

TLM[®] Reconciliations Premium

Providing flexible self-service for business end users, comprehensive trend analysis for match rate optimisation, plus exception reduction and model choices for each reconciliation. These advantages allow financial institutions to reduce operational overheads, as well as to shape the solution easily, in an innovative way, thereby positively contributing to business success.

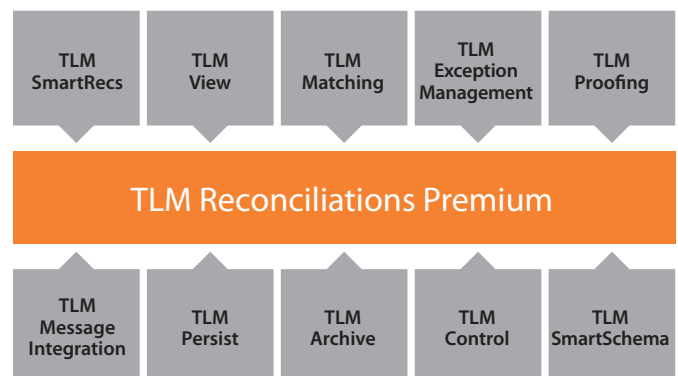
Executive summary

Incoming regulatory initiatives are obliging institutions to perform greater numbers of reconciliations and are increasing the complexity of the data they must handle. Non-regulatory reconciliations are on the up, too, with firms carrying out more reconciliations between internal systems.

To promote efficiency, reduce overheads and to better control risk, financial firms are seeking a single tool to manage all reconciliations across the organisation. Companies are keen to respond to regulatory change but without the need for time-consuming, expensive IT projects. In addition, they want a flexible system which gives business users greater independence, reducing reliance on overstretched delivery teams and keeping costs down. Firms must respond to these challenges while ensuring that operational overheads do not spiral out of control.

TLM Reconciliations Premium is a single, reconciliations-agnostic solution. It incorporates industry best practices in pre-configured business processes for multiple reconciliation types, creating a highly scalable transaction processing environment, flexible enough to cope with changing market and regulatory demands.

A powerful matching engine and integrated exception management capabilities deliver the highest possible automated match rates and ensure any failed transactions are escalated, repaired and returned to the process flow.



TLM Reconciliations Premium services

TLM Reconciliations Premium offers a comprehensive range of features including financial proofing and data analytics capabilities. Proofing is available by asset, currency and in combination, providing the flexibility to create a range of mathematical proofs, from simple trial balances through to complex NAVs. Analytical features are available for business users to analyse results in real time, to find underlying causes for breaks and to identify opportunities to improve matching hit rates.

The solution focusses on ease of use and simplicity, while a sophisticated layer of AI promotes business user independence and facilitates self-service. These advantages, combined with the solution's ability to rapidly onboard a broad range of reconciliations, and a range of persistence options, enable institutions to keep overheads down to sustainable levels.

Solution overview

TLM Reconciliations Premium is a single reconciliations solution, delivering a strategic platform across multiple transaction types and providing enterprise-wide transaction lifecycle management. It acts as a single knowledge base, enabling workloads to be balanced across a shared service facility that supports the entire organisation. It is both volume scalable and data width agnostic. A range of different operational and deployment models are available, including on-premise, fully hosted or in the cloud.

TLM Reconciliations Premium services the buy-side, sell-side and corporates, with best practice packages to cover all types of reconciliations.

TLM Reconciliations Premium is driven by rules and workflows. It makes use of pre-configured models validated by clients and supports industry best practice, facilitating rapid implementation. The solution is also highly flexible: matching criteria can be defined down to the attribute level, maximising the efficiency of the reconciliation process.

Rapid onboarding

TLM Reconciliations Premium can be used to rapidly onboard and improve all reconciliations. Predictive analytics suggest rules that deliver optimal reconciliation outcomes.

Reconciliation and item tracking

The solution tracks the current status of all reconciliations. A full audit of all lifecycle progression is captured automatically and can be viewed, in real time, through user dashboards, so personnel can focus on those areas that most urgently require attention.

