

BEING TRULY DIGITAL WITH FINACLE

TRULY DIGITAL

Today, banking is changing faster than ever. Rapid evolution of technologies is disrupting the prevalent business models of banks. The modern customers are a step ahead in adopting these technologies and want to change the way they interact with their banks. What's more, we have start-up organizations that are looking to fill this gap between customer expectations and the way conventional banks operate.

Many bankers agree that their current business models, organization structure, culture, processes, and technology platform were not designed for this digital era and hyperconnected environment. However, many financial institutions are moving past this realization and have already taken up initiatives to proactively disrupt their organization. They are looking to digitize their businesses inside-out and reimagine banking for the digital world.

We believe banks that adopt the dual strategy of 'New and Renew' will be the ones to emerge victorious in this era. This strategy calls for creation of new capabilities leveraging the latest technologies to grow the banking business in unprecedented ways. At the same time, it requires banks to renew their existing systems and processes by opening them up to the benefits of modern technologies.

In this book, we have captured the successes of financial institutions who have taken the lead in transforming their organization with technology to advance their digital strategies and become truly digital. We hope you will find this compilation insightful and are able to derive learnings that can be relevant in the digital journey of your organization.



A TRULY
DIGITAL
EXPERIENCE

DISCOVER'S DIGITAL JOURNEY

Discover Financial Services (DFS) is the world's 33rd largest banking holding company and one of the largest issuers of cards, with assets of more than US\$80 billion. Apart from its cards service, it also offers private student loans, personal loans, home loans, checking and savings accounts, certificates of deposit, and money market accounts through its direct banking business.

DFS relies completely on self-service digital channels to service its existing customers and attract new clients.

The digital channels include Interactive Voice Response (IVR) systems, ATMs, web, mobile, and call centers.

The bank was working on a hosted platform and wanted to achieve greater agility. Over 20 different, disjointed applications were utilized to support customer servicing for all banking products, creating issues with information inconsistencies.

The direct banking business model demanded superior efficiencies to support self-service needs, which were lacking in the solution.

So the leadership team embarked on an ambitious program to modernize its banking platform, that would support its growing product offerings.



DIGITAL STRATEGY

The company chose Finacle as the centerpiece of their banking platform strategy. Over time, the bank wanted Finacle to support all their banking products including direct-to-consumer deposits, personal lending, and student loans.



Customer-focused products

Finacle Studio offers customer-service workflow tools based on a set of pre-built banking components. This means that Finacle provides all the building blocks of business functionality that enable DFS to configure products and processes flexibly in order to adapt to a dynamic environment.



Optimized operations

Finacle now supports real-time processing. It is an integrated solutions hub with support for third-party applications and services.



Progressive modernization

DFS opted for a progressive modernisation strategy to ensure a risk-mitigated transformation approach.



Digital, yet compliant

Finacle's localization including the federal and state banking requirements across the US ensured DFS adhered to all regulatory compliance requirements and was also able to automate them effectively.

“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

ENABLING A DIGITAL EXPERIENCE

This banking platform transformation represents DFS's belief that the use of modern and flexible technology is the fabric from which innovation and world-class service is sewn

- Agility to configure products expected to double new account openings by 2017
- Improved quality of customer service with most common customer requests now requiring 40% fewer clicks
- Reduced complexity as number of interfaces that customer service agents must learn will be reduced from over 20 to 1
- Operational efficiencies with elimination of half of DFS's manual back office processes expected
- 65% decrease in its servicing cost per account
- 30% reduction in account opening time and effort
- Real-time processing platform that allows for the tighter integration of transaction data across self-service and digital channels



Discover Financial
Services won the
CELENT MODEL BANK
AWARD in 2015

STRATEGICALLY DIGITAL

DIGITAL FROM DAY ONE

Unlike most banks of that era, ICICI Bank was automated from day one, when its first branch opened in the city of Chennai. To support its technology-focused strategy, ICICI Bank needed a robust technology platform that would help it achieve its business goals.

