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AI: Understanding bias and opportunities in financial services

Nadia Sood CEO of Credit Enables analyses how AI offers immense benefits but can equally help perpetuate unhealthy biases.

Tech vs. humans: Can fintech have it all?

Zac Gazit at Cogress answers the question of whether interacting with a person over an algorithm is help or a hindrance.

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PRODUCED & PUBLISHED
BY
Fintech Futures
Maple House
149 Tottenham Court Rd
London W1T 7AD
UK

PRINTED BY
Hobbs the Printer Ltd
Hampshire, UK
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FinTech Futures will **produce, promote** and **host** a forum for you and at least 40 delegates

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Editors note



On occasion, your computer, laptop, tablet or mobile device will ask you to re-start it as it downloads the latest updates. So too will your wardrobe, kitchen or other-half – albeit without words – to “spruce things up”.

With that in mind, I'd like to introduce you to the new look and feel of the Daily News at Sibos as we decided to give it the “London-look” to honour the conference being hosted in the English capital for the first time.

In a similar vein, financial institutions are also going through a makeover as banks and corporations update various legacy systems to make way for new tools that accommodate artificial intelligence and machine learning to make processes more efficient.

Nadia Sood CEO of Credit Enable highlights how AI has benefitted finserv but it could also do with an update on its bias, whilst Zac Gazit, business development direct at Cogress, thinks it could use a human touch. Carl Slesser and Hanaa Bengtsson at Nasdaq emphasise the importance of embracing emerging technologies, as it leads to advanced applications in areas that can uphold market integrity.

Feel free to check out our website for more stories on AI, legacy system updates and this year's latest Sibos news.

Editor, Sharon Kimathi

Why operational excellence in payments is critical to your future success

Live at Sibos with Red Hat

Thursday September 26th at 10 am

Moderator: Sharon Kimathi, Editor of Fintech Futures

Speakers:

1. Tim Hooley, Chief Technologist for EMEA Financial Services at Red Hat
2. John Cowan, Senior Vice President at CBIC Banking
3. Sophia Wikander, Head of Mobile Pay, E-commerce and Business Innovation at Nordea Bank

The webinar will be live on the FinTech Futures BrightTALK channel on 10 October. Sign up on the FinTech Futures BrightTALK channel to tune-in to the discussion.

Improving your operational efficiency is on the forefront of competitive advantages. And it's your leadership that is helping you thrive in this hyperconnected world. But could you be doing more? Should you be considering different approaches?

Join us for this virtual fireside chat from Sibos with Red Hat, CIBC and Nordea Bank and learn:

- Steps taken to improve the design of their payment operational processing
- Strategic tips and lessons learned in building and executing payments strategy
- How technology that simplifies complexity can also help create a more agile culture?



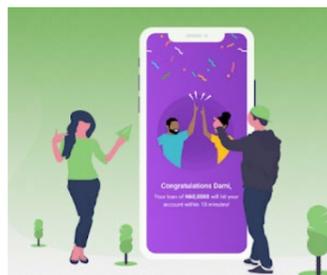
FairMoney raises €10m to build challenger bank in Nigeria

Digital banking start-up FairMoney has raised €10 million in its Series A investment round, accelerating its project to build a new digital bank in Nigeria, as reported by Ruby Hinchliffe.

The round was led by The Omidyar Group's venture Flourish, DST Global partners and existing seed investors Newfund, Speedinvest and Le Studio VC.

Beginning as a micro-credit offering three years ago, FairMoney now has more than 200,000 customers, the majority of which are small businesses.

Having already secured a licence to lend in Nigeria and created an in-app payment function which can top up phone subscriptions, buy mobile data and pay electricity or internet bills, the soon-to-be neobank is now working on a digital wallet and savings account.



"After backing digital banks in the US, UK, Latin America and South Asia, we are excited to support one of the first companies to bring this model to Africa," says Flourish principal and new FairMoney board member, Ameya Upadhyay.

He adds: "We believe that customers will ask a lot more of their banks – to be relevant, banks will have to move from service providers to become financial mentors for their customers. That's where we see a massive global opportunity for FairMoney, which combines a top-notch banking infrastructure with a culture of obsessive customer focus."

FairMoney's CEO Laurin Hainy wants to see the fintech become a "one-stop-shop" for mobile banking. "Think digital bank for emerging market consumers," says Hainy.

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Banking Circle helps local banks reach global markets

Financial utility Banking Circle aims to help two and three tier banks compete in the global marketplace with Virtual International Cash Management, reports Jane Connolly.

In a follow-up to June's white paper, Financial Inclusion for Europe's SME's: Building a Circle of Trust, the research explores how banks are already changing and can change in the future to bring barriers down for SMEs.

Banking Circle has commissioned MagnaCarta Communications to produce a series of reports, to shed light on the issues and opportunities faced by real businesses around the world.

"The insights we have gained throughout this ongoing research project have been invaluable, giving us an accurate picture of how we can bring the industry together in an ecosystem model of collaboration, not competition, to deliver the solutions which meet the needs of real businesses," says Anders la Cour, co-founder and CEO of Banking Circle.



He adds: "Reducing the cost and time involved in business banking and cross border payments is increasing global financial inclusion. In turn, this allows more SMEs to compete in the international marketplace alongside the bigger players, improving their valuable contribution to global economies."

You can read the full report, Circle of Trust or out of the loop? here. Banking Circle will publish three more papers in the coming months; the next, focusing on payment innovation, will launch at Money 20/20 in October.

Greenlight raises \$54m to release debit card for kids

Children's debit card and app start-up Greenlight Financial Technology raised \$54m in a Series B funding round led by Drive Capital and joined by JPMorgan Chase and Wells Fargo, as reported by Ruby Hinchliffe.

The Atlanta-based fintech's app can monitor children's spending, set savings goals, request cash and send children alerts when a guardian loads money to their card, all the while ensuring kids can't overspend and guardians have full control over spending categories such as stores, restaurants and websites.

With other participation from TTV Capital, Live Oak Bank, and Relay Ventures, Greenlight wants to use this investment to improve children's financial literacy, starting with the half a million parents and kids who have signed up.

"We're thrilled to partner with our Series B investors to bring Greenlight to millions of new



families and help parents prepare their children for healthy financial futures," says Greenlight's CEO Timothy Sheehan.

He adds: "In the near future, I hope that this generation of kids grow up to spend wisely, learn the importance of saving and feel confident investing to build wealth over the long-term."

For Wells Fargo, Greenlight's "rapid growth" has been impressive. But most importantly, it's the financial literacy element which drove the investment, says Wells Fargo's head of strategic partnership investing Thomas Richardson.

Sheehan says that the with the help of Richardson and his team, future versions of the app will feature educational layers and some form of investing functionality to rival digital bank competitors.

Sibos 2019 Community Session

EBA CLEARING community getting ready for R2P, the missing piece of the puzzle

Tuesday, 24 September 2019
From: 12:15–13:00 (local time)
ExCeL London,
Conference Room 2

EBA CLEARING @ Sibos:
Stand Y110

Get insights on how to take SCT Inst to the next level from the users of RT1, which today extends reach to over 65% of PSPs providing SEPA payments.

- How will R2P unlock the full potential of instant payments?
- What benefits does it hold that make it the missing piece of the puzzle driving mass adoption of instant payments?
- How can users leverage this evolution?



JP Morgan and Societe Generale invest in trader fintech Wematch

JP Morgan and Societe Generale have invested in fintech for traders Wematch, which is changing the way voice-traded financial markets operate, as reported by Ruby Hincliffe.



He adds: "Everything we build is designed to support the trader's decision, giving them the tools to make the right call with confidence and certainty."

Wematch secured its investment after going

The Israeli company has created plug-and-play technology which finds the best trading opportunities and gives users an opportunity to negotiate and manage trades with the audit and control benefits of electronic tools.

Wematch now has 40 banks and more than 750 traders using the platform, bringing e-trading to another traditionally over-the-phone sector of investing.

