

BANK 4.0

IN THE IR 4.0 ERA

How Bankers Can Excel in Today's Banking Environment

A Training Session for Banking Professionals

What Business Are Banks Really In?

*"Banks are not in the business of selling products.
They are in the business of solving financial moments."*

— Adapted from Brett King, Bank 4.0



Lending, deposits, and payments are utilities — not differentiators



Customers don't want products — they want outcomes



The best bankers solve problems customers haven't articulated yet

First Principles vs Design by Analogy

FIRST PRINCIPLES

- ✓ Start from scratch: strip problems down to fundamental truths and reason up
- ✓ SpaceX reduced launch costs by 90% by rethinking rocket design from physics up
- ✓ iPhone reimaged the phone as a touch-based smart device, not a better Blackberry
- ✓ M-Pesa built financial inclusion on mobile without replicating branch banking

DESIGN BY ANALOGY

- ✗ Iterating on existing templates — better versions of what already exists
- ✗ Online banking that replicates paper forms from the branch onto a screen
- ✗ Mobile apps that shrink internet banking to fit a smaller display
- ✗ Apple Pay as a tokenised version of the plastic card inside a phone

IR 4.0 in Simple Terms

Why banking is affected more than most industries



Data Is the New Currency

Banks sit on the richest data in any industry — transaction, behaviour, and life-event data



AI Changes Decisions

Credit scoring, fraud detection, and customer needs prediction are now AI-assisted in real-time



Platforms Beat Pipelines

Value creation shifts from linear product delivery to ecosystem-based platform models



Distribution Is Invisible

Banking is embedded into e-commerce, ride-hailing, and payroll apps — 77% of SE Asian consumers use embedded finance

CORE CONCEPT

What Bank 4.0 Really Means

WHAT IT IS

- ✓ Banking embedded into daily life and business workflows
- ✓ First-principles redesign of how value is delivered
- ✓ Real-time, contextual, AI-assisted experiences
- ✓ Bankers empowered with data and automation tools

COMMON MISUNDERSTANDINGS

- ✗ "Fintech will replace banks" — No, but banking will be everywhere
- ✗ "It's just about apps" — No, it's about invisible, seamless utility
- ✗ "Only tech people matter" — No, every role is transformed
- ✗ "Branches will disappear" — No, but their purpose changes entirely

Traditional vs Digital vs Bank 4.0

| Dimension | Traditional Banking | Digital Banking | Bank 4.0 |
|------------------|------------------------|---------------------|-------------------------|
| Core Focus | Products & accounts | Digital channels | Embedded experiences |
| Distribution | Branch-centric | App + branch | Everywhere, invisible |
| Decisions | Manual + policy-driven | Partially automated | AI-assisted, real-time |
| Customer View | Account holder | Digital user | Whole person in context |
| Banker's Role | Process executor | Channel manager | Value architect |
| Competitive Edge | Network & trust | Speed & convenience | Contextual intelligence |

