

LANSA Case Study

Big Banks Cut Costs with LANSA-based Lending System

ACBS™ a division of Fidelity Information Services since 2003 and a LANSA customer since 1991, is the global leader in high-end systems for originating, syndicating, servicing, trading and settling of corporate loans, especially large syndicated loans. In 1991, ACBS established a dynamic design team of bankers and developers to create Advanced Commercial Banking System (ACBS). Built with LANSA, a working prototype was ready within a year and the first customer signed in 1993. Since then ACBS® has grown spectacularly and has established itself as the Commercial Loans industry standard for major lenders and syndicates.

With nearly 100 clients, including 8 of the top-15 world banks and 23 of the top-50 world banks (as ranked by Tier 1 Capital, in the July 2012 issue of 'The Banker'), over 30 percent of syndicated loans worldwide are processed by ACBS Loan Systems.



ACBS is determined to stay on the cutting-edge of technology and to give clients a competitive advantage. ACBS works smarter by doing things differently.

“We use business analysts, not programmers, to develop our software,” said the then Vice President, Sales at ACBS. “We have gone to great extremes to hire experienced bankers and business analysts for product design, development and deployment. We assemble small teams of highly-trained professional developers which produce tightly-knit, controlled efforts, and results.”

“Because most of the highly technical aspects of software engineering is handled by LANSA, we can keep the distance between the end-user and the developer to a minimum and maximize end-user interaction in the development process.”

The Challenge

“In today’s world there is a growing need for commercial banks to compete at the global front. Smaller banks need to increase efficiencies of scale and as a result there are a lot of mergers and acquisitions. Commercial loans in this environment are often very complex and involve players from multiple countries.”

“ACBS helps banks and other global financial institutions automate the portfolio management of high risk

products, notably the sophisticated credit transactions of international banking, such as multinational loan syndication and debt trades. Historically most banks would have a satellite system approach, where they had one base loan system and then surrounded that system with other applications that handled specific aspects of lending. They would have a combination of different components servicing what should be a fairly consolidated business.”

“ACBS improves the workflow and this has enormously reduced the cost for our customers. Some have sliced their loan-system operating costs by almost 40%.”

“One area of workflow efficiency is deal pipelining. Sales staff input bits of information as they find contacts and banks interested in a deal. When the details are complete, the approving officers are notified to look at a particular deal in the pipeline. When a deal is approved, it is automatically booked into the loan system. There is no need for back office staff to re-key the information from a stack of documents.”

The Solution

ACBS is committed to LANSA, which provides the following benefits and strategic advantages:

- Highly accelerated development cycles.
- Consistent design and development standards.
- Smaller development and support teams.
- Automated impact analysis for changes.
- Delivery of advanced, flexible software solutions.

Donna Spence, a Systems Analyst at ACBS, explained how LANSA allows ACBS to maintain a competitive advantage by building advanced software simply and quickly. I estimate that LANSA has nearly halved our development effort. LANSA is very easy to understand and within a month or two our developers can use LANSA in a productive way.

“In terms of time to market, we can very aggressively market our product”

“We use the LANSA Object Repository extensively. It is a major benefit to have everything (prompting, triggers, business rules & validations) in one central location. This significantly helps to reduce maintenance efforts.”



ACBS InformationBase® contains the broad spectrum of information needed for commercial lending

“LANSA has made us more proactive in the way we design the ACBS software. User defined parameters and LANSA’s multi lingual facilities make our system flexible to deploy. And for the latest version of ACBS we developed the dynamic new Request Object Architecture that makes extensive use of LANSA triggers and allows clients to customize ACBS processing events without the expense and risk associated with traditional site-customized systems.”

“LANSA’s platform portability is certainly an advantage as ACBS is now available on Windows, IBM i and as a SaaS solution. Customers don’t want to be locked into a single platform.”

What ACBS Customers have to said

Chase Manhattan, now part of J.P. Morgan Chase, deploys ACBS for its international and multi-currency loans portfolio and has gone live with the system in London, Frankfurt, Paris, Hong Kong, Tokyo, Singapore, Bombay and in a further 20-odd countries. Chase is running ACBS on the IBM i platform located at its Bournemouth data center at the south coast of the UK.

“This site runs 24 hours a day”, says a Chase vice president working on the global loans implementation team. “Having the non US loans information in one place offers tremendous information management opportunities, since the system supports on-line user access around the clock. The worldwide aspect of this system allows us to deliver more complex products to a wider audience.” (source: Risk Management, June 3, 1996 and Bank Systems+Technology October 1997)

Since the merge of Chase Manhattan and JP Morgan, J.P. Morgan Chase continues to use ACBS.

Scotia Bank in Toronto, Canada (the world’s 10th largest syndicated loan servicing agent), has recently implemented ACBS. Stuart Harvey, senior manager Scotia Bank, comments “The syndicated loan structures are complex because they have different pricing options, repayment schedules, fee structures, borrowing instructions and other issues that depend on the currency used and the situation. To manage this, we must receive and process information in real time. The management information system must be strong to handle product accounting and support for all demands.” (Source: Risk Technology Weekly, November 2, 1998).

CoBank, Englewood, Colorado (assets 18.5 billion) uses ACBS for their growing syndicated portfolio of structured agriculture, rural utility and foreign trade loans. CoBank used separate accounting systems for its domestic and international loan portfolio, both of which had grown into makeshift systems overtime. CoBank converted both systems to ACBS in 1996. Mike Luby, Senior Vice President of operations, comments on the conversion “Converting any loan system, whether you’ve got 1,00 or 100,000 accounts, has the same complexity. We were able to convert to ACBS in about nine months’ time, which is very rapid. We’ve been in production since July first and we’ve had no system problems at all.” (Source: Bank Systems + Technology, December 1996).

Company and System Information

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- The ACBS product suite is comprised of the following product modules:
 - *Deal & Loan Origination*
 - *Deal & Loan Servicing*
 - *Primary Sales & Syndication*
 - *Secondary Sales & Trading*
 - *ACBS DataMart*
- ACBS is developed with Visual LANSA. ACBS makes use of LANSA’s multi-lingual facilities and customers can select in which language(s) they want to execute the application. For example, several Canadian customers execute the application both in English and in French.
- Fidelity Information Services (FIS™) is the world’s largest global provider dedicated to financial technology solutions. FIS empowers the financial world with software, services, consulting and outsourcing solutions focused on retail and institutional banking, payments, asset and wealth management, risk and compliance, trade enablement, transaction processing and record-keeping. Headquartered in Jacksonville, Florida, FIS serves more than 20,000 clients in over 130 countries. For more information visit www.fidelityinfoservices.com

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