"We are delivering the next generation in trading protocols, with an intuitive graphical user interface (GUI) and workflow tools to give voice trading professionals the edge," says Wematch CEO, Gregory Mimoun.

through JP Morgan's in-residence programme and Societe Generale's Global Markets Incubator.

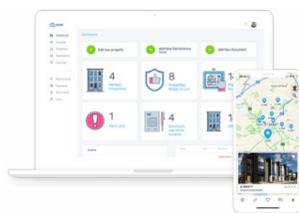
Having previously just been users of the fintech's platform, now JP Morgan and Societe Generale will be investors in it.

JP Morgan's markets lab head, Pasquale Cataldi, is proud to be an early supporter of WeMatch. "The platform showed real potential to transform the interbank interest rate dealing market through automation, resulting in audit and control benefits. The level of market adoption has already been encouraging and we're delighted to continue the journey with them," says Cataldi.

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Nationwide invests in digital lettings agency Bunk

Nationwide Building Society has announced its latest investment in digital lettings agency Bunk, which uses open banking to offer services such as deposit-free rentals for tenants and rent management for landlords, all for a monthly fee, as reported Ruby Hincliffe.



In a climate where half of all landlords manage their properties alone, Nationwide's deputy chief executive, Tony Prestedge believes: "The service that Bunk offers could support them, ensuring they're on top of their obligations and

providing a better service to their tenants".

Bunk also offers landlords regulatory advice and support. For example, the platform can automatically list a landlord's property on reputable sites, verify tenants and verify the landlord's proof of ownership.

As well as offering deposit-free rentals to tenants, the platform also prevents landlords taking more than five weeks' rent as a deposit, as well as using Experian to give tenants who pay rent on time a better credit score.

As well as Experian, Bunk also integrates with Rightmove, Zoopla, the National Landlords Association (NLA), the Property Redress Scheme (PRS) and Client Money Protect (CMP).

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Uncovering the hidden costs of liquidity

By Nadeem Shamim, head of cash and liquidity management, SmartStream

Liquidity is paramount and real time liquidity is now a must-have. Without it, financial institutions cannot meet their settlement obligations or proactively manage risks (counterparty, market, or own institution stresses). Those institutions that actively manage liquidity and know its position at any given point in the day, are better placed to deal with market risks and uncertainty and to minimise the hidden costs of liquidity.

The days when financial institutions could rely on cheap and abundant liquidity are coming to an end. Interest rates are on the rise again as central banks tighten monetary policies, which saw rates in zero or negative territory for more than a decade following the 2007–2008 global financial crisis. As interest rates volatility continues, so too does the cost of liquidity.

Some estimates suggest that the cost of intraday liquidity to financial institutions could be as high as \$100 million to \$300 million annually. These costs will be even higher as interest rates rise. The cost is compounded as many financial institutions rely on collateralised overdrafts, which incur additional costs. Opportunity costs can also arise from tying up liquidity and collateral unnecessarily.

Is there an opportunity for banks to avoid these hidden costs? Why maintain unnecessarily high liquidity buffers or borrow at the last minute, when there's liquidity needed to fulfil your settlement or regulatory obligations?

Feedback from our customers suggests that by actively managing their liquidity, financial institutions could reduce their liquidity buffers by as much as 90%, which significantly

“Robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk over an appropriate set of time horizons.”

- Nadeem Shamim

impacts their profitability. Other estimates suggest that a 30% reduction in collateral costs through optimised intraday liquidity management could net financial institutions a saving of at least €4 million a year.

Regulators sharpen their focus

In addition to reducing the hidden costs of intraday liquidity, active intraday liquidity management allows financial institutions to demonstrate control of liquidity and settlement risks. Eleven years on from the 2007–2008 global financial crisis, regulators continue to stress the importance for institutions to maintain adequate systems and processes to support the active management of intraday liquidity.

In its guide to the internal liquidity adequacy assessment process issued in November 2018, the European Central Bank reiterated the requirements laid out in Article

86(1) of the European Banking Authority's Capital Requirements Directive IV, which calls on financial institutions to have “robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk over an appropriate set of time horizons.” Regulators are not just concerned with institutions' ability to monitor and report their liquidity usage: There is now a need for them to clearly demonstrate active management of their liquidity at regular intervals (hourly or more frequently).

Drawing on the Basel Committee for Banking Supervision's (BCBS) Monitoring Tools for Intraday Liquidity Management (April 2013), active intraday liquidity management is now a priority for a growing number of financial regulators globally. The UK was one of the first jurisdictions to implement the BCBS's recommendations and remains at the forefront of the drive to manage intraday liquidity risks. In February 2018, the UK's Prudential Regulation Authority (PRA) stated in its recommendations for Pillar II liquidity risk assessment that it would consider the quality and the full extent of institutions' intraday liquidity management tools: from detailed metrics and operational processes, through to stress testing and risk frameworks, and the internal policies governing them.

The more that financial institutions can demonstrate to regulators that they have real-time visibility and control over their intraday liquidity, the less likely they will need to maintain high liquidity buffers.

Increased regulation and market structure complexity is shifting sell-side infrastructure

By Carl Slesser, head of global business development, Nasdaq & Hanaa Bengtsson, head of sales, sell-side execution technology, EMEA, Nasdaq

Changing market structure and evolving industry standards have driven an increasing number of banks and brokers to evaluate their existing ways of doing business and look for new paths to growth to secure their futures. Heavier regulation and technological development combined with diminishing margins is driving companies to re-evaluate their priorities and business models to adapt to an ever-changing market structure and remain competitive.

We see three key areas and measures that are affecting the evolution of sell-side market infrastructure:

1) Proactive approach to managing regulation

The Markets in Financial Instruments Directive (Mifid II) is just one example of a regulation that has and will continue to radically shake up market structure. Designed to introduce more transparency, it has nonetheless affected markets, slashed prices, and driven the need to remain competitive. The unintended impact of Mifid II has forced some firms to look beyond their regular course, while it has opened opportunities for others. Firms need to embrace a proactive approach in how they navigate the market post Mifid II to create long-term advantages through regulatory compliance.

2) Embrace emerging technologies

While regulation is forcing firms to look elsewhere for business opportunities, technological development continues to disrupt industry norms and drive innovations. While emerging technologies are creating markets that are more accessible, and making transactions faster than ever, firms are grappling with how to harness these technological advances. The technology that powers the world's capital markets is becoming so advanced that it is increasingly transforming

“Looking ahead, we see technology that is growing ever-more sophisticated, including cloud computing and machine intelligence.”

- Carl Slesser & Hanaa Bengtsson

into large technological infrastructure solutions. Looking ahead, we see technology that is growing ever-more sophisticated, including cloud computing and machine intelligence. When firms embrace emerging technologies, they can advance application areas such as market surveillance and data analytics methods, technologies that allow us to uphold market integrity.

3) Re-evaluate business models and infrastructure needs

Regulation has changed information flow in the industry, and with margins continuously squeezed, firms are looking for ways to lower operational costs to focus on creating and retaining a competitive advantage. Meanwhile, market infrastructure is becoming ever more complex. The need to evaluate how technology can help us retain a competitive advantage will continue to drive innovative solutions. In the wake of increased regulatory oversight, technological advancement and pressure on cost, firms must re-evaluate their existing business models to deliver the

most value to clients. As a result, many firms are turning to external partners to implement more agile infrastructure, which allows them to focus their resources on its core revenue generating business activities – helping to boost efficiency and reduce operational costs.

The industry is still in the early stages of fully benefitting from emerging technologies. If firms are able to harness the power of technology and leverage the abundance of technology solutions to build efficiencies while proactively managing regulatory demands, new growth opportunities can emerge. Managing these two challenges, while reassessing existing business models and infrastructure needs will be at the foundation of futureproofing our industry and shaping the capital markets of tomorrow.



Your London entertainment guide

By Kiran Sandhu, digital marketing executive, FinTech Futures

London has a rich culture and historical standing, so why not take advantage of what the city has to offer whilst you're at Sibos? Here are a few highlights – written by a true Londoner.