CASE STUDY

M-Pesa: First Principles in Action

100%

of Kenyan adults now use mobile money — up from 27% pre-M-Pesa in 2007

20%

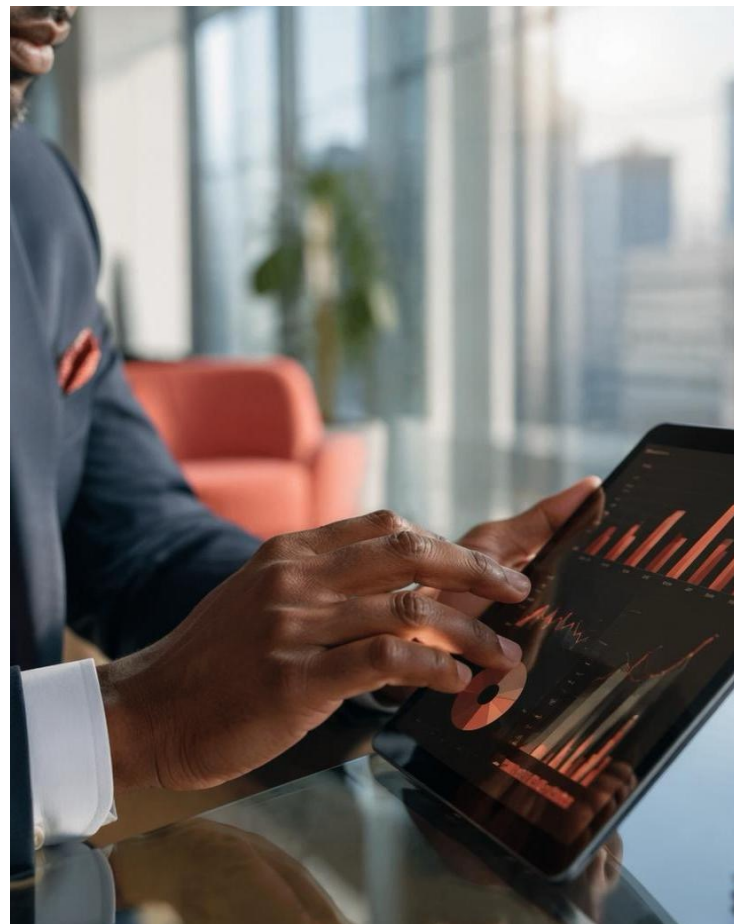
more savings by average Kenyans since mobile money — no branch required

40%

of Kenya's GDP flows through M-Pesa — 600 transactions per second at peak

7.5M

customers gained by Kenya Commercial Bank in 2 years via M-Pesa rails — vs 2M in 122 years



Ant Financial: The World's Largest FinTech

How a tech company redefined financial services from first principles



Alipay Dominance

87,000 transactions per second at peak — nearly 10x Visa. Available in 89 countries globally



Yu'e Bao Fund

World's largest money market fund at \$226B — all via mobile. No branches for deposit-taking



MyBank Micro-Lending

3 minutes to apply, 1 second to transfer, zero manual intervention — the 3-1-0 strategy



Zhima Credit Score

AI-based creditworthiness enabling farmers without bank statements to obtain loans for seeds and fertiliser

CUSTOMER REALITY

What Has Already Changed

77%

of SE Asian consumers use embedded finance via wallets, BNPL, or in-app loans

70%

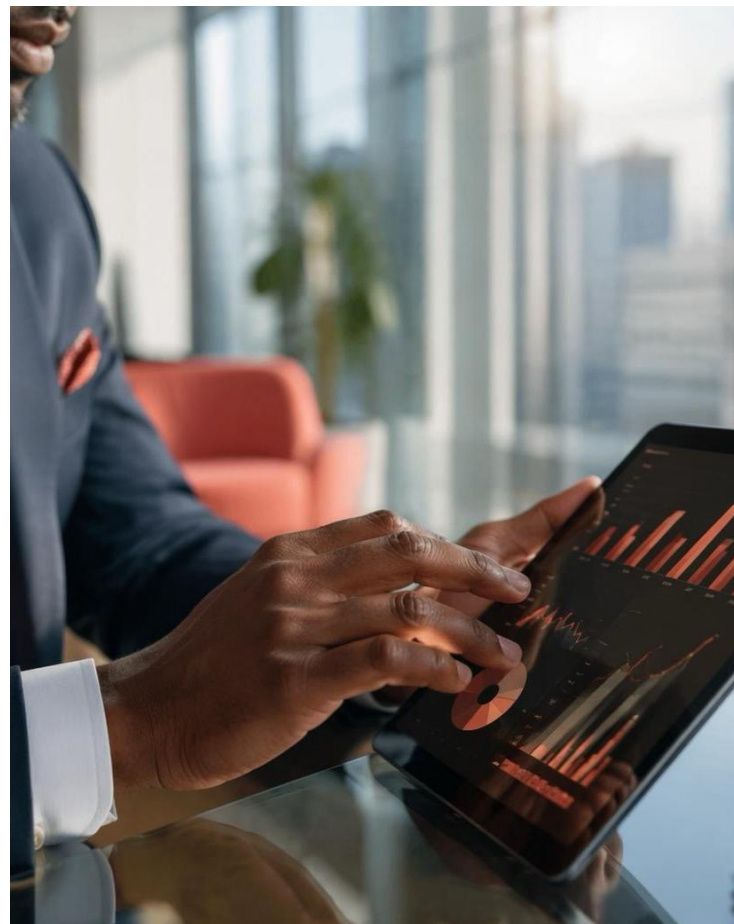
of banking jobs will require digital skills by 2030 (World Bank)

