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# Embracing Digital Transformation Shaping the Banking Future

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Conclusion

# Part 1



## Introduction



Evolution in Technology and Bank Digitalization



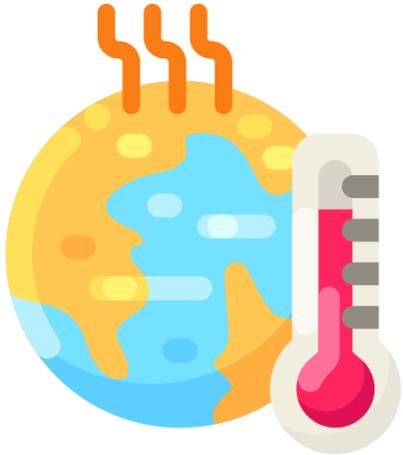
Digital Transformation of the Banking Industry from the Past to the Future



Conclusion

# 2022 Six Challenges in Taiwan's Financial Industry

Climate Change



ESG Net-zero Carbon Emissions



M-shaped Economy



Financial Market Fluctuation



Intensive Regulation Updates



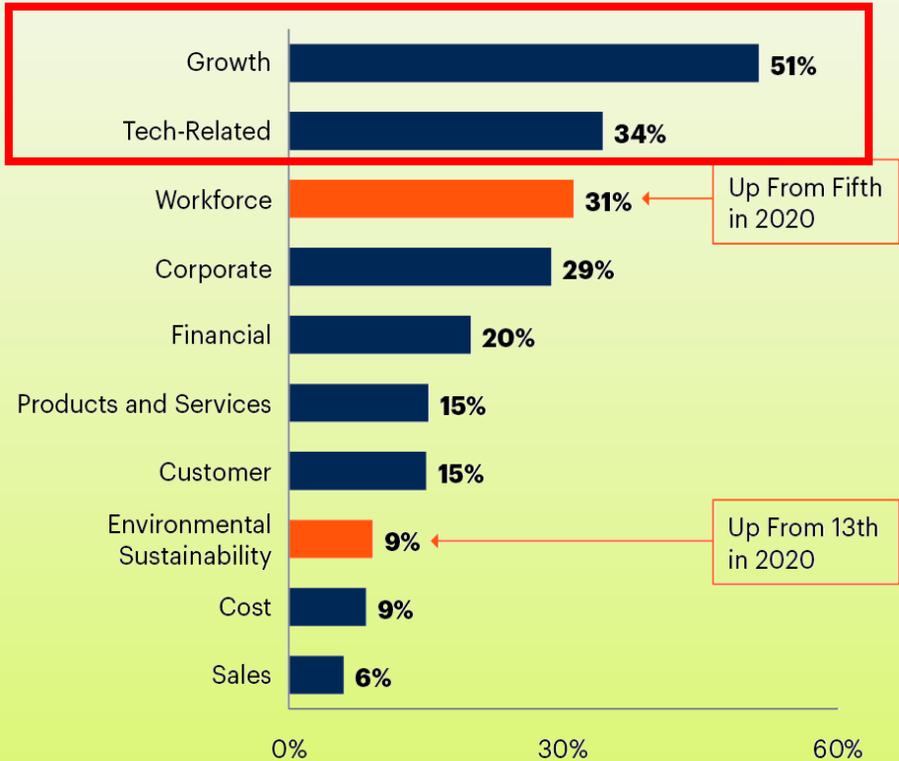
Digital Technology Overturns Systems



# 2022 Gartner Survey

## CEOs' Top 10 Strategic Business Priority Areas for 2022-2023

Summary Top Three Mentions, Coded Responses



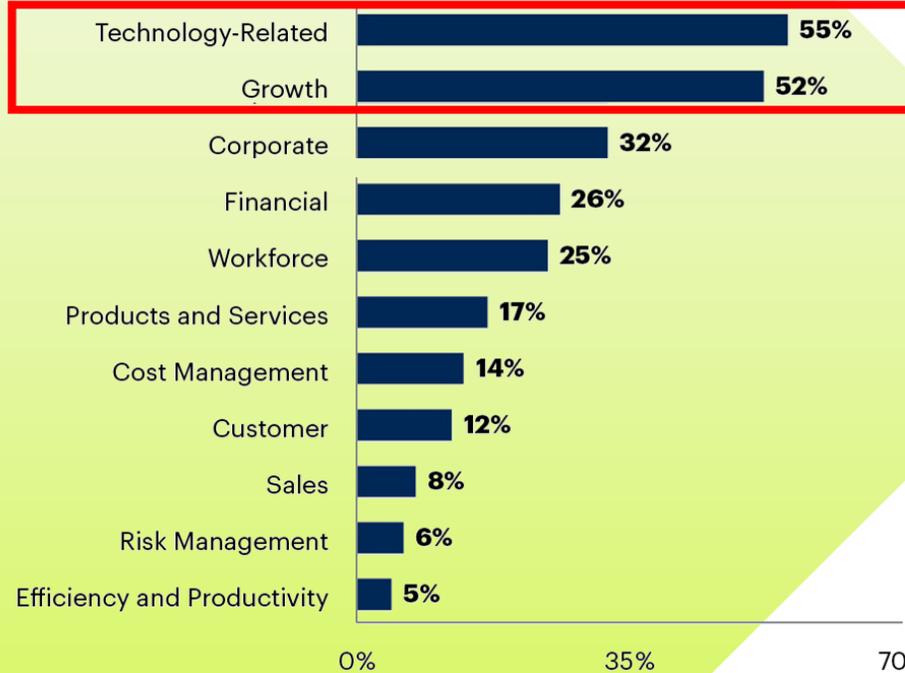
n = 410, all respondents

Q: Please tell us about your organization's top five strategic business priorities for the next two years (2022-2023).

Source: 2022 Gartner CEO and Senior Business Executive Survey

