

About us and our Community

2018

Who we are

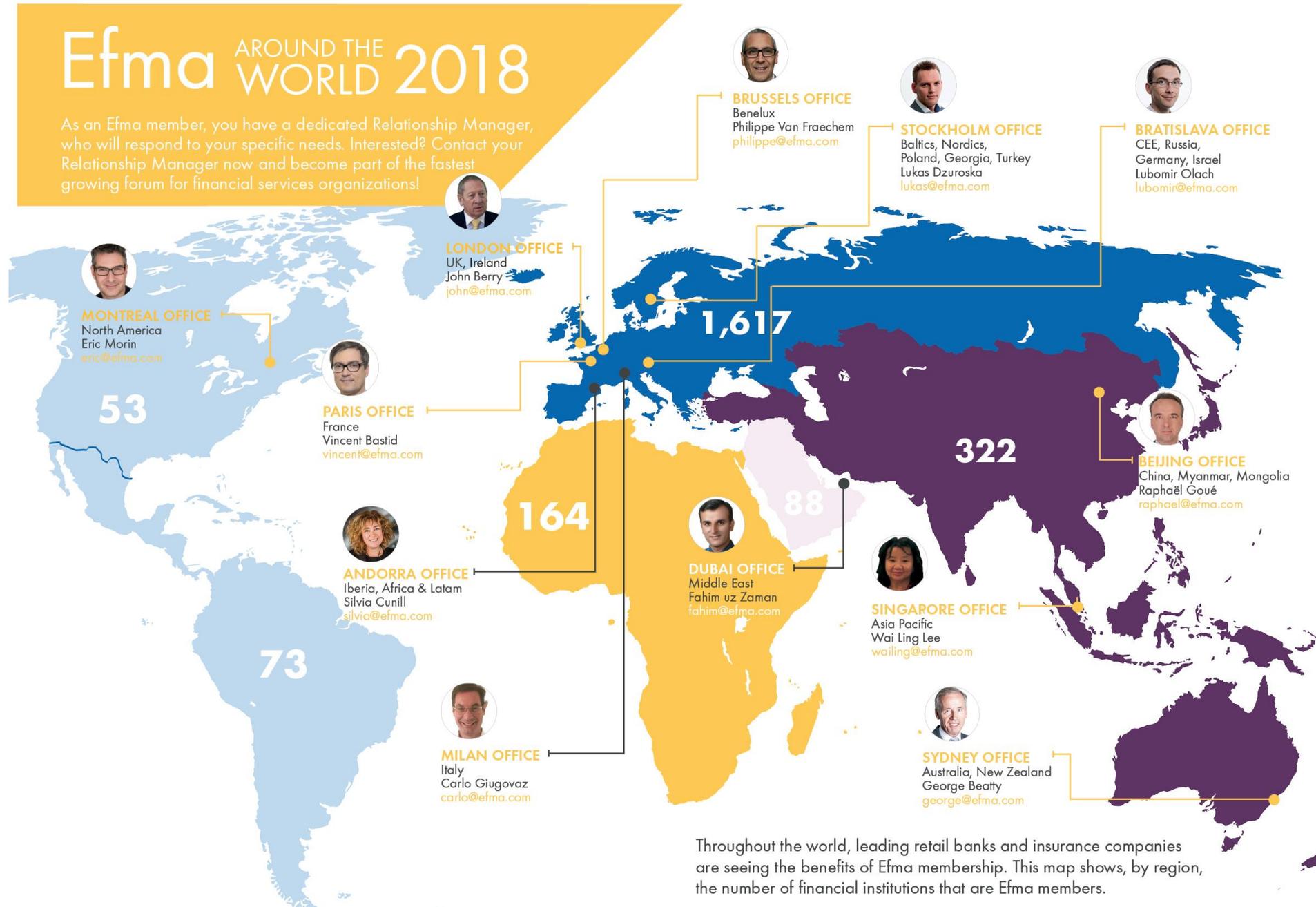
Efma is a **non-profit organisation** created in **1971** by **bankers** and **insurers**. It brings together thousands of retail financial services companies from over **130 countries** all around the world:



[Check the full list of members](#)

Efma AROUND THE WORLD 2018

As an Efma member, you have a dedicated Relationship Manager, who will respond to your specific needs. Interested? Contact your Relationship Manager now and become part of the fastest growing forum for financial services organizations!



Throughout the world, leading retail banks and insurance companies are seeing the benefits of Efma membership. This map shows, by region, the number of financial institutions that are Efma members.

Key figures

647,000 efma.com sessions

Near 3,000 innovations fully detailed from 687 institutions

275 presentations per year, 10 flagship conferences

300 participants in councils 1800 Fintech 3 ceremonies, 18 Awards

2,600 innovations 280,000 contacts at Efma

57% top and C-level in conferences

500 articles read by 29,000 persons 7 clubs

35 reports per year, 9,600 downloads 20 IT & consulting partners

37 events

4 digital portals, 47,900 users

Governance



I am honored and delighted to serve as Chairwoman of Efma. Efma is ideally placed at the center of innovation, customers, and financial services, to drive progress across the industry. I look forward to collaborating with Efma's members and the Efma leadership team in my new role



Yolande Piazza
CEO Citi FinTech at **Citi**
& Chairwoman at **Efma**



Efma facilitates networking between decision-makers, providing quality insights and market intelligence to help financial institutions make the right decisions to foster innovation and drive transformation. We are the largest retail banking and insurance community collaborating to reinvent financial services.



Vincent Bastid
CEO
Efma



Global Preview 2H2018

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Digital
Banking

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Future
Workforce

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Banking

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Advisory

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Management

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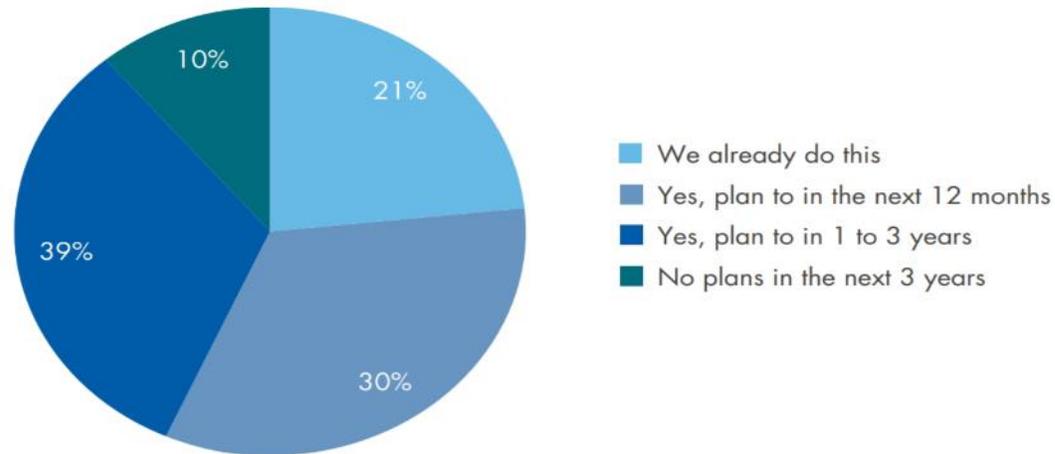
SME
Banking



1

Digital Banking – Platform & Collaborations

Plans to become an 'open bank'



