

Banks will navigate uncharted waters teeming with geopolitical and macroeconomic disruptions. Watch for a resilience and innovation focus.

**BUSINESS RESILIENCE**



**Banks will unlock value at scale by migrating workloads to the cloud**

COVID-19 drove cloud migration to maintain bank operations. Now, core workloads are being transitioned from legacy systems to a multi-cloud infrastructure.



**A boom in synthetic data will catalyze information ecosystem growth**

Mature cloud and a rising infrastructure flow of synthetic datasets will democratize AI and pave the way for intelligent digital transformation.

**INNOVATIVE NEW HORIZONS**



**Banks take on embedded finance and the last-mile experience to boost CX**

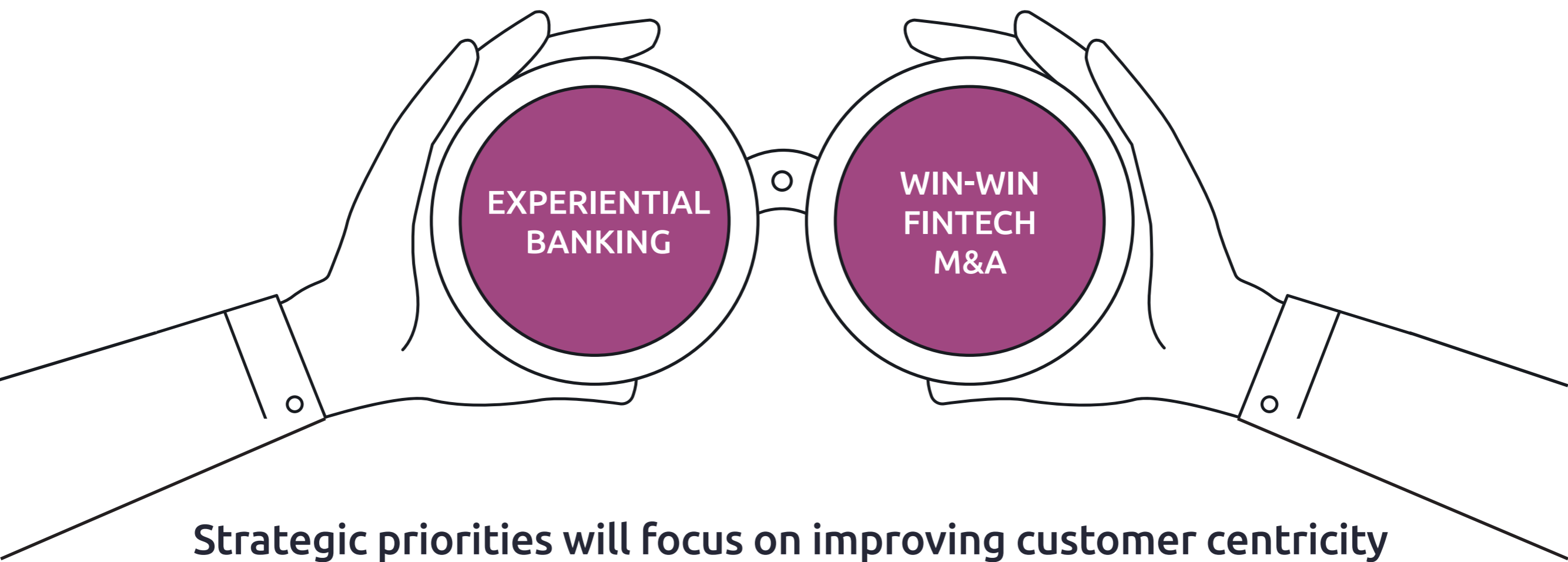
Bank-owned BaaS platforms keep incumbents in the game and establish relationships with end customers through embedded finance.



**DeFi trends generate guarded interest**

FIs will strategically consider decentralized finance use-case pilots, but instability and 2022 losses urge caution.

**Shifting 2023 retail banking dynamics**



**Strategic priorities will focus on improving customer centricity**



**Smart branches feature experiential banking and convenience to spark customer connection**

- Firms will redesign brick and mortar sites into smart branches as part of their omnichannel and strategy
- Customers independently access digital self-service tools for simple transactions, while bank staff focuses on high-value services.



**Incumbents are on the lookout for M&As with mature FinTechs to complement digital capabilities and boost scale and profitability**

- FinTech acquisitions can enable new value propositions, lead to cross-selling opportunities, and penetrate new customer segments
- FinTech deals offer access to talent, technology, new product segments.



**CMOs orchestrate end-to-end customer journeys**

- Today's CMOs design creative and personalized customer experience journeys
- They oversee marketing analytics, digital partnerships, and marketing strategies.



**Digital IDs are poised to gain momentum**

- Digital IDs are critical to build trust in digital infrastructures with interoperable and seamless data exchange
- Digital IDs will mitigate cybercrime and help authenticate customers' online identities securely.

**Create and enable new values**



**More banks will prioritize circular sustainability**

Many retail banks are building a high-profile sustainability presence by promoting green business practices, processes, and digital finance.



**Banks offering financial wellness advice can boost customer engagement**

Banks will launch financial awareness programs and products such as budget planning tools, customized loans, and retirement services to support customers during cost-of-living challenges.



Customer centricity and business resilience will remain top of mind in 2023