

CELENT



CASE STUDY

RBC: DIGITAL ACTIVATION STRATEGY

WINNER OF CELENT MODEL BANK 2018 AWARD FOR
EMPLOYEE PRODUCTIVITY

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CASE STUDY AT A GLANCE

FINANCIAL INSTITUTION	Royal Bank of Canada
INITIATIVE	RBC Digital Activation Strategy
SYNOPSIS	In 2015, RBC launched a comprehensive initiative designed to quickly increase internal and external (customer) digital activation. The three-part strategy consisted of: 1) an agile approach to accelerate development of digital capabilities; 2) a gamified learning platform for internal and external development of digital fluency, and 3) a network of volunteer Digital Navigators to provide a human touch to digital advocacy, helping to ensure RBC stays focused on building the client relationship as it becomes more digitally directed.
TIMELINES	<p>Project Start: April 2015</p> <p>Major Milestones :</p> <ul style="list-style-type: none"> • Internal knowledge platform operationalized in 6 weeks • External knowledge platform launched 4 weeks later • 84% of users trained in 8 weeks • Over 50% of employees gained new fluency in 30 days • 20% increase in employee mobile adoption in 8 weeks
KEY RESULTS (MAY 2015 TO PRESENT)	<ul style="list-style-type: none"> • 20% YOY growth in mobile banking utilization • Over 5,500 volunteer Digital Navigators trained, leading to all-time high employee mobile activation • Achieved 85% employee digital fluency • Over 15 million page views on the platform, driving more than 10.5 million digital advocacy activities between employees and clients. <p>Internal Accomplishments</p> <ul style="list-style-type: none"> • First RBC gamified training environment • First training environment available outside RBC firewall • First use of Digital Navigators in scale
KEY VENDORS	Horizn, a provider of SaaS-based knowledge platform designed to increase digital adoption for employees and clients.

CELENT PERSPECTIVE

Becoming a digital bank is a trendy ambition, but few banks have come close to realizing it. In an astonishingly short period of time, RBC advanced dramatically towards this ambition through a gutsy and creative approach to internal and external digital activation — without losing sight of the importance of the client relationship in the process. It is now well-equipped with agile development and go-to-market platforms to address customers’ ever-increasing digital expectations and the industry’s quickening pace of change like few other banks. RBC’s agility in pulling off such a feat in a short period of time earns it Celent’s Model Bank 2018 award for Employee Productivity. In this case study, banks can learn:

- Why being a large organization is no longer an excuse for inaction.
- How to develop a model for digital activation that is straightforward to adapt to most any organization.
- A way to quickly build an enterprise-wide interactive learning platform for both employees and clients.

DETAILED DESCRIPTION

Introduction

Royal Bank of Canada (RBC) is Canada’s largest bank by market capitalization, the 5th largest in North America, and the 11th largest globally. It is also Canada’s first bank to receive the Financial Stability Board G-SIB designation, indicating the bank’s importance to the Global economy, reflecting the size and scale of RBC’s global operations. In 2017, RBC was ranked Highest in Customer Satisfaction among the Big Five Retail Banks for the second year in a row by J.D. Power.

RBC provides personal and commercial banking, wealth management services, insurance, investor services, and capital markets products and services on a global basis. It employs approximately 80,000 people who serve more than 16 million personal, business, public sector and institutional clients through offices in Canada, the US, and 36 other countries.

Table 1: RBC Snapshot

THROUGH 2017	ROYAL BANK OF CANADA
YEAR FOUNDED	1869
REVENUE	CA\$8,331 million (US\$6,420)
ASSETS	CA\$1,213 billion (US\$935)
GEOGRAPHICAL PRESENCE	HQ: Toronto, ON 1,235 branches and 4,290 ATMs in Canada
EMPLOYEES	80,000+
OTHER KEY METRICS	Over 16 million clients in Canada, the US, and 35 other countries #1 in client satisfaction among Big Five Canadian retail banks in 2017 J.D. Power survey
RELEVANT TECHNOLOGIES AND VENDORS	Horizn, SaaS-based knowledge platform

