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*Pioneer of Consulting 4.0*



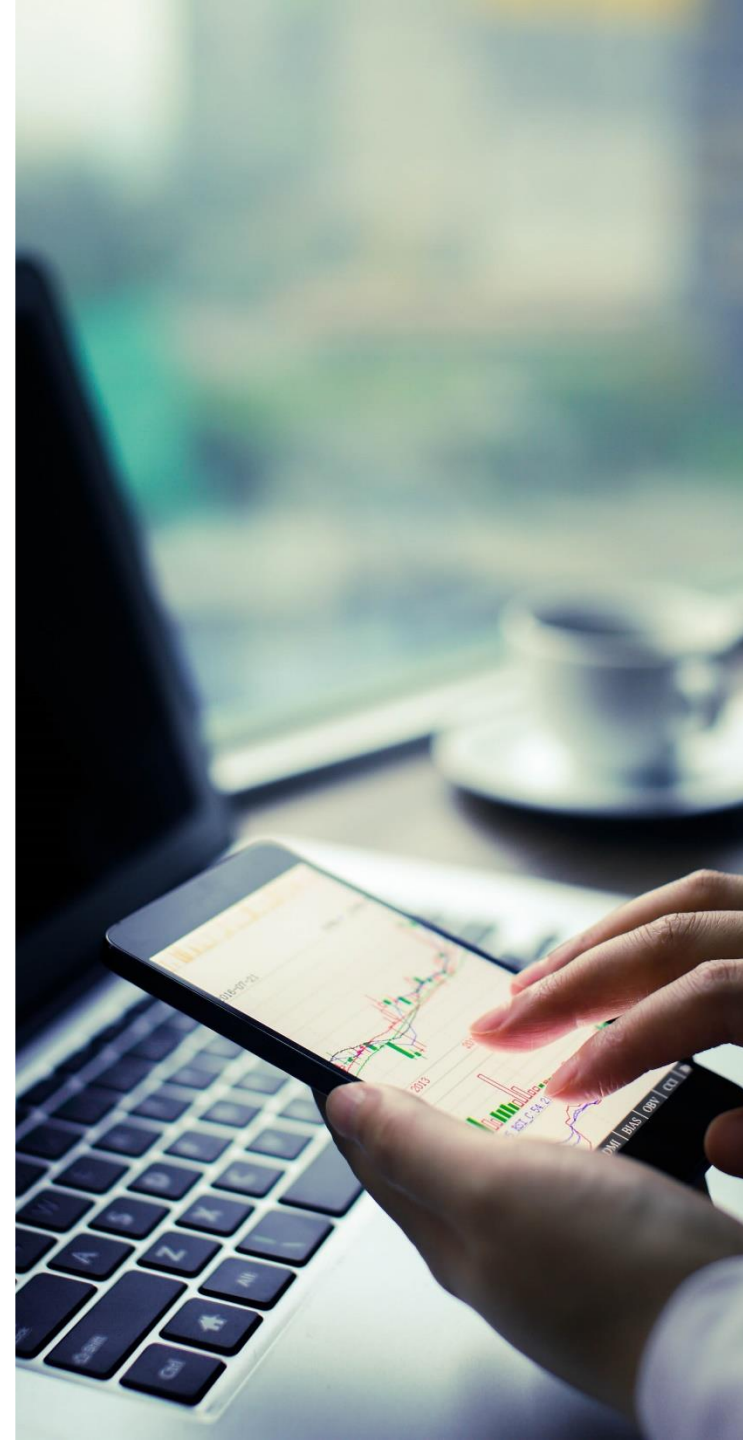
Hong Kong General Chamber of Commerce  
香港總商會1861

10<sup>TH</sup> JUNE 2020

WEBINAR

# BEYOND BANKING

*Current trends and future prospects in digitalizing financial services*



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# Agenda

1. **Sia Partners Benchmark:**  
*Mobile Banking Apps*
2. Panel Discussion:  
*Current and future state of mobile banking*
3. Q&A

# Benchmark **goals** and **scope**

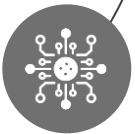
## ● **GOALS**



DETERMINE THE **LEADING BANKING APPLICATIONS\*** IN THE WORLD



IDENTIFY **STRENGTHS, PAIN POINTS & FUTURE EXPECTATIONS** AND HOW TO REMAIN COMPETITIVE FACING NEW STAKEHOLDERS LIKE VB



**STANDARD FEATURES & PREREQUISITES** vs. **MORE SOPHISTICATED FEATURES**

## **SCOPE** ●

**3** analysis streams

**Features**

**User Experience**

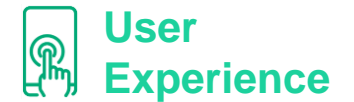
**App stores scoring**

**7** countries, across Europe & Asia

**60** applications

**80+** indicators for each app

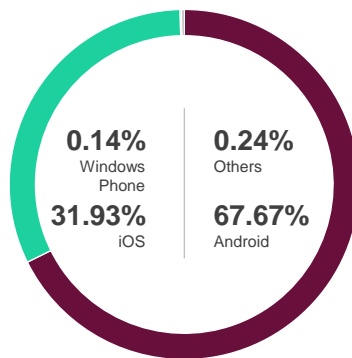
# Methodology | An analysis based on three key streams...



