

Buy and Build

A Strategic Guide for Financial Institutions

Buy the banking foundation. Build freely on top.

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Introduction

Unpacking the Modernisation Challenge Behind the Legacy "Build-First" Mindset

Unpacking the Modernisation Challenge Behind the Legacy "Build-First" Mindset

If you're a bank weighing how to modernise, the pull toward building your own technology solutions is a familiar one. According to global research from NTT DATA, 61% of banks prefer to build some banking software in-house rather than from an external provider.[1]

This strategy rarely stems from unique business requirements but is largely driven by legacy system dependencies like your core banking systems and organisational constraints that have accumulated over decades of operations.

While the banking industry strives to shed its slow-moving reputation, many institutions remain tied to legacy systems. Some are even running on COBOL, a programming language over 50 years old. As of 2017, Reuters estimated that roughly 80% of in-person transactions in the United States, and 95% of ATM swipes, still ran on COBOL.[2]

This dependence creates a cycle where new features and integrations must be custom-built to accommodate ageing systems.

Why not simply modernise core banking systems?

The risk is comparable to replacing an aeroplane's engine mid-flight – any disruption could halt millions of transactions and freeze account balances. Banks' "if it ain't broke, don't fix it" mindset has historically made sense given these stakes.

However, the landscape is changing. Modern composable, modular solutions now enable gradual upgrades rather than risky overhauls.[3] Cloud computing, AI, and SaaS offerings have made digital transformation more accessible than ever before.

In contrast, cloud-native fintechs, unburdened by legacy systems, demonstrate the advantages of modern infrastructure through rapid innovation and market capture. Their agility in deploying new features and responding to market demands shows what's possible with contemporary technology stacks. Some have even monetised this advantage and transformed their technology into Banking-as-a-Service offerings, creating new revenue streams.

Takeaway

While building in-house solutions has been the default approach for traditional banks, today's technology landscape offers more nuanced options. Modern cloud-native solutions and banking-as-a-service platforms have matured significantly, making the 'buy' option increasingly viable – and often superior. Understanding when to build and when to buy has become a critical strategic decision that goes beyond just technical considerations; it encompasses organisational capability, risk management, and long-term competitive positioning in an increasingly digital banking landscape.

With this evolving landscape in mind, the question for banks is no longer simply whether to build or buy a banking platform. The real question today is whether to build the intelligence that will define the next era of financial services. Building banking AI in-house requires sustained investment in data infrastructure, specialist talent, and model governance beyond what a platform decision alone involves.

This brings us to the fundamental question: How can banks be guided to make this strategic choice in a way that balances both immediate needs and long-term sustainability?

Chapter 1

The AI Imperative – Why the Calculus Has Changed

The AI Imperative – Why the Calculus Has Changed

For years, the build versus buy debate centred on lending workflows, account opening, and process automation. AI has raised the stakes of that decision exponentially. The real question financial institutions must answer today is: can we build banking-grade AI in-house – and should we?

The short answer is no. And the case for buying an intelligence-ready platform has never been stronger.

The New Complexity of Building Intelligence

Building effective banking AI is not simply a matter of hiring data scientists and plugging in a large language model. It requires:

- A unified, high-quality data foundation spanning commercial, consumer, and mortgage operations
- Deep, domain-specific model training on banking workflows, credit decisions, and regulatory requirements
- Continuous learning systems that improve with institutional and industry-wide data
- Rigorous explainability frameworks to satisfy regulators and auditors
- Ongoing model maintenance, monitoring, and governance infrastructure

Each of these is a significant undertaking on its own. Together, they represent a multi-year, multi-million-pound programme – with no guarantee of success. According to BCG, 74% of companies have yet to show tangible value from their use of AI, with only 26% having developed the necessary capabilities to move beyond proofs of concept.[4]

Better intelligence starts with better context. To know where an AI agent can help, and where a banker's judgment should lead, you have to see the whole relationship and every stage of the credit lifecycle. That view doesn't come from the model. It comes from the data underneath it and the system of record that holds it. This is the foundation nCino has spent years building.

nCino's Data Advantage: Built Over Years, Not Months

The foundation of effective banking AI is data – structured, normalised, and drawn from real banking operations. nCino Operations Analytics and AI capabilities are powered by 14 years of banking context. This intelligence creates a competitive moat that no in-house build can replicate quickly.

