

Logicom Solutions presents the
7th
**€YPRUS
BANKING
FORUM**

7TH CYPRUS BANKING FORUM
November 29, 2019, The Landmark, Nicosia
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THE FUTURE OF BANKING



CHRYSOSTOMOS KRIDIOTIS, MANAGING DIRECTOR AT LOGICOM SOLUTIONS TALKS ABOUT THE LATEST TRENDS IN THE BANKING SECTOR, THE IMPACT OF NEW TECHNOLOGIES AND THE SIGNIFICANCE OF THE UPCOMING 7TH CYPRUS BANKING FORUM, WHICH HE WILL BE CHAIRING.

By Andria Tolla

What is the significance of the 7th Cyprus Banking Forum? Who is it addressed to?

Chrysostomos Kridiotis: In today's banking industry, radical disruption is a reality. Whether it's customers wanting to do their banking solely via their mobile devices or banks taking the plunge to become digital to the core, the pace of change is fast and it's only getting faster. Add in developments in areas like blockchain, Open Banking, analytics, cloud and the rise of the fintechs, and it's clear that the dramatic reshaping of the banking landscape has only just begun.

This, in juxtaposition with impending challenges in the European Banking scene, including structural deficiencies, overcapacity, low/negative interest rates, and increasing regulatory pressures, has created a need for banks to reinvent themselves and change the way they do business and address their customer needs.

Banks in Cyprus have as a priority the execution of their transformation plans; they are working to redesign their internal processes, onboard new digital capabilities and formulate new, more digitally aware teams with the mandate to push the transformation agenda forward. At the core of these efforts are the customers and the ways in which the banks can deliver continuous value to them, with the aim of remaining relevant. This will help the banks increase their profit margin and compete more effectively, not only against their local peers but also against the international digital players and startups that are aiming to make traditional banks obsolete.

The 7th Cyprus Banking Forum, brought to you once more by Logicom Solutions, brings together industry experts and decision-makers to address critical developments in the Banking

Industry with the objective of more closely defining answers to key challenges in the industry. The Forum will open a window onto the future and attempt, through a number of panel discussions and presentations, to expose the plans and visions of the CEOs and CIOs of the banks in Cyprus for the next decade 2020-2030.

GOLD: What are the new banking trends that are shaping the future of the banking industry?

C.K.: For the purposes of its Banking Technology Vision 2019, Accenture, a long-time partner of Logicom Solutions, surveyed 784 banking business and IT executives in nearly 30 countries. Some 96% of the participants to the survey said that the pace of technology innovation in their organisations had either accelerated or significantly accelerated over the past three years. The Banking Technology Vision 2019 highlights five industry trends that will play an important role, over the next few years, in the way banks achieve a competitive advantage in the market. The five trends are as follows:

1 DARQ Power and its potential to reshape banking: Distributed ledger technology, AI, extended Reality and Quantum computing ("DARQ") are revolutionary tools. Banks realizing their full potential could bring banks 20%-25% cost savings.

2 Get to know me: Build digital customer intimacy: Digital demographics plus flexible product configuration capabilities are providing a more tailored to the individual approach in real time.

3 "Human+" Worker: Banks can amplify workforce skills with new technology tools – from learning platforms to AI decision support – to empower new roles and new ways of working.

4 Secure and protect everyone: With more business interconnectivity comes more potential vulnerability. In embracing broader ecosystems, banks must improve cyber-resilience in ways that defend everyone.

5 Always-on banking: Banking is increasingly done 24/7 and in real time. Success means being able to uncover moments of opportunity and capture them quickly, before they disappear. According to Accenture, these trends will shape businesses over the next three years. These trends are raising expectations, abilities, and risks across industries, and will help banks find new ways to differentiate themselves as the world moves into the new decade.

GOLD: What are the benefits to the end customer from the adoption of new technologies through the Banks' digital initiatives?

C.K.: Technology serves both as an enabler and a catalyst of change but the customer experience is the reason for change. In my opinion, banks that have poor digital mastery but excellent customer experience will retain more customers, simply because their customers like doing business with them. Nevertheless, today's customers, especially millennials, expect relevant content in relation to what they're doing at any time, reaching them anywhere on the device of their choosing. And in order to keep up with this new kind of "always-connected" customer, banks must embrace technology to deliver an improved and more tailor-made customer experience.

From the development of their digital channels and the introduction of an omnichannel approach to the customer, to the adoption of artificial intelligence and au-

tomated personal assistants, banks must focus their efforts on providing faster service, better customer support and more personalized products. Considering these, and the fact that the customer is at the centre of this transformational activity, the overall experience and cost for the customer will definitely be optimized.

GOLD: What is the situation in the banking industry in Cyprus today and what are banks doing to be more ready to face the disruptive trends of today?

C.K.: Persistent change, challenged assumptions and disruption are now the norm rather than the exception in banking and, more generally, in Cypriot society today. After a period of downsizing and reshaping, the banking sector is now in a strengthened capital and liquidity position and more ready to face the impending challenges and the need for change.

Banks in Cyprus need to make sure that any change initiatives are purposeful and strategic. Change for change's sake does not usually result in the expected efficiencies and benefits. Banks should approach their transformation plan as a holistic, multiyear and structured process, bringing together all the stakeholders, business and technology, to work towards a common goal. As the world around them is becoming too volatile, and external change is happening more rapidly than before, transformation initiatives should be a strategic priority and could potentially be considered as the new operating model for running the bank.

In the next decade (2020-2030), banks will have to reinvent themselves and the 7th Cyprus Banking Forum will provide a platform for senior banking executives to discuss expected challenges and the future of the sector in Cyprus. **G**