766731\_C

## Insights for Financial Services leaders Technology Comes First



n = 65, all financial services respondents

## Digital Transformation



Source: Gartner

2022 CEO Survey — The Year Perspectives Changed

2022 CEO Survey Insights for Financial Services Leaders: Technology Comes First

## Part 2



Introduction



Evolution in Technology and Bank Digitalization



Digital Transformation of the Banking Industry from the Past to the Future



Conclusion

# I. Technological Changes and Advancements in Finance



YouTube,  
FB, IG,  
Google

Camera

GPS &  
Maps

Game  
console

Daily  
LIFE

The first iPhone came out in 2007. By 2022, mobile phones have become essential parts of our daily life.

ATM  
card

Credit  
card

Authenti  
cation

Mobile  
Payment

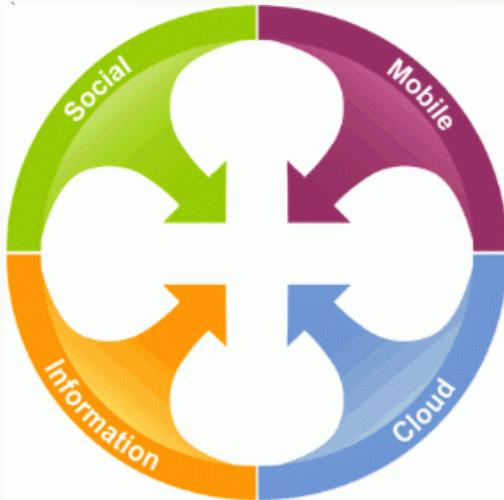
# II. Technologies that Drive Digital Transformation

*Past*

2013

## The Nexus of Forces

The “Nexus of Forces” generated from mobility, cloud, social media and big data create whole new opportunities.

