



Augmented Reality To Bring Customers In

by [Steve Brown](#) Topics: [augmented reality](#), [digital banking](#), [technology](#)

Summary: Now that AR capabilities are available on both Apple and Android mobile devices, some banks are starting to offer apps with AR features. We provide some interesting examples.

We surfaced some interesting OECD information compiled by Economist.com that looked at the percentage of jobs vulnerable to automation. It broke the analysis down by country and found those most at risk by percent of total were Slovakia (64%), Lithuania (63%), Turkey (59%) and Greece (57%). Meanwhile, those least at risk were Norway (31%), New Zealand (33%), Finland (34%), Sweden (36%) and the US (37%). No matter how you slice this though, the impact of technology is huge.

Speaking of technology and more specifically that of banking, we take a look today at augmented reality (AR). It has now come to banking, seeking to enhance customer service and account management, add to financial literacy efforts, improve security and lure in more customers.

Now that AR capabilities are available on both Apple and Android mobile devices, some banks are starting to offer apps with AR features. Global banks have been the most active here, but we always like to keep community banks updated.

We start with an example in India, where customers of a bank there can use smartphone cameras to view streets where computer-generated details of branch locations appear. They can see not only ATMs and branches, but also restaurants and stores that offer discounts for those who use the bank's debit or credit card. They can even see properties for sale that have been pre-approved by the bank for financing.

Similarly, an Australian bank lets customers use smartphone cameras to view AR information on properties for sale and area comparables. They can then calculate monthly payments on a prospective mortgage and even apply for "conditional eligibility" financing.

A bank in New Zealand offers an AR app for account management. Customers slide their credit or debit card under their phones, enabling them to then view 3D images of balances, the last five transactions and spending locations. Customers can also categorize spending over a five-week period, receive payment alerts, make payments and find branches and ATMs.

A credit union back in the US in FL uses AR on its online platform to demonstrate products and services. Other features include an "advocate circle" with virtual chat for immediate banking needs; a "security center" to learn how to minimize ID theft and other fraud; an "auto center" that lists available cars for sale; a "student lounge" with information about loans, scholarships and internships; and a "financial education auditorium" that includes live and virtual webinars.

Lastly, Wells Fargo is developing an app with AR features that will help customers budget for financial goals. Customers will be able to slide their bank debit or credit card under their phone's camera, and see an AR snapshot of spending by category, making it easier to determine when they can meet their goals.

While this technology is still nascent, the development speed of all things tech keeps increasing so we want you to be updated. After all, doing nothing probably increases your risk to automation down the road, so knowledge is power.

ECONOMY & RATES

Rates As Of: 02/14/2019 11:31AM (PST)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.42	0.04	0.07
6M	2.50	0.05	0.02
1Y	2.53	-0.01	-0.06
2Y	2.50	0.04	0.01
5Y	2.47	0.04	-0.04
10Y	2.66	0.03	-0.03
30Y	3.01	0.01	-0.01
FF Market	FF Target	Fed Disc	
2.40	2.50	3.00	
SOFR	Prime	Unemp	
2.38	5.50	4.00	

[More Market Rates](#)

BANK NEWS

To Switch or Not to Switch

Greater than 50% of bank customers surveyed by cg42 would switch to another top retail bank if their frustrations with fees and data breaches continued. About 21% said they would go to a credit union and 19% said they would go to a community bank. Almost 10% would consider an online-only bank.

Ag Bankruptcies

The Wall Street Journal reports federal data shows US farmers in the Midwest are filing for chapter 12 bankruptcy protection in levels not seen in about 10Ys. According to the Seventh Circuit Court of Appeals, Illinois, Indiana and Wisconsin saw 2x the amount of bankruptcies in 2018 as 2008. Low prices, competition and trade disputes were factors cited by farmers.

Going Negative

Community bankers should take note of a new research piece from the Fed SF. It finds that by allowing the federal funds rate to go negative, the economy could have returned more quickly to full potential and pushed inflation toward the 2% target faster during the Great Recession. Given more banks have loans tied to federal funds and given the fact that LIBOR is soon going away, this is worth noting and perhaps modeling going forward.

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