Corporate Banking on Cloud: Accelerating to Pole Position

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PREFACE

The corporate banking landscape is swiftly evolving, spurred by the post-pandemic resurgence that has ignited a rapid acceleration in technology investments. Among the forefront innovations gaining momentum are the adoption of cloud services. This surge in cloud-related expenditures is reshaping the industry, with projections indicating a substantial uptick.

However, despite this increasing traction, the overall adoption of cloud technology within corporate banks remains at an early stage. Various challenges, including security, compliance, technology, and expertise concerns, act as practical impediments to achieving comprehensive cloud adoption.

To fully unlock the manifold advantages of cloud technology, corporate banks must intensify their efforts towards exhaustive utilization. Accelerating the adoption of cloud technology in corporate banking are several compelling imperatives aimed at driving business growth while minimizing the risks and costs involved.

Success in transitioning to the cloud necessitates a strategic approach grounded in industry best practices, where the adoption of proven methodologies and standards plays a pivotal role in ensuring a seamless journey. To this end, there are a set of best practices to consider for a successful cloud migration and sustained excellence. Additionally, beyond these best practices also lies the critical imperative of selecting the right partner for the cloud transformation to maximize the benefits of cloud technology. A strategic alliance ensures the efficient and effective utilization of cloud capabilities, thereby maximizing benefits and enabling a seamless journey towards desired outcomes.

Ultimately, as corporate banks navigate the technology landscape, embracing cloud technology is not just a choice but a necessity to stay competitive, agile, and future-ready. The journey towards comprehensive cloud adoption is a strategic imperative that requires careful consideration and a concerted effort toward this end will pave the way for sustained success and innovation in the industry.

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The growing cloud momentum within corporate banking

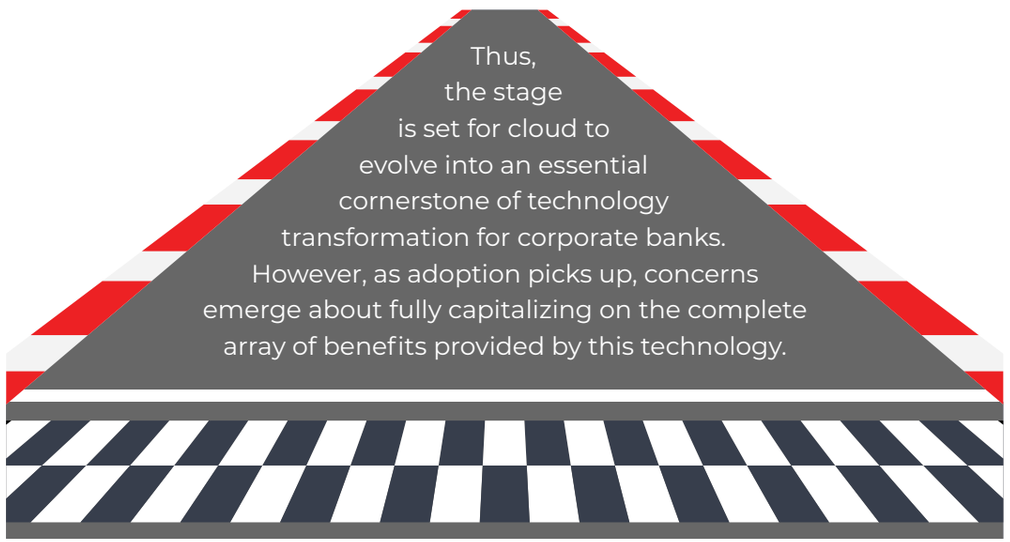
Industry adoption gathers pace albeit slowly

Emerging from the shadows of the pandemic, corporate banking institutions, propelled by the imperative to bolster revenue streams and enhance operational efficacy, are amplifying their investments in cloud technology. Particularly notable is the surge in spending on external services[1] and applications[2], with cloud-related expenditure leading the charge in this innovation wave.

Projections indicate a significant uptick in spending on external services, forecasted to leap from $29.8 billion in 2022 to a robust $40.7 billion by 2027[3], a substantial portion of which is attributed to cloud-related expenditure. Concurrently, spending on applications is expected to climb from $31.2 billion in 2022 to an estimated $41.7 billion by 2027[4], with Software as a Service (SaaS) poised for increased adoption due to maturing vendor offerings and attractive economics.

Several factors are propelling this investment. Firstly, competitive pressures within the industry are compelling banks to rapidly digitize on the cloud. Additionally, corporate customer expectations, particularly regarding the quality of digital services, are escalating, prompting banks to embrace cloud-native digital engagement platforms. Moreover, the ascent of cloud-powered intelligent technologies like Generative AI has further hastened cloud adoption. Notably, a significant 68% of corporate banks are poised to migrate more workloads to the public cloud in the near future[5].

This pattern highlights a growing ease with this approach and emphasizes the strides made by top-tier providers in data analytics, AI capabilities, and customized features crafted specifically for the intricacies of the corporate banking sector.



Source: 1. External services includes cloud services, systems integration, and consulting services spends | 2. Applications includes SaaS, traditional license , development and testing, and maintenance spends | 3. Celent Corporate Banking Technology Spending Forecasts 2022–2027, March 2023 | 4.-5 Celent Corporate Banking Technology Spending Forecasts 2022–2027, March 2023

Despite the increasing traction, limited cloud footprint leaves considerable potential untapped

Wide array of factors serve as practical barriers to cloud adoption

Despite the growing interest, the overall level of cloud adoption in corporate banks remains at an early stage. Recent surveys reveal that merely 13% of banks have migrated 50% or more of their IT infrastructure to the cloud whereas the remaining 77% have less than 50% of their IT infrastructure on the cloud[1].

This limited incorporation of cloud technologies indicates significant untapped potential as expert insights suggest that the speed and capability benefits intrinsic to cloud services only manifest when an enterprise reaches a 60% adoption rate[2].

Hindering holistic cloud adoption is a host of security, compliance, technology, and expertise concerns that serve as practical barriers. Below mentioned are the most significant impediments.

Top 5 practical barriers to implement an effective cloud migration initiative.[3]

Security concerns: Corporate banks worry about data breaches and privacy issues in cloud environments, hindering their adoption due to potential vulnerabilities.

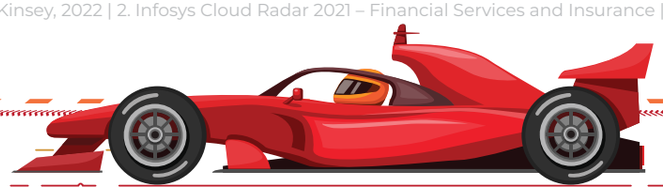
Compliance concerns: Meeting regulatory requirements poses a challenge, leading to hesitation in adopting cloud solutions due to uncertainties about adherence and control.

