Microsoft

Module 1

# Microsoft Cloud for Financial Services Overview
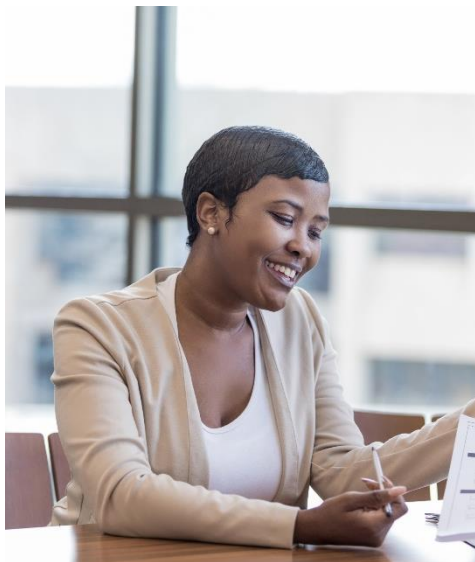
June 2022

# The COVID-19 pandemic was a catalyst for change and shifting business priorities

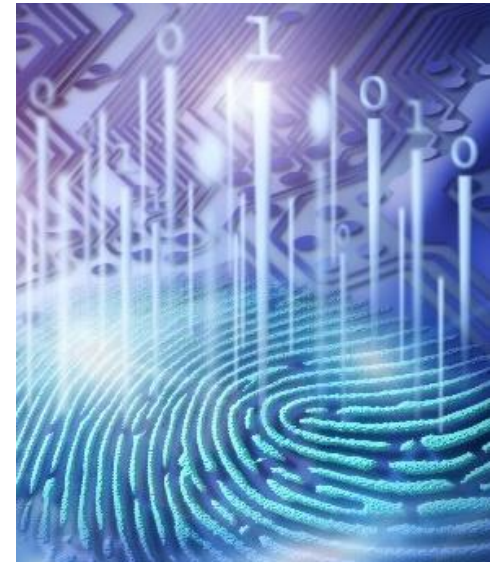Here's what we've heard from the industry:

**Customer engagement**

**Employee experience**

**Value creation**

**Fraud protection**

**Security and compliance**

Microsoft Cloud
for Financial Services

Microsoft Cloud
for Healthcare

Microsoft Cloud
for Manufacturing

Microsoft Cloud
for Nonprofit

Microsoft Cloud
for Retail

← Microsoft Cloud for Sustainability →

# Microsoft Cloud

Modern
work

Business
applications

Infrastructure

Digital and
app innovation

Data & AI

Security

## The most trusted and comprehensive cloud

# Microsoft Cloud for Financial Services - The Basics

o **What is Microsoft Cloud for Financial Services?**

    o A collection of capabilities for FSI that include  - purpose-built solutions, building blocks, existing capabilities, risk assurance support & regulatory compliance assessments initially targeting Retail Banking

    o Enables partners and customers to easily implement or extend  Microsoft 1st party solutions

    o General Availability  - Nov 1st, 2021

o **What it is not**

    o It is not a sovereign cloud. Runs within existing Microsoft data centers

o **How do we acquire it?**

    o Single SKU for Microsoft Cloud for Financial Services (Not required for every scenarios)

    o Need licenses for underlying services (Azure, M365, Teams, D365)

# Microsoft Cloud for Financial Services
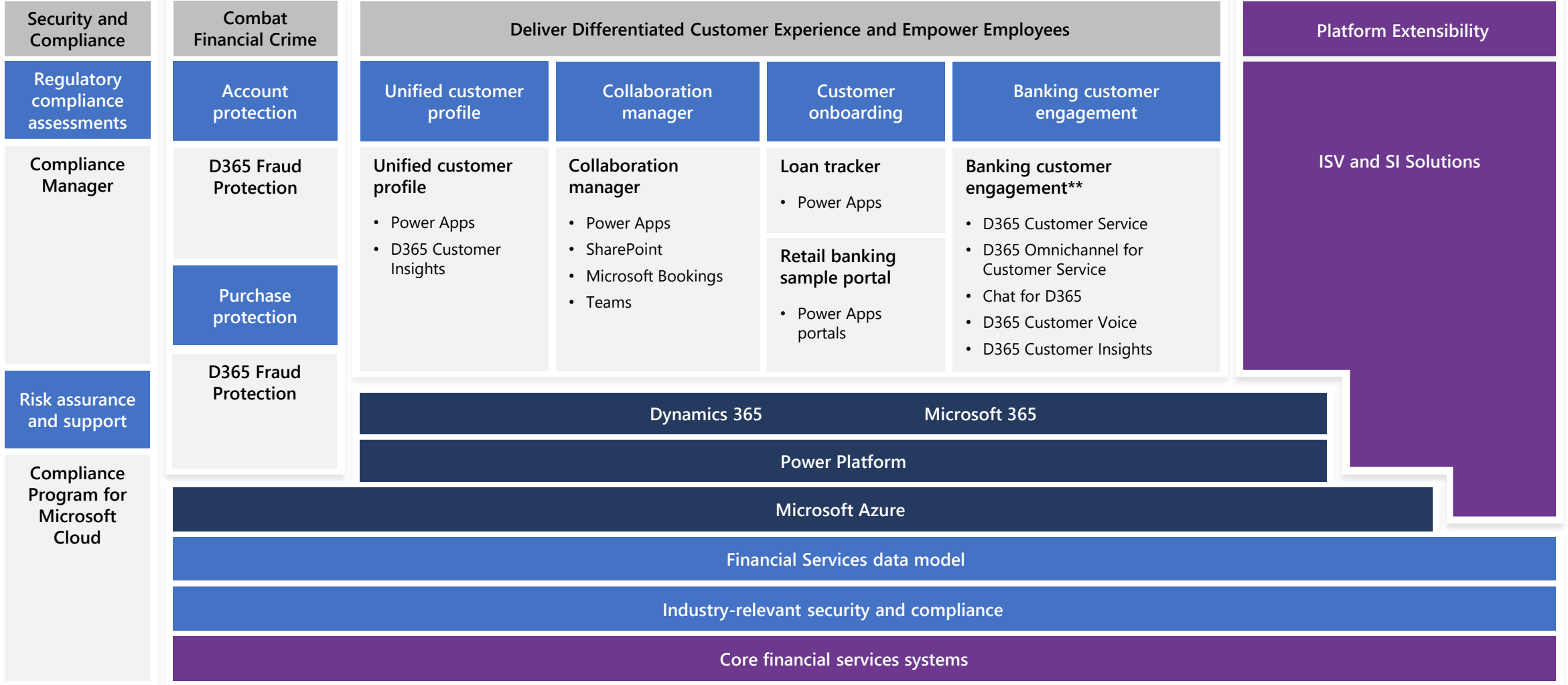
## Capabilities for Retail Banking

**Customer onboarding**
Provide customers with easy-access loan apps and self-service tools, streamlining the loan process to help enhance customer experience and loyalty

**Collaboration manager**
Enable automation, collaboration, and communications to help accelerate lending processes, minimize errors, and enhance customer experience

**Unified customer profile**
Help tailor customer experiences via a comprehensive view of the customer's financial situation

**Banking customer engagement**
Help personalize customer interactions with relevant financial information to accelerate time to resolution

**Risk assurance and support**
White glove service to support risk, audit, and compliance teams in addressing financial services regulatory compliance, cybersecurity, and privacy

**Account protection**
Help prevent fraudulent digital account creation and account takeover

**Regulatory compliance assessments**
Assess, monitor, and help improve compliance posture with global, regional, and industry regulations and standards

**Purchase protection**
Help provide a differentiated experience for merchants to improve revenue and retention

Deliver Differentiated Customer Experience and Empower Employees

Security and Compliance

Combat Financial Crime

**Industry Specific**

**Data model and connectors** — **Partner ecosystem**

**Microsoft Cloud**

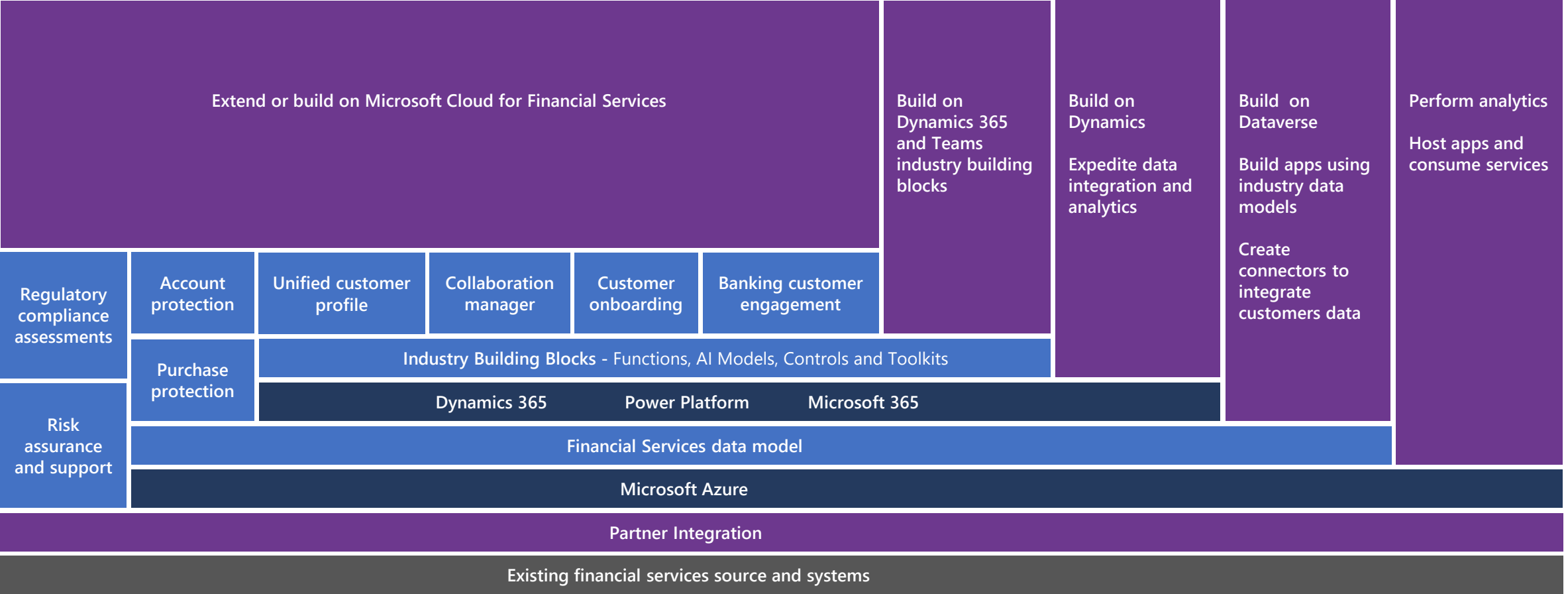# Enabling Technologies - Microsoft Cloud for Financial Services

| Security and Compliance | Combat Financial Crime | Deliver Differentiated Customer Experience and Empower Employees | | | | Platform Extensibility |
|---|---|---|---|---|---|---|

