

## SmartStream's Corona Cash & Liquidity gains new live site, Raiffeisen Bank International

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Austria's Raiffeisen Bank International (RBI) has gone live with new cash and liquidity reporting software, SmartStream Technologies' Corona. The bank has taken "a proactive approach to Basel III" – being the first in the region to do so, said the vendor. The new centralised solution will help to monitor and manage cash positions on an intraday basis, throughout the RBI group.

"The project started about two years ago, when banks began to consider how to deal with the Basel III paper," Walfried Lemerz, head of payments, RBI, told Daily News at Sibos in an exclusive interview.

The initial phase of the implementation of the Corona Intraday solution was finalised in the first quarter of this year for the whole Raiffeisen Banking Group Austria.

SmartStream added that the go-live was "the result of a successful collaboration between SmartStream's product development team in Vienna and the bank's treasury domain experts".

The vendor's executive vice-president, Christian Schiebl, said the two companies have a long-standing relationship and the Corona system has been running at RBI for many years. "Over the years, RBI has worked closely with our product management," he said. The collaboration has resulted in enhancements of Corona that are now also used by other banks.

"When we initially engaged with RBI for BCBS 248 reporting, there were no other vendors in the market," Schiebl recalled. "The bank was getting offers from messaging vendors, however, as the data quality really needs to be as high as possible – since we are talking about an official report to banking supervisors – RBI saw the advantage of producing the report based on reconciled data."

RBI is a very broad user of Corona, from standard reconciliations to exceptions management and cash and liquidity reporting for Basel III.

Lemerz noted that "the lack of global exchange of MT900/910 messages from Nostro banks" was a challenge. "RBI decided to derive the information from the MT942 by conservatively calculating the time stamps. Due to still missing legal requirements, RBI has had to manage the project on assumptions on the Basel III paper for a long time."



Lemerz Walfried, RBI



Christian Schiebl,  
SmartStream

Schiebl agreed: "The single largest challenge was the fact that many intraday messages are missing time stamps, which are vital for being able to produce the report. We worked together with RBI on a methodology, a conservative approach that we included as a standard. RBI also discussed this approach with FMA, the local regulator and was given the green light."

It was vital for the RBI head office treasury department to have a tool that provided coverage for intraday liquidity aspects, in addition to the BCBS reporting requirements and those already part of the current banking regulation, Lemerz said.

"Especially talking about the minimum requirements on intraday liquidity steering that were published in principle eight of the Principles for Sound Liquidity Risk Management and Supervision," he added.

### ***Reconciliation pains***

“As we are talking about an official report to the banking supervisory authority it is very important that the quality of the data that goes into the report is as high as possible. That can only be done through reconciliation,” Schiebl said.

“The report will go through internal review and approval process before it is provided to the regulator. No one would really put their name on a report that most likely is based on data with errors... and there are always differences that need to be investigated and rectified. If the data is not reconciled, the report would have errors for sure.”

### ***Results***

Corona provides the bank “with sufficient information from external data sources in a quality that was not available in our institution so far to support our intraday liquidity steering”.

It enables RBI's treasury team to have a real-time view on external account balances and provides it with the external status of major cashflows on our main nostro accounts – “where we've already started monitoring in our live environment”, Lemerz concluded.

The solution also provides monitoring capabilities for RBI, using the same database, added Schiebl, therefore there was no need “to invest in separate software and infrastructure”.