



How Raiffeisen Bank Revolutionized SME Lending Across CEE

- Fully Online with Digital Origination and ASEE

Raiffeisen Bank International definitively stands as a prominent financial institution with an expansive global presence. With a footprint in over 20 countries and a strong focus on Central and Eastern Europe (CEE), RBI offers a comprehensive range of financial services catering to diverse needs.

With a client base exceeding 17 million, RBI's commitment to digital banking services is evident, embracing technology to enhance customer experiences and streamline financial processes - this dedication to innovation positions RBI as a forward-thinking financial partner.

As a market leader in SME banking in CEE, RBI's goal is continuous improvement in customer experience that will reinforce their position as the most wanted bank in the region - the digital bank with a human touch.

Pioneering an Innovative Approach to Small And Medium-Sized Enterprise Financing

ASEE's task was to provide a solution that would enable Small and Medium-sized enterprise customers (the ones with up to 6 M EUR annual turnover & 1,7 M EUR exposure) to purchase standard lending products online and in branches, with the full automation of credit decisions. The aim was to have a 100% online self-service process, including remote contracting based on digital signature capabilities, in all situations where local regulations support it.

The scope covered the Micro and Small Business customer segments, regardless of accounting method and regardless of relationship to the bank (existing borrowing, new to lending, or new to bank clients). Products in scope included unsecured products like Overdrafts, Credit Cards, and Working Capital Financing. In a second step we planned to add secured products.

The expected outcome for the bank customers was to dramatically decrease time to yes and time to cash for products mentioned above, minimize documentation/paperwork, and provide a more efficient way of engagement in the time of their convenience. By helping the bank's operational cost management, we expected a significant drop in processing costs.

The solution needed to adhere to the bank's group software architecture, common cloud infrastructure, and security standards and be able to support the high level of standardization of service models, products, and risk policies. The aim was a consistent and unified image of a single bank across all markets. At the same time, the solution had to be flexible enough to support the local market and regulatory specifics.

How did we manage to accomplish that? In one word – standardization. From a risk perspective, this means that SME customers are treated as uniformly as possible, embracing automated capacity calculation and credit policy checks based on data automatically retrieved from trusted sources. This also had a significant impact on the customer journey, as many previously existing manual steps were removed from the process.

The vision, target process design, capacity calculation logic, and other essential requirements were defined in detail by RBI, and standardized through the creation of an over-arching process blueprint, which was further used as the main reference document for the initiative.

As a primary delivery partner for the initiative, the RBI selected ASEE as a company with proven experience in delivering banking solutions worldwide and deep insights into the SEE market. ASEE's Digital Origination came with out-of-the-box features already proven on the market and, yet again, flexible enough to be tailored for specific group requirements, as well as local market customizations.



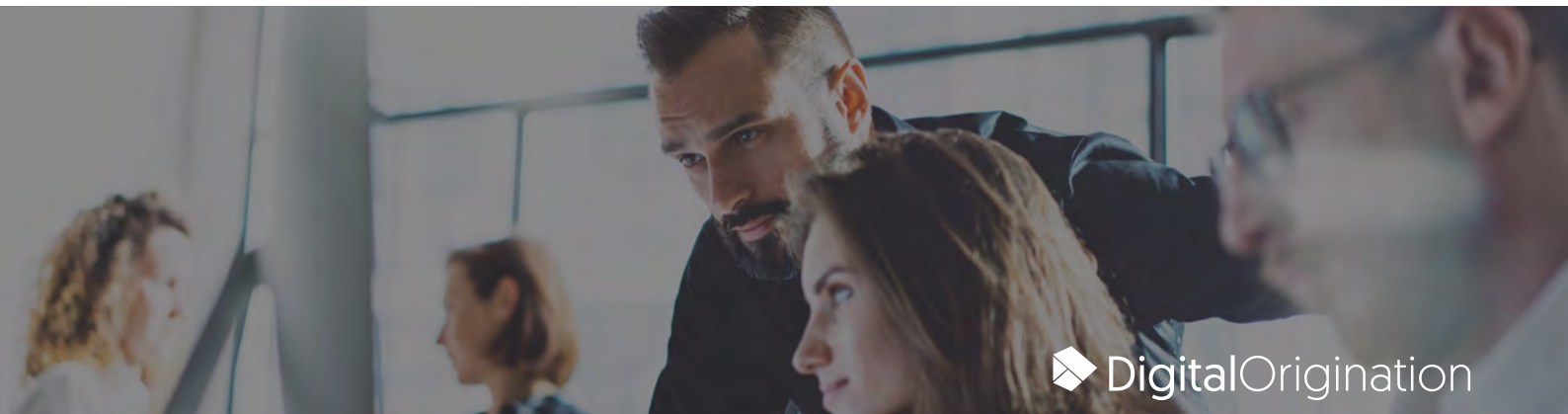
Local Market Customizations: Three-Month Implementation per Subsidiary

The project commenced in early 2021 based on the bank's process blueprints starting with one country and implementation of the Minimum Viable Product (MVP) scope. The plan was to subsequently expand to other countries while introducing new products and functionalities along the way.

