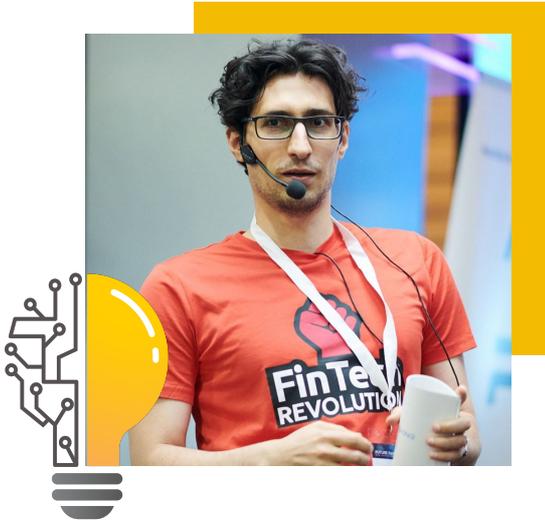


FUTURE BANKING OUTLOOK

**24 managers and Fintech founders on:
2021 trends, challenges and where the
money could flow**

FUTURE BANKING **OUTLOOK**



RĂZVAN ENACHE

*Business Development
Manager, InternetCorp*

After a hard to imagine 2020, marked by uncertainty and defined by new buzzwords like "New Normal", "Covid era", or "You're on mute", adventuring in issuing a forecast might be seen as an act of defiance in the face of unforeseeable Gods.

But we've challenged **24 managers** and founders of fintech startups to imagine the challenges of 2021, the trends and technologies that could shape their industries the most.

Read 39 statements from Future Banking experts. Gain insights on what banks and Fintechs expect in 2021. Unfold a glimpse of the future in terms of where the money could go. And ask yourself questions.

Nevertheless, don't forget that we can't predict the future, but we can prepare and handle the uncertainty better.

FUTURE BANKING **OUTLOOK**



Mihaela Bîtu

CEO, [ING Bank Romania](#)

“ 2021 will undoubtedly bring challenges, but also opportunities for the banking sector. Since the economy suffers due to the sanitary crisis, we expect to see an increase of non-performing loans, coupled with a subdued lending demand, given the uncertain context.

We will need to reach a fine balance between caution and actively supporting the economic recovery. The trend of digitalization will continue and even accelerate, which brings great opportunities to innovate and enhance customer experience.

Further, the economy will likely recover much of the pandemic's negative impact in 2021, however a prudent and responsible approach is commendable.



FUTURE BANKING **OUTLOOK**



Răzvan Sighinaș

CIO, [ING Bank Romania](#)

2021 will need to ignite the post-COVID economic recovery, while the changes that 2020 brought in terms of customer behavior and regulatory changes remain valid. Customers will be increasingly digital, and regulations will continue to open the industry to even more complex opportunities.

The technological priority for banks will be to tackle the technical debt gathered around core banking, data infrastructure and digital channels. We will see a faster adoption of hybrid cloud, big data, AI and native mobile technologies, as banks will further integrate into the digital ecosystems, which will play an important role in the economic recovery.

FUTURE BANKING **OUTLOOK**



Vlad Stănilescu

*Chief Digital Transformation
Officer, [Raiffeisen Bank](#)*

“ Banks that made strategic investments in technology performed better this year. Nevertheless, laggards may still be able to leapfrog in 2021 if they take swift action to accelerate tech modernization. In pursuing technology-driven transformation, in order to fully realize the digital promise banks can elevate customer engagement by deploying an optimal mix of digital and human interactions, intelligent use of data and compelling service delivery models.

In this respect, conversational AI systems could provide personalized customer experience and improve call-center efficiency. Technology leaders should also focus on how the current technology stack can interface with next-gen innovations, such as advanced machine learning techniques, blockchain applications, or quantum computing.