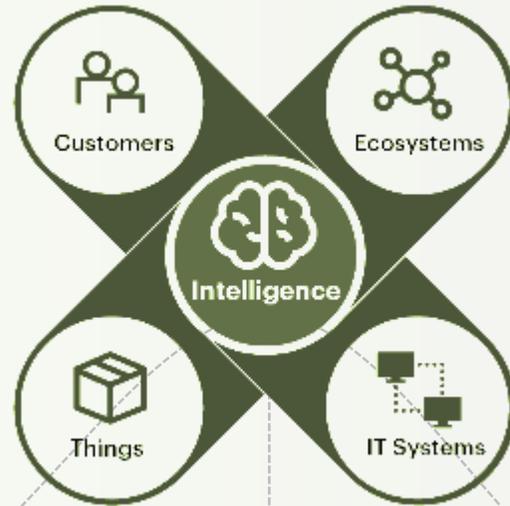


*Present*

2021

## Composable Business

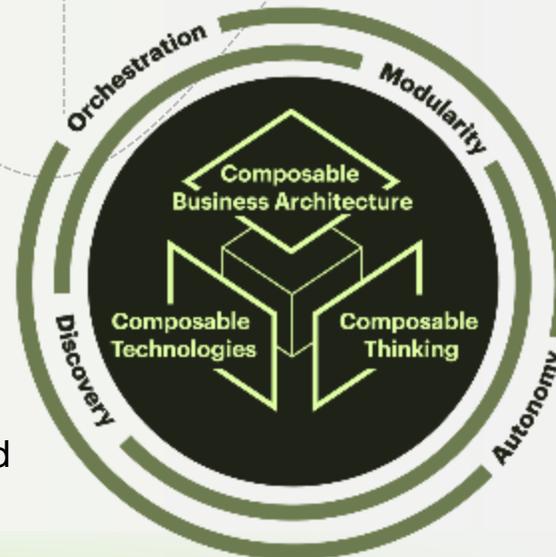
A highly flexible operation model for sales and technology modules to withstand the post-pandemic era.



2016

## Digital Technology Platform

A new type of framework that supports digital and computing services such as the containerized and Internet of Things (IoT) architecture.



*Future*

Digital Business

AI

Immersive Experiences



# III. Combining Finance and Technologies for Transformation Strategies

Organization Culture and Talent Capital

Strategies and Business Models

Flexible Introduction and Utilization of Technologies

Benefit-Cost Structure

Information Security and Monitoring

Customers and Product Services



- Enhance digital businesses
- Advance digital service values



# Part 3



Introduction



Evolution in Technology and Bank Digitalization



Digital Transformation of the Banking Industry  
from the Past to the Future



Conclusion

# I. The Cornerstones of Digital Transformation by TCB



Data-Driven

Innovation Culture

Digital Transformation

Key Technologies

## Organizational Change Management

- 🕒 Digital Business Committee (2021)
- 🕒 Yearly Co-Inspiring Camp (2018)
- 🕒 CoLAB, Innovation LAB (2019)

Talent Capital  
in Digital  
Collaboration

## II. Driving Digital Transformation by Digital Business Committee

Digital finance as an organization goal

 Committee form

Business Process Automation  
(using RPA)

Open-banking strategic blueprint

Talent empowerment program

- Top-down support
- Cross-departmental communication

Key Technologies



Together we grow

Agile Collaboration



Project Management



# III. Fostering Innovation Culture by Co-Inspiring Camp and CoLAB

**2018**

**2019**

**2022**

**2021**

**2020**

**2019**

**360+ FinTech patents**  
Listed in the Top 100 Patent Applicants Each Year

**92**

**71**

**37**

**18**

**Co-Inspiring Camp**

**CoLAB**

**Business development**  
System and platform upgrades  
Operation procedure optimization  
Corporate image enhancement  
250+ proposals

