



Banking Trend Radar Webcast

Episode 1: Get to know the European Banking Trend Radar

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



Lutz Pehl

Partner

Banking & Capital Markets Sector Lead

lpohl@deloitte.de



Thomas Peek

Partner

Risk Advisory

tpeek@deloitte.de



Tilmann Bolze

Director

Banking Operations Consulting

tbolze@deloitte.de

Outline



1. Purpose of trend research



2. How the trend radar works



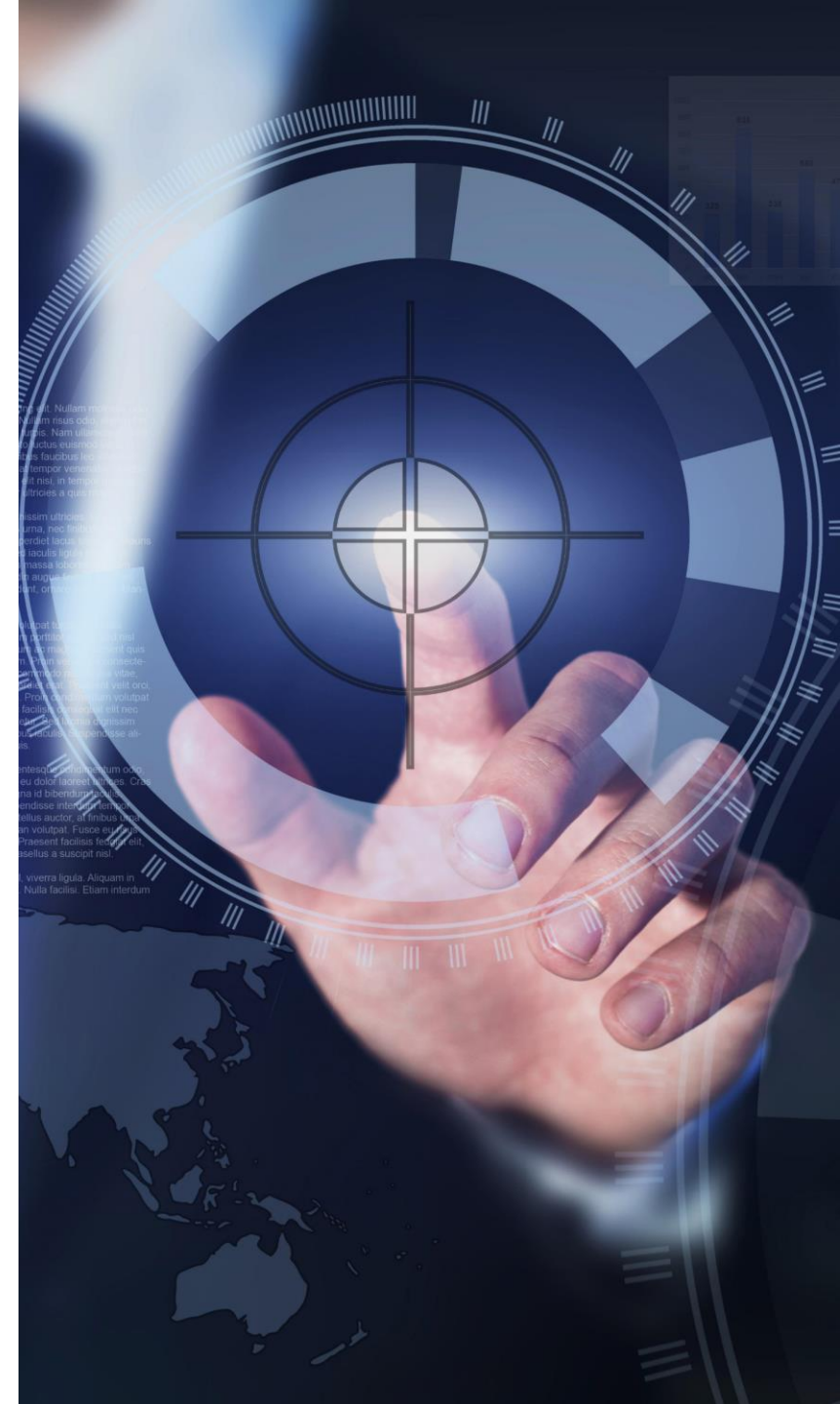
3. Recent trend developments on the market



4. What's next?



5. Q&A



Purpose of trend research

Trends change industries and business models



What is a „**trend**“?

- A trend is an **emerging development** that is expected to grow in the future and can lead to **significant changes**.
- A trend can originate from **all relevant fields**, for example technological trends, social trends, or economic trends.



