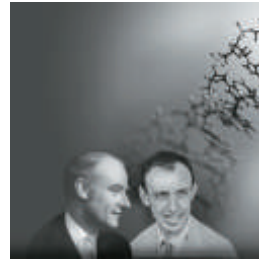


Finacle Inclusion Solution



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Finacle Inclusion Solution

BUSINESS OVERVIEW

Banks are awakening to the enormous potential of the world's unbanked. They are increasingly cognizant of the special needs of this segment that entail:

- Proximity and ease of access to services
- Flexibility in savings and repayment schedules
- Simplicity and speed in processing
- Small ticket sizes for loans and low-balance savings accounts
- Basic financial education and information

Addressing these demands, while leveraging the opportunity profitably, is a challenge most banks are yet to overcome.

An innovative multi-channel solution, driven by robust yet affordable technology, is a clear imperative for banks seeking to achieve inclusive growth. This will enable them to offer a rich spread of simple and accessible products, radically altering the economics of serving this emerging segment.

Finacle Inclusion Solution

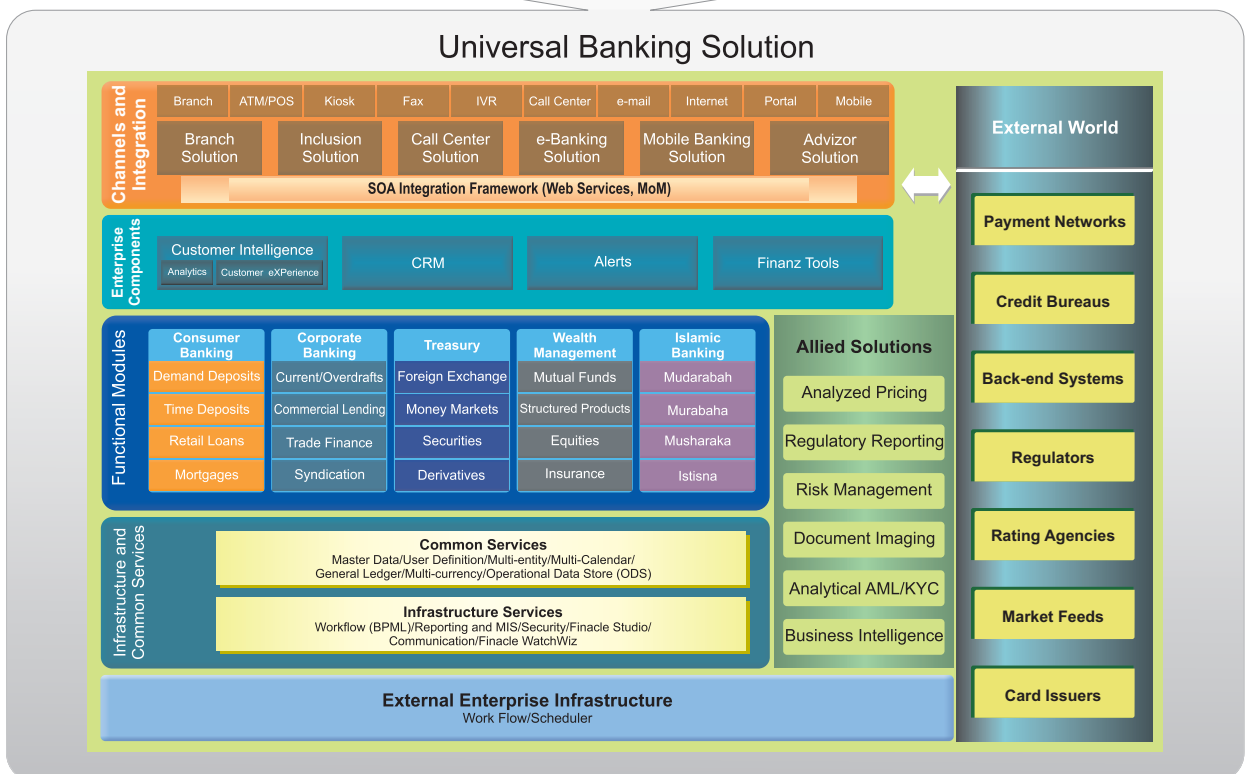
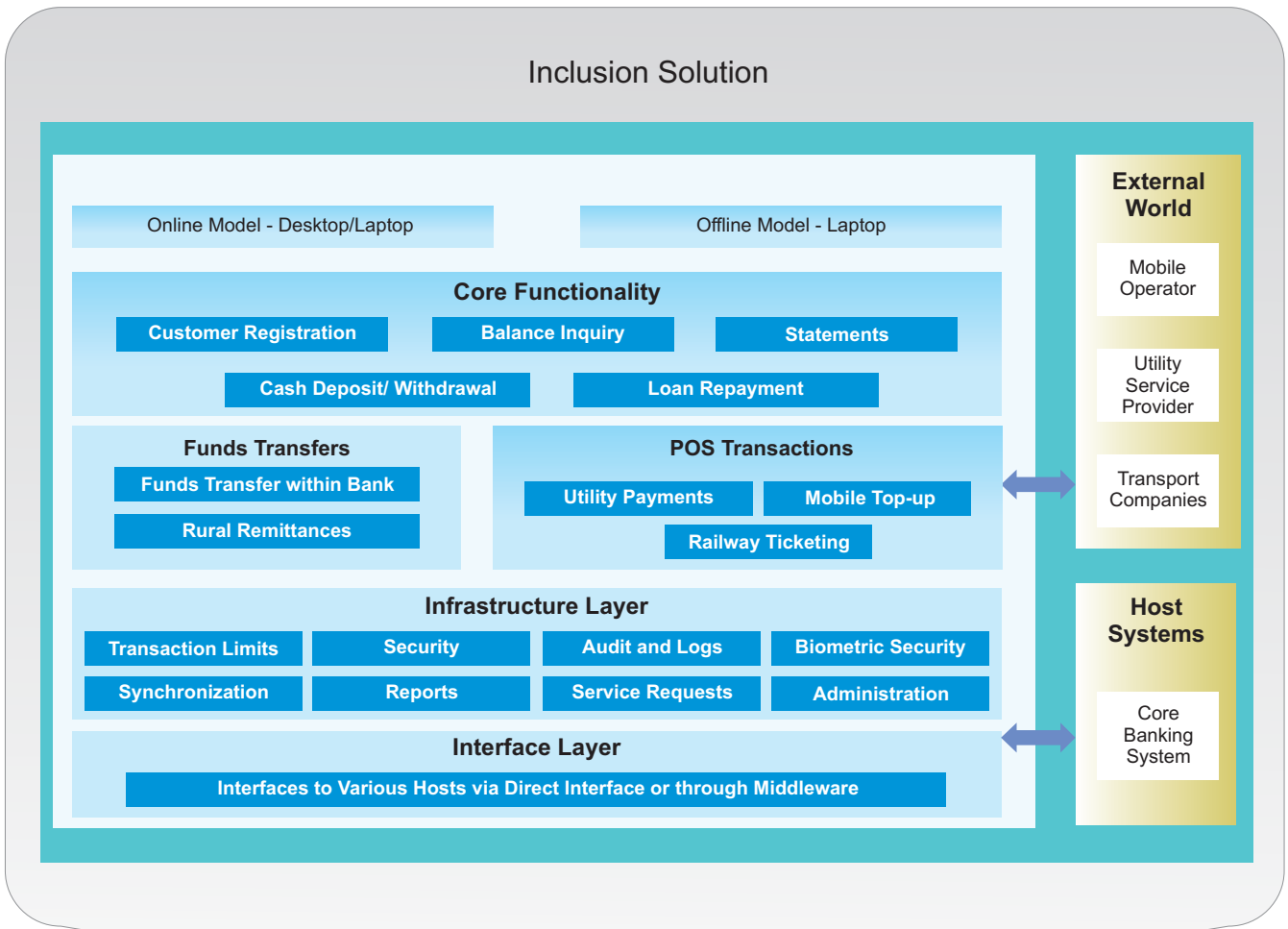
Finacle inclusion solution enables banks to gainfully serve the under-banked and unbanked with relevant products and services. It supports the multi-channel delivery of these offerings, with optimal operational efficiency, while ensuring viability of the endeavor as a sustainable and profitable business. It also enables regulation conformance across markets. Built on a J2EE platform, Finacle inclusion solution supports:

