



# Top Technology and Business Trends in Banking for 2024

Presentación curada y divulgada por  
James Perdomo

[james.perdomo@gartner.com](mailto:james.perdomo@gartner.com)

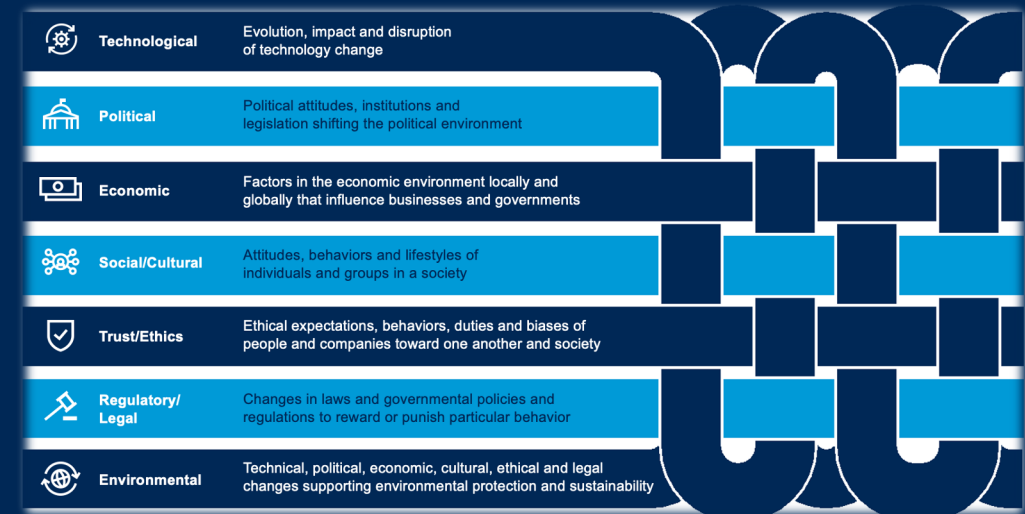
## Trendspotting

*Trendspotting is the identification of new trends*

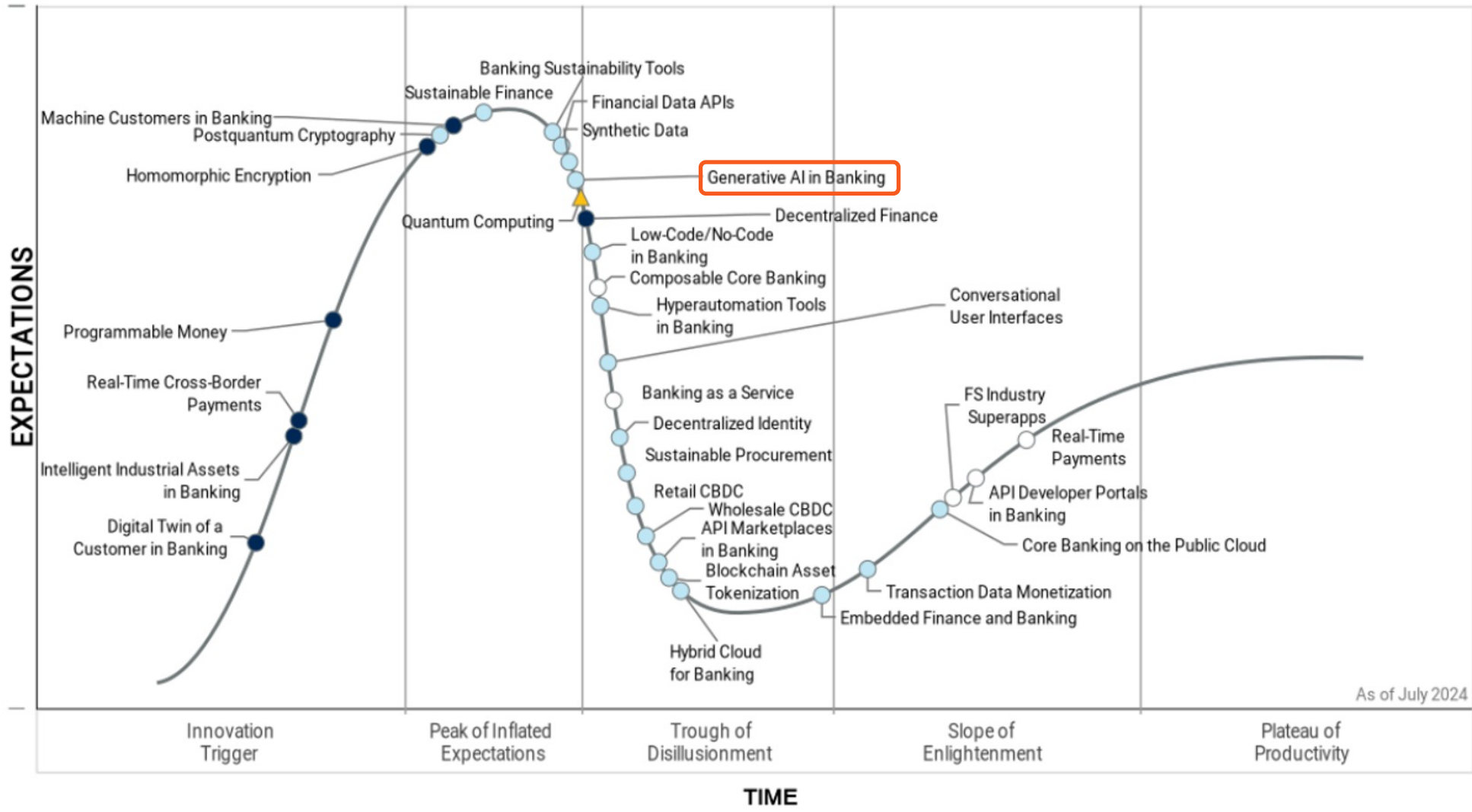
*Technology innovation leaders are challenged to predict how trends and disruptions might affect their organization's business model in the future. Organizations need to be deliberate about organizing, executing and taking action through a **trendspotting process**.*

*Trendspotting requires technology innovation leaders to be intentional and pragmatic about tracking trends and to look beyond technology.*

*They must also ensure that the trendspotting effort delivers results that can drive actions supporting future strategy development, optimizing current operations and triggering innovation.*



# Hype Cycle for Digital Banking Transformation, 2024



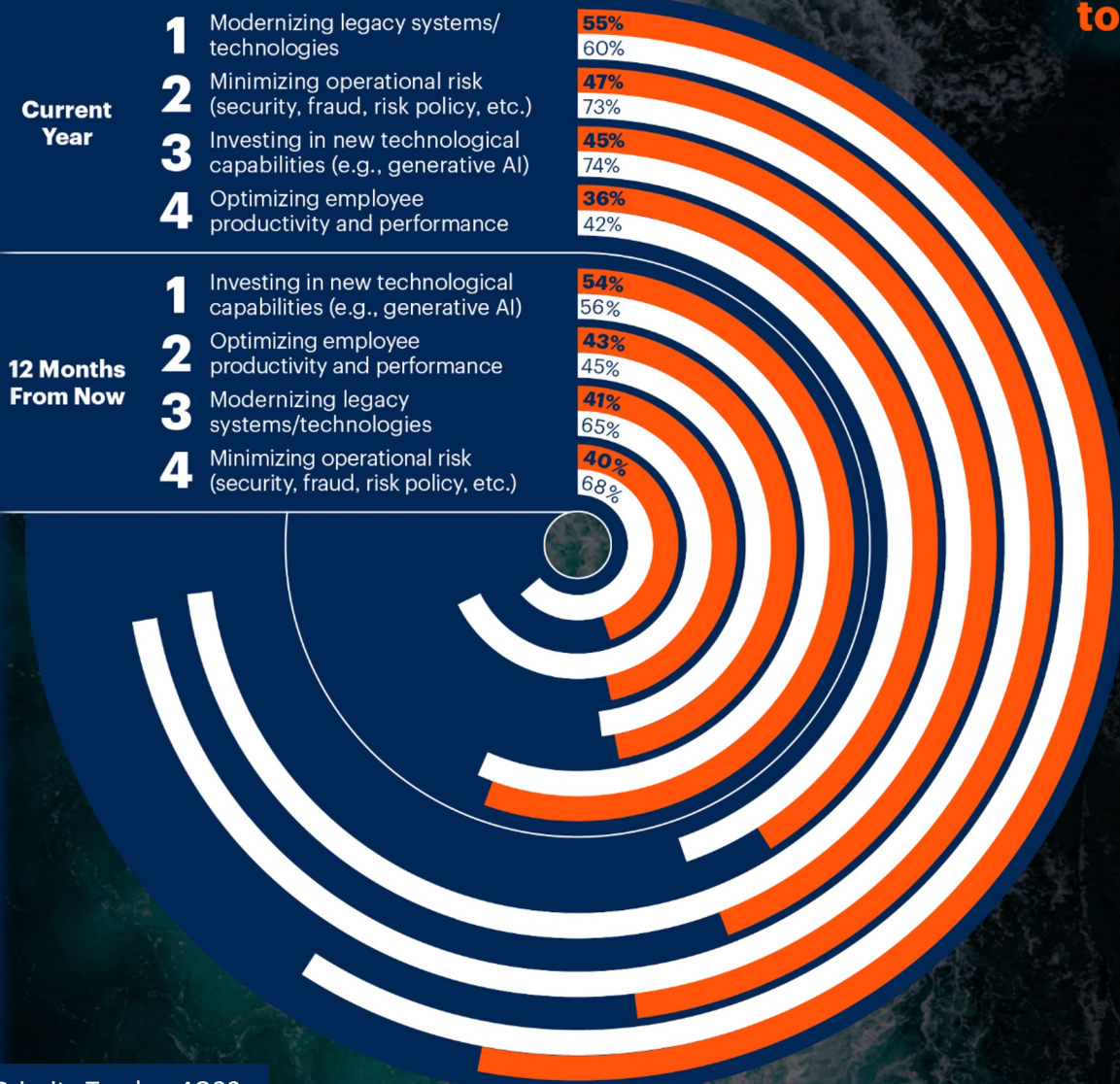
Plateau will be reached: ○ <2 yrs. ● 2-5 yrs. ● 5-10 yrs. ▲ >10 yrs. ✗ Obsolete before plateau





### Top Business Priorities

■ Priority  
■ Confidence



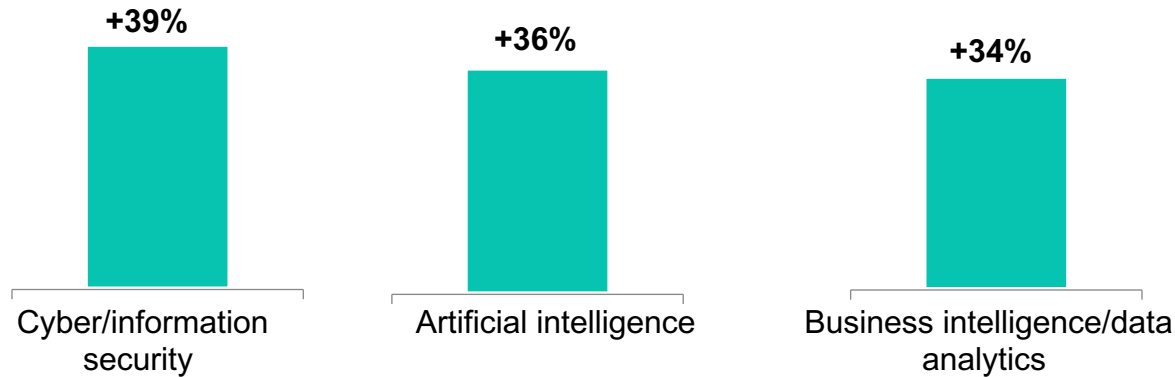
**Modernizing legacy systems and technologies continued to be the top executive priority in 4Q23.**