This data advantage means that when nCino's AI analyses your loan cycle times, flags portfolio risk, or automates credit spreading, it is doing so informed by patterns from thousands of real banking workflows – not just your own.

Intelligence Everywhere: nCino's Three-Phase AI Approach

nCino's AI strategy is not a bolt-on feature. It is a systematic evolution across three continuous phases:

1. **Phase 1 – Point Solutions:** Targeted AI tools solving specific problems today – Auto Spreading, Knowledge Base integration, document processing utilities. Immediate productivity gains with minimal disruption.
2. **Phase 2 – Multi-Step Agentic Tools:** Digital Partners – five role-based AI agents (Executive, Analyst, Service, Processor, and Client) – that handle complete workflows through natural conversation. Bankers
3. **Phase 3 – AI-Native Banking:** Fully autonomous systems managing complete business processes, from end-to-end loan origination to intelligent customer onboarding at scale, with human oversight and decision making embedded throughout.

Digital Partners: The Dual Workforce Concept

At the heart of nCino's AI vision is the concept of a dual workforce – human bankers augmented by Digital Partners that mirror their roles and work alongside them. Rather than flooding institutions with dozens of disconnected AI agents, nCino has developed five purpose-built Digital Partners aligned to how banking actually operates:

- **Executive Digital Partner:** Strategic market sensing, portfolio oversight, and risk scenario planning for banking leaders
- **Analyst Digital Partner:** Automated covenant testing, financial spreading, and relationship risk monitoring for underwriters
- **Service Digital Partner:** AI-generated customer insights and product recommendations for relationship managers
- **Processor Digital Partner:** Document tracking, condition fulfilment, and workflow coordination for operations staff
- **Client Digital Partner:** AI-enhanced self-service and guided navigation for account holders and borrowers

These Digital Partners are accessible through Banking Advisor – a unified conversational interface embedded across the nCino Platform – requiring no prompt engineering or AI training from banking professionals. They will also serve as a coordinator behind the scenes for applicable agentic workflows and actions.

Operations Analytics: The Data Foundation Your AI Runs On

nCino Operations Analytics transforms raw institutional data into strategic operational intelligence. Pre-built dashboards spanning Commercial, Small Business, and Consumer lines of business deliver:

- **Performance Signals homepage:** What stands out most across loan volume, cycle time, and stage duration is waiting for you the moment you open Operations Analytics.
- **Loan KPIs:** Cycle times, volume, win rates, and stage duration analysis
- **Hot Spots:** Statistically grounded flags that surface the segments where performance has shifted enough to warrant a look, so teams act on real movement rather than noise
- **Feature adoption:** Usage trends by role that show how your teams engage with the nCino Platform
- **Org performance:** Data storage, API usage, and system efficiency, so you can see platform health at a glance
- **Historical trending:** Performance over time across every line of business, beyond point-in-time snapshots

Operations Analytics turns your nCino data into something you can act on: a clear read on cycle times, stage durations, and where performance is shifting, across every line of business, ready out of the box. It's the same clean, structured operational data the platform's AI runs on, so the work you do to understand your operations is the same work that makes your AI smarter.

Banks That Chose to Buy Tell the Story Best

Across the world, leading financial institutions have reached the same conclusion after testing the alternative firsthand. Shawbrook Bank initially attempted to solve the problem internally before pivoting to nCino. Louise Bird, Product Officer, Commercial at Shawbrook, describes exactly how that realisation unfolded:

"We attempted to build and see how quickly we could solve some of the problems. But in terms of feature parity, we were just trying to build exactly what nCino was. So, we felt it would give us an enhanced speed to market, really focusing on the expertise that nCino would bring from a platform capability, but also a people capability as well."[5]

The lesson is direct: building to match a purpose-built platform is a race that ends before it starts.

