Adam Smith Webinars

Roche

Repo enabler?…Try SWIFT

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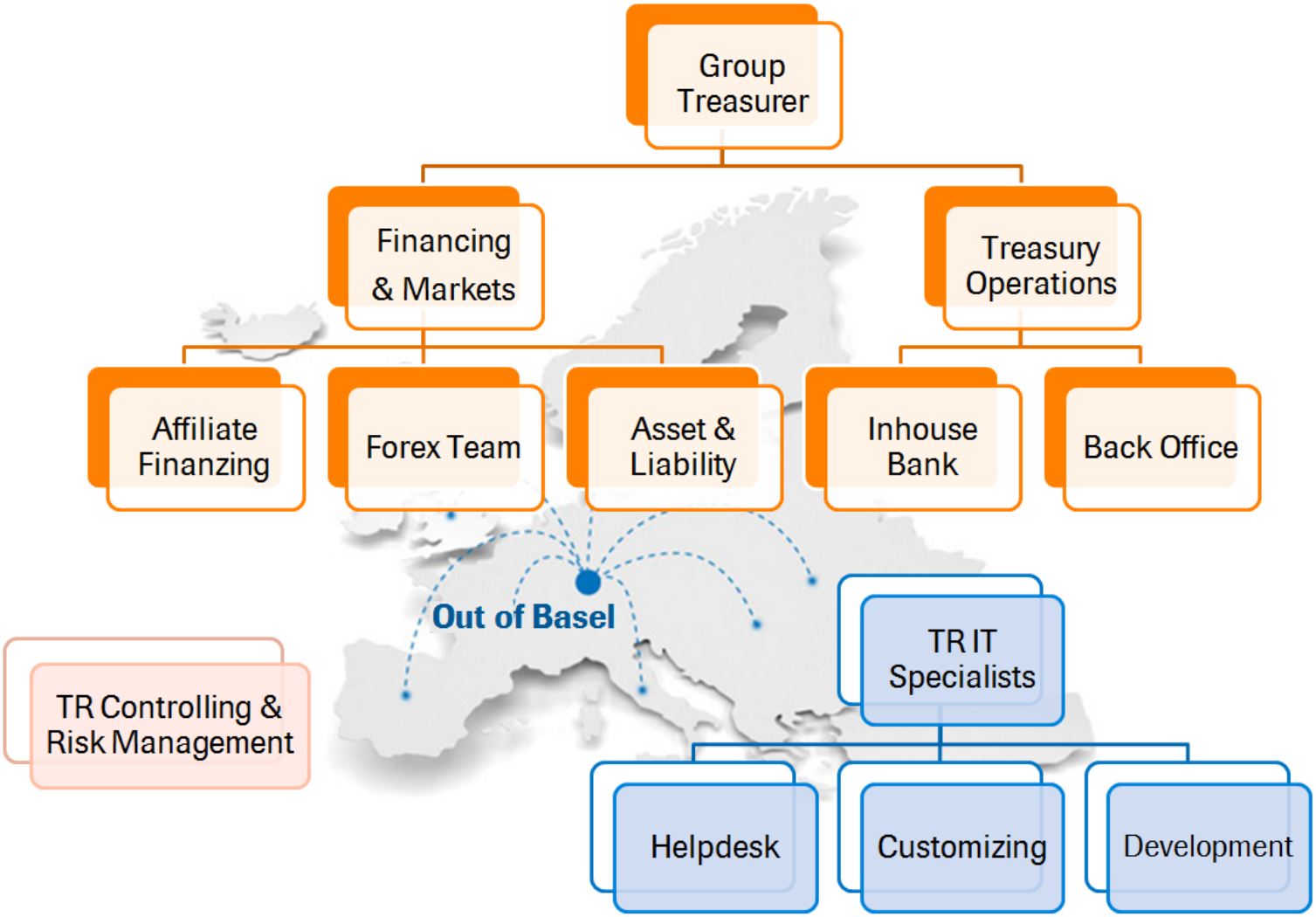
Triparty Repos

