

Bots Bring in Accuracy to Bank's Trade Settlement

A leading global bank leverages robotic automation, leading to 100% accuracy in trade settlement and daily effort save of 10 hours

Client Background

The client is a Swiss-based global financial services company which provides wealth management, asset management and investment banking services to private, corporate and institutional clients worldwide.

Industry Landscape

Clearing and settlement are fundamental processes in financial markets. After the trade is executed, the record is submitted to the clearing agency, which matches the buyer and seller records and confirms the counterparts' agreement to the terms. Due to the market nuances in the US domestic markets, it is especially critical to complete all trade settlement activities, which is highly time-sensitive and volume-driven, within a short time window.

Opportunity

The client's trade settlement process was manual involving multiple system navigations wherein all 'buy trades' had to be manually compared one by one against internal bookings. This activity took around 60% of the team's effort. As the activity was manual, trade discrepancies were identified late, resulting in trade fail. The client sought accurate (zero error) and efficient (prompt) trade settlement, including:

-  Quick settlement of received trades in the domestic US market as soon as instructions are released
-  Quick turnaround time on resolution of trade discrepancies
-  Quick release of stock positions to support 'sell trades'

Solution

Wipro conducted complete analysis of the client's existing processes, which included upstream and downstream processes. Also, performance data was analyzed for three months and relevant solutions were designed and deployed:

- Designed, configured and deployed co-bots (robotics automation solution along with minimal human intervention) in five sub-processes to reduce manual tasks
- Bots were designed to identify/flag trade exceptions early for repair by settlements team
- Sub-processes across markets were standardized and embedded with enhanced visual controls
- Re-balancing of human resources was ensured to address volume spikes

Business Impact

Implementation of robotics automation solution helped the client achieve 100% accuracy in trade settlement and eliminated operational risks.

- Mitigation of reputational risk by settling all trades on the value date
- Daily effort savings of over 600 minutes
- About 20-25% increase in settlement of discrepant trades on the same day
- Increased efficiency due to volume-agnostic process
- Improved turnaround time on resolution of discrepant trades, resulting in on-time release of stock positions

Wipro team conceptualized a Zero Touch process and used the digital transformation lever to achieve the stated business outcomes. Orchestration of bots in the process helped deliver a defect-free output in a very efficient manner, thereby improving settlement efficiency and mitigated reputational and financial risks.

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About Wipro

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