For institutions with an established tradition of building in-house, the decision carries even greater weight. Habib Bank AG Zurich (HBZ) has long maintained its own development team in Dubai, and the choice to partner with an external provider was not taken lightly.

As CEO Satyajeet Roy explains, "We had to make a decision in terms of time-to-market, adaptability to what's happening around the world, and being able to create an approach where we could go to market and buy technology."[6]

After evaluating multiple options, nCino emerged as the clear choice. Roy and his team looked at track record, how well the platform adapts to shifting regulations and market conditions, the AI capabilities baked into the solution, and nCino's proven experience across diverse markets – from small community banks to major institutions operating in dozens of countries. For HBZ, the AI capabilities already embedded in the platform were not a future promise – they were a deciding factor.

Both institutions recognised that the platform decision is no longer just about workflow automation – it is about whether they can access the AI capabilities, data infrastructure, and continuous innovation that nCino has spent years building. Starting from scratch means starting years behind.

Chapter 2

Strategic Decision Framework

Strategic Decision Framework

While the pressure to modernise is clear, choosing between building and buying technology solutions requires careful evaluation of three critical factors: Speed, Resources, and Strategy. Let's examine how banks navigate these decisions.

1. Speed to Market: The Time Value of Technology

Time-to-market can make the difference between leading or lagging in today's competitive landscape. Fifth Third Bank's experience provides valuable insights. As CIO Jude Schramm explains: "Fifth Third isn't a trillion-dollar bank – I don't have the IT capital that they have at JPMorganChase, where my counterpart there, Lori [Beer, global CIO of JPMorganChase], has a budget that's 20x mine [...] And so for us to be nimble, we had to strategically lean into partnerships and do a little bit more buy than build."[7]

Their implementation of the nCino Commercial Loan Origination System revealed stark realities. Fifth Third's CIO estimated that[7]:

5× Developing in-house would have taken five times longer.

2× Custom development would have cost twice as much.

For institutions weighing the AI dimension, the speed differential is even more dramatic. Building a production-grade AI capability – from data infrastructure through model training to deployment and governance – takes years. nCino's Digital Partners and Operations Analytics are available today.

ThinCats experienced this firsthand. Reflecting on the decision to buy rather than build, Anit Sharma, Head of Technology Platforms, explains that "nCino offered a proven, flexible solution that we could implement quickly, enabling us to avoid operational delays while pursuing key opportunities like CBILS."[8]

Because they eliminated lengthy development cycles, ThinCats was able to redirect resources to client service without compromising accuracy or efficiency. The nCino Platform also helped them avoid costly custom development, enabling ThinCats to focus on value-driven initiatives.

Time to Value Comparison

Build

- Years to build AI data infrastructure and train models
- Ongoing model monitoring and governance required

Buy

- AI capabilities available from day one
- The right model out of the box with your policies embedded and 14 years of banking context

Questions to Consider When Debating Buy vs. Build:

- Do you have the data infrastructure and AI expertise to build intelligence in-house within a competitive timeframe?



2. Resource Investment: Understanding True Costs

The financial impact of technology decisions extends far beyond initial development costs. Harvard Business Review highlights the substantial talent investment required: "Rolling your own code is neither simple nor cheap. Software engineers are highly paid. In the United States, that means six-figure salaries. The costs of finding and hiring engineers often involves search firms, which charge 15% to 30% of the first year's salary."[9] That was written about software engineers. The talent premium for AI and data science specialists is steeper still.

