

# Is virtual future ahead of us? ...or is it already here?

## Trends in retail banking



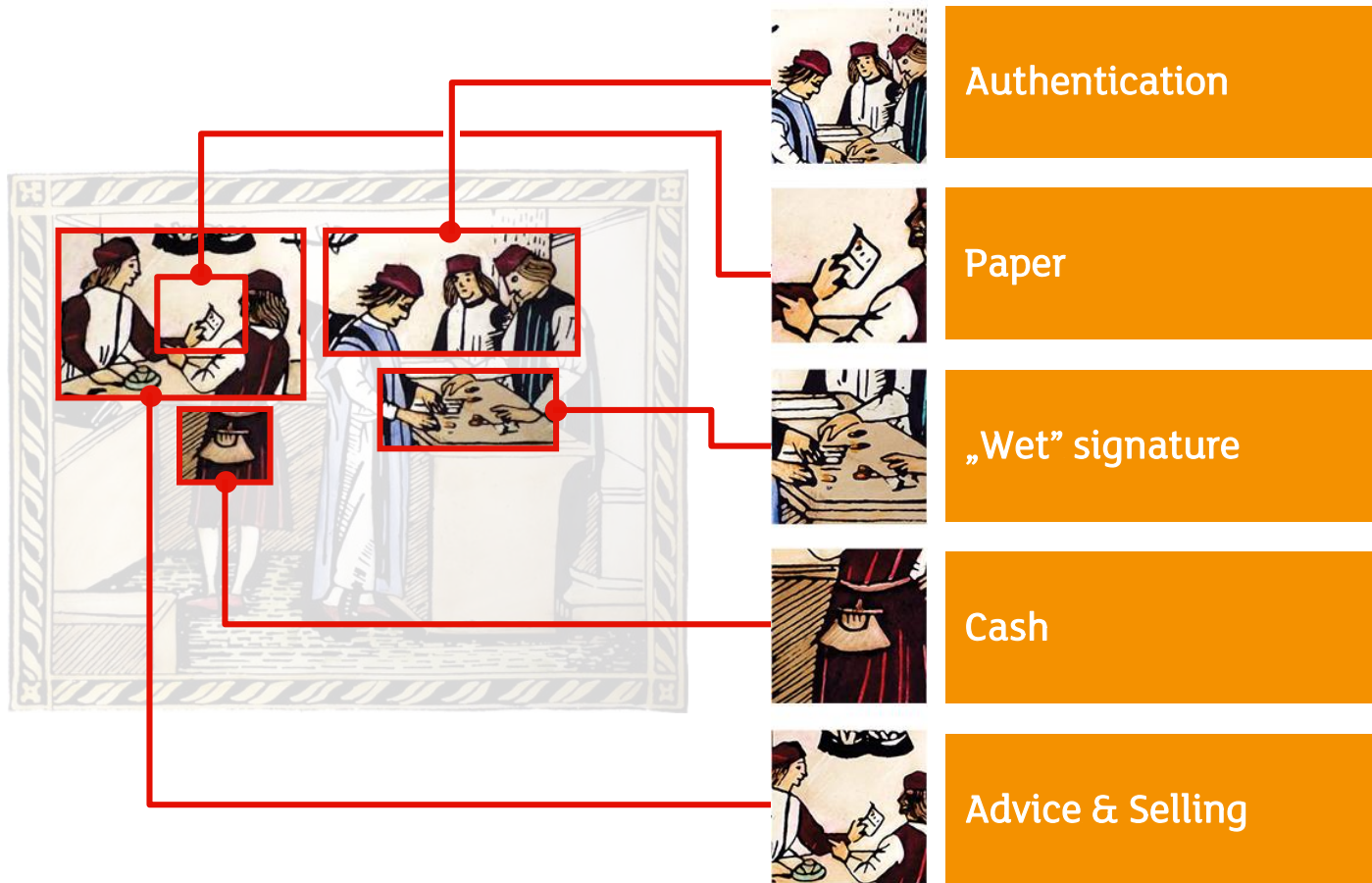
**Paweł Kucharski, mBank**  
*April 21, 2015*

**What is the essence and target of  
DISRUPTION  
that is to come to finance?**



The very  
essence of  
banking is  
rooted in  
**PHYSICAL**  
distribution...

