

Report on the Sessions on Finance, Competitiveness and FinTech at the 2020 Virtual Annual Congress of the Hungarian Economic Association*

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The 58th – but first virtual – annual congress of the Hungarian Economic Association (HEA) was held on 24–25 September 2020. It is one of the most traditional and at the same time largest annual conference of the community of Hungarian economists. In addition to the opening and plenary sessions, the video recordings of the panel discussions of 15 thematic sections of the annual congress could be watched on the internet. The keynote speeches were delivered by *György Matolcsy*, Governor of the Magyar Nemzeti Bank (MNB); *László Domokos*, President of the State Audit Office; *Tamás Freund*, President of the Hungarian Academy of Sciences, and *Bertalan Farkas*, Retired Brigadier General, Astronaut. In addition to the live broadcasts, more than 80 experts in 15 sections participated in the pre-recorded thematic panel discussions. This report provides information about the roundtable discussions of bank leaders, the panel discussion of the Competitiveness Section as well as the roundtable discussions of the FinTech and Financial Culture Section.

There were roundtable discussions held with the moderation of *Barnabás Virág*, Deputy Governor of the MNB. Participants included *Éva Hegedűs*, President and CEO of GRÁNIT Bank Zrt., Secretary General of the HEA, *Ádám Balog*, President and CEO of MKB Bank Nyrt., President of the Central and Eastern European Section of the HEA, *László Bencsik*, Deputy CEO of OTP Bank Nyrt., *Radovan Jelascity*, Chairman and CEO of ERSTE Bank Hungary Zrt., President of the Hungarian Banking Association, *Pál Simák*, Chairman and CEO of CIB Bank Zrt., *Balázs Tóth*, Chairman and CEO of UniCredit Bank Hungary Zrt. and *József Vida*, President and CEO of Takarékbank Zrt. *Barnabás Virág* introduced the topic with a general assessment of the current situation. At the end of August and in early September the second wave of the coronavirus pandemic appeared, and this is what is fundamentally affecting the global real economy and money market situation. According to the current position, the recovery is to be slower and more protracted compared to previous expectations; the rebound is expected to take on the shape of a ‘pipe’ rather than

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a 'V'. If a vaccine is successfully developed next year, growth may also recover. Real economy shocks only appear at full strength in the banking sector with a delay, as was seen following the 2008 crisis as well. At macro level the Hungarian economy was hit by the crisis in a fundamentally good situation, and the same is true for the Hungarian banking sector as well. All the indicators describing the resilience of the banking sector are in a far better state than they were in 2008 and in subsequent years, although the worst is yet to come. In any case, Hungary's starting position is sufficiently strong and stable, and the banking sector is prepared for the negative implications of the crisis caused by the pandemic.

In this context, the two questions of the first topic were what we and individual banks are better at compared to 2008 and 2009, and what else we could have prepared for in the past decade. Bank leaders revealed in their replies that the banking sector strongly supports the boosting of economic growth. Banks have become much more digital, they were able to switch their operations to home office within days, and they succeeded in rechanneling their customers to digital and remote channels. This enabled them to protect the health of their staff and customers. In addition, lending is much more prudent, partly as a result of the macroprudential rules that were introduced. This means that banks have significantly lower risk portfolios than during the previous crisis. An important difference is that there is no dependence on external financing; banks have learnt how to manage a crisis, and they operate in a much more transparent manner. Lending takes place in an appropriate manner, the number of fixed-rate and long-term loans is increasing, and practically there is hardly any foreign currency lending to households. Perhaps a national capital programme would have been needed 2–3 years ago. The macroeconomic environment is better now, and the regulator has introduced many changes influencing banks' operations. Even more attention should be paid to the efficient functioning of guarantee systems. The Hungarian banking sector is very developed digitally; the instant payment system has been introduced successfully. It was even possible to direct previously unthought customer groups – e.g. pensioners – towards digitalisation. Nevertheless, there are customers who returned to bank branches after May. Teaching customers how to use the digital space is still an important task. Amending the law would allow banks to provide even more financial services digitally, e.g. in mortgage lending.

