

modernize core bank.

deliver true digital customer experience with matrix and
your legacy core banking system

five°degrees
the fintech engineers

summary.

There is no need to tell users of legacy core banking systems about the inflexibility of their system set-up.

Adjustments that require coding, long implementation times with corresponding costs and huge dependency on the vendor well-known challenges for any legacy core banking owner. No surprise that there is a growing need for change. The financial world is buzzing with it. Banks think about how to leverage new technologies such as cloud banking, Internet of Things, smart appliances and API layers. Banks know they have to innovate in order to stay relevant to their customers, certainly in times like these when customer loyalty has become a thing of the distant past.

Research from Gartner and Forrester shows that the majority of banks still operate on (partly) outdated core banking systems.

For these banks it seems to be hard to make the transition to Banking 3.0. without accepting significant costs and risks.

executive frustrations.

Most core banking systems are outdated, expensive to maintain, inflexible and unable to support growth and innovation.

TOP FRUSTRATIONS BY IT AND BUSINESS LEADERS WITH REGARDS TO THEIR CORE BANKING SYSTEMS

Cannot support complex, highly interdependent products and relationships

Do not provide multi-dimensional customer views or management information

Are inflexible due to reliance on old technologies, single-purpose design and high customization

Require a lengthy development period to introduce and support new products



Cannot accommodate new and more complex risk management frameworks

Do not provide the necessary information required for today's banking control environment

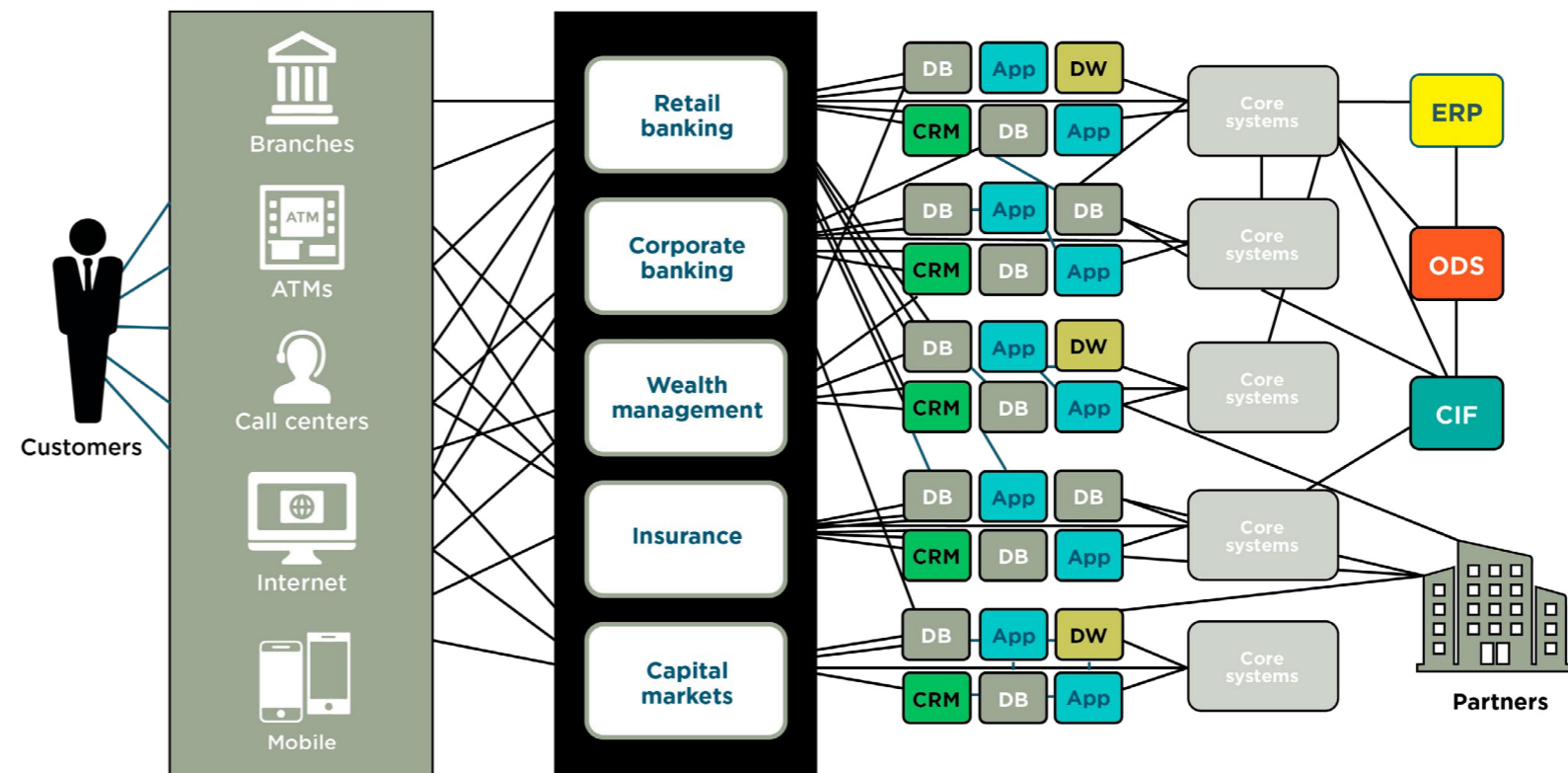
Do not support an efficient and flexible environment leading to higher cost of maintenance

