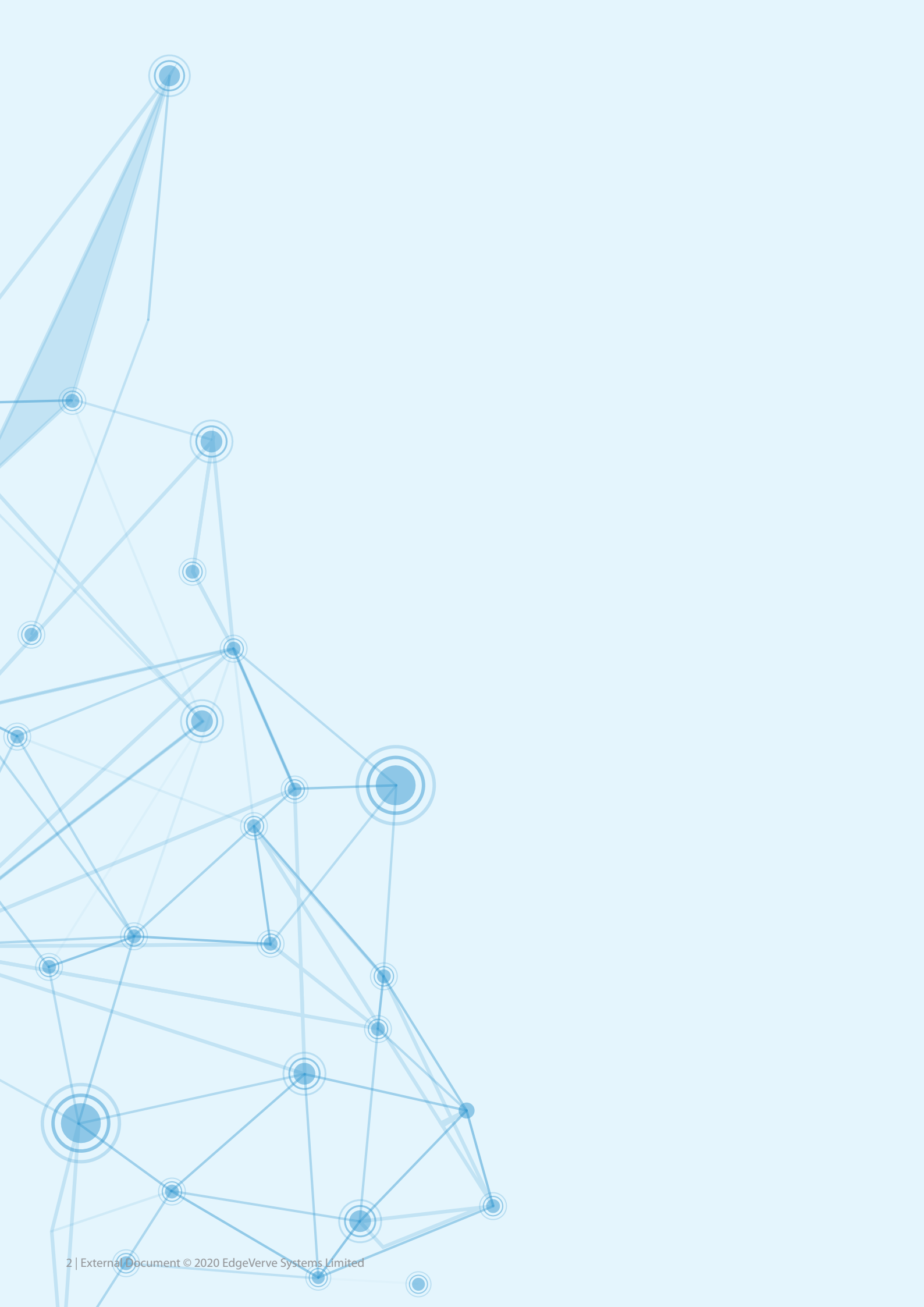


# Being Digital At The Core

Finacle Core Banking Solution







# Can You Build Your Digital Future With Your Core Banking Solution?

## Incumbent banks need a core that can drive transformation

Around the world, banks are facing multiple challenges. Digital technologies, new and nimble competition and increasing regulation are three of four forces creating a huge wave of disruption. The fourth is the digital consumer-empowered, demanding and savvy – who is interacting with her bank in completely new ways. About fifteen years ago, more than half of all banking transactions occurred within the branch network; today, that number is down to less than 10 percent, thanks to an array of digital channels. The bigger news however is that by 2022, thanks to open banking, at least one in two transactions is likely to flow through channels owned not by banks but by third parties such as Google, Amazon and a multitude of Fintech and digital ecosystems.

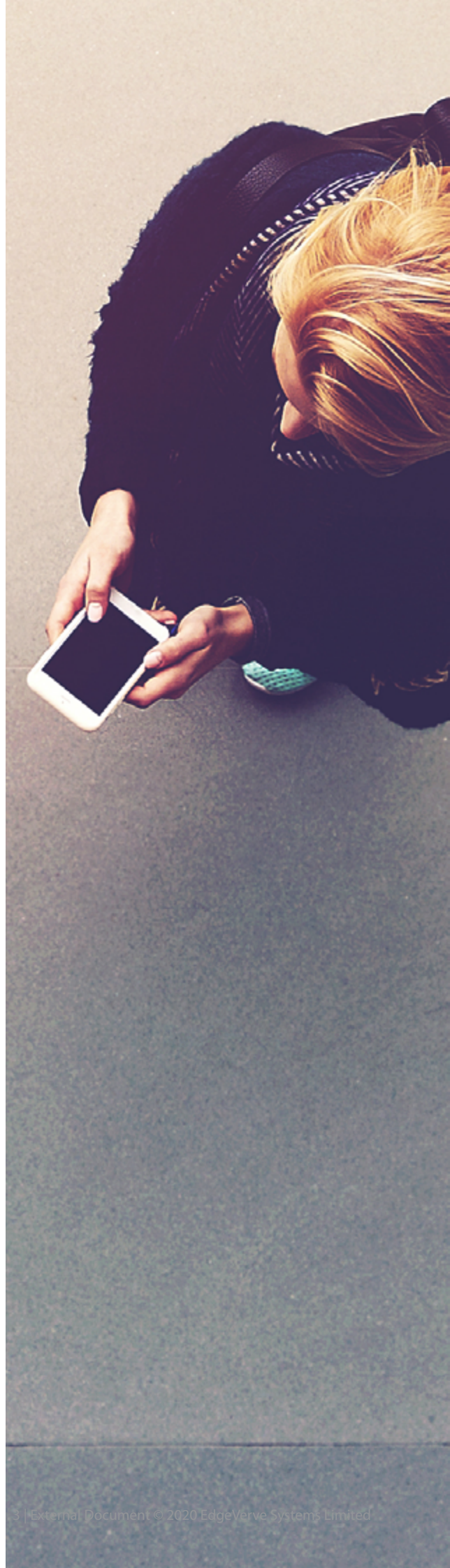
Most banks are reacting to digital disruption with short-term quick fixes, mainly at the customer interface. Tactics that operate at the periphery are expedient, but certainly do not deliver the full impact of digital transformation. For that, banks need a dual approach – exploit the greenfield opportunities of digital technology as well as apply it to the legacy core to improve its effectiveness manifold. Without that, incumbents run the risk of falling behind the challenger banks and other new rivals, whose cost to income ratio, at less than 30 percent, is substantially lower than their own.