The next topic was the issue of moratorium and vulnerability. *Barnabás Virág* said that households typically used the moratorium in the case of unsecured consumer loans, whereas the participation rate of SMEs is more significant. Based on income position and payment difficulties, 10–15 per cent of debtors may be vulnerable in both segments. The success of the moratorium justified its targeted extension. In the opinion of bank leaders, more customers are exiting the moratorium and few are entering again. Hungarian households' income position is good, but the

moratorium may help those who really need it. Clearly, tourism, catering and the arts are some of the affected sectors, but manufacturing as well, because this is where the fall in global demand might crystallise. At present it seems that the non-performing loan portfolio will not cause any major difficulties for the banking sector, but this largely depends on how long the recovery process will be. In addition, it is important what the quality of lending and the owners' commitment were like, but this is still hard to judge today.

Fortunately, both fiscal and monetary policies have ample leeway in Hungary, and thus the country can come out of this situation as a relative winner. At present, a significant number of businesses are interested in liquidity loans rather than development or investment loans. If liquidity loans run out, and the economy cannot start, further steps may become necessary. Monitoring is particularly important in the sectors that are most affected by the crisis, to enable banks to identify the most critical problems together with their customers.

On lending, *Barnabás Virág* said that it – understandably – decelerated with the outbreak of the crisis, but state programmes fortunately supported the household loan market. In his presentation he indicated that the 5 per cent VAT rate may stop the drop in the construction of new homes. Bank leaders said that the greatest fall in lending is seen in personal loans, which shows the cautiousness of retail customers. In a crisis, customers become more cautious, and they strive to save and reduce their consumption as far as possible. At the same time, they are optimistic about the future, and therefore the borrowing of housing loans soon returned to the pre-pandemic level, while strong lending is expected in the future as well in this area. *Barnabás Virág's* next question was what the new 'star product' may be in connection with savings, being aware of the fact that Hungarian households are quite conservative in their thinking here. According to bank leaders this is still uncertain, but currency exchange activity has strengthened recently for example. It would be important to inspire confidence and find a way of returning the huge amount of money held by households to the economy. The MÁP+ government security is still a good savings option for households, and the number of retail customers showing up at the stock exchange is also growing, although it would be good for them to learn when to buy and when to sell their stocks. Switching to the corporate segment, *Barnabás Virág* demonstrated that annual corporate loan dynamics had declined to 8.4 per cent due to the consequences of the coronavirus. The size of the state guarantee programmes announced as a result of the coronavirus exceeds the figure for Hungary in many European countries. A clear change in trends is observed in this respect; the number of those using guarantees is increasing. Bank leaders said that the six-year Crisis Guarantee Programme is a great opportunity, but it would be good if it were increased to ten years and the conditions for participation became simpler, and if the current high guarantee

fee was reduced. It would also facilitate lending if the individual government measures, including the guarantee programmes, and the conditions of the MNB's credit schemes were harmonised. In practice, beyond credit and guarantees, the real solution would be to provide capital.

Digitalisation, and the future of banking in a wider sense, was the last topic. *Barnabás Virág* quoted Bill Gates to introduce the topic: 'b(B)anking is necessary, banks are not.' The banking sector managed to cope with and 'incorporate' the challenge posed by FinTechs, while the coronavirus pandemic is a serious challenge for FinTech firms as well. The crisis situation is clearly creating numerous opportunities for the FinTech sector, as they are very prepared in terms of IT and they reach young users very fast, but there are risks as well, and there may be operational uncertainties. In addition, there are many central bank digital currency projects going on in the world, a possible consequence of which is that the central bank balance sheets may become available for households as well. A central bank digital currency is expected to appear in the world in about 1–5 years. Bank leaders drew attention to the fact that regulatory arbitrage may be an advantage for BigTech firms over banks. The role of regulators is very important in ensuring that the same rules apply to the same financial service irrespective of the provider of the concrete service. Banks integrate the new technology and innovation knowledge of FinTech firms into banking operations. The advantage of BigTechs over FinTechs is that the former know their customers' behaviour, but, similarly to FinTechs, the basic question here as well is what rules they would apply when providing financial services. Banks feel that customer confidence and customer relations are missing in the case of FinTech firms. A lack of confidence is also an issue in the case of BigTechs.