**Security and Compliance**

**Regulatory compliance assessments**

Compliance Manager

**Risk assurance and support**

Compliance Program for Microsoft Cloud

**Combat Financial Crime**

**Account protection**

D365 Fraud Protection

**Purchase protection**

D365 Fraud Protection

**Deliver Differentiated Customer Experience and Empower Employees**

**Unified customer profile**

Unified customer profile
- Power Apps
- D365 Customer Insights

**Collaboration manager**

Collaboration manager
- Power Apps
- SharePoint
- Microsoft Bookings
- Teams

**Customer onboarding**

Loan tracker
- Power Apps

Retail banking sample portal
- Power Apps portals

**Banking customer engagement**

Banking customer engagement**
- D365 Customer Service
- D365 Omnichannel for Customer Service
- Chat for D365
- D365 Customer Voice
- D365 Customer Insights

**Platform Extensibility**

ISV and SI Solutions

**Dynamics 365    Microsoft 365**

**Power Platform**

**Microsoft Azure**

**Financial Services data model**

**Industry-relevant security and compliance**

**Core financial services systems**

---

Industry priority scenarios    Microsoft Cloud for Financial Services capabilities    Microsoft solutions    Microsoft core technology    Third party

** Public Preview at GA

# Retail Banking | Building Blocks

| Email | SMS | Voice | Web | Ads | Mobile | Social | Branch | Remote consultation |
|-------|-----|-------|-----|-----|--------|--------|--------|---------------------|

**Retail Banking Solutions**

| Unified Customer Profile | Banking Customer Engagement | Customer Onboarding | FSI Collaboration Manager |
|--------------------------|-----------------------------|---------------------|---------------------------|

**Retail Banking Building Blocks**

Functions

| Customer Intelligence | Intelligent Scheduling | Document Intelligence | Intelligent Orchestration | Identity and Verification |
|----------------------|------------------------|-----------------------|---------------------------|---------------------------|

AI models

| Profitability Optimization | Leading Indicators | Process Optimization | | |
|----------------------------|--------------------|----------------------|--|--|

Controls

| Customer Snapshot | Groups & Relationships | Life Events | Financial Holdings | Financial Insights |
|-------------------|------------------------|-------------|--------------------|--------------------|

**FSI Collaboration Toolkit**

| Chats | Meetings | Files | Tasks | Approvals |
|-------|----------|-------|-------|-----------|

| Dynamics 365 | Microsoft 365 |
|--------------|---------------|

**Power Platform**

**Azure**

*Partner Apps*

**Retail Banking Data Model**

**Core Financial Systems (Core Banking Systems, Loan Origination Systems etc.)**

\* Proposed plan – some building blocks may be subject to change

# Partner Opportunity – Microsoft Cloud for Financial Services

Extend or build on Microsoft Cloud for Financial Services

Build on Dynamics 365 and Teams industry building blocks

Build on Dynamics

Expedite data integration and analytics

Build on Dataverse

Build apps using industry data models

Create connectors to integrate customers data

Perform analytics

Host apps and consume services

| Regulatory compliance assessments | Account protection | Unified customer profile | Collaboration manager | Customer onboarding | Banking customer engagement |
|---|---|---|---|---|---|

| | Purchase protection | Industry Building Blocks - Functions, AI Models, Controls and Toolkits |
|---|---|---|

| | | Dynamics 365 | Power Platform | Microsoft 365 |
|---|---|---|---|---|

| Risk assurance and support | Financial Services data model |
|---|---|

Microsoft Azure

Partner Integration

Existing financial services source and systems

- ■ Legacy Solutions and Data
- ■ Microsoft Cloud for Financial Services capabilities
- ■ Microsoft Cloud
- ■ Partner Solutions

** Public Preview at GA

# Unified customer profile

# Customer and employee experience

"With our Microsoft-based solution, our relationship managers now have the tool they need to serve clients even more successfully, build and maximize relationships, and identify and act on new opportunities.

— **Anneke Broere**
Business Owner of ClientLink at Rabobank

# Unified customer profile

Help tailor customer experiences via a comprehensive view of the customer's financial situation

## Customer insights
Financial details, such as life events and household information, help create a single customer view

## Summary view
Insights drawn from unified customer information help drive better customer outcomes

## Banking segments
Segmentation helps you focus on the right customers and opportunities to increase success

## Churn risk
Adaptive AI helps anticipate customer abandonment so you can work proactively to reduce risk of churn
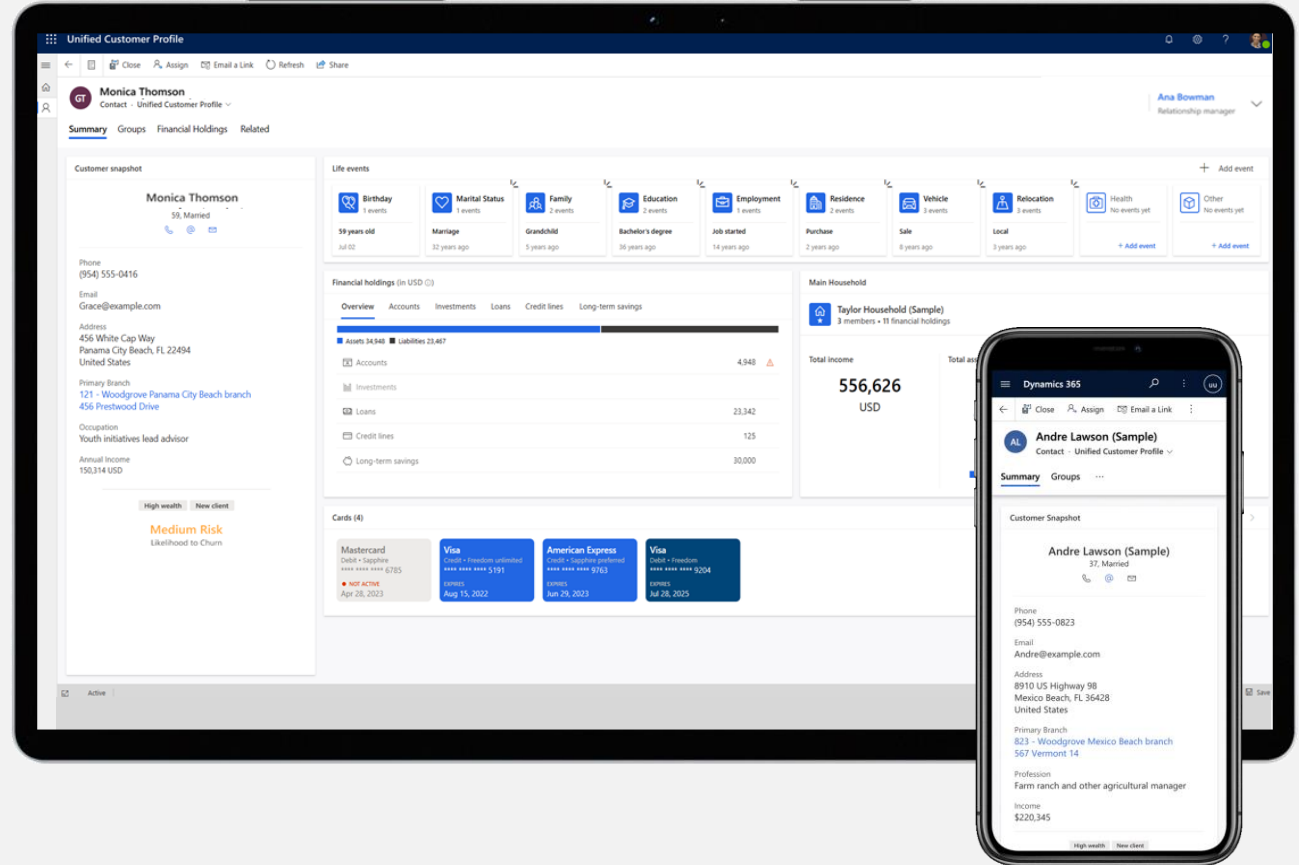
# Unified customer profile

## Customer 360 unlocked

- Centralize your customer data in a single place via Microsoft Dataverse and the industry data model
- Benefit from a data-first experience that helps bring together financial details, life events, and household information into a single view
- Leverage 500+ built-in connectors to bring in your customer-relevant data and information
- Build custom applications leveraging our controls with low- and pro-code tools
- Build custom connectors to nearly any system of record or data source and integrate apps and data directly

## Relationship manager productivity

- Help drive better customer outcomes with insights drawn from unified customer information
- Leverage a purpose-built banking churn model to help understand churn risk at a glance
- Leverage our existing banking segments and bring in your own rules and definitions
- Offer the most accurate and important customer information to your relationship managers to improve the customer experience

# Unified customer profile

## Financial holding

Empower bank agents to quickly understand wallet share, total assets and liabilities, and key flags related to holdings to help surface opportunities and deepen relationships

## Life events

Offer at-a-glance view of life milestones to help identify financial opportunities, create personalized offers, and deliver consistent engagement experiences across bank agents

## Connections

Help bank agents understand the "impact and influence" of their customers, the potential financial strength of the customer, based on their groups and relationships, e.g., familial connections



**Dependencies:** Power Apps, Dynamics 365 Customer Insights
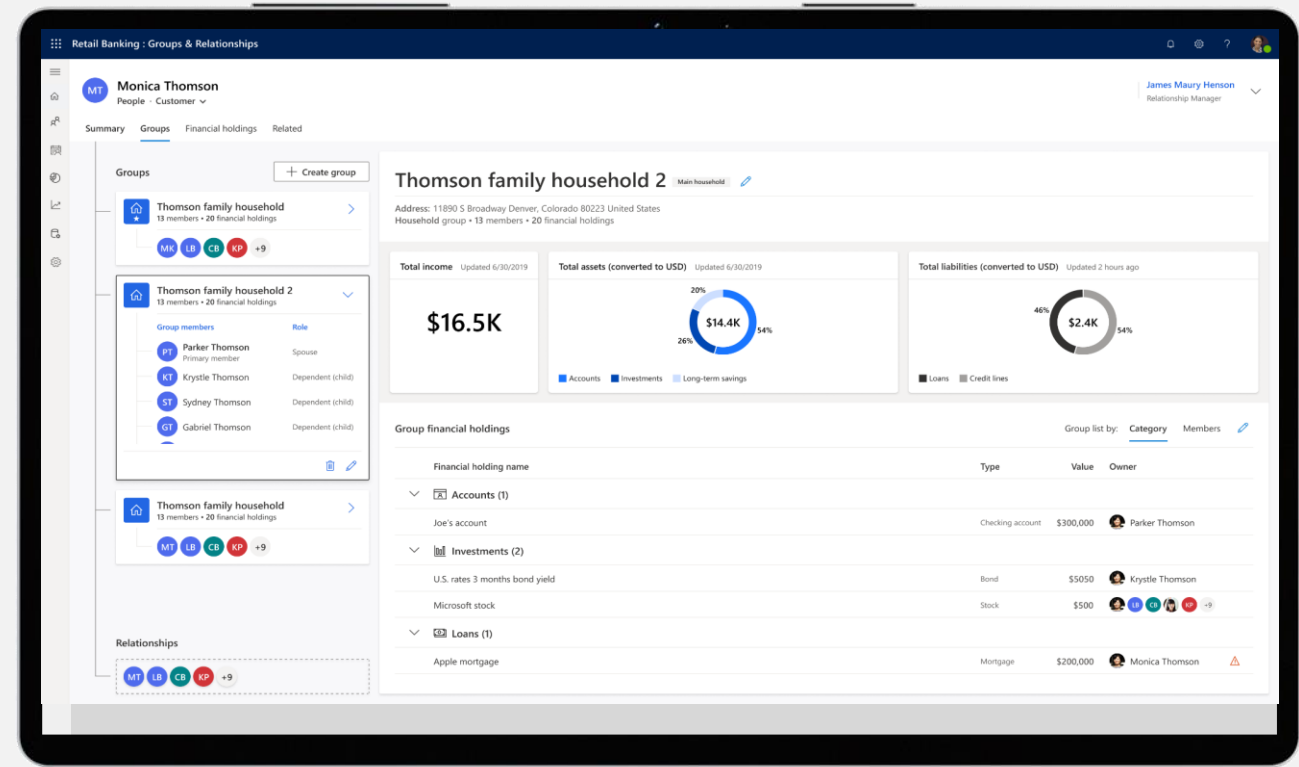
# Unified customer profile

