



Banking Trend Radar Webcast

Episode 5: Beyond Banking – The opportunity beckoning in new business ecosystems



This webcast will be recorded.

You have the option to **ask (anonymous) questions** during the presentation via the Q&A function.

We will collect the questions and answer them at the end of the webcast.

Today's speakers

Let's start the conversation!

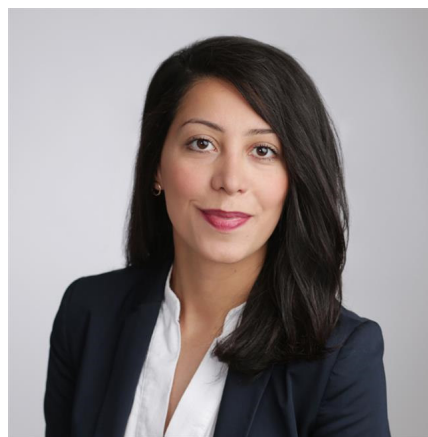


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Beyond Banking

Today's agenda



01

***Intro Beyond Banking &
Market Perspective***



02

Banking Perspective



03

Customer Perspective

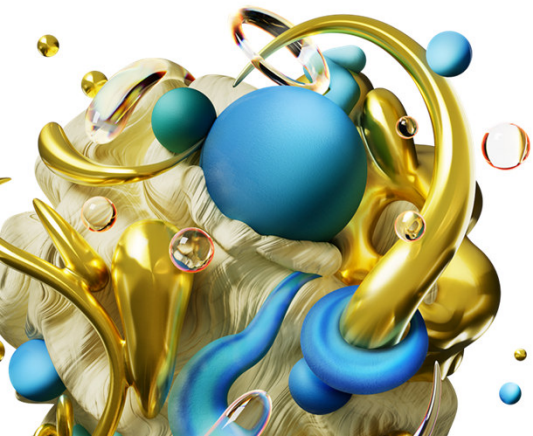


04

Q&A with Keynotes

What is Beyond Banking?

Beyond Banking refers to the **expansion of financial services and products beyond traditional banking activities**, often incorporating technology, lifestyle integration, and innovative solutions to meet evolving customer needs and expectations.





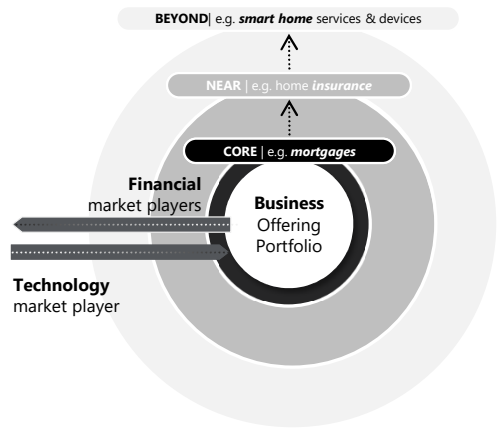
DELOITTE STATEMENT

"We believe that banks need to **embrace Beyond Banking now**, to navigate rapidly evolving markets in order to **ensure steady growth**."

Introducing the Deloitte Framework for Beyond Banking considerations

Eight ecosystems cover every aspect of a person's life cycle based on consumer needs, including use case scenarios relevant to banking from core to beyond

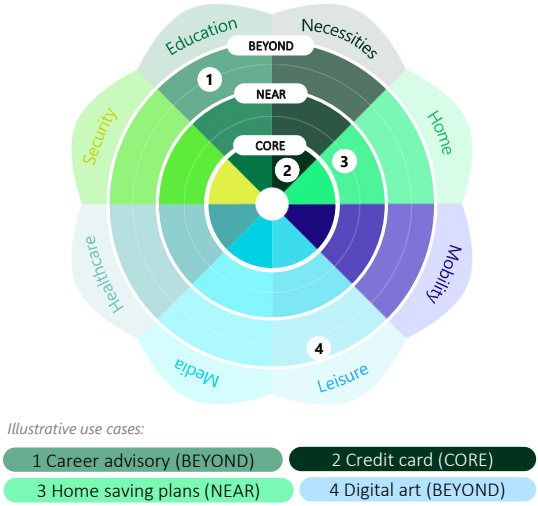
BUSINESS OFFERING SPACES



CUSTOMER ACTIVITY SPACES



DELOITTE BEYOND BANKING ECOSYSTEM FRAMEWORK



Notes for Moderator:

max. 3min incl. response

QUESTION FOR ANDREAS

What are the biggest obstacles for banks to implement Beyond Banking solutions in your opinion?

