

Banking on the future

Today's young professionals will be significant drivers of retail banking revenues tomorrow

36%



2010

70%



2030

Gen X & Y's share of financial assets

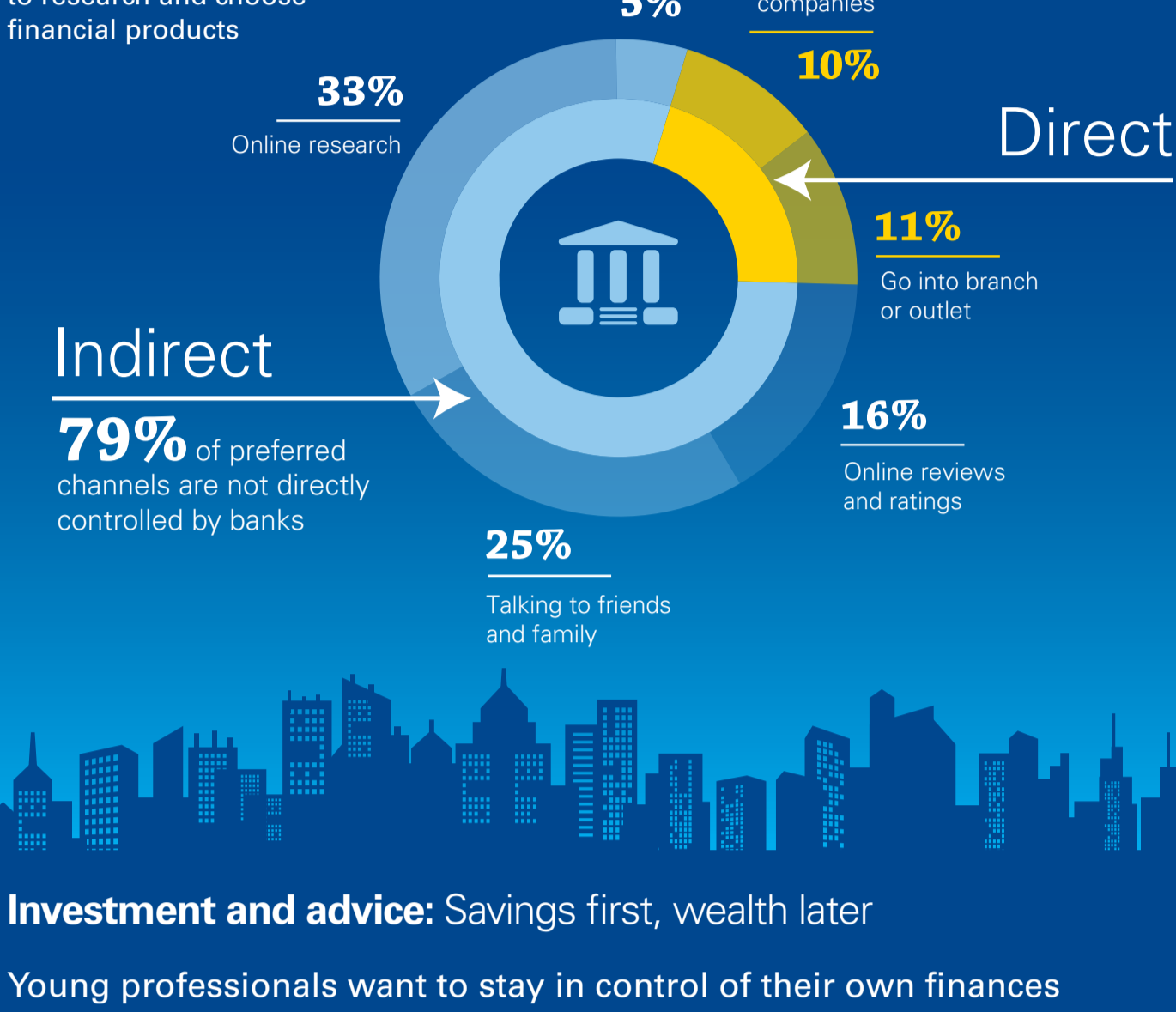
Channel preference: The importance of being switched on

TRANSACTION	CHANNEL					
	Online banking	Mobile	Call centre	Video conference	In your home	Branch visit
Getting a home loan	8%	3%	2%	1%	7%	79%
Opening a bank account	41%	8%	3%	0%	1%	47%
Applying for a new credit card	66%	8%	4%	0%	2%	20%
Making a payment	61%	38%	0%	0%	0%	1%
Changing your personal details	74%	16%	4%	0%	1%	5%
Day to day banking	51%	47%	1%	0%	0%	1%

