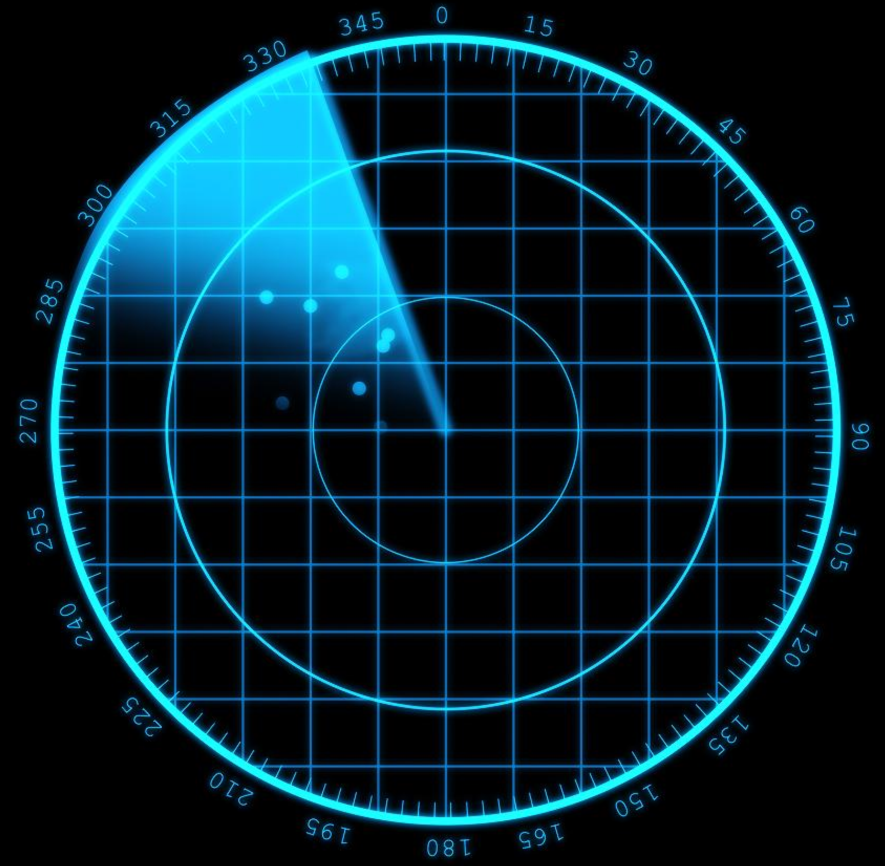
Monitor
Deloitte.



Innovation in Banking and Digital Finance

Monitor Deloitte point of view on digital banking maturity and its impacts on the Financial Services Industry landscape

17 Febbraio 2026, Roma – Tor Vergata

MAKING AN IMPACT THAT MATTERS since 1845

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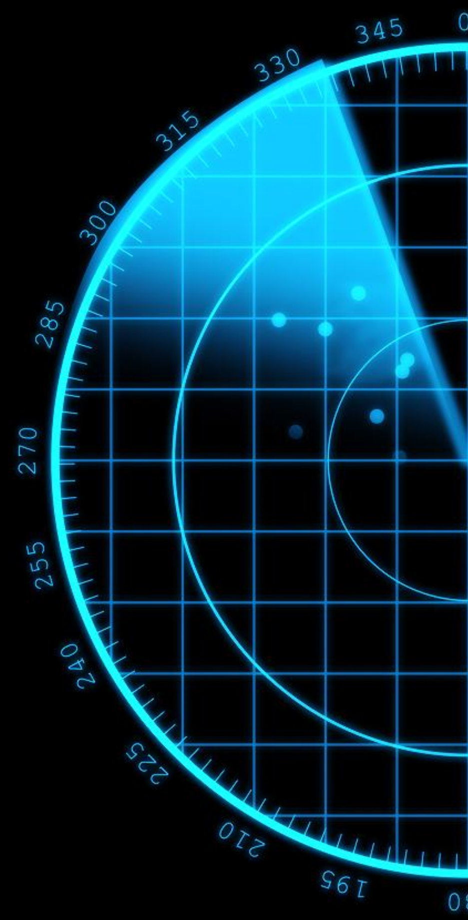
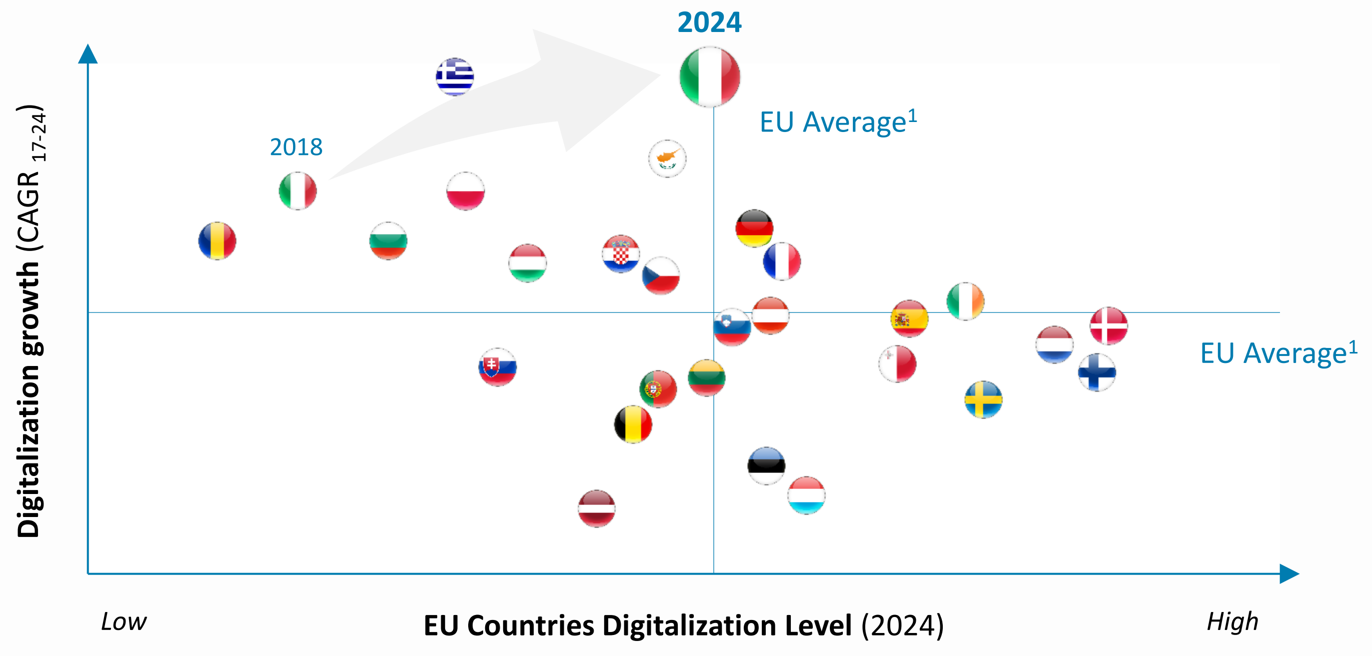
FSI Landscape | Digital Customer needs and market trends



Italy has accelerated its digitalization journey growing at a faster pace than other EU countries, despite still lagging behind most digitally advanced nations

Digitalization stage of European countries



Over the past years **ITALY** has witnessed **SIGNIFICANT IMPROVEMENTS** in terms of **DIGITALIZATION** and has **REACHED** the **EUROPEAN AVERAGE**, **STANDING OUT** for the **HIGHEST RATE** of **DIGITAL GROWTH**

ITALIAN SNAPSHOT[2]

~46% — **Population** aged 16-74 with at **least basic digital skills** (vs. 56% EU)

~87% — Individuals **using internet** (vs. 91% EU) with **93%** of **households able** to **access**

~68% — **Public services** and **administrative steps** can be done **online** (vs. 79% EU)

~61% — **SMEs** with at **least a basic level** of **digital intensity** (vs. 58% EU)

1) Average of EU 27 countries; 2) Italian snapshot data related to 2023; Sources: Monitor Deloitte analysis and projections on Eurostat data

Italians are becoming increasingly digital-oriented in various aspects of everyday life, from entertainment to social media, e-commerce and digital payments

481 Bn€
Transaction value in 2024 (+8% vs. 2023)

DIGITAL PAYMENTS

Rising volumes of **digital payments**, mainly driven by **card payments**, which impact on ~43% of total consumption

ENTERTAINMENT

Significant use of **digital platforms** for entertainment, with **increasing time spent** on **media streaming providers** (e.g., music)

>1 out of **2**
Italians use Internet to watch videos, TV shows and films

~43 Mln#
Italians using social media

COMMUNICATION

High use of **social media** for communication, with **WhatsApp** as preferred platform (Utilization rate ~90%)

WORK

Smart working is increasingly established mainly due to a sustained **adoption across large companies**

~1,9 Mln#
Smart workers in large companies in 2024 (+1,6% vs. 2023)

~58,8 Bn€
Online purchases volumes in 2024 (+6% vs. 2023)

E-COMMERCE

Growth of **online purchases** driven by integration of **digital channels** and **improvements** on **delivery processes**

SOCIAL MARKETPLACES

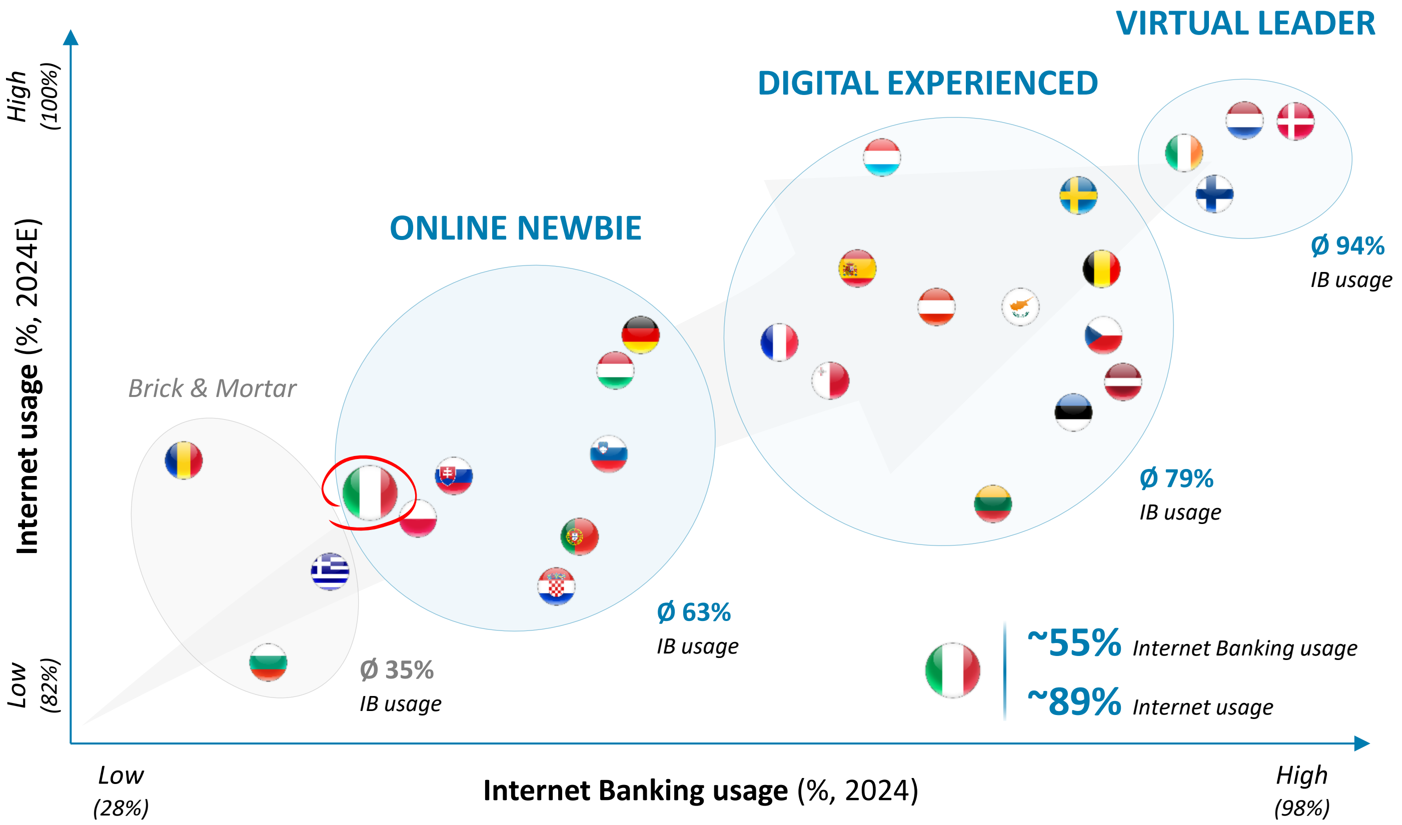
Shift in **online purchasing methods**, with **social media** (e.g., YouTube) **used as marketplace** to buy both **new** and **used products**

~1,7 Bn€
Purchasing value on social media in 2023 (Expected ~3 Bn€ in '27)

Sources: Monitor Deloitte elaboration on public data and press clippings (i.e., PoliMi, Meltwater, Agos)

Despite the overall digitalization growth, Italy shows a steady delay in digital banking behaviors compared to more technologically advanced countries in EU

