

# EMC Financial Services Solutions



## Maximizing the Value of Your Most Important Asset: Information

Information drives your business and EMC is the world leader in storage and information management. Customer, product, or market information all represent critical components in your data infrastructure and support your competitive advantage, profit, growth, and regulatory compliance. Financial information must be retained, secured, monitored, transferred, and reported on continuously in the most efficient means available today.

To meet the business demands for the industry, EMC continually works with its customers, partners, and key industry regulatory bodies to develop the most important and timely information management solutions. When the industry needed a solution for SEC 17a-4 compliance, EMC was the first to provide an industry-compliant alternative. When the Check 21 Act made it possible to address operational efficiencies, EMC was ready with multiple process improvement and imaging solutions that not only enabled our customers to take advantage of this act, but also address other operational components as well.

Exceptional business resilience, business continuity, and disaster recovery are mandatory core business requirements for every firm—regardless of its size or geography. EMC is, and has been, the leader in providing these solutions for over 20 years. From power outages to severe weather interruptions, to major natural disasters and terrorist activities, our industry solutions have proven themselves over and over again as being the best technology available to meet these demanding requirements.

### Information Architecture for Today's Industry Requirements

Complying with anticipated and actual regulatory demands has become an ongoing process of one-off systems and architecture restructuring to meet each new requirement. Changing course is expensive, disruptive, has a high risk, and distracts the limited technology investment funds available to IT from the main business purposes. Couple this with higher customer expectations for products and services at competitive levels and prices, and the cost pressures on the information architecture become enormous.

At the center of the solution for today's information management challenges is a strategy and information architecture called information lifecycle management (ILM). By adopting an ILM strategy, financial services organizations can help eliminate information stovepipes while cost-effectively managing information at every point in its lifecycle. Let's take a look at how ILM can be applied to one of the key core business processes for financial institutions—check processing.

As depicted in Figure 1, the value of information changes over its lifetime. While a check-flow process is illustrated in this example, the same information architecture can be applied to any financial transaction—loan processing, securities transactions, policy issuance and administration, claims processing, underwriting, or asset management.

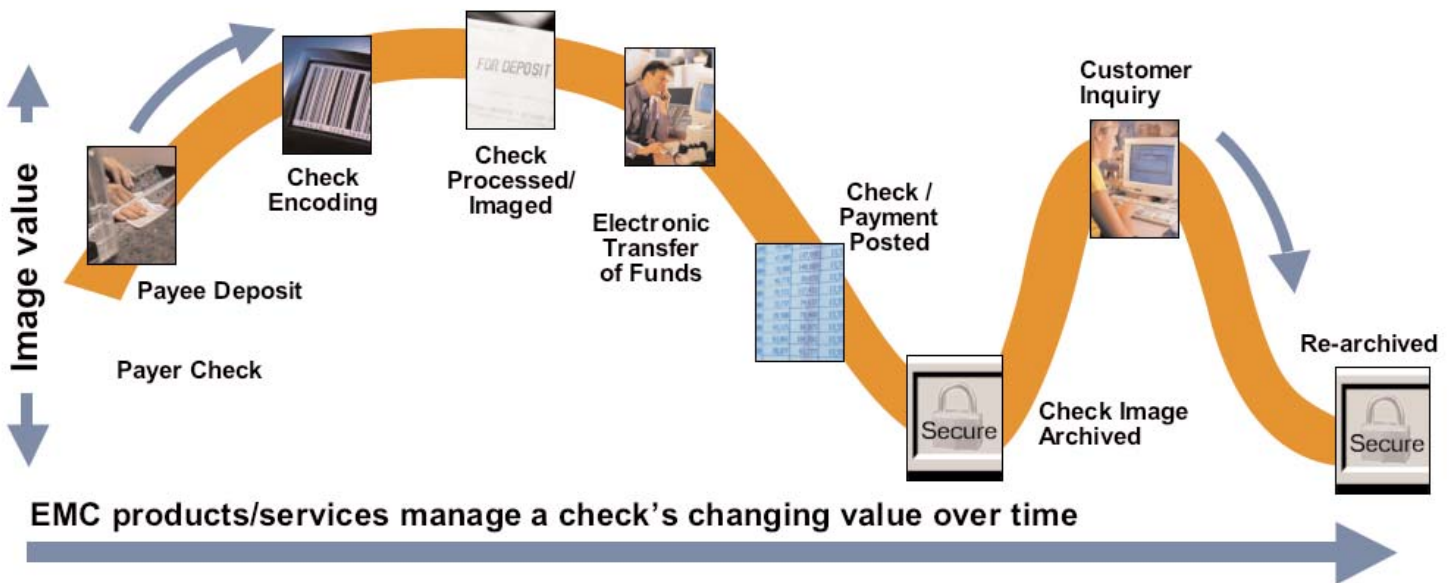


Figure 1: Information Lifecycle Management (ILM) at Work within the Banking System

When capturing and processing checks and handling customer inquiries, the value of information is at its highest level requiring an infrastructure that provides immediate information availability and can expand without interruption to changes in volume demands. After processing is completed, the information is archived and may be needed only intermittently for customer activity or activity analysis or never again. Once again, your investment should match this less-critical business requirement.

