

Fusion Essence

Advanced core capabilities to drive operational excellence

Digital to the core



Reduce complexity and support business growth

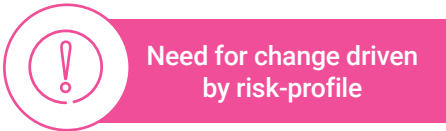
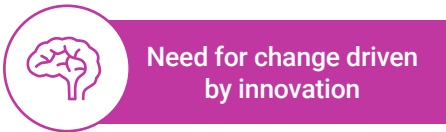
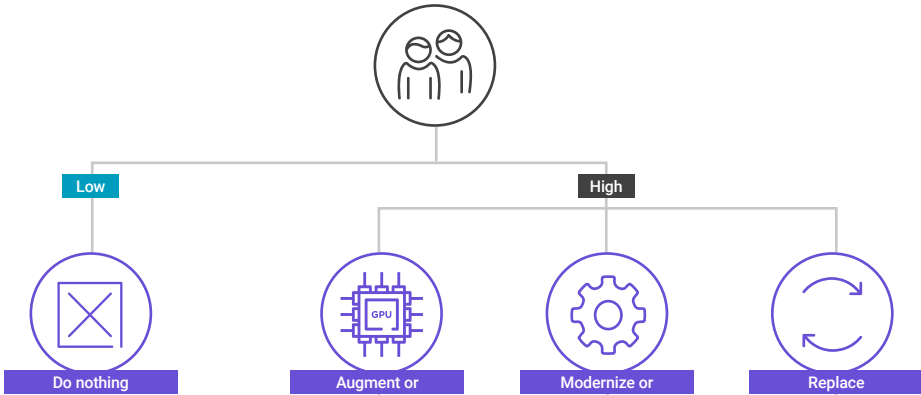
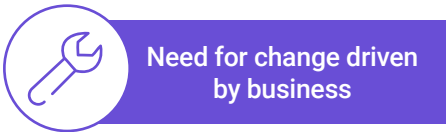
Banks are prioritizing the renovation of their legacy banking infrastructure. They have reached a tipping point where they are actively working to digitally transform and in doing so, lower their TCO.

For too long, banks have incurred unacceptable levels of expenditure to maintain, upgrade and custom develop their legacy systems. Increasingly, banks are looking to standardize, adopt out-of-the-box banking processes, and achieve a greater level of STP for reasons of cost, efficiency and reduction in operational risk.

Nearly 50% of banks do not upgrade old IT systems as soon as they should, according to a report by the UK's Financial Conduct Authority (FCA).

For many banks, replacing these systems may well be the best way to reduce complexity and support business growth.

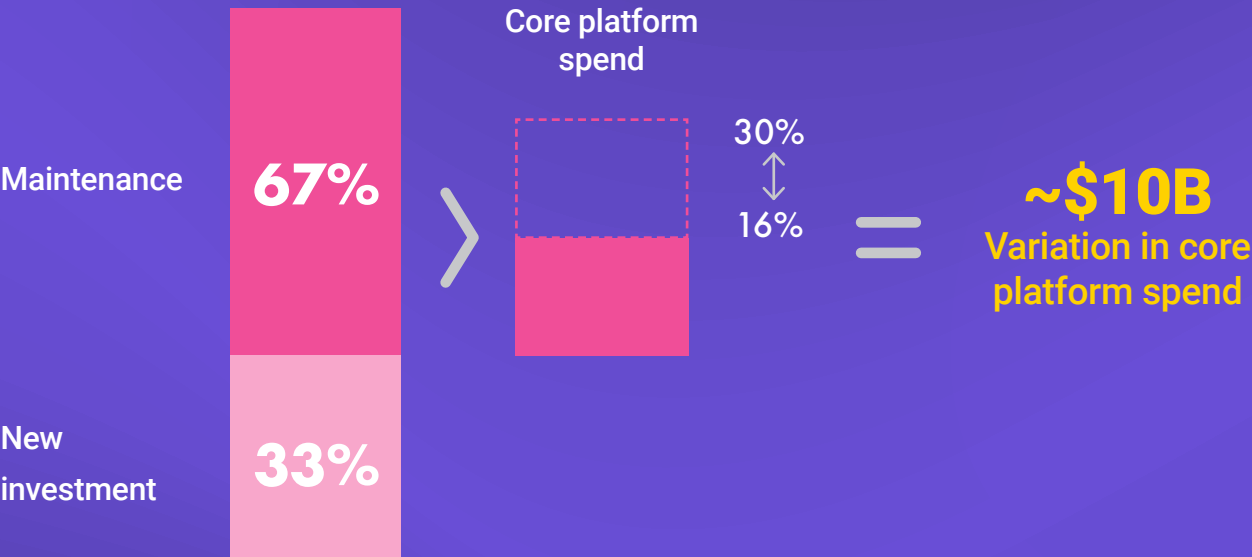
Selecting an upgrade or migration option¹



