Transforming Origination For Truly Digital Banking

Finacle Origination Solution Suite
For financial institutions (FIs), customer onboarding is increasingly turning out to be a critical first step in the customer journey, and is directly co-related to brand loyalty. Onboarding has traditionally been a tiresome process, involving lengthy forms, manual data input, and multiple visits to the branch. The participation of several internal departments, such as credit, operations, compliance, legal, front office, risk, and tax, adds complexity and not only determines the time it takes to onboard new clients, but also shapes their first experience. Most often, the onboarding experience falls short of the expectations of both banks and their customers. The two main reasons behind this are:

- The archaic technology environment – complex legacy solutions built on obsolete technology with limited integration and collaboration, that stifle innovation. Manual procedures and product-centric siloed origination modules lead to sub-optimal customer assessment and inconsistent processes, adversely impacting the quality of customer services.
- Frequent changes to regulatory requirements – with different rules applying to different products, compliance can become burdensome, difficult to achieve, and expensive.

Unoptimized onboarding processes built on banal digital attempts directly impact financial institutions’ income and profitability. Covid-19 has only hastened the need for rebuilding onboarding propositions in view of increasing digital adoption and remote working norms. Now, more than ever, banks need sound strategies for creating new frontiers in onboarding possibilities. This calls for a comprehensive reimagining of existing onboarding capabilities with a platform that offers true digitalization.

- 92% Customers dissatisfied with KYC process and multiple document request
- $15bn Penalty paid on regulatory violations, onboarding gaps
- 40% Customers leave FIs over un-optimized digital ID verification

Data Source - Digital consumer onboarding tracker 2020 – PYMNTS | The future of CX is here – BAI
The answer lies in a unified digital origination solution

Modern technology, dynamically changing customer expectations, and new competition are compelling banks and FIs to find new ways of customer onboarding. To stay ahead and innovate, they must tailor onboarding solutions to clients’ unique needs, enable digital self-service across channels, collaborate with partner ecosystems, mitigate risks, and streamline internal and client-facing processes and integrations.

All this and more is possible when banks modernize their onboarding systems with a robust digital platform that is packed with the latest capabilities and more importantly, offers a unified approach across the enterprise. It is time that banks reimagine customer onboarding with a unified platform to drive innovation, increase customer-centricity and scale operational efficiency across customer segments they service and the products they offer.

Benefits of unified origination

- Build customer-centric propositions
  - Enable convenience; integrate with primary journeys
  - Drive consistent experience across assisted and unassisted channels
  - Enhance digital experience with chatbots, AI and analytics

- Operate at significantly higher efficiencies
  - Digitization and automation across value stream
  - Minimize costs and time to compliance
  - Robust controls and exception handling infrastructure

- Drive continuous innovation
  - Open platform to foster innovation with ecosystem
  - Flexibility to enable rapid onboarding for diverse product set
  - Better decisioning by harnessing data, including from alternative sources
It’s time banks transform customer onboarding

Finacle Origination Solution Suite
The Finacle Origination Solution Suite is an enterprise class, multi-segment onboarding solution designed to help banks and other FIs seamlessly onboard customers across various products. The comprehensive solution suite enables truly digital origination across the lifecycle, from application initiation and processing, to decisioning, underwriting, post-approval and monitoring. It is designed to improve customer-centricity, enhance ecosystem innovation and deliver better operational efficiencies.

Built on advanced architecture, Finacle helps banks and lending-focused financial institutions around the world to reimagine their customer onboarding journeys with digital technologies, such as advanced analytics and AI, to launch tailored products, drive operational excellence, innovate with agility, and enhance customer propositions.
Amid stiff competition, banks are increasingly counting on their onboarding function to drive growth, scale customer experiences and enhance profitability. To achieve the best outcomes, they must modernize their origination technology stack with a comprehensive, integrated platform.

