



MIZUHO CORPORATE BANK Case Study

Learn how Mizuho Corporate Bank, U.S.
centralizes watch list screening

The Challenge

Increase filtering efficiency

Replace banks existing filtering systems

Centralize sanctions screening across multiple banking applications

Introduce a real-time component

The Solutions

Firco Continuity deployed by FircoSoft's team of experts utilizing direct connectors for SWIFT Alliance Access, MTS, CS Eximills and ACH

Firco Trust deployed for screening during customer onboarding process, and ongoing KYC and EDD controls

Mizuho Corporate Bank, Ltd. provides financial and strategic solutions serving major corporations, financial institutions, and public sector entities. With offices in more than 30 countries, Mizuho Corporate Bank, Ltd. offers clients both localized service and the extensive reach of a global business network. Mizuho Corporate Bank, Ltd. is a subsidiary in the U.S. of the Japan-based Mizuho Financial Group, Inc. (NYSE: MFG), one of the largest financial services companies in the world, with total assets of over \$2.1 trillion.

Mizuho uses Firco Continuity, FircoSoft's flagship watch list filtering solution, to filter domestic and international wires in real time, supporting multiple transactions systems. Firco Trust is used by Mizuho as a customer screening solution for ongoing sanctions monitoring, as well front office sanction related searches during the onboarding process.

The choice of FircoSoft's solutions was made by Mizuho management to increase filtering efficiency and upgrade the Bank's existing filtering systems with a market leading solution, remain compliant with the latest anti-terrorist financing regulations, and enhance KYC and EDD controls.

The Results

Rapid deployment and reduced project costs

Unified environment for business users

Combined processes, increased efficiencies and a streamlined decision workflow

Agile solution that can evolve with changing regulation

Prior to the selection and deployment of FircoSoft, the bank utilized multiple siloed filtering solutions for different transaction systems as a result of the Mizuho Corporate Bank, Ltd merger in 2002.

After reviewing several watch list filtering vendors, Mizuho concluded that FircoSoft offered the best solution to meet its needs. Mizuho looked to implement a real time solution to support multiple transactions systems such as its Money Transfer System, Trade Finance and ACH systems as well as provide its Business Users with a similar workflow throughout the multiple systems.

The implementation team consisted of eight people; two from FircoSoft (a technical project manager and senior project manager) and six from Mizuho. The solution was implemented by the team in a phased approach over nine months. The first phase included going live with Mizuho's ACH system. Next was their trade finance application, Eximills. The connector for Eximills was developed by China Systems and implemented together with FircoSoft. The final phase was the implementation of MTS. Mizuho also deployed the SWIFT Alliance Access plug-in, used as its disaster recovery environment.

FircoSoft has deployed Firco Trust during the first phase of the implementation. Firco Trust is used to screen Mizuho's Customer Information System (CIS) in batch mode and is also used On-Demand providing users with a stand-alone environment for ad-hoc queries on customers or counterparty information. Mizuho uses the On-Demand capability for ongoing browser-based manual checks during the Customer Identification Process (CIP) and to check a specific transaction against the blocked-parties list.

Once the solutions were implemented, the next step was to work with compliance and IT to implement rules and exceptions to reduce false positive hits. Approximately 170 exceptions and 60 rules were written by the team. After testing, with these rules in place, the system achieved Mizuho's hit rate requirement.

As a list source, Mizuho uses both the BankersAccuity list as well as its own internal list. The list is managed and tested by a specialized operations unit and approved by compliance before being placed into production

In deploying a centralized solution via direct connectors for SWIFT Alliance Access, MTS, CS Eximills and ACH, the FircoSoft professional services team was able to ease deployment and create an agile environment that can address evolving requirements whether due to regulatory change or new business practices. With the new integrated and centralized real time filtering environment, Mizuho is able to combine processes, increase efficiencies and streamline the decision workflow. In addition, this plug and play capability via the connectors significantly minimized the overall project costs.

"We are very pleased with the rapid implementation and results of the centralized filtering solution from FircoSoft. With Firco Continuity, Mizuho Corporate Bank, Ltd. now benefits from real-time filtering of multiple transactions systems such as our Money Transfer System, Trade Finance and ACH systems as well as the ability to provide our Business Users with a similar workflow throughout the multiple systems," said Frank Carellini, Deputy General Manager, Americas Legal & Compliance Division of Mizuho Corporate Bank, Ltd. "Providing filtering services and solutions since 1994, market leader FircoSoft was the right choice. The new centralized approach has significantly improved the effectiveness of our operations and will ensure ongoing protection against risk and compliance with the latest anti-terrorist financing regulations."

Firco Continuity provides real time watch list screening and blocking, and can be interfaced to any system,

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operate on all major platforms, for all sanctions lists, and provides direct connectivity to a large number of the industry's most popular messaging systems and banking applications. Firco Continuity helps financial institutions remain compliant with the latest anti-terrorist financing regulations and eliminate the risk of processing an illegal transaction.

Firco Trust is a customer and entity screening solution that combines filtering intelligence with high performance processing capabilities. With Firco Trust, users can implement KYC programs by filtering existing and new customers, counterparts or beneficiaries against any sanctions, PEPs or negative news lists. Firco Trust enables a risk-based approach to scan customer databases, and offers a web-based user interface to streamline and expedite decision making.

About Mizuho Corporate Bank, Ltd.

Mizuho Corporate Bank, Ltd. provides financial and strategic solutions for the increasingly diverse and sophisticated needs of clients, focusing its efforts on serving major corporations, financial institutions, and public sector entities. A relationship management approach to serving clients enables Mizuho Corporate Bank, Ltd., together with group companies such as Mizuho Securities Co. Ltd., to develop customized solutions in areas such as corporate, structured and project finance, investment banking, transaction banking and risk management. With offices in more than 30 countries, Mizuho Corporate Bank, Ltd. offers clients both localized service and the extensive reach of a global business network. Mizuho Corporate Bank, Ltd. is a subsidiary of the Japan-based Mizuho Financial Group, Inc. (NYSE: MFG), one of the largest financial services companies in the world, with total assets of over \$2.1 trillion as of Sep 30, 2012. For more information, please visit www.mizuhocbk.co.jp/english.

About FircoSoft

FircoSoft has over 20 years' experience in providing watch list filtering and straight-through processing (STP) solutions. FircoSoft's watch list filtering solutions help financial institutions comply with reinforced international regulations on terrorist financing and embargoes by eliminating the risk of processing illegal transactions and detecting high-risk financial customers and counterparts. Over 660 customers in more than 75 countries use FircoSoft's filtering solutions.

Since 2012 and the Panorama Workbench acquisition, FircoSoft has extended its expertise and portfolio with Firco Due Diligence (KYC) and Firco FATCA (US FATCA & Global Tax Information Exchange Compliance).

Since 2000, FircoSoft has been ranked #1, best-of-breed, and received numerous accolades and industry recognition for its watch list filtering solution by many organizations and analyst firms including AITE, Celent, Chartis and the TowerGroup.

Please note that the material was developed and reviewed before the 7/1/13 bank merger and is based on the before-the-merger facts. (As of 7/1/13, Mizuho Bank and Mizuho Corporate Bank merged into Mizuho Bank.)

