

Agenda

What we heard

- Recap of some of the key points we heard during the panels
- Additional thoughts on what we discussed

What are we watching

- What are the primary trends we see market interest for
- Other topics our speaker faculties highlighted

Open dialog and Q&A

- Areas the group wants to explore further
- Takeaways and applications to your efforts

What we heard



Cloud Modernization

- Importance of multi-cloud
- Competition-driven flexibility is warranted
- At-scale implementations are occurring



Modernization

- Know what you can (and can't) achieve
- Don't be restless to modernize
- Watch out for the opportunity cost



Innovations in BI

- Outcome-back, not tech-forward
- Focus on how the data drives better CX
- Build/Buy/Partner: no one size fits all



Automating Operations

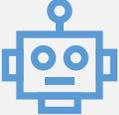
- Start with the pitch – why and value being created
- Automation is more than about replacing human capital
- Invest in technology and your people



Automating RTP

- Start with customer utility and be mindful of complexity
- Targeted is better to drive ROA
- Focus on component-level re-use and leverage points

What we are watching

Theme	Summary Description	Disruption Stage in the U.S.
 AI	Marked interest in tools that democratize access to AI which will further at-scale adoption and afford operational capability improvement in the near and medium term	
 Open Banking	The lack of a regulatory mandate will curtail the level of disruption yet spur market-driven advancements which bolster traditional FI influence	
 Fintech 2.0	Fintechs shift focus from unbundling the banks to re-bundling offerings for multiline excellence and seek bank partners to realize this	
 ESG	Consumers are more likely to adjust banking behaviors based on support banks provide to ESG initiatives. The way banks react matters	
 Talent Gap	Inflationary pressures and overall employment resiliency are challenging organizations to think about the holistic employee value proposition and promoting purpose	
 Regulations	Expected and in-flight changes will allow consumers to exert more control and enjoy choice with requirements for banks to adapt	

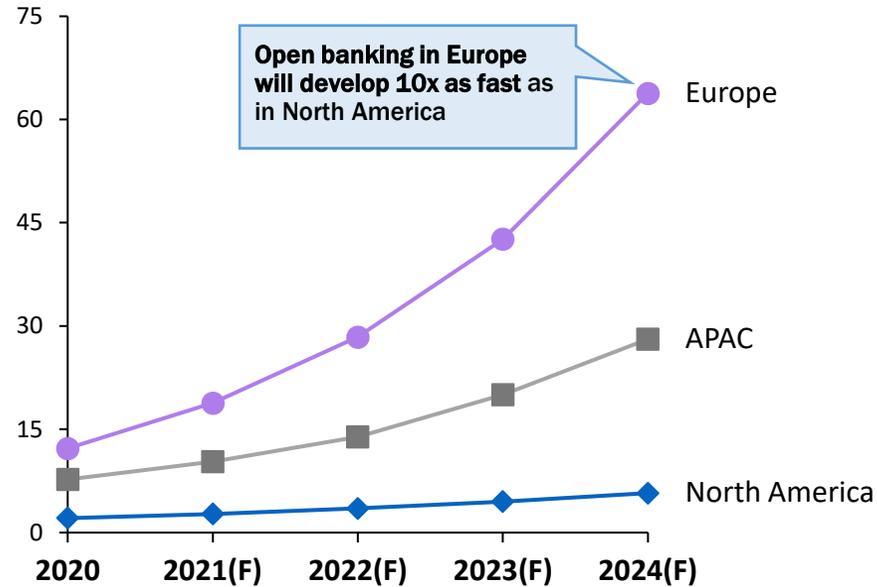


Source: Kearney

Europe leads in Open Banking adoption

Consumer Adoption by Region

of open banking users (2020, 2021-24 fcst., mn)



Key enabling factors

- European regulation in place binding players to establish APIs to share information
- 27+ member states developed European payments council to facilitate cross-border transactions
- Hong Kong developed Open API framework
- APAC has also outpaced the US by enabling cross border partnerships (Thailand, Singapore and Malaysia)

