

Banking: A View on the Future and Moves to Make Now

Agustin Rubini

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**Banking
2020 - 2022**

#Indispensable



**How can we make the future
of your bank indispensable?**



Busy juggling priorities



Constrained by limitations



Overwhelmed by conditions



What is the best way?



Let's Meet Fatema

Family

Business
Owner

Investor in
causes

Fatema's Priorities

Support her
Family

Grow her
Business

Make an impact
in the world

Support My **Family** ...

Open and
Contextual
Banking

Advice, Insights,
Problem Solving

Flexible, Human,
Omnichannel

Support My **Family** ...

Embedded
payments

Digital
Giants

Seamless and
easy



Build My **Business** ...

**Sensors,
machines and
vertical ERP**

**Revenue based
and supply
chain finance**

**Payment
orchestration**

Investor in **Causes** ...

**Sustainable
Finance Projects**

**New asset
classes**

**Engaged and
guided**

Summing up Fatema

Shares Data

**Contextual
insights**

Trusts Tech

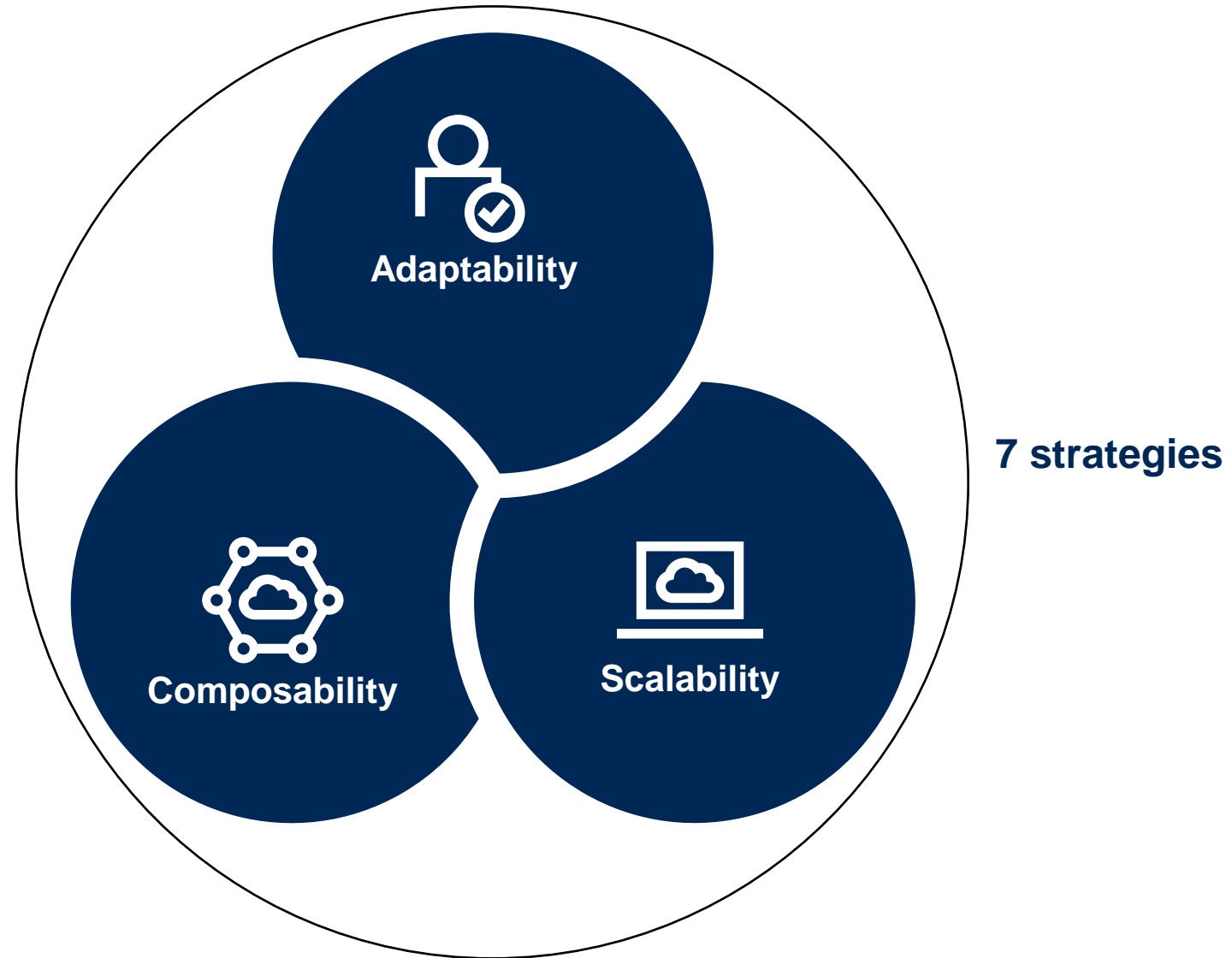
**Delegates
decisions**

Open to change

**Choices and
freedom**

**To Prepare for that
Vision:
What Moves Do You
Need to Make?**

3 Superpowers Needed to Address this Vision



1. Place API Architecture at the Center of Business and Technology Strategy

54% of banking CIOs are increasing spend in APIs and 60% have identified skill gaps in this area

Source: Gartner 2022 CIO survey



- **Your product is data**
- APIs are the enabler for contextual banking
- One size doesn't fit all – adopt an API first strategy
- Data can then be augmented with AI

2. Co-Develop Capabilities with Fintechs and Digital Giants – remove friction

54% of commercial clients are just as or more likely to consider a fintech for new payment products

Source: Gartner 2021 CFO survey



- **Fintechs and giants engage customers on every level**
- Giants will own the last mile
- Data-led partnerships support symbiotic relationships
- Explore new business models and business value
- Technology and talent gaps addressed

