

Case Study: Financial Services

Partnering to improve global bank's data integrity and control environment

Robust reconciliation solution offers flexible, scalable, real-time capabilities across geographies

This global investment bank realized it needed a major overhaul of its reconciliation and control standards to reduce the time it took to onboard new controls and help meet stringent post-crash regulatory requirements. The bank historically used an in-house tool for most of its intersystem controls, extracting data from 4,000 different sources that was often inconsistent, duplicative and unreliable. In addition, the platform was not optimized to meet new regulatory mandates, hardware and software were nearing end of life, onboarding new controls was tediously slow, and the system lacked the capability to reconcile data in real time or even within the same day.

The bank turned to us, its long-time operations and technology services provider, whose Reconciliation Center of Excellence has more than 1,500 dedicated staff available to provide end-to-end reconciliation operations and IT services. Having worked with the bank for more than a decade,

At a glance

This tier one global bank wanted to modernize its intersystem reconciliation process to improve data integrity, shorten the time it took to onboard new controls and meet stringent new regulatory requirements. Knowing its in-house, legacy system was nearing end of life, the bank asked Cognizant to help identify and partner with a reconciliation platform provider to rapidly implement a modern solution that could manage complex, intersystem reconciliations, ensure data integrity and enable regulatory compliance.

Outcomes

- Built ~500 new controls and reconciliations.
- Increased user ability to enable controls from 5-10 per month to 70.
- Saved \$8.6 million in operational costs.

we were intimately familiar with the bank's current intersystem reconciliation platform and understood its limitations. We convinced the bank to seek a strong reconciliation platform provider with a tool that could address the bank's complex needs and enable it to update its intersystem reconciliation and control standards across the globe.

The bank relied heavily on our expertise in reconciliations as we worked closely with it to identify the top reconciliation platform providers in the market, comparing their offerings across eight primary criteria: end-of-life risk, operation risk reduction, performance and volume capacity, intraday capability, time to market, migration costs, operating costs, and intersystem functionality. Ultimately, we agreed that Gresham's Clareti Transaction Control (CTC) platform was the best in class and offered flexible, innovative technology with real-time capabilities.

Partnership enables integrated managed services to meet the full range of reconciliation needs

Over the next four years, we partnered closely with Gresham to improve the bank's control environment, implementing the CTC platform in the first eight weeks. We leveraged CTC to rapidly build ~500 new controls and reconciliations and deploy the enterprise-wide solution across geographies, asset classes and business units. The platform was designed to meet all key regulatory requirements for risk and data management, ensuring that mission-critical data was complete, accurate and consistent.

- Reduced the cost per control by almost 50% while improving the quality of reconciliations performed.
- Improved age profile by 70%.
- Optimized operations costs by 60%.

We rapidly migrated the bank from a series of point-to-point legacy solutions to a holistic, modern solution that is integrated across the enterprise and keeps systems continually reconciled as trades flow through the process. This significantly improved the bank's data integrity, ensured regulatory compliance and enhanced its risk profile and visibility.

The bank's users can now enable 70 new controls per month compared to 5-10 prior to implementation. This saved the bank \$8.6 million and enabled it to reduce the cost per control by nearly half while improving the quality of reconciliations performed. In addition, the solution improved the age profile by 70%, and optimized operations by 60%. The solution eliminated a wide range of manual processes and enables the bank to handle any type of transaction using one centralized system across all asset classes and processes. Our partnership with Gresham allows us to provide the bank with ongoing managed services that address the full complement of its reconciliation needs from operations to technology.

About Cognizant Banking and Financial Services

Cognizant's Banking and Financial Services (BFS) practice is one of the largest industry verticals that partners with large financial institutions (FIs) to evolve their business and technology landscape and enable end-to-end digital transformation. Seventeen of the top 20 North American FIs, and all of the top 10 European banks (which includes those in the UK), rely on us to manage their technology portfolio across multiple business entities and geographies. We serve the entire financial services spectrum, including retail and wholesale banking, consumer lending, cards and payments, investment banking and brokerage, asset and wealth management, securities services, and governance, risk and compliance. Our consulting-led approach, deep domain expertise and partner ecosystem enable clients to address the dual mandate of "optimizing the business" while "driving digital at scale." From large-scale core banking or payment transformation to adoption of cutting-edge technologies like artificial intelligence, analytics, blockchain and robotic process automation, we partner with FIs to envision and build the digital bank of the future. Learn more about Cognizant's BFS practice at www.cognizant.com/banking-financial-services.

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Cognizant Digital Operations helps clients re-engineer, digitize, manage and operate their most essential business processes, lowering operating costs, improving user experiences, and delivering better outcomes and topline growth. Across the practice, we are creating automated, data-driven platforms and industry utilities. We help clients run better by applying traditional optimization levers, and we help them run differently by creating competitive advantage through making their processes digital-ready, which often leads to more effective operating models and corresponding topline revenue growth. For more information, please visit cognizant.com/cognizant-digital-operations.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 195 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.

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