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**Preface by Marie-Anne Barbat-Layani for the White Paper on the Finance
Innovation competitiveness cluster: “Banks and FinTechs: innovation drivers in
retail banking”**



Banks are digital players and natural leaders in the digital financial movement in France. They provide their customers with mobile apps, online banking services, innovative payment solutions and the possibility of signing contracts electronically.

In such a highly competitive industry, they have long understood the critical value of innovation.

The development of digital media and the innovations they have ushered in represent an opportunity for the banking sector to reinvent itself and improve customer relations by offering greater flexibility and a broader range of services available 24/7 in a modern, secure technological environment.

In other words, banks are on the front line of the digital transformation. They anticipate their customers' needs and are pro-active in developing products and solutions to meet them. Customers can decide to be independent and use the secure channels provided by their bank, or they can choose to obtain personalised advice to meet a specific need. Today's banks make everything possible and tomorrow's will do even more!

Digital innovation also represents an amazing opportunity to enhance the power of banking advice. Whether obtained online, on a smartphone or at the branch, advice, trust and security remain the pillars of the relationship between a bank and its customers.

According to the annual survey commissioned by the FBF from the BVA institute, 79% of customers consult their bank account online and 82% consider their online connection secure. Drawing on this experience and feeling of security, customers are becoming better informed, more demanding and expect a fast answer to meet their needs.

Accordingly, digital technology calls for extensive expertise and more availability, changing the role of today's bankers and bringing them even closer to their customers.

Banks are also revisiting how they can improve the way customer requests are addressed, by cutting down on response time, providing a smoother and more secure customer experience, and adapting advisory expertise to meet customer needs through improved KYC. This relationship needs to keep growing stronger in a trust-based environment where customer data will continue be protected.

To meet these challenges, digital development should not only be seen as a technological change. The structure and even the very operation of the business requires in-depth changes. This will automatically entail the same managerial drive that led banks to provide all their employees with digital training in accordance with the Responsibility Pact.

This digital revolution should also maintain the customer's trust and security of communication. This is the most valuable asset that banks hold! Protecting customer data and assets is one issue that banks will never agree to compromise. The stakes are high, starting first and foremost with cybersecurity. This is why the regulations governing banking activities should also apply to new entrants both large (GAFA) and small (like some FinTechs). Not only is the very security of the financial sector and the end customer at stake, but also compliance with the rules of fair competition.

Both innovative and secure, French banks are perfectly equipped to play a major role in developing digital solutions for the financial industry in France while also supporting a creative ecosystem with FinTechs.

Because FinTechs offer a wellspring of opportunities for France and the financial ecosystem. In this industry, where innovation is key to remaining competitive, banks have grown very interested in FinTechs...and that's no exaggeration. The list of incubators, partnerships and equity investments is virtually endless. By validating (or not!) the innovations proposed by FinTechs, banks are playing a key role as leaders of the digital financial transition in Paris. It's in their own best interest, and they know it!

It is in this spirit of collaboration that the FBF and French banks have supported the Finance Innovation competitiveness cluster and all FinTechs in the preparation of this White Paper.

This work is the result of extensive efforts and many discussions. It presents a variety of innovative fields, some of which may well pave the way for the future of retail banking.

I invite you to discover these ideas and paths to innovation, and then to imagine yourself what the banking industry of tomorrow could become.

Marie-Anne Barbat-Layani