

CASE STUDY

Co-operative Bank of Kenya Boosts Profits by 31%



With Fusion Essence, system processes are quick enough to capture customer needs and provide much improved customer service.”

Dr Gideon Muriuki
Managing Director, Co-operative Bank of Kenya

**(THE FUTURE OF
FINANCE IS OPEN**



At a Glance

Products

- Fusion Essence



We were one of the first banks to offer mobile banking and the first to start switching the cooperative societies to these new platforms. Technology has been our main driving factor.”

Dr Gideon Muriuki

Managing Director, Co-operative Bank of Kenya

About Co-operative Bank of Kenya

Founded in 1965, the Co-operative Bank of Kenya Limited (Co-op Bank) is the second largest local bank in the country by volume of customers. The bank's mission is to offer value-added financial services, with special emphasis on Savings and Credit Cooperatives (SACCOs) through a growing and effective network of service points, excellent customer service and a highly motivated team of qualified personnel.

The Challenge

With its sights set on ambitious local and regional expansion, Co-op Bank needed a fast, flexible way to scale up its banking operations and launch new services that would help it win and retain more customers.

The Solution

Co-op Bank upgraded its core banking systems, selecting Fusion Essence as its strategic banking platform. The Finastra solution offers easy scalability and support for huge volumes of customers and accounts, helping support the bank's growth objectives.

The Result

With Fusion Essence, Co-op Bank has gained the ideal foundation for driving fast, effective banking services that meet the needs of a growing customer base. The results speak for themselves. Since implementing the solution, Co-op Bank has:

- Increased profits by 31% in the first quarter of 2013.
- Expanded branch network by 40%.
- Doubled transaction processing speed across all channels.
- Reduced time taken to complete end-of-day processing by 40%.

co-opbank.co.ke



With Fusion Essence, the system processes are quick enough to capture customer needs and to provide much improved customer service. ”

Fusion Essence provides Co-op Bank with a strong, flexible foundation for growing its business, helping the bank to expand its branch network by 40%

The Challenge

The Co-operative Bank of Kenya Limited (Co-op Bank) has ambitious plans to become a dominant force in this competitive sector by attracting more customers, including those who have never used a bank before.

To meet these objectives, and to capture a greater share of the market, Co-op Bank needed a way to scale up its banking operations and to launch new services that would help it win and retain more customers.

A longstanding Finastra customer, Co-op Bank had used Bankmaster to support its core banking operations since 1995.

With the scope of its operations set to expand dramatically, the bank wanted to move to the next level of banking system that could grow in line with its ambitious aims, and support a larger number of customer accounts and a greater variety of services.

In particular, Co-op Bank was looking for a solution that could provide rapid processing for millions of customers, while supporting a growing branch and agency network, as well as auto banking centers that take deposits around the clock.

The Solution

Following a rigorous selection process, Co-op Bank chose Fusion Essence as its strategic platform.

Designed using service oriented architecture (SOA) principles, Fusion Essence is a flexible and future-proof core banking system that offers easy scalability and support for huge volumes of customers and accounts.

In selecting Fusion Essence, Co-op Bank decided to consolidate all its major applications to the Finastra platform, an approach designed to reduce system complexity and take advantage of a single vendor relationship.

As Co-op Bank has built a strong relationship with Finastra over nearly 20 years, the company's senior management knew that it could trust Finastra to deliver on its promises and ensure a smooth implementation.

Serving Customers Faster

The new Fusion Essence core system went live in all 119 Co-op Bank branches in February 2013.

The Finastra system was quick to prove its value, delivering impressive performance improvements. Faster response times ensure that Co-op Bank can quickly and efficiently process customer requests and transactions, even as business volumes grow.

Co-op Bank has doubled transaction processing speeds across all channels and cut the time taken to complete end of day processing.

In addition to these performance enhancements, Fusion Essence offers Co-op Bank the strong foundation it needs to grow its banking operations.

Co-op Bank has been able to expand its branch network by 40%, helping provide customers in more locations with convenient access to the services they need.

Dr Gideon Muriuki, Managing Director of the Co-operative Bank of Kenya, states: "With Fusion Essence, the system processes are quick enough to capture customer needs and to provide much improved customer service."

With the new Finastra core banking solution, Co-op Bank can adapt quickly to changing market conditions and keep its operations on track for successful growth—both now and in the future

Sharpening Customer Focus

Co-op Bank is looking to increase upsell and cross-sell opportunities to increase the number of products each customer holds with the bank, and to do so requires full insight into customer interactions with the bank.

Co-op Bank has achieved a complete 360-degree view of its customers by deploying the Party Management component of Fusion Essence.

This component provides deep customer understanding, helping Co-op Bank to drive targeted and effective marketing campaigns.

Flexible and Fast

Additionally, Co-op Bank has implemented Workbench, a tool which allows the bank to design its own processes, rules and products with ease.

Finastra not only demonstrated that it could support the bank's growth plans, but drawing from its breadth of technology solutions, it brought to the table its own growth roadmap in the form of complementary modules.

The Fusion Essence solution comprises innovative front-office applications. These applications are 'decoupled' from the core system, which allows Co-op Bank to bring them to market quickly.

Co-op Bank is in this process of deploying Fusion Teller, a modern branch transaction application, and Fusion Loan Origination, an automated end-to-end loan origination system which accelerates the lending application process to accelerate time-to-income.

Positioned for Future Growth

Following the move to Fusion Essence, Co-op Bank saw a 31% increase in profits in the first quarter of 2013. This early success has given Co-op Bank the confidence to launch operations in South Sudan, with an eye on further expansion into Uganda and Rwanda. Co-op Bank stands in a strong position for achieving its ambitious growth objectives and meeting the demands of an ever-changing market.

With Fusion Essence as its new core banking solution and Finastra as a strategic IT partner, Co-op Bank is well positioned to capitalize on growth opportunities and accelerate into new markets.

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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