



Innovation in Banking & Digital Finance

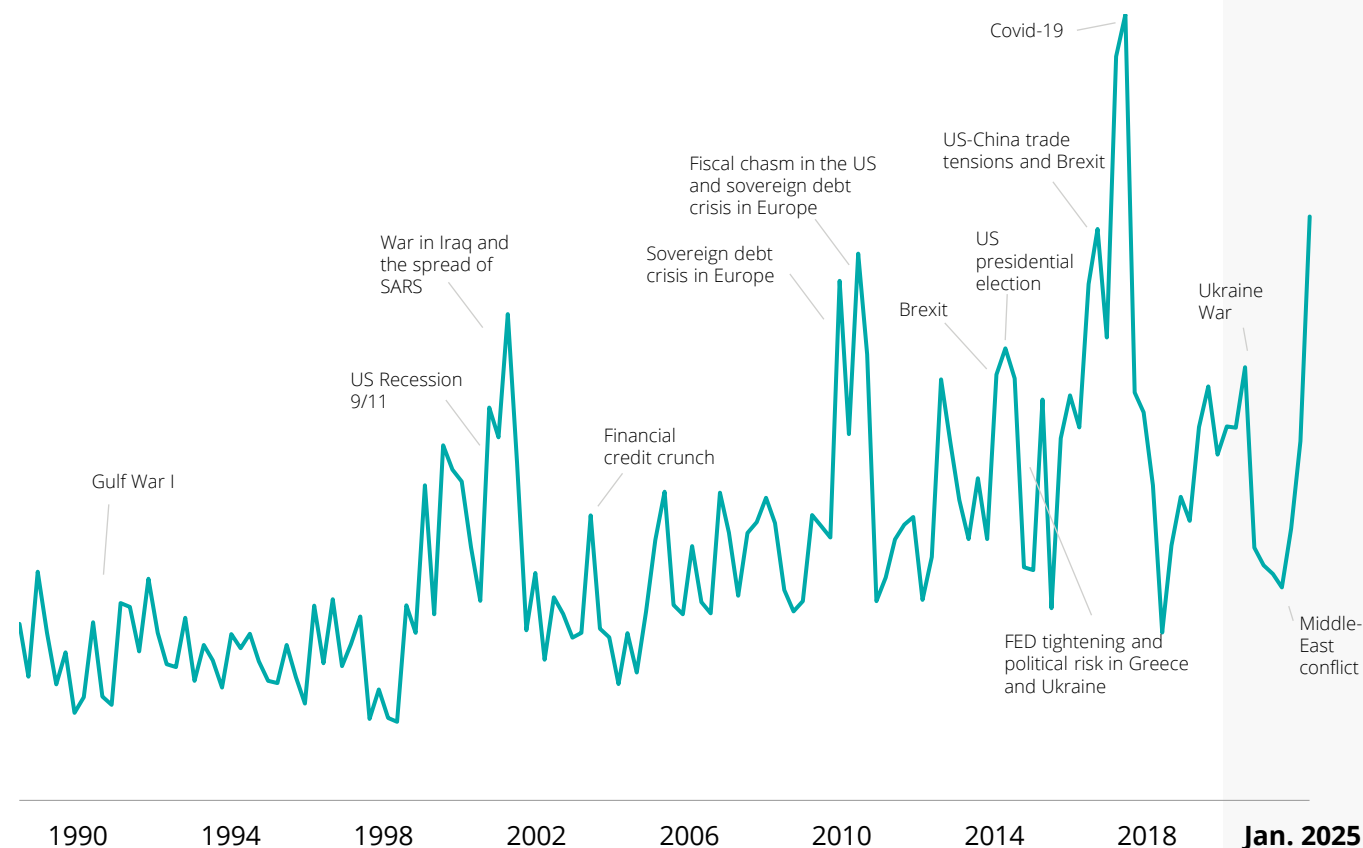
Monitor Deloitte point of view on digital banking maturity
and its impacts on the Financial Services Industry landscape

FSI Landscape | Customer needs and banking paradigms

The contemporary context is marked by an unsteady climate of uncertainty, despite a slight rebound from the previous period...

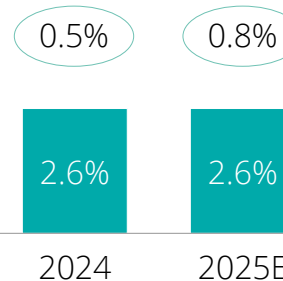
The world is going through challenging times and a general feeling of uncertainty is spreading across the globe

(Global uncertainty index trend; Score, 1990-Jan. 2025)



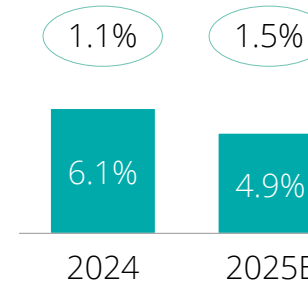
GDP growth rate

(YoY variation %, '24-25E, World vs. Italy)



Inflation rate

(YoY variation %, '24-25E, World vs. Italy)



The state of **UNCERTAINTY** perceived by the **MARKET** over the last few years has led to a general **STEADY WORLD ECONOMIC GROWTH** and to a steady rise in the **INFLATION RATE**, which only **RECENTLY** seems to be **SOFTENING**

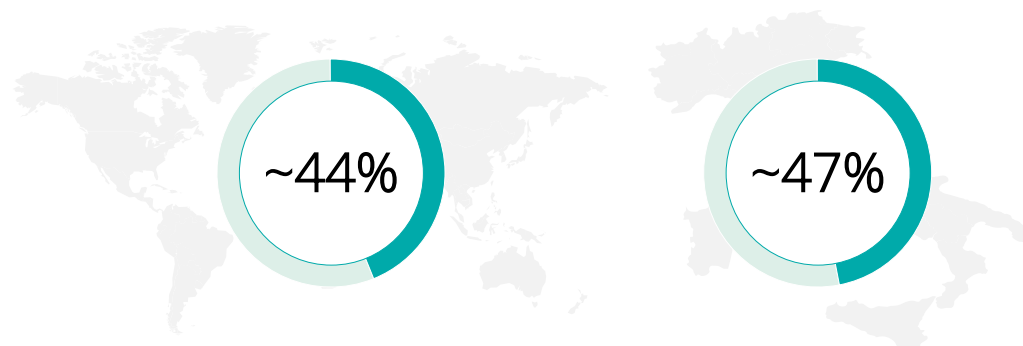
... leading to new priorities and purchasing habits, related to private consumption, consolidating within the market

MORE CONCERN TO HOW TO SPEND MONEY

As a **RESPONSE** to the **GROWING UNCERTAINTY**, at both **GLOBAL** and **NATIONAL LEVELS**, has been registered an increasing **CONCERN** about **LEVEL OF SAVINGS** and **GREATER ATTENTION** to **WAYS OF SPENDING**

Level of savings' awareness

(% of Consumers, Dec. 2023, Global-Italy)



Both **globally** and **nationally**, financial well-being remains at a **standstill** and **more consumers** are delaying important purchases and worrying about their **savings**

CHANGE IN CONSUMPTION HABITS

Customers are demonstrating increasingly **DIGITAL-ORIENTED BUYING ATTITUDE**, together with a strong and **GROWING AWARENESS** towards **SUSTAINABILITY PARADIGMS**

Shift in purchasing criteria

(Δ% YoY of e-commerce annual spend, '20-'21, Global; % clients, '21)



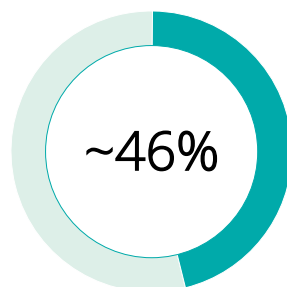
It becomes critical for financial operators to respond to such customers' behavioral shift focusing on two main areas...

What customers' want

How Banks can respond

ONE STOP SHOP FOR EVERY NEEDS
(financial & non)

Preference for a **SINGLE ENTRY-POINT** (even from third-party provider) to access to a **FULL SET** of **PRODUCTS**



% of banking customers ready to use:

THIRD-PARTY PLATFORMS for FINANCIAL NEEDS



BANKING APPS AS A PLATFORM for NON FIN. SERVICES

Co-creation of an effective **VALUE PROPOSITION** through **ECOSYSTEM** and **PLATFORM LOGICS**



Digitization



Capacity for Change

To be managed in an integrated way to balance all the levers

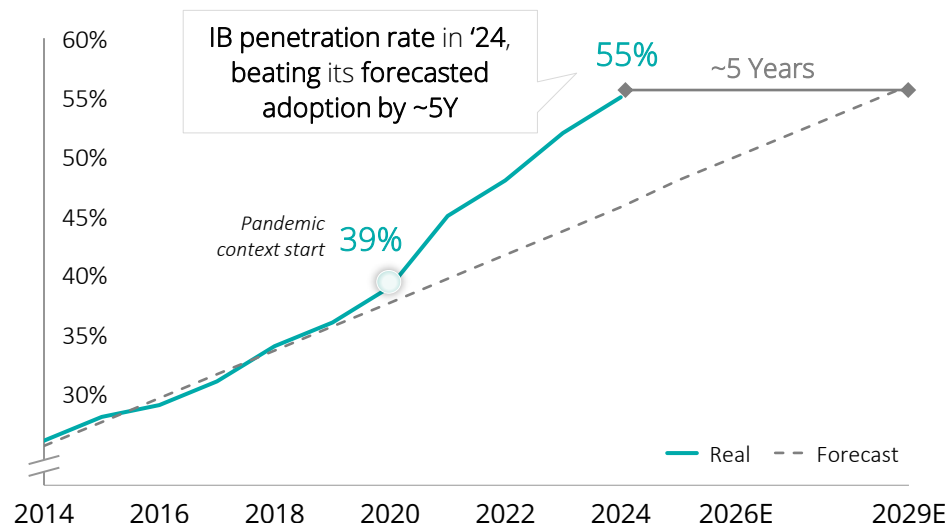
Development of **FULLY-DIGITAL** client-facing **SOLUTIONS** and optimization of **TERRITORIAL COVERAGE**

ACTIONS
(focus next slides)

KEY ENABLING FACTORS

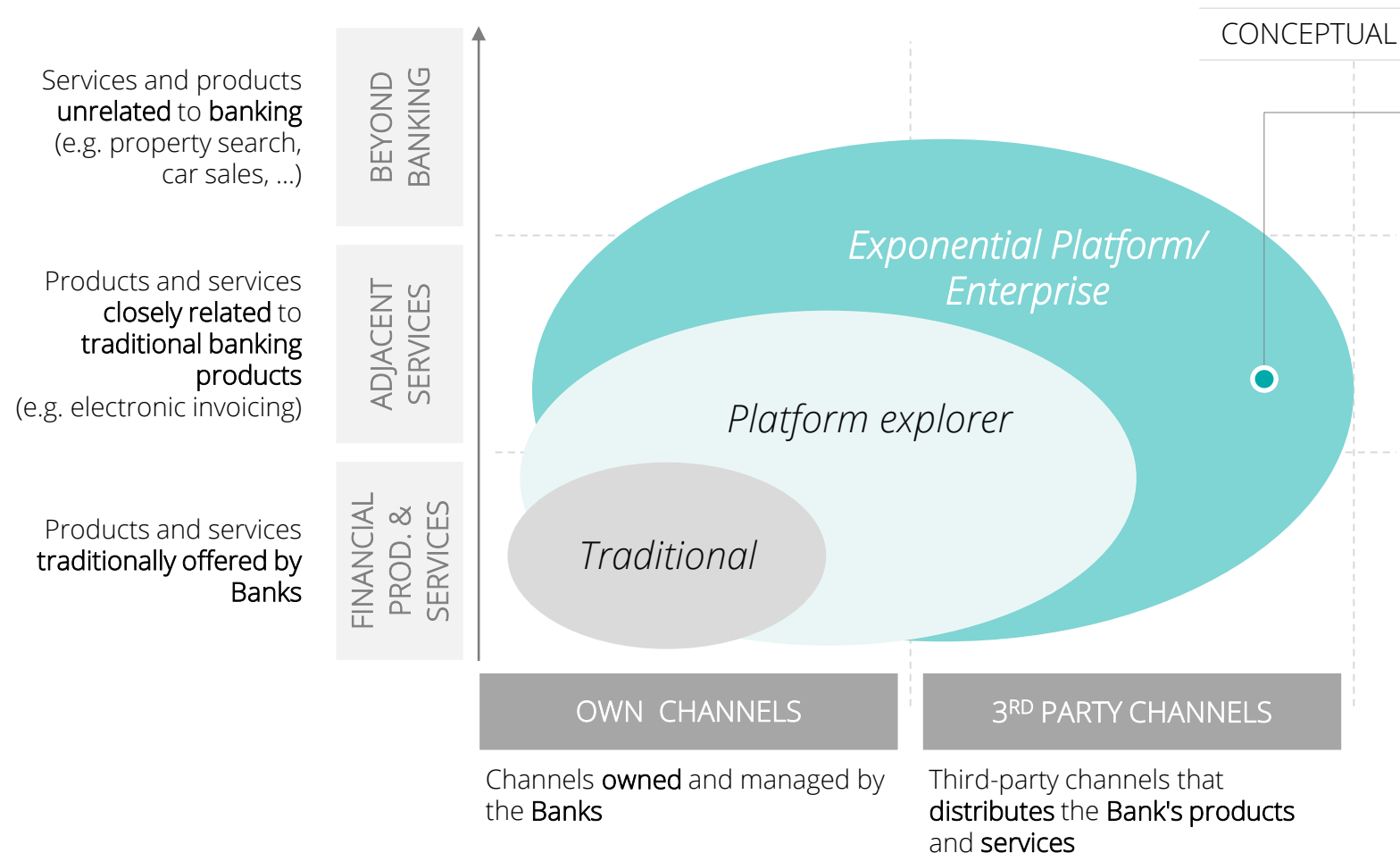
SPEED AND AUTONOMY IN MANAGING ACTIVITIES

Progressive shift towards **INTERNET BANKING** channel to manage banking activities, at a **FASTER PACE** than expected



...to become digitally-enabled exponential platforms co-creating effective value propositions through ecosystems

Strategic initiatives observed on the market by banking players



Exponential Enterprises

EXPONENTIAL ENTERPRISES are those capable of **EMBRACING CHANGE** and **INNOVATION**, evolving their **BUSINESS** around **TWO DIMENSIONS**

ABILITY TO WIN

Distinctive **assets** and **capabilities** enabling the **enterprise** to **maintain focus** and **compete** for market leadership in the **long term** across various **future scenarios**



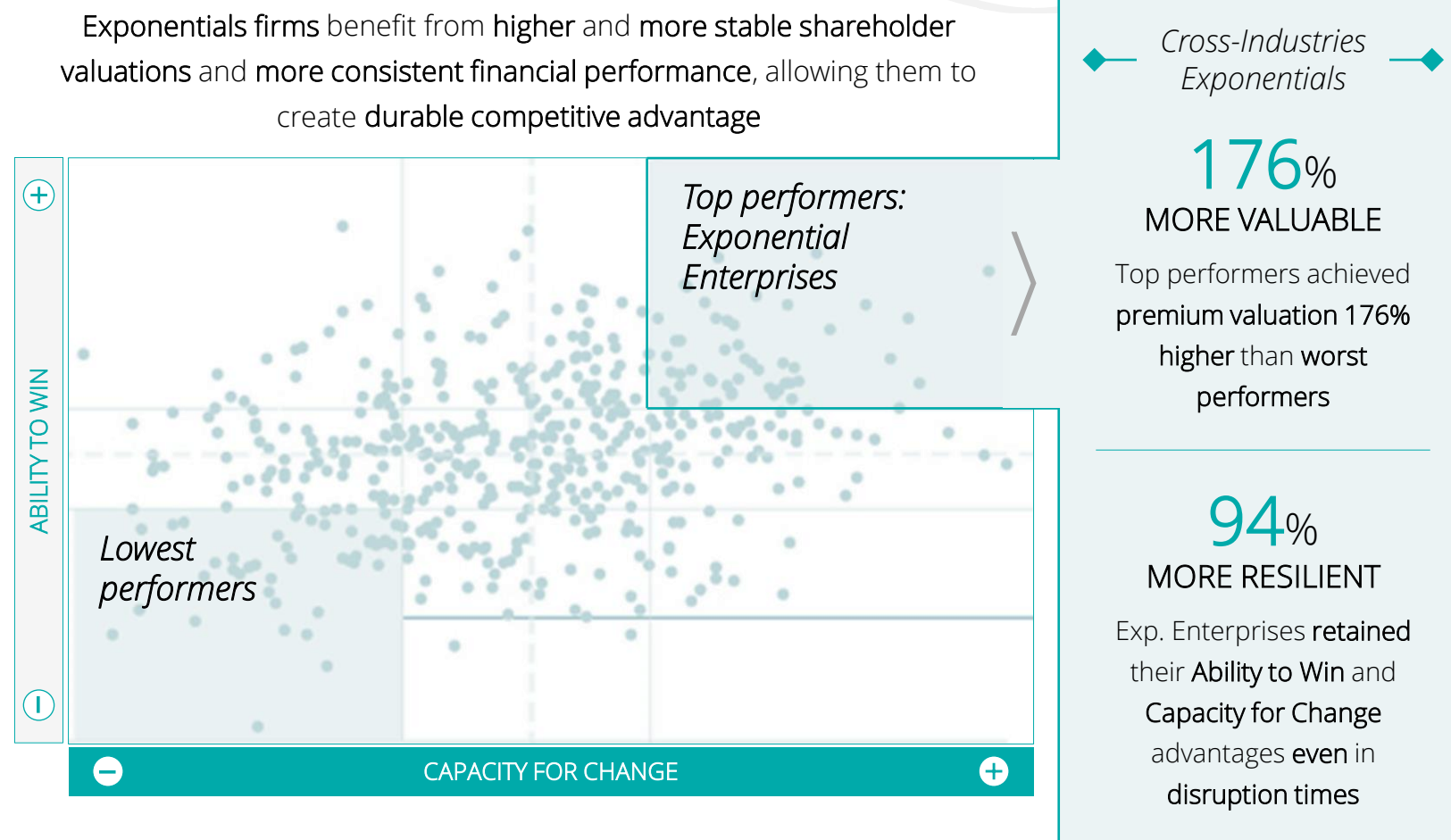
CAPACITY FOR CHANGE

Operating model, **capabilities** and **leadership** that allow the business to **quickly and flexibly adapt** how it **positions, delivers and monetizes** its *ability to win*

Our research shows that Exponential Enterprise achieve better results and investing in Capacity for Change is the key differentiating factor

Monitor Deloitte's Exponential Enterprise Index

MONITOR DELOITTE recently conducted a RESEARCH on a panel of 500 LARGE-CAP US FIRMS ACROSS INDUSTRIES aimed at assessing how EXPONENTIAL ENTERPRISES, those that RANK HIGHLY on both ABILITY TO WIN and CAPACITY FOR CHANGE, performed RELATIVE to their COMPETITORS



These findings were also confirmed by an industry-focused benchmark on European Banks

MONITOR DELOITTE Study,
echoing also on HARVARD
BUSINESS REVIEW, assesses what
being EXPONENTIAL means in
BANKING INDUSTRY, considering
their PERFORMANCES along the
ABILITY TO WIN and CAPACITY
FOR CHANGE



Exponential Banks: sostenere il vantaggio competitivo quando domina l'incertezza

Un'indagine Deloitte sul mercato europeo

May 2023

Panel and Methodology



13 top-tier Universal Banks



8 countries within Europe



17 driver analyzed on the two dimensions¹

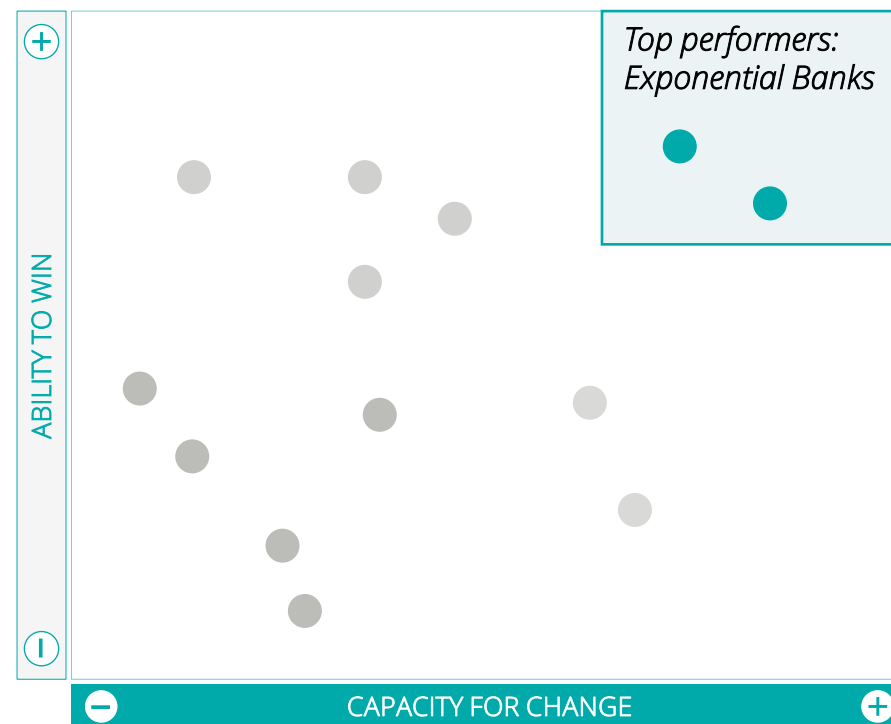


Financial analysis across 4 years ('18-'21)



Exponential Index of EU top-tier Banking Players

Embracing change and open ecosystems as core pillars,
Exponential banks secure more profitable
and cost-efficient businesses



EXPONENTIAL BANKS
have on average...

