



Collaboration

Effective partnerships in the fintech ecosystem



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n





“

CONSUMERS DON'T KNOW WHAT
THEY WANT UNTIL WE'VE SHOWN
THEM

STEVE JOBS





“

A LOT OF DEMANDS FROM
CORPORATE CLIENTS IS A
REFLECTION OF WHAT THEY ARE
SEEING AS A RETAIL CLIENT IN AN
EVER EVOLVING INDUSTRY

BARCLAYS



01

UNEVEN INNOVATION

Financial stakes are high for corporate banks

45% Declining profits

57% Fees drop

16% Pretax returns fall below hurdle rate of 16%

30% of traditional corporate banking revenue will be attracted by digital platforms and channels.



86%

global corporate banking executives believe that **digital will change** both the competitive landscape and the economics of the business

HOWEVER, ONLY

43%

stated that they have an explicit digital strategy

19%

believed their organization has market-leading digital capabilities

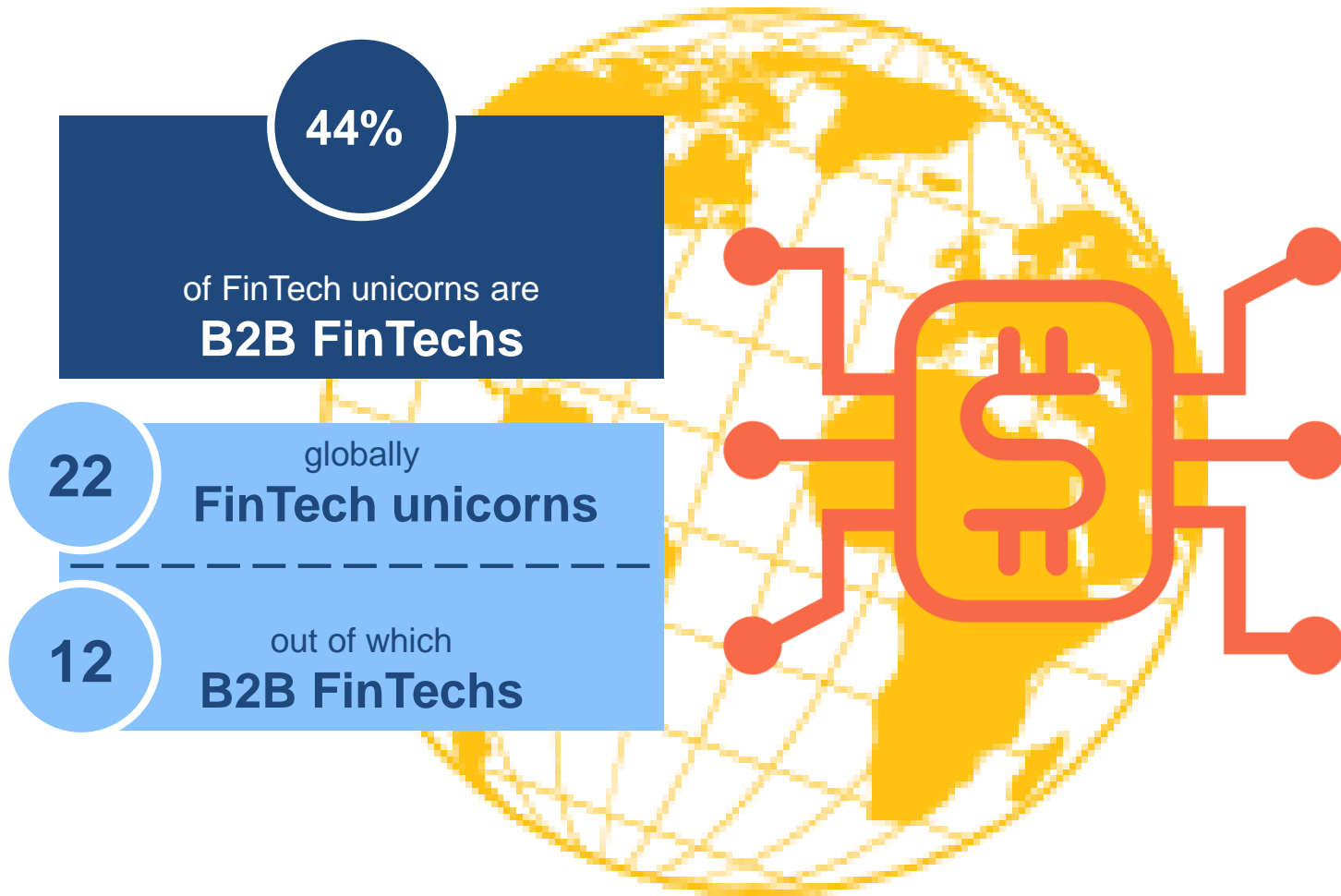


Add to that an overwhelming burden of compliance



Source: Moody's Analytics

B2B fintech unicorns emerging across the globe



Banks partner with fintechs for **digital lending**



C2FO and Citi have partnered to offer an end-to-end trade finance solution that includes Dynamic Discounting, amongst a suite of other bank provided payables solutions.



Kabbage is offering SME loans in partnership with ING, Scotiabank and Santander



JPMorgan Chase collaborated with OnDeck, a leader in online small-business lending, to offer a proprietary credit score based on loans granted to small- and mid-tier corporates.



TD Bank partnership with nCino allowed TD Bank to digitalize the entire consumer lending process from start to finish.



DBS joined forces with peer-to-peer lending sites, funding societies and MoolahSense, to better serve small businesses. In return, the two lending platforms refer borrowers with good credit to DBS for commercial banking solutions such as cash management

Banks partner with fintechs to **automate treasury operations**



- Capital One joined forces with Bill.com and Gusto to simplify cash flow for small businesses and integrate HR into their business processes.
- The collaboration will work with the bank's existing suite of financial products and help to manage all aspects of cash flow and HR-related processes.