Evolution of digital behaviors of banking customers across Europe



European Clusters[1]	Internet usage growth (Avg., 2019-2024)	IB usage growth (Avg., 2019-2024)	Gaps vs. above clusters[2]
VIRTUAL LEADER	+0,5 p.p./ yy	+1,9 p.p./ yy	-
DIGITAL EXPERIENCED	+1,2 p.p./ yy	+2,9 p.p./ yy	~9 years
ONLINE NEWBIE	+1,9 p.p./ yy	+3,2 p.p./ yy	~6 years
ITALY	**+2,7** p.p./ yy	**+3,7** p.p./ yy	**~6-8 years** *vs. Digital Exp.*

Internet Banking usage in **Italy** registered a **high growth** in **last five years – even ahead of cluster peers** (+3,7 p.p./ yy) – but **still lags** far **behind Digital Experienced countries** of **~6-8 years delay**

Virtual Leader: IB Usage > 87%   **Digital Experienced**: 71% < IB Usage < 86%   **Online Newbie**: 55% < IB Usage < 70%   **Brick & Mortar**: IB Usage < 54%

1) European clusters identified according to distribution in percentiles of Internet banking penetration rates of 2024; 2) Gaps in terms of internet banking usage; Sources: Monitor Deloitte elaboration on Eurostat data

Looking at digital banking customers, distinctive features and traits can be identified both at selection approach and banking interaction level…

Key features of Italian digital banking customers

DIGITAL CHANNELS CONTINUITY

Steady **growth** in **customer usage** of **digital** banking **channels** (mobile/ desktop)

~62%

Share of active users on digital channels out of total current accounts (+3,5 p.p. '23 vs. '22)

OMNICHANNEL FLEXIBILITY

Combined **usage** of **digital channels** depending on **type** of **operation**

~50%

Users that increased IB adoption since mobile banking access[1]

DIGITAL ONBOARDING USAGE

Adoption of **digital opening** and **onboarding** processes for **banking product**

~23%

Share of accounts opened through digital channels (+0,5 p.p., '23 vs. '22)

LOOKING FOR PERSONALIZATION

High **propensity** towards **personalized products** as a **key factor** in **bank's choice**

~2x

Growth of Users that would switch to Digital Banks for personalized services ('23 vs. '20)

LOYALTY THROUGH EXCLUSIVITY

Growing **demand** for **tailored solutions** (e.g., loyalty programs, reward, cashback, …)

~3 out of 4

Customers that choose payment cards by looking at exclusive experiences/ loyalty programs

INNOVATIVE PAYMENTS CURIOSITY

Increasing **usage** of **digital payments**, also exploring **innovative solutions**

>1,5x

Digital payments through NFC ('24 vs.'23), along with +57% on wearable payments

1) About 70% of users prefer mobile banking for simple daily actions (e.g., Consultation of Balance/ current account transactions list, Card balance and transactions, …); Sources: Monitor Deloitte elaboration on ABI Lab data, PoliMi, Capgemini

…showing a growing preference for remote channels over physical touchpoints and an increasing interest for digital banking products

EVOLVING USAGE OF BANKING CHANNELS BY CUSTOMERS…

MOBILE BANKING is undergoing **FAST GROWTH** in **RECENT YEARS**…

MB active users[1] (%)

2019	2024	2029E
~30%	~60%	~80%

2,0x (2019 → 2024); 1,3x (2024 → 2029E)

…even **OUTPERFORMING INTERNET** (Desktop) **BANKING** level of adoption…

IB active users[1] (%)

2019	2024	2029E
~30%	~35%	~40%

1,2x (2019 → 2024); 1,1x (2024 → 2029E)

…thus **TRANSFORMING** the conventional **PROXIMITY CONCEPT** of **BRANCHES**

Branches visitors (%)

2019	2024	2029E
~80%	~65%	~50%

0,8x (2019 → 2024); 0,8x (2024 → 2029E)

DIGITAL CHANNELS usage **TREND** supported by **GENERATIONAL TURNOVER –** ~75% GenY vs. ~50% Baby Boomer digital users[2]

…ALONG WITH RISING DEMAND FOR DIGITAL BANKING PRODUCTS

DAILY BANKING

Constant growth of **digital channels for daily banking operations** (~95% transfers via Digital Channels, of which ~65% via Mobile)

BANCASSURANCE

High number of requests for **digital insurance policies** (~50% subscriptions made through digital channels)

WEALTH MANAGEMENT

High openness to keep **virtual relationships** with advisor, mainly for **portfolio management** (~40%) and **investments** (~37%)

DIGITAL LENDING

Increase in **digital lending** with rising **incidence** on total **lending volumes** (~30% digital loans, of which ~45% via mobile app)

Abstract from Observatory Monitor Deloitte. *"Digital Lending: La nuova frontiera del credito"*

1) Number of customers who carried out at least one operation on digital channels; 2) GenY: 1981 – 1995; Baby Boomer (BB): 1946 – 1965 ; Sources: Monitor Deloitte Digital Lending Observatory 2025 - «La nuova frontiera del credito: evoluzioni e prospettive future»

Customer behaviour evolution adds to several factors that are shaping the banking sector…

MAIN BANKING SECTOR DRIVERS OF EVOLUTION

CUSTOMER NEEDS EVOLUTION

Evolving **needs** in terms of **offering** (e.g., customization, ...), **service model** (e.g., Immersive UX, ...), **sustainability** and **privacy**

~70%

Expected share of Digital Customer on NBI by 2027

TECHNOLOGY & DIGITALIZATION

Rollout of **new technologies** (e.g., Artificial Intelligence/ Machine Learning, Cloud, ...) to be exploited to **streamline operations**

1** out of **2

Potentially enhanced roles by AI deployments

MACROECONOMIC CHALLENGES

Geopolitical risks and **volatility** of **interest rates** combined with **moderate GDP growth** driving **fin. institutions** towards **fee-based revenue streams**

~2,9x

Growth in Global Uncertainty Index (Feb. '25 vs. Feb. '24)

WORKFORCE TRANSFORMATION

Workforce aging with **slow generational turnover** and **reduction** due to **branches downsizing** and **lack** of **new digital skills**

>45%

Banking workforce over 50 yy of age (vs. 6% Under30)

REGULATORY TIGHTENING

New **regulations** on **digitalization** and **IT security** (e.g., DORA, ...), **governance** (e.g., LOM guidelines, ...) and **data protection**

>60%

CIOs will focus cybersec./ tech. risks in the next year

SUSTAINABILITY CONCERNS

Stakeholders pressure to implement **business model sustainable by design,** with **strong focus** on **impact banking**

<2,15%

Average Green Asset Ratio of major Italian banks (GAR)

…and shaping up the competitive landscape

COMPETITIVE LANDSCAPE

NOT EXHAUSTIVE

TRADITIONAL BANKS

Traditional banks **revising** their **geographical footprint** and adopting **new strategies** through the **launch** of their own **Digital Banks**, also entering into **new geographies**

~390# Traditional Banks[1] in Italy in 2023 with **deposits limited growth** of **+4%** of **CAGR**$_{19\text{-}23}$

NEOBANKS

Neobanks are **pursuing** their **evolutionary trajectory**, **monetizing** the **customer base** through **offering portfolios** and **target segments** enrichment

~20# Neobanks[1] in Italy in 2023 with **deposits steadily rising** at a **+50%** of **CAGR**$_{19\text{-}23}$

HOW are **TRADITIONAL BANKS** and **NEOBANKS TACKLING** these **EVOLUTION DRIVERS**?

1) As of March '25, considered accordingly with Bank of Italy register (Public Limited, Cooperative, Foreign, and Popular banks) and other significant digital operators; Sources: Monitor Deloitte market intelligence and elaboration on data from Bank of Italy, Gartner, RSM, World Uncertainty Index, banks financial reports

Traditional banks are rethinking their business models with a strong technological slant, coherently with the evolving context

MAIN ACTION SPHERES OF TRADITIONAL BANKS

FOOTPRINT OPTIMIZATION

Rationalization of **banking footprint** to **improve operational efficiency**, evolving **towards** a more **remote-oriented presidium –** also through **digital branches**

~20%

expected **reduction** of **bank branches** in **Italy from 2024 to 2029** (reaching ~16k in 2029)

TECH-DRIVEN INVESTMENTS

Increasing **investment** in **advanced technologies** (e.g., AI, ML, …) to **enhance service offerings**, streamline **cost structure** and remain **competitive** within the **market**

~90%

bank CIOs plan to **increase investment** in **Generative AI, Cybersecurity** and **Data analytics**

FULLY-DIGITAL SOLUTIONS ROLLOUT

Development of **fully-digital solutions** landing in the **neobanks arena**, to **meet** the customers' **demand** for **self-direct operations** and **expand** into **new geographies**

>35%

of **European banks** invested in a **greenfield digital bank/ FinTech** in the **last years**

PARTNERSHIP ECOSYSTEM BOOST

Collaboration with **vertical FinTech** to access **innovative technologies** and **enlarge product offering,** embracing an **ecosystemic approach**

3 out of **4**

traditional banks planned to **increase** their **partnerships with FinTech** over the **next years**

TECH SKILLS HUNTING

Creation of **reskilling programs** and **recruiting specialized professionals** to **maximize** the **value** from **digital technologies investments**
(e.g., AI & Data roles, …)

~74%

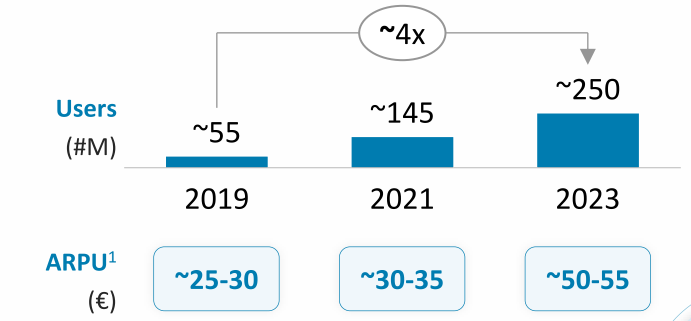
FSI Institutions consider the **skill shortage** as the **biggest barrier** to **enhance new technologies**

Sources: Report Deloitte "Winning the War for Tech Talent in FSI Organizations"; Monitor Deloitte market intelligence and elaborations on ECB, Gartner, Economist Impact 2023 data

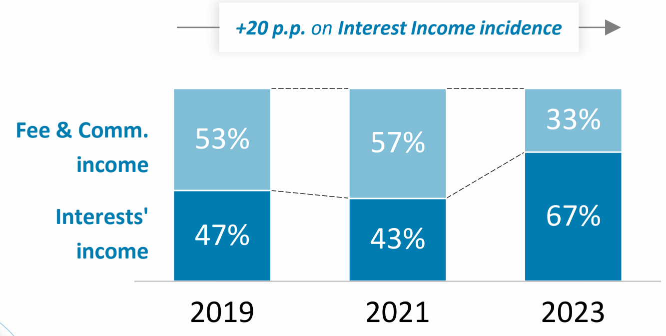
On the other hand, Neobanks are rapidly scaling the customer base and improving users' monetization with more interest-driven solutions to boost profitability…

Customers base & ARPU[1] evolution

Significant **customers base growth** (~4x customer base vs. 1,1x of traditional banks) and **rising monetization**, despite **still far behind traditional banks** (ARPU[1] 2023 of ~50-55€ vs. 750-800€ of traditional banks)



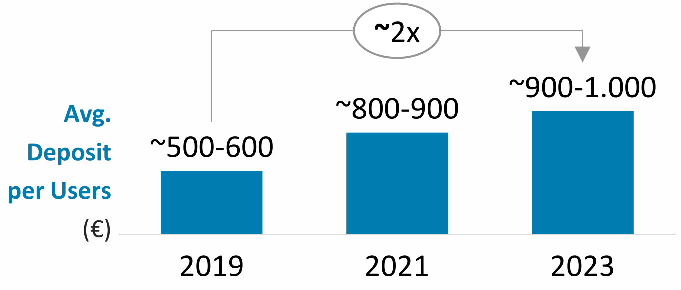
Revenue composition switch



Business model **evolution** and **product offering expansion, moving** from a **transaction-centered proposition** to a **diversified portfolio** including **lending solutions** (67% vs. 68% of traditional banks interest income in '23)

Customer deposits growth

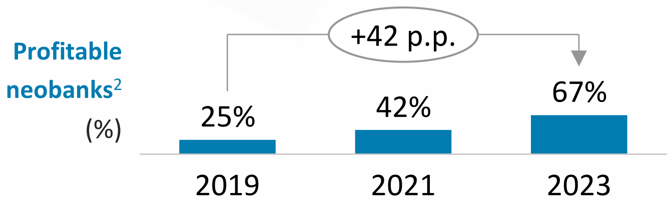
Expansion of **digital lending proposition** enabled by an **acceleration** on **deposits** (~2x on avg. Users' deposits) through **aggressive initiatives** (e.g., promotional campaigns offering high yield on current accounts/ deposits)



Path to profitability

~7+ years

Average **time** to **profitability** for **global major neobanks**



Neobanks need to **scale** in by **grasping operational leverage** and **reducing cost-to-serve** - over the past years, global major **neobanks** have **started** to **achieve break-even** (~7+ avg. years required) thanks to a **solid growth** of their **customer base**

