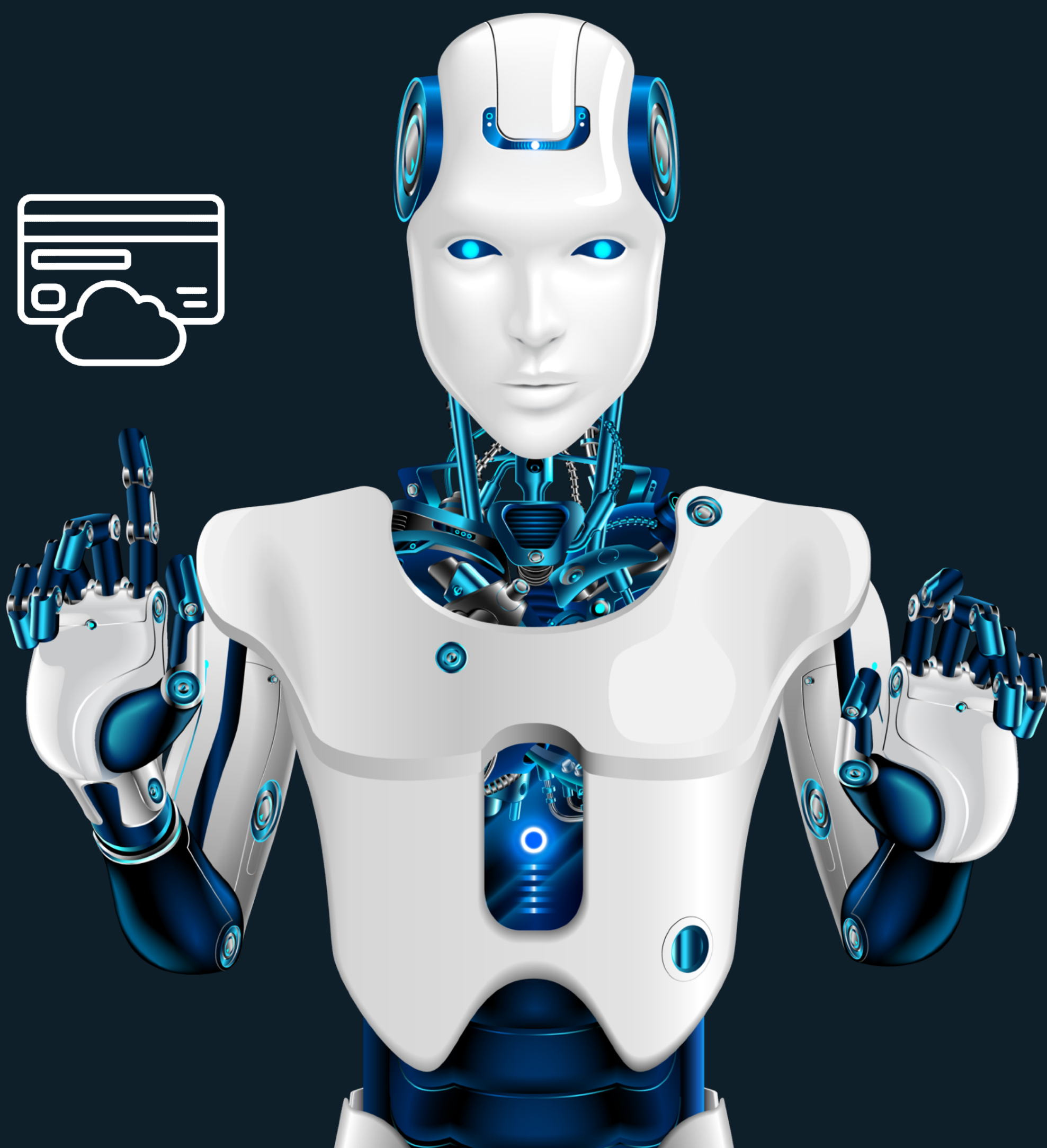


FUTURE BANKING

The Digital Banking Factbook



FUTURE BANKING



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Future Banking

WALL-STREET
INSPIRAȚIE ÎN BUSINESS

in [/razvan-enache-8570951a](#)

5 pillars of the digital transformation

1. Digital Account Opening.

This is like Digital Banking 101 and every bank or FinTech should enable opening 100% online current accounts for new clients. Yet, due to KYC & AML regulations, lots of banks are still using a hybrid approach, asking clients to apply online for a current account, filling their personal details and maybe uploading the ID card, but in the end, requesting them to take a trip to the branch for a final identity check and for signing the contract.

Only a third of the banks in Romania went full digital here and developed remote KYC solutions, adding in some cases a video identification layer. In general, being less regulated, all the FinTechs in the report scored points at this chapter.

As mobile-first or mobile-only financial institutions, these challengers had to invest a lot in streamlining account creation and customer acquisition processes, adding more weight to UX and frictionless interactions with the clients.