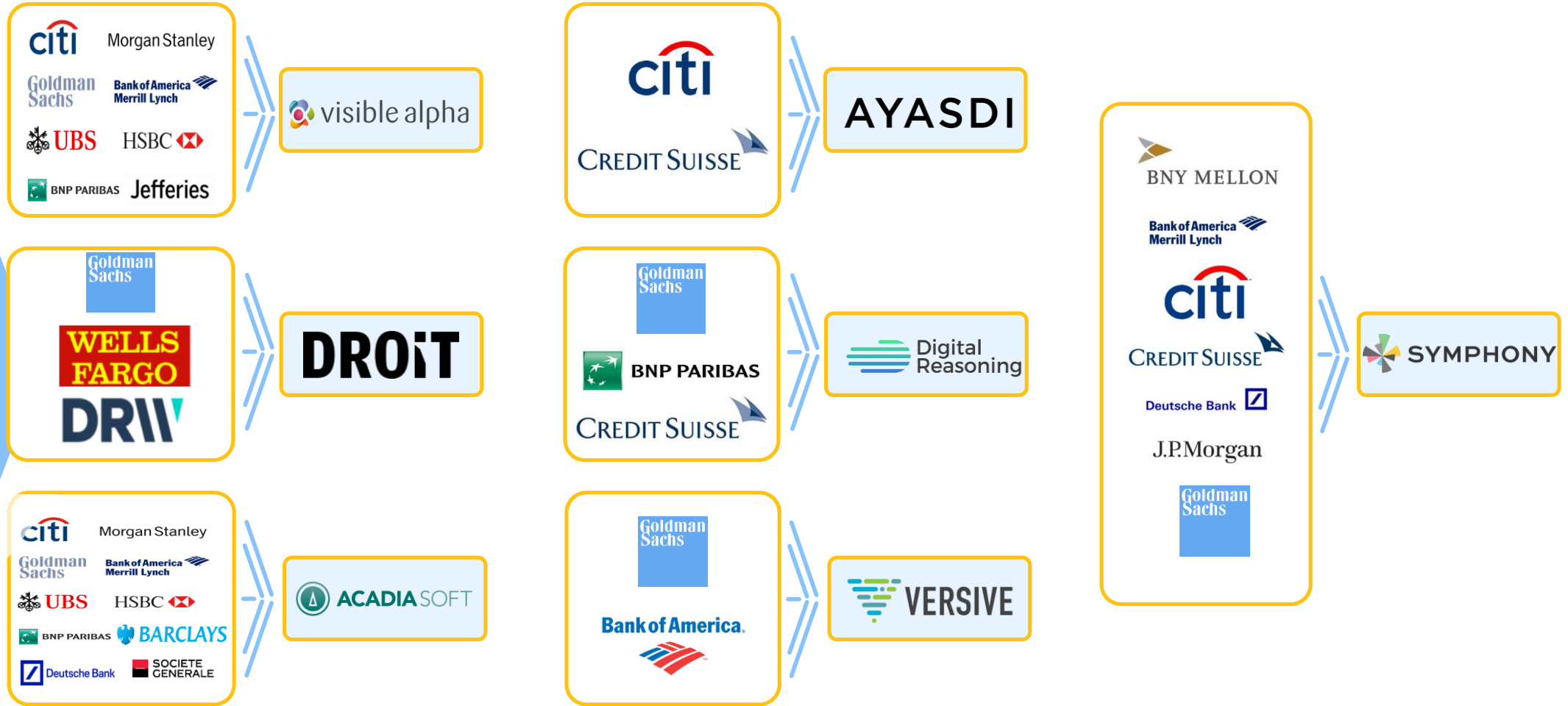


- KeyBank partnered with AvidXchange to provide a software-as-a-service solution as part of KeyBank's treasury management platform.
- The solutions replaces paper-based invoicing and payment processes with digital capabilities.



- BBVA acquired Holvi, an online business banking service.
