




Channel segments vs. PSD2

CEE markets are highly differentiated regarding banking channel usage

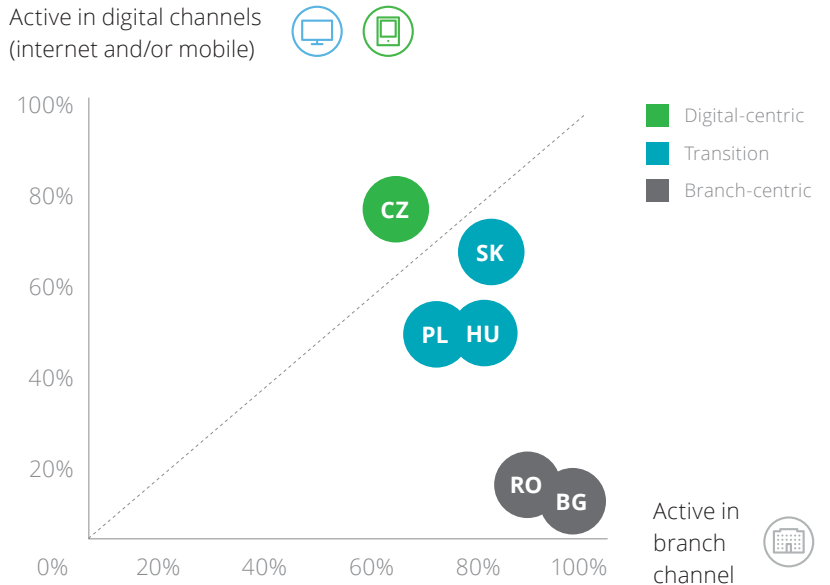
From branch-centric Bulgaria and Romania (>90% of banking customers active in branch channel, <20% in digital) to digital-centric Czech Republic (>70% active in digital)

Activity thresholds

We considered a customer as an active user of the given banking channel, if, in last 12 months, he had:

-  **Branch channel:**
At least one interaction every 6 months
-  **Internet channel:**
At least one interaction every month
-  **Mobile channel:**
At least one interaction every month




Channels activity (% of CEE banking customers)

