



Empowering Next-Gen Digital Banking Down Under

aspire
SYSTEMS



*attention.
always.*



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Chapter 1

Digital Banking in Australia



Australia's banking sector, like many other industries, is still navigating the complexities of digital transformation. While there's been considerable advancement in technology, it's a work in progress, reflecting our efforts to adopt digital solutions more comprehensively.

However, in recent years, Australia has become one of the world's highest adopters of digital banking. This shift toward online and mobile banking platforms is driven by customers increasingly seeking convenience, accessibility, and quicker service. The exposure to high-quality consumer apps such as Uber and Amazon has also substantially elevated expectation levels. Of course, there are other unprecedented factors, like the recent global pandemic, which necessitated rapid digital adoption across various sectors.

But that's just one side of the story.

A highly competitive landscape

On the other side of the story, the Australian banking industry is marked by a highly competitive environment. This competition is not just among the traditional financial institutions but is increasingly influenced by the emergence of Fintech startups and neo-banks. These new entrants are redefining the norms of banking services with their innovative approaches, customer-centric models, and digitally-driven solutions, which, in turn, are pushing traditional banks to evolve.

Despite the rise of new players in the banking sector, the landscape is still dominated by the Big Four. These institutions hold a huge portion of market share and play an unparalleled role in shaping Australian banking trends. However, in this era of digital transformation, customer expectations in the banking sector have risen dramatically.

As Australian customers are becoming increasingly tech-savvy and are demanding more convenient, fast, and secure banking services, they expect personalised experiences across multiple channels with innovative products that meet their specific needs.





Challenges faced by small and medium-sized banks in Australia

In the recently published Mutuals Industry Review 2023 by KPMG, small and medium-sized banks were surveyed about the institutions they considered their greatest competitors; the results were telling, with over half nominating the big 4.

To thrive, these smaller banks must capitalise on their unique strengths and purpose-driven approach as well as align closely with their customers' needs. Personalised service is another differentiator, as it allows smaller banks to build deeper relationships by offering tailored banking experiences while reinforcing their community involvement. This is important to demonstrate their commitment to local causes, which larger banks just can't match.

But first, they must overcome internal and external hurdles, such as:

- **Unfocused digital strategy:** Many smaller banks struggle to develop a coherent and targeted digital strategy. This lack of attention can lead to dispersed resources and efforts, diminishing the impact of their digital initiatives.
- **Skills gaps:** Smaller banks often lack the skills to effectively implement digital technologies. These skills gaps can hinder the development and rollout of innovative banking solutions.
- **Budget constraints:** Financial limitations are a thorn in the side of small and medium-sized banks. With less capital to invest in technological advancements, these banks can often find it challenging to keep pace with the digital initiatives of larger competitors.
- **Poor multi-channel experiences:** Providing a seamless and consistent customer experience across multiple channels (mobile apps, online banking, and in-branch services) is easier to strategise than execute.
- **Regulatory requirements:** Ongoing compliance with banking regulations and standards can be a tough road for smaller banks. These regulations are often complex and evolving, requiring resources and expertise that may not be readily available.





The needs of Australian banks

There is a constant need for smaller and medium-sized banks to evolve their digital strategies to capitalise on new opportunities while addressing increasingly sophisticated customer needs. The following are integral parts of this evolution:

- **Digital workflows:** The implementation of automated digital workflows makes it easy to start and complete banking-specific tasks while minimising errors and accelerating the speed of service. It also enhances data processing capabilities, adding a valuable layer of intelligence to the decision-making process.
- **Reduced points of friction:** Banks must optimise user experience and process flows to reduce friction in customer interactions. This includes enhancing system responsiveness and streamlining transactional workflows to drive user engagement.
- **Product simplification:** Streamlining product offerings with a focus on user-centric design principles and backend process efficiency to transform complex banking products into easily navigable and understandable formats for customers.
- **Anytime, anywhere banking:** The development of robust, cross-platform banking solutions is crucial to providing consistent, secure, and uninterrupted banking services. It requires optimising network infrastructure, ensuring high availability, and implementing scalable cloud-based solutions to support 24/7 banking access from any device.
- **Strong cloud collaboration:** Cloud-based solutions enable seamless collaboration with external service providers, enhancing the delivery of a bank's unique value proposition. They also enable banks to easily integrate services from various partners, offering a more diverse and customisable online banking experience, including features like streamlined data sharing, tailored financial tools, and improved security protocols.
- **Advanced authentication:** Strengthening customer account security requires the adoption of advanced digital authentication mechanisms, including biometric verification, multi-factor authentication, and end-to-end encryption protocols. This strengthens identity verification processes and safeguards transactional data against cyber threats.