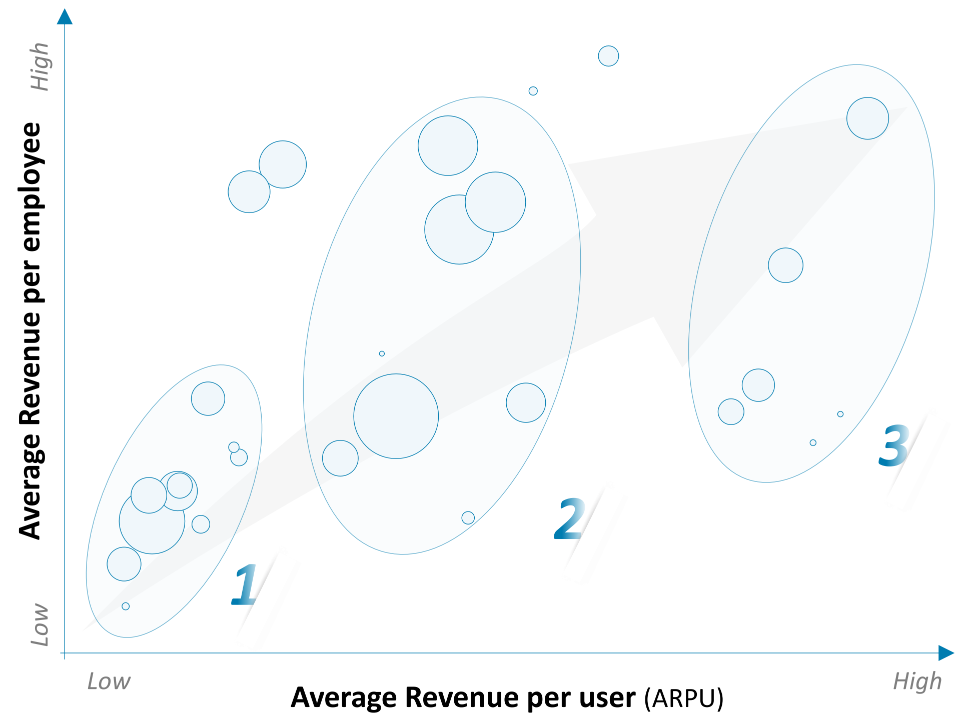
1) Average Revenue Per User; 2) Percentage of profitable neobanks calculated considering a selection of most relevant global neobanks analyzed with available historical data; Sources: Monitor Deloitte analysis on financial reports of selected major worldwide neobanks (excluding China) with available public data (i.e., Revolut, N26, Starling Bank, MoneyLion, NuBank, Kakao Bank, Monzo, SoFi, TinkOff, Bunq, AllyBank, TymeBank, Varo Bank)

…following a recurring 3-stage evolutionary trajectory according to their ability to extract value and diversify target customers and product portfolios' complexity

Neobanks revenue generation and profitability pathway

ILLUSTRATIVE – CONCEPTUAL

2023, €, Customer base size (#Mln)



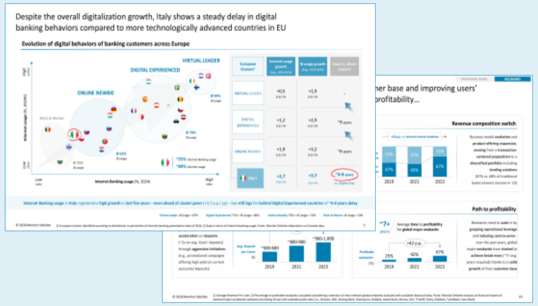
EVOLUTIONARY STAGES observed with **DISTINCTIVE PECULIARITIES**

MAIN NEOBANKS EVOLUTIONARY STAGES

	1	2	3
Stage of Evolution	ATTRACT CUSTOMERS AND BUILD THE BRAND	MONETIZE CUSTOMERS WITH VALUABLE SERVICES	EXPAND CUSTOMER TARGETS & REVENUE STREAMS
	Enlarge customer base and **monetize core products** through **distinctive features** and **competitive pricing**	**Expand offering** and **revenue sources** introducing **new products** and premium **value-added services**	Move towards **economic sustainability** through **high-value customers segments** and **credit-based products**
Target Customer	CONSUMER/ MASS MARKET	AFFLUENT/ PROFESSIONALS	SME/ CORPORATE
Offering Evolution	Checking & savings accounts Debit & virtual cards Payment services …	Business accounts/ loans Investments/ insurance Advisory services …	Credit cards & BNPL services Mortgages & targeted loans SME loans & invoice fin. …
ARPU	0 – 25 €	25 – 200 €	+200 €

Revenues generation potential

Sources: Monitor Deloitte analysis on financial reports of selected major worldwide neobanks (excluding China) with available public data



Banks embracing **market** and **customer trends…**

…and key topics and questions to be addressed within the current context

1. How are banks **PRESERVING** and **BOOSTING** their **VALUATION PERFORMANCE**, also considering these transformation trends?

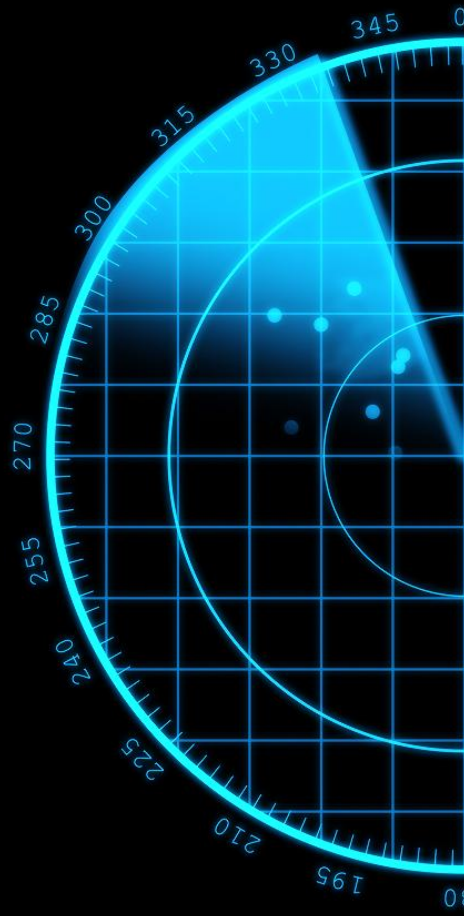
2. How is **DEMAND** for “**COMPLEX**” digital **SOLUTIONS** – such as **DIGITAL LENDING** – becoming a real **PRIORITY**?

3. How **ARTIFICIAL INTELLIGENCE** will be a **GAME-CHANGER** within the banking industry?

4. How are national and global banks evolving its **DIGITAL CHANNELS** and **OFFERING**?

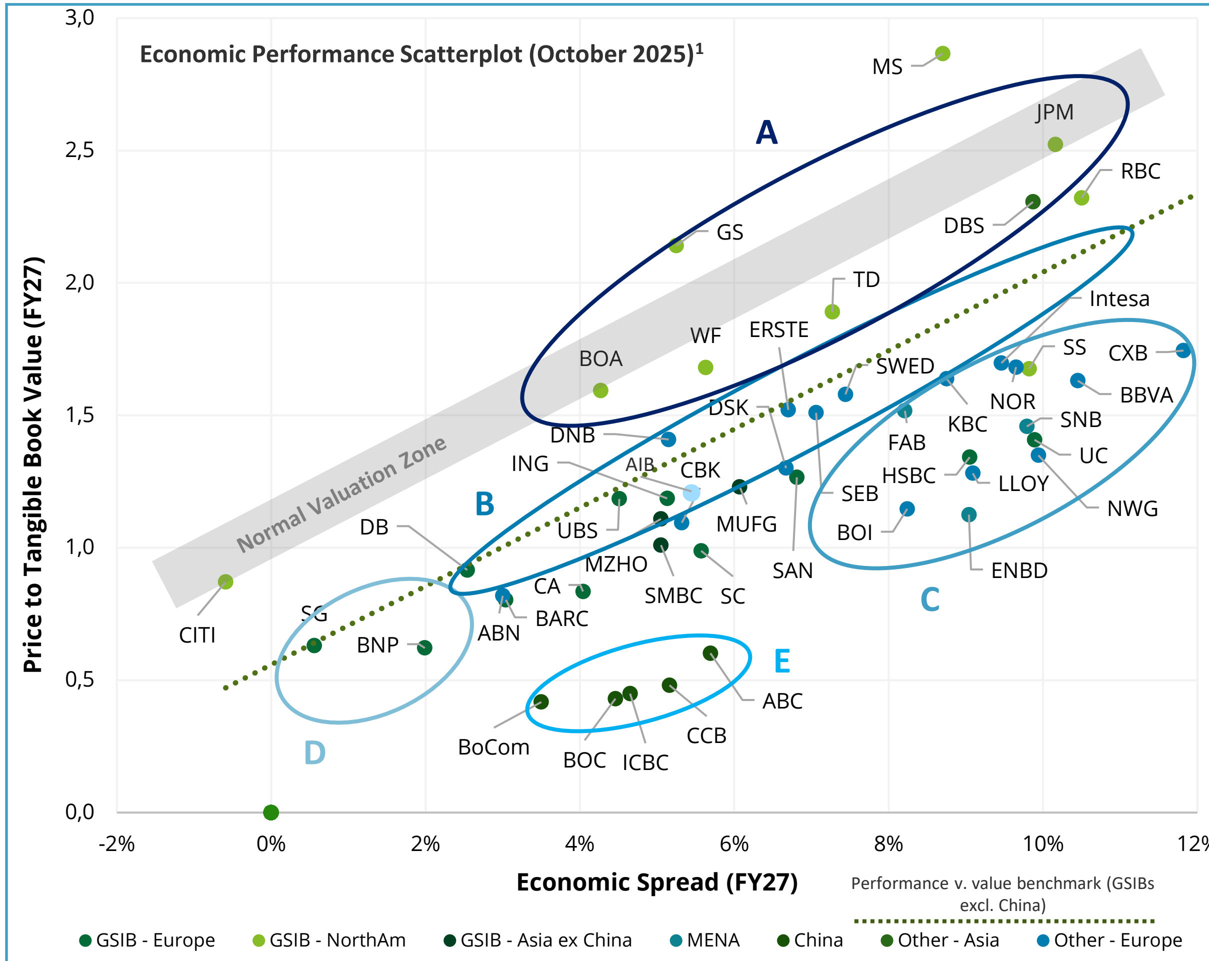
Focus next document’s sections

1. Performance and value outlook and key winning trajectory from the market



The Global and European Performance and Value Picture, Oct '25

The Global Banking Industry continues to show considerable dispersion in valuation, performance, and valuation relative to performance … we identify five clusters of banks with commonalities in how the market rates them



CLUSTER A

Typically, large American banks characterised by strong economic performance outlook and growth potential

CLUSTER B

Valued in line with industry (GSIB) norm (which is still a material valuation discount to a 'normal valuation')

CLUSTER C

Typically, European banks comfortably covering CoE, but lacking investor confidence in their ability to sustain current performance/ grow

CLUSTER D

Banks struggling with legacy business models and starved of capital² to invest in business model transformation

CLUSTER E

Chinese GSIBs, spreads boosted by low Cost of Equity (implied state support) but subdued valuation (Chinese growth and real estate risk)

KEY TAKEAWAYS

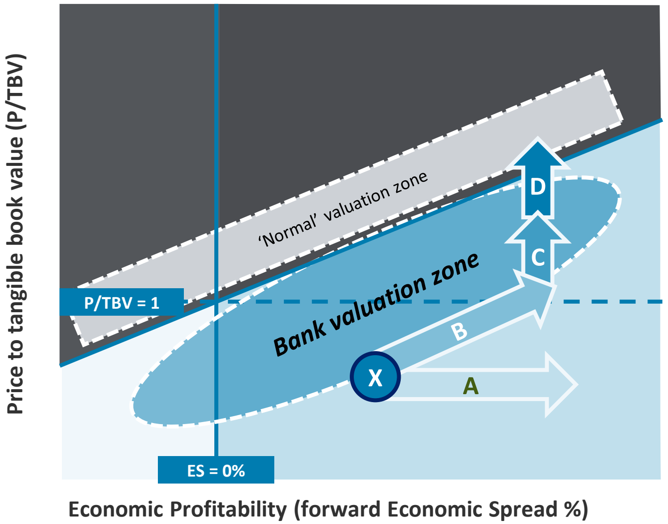
- Although these clusters are **relatively stable** in their positions (particularly A and D, which are subject to **entrenched geographic and structural dynamics**), important shifts can occur (see over for recent shifts):
  - **Cluster C** formed relatively recently, with NIM-centric banks showing strong performance improvement (but modest value upside) from (transitory) rate conditions
  - The **whole industry** (including Cluster D) has gradually **tracked North-East** through a combination of improved fundamentals and structural cost discipline but **failed to close the gap** to the 'Normal Valuation Zone'. This indicates continued **investor scepticism** about performance sustainability and growth.
- Some banks have shown strong potential to pull away from cluster peers / cross a cluster boundary:
  - Stronger Cluster C banks such as **Intesa Sanpaolo**, **KBC** and **FAB** are marginal Cluster B candidates
  - Some previously Cluster D banks such as **Deutsche Bank**, **ABN AMRO**, **Barclays** and **Credit Agricole** have established consistently-positive ES outlooks (>2%) through structural efficiency programmes. Except for Deutsche Bank, it remains to be seen whether they gravitate towards C or B.
- **Citigroup** remains as a negative-spread outlier, though is relatively favourably valued given this.