### Legacy Core - A drag on digital transformation

- Closed systems – not open banking friendly
- Monolithic design – hard to maintain, harder to upgrade
- Outdated architecture – not ready for cloud deployment
- Low automation – costs a lot more to run the business
- Analytical friction – takes huge effort to extract and process data into insight

Banks spend as much as 75.4 percent of their annual IT budgets in supporting existing business operations and organic growth<sup>1</sup>.

1. Celent, BofA Merrill Lynch Global Research





# A Core For The Digital World

## Seven must-haves in a digital core

Our experience with client banks in more than a hundred countries reveals that for successful digital transformation, a bank's core must have the following seven attributes:



- 1 Full openness:** The core must be geared for the reality of open banking. It must support open APIs (Application Programming Interface) to enable the bank's integration within its ecosystem of customers, developers and business partners. An open core allows the bank to tap the innovation capabilities of partners as well as complementary offerings from their stable. This way it creates fresh revenue streams and the necessary competitive edge to succeed in an open era.



- 2 Massive scalability:** Transactions have grown exponentially with the arrival of digital banking. This trend will only intensify in the open banking era when banking embeds further into lifestyle, and several banks consolidate into fewer entities. With more transactions hitting the banking core more frequently, it needs to be able to scale up quickly, and at minimal cost.



- 3 Extensive automation:** Automating core banking processes is the only way to meet the aggressive new cost-income benchmarks. By digitizing processes, the bank takes a load off the branch workforce to allow them to focus on customer engagement and other value creating activities.



- 4 Continuous, personalized product innovation:** Personalization for a segment of one is truly possible now thanks to digital technology. With every customer being able to design a product or service that serves her alone, the core has to prepare for product design passing from the hands of product managers to consumers. This means being flexible enough to allow consumers to tweak products not once but several times to fit each significant life moment.



- 5 Embedded intelligence for harnessing data:** The core is the largest repository of transaction data that is used for everything from customer engagement to risk management. Apart from providing insight to other applications, or to empower customers, employees and partners, the core should also embed it within its workflows to enhance its own processes. For example, early insights on loans which are likely to default.



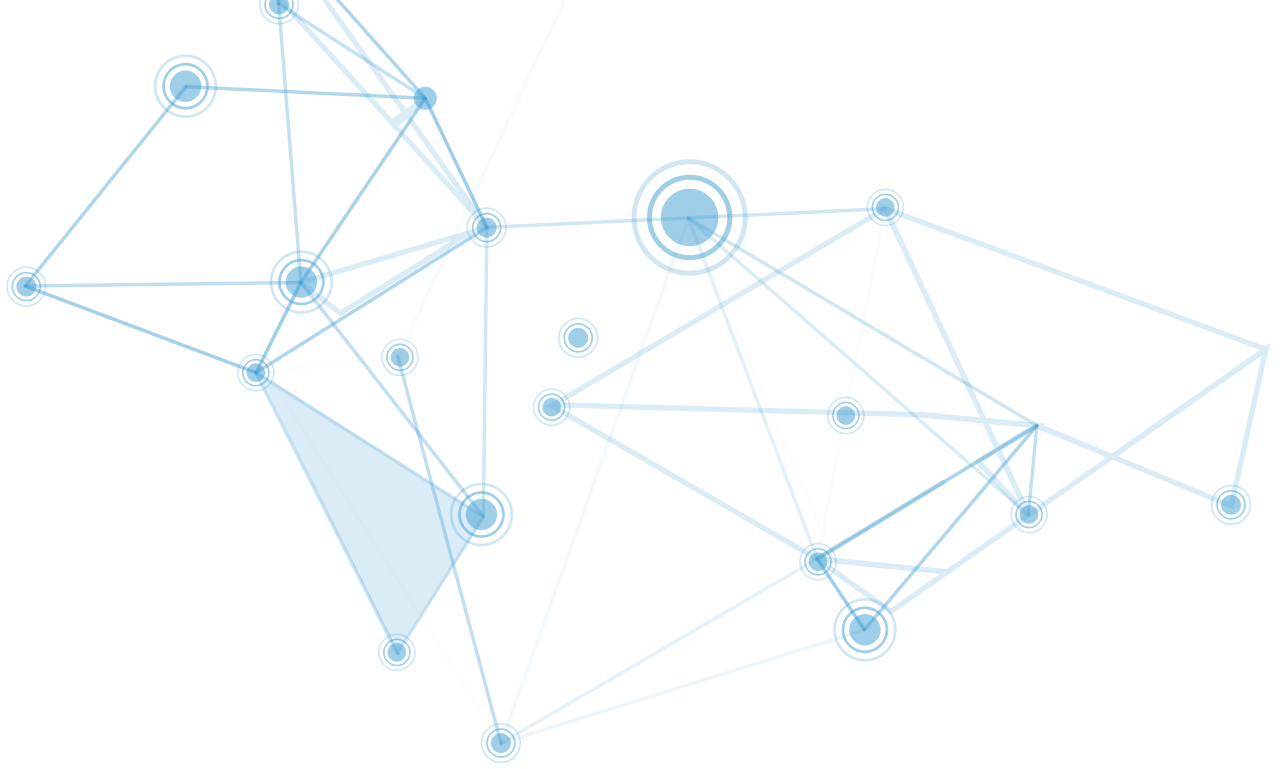
- 6 Total cloud readiness:** Operating from the cloud right from the start, new age banks are setting the benchmarks for agility and cost efficiency. Incumbent banks transitioning on premise assets to the cloud need a core banking solution that accelerates the move in order to realize its benefits.



- 7 Componentized design:** Componentization allows a core to evolve frequently so it can keep pace with the dynamic environment as well as support change within the bank. It offers unmatched agility so banks can modernize at a pace that suits their goals. Frequent, rapid evolution or progressive modernization also mitigates the risk of core transformation.







# Finacle Core Banking

## An industry-leading core for the digital world

Built on advanced architecture, Finacle Core Banking solution offers a comprehensive suite of capabilities to power banks' digital transformation.

With Finacle Core Banking Solution, banks gain a comprehensive set of capabilities, including flexible product factories, extensive parameterization, product bundling and reusable business components, to help accelerate innovation led growth.

With its real-time processing engine, open APIs, and embedded customer insights, Finacle delivers one of the most advanced digital banking foundations to engage demanding consumers.

