

The CGI logo is displayed in a bold, red, sans-serif font. It is positioned in the upper right corner of the page, above the tagline. The background of the entire page is a warm, bokeh-style photograph of city lights at night, with a network of red and orange nodes connected by thin lines overlaid on the left side.

**CGI**

Experience the commitment®

The main title is centered on the page. It features a vertical bar on the left side of the text, which is colored with a gradient from orange at the top to red at the bottom. The text is in a clean, black, sans-serif font. The background is a warm, bokeh-style photograph of city lights at night, with a network of red and orange nodes connected by thin lines overlaid on the left side.

**BANKING.**  
**TRANSFORMED.**  
Extending the Bank



# Extend the bank

**W**e are witnessing a profound and radical change to the traditional banking model. The boundaries and roles among established firms are blurring while customer expectations are vastly different from just 10 years ago. Open banking, whether driven by competition or regulation, is breaking up the traditional banking value chain, opening up the global banking industry, and changing the dynamics of the banking market.

Many view open banking as a threat to traditional banking, as challenges from the world of retail and global technology players seek to entice consumers through innovation and speed. CGI sees this evolution as a great opportunity for collaboration. Traditional banks have the advantage of strong reputations and longstanding client relationships, and, through clever partnerships with FinTechs, they can improve their customer propositions and generate new revenue streams.

## Key drivers

- **Regulation:** Regulations such as the Revised Payments Services Directive in Europe are driving open banking which, in turn, is leading banks to extend their ecosystems to embrace and take advantage of the open API economy.
- **Competition:** New non-bank competitors that can offer bank-related services, such as payments initiation and aggregation, are becoming a major competitive threat to traditional banks, putting pressure on banks to evolve and extend their traditional roles.
- **Customer demands:** Fast-changing customer expectations—focused more on offerings and experiences than on providers—is compelling banks to extend as a means to keep customers from switching to non-bank providers.
- **Social and demographic changes:** The move toward reaching the “un-banked”—population segments that currently do not use banking services—and demographic shifts in traditional banking customer segments, such as digitally savvy millennials, are leading banks to extend the reach of their businesses.

## Extending banks to adapt and grow

Today, banks are operating in a 24/7, digitally connected world. Their customers have a deeply digital lifestyle with expectations that are radically different from just a few years ago. The introduction of the open API economy is quickly opening up the global marketplace.

With these changes, however, the possibilities for banks, competitors and consumers are limitless. Innovation, coupled with the power of data and technology, has been given the right conditions in which to flourish. For all, collaboration, innovation, customer centricity and the intelligent use of data are the order of the day.

## Benefits

- Agility in responding to rapid and dramatically changing landscape
- Increased cross-organizational collaboration and innovation
- Delivery of new products and services
- Faster time to market
- New revenue opportunities
- Increased customer loyalty and retention
- Increased competitiveness
- Improved operational efficiencies, security and regulatory compliance
- A strategy to defend a bank's franchise





## Taking the leap

**W**hile innovation may include an element of risk, extension is an inevitable strategy and process for banks seeking to solidify their competitive future. CGI's recommendation is to adopt a twin track strategy. One track begins by thinking about the big picture and your future role. Do you want to be a manufacturer, distributor, or both? How do you want to partner with others?

The other track looks at the technology you'll need; initially to ensure compliance with the regulation, later to support the bigger vision. What type of software, for example, will be required to connect with third parties? Business processes for allowing access, data security models and regulatory compliance also are key considerations.

Extending the bank involves a new kind of strategy and business model. While it is technology enabled, this is not a pure technology play. It's all about a bank's long-term view. How does it see the ecosystem and its role within it? What's needed to enable that role?

CGI helps from the beginning of the conceptualization and design process. We bring together the lines of business, IT and subject matter experts to design new business models and services and implement the right supporting business and IT architecture.

We also offer CGI Open Finance, an open banking solution that integrates traditional banks with FinTechs, enabling close collaboration and generates real innovation. CGI Open Finance maximizes the benefits of PSD2 for European banks, leveraging the power of APIs to deliver new value added services and digital offerings to their customers while ensuring complete compliance with its state-of-the-art open banking architecture.



## Partnering with CGI

**C**GI helps banks unlock the value of new business models and networks. We help banks leverage emerging technologies to future proof their businesses and maintain the trust of their customers. We also help them collaborate across extended ecosystems to drive innovation and growth. Key capabilities we offer in helping banks to extend include:

- In-depth analysis of the opportunities, challenges and value associated with extending the bank
- Development of the right extension strategy based on the bank's unique vision and objectives
- In-depth assessment of the bank's current business
- Development of a clear extension roadmap
- Deep domain expertise and IT talent
- Extensive experience—from strategy to execution—in open banking, payments and credit management
- CGI Open Finance—integration layer

Contact us to find out how our extend consultants can help you.

# CGI



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Founded in 1976, CGI is among the largest IT and business consulting services firms in the world. Operating in hundreds of locations across the globe, CGI delivers an end-to-end portfolio of capabilities, from IT and business consulting to systems integration, outsourcing services and intellectual property solutions. CGI works with clients through a local relationship model complemented by a global delivery network to help clients achieve their goals, including becoming customer-centric digital enterprises.

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