

FINASTRA

Digital. Composable. Agile.

# Next Generation Banking Platform

Retail & Commercial Banking



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# Viewpoint

## Banking is experiencing a once-in-a-lifetime shift

Disruption is happening across the value chain, from customer engagement to onboarding, lending, payments, and alternative financing.

There has been a seismic shift in financial services over the last decade, driven by significant changes in the use of next-generation technologies such as cloud computing, artificial intelligence (AI), machine learning (ML) and predictive analytics. As market volatility continues to rise, financial institutions need to increase their levels of enterprise agility to thrive.

**“  
Truly agile firms are more than twice as likely to achieve top quartile performance and generate nearly 3 times better long-term growth.”**

Transformation GPS  
Accenture

#### Ever evolving expectations

Customers have become accustomed to immediate, highly personalized and accessible services from other industries, and expect banking to deliver a similarly slick and seamless experience. Radically changed expectations and living patterns have highlighted the need for change; exposing banks' shortcomings and driving improvements across their operational landscape.

#### Differentiation is the name of the game

Challenger banks and fintechs are disrupting traditional business models by offering agile, alternative banking channels and customized products, with superior digital customer engagement. Established banks are racing to catch up.

# Dramatic changes are redefining the operating model for banks.

## To address increasing market volatility financial services firms need to improve enterprise agility



Vision & leaders



People & culture



Process & org



Budgets & investment



Tools & technology

# Open for innovation

To deliver the innovative, differentiated experiences customers demand in an increasingly ecosystem enabled world, banks and other financial institutions need a combination of sophisticated functionality and advanced technology. To be truly digital, solutions must be digital end to end, fully API enabled, open, leverage cloud, AI and advanced analytics.

Key factors to deliver a next-generation banking experience



### Accelerating digitalization - less physical, more digital

Now, more than ever, banks recognize the importance of increasing their digital capabilities and accelerating their digital transformation end to end.

Poor digital experiences and fragmented operations have shifted from nuisance to existential threat. Banks are re-assessing their services and operating models to deliver truly digital experiences, from the inside out and vice versa.

### The rise of Open Banking

Across the world 108 countries have introduced or are discussing open banking regulations.<sup>1</sup> It is unlocking opportunities for banks to develop new services, improve customer experience, drive new revenue streams and deliver a sustainable service model for underserved markets.

Open Banking continues to grow rapidly and has reached seven million active customers in the UK.<sup>2</sup>



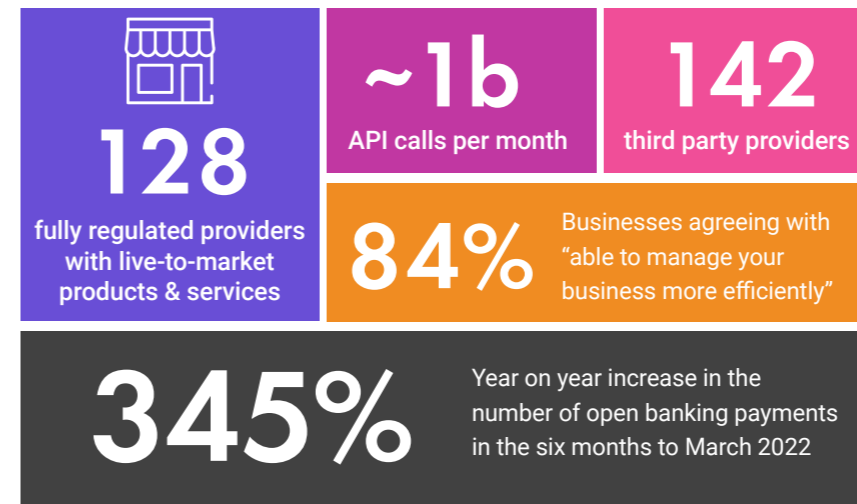
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In the UK alone, the open banking community made a record 1 billion API calls during May 2022.<sup>3</sup>

## Open Banking amplifies the importance of APIs

Open Banking has drawn renewed attention to APIs as a way of delivering substantial benefits to consumers, for example, making it possible to aggregate financial products in one place, provide insights into spending patterns, make savings recommendations and automate parts of the decision-making process.

