



Successful Innovations at Nordic e-Banking



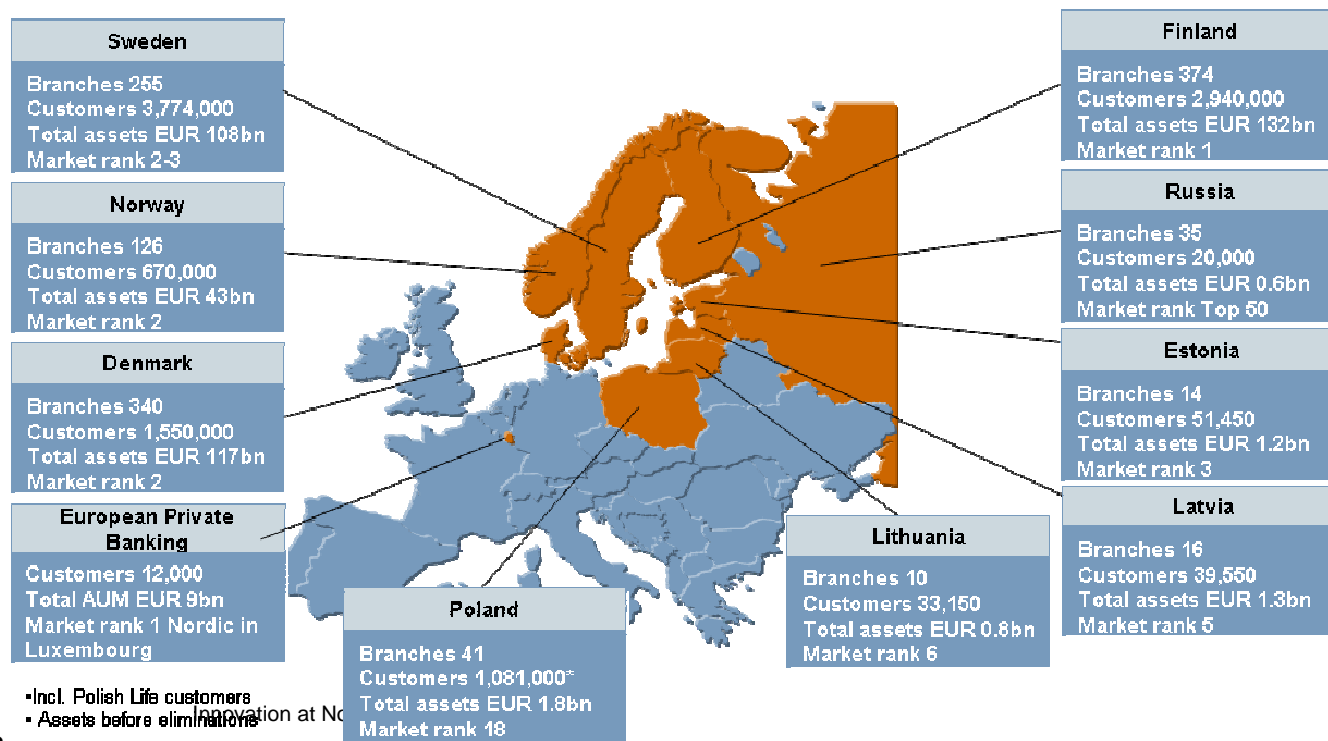
Juha Risikko
18 April 2008

Agenda

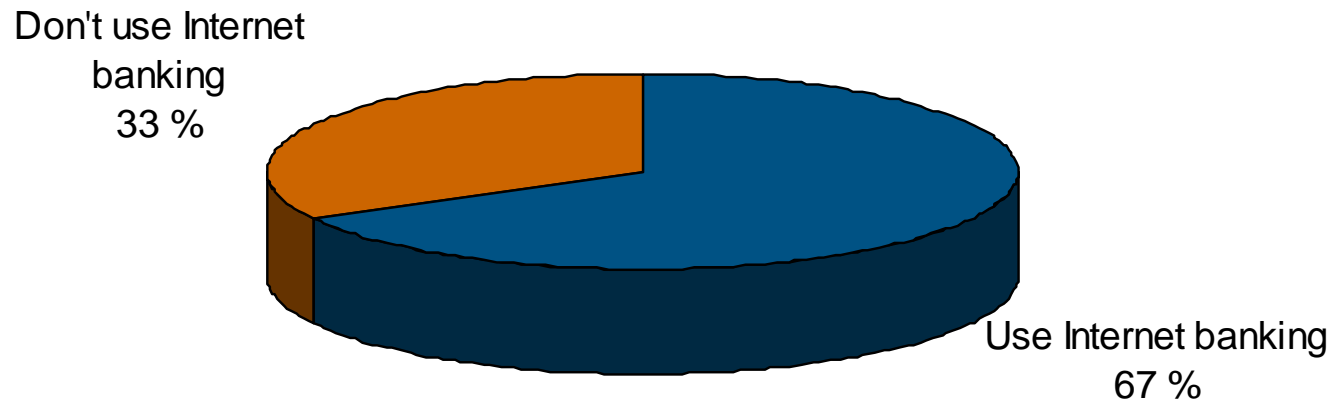
1. **Introduction to the state of eServices in the Nordics**
2. **The core eService innovations**
3. **What's the story behind successful eService strategy**
4. **Summary**

Nordea?