Electric mobility

- Electrification disrupts every component of the automotive value chain
- Heavy investments into adapting production facilities and product portfolios required
- Companies failing to complete the transition in time will be forced to exit the market



Streaming

- Streaming services disrupt media landscape
- Business models shift from buying/renting individual content to subscription-based revenue models



Online banking

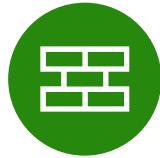
- Online banking offers cheaper and more convenient services
- New market segment for autonomous and price-sensitive customers takes market shares from traditional banks

Why trend research matters



Challenge

- World continues to change at an accelerated speed
- Future developments increasingly uncertain and business impact increasingly disruptive



Obstacles

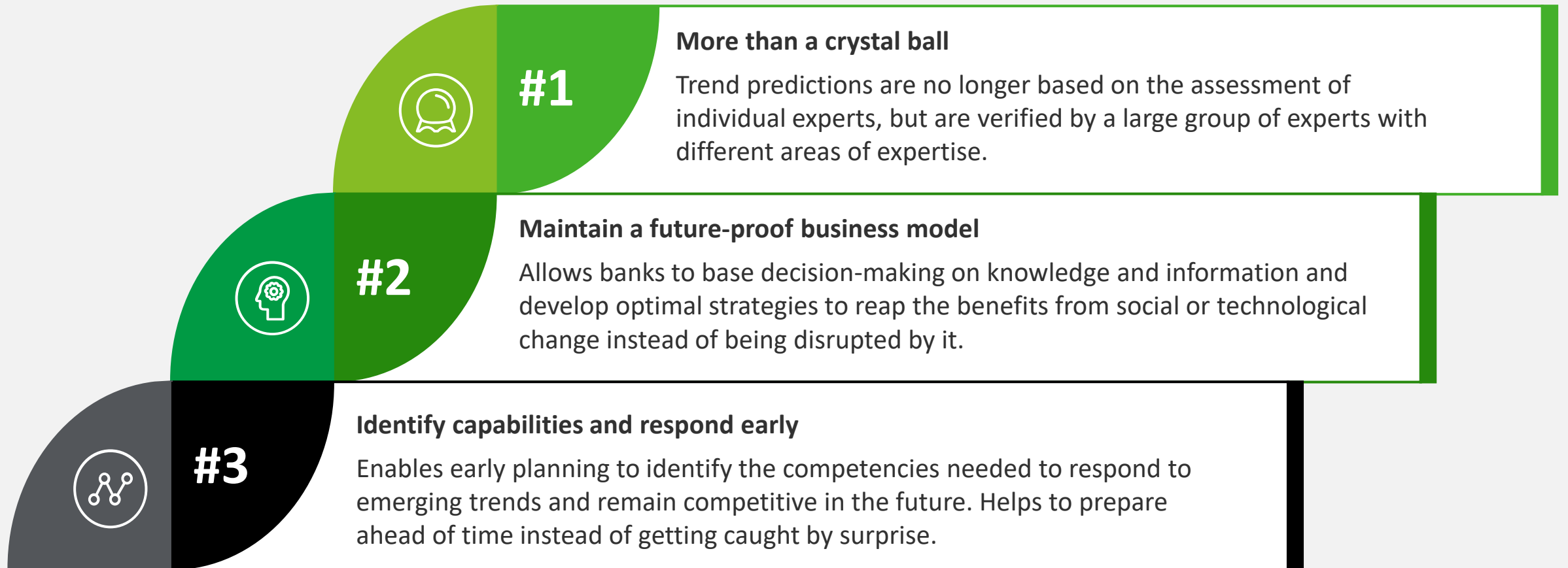
- Myriad of trends and innovations on the market
- Therefore difficult to keep overview and select trends that are important for the banking sector and for individual companies
- Impact of trends multi-dimensional, therefore expertise and perspectives from various fields required



Objective

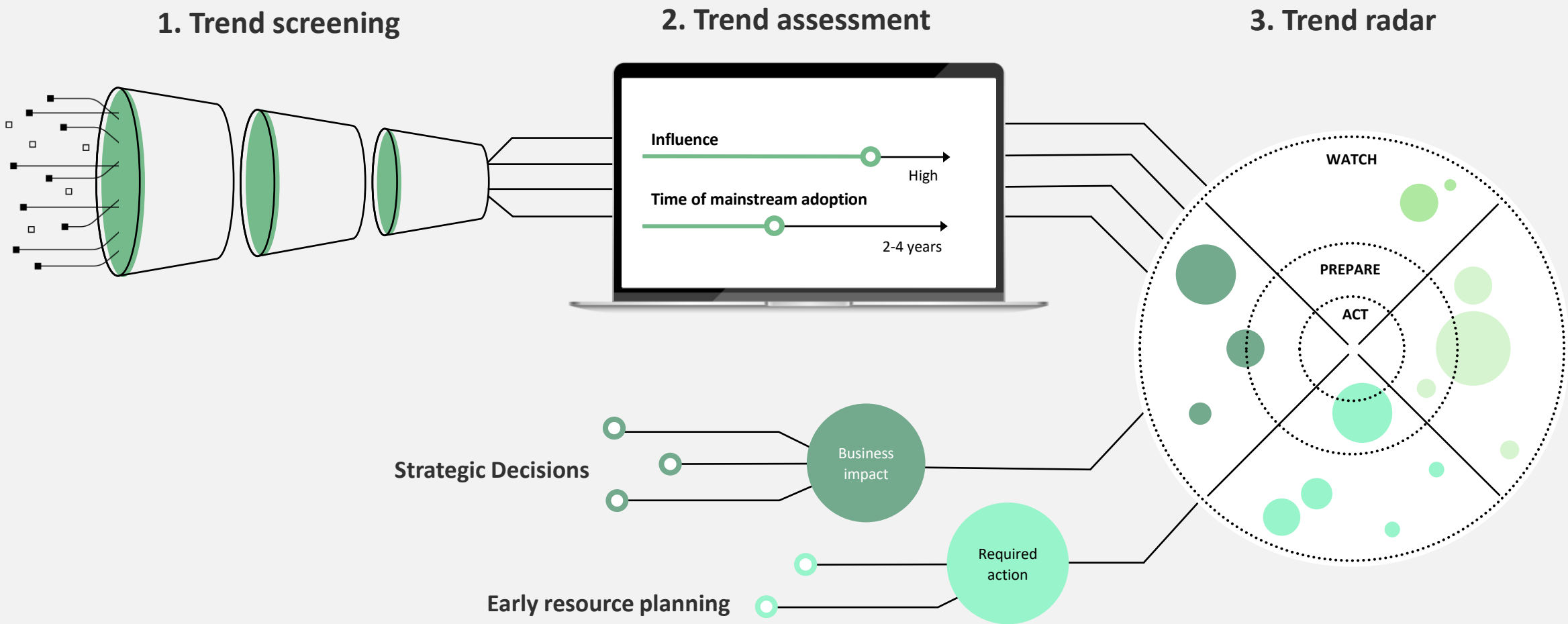
- Detect developments as quickly as possible in order to be able to adjust to them
- Systematic process to identify, observe and monitor trends

