



## Novartis International

*Novartis International achieves 120% ROI over five years using SWIFT to replace multi-bank system and automate confirmations*

“When we had to replace our bank messaging system, we took SWIFT to reach all our banks directly, with the highest security”

Head of Treasury Control and Reporting

Novartis is a world leader in providing medicines to protect health, prevent and treat disease and to improve well-being. The firm has 100,000+ employees and realised group net sales of USD 37 billion in 2006. Its Group Treasury ensures financial risk management, optimises use and profitability of financial resources and provides financing and financial services to the operating businesses.

### Business challenges

- Replacement of multi-bank system
- Automation of FX confirmations
- Increased security

### Benefits for Novartis

- Single channel to payment banks
- Cost savings on IT and personnel
- Greater control and security

### Business challenges

- Before using SWIFT for corporate connectivity, Novartis Group Treasury faced three challenges:
- the replacement of its multi-bank system when the incumbent provider announced that support would cease
  - automation of FX deal and deposit confirmations sent by fax, as banks no longer accept these
  - increased security for payments transactions in general.

A implementation project was launched in April 2006 and completed within six months.

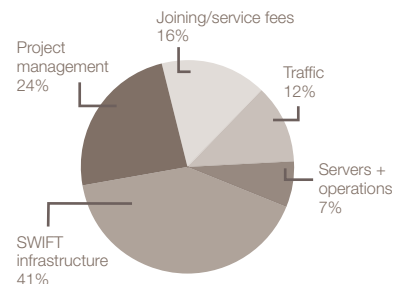
### Investment

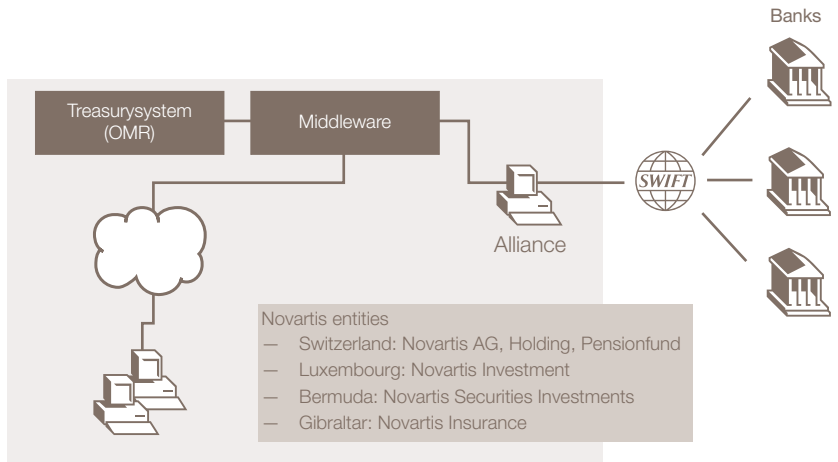
Investment included joining and MA-CUG registration, infrastructure and traffic fees.

The project covered evaluation, joining/ordering, installation, connection to middleware, testing with bank partners and go-live.

Operations cover daily management of SWIFT interface and connection.

### Investment





Novartis International

**Benefits for Novartis**

Through SWIFT, Novartis now has a single channel to reach its payment banks and was able to automate previously manual fax and investigations operations.

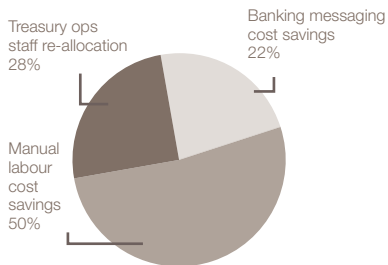
Novartis has been able to reallocate treasury operations staff to other functions, make substantial savings on manual labour costs and reduce bank messaging costs.

The new architecture provides:

- better control of messages that are leaving Novartis
- robust security with the highest standards built in
- an automated solution that could be used for other divisions or countries.

These benefits translate into a financial ROI for Novartis of 120% over five years.

**Benefits**



**Solution overview**

A SWIFT implementation project was launched in April 2006 and completed within six months. Novartis now uses FIN to send FX deals and deposit confirmation (MT 300, 305, 320 350), and their related payment initiations (MT 101) and notifications (MT 210). The intention is to receive statements via SWIFT by end of 2007.

Novartis exchanges confirmations with about 20 banks and has MA-CUG (Member Administered Closer User Group) contracts with four banks to send the related payment initiations and notifications. Registration in SCORE was also recently completed.

On a daily basis, Novartis uses SWIFT for cash management, risk management and investments. Depending on the nature of trades done, different MTs will be generated:

- FX deals are confirmed with MT 300 and related movements generate MT 101 and MT 210
- Deposits are confirmed with MT 320.

**Future opportunities**

In addition to its current usage of SWIFT, Novartis is considering:

- use of Accord for matching of confirmations
- sending and receiving messages related to securities transactions (MT 5xx), currently exchanged by fax

- executing mass payments via FileAct
- implementing the reception of statements (MT 940) as well as confirmations of debit and credit (MT 900 and MT 910) via SWIFT.

**Solution overview**

- Participant in four MA-CUGs and membership of SCORE
- FIN to send FX confirmations, payment initiations and notifications

**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](http://www.swift.com)

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