Chapter 2

Australia's Current Digital Banking Key Requirements

As far as fast-growing Australian banks are concerned, the smooth transition to digital is no longer a luxury but a mandatory step. It is driven by a combination of regulatory compliance, enhanced security needs, and evolving customer expectations. Some of the key requirements include:

Unified channel experience

Banks should consider implementing technologies that ensure a unified customer experience across various banking channels, including mobile apps, online portals, and physical branches. The goal is to achieve consistent service quality and real-time data synchronisation, ensuring all customer interactions remain informed and up-to-date.

Customer acquisition and retention

It's essential for banks to leverage big data analytics and AI to provide highly personalised banking solutions. This approach needs to be consistent across all customer touchpoints and coupled with a low-friction user experience to maintain uniform service quality and better support omnichannel engagement strategies.

Higher employee productivity

The automation of routine tasks can shift employee focus towards higher-value activities, potentially enhancing job satisfaction and productivity. The integration of collaborative tools, such as cloud-

based project management platforms and real-time data-sharing applications, can improve communication and teamwork.

Banking scalability and flexibility

The scalability of technology solutions to support the operational requirements of market demands is mandatory for managing business growth and adapting to market fluctuations, empowering banks to use computing power and storage capacity as needed for optimal cost and resource management.

Compatibility and interoperability

It is critical to select emerging technologies that offer high levels of compatibility and interoperability with existing banking systems to both future-proof and drive greater ROI from their investment. Banks should focus on solutions that use standardised interfaces and protocols, enabling effortless integration with a range of banking applications and ensuring interactions are technology-agnostic, regardless of system architecture or programming language.



Chapter 3

Aspire Systems' Solution in Partnership with Temenos

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Introducing the Australian Country Layer on Temenos Digital

As part of Aspire Systems' commitment to our partnership with leading global banking software provider Temenos, we have developed a series of country-specific accelerator frameworks that work with the Temenos Digital Banking platform.

The Australian Country Layer on Temenos Digital is a specialised framework developed by Aspire Systems, built to customise and extend the capabilities of the Temenos Digital Banking platform for the Australian market. This constitutes an additional layer of pre-configured functionalities that are tailored to meet the regulatory, market, and operational needs of Australian banks and financial institutions.

The Australian Country Layer on Temenos Digital's architecture is also complemented by its integration capabilities, featuring pre-configured third-party connections and delivering a fully comprehensive accelerator framework. These integrations, along with its intuitive interface, contribute to a streamlined and user-centric digital banking experience.