2. Order your card online.

If opening an account is a primer, this should be the next course in the digital banking curriculum and it should be as frictionless as it can. For a digital-native, it's only natural to order (not apply for) a debit or credit card online and receive it through courier at home or office. After all, you will need the means to immediately start shopping online or pay via POS.

5 pillars of the digital transformation

But here comes the debate: do cards need to be physical anymore? The dematerialization of payment cards started with the rise of digital wallets. You just don't need the physical card to enroll it to Google Pay, Apple Pay, or Fitbit Pay. You can get along with a virtual card, issued instantly in the app.

Few local banks issue virtual cards and less than half of them dispatch physical cards through courier, requesting clients to pay a visit to the branch.

On the FinTech side, virtual cards are an inborn trait, the time passed from ordering the card to online shopping being squeezed into seconds.

3.Digital personal loans

For years to come, the financial service providers have to reimagine the banking experience for digital-natives and to offer personal loans through digital channels.

When you think of banks, the main purpose seems to be keeping money safe for customers, offering some interest on deposits and perform lending activities to private individuals and companies.

But in the digital age, getting a loan has to be a frictionless process, fast and remote. Offering credit through digital channels, in minutes, if not seconds, will be a key differentiator in the future not just from a customer point of view, but also in terms of efficiency and costs.

Only 24% of the financial institutions analyzed (24 banks & 5 FinTechs) have been invested in this kind of digital product, but the number of banks offering personal loans through a digital channel is expected to rise.

FinTechs are not (yet) offering personal loans, but when they will, the clients will get financed in just a few clicks in the app. That will be the moment when customers may consider opting for Fintechs as primary banks.

5 pillars of the digital transformation

4. Mobile payments on Apple/Android devices or wearables

Over the last 2 years, the mobile payments (which encompass mobile wallets and mobile money transfers) have been getting a lot of traction in Romania; banks and FinTechs invested heavily in developing their Android Wallets or by setting partnerships with Apple Pay, Garmin Pay or Fitbit Pay.

A mobile wallet is essentially a digital wallet on your phone and the technology that underpins mobile payments is NFC, the same as in the contactless cards.

In just 2 years, 45% of the banks and Fintechs in the Romanian market went from contactless cards to mobile wallets, allowing customers to enroll their cards in Apple Pay, Garmin Pay, Fitbit Pay or proprietary wallets developed on Android. One of the Fintechs has even launched a QR code mobile payments wallet.

5. Open banking: the next battleground for reaching clients

Open Banking is without a doubt a systemic transformation in the banking industry and will change the way financial institutions operate and consumers bank.

Yet, in Romania, open banking is far from being the new normal, and banks have a lot of work to do. At the moment, a single bank in the Romanian market is offering account aggregation, using the old practice of screen scraping. Forced by the PSD2 regulation banks & FinTechs alike moved towards open banking APIs to let clients aggregate other banks' account data.

Some local banks and few global FinTechs are on the brink of multi-banking solutions, trying to establish themselves as “one-stop bank” for multi-banked customers.

Nevertheless, for now, they barely scratch the tip of the open banking iceberg and there are more opportunities to capitalize on PSD2.

Customers should be able not only to consolidate their financial lives in one place (app) but also to facilitate inter-account and inter-bank transfers. Therefore, a financial institution should embrace the PISP role, not just the AISP, and empower the customer to initiate payments into or out of his account.

Contactless cards. This is a basic feature in the Romanian card market. All banks are able to issue chip cards with NFC technology embedded

Order a card online & have it dispatched through courier. The process of ordering (not applying for) a card through digital channels, without taking a trip to the branch. Once ordered the bank will send the card by courier.

Freeze/block card. For security reasons, a user must have the option to freeze or unfreeze a card from the mobile banking app or block it if the card has been stolen or lost.

Top-up feature. This is a card-based transfer that allows the user to fund the current account instantly by using any other card, regardless of the issuing bank. This works like an e-commerce transaction.

Location-based security. By using the phone’s GPS and comparing this data with the location of the shop where a purchase had been made, the banks or Fintechs can determine if the user’s card has been compromised and block a fraudulent transaction.

Mobile Payments. This category is comprised of banks and Fintechs that either support Apple Pay or developed a proprietary digital wallet for Android users, thus offering NFC or QR Code payments for both platforms.

FitBit Pay / Garmin Pay. Here are the players that entered the wearables payment space through partnerships with Fitbit or Garmin. Therefore, the users can enroll their cards into Fitbit or Garmin digital wallets.

Instant payments. This is a capability offered by some local banks that allow users to move funds from a bank account to another, in seconds, using the Transfond’s instant payments facility. However, banks could also use Mastercard Money Send or Visa Direct solutions.

Online Current Account Opening. This is the digital onboarding process that some banks and Fintechs developed in recent years to remotely open accounts and acquire new clients.