FUTURE BANKING **OUTLOOK**



Andreea Porojan

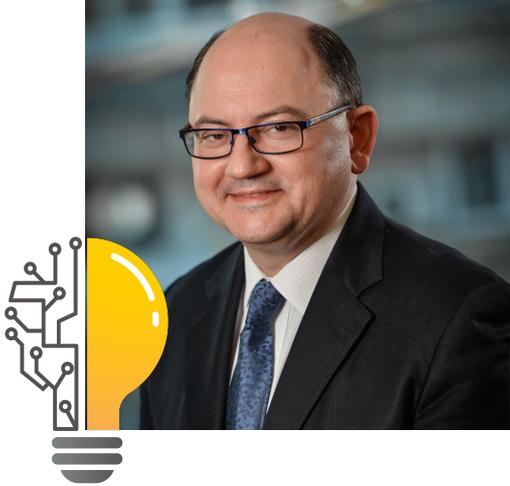
*Fintechs Partnership
Manager, [Raiffeisen Bank](#)*

👉 In 2021, the spend on cloud, security networks and mobility is expected to increase by 30%. Therefore, in order to gain advantage, embracing cloud-first and platform strategies for speed and adaptiveness is crucial. Since remote work is expected to rise to 300% of pre-COVID levels, banks will need AI-enriched tools that will enforce workforce policy and guide employees to improved outcomes.

Also, as more customers gravitate toward digital channels, banks should use and rapidly deploy AI solutions in order to identify at-risk customers and help them recover, while remaining sensitive to customer distress and at the same time help merchants build digital capabilities and create omnichannel experiences. So, to sum it up, the technologies that most probably banks will be focusing and spending on in 2021 are: Cybersecurity (71%), cloud computing&storage (60%), AI & RPA (40%), Blockchain (37%).



FUTURE BANKING OUTLOOK



Cătălin Crețu

*General Manager, Romania,
Malta, Croatia & Slovenia,
[Visa](#)*

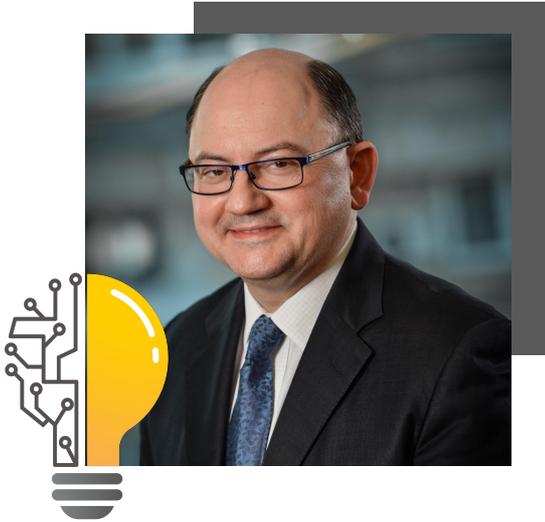
“ We can expect 2021 to be further dominated by consumers' higher appetite to increasingly use digital payments at the expense of cash. This rhythm is fueled by the behavioral changes driven by the pandemic.

Thus, online payments have increased in Romania by over 60% in the first semester, the highest spike in Europe, while mobile payments have seen a monthly growth rate of 10% and we expect this trend to continue in 2021.

We also expect to see more solutions through which consumers receive their money instantly on the card, either when returning online purchases or when transferring money, and more municipalities to enable contactless transportation payments.



FUTURE BANKING **OUTLOOK**



Cătălin Crețu

***General Manager, Romania,
Malta, Croatia & Slovenia,***

[Visa](#)

“ Open banking is a global trend with a significant impact in 2021 and beyond. From January 1st, the new SCA regulations require banks to introduce an extra layer of security meant to keep e-commerce and contactless payments safe. We are working with financial institutions to simplify the process of enrolling cards on merchants' sites directly from the issuing banks' apps.

The smartphone acceptance solution - Tap to Phone - launched in 2020 is expected to drive card acceptance in Romania, especially in rural areas and for small businesses. New solutions introduced by fintechs to facilitate recurring payments and e-shopping during the pandemic are expected to remain a common behavior.