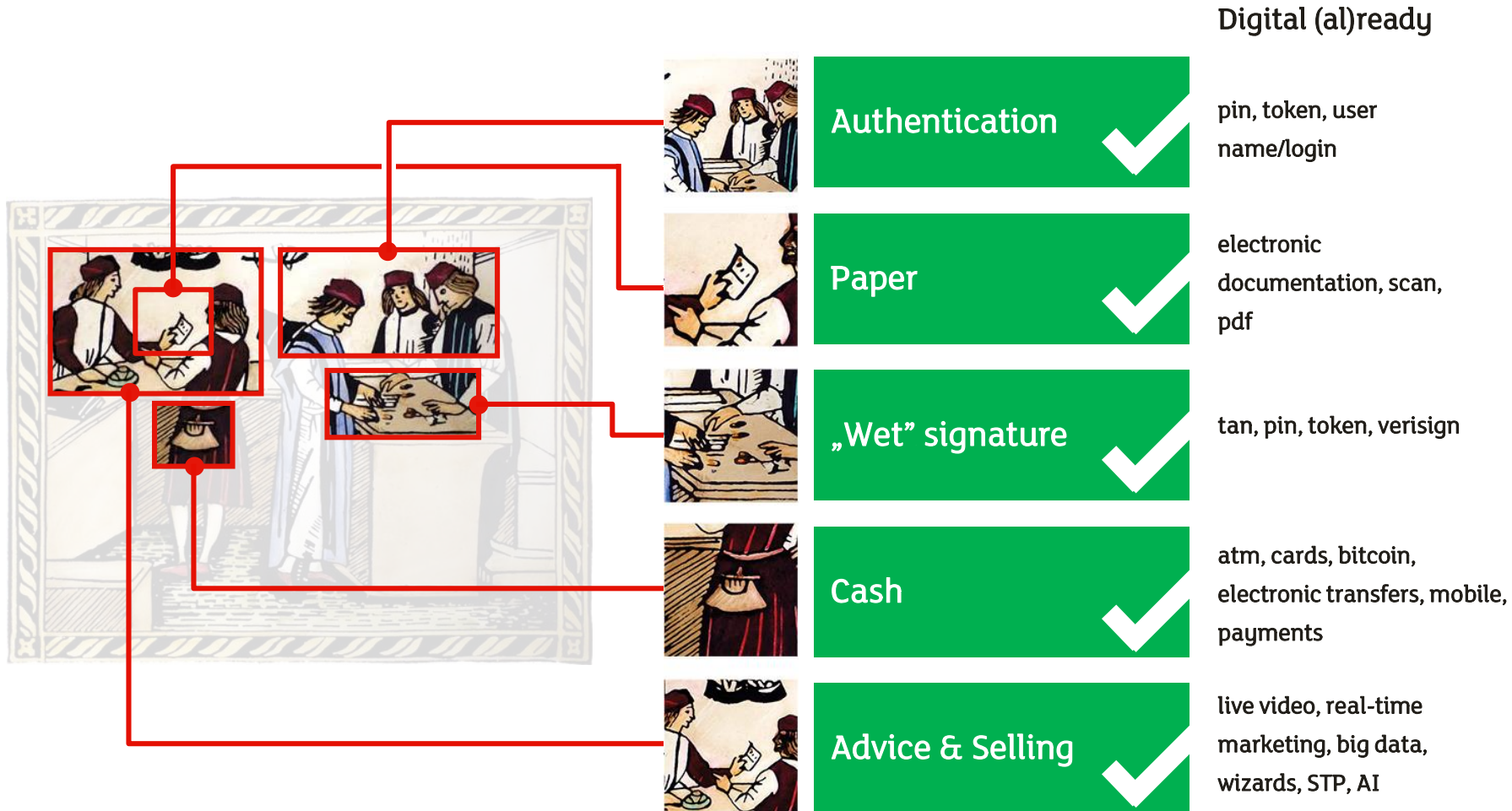
# Bank = Banco = „Bench” = ..Branch



**Banking is an INFORMATION BUSINESS  
with its physicality merely forced  
by available  
capabilities / information technologies...**

**...at the particular time in history.**

# All digitizable, except... **no exceptions anymore**



# CORE BANKING BUSINESS



ENABLERS

DIGITAL

CHANNELS

- Mobile
- Online
- Video
- Wearables
- Smart TVs and adapters
- Branches
- Contact center
- Self-service
- Other devices

