



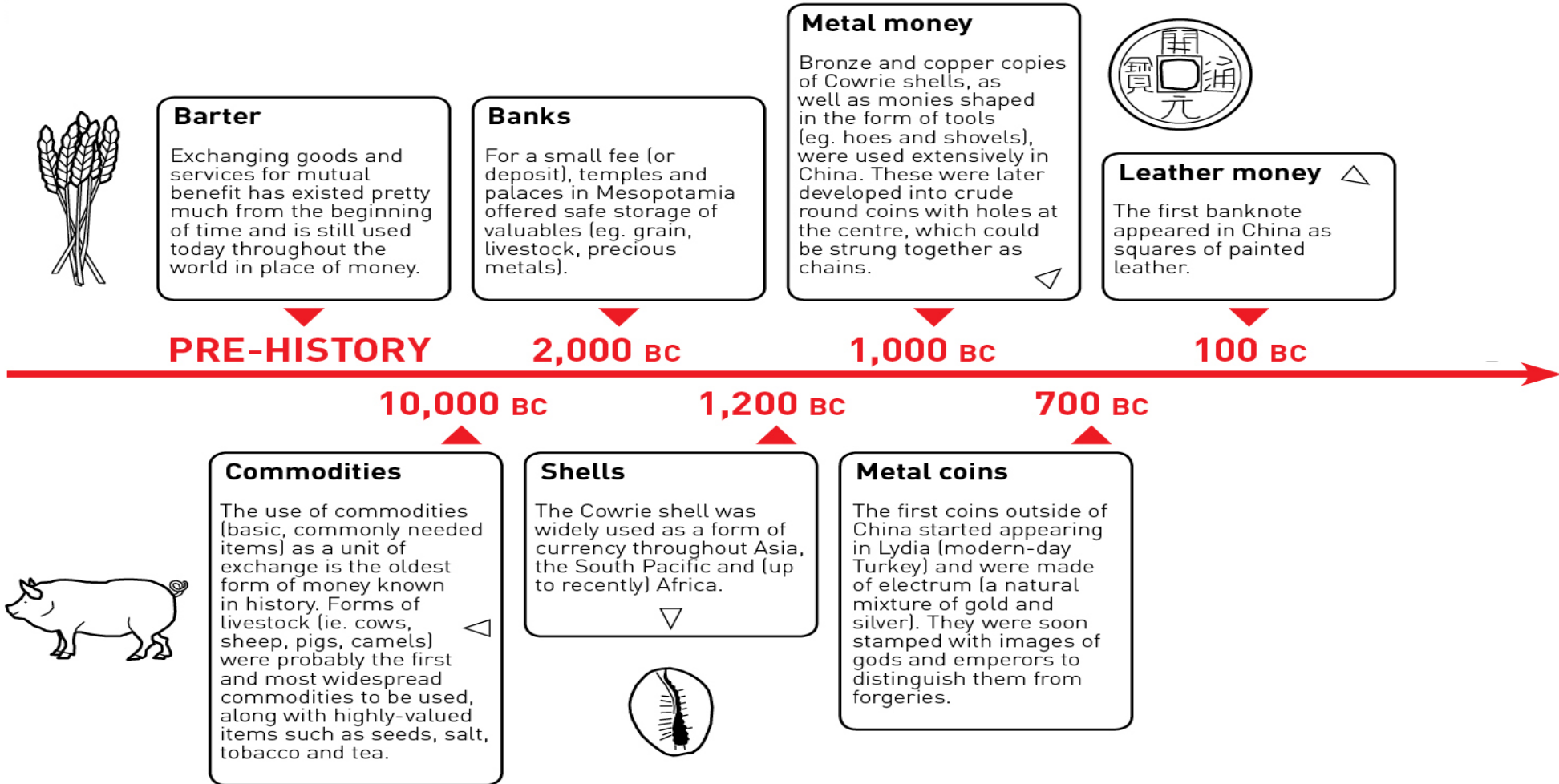
Sharjeel Shahid

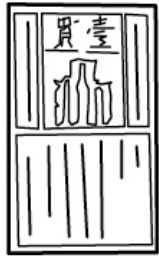
Group Executive Digital Banking
United Bank Limited

“If the rate of change on the outside exceeds the rate of change on the inside, the end is near”

Jack Welch, the former Chairman and CEO of General Electric

Banking through the ages





Paper notes ◀

Again the first paper banknotes appeared in China, lasting for more than 5 centuries before severe overproduction and inflation made them redundant.

