



***ISG** Provider Lens™

2020

Banking Industry
Ecosystem 2020

imagine your future®

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 75 of world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. 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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Definition

Operational agility has become pivotal for both commercial and retail banks. However, established banks have a patchwork of legacy systems that adversely affect agility and can create hurdles in customer and clients' journeys. To address this, retail and commercial banks are evaluating next-generation **Core Banking Systems**, both in terms of the digital capabilities of these systems as well as the service providers that can implement and scale them.

Banks also face stiff competition; they are no longer the only entities offering financial services. For example, in the payment space, 25 percent of all transactions are undertaken by non-bank financial institutions. Therefore, there is increasing interest in **Payment Services** that are faster more cost effective, and leverage digital platforms preferred by today's financial services customer.

Finally, regulatory pressures remain significant. However, the industry has moved from coordinated programs to recapitalize banks and ensure sufficient liquidity to more regulatory divergence driven by local market conditions. Such jurisdictional divergence is a particular challenge for global banks. Adding to this challenge is the outbreak of Covid-19, which is compelling global banks to increasingly opt for technology to automate risk-related services such as **Anti-Money Laundering (AML) and Know-Your-Customer (KYC)**.

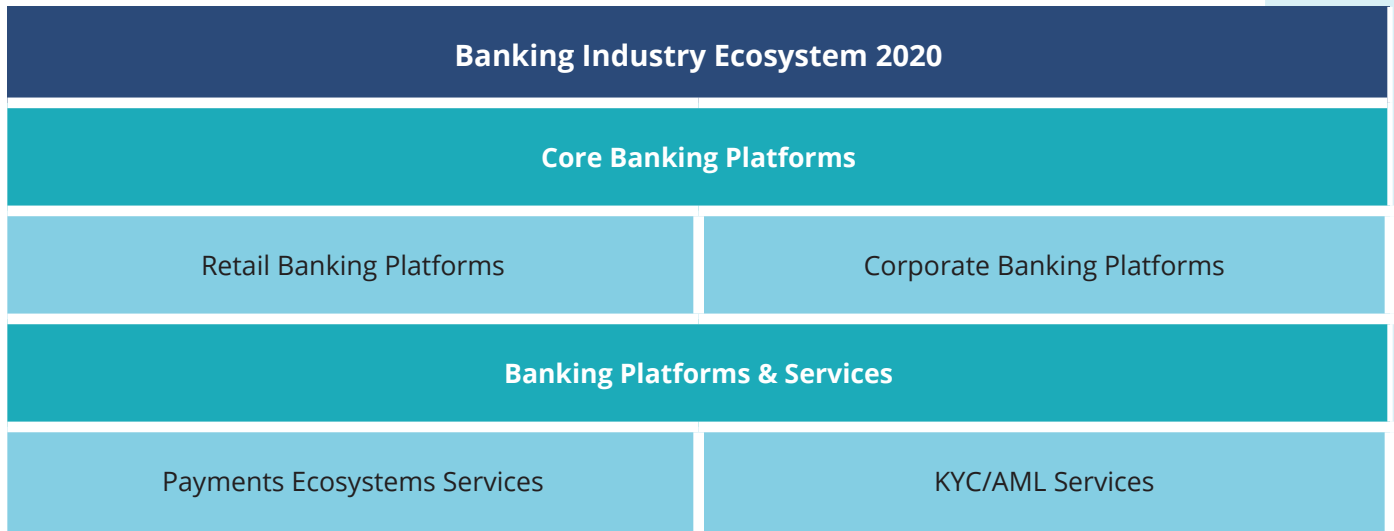
This ISG Provider Lens™ study offers the following to IT and business decision makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments
- Perspective on different markets, including the U.K., Nordics (Including Baltics), Germany, Switzerland and the U.S.

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

Quadrant Research

As part of this ISG Provider Lens™ quadrant study, we are introducing the following four quadrants on the banking ecosystem:



Source: ISG 2020

Core Banking Platforms and Implementation Services – Retail

The core banking platforms and implementation services – retail quadrant comprises software (off-the-shelf or custom-built) with the relevant implementation and system integration services. Centrally positioned for all operational activities, core banking platforms are vital back-end systems for banking transactions. ISG has observed that projects to modernize core banking systems have been initiated to improve operational agility as well as responsiveness to the ever-demanding consumer. Providers that can address these requirements will remain integral to the evolution of the Banking industry as they continue to support the dynamic nature of consumer engagements.

Eligibility Criteria:

- Providers must be able to deliver a core banking platform (either proprietary or offered by any other Tier-1 software publisher), implement it on a modular basis and provide ongoing support.
- Ability to offer solutions that can be integrated with existing legacy systems in order to modernize critical components and have the ability to seamlessly integrate with future systems/platforms.
- Demonstrates strong functional expertise in retail banking systems (either proprietary or offered by any other Tier-1 software publisher).
- A commercial model that can align incentives between vendor and bank as well as provision for future-proofing to ensure scalability

Core Banking Platforms and Implementation Services – Corporate

The core banking platforms and implementation services – corporate quadrant comprises software (off-the-shelf or custom-built) with the relevant implementation and system integration services. Centrally positioned for all operational activities, core banking platforms are vital back-end systems for banking transactions. ISG has observed that projects to modernize core banking systems have been initiated to improve operational agility as well as responsiveness to enterprises of all sizes. Providers that can address these requirements will be integral to the evolution of the Banking industry as they continue to support the dynamic marketplace for local and/or global business engagements.