Marco Brähler

F. Hoffmann - La Roche
Basic facts at a glance

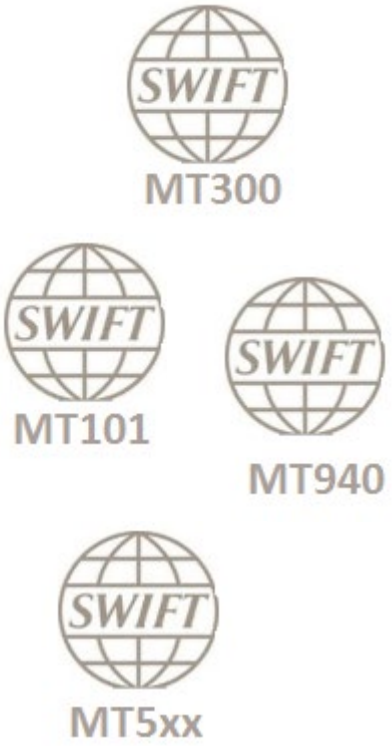
- Founded 1896 in Basel, Switzerland
- Founding families still hold majority stake
- Employing 88,500 people
- Currently active in 150 countries on all continents
- Sales 2014: 47.5 billion Swiss Francs
- World's largest biotech company with focus on medicines in oncology
- Leadership in *in vitro* diagnostics (#1) and pioneer in diabetes management

Treasury Organization
globally, centralized



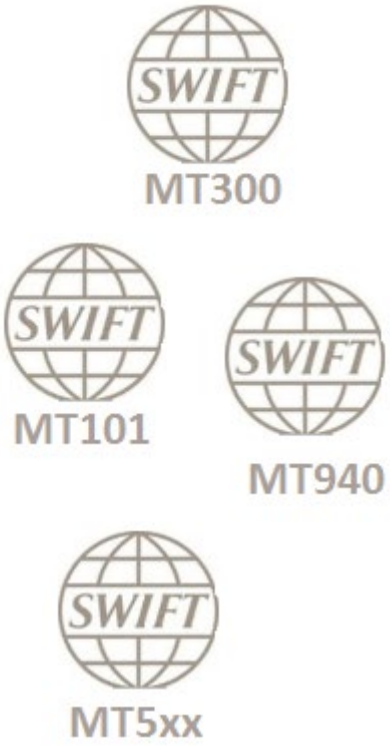
SWIFT usage
unique banking-interface for the Group

- Started in 2006 – MT101 for treasury payments
- Membership with SCORE / MA-CUG with 6 banks
- Today 7 entities registered
- Connected to Service Bureau
- Bulkpayments over SWIFT FileAct since 2008
- Treasury confirmtions FX in 2010, SE 2013