**Empowering Employees**

**Linking Innovative Ideas**

**Creating Innovative Values**

**Improving Customer Experiences**

**Affiliated with the Digital Business Committee in 2021**

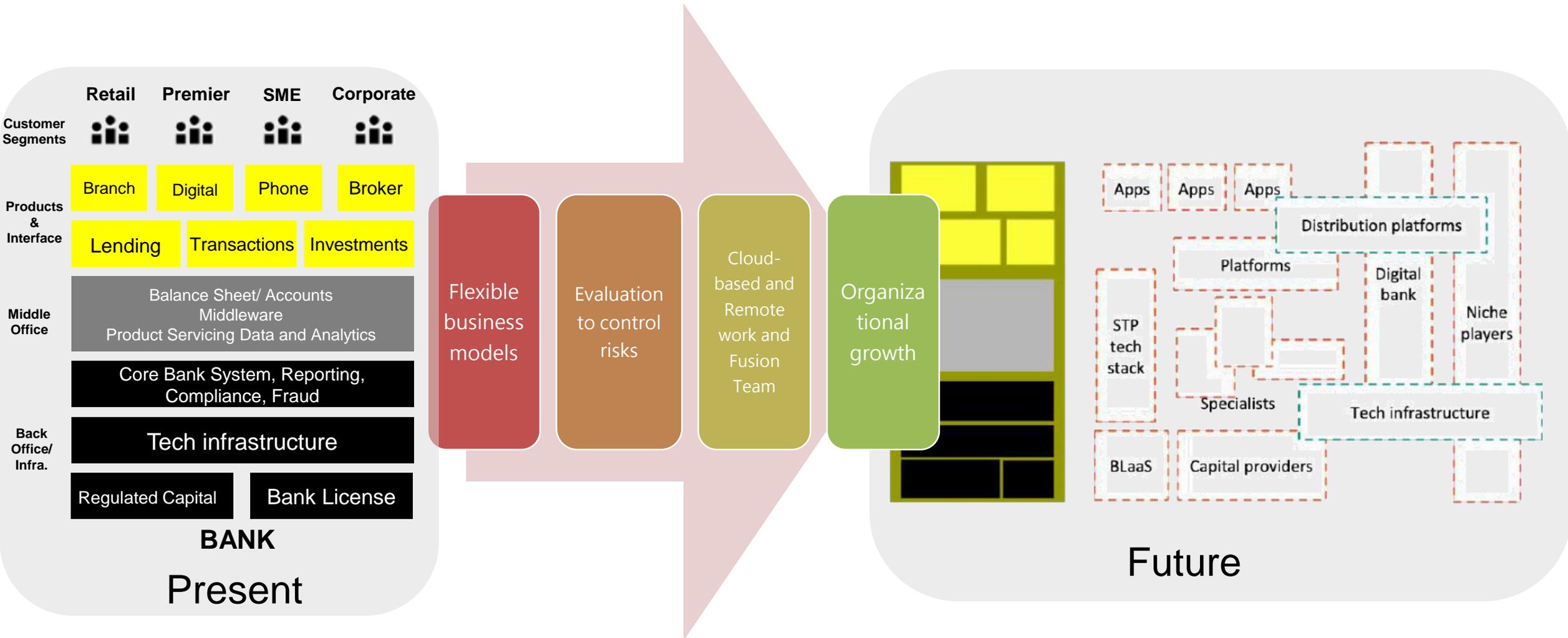
**合庫家庭 CoFamily**  
暖心溫情 Feel Warm

**一起充電 CoCharge**  
充滿動能 Feel Empowered

**一起創造 CoCreate**  
體驗啟發 Feel Inspired

**一同旅行 CoTravel**  
享受輕鬆 Feel Relaxed

# IV. Digital Transformation Changes the Future Finance Model



## V. Two Most Important Future Trends



### Banking-as-a-Platform (BaaP)

Banks extend cash flows or product services through different platform operators to provide customers with financial services by various APPs.



### Open Banking-ecosystem

Under the scenario of technology combination and stacking application, customers do not need to contact directly with banks. They can still enjoy instant financial services of different ecosystem businesses.

