

Digital Banking Technology and Platforms

Evaluating software platforms of relevant product vendors for the banking industry



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Macro environment conditions including supply chain resilience, interest rate dynamics and ESG imperatives have increased market instability and thus significantly affected the business landscape.

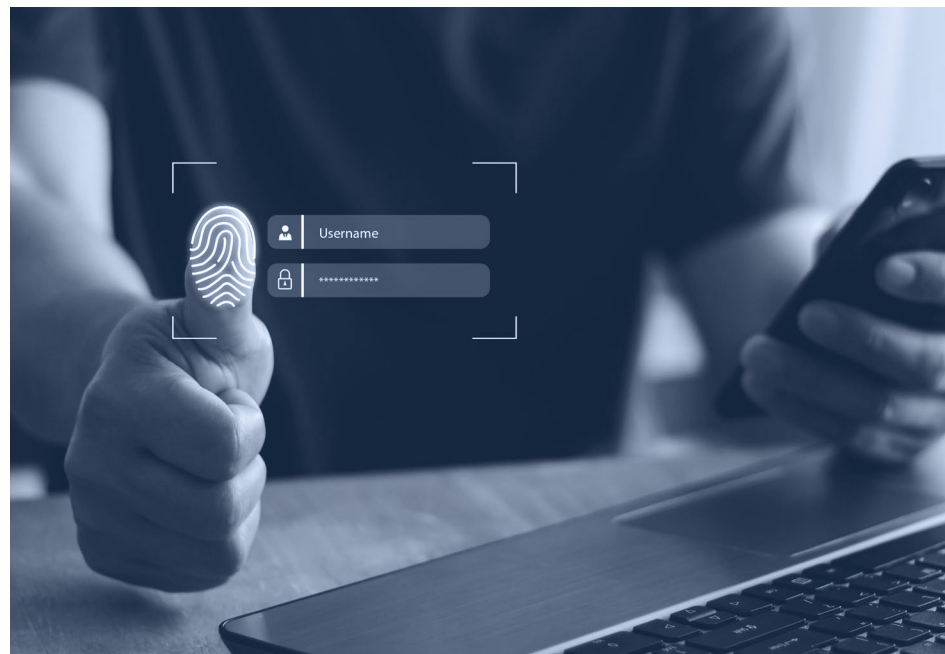
As banks navigate the rapidly changing customer expectations, innovative ways of working, new business models and rising challenges of FinTech firms, they expect platform players to support them with superior and augmented capabilities to suit market reality.

Many banks are undergoing transformation to build resilience in talent, infrastructure, compliance and governance with technology as the key enabler.

As banks set their 2023 priorities, a modular banking platform with API-first design and hosted on cloud infrastructure helps prioritize investments to their strategic goals. A core agnostic platform provides banks with agility and scalability

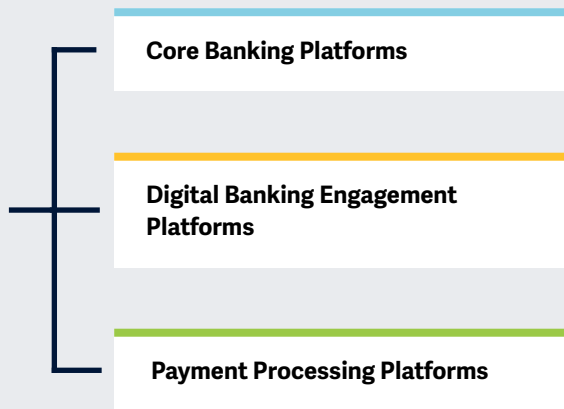
to rapidly integrate market-relevant solutions and accelerate the time-to-market of products. This enables banks to channel innovation through an open-banking ecosystem, create a zero-trust secure environment, support sustainability through net-zero cloud transition and unlock new revenue opportunities such as embedded finance and Buy Now, Pay Later options. With a wave of disruption on the horizon like 5G, IoT and decentralized architecture, banking platform vendors are empowering banks to become future-proof in their digital transformation journey.

ISG Provider Lens™ Digital Banking Technology and Platforms study analyzes vendors offering solutions for banks in the global market for select segments. The analysis findings help assess the product vendors operating in defined segments in terms of their respective portfolios and market competitiveness.



Key focus areas for Digital Banking Technology and Platforms 2023.

Simplified Illustration Source: ISG 2023



The ISG Provider Lens™ Digital Banking Technology and Platforms offers the following to business and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- Focus on global digital banking technology and platform vendors

Our study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential engagements.



Core Banking Platforms

Definition

In this quadrant, ISG analyzes software platform vendors that offer solutions supporting the core business processes of banking companies.

Core banking is defined as the process that performs daily banking transactions and account activities, irrespective of the type of customer or channel.

Core banking software is the back-end system behind the creation and management of accounts, balances, transactions and journal entries, along with the storage of client data, receipts and other reporting tools. Hence, core banking platform is a system of engines and functions as a book of records.

Increasingly, core banking platforms rely on a nimble and modular architecture connected by APIs decoupling distribution channels, products and client data.

The platform should possess the capability to integrate new functionalities into existing core banking platforms to support banks' digital transformation journey and should support seamless interoperability while connecting with other core banking systems if the business need arises.

This particularly agile architecture helps in making rapid changes in the core banking platform while providing a seamless digital customer experience.

Supported by on-premises or on-cloud infrastructure for enhanced scalability and real-time processing, these platforms demonstrate robust integration capabilities for ecosystem partnerships and for potential mergers/acquisitions in banking.

