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PART I OF THE CORE MODERNIZATION FRAMEWORK

MODERNIZE
WITH
CONFIDENCE

THE BUSINESS–LED ROADMAP

DEVELOPED IN PARTNERSHIP WITH SABIO WORLD

WHY MODERNIZATION HAS BECOME A
BUSINESS MANDATE

For decades, banks have invested heavily in front-end experiences—digital channels, mobile applications, customer engagement platforms, and analytics—while deferring deep modernization of their core banking platforms. These investments have delivered visible gains in customer acquisition, convenience, and brand perception. Yet they have also produced a growing structural imbalance: front-end capability has advanced far faster than back-end capacity to support it.

This imbalance has created mounting technical debt, escalating run costs, and increasing architectural complexity driven by years of tactical fixes layered onto aging cores. Today, this model is no longer sustainable.

Customers expect real-time, always-on, personalized interactions and instant fulfilment. Regulators expect demonstrable operational resilience, transparency, and control. Business leaders expect faster time-to-market, predictable economics, and scalable growth. Legacy cores—originally designed for batch processing, rigid product definitions, and limited configurability—can no longer meet these expectations simultaneously.

As a result, core modernization is no longer an IT concern. It is a business-critical transformation that directly shapes revenue growth, cost structure, risk posture, and long-term competitiveness. While technology leaders may initiate discussions, it is business leadership that ultimately funds these programs—and bears accountability for outcomes.

At the same time, a powerful shift is underway. Advances in automation, Generative AI, and emerging agentic technologies are fundamentally changing the feasibility frontier of modernization. Capabilities such as AI-assisted software engineering, automated testing, intelligent configuration, and continuous optimization now make modernization faster, cheaper, and materially less risky than in previous generations.

Modernization therefore must be **framed, governed, and executed as a business-led shift** from legacy core systems **to a modern, componentised banking platform**, not as a one-time system replacement.

CORE MODERNIZATION

Modernization succeeds only when business, risk, and technology move *together*

TECHNOLOGY	OPERATIONS & RISK	BUSINESS & STRATEGY
CIO / CTO	**COO / CRO**	**CEO / CFO**
1 Architecture	1 Operational Resilience	1 Strategy
2 Integration	2 Control	2 Economics
3 Delivery Risk	3 Compliance	3 Long-Term Value

Modernization is not an IT project.
It is a shared executive mandate.

This shared ownership reflects an important reality: while modernization programs may be executed through technology, their success or failure is ultimately measured in business outcomes.

THE CORE HAS BECOME A

BUSINESS BOTTLENECK

In many banks, limitations of legacy core platforms are now visible well beyond technology teams. Business leaders increasingly encounter constraints that technology organizations alone cannot resolve without structural change:

- Inability to support real-time, event-driven processing
- Limited capacity for 24x7 operations
- Rigid product architectures that prevent hyper-personalized pricing and tailored offers
- Extended lead times to launch or modify products
- Over-customization that increases complexity and technical debt
- Fragmented decisioning across channels, risk engines, and cores

Collectively, these constraints translate into missed revenue, higher operating costs, inconsistent customer experiences, and growing operational risk.

Importantly, they also expose a widening gap between where banks have already invested—digital engagement—and where underlying capabilities remain constrained—core processing.

As these limitations increasingly affect business performance, modernization naturally shifts from a technology initiative to a board-level investment decision driven by the need to unlock business capabilities, not refresh infrastructure.

PLATFORM APPROACH

> Successful banks see modernization not as a simple swap of core systems, but as the creation of an adaptive, resilient, and intelligent platform—balancing ambition with stability

Banks that *struggle* with modernization frame the challenge as replacing one core system with another.

Banks that **succeed** adopt a fundamentally different mindset.

They treat modernization as the creation of a modern banking platform:

a componentised architecture composed of modular services, shared capabilities, and configurable product components that can evolve continuously.

This reframing acknowledges several realities:

- Modernization unfolds over multiple years
- Legacy and modern components must coexist for extended periods
- Regulatory expectations evolve during the journey, not after it
- Business priorities, leadership teams, and market conditions change

Leading banks are turning accumulated technical debt into digital capital by building platforms that are adaptive, resilient, and intelligent—powered by four structural shifts:

- AI-driven software development and testing
- Shared software and reusable components
- Resilient digital foundations
- Agentic management at scale

Rather than accelerating change at the expense of control, this approach enables banks to modernize with confidence—balancing ambition with stability.

MODERNIZATION
SAFETY INFRASTRUCTURE

To manage complexity, leading banks anchor their journey in a Modernization Safety Architecture—an enterprise-grade framework that allows change to occur without destabilizing operations or eroding regulatory confidence.

It integrates four elements:

Strong governance and decision rights	**Secure interoperability between legacy and modern components**	**Resilience and operational continuity by design**	**One accountable transformation partner**

Together, these elements ensure that modernization progresses as a controlled enterprise capability rather than a series of disconnected technology projects.

A PHASED, BUSINESS-LED
ROADMAP

Modernization is most effective when sequenced as a controlled, phased journey, where learning, validation, and risk reduction occur before irreversible commitments are made. This sequencing is central to preserving business confidence and funding support.

This phased approach aligns capital deployment with validated outcomes, ensuring funding decisions remain grounded in demonstrated progress.