3. Plan for Embedded Finance – Provide Utility in Context

40% of banks are prioritizing the distribution or integration of nonbanking products into their customer offerings

Source: Gartner 2021 Legacy to Digital Platform Survey



- **You are more than a bank**
- Embedded finance defines future consumption of financial services
- Payments will reach a WhatsApp moment
- Consider BaaS models for distribution of your capabilities
- Think SuperApp - embrace non-financial capabilities to deliver rich, contextual products and services

4. Focus on your Sustainability Strategy — Customers and Regulators Drive the Agenda

More than 75% of the mentions in ESG reports from the top 20 global banks are about climate/environment concepts

Source: Gartner



- **Customers seek providers that reflect their priorities**
- Explore new rules for risk and lending models
- Credit, insurance and advisory offerings can help clients achieve sustainability priorities
- You are more than a bank – clients expect support to advance their goals

5. Grow your Cloud: Security, Ease of Implementation and Oversight are Maturing

By 2024, over 50% of the leading cloud providers will address vertical business use cases by deploying composable industry clouds.

Source: Gartner Strategic Planning Assumption



- Regulatory and Executive Committee acceptance
- Business resilience through COVID-19
- Lead with non-mission critical solutions
- Focus on architecture and application portfolio
- Address talent gaps and concentration risk

Source: Gartner 2022 CIO Tech & Exec Survey

6. Adopt a Flexible Approach When Sourcing Tech Talent

Associates with relevant soft skills are 3.3x more likely to drive digital transformation

Source: 2021 Gartner Reimagining Technology Work Survey

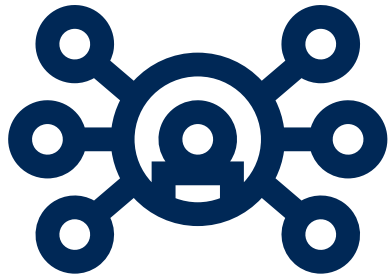


- Technology expertise across all levels of financial services will be scarce.
- Traditional academic hiring requirements for IT talent will shift to focus on technology competencies.
- Prioritize soft skills when hiring to increase success.
- Setup talent ecosystems supported by technology