To ensure a harmonized development approach across all countries, ASEE embraced an agile methodology. We implemented a dedicated organizational structure in which each country formed an agile team, benefiting from guidance and support provided by the Group in terms of Product, Architecture, and Delivery. This strategy was designed to maximize standardization while promoting collaboration and the free flow of ideas among countries.

Our primary focus was on streamlining the application process, defining key standard features applicable in each country, with flexibility for customization to accommodate varying legislations and specific needs. We also developed a standardized rollout package, which allowed for swift implementation, achieving a three-months implementation per subsidiary.

For the project, Raiffeisen opted for a Product-as-a-Service (PaaS) model, which provided the bank with a stable product that could be easily configured for each country's requirements. Leveraging the Amazon cloud infrastructure helped reduce costs, while the templating of environments and automation of CI/CD processes significantly enhanced overall efficiency.



How Digital Origination Got Us to Our Goals with Ease?

ASEE Digital Origination is a product built on a vision that is very similar to the one we described in the Blueprint document designed by the bank. It was created to serve different customer segments, sell diverse products (even at the same time), and do it all through different channels, reusing all common features.

On top of this, it is the product built on microservice architecture, making it fully viable for the PaaS model and deployment to any public or private cloud, including AWS, used in the RBI.

"Our collaboration with ASEE is at the heart of our successful transformation in SME lending. The company's extensive experience in delivering banking solutions globally and its deep insights into the SEE market have been invaluable. They have been a reliable partner, bringing a wealth of expertise. Their proven track record in delivering innovative solutions has given us confidence in the project's success. The Digital Origination solution has not only met our specific requirements but also allowed for local market customizations, making it a perfect fit for our needs.

With their support, we've been able to provide consistent and efficient banking experience for SMEs across multiple countries. This partnership has been instrumental in shaping the future of our SME lending operations and is a testament to the power of collaboration and innovation",
said Balazs Topor, SME Loan Group Product Owner, RBI.

Unlocking Speed and Efficiency:

Transforming SME Lending with 5-Minute TTY and 16-Minute TTC

Yes, we made it come true - successful implementation of an online end-to-end (E2E) process tailored for the SME client segment, achieving an impressive Time to Yes (TTY) of just 5 minutes and a Time to Cash (TTC) of 16 minutes. Our software has demonstrated remarkable efficiency. Using Digital Origination already in four Network Units (NWUs) also signifies a wide-reaching impact.

In Croatia, the first country where Digital Origination was deployed, our efforts have yielded positive results, with the number of applications and volumes meeting high expectations, affirming the effectiveness of our approach.

First Success Story: Results Achieved in Croatia

Decision Time (Time to Yes)		Drastically reduced to an astonishing 5 minutes , enabling rapid credit decisions and improved customer service.
Disbursement Time (Time to Cash)		Slashed to a mere 16 minutes , providing SMEs with quick access to the funds they need.
Fields Asked from Customers		Significantly streamlined to just 2, simplifying the application process and enhancing the customer experience.
Processing Cost		Markedly dropped by an impressive 90% , contributing to enhanced operational efficiency and cost savings.
Paradigm Shift		Initiated a transformative change in the bank's approach, recognizing that a fundamental shift in mindset is the foundation of any successful transformation.
Fully Agile Mode		Operated in a fully agile mode, collaborating seamlessly across risk, business, and IT functions in conjunction with four different network banks, ensuring harmonization and cooperation.
Transformation Project		Bid farewell to outdated infrastructure, embracing a modern, modular, and cloud-based solution, positioning us for future scalability and innovation.
Policy and Process Transformation		Instead of merely digitizing the past, created a standardized product that is poised for scalable success, ensuring a consistent and efficient banking experience for SMEs.

Let's Explore the Benefits of Digital Origination Further

Automated
limit calculation



Ability to configure multiple limits and automatically calculate them based on financial reports from several years, weighted averages of financial indicators, obligations taken from the core system and credit bureau, and other inputs relevant for the logic.

Real-time
process agility



Flexible process engine, based on BPMN 2.0 process definitions interpreted in runtime. This allows fast time to market for any process modifications including customer journey, integration points, and data manipulation scripts.

Cloud-native
architecture



Application composed of microservices deployed as containers on Kubernetes infrastructure, on a public or private (on-premise) cloud.

Decoupled
risk assessment



Standalone decision engine that can execute credit assessment (including limit calculation and credit policy rules) as part of loan application or out of the application context, from Digital Origination process or from a 3rd party solution. For example, it can be run in a batch for a group of customers and may be used as a source for a campaign offering pre-approved loans.

Genuine
omni-channel
approach



Service and process logic is fully reused across different channels, respecting the specifics of each channel.

Seamless
integration



Rapid development of integration points on serverless platforms and their inclusion in the process. Easy adoption of the bank standard service landscape.

Flexible
product catalog



Fully configurable product definition with channel-supporting features. It is easy to set up products according to local bank needs, which are in line with the RBI Group Product Catalog, ensuring a short time to market.

Consistent, flexible
and transparent
pricing



Instant, dynamic price calculation based on flexible rules, consistently applied and transparently presented. For example, it is important to offer the same product at a better price for customers with better ratings or to offer different prices for different loan amounts or terms.

Stay tuned for more on our journey, where innovation, efficiency, and customer-centricity converge to shape the future of banking!

 Digital Origination



sales@asseco-see.com