- Holvi is geared towards entrepreneurs, and small and medium sized-businesses and provides them a range of business services (traditional banking, online sales platform, cashflow tracker, etc.) with integrated features that offers a one-stop-shop for businesses.

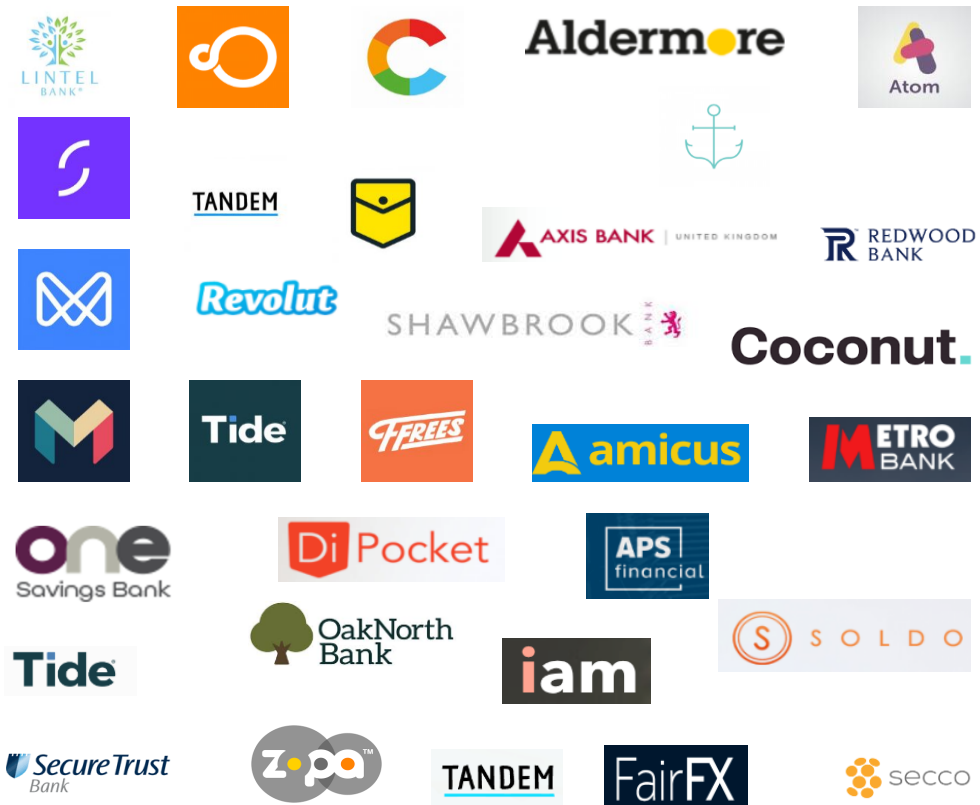
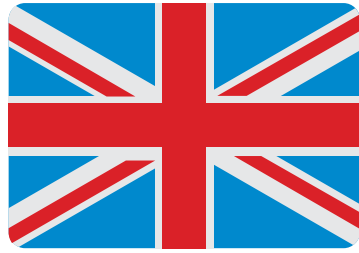
Investment collaboration with B2B fintech platforms



