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CBDC AND THE FUTURE OF MONEY

WHAT'S NEXT IN CROSS-BORDER PAYMENTS

DIGITAL BANKS: *CHARTING A PATH* TO PROFITABILITY?

CIMB ACCELERATES DIGITAL ADOPTION

UOB IS EMPOWERING ITS PEOPLE

BANKING INSIGHTS | EXECUTIVE INTERVIEWS | RESEARCH AND ANALYSIS

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UOB: Empowering its people to become future-ready

At United Overseas Bank (UOB), people are its greatest asset. As such, UOB sees it as its responsibility to ensure that its workforce is future and digital-ready. UOB's customers' demands are ever-changing. UOB began its People Transformation Journey in 2017. UOB transformed the roles of its front liners from focusing on operational and transactional to multi-skilled individuals focusing on Business Leadership, Advisory and Digital.

UOB ensures its people remain relevant to anticipate the needs of a new generation of increasingly digitally savvy customers. Regardless of tenure or role within the organisation, every employee is equipped with the relevant skill sets to deliver UOB's brand promise with confidence. As a group, UOB has transformed its workforce, laying the foundation for an extensive and significant journey that would ultimately change the way the Bank serves and delights its customers.

This unrelenting passion to transform its employees has also propelled UOB to be declared Winner, Outstanding Staff Training, Learning and Development Program at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker. In addition, UOB also took home the award, Highly Acclaimed, Best ATM Innovation.

"Be it designing a new role, new branch models or tapping on data to enhance the customer journey and experience, UOB understands that it needs its people to be armed with the right skills and mindset. That is why UOB is consistently pursuing the development of its people. We understand that when our people are growing, everything else follows," said Mr Benny Chan, Managing Director, Group Channels and Digitalisation, UOB.

Future-proofing People

Knowing that job roles within the financial sector would be transformed within the next 3-5 years, UOB began its people transformation journey with Career Conversion Program (CCP), previously known as Professional Conversion Program (PCP). The intent was to reshape and future-proof its workforce, starting with the transformation of the roles of its front liners equipping them with knowledge on business, leadership, advisory and digital.

UOB's transformation journey is an ongoing project that the Bank constantly reinvents, refines and develops. It is a multi-faceted approach that covers different aspects of training – from the traditional classroom trainings to more experiential programs and experiences. In recent years, UOB has also focused on newer concepts such as Artificial Intelligence Data Analytics (AIDA) and UIUX training for its employees.

UOB is one of the first few banks in Singapore that has invested in its people to minimise the risk of them being displaced by technology. Today, more than 92% of its branch staff are multi-skilled and are empowered with the right skillsets to embrace digital.

The initial PCP has been so successful that UOB has since enrolled its new hires from non-banking industries into this programme, enabling them to adapt fast and to be part of the change. In 2020, UOB enrolled another 165 Head Office staff into PCP, bringing the total number to 1,137.

Since the implementation of PCP, UOB has continuously enhanced the scope of its trainings.

Benny Chan

Managing Director, Group Channels & Digitalisation

UOB

Aside from experiential learning, learners are also given the opportunity to learn from the best, beyond the banking sector. This includes overseas learning trips, exposing employees to new concepts allowing them to learn from companies using Blockchain technology. In turn, employees are able to apply their learnings to the banking ecosystem.

The various programs to transform its people have resulted in numerous initiatives, which directly or indirectly led to an improved customer satisfaction and higher Employee Engagement Survey Scores (EES).

In November 2020, a task force within Group Channels and Digitalisation was set up to look into how productivity could be further improved at the branches. The task force consists of representatives from six areas identified from the Employee Engagement Survey. The six areas of focus are:

1. Work-life harmony & process improvement
2. Improved Branch infrastructure
3. Improved collaboration with Call Centre
4. More user-friendly access to information
5. Ease of access to day-to-day information
6. Improved System access issuance.

Since the launch of this task force, many new initiatives and implementations have been put in place, resulting in improved productivity. In addition, UOB has designed new roles to serve customers better. These roles were designed to ensure that its employees remain relevant and attuned to the constantly evolving banking landscape.

Some of these new roles include Total Service Manager (TSM), Digital Champion, Branch Analyst (BA), Client Experience Manager (CEM) and Wellness Manager.

- **Total Service Manager**: To build long-term relationships with customers and the community
- **Digital Champion**: To educate customers and promote a digital culture
- **Branch Analyst**: To enhance customer experience through Data Insights
- **Client Experience Manager**: To enhance customer journey and advocate service culture
- **Wellness Manager**: To engage customers in a new way with UOB's Wellness proposition

Transforming UOB's branch network to support business aspirations and omnichannel strategy is also a top priority. In the face of a rapidly changing environment, there is a need to develop new branch concepts to suit the changing needs of UOB's customers. Below are some examples of UOB's new concept branches:

- **UOB Express branch** – A branch model catering to Young professionals
- **UOB High Street Wealth Centre (HSWC)** – Catered to emerging affluent and busy professionals who value quality financial advisory and solutions. Leveraging AI and data analytics, Relationship Managers are equipped with a purpose-built digital investment advisory platform to provide deeper insights into building a Risk-First investment portfolio.
- **Hangout@UOB** - A space designed by students to serve the needs of the NP community and a campus incubator to nurture start-ups.
- **Wellness Centres at UOB** – Personalised banking reimagined with a suite of wellness offerings centered around customers. Wellness@UOB offers customers access to curated wellness events and deals and a differentiated branch experience.

UOB's significant investment in her employees allows her to draw out the very best in each employee and help them fulfill their potential. With the multiple opportunities to learn and upskill, UOB is able to shape the future together with her greatest asset, her employees.

Outstanding ATM Innovation

UOB has more than 600 self-service banking machines servicing customers across Singapore to meet their self-service banking needs. These comprise of Automated Teller Machines (ATMs), Cash Deposit Machines (CDMs) and multi-function machines that support passbook updates and coin deposits.

A big part of self-service banking operations cost comes from cash-in-transit trips. The ability to optimise trips and customise the solution based on UOB customers' needs and usage of the machines is, therefore, critical.

The solution? Leverage UOB's in-house EDAG (Enterprise Data Architecture and Governance) platform, where the team built a machine-learning time series forecasting model, based on customer transactional data available in the Data Lake.

Leveraging AI and machine learning, UOB analysed cash behaviour patterns and produce a timely, cash-in-transit trip planning solution that yields an optimal trip schedule with the best cash availability.

The solution, which was piloted in June 2022 proved to be successful when it achieved a 25% reduction in cash replenishment trips, therefore, improving machines availability.

The immediate benefit for the customers is a seamless experience through cash availability and reduction in machine downtime across all the different types of self-service banking machines across Singapore. Utilising information on the cash behaviour patterns of each machine, the customer's needs can be anticipated and proactively met by ensuring every machine is replenished timely, with the required note's denomination.

In addition, lesser human interactions - both from unintentional errors to malicious actions such as fraud can be reduced. With lesser cash-out situations, it allows customers to undertake cash-based transactions securely, anytime.

> **"UOB is one of the first few banks in Singapore that has invested in its people to minimise the risk of them being displaced by technology. Today, more than 92% of its branch staff are multi-skilled."**

Looking at the big picture, the reduction in trips also reduced vehicle road time required by the cash replenishment team which, in turn, helps UOB progress towards better sustainability and lower carbon footprint for both the bank and its customers.

The initiative is projected to achieve roughly $2M in annual savings in operating costs for cash-in-transit trips. As the solution is deployed with automation capabilities, productivity gain in the trip planning process has also been achieved. What usually takes 1 hour a day previously because of the manual process, now just takes 5 minutes to complete.

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Moving on from FTX: Are CBDCs the future of digital currencies?

The collapse of FTX at the beginning of the year has had a knock-on effect on investors, and Silvergate Capital has been exposed to massive customer withdrawals. According to CNBC, the bank lost 42.7% of its value after reporting a decline of roughly 68% in total deposits from digital asset customers during the fourth quarter of 2022, which fell from $11.9 billion to $3.8 billion.

The collapse of FTX has had a knock-on effect on investors and exposed Silvergate Bank to massive customer withdrawals. The withdrawals were primarily driven by the collapse of FTX, which had raised questions about the stability of the digital asset industry. Silvergate also announced that $150 million of its deposits were held by customers who had filed for bankruptcy protection, indicating a significant level of risk.

In response to the crisis, Silvergate sold $5.2 billion of debt securities to raise cash, creating a loss on

sale of $718 million. To maintain cash liquidity and meet potential deposit outflows, Silvergate reported holding $4.6 billion in total cash and cash equivalents at the end of December. The bank also laid off 200 employees, representing around 40% of its workforce, and exited its mortgage warehouse lending business. These measures have contributed to a significant decline in the company's stock price, which has dropped by over 90% from its all-time high of $222 per share in November 2021. The bank suffered a $1 billion fourth-quarter loss due to massive customer withdrawals resulting from the collapse of FTX.

The digital asset industry experienced a transformational shift during the fourth quarter of 2022, which led to several high-profile bankruptcies due to significant overleverage in the industry. This shift resulted in a crisis of confidence across the crypto ecosystem, leading investors to off-load riskier assets.

The bank has also been under scrutiny from lawmakers, with US senators led by Elizabeth Warren demanding answers from Silvergate CEO Alan Lane regarding the bank's business dealings with FTX and Alameda Research. The bank has responded by saying it was a "victim" in the FTX saga and plans to cooperate with ensuing investigations. Despite the challenges, Silvergate remains committed to its mission and providing value-added services for its core institutional customers, according to Business Insider.

FTX Fallout Sparks CBDC Debate

The recent collapse of FTX has led to growing scepticism about the cryptocurrency ecosystem, prompting governments worldwide to launch their own Central Bank Digital Currencies (CBDCs). CBDCs are stablecoins pegged to fiat currencies that promise greater stability, lower fees, and increased access to banking services. However, CBDCs are not anonymous like unregulated crypto tokens, making them fully traceable and vulnerable to surveillance by governments and banks.

CBDCs also threaten citizens' privacy, as the use of digital currencies could lead to AI monitoring and controlling individual spending habits. The European Central Bank is investigating the possibility of introducing a digital euro, while the US Federal Reserve has yet to make any commitments to a digital dollar rollout. Although CBDCs have potential benefits, policymakers must carefully design and consider policies to build trust in digital currencies, according to the International Monetary Fund. As the history of money enters a new chapter, the implications of CBDCs are still unknown and remain a topic of debate for stakeholders in the crypto landscape.

"The recent collapse of FTX has led to growing scepticism about the cryptocurrency ecosystem, prompting governments worldwide to launch their own Central Bank Digital Currencies (CBDCs)."

CBDCs: The future of digital money?

The recent collapse of FTX has brought central bank digital currencies (CBDCs) to the forefront of discussions, as it has become clear that private stablecoins lack the transparency, quality, and regulatory protection that CBDCs can offer. The failure of risk management in FTX's centralised exchange, combined with self-dealing and likely fraudulent disclosure, triggered a redemption tsunami and led to a decline in private stablecoins.

The Bank for International Settlements (BIS) has argued that some stablecoins are fatally flawed and that CBDCs provide the best solution. The BIS has also pointed out that CBDCs are transacted

using permissioned distributed ledger technology, which offers programmability and atomic settlement for automatic execution of transactions. CBDCs promise to transform asset markets by giving users more control over personal data while preserving privacy and consumer welfare.

Furthermore, CBDCs offer the transparency, quality, and regulatory protection that private stablecoins lack, and the BIS suggests that the best solution is for central banks to issue national fiat stablecoins.

The International Monetary Fund (IMF) supports the BIS's stance, and argues that authorities must develop bespoke regulation or revise existing regulating frameworks to ensure that all entities performing stablecoin ecosystem functions are licensed or authorised.

Indeed, the FTX debacle highlights the need for CBDCs as the best solution for providing stability, transparency, and regulatory protection in the digital currency ecosystem.

Standard Chartered Singapore: Standing out in a crowded market

Standard Chartered Bank (Singapore) has recently launched two innovative digital banking products in Singapore: the Smart Business$aver account which supports Small and Medium Enterprises (SMEs) in each stage of their business growth by enabling them to earn higher interests to offset their business costs. And the Smart Credit card with 3-month interest-free EasyPay Instalment plan with no service fees as part of the card's benefits.

The Standard Chartered Smart Credit Card, meanwhile, seeks to stand out in a crowded rewards points/cashback market by offering 3-month interest-free EasyPay Instalment plan with no service fees and waivers on annual fees and cash withdrawal transaction fees, which are typically not offered by other credit cards in Singapore.

For its impressive strategy and execution, Standard Chartered Bank (Singapore) Limited has been awarded, Best Current Account and Best Credit Card for Buy Now Pay Later (BNPL) at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"To keep up with rapidly evolving consumer behaviour and preferences, Standard Chartered Bank Singapore continuously identifies pockets of opportunities to engage its clients through various initiatives. It is great to see a financial institution dedicated to improving the banking experience

for its customers through sheer innovation and customer centricity," said Nirav Patel, Managing Director at The Digital Banker.

A first-of-its-kind business account in Singapore

Standard Chartered Bank officially launched the Smart Business$aver account in January 2021. The account feature is aligned to the Bank's intention to support SMEs in every stage of their business growth. The account enables SMEs to earn higher interests based on their activities and product holdings with the Bank.

The Smart Business$aver Account offers SMEs one of the highest interest rates in Singapore, of up to 2.28% p.a., through establishing a Lending Relationship, performing FX transactions, receiving Inward Crediting of funds and making Payroll Payments.

Smart Credit Card

Simply Cash Credit Card

> **"To keep up with rapidly evolving consumer behaviour and preferences, Standard Chartered Bank Singapore continuously identifies pockets of opportunities to engage its clients through various initiatives."**

SMEs can utilise the additional interest to cope with their business costs and make their money work harder for them.

In addition, SMEs can access the Bank's digital platform for their daily cash transaction needs and make use of the Bank's suite of financing options to improve their business productivity and to boost sales.

Simply put, the Smart Business$aver Account encapsulates the Bank's intention to support SME clients in every stage of their growth.

Addressing crucial gaps in credit card products

To adapt to rapidly evolving consumer credit card behavior and preferences, Standard Chartered Singapore continuously identifies opportunities to engage its clients through various initiatives such as new card product launches and refreshing customer value propositions (CVP) for existing card products.

The bank identified a gap in its suite of credit cards for young families, first job seekers, and millennials and developed a unique credit card proposition to address their needs. This new card, named the Standard Chartered Smart Credit Card,

> **"The bank identified a gap in its suite of credit cards for young families, first job seekers, and millennials and developed a unique credit card proposition to address their needs."**

provide simplified pricing, convenient borrowing, and accelerated cashback earned for everyday merchants.

Key differentiators of the Smart Credit Card from existing market offerings include perpetual waiver of annual fee and no fees for cash withdrawal, cashback earned on 3-month EasyPay instalments with 0% interest and no processing fee and no minimum spend requirement to enjoy accelerated cashback on everyday merchants. As part of Standard Chartered's commitment to sustainability, the Smart Credit Card is the bank's first carbon neutral card in Singapore, with emissions offset in its production process.

In addition, Standard Chartered Bank Singapore has also provided offerings that differentiate itself from competitors. Simply Cash Credit Card offers 1.5% cashback on all purchases, with no cashback cap and no minimum spend.

Rewards+ Credit Card offers up to 10X rewards points on foreign currency on overseas retail, dining, and travel, and up to 5X rewards points on dining transactions in SGD. Lastly, for a limited time only, CashOne Personal Loan offers cashback on first 2 months interest, with competitive interest rates from 3.48% p.a. (EIR from 6.95% p.a.). Get cash in 15 minutes upon approval.

CashOne Personal Loan

Standard Chartered Malaysia: Providing easy access to global exchanges

Retail banking is a rapidly evolving industry, and financial institutions are constantly looking for ways to stay ahead of the curve. One such institution is Standard Chartered Malaysia, which has recently launched SmartStocks and implemented the SMART Framework.

SmartStocks is a solution that aims to fill a product gap by making equities more widely available to clients without requiring laborious manual processes. It also serves as a strong proposition for acquiring new clients and driving the growth of other business lines. SmartStocks can be accessed directly through the bank's SC Mobile app, and the account opening, and onboarding process are completely digital, taking under 5 minutes to complete.

In Malaysia, retail investors continue to face difficulties in accessing global markets, with high transaction fees remaining a significant concern. SmartStocks aims to overcome these barriers by making it more convenient and affordable for clients to diversify into stocks across multiple onshore markets. The launch of SmartStocks is in line with the bank's focus on capturing the affluent segment and further digitising banking services for its personal banking customers, thus strengthening its wealth management proposition.