900 AD

Bank notes

As banks developed in Europe they began to issue banknotes, which promised the bearer the receipt of stored money and precious goods. These notes were often used as a form of money.

1700 AD

Credit cards ▲

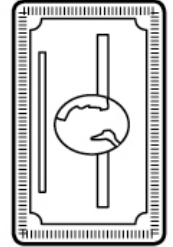
Credit cards were first introduced in the US and Europe at the beginning of the 20th century for customers to make transactions internally within large companies or hotel chains. Their buying power was extended to other, external companies around 1940.

1920s AD

EFTPOS

EFTPOS (Electronic Funds Transfer Point of Sale) was introduced to allow users to withdraw cash from businesses at the same time as purchasing goods or services.

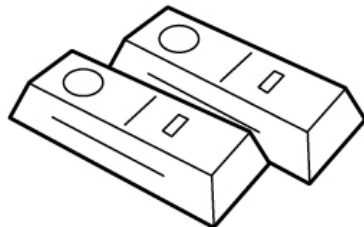
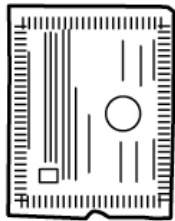
1980s AD



1600 AD

Paper money ◀

Paper money was first accepted as a form of currency in Europe (though it would take many centuries for it to be commonly used).



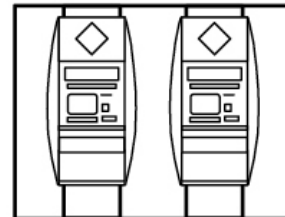
1816-1930 AD

Gold standard ▲

Gold was recognised as the standard of value in 1816 by England and 1900 by the United States. The purchasing power of banknotes derived their value directly from the value of gold. The gold standard ended with the great depression in the 1930's when gold became devalued and inflation massively increased.

ATMs ▼

In 1967, the first ATM was installed in a Barclays Bank in London. Nevertheless, ATMs only became commonly used in the mid to late 80s.



1960s AD

1990s AD

Internet banking & shopping

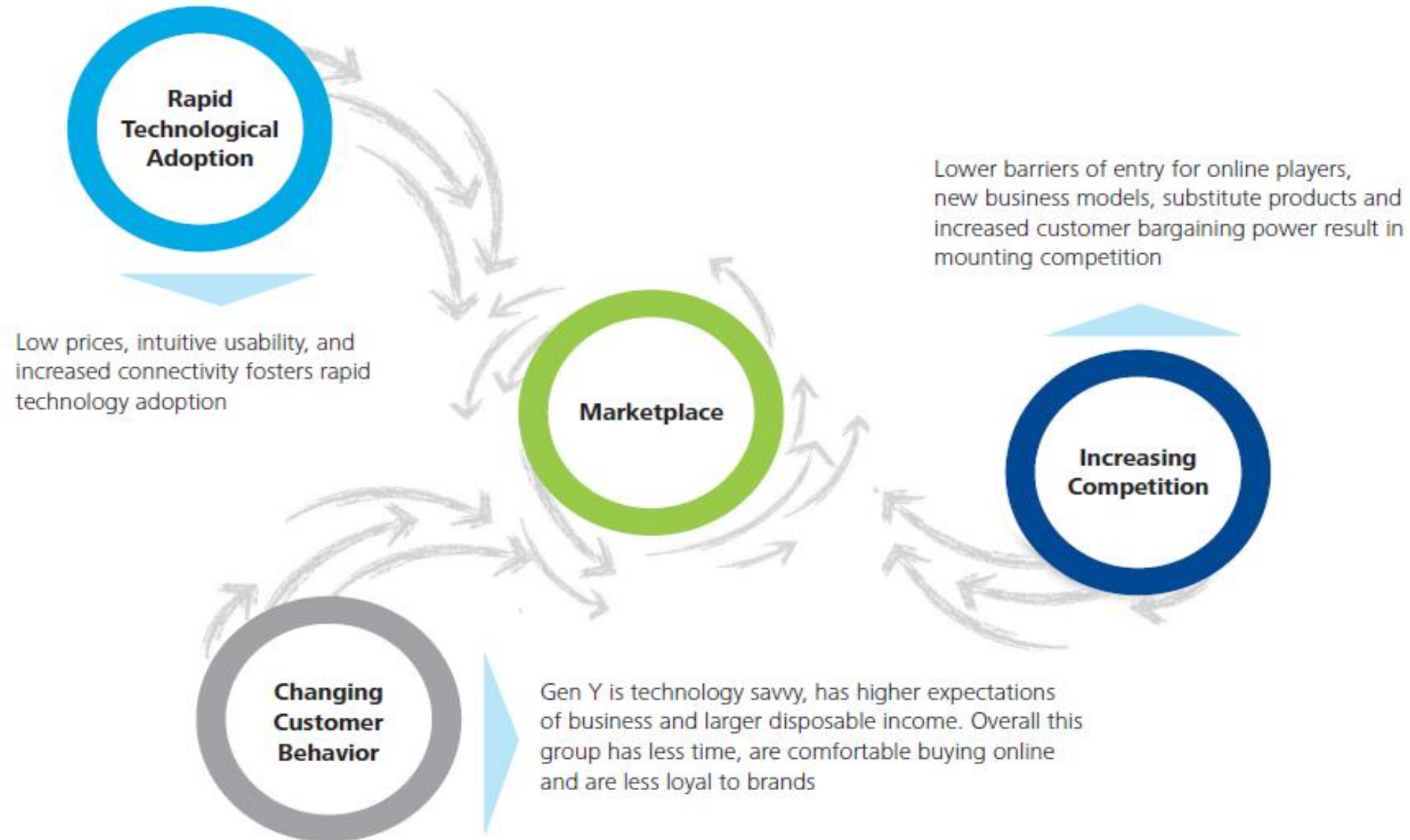
With the establishment of the worldwide web in the late 80's and early 90's, internet banking and shopping very quickly became common. The world's first cyberbank, First Virtual, opened for business in 1994.






