## Methodology | ...with a simple and transparent scoring method

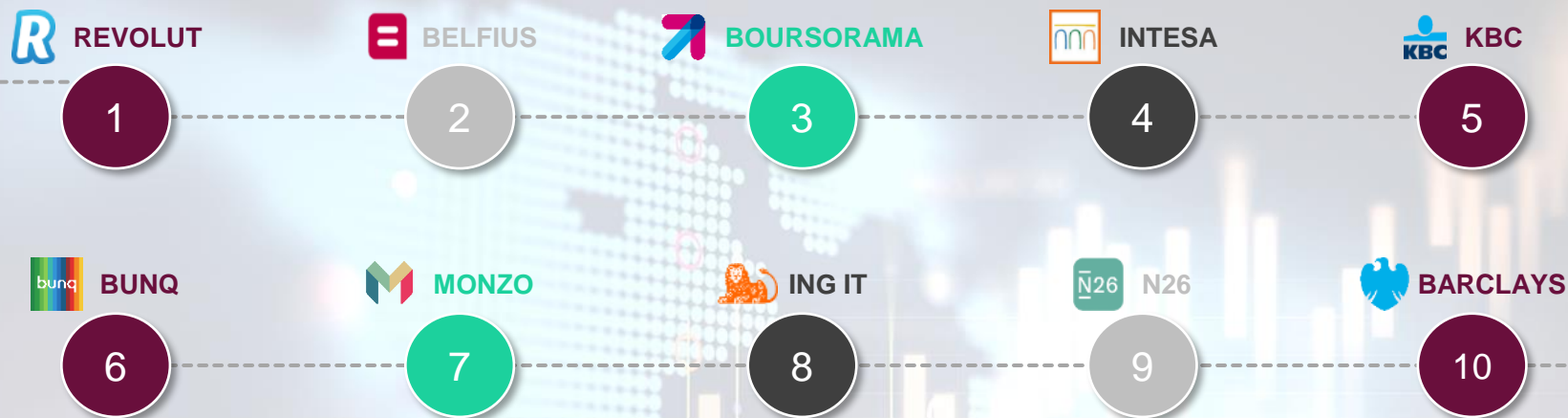
A 4-points scale  
with a clear definition

- 0** Null  
Evaluated item not in the app
- 1** Poor  
Evaluated item included in the app but not efficient
- 2** Good  
Evaluated item included in the app,  
efficient but could be improved
- 3** Excellent  
Evaluated item included in the app and fully efficient



- ✓ **Objective & transparent**
- ✓ **High comparability**
- ✓ **2 operating systems : iOS & Android**
- ✓ **June 2019 (Feb '20 for Asia) to March 2020**

## Focus on the Global Top-10

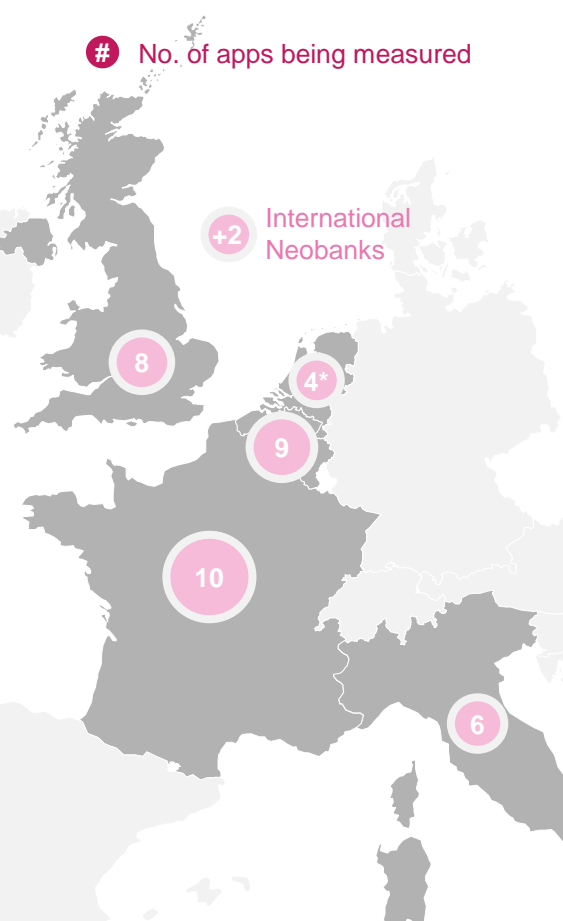


- ✓ Top-10 today only contains **European banks**
- ✓ The top-10 is a mix of **Neobanks** and **Traditional Banks** that have reinvented themselves
- ✓ The launch of **Neobanks** and **PSD2 / Open Banking** have recently accelerated investments in Mobile Banking in Europe
- ✓ **Hong Kong and Singapore** could very well have a presence in the Top-10 in following years