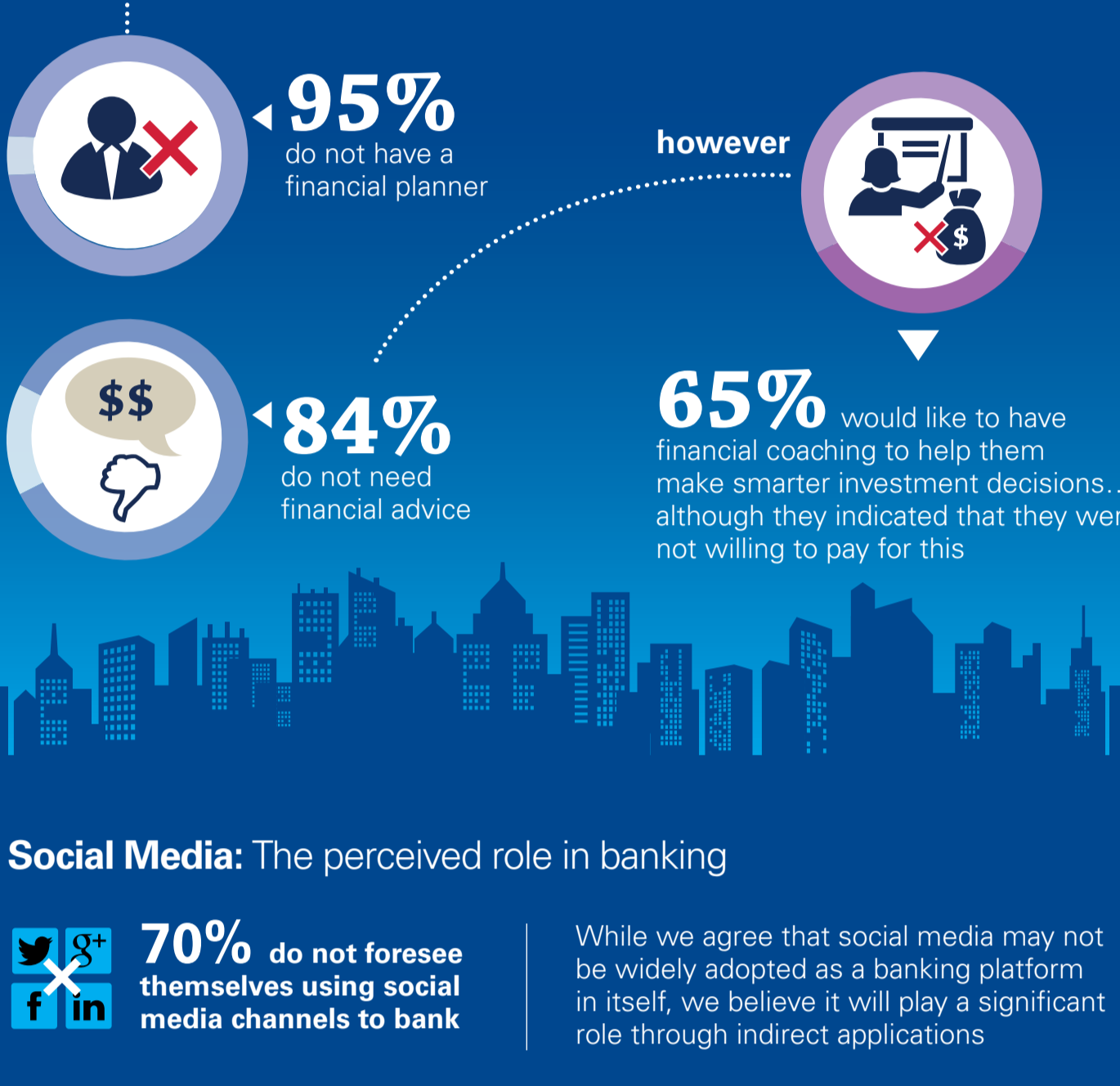
79% The notable exception was obtaining a home loan with 79% preferring a branch visit

98% indicated they preferred online and mobile channels for day-to-day banking

Discovery: How young professionals find what they want



Investment and advice: Savings first, wealth later



Social Media: The perceived role in banking

70% do not foresee themselves using social media channels to bank

While we agree that social media may not be widely adopted as a banking platform in itself, we believe it will play a significant role through indirect applications

