INTERCOPE

Landesbank Berlin and Finanz Informatik

A successful migration strategy for a smooth MERVA replacement

Landesbank Berlin – market leader in the German capital

Landesbank Berlin is a large commercial bank headquartered in the German capital. The bank is the market leader in retail and regional corporate banking in Berlin, the largest issuer of credit cards in Germany and one of the five largest financers of commercial real estate. Landesbank Berlin is also established as an expert provider of capital market products for financial institutions and institutional investors. The 2009 financial statement showed assets of € 144 billion and operating profits of € 339 million.

Finanz Informatik – Service provider managing 130 million accounts

The SWIFT traffic of Landesbank Berlin is managed by Finanz Informatik, headquartered in Frankfurt, Germany. Finanz Informatik is the IT service provider for 430 savings banks and other companies in the financial sector and manages 130.6 million accounts and more than 70 billion transactions per year.

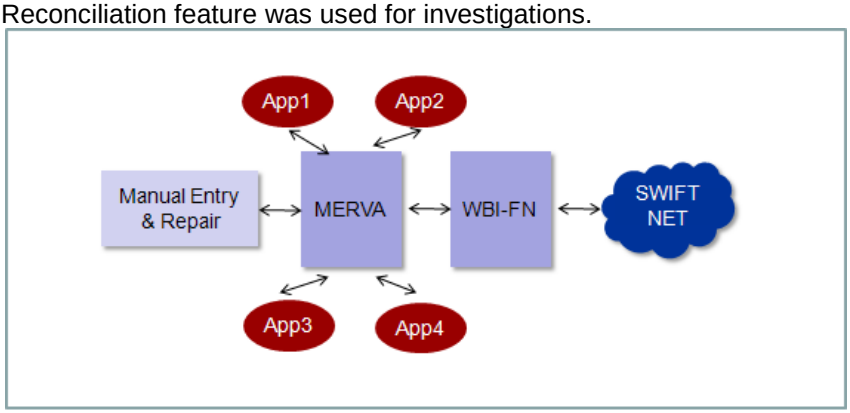
The SWIFT Service Bureau

A part of Finanz Informatik, the "SWIFT Service Bureau", provides the technical infrastructure for connections to SWIFTNet and enables its customers to undertake international payments, foreign exchange trades and security transactions. This capability has been based on IBM MERVA and WBI-FN, SWIFT Alliance Gateways (SAG) and Intercope's BOX for SWIFTNet. Finanz Informatik was one of the first BOX for SWIFTNet customers in 2004 and has used the system since for manual processing functions for various customers and since several years also for RMA.

MERVA at the core of SWIFT message processing

For Landesbank Berlin Finanz Informatik used to operate a dedicated MERVA system which connected to SWIFTNet through WBI-FN. In 2009 Finanz Informatik started a project to replace this MERVA system with INTERCOPE's BOX for SWIFTNet. A team of MERVA experts from Landesbank Berlin, Finanz Informatik and Intercope analyzed the existing MERVA configuration and user concept. More than 10 applications were sending SWIFT input messages and also partly processing SWIFT output messages involving complex routing rules that had been implemented in MERVA. In addition MERVA was used for manual message entry, authorization and repair, printing was an important requirement for several departments, and the MERVA Reconciliation feature was used for investigations.

Initial system configuration



Profound requirement analysis

The results of this analysis were documented in detail and thoroughly reviewed with the customer until a verified requirement definition could be approved. Based on this definition the expert team defined the setup for the new system whereby features of BOX such as the multi-client-capability, the integration of the already existing RMA configuration and the User Profile Management could be used to dramatically simplify the system configuration when compared with the original MERVA solution.

