



**\*ISG** Provider Lens™

2021

Digital Banking  
Technology &  
Platforms 2021

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](http://www.isg-one.com).



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# Definition

The Digital Banking Technology & Platforms 2021 study analyzes relevant product vendors for software solutions for the banking industry. As a result of the worldwide COVID-19 pandemic, the banking industry has been forced to radically change the way it interacts with clients and customers. Increasing agility, fast decision-making by flattening hierarchies and empowering employees, as well as introducing flexible workplaces and workforces were some of the core actions banks had to execute to sustain the pandemic effects. As a result, banks had to consider changing the core banking applications. Many banks are still undergoing transformation to build resilience in capital, talent and, most importantly, their technology. According to ISG, most banks are transforming their infrastructure in a phased migration approach. While several banks have already started this transformational approach, laggards may still be able to progress if they take swift actions to accelerate tech modernization.

ISG's research reveals that while core banking upgrades continue to point toward a complete digital platform, banks with legacy platforms are forced to deploy an open banking solution to be able to retain their customer contacts and not being pushed aside by FinTechs and other non-banking competitors. For those banks running their own open banking platform has several advantages such as keeping control about their customer relationship as access to other offerings will be done through the bank's open banking portal. In addition, the growing demand of a digital customer experience forces banks to quickly deliver modern user experiences. Digital Banking Engagement Platforms (DBEPs) are one way to quicken the digitalization approach of many banks as this is a way to combine existing core banking capabilities with feature-rich, flexible, and digital multi-channel engagement capabilities. These initiatives are driven by challenges, including costly and time-consuming core banking system upgrades, overhauls, as well as the agility and scalability to quickly focus on revenue streams and customer engagement. With all restrictions forced on people as a result of the COVID-19 pandemic online shopping and online business has grown substantially. With this electronic payment has gained tremendous traction and payment processing platforms are crucial to build complete, but manageable ecosystems to connect merchants, banks, credit card companies, and customers seamlessly without any restriction in currencies being used, locations being severed, or goods and services being handled while ensuring secured and compliant transactions. ISG Provider Lens Digital Banking Technology & Platforms 2021 study analyzes the solutions offered for banks in the U.S., and Europe in selected segments. The findings from the analysis help assess the product vendors operating in defined segments based on the strength of their portfolio and their competitiveness in the market.

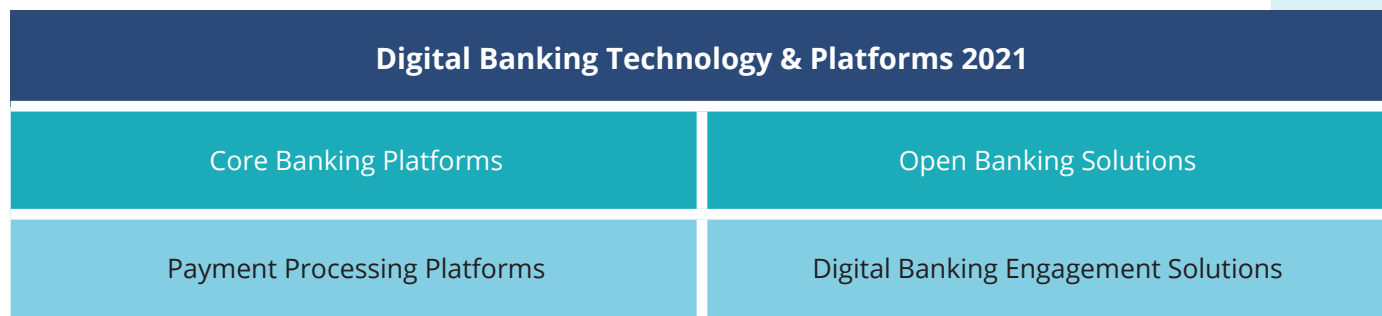
The ISG Provider Lens™ study offers the following to the information technology decision-makers:

- Transparency of the strengths and weaknesses of relevant providers;
- Differentiated positioning of providers by segments;
- A perspective on different markets, including the U.S., and Europe.