-20 p.p.

Lower COST/ INCOME

+3 p.p.

Higher RoTE

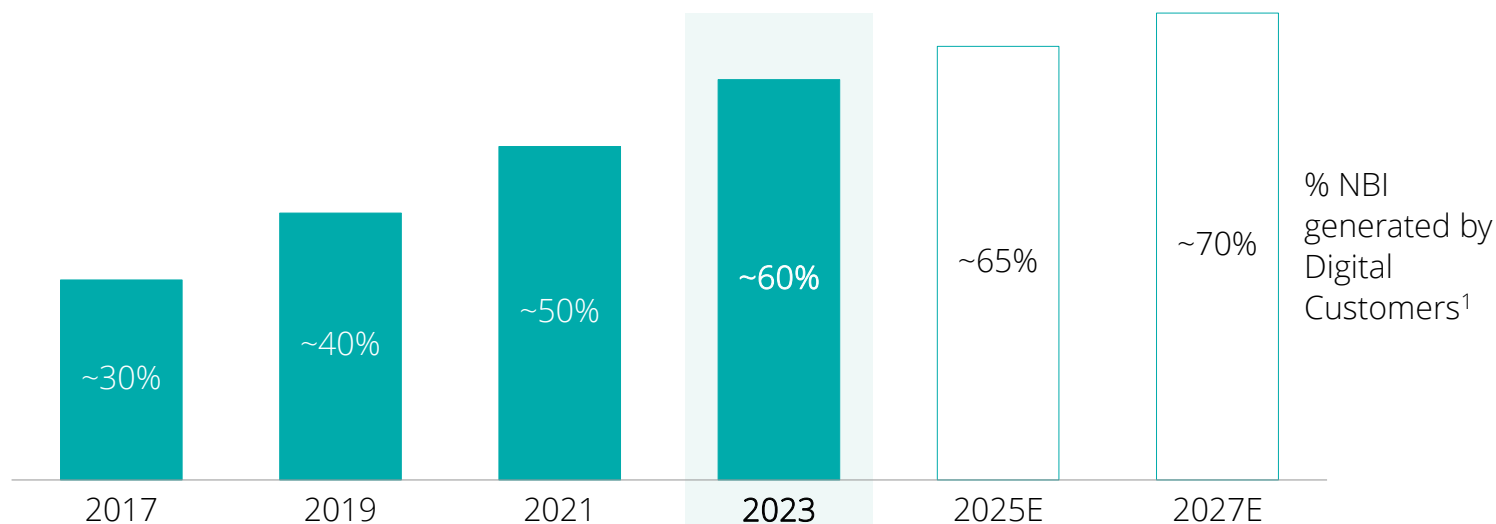
~4X

Higher Returns

... than their
industry peers

The evolutionary shift towards digital adoption made Digital Customers more relevant for banks, over 60% of NBI in 2023 and expected to growth further...

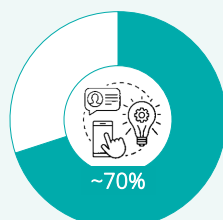
Digital Customers¹ relevance evolution for Banks



DIGITAL CUSTOMERS

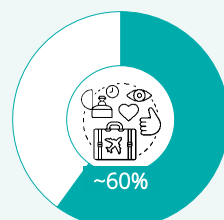
70% of Net Banking Income generated by Digital Customers in 2027

Distribution of customers by age and behaviour
(% Digital Customers)



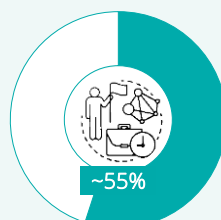
GenZ

Born between
1997 - 2008



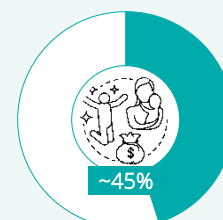
Millennials

Born between
1983 - 1996



GenX

Born between
1966 - 1982



Boomers

Born before 1966



GENERATIONAL EVOLUTION

Millennials and GenZ (highly digitalized) as customer base in the upcoming years

...increasingly demanding for more online products, mainly in daily banking and bancassurance solutions, together with a rising use of digital channels

RISING DEMAND FOR DIGITAL BANKING PRODUCTS...

DAILY BANKING

Constant growth of **digital channels** for **daily banking operations**
(+45% instant transfers via Mobile in 2023 vs 2022)



BANCASSURANCE

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



LENDING

Increase in **digital lending** with rising **incidence** on total **lending volumes**
(22% in 2023, +2 p.p. vs 2022)



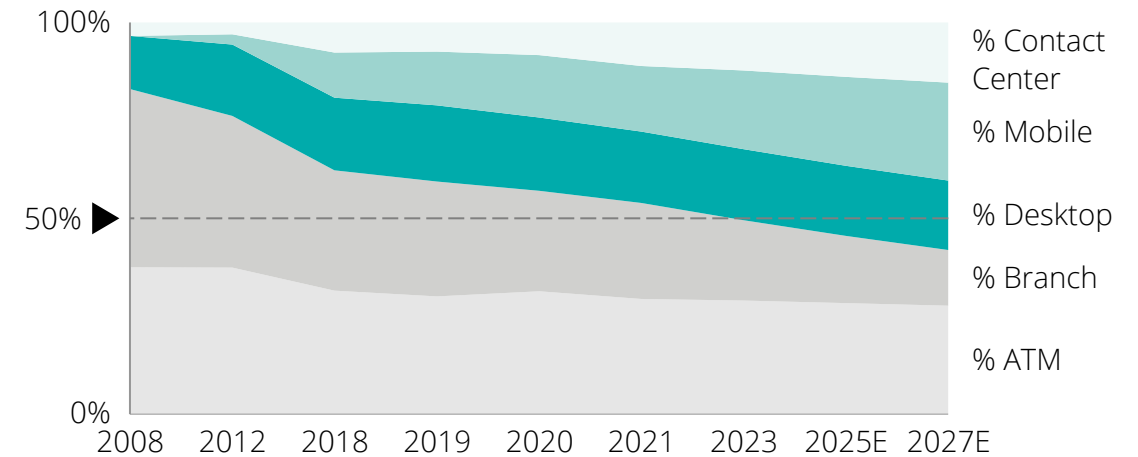
WEALTH MANAGEMENT

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



...ALONG WITH EVOLVING USE OF BANKING CHANNELS

% of use by channel, 2008-2027E, Italy

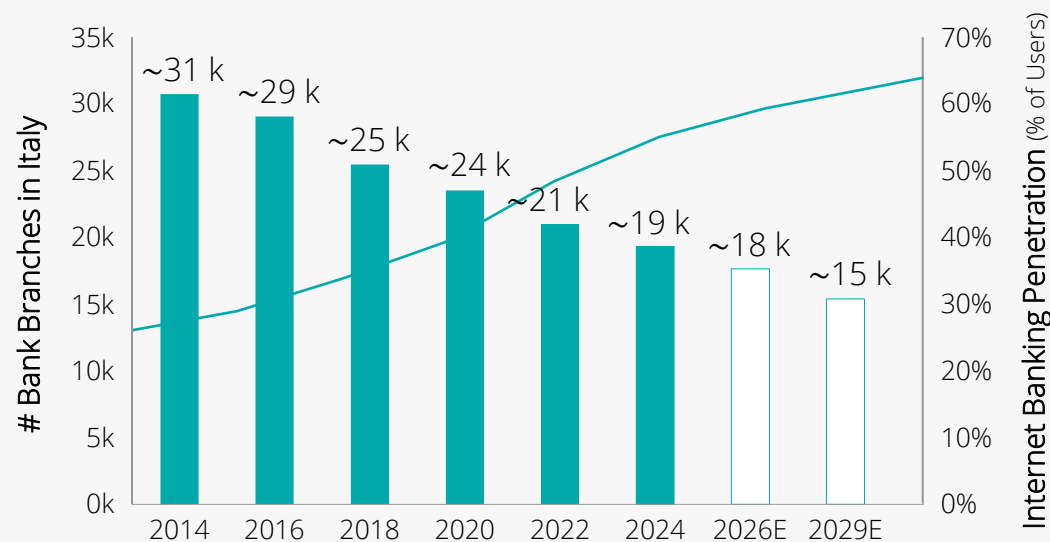


INCREASING USAGE of **DIGITAL CHANNELS**, with significant **GROWTH** in **MOBILE** (~+17% '23 vs '12) and **CONTACT CENTERS** (~+9%), while **PHYSICAL CHANNELS** are experiencing a **DECLINE**

Focus on **banking footprint evolution** in next slide

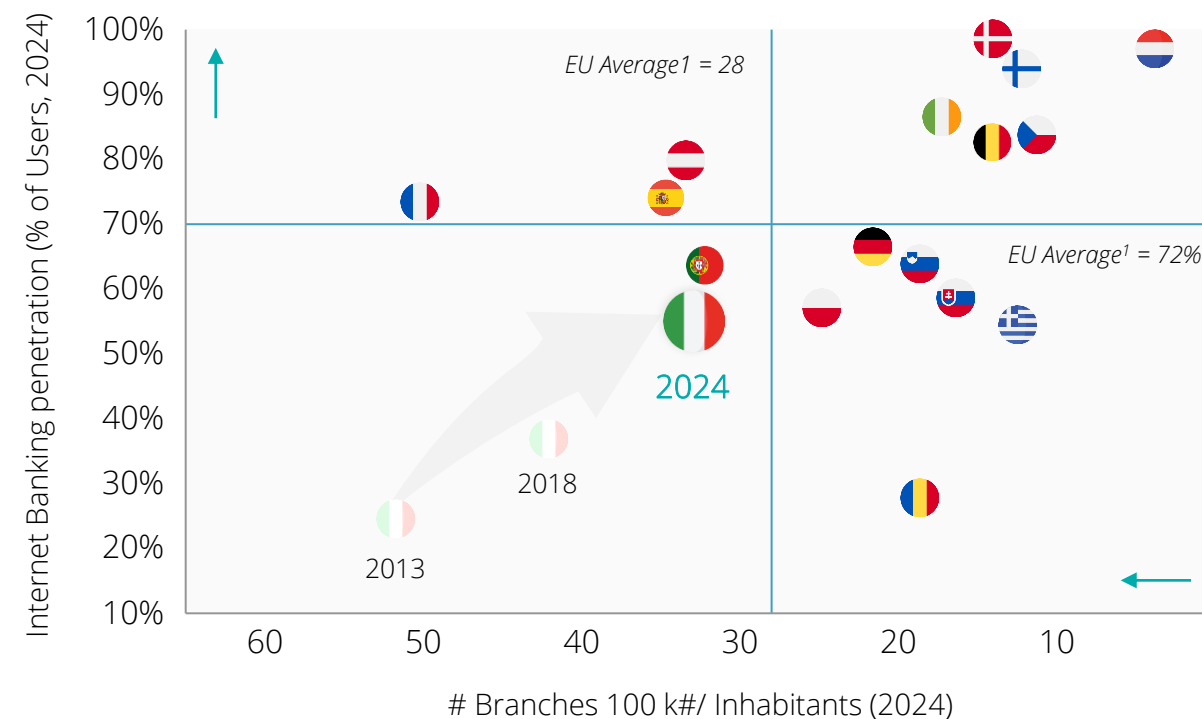
Given the growing demand for self-direct operations, Italian banks are revising their geographical footprint consistently with European average...

Italian Banking Footprint Evolution...



Banks' **DIGITAL CHANNELS** are quickly **MOVING BEYOND** being simply a channel to becoming the **CORE** of Banking **VALUE PROPOSITIONS**, leading to a consequent **RATIONALIZATION** of Italian **BANKING FOOTPRINT**...

...moving towards the leading European countries

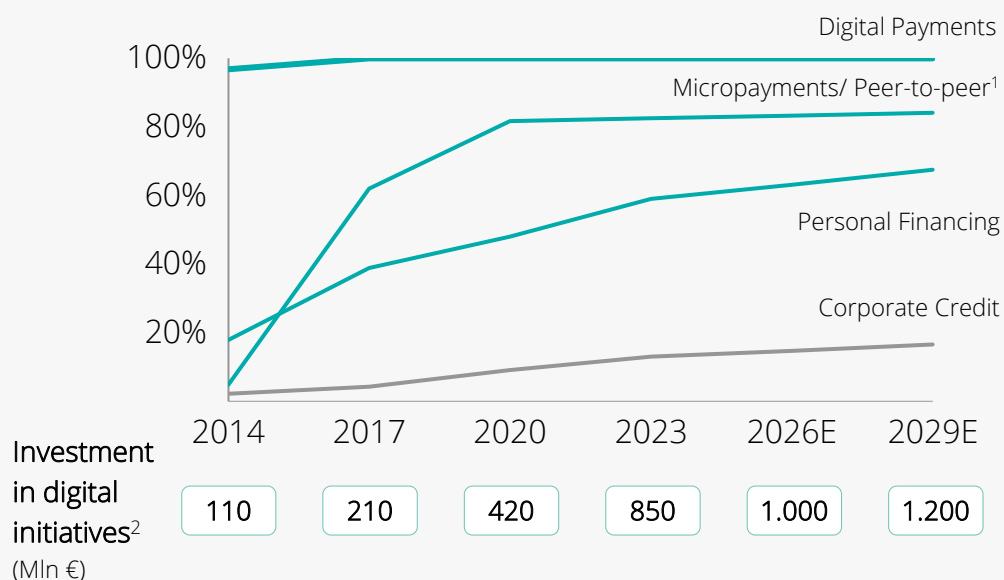


...to evolve towards a more **DIGITAL-ORIENTED PRESIDIO**, despite slightly **LAGGING BEHIND** the **EUROPEAN AVERAGE** (-17 p.p. on IB penetration rate and +5 branches per 100k inhabitants compared to EU Avg.)

...while investing in service digitalization and digital initiatives, also through the development of fully-digital client-facing solutions

Italian banks enhance their digital investments...

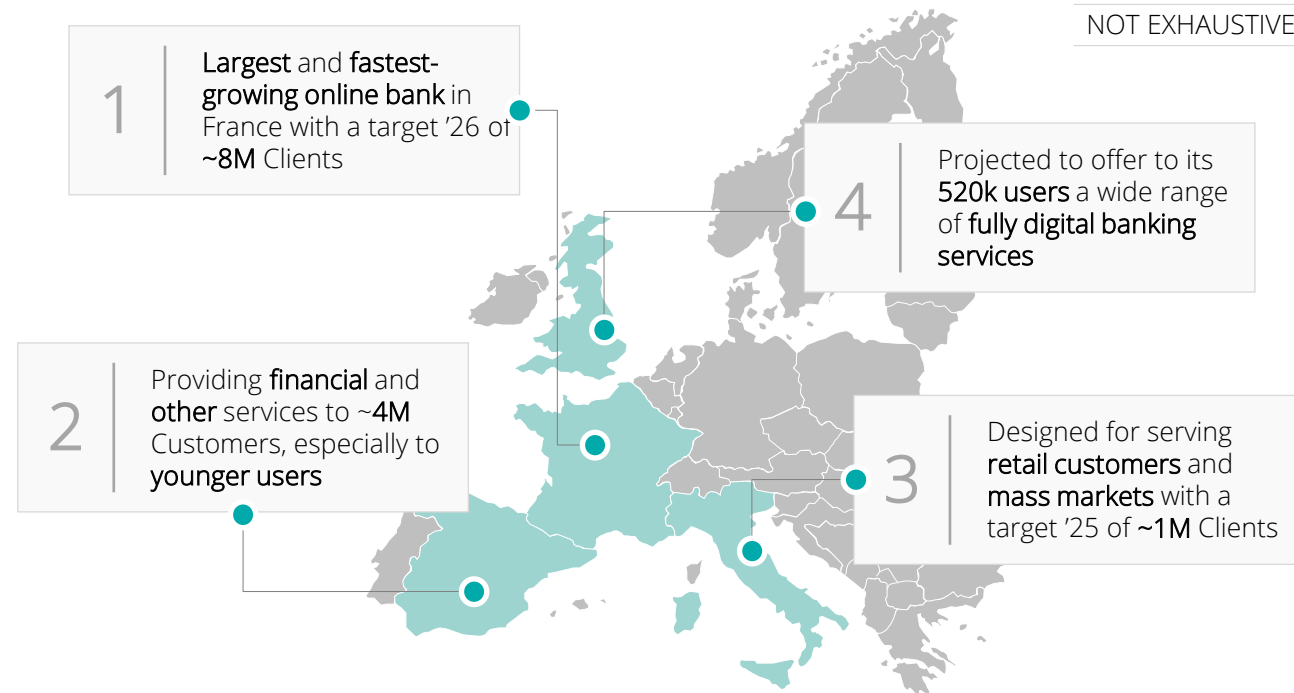
% Banks offering products through digital channels, 2014-2029E



INCREASING INVESTMENT in DIGITAL INITIATIVES and INNOVATIVE TECHNOLOGIES, also by LEVERAGING PARTNERSHIPS with FINTECHS (and expected to grow up to 1,2 Bn€ in 2029)

...and develop fully-digital solutions to exploit market opportunities

NOT EXHAUSTIVE



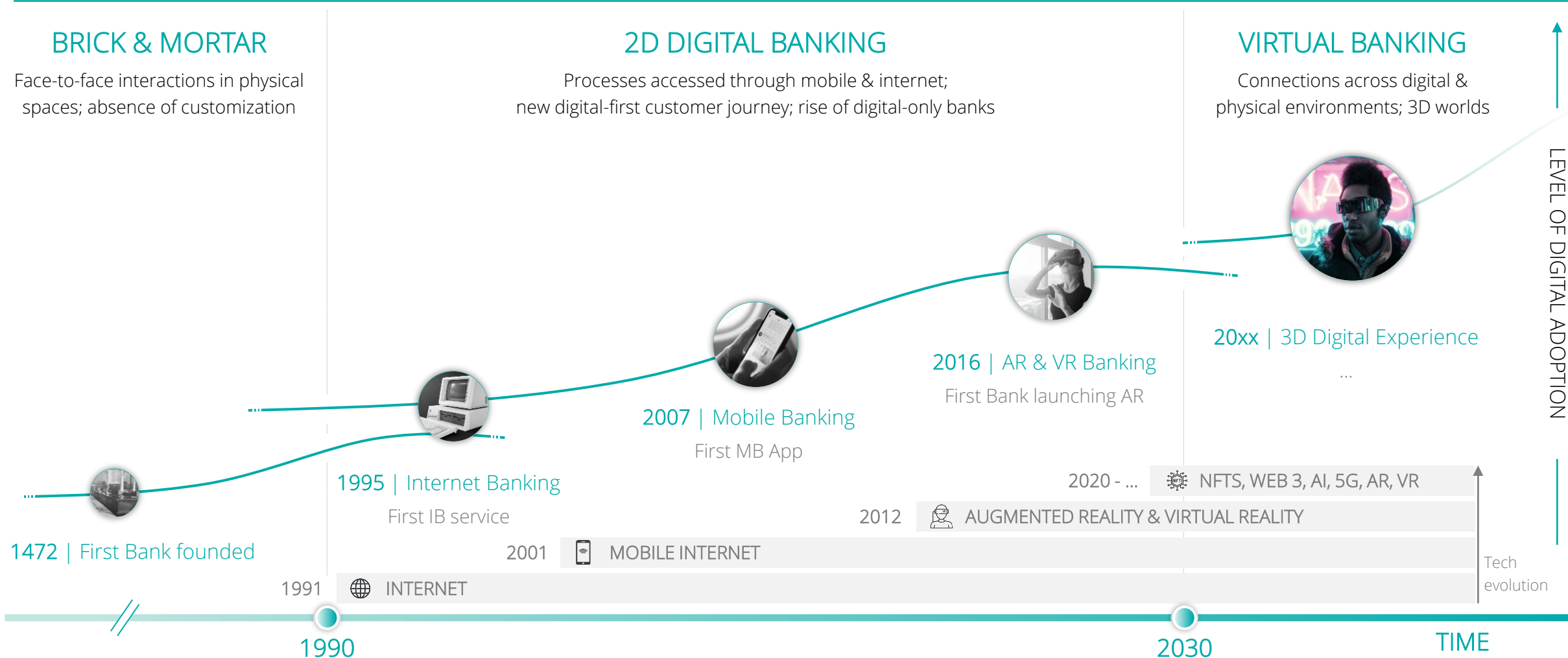
For DIGITAL BANKS the COMMON CHALLENGE is to REACH the CRITICAL MASS of CUSTOMERS in order to SCALE COST PER CUSTOMER and become PROFITABLE

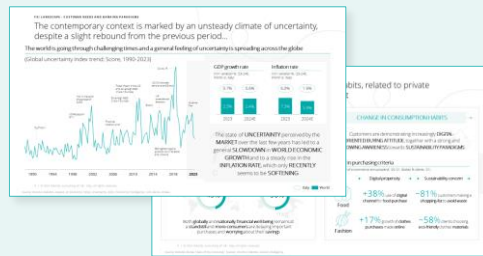
9x
CUSTOMER
BASE
increase

-75%
COST TO
SERVE
reduction

Banks' paradigm and customer-bank interaction constantly evolve following technological developments and are now entering in a new innovation wave

Banking space of interaction and technological paradigm evolution





Banks embracing
market and
customer trends...