After an intense evaluation of several global vendors, ICICI Bank selected Finacle, the universal banking solution from Infosys, as its core banking platform in 1994. An open systems approach and low Total Cost of Ownership (TCO) were some of the key benefits Finacle offered the bank.

ICICI Bank has been pursuing leadership in banking through technology for the past two decades and Infosys Finacle has been a reliable partner throughout this journey.

In 1997, ICICI Bank was the first bank in India to offer Internet banking with the help of Finacle's e-banking solution and establish itself as a leader in the Internet and e-commerce space. Between 2000 and 2004, the bank has successfully been able to move over 70 percent of the routine banking transactions from the branch to other delivery channels, thus increasing overall efficiency

The Finacle platform offers a range of flexible capabilities to empower business users to launch products and services. Over the years, ICICI Bank has leveraged these capabilities to launch a slew of products: Young Stars, Women's Account, Bank@Campus for students.

Finacle, being the most scalable platform in the industry, has also helped ICICI Bank in its growth from the early 2000s till date:

Branches:

- 2001: 389
- 2015: 4,050

Customers:

- 2001: 3 million
- 2015: 52 million

Peak transactions per day:

- 2001: 1 million
- 2015: 12.5 million



SEIZING THE DIGITAL IMPERATIVE

ICICI Bank recently launched a concerted effort across its digital channels to bring a suite of digital features that would deliver a unified and personalized customer experience. The effort started with an upgraded online-banking platform, a foundational requirement for supporting a vision for digital banking leadership.

Benefits:

- Present customers with an intuitive interface with visual, personalized dashboards and a customized, segmented experience
- Technological infrastructure and architecture made it significantly easier and convenient to configure and maintain the systems
- Conceptualization and launch of some innovative social banking products like iWish, a unique, flexible social deposit product and Pockets, a banking App on Facebook



LEADING THROUGH TECHNOLOGY

Digital technologies are transforming the way consumers are leading their lives. ICICI Bank has continued to recognize the emerging needs of their customers and developed technology-led offerings to deliver a seamless banking experience at all places of their choice.

Some of the recent innovations include:

iWish is a flexible recurring deposit product with social integration that allows customers to plan and save for their goals with the opportunity to earn traditional deposit product interest rates.

With Pockets, ICICI Bank has a unique digital wallet for the youth. Consumers can access exciting features within the app like book movie tickets, split bills with friends, categorize expenses, buy gift vouchers from various brands, recharge, send money through WhatsApp / Facebook or just tap to pay friends and a lot more. Within six months more than two million customers have downloaded Pockets, of which 70% are new customers to the bank. 80% of the Pockets customers are below the age of 35.

ICICI Bank is the first social platform in India and Asia to provide money transfer facility through Twitter. Twitter followers for @ICICIBank increased to more than 50,000.

ICICI Bank is the first Indian bank to launch an app for all smartwatches – iWear. This next-generation app offers transactional and informational services for simplified banking and lets customers stay connected with their bank account at all times. Launched in April 2015, it has around 10,000 downloads till date, across platforms.

RENEWING THE PLATFORM

ICICI Bank realized that to continue to win in the new digitized environment, it needed to leverage the latest in digital technology, and modernize both core banking and digital channels. The bank kicked off 2015 with the renewal of the core banking system – deploying Finacle version 10 to serve its customer base of over 56 million with real-time, customer-centric experience. The migration was completed in 18 hours without disruption to normal banking operations.

Benefits with Finacle version 10:

- With the new Finacle, the bank is assured of a platform that will sustain the next wave of business growth
- 360-degree single source view empowers employees with relevant information about customers and delights them with the right offerings, presented at the right time, through the right channel
- Ease of integration is assured thanks to an industry standards-based framework and ready-made adapters to integrate with existing and external systems
- SOA architecture ensures easy extensibility both horizontally and vertically across the bank's business



"Our objective of creating a universal bank providing end-to-end financial services, clearly required solutions which were based on new-generation technology, offered end-to-end functionality, and were highly flexible and scalable. Finacle offered all this and much more."