Canary Wharf (3.0 miles)

Head to the business district in Canary Wharf, which is not only home to some of the world's top banking giants, but where you can immerse yourself in some of the local culture at the Museum of London Docklands. With the expansion of London's Underground, comes the new Crossrail plaza which is in the West India Quay dock walk, along with a striking rooftop garden.

Canary Wharf is also home to 300 shops, restaurants, bars and leisure facilities. Start your day off right with breakfast at The Breakfast Club. For lunch, keep it simple at Birleys Salt and Beef Bar or keep it traditional with Canteen serving up homemade British Food. Topping it all off for dinner – Gaucho – on the riverside terrace, or for dinner with a view, head to Plateau restaurant, bar & grill, which has a French-style penthouse restaurant. For a night cap, head to Bokan located on 38th floor of the Novotel, or Davy's at Canary Wharf with the famous centuries old wine merchants.

Greenwich Peninsular (3.4 miles)

Jump on the Emirates airline (cable car) at the Royal Docks and head over to the Greenwich Peninsular, home to the famous music venue the O2. The journey takes a maximum of 15 minutes from the ExCel, with the added bonus of some scenic views.

Head up to the Royal Observatory in Greenwich, home to the Prime Meridian Line and the UK's largest refracting telescope. While you're up there, take a look over Greenwich park before walking down to the famous Old Royal Naval College and the hidden gem of its newly restored Painted Hall.

Take advantage of the Thames Clipper from the Greenwich pier which will take you along the Thames for an astounding view of London's landmarks. Look out for views of the Tate Modern, Shakespeare's Globe and the London Eye. You can use an Oyster Card on the service, which is a great way to get off and explore the sights.

Tower Hill and St Katherines dock (5.0 miles)

Jump on the DLR all the way to Tower Gateway and enjoy the iconic view of Tower Bridge to the left-hand side and explore the quiet marina of St Katherines dock, hidden behind a building. It's an incredible way to enjoy a drink while the boats moor and grab a bite while watching the world going by from an abundance of eateries. Try Emilia's Crafted Pasta, a family run Italian restaurant using fresh ingredients and authentic homemade pasta. Before you leave don't forget to check out the Gloriana, the Queen's Rowbarge, which marks the Queens Diamond Jubilee in 2012.

Stop off at the Tower of London to see the iconic Beefeaters and ravens guarding the tower. The Tower holds a plethora of secrets from tales of imprisonment and execution to torture. Don't forget to grab the chance to view the magnificent Crown Jewels and the Queen's Coronation Regalia dating back to 1661.

Tower Bridge, the most iconic bridge in London, is often mistaken for London Bridge which sits parallel. Built between 1886 and 1894, the historical bridge is still in use today with bridge lifts happening twice a day. You can look out across to Westminster on one side and the dockland on the other heightening the feeling of being part of the heart of London.

London Bridge, Bank and Borough Market (5.9 miles)

Head up to the top of the Shard, London's tallest building for a 360-degree panoramic view of the city for 40 miles where you can grab a spot to see the sunset over the London Skyline – a great way to see

Buckingham palace, Big Ben Houses of Parliament and St Pauls to name a few. To enjoy the view with a drink day or night head to one of the five restaurants and bars located 31 floors up.

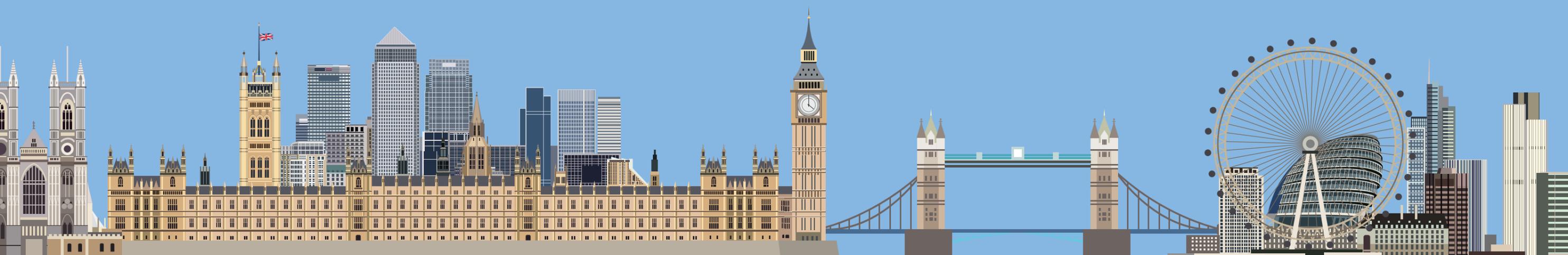
Head to Bank station in the heart of the city for the contrast of historical buildings against the newest architectural skyscrapers. Head to the Bank of England to see their collection of 40,000 items spanning over 1500 years. Across the road is the Royal exchange which has now been transformed into a boutique shopping destination and home to Fortnum and Mason Bar and Restaurant. It has a store on site which is handy for stocking up on the Queen's favourite tea and biscuits.

Stop by The Ned – set in the former Midlands Bank and is now part of the Soho house group – whilst taking in the opportunity to dine in one of their nine restaurants on site from British classics at Millie's Lounge, to The Nickle Bar serving old fashioned American Classics. Not up for the food? Then head to the roof and take a dip in the rooftop pool with views of the city.

Iconic Borough Market – The oldest food market in London dating back to the 12th Century. Grab a coffee from Monmouth on the south side of the market and make your way to Bread Ahead for a perfectly filled doughnut from pistachio cream to salted caramel with honeycomb. For a full course meal head to Padella, a modern bistro serving homemade pasta with the perfect pairing of wine.

Top apps to help you get around:

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- TFL Oyster App
- Visit London Official App





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Confirmations bring peace of mind to cross-border payments

Sponsored insight by Swift

"We know that customers aren't just asking for this, they expect it,"

- Fabien Depasse, head of Swift

Swift's global payment initiative (gpi) has rapidly become the new standard in cross-border payments. Today, nearly 60% of Swift cross-border payments are sent via gpi. There are more than 3,500 financial institutions that have committed to gpi who are processing the equivalent of 300 billion dollars every day.

The service was created to enable banks to meet the growing demand for fast, trackable and transparent services. Since gpi's inception in 2017, Swift has continued to innovate and enhance the cross-border payments experience. The next step, says Swift, is through the new universal confirmations initiative.

Financial institutions currently sending payments through gpi benefit from tracking and confirmations, allowing them clear sight of where their payments are and when they've reached the intended recipient.

Universal confirmations will extend these benefits to all financial institutions on the Swift network,

including non-gpi banks. To make this possible, all Swift-enabled institutions will be required to confirm payments once they've been credited to the beneficiary's account. Swift has set a timeframe in which to achieve this as a community: the end of November 2020.

"It's similar to when you send a package via a delivery company," says Fabien Depasse, head of Swift gpi customer success. "These days you don't just expect to be able to track your package's journey, you also want to know that it's arrived safely. And that's exactly what corporates and individuals want to know about their payments."

Swift says that this fairly simple change will have a big impact, allowing every financial institution on the Swift network to see the final status of each payment and access reliable, up-to-date tracking information.

"We know that customers aren't just asking for this, they expect it," Depasse says.

"They want to be able to say, 'I've done the trade, I want to know that the payment has arrived.' For example, if I am a corporate and you are a supplier, you will only ship goods that I've purchased after receiving my payment. Confirmation is an essential element to satisfy the supplier but also, importantly, to allow corporates to build a reliable supply chain."

Confirmations also reduce the need for manual intervention in cross-border payments. This leads to big steps forward in customer experience, and reduces costs for

financial institutions, as resource that was previously used to chase payments is freed up.

Swift has been working with the software community to make sure confirmations solutions can be prebuilt into existing payment applications and have designed a range of tools to help financial institutions build payment confirmations into their existing operations.