Finacle leverages both established and emerging automation technologies to achieve operational excellence. It's no wonder then that Finacle clients enjoy a cost income ratio that is 7.2 percentage<sup>2</sup> points lower compared to other banks.

Today, Finacle Core Banking Solution, consistently rated as a leader in the industry, powers the delivery of simpler, faster, safer and fully personalized banking to more than a billion consumers in over 100 countries.

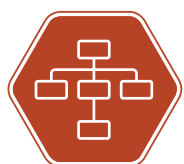
**A global solution built on the experience of servicing 1.05 billion customers – estimated to be nearly 16.5 percent of the world's adult banked population.<sup>3</sup>**



**100**  
Countries



**1.05 billion**  
Consumers



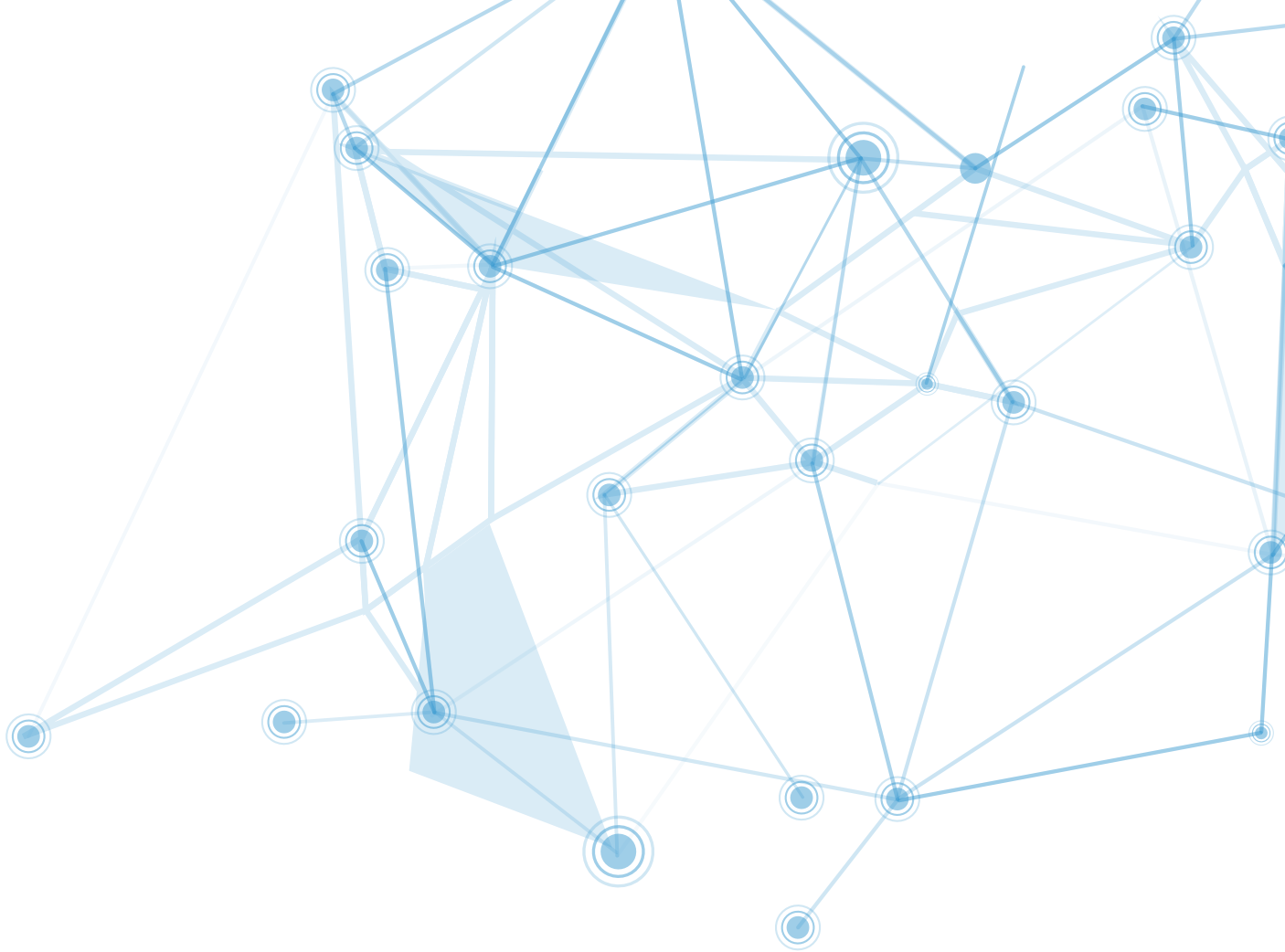
**81,560**  
Branches



**1.3 billion**  
Accounts

<sup>2</sup>Assessment against the top 1,250 banks in the world covered by The Banker.

<sup>3</sup>Infosys Finacle analysis using the world bank data on world's adult banked population.



# Many Journeys, One Platform

## Designed to be as unique as you are

Finacle Core Banking Solution meets the needs of any type of bank, at any stage of their journey. Our comprehensive, versatile platform powers innovation and growth for financial institutions, whether you are traditional or emerging, global or local, physical or digital, or a medley.

### Finacle is the platform of choice for:



**Well-established financial institutions** that seek comprehensive digitization across front-to-back enterprise systems.

*Prized partners: DBS, ICICI Bank, Standard Bank, Emirates NBD, Equity Bank*



**Digital-only banks** without a branch network that seek to integrate into their customers' digital lives.

*Prized partners: Discover Financial Services, Marcus by Goldman Sachs, DBS DigiBank, Nequi by Bancolombia*



**Financial technology organizations (FinTech)** transforming financial services through emerging technology.

*Prized partner: Paytm*



**Non-financial companies**, such as telcos and retailers, who are leveraging connectivity to help customers manage their finances.