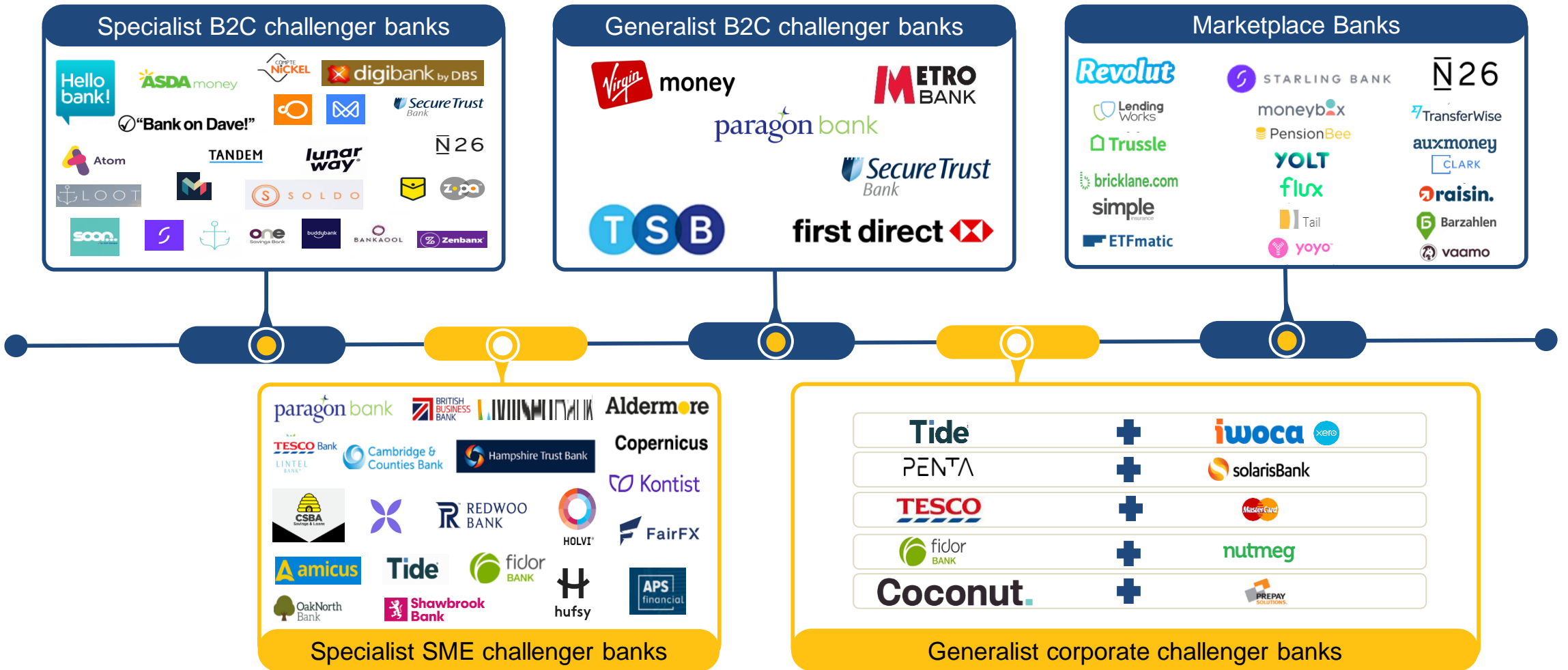
02

CHALLENGER BANKING





Challenger banks moving on to the next big thing



Digital banking collaboration for **customer experience**



Digital subsidiaries

Mobile-first bank subsidiaries to capture niche customer segments, especially millennials



Channel partnership

Intelligent financial assistant and conversational interface to improve customer engagement



Technology partnership

White-label modular and API-driven platforms from challenger banks to improve customer experience



Product partnership

Challenger banks' data-driven personalised products with better rates and improved transparency



Experience partnership

Customer-facing challenger banks' platforms for improved onboarding experience and self-serve capabilities



03

REGTECH

Burnmark's RegTech classification based on all digital use cases of banks.

