



Digital Banking Maturity 2025

Deloitte point of view on digital banking maturity and its impact on the Italian FSI landscape

DBM identifies champions and leading practices worldwide

Covering nearly 350 banks from 44 countries, the DBM Study investigates digital banking maturity across digital channels and the entire customer journey, throughout an outside-in "mystery shopper" assessment of digital functionalities, a customer needs research and evaluating their UX



DIGITAL CUSTOMERS LEAD THE CHANGE

Digitalization journey speed-up of Italy, with higher growth rates than other EU countries, comes through daily routines of Italians who are increasingly digital-oriented, yet leaving room for growth in digital banking adoption if compared to more advanced countries

Digital banking customers are gaining ground and traits and needs can be recognized in terms of channels (e.g., branches usage slowdown) and banking products (e.g., digital lending spread)



BANKING COMPETITIVE LANDSCAPE SHAKEUP

Behavioral shifts of banking customers, along with other external evolution drivers (e.g., sustainability, regulations, ...) are heavily burdening banking operators

Traditional banks are optimizing their footprint, focusing on tech-driven investments

Meanwhile, neobanks are pursuing their evolutionary path towards profitability, following recurring stages to fully reach customers' monetization



ITALIAN BANKS RACE FOR DIGITAL MATURITY

Italian banks show a greater digital maturity than the global average throughout almost the entire Customer Journey assessed by the study, due to better performances on digital account opening processes, more completeness of day-to-day banking related features and more complementary offerings to expand customer relationship

A users' perception analysis is included, where Italian banks stand out for interface responsiveness and intuitiveness, while revealing rooms for improvement if compared to the global panel



KEY TRENDS EMERGING FROM THE STUDY

Banks focus is globally shifting from new features development to existing services evolution, to reach out customers who are increasingly oriented to fully-digital, personalized, real-time and convenient solutions

In this new scenario, global champions provide comprehensive offerings through financial advisory support, beyond-banking services and AI-powered features for hyper-personalization

Italian Champions are broadly anchored in these trends and proceed coherently, although other local banks show a large evolutionary potential



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02 DESCRIPTION OF THE STUDY

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05 CONTACTS

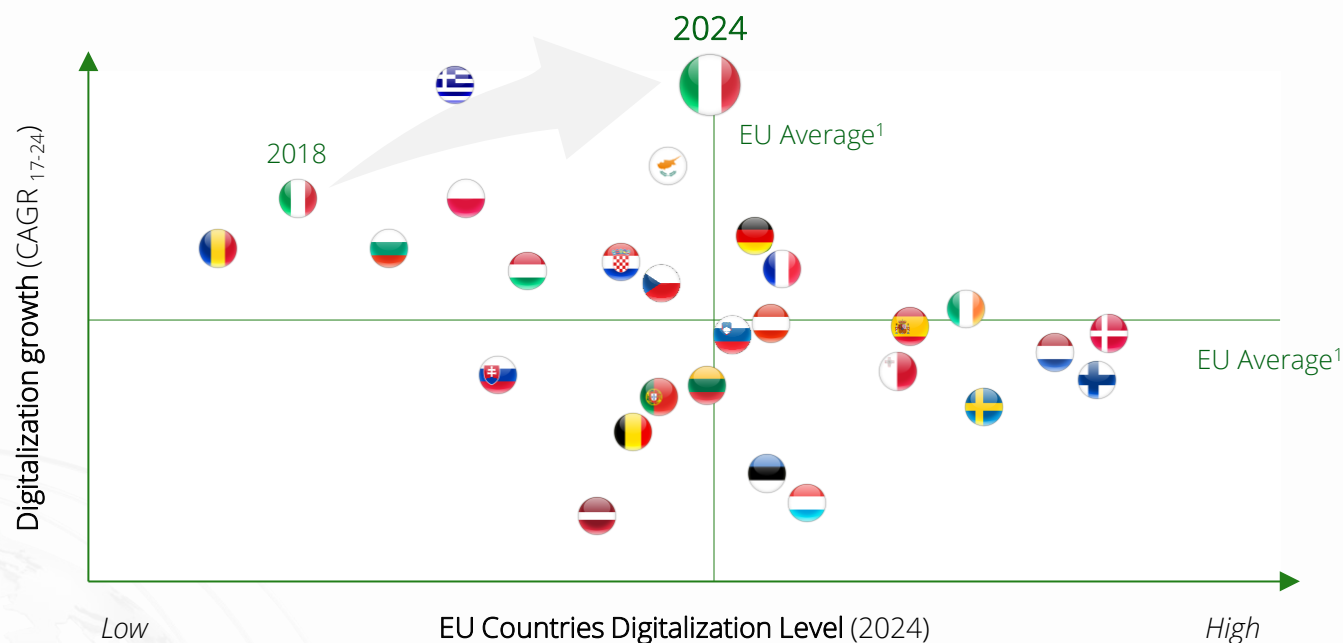
01

OVERVIEW BANKING SCENARIO



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

Digitalization stages of European countries



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

ITALIAN SNAPSHOT²

~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)

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 series 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**

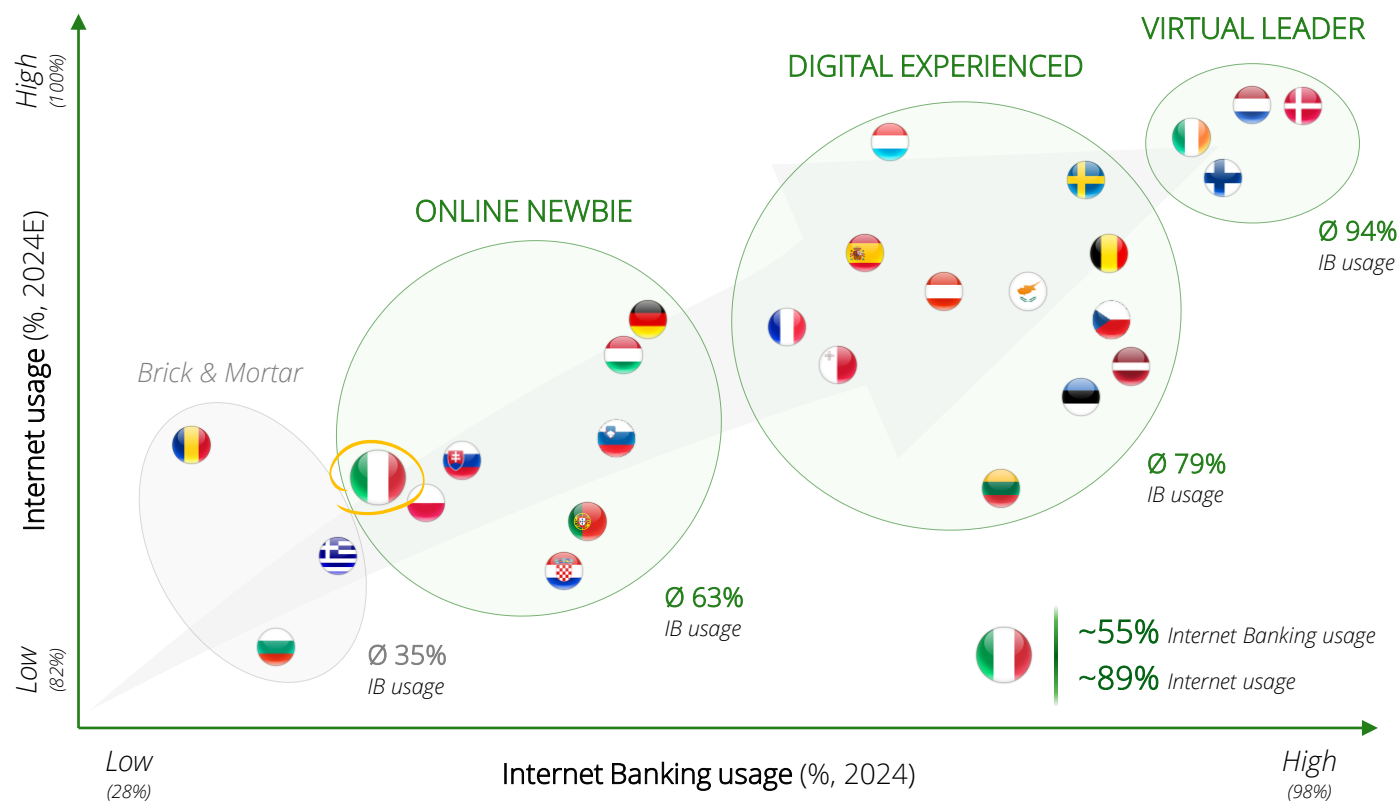
~1,7 Bn€

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



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

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)

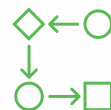


OMNICHANNEL FLEXIBILITY

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

~50%

Users that increased IB adoption since mobile banking access¹



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

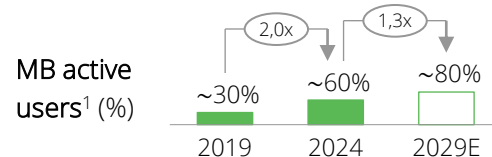
Digital payments through NFC ('24 vs. '23), along with ~1,57x on wearable payments

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

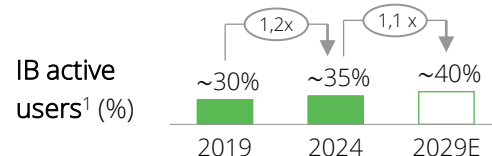


EVOLVING USAGE OF BANKING CHANNELS BY CUSTOMERS...

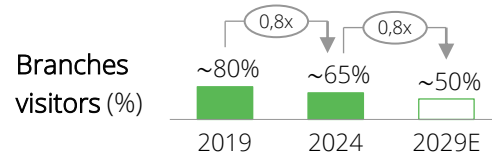
MOBILE BANKING is undergoing **FAST GROWTH** in **RECENT YEARS**...



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



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



DIGITAL CHANNELS usage **TREND** supported by **GENERATIONAL TURNOVER** – ~75% GenY vs. ~50% Baby Boomer digital users²

...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%)



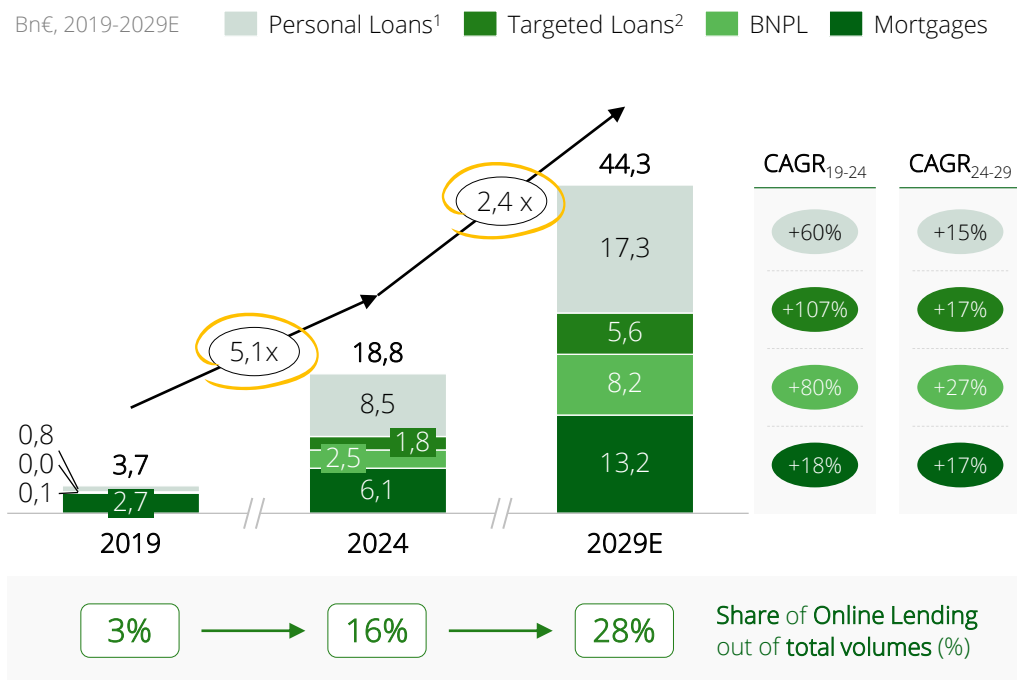
DIGITAL LENDING

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



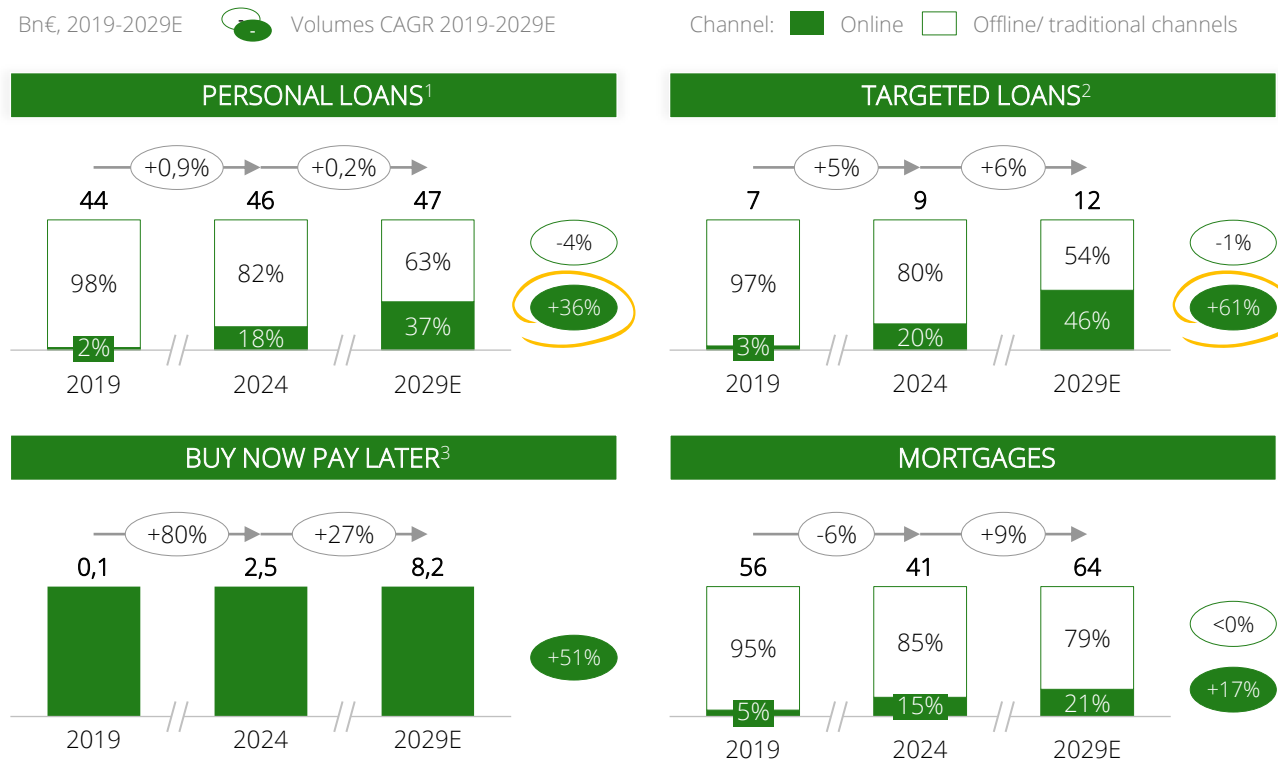
Digital lending volumes are expected to grow within all credit segments, projected to reach ~30% of total lending by 2029 driven by online channels

Evolution of digital lending by volumes...



SIGNIFICANT GROWTH in **DIGITAL LENDING** recorded in the **LAST 5 YEARS** (~5,1x) mainly due to an **INCREASE** in simple lending product segments such as **TARGETED LOANS** and **BNPL DEVELOPMENT** - and **EXPECTED** to reach approx. **44,3 Bn€** in 2029

...and by distribution channels



DIGITAL CHANNEL penetration has **INCREASED** for **LOANS** and **MORTGAGES**, with **HIGHER** and **STEEPER GROWTH** for most **SIMPLE LENDING PRODUCTS** (i.e., personal/targeted loans vs. mortgages)

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 **streamlining 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 shaking 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 Banks¹ in Italy in 2023 with **deposits limited growth** of **+4%** of **CAGR**₁₉₋₂₃



NEOBANKS

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

~20# Neobanks¹ in Italy in 2023 with **deposits steadily rising** at a **+50%** of **CAGR**₁₉₋₂₃

HOW are TRADITIONAL BANKS and NEOBANKS TACKLING these EVOLUTION DRIVERS?

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%

of **bank CIOs** plan an **investment increase** 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 **maximise** the value from **digital technologies investments** (e.g., AI & Data roles, ...)

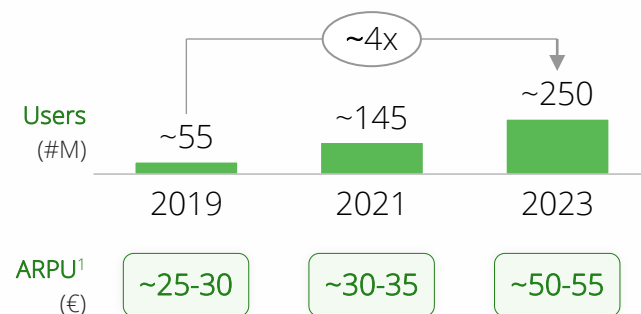
~74%

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

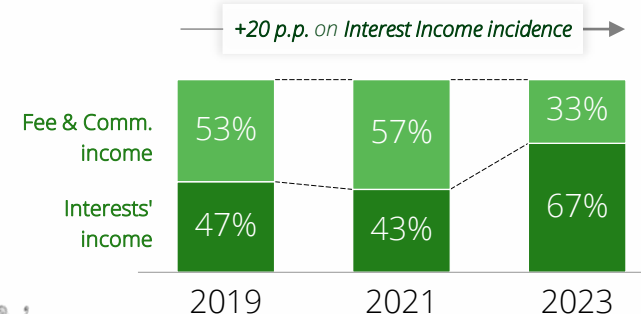
On the other hand, Neobanks are rapidly scaling the customer base and improving users' monetization with more interest-driven solutions to boost profitability...

