

Covid-19 accelerated digitisation among banks

IBS Intelligence has released the findings of its latest Sales League Table, showing growing momentum in the adoption of digital banking solutions, momentum that will only build further in the years to come

IBS Intelligence



Banking is a challenging environment with established banks are facing competition from FinTechs and challenger banks. New entrants are introducing disrupting technologies and forcing the pace of change in business models. Banks were already transitioning from legacy systems to innovative solutions and Covid-19 further accelerated the digitisation speed. The IBSI Sales League Table 2021 (SLT 2021) reveals which technology systems banks are investing in and how technology is transforming banking.

Decision-makers previously sitting on the fence about the adoption of the cloud have been forced by the pandemic and related travel restrictions to explore their options. Better cloud security options and low Capex catalyzed the growth for Digital Banking & Channels.

The pandemic also forced banks to replace existing physical verification and other related practices and this shift drove growth in Risk Management systems. At the same time, we saw banks rejig their treasury operations to cope up with operational, financial, and

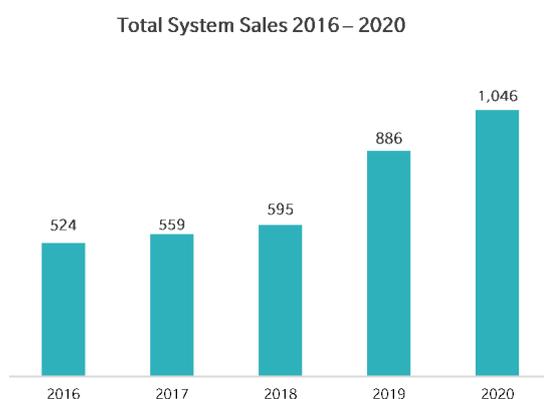
liquidity challenges, resulting in strong growth in deals in Wholesale Banking | Treasury & Capital Market as well.

Despite the 2nd wave of Covid-19 in most countries, SLT 2021 witnessed consistent participation with 60 vendors submitting nominations. Of the 2,073 deals evaluated, the qualified deals of SLT 2021 included 1,046 global deals (SLT 2020: 800+) and more than 500 domestic deals (SLT 2020: 900+) across all SLT categories. New SLT categories introduced this year include Conversational Banking, Data Warehouse & Business Intelligence & InsurTech.

This year we have introduced the IBSI LeaderBoard, a special feature to recognise the journey of players in the last 5 years in each of 8 essential categories. New customer wins have been cumulatively benchmarked against participants' current year performance.

Edited highlights from SLT 2021 appear over the following pages. The full, in-depth report is available separately from IBS Intelligence.

Figure 1: Total System Sales

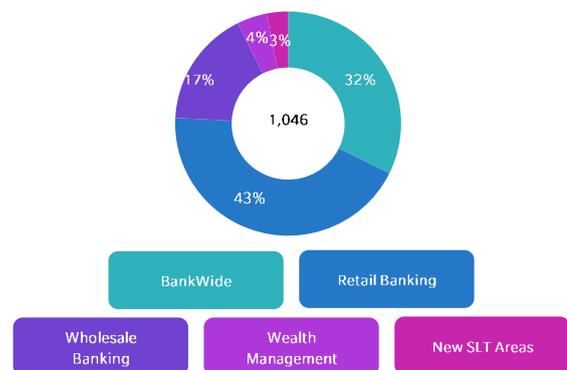


BankWide – Compliance Management, CRM, Risk Management, Universal Banking | Core

Retail Banking – Digital Banking & Channels, Lending | Retail, Payments | Retail, Retail Banking | Core

