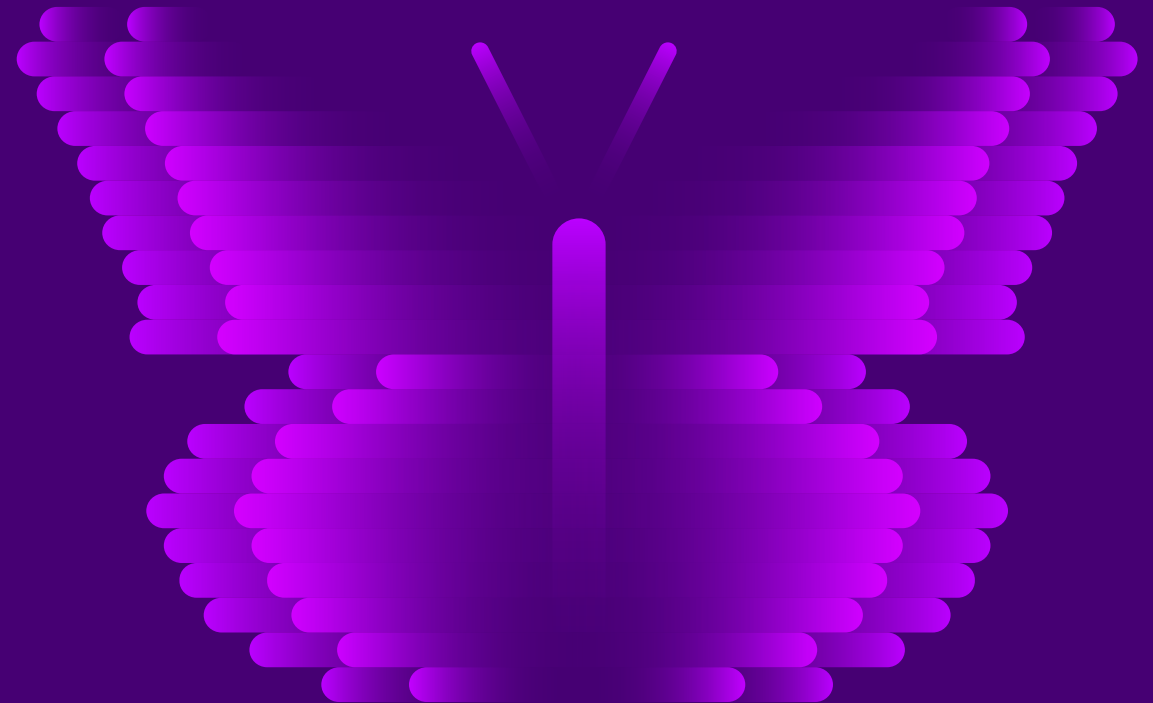


CATERPILLARS, BUTTERFLIES, AND UNICORNS

Does digital leadership
in banking really matter?



WINNING IN THE DIGITAL ECONOMY SERIES

Foreword

MOST BANKERS NOW DREAM OF BECOMING BUTTERFLIES

The promise of digital transformation is that, with the right mix of strategic focus, talent, creativity, and investment funding, the pedestrian caterpillar of the legacy bank, with its branch network, decades-old systems, and diverse customer base, can morph into a high-flying, digital-first bank. Having emerged from what is often a multi-year chrysalis stage, the hope is that this future-proofed institution can take flight via viral customer acquisition, advice-driven share of wallet gain and smart ecosystem curation to compete effectively with those other creatures in the banking menagerie: the challenger unicorns.

Last year, Accenture quantified the magnitude of disruption coming from outside the traditional retail and commercial

banking industry and showed that, in many markets, the predatory threat to the slow-moving caterpillars has shifted from potential to actual, with material revenue now migrating to new entrants. While the disruption threat is now real in many markets, we still hear from many of our traditional banking clients that, although they have built their digital chrysalis, the butterfly doesn't seem on the brink of emerging anytime soon. Instead of transformation, the lived experience of many of our clients is still diffused and fragmented change efforts where the cool kids in the innovation units butt heads with the rest of the organization and change entropy constantly drains the excitement and energy from multiple waves of their digital transformation programs.

**IN THIS REPORT, WE PLACE A MAGNIFYING GLASS
ON THE IMPACT OF DIGITAL CHANGE EFFORTS.**

Basically, we asked the question, are digital butterflies winning? Does digital leadership and the ability to radically transform a traditional bank into a digital-first institution consistently create superior economic performance? If it does, what is the nature of that performance differential and can it provide a road map for those institutions still struggling to change? If instead, it all turns out to be just digital hype that lacks solid economic foundations, can the industry safely eschew radical change and instead just focus on gradual evolution that upgrades the caterpillar over time?

The answers to these questions are critical for a lot of bank executive teams. If the conclusion is that being an upgraded caterpillar is an evolutionary dead end, then they need to

quickly double down on getting airborne if they are to survive. But if being a mid-paced follower continues to deliver attractive economics, then maybe they can just bide their time and wait for both the butterflies and the unicorns to come crashing back down to earth when the digital froth is blown off and their public narratives fail to convert into hard shareholder returns.

Not to spoil the surprise too much, when we take a step back and look at the global retail and commercial banking industry, we now see clear evidence that digital leadership does indeed drive superior economic performance—and that the gap between the “best” and the “rest” is beginning to widen in a manner that should be worrying for those still struggling with digital transformation. However, just as interesting, is the reason why digital-focused banks are generating superior economic returns and what that can teach the caterpillars that are still heads down, munching through a diminishing pile of leaves.



Alan McIntyre
Senior Managing Director
Banking, Accenture



Julian Skan
Senior Managing Director
Banking, Accenture Strategy

OUR ONGOING PROBE INTO BANKING INDUSTRY CHANGE

In 2018, we conducted extensive research to quantify the change in the banking industry structure. It showed that upwards of 33 percent of revenue growth in some markets is now migrating to new entrants—a mix of digitally-savvy challenger banks, non-bank payment institutions, credit intermediation platforms, fintechs and bigtechs. This year, our research looked more inward to explore the impact of digital transformation efforts on banks' economic performance. Basically, we asked, does digital leadership in banking really matter? Read on.



