



THOUGHT LEADERSHIP • 2026

The Regional Bank Modernization *Playbook*

A practical guide to modernizing a regional bank around its core instead of replacing it. Six pillars, each built on a real client engagement and measured against the numbers a regional bank actually reports.



INSIDE THIS EBOOK

Contents

—	Introduction	3
---	--------------	---

01	Pillar 1 · Modern Digital Bank	5
----	---------------------------------------	---

02	Pillar 2 · Real Time Payments	8
----	--------------------------------------	---

03	Pillar 3 · New-Age Banking & Embedded Finance	11
----	--	----

04	Pillar 4 · Agentic Banking Operations	14
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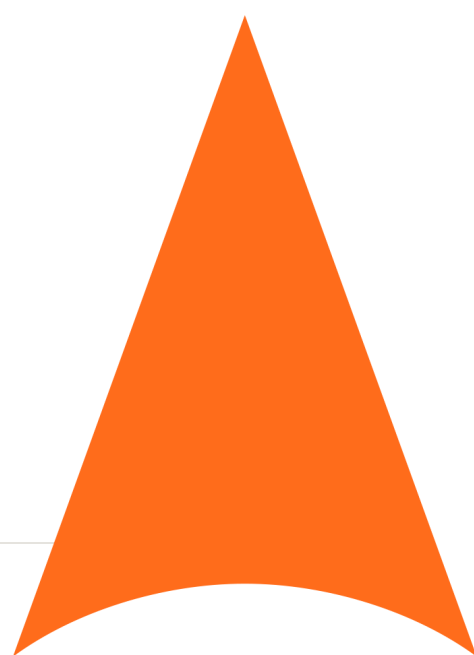
05	Pillar 5 · Resilient Banking	17
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06	Pillar 6 · M&A Readiness	20
----	---------------------------------	----

—	Key Takeaways	23
---	---------------	----

—	Closing: Engineering for PPNR	24
---	-------------------------------	----

—	Endnotes	25
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INTRODUCTION

Where the spending meets the work

Financial firms are spending heavily on AI, and most of it is paying off in the numbers. In NVIDIA's 2026 survey of the industry, **89%** said AI had already helped raise revenue or cut costs, and nearly every institution planned to hold or increase its AI budget¹. What has not kept pace is production: only **21%** had actually put AI agents to work¹. Most of the IT budget, meanwhile, still goes to keeping the existing core and its dependencies running rather than to anything new. The distance between what banks are spending and what is actually live and working is where this book starts.

Modernization has a different job now than it did two years ago. It is no longer about catching up on features. A regional bank is expected to move faster while carrying more regulatory weight and a thinner margin for error, and most of that pressure lands on the same teams that keep the bank running every day. Work that does not show up in cost-to-serve, processing rates, resilience, or losses is mostly motion.

The priorities themselves are familiar. The harder part now is how tightly speed, operations, and controls have become tied together. Turn on a real-time payment rail, and you turn on real-time exceptions too, unless the operations behind it were rebuilt first. Regulators increasingly want to see traceable evidence rather than a statement of intent. And embedded finance only works at scale when the controls scale with it.

THE CONSTRAINTS THAT DEFINE THE WORK

- **Core gravity.** The core is not only a system of record. It is a dependency hub. Product rules, customer attributes, and servicing logic have built up around it over the years, so a change that looks small on the front end can ripple into reconciliation, reporting, and controls, which is where the real risk sits.
- **Integration and vendor sprawl.** Each point solution fixes one problem and adds a little permanent drag: another copy of the data, another upgrade cycle, another integration that breaks when something upstream changes. Once a bank plugs into partners and embedded channels, the orchestration between systems becomes the slow point, not the systems themselves.
- **The evidence problem.** FedNow, the ISO 20022 migration, and tighter expectations on data lineage and model governance have all raised the bar for traceability. Audits used to be a periodic event. They are turning into something closer to a continuous state, and when the evidence is assembled by hand, every cycle pulls people off other work.
- **Bandwidth.** The people asked to modernize are usually the same people keeping the lights on, handling incidents and exceptions, vendor upgrades, and the next regulatory request. That is why a single large transformation program tends to wobble. There is no spare capacity to absorb it.

Banks that get this right break the work into small pieces that each pay for themselves, and they reuse a common platform underneath instead of rebuilding it for every project. They put automation where cost and risk actually pile up, not everywhere at once. The rest of this book follows that logic. Each pillar covers one part of how money, customers, risk, and evidence move through the bank, and what it takes to make that movement faster without making it riskier.

► HOW TO READ THIS EBOOK

Each of the six pillars that follow is laid out the same way. There is a short case for why it matters now, a list of what to change, the Altimetrik tools that speed the work up, a first-90-days plan broken into two-week blocks, the metrics worth watching, and one real client story showing what the change produced.

► THE SIX PILLARS AT A GLANCE

1	Modern Digital Bank Cloud-native, AI-led engineering that modernizes around the core.	2	Real Time Payments Real-time domestic and cross-border rails with higher Straight Through Processing (STP).
3	New-Age Banking & Embedded Finance Open banking and embedded models that scale with controls.	4	Agentic Banking Operations Intelligent agents across onboarding, fraud, risk, and reporting.
5	Resilient Banking Observability and intelligent operations tied to critical flows.	6	M&A Readiness Repeatable integration that compresses synergy timelines.

