

FLEXIBILITY AND GROWTH

TCS BANCs Core Banking assists NLB Group, Slovenia's largest bank, to create a strategic approach to IT

By Claus Alexandersen, Regional Director Delivery-UK & Europe, TCS Financial Solutions



NLB Group, based in Ljubljana, Slovenia, provides universal banking services across Slovenia, Southern, Central and Western Europe, with over 60 subsidiaries in banking, asset management, insurance, leasing and factoring. NLB Group is the largest financial institution in Slovenia with a market share of almost 40 percent and over 3 million customers.

BACKGROUND

In the past, NLB Bank was running an outdated core banking system with functionality accumulated over the course of 30 years, covering both retail and corporate banking activities and processes. In 1999, with the aim of completely renovating its infrastructure, NLB Bank deployed software now branded TCS BANCs Core Banking. To share the costs, NLB Bank entered into a partnership arrangement with two other banks in Slovenia to build a common, shared infrastructure. "We're sharing the cost among three banks," says Jure Peljhan, CIO of NLB Group. "With these economies of scale, we have fairly efficient management of costs."

NLB Group maintains a central IT organization that coordinates and harmonizes activities across the entire organization, while

also providing core IT services to NLB Bank. NLB Bank uses TCS BANCs Core Banking for its retail banking services, including core products such as deposit accounts, savings accounts, mortgages and loans. The solution also includes a customer information file. Because of diversity of back end systems, NLB developed its own web based teller application used in NLB branches with fundamental CRM capabilities working together with transactional accounts. "We offer customers several e-channels that are connected to TCS BANCs – Internet banking systems, call center and mobile banking," says Janja Žabjek-Dolinšek, R&D General Manager for IT. "We modernized the system a lot over the last couple of years, with new front-end CRM applications so that data from customers is available to tellers."

With system enhancements handled by NLB Bank's IT department along with support staff from TCS Financial Solutions, TCS BANCs has continued to form the backbone of the organization's technology infrastructure through significant changes in its regulatory and operating environment.

"Regulatory requirements have hit the bank significantly in the last year," notes Peljhan. "We had to introduce the euro as a currency, and other European regulations

Jure Peljhan, CIO,
NLB Group



such as SEPA and Basel II, and that has taken up a major part of our capacity.” In addition, this year NLB Bank merged three of its subsidiaries onto the TCS BANCs Core Banking solution. “It was quite a huge project, but we went through it without major problems,” says Dolinšek.

FUTURE MOVES

Looking ahead, NLB Bank intends to further consolidate its in-house enhancements to TCS BANCs, sunset its remaining legacy systems and fully implement new front-end functionality covering business activities across the broader group. “With our expert TCS BANCs team, we’ll upgrade the system according to regulatory requirements from the Bank of Slovenia (the national bank) and the European Central Bank, while also implementing new user requirements,” says Peljhan.

TCS BANCs provides the bank with rapid response to new market challenges as they arise. “Previously, we didn’t have all of the products in one place, we didn’t have one single view of the customer, and we had to develop fresh programming for every new product,” says Peljhan. “With TCS BANCs, we have all of the information in one place, and bringing in new products involves just setting parameters without programming for the faster implementation of new products.” “TCS BANCs is really customer-oriented,” notes Dolinšek. “With the parameterization of new products and processes, we’ve been able to move from being programmers to being technologists.”

FAST FACTS

Employees:

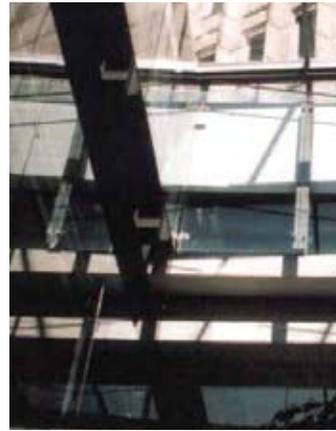
8000 employees in NLB Group, 4,100 employees based in Slovenia

Awards:

Won the Euromoney Award for Excellence for ten years in a row

Ranking:

Ranked by The Banker among the Top 15 banks in Central and Eastern Europe



AT A GLANCE

Company: Nova Ljubljanska banka Group (NLB Group), based in Ljubljana, Slovenia

Lines of business: Banking and investment products for retail clients, corporate clients and financial institutions

Technology: TCS BaNCS Core Banking

Challenge: Meeting regulatory requirements and market challenges



Janja Žabjek-Dolinšek,
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