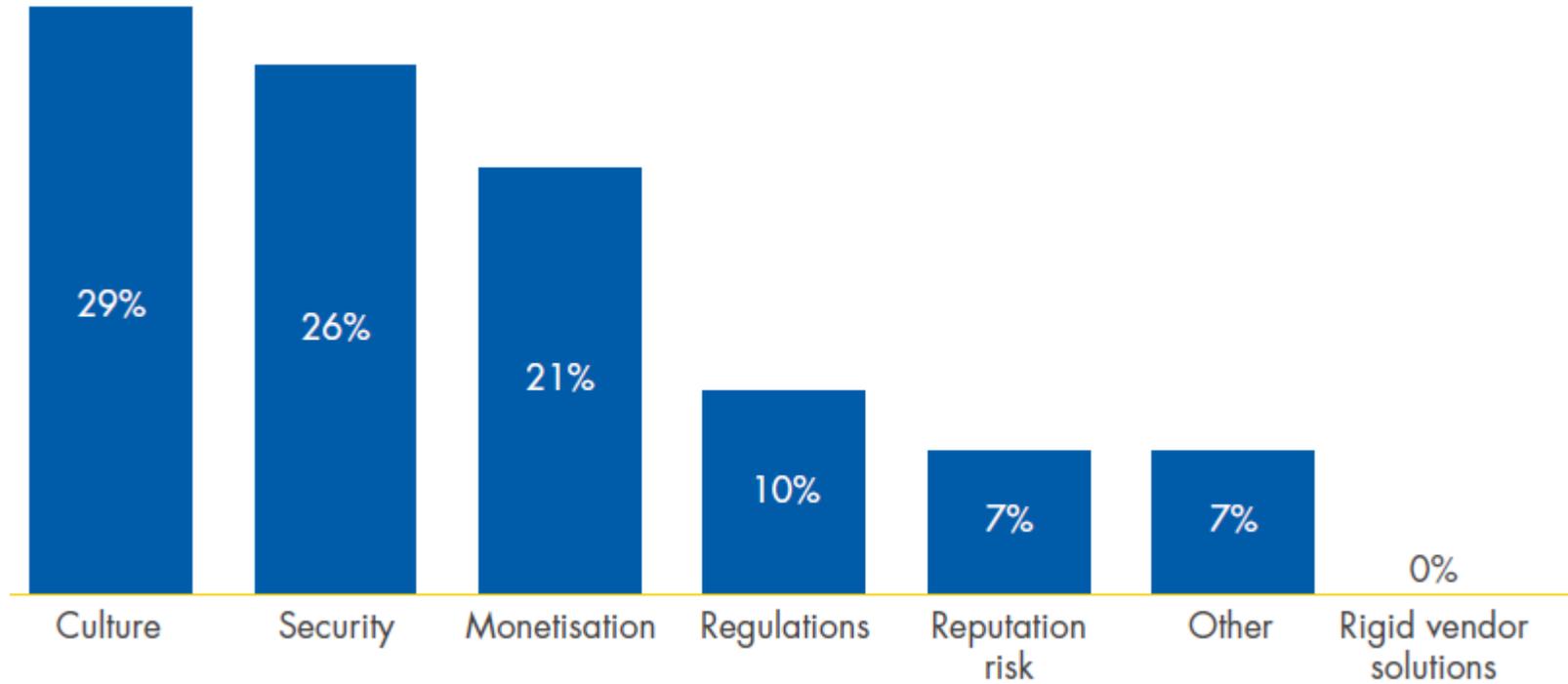
The five elements of a digital platform. Percentages from 2017 IT budget on 'digital business' or 'banking transformation'



■ None
 ■ Less than 3%
 ■ 3% to less than 5%
 ■ 5% to less than 10%
 ■ 10% to less than 20%
 ■ 20% to less than 50%
 ■ 50% or more
 ■ Don't know

Source: Efma-Gartner Digital business in banking 2017

Barriers to becoming an 'open bank'



Source: Efma-Gartner Digital business in banking 2017

Banking as a platform



solarisBank, a tech company with a banking license

Germany

solarisBank is not simply trying to replace a banking institution with a digital bank, but instead **create a banking platform** where anyone who wants to become a financial player, but doesn't possess a banking license himself, can build innovative and context specific banking products for their customers.

solarisBank takes on the burden of regulatory compliance and providing the banking license, and its partners are able to enjoy the freedom of focusing on what they do best – building world class digital financial services.

— solarisBank in numbers

150+

in staff

34

years average age

30+

nationalities

180+

API endpoints

Offering a marketplace of apps



Germany

FinanceBay by Fidor Bank

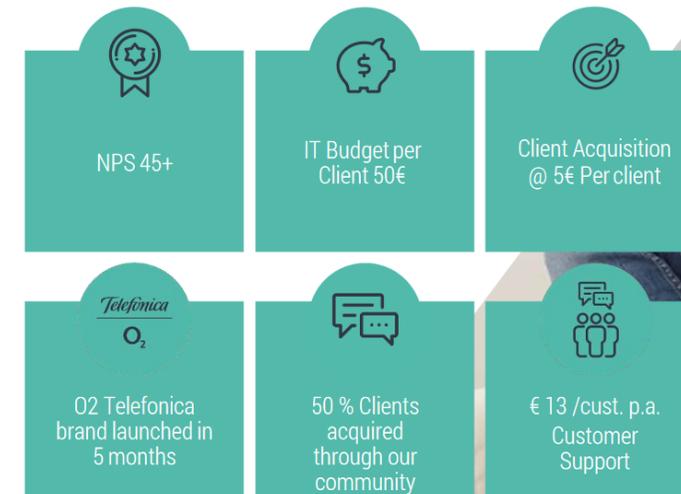
- Fidor Bank has defined a completely unique new banking relationship for digitally-savvy consumers and business customers with its Fidor Community and The Fidor FinanceBay.
- Fidor Bank has around **170,000 active fully legitimized Fidor Customers**
- The Fidor Community has become one of the most active financial communities where more than **450,000 users engage in discussion around the clock.**
- With Finance Bay, Fidor Bank offers a marketplace where **customers can “shop” for trusted FinTech and InsurTech apps.** Fidor makes it easy for customers to find all products they need right from their banking application. All apps offered on Fidor

FinanceBay go through a thorough review for quality, compliance and needs to be approved by Fidor, creating a trusted, curated marketplace environment.

The Results

10x Better Banking.

Results beating any industry standards.



Showing your customer that you care

Nordea and Subaio

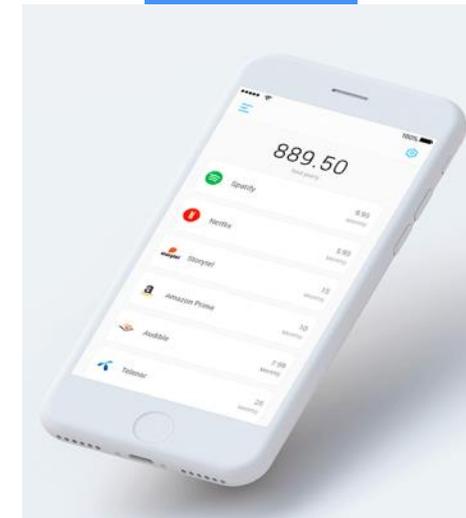
Subaio's service provides customers with a quick overview of subscriptions and recurring payments and an easy way to manage and cancel subscriptions via their mobile device

- **Find:** Get an instant overview of all subscriptions and recurring bills so your customer know exactly what they're paying for
- **Track:** Send notifications when companies charge for new services. Customers will never have to pay for unwanted subscriptions or fraudulent payments again
- **Cancel:** No need to wait in line or fill out complicated forms. Your customers cancellation of subscriptions have never been easier. We'll handle the hard part

Nordea

Denmark

Subaio



Partnering for innovation

The ING's win-win Fintech investment choice



Germany

- **Scalable** will offer a fully digital investment solution at low cost to ING's retail customers in Germany. "Through our partnership with Scalable, we hope to offer convenient investment solutions" explains Martin Krebs, head of global retail investment product solutions at ING.
- **FinCompare**, who entered the market in February 2017, gives ING corporate customers a quick and independent overview of their financing options. "This investment will enable the introduction of solutions to SME customers, a big market segment in Germany, and one where you can truly make a difference in making the lives of entrepreneurs easier" says Benoît Legrand, Chief Innovation Officer and CEO of ING Ventures



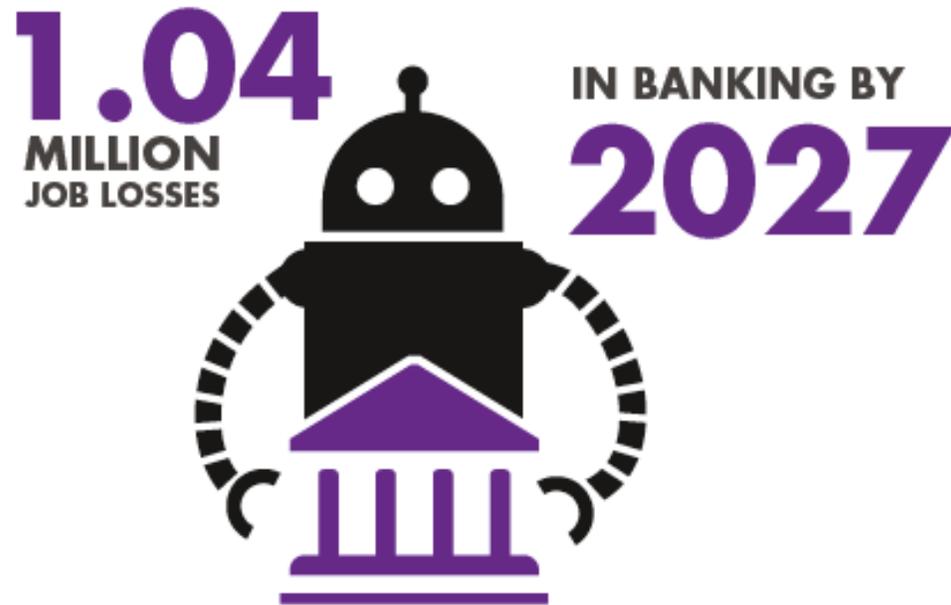
Note: ING Group numbers 51.000 employees and 37.4 million customers over 40 countries, among which Germany where it is the third largest retail bank with +9 million private customers.



