

# GFX IPM, International Payment Module

## BENEFITS AND PROFITABILITY

The International Payment Module (IPM) provides your financial institution with the capability to deliver FX payments and FX drafts for your customers. IPM is fully integrated into the GFX core system, providing all of the security, accounting, compliance requirements and ease of use that is provided for domestic payments.

Your bank decides who can initiate FX payments — IPM is available to your bank's wire room, other bank departments and even to your branches and clients, thus potentially reducing phone calls and faxes into your wire room.

BankServ's partners offer both attractive FX rates and sophisticated worldwide correspondent networks, thus ensuring that your bank can compete favorably with any multinational financial institution.

In addition to meeting your international payment needs, IPM provides the vehicle for your institution to increase revenue. When an FX payment is completed, the payment accounting process automatically applies the FX mark up to the wholesale spot rate provided by one of BankServ's FX Provider Partners. This FX revenue is realized on a transaction by-transaction basis.

## Real-time foreign exchange through GFX

BankServ brings your financial institution a real-time foreign exchange system that handles your foreign currency transaction needs quickly, easily, and cost-effectively. BankServ's International Payment Module (IPM) is accessible through the same GFX client software used for domestic wire payments today, allowing you to leverage all the same great GFX software features including:

- Integrated OFAC Scanning on every transaction
- Same familiar user interface as GFX Fedwire transactions
- Ability to generate Foreign Exchange (FX) transactions based on user permissions so only authorized users can execute a trade
- Automated accounting interface to validate account status and balance availability
- Automated payment funding to eliminate manual settlement requirements



### ONLINE REAL-TIME INTERFACE

provides competitive foreign exchange rates and contract guarantees

### INTEGRATED REVENUE MANAGEMENT CAPABILITY

- Bank-defined rate tiers and transaction free generation
- Tiered FX mark-up tables are defined by your institution on a global basis or defined for an individual customer

### LOCK IN CONVERSION RATES AT THE TIME OF TRANSACTIONS

- Allows your customers to know the exact FX value to be delivered to the beneficiary bank
- Sending an FX denominated payment most often provides a more competitive rate, and therefore delivers more value, than the foreign bank would when converting USD denominated payment

**FLEXIBLE FEE TABLES** to automatically generate FX transaction fees for hard charging or activity counts for account analysis

### BUILT-IN ERROR CHECKING

- Robust transaction format validation (e.g. transit/sortcode, IBAN and CLABE validation) ensures transactions are complete and correct before releasing payment, reducing transaction returns
- Edit checking and validation of international Bank Identifier Codes (BIC) are provided through an integrated online BIC directory
- Calculation and conversion errors are eliminated, automatically saving time and money

### ROBUST REPORTING CAPABILITIES

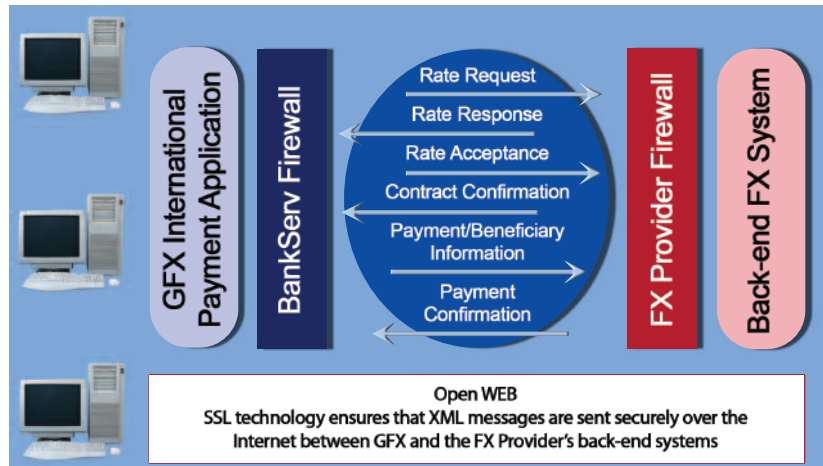
Transaction reporting provides detail regarding fee and spread revenue, transaction details, and open contract information with the ability to sort data by various criteria. Standard reporting includes:

- FX Transaction Detail Report
- FX Revenue Report
- FX Open Contracts Report
- On-line Transaction Search and Inquiry of all transactions processed through IPM

## 95% of Foreign Accounts are Non-USD Accounts

Have you ever wondered why your customers don't send foreign payments in local currencies, but choose to pay in US Dollars instead? The answer more often than not is "I didn't know I had a choice; no one has ever asked me if I wanted to send it in anything other than US Dollars."

To increase the number of payments being sent in foreign currencies try this simple suggestion: Have your front line personnel ask your customers "Does the beneficiary receiving this payment have a US Dollar bank account?" Chances are they will not. In fact, over 95 percent of foreign accounts are held in non-US Dollar accounts.



## Five Reasons Your Customers Should Pay in Foreign Currency

- **INCREASED CONTROL** – Often, transactions that begin as international U.S. Dollar transfers are ultimately converted into another currency by a third-party institution without prior consent to the applicable rate or fees. This places both the initiating and receiving parties in a less than ideal position from both a price negotiation and transparency perspective. Prior disclosure and agreement are essential when moving money around the world.
- **LOWER FEES** – Conducting business in the appropriate foreign currency usually results in a reduction of bank fees. U.S. Dollar transactions sent to destinations outside the U.S. involve additional intermediary or correspondent bank intervention. At each point of intervention, the payment is subject to further bank deductions to facilitate the transfer onward. In addition, as the number of intermediary institutions increases, the transfer becomes increasingly subject to "bottlenecks," potentially leading to significant delays in delivery.
- **COMPETITIVE ADVANTAGE** – Markets around the world are oriented towards their local currency, rather than U.S. Dollars. Accommodating monetary preferences and eliminating unnecessary conversion obstacles on behalf of your customers provides an inherent competitive advantage to them.
- **MANAGE RISK** – In addition to potential "loss of control", there are other risk dynamics associated with U.S. Dollar-based global transfers that can have a negative impact:
  - Time lags in the delivery process can adversely impact "float" or availability of funds
  - Inability to exploit netting opportunities provided by centralized treasury
  - Price premiums may be incorporated into invoices as a result of the unknown conversion rates applied on a post-transaction basis
  - FX conversion risk is not eliminated; at best it is transferred to the other party, which may adversely impact the relationship as a whole
- **INCREASE YOUR REVENUE STREAM** – By working with your customers to make foreign payments in local currencies, you are also creating a non-interest income stream for your organization. Our FX Provider Partners (Travellex Global Business Payments and Wells Fargo Bank) will provide you with excellent wholesale rates allowing your financial institution to apply your own mark up to create a retail rate for the payment. The spread you choose for the transaction is taken into income the same day.

### OTHER GFX PRODUCTS

GFXN, Global Funds Exchange Network

GFXWeb

GFX PIN Issuance

GFXWeb Security Features

Global Securities System (GSS)

Interfaces to: DDA, Cash Management and AML Systems

For more information on any of our products or services please visit us on the Web at:

[www.bankserv.com](http://www.bankserv.com)