

WWP

WHITE PAPER  
**Digital Finance**







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**We guide financial and insurance institutions towards excellence, continuously innovating business models to build the future of the finance sector.**

We ensure high-performance standards, specialist expertise in the world of financial services, and familiarity with the institutions that represent the present and the future of this industry.





# 01 Challenges And Opportunities



In recent years, the world of Financial Services has undergone profound transformations in terms of size, services, specialisation, organisation, and relations with its customers and market players.

By becoming increasingly large and/or verticalised organisations, financial and insurance institutions have started to go beyond 'just finance and insurance' and offer innovative services to retain customers and, at the same time, attract new ones.

**The financial industry has profoundly changed its DNA**, seeking to make diversification and inclusion a strong point.

“Diversity” needs to be supported and accompanied by a process of **Digital Transformation**, capable of offering services at the height of Big Tech, accessible at all times (7 days a week and H24), and able to turn the bank into an entity that can be reached from anywhere, especially from mobiles, reviewing and streamlining processes.

In this process, technological innovation is not only the primary tool for diversifying the business and innovating the organisation, but also the enabler for managing **the balance between a traditional vision of the Finance world and an increasingly digital and ecosystemic one.**

The competition is great (and comes from extra-banking/insurance), as is the case for all other sectors, but so are the opportunities in an increasingly open market.

**Financial and insurance institutions will have to learn to invest in and communicate with various supply chains.** In this way, everyone, doing their own thing, will contribute to the richness of the ecosystem. They will have to invest in creativity and culture.

We are in an era in which it is necessary to bring together subjects, even different ones, each of which, according to their own skills, is part of an ecosystem, as we describe in our [Digital Ecosystems](#) paper. And in such phases, financial and insurance institutions have the opportunity to create these points of union before others do, such as utilities, social platforms and retail players.

In a world that wants to move beyond pure competitiveness to integration, to cooperation between equals, we at Engineering no longer position ourselves as service providers, but as partners able to enable and accelerate this interconnection between different worlds.



## Banking Market: Key Trends

The Future of Banking, Insurance, Fintech & Insurtech:  
co-create ecosystems with other businesses

# \$718 BN

**Global enterprise IT spending in the banking and investment services market by 2025**

# Top 3 Trends

**+60%**

BANKING PUBLIC CLOUD INSTALLATIONS

**+90%**

FINANCE RETAIL CUSTOMER IN DIGITAL SELF SERVICE

**+65%**

BLOCKCHAIN WILL HAVE THE GREATEST IMPACT ON BANKING

**+40%**

OF EXECUTIVES WILL INVEST IN AI & ADVANCED ANALYTICS

**+60%**

CONTEXTUAL BANKING CUSTOMER EXPERIENCE

**+50%**

COMPOSABLE FINANCIAL ECOSYSTEM

**Hyper-Customer Centric**

**Embedded Finance**

**Platform Banking**

## Main challenges:

- Adopt “AI-first” for digital operations
- Optichannel Experience
- Personalization & New Service Model
- Data transparency and Cyber Security

Challenges And Opportunities

I dati visualizzati rappresentano la nostra elaborazione di dati provenienti da più fonti, a livello globale al 2030



## Insurance Market: Key Trends

The Future of Banking, Insurance, Fintech & Insurtech:  
co-create ecosystems with other businesses

# \$242 BN

Global enterprise  
IT spending in the  
Insurance market by  
2025

**+50%**

INSURANCE  
CLOUD  
INSTALLATIONS

**+70%**

APPLICATION  
MODERNIZATION

**+70%**

CYBERSECURITY  
ADOPTION

**+65%**

AI & ADVANCED  
ANALYTICS  
ADOPTION

**+40%**

CUSTOMER  
EXPERIENCE  
SOLUTIONS

**+60%**

COMPOSABLE  
INSURANCE  
ECOSYSTEM

### Main challenges:

- Adopt “AI-first” for digital operations
- Optichannel Experience
- Personalization & New Service Model
- Data transparency and Cyber Security

## Top 3 Trends

**New Models,  
Personalized  
Products**

**Ai &  
Automation  
For Faster  
Claims**

**Growing  
Adoption Of  
Blockchain**

I dati visualizzati rappresentano la nostra elaborazione di dati provenienti da più fonti, a livello globale al 2030



# Engineering in Digital Finance



# Digital Finance

We help in transforming the way organizations manage data and processes, strengthening relationships with Stakeholders and guiding them towards new digital ecosystems

