

FX Position Keeping and Netting System for Treasury

Client

TOP 3 largest bank in Russia

Business Area

Retail Banking, Corporate Banking

Asset Classes

FX

Technology Set

ASP.Net, MS SQL Server 2008, Reporting Services, Web Services, MSMQ, IBM Message Broker

Integration

Internal systems

User Profile

Treasury FX Sales

Geography

Headquarters and local branches in Russia

Relationships Status

Ongoing, Fixed Price

Services Provided

Full cycle: Business analysis, Development, QA/Testing, Maintenance.

Team Size

13 members at peak

Duration

8 months

Summary

System is used by FX Treasury Sales who are responsible for quoting FX rates for common and privileged customers of Bank. System tracks all possible FX rates for different types of Bank customers, keeps track of conversion orders, forms conversion batches and calculates actual FX rates and P&L.

Business Challenge

Bank FX Treasury Sales department was not able to track the performance associated with FX conversions within the sufficient accuracy order. The reasons were the broad variety of Client rate plans and the actual rate dependence on many factors, such as:

- Order amount (there is a special threshold, an order that exceeds the threshold is converted using privileged rate).
- Different rate plans (common and standard rates, rates plus commissions, privileged rates).
- Constantly changing market conditions and actual Trader rate.

Bank FX conversion order is processed in accordance with the workflow depicted below.



Bank was actually lacking profit, because of the inability to make precise and quick calculations and keep history of conversion operations.

The business processes automatization challenge was exacerbated by the fact that the information sources for each operation were always constituted by several systems: one for the current exchange rate, one for the client status and one for the rate type.

Time to market for the first version of System was of very importance for the business – the release had to go in Production in a month term from the development start.

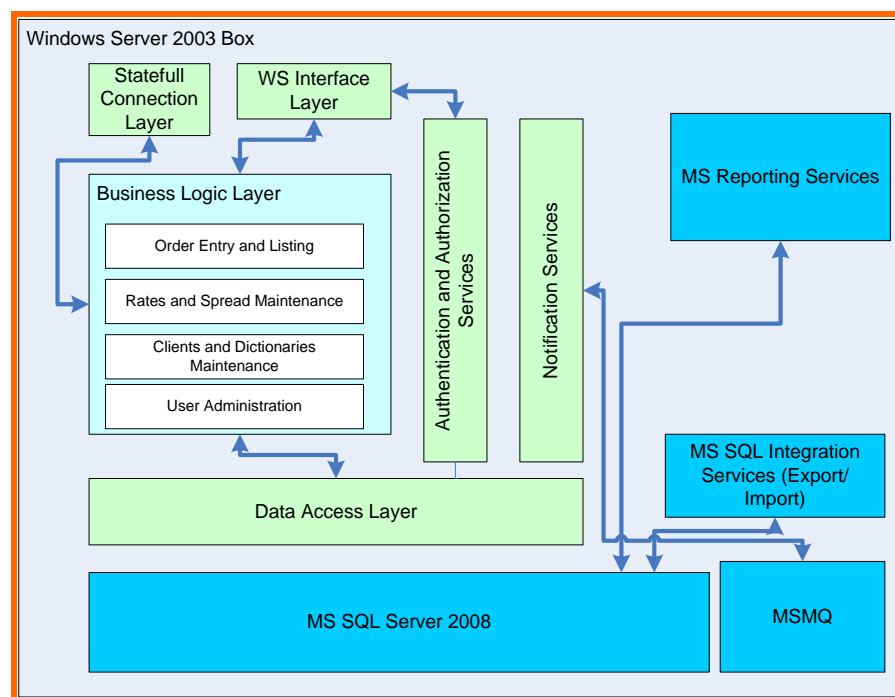
Luxoft Delivered Solution

Luxoft has proposed, designed and implemented System that automates FX conversion process in Bank and complies with all the needs and requirements of Bank Treasury Sales and IT.

Although Bank IT was technology agnostic, to minimize the TTM and future TCO, Luxoft proposed implementing System based on Microsoft .Net technologies, including MS SQL Server 2008 and ASP.Net 3.5. The choice was dictated by the fact Bank already had MS SQL Server infrastructure deployed and had other systems built on .Net technology.

The client part of System is implemented using traditional WinForms technology which gives the ability to use System in a traditional manner with intensive usage of shortcuts and keyboard instead of mouse. The client part does not contain any business logic and serves as pure UI component responsible for user interaction. The client part is connected to the server-side part by means of traditional Web Services technology and hence can easily be replaced by other UI technologies, such as ASP.Net, Silverlight or mobile device-based ones.

The server part of System includes business and data-access logic. The server side also comprises infrastructure logic, such as Authentication and Authorization, Integration and Notification. The sever side includes Reporting subsystem that is responsible for flexible reports generation. Authentication subsystem is implemented using embedded authentication service that stores user credentials in System database. However, the service can be substituted by an implementation that is integrated in the corporate authentication framework such as LDAP or Active Directory.



System uses MSMQ and IBM Message Broker for integration with CRM and ABS.

System can be deployed in different configurations starting from a simple one-host based solution and stretching the configuration to a highly available multi-host solution with NLB and database clustering.

Benefits

Bank received fully functional and extensible System, which implemented all the needs, in accordance with the schedule.

System fetches rates from ABS and client data from CRM and receives notifications about client status change – so as to react rapidly on any changes in client status or rate plans. System provides the ability to import conversion Orders in bulk in case a set of Orders are coming from some legacy subsidiary in a form of an attached Excel file. Comprehensive reporting capabilities of System allow end users and Sales Managers to track current statuses of client conversions, P&Ls and overall department performance.

All user activity is logged and can be reviewed, limiting the possibility of System misuse and erroneous rate quotation.

System took all the burden of keeping track of orders and client statuses, rate plans, current market conditions and conversion histories. The features substantially reduce the operational costs and increase the transparency of conversion operation to optimize the client fees. As a result the business profitability is much increased.

Customer Feedback

The detailed feedback is provided upon the specific request.