2

Future Workforce

Workforce is being reshaped by technology



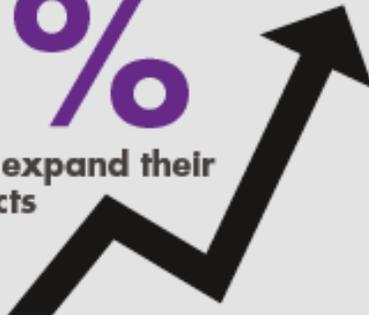
With AI mainly affecting marketing and sales, risk control and audit, and customer management and service (BCG)

74%

of banking executives believe the industry will be completely transformed by intelligent technologies

57%

expect AI will expand their career prospects (Accenture)



A thick black arrow pointing upwards and to the right, indicating growth or expansion.

Optimism about intelligent technologies



of banking executives believe the industry will be completely transformed by intelligent technologies



expect AI to result in a net gain in jobs in their organization in the next three years



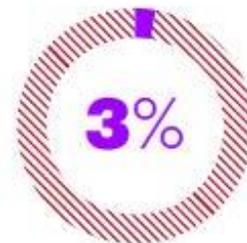
of banking employees expect intelligent technologies to create opportunities for their work



Banking executives say only 1 in 4 of their employees are ready to work with intelligent technologies

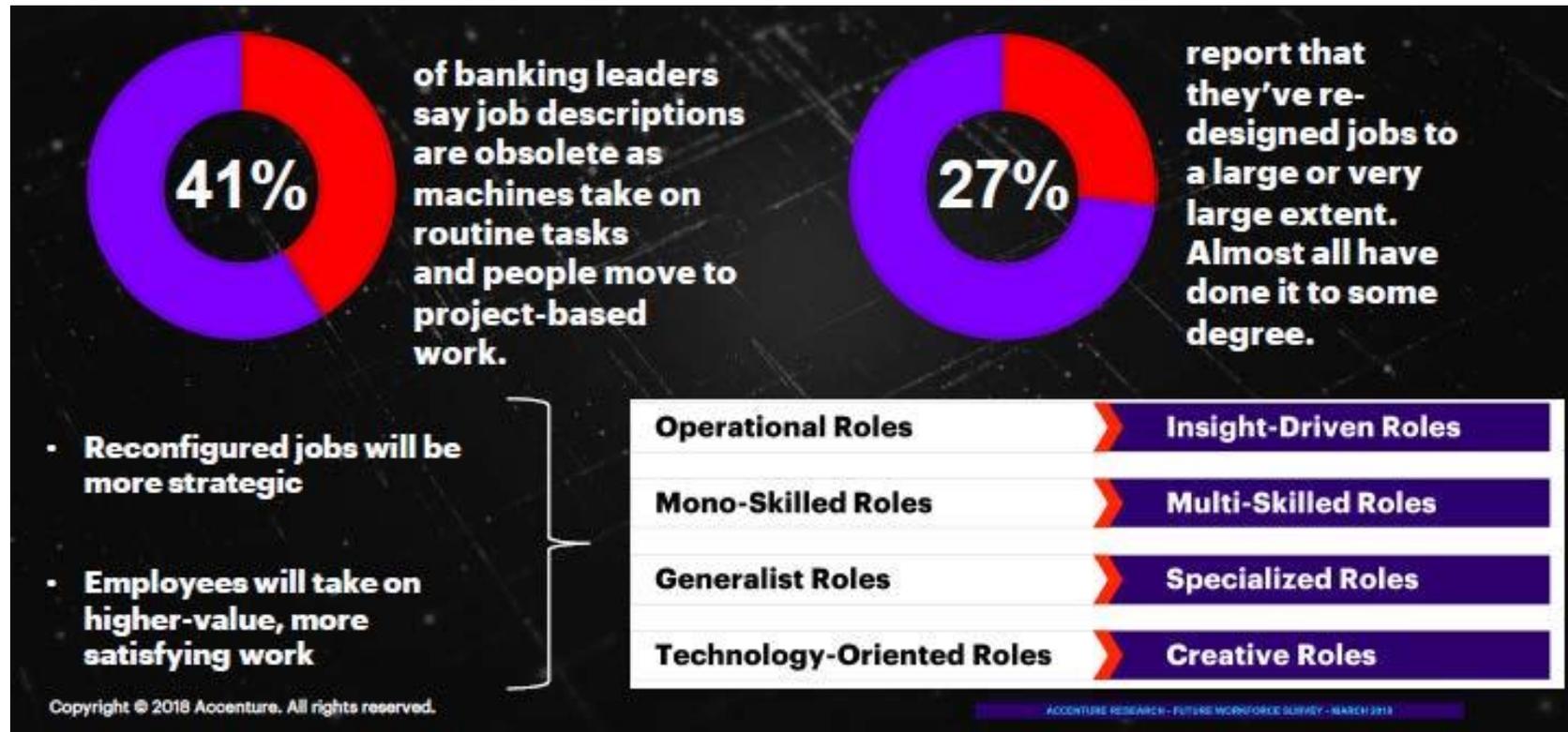


say the growing skills gap is the leading factor influencing their workforce strategy

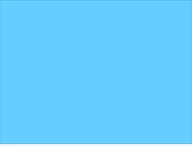


But hardly any say they plan to significantly increase their investment in reskilling over the next three years

Job reconfiguration

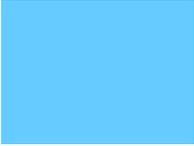


Sources: Efma Creating the AI-powered banker digest 2018
Accenture Future Workforce Survey – Banking Realizing The Full Value Of AI 2018



Changes to Workforce & Workplace

- 1. AI automation:** workers are relieved of mundane tasks, and freed to focus on more value-added work
 - 2. Physical digitization:** embeds digital in physical space to enable tracking of workers and their work, anywhere information access, improved productivity, and experimentation
 - 3. Platforms:** enables liquid workforces, better matching of talent to task, customized work arrangements, increased employee participation, and the ‘sharing economy’
 - 4. Big data:** enables all workers to experiment, improvise and make better decisions free from centralized authority – and reinvents HR and all talent practices
- 

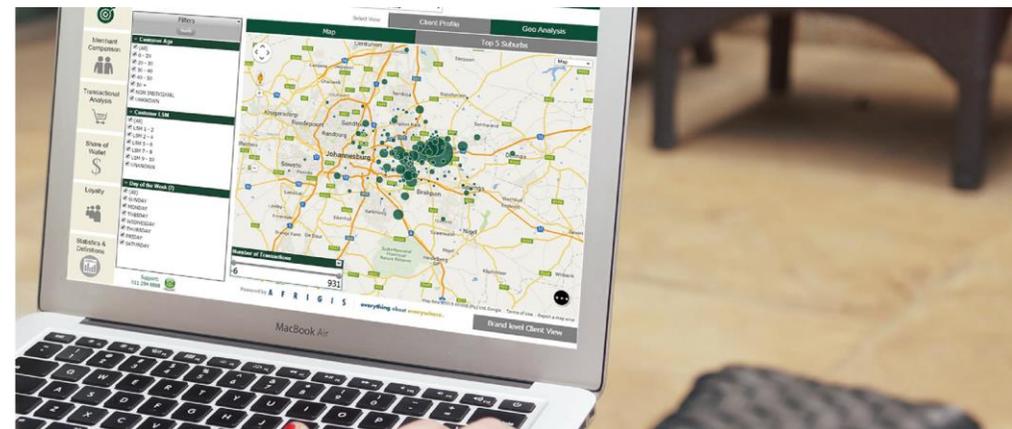


Changes to Workforce & Workplace

5. **Worker preferences:** workers are increasingly having more say in when and where they want to work
 6. **Workplace hyper-connectivity:** connects people and work across space and time like never before with instantaneous and transparent sharing of everything
 7. **Learn on the go:** “Go away and learn” gives way to learning on the go through on-the-job, bite-sized micro learning
 8. **Renewed social contracts:** The end of a job is not necessarily the end of employment. Wise leadership teams will review the social contract they have with their workforces in order to manage the social impact of new modes of work, “uberization” of the workplace
- 



What banks need to do to help their workers build resilient careers. How they should rethink existing job roles, including some of the best ways to effectively introduce AI.



Executive Assistance Bot



India

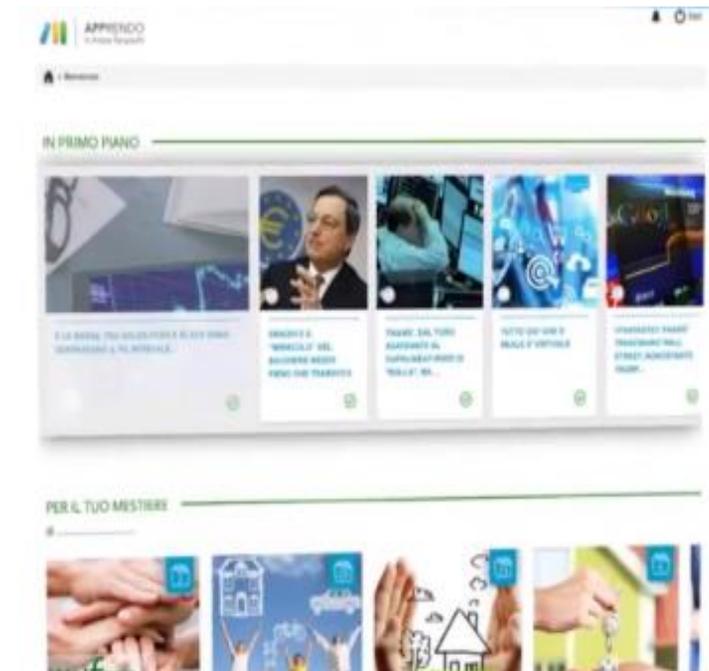
Instant insights and decision making for senior management leaders through use of Artificial Intelligence & Natural Language Search (NLS).

