Matteo Fermi, CaixaBank on Samsung Pay

• Matteo introduced Samsung Pay launch project both to imaginBank and also to CaixaBank. As the first bank in Europe.
• About same time period, they also launched Caixa Pay
• Making it available at the both brands of Caixa was very powerful and good for marketing
• What is NEXT? “Create an handy Swiss Army Knife to manage cards and pays”
Aly Mustansir, CMO, Bank Alfalah

Our Brand Proposition: Go your way with Bank Alfalah

At Bank Alfalah, we’ve never chosen the easy, well-trodden path. We are younger and more dynamic, and we’re drawn to people who share the same attitude.

We want to inspire you and help find your own way in going after what you want, just as we have. It’s how we got to where we are today.

That’s why we challenge the market to progress the world of finance and help our customers. With fresh eyes, we seek out new ways to meet your needs through innovative products, insightful advice and a positive attitude.

• “Love, loyalty and a little bit of luck”
• Bank Alfalah has created a strong bank as the personal money manager especially for younger and more energetic generation
• Bank Alfalah wants to be involved in ALL the life turning points that there are, this is why they have created this ‘helping attitude’ and ‘advice-heavy service system’. They help people to reach out to their dreams
• They are not very advanced in mobile services, but they claim to be the nr1 in customer service quality
• Very humorous presentation, lots of laughter from the audience
Sophia Wikander, Nordea. Head of business Innovation.

Key take aways

- Collaboration and trust are competitive advantages
- Innovation should be client led, focused on real business problems, technology being an enabler
- It is crucial that development is based on industry standards, that enables fast integration with different customers
- Separate distraction from disruption
- Creating an innovative culture is key!

SOPHIE DAY

SIMPLIFICATION

Core of our transformation
Business-driven simplification to prepare Nordea for the future
Change of core banking platform, payment platform, and data warehouse
The financial services industry is evolving.
New players are challenging the incumbents with an extraordinary variety of products and services as has never happened before.
Financial industry’s players must adequate strategies, products portfolio and services delivered according to the new wave of emerging customers’ behaviors.
Recent analysis where showing that something very new and unexpected should be taken in great consideration.
**Something very “human”.** In a world of digital services, ancestral humans behavior demands a service revolution.
Energetic and nice presentation with a lot of content and remarks. No one single thread of topic, touching many areas. Not least the customer service and how bad the banks’ & payment schemes’ not at all data-driven customer experience can feel.

Digital transformation programs act as tranquillizers for banks dealing with FinTech

Commercial banks are from Mars and FinTechs are from Venus

What matters to the consumer is that you give them “good”, “fun” and “useful” products, services and features. Customers don’t’ really care if it is ‘innovative’ from your perspective or not.

Maybe this is why some banks are content building and maintaining innovation labs instead of delivering anything out of it to the end customer because they believe “innovation is for them”

Very important to have a good presence in SoMe and creating a social media approach in line with risk appetite

In banking, this new found business with FinTech may force some banks to realise innovation needs to be part of their DNA and when they do, they will offer us consumers things so awesome that we may soon run out of passes for their competitors
Eva Schreiber, Swisscom on Human centered design

(1st) First: this is not surprising - deep and holistic understanding of the customer
• - this is reached with prototyping while designing a new product, with constant questioning, with analyzing the hotline etc.

(2nd) Second: this is also not surprising: Distinctive offerings
• -> we often say at SC: "It is not the customers' task to know what they want."

(3rd). And third – this is surprising: the Orchestration of company activities:
• Let me explain it with a metaphor of a theatre.

• There, is a Front- and a Backstage:
• - On the frontstage, there is the customer, he is going through the whole experience chain and looks at a company – looks at the stage.

• - And there is the backstage. The thing which the customer can not see: This is the technic, the music, the light, and so on.
• So, a good orchestration of all company activities is, when all activities are play well together.

• One can say: that what happens inside a company has a direct effect on the outside of a company and its success.
Talking about the future of banking.

How to keep customers in the center of activities

• TECH GIANTS: What do you think the Tech Giants could do that would really shake up the banking business? Consumers are said to trust to those—but also to banks—how big role a trust plays and how to keep it? “Do not be too afraid of Tech giants, they do whatever they do and we take care of very good level service to our customers. Prepare for the future one step at the time.”

• FINTECH: Fintechs are usually known to specialize in a very niche area—do you see them as a threat or can you envision them as a new strength as well? They are a very big strength. We can see which niche they are entering, and recognize those areas either as area of improvement or area of strength that can only become stronger. There are certainly possibilities to collaborate. But some exist only to be bought by a bank and that’s it. So I think next year there will be more and more FinTech companies knocking on our door... And maybe it is already too late for them.