Eligibility Criteria

1. Support **core banking processes** for any retail banks
2. Provide enhanced security, tokenization and identity management
3. Possess **modular design** featuring essential and differentiating off-the-shelf banking capabilities which are configurable and integrable
4. Demonstrate process **automation** capabilities using modern technologies
5. Enables data management and **APIs**
6. Robust integration capabilities with other back-end and third-party systems
7. Have won a minimum of one **large deal** (>\$1million / year) and several **medium-sized deals** (< \$1million / year) over the last 12 months
8. Evidence of use cases and references across one or more geographies



Digital Banking Engagement Platforms

Definition

Digital banking engagement platform vendors offer stand-alone engagement solutions that support digital transformation journey of banks in providing omnichannel access to banking products and services.

While current and future core banking platforms focus on digitally engaging with customers, the demand for digital banking engagement platforms is driven by a large number of existing legacy systems and the capability to engage and offer services immediately to their customers without disturbing the existing platforms.

The platform realizes this capability through a transformational layer that integrates existing systems and infrastructure with innovative API-led applications and microservices to offer enhanced CX.

In essence, it creates an improved digital front office, leveraging modern and emerging technologies including AI/ML, chatbots, analytics and other solutions to enable complete digital engagement.

In this quadrant for 2023, ISG analyzes digital banking engagement platform providers offering solutions to support banks to gain a 360-degree view of customers across customer touchpoints in their banking lifecycle journey to gain deeper customer insights and deliver seamless and personalized UX across multiple banking products/services, user channels and devices.

Eligibility Criteria

1. Standalone **banking engagement solution** that can integrate seamlessly with any core banking system
2. Provide enhanced security, tokenization and identity management
3. Provide **off-the-shelf banking capabilities** with enhanced UX, leveraging modern and emerging technologies
4. Demonstrate core agnostic API-driven architecture, channel administration, developer kits and marketplaces
5. Have **won a minimum of one new deal** over the last 12 months
6. Evidence of use cases and references across one or more geographies



Payment Processing Platforms

Definition

In this quadrant for 2023, ISG analyzes payment processing platform vendors offering solutions to support the coverage of payment lifecycle processes across different payment methods.

These platforms can act as the sole payment processors and may also act as the manager of an orchestration layer across disparate payments legacy systems of banks.

Vendors positioned in this quadrant provide platforms specifically designed for supporting traditional, real-time payment transactions (e.g., FedNow instant payment services) and processing. They also support banks in adopting new and emerging payment rails, support regulatory compliances, harness open-banking capabilities to drive innovations like embedded finance, payment as a service, materialize new business opportunities like Buy Now, Pay Later finance models and generate payments data-driven insights for better business outcomes.

The platform covers retail and corporate customers, acting as a holistic payment processing platform, including enhanced functionalities such as low- and high-value, real-time, cross-border or international payments. Some of these platforms are also marketed as payment hubs, and they act as a comprehensive platform for processing multiple payments for multiple business lines. These platforms are designed specifically to support payment-related organizational policies and workflows of banks. The key benefit of these platforms is to provide banks with a cost-effective and scalable solution as well as to reduce the risk associated with numerous fragmented payment processes in practice.

Vendors also provide additional value-add solutions by integrating analytics, automation, enhanced security as well as self-service capabilities to enable superior UX.

Eligibility Criteria

1. Coverage of payment lifecycle of initiation, clearing and settlement processes
2. Support **omnichannel methods of payments**
3. Support different **payment rails**, such as SWIFT, SEPA, ACH and RTP
4. API security management features and payment tokenization
5. Enable integration with other platforms
6. Have **won a minimum of one new deal** over the last 12 months
7. Evidence of use cases and references across one or more geographies



Quadrants By Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following three quadrants on Digital Banking Technology and Platforms 2023.

Quadrant	Global
Core Banking Platforms	✓
Digital Banking Engagement Platforms	✓
Payment Processing Platforms	✓



The research phase falls in the period between February and March 2023, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in July 2023.

Milestones

	Beginning	End
Survey Launch	February 9, 2023	
Survey Phase	February 9, 2023	March 9, 2023
Sneak Preview	June 2023	July 2023
Press Release and Publication	July 2023	

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2023 research agenda

Access to Online Portal

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

Research Production Disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of “Voice of the Customer.” The Star of Excellence is a program, designed by ISG, to collect client feedback about service providers’ success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments. To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply. Here is the email address: ISG.star@isg-one.com



Contacts For This Study



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ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens™ offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT).

The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct.

ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.

ISG Advisors to this study



Yadu
Singh

Director



Jay
Woldar

Director



Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

ACI Worldwide*

Additiv

Adyen*

Bantotal*

CGI*

CSI*

ERI Bancaire*

Finastra*

FIS*

Fiserv*

Icon Solutions*

Intellect Design*

Infosys Finacle*

Intrasoft*

Jack Henry & Associates*

Mambu*

Marqeta*

NIUM*

Oracle*

Profile Software*

Sopra Steria*

Stefanini*

TAS Group*

TCS*

Technisys*

Temenos*

Tietoenvy*

Thought Machine*

Trust Systems*

Volante Technologies*

i2c*



*ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens research, please visit this [webpage](#).

*ISG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: [Public Sector](#).

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*ISG

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Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data. For more information, visit www.isg-one.com.





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REPORT: DIGITAL BANKING TECHNOLOGY AND PLATFORMS