## Componentization
Flexibly leverage components and add your own

## Embed your processes
Bring your business processes by building custom applications leveraging our controls with low- and pro-code tools
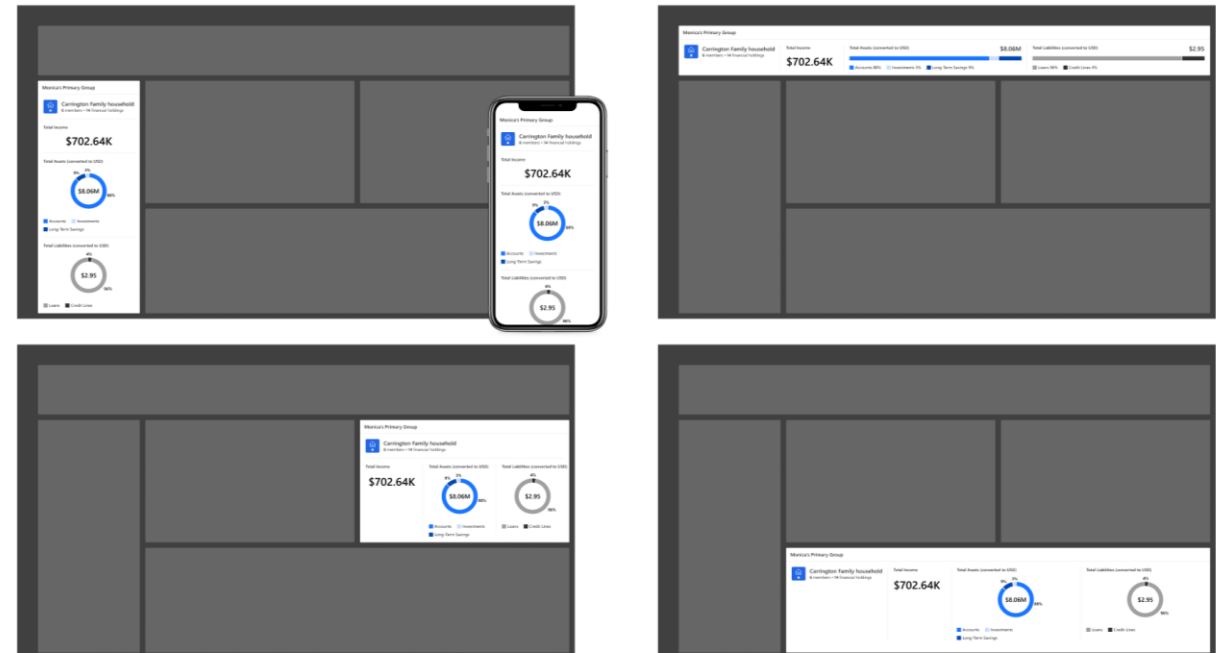
# Unified customer profile
## Reference architecture

**Unified customer profile**

**D365 Customer Insights**

**Banking Customer Intelligence**
- Financial Services Segments
- Financial Services Models (Financial Services Churn)
- Financial Services Measures

**CI Data Store**

Retail Banking Entities

**Power Apps**

Unified customer profile app

**Core Retail Banking Controls**
- Customer snapshot
- Connections (Groups & Relationships)
- Life events
- Financial holdings

**Dataverse**

Financial Services Core Retail Banking Plugins

Financial Services CI Entities

Industry Data Model

Common Data Model

**Bank Environment**

Bank Schema 2 Financial Services CDM

Non-Customer Experience optional data

Customer Experience data (CIF+)

Additional Bank data sources

Banking Core Compute

**Key**

Microsoft products

Capability components

Bank environment

# Customer Onboarding

# Customer onboarding

Provide customers with easy-access loan apps and self-service tools to help streamline the loan process

## Accelerated application process

Enable customers to efficiently apply for and keep track of a loan through mobile app or online portal to help improve loyalty and satisfaction

## Loan process management

Enable loan managers to monitor the loan process to help increase productivity and ensure consistent customer experiences
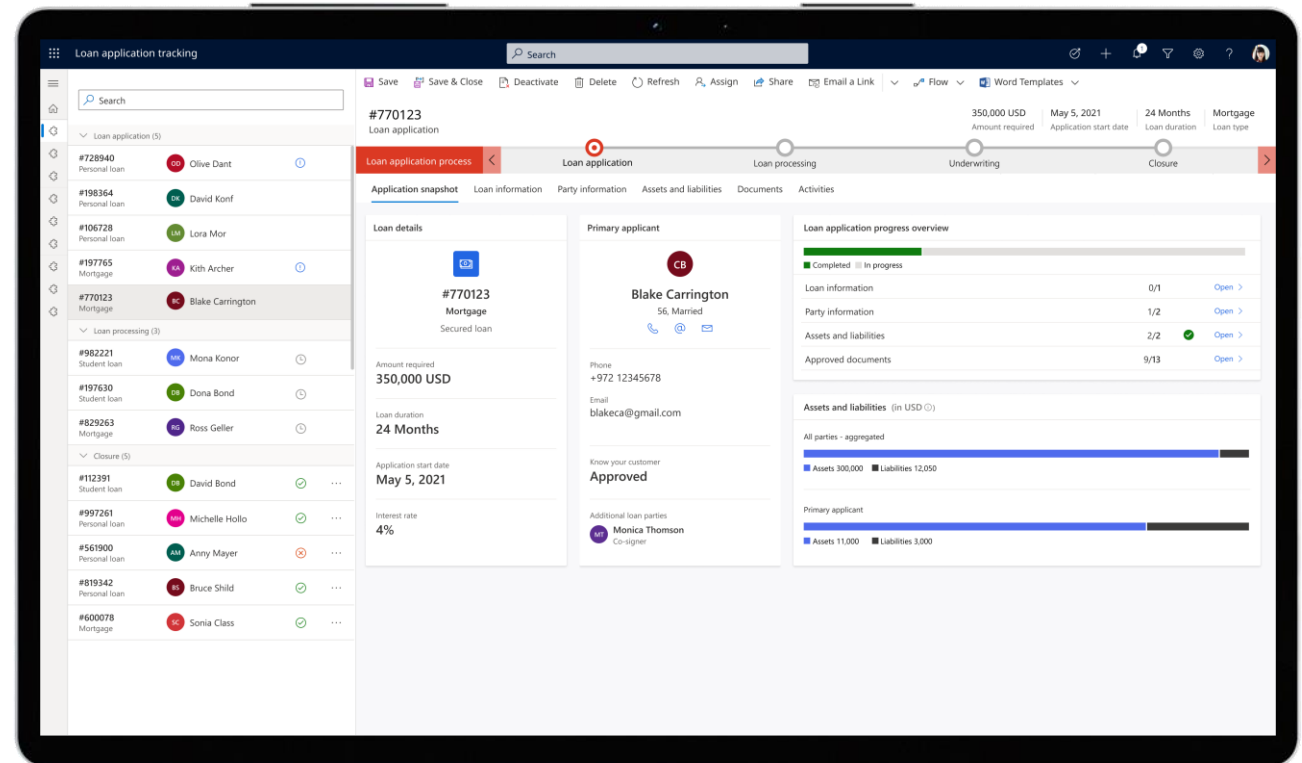


*Public preview edition*

# Customer onboarding

Reference architecture

## Key

Microsoft products

Capability components

Bank environment

**C2 Customer**

Note: Customer onboarding includes an optional sample portal powered by Power Portal to showcase how C2 can interact with the system

### Customer Onboarding

**Power Automate**

Auto Archiving

**Power Apps**

Loan Tracker Application

**Customer Onboarding Controls**
- Application snapshot
- Loan parties' details verification
- Financial strength snapshot / assets & liabilities view
- Loan application document management

**Dataverse**

| Loan Application Plugins | Loan Application Business Process | Loan Application Management Logic | Document Rule Engine |

Loan onboarding DM

Financial Services Common DM

Common Data Model

**Bank Environment**

Bank Schema 2 FSI CDM

Customer Experience data (CIF+)

Banking Core Compute

# Collaboration Manager

# Current Mortgage Process

| Discovery | 3 – 7+ days | Application | 6 – 7 days | Processing | 15 – 20 days | Underwriting | 10 – 15 days | Closing | 10 days | 45 Days Total |

**Home Buyer**
- Visits bank website to learn about mortgage process.
- Schedules an appointment with a loan officer.
- Receives pre-approval letter.
- Finalizes an offer on a home.
- Submits loan application online.
- Waits for confirmation & provides additional documents if necessary.
- Contacts insurance agent for homeowners' policy.
- Signs closing documents.
- New homeowners!

**Loan Officer**
- Meets with customer to give insights and share initial quote.
- Requests documentation for pre-approval eligibility.
- Helps fill and check forms and compiles document package.
- Requests additional documents or re-submits documents.

**Processor**
- Organizes files and conducts review.
- Requests 3rd party data (e.g. credit bureau).
- Requests home appraisal.
- Meets with customer to explain mortgage terms.
- Requests additional or missing documents.

**Underwriter**
- Initial underwriting pre-approval.
- Final underwriting approval.

5–6 times

**Closer**
- Compiles all documents and performs quality check.
- Arranges closing meeting between relevant parties.
- Sets up wire transfer and authorizes funding.
- Records documents for compliance and audits.