TRANSITION TO SAHAR

Notes for Thomas:

So, Sahar, you are a member of the BB team at Deloitte, you led interviews with experts in strategy, product development, and innovation. Let's talk about the banking perspective...

Trend Description

HYPOTHESIS 1:

There is a strategic urgency of Beyond Banking for Banks

The urgency to adopt Beyond Banking is crucial for banks to stay relevant and competitive by expanding their services beyond traditional banking.

RESULT:

- ✓ Market disruption by non-Traditional Players
- ✓ Evolving consumer expectations
- ✓ Technological advancements

HYPOTHESIS 2:

The Potential for Revenue Diversification

As traditional interest-based income faces pressure, banks can reduce their reliance on it by embracing new revenue streams through non-traditional services. This diversification is essential for long-term financial stability.

RESULT:

- ✓ Volatile interest income
- ✓ Success of non-banking services
- ✓ Consumer willingness to pay for value-added services

HYPOTHESIS 3:

Importance of Customer-Centric Innovation

By shifting from a product-centric approach to one that focuses on meeting broader customer needs through integrated services, banks can enhance customer loyalty and lifetime value.

RESULT:

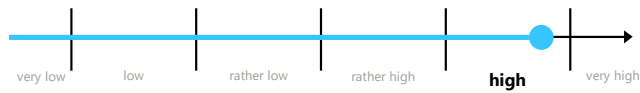
- ✓ Increased customer loyalty through personalized experiences
- ✓ Enhanced customer lifetime value
- ✓ Cross-selling and upselling opportunities



Trend Assessment: Beyond Banking

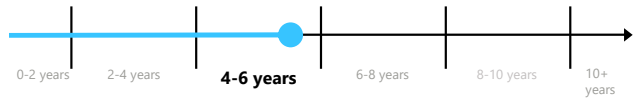
ACT/PREPARE/WATCH

Influence



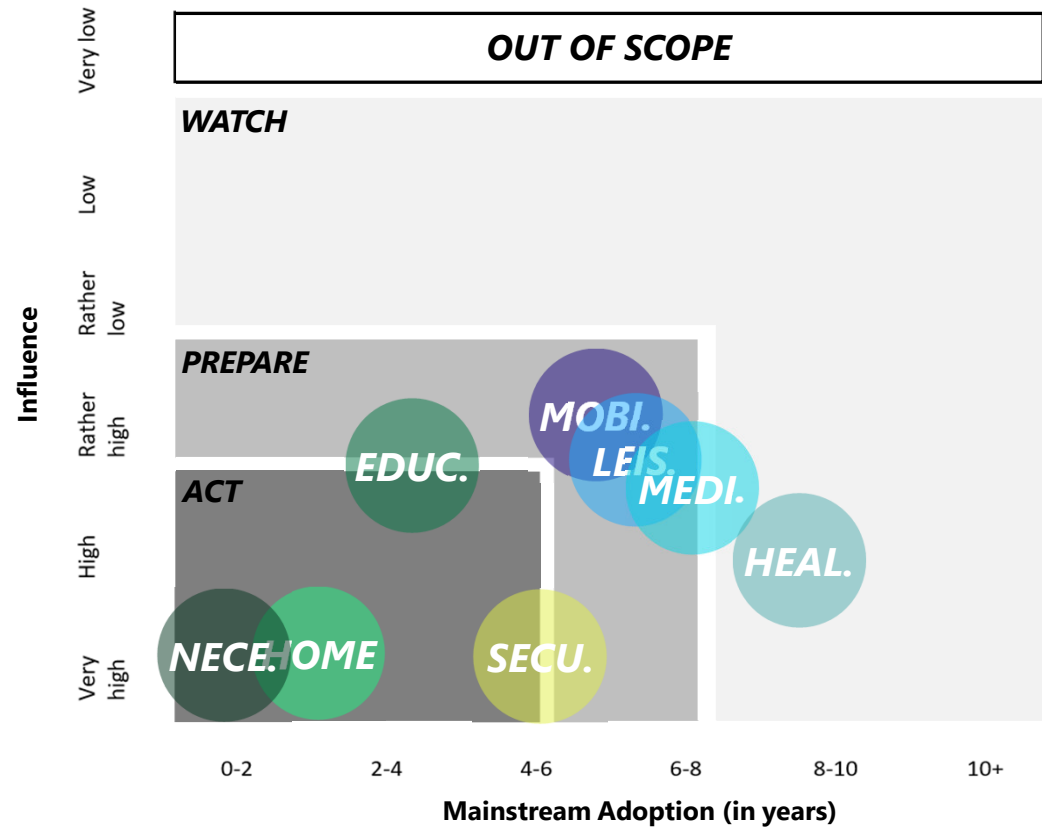
ACT/PREPARE/WATCH

Time of Mainstream Adoption



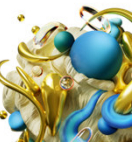
**DELOITTE BEYOND
BANKING ECOSYSTEM
FRAMEWORK**


Deloitte 2024



Top 3 Ecosystems ranked:

by Banks: Home, Education, Necessities & **by Customers:** Necessities, Security, Home





DELOITTE STATEMENT

"We believe that the **next generation banking customers** will expect integration in every aspect of their lives."