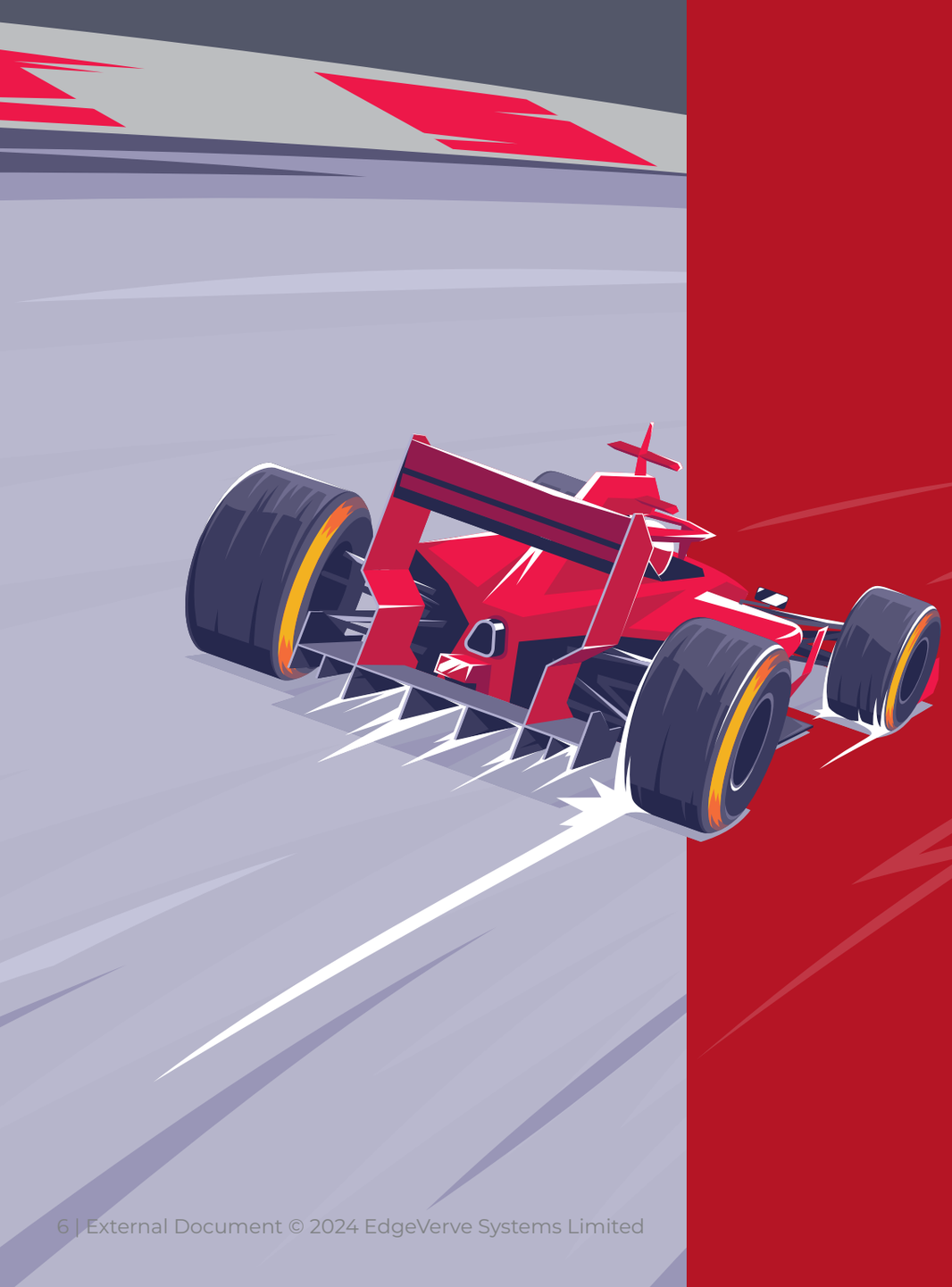
Lack of internal expertise: Insufficient in-house skills and knowledge about cloud technologies limit adoption, creating a barrier to leveraging cloud benefits effectively.

Lack of internal alignment on best path forward: Internal disagreements on the optimal cloud strategy impede progress, delaying the adoption process in corporate banks.

Bank's technology infrastructure is not cloud-ready: Legacy systems' incompatibility with cloud environments presents obstacles, requiring extensive modifications before successful migration.

Source: 1. How financial institutions can capture cloud value, McKinsey, 2022 | 2. Infosys Cloud Radar 2021 – Financial Services and Insurance | 3. Are clouds on the horizon for corporate banking, Celent, Dec 2020



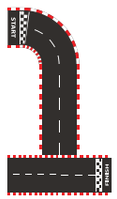


Accelerating cloud adoption

To truly unlock the extensive array of cloud advantages, corporate banks must overcome the adoption barriers and accelerate their journey towards comprehensive cloud utilization.
A host of imperatives serve as compelling reasons to accelerate this adoption.

5 compelling reasons to shift cloud adoption into the high gear

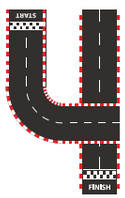
Accelerating business value while minimizing risk and costs



Turbocharging business innovation and agility

Elevating corporate customer centricity with powerful digital propositions

Amplifying transformative potential of cutting-edge technologies



Powering resilient banking operations

Streamlining total cost of ownership of IT infrastructure

Turbocharging business innovation and agility

Bolstering API infrastructure for seamless ecosystem innovation

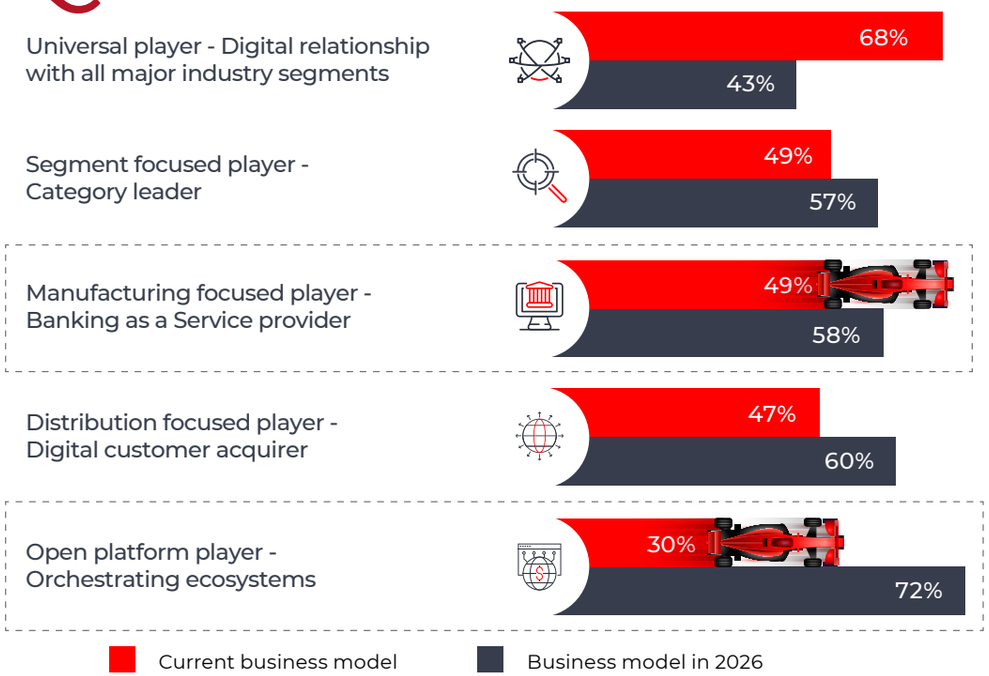
In a dynamic business landscape with fierce competition, commercial banks are compelled to stay constantly vigilant and innovate swiftly to attract and retain customers.

Corporate banks are progressively exploring novel and innovative business models to better tackle the gaps in lending, cash management, payments, and trade finance for their corporate clientele, addressing unmet needs more effectively. According to a recent survey, 58% of surveyed banks expect their business model to evolve into a BaaS model over the next 5 years and 72% of banks want to go from being an open platform player to orchestrating ecosystems.

To seamlessly innovate, banks need to strengthen their API capabilities and build a robust API infrastructure for exposing bank services and data seamlessly to a range of ecosystem partners.

Cloud technology plays a pivotal role in bolstering banks' API infrastructure for seamless innovation. By leveraging cloud-based environments, banks can swiftly develop, test, and deploy APIs, enhancing their agility in responding to market demands and regulatory shifts. The scalability offered by cloud platforms enables banks to effectively adjust their API infrastructure according to varying levels of demand. Moreover, utilizing robust security measures and compliance frameworks from leading cloud providers ensures the protection of sensitive financial data within the API infrastructure while facilitating secure collaboration and data exchange with external partners.

Q Please indicate the importance you perceive with the following technologies in delivering desired business outcomes.



Note: Numbers are rounded and therefore may not add up to 100%.

*Source: Leaping Forward: Scaling Digital Innovation in Corporate Banking, Infosys Finacle, 2022

Case in point:

Goldman Sachs delivers Transaction Banking-as-a-Service on cloud - Goldman Sachs unveiled the Transaction Banking (TxB) platform to reimagine how transaction banks aid corporate treasury teams, meticulously crafting it from the ground up to cater to client requirements.

With a strong focus on innovation, the development process placed significant importance on seamless integration with APIs, foreseeing the future of treasury operations revolving around immediate, programmable access to TxB features—all securely housed in the cloud. Expanding this vision, they launched Transaction Banking as a Service, equipping entities with versatile capabilities like payments, treasury automation, and Banking as a Service, all residing in a secure, accessible cloud-based platform. This groundbreaking move not only resolves pressing client challenges but also fosters seamless B2B integration.

