



apoBank migrates to the Avaloq core banking system and uses the ACTICO Compliance Solutions to automate its compliance processes

As part of its migration to the Avaloq core banking system, apoBank has overhauled its compliance management system and is now using the standards provided by the ACTICO Compliance Solutions.

Success Story

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The Task

- Replace the previous compliance system as part of migrating to the Avaloq core banking system
- Introduce the ACTICO Compliance Solutions to automate and simplify compliance management



The Result

- The Compliance Suite was implemented on time and on budget
- Fast implementation thanks to standard solution with integrated business rules
- The system ran smoothly from the day it went live (without requiring any hotfixes)
- Consistently high performance in day-to-day operations



The Process

- Integrate the ACTICO Compliance Solutions for anti-money laundering, KYC, payment screening and monitoring securities trading
- Integrate these services with the Avaloq core banking system based on the standard adapter

The Deutsche Apotheker- und Ärztebank (apoBank) is a specialist bank for the healthcare market. As part of its new digitalization strategy, the bank set itself the target of improving its customers' digital experience and increasing the flexibility and speed with which it could offer them new financial products and services.

The bank decided to update its IT infrastructure as part of its digital transformation strategy. This included migrating to the Avaloq Banking Suite as its new core banking system and overhauling its entire technical infrastructure, including its data centres, network, and building systems. This migration encompassed more than 200 subsystems.

Compliance and extensive automation of monitoring systems are vital elements of the customer management process. This is why, after conducting its evaluation, the bank decided to use the ACTICO Compliance Solutions.



ACTICO offers us the benefit of numerous business rules that come as standard with the Compliance Solutions, and the system is extremely flexible.“

**Matthias Schmedt auf der Günne,
Director and Head of Compliance, apoBank**

The standard adapter developed by Avaloq and ACTICO provides the necessary link between the core banking system and the functionalities of the Compliance Solutions. The Avaloq Banking Suite delivers data to the Compliance software. These check the data for compliance relevant risks. It then alerts the compliance department to carry out necessary reviews and send the results back to the Banking Suite.

The Compliance Solutions handle these areas:

- ✓ Know Your Customer (KYC)
- ✓ Know Your Transaction (KYT)
- ✓ Anti-Money Laundering (AML)
- ✓ Monitoring securities trading (detecting market abuse and insider trading)
- ✓ Monitoring employee transactions

Matthias Schmedt auf der Günne was responsible for the compliance project as part of the migration to the Avaloq core banking system.

“The partnership between Avaloq and ACTICO provides an opportunity for us to use a best-of-breed solution directly from the Avaloq Banking Suite. With the ACTICO Compliance Solutions we benefit from the numerous business rules that come as standard with the Compliance Solutions and from the flexibility offered by the system. We can adapt compliance rules directly in the Compliance Solutions without having to change the core banking system. This saved us a great deal of time during the implementation phase. It also ensures we are well prepared for the future, for example if new regulatory requirements are introduced. The migration ran perfectly to schedule.

The Compliance Solutions have been running smoothly since implementation, with no need for any hotfixes. We are delighted with its performance. We view ACTICO as a trusted partner for the future.”



The combination of Avaloq software and the ACTICO Compliance Solutions offers banks and financial service providers an automated compliance solution based on machine learning.



The partnership with ACTICO illustrates the importance Avaloq attaches to the basic principle of an open platform architecture. It enables us to quickly add innovative external solutions to our own comprehensive range of products and services in order to provide our banking clients with the best possible offering at all times. The new connection to the ACTICO Compliance Solutions now gives our clients additional flexibility, transparency and auditability to address regulatory challenges associated with financial crime.”

Martin Greweldinger, Group Chief Executive Officer, Avaloq (pictured left)



Our strategic partnership enables Avaloq’s clients to implement their compliance requirements securely and efficiently. The ACTICO Compliance Solutions increasingly rely on machine learning methods to improve accuracy and reduce workload. As the level of regulation continues to increase, we believe that a combination of machine learning and existing compliance procedures is the way forward for banks and financial services providers.”

Thomas Knöpfler, General Manager and Chief Portfolio & Project Officer at ACTICO (pictured right)







Fulfilling regulatory requirements while accelerating time to market

The ACTICO Compliance Software checks personal data, payments and securities orders against defined compliance rules and automatically decides whether a compliance risk exists for new or existing customers. Graphical modelling ensures that these rules are traceable, transparent and audit-proof for internal and external audits, making them easy to understand for business users and IT experts alike.