*Prized partner: India Post*



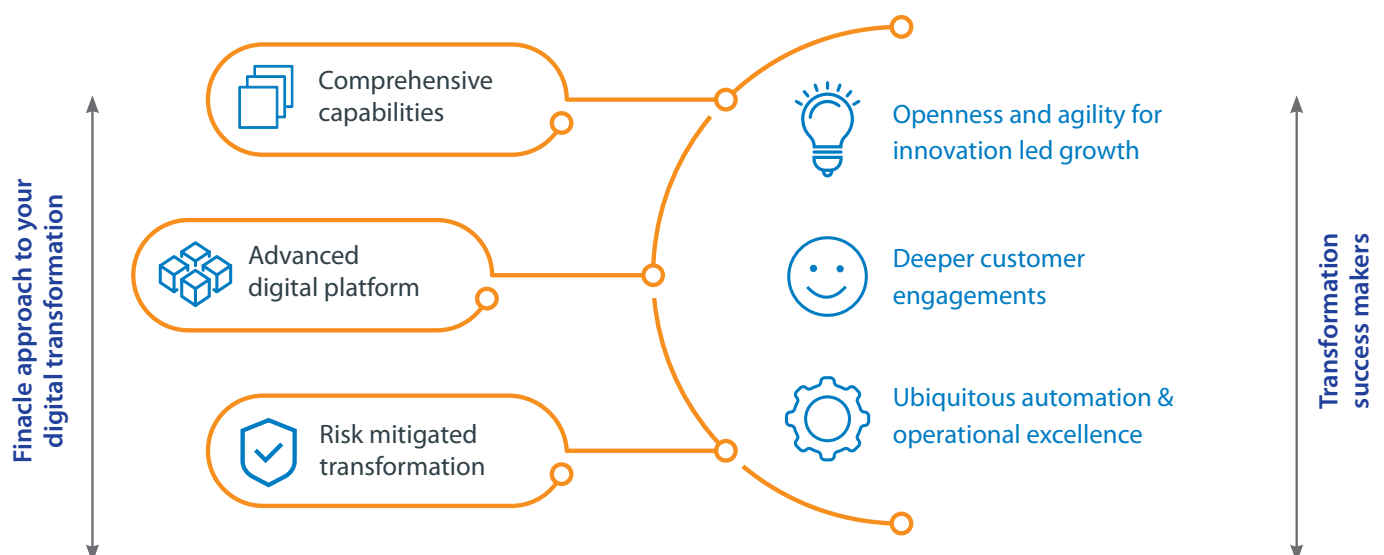


# Our Promise - To Make You Digital To The Core

## Digitally transform inside out

Finacle helps banks turn digital to the core, enabling them to fulfill current and future requirements with ease.

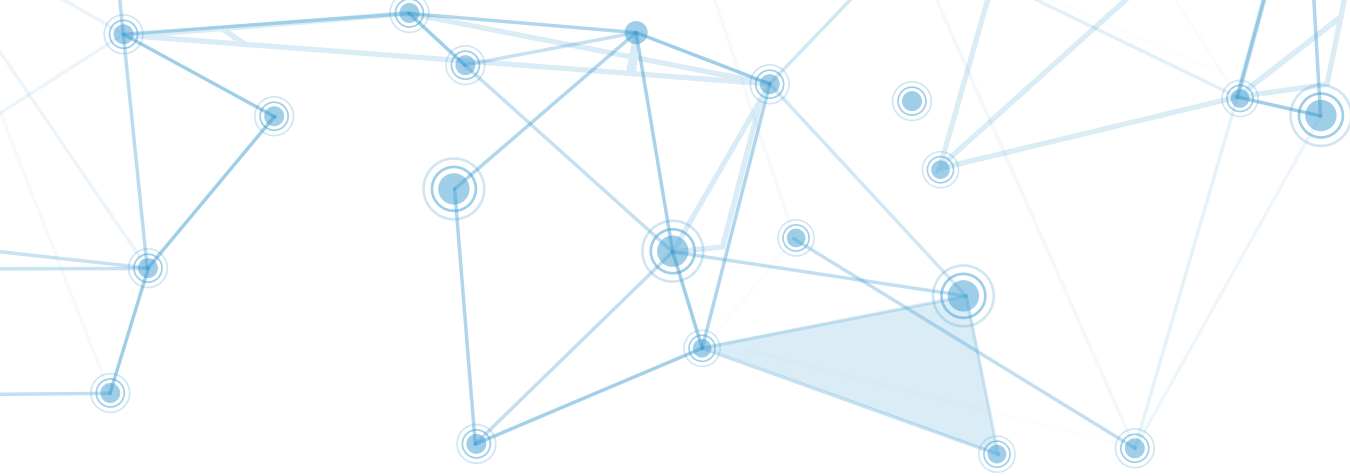
With Finacle, you can be assured of being ready for innovation-led growth, enhanced customer engagements, and leverage automation to achieve operational excellence.











## The Finacle Approach For Successful Digital Transformation

# 1. Comprehensive Capabilities To Power Current And Emerging Requirements

### Launch Products On Demand

Today's customers have high expectations from their banks. They want to consume innovative, and personalized products and services in a smooth and seamless experience that remains consistent across touch points. Finacle Core Banking solution with its comprehensive capabilities enables banks to take new products in the retail, corporate, private and Islamic Banking to market in quick time. Different types of banks, micro finance institutions, Fintech companies and non-banking providers can leverage only the components they need to expand their product range on demand.



#### Product factory:

Business users can leverage several thousand parameters and reusable business rules to configure products and services.



#### Customer-led design:

End consumers can design and personalize products and services on digital channels, while business users can also offer tailor-made products in assisted channels.



#### Define once, reuse many times:

Product templates enable banks to create new products, modify existing ones, and rapidly deploy new innovations in market.



#### Configure third party products

Banks may set up third party products and configure rules to support them seamlessly.



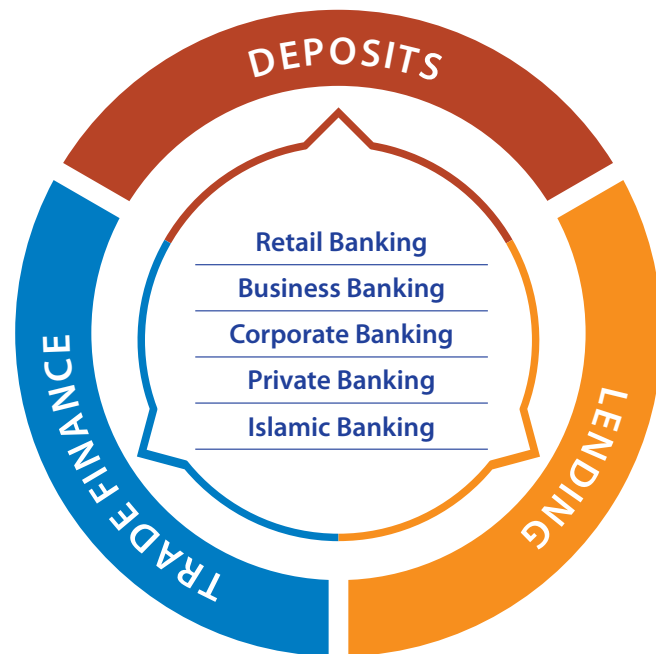
#### Configure product bundles

Banks can bundle variety of products and services to enable right-sell.





## Realize Your Strategy with a Comprehensive and Advanced Platform





## 2. Advanced Platform

### Be part of the new economy

Banks are transforming themselves as digital businesses. Finacle helps them get there by increasing openness, agility and scalability.

#### Componentized structure:

- Finacle offers an optimal mix of componentization granularity and API based integration of components.
- Banks may deploy and upgrade Finacle solutions selectively and progressively.

#### Open APIs:

- Finacle, with its extensive RESTful APIs enables co-innovation with the external ecosystem.
- Banks can set up API stores, embed services in corporate customers' business applications, engage fintechs and digital ecosystems, and drive co-innovation with developer community through hackathons.