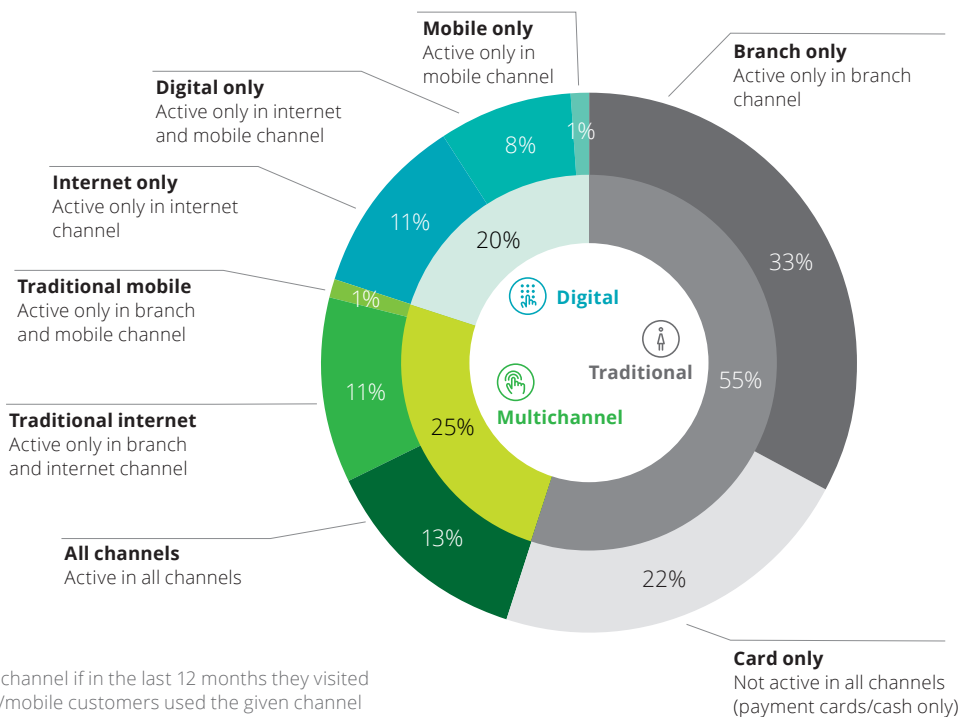


Majority of CEE customers still rely on the branch channel

55% of CEE customers represent traditional customers, 20% use only digital channels and 25% leverage both branches and digital channels.

We grouped 8 customer archetypes into **3 segments** which represent channel activity¹:

-  **TRADITIONAL**
Active only in branches or not at all
-  **DIGITAL**
Active only in internet and/or mobile
-  **MULTICHANNEL**
Active in branches, internet and/or mobile

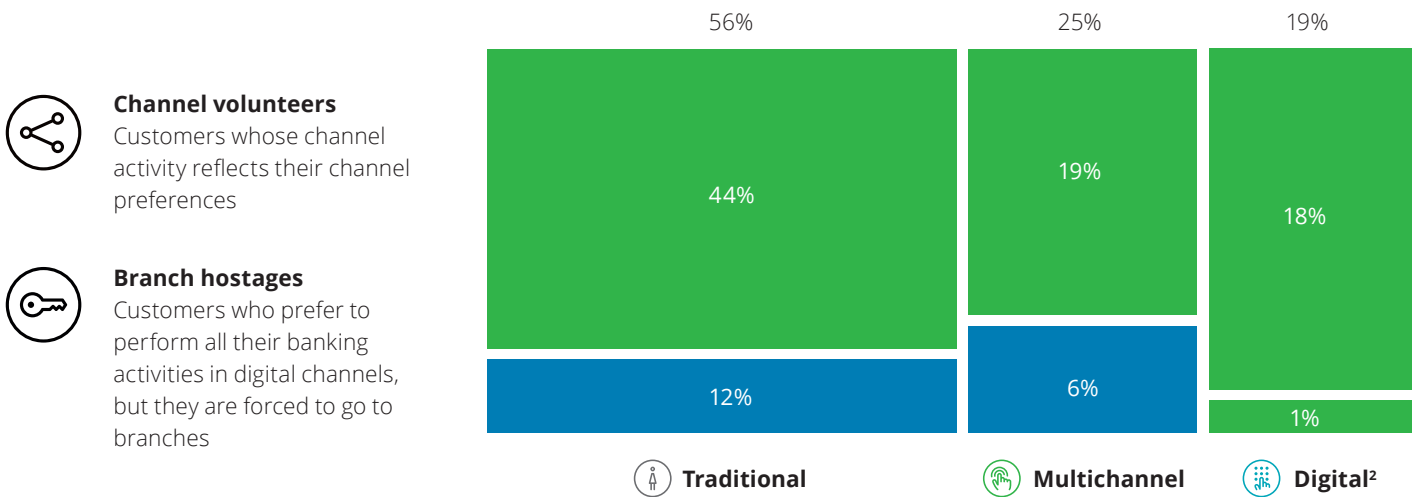


Note: 1. We defined customers as active in the branch channel if in the last 12 months they visited a branch at least once every 6 months. Active internet/mobile customers used the given channel at least once a month in last 12 months.

Activity in given channel does not always mean that customers are using it voluntarily

18% of customers in CEE are “branch hostages” – prefer to perform all their banking activities in digital channels, but they are forced to go to branches

Motivation to use banking channels (% of CEE banking customers)



Note: 2. As “internet hostages” (customers using internet banking although they would prefer to use mobile only) currently represent only 1% of CEE banking customers, we decided not to differentiate them from the “digital” segment for the sake of simplification.