**FROM
VULNERABLE
TO VOLATILE**

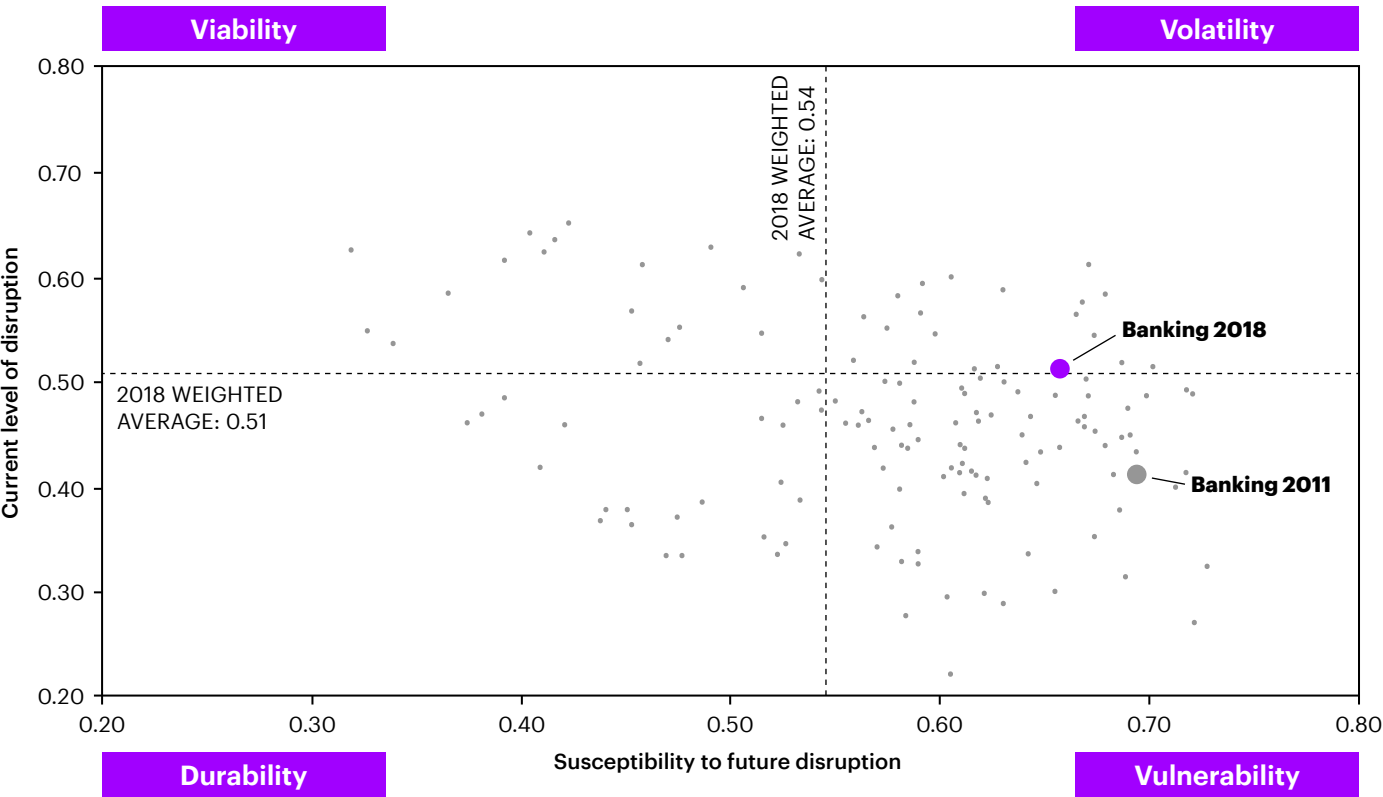
Our research into the structure of banking markets, published in late 2018, showed that in many markets there is now material revenue flowing outside the traditional retail and commercial banking industry to new entrants.

In Europe as a whole, one-third of revenue growth is going to companies that entered banking and payments market since 2005, with the U.K. being the most disrupted, with more than 10 percent of its current total revenue and over 60 percent of its revenue growth leaking to new entrants. Driven by a combination of regulatory changes, like Open Banking, and customer expectations increasingly shaped and elevated by non-bank digital experiences, the long-anticipated structural change in the industry does appear to be happening in at least some markets.

But the story is not homogenous. For every U.K. example where challenger banks, like Monzo and Revolut, are acquiring millions of customers and commanding unicorn valuations, there are equally compelling counter examples. In Canada, for example, the combination of smart regulation, sustained customer loyalty, and continuous innovation by incumbents has blunted the pick of many venture capitalists, resulting in a stable industry structure that consistently delivers attractive shareholder returns. Despite these important market differences, when we take a step back and look at global banking in the context of other industries, our research indicates a clear movement from a vulnerable position to a point where volatility is now real (Figure 1).

Bank investors appear to share our view that the future prospects of banking industry incumbents have deteriorated, and that disruption is going to limit their ability to consistently create profitable growth. As our analysis in Figure 2 shows, after the tribulations of the global financial crisis, the banking sector has clawed its way back to a return on equity (ROE)—and remember there is now a lot more equity than pre-crisis—that puts it in the middle of the pack when compared to other industries. Yet, when you look at market valuation metrics like price-to-book or price-to-earnings, you see banking languishing near the bottom of the sectoral league table. The message investors are clearly sending is that, yes, current returns are back close to the cost of capital, but there isn't confidence that there is future value in the traditional bank business model. Instead, it is the publicly traded fintechs, targeting short-term growth rather than profits, that show future growth potential, which often accounts for half of their current valuations. If you just look at the stock market, you would conclude that incumbent retail and commercial banks are a bunch of caterpillars that are unlikely to emerge from their cocoons and suddenly acquire the ability to fly.

