

## BNP PARIBAS SECURITIES SERVICES REDUCES OPERATIONAL RISK, IMPROVES TRANSPARENCY AND LOWERS TRANSACTION COSTS

**SunGard's Ambit Reconciliation solution has scaled to support the global custodian's business growth over the years through providing automation and tighter control over enterprise wide transactions.**

BNP Paribas Securities Services is the number one securities services provider in Europe, offering services to the world's financial institutions, with a local presence in all key European markets, as well as Australasia. With more than 4,400 dedicated employees worldwide, BNP Paribas Securities Services has hundreds of clients, including 8 of the world's top 10 investment managers, and a global custody network covering over 100 markets. The firm holds over Euro 3 trillion assets under custody (December 2006) and Euro 623 billion assets under administration for more than 4765 funds worldwide. In 2006, BNP Paribas Securities Services processed over 32 million transactions.

BNP Paribas Securities Services' customers include banks, brokerage houses, pension funds, asset managers, issuers and insurance companies across the globe. In addition to clearing and custody services, BNP Paribas Securities Services, a wholly owned subsidiary of BNP Paribas, offers a wide range of related services, such as securities and cash position financing, collateral management, outsourcing of middle- and back-office functions, fund administration and accounting, performance measurement and attribution analysis, issuer services, as well as transfer agent and corporate trust services.

### Automated Matching & Reconciliation for Securities Services:

- Trade Transactions
- Cash Balances
- Securities Positions
- Customer Account Statements
- Nostro / Vostro Accounts
- Domestic & Global Stocks
- Transfer Agents
- Fund Administration

"Back in 2001, our organization decided to implement SunGard's Ambit Reconciliation solution, for trade transaction matching and reconciliation because the growing nature of our business meant that manual processing of data was becoming virtually impossible. Over the past several years, the solution has been an invaluable tool that has served us through providing control over our processing environment, as well as increasing our revenue by introducing the accuracy and standardization that automated technology provides. As time passes, we continue to expand our usage to new locations and across additional transaction types."

**Michael Djian, head of applications,  
Cross Product Department,  
BNP Paribas Securities Services**

## GLOBAL AUTOMATION, SINGLE PLATFORM

In 2001, BNP Paribas Securities Services elected to implement SunGard's Ambit Reconciliation solution to automate the reconciliation of their cash balances and transactions and their securities positions & holdings and transaction flows in 11 different countries. Since 2005, the firm has also been offering reconciliation for customers' account statements and has provided some reconciliation services in the area of stocks. The initial decision to put into place a global solution stemmed from increasing operational risk that was directly associated with a few factors, including: growing volumes, similar requirements within several product lines across the bank, the development of multiple international branches and the aging of their existing disparate applications.

At the time, BNP Paribas Securities Services sought to implement an automated, global and standardized solution that could handle their large volumes of transactions and simplify the daily reconciliation process, which would free experienced staff to focus on only the most complex reconciliations.

As the bank had multiple sectors to automate, it was a key requirement for the reconciliation solution to handle domestic and global stocks, cash, transfer agents and fund administration. With the support of the Ambit solution, the organization has been able to offer tailored support for customers throughout every stage of the trade transaction lifecycle. The solution has consolidated the reconciliation of these functions into a single platform, enabling tighter control and lowered cost of ownership.

## GLOBAL STANDARDS TO MEET GROWTH CHALLENGES

Initially, the bank's growing international presence posed challenges in terms of standardizing offers and services amongst branches. The centralized implementation of SunGard's Ambit solution therefore helped the bank replicate best practices from one branch to the others and ensured a strict adherence, both functionally and

operationally, across all branches. They were also pleased with the solution's ease of usability, the helpful training that was provided to staff and the fact that the bank was able to consolidate its multiple vendor relationships to one-SunGard.

**“It is critical for a bank to secure and standardize all of its processes in order to remain competitive.”**

Above all, the bank required a solution that could handle their rising volumes and trade complexities without adding staff. The technology available via the Ambit Reconciliation solution has provided an up-to-date, evolutionary platform that easily interfaced with multiple formats (SWIFT, XML, proprietary messages, etc.) and that has been able to successfully address the most complex of reconciliations. As a result, maintenance and overhead costs were reduced, which minimized strain on IT, and instituted increased control over across the organization as a whole.