FUTURE BANKING **OUTLOOK**



Marian Ignat

*Executive Director, Head of
Retail Distribution, [BCR](#)*



Data management, AI and digital privacy will play a central role in the future of financial services.

We believe in our guardian role for customers' financial data, while empowering clients with all information in order to make well-informed decisions regarding their financial life.

Our aim is to offer real-time financial advisory service across every channel, empowered by both human touch and data analytics, within a seamless customer journey.



FUTURE BANKING **OUTLOOK**



Marian Ignat

*Executive Director, Head of
Retail Distribution, [BCR](#)*



Customer expectation and internal efficiency are in the center of next year challenges. Customers expect better services than ever and COVID crisis shows that they want a reliable partner to be close to them when they need it.

On the other hand, banks and fintechs have to address the changes in the macro environment and a possible market and margin compression.

This is why we believe that digitalization and agility will continue to play a central role in financial services transformation next year.



FUTURE BANKING **OUTLOOK**



Cosmin Vladimirescu

*Country Manager, Romania
and Croatia, [Mastercard](#)*

“ This may not have been the year we were expecting, but one thing is certain: consumer behaviour is increasingly leaning towards a “digital first” approach of life, highlighted also by the accelerated adoption of digital payments, a shift that counts on solid premises to become a permanent habit.

In 2021, digital payments will continue the upward trend, as we will witness multiple innovative products integrated with PSD2 high security standards, such as biometry, meant to meet the consumers’ demand for frictionless experiences, as well as safety of both their data and money.



FUTURE BANKING **OUTLOOK**



Cosmin Vladimirescu

*Country Manager, Romania
and Croatia, Mastercard*

“ The enhanced use of biometrics. On one hand, biometry enables consumers to approve purchases via facial recognition or fingerprint, which helps them avoid password overload while ensuring the most effective and user friendly authentication method.

On the other hand, this technology provides advanced security, since it uses the characteristics of the user, requires the cardholder's presence and active participation for transaction approval, thus make in the entire payment process safer and faster, too.



FUTURE BANKING **OUTLOOK**



Leontin Toderici

*Deputy CEO & Chief
Operations Officer, [Banca
Transilvania](#)*



2021 will be a year of simplicity and simplification – our customers want more and more applications and flows as simple and intuitive as possible and wish that the companies use the information they have to customize and simplify their experience.

Another trend of the year will be related to increasing the transactions' security and the rational use of the customers' data.

Companies are the custodians of the customers' personal data, and these must be guarded to keep the people's trust in the company and also in technology, seen as a whole.



FUTURE BANKING **OUTLOOK**



Leontin Toderici

*Deputy CEO & Chief
Operations Officer, [Banca
Transilvania](#)*



AI and Machine Learning are the trends that influence more and more the industry - both because these technologies can decisively influence and customize the customer's experience in applications, but also because they contribute to the automation of the processes and flows.

So, on the one hand, we improve the customer's experience, but on the other hand, we manage to optimize the costs and flows, which in the end are also seen by the customer.

Additionally, obviously, we can see the widespread adoption of the cloud.



FUTURE BANKING OUTLOOK



Radu Ciorbă

Founder, [Volt](#)

“ We expect a much higher competition from banks next year. There is already some evidence coming from BT, First Bank, and BCR’s George. The pandemic forced banks to quickly adapt to the increased digital appetite of the consumers and consequently, invest hugely in software development.

The main customers’ demands will focus on AI-based financial advice, instant everything, and social interconnections with major messengers. Players who will have the best product and IT teams will further increase their share in the market. Fintech companies have the advantage to attract talents but lack the funds. Banks will join them to have access to the best tech and marketing knowledge.

”

FUTURE BANKING **OUTLOOK**



Radu Ciorbă

Founder, [Volt](#)

“ I think Facebook has the biggest chance to become the 1st financial network in the world and by this being the only marketplace for loans, insurance products, investments, and other services like crypto payments.