- **Largest bank in Nordic region**
 - 10 million personal customers, 1 million corporate customers
 - 4,8 million Internet banking customers
- **Formed from several, local banks since 1998**



Internet Banking in Nordic Countries



Comparison:

40% of Germans bank online. Forecast: 47% in 2012.

31% of in UK & France bank online. Forecast 44% in 2012/UK and 42% in 2013/France.

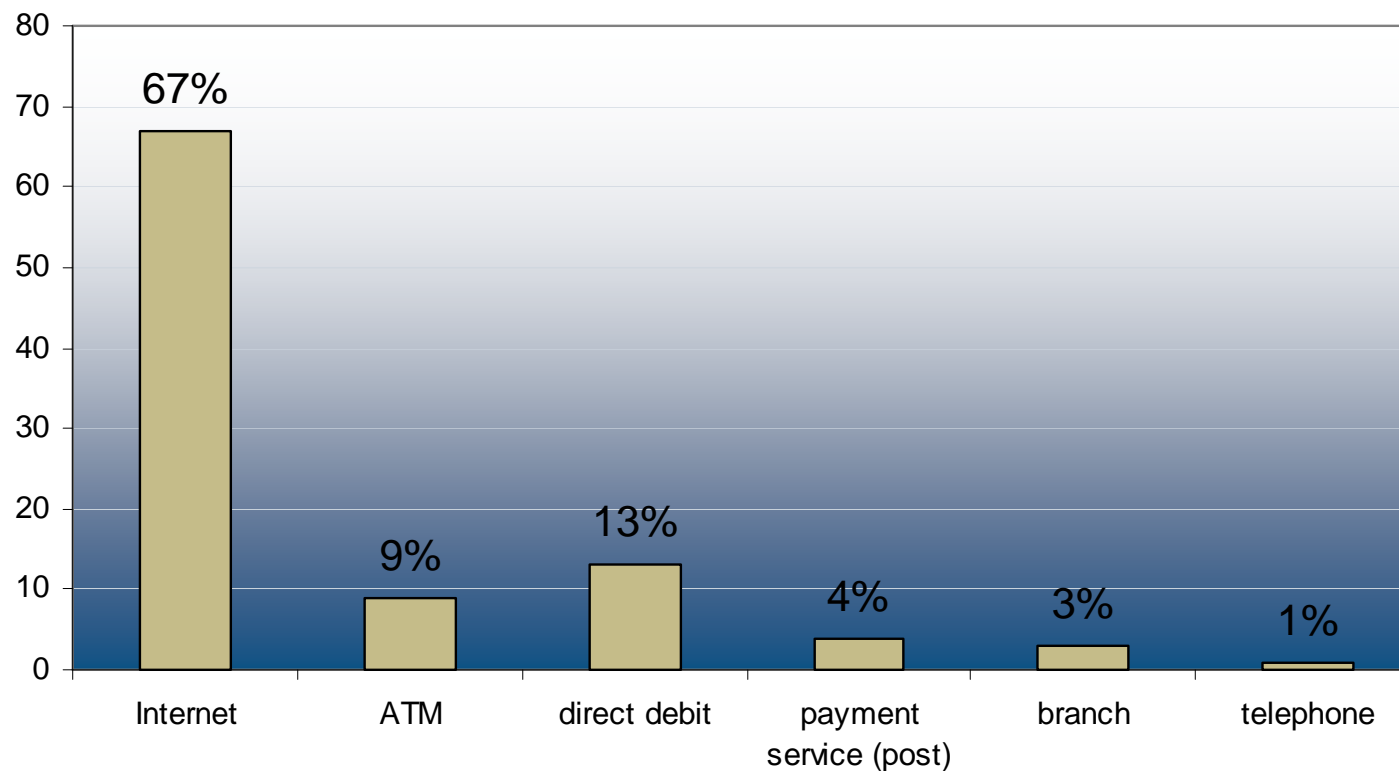
13% of Italians bank online, Forecast 25% in 2013 (Forrester 2007 & 2008)

Some facts about users

- **App. 80-90% of users use at least weekly**
- **1/4 uses daily**
- **Long habit: 80% used more than 3 years**
- **Majority (80%) uses from home**
- **Very much liked: over 90% would recommend to a friend**
- **More than 1 million logins a day (all countries)**