Figure 1. Accenture Disruptability Index



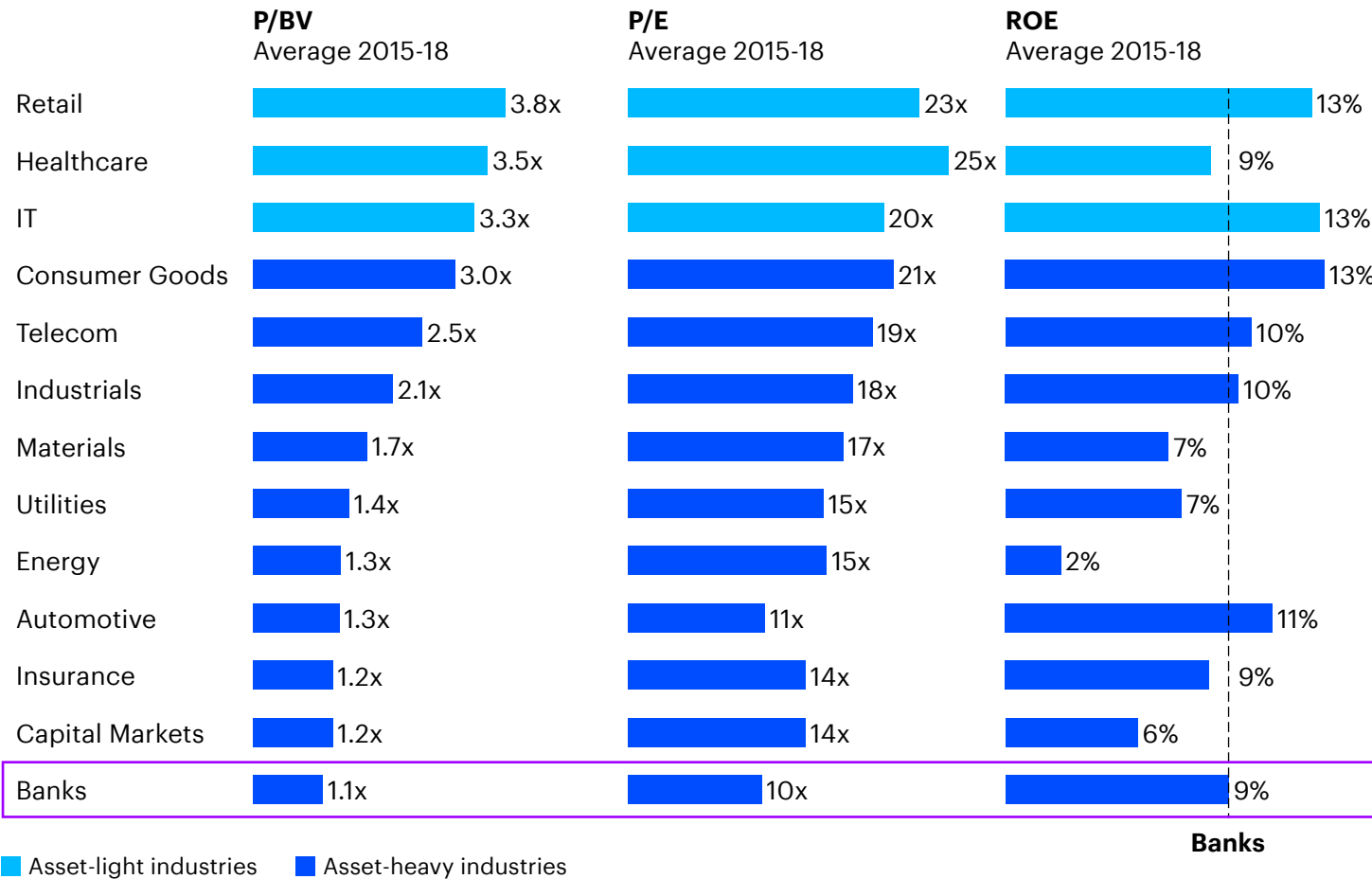
Accenture Research analysis on 18 industries between 2011 and 2018
Source: Accenture Disruptability Index 2.0

This lack of confidence in the future isn’t news to incumbent bank executives, and the industry has been reacting for at least the last five years to try and change that narrative. As barriers to entry fell and banks built muscle around innovative capabilities like agile strategy, human-centered design, and the value of playing well with others in a broader ecosystem, we saw many incumbents fully commit to becoming digital-first banks. Some, such as Bank of America, Royal Bank of Canada, and Lloyds Banking Group, focused on digitally-enabling their core business, while others, like BBVA, also adopted a venture capitalist-like mindset, taking minority stakes in a portfolio of businesses and making a series of acquisitions in search of the right conditions to accelerate the chrysalis phase of their digital transformation. Others, like ING and DBS, have focused on an inside-out cultural transformation, based on the logic that thinking and acting like a butterfly is a necessary precursor to creating new market initiatives, such as DBS’s Digibank challenger bank in India¹ and ING’s Open Banking-powered account aggregation app, Yolt, in Europe.²

In total, traditional retail and commercial banks spent approximately US\$1 trillion globally between 2015 and 2018 on efforts to transform their IT³, with a large portion of that spend now being dedicated to butterfly-enabling technologies, such as cloud and AI-powered analytics. Within that aggregate number, an increasing portion is reserved to new investments—rather than IT maintenance—that now account for about 30 percent of banks’ IT spend. Many banks are also hard at work to shift the balance between “run the bank” and “change the bank” spending to ensure that the institution evolves at a competitive rate.

While the industry is indeed reacting and changing, the speed of change is again not homogenous. Although some bank executive teams have drunk the “KoolAid” and fully embraced the idea that only digital-first butterflies will survive, there are still many that think that upgraded caterpillars can still enjoy medium-term success. So, in this research we set out to determine which side of that debate is right and whether the findings provide clear direction to the industry on how to survive and thrive in an increasingly volatile environment.

Figure 2. Sectoral valuations versus ROE, 2015-2018



Asset-light sectors have a benchmark P/BV that is not immediately comparable with the Asset-heavy ones due to structural differences.
Source: Accenture Research on S&P Capital IQ data



**WHO'S
“ALL IN”
ON DIGITAL?**

Before trying to figure out whether the extent of digital transformation does, in fact, drive superior performance and competitive advantage, we first needed to segment our sample of banks based on their degree of commitment to digital and the magnitude of their change effort.

To do so, we took the largest 161 retail and commercial banks from 21 countries and went through a three-stage process to assess their digital maturity. First, we looked at what they said about themselves by analyzing earnings call transcripts, news releases, and stated investment budgets, to assess the extent of their digital transformation efforts. We were looking for banks that were both talking the talk and putting their money where their narrative was, either through internal investments or by making acquisitions or forming partnerships in the digital space.

Second, we looked for external validation from other industry analysts and observers regarding those institutions that are "all in" on digital banking. Which banks are winning the "best digital bank" awards? Which banks are moving the dial on objective comparative studies of metrics, like customer satisfaction and mobile app feature/functionality? In short, which banks are being recognized by third parties as digital leaders?

Finally, we applied our own subjective judgement. Our client work around the world allows us to draw our own conclusions about which banks are truly committed to becoming butterflies versus those that are just putting digital lipstick on their caterpillar.

Our intent through this multi-stage effort was to create an assessment of digital maturity that was distinct and separate from any measure of economic performance. Having this independent variable would then allow us to determine whether digital maturity has any explanatory power with respect to a range of financial performance measures, like market valuation, profitability, top-line revenue growth and efficiency.

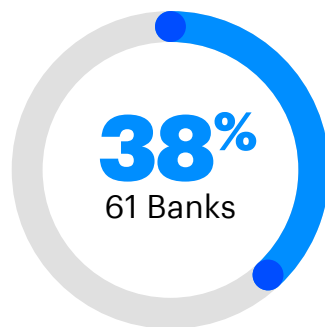
Note: Analysis covers largest Banks from 21 countries (Australia, Belgium, Brazil, Canada, China, Germany, Denmark, Spain, Finland, France, Hong Kong, Italy, Japan, Netherlands, Norway, Poland, Sweden, Singapore, Turkey, UK, US). Banks with >50% revenues related to Capital Markets business were not included in the scope of this analysis.