Innovation in banking over the centuries

Year	Innovation
10000 BC	Commodities became unit of exchange
2000 BC	Bank branches & safe deposit lockers appear
700 BC	Metal coins arrive
1600 AD	Paper money becomes a form of currency
1700 AD	Bank notes became the standard
1816 AD	Gold became the standard of value
1870 AD	First wired money transfer
1930 AD	Credit Cards first introduced
1967 AD	First ATM installed
1982 AD	Merchant Electronic POS machines
1989 AD	Telephone banking introduced
2000 AD	Online banking
2010 AD	Mobile banking
Today	Digital banking

What is this “Disruption”?

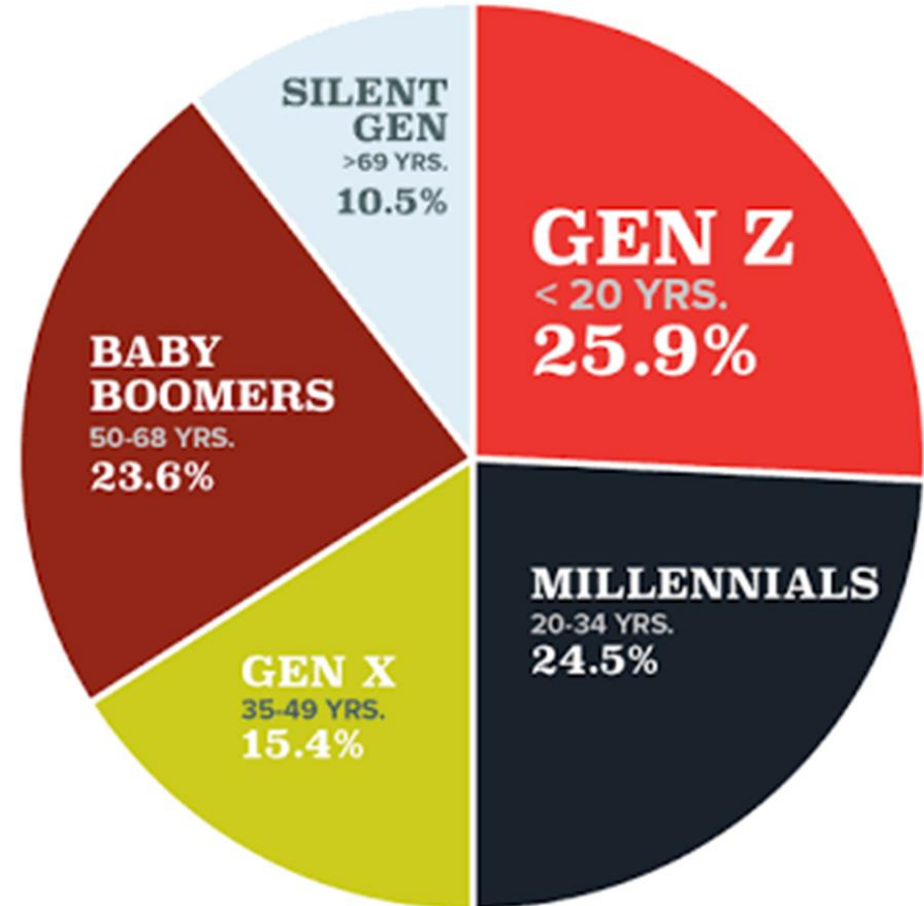
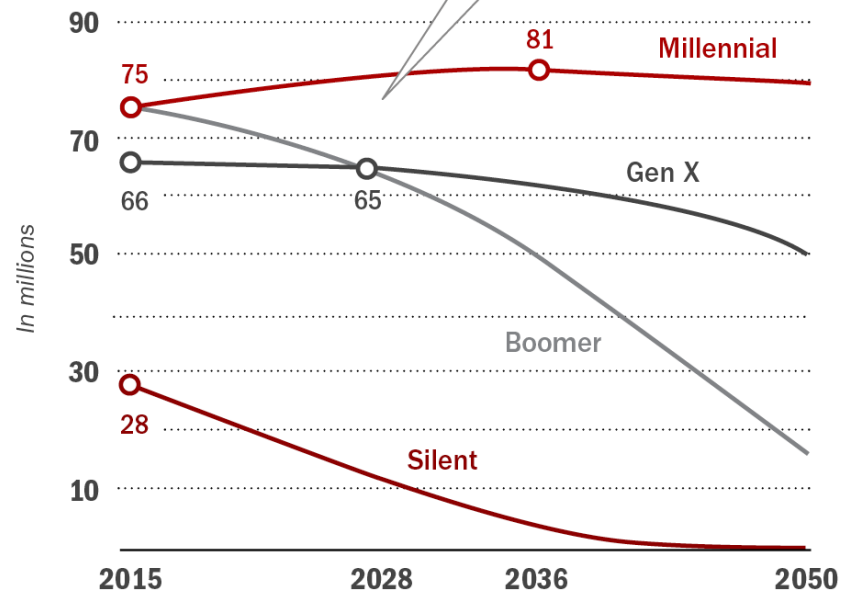