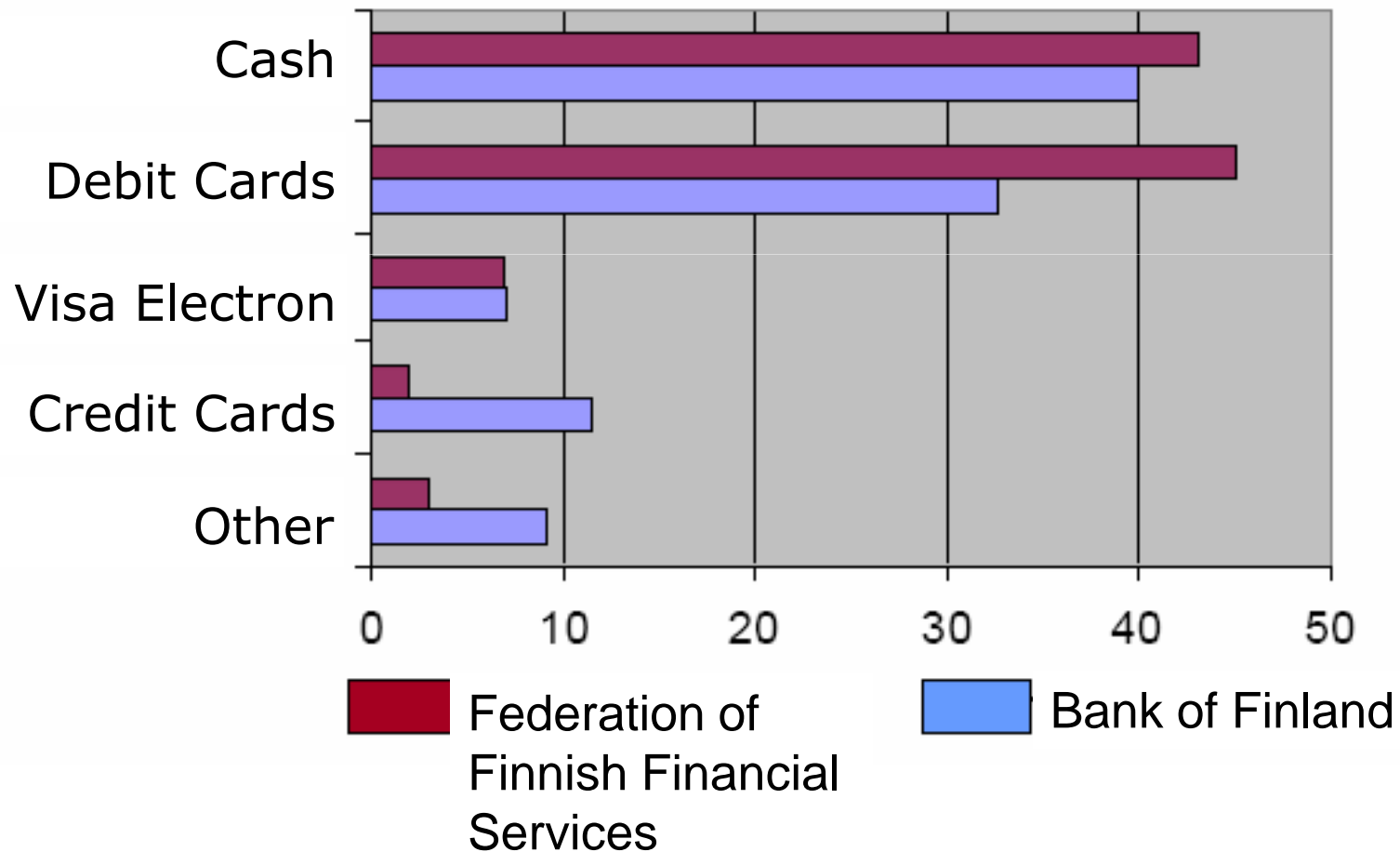
Basic financial matters are done online (all banks, Finnish population)

Payments in Finland (15-75 years old)



Finanssialan keskusliitto, 2007

Cash and Cards compete evenly



2. The Core eService Innovations



Electronic business & Internet banking



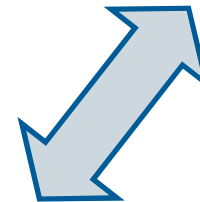
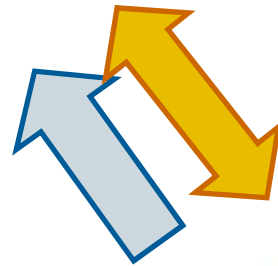
Internet Banking



Electronic Payment
Electronic Invoice
Electronic Authentication
Electronic Salary Statement



