

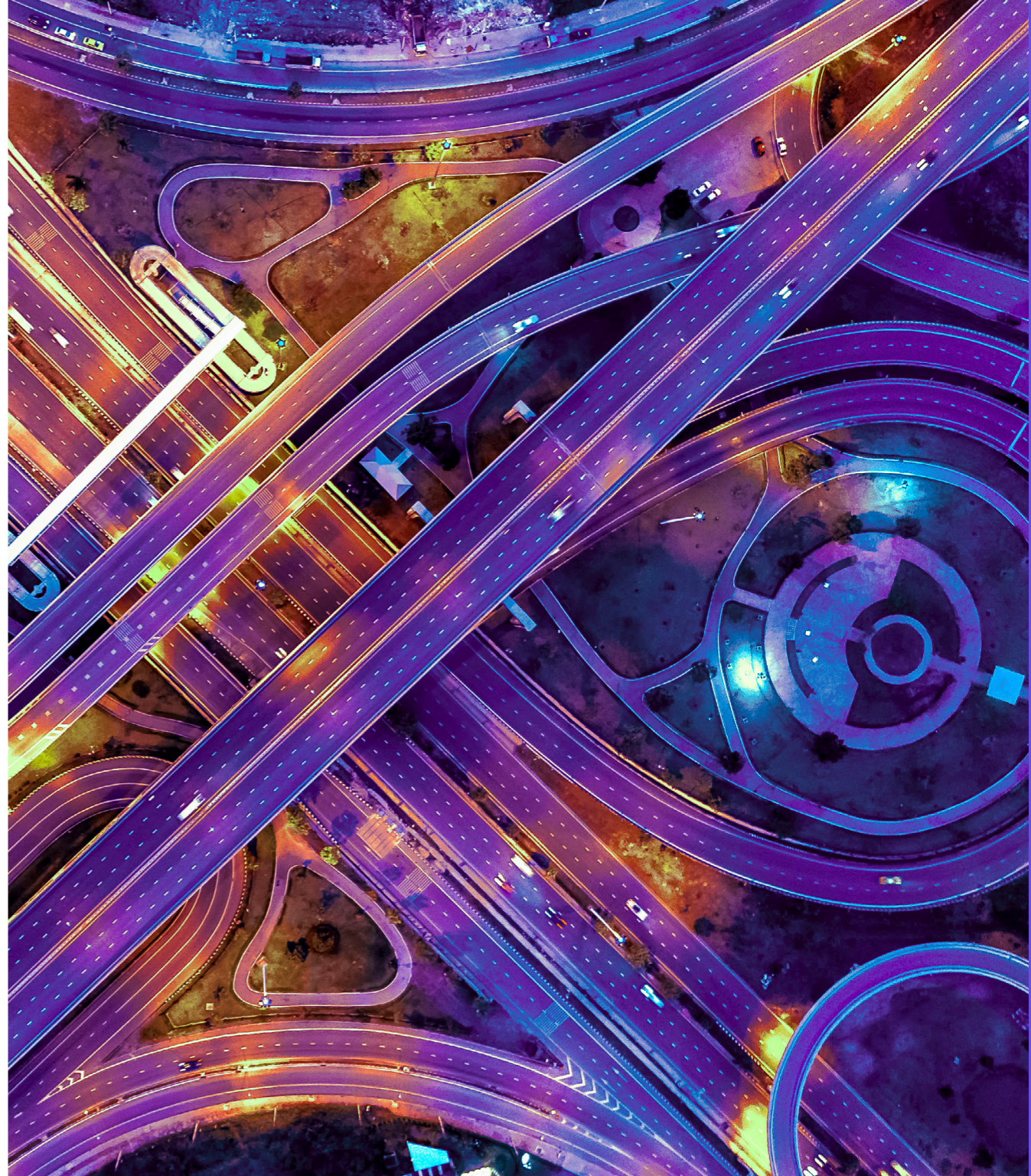
FINASTRA

tonik

Case Study

Disrupting the banking sector with digital-first services from Finastra

Tonik revolutionizes banking in the Philippines by launching the country's first digital-only bank





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With Finastra we're disrupting the financial sector in the Philippines and bringing banking to millions of people."

Greg Krasnov,
Founder & CEO,
Tonik

About Tonik



1st neobank established in the Philippines



500,000 customer accounts opened



US\$150 million in customer deposits

www.tonikbank.com

tonik

Headquartered in the Philippines, Tonik is an innovative digital bank on a mission to transform the domestic retail banking sector. Through its highly secure digital banking platform, Tonik offers a range of financial services—including deposits, loans, savings accounts, payments, and credit/debit cards. As the first neobank in the Philippines to secure a digital banking license from Bangko Sentral ng Pilipinas, Tonik aims to help underserved communities improve their personal finances with intuitive, easy to use mobile banking solutions.



Fusion Essence

The challenge

Redefining the status quo

To boost financial inclusion and help more Filipinos manage their money effectively, Tonik sets out to build a first-of-a-kind digital bank.

Over 70 percent of people in Southeast Asia are either unbanked or underbanked, and 95 percent of people in the Philippines are outside of the formal credit system. With so many people underserved with financial services, local banks have a tremendous opportunity to tap into an extensive customer base.