DIGITAL

PROCESSES

- „End-to-end no manual intervention from customer request to fulfillment“
- Open
- Service, change
- Transact
- Close

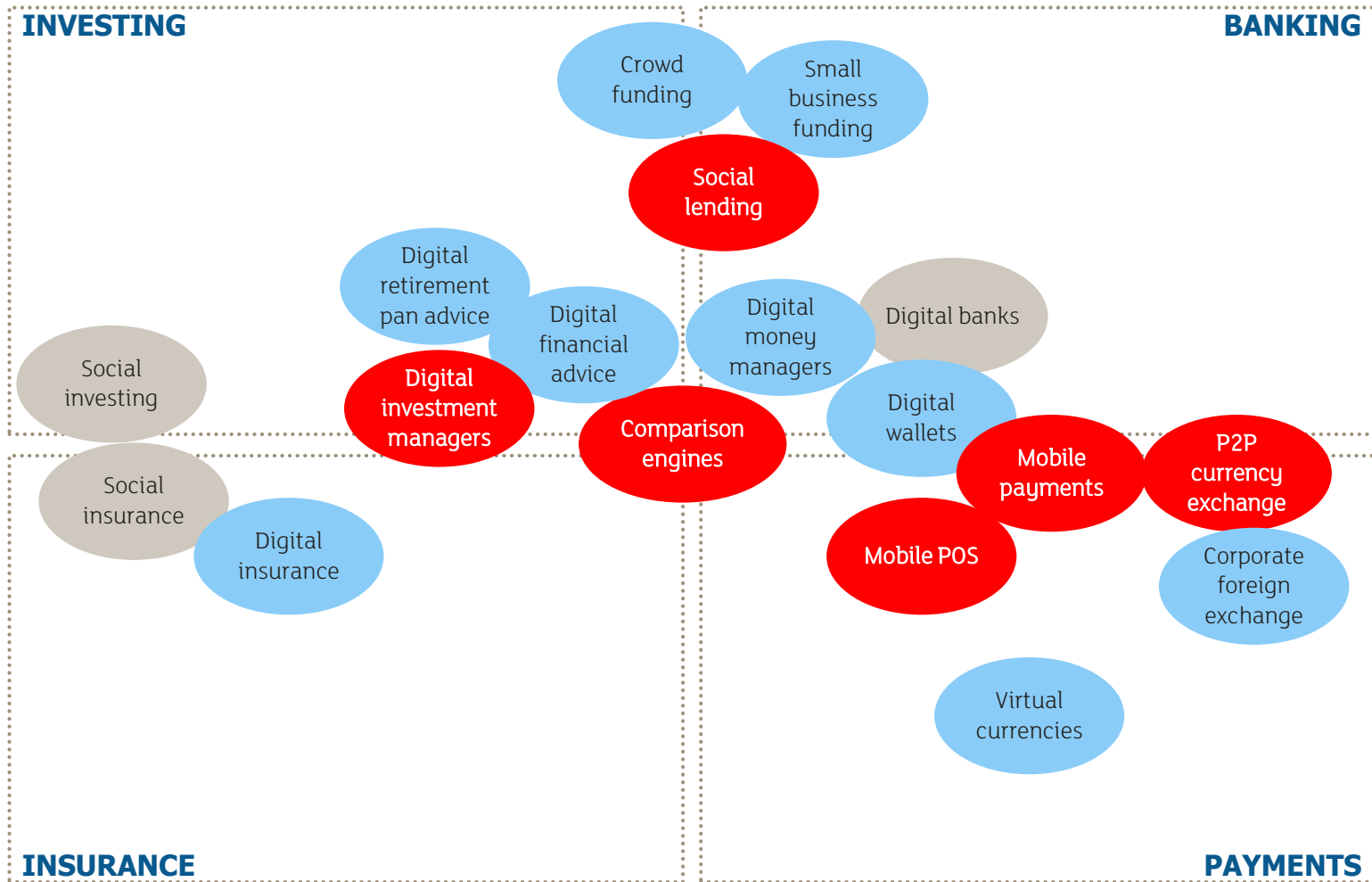
DIGITAL

CAPABILITIES

- Computing power: cycles, memory, data transfer
- Form-factors / devices
- Natural user interfaces
- Big data creation and collection
- Big data intelligence / AI
- Cloud computing
- MANY others