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

# Quadrant Research

As part of this ISG Provider Lens™ quadrant study, we are introducing the following four quadrants on Digital Banking Technology & Platforms:



Source: ISG 2021

## Core Banking Platforms

In this quadrant, ISG analyzes software vendors that offer solutions supporting the core business processes of banking companies. Core banking is defined as the processes that perform daily banking transactions and account activities, irrespective of the type of customer. Hence, core banking software is the most crucial part of every bank. Banking software is the driving force behind the creation and management of accounts, balances, transactions and journal entries, along with the storage of client data, receipts, and other reporting tools.

A core banking software relies on a composable architecture connected by application programming interfaces (APIs) that allows to decouple distribution channels, products and client data. This particularly agile architecture helps make quick changes in core banking software while providing a continuous digital customer experience. Hence, client onboarding, payments processing, card issuing and KYC services must be integrated into the core banking software.

### Eligibility Criteria

- Core banking process coverage;
- Process automation capabilities using modern technologies;
- References and use cases proofing the functionality;
- License models and licensing flexibility;
- Modularity;
- Integration capabilities with other back-end systems;
- Enablement of wider banking and business functionalities (for example, multi-currency, trade finance and treasury management);
- Enablement of data management and APIs.

## Open Banking Solutions

Software vendors in this quadrant offer solutions that support the free movement of financial information between banks and a growing list of approved third-party providers (TPPs). In 2018, the introduction of the Second Payment Services Directive (PSD2) was designed to empower financial innovators by giving the consumers full control over their own financial data hosted in banks, thereby enabling new business models and larger value to the consumer. Open banking solutions offer the opportunity to transform banks to an API-connected, platform-based business model that identifies new products and processes.

Although current core banking systems include functionalities such as open banking capabilities through APIs, these standalone platforms are designed to accelerate the shift without having to undergo the complexity of upgrading the core banking systems. Designed to be modular, these platforms can integrate with any core banking system in use and enable services through the existence of a complementary marketplace.

While functional capabilities such as identity and access management; customer offer management; and ecosystem analytics and management are important, the technical capabilities to manage API lifecycles, API security, the API architecture, as well as infrastructure management for load-balancing and auto-scaling of the API servers are also in scope.

### Eligibility criteria:

- Ability to build, maintain and scale seamless, personal, and secure experiences across the APIs
- Identity Software Development approach;
- Capabilities to acquire user experience;
- Analytics capabilities for API-connected entities;
- API security management functionality;
- Data virtualization approach;
- Ecosystem and partnerships (number, strength, technology and diversity – B2B and B2C);
- Integration with banking and non-banking ecosystems (such as connected cars).

## Payment Processing Platforms

Vendors positioned in this quadrant provide platforms and solutions specifically designed for supporting traditional and real-time payment transaction and processing. The platform serves to establish communication and processing between banks (issuing and acquiring), merchants and customers. The solution 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. These platforms are also marketed as payment hubs, which provide a comprehensive, singular platform for processing multiple payment business lines. Vendors also provide additional value-add solutions by integrating analytics, automation, enhanced security, as well as self-service capabilities to enable superior user experience.

### Eligibility Criteria:

- Complete coverage over issuing, acquiring and digital real-time payments, including cards;
- Coverage with multiple switching networks and transaction support (ACH, RTGS, SWIFT, CHAPS, etc.);

- Ability to enhance user experience, leveraging analytics, AI/ML and automation;
- API security management functionality and payment tokenization;
- Increased focus and investments in emerging payment technologies (mobile wallet, near field communication or blockchain).

## Digital Banking Engagement Solutions

Providers assessed under the digital banking engagement platform offer solutions that functionally enable and support the digital transformation journey of banks by providing omni-channel, mobile access to banking products and services. The solutions offer a transformational layer that allows legacy systems to be digitized and optimized to support emerging technologies. The platform also acts as a bridge and integrates existing systems and infrastructure with innovative API-led applications and microservices to offer enhanced customer experience. In essence, the solution provider creates an improved digital front office, leveraging AI/ML, chatbots, analytics and other solutions to enable complete digital engagement.