1) BNY Mellon is excluded from the scatterplot due to the unusually high equity/tangible equity mix, which structurally inflates segment spreads, making it non-comparable to peers; 2) Although these banks have been actively engaging in buy-back activity (so not starved on the face of it), very often this is the result of investor pressure due to scepticism about the merits of capital retention for investment and growth … in effect, a capital poverty trap

Banking performance and valuation – a diagnostic guide

For many years, global banks have endured relatively weak results and poor share price performance … more recently, while **economic profitability** has improved, investor concerns about **growth** and **risk** still hold them back[1]

EP Scatterplot interpretation



Key Value Determinants

Economic profitability	Growth	Risk
The degree to which profits are expected to (more than) cover the opportunity cost of capital (earn a positive Economic Spread) in a given period Equity that earns a positive economic spread % generates a positive economic profit (€EP)	The degree to which the business is expected to generate value-accretive growth in future periods Value-accretive growth is that which generates a positive € EP increment over successive periods	The degree to which the market perceives a downside risk bias with respect to future performance (recession, remediation, geopolitics etc.), resulting in value being moderation downward

Key Trajectory and outlook – what it will take to close the value gap

A – TRANSITORY

- Improved **Economic Profitability** due to factors that are **not likely to continue** or may reverse or be eroded e.g. through the Basel III output floor forcing higher capital intensity and resulting frictional costs
- Examples: **Improved NIMs** from rate increases, structural hedges; **trading profits** from market volatility
- **At least some of the improvement to date is due to this – European banks are highly rate-sensitive**
- **No / minimal value upside** because investors look beyond this … **value gap widens!**

B – STRUCTURAL

- Improved **Economic Profitability** due to **structural changes** in the business that are **likely to endure,** though the associated **ES may subside** due to **competitive pressure, product / service redundancy**
- Examples**: Cost reduction, existing product/ market expansion, capital efficiency**
- **Some value upside, but no reason for investors to re-rate** (static bus. model) **… value gap static at best**

C – TRANSFORMATIVE

- Structural changes (per B) **coupled with product / service / operating innovations that maintain commercial relevance/ resilience to competition** through long term **policy / technology / market shifts**
- Examples: **Investment in transformative capabilities/ IP (AI), securing / unlocking new customer value**
- **Clear value upside from ability to sustain Economic Profitability** (transformed bus. model) **… value gap closes**

D – SCALED

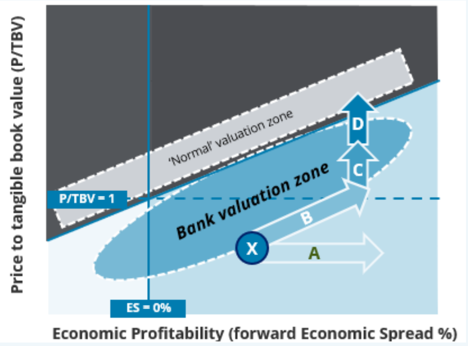
- As per B,C with capacity to **leverage consistently superior IP and businesses model** to **scale up greater volume** and thus generate **incrementally higher Economic Profit over the longer term**
- Establishes **virtuous cycle** as **higher valuation** improves **capital supply** and **investment capacity**
- Examples: Investments in **Market share growth; new market entry; M&A; Partnerships & Alliances**
- **Clear value upside from boost to expected EP growth … value premium established**

1) Value remains depressed relative to performance – below the 'Normal Valuation Zone' (see detail on the current picture and recent trends in next two slides)

Economic performance improvement remains the focus

There are opportunities in all 4 categories (A-D[1]), which banks are pursuing with varying degrees of value-potency

What trajectory are banks taking?



Key market examples based on the movement trajectory[2]

A — TRANSITORY	B — STRUCTURAL	C — TRANSFORMATIVE	D — SCALED
A.1 Improved NIMs	**B.1** Capital Efficiency	**C.1** Digital & AI Transformation	**D.1** Digital Ecosystems
A.2 Structural hedges & ALM/FX	**B.2** Custody Services Transformation	**C.2** Payments Transformation	**D.2** Digital Infrastructure
A.3 Trading profit	**B.3** Climate Strategy Framework	**C.3** Credit Intermediation	**D.3** Tokenized Traditional Market
JPMorgan Chase & Co., Barclays, Goldman Sachs	UniCredit, BNY Mellon, ING	BNP Paribas, Santander, citigroup	JPMorgan Chase & Co., HSBC, UBS
			

Banks' actions have varying degrees of potency to close the value gap … needle-moving examples of C and D are hard to find

Focus next slides

1) See analysis on Page 9; 2) These are isolated illustrative examples, not meant to categorise banks into A-D buckets. The best banks are actively pursuing opportunities on all fronts: taking short term opportunities where they arise (A) while investing strategically to sustain performance improvement and growth well into the future (B-D)

What major banks are doing differently (1/4)

TRANSITORY A

Many banks are taking advantage of favourable market conditions (rates, deal flow, volatility), combining hedging, trading, and repricing initiatives to maximise financial performance

J.P.Morgan

The JPMorgan story

JPMorgan's NIM uplift in 2025 has been driven primarily **by balance sheet repricing and rate sensitivity management**. Net interest income was $24.1 bn and up 2% (YoY). The bank reduced its **short-end exposure from nearly 80% to 45%** through hedges and extended-duration assets, insulating earnings from future rate cuts. **Leveraging $2tn in low-cost deposits** and disciplined pricing, JPMorgan captured stronger reinvestment spreads as assets reprice at higher yields

Improved NIMs

JPMorgan's NIM improvement stems from rate-driven repricing and hedging actions, supported by its low-cost deposit base of **$2tn funding** reinvestment

Source: JPMorgan

BARCLAYS

Barclays

Barclays operates one of the most formalised structural hedge programs in Europe, using a rolling portfolio of receive-fixed, pay-floating swaps to stabilise NII through interest-rate cycles. As of mid-2025, the **hedge covered £232 bn of exposure and generated £2.8 bn in H1 2025 income at a 2.5 % yield**. This gradual repricing mechanism smooths earnings volatility and supports Barclays' target of £30 bn group income by 2026. In the current cycle, the effect is to sustain the advantages of the rate cycle as official rates and swap prices gradually come down.

Structural hedge

Barclays' structural hedge protects NII by locking in yields on non-interest-bearing balances and smoothing rate shocks, **yielding 2.5 % on £232 bn hedge** acting as a stabiliser

Source: Barclays

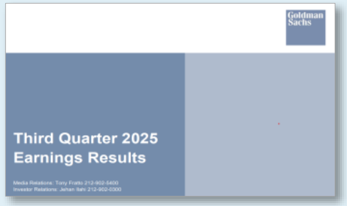
Goldman Sachs

Goldman Sachs

In Q3 2025, **Goldman Sachs reported net revenues of $15.18 billion**, driven in part by **strong trading performance as its trading assets grew from $628 bn to $653 bn** over the prior quarter. The firm's structural approach to volatility includes leveraging market-making, FICC and equities desks to capture client flow and directional opportunities. Its diversified franchise and deep liquidity access enabled it to build volatility-driven profits while preserving core stability

Trading profit

Goldman Sachs translated market volatility into trading gains in Q3 2025, extracting short-term upside from capital markets, results showed net **earnings $12.56 bn (YTD)**



Source: Goldman Sachs

Sources: Deloitte elaboration based on desk research, companies press, internal databases, JPMorgan, Barclays, Goldman Sachs

What major banks are doing differently (2/4)

STRUCTURAL

B

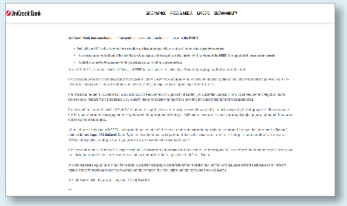
Banks are evolving from traditional balance sheet models toward capital efficient, technology-driven, and partnership focused strategies, enhancing resilience, optimising portfolios, and fostering innovation across services

UniCredit Bank

UniCredit completed its first synthetic securitization with the European Bank for Reconstruction and Development, marking its debut in the significant risk transfer (SRT) market and the EBRD's first capital-relief deal in Romania. An unfunded guarantee on the mezzanine tranche of a **€775 million SME and corporate loan portfolio, structured to meet SRT and STS criteria**, strengthens capital resilience and enables redeployment of risk-weighted asset relief to new SME lending and green projects

Capital Efficiency

The transaction gives UniCredit **risk-weighted asset relief**, freeing up capital that can be redeployed into **new lending in growth categories** such as SMEs and green financing



Source: UniCredit

BNY Mellon

BNY Mellon **has repositioned its custody and securities-services model around a unified data platform**, overseeing **$52.1 trillion in assets under custody and administration**. Its AI-powered partnership automates institutional onboarding, **cutting processing times by over 70%**. BNY Mellon enables on-chain transparency, as cloud and automation upgrades position it as a transformative platform operator in global securities services

Custody Services

BNY Mellon advancing from analogue custody to a platform on an asset-servicing model processing **over $52 trillion** in AUC/A, positioning at the interface of traditional and digital finance

Source: BNY Mellon

ING

ING's Terra approach is a science-based framework aligning the bank's €600 bn lending portfolio with net-zero emissions by 2050. It applies sector-specific transition pathways across ten high-emission industries as power, oil, automotive, shipping and aviation. **Progress is measured against IEA 2030 convergence metrics**, and client engagement is central to steering financed emissions downward. Non-compliant clients face tighter credit terms or exit decisions, embedding accountability into the bank's lending model

Climate Strategy

ING's Terra framework **drives 1,600 clients** on decarbonisation through sectoral transition pathways turning sustainability commitments into a risk-managed business strategy

Source: ING

Sources: Deloitte elaboration based on desk research, companies press, internal databases, UniCredit, BNY Mellon, ING

What major banks are doing differently (3/4)

TRASFORMATIVE

C

Banks are moving beyond efficiency initiatives into AI-driven, data-native transformation, reimagining how they serve clients, manage risk, and allocate capital

BNP Paribas

BNP Paribas has **industrialised AI across its banking businesses,** operating **129 AI models** and **targeting 95% automated credit decisions**. The group **employs 700 AI specialists and 5,700 staff with AI skills**, supported by its AI Factory and Centre of Excellence frameworks. BNP Paribas **aims to triple digital client acquisition to 760k per year** and multiply digital sales by 2030, adopting AI and automation as drivers of transformation and revenue growth

AI Transformation

BNP Paribas operates 129 AI models, using generative AI for credit, marketing and fraud functions, and **90% of credit decisions automated** targeting 2.5% annual FTE reduction

Source: BNP Paribas

Santander

Santander has **consolidated its global payments capabilities into PagoNxt**, a **unified platform for merchant acquiring, digital commerce, SME services and international transfers**. Operating across Europe and Latin America, **PagoNxt processes over 1 bn transactions a year and handled €424 bn in payment flows in 2025**, positioning Santander as a scaled digital payments provider

Digital Economics

PagoNxt expands Santander's fee-based **revenues above €1 bn annually** while lowering capital intensity. Scale efficiencies, including a **~31% cut in cost per transaction**, strengthen long

Source: Santander

CitiGroup / Apollo

Citigroup and Apollo have launched a landmark $25 billion private credit and direct lending program, focused on North America with plans for global expansion. Combining Citi's client network and capital markets expertise with Apollo's large capital base expands access to private lending. The program **aims to provide scalable and flexible solutions**, while it marks as one of the largest collaborations between a global bank and an asset manager

Credit Intermediation

This allows Citi to reduce exposure on its balance sheet **while earning origination and advisory fees**. Citi optimizes its loan portfolio to balance risk, capital usage, and return

Source: CitiGroup

Sources: Deloitte elaboration based on desk research, companies press, internal databases, BNP Paribas, Santander, Citigroup

What major banks are doing differently (4/4)

SCALED

D

Leading banks leverage technology to scale operations, deploying AI, blockchain, and tokenisation for advanced infrastructure, digital markets, and ecosystem growth

The JPMorgan Story

Kinexys, the evolved successor to **JPMorgan's** "Onyx", is now a fully fledged **blockchain payments platform** serving institutional clients globally. It has **processed over $1.9 to 2 trillion in transacted value**, **handles $2–3 billion daily**, and **supports 160+ countries and 120+ currencies**. The platform combines three product lines, Digital Payments, Digital Assets, and Liink to enable programmable payments, tokenised asset exchange, and secure peer-to-peer data sharing

Digital Ecosystem

JPMorgan's production blockchain ecosystem with **$2T+ processed, 160+ country coverage**, and multiple core product lines

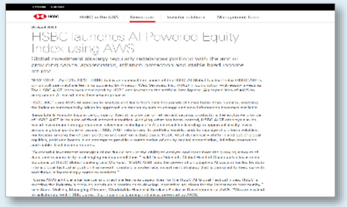
Source: JPMorgan

HSBC

HSBC has launched the HSBC AI Global Tactical Index (AiGT), using **AI and machine learning through Amazon Web Services (AWS**) to actively allocate investments across equities, bonds, and cash. The index rebalances weekly and adjusts daily to respond to changing markets, targeting capital growth, inflation protection, and stable performance. It reflects HSBC's growing emphasis **on AI-driven, technology-enabled investment innovation** in global wealth management

Digital Infrastructure

HSBC uses AI and machine learning to deliver client-focused investment products, improving engagement, innovation, and portfolio performance **(15-Year Annualised return: +5,75%)**



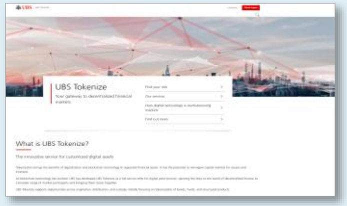
Source: HSBC

UBS

UBS has reframed tokenisation from pilot to scale via its in-house *UBS Tokenize* unit, which tokenises bonds, funds, and structured products on a blockchain layer integrated with legacy systems. Through its Project Guardian prototype, UBS demonstrated how to settle tokenised fund subscriptions off-chain**, preserving existing infrastructure while enabling smart-contract settlement**. Meanwhile, its tokenised money market fund has enabled the use of shares as collateral on-chain, **bridging traditional finance and digital asset markets**