#### Cloud ready:

- Finacle supports production, development and testing across private, hybrid and public cloud environments.
- Banks can go cloud-first on Finacle, which is available on AWS, MS Azure, Oracle, IBM and supports progressive migration to the public cloud.

#### Technology platform agnostic:

- Banks may run Finacle on a number of technology platforms such as IBM, Oracle, Intel, HP, Unix, Linux and mainframe.
- It offers complete stack open source technologies such as JBOSS app server, RHEL, JBPM, Drools, and Enterprise DB.
- It supports exadata range along with database options of Oracle, Enterprise DB and DB2.

#### 24x7 real-time processing:

- Finacle is a fully real-time core banking solution that processes and posts transactions in real-time, on own and third party channels of origination including Facebook, WhatsApp, Google Wallet, etc.
- Apart from banking on digital channels, select banks have leveraged the capability to have 24\*7 open branches.

#### Proven scalability:

- Finacle has proven availability and performance in both simulated and live client environments.
- In a test environment, it is proven to process six times the volume of transactions processed by the entire U.S. banking system.
- Finacle's largest live core banking implementation powers over 700 million accounts.

#### GUI tools-led extensibility:

- Finacle enables banks to extend the platform using a set of GUI based tools, without touching the base product source code.
- They can customize everything from business services, business processes and workflows, reports and user interfaces.

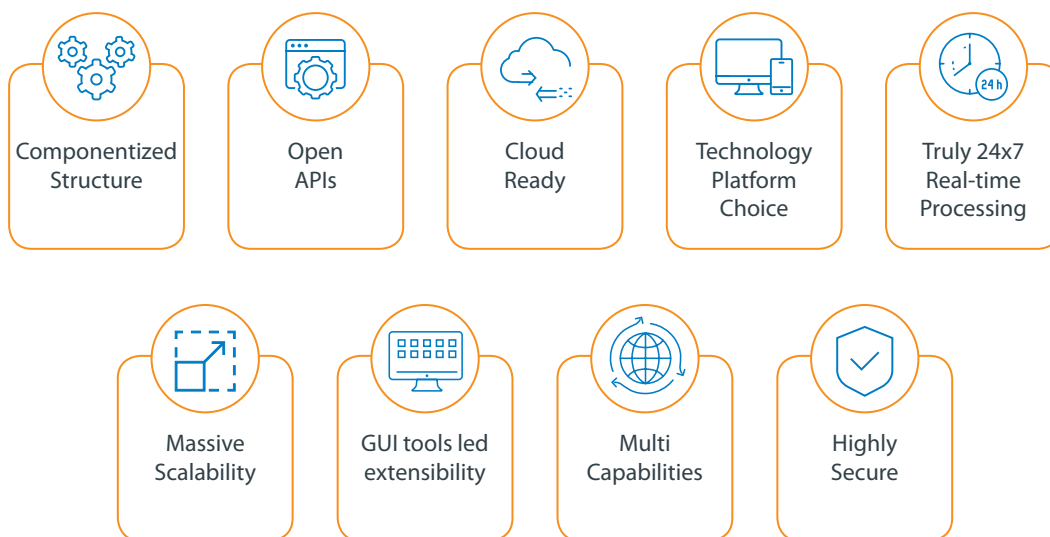
#### Multi\* capabilities:

- Finacle with its multi-entity, multi-currency, multilingual, multi-time zone capabilities, supports multinational operations.
- For instance, Equity Bank, a leading commercial Kenyan bank runs on a single instance of Finacle across five countries, five languages, five currencies and three time zones.

#### Robust security:

- Finacle security architecture protects infrastructure, data, and application layers.
- Capabilities at application level include identity and access management, user role management, limits, and exception management.
- Finacle is certified for several international and regional standards by a leading audit firm.

## Robust Foundation for your digital Future



### Powering massive scalability for a digital future

#### India Post

##### Finacle powering world's largest core banking installation

One of the world's largest postal service with a network of over 154,000 post offices and 90% market presence in rural areas within India, runs on Finacle to power its huge transaction volumes for its customer base of 356.7 million.



**720 Mn**

Accounts digitized

#### Certified lab results

##### Finacle, benchmarked for its multifold scalability

Finacle core banking solution was benchmarked to process six times the volume of transactions currently processed by the entire US banking system. This is close to double the number of transactions achieved by any core banking product in the industry.<sup>4</sup>