**Insurance Agent**
- Meets with customer to gather information.
- Creates a new homeowners' policy.
- Requests appraisal and mortgage loan documentation.
- Waits for final underwriting approval.
- Sends insurance policy to customer and mortgage lender.

| Cost per loan | 15 – 25% | 25 – 35% | 35 – 45% | 4 – 14% | $2,500 |

# Collaboration manager

## Lending automation

Intelligent tools help orchestrate lending processes and streamline operations

## Cross-team collaboration

Intelligent dashboards help empower teams to collaboratively manage lending volume and centralize task and file management

## Communications

Communications features help support customers virtually while meeting security and compliance needs
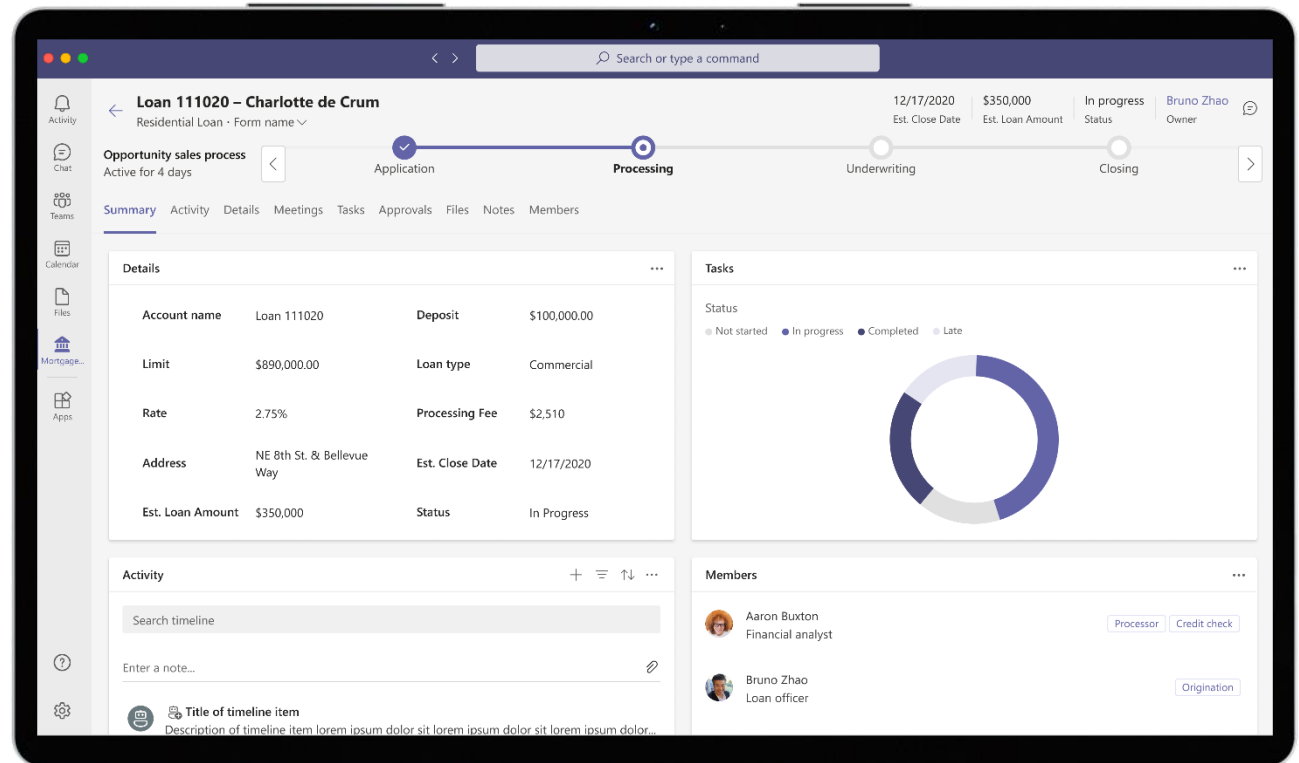


*Public preview edition*

# Collaboration manager

## Process orchestration

- Create flows with Power Automate triggered right from your Microsoft Teams data
- Use low and pro-code development tools to ideate, test, and deploy workflows
- Save costs and accelerate innovation with intelligent bots and robotic process automation (RPA)

## Data aggregation

- Centralize your data via Microsoft Dataverse and the industry data model
- Leverage 500+ built-in connectors to help bring your content, tools, and apps into the Teams workspace
- Build custom connectors to nearly any system of record or data source and integrate apps and data directly into Teams

## Centralized task management

- Start a list from scratch or save time with pre-built templates in Lists
- Manage teams' tasks from Planner and individual tasks from To Do
- Assign specific tasks to individuals or teams and easily track actions
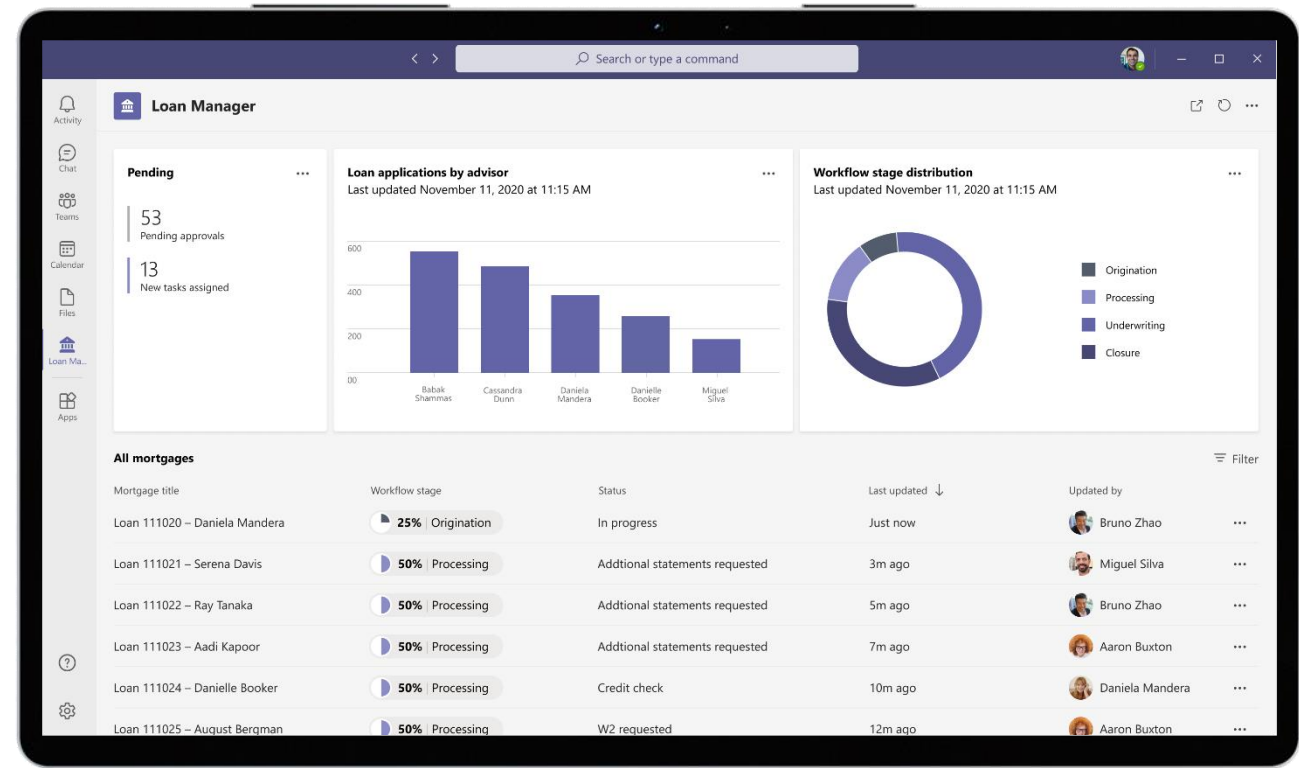


*Public preview edition*

# Collaboration manager

## Document management

- Ingest and store customer loan documents in SharePoint or third-party document repositories
- Collaborate on documents, assign tasks, and route for approval

## Approval management

- Create, manage, share, and act on approvals across your structured and unstructured systems from the Approvals hub in Teams
- Leverage integration with Adobe Sign and DocuSign for electronic signatures on loan documents, including Live Signing and notarization
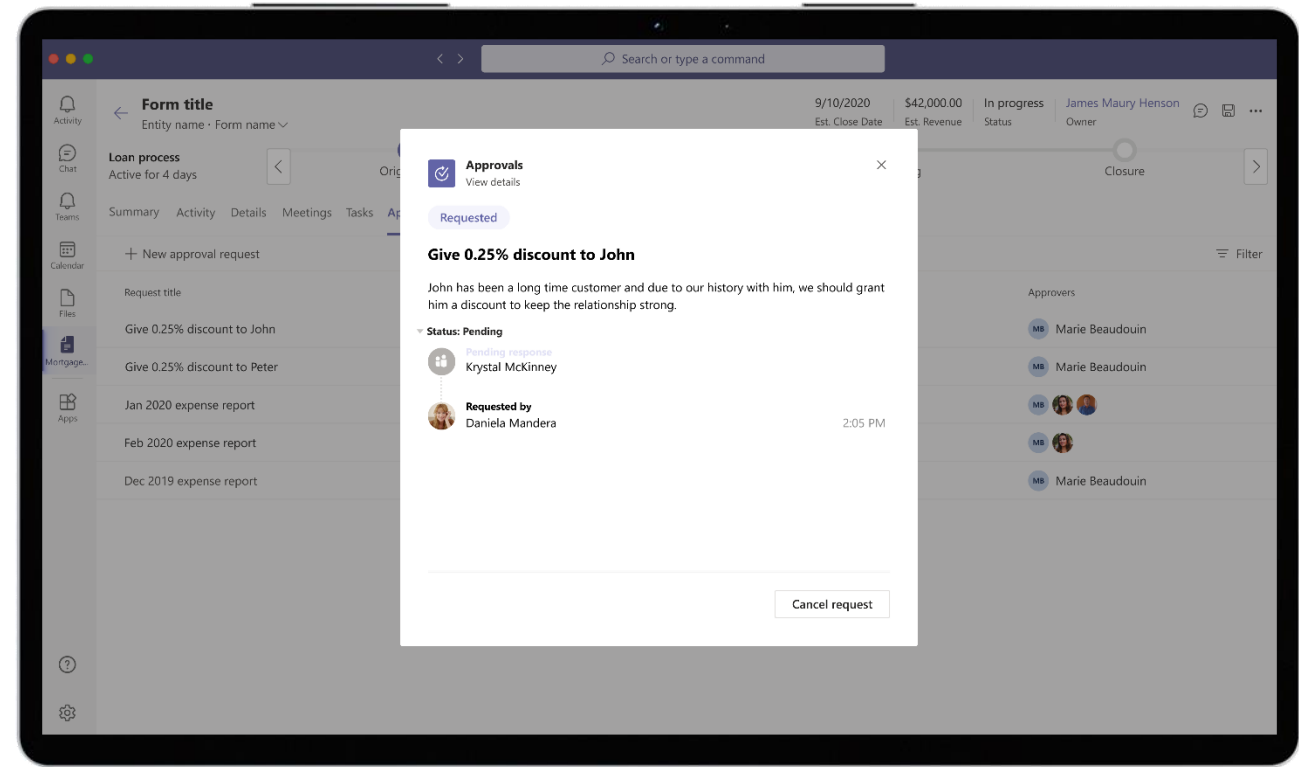