Understanding the customer

Characteristics	Maturists (pre-1945)	Baby Boomers (1945-1960)	Generation X (1961-1980)	Generation Y (1981-1995)	Generation Z (Born after 1995)
Formative experiences	Second World War Rationing Fixed-gender roles Rock 'n' Roll Nuclear families Defined gender roles — particularly for women	Cold War Post-War boom "Swinging Sixties" Apollo Moon landings Youth culture Woodstock Family-orientated Rise of the teenager	End of Cold War Fall of Berlin Wall Reagan / Gorbachev Thatcherism Live Aid Introduction of first PC Early mobile technology Latch-key kids; rising levels of divorce	9/11 terrorist attacks PlayStation Social media Invasion of Iraq Reality TV Google Earth Glastonbury	Economic downturn Global warming Global focus Mobile devices Energy crisis Arab Spring Produce own media Cloud computing Wiki-leaks
Percentage in U.K. workforce*	3%	33%	35%	29%	Currently employed in either part-time jobs or new apprenticeships
Aspiration	Home ownership	Job security	Work-life balance	Freedom and flexibility	Security and stability
Attitude toward technology	Largely disengaged	Early information technology (IT) adaptors	Digital Immigrants	Digital Natives	"Technoholics" — entirely dependent on IT; limited grasp of alternatives
Attitude toward career	Jobs are for life	Organisational — careers are defined by employers	Early "portfolio" careers — loyal to profession, not necessarily to employer	Digital entrepreneurs — work "with" organisations not "for"	Career multitaskers — will move seamlessly between organisations and "pop-up" businesses
Signature product	 Automobile	 Television	 Personal Computer	 Tablet/Smart Phone	Google glass, graphene, nano-computing, 3-D printing, driverless cars
Communication media	 Formal letter	 Telephone	 E-mail and text message	 Text or social media	 Hand-held (or integrated into clothing) communication devices
Communication preference	 Face-to-face	 Face-to-face ideally, but telephone or e-mail if required	 Text messaging or e-mail	 Online and mobile (text messaging)	 Facetime
Preference when making financial decisions	 Face-to-face meetings	 Face-to-face ideally, but increasingly will go online	 Online — would prefer face-to-face if time permitting	 Face-to-face	 Solutions will be digitally crowd-sourced