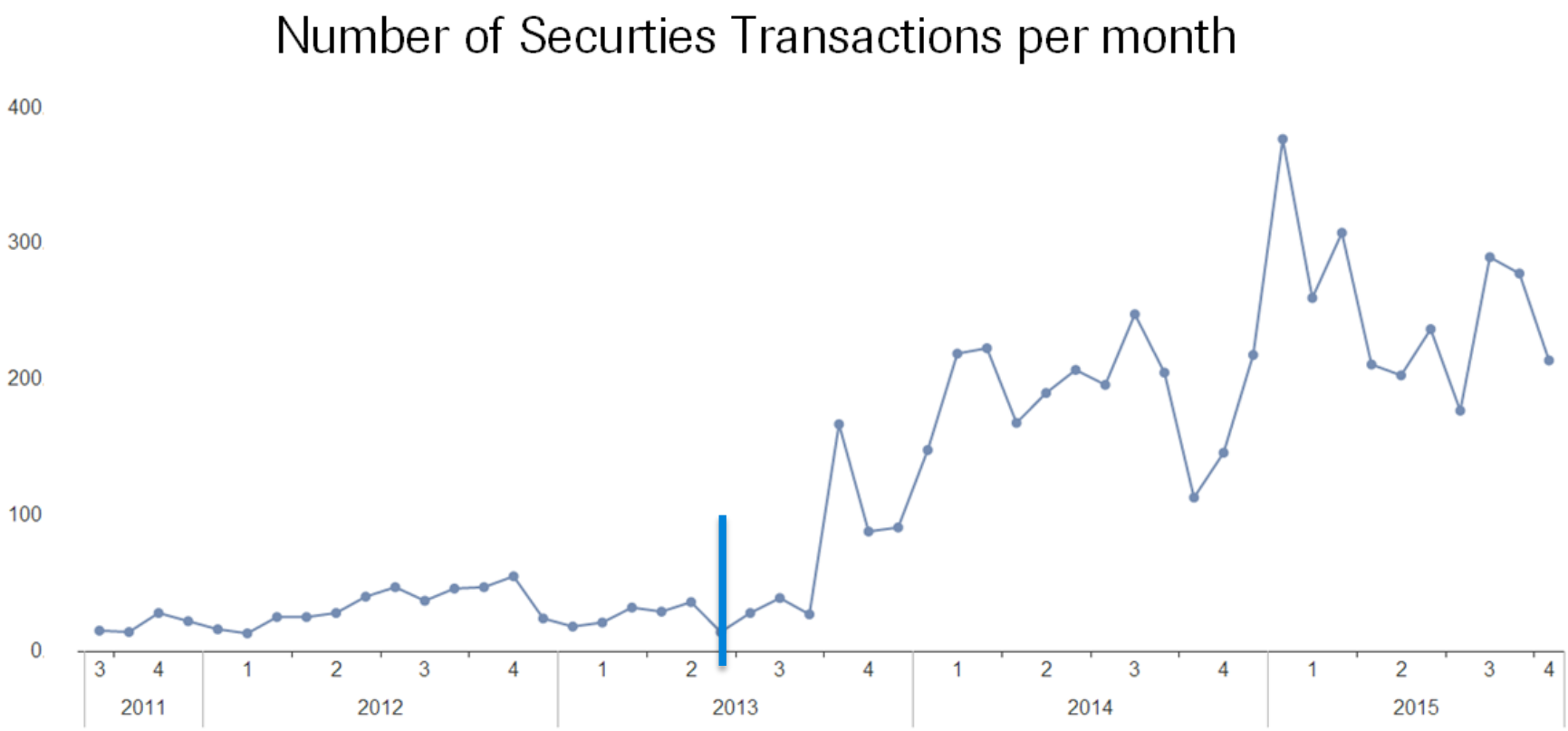
Swift usage
backbone for the back office

- Over 100 trades daily need to be confirmed
- > 97% of confirmations automated
- FX, NDF, MM, SE
- ESP program handled through SWIFT instruction DFP
- Issued CPs over Fileact



Synergies for Treasury

from 7'000 trans. to over 30'000 p.a.