Customers base & ARPU¹ evolution

Significant **customers base growth** (~4x customer base vs. 1,1x of traditional banks on average) and **rising monetization**, despite **still far behind traditional banks** (ARPU¹ 2023 of ~50-55€ vs. 750-800€ of traditional banks)



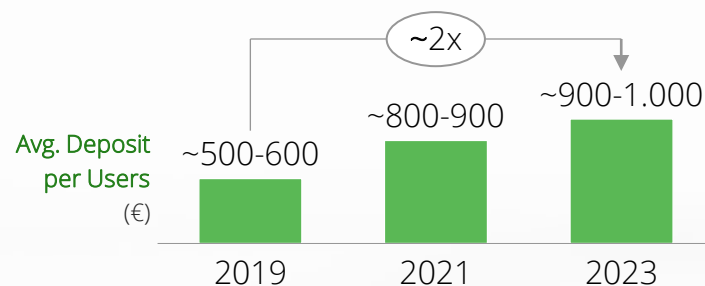
Revenue composition switch



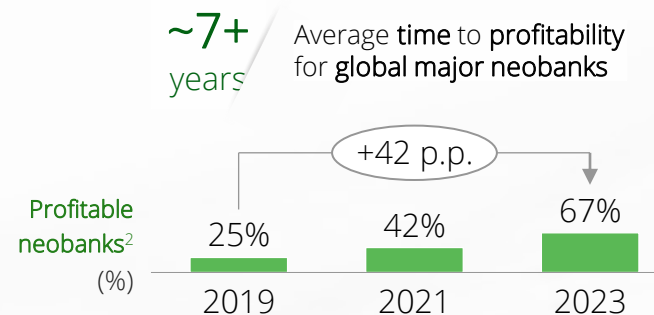
Business model **evolution** and **product offering expansion**, moving from a **transaction-centered proposition** to a **diversified portfolio** including **lending solutions** (67% vs. 68% of traditional banks interest income in '23)

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

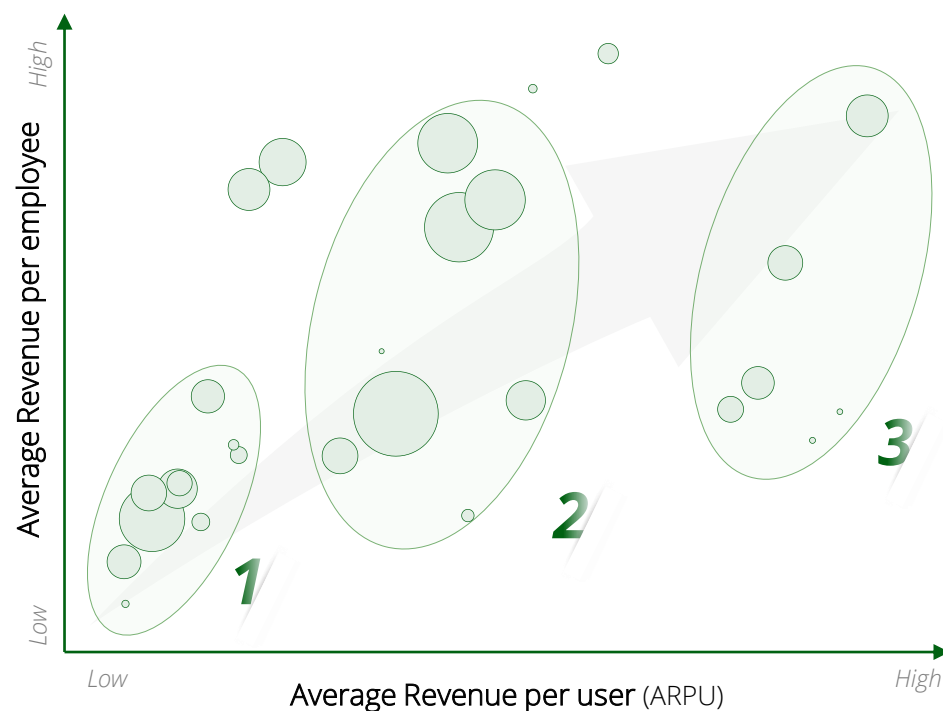


Neobanks need to **scale** in by **grasping operational leverage** and **reducing cost-to-serve** - over the past years, global major **neobanks** have **started** to **achieve break-even** (~7+ avg. years required) thanks to a **solid growth** of their **customer base**

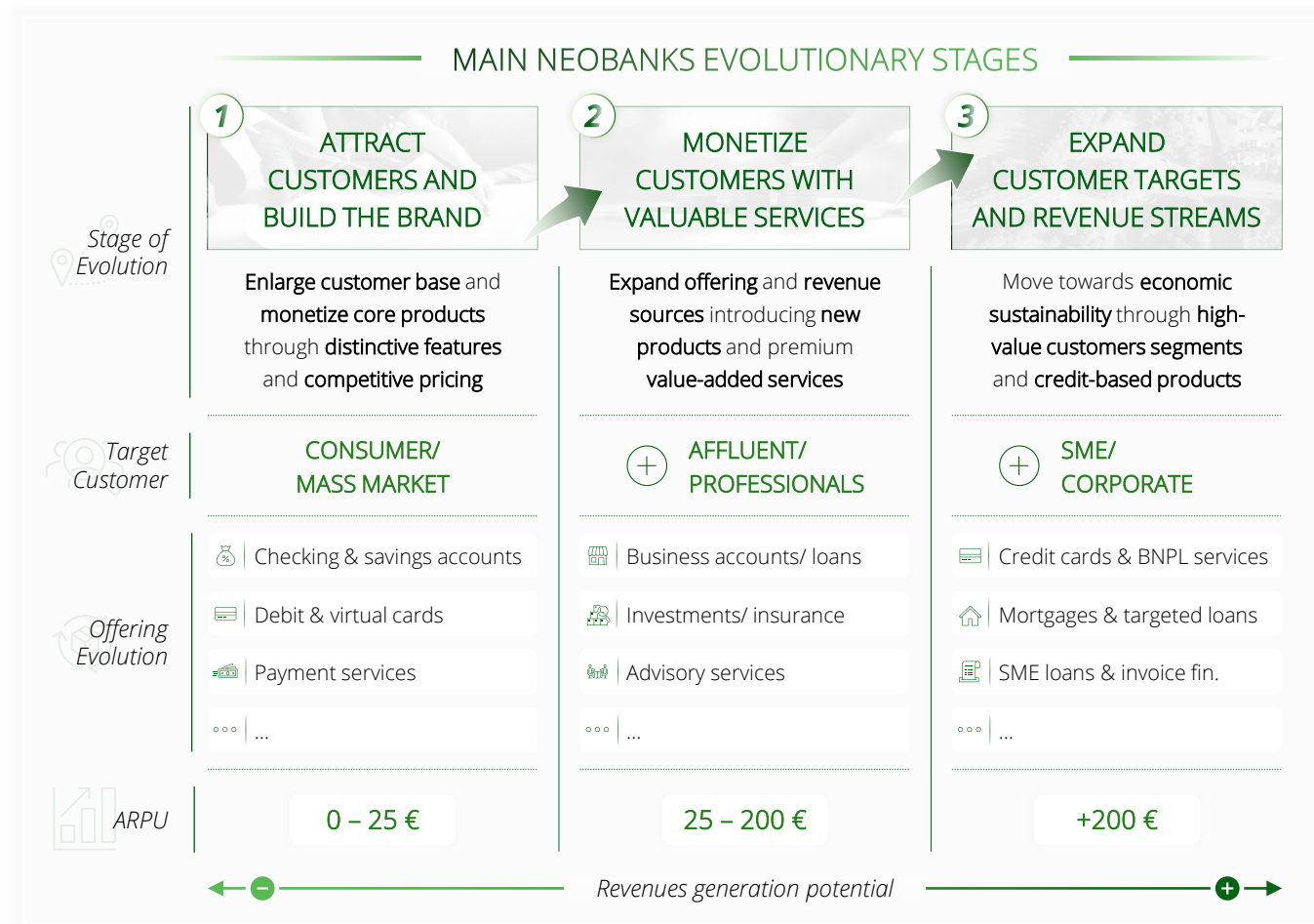
...following a recurring 3-stage evolutionary trajectory according to their ability to extract value and diversify target customers and product portfolios' complexity

Neobanks revenue generation and profitability pathway

ILLUSTRATIVE – CONCEPTUAL

2023, €,  Customer base size (#M)

EVOLUTIONARY STAGES observed
with **DISTINCTIVE PECULIARITIES**



How are **ITALIAN BANKS**, both Traditional and Neobanks, **EMBRACING CHANGE** along these **DIRECTIONS** and what are the possible future **DEVELOPMENT PATHWAYS?**



DIGITAL BANKING MATURITY

Global Analysis (6th Edition) of Digital Maturity Status of major FSI Players at country level in order to:

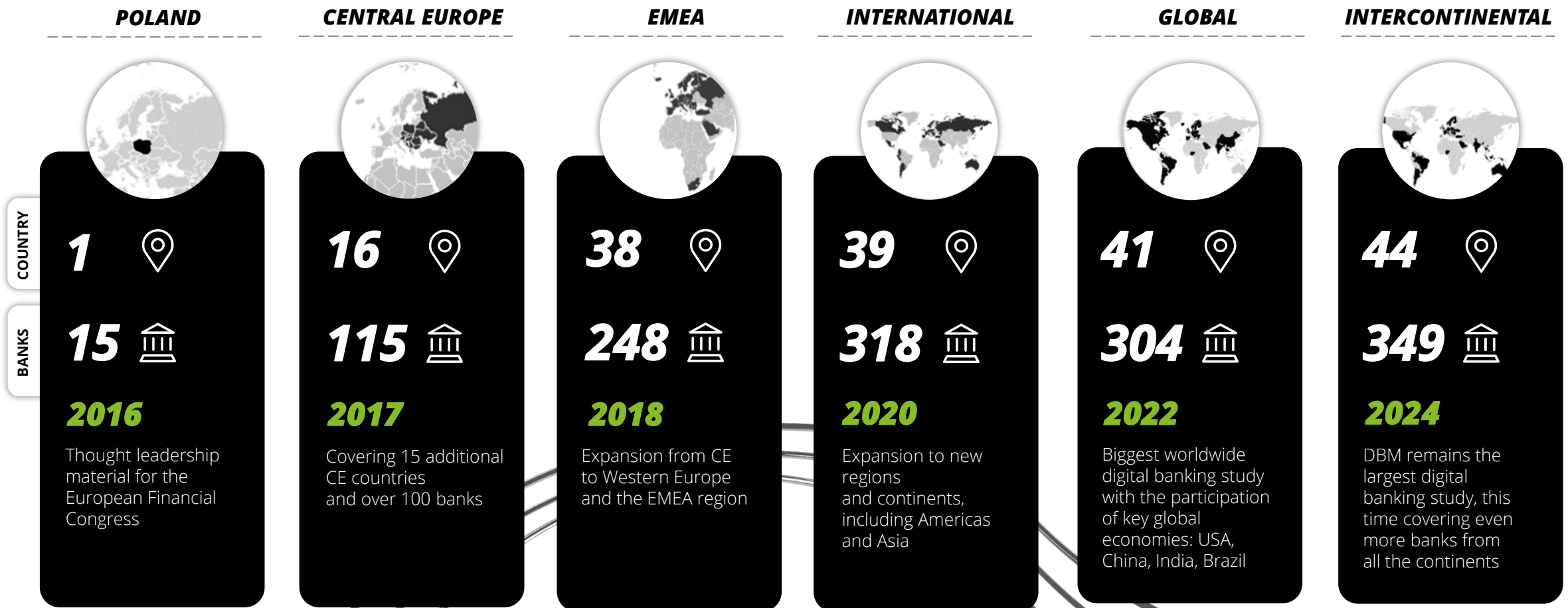
- Identify new industry trends in consumers' digital preferences
- Guide informed strategic choices leveraging on Digital Champions' experience

02

DESCRIPTION OF THE 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 respond to change

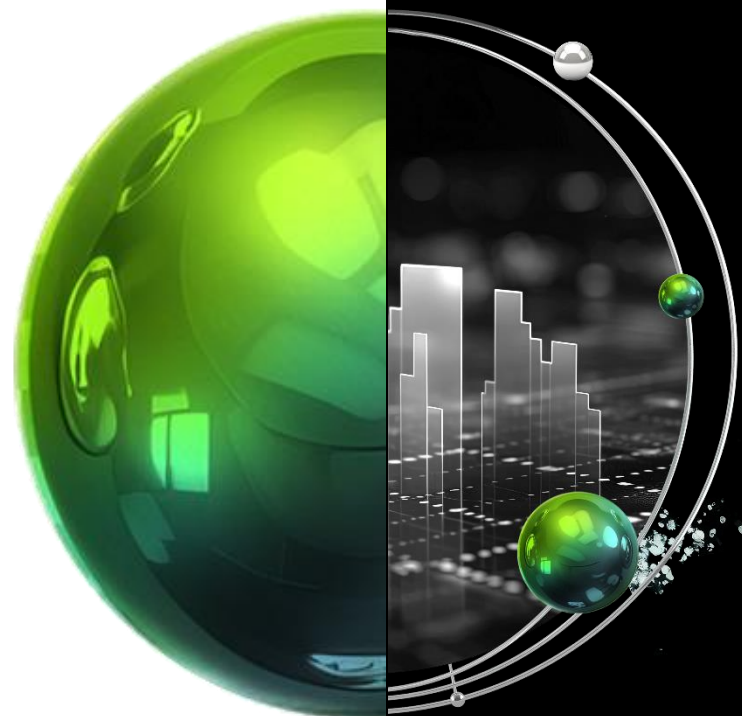
Digital Banking Maturity is the **largest global digital banking study**. The outside-in strategy applied, involving the use of a "mystery shopper" tool to assess retail banks' digital channels, provides a comprehensive maturity overview and can facilitate discussion about future developments

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



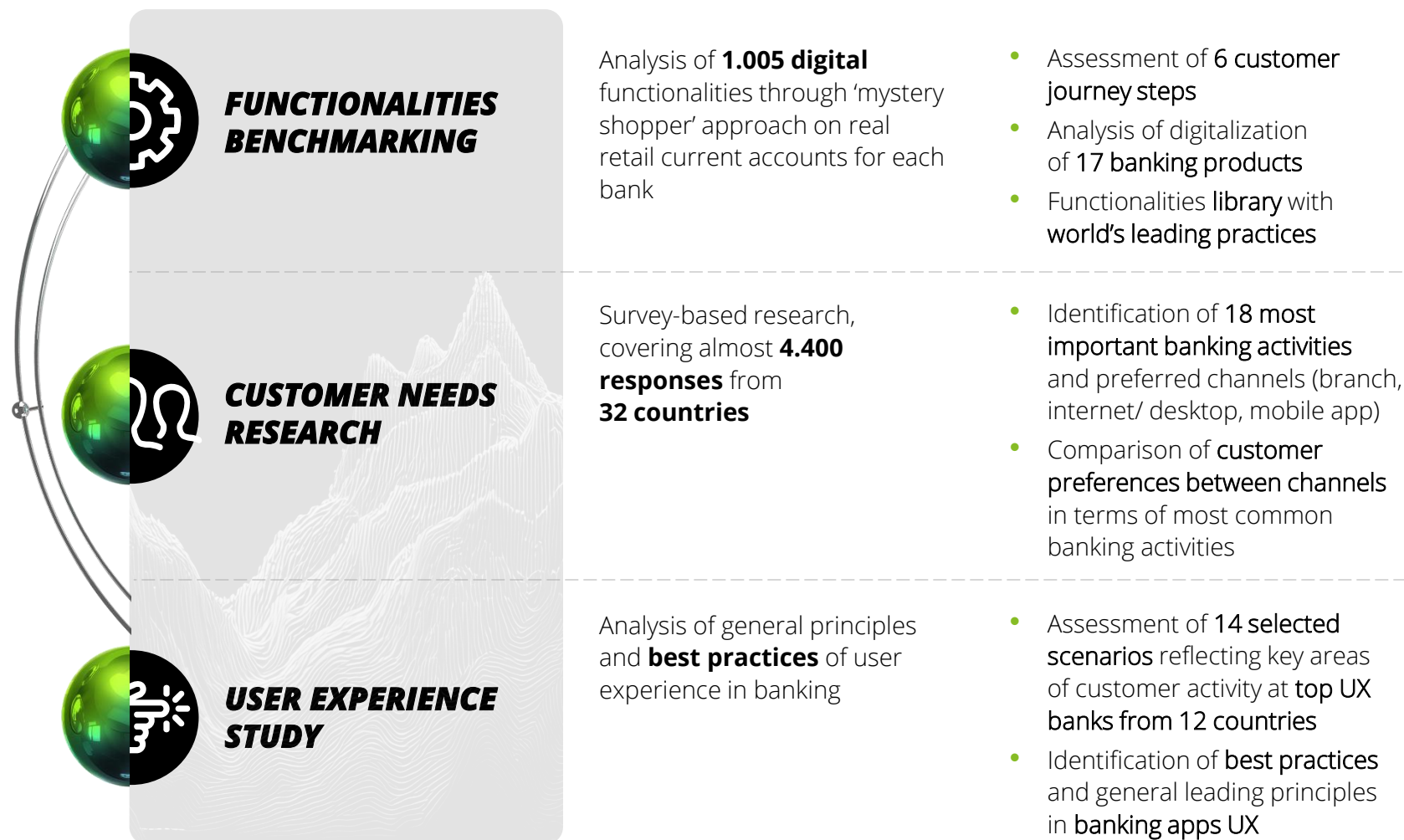
KEY UX SCENARIOS ANALYZED

14




Global best practices identified from the market

Three components were taken into account to compare digital maturity between banks and identify best practices



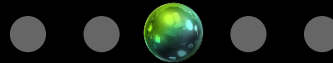
▷ **Functionalities benchmark**
An exhaustive overview of banks' digital maturity

▷ **UX Best Practices Identification**
Guidelines and insights into UX of digital banking channels



03

***DEEP DIVE ON
ITALIAN MARKET –
KEY INSIGHTS &
TRENDS***



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



22 ITALIAN BANKS
ASSESSED...

DBM Perimeter of analysis

...broken down into the following types of operators:

- Traditional banks/ Others¹
- Digital banks/ FinTech

KEY DATA ON ANALYZED PLAYERS' MARKET SHARE IN ITALY

~72%

Direct bank deposits
(~1.904 Bn€)

~63%

Total Bank Loans
(~1.678 Bn€)

~70%

Branches and offices
across Italy (~20 k#)

~84%

Bank employees
(~263 k#)