# There are ~18 classes of barbarians at banks' gates...

*6 with particularly strong potential for disruptive change*



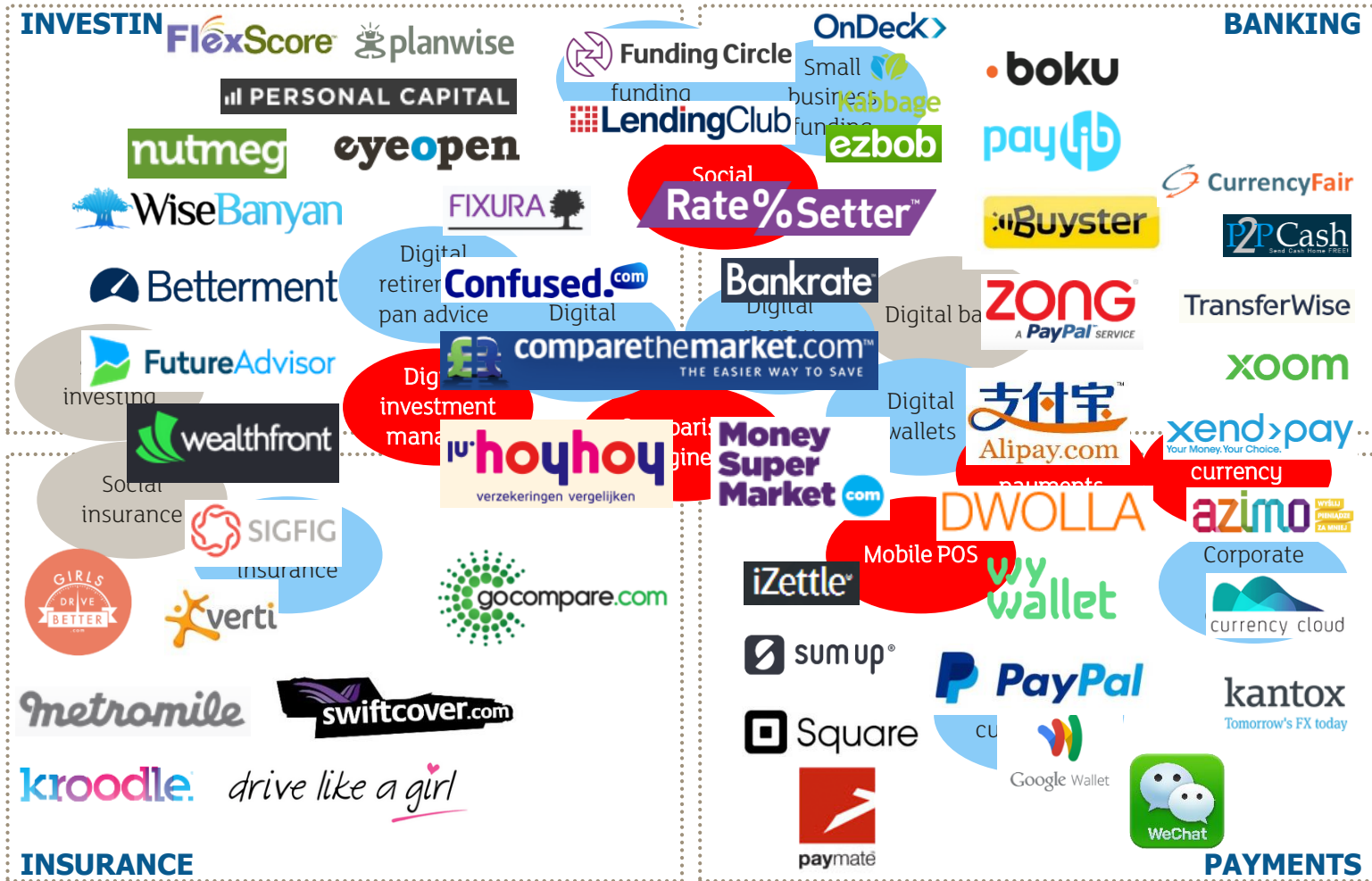
Disruptive potential



Source: Forrester Research „Digital Disruption Hits Retail Finance”