As they propel toward the next FinTech era, Goldman Sachs aims to empower software communities by granting access to the TxB Financial Cloud, pending regulatory compliance. These cloud-based offerings, encompassing virtual account opening, streamlined payments, and real-time data access, signify just the initial phase. The roadmap includes continuous innovation to adapt to evolving client needs while welcoming new clients and partners to explore the potential of their financial cloud.*

Source: Delivering Transaction Banking as a Service

Elevating corporate customer centricity with powerful digital propositions

Driving seamless digital experiences through cloud platforms

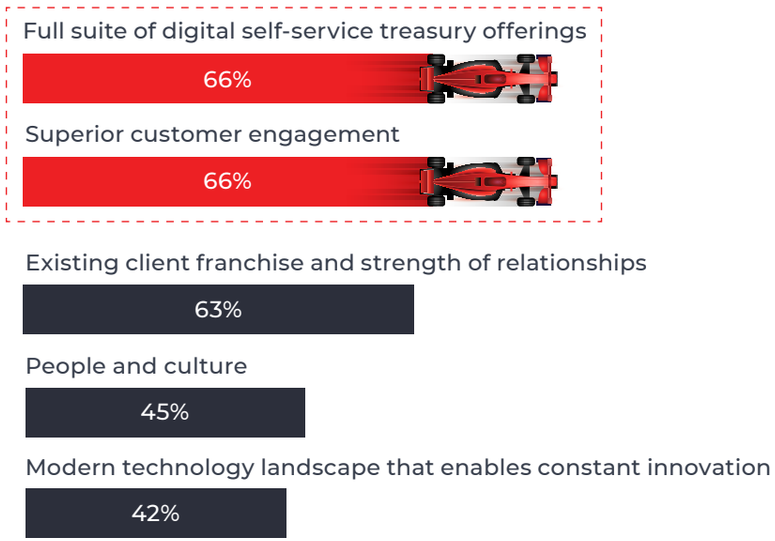
Contemporary corporate customers expect an effortless and intuitive digital banking experience that includes a modern user interface, hassle-free integration within and outside bank portal, single sign-on processes, easy access to multiple functionalities on the go, and always-on communications with RMs. In fact, as per a recent survey, an overwhelming 66% of banks expect a full suite of digital self-service treasury offerings and superior customer engagement as top two key differentiators they are likely to have in 2026.

Driven by the demands of today's corporate customers for flawless digital interactions, corporate banks are investing in building out APIs, improving data exchange and delivery with internal and external systems, revamping user interfaces and experience, bolstering mobile banking capabilities, upgrading digital tools for client servicing, and implementing conversational chatbot capabilities.

Cloud technology serves as the cornerstone for corporate banks aiming to provide seamless digital experiences. By harnessing cloud infrastructure, these banks invest in expanding their capabilities, enabling rapid development, deployment, and scaling of secure APIs. This facilitates seamless integration with internal and external systems, fostering efficient data exchange. Leveraging advanced cloud tools and collaboration features, banks modernize user interfaces, ensuring a more user-friendly experience. Cloud technology drives mobile banking advancements, offering enriched functionalities for easy access on mobile devices. Additionally, it empowers AI-driven conversational chatbots, enhancing real-time assistance and elevating customer service standards for corporate clients.

Q Please select the top five key differentiators your bank will likely have in 2026.

Only top five responses are shown below.



Note: Numbers are rounded and therefore may not add up to 100%.

*Source: Leaping Forward: Scaling Digital Innovation in Corporate Banking, Infosys Finacle, 2022

Case in point:

Citi has launched the innovative CitiDirect Commercial Banking platform as part of its strategic investment blueprint to cater to the evolving needs of Citi Commercial Bank (CCB) clients. This advanced platform seamlessly integrates Citi's global products into a unified digital hub, providing clients with a comprehensive overview of their banking relationships across Cash, Loans, Trade, FX, Servicing, and Onboarding. Developed in collaboration with CCB clients, the platform offers an intuitive digital experience, enabling digital account openings and service requests while enhancing self-service capabilities to adapt dynamically to clients' needs. Meanwhile, Citi is investing significantly in reshaping its CitiDirect® banking and cash management platform, transitioning from a rigid legacy framework to a flexible, cloud-enabled, microservices-based modular structure. This strategic shift ensures adaptability to the rapidly changing banking landscape, delivering scalable, autonomously deployable services connected through standardized APIs. By embracing cloud technology and microservices, Citi envisions a future-ready banking platform integrated with advanced technologies such as data science, AI, machine learning, and robotics, enhancing user interfaces tailored to diverse user personas, roles, and actions. Citi's dedication to a cloud-based microservices framework places it at the forefront of digital innovation, empowering companies and treasuries to navigate their digital strategies with increased efficiency, agility, and scalability.*

*Source: Transformation is on the Rise: The New CitiDirect Experience (citigroup.com)

Amplifying transformative potential of cutting-edge technologies

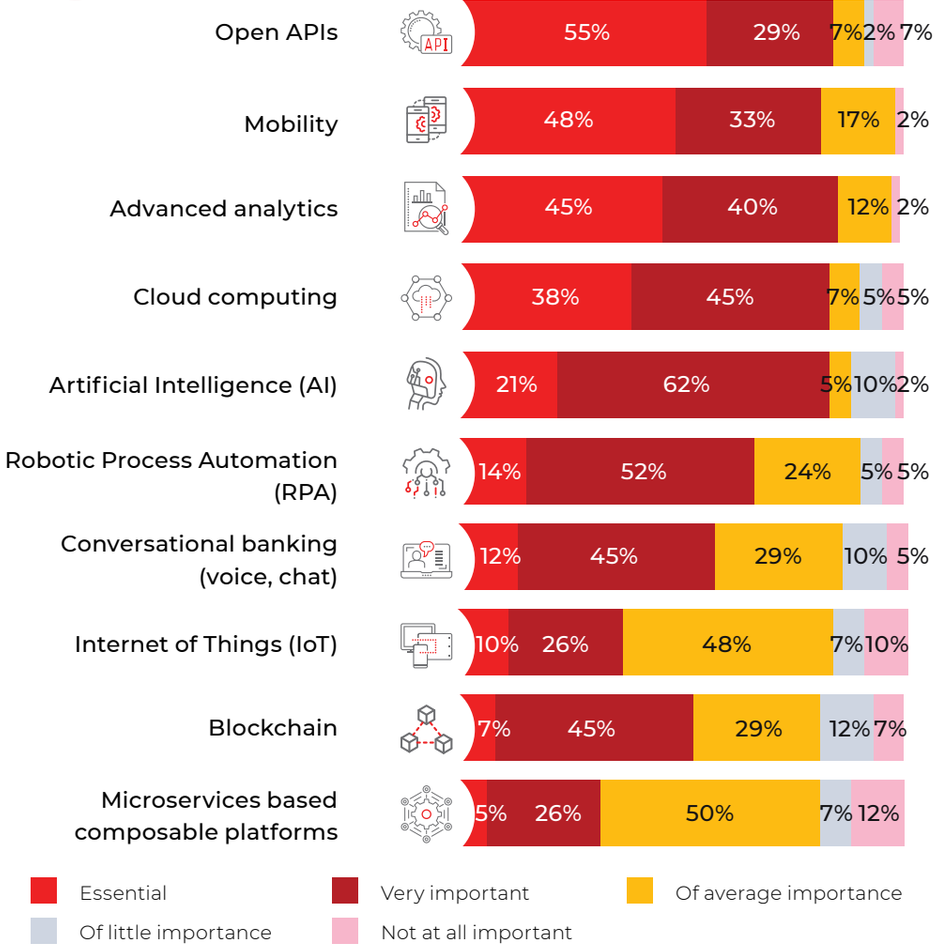
Building resilient foundations to catalyze corporate banking modernization

Corporate banking has traditionally relied on manual and paper-heavy processes leading to inefficiencies, slower transactions, increased error rates, and higher operational costs.

In response, corporate banks are embracing modern technologies like open APIs, mobility, robotic process automation (RPA), advanced analytics, AI/ML, intelligent automation, composable cores, and others to streamline and automate legacy front, middle, and back-office processes. In fact, as per a recent survey, on average, 45% of banks find these technologies to be of very high importance in delivering business outcomes.

Cloud accelerates this digital transformation of processes by facilitating the integration and rollout of these cutting-edge technologies. Its adaptable infrastructure supports the creation of modular components through microservices, simplifying the development of new technologies and promoting flexibility in assembling, upgrading, and maintaining these components. Further, cloud's infrastructure scalability facilitates seamless deployment of RPA bots and AI/ML models. Cloud services empower intelligent automation through vast computational resources for intricate algorithms and real-time data analysis. Cloud-based solutions provide the necessary computational power for processing vast amounts of data in advanced analytics and machine learning applications. Moreover, API-driven integrations capitalize on cloud connectivity, allowing diverse systems to interact efficiently. Thus, cloud technology acts as an enabler, amplifying the impact of cutting-edge technologies across the corporate banking value chain.

Q Please indicate the importance you perceive with the following technologies in delivering desired business outcomes.



Note: Numbers are rounded and therefore may not add up to 100%.

*Source: Leaping Forward: Scaling Digital Innovation in Corporate Banking, Infosys Finacle, 2022

Case in point:

HSBC's Cloud-Centric Revolution: HSBC's digital transformation in the corporate banking space heavily involves the cloud. In the UK, their commercial banking division developed "Kinetic," a small business banking app, using Google Cloud, launched in March 2021. The app stemmed from research among UK SMEs, addressing their time constraints and banking needs, now serving 48,000 companies. Cloud technology enables necessary analytics and fosters an SME ecosystem by collaborating with fintech partners for automating services like invoice matching and cash flow forecasting. HSBC leverages cloud capabilities, such as embedded finance, recognizing the necessity of cloud technology to connect various facets of evolving platform businesses in the space.