Within the 161 banks we analyzed, we ended up creating three segments:



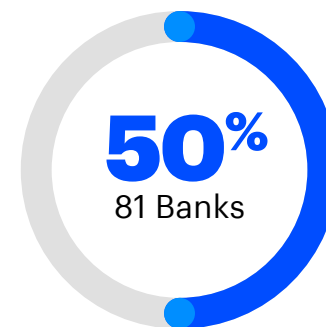
DIGITAL FOCUSED

This is a small group of banks that appears to be fully committed to digital transformation, has the clear intent to make the shift to a different sort of bank, and has been investing to make it happen. Although none of them are fully there yet, the shapes of these butterflies are becoming pretty clear.




DIGITAL ACTIVE

Members of this group are in the transformation phase and have many initiatives that they can point to that show they want to be butterflies. Yet, they lack an overall sense of coherence to their efforts and haven't been telling quite as compelling a story or demonstrating the same change metabolism as the Digital Focused group.



THE REST

This is the group that hasn't made much visible progress on digital transformation and may still be toying with the idea of whether to build the cocoon and launch a true enterprise-wide transformation program. While we tried to be objective about the current digital maturity of this group, we didn't try to read into the lack of progress whether it is intentional (based on the premise that being an upgraded caterpillar is a robust competitive strategy) or whether members have butterfly aspirations but just haven't been able to initiate and sustain an effective change program.



Most of the large and fast-growing banking industry unicorns, like Ant Financial and Stripe, are digital born. Their statistical rarity places them beyond our Digital Focused category and the scope of our analysis. In many ways, they are the exception rather than the rule.



**DOES DIGITAL
LEADERSHIP
MATTER?**

We attempted to determine whether digital leadership truly matters by systematically peeling the onion of economic performance and examining how those metrics correlate with our assessment of digital maturity.

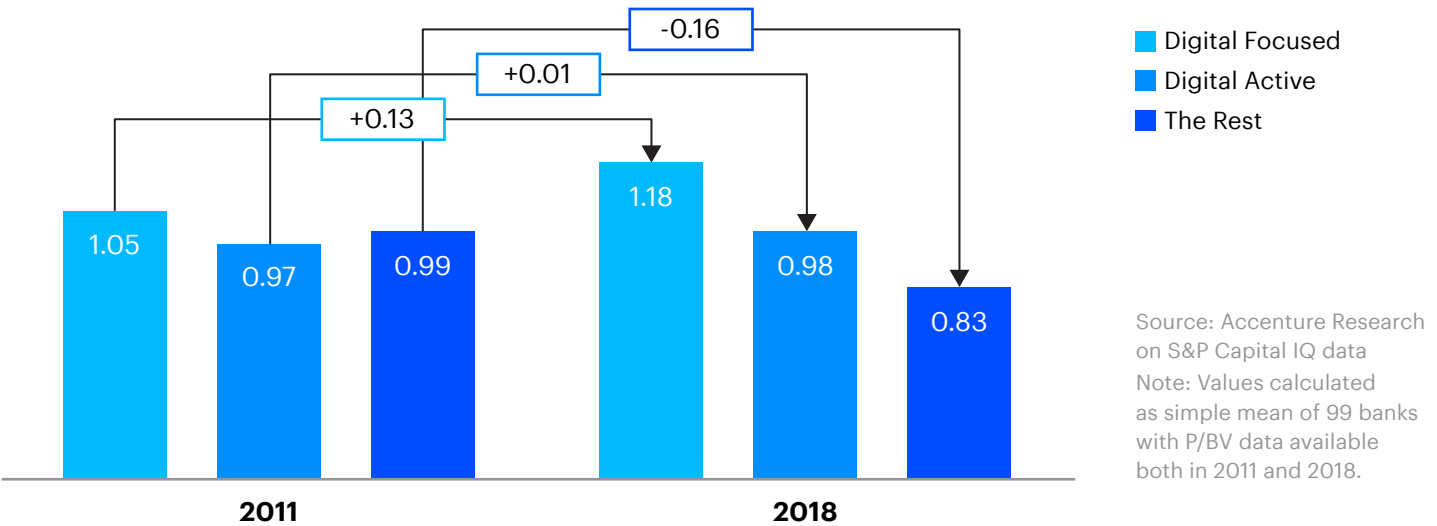
The first step was to examine whether digital maturity impacted investors’ confidence in an institution. Does telling a good digital story and backing it up with investments and clear change efforts move the dial, or are crusty traditional bank investors more interested in credit losses, the future shape of the yield curve, and the impact of regulatory reform?

What the analysis showed is that bank valuations do seem to be correlated (and increasingly so) with digital maturity. Overall, Digital Focused banks are the only group with a price-to-book ratio above 1x and the gap to the rest of the industry is widening (Figure 3). While that indicates some confidence in future profit growth, these digital leaders still trail many bigtech and fintech players that trade at significantly higher multiples. One potential criticism of this analysis

is that we are reading too much into digital maturity and what we are really observing is just a set of high-performing banks that address whatever challenge is in front of them at that moment—and currently that is digital transformation. While that may be true to an extent, the way in which the Digital Active group have overtaken The Rest in a reversal of the 2011 ranking indicates that there is explanatory power in the digital maturity variable.

We do also need to be mindful that, while digital maturity seems to have explanatory power with respect to market valuations, it certainly isn’t deterministic. Average price-to-book values show distinct differences across the three digital groups; however, the distributions do have a high overlap. This indicates that digital maturity is just one among many important performance variables and that, all else being equal from an investor perspective, being a bank in a favorable market, like Canada or Australia, may still be a far bigger driver of returns than being a digital leader in a challenging market like Germany.

