

# Kumari Bank case study:

## Gaining greater control over its business through a market-leading processor

### Goals

- to migrate its ATM network, POS acquiring, and Visa issuing services to a more flexible processing partner
- to enhance operational efficiency and become more independent
- to gain the ability to flexibly introduce new innovative services to the Nepalese banking market

### Outcomes

- successfully migrated all key services to Compass Plus Technologies Processing Centre
- gained greater control over its business operations, with the ability to implement changes independently
- implemented innovative new services, including Green PIN via SMS
- laid the groundwork for future growth, including plans for Mastercard and UnionPay certification and the development of e-commerce processing services and a loyalty scheme

### Overview

Kumari Bank, one of Nepal's leading commercial banks, is committed to offering innovative modern banking services across the country. With an extensive network of 302 branches, 50 extension counters and 57 agent banking facilities, approximately 315 ATMs, and more than 1100 POS terminals, Kumari Bank plays a pivotal role in driving financial inclusion across the country. However, in 2021, the bank decided to look for an alternate processor as it was facing some operational challenges due to limitations posed by its existing processor. These challenges impeded the bank's ability to rapidly innovate, provide timely services and respond to the evolving needs of its customers.

Kumari Bank embarked on a project to overcome these operational challenges by migrating its key services to a more flexible and agile processor that would enable the bank to enhance customer experiences and gain greater control over its business operations. After a thorough selection process, Compass Plus Processing Centre emerged as its preferred partner that would help it break past its prior limitations, kick-starting a transformative project.

### Objectives

In order for Kumari Bank to achieve its mission to deliver innovative products and services to its customers that drive financial inclusion, it recognised that it needed to migrate its ATM network, POS acquiring, and Visa issuing services to a modern, market-leading processor capable of making these ambitions a reality. Kumari Bank identified several key objectives that it would like to work with its new partner to achieve.

First, the bank sought to address operational inefficiencies stemming from its previous processor by transitioning to a more flexible and supportive partner. Gaining the ability to enhance its service offerings was also a priority to ensure its customers received the best experiences possible. Additionally, partway through the initial project another objective emerged, with the bank needing to manage an integration process following its merger with NCC Bank, another leading bank in Nepal. This became crucial to ensure smooth data migration and service continuity. Finally, the bank aimed to future-proof its operations by establishing a foundation capable of quickly launching new products.

After a comprehensive evaluation of potential partners, Kumari Bank chose Compass Plus Technologies Processing Centre. The decision was influenced by a strong endorsement from a leading local bank and Compass Plus Technologies' proven ability to deliver flexibility and independence.



## The solution

In August 2022, Kumari Bank signed an agreement to migrate its issuing, acquiring, and ATM services to Compass Plus Technologies' Processing Centre. This migration was not merely a technological shift but a strategic transformation aimed at enhancing customer experience and operational efficiency.

As part of this transformation, Kumari Bank also wanted to introduce innovative services that would enhance the lives of its customers. Knowing that over 78.1% of Nepal's population live in rural locations that don't always have bank branches, Kumari Bank identified key services it wanted to introduce to drive financial inclusion in the country. One service was Green PIN via SMS, which would allow customers to receive their card PINs by text without having to go in-branch, significantly improving convenience and security. This new service underscores Kumari Bank's commitment to leveraging its new partnership to enhance customer convenience.

In 2023, Kumari Bank announced its plans to merge with NCC Bank, adding a new factor partway through the project that added to its complexity. The volumes of data that needed to be migrated were nearly 100% more. However, even with this added complexity, impressively the large-scale project was delivered entirely remotely thanks to the collaborative efforts of Compass Plus Technologies and Kumari Bank, ensuring a seamless and efficient transition. The project team meticulously planned and executed the data migration, ensuring that there were no disruptions to customer services.

## Impact

The complex multi-phased migration of Kumari Bank's services to Compass Plus Technologies Processing Centre was delivered over 18 months. During the project, Kumari Bank's network of 470,000 cards, 1100+ POS terminals and approx. 320 ATMs were also migrated to the new processing centre. With its new processing partner in place, Kumari Bank has been able to:

- gain greater control over its business operations, with the ability to implement changes independently
- launch innovative new services, including Green PIN via SMS
- successfully migrate all of NCC Bank's services and data across following its merger, facilitating a seamless transition for all of the bank's customers
- lay the groundwork for its future growth, including plans for Mastercard and UnionPay certification and the development of e-commerce processing services and a loyalty scheme

*"Working with Compass Plus Technologies has been a transformative experience for Kumari Bank. Their flexibility, robust support, and deep expertise have been invaluable as we navigated the complexities of our merger and sought to innovate our service offerings. The seamless migration and ongoing collaboration have significantly enhanced our operational efficiency and customer experience, positioning us for future growth and success."*

**– Anish Tamrakar, Chief Digital Banking Officer at Kumari Bank**