Performance pressures are compounded by outsized spending on simply running the bank.

What’s even more telling is that 16-30% of overall spending that is, up to half of maintenance spend, is dedicated to the core platform. More modern banks tend to run towards the 16% limit while legacy institutions near 30%. This represents a variable spend of around \$10 billion globally per annum.

Core banking systems take a significant portion of IT spend² Total Bank IT spend.



Next generation banking is the only answer

Devoid of legacy code, fully API enabled with inbuilt banking processes to deliver optimal STP levels

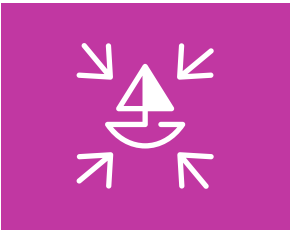
It's clear that more and more banks are increasing their focus on cost reduction and finding new areas of growth.

A number of competing dynamics have driven them to this point:



Reduced fee income

Transparency and customer centricity is leading to lower fees



Compressed margins

Some products are a race to the bottom. Combined with inflated "run-the-bank" costs mean margin compression



New regulations

Open Banking and the Revised Payment Service Directive (PSD2) require banks to offer third parties access to their customer data, products, and services



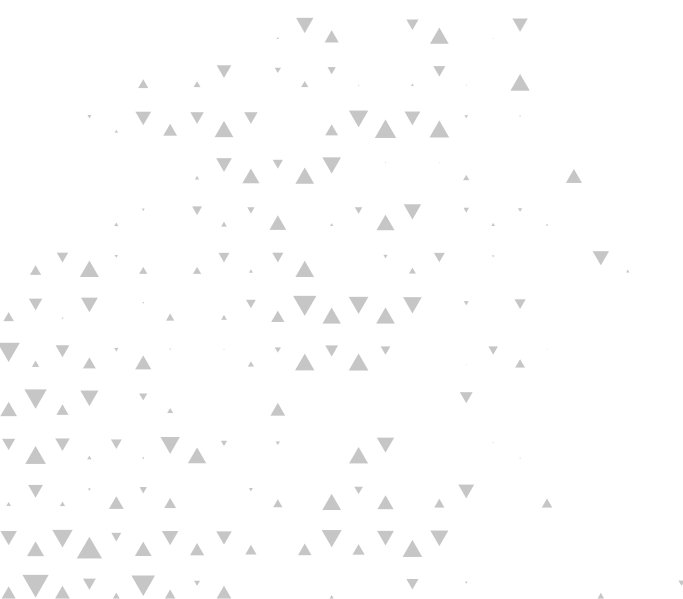
Commoditized product offerings

Bank products on traditional legacy leave little room for differentiation



Proliferation of alternative financial offerings

More business offering financial products that leverage new technology means less activity hitting the books of traditional banking