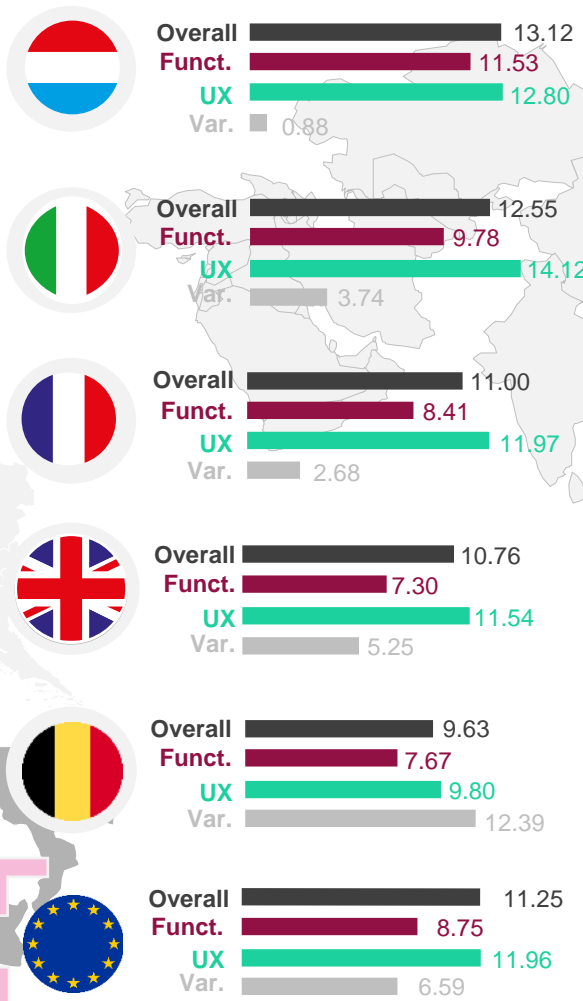
*“Following the market entry of Neobanks like Revolut and N26 and the entry into force of PSD2, several European banks have recently invested massively in their apps and are now one step ahead of their counterparts in Hong Kong and Singapore.”*

# Average rating per country

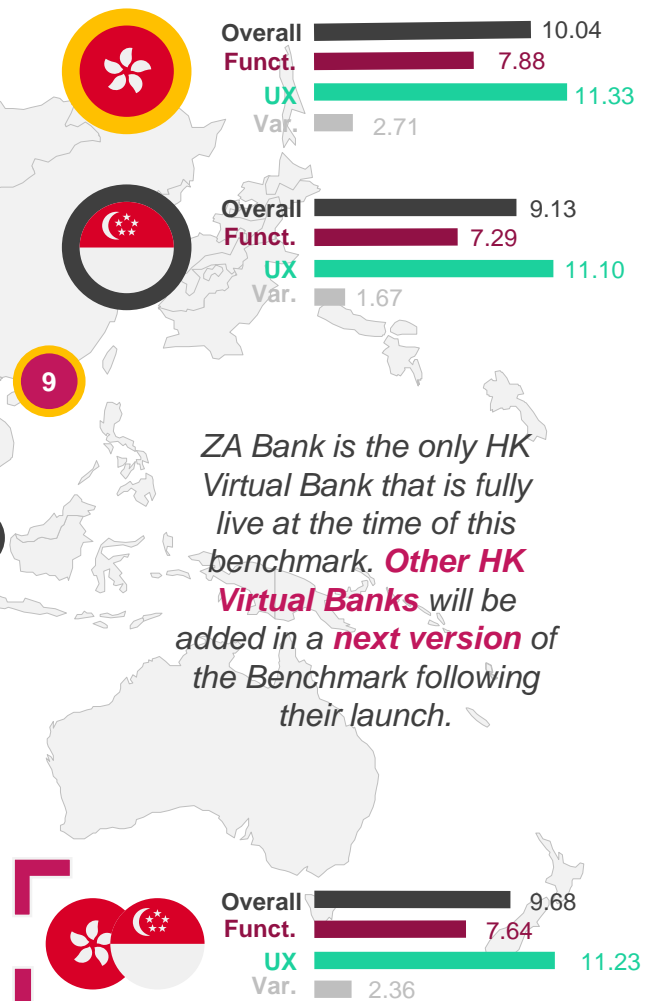
# No. of apps being measured



## In Europe:



## In Asia:



ZA Bank is the only HK Virtual Bank that is fully live at the time of this benchmark. **Other HK Virtual Banks** will be added in a **next version** of the Benchmark following their launch.

\* Although only 4 banks are covered in Netherlands, they are representing 90% of the market.