Compliance areas covered by the Australian Country Layer on Temenos Digital

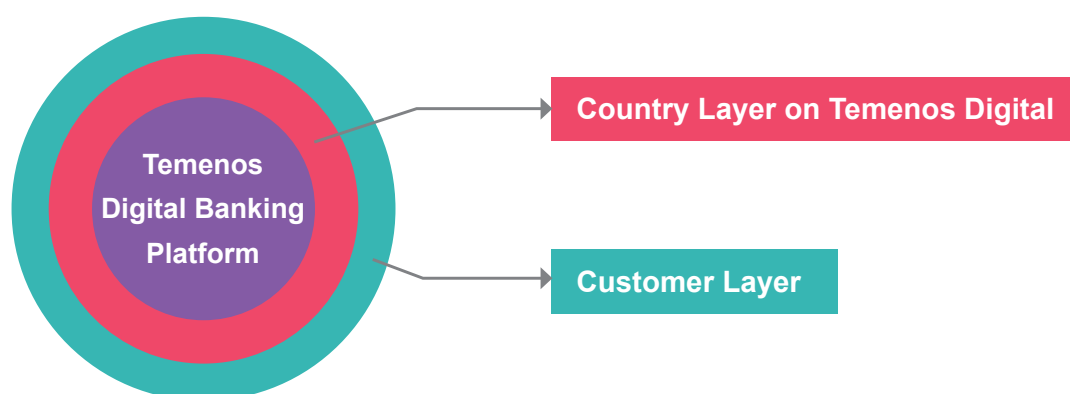
Small and medium-sized banks, especially new players, must overcome compliance-related challenges. The Australian Country Layer on Temenos Digital makes it easy to do so, covering business-critical aspects such as:

- **Customer identification and verification:** Both digital and traditional banks in Australia are mandated to conduct rigorous AML & KYC checks. This process is crucial for confirming customer identities to prevent fraud, money laundering, etc.
- **Open banking:** Australia is progressively adopting open banking, a system that permits the secure sharing of banking data with authorised third-party providers. This initiative aims to foster greater competition and innovation in the financial industry. It also plans to expand the scope of the Consumer Data Right (CDR) from banking to broader financial data under Open Finance.
- **Local payment services:** Australian banks offer an array of payment services, including instant transactions via the New Payments Platform (NPP), BPAY, and other electronic funds transfer options.
- **Cybersecurity standards:** With an increased dependency on digital channels, Australian banks are obligated to maintain stringent cybersecurity protocols. These measures are important for safeguarding customer information and financial transactions against unauthorised breaches and cyber threats.

How does the Australian Country Layer on Temenos Digital work?

The operational structure of the Australian Country Layer on Temenos Digital is based on a multi-layered architecture:

- **Core layer:** At its core lies the Temenos Digital Banking platform, which acts as the foundational digital banking infrastructure.
- **Middle layer:** Overlaying this is Aspire Systems' Country Layer, which acts as an intermediary framework, enriching the core platform with features required by the Australian banking sector.
- **Outer layer:** Finally, the customisation layer, specific for individual banks, includes specific user experience enhancements, personal financial management tools, and other bespoke features that align with a bank's unique needs.





Key features of the Australian Country Layer on Temenos Digital

Open Banking

The Australian Country Layer on Temenos Digital enables users to track and display active and archived arrangements, providing a detailed view of the user's financial engagements. It also provides the option to view specific details of these arrangements and the ability to stop sharing information.

Open Banking Consent Management – Joint & Individual

With the Australian Country Layer on Temenos Digital, joint account management is streamlined through the JAMS dashboard. Users are empowered to view and modify the status of their accounts, including enabling, disabling, and customising disclosure options. Granting or denying actions, controlling information sharing, and prioritising user privacy are all facilitated by the dashboard. Additionally, notification preferences can be set to further personalise the user experience.

NPP Payments

The Australian Country Layer on Temenos Digital streamlines batch payments by enabling the upload of .aba files. This functionality is complemented by a BSB code maintenance feature, ensuring accurate transaction processing. Furthermore, the system allows for customisation of funds transfer fields, accommodating both standard accounts and transactions processed through the new payment platform.

Bill Payments

Seamless bill settlements are achieved through the Australian Country Layer's integration with BPAY. Users are empowered to subscribe to or register for e-bills, streamlining the electronic receipt and payment of bills.

Tax File Number Management

Management of Tax File Numbers (TFNs) is facilitated by a dedicated feature within the Australian Country Layer on Temenos Digital. This functionality allows users to add or update their TFN information at the individual account level. This feature is critical for ensuring compliance with Australian tax regulations and streamlining tax-related banking procedures.

Customer Onboarding

Onboarding for new customers is streamlined through the Australian Country Layer on Temenos Digital with support for mobile app enrollment. This functionality caters to the increasing preference for mobile banking. Additionally, the platform emphasises self-service onboarding, empowering users to initiate and complete their banking setup independently.