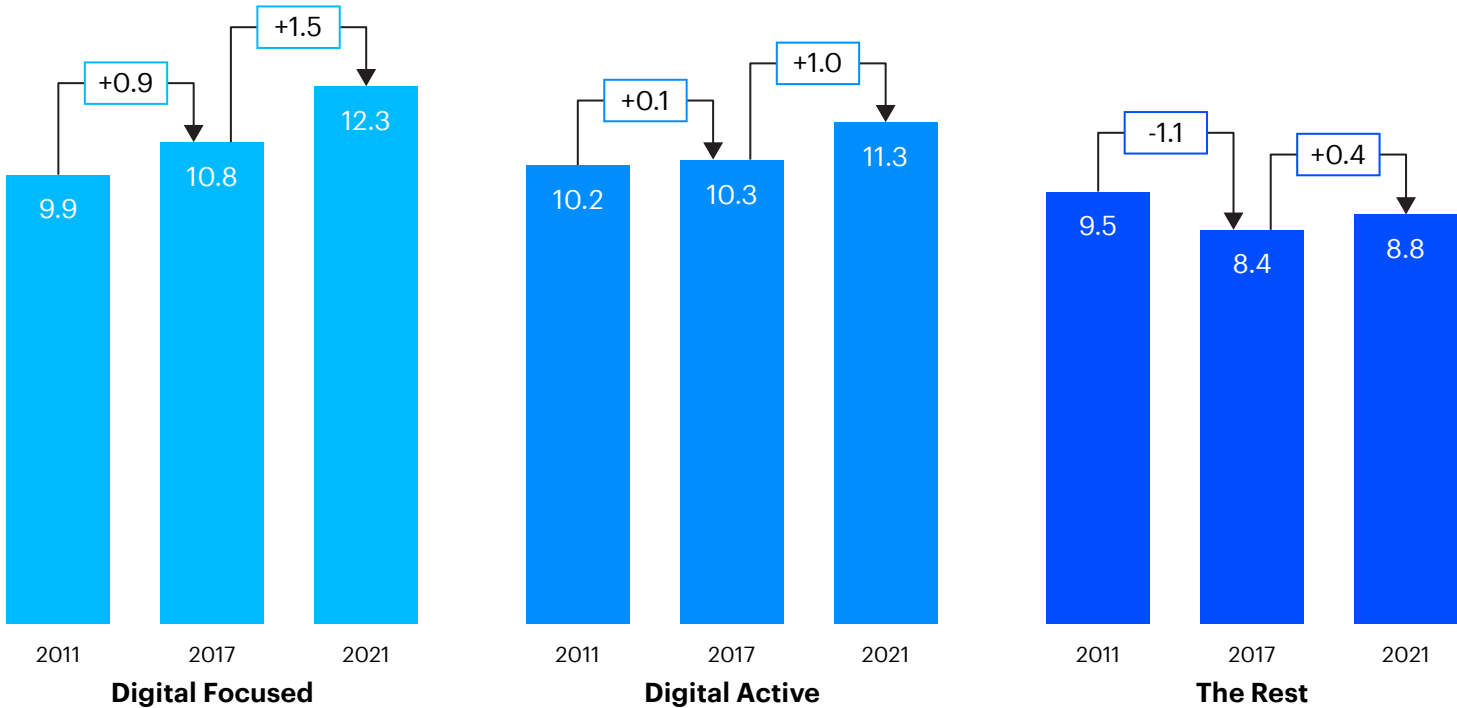
Figure 3. Banks’ price-to-book value ratio



Having established that digital maturity is associated with differences in market valuation, the next step was to look at whether those differential valuations are justified by better operating economics or are they just floating on a cloud of digital hype. We found that digital maturity does seem to be associated with increased profitability (Figure 4). From a position in 2011 where there wasn't much difference in ROE between the three groups, we now see separation occurring; and analysts' expectations are that the gap will continue to widen through 2021. While both Digital Focused and Digital Active banks are increasing returns, the concerning finding for The Rest is that returns look to remain below 2011 levels for a while to come, despite generally positive macroeconomic conditions.

So far, so good. Digital maturity is associated with a higher market premium and a better return on capital. The next logical question to ask is, what is driving the superior operating economics? The answer is clear and somewhat surprising. When we look at digital success stories outside of banking, like an Uber, we tend to think about hyper revenue growth and a frenetic landgrab for market share and customer adoption, with profitability coming later.

Figure 4. Banks' return on equity

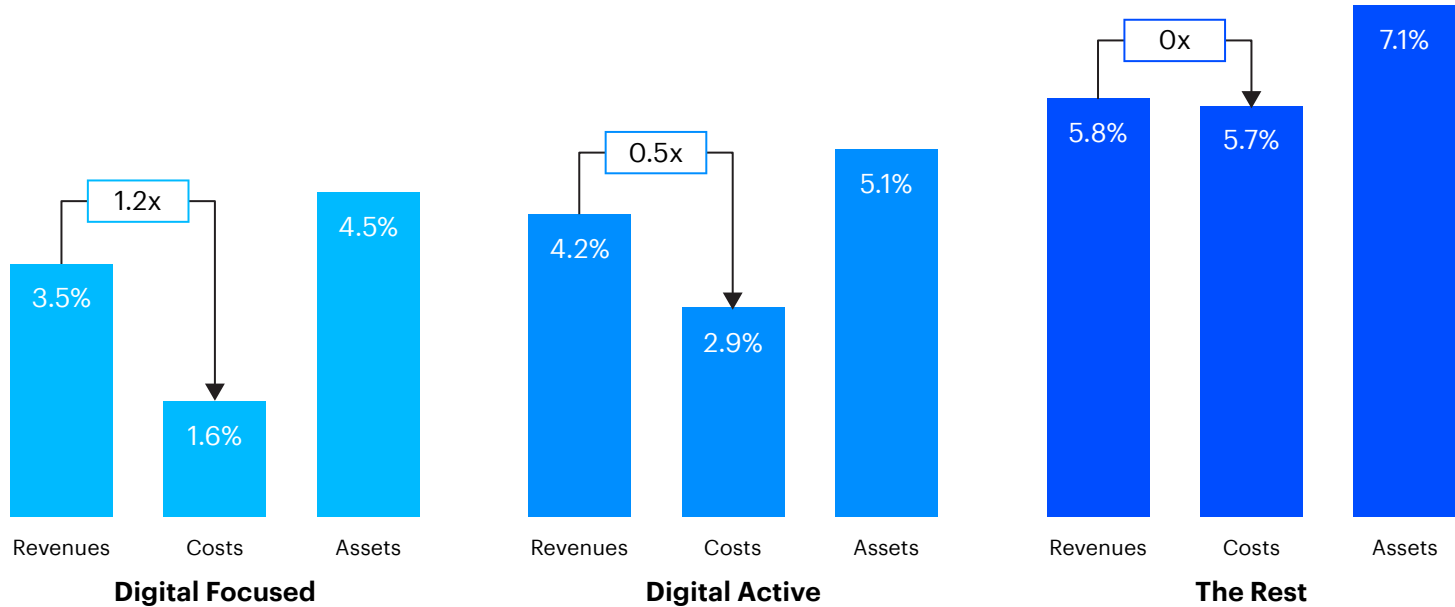


Source: Accenture Research based on reported data and analysts' consensus sourced from Capital IQ
Note: Value calculated as simple mean of 107 banks, with data available in 2011, 2017 and 2021.

The story for incumbent banks is clearly very different. The most highly valued and most profitable banks are in the Digital Focused group, but they are achieving their improved profitability through higher operating leverage that squeezes more profitability out of every dollar of assets (Figure 5). Operating leverage is strongly correlated with digital maturity for Digital Focused banks, creating nearly 200 basis points of divergence per year over the last six years. While the Digital Active group did open the jaws on operating leverage, it did so at only 130 basis points per year. Unfortunately, The Rest created almost no operating leverage at all.

