

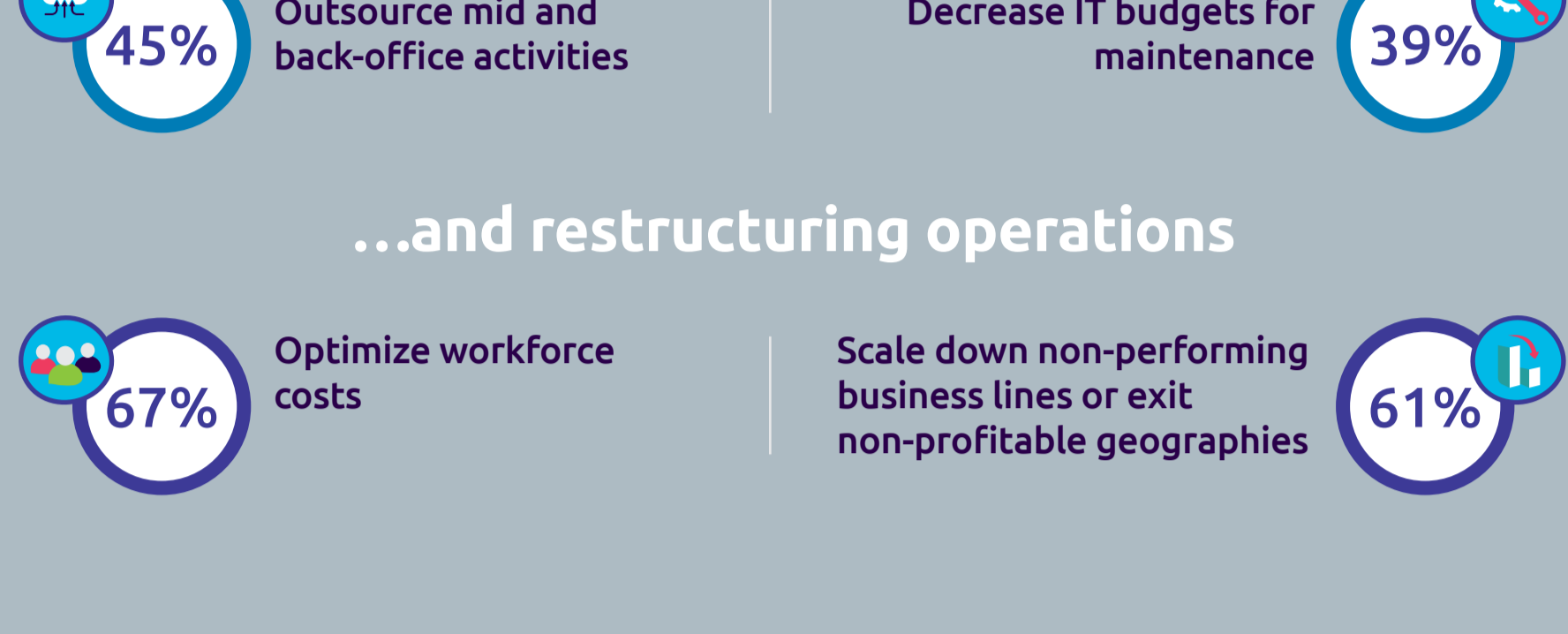
WORLD RETAIL BANKING REPORT 2021



Covid-19 has created a complex & uncertain retail banking environment

Banks are rationalizing IT spending...

% of executives plan to:

