

CASE STUDY

Mediobanca Reduces the Operational Cost of its Lending Services with Finastra



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Costantino Molteni
Manager of Applications
Mediobanca

**(THE FUTURE OF
FINANCE IS OPEN**



At a Glance

Solution

- Fusion Loan IQ

Services

- Fusion Advance



Fusion Loan IQ can automatically adapt to secondary market rule changes and provides much clearer controls for managing negative rates. As a result, our team can process lending applications and service loans much more efficiently.”

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About Mediobanca

Established in 1946, Mediobanca provides industry-leading financial advice, corporate lending products and asset management services. Recognized internationally for its customer-focused approach, Mediobanca has earned an unrivaled reputation in Italy and abroad for its high-quality banking services.

The Challenge

When the Central Bank of Luxembourg encouraged Mediobanca to upgrade its lending capabilities ahead of regulatory changes, the Italian bank decided to act fast. Refreshing its loan management systems also provided Mediobanca with an opportunity to eliminate manual administrative tasks, boost efficiency and accelerate straight through processing—improvements that would help the bank deliver more rapid, reliable, and convenient services to its customers.

The Solution

Following Finastra’s Fusion Advance implementation methodology, Mediobanca upgraded to the latest version of Fusion Loan IQ from Finastra to streamline its core lending activities. Equipping the bank with a rich array of loan management capabilities, Fusion Loan IQ enables Mediobanca to manage a wide variety of high-value commercial banking transactions for clients across the globe.

The Implementation

Mediobanca achieved a successful implementation—going live five months ahead of schedule. Using a combination of remote and on-location support helped Mediobanca to accelerate the upgrade while also reducing the overall carbon footprint of the implementation.

The Result

By eliminating manual processing with Fusion Loan IQ, Mediobanca anticipates that it will reduce costs by up to 25 percent while empowering employees to focus on value-add tasks. In addition, by tailoring the Finastra solution to its unique needs using the Software Development Kit, Mediobanca can drive innovation and support continuous improvement.

[mediobanca.com](https://www.mediobanca.com)



The Software Development Kit will be instrumental in successfully delivering future enhancements to our lending services and ensuring excellent customer service.”

Costantino Molteni

Manager of Applications, Mediobanca

To stay ahead of ever-evolving markets and regulations, Mediobanca is enhancing its loan management capabilities by upgrading to Fusion Loan IQ from Finastra

Increasing Efficiency

As one of Italy's leading providers of investment banking, private banking and wealth management services, Mediobanca works around-the-clock to stay ahead of regulatory developments and market fluctuations.

In anticipation of a new wave of regulatory changes, the Central Bank of Luxembourg encouraged Mediobanca to improve its core lending system. In addition to simplifying regulatory compliance, Mediobanca realized that the central bank's suggested course of action could yield significant benefits, presenting fresh opportunities for Mediobanca to streamline operational processes and enhance customer-facing services.

Costantino Molteni, Manager of Applications at Mediobanca, explains: “Our existing lending processes had become more complex over time, and relied on many time-consuming, manual tasks. For instance, our legacy lending solution was slow to adapt to changes in secondary markets and it also struggled to process negative rates effectively. In these instances, our team had to step in to handle these activities manually.”

Mediobanca decided it was time for a new approach and looked for a more dynamic solution that would enable the bank to build on its existing processes and adapt to market changes.

Modernizing Core Systems

To take its lending services to the next level, Mediobanca upgraded its loan management solution to the latest version of Fusion Loan IQ from Finastra—giving the bank a rich array of enhanced lending capabilities.

Costantino Molteni explains: “Finastra's commitment to continuously improving its solutions with the latest innovations was a key attraction for us. We knew Finastra could provide the flexibility and reliability that we need, both now and in the future.

“Mediobanca has been using Fusion Loan IQ for over a decade and I have never come across another solution that is as agile and robust. I've only ever encountered three minor technical issues during my time, and on each occasion we were able to resolve them quickly and effectively.”

To get the most out of the upgrade to Fusion Loan IQ, Mediobanca is also leveraging the Software Development Kit, which it will use to accelerate its straight-through processing capabilities.