On the whole, some optimism was perceived among the participants concerning both matters, in spite of the crisis caused by the coronavirus and the expansion of BigTechs.

The Competitiveness Section of the HEA held its section programme for the fifth time in 2020. The topic of the section was the main megatrend of our time, i.e. the digitalisation megatrend, which is being experienced to an even greater degree in the pandemic. The roundtable discussion was entitled *Accelerated digitalisation – A smooth sea does not make a skilled sailor*. The panel discussion about the various aspects of digital competitiveness – such as smart parking, digital health care system and education – was moderated by *Ákos Szalai*, Head of the MNB's Competitiveness and Structural Analysis Department. *Tibor Somogyi*, Managing Director and Founder of DokiApp, *Zoltán Gyarmati*, Board Member of EPS Global Zrt. and *Tibor Prievara*, author of the Tanárblog (Teacher Blog) participated on the panel.

First, *Tibor Somogyi* explained the concept of telemedicine, what role it may play in our lives, and how the demand for telemedicine services changed during the pandemic. Telemedicine covers all health care activities supported by information and communication technologies (for example establishing a diagnosis, counselling), which are not linked to the physical presence of a doctor and patient; these activities first appeared in the world 6–7 years ago. Among other things, these services were created due to misinformation or exaggerated diagnoses available publicly (for example online), which were to be prevented by online consultations with real doctors. One great advantage of these services is that – after noticing their symptoms – patients can receive information as well as a precise and professional diagnosis without having to wait. Regarding the impact of the pandemic on telemedicine, a large sample survey (with 28,607 samples) conducted in the USA was highlighted. According to this survey, the ratio of those who intend to try digital health services increased from 18 per cent to 30 per cent, while the ratio of those who have already tried them was up from 11 per cent to 15 per cent. As a result of the restrictions due to the virus, more than 50 per cent of the doctors participating in the survey had started to use telemedicine. The speaker presented the operation of DokiApp, which is a telemedicine service that allows consultations with doctors and psychologists through video calls.

Thereafter, *Zoltán Gyarmati* spoke about the current opportunities and progress of smart parking and the smart city concept. The problem in bigger cities is that drivers cannot find empty parking spaces in the busiest parking areas and in public areas, and they do not have information on the capacity utilisation of car parks in the city, and thus the long search results in lost time and money as well as environmental pollution due to CO₂ emissions. According to EU studies, in cities with more than 1 million inhabitants an average driver spends more than two weeks a year looking for parking spaces. In addition, parking charges are a traffic-mitigation tool for local governments, and data regarding traffic and parking capacities also help to set these charges. Smart parking systems operating as parts of smart city systems offer solutions to these problems. One such smart parking enterprise is EPS Global Zrt., which mainly operates in China and basically collects, processes and shares data. They also develop cloud software systems that collect the data of various (geomagnetic, optical) sensors, which are then processed, consolidated and shared with drivers looking for parking spaces as well as with the institutions that operate the car parks. The shared data contain the traffic and capacity data and the average parking time, and there is an application that directs drivers to the parking space closest to their destination. In addition, intelligent traffic signs that indicate the number of parking spaces currently free in a given area are also installed.