Customer Study Key Findings – Beyond Banking Ecosystem Preference

96%

Banking customers reported **'it would be beneficial'** for their bank to offer a product or service in at least one Beyond Banking Ecosystem



ECOSYSTEM RANKING (CUSTOMERS)	
Necessities	#1
Security	#2
Home	#3
Mobility	#4
Leisure	#5
Healthcare	#6
Education	#7
Media	#8

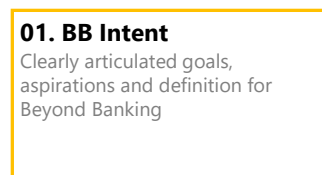
INSIGHTS | ECOSYSTEM PREFERENCE

- ✓ Customers clearly rank ecosystems **highest** when there is a frequency of interaction *and* proximity to core banking products is high between current banking products and Beyond Banking ecosystems
- ✓ **Generational preference differences** are most present in Healthcare (Gen Y, 8th vs. Gen Z, 2nd) Almost all generations ranked Home highly but never first.
- ✓ **Income preference differences** are most present in Healthcare (Low-Income, 2nd vs. High-Income, 4th) and Education ecosystems (Low-Income, 4th vs. High-Income, 7th)
- ✓ **Banking type (neo vs traditional) preference differences** are most present in Mobility & Leisure (Neo high) and Home (traditional High)

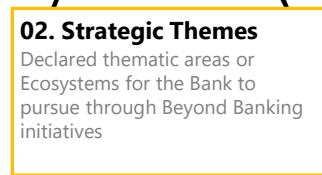
12 Levers for Beyond Banking Success

A comprehensive framework to ensure Beyond Banking is strategically and structurally aligned in order to successfully build and Beyond Banking Use Cases

Setting the Agenda

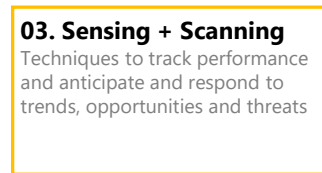


Informs direction of ongoing scanning and learning



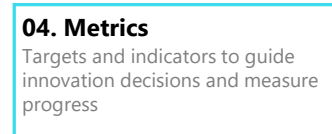
Informs periodic refresh of themes to pursue

Cascaded down throughout the organization



Managing the Portfolio

Continue / Terminate / Adjust initiatives based on metrics



Adjust metrics and governance based on the initiative's ambition level

05. Governance

How and by whom decisions are made to initiate, extend or terminate innovations

Provide clear guidelines around what initiatives should be pursued and evaluate progress along the way

06. Funding

The financial resources and allocation mechanisms devoted to innovation

Monitor and manage the balance of initiatives, across ambition levels and themes



Building Use Cases

The right process is determined by intent and ambition; most organizations deploy a combination of processes to address multiple ambition levels simultaneously

07. Process

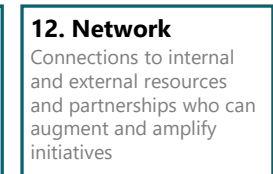
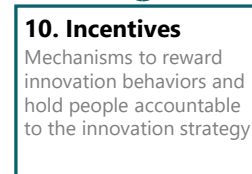
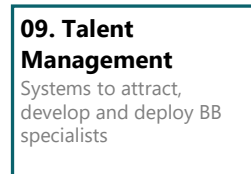
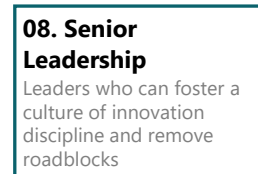
Methods and approaches to drive core, adjacent, and transformational innovations from insight-to-market and beyond



Drives innovation performance outcomes and learning

Fueling Development

Work together as a system to provide resources for BB efforts



Q&A

Upcoming Webcast

Episode 6: Climate Transition Planning: How banks can profit from credible climate and decarbonization strategies

Date: 17th October 2024, 2:00–2:45 pm

Details will follow.



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