What is also somewhat surprising is the clear inverse relationship between operating leverage and both revenue and asset growth, with the highest growth in both coming from banks that made the least progress on digital. One possible explanation is that, while the Digital Focused group concentrated on evolving, the caterpillars are just munching their way through stacks of leaves, content to bulk up in their existing business model. It is also worth noting that revenue growth is lower than asset growth for all three groups, indicating industry-wide margin compression over the last six years.

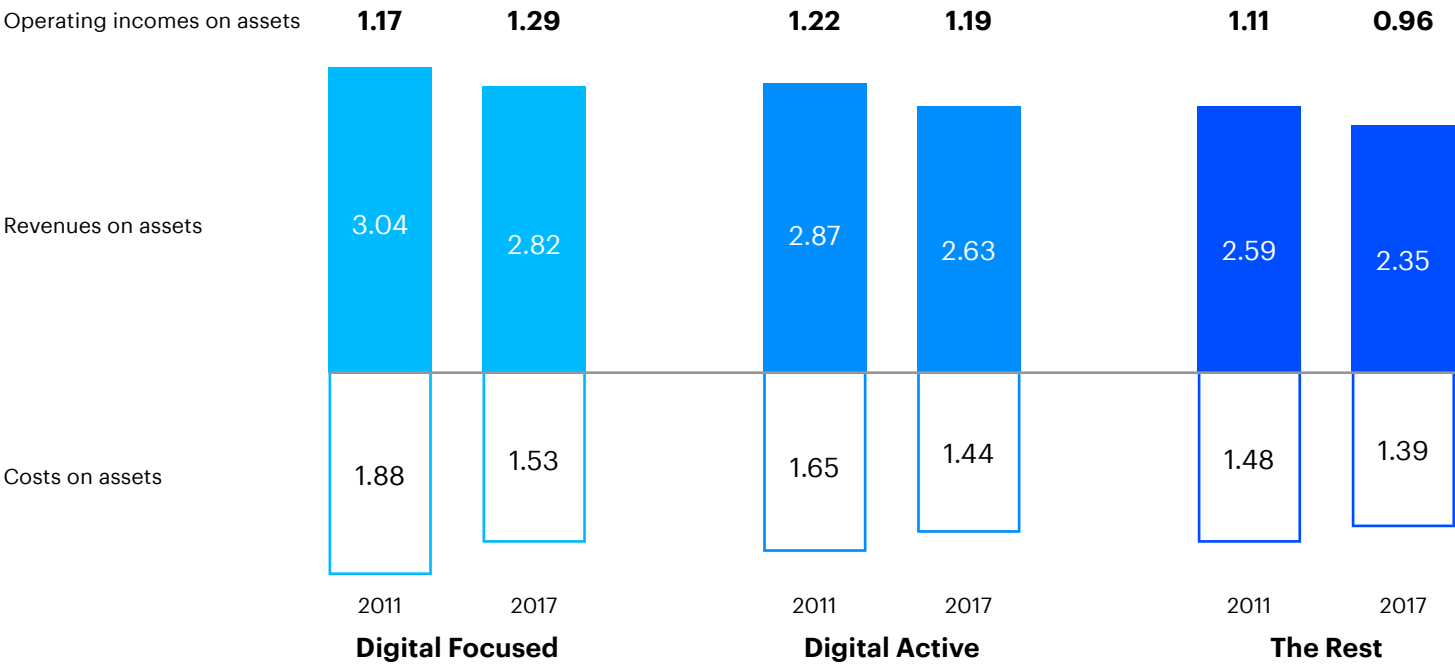
Figure 5. Banks’ revenue, costs and assets growth
CAGR 2011-17, %



Source: Accenture Research on S&P Capital IQ data
Note: Values calculated as simple mean of 140 banks. Outliers have been excluded.

Digging a little bit deeper into the sources of operating leverage, the efficiency of Digital Focused banks is both on the revenue and cost sections of their profit and loss statement (Figure 6). It appears that the Digital Focused group has always been better at extracting more revenue from every dollar of asset. Where the real change happened is on cost efficiency, where Digital Focused banks moved to be much closer to the competition. That cost improvement, combined with maintaining their revenue advantage, meant that they managed to increase operating income per dollar of asset while the other two groups saw a decline. Particularly, The Rest experienced the highest deterioration in operating income per dollar of asset over the last six years.

Figure 6. Banks’ operating incomes, revenues and costs on assets (%)



Source: Accenture Research analysis on S&P Capital IQ data
Note: Values calculated as simple mean of 140 banks. Outliers have been excluded.

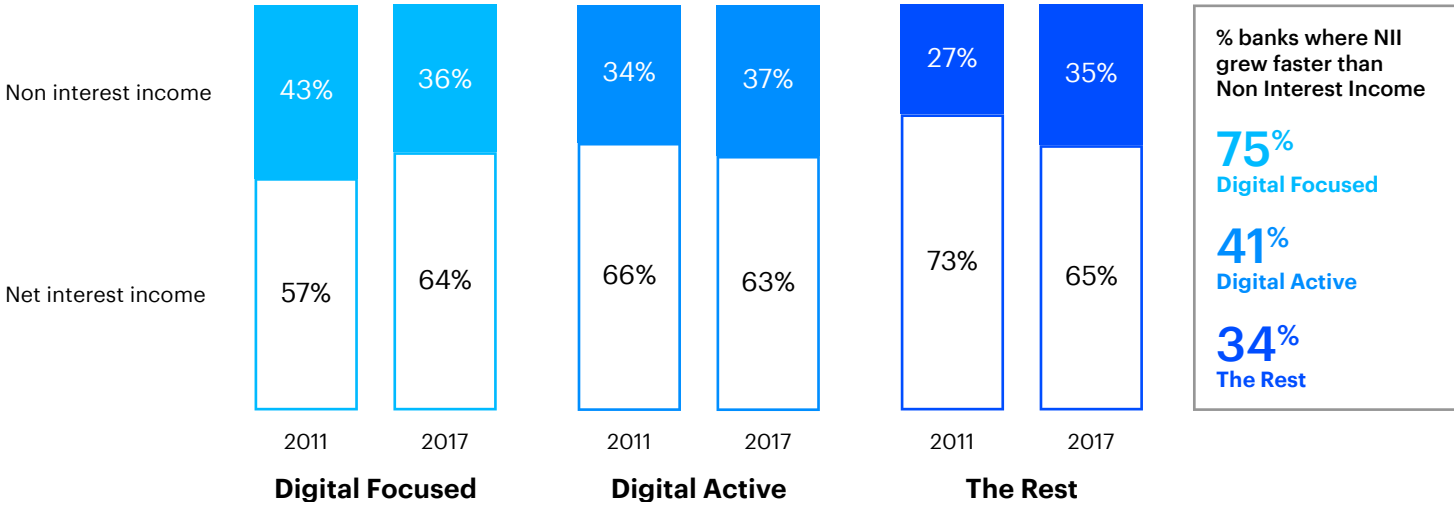
The efficiency of Digital Focused banks in extracting more revenue per dollar of asset is also leading to an interesting shift in income. For a long time, equity analysts in the banking sector fixated on capital-light fee income streams, with continuous pressure on banks to increase their fee income percentage to justify a higher multiple. What our analysis shows is that the better you get at digital, the more balance sheet spread-oriented you become (Figure 7). Not only do the averages show a marked shift towards net interest income (NII) for the Digital Focused group, but even at the individual bank level, the vast majority of Digital Focused banks saw NII increase faster than non-interest income over the last six years. One rationale for this is, that as you become more digital, the justification for fee income (either to pay for advice or administrative work) diminishes. Instead, what becomes more important is being paid for the risk taking (interest rate and credit) associated with running a traditional balance sheet. In his 2018 letter to shareholders, JPMorgan Chase CEO Jamie Dimon talked about the bank’s “fortress balance sheet” to evoke strength and stability,⁴ but what our analysis shows is that for digital butterflies, the balance sheet is also the principal source of income growth. A growing NII might also mean a growing number of primary client relationships, pointing to a better acquisition/retention rate of clients.