- This bot is exclusively designed for senior management leaders where all key business parameters can be tracked on real time at all levels
- The bot gets customized to the individual seeking answers, learns through language, pattern and logic of questions asked. Hence, it can be classified as personalized bot for each executive.
- Results:
 - Response time reduced from 48 hours to 15 secs
 - Reduced dependency on the team for reviews / decisions on business parameters on real time
 - Accuracy of results / reports
 - Positive user review

ISP Digital Learning

A new learning portal and smartphone app to disrupt the traditional banking workforce training concept, increasing employees' engagement and making them 'fall in love' with this new Netflix-inspired digital learning service.

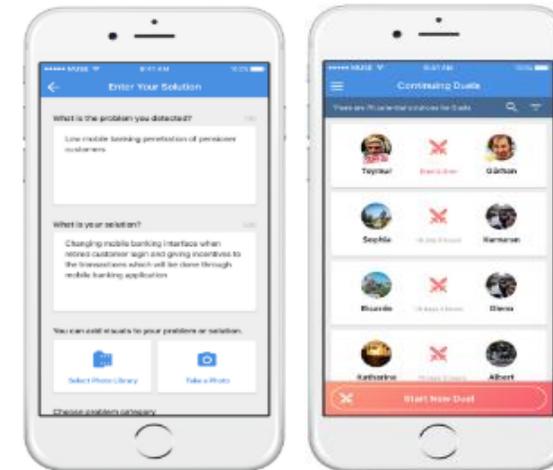
- *The Learning Media Lab* has produced more than 650 high-quality learning objects.
- *Apprendo* is used by 42,600 employees and has collected more than 1.6 million views with >90% out of 1.000 people involved in the pilot launch fully satisfied by the new platform & content
- Savings are up to 20% of direct running costs, not including those related to travel (about the same size)



I Have a Solution!

A gamified platform that aims to create an open innovation and a 'co-opetitive' idea playground (i.e. cooperative and competitive at the same time)

- *Original platform:* a mobile platform to submit solutions that encourages the employees to be part of each solution by liking or challenging it
- *Rewarding:* employees with the highest score win several cash prizes and get a chance to implement their idea in the innovation lab together with experts
- *Challenging even with the boss:* employees can test their solution with others thanks to digital voting and even an idea from the CEO can be challenged!
- *Results:*
 - +90% of DenizBank employees are using the app
 - +95% increase in staff engagement to innovation





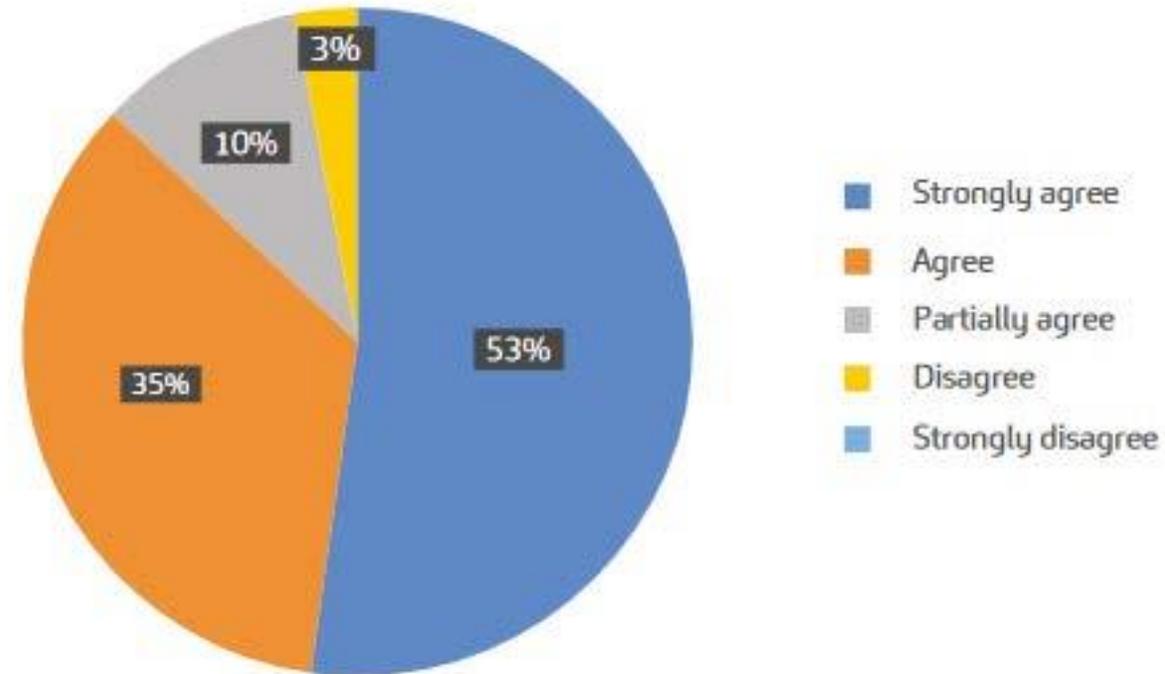


3

Branch Banking

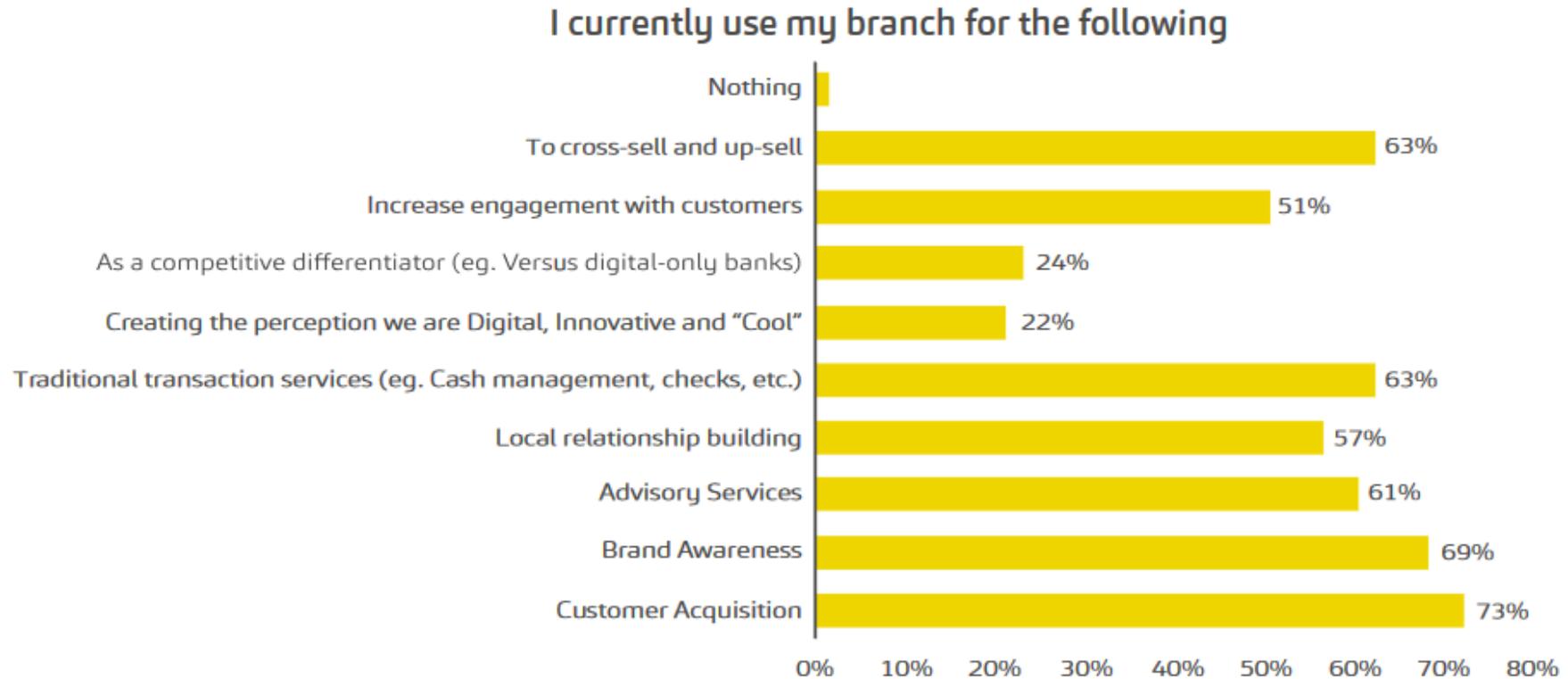
Market perception of branch value

“Bank branches add value to my customers”?



