

Front-to-Back Solution Puts BIF at the Forefront of Peruvian Trade Finance

16 March 2009

With global heavyweights like BBVA, Banco Santander, Citibank, HSBC, and Scotiabank dotting Peru's list of top 10 banks, it's no wonder that the Lima-based Banco Interamericano de Finanzas (BIF) has its hands full. But BIF, an 18-year veteran of the banking industry and member of the Spanish IF Group, is holding its own quite nicely against the "Who's Who" of leading Peruvian banks, ranking fifth in assets, loans and deposits.

As a "David" among Peru's banking "Goliaths," BIF attributes part of its success, in fact, to its smaller size, says Isabel Quevedo, BIF's International Business Division Head. "Since we are not part of a large international concern, we can easily adapt to changes, and are readily accessible to our customers. And for a customer-oriented bank like us, that's very important."

"The Surecomp system has helped BIF handle 30% annual trade finance growth over the last two years."

Another reason for BIF's success in the highly competitive Peruvian banking sector is its level of trade finance activity. Comprising 25% of the bank's overall loan business – a larger portion than any other Peruvian bank with the exception of HSBC – BIF's 2008 international trade volume surpassed \$1 billion, translating to a 5.8% market share. And one of the main reasons for BIF's trade finance success is the recent deployment of Surecomp's integrated front-to-back solution. "The Surecomp system has helped us handle 30% annual trade finance growth over the last two years," says Quevedo. "It has been a real key to our improved performance."

Having originally conducted trade finance transactions via a module within its core system, BIF decided to implement a dedicated solution in 2005. "We got to the point where our legacy system was not flexible enough for carrying out our trade finance operations," Quevedo says. "We needed a system that could provide us with standardization, faster service, and more processing power. And given that we are a medium-sized bank with limited resources, unlike most of our competitors, we needed a system that had the capacity to grow without requiring any further manpower."

Fastest, Most Efficient Implementation

After conducting a three-month evaluation of four different vendors, BIF chose Surecomp. "Our decision to team up with Surecomp was based on a number of factors," Quevedo says. "The system offered several application benefits, was compatible with our mainframe and management information systems, required limited human resources, and was easy to implement." In fact, the four-month implementation of the solution's first stage – Surecomp's IBSnet® back-office system – was so smooth that Quevedo calls it "the fastest and most efficient implementation I have ever witnessed."

"Once our customers start using the front-end application, they don't stop, particularly our heavy users."

While the solution's second stage – implementation of Surecomp's NetIMEX® (now branded as allNETT®) front-end system – took slightly longer than stage one, it was business as usual throughout the installation process for BIF. "None of our customers noticed or were affected by the transition," Quevedo points out. And by mid-2007, BIF became the first Peruvian bank to offer a front end to its corporate clients. "Even though some of our competitors had started implementation of a front-end solution before us, we were the first to go live," she adds.

Delivering the Goods

Once fully in place, Surecomp's front-to-back system has delivered the goods to both BIF and its customers. The highly integrated solution enables BIF to manage all customer import and export transactions, generate new business opportunities via an Internet front end, and boost revenues due to greater efficiency and STP usage, all without increasing manpower. For customers, meanwhile, the advanced front end, branded by the bank under the name BIFtrade, is a powerful, easy-to-use tool for conducting a full range of trade transactions anytime, anywhere. Helping

corporate clients accelerate operations processing, reduce paperwork, and generate reports in multiple formats, the front-end solution has been a key addition to BIF's trade finance offering. "Once our customers start using BIFtrade, they don't stop, particularly our heavy users," Quevedo says.

As the first bank to offer a front-end solution in Peru, BIF has been nationally recognized for its success within the trade finance sector. But its reputation does not stop at the country's borders. BIF is the first IF Group bank to offer a front-end solution, prompting three additional members of the group's financial division, including its largest bank – Banco Exterior in Venezuela – to look into a similar implementation. "Our success with BIFtrade has been recognized by the IF Group, and as a result, we will soon be demonstrating the solution to a number of banks considering the addition of a comparable front-end system," Quevedo says.

Partnering in the Region

While it is clear that BIF has been pleased with Surecomp's front-to-back solution, the bank is also quite satisfied with the service and support it has received from the vendor. "Surecomp has been very responsive to our needs," Quevedo says. "The company addresses our problems when necessary, and keeps us in the loop when a solution upgrade or revision becomes available. At the same time, Surecomp has outstanding personnel who stay in constant contact with us, and even provide market data for keeping up with trends in the region."

"Surecomp has outstanding personnel who stay in contact with us, and provide market data for keeping up with trends."

As one of the first South American banks to deploy Surecomp's front-end system, BIF's "partnership" with the software vendor is now more apparent than ever. BIF serves as a reference for Surecomp in the region, and as such, agreed to demonstrate BIFtrade to several Latin American banks looking to add a similar solution to their offering. "We view this as a win-win situation," Quevedo says. "By serving as a reference in the region, we further strengthen our relationship with Surecomp. At the same time, the more banks that adopt a front-end solution, the easier our job will be in the future."

And as for the future, BIF sees Surecomp playing an important role as the "David" of the Peru banking system continues to take on its fellow "Goliaths." "We are committed to doing what we can to succeed in Peru's extremely competitive banking environment, and I expect our relationship with Surecomp to only strengthen over time," Quevedo says.