Benefits of trend research



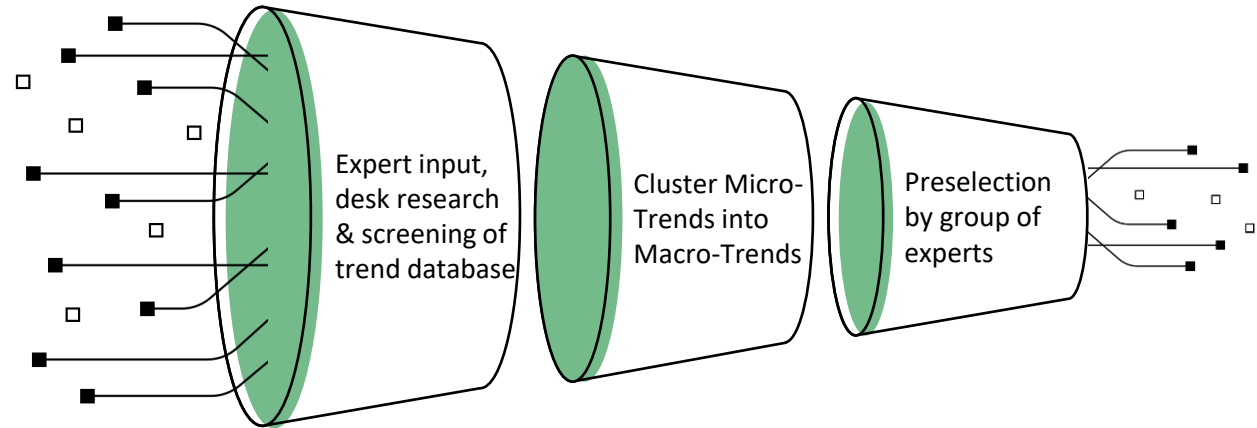
How the trend radar works

Trend process



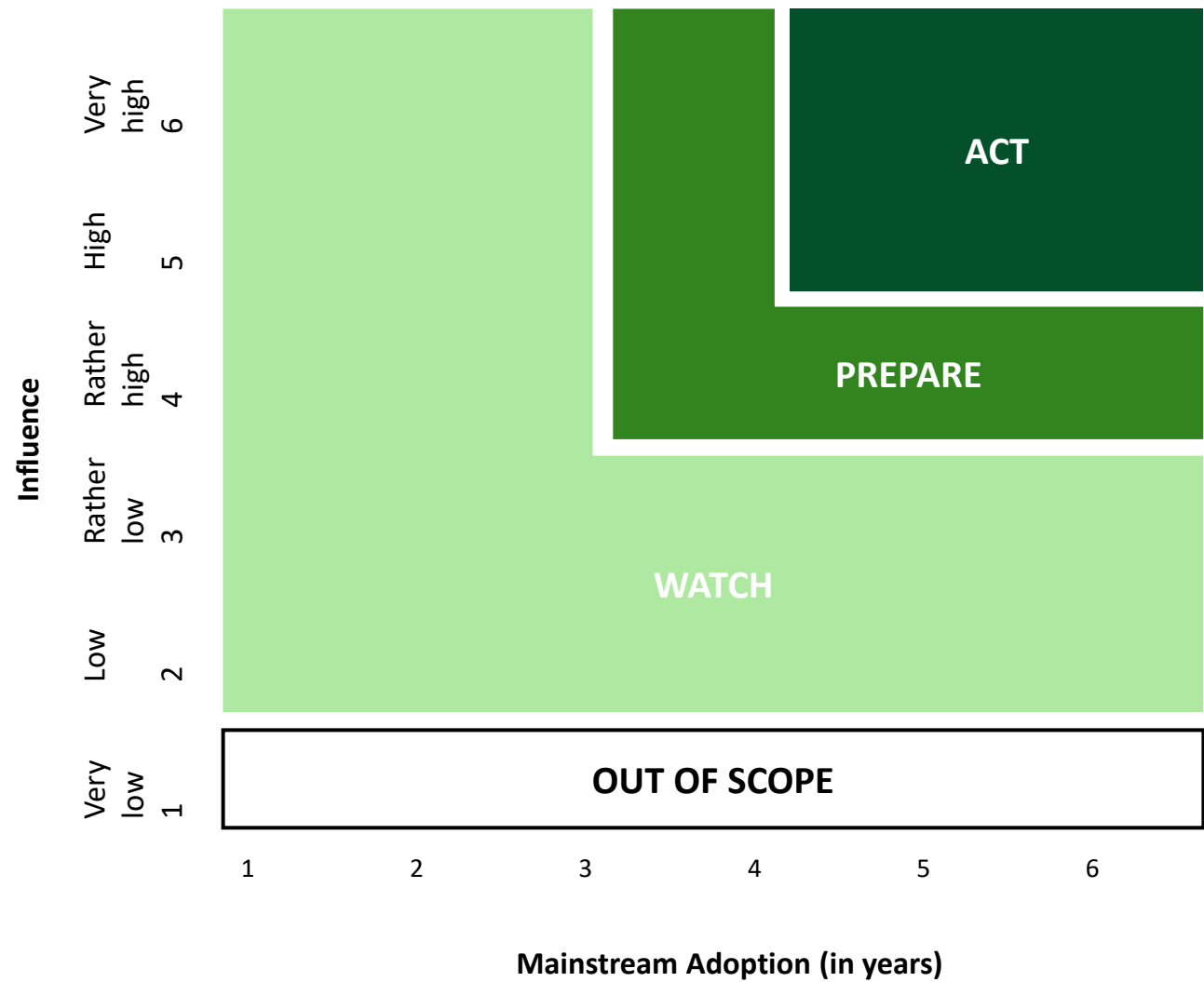
Step 1: Trend screening

- Collect trends from Deloitte experts and desk research
- Additionally screen external trend database with over 50.000 trends
- Cluster trends into different types:
 - **Microtrends**
Specific innovations or projects that already exist today and provide use cases for a macro-trend
 - **Macrorends**
Underlying core aspect that is common to the respective microtrends. Each micro-trend assigned to one or more macrorends
 - **Megatrends**
Overarching and long-lasting phenomena that lead to extensive structural change
- Preselect large number of trends by small group of experts