Eligibility Criteria:

- Providers must be able to deliver a core banking platform (either proprietary or offered by any other Tier-1 software publisher), implement it on a modular basis and provide ongoing support.
- Ability to offer solutions that can be integrated with existing legacy systems in order to modernize critical components and have the ability to seamlessly integrate with future systems/platforms.
- Demonstrates strong functional expertise in corporate banking systems (either proprietary or offered by any other Tier-1 software publisher).
- A commercial model that can align incentives between vendor and bank as well as provision for futureproofing to ensure scalability

Payments Ecosystem Services

The payments ecosystem services quadrant measures the ability of systems integrators and managed services providers to help customers create, implement and support payment-based business services in the global payments ecosystem. This ecosystem comprises payment processors (acquirer and issuer), payment networks, merchants, banks (acquiring and issuing), and other intermediaries.

Eligibility Criteria:

- System integrators and managed service providers with the capability to deploy proprietary platforms, technology services (application and infrastructure) and/or business process outsourcing (BPO) services connected with the global payments ecosystem.
- Strong functional expertise in the payments industry, including expertise in payment acquiring, issuing and network domains; functional expertise across card transaction processing, clearing, settlement, customer management and disputes
- Proven ability to modernize and customize existing card and payment platforms as well as devise future-ready services to accommodate changes within the digital payment industry
- Partnerships and expertise in working with payment platforms and card packaged solutions across major issuer processors
- Deep knowledge of different regulatory and compliance requirements, with relevant certifications and partnerships with industry and regulatory bodies
- Increased focus and investments in emerging payment technologies (mobile wallet, near field communication (NFC) or blockchain).

KYC & AML Services

The increasingly stringent regulatory environment due to fraudulent activities, security vulnerabilities and privacy concerns are compelling banks to outsource compliance and risk mitigation activities. Service providers must offer mature solutions that combine in-depth compliance knowledge, and security expertise with emerging technologies such as artificial intelligence (AI), robotic process automation (RPA) and analytics.

The quadrant covers only AML and KYC offerings, which are increasingly being sought across regions. Services offered include transaction monitoring; name and sanctions screening; customer identification and verification; due diligence, including controllership and ownership structure; risk profiling with database checks; and customer outreach off-boarding. Advanced automation capabilities of service providers include delivering zero-touch customer acquisition, thereby reducing time and manual effort.

Eligibility Criteria:

- Capabilities leveraging Internet protocol (IP) and emerging technologies to provide real-time alerts, higher fraud detection rates and false positives that indicate provider strengths.
- Service providers should be capable of understanding different regulatory and compliance requirements and have skilled professionals with the relevant KYC compliance and AML certifications
- Service providers should possess deep analytical capabilities or partner with relevant vendors with a strong suite of solutions to deliver enhanced risk management to clients

Quadrants by Region

Quadrants	U.S.	Germany	CH	UK	Nordics
Banking Platforms & Implementation Services – Retail	√	√	√	√	√
Banking Platforms & Implementation Services – Corporate	√	√	√	√	√
Payments Ecosystem Services	√	√	√	√	√
AML/KYC Services	√	√	√	√	√

Schedule

The research phase falls in the period between **June and September 2020**, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in **November 2020**.

Milestones	Beginning	End
Survey Phase	June 11, 2020	July 15, 2020
Sneak Preview	September 15, 2020	October 15, 2020
Content provisioning	October 10, 2020	October 15, 2020
Press release	November 2020	November 2020

Please refer [to this link to view/download](#) the ISG Provider Lens™ 2020 research agenda.

Link to Survey

Your participation is just a click away. Please use our [IPL Portal](#) for submitting information. Use the credentials that you have already created. If you have not created them yet, please use your email ID as UserName and generate your individual password by clicking "forgot password" option.

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 work identified by the 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 to produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of 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.

Partial list of companies being invited for the survey

Are you in the list or do you see your company as relevant provider that is missing from the list? Then feel free to contact us to ensure your active participation in the research phase.

Core Banking Platforms and Implementation Services (Retail & Corporate)	Payments Services	KYC & AML BPO Services
Accenture	Accenture	Accenture
Avaloq	Atos Syntel	Atos Syntel
Business Solution Group AG	Capgemini	Capgemini
DXC Technology	CGI	Cognizant
EdgeVerve	Cognizant	Concentrix
ERI Bancaire	Concentrix	Deloitte
Evry	Conduent	DXC Technology
Fiducia	DXC Technology	Evry
Finastra	Evry	Exela Technologies
Finnova	EXL	EXL
FIS	Firstsource	EY
Fiserv	FIS	Fenergo
HCL	Genpact	Fiserv
IBM	HCL	Genpact
Intellect Design Arena	IBM	HCL
Jack Henry & Associates	Infosys	Intelenet
L&T Infotech	Intelenet (Teleperformance)	Invidem
Mambu	Mphasis	L&T Infotech
Oracle	NCR Corporation	Mphasis
SAP	Nets	NICE Actimize
Sopra Steria	Sutherland	NTT Data
Swisscom	TCS	TCS
TCS	TechM	Temenos
Temenos	Wipro	Wipro
Zensar	WNS	WNS

Contacts for this study



Stanton Jones
Lead Analyst - US



Gowtham Kumar
Lead Analyst – UK and Nordics



Oliver Nickels
Senior Analyst – Germany and Switzerland



Phani K R
Global Project Manager

Do you need any further information?

If you have any questions, please contact us at isglens@isg-one.com.