While current and future core banking platforms are focused on digitally engaging with customers, the demand for these platforms is driven by the large number of existing legacy systems and the capability to engage and offer services immediately to their customers.

### Eligibility Criteria:

- Standalone banking engagement solution that can integrate seamlessly with any core banking system;
- Ease of use and setting up APIs, developer kits and marketplaces;
- Enhanced security, tokenization and identity management;
- Ability to enhance user experience, leveraging analytics, AI/ML and automation;
- Partner ecosystem;
- Integration with digital ecosystems.

# Quadrants by Region

Quadrants	U.S.	Europe
Core Banking Platforms	✓	✓
Open Banking Solutions	✓	✓
Payment Processing Platforms	✓	✓
Digital Banking Engagement Solutions	✓	✓



# Schedule

The research phase falls in the period between **June and August 2021**, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in **November 2021**.

<b>Milestones</b>	<b>Beginning</b>	<b>End</b>
Launch	June 30, 2021	
Survey Phase	June 30, 2021	July 23, 2020
Sneak Preview	September 27, 2021	October 18, 2021
Press release	November 2021	

Please click [this link](#) to view/download the ISG Provider Lens™ 2021 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.

3i Infotech	COCC	ERI Bancaire
Accenture	Coconet	EVO Payments
Access Softek	Corelation	Fidor
ACI Worldwide	CPB Software	Fiducia
Adyen	CR2	Financial Software and Systems
Ailleron	CREALOGIX	Finanzinformatik
Airship	Crosskey Banking Solutions	Finastra
Alkami	CSC	Finicity
Ally Bank	CSI	Finnova
Apiture	CU-Answers	Finstar (Lenzburg)
Ariadne Business Analytics	CXInfinity	FinTecSystems
Asseco	CyberSource	Finxact
Avaloq (NEC)	Datapro, Inc	Fiorano Software
Avant	Deposit Solutions	FIS
B+S Bankssysteme	Diasoft	Fiserv
Backbase	DIE SOFTWARE/OBS (Peter Fitzon)	G&H Bankensoftware
BankingON	DLYA Bantotal	Galileo
Bantotal	Doxim	Global Payments
Bottomline Technologies	Dwolla	GlobalCollect
BPC Banking Technologies	DXC Technology	Hexaware
Braintree	ebankIT	i2c
Capgemini	Ecrion	IBM
Chase Paymentech	Efdis	ICSFS
Clover	Elavon	i-exceed
Cobiscorp	EPL	in10stech

Infosys	Plaid	TietoEVERY
Ingenico Group	Platformable	Tink
Intellect Design Arena	Portfolio+	TransUnion
Intrasoft	Profile Software	TrueLayer
Intuit	Q2 Software	TrustBankCBS
Jack Henry & Associates	RailsBank	TSYS
Khoros	SAP	Unisys
Lombard Odier	Savangard	Urban FT
Lumin (PSCU)	SDC A/S	Virtusa
Lusis Payments	SIA	Volante
Mambu	Silverlake Axis	Vsoft
Marqeta	Software Group	Wipro
Narmi	Solarisbank	Worldline
Natech	Sopra Steria	WorldPay
nCino	Square	Yapily
NCR	Stefanini	
Nelito	Stripe	
Neocova	Sunline	
New Access	SunTec	
Nymbus	Synergent (Jack Henry partnership)	
OpenWay Group	Tagit	
Optus Software Solutions	TCS	
Oracle	Technisys	
PASS Consulting Group	Temenos	
PayEx Solutions AS	ThoughtMachine	

# Contacts for this study



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Lead Analyst – U.S.



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Global Project Manager

## Do you need any further information?

If you have any questions, please contact us at [isglens@isg-one.com](mailto:isglens@isg-one.com).