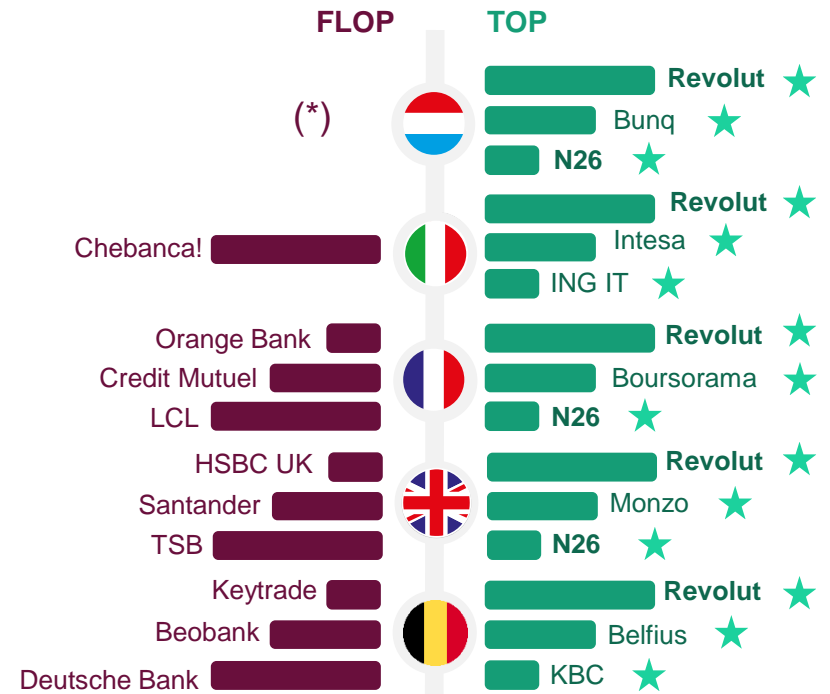
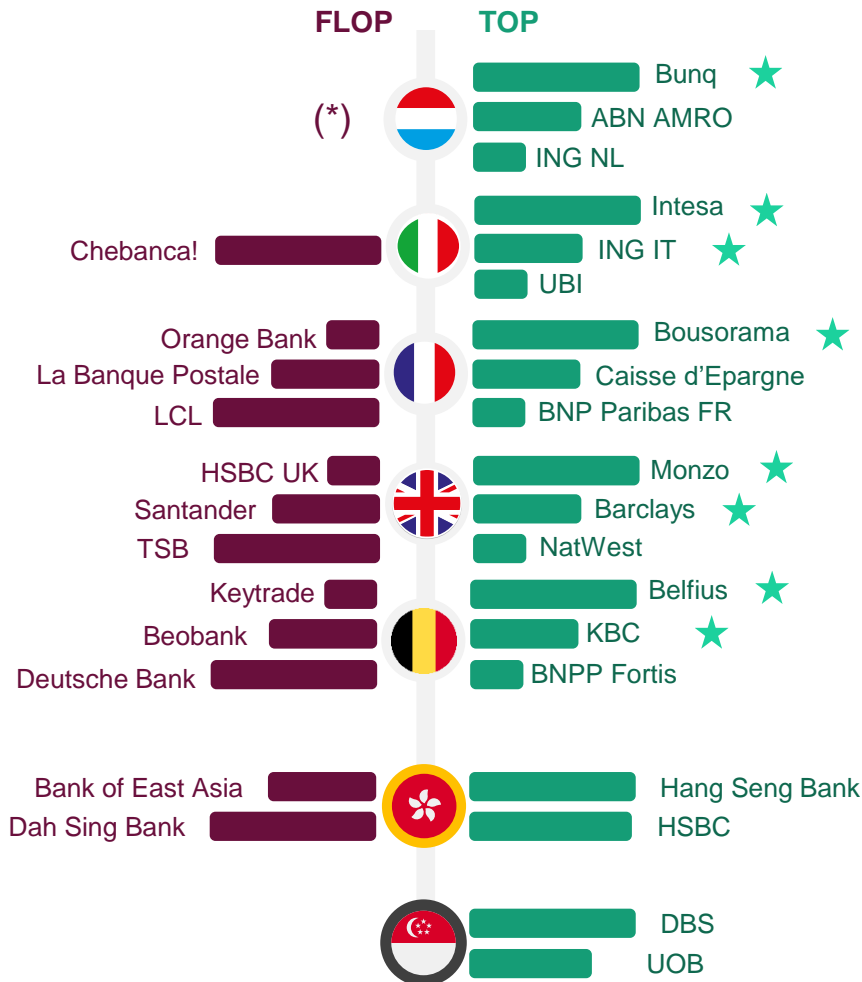
# Tops and flops per country | Europe & Asia