# Part 4



Introduction



Evolution in Technology and Bank Digitalization



Digital Transformation of the Banking Industry from the Past to the Future

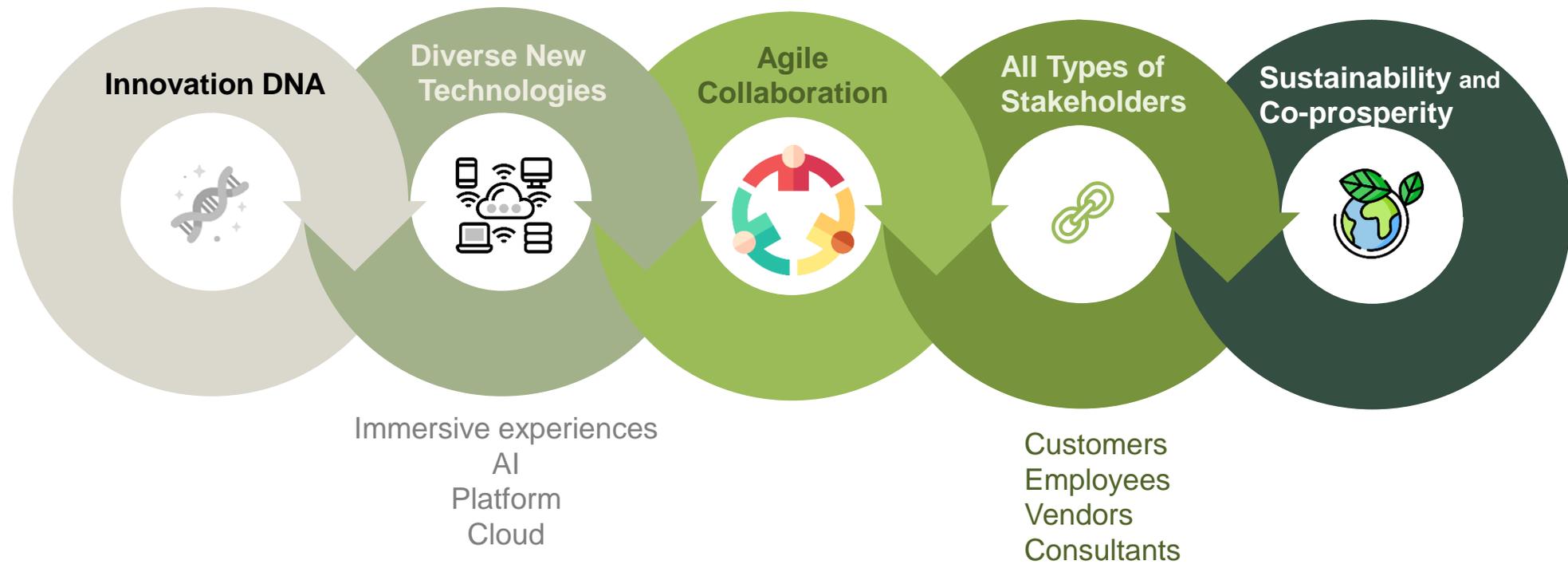


Conclusion

Proactive Agile Innovative  
Proactive Agile Innovative

# Sustainable Journey of Digital Transformation with the Fusion of Humans and Technology

Among the trends from physical to digital, the banking industry has seen the booming development of Internet of Everything (IoE), AI, Metaverse, and cloud computing industries.



