

Australian Military Bank

One of Australia's longest serving mutual banks has transformed.

Australian Military Bank (AMB) was looking to capture the best of gains won by digital disruptors and customise them to meet the rapidly evolving expectations of their members. In effect, to digitally innovate and become a fast-follower without the expense and instability of first-mover innovation.

Ten months later the bank's globally deployed, 24/7 membership was delivered a market-leading, rapid response, digital-first strategy that offered competitive advantages against traditional and new age banking alternatives.

An Infosys Finacle integrated digital banking solution allowed Australian Military Bank to achieve a truly digital transformation in less than a year, with zero cost and time overruns.



Changes and challenges

Formed in 1959, Australian Military Bank (AMB) started out as a credit union and later became a mutually owned bank. It is a niche institution dedicated to serving the Defence community, their families and associated government departments and contractors with products and services tailored to their needs.

There was opportunity to leverage emerging gains from new age competitors such as fintechs and neo digital banks to meet rapidly elevating expectations within the bank's youth membership. Further, in order to remain competitive the bank needed the ability to pivot to keep pace with accelerating market changes, expand the user experience and enhance operational efficiencies for the bank.

The bank wanted to lead the capture of proven innovation in real-time and integrate enhancements quickly to offer a highly satisfying banking experience for members. This called for a comprehensive digital technology transformation, which had to be done quickly, with no downtime and no disruption of services to members, at a competitive cost.

AMB wanted to offer members a digital first strategy that could respond rapidly to innovation without disruption.





Choosing the right partner

To build a smart and reliable platform, Australian Military Bank sought a trustworthy technology partner for both project delivery and support. After considerable due diligence and competitive evaluation of leading system providers, AMB chose Infosys Finacle's Digital Banking solution suite. In addition to the platform's industry leading credentials, its out of the box APIs provides AMB with the flexibility and agility required to easily integrate with partners. Infosys Finacle's proven experience and willingness to take end-to-end responsibility of AMB's digital journey, would allow the bank to focus on its core business and as a result, Infosys Finacle finally won the day.

As the Chief Executive Officer of AMB, John Ford, put it: *'We chose Infosys Finacle to deliver security and stability throughout our transition. We needed to sustain a premium banking experience in a competitive and complex regulatory market as we implemented a rapid transformation.'*

Infosys Finacle demonstrated complete commitment throughout our transformation.

John Ford, Chief Executive Officer, Australian Military Bank



An Australia-ready solution

Many of the requirements of the Australian banking system are unique, and importantly, closely regulated. This meant that even a globally proven base solution like Infosys Finacle had to develop uniquely Australian features, and it did.

To ensure the full requirements of Australian Military Bank and its regulators were fully accommodated, we commenced custom analysis to ensure each product and interface was seamless. The resulting gap analysis formed the basis of a localization schedule, and Infosys Finacle invested in a dedicated team to address those gaps promptly.

The end result was a system that was tailored for the needs of the Australian market, ensuring comprehensive coverage for Australia specific product and interface options for seamless integration with 40+ Australian ecosystem partners.



"We aspire to be a great niche bank by transforming into a modern, nimble, new age digital bank. The Infosys Finacle team displayed exemplary commitment to help us not only go live in a very short time but also support ongoing service enhancements. It has been a true partnership to get to this point and positions us well for the future."

John Ford, Chief Executive Officer, Australian Military Bank



Transforming the banking experience

AMB's strategic transformation program with the Infosys Finacle's cloud-based digital banking suite, went live in February 2018. It was implemented using a full Software as a Service (SaaS) model, just ten months after initiation in April of the previous year. The Infosys Finacle solution was hosted out of Infosys Finacle's co-tenanted ISO27001 certified data centers based in Australia, which was also validated independently to ensure that the bank's stringent information security criteria were met. With the Infosys Finacle platform storing customer card information, the solution was also certified with the PCI-DSS certification (Payment Card Industry Data Security Standard). With a secure hosted base, AMB opted to implement the modern, proven solution stack in a SaaS model with a fully managed service support arrangement backing it.

The integrated digital banking suite for AMB was comprised of Infosys Finacle's Core Banking, Customer Information File (CIF), Customer Relationship Management (CRM), Alerts, Retail Loan Origination, Payments, Internet Banking, and Mobile Banking solutions. The program also included 16 different touchpoints with allied service providers and end-to-end connectivity with all major ecosystem partners such as ATM providers and payments solution providers (Cuscal and Indue). Infosys Finacle's Open APIs enabled easy integration and cooperation with the bank's partners and ensured that AMB was Open Banking and NPP ready. Customer activity was also monitored through Google Analytics with real-time data gathered via an event-based tag manager.

This was the first time it was ever done. We are talking about a fully controlled end to end integration from legacy to a new system migration which involved sixteen third party integration touch points tested and certified as compliant in a matter of six months. The fact we completed this successfully whilst meeting all out operational safeguards is unprecedented and unheard of for an operating bank.