For continuously striving for excellence to stay ahead of the curve, Standard Chartered Bank Malaysia Berhad was declared Winner, Best Equity Trading Platform and Best Hybrid Wealth Management Offering at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"SmartStocks is a key part of Standard Chartered Malaysia's overall strategy due to its ability to address several issues and help drive growth for

the Bank's business lines. This can be an invaluable asset as the company looks to grow and develop its business in the coming years," said Nirav Patel, Managing Director at The Digital Banker.

SmartStocks: One-stop online share trading platform

SmartStocks is an innovative online share trading platform that allows clients to access equity trading on 12 exchanges across 7 global markets from Malaysia. These exchanges include BURSA (Malaysia), ASX (Australia), SGD (Singapore), HKEX (Hong Kong), SIX (Switzerland), NYSE, and NASDAQ (US).

Clients can trade via one account on any web-enabled or smart device, with no account opening fees, maintenance fees, or custody fees. There is no difference in the rates for trading shares across all exchanges via SmartStocks.

SmartStocks provide investors with the ability to do their own research to make informed decisions by tying up with Refinitiv, a global financial market data and infrastructure provider. With just a few taps on the phone, investors can see the fundamentals and key financial ratios of each public-listed company, among others. Information that is unique to SmartStocks includes broker ratings and peer comparisons of companies in the same industry.

In creating a seamless experience, users can convert their Ringgit into foreign currencies during off-market trading hours whether at night or during the weekend.

SmartStocks is a key part of the company's overall strategy due to its ability to address several issues such as solving the problem of limited access to equities for clients without requiring a laborious manual process.

The platform's strong proposition makes it an effective tool for acquiring new clients, which aligns with the company's strategy to expand its affluent customer base. A less-spoken benefit of SmartStocks is its ability to consolidate shares from other brokers, local or offshore, providing peace of mind, especially for legacy planning for next of kin.

SMART Wealth Management Framework

To better understand the needs of its clients and help them achieve their financial goals, Standard Chartered Malaysia has implemented the SMART Wealth Management framework.

The framework is made up of five elements: solutions, market insights, advisory services, relationship management, and technology.

Advisory and relationship management are at the heart of the framework, with profiling used to build deeper relationships with clients and better understand their financial needs before making product recommendations. Specialists in fields such as investment, treasury, and insurance advisory are on hand to provide bespoke and holistic wealth services.

Market insights come from a range of sources, including leading investment banks and independent research houses, and are used to arrive at the company's house view. Solutions are tailored to each client's unique needs. And then, technology is leveraged to make investing easy for clients, with digital funds platform SmartDirect available through the SC Mobile app and online banking website.

The SMART Wealth Management framework has helped clients in a number of ways. It provides personalised and comprehensive advice from relationship managers supported by a team of wealth specialists, helping clients to create financial strategies that suit their needs and preferences.

Through the framework, the bank is able position itself as a trusted advisor to its clients and establish strong and sustainable relationships with them.

Given the proven track record of the framework in almost quadrupling the bank's funds volumes between 2019 and 2021, despite the COVID-19 pandemic, Standard Chartered Malaysia's SMART Framework will remain a key anchor for growing the business in the coming years.

UOB strikes success with solutions that are personalised to every individual

United Overseas Bank's (UOB) performance in 2021 was driven by a strategic focus on fee generating income, a balanced business mix with diversified product income streams, and a strong presence in the ASEAN region. No wonder the bank remains optimistic about the long-term potential of the region and its strong positioning to capture opportunities in the years to come.

In 2021, UOB has seen strong performance, with gross revenue remaining robust at SGD 2bn ($1.47bn). Despite net interest margins being compressed from 1.77% in 2020 to 1.64% in 2021 due to low interest rates, the bank saw double-digit growth in net fee income and a 2% increase in its total customer base to over 2.1 million. Balance sheet growth was strong, with a 7% increase in current and savings account growth and 28% growth in mortgage new sales. UOB also maintained its cost-to-income ratio at 39%. The bank reported a net client growth of 2% and a 6% year-on-year

increase in net promoter score to 32.

UOB recently acquired Citibank's consumer banking business in Thailand, Malaysia, Indonesia and Vietnam for SGD 5bn in a move to become a stronger regional player. The acquisition will allow UOB to serve an additional 2.4 million customers, particularly in the upper mass and emerging affluent segments. The acquisition will also bring in $9.1bn of loans, $6.2bn of deposits and $6.7bn of assets under management. UOB saw strong growth in both assets under management and income in its wealth management division.

In its insurance division, UOB saw strong growth in gross written premiums, with a 15% increase in premiums for its general insurance business and a 12% increase for its life insurance business. The bank also saw a 10% increase in bancassurance income. In its credit card business, UOB saw a 14% increase in new card acquisitions and a 15% increase in spending per card. The bank also reported a 10% increase in unsecured lending income.

Simply put, UOB is capturing opportunities through both organic growth and acquisition. And with strong emphasis on banking innovation underpinned by customer experience.

Recently, UOB bagged major several awards at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker. These include:

- Best Digital Bank - Singapore
- Best Digital Bank - Thailand
- Best Digital Bank - Southeast Asia
- Best Retail Bank - Singapore
- Best Credit Card for Affluent Clients - USD 70k AUM and above
- Best Credit Card for HNW Clients - USD 1 Million AUM and above
- Best Customer Loyalty Program
- Highly Acclaimed, Credit Card of the Year

"Despite being the market leader across several business units, UOB continues to strengthen its propositions and capabilities as part of its aspiration to be the leading regional bank," said

Image: askarim / Shutterstock.com

Nirav Patel, Managing Director at The Digital Banker.

Biggest Rewards Program personalised to 'you'

With the aim of simplifying and enhancing the rewards experience for customers, making it easier for them to track and redeem rewards points and access deals and offers, UOB has launched UOB Rewards+ in Singapore, which offers customers the ability to track credit card reward points earned with every purchase.

The all-in-one app enables customers to view all UOB and partners' rewards, including upfront expiry dates for deals, which nine in 10 consumers said they would like to see in their digital banking app.

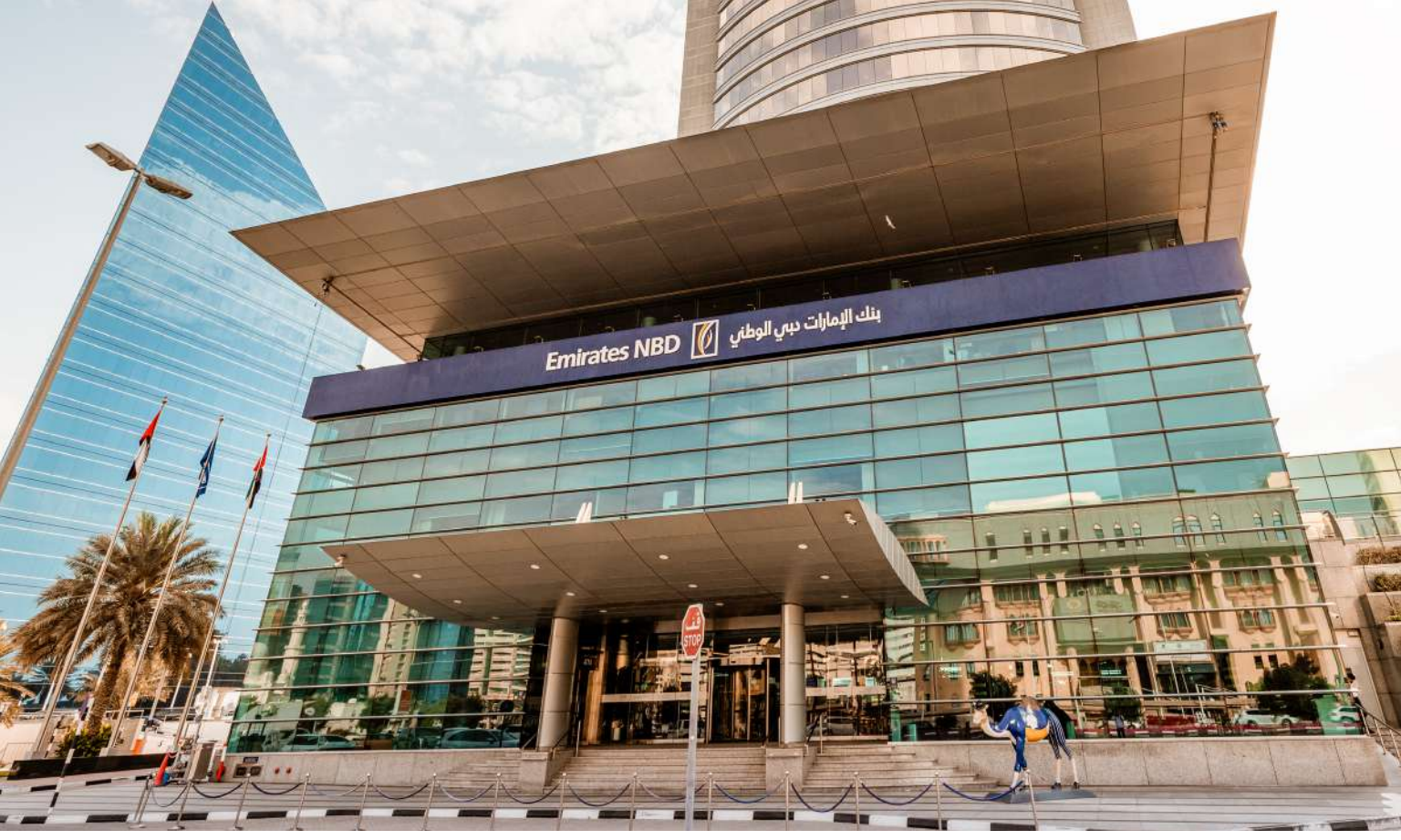
The UOB$ cashback programme allows customers to earn rebates automatically by using their UOB cards at payment terminals, with the cashback automatically redeemed to offset the bill on their next purchase at the same merchant. Customers can also make QR code payments through UOB TMRW at more than 140,000 locations in Singapore that accept NETS, PayNow or FavePay, and access personalised deals and offers.

TMRW has over 35 regional partners and is expanding its ecosystem, which allows customers to be acquired at scale. TMRW has also updated the user interface to simplify the process and make it more appealing to customers. As part of its focus on personalised experiences, TMRW uses AI and machine learning to provide customers with personalised recommendations based on their transaction and reward redemption history. The process is simple and transparent, allowing customers to view, manage, and redeem their rewards all within the TMRW app.

> **"UOB is capturing opportunities through both organic growth and acquisition. And with strong emphasis on banking innovation underpinned by customer experience."**

Meanwhile, UOB Rewards+ aims to provide greater value, transparency, simplicity, and relevance to customers. By integrating the UOB and Fave rewards programmes into one app, customers can easily track their reward points and view all available deals and offers. The UOB$ cashback programme makes it easy for customers to earn and redeem cashback, and the QR code payment feature allows for convenient payments at a wide range of locations.

To date, UOB Rewards+ has been a success, with a 57% month-on-month increase in average daily unique users and a 23% increase in screen time. The number of screen visits per customer has also increased almost tenfold since launch. Average daily visits to UOB Rewards+ have increased by almost sevenfold, with more than 5,000 coupons claimed by customers in a single day. Average merchant coupons claimed have also jumped 12-fold from the pre-launch period.



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Emirates NBD: Driving CX with a customer level approach

Emirates NBD is dedicated to constantly improving customer experience and has developed a unique solution for service centres to achieve more than just operational efficiency. In today's complex and competitive contact centre environment, customer level analytics is crucial for working smarter and having a real impact on customer experience across channels. Data collected during service interactions can provide valuable insights for the organisation, allowing them to better understand their customers and implement proactive strategies.

In recent months, Emirates NBD, a leading banking group in the MENAT (Middle East, North Africa and Turkey) region, is taking a new approach to customer service by prioritising high-value customers and transferring them to the appropriate agents. This is part of the organisation's efforts to work smarter and have a real impact on customer experience across channels. They are also accelerating the adoption of digital channels to migrate calls from IVR to alternative digital channels.

Additionally, the bank is working to change

customer perception that the call centre is the only option for small inquiries, and redirecting them to alternative digital channels for faster information. This new approach is aimed at providing an improved customer experience and is driven by a data-driven, customer-centric focus.

For this practical, seemingly simple yet highly innovative approach, Emirates NBD has been declared Winner, Best Frictionless Customer Relationship Management at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker. In addition, the bank won Best Marketing Personalisation Across Channels and Best Social Media Marketing Initiative.

"Emirates NBD is committed to facilitating digital adoption by migrating customers from IVR to alternative digital channels such as online and mobile banking, website and more. By doing so, it's paving the way to provide a seamless and efficient experience for its customers," said Nirav Patel, Managing Director at The Digital Banker.

C2S2: Customer Calls & Service Score

Emirates NBD launched its call centre Customer level analytics project, C2S2 (Customer Calls & Service Score) in Q4 of 2021. The project, which is live on the bank's IVR system, aims to prioritise customers on the call in a scientific manner.

The bank is dedicated to constantly improving customer experience and has developed a unique solution for service centres to achieve more than just operational efficiency.

Adopting a data-driven approach with a customer-centric focus, the bank aims to move from simply handling calls to servicing customers while achieving the following objectives:

- Prioritising high-value customers who call for specific reasons and transferring them to appropriate agents
- Accelerating the adoption of digital channels to migrate calls from IVR to alternative digital channels
- Changing customer perception that the call centre is the only option for small inquiries, and redirecting them to alternative digital channels for faster information.

As a first-case implementation of the C2S2 framework, the bank has launched the beta version of a support centre section on their website. By using a digital channel for this initiative, the bank is approaching this in a way that will become the norm of the future.

For example, if a customer calls to block his card, he can be diverted to the specialised website support centre where simple queries like this can be solved in a digital-first approach that provides instant gratification for the issue at hand. This also reduces the number of less significant calls to the call centre, thereby saving costs and enabling the bank's agents to focus on solving high priority problems and utilising cross-sell opportunities to enhance sales.

The benefits of the framework include better customer experience, lower calls, reduced costs, and higher revenue. With C2S2 score on the system, customers are now prioritised based on their reason for calling and their banking relationship on the IVR. Additionally, customers calling for basic enquiries who would have to wait longer on the IVR, are now moving to digital platforms to address their queries.