...and key questions to be addressed

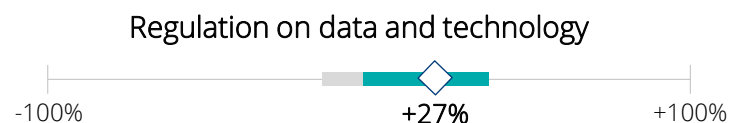
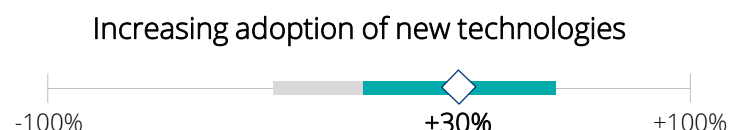
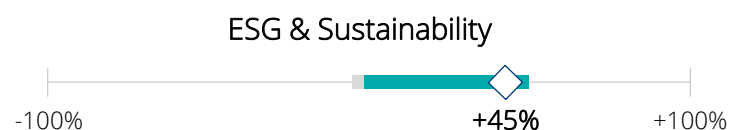
1. How the **WORKFORCE** of the **FUTURE** evolves according to economic and tech trends?
2. How **ARTIFICIAL INTELLIGENCE** will be a **GAME-CHANGER** within the banking industry?
3. How are national and global banks evolving its **DIGITAL CHANNELS** and **OFFERING**?

1. Tech Trends & Jobs of the Future

The main economic and technological trends will lead to a significant transformation of the workforce within the banking industry...

Impact of major global trends on the Banking workforce

Corporate Sentiment on Job Creation¹



Workforce Impact Drivers

- ↑ Coordinated transition to **net-zero economy**²
- ↑ Extreme **climate change** and the creation of the **Green Collar Workforce**²
- ↑ Introduction of new technologies (e.g. smart robots, etc.) and related **automation**³
- ↑ Transformation of the **workflow** (quantity and types of tasks/skills) by introducing **GenAI**⁴
- ↑ **Regulatory** push by **governments** and institutions based on the understanding of technologies and their implications
- ↓ Need to tackle with the **global economic slowdown** and consequent **organizational transformations** in the next 5 years



Workforce evolution analysis

Trends' impact analysis based on two drivers...



Strategic Value

Future **criticality** level of the operating areas for the Bank



Urgency

Growth/decrease expectations of the identified areas

...to classify professions into three main clusters



Growing

Headcount growth and relative importance in the sector (>>5%)



Stable

Overall **stability** of the workforce and related strategic level



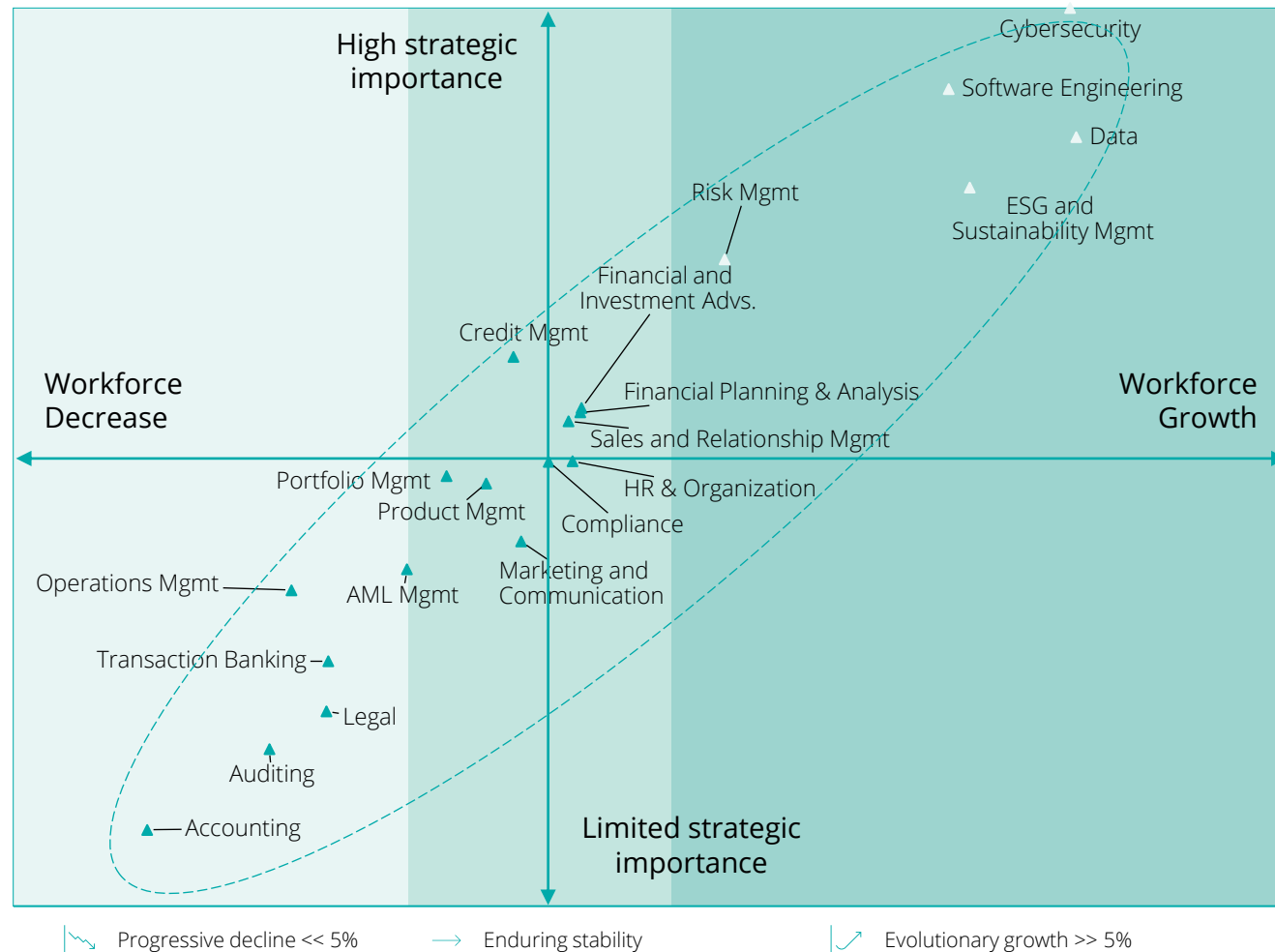
Declining

Loss of relevance (<<5%):

- Reduction of the **need** for staff
- Profound **change** in the **nature** of work (e.g. automation impact, AI, ...)

Focus next slide

...with an expected evolution across different professional areas clearly oriented by the level of strategic importance and future demand



Key Insights

- ➡ The **strategic nature** of the professional areas is directly **proportional** to the **growing need for staff**
- ➡ Main areas that are **expected to grow** must be **monitored** to ensure actual **staffing needs** (e.g. Cybersecurity, Data, Software Engineering ...)
- ➡ Within certain areas such as **Accounting** and **Operations management**, staff **reductions** are **expected** due to a progressive **adoption of enabling technologies, automation and AI solutions**
- ➡ Despite **staffing levels** are substantially **stable**, **Legal** will be impacted by a **shift** to higher value-added activities (e.g. Legaltech)

According to the workforce evolution by work domains, an extensive research conducted by Deloitte identified the main jobs of the future...

Clustering Criteria		Jobs of the future recognition	
TRANSFORMATIONAL JOBS	Integration of new technical skills related to technological evolutions (e.g. Data analysis, AI, ...)	AI Prompt Engineer	Sustainable Finance expert
		Data & AI Ethicist	Behavioural Economics expert
		Data Curator and Trainer	Man-machine teaming manager
		AI Content Creator	Trust Officer
		AI Conversational Interface Designer	Blockchain Developer
NEW JOBS FOR BUSINESS EVOLUTION	Development of jobs and skills related to emerging sectors , that change life habits and consumptions	Quantum Comp. engineer	XR Developer
		Quantum Finance expert	Longevity Services expert
		VR Immersion Designer	Market Sensing expert

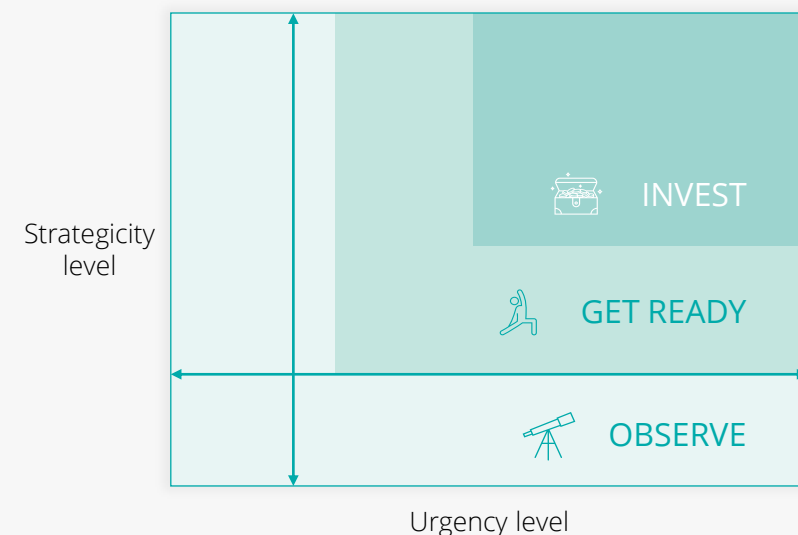
Jobs identified through desk analysis

Jobs suggested by experts interviews

Jobs development priorities

Jobs of the future that emerged from the Deloitte study, both from desk analysis and from experts' interviews, can be **classified** into **3 main clusters** according to:

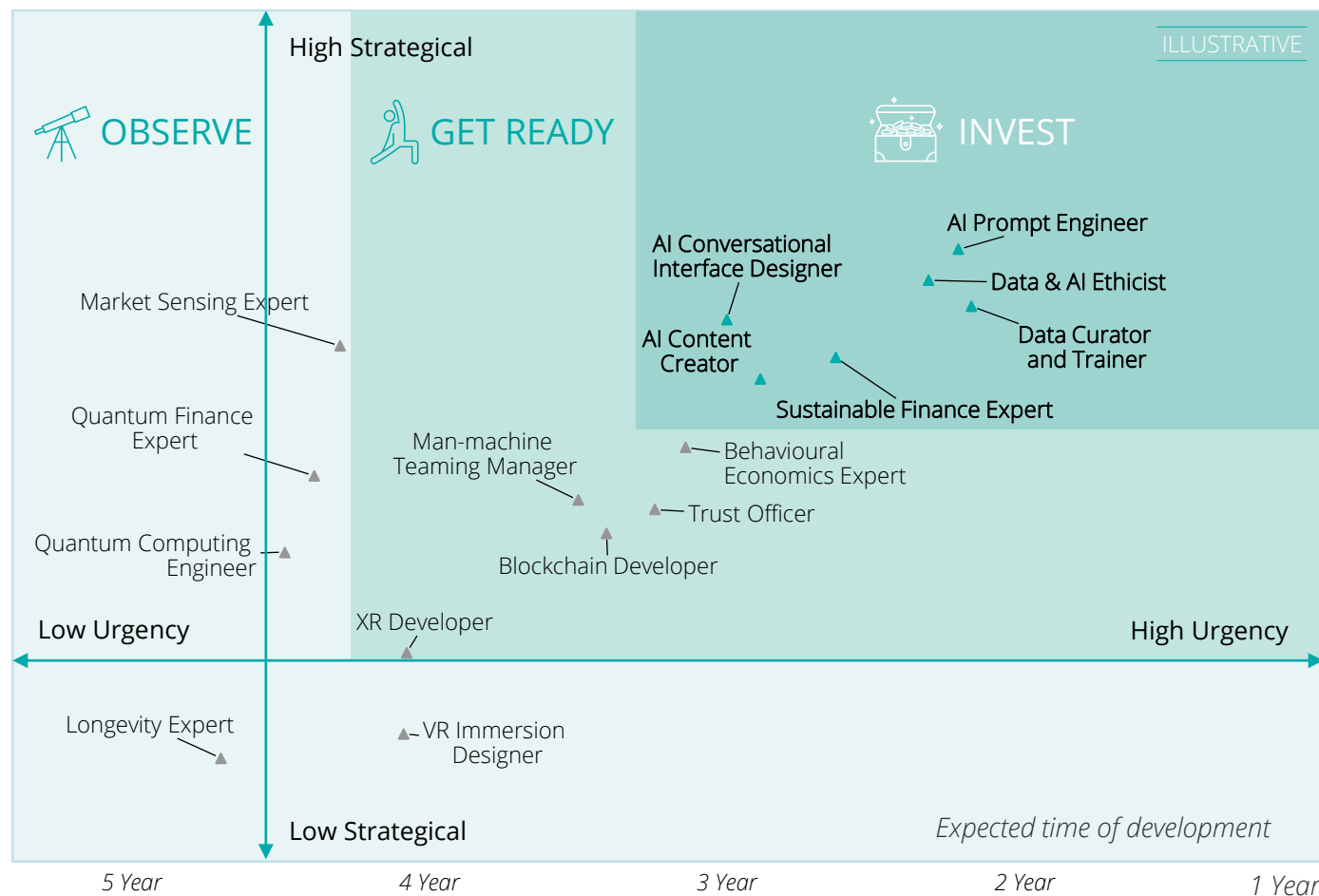
- **Level of strategicity** expected in the M-L term
- **Urgency of adoption** in the Banking industry



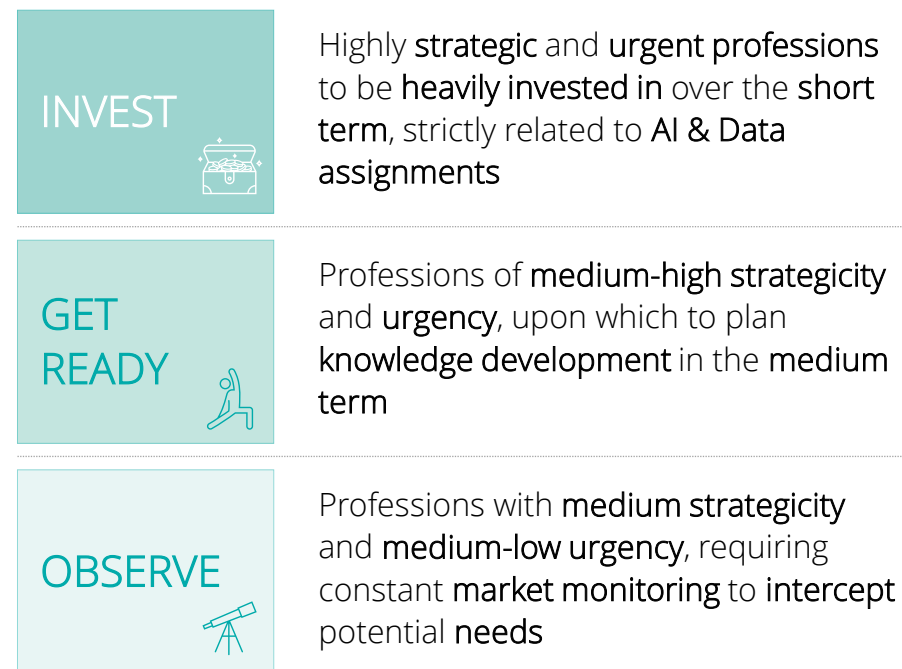
Focus next slide

...that can be clustered according to their level of strategicity and urgency, highlighting jobs where short-term investments should be focused on

Streamlining tech professions in terms of urgency and strategicity...



...can be clustered into 3 main groups



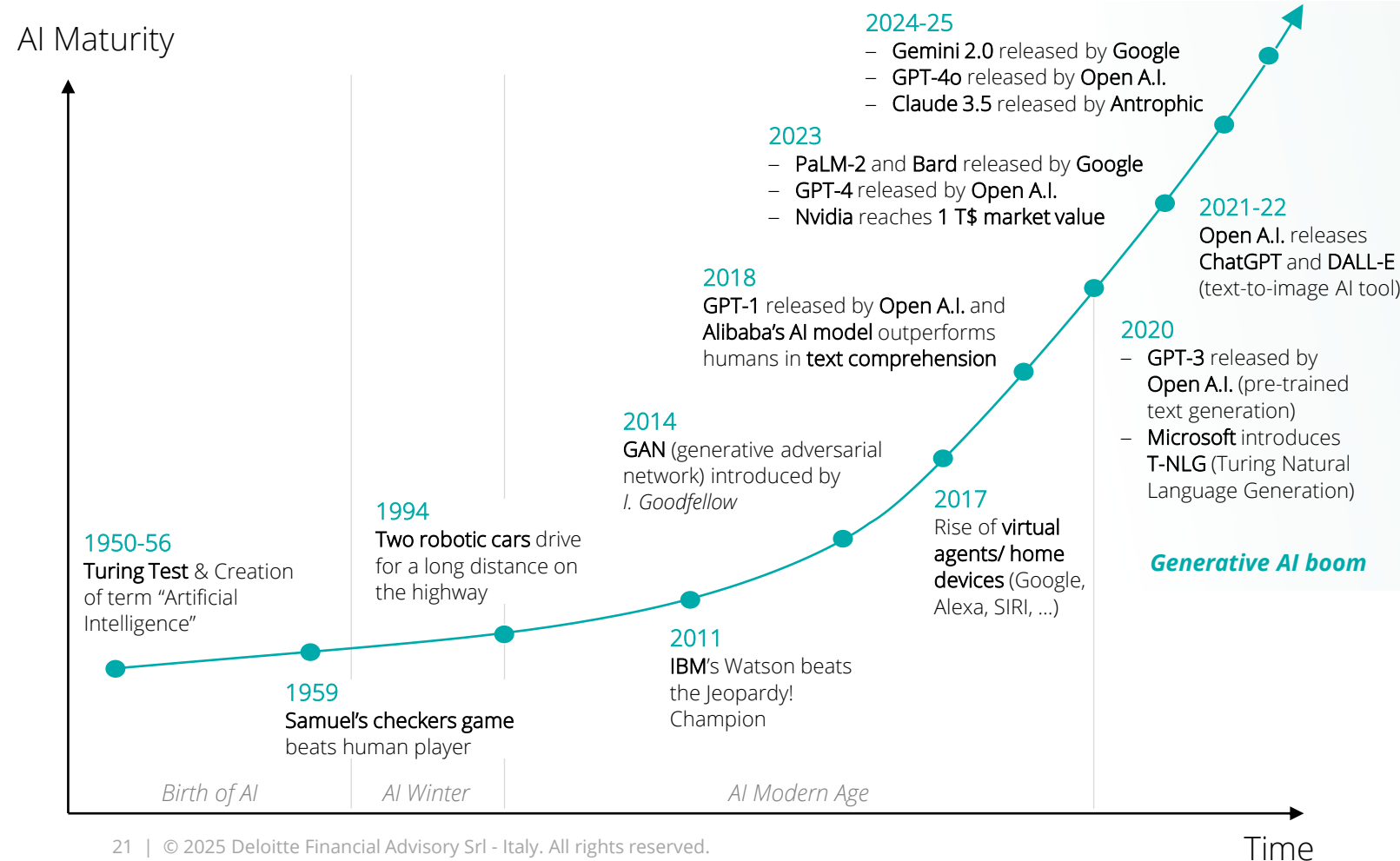
AI & Data roles as the **most urgent** jobs to be heavily invested in over the **short term** and which will be **highly required** in the near future

