

CASE STUDY



Raising the bar of Financial Counterparty KYC for Vietnam's Largest Bank

Business Overview

Founded in 1957 and listed on the Ho Chi Minh stock exchange since 2014, Bank for Investment and Development of Vietnam (BIDV) was the first commercial bank established in Vietnam.

As a universal commercial banking group with affiliates in insurance and securities, BIDV is currently the largest bank in the country in terms of total assets. It has successfully penetrated the ASEAN region and has formed relationships with leading banks in 5 continents.

Moving forward, BIDV is prioritizing digitalization, strengthening of corporate governance, compliance, and financial standing, with the desire to be a prominent bank not only in Vietnam but in the world.

Asserting themselves as pioneers in transparency and international standards adoption, BIDV is the first bank in Vietnam to have an international credit rating and financial statements using International Financial Reporting Standards.

Business Problem

In the current volatile business and strict regulatory context, international financial institutions (FIs) and banks attach great importance to tightening compliance risk controls with their correspondent banks. The key challenge for FIs, banks and their customers is the Know Your Customer (KYC) process. KYC checks have two purposes:

- Supporting the selection of the right partners for the business
- Preventing financial crimes

For FIs and banks, KYC checks are mandatory both when onboarding counterparty banks and during periodic reviews. The challenge is, however, that information about customers must be collected in many different languages with various communication standards and in different information formats. Despite this, putting too many resources into collecting this information would increase operational costs. At BIDV, the reviews could take 1 to 2 months to collect all of the information, ensure its accuracy and then make the decision to keep or exit the bank. This process would increase the time it takes to onboard and review financial counterparties.

For the banks' smaller customers who do not have the scale of large commercial banks, completing KYC is even more difficult.

The issue becomes, how can you get updated, reliable and comprehensive information about correspondent banks all around the world without wasting too many resources in the collection of this data? Often banks can be slow to provide information, and may need to be chased several times.

BIDV had to collect customer information by reaching out to customers and purchasing information from reputable organizations.

This process can lead to significant delays, as retrieving data from correspondent banks can be cumbersome and may provide insufficient results. Repeated reminders take time and effort for both sides.

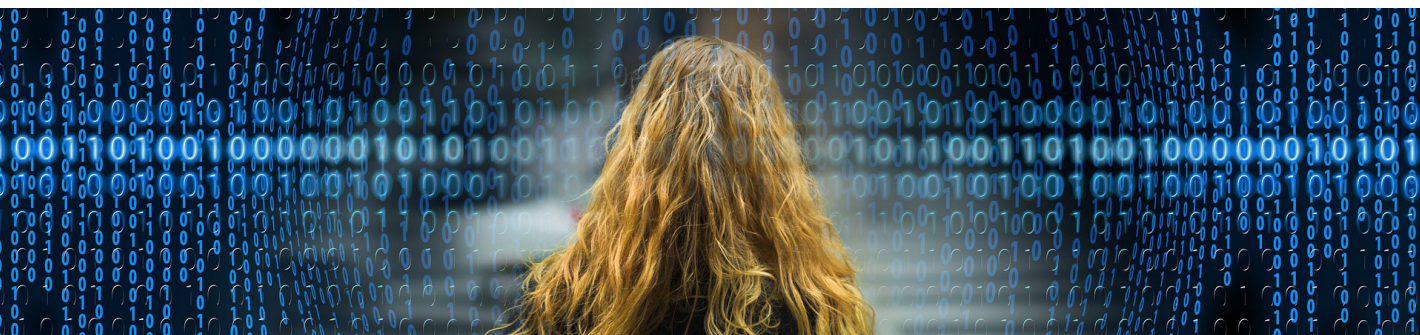
Therefore, we need one database which gathers and provides all the basic information so that we can save time and effort for both sides. BIDV started searching for the best tools and databases to better manage existing relationships, as well as assess the risk of potential counterparty banks.

How did Bankers Almanac Counterparty KYCC solve these problems?