Wholesale Banking – Lending | Corporate, Payments | Wholesale,

Total System Sales 2020

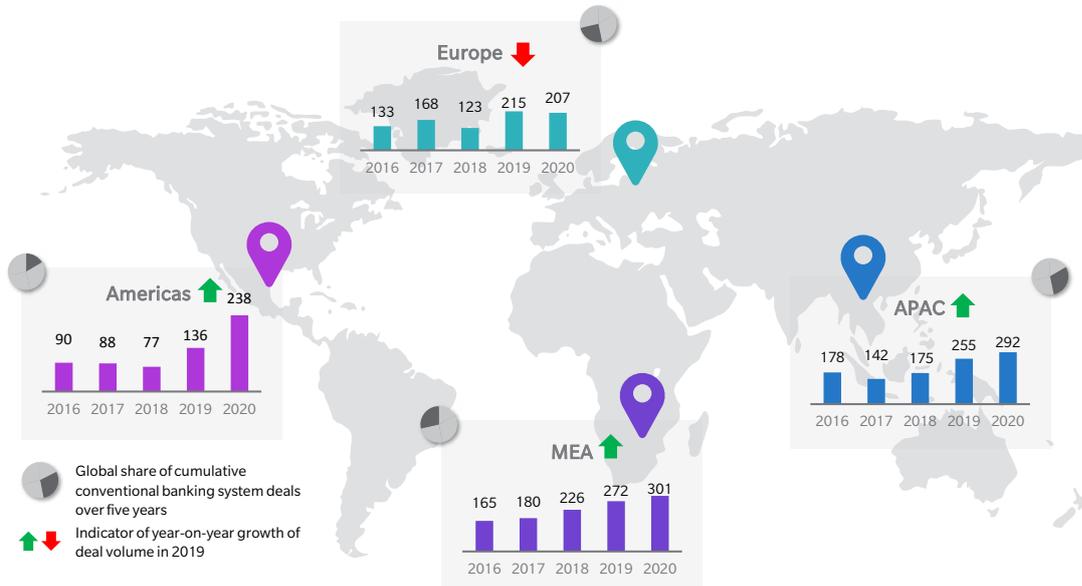


Transaction Banking, Treasury & Capital Market

Wealth Management – Investment & Fund Management, Private Banking & Wealth Management

New SLT Areas – Conversational Banking, Datawarehouse & Business Intelligence, InsurTech

Figure 2: Deals by geographical distribution



Deals activity was distributed evenly across all regions in 2020. While MEA reported the highest number of deals on an overall basis, the Americas reported the highest growth among all regions. Europe was the only geography to post a decline, and all other regions posted growth in total deals. Digital Banking & Channels was the top category in the Americas, Asia, and the MEA, while in Europe Risk Management was the top category. In APAC, emerging economies like Indonesia, India, Cambodia, Vietnam, and the Philippines reported the highest number of deals. Banks in these countries are investing in digitisation and upgrading their existing system. Similarly, in the MEA region, emerging economies like Nigeria and Somalia are fuelling the growth.

BANKWIDE | UNIVERSAL BANKING | CORE

The total number of deals remained stable as compared to 2019 and 16 vendors submitted a total of 114 deals for 19 systems.

Temenos Transact (formerly T24) maintained its leadership in the universal banking category, reporting 48 new customer deals, compared to 51 new customers in 2019. Temenos signed deals with Switzerland-based Flowbank and the National Development Bank of Sri Lanka. Finacle Digital Banking Solution Suite of Infosys Finacle recorded 17 deals and secured 2nd spot in the table. TCS BaNCS was 3rd in 2020, recording 11 deals, including those with Switzerland-based Bitcoin Suisse and Entris Banking AG.

BANKWIDE | RISK MANAGEMENT

SLT 2021 witnessed an overall rise in the number of deals in this area, showing Y-o-Y growth of 64% with Risk Management reporting 131 deals by 9 vendors. Temenos emerged as the winner with its Temenos Risk and Compliance system recording 84 deals (2019: 53 deals). Temenos signed deals with Italy's newest challenger bank Flowe and KBC Bank of Ireland. Sopra Banking Platform of Sopra Banking Software reported 16 deals and secured 2nd place. Most of the deals came from

banks and financial institutions within Europe. Imagine Trading System of TS Imagine reported 12 deals and ranked 3rd.

BANKWIDE | COMPLIANCE MANAGEMENT

During the pandemic, most regulators across the globe revised existing liquidity lines to ensure cash availability in the banking system and to support their domestic economies. Some countries postponed the implementation of some regulatory requirements and, as a result, deals in compliance management declined. A total of 66 deals by 13 different vendors for 16 different systems were reported. Univius Anti Money Laundering Solution from Infracore Technologies remained the market leader. The vendor signed 21 new deals in the year across MEA and APAC with most coming from MEA. AMLOCK of Azentio Software was runner-up with 15 deals. The geographic spread of these deals is interesting, with most sold in the Middle East, followed by Africa and APAC. Other major vendors include CustomerXPs and ClauseMatch.