For bigger organisations, Swift will provide automated services that will be integrated into existing applications and message flows. For smaller organisations, they are developing a "basic tracker," a light version of their full gpi tracker. This will be provided for free and will allow banks to confirm payments manually by clicking a single button.

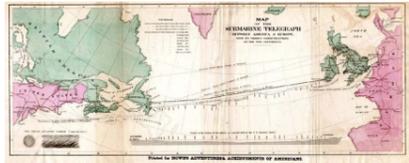
Swift says confirmations will enable the financial industries to develop a range of digital services. "Confirmations will enable banks to innovate. For example, many banks are already making their confirmation data available via an API or similar technology. Customers can see their payment activities via internet banking or a mobile app in real-time. This allows banks to be fully transparent on payments, something which customers really appreciate," Depasse explains.

Swift says full end-to-end payment tracking and confirmations are the foundation upon which they are developing many more innovations. Ultimately though, all Swift gpi services have the same objective at their core: making payments fast, transparent, trackable and certain.

Fintech Timeline

The evolution of fintech goes back centuries. That's why FinTech Futures is bringing you a whistle stop tour through some of the key events which transformed the game for financial institutions and brought us to where we are today. By Ruby Hinchliffe

1866: First transatlantic cable is lined connecting Europe and the Americas.



1878: First commercial telephone services are set up in New Haven, Connecticut in the US and London, UK.

1950: The first independent payment card company in the world is founded – Diners Club International (then known as Diner's Club).



1967: First Automated Teller Machine (ATM) installed in London. Inventor, John Shepherd-Barron, pitched the device to Barclays who accepted it immediately.

1964: IBM unveils its first mainframe computer. It's believed Barclays was one of the first UK banks to adopt mainframe technology.



1968: Bankers' Automated Clearing Services (Bacs) was behind the clearing and settlement of UK automated payment methods Direct Debit and Bacs Direct Credit.



1971: The world's first electronic stock market, Nasdaq, is founded to help reduce the difference between the bid price and the ask price of stock.

© Collection of the Museum of American Finance

1973: The Society for Worldwide Interbank Financial Telecommunication (Swift) is set up in Brussels to establish common standards for financial transactions and a shared data processing.



1980: United American Bank is the first to offer online banking services, including bill pay, account balance checks and loan applications.

1973: American Motorola researcher Martin Cooper invents the first mobile phone.

1981: Bloomberg is founded. Michael Bloomberg went on to develop and build his own computerised system to provide real-time market data and financial calculations to Wall Street firms.

Bloomberg



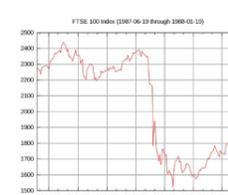
London
Stock Exchange Group

1983: The 'Big Bang'. London Stock Exchange changed its rules, leading to old trading firms being taken over by large banks that were both foreign and domestic.

1995: Virgin Money is the first 'challenger' bank to establish itself in the UK. Initially established as a personal finance company under the name of Virgin Direct, the Virgin Money brand itself was introduced later, eventually being sold to the Clydesdale and Yorkshire Banking Group.



1985: Rock Financial is founded. This company, now known as Quicken Loan's Rocket Mortgage, would become a top US mortgage lender today – completely online.



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1987: The stock market crash sets into motion a trend of digitisation, leading to program trading, which allowed thousands of buy and sell orders to be matched very rapidly, without human intervention.

1998: PayPal founded in US.



2005: Klarna founded in Sweden. The first fintech to introduce the pay later model in three monthly instalments for online purchases.

Klarna.

2007: Markets in Financial Instruments Directive (Mifid) is introduced.

2008: Payment System Directive led to the freedom of real-time payments.

2009: Square founded, paving the way to contactless payments with cards in St. Louis, US and e-wallets such as Apple Pay. San-Francisco-based Stripe was founded a year later.



2008: Global financial crisis. Some spectators believe that this purported the growth of fintech, as it resulted in post-crisis regulatory reforms, more agile operational teams, distrust in the old financial institutions and the development of technology such as smart phones to solve infrastructure mismatches.



© Norman Chan

2007: M-Pesa launches mobile-based payment solutions for large amounts of Kenya.



© Vodafone

2009: Kickstarter introduced a reward-based crowdfunding platform, allowing fintechs to gain more momentum from crowdfunding business models.

2010: Challenger Metro Bank is founded, setting the record for the first high street bank to launch in the UK in over 150 years.



2011: Internet finance marketplace Lufax founded and starts P2P lending from China.

2012: European Market Infrastructure Regulation (Emir) is legislated by the EU, which established common rules for central counterparties and trade repositories, allowing new companies to input this regulatory obligation without having to go back and make extensive changes.



2013: AI data analytics developer Kensho is founded. Future clients would be JP Morgan, Bank of America, Morgan Stanley and S&P Global.

2014: UK challenger Starling Bank is founded by former Allied Irish Bank's COO Anne Boden, receiving its licence in 2016.



STARLING BANK

2015: UK challenger bank Monzo is founded, setting one of the quickest crowd-funding campaign records in history, raising £1 million in 96 seconds on Crowdcube.



2016: The word 'blockchain' becomes popularised as it attains a 13.5% adoption rate within financial services in this year, according to Accenture.

2018: The Markets in Financial Instruments Directive II (Mifid II) is legislated by the EU, allowing the cost of research and trade execution to become more transparent. This has now prompted a boost in regtechs and fintechs, as clients can no longer rely on their banks to provide them with research.

2018: The world's fintechs raise a record \$39.6 billion across the globe.



2019: The FCA confirms that PSD2's Secure Customer Authentication (SCA) rules for e-commerce transactions will be delayed by 18 months.

2010: Chinese multinational conglomerate Alibaba introduces loans to SMEs on its e-commerce platform.

2013: Financial Conduct Authority (FCA) set up and operated separately from UK government to regulate financial firms.



2014: First UK digital challenger bank, Atom Bank, secures its licence to launch.



2015: UK fintech Revolut is founded, offering a prepaid debit card, currency exchange, cryptocurrency exchange and peer-to-peer payments.



2013: Financial Services Act comes into force, making it far easier to set up a challenger bank and break up the 'big four' banking model in the UK.

2016: German challenger bank N26 launches with its own banking licence.



2016: Securities Financing Transaction Regulation is legislated by the EU, demanding transparency of securities financing markets and thus of the financial system, pushing banks to update their legacy systems.

2018: Benchmark Regulation becomes applicable. As lots of loans and debt are tied to soon-to-be closed London Interbank Benchmark Rate (Libor), a lot of banking systems will be affected, pushing regtechs to innovate with solutions to help detect any mention of Libor in documents.

2018: Second Payments Directive (PSD2) is legislated by the EU, requiring strong customer authentication on the majority of electronic payments and demanding common and secure communication (CSC).



2012: Digital currency exchange Coinbase is founded, allowing people to buy and sell bitcoin through bank transfers. This same year Ripple is also founded, another cryptocurrency exchange.



2017: Bitcoin surges causing other cryptocurrencies, such as Litecoin and Ethereum, to go up in value.

AI: Understanding bias and opportunities in financial services

By Nadia Sood, CEO, CreditEnable

It is undeniable that our lives have been made better by artificial intelligence (AI). AI technology allow us to get almost anything, anytime, anywhere in the world at the click of a button; prevent disease epidemics and keep them from spiralling out of control, and generally just make day-to-day life a bit easier by helping us to save energy, book a babysitter, manage our cash and our health all at a very low cost.

AI's penetration into systems and processes in virtually all sectors of business and life has been rapid and global. The speed and scale at which AI is proliferating does raise the question of how at-risk we may be that the AI we are building for good can also be introducing damaging bias at scale.

In this two-part series, I explore the issues with AI constructs, the good bad and the ugly and how we can think about shaping a future through AI in financial services that helps lift people up rather than scaling problems up.

Part One AI in financial services: The good

From using predictive analysis to forecast consumer spending and advising on personal wealth management, to underwriting loans and transaction monitoring – AI's footprint in financial services can be seen everywhere.

