



Transforming the Trade Finance Process with Machine Learning

Client Overview:

Our client is a leading global bank and amongst the top 5 trade finance providers in the world.

Business Need:

Trade Finance is one of the most laborious and complex functions involving several stakeholders from sellers to buyers bank, logistic partners and regulatory authorities which warrants for compliance at each step. Each trade transaction processes close to 12 to 13 documents, 100 pages with more than 5000+ data interactions. It's predominantly paper-intensive and prone to error due to structured and unstructured data obtained from multiple internal and external sources. The manual nature of this function for gathering, matching and auditing data from each of the parties made the process even more time-consuming.

The bank was looking for a scalable and agile trade finance operations model however the disparate and highly manual systems were acting as blockades to operational efficiency and also exposing the bank to regulatory risk. Core Solution objective was to address following challenges:

- Eliminate manual maker roles in data entry of export documents
- Reduce rework in export document collection and discrepancy management process
- Control the rising operations cost
- Automate OFAC compliance checks
- Improve customer experience through faster processing of trade documents

Challenges:

- Rising operations cost due to manual intensive process & repetitive nature of work
- Increased regulations and compliance requirements and prevent revenue leakages from money laundering
- Missed TAT and SLAs due to excessive physical movement of documents & manual data entry across the process lifecycle
- Disruption from Fintech players

Solution Highlights:

Hexaware set up a Document Processing Unit to process end to end transactions and create a final case set in customer's core systems. Each transaction goes through series of steps highlighted below before the final case set is created:

Automated Indexing

The BOT uploads documents from DMS (Document Management System) to core systems, works on a new transaction and performs Data Entry of the LC Swift message received in the core banking system for advising and checking Export Documents.

Intelligent Export Document Processing

This step is a combination of Machine Learning with OCR and Natural Language Processing that checks export documents like Commercial Invoice, Bill of Lading, Packing List, Certificate of Origin etc. against the LC terms and perform Workability Checks (using business rules for doc check process based on UCP 600) to ensure the documents submitted are in conformance to the LC.

Automated Regulatory Compliance Check

Solution is capable of doing automated OFAC (Office of Foreign Assets Control) checks and track ship movement through integration with external portals

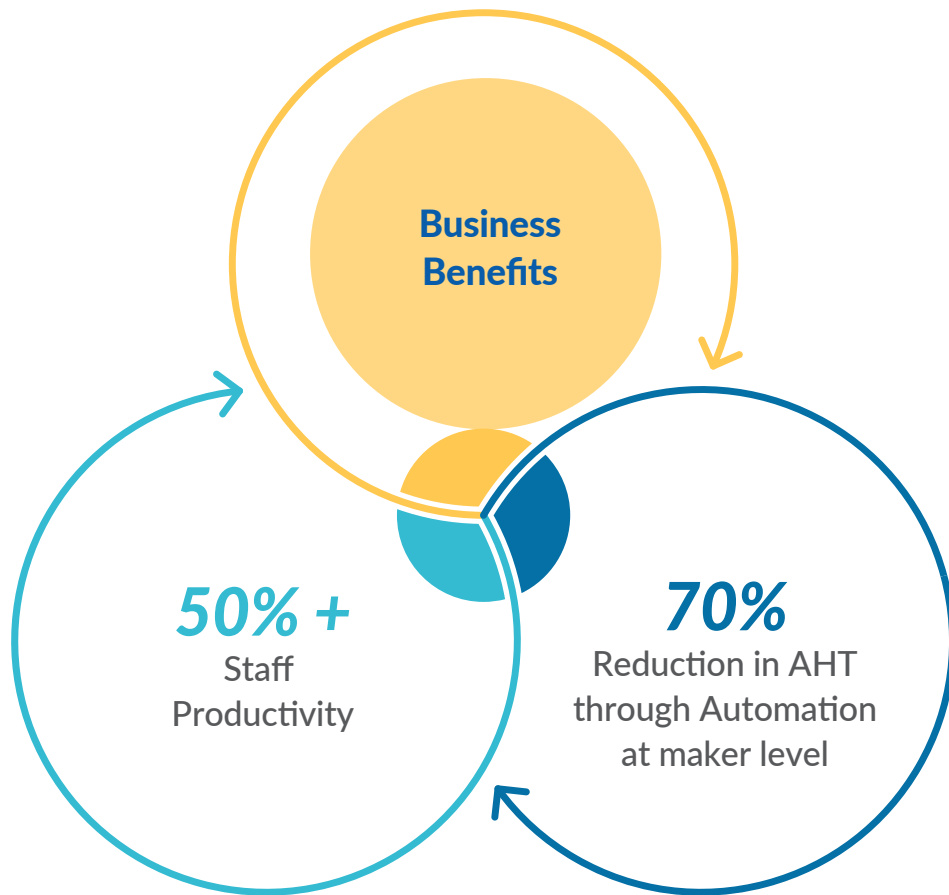
Auto Approval

Once the document has been verified, a BOT either approves payment against a clean document or raises discrepancies and escalate to branch for documents that do not match or have inadequate information.

An underlying advanced analytics engine developed by Hexaware processes data and creates value-add analysis on 5000+ data point interactions in a transaction.

This unique solution enabled the bank to process trade finance business both efficiently and cost-effectively to stay ahead of the competition.





Our technology enabled digital innovation in Trade Finance impacted the customer experience that helped create relationships with greater value for both parties. Above all it enabled the banks to respond to customers' needs and demands with greater transparency and traceability of processes; better risk mitigation; the granting of credit at

the precise instant in which the need arises within the supply chain; and management of the legal and regulatory requirements. All this is compatible with more rapid processing of transactions at a lower cost and with a differentiated risk assessment.

About Hexaware

Hexaware is the fastest growing next-generation provider of IT, BPO and consulting services. Our focus lies on taking a leadership position in helping our clients attain customer intimacy as their competitive advantage. Our digital offerings have helped our clients achieve operational excellence and customer delight by 'Powering Man Machine Collaboration.' We are now on a journey of metamorphosing the experiences of our customer's customers by leveraging our industry-leading delivery and execution model, built around the strategy— 'AUTOMATE EVERYTHING™, CLOUDIFY EVERYTHING™, TRANSFORM CUSTOMER EXPERIENCES™'.

We serve customers in Banking, Financial Services, Capital Markets, Healthcare, Insurance, Manufacturing, Retail, Education, Telecom, Professional Services (Tax, Audit, Accounting and Legal), Travel, Transportation and Logistics. We deliver highly evolved services in Rapid Application prototyping, development and deployment; Build, Migrate and Run cloud solutions; Automation-based Application support; Enterprise Solutions for digitizing the back-office; Customer Experience Transformation; Business Intelligence & Analytics; Digital Assurance (Testing); Infrastructure Management Services; and Business Process Services.

Hexaware services customers in over two dozen languages, from every major time zone and every major regulatory zone. Our goal is to be the first IT services company in the world to have a 50% digital workforce.

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Safe Harbor Statement

Certain statements in this press release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hexaware has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