The bank has also identified customer segments with similar calling behavior and is proactively

> **"Emirates NBD is taking a new approach to customer service by prioritising high-value customers and transferring them to the appropriate agents."**

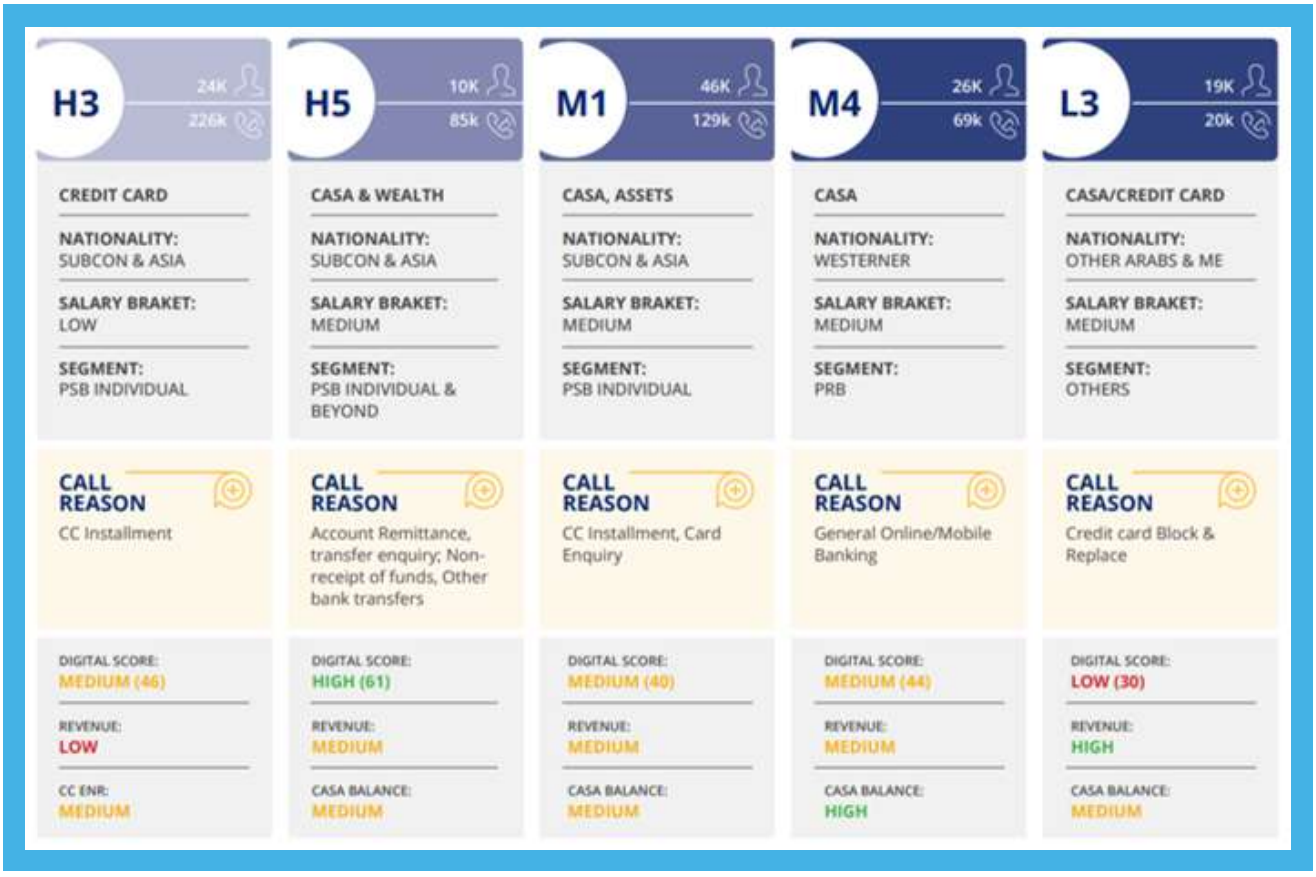
communicating with them on their probable reasons for calling through emails, digital banners, information on the website, pop-ups, etc. The algorithm to assess the next call reason of a customer based on his current call, helps the bank proactively communicate on the next probable reason to reduce calls significantly. This helps the bank understand customer issues better and prioritise areas where the call volumes are very high.

Positive Initial Results

The C2S2 (Customer Calls & Service Score) framework has shown promising initial results. Although it has only been a few months since the framework was implemented, Emirates NBD has already seen a reduction in monthly IVR calls for general queries by 10%, an improvement in digital active distribution among customers by 12%, an improvement in their NPS score by 20 bps, and a reduction in customer attrition rate by 5%. The bank believes that the results will be even better over time as they constantly improve the framework based on internal and external feedback.

The implementation of the C2S2 framework on the website's support centre has also had a positive impact. The bank has been able to identify and create about 30 top self-serve customer journeys that include about 200 articles and sub-topics.

This enables them to serve customers who may not be able to reach standard service channels such as branches or call centre, for example, customers who are banking from abroad or simply because of digital channel servicing preferences. Since the launch of the program in September 2021, the bank has engaged over 162,000 users, and observed an engagement rate of 62.7% on the beta website without any promotion or adoption efforts.



Call Behaviour Clusters

Maybank Privilege: Financial Solutions for the Emerging Affluent

Maybank Privilege is a client value proposition that serves the emerging affluent customer segment. The clientele of Maybank Privilege are the financially savvy, with demographics ranging from young and mature professionals to active seniors, and with Assets Under Management (AUM) of between S$50k and S$300k.

Adopting the Universal Banking Model, Maybank Privilege clients are served by Personal Financial Advisors (PFAs) who possess relevant competencies across wealth and financing solutions to provide a one-stop service for all their wealth management needs. Priority services are made available at all branches, complemented with digital banking services to provide ease of banking access and complete the value propositions for Maybank Privilege to serve clients in the early wealth continuum.

Recently, Maybank Privilege has been recognised for its unwavering commitment to delivering cutting-edge financial solutions for the emerging affluent, receiving the award for Best Emerging and Mass Affluent Banking Offering at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker. The award recognises the company's dedication to providing innovative and relevant financial solutions for its emerging affluent clients, and its efforts to continuously improve and adapt to the changing needs of the market.

Lim Kok Boon
Head, Retail Wealth & Branch Distribution
Maybank Singapore

"Maybank Privilege places a strong emphasis on creating pleasant and memorable experiences for its clients. The company strives to share information and engage with its clientele through various channels, including digital, physical and experiential events," said Nirav Patel, Managing Director at The Digital Banker.

Helping clients achieve their financial aspirations

Maybank Privilege was launched in 2018, with the objective of helping clients achieve their financial aspirations with a suite of enhanced financial solutions. This initiative's unique selling proposition is enabling clients to have access to priority banking services and to enjoy preferential client experience as well. What further differentiates Maybank Privilege from its competitors is its unwavering focus on providing continually enhanced business solutions and capabilities for their clients.

Mr Lim Kok Boon, Head of Retail Wealth & Branch Distributon of Maybank Singapore, said, "The success of Maybank Privilege is clearly evident since its launch in 2018 - a record stellar growth of 18.4% (CAGR) in client base and 16.9% (CAGR) in total assets as of 2022. Investment assets have also increased by 43.6% (CAGR) to-date with a growing investor base, which can be attributed to a compelling ad holistic suite of investment solutions and wealth advisory services." It is clear that this initiative has had a positive impact on the retail bank's overall business performance with great potential to grow further in the next five years, aligned with growth in the region.

The overall strategy behind introducing the Maybank Privilege initiative was to capture clients' wealth continuum within Maybank Group Wealth Management by offering access to wealth management products and services at a lower wealth quantum.

Focus on Service Quality

Maybank Privilege places a strong emphasis on service excellence. The company keeps its clients fully engaged and well-informed of campaigns and

activities through an integrated, multi-channel approach. This includes utilising SMS, emails, push notifications, the Maybank Treats App, social media platforms, and personal engagement with Personal Financial Advisors (PFAs). These efforts aim to increase client satisfaction and deepen the company's wallet share.

The benefits of the initiative to customers include service excellence, with clients kept fully engaged and well-informed on the array of campaigns and activities through an integrated, multi-channel approach. Additionally, the initiative strives to constantly enhance communication means, such as the introduction of the Video Conferencing Wealth Advisory in 2020, which allowed clients to review their portfolios and engage with PFAs on their financial needs, despite the restrictions of movement due to the pandemic situation, in the comfort of their own homes.

In 2020, the company introduced the Video Conferencing Wealth Advisory service, which allowed clients to review their portfolios and engage with PFAs on their financial needs. Despite pandemic challenges, the company's Net Promoter Score (NPS), Customer Effort Score (CES) and Empathy Score achieved positive results in all areas, indicating high levels of customer satisfaction in FY2021.

"The success of Maybank Privilege is clearly evident since its launch in 2018 - a record stellar growth of 18.4% (CAGR) in client base and 16.9% (CAGR) in total assets as of 2022."

With a commitment to continuously improve and innovate, Maybank Privilege is poised to become the preferred wealth management partner for the emerging affluent.

OCBC Bank: Empowering Customers to Achieve Financial Wellness

Navigating the constantly evolving financial landscape can be challenging for many individuals. This is where OCBC Bank comes in. With the launch of their customer-centric solutions, they aim to make financial planning simple, personalised, and accessible to all.

Before the Singapore Financial Data Exchange (SGFinDex) was born, financial planning was a very fragmented process that caused many consumers to give up tracking and planning their finances. Many consumers also did not have the tools to start investing. Understanding customers' pain points, OCBC Bank set out to make financial planning easier.

One of their key initiatives is OCBC Financial OneView, a one-stop dashboard that allows customers to see all their financial holdings across different financial institutions in one place. It also offers an "all-inclusive" financial planning experience on digital platforms, including managing finances and safeguarding assets. The FX Rate Alerts and FX Auto-Execute Orders provide customers with tools for more control in foreign exchange transactions.

OCBC Bank launched in 2021 a digital wealth product that allows customers to purchase and sell gold and silver precious metals via digital banking.

> **"The depth of innovation, impact on client experience and institutional performance of its product and service portfolio is what sets OCBC Bank apart from its peers."**

Furthermore, to enhance employee experience, OCBC Bank has introduced MyWorld and HIP, a unified digital platform that streamlines all employee services and work-related matters. Utilising innovative technologies and intuitive processes, the platform aims to empower and inspire employees by providing them with a user-friendly and efficient experience.

In recognition of its effective use of technology to empower and inspire customers and employees alike, OCBC Bank has been awarded Best Multicurrency Account, Best New Wealth Management Product Best Mobile Banking Initiative and Highly Acclaimed, Best Bank for Employee Experience at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"OCBC Bank has demonstrated its commitment to introducing initiatives that speaks to the needs of its customers. The depth of innovation, impact on client experience and institutional performance of its product and service portfolio is what sets OCBC Bank apart from its peers. Importantly, the Bank has a consistent track record of value creation across its various retail finance propositions and this has only served to reinforce its competitive position within market. In our view, OCBC Bank's leading initiatives will continue to shape the transformation of retail products and services while acting as a catalyst for future growth," said Nirav Patel, Managing Director at The Digital Banker.

OCBC Financial OneView: Innovation in Digital Banking

OCBC Financial OneView, launched in December 2020, is a one-stop dashboard that allows customers to see all their financial holdings across different financial institutions in one place. Powered by SGFinDex, customers can sync all their financial information from various financial institutions and government agencies to OCBC Financial OneView, giving them a comprehensive view of all their financial information - deposits, credit cards, loans, investments, insurance policies, securities-related holdings, assessable income, and CPF account balances.

Since launch, the bank has designed an "all inclusive" financial planning experience on digital platforms (Internet Banking and Mobile Banking) which encompasses various features across important financial planning pillars. The features include managing finances, safeguarding assets and mitigating risks, planning for retirement/ children's education, growing wealth, minimal hassle to pay income and property taxes, and a seamless way to build CPF retirement nest egg.

The OCBC Financial OneView aims to democratise financial planning by empowering customers to achieve their financial wellness goals through curated and guided journeys, making financial planning holistic, personalised, and simple.

FX Rate Alerts and FX Auto-Execute Orders

In addition to the comprehensive financial planning offered through the OCBC Financial OneView, the bank has also introduced new tools to give customers more control over their foreign exchange needs. The FX Rate Alerts and FX Auto-Execute Orders were launched to provide customers with additional tools to have more control when fulfilling their foreign exchange needs. The tool allows customers to monitor and convert currencies at their preferred rates, whether for investment purposes, paying for children's overseas education or for holiday expenses.

The objective of the bank was to make the process simple and intuitive in order to encourage increased usage of FX Invest and increase the utility of the Global Savings Account (GSA) especially when tagged to a debit card for overseas usage. Customers can automatically exchange currencies at their preferred rates and tagging GSA to the debit card, allowing payments to be debited directly from their converted currencies, reducing foreign currency transaction fees, which is a great benefit to the customer. The execution of this project has seen a 12% increase in the number of FX transactions performed by customers and a 30% increase in FX volume.

Elevating Digital Wealth Management

Building on their strategy of delivering a superior digital wealth experience, OCBC Bank has launched the instant purchase and sale of gold and silver precious metals via the mobile banking app (OCBC Digital). This allows customers to remotely open a precious metal account and purchase or sell gold and silver in real-time. The prices are based on live market data and customers can start investing from as little as SGD 25 for Gold and SGD 0.35 forSilver. Customers have a choice to pay for their investments from either their SGD account or any of their foreign currency accounts.

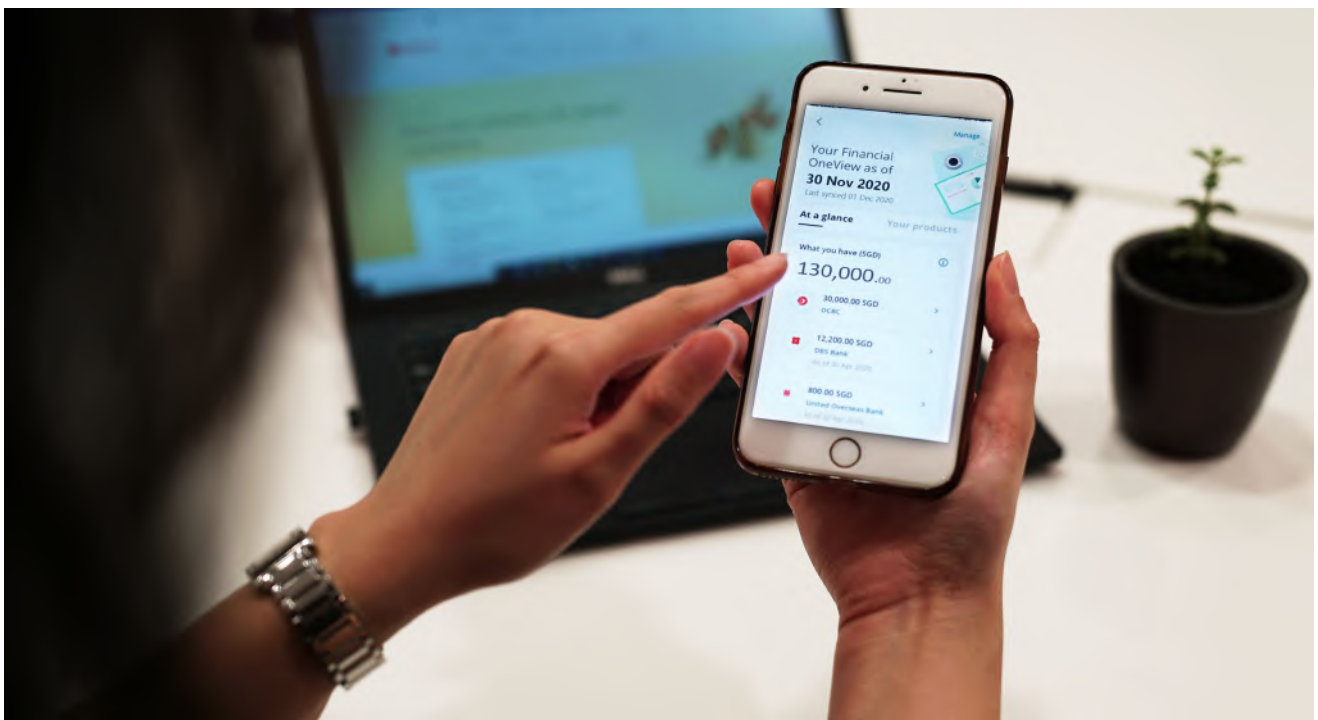
The objective of this project is to democratise access to gold and silver by offering it digitally, opening up new investment avenues for customers and empowering them to diversify their portfolio digitally. It is the only financial institution in Southeast Asia that provides this service where investors can instantly set up an account and directly trade gold and silver in real-time from quantities as low as 0.01 ounces on OCBC Bank's mobile banking app. The success of this project was measured by the adoption of the precious metals investments by customers. Within the first week of launch, $1m of Gold, Silver volume was traded on the platform.

MyWorld and HIP (HR in your Pocket): Everything an employee needs

To complement its digital offerings for customers, OCBC Bank has also developed a digital platform for its employees. MyWorld and HIP, a single platform that offers everything employees need in one place, was developed by closely listening to employee feedback through channels such as Qualtrics and weekly employee experience labs. This approach allowed the organisation to understand the day-to-day experiences of its staff and deliver solutions that empower them with self-service options on the go and transform processes through its Operational Excellence program. This has led to a streamlining of over 200 processes, resulting in a reduction in turnaround time and an increase in employee productivity.

Leveraging Agile delivery and a highly modernised technology stack, OCBC Bank is able to quickly respond to organisational needs and add new features. The highly automated DevOps framework also allows easy extension and scaling of these new features across all OCBC Group entities. The platform has exceeded its targets with more than 13,000 employees actively using the platform monthly and an average employee satisfaction CSAT score of over 4.5 out of 5 in the last four quarters.

Indeed, the implementation of the Digital Office platform has been a major step forward for OCBC Bank in achieving its goal of a more digital and efficient workforce.



Standard Chartered Hong Kong: Committed to mobile-first strategy

Standard Chartered, a leading international banking group, has a presence in 59 of the world's most dynamic markets and serves clients in a further 83. The bank was established in Hong Kong in 1859, and operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), a wholly owned subsidiary of Standard Chartered PLC.

SCBHK is committed to expanding its mobile-first strategy and dedicating resources to improve its clients' mobile experience. The bank's vision is to provide holistic digital wealth services to its affluent segment clients via a convenient self-service model, combined with relationship manager personal services. Relationship managers can also leverage technology to provide remote servicing as an option, with AI-powered tools like myWealth.

