

CASE STUDY



Technology-led Excellence

ABN AMRO Bank



YOUR INNOVATION PARTNER



Technology-led Excellence

OVERVIEW

The Challenge

Confronted with a changing competitive landscape and a demanding customer base, ABN AMRO was forced to look at a solution that would enable them to serve customers effectively across multiple delivery channels and bring down the TCO.

The Solution

A new-generation solution, which is highly flexible and easily scalable, ensured ABN AMRO launched new and unique products and services, across channels to the satisfaction of its customers.

The Benefit

ABN AMRO has increased operational efficiency due to integration across delivery channels, quicker time-to-market, lower TCO and increased ROI.

PROFILE

ABN AMRO Bank is a prominent international bank, its origins going back to 1824. It ranks 8th in Europe and 12th in the world, based on tier 1 capital. The bank has 4,000 branches in more than 53 countries, a staff of about 99,000 full-time equivalents and total assets of EUR 1,120.1 billion (as on 1st Nov. 2007). ABN AMRO Bank is listed on several stock exchanges, including Euronext and the New York Stock Exchange (NYSE).

In India, ABN AMRO Bank set up base 81 years ago. The bank is today poised for tremendous growth with a rapidly growing customer base being serviced across branches in nine major Indian cities, using various new-age delivery channels such as ATMs, Internet, Mobiles, Call Centers, in addition to the branch network.

KEY BUSINESS DRIVERS



ABN AMRO Bank started its India operations and like other foreign multinational banks, focused primarily on wholesale banking, to service top-tier corporate clients. This changed in the 1990s when strategic business imperatives and an increased level of competition both from domestic and multinational banks in India led the bank to look at retail banking as a key area for growth. In an effort to strengthen its retail banking presence, ABN AMRO acquired Bank of America's retail banking operations in India. As part of the acquisition, the bank migrated to Bank of America's technology infrastructure, which was based on ICBS solution from Fiserv, running on an IBM AS/400 platform. However, the existing solution was not flexible enough to meet the requirements of a competitive consumer banking environment, where offering a range of products and services to customers across multiple delivery channels is critical. With frequent maintenance requirements, the platform was also proving to be a drain on the bank's resources. At the same time, the focus at the bank was on reduction of TCO (Total Cost of Ownership) and therefore, a mere upgrade to a newer version of the existing, aging system would not have met the objective. As a result, the bank decided to replace the legacy system

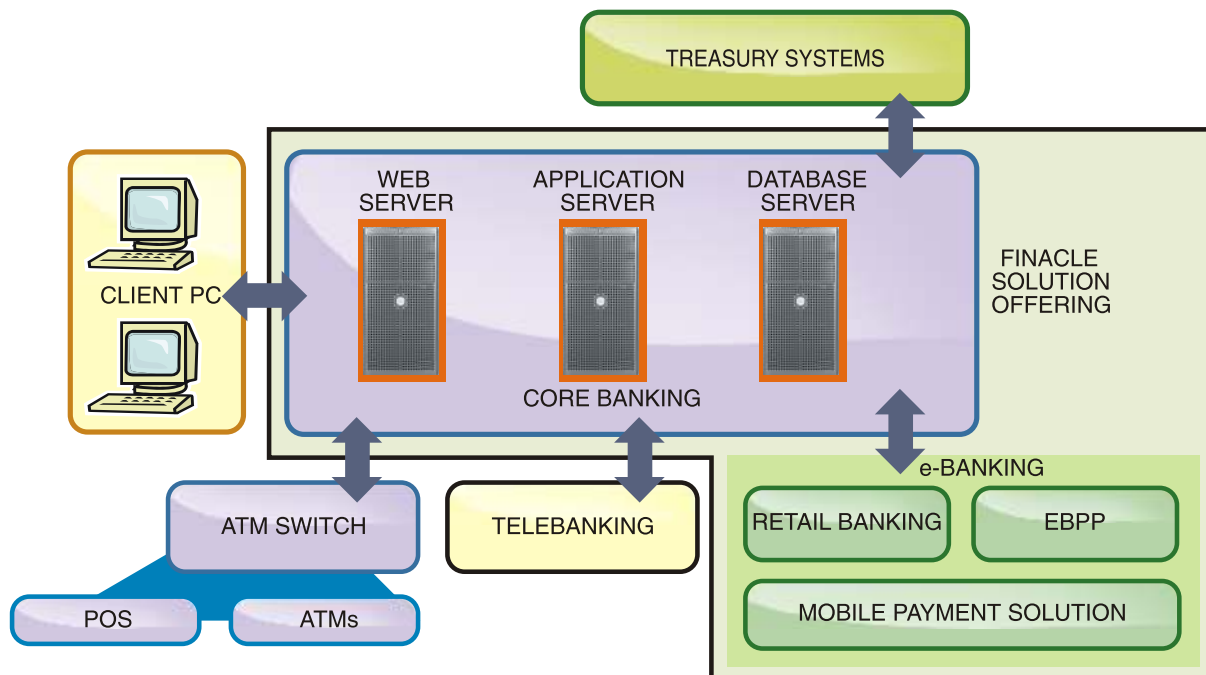
with a new generation, robust core banking solution.

The cornerstone of a successful consumer banking strategy is to have a technology platform that can offer anytime, anywhere banking through multiple delivery channels like the Internet, ATM, mobiles and call centres. ABN AMRO Bank required a platform that could easily support existing delivery channels and add new ones, while seamlessly integrating them to provide a relationship view of customers' interactions across all delivery channels.