A componentized, cloud-ready solution, the Finacle Origination Solution Suite offers an expansive set of features that supports onboarding across asset and liability products, enabling banks to break the barriers created by traditional processes. Following a “one platform” approach for all origination requirements, regardless of customer segment or product type, the solution suite offers a high degree of extensibility to allow business users to modify or set up new products quickly and easily.

The solution suite includes:

- Loan Originations - Loans, OD, Credit card, limits management, other asset products
- Deposit Originations - Current, Savings, TD accounts, other liability products
- Digital Onboarding - Product comparators, simulators and selection enablers
- FinXedge Lend - AI powered offering to increase lead to funding ratio
- NIA DocAI - AI powered loan document processing

The componentized solutions help to evolve origination platform strategies based on business priorities, and fully supports flexible deployment or upgrade of components. And with this, Finacle enables banks to transform at one go, or in a progressive, phased manner.

A componentized platform that offers modernization flexibility
Originate multiple loan and deposit products

With Finacle Origination, FIs can originate multiple products in a single platform, creating consistent experiences for both business and end-users. The unified approach simplifies integration and collaboration both within the enterprise and across ecosystem partners, significantly reducing operational costs.

Loans
The platform enables origination of different types of loans by streamlining the onboarding process using rules engine, intuitive workflows and automated decisioning. Banks and FIs can define rules for multiple retail and SME loan products, ranging from mortgages and student loans to loans for agriculture, consumer durables and automobiles, besides other asset-backed loans. Variants, such as builder loans, loan against securities, and employee loans, are also configurable. The solution offers an extensive portfolio of loan products for corporates, such as term loans, syndicated loans and overdraft facilities within a single application, as well as bundled products to up-sell and cross-sell.

Deposits
Banks and FIs can also originate a host of new accounts across checking, savings, and deposit certificates for various customer segments. The solution, through its extensive configurability and parameterization capabilities, allows deposits origination for both domestic and international requirements, for all customer segments.
Disjointed systems and siloed approaches hamper banks’ ability to create benchmark origination processes. And as multiple disruptive trends collide with traditional business models, it is important that banks and FIs strive for true digitalization to drive innovation. The Finacle Origination Solution Suite is designed to empower banks and FIs to orchestrate seamless onboarding experiences. The solution also offers easy integration across core, CRM and other enterprise applications to achieve extensive straight through processing.

The four key steps include

**Application Management** – Offers extensive capabilities such as digital data sourcing for application initiation, auto-fill form fields with interconnected databases, and compliance process enablers for digital KYC, AML, blacklist, duplicate checks, and disclosures related requirements.

**Processing** – Supports key requirements around exception and deviation alerts. Extensively leverages rule-based workflow routing, digital assessment of application using set rules on eligibility, evaluation, qualification and scoring models.

**Decisioning** – Designed for enhanced straight through processing with built-in system intelligence and decision making. Multi-level approval flows, counter offers are supported, basis wide range of parameters. Exception handling and deviation alerts for timely manual interventions are possible.

**Customer Onboarding** – Systemic tracking of approval conditions and fulfilment, contract management, e-signatures, account onboarding, collateral onboarding and funding capabilities are supported.

Origination capabilities for truly digital onboarding experiences
Comprehensive capabilities for a modern origination platform

The solution’s layered architecture offers a suite of services to drive origination with the right degree of agility. The powerful process engine brings functionalities that can be stitched together to create tailored onboarding processes in line with banks’ internal policies, while fully complying with regulatory norms. Using configurable workflows, business users can define extensive assessment processes related to eligibility checks, qualification, underwriting, counteroffers and more.

The solution’s master data layer maintains a host of data elements such as product definition, financial templates, exception handling, dynamic questionnaire, checklist, collateral definition and others.

The infrastructure layer provides key capabilities to drive access controls, configure workflows, administer rules, and set up multi-entity operations.

Functional architecture that empowers you to do more
The Finacle Origination Solution Suite, built on the industry’s most advanced architecture, helps banks to unlock the benefits of modern technology and accelerate their digital journeys. The solution is built on a contemporary layered design consisting of data model layers, business components and service composition.

