

Agribank case study:

Advanced electronic payment services in an emerging economy environment

Goals

- to enable the rationalisation of the existing AGRIBANK systems in order to minimise the operational overheads associated with the card payments system and thus reduce operational and management costs
- to enable the diversification of services to provide a comprehensive set of services to AGRIBANK customers and to create more opportunities for customers to access advanced payment methods
- to improve AGRIBANK's competitive position in order to support the rapid and stable development of its retail banking business and to make full use of the business opportunities available in a fast-growing market to a card issuing and acquiring organisation

Results

- the disparate systems used by AGRIBANK prior to the project with Compass Plus Technologies have been replaced with a single platform that makes all operations much more economical and easier to manage
- the new platform can support virtually any product and service that AGRIBANK may wish to offer to its customers
- despite its very tight schedule, the project was implemented on time and within budget

The client

Since its establishment in March 1988, the Vietnam Bank for Agriculture and Rural Development (AGRIBANK) has been a leading commercial bank in Vietnam, playing a decisive and important role within capital investment in developing the agricultural and rural economy. AGRIBANK is the largest bank in Vietnam in terms of its capital, assets, staff, operating network and number of clients. In its continuing effort to excel and to lead the market, AGRIBANK attaches great importance, and always pays attention to the continuous modernisation of its technology infrastructure and the efficient application of the latest banking technologies.

The challenge

AGRIBANK needed a complete IT overhaul to allow the possibility of a number of functionalities that weren't available with the incumbent legacy systems. They needed to update their systems to bring them on par with the technological advances of today.

Embracing innovative technology

The long-term goal of the project was to provide a single fully integrated financial switch card issuing and acquiring system for all card types and card services that would also provide a range of added value functionalities, e.g. the ability to clear and settle for multiple financial institutions, strong fraud detection and management capabilities and more. The project also included a robust training and technology transfer component.



Succeeding in the market

The initial project involved online and file-based interfaces to the core banking system called IPCAS provided by Hyundai IT, integration to the then newly established national EFT Switch BankNetVN, certification for Visa issuing and acquiring, migration of AGRIBANK's massive ATM network and included a core set of Compass Plus solutions: switch, card management system, card personalisation system and interchange solution. The project was completed in under six months, followed closely by the certification for Mastercard issuing and acquiring.

According to Ms. Phan Thi Thanh Ha, Deputy Director of the AGRIBANK Card Centre, said of the project: *"Coming from a legacy in-house environment, we were pleasantly surprised with the range of functionalities supported by Compass Plus Technologies – it is extremely broad and offers an end-to-end card management environment with a vast set of features. In addition to being highly parameterised so as to require little customisation and offering strong user empowerment tools, the Compass Plus solutions we use are all highly robust and demonstrate high performance."*

The future

Once the initial project was completed and fully launched into production over a succession of project phases, AGRIBANK had a platform for growing its retail customer base further and extending its portfolio of services to become state-of-the-art, enhance customer comfort and convenience, and enable AGRIBANK to tap new sources of revenue.

The first priority AGRIBANK has selected for extending the project is to expand the range of services that are available to the bank's customers at the ATM. One such new facility will be the provision of Cash-In capability with cash recycling at key locations. This will dramatically reduce the need for loading cash to the ATM terminals, but more importantly, it will provide a platform for implementing a broad range of card-less operations, such as currency exchange, utility bill payment by cash, mobile top-up by cash, cash loan repayment and so forth. Other facilities like Visa and Mastercard person-to-person fund transfers are also envisaged, as well as a similar fund transfer functionality between customers of different local banks. Migration from magnetic to EMV-compliant chip cards will then follow, with further projects still in the planning stage.