Source: Royal Bank of Canada

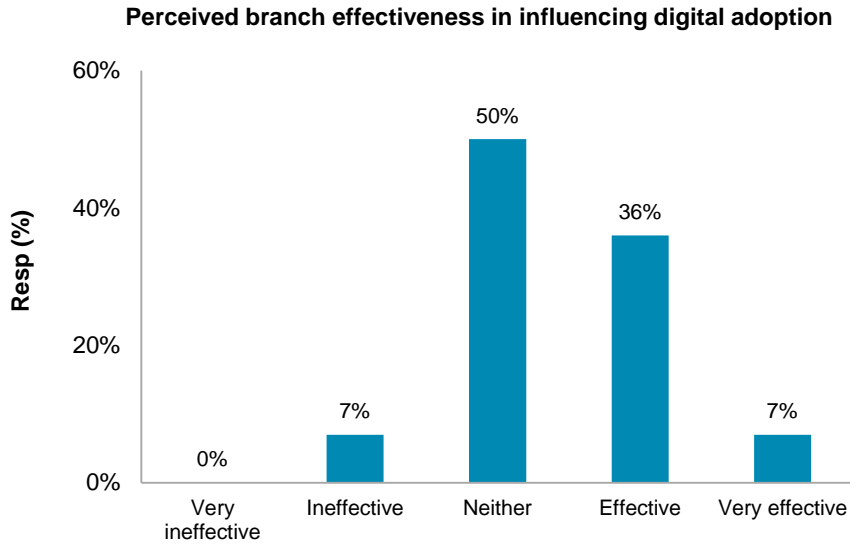
What started out as a simple mobile product launch ultimately shifted the culture of the entire business at RBC. Supported by an agile and highly empowered team and stakeholders through the entire Executive Operating Committee, RBC’s Digital Activation Strategy and resulting platform is a compelling case study in employee productivity and a testimony that even large organizations can create massive cultural change in a short period of time.

Opportunity

Like many banks in 2015, RBC was investing massively in its digital channels. For maximum return on their digital investment, banks must witness substantial digital customer utilization. Beyond product efficacy, this requires effective sales and marketing efforts, because as we all know, “if you build it, they will come” is a myth. At that time, only about half of RBC’s frontline staff were active mobile banking users. With such low internal utilization, clients engaging branch or contact centre staff with digital-related inquiries would not get the help they needed.

RBC was not alone. In an April 2016 survey of Celent’s Branch Transformation Research Panel, we found a minority of banks are content with their ability to influence customer adoption of digital (Figure 1). Most banks were new in their efforts to build internal expertise in digital capabilities and influence customer adoption.

Figure 1: Banks Are Challenged with Effectively Influencing Customer Adoption of Digital



Source: Celent Branch Transformation Research Panel, April 2016, n=30

RBC’s challenge was more profound. Experiencing increasing competitive pressure in addition to heightened customer expectations driven by nonbanks, RBC responded with a large and growing digital product pipeline across multiple lines of business fueled by its recent migration to agile development methodology. But, the organization was not yet aligned to manage the volume, cadence, or depth of knowledge required to support its digital transformation. Figure 2 illustrates the challenging environment.

Figure 2: Environment Leading Up to RBC’s Digital Activation Strategy



Source: Royal Bank of Canada

Worse, this realization came at an inopportune time — just eight weeks before a major launch of digital wallet capabilities slated for June 1, 2015. Traditionally, RBC’s Learning department would have several months to develop content, and up-skill employees. It would rely on a combination of traditional training methodology, and online learning courses. Though effective,

this training was expensive, misaligned for rapid evolution, and not experiential. RBC had no method at the time to accommodate just-in-time learning, much less learning that could take advantage of cognitive behavioral science principles. Mobile training was an ocean of possibility, ripe with opportunity to not only train about mobile, but to use mobile technology to enhance the training experience. This blue water provided an opportunity to disrupt the organization from the inside out.

But RBC was challenged to do more than simply improve digital customer adoption. It needed to change the organization into one that is digitally savvy and equipped to support a rapidly expanding set of digital capabilities while engaging clients and enhancing the relationship with them in increasingly digital ways — and it had to do this in about six weeks!

Approach

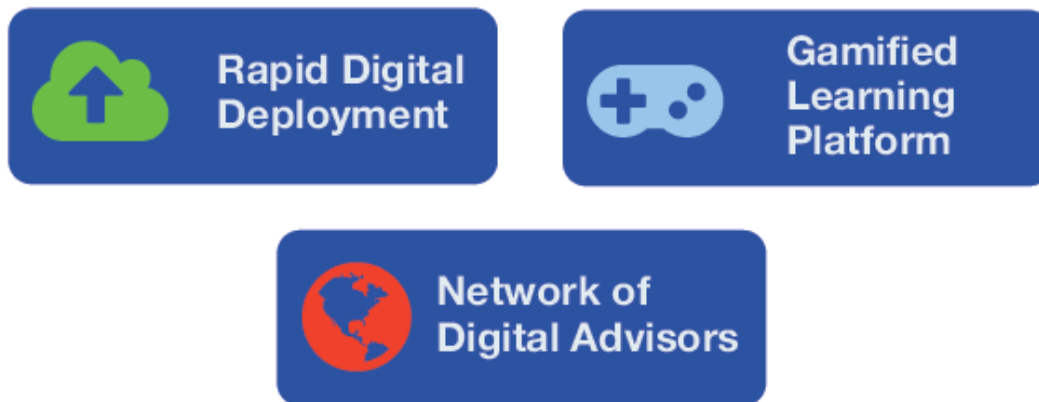
To pivot away from “the way things had always been done,” RBC created a four-pronged roadmap that focused on Awareness, Activation, Adoption, and Advocacy across its digital business, leading the way with mobile.