Source: Reshaping commercial banking, The Banker

Powering resilient banking operations

Staying ahead of changing risks, digital disruptions and shifting regulatory landscape

The business landscape for corporate banks is intensifying, necessitating heightened compliance adherence and enhanced transparency in financial operations. Institutions are under growing pressure to navigate intricate regulatory frameworks encompassing capital requirements, Know Your Customer (KYC) norms, Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) norms, customer due diligence, cybersecurity, and privacy. This requires ongoing adjustments to maintain compliance while optimizing operational efficiency. Recent surveys indicate that, on average, 33% of global financial institutions anticipate an increase in regulatory requirements over the next 12 months.

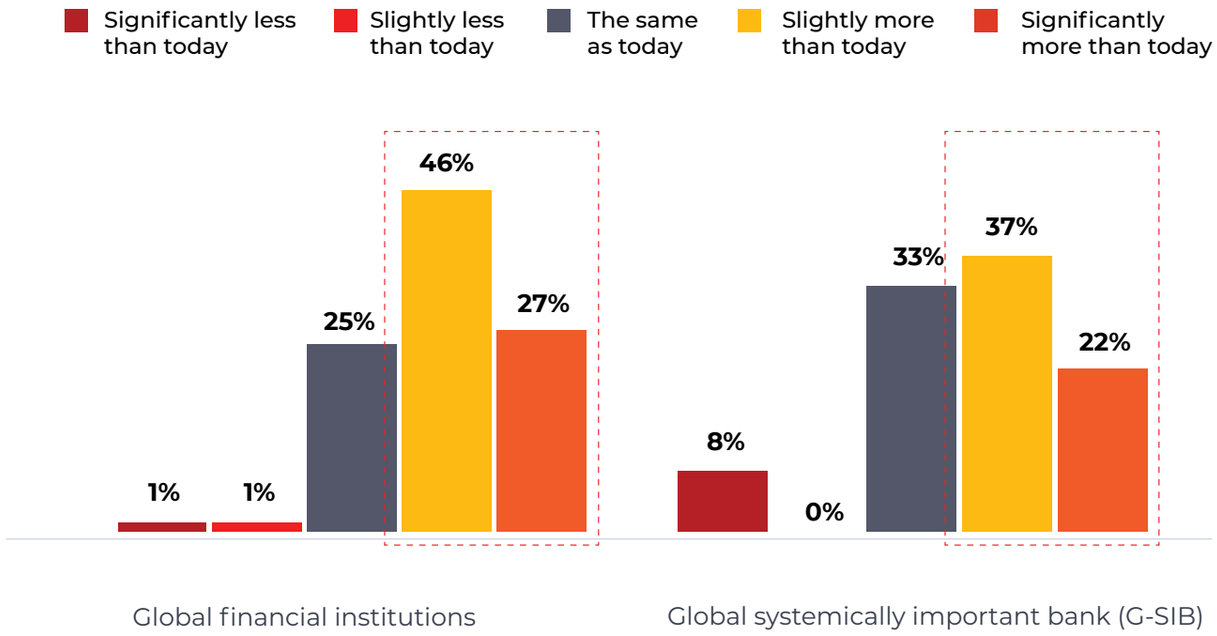
Furthermore, the complexity of technology infrastructures, vulnerable to unexpected disruptions, coupled with ongoing macroeconomic challenges, underscores the imperative for operational resilience. Regulators worldwide are introducing measures such as the Digital Operational Resilience Act (DORA) to ensure financial institutions are adequately prepared for operational challenges.

In response to this volatile landscape, banks are prioritizing the fortification of their operational resilience and the enhancement of their risk and compliance frameworks through the implementation of robust controls and cutting-edge technologies.

The adoption of cloud technology presents a transformative solution for the evolving challenges faced by the corporate banking sector. By leveraging cloud computing, financial institutions gain access to scalable, secure, and flexible infrastructure that enables them to adapt to the increasing demands of compliance adherence and transparency in financial operations. Cloud platforms offer advanced security features and compliance certifications that assist banks in meeting stringent regulatory requirements. Moreover, the cloud's agility allows banks to swiftly implement updates and adjustments to align with evolving regulatory landscapes while optimizing operational efficiency. Cloud technology also enhances operational resilience by providing robust disaster recovery capabilities and reducing the risks associated with on-premises infrastructure vulnerabilities. With the cloud's capacity to handle complex technology infrastructures and mitigate unforeseen disruptions, banks can navigate resilience challenges with greater agility and confidence.

Figure 2:

Global: Over the next 12 months, I expect the amount of regulatory information published by the regulators and exchanges to be...



*Source: Cost of Compliance Report: Regulatory burden poses operational challenges for compliance officers, Thomson Reuters

Case in point:

Revolutionizing Financial Compliance: Google Cloud's AI-Powered Anti-Money Laundering Tool - Google Cloud has introduced an AI-powered anti-money-laundering tool designed for financial institutions, diverging from the traditional rule-based approach. The product, Anti Money Laundering AI, counts HSBC, Banco Bradesco, and Lunar among its prominent users, prioritizing machine learning over rules-based surveillance to pinpoint suspicious activities. Departing from conventional practices, this method aims to reduce false positives and significantly enhance accuracy.

*Source: Google Cloud Launches Anti-Money-Laundering Tool for Banks, Betting on the Power of AI - WSJ

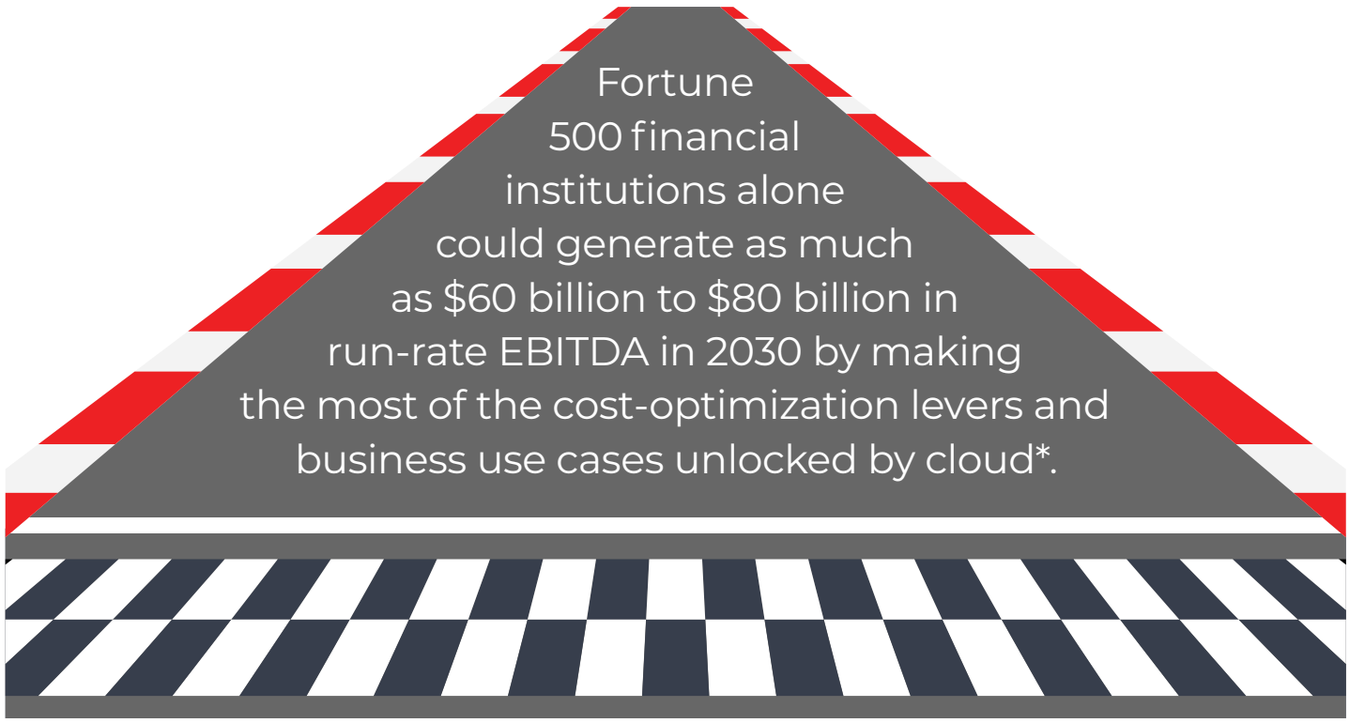
Streamlining total cost of ownership of IT infrastructure

Amplifying cost and resource efficiencies with the flexibility of cloud

Amidst a volatile business environment, corporate banks are doubling down on margins and focusing on reducing their cost-to-income ratios.