BANKWIDE | CRM

This category saw 27 deals by 4 vendors and for 4 systems, from Infosys Finacle, CRMNext, Path Solutions and Asseco. The Finacle Digital Banking Solution Suite from Infosys Finacle reported 15 deals and ranked 1st in the table. Infosys Finacle signed deals with the leading bank in the South Pacific region and Co-operative banks in Africa.

CRMNEXT of CRMNext reported 10 deals and ranked 2nd. The vendor signed deals with Krungsri Consumer Finance and Tesco Life Insurance Broker Ltd of Thailand. It also signed deals with Clearview Federal Credit Union and Rbank in the USA.

RETAIL BANKING | RETAIL BANKING | CORE

The Retail Banking category posted strong 53% Y-o-Y growth,

reporting 58 deals for 16 systems from 12 vendors in 2020. This is the highest number of deals reported in this category in the last 5 years.

Intellect iGCB of Intellect Design Arena reported 18 deals and retained its top spot. Intellect iGCB performance was strong in MEA and APAC. APAC contributed 50% the deals signed by the vendor. Sopra Banking Platform of Sopra Banking Software bagged 2nd position, reporting 13 new deals in 2020. Most of the deals were in Africa. Thought Machine, a provider of new-age financial technology solutions, reported 6 deals and ranked in 3rd place. Thought Machine signed deals with challenger banks like Monese and Transfer Go.

RETAIL BANKING | LENDING | RETAIL

This category showed a total of 83 deals for 22 different systems by 15 different vendors. With 16 deals, Finacle Digital Banking Solution Suite of Infosys Finacle emerged as the market leader in the category. Most of Infosys' deals came from emerging economies in APAC and Africa. Intellect Digital Lending of Intellect Design Arena reported 15 deals and secured 2nd place in the rankings. Intellect also reported most of its deals in Africa and APAC. The vendor signed deals with an emerging bank transfer payment company in Europe and a leading vehicle finance company in India. In 3rd place, EpikInDiFi signed a total of 11 deals in 2020.

RETAIL BANKING | DIGITAL BANKING & CHANNELS

The year proved to be very fertile for the digital banking channels sector, showing Y-o-Y growth of 40%. Covid-19 accelerated the speed of digitisation in banking, with banks and FIs realising the importance

of front-end digital banking solutions to face the challenges from emerging FinTechs and challenger banks. We also saw a growing numbers of challenger and digital-only banks, pushing the sale of digital banking solutions, as these banks, without the burden of legacy solutions, were adopting the latest technologies available.

The category reported a total of 222 deals by 15 vendors for 21 systems. In terms of the geographical split, the highest number of digital banking channel systems was sold in the APAC region, followed by the Americas and MEA. The Americas reported the highest Y-o-Y growth of 77%, followed by MEA.

Temenos retained its leadership position with its Temenos Infinity solution reporting 106 deals, almost 200% growth in Y-o-Y sales. The deals were spread across geographies, but Americas and APAC were key drivers. Temenos signed deals with Al Hilal Bank of UAE and Suez Canal Bank of Egypt. It also signed deals with some leading public sector banks in India and with challenger banks based in the America, Europe and MEA.

Appzillion Digital Banking from i-exceed held 2nd place with 27 deals in 2020 (2019: 24 deals). More than 60% of its deals came from the APAC region. i-exceed signed deals with NABARD in India and Al Masraf Bank in UAE and United Commercial Bank in Bangladesh.

Backbase Business & Retail Banking ranked 3rd with 24 deals, while Intellect Digital Banking Experience Platform of Intellect Design Arena ranked 4th with 21 deals.

Modefin, and Capital Banking Solutions were other notable players in the category. Modefin signed deals with banks in the emerging economies of Africa.



RETAIL BANKING | PAYMENTS | RETAIL

Banks focusing on digitisation and customer-centricity have been adopting technologies to provide frictionless payments for customers. The category witnessed a total of 92 deals for 10 systems by 7 vendors, with most of the deals coming from Europe and MEA.

Temenos retained the market leader position for this category with 47 deals for its Temenos Payments system. Most of the deals came from the APAC region followed by MEA and Europe. In 2nd place, PowerCARD of HPS reported 13 deals, nearly 50% of the deals came from Africa with the remainder from Europe and APAC.

One deal worth highlighting is that with the Saudi Arabia Monetary Authority (SAMA), which HPS won in a competitive bid. HPS also signed a deal with Capitec Bank, one of the largest banks in South Africa.