- CHANDA KOCHHAR,
Managing Director and CEO, ICICI Bank

A person wearing glasses is looking at a laptop screen. The screen displays a mobile payment icon, which is a stylized smartphone with a credit card and a signal icon. The person's hand is visible, pointing at the screen. The background is a blurred office setting.

COMMERCIAL BANKING TRANSFORMED

A photograph of three business professionals in an office setting. On the left, a man in a dark suit and blue tie is smiling. In the center, a woman with dark hair in a ponytail, wearing a white shirt and dark tie, is smiling. On the right, a woman with blonde hair is also smiling. The background is a blurred office environment with computer monitors.

ING

Based in Amsterdam, the *Internationale Nederlanden Groep* is a Tier-1 Global Financial Institution with more than 53,000 employees, offering a wide range of retail and commercial banking, asset management, and insurance services. It serves more than 32 million customers – individuals, corporations, and even governments, in more than 40 countries. It is the largest Diversified Financials Company on the Dow Jones Sustainability Index, the 9th largest European bank by market capitalization, and the 26th most valuable brand on the Brand Finance Banking 500 list.



TIME FOR TRANSFORMATION

The technology landscape at ING featured multiple legacy components that not only impeded scalability but were also driving up maintenance costs. It caused delays in the development and launch of new products. So in early 2013, the company implemented the Commercial Banking Business Transformation Program. The six-year program would maximize operational efficiency and customer centricity, and transform its commercial banking operations across 28 countries. Finacle was chosen as the Global Account Management System – a network spanning Europe, Asia, and the US – that would be the foundation for the massive transformation program.

THE COMMERCIAL BANKING BUSINESS TRANSFORMATION PROGRAM

For team Infosys Finacle and ING Bank, the commercial banking transformation program was the first full-fledged agile implementation to use a 'fail fast, recover, and leap forward' philosophy that enabled a fortnightly sprint cycle for delivery. The team also extensively and successfully used the Proof of Usability (PoU) model to define the scope better and enable more meticulous requirements gathering.



The Proof of Usability (PoU) Model

The model was applied and executed in two phases:



PHASE ONE: Implementing out-of-the-box functionality



PHASE TWO: Adding and enhancing functionality in increments

The model enabled the staff to get familiar with the tool even as it was being deployed, thereby successfully demonstrating the platform's usability, flexibility, and best practices. It also reduced customization time and effort by 25%.



Adopting best practices

The two teams also worked together to standardize requirements and harmonize products across market lines, while localizing regulatory mandates. This reduced complexity and enabled the adoption of Finacle best practices.



Agile and sprint-cycle delivery

Based on agile practices of test-driven development and iterative delivery, the deployment and customization process for Finacle was broken down into two-week sprint-cycles in two phases. Phase one involved implementing out-of-the-box functionality, and Phase two added and enhanced functionality in increments. A Frequent Visual Process (FVP) tracked progress visually, resulting in improved flexibility and nimble talent management.

Embracing the PoU Model meant:

Team Finacle was able to do three important things.

1. Meet the specific demands of ING's operations.
2. Demonstrate Finacle's flexibility and usability.
3. Help people get familiar with the tool, even as it was being deployed.

The team configured the current and future scenarios for the account management engine. The team was then able to demonstrate its use and best practices.

Three clear benefits for ING:

1. Better engagement from day one
2. Greater confidence in the product and its capability
3. Clearer understanding of Finacle and its capabilities

Leveraging the PoU model, nearly 85% of the project's requirements were delivered using the out-of-the-box Finacle capabilities.



UNDER TRANSFORMATION

The platform was initially rolled out to two countries in Europe. It will be rolled out across the remaining 26 countries by 2018. Even as the rollout is underway, the program has started to transform ING's operations. It has:

- Enabled ING to offer white label and intra-day liquidity services
- Reduced time to market for products – from months to just a few days
- Reduced account opening time – from 2 days to 10 minutes
- Significantly reduced cost of ownership

DIGITAL ACCELERATION for GROWTH

The Rizal Commercial Banking Corporation (RCBC) is the fourth-largest bank in the Philippines. Its main line of business covers corporate and SME banking, retail banking including consumer lending, credit cards, wealth management, trust, treasury, investment banking, and remittances.