This focus involves implementing various measures aimed at optimizing operational efficiencies, and rationalizing expenses.

Corporate banks harness the advantages of cloud adoption to transform resource management and drive operational efficiency. By embracing cloud services, banks shift from capital expenditure to operational expenditure, accessing scalable resources as needed without substantial upfront investments in infrastructure. This pay-as-you-go model enhances resource allocation precision, aligning costs with actual usage patterns. Moreover, cloud service providers shoulder infrastructure management, including maintenance, updates, and security patches. This relieves banks' IT teams from these responsibilities, reducing expenses associated with system upkeep and upgrades. Streamlining processes through cloud adoption further amplifies operational efficiency, enabling rapid application development and deployment. The scalability of cloud resources empowers banks to adapt swiftly to evolving demands, optimizing IT performance and minimizing idle resources, thus curtailing associated expenses.



*Source: Three big moves that can decide a financial institution's future in the cloud, Mckinsey, Aug 2022

Case in point:

A large bank in Netherlands enhances its liquidity management platform on Finacle SaaS - A major Dutch bank has upgraded its liquidity management platform through Finacle SaaS as part of its strategy to improve service quality for corporate clients. By consolidating cash management applications, replacing outdated systems, and enhancing scalability and compliance, the bank aims to streamline treasury and cash management operations. Leveraging private cloud infrastructure recommended by Infosys Finacle and implemented in collaboration with Cloud4C, the bank successfully migrated data to the cloud, meeting stringent compliance standards such as Europe's Schrems II policy. This transformation facilitates better operations by centralizing operations across international subsidiaries, reducing operational costs, and boosting efficiency through rule-based straight-through processing (STP).

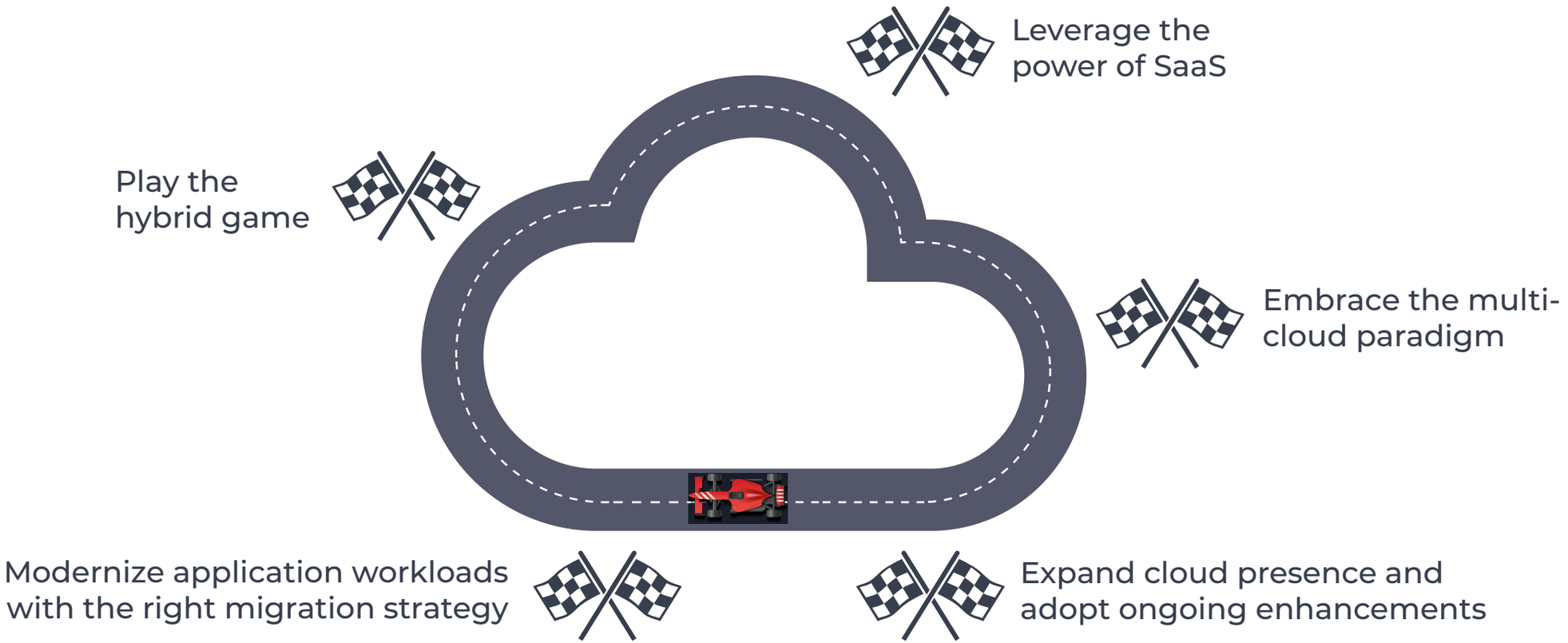
Source: https://www.edgeverve.com/finacle/case-studies/large-dutch-bank-transforms-corporate-cash-management/

The way ahead

As corporate banks aim to accelerate their cloud journey propelled by several compelling drivers, a strategic approach guided by industry best practices is essential for a successful transition. Achieving success demands a concerted effort to embrace proven methodologies and standards that guide the seamless journey to the cloud.

Steering towards a successful cloud journey

5 best practices to keep in mind for seamless migration and sustained excellence



Modernize applications for a cloud-first future

Selecting the right strategy for migration success

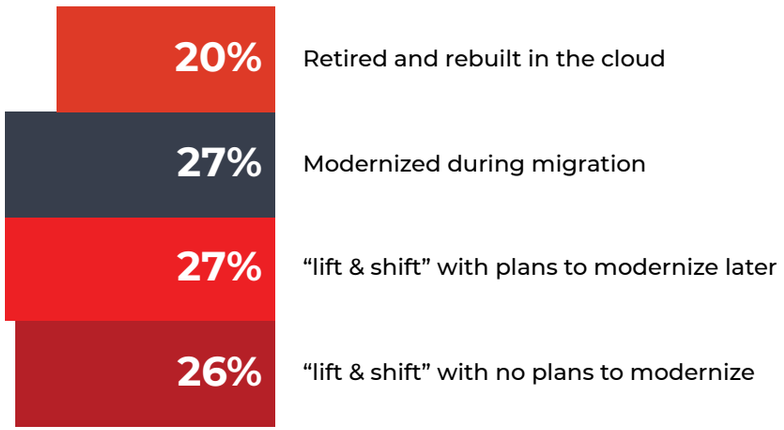
Most corporate banking applications today are legacy-based and not built natively for cloud. A recent survey revealed that the median age of these banking applications stands at 14 years, marking one of the lengthiest spans across industries*. This hinders corporate banks from fully embracing the advantages of cloud-native applications, impeding business value realization.

As a result, when corporate banks embark on their cloud transformation journey, they must carefully assess the current state of their lending, cash management, payments, and trade finance applications, and institute a comprehensive modernization roadmap for a cloud-first future. This entails choosing from various application modernization strategies like rehosting, refactoring, re-platforming, among others, each with its distinct strengths and limitations.

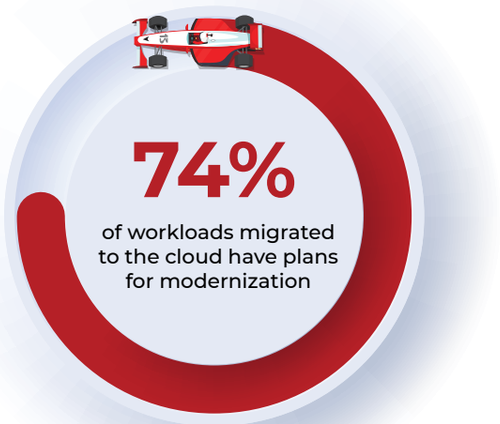
*Source: Why most digital banking transformations fail—and how to flip the odds, McKinsey, April 23

The selection of an appropriate migration strategy is vital as it directly impacts the cloud migration process's success and efficiency. This chosen approach aligns with business objectives, optimizes costs, improves performance, and reduces disruptions. It ensures the utilization of cloud capabilities, catering to application requirements while considering technical complexities and resource availability, ultimately defining the migration's success. Therefore, corporate banks must consider multiple factors—such as application complexity, business goals, application scale, customization needs, risk tolerance, and expertise availability—when determining the most suitable approach for executing the transformation process.

What does your organization plan to do with workloads it plans to migrate



Base: Total (n=1,275)
Q225: What % of the workloads your organization plans to migrate are....