2. 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



Game changer recent developments

TEXT GENERATION

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

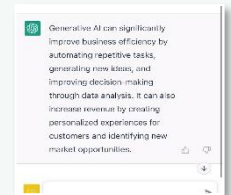


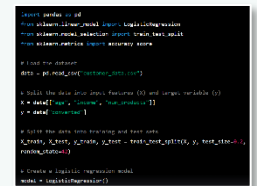
IMAGE GENERATION

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



CODE GENERATION

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

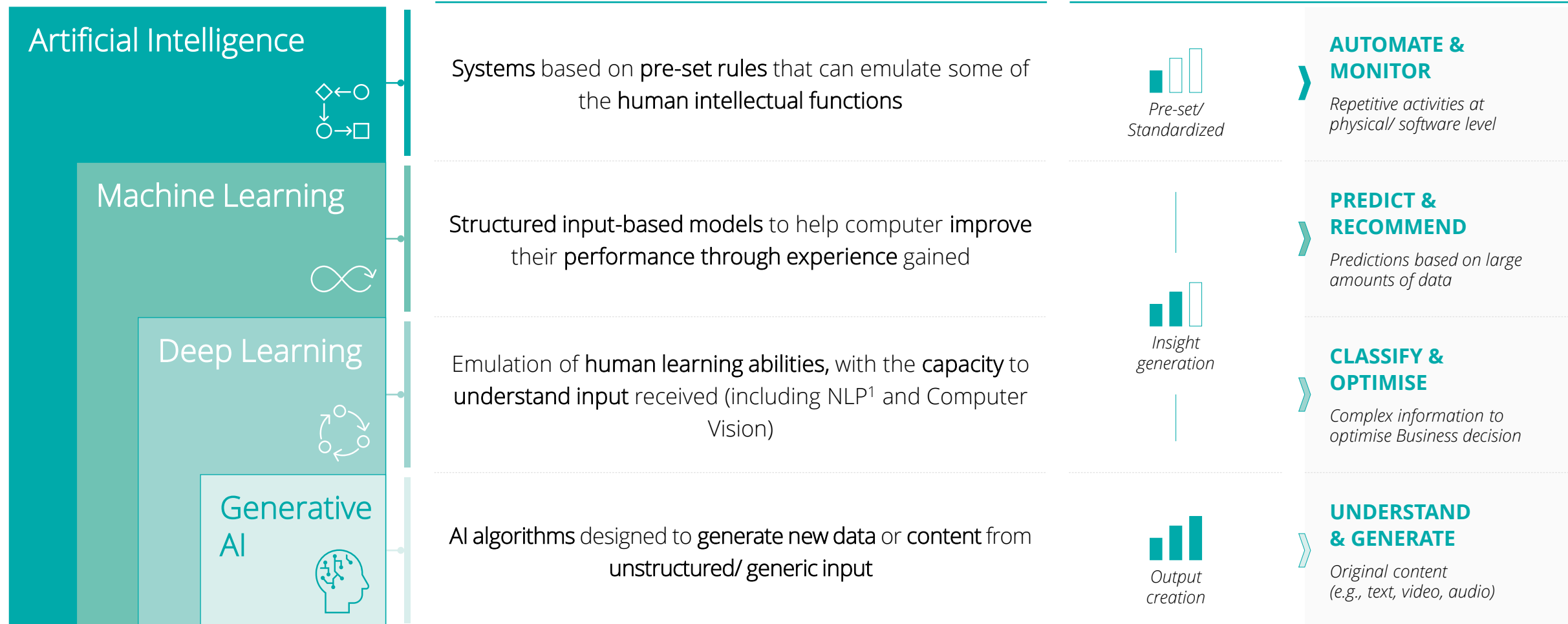


AUDIO GENERATION

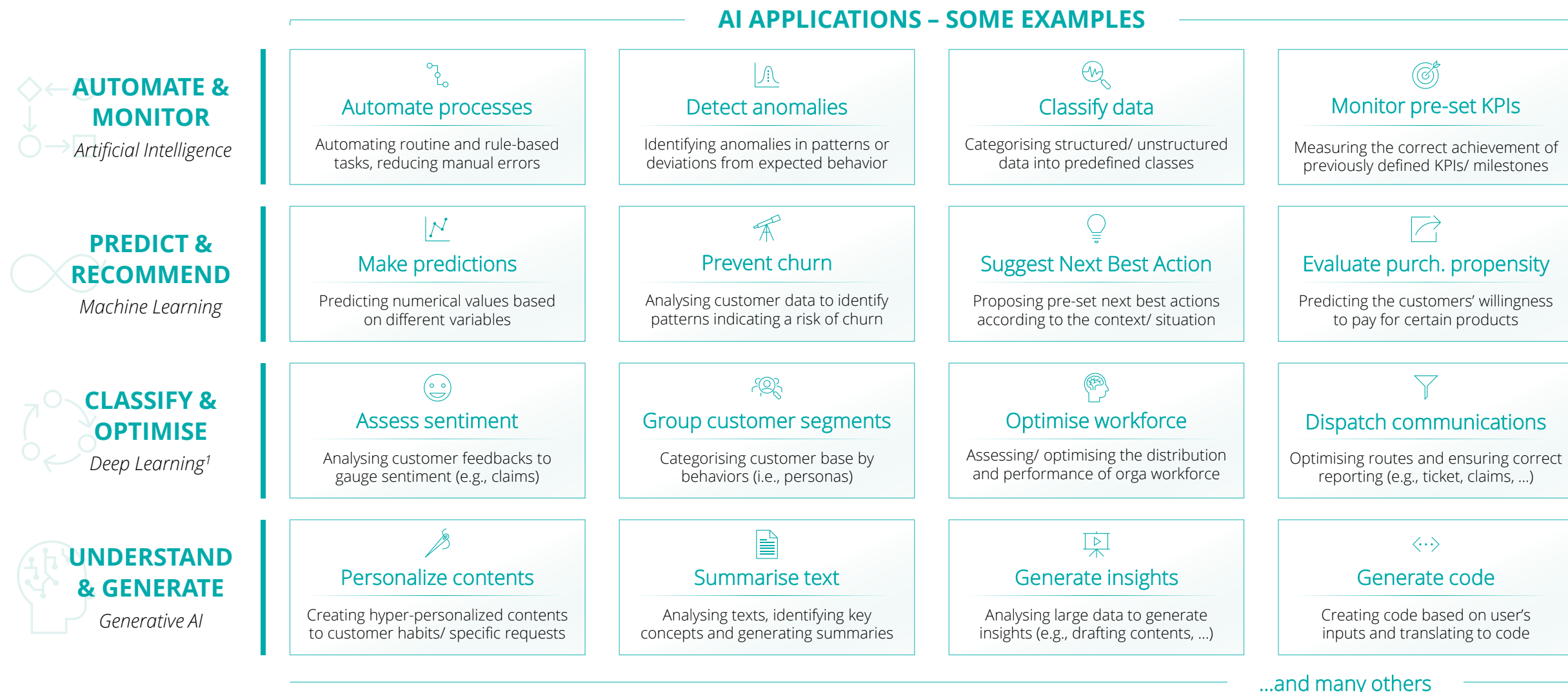
"Generate an audio that says: we need to reduce the number of plastic bags"



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

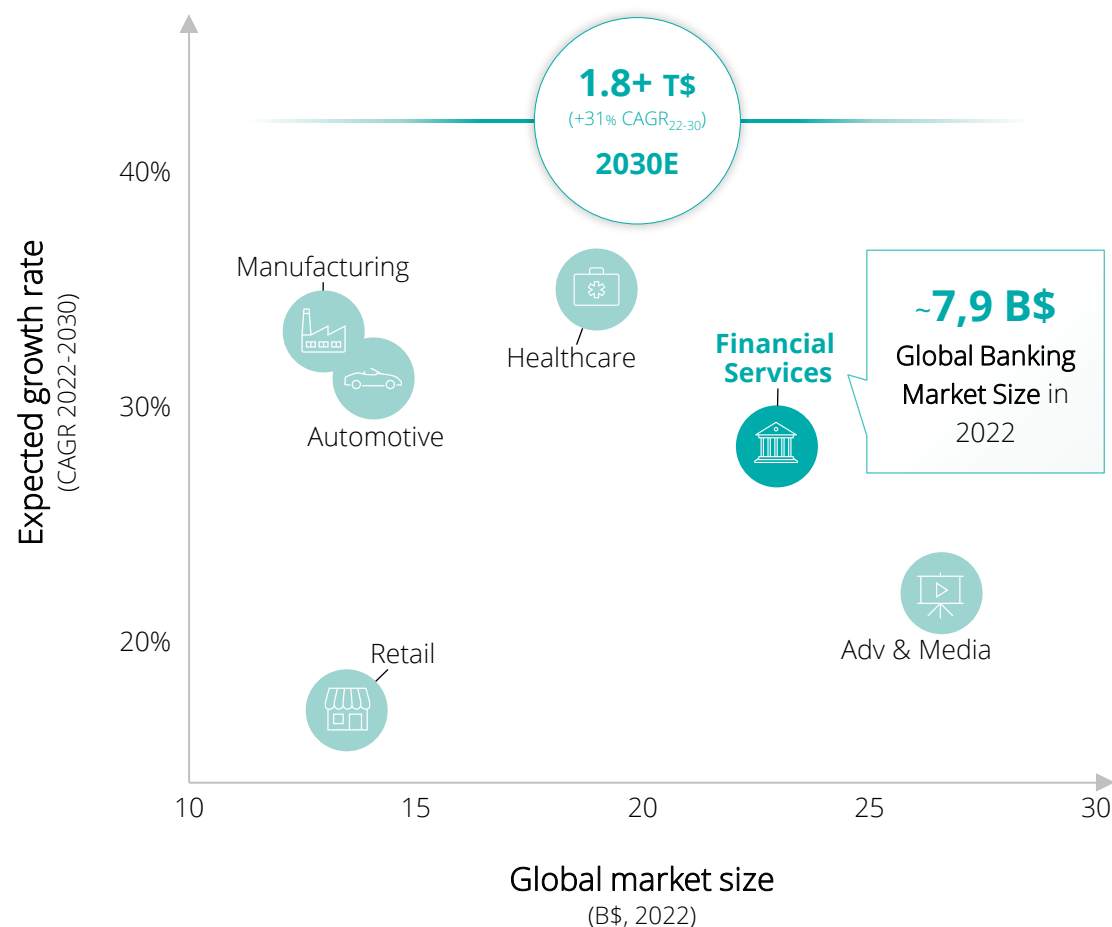


...leading to a countless kind of applications and enabling new revenue streams, cost optimization solutions and engaging CX









All sectors are going to be affected by AI – today Financial Services are the second most impacted industry due to the relevant amount of data available

Global AI market size¹ and expected growth









Main industries and areas of implementation

NOT EXHAUSTIVE

		ADOPTERS
	ADV & MEDIA	<ul style="list-style-type: none"> Automatic creation of multim. content Targeted advertising Restoration of multimedia content ... <p>NETFLIX Spotify Meta verizon media</p>
	FINANCIAL SERVICES	<ul style="list-style-type: none"> Risk analysis Customer support (e.g., chatbot) Prevention of fraud ... <p>INTESA SANPAOLO Morgan Stanley JPMORGAN CHASE & CO. Santander FOCUS NEXT SLIDE</p>
	HEALTHCARE	<ul style="list-style-type: none"> Assisted diagnostic Remote monitoring of patients Pharmaceutical R&D ... <p>moderna novo nordisk merative Google Health</p>
	AUTOMOTIVE	<ul style="list-style-type: none"> Autonomous/ assisted driving Optimization of traffic and vehicular flow Predictive maintenance of vehicle ... <p>Audi PIRELLI TESLA General Motors</p>
	RETAIL	<ul style="list-style-type: none"> Customer behavioral analysis Inventory/ stock management Personalization of customer experience ... <p>Walmart amazon NIKE ZARA</p>
	MANUFACTURING	<ul style="list-style-type: none"> Predictive maintenance Automation of quality control Production optimization ... <p>LEONARDO SAMSUNG SIEMENS TOYOTA</p>

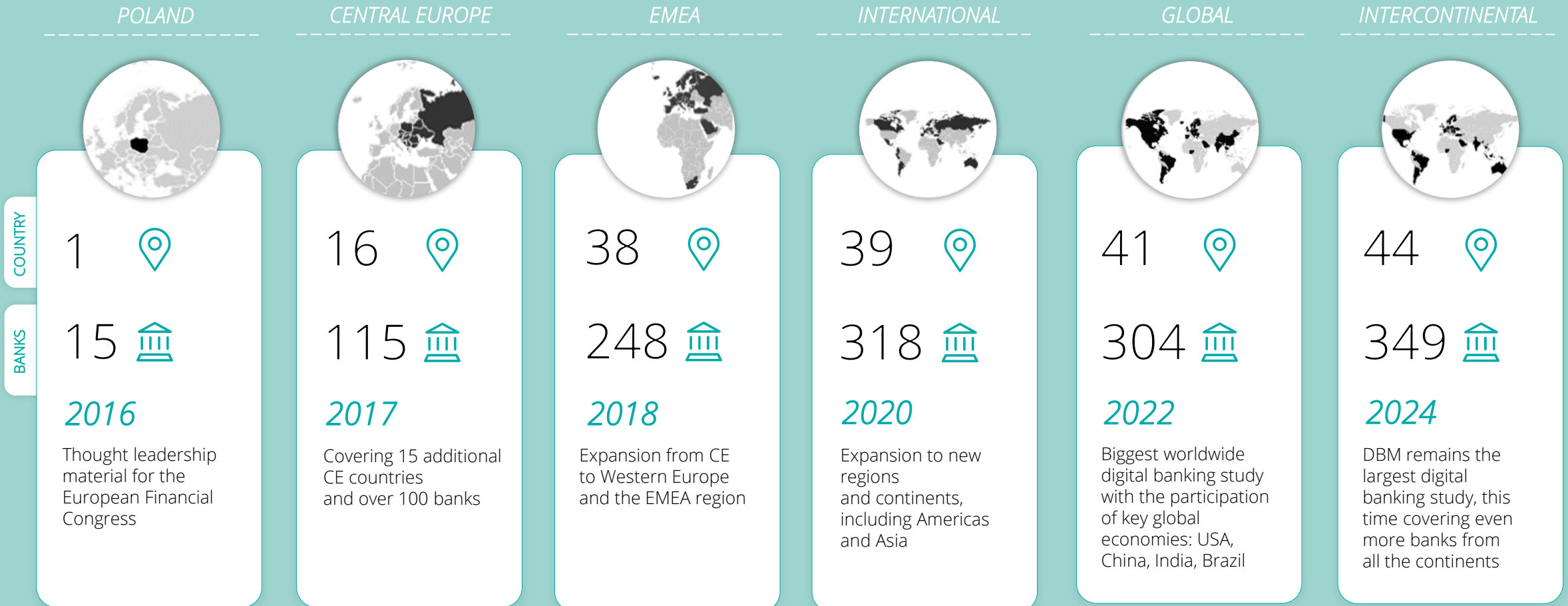
In Banking, a wide range of solutions have already been introduced across the main business areas

← Back office ————— Front office →					
RISK MANAGEMENT & COMPLIANCE	FINANCE, ACCOUNTING & P&C	PEOPLE & ORGA	IT & OPERATIONS	PRODUCT & SERVICE DESIGN	MARKETING & SALES
					
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

3. **Deloitte.** Digital Banking Maturity Study



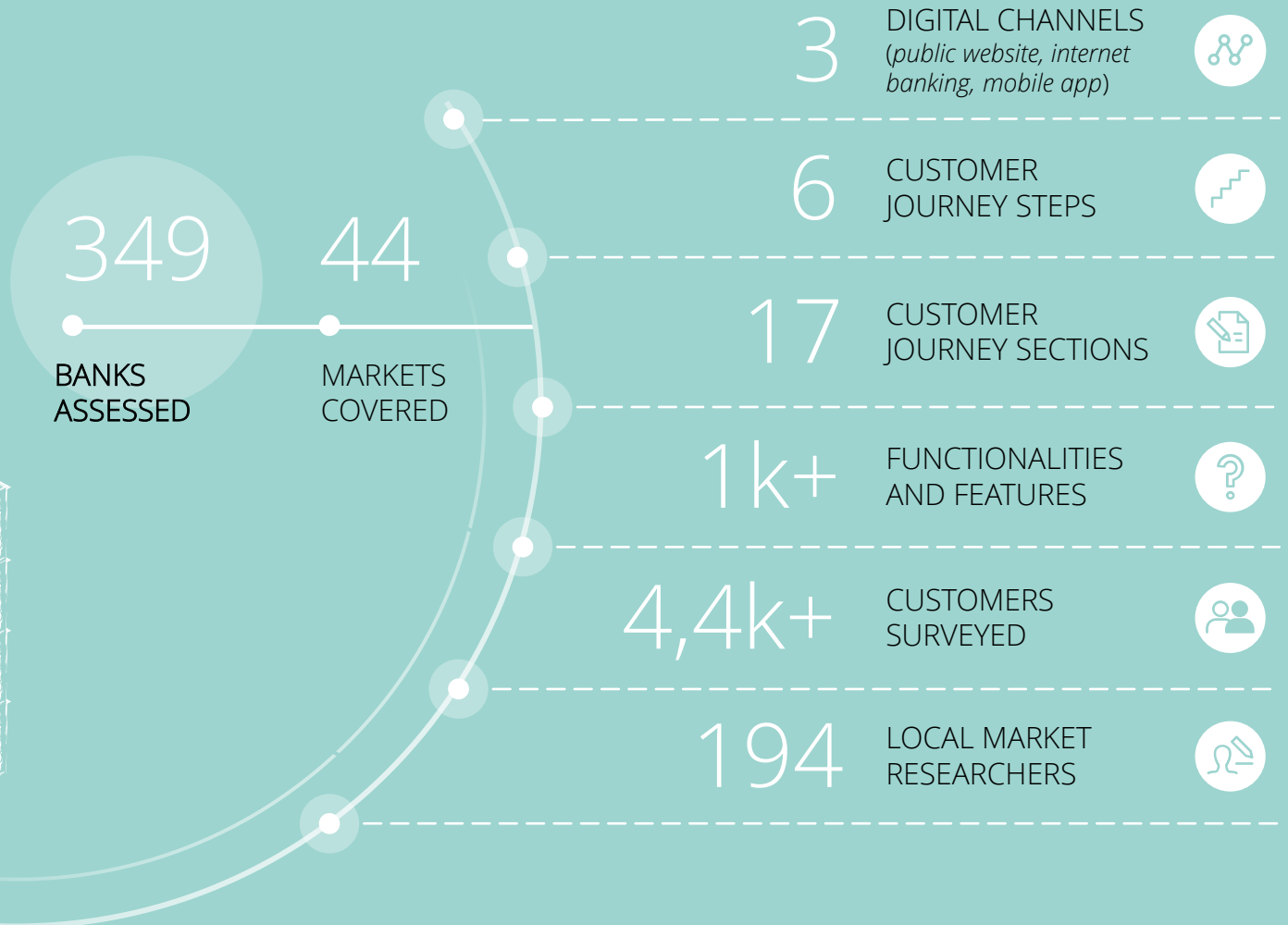
The 6th edition of the DBM report has been the largest benchmarking study conducted so far, encompassing nearly 350 banks from all over the world





Digital Banking Maturity is a global accelerator, helping banks answer to the change...

Digital Banking Maturity is the **biggest global digital banking study** (which has now reached its **6th edition**) providing a comprehensive outside-in '**mystery shopper**' assessment of **retail banks' digital channels** and furthering discussion about future developments.





