



THE IMPLEMENTATION OF OLYMPIC BANKING SYSTEM PORTFOLIO MANAGEMENT SYSTEM



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ANDBANK – A LEADER IN PRIVATE BANKING AND ASSET MANAGEMENT

Andbank is a multinational group based in Andorra that provides retail, private and corporate banking services in both domestically and internationally, including in Spain, Monaco, Luxembourg and Uruguay.

It was created in August 2001 following a merger between Banc Agrícola i Comercial d'Andorra (founded in 1930) and Banca Reig (founded in 1956). The bank is privately owned, with more than 70 offices in 11 countries and a team of more than 1,200 professionals. It meets all regulatory requirements for operation in the European Union.

The Group specialises in Private Banking. In 2018, it launched the neobank MyInvestor. In 2019 it completed the integration of the Merchbank Group in Spain, and in 2020 it acquired Esfera Capital and the Bank Degroof Petercam Spain. Andbank also boasts a network of specialists with extensive experience in consultancy and asset management. The group Assets Under Management (AUM) reached €34.3 million in 2022, with a liquidity coverage ratio of 234%.



ANDBANK'S TECHNOLOGY SOLUTION REQUIREMENTS

In 2019, Andbank began internal discussions to re-evaluate its existing externally-provided portfolio management system due to increasing costs, corporate expansion and technological and regulatory demands. The bank aimed to simplify and eliminate interface frictions between the portfolio management system and its core banking system.

An enhanced portfolio management system would generate faster and more comprehensive analytics for Andbank's private banking clients, without compromising data integrity or functionality. The system also needed to seamlessly interface with the bank's e-banking and mobile banking solutions.



CHOOSING ERI

Andbank had been using OLYMPIC Banking System, ERI's comprehensive core banking system, for many years, and had also successfully and efficiently upgraded it during that time. Andbank turned to ERI as a trusted partner to discuss the potential features of an enhanced portfolio management system.

In particular, Andbank wanted a solution that used the same formulas and formats as the existing system (to enable accurate historical comparison) but with specific added functionalities.

ERI was equipped with the necessary industry experience to adapt a solution from the existing OLYMPIC Banking System model used in many other countries, while also customising elements for Andbank.



INDUSTRY CHALLENGES AND THE NEED FOR A NEW SOLUTION

The proposed solution presented a formidable technological challenge. It had to deliver in terms of reduced cost and improved functionality, both immediately and in the future, across the Andbank Group.

During a transition period, the new system had to run alongside the existing portfolio management system for thorough testing before any live launch, so that rigorous comparisons could be made.



It had to do everything the existing portfolio management system could do, but without any disruption. We didn't want our clients to notice any change at all during the transition. Just additional functionality and speed afterwards.

Antoni Mesalles Ramos,
Andbank's Head of IT Digital Banking & Investment Markets

PREPARATION AND OPERATIONAL CHALLENGES

Following the decision to upgrade the portfolio management system, Andbank immediately assembled a dedicated internal team of five specialists, led by Roc Condomines Andorra - Project Manager and Specialist Consultant in market solutions. The ERI team was led by Juan Carlos Bleda - Project Manager. The timetable for design, construction and implementation was just eight months, an extremely tight schedule for any business-critical IT project. Some of that period included the considerable operational constraints imposed by COVID regulations.

The two key components of portfolio management were global order generation through rebalancing of strategies, and portfolio analysis and reporting. The teams found that operational functionalities were relatively simple to transition smoothly. But initial gap analysis required the reporting element to include a new global Value at Risk (VAR) analysis, asset allocation capability, futures and structured products' valuations and corporate action processing across various jurisdictions. Portfolio metrics, especially performance data, had to be replicated perfectly.



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We had to rebuild some interfaces and make sure all the applications worked reliably. Each was verified at every stage with deliberate troubleshooting tests. It was a very complex project to complete in a very short time.

Roc Condomines Andorra
Project Manager & Specialist Consultant in market solutions



The heads of both the ERI and Andbank teams had wide industry experience and had collaborated on many IT projects before:



It was a relationship built on dedication and trust. Working with the Andbank team was so efficient that we got to a point where we would guess each other's thoughts. That symbiosis allowed us to succeed in record time.

Juan Carlos Bleda.
Product Consultant ERI



OUTCOMES

The project went live in December 2021. It was delivered on time and within budget.

The bank's IT infrastructure was simplified by eliminating a significant number of interfaces to external apps and the different solutions needed to reconcile the data. This has provided a more consolidated, reliable IT foundation for the Group.

The upgraded portfolio management system (OLYMPIC Banking System PMS), delivered everything the existing system offered, but with additional bespoke functionalities and greater robustness. Before live launch, it ran alongside the existing system, allowing for real-time comparison and stress testing.

The PMS has a smoother interface with the core banking system. The integrated solution means client data is accurate from front to back, and back to front. Accessing the same database in real-time guarantees optimum efficiency.

Cost reduction: the previous portfolio management system was difficult to maintain and manage because data was hosted outside the system, making timely reconciliation unwieldy and complex.

The enhanced system offers faster and better integrated order generation and workflows, and faster portfolio rebalancing.

Clients enjoy superior direct reporting and analytical functions, evident in the increased number of web-accessed reports generated each month and year.

With a core banking system and portfolio management system from a single provider, issues are addressed quickly and more cost effectively. All systems are covered by one existing licence, and all regulatory compliance is integrated in one system.

The enhanced capabilities of the PMS (including Money Weighted Return (MWR) and cashflow projections) will allow Andbank to grow its business, confident in a solid IT foundation for the future.

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Changing our portfolio management system was obviously a risk, but our decision to review the system was correct. It has really been a success. We work with many IT partners, and we know how important it is to choose the right provider.

ERI has been a partner with us for 28 years and we were confident in their ability to consult, communicate and deliver. Among our IT infrastructure, the PMS from OLYMPIC Banking System is one of the most important and powerful tools that the bank relies on every day.

Antoni Mesalles Ramos,
Andbank's Head of IT Digital Banking and Investment
Markets

Andbank now has a solid solution to previous concerns. Client feedback on OLYMPIC Banking System PMS order generation capability has been very positive. The PMS generates around 25,000 orders to the markets per year. The reporting quality for clients is much better: the bank produces around 160,000 reports a year, and the portfolio management system is generating about 10,000 reports a month including asset positions, P&L and more.

ANDBANK /
Private Bankers