3rd party Companies



Payments
Invoicing
Authentication
Salary

ePayment – the Way to Pay in Internet

5. The merchant informs customer on the successful purchase



4. Buyer authenticates and authorised the payments

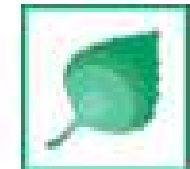


3. Buyer is redirected to the online banking environment





2. Buyer selects the payment method



1. Buyer moves to check-out process



- ▶ Pension accrual
- ▶ Amount of the pension
- ▶ Questions
- ▶ Pension benefits
- ▶ The statutory earnings-related pension scheme
- ▶ Reforms

-  **Personal data** ▶
-  **Young adults** ▶
-  **Middle-aged** ▶
-  **Ageing** ▶

+ **Increase text size**

- **Decrease text size**

[Home](#) >

Personal data – For you personally



From national scheme
to European scheme

.....

Check your data from the employment record

The employment record is available only in Finnish and Swedish.

[Check the employment record in Finnish](#)

[Check the employment record in Swedish](#)

4-corner model to
accelerate market
growth and open
competition

Find out which is your authorised pension provider

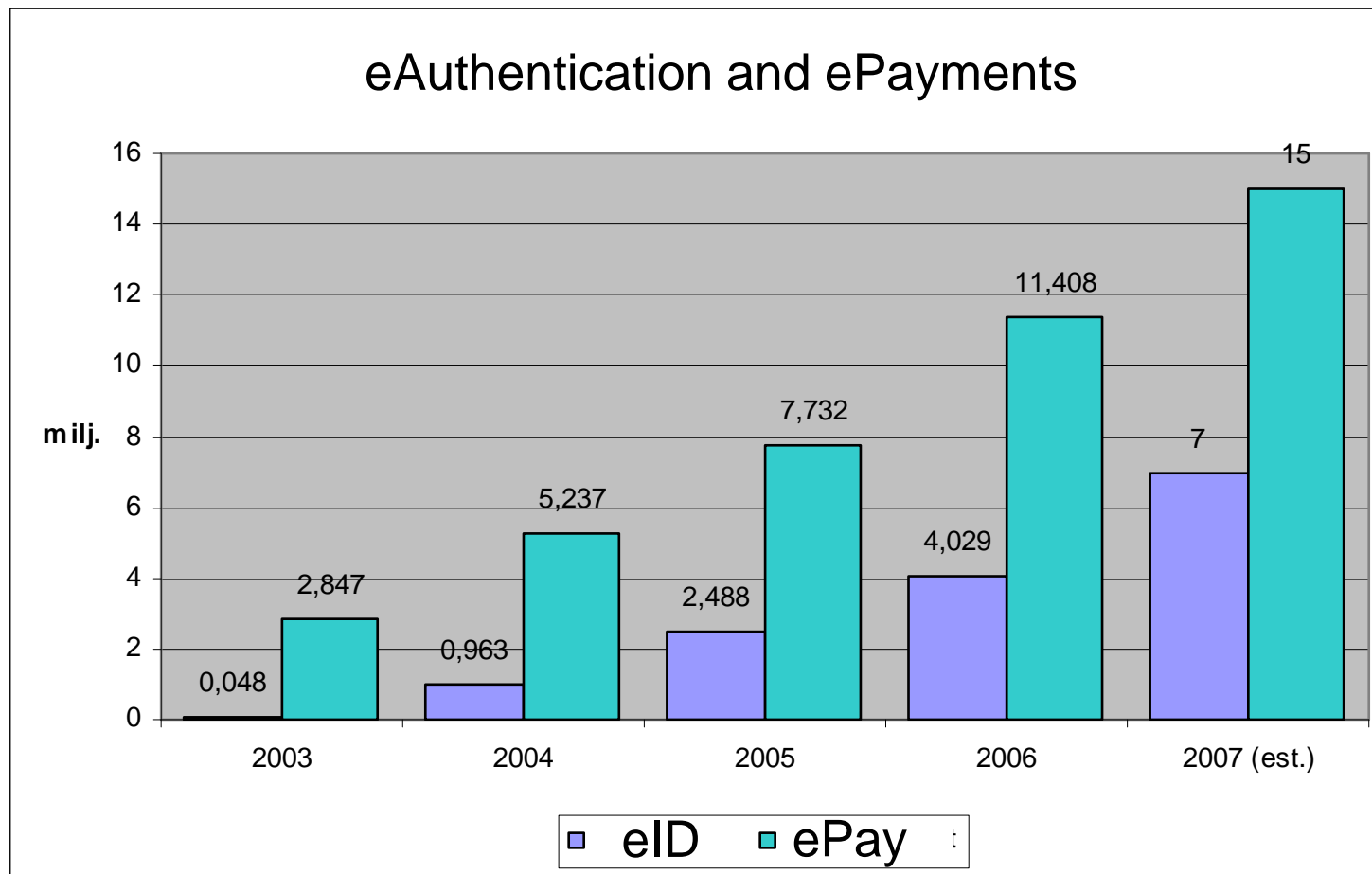
The contact information to the pension provider is available only in Finnish and Swedish.