Andrew Brown, Chief Operating Officer, Australian Military Bank



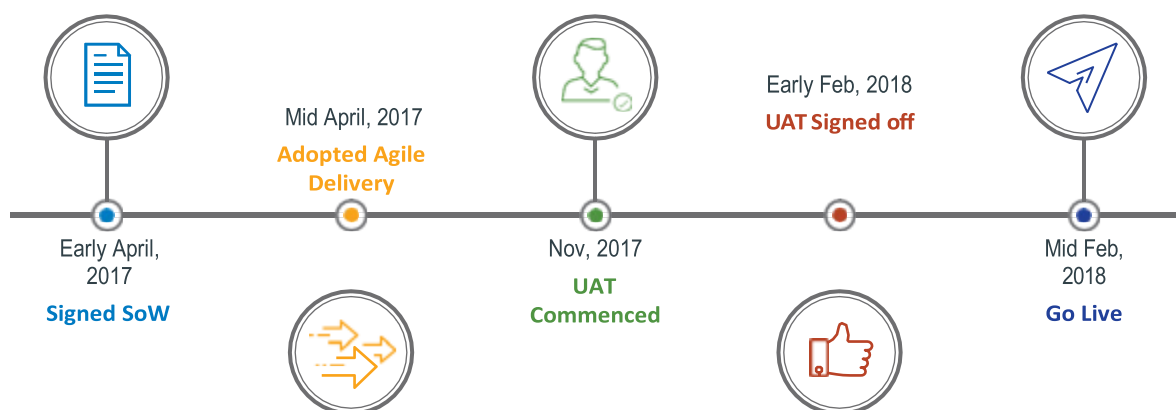


Practical, agile and co-ordinated—the formula for transformation

The project was a textbook case of collaborative partnership and co-development, with a highly engaged team. Together, Australian Military Bank and Infosys Finacle took a highly pragmatic approach to the project and agreed on maximum off-the-shelf and only critical customisations. Driven by Infosys Finacle's agile delivery model design, ideas would be quickly coded and the UX showcased for faster feedback and iterative development of the features and functionality. The bank ensured minimized hierarchy and an empowered transformation team, with representatives from across the business, which allowed for faster decision making and greater agility.

In an initiative called "Technical Go-Live", bank staff were given new debit and credit cards to try out all the services, old and new - everything that customers would be expected to do. First-hand feedback went to the Infosys Finacle team and enabled prompt correction of inevitable teething issues

Total digital transformation in 10 months



Reaping the benefits

AMB has transformed the banking experience for its members and staff. Since going live the bank gained a multitude of never before experienced operational benefits and cost efficiencies, along with enhanced security and scalability.

- Customer onboarding and opening new accounts reduced to 2-minutes via the Mobile Banking App.
- 63% of new deposit accounts were opened online using STP without any human interaction.
- The bank saw a 46% increase in digital channel registrations (both internet and mobile banking), and a 116% increase in mobile banking app registrations alone.
- Australian Military Bank witnessed a 250% increase in mobile transactions within just a year of going live.
- Less than 0.7% of all member-initiated transactions occur in a branch.
- A greater than 99.8% system reliability and availability ensured an increased number of mixed banking and payments transactions
- Straight-through processing was made available for savings, transactions and deposit accounts, with 99% of inbound direct payments now processed straight through in near real time.
- Launch of 'DemiLite' a tablet-based system enabling mobile activation of the digital first strategy, allowing AMB staff to service members outside of branches.
- A modern biometric authentication system (fingerprint or facial recognition) greatly improved security.
- Loans products and credit cards were integrated within the Infosys Finacle system, giving customers the convenience of being able to apply easily online.

Since going live Australian Military Bank has witnessed a reduction in inbound calls by 27% along with an improvement in the grade of service by 25%. Given the increased online functionality available to members, there is a 19% drop in service requests by email and a 37% reduction in over the counter transactions in branches, thereby significantly reducing the bank's cost to serve a customer.

Most importantly, the solution has given AMB an out-of-the-box capability for easy reporting to regulatory bodies like APRA, RBA, ATO, AUSTRAC, with ongoing support and roll out of improvements for evolving regulatory changes.

We were very fast to take up comprehensive credit reporting (CCR) and have quickly established Australian Military Bank as a fast-follower delivering the benefits of innovation to members.

John Ford, Chief Executive Officer, Australian Military Bank



The bottom-line

In the bank's most recent financial results announcement delivered 18 months since project commencement the bank has substantiated the bottom line value of this transformation. The bank is exceeding its profitability targets and is growing loans at a rate of 2.1 x system. Costs to operate have been reduced which has contributed to an increase in productivity, this has allowed the bank release capacity and capitalise on competitive opportunities in real time. Finally, the Bank has seen a net growth of membership of 5% through digital channels utilising straight through processing.

...technology has never been more affordable and our strong financial performance has been underpinned by our digital transformation strategy.

John Ford, Chief Executive Officer, Australian Military Bank



About Infosys Finacle

Infosys Finacle is the industry-leading digital banking solution suite from EdgeVerve Systems, a wholly owned product subsidiary of Infosys. 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 Infosys Finacle to service more than a billion consumers and 1.3 billion accounts.

Infosys 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 Infosys Finacle Core Banking solution, on average, enjoy 7.2% points lower costs-to-income ratio than others.

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