“Fusion Loan IQ is very easy to configure and adapt to our unique needs,” says Costantino Molteni. “The Software Development Kit is a game-changer. It will make integrating additional applications with Fusion Loan IQ much more intuitive—opening up new avenues for us to develop our loan management capabilities via the solution's open APIs.”

Ensuring Excellent Service

While Mediobanca is still in the early go-live stages with Fusion Loan IQ, it expects to see significant improvements in operational efficiency over the coming months—enabling the bank to focus on delivering an even better customer service.

Costantino Molteni explains: “Fusion Loan IQ is helping us to eliminate cumbersome, manual tasks from our loan management processes and reduce error rates. Compared to the previous version, Fusion Loan IQ can automatically adapt to secondary market rule changes and provides much clearer controls for managing negative rates. As a result, our team can process lending applications and service loans much more efficiently, which ultimately enables us to provide more responsive customer service.”

Mediobanca also expects that operational improvements will help it reduce costs by up to 25 percent.

“We have a small team of ten loan management experts in our lending department,” says Costantino Molteni. “Improvements in operational efficiency go a long way to helping us process larger workloads and reduce the amount of resources we invest in supporting daily tasks.

“We are already beginning to see the benefits of Fusion Loan IQ in our back office activities. Front office customer relationship managers will benefit from Fusion Loan IQ too, as it will provide them with much faster access to key information and help them make faster, more informed decisions.”

Through diligent planning and close collaboration, Finastra helped Mediobanca achieve a successful implementation five months ahead of schedule



The Finastra Global Services team were ready to hit the ground running from day one, and worked closely with our own internal teams. Their willingness to collaborate closely with our people was a key factor in making the upgrade a success.”

Costantino Molteni

Manager of Applications
Mediobanca

Taking a Responsible Approach

With prior experience successfully working with the Finastra Global Services team on previous projects, selecting Finastra for this upgrade was an easy choice for Mediobanca. During this project and in previous upgrades, Mediobanca was impressed with the excellent service provided by the Finastra project consultants.

Mediobanca followed Finastra's Fusion Advance implementation methodology—reducing risk and disruption to core business during the upgrade.

Costantino Molteni says: “The Finastra Global Services team did an excellent job of designing and executing an effective Fusion Loan IQ upgrade pathway. The Finastra Global Services team were ready to hit the ground running from day one and worked closely with our own internal teams. Their willingness to collaborate closely with our people was a key factor in making the upgrade a success.

“From the outset of the project, we opted for a mixed approach of both remote and on-site delivery—with 50% of the project being delivered remotely. This resulted in a 57% reduction in carbon footprint emissions in flights, when compared to a similar project in Italy which focused on an on-site implementation.”

The fact that the Finastra team only needed to travel to Mediobanca's offices during crucial stages helped to reduce the overall carbon footprint of the project—promoting environmentally friendly business practices and enabling Finastra and Mediobanca to work together as responsible partners.

With support from Finastra, Mediobanca managed to deploy the latest version of Fusion Loan IQ on budget and ahead of schedule. What's more, the Finastra Global Delivery team required just one development sprint to remotely upgrade Mediobanca's database, instead of the three sprints that Mediobanca had planned. By reducing the number of sprints, Finastra helped Mediobanca to get up and running with the new version of Fusion Loan IQ ahead of schedule.

Costantino Molteni adds: “When we encountered a small issue after go-live, the Finastra Customer Support team went above and beyond to help us to resolve it quickly, while keeping business running as usual.”

As a regular attendee of the Finastra Lending User Group, Mediobanca is invested in its partnership with Finastra—using these meetings to share feedback with Finastra, network with industry peers and learn from the experiences of others.

Costantino Molteni concludes: “We're excited to continue working with Finastra as we develop our lending capabilities even further. The Software Development Kit will be instrumental in successfully delivering future enhancements to our lending services and ensuring excellent customer service.”

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today—spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location—from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 90 of the world's top 100 banks use Finastra technology. Please visit finastra.com

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