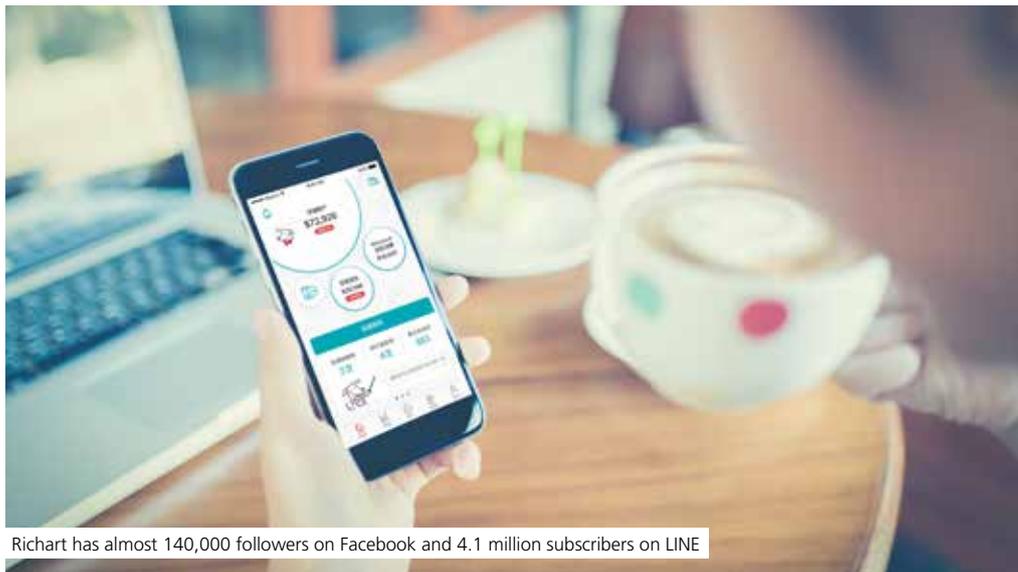


## CASE STUDY: TAISHIN BANK



Richart has almost 140,000 followers on Facebook and 4.1 million subscribers on LINE

# How Taishin Bank's Richart captivated Taiwan's youth

Attracting more than 450,000 applications for its savings accounts from people aged 35 or under, Richart is making a mark in Taiwan's banking scene.

Upon the discovery that its customer portfolio was drastically short of users aged 20-40 years old, Taiwan's Taishin Bank made a dedicated effort to capture the younger and more tech-savvy demographic. Thus, Richart, the country's first digital bank, was born in 2016.

The team behind Richart has since developed over 20 financial products and services under the Richart brand, four of which are protected by patent. This includes AnyPay, a smart money transfer system that enables users to split expenses and track receipts; a pre log-in service that helps customers access their account balance and credit card bill without the need to log in and a cash rebate service that can be directly credited into Richart savings account instead of the bill statement.

"Richart is the first digital bank designed for the young generation in Taiwan. Richart has integrated different financial products to help young people easily manage their wealth," said **Oliver Shang**, president and CEO of Taishin Bank.

**Richart now has the biggest captive market segment for comprehensive digital banking in Taiwan with more than 60% market share.**



Richart also addresses a common consumer pain point by developing a consolidated and open banking platform that is able to respond to a wide array of financial needs. The bank is able to achieve this feat by forging strategic partnerships with industry giants like B.N.P. Paribas and TaiAn to provide a diverse mix of insurance products that can be bought online in 5 minutes, doing away with the need to download multiple accounts to access different financial services.

"Through the partnership, we have created a win-win situation by saving a great deal of system developing and maintaining costs for our company, and increasing the profits and brand awareness of our partners," said Shang.

Over two years since its debut, Richart and its software has undergone over 15 major updates to improve its product offerings and services, which has already attracted more than 450,000 applications for its savings accounts—more than 70% of these are people aged 35 or under with over 60% being first-time customers of Taishin Bank.

Shang noted Richart's success both in improving the bank's product and service offerings as well as in presenting Taishin Bank as the most interactive, digitally savvy, and inclusive financial institution in Taiwan.