# Expected Changes in Technology Investments

## Biggest Expected Changes in Investment

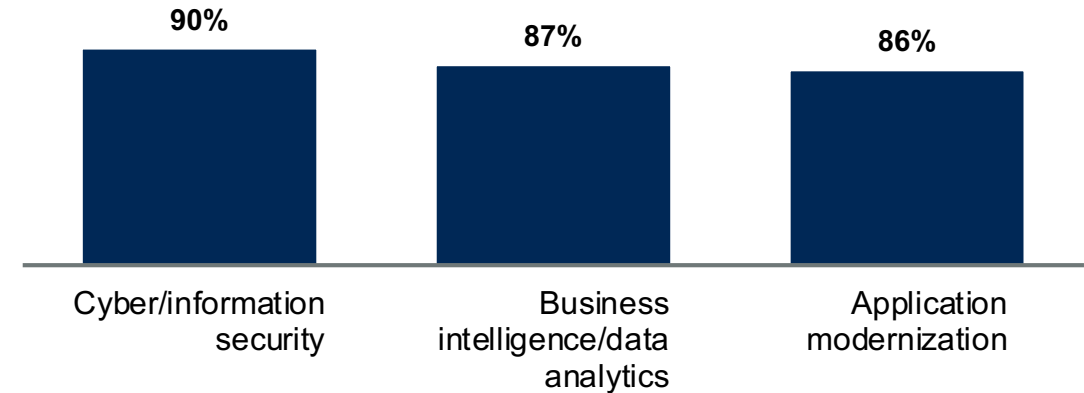
Mean Percent Change Expected in 2025



n = 131 – 141; Spanish-Speaking Latin America CIOs and Technology Executives answering  
Q. For each of these technology areas, by how much will your enterprise increase or decrease funding in 2025 compared with 2024?  
Q. By what percentage do you expect your enterprise's IT budget to increase or decrease from 2024 to 2025?  
\*Note: Including augmented reality [AR], virtual reality [VR] and immersive technologies  
Source: 2025 Gartner CIO and Technology Executive Survey

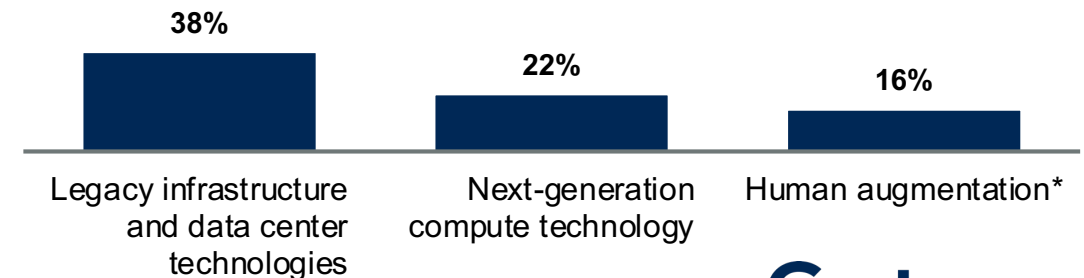
## Top 3 Technologies With Planned Investment Increases

Percentage of Spanish-Speaking Latin America Respondents



## Top 3 Technologies With Planned Investment Decreases

Percentage of Spanish-Speaking Latin America Respondents



# **Top Banking Trends to Watch Right Now**



# Top Banking Trends to Watch Right Now

## Autonomous Business

- Internal applications of Generative AI outpace customer-facing use cases
- Hyperautomation objectives shift from cost-reduction to revenue-generation

## Digital Client Experience

- Priorities shift from client experience to Total Experience
- Digital banking strategy evolves from channel modernization focus to growth-generating platforms
- Fintech partnerships shift from optional to imperative

## Core Technology Transformation

- Core banking modernization hampered by lack of business alignment, inadequate vendor vetting, or lack of integration with other applications
- Commercial off-the-shelf core banking system installations increasingly delivered from the public cloud

## The Future of Money and Payments

- Real-time cross-border payment capabilities accelerate
- Autonomous business, machine customers lays groundwork for programmable money

## Expanding Beyond Banking

- Open/external APIs for distribution, CX and new business models Ecosystem strategies necessary to engage business customers
- Aggressive movement to monetize data to differentiate and grow
- ESG moves from reactive priority to competitive differentiator

## Talent and Organizational Design

- AI, cloud, and cybersecurity tech talent remains scarce

# Autonomous Business

**Internal applications of  
Generative AI outpace  
customer-facing use  
cases**



## IT Supported Business

1980-1995



How We Operate

## E-Business

1995-2010



How We Sell

## Digital Business

2010-2025



What We Make and Do

## Autonomous Business

2025-2040



"Who" Buys, Makes and Sells

Business technology used to focus on business operations.

E-business expanded the role of technology bringing the company on-line.

Then, IT became the core of the business, digital business.

Next... technology will create new styles of organizations.

**Autonomous business may be the next big thing after digital business.**

# Autonomous Business in Financial Services

 Programmable Economy

 Augmented Management

 Autonomous Operations

 Machine Customers

 Smart Products

## Now...



Digital tokens



Decentralized Finance DAO



AI fraud detection



- Parametric insurance
- Robo-advisor
- Smart ATM
- Personal Finance Chatbot
- Contextual and embedded finance

## Next ...



Programmed money



Autonomous machine customer participation in DeFi DAO



- AI fraud and IAM + decentralized SSI
- Auto-financing production line



- Personal digital assistant
- Personal Finance avatar (metaverse)



Auto-adapting and Auto-composing Products

## Then ...



Programmable Money and atomized assets



Autonomous machine customer DeFi DAO



Decentralized Data Assets Exchange



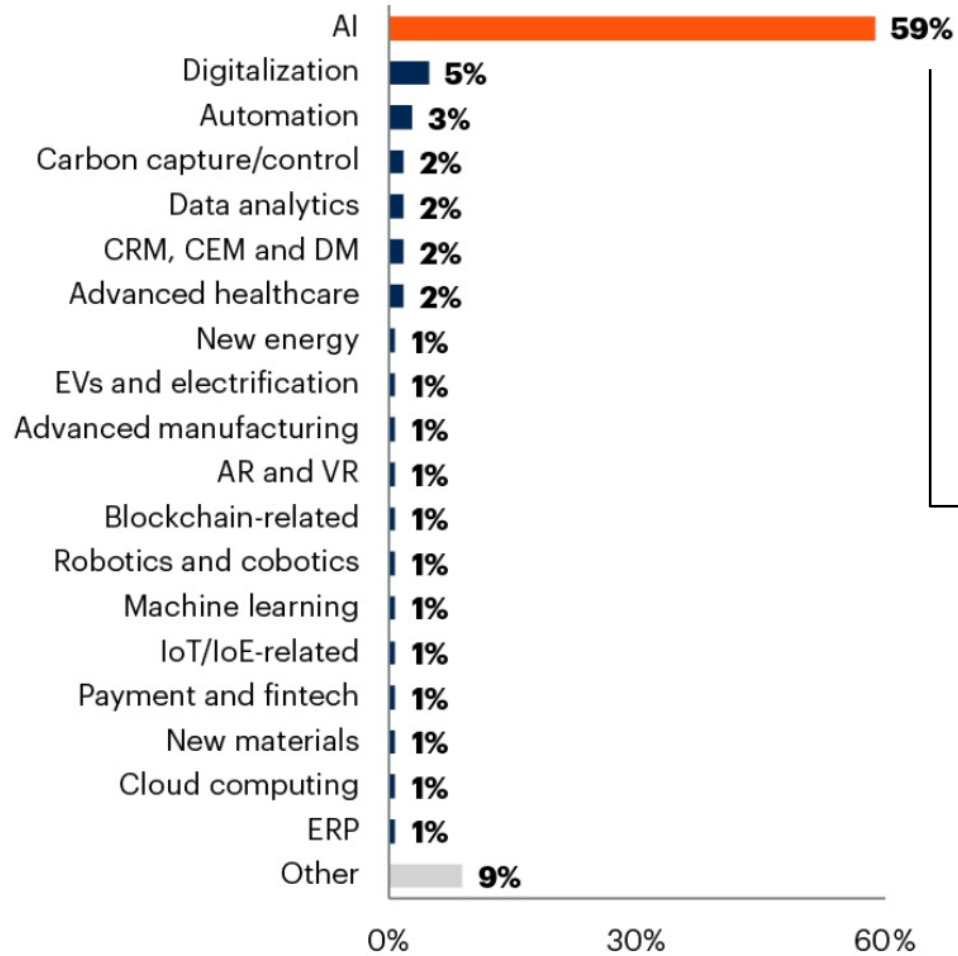
M2M Personal Finance assistants



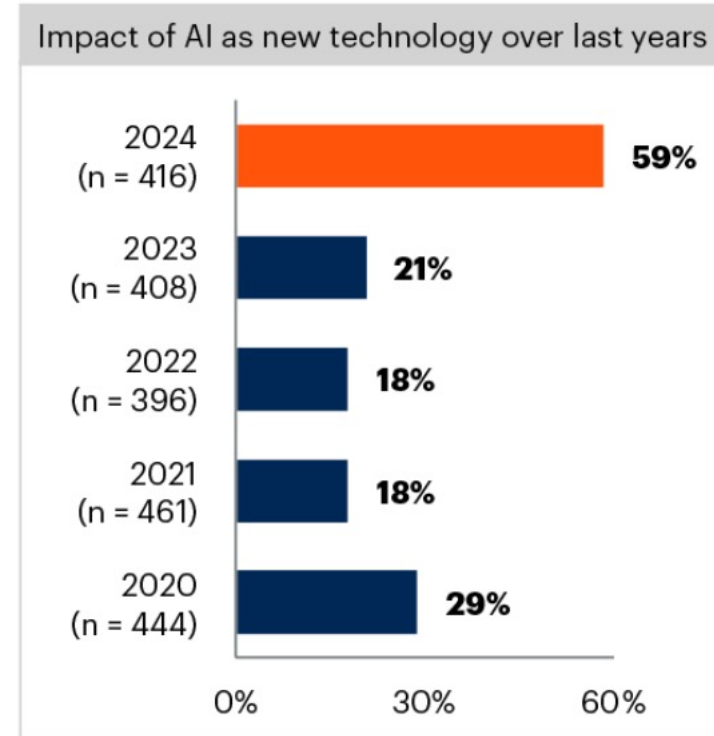
M2M auto-adapting and auto-composing products

# Autonomous Business Trend #1

## Internal applications of Generative AI outpace customer-facing use cases

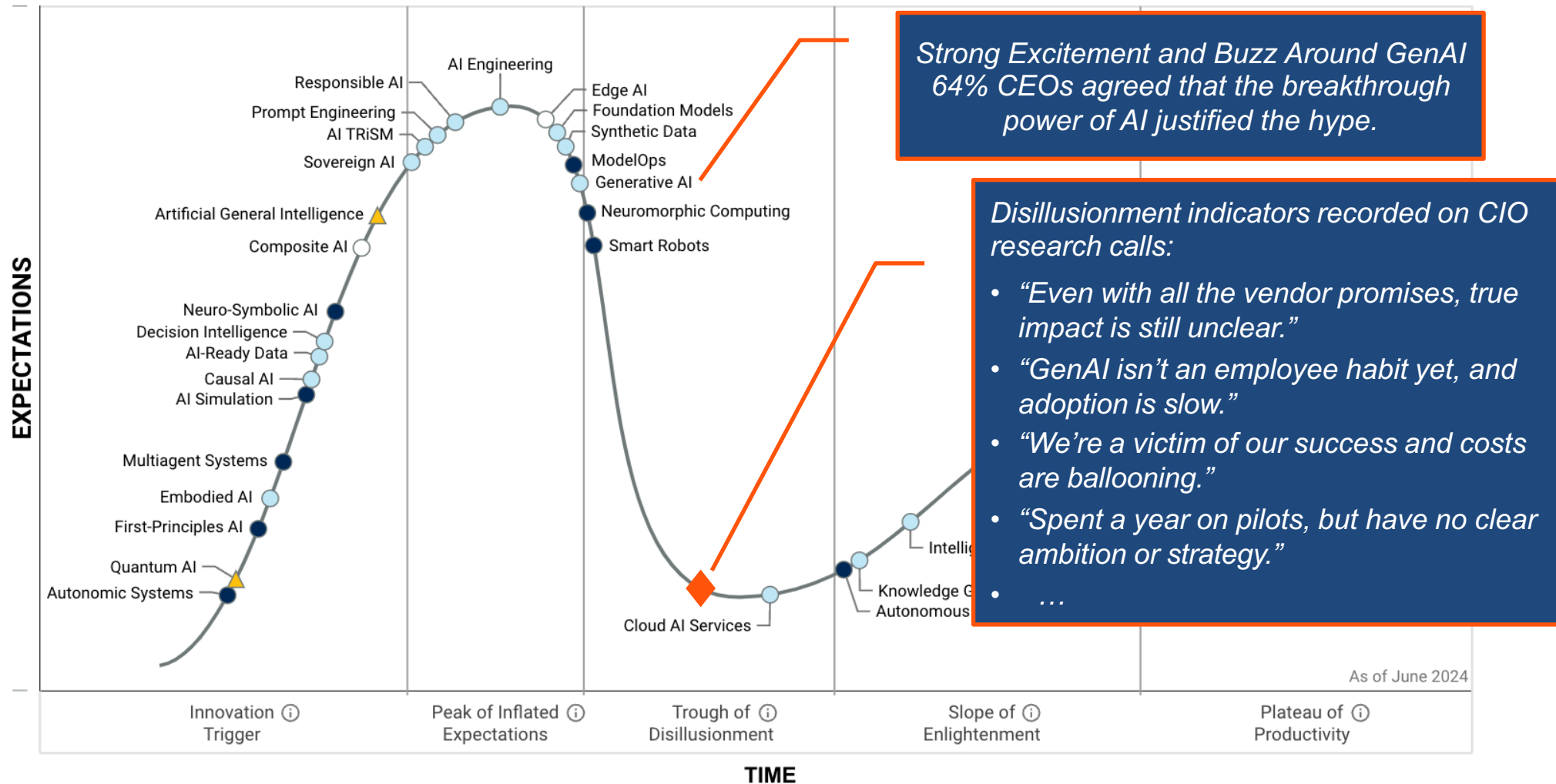


n = 414, all respondents, excluding "NA"/"None"/"Don't know"



Q. The new technology that will most significantly impact our industry over the next three years is.  
Source: 2024 Gartner CEO and Senior Business Executive Survey  
Note: Numbers may not total 100% due to rounding. Graphic not showing mentions <1%.  
811360\_C

# Hype Cycle for Artificial Intelligence, 2024



Time To Plateau Will Be Reached:

☐ < 2 yrs.