It is possible to make changes, additions or integrate new rules at any time and apply them instantly. For apoBank, these rules are a key factor in achieving their goals:

1. Encompass all regulatory requirements
2. Enhance the digital customer experience, such as through excellent performance when carrying out compliance checks during onboarding
3. Ensure greater flexibility and faster time to market

How ACTICO Compliance solutions are integrated into the Avaloq Banking Suite

	Connection to Avaloq
Detect suspicious behaviour patterns: ACTICO Anti-Money Laundering ACTICO Anti-Money Laundering is used to identify money laundering risks at an early stage. The rules check financial transactions for anomalies and report potential money laundering cases. Automation allows apoBank to improve its false positive rate and reduce the work involved in clarifying hits.	
Ensure customer due diligence (CDD): ACTICO Know-your-customer (KYC) functionality The KYC functionality is used to identify money laundering risks at an early stage. The rules check financial transactions for anomalies and report potential money laundering cases. Automation allows apoBank to improve its false positive rate and reduce the work involved in clarifying hits.	
Identify high-risk individuals and PEPs: ACTICO Customer Screening The customer screening software checks the data of natural and legal persons against entries in blacklists and sanctions lists (e.g., World-Check/LSEG). The aim is twofold: to identify high-risk individuals and politically exposed persons (PEPs) during the onboarding process, and to detect whether an existing customer is added to a watchlist over the course of the business relationship.	
Check payment transactions: ACTICO Payment Screening ACTICO Payment Screening checks payment transactions. Every incoming or outgoing payment is checked before posting. The name of the remitter or recipient is checked against one or more checklists or embargo lists. If the software identifies a risk, the payment is stopped until the compliance team has clarified the issue.	 
Monitor securities trading: ACTICO Capital Market Compliance With ACTICO Capital Market Compliance, apoBank monitors securities trading to detect market manipulation and insider trading. This includes monitoring securities transactions carried out by customers, the bank's proprietary trading, and employee trading activities.	

Result: Consistently high performance when monitoring all customer and transaction data at apoBank

Anti-money Laundering

Monitors 18 million transactions per month

Name and PEP check

Daily comparison of customer data (600,000 entries) against the World-Check/LSEG sanctions list (4.8 million entries)

Payment Monitoring

Checks 8,000 transactions per month against the World-Check/LSEG sanctions list

Monitoring Securities Trading

Monitors 13,000 securities transactions per month

Conclusion: Why apoBank uses ACTICO Compliance Solutions

- ✓ All regulatory requirements are covered in the area of anti-money laundering, embargo/financial sanctions, market abuse and insider dealing.
- ✓ Standard software that has been successfully used by national and international banks for many years.
- ✓ Industry-proven standard rules as a basis for quick configuration in the launch phase.
- ✓ Graphical modelling of the rules for flexible and transparent mapping of individual scenarios.
- ✓ Many years experience of working with banks that use the Avaloq core banking system.



apoBank

apoBank is Germany's largest cooperative primary bank. It is a market leader in financing and supporting start-ups in the pharmaceutical and medical sector and in payment transactions in the healthcare sector.

apoBank's unique business model makes the bank a valued partner in the German healthcare market. Its customers include healthcare professionals such as pharmacists, doctors, dentists and veterinarians, professional associations and the medical technology industry.

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ACTICO empowers companies worldwide to significantly increase their efficiency – always in line with regulatory requirements.

With ACTICO Advanced Decision Automation Technology, powering scalable, AI-supported software and SaaS solutions for Regulatory Compliance and Credit Risk Management, the company creates significant added value for its customers – primarily financial service providers.

With the experience and expertise of over 25 years of successful business activities, ACTICO shapes long-lasting global customer relationships and partnerships with renowned financial, industrial and technology companies around the world. The company combines high-performance, cutting-edge technology with exceptional customer focus and operational agility.

ACTICO GmbH is part of the ACTICO Group, which brings together specialised providers of digital solutions for the financial services sector under one roof. With four companies in six locations and 230+ employees, the Group serves over 300 of the world's leading financial companies.

Discover the ACTICO Compliance Solutions

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