So what other benefits does this provide for our customers? ILM from EMC represents the most current proven information technology architecture to address today's challenges: revenue growth, profitability, competitiveness, customer service and retention, as well as regulatory compliance—all while contributing to optimizing the key financial metrics for the organization, such as the efficiency ratio in banking. ILM matches the information needs of the organization with the investment required to support those requirements.

EMC® Services can define and implement an ILM strategy to help financial services organizations get the most from technology investments at every stage of the information lifecycle.

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“The private-mortgage insurance industry is highly competitive, so we depend on every advantage we can get.

By allowing us to tier storage and automate manual processes, our information lifecycle management strategy has helped drive down our costs, as well as streamline internal operations. As a result, we can respond more rapidly and effectively to the needs of our customers and strengthen our overall competitive position.”

**Jim Stirling, Vice President, Information Services, Mortgage Guaranty Insurance Corporation**  
**EMC Press Release, November 22, 2004**

## **EMC Business Continuance Solutions**

EMC provides a wide range of business continuity solutions to help facilitate protection of critical financial information and compliance—from simple, low-cost backup-to-disk solutions to state-of-the-art local and remote replication capabilities. Whether your goal is to protect your core operations from planned or unplanned outages, achieve regulatory compliance, or ensure high availability, EMC offers a solution targeted to your financial services organization’s needs.

EMC backup-to-disk solutions include a comprehensive set of EMC platforms and software products, including EMC Legato® NetWorker™ and professional services, delivering the optimal solution for a quick, problem-free deployment in your organization. The solution addresses service-level limitations many organizations experience when faced with traditional tape-based backup and recovery environments, and improves the overall protection of critical data for applications, including online transaction processing, check imaging, loan processing, trade execution, asset management, and claims processing.

## **EMC E-mail Archiving Solutions**

The explosion of electronic communications in financial services is spurring great demand for technology that can more efficiently and cost-effectively store, archive, monitor, and retrieve these vital bits of information. Increased regulatory scrutiny and the associated fines that have been levied have elevated the urgency for such a technology. The U.S. Securities and Exchange Commission requires firms to preserve for a minimum period of three years, and in a readily accessible place for two years, electronic communications relating to the business of the firm, including interoffice memoranda and communication.

Sanctions stem primarily from the use of inadequate and obsolete e-mail archiving and retrieval technologies. To address this problem, EMC developed the very first online, archival storage solution, purpose-built for the financial services industry to meet the most stringent SEC regulations. EMC has worked closely with industry experts, practitioners, and regulators to design the EMC® Centera™ Compliance Edition Plus storage system.

The total e-mail archiving solution integrates proven EMC high-performance storage hardware and software with EMC Legato and other SEC 17a-4 compliant e-mail applications provided by pre-qualified partners. By consolidating the server storage on either EMC CLARiiON® or Symmetrix® storage systems, the e-mail environment benefits from dramatically improved data protection and uptime. The operating servers boot from and operate on these platforms using RAID 1 technology to maintain the enterprise content. The tools to manage these arrays include EMC PowerPath® software and Connectrix® switches and EMC ControlCenter® software to proactively monitor the overall storage and server behavior and ensure data backup.

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A solution based on this EMC architecture offers the benefits of industry-leading interoperability, centralized management, and reliability. Content-addressed storage (CAS) with EMC Centera adheres to the regulatory requirements of compliance officers, the reliability requirements of the end user, and the performance, scalability, cost, and resource requirements of IT.

## EMC Payment Processing and Archive Solutions

The financial services industry has been monitoring the implementation and impact of the recent Check Clearing Act for the 21st Century Act aimed at the removal or truncation of paper checks from clearing, processing, and settlement activities. There are an estimated 50 billion paper checks/payments that are physically moved throughout the world's banking system annually. Many agree that such an initiative could help drive significant cost savings and efficiencies that would benefit both consumers and financial institutions.

At the same time, financial institutions have been drafted in the war on terror to help disrupt terrorist financing and money laundering. To achieve this, IT professionals must examine their current payment processing and archive systems with an eye to integrating separate islands of automation. An ideal approach to integration is based on EMC storage management technology featuring the Centera archiving system combined with Unisys Payment Information Archive (PIA) software. Together, the two companies deliver high-performance, end-to-end solutions for payment processing and archiving that can drive efficiency into the system while reducing costs and satisfying regulatory demands.

Rather than simply improving back-office operations, progressive commercial banks view check truncation, electronic presentment, and check imaging as parts of a larger business strategy linked to automation. These organizations believe that by leveraging automation, check images, and other customer information, they can substantially improve levels of customer service.

