

From Disruption to Differentiation: The State of BFSI Transformation



Foreword

Over the past decade, the financial services industry has undergone one of the most profound transformations in its history. Technologies that were once labeled as disruptive have now become foundational. Open banking, instant payments, microservices, automation, and cloud adoption are no longer competitive advantages. They have become baseline expectations.

Differentiation in the BFSI sector is no longer driven by whether organizations adopt modern technologies, but by how effectively they combine, govern, and scale them. Institutions that succeed are those that move beyond isolated implementations and instead build resilient, intelligent, and composable platforms capable of rapid adaptation.

This whitepaper presents a perspective on the current state of financial services transformation. Rather than focusing on emerging trends, it examines the capabilities that define market leaders today and the strategic priorities that will separate them from laggards in the years ahead.

At Serengeti, our mission is to accelerate digital journeys and modernize business operations through pragmatic technology, strong architecture and deep domain expertise. This paper reflects our experience working with financial institutions navigating real-world complexity; regulatory pressure, legacy systems, and ever-rising customer expectations.



The End of “Disruption” in BFSI

|

The term disruptive technology has lost much of its meaning in the financial sector. What once disrupted the market has now stabilized into industry standards. APIs are expected. Real-time payments are assumed. Automation is mandatory. Cloud-native thinking is no longer optional.

The real challenge for BFSI institutions today is execution. Fragmented architectures, technical debt, regulatory constraints, and organizational silos prevent many organizations from fully realizing the value of modern technology.

The Numbers are Speaking for Themselves

|

84% of banking customers prefer digital channels over physical branches.

70% of banking transactions are conducted via mobile devices.

45% of banking institutions have adopted AI-driven chatbots for customer service.

78% of banks said their digital transformation efforts have led to increased operational efficiency.

60% of bank branches have closed in the last five years due to digital transformation.

74% of banks say that data analytics is key to their digital transformation strategy.

65% of retail banking customers prefer automated services for routine transactions.

Source



Open Banking and API Economies

It can be said that Open Banking consists of:

1. PSD2 Regulation
2. Third Party Providers (fintechs/startups)
3. Consent
4. SCA (Strong Customer Authentication)
5. API (Application Programming Interface)

Open Banking has matured from a regulatory requirement into a strategic platform capability. PSD and similar regulations worldwide have normalized secure data sharing through APIs, enabling new business models, partnerships and customer experiences.

Today, leading institutions treat APIs not merely as compliance tools, but as products. API marketplaces, partner onboarding frameworks, and monetization strategies are becoming standard components of modern banking platforms.

The competitive edge no longer lies in having APIs, but in how quickly and securely institutions can expose, govern, and evolve them.



Serengeti Case Study – Delivery of Advanced Internet Banking Solution

|

Serengeti partnered with one of the largest banking groups in the Eurozone to deliver and continuously enhance an advanced internet and mobile banking platform. The client required faster feature delivery, improved stability, and the ability to scale digital channels in line with growing customer expectations.

Through long-term team extension and close collaboration with internal stakeholders, Serengeti helped modernize digital banking capabilities, accelerate release cycles, and improve overall customer experience across multiple markets.

How Serengeti Approaches Digital Banking Platforms

Serengeti focuses on long-term scalability and maintainability of digital channels. We work as an integrated extension of client teams, ensuring modern architectures, high availability, and continuous evolution of customer-facing banking platforms.



Instant Payments

Instant payments have transitioned from innovation to expectation. Customers now assume that payments are executed in seconds, available 24/7, and seamlessly integrated into digital experiences.

The focus has shifted from implementation to optimization, liquidity management, fraud prevention, scalability, and user experience.

Instant payments are no longer a standalone feature. They have become a foundation for value-added services such as request-to-pay, embedded finance, and real-time treasury management.



Serengeti Case Study – NEXI eXact in Microservices

Serengeti supported NEXI, a leading European payment services provider, in transforming its back-office payment processing system eXact from a monolithic application into a modern microservice-based architecture.

The new architecture improved scalability, resilience, and deployment flexibility, enabling NEXI to support high transaction volumes and evolving payment requirements.

How Serengeti Approaches Payment System Modernization

Serengeti modernizes payment platforms through incremental architecture evolution.

We emphasize event-driven design, high availability, and regulatory compliance to ensure payment systems remain robust under continuous growth.



