

Case Study

South African Challenger Bank uses Andile's Cloud Managed Service to reduce Total Cost of Ownership

The Company

In addition to serving as a bank holding company, this South African challenger bank offers a comprehensive range of financial products and services tailored to meet the needs of small and medium businesses, asset suppliers, and institutional investors.



Background

The Bank was growing and looking to streamline their operations with the expectation of increased volume. They needed a flexible solution that would allow the business to extend the products they offered to both their existing and new clients. Furthermore, the bank needed to future-proof their regulatory compliance and lay the foundation to do bigger and different types of deals.

After completing a **Business Architecture Review (BAR)**, Andile identified a series of regulatory issues that would have had a negative impact on the Bank as they looked to expand. It was determined that their legacy capital markets system did not meet their long-term vision, to transition from a niche player to a challenger bank. It was also essential for the Bank to find a solution that would enable them to address the challenge of rapidly scaling while staying compliant with ongoing regulatory requirements and market best practices – all of this while managing their Total Cost of Operations (TCO).

Likewise, the BAR highlighted that the Bank's in-house built Treasury systems needed to be replaced with a more up-to-date system. This presented the Bank with the opportunity to merge their end-of-life Trading system and in-house built Treasury system in to a modern Treasury Management Solution – **Calypso**.

Instead of looking for another in-house solution, the Bank determined that an outsourced solution would be more suitable.

Andile's Calypso Cloud Managed Service offering provided the Bank with a managed and hosted solution, allowing the bank to implement a world class treasury management solution at a reduced TCO.

Why Andile

In order to get the industry expert advice they needed, the Bank decided to consult Andile as an external, independent advisor. Andile was able to provide the bank with the full range of support they needed, from project delivery to Infrastructure-as-a-Service. One partner to take care of all of their needs, solving their problems in a holistic way.

Andile has been a trusted partner of Calypso (now Adenza) for many years and over this time has become a trusted advisor to several institutions in the banking industry sector.

With their extensive industry knowledge and experience, Andile is able to partner with Banks to support them in all their Run, Change and Transform activities within the Bank.

Andile also offers to the African market a Calypso Cloud Managed Service offering, hosted and managed on their private or public cloud providers.



Problem

Andile identified four areas within the Bank that needed focus:

1. Operations

Based on Andile's findings, the Bank's operations were limited. As a result of their legacy systems, they had manual processes and limited STP. The Bank's legacy systems also hindered their ability to scale efficiently.

2. System Shortcomings

The Bank's legacy systems lacked adequate vendor support, and various regulatory shortcomings were identified. Risk management was weak across all areas, booking procedures were duplicated and risk taking and pricing capability were limited.

3. Operational Risk

Andile noted that the Bank's legacy systems presented significant risks to their Trade & Treasury operations. The manual compilation, ineffective segregated responsibilities, and multiple sources of information resulted in non-compliant systems that raised several concerns within the organisation.

4. Customer Experience

A range of issues experienced across multiple legacy systems led to back-office disruptions and unstandardised pricing. This resulted in the customer experience being highly fragmented.



Solution

Andile noted that the four major areas of concern could be rectified with the implementation and proper management of the Calypso system.

1. Calypso Treasury Management Solution

Calypso's internationally proven cross-asset, front-to-back solutions for financial markets helped Andile solve the Bank's challenges through the delivery of a scalable, securely hosted capital markets solution.

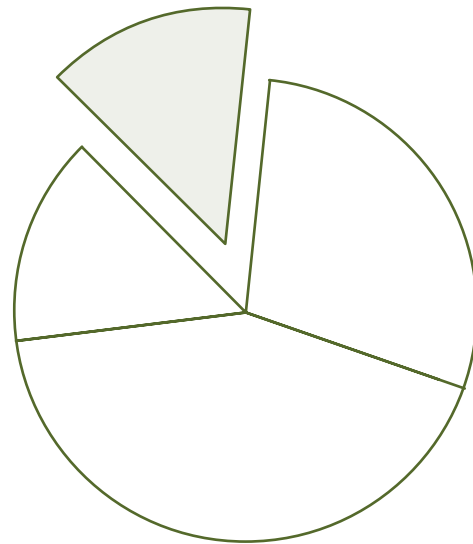
2. Cloud Managed Service

Andile offered full management of the Bank's system, including upgrades, maintenance and SLA. This full suite of software services covered Hotfix / patch installations, regression, SIT and Unit Testing and Configurations. Andile also provided custom code and system extensions, application monitoring and optimisation, covering 1st, 2nd and 3rd level support via Calypso.

This Cloud Managed Service unified the Bank's capital markets activities through more STP processes and workflows, aligning the system and processes to regulatory requirements and ongoing changes and finally an improved customer experience.

Results

This innovative South African challenger bank, implemented and went live with Calypso's front-to-back solution, through Andile. With banking institutions increasingly seeking agility, scalability, and low TCO for cloud solutions, Andile's Cloud Managed Service represents the first of its kind in Africa.



Key Success Metrics

Infrastructure: 1st fully Cloud hosted Calypso instance in Africa

Deprecated Systems: 3

TCO: Reduced by 33% over 5 year period



Says Then Andile CEO Andries Brink:

"The decision to work with a challenger bank in the making should not be taken lightly, but [the Bank] has so much potential that both we and Calypso bought fully into the project. The team did an exceptional job and Calypso again showed their commitment to the African market during this project. We are super excited by what [the Bank] can now start offering."



Says Laurent Jacquemin, Chief Customer Officer for Calypso:

"[The Bank's] ambitions are truly impressive and we are delighted to play a part in supporting their strategic goals. This project demonstrates that a challenger bank can be freed from the legacy of in-house systems, high ongoing maintenance costs and concerns about regulatory changes, to focus more on developing their business. Combining Calypso's pre-configured capital markets solution with Andile's local hosting and proven project management capacity has delivered genuine business value to [the Bank]. We wish them every success for the future."