During the third presentation, *Tibor Prievara* shared his thoughts on the challenges and opportunities of digital education. First, a paradigm shift was mentioned

with regard to what a student has to know to be prepared. In the 19th and 20th centuries the objective of teaching was to enable pupils and students to use well what they learnt in practice. By contrast, in today's rapidly changing world the main issue is whether they will be able to do well what they have not even learnt yet, the speaker said. In his opinion, these days students have to learn how they can acquire new skills to be able to adapt flexibly and successfully to the rapidly changing labour market needs of our time. Based on a study, a phenomenon was presented according to which, between 1960 and 2002, the ratio of routine or manually performed tasks of employees at firms steadily declined, while the ratio of creative work requiring analytical and interactive abilities grew dynamically. According to a survey, companies considered the abilities of cooperation, moderate and experienced ICT use, self-regulation, problem-solving skills, knowledge building and extended communication to be the most necessary skills an employee should have. In addition, the speakers also drew attention to the use of digital tools within reasonable limits. As a lesson from teaching during the quarantine, or quarantine pedagogy, it was emphasised that it is worthwhile for teachers to use the same platform and communication channel at the same school, and digital education should also be treated appropriately and used primarily for what it is good for. Namely, it is not suitable for teaching many fundamental skills (e.g. writing or integrating first-year children into community). Adjusted to the needs related to changed abilities, the training framework developed by the educational expert strives to provide feedback not only on students' material knowledge, but also on their so-called soft skills.

First, the issues concerning the speakers as entrepreneurs were discussed in the panels following the presentations. While thinking about the domestic entrepreneurial ecosystem, it was revealed that Hungarian public administration provides both financial and knowledge support to SMEs able to export. The availability of trained labour is also considered excellent in Hungary, which is an integral part of Hungary's competitiveness too. From the support schemes, the Modern Cities Programme was mentioned, which facilitates urban development in Hungary. Digitalisation is a precondition for the success and competitiveness of businesses. For online undertakings it is crucial to be able to measure their own performance (e.g. measuring turnover, web analytics, efficiency of applications, feedback from users). Major state-developed schemes like the Sulinet Digital Knowledge Base, the National Public Education Portal or the eChalk Database are actively present in the educational market.

The managing director of DokiApp emphasised that the virus situation accelerated the domestic digitalisation megatrend, and therefore early acceptors as users are expected to appear earlier in the area of telemedicine. As a projection of the digital megatrend to health care, the Electronic Health Service Space was

established providing online access for physicians to the list of prescribed and purchased medicines, and among other things they can also issue e-referrals to patients without completing forms on paper. One example of this progress is that at legislation level a telemedicine decree was also adopted, which will probably soon be followed by an act as well, meaning that a health care service provider can be an official health care providing institution as well. According to the author of the Teacher Blog, special attention needs to be paid to the changes that we will retain in the area of education, and possible difficulties (e.g. uneven internet service provision) must not discourage teachers and students from using digital platforms. The board member of EPS Global Zrt. highlighted the importance of adjusting rapidly to the new 'compulsion' caused by the pandemic, during which they learnt to place the knowledge transfer of the enterprise into online space.

Thereafter, *Ákos Szalai* asked the entrepreneurs what is needed – either on the regulators' or the entrepreneurs' side – to preserve the positive things brought about by the crisis when normality returns. According to the participants in the conversation, all actors should be prepared and have long-term solutions ready due to the uncertainties of the virus situation. A uniform ERP system, a reporting system, may be good tools for businesses, through which it can be identified where improvements are necessary in a process without any personal presence. It is expected that the transfer of know-how will accelerate, because its fastest possible sharing within the company, in the form of e-learning for example, will become necessary for operations. As regards e-learning, in the area of teaching, especially digital teaching, it is not enough if online tools are available, as it is the teacher who determines what they are used for by the children. It can be considered efficient practice if given working groups or areas briefly report on their activities in a targeted manner through online calls, instead of meetings.