So, having unpeeled the onion, we can conclude that:

- Digital maturity is associated with higher market valuations.
- The higher market valuations are justified by better operating economics, and the gap is widening.

- Improvements in operating economics are not being driven by differential growth, but by efficiency both on the revenue and cost dimensions—but more recently primarily by cost efficiency.
- Effective digital transformation appears to be associated with a return to a business model in which the balance sheet is the critical driver of income growth.

Figure 7. Banks’ revenue sources (% total revenues)



Source: Accenture Research on S&P Capital IQ data
Note: Values calculated as simple mean of 137 banks. Outliers have been excluded.

SO, WHAT'S NEXT?

OF COURSE, WHAT'S NEXT FOR A BANK DEPENDS ON WHERE IT IS NOW ON THE SPECTRUM OF DIGITAL MATURITY.

For those caterpillars in The Rest group still struggling with whether and how to build a true digital transformation program, the central lesson of our analysis is to start from the inside out. Rather than focus on new revenue opportunities, the path to flight appears to be to take your existing business and make it digital and more efficient.

Find ways to lower cost-to-serve and reduce cycle times and focus on how to move the channel mix of sales to digital channels, particularly mobile. For any given size of balance sheet, our analysis suggests that squeezing more return from it is a pre-requisite to securing a premium valuation.

Doing so requires banks to build digital muscle, ranging from becoming familiar with foundational tools, like RPA, AI and cloud, to letting go of non-core activities, to building the cultural and process expertise that enables the pivot to true agile development and raises the metabolism of the organization. Our experience also suggests that a top-down commitment is essential, as it signals to the organization that becoming a digital bank is not a side-of-the-desk or middle management activity. It must be a CEO- and Executive Committee-led initiative, if it is going to succeed and that the whole executive team must be able to tell both a compelling internal and external story to convince both employees and investors that they are serious about becoming a butterfly. That story can front run the reality to some extent, but the narrative must shape the digital transformation journey and help strip away all the distractions that are not vital to that transition. The analysis also suggests that failure to align and commit to the digital transformation journey will result in the organization being an “also-ran” in the global banking industry.

For Digital Active banks already on the journey, the principal lesson is that you need to be fully committed to successfully complete the transition. Your digital efforts are paying dividends in terms of higher ROEs, with the expectation of more to come, but unlike the Digital Focused group, operating margins are falling, and the cost/revenue tradeoff isn't working in your favor at the moment. The challenge for Digital Active banks is to maintain revenue growth while becoming more efficient and comprehensively digital. The sense of urgency in these organizations must be around completing the journey and ensuring that the entropy and fatigue associated with many transformations doesn't drag the organization back towards the old way of doing things—especially when there are multiple new and creative ways to get it done. Some specific examples of the type of totemic decisions likely to be required to complete the journey might include committing fully to public cloud migration; reinventing the core system stack to circumvent legacy constraints; getting rid of the Chief Digital Officer and proclaiming the whole enterprise a digital bank; being more aggressive about the feed/starve analysis to ensure

that “change the bank” is the primary investment axis; and making bold business portfolio decisions to indicate an understanding of and commitment to Open Banking. When a caterpillar transforms into a butterfly, it actually digests itself and rebuilds around a small number of cell bundles that are the blueprint for the butterfly. Digital Active banks need to fully commit to the new world and use the raw material from the old to enable that shift.

The most interesting outlook from our analysis may be what's next for the butterflies. Digital Focused banks have set themselves apart from the pack and established an enviable position in the eyes of investors. However, the challenge for them is, obviously, how to pivot from an efficiency focus to a growth focus, because only through generating faster top-line revenue growth will this group have a hope of closing the gap with fintech and bigtech competitors that are increasingly encroaching on the traditional banking business.

Within this group, there are some examples of individual banks, like BBVA, with strong, top-line revenue growth, but as the analysis shows, as a group, they are not growing fast enough...yet. Growth could come from a couple of different sources. For one, by doubling down on balance sheet growth and using Open Banking to diversify their origination options for both assets and liabilities. Working with third parties to acquire and manage customer relationships will become more and more common as the banking industry transitions from a vertically-integrated business to one where collaboration occurs between a diverse set of ecosystem players. To drive revenue growth, Digital Focused banks will need to be comfortable being both manufacturer and distributor in different situations.

Digital Focused banks would also do well to recognize and exploit the trapped value in infrastructure. The launch of banking-as-a-service (BaaS) offerings from BBVA, ClearBank® and soon others, demonstrates the lure of powering banking operations for others. This transformation into a very large caterpillar may well be the wisest transformation strategy, if it provides interim fuel for change. For it to work, however, banks will need a parallel business model built specifically as a multi-party service provider with BaaS economics and a robust go-to-market approach.



The other source of growth for Digital Focused banks is to address head on the fee income challenge to counteract balance sheet growth. Fee income won't come from traditional sources. Consider that the billions of dollars that U.S. banks gather in account overdraft, account maintenance, and payment fees are squarely in the sights of a host of fintech players and the assumption must be that they will diminish over time. Instead, to generate new fee income, Digital Focused banks will have to go beyond their traditional business boundaries and use their customer trust and information advantage to add tangible customer value.

While their approaches will vary by market, our market observations point to five tips for igniting future revenue growth:

1. MAKE THE NEW TRULY NEW

Any attempt to expand into adjacent revenue fails where the end of the customer journey is an existing bank product.

