OPEN BANKING

THE BRAND, THE CHALLENGES, THE FUTURE …

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ACCENTURE

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accenture

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DO CONSUMERS UNDERSTAND WHAT OPEN BANKING IS?

DOES OPEN BANKING HAVE A BRANDING ISSUE ?

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SPLENDID UNLIMITED'S FINDINGS:

ALMOST 80%

OF PEOPLE HAVE NEVER HEARD OF

OPEN BANKING

ONLY 9%

CONFIRMED THEY'VE EVER USED

OPEN BANKING SERVICES

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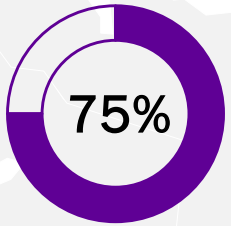
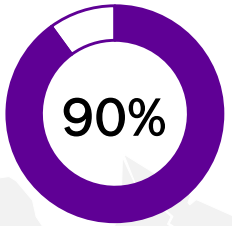
ALSO IN CANADA, CUSTOMERS SENTIMENTS ARE NOT POSITIVE

Canadians, like many other nations, are wary of open banking

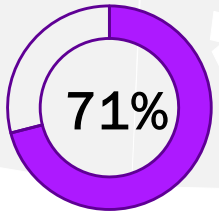


Three-quarters of Canadians are not interested in open banking at this early stage

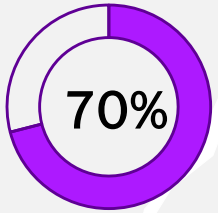


Nine in ten Canadians are concerned about the privacy of their financial data - most don't trust tech giants

However, Canadians deeply trust their banks



Say that better **banking security** would help address their privacy concerns



Of banking customers **trust only their bank** with their financial data

About the Research

The online omnibus survey of 1,564 Canadians was completed in February 2019 by Leger using an online panel of approximately 400,000 members nationally to understand perceptions on open banking in Canada. The margin of error for this study was +/- 2.5 percentage points, 19 times out of 20

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CUSTOMERS ARE USING OPEN BANKING

THEY JUST DON'T KNOW ABOUT IT!

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FINANCIAL SERVICES CUSTOMERS ARE MORE WILLING THAN EVER TO SHARE THEIR DATA – PROVIDED THE DATA SHARING POWERS INTEGRATED PROPOSITIONS AND OFFERS THAT ARE TAILORED TO THEIR NEEDS.

