

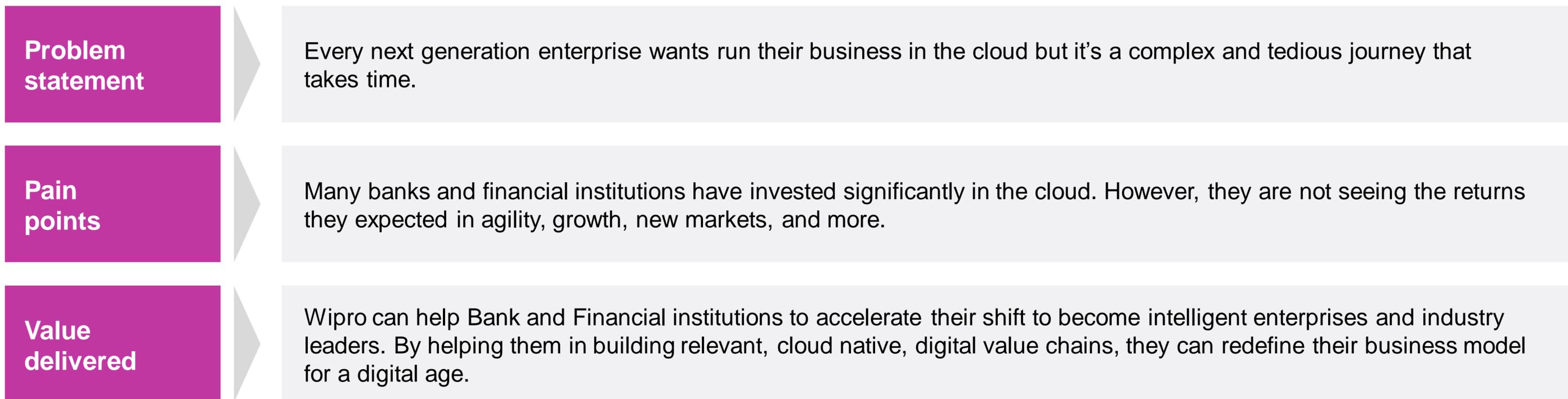


# Core banking transformation

Showcasing the  
power of partnership

# What are we trying to tell you today...

**Banks and Financial Institutions are lagging in cloud adoption and are facing the risk of becoming sub-par enterprises**



**Wipro aims to be an end-to-end orchestrator for its clients' and help them become intelligent enterprises leveraging industry clouds uniquely tailored to the specific needs of different industries**

# Wipro & Microsoft are enabling faster adoption of industry cloud in BFSI through enhanced delivery of value in collaboration with other product and platform partners

## Approach

**Fostering co-innovation**

**Faster adoption of cloud**

**Strategy and execution**

## Arsenal

### Industry Cloud Point Solutions

- Bespoke solutions around key challenges in Banking to help clients drive their innovation agenda
  - Ex. Simple yet powerful banking functions like digital account opening and personal finance management pre-integrated with next generation cloud cores to help accelerate digital adoption and consumption

### Industry Cloud-Led Modernization

- Drive innovation agenda and create digital native value chains with a cloud solution based on the nuances of Banking industry
  - Ex. A robust core transformation approach and solutions centered around new/next generation cloud-based cores to drive core transformation in banking

### Industry Cloud Enterprise Maximization

- Make your business more resilient by extending the power of your existing cloud & technology investments
  - Ex. Enabling new and nimble banking functionalities through API and Microservices based integration layer for front to back integration driving digital acceleration

# A view on how Wipro helps drive enterprise-wide transformation & industry cloud adoption through our approach and solutions for Core Banking Transformation

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# Paradigm shift in digital banking is creating significant impact to banks with legacy banking platforms

## Evolving market trends are driving significant changes in banking technology

- Evolving customer expectations and new ways of consuming banking services
  - Emphasis on context and hyper personalization
  - Rise of data driven institutions
  - Emergence of tech companies in the FS space
- Need for agility and speed to market in a post COVID world
  - Renewed push for adoption of cloud and cloud based cores
  - Rapid evolution as a service models in banking
  - Fear of failure to adapt and modernize

