



---

## Highlights

- Data integration for banking operations
  - Support for communications protocols
  - Data standards and transformation
  - Governance, risk and compliance
- 

# IBM's integration gateway for the banking industry

## *Integration for multi-enterprise banking operations*

The banking industry has long been a leader in the adoption of technology. However when it comes to multi-enterprise banking operations, banks continue to struggle with a number of ongoing challenges. Mergers and acquisitions resulted in multiple B2B integration platforms, continued reliance on an antiquated technology architecture makes it difficult for I.T. to support new business services, security of data and networks is essential to the business and I.T. struggles to manage updates to data standards or communication protocols. No wonder banks have a very complex collaboration network to manage.

Complicating this is a corporate growth strategy that includes globalization, offering new and differentiating services, tighter integration with customers, corporates and internally within the bank, regulation and compliance mandates and an on-going focus on taking costs out of the business.

Globalization implies support for the multiple communication protocols that banks need to support. These include both regional like EBICS, global like SWIFT or even corporate focused protocols. Many banks find themselves with multiple integration gateways each focused on a single protocol. The other impact of globalization is a need to operate high availability networks to minimize downtime to operations.

The ability for the bank to offer new services and the use cases required to support them can also get compromised by the shortcomings of a bank's integration capabilities. While the line of business sees revenue opportunities, delays in on-boarding a new customer due to technical limitations or fragmented on-boarding processes impacts time-to-revenue expectations.

Tighter integration to support multi-enterprise banking operations requires flexible, out-of-box capabilities that enable automating end-to-end processes and providing stakeholders visibility over those processes. While exchanging file based data is the norm for banking operations, banks can also start to leverage real-time web services as demands for a more responsive approach to doing business replaces the traditional use of files.



The banking industry also has to consider the global nature of their operations. While regional communication and data standards still drive a bank's integration strategy, they can no longer ignore the standards that apply to a broader, global business community. Whether it's trading with other regional or international banks, other financial institutions, regulators or global corporates, the requirements to support a broader set of standards is critical for both compliance and customer service reasons.

Complicating standards adherence is the proliferation of numerous communication and data standards that are difficult to keep current with. Or trying to accommodate the global corporates who need to trade with a global financial community but struggle to keep current with their standards requirements. This has resulted in many banks having to deploy multiple integration gateways to support a diverse set of communication protocols and data standards which introduces additional complexities and cost to their operations.

At the same time banks are focused on mitigating increasing security risks to both their networks and data. Whether it is regulatory, board level or industry mandates Chief Security Officers are under pressure to take a best-practices approach to governance, risk and compliance. This includes ensuring a secured separation between external and internal facing networks.

So how can banks satisfy the on-boarding requirements of a diverse business community without having to deploy multiple integration gateways? As a leader in providing integration capabilities for the banking industry IBM can help organizations:

- Address the challenges to stay current with industry communication protocols and data standards
- Improve customer service to institutions, their banking network and corporate customers
- Reduce the costs to support a complex, multi-enterprise banking operation
- Never say "No" to an on-boarding request
- Improve visibility over multi-enterprise banking operations (Where is my file?)
- Maintaining compliance with privacy regulations

## Data integration for banking operations

Best-in-class banks apply a "continuous improvement" strategy to their operations and always look for opportunities to improve. So I.T.'s struggles to support a proliferation of communication protocols has brought renewed attention to the integration capabilities necessary to support a diverse business community.

In addition, while many data exchanges across the banking community tend to be file based, there is a growing trend to support message based exchanges. Many banks however take a point solution approach and deploy separate integration gateways for file versus message based transactions. This leads to a siloed, fragmented approach to managing multi-enterprise processes which proliferates inefficiencies and increases operational costs.

So instead of deploying point solutions to address growth in standards and compliance your best-in-class peers are looking to consolidate on a single banking gateway which includes the following capabilities:

- Support for both regional and global communications standards
- Compliance with industry data standards
- Accommodate multiple integration patterns
- Automate manual, redundant, error prone processes
- Provide end-to-end visibility over multi-enterprise processes
- Enable the security of both data and networks
- Support for both file and message based exchanges on a single banking gateway

## Support for communications protocols

The interbank-communications landscape is a complex matrix of point-to-point connections that can't be controlled collectively because they are dependent on separate network carriers, formats and standards, and hardware platforms. Whether it is SWIFT or EBICS in Europe, the new AS4 protocol being introduced in Australia or ACH for North America, the challenges have never been greater to support such a diverse set of communication protocol requirements. Add in communications with corporate customers to support payables processing and the complexity only intensifies. As a result I.T. is looking for ways to improve how they support multiple communication protocols to provide a high level of customer service to the business.