AI that has focused on better understanding of customer's needs and security can have substantial benefits for consumers and several banks have already introduced innovation in this space.

In 2018, Goldman Sachs acquired a personal finance app called ClarityMoney. The app pulls users' transaction information to remind them of spending goals, flags transactions that it finds unusual for a given account, and also moves money into savings for users. It also calculates how much users could save if they cancel some recurring fees in their bank account and even allows users to cancel unwanted

“This kind of technology not only benefits the bank using it, but also helps reduce the likelihood that nefarious organisations penetrate the institutions that the rest of society”

-Nadia Sood

subscriptions in just a few steps. This kind of technology revolutionises tracking personal finance.

NetOwl is a suite of entity analytics products used by Royal Bank of Canada (RBC). It analyses big data in the form of reports, social media, as well as structured entity data about organisations and places. It uses tools such as semantic search and discovery, compliance monitoring, cyber threat monitoring and risk management. It can even translate names written in foreign languages, perform name matching, and identity resolution. RBC uses the company's tool EntityMatcher as part of its fraud detection and prevention efforts. Using this software, RBC is able to screen potential new customers against a large set of individuals who have perpetrated fraud against such organisations in the past. NetOwl is able to quickly and accurately match newly identified perpetrators against millions of records. This kind of technology not only benefits the bank using it, but also helps reduce the likelihood that nefarious organisations penetrate the institutions that the rest of society needs in order to function.

What can go wrong

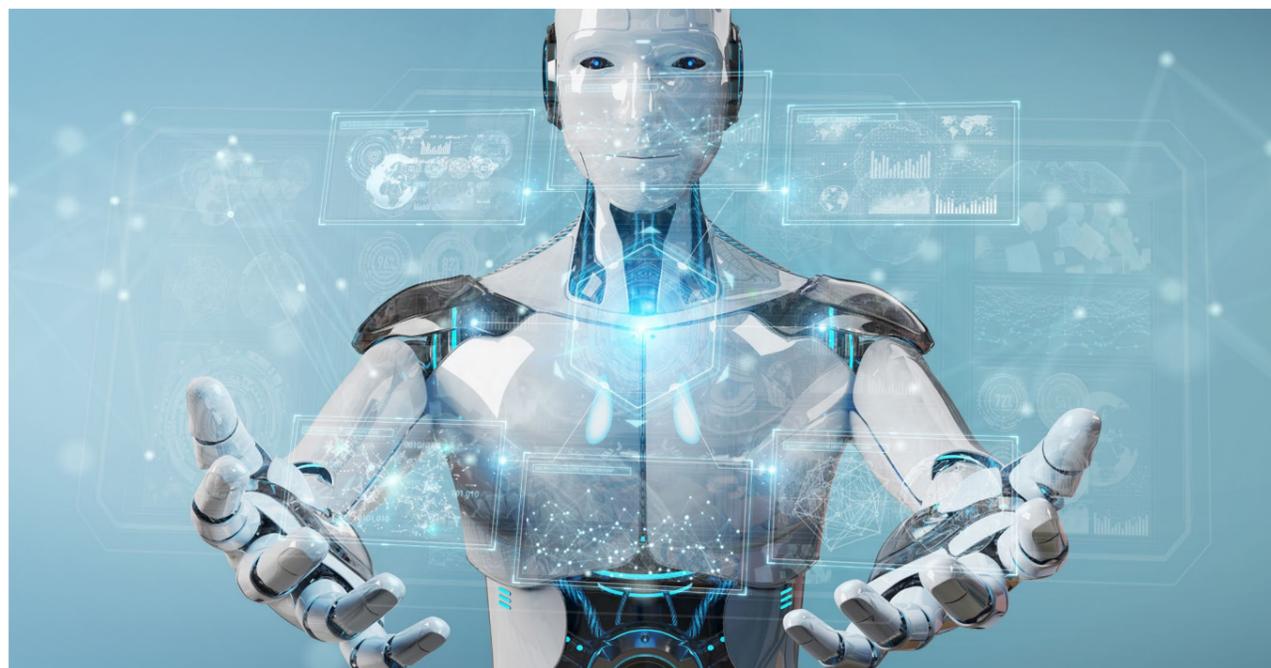
While this technology offers immense benefits, it can equally help perpetuate unhealthy biases. Imagine that your expense tracking software was used by your bank to determine whether you should be eligible for a loan product, but filtered out all people over the age of 50 because the algorithm was constructed by a young technologist assigning a value in an algorithm and who just assumed over 50s didn't need loans? This would not bring a benefit to over 50-year olds or to the banks who would be missing out on a huge part of a creditworthy pool of customers.

Real world examples of this type of bias creeping in with detrimental consequences to women and minorities have already occurred and at scale.

In 2014, Amazon developed an internal AI tool for selecting the most promising candidates by examining their job applications, particularly their CVs. However, the software quickly taught itself to prefer male candidates over female ones, penalising CVs that included the words 'women', which would often refer to women-only

clubs. The software also downgraded graduates from two all-women colleges. This issue stemmed from the fact that this software was trained on data submitted by mostly men over a ten-year period. Despite attempts to fix the bias, Amazon eventually lost faith in the impartiality of the system and abandoned the project. Commenting on this issue, John Jersin, VP of LinkedIn Talent Solutions stated that AI is not ready to make a hiring decision on its own – the technology is not ready just yet. The real issue with the AI that was deployed wasn't that it wasn't ready, but rather that the starting point was flawed. The data set used should have included an equal set of data on women and on men, and because it didn't, the eventual decisioning tool that was constructed by Amazon ended up with an inherent bias against women.

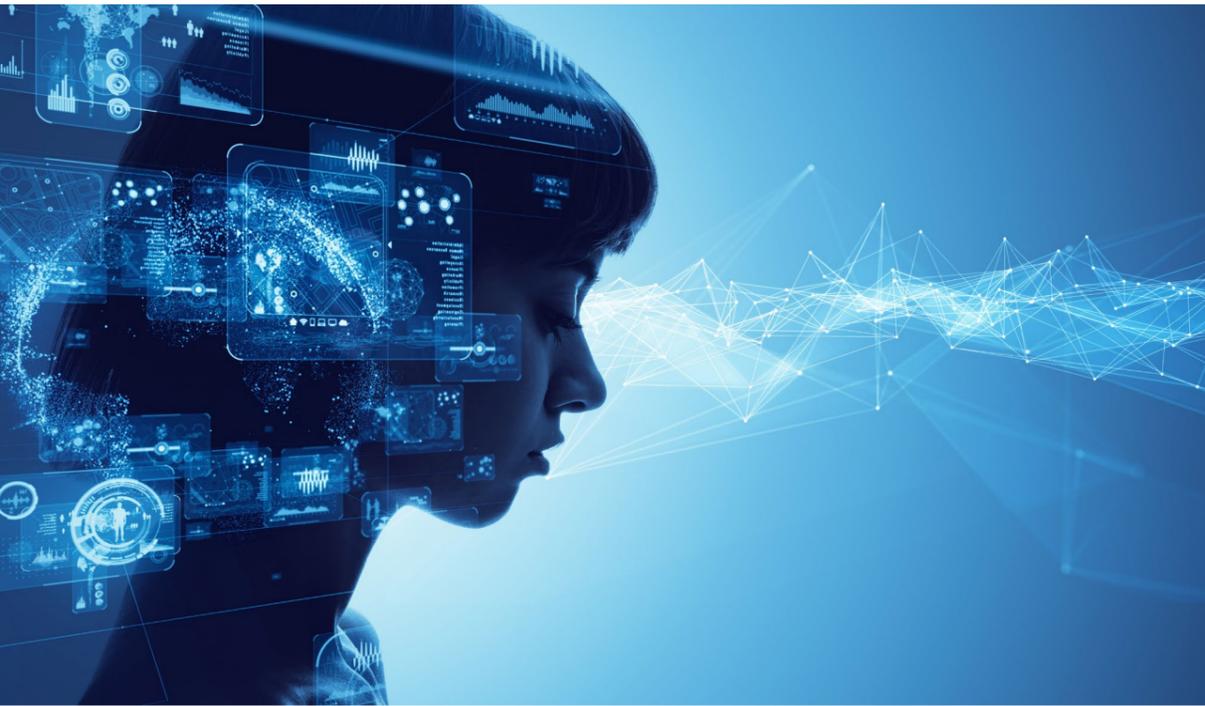
A similar issue has occurred in the area of AI for facial analysis. A computer scientist and MIT graduate, Joy Buolamwini, found that facial analysis software from tech giants such as IBM, Microsoft, and Amazon, could not detect her dark skin. Her face was only detected when she



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Why AI will decide the winners and losers in open banking

Sponsored insight by Pelican

Open Banking is creating a more open and level playing field for financial services, providing customers with greater choice, and increasing competition for traditional banks, with new Challenger banks and innovative Fintechs entering the marketplace. The challenges of Open Banking are also accompanied by significant growth opportunities however.

