
"ADAPT OR BECOME IRRELEVANT"

18th Virtual Bank Management Conference, hosted by Greece
International Guest Speaker
– Neil Fillbrook



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*“Change is the law of life,
and those who look only to
the past and present are
certain to miss the future”*



JFK

*“The secret of change is to
focus all of your energy not
on fighting the old, but on
building the new”*



Socrates

“Ride or die, remember?”

Dominic Toretto



1. Liquidity – individuals and businesses need fast access to cash, now more than ever



2. Customer behaviour - The post-Covid new world norm demands entirely digital banking services

3. Competition & deregulation – the new environment means opportunities abound for those who adapt quickly



Liquidity – individuals and businesses need fast access to cash, now more than ever.

During Covid, Banks were often too slow to respond, demanded unnecessary security (e.g. personal guarantees for 100% of the risk), experienced backlogs or declined to help altogether.

EG **UK** – The Government announced 80%-backed Coronavirus Business Interruption Loans during the pandemic, at prescribed low interest rates. As at 18th October 2020:

- £21.73bn worth of these CBILs granted
- from 73,717 approved applications
- of the 160,311 total applications received
- i.e. just a 46% acceptance rate

So, what about the 54% of businesses declined/not yet underwritten?

Companies were being declined “because their revenue was impacted!”

Most of the banks weren’t open to new business, meaning if your bank said “no”, you had nowhere to go.

(Source: HMRC)

BELGIUM - DENMARK - NETHERLANDS - NORWAY - SPAIN - SWEDEN - UK



Customer behaviour – The post-Covid new world norm demands entirely digital banking services

Forget omnichannel and multi-channel:

- digital is the new norm – get used to it
- build everything for the mobile
- assume every client is on-the-go and has problems with their vision
- design the user-interface through the lens of a teenager
- use biometrics for enhanced and simplified security (face, voice, iris and fingerprint) – forget about passwords and passcodes they are outdated and a source of complaint/vulnerability
- one touch technology and frictionless processes are now a must (e.g. e-signing, electronic T's and C's, no paper!)



Competition & deregulation – the new environment means opportunities abound for those who can adapt quickly

- Fintechs are ripping up the rulebook - they're not even banks!
- PSD2/Open Banking enables easy access to switch
- Customer loyalty has been tested during Covid
- Customer retention will suffer where clients were declined loans
- Only the most agile banks will survive the backlash and thrive in the brave new world



- ❖ The need for banks to change has never been so acute.
 - ❖ *"Nature abhors a vacuum"* Aristotle.
- ❖ If the big banks want to remain relevant, they must change.
 - ❖ If they don't, like dinosaurs, they'll become extinct.
- ❖ Think about what Amazon has done to the global retail market in just a few short years...
 - ❖ ...There are fintechs right now who will do the same thing to banking.
 - ❖ It's possible to adapt, but only by thinking big and thinking completely differently.
 - ❖ Good luck! *"Fortune favours the brave"* 😊



THANK YOU!

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