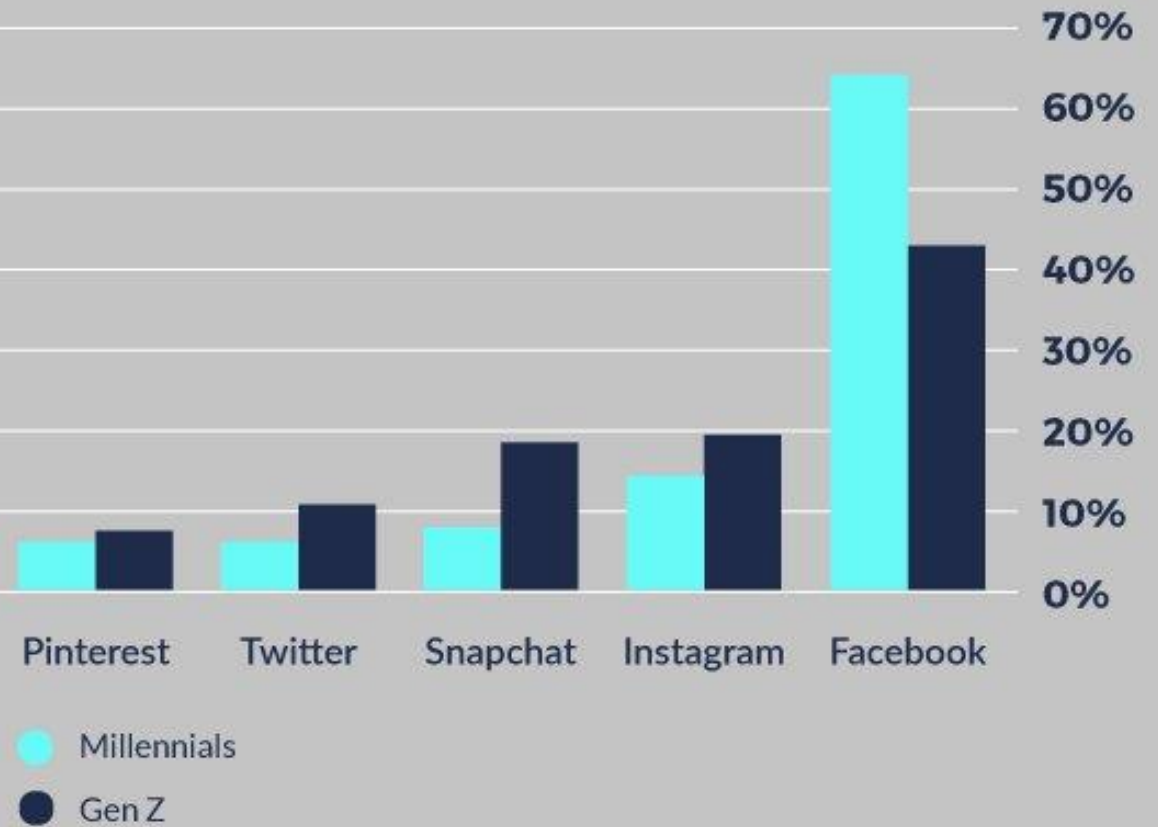
*Percentages are approximate at the time of publication.

