What is Digital Banking?

Aleksandar Lenov, Opatija, January 2017
Key Facts about NF Innova

Clients
Raiffeisen Bank, Societe Generale, Banca Intesa Sanpaolo Gazprombank, Promsvyazbank, Halkbank, and others across Europe

Digital Banking
Dedicated to provide unique solutions to visionary financial institutions

Belgrade
R&D Center and Center of Excellence

New Frontier Group
Fastest Growing Company in the Group

Awards
Europe’s 2016 iBanking Software Solution Provider
Best 2016 Innovation by Societe Generale group
“According to IDC Financial Insights' analysis and buyer perception, NFG, with its iBanking Mobile solution, is a **Major Player** in this IDC MarketScape.”

**Strengths:**
- **Strong focus on strategic consulting to help banks with digital transformation**
- **Easy addition of new capabilities on the client side**
- **Integrated PFM platform**
- **Omni-Channel**
Digital Transformation
Data and Information

48° 12′ 16.7″ N,
16° 22′ 05.8″ E
Data and Information
Personalization
Personalization

Image A

Image B
Personalization
Content & Geolocation
Personalization
Content & Geolocation
Digital Transformation in Finance

- Digital Strategy
- User Experience
- User Experience Reduce Cost
- Value Proposition, Increasing Revenue
- Value Proposition, Increasing Revenue
- Increasing Revenue

- Opti-Channel
- Digital Core
- Innovative Digital Products
- Partner Ecosystem
- New Digital Business Models

- Consulting and Implementation

Value for Clients and Bank

Digital Transformation
New Digital Business Models

PSD2 and Open Banking – Opportunity Openers

• It will be much easier for players out of banking industry (for instance Fintechs, Telcos, ISP, non-banks) to enter this till now highly fenced territory.
• Newcomers will play significant role in the future of financial landscape.
• With API focused digital ecosystem for instance, banks should see it as enormous opportunities – starting with the opening them a chance to partners with the whole range of complementary players.
• With APIs, non-banks can have access to financial services without having headaches of dealing with compliance and regulatory, which banks are required to do

Within winners will be those, who will be the fastest in adopting a business model and future applications to API economy.
Orange to acquire a 65% stake in Groupama Banque, which will become Orange Bank

Paris, Friday, April 22, 2016

Orange and Groupama have signed an agreement that aims to enable the development of an innovative, 100% mobile banking service. This agreement concludes the exclusive discussions that have been ongoing between the two Groups since January and paves the way for the acquisition by Orange of a 65% stake in Groupama Banque. Groupama will retain the remaining 35%. 
White Label Banking

What is White Label Banking?

White Label Banking model allows Telecoms/IPS to provide financial services when partnering with the Bank of their choice thus utilizing Bank’s banking licenses, regulations and existing core infrastructure or starting own banking business.

Why White Label Banking?

No organizational hassle, just making better use of the existing infrastructure of the partner bank by:

• Combining expertise of telecom and banking in one innovative business initiative
• Selling value added financial services to existing customer BASE (Increase loyalty + revenue)
• Generating new customers amongst the partner bank CLIENT BASE (increase #customers + revenue)
• Building on the asset of Digital
Added Value

Growth Based on Digital Business Models

- Owning Customer Information (360°)
  - Adding New Services
  - Loyalty
  - Telecom

- Trusted Source 100% Mobile Services
  - Immediate Fulfillment
  - Price
  - Client

- New Client Base
  - New Products & Services
  - Full Digital Banking
  - Transformation
  - Bank

Based on Telecom client base, joint channel and Bank’s competencies and capabilities in back office
Innovative Digital Products
Peer-to-Peer Payments

- Bank’s customers can send money to any mobile phone or e-mail address
- The recipient can withdraw the money on ATMs using numerical and/or QR code sent by SMS, e-mail, social networks, Viber, WhatsApp, etc.
- The sender can also be the recipient – cardless ATM withdrawal
- Possibility to expand cash-in and cash-out process by partnering with retail chains
Augmented Reality Shopping

The customer walks in the Retailer store and finds a product he is interested in – an iPhone 5s in this example.

He opens the Shopping app to view the product through his mobile phone camera.

The app recognizes the product and displays various animations, videos, images and text containing the product description and special offers.
Augmented Reality Shopping

The customer can touch the virtual QuickLoan button to see all details about the proposed loan in the Bank’s main app.

The app will display the consumer loan offer tailored to that specific customer. The offer can be either dynamically generated via integration with the scoring system, or preapproved.
Integration with Partner Apps

- Possibility to integrate with partner’s mobile and kiosk apps to facilitate direct payments from customer’s Bank account
- Integration with eCommerce retailers: customers are redirected to Bank’s website to approve the payment from own account
Digital Wallet

- Allow customers to securely add their cards to the wallet app
  - Wallet app can be standalone or integrated in the Bank’s main mobile app
- Make card payments using MasterCard’s MasterPass checkout technology
- Make one-click payments online without giving websites your card data
- In-store checkouts via scanning QR codes
- Bluetooth LE beacon and NFC support
- Possible to sell many products/services directly through wallet app:
  - Road toll, parking, lottery, event tickets, mobile top-ups, donations...
Digital as a Sales Channel: Savings With Goals

- Allows customers to assign a goal for each savings account
  - Motivates customers to keep saving better than saving for generic purpose, without clear target or reason.
  - The Bank knows exactly what the customer wants to purchase, and how much he is ready to pay – amazing opportunity for cross-selling own products (loans) as well as 3rd party products.

- Example: the customer has a savings account with the goal “Buy a new car” and the target amount 20.000 EUR in 5 years. The Bank detects when the customer has saved certain percentage of the needed amount, and can jump in with an offer for a loan.
Apple Watch Application
True Digital Banking
True Digital Banking platform

- Digital Front End
- Automated E2E Processes
- Innovative Digital Products
- Personalization (Big Data)

New Business Models & Enhanced Ecosystem
Automation Example

Digital Onboarding
Success Story – Societe Generale Bank

Best 2016 Innovation by Societe Generale group – 66 countries

First fully Digital Bank in region

50% of Credit Products through Digital Branch

Strategic partnership with VIP Mobile
Digital Banking References (abstract)
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Thank you