# THE NEXT-GENERATION COMPOSABLE CORE

By **Arun Arunachalam**, Vice-President and Head, Product Management Group, TCS BaNCS

**"It's a drastic change in our thinking about software architecture. An independent set of microservices enables best-of-breed integrated solutions on a composable platform enabling fail-fast innovation."**

*- Arun Arunachalam*
at the IBSi NextGen Core Banking Summit, London, June 2022

How can banks gear up to keep pace with the rapid, repeated, and large-scale innovations being demanded in their business and technical architectures to offer new products and features?

There are three dimensions in which the banks will have to reframe the possibilities.

**Dimension #1** Ability to integrate best-of-breed point microservices, including from fintech ecosystem partners

**Dimension #2** Leverage the new technology and composable architectures best suited to banking products

**Dimension #3** Faster realization from concept to deployment

## Dimension #1

### Ability to integrate best-of-breed point microservices, including from fintech ecosystem partners

The next generation of core banking will be built entirely using cloud-native microservices. A modern microservices-based architecture allows business users to create new business capabilities by composing microservices. Just as the banking industry embraced cloud computing once the business benefits became evident, we believe a similar adoption curve is underway for microservices.

With the next-generation TCS BaNCS, banks will be able to select, extend, and recombine microservices into an orchestrated process and gather the data into an enterprise data layer.

For example, if banks want to add or replace specific loan products or specific payment products without making any other changes to their existing systems landscape, they will be able to choose those specific microservices from TCS BaNCS and connect it to your core systems landscape. In fact, banks will be able to orchestrate the entire lifecycle of onboarding, origination, and servicing using microservices.

TCS BaNCS has over 150 partners in our ecosystem, from which our bank clients are actively selecting suitable partner microservices to create comprehensive solutions for their needs. From this broader ecosystem, banks can include business capabilities, whether for ID verification, validation, document generation, signatures, payments, AML checking, or other capabilities. When banks select a FinTech partner, their business and technology team should be able to design, integrate, orchestrate, and deploy the product feature or capability. Alternatively, if banks prefer, their business team should be able to design and integrate the using a product workbench and let our experts provide support the last mile.

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# Dimension #2

### Leverage the new technology and composable architectures best suited to banking products

To facilitate the future of banking, TCS BaNCS will enable bank-led composability using microservices. Banks can choose the microservices they want and use them in conjunction with existing business capabilities they already have. Also, our TCS BaNCS microservices are designed for co-existence with existing systems, allowing banks to connect just as easily to existing core applications as to the new microservices deployed on leading cloud platforms. TCS BaNCS will enable business users to create new product capabilities on a low-code platform. These new product capabilities will be plug-and-play – banks can deploy them into their existing landscape of core banking solutions, data sources, customer channels, and workflows.

TCS BaNCS approach is to leverage the native benefits provided by the cloud infrastructure provider, while remaining agnostic to the cloud vendor.

APIs are another key element that facilitate integration and realization of composable architecture. A rich set of well-documented APIs facilitate integration of TCS BaNCS with the surrounding systems and ecosystem partners. A standards-based and conventions-based approach facilitates communication and enable interoperability of the microservices and business capabilities.
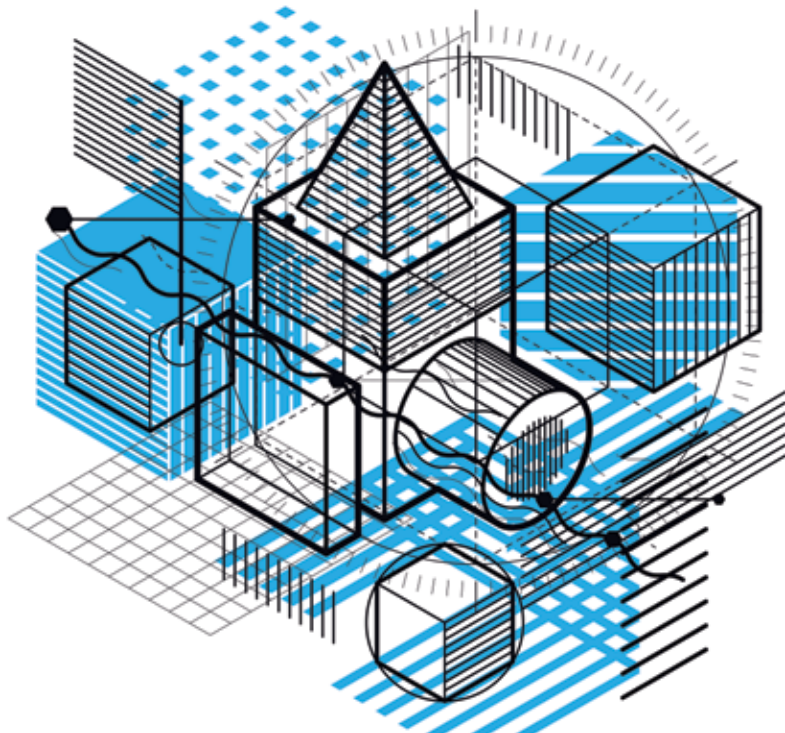
**Watch**
**Arun Arunachalam**
interviewed at:

**IBSi NextGen Core Banking Summit 2022**
https://youtu.be/RG9-xtEFAhU

**Liberty IT event "the majors" in Australia**
https://youtu.be/Oh-oYWrL_fY

# Dimension #3

### Faster realization from concept to deployment

Banks need the ability to design and deploy new solutions in a short timeframe. A low-code platform is one such technology choice available to enable business agility. The scope of a low-code platform should extend from its current prevalence in digital channels to the underlying core transaction and service layer.

A low-code platform will allow users to select, integrate, test, and deploy microservices using an intuitive visual interface. For example, if we had an origination process composed across multiple microservices, the low-code platform will allow plug-and-play with different vendors' microservices. Evidence of its benefits will be reflected when the design-to-deployment timeframes come down to days instead of months. In the medium term, a low-code platform will bring in extreme business agility.

**The future of core banking with TCS BaNCS will be a subscription catalog consisting of:**

- Inter-operable **microservices** enabling partners to extend TCS BaNCS
- Leveraging **cloud-native** technologies
- **Low-code** development platform

This combination of technologies will deliver business agility to drive innovation and rapid deployment of new and exciting applications built on powerful, tested technology.
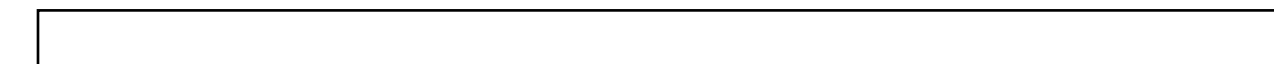
**"The core banking system will evolve into a catalog of cloud-native microservices, deployed on the cloud and available for subscription."**

-Arun Arunachalam,
IBSi NextGen Core Banking Summit

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