...by assessing three components in order to compare their digital maturity level and to identify best practices of the market



FUNCTIONALITIES BENCHMARKING

Analysis of **1.005 digital functionalities** through 'mystery shopper' approach on real retail current accounts

- Assessment of **6 customer journey Steps**
- Analysis of **digitalization of 17 banking products**
- Functionalities library with **world's leading practices**



CUSTOMER NEEDS RESEARCH

- **Survey-based research** identified **18 most important banking activities** and **preferred channels** (branch, Internet, mobile), covering over **4.400 responses**
- Customer **preferences** between **channels** in terms of most common banking activities



USER EXPERIENCE STUDY

Analysis of general **principles** and **best practices** of **user experience** in banking

- Assessment of **14 selected scenarios** reflecting **key areas of customer activity** at **top UX banks** from **12 countries**
- Identification of **general leading principles** in **banking apps UX**

 We have analysed over **1.000 functionalities** to track the entire customer journey



850+

Day-to-day banking (494) and *Expand relationship* (360) represent around the **85%** of total functionalities



Deloitte. Digital Banking Maturity Study

Global Results & Market Trends

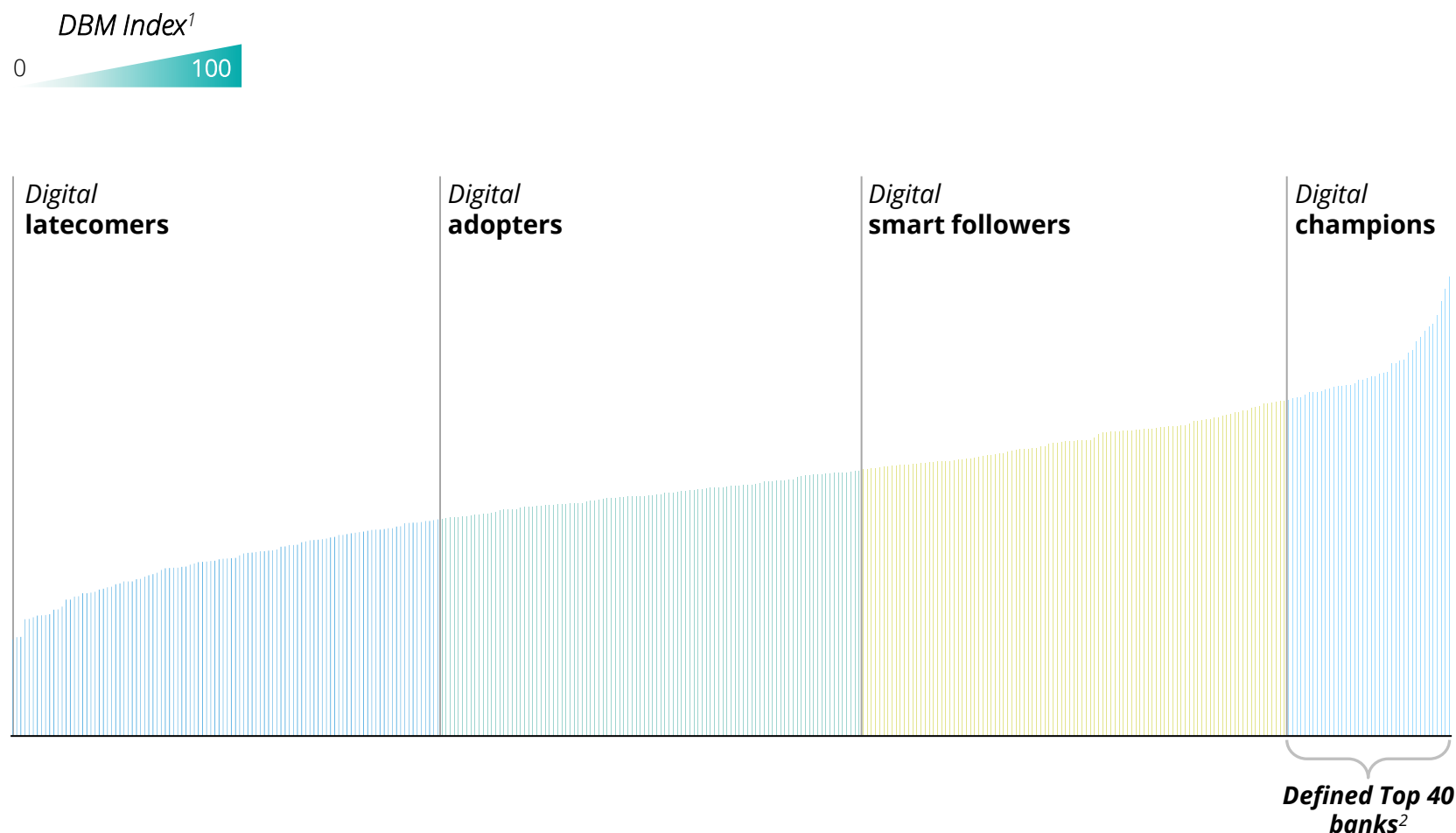


The study assesses how global banks are evolving their digital proposition to respond to customers' needs, identifying *Digital Champions*

What defines *Digital champions*?

Digital champions offer a **wide range of functionalities relevant for customers** and a **compelling user experience**.

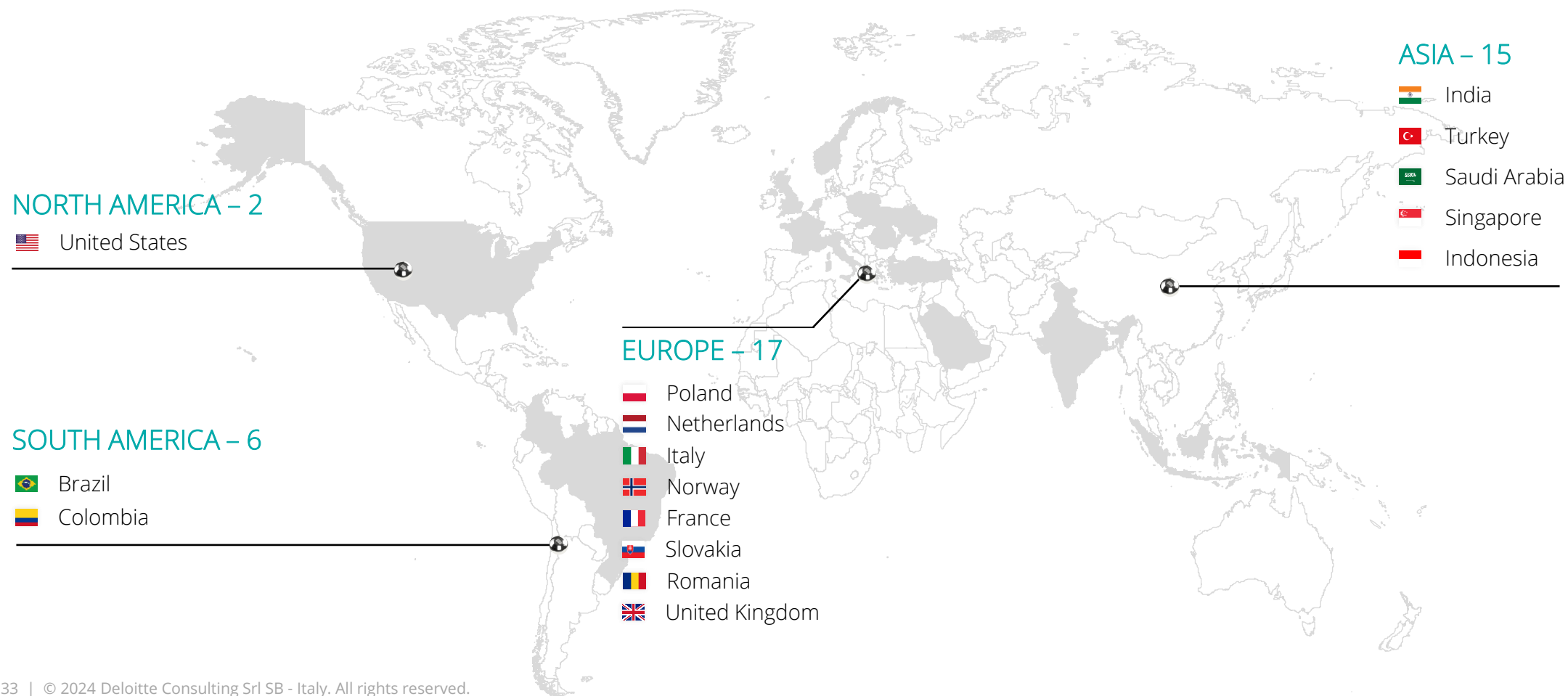
Digital Champions set **key digital trends** and have **leading market practices** in place, which positions them as role models to follow.





Europe has taken the lead with the highest number of Digital Champions, followed by India, Turkey, and Brazil

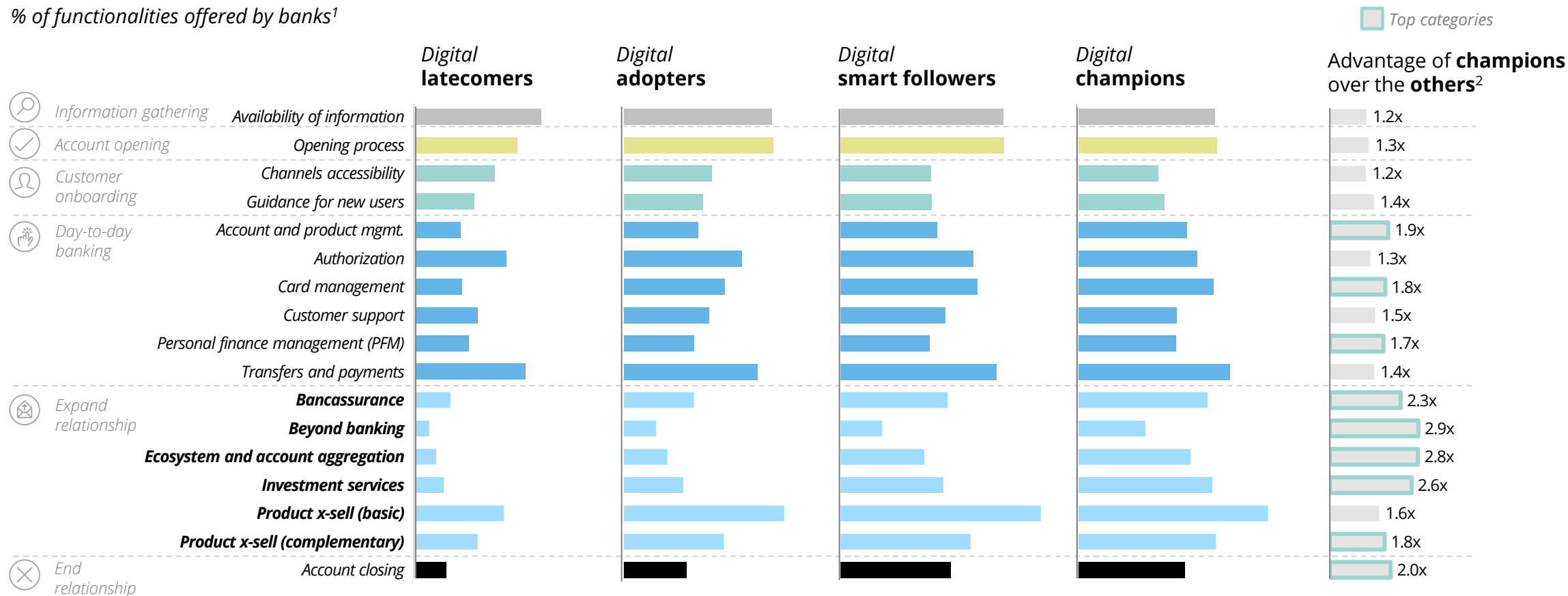
DIGITAL CHAMPIONS BY GEOGRAPHIES





Digital champions develop functionalities that help expand customer relationships and have built a significant advantage over other players...

% of functionalities offered by banks¹





...by significantly investing in ecosystems, investment services, x-sell and card management areas since 2022

Where have Digital champions gained the biggest advantage over peers in the last 2 years?

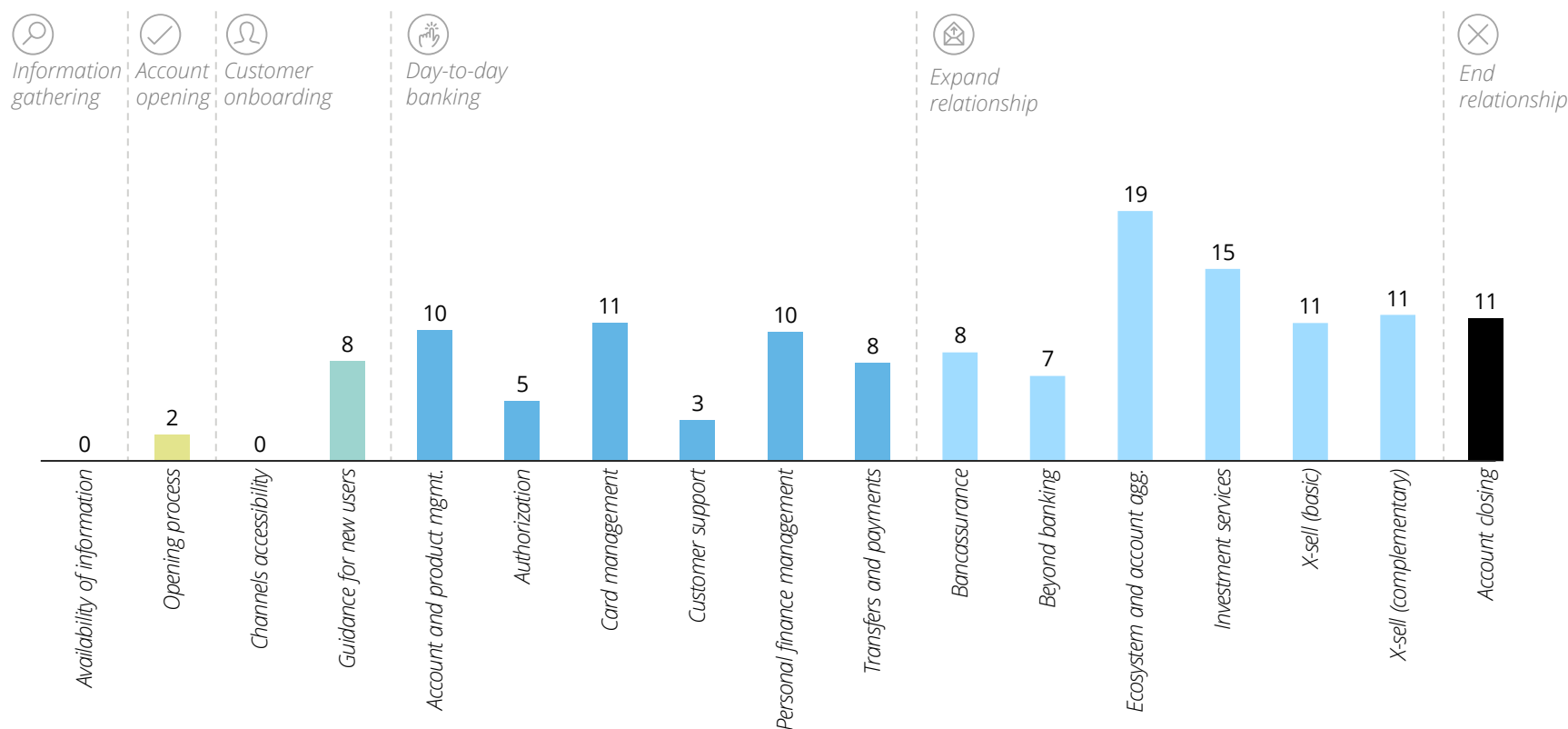
Expand relationship

functionalities (avg. 12 p.p. advantage) has been a top priority for *Digital champions*, especially **ecosystem and account aggregation** (19 p.p. advantage) and **investment services** (15 p.p.). Champions have also strengthened in **card management** (11 p.p.) and **x-sell basic and complementary** (11 p.p.)



Digital champions increase in advantage over peers

difference between % of functionalities implemented by Digital Champions in 2022 and 2024¹, p.p.





6 key trends emerging from 2024 Digital Banking Maturity study

Hyper-personalized Communication

Adoption of increasingly **personalized communications** to customers thanks to the introduction of **AI technologies** developing a more **customer-centric experience**

Seeking Familiar Experiences

Designing of a complete customer experience by implementing **user-friendly interfaces** and increasingly demanded **financial solutions** (e.g. Buy Now Pay Later, ...)

Transforming Customer Advisory

Introducing **innovative solutions** of Personal Financial Management and educational content for a better customer **engagement** (e.g. monetary compensation through education content, ...)

Evolution instead of Revolution

Rethinking at the **functionalities** already implemented, rather than investing in new solutions, by **developing processes** to make current **services fully digital** and improving the overall **user experience**

Convenient banking

Developing **fully digital banking solutions** that ensure the same service **quality** as an **offline** experience (e.g. 24/7 customer support, real-time solutions, ...)

All in One – Super Apps

Evolution of **banking Apps** towards a **Super Apps logic**, integrating different **functionalities** and allowing users to manage daily activities through a **single platform**



[Focus further details in annex](#)



Deloitte. Digital Banking Maturity Study

Focus Italy – Preliminary results



The study has examined a sizable group of banking players in Italy that collectively comprise a highly representative business sample...

DBM perimeter of analysis

Panel composed of players belonging to the following categories

- Traditional banks/ Others¹
- Online/ FinTech banks

Digital
Banking
MATURITY

Key data on analyzed players' market share

~93%

Total bank loans
(~2.320 € B)

~84%

Direct bank deposits
(~2.740 € B)

~79%

Branches and offices across Italy (~20 k)

~95%

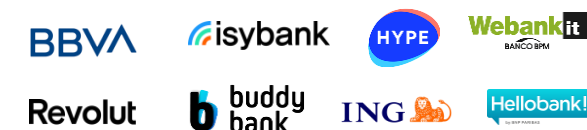
Employees
(~260 k)

22~ Sampled Italian banks

Traditional Banks/
Others¹



Digital Banks/
FinTech



Digital Champions global



40+ Banks defined as global Digital Champions



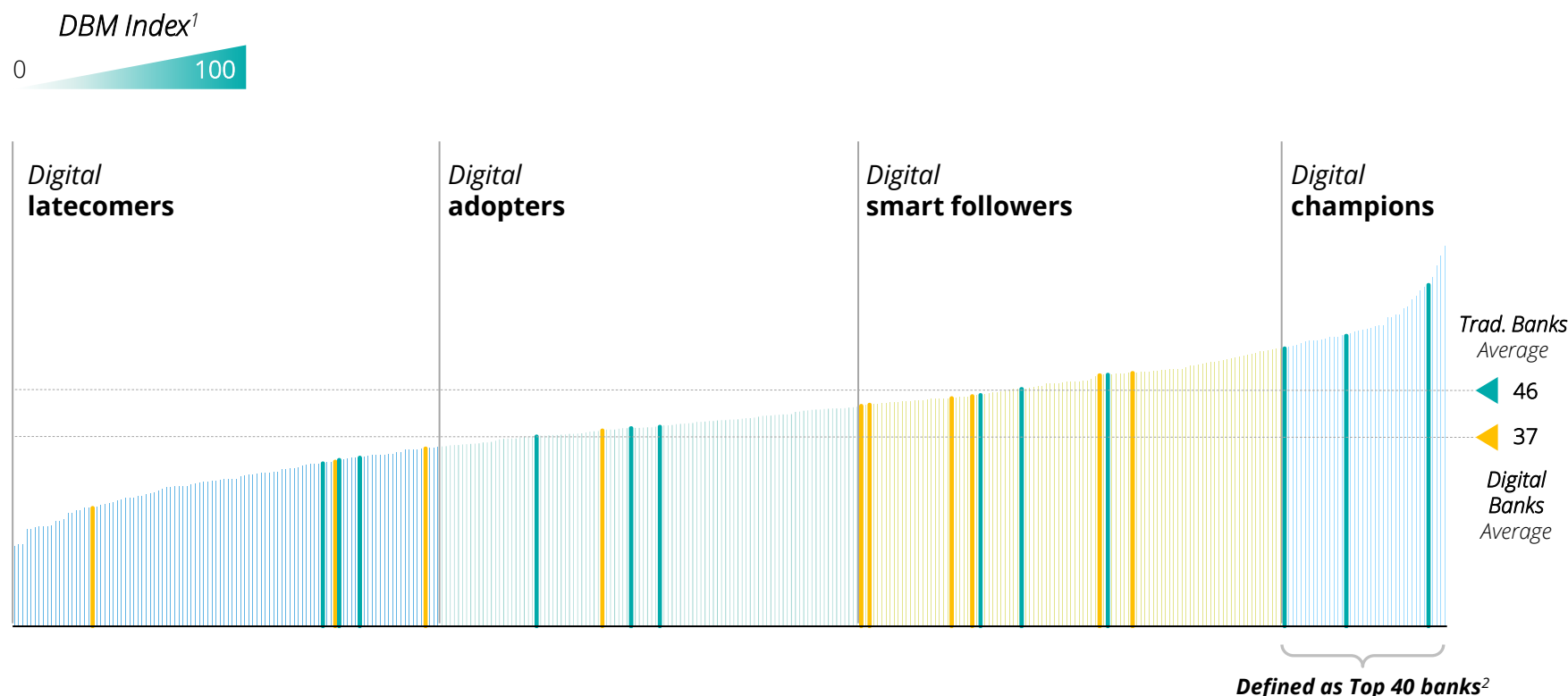
...positioning three Italian traditional banks within the Digital Champions group according to their level of digitalization

PRELIMINARY RESULTS of the [ITALIAN REPORT](#) to be LAUNCHED in APRIL 2025

Among the total number of Italian banks surveyed, 12 banks are positioned within the two leading clusters - i.e. *Digital champions* & *Smart Followers*

Italian *Digital Champions* are all traditional banks that, despite not being mobile app centered, are characterized by an overall higher level of digital maturity than their competitors on both channels assessed - Public website & internet banking and mobile app

Digital Banks have a lower average ranking than traditional banks (37 pts.), as they focus their digital proposition mainly on Mobile App channel