Tokenized Market

UBS is scaling tokenised money market fund ($2 tn) usable as collateral on-chain, turning their infrastructure into interoperable asset platform (**11,500 financial institutions and 200 countries**)



Source: UBS

Sources: Deloitte elaboration based on desk research, companies press, internal databases, BNP Paribas, Santander, Citigroup

Key points to take away

The global banking picture is overall benign but fragmented

1. The **performance and value outlook has improved overall during 2025**
2. **Banks are still clustered**, with clusters diverging if anything
3. Performance and value improvement – though substantial – is tracking parallel to benchmark (i.e. **the value gap is not closing**)
4. By implication, banks are **not doing enough to transform and grow** (or to persuade investors that they are doing enough)

Analyst / Expert sentiment – a case of excited anxiety

11. Although the outlook is overall positive (performing well, resilient to stress), there are **several key things to watch**:

    a) A potential AI-fuelled **US market and bank bubble**, with the possibility of a sharp correction / volatility as investor confidence surges and sags over time (particularly in relation to AI)
    b) The possibility of significant **divergence in regulatory agendas** between the US, UK, Europe and other jurisdictions, potentially driving a further performance and value wedge between US and European/ other domiciled banking groups, and/ or triggering a race to the bottom leading to renewed fragility in global bank resilience
    c) An accumulation of **systemic risk in the shadow banking sector**, in which banks are increasingly entangled through their engagement with the Private Credit phenomenon

12. Other risk factors also remain – Geo-politics, Tech. disruption, Cyber …

Bank segment strategies are a mixed bag, driving mixed results

5. There is a **performance & value divide** between 'trad-banking' segments (Retail, Commercial, Corporate) and those geared to Capital Markets and Wealth – with the latter doing better, favouring N. American banks (SIU seemingly not priced in)
6. **Success in Universal Banking is elusive** … banks that are spread too thinly are vulnerable and even some of the biggest (e.g. HSBC) are consolidating
7. **Simple Truth #1**: Equity allocation to segments in which banks have comparatively high spreads drives superior Economic Profit performance
8. There is a similar **valuation premium divide** between segments … allowing for differences in economic profitability, the growth and risk outlook is key to this
9. Even so, **many banks fail to realise Group P/TBV multiples** in line with their sector exposures and/ or economic profitability in those segments
10. **Simple Truth #2**: To maximise value (close the gap) banks need to position their segment strategies for (i) comparative economic profitability, (ii) growth and (iii) risk … and have credible IR strategies to back this up (just being in the 'right' segments is clearly not enough)

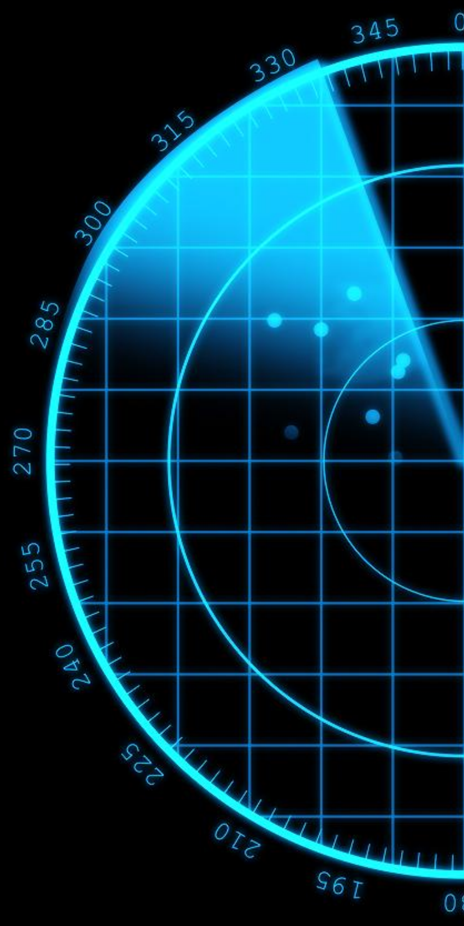
Bank transformation strategies need greater ambition

13. Banks are highly **active in pursuit of performance gains**, across our 4 classifications A-D (Transitory, Structural, Transformative and Scaled), albeit biased towards A and B with needle-moving cases of C and D harder to find
14. This corroborates our finding that performance and value improvements – though significant – are **tracking the benchmark rather than closing the value gap**

The bottom line

15. A strategic rebalance towards **fundamental business model transformation and growth** should be the priority, if banks wish to close the value gap

2. Digital banking product demand and deep dive on Digital Lending



Daily digital banking is now a standard, but the demand for 'comprehensive' digital solutions is becoming a concrete need

Different types of banking products

DAILY BAKING

Use of **digital channels** for daily banking operations and **digital payments** via internet/mobile banking (e.g., transfers, wire transfers, payments F24)

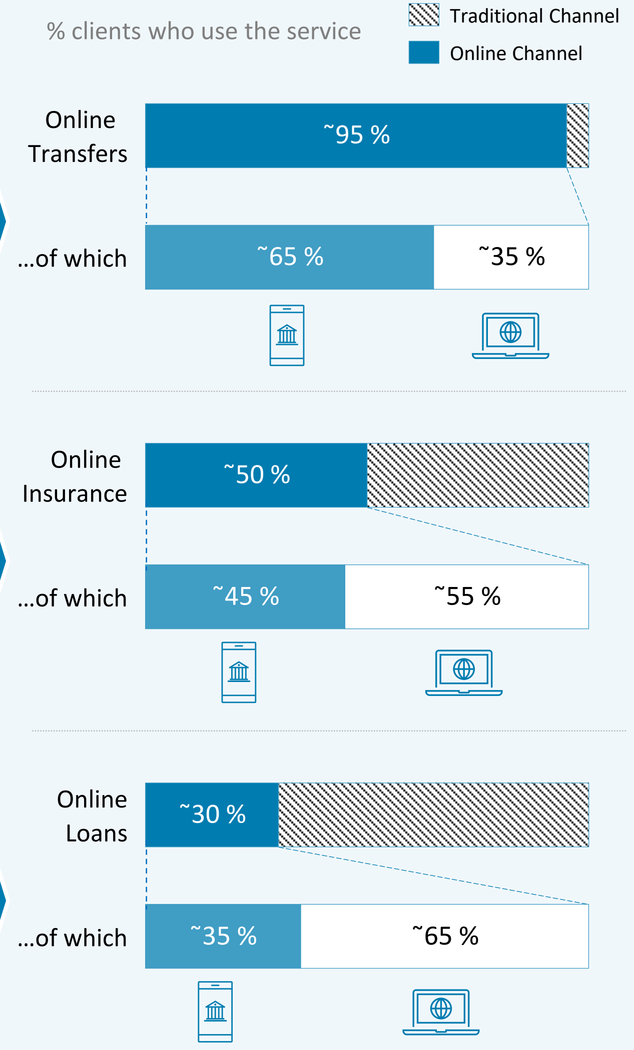
BANCASSURANCE & WEALTH MANAGEMENT

Distribution of **insurance/investment products** through **digital channels** and subscription via **digital signature** (e.g., life insurance policies)

LOANS & MORTGAGES

Automation and digitalization of **all phases** of the **credit process** from **onboarding** to **credit approval** and **disbursement** (e.g., personal loans)

Key Insights



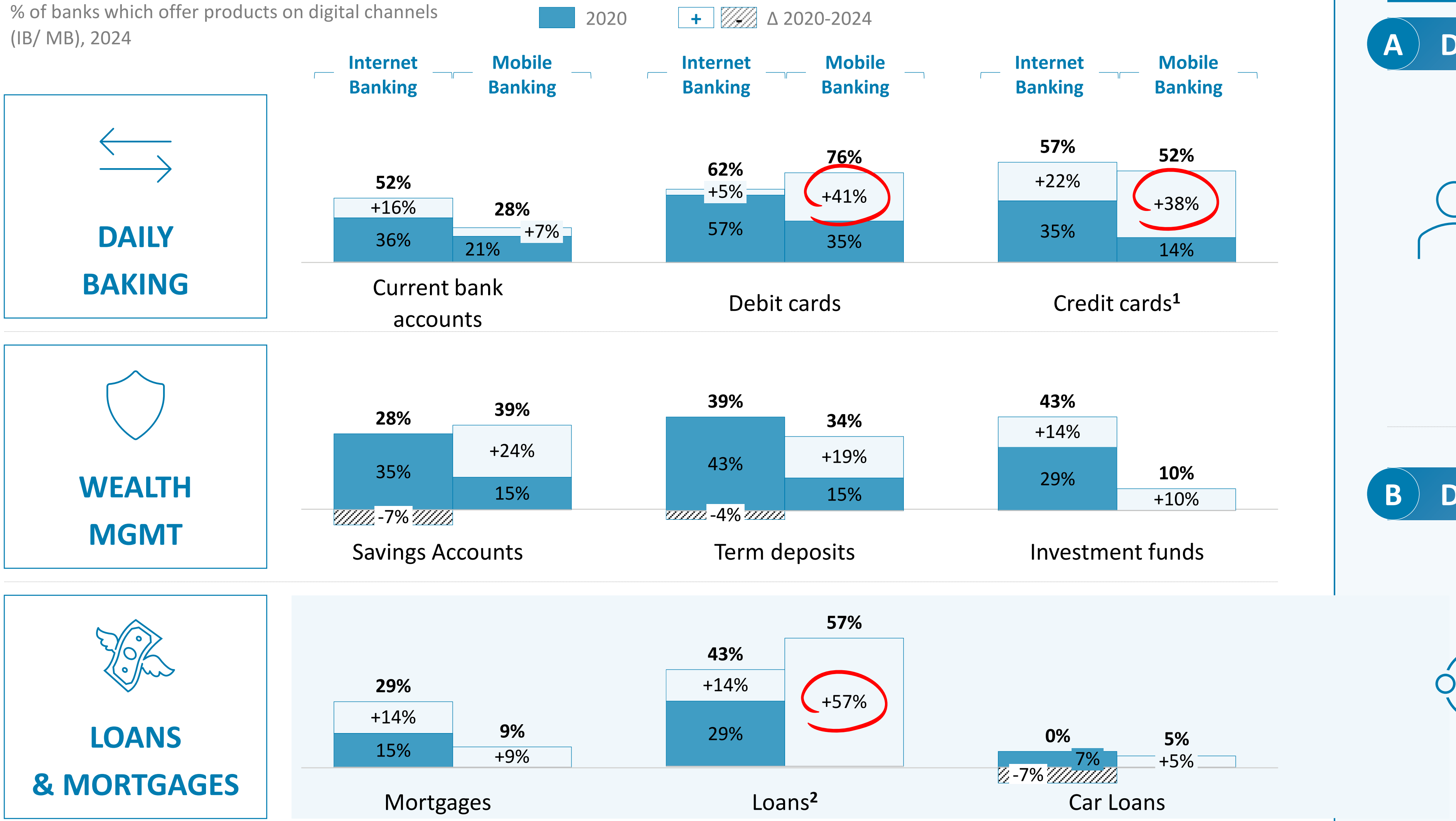
Mobile Banking Internet Banking

Sources: Monitor Deloitte Digital Lending Observatory 2025 - «La nuova frontiera del credito: evoluzioni e prospettive future»; Deloitte elaboration based on data from ABI

Number of banks offering digital products has grown strongly in recent years, with a focus on Mobile Banking

Italian banks with digital product offerings'

% of banks which offer products on digital channels (IB/ MB), 2024



Processi abilitanti per prestiti

A DIGITAL ONBOARDING

Acquisition of new **customers** via **information collection**, **identity** verification, **digital** signature of **contracts, without** physical **interaction**