# ...12 thousand barbarians to be exact



Disruptive potential

Low

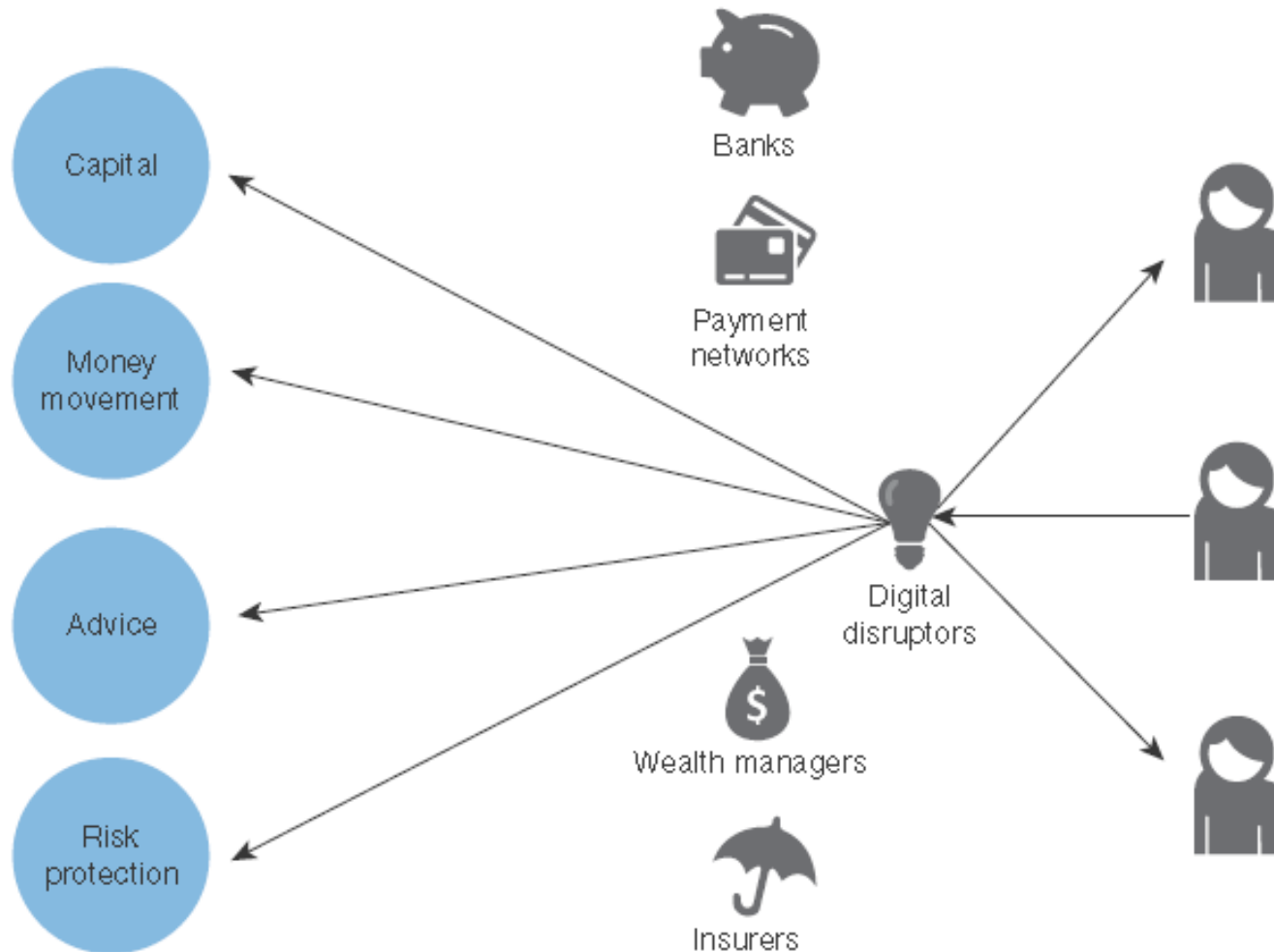
Med

Hi

Source: Forrester Research „Digital Disruption Hits Retail Finance“

# The biggest risk is losing relationship with customers

*Many disruptors are financial services hubs*



# RETAIL BANKING BUSINESS

directions for the future

## White label

- Banking licence provider
- Risk management
- Compliance
- Back office processes management

## Digital bank

- Modern lending
- Mobile payment
- Partnership
- Advise automation