• ROLE-PLAY: the traditional roles in this sector are changing fast, partially also due to PSD2. There are more new entrants to financial sector, as well as co-competitors, companies, who are both partners and competitors, but maybe in different areas. This is a new type of working environment for a bank. How do you at Erste see your role here—can you benefit from the New Normal or will you be in a defender’s position? Erste is ahead of its competitors in many areas. We envision to become the biggest bank in the region and tell our competitors to watch out what we are doing. We are all the possibilities to succeed as the most innovative and customer centric bank.

• MONETISING INNOVATIONS – HOW TO make money in the future and throughout different cultures? There are a common underlying rules on how we apply innovations within our company. Monetising is of course important, but equally important it is to see how one change affects to the success of another sector.
Iddo de Jong, ECB on Payment Initiation Service and Instant payments

An initiative or even payment solution for **instant payments** in euro is not yet available on pan-European level

- *Euro Retail Payments Board* (ERPB) in December 2014 started work towards pan-European instant payments in euro, leveraging SEPA-based harmonisation and integration
- ERPB also set up a working group on **person-to-person mobile payments in euro**, to assess the case for the development of pan-European solutions

- **SEPA** as basis for SEPA 2.0 aimed at modernisation and innovation
- Innovative payment solutions could introduce renewed fragmentation
- E-commerce merchants and customers have to use old-fashioned retail payments, not adapted for the internet experience and lacking convenience and security (e.g. Card-not-present payments)
- Faster payments initiatives or even payment solutions for instant payments in euro not yet available at pan-European level

- ECB/Eurosystem, in its catalyst role, is pro-actively facilitating cooperation on: priorities, rules/rulebooks, processing interoperability, and technical standards
- And can offer a settlement facility, e.g. for instant payments

- **Developed by the market**
- **Expected to enable reach through interoperability** e.g. person-to-person mobile payment solutions, online payment solutions, person-to-business and business-to-business payment solutions

- **Instant SEPA Credit Transfer** (SCTinst) as basis for pan-European euro instant payment solutions based on credit transfer

- **Intrabank**
- **Bilateral interbank**
- **ACH**
- “Point-to-point network”

- **Deferred net settlement** (with cash or securities collateral)
- **Real-time gross settlement**
PSD2 is the accelerator of an already changing market environment for banks

- Disappearing revenue pools
- Eroding business models
- Low interest rates

- Interconnected world
- New market ambitions
- New level of flexibility & agility

**Digitalisation**

- PSD2
- Openness
- Security
- Liability

- New player (fintechs)
- New mindset
- Changing customer expectations

**Emerging competition**

- Big Data
- Changing user experience
- Blockchain

**Technology**

- Wait and see
  - Focus: Implementation of PSD2 with a protective attitude
  - Cost/effort of implementation
  - Potential/ Benefit

- Moderate
  - Focus: Observe the market and tweak your PSD2 implementation for some new ideas

- Innovative
  - Focus: Change mindset and think PSD2 from a different perspective

---

**Dennis Raabe, Deutsche PostBank on PSD2’s strategic impacts for a bank**
PSD2 and regulation – Panel by Kasper Sylvest, Danske Bank

Douglas Kinloch
VP Software protection & HCE
Inside Secure

Mario Maawad
Digital Security Director
CaixaBank

Martin Spona
Head of Digital Sales
Erste Group Bank

Dennis Raabe
Head of Digital Experience Management
Deutsche Postbank AG

@MobeyForum www.mobeyforum.org
PSD2 and SCA
Poll in the beginning of debate

Will the requirements for strong customer authentication promote competition and innovation?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45%</td>
</tr>
<tr>
<td>No</td>
<td>46%</td>
</tr>
<tr>
<td>I don't know</td>
<td>9%</td>
</tr>
</tbody>
</table>

PSD2 and SCA
Poll in the end of debate

Will the requirements for strong customer authentication promote competition and innovation?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>29%</td>
</tr>
<tr>
<td>No</td>
<td>57%</td>
</tr>
<tr>
<td>I don't know</td>
<td>14%</td>
</tr>
</tbody>
</table>
Phil Gillespie, Money Dashboard on sophisticated personal finance management system