Among these sources of information available in the market, BIDV found that LexisNexis Bankers Almanac Counterparty KYC is the best solution for our problem. It fits the 'one size fits all' requirements that we have for the KYC process, given that Bankers Almanac Counterparty KYC has all of the country document coverage that we need to complete our processes. The online look-up tool is user-friendly and provides comprehensive data covering over 200,000 financial institutions. For example, when we search for a bank, we can obtain most of relevant information of this bank from basic level (full name, address, SWIFT/BIC, domestic and foreign branches ...) to intensive details (FATCA GIIN Number, list of BOD, ownership structure ...). Searching by SWIFT code also makes the extraction process quicker and more efficient.

It not only provides basic information about customers, but LexisNexis Bankers Almanac Counterparty KYC provides additional services, like where BIDV can download due Diligence documentation including Wolfsberg Group Correspondent Banking Due Diligence Questionnaires, saving us the time to contact each customer and wait for documents to be delivered. BIDV can now instantly download Wolfsberg Group Questionnaires making our implementation of KYC requirements more convenient.

By providing a large amount of credentialed information, together with updated documents of almost any global financial institution and a user-friendly interface, BIDV finds Bankers Almanac Counterparty KYC very useful to evaluate our counterparties in the shortest possible time, which creates efficiencies in the onboarding and review processes.



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Although a KYC file can be collected in many ways, it is best when banks take the control of the collection process. Bankers Almanac Counterparty KYC helps us to do this. We save time, reduce the workload for staff and make our evaluation effective by providing clear and credentialed information. There is no downtime waiting for responses from customers and customers are not bothered with repeated requests.

The waiting time for KYC documentation gathering reduces from an average of 2 weeks to about a half a day for each financial counterparty.

“Bankers Almanac counterparty KYC solution is played as a key solution that our FI team relies upon. The team can now work much more efficiently with up-to-date data and can well identify risk. We are also able to strengthen our due diligence on counterparties and that is contributing to the performance of our team.”

— MS PHAM THI NGOC ANH, HEAD OF FINANCIAL INSTITUTIONS DEPARTMENT, BIDV

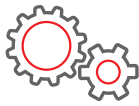
LexisNexis Bankers Almanac Counterparty KYC is a comprehensive database that gives banks access to primary source data that is continually verified and updated by over 140 global data analysts working in 20 languages

It provides unrivalled intelligence on correspondent banking partners that can significantly speed up the on-boarding process for new counterparties. The solution helps financial institutions, like BIDV, stay on top of the latest developments and to quickly identify potential risks, with a wide global coverage of 200,000+ financial institutions, including over 21,000 banks. The data acts as a ‘golden copy’ as the documents are sourced directly from financial institutions and are updated at key milestones and reactively based on events. The documents are date stamped and pre-verified by analysts.

The KYC documents in Bankers Almanac Due Diligence can include:

The Wolfsberg Group CBDDQ, Certificate of Incorporation, Banking License, Corporate Governance documents, Annual Reports, Foreign Account Tax Compliance and US US PATRIOT Act certificates.

Long Term Success



By integrating Bankers Almanac Counterparty KYC into their workflow, BIDV has streamlined its onboarding and review processes and the FI team is now able to assess bank counterparty KYC information quickly and efficiently.



They have integrated the bank information checks along with value added services, such as the ability to quickly download their counterparties' Wolfsberg questionnaires all in one place.



The depth and breadth of information in Bankers Almanac Counterparty KYC means that BIDV does not need to repeatedly chase customers for information.

“The benefits BIDV experiences are habitual to the genius of our product and its global community. This is only possible through our data driven and customer centricity approach to product development & data acquisition. The continued value creation through our design and delivery process with customers has led to uncovering further benefits in recent product launches to customers to optimize their AML/KYC Compliance programs.”

— DALBIR SAHOTA, HEAD OF KYC AND PAYMENTS, LEXISNEXIS RISK SOLUTIONS



For more information, visit risk.lexisnexis.com/global/en/financial-services/financial-crime-compliance

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Our financial services solutions assist organizations with preventing financial crime, achieving regulatory compliance, mitigating business risk, improving operational efficiencies and enhancing profitability.