[Get the contact information in Finnish](#)

[Get the contact information in Swedish](#)

3-corner model with
standard interface to the
third parties

50% annual growth in ePayments



E-invoicing

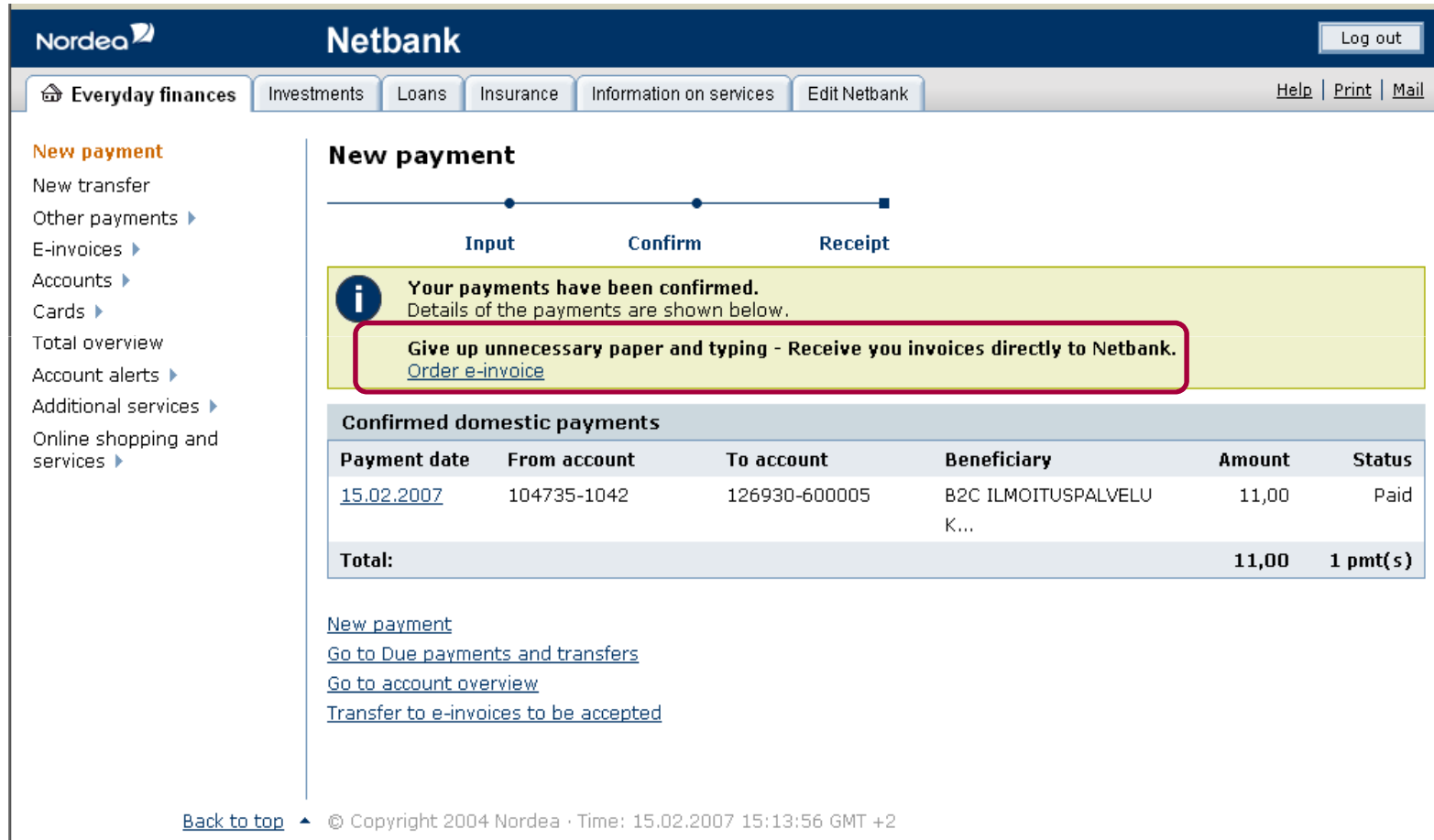
De-electronised – transported – re-electronised



E-invoicing, The Silver Bullet



Electronic invoice – directly to Netbank



Nordea Netbank Log out

Everyday finances | Investments | Loans | Insurance | Information on services | Edit Netbank | [Help](#) | [Print](#) | [Mail](#)

New payment

Progress: **Input** | Confirm | Receipt

i Your payments have been confirmed. Details of the payments are shown below.

