

## Gresham at SIBOS - What a week!

**SIBOS** took place last week in Vienna amidst huge turmoil in financial markets globally, with the banks at the epicentre. It was a truly extraordinary week.

The "Credit Crunch" has caused unprecedented consolidation in the US and UK markets following on from the nationalisation of large parts of the US and UK mortgage industry. We now have the prospect of a huge under-pinning of the UK and US financial markets with further tax-payers money.

The primary foci of the banks we met were on improved risk management; real-time liquidity management; deposit aggregation and supply chain finance solutions, enabling deeper engagement and value added to the corporate markets globally.

To give you a flavour of the underlying mood it is worth reprinting the statement made by Governor Randall S. Kroszner, Board of Governors of the Federal Reserve System in addressing The American Bankers Association Spring 2008 Summit Meeting, Washington, D.C said "Timely and accurate information is the lifeblood of sound risk management. A good risk-management structure must

encompass risks across the entire firm, gathering and processing information on an enterprise-wide basis in real time. In short, you cannot manage your risks if you do not know what they are."

In essence, batch processing and real-time risk management are clearly incompatible hence the velocity of change of back office processes in banks is in my view going to increase rapidly, particularly if new regulation is forced on the banks.

Gresham's Clareti suite of real-time financial solutions, are designed to meet the needs of banking in the 21st Century. Today we have the annual equivalent of US\$140 trillion in 19 currencies of real-time cross border cash transfers in the Clareti Cash Reporting service developed in conjunction with some of the largest banks in the world. The visibility, described by one of our clients as a "DHL parcel tracking service" for the cross border payments industry, is essential to ensure that risk and liquidity can be managed in real-time. I expect the SWIFT Cash Reporting message types, which are the output of our Clareti Cash Reporting service, to grow in use, initially led by the broker dealer community and the drive by banks and their customers

for improved risk and liquidity management.

Bolstering the balance sheet is key for the financial sector. This can be done in many ways, through the issuance of new shares; the acquisition of an undervalued asset (perhaps another bank); government surety; or the most traditional method, win new deposits from competitors. Our Clareti Virtual Accounts solution is proven to assist with the latter using technology to create a fully integrated 'bank to corporate' solution delivering real benefits for the corporate and the bank.

For those banks with strong liquidity, one of the most significant opportunities open is to assist the corporate world in unlocking working capital by improving liquidity access through technology driven trade finance solutions. In essence this involves taking a credit risk against a strong balance sheet and then providing funds to companies with weaker balance sheets. The arbitrage, created in real-time, is significant. Further, the efficiency improvements in linking the supply chain to the financial supply chain

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Randall S. Kroszner, Board of Governors of the Federal Reserve System

broaden the opportunities for banks to add value to their corporate customers. We have proven capabilities in this area and our partnership with Quadrem, announced last week, will enable us to further expand our reach.

All in all, our Clareti Solutions place us in the right space at the right time and we had an unprecedented week.

Lastly, we would like to thank SWIFT for organising what has been in our view, the best ever conference they have held; bringing together the needs of the corporate markets with the capabilities of the banking markets in a thought provoking week. Well done.

Andrew Walton-Green, CEO

## About Gresham

Gresham Computing plc (LSE:GHT) specialises in the provision of real-time financial solutions to banks and corporates, and has a well-deserved reputation for technical excellence, reliability and a strong service culture. Our storage division helps the largest data users to better manage the unrelenting growth of data.

## Further information

For more information on how Gresham can help your company visit

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