01

PILLAR ONE

Modern Digital Bank

Modernize around the core with cloud-native, AI-led engineering, instead of betting the bank on replacing it.

► WHY IT MATTERS NOW

Old systems do not just cost money to run. They make every change slower and riskier, because so much is wired into them. Most of a bank's technology budget goes to keeping that estate running, leaving little for the work that would actually move the business forward. Cutting those dependencies is usually the fastest way to get that money and that engineering time back, and the lower-risk way to do it is to modernize around the core in steps rather than replace it in one move.

The comparison customers make is not with the bank down the street. It is with the neobanks. Statista projects the number of neobank users worldwide will reach roughly 386 million by 2028, with transaction value growing about 13% a year to more than \$10 trillion ². They ship changes in a week or two, whereas a legacy core puts everyone on a quarterly release cycle. None of the banks that kept pace got there by replacing the core in one move. They modernized around it, in pieces.

► WHAT TO CHANGE

- Decouple high-change journeys from core release cycles using strangler patterns.
- Standardize integration through Application Programming Interface (APIs) and events to reduce point-to-point fragility.
- Rationalize redundant applications that multiply run costs and regression risk.
- Build reliability into delivery: observability, automated quality gates, and rollback discipline.
- Stand up AI-led engineering pods so features ship in sprints, not quarters.

▶ ALTIMETRIK ACCELERATORS

- **DomainForge.AI**, a domain-trained financial AI model platform for faster, safer modernization.
- **Modernization Agent**, automated code conversion, and legacy decommissioning.
- **AltLab BFS Stack & Reference Architecture**, pre-built cloud-native patterns for banking.
- **ADAF**, a two-week agent-maturity assessment framework, to baseline where to start.
- **GitHub Copilot & AI Engineering Framework**, developer productivity across engineering squads.

▶ FIRST 90 DAYS

WEEKS 1–2	WEEKS 3–6	WEEKS 7–10	WEEKS 11–12
Baseline • Run an ADAF assessment on one or two target applications. • Baseline DevOps Research and Assessment (DORA) metrics: deployment frequency, lead time, defect density. • Identify the single biggest delivery bottleneck.	AI Pod Launch • Deploy an AI engineering pod with GitHub Copilot. • Apply DomainForge.AI to one BFS workflow. • Run the first AI-assisted sprint and compare against baseline.	Prove • Ship the first AI-assisted feature to production. • Target a meaningful reduction in manual testing effort. • Compare release frequency against the baseline.	Roadmap • Build the Pre-Provision Net Revenue (PPNR) impact model across run-cost and Operating Expense (OpEx). • Sequence the next three modernization targets. • Quantify the Year-1 efficiency-ratio impact.

▶ SUCCESS METRICS TO WATCH

Track the direction of travel, not fixed targets. lead time for change, release frequency, and change-failure rate; incidents tied to releases and mean-time-to-recovery; dependency reduction measured as systems touched per change; and the run-cost and support burden for the target journey.

MODERN DIGITAL BANK IN PRACTICE

CASE STUDY

Microservices Adoption for a New Account-Opening Platform

CLIENT

A US regional bank

PROBLEM STATEMENT

An aging, monolithic account-opening platform limited the bank's ability to scale on demand and could not easily extend to new channels.

The bank needed to support growth that would come with rollout to additional channels (branch alongside a mobile-first build) without multiplying regression risk.

BUSINESS BENEFITS

- Extended the same application to the branch channel and scaled capacity on demand.
- Faster defect turnaround during initial rollout through reduced regression.

ALTIMETRIK SOLUTION

- Adopted a microservices strategy for a new account-opening platform built mobile-first (Angular, HTML5, CSS3).
- Leveraged Banking Industry Architecture Network (BIAN) domains and subdomains to bundle APIs appropriately, with an orchestration layer for document generation and funding and a clear path to containerized deployments.
- Delivered across the full value chain: conceptualization and solutioning, development and testing, and maintenance and support.

- Established a clear direction to containerize deployments for future releases.



* Results reflect specific client engagements and will vary by each bank's scope, baseline, and operating environment.

02

PILLAR TWO

Real Time Payments

Run real-time domestic and cross-border payments at a straight-through rate, with the operations behind them rebuilt to match.

► WHY IT MATTERS NOW

Turning on a real-time rail without fixing the operations behind it mostly buys you more exceptions to chase. U.S. real-time payment volumes are forecast to grow at about 31.7% a year between 2023 and 2028³, so the volume moving through those operations is only going up.

The infrastructure is already in place. FedNow passed 1,500 participating institutions across all 50 states during 2025, up 44% on the year, and raised its per-transaction limit to \$10 million in November to handle larger commercial payments⁴. Fedwire finished moving to the ISO 20022 message standard in July 2025, which gives banks far richer data to work with.⁴ A real-time rail also means real-time fraud, so the exception and investigation queues behind it have to keep pace. Corporate clients are starting to expect payments inside their own Enterprise Resource Planning (ERP), and newer rails like stablecoin settlement are showing up at the edges. Most of the payoff is in raising straight-through processing and cutting the manual exception work behind the rail.

► WHAT TO CHANGE

- Treat Real Time Payments (RTP)/FedNow readiness as an operating model, not just connectivity
- Modernize to ISO 20022-native messaging to improve data quality and downstream usability.
- Rebuild exception and investigation workflows for automation and visibility.
- Establish end-to-end payment observability that shows where flow breaks.
- Prepare for emerging rails, including stablecoin settlement, as new payment options.