☐ 2-5 yrs.

☐ 5-10 yrs.

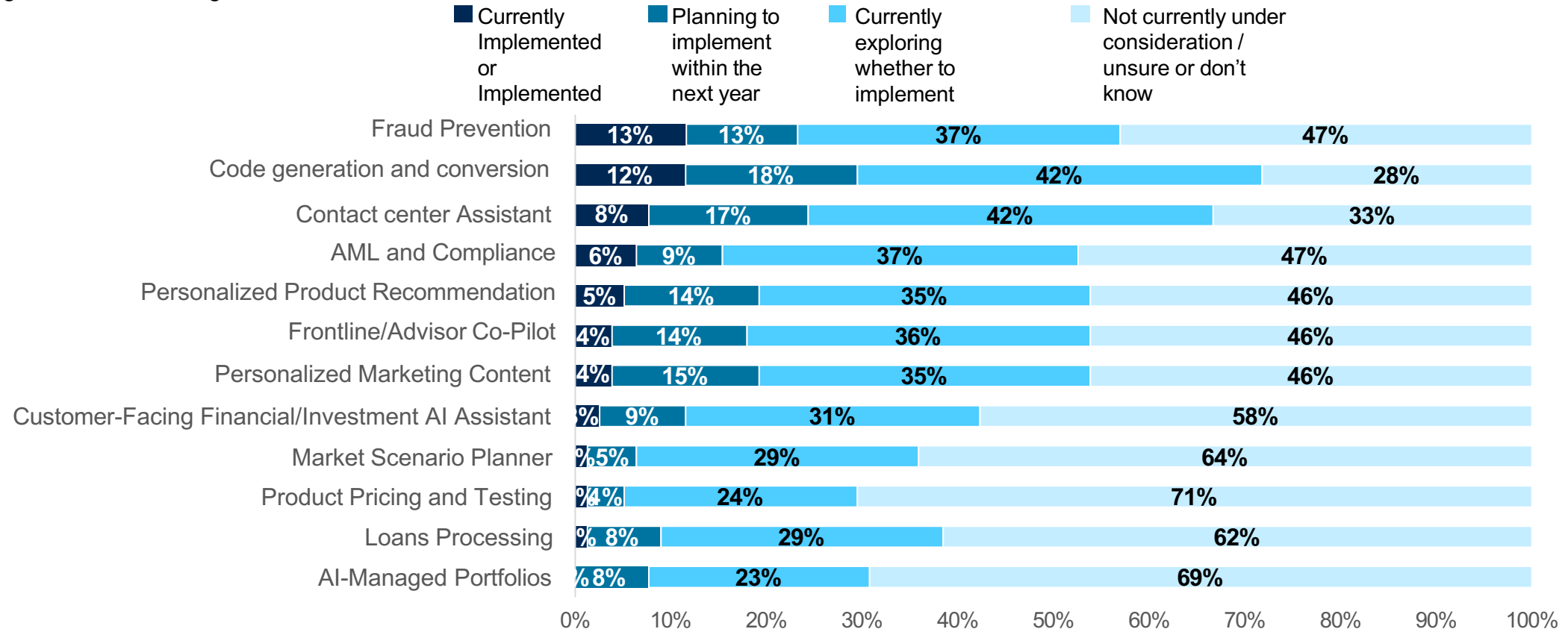
☐ > 10 yrs.

# Autonomous Business Trend #1

## Internal applications of Generative AI outpace customer-facing use cases

### Gen AI Use Cases in Banking and Investment Services

Percentage of Senior Banking Executives



n = 78 senior banking executives

Q: What generative AI use case categories in banking and investment services is your organization considering, and in what time frame?

Source: 2023 Gartner Financial Services Research Panel Survey (August)

Note: Responses 5% and below have not been shown.

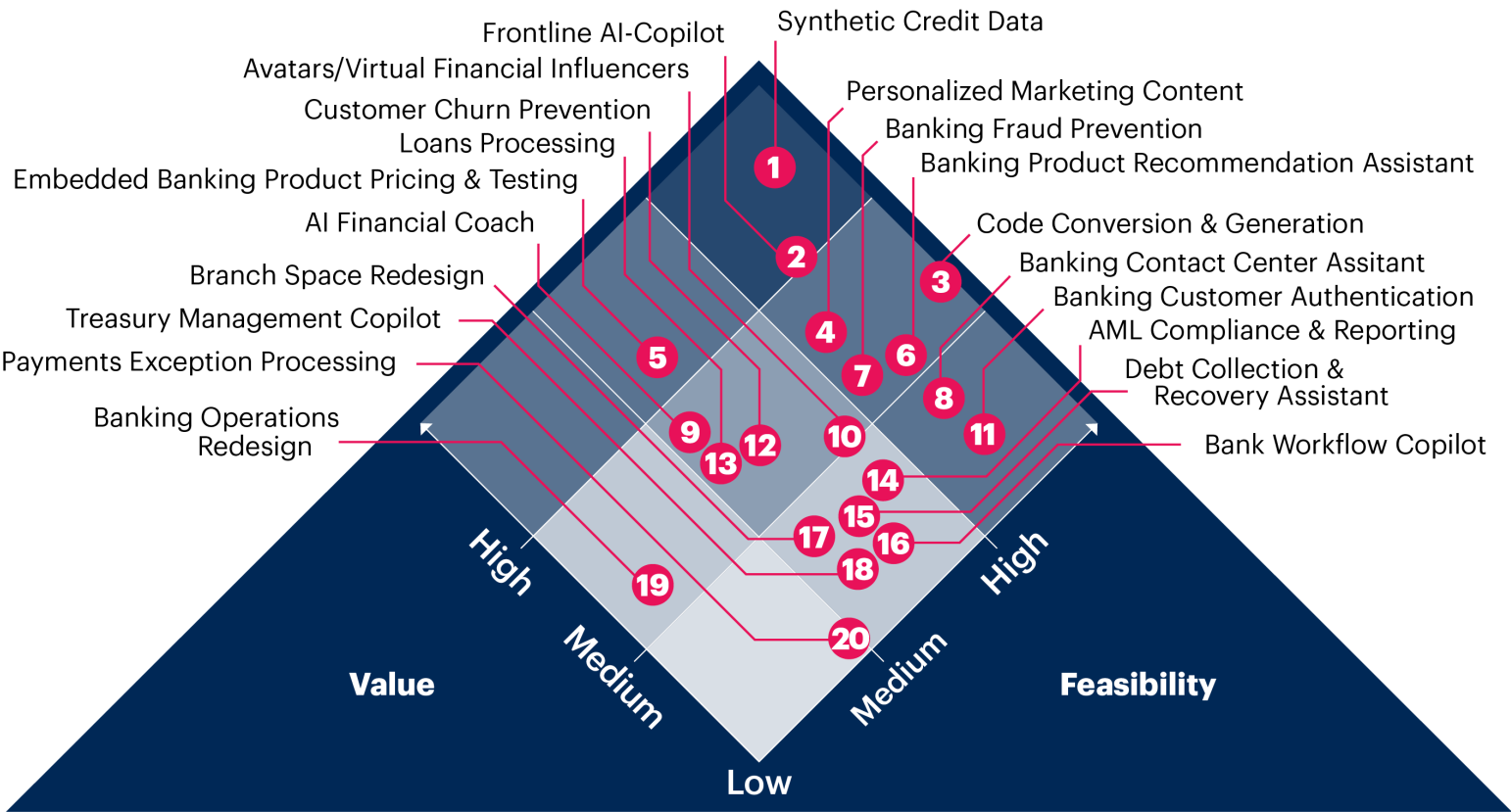
AML = anti-money-laundering; GenAI = generative AI

RESTRICTED DISTRIBUTION



# Generative AI Use-Case Prism for Banking

GenAI Use-Case Prism for Banking



Source: Gartner  
792822\_C

# Swedbank | Deep Fraud and Financial Crime Detection



Swedbank - Nordic-Baltic banking group Swedbank Swedbank partnered with Hopsworks and NVIDIA to generate **synthetic transaction data** that mimics existing financial crime, as well as new kinds of financial crime that are anticipated but not present in the historical record. The use of this synthetic data allowed Swedbank to run fraud and financial crime detection experiments without risking customer privacy or intellectual property.

Trained **generative adversarial neural networks (GANs)** as part of its fraud and money-laundering prevention strategy. The approach is to model problems in a semi-supervised fashion using anomaly detection via GANs. AI and other analytical approaches have **reduced Swedbank's total gross fraud by 55% over the past three years**.

Source: [Case Study: Deep Fraud and Financial Crime Detection Built With Generative Adversarial Networks](#)

RESTRICTED DISTRIBUTION

# Ally Financial | Automated Summaries Masking PII



Ally Financial **has improved its call center operations** by integrating Microsoft Azure and Azure OpenAI Service, significantly enhancing customer interactions. This strategic move automated the note-taking process, previously a manual and time-intensive task. Now, over 700 associates can swiftly access and edit summaries of weekly customer calls, boosting productivity and allowing more time for customer engagement.

The AI integration has **reduced postcall work by 30%**, and the bank is aiming for a 50% reduction, while achieving an **85% accuracy rate** in capturing key call details. Moreover, Ally Financial has open-sourced its code in the LangChain Community package, enabling other companies in regulated sectors to benefit from its code.

Source: [Banking Case Examples to Build Your Generative AI Strategy](#).