Source: World branch report 2017 (Efma/Synechron - 2017)

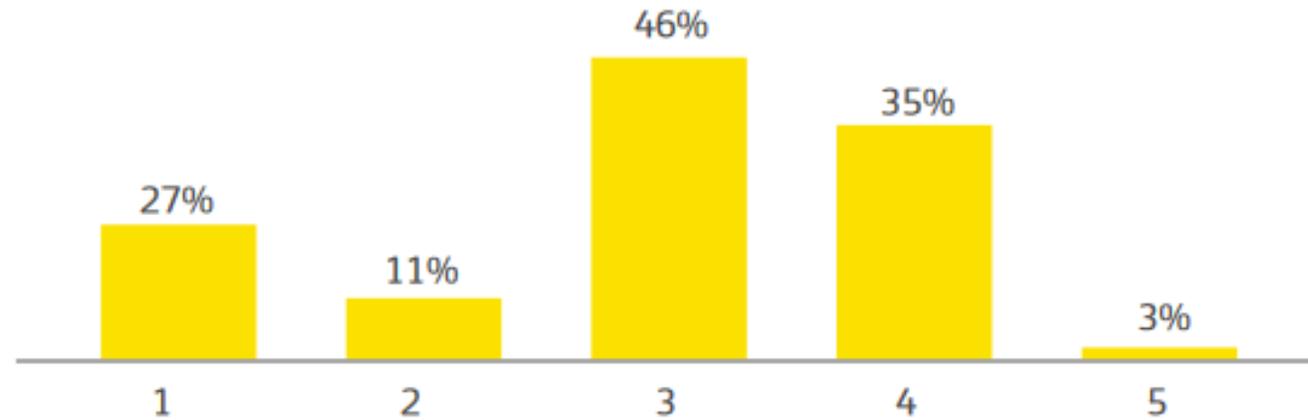
Market perception of branch value



Source: World branch report 2017 (Efma/Synechron - 2017)

Human-less branches

Effectiveness of Humanless Branches



- 1 Humanless Branches do not work now
- 2 Humanless Branches are incredibly affective
- 3 The technology is not ready now, but humanless branches will be affective in the future
- 4 Humanless branches will never work; customers like to deal with people
- 5 We do not have branches

Source: World branch report 2017 (Efma/Synechron - 2017)

Customers-inspired Branches

Customer Experience to the fore:

- Learning lounges
- Similar experience at home and in the branch
- Where customers are; co-branded branches
- “Pop-in, pop-out” transaction branches
- Advisory branches



“Showcase” Branch



Digital Banking zone with New Interactive Teller Machines, Cash Deposit Machines, Fast Cash machines or ATMs, ‘Timesavers’- with the Time Saving Tablet Banking App.

Future Banking Zone where customers can meet with robot Pepper, experience a Virtual Shopping with AR&VR implementations by Mastercard, enjoy driving the Connected Car by Visa, reimagine home purchasing by SAP’s Home Purchase App with AR also talk to a virtual voice assistant with Amazon Echo

Advisory Banking Zone dedicated for customers to interact with RMs and Customer Service



Similar Experience

EER 9.0, Making contact 9.0



France

- With EER9.0, the customer can open an account within 9 minutes with zero paper, using just his mobile phone or tablet, or face to face with an agency consultant. He can start the process with one channel and finish it on another, with the help of a teleoperator available 7/7.
- The customer also obtains his virtual bank card immediately, and chooses a delivery method for the physical card: at home within 48 hours or to an agency.
- In the medium term, we look forward to offering our customers video authentication.



“Where customers are” Branch



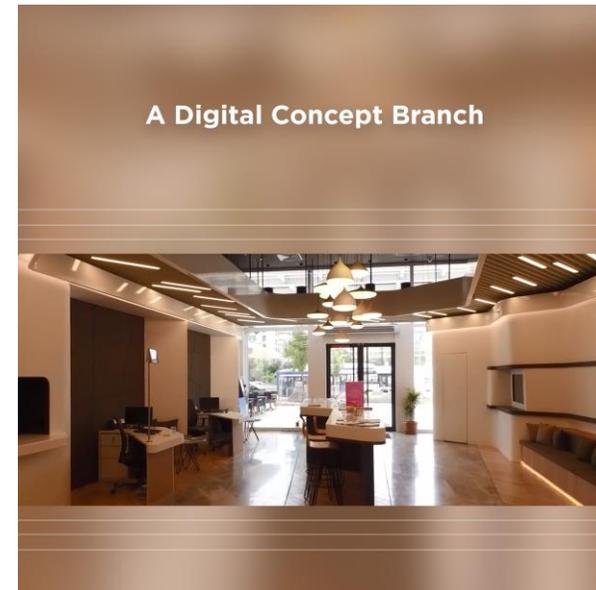
Turkey

New age digital branch that allows you to sit, relax and enjoy your time while waiting your next train under a DenizBank Roof.

A concept branch that includes new generation technologies such as **Digital Devices, Virtual Reality Equipment** etc.

Results:

- Increased technological knowledge in our branch customers and created awareness in new banking channel types.
- Change the perception of the DenizBank’s branches in eye of young adult customers.
- Featured in over 20 newspapers reaching over 2 MIO people offline and 4.5 MIO people online.



New Retail



Hema Supermarket and Experience 'New Retail'.mp4



Amazon Go and the world's most advanced shopping technology.mp4



Chase's 'branch of the future'.mp4

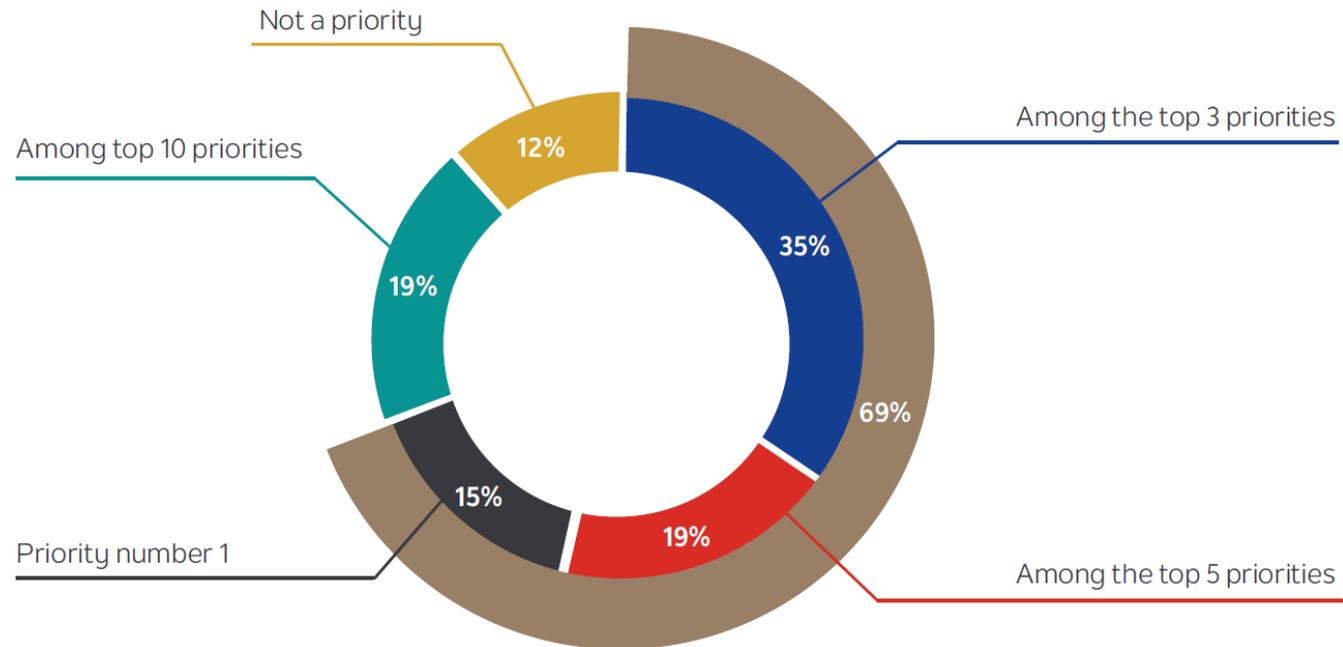


4

Digital Advisory

Digitization of financial advisory services, a priority for banks worldwide

69% of banks place digitization of financial advice among their top five strategic priorities