▶ ALTIMETRIK ACCELERATORS

- **Instant Payment Framework**, pre-built FedNow integration, proven at \$20B/day on Fedwire.
- **ISO 20022 Message Simulator**, automated validation, and STP measurement, backed by 900+ automated test cases.
- **AI/ML Fraud Models**, pattern recognition tuned for real-time rails, with proven vendor-cost reduction.
- **FX Rate Prediction ML Service**, predictive value for cross-border flows.
- **Agentic Payables (AP2)**, in-ERP B2B payment processing with a full audit trail.

▶ FIRST 90 DAYS

WEEKS 1–2	WEEKS 3–6	WEEKS 7–10	WEEKS 11–12
Assessment • Map the current payment architecture against FedNow requirements. • Baseline fraud-model accuracy and current vendor cost. • Complete an ISO 20022 readiness gap analysis.	Integration • Deploy the Instant Payment Framework. • Run the 900+ automated test cases across payment flows. • Configure fraud Machine Learning (ML) from existing transaction data.	Go-Live • Take FedNow to production for an initial business segment. • Monitor Transactions Per Second (TPS), success rate, and fraud hit rate. • Activate AI fraud rules for instant payments.	Expand • Build the fee-income uplift model. • Scope the ISO 20022 enrichment sprint. • Quantify fraud-cost reduction versus the current vendor.

▶ SUCCESS METRICS TO WATCH

Track the direction of travel, not fixed targets. STP rate, exception rate, and investigation cycle time; backlog aging in exception queues; reconciliation mismatch rate; payment incident frequency and Mean Time to Repair (MTTR); and the trajectory of fee and float income as volume grows.

REAL TIME PAYMENTS IN PRACTICE

CASE STUDY

A Scalable Online Payments Platform for SMB Retail

CLIENT

A digital payments marketplace serving local SMB retail businesses

PROBLEM STATEMENT

The client needed to build a competitive marketplace with a payment backbone supporting a variety of payment options.

The platform had to meet stringent latency and response-time requirements while remaining compliant with security and data-privacy guidelines.

BUSINESS BENEFITS

- 40% cost reduction by leveraging open-source technologies.
- 3× improvement in platform availability and scalability.

ALTIMETRIK SOLUTION

- Built an event-driven microservices architecture with asynchronous messaging for reliable transaction delivery.
- Used secure, open technologies including Redis, Kafka, and OAuth2 for performance and encryption, with BDD-driven automation behind API deployment and testing.
- Implemented reliable payment-reconciliation processes with multiple processing options.
- Enabled multiple payment options on a single accessible marketplace.

RESULTS DELIVERED

40%

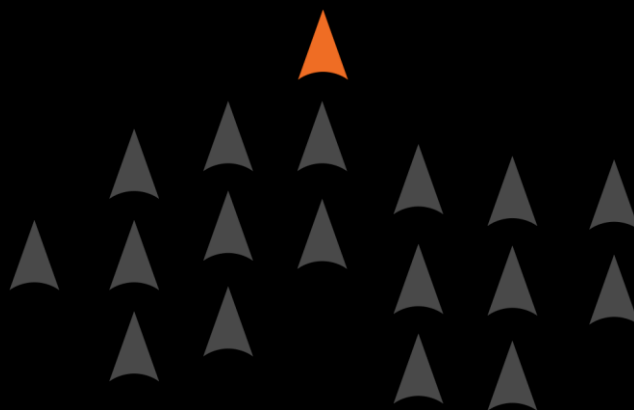
COST REDUCTION

3×

AVAILABILITY & SCALABILITY

Multi

PAYMENT OPTIONS LIVE



* Results reflect specific client engagements and will vary by each bank's scope, baseline, and operating environment.

03

PILLAR THREE

New-Age Banking & Embedded Finance

Open up new revenue through open banking and embedded finance, with the controls built to scale alongside the partners.

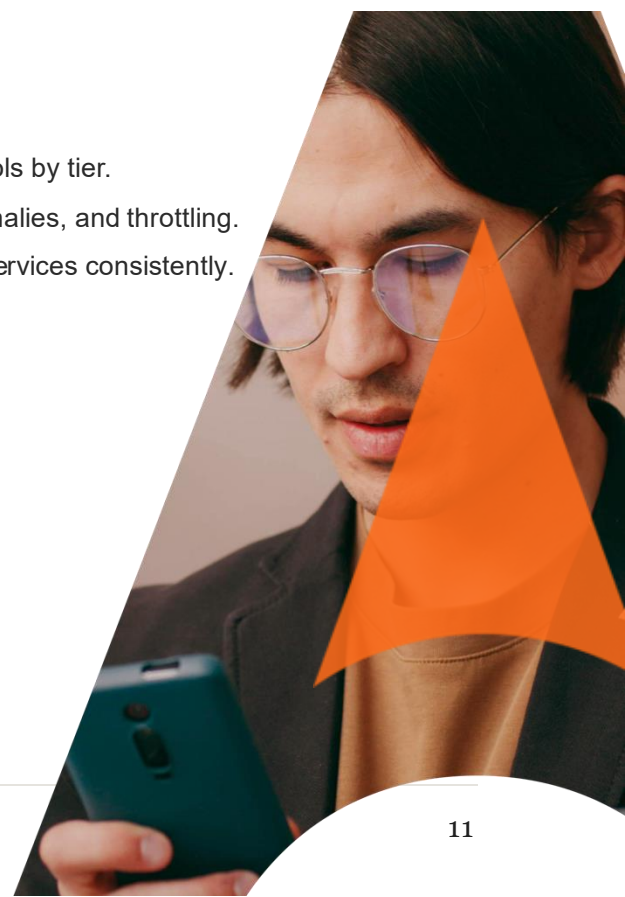
► WHY IT MATTERS NOW

Embedded finance is worth chasing, but it only works once the controls can scale as fast as the partners do. Market researchers at Mordor Intelligence put the embedded finance market at about \$130 billion in 2025, growing toward roughly \$307 billion by 2030, around 19% a year ⁵. Closer to home, corporate treasury teams are starting to want banking services inside the ERP they already use, and the API access that makes that possible is itself becoming a source of fee revenue.

