



ABOUT THE CUSTOMER

- Founded: 1973
- Headquarters: Reykjavik, Iceland
- Focus on: Financial services IT systems

HISTORY

- A solution that easily manages the complexity of interest rate indexation across different products and can be a foundation for the further modernization of Icelandic banks
- Successful completion of phases one and two – onboarding and complete migration of three of the leading Icelandic banks to the new system
- By the end of 2021, RB will manage all bank accounts and real-time payments in Iceland on our Core Banking System, and will be able to decommission its mainframe legacy system
- Foreseen cost savings when all the financial market has been migrated to Sopra Banking's system, and RB's mainframe system has been sunset

TIMELINE

- March 2013 : Partnership agreement signed
- April 2014 : Our Core Banking System is selected, and a service agreement is signed
- November 2014 : Project phase 1 (migrating the two largest banks in Iceland) starts
- May 2017 : Project to implement our Provision (IFRS9) solution is signed for one Icelandic bank
- November 2017 : The first bank goes live on our Core Banking System
- June 2018 : Provision goes live (for one bank)
- August 2018 : Project phase 2 (migrating the third biggest bank in Iceland) is signed and begins

The Challenge:

Long-standing IT service center RB develops and provides core systems to all banks in Iceland, including the country's central bank. Problematically, many of these banks were previously running on costly legacy systems, and it was RB's objective to change this, by providing multi-bank solutions that increase efficiency in financial institutions while lowering costs. But to do that in the most successful way, RB needed to review and challenge its own business processes, rationalize costs and replace its existing system.

In order to achieve these goals, RB needed a partner who could provide a state-of-the-art and effective solution to maintain the company's excellent reputation. Thanks to Sopra Banking's proven track record and experience delivering innovative, localized solutions throughout Europe, RB chose us to help them deliver this solution.

As a software leader with a long history of strength and stability, and supported by Sopra Steria Group, RB could be completely confident that we would provide a comprehensive, off-the-shelf solution.

The result? RB continuing to provide a successful, seamless service to its own clients.

The Solution:

The initial scope of the project was deposits and payments, with the option to add a lending suite as well. Sopra Banking responded by implementing our Core Banking System. By starting with the blueprint phase, we screened all RB's processes and products, and then localized our solution to fit with Icelandic specificities,

notably indexed interest rates on accounts and deposit products linked to inflation and other economic indicators. This in itself proved challenging, due to the complexity of managing indexing across different products.

Furthermore, as we were implementing solutions for RB to help their banking clients, the question of communication and governance had to be answered.

Fortunately, we were able to overcome both challenges, thanks to good relations between all teams and a strong experience and competence from those involved in the implementation phase.

As such, the initial stages of the project have been

a resounding success, with three of Iceland's largest banks already migrated onto RB's new system we provided. And the project won't stop there. With RB, we're continuing to onboard all Icelandic banks, including the Icelandic Central Bank, and, by the end of the year, we should be complete.



“RB needed a strong partner and a flexible solution to replace the legacy software that RB has been running for Icelandic banks for decades. With the help of an external consulting company, RB performed an extensive selection process. A lot of partners and systems were analyzed and, from them, three were chosen for a final phase, and eventually Sopra Banking was selected. RB is very satisfied with the cooperation with Sopra Banking, and their software has proven to be both flexible and feature-rich, able to fulfil the requirements of the banking system in Iceland. Currently, we are looking into opportunities to extend the use of the Sopra Banking system in Iceland and possibly add new Sopra Banking modules to the portfolio of systems at RB.”

Jon Helgi Einarsson, Executive Vice-President at RB



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