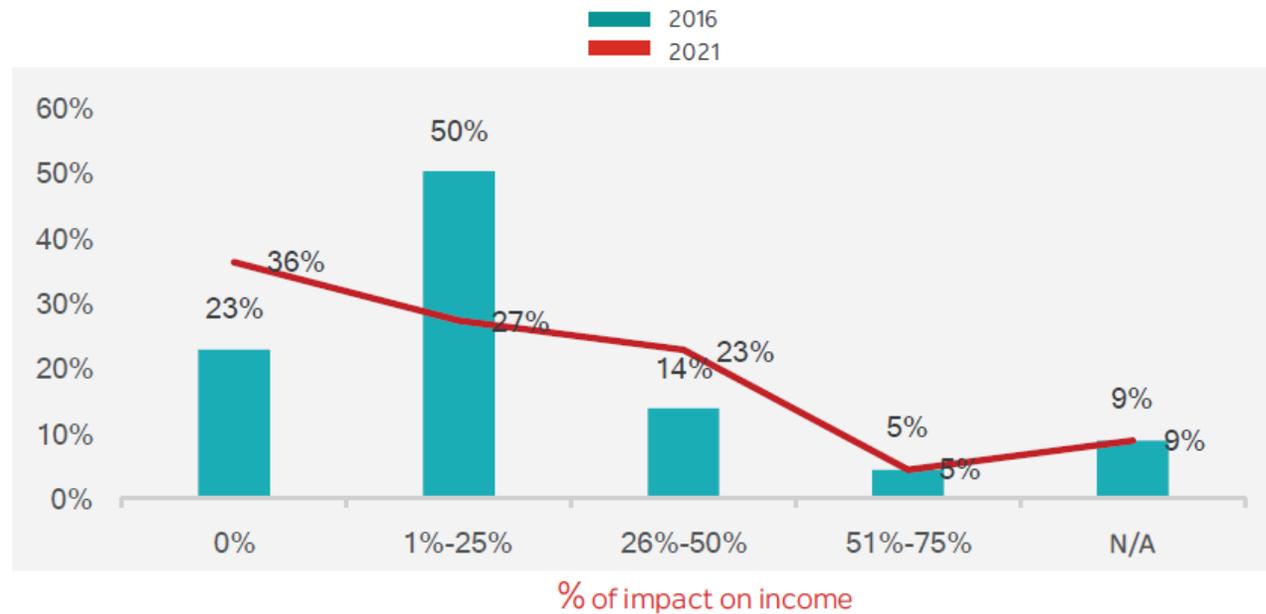


Source: Efma-Axis Corporate Robo-Advisory report 2018

A rise of revenues due to the digitization of financial advisory services

60% of banks believe that entities that primarily invest in the digitization process will see the greatest positive impact on their revenues

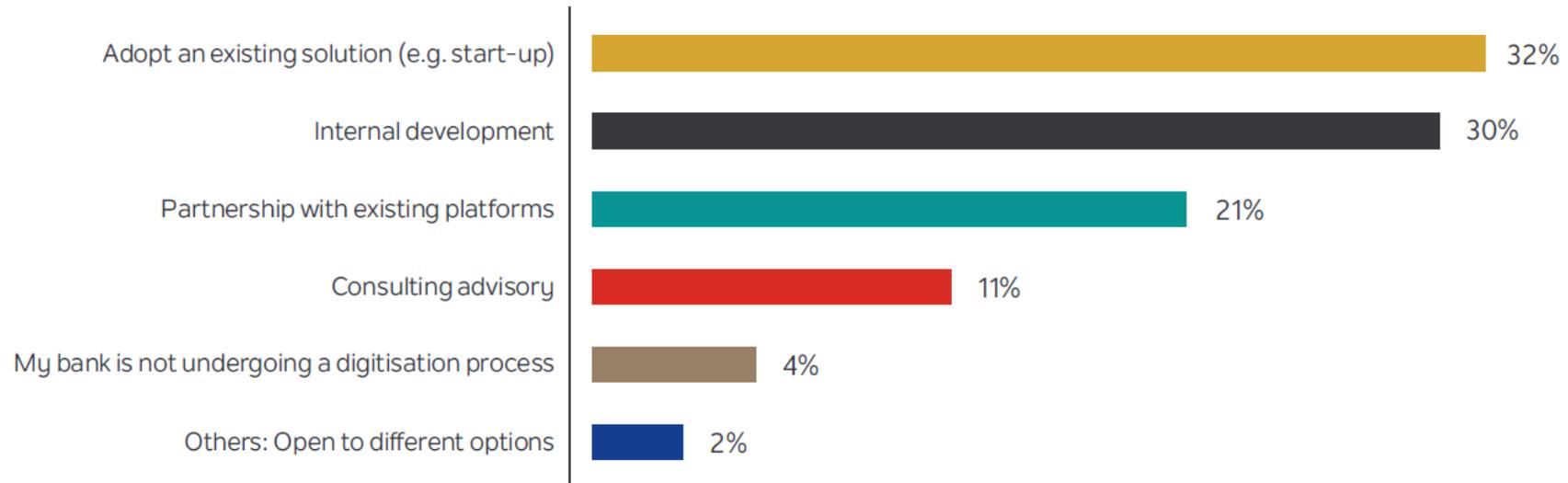
%
of responses



Source: Efma-Axis Corporate Robo-Advisory report 2018

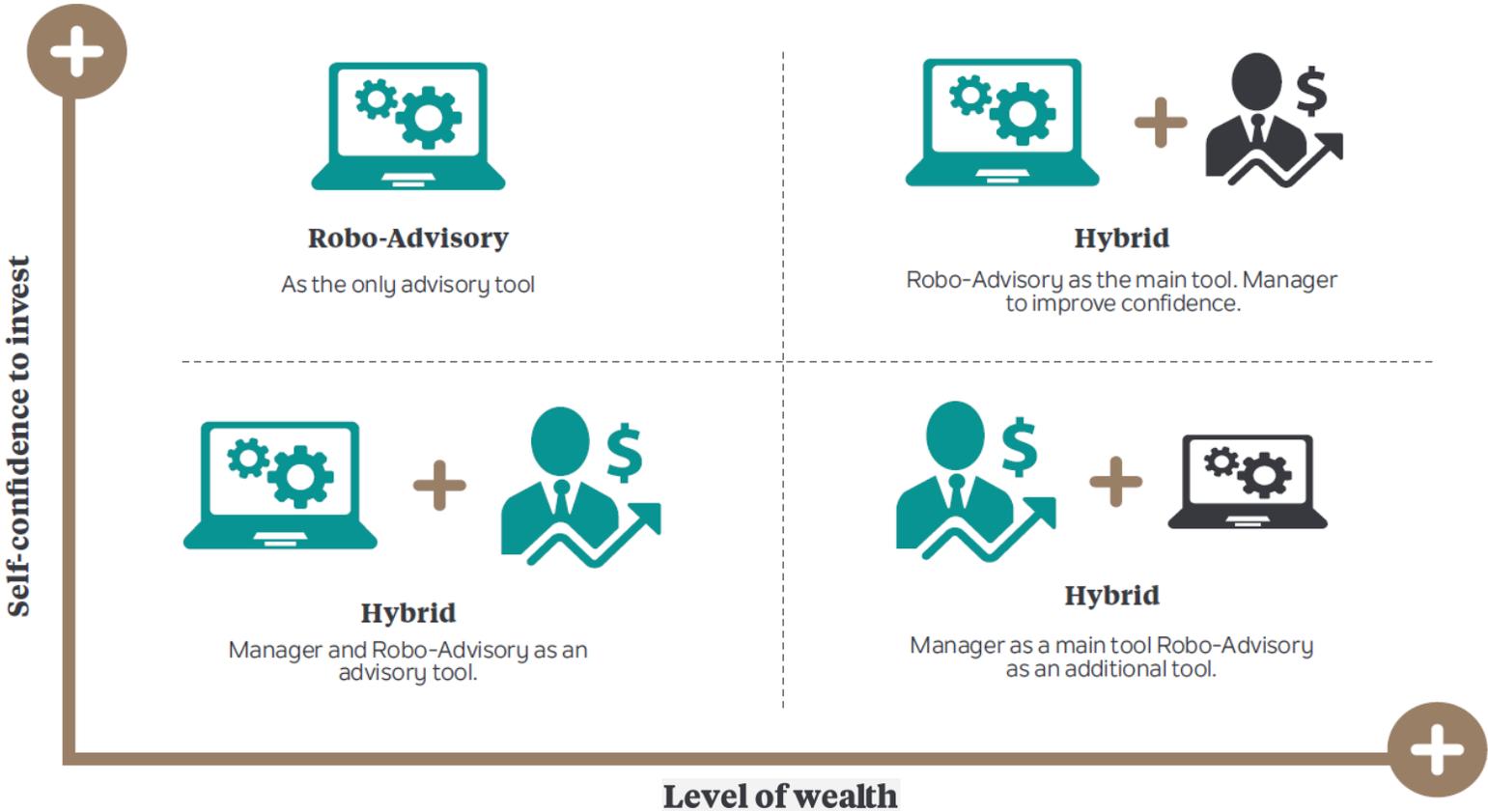
Banks planning to digitize the financial advisory services

More than 53% of banks prefer to acquire existing solutions or platforms to implement the digitization of financial advisory services



Source: Efma-Axis Corporate Robo-Advisory report 2018

Different implementation models for robo-advisory



Source: Efma-Axis Corporate Robo-Advisory report 2018

A digital private bank for millennials

Merkaat from Crèdit Andorrà



Andorra

This new service allows for easy online contact, expert advice for personalized portfolios and market orders within minutes.