€470m~

REVENUES  
FY2022

100+ Partner

CONTINUOUSLY  
GROWING ECOSYSTEM

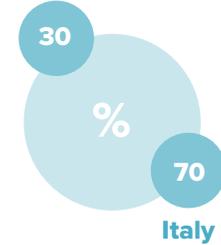
4.100+

PROFESSIONALS

M&A

BE SHAPING THE  
FUTURE NEL 2022

International



## Our Proprietary Solutions

### GRACE

Governance, Risk,  
Regulatory & Compliance

### HYMONEY

Corporate  
Banking

### DEUSTECHNOLOGY

Digital Wealth  
Management

### CLAPS

Digital Credit  
Management

### H2O

Digital  
Customer

### LIFE & NO

Insurance  
Core System

## ADVISORY

## TECHNOLOGY & IMPLEMENTATION

## PROPRIETARY SOLUTIONS

## MANAGED SERVICES

Infrastructure **LIFE**  
CREDIT COGNITIVE DATA

Wealth **Corporate Banking**

REINSURANCE **PAYMENTS**

**RETAIL BANKING** Experience & Empathy Tech

# MANAGEMENT

**CYBER SECURITY** RELATIONSHIP

**GOVERNANCE, RISK, REGULATORY & COMPLIANCE**

To support organisations in the financial and insurance world in transforming the way they manage data and processes, so as to create digital ecosystems and generate new value through connections between different partners. This is the first objective of Engineering's proposal for Digital Finance. Our decades-long knowledge of the players operating in Finance, combined with our expertise in business, new technologies and a transversal vision of all markets, allows us to accompany the players in the sector in a process that transforms them into **Relationship, Open, Data & Cognitive Companies**, so as to improve their relationship with all stakeholders.

In a phase that marks the end of the product era in favour of an ecosystem vision of business, we support financial and insurance institutions along four intersecting lines - **Advisory,**

## Technology, Proprietary Modular and Modular Platforms, and Managed Services - to accelerate Digital Transformation processes.

Transformation is a long and continuous process, but one of acceleration. As a technology provider for over 40 years, we know this and have continuously evolved, always remaining close to our partners and customers, adapting technologies and solutions to their needs.

Our services can be summarised in 4 areas:

- **Advice regarding innovation paths**, which leverage our consulting expertise to explore new business frontiers;
- **Highly modular and customisable proprietary Open Platforms**, built with and for our partners to meet their needs and make their processes natively open to collaborative ecosystems;

- **Market-driven technologies and solutions**, implemented through knowledge not only of the industry, but also of our customers;
- **Implementation of digital transformation paths**, with models and methods that guarantee success.

Negli ultimi anni abbiamo investito, anche tramite acquisizioni, nel consolidamento delle eccellenze necessarie a supportare il processo di cambiamento del settore Finance. La nostra proposta parte da un approccio culturale e di formazione per passare alla consulenza di business e di processo, alle infrastrutture IT, al confronto sui temi digitali (AI & Advanced Analytics, Cloud, Blockchain, Cybersecurity, RPA, IoT), fino alla proposta di specifiche soluzioni e alla loro modalità di erogazione "on premise" o "as a service".





# 03 Our Digital Finance Ecosystem

It is crucial for us to pool our **business knowledge** with our **technological expertise**. This allows us to know the needs of financial and insurance institutions, understand their processes and govern them. It also allows us to **approach change and transformation** not as a single event, but as a continuous process.



## Our Model / Comprehensive skills in the Financial Services Industry

### Insurance Systems **A S E**

E2E Management of Life/General, Insurance Bancassurance, Reassurance, Life Insurance Actuarial Laboratories, Life & General Insurance Product Design, Branch & Digital Sales Bancassurance Front End, Certified Core System for Insurance Companies

### Payments **A S E**

Payment schemes & networks evolution, Issuing/ acquiring products innovation, Transaction Banking, eCommerce & digital payments, VAS & Open Banking models

### Data Analytics & AI **A S E**

Data Management, Data Governance, Data Enrichment, Data Ethics, ML Algorithms Design & Implementation, Data Scientist Team for bespoke analysis, AI Systems for Finance and Insurance, Predictive models and Advanced Analytics

### Digital Transformation **A S E**

Large Transformational Program & Project management, Omnichannel strategies and industry platforms Development, Implementing New Technology, Cloud & Cybersecurity, Domain (Relationship, Advisory, Core Banking System and Life e NoLife System