7. Keep the Metaverse and DeFi in Your Radar

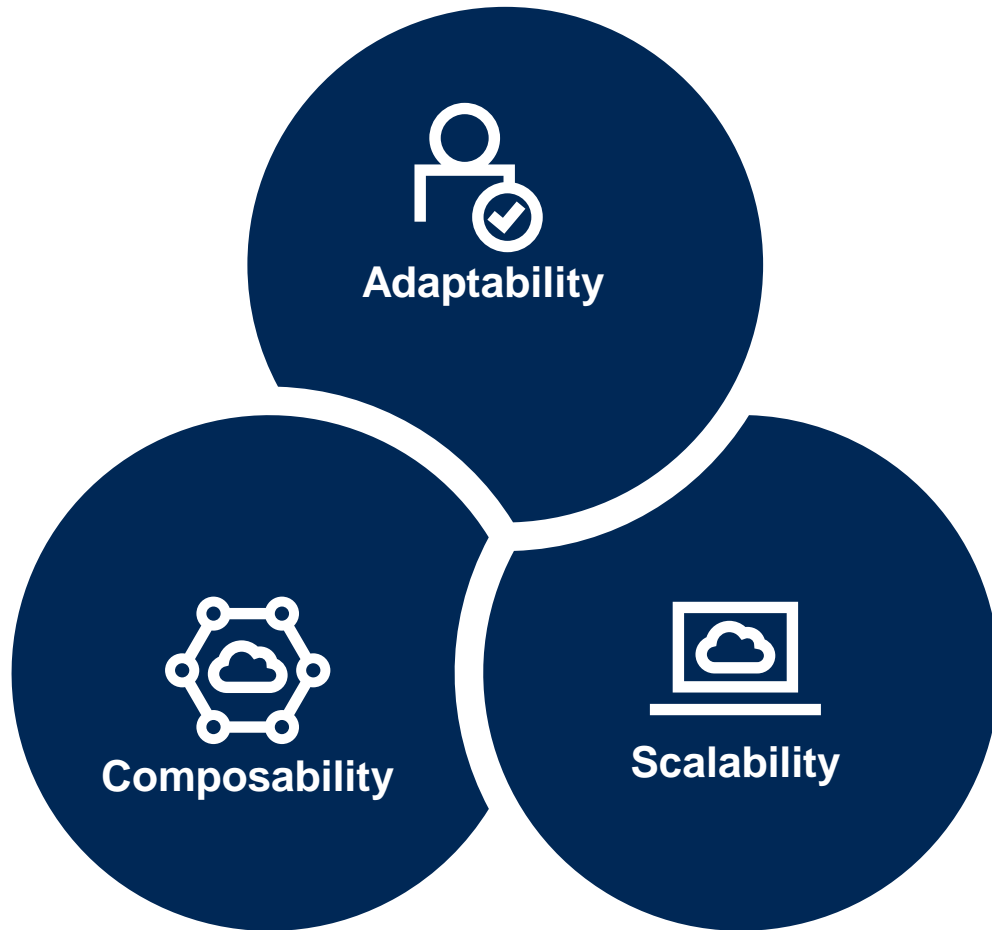
By 2026, 30% of the organizations in the world will have products and services ready for the metaverse

Source: Gartner Strategic Planning Assumption



- Tech and Regulators will play pivotal role – do scenario planning
- Differentiate between AR and VR
- Stablecoins and CBDC will change payments
- Invest cautiously

Superpowers Needed to Address this Vision



1. Place API Architecture at the Centre

2. Co-Develop Capabilities with Partners

3. Plan for Embedded Finance

4. Focus on your sustainability strategy

5. Grow your Cloud

6. Hire for Soft Skills When Sourcing Tech Talent

7. Keep Metaverse and DeFi in Your Radar

Wonder

Impact

Indispensable