- **Knowledge management and personalization:** an expert team specializing in investment products to tailor proposals and provide relevant criteria and knowledge so that the client always makes the best decision
- **Integral service:** contracting of products, custody and execution of orders without the intervention of third parties within a single banking platform.
- **Scalability:** the technology used can be adapted to new territories, easily adjusting to the legal/regulatory framework of each country.



80%
Conversion

53.575,57€
Average portfolio

80%
Accepted
Proposals

95%
Orders Executed

The service was presented to potencial clients.

Note: Crèdit Andorrà with more than 65 years providing global international private banking services in Andorra is the 1st bank in Andorra in capitalization and was awarded Best Private Bank Andorra in 2016.

Robo-advising

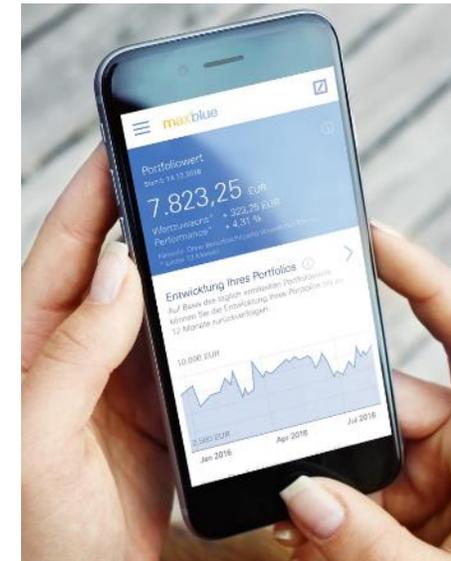
ROBIN – Robo Investment Platform by Deutsche Bank



Germany

Deutsche Bank's robo-advisor "ROBIN" is a digital investment solution, which offers automatized portfolio management services based on ETFs.

- Our vision is to provide a user-centric investment solution for our customers. The strategy was derived from that approach and had a significant impact on the product vision and its robo engine powered by algorithms as well as the customer journey.
- Algorithms manage the individually created portfolios based on each customer's personal and financial situation and preferred risk level. As an end-to-end digital product, from the creation of an individual investment strategy to the administration cockpit, ROBIN allows full transparency on the portfolio at any time and on any device.





5

Cyber Risk Management

Cyber risk complexities

Adversaries have more sophisticated tools, much more adept in avoiding detection; and are adopting advance technologies at a similar pace to the **Defenders**.

- **AI-powered attacks.** Hackers are now employing AI (and machine learning) to launch more sophisticated and successful attacks.
- **Sophisticated malware.** Malwares are achieving unprecedented levels of sophistication and impact. (e.g. Network-based crypto worms; adopting C2 channels that rely on legitimate internet services)
- **Evasive technologies.** Elude sandboxing environments and embracing encryption to evade detection.
- **Exploiting security gaps;** from the expanded use of IoT and cloud services

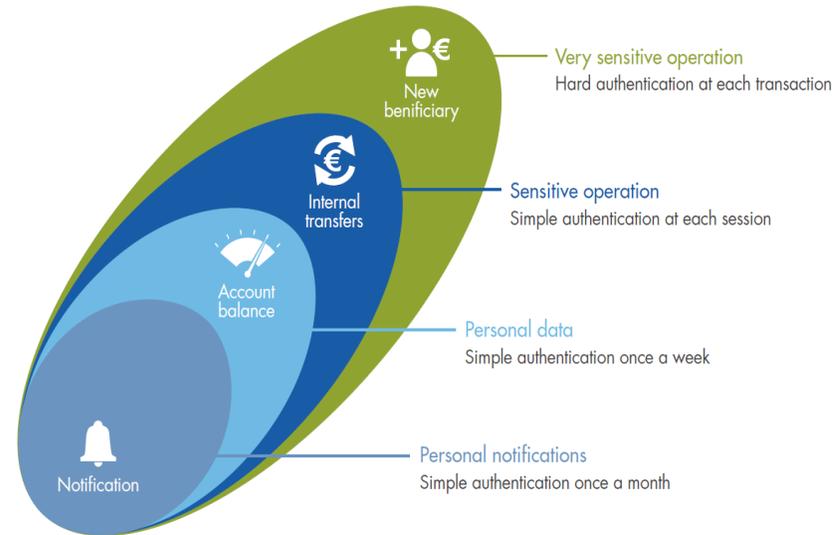


Source: Efma-Wave stone Building the future of mobile banking - Part III report 2018

Recommendations for defenders

Defenders will find that making strategic security improvements (in advance, rather than in retrospect) and adhering to common best practices in a disciplined approach, across the whole organization can reduce exposure.

- Emerging standards for **Multi-factor authentication**. Balancing user experience with user trust.
- **Deception technologies**, which work by imitating a company's critical data assets
- Adopting advanced security technologies, leveraging on **AI and machine learning** to monitor anomalous traffic or behavior, origin and destination of data packets.
- Deploying sophisticated **real-time change auditing software**, across all activities within the organization
- Deeper and more advance **Analytics**
- **Acquiring and deploying more 3rd party data and monitoring tools**



Challenges for banks

Greater reliance on technology to deliver speed and a better experience for customers; as well as to match the agility of non traditional providers, have created new challenges to deal with cyber risks.

- According to a recent Forrester report, “80% of companies will fail to comply with the **General Data Protection Regulation (GDPR)**”. GDPR enhances significantly the scope with stricter consent laws and elevated customer rights.
- Greater reliance on “automation, machine learning and AI” generates higher levels of “**false positives**” which increases the security team’s workload, taking away their focus on real cyber risk management.
- Stubborn areas for cyber risk management include “**mobile devices**”, “**users behavior**” and “**data in public cloud**”. 60-70% of CIOs interviewed found these 3 areas to be the most challenging.
- 3 greatest obstacles to security; **Budget constraints** (34%), **Compatibility issues with legacy systems** (27%) and **lacked of talents** (27%)
- Implement a **complex mix of products and services from a huge cross-section of vendors and fintech providers**. Often times, tools deployed obscure rather than clarify the security landscape?