*Thank you*



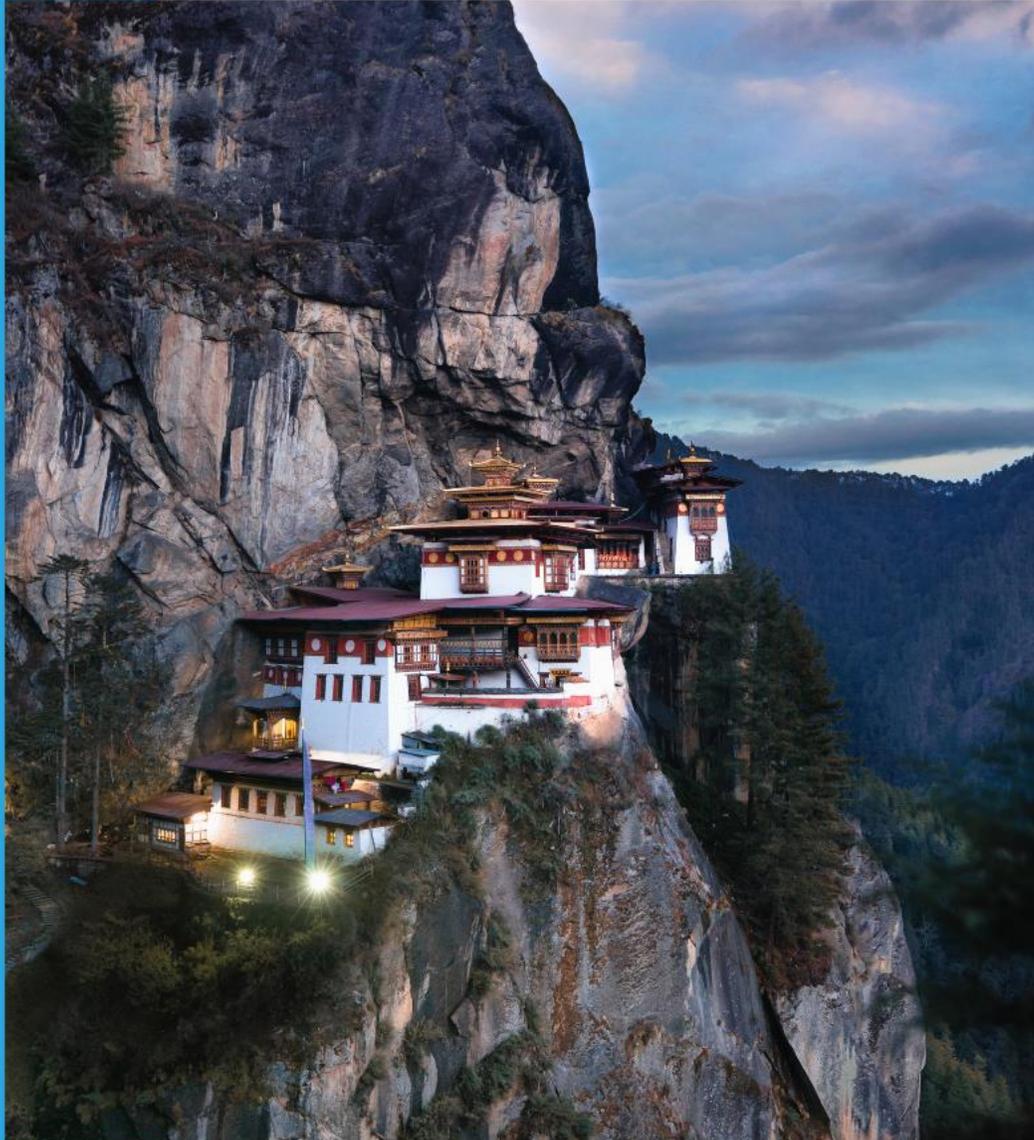
# BANK OF BHUTAN'S DIGITAL JOURNEY





## Bhutan Overview

- Tucked away, within the Himalayas, Bhutan was long kept secret from the rest of the world.
- The kingdom only opened its borders to outsiders in 1974.
- It adopted a "high value, low volume" tourism policy