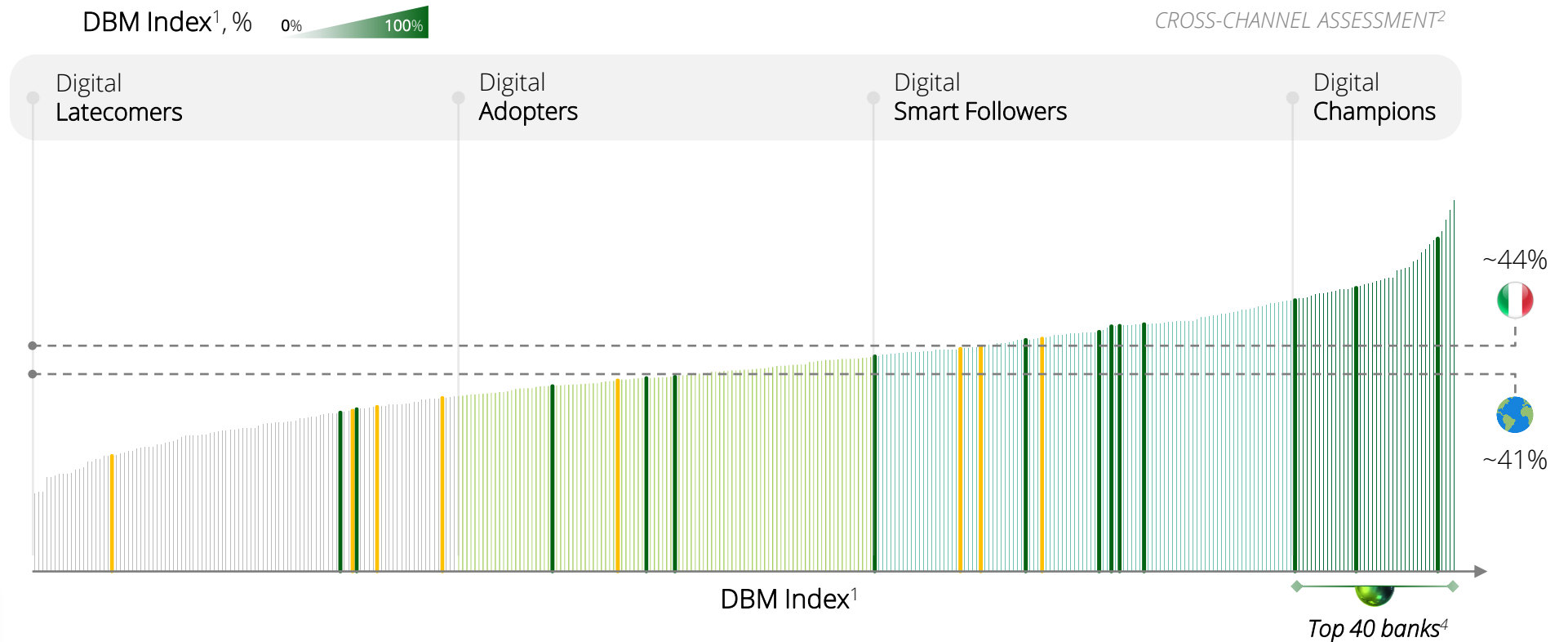


...broken down into four clusters according to their digitalization levels, identifying Digital Champions as best performers

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 Index¹

Digital Adopters

39%

39%

Digital Smart Followers

48%

49%

Digital Champions

55%

60%



The assessment of Italian banks along the Customer Journey steps points out an aligned positioning with global average, but still far behind the best countries

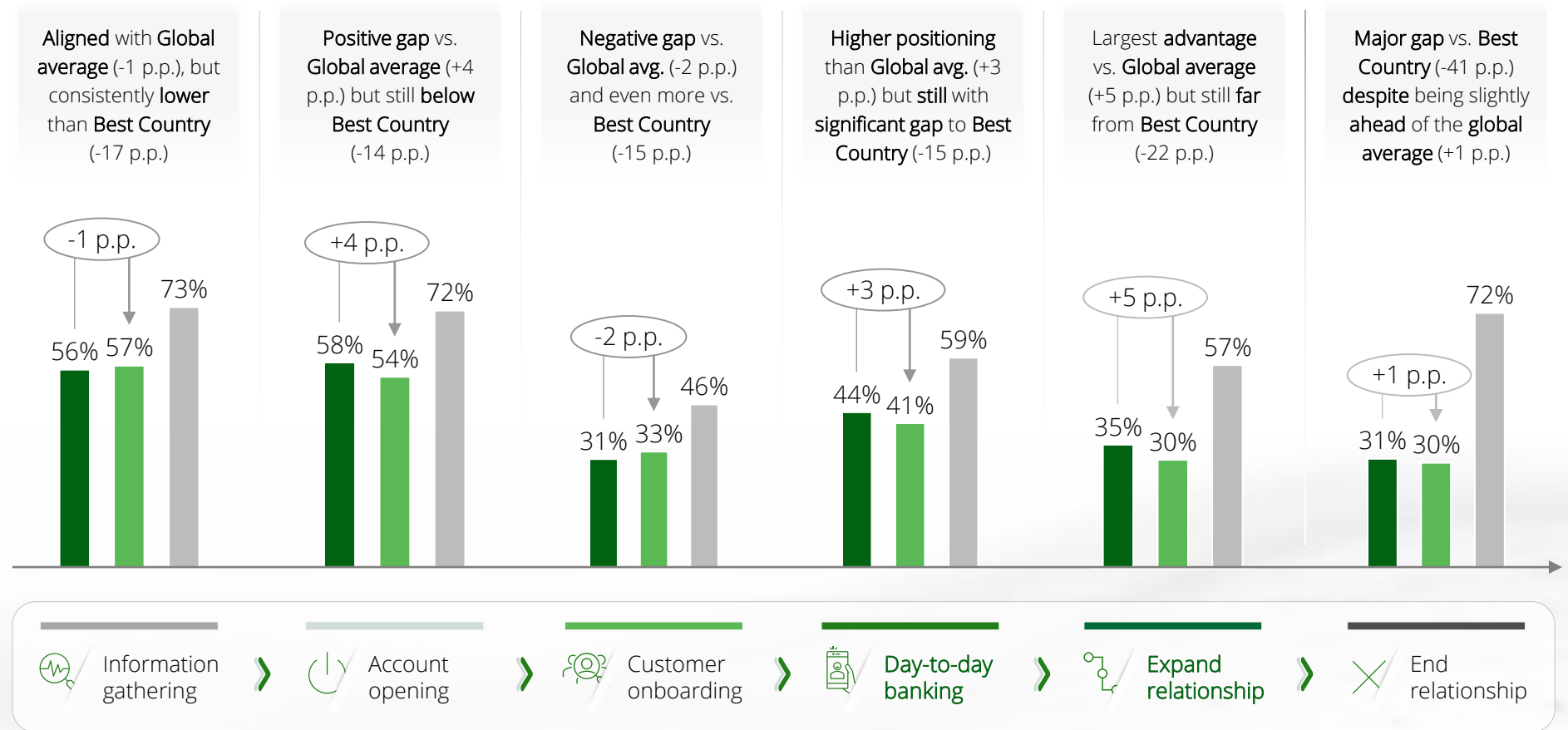
DBM Score by Customer Journey Step, %

CROSS-CHANNEL ASSESSMENT¹

Based on 1.005 functionalities (along 6 CJ Steps) scored according to global weights

Italian banks show greater digital maturity than the global average in 4 out of 6 CJ Steps, standing out on account *Account opening* (+4 p.p.) and *Expand relationship* (+5 p.p.)

Significant areas for improvement can be highlighted if compared to the Best Countries

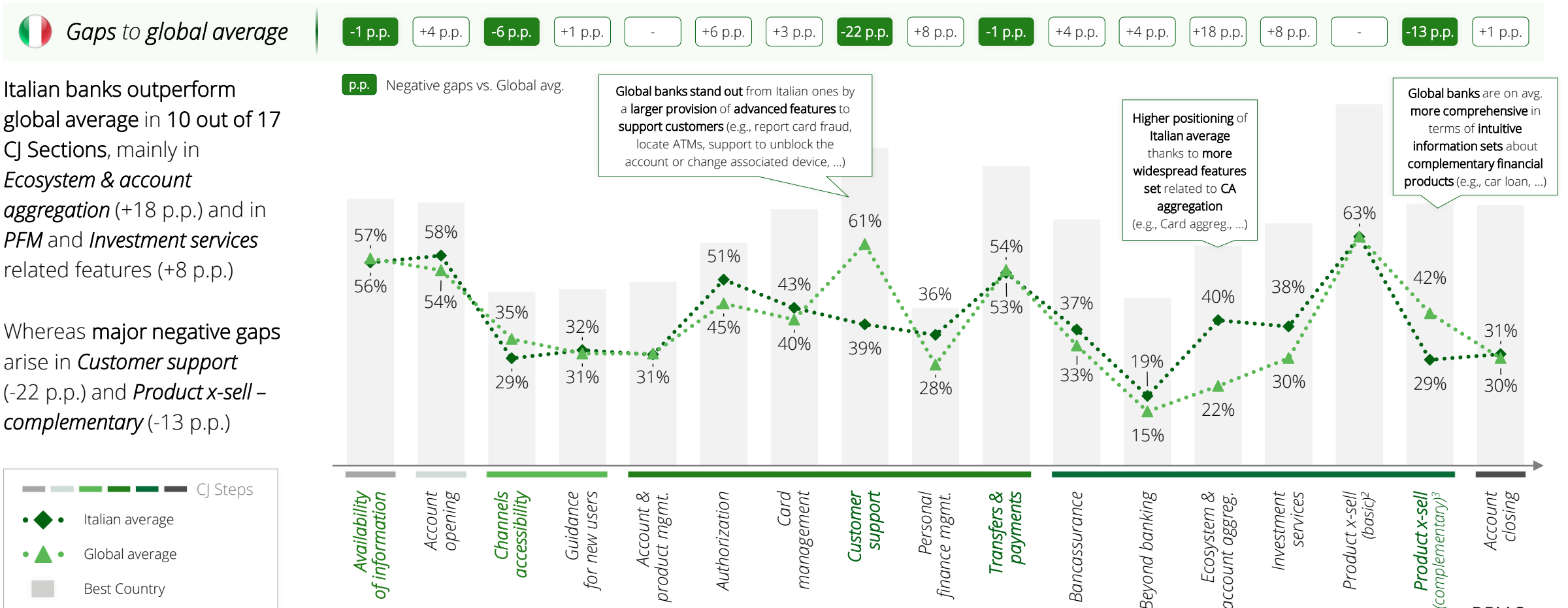




Moving deeper across CJ Sections, more detailed differences of Italian banks to the global average and best performing countries can be identified

DBM Score by Customer Journey Section, %

CROSS-CHANNEL ASSESSMENT¹



Comparing users' perception in Italy to the global average, several room for improvement can be observed within the overall digital channels UX

User Experience DBM Score

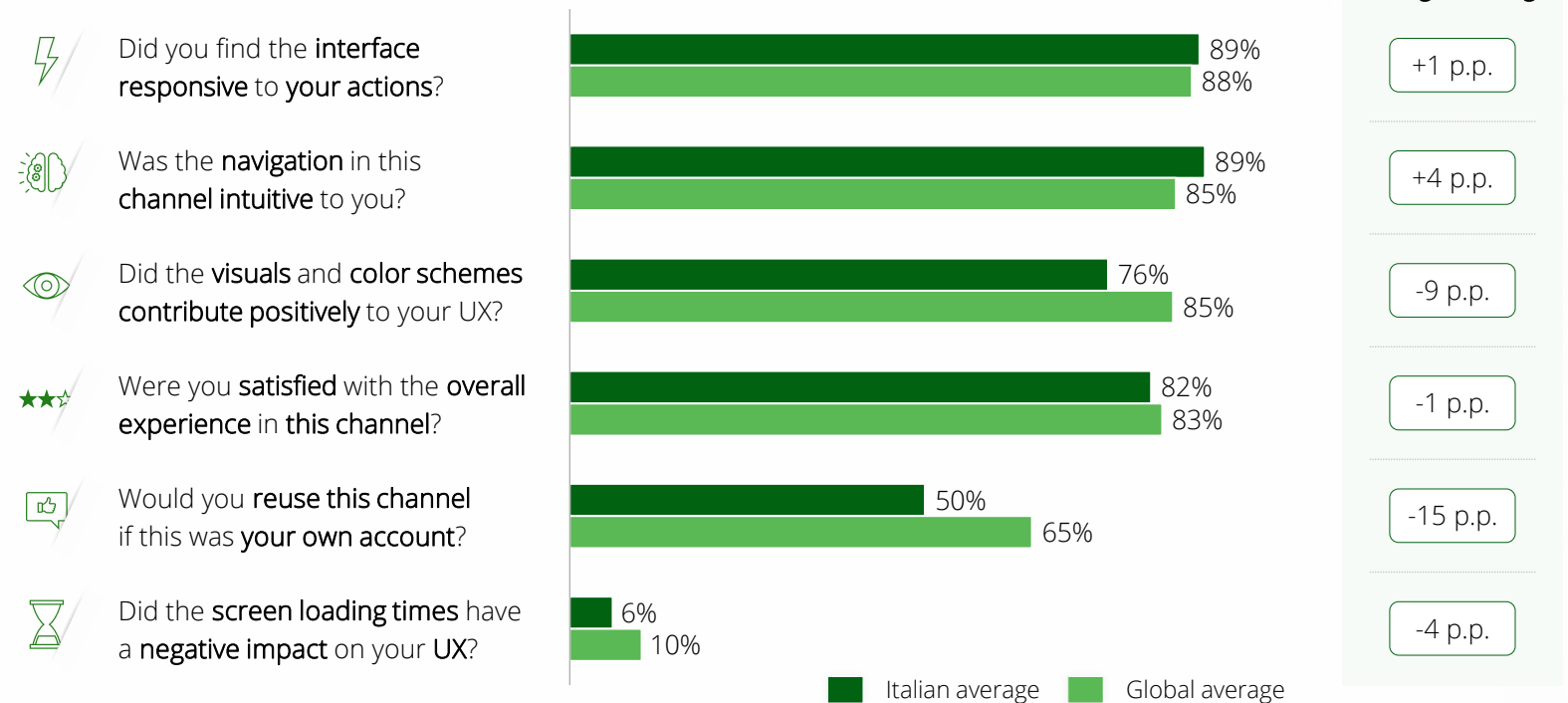
CROSS-CHANNEL ASSESSMENT¹

Along with the features assessment, **users' experience perception** regarding **digital channels adoption** along the entire Customer journey was investigated, mapping key aspects to be considered for **design processes**

Italian banks, if compared to global sample average, stand **slightly above** in terms of **navigation intuitiveness** of digital channels (+4 p.p.) and **interface responsiveness** (+1 p.p.)

Meanwhile, **global banks** gather **better feedback** in all other tested areas, mainly on the **customers' propensity to reuse digital channels** and their **visuals and color schemes effectiveness** (-15 p.p. and -9 p.p. Italian vs. global average)

Banks with positive UX-related answers over the total sample, %



Key digital trends emerging from Digital Banking Maturity study

01 ***EVOLUTION INSTEAD
OF REVOLUTION***

02 ***CONVENIENT
BANKING***

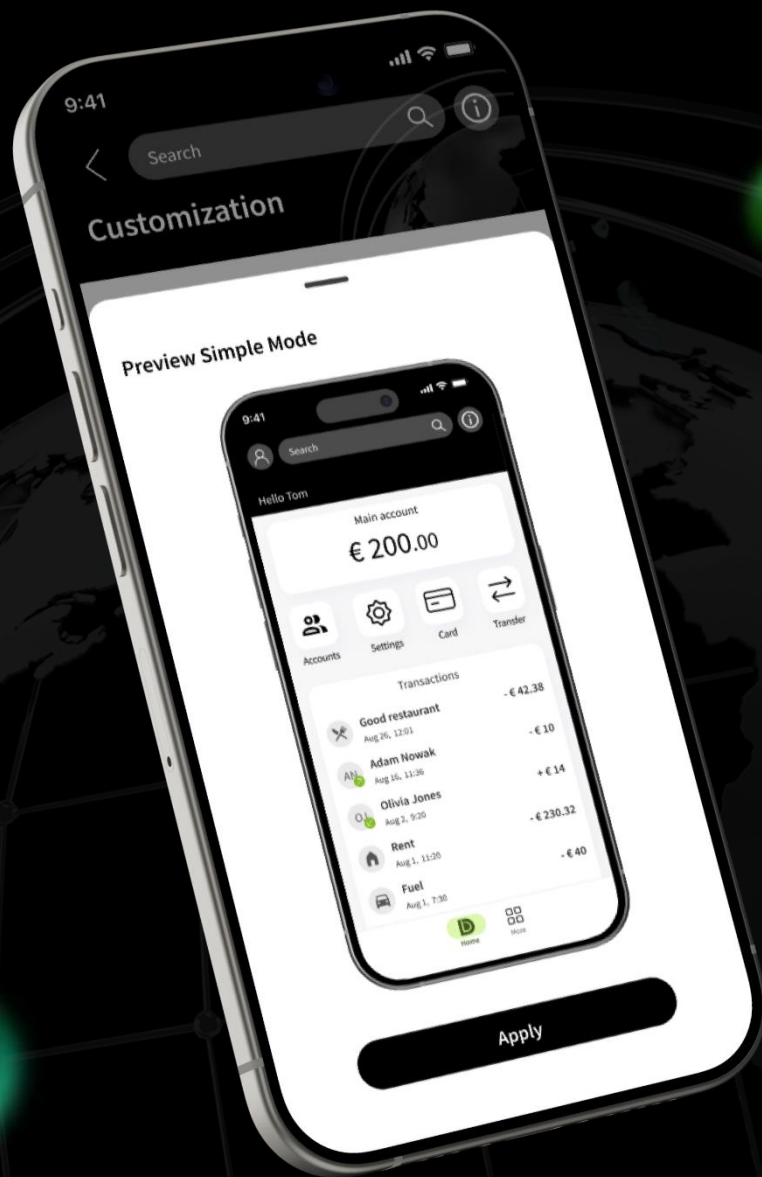
03 ***EXPANDING BEYOND
BANKING***



04 ***COMPREHENSIVE
FINANCIAL ADVISORY***

05 ***SEEKING POP
EXPERIENCES***

06 ***HYPER-PERSONALIZED
COMMUNICATION***



01 **EVOLUTION INSTEAD OF REVOLUTION**



Following a period of rapid digital innovation in recent years, the market has matured. The focus has been shifted from developing and implementing new features to rethinking and reevaluating banking services for day-to-day banking services, mainly on digital services accessibility and UX enhancement (filling the gaps with digital attackers and FinTech), leading banks towards simplicity in service design (also achieving investment savings)



Reflecting global trends, banks in Italy are prioritizing client relationships expansion, by adding financial services as investment services, account aggregation and bancassurance. At the same time, Italian banks are less focused on "Beyond Banking" services, as loyalty and mobility



