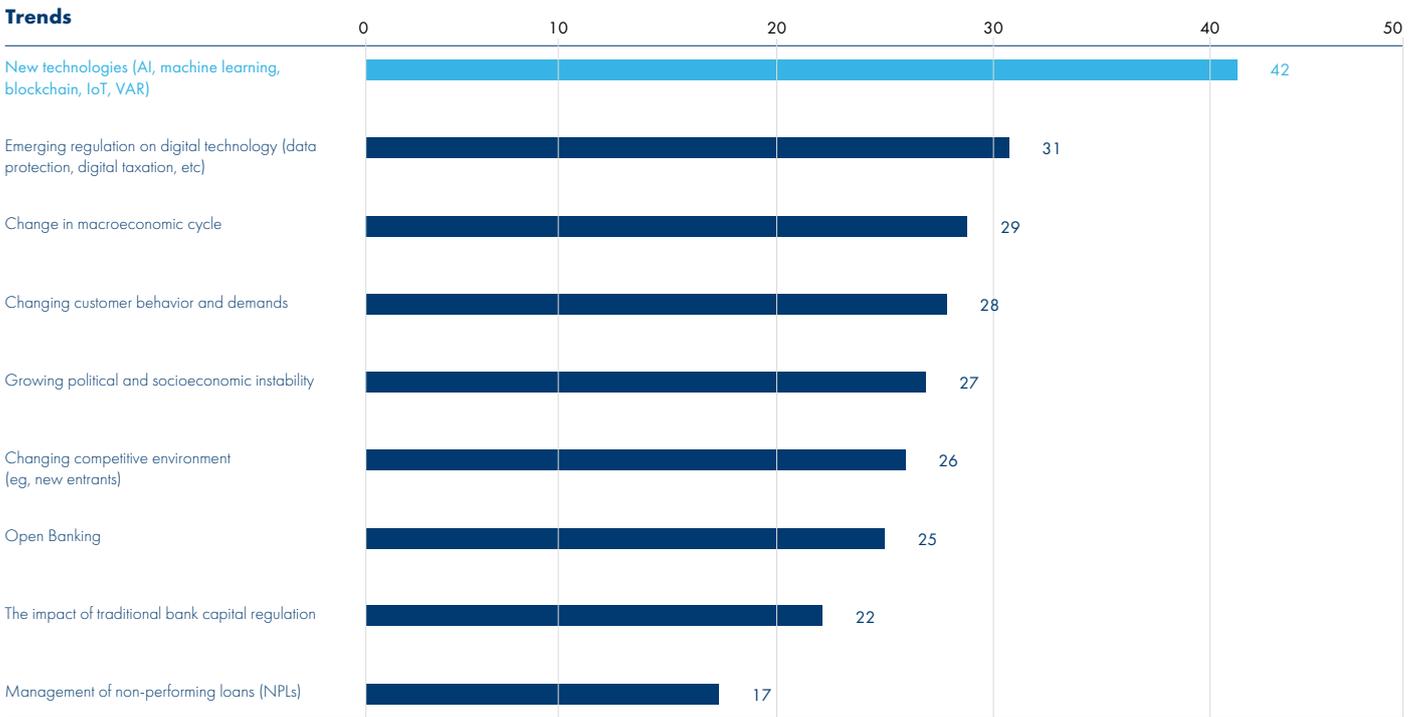




# RETAIL BANKING TRENDS – ECONOMIST INTELLIGENCE UNIT REPORT RELEASED BY TEMENOS

## Which trends do you believe will have the biggest impact on retail banks in your country by 2025 (% of respondents)



### An industry in transition

Retail banking has changed considerably over the past decade. Retail banks have adapted to changing consumer demands and expectations, new technologies (AI, blockchain and the Internet of Things), new competitors (neo-banks, payment players and tech giants) and new regulations (Open Banking and PSD2) while reducing costs and creating value. These combined factors have resulted in retail banks adjusting their business models, rethinking their innovation strategies and investment focus, and altering their product offerings and how they are delivered.