- **Awareness:** creating broad internal awareness and expertise around the bank’s rapidly evolving digital capabilities, this would be rapidly followed by client-facing awareness campaigns.
- **Activation:** ensuring maximum enrollment in digital offerings — among both staff and clients.
- **Adoption:** transition banking activities to digital where and when clients desire, leading with mobile.
- **Advocate:** each digital interaction should prove satisfying enough to create a desire to tell others about the experience and promote the use of digital as both a transactional and engagement platform.

To bring this about, RBC commissioned a cross-functional team, with representation from Digital, Product, Sales, Marketing, Communication, Learning, Legal, Compliance, Operations and Information Security. The team’s task was to create and execute a digital activation strategy using an agile methodology — something not yet tried outside development teams.

There were three dimensions to RBC’s strategy (Figure 3).

Figure 3: Three Dimensions of RBC’s Digital Activation Strategy



Source: Royal Bank of Canada

First, RBC relied on the already rapidly developing deployment of new digital capabilities, including but not limited to new mobile banking platforms, mobile wallets, the RBC Rewards platform, My Advisor digital advice platform, and NOMI, an AI-based financial management platform. Next, it specified an entirely new learning platform that could keep pace with RBC’s rapidly expanding digital capabilities; one that could be used both internally and externally.

Finally, RBC created a network of digital advisors throughout the organization to drive grassroots digital efforts and provide credibility to the advocacy stage of the strategy.

RBC is also being recognized as a Celent Model Bank 2018 winner in the Personal Financial Experience category for the launch of NOMI Insights and NOMI Find & Save. A separate case study about NOMI is also featured in this year's Model Bank series.

RBC's Gamified Learning Platform

Even industry-leading digital capabilities require client adoption to be successful. This is precisely why all three components of RBC's Digital Activation Strategy are pivotal. Focused on addressing the complexity of transformation in the face of a Canadian market with low digital literacy and rapidly changing client expectations, RBC quickly recognized the benefits of gamifying each element of the training as well as the launch of each new product. Beyond gamification, RBC implemented several other characteristics in the platform (Table 2).

Table 2: Characteristics of RBC's Gamified Learning Platforms

ELEMENTS	CHARACTERISTICS
GAMIFICATION	The platform gamifies the learning experience and supports the competitive culture of employees. It also makes the training process fun and reduced the steep learning curve to make it seem less daunting.
AGILE LEARNING	The platform supports RBC's primary objective to teach and empower employees and clients. The platform was introduced when the bank was about to enter a rapid-fire launch of new products and features.
MEASURABLE	RBC wanted proven measurable results. Imagine every time the bank launches something, the second it goes to market, everyone is fluent — both employees and clients.
MICRO-LEARNING	Micro-learning is the process of learning through short, digestible, well-planned units. Complex mobile applications are broken down into small, logical, digestible content connected to specific client behaviors, such as "e-transfer."
SOCIAL TECHNOLOGY	Social technology provides transparency and amplifies the rate at which critical content is shared, knowledge created, and questions answered. RBC can now lead, engage, and empower employees and clients to converse and collaborate when learning about products and their capabilities.