Phase 1: Stabilize and Decouple
Strengthen resilience, observability, and control while decoupling channels from rigid core dependencies.

Phase 2: Build Optionality
Introduce digital twins, modular services, and controlled experimentation environments that allow testing without exposing live operations.

Phase 3: Migrate in Slices
Transition by product, segment, geography, or function—each slice delivering measurable value and reducing dependency.

Phase 4: Institutionalize Continuous Modernization
Modernization becomes a permanent enterprise capability, with predictable release cycles and configuration replacing customization.

AI AND GENERATIVE AI

IN PLATFORM MODERNIZATION

Across Accenture-led programs, AI and GenAI are increasingly used to:

- Accelerate code refactoring and testing
- Automate configuration and rules generation
- Detect anomalies and predict incidents
- Orchestrate releases, rollbacks, and environment management

These capabilities materially reduce delivery risk while increasing speed and quality, reinforcing the safety-first modernization model.

Modernization is no longer about reaching a future-state system

It is about building a bank that can change safely, continuously, and predictably.

By reframing core modernization as a business-led, platform-based journey—anchored in governance, resilience, and phased execution—banks can unlock new capabilities without breaking what already works.

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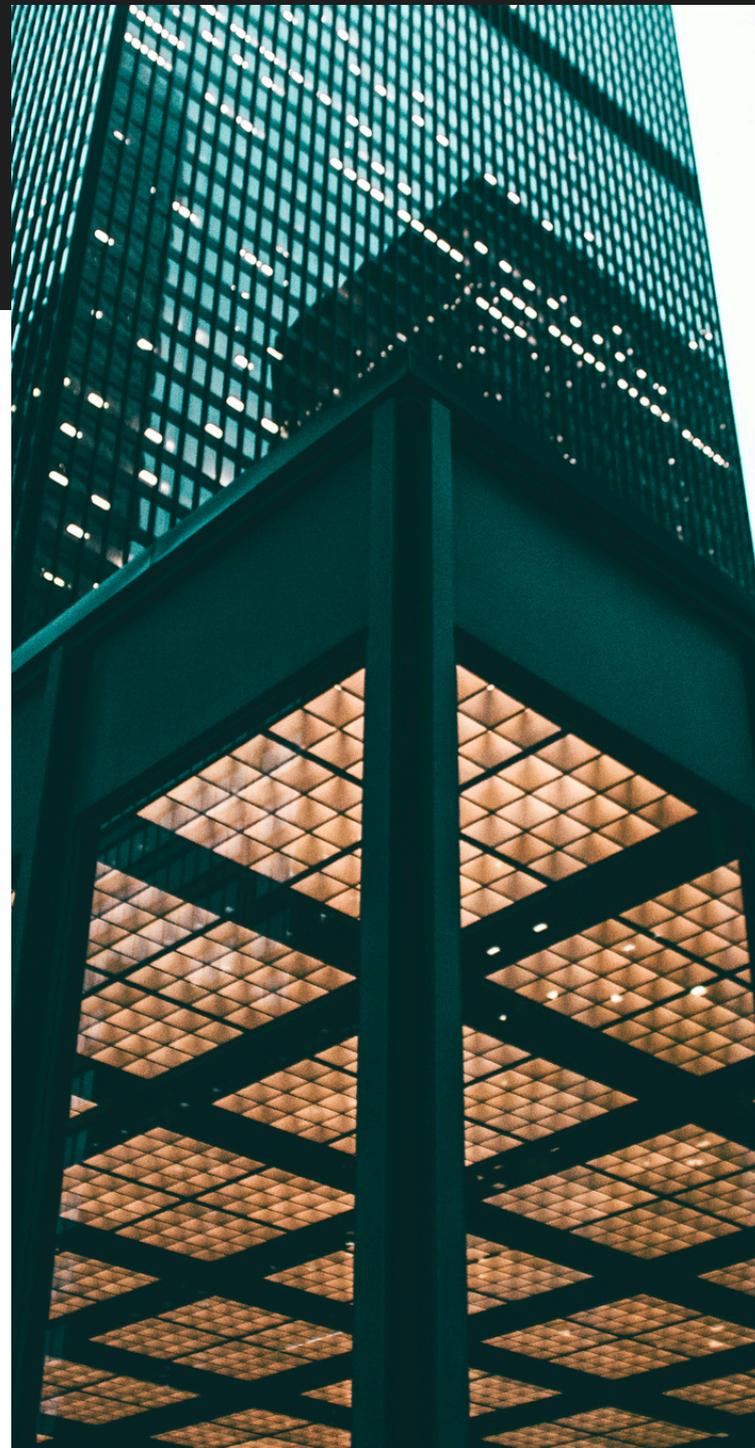
Executing a business-led modernization program at enterprise scale requires more than technology. It requires disciplined execution, operating-model change, and accountability over time.

Together, Microsoft and Accenture bring complementary strengths:

- Accenture leads on governance, execution discipline, and enterprise operating-model transformation, drawing on deep experience with large-scale financial services change programs

- Microsoft Azure provides a secure, resilient public cloud platform with regional APAC presence, enabling interoperability, scalability, and continuous innovation

Crucially, the partnership offers one roadmap, one shared blueprint, and one accountable partner. This unified delivery model reduces integration risk, accelerates decision-making, and simplifies regulatory engagement—critical advantages in complex, multi-year transformations.