Online deposits. The feature that allows clients to open new deposits or savings accounts directly from the mobile banking app.

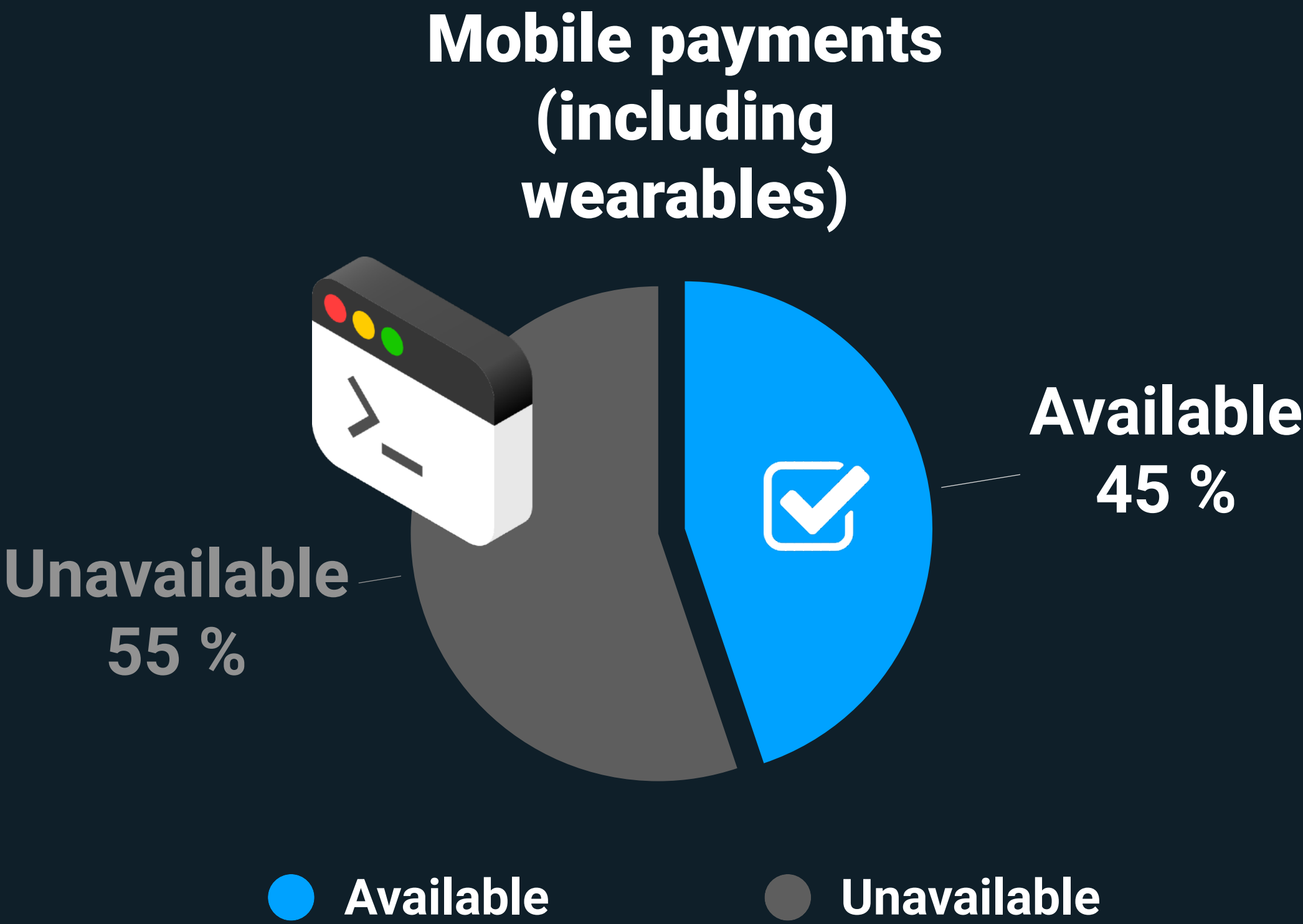
Digital Personal Loans. This is the category that marks the end to end digital processes of loan origination for retail clients. Therefore, users can request personal loans from the mobile app or Internet Banking and in the end, they will use an electronic signature solution to approve the credit contract.

Online current account opening for SMEs & freelancers. This is mostly the same process as in the retail scenario, except that the client is a small or medium enterprise or a freelancer.