To better serve its mass segments, the bank is leveraging technology to provide more instant digital services, such as credit limit management, credit card temporary block, and unblock. The bank will also increase the number of straight-through processing journeys by leveraging digital authentication to verify customer requests remotely, removing the need for customers to physically be at a branch.
It's no surprise that the bank's efforts in expanding its mobile-first strategy and dedication to improving its clients' mobile experience have been recognised in the industry. Standard Chartered Bank (Hong Kong) Limited has recently been awarded Best Digital Bank - Hong Kong S.A.R., China at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"The bank's dedication to leveraging technology to provide more instant digital services and increase straight-through processing journeys is a leading example in the banking sector. This award serves as a testament to SCBHK's commitment to staying ahead in the ever-evolving financial industry," said Nirav Patel, Managing Director at The Digital Banker.

Advancing mobile-first, digital banking innovations

SCBHK offers a range of digital banking products and services, including credit cards, loans, deposits, and payment, as well as wealth and insurance businesses. The bank also has digital capabilities that support clients' needs for international banking.

The credit card and loan business of SCBHK has a strong digital presence. Over 80% of the bank's new credit card clients are acquired through digital channels, thanks to advanced on-boarding capabilities and partnerships with industry leaders such as AlipayHK and Cathay Pacific. The bank leverages API technology to integrate with the wider ecosystem of aggregators and other affiliates, using straight-through processing to on-board clients quickly and efficiently. Once the card is approved, clients can activate it immediately on the bank's mobile app or online banking platform.

All credit card clients can review their transaction details and account status in real time. Other digital services include credit limit management,

> **"The bank's dedication to leveraging technology to provide more instant digital services and increase straight-through processing journeys is a leading example in the banking sector."**

reward redemption, payment due date alerts, cash withdrawals, split bills, and temporary card blocking and unblocking, as well as reporting a lost card, initiating a dispute request, and waiving service charges and resetting credit card PINs.

SCBHK's credit card can also be used as a debit source for P2P payments and real-time account transfers on the bank's digital banking platform, which provides clients with more financial flexibility. This feature has been further extended for recurring payments, allowing clients to settle monthly payments for rent, tuition, car park fees, and other expenses with their credit card, making it easier to manage their finances. Utilisation of this feature has doubled since its launch. The bank also offers instant approval for loan on card products and instant cash disbursement after application, which is particularly useful in the current economic environment.

In terms of deposit and payment services, SCBHK has introduced remote banking account opening via its mobile app, reducing the time it takes to complete the on-boarding process to less than 8 minutes. The bank also offers a mobile time deposit service, allowing clients to instantly check the latest interest rate, renew or apply for the product, and no longer be limited by branch hours. All deposit clients can also enjoy instant interbank fund transfers, even if they only have the payee's mobile number or email address. They can also

easily settle payments with merchants by scanning a QR code.

In 2021, the bank revamped its international payment service to enable same-day-transfer to over 30 counties in local currencies including the UK, Canada, Singapore, and Eurozone countries etc. Client can view all payment related information like the foreign exchange rates and charges transparently before confirming the payment without any hidden costs and service fees.

In 2022, SCBHK enabled its banking clients to open investment accounts on its digital platform. Clients can easily trade foreign exchange, unit trusts, and equities in the bank's digital banking environment. They can also get insights and investment ideas from the bank's constantly updated fund list, which includes "Fund Select", "Top Performing", and "High Dividend". The bank also recently launched a new list, "People Like You", which features the popular fund choices of the bank's different client groups.

With cutting-edge digital innovations, SCBHK is leading the way in modern banking and setting the bar for innovation in the industry.

UOB Asset Management: Leveraging Tech for Strategic Portfolio Management

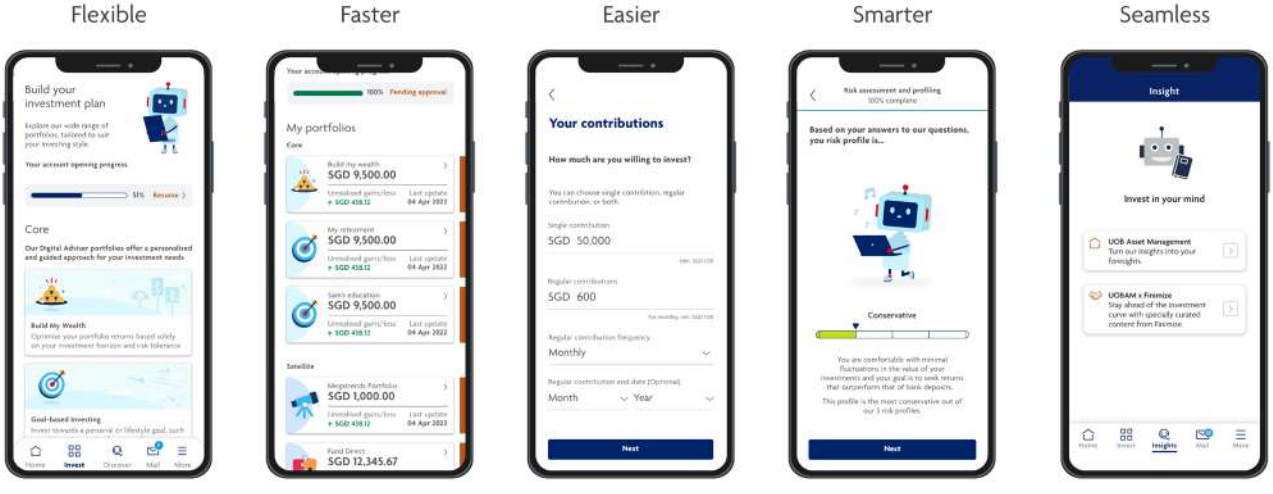
UOB Asset Management (UOBAM) is known for its forward-thinking strategies and advanced data analytics to optimise the performance of its investment portfolio. Recently, UOBAM's innovative approach to portfolio management has been recognised at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker with the firm winning several awards including, Best Robo Advisory Initiative and Outstanding Machine Learning Initiative.

"These accolades are a testament to UOBAM's commitment to providing retail investors with institutional-grade solutions and expertise, and to its ability to successfully integrate technology and human expertise in a way that benefits its customers," said Nirav Patel, Managing Director at The Digital Banker during the awards ceremony.

Revolutionising the robo-investing industry

UOB Asset Management (UOBAM) has launched a digital platform, UOBAM Invest, at end of July 2020 and it was later enhanced in 2022, which aims to provide institutional-grade portfolio solutions to a wide retail customer base. The platform offers accessibility through easy navigation and transparent portfolios, affordability through low minimum investments of just S$1.00 and no account opening or redemption fees, customisation through highly personalised portfolios tailored to individual customer circumstances, and professionalism through solutions based on four decades of investment expertise and an internal team of more than 90 portfolio analysts and managers, as well as third-party partnerships.

UOBAM is the first regional asset management firm to offer a robo-adviser for corporate investors and personalised portfolios for retail investors. For retail



investors, UOBAM's robo-adviser includes an established portfolio recommendation process based on investors' personalised inputs, such as risk appetite, investment goals, and time horizon. This is integrated with UOBAM's in-house investment views, expertise, and technology to generate instant, personalised, and optimal portfolio recommendations. This approach, which is trusted by institutional investors, is available to individual retail investors in a highly customised manner, tailored to their personal circumstances.

UOBAM Invest is revolutionising the robo-investing industry by combining process simplification with investment rigour. The platform offers the best of both worlds: consistent and regular human input, as well as a digital customer experience. This means that customers are not forced to choose between the two but can instead enjoy fine-tuned portfolio allocations and ongoing servicing similar to that of a private banker, while also benefiting from the convenience, ease of use, and transparency offered by a digital platform.

UOBAM Invest encourages customers to adopt fundamental principles of investing, such as holding for the long term, dollar cost averaging, risk tolerance across a spectrum, asset diversification, and strategic portfolio management. These principles are embedded within the firm's investment approach, the robo-advisory's algorithms, and the platform's interface, providing customers with a unified plan for responsible investing.

The platform democratises investing for individuals and seeks to lower barriers to entry by providing customers with a wide range of insights and knowledge to make informed decisions, including regular access to investment professionals and an in-person service team. Additionally, the platform is integrated with Myinfo for easy, document-free account opening and facilitates eGIRO (Electronic GIRO) regular investing with their preferred participating bank.

From Dec 2020 to June 2022, UOBAM achieved 77% growth in approved accounts.

"UOBAM Invest is revolutionising the robo-investing industry by combining process simplification with investment rigour."

UOBAM's Asia Equity Artificial Intelligence Machine Learning (AIML)

Further leveraging technology to deliver value, UOBAM has developed an innovative approach to equity investing through the use of its Asia Equity Artificial Intelligence Machine Learning (AIML) model. The model scans the entire investible universe of stocks, shortlisting the top 100 stocks that have the greatest upside potential. The AIML model analyses all the fundamental data of the companies in the universe, taking into account all the macroeconomic variables in the different countries, as well as the technical factors affecting short-term stock price movements.

Once the shortlist is generated, the managers focus their efforts on doing more detailed due diligence on the stocks with the highest return potential. They were able to tap into the expertise of UOBAM analysts across the various UOBAM regional offices as well as the Regional ESG Team. Following the rigorous assessment process outlined above, the managers use a unique Optimisation model to assign weights to the stocks chosen based on a comprehensive risk management framework. The resulting final portfolio is robust, customizable to align with other investment mandates, and independently monitored by the Risk and Performance Unit.

The most direct benefit for customers from this unique process is better performance. Since its implementation in Q4 2020, the United Asia Fund has outperformed its benchmark, MSCI AC Asia

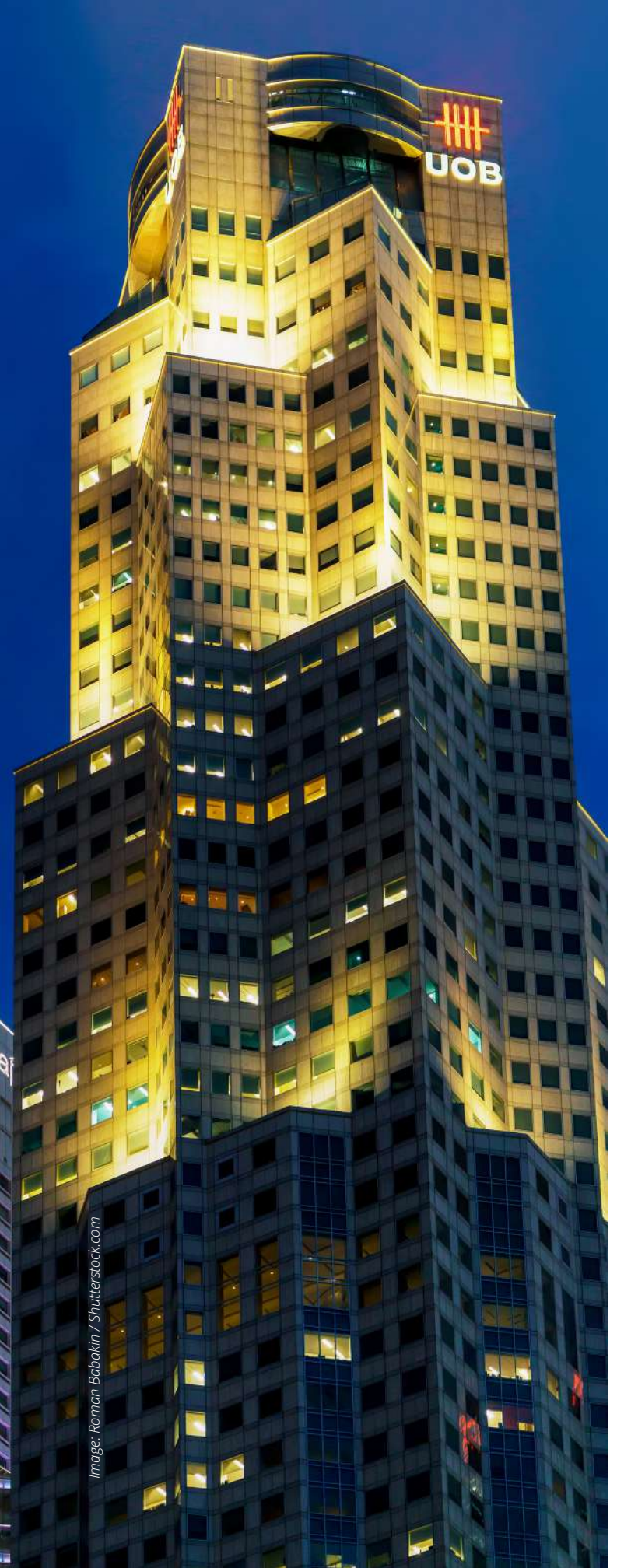


Image: Roman Babakin / Shutterstock.com

ex Japan, by a whopping 14.53% over the period ending 2021, despite the challenging markets. Similarly, since the AIML enhancement in 2021, the United Greater China Fund outperformed its benchmark, MSCI Golden Dragon, and delivered an equally impressive outperformance of 13.55% in 2021.

Importantly, these outperformances were achieved despite applying very strict risk controls, thus ensuring the long-term sustainability of returns with a Sharpe[1] ratio of 0.93 against benchmark of -0.33 for the United Asia Fund, and a Sharpe ratio of 0.34 against benchmark of -0.61 for the United Greater China Fund in 2021.

The development of the AIML model also helped dispel notions that there is a disconnect between profit and purpose. This is evident with a return of 9.28% for the United Sustainable Asia Top-50 Fund against benchmark (MSCI AC Asia Index) of -0.54% and sharpe ratio of 1.14 against benchmark of -0.15 in 2021. By using modern data-driven tools to enhance the ESG framework, UOBAM is able to provide customers with the option to invest in the long-term growth potential of ESG-focused companies and financially benefit from the global transition towards greener solutions and practices.

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[1] *Sharpe ratio measures risk-adjusted returns*

Navigating the Digital Transformation of the Banking Industry

As the banking industry grapples with ongoing and sustained disruption in financial services, business model innovation has become imperative to ensure resiliency, drive customer engagement and realise operational efficiencies. This is the view of Sanat Rao, CEO at Infosys Finacle. He believes that the biggest challenge that banking leaders face today is keeping pace with the changes in the industry and that they must recompose their legacy business models in order to succeed. Banks need to modernise their technology landscape and lead with transformation initiatives that will enable them to fight for a share of "new-age banking", such as digital-first, embedded finance, marketplace banking and BaaS.

TDB: As the banking industry grapples with ongoing and sustained disruption in financial services how imperative has business model innovation become to ensure resiliency, drive customer engagement and realise operational efficiencies?

Sanat Rao: We are living in a time when the banking industry is experiencing so many changes, rapidly and all at once. The biggest challenge that banking leaders face today is keeping pace with these changes. They have to ensure that their organisations not only remain relevant and undisrupted, but also ahead of emerging competitors. To succeed, banks need to recompose their legacy business models. This will require them to modernise their technology landscape and lead with transformation initiatives that will enable them to fight for a share of "new-age banking", conducted as digital-first, embedded finance, marketplace

Eight Emerging Banking Business Archetypes

1. Digital bank

Digital banks deliver banking services entirely (or almost entirely) through digital touchpoints.

2. Digital financial advisor

Digital financial advisors deliver financial advice by using AI to understand customers' financial situation and recommend actions.

3. Embedded finance

Companies with frequent engagement and deep customer understanding are embedding banking and payments into non-financial products and services.

4. Banking as a Service

Banking as a Service (BaaS) offers complete banking processes, typically through APIs, that third parties can embed into their products and services.

5. Banking curator

These digital banks aim to offer best-of-breed products by combining basic accounts with financial advice and a curated set of third-party products.

6. Finance marketplace

Finance marketplaces build infrastructure to help customers choose financial services from multiple third-party suppliers in an open environment.

7. Non-finance marketplace

Non-finance marketplaces build infrastructure to help customers choose goods and/or services from multiple third-party suppliers in an open environment.

8. Banking industry utility

Banking industry utilities specialise in delivering non-differentiating services by pooling resources, expertise, and capabilities to increase efficiency.

Source: "Developing innovative digital banking business models" by 11:FS in association with Infosys Finacle

banking, BaaS, among others.

In our research with 11:FS last year, we identified 8 new business model archetypes that play in different layers of the industry value chain.

To drive business model innovation, traditional banks need a radical break away from the hierarchical cultures, adopt structures that encourage innovation. Banks that fail to adapt won't be able to compete with nimble digital competitors.