Their Libra project will change the way we used to transfer money by Revolut, PayPal, or mobile banking. All financial products will move sooner or later to messengers.

Fintech companies and banks should adapt to this reality and fight for the best CONTENT channel linked to Whatsapp, Telegram, or Facebook messenger. Consequently, the banks and fintech companies will only be relevant if they succeed to become a source of high-quality lifestyle CONTENT & EXPERIENCES.



FUTURE BANKING OUTLOOK



Haris Hanif

CEO, Orange Money

“ All business sectors were affected, directly or indirectly, during 2020 and the effects will certainly show in 2021. The first half of 2021 is going to be more challenging for the financial sector with a more prudent approach towards risk policies and higher provisions.

2020 generated a change in behavior and attitude towards money and usage of financial services. Safety, flexibility & digital are the key words for 2021. Due to the crisis, customers hold on to cash. They will save more and consume less with a direct impact on lending. They will also expect flexible products which give them more freedom and control during these times with low predictability. Physical safety & health remain top of mind, so they will expect everything digital, from a distance.



FUTURE BANKING **OUTLOOK**



Haris Hanif

CEO, Orange Money

Recently we have launched mobile digital onboarding for Orange Money, and a fully online KYC process is going to become a must in 2021. More and more clients will see the benefits of digital, especially in Romania, where cash is still king and mobile payments will increase.

We will also see an increase of online lending and a simplification of this process.

Most importantly, 2021 is going to be the year when we will see a slow customer adoption towards open banking. Going from the relationship between banks and TPPs through APIs to early adopters in financial mobile apps.

FUTURE BANKING **OUTLOOK**



Ana Maria Georgescu
Co-Founder, [Smart Fintech](#)

“ Mobile financial related products will continue to expand in different shapes and forms (mobile payments that are replacing cards and cash payments, ATM withdrawal without the card, PFM solutions with more and more intelligence).

We might see also core banking transformations; after providing new customer interfaces and developing digital experiences, the banks would need to start the second revolution behind the scene and rethink their actual core banking systems.

Although it's not as appealing as other trends, it's essential for a smooth customer experience.



FUTURE BANKING **OUTLOOK**



Ana Maria Georgescu
Co-Founder, [Smart Fintech](#)

Regarding the open banking trend in EU, the foresight is to continue the 2020 impressive growth, both in customer adoption and industry innovation fueled by competition development. We might see updates from regulatory perspective that will extend the playfield (eg. access to deposit loans, credit cards) or new security enforcements.

Beside this, the open banking use cases are multiples, with great applicability in different areas (eg. insurance, property management, cash flow analysis and previsions, bulk payments, personal or SME financial assistants).



FUTURE BANKING **OUTLOOK**



Valentin Vancea

Deputy CEO, [Patria Bank](#)



In addition to the financial fallout, COVID-19 is going to reshape the global banking industry on a number of dimensions, determining a new competitive landscape, prompting a new wave of innovation, recasting the role of branches, and of course, accelerating digitization in almost every sphere of banking and capital market.

Acceleration of trends: digitization, virtualization of the workforce, focus on safety and surveillance, focus on cost reduction.



FUTURE BANKING **OUTLOOK**



Valentin Vancea

Deputy CEO, [Patria Bank](#)



Acceleration of digitization will result in a focus on various technologies and products:

- Digital channels with a stress on mobility: mobile IB, wallets with biometric capabilities
- Robotic Process Automation
- Artificial Intelligence/Data Analytics
- Cloud computing
- Cyber-security



FUTURE BANKING **OUTLOOK**



Ștefan Pătra

Vice President, Financial Services, [Tremend](#)

“ In the next year, we'll see more financial institutions putting strategies in place to migrate their core financial services such as payments, credit risk evaluation, and scoring, to Cloud-Based Computing. The driving change factors are the immediate business benefits triggered by the cloud services scalability, availability and capacity, as well as security, resilience and disaster recovery capabilities.

