Building a Digital-Only Bank

Finacle offerings for digital-only propositions
A New-Age Bank for Today’s Customer

If the bank of today is unrecognizable from that of just a decade ago, it is largely thanks to the new banking customer. The millennial and later generations of consumers like to do things their own way. And banking is no exception. Taking a very different perspective, these digital natives view banking as just another consumption experience. And so they expect it to be as invisible, effortless, and seamlessly embedded within their lifestyle as say, shopping, web surfing or travel planning. What’s more, these customers expect that just like their favorite search engine, e-commerce company or media services provider, their bank will also appreciate and cater to their individual tastes, make apt recommendations, and constantly strive to improve engagement. They demand that banks provide choice through a wide range of products and services and the convenience of uninterrupted, real-time access on a variety of devices and touch points.

This tall order can be met by digital banking propositions.
Understanding the Digital-Only Bank

Digital-only banks stand out from traditional institutions in many ways. Specifically, they have the following 5 distinguishing characteristics:

1. **Customer First**
   
   **Simple, Personalized, Empowering**
   
   Today’s digitally savvy banking customer is the most informed, connected and sophisticated consumer in history. This customer demands simplicity, convenience, speed and personalization from the banking experience.

   Unlike universal banks, which have a variety of retail, corporate and business banking products, digital-only banks offer market-leading products in select niches, such as lending, payments, wealth management and so on. The offerings are typically lean and simple, have only need-based functionality, and are intended for self-service in order to appeal to next-generation customers. Where traditional banks offer the same product to all customers in a segment, digital-only banks personalize at scale based on the needs and context of each individual.

   Digital-only banks are equipped with modern innovation platforms and other new technologies. For instance, they typically offer AI-enabled touch points and intelligent services such as robo-advisory, which elevate the banking experience with insightful recommendations and advice.

2. **APIs and Ecosystem First**
   
   **Open, Collaborative, Co-opetition**
   
   Currently, no other industry touches a consumer’s life like financial services does. Apart from offering pure financial products and services, banks facilitate several consumption experiences related to travel, healthcare, entertainment, shopping and much more. This has become possible thanks to open, ecosystem-driven banking, where banks and a variety of providers of diverse financial and non-financial offerings collaborate using APIs to deliver an almost unlimited portfolio of products and services to customers.

   Digital-only banks are leading the way in leveraging this ecosystem to propose to their customers products and solutions in the market that best fulfill their needs. Unlike traditional banks that manufacture their own products, which they distribute through their own channels, digital-only banks focus on enhancing customer engagement and experience using technology and innovation.
We live in a data democracy where information is available and accessible to all banks. Therefore differentiation stems not from data ownership, but from application. Digital-only banks excel at extracting granular insights from data and applying it to make every interaction, process or experience more contextual, efficient and seamless. The result is superior performance and engagement, which give digital-only banks their competitive edge.

Insights power all the touch-points of the digital-only bank, whether it is the customer service employee or a bot, the self-service mobile banking interface or the partner portal.

Leveraging advanced technologies, such as Analytics, Machine Learning and Internet of Things, digital banks are striving to process both internal and external data into real-time, personalized insights into every aspect of their banking operations. They use their technological prowess to differentiate and define individual customers to provide superior experience, make better decisions, control risks and drive market expansion. Further, digital-only banks increase customer value by providing highly personalized and contextual engagement in real-time. This is how, despite the lack of physical interaction, they are able to build a relationship with their customers.

**Insights First**

*Discover, Comprehend, Leverage*

The process-heavy banking industry is no stranger to automation. But because they have no branches and use minimal human intervention, digital-only banks rely even more than others on automation. Whether it is for prospecting & acquiring customers, or for streamlining cross-channel banking processes to put the customers in control, these banks use automation at every step.

Another benefit of automation is that it mitigates both risk and operating cost to enable higher efficiency. Combined with Artificial Intelligence capabilities, automation offers the savvy customers of digital-only banks everything from frictionless experiences to investment advice.

**Automation First**

*Re-imagine, Shrink, Automate Processes*

In the past, banks invested huge amounts in hardware, software and manpower to maintain their business applications ‘on premise’. Today however, most banks are migrating to the Cloud for its unmatched ease of infrastructure provisioning and virtually unlimited capacity. What’s more, these are available at an affordable cost that is paid in line with usage, rather than up front. The easy availability of cloud resources has accelerated banking innovation in no small measure, besides reducing its cost. Standardization on the Cloud supports integration of new technologies and applications enroute to a future-ready stack.