Projected population by generation

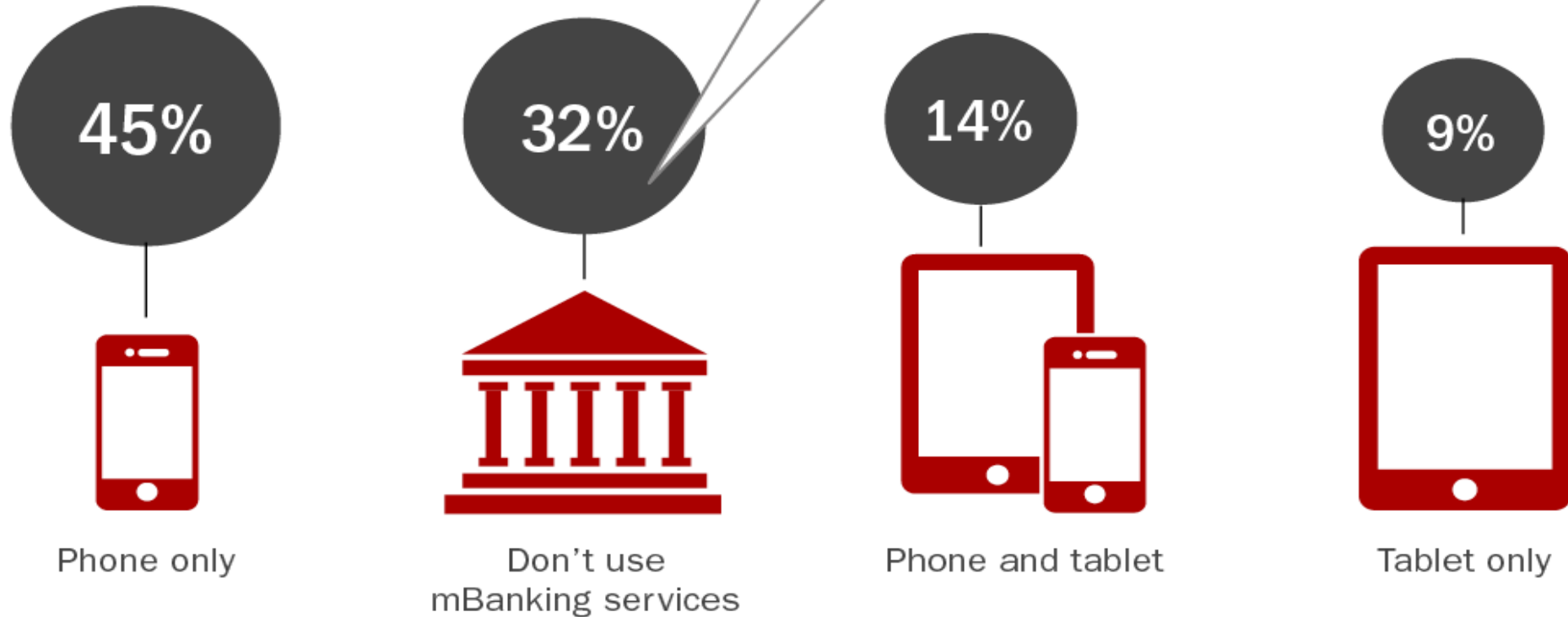


MILLENNIALS VS. GEN Z: SOCIAL MEDIA SITES WHERE THEY ARE ACTIVE

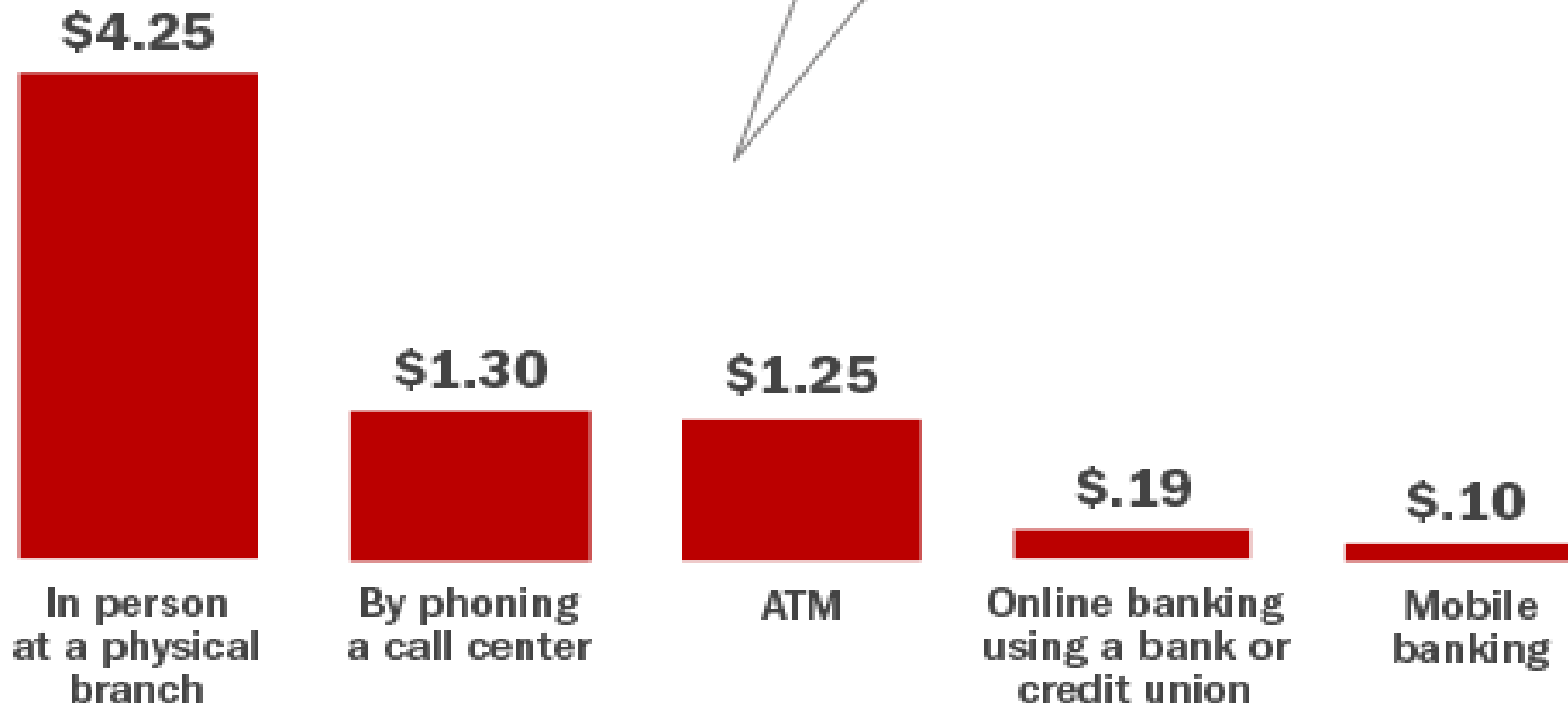
Source: CrowdTwist as cited by eMarketer