WHOLESALE BANKING | PAYMENTS | WHOLESALE

The total number of deals recorded stood at 51, Y-o-Y growth of 20%. While the Americas remained the market leader, recording the most deals, Africa reported the highest Y-o-Y growth followed by Europe and APAC.

This category in SLT 2021 was one of the tightest with VolPay of Volante Technologies winning over Finacle Payments Suite of Infosys Finacle. While VolPay Ecosystem recorded 18 deals, Finacle Payments Suite recorded 17 deals. VolPay recorded most of the deals in the Americas followed by Europe and the Middle East. VolPay signed deals with leading global banks like Goldman Sachs & Citigroup Inc.

Finacle Payments Suite recorded most of the deals in APAC followed by Africa. In APAC Infosys signed a deal with a leading bank in South Pacific region and in Africa it signed deals with co-operative banks in Kenya.

WHOLESALE BANKING | LENDING | CORPORATE

The category witnessed a total of 25 deals for 11 systems by 9 vendors. Sopra Financing Platform of Sopra Banking Software took 1st place, reporting 9 deals in 2020. Sopra Banking Software is strong in Europe and the vendor signed deals with the financing arms of leading automobile and IT companies. Intellect Design Arena signed 4 new deals and took 2nd spot on the table, signing deals with clients in the Americas and APAC. Other major players in the category were Infracore Technologies and Open Group.

WHOLESALE BANKING | WHOLESALE BANKING | TREASURY & CAPITAL MARKET

With banks rejigging treasury operations, the category reported 60% Y-o-Y growth. MX.3 and Calypso continued to dominate the top two spots. MX.3 retained top position, reporting 19 new customer

deals (2019: 17 deals), focusing on APAC and Europe – these 2 regions jointly contributed 80% of total deals of MX.3. In 2nd place, Calypso reported 16 deals. Europe and the Americas were key markets for Calypso and these 2 regions contributed 75% of its total deals. SaaS Treasury of FIS and Finacle Digital Banking Solution Suite of Infosys Finacle reported 6 deals each and ranked joint 3rd in the category.

WHOLESALE BANKING | WHOLESALE BANKING | TRANSACTION BANKING

Transaction banking includes cash management trade finance, working capital management, supply chain finance, and recently introduced host to host and SWIFT services. The category was introduced last year in SLT 2020, and in the last 2 years total deals increased by 12%. The category witnessed competition between Intellect Design Arena and Infosys Finacle. Intellect iGTB of Intellect Design Arena and Finacle Corporate Banking Solution Suite of Infosys Finacle recorded 12 deals each and shared 1st place. Both vendors recorded most of their deals in the APAC region. Intellect Design Arena signed deals with major banks in ASEAN and the Middle East.

WEALTH MANAGEMENT | PRIVATE BANKING & WEALTH MANAGEMENT

Avaloq Banking Software of Avaloq reported 6 deals and captured top spot. Avaloq signed deals with a leading bank in North Asia, a universal bank based in the UK, and a leading asset management company based out of Switzerland. Prospero of Finartis and Intellect Wealth Qube of Intellect Design Arena reported 3 deals each and the two systems shared joint 2nd place. Prospero reported most of its deals in the Americas, while Intellect Design Arena reported deals in the APAC region.

WEALTH MANAGEMENT | INVESTMENT & FUND MANAGEMENT

The category attracted a total of 22 deals with deal volume declining for the 2nd consecutive year. TCS BaNCS of TCS Financial Solutions recorded 8 deals and retained 1st place for the 3rd year in a row. The vendor reported most of its deals in the Americas followed by APAC and the Middle East. TCS Financial Solutions signed deals with 2 major banks in the Americas and 1 major bank in North Asia. Axia of Profile Software was 2nd with 4 deals with boutique investment houses, 3 in Europe and 1 in Africa.

NEW SLT AREA | CONVERSATIONAL BANKING

Conversational Banking is a new category. As digital devices are becoming new channels for banking, banks are working to enrich customers' experience through integrated AI-powered chatbots. In 1st place, Boost.ai reported 18 deals, 1 in the Americas and the remaining 17 deals in Europe. Intellect Digital Banking Experience Platform of Intellect Design Arena recorded 2 deals, with a leading bank in Canada and a major financial service provider in ASEAN.