TDB: From a marketplace model to a distribution bank there are different approaches financial institutions can consider in their development of digitally-based business models. Is one approach necessarily better than the other and what are the key considerations for business decision-makers?

Sanat Rao: We believe each bank must identify and mature in the journey of recomposing their business models based on what works best for their context. This would mean reimagining their customer engagement, operations, and transformation approaches accordingly. While I talked about 8 business model archetypes that are emerging and are at various stages of adoption in the banking industry, we believe more financial institutions will adopt emerging models like BaaS & Embedded Finance in 2023.

At a time when banks are looking for new opportunities and fresh growth, embedded banking offers an opportunity to access new customer pools, participate in primary customer journeys and benefit from the partner brand networks. In 2023, we expect many banks to explore this twin opportunity of BaaS and Embedded Finance.

TDB: What would this entail from a technology stack perspective and where are the current gaps in infrastructure of incumbent banks?

Sanat Rao: It's the digital age. Modern technology is at the core of growth and innovation in

Sanat Rao
CEO, Infosys Finacle

almost every business. In the banking industry, those who have made comprehensive digital central to their vision and strategy have not only gained competitive advantage, but also scaled new frontiers. In our study we found that only 11% bankers believe that their bank's digital transformation has been deployed at scale and is delivering to expectation. Many banks face common challenges in scaling their digital agendas - product silos, closed IT systems, lower cloud adoption, inadequate automation and friction in harnessing data.

The premise is clear. If banks and financial institutions are to succeed from here on, they will need a modern technology platform that can help power their transformation journey with speed, scale, and resilience, enabling them to meet emerging digital banking requirements.

TDB: A cloud-native digital core is now considered a must have for financial institutions seeking innovation led growth. How can such platforms facilitate the requisite flexibility and agility needed by traditional banks to respond to fast-changing market conditions?

Sanat Rao: Today, cloud is no longer just a technology lever of cost-efficiency and scale but a foundation that is critical for ecosystem innovation, business agility, and business value

creation. By adopting a cloud-native architecture for the digital core, banks can become more agile and competitive in the emerging ecosystem. A cloud first approach is key for banks to quickly scale their infrastructure based on business demands. Further, a DevOps-led automation on cloud promises faster turnaround for new product introduction and innovation. Platform business models and ecosystem led strategies are fast becoming mainstream, and cloud is emerging as an intrinsic enabler for banks to succeed with these new models.

TDB: Participation in external digital ecosystems and co-creation of solutions and processes with external partners is another key driver of business model innovation. How can financial institutions leverage open banking frameworks to contribute to potentially new revenue streams?

Sanat Rao: Technologies such as APIs are making it easier for all players to compose and recompose new businesses. The adoption of Open APIs enable banks to collaborate with fintech's and non-bank innovators. Banks need to embrace open API led architecture to drive agility, fast-paced innovation, and tap new revenue models. A good strategy for financial institutions is to build a holistic 'API Banking' to accelerate their ecosystem innovation. To meet the future requirements of API Banking, financial institutions must bolster their tech-stack with a platform that includes robust API management, API gateway, developer portal, identity & authorisation management, sandbox environment, usage monitoring and billing for partners among others.

"In the banking industry, those who have made comprehensive digital central to their vision and strategy have not only gained competitive advantage, but also scaled new frontiers."

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The next wave of disruption in cross-border payments

The cross-border payments industry is evolving to match fintech standards due to consumer demand and technology advances. However, B2B financing faces challenges in complex international legislation, requiring adaptability. Innovators are making headway in streamlining this area, with a dynamic market of businesses leading the charge.

The most intriguing innovations in this field are at the junction of embedded financing and public banking. Improved communication and collaboration across financial service providers are resulting in a deeper appreciation and more thorough incorporation of cross-border transactions within online banking and embedded financing.

Open banking systems are paving the way for smooth cross-border payments by allowing payment service providers (PSPs) and retailers to access the complete transactions environment via a specific point of integration. With the use of integrated financing, companies can accept local payments, execute low-cost foreign currency

interchange, provide rapid reimbursements and chargebacks, and simplify bookkeeping.

Cryptocurrencies are increasingly popular for international transactions due to their regulatory independence and anonymity, offering buyers and sellers greater autonomy. Although Decentralised Finance (DeFi) is expected to become more ubiquitous in the future decade, many nations still do not permit crypto transactions, which limits their usefulness.

In 2023, the international payments industry will be shaken up by three major developments: different payment methodologies, cutting-edge tech, and risk. To stay competitive, financial technology banks and businesses will need to provide businesses and suppliers with convenient, low-cost, and safe cross-border transaction solutions.

G20 cross-border payments roadmap

The Financial Stability Board (FSB) has been addressing the decline in correspondent banking and remittance payments since 2015, which is now integrated into the G20 cross-border payments roadmap. The plan aims to improve cost, speed, transparency, and access for cross-border payments with ambitious but achievable goals and milestones.. The roadmap deals with deep-seated, long-standing issues and includes a set of committed actions and timetables to achieve early results in improving existing arrangements.

A foundational step in the roadmap is setting global quantitative targets for addressing the challenges faced by cross-border payments. The targets were set following public consultation and were endorsed by the G20 Leaders at the October 2021 Summit. They establish expected outcomes and play an important role in defining the ambition of the roadmap and creating accountability. In July 2022, the FSB published an interim report, providing an update on the work toward establishing key performance indicators (KPIs) and identifying sources for the data necessary for their calculation.

The FSB's four-point action plan, launched in November 2015, covers further examining the

"Cryptocurrencies are increasingly popular for international transactions due to their regulatory independence and anonymity, offering buyers and sellers greater autonomy."

dimensions and implications of the decline in correspondent banking relationships, clarifying regulatory expectations, domestic capacity-building in jurisdictions that are home to affected respondent banks, and strengthening tools for due diligence in correspondent banks.

How PVP type settlements are reducing settlement risk

Cross-border transactions between financial institutions are dominated by high-value interbank payments, which are susceptible to settlement risk. Although wholesale payment systems have increased efficiency in domestic transactions, moving money internationally still requires one-to-two days and manual intervention. A lack of standardisation around FX trades also creates high costs and inefficiencies, with settlement risk amounting to approximately $6.6 trillion in FX payments on an average day. To address these issues, the solution of Payment versus Payment (PvP) guarantees both parties involved in a transaction get paid simultaneously, eliminating settlement risk and reducing friction.

PvP has significant market appeal, especially among central banks. It enables fast and reliable access to liquidity in foreign currency and eliminates FX settlement risk. Existing PvP solutions, however, offer a limited number of currency corridors and fail to recognise the importance of emerging market

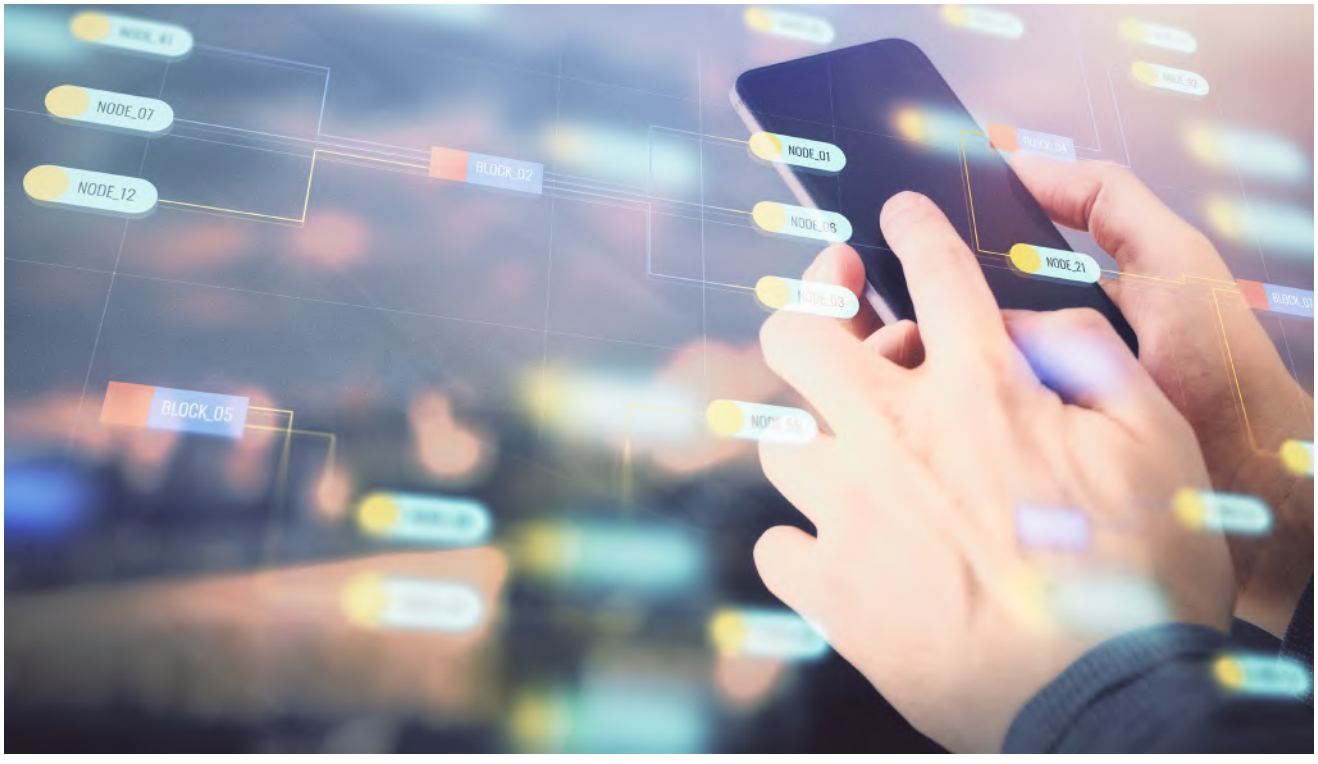
currencies. A next-generation Financial Market Infrastructure (FMI) can solve this problem by making PvP settlement possible for any currency corridor, supported by ringfenced central bank reserves allocated to the global payments network. With demand and interest from central banks for a universal and secure cross-border payment solution, PvP can revolutionise settlement processes and create a resilient financial system for all.

Are players missing the ball on blockchain-based payments?

Cross-border payments are critical for individuals, businesses, and development organisations, but traditional systems struggle with high fees and long processing times. Blockchain's encryption and decentralised network can make cross-border payments faster and more efficient. While the global cross-border payments market is predicted to reach US $156 trillion by end-2022, there are still challenges to blockchain adoption, such as regulatory uncertainty and hesitancy from major players. Nevertheless, government organisations are increasingly deploying blockchain to manage financial settlements and enhance existing legal frameworks.

Although blockchain-based cross-border payments offer many benefits over traditional payment methods, slow adoption by traditional financial players can be attributed to regulatory hurdles and a lack of standardisation. Nonetheless, a growing number of governments and organisations are recognising the advantages of blockchain-based cross-border payments. Government organisations are steadily deploying blockchain technology to manage financial settlements, enhance existing legal frameworks and grant disbursements. Blockchain technology can reduce cross-border payment processing time and costs, and has proven to be secure. However, regulatory uncertainty and limited central bank adoption hinder the uptake of blockchain by traditional financial players.

The adoption of blockchain-based cross-border payments is still uncertain, as regulatory ambiguity and the hesitancy of major financial players pose significant challenges. However, as more governments and organisations begin to recognise the benefits of blockchain technology in this space, the future looks promising.



Bank Alfalah: Building frictionless customer journeys to power transaction banking flows

By: The Digital Banker

Financial institutions have proactively adjusted to evolving market conditions as challenges grappling global economies triggered by post-pandemic realignments of trade and supply chains and inflation begin to stifle growth. Transaction banks have become increasingly mindful of ensuring that clients are able to secure much needed liquidity and are provided with the requisite tools that enable financial optimisation and prudent management of working capital and business cash flow.

Importantly, institutions have deftly moved to incorporate new technologies and enhance digital transformation efforts with the broader objective of delivering high-quality customised products leveraged on data & analytics coupled with superior customer experience. As greater market integration takes place, new trade and investment corridors are formed and attractive interest rates persist, the opportunities for considerably expanding transaction banking revenues remains in place.

It is within this backdrop that Pakistan-based Bank Alfalah strategically reoriented its Trade Finance & Cash Solution vertical with the formation of a resilient and restructured Transaction Banking Division. Building on Bank Alfalah's advisory capabilities the new division incorporates a Trade Finance, Cash Management and Supply Chain Finance Specialist Products & Solution Delivery team that services Corporate, SME and Institutional Banking clients in line with international best practices.

Business reciprocity as an engine of growth

Indeed, the Bank has leveraged on its vision of ensuring business reciprocity that has helped Bank Alfalah develop stronger bonds with its clients inculcating a "win-win" mindset for all stakeholders and partners. Importantly, the Bank has placed immense priority on client relationship management and utilises a multi-pronged approach to drive cross-sell/up-sell opportunities and maintain long-term customer engagement.

Remarkably, the Bank has registered sustained financial performance both in terms of transaction banking gross revenues and fee income in FY 2021. This success can be credited to the expansion in trade finance specific revenues that rose by 26% YoY. Likewise, on the balance sheet side, both transaction banking assets and deposits surged by 87% YoY and 23 YoY respectively, with the Bank gradually building its domestic market share despite adverse economic conditions.

Integrating and expanding digital ecosystems to drive operational efficiencies

Bank Alfalah has realised significant competitive advantage through digitalisation of key solution sets. A key standout is cash management solution "Alfalah Transact" that has seen volumes increase by 47% FY2020. The Bank has also initiated ERP integration allowing clients to easily perform account reconciliation through Host-to-Host real-time connectivity. Bank Alfalah designed the ecosystem to align transaction flow at different

touchpoints through unique identifiers and use of META data.

Moreover, through API connectivity, Bank clients are able to link multiple debit accounts through API based communication, while minimising unnecessary risk exposure. Both the ERP and API initiatives have been instrumental in allowing the Bank to capture incremental transaction volumes and revenues.

On the Trade Finance side, Bank Alfalah introduced Single Window (SW) electronic facilities to enable cross-border trade by consolidating regulatory mandated trade information data making the trade life cycle processes faster, simpler and more efficient. Furthermore, the Bank's OBDX portal has significantly reduced reliance on paper documents as the Bank seeks to route more transactions digitally on an STP end-to-end basis.

Forging a technology-driven path to become the transaction bank of choice

Bank Alfalah has prudently adopted a five-year strategic goal with the aim of becoming the best digital & transaction bank in Pakistan. To this end it has made significant technology investments that will enable the Bank to acquire and service clients utilising context-awareness capabilities enhanced by an extensive API framework.

Furthermore, Bank Alfalah will be well positioned to support the complex operational and structural financing mandates of its varied customer base. Prioritising API connectivity and ERP integration for its partners, has helped the Bank in redefining excellence in service standards within the country.

Certainly, as Bank Alfalah continues to enrich the digital experience of its trade finance, cash management and supply chain finance solutions, it remains well placed to seize new commercial opportunities that will enhance its transaction banking profile. Validating its institutional achievements over the past year, The Digital Banker awarded Bank Alfalah for "Best Bank for Trade Finance - Pakistan" and a Highly Acclaimed distinction under "Best Bank for Cash Management - Pakistan" at the recently concluded Global Transaction Banking Innovation Awards 2022 program.

RHB Bank: Facilitating the supply chain finance ecosystem holistically

By: The Digital Banker

As institutions transition to a post-pandemic operating environment, the economic headwinds and trade dislocation that occurred are likely to stubbornly persist. With a global recession in the offing, geo-political risks on the rise and a critical shortage of key commodities and resources on the horizon, market participants are bracing for further turbulence. Productivity strains are likely to challenge supply chains that are already under pressure as businesses seek alternative opportunities for enhanced efficiency and diversification.

More importantly, businesses are looking for stability and resiliency in their supply chain as processes and systems are being re-imagined to unlock new growth opportunities. Supply chain financing has demonstrated its efficacy in emerging as a critical source of liquidity as conventional funding mechanisms become increasingly untenable in a fast-rising interest rate environment. Malaysia-based RHB Bank has responded effectively to this evolving market dynamic with a view towards continually innovating and proactively designing solutions that address the operational and business challenges of the supply chain community. It's the dedicated RHB Financial Supply Chain (FSC) solution that helps Bank clients in managing their respective chains in an efficient, effective and sustainable manner.

