD 42 billion (2003) and annual net exposures of USD 10 billion — and was keen to reduce the related transaction risk, in particular via its deal confirmation process.

In the past, EADS confirmed its FX and Money Market transactions almost exclusively using faxes. Checking confirmations was very time-consuming, as the information was not formatted. Manual matching of sent and received faxes took between an hour and a half and two hours daily. Errors were potentially very expensive. A single error could cost tens of thousands of euro.

EADS needed a confirmations process which would improve the quality of the information, increase the speed of matching and reduce error rates. The adoption of standardised SWIFT messages and industry practices paved the way to the ultimate objective — the automation of EADS' confirmation matching. In addition, EADS also needed a low-cost communication infrastructure that would enable the company to process deals with any counterparty around the world.



Confirmation handling at EADS

“Using a centralised tried and tested matching service such as Accord is far more cost-effective than buying, deploying and operating a matching system in our own back office.”

Benefits for EADS

EADS chose Accord because it provides:

- A low-cost solution
“Using a centralised tried and tested matching service such as Accord is far more cost-effective than buying, deploying and operating a matching system in our own back office,” confirms Mr Drabert.
- Automation
Automating matching using FIN and Accord eliminates the risk of making mistakes, saving time and money. EADS has reduced manual intervention by 90 per cent and can now concentrate on cases that do not match due to misunderstandings between parties.

- Global reach
Accord allows matching of exchanged confirmations with all counterparties, irrespective of whether they are SWIFT users. By using Accord, EADS has the confidence of a system that guarantees correct matching results. Operations staff therefore do not have to worry about their counterparties’ matching methods.

- A single supplier
SWIFT provides 24/7 world-class support via a single point of contact for all SWIFT products and services. Dealing with the same supplier for services such as messaging and matching, which are tightly integrated, is a key advantage for EADS and was an additional reason to use SWIFT.

- Light integration
EFiS successfully managed the end-to-end implementation of the project within three months. EFiS shares the common standardised SWIFT infrastructure among several entities using different SWIFT services. “We have deliberately chosen an indirect connection via EFiS,” explains Mr Ismael Aitamer, EADS Back Office. “We operate a light affordable infrastructure with a small footprint.”

“We have deliberately chosen an indirect connection via EFiS. We operate a light affordable infrastructure with a small footprint.”

Solution overview

EADS confirms its FX and Money Market transactions via SWIFT MT 300s and MT 320s over FIN. FIN users exchange structured financial data worldwide securely, cost-effectively and reliably. FIN messaging standards have become the de facto financial communication standard for exchanging financial data.

Once EADS was satisfied it could send confirmations reliably over FIN, it wanted a matching functionality. EADS opted for a centralised model and selected Accord, SWIFT’s centralised confirmation matching system. “The total cost of ownership for developing an in-house matching system was too expensive compared to SWIFT’s centralised solution,” says Mr Drabert.

EFiS, a SWIFT Service Bureau in Germany, was appointed to manage the connectivity, integration and end-to-end implementation processes:

- EADS' confirmations are submitted to the SWIFT interface managed by EFiS.
- FIN then sends the confirmations to the counterparties.
- Accord copies these confirmations in real time in order to effect the matching process.

.....
“The total cost of ownership for developing an in-house matching system was too expensive compared to SWIFT’s centralised solution.”
.....

Next steps

EADS has joined a Member Administered Closed User Group (MA-CUG) for securities settlement, and is currently preparing to use SWIFT for the settlement of various treasury instruments.

“We are investigating how we can reuse Accord to match FX Options (MT 305) and Interest Rate Swaps (MT 360),” says Mr Aitamer. “We are also preparing to send payment messages over the same infrastructure. Once you have SWIFT in place, the more you use it, the greater its overall value to your organisation.”

.....
“We are investigating how we can reuse Accord to match FX Options and Interest Rate Swaps. We are also preparing to send payment messages over the same infrastructure. Once you have SWIFT in place, the more you use it, the greater its overall value to your organisation.”
.....

Solution overview

- FIN
- Accord
- SWIFT MT 3xx messages
- EFiS validation
- EFiS interface to SWIFT

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

For more information on Accord visit www.swift.com or contact your SWIFT account manager.