



Company Details

Banca IMI is a top ten European investment headquartered in Milan with subsidiaries in Luxembourg, New York and a branch in London, Banca IMI is the investment-banking arm of the Sanpaolo IMI, the second largest banking group in Italy. Enjoying rapid growth, Banca IMI is a major European financial intermediary with a strong focus on global markets, equity and debt capital markets, structured finance and advisory services to institutional and corporate clients.

Location

- Italy

Industry

- Investment Banking

Business Challenges

- Convergence and Technology Consolidation
- Control and Lower Processing Costs and Operational Risks
- Shift in Focus to Internal STP Efforts
- Reduced settlement times
- Support of emerging industry standards

Solution Overview

- Real-Time Best-of-Breed Straight Through Processing
- End-to-End Business Process Monitoring
- Full-Audit and error tracking at a business level
- Guaranteed Exactly once Delivery of messages

"The combination of globalisation, 24 hour trading, greater volumes, increased competitiveness and additional regulatory requirements, clearly demand more streamlined integration throughout the entire trade lifecycle. Everyone at Banca IMI recognises the fundamental importance of SeeBeyond, streamlining and monitoring flows and data from the moment a deal is initiated through confirmation, clearing, settlements and accounting. This is a key facilitator to achieve our strategic imperatives while improving operational efficiencies,"
Carlo Russo, Chief Operating Officer for Banca IMI

Business Challenges

Banca IMI operates as a link between customers and capital markets, with a high degree of customisation for companies searching financial solutions to support their growth and for institutional clients evaluating investment opportunities.

Straight-Through Processing (STP) was a priority for Banca IMI driven by the need to control and lower processing costs, manage operational risk, and comply with reduced settlement cycles in markets. It translated into a renewed focus on improving the IT infrastructure as well as the internal STP efforts. Additionally, Banca IMI had previously gone through several mergers and acquisitions and recognised the importance of standardisation and openness, for unlocking the systems to allow the organisation to operate efficiently.

Solution Overview

Banca IMI decided to streamline and re-engineer its monolithic systems with the introduction of best-of-breed applications over an integration layer. The aim was to focus on core competencies, allowing savings in transaction costs, streamlined operations, and openness to emerging industry standards. The company wanted to build its new STP infrastructure very quickly, and to reduce the risks associated with that, in terms of avoiding bottlenecks, errors in data translation, and manual reconciliation across the best-of-breed infrastructure. The different technologies previously used by the bank for communicating inside and outside the company required further improvements in terms of reliability, including a special attention on guaranteed delivery of messages, robustness of interfaces, data quality, and consistent centralised monitoring to achieve its goals.

After a rigorous evaluation of vendors' technology, including a proof of concept, Banca IMI chose SeeBeyond for its ability to meet a wide range of needs. In addition they were impressed by its performance, scalability, fault-tolerance, security, guaranteed message delivery and mature Business Process Management capabilities as well as the quality and the effectiveness of SeeBeyond's local support.

The implementation covered the integration of Murex MxG2000 front office with the various domestic and international markets and networks that Banca IMI is trading on. These included the Italian Stock Exchange, Espeed, BondVision, Eurex, MTS, SIA and ORC with real-time direct connections to markets in order to process the transactions into pricing simulations for traders to make buy or sell decisions. SeeBeyond eGate Integrator processes an average of 12,000 deals daily and splits them into two types of flows; those executed for the bank and those on behalf of customers or other banks. In addition, all messages are now stored in different audit databases connected to the SeeBeyond framework that allows a full audit of messages and error tracking at a business level, eliminating duplicate messages. Once processed the flows are routed into the portfolio management. The initial integration of 20 flows was executed in 24 weeks.

SeeBeyond was also used to integrate front-office to back-office applications, namely DataSIM (Datamat), and Eurosyst (EuroFinance), that provides processing for trades executed on the most important exchanges, as well as to Oracle Financials acting as a general ledger. Other integrations included Bloomberg, Trax, SWIFT, etc.

Business Benefits

SeeBeyond allows Banca IMI to achieve real-time end-to-end Straight Through Processing, with full trade visibility across counterparty, geography and instrument, with significant reduction of operational risk. The ROI measured by the bank is non-disclosed but delivers significant benefits over the first 2 years. For instance, the errors and non-delivery of messages that occurred in the past have regularly generated errors in the reporting of positions and required lengthy manual reconciliation. With SeeBeyond's guaranteed exactly once message delivery, Banca IMI has a full visibility of all relevant information and above all fast error resolution. This reduced the number of messaging errors, postings, lost and duplicated.

On the IT development side, the ROI is coming from the fact that SeeBeyond takes only about one third of the time a point-to-point solution takes to deploy. Another key aspect of the ROI is the repeatable quality that allows a full best-of-breed approach translating into significant Time to Market advantages. SeeBeyond's rapid connectivity allows any application or database to be very quickly integrated to the infrastructure. Banca IMI continues to extend its infrastructure and plans a migration to an open architecture (Linux), enhanced use of J2EE Technology, as well as the extension of SeeBeyond to batch processes and non-STP business flows.

"SeeBeyond responded well to our expectations. SeeBeyond's solution really stood out for its reliability and performance. But the solution alone is not enough. This success would not have been possible without the responsiveness, the professionalism and the full support of SeeBeyond's team." **Carlo Dozio**, Manager, Data Management Group.

Business Benefits

- Significant time to market advantages
- Development productivity
- Enables best of breed STP
- Reduces need for new applications
- Full trade visibility
- Significant reduction in operational risk
- Strengthened Market Share

Technology Profile

SeeBeyond Components

- eGate™ Integrator
- elnsight™ Business Process Manager

Integrations

- Front Office - Murex MxG2000 and Bloomberg
- Back Office - DataSIM and Eurosyst
- GL - Oracle Financials 11
- Middle Office - Trax
- Databases - Oracle 8i and Sybase
- Oracle Data Warehouse
- Markets Connections – BondVision, Espeed, Eurex, LIFFE, MTS, ORC, SIA and Xetra

Sizing

- Cluster Sun E4500

Hardware OS

- Sun Solaris 8
- Windows NT