B DIGITAL LENDING – LOANS

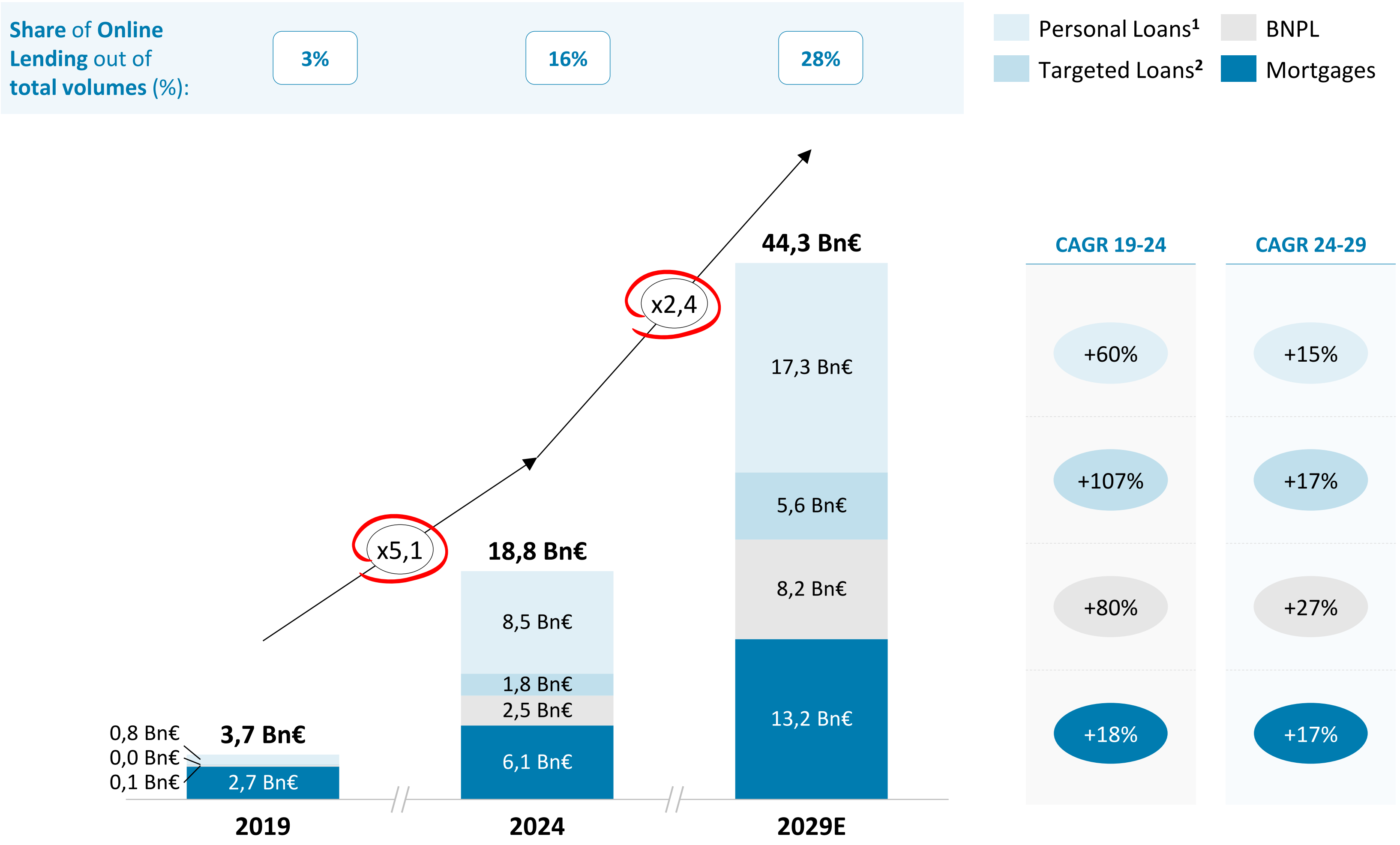
Loan processing via **disbursement** via digital channels, **risk assessment** and **approval of credit, without** physical **interaction**

1) Considered within the Daily Banking and not within the Loans; 2) Excluding auto loans; Sources: Monitor Deloitte Digital Lending Observatory 2025 - «La nuova frontiera del credito: evoluzioni e prospettive future»; Deloitte elaboration based on data from the "Digital Banking Maturity 2024"

Digital Lending volumes are growing steadily across all credit segments, with growth expected around ~30% of total lending by 2029

Evolution of digital lending by volumes…

Bn€, 2019 – 2029E



Key insights

- **Significant growth of digital lending across simpler product segments[3]** – Digital Lending has grown significantly in recent years (i.e. CAGR 2019-24 for targeted loans >100%), driven by new consumer behaviors and the e-commerce[4] context (e.g., e-commerce development, pandemic)
- **Development of BNPL as a payment solution** – BNPL is growing in Italy, consolidating market shares and thanks to the introduction in product categories previously dominated by targeted loans (e.g., household appliances and telephony)
- **Moderate growth of digital lending also in mortgages** – Digital Lending is also advancing in mortgages, thanks to the introduction of new technologies (e.g., AI, remote valuations)

1) Includes salary assignment loans; 2) Targeted online loans exclude car purchase financing; 3) Financing products characterized by expedited application and approval procedures with minimal documentation requirements (e.g., personal loans and BNPL); 4) 55 Bn€ volume of e-commerce market in 2023 based on data from Wordpay; Sources: Monitor Deloitte Digital Lending Observatory 2025 - «La nuova frontiera del credito: evoluzioni e prospettive future»; Deloitte elaboration based on data from Experian, Assofin, Banca d'Italia

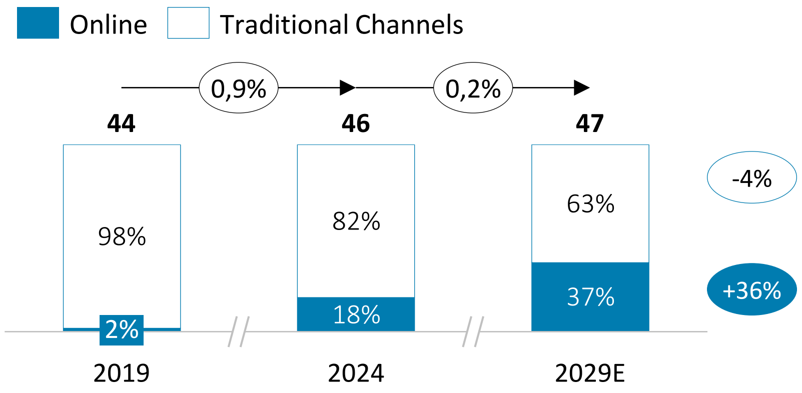
Incidence of the online channel for loans and mortgages is growing, with a significant share on simpler credit products (i.e. personal loans/targeted loans vs. mortgages)

Evolution of digital lending by distribution channels

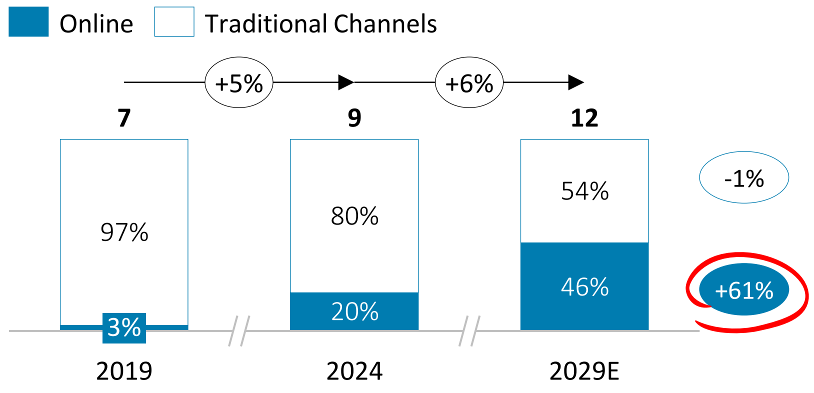
Bn€, 2019-2029E

CAGR Volumes 2019-2029

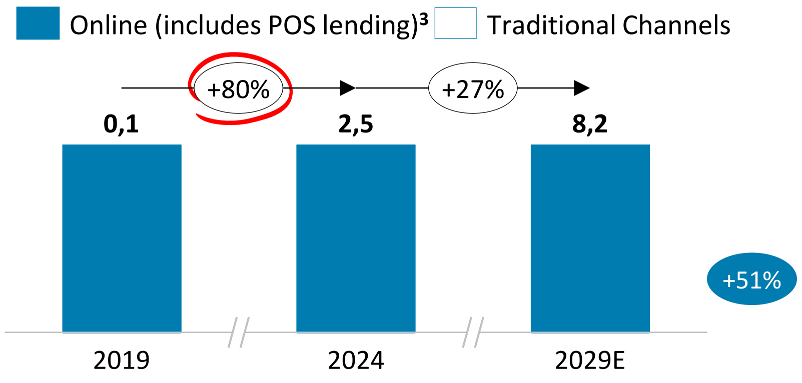
PERSONAL LOANS[1]



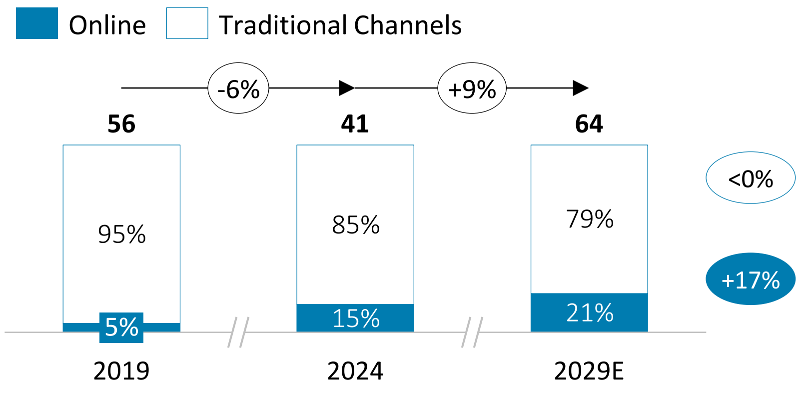
TARGETED LOANS[2]



BUY NOW PAY LATER



MORTGAGES



Key insight

- **Growth of targeted loans online** – Share of targeted loans online has increased significantly (20% '24 vs. 3% '19), thanks to the ease of digital procedures and integration with retailers and marketplaces
- **BNPL expansion** – BNPL shows exponential growth (+80% CAGR '19-25), driven by increasing adoption in e-commerce (BNPL effect), with BNPL representing +10% of e-commerce volumes in '29 – in Sweden, BNPL represents 25% of total e-commerce transactions
- **Present, yet limited, growth of online mortgages** – Mortgages have the lowest digital penetration (~15%), hindered by the complexity of bureaucratic procedures and preference for advisory support in financing decisions

1) Including CQS; 2) Targeted loans online exclude car purchase laonds; 3) BNPL values at point-of-sale are classified as online given the app-based payment method; Sources: Monitor Deloitte Digital Lending Observatory 2025 - «La nuova frontiera del credito: evoluzioni e prospettive future»; Deloitte elaboration based on data from Experian, Assofin, Banca d'Italia

Digital credit holds a strong popularity among the younger generations, typically among wealthy men living in Northern Italy, while BNPL tends to be preferred by women

Overview of personas for product category and distribution channel

% of requests[1], 2024

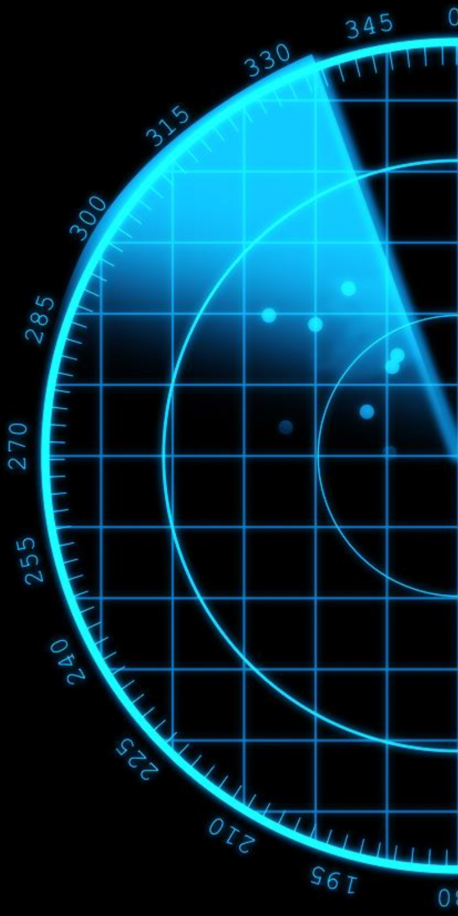
	PERSONAL LOANS – Online	PERSONAL LOANS – Offline	TARGETED LOANS[3] – Online	TARGETED LOANS[3] – Offline	BUY NOW PAY LATER – Online	BUY NOW PAY LATER – Offline	MORTGAGES – Online	MORTGAGES – Offline
AGE[2]	Gen X *(Age - 44-59)* 42%	35%	Gen Y *(Age - 29-44)* 33%	Gen X *(Age - 44-59)* 35%	Gen Y *(Age - 29-44)* 40%		Gen X *(Age - 44-59)* 48%	Gen Y *(Age - 29-44)* 50%
INCOME RANGE	Medium-High 30%	Low 24%	Medium-High 29%	Low 25%	Medium-High 24%		High 32%	Medium-High 29%
GENDER	Male 70%	60%	Male 59%	60%	Female 58%		Male 60%	55%
GEOGRAPHIC AREA - ITALY	North 45%	South 40%	North 45%	South 44%	North 39%		North 68%	48%

Looking at $CAGR_{19\text{-}24}$, **Gen Y** and **Gen Z** will replace **Gen X** in the next years

Mainly driven by **fashion industry**, responsible for **more** than **80%** of **purchases** through **BNPL**

1) Data calculated on the total amount of requests; 2) Gen Z: born after 1995, Gen Y: 1981-1995, Gen X: 1966-1980, Baby Boomers 1946-1965, Seniors: before 1946; 3) Carl loans not included; Sources: Monitor Deloitte Digital Lending Observatory 2025 - «La nuova frontiera del credito: evoluzioni e prospettive future»; Monitor Deloitte Digital Lending Observatory 2025, «The new credit frontier: evolution and future perspectives»

3. AI Evolution and its impact within Banking Industry



After a long evolutionary path, AI has finally reached maturity enabling solutions that were unthinkable until a few years ago

Historical Evolution of AI

ILLUSTRATIVE

AI Maturity

1950-56
Turing Test & Creation of term "Artificial Intelligence"

1959
Samuel's checkers game beats human player

1994
Two robotic cars drive for a long distance on the highway

2011
IBM's Watson beats the Jeopardy! Champion

2014
GAN (generative adversarial network) introduced by *I. Goodfellow*

2017
Rise of **virtual agents/ home devices** (Google, Alexa, SIRI, …)

2018
GPT-1 released by **Open A.I.** and **Alibaba's AI model** outperforms humans in **text comprehension**

2020
- **GPT-3** released by **Open A.I.** (pre-trained text generation)
- **Microsoft** introduces **T-NLG** (Turing Natural Language Generation)