Ultimately, open banking enables consumers and businesses to make better financial decisions, understand their financial position and explore alternatives.

### UK Open Banking in 2022<sup>4</sup>



# Cloud first!

Cloud is an increasingly attractive option for banks.



Cloud services market to grow by +21% in 2023

**\$591 bn**

Total value worldwide<sup>5</sup>

**73%**

Of banks plan to leverage cloud in their digital strategies<sup>6</sup>

**60%**

Of banks choosing "to implement cloud-native technologies and software" as their highest priority<sup>6</sup>

Cloud addresses a range of challenges including the need to radically reduce cost of ownership, the pressures caused by a growing regulatory burden and the increased levels of cyber threats. The need to innovate and keep pace with new entrants is also a crucial driver.

By providing "on demand" access to hardware and software resources, cloud computing drives down expenditure, accelerates innovation and provides a far more flexible environment to deliver business or compliance requirements.

**Cloud banking is a highly scalable model that enables business agility and greater access to innovation, without compromising on security; all in a leaner reduced cost operating model.**

## Cloud benefits to banks



Operational Efficiency/  
Lower TCO



Scalability



Speed of Innovation



Market Agility



Increase Business Focus



Access to Ecosystem



Predictability of Costs



Greater Security



Evergreening

## Build the next generation, open bank

Established players and challengers have a once-in-a-generation chance to transform the industry, leveraging the convergence of cloud, open banking and other advanced technologies with rich, broad and deep banking functionality.

Customers expect banking to be more deeply embedded in their everyday lives – helping them achieve their goals, quickly, easily and seamlessly.

Through a unique combination of sophisticated banking functionality and advanced technology Finastra has changed the way banks can create and distribute banking products and services.

Branch. Broker. Teller. Mobile. Internet.  
Channels that exist today and channels that don't – we've got it covered.

Retail. Consumer. Commercial. Business Banking.  
Mixtures that exist today and the new ones you'll create tomorrow – we've got it covered.

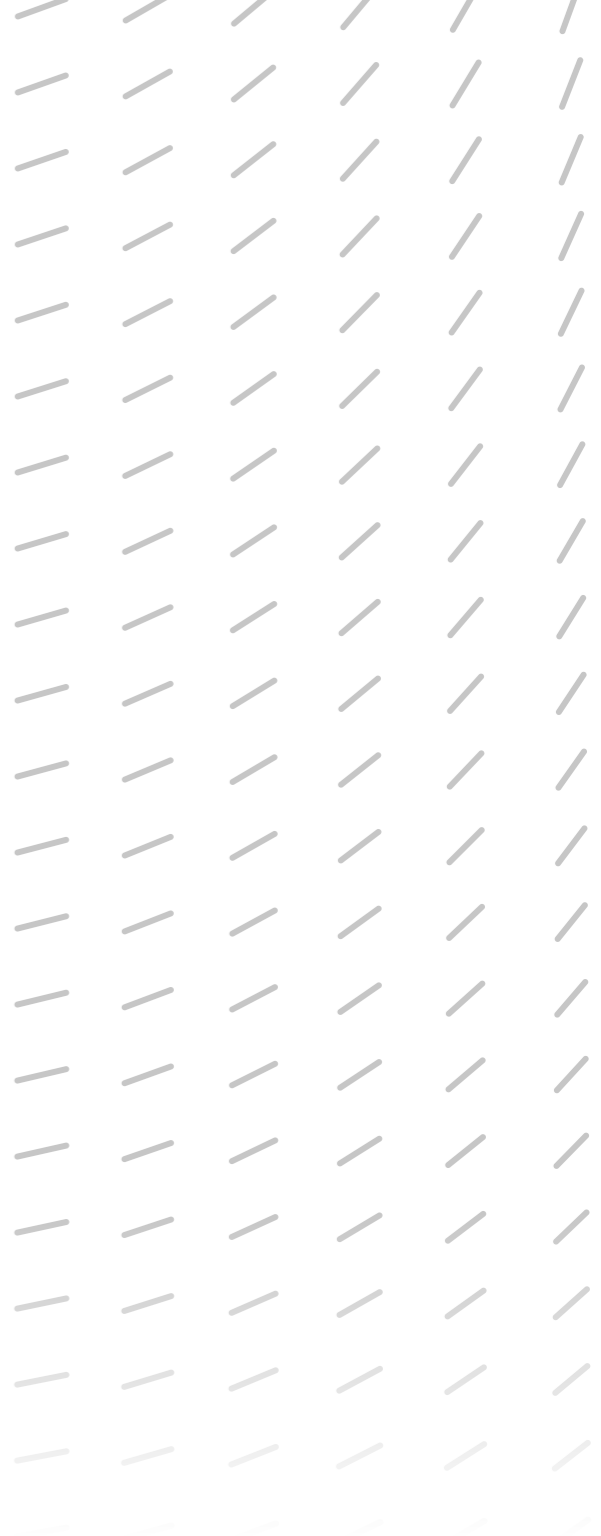
**Banks need a scalable, agile, and open platform to deliver differentiated ecosystem experiences**



