payments

# BSF

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## BSF unifies real-time payments and collections with TCS BaNCS for Payments

In 2020, BSF selected the TCS BaNCS Global Banking Platform to simplify and digitize its IT landscape across deposits, lending, and payments. "Recognizing the significance of staying ahead in the rapidly evolving banking industry, we undertook the implementation of a bank-wide core banking system," says Thamer Yousef, COO, BSF. **"This intiative aligns with our strategic goals of providing a best-in-class customer experience, leading the way in operational efficiency, future-proofing our technology landscape, and enriching our offerings and services to customers.**

TCS BaNCS Global Banking Platform was selected by BSF after an extensive evaluation process that covered robustness, scalability, flexibility, and comprehensive functionality. "TCS BaNCS aligned well with our long-term strategic objectives and provided a strong foundation for our future growth," says Yousef.

With its recent deployment of TCS BaNCS for Payments, BSF has achieved a key milestone in its digital transformation and core banking modernization. "The Middle East is one of the fastest-growing real-time payments markets globally, and Saudi Arabia is leading this growth, paving the way for financial prosperity," says Yousef. "As a leading financial institution in Saudi Arabia and the Middle East, BSF is committed to delivering exceptional customer service and operational efficiency. The successful deployment of TCS BaNCS for Payments as part of our larger enterprise-wide transformation program reflects our commitment to supporting payments innovation in the region."

Before BSF's transformation program, customer experience was hindered by fragmented systems and manual processes in outdated legacy systems. "This led to delays in service delivery, limited visibility into customer information, and challenges in offering personalized solutions," says Yousef. "Operational efficiency was impacted by the complexity of managing multiple systems, resulting in increased costs and a lack of agility in adapting to market and regulatory demands."

With the deployment, all real-time payments and collections, including international payments through SWIFT, will be done through TCS BaNCS. "The solution's rich set of APIs will help us maximize flexibility and connectivity, and enrich value-added services around payments, empowering us to adopt any new evolution in this area rapidly," says Yousef.

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### Milestone in multi-phase deployment

TCS BaNCS for Payments was deployed as the third of five planned phases in the BSF deployment of TCS BaNCS.

Previously, BSF had been running over 150 separate, standalone systems for key capabilities including customer data, product definitions, loan accruals, accounting, and customer inquiries. "Even the simplest transactions required complex integration efforts with fragile interdependencies," says Yousef.

**"By aggregating core banking capabilities into the single solution of TCS Global Banking Platform, BSF has already shown significant operational improvements and tangible business benefits, including the decommissioning of certain legacy systems."**

The first release ("Release 1") in December 2020 covered origination and servicing of retail loans.

**The deployment increased automation in loan and credit card processing by 30 percent, leading to improved efficiency, minimized errors, and faster processing times.** Simplified workflows automatically manage approximately 85 percent of compliance checks and exemptions, ensuring stronger regulatory compliance.

The noteworthy effort included a rapid transition to remote work following the onset of the Covid crisis. "Despite unprecedented lockdowns taking effect just four months into the project, our team was able to deliver with only marginal delays before year-end 2020," says Yousef.

The second release ("Release 2") was originally slated to cover customer information, payments, and accounts. Given the complexity of the legacy systems along with the business benefits of rapidly deploying key functionality, the release was further divided into three parts.

- "Release 2.1" in 2022 delivered faster turnaround for home loans and significant improvements in same-day turnaround time for personal loans and credit cards.
- "Release 2.2A" in 2023 involved the deployment of TCS BaNCS for Payments, delivering a Single Payment Hub for centralized operations and a uniform customer experience across different payment transactions.
- "Release 2.2B," scheduled for 2024, will cover customers, deposits, and accounts. This is a significant shift that will result in the migration of the bulk of customer accounts to TCS BaNCS and the sunsetting of over 20 legacy systems.

The third release ("Release 3") will complete the scheduled transformation project with conversion of corporate loan origination and liquidity management solutions for Corporate Banking. The release will also include a new TCS BaNCS Quotation component that will optimize and redefine funding workflows between Core Banking and Treasury systems.

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Throughout the ongoing release schedule, a strong partnership has been essential. “The implementation process faced several challenges and headwinds, such as undocumented processes, bespoke legacy IT systems, migrating large volumes of complex data, and complex system integration,” says Yousef. “These challenges were addressed through meticulous planning, stakeholder engagement, and close collaboration with TCS, our delivery partners and our internal teams. We established dedicated project teams, conducted extensive testing, and provided training and support to ensure a smooth transition in each phase.”

The transformation program benefitted from high-level executive sponsorship, effective project management, strong alignment of business and IT teams, and active engagement with stakeholders. “The program has received external and internal accolades for its strategic planning, successful implementation, improved operational efficiency, and positive impact on customer experience,” says Yousef.

