



CASE STUDY

*Yamanashi Chuo Bank, Ltd.
uses NRI's Value Direct*



ふれあいさわやか
山梨中央銀行

CLIENT PROFILE

Yamanashi Chuo Bank, Ltd.

LINE OF BUSINESS

Mutual Funds

FOUNDED

1941

IMPLEMENTED SOLUTION

NRI's Value Direct

VALUE DIRECT'S DISTINCTIVE FEATURES INCLUDE THE FOLLOWING:

Compatibility with additional NRI solutions

Value Direct can be seamlessly coupled with other NRI solutions, most notably BESTWAY, NRI's mutual fund account management system for trust banks and banks.

Highly customizable screens

Value Direct's screen designs and menus can be tailored to clients' specifications. It also features customizable product and promotional campaign functions.

Minimal-click screen navigation

Value Direct is designed to enable users to execute transactions with a minimal number of clicks, and to easily access the menus they want to use, making the product extremely intuitive

WHY VALUE DIRECT?

In April 2012 Yamanashi Chuo Bank (YCB) launched an online mutual fund service, which enables its customers to buy and redeem mutual funds and monitor the value of their mutual fund holdings online.

YCB chose to use Nomura Research Institute's (NRI) Value Direct online banking ASP solution as its online mutual fund platform. Value Direct offers a full suite of banking services, including foreign exchange, fixed deposits, foreign currency deposits, and mutual fund and government bond transactions. YCB uses Value Direct's mutual fund service.

While Value Direct offers a full suite of banking solutions, clients can limit the ones they use to the specific financial products that they wish to offer online. YCB has selected the mutual fund solution, which offers all functions that users need to execute online mutual fund transactions, including mutual fund information, order placement, transaction status and account balance inquiry and electronic document delivery.



Yoshiaki Furuya

*Manager, Business Planning and
Control Division*

Yoshiaki Furuya, Manager of YCB's Business Planning and Control Division, explained why YCB chose Value Direct: *"We chose NRI's Value Direct primarily because it is highly user-friendly. It enables users to skip needless steps and transact their business without feeling inconvenienced. Value Direct's functionality was, of course, also important. NRI's swift responsiveness was another key factor, as the company always responded to us immediately whenever we had questions, even trifling ones. We consequently felt confident about moving forward with the project."*

When YCB decided to use Value Direct in October 2011, Value Direct was in beta testing by other banks. "Within the bank, there were some initial reservations about being one of the first adopters of Value Direct. However, we were won over by Value Direct's user-friendliness, its compatibility with other services, such as BESTWAY, and NRI's rapid responsiveness," said Mr. Furuya.

In launching its online mutual fund platform, YCB had two major requirements. First, it insisted on ensuring that online mutual fund transactions comply with the exact same suitability rules as in-branch transactions. "In our branches, we carefully verify mutual fund products' suitability for the customer. We placed priority on replicating this verification process for online mutual fund sales also. NRI was able to meet this requirement to our precise specifications," said Mr. Furuya.



For more information, visit: fis.nri.co.jp/en



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YAMANASHI CHUO BANK, LTD.

YCB is the sole regional bank in Yamanashi Prefecture. Within the prefecture, it commands a nearly 50% share of deposits and 40% share of outstanding loans. It has a long history, having celebrated the 70th anniversary of its founding in 2010. Its core principles are locally focused and its management sound. As of March 31, 2012, it had capital ratio of 16.07%, higher than that of all but one other Japanese regional bank.

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Dream up the future.

The second requirement was that customers are able to register for the online mutual fund service without having to visit a branch. “We previously had a policy requiring new customers to come into one of our branches at least once, but there are some customers who are unable to do so, yet still want to trade mutual funds online. For such customers, having to visit a branch to register was a problem. For those customers’ convenience, we insisted that they be able to register by downloading the application form and mailing it back to us,” said Mr. Furuya.

FAST LAUNCH

YCB decided to use Value Direct in October 2011 and internally launched its Value Direct system a mere six months later, in March 2012. It was able to do so through good cross-organizational collaboration. According to Mr. Furuya, “Communication between IT and the user departments is very important when developing systems for users and sales promotion. Communication deepens when user departments understand the logic behind system development and the IT department understands what the user departments want to accomplish. The Value Direct project went well in terms of such communication. As a result, we succeeded in launching the system quickly.”

When launching the system internally, YCB granted access to all of its employees, soliciting their opinions on its usability. The company received several responses, though most were requests for minor changes, such as slight modifications in wording or jargon. Still, this feedback was important, because only employees who interface daily with clients would be aware of such nuances, as jargon commonly used within the bank may not be familiar to outsiders. This resulted in a final version that users are able to navigate without confusion or misunderstanding of wording/language. The system went live in April 2012, one month after its internal launch.

“Branch personnel had high expectations for online mutual fund sales. Personal bankers who make house calls to customers proactively told their customers about the system. Online mutual fund account registrations continue to increase, reflecting strong demand from customers. Initially, registrations alone were growing, but customers’ mutual fund holdings are now also growing since the end of last year, when financial market performance started to improve,” said Mr. Furuya.

Although YCB exhaustively endeavored to ensure that the system was user-friendly, right up until immediately launching the system, it was anticipating inquiries from new users about how to use it. “Because customers navigate the online mutual fund platform themselves, we assumed that some would complain about its navigability. However, we haven’t had these types of complaints since launching the service and I largely attribute this to Value Direct’s user-friendliness,” said Mr. Furuya.

Now that YCB has launched its online mutual fund service, it has started to pursue its next goal. Mr. Furuya said: “The online services that we currently offer are mutual fund trading and funds transfers. Our initial plan was to enable customers to manage all of their assets online in addition to existing services such as time deposits and foreign currency deposits. We aim to offer this as soon as possible.”

PREPARING FOR THE ADVENT OF JAPANESE ISAS

Nontaxable individual investment accounts, or Japanese Individual Savings Accounts (Japanese ISAs), will make their introduction in January 2014. “Our bank is closely connected to the local community and has an extremely broad customer base. We believe that financial institutions like our bank should promote widespread adoption of Japanese ISAs. I have heard that both BESTWAY/JJ, the enhanced next-generation, ASP service of BESTWAY, and Value Direct will be well-prepared for the launch of Japanese ISAs, so I am not worried,” said Mr. Furuya.

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