Items can be aged, and overdue and critical dates are automatically highlighted, helping to flag up items which potentially pose a risk.

A powerful matching engine

A powerful matching engine has pre-packaged match rules to ensure industry-leading match rates. The matching engine can combine any number of different transaction types and numbers of items at multiple levels, as well as allowing items to be matched multiple times. In addition, it has the ability to reconcile any data type against any other. It identifies exceptions as they occur, not post-settlement.

Dynamic enrichment of transaction data

TLM Reconciliations Premium can dynamically enrich transaction data by establishing rules and referential data that provide a common view of any field, without the need to alter the values originally received.

Flexible data loading

The solution, by being truly data agnostic, permits a variety of choices for dealing with data capture and loading. Industry standard libraries and existing messaging components can be seamlessly integrated with TLM Reconciliations Premium's database. The solution can accept data mapped by any industry standard tool or applications interface.

Integrated ETL (Extract Transform Load) gives institutions the ability to map any data feed from any source in any format. It can be used to map a simple batch-based flat file through to a real-time transaction message.

TLM Reconciliations Premium offers scheduled active data extraction and can be configured to pull data from targeted sources, eliminating the need to create an extract and delivery process for reconciliation data with which to feed the system.

Data can be enriched during the import process. Data transformation such as formulas, lookups and rule-based conversion are easy to configure.

TLM Reconciliations Premium provides multi-level authorisation at all key operational stages and audit points.

Integrated exception management

Integrated, workflow-driven, exception management processes support efficient break resolution and demonstrate robust, auditable risk management processes to regulators. Different types of transaction can be combined within the same reconciliation workflow to create a single view of any exception or investigation state at the required level.

TLM Reconciliations Premium automatically routes an exception to the most appropriate individual or team for resolution. The escalation process is also automated and, if an exception remains open, alerts will be raised to more senior levels of management. Subsequent matching activity can automatically resolve an exception once the break has cleared.

A flexible user interface with powerful analytical capabilities

A flexible user interface supports both personnel who require granular level transaction detail and managers who demand a consolidated operational view. A full range of real-time dashboards, which can be easily and quickly tailored by business users, at run time, with minimal IT support and without risk to the underlying model, present transaction data and provide full analytical capabilities. A rich set of analytical tools helps users to pinpoint underlying causes for breaks and to identify opportunities to improve matching hit rates.

Persistence, archiving and reporting

The solution offers a range of persistence options to optimise the cost of ownership and operational flow. In addition, an integrated archive and retrieval tool enables long-term storage of transactions once their business lifecycle has completed.

TLM Reconciliations Premium supplies a set of pre-configured reports to cover typical operational and regulatory requirements such as user activity, trial balance and proofing information, as well as outstanding items. It offers complete flexibility for users to create their own reports based on any set of data. Reports can be converted into multiple document types for paper-based reporting purposes.

Services

TLM Reconciliations Premium consists of ten services - TLM SmartRecs, TLM View, TLM Matching, TLM Exception Management, TLM Proofing, TLM Message Integration, TLM Persist, TLM Archive, TLM Control, and TLM SmartSchema. These components provide a single, powerful solution, which can accommodate all of a financial institution's reconciliations-related activities in one place, regardless of the size and the complexity of those operations.

TLM SmartRecs

TLM Reconciliations Premium facilitates rapid onboarding through TLM SmartRecs. This feature orchestrates the onboarding of new reconciliations or the tuning of existing reconciliations. It promotes business user independence through its powerful AI layer which, by automatically suggesting matching patterns for new reconciliations, enables non-technical end users to test and build reconciliations, without IT support. Greater self-sufficiency

amongst business personnel improves operational efficiency and reduces overheads.

TLM View

TLM View is an attractive, highly flexible user interface. It offers a series of dashboards, which can be easily configured at runtime by business users with no IT support, enabling end users to view and interrogate all real-time and historic data in the reconciliation repository.

Full analytics are available, so trend analysis can be carried out in order to improve operational outcomes, better match rates, and to identify common exception patterns down to attribute levels. Non-technical business personnel, who have only limited training, are therefore able to customise dashboards, making the solution ideal for self-service models.