RESTRICTED DISTRIBUTION



## Autonomous Business

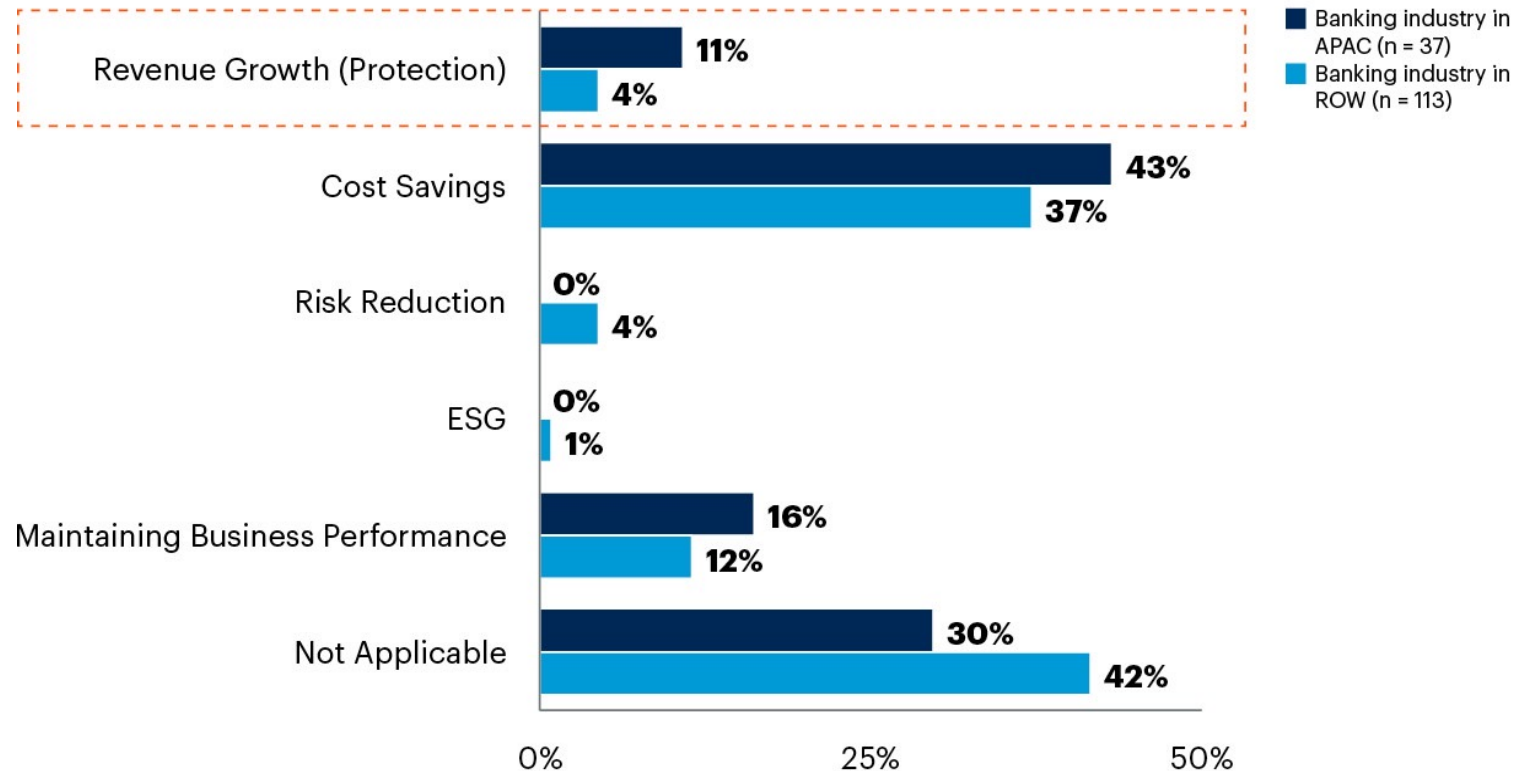
**Hyperautomation  
objectives shift from  
cost-reduction to  
revenue-generation**

# Autonomous Business Trend #2

## Hyperautomation objectives shift from cost-reduction to revenue-generation

### ROI of Automation — APAC vs. ROW

Percentage of Banking Respondents



n varies by segment, Banking CIOs and technology executives answering

Q: For each technology below, what is the main ROI that it provides your enterprise? Automation (physical/robots)

Source: 2023 Gartner CIO and Technology Executive Survey

RESTRICTED DISTRIBUTION

784746\_C



# Gartner Definition of Hyperautomation



## Business driven hyperautomation

An approach in which organizations rapidly identify, vet and automate as many approved business and IT processes as possible through a disciplined approach

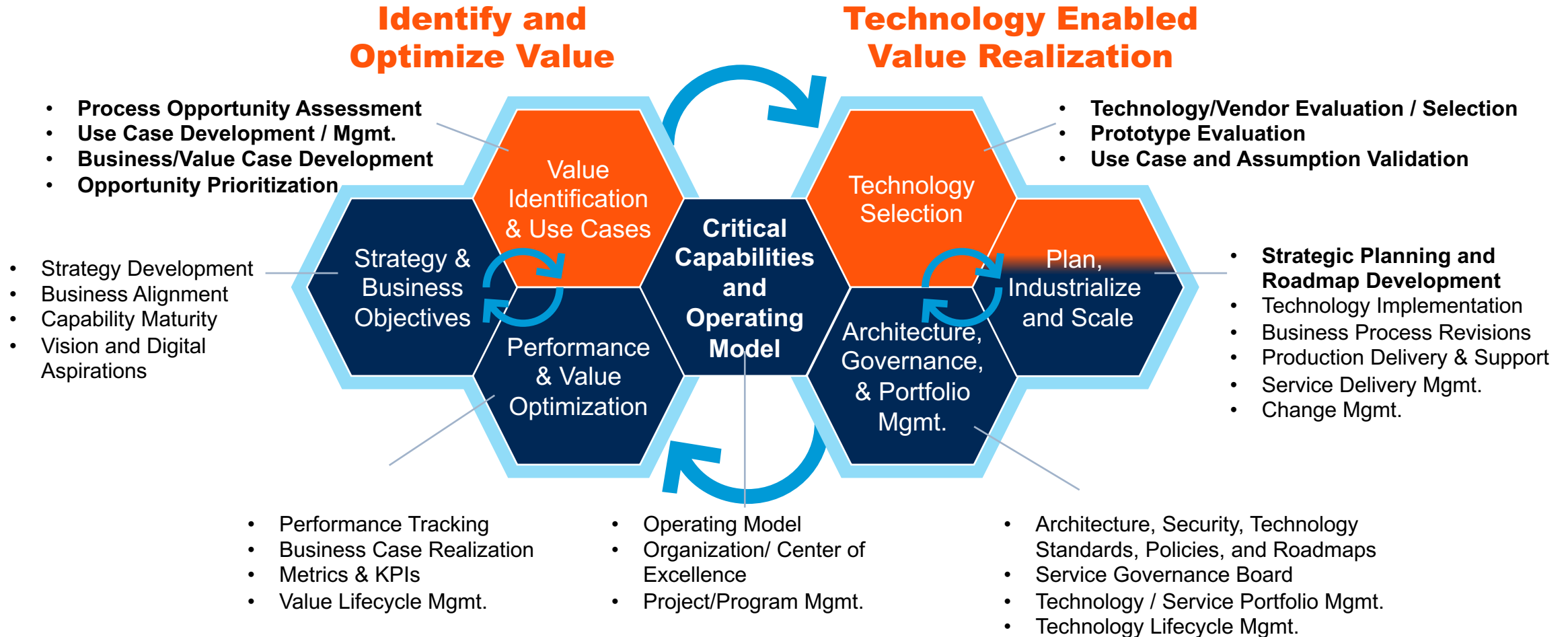
**Hyperautomation involves the orchestrated use of multiple technologies, tools, or platforms inclusive of, but not limited to:**

- Robotic Process Automation (RPA)
- Chatbots and Conversational Platforms
- CoRPA and iBPMS
- Process and/or Task Automation tools
- Machine Learning
- Artificial Intelligence

Note: \*Also referred to as Intelligent Automation (IA), Attended Automation, Business Process Automation etc.

RESTRICTED

# Gartner's Hyperautomation Capability Framework focuses on the key elements required to build, manage, and deliver ongoing value.



# Deutsche Bank | HSBC



**Deutsche Bank** leveraged hyperautomation technologies to launch new treasury services for institutional and corporate clients. The newly invented solution can help institutional clients to expand the reach of their existing in-house bank to as many group subsidiaries as possible

**HSBC** Asian branches enriched real-time payments with new capabilities like multi-currency global e-wallet for commercial banking clients, omni-collect digital invoices and API to cross-border FX solutions through **hyperautomation technologies**

[Source: Deutsche bank](#)

[Source: HSBC](#)

RESTRICTED DISTRIBUTION

## Digital Client Experience

**Priorities shift from  
Client Experience to  
Total Experience**



A woman with dark, wavy hair, wearing a bright red blazer over a white top, is smiling and looking down at a black smartphone she is holding with both hands. She is standing in a grocery store aisle, with a shopping cart visible in the foreground. The background shows shelves stocked with various products, including flowers, and the store's lighting is bright and modern.

# Total Experience:

A **business strategy** for creating shared superior experiences for people, regardless of what role they play in or for an organization by **interlinking**:

**Customer Experience (CX)**  
**Employee Experience (EX)**  
**User Experience (UX)**  
**Multiexperience (MX)**



# Digital Client Experience Trend #1

Priorities shift from client experience to Total Experience

**Most companies focus on the individual experience areas, with dedicated teams and capabilities. But is this enough?**

## Customer Experience (CX)

Understand several dimensions of customers: *wants, needs, expectations, beliefs, feelings, and past experiences*



## Employee Experience (EX)

Increase **employee satisfaction**, retention, skill level, and productivity.



## Multiexperience (MX)

Interact across **multiple touchpoints**: *mobile apps, web Augmented Reality/ Virtual Reality (AR/VR), wearables with a combination of approaches: voice, touch, vision, etc.*

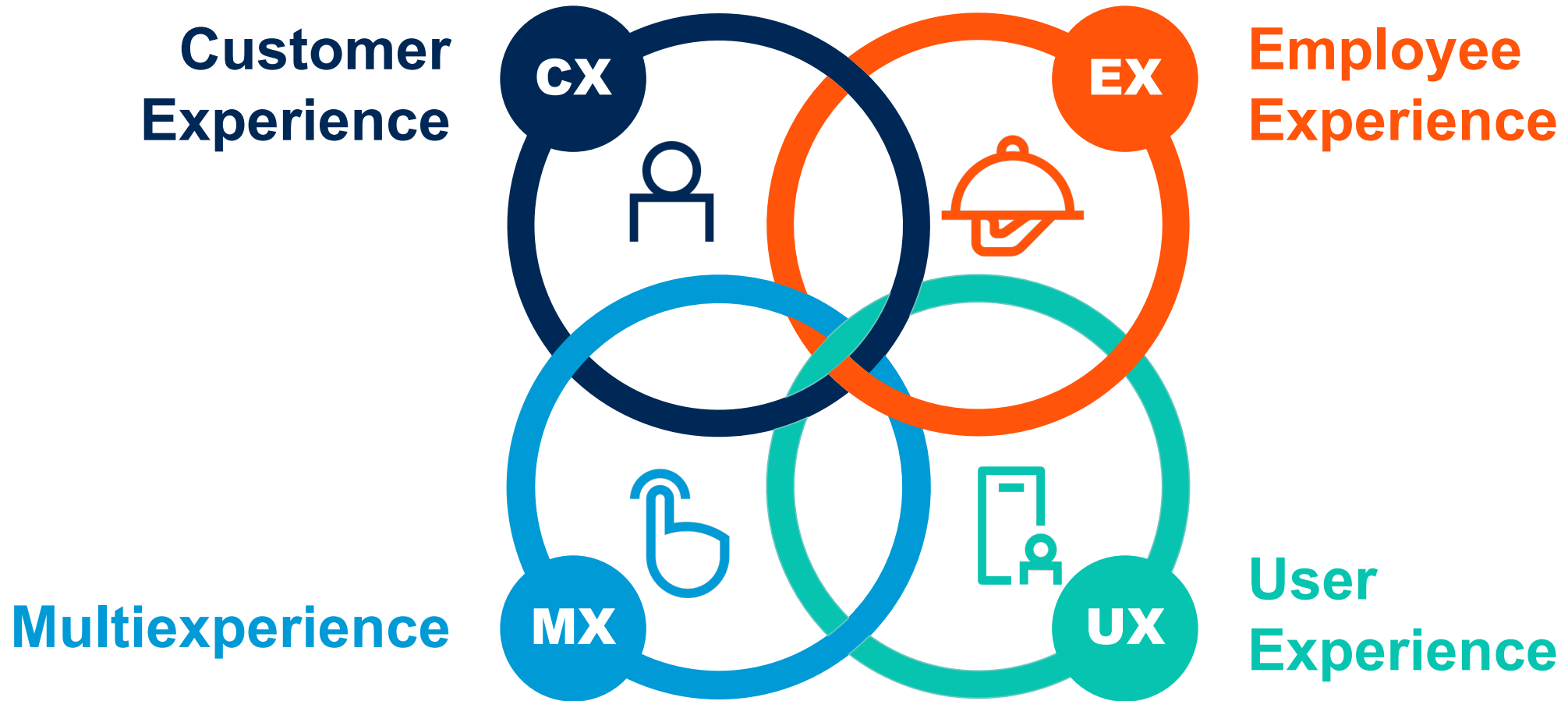


## User Experience (UX)

Combine business objectives, **user needs**, and design best practices to optimize digital products.