44%

more products held by customers who engage both online and offline

1 in 3

consumers want financial services inside messaging apps



Voice AI and Embedded Banking

How voice, AI assistants, and mixed reality reshape banking access

Banking moves from apps and branches into voice assistants, smart glasses, and autonomous vehicles

Voice-First Commerce

50% of e-commerce transactions predicted to be voice-based by 2025 — Alexa, Siri, and smart assistants handle payments on command

Mixed Reality Banking

AR smart glasses that tell you whether you can afford something just by looking at it — banking through your field of vision

AI Money Coach

Smart accounts that stop you overspending, predict your needs, and advise in real time — like a financial Fitbit

Autonomous Payments

Self-driving cars that pay their own tolls, robots with value stores, AI agents that negotiate and settle payments between each other

Blockchain, DLT and Digital Currencies

How distributed ledger technology reshapes financial infrastructure



Cryptocurrencies

- Bitcoin proved blockchain is resilient — the chain itself was never hacked
- ICOs raised \$5B by end of 2017, surpassing early-stage VC funding
- Digital commodities emerging as new asset class alongside traditional markets



DLT in Banking

- 100+ banks joined RippleNet for cross-border payments modernisation
- 65% of top banks expected to have blockchain in production by 2020
- Trade finance, settlement, and identity verification moving to distributed ledgers



Smart Contracts

- Self-executing code replaces manual contract enforcement and intermediaries
- Diamond tracking from mine to retail, government services, and identity on-chain
- Machine-executable regulation — UK FCA implemented a rule change in 10 seconds

From Products to Behavioural Experiences

How Bank 4.0 reimagines savings, credit, and platform economics

APR-based savings accounts



Behavioural savings like Digit and Acorns — apps that modify daily habits to save more

Credit scoring by application forms



AI credit based on behaviour, geolocation, and social data — Sesame Credit, Affirm, LendUp

Bank-owned distribution channels



Banking embedded in Uber, Amazon, Alibaba — platforms that own customer relationships

Product push through branches



Contextual money moments — advice triggered by location, spending, and life events

Geography-based currencies



IP-optimised value exchange — crypto, e-wallets, and AI agents settling payments globally

How Bank 4.0 Improves Decision-Making

From gut instinct to data-informed judgement



Credit & Lending

- AI-assisted credit scoring supplements human judgement
- Alternative data sources enrich thin-file assessments
- Real-time portfolio monitoring flags issues early



Risk & Compliance

- Machine learning detects fraud patterns humans miss
- Automated regulatory reporting reduces manual errors
- Predictive analytics shifts risk from reactive to proactive



Strategy & Growth

- Customer behaviour analytics reveal unmet needs
- Personalised offers based on life-event triggers
- Dynamic pricing optimises both value and margin

How Bank 4.0 Helps Bankers Create More Value



Routine processing

Complex advisory and relationship building



Product-push selling

Needs-based solution design



Manual reporting

Insight generation and strategic analysis



Siloed knowledge

Cross-functional collaboration with data teams

Frontline Bankers

Retail banking, relationship managers, branch teams

Your role shifts from transaction processor to trusted financial advisor

Know Before the Customer Asks

AI-driven insights tell you a customer's likely next need before the meeting — come prepared with relevant solutions

From Selling to Advising

Product knowledge alone is a commodity — your edge is understanding financial life events and recommending holistically

Omnichannel Means You Matter More

Customers engaging both digitally and in person generate 1.8x more revenue — your face-to-face value is amplified, not replaced