**A** Advisory | **S** Prop. Solutions | **E** 2E Business Operations

### Retail, Commercial, Corporate & Wealth Banking **A S E**

Organizational delayering/ simplification, Distribution model design and physical network optimization, Products innovation and digitalization, Digital workforce transformation and change, Domain (Relationship, Advisory and Core Banking System)

### Industry Strategy **A S E**

Capital Requirements & Liquidity, Industry Strategy, Industry Transformation, ESG & Sustainability

### Capital Market **A S E**

Advanced products and processes design, Front-Middle & Back Office systems, Market Accounting systems & Brokerage OTC Platforms

### Governance, Risk, Regulatory & Compliance **A S E**

Industry regulations management: Privacy, GDPR, IDD, MIFID. AML, Cyber, Risk Engines and Quantitative teams, Basel, Solvency Requirements, Accounting, Governance, Compliance, Statutory and Regulatory Reporting, IVASS/ANIA Requirements, ECB/ABI/EBA/ESMA Requirements



# Our 4 Proprietary Solutions

The proprietary platform ecosystem is divided into three macro-areas: relationship platform, service platform and governance platform.

## Relationship Platform

For us, **Relationship Centricity** is fundamental as it represents the full ability of banks and insurance companies to offer their customers proprietary or third-party products and services according to their specific needs. Our model ensures that customers can best meet all their financial, insurance, credit, and welfare needs and that they are recommended the most suitable products/services in the advisory process.

- [H2O](#) is a platform for customer profile management, which represents the starting point of the relationship to manage the customer's current needs and future expectations and on which to build the proposal (which also includes identifying the most suitable price to offer).
- [Deustechnology](#) is a platform that supports the evolution of advisory services towards Digital Wealth Advisory, a digital ecosystem of products, services and functionalities that are able to cover all people's needs.



## Service Platform

A platform for the **end-to-end management of the credit process, Claps**, from quotation through to disbursement of the loan, its management and monitoring in the aftermath. By means of process, workflow and event drivers, and thanks to the use of Artificial Intelligence, the suite enables the transition to a credit system that enables instant & mobile lending for individuals and companies (e.g. factoring, leasing, financing, consumer credit, etc.), where one of the cornerstones is the possibility of an online credit assessment. Claps enables solutions to be put together by design and quickly to meet the specific needs of customers in the financial and insurance world.

- Our solution for **Digital Payments & Settlements for individuals** is **Hycards**, a customer loyalty programme that has evolved and developed in its functional aspect over the years. It is technologically in line with the needs and trends of an ever-changing market with increasingly complex requirements. Couponing, Private Cards, Gift Cards and Marketplace initiatives have become part of a complete, integrated, scalable and modular e-commerce solution for customer acquisition and

loyalty, maximising business profitability.

- With **Hymoney** we manage **Digital Payments & Settlements for business**. It represents our single access hub to banking services for corporations, institutions and small businesses. Here our goal is to support customers in the new challenges that characterise the environment in which they operate, providing the necessary tools to compete in a market where speed, efficiency, security and connectivity are key success factors.
- Our platform for the **Insurance Core System** (covering both **Life** and **No Life** dimensions) can meet all the innovative demands of the insurance buyer. The solution guarantees broad functional coverage of all insurance management processes (e.g. underwriting, claims management, etc.) and related products (from traditional to new generation). The service also includes the continuous updating of the platform to ensure full compliance with current regulations (e.g. taxation, anti-money laundering, claims, etc.). Overall, our services are designed to facilitate multi-channel integration and allow customers streamlined end-to-end management of

their entire supply chain.

- And finally the **reinsurance** solution, **XLayers**, a system designed to manage and certify the reinsurance processes of the insurance company, from the allocation of technical items (premiums, claims) to reinsurance contracts, from the preparation of accounts to reinsurers/brokers and the feeding of the accounting system.





## Governance Platform

Our approach has always been to start from granular data to build synthesis reports through analysis for various internal governance, risk, regulatory and compliance needs. With the new evolutions we also guarantee: traceability, fast closing, governability, quality, timeliness, uniformity, modularity, quality, flexibility, openness, integrability, and usability.