RCBC also has ventures in the microfinance business to service the smallest entrepreneurs via Rizal Microbank. It also operates internationally in the Filipino-Chinese market, serving Filipino expats.





AN AMBITIOUS GOAL

In 2010, unaffected by the global financial meltdown, the Rizal Commercial Banking Corporation (RCBC) set itself an ambitious goal: to grow its customers from 3.8 to 6 million in 4 years, and to 10 million by 2017.

To power its ambition, the bank needed a flexible and scalable banking platform. After a rigorous evaluation, the bank chose Finacle as its partner for this journey.

UP TO THE CHALLENGE

RCBC needed

- Real-time processing, simplified interfaces, better automation, and straight-through processing
- Improved transaction processing times and back-office productivity
- The ability to offer products on the go, and provide a better customer experience

Finacle offered



A single platform for commercial and savings division



Redefined 300+ business processes for superior efficiencies



Leveraged Finacle's SOA to integrate with over 96 other enterprise applications



The solution tested for 3,000+ use cases that are transacted over both core banking and integrated systems





Enhanced customer centricity

A 40% increase in the relationship manager's sales effectiveness. The bank has also seen 400% increase in the average monthly rate of customer acquisitions.



Agility

A distinct advantage over its peers with time to market of less than one month.



Operational excellence

Enhanced productivity with 24.7% increase in average monthly loan transactions. The central processing support department saw a 39% decrease in operating costs.

Transformation delivering business value

RCBC's deployment achieved an ROI of 54.4%, a payback period of 2.07 years, and an average annual net benefit of PHP608 million



“The transition to Finacle core banking on the IBM System Z platform – while quite a significant project – was the smoothest and most seamless transformation I have participated in. We are glad to have taken this important and necessary journey with technology professionals who held our hands during the entire process. We are now positioned as the bank truly ready for tomorrow”

– Dennis Bancod, CIO, RCBC.



RCBC won the Celent Model Bank Award in 2013

VIETNAM'S FAVORITE E-BANK



A smiling man in a dark suit and white shirt is shaking hands with another person whose back is to the camera. They are in a library or office setting with bookshelves in the background. The scene is warmly lit, and a dotted orange line frames the text area on the left.

LEADING RETAIL BANK IN VIETNAM AND INDO-CHINA

Since its establishment on December 21st, 1991, Sacombank has persistently grown, and now affirms its position as the top commercial bank in the financial market of Vietnam and has taken steps into neighboring regions. Given the roles and responsibilities of a listed bank, Sacombank commits to generally develop its strategy to maximize value for its customers, investors, and employees, as well as to display the highest responsibility to society and the community. With the motto of “Together We Grow”, Sacombank focuses on four strategic themes: Developing human resources - Investing in modern banking technology - Enhancing financial capacity - Expanding the operation network.