### Legacy – Challenges



- Nearly **70%** of large banks do not upgrade old IT systems as soon as they should,
- **43%** of US banks still use **COBOL**, a programming language dating from 1959, extra layers embedded on top of it are causing outages

### What Banks are doing



- Over **50%** of Tier 1 banks believe in progressive transformation and gradually reduce the dependency on legacy Core
- About **69%** of mid-market banks are at varying stages of their core banking modernization journeys. Almost 27% are yet to embark on the journey but believe it is an immediate priority for the bank.

### Opportunity



- Global Core Banking Modernization / Transformation opportunity is expected to grow from **\$9.4 Bn** in 2020 to **\$35 Bn** by 2028 (CAGR of 18%)
- Professional Services Market share is about **70%** of the global revenue in 2020
- **29%** of the Banks in a survey said they would consider a cloud native solution for modernization

About 70 percent of banks are reviewing their core banking platforms, according to a recent McKinsey survey

Source: FIS, EY, Americanbanker, Silicon Valley EY, Everest, Fortune, Grandview Research, McKinsey, UK's Financial Conduct Authority (FCA).

# Wipro has derived 4 different approaches to suit our customer's needs for Core Banking Transformation to overcome the legacy challenges

Legacy Challenges		Transformation Options			
New product launch	 <b>Benefits</b>	<b>Approach 1</b> Alpha Digital - Focus on a specific business area	<b>Approach 2</b> Replace existing core banking system with a completely new core banking system from a new vendor	<b>Approach 3</b> Engage in a gradual, progressive transformation with a new vendor on a new core banking system	<b>Approach 4</b> Extend the core by building a microservices layer that is closely coupled with existing core systems
		<ul style="list-style-type: none"> <li>Fast time to market, MVP typical launched within 6 months (Cloud).</li> <li>No legacy Core migration. Reinvent business digital process</li> </ul>	<ul style="list-style-type: none"> <li>The bank can cutover quickly to a best-of-breed application &amp; based on new tech, to serve a longer time frame</li> </ul>	<ul style="list-style-type: none"> <li>The bank can move on to a best-of-breed application &amp; based on new technology, in a phased manner</li> </ul>	<ul style="list-style-type: none"> <li>Responsive architecture to build business agility</li> <li>Drive innovations like Open Banking leveraging existing investments in CBS</li> </ul>
Sequential Development	 <b>Risks / Challenges</b>	<ul style="list-style-type: none"> <li>Culture change - training digital-oriented talent, may need to be segregated to avoid "Bad Habits"</li> <li>Technology capabilities to be developed for Cloud operation (DevOps, automation).</li> <li>Adopt agile ways of working</li> </ul>	<ul style="list-style-type: none"> <li>Long drawn deployment cycles, Very Risky</li> <li>Organization-wide commitment is required, and entails a high degree of investment</li> <li>Open-heart surgery considering the complexity of legacy systems</li> </ul>	<ul style="list-style-type: none"> <li>Long drawn deployment cycles (years)</li> <li>Creation of a co-existence layer</li> <li>Bank-specific requirements are to be additionally built</li> </ul>	<ul style="list-style-type: none"> <li>Decoupling existing functionality can be a challenge hence identification of 'right' Use case is important</li> <li>The dependencies on partner systems / other CB features may not be identified completely when moving some features to the MS layer</li> <li>Finding / training talent is challenging</li> </ul>
High cost Of delivery		<b>Suggested Solution</b>	<b>Next Gen Cloud Core</b>	<b>Next Gen Cloud Core + Fintech Eco System</b>	<b>Next Gen Cloud Core + Fintech Eco System + Extend legacy Core</b>

