

CORPORATION BANK PARTNERS WITH ELECTRACARD

To Issue LIC White Label Credit Cards

Karnataka based Corporation Bank has recently selected ElectraCard Services (ECS), an electronic payment solutions specialist, as the third party processor for launching LIC credit cards. ECS will provide end to end processing of the white label credit cards that will be issued by the bank on behalf of LIC Cards Services Ltd, a company owned by LIC of India.

Under the contract, ECS would handle the processing of the credit cards from applications, card and accounts, transactions, billing, statements, payments, dispute resolution and general ledger besides providing additional services of generating SMS and email alerts as well as round the clock helpline to assist LIC card holders. 'We will also provide the entire infrastructure and manpower required for such operations and manage all relationships with third party service providers that are engaged within this line of processing services,' says Ramesh Mengawade, CEO, Opus Software and ElectraCard Services.

The bank had carried out an extensive selection process for four months evaluating several



Ramesh Mengawade

vendors before selecting ECS for the project. Commenting on the selection process, Mengawade says, 'The selection actually began in December 2008 and was done through Request for Proposal (RFP) method. It all took us close to four months from the initial RFP to getting the final order'. ECS won the contract against contenders like First Data and Venture Infotek. What were the key parameters for selection on which ECS scored over other vendors? 'The parameters were to go with a company that had state-of-the-art facilities and certified standards in the payments

industry, a company that had been in a similar business with at least 2 banks in India, one of which would be issuing a large volume of cards,' responds Mengawade and adds that, 'The inherent idea was that these advanced technological strengths could be provided seamlessly to the customers in India.'

This is LIC's first foray into the credit card business where it will be issuing credit cards to its expansive database of 235 million policyholders in the first phase of rollout. Besides offering the facility of paying LIC premiums with white label cards to its policyholders, the recently formed LIC Card Services also plans to offer unsecured personal loans against the credit card. LIC Card Services holds a major stake in the company while the rest is owned by its channel partner, Corporation Bank.

What is white label credit card? 'When the financial institutions or retailers outsource their credit card operations to a bank, the bank issues and processes the credit cards as white label cards, typically for a fee, allowing them to brand the cards as their own

without having to invest in the significant infrastructure that would otherwise be required', explains Mengawade.

ECS is a wholly-owned subsidiary of Opus Software Solutions. The parent company was founded in 1997 targeted towards providing solutions and services to the credit and payments industry.

Headquartered in Pune, India, ECS has offices in Chennai, Mumbai, Princeton and Atlanta. It has a sound client base in the banking domain in India which includes banks like ICICI Bank, Corporation Bank, Central Bank of India, Dena Bank, Cosmos Bank, Union Bank of India, Deutsche Bank (India), IDBI Bank and Bank of Baroda.

ElectraCard solution suite provides card processing solutions, Internet based (e-commerce) transactions, fraud control system, collection

time fraud control solution that monitors and detects fraudulent transactions and electra secure is electra access control server and merchant plug in for 3-D secure authentication of online transactions,' he adds. Also a certified Third Party Processor (TPP) for PCI-DSS, Visa and MasterCard, ECS offers customised solutions and services based on individual market requirements.

Is ElectraCard majorly focused on the South East Asian markets currently? 'We have customers across 25 countries in four continents. In South East Asia our clientele includes Asia Commercial Bank (Vietnam), ACLEDA Bank (Cambodia), BNP (Indonesia), Asia Finance Bank (Malaysia) and Nabil Bank and Global Bank in Nepal. So, the South East Asian market is definitely one of our focus areas

technology deploying its ATMs with fingerprint recognition technology, voice instruction and simple screen graphics. 'The Switch will drive biometric ATMs in Cambodia, the first of its kind in the country,' claims Mengawade. According to ECS, the bank also plans to deploy other ECS solutions including credit cards and prepaid cards solutions in near future. TienPhong Bank has also selected ECS' electra EFT Switch for its electronic banking service. The solution aims to help the bank drive its ATMs, authorise transactions on proprietary debit cards and interface to Smart Link. 'The bank chose our solution to support its immediate need of strengthening its ATM and branch networks, enabling its transaction infrastructure for growth and execute its long-term drive to transform its business,' says Mengawade.

ElectraCard solution suite comprises of seven main product lines namely electra-switch, credit, debit, prepaid, ecomm, guard and secure.

management system enabling the financial institutions to electronically process various payment transactions in real-time along with back-office processing. 'ElectraCard solution suite comprises of seven main product lines namely electra-switch, credit, debit, prepaid, ecomm, guard and secure,' says Mengawade. ElectraCard's credit, debit and prepaid are its main card management solutions while electra ecomm enables secure acquisition, processing and routing of e-commerce transactions. 'ECS electra guard is developed as a flexible near real-

among others,' responds Mengawade.

TienPhong Bank, Vietnam and Foreign Trade Bank, Cambodia are amongst the recent additions to ECS' South East Asian customer list. The two banks have selected ElectraCard's electraSwitch solution. The solution is an Electronic Fund Transfer (FFT) authorisation and routing system for acquirers with support for EMV (Europay, MasterCard and VISA) and biometric authentication. Last month, Foreign Trade Bank, Cambodia's first bank selected electraSwitch biometric

Other regions that ElectraCard focuses on are Middle East and Africa. Their major customers in these regions include Invest Bank (UAE), Union Bank of Nigeria, Orient Bank (Uganda), Capital Bank (Botswana), Eco Bank (Ghana), First Merchant Bank (Malawi) and CFC Stanbic Bank, Imperial Bank and Equity Bank in Kenya.

Commenting on the win Mengawade says proudly, 'ECS is well equipped to provide fast and secure transactions to such large volumes seamlessly. The implementation schedule of the project was extremely tight and we got the whole thing live within a month.' 'As third party processors we have always offered outstanding results to our customers and with Corporation Bank we are confident of setting new benchmarks.' ■