A fully integrated financial supply chain system fit for purpose

Indeed, the RHB FSC is a B2B platform that engages the buyer, supplier and the Bank, offering a range of diverse solutions that ultimately supports the Bank's clients in terms of meeting key working capital objectives, managing cash flows and stabilising the supply chain. Importantly, both buyers and sellers are able to submit their financing drawdown through the RHB FSC platform contributing to the operational efficiencies of concerned businesses.

Remarkably, the Bank's vision is to ensure that all stakeholders within the supply chain are able to realise the value creation the platform engenders. A case in point is the RHB Supplier Financing Program (SFP) that provides the requisite working capital to the buyer's (anchor) suppliers by purchasing the supplier invoices that have been accepted and approved by the buyer digitally. In this instance, suppliers enjoy a seamless and simplified financing process at a competitive price that leverages on the buyer's credit strength.

This is in line with international best practice similar to a Thai based lender's settlement platform, which is designed to improve supply chain liquidity allowing businesses to make and receive payments instantly without waiting for credit terms. These initiatives will help strengthen the supply chain, while reducing funding costs and provide invoice visibility.

Another component of the RHB FSC solution is the RHB Receivables Financing Program (RFP) that helps the client in achieving lowered "Days

Sales Outstanding", improved working capital liquidity, reduced risk of offload payment delays and a higher targeted sales volume. Likewise, the RHB Distributor Financing Program (DFP) also differentiates itself by enabling the client's distributors access favourable financing courtesy of the client's financial standing. The DFP program is credited with materially enhancing the client's working capital cycle and sales turnover.

Strong digital experience that delivers on convenience for all stakeholders

A key competitive advantage of the RHB FSC platform is the visibility of transactions that it provides users accessing the system. Given how the FSC has a comprehensive view of the client's entire supply chain ranging from invoicing to settlement, the secured platform provides added safeguards and risk mitigation needed to facilitate third-party management with appropriate oversight and controls before financing is disbursed.

Moreover, RHB Bank through the FSC is focused on ensuring that existing gaps in administration of digital supply chain finance solutions are meaningfully addressed as partners within the ecosystem can safely conduct transactions while avoiding lengthy visits to the branch and delivery costs of physical documents. Indeed, the RHB FSC has enhanced the Bank's existing digital footprint while also contributing to the wider de-risking agenda.

Likewise, a UAE based transaction bank has introduced a supply chain solution that among its features includes a dashboard and reporting tools that include dynamic cash forecasting. Since its launch revenues from the receivable financing portfolio have grown 2x on a YoY basis with improved customer onboarding. Indeed, having a fully integrated and intelligent solution has become imperative to support all participants across the supply chain.

Expanding the supply chain community

RHB Bank remains committed to collaborating and partnering with stakeholders across the supply chain ecosystem reinforcing its "Together We Progress" initiative. The Bank has effectively demonstrated its ability to provide clients and suppliers/distributors with an easy to use and convenient digital platform. More importantly, RHB Bank is well positioned as a principal player in facilitating trade and supply chain finance flows through the RHB FSC platform in Malaysia and beyond.

Certainly, as RHB Bank continues to enhance and deepen its RHB FSC solution set, it remains well placed to ensure continued resiliency and stability of the supply chain. Validating its institutional achievements over the past year, The Digital Banker awarded RHB for a Highly Acclaimed "Outstanding Supply Chain Finance Solution" recognition at the recently concluded Global Transaction Banking Innovation Awards 2022 program.

Standard Chartered Bank (Nigeria) Limited: Leveraging digital banking capabilities to drive transaction finance growth and Powering Treasury Transformations

By: The Digital Banker

The state of the global transaction finance remains in flux as rising interest rates, anaemic economic growth and trade and supply chain dislocation following the pandemic continue to challenge the industry. Institutions have been hard-pressed in fostering product innovation and accelerating digitalisation programs to address existing gaps in trade and working capital finance, cash and liquidity management. Yet, as international trade rebounds and investment flows recover, a new post-pandemic environment has emerged, where institutions that are able to leverage technology are more effectively placed in delivering meaningful solutions that support client funding requirements and facilitate real-time transaction flows.

In particular, Standard Chartered Bank (Nigeria) Limited (SCBN) comes into focus and is uniquely positioned to leverage its global network and partnerships to partner with diverse client businesses especially on trade finance and cash management, through documentary trade, payment and collection solutions, open account trade and liquidity management solutions.

Value creation through Transaction Banking digitalisation, innovation and sustainability

The Bank's digital capabilities continue to facilitate to a superior customer experience given the ease of transaction it enables within the supply chain flows and transparency it provides users in monitoring deal progression across stages. An important consideration is the extensive elimination of paper-based processes, facilitating complete electronic document exchange and ensuring timely settlement of supplier transactions.

"We are investing significantly in technology and continue to position as a trusted partner to our clients," says Ibiyemi Okuneye, Head of Trade & Transaction Banking for Nigeria and West Africa at Standard Chartered. *"We are redefining client experience and taking engagements to a whole new level through co-creation and strategic alliances."*

The Bank's cash management capabilities are fundamental to the client proposition for multinationals, local corporates and financial institutions. The bank offers a wide spectrum of cash management solutions such as payments

and collections, automated reconciliation solutions such as virtual accounts (for payments and collections), cash pooling and escrow. Straight2Bank Liquidity is an award-winning global liquidity platform, which was rolled out in 36 markets inclusive Nigeria in 2012, to provide our clients with consistent and improved visibility, control and operational efficiency. It leverages the Just-in-time Sweeping (JITS) feature and liquidity front-end propositions to provide efficient and speed of processing to clients. Cash management offerings are underpinned by innovative technological capabilities in Electronic Funds Transfer, SWIFT, Application Programming Interface(API) Banking and Treasury Management System (TMS) integration. In effect, Standard Chartered Bank (Nigeria) has put in place future ready platforms that offer differentiated client solutions across transaction banking solutions.

Strong risk management and product governance culture that foster trade and cash management growth

The Bank prides itself in ensuring the highest standards of risk governance institutionally, leveraging technology to provide secure, convenient, fit-for-purpose solutions that address client needs. Moreover, its Straight2Bank Liquidity platform embeds intercompany loan administration that allows clients to place limits for managing counterparty risk, while security features ensure that the risk of fraud is minimised by removing human intervention from the current account funding process. *"The Bank is central to helping its clients build resilience,"* says Ibiyemi, particularly in times of unprecedented disruptions and vulnerabilities across areas such as risk management and cyber security.

The recently introduced Straight2Bank mobile tokens bring in tightened encryption and built-in layered security protection against malware threats that target banking applications. This feature has allowed clients to securely login to Straight2Bank using two-factor authentication on their mobile phones instead of carrying physical tokens that may limit 24/7 access to Bank systems. The goal has been to ultimately leverage the physiological credentials of platform users for identification and continuous authentication as a fraud prevention mechanism.

Ibiyemi Okuneye
Head of Trade & Transaction Banking for Nigeria and West Africa at Standard Chartered

The Partner of Choice for Trade and Working Capital Financing, Cash Management and Digital Treasury Services

The Bank enables its clients to access to a global financial services network spanning 59 countries, differentiated trade, working capital and cash product suite/solutions, innovative co-creation opportunities and partnerships that drive efficiency and sustainable growth. The Bank has effectively demonstrated its ability to deliver new opportunities, capabilities and value propositions across various client segments and sectors.

More importantly, the Bank has positioned itself as a principal player in cash management services and the facilitation of trade and supply chain

finance flows through open account payment leadership, distributor financing solutions, sustainable trade initiatives and complementary digital ecosystems. With the renewed focus on environmental and social governance, the Bank's suite of sustainable finance solutions are available to help our clients meet their sustainable finance and procurement agenda.

Certainly, as the Bank continues to enhance its product suite, digital platform capabilities and superior customer experience standards, it remains well placed to expand its trade finance and cash management businesses. Validating its institutional achievements over the past year, The Digital Banker recognised Standard Chartered Bank (Nigeria) Limited as the *"Best Bank for Trade Finance and Outstanding Use of Technology in Cash and Liquidity Management – Nigeria"* at the recently concluded Global Transaction Banking Innovation Awards 2022 program.

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National Australia Bank: Leveraging innovation to reinvent small business banking

By: The Digital Banker

The global SME landscape continues to face challenging post-pandemic operating conditions as high-inflation coupled with rising interest rates and trade flow disruption has resulted in a weaker outlook for world economies. This is a cause for concern as SMEs are a key contributor to job creation and therefore remain the core source of growth for most economies. In Australia, small businesses represent 98% of all businesses, employ an estimated 42% of Australians in the private sector workforce and account for ~33% of the country's GDP.

For SME lenders there is an added pressure as new fintech entrants attempt to redefine customer engagement and are directly challenging incumbents in the acquisition and capture of SME wallet share - particularly those that comprise the small business segment.

Indeed, small businesses have long remained under-served and overlooked from a product and service standpoint and are now demanding bespoke, digital and data-rich solutions alongside tailored advice. Small businesses are also in that unique situation where access to specialist guidance and funding remains elusive and few institutions have effectively sought to bridge these longstanding gaps to ensure the long-term survivability and relationship of their small business customers. In contrast, Ana Marinkovic - Executive General Manager, Small Business at National Australia Bank, is passionate about small business and supporting them with a strong proposition, *'Small Businesses are the lifeblood of our local communities and the largest employer in Australia. As a bank, we have a duty of care to continue to support this segment's sustainability and growth. Our strategy of digital enablement powered by human touch in moments that matter will continue to support our entrepreneurs into the future'.*

New products and processes for small businesses of today

It is within this backdrop that National Australia Bank (NAB) has proactively changed this paradigm by digitally innovating and operationally reshaping its business to better reflect changing market conditions and customer needs.

Over the past two years, NAB has made significant investments in new products and processes designed to specifically address the unique digital needs of small businesses, and in doing so setting itself apart from its peers;

- In Lending, NAB has introduced four key offerings including a fast tracked lending process that provides a simultaneous assessment of house and business equity within five days, *QuickBiz Digital Business Lending* facilitates access to unsecured loans and overdraft funds in less than an hour, *Simple Home Loans* offers digitised home lending for SME business owners and the *NAB Green Lending Suite* covers a range of business lending solutions to support business transition to net zero carbon.

- From a Merchant perspective, *NAB Hive* was launched to provide customers real time access to transactional data and servicing needs and *NAB Easy Tap* turns an Android device into a payment terminal

- NAB's Deposits have made origination available to customers across digital channels and have removed paper deposit slips from their branches

The results have been game-changing for NAB with impressive growth across lending and revenue metrics, improved deposits market share amongst small business to establish clear market leadership at 22% and celebrated small business lending growth of 2.6x system in FY22.

Redefining the service model and digital experience for small businesses

A closer review of NAB's digital transformation reveals the extent to which NAB has gone to enhance the customer journey of small businesses;

- NAB launched *Small Business Explorer*, allowing customers to select various products online that best suit their financial needs. *Small Business Explorer* is customer focused, helping to remove complexity from the process of understanding and choosing products and seamlessly linking the customer to an online application or quality conversation with a banker

- *Banker Wizard* empowers bankers to make faster, right first-time lending decisions

- *NAB Small Business Hub* is an online educational and resource hub for customers, providing support across a variety of content to help them grow their business

Furthermore, NAB deftly aligned its digital strategy with a service proposition that is differentiated to other majors in that;

- Local small business bankers look after both the business and personal needs of the customer

Ana Marinkovic
Executive General Manager, Small Business at National Australia Bank

- The top ~30% of customers are provided with the direct contact details of a 'Named Banker' who support their financial needs

- Servicing leverages a centralised infrastructure to support 30,000 weekly customer enquiries.

Becoming the partner of choice for small business in Australia

As NAB Small Business continues to prove the efficacy of its strategic transformation and enrich the digital experience of its customers through well-developed propositions, it remains well placed to maintain its double-digit revenue growth for FY23 despite the prevailing economic conditions. Validating its achievements over the past year, The Digital Banker awarded National Australia Bank "Best Small Business Bank - Australia" at the recently concluded Global SME Banking Innovation Awards 2023 program.

PT Bank HSBC Indonesia: Capturing the opportunities of the digital economy

By: The Digital Banker

The global digital economy has been on a path of exponential growth in recent times and even more so in the South-East Asia region which has seen its market size increased by USD $200 billion in 2022. A principal driver of this expansion has been digital platforms transformation and connecting to the SME businesses in utilising, interacting and conducting commercial transactions in the ecosystem which also connects vertically with e-commerce, e-logistics and ride-sharing etc.

Certainly, digital platforms have transformed the traditional business models to new ways of how buyers and sellers connect and interact. Fundamentally, the growth of the digital economy contributed to refined customer experience from engagement to interaction between market participants, and expanding the reach and opportunities of SME players driven by commercial objectives.

HSBC Fusion – a global HSBC brand for SME segment, introduced a breakthrough – The Digital Ecosystem Financing solution to leverage the growth

of digital platforms and connect the SME businesses with big corporations to maximise the opportunities arises from the ecosystem within HSBC Indonesia offering working capital and liquidity management.

Reimagining financing for the new economy players

Effectively, HSBC Fusion – Digital Ecosystem Financing has a precise framework in place to utilise the receivables from the platform's buyers as collateral. The Bank deftly applies its analytics capabilities to assess the creditworthiness of consumers based on their transactions with HSBC Fusion and/or relies on assessing internal data if the buyers have an existing relationship with HSBC across segments.

Consider how the improved payment terms for receivables financing and/or additional credit options for consumers can provide buyers with the requisite flexibility needed for procurement. Furthermore, there is a halo effect in place where consumers that organically emerge from HSBC networks, stand to benefit the most in utilising the unique solutions the digital platform has to offer. On the supply side, the digital platform provides early payment options to producers by utilising HSBC's credit facility upon the receivable from consumers. This value-add can help SMEs in accelerating their cash conversion cycle, improving their working capital position and providing additional benefits to their ecosystem partners along the value chain.

Integrated financial solutions for digital platform businesses: e-logistics client case study

HSBC Fusion – Digital Ecosystem Financing makes an end-to-end integrated financial solution for digital platform businesses possible by embedded financing solutions at every stage while helping to minimise value chain risk.

A case in point is the example of an e-logistics platform (client) in Indonesia and the role played in generating the most value across its ecosystem.

Riana Taluki
Country Head of Retail Business Banking (SME) at HSBC

> **"We in HSBC will continue to innovate and be relevant in this dynamic market while providing our customers better solutions. The only constant is change. #RiseandGrow"**
>
> Riana Taluki
> Country Head of Retail Business Banking (SME) at HSBC

Indeed, the client was grappling with competing challenges including how to maintain strong and stable cash flow given the need for partial upfront payment for transport services and a 60-90 shipper payment period that was in place. HSBC Fusion was able to resolve this by extending a revolving credit facility, with the added flexibility of unlimited withdrawals within the credit line.

HSBC Fusion enabled a faster cash conversion cycle possible for the client, while significantly enhancing its working capital position.

Long-term value creation for digital economy participants

As PT Bank HSBC Indonesia continues to realise digital economy-based opportunities, it remains well placed to increase SME market share in Indonesia prudently leveraging platform's user base and connecting SMEs with financing facilities. Validating its institutional achievements over the past year, The Digital Banker awarded PT Bank HSBC Indonesia for "Best SME Product Innovation of the Year" at the recently concluded Global SME Banking Innovation Awards 2023 program.

Are digital banks charting a path to profitability?

Despite their impressive valuations, the majority of digital banks worldwide have yet to reach profitability, according to a report by commercial strategy consultant Simon-Kucher. There are currently almost 400 digital banks serving close to one billion client accounts globally, but even the more established digital banks are struggling to make a profit.

The study analysed the 25 largest digital banks in the world and found that only two have achieved profitability, and the majority earned less than US$30 in annual revenues per customer. The challenge for digital banks is to shift from a "get reach" to a "get rich" mindset, said Christoph Stegmeier, senior partner at Simon-Kucher. It is critical that digital banks achieve profitability before their sixth and seventh year in operation, as the risk of failure rises exponentially if they are not breaking even.

The report also highlighted the difference between mature and emerging digital banks. While established digital banks may have the resources and customer base to implement effective monetisation strategies, emerging digital banks must get their value proposition right before

product launch. The report emphasised that undifferentiated digital offerings like high interest saving accounts, credit cards, and loans will not be enough to win the under-served segment, as incumbent banks have already increased their digital capabilities in recent years.