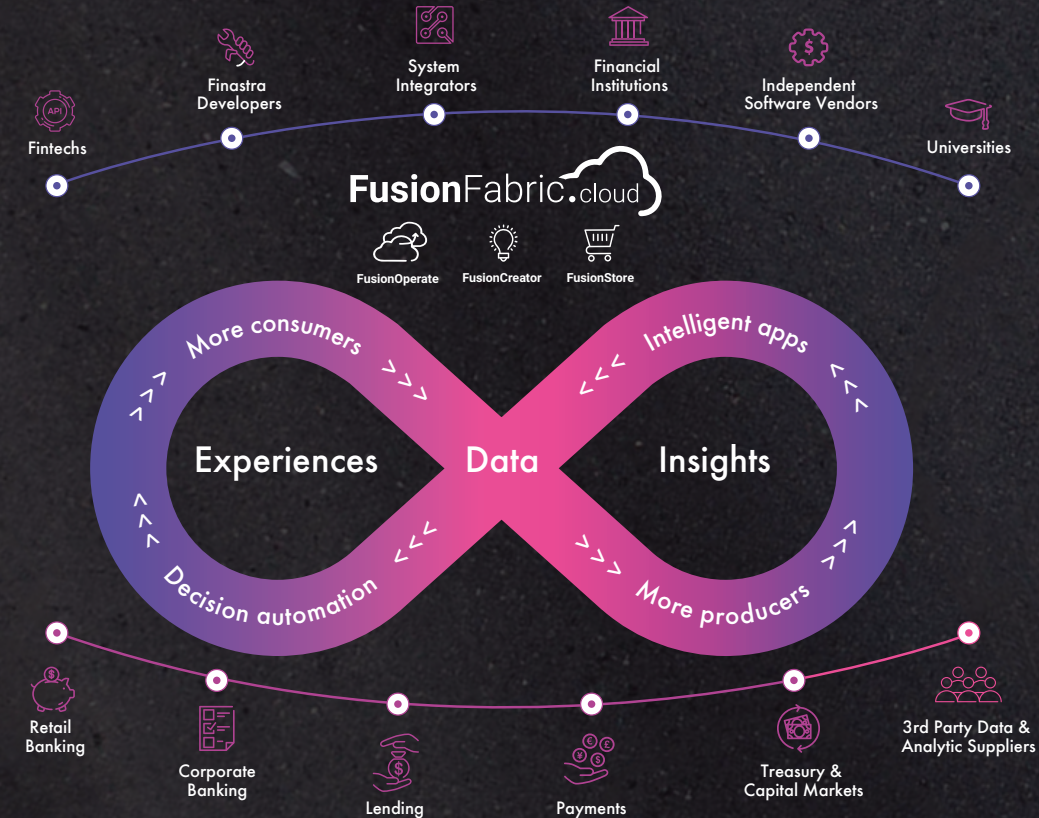
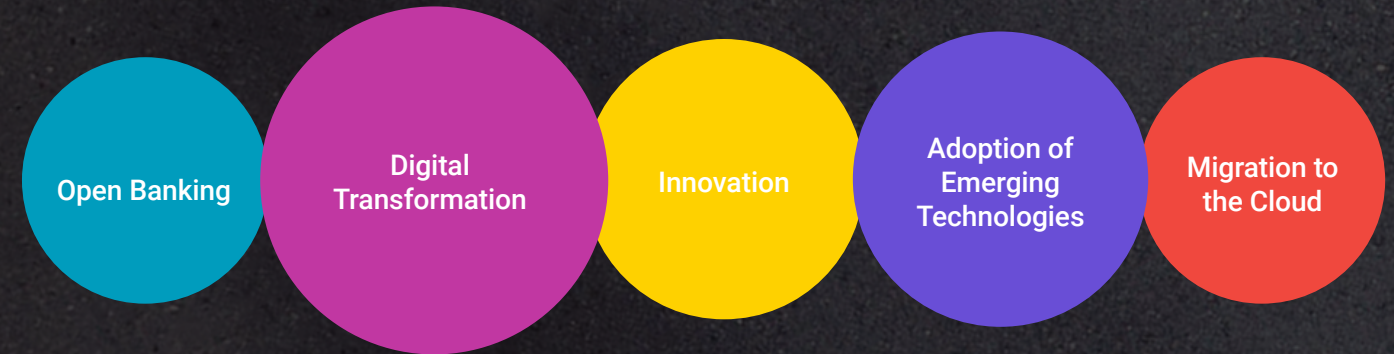
Banks top priorities for the coming 1 to 3 years

