

CASE STUDY



Polish Bank Reduces Costs by Automating Cross-Border Payments

Overview

mBank S.A. is one of the strongest and fastest growing financial brands in Poland, providing innovative banking solutions to its retail and corporate customers. The bank, headquartered in Warsaw, aims to set the direction of mobile and online banking development in the region and now provides an internet banking service to most of its customers. Ranked as one of the largest remitters of payments in Poland, mBank S.A. processes over 1.4 million cross-border outgoing transactions annually, including SCT and TARGET2 across its corporate and retail business lines. mBank S.A. wanted to improve operational efficiency and grow its payments capacity. The bank looked to LexisNexis® Bankers Almanac Global Payments File Plus to automate international payments and significantly reduce their team's manual workload.

The Challenge

mBank S.A.'s operational center was challenged to book payments properly and efficiently when using a manual process to search for routing information. This method cost valuable time and resources. It became clear that manually booking payments was not a sustainable process and bank wanted to reduce operating costs and increase the efficiency of the whole process of settlement. mBank S.A. needed a solution that easily facilitated the automation of its cross-border payments. The bank hoped to save time and reduce manual processes to improve the quality of its product and become more competitive in the financial services market. It hoped to do this by settling payments online, making them faster and reducing the cost of processing — enabling mBank S. A. to offer a more attractive final price to customers.



Key Challenges

Validating and enriching payments manually was an inefficient process, costing the bank time and resources which could be better utilized elsewhere. Manual processes were not sufficient to support mBank's ambition to grow the volume of payments processed and to increase its customer base, including financial institutions.

The Solution

LexisNexis® Risk Solutions recommended implementing Bankers Almanac Global Payments File Plus across mBank S.A.'s corporate and retail businesses. This solution is a daily or weekly data file containing global payment routing information, incorporating data elements such as National Clearing Codes, BICs, SSIs and Clearing System Mechanism connectivity.

mBank S.A. integrated Bankers Almanac Global Payments File Plus into its core banking system, with file updates made daily, enabling it to validate the payment information provided by customers within its electronic banking systems and enrich each payment with routing information based on a beneficiary bank's BIC code. This automatically releases payments on the bank's side and returns the status to the customer online through the internet banking system, providing straight-through processing and an end-to-end process.

Bankers Almanac Global Payments File Plus also facilitates an improved service for the 1% of mBank S.A.'s corporate clients still going into branches and ordering their payments using paper-based forms or processing payments which do not meet the criteria for automatic settlement. Back-office users manually booking payments through the banking system can now find the correct routing information simply

by entering a beneficiary bank's BIC code. Bankers Almanac Global Payments File Plus improves productivity by significantly reducing the time it takes to book each customer's payment and minimizes the window for human errors.

mBank S.A. has fully automated Bankers Almanac Global Payments File Plus to receive daily updates containing any data changes without any manual intervention. This means the core banking system contains the most up-to-date global payment information available without creating any ongoing work for the IT team.

The implementation of Bankers Almanac Global Payments File Plus took less than six months and formed part of a wider project to optimize and automate mBank S.A.'s internal systems and processes relating to foreign payments clearing. It gave the bank immediate benefits and a fully functional solution within a very short timeframe.



Bankers Almanac Global Payments File Plus helps:

- Embed essential payment routing information into operational banking systems
- Effectively reduce the cost of processing payment instructions
- Enhance the user experience

“*Bankers Almanac Global Payments File Plus is the ideal solution for any innovative financial institution aiming to automate high volumes of cross-border transactions by properly defining its payments routing. The solution delivered immediate benefits and we realized a full return on our investment within one year, taking into consideration the cost of the product and the associated project to integrate it into our operational banking system. Bankers Almanac Global Payments File Plus has made mBank S.A. much more competitive in the Polish market by reducing our operational costs and increasing the volume of payments we can process.*”

Piotr Sikorski, Transactional Banking Products Division, mBank S.A., Poland

Results



Enhanced Product Capability

Payments are now being processed faster and more efficiently in straight-through processing formula with more than 99% of outgoing international payments now proceeding automatically, meaning mBank S.A. can offer customers a better quality product at a lower cost.



Improved Operational Efficiency

mBank S.A. previously had to dedicate a team of 10 people to manually look up the correct data to process payments, but the new system is completely automated, enabling the team to focus on additional projects and tasks.



Facilitated Increased Transaction Volumes

Bankers Almanac Global Payments File Plus enabled mBank to automate over 135,000 of its outgoing cross-border payments per year, contributing to an increase in customers and a 10% rise in the bank's total volume of transactions.