The U.S. rules are in motion right now. The Consumer Financial Protection Bureau (CFPB) finalized its Section 1033 open-banking rule in October 2024, a federal court then blocked enforcement, the Bureau began rewriting it, and the 2026 compliance date came and went without becoming an enforcement trigger ⁶. Where it lands is still open. The direction has not changed, though: consumers will be able to share their data with whoever they authorize. The CFPB named Financial Data Exchange (FDX) as the first standard-setting body, so FDX-compliant APIs are the practical way to connect partners, ERPs, and treasury systems. The banks that come out ahead will be the ones that built the controls and the audit trail from the start.

► WHAT TO CHANGE

- Centralize entitlements and consent with audit-grade logging.
- Build a partner onboarding factory: patterns, certification, and controls by tier.
- Establish partner-level observability covering volume, failures, anomalies, and throttling.
- Expose FDX-compliant APIs so partners and ERPs can consume services consistently.
- Drive product velocity through reusable components.



▶ ALTIMETRIK ACCELERATORS

- **Model Context Protocol (MCP) Unified Service Layer** , connects AI agents and partners directly to bank APIs.
- **Customer Knowledge MCP** , a secure enterprise interface to the bank's knowledge stores.
- **FDX-compliant / Fast API accelerators**, standards-based connectivity for ERP and treasury integration.
- **Agentic Payables (AP2)** , in-ERP Business-to-Business (B2B) payment processing with compliance guardrails.
- **Agentic Customer Insights & Salesforce GPT** , LTV, segmentation, and next-best-action for relationship managers.

▶ FIRST 90 DAYS

WEEKS 1–2

Readiness Gap

- Inventory current data-sharing and API maturity.
- Map gaps against open-banking direction and FDX standards.
- Identify one corporate client for the pilot.

WEEKS 3–6

API Foundation

- Deploy the MCP Unified Service Layer.
- Stand up a consent-management prototype.
- Integrate Agentic Payables into the pilot client's ERP.

WEEKS 7–10

Pilot Live

- Go live with in-ERP payment initiation and data access.
- Measure transaction volume and client Net Promoter Score (NPS).
- Deploy Customer Insights GPT for the RM team.

WEEKS 11–12

Revenue Model

- Build the API monetization revenue model.
- Define the embedded-finance roadmap for top commercial clients.
- Confirm the open-banking implementation scope.

▶ SUCCESS METRICS TO WATCH

Track the direction of travel, not fixed targets. partner onboarding cycle time; partner-driven incident rate and recovery time; authorization and entitlement defect rate; time-to-launch for new partner capabilities; and progress toward 1033 compliance alongside measurable pilot transaction volume.

NEW-AGE BANKING & EMBEDDED FINANCE IN PRACTICE

CASE STUDY

Open Banking for Personal Finance Management

CLIENT

A leading US regional bank

PROBLEM STATEMENT

The bank set out to implement open-banking APIs on a new platform (Axway Amplify), starting with an MVP for a Personal Finance Management use case and subsequently extending to the full payments domain.

It needed a faster time-to-market with a scalable framework and an automated-first approach, without compromising delivery quality.

BUSINESS BENEFITS

- Successfully delivered features across Online Banking, Transmit, CIAM, MBank, and MX Money Map.
- Bank-specific reusable frameworks and models, with a minimum 85% test-automation commitment.
- Built domain APIs integrated iteratively with FDX-compliant experience APIs, executed across four workstreams: FDX API endpoint implementation; consent page and dashboard applications; enterprise marketplace and IDP configuration; and infrastructure setup and program management.
- Brought deep, bank-specific delivery expertise, including reusable frameworks and FDX-experienced delivery leadership, with strong program ownership.
- High customer satisfaction (6.5/7) and long talent tenures supporting continuity.

RESULTS DELIVERED

85%+

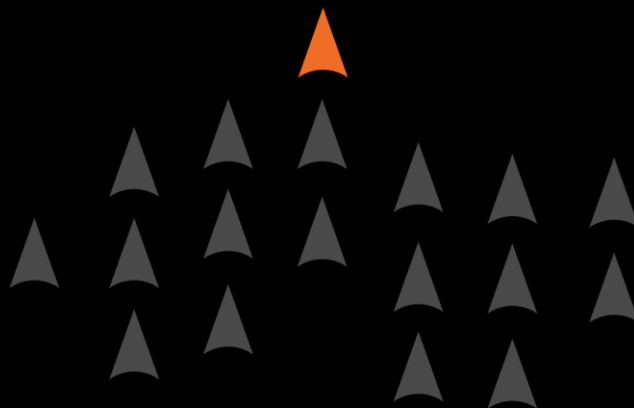
TEST AUTOMATION

6.5/7

CUSTOMER SATISFACTION

4

DELIVERY WORKSTREAMS



* Results reflect specific client engagements and will vary by each bank's scope, baseline, and operating environment.