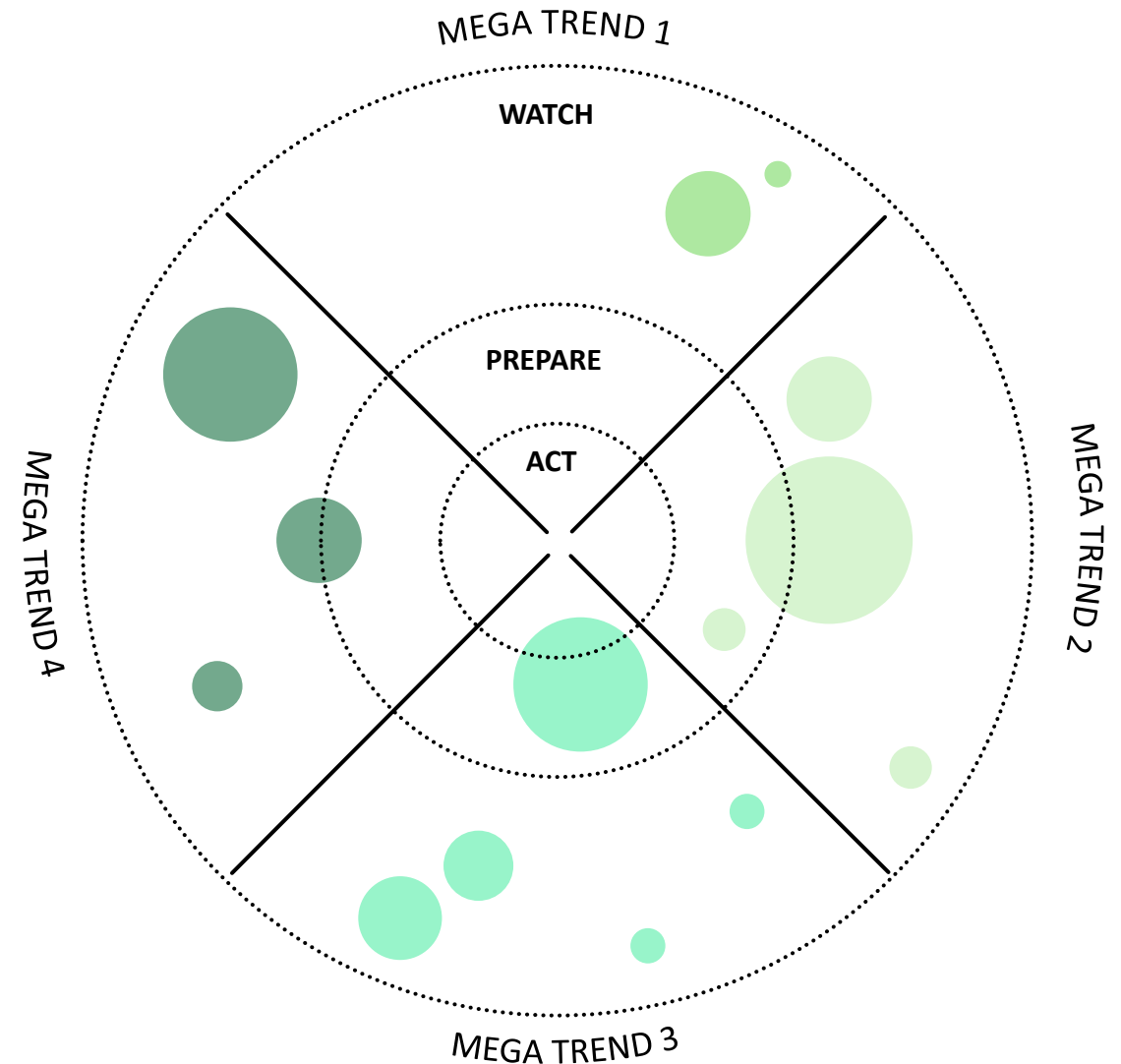
Step 2: Trend assessment

- Assess macrotrends by Deloitte experts from various fields along two criteria: **Time to mainstream adoption** and **Influence**
- Combination of both criteria puts each trend into one of the following criteria: **Act**, **Prepare**, **Watch**
 - **Act**
Very high or high impact, max. 5 years time to mainstream adoption
 - **Prepare**
Very high to rather high impact, max. 7 years time to mainstream adoption, not in Act
 - **Watch**