Overcoming the lending-deposit conundrum

For digital banks to achieve long-term profitability, they must provide exceptional customer experience, loyalty programmes, and an ecosystem. While they are a fee-free and convenient alternative to traditional banks, many are prioritising growth over profit. To address this challenge, digital banks can explore different ways to make money and ensure balance sheet growth.

One proven contributor to balance sheet growth is extending credit, as it allows digital banks to earn interest on loans and mortgages. However, lending needs to be managed carefully, as customers need to be creditworthy and loan defaults can result in losses. Moreover, overdraft fees can also be a big money-maker for banks, though digital banks rarely offer them.

Another approach for digital banks is to offer premium accounts with swanky features, such as a metal card, travel insurance, overseas medical insurance, better savings rates, and lounge passes, that can make a paying subscriber out of a freeloading app user. Also, offering SME business accounts can be profitable, as SMEs are underserved and digital banking offers them valuable time savings. Digital banks can earn from interchange fees and commissions from third-party products, such as accounting, insurance, and investing firms.

While raising funds from institutional investors is an "easy" way to make money, the amounts raised can be mind-boggling and can lead to startups not focusing on profitability. Therefore, it is essential for digital banks to start exploring other ways to make money and develop monetization strategies that balance market acquisition and profitability. As digital banks mature, they must also carefully manage the lending-deposit conundrum, which can enable them to achieve balance sheet growth while maintaining profitability.

"While raising funds from institutional investors is an "easy" way to make money, the amounts raised can be mind-boggling and can lead to startups not focusing on profitability."

Lessons from Kakaobank and Starling Bank's growth story

KakaoBank and Starling Bank have emerged as prominent digital banks with unique growth strategies that have translated into increasing profitability. KakaoBank, South Korea's top mobile-based bank, focuses on the platform business, a core growth driver that accounts for over a quarter of its operational profit. The bank's CEO, Yun Ho-young, emphasised the importance of monthly active users (MAU) and user engagement as opposed to traditional targets such as asset growth or total loans value. KakaoBank has leveraged its technology-based roots to provide innovative banking services to its 18 million customers, including those over 50 years of age. KakaoBank raised $2B via IPO, expanding R&D and launching a mobile mortgage loan service in March.

On the other hand, Starling Bank generated over £250M in Dec 2022, on track to quadruple pre-tax profits in 2023. Its loan book hit £4.7B, driven by mortgage lending, and plans to open a new office in Manchester creating 1,000 jobs.

Anne Boden, the CEO and founder of Starling Bank, emphasised the bank's profitability, lack

of reliance on high valuations to raise cash, and growing customer base as key factors contributing to the bank's success. She distanced the bank from other digital banks and fintechs that are looking to raise funds, indicating that Starling had become profitable last year for the first time in its eight-year history.

KakaoBank and Starling Bank focus on platform businesses and innovation to drive growth. KakaoBank boasts over 15 million monthly active users, prioritises customer usage, and plans to launch mortgage loan services. Both banks prioritise technology and innovation, with KakaoBank's platform business sector accounting for over a quarter of its profit.

Similarly, Starling Bank's CEO, Anne Boden, highlights the bank's profitability and surging customer base as critical factors contributing to its success. The bank has over 3.4 million customer accounts, including 520,000 small businesses.

What this tells us is that digital banks can achieve profitability and success by focusing on customer experience, technological innovation, and strong platform businesses. KakaoBank and Starling Bank provide valuable insights into how digital banks can grow and expand their businesses in the highly competitive financial services industry.

ADCB: Making banking simple for customers in a digital world

There is no question that COVID has transformed consumer habits. Consumers now spend more time on their mobile devices and are accustomed to getting what they want almost exactly at the moment they need it. Abu Dhabi Commercial Bank's (ADCB) latest initiative is primarily aimed at fulfilling this desire of customers.

In line with this strategy, one of ADCB's priorities was to reduce footfalls at ADCB Branches. The Bank conducted a thorough review of branch data to understand the main reasons customers visit a branch and worked around digitizing these processes. As such, the Bank identified that Know Your Customer (KYC) and ID document verification were among the main reasons customers were visiting branches.

To address this, ADCB developed a self-service channel to assist customers to update their KYC documents remotely, securely and conveniently.

Using Optical Character Recognition (OCR) and reviewing IDs from their Machine-Readable Zone (MRZ), ADCB automated a manual process which used to take 2 days to under 5 minutes, with minimal risk or human error. Thus, ensuring the Bank's data is accurate, up to date and meets Central Bank regulations on maintaining customer information.

The details entered by the customer are validated against backend systems and internal systems are updated in real-time.

Since its inception, over 300,000 service requests have been raised by ADCB's total customer base. Of the uploaded documents, 87% were updated in realtime and only 13% of the requests were forwarded to the Customer Correspondence

Unit for manual review and action, as of the 3rd quarter of 2022.

This remarkable achievement propelled ADCB to be declared Winner, Best e-KYC at the Middle East & Africa Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"Having placed accelerated digital transformation at the core of its five-year strategy, ADCB rolled out a series of enhancements to its digital channels, while investing in longer-term projects that reimagine the future customer experience – a laudable achievement, especially in the current environment," said Nirav Patel, Managing Director at The Digital Banker during the awards ceremony.

Accelerating Digital Transformation

ADCB is at the forefront of digital transformation. Among the new developments, in addition to its new KYC process, the Bank began to offer credit card loans through its Mobile Banking app and brought FlexiPay to the Internet and Mobile Banking to allow the conversion of outstanding credit card balances into instalments. In November 2021, the Bank launched the ADCB WhatsApp banking channel to offer customers information on its products and services, registering nearly 250,000 customers by 3rd quarter of 2022. The service provides an innovative AI-powered chatbot to help resolve queries in realtime.

One of the most popular new digital offerings was an IPO Online Portal, providing customers with a straightforward process to subscribe to public share offerings at a time when capital markets activity in the region is on the rise. The portal transformed ADCB into one of the most significant receiving banks for UAE listings in 2021 and 2022, helping to diversify its revenue streams further. This online portal service accounted for 89% of all applications received by the Bank until 3rd quarter 2022. This achievement helped propel ADCB to be declared Highly Acclaimed, Best Digital Transformation Program at the Middle East & Africa Retail Banking Innovation Awards 2022.

"Including Internet Banking, total subscribers to the Bank's digital platforms have now crossed 1.15 million, with 96% of transactions conducted electronically."

Engaging Customers in a Digital World

ADCB's enhanced digital offering is producing high levels of customer engagement, with registrations for the ADCB Mobile Banking App surpassing the milestone of 1 million subscribers in the 3rd quarter of 2022.

Including Internet Banking, total subscribers to the Bank's digital platforms have now crossed 1.15 million, with 96% of transactions conducted electronically.

As has been the case across the banking industry, the global pandemic has precipitated a shift in customer preference away from branch-based service. As such, ADCB has continued to optimize its branch network – a process that began as soon as the merger with Union National Bank and acquisition of Al Hilal Bank were legally completed in 2019 - while recognising that a certain level of demand for in-person service remains. ADCB operates 54 branches in prime locations across the UAE and its footprint is now at pre-merger levels, compared to a post merger peak of 127 branches.

To further enhance customer engagement and personalisation, ADCB is investing in advanced data analytics to foster better and closer connections. This innovation will provide the Bank with powerful, real-time insight into customer behaviour and their evolving needs.

Mashreq: Digitising the entire credit card life cycle

As the world moves towards Digital, consumers also want digital-first products that provide them with the convenience of 24/7 access on the go, without having to deal with the bank's working hours, standing in queues or waiting for key officers.

Recognising the implications of this customer behaviour, Mashreq moved towards a fully digital application journey for credit cards. Mashreq's Credit card onboarding journey is 100% paperless, contactless and digital. Customers can apply for a credit card from anywhere, anytime without the hassle of visiting a bank branch for any documentation or verification. Upon completion of the digital journey in a few clicks, the customer gets an instant digital version of their card which they can use to shop online at their favourite e-commerce sites and apps, as well as use their digital wallets (Apple pay, Samsung pay, Google pay). All of these without having to wait for their physical card delivery.

The instant digital card feature is also applicable to Mashreq's co-branded cards. Mashreq has a seamless integration with its co-brand partner 'noon' where, if a customer applies for a card, the card details get updated instantly on the noon app to enable purchases and allow automatic customer enrolment into the noon VIP program.

The initiative was so successful for its innovation that recently, Mashreq Bank was awarded, Winner, Outstanding Digital Acceleration in response to COVID-19 and Highly Acclaimed, Best Pure Play Digital Initiative.

"With an aim to make digital channels the first touch point for all customer interactions with the bank, we have digitised the entire life cycle of credit card usage to enhance the customer experience throughout the relationship. A customer can avail of any of our portfolio or instalment products digitally through our mobile app or online banking instantly and straight through with no sales involvement or manual interaction," said Kartik Taneja, Head of Payments & Consumer Lending, Mashreq Bank and Chairman of Neopay, a fully owned subsidiary of Mashreq.

Customer experience and satisfaction

Mashreq's credit card onboarding journey is highly focused on customer experience and satisfaction. A seamless customer experience, quick application and 100% digital journey are some of the features that make this card unique. Other service features such as card cancellation, setting transaction limits, and restricting a few merchants or countries for card usage can all be done using Mashreq Online or Mobile App. The Bank provides instant cancellation of Pay Protect, an embedded insurance on credit cards clubbed with reversal of billed premium on its online platforms.

In addition, Mashreq's rewards program, which allows Salaam points to be exchanged for miles on Etihad and Qatar Airways, is also digitally managed end-to-end via online and Mashreq Mobile App.

A rundown of the unique features of the product:

- Digital - customers can apply for a credit card from anywhere, anytime without the hassle of visiting a bank branch for any documentation or verification.

- Paperless - with its 100% digital onboarding journey, there is no need for paperwork or lengthy processes, which can be a source of frustration and inconvenience for customers.

- Contactless - no physical interaction is required for applying for the card. Also, the cards issued are enabled with contactless technology for payments.

- Instant digital card - keeping in mind the need for the customer to make use of limited period offers/discounts, Mashreq has launched the Instant Digital card feature. The instant digital card has been carefully designed to ensure the safety of the credit card as well as the convenience of customers.

- Digital Wallets - digital wallets make online and in-store shopping easy and secure. Mashreq offers more convenience and security by making it possible for customers to add their Credit Cards to Apple Pay, Samsung Pay and/or Google Pay, in just a few clicks.

Top line growth

In digitising the entire credit card life cycle, Mashreq Bank banks on a strategy of convenience and scalability to achieve top-line growth.

From the point of application of a credit card to the process of issuance of a new credit card, efficiency is achieved through the digital integration of key processes. From verification of documents to salary verification, credit checks etc, neither the customer nor the bank officer has to attend personal, face-to-face meetings – all actions are done digitally with shorter turnaround time.

In addition, to ensure maximum reach and make customers aware of the Bank's latest offerings, Mashreq relied on various marketing platforms, with a digital-first approach. Using digital marketing, Mashreq ensured that it reaches out to its entire target audience irrespective of the reach of its branch network or reach of direct

sales officers. Virtually the entire market is open for advertising and customers can apply for a credit card at any time from any place.

Through these efforts, Mashreq saw an increase in the number of new acquisitions. The Bank also got access to a much larger number of customers month on month. These customers helped grow revenue by virtue of their spending and borrowings as well as offer opportunities to cross-sell other banking products and services to them. With Digitisation, Mashreq's customers are now more engaged with the bank and the transparency in the process has led to greater trust in the products and services, which translated to higher activity and ultimately, higher revenue per customer.

> **"A customer can avail of any of our portfolio or instalment products digitally through our mobile app or online banking instantly and straight through with no sales involvement or manual interaction."**

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CIMB Bank: Accelerating Digital Adoption to Enhance Customer Experience

For CIMB Bank, delivering sustainable financial returns can best be achieved by digitising value and making focused investments. As the world quickly adjusts to contactless and socially distanced environments, the increased adoption of digital services by customers for their day-to-day banking needs has propelled digital banking growth and brought the banks' digital capabilities to the forefront.

Customer centricity is a key focus under CIMB's Forward23+ strategic plan. As part of its effort to deliver on this focus area, the Group created the Transforming Customer Journey (TCJ) department, which signalled the start of a bank-wide transformation towards an elevated customer experience across all of its products and services.

CIMB has been instituting top-down internal reforms to address digital reliability and digital availability while preserving and enhancing customer experience. For the Bank, it is important that the organisation does not digitise only for the sake of digitisation. The key is to understand the desired outcome and customer pain points by

listening to their feedback.

With that in mind, CIMB continues to update its current platforms with feature enhancements and improved usability and reliability, as well as map out and develop next-generation platforms.

On top of that, CIMB invested a total of RM900 million in FY22 to further enhance its digital platforms and strengthen technology resilience.

With its proven track record and strength in digital banking services, CIMB was recently awarded Best Digital Bank – Malaysia at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker. CIMB also won the following coveted awards:

- Best Pure Play Digital Account
- Outstanding Retail Sales Across Digital Channels
- Highly Acclaimed, Best Digital Transformation Program

"At CIMB, we believe in putting customers at the heart of everything we do. That is why Digital is a strategic focus of CIMB in delivering our Forward23+ Strategic Plan and strengthening our customer relationships. As the majority of our transactions are now digital transactions, we have been investing heavily into growing our digital penetration, driving digital-led acquisition, and creating greater scale through strategic partnerships," said Daniel Cheong, Head of Consumer Banking Malaysia at CIMB.

Kanags Surendran, Regional Head of Digital Banking, Payments & Personalisation at CIMB, added: "We believe in delivering the right experience in our products and services through the right channel at the right time. To support this, our digital transformation efforts are backed by big data analytics engineered with Artificial Intelligence and Machine Learning that can accelerate customer acquisitions and digital sales."

CIMB OCTO App

Most recently, the Bank introduced the early release of its next-generation mobile banking app, CIMB OCTO.

According to Kanags Surendran of CIMB, the bank is working with customers in a collaborative approach as the future-ready app will allow customers to experience CIMB OCTO and provide their feedback before the app's full release.

"Through CIMB OCTO, our aim is to provide innovative services and features for seamless, secure, and personal banking, with a new design and user interface. Designed through collaboration with customers, we are, in a sense, working with them to create a next-gen banking experience tailored to their everyday banking and lifestyle needs. Leveraging data analytics is crucial to optimise our ability to analyze customer activity and transaction patterns," explains Kanags Surendran.

The CIMB OCTO App is developed to be future-ready, powered by a brand-new infrastructure with much higher and scalable processing power, storage capabilities and robust integration capabilities. It is built on a new technology stack and operational infrastructure with a focus on providing enhanced stability and security.

In addition, the app will be able to support more concurrent users as well as facilitate new updates in the years to come, with greater flexibility and agility in deploying platform expansions such as capacity improvements or new features in response to future customer needs. CIMB expects to introduce the full release by mid-2023.

Championing Customer Centricity

CIMB's Forward23+ strategy revolves around an elevated customer experience and its department, Transforming Customer Journey (TCJ) aims to achieve this through customer journey products.

As a department, TCJ has adopted a new working culture through the Agile methodology to shorten the time-to-market and software development process. This has allowed CIMB to plan, develop, and release product features within one Wave (3-6 months). Its comprehensive functions within the department also ensure that development, operations, testers, and design do not work in silos by incorporating real-time collaborative

Daniel Cheong
Head of Consumer Banking Malaysia at CIMB

> **"At CIMB, we believe in putting customers at the heart of everything we do. That is why Digital is a strategic focus of CIMB in delivering our Forward23+ Strategic Plan."**
>
> **Daniel Cheong**
> Head of Consumer Banking Malaysia at CIMB

mechanisms through Agile and Scrum.

During the pandemic in 2020, CIMB had to adapt to the new normal of banking and the need for social distancing. To address these challenges, TCJ introduced two digital-first solutions for customers.

The online-to-branch account opening process (90/10 and CIMB Apply App) was introduced for individual banking customers, allowing them to submit applications to open current or savings accounts online through a seamless and contactless new process. At the same time, ACE (RM Assisted) and the Biz Financing Portal (BFP) were also introduced for small and medium enterprises (SMEs).

The online-to-branch account opening process allows customers to pre-fill an account opening e-form on CIMB's website to initiate the process, and then utilise a dedicated e-account opening priority queue at selected branches for the final step of their application, which was the Know-Your-Customer ("KYC") due diligence, to complete the account opening. The pilot phase of this new process at selected branches saw a 50% reduction in processing time, with a phased nationwide roll-out launched in June 2020.

