

HypoVereinsbank

Company Details

HVB Group is the second largest commercial bank in Germany and with Bank Austria Creditanstalt, the clear market leader in Austria. With about 60,000 employees, 2,000 branch offices and more than 8.8 million customers it is Number One in the heart of Europe, i.e. in core markets of Germany, Austria and in the dynamic region of Central and Eastern Europe where HVB has positioned itself as the premier bank network. HVB concentrates here on European retail and corporate customer business which are supplemented with customer-oriented capital market activities.

Industry

- Financial Services

Business Challenges

- Fast and flexible processing of electronic transactions
- Fast and customised connection of clients via electronic banking
- Changes from existing MT101 processing to a fully automated processing concept

Solution Overview

- STP connection for MT101 transactions
- Main Entry Point based on the SeeBeyond integration platform: client operations, near-time processing, scalability, high availability and flexibility

"The SeeBeyond solution provides end-to-end STP connectivity for HVB's payment transactions. This extends from the electronic submission by customers at the bank to the appropriate preparation of data and final processing in HVB's backend systems." **Robert Rieder**, Head of Business Development – International Cash Management, HVB Payments & Services GmbH

Business Challenges

A growing number of financial services providers are endeavouring to offer their national and international clients a comprehensive and centralised range of advanced transaction services. The advantage to bank customers who are often obliged to use a number of software products simultaneously is that in future they will only need to work with a single product for payment transactions. Cost cutting pressure, especially in the area of transactions, is forcing banks to focus on automation, Straight-Through-Processing (STP) and maximum flexibility.

With this new deployment, HVB aims to handle all payment transactions at high speed and low cost, and to provide the fastest possible customised electronic banking connection for its business customers.

To achieve this overall objective, HypoVereinsbank converted its existing processing system for SWIFT message type MT101 (Request for Transfer) to a new, largely automatic processing concept, the Main Entry Point (MEP).

The project is being managed by HVB Payments & Services GmbH, a subsidiary that has been handling all payment transactions for HVB since April 2003. It's International Cash Management division is responsible for product development and operations and also for the automatic processing of transaction orders in special formats. They are also responsible for the development and operations of Middleware solutions for eBanking and Cash Management. In August 2004, HVB Payments and Services assumed responsibility for additional eBusiness tasks for the Electronic and Mobile Commerce division. This brought with it additional knowledge in eBusiness which could also be applied to client operations and to increase competitiveness.

Solution overview

The requirements of HVB's integration solution can be summed up in five main criteria: client operations, near-time processing, scalability, high availability and flexibility.

The MT101 engine is designed for processing several clients simultaneously with throughput limited only by the capacity of the hardware used. 24-hour / 7-day operation is planned and a backup system via a cluster solution will ensure high availability.

Furthermore the MEP must be flexible allowing new functionality to be added as required. After the implementation of the MEP another goal for HVB is the integration of more customised transaction formats, e.g. EDIFACT based on the MEP infrastructure.

For the implantation of the MEP, HVB selected SeeBeyond because it earned the highest score in HVB's overall technology assessment of middleware tools available in the market – in particular, it scored high marks in terms of reusability, flexibility and scalability.

The SeeBeyond solution provides end-to-end STP connectivity for HVB's payment transactions.

This extends from the electronic submission by customers at the bank to the appropriate preparation of data and final processing in HVB's backend systems. SeeBeyond's e*Xchange™ Integrator and e*Insight™ Business Process Manager solutions are being deployed to enable business process monitoring and management.

Project phases involved the set up of a development environment for the International Cash Management division, establishing both a quality management environment and a production environment for the computer center operator, HVB Info, and the development of the integration required to support MT101 STP processing which was carried out by SeeBeyond plus other implementations along with other external partners.

During the initial phase, 500 transactions per day were processed via the integration platform. Currently there are 10,000 transactions per day and by the end of 2005, 15,000 transactions will be processed daily.

Business Benefits

HypoVereinsbank benefits from the reusability, flexibility and scalability of SeeBeyond's integration solution. After a successful start with the MEP, HVB has also implemented solutions for the STP connection of settlements and corporate actions.

"The SeeBeyond solution is a middleware package with a high performance range. Its components need to be integrated because of the high complexity of STP processes", said Rober Rieder, Head of Business Development – International Cash Management and responsible for the realisation of the integration solution.

Plans for the future

One of HVB's next steps will be to migrate its existing EDIFACT platform to the SeeBeyond infrastructure. Additional projects in the area of client operations are also planned.

"In evaluating a payment transaction platform, we selected SeeBeyond because the product suite earned the highest score in our overall technology assessment – in particular, it scored high marks in terms of reusability, flexibility and scalability," said **Robert Rieder**, Head of Business Development – International Cash Management, HVB Payments & Services GmbH

Business Benefits

- MT101 processing started successfully
- Flexible platform minimises efforts for future adaptation to new interfaces – reusability
- Expandability: STP connection of settlements and corporate actions

Technology Profile

SeeBeyond Components

- eGate™ Integrator
- eXchange™
- eInsight™

Integrations

- Processing of SWIFT-MT101 transactions

Hardware and OS

- 2 x V440 with 4 CPUs and 12 GB RAM