### Data standards and transformation

In addition to supporting complex communications requirements in the banking industry, adhering to requested data standards or transforming data into a required format places another set of challenges on I.T. Whether it is banks, brokers, clearing houses, government agencies, other financial institutions or corporates, the impact to I.T. can be overwhelming. So help in staying current with the data standards they support or having the flexibility to quickly convert from one data format to another is now an I.T. priority.

### Governance, risk and compliance

Network protection and the security of data being exchanged either externally or internally is without question a number one priority for all banks. The concern is how to apply security best-practices when you still depend on legacy systems, multiple firewalls, an on-going use of FTP or the lack of “De-militarized Zone” (DMZ) based network protection. And then, how do you manage and monitor compliance?

C-level execs are now being held accountable for corporate governance including the prevention of security breaches so the ability to minimize the exposure of your network and data and adherence to best-practices has now become an organizational mandate. This means DMZ security, data encryption, audit controls and visibility over critical processes is no longer an option but a best-practice compliant requirement.

### Benefiting from a single banking gateway

Banks are looking for ways to gain control over their multi-enterprise operational processes. IBM offers a single gateway banks can deploy which offers the following benefits:

- Reduce the costs to support multi-enterprise banking operations
- A single platform for most regional or global communication protocols
- Adherence to the appropriate data standards
- Support for both file and message based exchanges on the same platform
- Reduce the risk of a security breach
- Never have to say “No” to an on-boarding request
- Improved customer service
- And more...

### IBM's banking gateway capabilities at a glance

Capabilities	Description
Integration	<ul style="list-style-type: none"> <li>• Automate multi-enterprise processes</li> <li>• WebServices to enable real-time processing</li> <li>• Support file and message based integration patterns</li> <li>• Wizards and templates for rapid on-boarding</li> </ul>
Communication protocols	<ul style="list-style-type: none"> <li>• Global: SWIFT, FIXML</li> <li>• North America: ACH,</li> <li>• Europe: EBICS (France and Germany),</li> <li>• Asia Pacific: AS4</li> <li>• Australia: AS4, BECS</li> <li>• And more...</li> </ul>
Data standards and transformation	<ul style="list-style-type: none"> <li>• FpML, OFX, FIPS-Mode</li> <li>• Support for payables EDI transactions</li> <li>• Any-to-any data transformation</li> </ul>
Clearing houses	<ul style="list-style-type: none"> <li>• NACHA, BIS, FedWire, CHIPS</li> </ul>
Governance, risk and compliance	<ul style="list-style-type: none"> <li>• Perimeter security ensures no data is stored in the DMZ</li> <li>• Data is encrypted at-rest or in-motion</li> <li>• Policy controls for systems and processes the move data</li> <li>• Integration to enterprise security infrastructures (LDAP, Active Directory)</li> <li>• Detection and audit for real-time reporting and management</li> <li>• HSM (Hardware security modules) ability to report and audit</li> </ul>
Adapters	<ul style="list-style-type: none"> <li>• AP Payments, SwiftNet Adapter</li> </ul>

## Why IBM for banking operations

IBM offers a comprehensive set of banking focused integration capabilities that can help banks support their multi-enterprise banking operations using a single integration gateway. For line of business staff that means leveraging a single platform to provide unified service offerings to all their customers. For the security team they can focus on a single integration gateway as a way to reduce security risks. For I.T. a single gateway is easier to support, offers more flexibility in addressing a complex mix of on-boarding requirements and helps improve the efficiency of their operations leading to reduced costs.

## For more information

To learn more about IBM's B2B integration and standards for banking contact your IBM Sales Representative or visit [www.ibm.com/software/products/b2b-integrator](http://www.ibm.com/software/products/b2b-integrator).



---

© Copyright IBM Corporation 2014

IBM Global Services  
Route 100  
Somers, NY 10589  
U.S.A.

Produced in the United States of America  
December 2014  
All Rights Reserved

IBM, the IBM logo, ibm.com and Cognos are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (® or ™), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at: [ibm.com/legal/copytrade.shtml](http://ibm.com/legal/copytrade.shtml)

Other product, company or service names may be trademarks or service marks of others.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.



Please Recycle