Thus, being cloud first is a natural preference for digital-only banks.
Finacle for Digital-Only Banks

Accelerate innovation-led growth with digital-only propositions

Finacle offers a comprehensive front-to-back digital banking solution suite to power digital-only propositions. The Finacle suite addresses the business application requirements of digital-only banks across core banking, customer onboarding, product origination, payments, digital engagement, and omnichannel digital experiences. The solution suite helps banks onboard, sell, service and engage retail, business and corporate customers on a range of digital channels such as mobile, online, or RESTful APIs.

The cloud-native suite is available across all major global cloud platforms. Banks can run Finacle on private or public cloud or subscribe to the software-as-a-service offering (SaaS). Today, over 15 leading digital-only banks rely on Finacle to power their growth aspirations.

Highlights of the Finacle solution suite include:

- A flexible and comprehensive set of core capabilities including product factories, extensive parameterization, and reusable business components enables banks to create new products and services, modify existing ones, and rapidly deploy new innovations in market.
- Customer onboarding elements such as digital ID authentication and eKYC facility allow banks to acquire customers in a quick, frictionless and digitized manner.
- Sales enablement capabilities help banks identify opportunities to nudge customers to take certain actions that benefit them such as more savings and smarter investments.
- Servicing capabilities enabling banks to serve retail, business, and corporate customers better in transactional areas ranging from account management and payments to cash management and trade finance.
- Engagement through digital money management, alerts, and messaging, for customer education, with the goal of improving financial awareness and action among customers.
- Broad suite of open APIs and a strong innovation ecosystem powered by Finacle App Center that accelerates internal and partner ecosystem services such as Google pay and WhatsApp payments.

Industry analysts have consistently recognized Finacle as a market leader for its advanced architecture and delivery excellence. Regardless of whether the digital-only bank is sponsored by a large technology firm, a telecom operator or a retailer, a challenger bank or a traditional banking institution, Finacle solution suite is ready to power their unique needs.
A complete front to back digital banking suite

Cloud first Solutions

Digital Engagement Suite
- Online Banking | Mobile Banking
- Point Apps | RESTful APIs

Digital Engagement Hub
- Payments | Wealth Management
- Lending | Origination

Digital Core Banking
- Payments | Wealth Management
- Lending | Origination

Digital Business Engines

Digital Engagement

Digital Experiences

Online Banking | Mobile Banking
Point Apps | RESTful APIs

Helping clients use our suite flexibly

**Pinang** by Bank BRI

**Finacle Front To Back Digital Banking Suite**
- Licensed Finacle for digital lending front-to-back stack
- Over 10 key integrations across existing CRM and Core solution
- 4 months implementation time
- <10 minutes loan disbursal
- Target 2020: 650,000 loans

**Finacle Digital Core**
- Started with digital lending in the US, followed by digital deposits in the UK
- US - Unsecured loans
  - Over $2 Bn loans in first year
- UK - Online Savings account
  - $8 Bn deposits < a year
- Online product design by customers

**Leading digital-only bank in US**

**Leading digital bank in Canada**

**Finacle Digital Banking Suite**
- Licensed online deposit origination solution
  - Account opening time reduced from days to minutes
  - 70% accounts opened real time
  - 1300+ advisor base drive deposits
With the presence of Pinang, Bank BRI Group is able to reach more volumes of customers in Indonesia at high speed (from application to disbursement in less than 10 minutes without a face to face meeting). Pinang is BRI’s radical innovation catering to ultra-micro customers creating a seamless and economical on-boarding process. The reimagined process provides a faster, cheaper and safer digital lending in Indonesia. With the persistent support of the Infosys management and the robust Infosys Finacle digital banking suite, BRI’s vision of accelerating Indonesia financial inclusion is one step closer.

Kaspar Situmorang, Executive Vice President, Digital Center of Excellence, Bank Rakyat Indonesia
Advanced Architecture

A robust foundation for superior engagement

Banks need a firm foundation of an open platform and a modern technology stack to take full advantage of evolving digital technologies. The Finacle Digital Banking Suite provides exactly that, enabling banks to keep pace with technological changes as well as future-proof their investments with easy and componentized upgrades.

Some of the salient features of Finacle architecture are:

**Componentized, microservices-based architecture:** Finacle offers an optimal mix of componentization granularity and API-based integration of various components. Thanks to the same, banks can deploy and upgrade Finacle solutions selectively and progressively.