Remaining trends (influence rather low and/or 10+ years time to mainstream adoption)



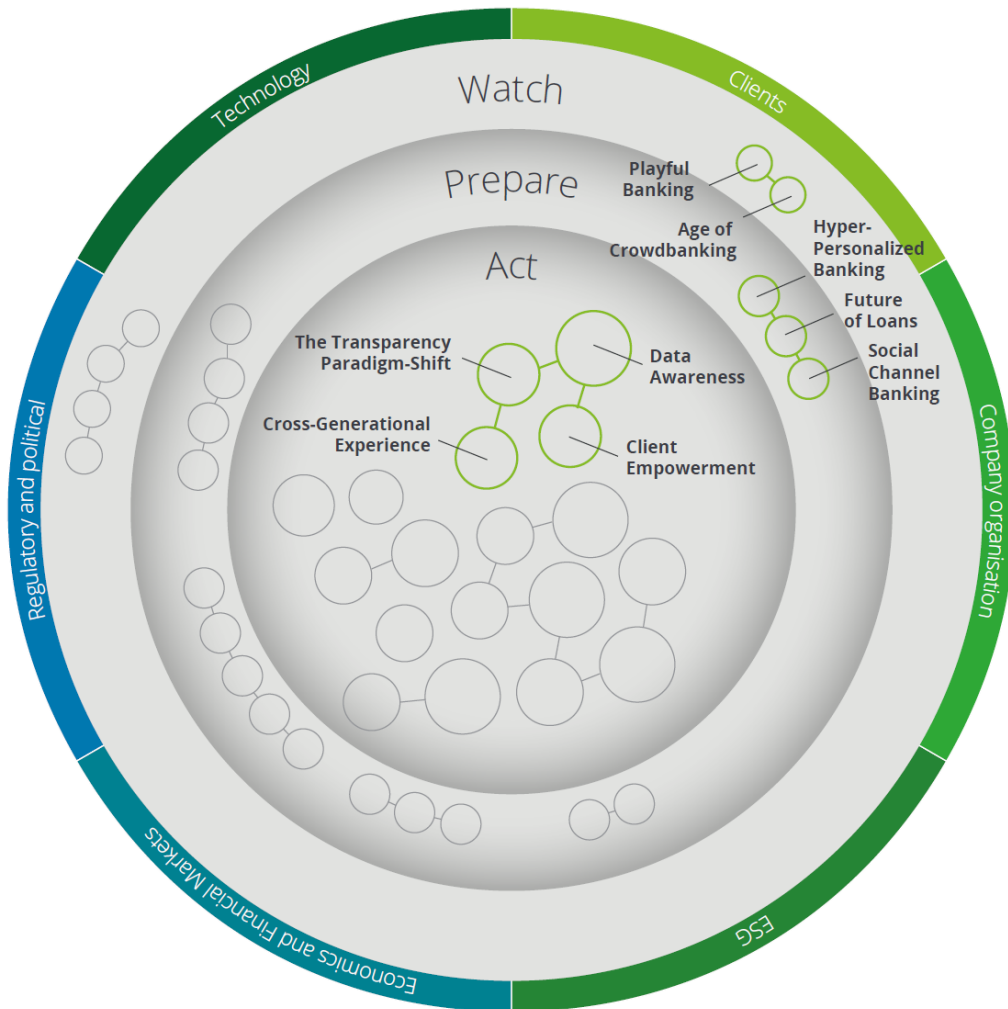
Step 3: Trend radar

- Generate Trend Radar according to previous results
- Divide circle into sections specified by megatrends
- Each bubble represents one macrotrend
- **Position of the bubble**
The further away from the center, the more time to mainstream adoption
- **Size of the bubble**
The larger the bubble, the larger the influence
- **Color of the bubble**
Categorization into different megatrends