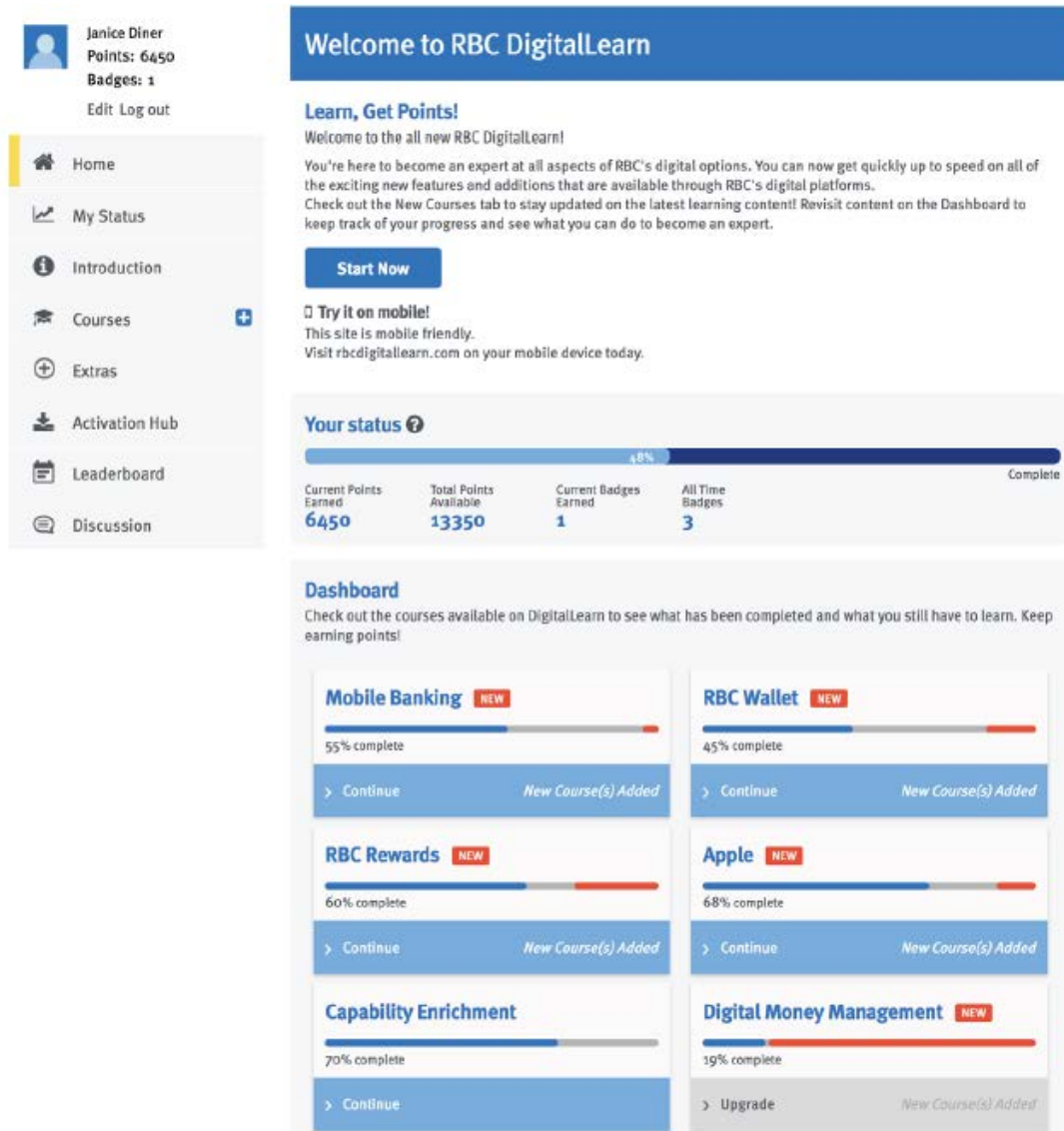
Source: Celent

RBC partnered with Horzn to build three scalable platforms: RBC Digital Learn, RBC Digital Demo, and RBC Demo. Together, these gamified platforms provided RBC with the infrastructure to support rapid digital deployments, shifted the culture within RBC, and accelerated employees through the four phased approaches of Awareness, Activation, Adoption and Advocacy.

RBC Digital Learn

Digital Learn is an interactive platform designed to rapidly increase digital fluency among RBC employees. Digital Learn ensures RBC's workforce is digitally aware, knowledgeable, and prepared to support clients on the retail floor and in the call centre. The platform's unique micro-learning and gamification methodology ensures all employees are digitally fluent in real-time and anytime on RBC's latest digital innovation. Key to the launch of this platform was an open and transparent communication forum that connected frontline employees to Head Office.

Figure 4: RBC Digital Learn



Source: Royal Bank of Canada

Within eight weeks of launch, 84% of frontline employees were trained on the platform, gaining the necessary knowledge to support clients. Digital Learn became the centralized hub to connect frontline employees with Head Office, helping to strengthen the pipeline of digital developments and provide a transparent process to roll out future digital capabilities.

The platform was sponsored and championed by executives including the Group Head of Personal and Commercial Banking. The heightened focus was supported by ongoing measuring and monitoring of employee progress in the platform, and working with clients. Progress was and continues to be tracked at the branch, market, regional, and national level to ensure employees are gaining the knowledge they need, and are supported when they struggle. To date, more than 900,000 courses have been completed, and employees have received 350,000 Digital Learn badges for their accomplishments.