2. VIEW UNICORNS FOR WHAT THEY ARE

Exceptions, not the rule. Financial services players can only really support broad lifestyle platform plays as opposed to being the central platform. As such, they need to plan for revenue accordingly.

3. OWN AND CONTROL

Own and control any narrow adjacent platform services that you orchestrate. It's the only way to earn sustainable revenue from them.

4. ENABLE DYNAMIC STAGE GATING

Add more strategic specificity to desired productivity or growth outcomes and re-invent core investment approaches to enable dynamic stage gating. Too many players are allowing agile caterpillars to eat leaf after leaf with no breakout plan. Just because you may be ahead, don't get complacent.

5. EVOLVE THE BUSINESS MODEL

Do more than empower the innovation function to increase the chances of a successful digital transformation. Evolve the business model to be proposition-centric, featuring digital factories and special processes for procurement, talent management, and risk control.

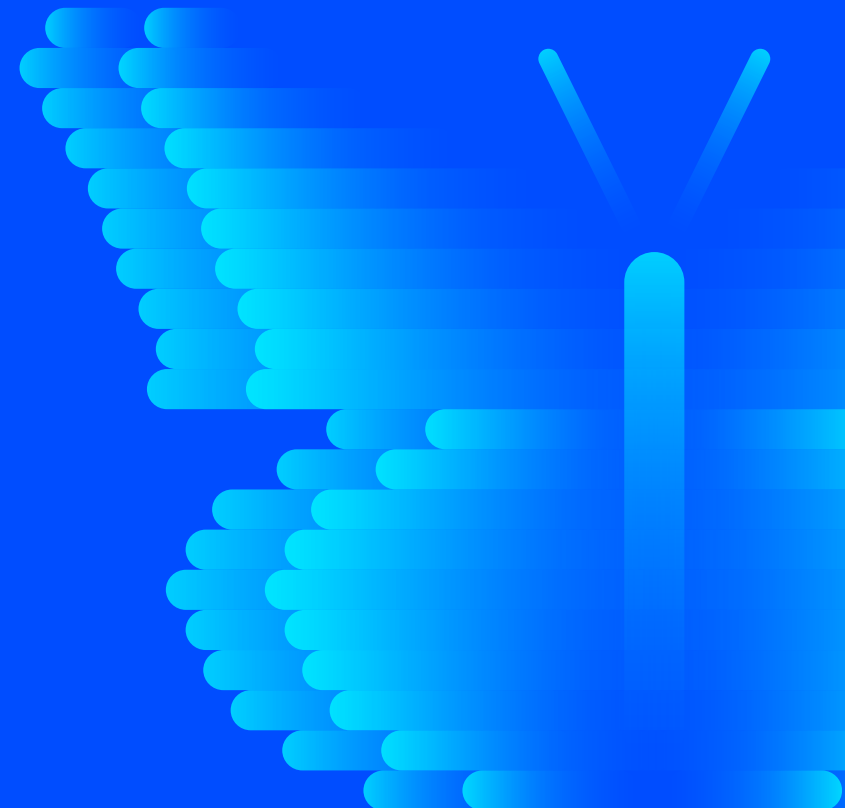
Whether the answer to the fee-income challenge is selling white goods, like BBVA, or forward integrating into the home search process as many mortgage lenders have attempted to do, the answer will vary by market. While there is still runway left to drive down cost-income ratios into the 30s and squeeze yet more return from the current business, ultimately a sustained market valuation premium that differentiates digital butterflies will need to also be anchored in differential revenue growth.

METAMORPHOSIS READY?

Transformation is hard. The metamorphosis that turns the caterpillar into the butterfly is rare in nature and also rare in the banking sector. The evidence suggests that we have indeed moved into a period of volatility and industry change and that digital maturity is at least one of the factors that will separate future winners from losers.

Rather than fixate on being the Uber of banking with all that connotes about headlong growth, the message from our research is that digitally-enabled cost reduction is the first necessary step in building a future-ready bank. Once that foundation has been laid, there are going to be many other challenges about how to grow and differentiate the business model. The challenge facing all but a handful of banks at the moment, is how to take that first step and create the opportunity to get airborne.

So, whether you are a CEO, a Chief Strategy Officer or especially a Chief Digital Officer take a step back and ask the hard question. Is your bank about to emerge from the chrysalis you have spent the last few years trying to build or are you feeling that you are stuck on the forest floor? Whatever your level of digital maturity, we believe that the roadmap to becoming a butterfly and competing effectively with the challenger unicorns is now becoming clearer and that Accenture can help to both chart that course and have confidence in its execution.



CONTACT THE AUTHORS



Alan McIntyre

Senior Managing Director – Banking,
Accenture
a.mcintyre@accenture.com



Julian Skan

Senior Managing Director – Banking,
Accenture Strategy
julian.skan@accenture.com



Cécile André Leruste

Managing Director – Banking, Europe,
Accenture
cecile.andre.laruste@accenture.com



Francesca Caminiti

Director – Banking, Accenture Research
francesca.caminiti@accenture.com

CONTRIBUTORS

Elena Vizzardi

Senior Manager – Banking, Accenture Strategy
elena.vizzardi@accenture.com

Mauro Centonze

Manager – Banking, Accenture Research
mauro.centonze@accenture.com

Dariusz Orynek

Manager – Banking, Accenture Research
dariusz.orynek@accenture.com

STAY CONNECTED

www.accenture.com/Banking

www.accenture.com/DigitalMaturity



Accenture Banking



@BankingInsights



Accenture Banking Blog

REFERENCES

1. DBS. <https://www.dbs.com/digibank/in/index.html>
2. Yolt. <https://www.yolt.com/business>
3. Accenture analysis on Celent, Global Tech spending forecast, various years. Note: “Tech spending” is the sum of IT spending in North America, Asia Pacific Europe and Latin America. It covers internal and external IT (hardware, software and services) costs and includes IT staff costs.
4. JPMorgan Chase & Company. <https://reports.jpmorganchase.com/investor-relations/2018/ar-ceo-letters.htm?a=1>

MORE ON THIS TOPIC

www.accenture.com/BeRelevant

www.accenture.com/FindYourNorthStar

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 477,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

ABOUT ACCENTURE STRATEGY

Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow [@AccentureStrat](https://twitter.com/AccentureStrat) or visit www.accenture.com/strategy

ABOUT ACCENTURE RESEARCH

Accenture Research shapes trends and creates data driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients’ industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organizations, such as MIT and Harvard—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients. For more information, visit www.accenture.com/research

This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.

Copyright © 2019 Accenture
All rights reserved.

Accenture, its logo, and New Applied Now are trademarks of Accenture.