One significant impact of Open Banking is the democratisation of data – the obligation to make access to bank account data and enable payment initiation services accessible to all authorised third-parties – from small fintechs, the large banks and other financial institutions.

Traditionally, the banking sector has operated as a walled garden. Banks, rather than their customers, have been the sole custodian of consumer financial data and made little active use of the insight that it offered. For banks, that meant a captive and stagnant market.

With Open Banking, the focus has now shifted to the Customer, and as a consequence, customer engagement will be a key driver for success. Now that the monopoly that banks held over customers data is being brought to an end, we can expect to see a number of important market changes. Number one would be Information Symmetry. With everyone having access to the same information at near-real time speeds, we will see an increasing number of innovative financial services appearing on the market, both from small fintechs and from the banks themselves.

Challenges

However, significant challenges remain. The ability to process huge amounts of data at near real-time speed, to harness it and then to be able to use it effectively, is a significant challenge that many industry players will face. It is a quintessential

problem of plenty. Additionally, there is no single standard for connecting to over 4000 banks in Europe, with several competing standards proliferating, some regional, some per-country and some proprietary per-bank.

Another challenge is to access and serve millions of new customers. A key factor separating successful organisations will be the ability to be fully customer centric - be able to attract and retain customers, to be able to offer meaningful services to customers that will engage and delight them, and above all have a hyper-personalized offering using the data windfall of Open Banking - will decide who will perish and who will thrive.

API Interoperability

Some industry players are addressing the multiple API challenge using aggregation services by creating their own new API standard. However, what is truly required is an API Interoperability solution that would allow the use of some of the existing popular standards like UK's OBWG, STET and Berlin Group to access all the banking APIs. An interoperability platform will make the Open Banking truly open.

Greater access to data will also enable a variety of Artificial Intelligence technologies to play a leading role. Machine learning would derive insights from past user behaviours and offer product and services best suited to the individual customer. Use of natural language techniques would enable systems to harness the vast amount of free-format information to derive meaning and provide context.

It is clear that API Interoperability and AI will be transformational forces within this space and will allow nimble industry participants who understand and harness AI technology within the Open Banking ecosystem to emerge as true winners.

“Machine learning would derive insights from past user behaviours and offer product and services best suited to the individual customer.”

- Pelican

Customer Engagement

Offering personalised product and services would be a good start, however the next challenge to be addressed is that of ensuring customers are engaged while using the system as well as when there is a problem. Again Artificial Intelligence is here to help. Natural Language Processing and Voice Recognition has evolved significantly to enable us to talk to the mobile app or the desktop as an interface in a unified manner along with touch, mouse and keyboard – not necessarily as a chat bot. This facilitates interaction in a normal human manner – let's talk!

Also use of natural language and voice interface can help with customer support and self-help systems – valuable support while serving millions of customers.

Pelican AI uses machine learning and natural language processing integrated with a pan-European Interoperability platform to deliver several Innovative digital apps that overcome the challenges and embrace the opportunities. With its “across-the-spectrum” offering of intelligent Account Management, Payment Transfer, Liquidity view and deep intuitive financial health analysis and risk metrics will ultimately fulfil the rising needs of customers while enabling industry participants to offer exciting new products and services to their customers.

“AI in banking is not immune to this risk”

-Nadia Sood

put on a white mask. This is not surprising as these systems are often tested predominately on white men. After testing facial recognition from these tech giants on various faces, Buolamwini found that all companies performed substantially better on male faces than female faces and darker-skinned female faces did substantially worse. For lighter skinned men, she found an error rate of less than 1%. However, this figure rose to 35% for darker skinned women. These AI systems also failed to correctly classify the faces of Oprah Winfrey, Michelle Obama, and Serena Williams despite the fact that these women are some of the most famous people in the world and generate some of the most significant number of images on the internet.

In both these examples, the institutions building the AI could have been smarter about the datasets they used to form their conclusions and train their AI and better about including more diversity in the groups of people who were building the systems.

AI in banking is not immune to this risk. The trick is going to be how to develop AI that doesn't perpetuate widespread bias that exists today

especially in the area of gender.

Gender bias in banking services is clearly seen around the globe. A European study found that businesswomen are less able to access loans from banks than businessmen. Male entrepreneurs in Europe are 5% more likely to successfully get a loan for their business from banks than women. Even those women that are able to access loans are subjected to higher interest rates, with an average of 0.5% more on a business loan than men. It is not the case here that women are worse at business than men and so present worse credit risks – the average venture-backed technology company run by a woman is started with a third less capital yet yields annual revenues that are 12% higher than those run by men.

The substantial social benefit of AI if applied properly is that it can help spotlight the strong performing, good eggs in the lending basket. For instance, it can read between the lines in deciding whether to lend to an individual earlier excluded by a lending officer because the entrepreneur is a woman, especially since the gender of the entrepreneur has nothing to do with the ability of

the individual to repay debt. AI can help eliminate the discrimination arising from cases such as this.

At a societal level AI stands the chance of democratising the access to capital for women and minorities. But AI needs to be developed in a consequent thoughtful manner for this promise to be delivered on.

In the second part of this series, I explore how AI can be applied as a force for good by financial institution to expand the pool of clients to be more inclusive.

An objective analysis can highlight what gender biases may cloud – and banks would thus be less likely to filter out women-owned businesses without first being made aware of their merits and creditworthiness. With time, AI can be a transformative tool in shrinking these biases.

Stay tuned for Part Two on fintechfutures.com



Nadia Sood, CEO, CreditEnable



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Accessible and international SME banking

Sponsored insight by Banking Circle

Banking is failing small medium enterprises (SMEs). Options available to SMEs vary dramatically yet rarely fit the bill. With no two SMEs alike, banks – be they incumbent or challenger – are not always able to provide SMEs with the flexible, fast-paced banking solutions they need. And, so far, few fintechs have taken on the challenge.

Banking Circle has spoken to hundreds of SMEs and start-ups, and found that application and set up takes too long, costs are out of reach, credit repayments are inflexible.

As a business that's passionate about increasing financial inclusion for SMEs, Banking Circle recently commissioned MagnaCarta Communications to carry out research into these potentially fatal issues. The first report was published in June 2019: 'Financial inclusion for Europe's SMEs: Building a circle of trust'.

A second report – 'Circle of trust or out of the loop?' – will be launched at Sibos 2019. This includes insights from some of the people working in the midst of the challenges and the solutions hitting the market today. Speaking to these experts gave Banking Circle first-hand insight, uncovering where changes are happening, the opportunities that exist, and where barriers are beginning to come down to improve SME financial inclusion.

Broadening SME banking horizons

Valentina Kristensen, director of growth and communications at OakNorth Bank said: "SMEs are still not top of the agenda for most financial services providers, but many are waking up to the benefits. They

are realising that if they get an SME on board, they will be loyal and bring multiple cross-selling opportunities."

As our report shows, bringing about real change and better financial inclusion for SMEs requires market participants to work together and develop joint solutions, collaborating to build bridges between individual innovations already in the market.

