

Overview

We helped RBC launch a fully digital, internet only US bank.

- First ever lending program entirely over the internet (application through funding)
- Quickly profitable / Low fraud and credit risk / High automation
- Award-winning customer satisfaction

Context

Royal Bank of Canada had successfully grown to enjoy a 29% national market share and was prohibited from acquiring additional Canadian banking interests. Previous attempts to enter the US market had failed, but limited prospects in Canada prompted them to attempt another US entrance, this time as an internet only bank.

Challenge

- RBC is a highly trusted brand in Canada, the US presence must support that image
- RBC is brick and mortar with limited internet savvy
- The internet bank must quickly become stand-alone profitable
- Expand customer base to US consumers and SME
- Accommodate Canadian ex-patriots and international clients with RBC affinity
- Build complete solutions to authenticate and lend all loan types, on the internet

Solution

Built proprietary and industry leading internet authentication programs, including threat detection, fraud prevention, and dynamic obfuscation of processes, IP, and customer data under threat. Used AI and ML to continually improve threat detection.

Built fully digital, fully automated, big data loan origination system. Designed multi-branch workflows ensure high look-to-book rates. Dynamic application fields and scoring were used to improve the customer application experience. AI & ML were utilized to rapidly build best reviewable (not black box) models that satisfied credit and profitability requirements for both retail and SME products – credit card, unsecured installment, automotive finance, student lending and home lending.

Rapid learning tools were utilized to optimize offers for profitability, portfolio growth and customer satisfaction. Custom databases, models, and workflows were developed to finance diaspora and international business clients. Custom algorithms were developed to manage selective loan conduits.

Results

- Fraud rates were best in the industry, only 1/5 of industry standard levels
- Internet-based credit risk was on par with branch-based lending
- Achieved profitability in just one year
- 96.4% of all loans were processed fully automatic from application to funding
- Awards and media recognition for industry leading customer satisfaction