## Without international Neobanks

## With international Neobanks

EUROPE

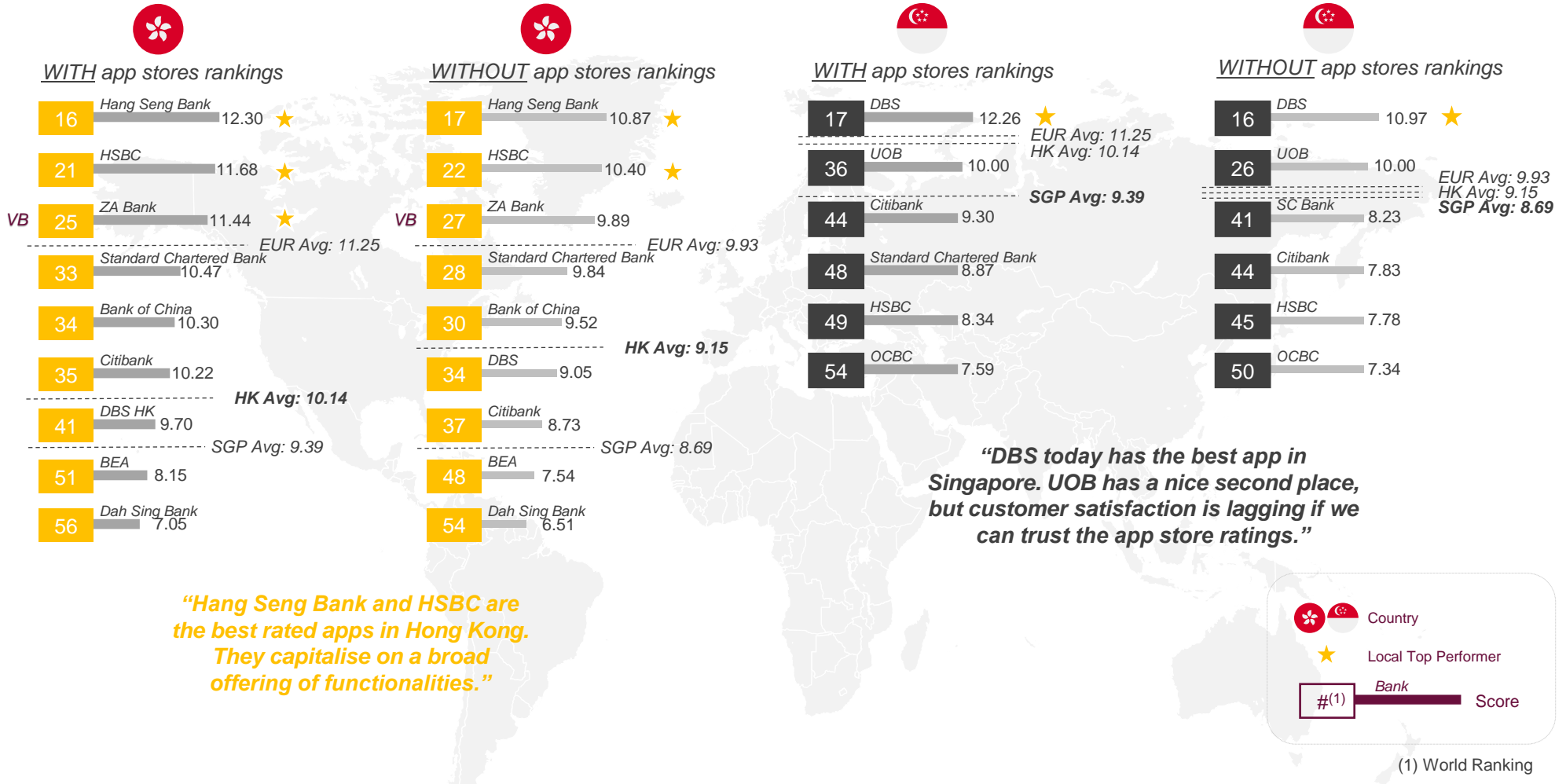
ASIA



“Most European countries have at least one or two top-players, which often include **Neobanks**. In Singapore, **DBS** is leading the race, while in Hong Kong **HSBC & HASE** can still rely on their dominant position for now. However, this is likely to change fast due to the launch of Virtual Banks.”



