An imminent disruption, and capitalizing on it

The API economy and user-experience revolution are causing banking services to be smartly and deeply embedded within the lifestyle applications. Over the next few years, it is imminent that popular lifestyle apps such as Amazon, Uber, Facebook, PayPal, Gojek, Flipkart, Robinhood, Google Pay, PayTM and WhatsApp will collectively dethrone the native banking apps as the primary means of payments initiation and consumption of banking services. The forward-looking banks acknowledge this disruption and are exploring ways to capitalize it.

A good strategy for financial institutions is to build a holistic ‘API Banking’ to accelerate their ecosystem innovation. To meet the short term and future requirements of API Banking, financial institutions must bolster their tech-stack with a platform that includes robust API management & documentation services, API gateway, developer portal, identity & authorization management, sandbox environment, usage monitoring and billing for partners among others.

The financial institutions seeking such an all-inclusive platform with simplified adoption, and flexible subscription models, will find Finacle API Connect as a lucrative option.

Future of customer engagements & transaction acquisitions

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>&lt;50% Outside branch</td>
</tr>
<tr>
<td></td>
<td>Branch, ATM, Online, Call Center</td>
</tr>
<tr>
<td>2020</td>
<td>&gt;95% Digital Channels</td>
</tr>
<tr>
<td></td>
<td>Online, Mobile, Social, Wearables, Voice Assistants, Chatbots etc.</td>
</tr>
<tr>
<td>2025</td>
<td>&gt;95% Third Party Digital Channels</td>
</tr>
<tr>
<td></td>
<td>Open Banking, Embedded finance, Corporate ERP, TMS integrations, Neo Non-Bank, FinTech Apps etc.</td>
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Finacle API Connect
Accelerate Ecosystem Innovation

Finacle API Connect is an all-inclusive API solution for financial institutions to jumpstart and accelerate their ecosystem innovation. The solution helps financial institutions to launch their own comprehensive API Banking offerings – easily and quickly.

The solution will enable financial institutions to unlock new revenue through contemporary business models such as banking as a service (BaaS), expand distribution of their existing products, monetize their customer data & insights, and to co-create new propositions with FinTechs.

The solution facilitates faster go-to market for banks with pre-packaged API flows, identity and authorizations management, and consent-based interactions.
Let’s look under the hood

Functional diagram of Finacle API Connect
Business APIs and API Packages

Finacle API Connect comes with a vast catalog of pre-packaged APIs. These BIAN-inspired business APIs span the end-to-end functionalities across various banking functions. The APIs are further bundled into domain packages – each of which serves to fulfill the requirements around a specific set of use cases.

The detailed catalog of APIs, along with documentation, is available on the Finacle API Center.

Some of the prominent API Packages are listed below

<table>
<thead>
<tr>
<th>Package</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>APIs to onboard and service customers across the retail, SME, and corporate segments</td>
</tr>
<tr>
<td>Deposits</td>
<td>Open, maintain, inquire, and close savings accounts, current accounts, overdraft accounts and term deposits</td>
</tr>
<tr>
<td>Loans</td>
<td>Carry out transactions across the lending cycle for unsecured and secured loans</td>
</tr>
<tr>
<td>Payments</td>
<td>APIs to initiate domestic payments, cross-border payments, and payment related enquiries</td>
</tr>
<tr>
<td>Trade Finance</td>
<td>APIs to inquire, create, and amend trade finance transactions</td>
</tr>
<tr>
<td>Data Privacy</td>
<td>APIs to manage customers’ Consent Mandates such as opt-in, opt-outs, and consent history</td>
</tr>
<tr>
<td>Limits Management</td>
<td>Update the limits set for transaction and channels. Inquire the utilization and hierarchy of limits</td>
</tr>
<tr>
<td>Collateral Management</td>
<td>APIs for collateral management tasks such as add, inquire, modify, withdrawal, unlink, foreclosure etc.</td>
</tr>
<tr>
<td>Account Aggregation</td>
<td>APIs to discover accounts, fetch data across savings, deposit accounts and integrate with approved aggregators</td>
</tr>
</tbody>
</table>
API Hub

The API Hub is a unified platform to design, develop, and orchestrate API interactions will multiple enterprise applications.

It helps the ecosystem innovators to easily discover, shortlist and incorporate the relevant APIs into their workflow.

This unified hub helps in breaking the internal silos amongst the systems and presenting various functional capabilities as frictionless Business APIs - decoupled from the system dependencies.

Some of the salient features of the API Hub include:

- Orchestration and transformation of the APIs
- A GUI based API Flow Builder
- API Workflow Manager
- Masking of sensitive data during API Calls
- Tokenizing the API calls
- Managing API idempotency
Event Hub

The Event Hub is used to collect, process and store events, data, or telemetry produced by a distributed set of software and devices. It serves as a hub and decouples the systems that create events and those that ingest the events/data for further actions.

The Event Hub is also capable of receiving messages from Finacle digital business engines and enrich/transform these messages using REST APIs. The process of enrichment includes infusing additional information to the ‘messages’ by pulling data from other application or host systems.

In addition, the Event Hub can auto-retry the posting of messages to ensure guaranteed-delivery.
API Management Solution

The API Management Solution provides the tools necessary to manage the life cycle of APIs including planning, design, documentation, implementation, testing, publication, consumption, versioning, and retirement.

Some of the key functionalities are listed below.

• The banks can easily publish newer APIs and create new versions of APIs.

• The API gateway, an integral part of the API Management Services, will host the APIs, manage security, and facilitate exchange of API calls at scale, while maintaining a low latency.

• Manage the authorization and authentication extended to customers, partners and developers.

• Monitor the technical metrics and accrue the business analytics related to usage of APIs.
The solution includes a Developer Portal that financial institutions can leverage to target, market, and govern an ecosystem of developers & FinTechs who consume APIs.

Some of the key features of the Developer Portal are listed below.

- Developers can register and express their interest to join the API Banking ecosystem
- The portal allows banks to manage prospects, and onboard approved partners
- Sandbox experience with industry standard protocols to try-out APIs
- Self-service tools for FinTechs and developers to manage their account
Banking as a Service (BaaS)

Finacle API Connect enables the financial institutions to explore futuristic business models like Banking as a Service, Embedded Finance, Marketplace Banking, and Open Finance.

The solution helps not just the financial institutions, but also create a win-win scenario for all the ecosystem stakeholders.

A win-win scenario for all the stakeholders

**FinTechs and Developers**
- Faster go to market with new products and services
- Embed banking into lifestyle services
- Focus & champion UX while FIs ensure functionality

**Corporate Customers**
- Banking services accessible within corporate applications
- Quicker turn-around, easy reconciliations
- Improved accessibility, efficiency, and security

**Neo Bank Partners**
- Superior CX, innovative propositions, diverse options
- Competitive pricing
- Effective consent management and better control of their data
Simplified Transformation

Finacle API Connect serves the needs of financial institutions across various segments. The solution provides risk-free adoption and accelerated go to market.

- **Seamless Integrations** - Works seamlessly with Finacle and non-Finacle suite of solutions
- **Adopt Flexibly** - Components can be adopted independently of each other - API Hub and Event Hub
- **Achieve Multiple Goals** - Improve internal efficiencies, collaborate better, and co-innovate with partners at scale

**Ease of Subscription**

Finacle API Connect can be installed either as an on-premise application or over a variety of cloud environments.

The solution is available in three flexible subscription plans, each of which is tailored to unique requirements of financial institutions at various maturity levels of their ecosystem innovation journey.
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.

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