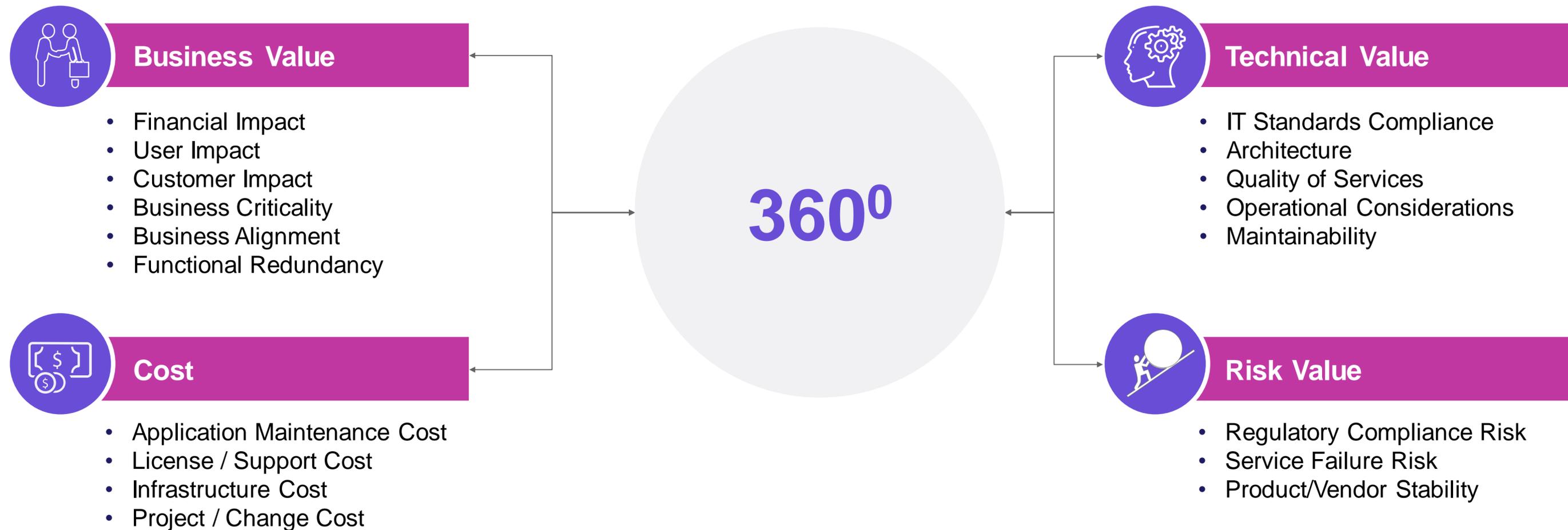
# Our key offerings for core transformation can be contextually leveraged based on the specific needs of the banks

- 01** Application Assessment Framework
- 02** Cloud Core Platforms & Processors
- 03** Solutions and Accelerators
- 04** Core Extension Options – hollow the core