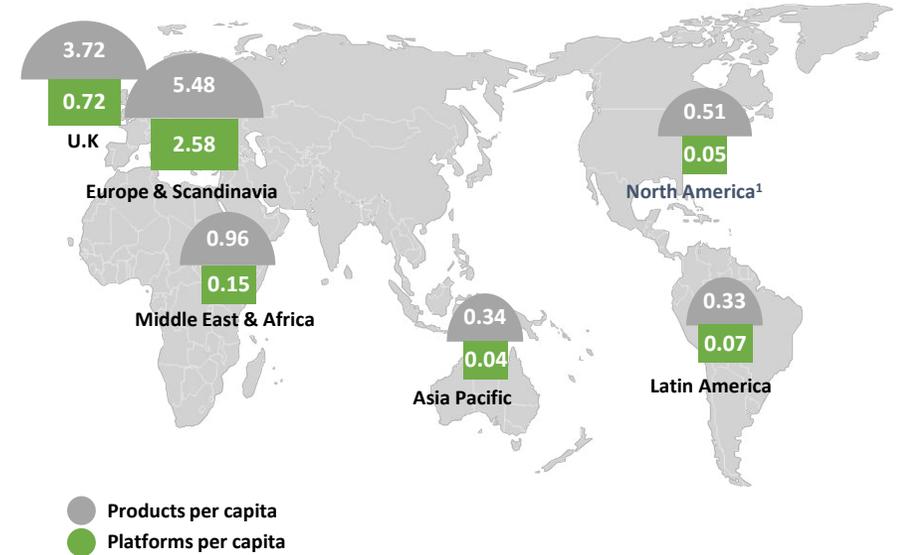
Source: Kearney, Platformable: Open Banking trends Q42021

1. North America refers to U.S and Canada

2. Platforms are banks that have an established open API platform. Products are how many API products are made available by each bank's open platform

Market Disruption

of open banking platforms and their API products per 1M people² (Q4' 2021)



EU vs North America development

- ~2:1 Product to platform ratio in EU vs ~10:1 in NA
- ~3x higher annual growth rate in EU vs NA
- ~39x more platforms in EU vs NA
- ~26x more products in EU vs NA

The US will likely be market-led

Regulatory framework

UK path to open banking

Regulatory push

- Leading UK banks are mandated to offer Open Banking APIs by January 2018
- Regulatory entity (OBIE¹) created to define guidelines to drive competition and transparency

How far along is the US?

Market pull

- Lack of direct mandate / limited regulatory push, allowing market to drive change
- Lack of a dedicated regulatory body (like UK's OBIE) to speed up the adoption
- Industry consultations and draft regulations in place

Consumer financial data

Mandatory data sharing

- EU rolled out PSD2² in 2019, mandating that banks allow access to account information

Unwillingness to share data

- CFPB³ is yet to enable data portability in financial services after 2021 Executive Order to spur action on Dodd Frank section 1033

Technology standards

Dedicated framework for AI and PI⁴

- Proprietary framework and API standard putting it at the forefront of Open Banking
- Two types of providers operate under the supervision of authorities: AISPs and PISPs

Decentralized efforts, limited to AI

- Afinis (governed by NACHA) was built collaboratively to develop standardized APIs
- FDX⁵ promoting a market-led API standard
- Other market-led efforts include Akoya – purely focused on financial data

Fintech and licenses

Multiplier effect

- 250+ license holders (180+ AIS and 70+ PIS)⁶
- ~30% of licenses are infrastructure providers, leading to a multiplying effect on market innovation

Few market disruptors

- Limited number of banks partnering (U.S bank / Plaid, Wells Fargo/Intuit, Goldman/ Stripe)
- 5-10 fintechs in the US focused on creating open banking channels

Source: Kearney

(1) Open Banking Implementation Entity, created in 2016 and funded by nine leading UK banks. (2) Payment Services Directive (3) Consumer Financial Protection Bureau (4) Account Information and Payment Initiation (5) Financial Data Exchange (6) Account Information Service (AIS) and Payment Initiation Services (PIS)

The war for talent is inducing changes



High resignations & challenging retentions

- Companies are facing significant challenges to retain staff with plethora of opportunities available in the market as employees re-think career paths



Talent sourcing delays is impacting annual performance

- Labor shortages and rebound growth in some industries is delaying projects and outcomes due to longer lead times to scout, interview and onboard



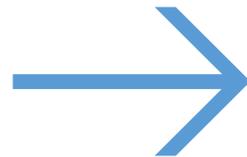
Talent management playbooks no longer effective

- Short-term measures are proving insufficient to build long-term loyalty or create work environments where employees can thrive and deliver greater impact



Employee value propositions are under the microscope

- Organizations are focused on “internal branding” more than ever, treating employees as the new customers



The labor market will continue to go through significant change in the coming years as companies define what the “new normal” means for them...

Source: Kearney

Labor models are changing

Multi-year labor planning



- Analyze YoY growth trends to identify spike areas to normalize
- As opposed to target based right-sizing, focus on multi-year strategic plans by function for both internal labor and external labor forces

Capability Building & Role Standardization



- Roadmap of capabilities required for the business now and in the future
- Activity analysis to identify role duplication and overlaps in effort
- Streamlined job titles / roles for capability building

Skill Mapping & Career Planning



- Aligning around definitions of skills across jobs
- Mapping out clear job progression and transition pathways, focusing on skills as a driver

On-going HR Transformations

Employee Experiences



- Redefining the employee value proposition — a clear picture of what your workers truly value, and how this is offered through their work in your organization

Learning as a vehicle for change



- Outline learning requirements by standardized roles and job progressions
- Create / refine learning content to address upskilling requirements of future labor strategies