Potential Costs of Building

- Specialist AI/ML talent – among the most competed-for and expensive roles in technology
- Data science infrastructure and model lifecycle management
- Explainability and regulatory compliance frameworks for AI decisions

Real Costs of Building

- BCG finds that around 70% of the challenges companies face when implementing AI initiatives relate to people and processes – not technology – requiring sustained investment in talent, change management, and workflow transformation before value is realized.[4]
- McKinsey finds that banks implementing one or more of four technology productivity strategies typically achieve 20–30% productivity improvements within 18–24 months.[10]

3. Strategic Impact: Control vs. Flexibility

The build versus buy decision often centres on a perceived trade-off between control and efficiency. However, today's banking platforms offer both through configurable frameworks. Banks can customise workflows, define specific rules and policies, and build unique features while maintaining a stable, compliant foundation. This enables institutions to focus their development efforts on true differentiators rather than basic functionality.

The reality of modern banking technology challenges traditional assumptions about control. Success no longer depends on owning every line of code – it comes from strategically choosing where to invest development resources for maximum competitive advantage. While legacy systems consume resources just to maintain basic operations, modern platforms free teams to focus on innovation and customer experience.

The same principle now applies to AI. Owning the model is not the competitive advantage – applying intelligence effectively and at pace is. nCino's Digital Partners and Operations Analytics allow institutions to leverage advanced AI without needing to become AI companies themselves.

This fundamental shift in how banks can maintain control while accelerating innovation sets the stage for a new approach – one that combines the benefits of proven solutions with the flexibility to build strategic advantages. We'll explore this hybrid model in the next chapter.

Questions to Consider When Debating Buy vs. Build:

- Can you realistically attract and retain the AI and data science talent required to build and maintain proprietary intelligence capabilities?

Questions to Consider When Debating Buy vs. Build:

- Is AI model ownership a genuine differentiator for your institution, or is the real advantage in applying intelligence faster than competitors?

Chapter 3

The Hybrid Approach

The Hybrid Approach

Buy Your Foundations, Build Your Advantage

Breaking the False Dichotomy

The traditional view of build versus buy as an either/or decision no longer serves modern financial institutions effectively. Today's dynamic market demands a more sophisticated approach that harnesses the strengths of both strategies while mitigating their inherent limitations.

The optimal approach combines buying foundational components while building strategic differentiators. This creates a powerful synergy. By embracing a hybrid approach, financial institutions can achieve maximum flexibility, allowing them to adapt swiftly to market changes. This approach optimises resource utilisation, ensuring that both human and technological assets are employed efficiently.

Furthermore, it significantly reduces time to market, enabling institutions to introduce new products and services faster than ever before. Such agility enhances competitive positioning, allowing firms to outperform peers and capture greater market share. Finally, the hybrid approach fosters sustainable innovation capabilities, providing a foundation for continuous growth and development in an ever-evolving industry.

Value Creation Through Hybrid Implementation

The future of banking technology lies not in choosing between building or buying, but in strategically combining both approaches. The nCino Platform provides the ideal foundation for this hybrid strategy, offering:

- Embedded AI and intelligence capabilities through Digital Partners
- Operations Analytics with pre-built, banking-specific performance dashboards
- A clear three-phase AI roadmap: from point solutions to fully autonomous banking

Institutions that have navigated this decision most thoughtfully often describe not a binary choice, but a deliberate strategy of buying the foundation and directing their own energy toward genuine differentiation.

Banque Raiffeisen Luxembourg is a case in point. The IT team initially favoured an in-house build, while the wider business advocated for a partnership that would transform and improve processes rather than simply rebuild existing ones.

As Programme Manager Clément Loubeyres explains, "We wanted to follow standard processes on credit granting and not rebuild our current solution with all the complexity and customisation we'd made on our existing core banking system."[11]

After an extensive evaluation process comparing nCino with other competitors and building in-house, Banque Raiffeisen chose nCino for its business knowledge and ability to bridge technical and business requirements. By buying the foundation, the team freed itself to focus development energy where it genuinely creates competitive advantage.