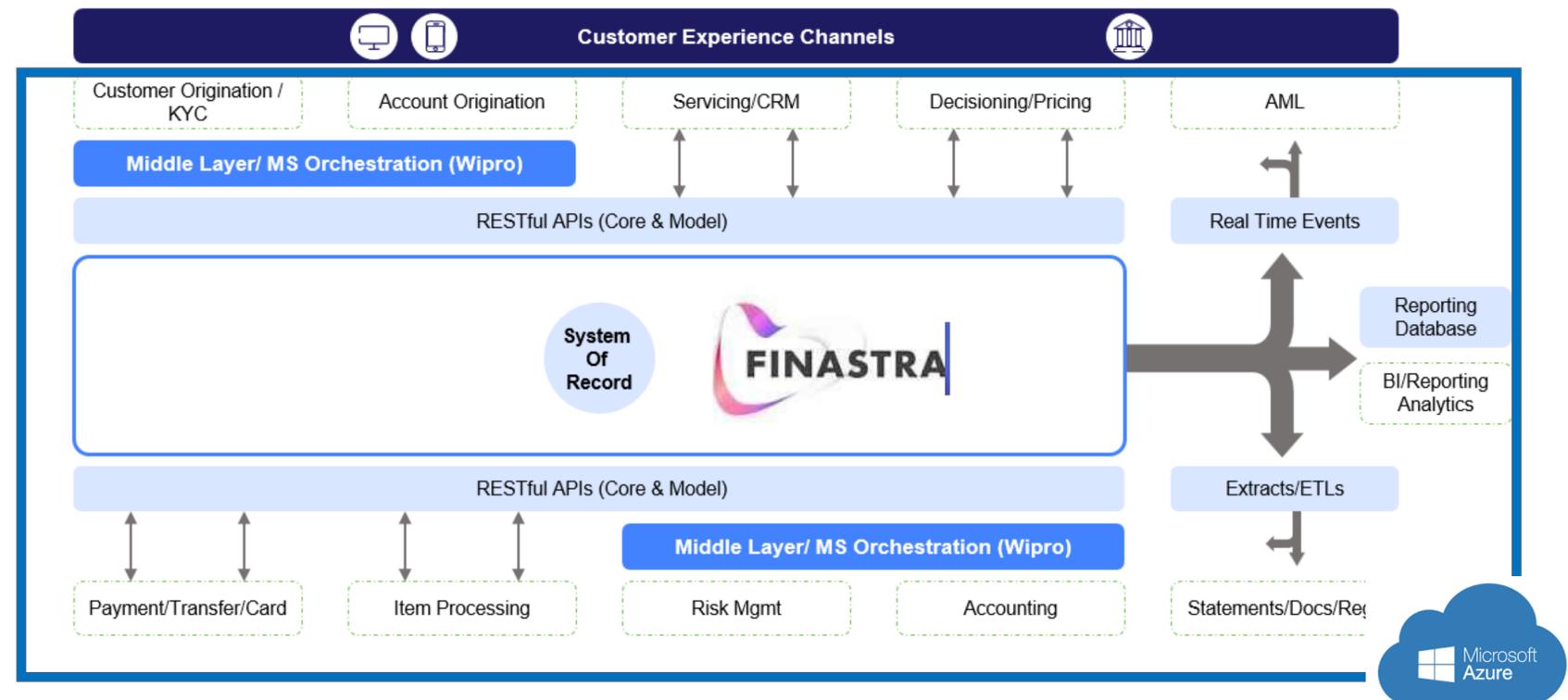
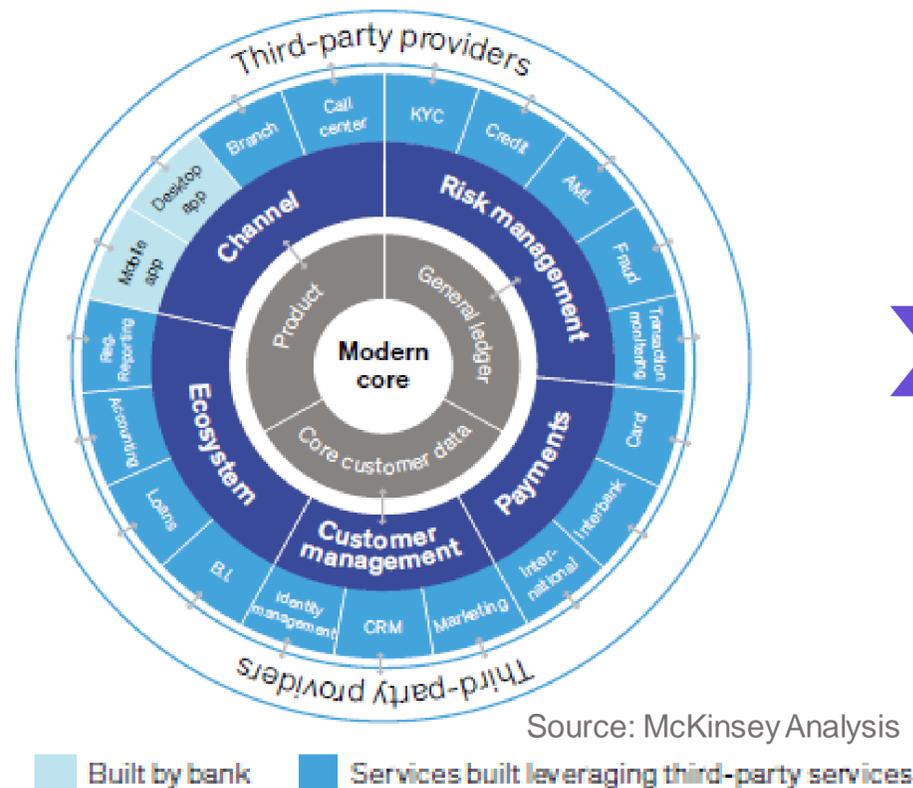
# Application Portfolio Assessment Framework, brings in objectivity on the value of the application through business, technical and risk focused questions

