Modernize your core banking infrastructure with Red Hat

92%

of banks are accelerating or planning to accelerate digital transformation of their business services in the next 6-12 months.[1]

Red Hat delivers hybrid cloud solutions that help you transform your core banking systems more efficiently and with less risk. With these solutions, you can:

- Speed application development and launch.

- Increase operational efficiency.

- Boost service resilience.

- Build more engaging customer services.

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Digital expectations require modern core infrastructure

Faced with growing competition and change, banks must transform their business to remain relevant and successful. In fact, 92% of banks are accelerating or planning to accelerate digital transformation of business services in the next 6-12 months.[1] Core banking system modernization can help you deliver fast, personalized digital experiences to differentiate your business in an increasingly commoditized market.

Modernize your core banking systems with Red Hat

Core banking modernization is an ongoing journey, rather than a single transformative act. Many banks start their journey by deploying cloud-native, container-based infrastructure. Correspondingly, 60% of banks plan to increase spending on cloud computing and storage in the next year.[1]

Red Hat can help you transform your core banking systems more efficiently and with less risk. Red Hat simplifies your modernization journey with enterprise open source infrastructure that lets you access modern methodologies and innovate at scale. Red Hat® hybrid cloud solutions provide advanced DevOps and cloud-native tools, cross-infrastructure portability and scalability, and the ability to run both existing and cloud-native applications. These modular solutions let you deploy the components you need, integrate with existing systems, and expand as needs change. You can also customize your installation with certified partner products, leading core system solutions, and open source technologies.

Each solution component provides key capabilities for your modernization journey.

- Red Hat OpenShift® is an enterprise-ready Kubernetes container platform with full-stack automated operations to manage hybrid cloud and multicloud deployments. It is optimized to improve developer productivity and promote innovation. Available for Red Hat OpenShift at no additional cost, Red Hat OpenShift Service Mesh gives you a uniform way to connect, manage, and observe microservices-based applications.

- Red Hat Runtimes is a set of products, tools, and components for developing and maintaining security-focused cloud-native applications. It offers lightweight runtimes and frameworks for highly distributed cloud architectures like microservices.

- Red Hat Integration is a comprehensive suite of integration and messaging technologies that connect applications and data across hybrid infrastructures. Within Red Hat Integration, Red Hat 3scale API Management allows you to share, secure, distribute, manage, and monetize your application programming interfaces (APIs) on an infrastructure platform built for performance, customer control, and future growth. Red Hat AMQ is a flexible messaging platform that delivers information reliably, permitting real-time integration and edge connections. And Red Hat Fuse is a distributed, cloud-native integration platform that uses an API-centric, container-based architecture to decouple services, allowing them to be created, extended, and deployed independently.

1 *Deloitte. "2021 banking and capital markets outlook: Strengthening resilience, accelerating transformation," 3 Dec. 2020.*

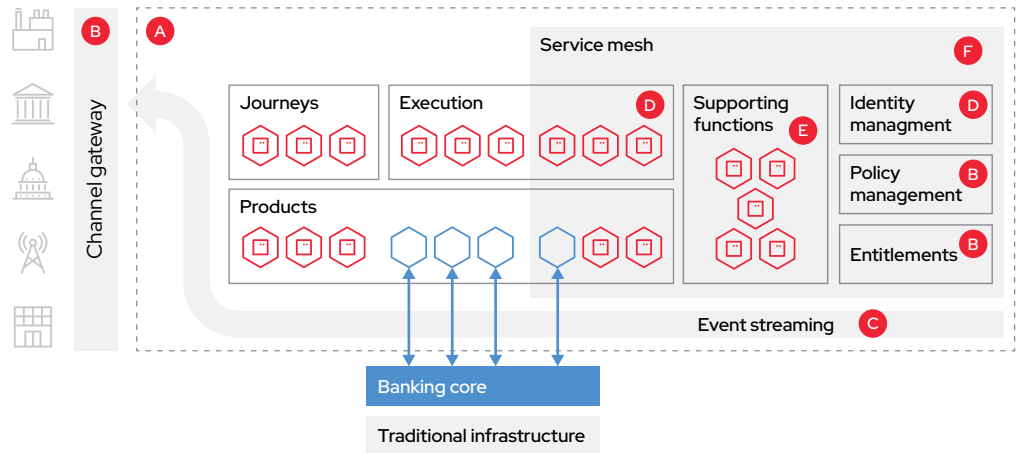## Core banking modernization approaches

There are three main approaches for modernizing core banking services: extend, renew, and reinvent. Many banks deploy a combination of these approaches during their modernization journey.

Extend

The extend approach adds new interface layers to existing core banking services, making them easily accessible to other cloud- and microservices-based applications through APIs. The architecture of the existing service remains largely unchanged, allowing you to protect your existing investments while applying new innovation and methodologies to your data.