Roger Vincent, general manager (UK&I) & CIO of Trade Ledger commented: "We are creating a new ecosystem of financial services providers, in partnership with other providers such as Banking Circle, to establish a new era of financial services which will better service customers and SMEs in the banking space. If we better serve the banking space through the incumbents, then the SMEs will benefit greatly as they can access the services they want."

However, as our latest report shows, the progress and potential achievements will remain limited until further collaboration, communication and joined-up thinking becomes commonplace within the financial services industry.

As with any ecosystem, it must be perfectly balanced in order to function effectively. Only with all types of providers working together in collaboration, not competition, will the banking ecosystem be able to bring financial inclusion to its peak.

Visit BankingCircle.com to register for the new Banking Circle Insight Paper which will be launched at Sibos 2019, and to download the report 'Financial inclusion for Europe's SMEs: Building a circle of trust'.

Tech vs. humans: Can fintech have it all?

By Zac Gazit, business development director, Cогress.

The world today is a very different one to the world I grew up in, or even the one I first started my career in. From Amazon to Uber, Just Eat to Tinder; technology has revolutionised how we live and how we interact with each other.

And our finances are far from immune. Underneath the proliferation of fintech, regtech and the countless other neologisms currently doing the rounds, sits the quiet dawning of a new world order; one where low interest rates, poor bond yields and sustained economic growth coexist.

But the deflationary influence of disruptive tech is a focus for another day. I'm interested in the impact it's had on our perception as consumers and investors. In a world where you can build a fully funded and functional investment portfolio in a few hours, order a taxi with the push of a button, and dinner with a few clicks, we're becoming increasingly expeditive. That being said, is human service still relevant? And is interacting with a person over an algorithm a hindrance, or a help?

Technology and investing

The internet made the financial markets accessible, giving many investors the opportunity to research and self-administer at least a portion of their portfolio for the first time.

Whether this trend towards self-investing would have been taken up quite so vigorously without 2008's global financial crash is debatable. I suspect not. The

crash saw investors lose interest in traditional banking systems, and it's an attitude that persists to this day. A 2018 study by Legg Mason found that 48% of investors' behaviour is still overshadowed by the crash.

It was this environment that gave rise to the alternative finance industry. Categorised by automated platforms belonging to peer-to-peer lenders and crowdfunders, this sector connects investors with the opportunities that used to belong exclusively to high street lenders, family offices and investment houses. Only now we aren't buying stocks and shares in faceless FTSE companies, we're investing directly in small startups with visible, engaging founders.

Technology has brought investors closer than ever to their portfolios. Online brokers have opened the equities, commodities and FX markets to retail traders who can place a trade online in seconds. While lean structure makes trading with them relatively cheap, it does so at the expense of human interaction. There's no buy-sell recommendations, professional feedback or tailored customer service.

“The internet made the financial markets accessible, giving many investors the opportunity to research and self-administer at least a portion of their portfolio for the first time.”

Is there still room for people in investing?

I think so.

A recent report by investment firm Vanguard UK noted that, while younger investors will adopt robo-advice, they specifically seek out and place higher value on that of people. That this generation of digital natives value human interaction is telling. Investing is as emotional as it is logical, and I wonder whether the industry doesn't mistakenly place too much emphasis on younger investors' ability to create a balanced portfolio using only apps? Automated investment, whether its all you know, or you have experience with human advisors, is still incomplete. It's missing the trust and reassurance of the human element. At least until technology learns how to empathise.

The fact that an entire automated investment sector – alternative finance – has grown up around investing in human endeavors, if not with human advisors, proves that we still need human interaction to prompt investment decisions.

How convenient is too convenient?

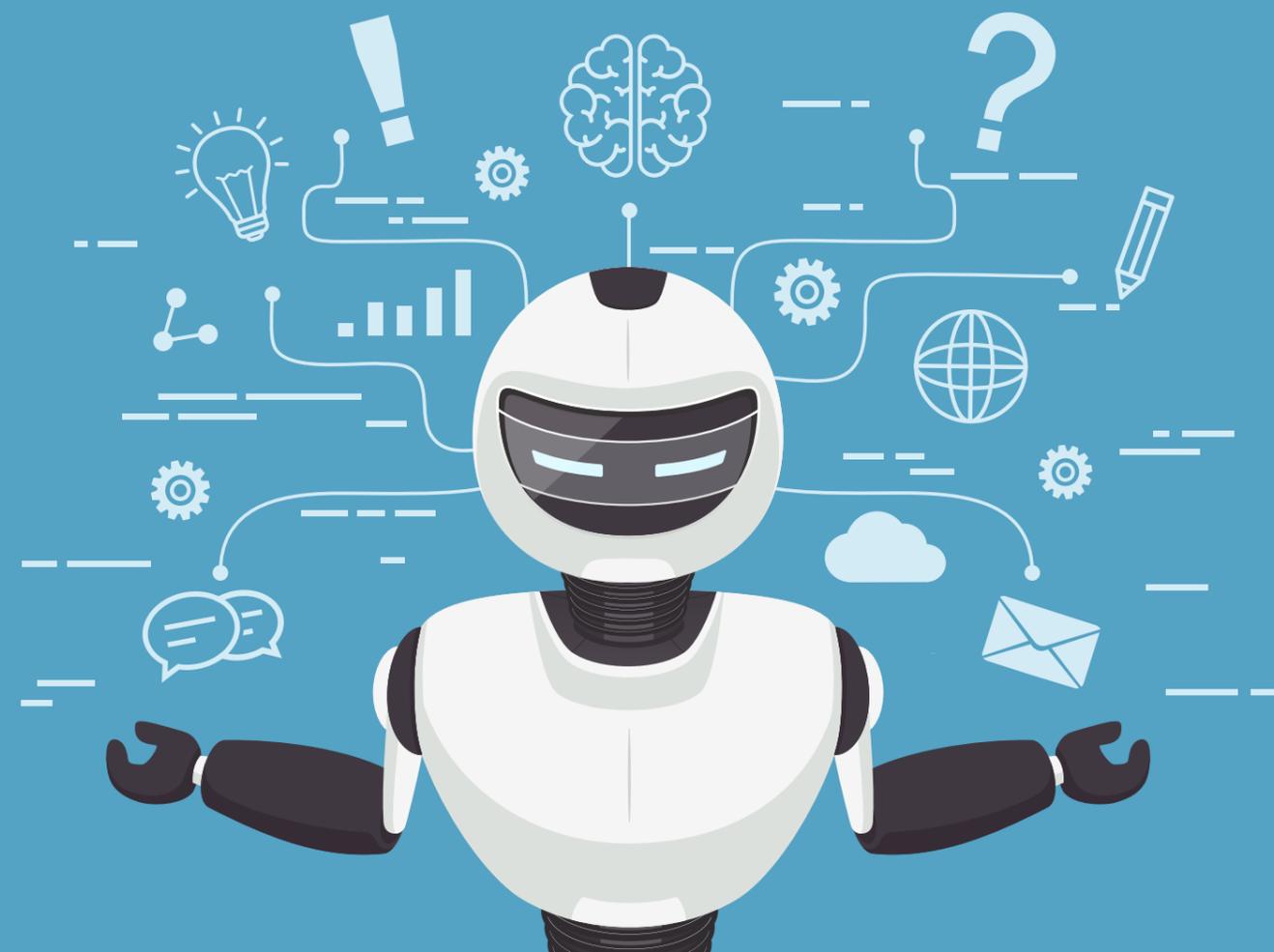
Convenience is the human trait driving the disruption happening around us. If you want your new product to catch on, it needs to prioritise the people using it. And if you're innovating for customer experience, making the customer work less is the way to do it.

But that doesn't always mean automation. We know the success of fintech's big disruptors is down to their ease of use. Fast, agile models that allow users to trade, budget, save, deposit, or transfer money across continents with the swipe of a thumb. Endless venture capital funding and a slew of five-star reviews suggest they're worth the hype. But take a look at the poor customer reviews, and the gripes come predominantly from a perceived failing in customer service.

