



Hewlett Packard
Enterprise

TOWARDS FINANCIAL INCLUSION

Digital infrastructure allows India to deliver financial services to millions of citizens

Financial inclusion promises to power India's next great economic leap. Fino Payments Bank is one of the sector's pioneers. Its success is built on smart, efficient IT infrastructure management and a digitally enabled financial services distribution platform spread across the country.

Bringing banking to remote communities

Digital promises to transform the world of banking. No more so than in India, where physical branch services struggle to reach rural communities. The Indian government is working hard to expand financial inclusion by promoting the adoption of digital and mobile payments throughout the country. Its belief is that greater access to financial services will spur the economy and raise people out of poverty.

Fino Payments Bank is one of the pioneers in the financial inclusion space and a leading player in India's payments banking sector. Formed in 2017, the bank in a short period has expanded its reach across the length and breadth of the country providing banking access to millions. And it has done so successfully by adopting a phygital approach—deploying a mix of physical outlets and digital platforms. It is one of the few payments banks to regularly turn a profit.

Payments banks differ from retail banks in that they can't offer credit or loan services. This removes a vital revenue stream. The challenge for payments banks, Fino Payments Bank included, is to operate at scale, and with a relentless focus on operational efficiency.

"Our revenue model is tied to throughput," says Vinod Kumar, CIO at Fino Payments Bank. "We operate on the margins, working with merchants across India. Our transactions have to be efficient and enhance customer experience. Here we have one advantage over the legacy banks: we didn't start with a legacy IT environment."



INDUSTRY: BANKING

REGION: INDIA

VISION

Protect profit margins by enabling high-throughput, business-critical applications, and strengthening data management

STRATEGY

Establish a self-managed, self-optimized, and self-healing infrastructure, with visibility and predictive analytics

OUTCOMES

- Ensures speed and efficiency across customer-facing applications
- Reduces infrastructure management and strengthens business continuity
- Extends financial inclusion and enables support through the COVID-19 crisis

Ensuring secure, high-throughput transactions

HPE SimpliVity is one of the building blocks of Fino Payments Bank's IT infrastructure. Fino has seven HPE SimpliVity nodes and two compute nodes across its Mumbai and Hyderabad locations. Backups take less than 60 seconds for each 1 TB virtual machine.

HPE SimpliVity establishes a self-managed, self-optimized, and self-healing infrastructure, with visibility and predictive analytics. This supports several high-throughput applications and underpins the bank's business continuity plans.

"The low-latency means databases can be replicated very quickly. This was one of the features that originally attracted us to SimpliVity," says Kumar. Not only does this speed avoid the need for expensive WAN optimization, trimming costs, it enables Fino Payments Bank to meet industry regulations.

"As you can imagine there are very strict rules around data transfer and privacy. We need to prove we have maintained records, but, again, we need to work efficiently," he adds.



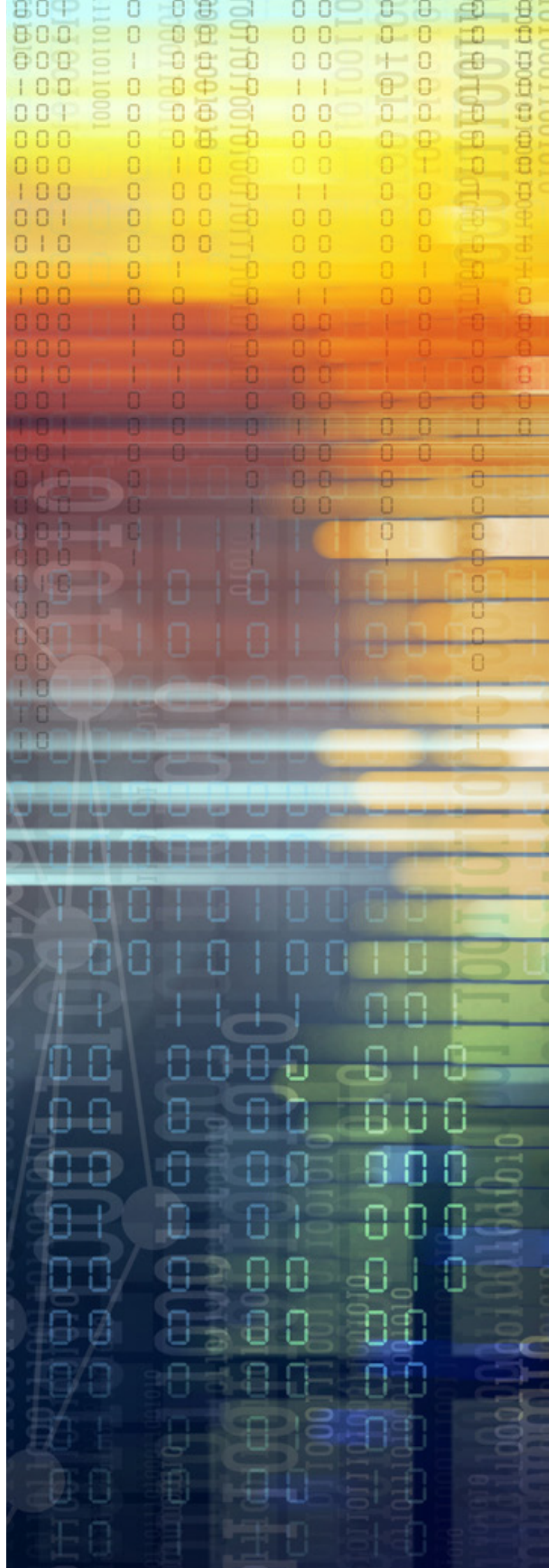
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The solution was deployed in April 2020 and has since expanded. Today, a host of critical applications are hosted on HPE SimpliVity.