04

PILLAR FOUR

Agentic Banking Operations

Move onboarding, fraud, risk, and regulatory reporting from manual and RPA work onto governed AI agents.

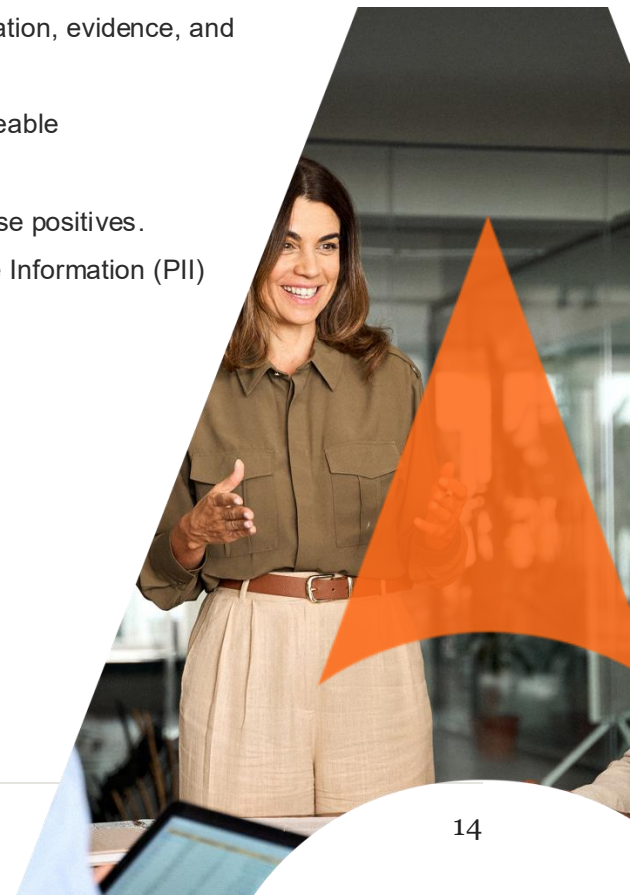
► WHY IT MATTERS NOW

Onboarding, fraud, risk, and regulatory reporting are where cost-to-serve and risk quietly build up. Take account opening. In Fenergo's 2025 survey of senior financial-services leaders, 70% said they had lost clients because onboarding was too slow, the highest level since the firm began tracking ⁷. Every one of those drop-offs is a customer the bank spent money to attract and then lost before funding.

Fraud is the other side of it, and it is getting worse as criminals pick up AI. Nasdaq Verafin put 2025 losses to bank fraud and scams at \$579.4 billion worldwide, with banks themselves carrying \$517.4 billion of that, an 8.2% rise over two years ⁸. The older Robotic Process Automation (RPA) bots that automate this work are brittle and break on anything they have not seen before. AI agents handle the messy exceptions and escalate when they should, which is the whole point of using them, but they only belong in production if they are governed properly. Regulators are already applying model-risk expectations like SR 11-7 to AI and machine-learning models.

► WHAT TO CHANGE

- Redesign onboarding to cut friction without weakening controls, with KYC and evidence capture embedded in-flow.
- Modernize the fraud investigation workflow so that queues, prioritization, evidence, and outcomes are clear, with proper reason codes.
- Automate regulatory reporting with reconciled sources of truth, traceable transformations, and audit-ready evidence.
- Consolidate signals for cross-channel fraud visibility and reduce false positives.
- Wrap every agent in governance: audit trails, Personally Identifiable Information (PII) handling, and human-in-the-loop escalation.



▶ ALTIMETRIK ACCELERATORS

- **Agentic Document Processing (ADP)** automates KYC, onboarding, and underwriting documents (5× speed proven at a Big 4 US bank).
- **AI/ML Fraud Models**, proven \$11 million in annual savings with major reductions in process runtime.
- **Knowledge GPT**, secure, grounded Q&A across bank policies and regulatory documents.
- **AI Governance Framework (AGF) with Guardian Agents**, real-time oversight, and control.
- **ADAF**, agent-maturity assessment across design, lifecycle, governance, evaluation, and scale.

▶ FIRST 90 DAYS

WEEKS 1–2

Journey Map

- Map every onboarding step, handoff, and drop-off point.
- Baseline turnaround time, conversion rate, and cost per account.
- Identify the top three Know Your Customer (KYC) document delay types.

WEEKS 3–6

ADP Deploy

- Deploy Agentic Document Processing on the top three document types.
- Enable AI validation with human-in-the-loop escalation.
- Apply AGF guardrails: audit trail, PII handling, compliance.

WEEKS 7–10

End-to-End Live

- Connect ADP → KYC → core banking for straight-through processing.
- Measure TAT, auto-resolution, and compliance exceptions.
- Deploy Knowledge GPT for ops-staff query resolution.

WEEKS 11–12

Impact Report

- Report TAT reduction, cost per account, and conversion improvement.
- Model the non-interest expense and deposit impact.
- Scope the fraud-ops and regulatory-reporting agents.

▶ SUCCESS METRICS TO WATCH

Track the direction of travel, not fixed targets. conversion rate and time-to-open; manual review rate and handling time; post-opening contacts and exception volume; fraud loss and prevented-loss trend, false-positive rate, and case cycle time; and reporting cycle time, audit findings, and time to produce audit evidence.