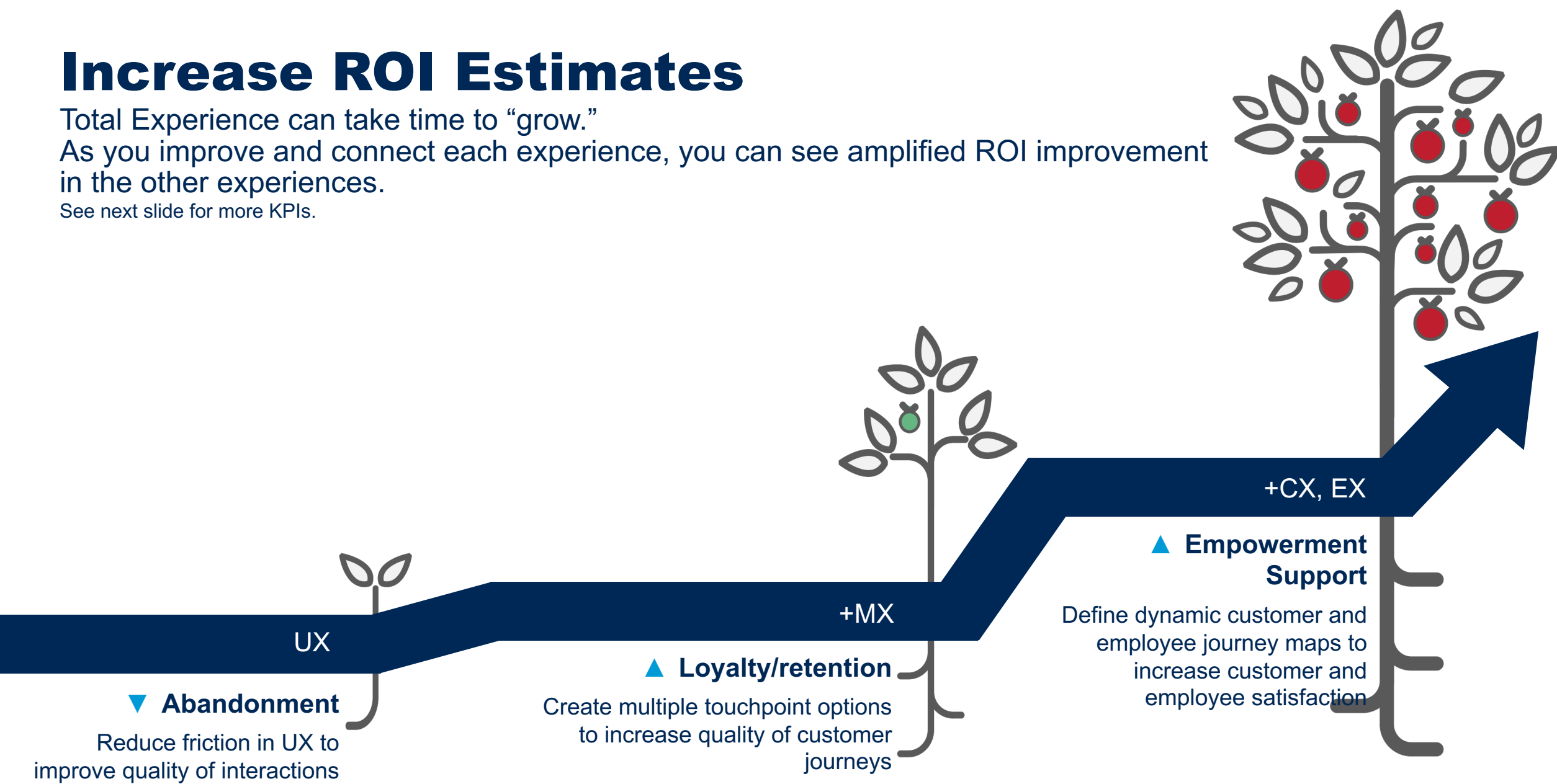


# Total Experience Synergy



# Increase ROI Estimates

Total Experience can take time to “grow.”  
As you improve and connect each experience, you can see amplified ROI improvement in the other experiences.  
See next slide for more KPIs.



# Measuring TX: Benchmark Assessments

Assess where you currently are for each experience prior to implementing a TX strategy.

See next slide for how it may look completed.

Representational list, not meant to be all-inclusive.

Metrics significant or unique for this industry are **bolded**.

▲ Areas where you want to see increases.

▼ Areas where you want to see decreases.

	Sample Metrics	CX	EX	UX	MX
Employee Experience	▼ Employee Churn/Turnover				
	▲ Participation in change management				
	▲ Perception of technology				
	▲ Perception of skill development opportunity				
Quality Operations	▲ Channel used is preferred				
	▲ Data quality across channels				
	▼ Error rate				
	▼ Forced channel migration				
Customer Satisfaction	▲ Financial empowerment support				
	▲ Active usage				
	▲ Process satisfaction				
	▼ Abandonment Rate				
Loyalty Churn Retention	▲ Customer/Employee Effort Score				
	▲ Use of Multiple Channels				
	▼ Inactive users				
	▼ Attrition propensity				
Advocacy Brand Reputation	▲ Advocacy propensity				
	▲ Customer/Employee Referrals				
	▲ Use of Multiple Channels				
	▼ Escalation Rate				

# Commonwealth Bank of Australia | Digital Portal

### CommBank

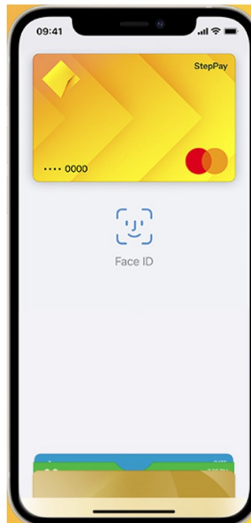
Total Experience Opportunities



**Easier and faster time to market** for small businesses.



**End-to-end small business resources** across channels, both digital and in-person as well as external resources.



**Automated processes** allow faster onboarding for new customers.



Design small business website for **easy access** to bank and non-bank resources.

Source: [CommBank](#)

Commonwealth Bank of Australia (CommBank) provides a digital portal to **accelerate small business growth** by gathering resources in one place.

CommBank has collected both bank and nonbank resources to help people starting small businesses, from developing an idea to getting financing. Business customers have multiple tools and touchpoints to manage their business, including tools for help in financial difficulties.



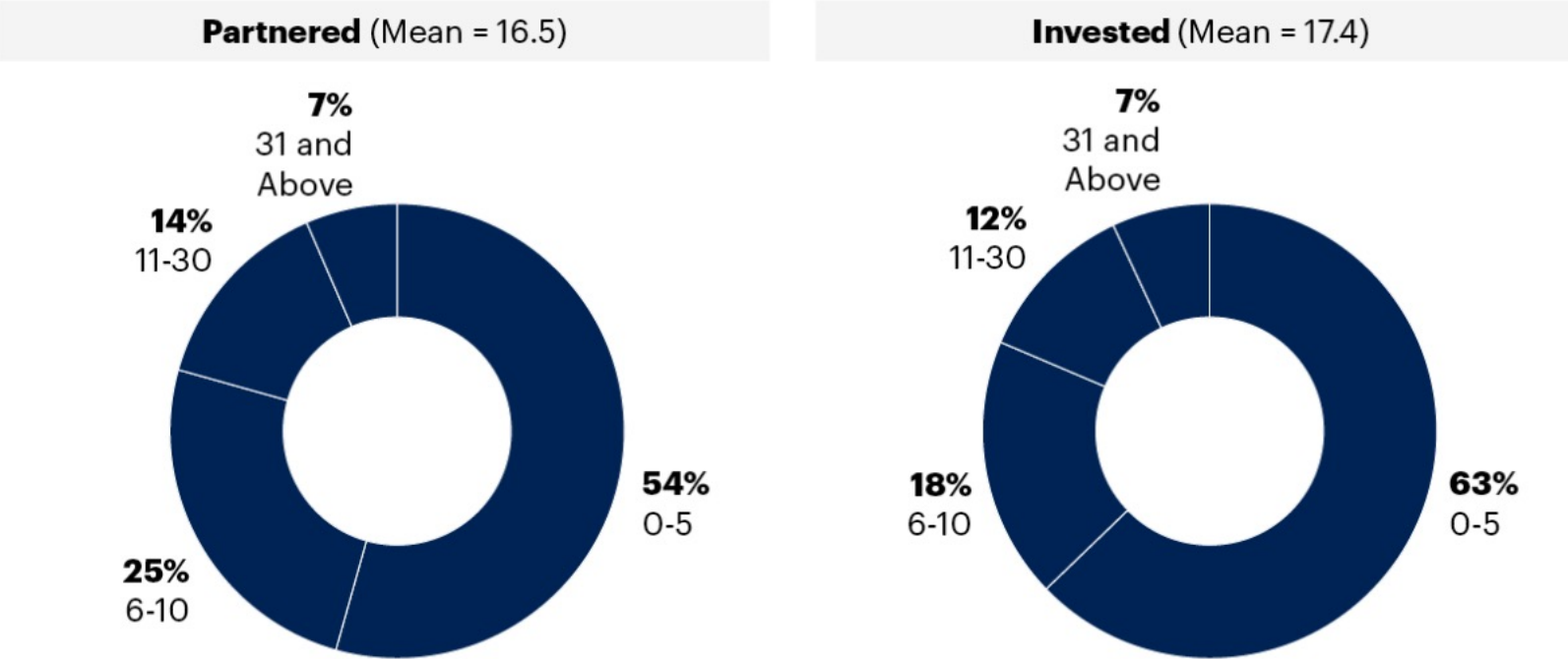
## Digital Client Experience

**Fintech partnerships  
shift from optional to  
imperative**

# Digital Client Experience Trend #3

Fintech partnerships shift from optional to imperative

Number of Fintechs Banks Have Partnered With/Invested In  
Percentage of Respondents



n = 99, all banking respondents

Q: Please provide your best estimate on the total number of partnerships and investments that your firm currently has with fintechs/insurtechs till date.

Source: 2022 Gartner Bank Fintech and Insurtech Engagement Survey  
791803\_C



**There are five key steps to consider when you are on a journey to create an engagement plan for fintechs.**



- Identify how you want to innovate
- **Assess the digital maturity of your organization**
- Identify where they complement your existing business
- Assess where a fintech might help

## Consider



- Identify the agile innovators
- **Identify fintechs which will improve your services and products**
- Explore each engagement strategy for right fit

## Understand



- **Identify clear metrics to measure the success**
- Create a list of objectives to track the progress
- Continue to work on cultural alignment

## Engage



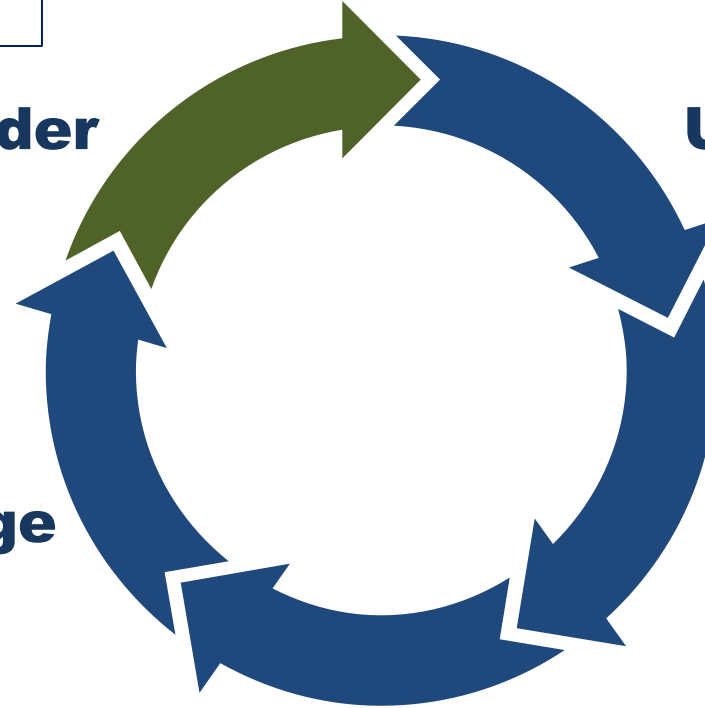
- **Include all stakeholders as you engage**
- Clarify how to start the partnership.
- Work with the risk office early on to make sure any new risks are managed
- Ensure cultural alignment to remove work friction

