

# WHY LAUNCH A NEW BANK?

## FIS Modern Banking Platform – Digital Bank

### Reasons For Launching a New Digital Direct Bank

Neobanks are popping up around the world and it's easy to see why. Over 70% of bank interactions are now digital, and modern technologies are redefining the economics of running a bank. Digital banks are enjoying sustained growth with current net interest income of around US\$650.3bn. This net interest income is projected to grow by 13.39% (2023-2028) resulting in a market volume of US\$1219 bn in 2028.<sup>1</sup>

With dramatically lower running costs, a digital bank can afford to pay a higher interest rate on deposits to attract and retain customers.

There are many compelling reasons to launch a new bank – to grow the deposit base and to appeal to a new market segment, such as millennials and Generation Z who want banking aligned to their digital lifestyles; to extend a brand into a new or adjacent market; or to reach a new target audience, such as the underbanked, small to medium enterprises (SMEs) or the gig economy.

In a drive to boost bank innovation and competition, governments around the world are granting many new banking licenses, some of which are digital only, others less specific. New technologies, such as cloud, have reduced startup costs with minimal need for capital outlay, while allowing ongoing costs to be aligned with business success.

Smartphones have opened up distribution with digital account opening and paperless onboarding. The ability to deliver bank services in real time where and when people want them redefines what it means to be a bank.

### Why Now?

At a time when traditional banks are seen as being too transactional and product-led, a tech-first approach enables new banks to compete by offering customer-centric banking experiences. Modern technologies empower new banks to serve customers better and to integrate financial services into their digital lifestyles.



<sup>1</sup> <https://www.statista.com/outlook/fmo/banking/digital-banks/worldwide>

Online retailers and e-commerce providers have set new standards in customer service, and customers now expect the same standards from their banks. Customers are better informed than ever and will shop around for a bank that meets their exact needs and expectations. With the right approach, you can build a bank that meets these ever-rising expectations. There are many potential customers for your new bank.

Open banking is good news for digital banks. The new and evolving financial ecosystem offers many more entry points for a new bank with something unique to contribute. Other participants may choose to include your products as part of an aggregated service offering. The new age of competition is also one of collaboration.

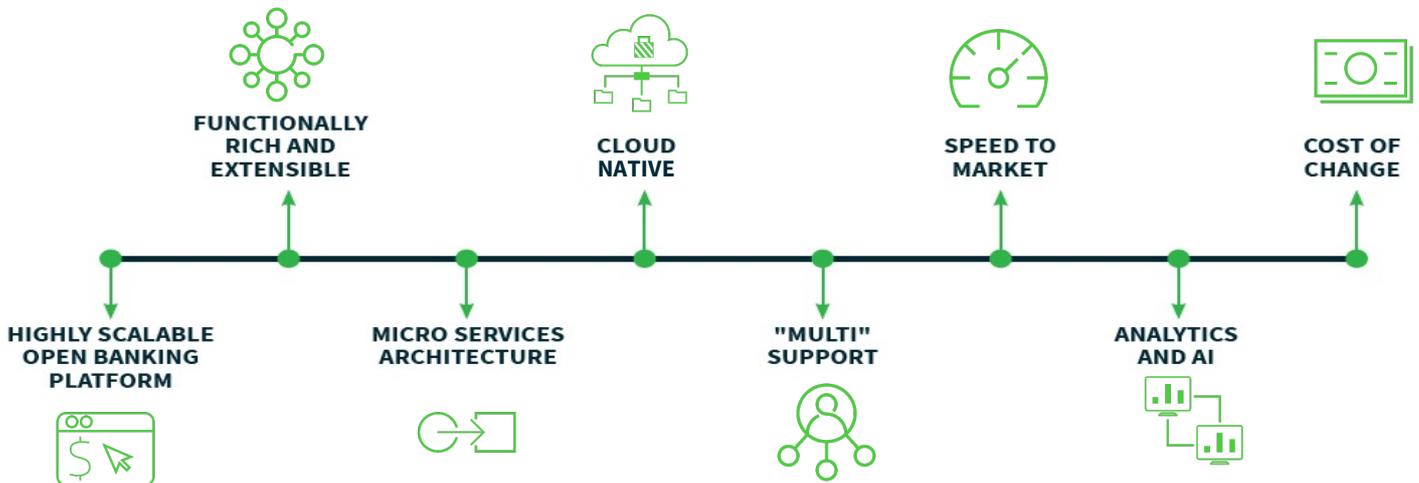
Launching a new bank is never easy. But it has never been more accessible or more cost-effective. With the right partner and technology, your new bank can be up and running in weeks rather than months. And, once you're established you can add new functionality as required to plug-and-play your banking solutions of choice.