Finally, the moderator asked what practical advantages the digital solutions of the three areas provide for their users, whether they are drivers, patients, students or teachers. According to the respondents, these solutions essentially result in an increase in efficiency. Nevertheless, the situation is more complex in the case of education, as students go to school not only because of the educational materials, but also for social learning. In the case of purely online teaching, students' social relations with their peers have declined. In terms of increasing efficiency in education it is important to note what is made more efficient by digital teaching. Therefore, instead of tests where cheating is possible, or multiple-choice tests, independent processing of a subject can be proposed, for example. Nevertheless, these tasks cannot definitely be considered efficient, this will only be confirmed or refuted in the longer term. The elements to be digitalised to increase efficiency must be selected. In the case of telemedicine, it is primary care that may be more feasible in a remote manner, but in specialty care, for example, the online evaluation

of radiological findings already works. In addition, performing a remote ultrasound examination or ECG examination may also become possible in the future.

Summarising the presentations and roundtable discussions, it can be established that digitalisation is a key element of Hungary's competitiveness and long-term development. The winners of this megatrend will mostly be those who are able to adapt efficiently to the changing circumstances, whether it is a new business model, the use of ERP systems, online meetings or systematised use of digital education tools. The coronavirus crisis brought about not only negative but also positive developments. In the case of the latter we must strive to continue to use the digital tools that seem to work well, both in the case of new ERP and management practices on the businesses' side as well as in the case of time-consuming activities replaced on the users' side. The lesson to be learnt is that digital solutions provide an increase in efficiency in practically all areas, but attention must be paid to selecting the right elements of processes for digitalisation, taking note of the reasonable constraints and the preservation of social relations, because this is what can ensure balance and sustainability.

The roundtable discussions of the FinTech and Financial Culture Section of the HEA were held under the titles of *FinTech upon the explosion of digitalisation* and *FinTech at the time of the coronavirus: challenge or opportunity?* The introductory presentation of the former roundtable discussion was held by *Anikó Szombati*, Executive Director for Digitalisation and the Development of the FinTech Sector of the Magyar Nemzeti Bank, the central bank's Chief Digital Officer. The topic covered the challenges experienced at present in the area of FinTech and digitalisation. In the speaker's opinion, the opportunities of the users of domestic financial services in terms of digital services rank in the middle in the region, which could be a suitable starting point for future development. The pandemic and the related uncertainty, which has appeared in the market of financial services as well, were also mentioned. The business models of banks and insurance companies became exposed to significant pressure, and their prospects in terms of earnings power changed drastically. In her opinion, the number of digitally available services is expected to increase further, and since the majority would like to manage their finances digitally in the near future, more use of artificial intelligence, more platform-based services as well as more streamlined and more agile institutions are needed. Closing her presentation, she said that the MNB had recognised the current trends of digitalisation in due time: the MNB Innovation Hub and Regulatory Sandbox have already been working since 2018. These two digital platforms facilitate the earliest and safest possible entry of new concepts to the market for both FinTech projects and incumbents. In addition, one year ago the MNB published its two-year action plan entitled *FinTech Strategy*, which determines the central bank's vision and

strategic objectives to support the spread of digitalisation and innovative solutions in the market as much as possible.

Participants in the roundtable discussion entitled *FinTech upon the explosion of digitalisation* were: *Endre Eölyüs*, Director of Mastercard Hungary, *Levente Kovács*, Secretary General of the Hungarian Banking Association, Head of Department at the University of Miskolc and Vice-President of the FinTech and Financial Culture Section of the HEA, *Péter Magyar*, CEO of the Student Loan Centre, *Zsolt Selmeczi-Kovács*, CEO of GIRO Zrt. and *Elemér Terták*, Chairman of the Supervisory Board of K&H Bank, former Director of the Directorate-General for the Internal Market and Services of the European Commission. The discussion was moderated by *Éva Pintér*, Associate Professor, Strategic Leader of the Corvinus FinTech Center and President of the FinTech and Financial Culture Section of the HEA.

