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A combination of quickly shifting consumer preferences, the disruptive impact of technology and relentless pressures facing financial institutions have made the strategic use of automation and digitization more critical than ever before. From regulatory demands and disaster planning to widespread staffing shortages, banks and credit unions are being challenged to accomplish more with less resources while still delivering excellent customer service. Experts from NCR today shared commentary on how these factors will shape trends to watch in 2022 and beyond.

Digital is being accelerated and physical is being transformed, resulting in merged channels. While digital adoption has been on the rise for several years, the pandemic's irreversible impacts solidified it as the preferred touchpoint for a wide majority, which is why digital-first banking will continue to be a major theme next year. *However, digital-first does not mean digital only, but rather digital everywhere.*

In response, branch strategy is being reimaged, with many optimizing their footprints to smaller, more digitally forward branch and retail models. Branch employees are migrating away from their traditional role as everyday activity managers and are embracing relationship-centric advisor and sales roles. There is also a mass shift toward more advanced self-service technologies, such as ITMs.

As channels continue to integrate, **institutions will make it a priority to implement more simplified, flexible architecture to power and unify what were once separate experiences, resulting in more connected customer journeys.** By simplifying the technology that runs different customer touchpoints – from digital banking to ITMs and call centers – banks and credit unions can improve efficiencies, deliver new products and services more quickly and facilitate more consistent experiences across interactions of all types.

More modern infrastructure also enables institutions to better participate in the shift toward open banking, leveraging API connectivity to innovate faster and match (or even exceed) capabilities offered by emerging competitors, including neobanks, bigtechs and fintech providers. Expect to see more banks and credit unions embrace cloud banking to help future-proof their business models.

More banks and credit unions will solidify their cryptocurrency strategies in 2022. What was once a niche market is now receiving mainstream attention, and institutions must determine when and how digital currencies will fit into their service offerings moving forward.

Banks and credit unions want to and should be leaders when it comes to setting the vision of how digital currencies can work across all touchpoints. Use cases such as buy, sell, hold; cross-border remittance; and payments will continue to become more common next year. Those that solidify their strategies and expand consumer access to frictionless cryptocurrency capabilities will be poised to better compete with new threats, prevent customer attrition and grow wallet share and revenue.

Personalization will continue to mature, with financial wellness initiatives standing out as a significant use case. The need to better leverage data to personalize experiences has been a focus and imperative for many years, and in 2022 more institutions will see these efforts come to fruition. As personalization efforts advance, a strong use case will include tailored advice and narrowly targeted product recommendations designed to help customers strengthen their financial health. Such efforts will be especially important next year as many look to reestablish their financial wellness in the pandemic's wake.

More financial institutions will embrace the as-a-service model. As institutions are challenged with competing resources, budgets and priorities, more will continue to turn to the true as-a-service model, especially for those areas that may not be as strategic to the institution. This doesn't just mean managed IT services, but rather relying on a trusted partner to run areas such as security, compliance, business processes and asset ownership. Such a model significantly enhances efficiencies and helps ensure strong outcomes for banks and credit unions while freeing their time and resources for more customer-facing and growth-focused areas and initiatives.

"As banks and credit unions are under pressure to operate more efficiently and optimize margins while simultaneously continuing to innovate and deliver hyper-personalized experiences, they most often turn to technology for support," said Frank Hauck, president and general manager, NCR Banking. "We remain committed to delivering the software platform and services necessary for institutions to power flexible, efficient and modern banking experiences across all customer touchpoints. The future of banking is self-directed, connected and digital first, and those that are embracing the right technology and strategies will be well positioned for success in 2022 and beyond."