In comparison to 2022, banks focused less on rapid development of new functionalities. They invested in expanding relationships with clients

Banks have shifted their focus from the rapid development of new functionalities to expanding relationships with clients

This shift reflects market maturation and the increasing demand for simplicity and accessibility

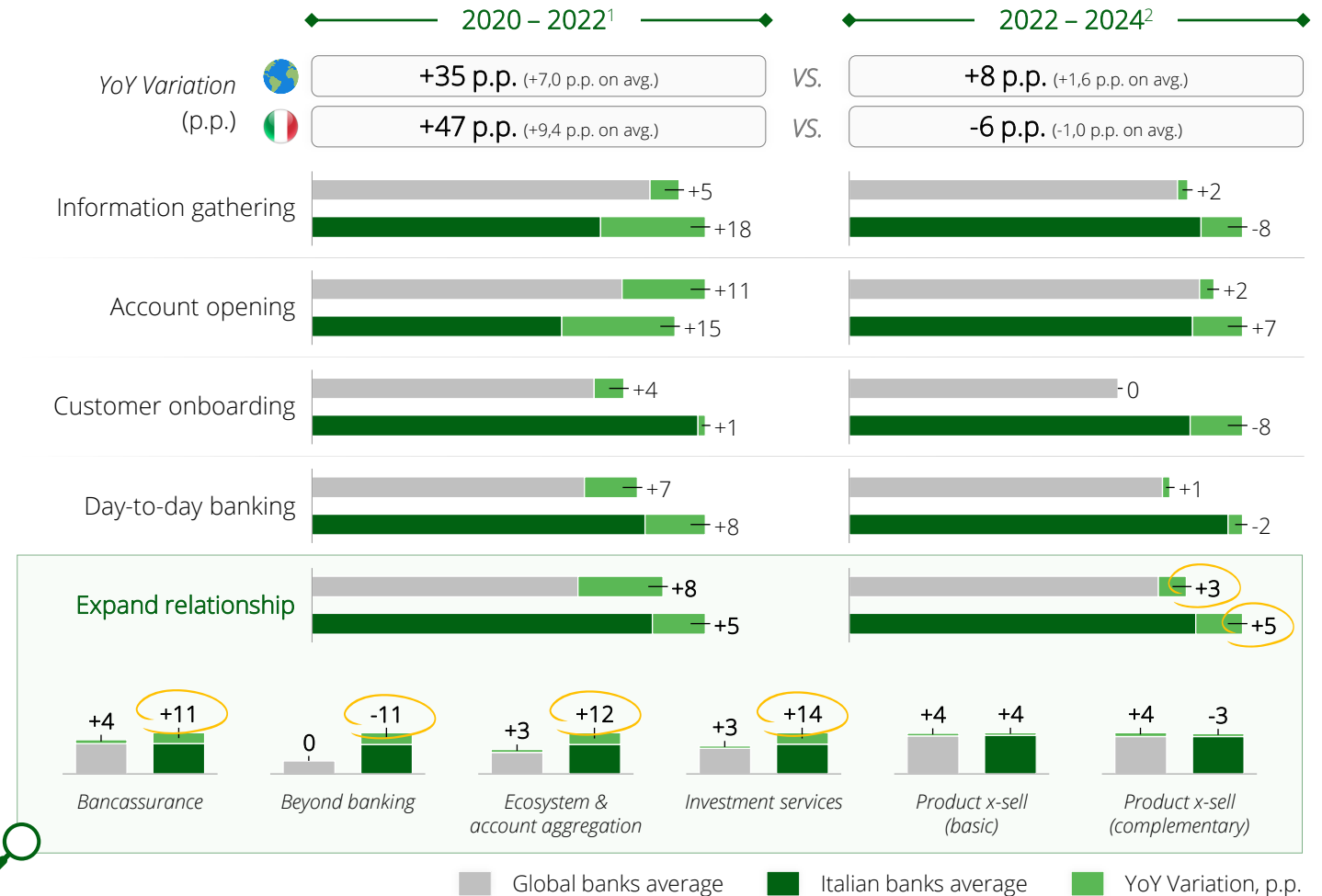
By focusing on customer needs, banks can enhance user experience and long-term loyalty in the digital era



Insights on the Italian market

- Italian banks is prioritizing initiatives to expand the relationships with clients, reflecting global trends with key differences
 - Areas like *Investment services* (+14 p.p.), *Ecosystem & Account aggregation* (+12 p.p.) and *Bancassurance* (+11 p.p.) grew above global average
 - However, *Beyond banking* declined by -11 p.p., indicating a lower focus by Italian banks on diversified services and integrated solutions

DBM score broken by CJ Step and functionalities offered by banks | Focus Expand Relationship



Evolution instead of revolution | Case in point



POLAND



KEY FEATURES

- ING provides a platform where users can explore a wide range of insurance options from various insurers
- The service enables easy comparison of deals, helping users select the most suitable offer for their needs

VALUE FOR THE CLIENT



Wide selection of offers



Easy comparison of offers



Simple and User-Friendly feature



Competitive rates

VALUE FOR THE BANK



Better customer engagement



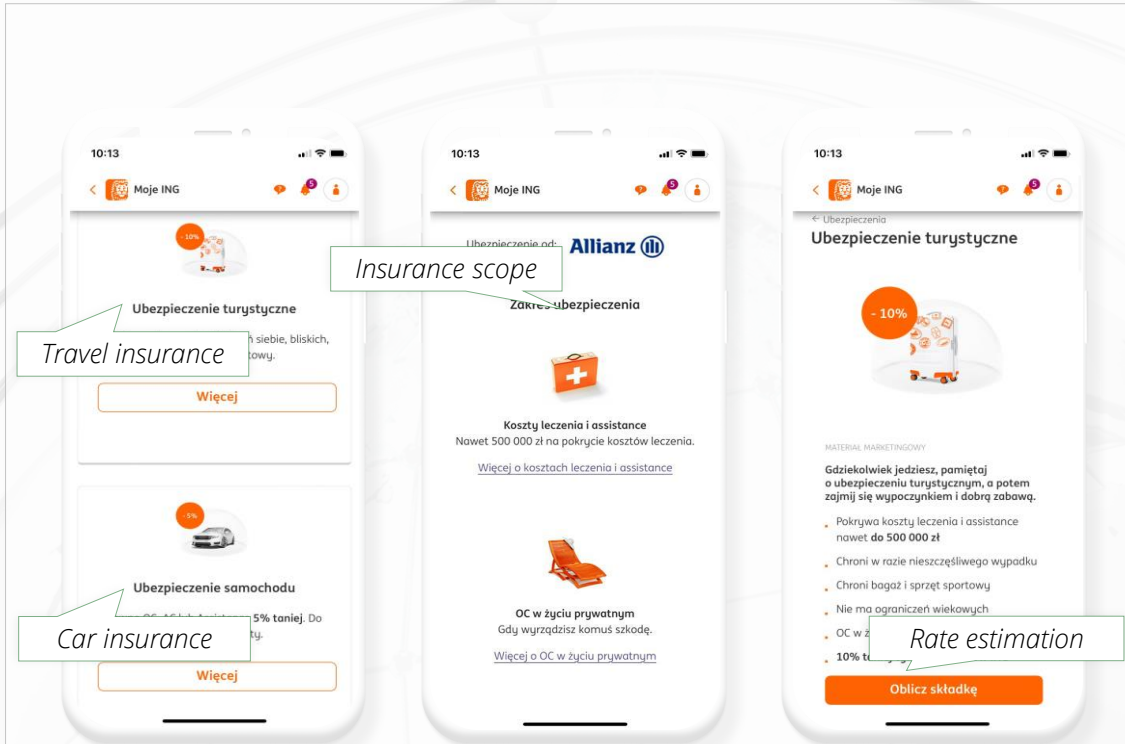
Improve customer loyalty and retention



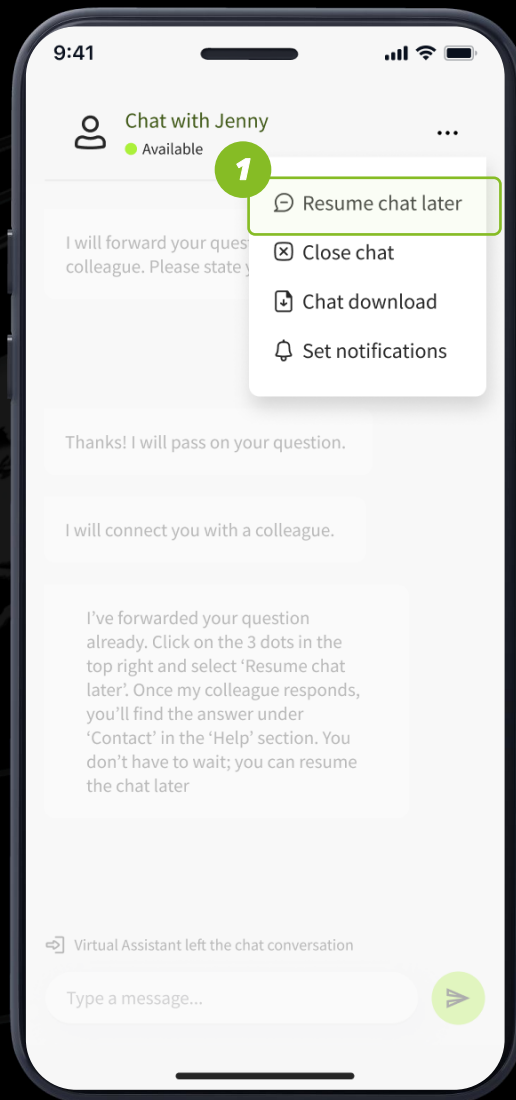
Cross-selling opportunities



Increase platform usage



ING offers a financial marketplace with insurance offers, presenting deals from multiple insurers



02 **CONVENIENT BANKING**



Today, customers are more accustomed to digital services and convenient solutions of their banking activities. To meet this expectations, banks are focusing on real time services, seamless functionalities and optimized experience to enhance user convenience. Digital champions are increasingly integrating features that prioritize efficiency and accessibility. **Efficiency** and **responsiveness** are of paramount importance to ensure top-notch service



Italy has the **higher growth rates in EU in digitalization**, despite still lagging behind most digitally advanced nations. Digital Champions are making strong progress in enhancing **user convenience** through the **optimization of the experience** (e.g. data input facilitation, ready to help customer service, ...)

Digital Champions continue to increase convenience by implementing additional and user-centric features

Digital champions are increasingly integrating features that prioritize efficiency and **real-time accessibility**, aiming to make **banking services** as **seamless** and **satisfying** as possible for customers

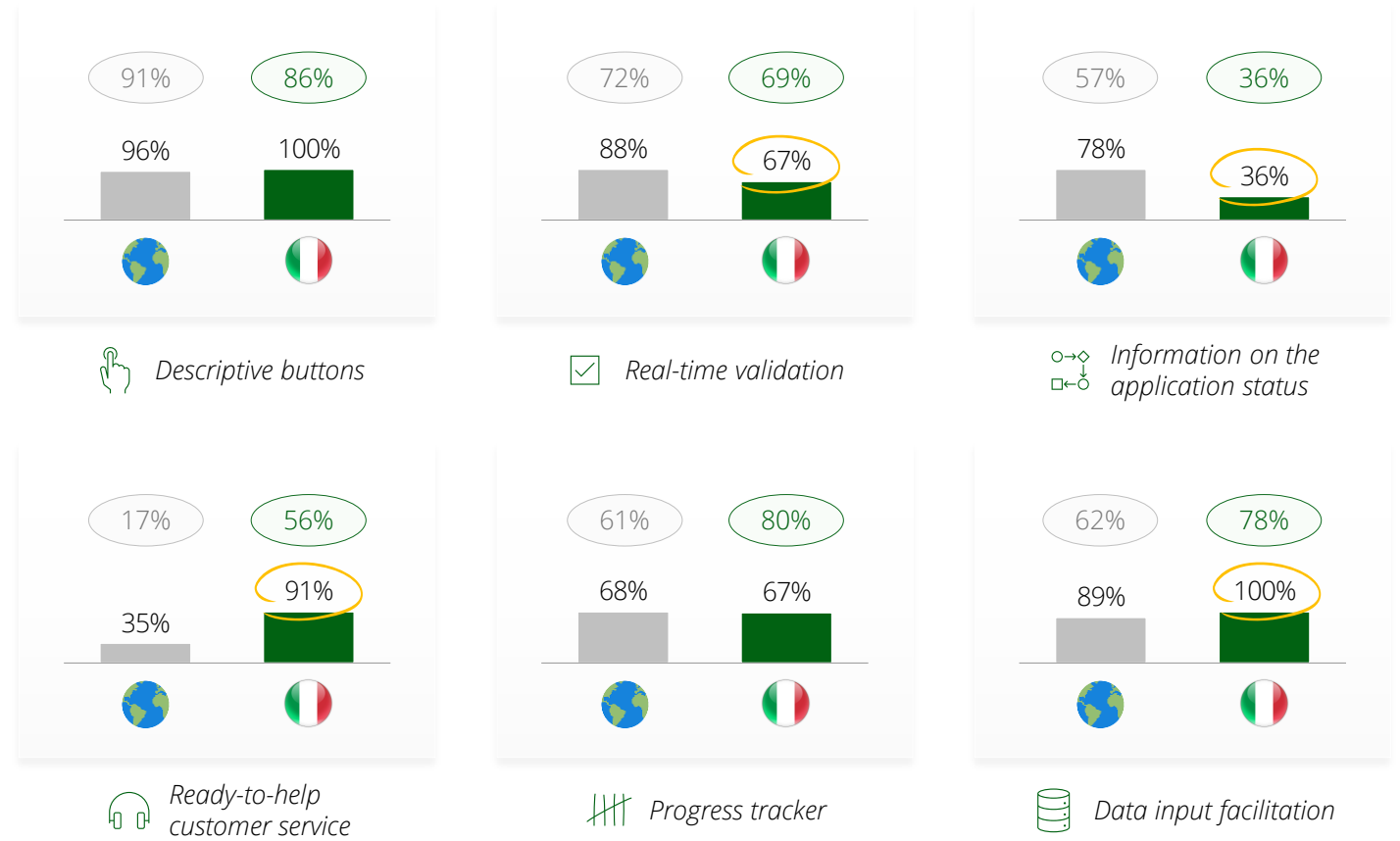
On **average**, Digital champions offer these types of functionalities **1.4x more often** than **other banks**, standing out especially in **ready-to-help customer service** (2x)



Insights on the Italian market

- Within the Italian market, **digital champions** are making strong **progress** in **enhancing user experience** through features like **data input facilitation** (100% vs. 89% globally) or **ready to help customer service** (91% vs. 35%)
- However, they still **lag behind** in **key areas** such as **real-time validation** (67% vs. 88% globally) and **information on the application status** (36% vs. 78% globally), highlighting room for **improvement** in delivering **seamless** and **real-time digital journeys**

% of banks¹ offering specific functionalities



■ Digital Champions ○ Other banks

Convenient banking | Case in point

Nordea



SWEDEN



KEY FEATURES

- Customers can easily retrieve all past files and communications shared with their remote advisor
- Ensures full visibility and context across interactions, enhancing trust and convenience

VALUE FOR THE CLIENT



Simplified access



Continuity across interactions



Time savings



Greater control

VALUE FOR THE BANK



Fewer repetitive requests



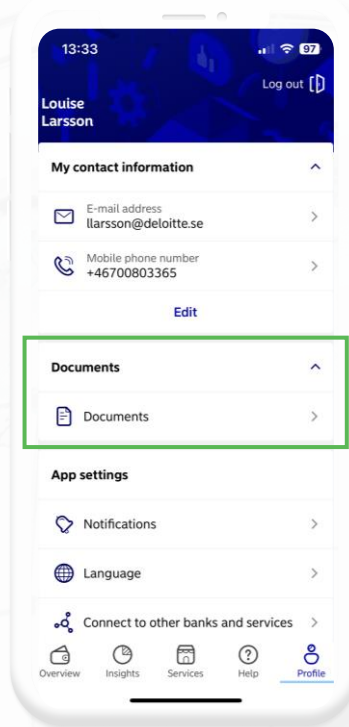
Improved traceability and compliance



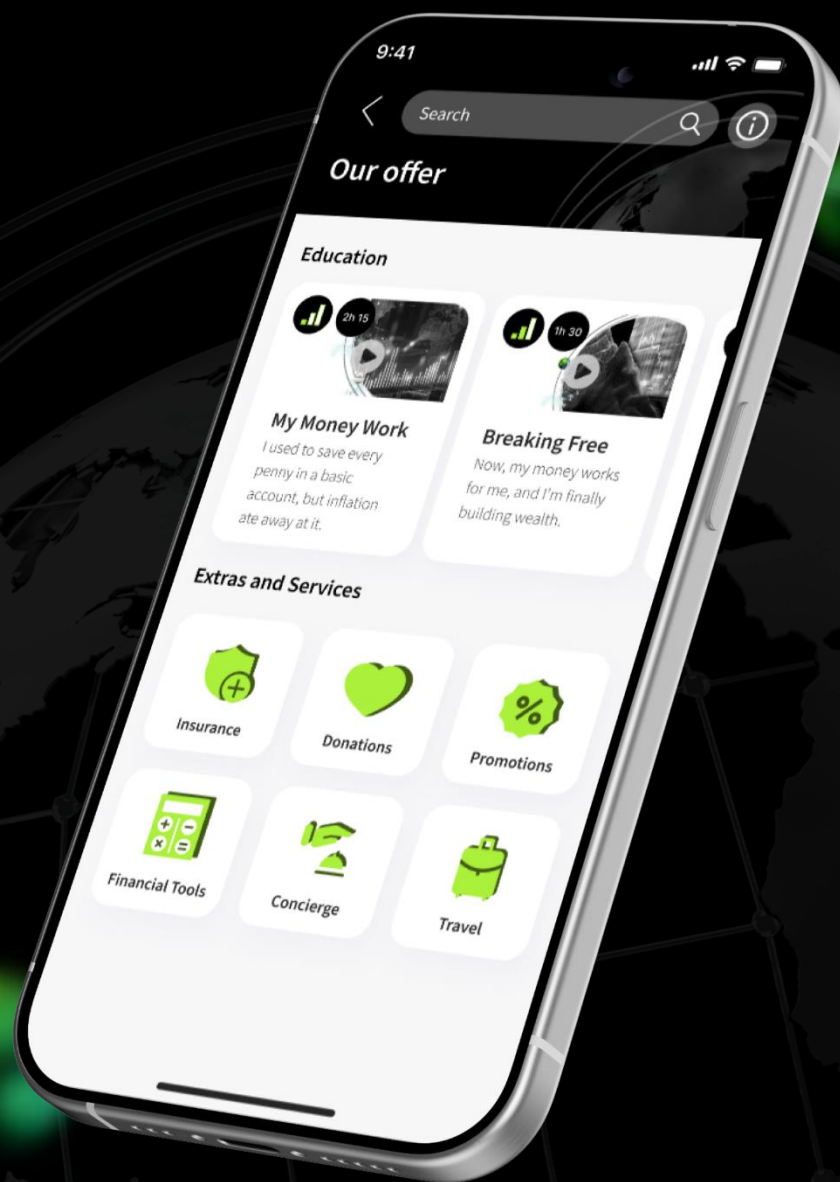
Improved advisor productivity



Smoother customer experience



Nordea bank provides the customers with access to all previous documentation shared with remote advisor