Chapter 4

Future of Digital Banking with Country Layer on Temenos Digital

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Predictions for Digital Banking in Australia

As mentioned earlier, the digital banking landscape in Australia is rapidly evolving, marked by cloud-based solutions and an increased understanding of their benefits. This transition is fueled by the growing maturity of digital banking in the region. Banks are increasingly recognising the advantages of cloud technology in terms of scalability, cost-effectiveness, and enhanced service capabilities.

With the implementation of the Consumer Data Right (CDR) in Australia, there has been a tangible impact on the digital transformation strategies of banks. This regulatory framework has put digital transformation on top of the agenda for many financial institutions.

The CDR facilitates more controlled data sharing, compelling banks to upgrade their digital infrastructure to comply with these new regulations and to harness the potential of open banking.

The acceleration of digital transformation in the Australian banking sector is also driven by the need to efficiently meet modern customer expectations and to quickly respond to changing market conditions. Data from the Australian Banking Association (ABA) underscores this digital shift, with

98.9%

of banking interactions now occurring digitally and only

13%

of payments being made with cash.

Source: The Australian Banking Association (ABA)

The trend is further evidenced by the significant growth in online and app interactions, alongside a marked decline in physical branch interactions, with over 400 branches closed across the country.



How Country Layer on Temenos Digital will adapt to future changes

Mortgage origination

Country Layer on Temenos Digital's architecture is suited for enhancing mortgage origination processes. It streamlines application and approval workflows, reduces manual intervention, and increases the speed and efficiency of mortgage processing. The system can integrate credit scoring, regulatory compliance checks, and document management, offering a seamless mortgage origination experience. This can be a powerful catalyst in a market where timely processing and customer experience are key differentiators.

Unsecured loan origination

In unsecured loan origination, Country Layer on Temenos Digital provides a robust framework for automating and optimising the approval process. It leverages data analytics for risk assessment, simplifies document verification, and ensures compliance with lending regulations. The intuitive interface and automated decision-making capabilities reduce the time from application to disbursement, enhancing customer satisfaction.

Vehicle loan origination

For vehicle loan origination, Country Layer on Temenos Digital offers tools for credit assessment, loan structuring, and documentation. It allows for quick processing of applications, integration with vehicle databases for valuation, and seamless communication with dealerships. This streamlined approach improves customer experiences while reducing operational costs for the banks.

Wealth banking

In wealth banking, Country Layer on Temenos Digital provides a platform for personalised financial services and portfolio management. It can integrate market data, customer profiles, and investment strategies to support the offering of tailored advice and services. The system's ability to process complex data and provide insights is crucial for wealth management in the digital age.

SME banking

For small and medium-sized enterprises (SMEs), Country Layer on Temenos Digital facilitates a range of banking services, from loan origination to cash management and trade finance. It supports banks in offering customised financial solutions to SMEs backed by data-driven insights and streamlined processing. This adaptability unlocks the key to catering to dynamic needs.