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OPEN BANKING IS STILL IN IT'S INFANCY GLOBALLY…

But we have observed some key trends so far…

01 Account aggregation is a no-regrets move

02 Open Banking for Commercial Banking is on the rise

03 Developer Portals are valuable but underestimated

04 Payment Platform Providers are dominating through APIs & platform plays

05 Digital Marketplaces can unlock new revenue pools

06 New Digital Banks & Brands are emerging, powered by customer centric design

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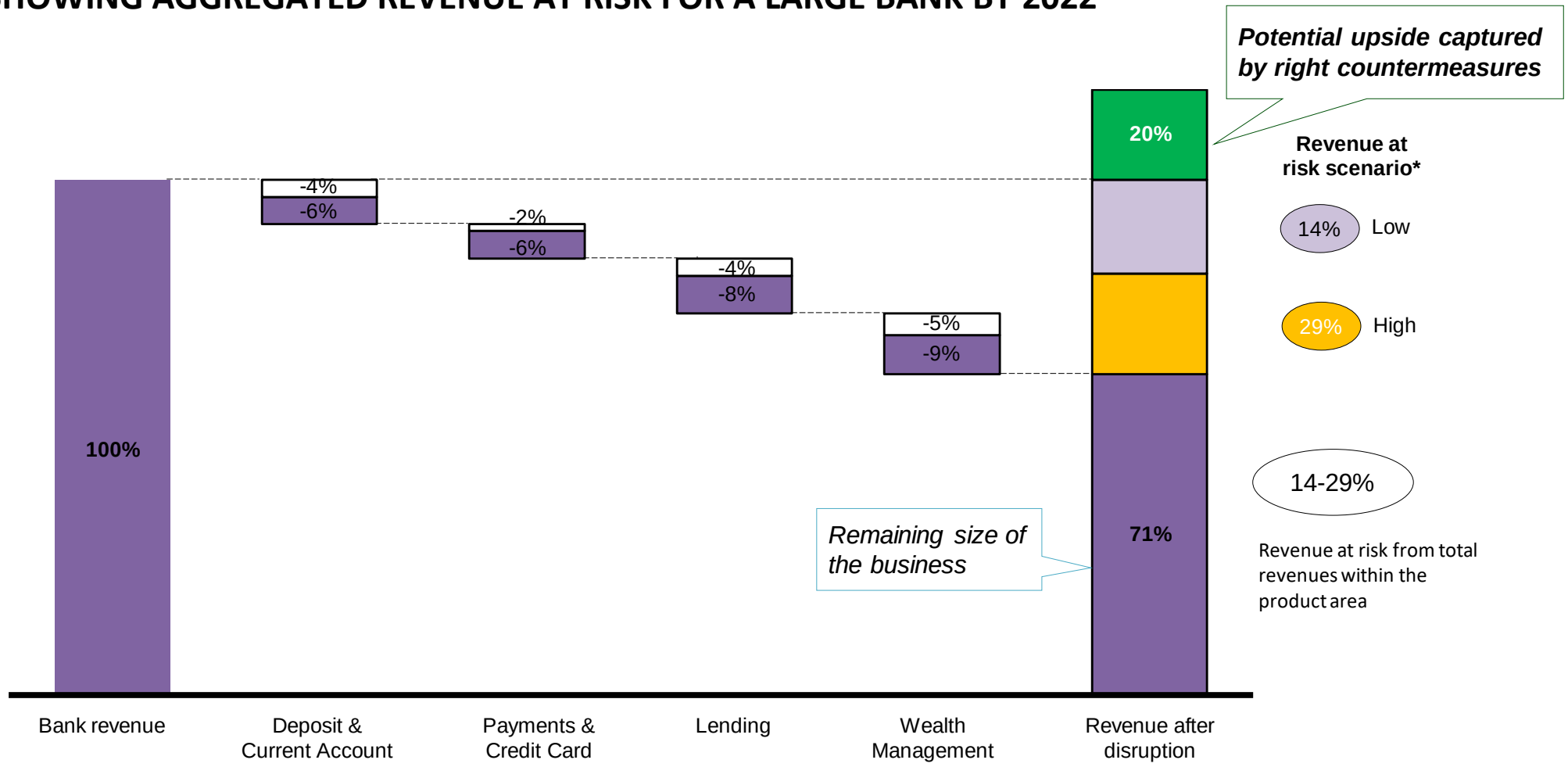
FINANCIAL DOWNSIDE

OPEN BANKING LED DISRUPTION CAN HAVE A SIGNIFICANT IMPACT ON THE BANKS' REVENUE

SIMULATION SHOWING AGGREGATED REVENUE AT RISK FOR A LARGE BANK BY 2022



* Low and High Case are based on different assumptions of growth for disruptors, and their impact on market shares, spreads and commissions