NEW SLT AREA | DATAWAREHOUSE & BUSINESS INTELLIGENCE

Banks and financial institutions are adopting data warehouse and business intelligence solutions to improve the customer experience at various points of contact. The category witnessed participation from 2 vendors, Path Solutions and Asseco. **iMAL** of Path Solutions reported 2 deals, with Gulf African Bank of Kenya and Jaiz Bank in Nigeria and took 1st place. Asseco signed a deal with a leading bank in Africa.

NEW SLT AREA | INSURTECH

InsurTech is another new category with insurance companies using new-age technology to streamline their operations and to offer better service. The category witnessed a total of 8 deals with participation from 2 vendors. Intellect SEEC of Intellect Design Arena reported 7 deals and ranked 1st, signing a deal with one of the largest privately held financial services companies in the US. Intellect Design Arena also signed a deal with a leading underwriting agency in the South Pacific region.

DOMESTIC SLT | INDIA

This category recognises the leading Indian suppliers in this highly competitive market catering to local financial institutions. This year there were 255 qualified deals across 13 categories and 49 products. Digital Banking & Channels emerged as the leading category and reported 92 deals. Infracore Technologies reported 84 deals and emerged as the category leader. Other major players in the category are Clayfin, MindGate Solutions, and i-exceed.

Universal Banking | Core category reported 49 deals (2019: 9 deals). Finairo Core Banking Solution of Infracore Technologies is the category leader. Others in the category include TCS Financial Solutions and Infosys Finacle.

Lending | Retail is a new category and reported 27 deals in total. FinnOne Neo of Nucleus Software is the market leader in the category. Other leading players include Infosys Finacle, EpikInDiFi, and Infracore Technologies.

In Retail Banking | Core category Digital Lending of Decimal ranked 1st, taking almost 50% of the total market. Decimal signed deals with ESAF Small Finance Bank, Ujjivan Bank among others. Other leading players are Infosys Finacle, Nelito, and Intellect Design Arena.

Kyzer SWIFT of Kyzer ranked first in the Wholesale Banking | Transaction Banking category. Kyzer signed deals with the leading Japanese banks operating in India. Other players in the category are TCS Financial Solutions, Nucleus Software, and Infosys Finacle.

DOMESTIC SLT | RUSSIA

In 2020, the Russia category reported 4 deals for 1 domestic supplier, spread across 2 systems. Out of these, while 3 were Universal Banking | Core deals, the remaining 1 belonged to the Wholesale Banking |

Transaction Banking. In 1st position was Bank of 21 Century by Inversia with 3 deals. In 2nd was FUND with 1 deal.

DOMESTIC SLT | UK

The UK reported 4 deals for 1 domestic supplier, for 1 system – ClauseMatch of ClauseMatch.

DOMESTIC SLT | USA

The US is one of the most attractive markets right now for technology suppliers, with many banks and FIs in the US investing to modernise their technology infrastructure. System sales activity in the US as reported by local suppliers stood at 278 new named customer deals reported. The major local suppliers – Finastra and FIS – continued to dominate the market. However, it is important to note that the other two major suppliers - Jack Henry and Fiserv, who were unable to participate in the Sales League Table this year, also had a good run of new customer wins for their core banking solutions. This year new members such as ACI Worldwide, Volante Technologies and TS Imagine also reported deals in the US market.

ISLAMIC BANKING

We recorded a total of 45 deals for the Islamic Banking sector, with 16 systems across the Middle East, Asia, and Africa. Of these, approximately 44% belong to Universal Banking | Core, while Wholesale Banking and Lending reported the highest growth. We introduced new Islamic categories this year, namely Lending | Retail, Universal Banking | Core, and Wholesale Banking | Treasury & Capital Market.

Islamic - Universal Banking | Core – The category witnessed tough competition among key players and **iMAL** of Path Solutions, Synergies of Lyst Technologies and Temenos Transact of Temenos taking joint 1st with 5 deals each. TCS BaNCS of TCS Financial Solutions ranked 2nd with 3 deals.

Islamic - Lending | Retail – Kastle Universal Lending Solution of Azentio Software ranked 1st with 4 deals, with **iMAL** of Path Solutions ranked 2nd.

Islamic - Wholesale Banking | Treasury & Capital Market – Synergies of Lyst Technologies ranked 1st with 5 deals, followed by Calypso, which ranked 2nd with 2 deals.