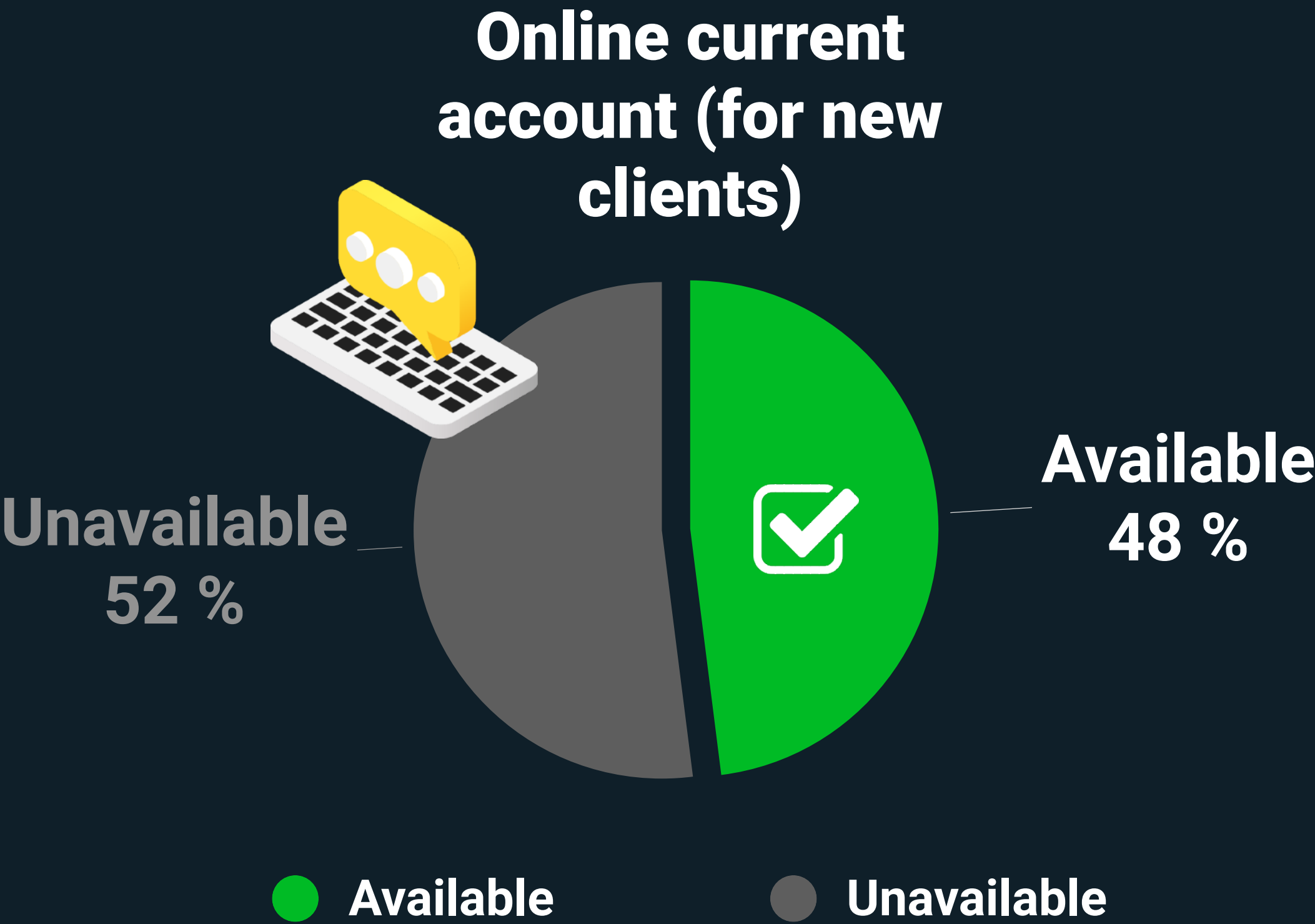
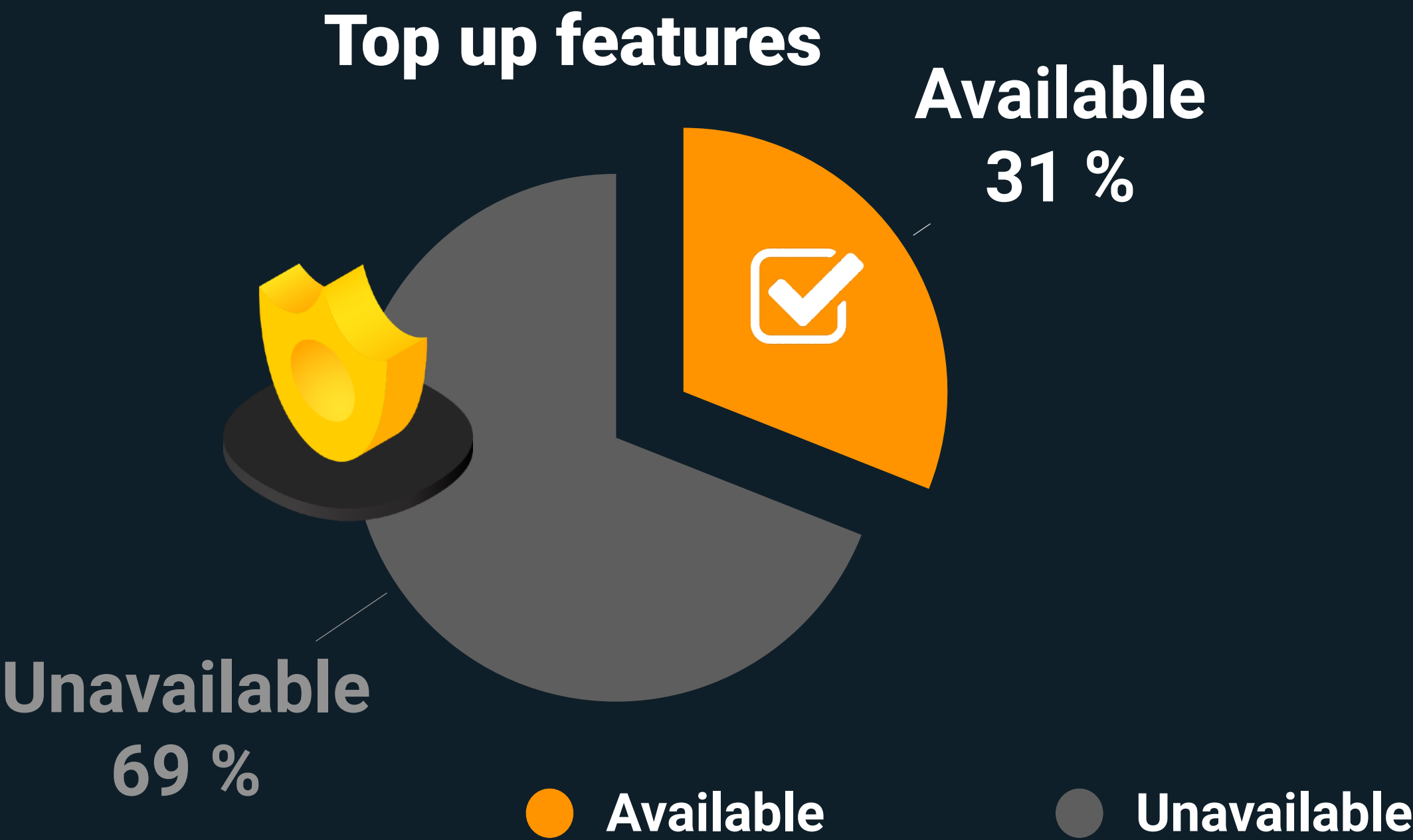
Online revolving line of credit. This would be a scenario when new or existing clients could request a line of credit through digital channels, without paying a visit to the credit officer in the branch.

