



Digital Banking

Chapter 1 : Introduction

Prepared : October, 2014

Bank's view of itself



Customer's View of Bank





Introduction

Customer

Banking Digitally

Channel Transformation

Effects on Retail LoBs

Looking around us ...



- Interactive Grocery Stores in airports and Subways
- Movie Streaming, eBooks, Tablets
- 20% online sales from Smartphones
- 10 % of all orders of Tesco Direct from mobile website



- GM Partnership with RelayRides
- GM's customer fleet & OnStar program; with entire experience enabled thru mobile app
- RelayRide's Insurance for the P2P car sharing marketplace



Digital Life, an application and services platform offering services to consumer households including media management, home security, home energy monitoring and diverse sensor-based services such as water leak detection and water main control



Thru MagicBand

- Tactical: Preferential Queue, Touch to Pay
- Precognitive Servicing: Food pre ordering
- Socializing: Plans with friends & family
- Experiential: Activity storybook



Building cloud-based services with intelligent analytics to collect and combine vast amounts of industrial-machine & equipment data, extracting unique insights to set new performance standards in major industries such as energy & aviation

.. and on a closer look

- **New Business Line**
- **New Distribution Model**
- **Customers “Like”**

Direct from mobile website



- **Disruption in existing business model**
- **Symbiotic Relationship = Ecosystem**

P2P car sharing marketplace



Digital Life, an application and

- Expanded Business Line
- From Infra provider to a “Life Style partner”

water main control



Thru MagicBand

- Tactical: Preferential Queue
- From Tactical to “TACTILE”
- Hyper Personalization & Hyper Localization