In 2021, the mobile-first platforms will aggregate all relevant financial services from a broad spectrum, from Fintechs to traditional Financial Institutions. At the same time, financial institutions and fintechs will leverage artificial intelligence (AI) and machine learning (ML) to enhance customer data usage, customer insights and improve operational and sales areas. ”

FUTURE BANKING **OUTLOOK**



Cosmin Cosma

Co-Founder & CEO, [Fingware](#)

Open Banking will have a steady growth in CEE in 2021, but still will need some time to come to maturity. The focus will be in testing products and use cases, payment initiation being the most expected feature to be tested in production next year."

The proliferation of remote KYC (remote identification of customers for financial operations) will be the most important trend that will shape the banking in 2021.

FUTURE BANKING **OUTLOOK**



Adrian Dinculescu

*Partnerships & Alliances
Manager, [Namirial](#)*

“ The banking sector will probably continue its investments in the remote onboarding and loan origination projects with an aim to further improve the customer experience while taking into account the changes brought by the revision of the EU Regulation 910/2014 (in an EU context) and the proposed legislative changes such as the Government Decision with regards to the remote identification (in a Romanian context)!

Additionally, it is expected that financial institutions will also focus on the dematerialization of processes in the branches through the adoption of paperless technologies and the implementation of new onboarding processes.



FUTURE BANKING **OUTLOOK**



Adrian Dinculescu

*Partnerships & Alliances
Manager, [Namirial](#)*

Online presence is already a must so besides the remote onboarding/loan origination projects which started in some cases as early as 2019 and continued strong in 2020, from a technology point of view, we expect to see more open banking and blockchain solutions.

However, we believe that electronic signatures will continue to be at the core of digitalization and they will be complemented by automated/self-onboarding solutions which will make use of biometry and especially face matching and liveness detection – as a trend, all of these will be offered to the banks as a service by Fintechs.

FUTURE BANKING **OUTLOOK**



Mihai Ivaşcu

CEO & Co-Founder, [Modex](#)

“ The pandemic year dissolved a lot of R&D projects in the blockchain technology field. Although it was a very difficult year for investments in emerging technologies, for the first time, we saw the audit giants put blockchain technology on the path to success.

The new amount of data generated in society and the economy as a whole transforms blockchain technology into a profound business case because of its inherent benefits. With no more experimental ideas and much more software solutions, blockchain will generate the first widespread implementations for the permission's infrastructures clients.



FUTURE BANKING **OUTLOOK**



Mihai Ivașcu

CEO & Co-Founder, [Modex](#)

There is a dire need for trustworthy ecosystems capable of guaranteeing privacy, security, and streamlined digital data sharing mechanisms.

Not only will it rewrite the way we do business but it will also redefine our future existence as businesses. 2021 will be the interoperability year for the digital society, where people and organizations can share data without sacrificing confidentiality.

Born in the pandemic year, the need for system interoperability is governed by a trusted environment where sensitive data can be processed, shared with permission-based access mechanisms and encryption algorithms.

FUTURE BANKING **OUTLOOK**



Bogdan Neacșu

CEO, [CEC Bank](#)

“ I think emerging technologies will be more present within the banking system starting with 2021, doubling down on the commitment to improving digital customer experiences as well as the internal processes, infrastructure, products and personnel that will provide the foundation for future competitiveness.

In 2021, we'll likely see more marketplace banks, a bunch of new super apps, and loads of cross-industry partnerships – all aimed at meeting the demands of connected consumers. Moreover, Gen. Z will be the main driver of payment innovations. Mobile payments will increase further in 2021.



FUTURE BANKING **OUTLOOK**



Bogdan Neacșu

CEO, [CEC Bank](#)

The pandemic brought banks a renewed sense of purpose in 2020: providing liquidity to the real economy and going almost fully virtual and execute an untested operating model in a matter of weeks.

COVID-19 has undoubtedly accelerated consumer digital behaviors and most probably these behaviors will stick. Some of the key trends that are likely to shape the banking and financial services sector include continued growth of cloud platforms.