11 million CEE “branch hostages” represent a major opportunity for PSD2 digital challengers

PSD2 generates a number of new digital use cases which enable direct relationship with customers even if they have a current account at a different banking institution.

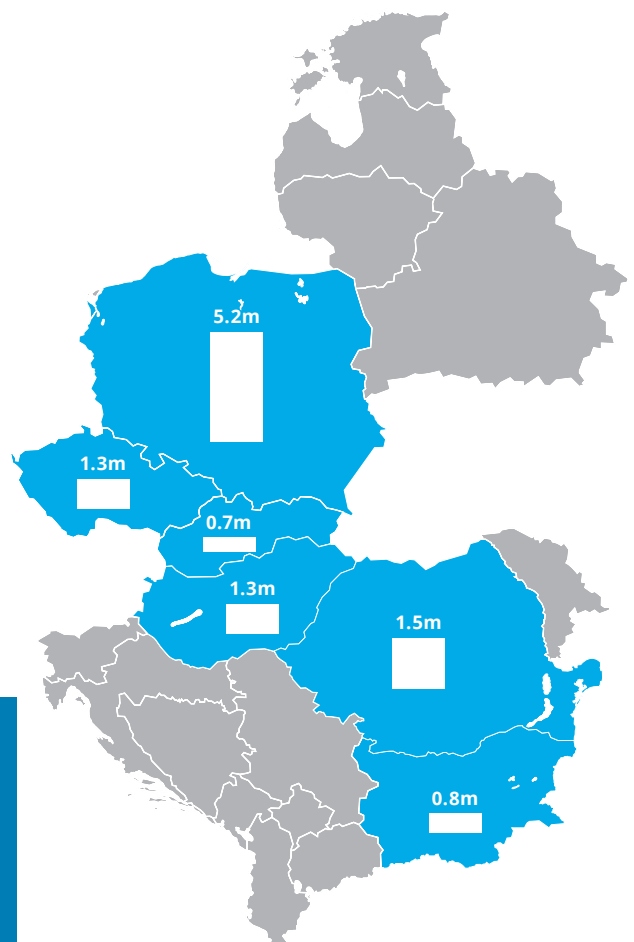
It creates a substantial opportunity for digital banking challengers as well as FinTechs which will become only more relevant in the coming months.

Impact on Multichannel and Digital customers

42% of Multichannel and Digital customers quoted more robust digital channels as one of the TOP 5 reasons to switch banks

Impact on Traditional customers

In 2017, 17% of Traditional customers started using the internet channel joining forces with Multichannel and Digital customers