Do not integrate easily with new applications third-party packages and other IT assets

spaghetti. systems.

Legacy core banking systems, often designed in the last century, have grown over the years to “spaghetti” systems which are extremely difficult to manage and operate and hence very costly. The typical legacy core banking set-up is part of a bigger landscape with systems to handle Customer Relationship Management, Document management and Customer Due Dilligence or KYC.

All of the systems interacting through a “spaghetti” of interfaces, where they will all have only parts of the client data. This means that for sending out communications, running processes for onboarding, client maintenance or CDD, the information has to be fetched before it can be used. Let alone the dierent employee portals that are needed to make the data available to employees.



or is there a way out...?

five°degrees delivers, Matrix
New Digital Core Banking
Platform that build core legacy
applications.

Matrix's strong executable workflow and orchestration capabilities allow banks to tailor services and products for their customers, with a consistent and seamless experience across all channels (A real Omni Channel experience). It also allows banks to increasingly integrate with third-party systems, a vital attribute when moving towards 'marketplace' or 'open API' banking, with the possibility to white-label products and services.

Imagine that with the Matrix Digital Core Banking Platform, all the client related functionalities will be centralized in one platform, that acts as a middle layer to combine the data and functionalities that are related to the client. The split between client data and product data will make it much easier to expose the data to the client and employee facing channels. The data can be directly used in workflows or for data-analytics to trigger events or alerts.

By centralising customer data in Matrix platform provides bank's employees with a true 360° view of the client.

or is there a way out...?

One of the most valuable advantages of the Matrix platform is the easy adoption of loosely coupled (new) services or applications to the system.

A unique selling point for banks that want to move to next generation banking without having to replace their legacy core banking systems. Over the systems lifetime, many of those services have been engineered and are now available such as risk systems, biometrics solutions, PFM (Personal Financial Management) solutions or rating services. With the upcoming App Store Five Degrees introduces a trusted marketplace for banks where partners can provide their innovation and add-ons to the Matrix platform.

This results in:

- Faster go to market
- Lower cost and risk
- No coding
- API layer
- Omni-channel customer experience
- Drag & drop workflows

customer. experience.

Matrix Digital Banking Platform becomes the main customer repository, driving sophisticated CRM based on detailed data, and leaving the legacy core banking system as merely the transaction and accounting engine.

In this way, the scope of the backoffice 'shrinks' on a phased and manageable basis. Tangible business benefits are gained in a short timeframe without the high-risk, high-cost multi-year 'rip and replace' projects of yesteryear. The legacy will be hidden from customers, with the workflow and orchestration capabilities allowing banks to much more readily tailor products and services for their customers, with a consistent experience across all channels.

It also allows banks to increasingly integrate with third-party systems, a vital attribute when moving towards 'marketplace' or 'open API' banking, whereby they white-label products and services.

The example has been set by a Dutch Online Savings bank that selected five°degrees' Matrix Digital Core Banking Platform on top of their core banking system Oracle FLEXCUBE. With Matrix, the challenger bank adopted a clean three-layer architecture.

Matrix runs the orchestration, business process management (BPM), CRM and document management. Oracle FLEXCUBE is responsible for the product administration and transaction handling. The bank has achieved impressive agility, resilience and particularly operational cost reduction; all leading to an improved Digital Customer Experience.

conclusion.

Although most banks find their legacy core banking system to be stable and probably the best choice at the moment of purchase, the demands of today's marketplace are hard to meet. Most of the traditional core banking players typically lack agility and responsiveness required by their demanding and empowered customers. Not to mention the resulting relatively high total cost of ownership (TCO). Looking at core banking system suppliers everywhere, it is fair to argue that most of them do not excel at areas outside the core. Its front and mid-office offerings tend to be weak. It is neither its focus nor its forte. Matrix Digital Banking Platform, newer than nearly all of the core systems by more than 20 years, is a next generation solution that can breathe new life into that legacy core banking system.



for more information.

To learn more, contact five°degrees at sales@fivedegrees.com or download our case studies to see how your peers are gaining a competitive edge with the Matrix platform here:

www.fivedegrees.com/digital-banking-case-studies

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