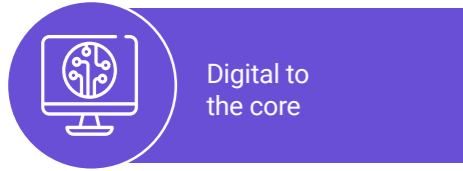


# Finastra Essence

Next-generation banking is at the heart of our digital world

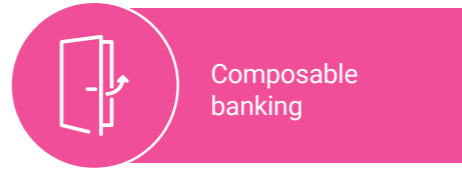


# Finastra Essence is designed around 5 key elements:

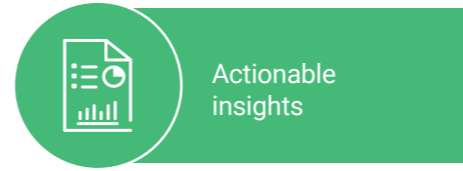


Digital to the core, Finastra Essence is a next generation advanced core banking solution that is Customer Centric, Cloud enabled and comprehensively covers Retail and Commercial banking whether conventional or Islamic.

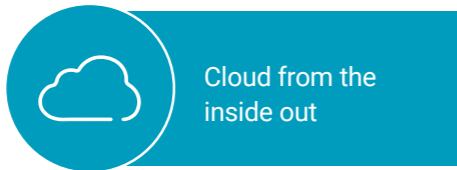
Unrivalled functionality, unparalleled STP and unlimited connectivity. The only limit is your imagination.



The banking revolution continues to gather pace – shifting closer to customers, with more personalized products. With Finastra Essence, banks and other financial institutions can rapidly assemble products, services and experiences inside and outside their traditional footprint. Open banking, open integration and open APIs – Finastra Essence powers composable banking.



Finastra Retail Analytics delivers a 360° customer view in a single dynamic dashboard, with performance metrics and data insights always at the bank's fingertips. Available in Azure Cloud and On Premise Finastra Retail Analytics offers a common data model and a set of pre-packaged dashboards, leveraging Microsoft Power BI for visualizations.



Finastra Essence leverages the proven power of cloud to dramatically reduce costs, while increasing reliability and scalability. The use of cloud solutions such as Microsoft Azure enables a level of efficiency and security previously unachievable with on premise deployments. It means that banks and other financial institutions can optimize resources, reduce effort and scale up or down as required.