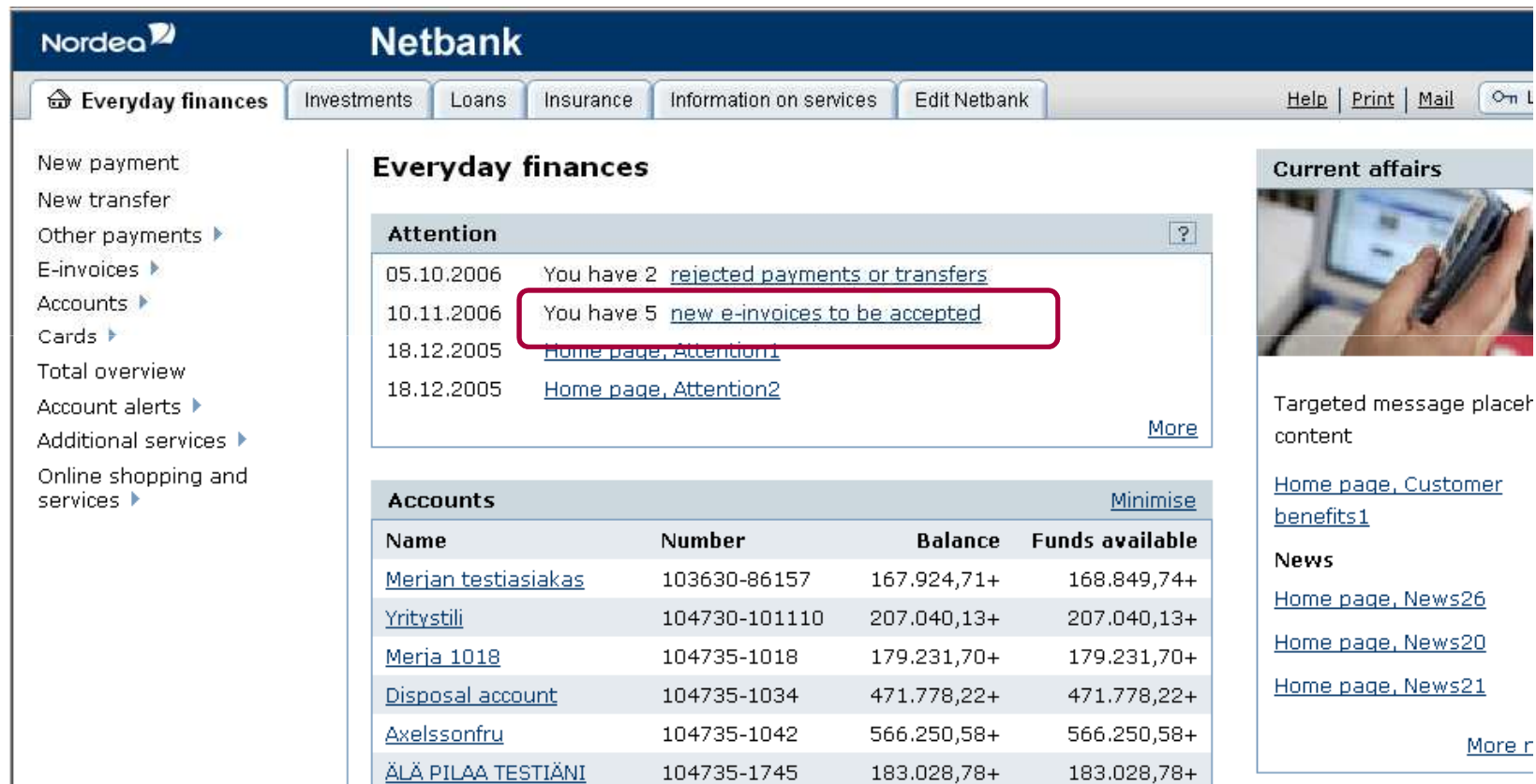
Give up unnecessary paper and typing - Receive you invoices directly to Netbank.
[Order e-invoice](#)

Confirmed domestic payments					
Payment date	From account	To account	Beneficiary	Amount	Status
15.02.2007	104735-1042	126930-600005	B2C ILMOITUSPALVELU K...	11,00	Paid
Total:				11,00	1 pmt(s)

[New payment](#)
[Go to Due payments and transfers](#)
[Go to account overview](#)
[Transfer to e-invoices to be accepted](#)

[Back to top](#) | © Copyright 2004 Nordea · Time: 15.02.2007 15:13:56 GMT +2

Electronic invoice – directly to Netbank



The screenshot shows the Nordea Netbank interface. The main navigation bar includes 'Everyday finances', 'Investments', 'Loans', 'Insurance', 'Information on services', and 'Edit Netbank'. A left sidebar lists various services like 'New payment', 'New transfer', 'Other payments', 'E-invoices', 'Accounts', 'Cards', 'Total overview', 'Account alerts', 'Additional services', and 'Online shopping and services'. The main content area is titled 'Everyday finances' and features an 'Attention' section with a list of messages. One message, dated 10.11.2006, states 'You have 5 new e-invoices to be accepted' and is highlighted with a red box. Below this is a table of accounts with columns for Name, Number, Balance, and Funds available. A right sidebar titled 'Current affairs' includes a photo of a hand holding a smartphone and links to 'Targeted message placeholder content', 'Home page, Customer benefits1', and 'News'.