03 **EXPANDING BEYOND BANKING**



Banking applications have evolved into an ecosystem of “value added services” beyond traditional banking, enabling customers to manage various aspects of their lives through a single platform for more than just **financial tasks**, enhancing **loyalty**. This includes features like health tracking, insurance management, and real estate planning, which, while not directly financial, can generate financial needs encouraging users to engage more with banking services



In Italy, Digital Champions are **progressively reaching global average** in all service categories, even if loyalty programs and special discounts and promotions are far behind the average. In Mobility, they are fully aligned with global standards for parking/ transport tickets, while **other banks are far behind the global average**. In addition, despite strong digital mortgage adoption, **real estate services remain scarce**, with only one bank offering a dedicated marketplace

A wide range of Value-Added Services sets Digital Champions apart in ecosystems

Value-added services **enhance customer engagement and loyalty**, enabling banks to **attract and retain clients** and facilitate **personalization and cross-selling** through data

Digital champions offer VAS 2.5x more often than other banks, with the **biggest gaps in healthcare** (6.5x)

Since 2022, banks have **shifted their focus from introducing new features to optimizing existing ones**, prioritizing user experience enhancements

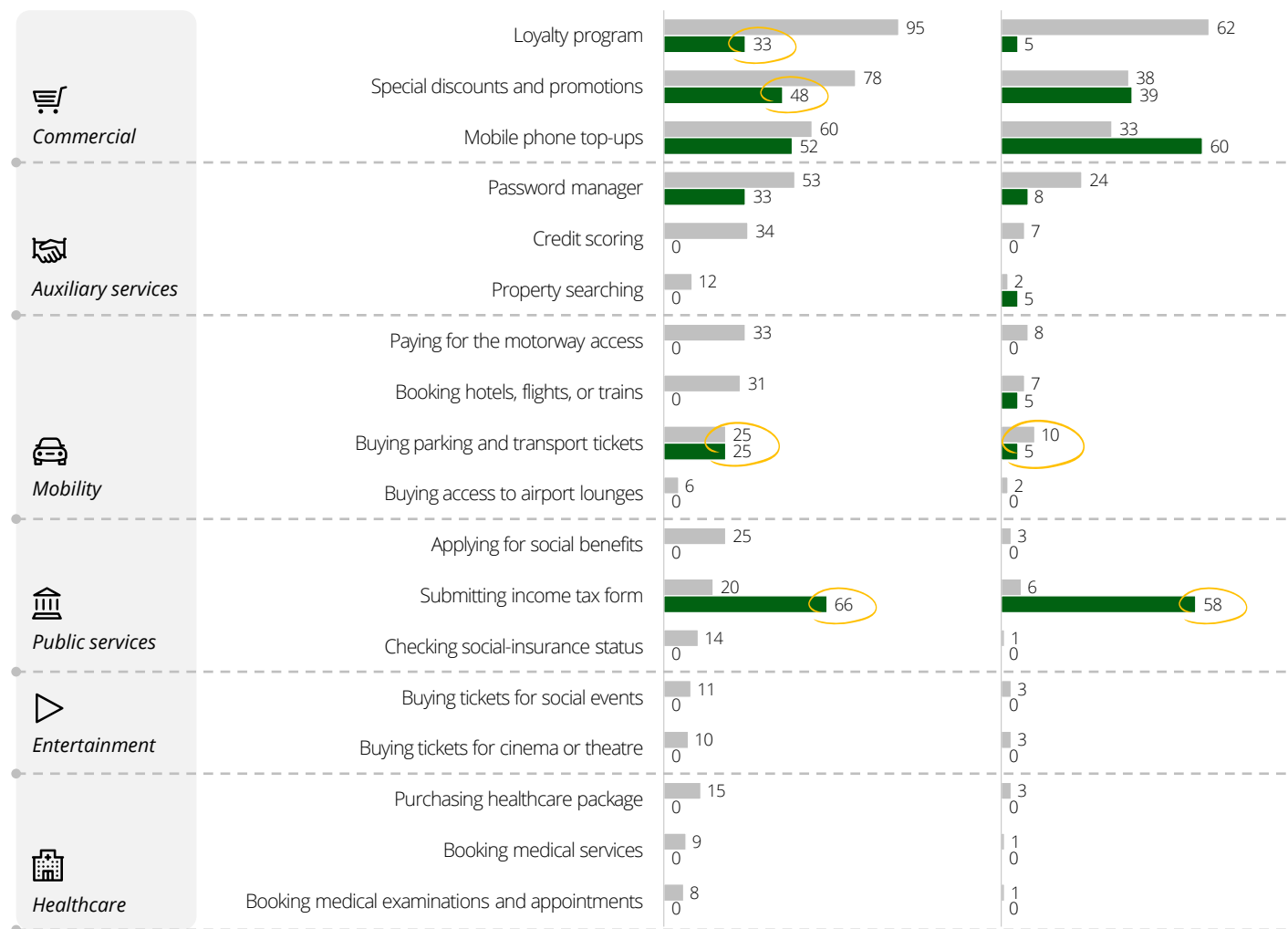


Insights on the Italian market

- Italian Digital Champions are **progressively reaching global averages** in all service categories, even if *loyalty programs* (33% ITA vs. 95%), and *special discounts and promotions* (48% ITA vs. 78%) are **far behind the average**
- In **Mobility**, Italian Digital Champions are fully aligned with global standards for *parking/ transport tickets*, while other local banks are behind the average
- In **Public services**, Italy has high value for *submitting income tax form*

Top Value-Added Services by category

% of banks offering given functionality¹



Expanding Beyond Banking | Case in point



USA



KEY FEATURES

- This app features a **marketplace** where users can **view** and **explore** various **real estate offers** available for **purchase**
- Key functionalities of the app include **property listings**, **search filters**, **interactive maps** and **contact options**

VALUE FOR THE CLIENT



Improved customer engagement



Ensure reliability of the offer



Integrated app with third party services



Recommendations based on the financial profile

VALUE FOR THE BANK



Cross-selling opportunities



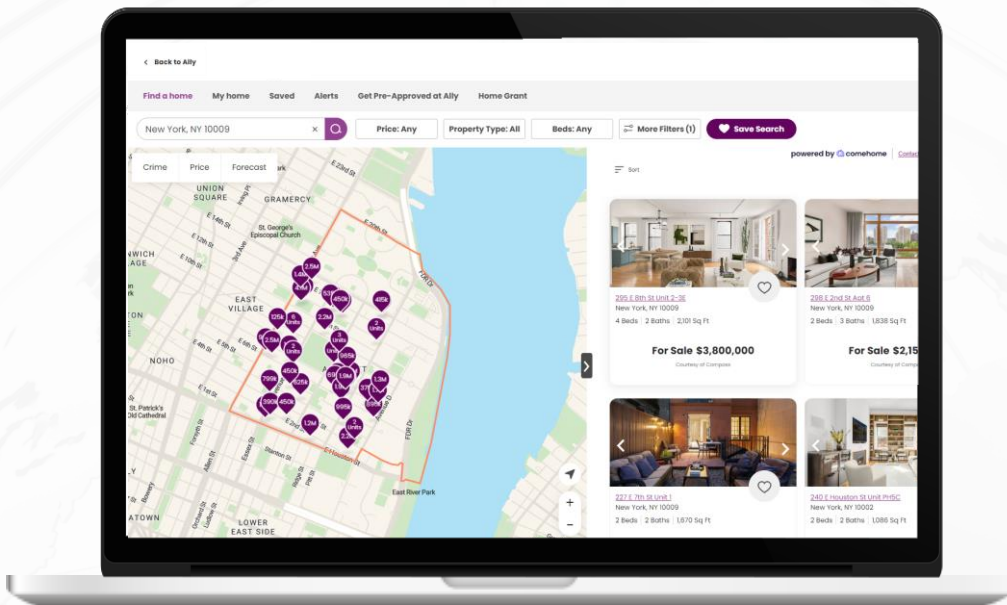
Improve customer loyalty



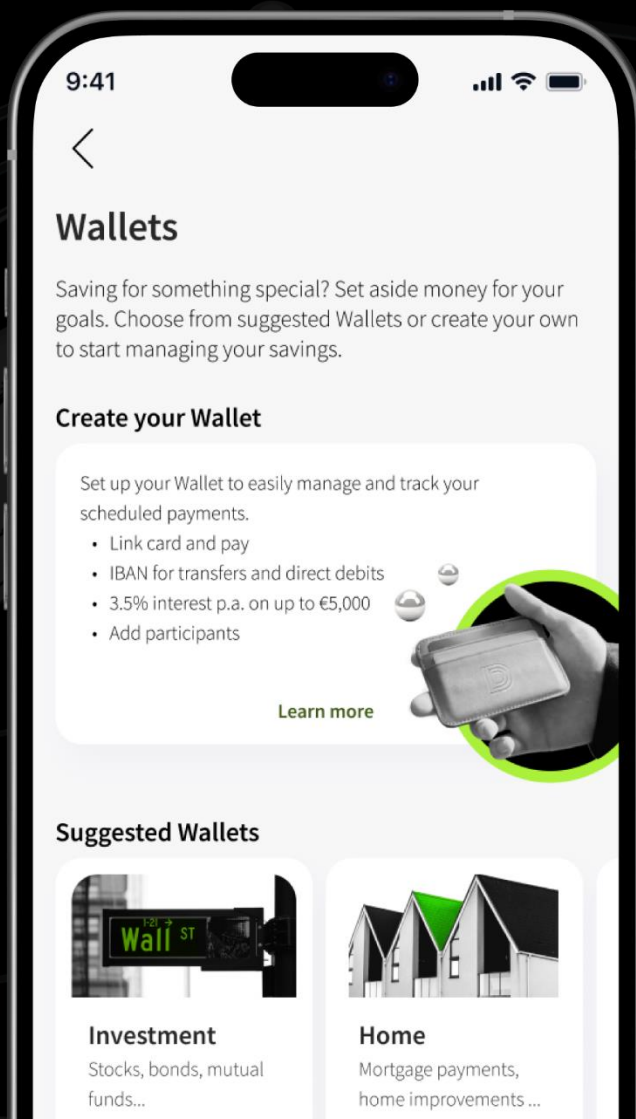
Collection of strategic data



Revenue diversification



Chase facilitates the **searching process** by providing a **map with offers of real estate properties**



04 **COMPREHENSIVE FINANCIAL ADVISORY**



Banks are evolving beyond traditional support services, positioning themselves as comprehensive financial partners for their customers. New functionalities are able to empower users to make informed financial decisions to improve their financial health and deepen their connection with their bank. For banks, this translates into increased frequency of adoption and usage of financial services and enhanced opportunities to cross-sell



Italian banks are highly focused on basic money management tools (e.g. budget notifications, transaction categories management, ...). At the same time, cross-selling opportunities are underestimated, indicating a significant space of growth

Most of banking players realize the potential of financial management into everyday activities to take advantage of cross-selling opportunities

Wealth management and control features are becoming a standard component of the digital banking experience, as customers increasingly expect tools that help them manage and grow their finances directly within their banking digital channels

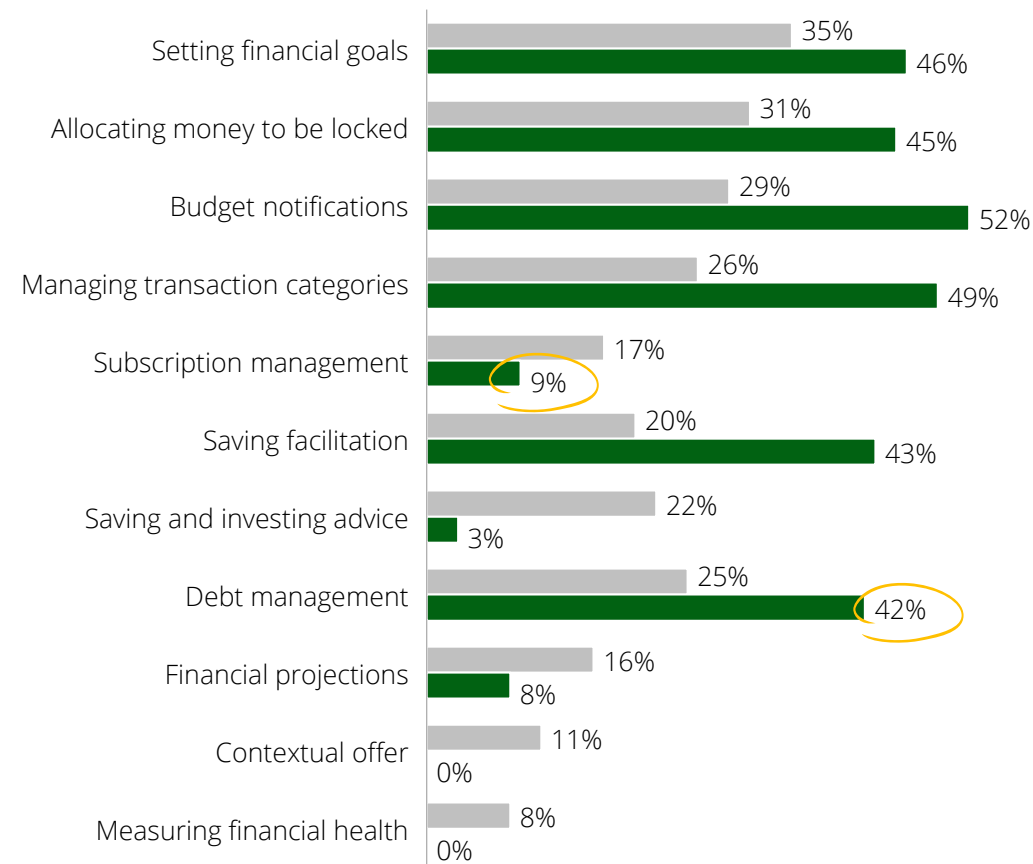
Most banks use advisory functionalities to enhance customer engagement. Global banks are focusing on refining these features, with an emphasis on cross-selling opportunities



Insights on the Italian market

- Italian banks are highly focused on engagement driver functionalities, overperforming global counterparts in almost each functionalities, except for *subscription management*
- Italian banks remain behind only in the proposition of cross-selling features, except for *debt management*, revealing a substantial opportunity to expand cross-selling and up-selling

% of banks' offering Personal Wealth functionalities



Global banks Italian banks

↑
ENGAGEMENT
DRIVERS
↓

↑
X-SELL
BOOSTERS
↓

Comprehensive financial advisory | Case in point



NETHERLANDS



KEY FEATURES

- An intelligent diagnostic tool helps customers understand their **current financial standing**
- Based on the results, **users receive tailored recommendations** to improve their **financial well-being**

← VALUE FOR THE CLIENT →



Access to low-cost financial advice



Clarity on financial status



Personalized solutions



Empowerment and control

← VALUE FOR THE BANK →



Cross-selling opportunities



Enhanced **brand image**

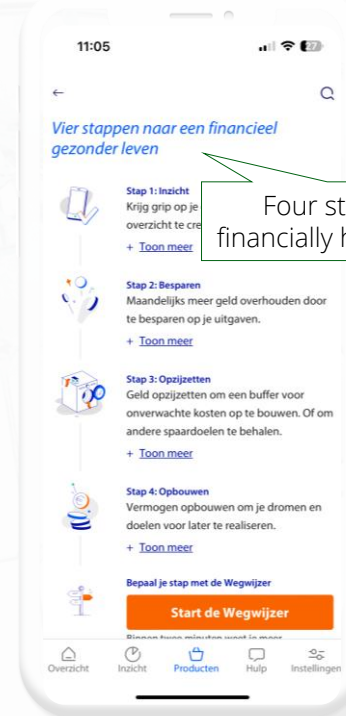
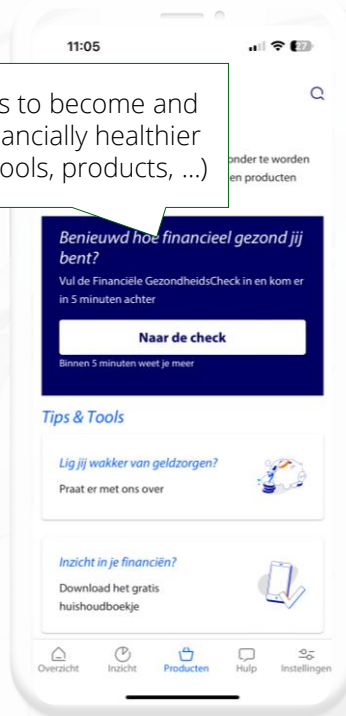


Increased customer loyalty



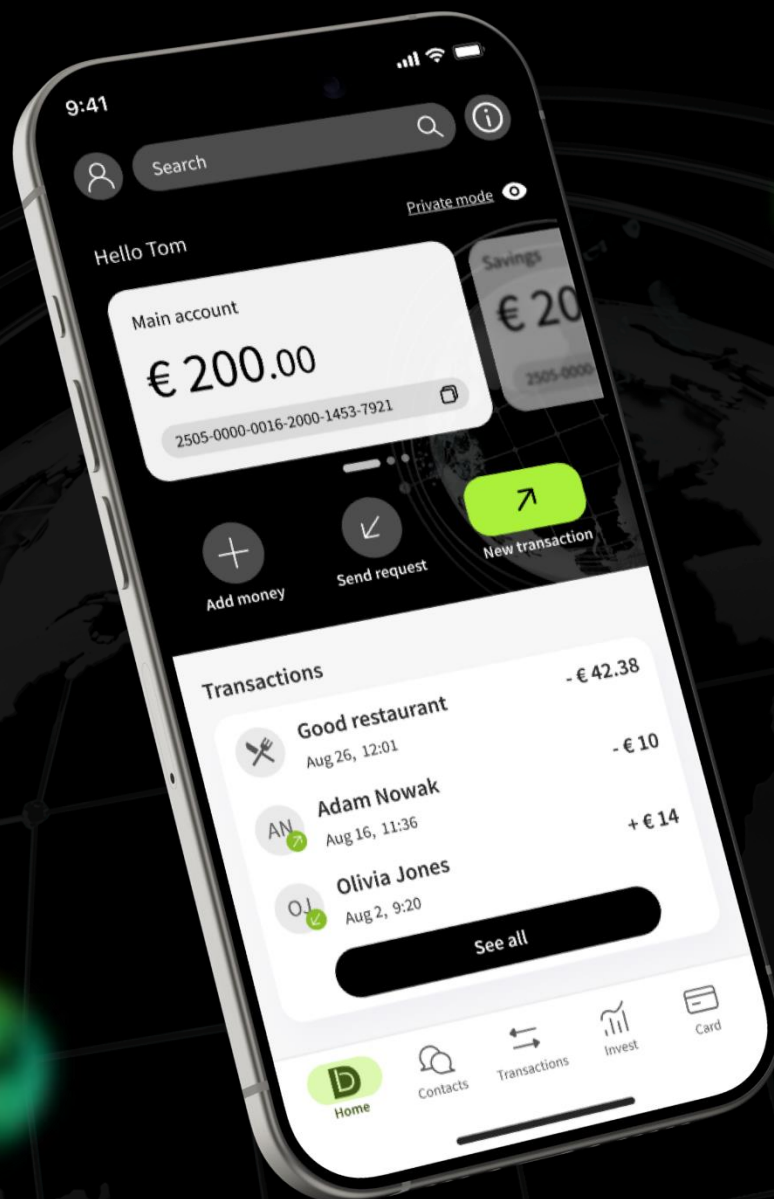
Advanced data analytics

Help users to become and remain financially healthier (e.g., tips, tools, products, ...)