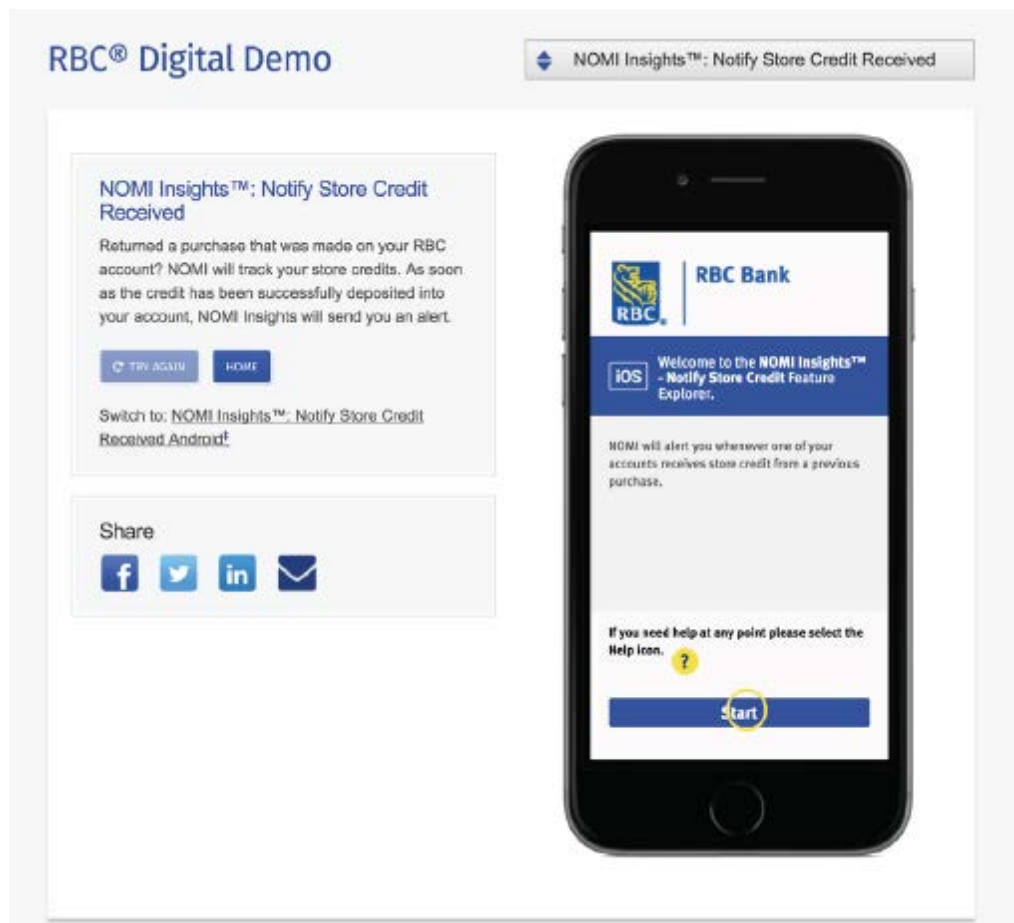
RBC continues to measure digital fluency as a function of engagement on the Digital Learn platform, overall employee digital active rates, and the ability to drive growth in client digital

activation. The micro-learning platform continues to be the most efficient method of ensuring digital knowledge is available, as it provides for: rapid development, short burst training, and makes use of the latest in cognitive behavioral science that shows that learning happens best when the content is actively consumed and engaged interactively.

Digital Demo

The immediate success of Digital Learn was evident both through employee engagement, and also as frontline employees turned their screens to clients during client discussions. The need for a client-friendly platform was born. Digital Demo was launched to give frontline employees the ability to demo and discuss new product features interactively with clients on the retail floor. Like Digital Learn, it's an omni platform, built once for mobile, tablet, and desktop usage. The digital demo platform is also used by the customer service team to share and syndicate learning with clients when they interact with the call centres.

Figure 5: RBC Digital Demo Used with NOMI Insights



Source: Royal Bank of Canada

Like RBC Digital Learn, Digital Demo is populated with an easily navigated library of RBC digital capabilities alongside prebuilt, interactive demos to merchandize capabilities and show clients how to use them to their advantage. RBC adopted a “build once deploy many” approach to the content, recognizing that learning is innately human, and there was minimal need to differentiate between employees’ and clients’ need for knowledge. Demo segments are short, typically less than a minute. Using a concept called micro-learning enhanced simulators, capabilities are broken down into logical digestible content, making it easy for both employees and clients alike to walk through, touch, experience and understand each capability. This approach fosters conversation between frontline employees and RBC’s clients. Using Digital Demo, employees

can quickly move from “Did you know?” to “Let me show you.” Not only did this help the frontline engage with clients and open digital activation discussions (there have been 10.5 million since inception), but it also helps manage common client objections.

RBCdemo.com

Unlike Digital Demo, which was built for employee-assisted demos, RBCdemo.com is being used for direct unassisted client learning by RBC clients and prospects. This module gives clients the knowledge they need to understand and adopt RBC’s latest digital innovation. It helps onboard, retain, and grow client utilization and engagement. For self-directed clients, RBCdemo.com is being embedded in a variety of digital properties at RBC, including its site-wide search functionality. Additionally, call centre employees can easily send and share product simulators with clients. RBC Marketing is also beginning to embed micro-simulators into marketing campaigns, search engine optimizers (SEO), and social media, ensuring visibility of new capabilities as well as how to benefit from them.

The platform is still in its infancy, but the bank sees a future where it can correlate digital knowledge imparted via the self-serve platform with digital adoption and engagement. This will help RBC better understand their client’s needs and struggles, and thus build better digital capabilities.