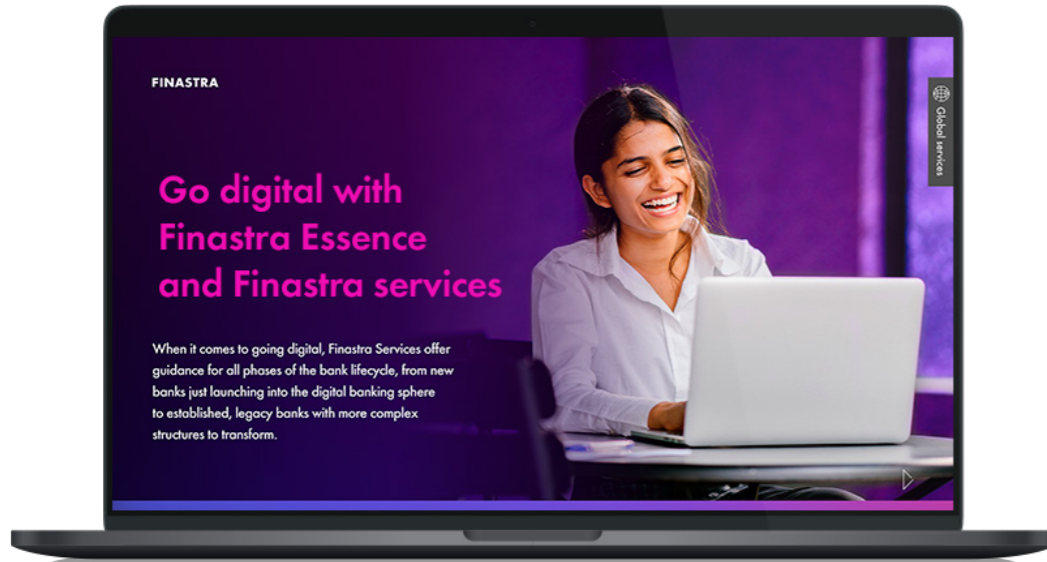
Innovating at speed is challenging. Experimenting at scale is challenging. But that is what today's banking landscape needs. Finastra Essence provides a platform for innovation, a way for banks to rapidly create and commercialize new business models. With Finastra Essence banks can extend their reach, test out new ways to serve customers and tap into new revenue streams, including BaaS, embedded banking and others.



[Watch the video](#)

# Finastra Services

Finastra Services provide guidance for all phases of a bank's lifecycle whether it's a new bank coming to market or an established bank with complex legacy structures to transform.



# FINANCE IS OPEN

Finastra unlocks innovation across the world of financial services, through our trusted software and open platform.

Meeting the demand for digital-first customer engagement

# Find out more

## Infographics



**Key considerations when building a digital bank**



**Unleashing potential in Islamic banking**

## Reports/White Papers



**Key considerations when building a digital bank**



**Unleashing potential in Islamic banking**



**Challenger banks: Reshaping customer experience**



**The top 10 considerations when building a digital bank**



**QIIB cuts time-to-market to deliver dynamic Islamic banking services**



**Commercial and retail lending - integrated to the core**

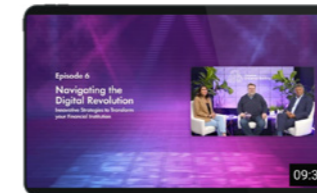
## Webinars and Podcasts On demand



**Finastra TV - Episode 4**  
Navigating the economic storm



**Finastra TV - Episode 5**  
Unlocking growth opportunities



**Finastra TV - Episode 6**  
Navigating the digital revolution



**Finastra TV - Episode 7**  
Navigating the fintech landscape

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2. <https://www.openbanking.org.uk/news/uk-reaches-7-million-open-banking-users-milestone/>
3. <https://www.openbanking.org.uk/insights/three-open-banking-milestones-for-may-2022/>
4. <https://www.openbanking.org.uk/insights/open-banking-impact-report-may-2022-key-insights-on-adoption-and-business-use/>
5. <https://www.gartner.com/en/newsroom/press-releases/2022-10-31-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-reach-nearly-600-billion-in-2023>
6. <https://www.celent.com/insights/300944698>

## Contact us

### About Finastra

Finastra is a global provider of financial software applications and marketplaces, and launched the leading open platform for innovation, FusionFabric.cloud, in 2017. It serves institutions of all sizes, providing award-winning software solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (Retail, Digital and Commercial Banking) for banks to support direct banking relationships and grow through indirect channels, such as embedded finance and Banking as a Service. Its pioneering approach and commitment to open finance and collaboration is why it is trusted by over 8,000 institutions, including 45 of the world's top 50 banks. For more information, [finastra.com](https://finastra.com)

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