Wipro's proprietary 360-degree questionnaire and scoring index (surveys) help build consensus amongst various stakeholders with contradicting and subjective views on the value of an application.



# Wipro brings strong domain, digital capabilities partnering with leading Fintech to offer a modern Cloud Core Banking platform

Standardize the Core – Differentiate the Engagement channels



- Hyper-parameterized product ranges enabling faster time to market and ultra-personalization
- Real-time data analytics enabled by a single source of truth for customer and transaction data
- Cloud-native architecture resulting in lower run cost, automation, and resilience
- Micro-services and APIs to enable faster integration and increase re-use of capabilities
- Third-party ecosystems to leverage best of breed solutions with ease of switching in the future

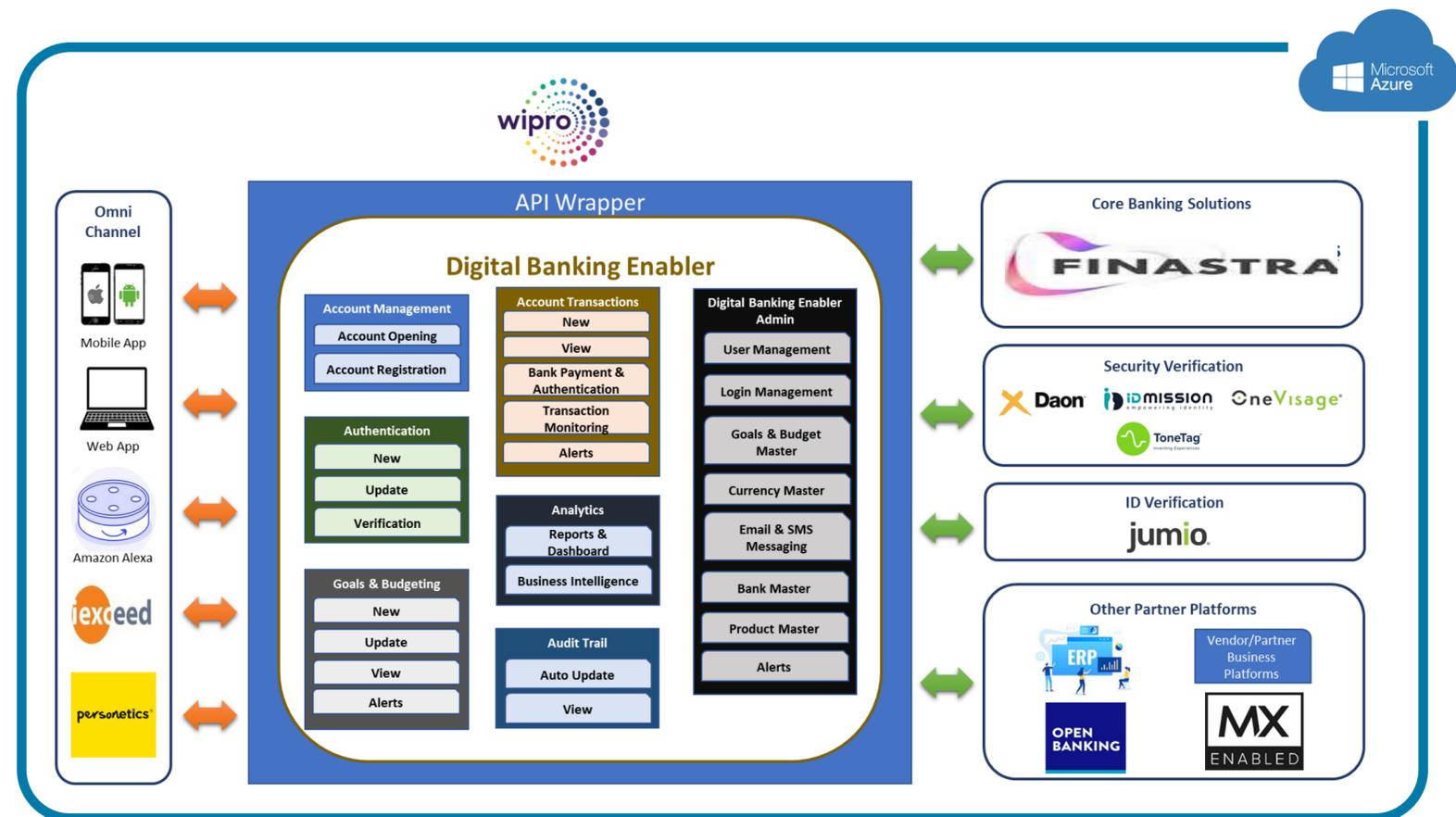
# Our solutions & accelerators built in partnership with Finastra on MS Azure can help drive incremental value to a core transformation engagement