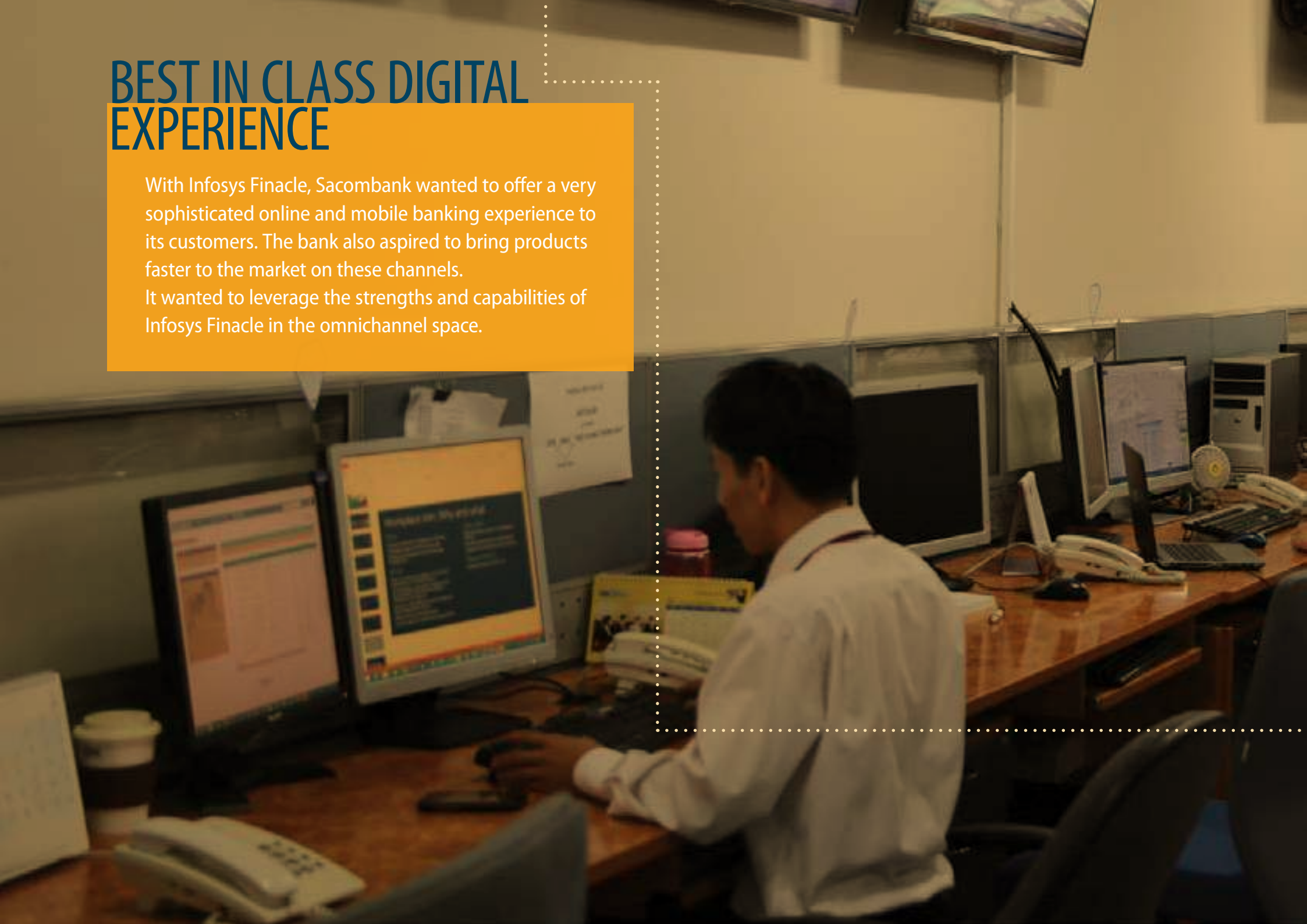


ANTICIPATING CUSTOMER EXPECTATIONS

Knowing that Vietnam has a relatively high Internet usage rate and a customer base willing to adopt new technologies, Sacombank foresaw growth opportunities in the online banking space and aspired to add one million online banking customers by 2016. To serve them, it required an online-banking solution that was both flexible and scalable. It chose Infosys Finacle for this journey.

BEST IN CLASS DIGITAL EXPERIENCE

With Infosys Finacle, Sacombank wanted to offer a very sophisticated online and mobile banking experience to its customers. The bank also aspired to bring products faster to the market on these channels. It wanted to leverage the strengths and capabilities of Infosys Finacle in the omnichannel space.





