

Banking and Payments are the critical pillars of the economy and are among the core areas that have seen a major uptick in digital adoption since Covid-19.



## Top reasons why the banking sector needs to digitalize



Improved Customer Experience



Increased number of Clients



Safe, efficient, and secure processes



Cost reduction

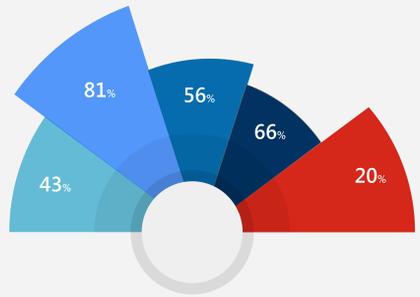
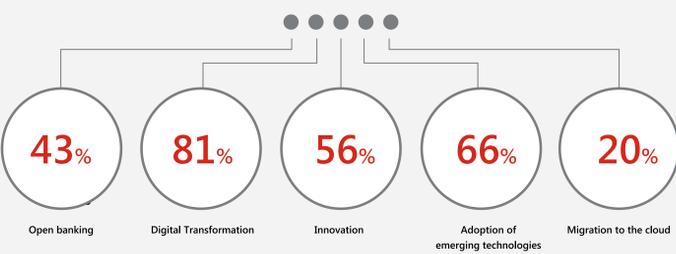


Better decision-making

Digital banking is expected to generate about \$8.646 billion by 2025, with a Compound Annual Growth Rate (CAGR) of about 3.8% between 2019 and 2025.



## Top priorities for banks in next 1 to 3 years



"All out digital transactions in volume terms recorded a development pace of 58.8 % during 2018-19, over the development of 50.4 % during 2017-18." (Reserve Bank of India)

## Technologies making an impact in Banking

"Nearly 81% of banking CEOs are concerned about the speed of technological change, more than any other industry sector." (PwC)

### Artificial Intelligence

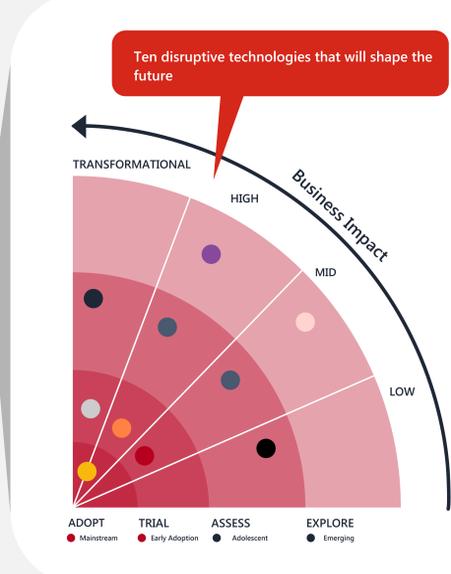
- About 32% of financial service providers are already using AI technology like predictive Analytics, voice Recognition, etc. - National Business Research Institute and Narrative Science.

### Big Data

- Big Data will bring an 18% increase in revenue for the banking sector.

### ChatBots

- Bots' interaction used in the banking sector has already reached 90% in 2020. It is predicted that the operational cost savings from using chatbots in banking will reach \$7.3 billion globally by 2023. (Juniper Research)



### Augmented Reality

- Popular banks such as Axis Bank, Westpac Bank, and 9 others are successfully using augmented reality to offer unique services. (wowso.me)

### Blockchain Technology

- It is estimated that investment banks would be able to save \$10 billion by deploying blockchain technology to improve the efficiency of clearing and settlement systems. (Accenture)
- Another major area in which banks will see a massive saving by using blockchain technology is KYC (Know Your Customer) operations, turning KYC from a cost center into a profit center for banks. (Forbes)

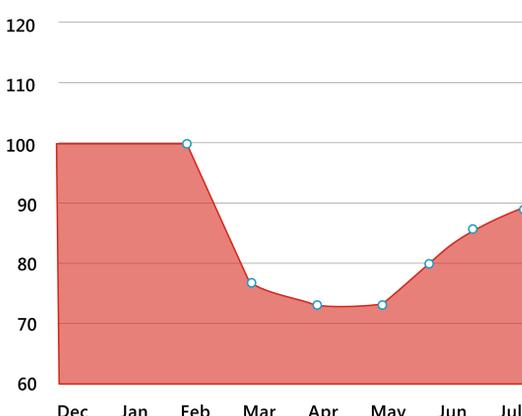
### API Platforms

- 7.52% of customers use smartphone banking. The penetration rate exceeded the 50% mark for the first time in 2018.
- 8.69% of Millennials prefer mobile banking. Generation Y is the decisive driving force for mobile growth in the banking market. (PACE Insights, FIS, 2018)

## Use of Banking channels shifted during COVID-19

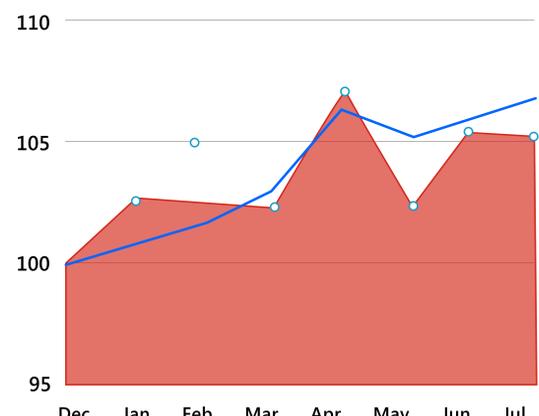
US branch capacity is down roughly 12% since December 2019

Network capacity  
Index to Dec 2019=100  
Branches open to customers



Mobile and online activity continues to increase, with spikes in April  
Index to Dec 2019=100  
30-day user

Mobile Users  
Online users



Customers are using distribution channels differently through the crisis; as branches have closed, use of content center, mobile, and online channels has increased.

### Quick Statistics

- 88% of financial service professionals believe that technologies such as machine learning, natural language processing, chatbots, robotic process automation, and intelligent analytics are a strategic priority. (Deloitte)
- Despite this, nearly 40% of the main global banking entities had not yet proposed a digital transformation strategy by the end of last year. (Vector ITC, the Spanish technological and digital group)