## Decide



## Evaluate

- Understand the implementation process
- Understand if the fintech understands 'compliance'
- Determine need for external expertise on these technologies
- **Create a strong business case for working with a fintech**



## Digital Client Experience Trend #3

Fintech partnerships shift from optional to imperative

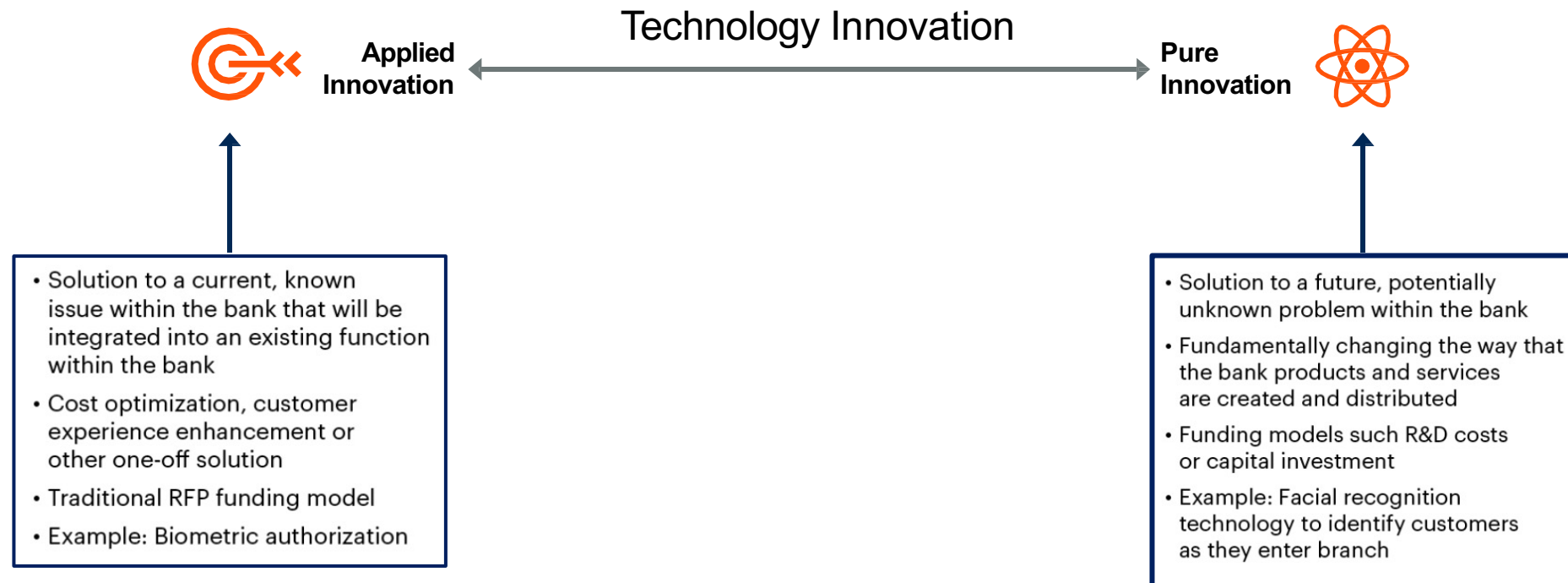


**Evaluate your strengths and pursue strategy based on the type of fintech you are dealing with.**



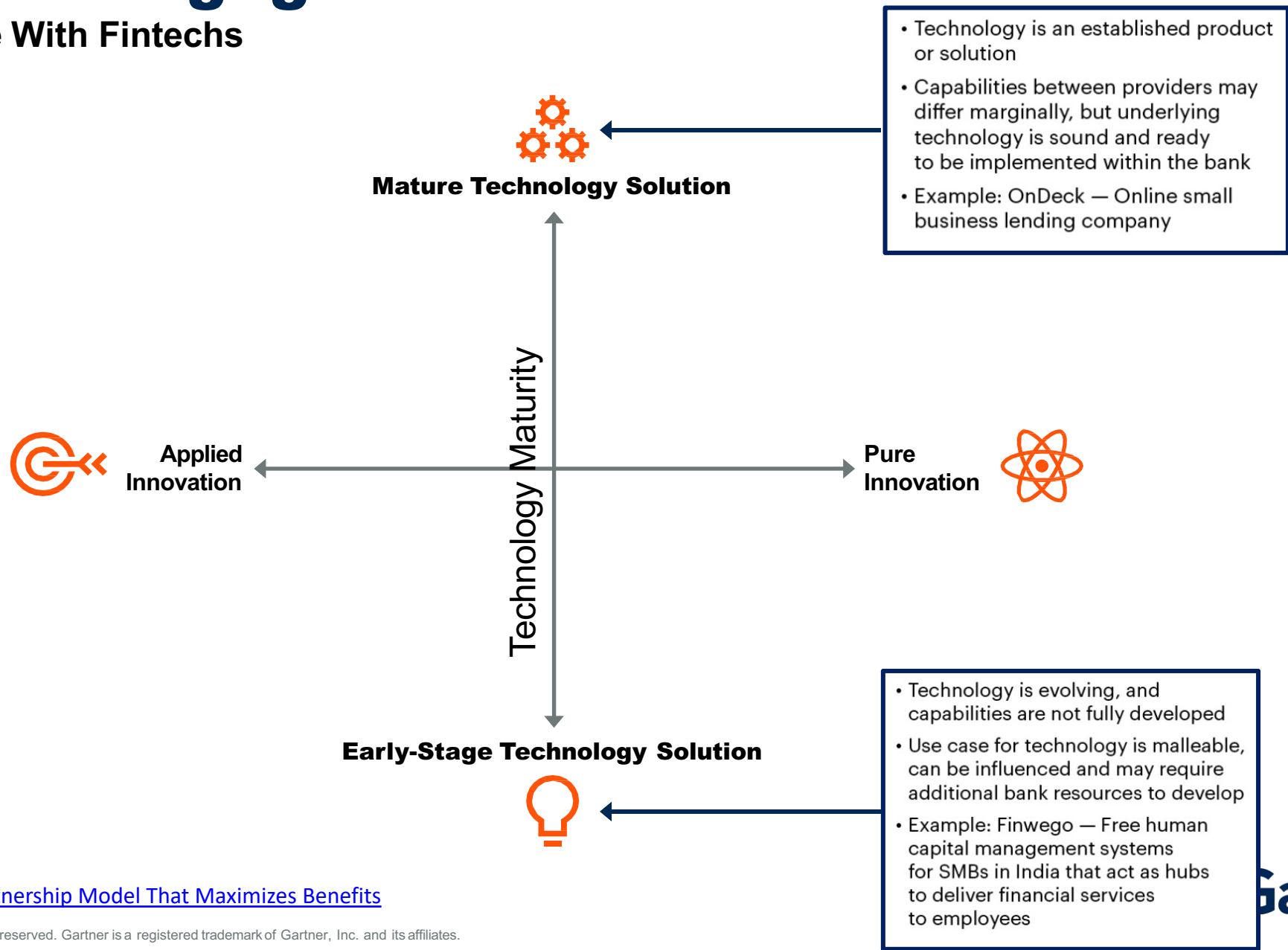
# Reasons for Engagement

## Why Banks Engage With Fintechs



# Reasons for Engagement

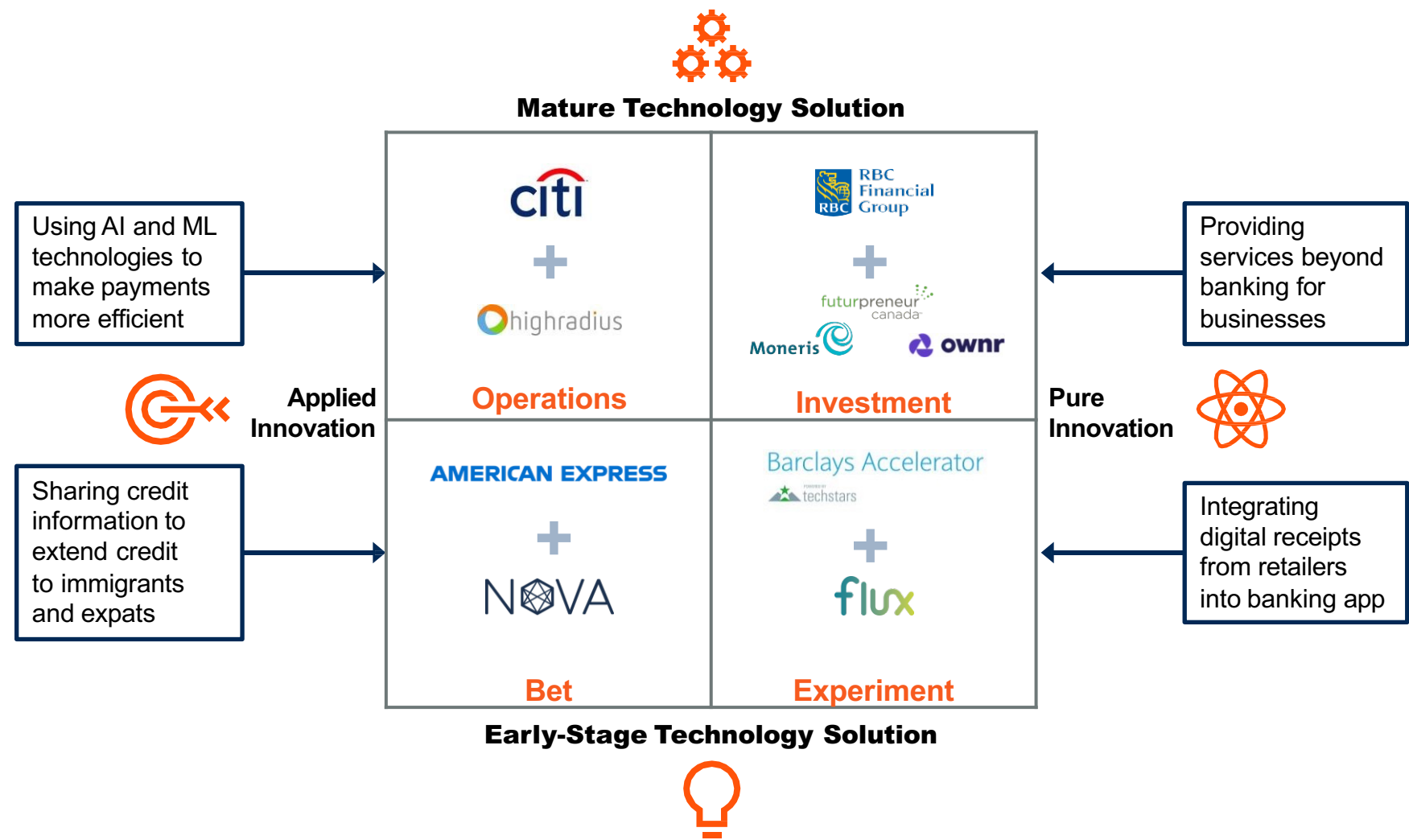
## Why Banks Engage With Fintechs



Source: [How to Select a Fintech Partnership Model That Maximizes Benefits](#)