The market intensively demands us to do so as consumers themselves look for new ways of interacting with banks. Cloud banking allows us to stay in touch with our clientele 24/7 and it introduces a more flexible and cost-effective business model to cut operational costs.

FUTURE BANKING **OUTLOOK**



Cristian Cârstoiu

*Chief Innovation Officer, [EY](#)
[Romania](#)*

“ The Romanian banking sector has experienced a dramatic evolution for the past 2 years, with virtually all players embarking vigorously on digital projects. Digital onboarding and digital lending have become a de-facto standard.

Open banking and multi-banking functionalities have been announced and launched in the past 6 months, with the trend expected to accelerate in 2021.

Local mobile wallets have seen an increased competition with Google Pay entering and it is expected that the mobile payments sector will see at least 3-4 new players in the coming year, with the ecommerce having such a dramatic increase in 2020.



FUTURE BANKING **OUTLOOK**



Cristian Cârstoiu

Chief Innovation Officer, [EY Romania](#)

“ The two sectors will probably have slightly different evolutions. Probably the most notable in 2021 for banks might be a balancing between further cost optimisation, aligning the industry to the overall trend affecting all sectors due to Covid-hit and further investing in transforming the delivery channels and augmenting their digital offerings.

The fintechs can take advantage of such split of focus, with the banks potentially allocating less resources on digital activities than fintechs and offer to bridge the gap themselves in online lending, factoring, mobile payments, employee and customer self-service, biometrical access and cyber defense.



FUTURE BANKING **OUTLOOK**



Augustin Dobre

CEO, [Twispay](#)

“ In 2021 we expect to see more accelerated digital solutions adoption from both providers (fintech & banks) & retailers or consumers. Open banking is finally getting traction in the market after the launch of the PSD2 in Europe 2 years ago. I am expecting to see further adoption of Open Banking and a move by regulator towards open finance.

I do believe that seamless banking will start taking shape in 2021, customer behavior has been changed by the COVID pandemic and the reduction of face to face interactions will make way to sales machines; ML and AI will start making their way into banking.

Data personalization, digital banking experiences and automation will be the new norm.



FUTURE BANKING **OUTLOOK**



Augustin Dobre

CEO, [Twispay](#)

“ The COVID-19 pandemic swiftly accelerated trends already happening in payments and marked a turning point for the payment industry. Urged by new consumer needs and expectations, we saw a striking decline in cash use, while online payments grew substantially.

2021 will most likely follow the same digital acceleration trajectory towards a frictionless customer experience; and when I say frictionless experience, I'm thinking of minimizing the checkout process barriers for both online and offline retailers - reduced waiting time & fewer steps for completing a purchase through more convenient choices like contactless & mobile payments, digital wallets and frictionless authentication using 3DSecure v2. We are heading into a new era where cash will not be king anymore.

”

FUTURE BANKING OUTLOOK



Andrei Dudoiu

Co-Founder & CEO,
SeedBlink

“ The ground is set for a dynamic trend for equity crowdfunding next year in Europe, given the recent approval of the European Regulation of Crowdfunding to be implemented in 2021. In Romania we succeeded to facilitate the access to total funding rounds of EUR 8.5 mil for more than 25 startups this year, we plan to double the numbers next year.

I am expecting that blockchain technology to become more present into the financial industry next year while the other digital trends highly accelerated this year by the behavior during pandemics to be continued in 2021, especially for consumer loans and payments.

”

FUTURE BANKING **OUTLOOK**



Cosmin Curticăpean

Co-Founder & CEO, [iFactor](#)

“ The fluctuations in the global economy after the 2008 Financial Crisis, have caused a massive change in the perception of the stability of the global financial system making entire sectors and individuals approach the alternative finance methods (p2p lending, crowdfunding, payments, wealth management, digital assets).

The post Covid 19 economical crisis of 2021 will gain momentum based on a multiplier effect generated by the adoption of cutting edge technologies which are more accessible than ever, and financial components being easily integrated in the day-to-day activities through the technologisation of industries.