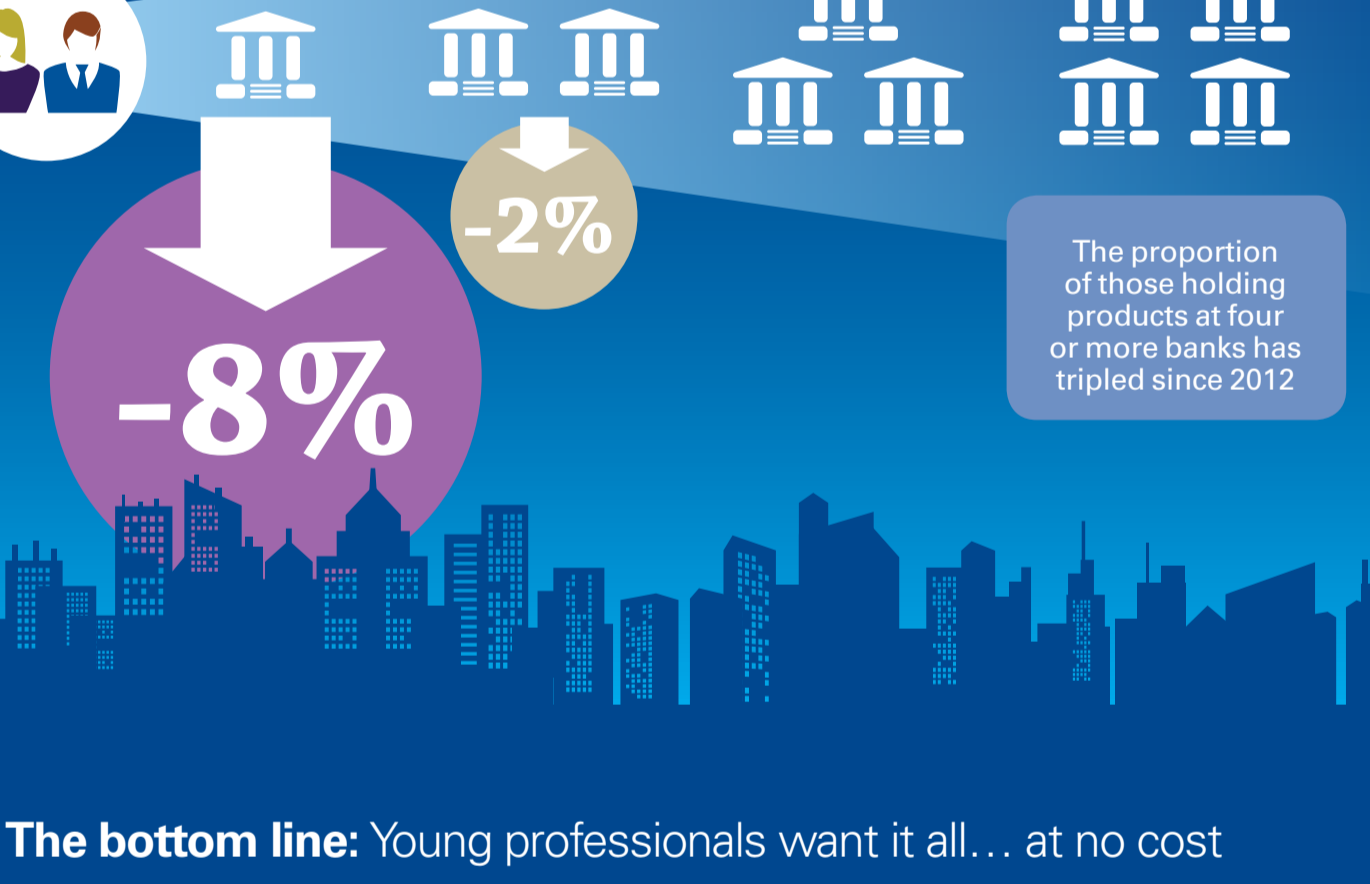


Shifting concerns: Security measures are a bore

In our 2012 survey, data privacy and fraud were primary concerns. These issues seem to be of lesser importance today with the majority of young professionals instead showing concern about too much security.