The opinions related to FinTech constituted the first topic. The FinTech issue can be approached from various angles. Firstly, it can be defined based on three criteria: (i) simplification of financial transactions, (ii) financial services that become physically more available and cheaper and (iii) the creation of new business models and undertakings, but this sphere of concepts can be approached from the stakeholder side as well: from corporate, customer and regulatory sides. Based on another approach, FinTech is not just a financial technology, but a structure of different financial services and technology that eventually results in customer experience, which is a significant competitiveness factor at the same time. It was mentioned that while speed and customer experience are emphasised in the case of FinTech, society still considers the banking sector a conservative and slowly changing industry, where safety is particularly important. Presumably, the 'FinTechs will deprive banks of their livelihood' period has come to an end; life has proven that they are probably unable to do that, but they may help a lot in complementing complex bank services, and this may be sustained over the long term. This is well reflected by the fact that in addition to its traditional bank counterparts, more and more FinTech firms are contacting GIRO, which operates the Interbank Clearing System, for validation purposes.

Teaching financial awareness as a compulsory subject in primary and secondary schools was mentioned as a crucial factor, and also as deficiency. Participants considered the Money Compass Foundation established by the MNB, the Banking Association and the Student Loan Centre to be a successful initiative, but they argued that the reach of the Foundation is not yet sufficient at national level. If we would like to help society bring up good entrepreneurs or people who are successful both in their respective professions and lives, there is an extremely high need for basic financial awareness. While many teaching subjects are needed by no more than a few per cent of people later in their lives, sensible use of finances is important for everybody, yet it is still not taught extensively. The increasing success

of student loans and the decline in prejudices related to them were also discussed. The participants believe there is great potential in the product; as of next April, vocational training and adult education will also be included in the system up to the age of 55 years. In addition, steps necessary for the financial involvement of the older age group and the catch-up of more remote areas were also discussed, since the market will obviously not open up for them automatically.

Finally, the innovativity of Hungarian banks and expected trends were discussed. Many participants expect an increase in the digital gap, especially in the case of SMEs, where there is no real capacity or motivation to adapt the possibilities provided by digitalisation, and therefore competitiveness concerns were also expressed. The positive experiences of the instant payment system and proposals concerning mobile payment solutions were also outlined. Infrastructure operators, banks and other actors in the financial sector should jointly develop a platform to avoid fragmented ecosystems. International examples show that one country can afford one or two common platforms. According to multiple opinions, extending the ecosystem towards SMEs will only be successful if – in addition to the system providing a uniform solution and *work-flow* simplification – the transactions are implemented together with invoicing. In connection with future payments, safety issues were also discussed: where will the point be where control and safety are worth a few additional seconds for the consumer. Consensus was also reached that the introduction of the pay request service will provide numerous new opportunities for a wider market segment. Finally, it was mentioned that people are generally unaware that neither cash payments nor payments by cash transfer order are free of charge. The social cost of the former is extremely high, while in the case of the latter, this fee is included in the price of the service; so much more efficient and significantly cheaper solutions will be needed in the future.

The introductory presentation of the second panel was held by *Éva Pintér*, who outlined the development of financial innovation and the five pillars of the FinTech ecosystem. The participants in the subsequent roundtable discussion were: *Balázs Barna*, Head of European Expansion at TransferWise, *László Harmati*, Deputy CEO of Erste Bank Hungary Zrt., *István Huszár*, Chief Operating Officer at Bankmonitor.hu, and *Krisztián Kurtisz*, CEO of UNIQA Biztosító Zrt. and Managing Director of Cherrisk. The discussion was moderated by *Péter Fáykiss*, Director of MNB's Digitalization Directorate.

The first topic of the discussion was about the exploitation from the FinTech side of the opportunities provided by the pandemic, with special regard to their faster and more agile abilities to react. Since many people in the spring suddenly needed financial services that did not require going into a bank branch, the demand for digitalisation increased accordingly. Parallel to the customer-side increase perceived everywhere, the pace of bank digitalisation accelerated too: there was a financial

institution that carried out digitalisation development of two years in two months. Another positive development is that not only banks but also regulators were able to follow the significant rise in demand on the customer side. In the participants' opinion, the challenges of the past period were not always more favourable for a rapidly growing FinTech company; for example, an incumbent starts with an advantage during complaints management. As an extreme example, the popular American FinTech brokerage firm Robinhood was mentioned, where many clients lost their money in March because the application became unavailable due to the sudden manifold increase in turnover. By contrast, there was a Hungarian bank whose chatbot provider was even able to handle turnover that quadrupled in a day without any problems.