Attention

- 05.10.2006 You have 2 [rejected payments or transfers](#)
- 10.11.2006 You have 5 [new e-invoices to be accepted](#)
- 18.12.2005 [Home page, Attention1](#)
- 18.12.2005 [Home page, Attention2](#)

[More](#)

Accounts [Minimise](#)

Name	Number	Balance	Funds available
Merian testiasiakas	103630-86157	167.924,71+	168.849,74+
Yritystili	104730-101110	207.040,13+	207.040,13+
Merja 1018	104735-1018	179.231,70+	179.231,70+
Disposal account	104735-1034	471.778,22+	471.778,22+
Axelssonfru	104735-1042	566.250,58+	566.250,58+
ÄLÄ PILAA TESTIÄNI	104735-1745	183.028,78+	183.028,78+

Current affairs

Targeted message placeholder content

[Home page, Customer benefits1](#)

News

[Home page, News26](#)

[Home page, News20](#)

[Home page, News21](#)

[More r](#)

National initiatives driving e-invoicing:

- **Denmark:** mandatory by law – as of 1.2.2005 only e-invoices accepted in public sector (70% achieved in 2006)
- **Sweden:** e-invoicing mandatory with public sector 1.7.2008
- **Italy:** Finance Act: “article 5, obliges all companies to send electronic invoices to state administration starting 1.7.2008, in order to be paid...”
- **Finland:** enforcing e-invoicing in public sector today – final deadline 31.12.2009. Progressive enterprises: “[E-invoice or No Invoice](#)”
- **15 countries** in all have initiatives – by 2010 it is expected that b2gov e-invoicing will be mandatory in most countries (Bruno Koch)

Mobile innovations

1. Alerts to mobile devices
2. Mobile internet banking
3. Mobile device integrated authentication
4. Mobile contactless payments



Pic from Wall street Journal

Chris Gash

Agenda

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Innovations make the **difference** – phases 1 & 2

Start early with the most used services: payments

Engage all the staff – Branches key to success

Keep it simple: one agreement, one authentication system

• Equity trading in e-bank (1988)

Add all services

• e-invoicing (1998)

2. All products, multi-device

Add all channels

Innovations make the difference – Phase 3

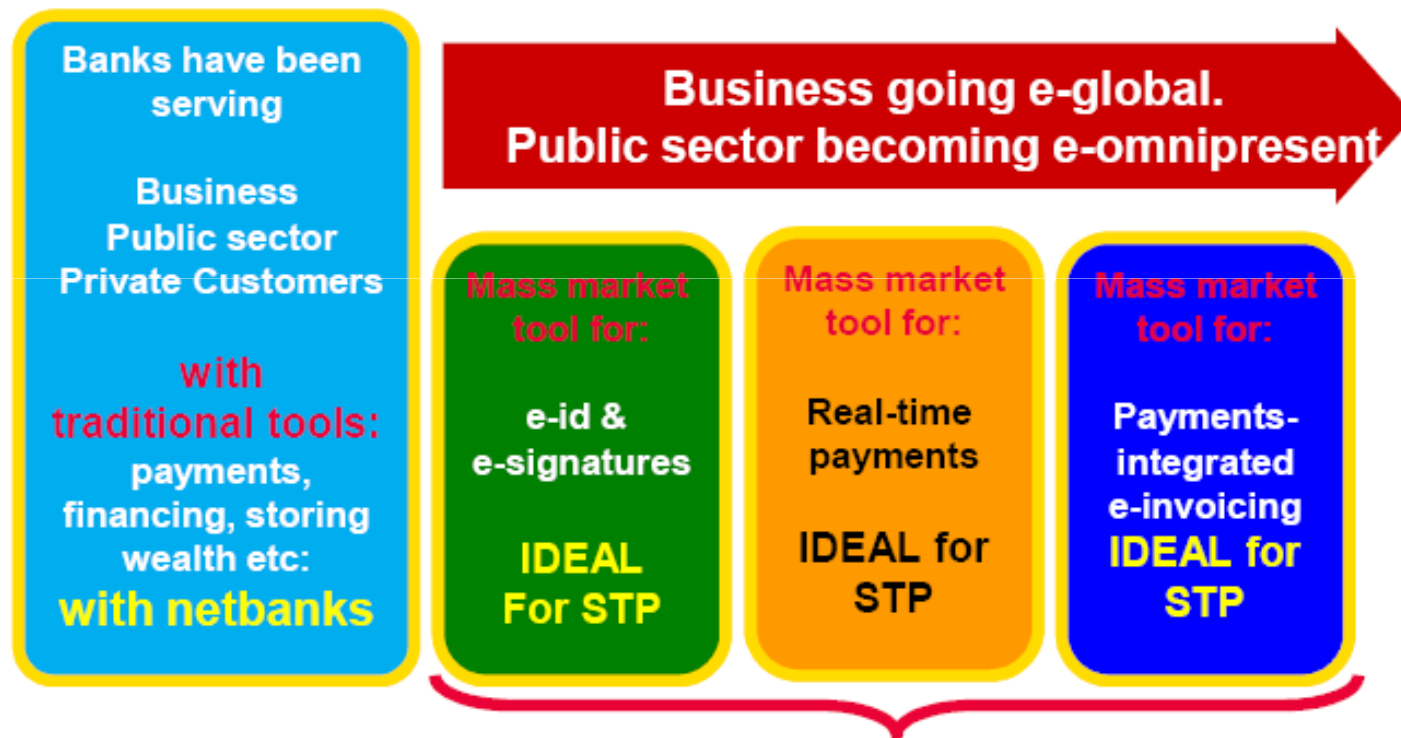
- E-id third parties
- Real-time e-commerce-payments
- E-billing b-to-c
- E-signatures 3rd parties
- E-salary
- E-id public sector
- Finvoice e-invoicing
- Certificate on EMV-card
- Finvoice for documents
- More coming..