** for Fintech we took into consideration just the features or solutions available for the Romanian customers.*

Market Share data analytics 2009-2011

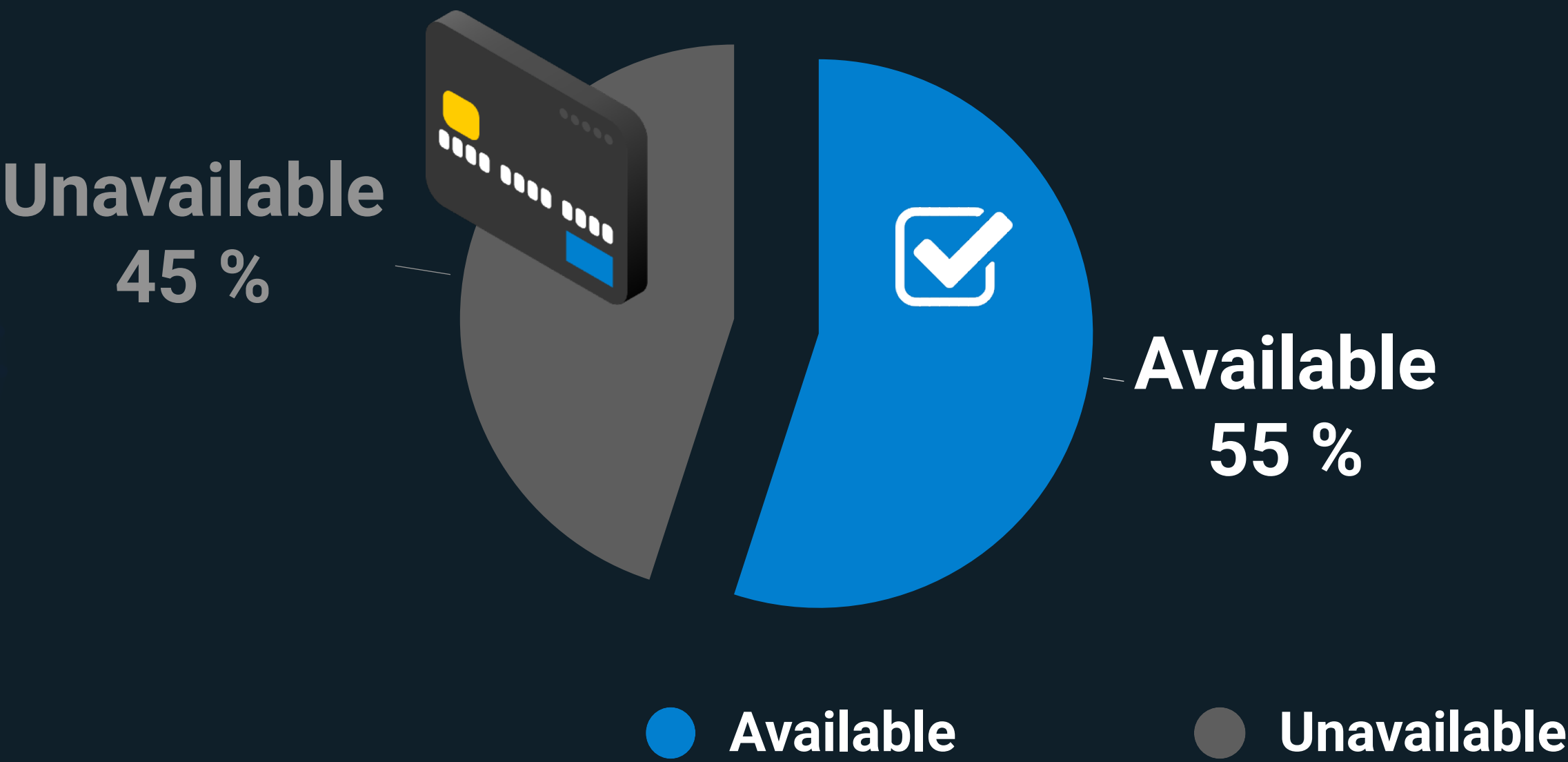


Market Share data anaytics 2009-2011

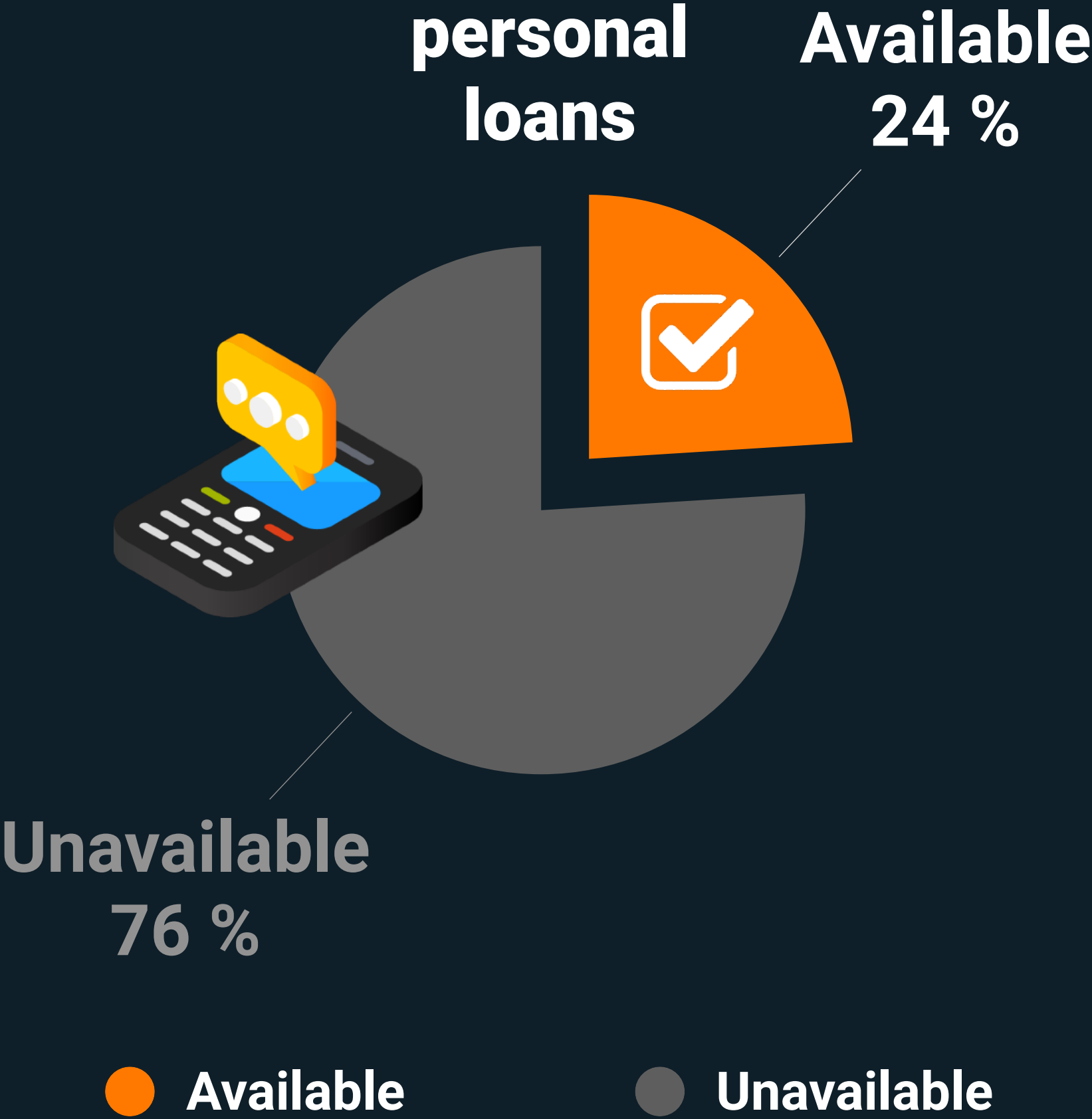


Market Share data analytics 2009-2011



















Order card online (dispatch through courier)









Digital personal loans



Cards features
in digital era

-  Contactless debit/credit cards 
-  Order debit/credit cards online (dispatch through courier) 
-  Freeze/block your card in the app 
-  Top up feature 
-  Location based security 
-   Mobile Payments  
-  *Fitbit Pay & Garmin Pay 
-  Instant payments 

Accounts & Loans

-  Online current accounts 
-  Online deposits 
-  Digital personal loans 



SME &
Freelancers

-  Current account (online opening) 
-  Revolving credit facility (online access) 

Private individuals

Cards features in digital era



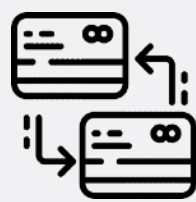
Contactless debit/credit cards



Order debit/credit cards online
(dispatch through courier)
*instant issuance



Freeze/block your card in the app



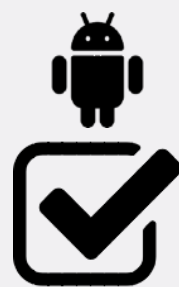
Top-up feature (card based transfer)



Location based security



Mobile Payments



*Fitbit Pay & Garmin Pay



Instant Payments



Accounts & Loans



Online current accounts



Online deposits



Digital personal loans



Orange Money is the digital financial service from Orange, that turns your phone into a smart wallet.



Șerban Negrescu

Head of Product Management
Orange Money



<https://www.orange.ro/money/>



[/company/orange/](https://www.linkedin.com/company/orange/)

In Financial Services, as in Telco, It's All about Connection

The financial services market is open and not just in the terms given by the EU direct, but also in terms of intra-industry opportunities. Options for customers in search of the best fintech service are expanding and we are way past the age of convenience, we are reaching a free, but Premium level. Think about the option to have your virtual card available in minutes and be able to make online and contactless payments almost instantly. Or making transfers in different currencies with no extra fees. What about keeping in touch with the same provider for your most important needs - connectivity and budget management. This is Orange Money.

As the fintech arm of the leader in telecom services in Romania, Orange, the financial services app Orange Money follows in the steps of its mother company when it comes to delivering the highest customer experience. Working with such a great brand capital gives us advantages but also sets high standards in terms of the quality of service we deliver.