Regulatory Compliance

Regulatory intelligence

Compliance & governance

Regulatory reporting

Risk Management

Market risk

Conduct risk

Cyber risk

Financial Crime

Financial fraud

Money laundering & Terrorist financing

Market abuse

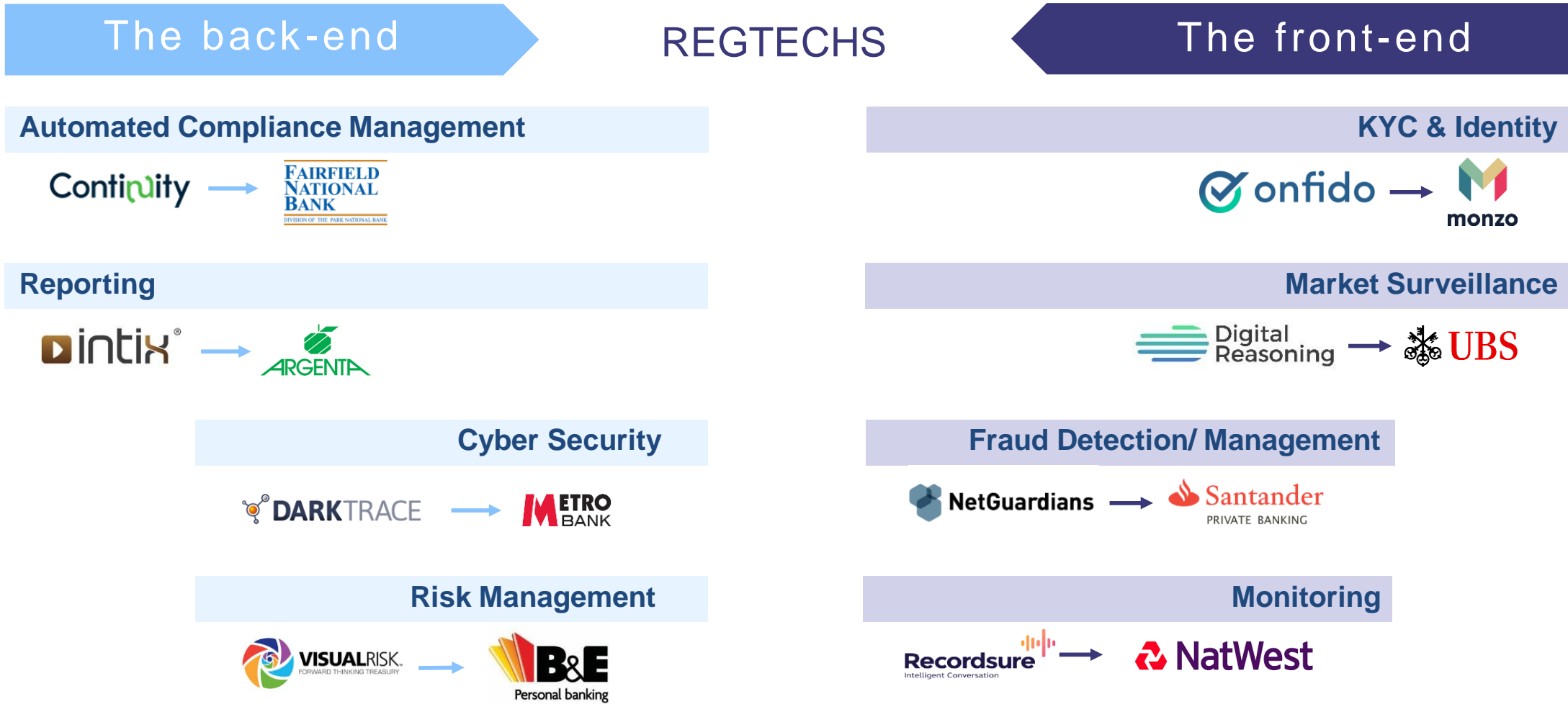
Identity Management






























KYC for identity verification

KYC for onboarding

KYC for AML checks

RegTech has tremendous cost savings potential



Collaboration Model	Initiative Examples	Benefits	Players Involved
Bank - Bank	Machine Learning tool for compliance (ING, CBA)	Mutualize cost of compliance and consistent interpretation of regulation	   
Bank - Regulator	KYC utility in Singapore	Offer faster digital onboarding service to customers while meeting the KYC requirements	    
Bank - Startup	RegTech accelerators RegTech investments	Use advanced technologies for faster, better and cost-effective compliance	      
Bank - Vendor	Cognitive RegTech	Traditional vendors leverage advanced technologies to make strides into RegTech	 
Bank - Regulator - Startup	Distributed ledger for regulatory reporting	Develop effective, future-proof solutions that meet the needs of all parties involved	  
Startup - Startup	Comprehensive compliance offering	Combine niche technology expertise to create a complete solution for compliance	 
Regulator - Startup	Regulator Sandbox Regulator accelerators	Allow startups to test innovative business models and allow regulators to experiment with new technologies for supervision	  
Regulator - Regulator	Home-Host regulator collaboration	Harmonize policies across borders to promote banks and fintechs to expand and operate smoothly	  

The timeframe for implementation in banks is far longer than what most RegTechs expect

RegTech	1st Contact - getting PoC approval	PoC approval - PoC completion	PoC completion - 1st sale (license, services)
