## **Contents**

iχ

Acknowledgements	xv
About the Author	xvi
Introduction	xvii
CHAPTER 1	
Prologue: Why Banking?	1
Summary	1
Introduction	2
What Is Banking?	4
What Do We Mean by 'Money' Today?	7 8
A Cashless Society Increasingly Emerges	8 10
Key Banking Functions Future Jobs in Banking	10
Conclusion	17
References	18
CHAPTER 2	
Imperatives in Banking	21
Summary	21
Introduction	21
Strategy and Imperatives	23
Strategy	23
Business Imperatives	24
Current Imperatives in Banking	24
Comparable Imperatives in the Retail Industry	26
Comparable Imperatives in the Telecom Industry	27
Comparable Imperatives in the Healthcare Industry	29
Future Imperatives in Banking	30
Greater Customer Centricity	30
Becoming Truly Digital	31
Completely Accepting Technological Change	33
Reimagining Banking	33 35
Reinventing Risk Management	33

	CONTENTS

X

	Conclusion	36
	References	37
	PTER 3	20
D	ata and Analytics Primer	39
	Summary	39
	Introduction	39
	Data Management and Analytics	42
	Data Management	42
	The Hierarchy of Analytics	43
	'Next-Generation' Cognitive Analytics	45
	Extracting Value from Data	46
	The Importance of Location Analytics	50
	Conclusion	51
	References	52
0114	DTED 4	
	APTER 4	55
K	Key Elements of Banking Analytics	55
	Summary	56
	Introduction	56
	Office of Finance Management	58
	Performance Management and Integrated Decision Making	
	The Key Elements of Banking Performance Management	59 61
	Customer Analytics	61
	Customer Insight	70-04-00
	Credit Ratings	65
	Branch-Specific Campaigns	66
	Impact of Social Media Campaigns	67
	Relationship Pricing	69
	Client Servicing	71
	Risk Management	73
	Risk Scenario Analytics	74
	Fraud Detection	75
	Regulatory Compliance	76
	Risk Management and AI	76
	Operational Efficiency	77
	IT Cost Transparency	78
	Branch Performance Management	78
	Contact Centre Service	80
	Payments Monitoring	82
	Mortgage Tracking	83
	Sales, Compensation and Commission Management	83
	Financial Markets Risk and Trade Monitoring	84
	Analytics in Portfolio Management	85
	Derivative Markets	86

En total total	•
Contents	V
Junenia	A.

Conclusion	87
References	89
CHAPTER 5	
Machine Learning, Al and 'Apps'	93
Summary	93
Introduction	93
Theory and Practice of Machine Learning	95
Apps and Their Usage	96
Data Visualisation	101
Voice Recognition and Voice Assistants	102
Visual and Facial Recognition	104
Thumbprint Recognition	106
Palm Vein Recognition	107
Wealth Management Systems and Apps	107
The Biometric Moral Argument	109
Conclusion	111
References	112
CHAPTER 6	
Al and the Importance of Brand in Banking	115
Summary	115
Introduction	116
Brand Value and Equity in Banking	117
Millennial and Gen Y Brand Expectations from Bank Brands	119
Branding Expectations of Generation Z	120
Branding Expectations of Generation X	121
Branding and Customer Experience Interlocked	123
Branding and Human-Centred Design	124
To Brand or to Debrand?	125
Banks Will Use AI to Become Lifestyle Managers	128
Consumption and Credit Smoothing	128
Conclusion	130
References	130
OLIA DEED 7	
CHAPTER 7 Al Leadership and Employee Transformation	133
Summary	133
Introduction	133
Leadership in an AI-Infused Age	136
Augmented Leadership	137
Analytically Infused Leadership	138
A New Approach to Leadership: 'Trust but Verify'	140
Attributes of AI-Infused Leaders	141
Leadership Training for the Future	143

xii

	'Digital Future of Banking Requires a New Leadership Model'	145
	Zen and Leadership in Banking	146
	Functional Change and Role Transformation	147
	The Evolution of the Banking Employee	149
	A Banking Employee Persona in 2050	149
	Conclusion	151
	References	152
	APTER 8	
1	The Bank of the Future	155
	Summary	155
	Introduction	156
	Branch Makeover	156
	The Emergence of the Café Bank	159
	Millennials Not Happy with Dealing Only with Robots	160
	Virtual Reality: Banking and Gaming Converge	161
	Universal Banking and Beyond	163
	Universal Banking in the United States	164
	Banks as the Catalyst for Change: 'Peer to Peer'	164
	Payment Processes Become More Customer Centric	166
	Five Scenarios for the 'Bank of the Future'	167
	The Full-Service Bank	168
	The Digital Bank	169
	The Disaggregated Bank	170
	The Conversational Bank	173
	The Collaborative Bank	174
	Transformation of the Investment Bank	175
	Conclusion	178
	References	179
	PTER 9	
U	pen Banking and Blockchain	183
	Summary	183
	Introduction	184
	Setting the Stage: Open Banking	184
	Interlock between AI and Open Banking	186
	Blockchain: Setting the Stage	186
	Interlock between Blockchain and AI	188
	Blockchain in Banking	188
	Interbank Market	189
	Forex Market	190
	Investment Banks and Blockchain	191
	Blockchain in Indian Banking	193
	Blockchain and Open Banking in Africa	196
	Conclusion	199
	References	201

<u>Contents</u> xiii

CHAPTER 10	
Innovation and Implementation	203
Summary	203
Introduction	203
New Roles and Responsibilities	204
Bootcamps, Hackathons, Innovation Labs, and Other Devices	205
Implementation	207
Innovation or Adaptation?	208
The Use of 'Design Thinking'	210
Finding Capital to Innovate: One Example	211
Fintech for Banking	212
Blockages to Innovation	216
Conclusion	218
References	218
CHAPTER 11	
Cybercrime and IT Resilience	221
Summary	221
Introduction	222
Cybercrime in the Context of Operational Risk	224
The Internationalisation of Cybercrime	225
Cyber Security Toolkits	226
Cyber Risk Management Apps	227
Broader Cyber Issues for Banking	227
Safeguarding the Bank of the Future: New Cyber Security Threats	228
Responding to Cyber Attack	230
Cyber Readiness	231
New Cyber Roles, New Cyber Responsibilities	233
AI Fraud Detection in Banking	234
Advanced Analytics in Fraud Detection	235
AI and Anomaly Detection	236
Fraudulent Use of Data	236
Cyber and the Law	238
Conclusion	239
References	239
CHAPTER 12	
Epilogue	243
Appendix: Fintech in Banking	247
Index	271