Keeping customers closer together locally and overseas

A simple phone call can bring you close to friends and family miles away; as internet connections can keep you informed and connected to what is important. This "togetherness mindset" is very important to us when we talk about customer experience. We are expanding our services so they can be used outside the local borders. With Orange Money clients can make transfers in 16 different currencies and have no extra taxes for that. This is the new normal in financial services. No fees, worldwide payments and ATM withdrawals are also available, giving access to cash whenever the situation asks for it.



Building loyalty with a digital One-Stop-Shop experience

On their mobile phones, these ubiquitous devices, we already have a connection with customer through our network. A fully mobile financial experience comes naturally in this convergent customer journey. Orange Money postpaid customers can open a digital wallet account fully online or via any Orange Shop. The service is also available for prepaid clients in shops. From onboarding to loan approval we offer a digital experience with transparent, easy to understand fees and terms & conditions.

The fact that customers are familiar with our telecom services makes room to ideas for linking fintech & telco beyond technology. We create a package of offers for customers and award the most loyal ones with extra internet bonuses, cashback and Thank You points which can be used in buying a new device. As a response to the strong demand for premium smartphones on the Romanian market, we launched Orange Money My Reserve, a handset financing tool.

We are building an ecosystem where we make the best of the double meaning of connection through relationships and technology.

Our main competitor is cash

But how do we connect to the offline?

Keeping a human contact, having a grip on things that are important to us, going into physical stores are things we understand are important for some of us. But we truly believe digital, with its fastness and precision, gives us more time for the experiences that matter most. Cash transactions cost time and money. We are often asked which is our direct competition and if we feel threatened by banks or by other fintechs. Our answer is the same that we welcome competition, because we believe our main competitor is the cash – not the financial institutions.