3. “Connecting customers”
– reuse (*economy of reuse*) familiar
(*economy of repetition*) e-banking
tools for 3rd parties
– embedded in e-commerce
and e-public sector services

4. Summary



Networked Economy – Three Pillars Needed From the Banks



Nordic banks have delivered these

THANK YOU!

*Making it
possible*

juha.risikko@nordea.com

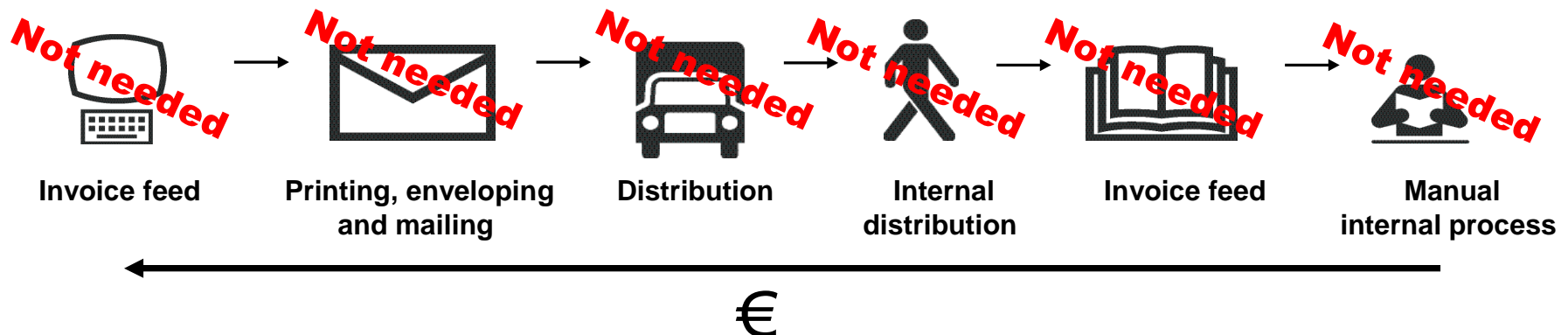
+358 50 63920

e-invoicing - key to:

1. **Better productivity** in EU – cost savings, risk mitigation AND step to next document layers
2. **Better customer service** – new value in many dimensions
3. **Better jobs** – less routine – more interesting and better paid
4. **Better environment** – less travel, less transport, less material

Nordea's e-payment - Benefits to the Merchant

- No manual invoice generation
- No printing
- No enveloping
- No postage and mailing
- No distribution
- No credit checks
- No collection of debts
- Real time payment
- ERP integration with STP
- Finnish reference payment



Future and trends?

- Internet banking adoption continues to increase (less competence)
- Amount of products & services will also increase (more complexity)
- Usability becomes even more important!
- From self-service to automatic service (e-invoice etc.)
- Accessibility, breaking free from desktops (mobile, widgets etc.)
- Security, fraud prevention vs. ease-of-use