**>50,000**

Transactions / second

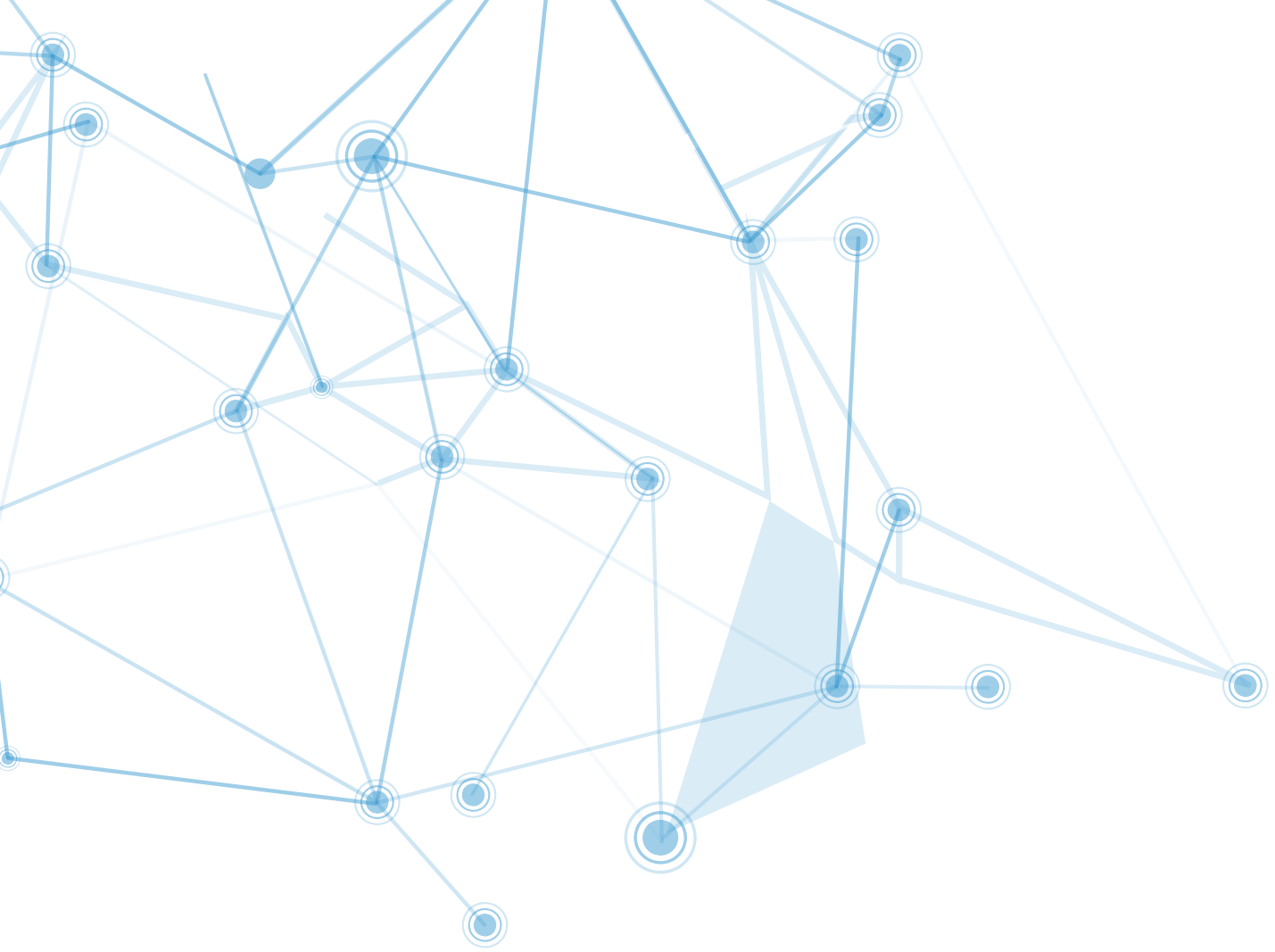


**1.9 Bn**

Accounts

<sup>4</sup>A benchmark exercise audited and reviewed by the global audit firm, Ernst & Young, 2014





## 3. Risk Mitigated Transformation

### Deploy in any place, at any pace

A flexible core makes any kind of transformation – big bang switchover, or progressive deployment – simpler and faster, and supports all strategies, including comprehensive digitization, bank-in-a-bank, and digital-only bank.

**The key three pillars of our risk mitigated transformation approach are:**

**1**

#### Reference bank models

- Reference bank models for emerging and developed markets, packaged with global best practices, innovations and localized solutions, enable implementation in record time.
- Localization components built on top of the base product support regional requirements, for example both federal and state requirements in 50 states in the U.S.

**2**

#### Progressive deployments and upgrades

- Componentized design offers customers the flexibility to pick and choose system components, for example only the Finacle retail banking solution or a single module such as demand deposits.
- Business priority mapping and value realization models continually assess transformation progress and outcomes.

**3**

#### Agile delivery model

- Designed to help banks practice agile implementation, wherein they can quickly deploy only the components they need at first and enhance them later as required.
- Provides the capability to do continuous integration and continuous deployment.

## Renovating for innovation and world-class service

### Discover Financial Services

In addition to traditional banks, Infosys Finacle has helped several new-age direct banks progress towards truly digital banking. Discover Financial Services (DFS) is one of the largest direct banks with over \$80.6 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.

This is just a glimpse of what a truly digital transformation looks like when powered by Finacle. Our comprehensive and flexible suite of products drives transformation for clientele of all types and sizes, and we are committed to making a success story out of every engagement.

#### By the numbers<sup>3</sup>

**65%**

decrease in account-servicing costs

**30%**

reduction in account opening time and effort

**20 to 1**

Reduced customer service agent interfaces from 20 to 1

**40%**

decrease in clicks required to process customer requests

**6 steps**

Reduced account-opening process from 20 steps to 6 steps

<sup>3</sup>Celent Model Bank 2015, Gareth Lodge, James M. O'Neill.





## 4. Openness and Agility for Innovation Led Growth

### Sharpen your competitive edge

Finacle promises to give banks the flexibility to launch and update products and services at a pace that drives continuous innovation and growth.

**The key accelerators from Finacle suite for an innovation led growth are:**

#### Global core

Finacle's global core has the following three layers:

- **Single base** (globally) packs innovations and best practices from 100 countries.
- **Localization components** support adherence to local practices and compliance requirements.
- **Customization components** extend the solution independently with capabilities specific to customers.

#### Key innovation enablers

# 1

##### Inside-out enablers include:

###### Product Factories and Extensive Parameterization:

- Banks can create and deploy new products in days instead of months.
- Product factories with more than several thousand business parameters enable quick and easy configuration of products and services.

###### Product Bundling:

- The product configurator can configure product suites for individual customers or segments.
- Customers can design their own product bundles by choosing from a selection of mandatory and optional products.
- Banks can define structured products linked to various underlying assets, including currency, interest benchmarks, equities, bonds and indices.

# 2

##### Outside-in enablers include:

###### Finacle App Center:

- Finacle Marketplace features innovative solutions developed by an ecosystem of large partners, and startups.
- The App Center gives banks easy access to innovations developed around Finacle solutions.

###### API Store:

- Finacle API store, in partnership with Open Bank Project, provides banks a comprehensive suite of open APIs for ease of collaboration with external developer ecosystem.
- With this, banks can accelerate their digital offerings by leveraging a set of pre-built banking APIs and a global ecosystem of 3rd party applications and services.

###### Blockchain Based Networks:

- Banks can benefit from production-ready blockchain solutions for remittances, trade finance and digital identity management.
- For instance - Emirates NBD and ICICI Bank deployed a blockchain based remittance and trade finance network between UAE and India.

# 3

##### Focus on innovation through co innovation:

Finacle has created several platforms to co-innovate with client and partner ecosystems. Some of these include -

- **Finacle Client Advisory Board (FCAB):** A platform for co-innovation, FCAB is an executive forum to discuss and validate Finacle product strategy and roadmap.
- **Banking Visionary Council:** Enabling clients leverage emerging industry trends.
- **FinTech Connect Council:** Collaborating for building of an ecosystem of banks, startups and Finacle, thus accelerating innovation through bank-FinTech partnerships.
- **Innovation Research:** For example, for the past ten years, Finacle has partnered with Efrma for joint research, therefore tracking innovation trends and practices being adopted by leading banks globally
- **Innovation Awards:** A platform to celebrate and share success stories around innovations leveraging Finacle solutions within Finacle client community.

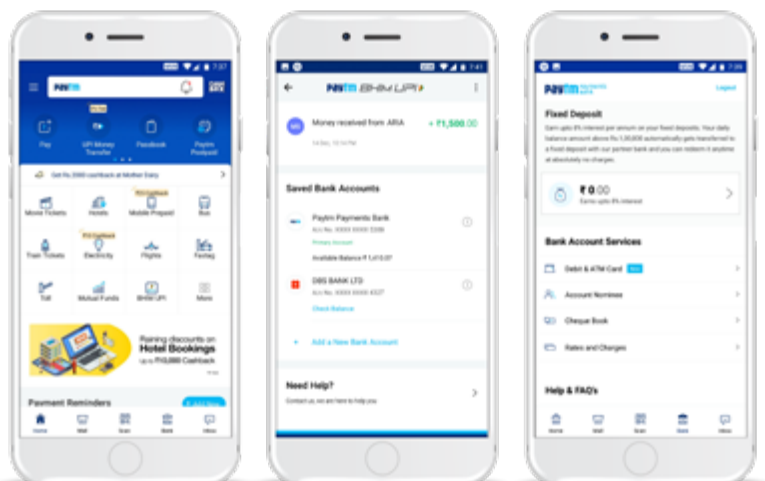




## Enabling adoption of emerging business models

### Paytm

**Paytm**, India's largest mobile payments and commerce platform, has leveraged Finacle 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.