NEOBANK & CHALLENGER BANK

The importance of Neobanks and challenger banks has been escalating, making an impact on the banking technology ecosystem as well. With modern technology, ease of banking, attractive interest rates and offers, low cost of operations, etc. they are a threat to traditional and conventional banks. Looking at the rise of Neobanks and challenger banks globally, SLT 2021 has introduced a special section for these new institutions. This year SLT reported 81 deals in Neo Banks and Challenger Banks.



Temenos was the winner with 41 deals with its 4 systems including Temenos Risk & Compliance, Temenos Transact, Temenos Payments, and Temenos Infinity. Major deals included Temenos STC Pay in KSA, FlowBankSA in Switzerland, and BCI in Peru. In 2nd position was Intellect Design Arena with 24 deals. Intellect Design Arena won these deals through its systems Intellect Digital Banking Experience Platform, Intellect Digital Lending, Intellect iGCB, and Intellect Wealth Qube. Intellect Design Arena signed deals in the Americas, ASEAN, Africa, and with Europe-based challenger banks.

INDUSTRY LEADER SPECIAL AWARDS

While the SLT Leadership Club recognises the best-performing systems in different categories and geographies, the IBSI Industry Leader Special Awards provide an understanding of leading suppliers in each category and region.

- **Bank Genie** is recognised as a regional leader in the ASEAN region. Bank Genie is implementing digital banking solutions with more than 20 credit unions and customers in rural Myanmar. The solutions will be implemented through Bank Genie's all-in-one digital banking platform Banqln. The Banqln platform will enable credit unions to facilitate loan origination, approvals, disbursements, and deposits digitally and credit unions will be able to serve unbanked and underbanked communities in Myanmar.
- **Moddefin** is recognized for Star Performance among SLT New Entrants. Moddefin emerged as a strong vendor in the emerging economies in Africa. Moddefin signed deals with STIMA SACCO in Kenya and ZANACO in Zambia.
- **TS Imagine** is recognised in the Market Risk category. Imagine Trading System not only offers UCITS compliance but its robust VaR engine helps clients to monitor and control if an ETF is in danger of breaching NAV Limits. Vendor secured deals from leading banks in Europe & APAC. Its key clients included one of the leading ETF providers focused on a fixed income for European institutional investors.
- **CustomerXPs** is recognised in the Fraud Management category. Vendors signed deals with leading banks in Africa and APAC region
- **EpikInDiFi** is recognised in Credit Scoring. The vendor signed a deal with Mortgage Ezy, a non-banking lending company based out of Australia and disrupting the mortgage market through its innovative digital offerings.
- **ACI Worldwide** is recognised in Card Management & e-Wallets category. Vendor signed deals with leading banks in Europe & Africa

LEADERBOARD

The IBSI LeaderBoard is a special feature introduced this year to recognise the journey of players in the last 5 years in each of the 8 essential categories. The new customer wins have been cumulatively benchmarked against current year performance for each broad category of Universal Banking, Retail Banking, Wholesale Banking, Private Banking & Wealth Management, Lending, Digital Banking, and Channels, Payments, Risk & Compliance. Each of these categories of IBSI LeaderBoard is divided into 4 grids that will highlight if a supplier is an Established Player, Breakthrough Player, Competitive Player, or a Wider Focus Player.

For SLT 2021 IBSI has announced a LeaderBoard for the following categories:

- Universal Banking | Core
- Retail Banking | Core
- Wholesale Banking
- Private Banking & Wealth Management
- Lending
- Digital Banking & Channels
- Payments
- Risk & Compliance

Conclusion and more...

Digital Banking, Risk Management, and Payments were the key focus areas for banks in SLT 2021. Analysing data from the last 5 years, shows us that the share of these categories is growing while the share of Universal Banking, Retail Banking is going down.

2020 was a volatile year for banking technology. While big players posted strong growth for their cloud-native solutions, on the other hand, smaller players reported either a decline in the total number of deals or it was a stable year for them. Lockdowns across the globe forced customer segments, including the older generation, to rely on mobile banking and internet bank services, and this is likely to continue even post-Covid.

The trend of modernising old legacy core banking systems and the launch of new challenger banks will continue to drive demand for digital banking solutions.

To understand more about the deals we track and a review of the deal submissions we received, along with the IBSI SLT Leadership Club, IBSI SLT Industry Leader Special Awards, and IBSI SLT LeaderBoard, Regional Analysis, together with in-depth insights on future banking trends, the full [IBSI Sales League Table Report 2021](#) is available from our website.