European Banking Trend Radar

- Deloitte knowledge from different fields of expertise
- Trends from all industry-relevant areas
- Focus on “Clients” megatrend
- Trends in **Act**: Cross-Generational Experience, Transparency Paradigm-Shift, Client Empowerment, Data Awareness
- Trends in **Prepare**: Hyper-Personalized Banking, Future of Loans, Social Channel Banking
- Trends in **Watch**: Playful Banking, Age of Crowdbanking

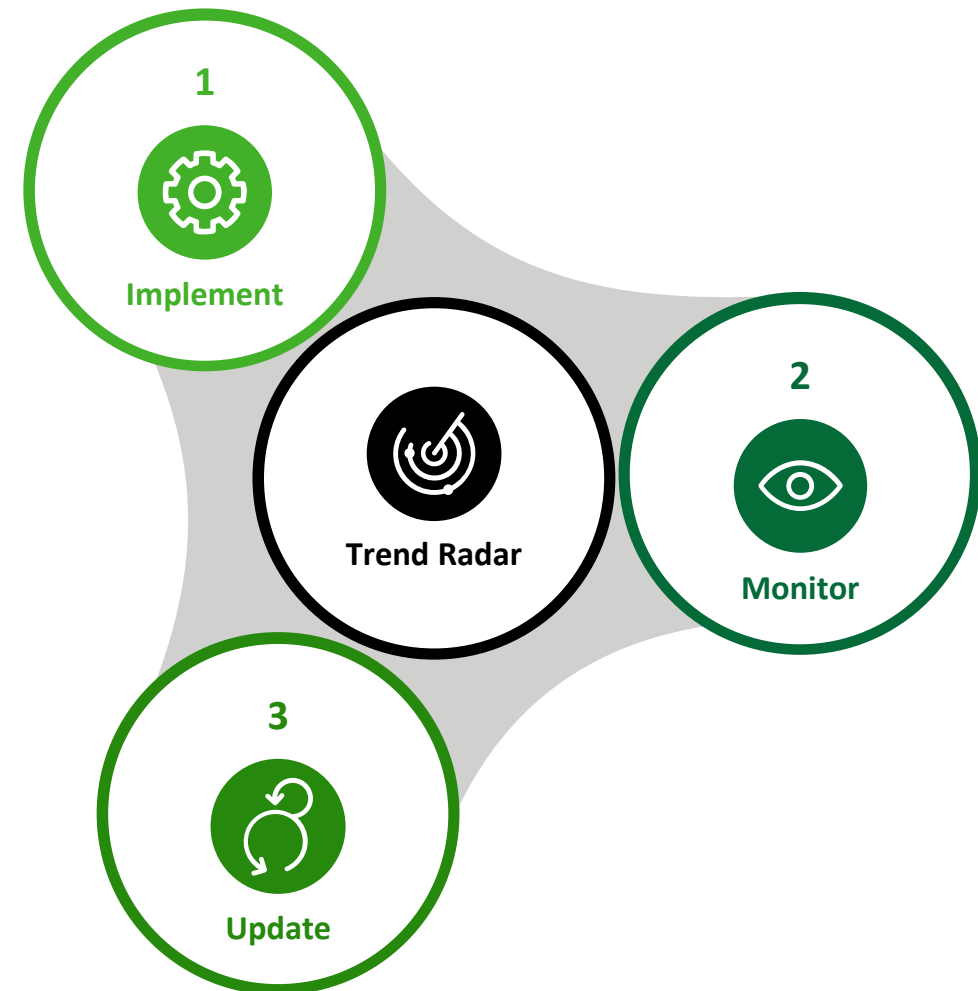


Most important Macrotrend within each Megatrend



Setting up a continuous process

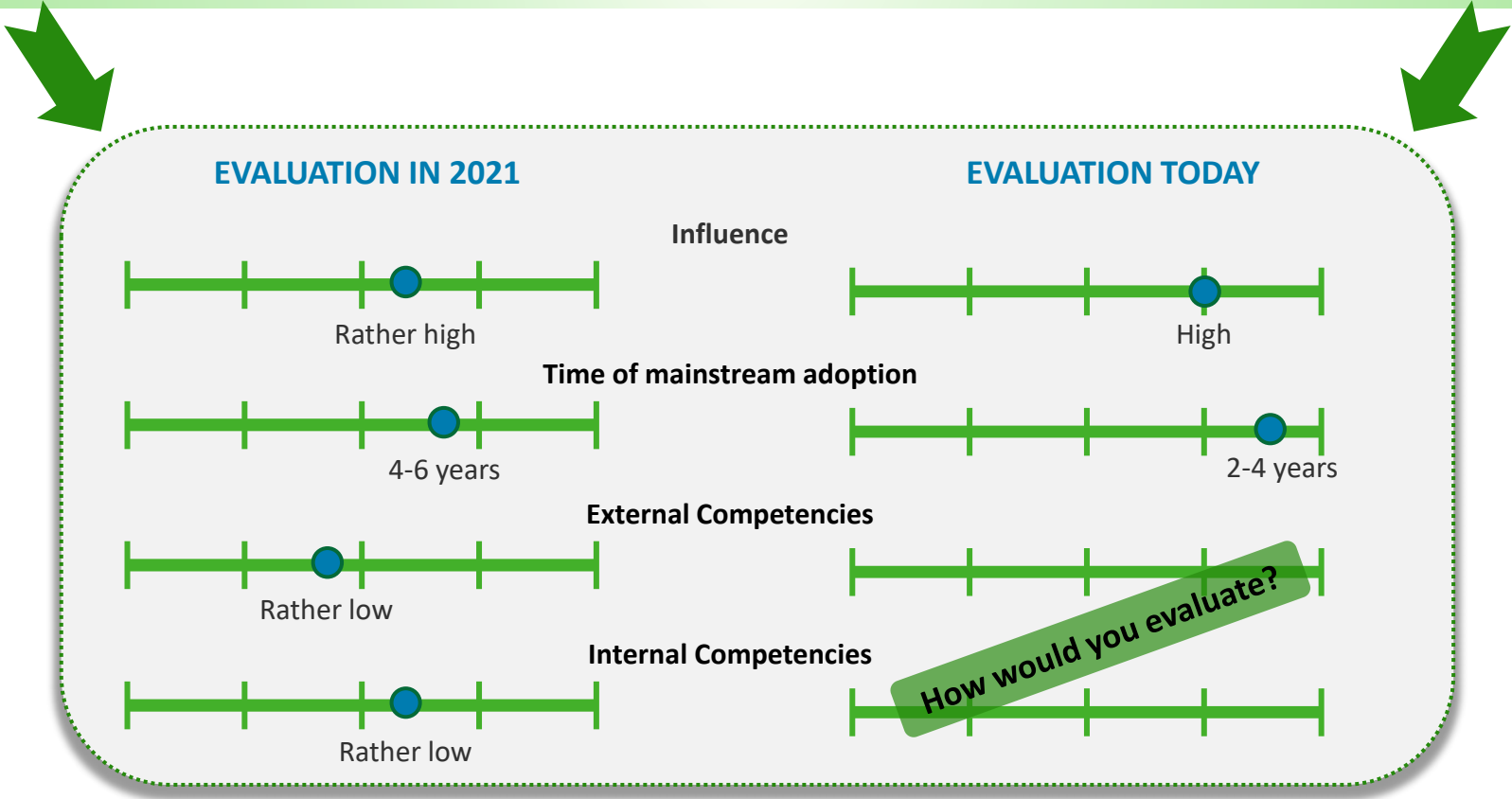
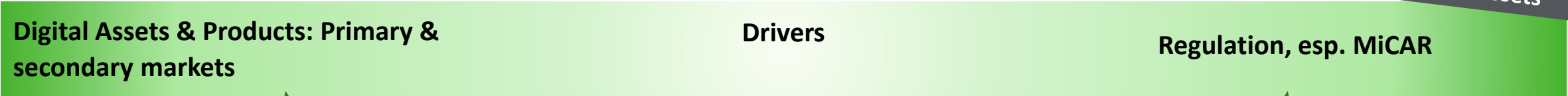
- **Implement Trend Radar**
 - Find designated experts and trend database
 - Start aforementioned process (trend screening – trend assessment – trend radar)
 - Use results to adapt current business strategy
- **Monitor trends**
 - Select experts to follow most important trends
 - Regular desk research on recent developments pertaining to the trends
 - Assess whether trend accelerates, decelerates or vanishes
 - Reporting on an ad hoc basis in case of major and urgent developments
- **Update Trend Radar**
 - Regular expert workshops
 - Discuss new trends, discuss changes in old trends
 - (Re)assess trends
 - Update Trend Radar and business strategy



