

case study

LÄNSFÖRSÄKRINGAR BANK

One of Sweden's largest banks modernizes core banking and payments

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Founded in 1996, Länsförsäkringar Bank quickly became one of Sweden's largest banks by offering banking services primarily to the 3.9 million insurance customers of the Länsförsäkringar Alliance, comprised of 23 customer-owned regional insurance companies also providing non-life insurance, accident and medical insurance, life assurance, pension saving plans, and fund savings plans.

By 2008, it was clear that Länsförsäkringar Bank would eventually need to upgrade its core banking system. The major objective was to secure future business, meeting customers' evolving expectations and high growth ambitions. The built-in system complexity was increasing due to enforced unique customer development and functional and technical limitations leading to unsatisfying flexibility and time to market. The bank's system had to go offline each night for batch processing, an archaic requirement in the 24/7 digital world. Furthermore, the legacy platform was not built to handle integrations with the broader Swedish and European payments ecosystem, which was steadily becoming more integrated.

Over several years, the bank continued to observe the core banking marketplace and saw how the different solutions evolved. "We could identify the problem and mobilize before the situation was acute and hence we had the time to choose the right solution, prepare well and make the organization aware of the coming change," says Rikard Lundberg, Core Banking Director, Länsförsäkringar Bank.

In 2015, the timing was right for the bank to proceed with an extensive vendor search.

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Key criteria included:

- **24/7/365 core banking solution.** Modern solution supporting digital services.
- **A strong payments infrastructure.** The bank needed a payment engine with adherence to European SEPA standards, which involves requirements for message formats, communications, and service standards; as well as connection with Sweden's existing payment infrastructure, including its real-time payments engine, branded SWISH, that enables bank-to-bank funds transfers using mobile phones
- **Flexibility and time to market.** To supplement Länsförsäkringar's broad range of products and services across banking and insurance, Länsförsäkringar Bank sought a platform that would be easy to integrate with the external world and fast when it came to launching new functionality.
- **Maintenance and support.** Ability to provide assurance of multi-decade support and product growth with a futureproof core banking solution.

Länsförsäkringar Bank sent out an RFP to a long list of vendors, and then shortened the list by scoring the vendor's capabilities as well as the functionality of the core banking solution. "TCS and TCS BaNCS scored very high in all areas," says Lundberg.

TCS BaNCS soon emerged as a clear favorite. "TCS did very well in modernizing TCS BaNCS, and from a functional perspective, the product is

very mature," says Lundberg. "From the product roadmap and ongoing community enhancements, it was obvious that TCS BaNCS would keep up with changing market demands."

In 2016, Länsförsäkringar Bank selected TCS BaNCS, with TCS as its primary implementation partner, including a 20-year support contract. "Maintenance and support were important evaluation criteria, and TCS had the ability to execute on a program like this based on their methodology and culture," says Lundberg.

The ensuing three-year deployment succeeded due to the quality of the relationships that evolved. "Through dialogue and cooperation, we had a very close relationship with the on-site team of product specialists, and we worked well with the team in India doing product enhancements," says Lundberg. "We always felt that TCS took their responsibilities very seriously."

The deployment was completed very successfully, with a total migration and cut over from the old system to BaNCS in just one weekend in April 2019.

"TCS promised a lot during the procurement process, and they delivered," said Lundberg. "They lived up to the high expectations that we had with an extremely high commitment on all levels from people who were very skilled, positive, and quite good to work with."

After the go-live, Länsförsäkringar Bank immediately began to see the benefits of a modern core banking system, including improved data quality, better security,



Rikard Lundberg, Core Banking Director, Länsförsäkringar Bank

AT A GLANCE

Company: Länsförsäkringar Bank

Business Challenge: Modern core banking solution with payments infrastructure and support for open banking

Solution: TCS BaNCS for Core Banking and Payments



Länsförsäkringar Bank awards TCS BaNCS with a gift to commemorate the successful go-live.

increased support for packaging and pricing, and improvements in back office processes. Also, the bank was now able to fully meet its SEPA obligations and ready to be compliant with the coming Swedish payment infrastructure.

The bank is now positioned to pursue new business opportunities, whether through rapid development of new products within the TCS BaNCS environment, or through open banking using the API gateway. "TCS BaNCS is easy to integrate with the external world, making it easy to extend our partner network," says Lundberg.

With TCS BaNCS and the bank's API gateway, the full range of internal and external products assembled for Länsförsäkringar Bank customers can be made available through powerful new digital experiences.

"The replacement of the system marks a key milestone for Länsförsäkringar Bank and the new modern IT platform will further add to our ability to meet our customers in the digital space and open more opportunities for developing the digital banking services of the future," commented Sven Eggefalk, CEO of Länsförsäkringar Bank. "In addition, Länsförsäkringar's Open Banking platform was launched in June with the aim of building new, innovative services that make everyday life easier and create security and added value for customers."

FAST FACTS

Länsförsäkringar Bank, one of Sweden's largest banks, offers banking services on the retail market within Sweden through customer-owned regional insurance companies.

Total number of Länsförsäkringar Bank customers: More than 1 million.

Customer contact takes place during personal meetings at 130 of the regional insurance companies' branches throughout Sweden and via digital services and telephone.

Rewarded with the highest private customer satisfaction: 13 out of 15 years (Swedish Quality Index)

Sven Eggefalk, CEO of Länsförsäkringar Bank, and Venkateshwaran Srinivasan, Head of TCS Financial Solutions, participate in go-live celebration in Bangalore.

