

# Leveraging Technology for Business Expansion

A FirstBank Case Study

## ABOUT FIRSTBANK

\$740M

NET INTEREST INCOME

2,597 ATMs

IN 892 LOCATIONS

9.7M

ACTIVE ACCOUNTS

\$20B

OF TOTAL ASSETS

## ABOUT FIRSTBANK

FirstBank is one of the largest banking groups by assets in Sub-Saharan Africa. It offers banking services to both retail and corporate customers. Founded in 1894, today the bank serves more than 10 million customers from a network of over 750 branches. The bank operates in various lines of business: commercial banking, investment banking, asset management, insurance and other financial services. Commercial banking, which includes financial services to individual and corporate, is the core business of FirstBank. This segment generated revenue of around \$2 billion which is almost 93% of total revenues in 2014. In the same year, customer loan and advances amounted to \$10 billion.

## BUSINESS NEED

FirstBank deployed Nucleus Software's FinnOne customer acquisition and loan management solutions for retail and corporate business in 2007. By 2012, FirstBank had a strong deposit base of US \$10 billion. After establishing itself firmly in the lending space in existing locations, the bank wanted to expand into new territories. To support this strategy, FirstBank wanted to set up new branches in remote locations and roll out new services in the market. The bank wanted to leverage advances in technology and develop interfaces with various peripheral systems for better risk management.

\$960M



VALUE OF ACTIVE LOANS MANAGED

2,220

AVERAGE NUMBER OF LOANS  
BOOKED MONTHLY

29%

GROWTH IN ANNUAL LOANS BOOKED  
VOLUME CAGR (2006-14)

250+

PRODUCT VARIANTS ACROSS 13  
PRODUCTS

#### SOLUTION

Nucleus Software proposed the upgraded version of its lending solution, FinnOne, to address the bank's needs. FirstBank analysed the capabilities offered and decided to upgrade to FinnOne's latest version. Today, the system is deployed in more than 625 branches and accessed by more than 490 operational users. Around 166,270 loans were migrated to the system out of which 115,000 loan accounts were migrated on day one of the go-live phase.

#### RESULTS DELIVERED

After implementation of FinnOne, FirstBank was able to expand its business in new regions and rapidly roll out new services. The processing time of customer credit requests was reduced significantly and the solution provided the capability for end users to restructure loans; i.e. close existing loans and create new loans for same product category for the outstanding

amount. User friendly interfaces for report generation were introduced which eliminated the need to extract reports from individual systems. The system delivered enhanced and simplified loan management with collateral administration throughout the loan lifecycle. The bank improved its risk management capabilities with extensive de-duplication checks on core banking system, external credit bureaus, and negative database. The system enabled access to applications over lower network bandwidth, which led to reduced total cost of ownership.

FirstBank has witnessed tremendous growth as a result of the continuous transformation and its focus on enhancing operational efficiency. Further, with steps like improving risk management practices, diversifying assets and the automation of systems, the company aims for profitable growth and creating more value for its shareholders.