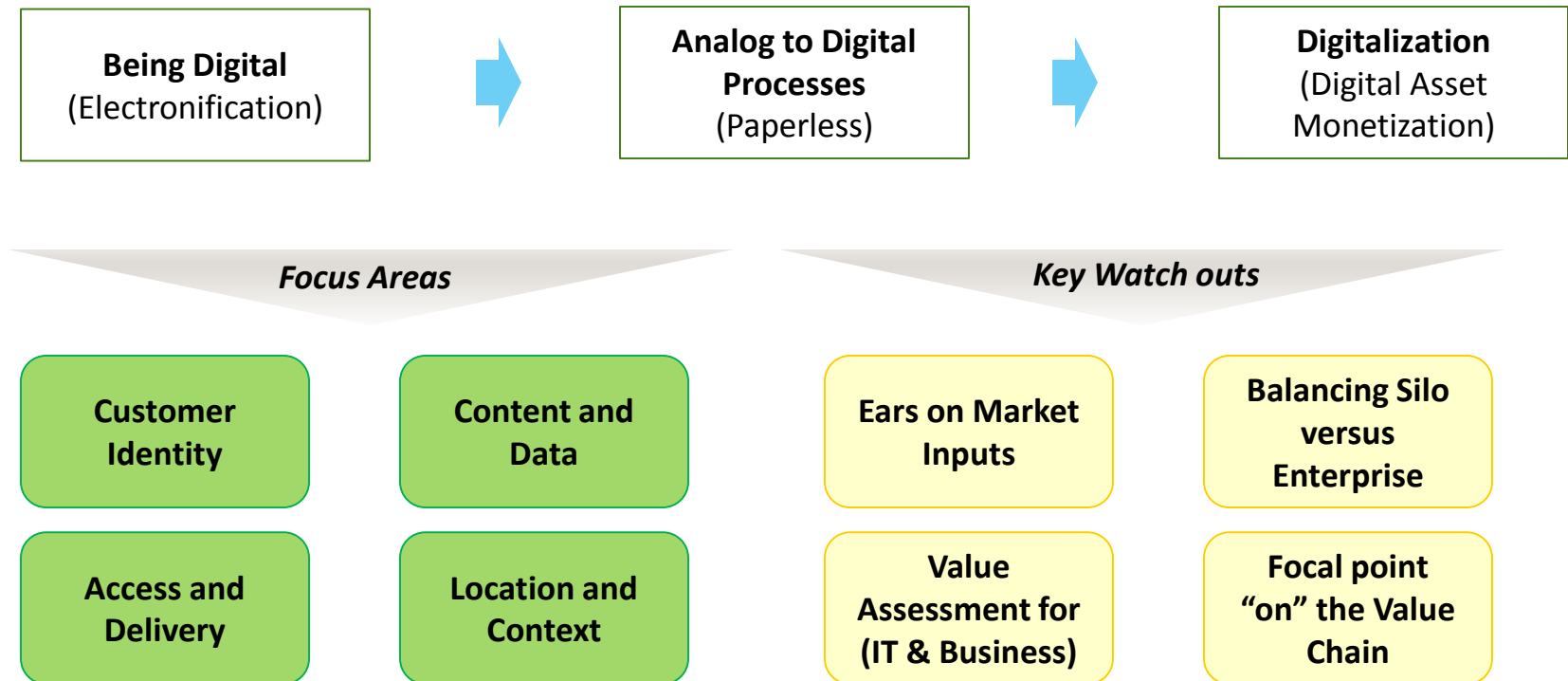


Building cloud-based services with intelligent analytics to collect and

- **Harnessing the power of Information**
- **“Value Added Services “**

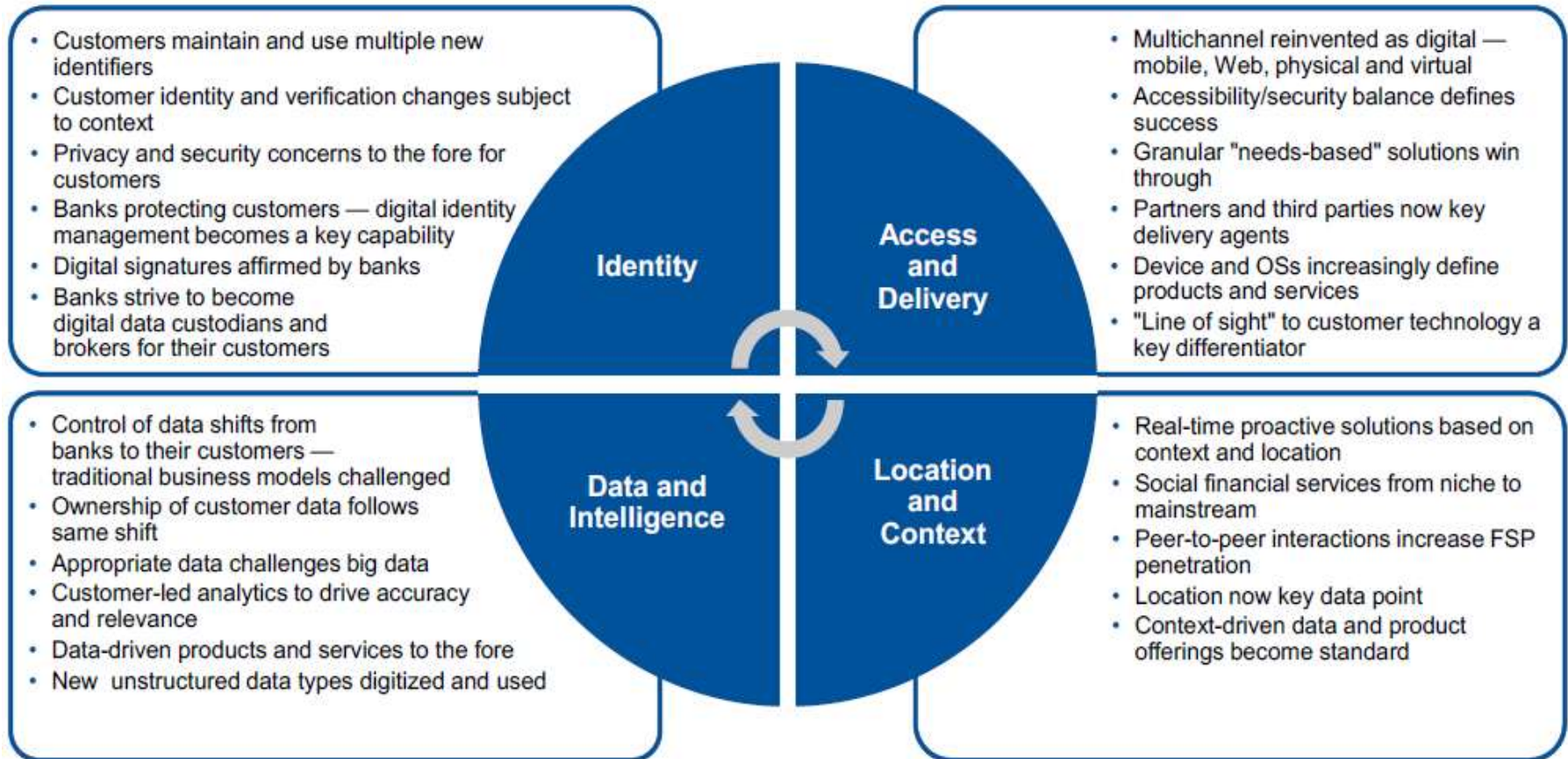
Digital Banking

*Broad range of technology (& sensor) centric capabilities enabling newer methods of **multi modal**, **multi directional** and **insight driven** interaction¹ across the **value network**² to augment customer experience and drive growth across ecosystem players - enabled via transformation of Processes, Delivery & Information sources*



Gartner's Taxonomy

Areas of significant changes include the ways products are consumed, services are delivered and revenue & costs are allocated



Across Banking Functions : Macro view

Overarching : One Wells, One HNB, One Citi, New BAC, Chase 3.0

Lending & Mortgage :

Digitized On boarding (Self, Salesforce), Instant Lending, Real time Risk Profiling, 3rd party enabled property search, Augmented Reality based solutions

Cards & Payment :

Tokenization & Cloud based SE, Collection & Dispute resolution over digital channels, Digital Wallets, Digital Offer ecosystem with self learning

Wealth Management :

HNI (automated & personalized) Research Capsule, Portal for Understanding & buying Investment products, Property Investment with time machine style visualization, MRDC into brokerage account, Virtual agents for periodic updates & visual chat, Client & Product analytics

Commercial Banking :

Funds Predict for corporate treasurer, Touch / Surface solutions for document digitization & workflow for Trade Finance, Social Networking site, Business Assist capabilities