*Public preview edition*

# Collaboration manager

## Appointment scheduling and booking

- Use the web-based booking calendar of Bookings and integration with Outlook to help optimize staff calendar's and empower customers with flexibility for scheduling
- Conduct virtual appointments via Teams and manage day-to-day scheduling via the Bookings app in Teams

## Real-time communications

- Help drive robust bank-to-customer and front-to-back-office digital communications with Teams
- Embed customer information from CRM systems (Dynamics 365 and third-party) directly into Teams channels, meetings, chats, etc.
- Utilize compliance capabilities with recording and integration with multiple third-party and compliance systems

## Secure messaging

- Leverage priority notifications, tagging capabilities, and read receipts
- Enable federated messaging within Teams to connect with authorized external users
- Automatically escalate messages to another user when an intended recipient is unavailable or out of office
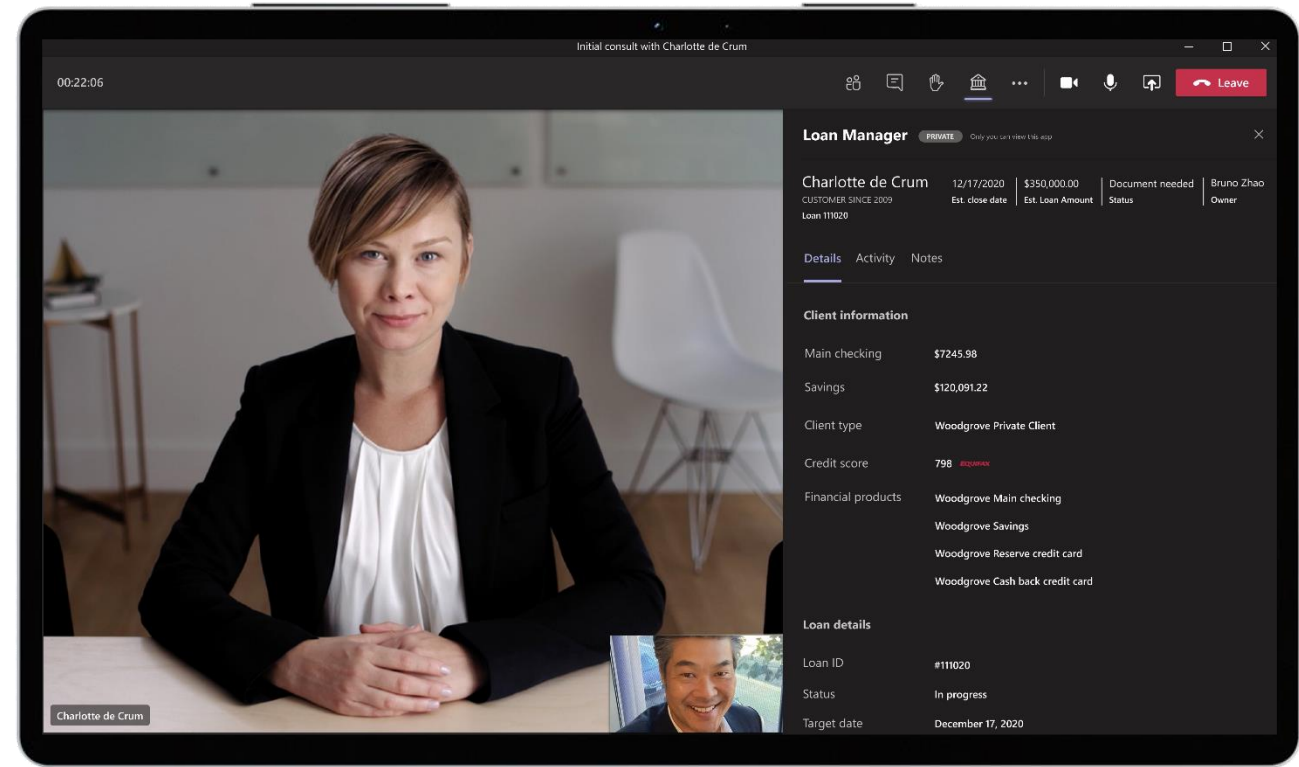
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# Collaboration manager

## Reference architecture
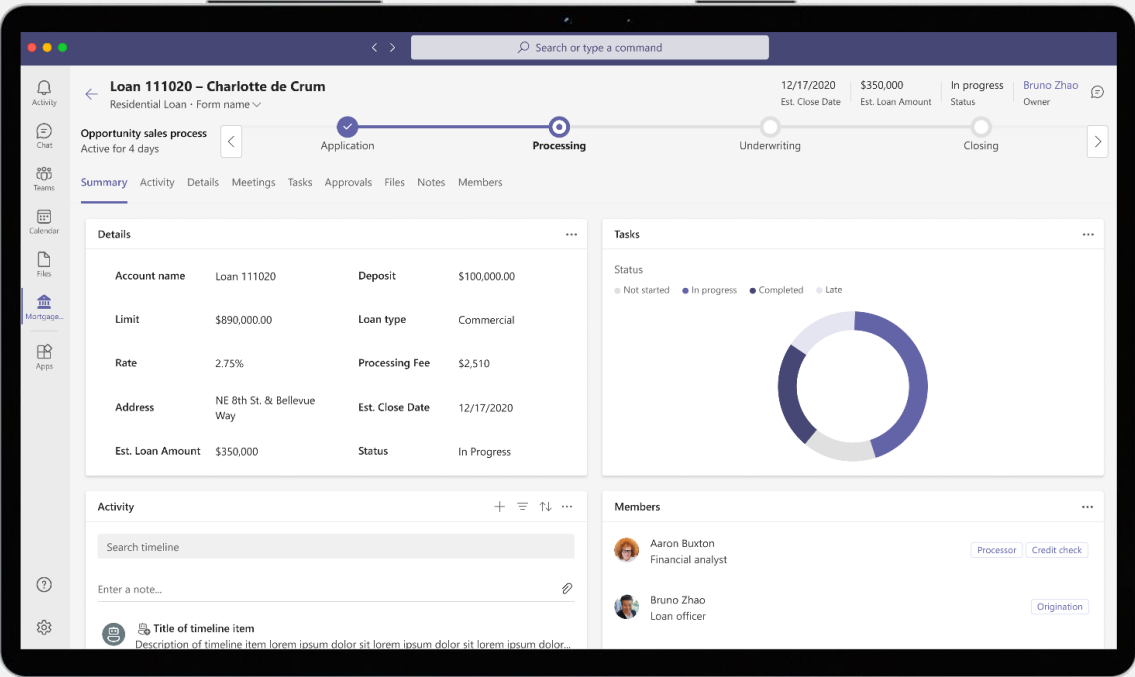


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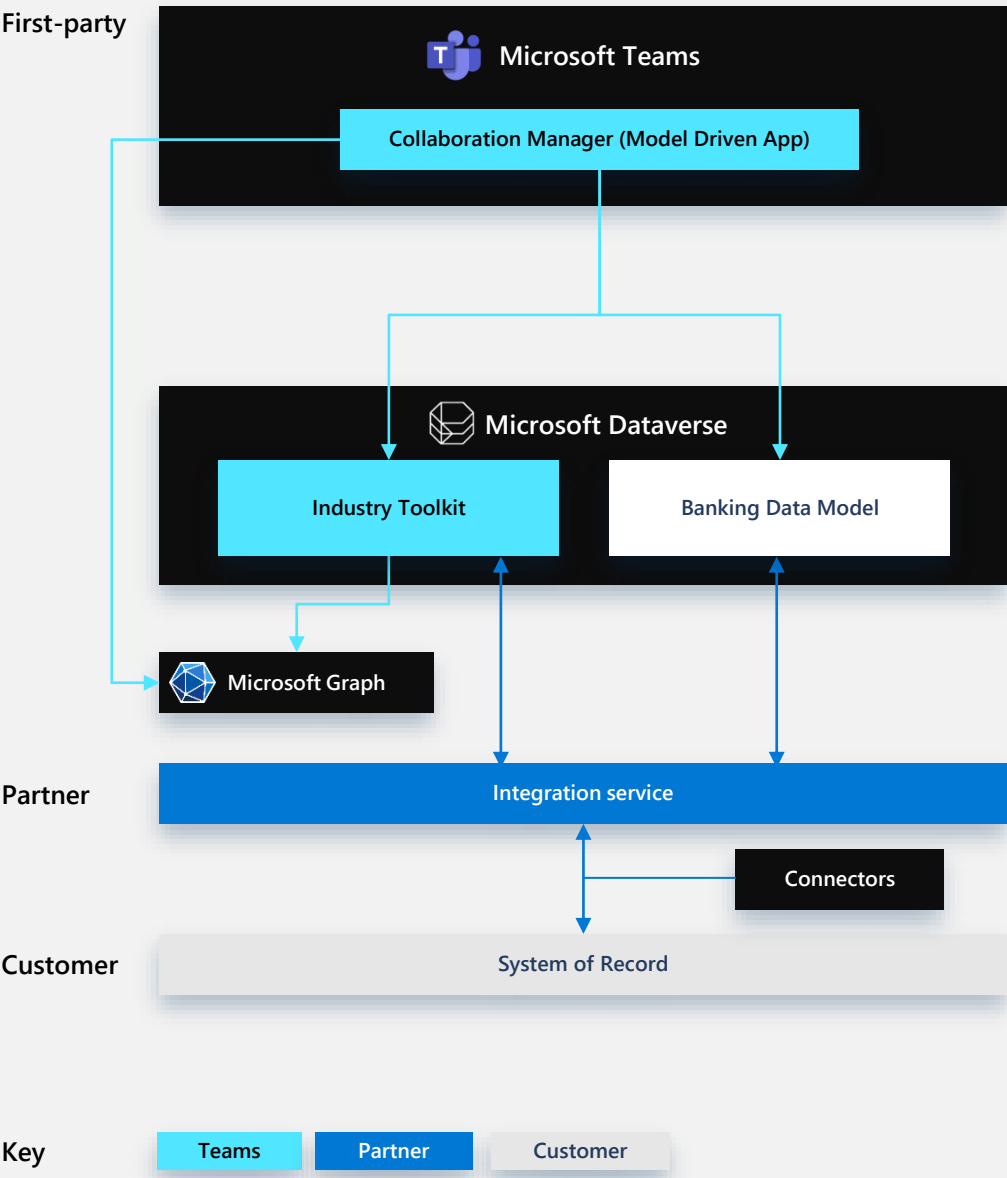
First-party