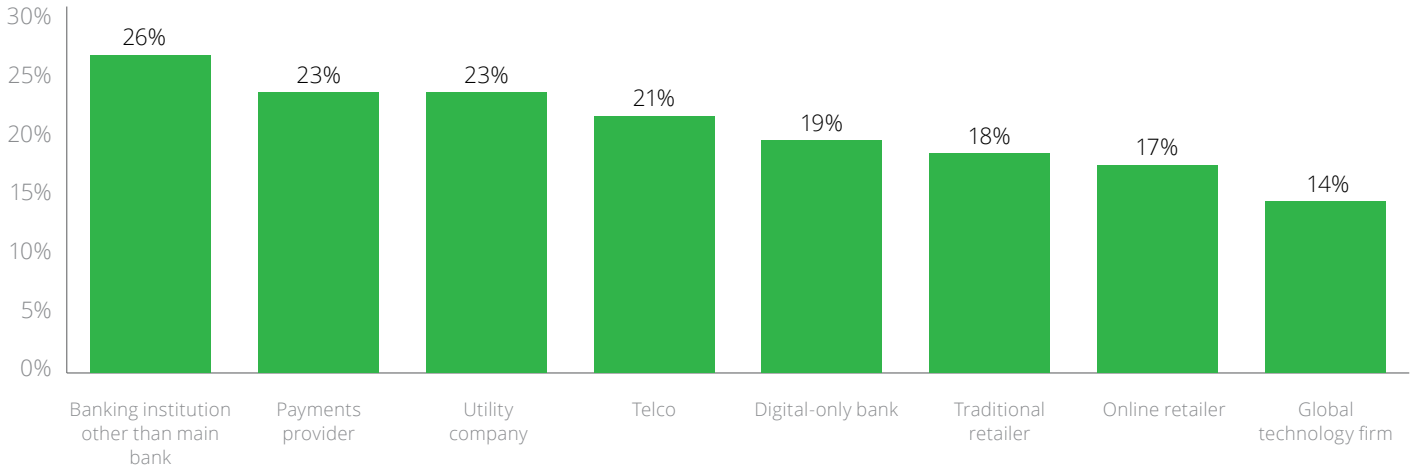


i The online quantitative survey was carried out between November and December 2017 in six countries: Bulgaria, the Czech Republic, Hungary, Poland, Romania, and Slovakia. The survey included 1,000 interviews in each market using an online questionnaire, with a sample of banking customers from 18-65 years old representing national age, gender, region and settlement type quotas.

Demand for PSD2 use cases

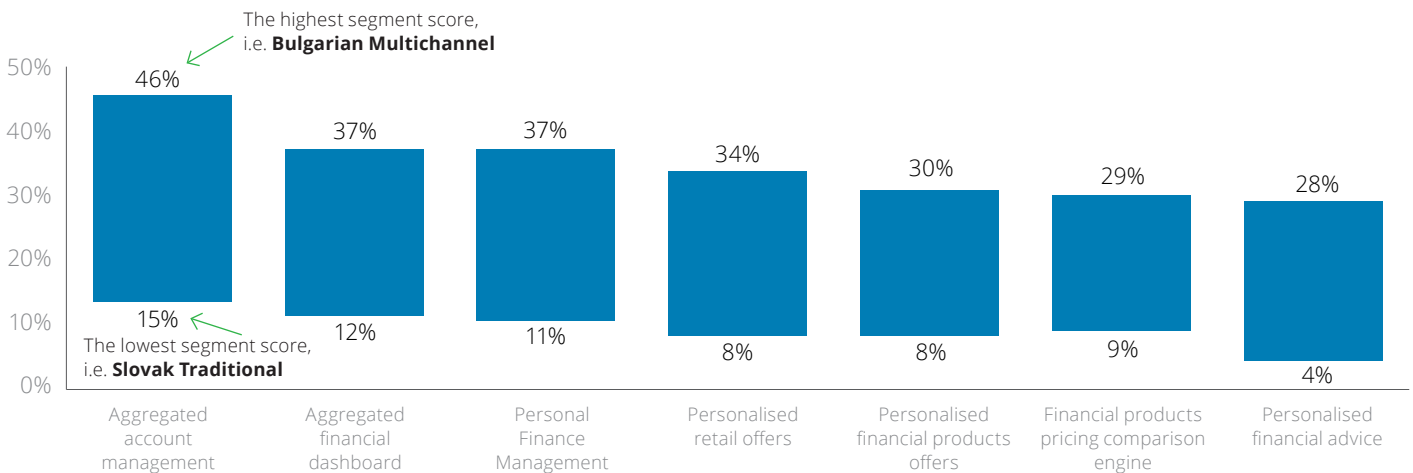
PSD2 challengers will need to build trust among customers in order to leverage the upcoming market opportunities

Only 26% of CEE customers would feel comfortable sharing their account information with banking institution other than their main bank.



Third-party providers can expect steady demand for their PSD2 use cases, but results differ significantly across countries and segments

CEE customers are most likely to use aggregated account management and aggregated financial dashboards as new services enabled by PSD2.



Interested in more?

Please contact a Deloitte representative in your country for detailed results of the **CEE PSD2 Voice of the Customer Survey**.

For insights into how European banks embrace open banking, visit www.deloitte.com/psd2surveys.

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