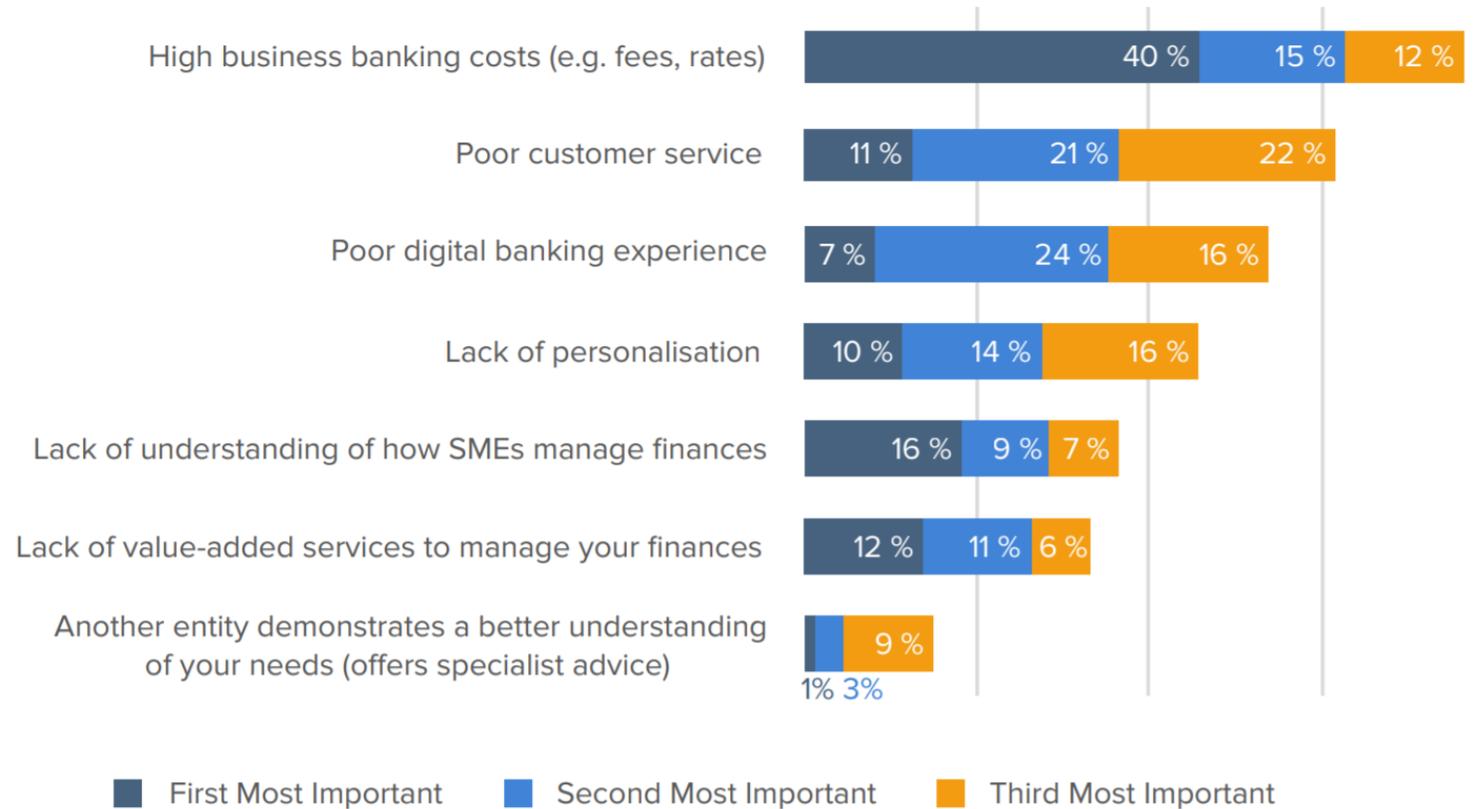
SME

6

SME
Banking

Questioning SMEs' Loyalty

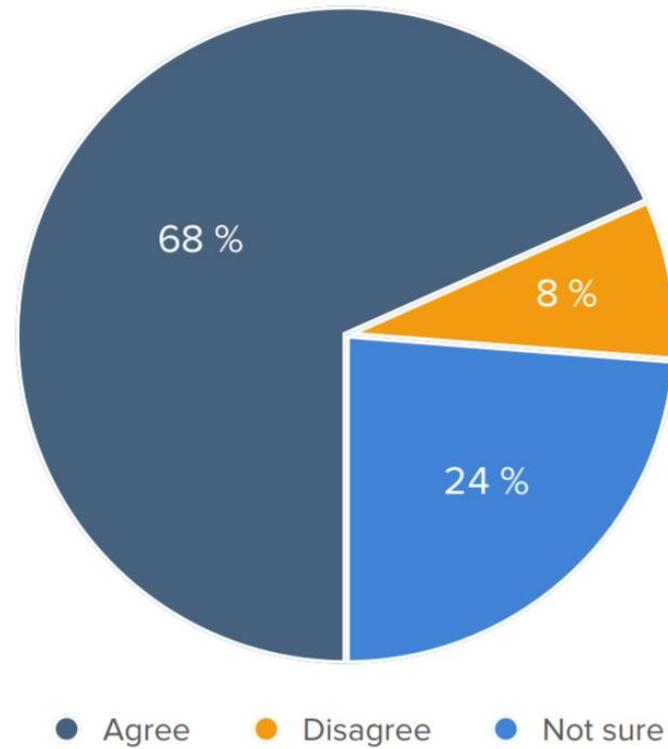
What would make you leave your bank for a competitor?



Source: Strands White Paper presented at the 2018 Efma SME Summit

Utility provider, not business partner

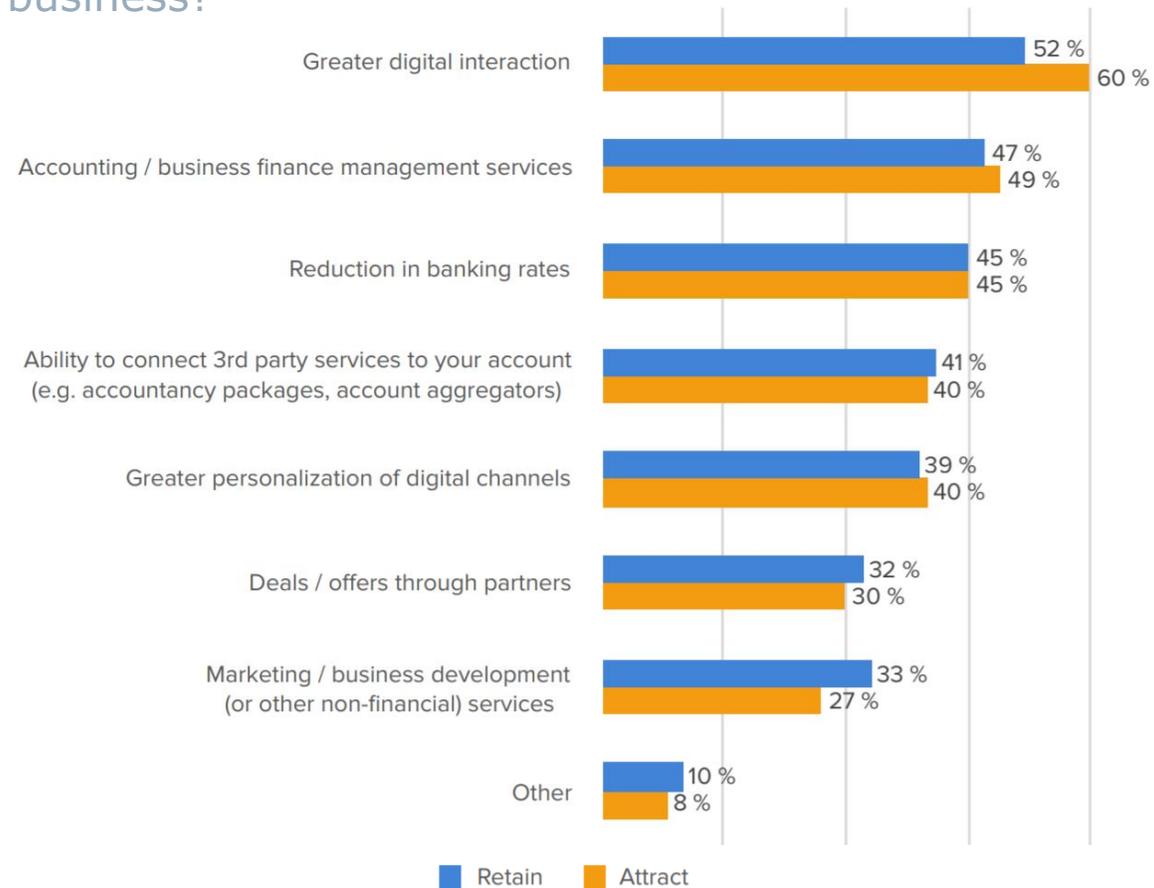
Do you agree with this statement: "SMEs currently believe that banks are a utility provider rather than business partner?"



Source: Strands White Paper presented at the 2018 Efma SME Summit

Business partner “pre-requisites”

Which of these is the most effective thing your bank does to attract and retain your business?



Source: Strands White Paper presented at the 2018 Efma SME Summit

SME banking done right

Penta



Germany

- Penta's mission is to help German business owners to **save time and money when banking**.
- To do this, Penta offers **free digital business accounts** with products for insurance, low-cost foreign exchange, smart invoicing, automated payroll and cash-flow management.
- Penta puts all these products into the Penta account so **business owners can pick and choose which tools they need the most**. This means Penta's customers can spend less time banking and instead focus on their business, all while saving a significant amount of money per month.



**Signup online
in minutes**



**Pay as you
grow**

Basic account is
completely free



Easy to use



**Businesses in
foundation**

Open an account from the
notary's office, it takes 48h



**Multi-card and
multi-user ability**

Fastest growing feature

Supporting SMEs

BBVA API Market



Spain

- BBVA API Market is the open and global API platform from BBVA. The place where everyone from startups to large companies can access a powerful set of financial tools and begin to innovate within their businesses, with the security and support of BBVA.
- Through the three lines of business, aggregate data, personal banking services and corporate banking services, with 8 APIs available, companies can enhance their business, developing new personalized commercial pathways and services that weren't possible till now.
- 2.400 registered users and over 100 users active and growing are beating all expectations of growth and activation.



New tools to run and develop SME's business

NatWest Pitch



- A **free video app** designed to help SMEs create the perfect pitch.
- The app allows users to record different parts of their pitch separately and then put them together to create the perfect business pitch.

RBC's MyBusiness Dashboard



- MyBusiness Dashboard provides business owners with a **current and complete summary of their business performance** at a glance with no more jumping between multiple spreadsheets and apps or manually compiling and interpreting the data.

ING's 'Receipts & Invoices'



- This digital shoebox allows small business clients to use their phone's camera to scan receipts and bills, then link them directly to transactions.
- This helps them **track their income, expenses and their tax payments in real time.**

Thanks!
Any questions?





Epsilon Efma

CONNECT
SHARE LEARN
INNOVATE

Efma Advisory Services

BETTER UNDERSTAND AND DRIVE
FINANCIAL SERVICES CHANGES



Efma Academy Briefings (EAB)

- 10-20 middle executive management participants per briefing
- One 2-day or 3-day briefing at your premises
- Benefit: Foster professional development



Executive Advisory Program (EAP)

- 1 or 2 C-level executives per session
- Three meetings per year per Efma member at your premises
- 1-hour for each session
- Benefit: Get strategic recommendations

More information at

www.efma.com/advisoryservices

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