

SEB

Skandinaviska Enskilda Banken (SEB), headquartered in Stockholm, Sweden, is one of the largest banks in the Nordic region.

CHALLENGES

In 2008, SEB reviewed its correspondent banking services strategy and uncovered a number of constraints related to pricing and billing.

As a result of manual billing processes (which often took weeks to deliver invoices to clients), multiple disparate billing systems and a lack of systemic pricing governance, the bank identified significant revenue leakage from fees that were either not properly billed or not billed at all. In some cases, cash management clients had taken up an offer, but generated no revenues for the bank.

Identifying Straight Through Processing (STP) errors for incorrect and/or missing transaction information was a highly manual process. In addition, existing legacy systems lacked the ability to offer pricing at the customer or account level.

Finally, regulatory requirements around the Payments Services Directive (PSD) issued by the European Union required changes to some of the ways SEB handled interbank transactions.

9 months

Initial implementation

7

Countries

300,000+

Customers

60 million+

Transactions processed annually

44%

Annual correspondent banking revenue increase in Sweden

100%

Annual correspondent banking revenue increase in other Nordic countries

OBJECTIVES

The Global Transaction Services (GTS) business determined that a new pricing and billing solution was required to deliver on a number of key objectives:

- Minimize reliance on vendor support with a flexible, configurable solution built on modern architecture.
- Automate manual billing processes.
- Reduce operational risk.
- Identify and resolve revenue leakage opportunities.
- Consolidate billing and invoice generation for SWIFT transactions.
- Detect and charge for non-STP transactions.
- Reduce costs by rationalizing and harmonizing multiple billing systems.

SEB

SOLUTION

After an extensive RFP process for a consolidated pricing and billing platform, SEB selected Zafin because of the platform's breadth, depth and flexibility, Zafin's extensive product and domain expertise and the seamless fit with the bank's way of working.

- Configure individualized charges and billing preferences at the customer level.
- Enhance the bank's ability to offer innovative pricing based on the client's individual needs.
- Consolidate invoices and debit advices at the customer level in multiple formats, including print, PDF, TWIST, eFaktura and PEPPOL, delivered across different channels.
- Automatically detect and delineate between STP and non-STP transactions and charge accordingly.

Over the period of several years, SEB extended Zafin's pricing and billing capabilities across the bank to automate billing processes, replace legacy billing systems and plug revenue leakage.

- 2010: Billing for Correspondent Banking
- 2011: Billing for Sub-Custody
- 2013: Billing for SEPA direct debits and credits for corporate clients
- 2014: Annual cash management fees for corporates, financial institutions and SMEs
- 2016: Global Custody for financial institutions

BUSINESS OUTCOMES

- \$5 million annual savings by plugging revenue leakage within Correspondent Banking
- \$3 million annual savings by plugging revenue leakage within Global Custody
- 44% annual corresponding banking revenue increase in Sweden, SEB's key market
- 100% annual correspondent banking revenue increase in other Nordic countries
- Project payback in less than 12 months for Phase 1
- Reduced costs significantly by automating manual processes and rationalizing legacy billing systems
- Enhanced the customer experience with a simpler, more transparent and more granular bill/invoice

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