Digital Navigators

Creating roles designed to foster customer digital adoption is not a new idea, but RBC’s strategy is distinctive in at least three ways: the depth of Digital Navigator training, the number of Digital Navigators throughout the organization, and their integration with marketing activities.

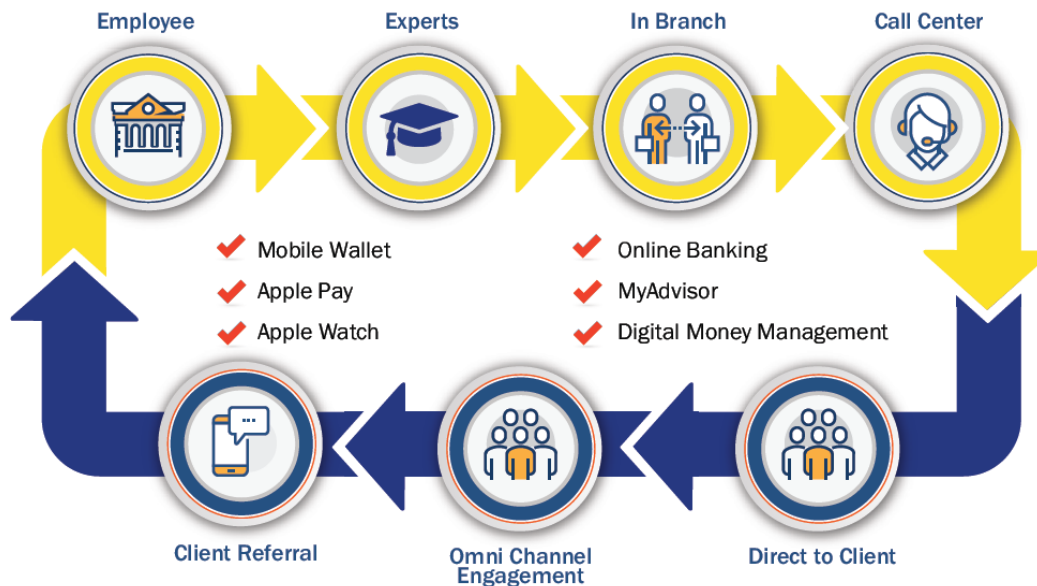
The third leg of RBC’s Digital Activation strategy, the Digital Navigator program, is designed to provide a human touch to digital advocacy, helping to ensure RBC stays focused on building the client relationship as it becomes more digitally-directed. The program was designed to provide key experts in each branch the license to support their peers and clients flexibly and effectively. Serving both as an escalation point and on-site expert, Digital Navigators are supported nationally, but empowered to act locally. They drive grassroots digital programming to strengthen the abilities of their peers, and support national digital events, marketing activities, and significant digital capability launches. In addition to driving advocacy, the Digital Navigators participate in pilots and market tests of new digital capabilities and are a key element of the feedback loop between business strategy, digital development, and RBC’s clients. In other words, Digital Navigators help RBC to better understand the needs of the market and build better capabilities for clients as a result.

Starting with a lofty goal of one advocate per branch, the Digital Navigator program has ballooned to more than 5,500 experts. This growth speaks to the success of the gamified platforms in building proficiency and advocacy. There are now five times more employees who are confident in their own abilities than RBC projected at the outset of the program. This group of advisors is also on the forefront of helping RBC lead with digital at the branch level. They are establishing best practices for retailing choreography and servicing clients in new and innovative ways. These new servicing methods and enhanced experiences are in turn trickling across the entire sales network. Just as importantly, the Digital Navigators know RBC’s clients well and speak to their needs — influencing future RBC digital efforts.

It is important to underscore that the ambassador program was designed around relationship building first and digital competence second. The idea was not to become a group of “technology geeks” who didn’t interact with humans; in fact, it was precisely the opposite. Employees are focused on building the relationship and solving client issues first, and their digital competence is tertiary, albeit very strong. The experts are gender, age, and role agnostic. Employees engage with the program out of a genuine interest in helping clients, in being a part of RBC’s digital transformation, and for leadership development.

Together, Digital Navigators and the gamified learning platforms help ensure all stakeholders get the knowledge they need, anywhere, anytime. Figure 6 illustrates the interrelationship alongside the growing list of digital capabilities already embedded.

Figure 6: RBC's Digital Advisors and its Gamification Platform Work Together



Source: Royal Bank of Canada

Platform Implementation and Culture Change

Under a short timeline, the cross-functional team evaluated alternatives for the rapidly approaching mobile wallet launch that would help RBC put its best foot forward for successive enhancements. Discarding historic approaches as well as the prospect of an in-house built and maintained learning platform, RBC sought a partner.