Mitigated Operational Risk

The implemented solution based on Bankers Almanac Global Payments File Plus has significantly reduced the window for human errors when manually searching for information.



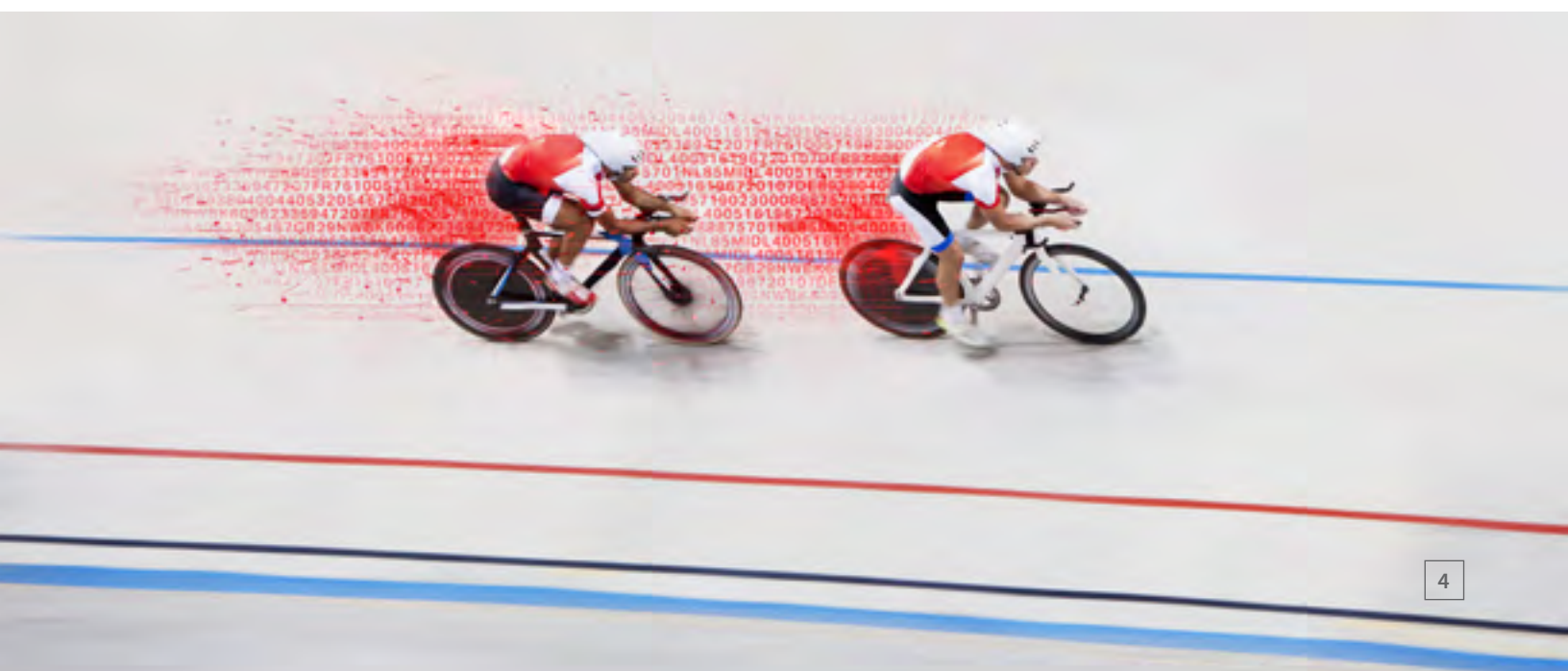
Enhanced Operational Experience

In mBank S.A.'s operational center, back-office users can now save two to three minutes per transaction, significantly increasing staff productivity.



Investment Returned in Full

mBank S.A. has saved around 1,200,000 PLN (roughly US\$300,000) annually on operational costs, fully returning its IT (CAPEX and OPEX) investment within the first year of Bankers Almanac Global Payments File Plus being implemented.



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“mBank S.A. is leading the way for other banks in the region by using the most accurate, reliable and up-to-date financial institution and routing information available and addressing its operational efficiency challenges with a fully automated solution. Transitioning from some manual validation of payments data using online look up tools to the adoption of an integrated data file has enabled mBank S.A.’s operational resources to be better deployed while also enhancing customers’ user experience when interacting with front-end payment submission channels. We are very pleased to have positively contributed towards this excellent result for mBank S.A.”

Neil Tagg, Manager Payments, EMEA Business Solutions, LexisNexis Risk Solutions

Contact us at risk.lexisnexis.com/Payments or 800.658.5638 to learn how we can help your business accelerate cross-border payments processing and improve customer experience.



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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