SEAMLESS OMNICHANNEL EXPERIENCE

Sacombank rolled out Infosys Finacle solutions for their online and mobile banking channels within a short span of 18 months despite the complexities and challenges. The results:

- Multilingual online banking application
- Seamless banking experience
- Enabled Personal Financial Management
- Mobile banking in different flavors - browser and app-based



Sacombank won 'Vietnam's Favorite E-Bank' award at the MyEBank awards for being the most popular online banking and mobile banking solution



At the Retail Banker International Awards 2016, Sacombank won the award for 'Best Use of Online Banking'

Enabling secure, user-friendly, online and mobile banking for Sacombank saw:

- Introduction of 14 major new functionalities including payroll and batch-processed payments with unique personalization capabilities
- 80% increase in revenue due to increased fee from products
- Faster rollouts for custom products and services
- Cost of online banking transaction is only 10% of transaction cost done over the counter
- Deployment of industry-leading security features
- Over 79% reduction in customer complaints
- Generation of intelligent customer insights
- Online banking peak transaction load capacity as well as average number of transactions processed in a day have tripled
- Over 60% increase in active users (Dec '14 – Sept '15)

truly DIGITAL



a new BANK


Founded in 1927, the Raiffeisen Zentralbank Österreich (RZB) is the third largest banking group in Austria. Its subsidiary Raiffeisen Bank International (RBI) operates a network across 17 markets in Central and Eastern Europe (CEE). With subsidiary banks, leasing companies, and representative offices, it serves more than 14 million customers from more than 3,000 offices. RBI launched a direct bank – Zuno – in Slovakia for its digital-focused customers and quickly expanded into the Czech Republic.

2010: Bank launch

- Completely online
- Current and savings accounts, debit cards, term deposits

Within six months

- The Bank leveraged Finacle's product definition capabilities and component reuse to rapidly launch new offerings
- Attracted 18,000 customers with more than €125 million in deposits

A group of people in a meeting room looking at a presentation screen. The room has a white wall with a decorative pattern of irregular shapes. A large window in the background shows a cityscape. The scene is lit with warm, golden light.

A year later

- Expanded to Czech Republic and other CEE countries
- Multi-entity capabilities of Finacle allowed rapid expansion in the region

2012: New lending portfolio

- Enlarged portfolio to offer personal retail loans and overdraft facilities
- Customer base increased from 34,000 to over 100,000 in six months

a new kind of CUSTOMER

Zuno Bank specifically targeted customers who preferred to conduct all their transactions online, and wished not to visit the bank's branch often. The banking platform, therefore had to be one which could enable customers to access all the bank's products and services online. The platform also had to enable the bank's plan to expand beyond Slovakia. The bank decided to adopt Infosys Finacle as the technology backbone.



a new kind of **BANKING**

Thanks to a contemporary digital experience, Zuno Bank has been able to offer a broad portfolio of products and services that are simple to use for customers, and easy to manage for the organization. It has also been able to add many unique offerings in a short time span, helping the bank's rapid expansion across the market. All this is helping Zuno Bank provide its customers a simpler approach to banking.

"Our vision is to deliver a differentiated online customer experience, keeping banking quick and simple. Finacle has contributed significantly in helping us to meet that aim. Through the standardization of products and processes we have been able to quickly offer and easily extend our online product portfolio to cover the most-used banking needs of our customers."

– Andras Hamori, erstwhile CEO, Zuno Bank



About Infosys Finacle

Finacle is the industry-leading universal banking solution from EdgeVerve Systems, a wholly owned product subsidiary of Infosys. The solution helps financial institutions develop deeper connections with stakeholders, power continuous innovation, and accelerate growth in the digital world. Today, Finacle is the choice of banks across 94 countries, and serves over 848 million consumers – estimated to be nearly 16.5 percent of the world’s adult banked population. Over a billion bank accounts are powered by Finacle globally.

Finacle solutions address core banking, online banking, mobile banking, payments, treasury, origination, liquidity management, Islamic banking, wealth management, and analytics needs of financial institutions worldwide. Assessment of the top 1000 banks in the world reveals that institutions powered by Finacle enjoy 50 % higher returns on assets, 30 % higher returns on capital, and 8.1 % points lesser costs to income than others.



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