Microsoft Teams

Collaboration Manager (Model Driven App)

Microsoft Dataverse

Industry Toolkit

Banking Data Model

Microsoft Graph

Partner

Integration service

Connectors

Customer

System of Record

Key

Teams | Partner | Customer

# Banking customer engagement

# Banking customer engagement

## Personalization

Financial understanding helps personalize interactions for meaningful engagement

## Customer service center

Unified customer profiles help empower service agents with the right information to drive towards quick resolution

## Omnichannel experiences

A unified agent desktop helps deliver consistent, connected experiences across channels including voice, messaging, and social
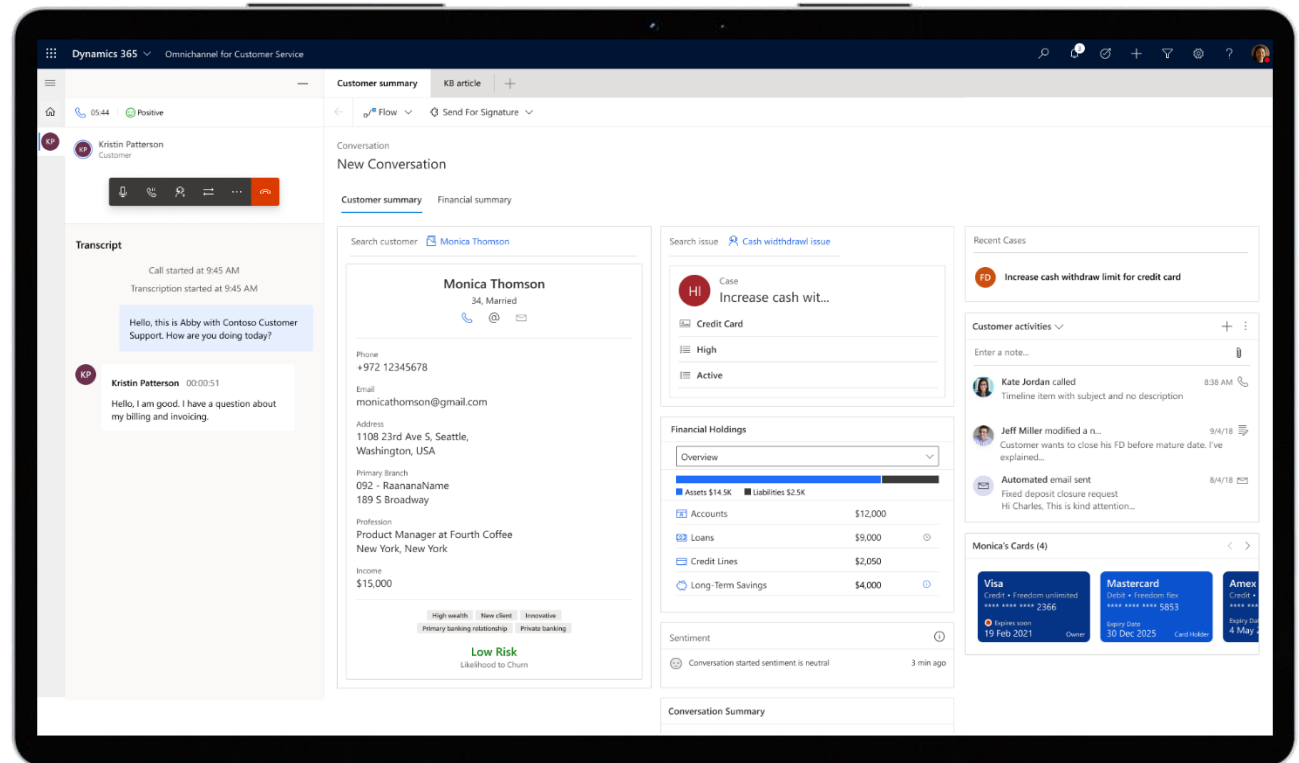
*Public preview edition*

# Banking customer engagement

## Financial information in the flow

- Inform customer conversations with an easily available financial summary to help drive better customer engagements
- Help understand the risk of churn at a glance powered by a purpose-built banking churn model
- Leverage our existing banking segments and bring in your own rules and definitions

## Accelerate and optimize customer service

- Offer easy access to financial holding details to personalize customer engagements
- Deliver a full customer view within Omnichannel, arming service providers with relevant information at their fingertips
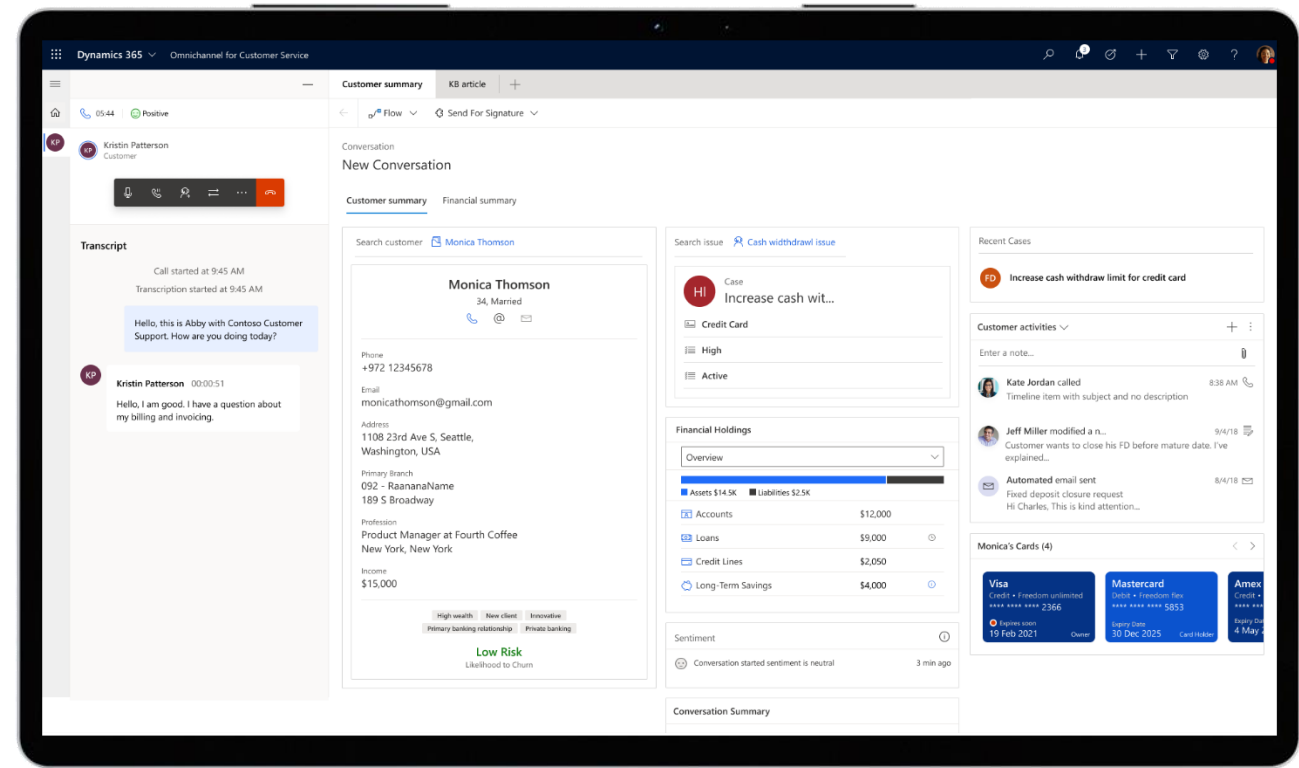


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# Banking customer engagement

Help personalize customer interactions with relevant financial information to accelerate time to resolution

## Engage customers in their preferred channel

- Benefit from consistent, connected experiences across channels including voice, chat, SMS, Facebook Messenger, WhatsApp, WeChat, Twitter DM, and Line – all from a unified agent desktop
- Automate self-service with virtual agents and rich knowledge-base portals via Power Virtual Agent

## Leverage experts on the fly

- Use Microsoft Teams to help agents connect with subject-matter experts and resolve complex cases quickly, regardless of their job function or location
- Reference relevant resources quickly with AI-powered suggestions that use real-time context cues to recommend similar knowledge articles or cases
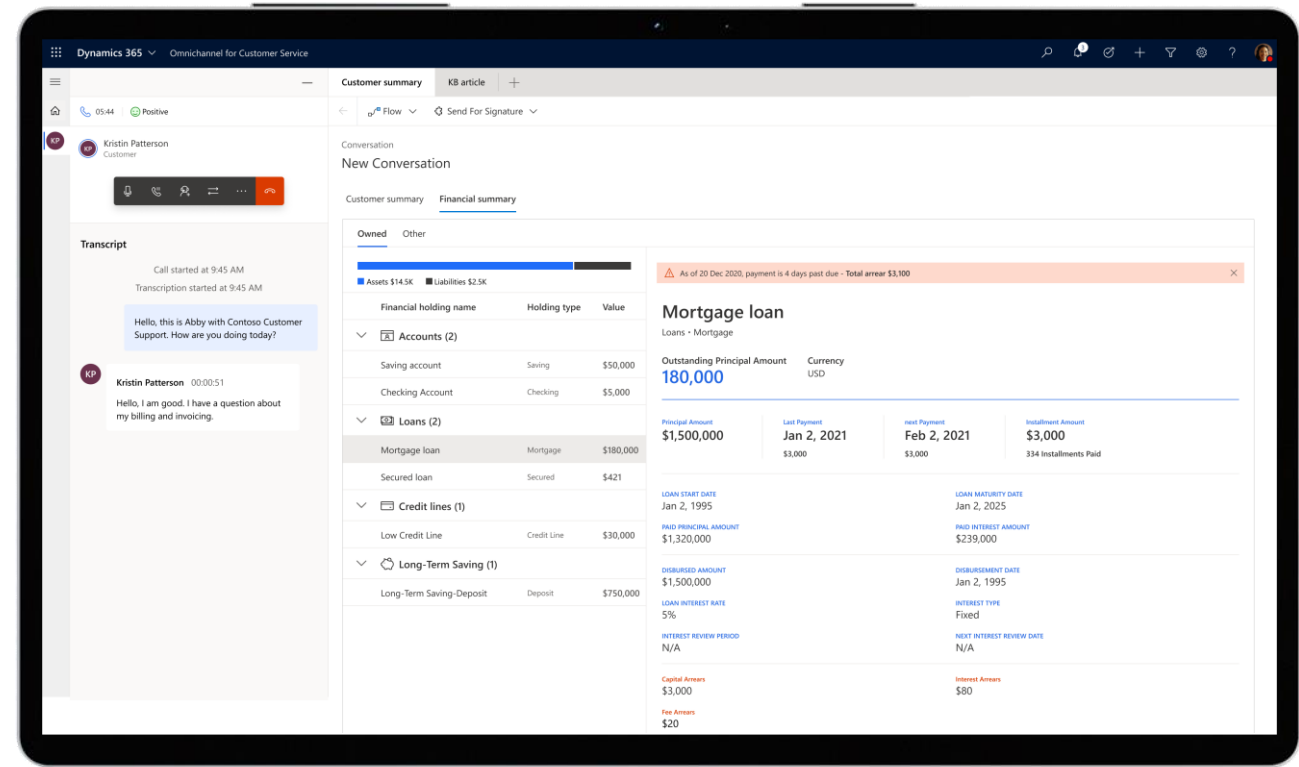
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# Banking customer engagement