## Solution 1: Digital Banking Enabler

Accelerating Digital Adoption    Bite Sized Banking    Point Solutions    Cloud Core Friendly    Market Relevant

Digital Banking Enabler (DBE) is a digital middleware mesh composed of APIs and microservices that helps aggregate & transform data from underlying modern core(s) and enables the orchestration of a variety of experiences for bank users and customers to avail meaningful banking functions and services.

The solution is built for cloud and enables banks accelerate digital journeys and drives end to end core transformation through point solutions addressing various facets of banking.



Micro Services Architecture    Configurable    Easy to adapt    Ready for Cloud    API driven

# Our data migration solution built is on a framework derived from decades of core implementation and data migration experience

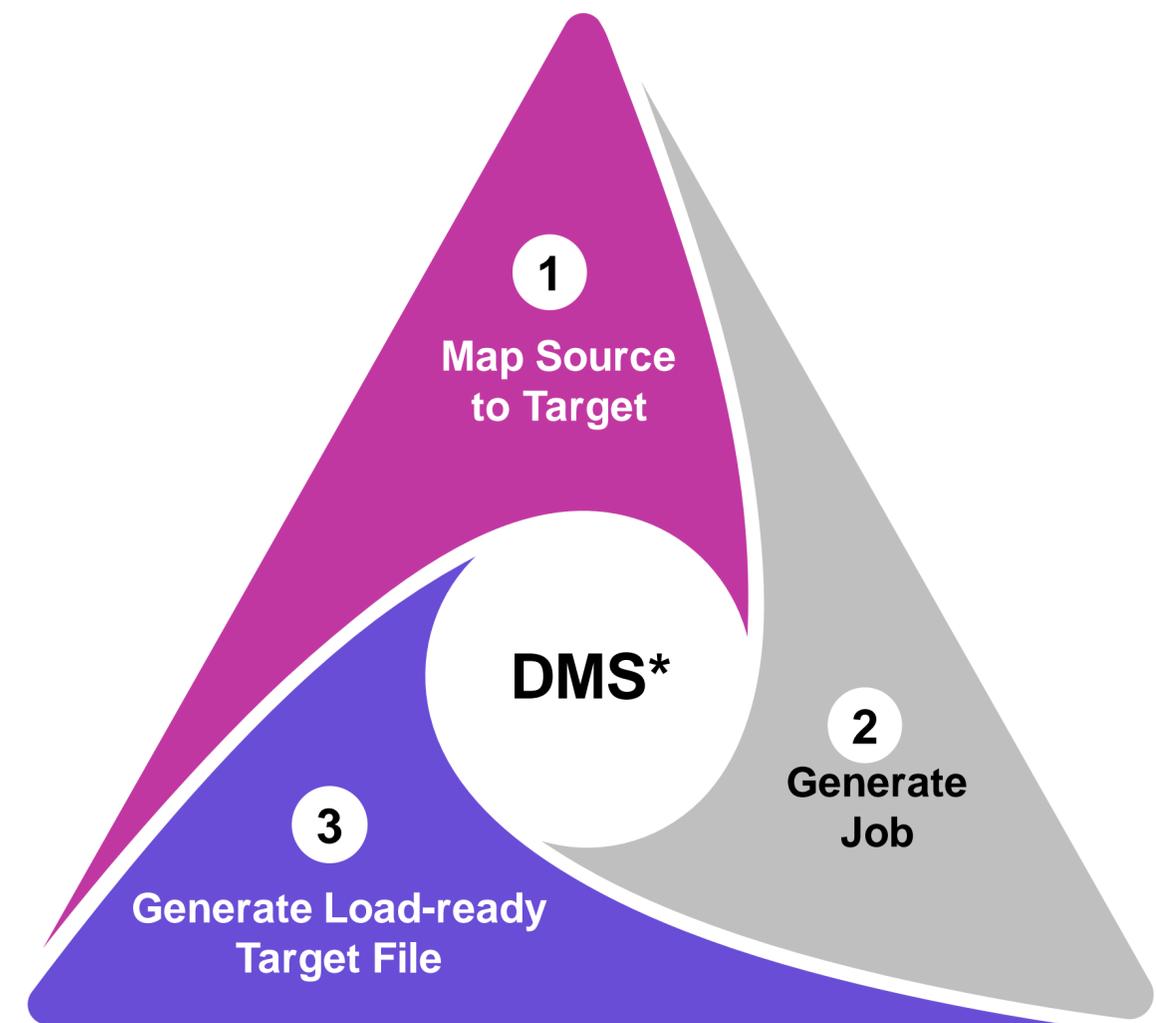
## Solution 2: Data Migration Solution for Banking