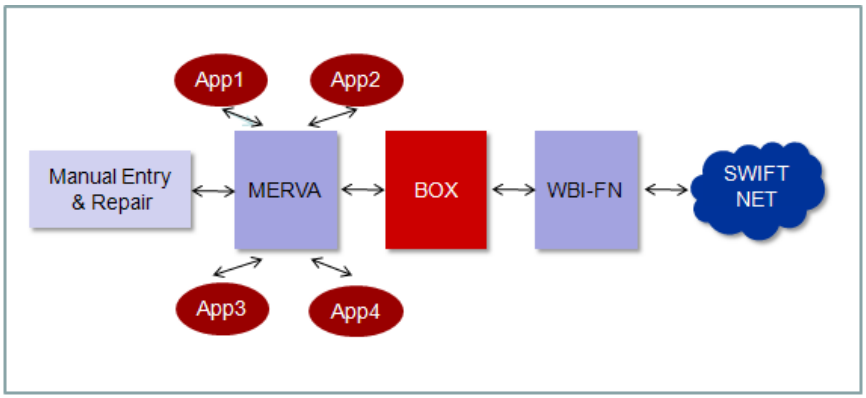
"To restrict the access to specific messages for users and departments the MERVA system required a very complex queue structure. In BOX we simply define the access rights for different user groups and control

Extremely simplified configuration

access to the messages without copying or moving them through physical queues as before in MERVA. This is clearer and much more efficient" explains Gudrun Noack, Project Manager of Landesbank Berlin.

The next step was to design an architecture which should allow a step by step migration of the back office applications. These considerations led to the idea to implement BOX initially as an intermediate interface between MERVA and WBI-FN. Based on this architecture Finanz Informatik implemented the complete routing in BOX, whereby initially all messages were still transferred via MERVA to and from the back office applications. The advantage of this approach was that all BOX configurations including routing rules, the User Profile Management, and address books could be tested without requiring any change in the actual system architecture.

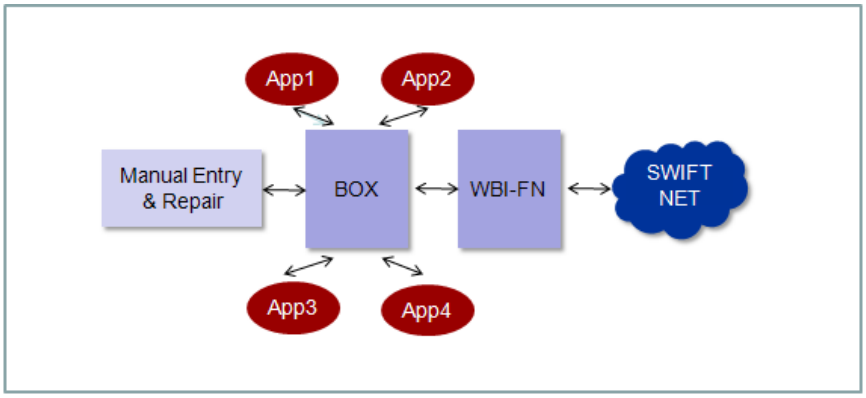
Intermediate system setup



Transparent migration to BOX for SWIFTNet without disruption

In June 2010 this configuration was implemented on the production system. Subsequently one application after the other was connected directly to BOX for SWIFTNet instead of MERVA with minimal changes in the already working configuration. This strategy has been extremely successful as all institutions and departments could be switched over from MERVA to BOX completely transparently for the users and without any disruption or inconvenience.

Final architecture



Strategic MERVA replacement solution

Based on this positive experience Finanz Informatik now plans the migration of further customers. "Since several years we have deployed BOX for SWIFTNet as user interface for non MERVA customers, but we have always seen the product also as our strategic MERVA replacement solution. Starting with Landesbank Berlin we are now implementing this strategy with all our MERVA users. With this solution we provide our customers a complete SWIFT solution covering all aspects of traditional FIN and XML based messages. In addition this strategy enables us to simplify our infrastructure and to significantly cut costs" states Lutz Gläser, manager of the SWIFT Service Bureau of Finanz Informatik.