70% percent of banks are reviewing their core banking platforms³

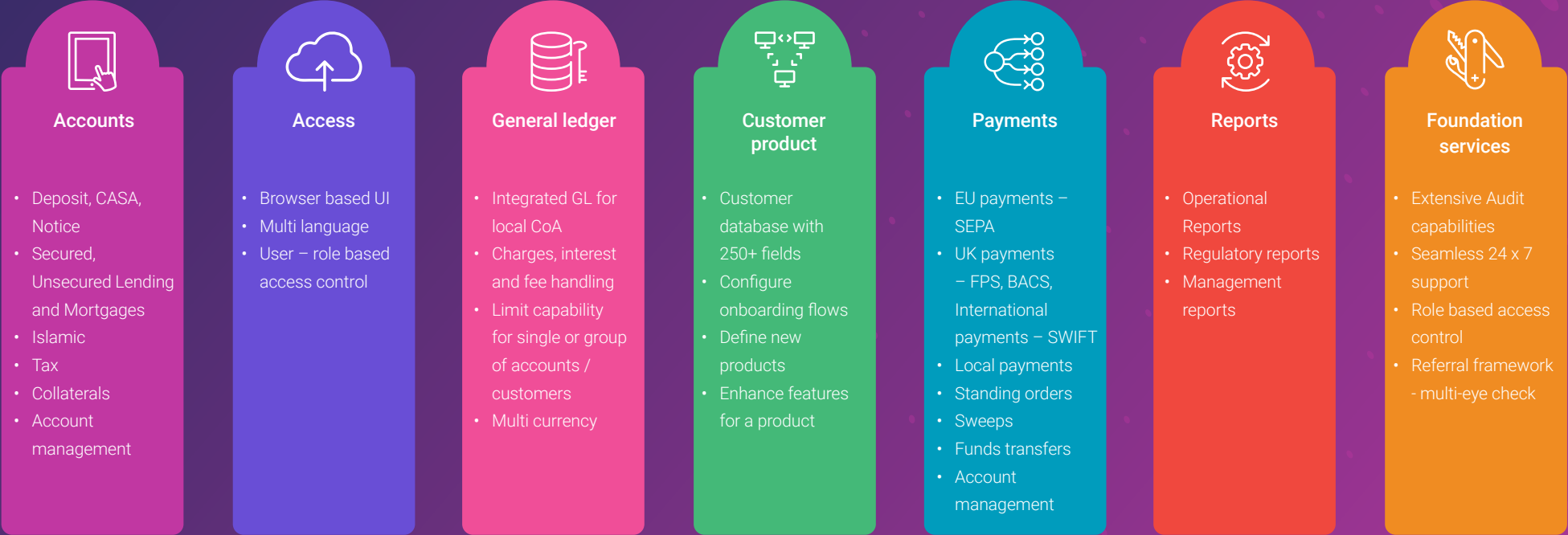
As banks look to transform there are 5 key areas that are at the front of their minds, APIs, Analytics, Digital Engagement, Cloud, and last but certainly not least, Next Generation core banking. Finastra's Fusion Essence is just that, a next generation banking platform that has been built in the last 10 years. There is no legacy code anywhere and because it is a "young core" it has been designed with the internet, mobile and digital enablement in mind.

Digital to the Core, Fusion Essence is: Customer Centric, Cloud enabled and delivers next generation banking that comprehensively covers Retail and Commercial banking, whether conventional or Islamic. It delivers an omnichannel experience, with all essential components pre-integrated leading to a lower cost of ownership and reducing operational risk.

Fusion Essence covers 90% of a bank's needs out of the box. It has rich and deep functionality that includes: regulated and unregulated lending, whether personal or businesses, current, savings and deposit accounts; sophisticated fee and pricing capabilities, collateral management including revaluations, limit management, product launching, treasury and a very flexible general ledger. It is a multi-lingual, multi-currency, multi-entity and cloud native and cloud agnostic banking solution. The default model for the Fusion Essence Cloud SaaS model is Microsoft Azure; a model that benefits from the huge annual investment that Microsoft makes in keeping the platform secure.



Fusion Essence functional footprint



What really sets Fusion Essence apart is the service experience it delivers to users whether internal or external to the bank. It is a totally Java based application that leverages the best of cloud, componentization and microservices technologies. It has an extensive suite of APIs, meaning ease of integration is assured. Unlike legacy platforms, it is seamlessly 24 x 7 thereby removing cost and risk. It has its own product launcher putting control in the banks hands and delivering new product at a fraction of the time it takes with older solutions.

