Next Generation Banking: Opportunities and Challenges

“Leveraging innovation to change the way we compete”

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Disruption and innovation is everywhere, threatening traditional banking models.
Technological innovation is constantly changing how banks compete

1980’s
- Branch automation
- Core banking

2000’s
- CRM
- Channels
- Workflow/STP
- Data warehouses

2020’s
- Social
- Mobile
- Analytics/big data
- Robotics
- Cognitive
- Cloud
- Cyber security
Competition and disruption in the front office will continue to intensify in our market …

- **Project finance**
  Large scale projects and infrastructure

- **Transaction banking**
  Trade finance and cash management

- **Wealth services**
  Mobile and robo-advisory

- **SME banking**
  Fuel for growth and business management services

- **Mass affluent banking**
  Everyday lifestyle services

- **Financial inclusion**
  Payments and simple mobile banking
... as evidenced by disruptive startups and accelerating Fintech investment in Asia

**Investment in APAC fintech on the rise**

**Investments (US$M)**

**Deal volume (#)**

<table>
<thead>
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<th>Year</th>
<th>Investments (US$M)</th>
<th>Deal volume (#)</th>
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<td>2010</td>
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Source: Accenture analysis of CBI Insights data
Innovation in the back office will also transform the way banks work, including business models.

Robotics + cognitive = The virtual shore

Liquid workforce

Platform business model – connecting 3rd party products and services “just in time”

Digital trust and cyber security
To stay relevant, banks must re-think how to compete…

*How will we innovate? What is our business model?*
To deliver next generation banking solutions to the business, technology and operations leaders will have to:

Set new digital strategies & Architectures for the Bank:

1. Innovate with an entirely new bank that cannibalizes the old bank
   - mBank
   - Ping An Bank

2. Innovate and transform from the outside in
   - BBVA
   - Santander
   - HSBC

3. Innovate and transform from the inside out
   - Commonwealth Bank
   - NAB
To deliver next generation banking solutions to the business, technology and operations leaders will have to:

1. Enable multispeed delivery capability for the Bank
   - Open innovation labs to seed new business ideas & opportunities
   - Agile delivery to get new digital solutions to market fast
   - Legacy delivery to co-exist with the new and maintain the old
How will you lead and deliver the next generation of banking?

How will you catch & keep me?

Your move Bank?