Mobile devices Millennials commonly use for banking



Estimated cost per transaction by channel



Changing trends in Banking



TREND 1
GEN Z RISING



TREND 2
**UX IS THE
NEW GOLD**



TREND 3
**MOBILE HITS
ITS GROOVE**



TREND 4
**REWARDS
REVOLUTION**



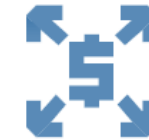
TREND 5
**THE NETWORK
EFFECT**



TREND 6
**FINTECH AND
BANK FUSION**



TREND 7
**AN ARMS
RACE IN CODE**



TREND 8
**PAYMENTS
EVERYWHERE**



TREND 9
**FRAUDSTERS
INNOVATE TOO**



TREND 10
**RIP AND
REPLACE
REQUIRED**

Pillars of our digital transformation

Customer Experience

- Customer care
- Lifestyle management
- Loyalty rewards
- Digital on-boarding

Content Management

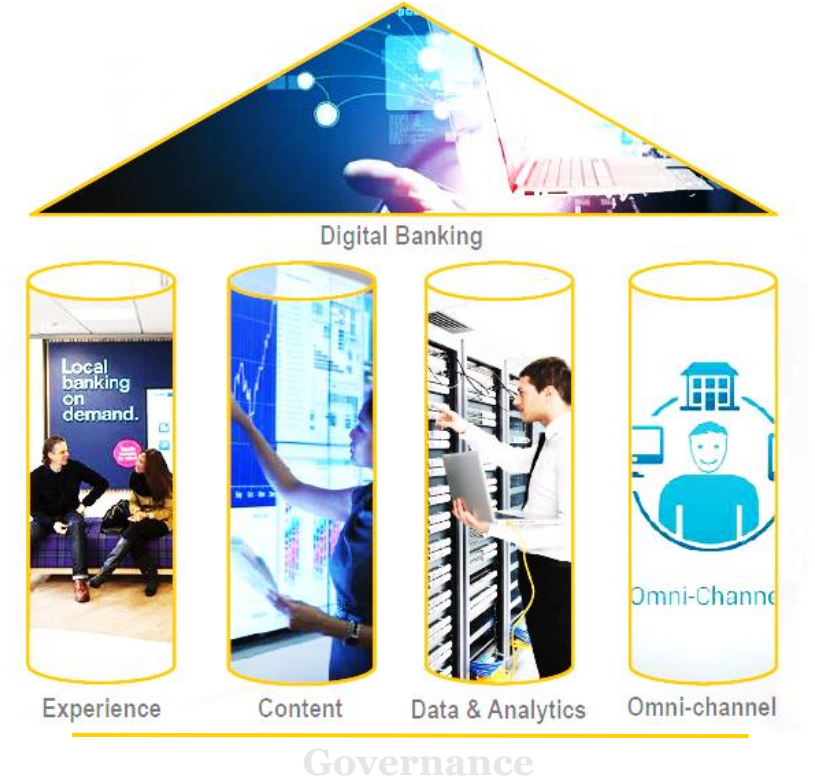
- Customer whereabouts, media habits & potential needs
- Feedback and suggestions

Data Analytics

- Measuring customer behavior (needs & feedback)
- Social media analysis
- Credit risk analysis
- Profitability analysis

