



COAST CAPITAL SUCCESS STORY

COAST CAPITAL SAVINGS COMPETES WITH CANADA'S BIGGEST AND BEST.

COAST CAPITAL SAVINGS: BUSINESS OVERVIEW

Coast Capital provides 210,000 members with full service banking, investment and insurance relationships including deposit and loans; an array of mutual funds; home, auto, life and disability insurance; real estate; CDs; stocks and bonds; annuities; credit and debit cards and financial planning services. These services are provided through a variety of channels including branches, call center, Internet and agent operations.

TYPE OF INSTITUTION

Coast Capital is a Canadian full service credit union offering consumer and commercial banking, insurance, wealth management, real estate and investment services.

serving Victoria and Vancouver, British Columbia, Canada.

Coast Capital offers a wide variety of financial banking products and services, allowing them to compete head-to-head with Canada's largest banks. Coast Capital Savings has prospered because it implemented technology to support its growth strategy to increase market share in the face of fierce competition.

GEOGRAPHY

Coast Capital is located in Vancouver, Vancouver Island and Victoria, British Columbia, Canada.

GROWING PAINS

Seven years ago, one of the merger partners, Pacific Coast Savings, re-engineered its approach to doing business to

FIDELITY SOLUTIONS INSTALLED

Sanchez Profile® - The world's fastest core processing system

Sanchez FMS™ - (Financial Management System)

"SANCHEZ [FIDELITY] SOFTWARE IS THE BACKBONE THAT ALLOWS US TO FOCUS ON OUR CUSTOMERS VERY COST EFFECTIVELY AND VERY EFFICIENTLY."

**JOEL ROSENBERG, SENIOR VICE-PRESIDENT,
INFORMATION TECHNOLOGY GROUP,
COAST CAPITAL SAVINGS**

create a unique type of financial institution. The objectives were to achieve top satisfaction ratings, while at the same time obtaining the highest returns on equity. The banking systems

BENEFITS

- Decreases time to market
- Integrates easily with third party systems
- Information rich to support sales functions
- Reduces risk by increasing operational efficiencies

were being run off a dated service bureau product that was strangling the business from being able to introduce new products. According to Joel Rosenberg, Coast Capital Savings' senior vice president, "Every decision we made took six months to complete and cost \$1 million, preventing us from being able to react nimbly to our competition." Coast Capital's data technology was jeopardizing its business, as the system was unable to

Coast Capital Savings is now Canada's second-largest credit union as a result of a recent merger between Richmond Savings and Pacific Coast Savings. Coast Capital Savings is a \$3.2 billion cooperative banking institution



handle the need for increasing capacity and growing transaction volume. At this point, the management team realized they needed a technology solution that would allow them to quickly and cost-effectively meet their business needs to remain competitive in an increasingly complex financial services market.

FIDELITY AS A SOLUTION

After a careful assessment and assistance by Ernst and Young, Fidelity's Sanchez Profile system was chosen as the engine to power its banking systems. "Sanchez (Fidelity) solutions helped us get on with our business," said Rosenberg, who worked with Fidelity to install Profile and was immediately able to resolve system capacity issues and improve new product development timeframes. For example, Coast Capital Savings significantly decreased the processing time required for customers to complete an auto loan application. With the previous system, customers required two hours to complete the application on a pre-approved basis. A loan origination system was quickly developed that utilized the processing power of Profile to allow loans to be processed within 10 minutes. In addition, it allowed the sales, accounting and underwriting process to be merged at the point of sale.

DECREASED TIME TO MARKET

After integrating Profile with their existing system, Coast Capital Savings dramatically improved their product manufacturing capability. Says Rosenberg, "Product development is a non-issue as new product manufacturing can now be accomplished in only one day." The speed with which Coast Capital Savings introduced their Teacher's Loan Program is a perfect example of how Profile helped Coast Capital Savings cut product development timeframes. This program allows Canadian schoolteachers to make 10 mortgage loan payments per year, rather than having to make 12. Coast Capital Savings members from a teachers

group requested this type of payment schedule because they work 10 months a year and need to budget around the times when they receive a paycheck. After receiving input from the teachers, Coast Capital Savings set up the program within one day - a result no other bank in the area was able to achieve.

A WEALTH OF CUSTOMER INFORMATION

One of Coast Capital Savings' top objectives for the Profile installation was to increase automation of the sales process at the point of sale. Profile helped extend sales processing to a variety of channels including Web-based banking via the Internet, touch tone access by IVR, call center and a complete ATM and debit card network. This greatly reduced administrative costs, while increasing customer convenience. All channels were hooked into the Profile database and extended throughout the sales process to capture complete, customer financial data. Coast Capital Savings now pulls the information into a data warehouse and uses it to target the same customers for different products, capturing a wider share of wallet from the same customer base. For example, Coast Capital Savings used information from its banking system to develop a pre-approved consumer-lending product. Based on information served up by the Profile database, they targeted specific individuals for pre-qualification to introduce the new loan product.