In Australia, Bendigo Bank shows the same discipline in a different form. The bank's challenge wasn't to buy or build, but rather how to reduce fragmentation: 30+ forms and systems across two business units, Business and Agribusiness. The bank's answer was to consolidate onto a single nCino Platform and lean hard into standardisation, reaching 87% out-of-the-box rather than absorbing the cost and complexity of heavy customisation. Its leadership sees room to go further still. "I would take more out of the box from our partners," says Neil Edwards, Head of Business Design and Product Ownership at Bendigo Bank. "I think our stat is something around 87% standardisation, and I'd actually like to see that much higher."[12]

Transform your banking operations through a proven three-stage journey

1. Adopt a Robust Foundation

Proven Enterprise Foundation

- AI capabilities informed by years of banking specific data derived from a global customer base
- Contextually built for financial institutions with intelligence embedded
- Support for compliance and local regulatory requirements

Ready-to-Use Features

- Banking Advisor: unified conversational AI interface
- Operations Analytics Base: loan KPIs, feature adoption, and org performance dashboards

Enterprise-Grade Infrastructure

- Bank-level security standard
- High platform availability
- Disaster recovery plan

2. Adapt to Your Unique Needs

Credit Policy Configuration

- Custom credit rules engine
- Risk rating frameworks

Tailored Experiences

- Role-configured Digital Partners aligned to your institution's specific workflows and personas

Seamless Integration

- Integration Gateway foundation for AI connectivity across your technology ecosystem

3. Evolve with Market Demands

Market Agility

- Rapid product launches
- Fast go-to-market cycles

Expansion Capabilities

- New market penetration/lending business lines expansion
- Cross-sell optimisation

Future-Ready

- Digital Partners evolving through Phase 2 agentic workflows to Phase 3 autonomous banking, with human oversight maintained throughout

Accelerated innovation, minimised risk, and sustained competitive advantage

Conclusion

A New Era in Financial Services

Conclusion

A New Era in Financial Services

In the build versus buy debate, success isn't always about choosing one path over the other – it's about leveraging the best of both.

With the nCino Platform, financial institutions can gain access to years of industry expertise and cutting-edge technology, while retaining the flexibility to create a unique competitive edge. And today, that competitive edge is built on intelligence.

nCino offers a trusted platform that brings together people and data and enables financial institutions to enhance strategic decision making, risk management, and customer satisfaction through the selection of best-in-class intelligent solutions that create experiences to fit their needs. The five Digital Partners – Executive, Analyst, Service, Processor, and Client – represent a new kind of workforce: role-specific AI colleagues that work alongside bankers rather than replacing them.

The nCino Platform is built with flexible, modular components, enabling you to seamlessly implement new capabilities as your business evolves. This includes a clear three-phase AI roadmap: from targeted productivity tools available today, through agentic Digital Partners transforming workflows, to fully autonomous AI-native banking operations.

With the flexibility to select, shape, and implement multiple solutions simultaneously or one at a time, institutions have the power to create the experiences they desire with the benefit of an agile platform that scales. And with Operations Analytics turning your operational data into the foundation your decisions and your AI both run on, you act on evidence instead of instinct.

The institutions entering new markets and competitive spaces today are not the ones trying to build AI from scratch. They are the ones who recognised that buying the right platform means buying a head start on the intelligence that will define banking for the next decade. As Anit Sharma of ThinCats put it, nCino offered "a proven, flexible solution that we could implement quickly, enabling us to avoid operational delays while pursuing key opportunities like CBILS"– and in doing so, redirected resources to where they create the most value: serving clients.[8]

Are you ready to propel your institution into a new era of financial services?

Learn more at www.ncino.com

Disclaimer:

This whitepaper may discuss some product features that are not yet generally available. Information provided does not constitute a commitment by nCino to deliver any such functionality, and purchasing decisions should be based solely on features that are currently generally available.

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nCino (NASDAQ: NCNO) is the platform for agentic AI banking. With over 2,700 customers worldwide – including community banks, credit unions, independent mortgage banks and the largest financial entities globally – nCino offers a trusted agentic platform purpose-built for financial services and regulated industries. By deploying AI agents alongside human teams, nCino's dual workforce enables institutions to eliminate inefficiencies, sharpen decision-making and deliver better outcomes for the customers they serve. For more information, visit www.ncino.com.