

Proponix360™

LEVERAGING 24 YEARS OF TRADE FINANCE EXPERIENCE

MAJOR MILESTONES

1984- CGI launched the TradeLine suite of products, still used by many banks today including Bank of America, Barclays Bank, Wells Fargo Bank, Comerica Bank, Royal Bank of Canada, and Scotiabank to name a few.

2001- The first client bank, Australia New Zealand Bank (ANZ), went live on CGI's Proponix® platform that delivered the full range of trade finance capabilities in a Software-as-a-Service (SaaS) delivery model.

2008- CGI launches **Proponix360**, a comprehensive version of Proponix, offering end-to-end processing for the complete range of Trade Finance and SCF activities.

TRADE. TRANSFORMED.™

At CGI, we're committed to helping banks grow their global finance business. Our Proponix360 offering is a customizable Software as a Service (SaaS) solution proven to reduce costs and enhance customer service. CGI's Proponix360 is unique in that it delivers all the software, infrastructure and support resources necessary to power a bank's global trade business. As a result, CGI allows banks to provide the full range of trade and supply chain finance services anywhere, anytime to their corporate customers.

The world of trade finance is changing. Are you changing with it?

As world trade booms, the use of conventional Trade Service products has rapidly declined, and a new atmosphere of trust has reduced the need for risk-mitigating instruments. With stronger ties, trading partners are relying less on Letters of Credit – and more on Open Account payments. In fact, nearly 70% of payments are now through Open Account.

Supply chain management calls for smaller, more frequent shipments and faster, more efficient payment methods. This shift in the market means that buyers and sellers want to work with banks that move beyond marginalized products, such as Letters of Credit, and provide innovative new services to support a "frictionless" supply chain. Corporate customers need a broadened set of solutions from their banks, to include supply chain finance, open account, and AR financing, to help them manage the financial and processing challenges created by global supply chains.

However, banks' traditional trade services are typically supported by older, inflexible technology and significant capital investment is required to upgrade technology to meet today's needs. Often, trade services lack adequate profitability, but are required to cement the bank's relationships with key customers; pricing strategies center on meeting the competition, rather than accounting for costs and risks. This leads to an investment dilemma: banks are reluctant to invest more capital in a high fixed-cost business with falling volumes and falling margins, yet, the risk of *not investing* is huge. Big customers will find services antiquated and irrelevant if the bank's offerings are limited to what their outdated systems can support despite the availability of suitable software alternatives. As a result, they may move to competitors with better SCF services, or they may leave the bank altogether.

How can you participate in the supply chain finance revolution?

CGI's **Proponix360** is a customizable Software as a Service (SaaS) that delivers all the software, infrastructure and support resources necessary to power a bank's global trade business and the full range of trade and supply chain finance services. Banks can provide additional services that generate more revenue from their corporate customers and add new sources of revenue from their customers' trading partners. Furthermore, the bank can gain sustainable competitive advantages with always-current features and rapid time-to-market. And as a SaaS solution, **Proponix360** provides predictable operating costs, significant processing efficiencies, always-current features, and faster time to market for new capabilities.

Key Elements of CGI's Proponix360 Solution

CGI's **Proponix360** solution includes the following SCF capabilities:

Purchase order/invoice data management. Documents such as purchase orders (POs) and invoices are the foundation of trade and are a necessity for SCF solutions.

- Downloading and linking POs/invoices to open account and trade finance instruments
- Invoice matching
- PO tracking

Bank-assisted open account. This is a new hybrid product that eliminates exposure fees associated with LCs, yet provides some of its benefits. Typically, it is based on POs and issued like a LC, with the buyers' payment terms clearly defined

Open account payment. Open account payments are similar to straight trade payments, but are initiated when the bank receives invoices from the buyer with instructions to pay on the due date. From payment initiation to the invoice's due date, the underlying invoices are eligible for seller financing.

Export/seller finance. The usual order-to-pay trade cycle places the financial burden squarely on the shoulders of the seller. It is the seller that must prepare and ship orders, and then wait for payment, often without available or affordable short term financing. **Proponix360** offers a range of financing for the seller.

- Pre and post shipment finance for export trade finance
- Buyer-backed seller finance for open account
- Receivables finance

Buyer-side finance. In buyer-side financing, the bank provides financing to fund the buyer's obligations under an open account or an import trade finance or other instrument.

Benefits across the board

Everyone – buyer, seller and bank – benefits from **Proponix360's** supply chain finance capabilities.

Bank Benefits	Buyer Benefits	Seller Benefits
<ul style="list-style-type: none"> • Stronger, collaborative relationships with customers 	<ul style="list-style-type: none"> • Decreased cost of goods purchased 	<ul style="list-style-type: none"> • Reduced cost of capital through improved Days Sales Outstanding (DSO) and lower finance costs
<ul style="list-style-type: none"> • Enhanced customer retention 	<ul style="list-style-type: none"> • Reduced working capital requirements through improved Days Payable Outstanding (DPO) 	<ul style="list-style-type: none"> • Increased flexible, predictable cash flow
<ul style="list-style-type: none"> • Increased bottom line by supporting customers' entire supply chain from end-to-end 	<ul style="list-style-type: none"> • More stable supply base 	<ul style="list-style-type: none"> • Access to low-cost finance rates
<ul style="list-style-type: none"> • Increased reach of Trade Finance organization 	<ul style="list-style-type: none"> • Stronger relationships with sellers 	<ul style="list-style-type: none"> • More secure source of Working Capital
<ul style="list-style-type: none"> • Expanded profile of Trade Finance organization 	<ul style="list-style-type: none"> • Improved visibility across the financial supply chain 	<ul style="list-style-type: none"> • Improved visibility into the payment process

...experience the commitment™

CORPORATE PROFILE

Founded in 1976, CGI Group Inc. is one of the largest independent information technology and business process services firms in the world. CGI and its affiliated companies employ approximately 27,000 professionals.

CGI provides end-to-end IT and business process services to clients worldwide from offices in Canada, the United States, Europe, Asia Pacific as well as from centers of excellence in North America, Europe and India. CGI's annual revenue run rate stands at \$3.8 billion and at March 31st, 2008, CGI's order backlog was \$12.04 billion.

CGI shares are listed on the TSX (GIB.A) and the NYSE (GIB) and are included in the S&P/TSX Composite Index as well as the S&P/TSX Capped Information Technology and MidCap Indices.

Website: www.cgi.com/banking