### Accelerating Cloud Core Implementation and Transformation

**Data Migration Solution (DMS)** is a tool to migrate data from legacy applications to new age core banking platforms. This **low code** utility uses **configuration** and **business user input** for **data validation, cleansing, mapping and transformation** to target systems.

The solution also features an **inbuilt integration with Wipro's patented data quality and governance accelerator** to deliver an end-to-end migration capability.

Up to 60% automation    Zero cost ETL tools    Enhanced Governance



\* - powered by Wipro Data Intelligence Suite

# Exemplar engagements showcase our success in driving Cloud Core Banking transformation for our clients

## Alpha Digital bank implementation – Core Cloud design and deployment, of a large regional US bank

- Bank was setting up a digital Virtual Bank operations
- The transformation program was taken up on an Agile delivery model
- Wipro has been involved in Business Analysis, Architecture, Delivery Enablement, Agile, upgrade, & production support streams
- Wipro designed and implemented a native Cloud Core banking platform (Finxact)

### Business Value drivers:

- Faster product launch
- Expand Digital banking offerings
- Start a legacy Core modernization journey

## Transforming back-end core for US based global consumer bank

- Migration design and deployment of FIS MBP , to replace an old legacy Core platform.
- Process redesign into digital banking methodologies
- Integration design with over 350+ peripheral banking systems (upstream & downstream).
- Data migration and implementation planning

### Business Value drivers:

- Expand Digital banking offerings
- Increase customer acquisition into new geos / demographics
- Reduce legacy IT cost and maintenance risks

## Strategic Cloud Core Banking implementation & end-2-end digital transformation for a leading UK Bank

- Bank redesigned and transform operations to Digital banking
- Wipro involved process redesign, building a Microservices open API orchestration platform, and the implementation on the Mambu Cloud Core banking platform.
- Wipro also designed the data migration plans for the Legacy Core to the Cloud Core.

### Business Value drivers:

- Launch fast-to-market unique digital business banking offerings
- increase customer acquisition with a combination of digital and human touch
- Reduce legacy IT cost and maintenance risks



Thank you!