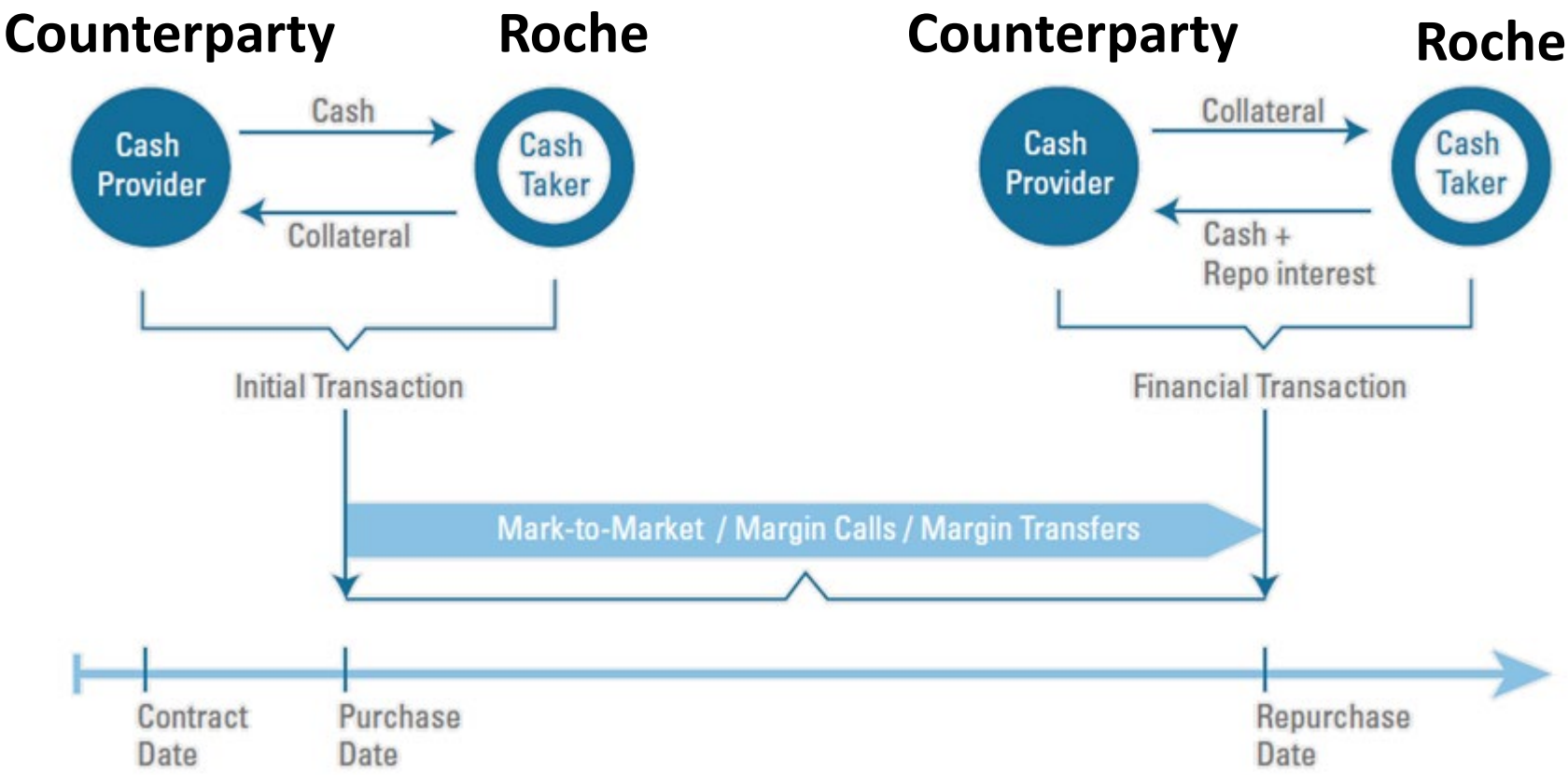
SWIFT for SE golive

Background
«Repurchase Agreements»