TLM Proofing

TLM Proofing provides mathematical proofs by asset and currency. This powerful tool gives financial institutions the flexibility to create a range of mathematical proofs, from simple trial balances through to complex NAVs.

TLM Matching

TLM Matching ensures the highest possible automated match rates. It is both volume scalable and data width agnostic. In addition, it can consume data directly from memory or from a database. Functionally rich and robust, TLM Matching provides stability, flexibility and performance. Its advanced algorithm reduces the number of exceptions raised, thereby lowering processing costs. It continuously reconciles the same transaction, in real time, as it moves from the front office, to the middle and back office. Firms need only load transaction data once and they can identify exceptions as they occur, rather than post-settlement. Any data type can be matched to any other by the matching engine.

TLM Exception Management

TLM Exception Management is configured using rules for the efficient identification, tracking and resolution of transaction breaks. It creates a single view of any exception or investigation state – unlike traditional models that match a transaction once, which frequently leads to the same exception being reported twice. The solution monitors any exception at the trade level, combining all transaction activity and presenting both cash and securities in a single view. It also provides a consolidated audit trail. TLM Exception

Management constructs a complete picture of the trade lifecycle, removing the duplication of effort inherent in silo-based models and assisting financial institutions to control operational overheads more effectively. Unlike other pre-defined exception models, TLM Reconciliations Premium is designed to solve any kind of exception. Automatic identification, resolution, storming, allocation, and internal/external messaging are all part of the package, and can be refined to fit perfectly. Understanding the cause and solution for each exception highlights high and low-functioning counterparts to the business to enable appropriate action to be taken.

TLM Message Integration

TLM Reconciliations Premium obtains data from networks e.g. Swift (and, in the future, potentially from blockchains) through TLM Message Integration. This feature supports a library of existing formats and, for data received in a non-standard format, TLM Message Integration has the capacity to transform the information into a readily usable form.

TLM Persist

TLM Persist offers a choice of persistence models. Reconciliation inputs do not have to be persisted to a database prior to matching. This allows TLM Matching to service reconciliations using data from the database, a real-time source, or a combination of both.

Matching results can be provided directly back to the owner of the reconciliation without the need to persist them in the database, or only items identified as exceptions can be persisted to facilitate onward processing where necessary.

Firms can therefore choose between persistence options to optimise the operational model required on a reconciliation-by-reconciliation basis.

TLM Archive

TLM Archive is an archive and retrieval tool that enables long-term storage of transactions once their business lifecycle has completed. It supports full compliance with regulatory standards by giving immediate access to historic data, while minimising data storage costs.

TLM Control

TLM Control models the workflow of TLM Reconciliations Premium and allows customisation at key points. It is a single, volume-insensitive business process management suite, built on industry standards. It creates a highly flexible platform on which financial institutions can extend the code solution behaviour without having to resort to coding. Once modelled, processes can be reused across the institution, building a flexible and adaptable enterprise-wide infrastructure. A powerful and sophisticated tool, TLM Control allows organisations to drive up STP levels, thereby reducing operational cost, increasing efficiency and productivity, and facilitating compliance with regulatory requirements.

TLM SmartSchema

TLM SmartSchema is the metadata layer over the database structures that underpin the solution. It gives institutions the opportunity to tailor their data to their business requirements.

About SmartStream

SmartStream provides Transaction Lifecycle Management (TLM®) solutions and Managed Services to dramatically transform the middle and back-office operations of financial institutions. Over 1,500 clients, including more than 70 of the World's top 100 banks, 8 of the top 10 asset managers, and 8 of the top 10 custodians rely on SmartStream's solutions.

SmartStream delivers greater efficiency, automation and control to critical post trade operations including: Reference Data Operations, Trade Process Management, Confirmations and

Reconciliation Management, Corporate Actions Processing, Fees and Expense Management, Collateral Management, Cash & Liquidity Management and Compliance Solutions. Used independently or as a suite of solutions and services, clients gain a lower cost-per-transaction whilst reducing operational risk, aiding compliance and improving customer service levels.

For more information about SmartStream visit:
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