"of workloads migrated to the cloud have plan for modernization"

*Source: Cloud Migration and Modernization: Trends, Microsoft Azure

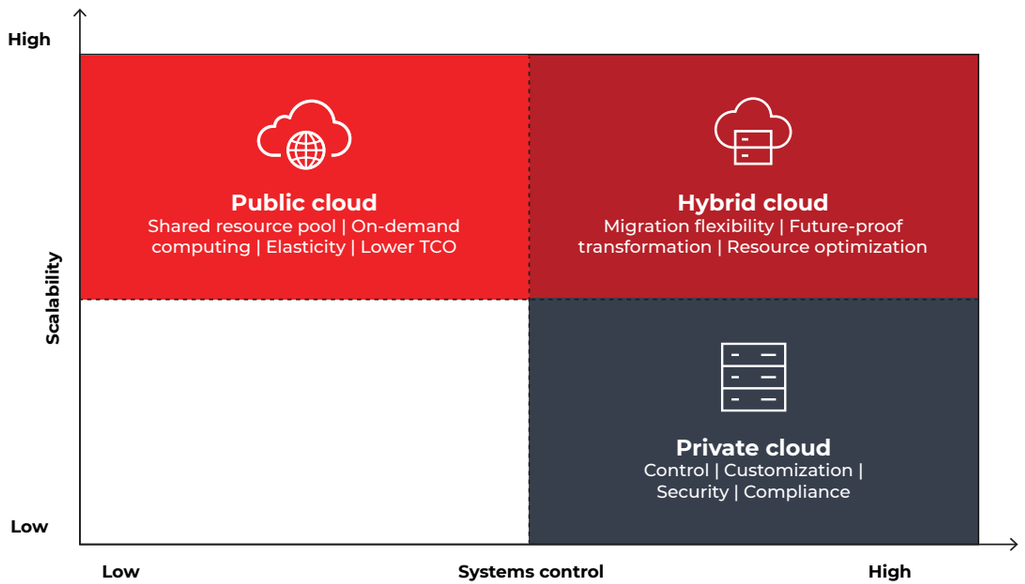
Play the hybrid game

Gain public cloud benefits, maintain private cloud security

Corporate banks evaluating cloud migration options need to balance risk and reward, navigating public versus private cloud choices, and reconciling scalability with security.

Hybrid cloud offers best of both worlds, combining scalability from the public side with the security of private cloud. It offers a flexible solution, allowing businesses to balance data security while leveraging the scalability and resources of public cloud services. Recent research in commercial banking reveals a shift where 80% of surveyed banks favor private cloud, 70% adopt public cloud, and 80% opt for a hybrid approach, highlighting a diverse landscape of cloud adoption strategies*.

Corporate banks transitioning to a hybrid cloud must meticulously assess their systems, prioritize security measures, and ensure seamless integration for optimized performance. Regular audits and skilled management are vital for adapting to evolving needs and effectively navigating the hybrid cloud environment.



*Source: Are clouds on the horizon for corporate banking, Celent, Dec 2020

*Source: BANKING ON CLOUD: IT'S TIME TO TAKE THE HYBRID APPROACH, Infosys Finacle

Leverage the power of SaaS

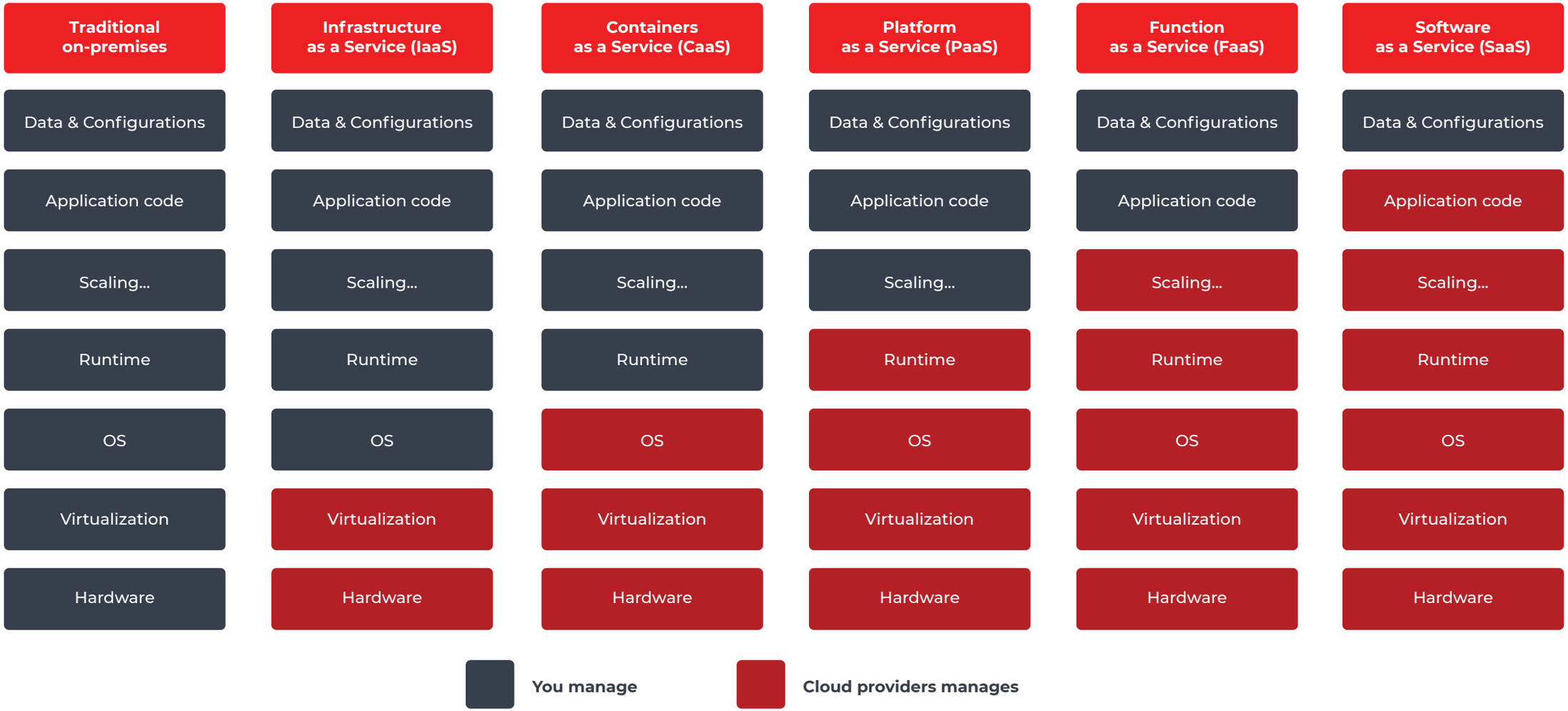
Harness easy to deploy software with little maintenance overhead

To address the rising customer demand for easily deployable and cost-flexible solutions, corporate banks are increasingly seeking swiftly implementable, off-the-shelf options tailored for their corporate clients, which also minimize internal resource allocations and overheads.

Consequently, corporate banks are increasingly turning towards Saas deployment model for their business applications. A Software as a Service (SaaS) deployment model offers numerous advantages, primarily providing readily available, specialized applications meticulously designed for corporate banking use cases. SaaS solutions cater specifically to the unique needs of financial institutions, offering purpose-built software for corporate lending, payments, cash management, trade finance, and more. Moreover, the subscription-based nature of SaaS models ensures predictable costs, allowing banks to manage their budgets effectively and scale resources as needed. This deployment model also alleviates the maintenance burden, as the responsibility for software updates, security measures, and compliance rests with the SaaS provider, ensuring that the banking systems remain up-to-date and aligned with industry standards.

When adopting a SaaS deployment model in banking, several key considerations should be kept in mind to ensure a successful implementation. Firstly, banks need to thoroughly assess the security measures and compliance standards of the chosen SaaS provider to safeguard sensitive financial data and ensure adherence to regulatory requirements. Additionally, evaluating the scalability and customization options of the SaaS solution is crucial to meet the evolving needs of the bank and its customers. Clear service-level agreements (SLAs) specifying performance metrics, uptime, and support availability should be established to ensure that the SaaS provider meets the bank's operational needs. Lastly, maintaining a contingency plan and understanding data ownership and portability are vital considerations associated with SaaS deployment in banking.

Unmatched management ease with SaaS



*Source: PaaS vs. IaaS vs. SaaS vs. CaaS: How are they different?, Google Cloud

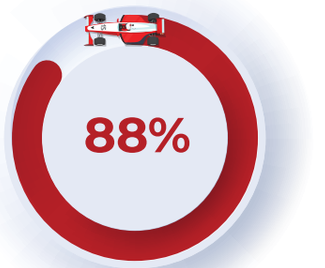
Embrace the multi-cloud paradigm

Breadth of options empowering flexibility and excellence

Corporate banks are increasingly placing demanding requirements on their vendors for tailored offerings with rich domain functionality powered by contemporary technologies.