# Scoring and general ranking | Focus on Hong Kong & Singapore

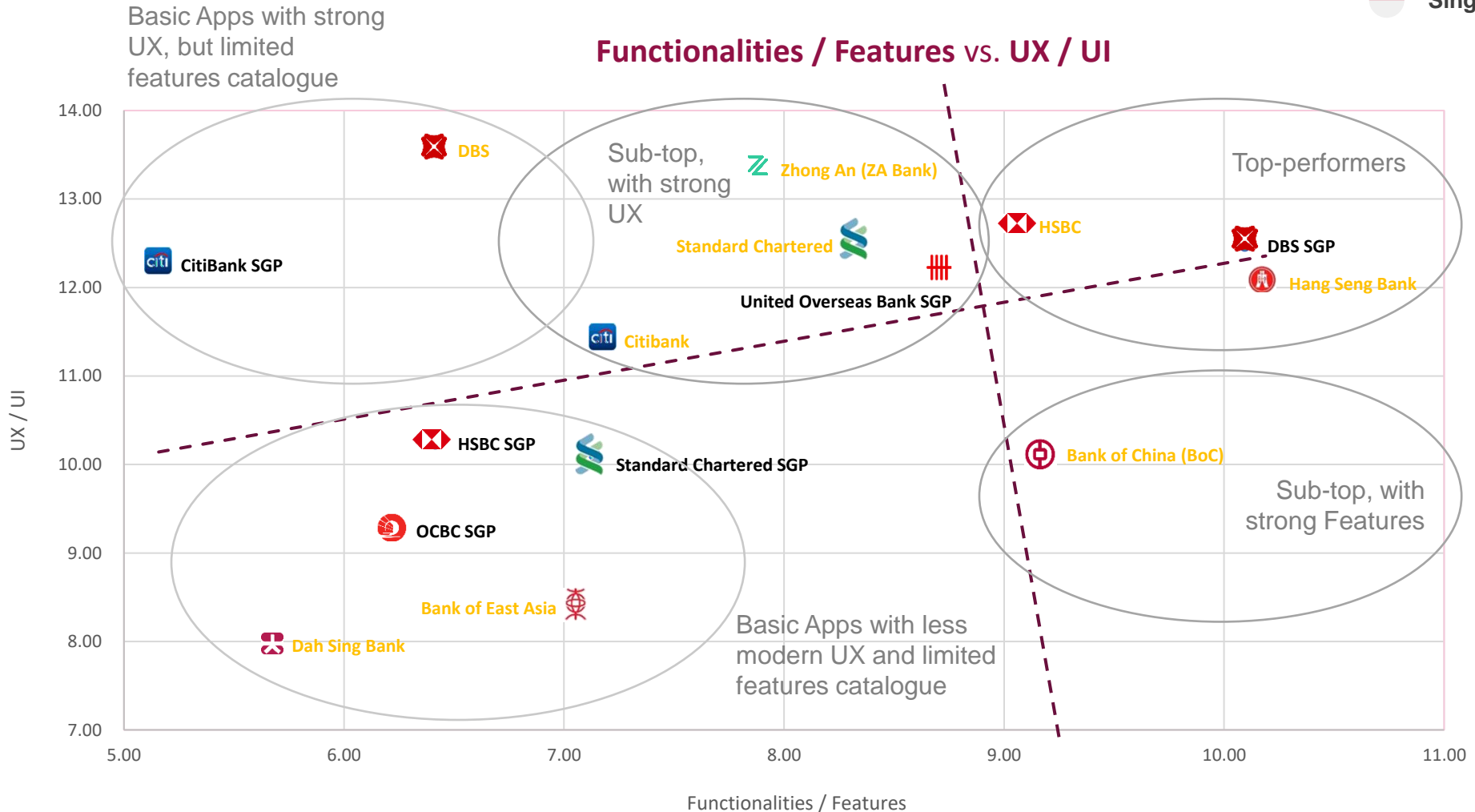


**"Hang Seng Bank and HSBC are the best rated apps in Hong Kong. They capitalise on a broad offering of functionalities."**

# Focus on Asia | Beyond the averages



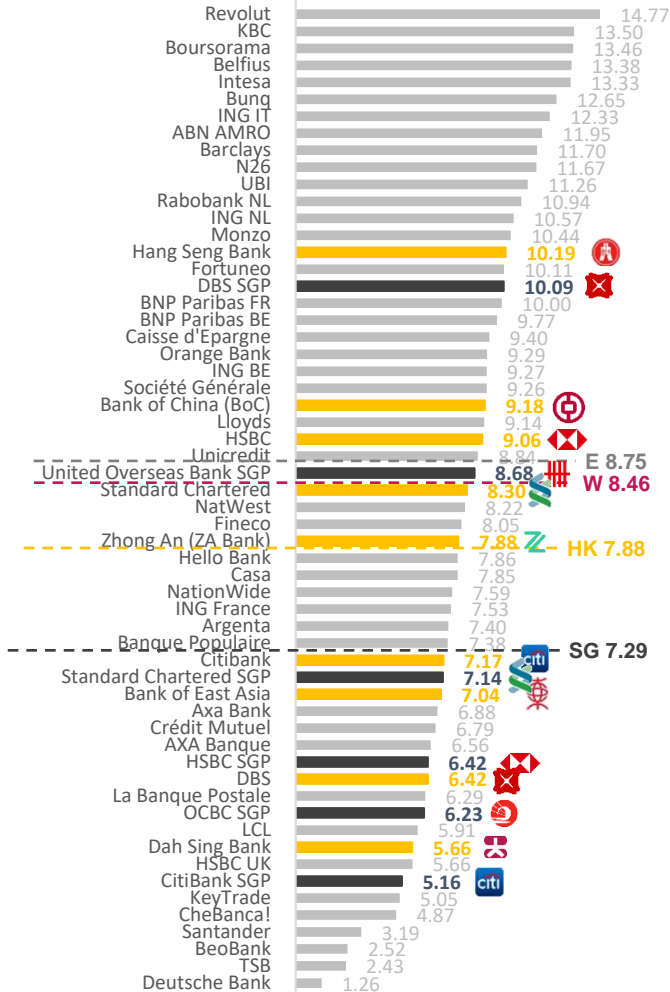
## Functionalities / Features vs. UX / UI



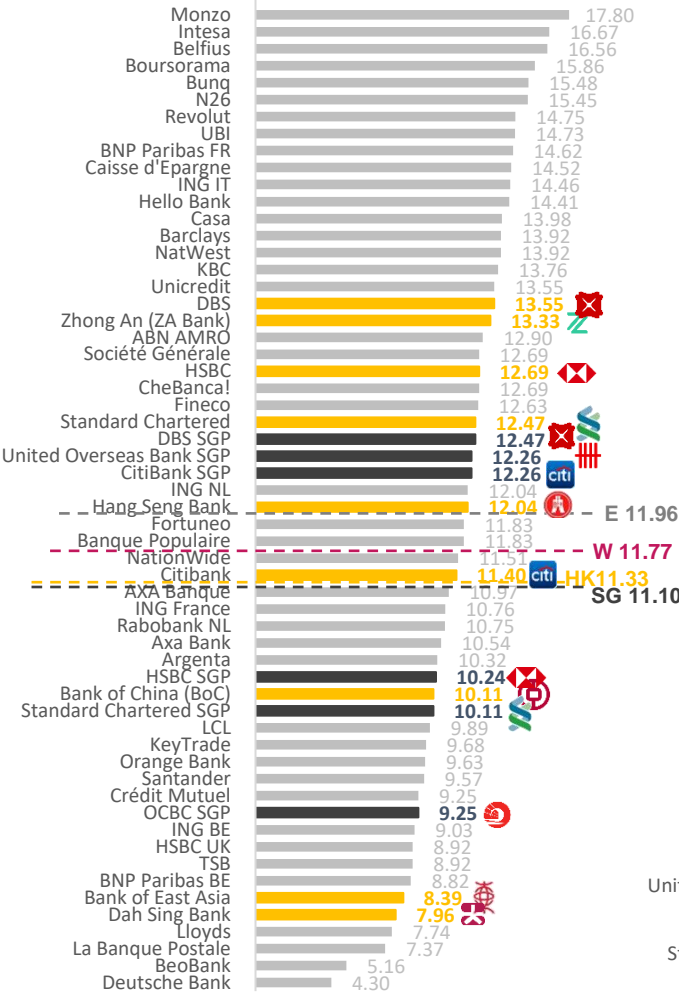
# HK & SGP | Features vs. UX vs. App Store Rating



