

FMO

Entrepreneurial
Development
Bank

FinTech Partnerships – FMO Case Study

Keeping it simple:
A **recipe for success**
in Georgia's mobile
banking market





Reaching out to fast-growing markets

Technology development and strong market competition challenges the largest Bank in Georgia TBC to find innovative and efficient ways of delivering the best service. Powering an independent fully digital bank is a way of challenging the status quo on a Georgian daily banking market that brings a new reality not only to TBC but to other competitors

The bank established an independent digital project team, operated as a start-up, to develop services that would offer the same sort of user experience provided by leading technology companies such as Amazon and Google. The goal was to come up with an application that would address customer needs but at the same time be highly flexible and configurable.

With a target market including millennials, the project team consisted mostly of young professionals that understood their needs and aimed to deliver a minimalist experience on daily banking services for this new generation of customers.

Over an eight-month period, TBC's team developed Space, a digital neobank product that only exists as a mobile app, without any connection to a traditional branch network. Space has been designed to be an intuitive means of managing a bank account from a mobile device, including products and services such as loans, transfers and credit cards.



Keeping it simple

Much of the administration involved in applying for a loan, for example complying with customer due diligence requirements or uploading income statements, can be carried out by customers using the app, with the bank conducting any final tasks behind the scenes. Customers can also integrate accounts, credit cards and loans from other institutions using the Space app, requiring only one digital banking app on their mobile phones.

The aim is to make the submission of loan applications and management of borrowings as simple as possible. The Space team believes any products requiring more than five steps to complete are too complicated. That's why the app does not seek to offer more sophisticated products, such as mortgage loans, which require procedures and provision of information that cannot be managed easily on a mobile device.

To expand its customer base, Space has launched an extremely successful client rewards programme, which offers customers financial benefits for making referrals. Furthermore, a customer survey feature is embedded in the application to help continuously improve the product. So far more than 22,000 customers have left comments, demonstrating the application's high popularity and customer engagement.

In order to attract a broader clientele and differentiate its services in the Georgian market, the Space brand is fully independent from TBC - so it does not present the image of a traditional bank to under-served SME and young customers.



A model for traditional banks?

Since the aim was always to make Space as much of a stand-alone product as possible, the project team developed the app independently of the core TBC Bank technology platform. The technology means that a very small team – fewer than 40 people – is required to maintain Space, despite its scale as a banking service with national reach.

The core technology behind Space is provided by Germany-based Mambu, a provider of software-as-a-service focused on the digitalisation of banking technology, while third-party applications including Salesforce and Corezoid support other aspects of the service. No new code was written for functions if they could be covered by APIs.

The Space team has successfully demonstrated that a technology-driven mobile product can rewrite the rules of digital banking for the Georgian market. With a dual approach combining traditional and digital banking, TBC Bank can target different customer bases more precisely, leveraging its competitive advantage. There is also a possibility that parent TBC will ultimately adopt the Space approach to support its own banking services.

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Contact details

To be a partner in the digital transformation of your institution, FMO has implemented a dedicated FinTech team.



Huib-Jan de Ruijter
Director Financial Institutions
h.de.ruijter@fmo.nl



Andrew Shaw
Senior Capacity Development Officer
a.shaw@fmo.nl



Lonneke Noteboom
FinTech Associate
l.noteboom@fmo.nl



Pim Engels
Investment Officer FinTech
p.engels@fmo.nl



Arvind Kodikal
Investment Officer Private Equity Financial Institutions
a.kodikal@fmo.nl