



Frans Westdorp
Business Process Manager
Trade and Guarantees



PRODUCT USED

IBAS Global Trade Finance
Factory

50%+

reduction in
total cost of
ownership

ABN AMRO and CBA – Partnering for success in trade finance

ABN AMRO took the decision to deploy CBA's IBAS GTF (Global Trade Finance Factory) to support its trade finance operations in the Netherlands back in 2010. Based on how easy it was to implement and the efficiency savings it delivered, the bank soon began rolling it out across its international offices. Today ABN AMRO is using IBAS GTF to support its trade finance operations across 10 countries spanning Europe, North America and Asia.

The value of an object-oriented approach

Built using the latest IT standards and object oriented architecture, CBA's IBAS GTF operates in real time and incorporates a comprehensive library of ready-made objects and interfaces for speedy deployment. CBA's approach appealed to ABN AMRO as the bank wanted to avoid the challenges associated with deploying and maintaining traditional hard-coded software solutions. IBAS GTF can be easily configured to meet the needs of each country or department using business rules with no need to update or create new source code. This contrasts with the approach taken by other vendors that typically implement a customised set of source code for each country, making the roll-out of upgrades costly, difficult and time-consuming.

"By choosing IBAS GTF, we gained a truly object-oriented trade finance system that made deployment and management a whole lot smoother and more efficient," says Franz Westdorp.

“CBA is a long-term strategic partner to our business. By deploying IBAS GTF – Global Trade Finance Factory we have reduced the total cost of ownership associated with running our trade finance operations by at least 50%.”

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**450-
500**

users of IBAS
GTF across 10
countries

The CBA team were able to demonstrate real experience in banking and trade finance as well as technical innovation. Westdorp observes, “CBA took a completely different approach. No other vendor could deliver the same degree of flexibility. Everyone I worked with was committed to finding the best solution for the bank, not just looking to sell their latest software.”

Crucially, IBAS GTF allows ABN AMRO to manage its entire international trade finance business in a single global environment that’s managed centrally from the Netherlands with just a small IT team. Some 450-500 staff use the system today and are able to accommodate any country-specific requirements locally using configurable business rules. Says Westdorp, “We don’t need local IT support for IBAS GTF at any of our offices. Other trade finance solutions typically need several IT staff locally just to administer and run the system. By deploying IBAS GTF I estimate that we have reduced the IT costs associated with running our trade finance operations by at least 50%. In a shrinking trade finance market having good, efficient systems in place is essential in helping you reduce your cost base and compete more effectively.”

Delivering increased efficiency and cost savings

Building on the capabilities of IBAS GTF, several incremental projects have been successfully delivered to ABN AMRO in recent years. These include the implementation of the IBAS Workflow Management and Monitoring System (IBAS WFL) and IBAS Service Level Management and Monitoring System (IBAS SLM) – enabling the bank to optimise transaction processing. IBAS WFL allows the bank to define and monitor the steps involved in each business event while IBAS SLM ensures all processes comply with customer service level agreements. Says Westdorp, “One of the great benefits of IBAS GTF is the tight control it gives over event-handling. Customers see their transaction flows in real-time – gaining complete transparency.”

At the end of 2016 ABN AMRO went live with the IBAS Electronic File and Document Management System. Up until then the bank had some 50,000 hard-copy guarantee records stored in its head office. All documents have now been scanned and are available electronically in IBAS GTF. The team can access the relevant documents quickly and securely from multiple locations. In addition,

50K+

hard copy
records scanned

“The fact that IBAS GTF processes all transactions in real time is a real advantage in supporting us with blockchain and other future developments.”

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digitization has enabled the bank to recoup around 200 square metres of costly office space that was previously used for storing physical records.

The bank has also worked with CBA to deliver efficiencies in how it works with retail customers who only engage occasionally in trade finance transactions. To overcome any shortfall in experience, the IBAS Rental Guarantees system makes the transaction process as streamlined and efficient as possible. “It doesn’t matter that our customers don’t have trade finance experience,” says Westdorp. “Using the IBAS Guarantee System, we’ve created a web-based form for customers to complete, which the IBAS system automatically checks and processes. We give the form a check for compliance reasons, but effectively, it’s straight through processing.”

Future developments

A new IBAS Customer Front-End System for Trade Finance is being rolled out in 2017 to replace SureComp’s allNETT solution in the Netherlands, and manual processes elsewhere. Rather than receiving customer instructions via email and manually entering these, the new front end enables STP, reduced errors and faster processing.

“It was a logical next step for us to work with CBA to standardise the front-end software we use across our global operations. All customers will be able to access the system directly to input their requirements including requests for documentary credits and guarantees. We expect the IBAS front-end to deliver significant cost savings – not just in terms of processing efficiencies, but also by removing the need to update and maintain interfaces between IBAS GTF and allNETT.”

ABN AMRO is capitalizing on the openness and connectivity of IBAS GTF. Later in 2017 ABN AMRO will deploy CBA’s IBAS solution for handling SWIFT MT 798 messages – allowing corporate customers to communicate directly with the bank via SWIFT. IBAS GTF also has the potential to facilitate connectivity to other external systems and networks such as Bolero and ELCY where required.

Banking is going through a period of rapid change and ABN AMRO will continue to work closely with CBA to handle new challenges and create further efficiencies. In the area of regulation for example, due

200m²
office space
saved

diligence is needed in areas like anti-money laundering (AML) and anti-terrorist financing. IBAS GTF offers the potential to handle compliance checking in real-time – making this an area of potential focus.

When it comes to blockchain, Westdorp observes that the technology is undoubtedly coming to trade finance and will be instrumental in the area of smart contracts and in replacing letters of credit. “Any bank involved in trade finance that is unable to evolve will be out of business in 10 years’ time,” he says. “But even in the blockchain world banks still need systems to handle all the associated back office administrative tasks and it’s crucial those systems can operate in real time. The fact that IBAS GTF processes all transactions in real time is a real advantage in supporting us with blockchain and other future developments.”

About CBA

Headquartered in Oslo, Norway, CBA provides sophisticated banking software that brings efficiency to complex global banking operations. CBA’s IBAS Global Banking Factory is a modern, open, flexible software platform, designed to streamline and automate end-to-end banking processes. Built using the latest IT standards and object oriented architecture, IBAS encompasses modules for handling payments, trade finance, loans and financing, factoring and invoicing and account management.

ABN AMRO is using the IBAS Global Trade Finance Factory to manage its trade finance operations across 10 countries spanning Europe, North America and Asia, while OCBC Bank in Singapore is using the IBAS Global Payments Factory to manage its international payments operations. For further information visit: www.cba.no