## 5. Deeper Customer Engagement

### Turn customer data into customer delight

Finacle Core Banking sharpens both insight and action with a unified customer view. Using this truly digital platform, banks can deliver personalized, integrated experiences to customers.



#### Customer centric product design:

- Finacle enables customer requirements to lead product design.
- It also enables moving towards self-service to accelerate digital adoption.
- Example, a digital-only U.S. bank and user of Finacle Retail Loans module allowed customers to design not just the loan but also the servicing lifecycle, including the repayment structure to differentiate itself in a crowded market.



#### Unified 360-degree customer view:

- Banks can use customer information to take better decisions and real-time insight from interactions to predict the next best step.
- They can personalize products and services to individual needs.
- Finacle supports features like differential relationship pricing to improve customer loyalty.



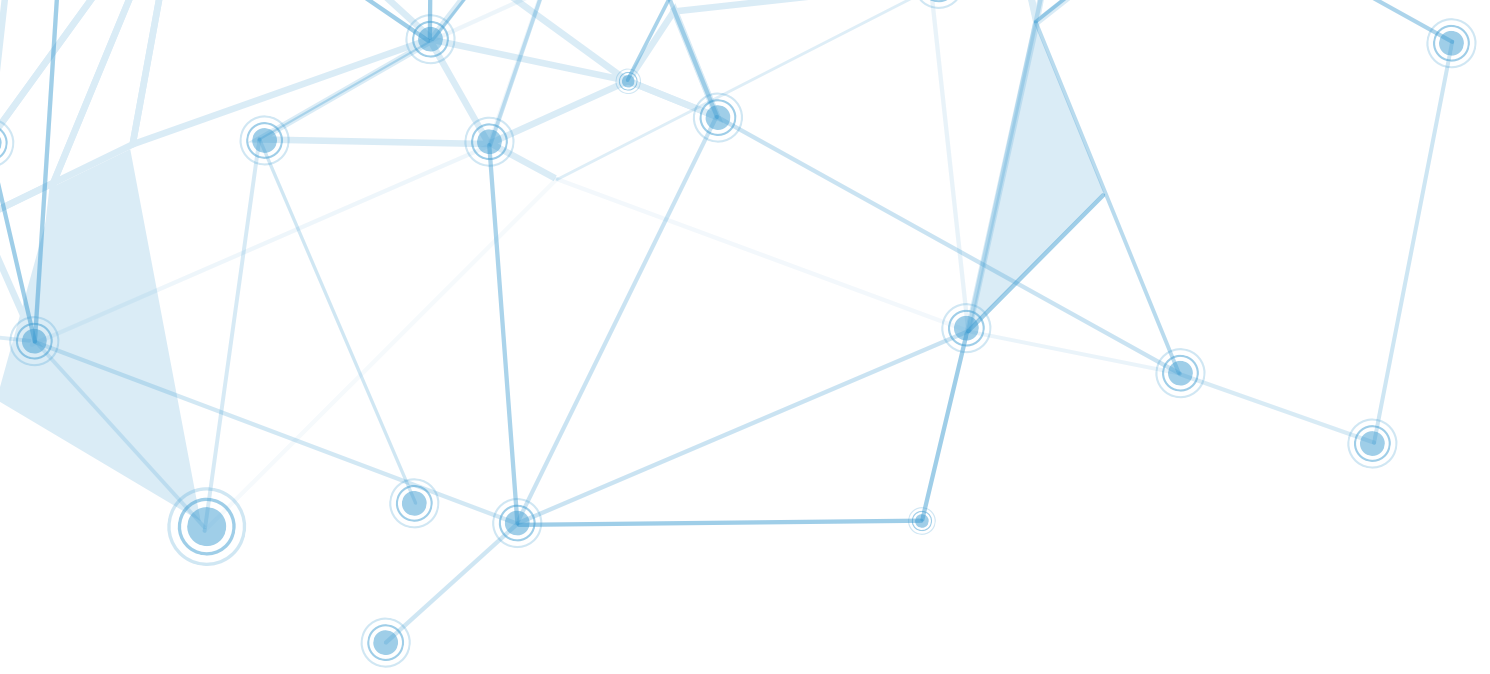
#### Insight throughout the customer journey:

- Embedded analytical capabilities and unique engagement architecture combine to provide contextual and personalized interactions and experiences, on all channels and devices.
- Finacle helped a bank in Oman to deploy embedded analytics and gain deeper insights throughout the customer journey. The bank leveraged analytics in areas including non-performing loans, limits and collaterals analysis, Customer Lifetime Value, ATM analysis, channel performance etc.



#### AI based customer experiences:

- Underpinned by AI platform Infosys Nia and the Finacle Marketplace, the solution facilitates conversational banking and commerce.
- As part of the ecosystem offerings, our partners enable a natural language based e-commerce solution pre-integrated with over 40 merchants for services such as hotel bookings, flight bookings, cab bookings (such as Uber), events booking, movie ticketing, among others.



## 6. Ubiquitous Automation and Operational Excellence to Drive Down Costs

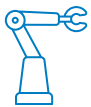
### Embrace next-gen banking with AI and automation

Banks are under constant pressure to reduce operating costs, while meeting customers' expectations for better products, services and experiences. Finacle enables extensive automation to help clients meet these goals.



#### Traditional automation levers

- Finacle employs traditional levers, such as rule-based, API-driven Straight Through Processing and BPM led process orchestration to automate a range of activities.



#### AI and Robotic process automation

- Finacle empowers banks with an array of AI-based platforms and applications. For instance, a proprietary robotic process automation tool leveraging the Infosys Automation Platform has helped banks cut down cross-application process execution time significantly.
- Banks can also leverage Infosys Nia, to deploy AI capabilities in several ways. For example, an AI based debt management can help predict portfolio delinquencies and take preventive measures to reduce portfolio risks.



#### Inter organization automation

- Finacle leverages blockchain technology to help the banks automate their inter-organization processes. Today, Finacle is working with multiple clients to deploy blockchain-based networks for banking processes.
- An example is the Finacle Trade Connect, which digitizes trade finance business processes, including validation of ownership, certification of documents and payments, while working on a distributed, trusted and shared network.