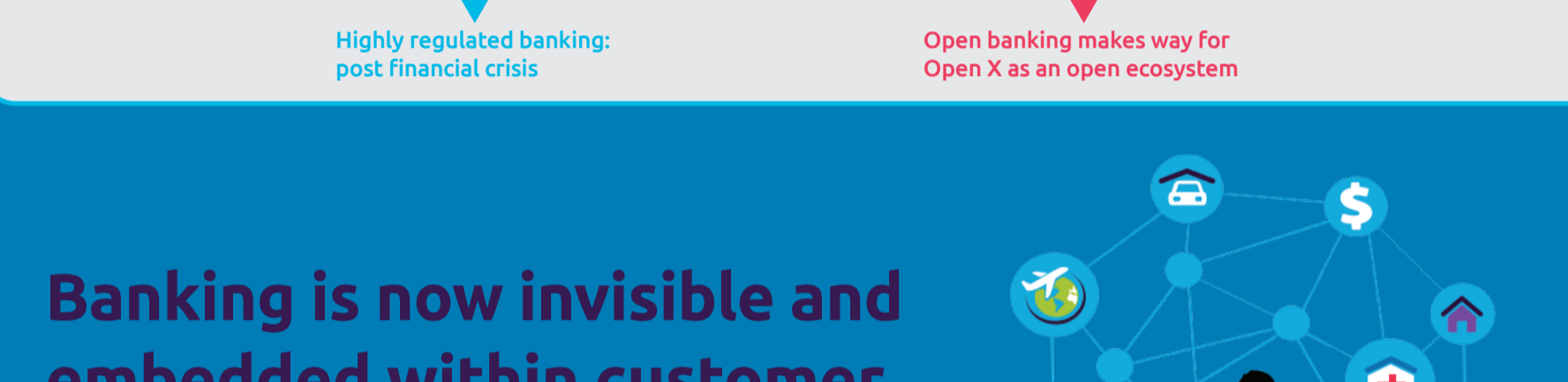


...and restructuring operations



The pandemic has highlighted the need for banks to offer an enhanced customer experience

It's time for banks to embrace the Banking 4.X² era



Banking is now invisible and embedded within customer lifestyles



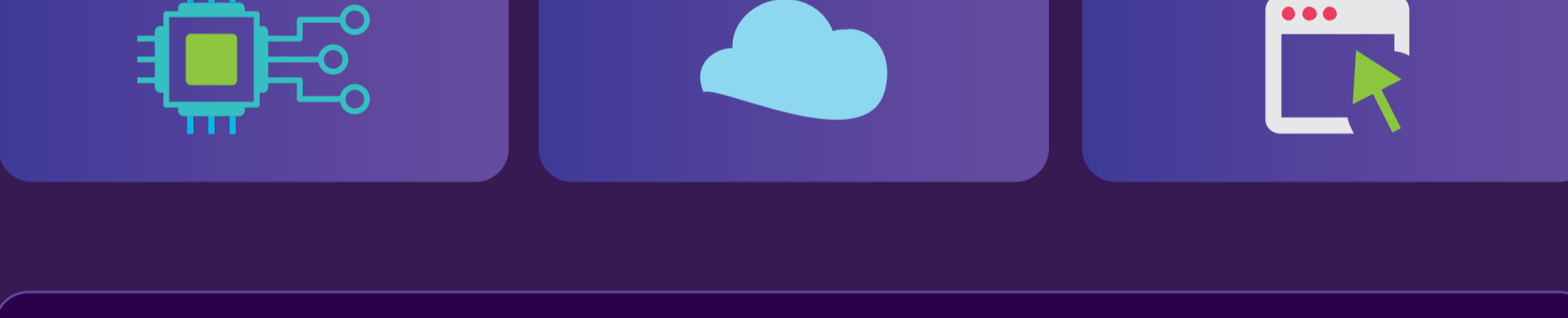
Platform-based business models will pave the way forward

BaaS³ platform models is the way forward for banks to thrive in Banking 4.X

BaaS benefits:



BaaS needs a digital foundation, powered by



A flexible BaaS platform underpinned by a robust digital foundation will help banks leverage their ecosystem and provide a unified value proposition. But to build upon this value, banks must deliver excellent CX

CX will retain & amplify value in Banking 4.X



Consumers are in the driver's seat as banks struggle to deliver frictionless CX

On average, **customers:**

80% demand an omnichannel experience

44% face medium to high friction in interactions

To deliver enhanced CX, banks must:

- Cultivate a data ecosystem by
 - Capturing data
 - Managing data via data management platforms
 - Analyzing data via AI/ML/analytics
- Reimagine branches as experience centers
- Implement a digital CX layer to integrate all ecosystem players

Banks can create and retain long-term value by building a digital foundation, driving inclusive innovation, becoming an experiential platform and evolving as an Inventive Bank

Footnotes:

1- Open X – X for eXperience, is an open platform approach in which participants of all sizes and from across industries work together. Open X requires that incumbents determine the role they will play (e.g., supplier, aggregator or orchestrator) based on their strengths and leverage the capabilities of other third parties to provide the complete CX journey.

2- Banking 4.X – an experience-driven, platform-based, optimum channel banking resilient to financial and non-financial threats, built around long-term, sustainable growth where human interactions evolve from servicing to advising.

3- BaaS – Banking-as-a-Service - enables banks to share their core capabilities, and data with third-parties as consumable APIs.