Meanwhile, SMEs were also able to submit financing applications online through CIMB's Biz Financing Portal. The portal allowed SME customers to upload documents and submit loan applications entirely online, eliminating the need to visit a branch.

These paperless solutions were designed to make CIMB's banking services more accessible and convenient for customers, while also ensuring safety by leveraging digital capabilities to enhance the customer experience.

Transforming Customer Journey

TCJ, as a department, has made significant progress in improving the customer experience. The department's full-fledged DevSecOps team covers both automation and security for CIMB's developed products, and boasts a code coverage of 90%, significantly reducing the number of undetected bugs in the developed applications. With the comprehensive automation in its DevSecOps processes, developers are able to deploy as frequently as needed with minimal complications, leading to an unprecedented time-to-market rate within the bank and among its peers.

TCJ has also focused on improving the UI and UX within the department through its Design team. The Design team is working to establish a guiding principle throughout the bank through its Service Design Blueprint and adherence to the Design Language.

Together, these teams ensure that each customer journey with CIMB Bank is a unique and personalised experience. TCJ aims to be at the forefront of CIMB's Forward23+ strategic plan and continues to work hard to integrate CX into journeys and processes while delivering positive financial impact.

"We believe in delivering the right experience in our products and services through the right channel at the right time."

Kanags Surendran
Regional Head of Digital Banking, Payments & Personalisation at CIMB

Kept by Krunsgri: Scaling innovation in savings account

Krungsri, a financial services company, has launched a new digital banking initiative called "Kept by Krungsri," targeting digital-savvy millennials. Kept is a pure digital bank that is structured around different stages in a customer's digital journey, including adoption, onboarding, engagement, and servicing. With a strong value proposition and distinctive products appealing to younger segments, Kept has enhanced Krungsri's image among millennials, boosted the number of new-to-bank customers, and significantly grown the online deposit balance.

Recently, Kept introduced a new savings product called "Together Savings", a unique offering that allows customers to save with others or save for multiple purposes in one place. The account is solely owned by the account owner, who can invite or remove members at any time, set up target saving goals, view transaction histories, and deposit or withdraw money from the account. Members can view balances and transactions, but they cannot withdraw money themselves.

With an innovation that can impact a large number of customers, Kept by Krungsri has been declared the winner of the Best Savings Account category at the recent Global Retail Banking Innovation Awards 2022, organised by The Digital Banker.

Nirav Patel, Managing Director at The Digital Banker, said during the awards ceremony, "Kept has enhanced Krungsri's digital banking capabilities, improved the digital experience, and enabled business agility and digital readiness for competing in the future of banking."

The value of Together Savings

In July 2021, Kept launched a new product, Together Savings, a savings account that transforms the savings experience of joint accounts to be more convenient, transparent, and fun. Together Savings not only helps enhance customer experience when saving with others, but it also helps customers gain a better sense of control over their savings.

The unique features of the newly launched Together Savings include:

Distinctive digital group savings: Together Savings is a solely owned saving account with joint account features. It was created based on the insight that "customers save and manage money with someone with the same purpose."

Together Savings provides features for the "Money Manager" or account owner to create multiple Together accounts for different groups of members with different purposes. The owner can invite or remove members at any time, set up target saving goals, view the transaction history of each account, deposit money, and withdraw money from the account based on a specified purpose. Once the owner invites members to a specific account, all members can view balances and deposit money into the account. Though members cannot withdraw money, they will receive notifications when the owner withdraws money. Together Savings helps make the saving process among friends and family members easier and more transparent.

Multiple purpose digital savings: Together Savings can also be used by individuals who have multiple saving purposes. With multiple goals, customers can keep all their saving goals in one place, making it easier to track and manage them, and increasing

the likelihood of achieving them.

Simple, speedy, and paperless experience: Kept offers a self-service onboarding with identity verification using Thailand's National Digital ID infrastructure (NDID) and blockchain technology. New customers can open their first digital savings accounts on their mobile phones from anywhere in five minutes, with no paperwork to sign. They can easily open Together Savings accounts using just their faces through biometric identity verification.

Gamified banking: For Together Savings, Kept by Krungsri added another core gamification feature called "Social influence," which allows people to join a savings account as a group quest. As a group quest, customers can create a mission, goal, and name the jar. Using social influence on Together Savings, customers can invite friends to join the jars, save together, and complete the mission as a group.

Strong value proposition

With a strong value proposition and distinctive products appealing to younger segments, Kept has enhanced Krungsri's image with the Millennial segment, boosted the number of new-to-bank customers, and significantly grown the online deposit balance. Kept achieved 150% of its target customer base and 500% of its target balance in the first year and doubled its customer base in the following years.

> **"Kept has enhanced Krungsri's digital banking capabilities, improved the digital experience, and enabled business agility and digital readiness for competing in the future of banking."**

Standard Chartered Bank's OneOD OneClick: Reimagining Wealth Lending and FX Trading

Standard Chartered Bank launched a new Wealth Lending service called "OneOD OneClick" in April 2022. The service is integrated into the bank's existing digital Foreign Exchange (FX) trading platform, LiveFX SG. The objective of the project was to empower front-line staff to book FX trades on behalf of their clients using their lending facilities, automating a previously manual and tedious process that took two days to perform.

This new solution is part of the bank's key strategy towards investing in technology to deliver wealth propositions through a single wealth platform, which is becoming more and more critical to providing best-in-class client experience and attracting top relationship managers.

OneOD OneClick offers clients the benefit of a cross-currency credit limit, rather than a single limit per currency. Relationship managers (RMs) can easily and instantly switch their clients' loans from one currency to another via the fully automated FX trading platform, taking less than a minute. The FX trading platform receives the latest client line limit from the wealth lending platform through APIs and credit simulation checks are fully automated in a matter of seconds.

Clients can also now perform multiple loan switch transactions intraday if they choose to. The offering is available for both market and limit orders, meaning clients can switch their loans at the current market rate or place an instruction for the transaction to happen when the market hits a certain price. In addition to loan switching, clients can also perform other cross-currency lending transactions, such as loan drawdown, loan repayment, and collateral switching, depending on currency fluctuations. Clients also benefit from preferred rates through the WealthFX Membership Tiers Program.

Instead of the FX and Lending applications working in silos, with all the limitation that can imply, this enhancement offers an all-in-one solution which minimises the manual touchpoints to combine them into one seamless experience. It also reduces the waiting time for the client to get their funds. The bank is now proud to have reached the stage where both digital abilities can be combined to deliver an outstanding frictionless product proposition in an innovative, efficient and competitive manner.

With volatile financial markets, this solution came in time and provided clients many trading opportunities for FX gains by switching their loans and collaterals between currencies to their advantage. On the back of this successful launch, the bank plans to expand this offering to more locations and to offer this capability via direct-to-client channels on mobile and online banking in order to make it a full omnichannel solution.

In addition, it also allows the bank to create scale across its footprint and client continuum, lower costs and improve time to market. The bank has already built advanced trade execution and digital advisory capabilities, and has also unified non-technology elements, including its all-digital and automated retail foreign exchange (FX) trading and order management system. It aims to be a one-stop solution for all FX-related services, extending

Image: viewimage / Shutterstock.com

its capabilities externally to retail and private customer segments and internally to staff users.

For its sheer drive to deliver value to customers, Standard Chartered Bank has recently been declared Winner, Innovator of the Year for Digitally Empowering RMs at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"This recognition is a testament to StanChart's commitment to innovation and its dedication to providing the best possible experience for customers," said Standard Chartered Bank in a statement.

"This new solution is part of the bank's key strategy towards investing in technology to deliver wealth propositions through a single wealth platform."

HSBC Indonesia: Inspiring Excellence in Marketing and Brand Engagement

The prolonged effects of the pandemic have created difficulties throughout the travel industry, particularly in Indonesia. Border closures and domestic travel restrictions have had a significant impact. In addition, sports activities that Indonesians love, such as badminton, have come to a grinding halt.

HSBC-ANA Travel Week Virtual Event

HSBC, like many other companies, has been affected by the ongoing pandemic. In response, the company has had to reassess its strategy in order to deal with the adverse effects caused by the outbreak. As the number of positive cases decreased and vaccination rates increased towards the end of 2021, travel became more feasible and accommodations more accessible. Travellers were able to travel both domestically and internationally with a VTL (vaccinated travel lane).

This initiative provided opportunities for the travel industry to recover, and for HSBC Indonesia to further deepen its engagement with its customers.

HSBC and All Nippon Airways (ANA) jointly held a travel fair, aiming to address the needs of those looking to travel after a two-year restriction. HSBC and ANA held a virtual event in 2021 and a hybrid event in 2022. This event offered customers special fares to the USA and Canada, cash back for flight tickets, and the ability to reschedule flights.

The campaign was organised to accommodate consumer needs during travel season by offering special fares to selected destinations with its airline partner, All Nippon Airways. The campaign also aimed to increase usage by encouraging HSBC credit card holders to transact at the travel fair and promoting safe and flexible travel using HSBC credit card.

The campaign was held both online and offline (hybrid) in order to cater to customers who couldn't physically attend the event.

HSBC Indonesia's event, which was communicated through ATL and digital channels, generated 32 million impressions, 13.4 million reach and 28,000 clicks on the event link.

In 2022, an on-ground event was held in one of Jakarta's largest malls. The event generated 32 million impressions on digital channels and resulted in a 188% increase in customer spending with 3 times as many new-to-bank customers compared to the average monthly. There is no doubt, the travel industry experienced rapid changes due to the pandemic, and HSBC plans to continue supporting customers with various initiatives.

In recognition of its excellence, HSBC Indonesia was awarded "Best Marketing Campaign of the Year - Credit Card" and "Highly Acclaimed, Outstanding Customer Relations and Brand Engagement Initiative" at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"With the high demand for travel, this campaign presented a unique opportunity for the travel industry to rebound and HSBC Indonesia seized this opportunity by organising an event through a collaborative effort that brought together a diverse range of business lines," said Nirav Patel, Managing Director at The Digital Banker.

HSBC BWF World Tour Series 2022

HSBC partnered with Badminton World Federation (BWF) to sponsor HSBC BWF World Tour Series 2022, in alignment with its strategy to focus on Asia. Over 80% of worldwide badminton enthusiasts

> **"This initiative provided opportunities for the travel industry to recover, and for HSBC Indonesia to further deepen its engagement with its customers."**

are found in Asia, making it an ideal platform for HSBC to amplify its brand exposure and association with the sport in 19 markets, including Indonesia. The partnership aligns with HSBC's brand purpose of "Opening up a world of opportunity" and its strategic pillar of "Energise for Growth" by promoting inclusivity and accessibility through sport sponsorship.

Badminton, being a gender-neutral and inclusive sport played by both women and men of all ages, provided HSBC with the opportunity to make a positive impact in the communities it serves and inspire more people to adopt an active and healthy lifestyle. One of the HSBC's objectives is to create strong presence within its target segment in Indonesia, and to improve its brand relevance. HSBC aims to strengthen its relationship with the society and badminton serves as the perfect vehicle as it is a sport that is very close to the heart of Indonesians.

In partnership with the Badminton World Federation (BWF), HSBC hosted a BWF World Tour series and there were two events that were held in Indonesia, the Indonesia Masters and Indonesia Open. In 2022, the event became one of the most awaited matches of the year after almost 3 years of hiatus due to pandemic restriction and this was the first match that allowed live spectators.

Furthermore, HSBC collaborated with a local badminton community on social media called @

badmintalk_com to engage with a wider audience and increase awareness of the HSBC-BWF partnership.

The HSBC BWF World Tour Series 2022 campaign was a success. It brought about several positive outcomes for the team such as airing on global media broadcasters with the HSBC BWF logo, OOH placement on the venue location of Istora Senayan for the tournament series, and collaborations with targeted digital communities. This collaboration included digital post collaborations, IG Live Streaming, customer engagement quizzes, and badminton news updates.

Additionally, an external booth activation was held at the Istora Senayan venue during the tournament series, which also included an exclusive HSBC VIP lounge for top clients and potentials with luxurious hospitality.

Internal campaign activities included pre-event webinars with Indonesian athletes, post-event hybrid webinars with Liliyana Natsir, BWF Hall of Fame 2022, and branded merchandise giveaways to all staff in the head office during the tournament. HSBC representatives were also given the opportunity to present tokens of appreciation and final prizes during the final match day on the main stage.

How Standard Chartered Singapore is elevating client experience for HNWI segment

Standard Chartered Singapore is revolutioniSing the way private banking clients manage their wealth, with its innovative digital platform, the SC Private Bank app. This cutting-edge technology offers a truly seamless experience, providing a globally consistent digital client experience across geographies, channels and segments.

The app is available on both web and mobile platforms and is designed to serve the needs of clients based in Asia, Middle East or Europe and those with multiple accounts held across booking centres and advisory centres.

The SC Private Bank app provides a seamless digital experience for private banking clients, offering a unified view of global accounts and self-serve capabilities across all channels and regions. This seamless approach eliminates the need for clients to use multiple apps or navigate multiple login credentials.

Through ongoing engagement with clients and a commitment to innovation, the bank has continuously improved the app, adding new features and strengthening security to empower

Image: tupaiterbang / Shutterstock.com

clients to manage their diversified wealth portfolios and capitalise on investment opportunities while on the go. In the last 12-18 months, The bank has extended the App footprint to also service clients in Europe, in addition to those in Asia and the Middle East, furthering its mission to deliver a good and secure customer experience.

The efforts of Standard Chartered Singapore to elevate the client experience for the high net worth individual (HNWI) segment, as well as excellence in mobile banking and e-KYC, have been recognised by the industry, with the bank receiving multiple awards for its innovation including Best Client Experience for HNWIs, Best e-KYC and Highly Acclaimed, Best Mobile Banking App at the at the Global Retail Banking Innovation Awards 2022 organised by The Digital Banker.

"These accolades demonstrate Standard Chartered Singapore's commitment to delivering exceptional service to its clients and its dedication to continuously improving the client experience," said Nirav Patel, Managing Director at The Digital Banker.

Deepening portfolio performance statistics

With its latest roll-out, Standard Chartered's Private Banking (PvB) App has expanded its geographical reach. This move allows the bank to offer its unique Global App feature, which provides clients with a consolidated view of their investments across the globe in a single app, regardless of which booking center they have opened their account with.

In addition, to deepen portfolio performance statistics and strengthen reporting capabilities, the bank has introduced an Income and Expense module in the mobile and web app for clients in Singapore and Hong Kong. This module provides clients with a monthly snapshot of income and expenses across various asset classes for the selected portfolio.

Furthermore, in an effort to provide an improved client experience, market insights and trade ideas will be made available in a centralised location. This feature will enable clients to read current and historical insights on-the-go and make smarter financial decisions. Standard Chartered has also introduced "Communication Hub" an in-app messaging center for its private banking clients. This feature will provide clients with a single point of access to view all their financial notifications, replacing the secure email/SMS system that was used before.

> **"The seamless approach with the App eliminates the need for clients to use multiple apps or navigate multiple login credentials."**

Standard Chartered's Private Banking (PvB) App offers a range of benefits for its clients.

1. With the app being a global app, Jersey clients can access their CIF opened in other regions like Singapore, Hong Kong using the same app. Clients will have access to features such as e-advices & e-statements, portfolio performance, holding information at CIF level and asset level, historical performance(YTD), market insights, and a chat feature to reach out to their private bankers for financial discussions or to share documents.

2. The Income & Expense Module, available for clients in Singapore and Hong Kong, allows for easy tracking of cash-flow trends with monthly snapshots available at their fingertips. This improves the client experience as it eliminates the need for clients to generate interim statements and wait for a certain period before viewing their income and expense details.

3. The Market Insights Reboot, available for all regions from June 2022, provides easy navigation and read-on-the-go access to current

and historical insights, allowing clients to make smarter financial decisions. Additionally, it creates investment opportunities for clients, increasing revenue for the bank.

4. The Communication Hub is an in-app messaging center that enhances client engagement and self-service usage, increasing app engagement. It also improves front office efficiency by reducing support calls and branch visits. This feature provides customers with a convenient digital alternative for managing their finance portfolios. Additionally, it also increases revenue opportunities through increased transactions, reduces fraud risk exposure by providing real-time alerts on unusual or potentially fraudulent activity, and increases efficiency by linking to other banking platforms, such as core banking, advisory, and trading.

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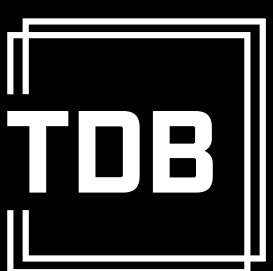
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