

Case Study



Infusing Tradition with Innovation

Processing for the country's largest co-brand card

The client

Sobinbank was founded in 1990 and is a universal bank that offers its customers a full spectrum of high-quality services through its established distribution network in Moscow and 21 Russian regions. The bank ranks among the top 50 largest Russian banks by total assets and has a strong customer base including 750 000 retail, and 21 000 corporate customers.

Historically, the Sobinbank has focused on servicing the "blue chip" corporate customers. However, since the early 2000s it started actively expanding its business into the retail and SME segments.

The new phase of the Bank's development was marked in 2006 by incorporating a new management team, including the new Chairman of the Board, new Chief Financial Officer, and new heads of Investment Banking, International, IT and HR departments.

At that time, the Bank acquired a 49% stake in Finservice Bank, a joint venture with "The Seventh Continent", a leading Russian supermarket chain operator, to distribute retail banking products through its retail store chain.

Championing a contemporary technological infrastructure

In the 15 years of SobinBank's retail banking activity the bank has already introduced a number of competitive services and services for private customers. Nevertheless, the bank's approach to the management of its further development in the retail sector is not limited to traditional extensive methods. The search for new possibilities reinforced by the contemporary technological infrastructure of the bank and by a unique business outlook was satisfied by the innovative projects of the financial services. The alliance of Sobinbank with the largest Russian retail outlet network "Seventh Continent" is testament to one such project. Partners of the bank founded Finservice bank, which became Russia's first specialized credit organization, working in the realms of 'In -store of banking".

The "In -store banking" concept, which has gained extensive acceptance in developed countries, gives retail banking services to commercial customers. It is not only the bank and commercial company who profit from this collaboration, but also the user who benefits from financial services in the connected supermarket. The payment card plays an important role in this module as the card evolves not only as an independent banking product but also as a universal identifier of the client who ensures access to all of his accounts and financial services.

The realization of this concept required the introduction of an entire collection of customised characteristics to the processing system, which would ensure the possibility of flexibly controlling remote services, supporting service channels and integration with other information systems. Sobinbank, being one of Compass Plus' oldest partners (whose collaboration dates back to 1999) already possessed successful work experience with the company's solutions - and TranzWare products were chosen to achieve the processing part of the new project.

Achievements

After beginning work in May 2006, in one-and-a-half years Finservice bank achieved impressive results. The number of in-store bank offices exceeded 130, more than 150 multifunctional cash-in automatic teller machines work in 24 hour mode allowing customers of Finservice bank to carry out the extended spectrum of operations that

SOBINBANK

www.sobinbank.ru

Client:

SobinBank

Goals:

- to create an innovative in-store retail bank;
- to realize an integrated complex structure of remote services for private customers;
- to ensure that the network can increase in both scale and operational development.

Implementation:

In response to Finservice Bank's appetite for innovation and subsequent expansion the bank decided to create a system that would give its clients the possibility to conduct a wide spectrum of operations without having to personally visit a bank. This would involve on-line integration with the retail banking system and the development of a fully functional internet banking technological platform making it possible to introduce new products to the bank with ease.

Results:

- Just over a year after the launch of the project Finservice Bank achieved impressive results:
- the number of in-store bank offices exceeded 130;
 - more than 150 multifunctional cash-in automatic teller machines work in 24 hour regime allowing customers of Finservice bank to carry out the extended spectrum of services;
 - 400 000 co-branded cards issued.

the bank can now readily offer. Apart from traditional cash disbursement and the ability to obtain bank balances, the cardholder now has the capability to conduct instant payments, to credit the account – including various credit repayments, to open and pay into a deposit account, to transfer money to another card, to register in the internet banking system and many other functions. In 2007 the volume of co-branded cards issued under the Seventh Continent brand name reached 400 000 cards, making Finservice the largest Russian co-branded card issuer after twice outselling its closest competitor.

Georgiy Shabad, adviser to the Chairman of Finservice Bank said the following about the project, *“the success of the project lies in a number of areas, first of all in the convenient bank services on offer, secondly, in the possibility of obtaining discounts across the retail outlet network, thirdly, in the expanded service network and finally, in adopting the right management technique. Compass Plus solutions allowed us to tailor contemporary bank products and customer service to our needs in order to create a self-service system for our customers, which is necessary for the success of bank working on ‘in-store’ format.”*

Compass Plus' FrontOffice system, TranzWare Online played a key role in the construction of the remote banking service. Apart from the basic functions of authorization and transaction routing, TranzWare Online acts as a universal gateway. Applying the specialized integrated tools (such as On-line interaction protocols and API - application programming interfaces) the solution ensures the effortless integration with other information systems and supports any service channels.

FIN-Online, the internet banking system, gives Finservice Bank customers extensive information and payment possibilities and runs on TranzWare eBank. This solution from Compass Plus, with its contemporary approaches to the organization of remote banking services, ensures a secure and fully functional service for bank customers.

Changing the face of Internet Banking in Russia

Project Manager, Georgiy Shabad summed up the success of the Internet Banking system, *“Even in Moscow the number of banking customers using Internet banking stands at only 5%, whilst in Estonia of the 1.4 million population, 1.2 million practise on-line banking.*

We intend to make FIN-online a service for the masses and expect that all aspects of this project are executed to the highest level. An Internet bank customer must not only make use of the maximum scope of our banking services but also take advantage of our high-level usability, transaction security and many other benefits. We expect to continue our collaboration with Compass Plus – the experience of our joint venture has shown that the company is capable of fulfilling the business demands of the bank.”

TranzWare Online

A high-performance, scalable, multi-card processing solution providing efficient electronic funds transfer, inter-network switching and handling of an unlimited number of devices and delivery channels. In addition to standard features, TranzWare Online is equipped with innovative and rare functionalities such as algorithmic function (TranzWare Online Algorithmix) and remote access to processing center facilities (TranzWare Online FIMI).

TranzWare eBank

A sophisticated Internet banking solution enabling a comprehensive, highly secure, feature-rich service and offering financial institutions great benefits of using the Internet as a financial services delivery channel.

TranzWare Card Factory

An advanced EMV-compatible card personalisation and issuing product enabling timely and cost-effective response to market demands. TranzWare Card Factory supports personalization of any card type and can be fully customised to suit specific requirements of any financial institution

TranzWare Card Management System

A feature-rich comprehensive banking solution providing efficient operation and management of back office activities. TranzWare CMS is flexible enough to facilitate the development of a multitude of financial products, thereby delivering a financial institution distinctiveness, competitive advantage and customer satisfaction.

TranzWare Interchange

A robust interchange system capable of collecting, converting, organising, storing, routing, clearing and settling information in a payment environment of any complexity. TranzWare Interchange was also specifically designed to effectively function in an environment of any composition and is equipped with flexible apparatus to describe the business rules of payment system member interactions. In addition, the system bears other features such as currency conversion, delayed payments, risk control, commission calculation, settling disputes, etc.

PRODUCTS

About Compass Plus

Compass Plus provides refined state-of-the-art products and flexible business solutions that drive all-scale multi-component EFT systems employed in the financial and retail industries, mobile and electronic commerce, interactive self-service business and in other trade areas that engage in electronic payments. Our in-house developed superior EFT solution – TranzWare™ – incorporates a comprehensive range of integrated customisable products and is fit to suit an array of customer needs. TranzWare™ solutions are capable of reducing clients' total cost of ownership, improving ROI, increasing efficiency and delivering great benefits to the end customers.

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