# Four Approaches to Engagements

## Framework for Evaluating Fintech Engagements



Source: Gartner

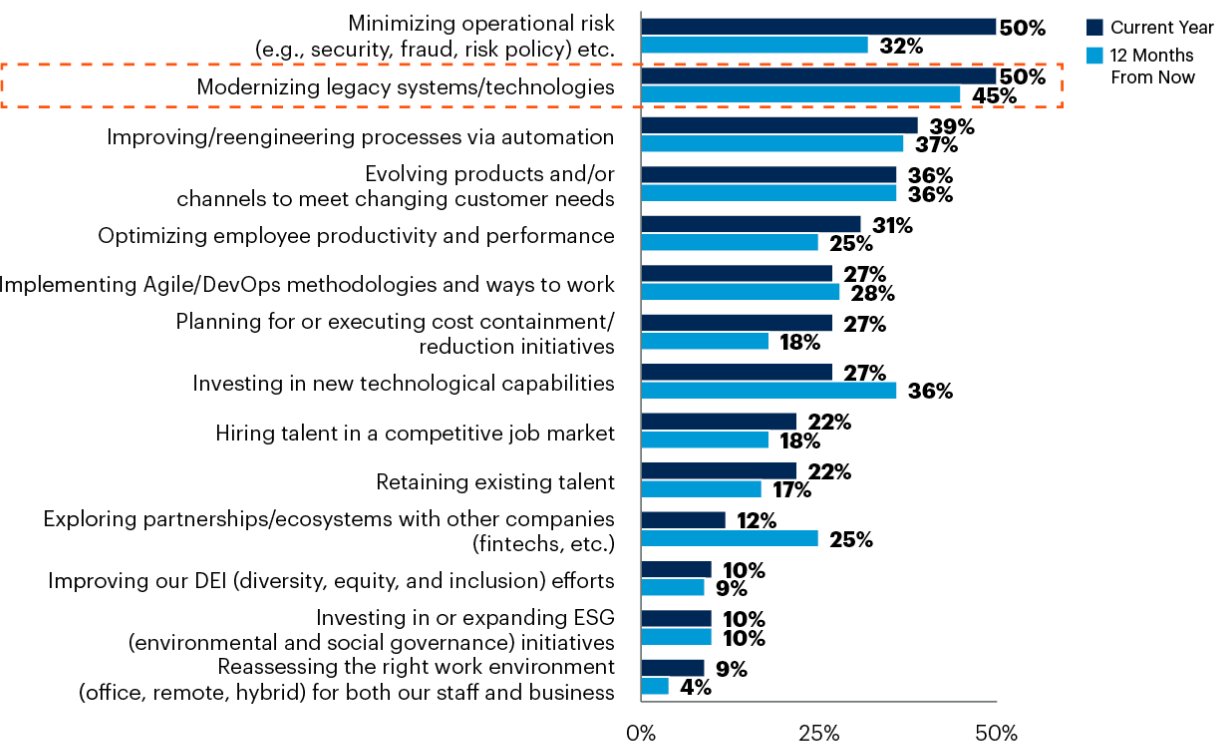
## Core Technology Transformation

**Core banking modernization hampered by lack of business alignment, inadequate vendor vetting, or lack of integration with other applications**

# Core Technology Transformation Trend #1

Core banking modernization efforts hampered by lack of business alignment, inadequate vendor vetting, or lack of integration with other applications

Top Business Priorities, Current Year vs. 12 Months From Now  
Percentage of Senior Banking Executives



n = 105 Senior Banking Executives

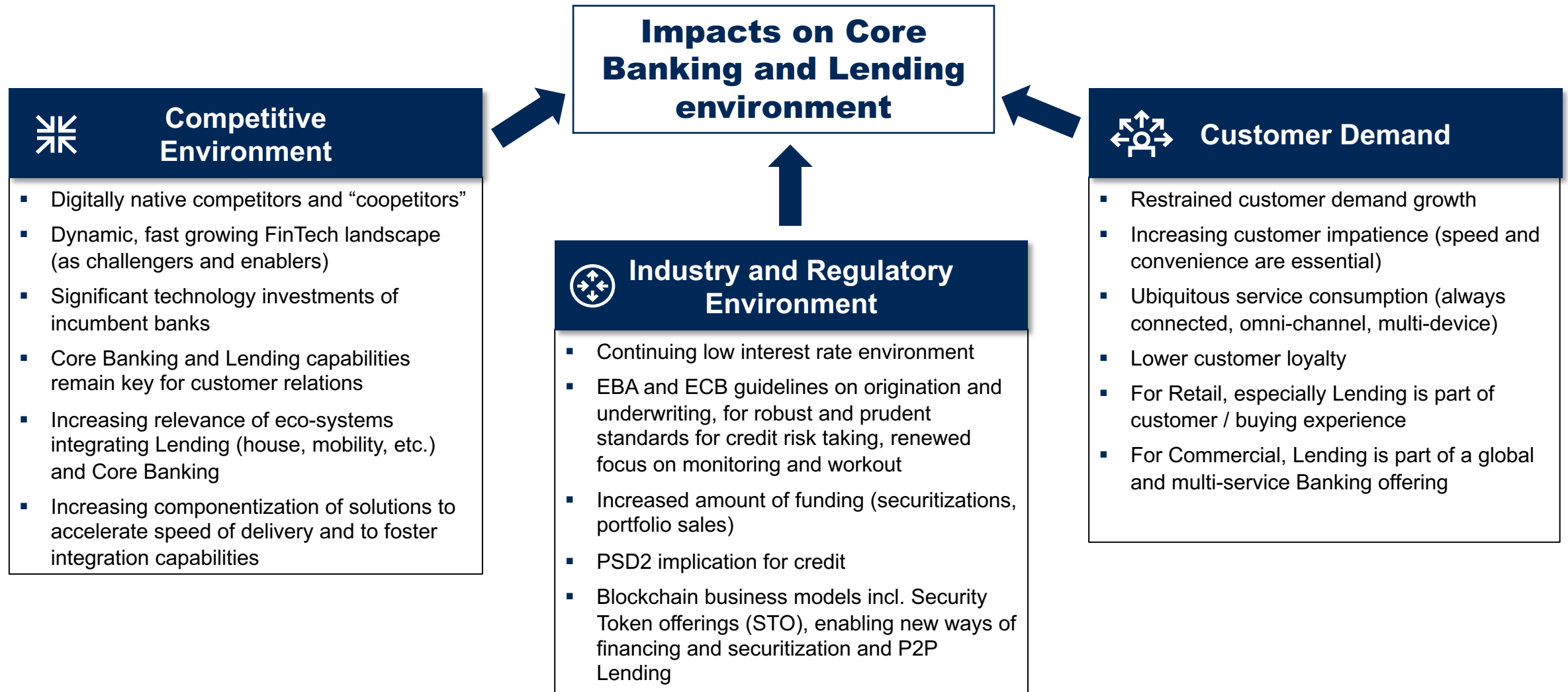
Q: From the list of business priorities below, please select your top priorities for the current year and 12 months from now. You may select up to four priorities for each time period. You may select the same priorities for both time periods, if applicable

Source: Gartner Financial Services Business Priority Tracker, Feb 2023

788458\_C



# The landscape for Core Banking is constantly changing...



# ... with considerable impacts on our clients' Core Banking environment...

## Typical topics we observe in client discussions

Several overlapping Core Banking systems in place with increasing data inconsistencies, redundancies, inefficiencies

Efforts for customer retention and customer acquisition is rising significantly, while customer loyalty is declining

Growing inability to keep pace with regulatory and security changes implemented in existing system landscape

Custom developed or home-grown CBS monoliths with increasing complexity, maintenance costs and backlog

Increasing pressure on need for modernization, despite of negative business cases for CBS renewals

Dealing with eroding margins impacted by an increased transparency of service offerings with too less differentiation (esp. Core Banking)

Limitations to standardize and consolidate based on highly complex, differentiating features (e.g. commercial loans)

Fragmented and fast-growing vendor and solution landscape with many new (niche) players entering which makes it more and more difficult to oversee

Mainframe offloading is pursued, where possible, or continued to run opportunistically otherwise

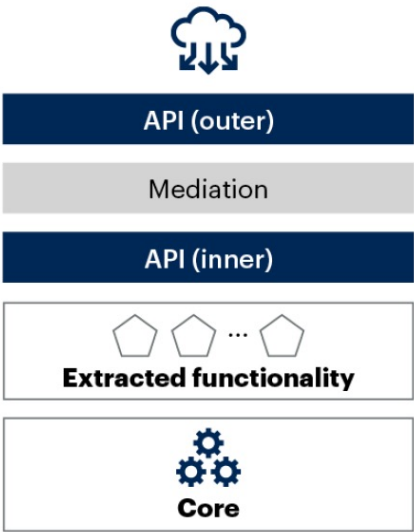
Long time-to-market for new services/ products due to long development and release cycles

Inflexible and aged architectures struggle to incorporate and manage short-cycled (technology-driven) business requirements

# Gartner identifies three prevailing CBS Modernization strategies...

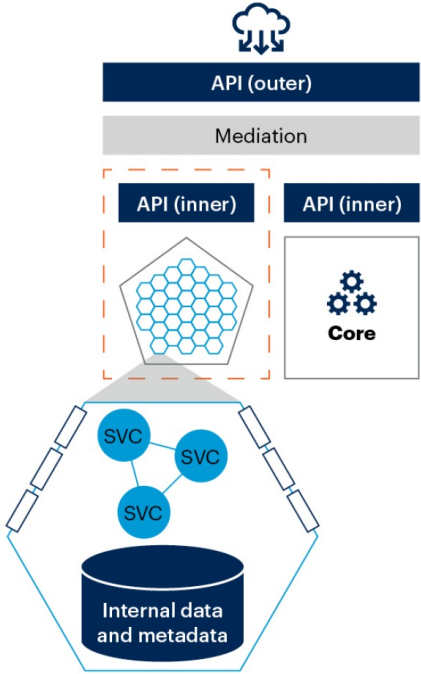
## Abstraction

“Abstract Away From Legacy”



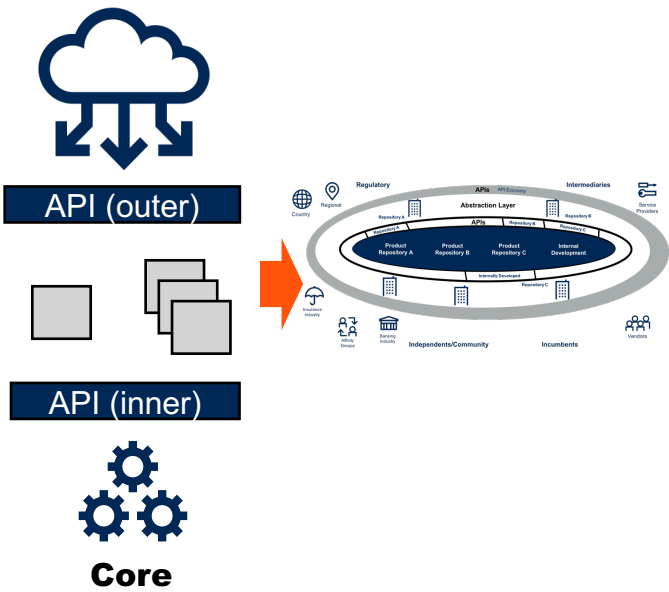
## Precision

“Surgical Replacement”



## Emigration

“Package Replace or Build”



# ... resulting in four archetypes for CBS Modernization

	1	2	3	4
Strategic Option:	Legacy Abstraction	Package Progressive	Package Full Platform Replacement	Custom Develop Renewal
	<ul style="list-style-type: none"> <li>Minimize the functional footprint of legacy core banking applications</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate and replace core applications independently with point solutions (e.g. credits first)</li> </ul>	<ul style="list-style-type: none"> <li>Replace the majority of core banking systems with an integrated core banking system</li> </ul>	<ul style="list-style-type: none"> <li>Rebuild platforms on modern technology</li> </ul>
Popularity:	Medium	High	Medium	Low
	<ul style="list-style-type: none"> <li>Spanish Digital Bank</li> <li>Primary French bank</li> </ul>	<ul style="list-style-type: none"> <li>Tier 2 Belgian Bank</li> <li>Tier 1 Belgian Bank</li> </ul>	<ul style="list-style-type: none"> <li>Tier 1 Belgian Bank (countries abroad)</li> <li>Nordea</li> </ul>	<ul style="list-style-type: none"> <li>Citi</li> <li>UniCredit</li> </ul>
Outlook:	Stable	Stable	Increasing	Declining
	<ul style="list-style-type: none"> <li>Becoming a more popular option as banks recognize the need to increase architectural maturity to support digital efforts and increase agility</li> </ul>	<ul style="list-style-type: none"> <li>Will continue to be a viable option as vendors move to more open architected solutions reducing integration complexity</li> </ul>	<ul style="list-style-type: none"> <li>Will continue to be a popular choice when banks seek limited implementation risks as core banking vendors move towards a digital platform architecture</li> </ul>	<ul style="list-style-type: none"> <li>Only considered by largest banks with a perceived need for a custom core solution or special institutes</li> </ul>
Why not:	<ul style="list-style-type: none"> <li>Less proven option, limited capabilities by SIs</li> <li>Strong architecture function required</li> </ul>	<ul style="list-style-type: none"> <li>Long-term strategy required and risk to remain with duplicate systems</li> </ul>	<ul style="list-style-type: none"> <li>Known program failures due to customizations</li> <li>Core banking suites are not really integrated</li> </ul>	<ul style="list-style-type: none"> <li>Goes against the view of core functionality as a commodity</li> </ul>

