

## ERI BANCAIRE UNDISPUTED LEADER IN LUXEMBOURG'S CORE BANKING SYSTEM MARKET

ERI'S OLYMPIC BANKING SYSTEM HAS ONCE AGAIN BEEN NAMED AS BEING BY FAR THE MARKET LEADER IN A SURVEY OF 150 BANKS IN LUXEMBOURG FOR KPMG'S 2016 CORE BANKING SYSTEM SURVEY.



From left to right, Raphaël SURIA and Aymeric MECHELANY, Sales Managers at ERI Bancaire

The ERI Sales Managers Raphael Suria and Aymeric Mechelany are interviewed based on the data contained in the 19th edition of KPMG's report - which aims to identify the core systems used by banks and the main IT trends in the sector.

Of these, the OLYMPIC Banking System is far and away the market leader, being used by 27% of them, according to the report's findings. The top three banking software providers account for 57% of the package market.

The overwhelming preference for external solutions is largely due to the considerable risk and cost of developing and maintaining in-house systems, according to ERI sales managers Raphael Suria and Aymeric Mechelany.

"ERI has kept its leading market share for many years because despite growing competition, we evolve with the market, developing with our clients, while keeping an eye on the future," according to Suria. "It is not a static goal, it is a process. We are leading because we are always listening and innovative."

ERI employs highly skilled specialist staff and many of them have been with the company since inception. That stability forms the basis of the company's deep understanding of the local market.

Mechelany says ERI has grown with the sector and is responsive to the changes which are constantly occurring within it. "We are seeing the shift from restructuring to investing. We understand the evolving

regulatory framework, changing business requirements and budget constraints. The IT function has to at least keep pace with these trends."

The modular OLYMPIC Banking System is used by more than 300 banks and financial institutions in over 50 countries on 5 continents. Suria notes that the shape of the industry is changing and software providers have to be ready to expand their competencies as well. "ERI started out focused on private banking and of course we know that sector extremely well. But we have now extended our expertise into universal, retail and commercial banking systems."

There is no room for complacency. Features that were considered market-leading 10 years ago are no longer differentiators, as both product providers and their clients become more sophisticated. "All the top packages claim high technical specifications," adds Mechelany. "Of course you have to have real time processing, and a single store of data to avoid redundancy, but that is no longer enough."

The OLYMPIC Banking System is highly customizable and truly integrated: we are not aggregators of different elements of banking software. We have a completely integrated core system that can run

on multiple platforms, that allows a wide variety of operating and organizational models and that can connect reliably and securely to other Fintech applications and smart technologies. Such connectivity is a prerequisite to digitalization, through which banks may then lift their client experience to a higher level."

As new technologies and business models affect the value proposition of existing financial services, if banks want to be competitive they will need to re-think their IT systems and plan ahead for the needed programming language skills. Legacy systems might make a timely response to digital disruption more difficult.

Currently much of the development undertaken by ERI uses Java, with the stable and efficient core of the system maintained and updated by a highly skilled workforce. More than 80% of our client base has upgraded to the graphical version and are now benefiting from this modern technology.

Modernization can be incremental as banks roll out planned system upgrades. According to the KPMG report, nearly one third of the banks polled are considering changing their CBS in the next two years, and 65% are likely to upgrade within three to five years.

ERI's consistent investment in R&D means that solutions are developed in line with or ahead of market expectations, and the architecture is fit for purpose."We are fully aware of the industry's legacy challenges and also the possibilities presented by digitalization and other emerging trends," says Mechelany.



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However, ERI's real differentiator is the level of service. ERI is vertically integrated, from development to installation and ongoing maintenance."Others may do one or two stages, which means the client is left to manage the co-ordination of different functions. We tend to have an ongoing engagement, using our locally-based staff, which allows us to provide a high quality of service throughout the complete cycle of the business relationship. Our clients consider us as a trusted partner, rather than an external resource," says Mechelany.

"After cost and risk reduction the most frequent reason for buying a core system package, is the time and resources that can be reallocated to the core business. This can only happen with a partner you can trust and empower.

Luxembourg has a solid reputation in financial services, especially in the fund administration and private banking sectors, which users of the OLYMPIC Banking System have helped shape for the past 25 years. The economy is also highly innovative and competitive. The interconnected, outward-looking ethos of Luxembourg authorities and regulators underpins the industry and nurture its evolution, notably through diverse initiatives in relation to the Fintech industry."

The leading banking software by

