



BOX

BACK OFFICE EXCHANGE FOR SWIFTNet

Erste Group – s IT Solutions

A successful migration of 24 banks
in 9 countries

Erste Group – a leading financial services provider in Central and Eastern Europe

Erste Group is one of the largest financial services providers in Central and Eastern Europe with focus on retail and SME banking. In 1997, Erste Group went public with a strategy to expand its retail business into Central and Eastern Europe. Today more than 50,000 employees serve 17.4 million clients in 8 countries (Austria, the Czech Republic, Slovakia, Hungary, Croatia, Serbia, Romania and the Ukraine). 95% of all clients are citizens of the European Union. As of 30 September 2010 Erste Group has reached EUR 206.5 billion in total assets, a net profit of EUR 736.8 million and cost-income-ratio of 48.7%.

s IT Solutions – Best IT for Erste Group

s IT Solutions is the IT solutions provider of Erste Group and is responsible for development, implementation and servicing of banking software and its operations. About 1800 people work with s IT Solutions in Austria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia and Ukraine.

Best service for best price

Putting their motto “best service for best price” into practice s IT Solutions faced the major challenge of consolidating and centralising the original highly heterogeneous IT landscape of the different banks of the group. The first large project chosen for implementing this strategy was the unification of SWIFT message handling. An important consideration in choosing this area as the pilot project was that data processing in the area is standardized by SWIFT and so additional problems such as implementation in various languages, different character sets and interfaces would not arise.

Unified SWIFT message handling

Initially the banks in the group ran many independent systems for SWIFT message handling. The ambitious goal of the project was to replace this heterogeneous landscape by one unified system, which would provide rich application functions, smoothly integrate with the financial applications of the banks and guarantee outstanding performance and maximum availability. In addition multi-client capabilities, SWIFT RMA functionality and support of the new XML based SWIFT MX-messages were a must for any new solution.

IBM WBI-FN and Interscope Box for SWIFTNet

s IT Solutions established a project team to evaluate all major solutions available in the market across the CEE region with regard to their demanding requirements. In early 2007 it was decided to implement the new solution based on IBM's WebSphere Business Integration for Financial Networks (WBIFN) and INTERCOPE's BOX for SWIFTNet (BOX). In this scenario WBIFN provides SWIFTNet connectivity and PKI security while BOX provides RMA, MERVA-like application functionality and back-office integration. The key criteria for this decision were:

- A modern state of the art solution is delivered providing all key functions previously implemented in MERVA such as MERVA-like queues and routing capabilities
- Offering of a new complete SWIFT solution by IBM consisting of IBM middleware and infrastructure components and partner provided application functionality
- Availability of the complete solution under IBM System z
- Cost efficiency

Support of MERVA functions

Although BOX for SWIFTNet provided most functions required by the various customers of s IT Solutions out of the box, some missing items were identified and subsequently developed by INTERCOPE including an archiving option and support of the MERVA DSLSDI and DSLSDO functions. In addition major performance enhancements were implemented in a joint effort between IBM and INTERCOPE. With the help of the excellent testing and support facilities provided by the IBM Technical Marketing Competence Center Europe (TMCC) the resource consumption was reduced to a 0.13 CPU seconds per transaction and

20 transactions per second and more

the potential message throughput extended to more than 20 transactions per second in the initial implementation under z/OS. After migration to Linux on System z further performance enhancements were observed.

Optimized user interface

For the implementation Erste Group and s IT Solutions set up a project team which analysed routing and other requirements for each bank, performed corresponding configuration tasks and testing in BOX and provided user education. Subsequently the users of each bank performed a user acceptance test before migrating their live traffic. During the testing phase and also later in live operation the users can issue Customer Requirement Requests for additional and enhanced user functions. These requests were evaluated by Erste Group, s IT Solutions and INTERCOPE and as a result several requirements have been implemented resulting in an optimized browser based user interface as part of the standard BOX product.

Successful migration of 24 banks

The migration process started in 2007 with 2 small pilot customers. During 2008 4 banks of Erste Group implemented the solution followed in 2009 by the saving banks in Austria and finally in 2010 with Erste Group Bank AG the largest SWIFT user and 2 further banks. 24 banks in 9 countries are live with the new solution which handles some 50,000 SWIFT messages per day. "With the migration to one unique BOX for SWIFTNet instance we can provide an excellent and cost efficient service level for our customers and are well prepared for new requirements such as processing and conversion of MX-messages" states Andreas Görlich, Senior Operations Manager SWIFT with s IT Solutions.

Excellent and cost efficient service level

One Box instance used by banks of Erste Group in 9 countries