Microservices and Cloud-Native Architecture

|

Microservices have become the dominant architectural paradigm for large-scale financial systems. They enable independent deployment, horizontal scalability, and faster innovation cycles, while also improving fault isolation and system resilience.

However, microservices alone do not guarantee success. Without proper governance and operational maturity, they can increase complexity rather than reduce it.

Modern BFSI architectures increasingly embrace:

- Event-driven design
- Container orchestration
- Hybrid and multi-cloud strategies
- Gradual legacy modernization through strangler patterns

53%

of banks have adopted microservices architectures to improve agility and speed.

46%

of banking institutions have adopted cloud solutions for core systems.



Serengeti Case Study – Core Banking System Outsourced

|

Serengeti partnered with a large European bank to support the maintenance and further development of its core banking system during a long-term migration to a new core platform.

Serengeti teams handled incident resolution, service requests, and functional enhancements, ensuring uninterrupted operations of a mission-critical system in a highly regulated environment.

How Serengeti Approaches Core Banking Continuity

|

Serengeti prioritizes stability and risk reduction when working with core banking systems. Our approach ensures business continuity while enabling gradual transformation without disrupting daily operations.



Business Process Management and Automation

|

BPM and RPA have moved beyond transformation projects. They are now essential for day-to-day operations, helping financial institutions ensure efficiency, consistency, auditability, and compliance across complex processes.

Financial institutions rely on them to ensure efficiency, consistency, auditability, and compliance across complex processes.

The focus has shifted from task automation to process orchestration, combining:

- BPM engines
- RPA bots
- Human-in-the-loop workflows
- Rule engines and decision automation

When implemented correctly, BPM provides transparency and control, while automation frees employees to focus on higher-value activities.

88%

of banks have implemented or plan to implement RPA (Robotic Process Automation) for operational tasks.



Serengeti Case Study – Solution for Fast and Efficient Loan Services (Addiko Bank)

Serengeti delivered a solution for Addiko Bank to accelerate retail loan processing across multiple countries.

The existing process relied heavily on manual steps, resulting in long approval times and operational inefficiencies.

By implementing a BPM-driven loan processing system supported by low-code tools, Serengeti enabled faster credit decisions, improved transparency, and consistent process execution.

How Serengeti Approaches Process Automation in Banking

Serengeti designs process automation solutions with a strong focus on regulatory compliance and operational clarity. We combine BPM and low-code platforms to deliver fast, auditable, and scalable financial processes.



Low-Code Platforms with Governance



Low code platforms have moved into the enterprise mainstream. They accelerate delivery, enable closer collaboration between business and IT, reduce time to market, and empower business users and citizen developers to rapidly build solutions without extensive traditional coding.

In the financial sector, they're helping institutions automate complex workflows, adapt to regulatory change, and deliver customer centric services more quickly than ever before.

However, the key challenge today is governance. Without clear architectural guidelines, security controls, and lifecycle management, low code can create shadow IT, security vulnerabilities, and long term risk.

Uncontrolled growth of low code applications may result in inconsistent quality, redundant tools, and difficulty maintaining or integrating systems as they scale.

Successful organizations treat low code as part of their overall application strategy. It's not a shortcut, but a controlled accelerator.

They implement governance frameworks that include platform standards, role definitions, compliance oversight, and integration policies to balance speed with stability and risk management.

This approach enables enterprises to realize the full business value of low code, while maintaining security, compliance, and architectural coherence.



Where Real Differentiation Is Created Today

AI-Driven Finance

|

Data alone no longer creates value. Intelligence does.

Artificial intelligence is now embedded across the financial value chain, powering real time fraud detection, adaptive credit scoring, personalized financial advice, intelligent document processing, and customer service automation using generative AI. These capabilities help financial institutions automate decisions, uncover insights, and innovate faster, turning sheer data into actionable business impact.

At the same time, regulatory scrutiny has increased, and AI governance has become a core imperative rather than an afterthought. Financial companies must ensure that models are explainable to regulators and stakeholders, that governance covers the full AI lifecycle, that bias detection is proactive, and that auditability is built into every stage of deployment.

This reflects emerging best practice approaches that emphasize transparency, accountability, and compliance with frameworks such as GDPR and the forthcoming EU AI regulatory landscape.

Artificial intelligence is now embedded across the financial value chain:

- Real-time fraud detection
- Adaptive credit scoring
- Personalized financial advice
- Intelligent document processing
- Customer service automation using generative AI



RegTech and Compliance Automation

|

Regulation continues to intensify globally. Manual compliance processes are no longer sustainable.