In response to these escalating demands, cloud service providers and software vendors are expanding their offerings beyond basic computation and storage, focusing on delivering modular corporate banking capabilities, managed services , and specialized innovation enablers. Some banking software vendors are customizing their platforms to offer out-of-the-box banking capabilities, custom security measures and controls tailored specifically for corporate banking products like lending, cash management, payments, and trade finance. Adopting a multi-cloud strategy empowers corporate banks in selecting the most fitting cloud provider for each corporate banking product, avoiding vendor entrapment and enabling negotiation flexibility. With regulatory demands potentially dictating the dispersal of workloads across multiple clouds, the collaboration across various cloud partners becomes essential for banking entities.

Corporate banks looking for a smoother transition to a multi-cloud setup, should prioritize adopting cloud-native and cloud-agnostic architectures. This shift is crucial to handle complexities and integration challenges, ensuring seamless operations across various banking services. Pre-planning multi-cloud processes, designs, and security measures is essential to streamline the transition and cultivate a mindset beneficial for diverse corporate banking functions.



of financial services enterprises use multiple public clouds*

*Source: The State Of Cloud In Financial Services, 2023, Forrester

Expand cloud presence and adopt ongoing enhancements

Go beyond tokenism to realize true value

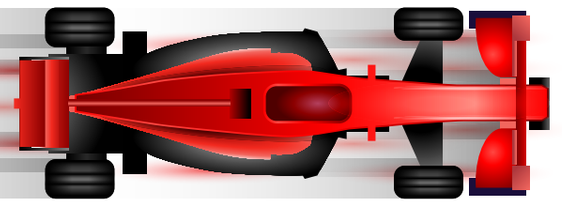
To truly harness the transformative power of cloud technology, corporate banks must recognize that the value of the cloud extends beyond mere surface-level adoption. While initial forays into cloud services may yield some benefits, the complete spectrum of advantages is only realized when organizations actively increase their cloud footprint and incorporate the latest technological enhancements.

Adopting a comprehensive cloud strategy involves more than token gestures; it demands a wholehearted commitment to reimagining and restructuring the core elements of banking operations. This includes a fundamental overhaul of existing processes, systems, and infrastructure to fully capitalize on the diverse capabilities offered by cloud computing.

A robust commitment to cloud adoption enables corporate banks to achieve heightened operational efficiency and position themselves strategically in the dynamic landscape of the financial industry. By embracing the full potential of the cloud, banks can optimize resource utilization, scale operations based on demand, and innovate rapidly.

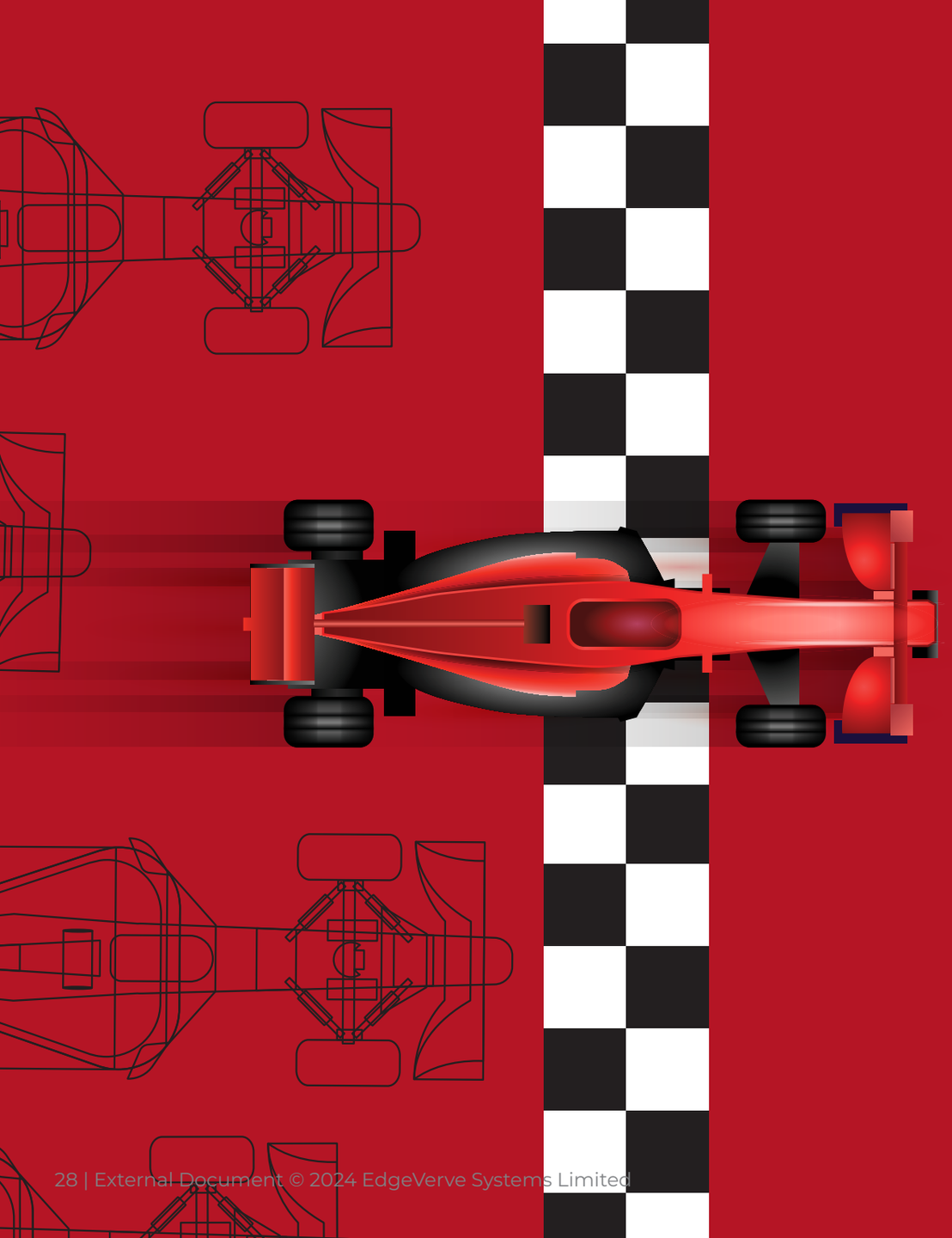
The comprehensive adoption strategy also empowers banks to navigate challenges such as security and compliance effectively, enabling them to meet regulatory requirements while staying agile in a rapidly evolving technological landscape. In essence, a wholehearted embrace of cloud technology not only enhances operational efficiency but also unlocks a spectrum of benefits that are pivotal for maintaining competitiveness and relevance in today's financial landscape.

<14% banks have achieved critical mass in cloud adoption by moving **60%** of applications to cloud*



Source: Infosys Cloud Radar 2021 – Financial Services and Insurance

Embracing optimal practices indisputably facilitates successful cloud adoption. However, beyond these practices, lies the critical imperative of selecting an appropriate partner for one's cloud transformation journey. Choosing a proficient and compatible partner is equally pivotal, as they substantially contribute to unlocking the full potential inherent in cloud technology. A strategic alliance ensures the efficient and effective utilization of cloud capabilities, thereby maximizing benefits and enabling a seamless journey towards desired outcomes.



UNLOCK TRUE CLOUD POTENTIAL WITH FINACLE

Fast-tracking cloud journeys with Finacle

A cloud-native, cloud-agnostic solution suite

Finacle offers a cloud-native, cloud-agnostic digital banking suite that can be deployed flexibly – on a private, public, or hybrid cloud – to suit your bank's requirements.

Our applications are built on a cloud-native framework based on Cloud Native Computing Foundation (CNCF) standards and follow the Twelve-factor App Methodology. This cloud-native approach prevents vendor lock-in and ensures delivery and support across managed cloud services, for private, public and hybrid cloud.

The applications run in a containerized environment orchestrated by Kubernetes, which is supported in all cloud environments.