Richart now has the biggest captive market segment for comprehensive digital banking in Taiwan with more than 60% market share, whilst also being the most interactive with almost 140,000 followers on Facebook and 4.1 million subscribers on its official LINE account, Taiwan's most popular messaging application. This, according to Shang, is what keeps Richart the number one digital bank in Taiwan.

"Although competitors KOKO and O-Bank also provide lots of products, the experiences of both is not optimised for mobile users. The service still needs paperwork and human intervention," he said. "Richart creates a real digital banking experience which provides a comprehensive product set by one single mobile application."

### Attractive features

Part of Richart's appeal lies in its attractive offerings, said Shang, which include high interest rate offer of savings account at 1.0%, a low threshold investment starting from NT\$10, and a high cash-rebate credit card at 3.5%, which directly goes back to customers' savings accounts as a cashback transaction.

Another innovative feature of Richart is the adoption of a more agile framework for software development and marketing communication which has helped shorten the development time of Richart and all its features by over 67%. This effectively supported Taishin Bank to launch the service through a minimum valuable product version in only 10 months. "It also enables Richart to keep monitoring customers' opinions and needs, then respond to them quickly," added Shang.

To mitigate security risks associated with the purely digital nature of the platform, Richart has



Oliver Shang, president & CEO, Taishin Bank

designed a hi-tech and multi-level security system to guard against cybercrime including a 128bit SSL firewall, overtime automatic log-out, instant notification through text and email, and One Time Password (OTP). Shang claims that since its inception, Richart has not encountered any security incidence as the bank works overtime to improving app capabilities as well as its information security frameworks.

In a revamp started in October 2017, Richart 2.0 was developed to provide more comprehensive and advanced financial services to help Taishin Bank fulfil customers' financial needs more thoroughly. Richart 2.0 helped expand Taishin Bank's portfolio to include a foreign currency account, a financial advisory service based on artificial intelligence (AI), online insurance that allows clients to purchase policies within five minutes, and smart personal loans that allow them to get the funding they need within an hour with a precalculated credit line.

"Richart also keeps cooperating with different industry partners to provide customers with more comprehensive financial services. Customers can use the Richart app to complete transaction, manage their wealth anytime, anywhere," Shang explained, adding that the team's willingness to relentlessly improve

on Richart's capabilities enables it to stay ahead of the game. This is facilitated by an integration system that helps make the Richart app flexible in getting better and faster information from different systems and functionalities.

### Social responsibility

In line with the bank's goal to teach young Taiwanese residents how to effectively manage their wealth at an early age, Richart has been conducting campus lectures in universities and schools across the country. The bank has since conducted nearly 50 such lectures through the assistance of leading wealth management professionals which also serves as an effective platform to reach Richart's target market and promote the app.

In fact, Shang claims that over 5,000 students have attended the lectures and over 1,000 students have opened the Richart account on their journey towards financial literacy.

Some of Taishin Bank's efforts to improve its social responsibility and inclusive finance push include helping charity organisations teach young people the concept of wealth management whilst contributing to community improvement. One initiative is the bank's active campaign to help raise funds for social issues including animal welfare, which raised \$16,000 from over 11,000 participants.

The initiative is also the first digital banking product in Taiwan

**Along with the ever increasing customer base, Richart will further dive deeper into the different lifestyle segments of the digital population.**



to undergo the Social Return on Investment (SROI), an internationally recognised project performance evaluation approach, to provide insight into Richart's influence on the society. It showed that every NT\$1 of investment into Richart has the potential to create NT\$5.5 of societal value—which is 1.5 times greater than the global SROI average of 3.77.

"Through the SROI evaluation, we also found that Richart has made positive changes to customers' financial management habits," Shang said. "Customers start increasing their savings intention, and reducing impulse and excessive consumption."

### Push for progress

Following a positive response from its target market, Shang said that Richart will not let up in experimenting as it trials emerging technologies like blockchain and distributed ledger across verticals like e-commerce, telecommunication and music in an effort to remain relevant to a demographic with constantly evolving digital needs.

"Along with the ever increasing customer base, Richart will further dive deeper into the different lifestyle segments of the digital population and cooperate with foreign and local partners as well as startups in various industries to provide relevant services to Richart users," Shang said. "We want to be the forerunner in digital banking, always providing the most thoughtful and 'wow' services that go beyond customers' expectations."



Team members of Taishin Bank's digital bank Richart