RBC vigorously scanned the market and found a specialized vendor in the MaRS Discovery District startup community in close proximity to RBC's office in Toronto. Horzn was an experienced provider of mobile training, with existing scalable software built to leverage the power of gamification. RBC has become skilled at working with fintechs and saw this as another opportunity to accelerate its own capabilities through a partnership.




The goal of RBC's Digital Activation Strategy was clear: every time RBC launches a new digital product, learning or feature, the second it goes to market, everyone is fluent, all employees and all RBC's clients. To deliver on this RBC went live with multiple business units across the bank.

The initial launch benefitted from exceptionally strong executive buy-in. This was critical to ensure funding and prioritize speedy platform development in the front-end of the project. More importantly, executive involvement was critical in affecting cultural change at RBC. This was no coincidence. Becoming a digital bank is a high executive-level priority at RBC. Direct executive involvement at launch had a catalyzing effect on the organization. The Group Head of Personal and Commercial Banking cascaded a challenge to the entire organization. Immediately, it was amplified by direct reports at the EVP and SVP levels. Instantly, empowering mobile adoption became the focus of the business. Sales team region leads soon challenged each other. Subsequent challenges quickly followed at the market and branch level and ultimately the entire frontline including the Advice Centre (call centre) were all competing to lead, engage, and empower clients with digital.

Driving Digital Fluency

The triumvirate of gamified learning platforms didn't accomplish digital fluency by themselves. Instead, leveraging Horizon's rich experience, RBC combined micro-learning methodology with interactive simulators, giving the users targeted interactive content that was easy to digest and extremely effective in driving adoption. Through the micro-learning methodology, RBC opted for a structured learning path designed for short consumable bursts of content, resulting in a "see, do, quiz" sequence (Figure 7).

Figure 7: RBC's See, Do, Quiz Methodology

 Watch	Short simple video	Pointed short video designed for quick consumption of information related to client value propositions
 Do	How-to interactive simulators	Utilize cognitive behavior methodology, if it can be touched, it will be used (simulators)
 Test	Quick testing	Re-enforce the learning, provide proof that the user has learned the task, and offer incentive and motivation to continue

Source: Royal Bank of Canada

The team focused each segment of learning on client behaviors (such as "eTransfer") breaking down the complexity of a complex, multi-layered app into small, logical, digestible content. The employee training is based on how the client experience is meant to unfold, so if a client had questions, employees had simple answers, not ambiguous methodology. The internal tool quickly became the de facto demonstration platform for clients as well.

Any successful initiative includes rigorous measurement and commensurate rewards. This program was no exception. RBC measured employee completion levels, digital demonstration incidence, and employee digital engagement with clients at multiple levels in the organization. Rewards were both instant and summative as employees earned Digital Learn points within the platform, and became eligible to earn RBC Performance Points (awarded for positive employee activities) and individual and team prizes based on their overall engagement in the platform. The gamified platform made both the activities and the education fun and triggered the competitive nature of the organization.

Results and Future Plans

RBC's Digital Activation Strategy has been enormously successful. As designed, it drove rapid adoption and advocacy within the employee base. Digital fluency is at an all-time high (above 85%), and employees are excited by and advocating for RBC's digital capabilities in their own lives. Moreover, RBC was better positioned to capture Digital Advisor-inspired customer insights that led to new banking processes, sales routines, and branch choreography. Significantly, the

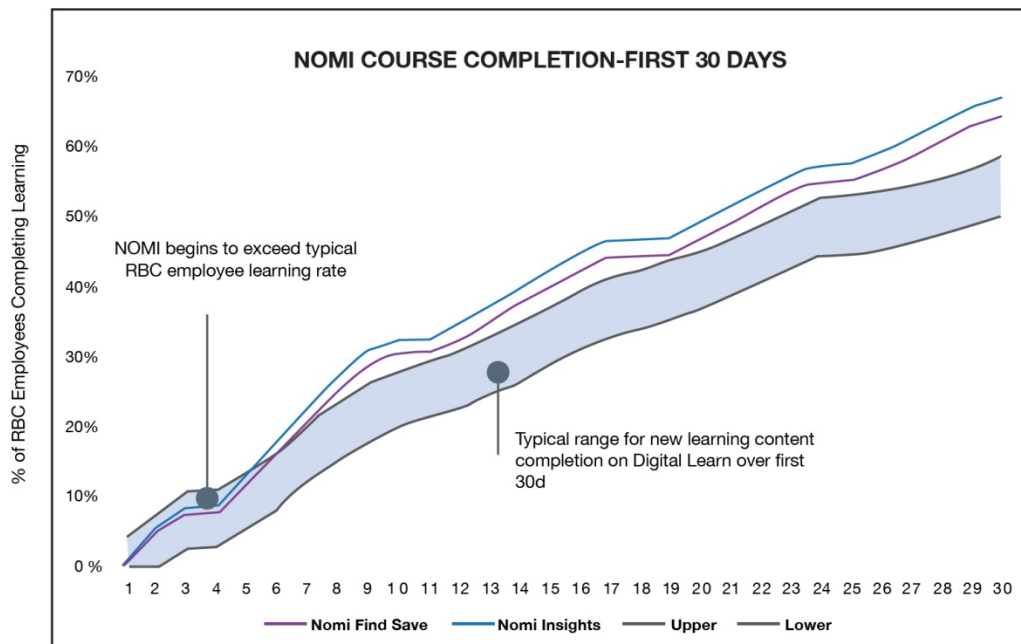
Digital Activation Strategy has contributed to an increase of more than 20% in active mobile users over the past year.