This is possible through the [Grace platform](#), which:

- **requires as input the granular and elementary data common to information systems,**
- **manages the complexity of the construction of structured information,**
- **structures information according to customer requirements and makes available a 'shared' data model at System level,**
- **makes it possible to 'extend' the managed information assets for 'corporate' uses,**
- **collects and normalises value-added information produced in vertical systems**



# Illimity and Engineering Group sign a long-term industrial partnership.

The agreement:

- constitutes the natural evolution path of a collaboration that sees the **illimity platform recognized as one of the most innovative, fully digital, modular and "cloud native" on the market today**, thanks also to Engineering's contribution over time;
- offers the entire market **state of the art solutions designed for operators**, even of significant size, interested in **digital native solutions** and usable from the outset in a proprietary, licensing or "as a service" manner in high potential segments;
- lays the groundwork for a **long-term relationship with illimity**, for which we can provide **solutions, excellence skills and industrial structure** to compete in a sector where the ability to "manage" Digital is central;
- **enriches Engineering's portfolio offering** with evolved **Digital Banking solutions** in the segments of Small Business, Retail Banking and in the complete management of portfolios of Non Performing Loans or Unlikely To Pay Loans.



# Our Projects

## BIG FINANCIAL DATA - INTESA SANPAOLO

**Increase the efficiency and effectiveness of complex data processing through digital transformation**

Quality, security and accuracy in data management are crucial for a credit institution. At the same time, data must be processed in a way that makes it quick to distribute and easy to access. Our client is aware of this need and has launched the 'Big Financial Data' project. We provided our platform to develop a new, unique legacy data governance system to optimise existing procedures and achieve higher levels of efficiency.

## REGULATORY DATA GOVERNANCE

**We support banking institutions in providing monitoring and control systems for reporting data**

The adoption of appropriate data management and data quality governance solutions is a necessary prerequisite for compliance with the laws and regulations of the sector (see Bank of Italy Circular 285/2013). In this context, a leading Italian Banking Group turned to us for the implementation of a Data Governance framework aimed at ensuring a high level of data quality and governance in the Signalling sector.





STRATEGIC APPROACH TO COMPLIANCE

**An operational model for collateral management for OTC derivatives**

We have implemented solutions for the optimised and strategic management of collateral to cover risks. This area is particularly critical given new regulatory implications and the increasingly urgent need for large banking groups to manage liquidity and collateral assets in an integrated and efficient manner.

REQUEST TO PAY

**We identified potential benefits and opportunities of the service by focusing on potential use cases**

The Request to Pay service is seen as a key driver for new business opportunities.

We supported a leading financial operator by launching a nationwide study of the Request To Pay solution, with a view to maximising the value of Instant Payments. We redefined the traditional service models for customer collection, evolved standard catalogue products into digital services, introduced new products/features and evolved the postal payment collection model with the SEPA XML standard.