- Customer on-boarding using smart-cards and smart applications
- Delivery through channels ranging from laptops to specialized hand-held devices
- Fingerprinting-based biometric authentication

The solution can interface with any core banking solution directly or through an industry standard middleware. It enables banking customers to access their accounts through a business correspondent network. The bank's field staff and extended correspondent network, is in turn enabled to support customer registrations, cash transactions and service both inquiries and requests.

Finacle inclusion solution arms banks with a two way messaging infrastructure to alert field agents and bank staff through SMS. This is supplemented by a secure mailbox. The solution also has extensive offline transaction processing capabilities, supported by a robust synchronization engine.

Functional Architecture



Key Modules

Core Functionality

Finacle inclusion solution presents a rich repertoire of features that banks can leverage to offer products and services that fulfill the unique requirements of the unbanked. It supports both cash transactions and cashless transactions like bill payment, funds transfer, mobile top-up, remittance, Point-of-Sale (POS) transaction and inquiries. Customer registration is a comprehensive process that entails specification of customer information including fingerprints and photographs, in compliance with KYC norms. It also supports instant issuance of smart cards.

Smart Card Management

Finacle inclusion solution supports storage of customer data on smart cards. These cards store vital customer relationship data and present robust offline transaction capability. Easy accessibility from multiple devices such as POS terminals and laptops improves delivery reach. The solution is equipped with a smart card management system that enables:

- Smart card issue and re-issue
- Black listing of smart cards
- Key management
- Transaction upload and download, in case of mismatches in transactions

between smart cards and customer accounts, on intermediate servers

Remittance and Payment

Finacle inclusion solution enables banks to offer instant and real time money transfer facilities to registered and walk-in customers. It supports:

- Initiation of remittance on mobile phones, computers and POS terminals
- Initiation of remittance offline
- End-to-end transaction tracking
- International remittance processing

Finacle inclusion solution also has a robust payment engine supporting functions such as utility bill payment and air time top-up in both online and offline modes for registered and walk-in customers.

Funds Transfers and POS Transactions

The solution supports electronic transfer of funds from the customer's no-frill bank account to other accounts with the same or different bank. It also supports point-of-sale transactions in a closed loop payment network, using no-frill accounts.

Security

Finacle inclusion solution addresses all

Key Modules

aspects of Web security, at both the transmission and application levels. Transmission security resolves issues of mutual authentication, message privacy and integrity with the help of SSL, which supports RSA public key cryptography. Application level security counters the challenges posed by restricted access, non-repudiation, replay attacks, session management and the overall security of the application. Key features include:

- Application security and control, including comprehensive auditing
- Fingerprint-based biometric authentication for transactions
- Transaction limits at different levels of the ecosystem to ensure greater control on cash flows through business correspondents
- Time-out after period of inactivity
- Two step approval for defined administrative activities
- 3DES encrypted data storage in transaction processing devices and smart cards to ensure authorized access to critical data
- Biometric access through display of

customer photograph and height which can be used in cases where customer fingerprint validation is not possible. Such transactions need to be authorized by the agent as exceptions and audited independently

Administration

Finacle inclusion solution's Web-enabled administration module enables bank staff to effectively monitor banking transactions conducted on the field. It supports:

- Viewing field agent transactions
 - Subscription to periodic reports
 - Viewing, approval and rejection of customer detail updates
-

Request Management

The request module supports sale of new products to existing customers. It provides a configurable data capture engine which can be used to create request forms for new products. It also presents financial service providers with the option to leverage their core banking platform to process requests.

Key Modules

Reports

Reporting is achieved using the Jasper reporting tool. Facilities include:

- Creating reports using a simple GUI based tools and administrator interface
 - Generation of periodic reports and delivery by e-mail
 - Ad-hoc reporting through Web-based application
-

Charge Engine

Financial inclusion is a business correspondent dominated ecosystem and entails commission-based services delivery to customers. The solution's inbuilt charge engine, predetermines transaction fees and commission charges for every transaction type and presents these during transaction processing.

Self-service

Customers can independently access banking facilities such as balance inquiry, bill payments, mobile top-up and funds transfer, through mobile-based self service channels. Finacle inclusion solution supports various

modes of mobile access such as SMS, mobile browser and USSD.

Additional Features

Comprehensive infrastructure and interface features enrich the solution.

- The solution's interface layer helps achieve a high degree of abstraction to backend hosts. With custom development, host interfaces through message-based communication, middleware or API calls can be easily facilitated
- Audit trail and logging can be configured for all cash and cashless transactions. Two stage approvals can be facilitated, leveraging the maker checker function
- Robust inbuilt synchronization facilitates reconciliation of transaction details from agents operating offline

Business Benefits

Cost-effective Business Engine

Finacle inclusion solution enables banks to gain access to a new customer segment and cash in on rich hitherto untapped deposit bases, by setting up a low-cost channel to bank the unbanked.

Ease of Operation

Banks can deploy the solution to on-board customers offline, even in the absence of Internet connectivity. Offline banking is enabled through ubiquitous and easy to use devices such as laptops. The innovative spot-registration process supports both smart-card and simple ID card-based banking, reducing customer on-boarding time and lowering entry barriers. The solution can be easily deployed by the bank's staff or business correspondents.

Robust Security

Fingerprint-based biometric authentication ensures the fidelity of every transaction performed using Finacle inclusion solution. In addition, it offers extensive application security features like URL encryption, referral URL check and session management to provide a robust security framework. In addition, data security is achieved through the industry standard Triple DES encryption.

Cost Savings

The solution presents banks with the advantages of reduced integration by leveraging common interface messages, maintenance and deployment costs. This translates into significant cost savings without banks having to compromise on features or the range of devices supported. Inherently independent of the network service provider, it obviates the need to build a business model that involves costs and profits sharing with them.

Customer Delight

With Finacle inclusion solution, banks can offer a rich and differentiated value proposition for the unbanked. They can suitably tailor products and services to meet the needs of the unbanked with:

- Support for local language
- Transaction confirmation messages voiced in the local language
- Fingerprint-based biometric authentication to overcome the literacy barrier



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