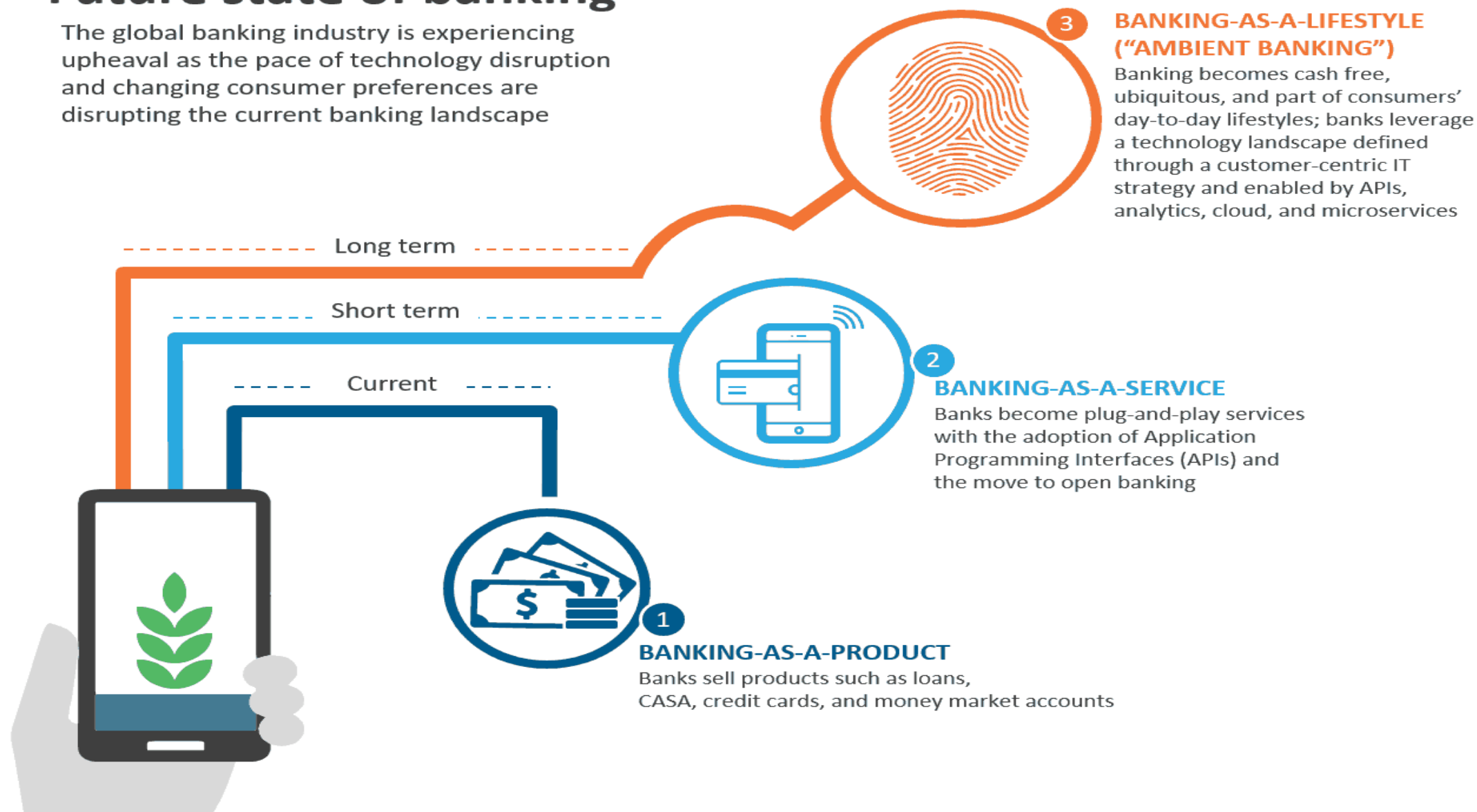
Omni Channels

- Personalized self-service banking
- Innovative payments channels
- Fintech partnerships

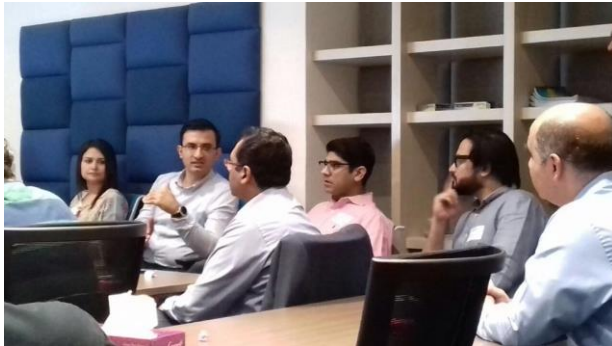


Future state of banking

The global banking industry is experiencing upheaval as the pace of technology disruption and changing consumer preferences are disrupting the current banking landscape



UBL Design Studio (Digital Lab)



What comes out...



“Banking is necessary,
but banks are not”

“The Road ahead”, Bill Gates 1994