The alternative finance holds the keys to the paradigm shift of the micro and macro growth.



FUTURE BANKING **OUTLOOK**



Cosmin Curticăpean
Co-Founder & CEO, [iFactor](#)

“Paying cheap and fast is the past. A big part of the fintech space relied on this value proposition in the last years.. 2021 will bring notable innovations in this field.

I think the most interesting will be the increased usage of behavioral sciences that will leverage artificial intelligence and other smart technologies like DLT to gather and process data around client behaviours and goals, 2021 will be remembered as the year with the biggest impact in the way core banking services (like lending) will be reshaped as AI is just at the right level to initiate the shifting towards alternative finance (alternative lending) in conjunction with regulators being satisfied of the way this services will be secured.



FUTURE BANKING **OUTLOOK**



Teodor Blidăruș
Co-Founder and CEO,
FintechOS

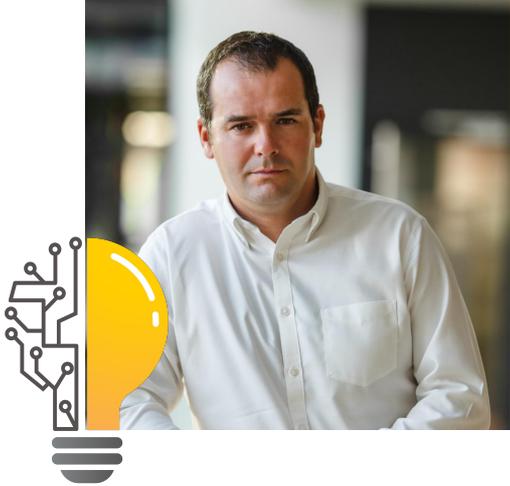
“ Distribution of financial products through physical networks of branches and agents will continue to decline, while digital customer experience will become the new battleground for growth. Ecosystem integrations and value-added services will play a central role. As for technology, cloud-native tech will enable Financial Services players to act and react much faster. The demand for streamlined and self-serve journeys, blended with collaborative support capabilities, like video-calling, remote assistance and co-browsing will increase.

Technologies allowing automation of processes will continue to be adopted.

We will see an increased level of enhanced security, data anonymisation and sensitive data flagging to ensure permission roles, supporting institutions to being compliant.

”

FUTURE BANKING **OUTLOOK**



Teodor Blidăruș
Co-Founder and CEO,
FintechOS

“ Investments in digitisation in the banking sector will continue to unfold, but even so banks will tend to be a few steps behind fintech companies. As a result, we will see more and more strategic partnerships between banks and tech providers, meant to embed services into banks’ digital channels with a few lines of code.

We will see more attention paid to redesigning back-end processes, so as to eliminate manual input and enable real-time decision-making.

The usage of data and information will increase to customize the banking offering. And automation will gain more power, bringing lowered costs, and a much better customer experience.



FUTURE BANKING **OUTLOOK**



Johan Gabriels

Managing Director, Eastern Europe, [Ebury](#)

“ Business to Business payments is next. While corporate payments have seen much less disruption so far, due to the complexity of these transactions, fintech entry into the corporate and SME business payment market is now in full swing.

We call it “Compliance by Design”. With growing compliance requirements and an exponential increase in digital payments, the future belongs to those who can transform their client onboarding experience into a frictionless, value-added service that delivers greater transparency while reducing operational costs.



FUTURE BANKING **OUTLOOK**



Cătălin Rus

COO, Prime Dash

“ Due to the coronavirus-fuelled acceleration of the digital transformation process, the digital bank is here to stay. With many neo banks becoming household names, such as N26, Revolut and Monzo, traditional banks are finding themselves in a position where they need to adapt in order to survive.

I believe that the nascent digital only environment means that we will see a lot more collaboration than competition in 2021. By collaboration, I mean both the development of collaborative technologies as well as partnerships between financial institutions and FinTech start-ups, and even between FinTechs themselves.

