

CASE STUDY



Banco BPM further strengthens its processes with financial counterparty KYC software from LexisNexis® Risk Solutions

Overview

Banco BPM is the third-largest retail and commercial bank in Italy. It provides over 4 million customers access to financial services worldwide. The bank has built a network of over 200 financial counterparties to secure access to other markets and financial products. Some are in emerging markets and some are in what the bank classifies as higher risk countries. Banco BPM assesses each one of these partners for risk when they are first onboarded and then again at regular intervals.

For the past 15 years Banco BPM has relied upon LexisNexis® Risk Solutions to research its financial counterparties and assess risk, gaining access to up-to-date documents and data for all its correspondent banks. Banco BPM recently upgraded to the LexisNexis® Bankers Almanac® Enhanced Due Diligence end-to-end software solution.

The Challenges

Banco BPM had a strong KYC process in place to review its financial counterparties. However, with 100 entities to review every year, roughly two per week, the Trade Finance team found it was spending a lot of time compiling reports before KYC analysts could even begin to start assessing risk.

KYC analysts had to download and sort many documents, combine data points and map out ownership structures. Some counterparties have thirty or more entities within their ownership structure, plus key personnel, so a lot of information had to be collected. Banco BPM wanted to automate the process of building reports to save analysts time to focus on assessing risk.

Moreover, with a team of analysts conducting risk assessment, it was hard to fully standardize each report to the same template and process. Banco BPM wanted to set the highest standards for KYC processes and audit trail best practice and realized the only way to achieve this was with a dedicated KYC software solution.

“Our KYC analysts were relying on a combination of Word and Excel documents for reports. Each one took several hours to build manually, and then it took several more hours to screen entities within the ownership structure. We also wanted to fully standardize our KYC processes, so we could prove they were implemented the same way every time. It was obvious we needed a software solution, but custom-built software is extremely expensive and takes months to deploy,” said Paolo Rodolfi.

“*Banco BPM uses LexisNexis Bankers Almanac Enhanced Due Diligence. This software means we can easily evidence that our KYC processes are standardized to best practices and correctly followed every time.*”

Paolo Rodolfi, KYC Analyst, Trade Finance, Banco BPM



Products

LexisNexis® Bankers Almanac® Enhanced Due Diligence (software application)



Requirements

- An application to help KYC analysts more efficiently review financial counterparties.
- A standardized KYC report builder that automatically imports required documents and data.
- A tool to map counterparty ownership structures and key personnel.
- Automated screening of ownership structures for sanctions, state ownership, politically exposed persons (PEPs) and adverse media coverage.
- A robust audit trail that can evidence KYC analyst actions and the data they reviewed

The Solution

Banco BPM provided its KYC analysts with LexisNexis Bankers Almanac Enhanced Due Diligence. The team now conducts all its financial counterparty risk assessments from start to finish using this dedicated software solution.

Banco BPM estimates that its analysts save roughly ten hours every time they conduct risk assessment on a financial counterparty. About half of this time is saved by the application automatically building a standard report, and the other half is saved through efficiencies throughout the process, such as automatic screening of entities throughout the ownership structure.

The KYC analysts now make use of smart tools including entity ownership and key personnel mapping. With this tool the analysts can clearly see ownership up to and

“Our KYC analysts save many hours because LexisNexis Bankers Almanac Enhanced Due Diligence builds the report, adds the documents and screens ownership structures automatically. Now we have more time in the week to focus on high value tasks including risk assessment.”

Paolo Rodolfi, KYC Analyst, Trade Finance, Banco BPM

including ultimate beneficial owners to fully understand potential risk. The tool flags sanctions, enforcement actions, adverse media coverage and politically exposed persons.

Moreover, the Banco BPM Trade Compliance team now has instant access to a robust third-party audit trail. This contains an automatically generated log of all KYC analyst decisions and the data they reviewed.

It took around one week for the Banco BPM analysts to adopt the new software-based KYC workflow. LexisNexis Bankers Almanac Enhanced Due Diligence is straightforward to use and comes with full documentation and training materials.

About LexisNexis Bankers Almanac Enhanced Due Diligence

LexisNexis Risk Solution provides data and documents covering over 200,000 financial institutions worldwide. Clients receive this intelligence by an online look-up tool or KYC application.

LexisNexis Bankers Almanac Enhanced Due Diligence offers you easy access to modern Know Your Customer (KYC) software. Reduce your manual workload and instead automate, standardize and enhance your risk assessment process.

Upgrading your processes to this application is easy. Customers can simply log-in and quickly become familiar with the tool.

With LexisNexis Bankers Almanac Enhanced Due Diligence, you can create a KYC due diligence report in under 10 minutes containing the required documents and data that need to be reviewed. Your KYC analysts can use their time to focus on assessing counterparty risk.

When your KYC due diligence reports and processes are standardized, you're better able to prove that you consistently take a risk-based approach to evaluating financial counterparties.

“With LexisNexis Risk Solutions, Banco BPM got all the same value as a custom-built KYC application, but at a fraction of the cost and it was available immediately. It really has some impressive tools, including automated screening of ownership structures for risk, such as sanctions and enforcement actions. That was really impressive and added value for us.”

Paolo Rodolfi, KYC Analyst, Trade Finance, Banco BPM

For more information, call 800.658.5638 or visit risk.lexisnexis.com/FCC



About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.

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