Regulatory Technology (RegTech) applies emerging technologies (AI, machine learning, NLP, blockchain) to improve regulatory compliance management. Emerging after the 2008 financial crisis, RegTech helps financial institutions automate compliance, reduce risk, and enhance operational efficiency.

AI plays a central role in RegTech by enhancing regulatory compliance through advanced data processing, pattern recognition, automation, and decision support.

Machine learning and deep learning allow systems to learn from historical data and improve predictions, while natural language processing (NLP) enables analysis of documents, communications, and regulatory text. Generative AI and large language models (LLMs) further support compliance by summarizing complex regulatory documents, assisting decision-making, and enabling interactive, conversational access to regulatory data.



RegTech Solution Categories:

- **Client Onboarding/Background Checks:** KYC, AML, and continuous monitoring of counterparties.
- **Risk Management:** Identify, assess, and mitigate compliance and regulatory risks, including stress testing.
- **Reporting:** Automate regulatory reporting using big data and cloud solutions (MiFID II, SFTR, Basel III).
- **Financial Crime/Fraud Prevention:** Detect and prevent fraud, insider trading, and misconduct.
- **Transaction Monitoring:** Real-time monitoring for suspicious activity and regulatory compliance.
- **Communications Monitoring:** Record, analyze, and archive communications to comply with regulations.
- **Cybersecurity/Data Security:** Ensure compliance with data protection laws and prevent cyberattacks.
- **Regulatory Intelligence & Compliance Management:** Monitor regulatory changes, manage obligations, and implement GRC platforms for enterprise-wide governance.

Cybersecurity and Digital Trust

As digital ecosystems expand, trust has become a critical differentiator for financial institutions. Protecting data and systems is no longer enough. Companies must also demonstrate that their platforms are secure, resilient, and reliable to customers, partners, and regulators.

To achieve this, financial institutions are adopting advanced approaches such as Zero Trust security models, identity-first architectures, continuous risk assessment, and fraud prevention that goes beyond traditional transactional monitoring.

These measures help detect anomalies, prevent sophisticated cyberattacks, and secure sensitive information across increasingly complex networks.

In this context, cybersecurity is no longer solely about defense. It is a strategic enabler, supporting safe innovation, fostering customer confidence, and underpinning the digital trust required for long-term business success.

According to industry research, over 80 % of organizations have either implemented or are actively working toward a Zero Trust security model, underlining its central role in modern cybersecurity strategies.



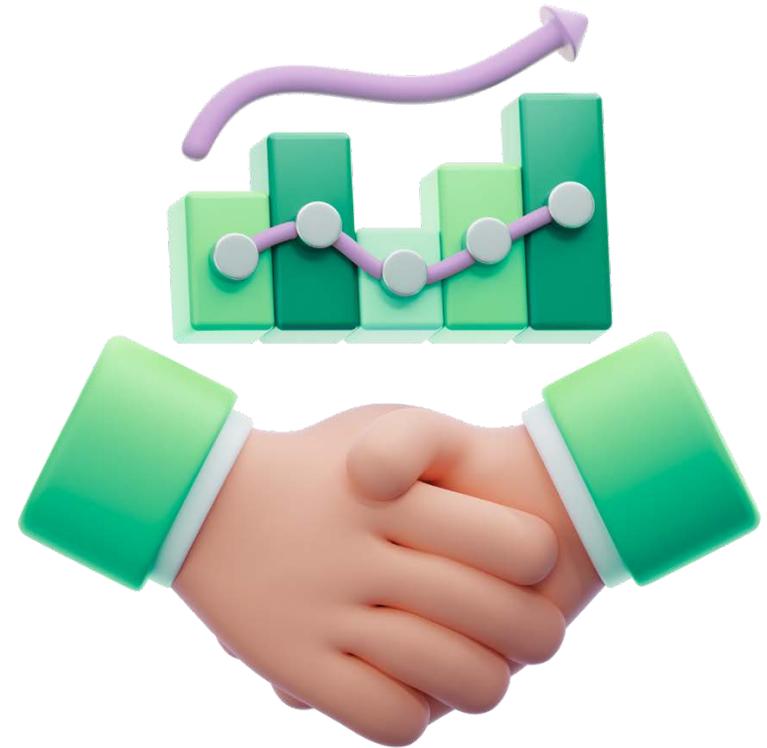
Technology Is Not the Strategy

Technology alone does not create transformation. Success depends on:

- Clear architectural vision
- Strong governance
- Skilled teams
- Reliable partners

Financial institutions must balance speed with stability, innovation with compliance, and modernization with continuity.

