

Polaris makes inroads into East Africa

Barely three years in Africa, Polaris has distinguished itself as a financial technology provider of no mean repute. Since 2010, the core banking solutions provider – whose system is used by 9 of the top 10 global banks – has acquired clients in Kenya, Uganda, Tanzania, Ethiopia, Seychelles and South Africa. Polaris' Executive Vice President, K. Srinivasan, believes that the company has a strong value proposition for the continent's financial sector.

By Abel Kabiru



Polaris is a global financial technology company that powers the operations of some of the biggest banks and insurance companies in the world. It offers sophisticated and comprehensive solutions for Core Banking, Corporate Banking, Wealth and Asset Management and Insurance. It has a footprint in thirty diverse geographies around the world including East Africa, with a robust team of 12,500 specialists.

Founded 25 years ago, Polaris has created a strong reputation owing to the efficacy of their IT platforms. This has seen it become the provider of choice to the global leaders. 9 of the top 10 global banks and 7 of the top 10 insurance companies run on Polaris software.

Top financial institutions from single instance Global Trade Finance serving 172 countries to a global transactions and payments portal transacting more than US\$3 trillion every month, have entrusted Polaris to build and maintain complex financial technology infrastructure.

Polaris currently manages 350 mission-critical applications for over 250 strategic accounts across 100 countries. Over time, Polaris has

Polaris Executive VP, incharge of EMEA. K. Srinivasan

gained customers' trust which have enabled the Indian-based firm to build unique frameworks, methodologies and tools that provide unparalleled efficiency to their customers.

Polaris is arguably one of the richest financial tech companies in the world in terms of assets and spread of its product portfolio. The company has over 5,000 proprietary business processes and over 100,000 business cases documented in the areas of core banking, lending and mortgages, credit card, private banking, brokerage, asset management, cash management, liquidity management, trade finance and treasury spaces.

HUBS and CBX technologies by the firm are one of the most innovative financial technology innovations in the world. HUBS technologies work on the principle of bringing distributed business intelligence developed over the years by the banking internal innovation teams to one central location. This centralized HUB is thus able to leverage intelligence as well as legacy infrastructure to mitigate risks, launch new products and make operations significantly more efficient.

CBX on the other hand are built for the primary purpose of expanding a bank's ability to generate more transaction and fee-based income. This enables banks to wire their premium corporate customers to the banking financial technology infrastructure seamlessly, and in a very secure and integrated manner.

Polaris develops core banking systems that are distinct for both commercial banks as well as central banks. So far, its clientele in Africa include Ecobank, Consolidated Bank of Kenya, Housing Finance Bank (Uganda), Exim Bank and CRDB of Tanzania, the central banks of Ethiopia and Seychelles, Nedbank and First National Bank of South Africa. The company leverages on its partnerships in the markets it operates in. In Kenya, Polaris has partnered with MFI Solutions. "Our strategy in these markets is to look at it from a country perspective, not as a region. This is because different countries have different needs and challenges. We have distinct solutions for different markets," says Srinivasan, who is in charge of growth markets in India (and subcontinent), Middle East and Africa.

Srinivasan says the local IT infrastructure has leapfrogged in some aspects compared to India. However, he feels that countries in emerging markets would

benefit from the expertise of a company like Polaris which is able to tailor-make its software for either class or mass banking. Unit costs invariably go up whenever a bank is using a monolithic system. Polaris is able to lower the unit cost per transaction for banks by developing a system that uses less bandwidth. This cost savings can be passed onto customers as lower tariffs thereby giving the bank a competitive edge in the market.

The market leader in transaction banking believes that banks in East Africa and elsewhere can benefit from its bespoke software, which Srinivasan terms as very robust and scalable. The system can uniquely run on GPRS, thereby reducing capex for bank branches in remote areas.

"We are the Walmart of financial technology," says Srinivasan. "We can offer a bank the complete process and sub-process solution thereby eliminating the need for a client to contract various vendors, who habitually blame each other when things go wrong."

The global leader, Citi Group, has been running on Polaris software for the last 25 years. "We build and nurture strong relationships that demonstrate our commitment to deliver continued efficiency in banking and insurance. Constant financial technology innovation is critical to our endeavor in building, maintaining, expanding and extending infrastructure for banks, financial institutions and insurance companies. In India, Polaris powers the country's biggest bank, with 28 million accounts and 14 million million customers, with 1,700 branches. Therefore, our systems' scalability and robustness, having been proven in India, is not a challenge for Polaris in the African market," says Srinivasan.

The company believes in simplification as a key principle for higher adoption and more efficient operations. Polaris' seven principles that guide its design and implementation of systems is encapsulated in a framework known as COPARIS, an acronym for Customer experience, Operational effectiveness, Performance, Analytics, Risks, Integration and Security.

Srinivasan says their costs are favorable because Polaris can make stand-alone software to run a particular function in a bank as well as the entire comprehensive system depending on customer requirements.