Overall, the collaborative effort between RBC and Horizn enabled an infrastructure that is widely used and growing rapidly. It has also proven to be scalable and efficient enough to keep pace with industry-leading digital innovations — like with the rollout of NOMI, and agile development methodology. This has proven important to the adoption of the platform across RBC. The platform stays up to date with digital deployments and enables simple, rapid, and effective communication and education to both employees and clients. It drove cultural shift inside RBC and has been pivotal to the overall activation strategy. Adoption metrics since launch help illustrate:

- 16,935,815 platform page views.
- 5,505,752 Featured Explorers demoed/taken with employees and clients.
- 906,153 courses taken.
- 440,641 Badges earned (97% of platform users).
- 10,400,000 demos conducted in the branch network, leading to 1,700,000 employee-assisted client mobile banking app downloads.
- Increased employee usage of the RBC mobile app from 60% to 80%.
- A 20% increase in active mobile banking utilization.

RBC's Digital Learn and Digital Navigators both supported the recent launch of NOMI Insights and NOMI Find & Save. Figure 8 illustrates the rapid employee learning rate that resulted.

Figure 8: NOMI Learning Adoption Exemplifies How Quickly New Digital Capabilities Are Internalized



Source: Royal Bank of Canada and Horizn

Based on the success of the initial 2015 launch, RBC broadened the scope of its Digital Activation Strategy. After leading with Consumer Banking, RBC launched with new business units in 2017: Rewards and Loyalty, Wealth Management, Business Banking, and NOMI (Digital Money Management). In total the platform supports 162 simulators and is growing rapidly to support the bank's continued innovation.

Lessons Learned

In its Digital Activation Strategy, RBC executed a complex, multi-faceted project in a short period of time, and with great success. The following four aspects of the project were critical:

1. **Executive support.** This was critical to the project to hyper-accelerate the development of the platform and red-carpet the entire project (from vendor on-boarding, to information security reviews and everything in between). Executive support was also key to ensuring that the gamification of the program would be prioritized.
2. **Empowered teams.** Executive support was required, but not top-down, executive direction. The project was too fast and complex for that. Moreover, the need for ongoing business agility required a different approach. RBC chose to commission an ad hoc agile team empowered to make decisions and build what they felt was important. Attacking business problems, rather than solely technical development in this manner, was novel within RBC at the time. This ad hoc team tackled everything from the creation of video content, and learning content development to UAT testing. It did so in a highly fluid way that managed large amounts of ambiguous information and goals, while at the same time plugging into traditional banking teams to gather the required information. This team was composed of highly motivated senior employees from all corners of the business, who had a common goal.
3. **Embracing cultural change.** RBC had long supported traditional waterfall methodology in product development, and traditional segregations of products and functions. Embracing the project as a catalyst for cultural change allowed the team to tackle the product launch holistically — focusing on the cultural challenges of mobile adoption (internally and externally), rather than disparate tasks of learning, marketing, development, and sales. Two things were key to making this happen: open and transparent dialogue to feed the frontline with the information they need to help clients, and providing Head Office with first-hand client insights.
4. **The right partner.** RBC teamed with a startup that had worked with other massive enterprises before, while being able to maintain their own agility and flexibility. Moreover, the partner had an understanding of fintech, and the Canadian financial industry. This was key to being able to deliver relevant advice, the right solutions in the right environment under extreme time pressure.

These aspects of micro-learning at enterprise scale represent best practices:

1. Make knowledge accessible to a mobile workforce.
2. Provide information and material suitably packaged for just-in-time look-up for frontline staff.
3. Let employees learn anytime, even in down time.
4. Empower employees to share knowledge with clients in the branch and call centre.
5. Make sure content is mobile-friendly and tablet-friendly.

The program continues to gain traction within RBC. With the support of the Digital Team, the three platforms have enabled multiple products that cross the banks internal functions including: RBC Digital (Mobile Banking, Online Banking, Digital Money Management), Cards and Payments (Wallet, Apple Pay, Siri Pay, Siri Transfer, iMessage), Rewards and Loyalty (Rewards App, Offers Hub), Wealth Management (My Advisor), and Business Financial Services (BFS Portal). And there's more to come.

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