“Our partnership with TCS can be characterized by strong collaboration, responsiveness, and shared goals,” says Yousef.

**“TCS has demonstrated deep domain expertise and a customer-centric approach throughout the implementation journey. They have provided timely support, innovative solutions, and guidance, and contributed to the success of the core banking transformation program.”**

### Immediate benefits

With the deployment of TCS BaNCS for Payments across domestic and international payments, BSF delivers faster transactions for customers, while nearly doubling the straight-through-processing rate. “The microservices architecture of TCS BaNCS is helping BSF to provide real-time, frictionless payment services to its clients and scale systems to match increasing transaction volumes in an economy that works around the clock,” says Yousef. “The new solution is helping BSF deliver a superior customer experience, be more responsive to clients’ growing needs, and innovate while seamlessly adapting to market evolution.”

The open-banking approach of TCS BaNCS strengthens BSF’s strategy to be a regional leader in Banking-as-a-Service. TCS BaNCS includes a large repository of ready-to-deploy APIs for rapid connectivity to third-party providers, allowing BSF to embed financial products and services into a wide range of client offerings. “The future-proof digital core and Saudi market-ready functionality of TCS BaNCS will help BSF roll out new product lines,” says Yousef.

Based on these capabilities, BSF has already achieved significant business benefits. “The bank has witnessed tangible business growth and achieved a positive return on investment for the phases that have gone live,” says Yousef. “Improved operational efficiency, streamlined processes, and enhanced customer experience have contributed to increased customer satisfaction and loyalty.”

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“Additionally, we are expecting significant cost savings through reduced manual efforts and improved risk management capabilities,” says Yousef. **With the flexible architecture of TCS BaNCS, BSF can achieve rapid readiness for new standards and regulations, whether ISO 20022 compliance, CBPR+ guidelines from SWIFT, or early participation in the regional GCC-RTGS Payments Clearing scheme enabling customers to send and receive money to GCC countries.**

“The TCS BaNCS suite of products has played a crucial role in establishing and reinforcing our leadership in the market,” says Yousef. “The suite’s comprehensive functionality, advanced features, and scalability have enabled us to offer innovative products and services, resulting in a competitive advantage.”

### Shared goals

The transformation project has prepared BSF for a rapidly changing marketplace.

“As digital payments continue to gain momentum in Saudi Arabia, progress will be dependent on strong and resilient payment infrastructures, including the enhancement of existing systems,” says Venkateshwaran Srinivasan, Global Head, TCS Financial Solutions. “TCS BaNCS has been powering payments transformation for leading banks worldwide, including the KSA and GCC, and this go-live at BSF is testimony to our functionally rich solution designed on best-in-class technology, high levels of scalability, certified readiness for SWIFT standards, and TCS’ ability to deliver large digital transformation programs successfully.”

BSF has been quick to capitalize on the benefits. “We envision leveraging the capabilities of the core banking transformation program to further enhance our customer experience, drive business growth, and continue adapting to evolving market demands,” says Yousef. “Our vision is to be at the forefront of digital banking, leveraging technology to provide innovative solutions and superior services to our customers.”

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### FAST FACTS

**BSF is a Saudi Arabian Joint Stock Company established by Royal Decree No. M/23 dated June 1977.**

BSF provides all types of commercial banking services to both domestic and international customers. BSF aims at creating a long-term and personalized partnership with all its customers, gaining loyalty through recognized banking expertise, quality of service, as well as innovative and customized financial solutions.

### TRANSFORMATION BENEFITS

- **Improved customer experience:** Enhanced access to customer information, personalized offerings, and efficient service delivery.
- **Operational efficiency:** Streamlined processes, reduced manual efforts, and increased agility in adapting to market changes.
- **Revenue growth:** Introduction of new products and services, cross-selling opportunities, and increased customer acquisition and retention.
- **Cost reduction:** Rationalization of systems, automation of manual processes, and optimized resource utilization.

### AT A GLANCE

Company: BSF

Headquarters: Riyadh, Saudi Arabia, with Regional Offices in Jeddah, Al-Riyadh and Al-Khobar

Business Challenge: To centralize and standardize operations across domestic and international payments.

Solution: TCS BaNCS for Payments

### RELEASE SCHEDULE

2021 Release 1:
Customer information file, Retail loans servicing, overdraft limits

2022 Release 2.1:
Retail loan and card origination

20222-23 Release 2.2A:
Payments (excl. deferred payments)

2024 Release 2.2B:
Customers, deposits, accounts, deferred payments scope

2025 Release 3:
Corporate loan origination and liquidity management