SMART CREDIT MANAGEMENT

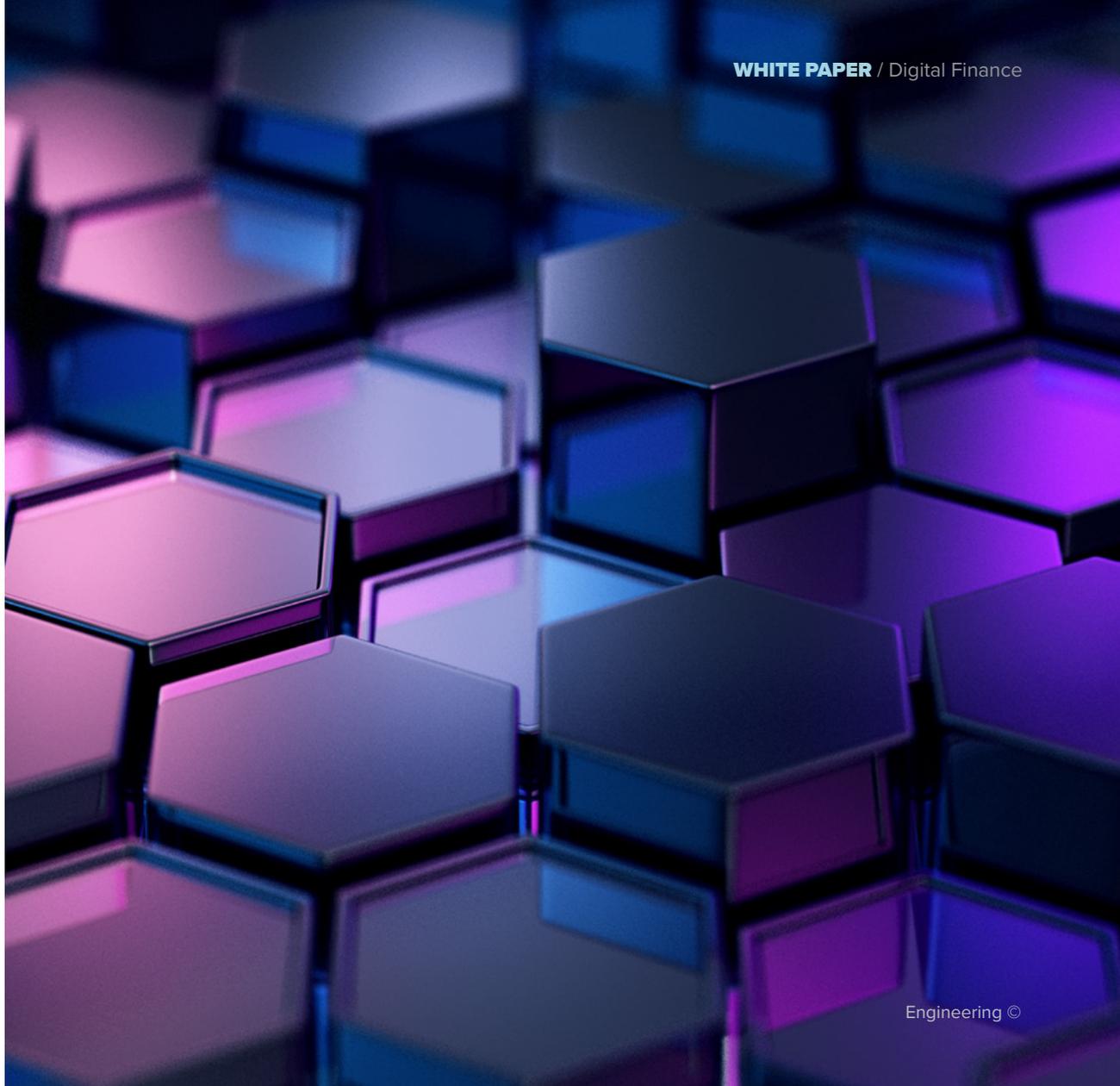
**Innovation in credit management and contract document production**

We provided our proprietary modular CLAPS suite. Drawing on our expertise in data analytics and RPA, we also developed a dedicated solution for the client called 'ELISE' (Sistema Integrato Prestiti Estes) for the management of all phases of instalment financing, from the initial simulation phases to the actual loan payment procedures.





# What Is The Future Of Digital Finance?





Over the last few years, the introduction of standards such as open banking, the technology push, the arrival of new players such as large-scale retailers, utilities and big tech, and fintechs have opened up the banking and insurance market to new realities with very competitive solutions and costs, allowing them to position themselves as competitors or partners of the system. At the same time, **fintechs are becoming service and platform providers for the banking and insurance system**, and this new horizon, towards which we are heading, is called 'embedded finance'.

And this is precisely the opportunity and the challenge for finance in the coming years: **the integration of different services** (no longer just banking and insurance), in order to offer their customers the tools they need quickly, without necessarily waiting for the implementation time of new projects.

But becoming 'smart' for financial and insurance institutions must not only mean providing new services and expanding their offerings, but first and foremost engaging with their customers in a new type of relationship. In addition to presenting themselves as a reliable and solid entity, **banks and insurance companies must begin to relate to their customers not as a 'user', but as a 'person'** with needs and life choices. Thanks to the use of data, banking and insurance institutions have started to get to know their customers better. And through AI & Advanced Analytics tools, they are increasingly able to offer them tailor-made proposals, modelling the offer on their needs to the point of anticipating their requirements.

But if they really want to ensure that the 'connection' with their customers grows from having a purely quantitative value (number of users or, if one thinks of the web, number of followers), to having an authentic value of **sharing needs, aspirations, and values**, banks and insurance companies must use technology to innovate their 'sensitivity'. They must evolve from a subject that is 'always available' to a subject capable of being 'in tune' with the customer, of responding to needs that go beyond the request for products or the remodelling of pricing.

The focus will be on keeping the customer 'connected' with the values, communication, partners, services in a broad sense and the professed creed of the financial and insurance institution.

Our business skills, integrated with our IT skills, will ensure that **technologies become truly powerful 'enablers' to personalise the offer, the way we relate with the individual customer precisely on the basis of 'who they are'**. The customer will choose their Bank and their Insurance because they recognise their own 'identity' and their own model of 'being'. Tomorrow's differentiating factors will be the ability to incorporate the emotional sphere into our services and our way of interacting - thanks to technological innovation.

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