Reduce the guilt someone feels about their finances by using G.U.I.L.T.
Douglas Hartung from Diebold Nixdorf on managing chaos to drive forward
Mitigating Risks in mobile banking services by Danske Bank, Aite Group. Mobey Forum’s Workgroup Report
Some highlights:

• What is the psychology of security? How secure do you feel? How to increase / decrease feeling of security?
• Cyber security is moving from being a tactical discipline to becoming a strategic one.
• The game is changing more from known's to unknown's. How to manage that?
  • Known: 1) things we are aware of and understand 2) things we are aware of but don’t understand
  • Unknown: 1) things we do understand but are not aware of. 2) Things we are neither aware of nor understand
• Data manipulation – insider threat – Big picture understanding. Huge topics, huge challenges.
• We are short of a million of cyber security professionals in the world. Smart career choice for students.
Securing apps in a bank, building business resilience

by Claus Ehlers, Danske Bank
The most tweeted sentence: "If you solve authentication, everything else is just accounting."

Passwords will die sooner or later... Rather sooner.

---

Recommendations and closing thoughts

- Adopt a risk-based approach to authentication. Investing into data analy “background” authentication technologies will help tailor authentication e profile of customer activities.

- Look beyond fingerprint authentication when developing your biometrics other modalities, particularly face, voice, and behavioral biometrics.

- Invest in education, both internally and externally:
  - Listen to your customers and help alleviate any concerns they might h technologies, such as biometrics.
  - Do not forget to bring other departments (e.g., compliance, fraud, ope launching an innovative authentication solution.
  - Get closer to various industry bodies (e.g., FIDO Alliance or the Fed’s shape the future in authentication and identity management.

- Consider opportunities to play a more active role in customer identity m
TEE – new approach.
By Jose Rivas Applus

04. Conclusions

- TEE could solve the functional and security shortcomings SE and HCE have.
- Applicable to other high-value services (DRM, ID, ...)
- None is a perfect solution, all have drawbacks.
- Yet not enough security...
  - Let’s integrate other solutions (SE, HCE...) with TEE.

“Absolute security is only attainable when you’re protecting something absolutely worthless”
Blockchain Transformation in Financial Services, Burak Yetiskin from Accenture

The benefits of blockchain justify the investment

The benefits of blockchain will eventually justify the investment, these benefits apply both internally and externally.

// Secure Transaction Ledger Database
- Secure transaction ledger database which is shared by all parties in an established, distributed (permissioned) network
- The data on the ledger is encrypted, pervasive and persistent

// "Trusted" third party elimination
- Assets are held "in the cloud" and are tied to their owners' identities rather than institutional custodians; Exchange of information with pre-agreed consensus mechanism validation instead of third-party. Virtual capital markets can circumvent the traditional financial hierarchy

// Regulatory Coverage
- Provides a real-time track and trace audit trail.

// Automation
- Execution is open to the Internet and settlement is automatic under the control of an incorruptible set of business rules and happens near real-time
- Eliminates error handling and reconciliation

// Better customer experience with reduction in cost

// Cost Reduction
- Reduction of infrastructure, technology and operations costs
- Reduction of transaction costs associated with concept of asset custody being held by the ledger
- Reduces balance sheet exposure and cost of capital due to near real-time settlement
- Improve regulatory control and improve risk management; simplify the compliance process by introducing unprecedented cohesion to the internal record-keeping process
- Show a record of consensus with a cryptographically auditable trail of transactions, positions, and asset groups of an institution

Copyright © 2016 Accenture. All Rights Reserved.
# QR codes in Payments

Simone van Shaik, Dutch Payment Association

<table>
<thead>
<tr>
<th></th>
<th>QR</th>
<th>NFC</th>
<th>Bluetooth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed of payment trx</td>
<td>-</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Distance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Proximity</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>- Semi-remote</td>
<td>+</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Carrier / medium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Paper or screen</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Device w/o screen</td>
<td>-</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>- ‘Invisible’</td>
<td>-</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Flexibility / independence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Payment methods</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>- Technical infrastructure</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Phone models</td>
<td>+</td>
<td>0</td>
<td>+</td>
</tr>
</tbody>
</table>

## iDEAL QR flow

1. Scan iDEAL QR code with iDEAL app
2. Payer confirms payment details
3. Payer is being redirected to mobile banking app
4. Authorise payment
5. Payment confirmation

**Good trade-off between usage and flexibility**

## Conclusion

- Trust is important in POS environments
- Trust is important in Online environments
- Omni-channel application of iDEAL can build on that
- Pilot iDEAL QR was started in physical locations
- Comparison between technologies → favours QR