The EMC/Unisys Payment Information Archive (PIA) solution is based on advanced imaging and recognition technologies which help to automate and streamline the entire check and payment process. PIA is a scalable, client/server solution based on the Microsoft Windows 2000 operating system and SQL relational database management systems. Combining this application with EMC Centera creates a long-term, online archive of the payment information to meet analysis, integration, and regulatory purposes.

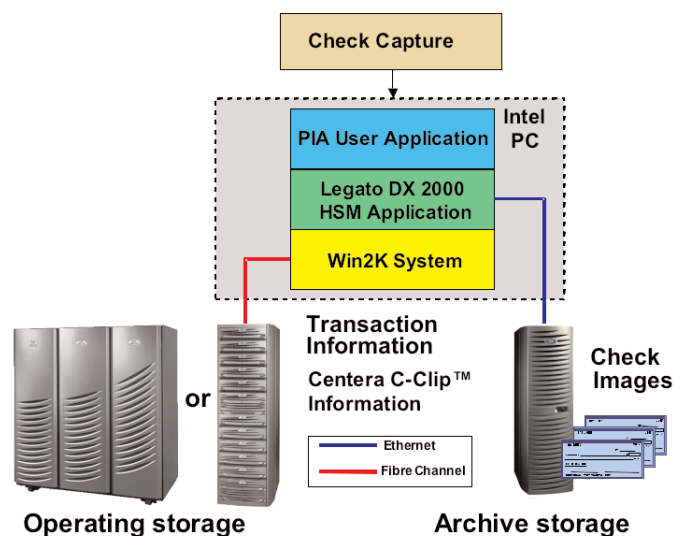


Figure 2: This diagram illustrates an image-based processing and payment solution.

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## EMC Content Archiving and Retrieval Solutions

Financial services organizations can now meet mandated document management requirements at the lowest cost throughout the information lifecycle with the EMC Documentum® Content Archiving and Retrieval solution. This solution creates an automated management infrastructure enabling the creation, management, archiving, and ultimate disposal of information to meet compliance objectives. Documents are scanned, captured, catalogued, and routed through the content management workflow, then archived online to be retrieved for business applications or legal discovery.

This solution provides an infrastructure foundation and capabilities that manage all your unstructured data across the enterprise by uniting the Enterprise Content Management (ECM) platform and services with EMC tiered networked storage.

The ECM platform, in conjunction with partners, enables financial services organizations to capture, manage, store, and securely distribute customer information including trades, e-mails, voice mails, recorded conversations, and consolidated account information. Financial services professionals gain immediate, secure, Web-based access to their critical information—even in remote locations. And relationships can be drawn between content items and electronic records, enabling staff to get a complete view of the customer, spanning geographic and product boundaries.

EMC also works with other application partners such as Mobius and its ViewDirect TCM (total content management) software. EMC Centera, with its direct mainframe connectivity, makes this solution easy to deploy in both open systems and mainframe environments. Implementation by EMC Services and Mobius Professional Services accelerates deployment and return on investment. The tape-to-disk migration service enables online access to existing tape archives thus easing the transition to the efficient and accessible operating environment.

## Enhancing Operational Efficiency

To stay competitive in the financial services industry, it is imperative to operate the most efficient information management operations possible. Most financial services organizations are faced with the following challenges:

- Large financial transaction volumes
- Requirements to process these transactions in microseconds
- Responsibility to review all suspicious activity for money laundering
- Compliance and governance
- Information retention and retrieval

EMC has enabled financial organizations to meet these challenges by providing solutions that:

- Deliver data center consolidation
  - Deliver server consolidation
  - Plan and implement information infrastructures
  - Facilitate critical data integration
  - Offer business process management implementation
  - Increase staff productivity through superior information management tools
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EMC accomplishes this efficiency with the industry's broadest, most advanced line of tiered storage platforms, software, and services. EMC platforms such as CLARiiON, Symmetrix, NS Series, Centera, and Connectrix all provide centrally managed performance, unmatched scalability, and the functionality and connectivity to manage, share, and protect more information than ever before. With EMC networked storage solutions at the foundation of your information lifecycle management strategy, you'll get the most value from your information at the lowest TCO—at every point in its lifecycle.

EMC software enables the management of more information, using automated policy management where appropriate—easier and at less cost. With EMC storage and content management software you can simplify and automate your most critical challenges—from consolidation and compliance to business continuity. EMC software, such as EMC Dantz®, Documentum, Legato, and Smarts® enable management, backup, and restoration of your critical information.

In addition to our industry-leading products and technology and our award-winning customer service, EMC offers a full range of services, such as assessments, information architecture planning, optimization of your data networks, and operational performance enhancements.

## Take the Next Step

EMC financial services solutions offer best-practice methodologies to meet the critical challenges of your business. For more information on EMC financial services solutions and additional products, please visit [www.EMC.com/solutions/industry/financialservices](http://www.EMC.com/solutions/industry/financialservices).



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Industry Overview  
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