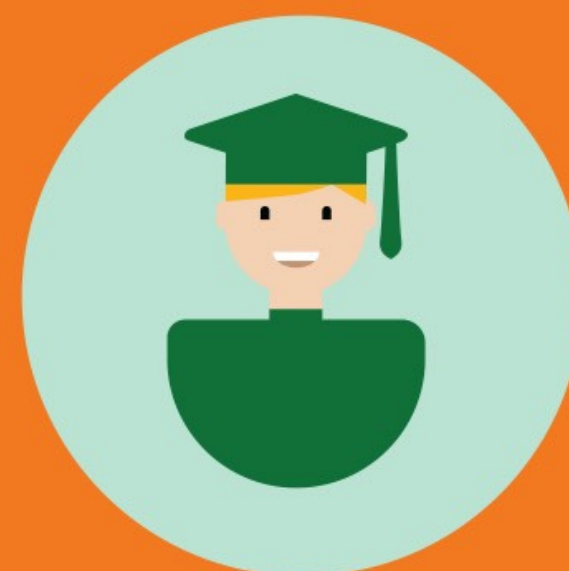
Almost 75% of the Romanian population is still using cash, so all major players - banks, fintechs and regulators - have an important role to play. Only 60% of all Romanians have a banking account and Romania has one of the lowest financial intermediation ratios in EU. Therefore our biggest battle is with cash, as a challenge to move these transactions towards digital channels. Our mission through Orange Money is to offer a service so easy to use that it can convince more clients to shift to online payments & financial services.

Transferuri valutare cât ai zice „smart”





Cea mai bună rată de schimb
Fără comision de transfer
Suport local 24/7

orange.ro/money



Cards features
in digital era





 Contactless debit/
credit cards 

 Order debit/credit
cards online (dispatch
through courier) 

 Freeze/block your
card in the app 

Top up feature 



 Location based
security 

Mobile
Payments  
 



 *Fitbit Pay & Garmin Pay 

 Instant payments 

Accounts & Loans

 Online current
accounts 



 Online
deposits 

 Digital personal
loans 

 Online
Refinancing 





SME &
Freelancers



 Current
account
(online
opening) 

 Revolving
credit facility
(online
access) 

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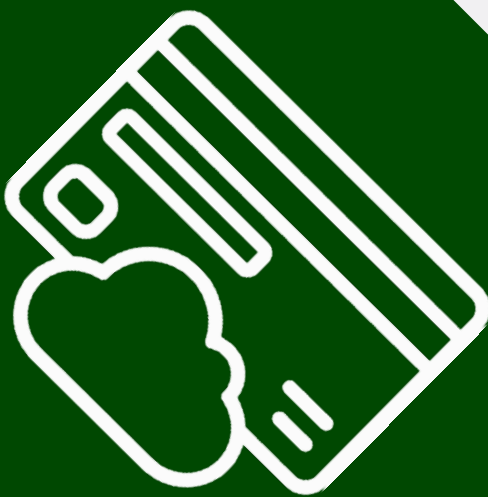
 Instant payments 

Accounts & Loans

 Online current
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 Online
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 Digital personal
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SME &
Freelancers







 Current
account
(online
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 Revolving
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Accounts & Loans


















	Online current accounts	
	Online deposits	
	Digital personal loans	









SME &
Freelancers

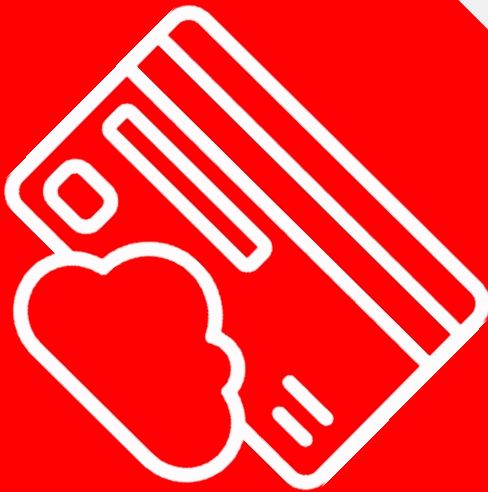
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	Revolving credit facility (online access)	

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SME &
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SME &
Freelancers



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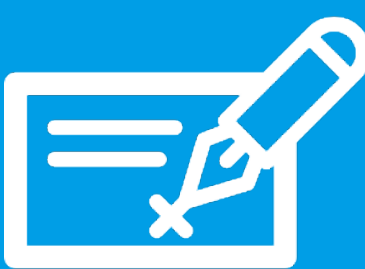

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SME &
Freelancers



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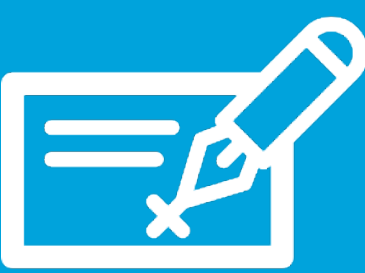

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Accounts & Loans


















-  Online current accounts 
-  Online deposits 
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SME &
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