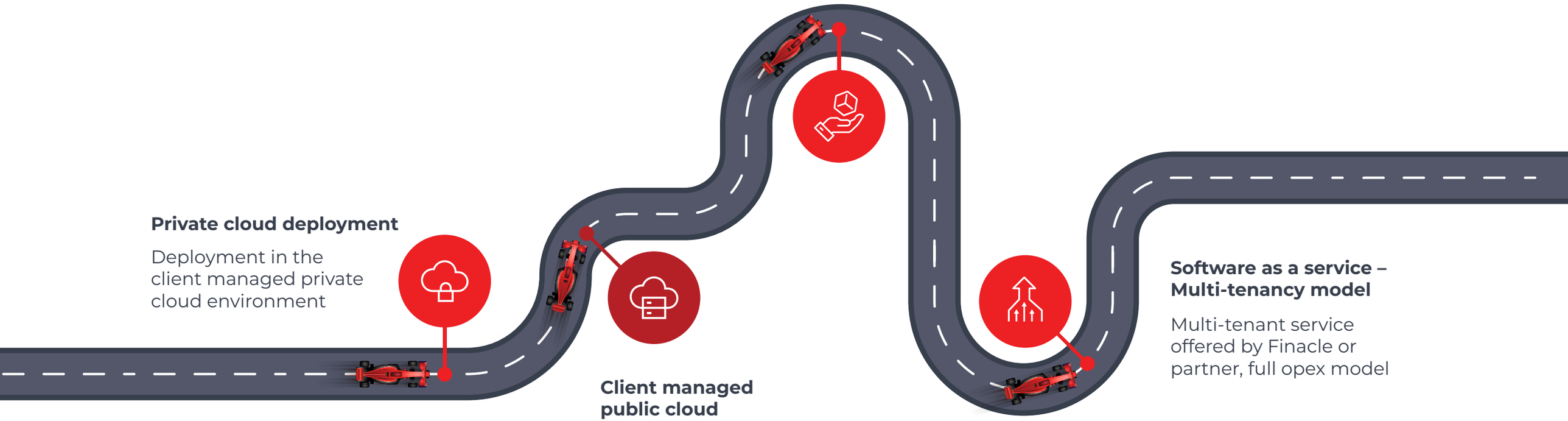
We have partnerships with all major global and regional cloud providers, including AWS, Microsoft Azure, Google Cloud, IBM, RedHat, and Oracle. Finacle's componentized structure allows you to choose any combination of solutions matching your bank's specific business priorities and modernization strategy. Whether your bank is looking to transition entirely to the cloud or do it progressively in phases, Finacle provides the necessary flexibility and support.

Customers around the world have leveraged Finacle cloud to engage, innovate, operate, and transform better.

- **Global Bank Launches Multi-Country Challenger Bank with Finacle on Public Cloud:** A tier-1 global bank leveraged Finacle on public cloud to launch multi-country challenger bank operations.
- **Australian Neo Non-Bank Accelerates Growth with Finacle SaaS:** An Australian neo non-bank adopted Finacle SaaS to accelerate its growth plans.
- **African Trade Finance Institution Digitizes with Finacle on AWS:** A leading African multilateral trade finance institution deployed Finacle on AWS to power its digital transformation.
- **Asian Financial Institution Expands with Finacle Digital Suite on Cloud:** A leading Asian financial institution banked on the Finacle Digital Suite on cloud to power its international expansion.
- **Vietnamese Bank Transitions to Finacle Digital Banking SaaS:** A large Vietnamese bank is converting from on-premise to Finacle Digital Banking SaaS to accelerate growth.

Software as a service – Single tenant model

Solutions offered as a service by Finacle or partner, full opex model



Private cloud deployment

Deployment in the client managed private cloud environment

Client managed public cloud

Deployment in the bank managed public cloud environment

Software as a service – Multi-tenancy model

Multi-tenant service offered by Finacle or partner, full opex model

The Finacle Cloud-Native Approach

Key elements driving business agility, resilience and innovation

Finacle architecture is built on strong cloud-native foundations. The Finacle cloud-native approach ensures delivery and support across managed cloud services, for private, public and hybrid cloud, and seamless porting of Finacle applications to any cloud. The key elements of this approach include –

Microservices architecture: Finacle's microservices-based, componentized architecture enhances component agility, availability, and scalability by decoupling them.

Stateless processes: Finacle applications are executed as one or more stateless processes. The share-nothing, horizontally partition-able nature of twelve-factor app processes means that the applications can be scaled independently.

Containerization: Finacle applications can be run within containers and container orchestration layers.

Orchestration: Finacle leverages Kubernetes for container orchestration in a cloud environment. It helps define, manage and upgrade applications with ease.

Distributed database and storage: Finacle employs Polyglot Persistence, offering clients options like Postgres, Oracle, and IBM DB2 for their data storage needs, while also enhancing resilience and scalability through database sharding.

Continuous Integration/Continuous Delivery: Finacle offers a CI / CD pipeline and its own set of tools for automation.

Declarative and RESTful APIs: Finacle offers declarative APIs, enabling developers to define desired outcomes rather than specifying detailed execution steps. When there is any change to the code, a new container is built automatically and a container image is generated for testing, deployment, staging and eventually, production.

Service Mesh: Finacle leverages Istio service mesh to ensure seamless security & access control, communication, traffic management and observability across its microservice components.

Observability And Analysis: Observability is a key capability provided by the service mesh. Elastic services ship logs from containers and visualize everything in Kibana.

Container Registry And Runtimes: Finacle integrates with Docker Hub, Azure Container Registry, Amazon Elastic Container Registry, etc. to provide a single interface to manage Docker images, perform vulnerability analysis, and decide who can access what with fine-grained access control.

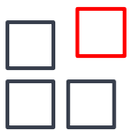
Streaming And Messaging: Logs provide visibility into the behavior of a running application. They are the stream of aggregated, time-ordered events collected from the output streams of all running processes and backing services.

Orchestration

Distributed DB and storage

Declarative APIs and RESTful APIs

Microservices architecture



Stateless processes

Containerization

CI/CD

Service mesh

Observability and analysis

Container registry and run times

Streaming and messaging

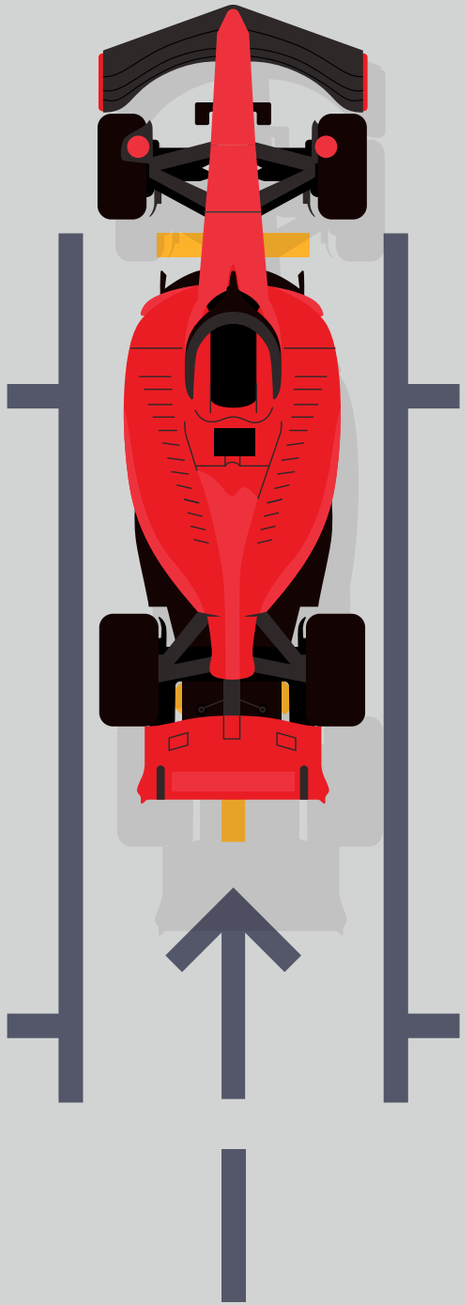
Conclusion – Embrace cloud NOW and position yourself for success tomorrow

In the fast-evolving realm of corporate banking, the embrace of cloud technology stands as a linchpin for innovation, resilience, and growth. This whitepaper journeyed through the accelerating adoption of cloud solutions, showcasing how they fuel unprecedented transformation across corporate banking.

Despite the palpable strides made, a pivotal disparity remains, highlighting the imperative for corporate banks to hasten their march toward holistic cloud integration. Bridging this gap is not merely a choice but a necessity to harness the true potential of technological advancement.

Armed with strategic insights, industry foresight, and real-world case studies, this paper delineates a roadmap for corporate banks. It charts a course toward cloud maturity, urging institutions to navigate through challenges and embrace diverse strategies, enabling them to unlock the full spectrum of cloud benefits.

The journey ahead demands resolute commitment. By embracing cloud technology, corporate banks can transcend barriers, drive innovation, and fortify themselves to cater to evolving customer demands. The future beckons—a future where cloud-powered agility, innovation, and resilience redefine corporate banking, unlocking unprecedented possibilities and setting the stage for sustained success in an ever-evolving landscape.



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