Reference architecture

**Banking Customer Engagement**

## D365 Customer Insights

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- Financial Services Measures

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Retail Banking Entities

## D365 Customer Engagement

Omnichannel

**Power Apps**

**Core Retail Banking Controls**
- Customer snapshot
- Life events
- Financial holdings

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Capability components

Bank environment

# The capabilities connect for a unified journey

**Customer onboarding**

**Banking customer engagement**

**Unified customer profile**

**Collaboration manager**
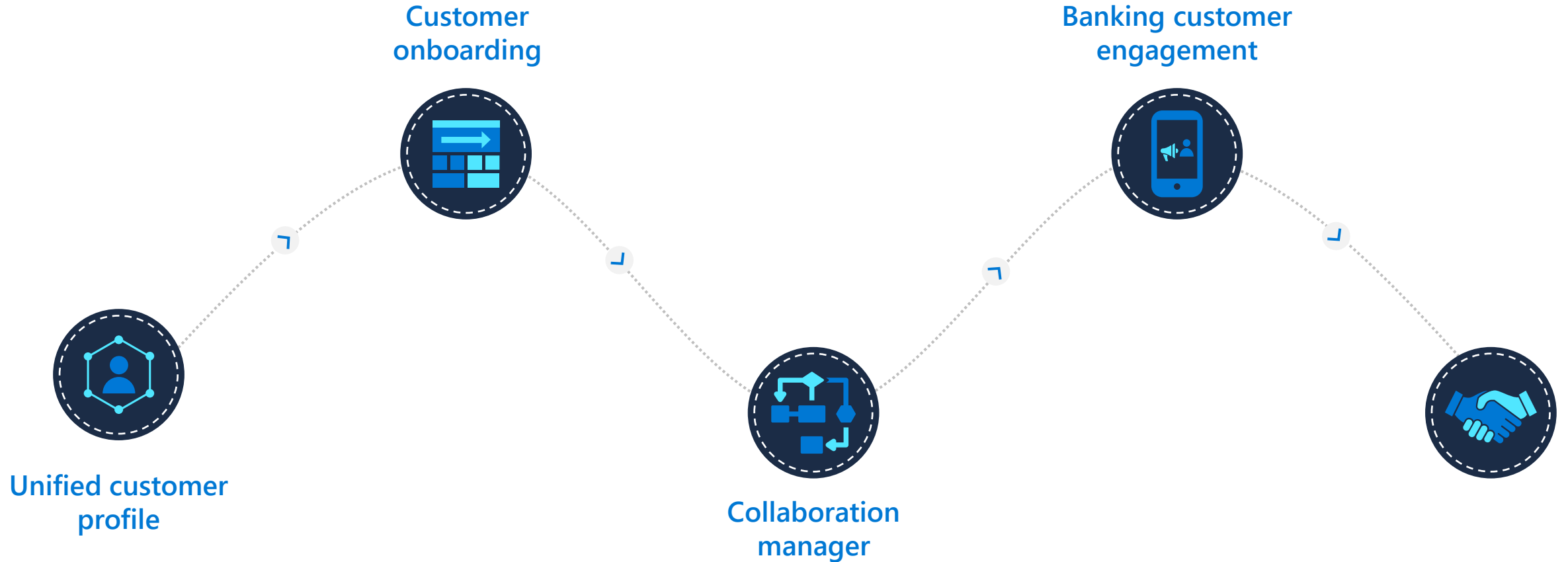
# Combatting financial crime

"Next-gen tech can increase productivity in financial crime operations by 30-75%. These are significant numbers as global spending on AML and fraud operations is estimated at $31.6B for 2020."

— **Neil Katkov, PhD**
Head of Risk and Compliance, Celent

# Account protection

Help prevent fraudulent digital account creation and account takeover

## Risk assessment and bot protection

Take advantage of these two key services in a single solution

## Simple integration

An API within this SaaS solutions helps you easily integrate with your existing systems

## Built-in compliance

Leverage an approach built for compliance with encryption of data in transit and at rest
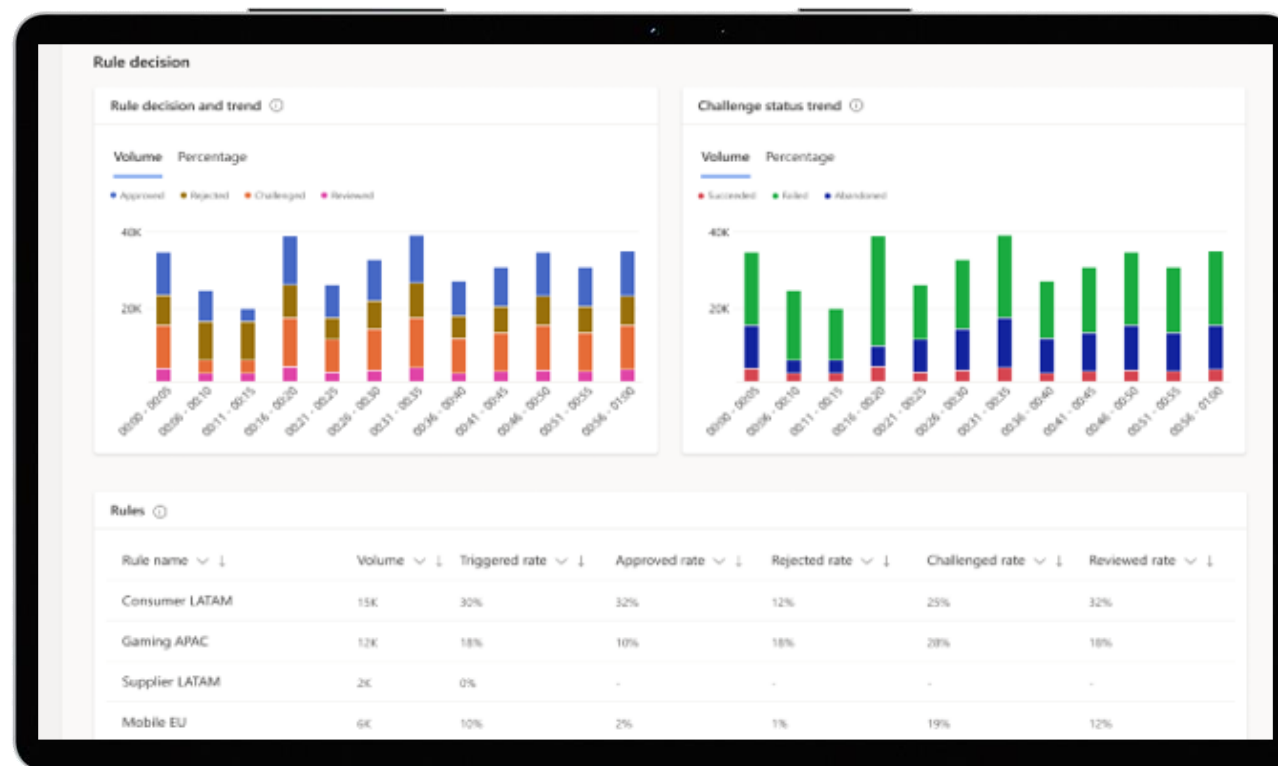
# Purchase protection

## Help provide a differentiated experience for merchants to improve revenue and retention

### Balanced approach

Help reduce loss and decrease false positives to improve merchant profitability

### Transaction acceptance booster

Stream live data to your card authorization engine to help authorize more legitimate transactions

### Customer value

Help manage fraud for your customers at scale as a service
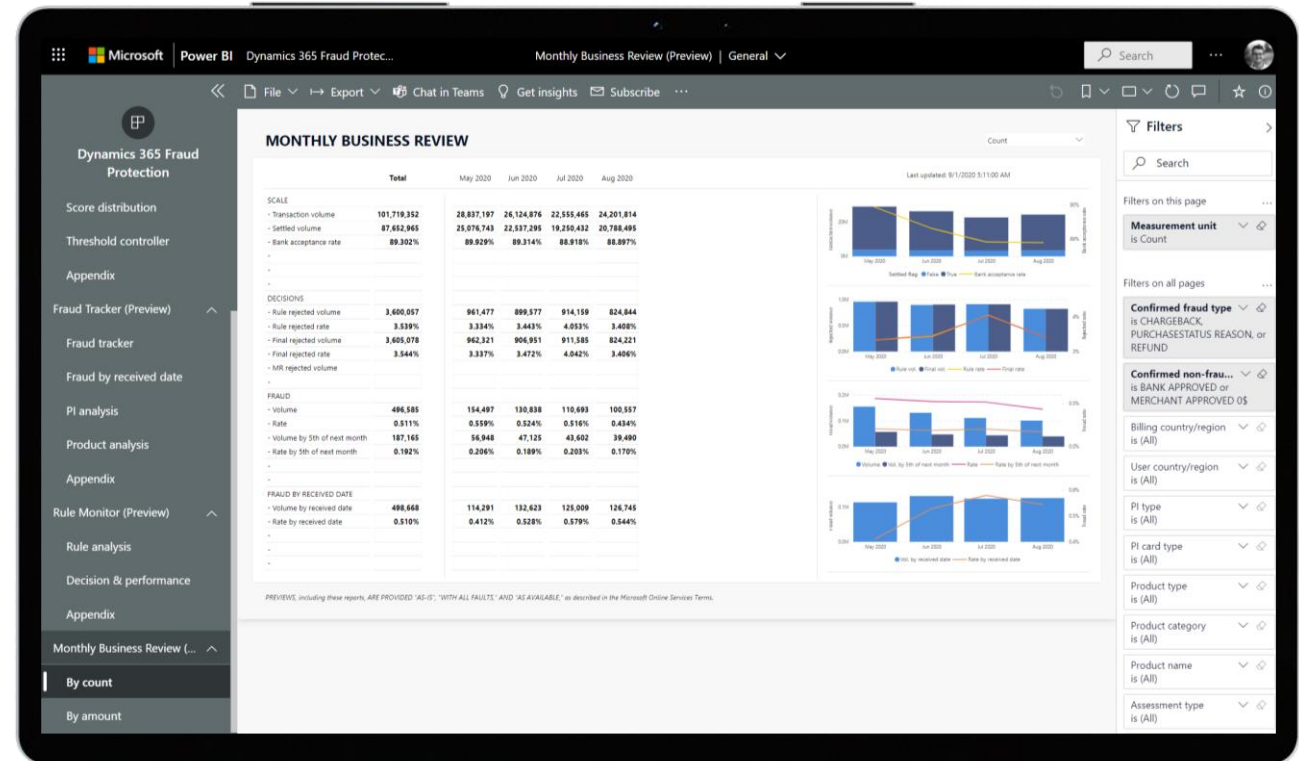
# Security and compliance

"We do not compromise on data privacy. Against that background, the security and compliance functions of Azure were convincing, which is why we chose Microsoft as our competent cloud provider."

