



How LINE BK is Revolutionizing Banking in Thailand with Social App



Customer profile

Launched in 2020, LINE BK is Thailand's first truly social bank. The Bank was launched with a mission to transform traditional consumer financing and revolutionize banking in Thailand, by providing accessible credit. In particular, one of the objectives was to provide Thai consumers better access to essential financial products and support them in navigating through the tough time during the COVID-19 pandemic outbreak. LINE BK is a joint venture between Kasikornbank, the leading retail bank in Thailand and LINE Corporation, the provider of the top messaging application with over 49 million active users in Thailand. The range of LINE BK services includes deposit accounts, debit cards, special interest rate savings account and unsecured loan.

Unlike conventional banking services that focus on pushing the available financial products to consumers, LINE BK decided to integrate itself into customers' everyday life. LINE BK allows users of LINE App to easily open new deposit accounts and apply for other financial products all within the LINE app.

Meeting Credit Needs of Unpenetrated Segments

Since LINE BK is the result of user-first service design, the service is embedded into consumers' everyday life as much as possible. Some of the advantages include:

- With the on-boarding process woven seamlessly with customer journeys within the LINE messaging App, consumers don't have to download another app.
- Users can transfer money to their friends and families while chatting and they don't even have to know the receivers' bank account.
- The ability to connect users' social media account with the bank account provides greater context into financial transactions
- It allows for contextual banking by further integrating the Bank's services into customers' everyday life from food ordering, online shopping to content consumption and many more industries.

A Scalable and Reliable System for Unsecured Loans

To enable their differentiated approach, the Bank needed to implement a scalable new core system for unsecured loans. At the same time, the Bank also needed to ensure the flawless working of the integration with the existing banking core system for deposit products. Some of the challenges were:

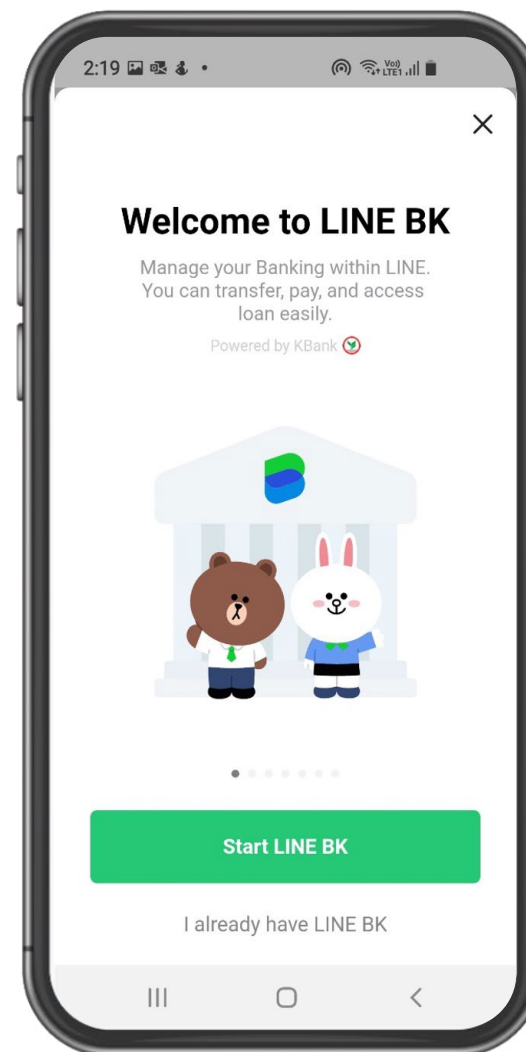
- Complex integration of the legacy deposit core system with a social media platform based in another country
- Need to tailor unsecured loan core system to meet product criteria
- Real-time credit scoring using machine learning models to leverage vast data spread across bank's systems, LINE's social media platform, and the credit bureau.
- Working teams were scattered at home across many countries due to the pandemic outbreak, which made adherence to timelines challenging

To meet these requirements, a speed boat approach of deploying a modern lending solution with the bank's core was undertaken. Finacle Lending Solution and Loan Origination Solution were integrated with LINE Native App for customers to seamlessly request a loan within the Chat App. This enabled all operations starting from the origination of customer until disbursement, repayment, and closure of the facility to be performed through LINE App, so that customers don't have to visit any bank branch. Personalization capabilities enabled end customers to design appropriate loan products online to meet their unique requirements. Everything ranging from the loan amount, tenor, repayment dates, term loans or overdraft can be tailored by customers.

The implementation of new lending applications and journeys was executed seamlessly despite the challenges brought by the pandemic. Given the remote delivery challenges, meticulous project management was required, both in tools and in process. Virtual daily stand-up and highly active communication channel via Slack, Jira and other medium played a vital role in ensuring that everyone was on the same page.

Delivering Business Outcomes

In just under two months, LINE BK acquired over a million customers. At the time of writing this story, the bank has more than 2.5 million customers and is on track to gain over four million customers by end of 2021. The unsecured loan that lets customers easily request for a credit line 24/7 has emerged as a flagship product for the Bank. LINE BK has granted loans to over 300,000 customers with loan outstanding exceeding 8 billion THB, contributing to more than half of the industry growth. Remarkably, 30% of LINE BK loan customers fail to qualify for loan approval from any other loan providers. This is testimony to the fact that LINE BK is successful in expanding credit in the economy and effectively serves the erstwhile unpenetrated market. This sets up LINE BK and the Thai economy for a sustainable growth path.



Why we exist

To inspire better banking so that billions of people and businesses can save, pay, borrow, and invest better.

How we do it

Our solutions and people help banks to engage, innovate, operate and transform better, so that they can improve their customers' financial lives, better.

What we offer

A comprehensive suite of industry-leading digital banking solutions and SaaS services that help banks engage, innovate, operate and transform better.

Finacle is an industry leader in digital banking solutions. We are a unit of EdgeVerve Systems, a wholly-owned product subsidiary of Infosys (NYSE: INFY). We partner with emerging and established financial institutions to help inspire better banking. Our cloud-native solution suite and SaaS services help banks engage, innovate, operate, and transform better to scale digital transformation with confidence. Finacle solutions address the core banking, lending, digital engagement, payments, cash management, wealth management, treasury, analytics, AI, and blockchain requirements of financial institutions. Today, banks in over 100 countries rely on Finacle to help more than a billion people and millions of businesses to save, pay, borrow, and invest better.



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