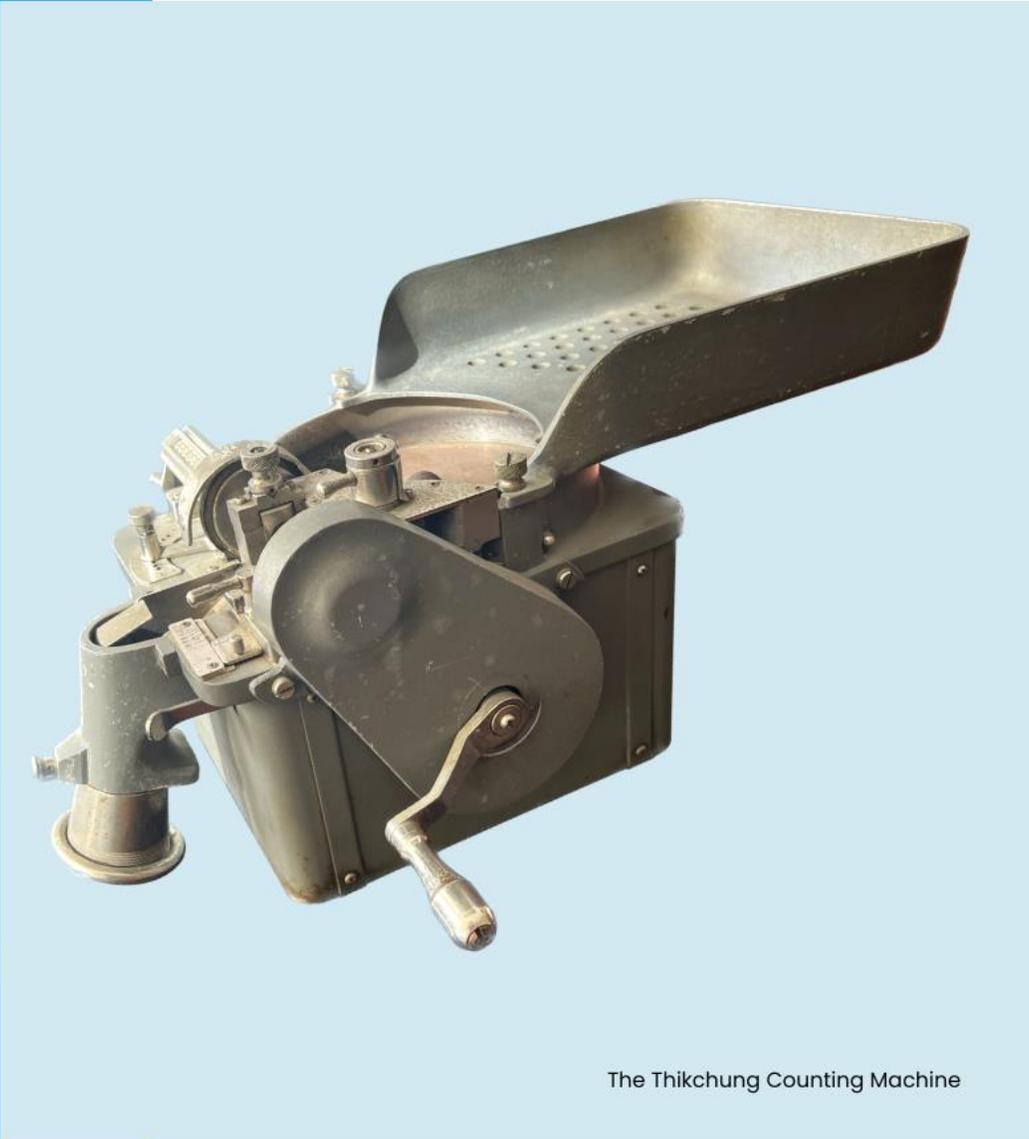
## Facts

- Population of 763,249
- TV Internet - late 1990s
- The literacy rate - 71.4%
- Hydropower, Agriculture and Tourism are the main economic activities



## Bank of Bhutan

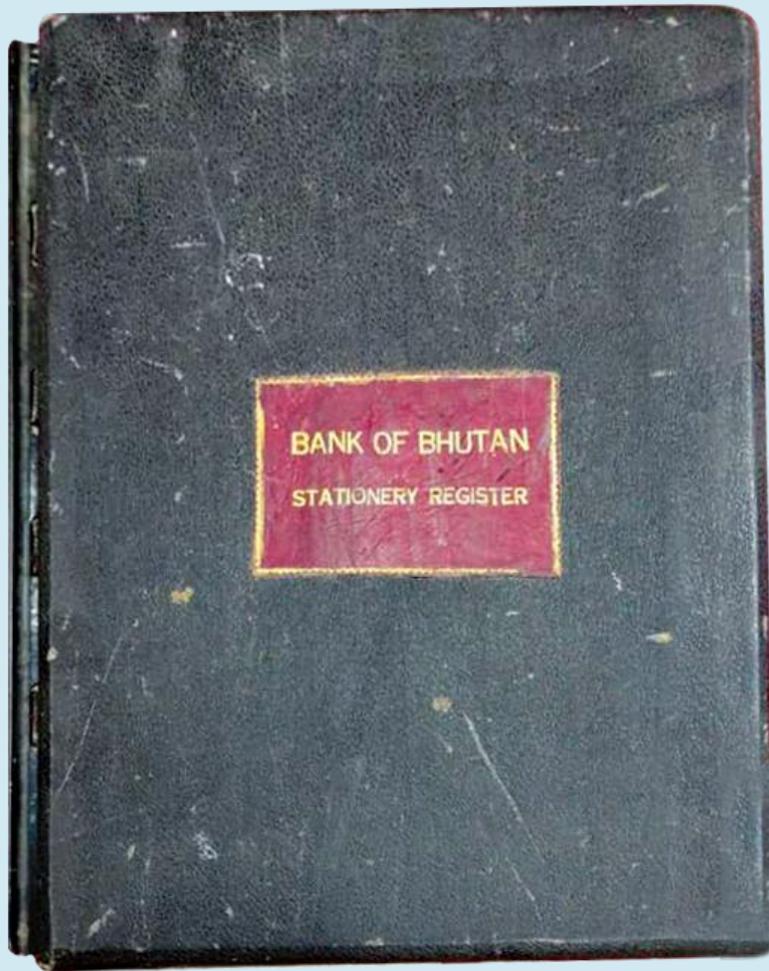
- Established on 28<sup>th</sup> May 1968.
- Central Bank of Bhutan – 1982.
- The oldest bank in the country.
- The largest commercial bank.



The Thikchung Counting Machine

## Early days (1968 – 2008)

- Traditional banking
- Journals to enter each transaction
- Very few customers
- Telegraphic transfers (TT)
- Druk Banker



Journals used in the olden days

## Challenges

- Journals - heavy – wood cover
- Time-consuming
- Retrieving data - difficult
- Human errors
- Maintenance of the Journals
- Implemented - few branch offices
- Employees using a computer
- Compilation from manual branch and branch with a Druk Banker