AUSTRALIA COUNTRY LAYER ROADMAP





Chapter 5

Collaborating to Make Banks Future-Ready

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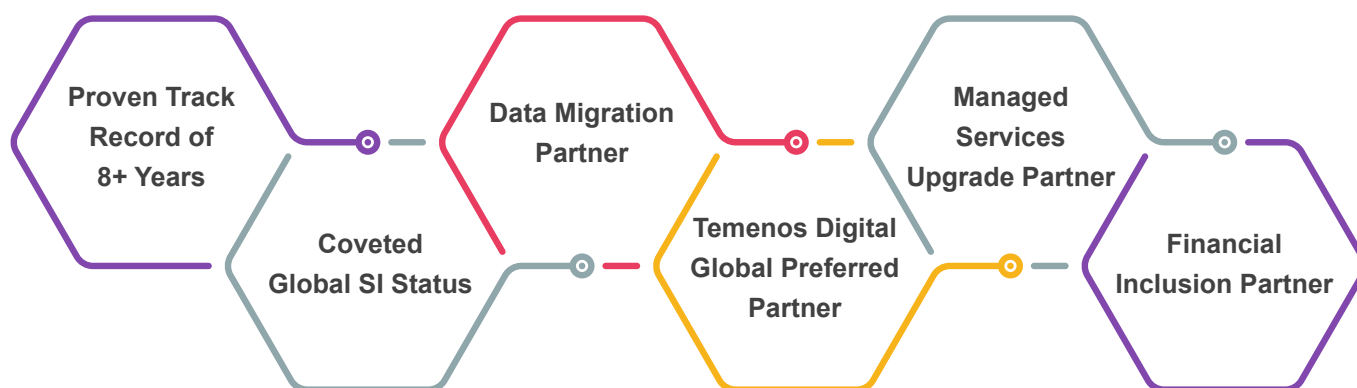
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In the wake of the pandemic and subsequent digital transformation initiatives, many banks started in-house projects that often fell short due to a lack of alignment with necessary cultural and operational changes. With Aspire's Australian Country Layer on Temenos Digital, there is an opportunity to approach digital transformation more strategically.

Aspire's Australian Country Layer framework, in combination with the Temenos Digital Banking platform, enables banks to adopt best practices in digital banking, ensuring that initiatives are technologically sound and aligned with the bank's broader strategic goals. This alignment is crucial for achieving success in digital initiatives.

This also provides a more integrated approach to digital banking. It ensures that banks can offer a range of services in line with current regulatory and market demands, both scalable and flexible in accommodating future changes. This future-proofing aspect is valuable in an industry that is constantly evolving with new technologies and customer expectations.

Aspire Systems & Temenos





Aspire Systems' Temenos Expertise



25 Years
of Process
Excellence



2K+ Hours of
Temenos Learning
Community Training
(in 12 Months)



550+
Professional
Certifications



150+
Temenos Learning
Community
Licenses



350+
Temenos Practice
Specialists



55+
Managed Services
Implementations

Aspire Systems' Banking Experience

20+ Years

in Software Development

250+

Banking Customers

70+

Digital Banking Implementations

15+

Core Banking Implementations

50+

Testing Projects

3 Neo Bank

Implementations

40+

Marketplace Integrations

1.5 Million

Person Hours in Product
Development



Chapter 6

Conclusion

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Looking forward, it's clear that Australian banks are moving towards more digital and customer-focused services. The combination of Country Layer and Temenos Digital demonstrates how technology can be used to improve day-to-day banking operations and meet evolving market needs.

The key takeaway from this e-book is the importance of continuous adaptation in the banking industry. The Country Layer on Temenos Digital framework provides a model for banks to follow, showcasing how technological advancements can be leveraged to improve banking processes while better serving customers.

As we conclude, the future of banking in Australia will likely involve an even greater emphasis on digital solutions, customer-centric approaches, and strategic planning. The Country Layer on Temenos Digital framework, in its role within this transformation, highlights the ongoing evolution of the Australian banking landscape.

After all, the need for continual adaptation and foresight will always be at the front and centre in the face of the rapidly changing dynamics of the banking market.





About Aspire Systems

- Global technology services firm with core DNA of Software Engineering
- Specific areas of expertise around Software Engineering, Digital Services,
- Testing, and Infrastructure & Application Support
- The vertical focus among Independent Software Vendors, Retail, Distribution &
- Consumer Products and BFSI
- 5,000 employees; 150+ active customers
- Oracle Global Platinum Partnership with OCI & R12.2.9, Domain Expertise
- Well Rounded Team covering Cloud Architects, Solution Experts & Application
- Consultants
- CMMI Maturity Level 3, ISO 9001:2015, and ISO 27001: 2013 certified
- International headquarters in Singapore with presence across US, Mexico, UK, The Netherlands, Poland, Middle East, and India
- Recognized 11 consecutive times as "Best Place to Work for" by GPW Institute

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