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





Better digital proposition of Italian banks than global average along the account opening process and the CJ core stages

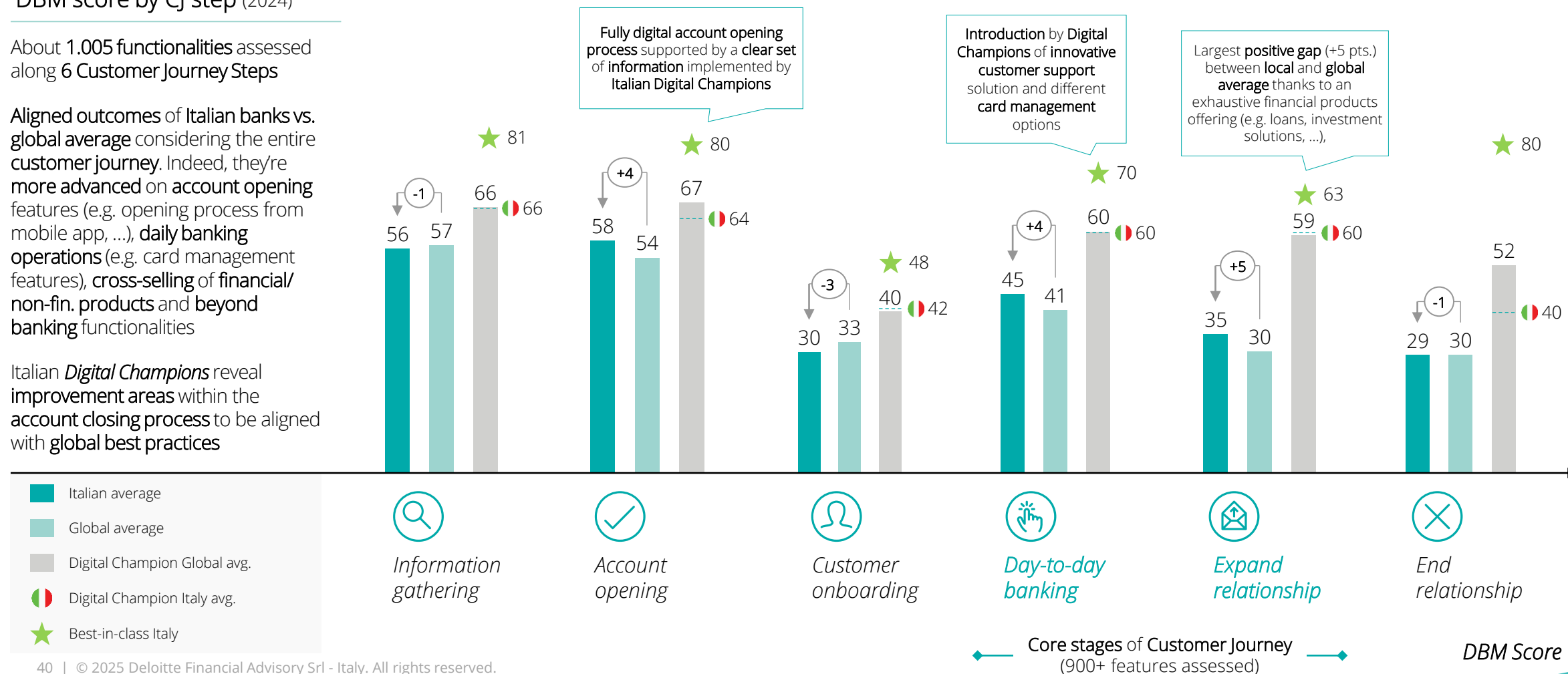
PRELIMINARY RESULTS of the [ITALIAN REPORT](#) to be [LAUNCHED](#) in **APRIL 2025**

DBM score by CJ step (2024)

About 1.005 functionalities assessed along 6 Customer Journey Steps

Aligned outcomes of Italian banks vs. global average considering the entire customer journey. Indeed, they're more advanced on account opening features (e.g. opening process from mobile app, ...), daily banking operations (e.g. card management features), cross-selling of financial/non-fin. products and beyond banking functionalities

Italian *Digital Champions* reveal improvement areas within the account closing process to be aligned with global best practices

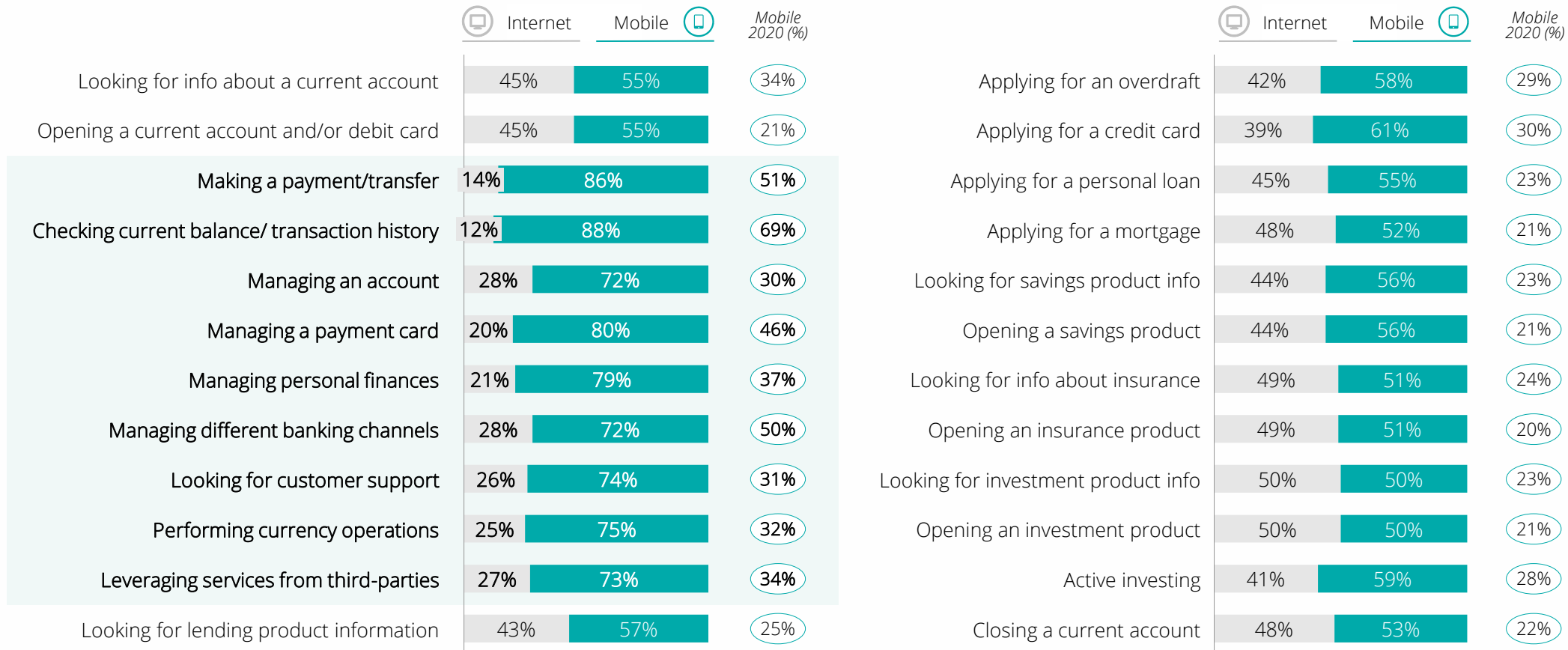




Italian customers are increasingly moving to mobile channel to perform banking activities along the entire Customer Journey

PRELIMINARY RESULTS of the [ITALIAN REPORT](#) to be LAUNCHED in APRIL 2025

Customer preferences in terms of digital channels: Internet vs. mobile¹



- Mobile banking is rapidly replacing internet banking as customers' preferred digital channel
- Compared with 2020, Italian customers have increased their preference for the mobile channel especially for daily banking activities

Q&A



Digital
Banking
MATURITY

THANK YOU!



FEEDBACK & IMPRESSIONS

- Open Discussion -

Annex





Deloitte. Digital Banking Maturity Study

Global market trends

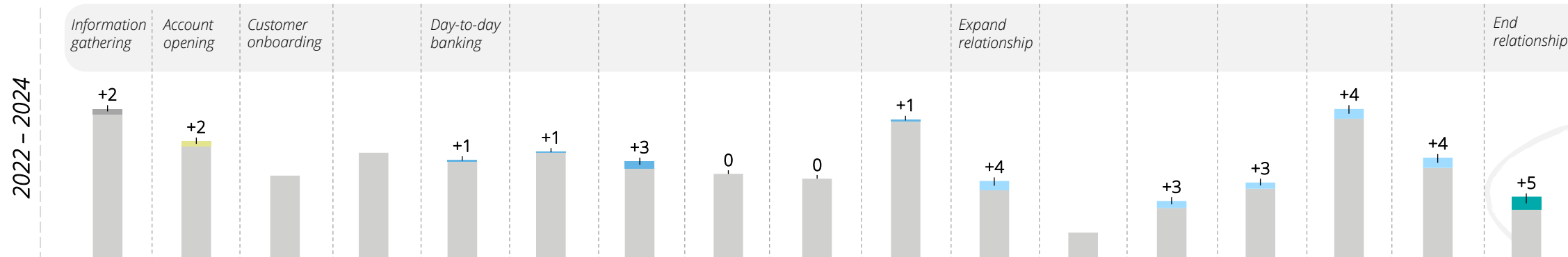


1

In comparison to 2022 edition, banks focused less on rapid development of new functionalities and invested in crafting and expanding relationships

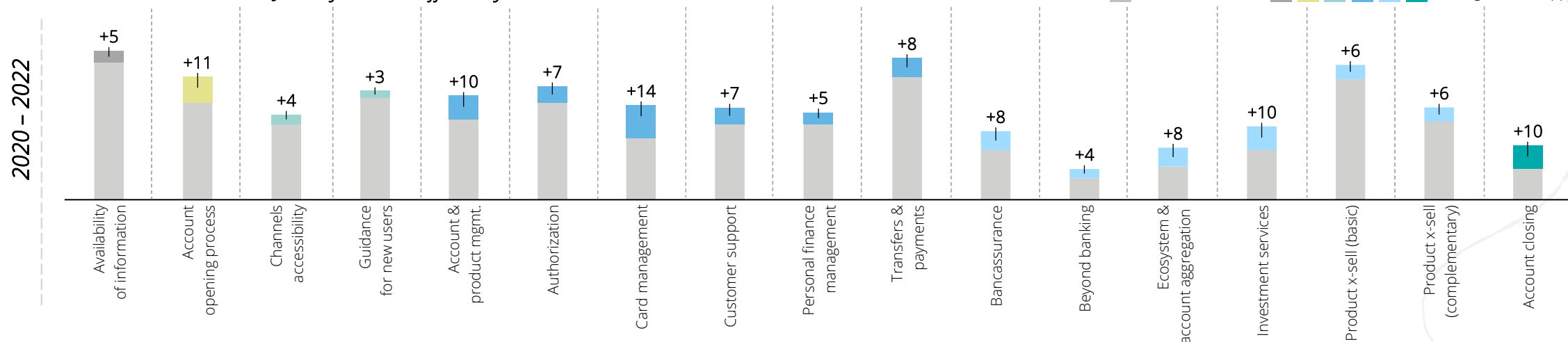
DBM score broken by Customer Journey sections and functionalities offered by banks¹

Result in 2022 Change in 2024, pp



DBM score in Customer Journey sections offered by banks²

Result in 2020 Change in 2022, pp





2

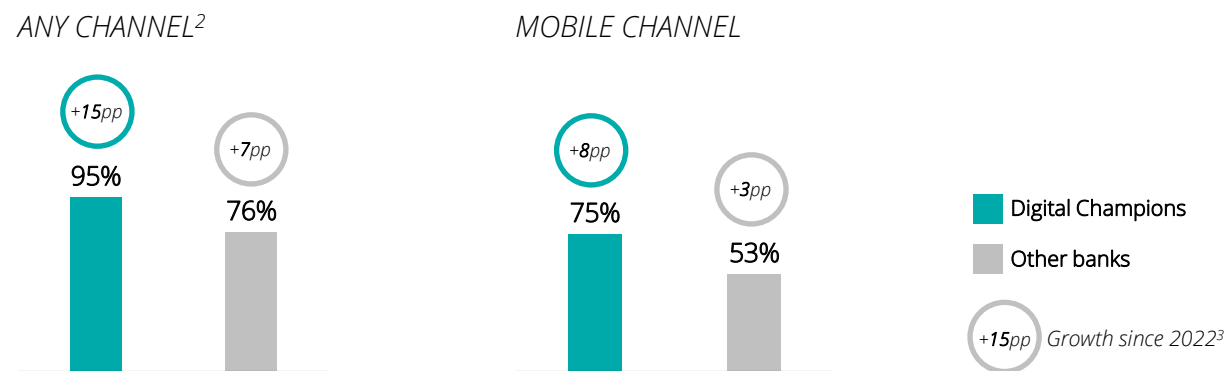
In some markets, remote account opening is becoming an industry standard offered by all major players...

At present most banks offer the option of **opening a current account entirely remotely**. Nearly all Digital Champions have this feature.

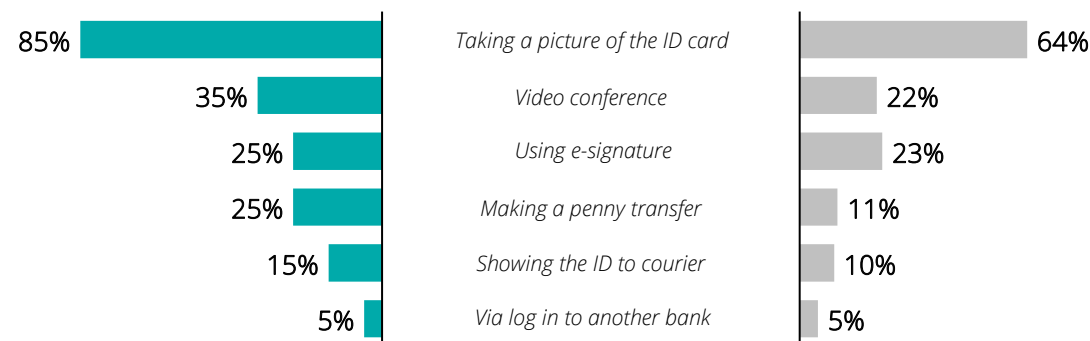
Mobile banking has become a preferred platform for end-to-end online account openings, as it supports the most common authentication method - capturing a **photo of an ID card**.

Another method gaining in popularity in the past two years is **video conferencing**, however showing an ID to a courier has significantly declined (down by 25 percentage points among Digital Champions).

% of banks offering end-to-end current account (CA) opening method¹



% of remote CA opening functionalities offered by banks³





2

...so Digital Champions continue to increase customer satisfaction by implementing additional, user-centric features

% of functionalities offered by banks

Digital Champions Other banks



Descriptive buttons



Information on the application status



Data input facilitation



Real-time validation



Progress tracker



Ready-to-help customer service



Save & finish later feature

Adoption of functionality / functionalities category¹

96%

91

78%

57%

89%

62%

88%

69%

68%

61%

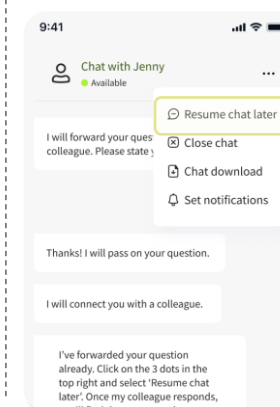
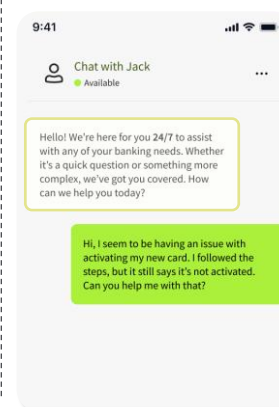
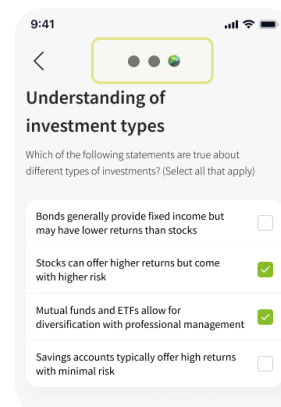
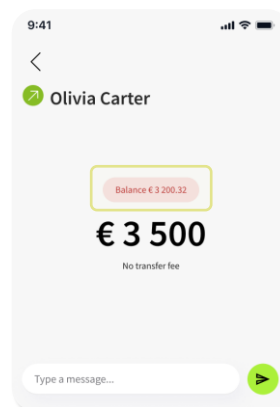
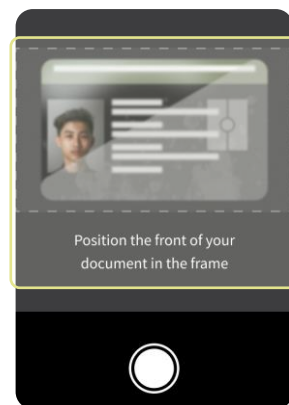
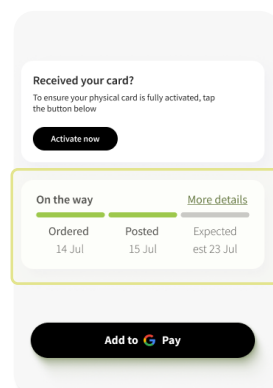
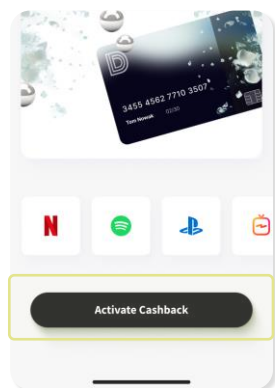
35%

17%

43%

33%

Best practice example



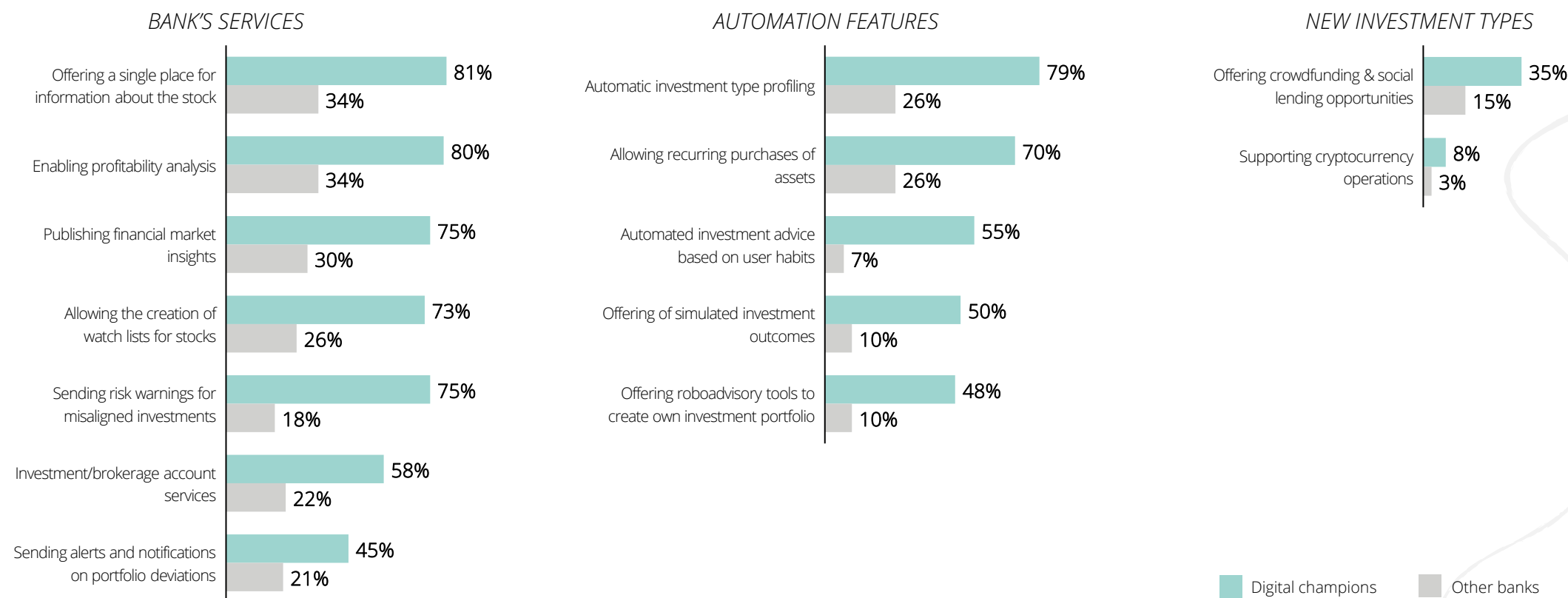


2

Most Digital champions exploit the potential of digital channels to offer investment opportunities, however the gap with other banks is significant