2021-22
Open A.I. releases **ChatGPT** and **DALL-E** (text-to-image AI tool)

2023
- **PaLM-2** and **Bard** released by **Google**
- **GPT-4** released by **Open A.I.**
- **Nvidia** reaches **1 T$ market value**

2024-25
- **Gemini 2.0** released by **Google**
- **GPT-4o** released by **Open A.I.**
- **Claude 3.5** released by **Antrophic**

Generative AI boom

Birth of AI | *AI Winter* | *AI Modern Age*

Time

Game changer recent developments

TEXT GENERATION

"Explain the business impact of Gen AI in 50 words"

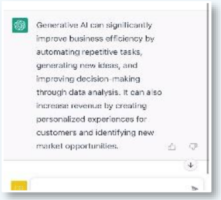
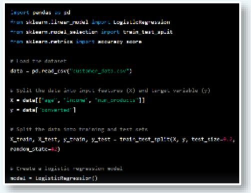


IMAGE GENERATION

"A bowl of soup that is a portal to another dimension"

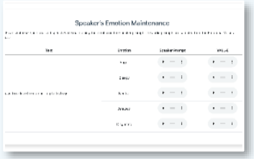
CODE GENERATION

"Write a Python code that predicts the customer conversion probability"



AUDIO GENERATION

"Generate an audio that says: we need to reduce the number of plastic bags"



Fonte: Monitor Deloitte market intelligence; press clippings

The AI toolkit range from process automation, recommendation and classification to the creation of new content…

	Description	Output type	Levers
Artificial Intelligence	**Systems** based on **pre-set rules** that can emulate some of the **human intellectual functions**	*Pre-set/ Standardized*	**AUTOMATE & MONITOR** *Repetitive activities at physical/ software level*
Machine Learning	**Structured input-based models** to help computer **improve** their **performance through experience** gained	*Insight generation*	**PREDICT & RECOMMEND** *Predictions based on large amounts of data*
Deep Learning	Emulation of **human learning abilities,** with the **capacity** to **understand input** received (including NLP[1] and Computer Vision)	*Insight generation*	**CLASSIFY & OPTIMISE** *Complex information to optimise Business decision*
Generative AI	**AI algorithms** designed to **generate new data** or **content** from **unstructured/ generic input**	*Output creation*	**UNDERSTAND & GENERATE** *Original content (e.g., text, video, audio)*

Transformative potential

FOCUS NEXT SLIDE

1) Natural Language Processing; Fonte: Monitor Deloitte market intelligence based on client experiences and internal expertise

…leading to a countless kind of applications and enabling new revenue streams, cost optimization solutions and engaging CX

AI APPLICATIONS – SOME EXAMPLES

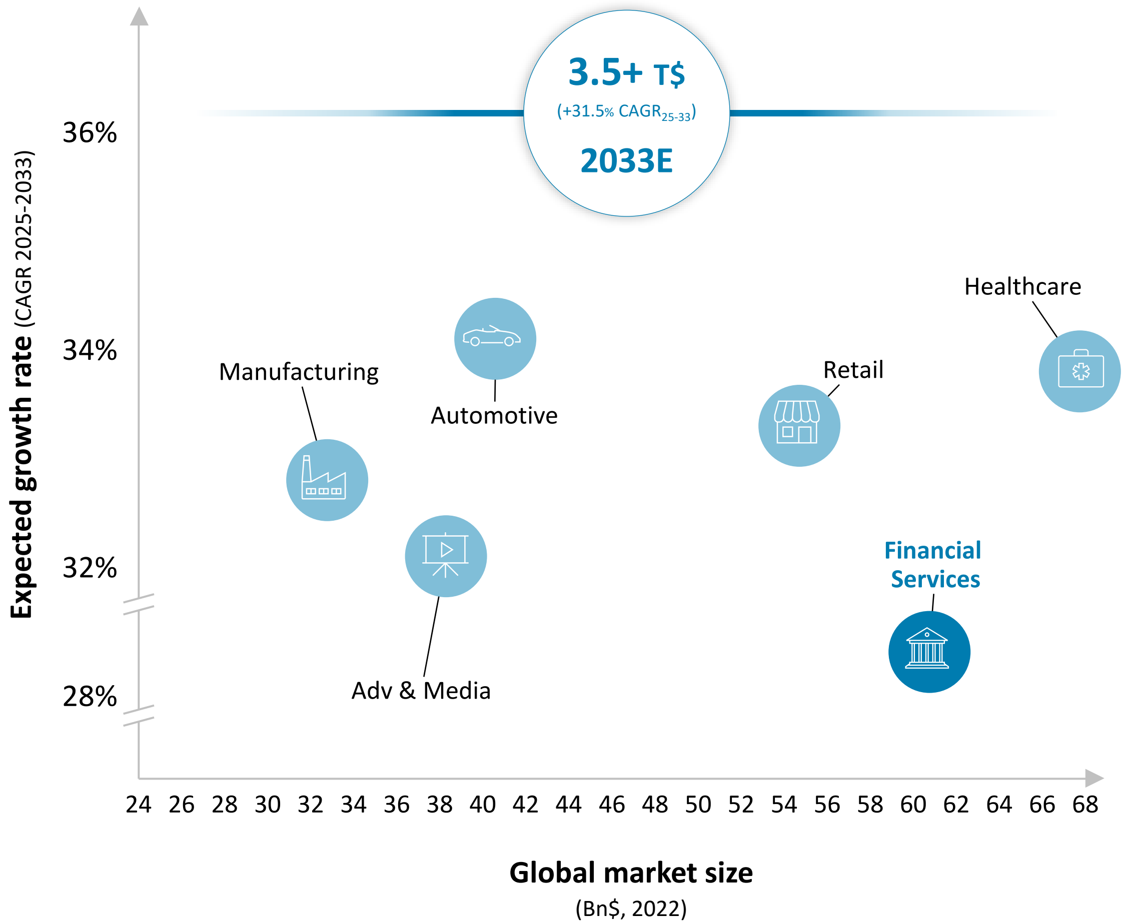
AUTOMATE & MONITOR *Artificial Intelligence*	**Automate processes** Automating routine and rule-based tasks, reducing manual errors	**Detect anomalies** Identifying anomalies in patterns or deviations from expected behavior	**Classify data** Categorising structured/ unstructured data into predefined classes	**Monitor pre-set KPIs** Measuring the correct achievement of previously defined KPIs/ milestones
PREDICT & RECOMMEND *Machine Learning*	**Make predictions** Predicting numerical values based on different variables	**Prevent churn** Analysing customer data to identify patterns indicating a risk of churn	**Suggest Next Best Action** Proposing pre-set next best actions according to the context/ situation	**Evaluate purch. propensity** Predicting the customers' willingness to pay for certain products
CLASSIFY & OPTIMISE *Deep Learning[1]*	**Assess sentiment** Analysing customer feedbacks to gauge sentiment (e.g., claims)	**Group customer segments** Categorising customer base by behaviors (i.e., personas)	**Optimise workforce** Assessing/ optimising the distribution and performance of orga workforce	**Dispatch communications** Optimising routes and ensuring correct reporting (e.g., ticket, claims, …)
UNDERSTAND & GENERATE *Generative AI*	**Personalize contents** Creating hyper-personalized contents to customer habits/ specific requests	**Summarise text** Analysing texts, identifying key concepts and generating summaries	**Generate insights** Analysing large data to generate insights (e.g., drafting contents, …)	**Generate code** Creating code based on user's inputs and translating to code

…and many others

1) Deep learning includes various technologies (e.g., computer vision, Natural Language Processing, …); Fonte: Monitor Deloitte market intelligence based on client experiences and internal expertise

All sectors are going to be affected by AI – today Financial Services are the second most impacted industry in terms of AI spending

Global AI market size[1] and expected growth



Main industries and areas of implementation

NOT EXHAUSTIVE

ADOPTERS

ADV & MEDIA

- Automatic creation of multim. content
- Targeted advertising
- Restoration of multimedia content
- …

FINANCIAL SERVICES

- Risk analysis
- Customer support (e.g., chatbot)
- Prevention of fraud
- …

FOCUS NEXT SLIDE

HEALTHCARE

- Assisted diagnostic
- Remote monitoring of patients
- Pharmaceutical R&D
- …

AUTOMOTIVE

- Autonomous/ assisted driving
- Optimization of traffic and vehicular flow
- Predictive maintenance of vehicle
- …

RETAIL

- Customer behavioral analysis
- Inventory/ stock management
- Personalization of customer experience
- …

MANUFACTURING

- Predictive maintenance
- Automation of quality control
- Production optimization
- …

1) Global spending in AI by industry; Fonte: Monitor Deloitte elaboration on «Artificial Intelligence (AI) Market Estimates & Trend Analysis», Grand View Research

In Banking, a wide range of solutions have already been introduced across the main business areas

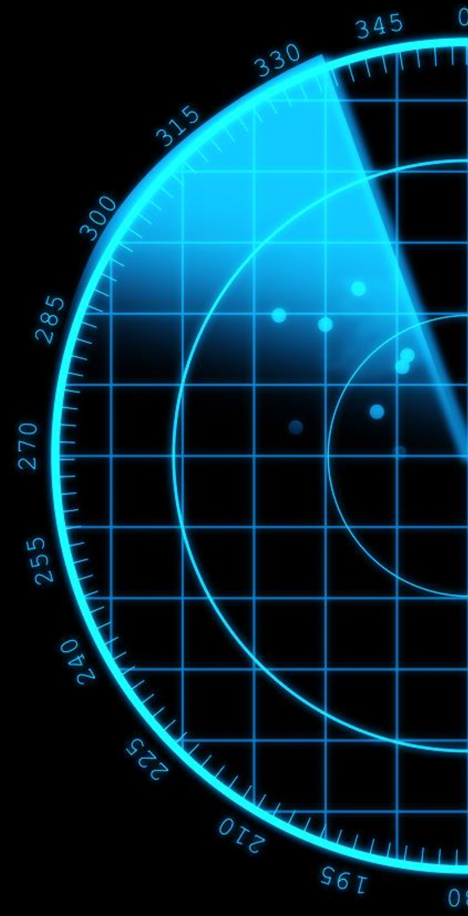
Back office ⟵ ⟶ Front office

RISK MANAGEMENT & COMPLIANCE	FINANCE, ACCOUNTING & P&C	PEOPLE & ORGA	IT & OPERATIONS	PRODUCT & SERVICE DESIGN	MARKETING & SALES
Intesa Sanpaolo, Mastercard	JPMorgan Chase & Co., Morgan Stanley	Desjardins, Bank of America	isybank, Banca Aidexa	Banco BPM, Crédit Agricole	Santander, ally
Credit management (e.g., approval granted, …) and **risk scoring**	**Financial planning and forecasting** (e.g., capital allocation, stress tests)	**Staffing mgmt./ planning** (e.g., headcount sizing)	**Process automation** (e.g., design, review)	**Product development** (e.g., customer requirements, UX definition)	**Commercial planning** and **mkt. campaigns** definition (e.g., using transaction data)
Legal risk management and **regulatory compliance**	**Cost optimization** (e.g., cost-saving data-driven, market pricing)	**Recruiting & onboarding process management**	**Procurement** and **logistics activities** management	**Pricing** and **product catalogue management**	**Financial products, channels usage & services advisory**
Business risks identification, evaluation and **mitigation**	**Administrative** and **accounting activities** oversight (e.g. financial analysis and reporting)	**Training** and **change management** initiatives	**IT systems** management (e.g., cybersecurity)	**Technical documentation drafting** (e.g., POG guidelines)	**Customer experience** and **service model** enhancement
Internal controls management (e.g., audit services)	**Financial performance monitoring** (e.g., deviation analysis)	**Organizational structure** definition	**Claims** and **litigation** management	**Regulation evolution** monitoring	**Brand awareness** & **identity** development

Low impact[1] ⟶ High impact[1] Relevant GenAI involvement

1) Impact quantified as revenues increase/ costs reduction; Fonte: Monitor Deloitte market intelligence based on client experiences and internal expertise

4. Deloitte Digital Banking Maturity Study



Digital Banking Maturity is a global accelerator, helping banks respond to change

Digital Banking Maturity is the **largest global digital banking study**. The outside-in strategy applied, involving the use of a ”mystery shopper” tool to assess retail banks’ digital channels, provides a comprehensive maturity overview and can facilitate discussion about future developments

The assessment is carried out by **Deloitte professionals**, providing a unique, **unbiased insight** into digital channels’ maturity

In the 6th edition of the study, Deloitte takes a closer look at banks from **all over the globe** in search of **leading global trends, best practices**, and gaps alike

349 *BANKS ASSESSED*

44 *MARKETS COVERED*

DIGITAL CHANNELS (public website, internet banking, mobile app)	**3**
CUSTOMER JOURNEY STEPS	**6**
CUSTOMER JOURNEY SECTIONS	**17**
FUNCTIONALITIES AND FEATURES	**1k+**
CUSTOMERS SURVEYED	**4.3k+**
LOCAL MARKET RESEARCHERS	**194**
KEY UX SCENARIOS ANALYZED	**14**

Global best practices identified from the **market**

The DBM study has examined, among global banks, a sizable group of banking players in Italy that collectively comprise a highly representative sample...

DBM Perimeter of analysis

Assessed panel made up of the following **types** of **banks**:

- **Traditional banks/ Others**[1]
- **Online/ FinTech banks**
- **Networks of financ. advisors**

Deloitte.