**Open APIs:** Finacle offers an extensive suite of RESTful APIs to empower banks to co-innovate with their external ecosystem. Banks can leverage this to set up API stores, embed their banking services in corporate customers’ business applications, engage Fintech partners and digital ecosystems, and drive co-innovation with developers through hackathons powered by the Open API platform of the Finacle App Center.

**Cloud ready:** Finacle supports production, development and testing across private, hybrid and public cloud environments. Banks can go Cloud-first with their Finacle solutions on leading Cloud environments, such as AWS, Oracle, Verizon, MS Azure, and IBM, migrating at a pace of their choice.

**Technology platform of choice:** For banks been to deploy Finacle, on prior the solution is designed to provide flexibility and choice to banks in selecting application infrastructure components from different vendors. The solution runs on a number of technology platforms, such as IBM, Oracle, Intel and HP, and also offers a complete stack of open source technologies. This not only enables banks to design their technology strategy as they like but also to reuse existing investments.

**24x7 operations across all channels:** There is no downtime for day-end processes in Finacle and all transactions can be performed 24x7. Processes and transactions take place in real-time, on both owned and third party channels of operation, including Facebook, WhatsApp, Google Wallet, etc.

**Massive scalability:** Finacle has proven availability and performance in both simulated and live client environments. The solution is benchmarked to support 33,000 concurrent users and 550,000 transactions in 30 minutes, which is sufficient to power operations of unprecedented scale.

**Extensive security capabilities:** Robust security protects the infrastructure, data and application layers. Finacle’s capabilities at the application level include multi-modal identity and access management, user role maintenance, and limits and exception management.

**Agility and extensibility:** The solution is highly extensible through parameterization. User driven customization, GUI based tools for customizing – Business services, Business Logic, User Interface, Reports, Business Process and workflows.

**Multi * capabilities:** The solution has multi-channel, multi-entity, multi-currency, multi-byte/multi-lingual, and multi-time zone capabilities to support operations in all major geographies.
Our Clients have Leveraged Finacle to Gain Outstanding Value.

Here are few of the successes that our clients have seen:

- **35%** average reduction in transaction costs through automation, process optimizations, and seamless integration across disparate applications and multiple channels*

- **37%** average reduction in product roll-out efforts due to flexibility of the solution enabled with extensive parameterization and extensibility*

- **21%** average improvement in time to serve customers due to a unified and real-time view of customer and family relationships, transactions and interactions*

- **7.2%** points lesser cost-to-income ratios, on an average, than others*

* Assessment of the top 1,250 banks in the world by The Banker
* An independent client survey
The Finacle Promise

Together, the below mentioned elements of the Finacle Digital Banking Suite deliver the Finacle core promise of helping digital-only banks progress on all 5 dimensions, namely, Customer First, APIs and Ecosystem First, Insights First, Automation First and Cloud First.

The Suite provides financial institutions with the openness, agility and scalability they need to take a leap into the future of banking.
Customer First

Driving engagement across the customer relationship lifecycle

The comprehensive capabilities of the Finacle digital banking suite help banks onboard, sell, service, and engage their customers on various channels and applications.

- Customer onboarding elements such as digital ID authentication and an eKYC facility allow banks to acquire customers digitally without friction or delay.
- The suite enables banks to sell more by highlighting opportunities to nudge customers to buy a savings or investment product.
- There are comprehensive servicing capabilities enabling banks to serve retail, business and corporate customers better in all areas.
- Engagement happens in several ways, including digital money management, alerts, messaging, and gamification. The larger goal is to improve financial awareness and self-serve among consumers.

digibank

Revolutionary new way to banking

digibank, the digital-only bank from DBS, has launched its operations in India and Indonesia with a view to enable customers to 'live more, bank less'. The bank offers simple products like savings, deposits and investments with mutual funds. Advanced PFM helps users manage their finances better and the virtual assistant assists customers round the clock with their enquiries pertaining to their account and features available. digibank has leveraged Finacle's core banking solution and has a robust integration platform that hosts all the digital banking capabilities with multiple interfacing systems to help the bank deliver a world class banking experience to the customers.
API’s and Ecosystem First

Enhancing customer engagement with ecosystem propositions

A large suite of Open and RESTful APIs facilitate banks’ participation in emerging digital ecosystems. The partner solutions available in the Finacle App Center help banks to innovate rapidly and continuously.