## Need for Digital Transformation

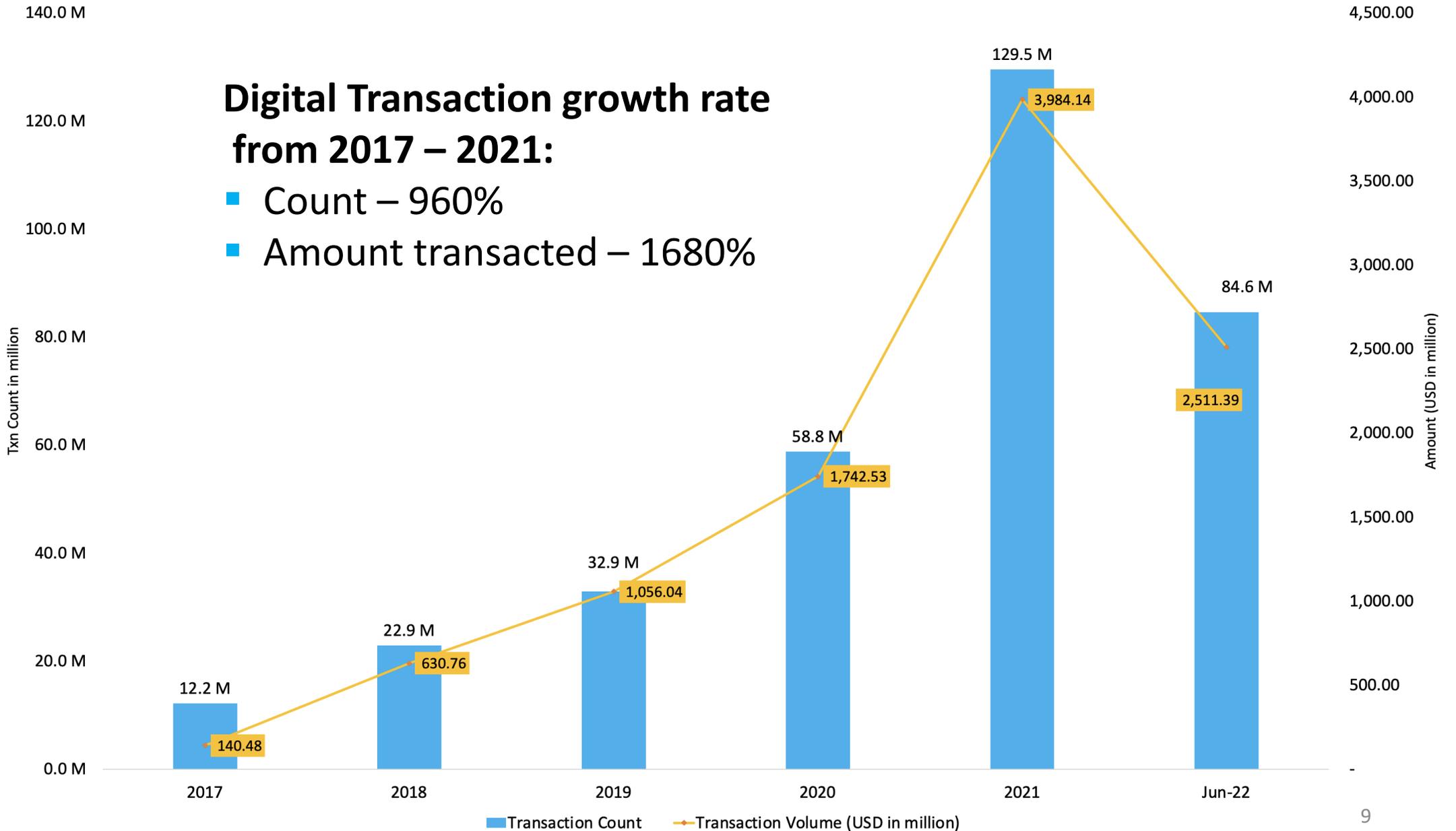
- Industry 4.0 revolution
- The COVID-19 pandemic – digital transformation efforts
- The pandemic has encouraged people to use technologies in availing financial services



## Towards Digitalization

- **CBS in 2009**
- Delivery Channels
  - Internet Banking
  - ATMs
  - POS
  - Cards
  - Mobile Banking
  - Wallet

# Digital Banking Transaction





## Challenges & Opportunities

- Change of Technology
- HR Capacity
- Vendor Management
- Regulations Dig. documents
- Competition
- FinTech
- Digital currencies (CBDC)
- Demanding Customers





## The Future

- A digital Bank
- Banking embedded in the lifestyle of customers

*A long way to go  
but we will be there*

**THANK  
YOU**