DIGITAL BANKING MATURITY

KEY DATA ON ANALYZED PLAYERS' MARKET SHARE

~72%	**Total Bank Loans** (~1.940 Bn€)	~63%	**Direct bank deposits** (~1.678 Bn€)
~70%	**Branches and offices across Italy** (~20 k#)	~84%	**Bank employees** (~263 k#€)

22 Sampled Italian banks

TRADITIONAL BANKS/ OTHERS[1]: Crédit Agricole, illimity, Banca Popolare di Sondrio, BNL BNP Paribas, UniCredit, Monte dei Paschi di Siena, BPER: Banca, Banco BPM, Intesa Sanpaolo, ING, Gruppo BCC Iccrea

DIGITAL BANKS: isybank, HYPE, Webank.it, Revolut, buddybank, BBVA, Hellobank!

NETWORKS OF FINANCIAL ADVISORS: Mediobanca Premier, Fineco, Banca Mediolanum, Banca Widiba

Digital Champions global

Santander, BBVA, DBS, bunq, ABN·AMRO, ING, Fibabanka, Rabobank, mBank

40+ Banks defined as **Global Digital Champions**

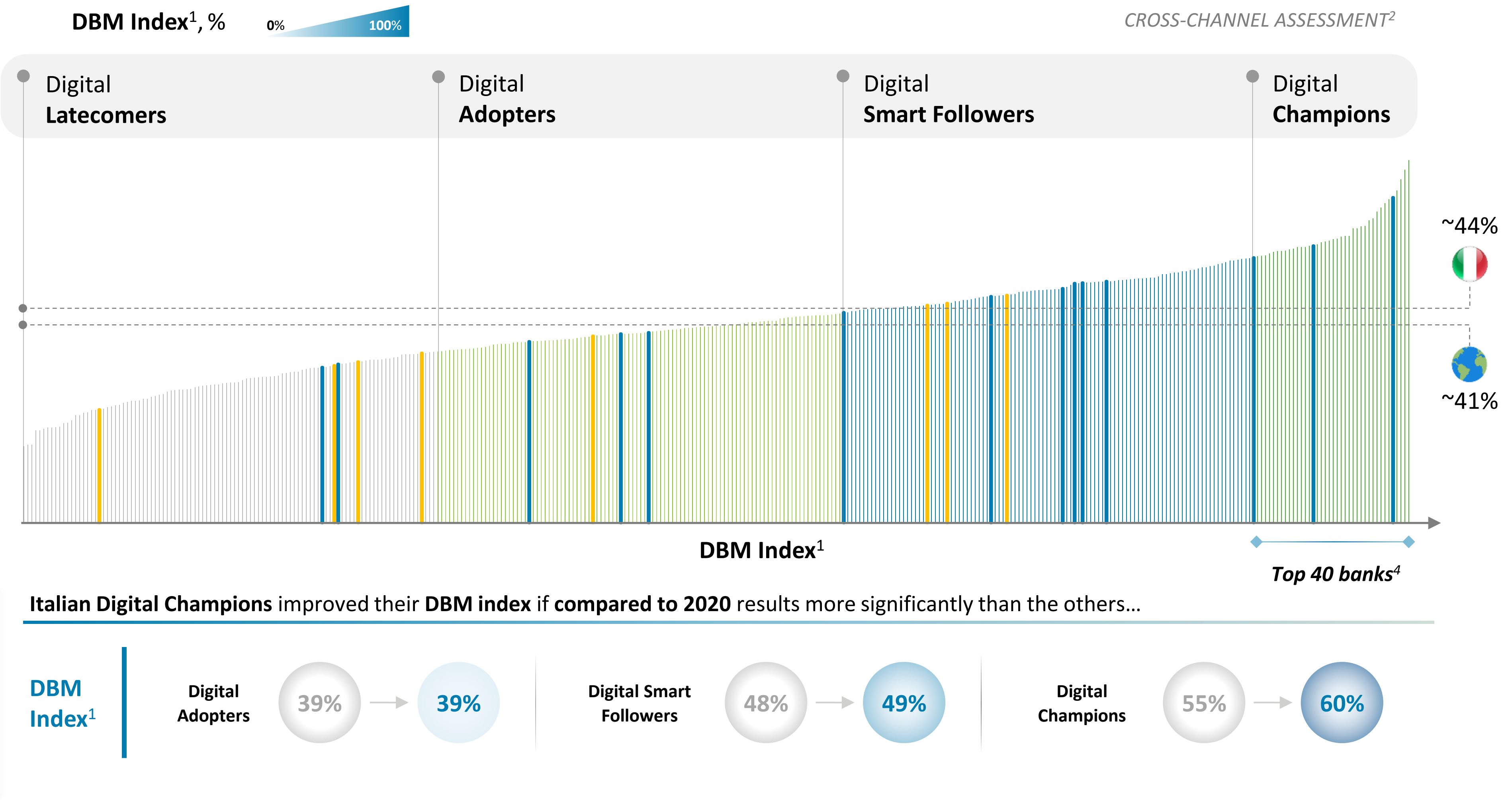
1) Including banking players not directly focused on banking proposition for Retail segment (e.g., Digital banks for SME/ Companies, ...)

…broken down into four clusters according to their digitalization levels, identifying digital champions as best performers

What defines Digital **CHAMPIONS?**

Digital **Champions** offer a **wide range of functionalities relevant for customers** as well as a **compelling user experience**

They set **key digital trends** and have **leading market practices in place**, positioning as **role models** to be followed



Italian Digital Champions improved their **DBM index** if **compared to 2020** results more significantly than the others…

DBM Index[1]			
Digital Adopters	39%	→	39%
Digital Smart Followers	48%	→	49%
Digital Champions	55%	→	60%

1) DBM index measures maturity for channels and products offered by a bank. Data for 349 banks covered in 2024 edition; 2. DBM score quantified over the 3 digital channels assessed by the study (i.e., Public website, Internet banking, Mobile App); 3. Including banking players not directly focused on banking proposition for Retail segment (e.g., Network of financial advisors, Digital banks for SME/ Companies, ...); 4. Selection of 40 banks defined as Digital champions

Moving deeper across Sections along the Customer Journey, detailed differences of Italian banks to the global average and best countries can be identified

DBM Score by Customer Journey Section, %

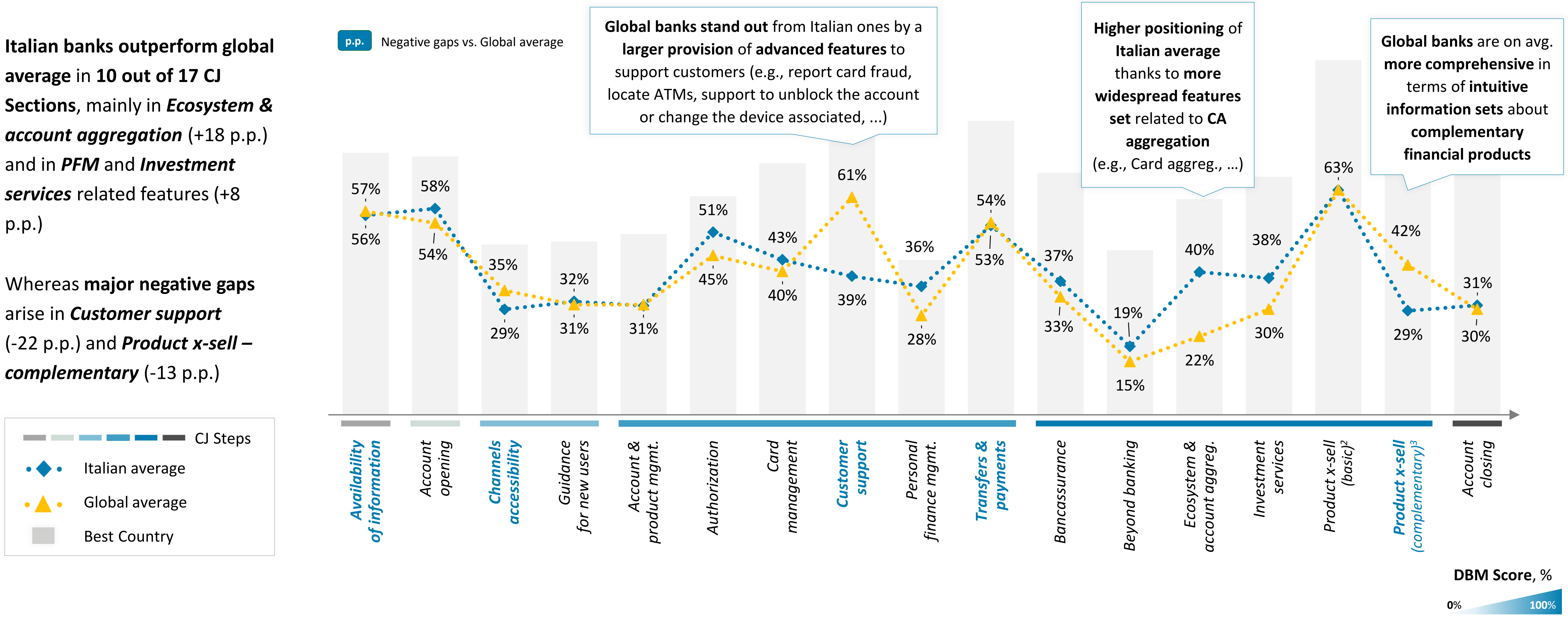
CROSS-CHANNEL ASSESSMENT[1]

Gaps** to **global average

CJ Section	Gap
Availability of information	-1 p.p.
Account opening	+4 p.p.
Channels accessibility	-6 p.p.
Guidance for new users	+1 p.p.
Account & product mgmt.	-
Authorization	+6 p.p.
Card management	+3 p.p.
Customer support	-22 p.p.
Personal finance mgmt.	+8 p.p.
Transfers & payments	-1 p.p.
Bancassurance	+4 p.p.
Beyond banking	+4 p.p.
Ecosystem & account aggreg.	+18 p.p.
Investment services	+8 p.p.
Product x-sell (basic)[2]	-
Product x-sell (complementary)[3]	-13 p.p.
Account closing	+1 p.p.

Italian banks outperform global average in **10 out of 17 CJ Sections**, mainly in ***Ecosystem & account aggregation*** (+18 p.p.) and in ***PFM*** and ***Investment services*** related features (+8 p.p.)

Whereas **major negative gaps** arise in ***Customer support*** (-22 p.p.) and ***Product x-sell – complementary*** (-13 p.p.)



1) DBM score quantified over the 3 digital channels assessed by the study (i.e., Public website, Internet banking, Mobile App); 2) Product x-sell (basic) includes debit card, credit card, overdraft, cash loan; 3) Product x-sell (complementary) includes car loan, mortgage, currency account, saving account, term deposit

Key digital trends emerging from Digital Banking Maturity study

01

EVOLUTION INSTEAD OF REVOLUTION

Focus has been **shifted from new developments** to existing **features rethinking**, prioritizing **digital accessibility** and **customer relationship expansion**

02

CONVENIENT BANKING

User experience optimization through **real time services** and **seamless functionalities** to satisfy **customers** increasingly **accustomed** to **digital services** and **convenient solutions**

03

EXPANDING BEYOND BANKING

Evolution into **ecosystems of "value added services" beyond traditional banking**, enabling customers to **manage various aspects** of their lives **through a single platform**

04

COMPREHENSIVE FINANCIAL ADVISORY

Heavy focus on **customer financial education** with specific features/services in order to **intensify the customer-bank relationship** while **exploiting cross-selling**

05

SEEKING POP EXPERIENCES

Growing use of **user-friendly features** and **interfaces** to **improve UX**, in line with the **evolutionary trends** of **other popular non-banking platforms** (e.g., Spotify, Uber, ...)

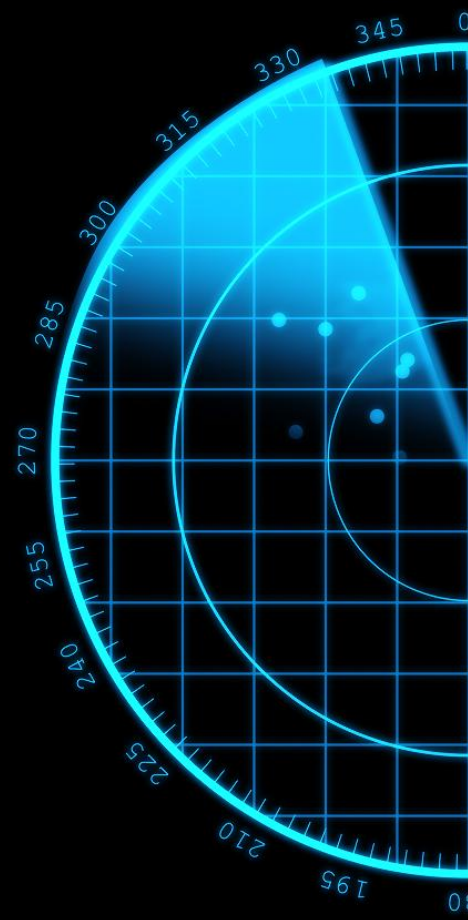
06

HYPER-PERSONALIZED COMMUNICATION

Emphasis on **user-centric experience** and **personalized content** (e.g., personas-based recommendations, …), where **AI** is expected to play a **significant role**

Q&A

THANK YOU!



FEEDBACK & IMPRESSIONS

- Open Discussion -

Allegati