

Reconciliation Case Study INTELLIMATCH OPERATIONAL CONTROL

Global Center of Excellence Makes a World of Difference for ABN AMRO Reconciliations

Overview

ABN AMRO Bank N.V. has developed a strategic technology partnership with FIS which dates back more than 16 years. The relationship has grown from strength to strength with the bank now using the full suite of IntelliMatch Operational Control solutions to support a Center of Excellence that provides reconciliation and exception management, payment investigation, reporting and document archiving to its global operations. The solutions process over one million transactions daily, across 17 countries and in multiple lines

of business to consistently deliver operational excellence, by significantly reducing costs, minimizing operational risk and increasing staff productivity.

Jack van der Meulen, manager, IT solutions NL investigations and reconciliation, ABN AMRO commented, "FIS has provided a high level of service throughout our relationship while delivering powerful reconciliation, exception management and payment investigation solutions that genuinely enable sustainable business benefits for the bank. It has been a mutually productive relationship and we see FIS as a strategically important and long term technology partner."

CUSTOMER PROFILE

ABN AMRO Bank is a leading player in Dutch retail, private, commercial and merchant banking. It serves more than 6.8 million clients and its international network covers 28 countries and territories.

Employees

28,000 employees of which 5,000 are outside The Netherlands.

Country/Region

The Netherlands.

Business situation

ABN AMRO needed an automated reconciliation, exception management and payment investigation solution that could provide the scalability and high performance required to support a global Center of Excellence.

Solution

The bank has deployed FIS' IntelliMatch Operational Control

solution suite to manage its global reconciliation, exception management and payment investigation requirements, along with archiving of historical transaction reports.

Benefits

The Center of Excellence has enabled the bank to improve operational control, boost efficiency and reduce enterprise-wide risk:

- Centralized, scalable platform for reconciliation, exception management and payment investigation.
- Automated match rates ranging from 91% up to 99.8%.
- More efficient management of exceptions leading to lower operational risk.
- Optimized deployment of resources contributing to significant cost savings.
- Ensure compliance with international regulations.

Situation

Managing global reconciliation, exception management and payment investigation requirements

ABN AMRO provides a full range of commercial, merchant, retail and private banking services. The bank has a truly global reach and serves more than 6.8 million clients in 28 countries and territories. With such large-scale complex operations, it was difficult to standardize and manage its global reconciliation processes.

Lisette Klunder-Krispijn, senior project manager at ABN AMRO IT solutions NL, commented, "Technology plays a core role in our business strategy. It is critical that our infrastructure efficiently supports our business needs and can scale up as our business expands and evolves. We needed a strategic partner that had a proven track record of providing superior technology solutions in reconciliation, exception management and payment investigations. FIS' expertise in deploying scalable solutions across regions and business functions has helped the bank to improve operational control, boost efficiency and reduce enterprise-wide risk."

FIS and ABN AMRO first partnered in 1994 when the bank was looking to improve how it managed payment investigations. The bank selected FIS' IntelliMatch Payment Investigation solution to handle all investigations across its Asian, European and American operations. It uses rules based, best practice workflows to manage and resolve exceptions pre-settlement which can prevent financial and reputational loss. The project to automate and standardize its payment investigations process was successful, resulting in higher service levels and minimized operational risk.

The bank also turned to FIS when it needed an automated reconciliation solution that could provide the scalability and high performance required to handle increases in data complexity and transaction growth, compliance requirements and the need to provide greater visibility across its world-wide operations. Following a selection process, ABN AMRO replaced its existing third-party reconciliation product with FIS' IntelliMatch Enterprise Reconciliation, a reconciliation and exception management solution for financial institutions.

Jack van der Meulen commented, "FIS has an established reputation for implementing and supporting complex reconciliation and exception management solutions. From our previous experience we knew that FIS would do an excellent job of integrating the solutions into our existing technology infrastructure. We now use the payment investigation solution to resolve the unmatched cases identified by IntelliMatch Enterprise Reconciliation thus further minimizing our costs and lowering operational risk."

Shannon Dolan, chief operating officer, IntelliMatch, FIS commented "Financial institutions such as ABN AMRO require a technology partner with world class implementation capabilities, experts with unparalleled industry knowledge and solutions that deliver the flexibility and scalability to accommodate complex and diverse global reconciliation and exception management requirements."

Solution

A global center of excellence

ABN AMRO has developed a Center of Excellence based in The Netherlands that uses the entire suite of IntelliMatch Operational Control solutions to streamline processes for reconciliation, exception management, payment investigation as well as reporting and archiving. The solutions have been deployed across all lines of business for the bank's international network of branches in over 17 countries (The Netherlands, Belgium, Luxembourg, Germany, France, Switzerland, Jersey, UK, Hong Kong, Singapore, United Arab Emirates, India, Japan, Botswana, Curacao, Australia and USA). They enable the bank to reconcile all transactions for cash, securities, confirmations, and generic matching including system to system reconciliations. Daily volumes now exceed one million transactions.

We needed a strategic partner that had a proven track record of providing superior technology solutions in reconciliation, exception management and payment investigations. FIS' expertise in deploying scalable solutions across regions and business functions has helped the bank to improve operational control, boost efficiency and reduce enterprise-wide risk.