Recent trend developments on the market

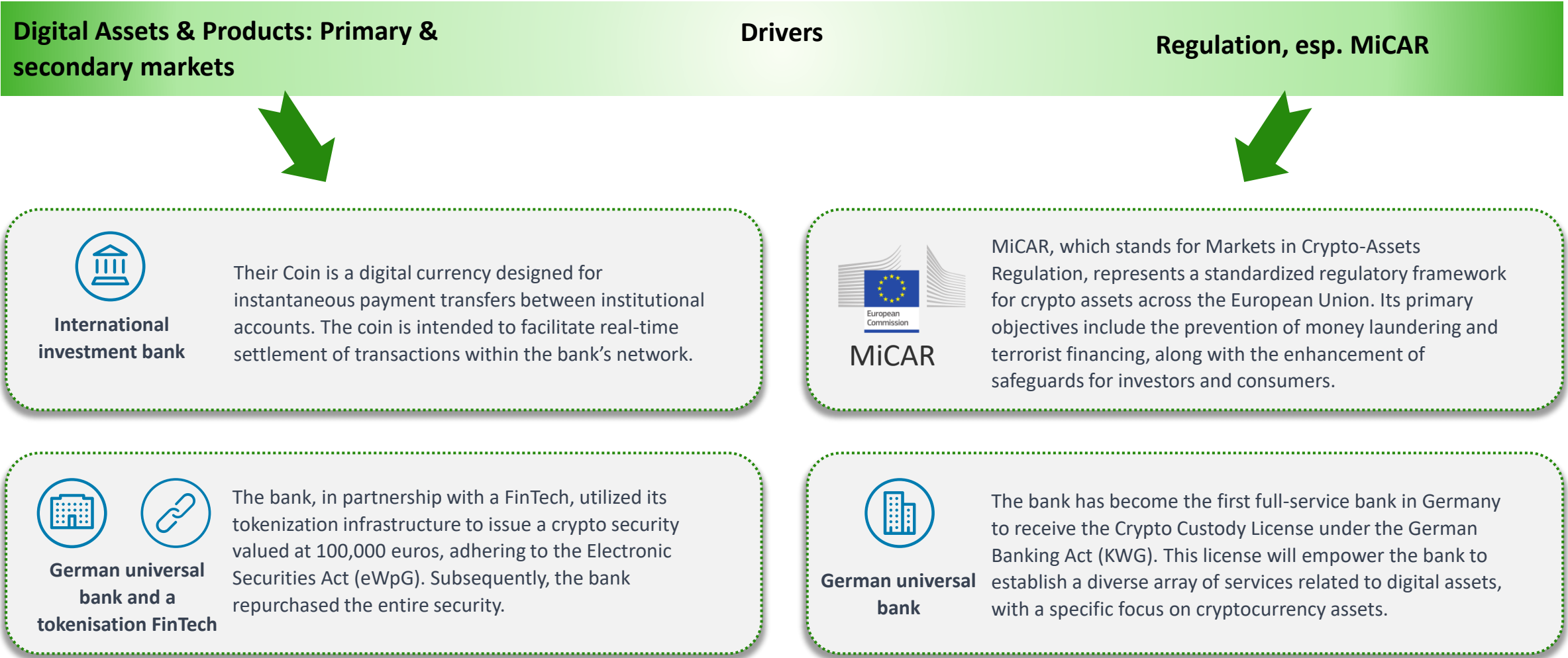
It is important to evaluate a trend on a regular basis to be able to react early

Example: "Regulatory and Legal framework for digital assets"



Continuous Evaluation

We observe the trend’s development based on the events, or “microtrends”, which helps determine the speed of market’s reaction



What's next

European Banking Trend Radar Publication

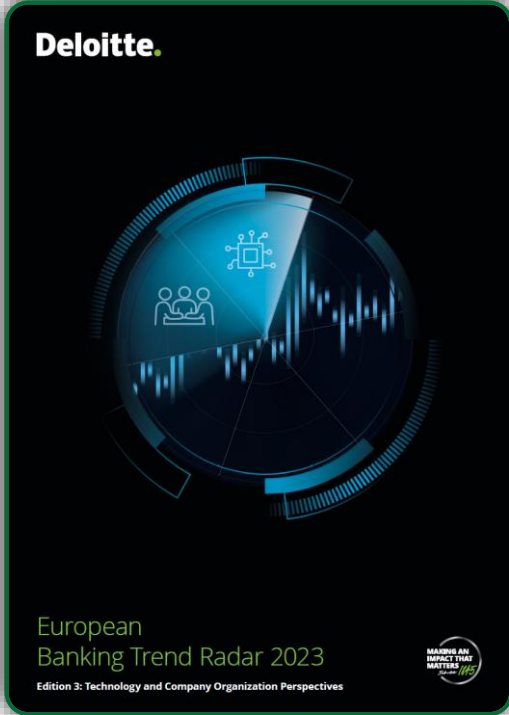
For more information please refer to our publication series
➤ www.deloitte.com/de/banking-trend-radar



Clients



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Technology
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Upcoming Webcasts

Episode 2: Crypto Assets – How to unite business model, technology and regulations

Date: 21 March 2024, 2:00–2:45 pm

A comprehensive exploration of the integration of business models, technology, and regulatory frameworks within the realm of crypto assets.



Arina Hadlich

Senior Manager

Risk Advisory

ahadlich@deloitte.de



Jens Hermann Paulsen

Director

Lead Web3 and Digital Assets

jpaulsen@deloitte.de

Episode 3: Artificial Intelligence, Real Harm – Fraud by GenAI in the Financial Sector

Date: 16 May 2024, 2:00–2:45 pm

Insights into the “dark side” of GenAI, practical examples of fraudulent activities in the financial sector and a glimpse into the future, anticipating the risks of tomorrow.



Peter Schadt

Partner

Risk Advisory

pschadt@deloitte.de



Julian Ursic

Senior Manager

Risk Advisory

jursic@deloitte.de

Q&A