Being a multinational bank, ABN AMRO Bank was also keen to adopt best practices being followed in other countries, such as the ability to roll out new products and services in line with domestic market requirements. Equally important was the need to roll out these customizations rapidly so as to gain critical time-to-market advantage. This could only be achieved by deploying a platform that was flexible and easily extensible.

After intense discussions and evaluation, ABN AMRO chose Finacle, the new-generation universal banking solution from Infosys, to address its needs in core banking and consumer e-banking spaces.

SOLUTION OVERVIEW



Some of the key features that the solution offered were:

True 24x7 Banking

Finacle enabled zero downtime at both the central and branch level server, ensuring that ABN AMRO was up and running on a 24x7 basis, across electronic delivery channels and branches. Finacle's architecture also enabled offering of basic consumer banking services to customers, either during the planned End of Day (EOD) black out windows, unscheduled outages of the central data center of the bank or during disruptions in branch network connectivity.

Leveraging Straight-Through-Processing (STP)

Finacle provided an interoperable and open architecture that ensured tight integration with all delivery channels using standard message protocols. The powerful STP feature ensured that several transactions were completed end-to-end,

without manual intervention. Turnaround times have drastically reduced for issuing cheque books and account statements, thereby enhancing productivity and customer satisfaction.

Unique Extensibility Features

Finacle's unique Xtensibility tool kit comprising Scripting Engine, Workflow, and Remote Application Interface (RAI) provided the much needed flexibility to ABN AMRO Bank, enabling it to easily and rapidly add new business rules, launch new products, and modify processes. Using this tool kit, ABN AMRO developed a loyalty reward program for its customers wherein, the bank offered incentives like charge free demand drafts based on certain business rules like maintaining specified minimum balances. Such programs have helped the bank reap the twin benefits of customer retention and an increase in low cost funds. Some of the modules that have been quickly rolled out by ABN AMRO are:

- **Direct Sales Agent (DSA) Module:** To track the performance of Direct Sales Agents (DSAs) of the bank and have customized commission computation logic for the DSAs based on predefined parameters like product type, geography and hierarchy.
- **Complaint and Request Tracking System (CARTS):** To track customer request and complaints without manual intervention and assign priority, based on customer profile and

severity of request, by seeking reference from the Finacle core banking database.

- **Card Management System (CMS):** This is a repository of customer card information and acts as a focal point in various events relating to cards, like issue, reissue and maintenance. An additional feature of this module is the ability to communicate on an online basis for activities like 'hot carding' a card, activation / deactivation of cards, etc.

REAPING THE BENEFITS

For ABN AMRO Bank, the choice of an enterprise banking platform hinged on factors like flexibility translating into ease of customization, availability of an integration infrastructure with multiple delivery channels and reduced TCO. Finacle has delivered on all of these points along with giving crucial time-to-market advantage and business agility to the bank, thus helping script a retail banking success story.

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“The continually changing business dynamics in the new age economy requires banks to respond with a high degree of agility. Today, technology has emerged as both the key enabler and driver of change. We believe the Finacle universal banking solution from Infosys is not only functionally rich and technically robust and scalable, but also that its new generation architecture based on the Web paradigm, true 24x7 operability and straight-through-processing infrastructure provides ABN AMRO the crucial time-to-market advantage and business agility to gain and retain competitive leadership in the consumer banking space.

We are confident of achieving a very healthy ROI on this technology project and have already experienced various costs savings. For instance, we have experienced over 60 percent increase in realization of fee-based income. Besides, in Infosys we see a strategic partner who has the global reach, rich experience and expertise in financial services, and a wide range of technologies. It is this rich repository of experience and skills that have helped them carry out this demanding implementation project within budgeted costs and time frames.”

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Romesh Sobti
EVP & Country Representative
ABN AMRO, India

Finacle - Universal Banking Solution

Finacle from Infosys partners with banks to power-up their innovation agenda, enabling them to differentiate their products and service, enhance customer experience and achieve greater operational efficiency. Finacle solutions address the core banking, wealth management, CRM, Islamic banking and treasury requirements of retail, corporate and universal banks worldwide and provide online marketing tools like Finacle finanz tools. Finacle solutions also empower banks with multiple sales, service and marketing channels including e-banking, mobile banking and call centers. These offerings make Finacle a strong innovation-facilitator enabling banks to accelerate growth, while maximizing value from their large scale business transformation.

Infosys. The Organization behind Finacle.

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT enabled business solutions. Infosys' offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, re-engineering, independent testing and validation services, IT infrastructure services and business process outsourcing. Infosys today has more than a third of its business coming from the banking and financial services industry and has a strategic focus on this segment.

USA/LATAM/CARIBBEAN

Vikas Gupta

Tel.: +1 908 450 8220
Fax: +1 908 450 8201

SOUTH ASIA

Venkatramana G

Tel.: +91 98452 19809
Fax: +91 80 2852 1747

EMEA

Amit Dua

Tel.: +44 776 651 0099
Fax: +44 207 715 3301

APAC

South East Asia/Greater China/
Japan/Korea

Mahesh DK

Tel.: +91 98450 69004
Fax: +91 80 2852 1747

Australia/New Zealand

Shubhomoy Banerjee

Tel.: +61 400 954702
Fax: +61 3986 02999

e-mail: finaclemktg@infosys.com
www.infosys.com/finacle



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Infosys Technologies Limited

Plot No. 44, Electronics City, Hosur Road, Bangalore - 560100. India
Tel.: + 91 80 28520261, Fax: + 91 80 28521747, e-mail: finaclemktg@infosys.com
Join us on Twitter, LinkedIn and Finacle Whiteboard at
www.infosys.com/finacle/networking.asp