Four steps to a financially healthier life

Rabobank offers a diagnostic tool to measure customers financial health and create dedicated action plans



05 **SEEKING POP EXPERIENCES**



Banking apps are being increasingly redesigned to mirror popular **platforms** like Spotify, Uber, Amazon, and social media, incorporating features such as tags, notes, likes, emojis or geo-localization (leveraging influence of global consumer best practices to improve ease of use and enhance user experience). Furthermore, customer tend to seek services that offer global market access, which for banks translates into currency management and international transfers. **The need to align with modern user habits is making these features indispensable** rather than optional



In Italy there is a strong **focus on ordinary banking tools** (e.g., transaction notes, ATM maps, ...) but Digital Champions lack features like financial feeds and GIF/ emoji transfer, indicating a **slower adoption of user-friendly functionalities**

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

Banks are adopting features from global platforms (e.g., Spotify, Uber, ...) to enhance UX and engagement

Features as likes, comments, and emojis enhance engagement and personalize the banking experience, making interactions more intuitive

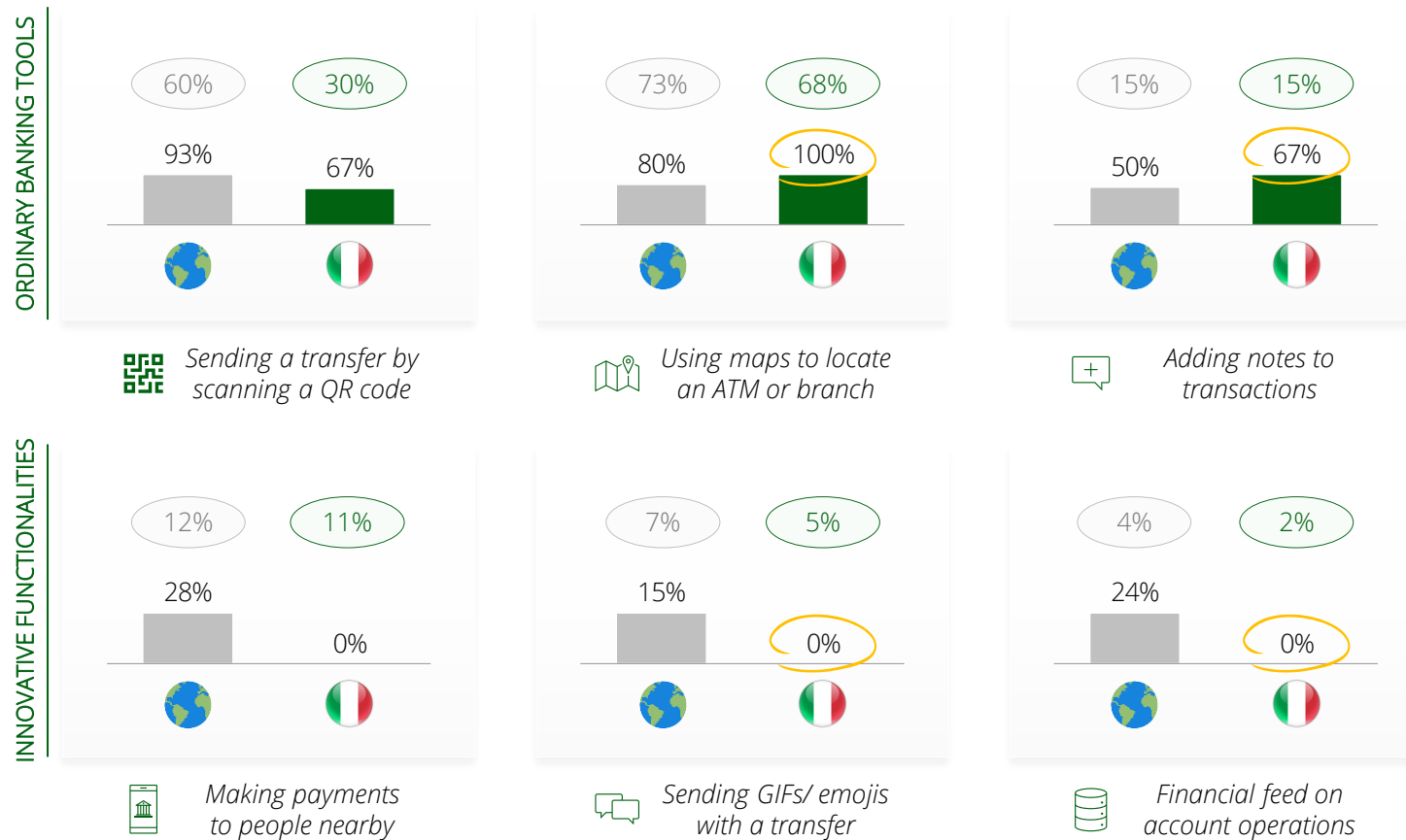
Meanwhile, seamless payment options, such as QR codes, align banking services with customer needs, ensuring convenience and flexibility



Insights on the Italian market

- Italian Digital Champions outperform global banks in *ATM maps* (100% vs. 80%) and *transaction notes* (67% vs. 50%), showing a strong focus on ordinary banking tools
- On the other hand, the lack of features like *GIF/emoji transfer* (0% vs. 15%) and *financial feeds* (0% vs. 24%) indicate a lower propensity towards innovative functionalities

% of banks¹ offering advanced functionalities | Ordinary tools and innovative features



■ Digital Champions ○ Other banks

Seeking pop experiences | Case in point



UNITED KINGDOM



KEY FEATURES

- Users can add stickers and emojis to make money transfers more expressive and engaging
- Adds a fun, emotional layer to transactions, making interactions more personal

VALUE FOR THE CLIENT



Transfers with a personal touch



Less transactional experience



More engaging interactions



Instant communication

VALUE FOR THE BANK



Increases user stickiness



Modernizes the brand image



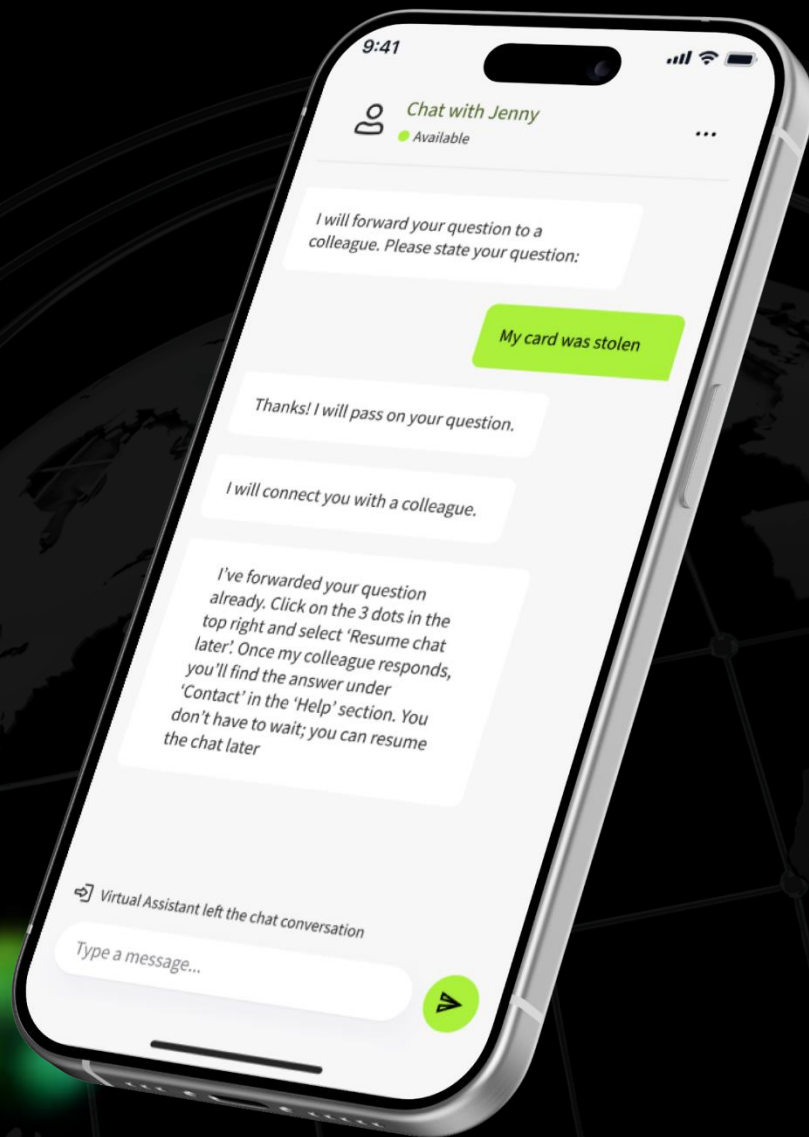
Boosts peer-to-peer usage



Encourages repeat use

Starling bank offers the option to send emoji when making a payment to another user

Starling Bank allows users to send emojis and other social features when making a transfer



06 **HYPERPERSONALIZED COMMUNICATION**



There is a growing emphasis on user-centric experience and personalized content, and AI is expected to play a significant role in delivering even more customized services and offers. Banking apps start to adopt a **semi-informal tone**, addressing users by their names and utilizing communication methods typical of social media platforms (in-app pop-ups for **recommendations** or tips and tricks). A switch to extend **customer accessibility** is also visible



While Italian Digital Champions are **aligned with international standards**, there are **areas of improvements** on the level of **personalization of content**. Other banks have a relevant negative gap with Italian Digital Champions but outperform international counterparts

To move beyond personalization, leading banks implement AI-driven, real-time customer engagement

Digital champions offer banners and pop-up messages aimed at enhancing personal experience significantly more often than the other banks

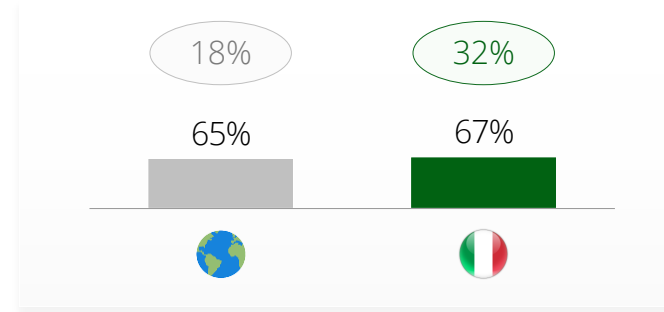
However, while some players are still integrating standard communication personalization features, others are moving ahead by implementing advanced AI-powered capabilities that enable real-time hyper-personalization



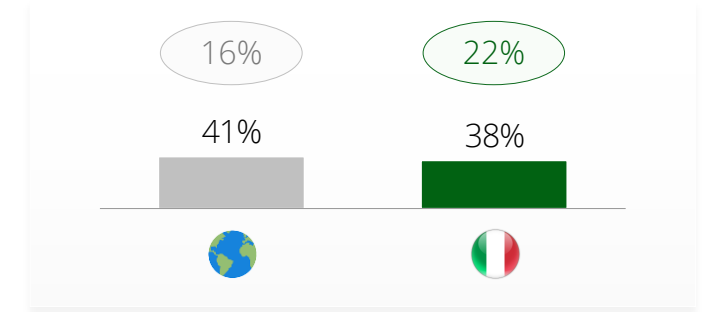
Insights on the Italian market

- Italian Digital Champions' scores are aligned with international standards, except for *content hyper-personalized based on users' past actions* (29% vs. 39%)
- Other banks outperform international counterparts by 6% on average, bridging the gap with Digital Champions

% of Banks¹ offering personalized content through banners and pop-up messages

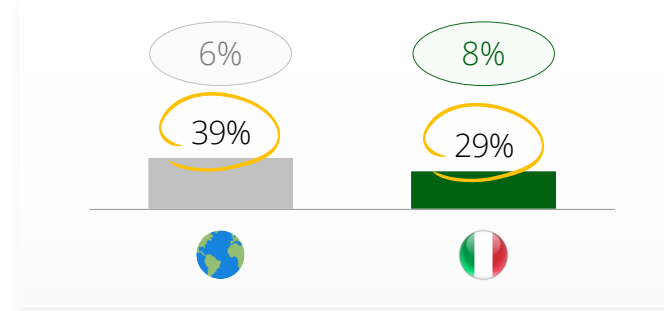


Personas-based recommendations

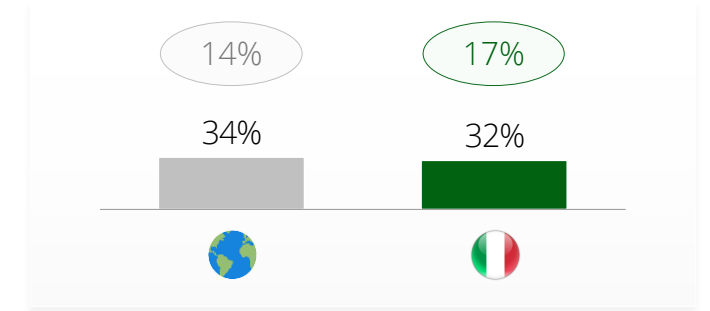


Security warnings/ Educational content

% of Banks¹ offering hyper-personalized through banners and pop-up messages



Content based on users' past actions



Contents based on events and context

■ Digital Champions

○ Other banks

Hyper-personalized communication | Case in point




SPAIN



KEY FEATURES

- Analysing customer data, the bank segments users to provide tailored financial advice, such as budgeting tools and expenses forecasting
- This tool also allows the bank to promote banking products according to specific customers' needs, enabling product cross-selling



BBVA developed an AI account balance prediction model that estimate its future evolution

← VALUE FOR THE CLIENT →



Enhanced financial awareness



Personalized insights



Time and money savings



Proactive suggestions

← VALUE FOR THE BANK →



Cross-selling opportunities



Operational efficiency



Increased engagement



Behavioral insights



04

***HOW DBM HELPS
BANKS RESPOND
TO CHANGE***



DBM can help you identify areas for improvement and inspire you with real-life best practice examples

HOW DEVELOPED IS YOUR MARKET AND HOW IS THE COMPETITION DOING?

Gain insights into the positioning of a given country within global markets, and learn how an individual bank is perceived compared to local and global leaders

WHAT ARE THE LATEST GLOBAL TRENDS AND INNOVATIONS?

Learn more about the latest trends and developments in digital retail banking channels

HOW STRATEGY ON DIGITAL CHANNELS SHOULD EVOLVE?

Define strategic guidelines towards digital offering and service model evolution, starting from the gap analysis with competitors and outlining a dedicated action plan



If you are interested in finding answers to those and other questions, contact your **Italian representatives** on the following pages





05

CONTACTS



Will you drive the change or be driven by it?