Thereafter, Péter Fáykiss asked the participants in the panel about the developments triggered by the crisis situation, whether the achievements are in line with the resources spent, and whether they would take on their implementation again. The answers revealed that this period has taught banks many things: within record time they managed to digitalise processes that had exclusively been physical before, including the notarisation of contracts, which is a key issue among matters arranged at a branch. The situation and the reactions to it directed even more customers to the digital path than expected, mobile payment solutions accelerated extremely rapidly, and the growing ratio of customers banking exclusively from their mobile phones became one of the major trends. The participants agreed that the unusual situation in the spring forced everybody to apply solutions that have determined competition ever since.

Those present also agreed that the pandemic situation made following and measuring the changing needs of own customers particularly important. In connection with insurance it was mentioned that due to the much less frequent customer contacts, an insurance company has only a fraction of the data a bank has. Nevertheless, the repositioning of insurance companies to mobile platforms has started, and thus the number of interactions as well as the quantity and quality of data that can be used may grow considerably. Banks have put major emphasis on data-based operation to date as well, but its importance has undoubtedly increased, for example in the case of the moratorium as well. The opening up of habitual offline customers to digital channels has also shown a clear trend. One of the underlying reasons is the decline in turnover at branches, although initially this turnover was concentrated at the call centres. The *omnichannel* operation provided by incumbents becomes especially valuable under such strong digitalisation pressure because customers do not necessarily know that these are separated channels; for them, of course, the whole process seems to be one unit.

Changes taking place in organisational cohesion and working were also discussed: the pandemic did not result in significant changes in many places, since working

from home and the use of digital channels had already been part of the daily routine. Banks and insurance companies rapidly switched to teleworking, including the entire call centre service. There was a bank that had already created the conditions for teleworking before, and thus they were able to switch over almost seamlessly in the spring; there was a period when they even reached a ratio of 98 per cent. Based on experiences, the availability of teleworking is considered an advantage during recruiting and retaining as well. Nevertheless, physical meetings will preserve their important role in the future too. There are human contacts, such as periodic, personal appraisals, that cannot be substituted by video calls. Therefore, following the temporary swings to the extreme, an efficient but healthy ratio of the two types of keeping contact should be found. The lesson concerning teleworking was that working from home preferences depend on the employee's individual situation, not on the sphere of activity as previously presumed. It was also discussed that a branch network is a basic service provided by banks, and thus branches must be open, even if it may become necessary to apply reduced and flexible opening hours. It was emphasised that efficiency at firms that operate digitally anyway did not really decline even under such circumstances. This is attributable to the selection process, which follows from the philosophy and mission of such firms.

Finally, Péter Fáykiss asked the participants about their 2–3-year expectations in the area of financial services; what, in their opinion, are the business segments where meeting in person is still indispensable, but will be digitalised in three years from now. The answers suggested that even where physical meetings remain in some form, they will be available with significant digital support. Supported by tablets, traditional sales and consulting techniques may achieve extraordinary improvements in the areas of customer experience and efficiency. Personalised and data-based consulting will become much more valuable in the so-called 'phigital'¹ world. Mainly the asset management and savings product groups as well as the more complex credit schemes can be mentioned here, where this trend may be strong. Aggressive competition may take place in the next 2–3 years, which may result in many changes beyond the new economic cycle. According to one opinion, today's teenagers are the ones whose expectations will determine the finances of the future. These aspects primarily originate from social media and e-commerce, and they are much further ahead than traditional financial services. In addition, financial services are always linked to another service, as already seen in China. There, an ecosystem was created where not only all the financial services but practically all other services appear in an integrated manner in one single application. Consequently, a major issue in the future may be whether banks will be able to control these sales channels.

¹ *Phigital* in this case means partly digital and partly physical, but paperless solutions.