Banking processes are inbuilt, and the solution is deployed using an Adopt not Adapt methodology. For established banks wanting to digitally transform, it has the requisite process capabilities and the breadth and depth of functionality to enable them migrate off their legacy platforms. It is truly Next Generation core banking in every sense.

Rapid product creation without long and complex process

Core capabilities – Differentiator

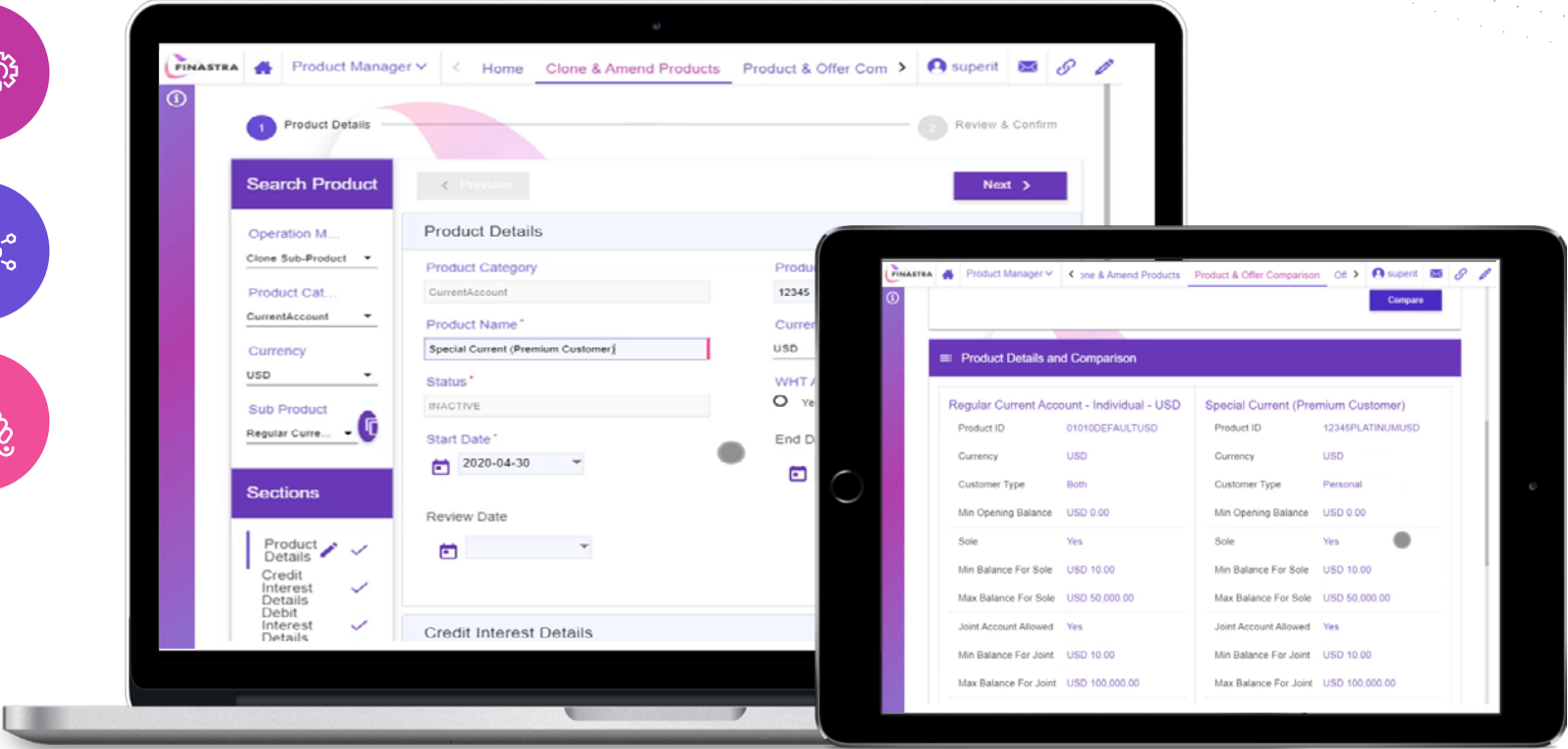
Product comparisons



Product cloning



Product amendments



A key benefit of Fusion Essence is the ability to deliver a highly personalized digital experience that helps banks attract and retain business. With pre-integrated Analytics capabilities that harness the power of AI, ML and Microsoft’s Power BI, to provide “in the moment” business insights that enable banks make informed decisions that are tailored to their target clients or segments; Fusion Essence delivers exactly that.