For the sixth consecutive year, The Economist Intelligence Unit (EIU), on behalf of Temenos, surveyed over 400 global banking executives on the changes they see taking place in their industry to 2020 and 2025, their organizational response, and the longer-term impact on their strategic development.

### New technologies will have the biggest impact on banks

Technologies like AI and Machine Learning have replaced changing customer behavior and demands as well as regulation, as the key driver of strategic thinking at banks around the world both, in the short (36%) and longer term (42%). AI is becoming a key part of the new technology mix and 61% of survey respondents think AI will create better value for customers by 2025.

### Open Banking is an opportunity

Banks are realizing the true opportunities of Open Banking. More than four in ten (41%) see their business models evolving towards acting as true digital ecosystems. A further 28% expect to maintain their own product offerings and become an aggregator of third party banking and/or non-banking products. While 30% of banks are preparing to launch an Open Banking strategy by 2025, they remain focused on improving product agility (32%) and mastering digital marketing and engagement (31%) in the shorter term.

### Launching a new digital banks as top innovation strategy

Although banks' innovation strategies remain focused on digitization, Open Banking and their partnerships with fintechs, they are also looking to build new business units and brands from scratch. Banks' top innovation strategy in this year's report is focused on building greenfield digital banks (36%).

### Banks are looking to the cloud

Digital investment is focused on cybersecurity (39%), cloud technologies (35%) and developing AI-powered digital advisers and voice-assisted engagement channels (29%). Such will be the demand for behavioral data analysis, that three in five respondents (60%) foresee banks deploying more computing power in the public cloud by 2025 than they currently deploy in all the private cloud data centers.





# 400+

Global banking executives surveyed on the changes they see taking place in their industry to 2020 and 2025

# 42%

Of respondents recognized new technologies as the trend that will have the biggest impact on retail banks in their country by 2025

# 61%

Of survey respondents think AI will create better value for customers by 2025

*Banks are realizing the true opportunities of Open Banking. More than four in ten (41%) see their business models evolving towards acting as true digital ecosystems.*



Insights continued

# GIVING INSIGHT INTO THE FUTURE



## HOW GENERATION Z WILL RESHAPE DIGITAL BANKING

Just as banks are beginning to understand what makes millennials tick, they have to start taking note of the shift in customer habits and expectations that Gen-Z is bringing, so that they remain relevant to this new breed of customers.

**Ahmed Khidhir**  
Senior Consultant, Business Solutions



## WHY BANKS ARE TAKING BIG DATA TO THE CLOUD

The benefits that can be realized from cloud for any banking cloud-deployed software are also true for the data lake.

**Todd Winship**  
Product Director

## REDEFINING BEST-IN-CLASS BANKING: TEMENOS INFINITY MOBILE BANKING APP GETS HIGHEST "LEADER" RATING FROM CENTRIC DIGITAL

In the fast-paced world of technology, the idea of minimum viable product (MVP) is a common application development technique to rapidly deliver a new product with sufficient features. However, we've taken a completely different approach to how we deliver solutions.

**Jeffery Kendall**  
Executive Vice President of North America Sales and Distribution





To read more about our insights

Check out our website [www.temenos.com](http://www.temenos.com)



# 04

## IT'S TIME FOR AI TO EXPLAIN ITSELF

The US financial regulator announced earlier this month that it has opened an investigation into claims of gender discrimination by Apple Card. Apple's own co-founder, Steve Wozniak, tweeted that algorithms used to set credit limits are inherently biased against women.

**Hani Hagras**  
Chief Science Officer

# 05

## THE FUTURE OF CORE BANKING IS IN THE CLOUD

There is no doubt that the future of banking is with the cloud. As banks react to their fast-paced customers' increasingly demanding requests, only cloud-based systems can provide robust solutions which banks and finance houses need.

**Alexandre Duret**  
Product Director, Wealth

# 06

## SIX THINGS YOU DIDN'T KNOW ABOUT SUSTAINABLE BANKING

The integration of sustainability issues into policies, strategies, products and services of the financial industry makes business sense as well.

**Nick Brewer**  
Product Marketing Director