## Banking on Tomorrow's Technology Today

With support for all bank types, Modern Banking Platform is our response to banking needs in the digital age. We offer a guided journey to digital banking success with quantifiable milestones along the way.

Built from the ground up as a cloud-enabled core with modern infrastructure and technology, our platform employs the best FIS® intellectual property that has been developed over 50 years on more than a dozen cores. Modern Banking Platform is an all-new, digital core banking system that is part of a complete next-generation ecosystem, purpose-built for digital banking.

Modern Banking Platform is built on eight fundamental design principles:



Our ground-breaking platform heralds a new era of banking where technology is indistinguishable from business. Already functionally rich, it can be easily extended and expanded for different products, business lines and geographies.

With Modern banking Platform, you can launch your new bank in weeks with the minimum core components then add enterprise components to build the optimal customer experience for your client base. You can augment your offering as you go through our marketplace of fintech components.

Modern Banking Platform is open and entirely componentized, giving you unlimited choice to build and innovate. All components are self-contained so you can change anything you want without affecting other core components. By combining Modern Banking Platform's core foundational components, your choice of extended components and other best-of-breed assets, you have a framework that is built for today and for the future.

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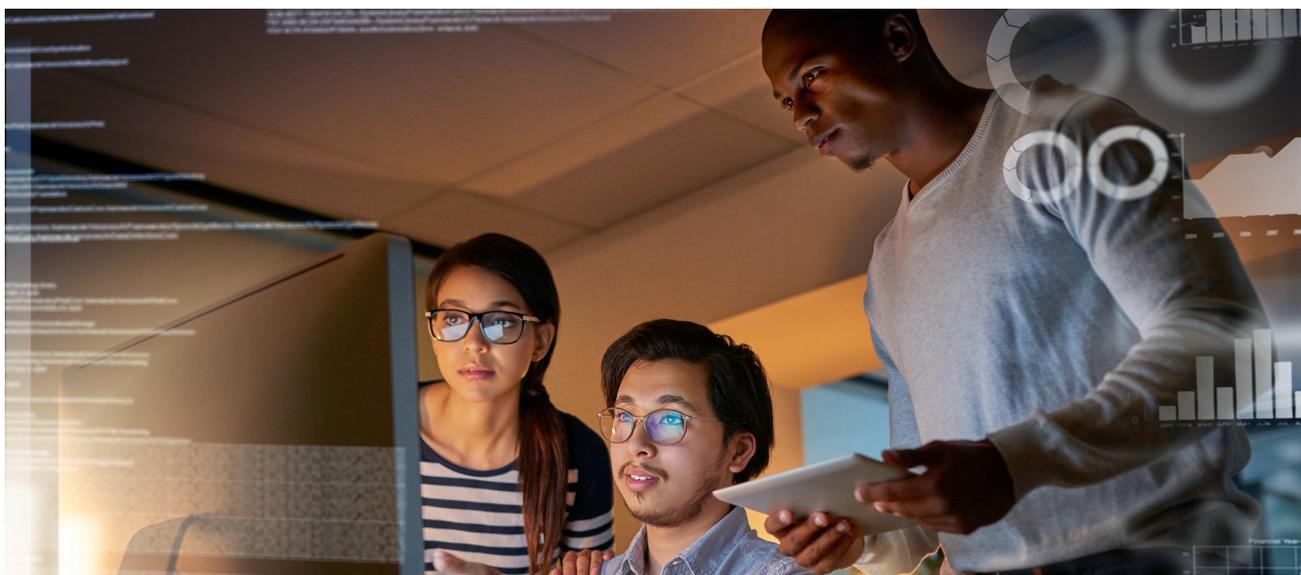


## Why FIS?

A new bank must be agile and innovative to embrace change. Customer centricity is the key to success, and data should drive all crucial decisions. You need a platform that supports an unlimited product portfolio and one that is easily adaptable and embraced by end users.

Building a new bank is never easy, but it's a lot easier with expert help. FIS has supported the launch of many new banks globally. With our unmatched experience, industry knowledge and practical know-how, we can offer solution certainty in an uncertain world. No fintech partner knows more about banking or financial technology.

We can help you specify, build and implement a digital-native banking platform that thrives on continual innovation. With multiple deployment options, Modern Banking Platform offers maximum flexibility and choice. We can host Modern Banking Platform on the FIS cloud, with the option to change as required by your evolving business needs or technology strategy.



**To learn more, call 800.822.6758 or visit [fisglobal.com/contact-us](https://www.fisglobal.com/contact-us).**

## About FIS

FIS is a leading provider of technology solutions for financial institutions and businesses of all sizes and across any industry globally. We enable the movement of commerce by unlocking the financial technology that powers the world's economy. Our employees are dedicated to advancing the way the world pays, banks and invests through our trusted innovation, system performance and flexible architecture. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index.



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