RegTech 1	1-2 months	2-3 weeks	6-9 months
RegTech 2	1-5 months	3-5 months	1-6 months
RegTech 3	1-3 months	6 months +	8 months +
RegTech 4	6-12 months		
RegTech 5	3 months	3 months	3-6 months

Source: RegTech startup inputs

04

THE TECH

Fintech Innovation: New Data Business Models



DUEDIL

estimize

iMATCHATIVE

PitchBook



Credit **Karma**

Kreditech
BIG DATA Scoring

Credit Benchmark

zest finance

OSIS
Open Source Investor Services B.V.



trunomi

Trulioo
The Identity Bureau

Fundbird

PASSFORT

*Collects the digital
footprint of a customer*



KENSHO

visible alpha

Seeking Alpha

STOCKTAGON



Dataminr

DATA SIFT

HS HELLOSODA

*Provides global identity
verification across 4bn people*



**1010
data**

xignite
The Market Data Cloud

Finoptek



context relevant

personetics

COINALYTICS



liquidlandscape | **platfora**



RED EBRA

Moneythor

Artificial intelligence is the hot topic of 2019



Bank of America



Bank of America partnered with HighRadius and launched Intelligent Receivable, a new service that uses AI to improve straight-through reconciliation of incoming payments.

Westpac

Westpac Banking Corp is working with local start-up Hyper Anna, whose technology uses AI to conduct data analytics and visualisation



NAB's digital bank UBank has created RoboChat with IBM Watson to respond to questions on home loans.

ANZ

ANZ Banking Group has created biometric voice capability with technology company Nuance to allow customers to bank by talking to the app.













But it offers significant benefits..



FINANCIAL INSTITUTIONS



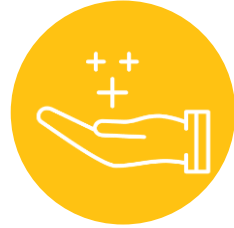
USE CASE BENEFITS

  	Customer-Focused	Customer centricity
  	Operation-Focused	Operational efficiency
  	Trading and portfolio functions	Automation
  	Regulatory compliance and supervision	Regulatory Compliance