% of investment functionalities offered by banks¹

COMPLEXITY & INNOVATIVENESS

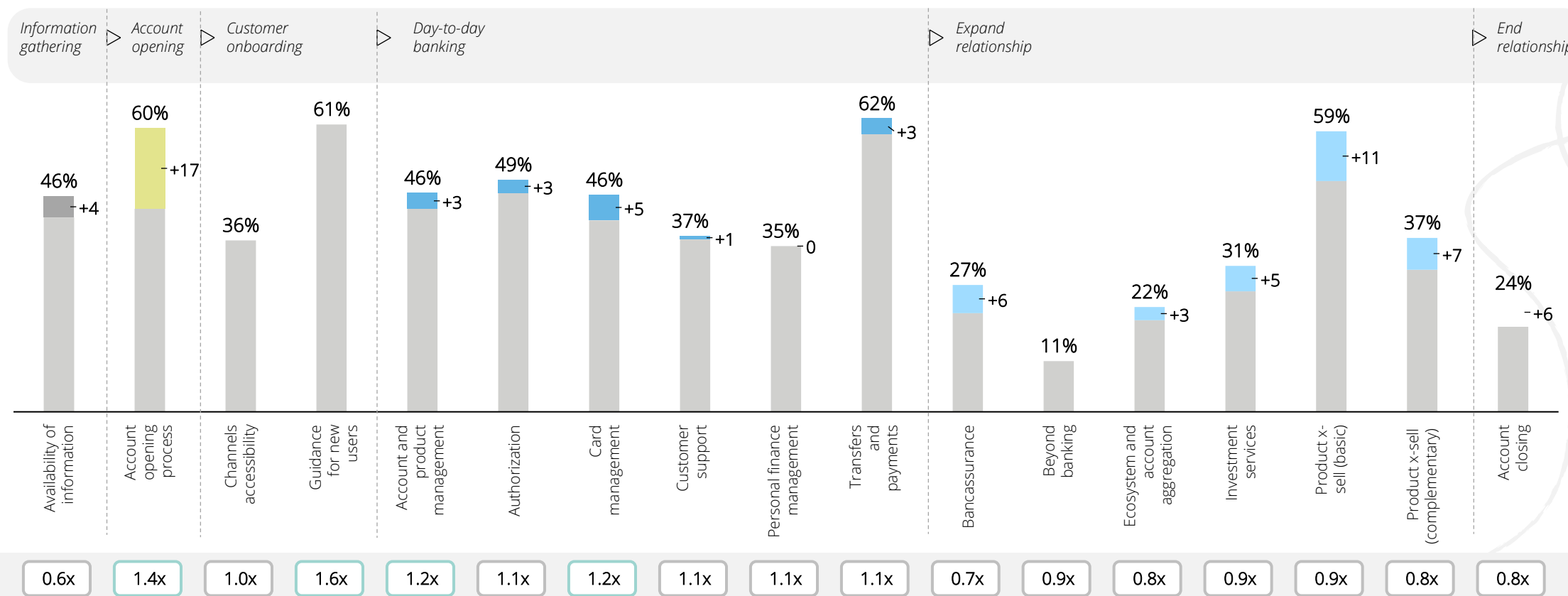




2

Since 2022, a significant increase in the use of mobile channels has been observed for account openings, cross-selling and card management

DBM score in mobile banking channel¹



Result in 2022 Growth in 2024, pp



3

Remote opening for transactional and saving products is common among Digital champions, with top players offering digital mortgages or car loans

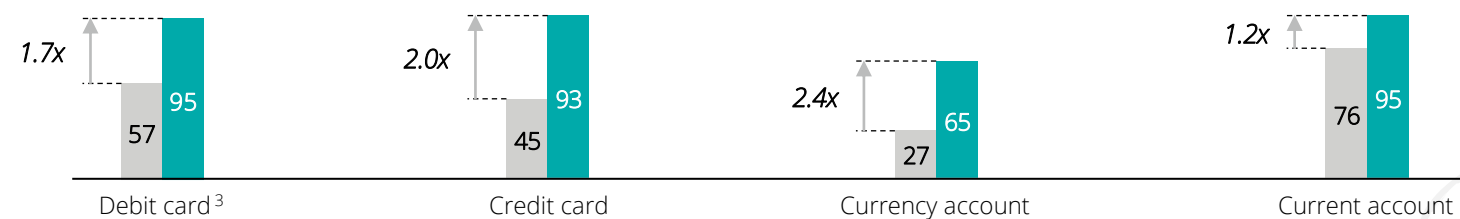
On average, Digital Champions provide an end-to-end remote product opening process 2.5 times more frequently than other banks. This gap has slightly widened since the 2022 edition of the study

While fully remote processes covering transactional and savings products are already available in many banks, Digital Champions have gone the extra mile by including **fully digital cash loans** in their standard offer

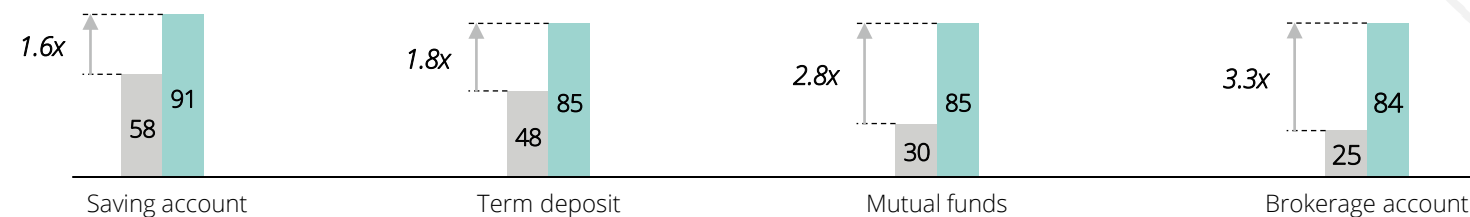
Additionally, an increasing number of leading players extend their capabilities by **mortgages** (41% of Digital Champions)

% of banks offering fully end-to-end product opening method in mobile or internet channels¹

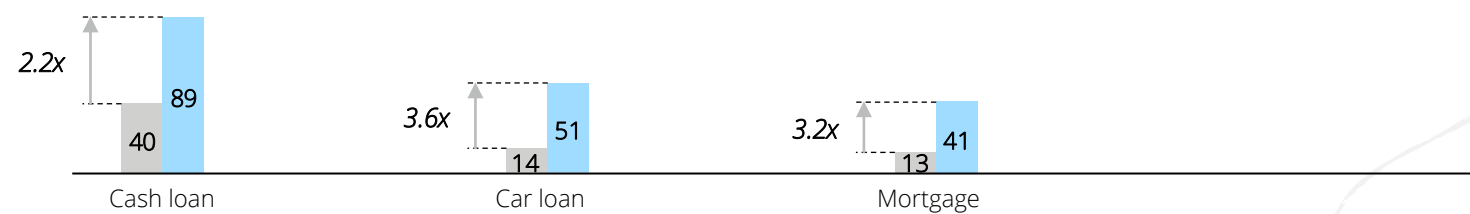
TRANSACTIONAL



SAVING & INVESTMENT



CREDIT



Others² Digital champions²



3

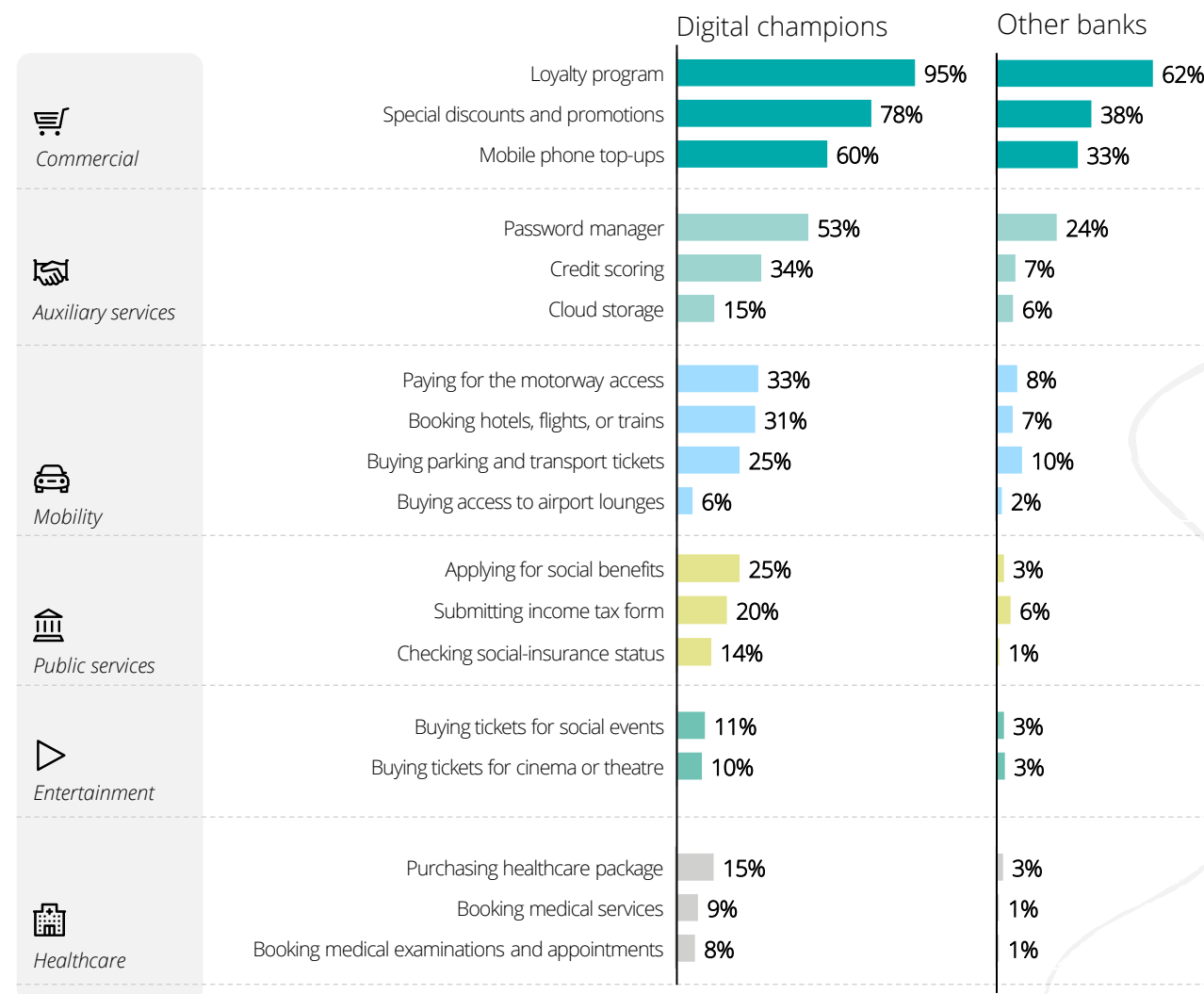
Value added services is what sets Digital Champions apart from other banks

Value-added services can enhance **customer engagement and loyalty**, helping banks both attract and retain customers. Additionally, these services offer banks **greater access to customer data**, facilitating personalization and the cross-selling of financial products

On average, **Digital champions** offer VAS 2.5 times more often than other banks, with the most prominent difference in **healthcare** (6.5x) and **public services** (5.9x)

Since 2022, there has been **noticeable stagnation in the adoption of new functionalities** in banking apps. Many banks are placing **greater emphasis on refining existing features and enhancing the overall user experience**, rather than focusing solely on introducing new functionalities

Top Value-Added Services by category, % of banks offering given functionality¹





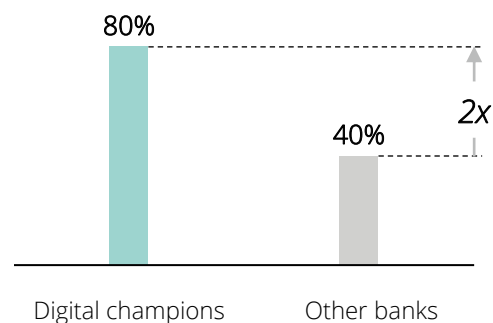
4

While some Digital champions realize the potential of PFM, most have yet to implement cross-selling functionalities

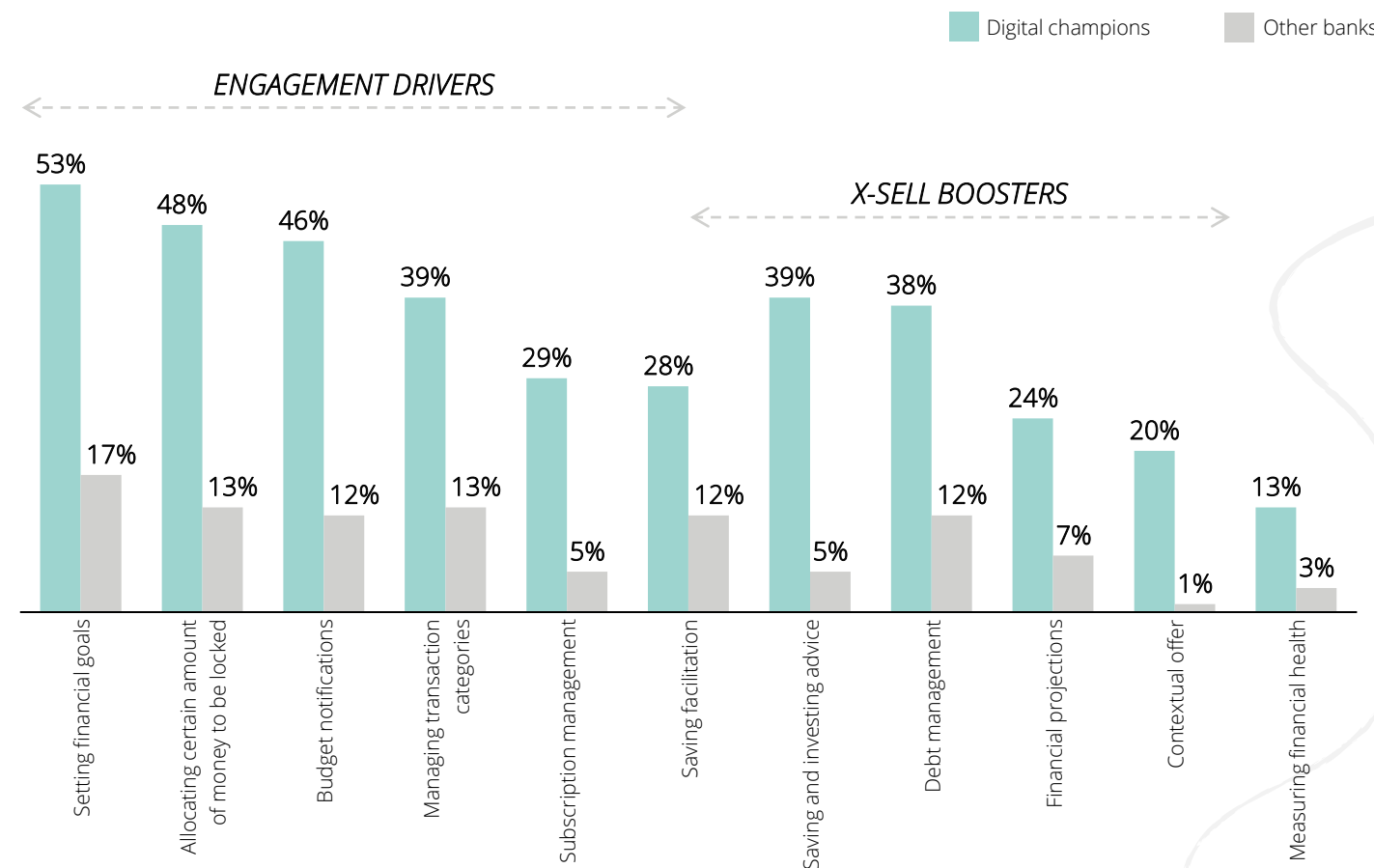
PFM in its basic form has become a **standard digital feature** offered by most Digital Champions and about half of the other banks

Most banks use PFM functionalities mainly to **increase mobile app use duration and frequency**. As the trend toward implementing PFM has matured, Digital Champions are focused on optimising the offered functionalities, with a focus on **cross-selling opportunities**

% of banks that offer PFM¹



% of PFM functionalities offered by banks¹

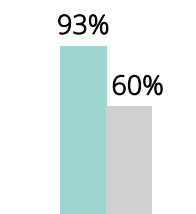




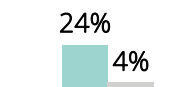
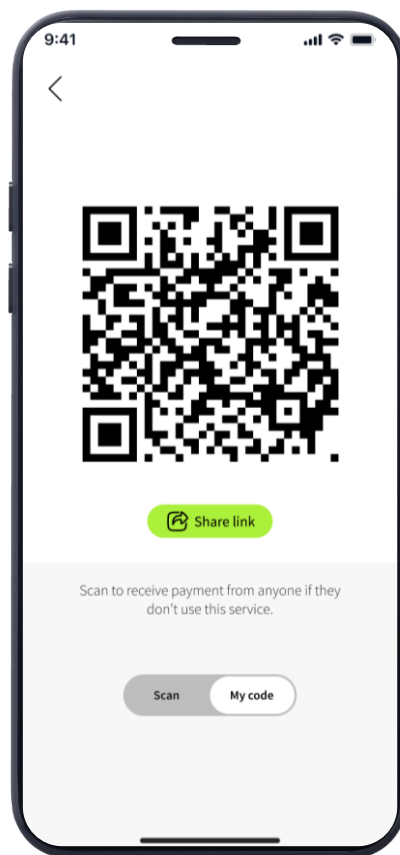
5

To facilitate the usage and enrich their channels, Digital Champions apply solutions known from other apps

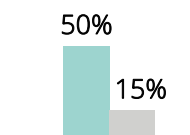
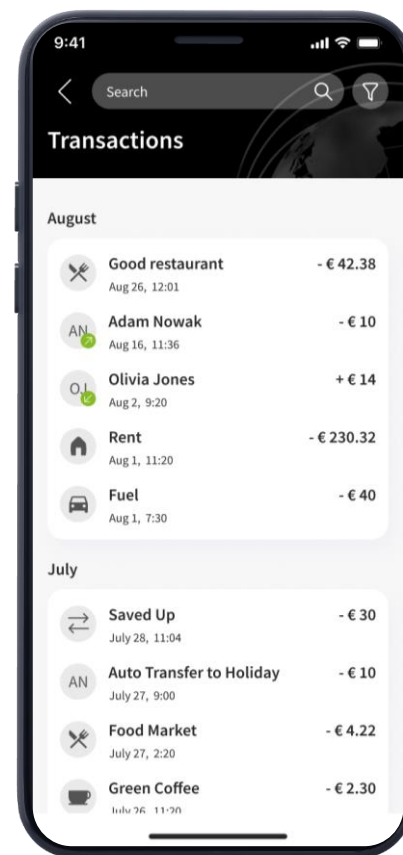
% of banks offering given functionalities¹



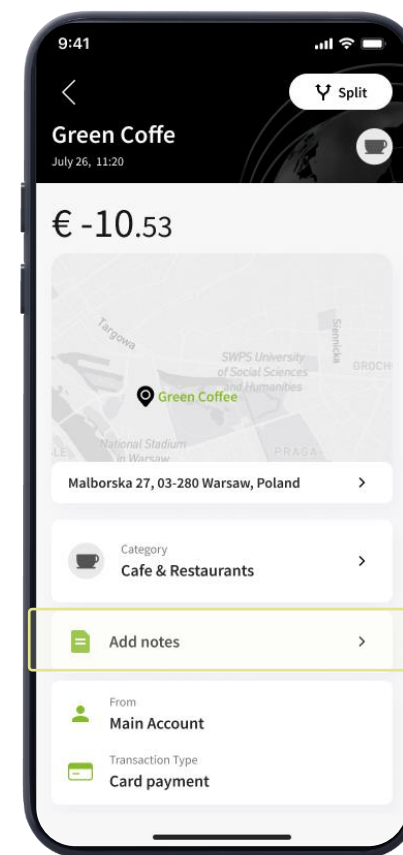
Sending a transfer by scanning a QR code generated by recipient



Financial feed, providing information about account operations, similar to feeds present on social media