AGENTIC BANKING OPERATIONS IN PRACTICE

CASE STUDY

Intelligent Fraud Operations Cuts Losses for a Multi-State Bank

CLIENT

A large multi-state regional bank

PROBLEM STATEMENT

Rising deposit-fraud losses driven by undifferentiated investigation workflows, where every alert was treated equally regardless of risk.

The result was high false positives, unnecessary customer holds, and inefficient use of investigator time.

The bank ranked poorly on industry fraud benchmarks and was provisioning more for fraud losses.

ALTIMETRIK SOLUTION

- Redesigned fraud operations through risk-based prioritization, enhanced alert categorization, and targeted automation.
- Deployed an AI-led fraud operations solution that focused investigator effort where risk was highest and closed the loop between investigation outcomes and rule/model tuning.

BUSINESS BENEFITS

- 57% reduction in operational losses and 43% reduction in false positives.
- 50% reduction in unnecessary deposit holds, improving customer experience.
- 28% reduction in investigation handling time and 25% improvement in productivity, which lowered the bank's fraud-loss provisioning and improved its standing with regulators.

RESULTS DELIVERED

57%	43%	50%	28%
OPERATIONAL LOSSES ↓	FALSE POSITIVES ↓	UNNECESSARY HOLDS ↓	HANDLING TIME ↓

* Results reflect specific client engagements and will vary by each bank's scope, baseline, and operating environment.

05

PILLAR FIVE

Resilient Banking

Tie the health of the technology to the bank's critical economic functions through observability and AI-assisted operations.

► WHY IT MATTERS NOW

You can modernize every customer-facing screen and still not move cost-to-serve if the operations underneath stay manual. Resilience is what protects the revenue once everything else is running. In an ITIC survey, more than 90% of mid-size and large companies said an hour of downtime costs them over \$300,000, and 41% put it above \$1 million an hour ⁹.

Regulators are pushing in the same direction. The UK Financial Conduct Authority (FCA), the Federal Reserve, and the Options Clearing Corporation (OCC) have all built out operational-resilience rules that ask banks to set impact tolerances for their Critical Economic Functions, the services like payments, clearing, and channel access that cause real customer harm when they fail. AI Operations (AIOps) has become standard practice. A bank still running incident response by hand will be slower to notice an outage and slower to recover from it, and it pays for that gap every time something breaks.

► WHAT TO CHANGE

- Adopt SRE practices to reduce incidents and recovery time.
- Build full-stack observability that connects technical telemetry to business flow.
- Map Critical Economic Functions and stand up impact-tolerance dashboards.
- Automate runbooks to remove recurring toil; use exception analytics to drive permanent fixes.
- Industrialize Development, Security, and Operations (DevSecOps) and chaos engineering as evidence of tested recovery.



► ALTIMETRIK ACCELERATORS

- **Observability Agent** , unified telemetry via Dynatrace (87% downtime reduction and \$21 million savings proven).
- **PeakPerform™** , AI plus digital-labor ticket elimination within a product-oriented operating model.
- **AIOps & Site Reliability Engineering (SRE) Platform** , DORA-instrumented, with predictive SLA-breach detection.
- **Critical Economic Functions (CEF) Impact Tolerance Dashboards** , executive visibility for the CTO, COO, and CRO.
- **Test AI/Self-Healing Suites & Observability 360** , automation coverage, and commercial infrastructure visibility.

► FIRST 90 DAYS

WEEKS 1–2	WEEKS 3–6	WEEKS 7–10	WEEKS 11–12
CEF Mapping • Identify the Critical Economic Functions: payments, core, channels. • Audit monitoring for gaps, blind spots, and alert fatigue. • Define impact-tolerance thresholds with ops and risk.	Agent Deploy • Deploy the Observability Agent across the top CEF clusters. • Unify telemetry across logs, metrics, events, and traces in Dynatrace. • Enable AI-powered incident detection and automated Root Cause Analysis (RCA).	Dashboard Live • Launch the CEF Impact Tolerance Dashboard for the CTO, COO, and CRO. • Activate PeakPerform™ on top-volume incident categories. • Baseline MTTR, Mean Time Between Failures (MTBF), Service Level Agreements (SLA) adherence, and detection time.	Report & Roadmap • Quantify MTTR improvement, ticket elimination, and downtime impact. • Model revenue leakage prevention and expense savings. • Scope DevSecOps industrialization and chaos engineering.

► SUCCESS METRICS TO WATCH

Track the direction of travel, not fixed targets. incident rate, MTTR, and change-failure rate; manual runbook steps eliminated; exception-queue aging and throughput; support tickets per journey; and revenue leakage prevented through fewer and shorter outages.

RESILIENT BANKING IN PRACTICE

CASE STUDY

Resiliency Through an Integrated Managed-Services Model

CLIENT

A large US regional bank

PROBLEM STATEMENT

Fragmented support across 1,000+ applications in five lines of business drove high run costs and misalignment with business needs.

A lack of standardization and automation across Lines of Business (LOBs) produced inconsistent reporting and low centralized observability.

ALTIMETRIK SOLUTION

- Stood up an integrated managed-services model combining AI and digital-labor ticket elimination (PeakPerform™) with a single observability backbone using Dynatrace (a Unified Intelligence Framework).
- Refactored and rationalized applications using the strangler pattern and consolidated them functionally, with revamped DevOps inside a business-aligned, product-oriented operating model.