Digital to the core

Fusion Retail Analytics

Descriptive analytics



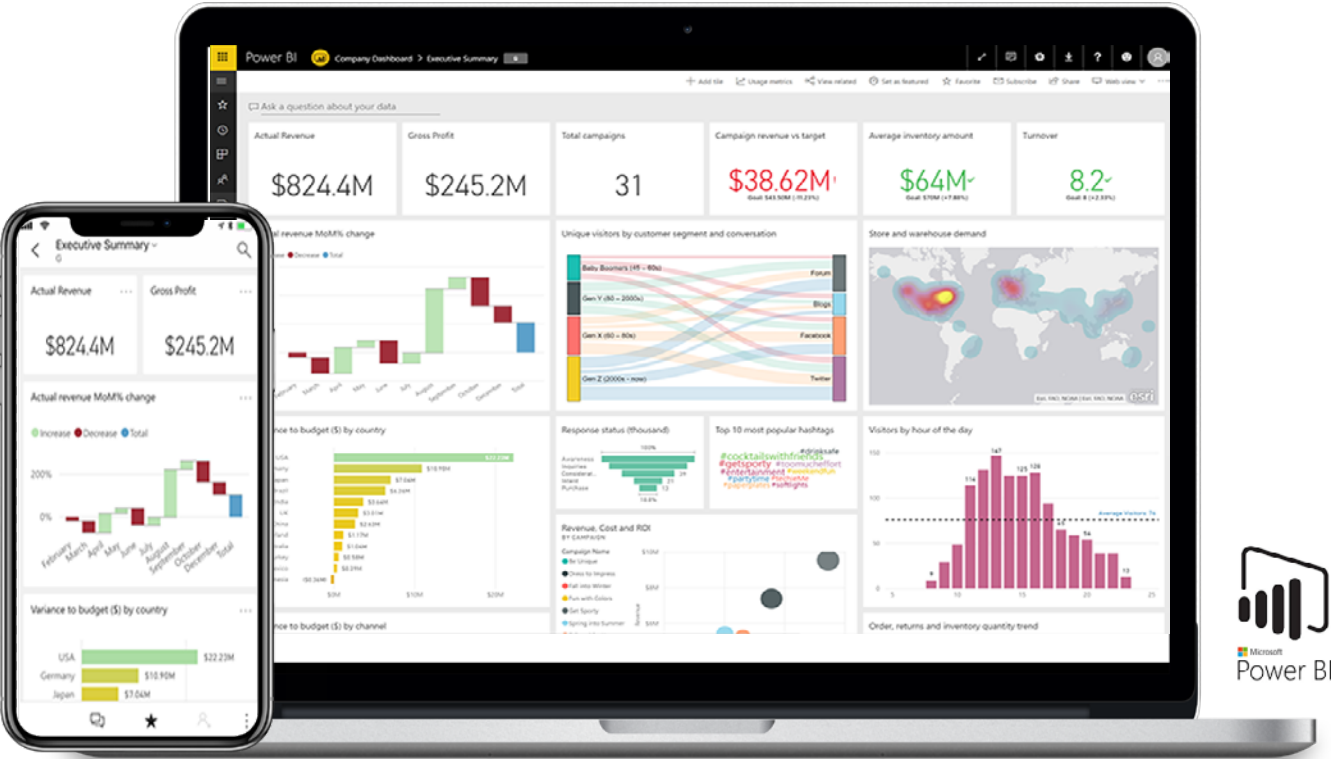
Predictive analytics



Rich visualization

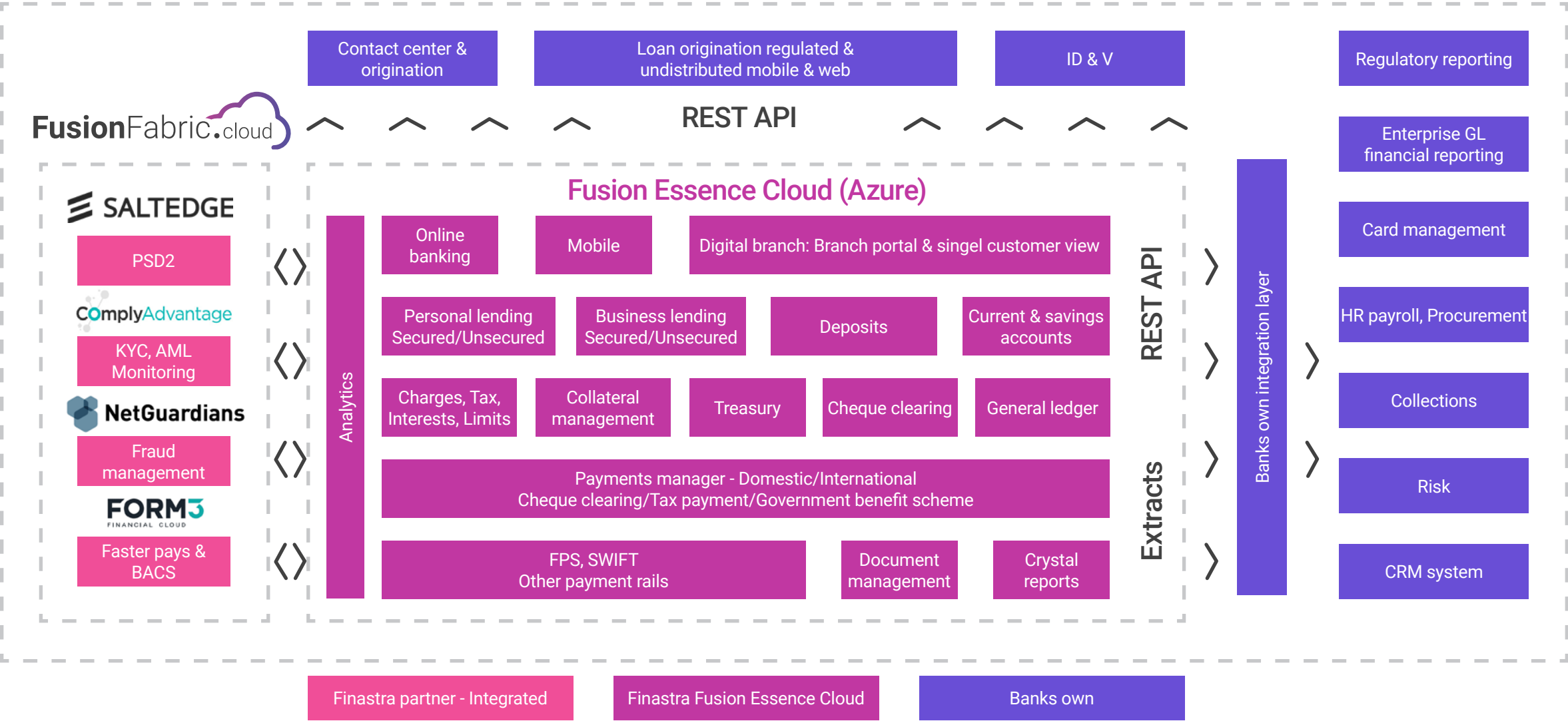


Multi deployment



The COVID pandemic been the catalyst that has triggered significant rise of interest in cloud and digitalization within the financial services community. Finastra, with Fusion Essence is ready and able to help banks fulfill their cloud and digital objectives and, in doing so, accelerate their move in to the world of next generation banking.

A Finastra view of Core Banking landscape with Fusion Essence Cloud



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- 1. <https://www2.deloitte.com/content/dam/Deloitte/cn/Documents/financial-services/deloitte-cn-digital-transformation-hits-core-banking-en-191217.pdf>
- 2. <https://www.oracle.com/a/ocom/docs/dc/em/evolve-business-model-modern-core-platform-wp.pdf?elqTrackId=fb4a4c6350184a5eabc378b892fdf0cc&elqaid=88458&elqat=2>
- 3. <https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/next-generation-core-banking-platforms-a-golden-ticket>



Contact us

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world’s top100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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