The cloud-ready, microservices-driven solution offers several deployment options across private, public or hybrid cloud. Also, the pre-integrated data models help ingest any type of data from any source to deliver actionable insights embedded in the origination business flow to improve decision making. The solution’s declarative and RESTful APIs empower banks to co-innovate onboarding propositions with external ecosystems.

Benchmarked for high scalability, performance and availability, the solution also offers a host of automation tools for continuous integration during development and continuous delivery during deployment. It provides robust security and supports dynamic event-driven processing. Configurability, localization and extensibility tenets enable banks and FIs to meet local practices and compliance requirements, and allow the necessary freedom to extend the solution independently.
Experience agile, risk-mitigated modernization

Finacle enables banks to transform their onboarding function with agility and in risk-mitigated fashion. Whether it is a big bang switchover, progressive deployment or complete overhaul, Finacle helps banks transform at their own pace. The following tenets simplify the transformation and mitigate its risks:

**Reference bank models for cutting complexity and time**

Banks can leverage Finacle’s rich experience, global best practices and innovations to transform the onboarding function. The solution’s reference model provides geo-specific parameterization to enable banks to set up tailored onboarding processes, meeting local requirements. Ready interface adapters facilitate connections with third-party agencies, such as credit bureaus, agents and so on. Banks can easily customize the best global process models to meet local reporting and compliance requirements.

**Phased transformation for maximizing business outcomes**

The fully componentized structure of the Finacle Origination Solution Suite allows banks to set up flexible modernization milestones. This clearly reduces transformation risks while accelerating the benefits of modernization. The business priority mapping and value realization models continually assess transformation progress and outcomes.

**Agile delivery for progressive launches**

Finacle implementations are done with agile methodology. This approach enables banks to achieve solution excellence, while frontloading risks and practicing strong governance.

Simplified and risk-mitigated transformation
Design an agile origination process that drives innovation and growth
Frictionless customer onboarding is not merely about easing customers through the process; it is about helping them achieve their goals. Since the quality of onboarding experience can be a differentiating factor, every interaction in that process, regardless of touch point, should be seamless.

With the Finacle Origination Solution Suite, banks can originate different types of loan and deposit products, for both corporate and retail customer segments. The flexible workflow configurations empower banks to design the most suitable workflow sequences to optimize the onboarding experience. Banks can easily add a new product type on the platform by enabling custom business rules and processes, reducing time-to-market significantly. The ability to originate multiple products in a single application enables up-selling and cross-selling. This multi-channel solution enables banks to take the origination process to the customer’s channel of choice. The cross-channel continuity capability allows customers to initiate and complete the onboarding process across a range of channels, or even have them completed in one of the bank’s branches.

The solution also offers intelligent capabilities to create dynamic questionnaires based on clients’ inputs which then allows for a detailed assessment, and the ability to recommend the right product for every need.
Drive new possibilities with ecosystem innovation

With open banking norms changing banking business models, banks and FIs will need to innovate into the new for which they will not only host their own products but also offer complementary products sourced from a partner ecosystem. The bank’s role will thus change from merely pushing its own products to recommending contextual offerings built to suit the needs of clients, both consumer and corporate. Banks will increasingly embed their offerings into customers’ primary journeys. All of this will require them to set up agile onboarding capabilities to keep pace with evolving dynamics.

The Finacle AppCenter brings an ecosystem of large partners and Fintech startups to complement the Finacle solution and accelerate onboarding innovation.