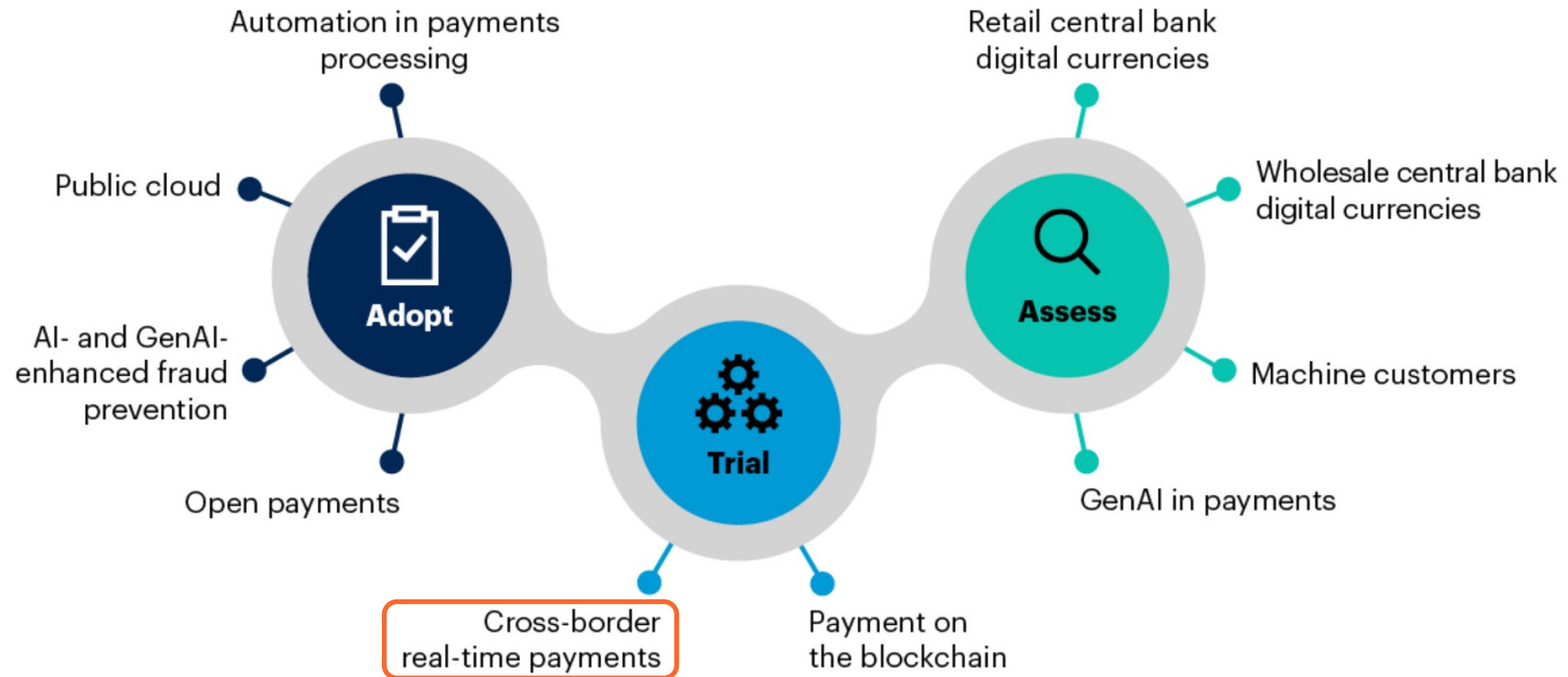
# The Future of Money and Payments

**Real-time cross-border  
payment capabilities  
accelerate**



# The Future of Money and Payments Trend #1

Real-time cross-border payment capabilities accelerate



Source: Gartner  
810613\_C

RESTRICTED DISTRIBUTION

# Real Time Cross Border Payments

The Southeast Asian Payments Initiative aims to link the payment systems of several countries in the region.



FINANCIAL AND MONETARY SYSTEMS

## How ASEAN is making instant cross-border payments a reality

Nov 17, 2023



## Swift and Wise join forces to expand cross-border payment options globally

Payments, 18 September 2023 | 5 min read



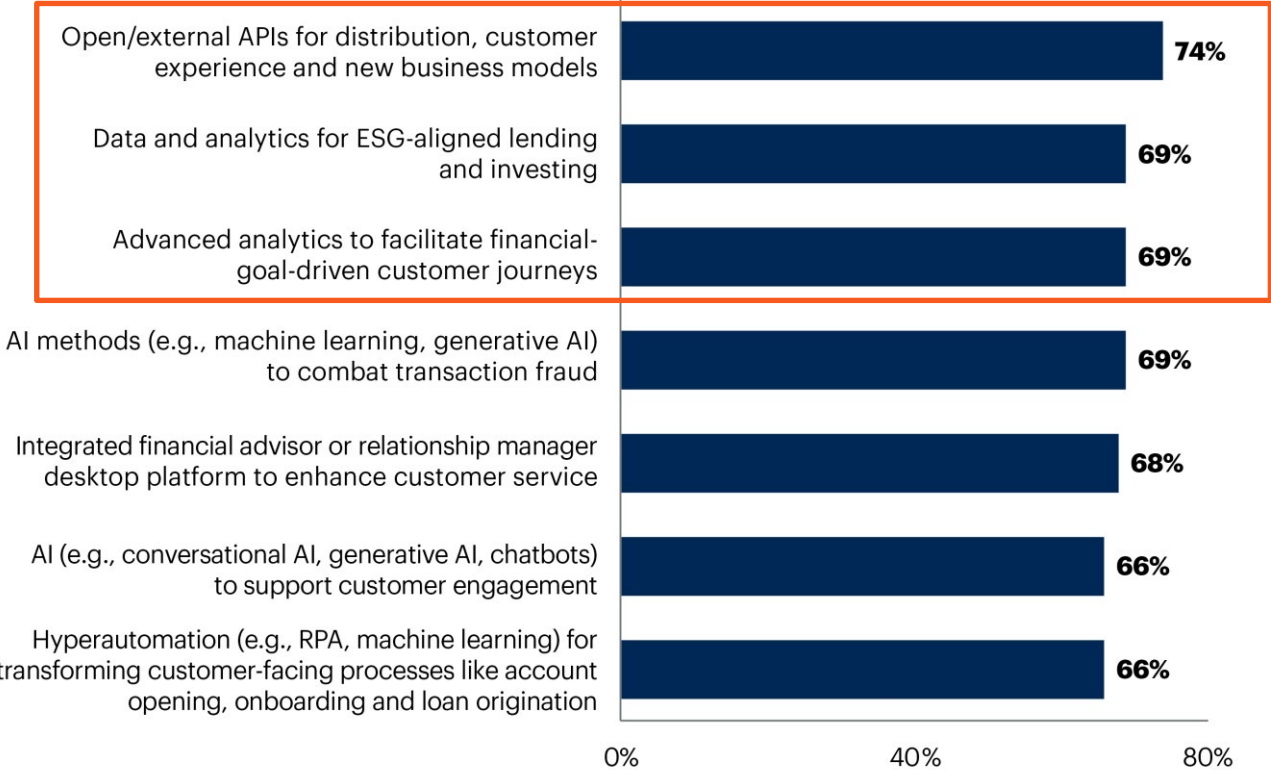
## Expanding Beyond Banking

**Open/external APIs for  
distribution, CX and new  
business models**

# Expanding Beyond Banking Trend #1

## Open/external APIs for distribution, CX and new business models

**Importance of Technology Use Cases**  
Percent of Banking Respondents Indicating “Very Important”



n = 67-69 senior banking technology and business leaders, excluding "not sure"

Q: How important is each of these to meeting your enterprise’s overall goals and objectives?

RPA = robotic process automation

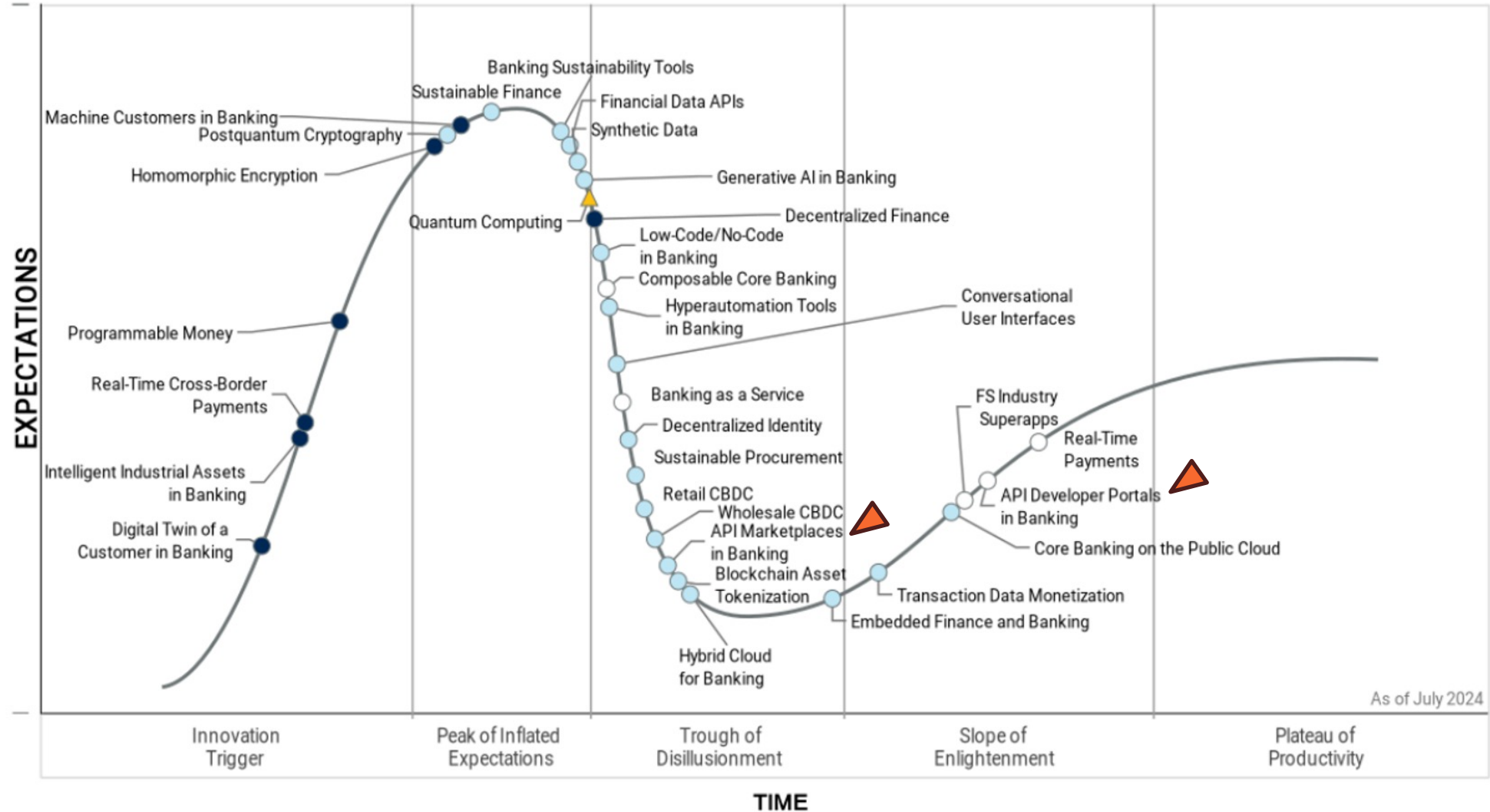
Source: 2023 Gartner Business Outcomes of Technology Survey

801869\_C

# Expanding Beyond Banking Trend #1

Open/external APIs for distribution, CX and new business models

## Hype Cycle for Digital Banking Transformation, 2024





# Expanding Beyond Banking Trend #1

Open/external APIs for distribution, CX and new business models

## Recommendations:

- Bank CIOs need specific examples — **use cases** — that clearly demonstrate how open banking technology investments can enable **innovation and competitive differentiation**, while minimizing risk.
- Accelerate the development of enterprise **open banking strategies** by sharing with, and explaining to, CIOs' business colleagues the business value of the use-case examples.
- **Prioritize open banking technology investments** with executive business colleagues by evaluating planned technology investments — such as API architectures, authentication solutions — against these open-banking-led business and product use cases.

**Gartner provee la experiencia y el conocimiento necesario para que nuestros clientes tomen la decisión correcta, cada día**

**James Perdomo**

[james.perdomo@gartner.com](mailto:james.perdomo@gartner.com)