**— Lutz Küderli**
Head of Underwriting, Claims, Digital Services
and Insurance Medicine (Europe/LATAM)
for Life & Health at Munich Re

# Regulatory compliance assessments

Assess, monitor, and help improve compliance posture with global, regional, and industry regulations and standards

## Cloud risk assessments

Help accelerate your Microsoft cloud and vendor-related risks assessments

## Industry standards

Leverage 40+ pre-built assessments for standards and regulations such as GDPR

## Compliance posture

Help improve your overall compliance posture, enhancing security and privacy controls
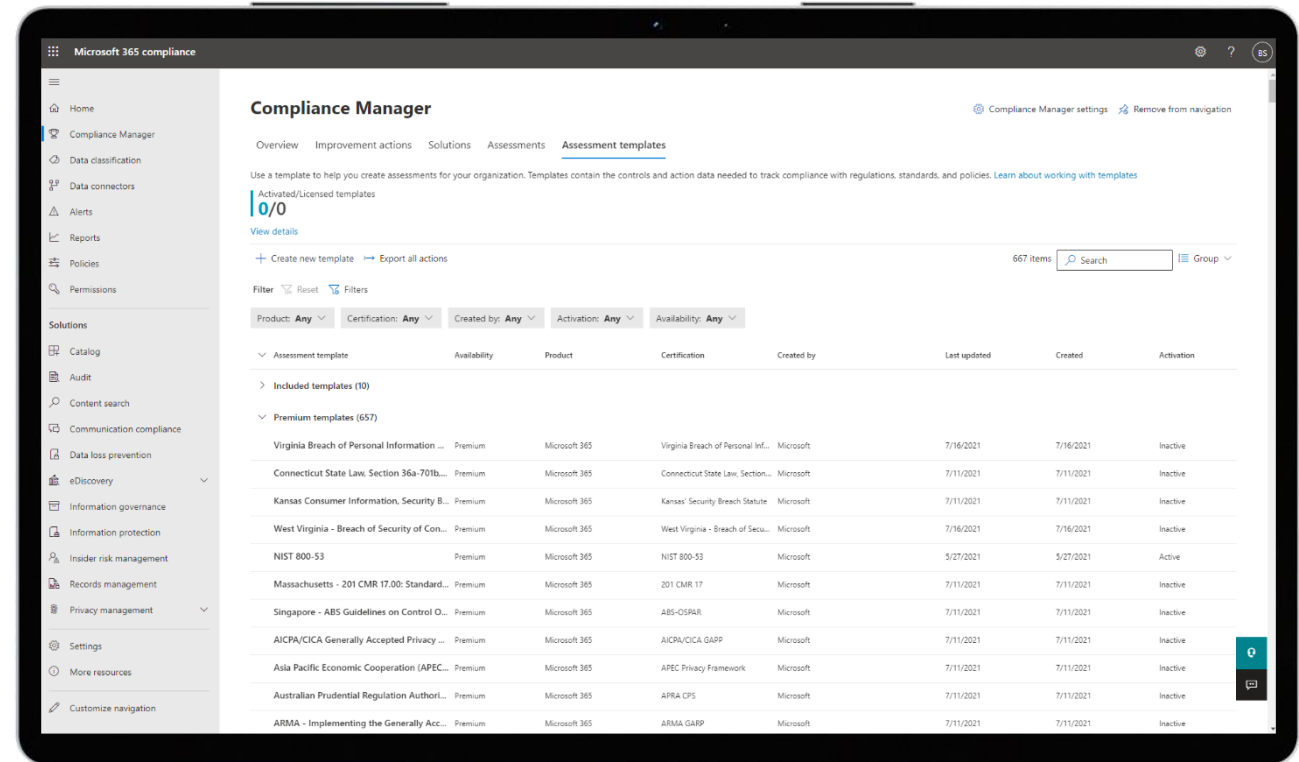
# Risk assurance and support

## Compliance Summit and Community

Connect with Microsoft Leadership on compliance topics and engage directly with peers and regulators in industry

## Ask an expert

Support risk stakeholders to accelerate their assessments and approval cycles

## Proactive risk assurance

Stay up to date on important regulatory changes and explore walk-throughs of curated audit artifacts

## Concierge and learning paths

Upskill on cloud risk assessment and navigate our rich set of resources

**Financial Services Compliance Program**

# Industry standards and certifications

We have the extensive compliance coverage in the industry with 90+ compliance offerings

## Global

- CIS Benchmark
- CSA STAR Attestation
- CSA STAR Certification
- CSA STAR self-assessment
- ISO 27001:2013
- ISO 27017:2015
- ISO 27018:2014
- ISO 22301:2012
- SOC 1 Type 2
- SOC 2 Type 2
- SOC 3
- ISO/IEC 27701:2019
- ISO 9001:2015
- ISO 20000-1:2011
- WCAG 2.0 (ISO 40500:2012)

## Industry

- European Banking Authority (EBA)
- FFIEC (US)
- OSFI (Canada)
- PCI DSS Level 1
- SEC 17a-4 (US)
- European Securities and Markets Authority (ESMA)
- European Insurance and Occupational Pensions Authority (EIOPA)
- GLBA (US)
- Shared assessments (US)
- CFTC 1.31 (US)
- FINRA 4511 (US)
- SOX (US)
- 23 NYCRR 500 (US)
- FCA + PRA (UK)
- APRA (Australia)

- FINMA (Switzerland)
- FSA (Denmark)
- RBI + IRDAI (India)
- MAS + ABS (Singapore)
- K-ISMS
- KNF (Poland)
- FISC (Japan)
- HIPAA BAA (US)
- HITRUST certification
- GxP (FDA 21 CFR Part 11)
- MARS-E (US)
- FERPA (US)
- CDSA
- MPAA (US)
- FACT (UK)
- DPP (UK)
- TISAX (Germany)
- NERC
- GSMA

## Regional

- California Consumer Privacy Act (CCPA)
- GDPR
- Germany C5
- European Standard Contractual Clauses (SCC)
- Argentina PDPA
- Australia IRAP Unclassified
- Australia IRAP PROTECTED
- Canada Privacy Laws
- China GB 18030:2005
- China DJCP (MLPS) Level 3
- China TRUCS/CCCPPF
- EU EN 301 549
- EU ENISA IAF
- Germany IT—Grundschutz workbook

- India MeitY
- Japan CS mark gold
- Japan my number act
- Netherlands BIR 2012
- New Zealand Gov CIO Framework
- Singapore MTCS Level 3
- UK cyber essentials plus
- UK G-Cloud
- UK PASF

## US Gov

- FedRAMP high
- FIPS 140-2
- NIST CSF
- FedRAMP moderate
- CNSSI 1253
- CJIS
- DFARS
- DoE 10 CFR Part 810
- EAR
- IRS 1075
- ITAR
- NIST SP 800-171
- Section 508 VPATs
- DoD DISA SRG Level 5
- DoD DISA SRG Level 4
- DoD DISA SRG Level 2

*Note: Certifications in blue are specific to financial services*

For additional compliance resources, see the full list of compliance offerings and compliance guides

# The FSI cloud offer and pricing *

| Microsoft Cloud for FSI | | Per Tenant $20,000 per month |
|---|---|---|
| **Purpose-built Industry IP** | Unified customer profile | ● |
| | Banking customer engagement | ● |
| | Customer onboarding | ● |
| | Collaboration Manager | ● |
| **Customer Success** | Industry-specific technical solution architects (CSA) | ● *(up to 20 hours)* |
| | Specialized, industry focused customer support | ● |
| **Benefits and Discounts** | Compliance Manager (Trial) | Up to 25 premium assessments via 90-day trial of E5 Compliance/ Compliance Manager |
| | Assurance Program (Trial) | One time engineer guided assessment *(Up to 2 hours)* |
| | D365 fraud protection (Trial) | AP 50,000 transactions Limited PP and LP (5,000) |

* subjected to change until GA

# Microsoft Cloud For Financial Services – Regional Availability

Wave 1 General Availability

**November 1st , 2021**
US
UK

**January 2022**
Canada

**May 2022**
Australia, France, Germany, Ireland, Italy, Mexico, the Netherlands, New Zealand and Switzerland

**Additional Availability**
Roadmap will be published

# Microsoft Cloud for Financial Services Strengths

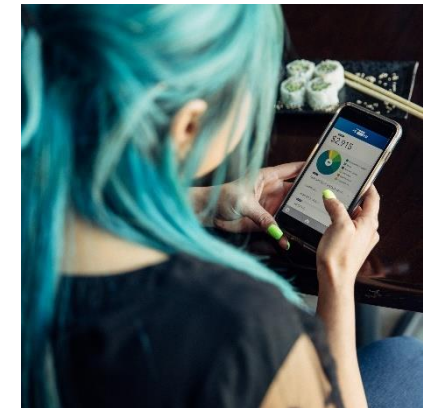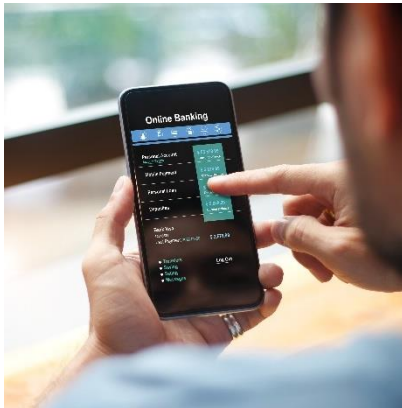**Business model alignment**

**Customer ownership and control of data**

**Trusted, global security commitment**

**Industry customization**

**Robust partner ecosystem**

Thank you

Microsoft Cloud for Financial Services

# Training Agenda

Time zone: PT

## Day 1

**07:00 AM – 07:15 AM** | Kickoff and agenda

**07:15 AM – 08:00 AM** | Microsoft Cloud for Financial Services overview

**08:00 AM – 08:30 AM** | Microsoft Cloud Solution Center

**08:30 AM – 09:30 AM** | Data Model

**09:30 AM – 09:45 AM** | Break

**09:45 AM – 11:00 AM** | Lab 01: Unified Customer Profile

## Day 2

**07:00 AM – 07:45 AM** | Lab 02:Customer intelligence walkthrough

**07:45 AM – 09:00 AM** | Lab 03: Customer Onboarding

**09:00 AM – 09:15 AM** | Break

**09:15 AM – 10:30 AM** | Lab 04: Collaboration Manager for Loans

**10:30 AM – 10:55 AM** | Q&A

**10:55 AM – 11:00 AM** | Conclusion and survey