BUSINESS BENEFITS

- \$21 million in savings over three years and an 87% reduction in downtime.
- 26% of applications rationalized, reducing run costs and regression risk.
- A zero-disruption transition into the integrated operating model.

RESULTS DELIVERED

\$21M SAVINGS OVER 3 YEARS	87% DOWNTIME ↓	26% APPS RATIONALIZED	Zero DISRUPTION TRANSITION
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* Results reflect specific client engagements and will vary by each bank's scope, baseline, and operating environment.

06

PILLAR SIX

M&A Readiness

Treat post-merger integration as a repeatable engineering job, so the synergies show up sooner.

► WHY IT MATTERS NOW

A merger can quietly raise a bank's cost base for years if the duplication it creates never gets cleaned up and two sets of systems and controls just keep running side by side. There is plenty of deal flow to worry about. U.S. bank M&A rebounded in 2025 to more than 170 deals worth a combined \$47 billion, up from 125 deals and \$16.3 billion in 2024 (S&P Global Market Intelligence) ¹⁰, a lot of it banks buying scale for digital and AI.

What separates a good merger from a bad one is the integration, not the size of the deal. When it goes wrong, customers feel it: delayed access to funds, card and login problems, and long service queues are the usual signs that the systems work runs ahead of the operations work. Banks that do this well treat integration as an engineering problem; they can run the same way every time, and tools like AI code scanning and canonical data modeling take real time out of it.

► WHAT TO CHANGE

- Build a repeatable integration playbook for identity, entitlements, data, and servicing processes.
- Generate canonical models and mapping patterns for customer, product, and account data.
- Start rationalization early and tie it to measurable milestones.
- Harmonize operations: consistent controls, monitoring, and workflows across entities.



▶ ALTIMETRIK ACCELERATORS

- **Spark Discovery**, an AI portfolio scan identifying redundancy and decommission candidates.
- **Modernization Agent**, automated code conversion, with 30–50% run-cost reduction proven.
- **Data Artistry**, canonical data-model generation, and unified ingestion to create a single source of truth.
- **Knowledge GPT**, institutional knowledge capture across two merging organizations.
- **Observability Agent**, unified observability during integration to prevent revenue leakage.

▶ FIRST 90 DAYS

WEEKS 1–2	WEEKS 3–6	WEEKS 7–10	WEEKS 11–12
Portfolio Scan • Run Spark Discovery across both entities' application portfolios. • Map overlapping apps, duplicate capabilities, and decommission candidates. • Audit data models for canonical-model gaps.	Blueprint • Produce 20+ consolidation/decommission recommendations with cost impact. • Build a canonical data model for the top five shared data domains. • Define the integration architecture pattern for core convergence.	Pilot Migration • Migrate one pilot application using the Modernization Agent. • Stand up unified observability across integration touchpoints. • Validate the canonical data model with finance and risk teams.	Roadmap Delivery • Report apps rationalized, run-cost reduction, and synergy timeline compression. • Deliver a 12-month integration roadmap with PPNR impact. • Define the full program scope and resourcing model.

▶ SUCCESS METRICS TO WATCH

Track the direction of travel, not fixed targets. time to integrate priority journeys; parallel systems retained versus retired as a trend; control consistency across entities; and operational cost impact and incident rate during integration.

M&A READINESS IN PRACTICE

CASE STUDY

Systems Integration & Testing for a Bank Acquisition

CLIENT

A regional US mid-sized bank

PROBLEM STATEMENT

The bank acquired another institution as part of its growth strategy and had to migrate customers, employees, and data seamlessly for end customers.

It faced products from different vendors with heavy vendor involvement, 70+ production applications to modify, and a four-month window (three end-to-end cycles) to complete integration and ensure regulatory compliance.

ALTIMETRIK SOLUTION

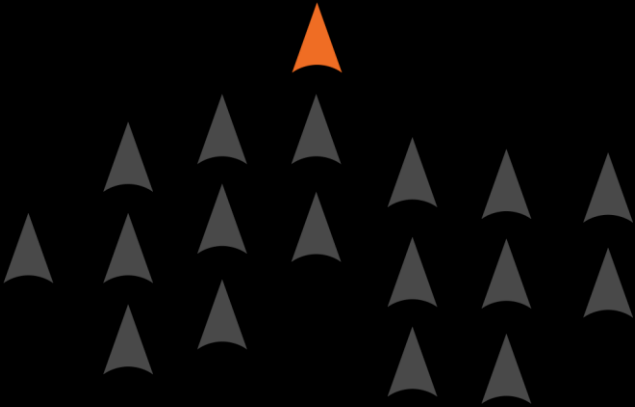
- Owned and ran end-to-end Quality Assurance (QA) governance as a program, supporting 70+ applications (18+ under active development) on a 24x5 onshore/offshore testing model.
- Executed 17,000+ test cases with 17+ applications on an in-house automation tool, using a risk-based testing approach, automation in test-data management, and performance testing.

BUSINESS BENEFITS

- Seamless, noiseless delivery with improved performance within a tightly limited timeframe.
- End-to-end quality-assurance ownership across the integration program.
- Incremental, risk-based delivery and automation across 70+ applications.

RESULTS DELIVERED

70+	17K+	4 mo	24x5
APPS MODIFIED & TESTED	TEST CASES EXECUTED	INTEGRATION WINDOW	TESTING MODEL



* Results reflect specific client engagements and will vary by each bank's scope, baseline, and operating environment.