If you want to learn more, please get in touch with our team for further details and to plan an insightful and tailored workshop

FEEL FREE TO REACH US FOR MORE INFORMATION:



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We'd like to special thank our colleagues **Giovanni Marocco** and **Matteo Galdabino** of Monitor Deloitte, **Camillo Vescovo** of Deloitte Digital and **all other researchers** involved, for their valuable support in the analysis and preparation of this Report

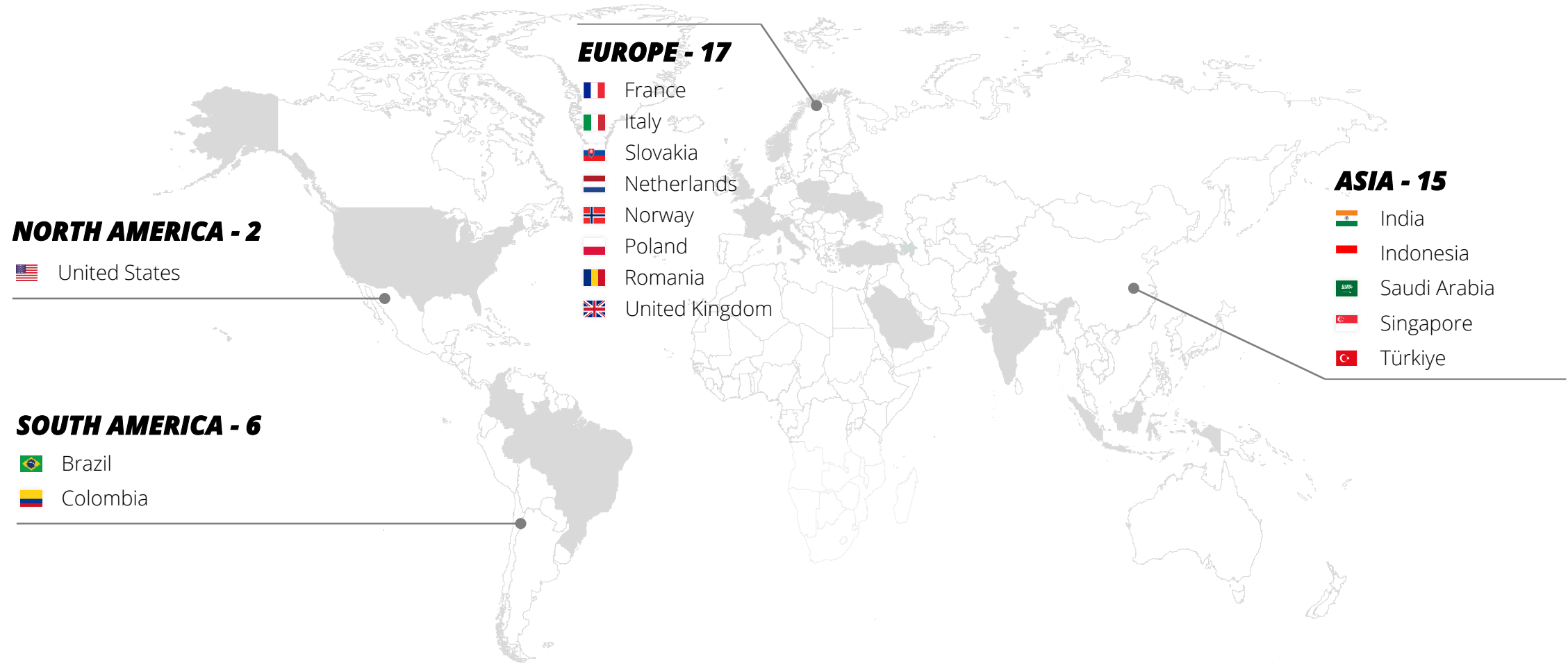


APPENDIX

GLOBAL RESULTS

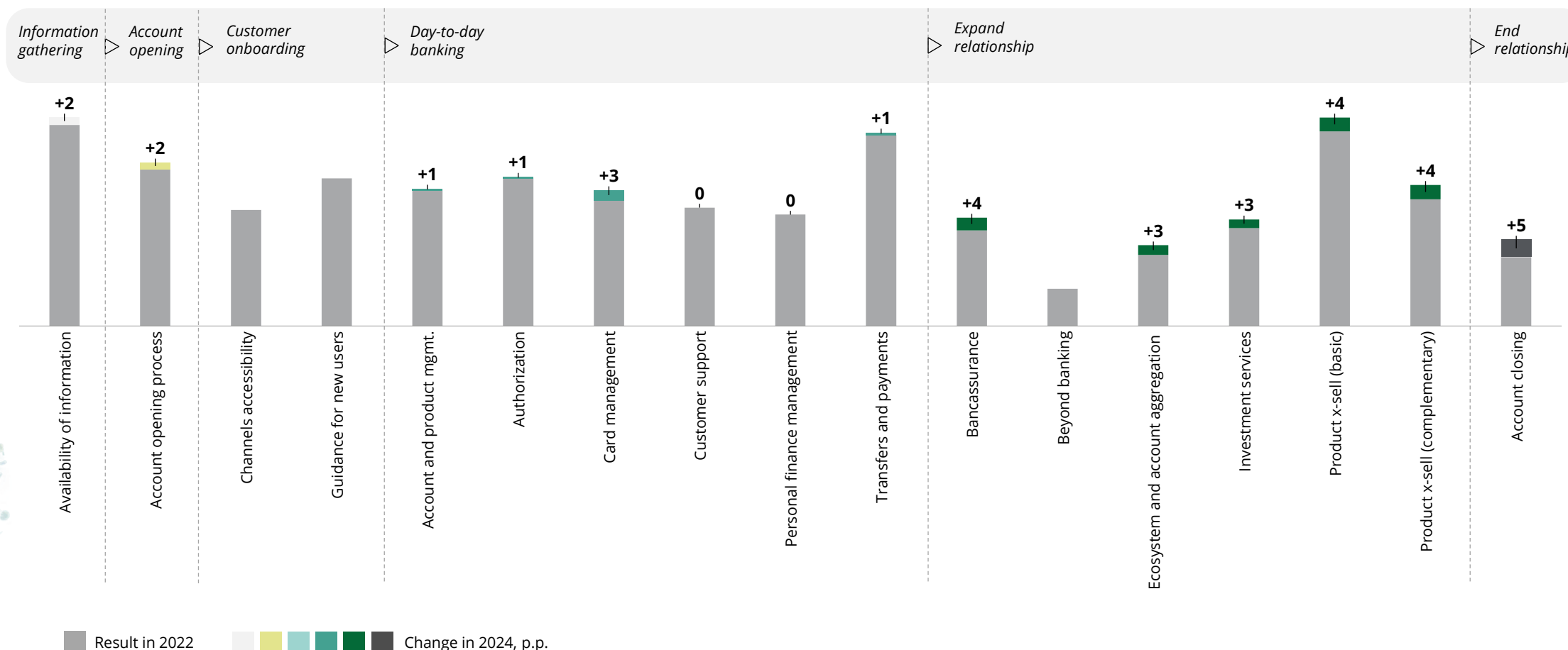
Europe has taken the lead with the highest number of Digital Champions, followed by India, Turkey, and Brazil

DIGITAL CHAMPIONS BY GEOGRAPHIES



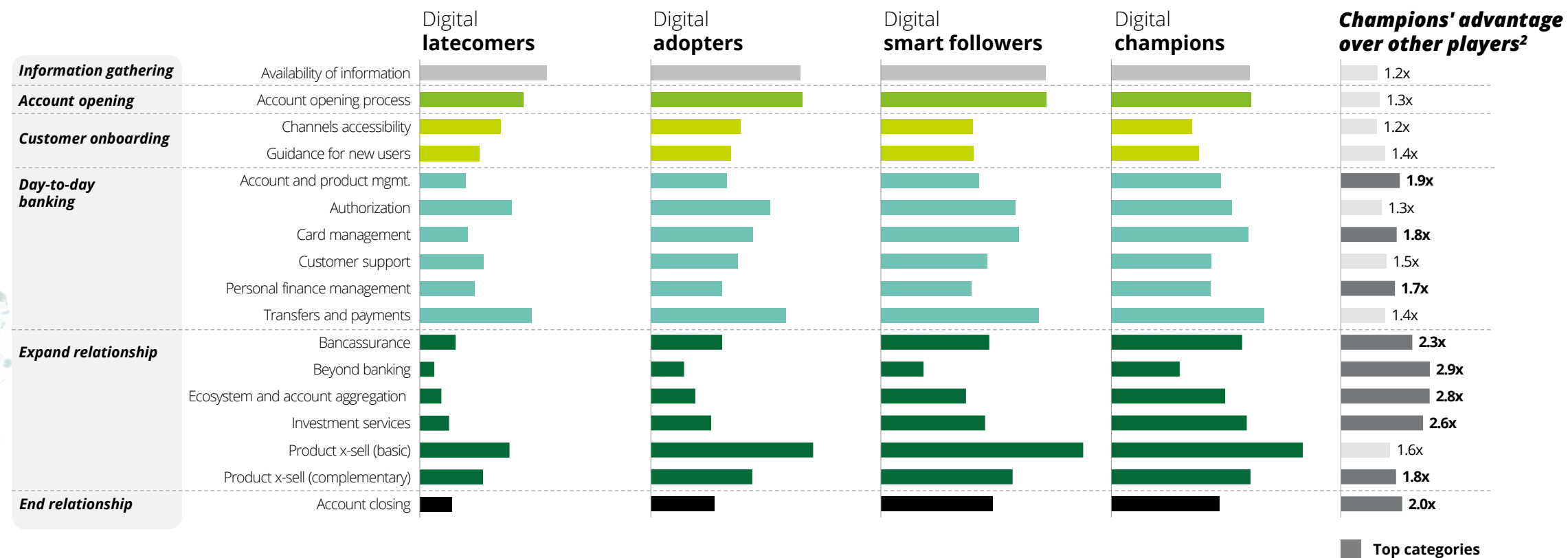
Customer Journey steps have stagnated, with banks shifting their focus to ensuring full coverage of customer needs with an excellent UX

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



Digital Champions develop functionalities that help expand customer relationships and have gained a significant advantage over other players

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



Digital champions have invested significantly in ecosystems, investment services, cross-sell and card management areas since 2022

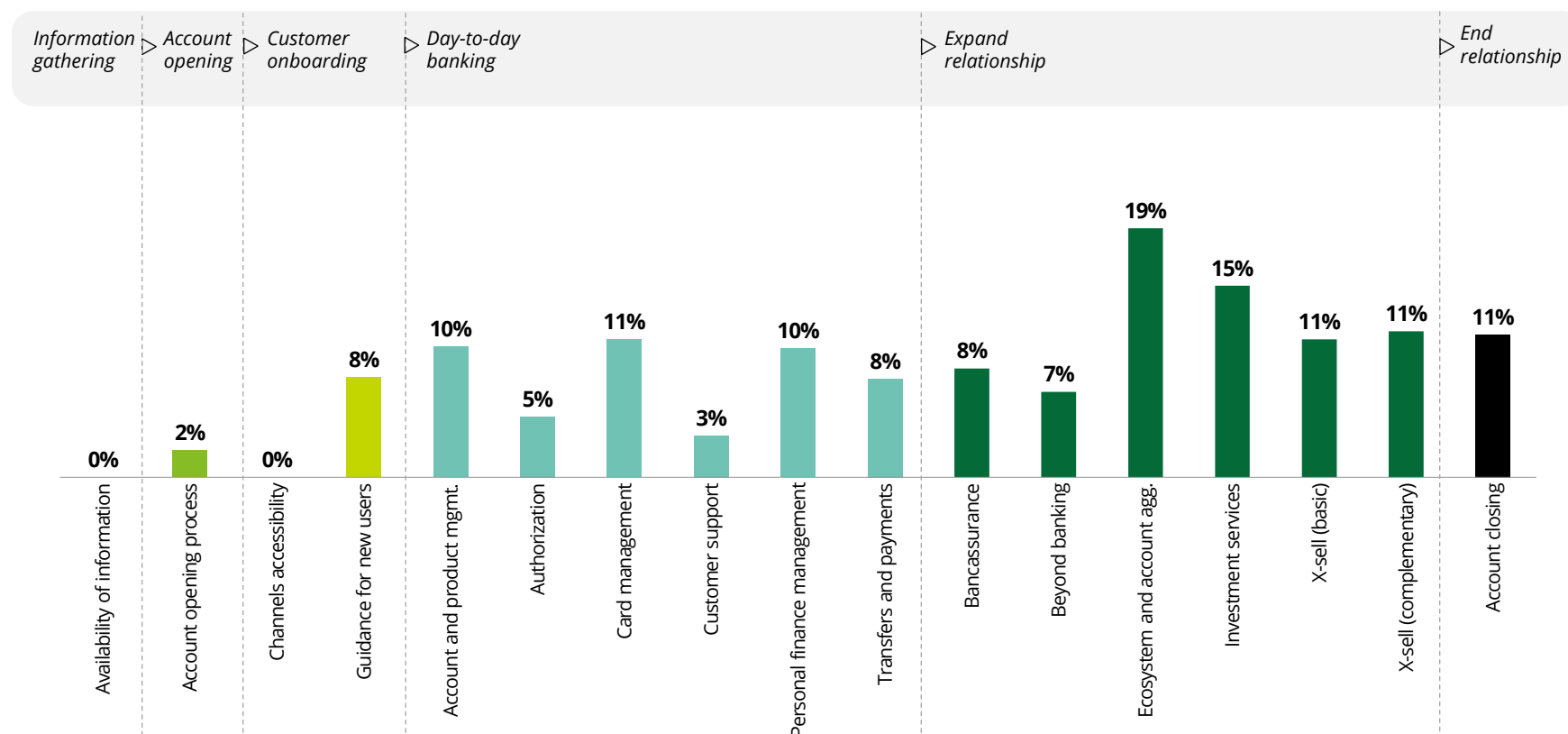
Where have Digital champions gained the **biggest advantage** over peers in the last 2 years?

One of the key areas is **expand relationship**, with an average 12 p.p. advantage, particularly in **ecosystems and investment services**, where they grew by 19 and 17 p.p., respectively

Additionally, Digital champions have made substantial progress in **cross-selling**, both for basic and complementary products, as well as in **card management**, with each area seeing 11 p.p. advantage

What are the primary focus areas driving digitalization growth among Digital Champions?

difference between DBM score of Digital Champions in 2022 and 2024, p.p.



Exploring regional characteristics – local insight with global relevance

**FINANCIAL
LITERACY**
NORTH AMERICA

**HERITAGE
OR PROGRESS**
EUROPE

ASIA
**SUPER APP
REALM**

BANCASURRANCE
SOUTH AMERICA

HERITAGE OR PROGRESS

Banking in Europe appears to follow two primary development trajectories. On the one hand, traditional banks prioritize their heritage while concentrating on financial management services, ensuring that their digital functionalities remain straightforward. On the other, a diverse array of banks, including neobanks, seeks to expand their offerings by incorporating a broader range of functionalities that extend beyond traditional banking domains. Meanwhile, **stringent regulatory framework, which may hinder innovation and flexibility, has become one of the most significant challenges the European banking sector has to face**

Divergent strategies allow both types of institutions to carve out unique value propositions. Traditional banks can leverage their established reputations to build trust and stability, while the second group can attract customers seeking more comprehensive, lifestyle-oriented solutions. By embracing the said approaches, banks can better serve diverse market needs and position themselves competitively in a rapidly evolving financial ecosystem. Will the increasing demand for integrated, lifestyle-oriented solutions drive traditional banks to innovate further? Will their established heritage secure a sufficient market share as Europe's population continues to age?

SUPER APP REALM

Asian banks are renowned for their willingness to redefine the concept of banking. With the support of a favorable regulatory environment and the use of **multiple accessible channels**, they seamlessly integrate new functionalities into their offerings

They enhance user convenience by creating a one-stop shop for financial needs, which not only promotes user engagement but also significantly improves the overall customer experience. Moreover, Asian banks expand their app features to include non-financial services, such as food and grocery deliveries, event ticketing, travel concierge services, and various marketplaces for shopping and automobiles

By diversifying their service offerings, they can attract a broader customer base and increase customer loyalty, ultimately positioning themselves as essential lifestyle partners in the digital economy. Apart from enhancing revenue stream, this strategic approach also strengthens their competitive advantage in an increasingly saturated market

NORTH AMERICA

FINANCIAL LITERACY

U.S. banks have placed a strong emphasis on enhancing their digital platforms by offering functionalities focused on **personal finance management and key financial metrics**. They have made significant investment in financial wellness tools that provide users with personalized insights such as budget tracking, credit score monitoring, and subscription management. These features are designed to support customers in managing their financial lives but also to foster customer retention by integrating lifestyle management into everyday banking activities

By incorporating these advanced tools, U.S. banks are evolving beyond traditional banking services, positioning themselves as comprehensive financial partners for their customers. The said functionalities provide substantial value by empowering users to make informed financial decisions, improve their overall financial health, and deepen their connection with their bank. For banks, this translates into increased customer loyalty, higher engagement rates on their digital platforms, and enhanced opportunities to cross-sell additional financial products and services

BANCASURANCE

South America and Asia are competing in the race to become a **global leader in unconventional and groundbreaking ideas**. The region's highly developed insurance- and pension-related functionalities come as its primary distinguishing feature

The bank-centric financial ecosystem, prevalent in South America, has positioned banks as natural distribution channels for semi-financial products and services. This advantage, coupled with established trust, infrastructure, and the existing customer base, is a significant asset that other sectors can only aspire to match

Moreover, regulatory bodies in South America have fostered collaboration between banks and insurance companies, facilitating the growth of the bancassurance model

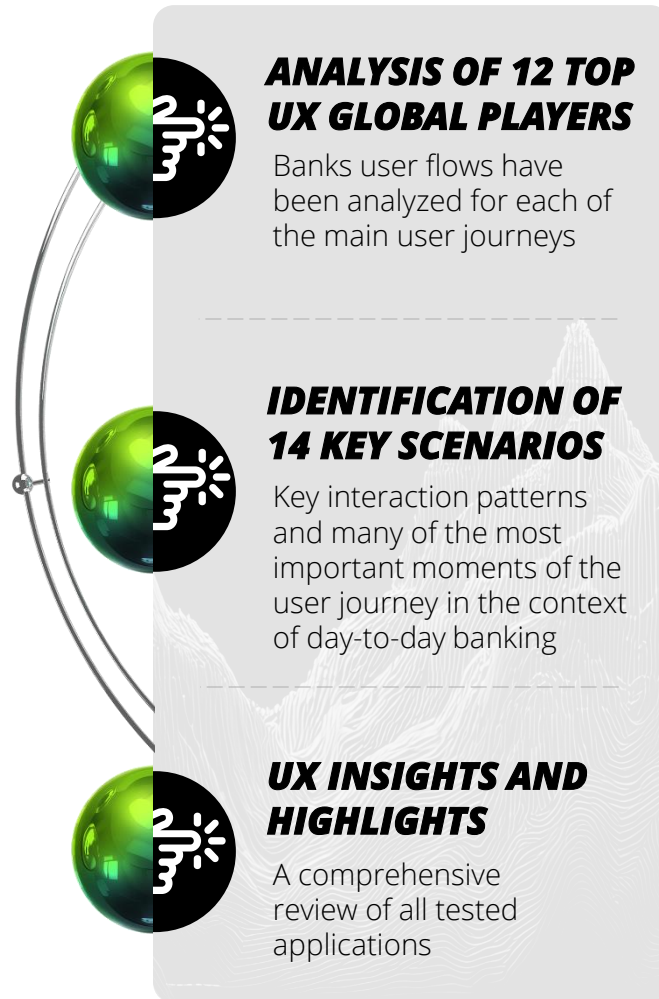
This synergy is strengthened by financial inclusion initiatives in many South American countries. Bancassurance extends the reach of banking and insurance services, contributing to broader financial inclusion and enhancing the overall impact of the model across the region

UX STUDY

Based on insights coming from the analysis of top UX banks, best practices and quantitative insights have been selected on each step of the user journey

Based on the insights coming from the analysis of 12 top UX banks, an **optimal user flows can be hypothesized** to better interact with customers

This analysis of end-to-end user journey is focused on **user-oriented features** that contributed to an exceptional user experience



QUALITATIVE evaluation

All do's & don'ts in one place with a **playbook** covering **key aspects** to be considered when designing optimal experiences

- best practices to implement
- bad practices to avoid
- tips & tricks deemed useful for supporting users throughout their journeys

QUANTITATIVE evaluation

A **comprehensive review** of all tested applications based on the following aspects of the experience:

