



Fast-track and future-proof core banking transformation leveraging BIAN

Core banking transformation is typically compared to a heart transplant for most major banks, with almost 25% of core banking transformation failing and an additional 50% not achieving their transformation objectives. However, according to Everest research, over 95% of the mid-market banks are not satisfied with their core banking capabilities and are in various stages of transformation. One of the key challenges is integrating the new core banking systems with channels, CRM systems, KYC/onboarding platforms and host of other banking systems. According to McKinsey, the cost of this integration could easily reach \$50M for mid-size banks and >\$300M for larger banks.

Considering the complexity and cost involved, it is critical that banks integrate the core banking platform seamlessly with other systems while at the same time keeping the cost down and ensuring it is future-ready.



Solution

BIAN (Banking Industry Architecture Network) is working on a Coreless Bank initiative aimed at developing a future-proof, regulatory-compliant, and universally compatible banking infrastructure based on BIAN micro-services. It is bringing together software vendors, banks, and service providers to collaboratively define API-based microservice, which will allow banks to modularize and standardize the integration with the systems of record (SoR).

Virtusa has partnered with BIAN to help deliver these standardized API/microservices to the financial industry to accelerate the transformation of banks' core platforms. Working alongside BIAN and other pilot participants, we are helping build the BIAN Modeler, which allows banks and their tech partners to test what BIAN adoption might look like for them. As part of this initiative, we also designed an end-to-end automated feedback loop where core banking vendors, banks, and software providers can collaborate efficiently with BIAN to help move the standard forward. As a part of the first phase, we designed a tactical solution that will bootstrap the collaboration effort. We have also designed a fully modern strategic solution to be implemented as part of the second phase of this effort.

Benefits

Virtusa has worked with BIAN on a structure framework to accelerate the adoption of BIAN coreless API/ Microservices standards. This allows banks and financial institutions to

Seamlessly integrate

It allows for a separation between the systems of interaction and the system of record by creating a layered architecture. Also, abstracting the core banking services as BIAN standard building blocks allows for a more modular approach to core banking transformation and de-risks the overall program.

Reduce the cost of transformation

This allows for easy experimentation and allows for faster, more cost-effective development of APIs that are more relevant for today's digital-first customers. Additionally, these services are fully cloud deployable, which means banks can cut on infrastructure costs as well as take advantage of more advanced software development methodologies.

Be future-ready

The SoR is abstracted via standard APIs, therefore it is potentially possible to bring in best-of-breed solutions or replace software vendors in the future in a plug-and-play model without affecting customer experience in a journey-led progressive approach.

Why Virtusa

Virtusa has extensive experience transforming and integrating with BIAN-based APIs, previously partnering on client engagements, and jointly launching the Open Banking API exchange based on the BIAN standard back in 2018. With our digital transformation heritage and BIAN association, Virtusa's positioned as the go-to implementation partner for the coreless concept for banks leveraging the next evolution in coreless banking platforms.



Success stories

We've helped large global financial institutions transform by:

- Creating a BIAN-aligned core API layer in front of all systems of record to abstract the proprietary core APIs using the BIAN standard
- Creating a read-optimized data layer using the CQRS architecture to expose BIAN aligned data models
- Building BIAN aligned microservices architecture leveraging the concepts of service domains, service operations, and behavioral qualifiers

Let's connect!



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