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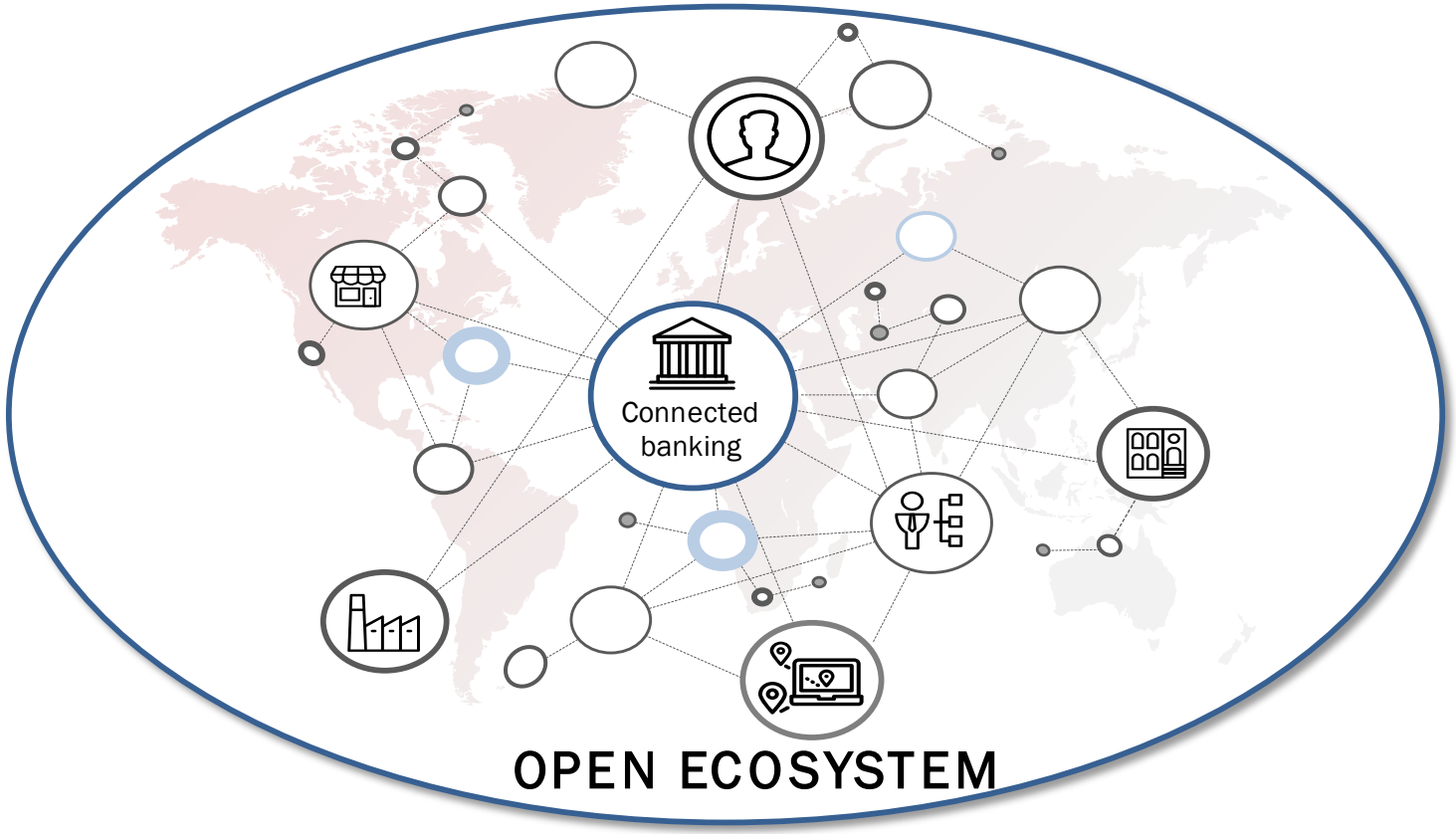
EVOLUTION OF CONNECTED BANKING

CONNECTED BANKING COMBINED WITH UNCONVENTIONAL PARTNERSHIPS LEADS TO A NEW OPEN ECOSYSTEM , POWERED BY OPEN DATA



...CONNECTED BANKING SUCCESS FACTORS:

1. **OPENNESS :** Ability to perform banking services from non- banking channels and vice versa
2. **ECOSYSTEM :** Operate in a network of interlinked companies that work together to create synergic value
3. **PARTNERSHIPS :** Unconventional partnerships to create value and extend reach
4. **HYPER RELEVANT CUSTOMER INSIGHTS :** Data analytics will be the enablers of Open Banking
5. **DIGITAL ID :** Open Data across the ecosystem with a common identifier for safe & secure sharing

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AVOID ATOMIZATION, EMBRACE OPEN & CONNECTED BANKING

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