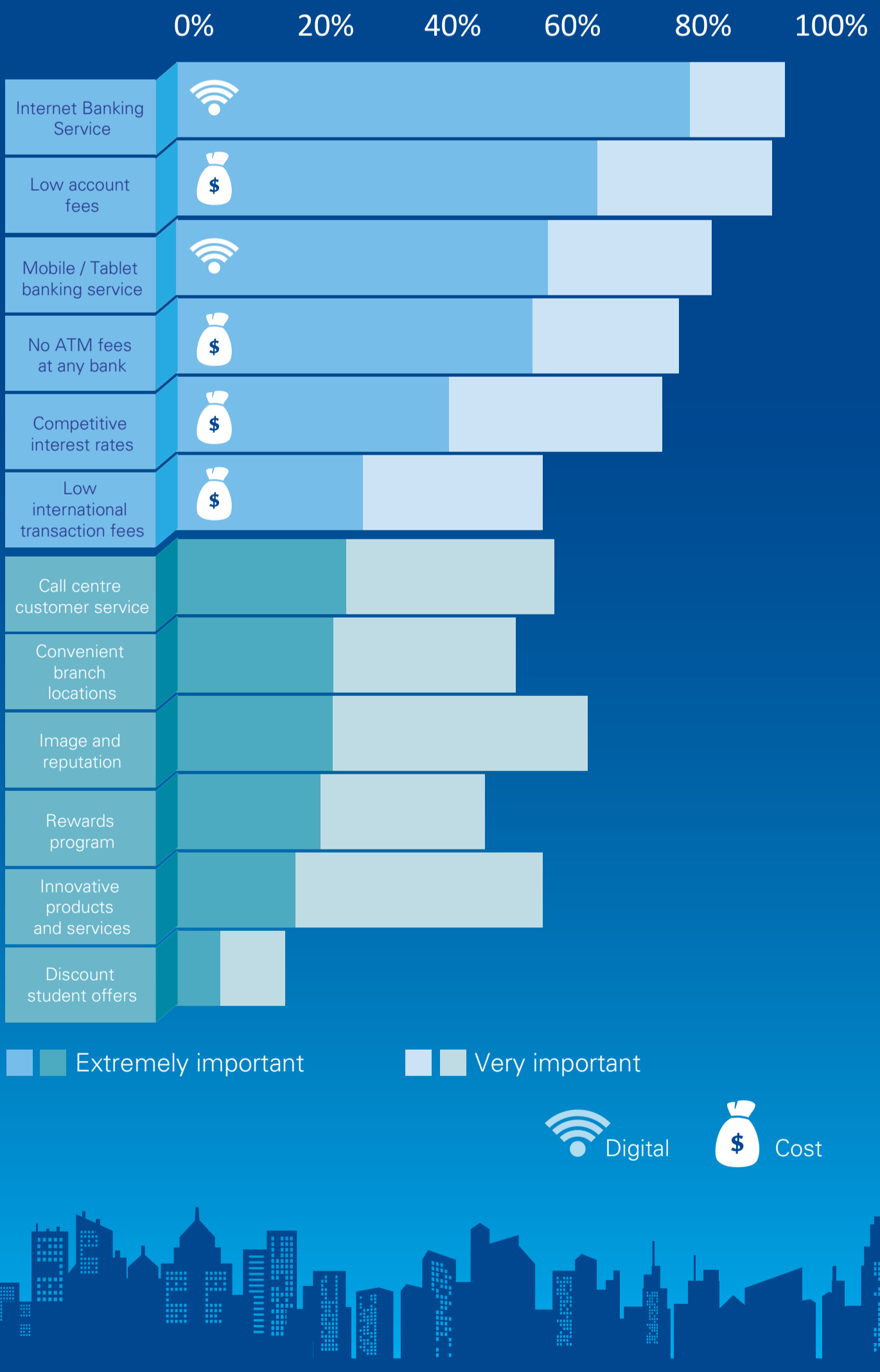


Not so sticky banks: Bank loyalty is declining



The bottom line: Young professionals want it all... at no cost

Digital and cost related benefits dominate the most valued attributes of a bank for Gen Y professionals



Characteristics of the bank of the future

- Intuitive**
Pre-empting customers' needs and providing them with a holistic and personalised service to manage their finances and future.
- Convenient**
Provides easy access to products, information and support along with the ability to effortlessly access and transfer funds.
- Progressive**
The pace of social and technological advancement will continue, and there is a strong upside awaiting those banks willing to embrace innovation.
- Results oriented**
Do more with less. Fulfill the primary purpose of individuals who bank – to manage and make money for their customers.

10 key insights

- Invest in invisible security
- Understand Gen Y
- Expand your social horizons
- Develop targeted Gen Y campaigns and micro-sites
- Leverage behavioural economics
- Create a switching game plan
- Create an innovation ecosystem
- Drive discovery through digital marketing
- Review your organisational design
- Grow Gen Y's appetite for investment early