Keen to help more people access banking products, Tonik launched an ambitious plan to build the very first digital-only bank in the Philippines.

Greg Krasnov, Founder & CEO of Tonik, explains: "In the Philippines there is a large digital-native population and high smartphone penetration, which are perfect conditions for digital banking. To help more people access banking, manage their money, and finance their dreams, we decided to create a full-service digital bank."

To achieve its goals, Tonik first needed to convince the Philippines central bank to issue the company with the very first digital banking license in the country.

"To secure the support of our regulator, it was critical that we show them that our vision for an entirely digital bank was safe, secure, and reliable," continues Greg Krasnov. "Moreover, with global financial markets currently experiencing high volatility, it was also vital that any technology partners we worked with could offer the flexibility and scalability required to adapt fast and deliver truly innovative digital banking experiences."



The solution

Laying the foundations for rapid growth

Using Fusion Essence from Finastra, Tonik established a cost-effective, highly scalable, and flexible core banking platform for its digital bank.

To bring new digital banking services to market quickly and secure regulatory approval, Tonik selected Fusion Essence from Finastra to power its full suite of retail banking products. For added agility, the company chose to deploy the Finastra solution in the Microsoft Azure Cloud.

“Finastra’s long track-record of helping banks across Asia develop next-generation services was a key selling point for us,” says Greg Krasnov. “Many of the most successful digital banks in the world use Fusion Essence, which gave us confidence that it was the right core banking solution to help us create the first neobank in the Philippines.

At the same time, Finastra’s strong reputation helped us convince our regulator that we mean business, because we only work with partners with a proven history of success in the banking sector.”

As well as Fusion Essence’s sophisticated functionality and a wide range of easy to use APIs built on top of an agile microservices architecture, Tonik leverages the Microsoft Azure Cloud to achieve excellent security standards for its core banking activities.

“Adopting cloud-based solutions helps us move fast and offer the flexibility required to meet evolving customer expectations and market trends,” adds Greg Krasnov.

“We considered many different technology vendors, but only Finastra and Microsoft offered perfect blend of powerful core banking technology, cloud expertise and industry know-how that we were looking for to support our new venture.”

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One of the great things about Finastra is that they listen and act on our request for new features and functionality in Fusion Essence.”

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We also appreciate the fact that Finastra shares our vision of bringing banking to underbanked and underserved communities. Our perfectly aligned values helped keep the teams focused."

Greg Krasnov,
Founder & CEO,
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Delivery journey

Forging a lasting partnership

With help from Finastra and Microsoft, Tonik built a digital bank from the ground up in just one year.

To ensure it met the unique needs of the Filipino banking sector, Tonik worked closely with Finastra and Microsoft during the implementation of Fusion Essence. For optimum performance, Tonik decided to deploy the Finastra solution in an Azure data center in Singapore—helping to minimize latency.

"Finastra and Microsoft were incredibly helpful during the implementation, enabling us to get the very best out of Fusion essence from day one," says Greg Krasnov. "We also appreciate the fact that Finastra shares our vision of bringing banking to underbanked and underserved communities. Our perfectly aligned values helped keep the teams focused and the projects moving forward."

Working remotely during the COVID-19 pandemic, Finastra, Microsoft and Tonik IT teams successfully built a new digital bank in record time.

"We're proud that with a team of just 30 in-house IT experts we were able to build a digital bank that has the power to transform the banking sector in the Philippines," comments Greg Krasnov. "We simply couldn't have achieved such a short time-to-market with an on-premises infrastructure or by developing solutions entirely in-house. Finastra's support was instrumental in helping us meet our go-live target."



The result

Pioneering a new banking experience

After just 18 months of operation, Tonik has already secured over \$150 million in customer deposits and helped over 500,000 customers open new accounts.

Building a digital bank with Fusion Essence empowered Tonik to become the first to market with innovative digital banking solutions—giving the company a huge competitive advantage.

“We’re delighted with the rapid uptake of our services by unbanked and underserved customers across the Philippines,” comments Greg Krasnov. “Our customers are satisfied with our services, too. Our digital banking app has already achieved a rating of 4.7 out of 5 in the Google Play Store and 4.5 out of 5 in the Apple App Store—which shows how the convenience and flexibility of mobile banking has helped to boost customer satisfaction.”

Tonik has launched savings accounts and two different types of cash loans and plans to bring three additional products to market, including a revolving credit facility.

“One of the great things about Finastra is that they listen and act on our request for new features and functionality in Fusion Essence,” explains Greg Krasnov. “As a result, we can deliver banking solutions tailored to our domestic market.

For example, we’ve created a product that allows multiple account holders to create a group-saving stash—a financial practice that has been common in the country for many years. And if we don’t get the response we expect when we initially launch a new product, the inherent flexibility of Fusion Essence means that we can quickly adapt our offerings to better meet customer needs and expectations.”

Greg Krasnov concludes: “We’re excited to continue working with Finastra to help launch new products, strengthen our analytics capabilities and make data-driven strategic decisions. With Finastra we’re disrupting the financial sector in the Philippines and bringing banking to millions of people.”

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 solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (digital, retail 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 ~8,600 institutions, including 90 of the world's top 100 banks. For more information, finastra.com

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