"HPE SimpliVity enables us to create segmented environments where some of our highest-throughput applications can be housed. This includes our fraud management application. This checks data from several sources and has to provide an answer in near real time, and provide an alert if necessary. HPE SimpliVity means we can provide really low latency to manage the application functionality."

All activity within HPE SimpliVity is managed through a single pane of glass. This gives Fino Payments Bank the visibility over infrastructure usage, and, with HPE InfoSight, it establishes AI-powered autonomous operations that ensure the environment is always on and always fast. If issues arise, HPE InfoSight automatically logs in the background and a support ticket is raised.



Extending the reach of financial services

Fino Payments Bank's work has proved critical during the COVID-19 crisis. Using its network, the government has been able to make welfare payments to local communities and businesses—communities that would have been beyond the reach of traditional banks. This kind of reach demonstrates the importance of financial inclusion.

"If banking services had not been available in some rural communities, this situation could have turned into a nightmare," says Kumar. It would have been very difficult for the government to deliver financial support.

"HPE SimpliVity has been key in demonstrating to industry regulators the robust qualities of our infrastructure," says Kumar. "In turn, this has helped convince our senior management of the importance of investing in the right IT for our security and throughput needs."

The Indian government is keen to extend the service scope of payments banks, including payments of pensions, provident funds, and various welfare schemes under direct benefit transfer (DBT). This will enhance Fino Payments Bank's footprint in the financial inclusion space.

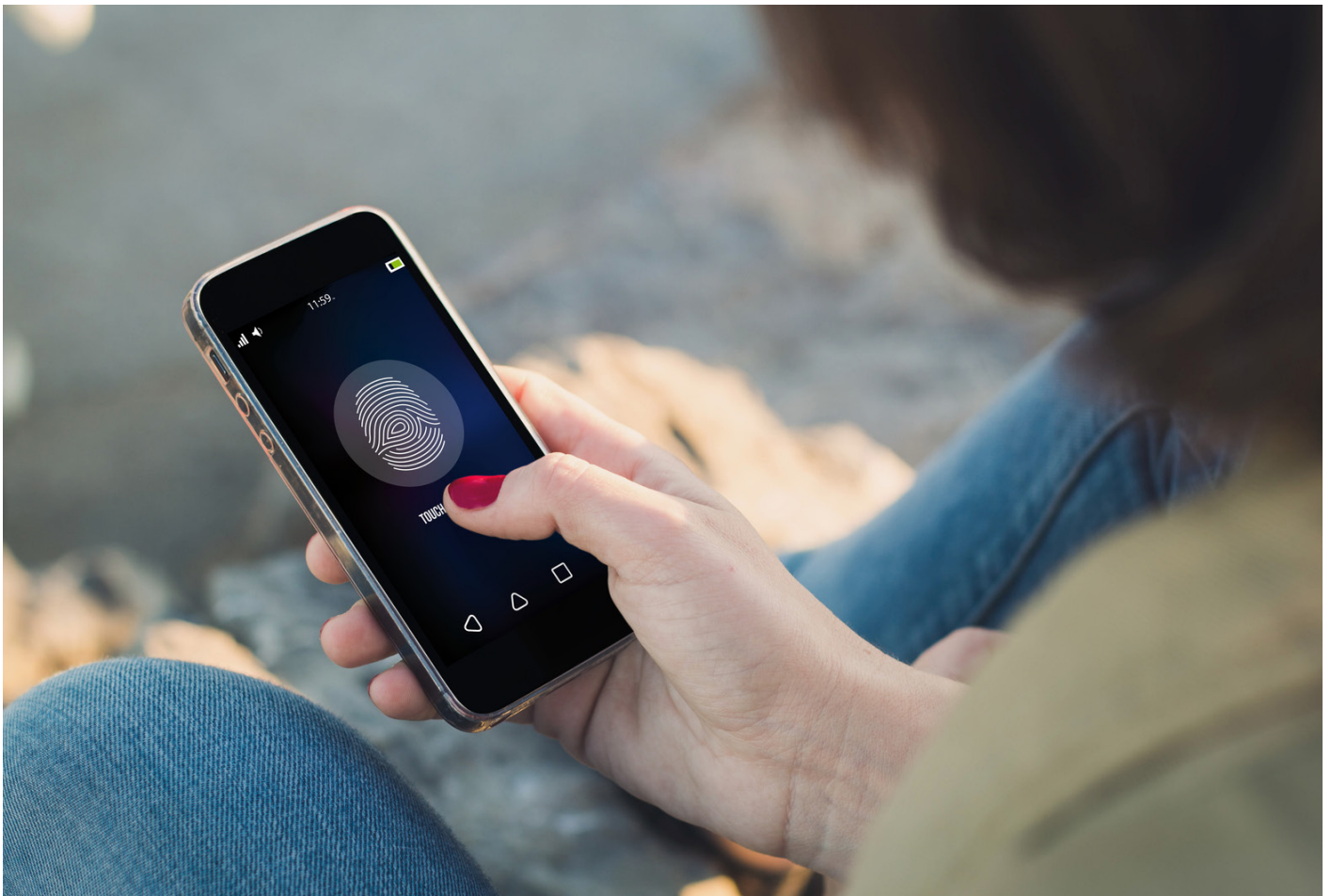
Across 2020, the bank's tech-enabled network model has driven sustained quarter-on-quarter profit after tax growth in excess of 43%.

"Scalability and the asset light nature of the business is resulting in business growth and profitability," says Kumar. "With around 70% of our phygital network present in rural/semi-urban areas, Fino's last-mile reach facilitates ease of access, convenience, and neighborhood banking services to millions of its own, as well as other banks' customers."



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