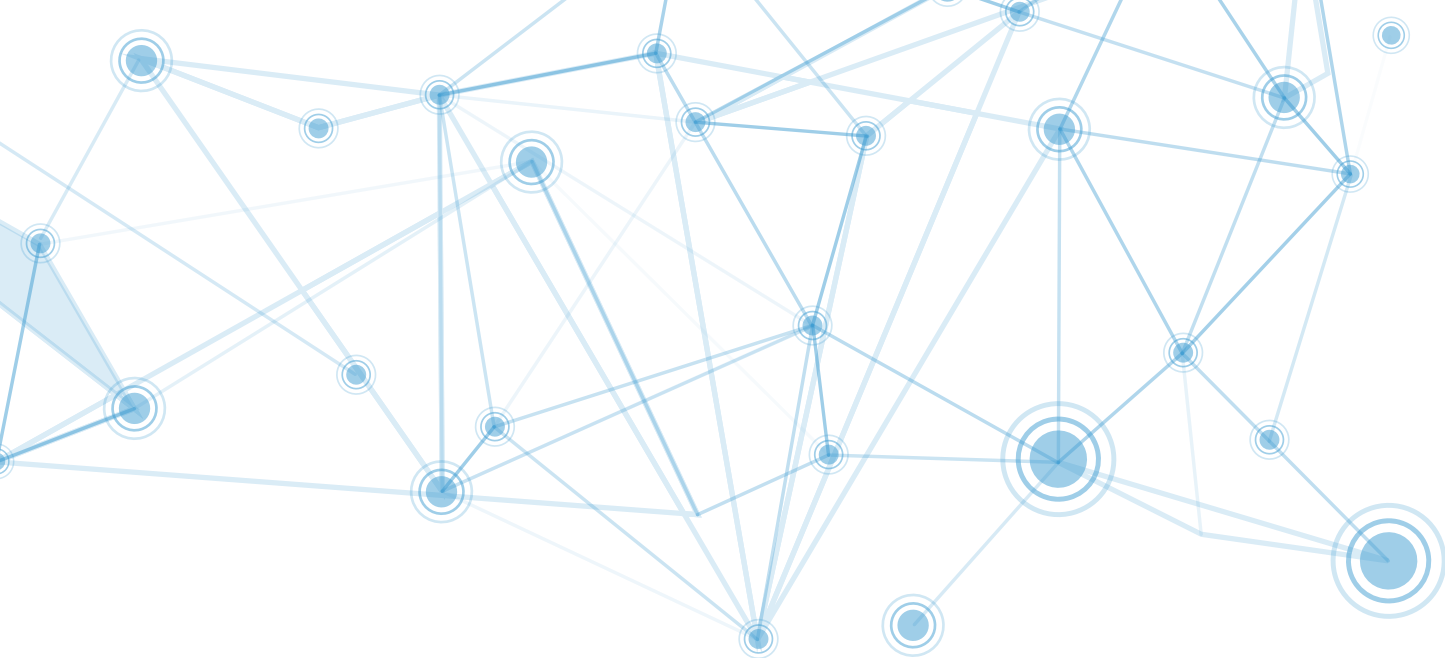


#### Multi country operational hubs

- Finacle allows banks to deploy regional/ international processing hubs for different capabilities (such as lending hub) and thereby reduce duplicate effort across business units.
- Multi-entity parameters help to create customized, unique experiences in each region.







# Experience That Speaks for Itself

## An Industry Leading Solution

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

### Gartner

Gartner

Infosys Finacle was named as a leader ,  
12th time in a row, in the Gartner Magic  
Quadrant for Global Retail Core Banking,  
July 2019, Vittorio D'Orazio & Don Free

### FORRESTER®

Forrester

Rated as a leader in The Forrester Wave™:  
Global Digital Banking Platforms, Q3 2018

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

## The Most Awarded Solution in the Industry



**Celent Model Bank  
Awards 2019**

Paytm Payments Bank



**Best Core Banking  
Service Provider**

Infosys Finacle



**IDC Real Results Awards 2019  
Digital Banking  
Transformation Program**

Infosys Finacle &  
Paytm payments Bank



**Best Core Banking  
Implementation**

Infosys Finacle &  
Al Ahli Bank Kuwait



**Best Use of IT for Lending**

Bank Rakyat Indonesia &  
Infosys Finacle



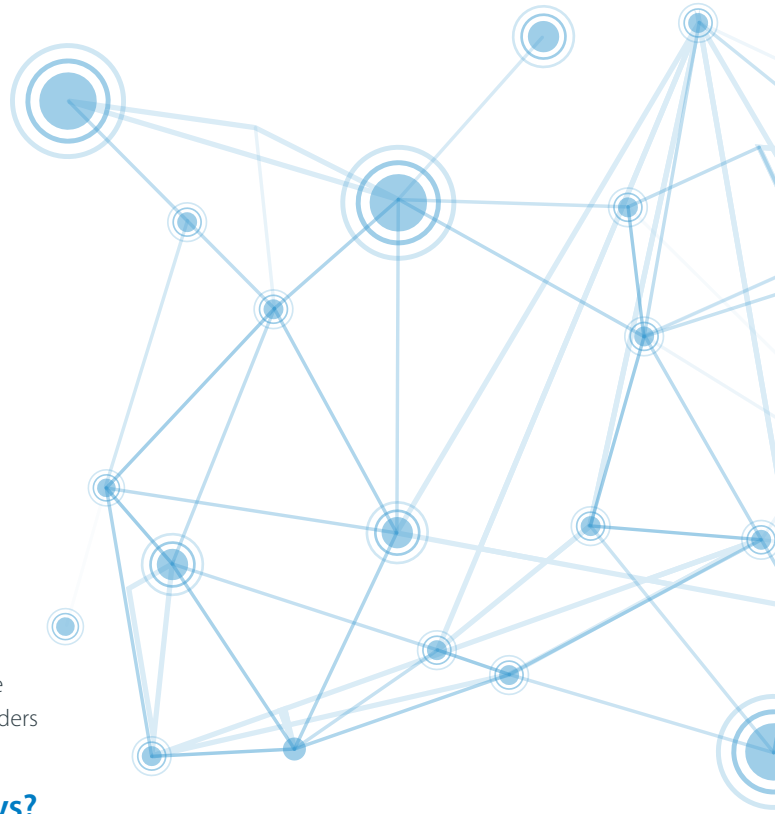
# Power Your Digital Strategy With A Robust Foundation

The digital revolution is accelerating. Overcoming the disruption with a market responsive model and achieving customer centric growth, require banks to be digital to the core. Join the global community of financial leaders who are innovating and powering their digital propositions with Finacle.

**Are you ready to accelerate your digital journeys?**

**Contact us today:**

[finacle@edgeverve.com](mailto:finacle@edgeverve.com) | [www.finacle.com](http://www.finacle.com)





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## About Infosys Finacle

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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For more information, contact [finacle@edgeverve.com](mailto:finacle@edgeverve.com)

[www.finacle.com](http://www.finacle.com)

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