- A broad suite of open APIs and a strong innovation ecosystem powered by Finacle App Center that accelerates internal and partner ecosystem services, such as Google Pay and WhatsApp Payments.
- Touch, chat and voice based interactions.
- An API store provides APIs to embed banking services in customers’ business applications and engage the developer ecosystem through hackathons.
- Banks can leverage the partner business platform to drive granular and contextual engagement.

Paytm

Enabling adoption of emerging business models

Paytm, India’s largest mobile payments and commerce platform, has leveraged Finacle Core Banking and APIs to power marketplace banking and introduce complementary products like overdraft loans and deposits, in partnership with leading banks such as ICICI and IndusInd Bank.

“After considering multiple core banking solutions Paytm is happy to announce that we have chosen Infosys Finacle as the core banking solution for our payments bank. With its large deployment base in India including some of the largest banks, Finacle has proven to be a scalable solution and we are confident that it will be able to support our aspiration to be a large and robust platform for small value, high volume transactions for millions of Indians.”

Shinjini Kumar, Former Chief Executive Officer, Paytm Payments Bank

Source: Celent Model, 2019
Insights First

Deepening customer engagement across interactions

At the core of the Finacle promise of deeper customer engagement is its architecture. An engagement engine that makes it all happen, from anticipating customers’ needs to nudging them to act in a certain way. By tapping four types of customer data as listed below, the engine supports the creation of extremely personalized and human-centric experiences:

**Customer knowledge:** This includes direct and derived data on demographics and relationship, sourced from the bank and other open banking providers. The data ranges from financial parameters and credit ratings to life stage events and preferences gleaned from social media.

**Preferences:** The engine gathers both stated and implied customer preferences based on shared information and historical behavioral patterns.

**Situational information:** The engine taps information such as the time, location and type of interaction to understand what is happening with a customer at any given moment.

**Channel of interaction:** A customer’s current channel of engagement is ascertained to push channel-specific propositions and content.

The customer-led engagement architecture uses the above knowledge to recommend actions to improve customers’ usage, experience and financial well-being, and banks’ cross/up sell rates and decision making abilities.

Pinang

Driving insights driven personalized experiences

Pinang is Bank Rakyat Indonesia’s digital lending solution that targets borrowers in need of small, unsecured loans (upto IDR 20 Million) for personal and business requirements. The bank leverages Finacle CRM, Finacle Lending and Finacle Digital Engagement Hub to automate the end-to-end lending process and issues loans in just 10 minutes.

Loans processed in

<10 mins

Target for 2020 is 650,000 loans

Enabling “Data driven” decision for business

Better Risk profiling of customers and merchants

Prediction for probable defaults

Source: Finacle Client Innovation Awards, 2019
Automation First

Driving operational excellence through intelligent automation

Finacle helps banks to simplify, reimagine and automate their processes through traditional and emerging technologies and thereby reduce costs and set new business benchmarks.

- Finacle employs traditional levers such as business rules, API-driven straight through processing and process automation to automate a range of processes across banking activities. It streamlines both internal and customer-facing processes to make them more responsive to customer demands.
- A full suite of experiences eliminates the need for multiple/duplicate applications and technology stacks, to lower both total cost of ownership and ongoing cost of maintenance.
- Banks can create centralized capabilities to launch experiences and offerings anywhere with the digital engagement hub.
- Leveraging the Infosys robotic automation platform, banks have been able to cut down cross-application process execution time significantly.
- Underpinned by its AI platform, Infosys Nia, and Finacle Marketplace, the solution facilitates conversational banking and commerce. Open and modern architecture helps banks to leverage emerging technologies for such innovations.

Discover Financial Services

Reimagining automation led world-class self service

Discover Financial Services (DFS) is one of the largest direct banks with over $80 billion assets. It is one of most recognized brands in the United States.

DFS had a complex legacy IT environment supporting 100 discrete IT services, 75 of which required point-to-point integration. Many of these services were also using legacy system providers. This fragmented system led to many data inconsistencies. After undertaking a progressive digital transformation with Finacle, DFS has achieved significant acceleration in many of its key business processes. Additionally, by automating compliance requirements, DFS has significantly reduced the time and cost of compliance.

Building on the success of automating deposits and personal loans, student loan portfolios, the bank is now implementing Finacle for modernizing its line of credit business.

“Discover’s adoption of Finacle is part of our continuous commitment to improve customer experience. As our direct banking business grows, Finacle will help us scale and optimize internal processes so that they keep pace with evolving consumer demands and market trends.”