Since the implementation of SunGard's Ambit solution in 2001, the nature of the securities industry has inevitably evolved and advanced at a considerable rate, resulting from issues, such as new instruments being regularly introduced to the market and an increased focus on compliance standards. In the face of this amorphous landscape, BNP Paribas Securities Services has been pleased with the flexibility of the Ambit solution, including its ability to accommodate change and to put into place valuable controls that have worked to measurably increase revenue.

## CENTRALIZED HUB CONTINUES TO BE A SUCCESS

Upon implementation, reconciliation processing was centralized in BNP Paribas Securities Services' Paris hub and since then SunGard's Ambit Reconciliation solution has been rolled out in several branch sites, including: London, Milan, Frankfurt, Athens, Brussels, Luxembourg, and Madrid. Additionally, each time a new branch of the organization is established, the solution is utilized for legal reconciliation. With numerous sites and approximately

300-400 users within BNP Paribas Securities Services, Ambit Reconciliation handles several million of cash and securities transactions per month. Principally, the bank is using SunGard's solution to reconcile their securities positions & holdings and transaction flows between their internal systems and their many custodians, as well as cash transactions between their Nostro accounts and internal accounts. They are also using the solution for various front-to-back office reconciliation functions in Paris and have started to insource the reconciliation activities for a few of their customers.

## SCALABILITY OFFERS CONTINUED COST SAVINGS

Using SunGard's Ambit Reconciliation, BNP Paribas Securities Services has significantly reduced settlement risk, as exceptions are detected sooner in the transaction lifecycle and without manual intervention. Due to automated processes, the bank is able to scale their operations to meet growing business demands. Over the years, BNP Paribas Securities Services has seen a remarkable amount of growth and has found, thanks to the scalability of Ambit Reconciliation, that an increase in transaction volume and trade complexity has not meant an increase in staff size or additional reconciliation systems. The bank considers scalability as a key factor to cost savings within operations and predicts that cost savings will continue proportionally in the face of future growth.

**“Here at BNP Paribas Securities Services our mission to optimize our transaction processing environment is ongoing.”**

“The benefits of auto-matching and reconciliation provided by SunGard's Ambit Reconciliation solution have played a strong part in supporting our business growth. The simple truth is that the greater amount of control a bank is able to exert over its processes, the less money they will lose in the long run. Even the largest and most powerful players on the market can experience

significant revenue loss if they continue to rely on manual processing of their data. It is critical for a bank to secure and standardize all of its processes in order to remain competitive,” said Michael Djian, head of applications in the Cross Product Department at BNP Paribas Securities Services.

## GOALS FOR THE FUTURE OF TRANSACTION PROCESSING

Thinking forward, BNP Paribas Securities Services anticipates that SunGard's Ambit Reconciliation solution will continue to support it through scaling to meet the demands of its flourishing business needs. The bank also hopes to boost straight through-processing to the maximum by being opened to new technologies that will lead it to attaining this goal, such as the Ambit Exception Management solution.

Currently, in the bank, various departments that handle the processing of a transaction at different stages of its lifecycle may not necessarily communicate with each other and therefore incongruities may arise that could have been avoided if one solution or entity had handled the process from beginning to end. BNP Paribas Securities Services has taken this factor into account in its endeavor to achieve optimal processing of its data and is working to perfect this procedure.

Implementing the most flexible software available that will aid in building bridges between all existing applications is another aim for the bank. The end goal for this is to put into place a workflow that is highly seamless and which provides real-time availability of data. “Here at BNP Paribas Securities Services our mission to optimize our transaction processing environment is ongoing. We continue to work on formulating a truly strategic approach in which we can track a transaction at each stage of its lifecycle, from inception to settlement, in order to gain the highest degree of control possible and ultimately increase our revenue,” said Michael Djian, head of applications in the Cross Product Department at BNP Paribas Securities Services.

## OVERVIEW

BNP Paribas Securities Services has consolidated processes across the enterprise to reconcile their securities positions & holdings and transaction flows.

## SOLUTION BENEFITS

### Cost Savings:

Increased scalability enables the bank to handle their rising volumes without adding staff, a key factor to cost savings within operations.

### Improved Control:

A single platform for reconciliation promotes sharing of best practices across their lines of business.

### Increased Efficiency:

The bank has achieved an average automation rate of around 95%, making exceptions relatively rare.

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