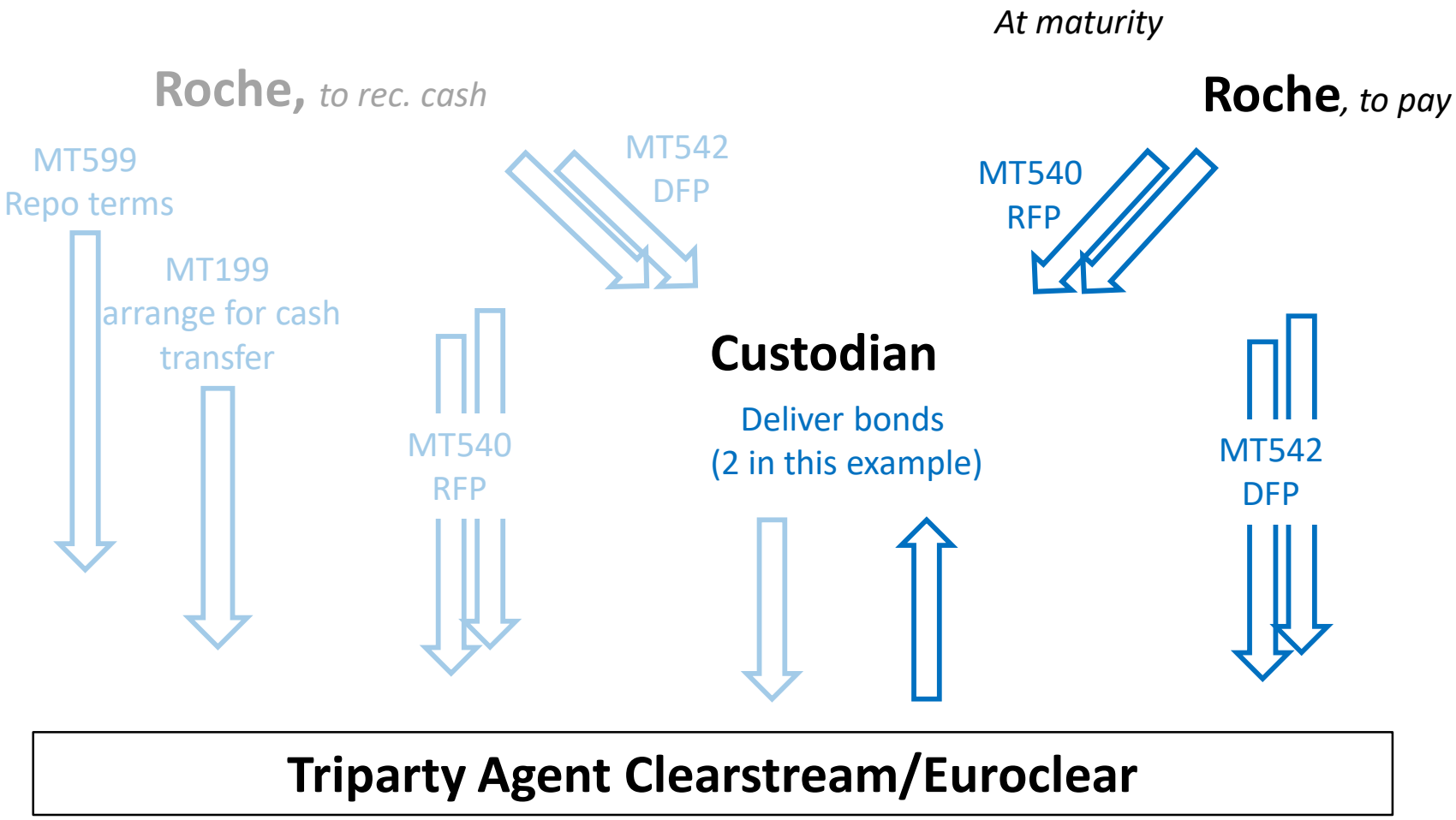
Triparty Repos

- Roche is cash taker, collateral giver
- Multiple SWIFT messages involved
- 1-n Securities need to be moved to agent
- Security valuations need to be monitored on a daily basis
- No standard TMS solution that fits