Banks collaborate for blockchain

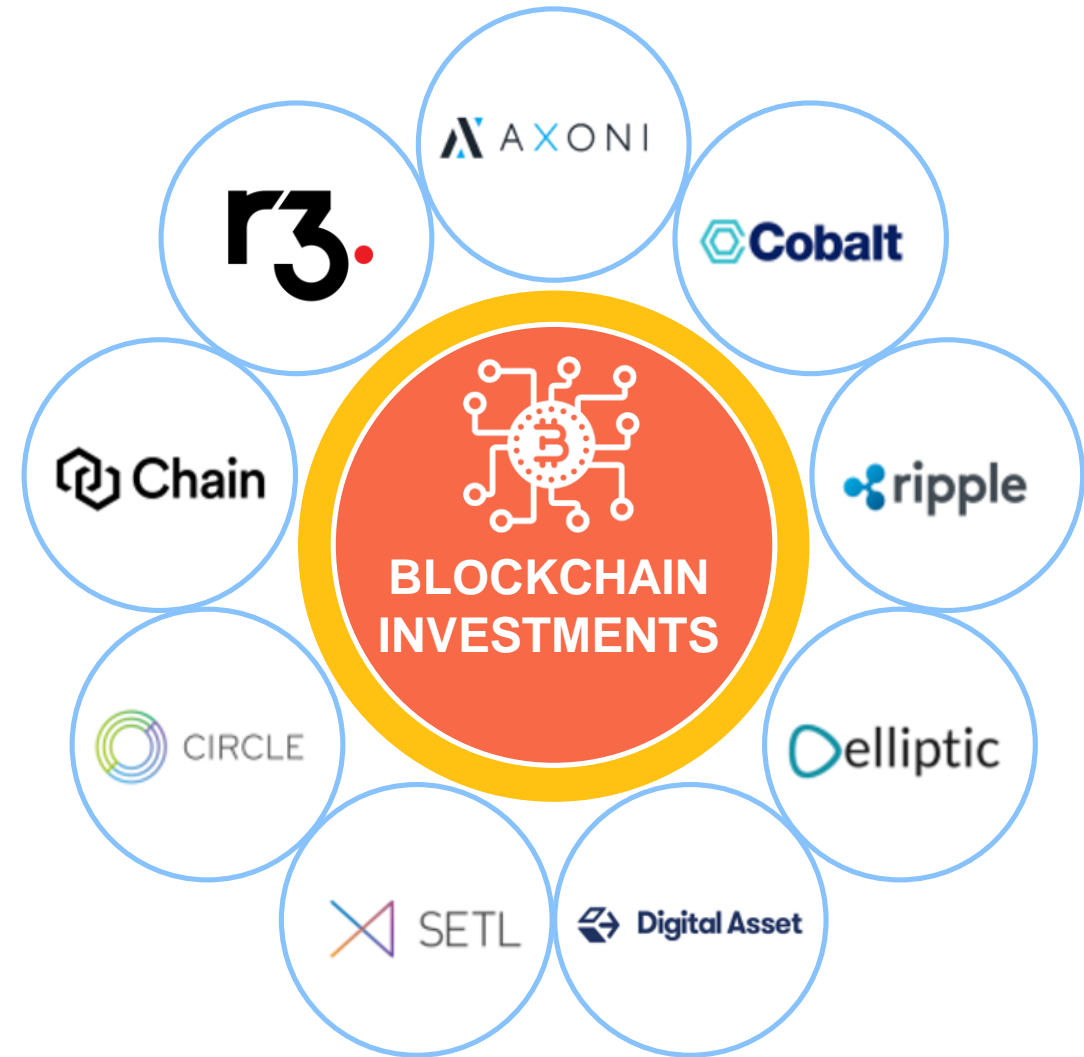


FINANCIAL INSTITUTIONS



USE CASE BENEFITS

+	Bank Guarantees	Operational efficiency
+ +	Payments	Faster settlements
+	Securities Lending	Risk reduction
+	Corporate Lending	Faster disbursement
+	Trading	Operational efficiency



Open Banking has possibilities, but monetisation hard to get right



Token is an Open Banking Platform on the blockchain leveraging smart-contracts to monetize access for banks for TPPs

FCA has authorized Token to deliver payment initiation and account information services, under the terms of PSD2.



TrueLayer is an API platform for developers to access bank data they need to build new apps and services

Zopa has worked with TrueLayer to create an income verification product which removes the need to manually upload documents to verify income - replacing it with Open Banking data.



Plaid offers a suite of API tools to allow developers to integrate with bank infrastructure and access and authorize user bank accounts

Investors



Customers





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and Save
20%

Devie Mohan

THE FINANCIAL SERVICES GUIDE TO FINTECH

Driving banking innovation
through effective partnerships



KoganPage

Collaborate.
Thank you!



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