This is where experienced technology partners play a critical role, bridging strategy and execution, aligning business goals with technical reality.

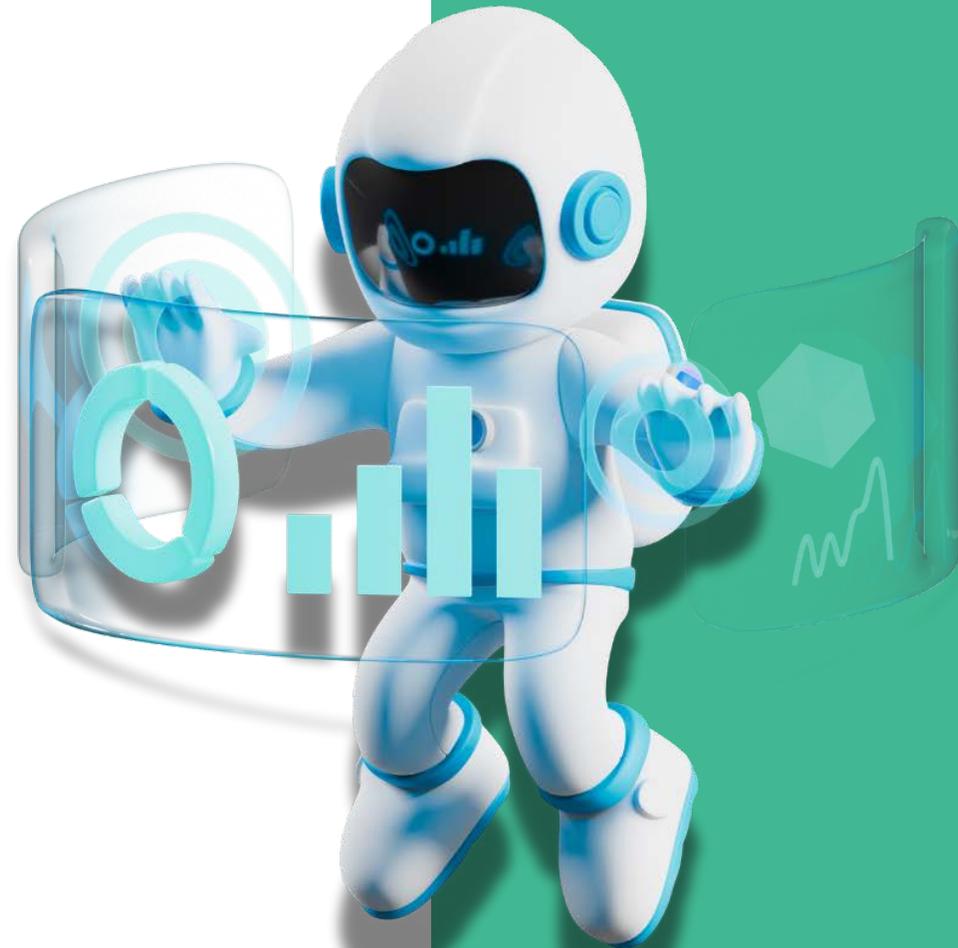


Closing Words

The financial services industry has entered a post-disruption era. The winners will not be those who chase every new trend, but those who execute consistently, build resilient platforms, and earn customer trust through reliable digital experiences.

Modern BFSI transformation is about intelligence, integration, and resilience. Institutions that master these dimensions will be positioned not only to survive, but to lead.

At Serengeti, we help organizations turn complexity into capability, delivering modern, scalable, and compliant solutions that support long-term growth.



Who are we?

|

An international nearshoring and offshoring software development and consulting company. With our unique Team Extension Model, we help companies with each stage of the development lifecycle, not only with development but also with consulting services. Technical consulting in different domains like Architecture Design, Automated Testing, DevOps and SCRUM was recognized in 300 projects across different industries such as finance, logistics, hospitality, industrial manufacturing, healthcare, energy, and retail.

Serengeti d.o.o.
Ulica Pile I. br. 1
HR - 10000 Zagreb, Croatia
sales@serengetitech.com
serengetitech.com