Cycle of Repo Trade

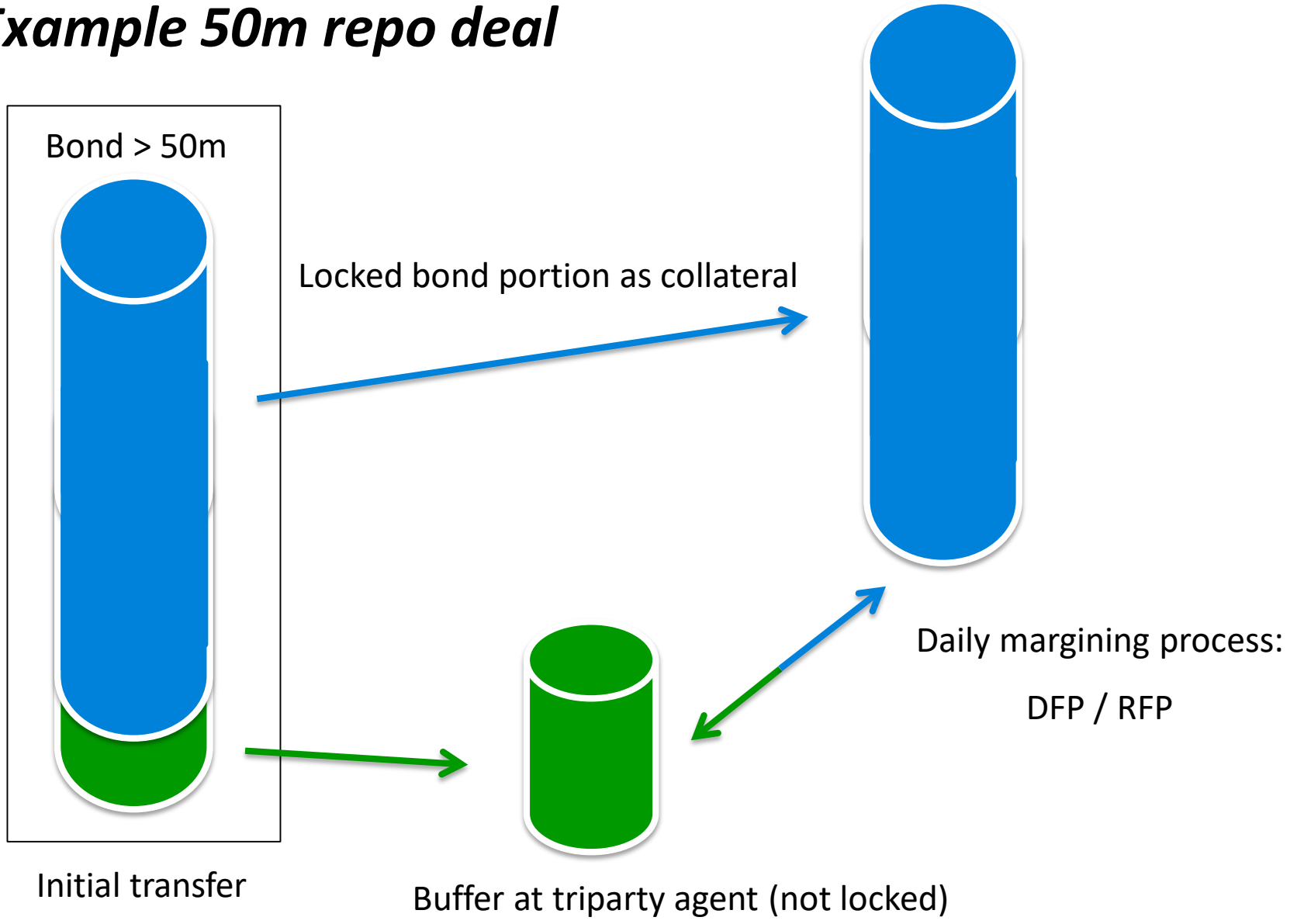


Cycle of Repo Trade
SWIFT message flow



Daily Margining Process

Example 50m repo deal



Triparty Repos
Learning points

- Flexible funding instrument for treasury
- Instrument not used on a daily basis
- High efforts in back office to monitor
- Additional accounting challenges on ME/YE
- Legal pre-work as challenging as technical implementation
- If volume increase, further automation (MT527/MT558)

Doing now what patients need next

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QUESTION TIME

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