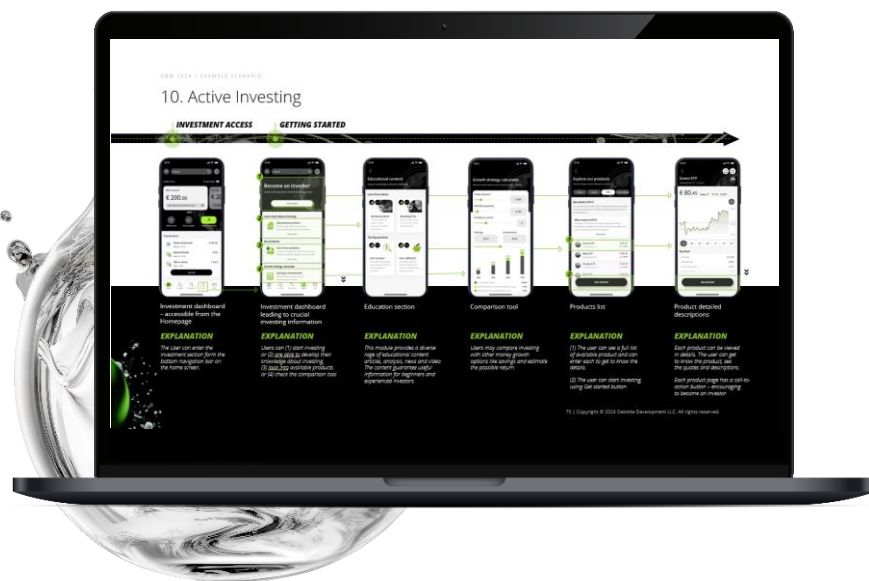
- | | | |
|---------------------|----------------------|-----------------|
| • Satisfaction | • Customization | • Visual Appeal |
| • Easiness of Usage | • Complexity | • Support |
| • Navigation | • System Consistency | • Uniqueness |
| • Accessibility | • Error Rate | • NPS score |

A detailed qualitative evaluation of key user scenarios from 12 top UX global players can identify best practices and optimal user flows

QUALITATIVE evaluation 1/2

KEY DIGITAL BANKING USER FLOWS, ANALYZED AND REFINED

End-to-end **user scenario** analysis of **12 top UX banks** in different markets was conducted to define optimal experiences and understand context. Best practices were identified for 14 key scenarios (with each step of the customer journey represented) and refined to create hypothetical optimal user-friendly flows



ALL DO'S & DON'TS IN ONE PLACE

User flows are accompanied by a **playbook** covering **key aspects** to be considered when designing optimal experiences: best practices to implement, bad practices to avoid and all the tips & tricks deemed useful for supporting users throughout their journeys



An example – "Active Investing": this scenario outlines the online investing process, emphasizing each stage of the customer journey

KEY SCENARIOS

- 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

Highlights and key areas of focus

- Consumers are diversifying their income by **managing investments via smartphones**
- Adding an active investing module to a bank app allows users **easy access to real-time investment management**

✓ THINGS TO CONSIDER

- 🔍 ☆ Navigating (looping) between pages to compare investment products
- ↓ Utilizing the app as the **initial point of contact** to schedule an appointment
- ↓ Access **via web** or through an external provider application

✗ COMMON MISTAKES

- ↓ **Absence** of investment processes and features
- ☆ **Absence** of features that **help to compare** trading products
- 🕒 Investing module available in a **language** different from the one selected by the user

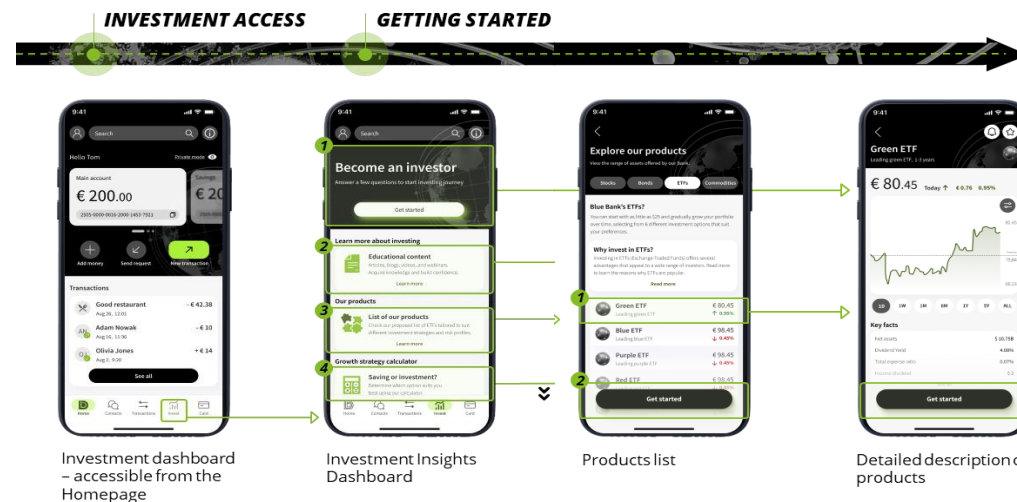
☆ Improved User Experience (UX)

↓ Lowered drop-off rate

🕒 Enhanced brand perception

🔍 Following focus

Example – detailed process description of "Active investing"



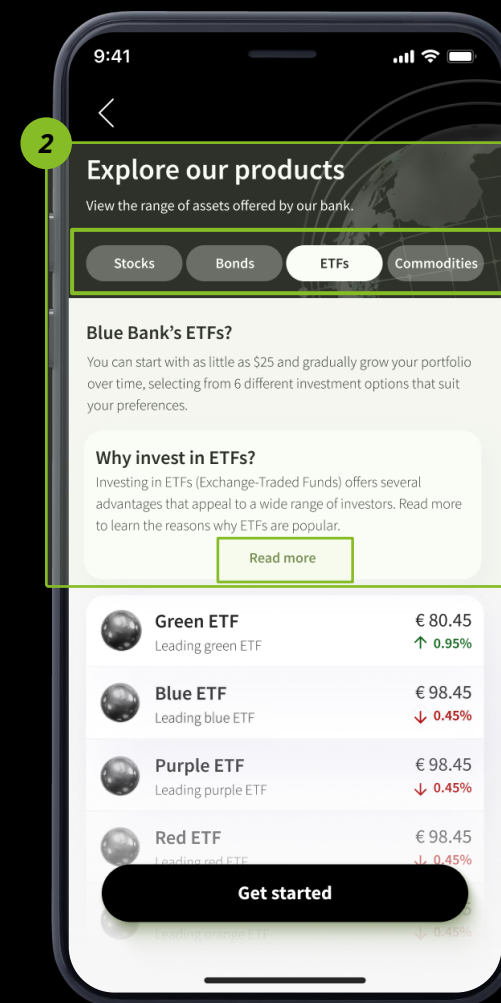
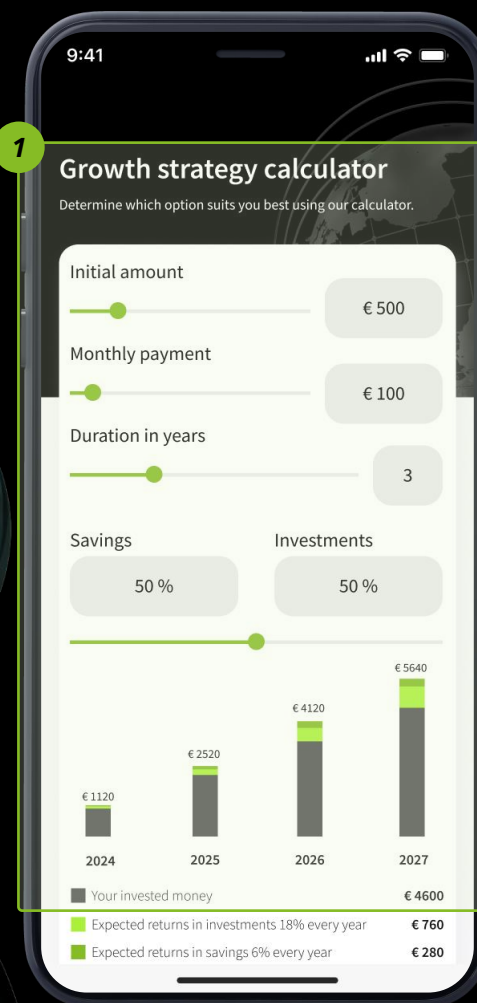
BEST PRACTICES

- 💬 Learning resources (e.g., blogs, articles, videos, calculators, ...)
- 💬 Different level of services for experienced investors and beginners
- 👤 Creating investor profile for future portfolio recommendations and knowledge development
- 🛡️ Real time updates – market performance, access to market data
- 👤 Consulting

"Active Investing": Ensure Easy Comparison and Estimations

DESCRIPTION

- 1 In addition to educational information, **provide a comparison tool that would allow users to estimate their return on investment** and show them other money growth options like savings. Ensure that users make informed decisions. To do so, **highlight-the most important comparison indicators**, such as the minimum trade amount, potential returns, and the required investment experience
- 2 The primary investment goal is to generate **income or grow wealth**. **Apart from a simple comparison tool**, ensure that **descriptions of investment products are comprehensive**, clearly explaining the nature of all financial instruments
 - It is crucial to provide users with the possibility of **easily switching between products** for comparison purposes
 - Additionally, **provide detailed information on regulatory aspects, associated risks, fees, and tax implications**



A compact quantitative evaluation of the applications was conducted to identify and describe in detail UX insights / highlights

QUANTITATIVE evaluation

5 out of 12 tested banks **were neobanks (FinTech)**

4 out of 5 **neobanks were rated as the best among the tested sample**, taking the first 4 positions. **3 top rated parameters got 10/10 on the NPS scale**

4 out of 7 **traditional banks offered** users a **fully digital approach to banking**

A COMPREHENSIVE REVIEW OF ALL TESTED APPLICATIONS REVEALED THAT:

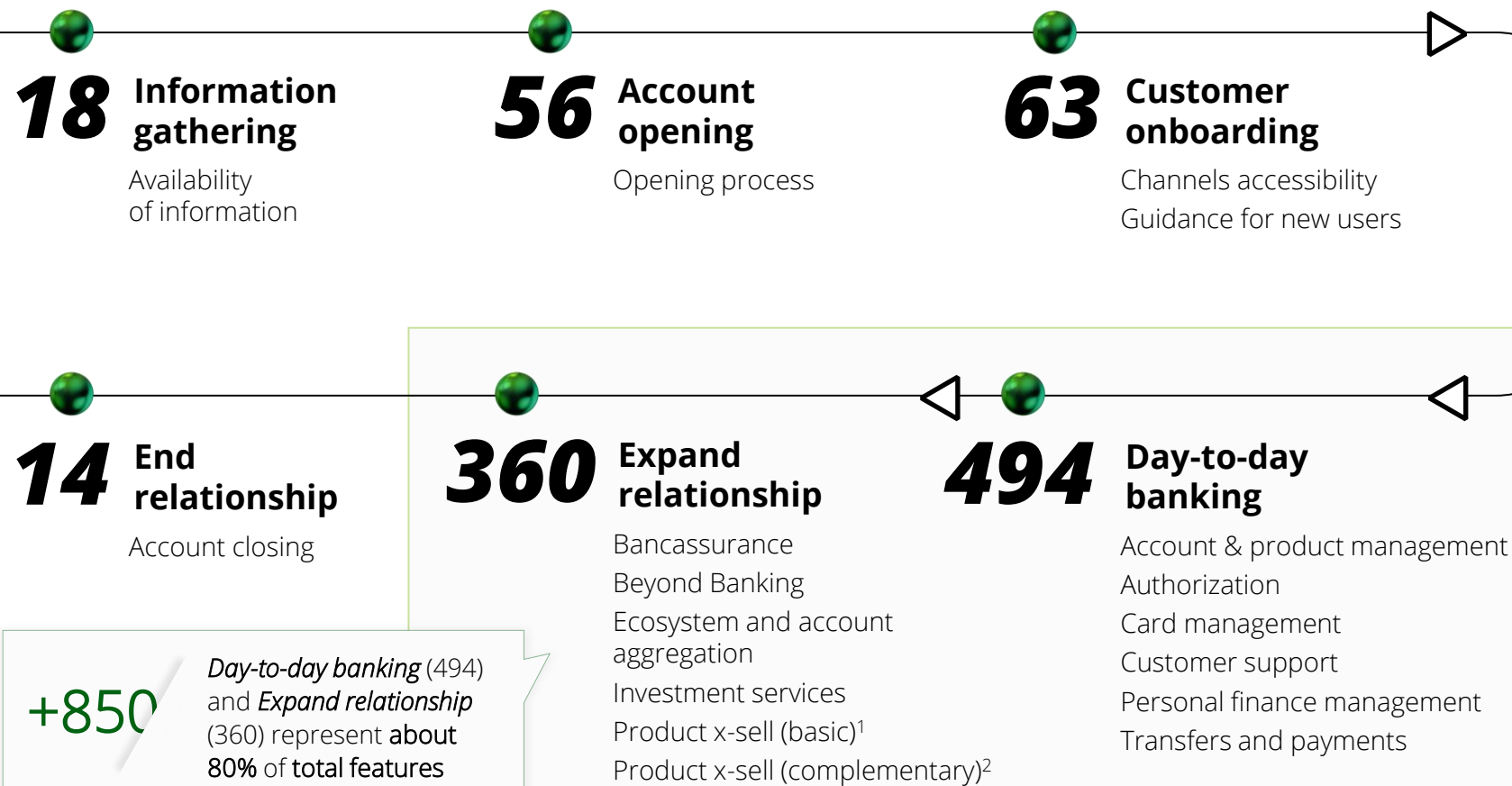
- **Satisfaction, Easiness of usage, Navigation** – were consistently rated as the top-performing elements, each scoring above 4 on a 5-point scale. These areas are **well-supported by the bank**, contributing significantly to a positive user experience
- However, **Accessibility, Customization, Complexity** received the lowest performance ratings, each scoring below 3. **These aspects are critical and need to be addressed** as they directly impact user engagement, inclusivity, and the ability to tailor the application to individual needs. Improvements in these areas will enhance overall usability and ensure the application meets diverse user expectations

METHODOLOGY

Digital Banking Maturity 2024 covered 349 banks from 44 countries and 5 different continents, with 12 banks included in additional UX analysis

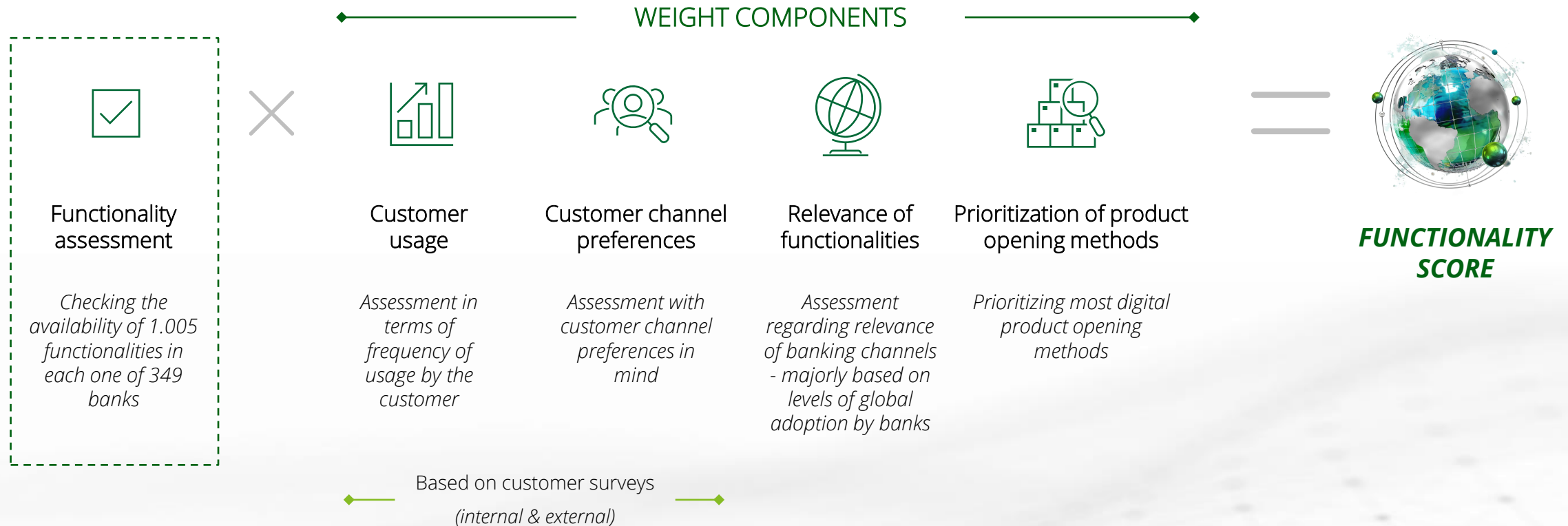


The 2024 questionnaire analyses 1.005 functionalities, tracking the entire customer journey



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

The **significance** of the 1.005 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**:



Banking channel usage and preferences were assessed based on a customer survey covering nearly 4.400 responses

A total of **4.395 answers** provided insights into customer preferences on 18 activities mapped with customer journey steps in 3 banking channels

All activities were linked to 1.005 functionalities assessed within the study to identify the current demand pattern

***How often** do you perform the following banking activities?*

18 ACTIVITIES

EXAMPLES :

- Checking current **balance** or **transaction history**
- **Opening** an account and/or debit card
- Leveraging **services from third-parties**
- **Applying** for a personal loan
- Active **investing**
- Looking for **customer support**
- **Managing** your account
- Making **payments/transfers**

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

3 CHANNELS



Mobile banking



Internet banking



Branch

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



SELECTION OF SCOPE

First, a **multinational team of UX experts** and managers selected **12 top UX banks** from **12 different countries**

14 scenarios were selected for a deep-dive analysis **covering core areas of customer activity** within banking apps



REVIEW OF LOCAL SOLUTIONS

Local UX experts and researchers went through the selected user scenarios, identifying the **best user-oriented solutions, general principles** that characterize good UX, as well as **areas for improvement** in each bank



ASSESSMENT

Results collected from individual banks and countries were assessed to identify solutions, approaches and features as well as to derive **key trends, areas of focus** and **overarching rules** shaping the UX of banking apps



SYNTHESIS

Based on the results of our analysis, the team has developed a **playbook with best practices and guidelines for banking app UX**, as well as created flows with a hypothesis for the **optimal solution for each analysed scenario**

Analyzed UX scenarios cover key areas of customer activity

14 key scenarios analyzed that follow the user journey through banking platform: from opening a current account, moving on day-to-day banking activities and up to closing the account

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



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