DATA DELIVERS FLEXIBILITY

The Profile database also helps feed information to Coast Capital Savings' financial managers to map business directions. For example, Fidelity's Sanchez FMS™ is used to merge financial extracts from disparate business systems to provide regular forecasts for the annual operating plan. Coast Capital Savings also uses production information and sales forecasts from the commercial divisions of retail branches to track retention rates on their



deposit and loan products. This information is then used to help predict financial margins over the upcoming 12-month period. According to David Gaskin, Coast Capital Savings' controller, Profile helps us be flexible - we use the information to help determine whether we need to take mortgages off the balance sheet, for example, so we know where to direct campaign energy." Profile data helps Coast Capital Savings watch the market and react quickly as a competitive strategy against larger, less nimble institutions.

EASE OF INTEGRATION

One of Coast Capital Savings' future intended uses for their customer information is to

implement a Customer Relationship Management (CRM) system to help build sales of mutual funds and private home and auto insurance. As they evaluate different CRM providers, Coast Capital Savings is confident in their ability to integrate the Profile system and extend its functionality to a new CRM system. States Rosenberg, "The ease of integration with (Fidelity's) Sanchez Profile solution is phenomenal. We can integrate a process with a third party system using a team of one or two programmers and it may take us a month. Without Profile, the project would take a large team of programmers at least 6 months to complete." Profile's ease of system integration helps Coast Capital Savings better manage operations and drive business efficiency.

DEDICATED TO CUSTOMERS

At a time when many of their competitors are responding to market pressures by scaling back on person-to-person service, Coast Capital Savings is committed to increasing their level of customer service. With Profile data, Coast

Capital Savings can focus on increasing customer satisfaction by exploring the total customer relationship. Although many financial institutions follow a strategy of allocating the most marketing dollars to selling to high net worth individuals, Coast Capital Savings follows a different path to profitability by leveraging the lifetime value of customer relationships. Rather than seeking immediate

high returns, Coast Capital Savings is investing in tomorrow's high net worth individual by tailoring specific programs that meet their needs as a strategy to drive long-term revenue. According to Rosenberg, "The Sanchez (Fidelity) system has been an

"I GET ASKED ALL THE TIME - IF GIVEN THE CHOICE, WOULD WE MAKE THE SAME DECISION TODAY THAT WE MADE SEVEN YEARS AGO, WHEN WE CHOSE SANCHEZ [FIDELITY] SOFTWARE. THE ANSWER IS ALWAYS 'YES.' SANCHEZ [FIDELITY] REMAINS THE BEST BUSINESS SOLUTION FOR COAST CAPITAL SAVINGS."

*JOEL ROSENBERG, SENIOR VICE-PRESIDENT,
INFORMATION
TECHNOLOGY GROUP, COAST CAPITAL SAVINGS*

integral tool - allowing us to focus on the needs of the end customer as a bottom line business strategy."

TECHNICAL STRATEGY

Coast Capital Savings sought an application solution that could easily connect to other systems and distribution channels using industry-standard interfaces. By installing Profile, Coast Capital Savings has been able to leverage a two-tier architecture. This means, for example, that all teller functions are run directly on the host system. Although this differs from today's three tier designs, which support front-end, middleware and back-end systems tied together, Coast Capital Savings' unique architecture systems tied together, Coast Capital Savings' unique architecture.

Profile's flexible, open architecture enabled Coast Capital to quickly add a number of delivery channels, without needing an additional middleware product. Coast Capital Savings has integrated direct telephone banking, Internet banking, ATMs and call centers by using the standard application interfaces that accompany a Profile implementation.

Additionally, Coast Capital Savings acquired Fidelity's Sanchez FMS. FMS is an online, realtime, cost center based accounting system. FMS' integrated cost center based accounting system. FMS' integrated Financial Reporting; Prepaid, Accrued and Deferred Item Processing; Budgeting; Accounts Payable and Fixed Assets. Although Coast Capital Savings does not currently utilize all these functions, the addition of FMS allows seamless integration between Profile and the bank's General Ledger system.

ABOUT PROFILE

Profile is an online, customer-centric, multi-currency, multi-channel strategic core processing system for deposits and loans for the financial services industry that accepts transactions from any delivery channel. Fidelity Profile is part of the Fidelity suite of solutions - a family of software products designed specifically for financial institutions including:



ABOUT FIDELITY SOFTWARE

The Sanchez suite of software solutions for the financial services industry also includes:

- **Sanchez Xpress™** - a customer integration solution, which provides active customer aggregation, financial product distribution, and supports the real-time integration of all customer delivery channels to an institution's internal and external product processing systems.
- **Sanchez Profile®** - an online, customer-centric, multi-currency, multi-channel strategic core processing system for deposits and loans for the financial services industry which accepts transactions from any delivery channel.
- **Sanchez e-PROFILE®** - an integrated, outsourced banking solution that allows you to offer Internet based financial products and services to your customers.
- **Sanchez Webclient™** - a Web-enabled, integrated banking and brokerage application that provides customers with a single access point to all their financial information - creating a personalized financial services portal for all transactions and products.

For more information about
Fidelity Information Services,
call: 800.722.0651
e-mail: fnfis.marketing@fnf.com
or visit Fidelity's Web site at
www.fidelityinfoservices.com