With Finacle, banks gain access to global innovations built on best practices from onboarding implementations in more than 90 countries. The global product templates and localization components along with extensive parameterization and reusable business rules help banks meet local practices and tailor unique onboarding propositions.
Deepen customer engagement across the origination lifecycle
Enhance customer engagement across the application lifecycle

Customers expect their banking services to be high on convenience, access and speed on every channel. Also, they want their banks to recognize them as unique individuals, with an understanding of their context, preferences and purchase history. To empower customers, FIs need a technology platform that strengthens engagement and help customers discover the right products and offers. The Finacle Origination Solution Suite has many enablers to build engaging relationships, including an exhaustive list of asset and liability product catalogues to cater to prospects as well as existing customers. FIs can launch new offerings with detailed attributes based on evolving market needs, and organize products into groups and hierarchies for efficient navigation and discovery. The solution makes smart recommendations to customers and can also automate actions to create profitable outcomes, such as opening a fixed deposit when the account balance exceeds a specified threshold.

With Finacle, FIs can give customers the option to customize products by choosing parameters such as loan/deposit amount, tenure, others. Also, banks can recommend the most relevant products based on multiple combinations of customer attributes and keep them updated at every step of application through integrated alerts and notifications. FIs can also tailor onboarding by adding or removing specific steps, providing for both digital and complex at-branch workflows through straight through processing, and supporting multi-layered data capture using simplified forms for sign-up and account creation.

Superior cataloging capabilities backed by robust product and workflow configuration
Simplify origination with tools that amplify customer experiences

Customer loyalty is increasingly proportional to the quality of engagement. FIs need to orchestrate a wide range of unique customer attributes across onboarding touch points and create contextual personalized offerings across the application lifecycle. With Finacle, they can step up real-time, hassle-free onboarding experiences. A suite of customizable product comparators and simulators is available for a wide range of uses, empowering customers with self-serve capabilities. Tools, such as rate comparators, repayment calculators, fixed deposit comparisons and more, are available for customers to leverage, explore, set up simulations, compare all available options and make informed decisions.

With paperless origination becoming the norm, the Finacle suite offers a range of capabilities to enable it across all customer segments. OCR-based document capture, biometrics-based authentication, e-KYC based on national identity documents, e-signature and other capabilities are available to drive seamless onboarding. Banks and FIs can also hyper-personalize onboarding by allowing customers to tailor asset/liability products. For instance, they can choose the tenure of their loan, configure repayment terms, set up EMI holidays, and more.

Products can also be configured for 100% straight through processing and instant approval to achieve real-time onboarding. Counter-offer mechanisms can be built into the workflows to counter prospective customer drops.
Ubiquitous automation to drive down cost
Achieve operational excellence through automation and AI

Banks and FIs face a dual challenge of meeting customer experience and compliance expectations. Multiple touchpoints, complicated processes, and the large number of enquiries significantly impact onboarding time and hence experience. Progressive institutions are looking at AI and automation to renew the origination value stream, glue systems and processes together, proactively engage customers, and drive compliance.

The Finacle Origination Solution Suite allows banks the flexibility to configure a host of business rules to implement stringent criteria to ensure product portfolio quality. Banks can practice segment-specific pricing to optimize the return on every portfolio. The solution offers automated checklists so that banks can define the policy and regulatory parameters to be followed during application processing, and highlight non-conformity.

The platform’s ability to originate multiple products in a single application helps to up-sell and cross-sell. Banks can leverage the platform’s multi-entity capabilities to centralize origination operations or create regional hubs across countries, time zones and languages. Reports and alerts offer timely, multi-channel intimation across transactions and events. Both standard and user-defined reports are available.

From document data extraction to origination decision making, the platform offers a host of AI enablers to drive speed and efficiency. For instance, the AI-driven FinXedge Lend is designed to improve the lead to funding ratio by acquiring good leads for faster conversion of creditworthy loan accounts.
Robust framework to orchestrate risk profiling and mitigation

FIs must not only comply with AML and KYC regulations at the time of onboarding, but also proactively manage exposures and mitigate potential risks on an ongoing basis. The Finacle Origination Solution Suite offers a robust framework to orchestrate risk profiling and mitigation using embedded analytics and smart visualization. When originating an asset product, the solution computes the borrower’s total direct and related exposure using bottom-up aggregation logic. It leverages embedded intelligence and pre-built use cases to enable credit assessment, monitor loan performance, arrive at a credit score and provide a counter-offer to the customer. The solution supports multiple limits within a single application.