IN SUMMARY

Key Takeaways

A few things show up in every one of these pillars, whatever shape a particular bank is in.

- 01 **Cost and risk are collected in the work, not the systems.** They build up in onboarding queues, exception handling, reconciliation, and audit prep more than in any one application. That is usually where the return is hiding as well.
- 02 **Small pieces are safer than one big program.** Sequenced work on a shared platform is less fragile than a single transformation, and it lets a team put a real result on the table before the budget runs out of patience.
- 03 **Build the controls in; do not bolt them on.** Entitlements, data lineage, and audit evidence are cheaper and more reliable when they live in the pipeline than when they are assembled by hand after the fact.
- 04 **Agents and observability are becoming an operating layer.** The agents take on the repetitive exception work. The observability connects what the technology is doing to the services the bank has to keep running, so an incident is caught earlier.
- 05 **Tie the measures to earnings.** If a change never shows up in cost-to-serve, processing rates, losses, or time to market, it is fair to ask what it was for.

Put together, this is closer to a way of working than a program with an end date. Each release is meant to earn its place, and the ones that do not are easy enough to spot.



CLOSING

Engineering for PPNR

The test of a modernization program is whether it changes the numbers the bank actually reports. That is what "Engineering for Pre-Provision Net Revenue (PPNR)" comes down to. PPNR is the earnings a bank generates from its core business: net interest income plus fee income, after operating expenses but before it sets aside reserves for expected loan losses. It shows how well the underlying business is run without the swings of the credit cycle, which is why it is one of the figures regulators look at in stress testing. The companion measure is the efficiency ratio, the share of revenue consumed by operating costs, where lower is better. Those, along with the other measures a regional bank and its regulators actually use, are the real scoreboard. The work has to pay for itself in cost-to-serve, losses, resilience, or speed to market, and there has to be an honest accounting when it does not. The way to find out is to start small and measure. A first engagement does not need to be a grand plan. It can be a read on where the bank stands across the six pillars, a short ordered list of what to do next, and a baseline for the few metrics that tie back to earnings.

HOW TO START

1

Impact Sizing Workshop

A complimentary working session with your CFO and CTO that produces a one-page impact model across the three most relevant pillars.

2

Starter Pilot

A scoped, fixed deliverable in 8 to 12 weeks on the highest-priority pillar. A working MVP with a measured KPI baseline, sized so the budget at risk stays small.

3

Transformation Roadmap

A 12-to-24-month plan that sequences the remaining pillars, with targets tied to the bank's board-level metrics and a quarterly review of what landed.

Start with your own numbers

Book an Impact Sizing Workshop. We will sit down with your finance and technology leads and build the impact model on your numbers, across the pillars that fit your situation.

* All client outcomes referenced in this eBook reflect specific Altimetrik engagements and will vary by each bank's scope, base line, and operating environment. Third-party statistics are referenced in the Endnotes. Client outcomes and accelerator metrics are drawn from Altimetrik engagement records.

REFERENCES

Endnotes

The numbered references below correspond to the third-party data points marked in the text. Client outcomes and accelerator metrics elsewhere in this eBook are drawn from Altimetrik engagement records.

- 1 From Pilot to Profit: The Financial Services Industry Is Doubling Down on AI Investment (State of AI in Financial Services, 6th annual survey of 800+ professionals), NVIDIA, 22 January 2026, blogs.nvidia.com/blog/ai-in-financial-services-survey-2026
- 2 Neobanking – Worldwide (market forecast: users and transaction value), Statista, 2025, statista.com/outlook/dmo/fintech/neobanking/worldwide
- 3 Real-Time Payments in the United States, ACI Worldwide, 2026, aciworldwide.com/real-time/united-states
- 4 2026 Fees and Payment System Enhancements, Federal Reserve Financial Services, 16 December 2025, frbervices.org/news/fed360/issues/121625
- 5 Embedded Finance Market Size, Share, Growth Trends & Forecast, Mordor Intelligence, February 2026, mordorintelligence.com/industry-reports/embedded-finance-market
- 6 Access to Consumer Financial Data: Open Banking and the CFPB's Section 1033 Rule, Congressional Research Service, 2026, congress.gov/crs-product/IF13117
- 7 70% of banks lose clients due to slow onboarding (Fenergo 2025 survey of senior financial-services leaders), FinTech Global, 8 October 2025, fintech.global/2025/10/08/70-of-banks-lose-clients-due-to-slow-onboarding
- 8 AI drives global fraud surge (Nasdaq Verafin 2026 Global Financial Crime Report), Payments Dive, 13 March 2026, paymentsdive.com/news/ai-drives-global-fraud-surge/814646
- 9 Hourly Cost of Downtime: Reports & Survey Results, Information Technology Intelligence Consulting (ITIC), 2025, itic-corp.com/itic-reports-surveys
- 10 The 5 biggest bank M&A deals of 2025 (deal volume and value: S&P Global Market Intelligence), American Banker, 30 December 2025, americanbanker.com/news/the-five-biggest-bank-m-a-deals-of-2025

Regulatory frameworks referenced in the text (FedNow, the ISO 20022 migration, CFPB Section 1033, model-risk guidance SR 11-7, and operational-resilience guidance from the Federal Reserve, the OCC, and the UK FCA) are public regulatory sources.