81%

of banking executives say their bank will invest more in core systems modernization within the next 12 months.[2]

Figure 1. The extend modernization approach adds new interface layers to existing core banking services.
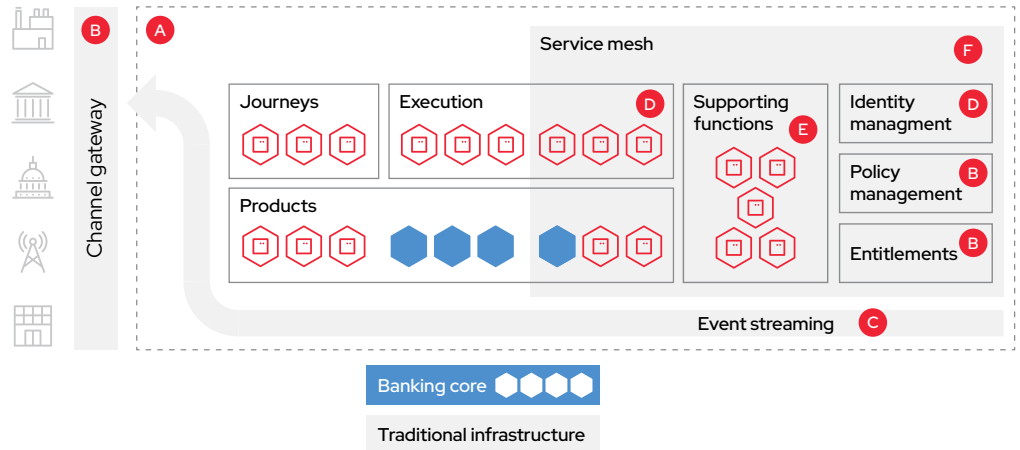
Renew

The renew approach incrementally replaces existing core banking services with new, software-based versions from independent software vendors (ISVs). The new version of the service is deployed on cloud-based infrastructure and may also use a microservices architecture. Over time, these new services will completely take the place of your traditional core systems.

Maximize your cloud value

Red Hat gives you a reliable path to modern, cloud-native architecture and operations. You can use the same technologies, skills, and investments throughout your journey, reducing your risk and providing more value.
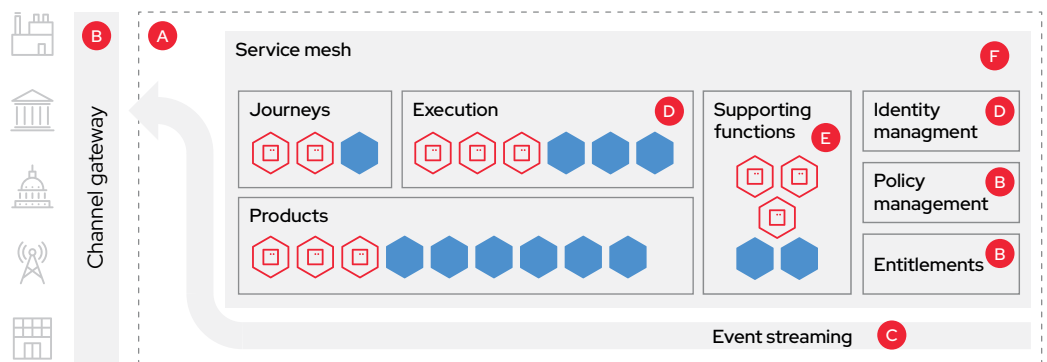

Red Hat product key

A	Red Hat OpenShift	C	Red Hat AMQ	E	Red Hat Integration
B	Red Hat 3scale API Management	D	Red Hat Runtimes	F	Red Hat OpenShift Service Mesh

Figure 2. The renew modernization approach replaces existing core banking services with new, cloud-based versions.

Reinvent

The reinvent approach incrementally replaces existing core banking services with cloud-native, microservices-based versions running in an agile service mesh. Over time, cloud-native services will completely replace your traditional core banking systems, allowing you to take full advantage of the flexibility, control, and efficiency of containers and microservices.

Red Hat product key

A	Red Hat OpenShift	C	Red Hat AMQ	E	Red Hat Integration
B	Red Hat 3scale API Management	D	Red Hat Runtimes	F	Red Hat OpenShift Service Mesh

Figure 3. The reinvent modernization approach replaces core services with cloud-native, microservices-based versions.

Learn from the experts

Red Hat offers services and training to help you modernize more quickly and successfully and get the most from your hybrid cloud investments.

Visit redhat.com/consulting to learn more.

Red Hat hybrid cloud solutions provide a consistent, adaptable foundation for all three approaches, whether used separately or together in any order. You can choose your own path and pace, knowing your Red Hat infrastructure will reliably support your needs.
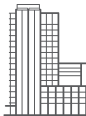
Key Red Hat solution benefits for core banking modernization

Benefit	Details
Accelerate application development and launch.	Speed development with built-in automation and CI/CD capabilities.
	Quickly provision developer resources via self-service and automation.
	Accelerate development with API and microservices that let you connect and reuse services more easily.
Increase operational efficiency.	Run more containerized workloads on each server to cut hardware costs.
	Manage resources across your hybrid cloud and multicloud environment in the same manner with a consistent foundation.
Boost service resilience.	Deploy applications across multiple infrastructures consistently to increase reliability and redundancy while optimizing costs.
	Control software versions and updates to ensure reliable operation.
Build more engaging customer services.	Gain insight and personalize services in real time using artificial intelligence (AI) and machine learning (ML) capabilities, hardware accelerators, agnostic runtimes, and container integration.
	Create easy-to-use applications for on-demand customer services.

Schedule a discovery session to learn more: red.ht/consulting-discovery-session

About Red Hat

Red Hat is the world's leading provider of enterprise open source software solutions, using a community-powered approach to deliver reliable and high-performing Linux, hybrid cloud, container, and Kubernetes technologies. Red Hat helps customers integrate new and existing IT applications, develop cloud-native applications, standardize on our industry-leading operating system, and automate, secure, and manage complex environments. Award-winning support, training, and consulting services make Red Hat a trusted adviser to the Fortune 500. As a strategic partner to cloud providers, system integrators, application vendors, customers, and open source communities, Red Hat can help organizations prepare for the digital future.

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