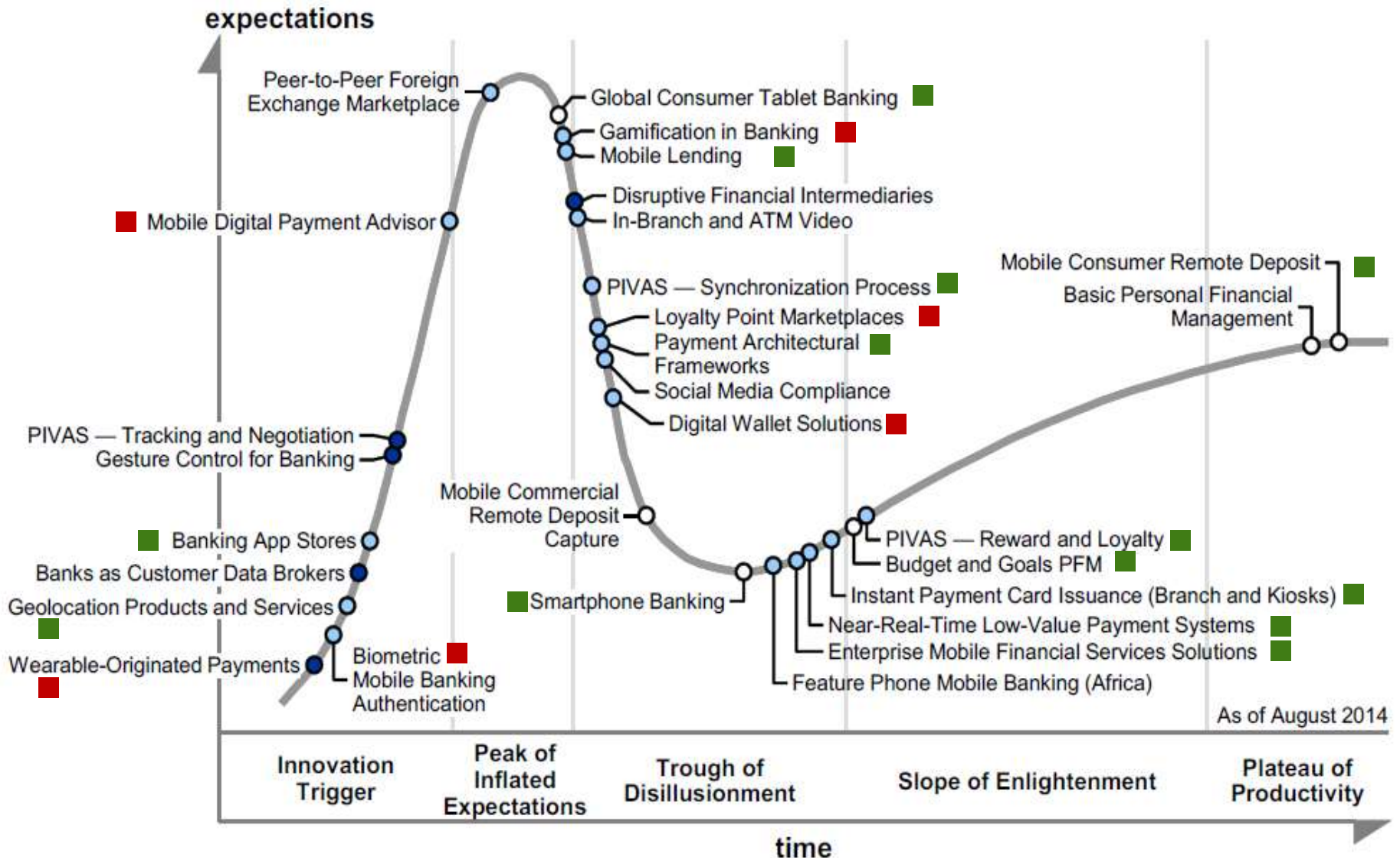
Investment Banking :