Adding notes/comments to transactions

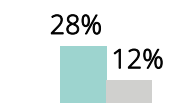




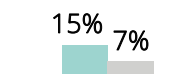
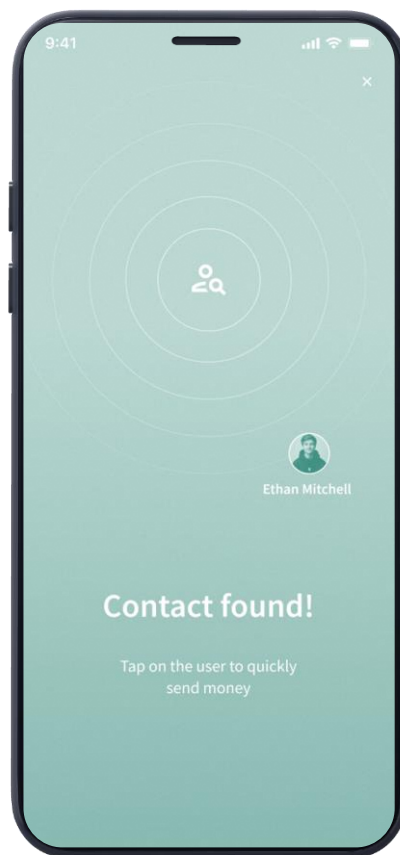
5

To facilitate the usage and enrich their channels, Digital Champions apply solutions known from other apps

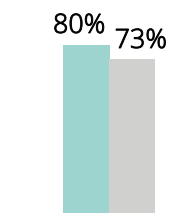
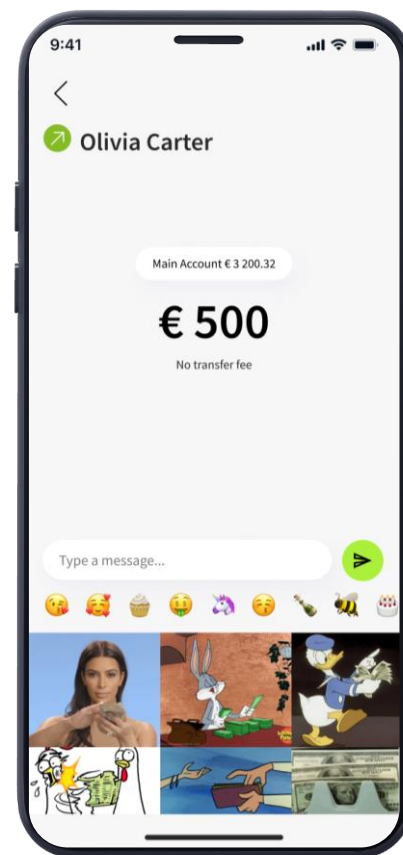
% of banks offering given functionalities¹



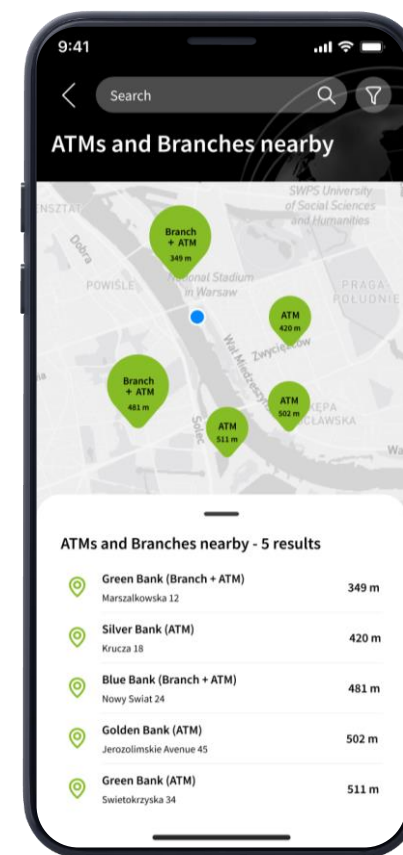
Making payments to people nearby, inspired by Bluetooth and Airdrop



Sending GIFs/emojis with a transfer, imitating communication apps



Using maps to locate an ATM or branch



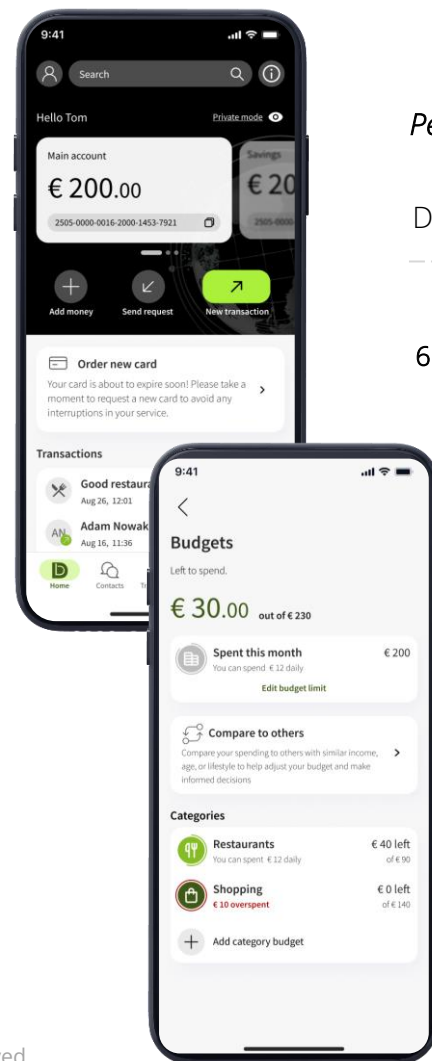
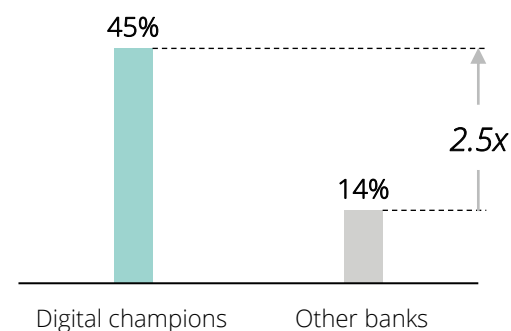


6

Digital champions use the communication potential of banners and pop-ups to provide personalized content

Digital champions offer banners and pop-up messages aimed at **enhancing personal experience** significantly more often than the other banks. Still, the implementation level is relatively low and shows that banks might explore options for enhanced **user behavior analytic software and functionalities**, which would increase customer's satisfaction levels as well as allow to increase cross-sell opportunities

% of personalized banners and pop-up messages offered by banks¹



Personalized content offered on banners and pop-up messages

Digital Champions

Other Banks

65%

Personalized recommendations

18%

41%

Security warnings / Educational content

16%

39%

Content personalized based on user's past actions (in-app movement, etc)

6%

34%

Personalized customer support tips (e.g. account management)

14%

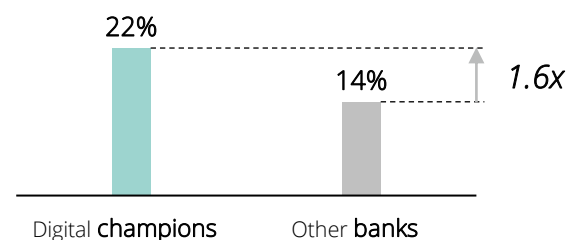


6

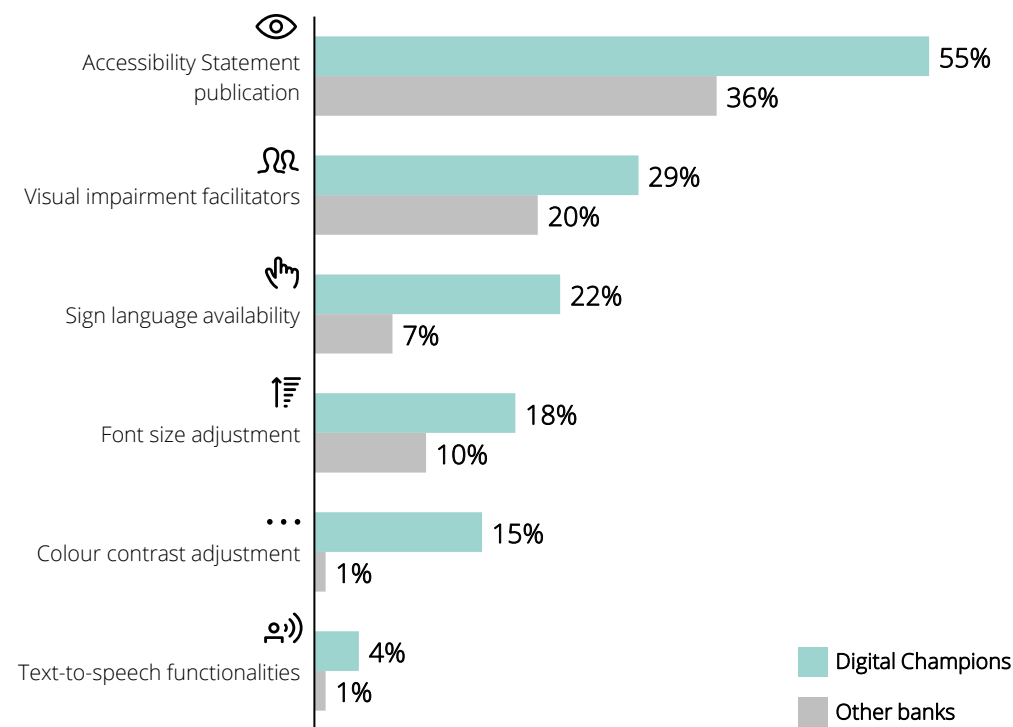
Digital champions offer some functionalities supporting accessibility, but there is still much room for improvement

Digital Champions offer features designed to aid individuals with impairment **1.6 times** more frequently than other banks. However, the overall level of **implementation remains low**, with accessibility still being an area where banks could do better. Significant improvements not only would **ensure compliance with the current and upcoming regulations** but would also help banks **meet the diverse needs of both the existing and potential customers**.

% accessibility-related functionalities offered by banks¹



% of accessibility functionalities offered by banks¹

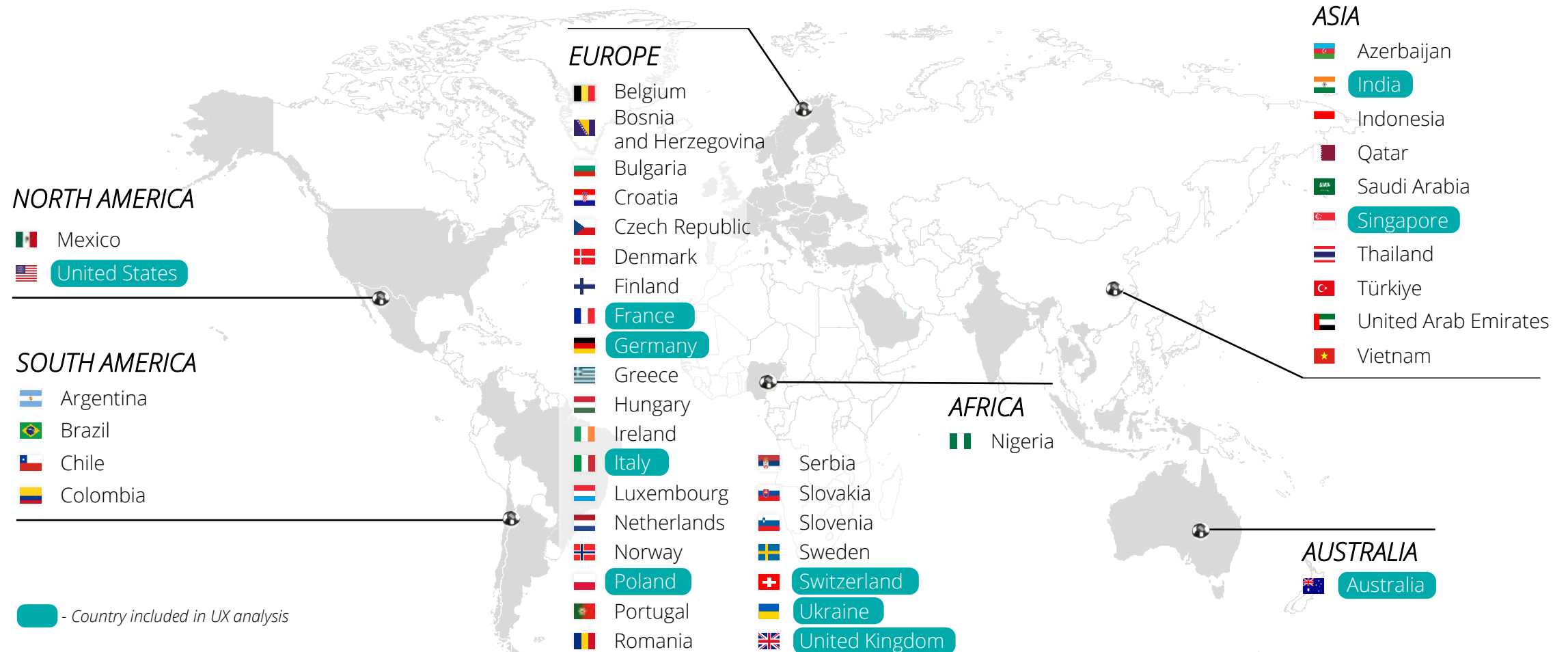




Deloitte. Digital Banking Maturity Study

Methodology

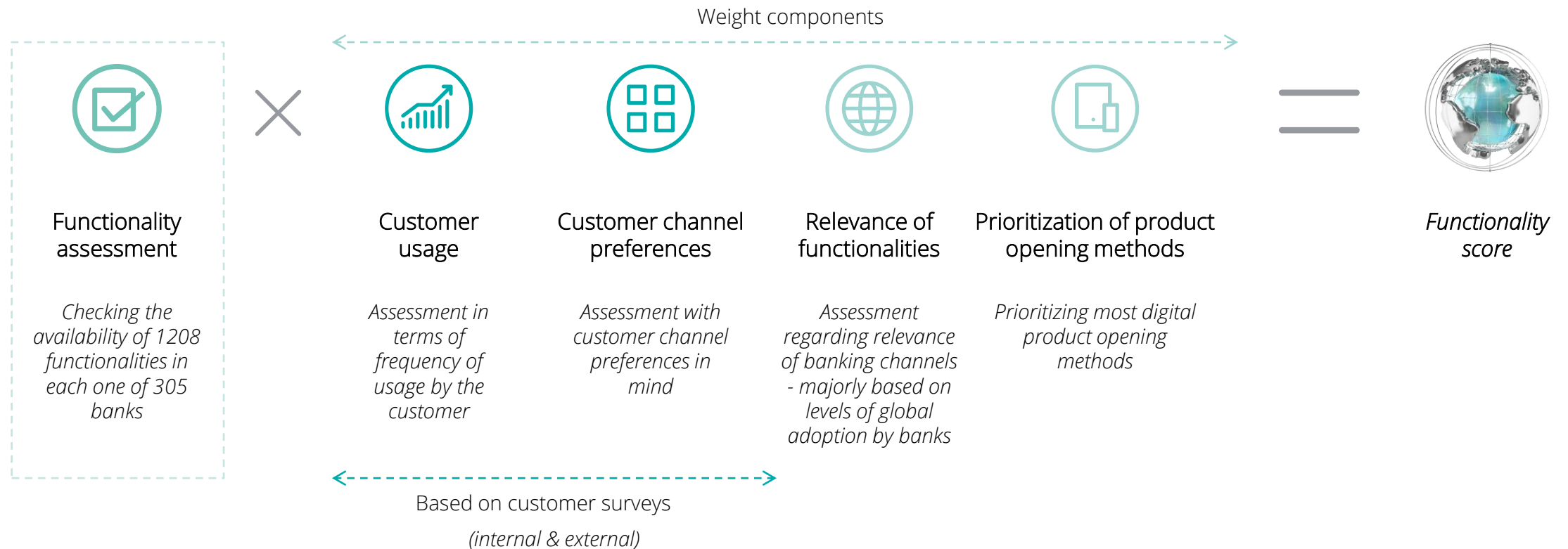
Digital Banking Maturity 2024 covered 349 banks from 44 countries, with 12 banks included in additional UX analysis



Weights are applied to each functionality in order to reflect both the significance and number of implemented functionalities



The significance of the 1208 functionalities assessed in the study varies by a considerable amount. Therefore, a weight system has been put in place, where every functionality is assigned a unique weight, based on the following criteria:



Usage and preferences for banking channels were evaluated based on a customer survey with over 4.400 respondents

4.395 respondents' answers provided insights on customer preferences on 18 activities mapped with customer journey steps in 3 banking channels. All activities were linked to the 1.005 functionalities assessed in the study, to find out what is in demand from the customer's side.

How often do you perform the following banking activities?

18
ACTIVITIES

EXAMPLES:

Looking for information about current accounts

Active investing

Opening an account and/or debit card

Looking for customer support

Checking current balance or transaction history

Managing your account

Applying for a personal loan

Making payments/transfers

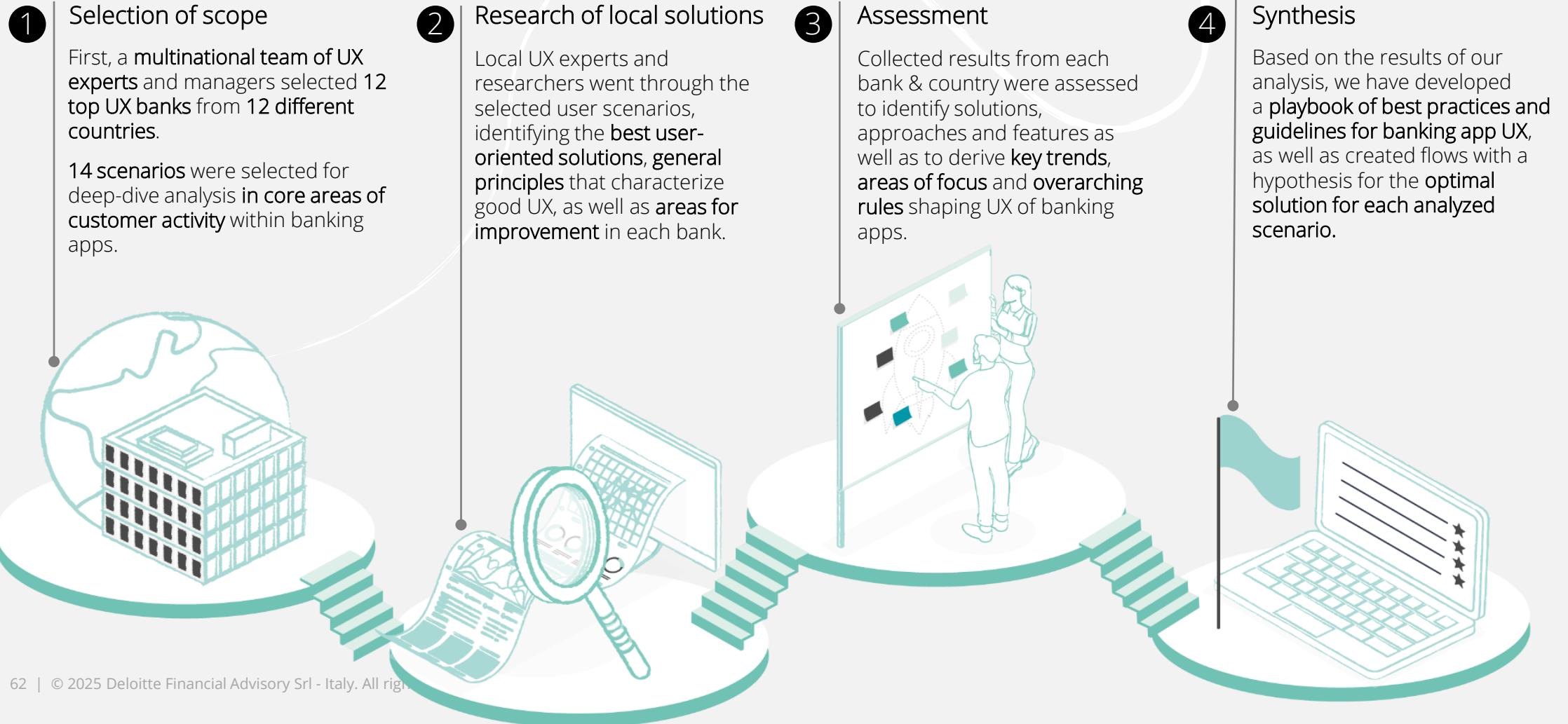
Which of the channels is/would be your preferred choice for each of the following banking activities?

3
CHANNELS





Best UX practices were identified through deep-dive research conducted among selected players



Analyzed UX scenarios cover key areas of customer activity



We followed the user through their **banking experience journey**: from opening an account, through day-to-day banking activities, up to closing an account.



Functionalities
benchmarking



Customer
needs research



User Experience
study

14 KEY SCENARIOS WE FOCUSED ON:

- 1 Opening a current account
- 2 Onboarding in the app
- 3 Logging in to the app
- 4 Making a domestic payment/transfer
- 5 Checking account balance & transaction history
- 6 Tracking expenses
- 7 Contacting the customer support
- 8 Applying for a personal loan (e.g. *cash loan*)
- 9 Managing your payment card
- 10 Active investing
- 11 Opening an insurance product
- 12 Beyond banking (third-parties services)
- 13 Other relevant user-oriented solutions and features
- 14 Closing a current account

THANK YOU



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