Data as Your Co-Pilot

Use customer analytics dashboards to personalise every interaction — the best RM conversations start with data

Operations and Process Teams

Your role shifts from processing transactions to designing intelligent workflows



Process Redesign Expertise

Automation handles repetitive tasks — your value is in identifying which processes to automate and designing the new workflows



Exception Handling Mastery

As standard cases get automated, you become the expert in complex exceptions that require judgement and institutional knowledge



Cross-Functional Bridge

Operations teams understand end-to-end flows — position yourself as the connector between technology, compliance, and frontline teams

Risk and Compliance Professionals

Your role shifts from gatekeeper to strategic risk intelligence provider



Real-Time Risk Visibility

Continuous monitoring replaces periodic reviews — risk becomes embedded and real-time, not retrospective



Regulatory Innovation

Bank Negara Malaysia and ASEAN regulators are actively shaping digital banking frameworks — your expertise guides compliant innovation



AI Model Governance

As AI drives more decisions, risk professionals must validate models, ensure explainability, and prevent algorithmic bias



Cyber-Risk Awareness

Digital expansion means expanded attack surfaces — every compliance professional needs digital threat literacy

Technology and Digital Teams

Your role shifts from system maintainer to business transformation enabler

From Keeping Lights On to Powering Growth

Accenture's 2026 outlook: technology moves from maintaining systems to driving competitive advantage. Your work IS the strategy.

API-First and Composable Architecture

Build capabilities as modular services that can be embedded anywhere — inside the bank's app or in partner ecosystems.

The 10x Banker Concept

One person managing AI agents to deliver exponential impact — tech teams become the enablers of this new operating model.

Speak Business, Not Just Code

The most valuable technologists translate between business needs and technical possibilities — become bilingual.

Managers and Leaders

Your role shifts from performance monitor to transformation catalyst



Build Cross-Functional Teams

Bank 4.0 solutions require blending domain expertise, data skills, and customer empathy — silos are the enemy



Create Safe Experimentation Space

Encourage pilot-and-learn approaches — innovation requires accepting that some experiments will fail



Measure What Matters

Move beyond volume metrics to value metrics — customer lifetime value, engagement depth, time-to-resolution



Invest in Continuous Learning

The half-life of banking skills is shrinking — build a culture where upskilling is expected, not exceptional

What Excellent Bankers Do Differently

- 01** Think in customer outcomes, not product features
- 02** Use data to prepare for every interaction — never wing it
- 03** Collaborate across functions instead of protecting turf
- 04** Treat technology as a multiplier, not a threat
- 05** Stay curious — they learn continuously, not just when mandated
- 06** Challenge legacy processes respectfully but persistently

Practical Mindset Shifts

How to think differently after this session

"That's not my department"



"How does my work connect to the customer journey?"

"We've always done it this way"



"What if we started from scratch?"

"Technology is IT's responsibility"



"Technology is a tool I should understand"

"I know my products well"



"I understand my customers' lives well"

"Change is risky"



"Not changing is the biggest risk"

The Next 5-10 Years for Incumbent Banks

A realistic view — not hype, not fear

NOW

Foundation Phase

- AI-assisted decisions becoming standard
- Mobile-first is table stakes
- Embedded finance adoption accelerating (77% in SE Asia)

2027-28

Integration Phase

- Agentic AI managing routine banking autonomously
- Open banking ecosystems maturing
- Cross-industry partnerships becoming revenue drivers

2030+

Transformation Phase

- 70% of banking roles require digital skills (World Bank)
- Hyper-personalised, proactive financial services
- Banks competing on intelligence, not just infrastructure

What This Means for You

- ✓ Bank 4.0 is not a destination — it's a way of thinking about banking
- ✓ Your experience and expertise become MORE valuable, not less
- ✓ Technology amplifies what good bankers already do — it doesn't replace them
- ✓ The strongest incumbent banks combine institutional trust with digital intelligence
- ✓ Excellence in banking now requires curiosity, collaboration, and continuous learning

The future of banking belongs to those who choose to evolve.