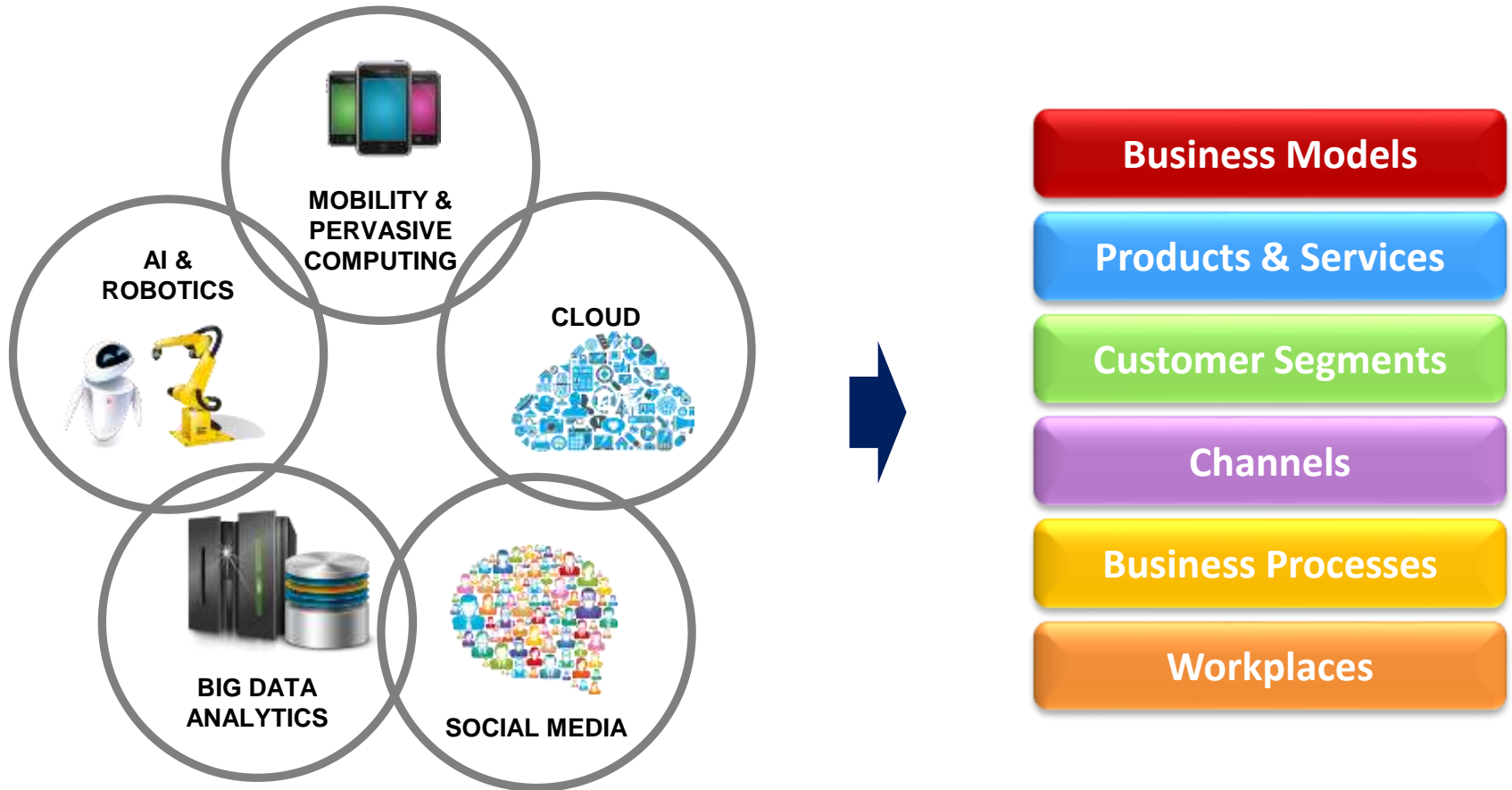
Amazon like trade related recommendations, Txn analysis for Trade Data breaks, Portal & Reporting for investors & brokers, Market Reference Data (online, mobile)

Channels:

Video-mobile-tablet integration, Interaction Gamification, Sentiment analysis, Sensor based solutions, Early Engagement, Widgets in Social channels for transacting, Integrated workspace (biz apps, collaboration/messaging/blogs, directories)

Gartner Hype Cycle for Digital Banking (2014)





Financial institutions leveraging Digital forces

Business Models

UK: P2P evolving into Money Movement

Australia: 3rd Party Developer ecosystem, Crowdsourcing for app development

US: Social score for Underwriting, Product configuration

Products & Services

US: Servicing thru Twitter and Facebook

Africa, India: Mobile Money

US: Contextual Offer lifecycle management thru Twitter, Facebook

Customer Segments

LATAM: Mobile based Financial Inclusion solutions

US: Life Style and Life Stage based Products (predictive, machine learning)

Europe, Canada: Digital only banks for Netizens

Channels

US: Omni Channel and Multi modal experience

US: End to end Ownership Circle on mobile (Car, Home)

Australia, US: Branch Digitization (systems, peripherals)

Business Processes

US: Omni Channel and Multi modal experience

US, Europe: Real time credit quote & approvals (loans, mortgage)

Australia: Document Management on Cloud

Workplace

US: Advisory apps for Financial Advisors

US, Australia: Mobile Doc Cloud for instant access to information

US, India: Predictive Analytics to reduce attrition

Next Chapter : 2



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THANK YOU

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