LISETTE KLUNDERKRISPIJN,
SENIOR PROJECT MANAGER,
IT SOLUTIONS NL.



After the reconciliation and exception management process is completed, any unmatched payments are automatically routed into IntelliMatch Payment Investigation for follow up and resolution. In addition, the bank has integrated the IntelliMatch Payment Investigation solution with its Customer Relationship Management (CRM) platform, PeopleSoft Enterprise CRM. For cross border investigations, IntelliMatch Payment Investigation receives exceptions from multiple sources, including the CRM system and SWIFT.

IntelliMatch Payment Investigation's powerful business workflows allows the bank to eliminate manual processes by sending investigation cases to the bank's payments hub in the middle-office which intelligently routes them to the relevant payment system and co-ordinates correctional payments as needed to close an investigation case. This helps the bank provide consistently high quality service to internal and external customers. The resulting productivity improvements frees up resources to focus on the most complex and sensitive exceptions.

In order to remain compliant with regulations such as Sarbanes Oxley institutions must maintain appropriate records of reports for a duration of seven years. At the end of each day a historical database of the day's reconciliation matches is generated and stored automatically by the IntelliMatch Report and Document Archiving solution for compliance and reporting purposes.

"With the help of FIS, we have been able to establish a very sophisticated shared service center for managing all of our transactions from pre to post-settlement. It covers all transaction types and has the capacity to accommodate our growing volumes. The IntelliMatch Operational Control solution suite has proven to effectively support our global reconciliation, exception management and payment investigation requirements," commented van der Meulen.

Benefits

ABN AMRO and FIS have shared a strong strategic relationship for over 16 years. "We now utilize the complete suite of IntelliMatch Operational Control solutions in our Center of Excellence to support global requirements for reconciliation and exception management, payment investigations, reporting and document archiving. We have consistently delivered operational excellence, by streamlining our operations and raising customer service levels," stated van der Meulen.

With the IntelliMatch Operational Control solution suite, we have the reporting tools and comprehensive audit trail to demonstrate to the regulator and internal auditors that all investigations are subject to a thorough process, and that we have the ability to resolve them within a timely manner.

LISETTE KLUNDERKRISPIJN,
SENIOR PROJECT MANAGER,
IT SOLUTIONS NL.



Enhanced scalability and significant cost savings

The bank now has over 2,200 users of FIS' IntelliMatch Operational Control solution suite across its global operations and 450 users of the IntelliMatch Payment Investigation solution which is responsible for processing over 5,050 cases per week. By automating the investigation process manual intervention is minimized and straight-through exception processing opportunities are increased.

With the Center of Excellence, ABN AMRO has achieved significant cost savings by optimizing the deployment of its global resources. At the same time, the bank has seen significant improvements in the quality of service with IntelliMatch Payment Investigation due to fewer errors and lower turnaround time for handling enquiries.

Jack van der Meulen said, "ABN AMRO has been very pleased with the efficiency gains, cost benefits and risk controls that we have been able to achieve using FIS' IntelliMatch Operational Control solution suite. We have also benefited from exceptional performance from IntelliMatch Enterprise Reconciliation with automated match rates ranging from 91% up to 99.8% across multiple accounts. The bank has complete confidence in the solution's scalability and that it can cope with our current volumes and future requirements as we consolidate our operations with Fortis Bank Nederland N.V., which whom we have merged this year."

Regulatory compliance and reduced operational risk

IntelliMatch Payment Investigation has helped the bank to comply efficiently with the Financial Action Task Force (FATF) regulation by reducing the time to set up and manage an enquiry in case of a breach of compliance. When a payment is received which appears to be non compliant, for example the originator payment information is incomplete, it is first reviewed manually. If it is confirmed that the payment does not comply a message is sent to IntelliMatch Payment Investigation resulting in the automatic generation of a case, and correspondence is sent to the payment originator requesting the mandatory information.

Jack van der Meulen explains the bank's stringent compliance procedures to prevent money laundering and terrorist financing. "With the IntelliMatch Operational Control solution suite, we have the reporting tools and comprehensive audit trail to demonstrate to the regulator and internal auditors that all investigations are subject to a thorough process, and that we have the ability to resolve them within a timely manner."

A close working relationship

FIS and ABN AMRO Bank have established a deep working relationship and the bank has provided insight into new product developments. With the recent merger between ABN AMRO Bank N.V. and Fortis Bank Nederland N.V. the scope covered by the Center of Excellence will expand as both banks' usage of FIS solutions for reconciliation, exception management and payment investigations will be consolidated onto a single platform. Another future plan is to add confirmation matching for the private banking division of the Bank to the Center of Excellence.

About FIS' IntelliMatch Operational Control

FIS' IntelliMatch Operational Control solution suite helps financial institutions deploy enterprise matching and reconciliation solutions to achieve operational maturity. By enabling business growth through rapid on-boarding of new reconciliations, consolidation of infrastructure and processes for lower total cost of ownership, and optimization of processes for greater efficiency, organizations will reduce operational risk and minimize costs.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit www.fisglobal.com



www.fisglobal.com



twitter.com/fisglobal



getinfo@fisglobal.com



linkedin.com/company/fisglobal