



Agroinvestbank: launching an in-house processing centre to strengthen its position in the market

The client

Established in 1992, Agroinvestbank is one of the leading banks in the Republic of Tajikistan and has the European Bank of Reconstruction and Development as one of its shareholders. One of the key advantages of the bank is its extensive service network, which consists of more than 60 branches, 267 remittance points and over 160 ATMs across the country.

Agroinvestbank is a universal bank that offers a full range of banking services to both businesses and individual customers, including money transfers, credit and deposit products, safety deposit operations, as well as advanced card products and remote banking services for individual customers.

Due to the scale of its activities, as well as its well documented social work at a national scale (such as continued support for the disadvantaged), Agroinvestbank is a strategically important financial institution in the Republic of Tajikistan.

Goals

Providing high quality services based on innovative technology has always been one of the bank's priorities, which has been proven by the number of international awards the bank has won. However in 2007, the existing card processing infrastructure was found to be the weak link, no longer meeting the standards required for both modern service quality and product development. The situation was aggravated further by the cross-border interaction with their sponsor bank and processing centre.

The situation proved a threat to Agroinvestbank's competitiveness, and as such, the bank decided to launch a large-scale project to modernise its retail business. As part of this project, the bank planned to become a Principal Member of MasterCard and Visa, develop its product portfolio (to include remote banking services) and ultimately increase business volumes. Agroinvestbank decided to implement an in-house processing centre to ensure the key technological requirements for these projects would be met. Ensuring the correct solution was chosen for their new processing centre was essential to the success of the project in its entirety.

The bank's project team approached the task of selecting their processing solution very seriously. They took into consideration not only the functional capabilities of various systems and proposals from vendors, but also real project implementation case studies, as well as the vendor's ability to consider the specific business requirements and objectives of the bank. Agroinvestbank held a series of meetings with other banks using multi-vendor solutions and, as a result of these references, chose Compass Plus as their partner for the project.

"At the beginning of the project we certainly knew the main vendors of processing solutions; their key features, strengths and weaknesses," said Marufkhodzha Eshov, Head of Payment Card Business Development Department at Agroinvestbank. *"But it is face-to-face communication with colleagues at other banks that allowed us to learn from their experience, get a reliable picture of how the banks interact with different suppliers during the implementation phase of the processing centre, at the*

Case study at a glance



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Client:

Agroinvestbank

Goals:

- to migrate the bank's card program to an in-house processing centre
- to become a Principal Member of International Payment Systems
- to develop bank products and services for individual customers

Implementation:

- building a new processing centre on solutions from Compass Plus
- utilising the Compass Plus Processing Center to overcome initial hurdles
- broadening the range of retail products by leveraging the capabilities of Compass Plus' card management system, internet banking and mobile banking

Results:

- issuing and processing local cards
- certification of the processing centre in Mastercard and Visa
- launching remote banking services in the market: internet banking and mobile banking

migration stage and in production. In the end we chose Compass Plus as a key partner for the implementation of our card project.”

To implement an in-house processing centre, Agroinvestbank purchased the processing product suite from Compass Plus which includes switch, card management system, card personalization system, and interchange. With a view for further development, Compass Plus worked with the bank to predict and plan the budget for the following years to include fixed terms of delivery for further products, licensing options and extensions.

Implementation

When work on the launch of the processing centre and preparation for certification with the payment systems were underway, an unexpected challenge arose – the state of the telecommunications infrastructure in Tajikistan meant that none of the providers in the market could offer a communication channel compliant with Visa requirements for Principal banks. This put the entire project under threat, and it was necessary for the project team to review the stages, timings and resources of the project with this knowledge in mind. However, as a result of the joint effort of the project team, a solution was developed which helped to keep the parameters and progress of the project almost unchanged.

Compass Plus' own in-house processing centre, which is certified by International Payment Systems (VisaNet Processor status in Visa and Member Service Provider in MasterCard), became a switching centre for Agroinvestbank. A host-to-host connection between the bank and Compass Plus Processing Center was quickly implemented, agreements with Visa were concluded and the required technical and organisational procedures were performed. With confidence in their new processing platform and the ability to interact with International Payment Systems, the bank entered the final stage of the migration of their card program.

As soon as new communication channels became available, Agroinvestbank switched to direct interaction with the International Payment Systems – a task that was performed without any complications.

Another important stage of Agroinvestbank's retail business development was to create remote banking services for local customers. To do this, the bank had to take into account the economic situation in the country to develop and offer products and services focused not only on middle class customers (with smartphones and regular access to the Internet), but also on other customer segments who may only own the most basic mobile phone models.

To meet the needs of customers without smart phones, Compass Plus included SMS banking in its basic processing package. This enabled Agroinvestbank's customers to perform card and account operations using predefined SMS commands: requesting their balance, receiving a list of recent transactions, blocking the card, as well as paying for various services using simple templates.

With a view to developing its remote banking services further, Agroinvestbank implemented internet banking and mobile banking from Compass Plus, providing the bank's customers with a competitive Internet banking system and mobile banking application (for iOS and Android, as well as a universal Java applet) to help them manage their finances online.

In 2012, in order to ensure a high level of security for its customers, Agroinvestbank implemented the fraud management system from Compass Plus. The system collects data from card transactions and continuously analyses the flow of transactions and events to identify fraudulent activity. A set of predefined rules helps to prevent the most common fraudulent schemes, whilst its advanced development toolkit enables the bank's staff to configure and implement both updated and new rules. Since implementation, the system has proven itself by identifying and preventing attempted fraudulent card activity.

Results

“Compass Plus products have enabled us to fulfill almost all of our plans for the technological development of our retail business,” said Abdugani Abdukhamidov, Head of IT Department at Agroinvestbank. *“They are good and their functionality is quite extensive. However, of particular benefit to us is the flexibility of their solutions – they provide simple integration with third party systems, as well as the capability to implement most tasks onsite by our programmers. As far as cooperation with the company is concerned, we are also satisfied, as we can always rely on expert support from Compass Plus in development projects and ongoing work.”*