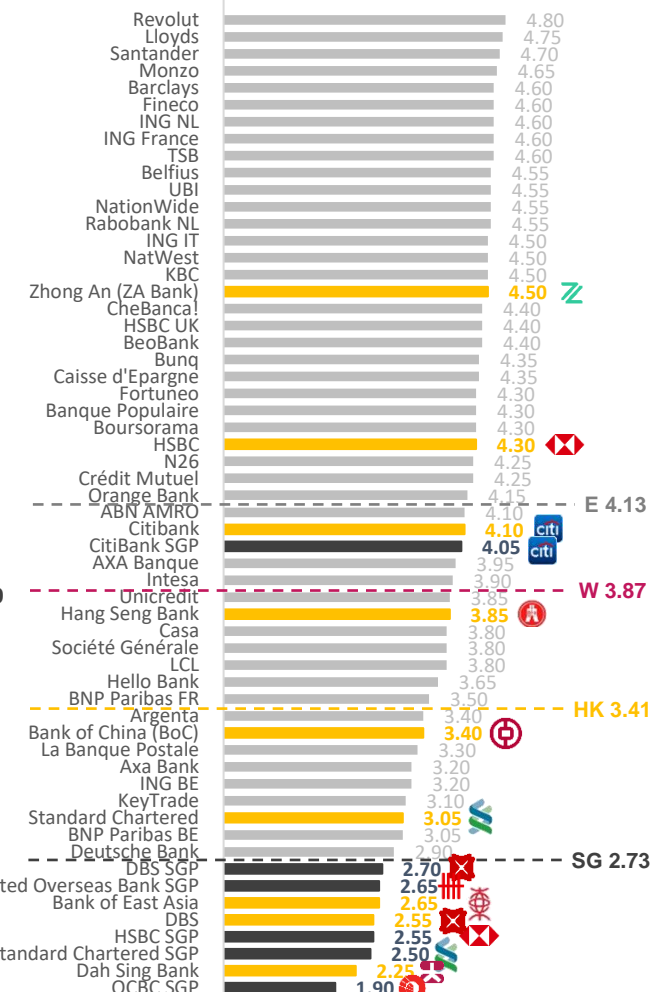
## FEATURES



## USER EXPERIENCE

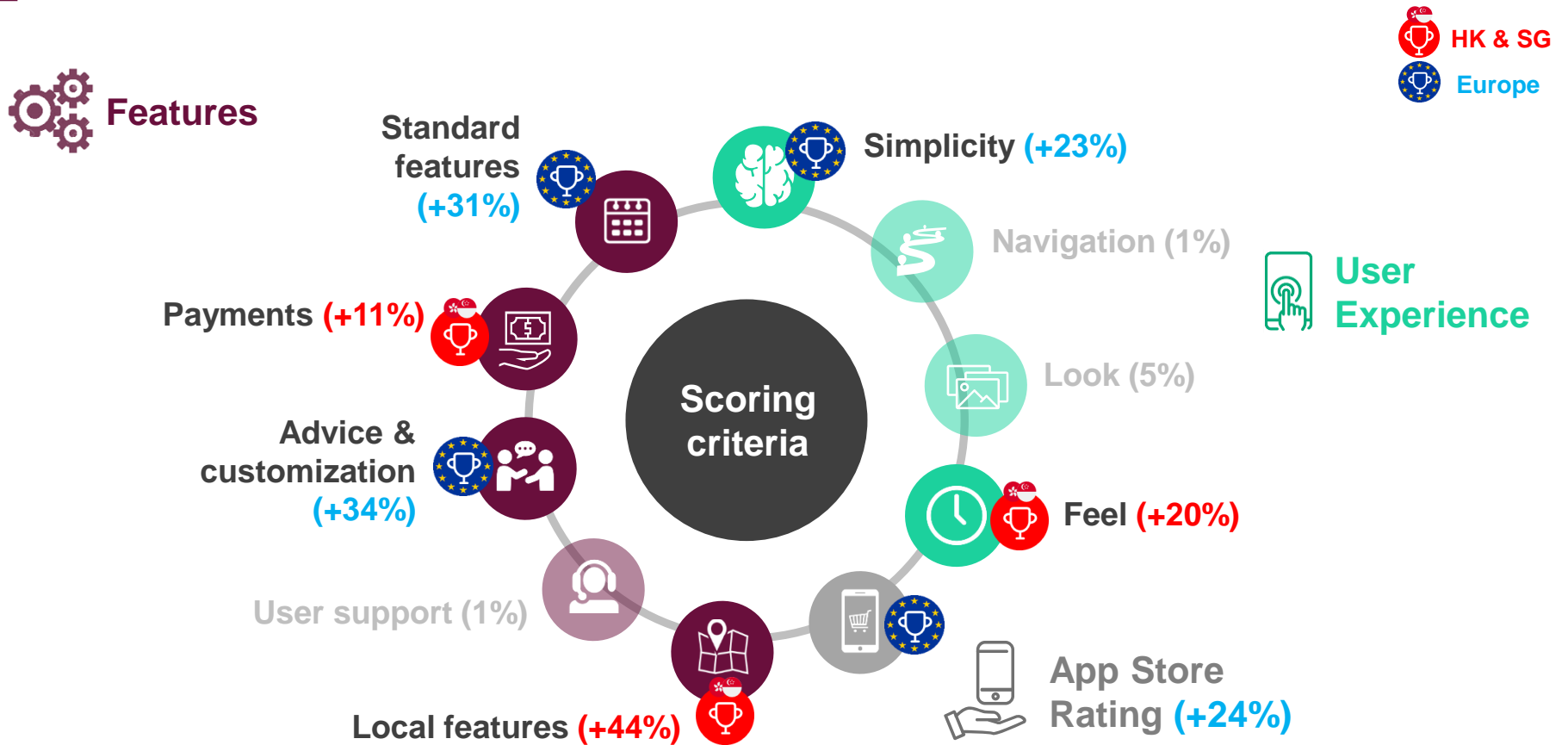


## APP STORE RATING



--- World average    --- HK average  
 --- Europe average    --- SGP average

# Main differences between Europe vs Asia | Overall



*On average, Hong Kong and Singapore score better than European apps on Payments and local features, but are lagging behind on Standard Features, Advice and Customization.*

## Main differences between **Europe vs Asia** | Impacting factors

1

### Impact of Neobanks / Virtual Banks

- ✓ **Increasing competition of Neobanks** like Revolut and N26
- ✓ Neobanks typically have a **strong mobile app** and an easy onboarding process
- ✓ This has pushed traditional players to invest heavily in their mobile app
- ✓ This is **expected to start in Hong Kong too** with the arrival of **8 Virtual Banks**.

2

### Preparation for Open Banking

- ✓ In Europe, **PSD2** has accelerated the preparation of banks for **Open Banking**
- ✓ **Capitalise on Mobile app to fight customer disintermediation**
- ✓ **Invest in Platforming**
- ✓ In **Hong Kong & Singapore**, acceleration towards Open Banking is only now starting

3

### Legacy & local factors

- ✓ **Mobile Phone Numbers to bank accounts, FPS & FAST**
- ✓ SEPA & Legacy systems in **Europe**
- ✓ **Some initiatives like PSD2 and Instant Payments**
- ✓ **Pan-European alignment still needed**

*Although banks in Europe have made some significant progress in recent years, a catchup in Hong Kong and Singapore is to be expected in following years, mainly due to the two disruptive factors being Virtual Banks and Open Banking, but also thanks to a legacy infrastructure that favors further innovation and modernization.*