Limits, which can be created for a single customer or group, offer a holistic and hierarchical view of all exposures, helping FIs track and manage portfolios. In case of secured loans, submission of an application auto-triggers collateral origination and also updates, verifies and evaluates collateral details in real-time. Additionally, the system offers effective way to track, manage and monitor the covenant risk associated with secured loans. Banks can also define and monitor customers’ financial and non-financial performance indicators. Any non-conformity is automatically highlighted enabling them to take timely corrective action to safeguard themselves from the ensuing risks.
Customer success stories

Transforming Origination with Finacle

Drive truly digital onboarding

Bank CTBC Indonesia - 20% increase in incoming applications and faster loan processing with over 30% reduction in complete cycle time

Australian Military Bank, with the new origination system created a promising credit pipeline of over $61M

68% cost reduction, 47% increase in number of new accounts opened at a Tier-1 bank in the USA

A challenger bank in Asia gained significant market share, disbursed digital loan to over 300K customers within four months of its launch

Standard Bank-Digital unsecured loans disbursed and credited in just 45 seconds

Drive truly digital onboarding
Experience that speaks for itself

The industry-leading performance of Finacle clients reflects our commitment to scaling digital transformation. An assessment of the top 1000 banks globally revealed that institutions powered by Finacle enjoy-

- 33% higher returns on assets than others, with average returns on assets at 1.2% and **top-performing client at 4.7%**
- 19% higher returns on capital than others, with average returns on capital at 15.6% and **top-performing client at 33%**
- 3.9% points lesser costs to income ratio than others, with the average ratio at 47.2% and **top-performing client at 16%**

Source – Assessment of the top 1000 banks in the world by the Banker, 2020
Industry leading platform

Year after year, Finacle is chosen as a leader in independent industry assessment by major analyst firms.

**Gartner.**
 Positioned as a Leader in Core Banking 2020 Gartner Magic Quadrant for Global Retail Core Banking

**IDC.**
 Rated as a leader in IDC MarketScape of Worldwide End-to-End Corporate Banking Solution providers, 2019

**Forrester.**
 Rated as a leader in The Forrester Wave™: Global Digital Banking Platforms, Q3 2020
 Rated as a leader in The Forrester Wave™: Digital Banking Engagement Platforms, Q3 2019

**IBS intelligence.**
 Recognized as the best-selling banking solution provider in IBS Intelligence Sales League Table 2021

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Most awarded solution suite in the industry

Finacle and its clients have won 26 industry awards for exemplary transformation programs in FY21. This makes Finacle the most awarded solution suite in the industry.

**Future Digital Awards**
- Presented by Juniper Research
  - Finacle Digital Banking Suite
  - Emirates NBD Liv.

**MEA Finance Award 2020**
- Best Mobile Banking Solution Provider

**Asian Banker Awards 2020**
- Best Lending Transformation - Standard Bank

**IBS Fintech Innovation Awards 2020**
- Best Digital Lending Implementation - Bank Rakyat Indonesia

**Celent Model Bank 2020**
- Emirates NBD Liv.
- Australian Military Bank

**Aite Impact Innovation Award**
- Bank of the West

**Banking Technology Awards 2020**
- Best Use of IT for Lending - Bank BRI Ceria
- Best Use of IT in Retail Banking - Emirates NBD Liv. digital bank
Join the Finacle Digital Banking Community

Transform your origination today

Rising competition, cost escalation and customer expectations are driving financial institutions to focus on omni-channel, digital onboarding to reach new customers, drive engagement and extend financial services to the unbanked and underbanked. Join the global community of banks and FIs who are innovating and transforming with Finacle.

Start your journey, today.

Contact us: www.finacle.com | finacle@edgeverve.com