Carlos Minetti
President, Consumer Banking,
Discover Financial Services

| 65% | decrease in account-servicing costs |
| 30% | reduction in account opening time and effort |
| 40% | decrease in clicks required to process customer requests |

Source: Celent Model Bank 2015
Cloud First
Leveraging cloud to accelerate speed of business innovation

Being a cloud-native solution suite, Finacle gives banks agility in innovation, flexibility in provisioning and scalability in operations. Finacle’s cloud first approach offers immense flexibility to banks in designing their unique cloud approaches -

• Finacle’s cloud-native applications support Kubernetes for deploying and operating in the cloud of your choice. Partnerships with all the key global cloud service providers including AWS, Microsoft, IBM, Oracle and several regional partners such as Verizon, and Cloud4C, ensure banks have plenty of choice when devising their Cloud strategy.

• Banks can design their cloud approach with a variety of flexible deployment options. They can run Finacle on a private or public cloud or subscribe to Software-as-a-service offering (SaaS).

• Banks can subscribe to Finacle SaaS offering for the complete solution suite or select components to run their digital-only business. The consumption based pricing model allows banks to manage cost and focus resources towards business growth.

Leading Bank in Philippines
Enabling speed-to-market with a Cloud offering

One of the largest banks in Philippines was seeking an agile and low-TCO deployment of banking applications to kick-start its operations in a new market - Singapore. The bank partnered with Finacle to deploy a complete end-to-end Finacle digital banking suite consisting of Finacle CRM, Finacle Core Banking (Retail & Corporate), Finacle Online and Mobile Banking, Finacle Alerts and Finacle Assure on AWS cloud. A seven months go-live within kick-off enabled the bank to meet the desired speed-to-market requirements.

The cloud strategy has empowered the bank significantly for:

• Faster and cost-effective launch of new products and services
• Enhanced operational efficiency
• Assured scalability
• 24x7 uptime for applications
• Reduced technology risk
• Adherence to security and compliance standards
Experience that Speaks for Itself

An industry leading solution

Year after year, Finacle has been hailed as a leader by major analyst firms in their independent assessments of the industry.

Forrester
Rated as a leader in The Forrester Wave™: Digital Banking Engagement Platforms, Q3 2019

Ovum
Rated as a leader among digital banking in "Ovum Decision Matrix: Selecting a Digital Banking Platform," 2019

Celent
Rated as a leader among digital banking solutions by Celent, 2016

Infosys Finacle is the most awarded solution in the industry
21 industry awards for Finacle and its clients in CY 2019

Celent Model Bank Awards 2019
Beyong Banking - Paytm Payments Bank

Celent Model Bank Awards 2018
DBS digibank initiative for transformation with Finacle Core Banking solution

RETAIL BANKER INTERNATIONAL
Excellence in Client Onboarding - Paytm Payments Bank
Best Multi-channel Offering - RBL Bank
Best Multi-channel offering - Sacom Bank
Best Retail Bank (Vietnam) - Sacom Bank

Future Digital Awards
Best Banking Platform 2019
Infosys Finacle Digital Banking Solution Suite

Best Digital Channels implementation
Infosys Finacle & Standard Bank
Delivering Enhanced Digital-Only Propositions

Banking today is characterized by empowered customers, extensive competition and the ecosystem model. Digital differentiation stems from how well a bank leverages its data and ecosystem to innovate and make banking easier, faster, more contextual and frictionless. The Finacle Digital Banking Suite helps digital-only propositions achieve this with ease.

Join the community of global financial leaders and challengers who are taking their digital-only strategies to new heights with Finacle.

Contact us today:
www.finacle.com  |  finacle@edgeverve.com
Finacle is the industry-leading digital banking solution suite from EdgeVerve Systems, a wholly owned product subsidiary of Infosys. Finacle helps traditional and emerging financial institutions drive truly digital transformation to achieve frictionless customer experiences, larger ecosystem play, insights-driven interactions and ubiquitous automation. Today, banks in over 100 countries rely on Finacle to service more than a billion consumers and 1.3 billion accounts.

Finacle solutions address the core banking, omnichannel banking, payments, treasury, origination, liquidity management, Islamic banking, wealth management, analytics, artificial intelligence, and blockchain requirements of financial institutions to drive business excellence. An assessment of the top 1250 banks in the world reveals that institutions powered by the Finacle Core Banking solution, on average, enjoy 7.2% points lower costs-to-income ratio than others.