*“With the arrival of Virtual Banks, Mobile Banking in Hong Kong is expected to ramp up rapidly in the coming years. ZA Bank has been the first to launch their app, which already shows a modern and innovative UX.”*

*“Although mobile apps in Singapore score below average in our benchmark, Sia Partners expect them to catchup in the near future and maybe even overtake their peers in Hong Kong and in Europe, surfing on Open Banking opportunities. DBS today is the best positioned bank, but others will follow.*

## Next steps | Updates and extended scope

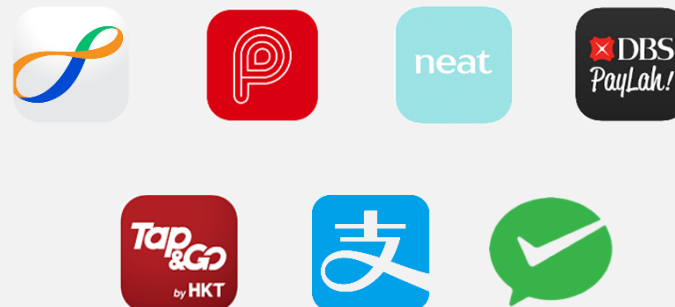
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The benchmark report will keep track of changes and evolutions in digital banking while extending its scope.

Q4 '20 version to include **North America** and additional European Countries and Banks...



...as well as a “spin-off” benchmark dedicated on **non-banking apps and wallets**



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# Panel discussion



**Jennifer Tan** (*Moderator*)

Chief Executive Officer of Alipay Payment Services (HK) Limited,  
Chairman of the Digital, Information & Telecommunications Committee of HKGCC



**Emil Chan**

Fintech Committee Chairman  
of  
Smart City Consortium



**Lawrence Li**

Board Director  
of  
Fintech Association Hong Kong



**Etienne Ranwez**

Manager, Financial Services  
of  
Sia Partners

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# Thank you!

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**If you have any question, feel free to contact us by email or phone for a separate discussion**



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