“Investing is as emotional as it is logical, and I wonder whether the industry doesn't mistakenly place too much emphasis on younger investors' ability to create a balanced portfolio using only apps? ”

The lesson? Successful disruptors make life easier for their users, but those users still want access to the people behind the platform. My own personal experience with family offices and high net worth investors, especially in my current role with Cогress, is that many still consider talking to a person they know as the ultimate convenience. And it's important for investment providers, too. People reveal more over the course of a relationship than they would likely divulge to an algorithm.

A human also understands that preferences, goals and risk profiles will change over time, and aren't always predictable. As investors, we're increasingly reliant on algorithms and platforms; but we don't fully trust them, yet. There's something missing, and it's humans. As the fintech sector continues to boom, I think the brands that will go the distance are the ones brave enough to draw a line in the sand. The ones who know when to automate, and when not to.





Making banking human again

By Kam Chana, Temenos

It might sound like a contradiction, but technology needs to make banking human again. After years of not knowing how to create the most engaging digital banking experience, banks today are beginning to realise their true potential by combining data, advanced analytics and artificial intelligence.

Although progress has been made, there is still much work to do, especially in the small medium-size enterprise (SME) sector. Digital banking is ubiquitous today, and every banker recognises that the experience is key. But do banks really know its SME customers? And how can banks innovate to help SME customers solve real-world challenges?

A small business owner may have

the right skills, products or services, but then start drowning in the admin, bureaucracy, regulation, and management required to run and grow a business.

Do I have enough cash? How can I make it last? Does my bank care about my business? Do they understand me? They are charging me how much interest?! Do I have control over my costs?

Banks cannot afford to miss out on the huge opportunity that the SME sector represents. In the UK, there are about 5.7 million businesses, of which 99% are SMEs. In fact, SME businesses generate almost half of the country's revenue and provides 30% of all employment. They represent a growth segment that is forecast

to contribute £241 billion to the UK economy by 2025, a 19% rise from 2018. SMEs are the backbone of the economy, yet often don't receive enough attention.

SMEs require a different style of banking than larger businesses. While large corporates have a culture, SMEs have individual personalities. A standard, siloed corporate banking solution may not work for them, and they may need something more robust than an enhanced retail offering. In order to best serve SMEs, banks need technology that bridges the worlds of business and personal, providing the agility to respond to either's needs as they pop up.

Banks can harness the power of data and advanced analytics to join

“A bank with both a clear view of the business data, as well as the human needs of the owners, can see SMEs for their unique requirements and potential.”

- Kam Chana



SMEs on its individual journey, as these evolve from small traders to larger corporates. A bank with both a clear view of the business data, as well as the human needs of the owners, can see SMEs for its unique requirements and potential.

The power of data cannot be understated. It will not only help banks understand what SMEs need and when it needs it, but also provide unique insights into its journey as a business.

By far the most powerful use of data is to facilitate a data-driven approach. This helps the bank make decisions which are better aligned to the SME's aspirations, and helps the bank provide recommendations for the right products. Data can be analysed from the SME and from other businesses with a similar profile – enabling decisions based on successes not guesses.

Leveraging data can also help banks better understand and provide automated guidance to SME customers in real time. As it continues to evolve the way that it serves SME customers, banks should begin to take advantage of explainable AI – artificial intelligence that offers banks, their customers, and regulators transparency into how and why decisions are made. By capitalising on explainable AI, banks can engender trust by ensuring SME customers know why the proposed product or advice is right for them.

SME owners do not have time to gather data and make comparisons, as they don't have access to data on other businesses. But banks do and can offer great value by doing the heavy lifting for their customers, taking the burden off their shoulders. By understanding the individual business and performing a smarter analysis of cash flow, banks can help SMEs to not only project future positions but also to highlight pinch points and foresee when working capital might be insufficient.

Banks can tailor activities specific to the SME's needs based upon future expected commitments and revenue data. This includes highlighting which

payables could be deferred, offering discounts to customers for paying early and providing short term credit options – as well as invoice finance – all ranked by which options other customers found most helpful to their business. This creates a win-win scenario where the customer grows a healthy business and continues to provide revenue opportunity for the bank. For the business owner, it saves them the time and the headache of worrying about how to stay afloat and allows them to focus on building prosperity.

The banking sector is evolving. It is beginning to realise that cloud-native, agile technology holds the key to create a more human and personalised approach to customer engagement. Recent research by Temenos and the Economist Intelligence Unit (EIU) shows that AI is becoming a key part of the new technology mix, improving personalisation and enabling more tailored offerings. It shows that 61% of banking executives globally think AI will create better value for customers by 2025.

There are certainly still challenges to overcome. These challenges stem from legacy culture and a lack of skills to apply insights. There are brave organisations, particularly challengers like Judo Bank, who are trying different things like experimenting with design thinking to instil more humanity in banking. Placing relationship banking at the heart of its strategy, Judo Bank uses a digital-first, API-first approach to lower costs and increase the value of services and products to best serve its customers.

SMEs have long been the engine room of the economy, quietly surviving and growing as best these can with limited support. But times have changed – SMEs are empowered and challenging old ways of doing business. SMEs form a burgeoning market with diverse needs – one which requires a more human approach than ever to banking - one that meets the disruptive, customer-focused nature of each SME business model.

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INTERVIEW | DAILY NEWS AT SIBOS

Dissecting digital transformation with Appian's very own problem solver

By Martin Morris, senior staff writer, FinTech Futures

Ahead of Sibos 2019 FinTech Futures discussed how challenges posed by digital transformation are resolvable with Mike Heffner, Appian's global industry group leader. He believes that it's simply a matter of putting innovation into practice.

As leader of the global industry group at Appian, Mike Heffner is a problem solver – his team being responsible for engaging with customers, partners, and analysts to solve digital transformation challenges in all key verticals, including the public sector, life sciences, healthcare, energy, insurance, banking, and capital markets.

A speaker, author and thought leader, the key to Mike's approach is bringing innovative solutions to problem solving, based on his extensive leadership experience in operational efficiency and business transformation.

Prior to Appian, he was managing director, business transformation at State Street Corporation, held management roles at Charles Schwab & Co, and Accenture's creating-financial-markets-advantage executive group. Mike holds a BSBA in Economics from University of South Carolina, and an MBA from Babson College.

He was attracted to Appian because it fosters a culture that encourages employees to stay curious.

"We are always open to learning new things – and that could be new ways of selling, that could be new solutions you're offering, that could be really understanding what your customer's needs are," he says. "Ultimately, it's about making lasting relationships and acting with a spirit of generosity," he adds.

Helping financial institutions adapt to the incredible amount of change now

"We are always open to learning new things – and that could be new ways of selling, that could be new solutions you're offering, that could be really understanding what your customer's needs are,"

- Mike Heffner, Appian's global industry group leader.

seen in the digital economy is of course a major consideration. Indeed, systems built five, ten or twenty years ago can no longer meet the expectations of today's demanding customers.

Appian's digital transformation platform unifies a business' data, mobilises everything, makes IT its innovation team, and creates more productive employees and more engaging customer touchpoints.

"When I visit with our customers in financial services, they are all talking about the necessary fundamental transformation of key parts of their business like what they will need to undergo in order to reduce costs, enhance customer experience, support digital innovation to remain competitive," says Heffner.

But as Heffner has previously stated, when it comes to digital transformation there is no one-size-fits all solution, with no technology vendors selling a digital-transformation-as-a-service solution.

For financial institutions implementation of a successful digital transformation that delivers on strategy, increases operational efficiency, reduces operating risks and fosters higher levels of interaction and integration, requires "an organisational culture that fosters a focus on customer centricity and a dedication to breaking down the silos that traditionally exist between business and IT." In the absence of a cultural shift efforts may flounder.

But as financial institutions embark upon their digital transformation journeys technologies such as robotic process automation (RPA), artificial intelligence (AI), and machine learning (ML) can help aid them.

Heffner says that "by combining RPA with cognitive technologies such as ML, object character recognition, chat bots, and natural language processing, financial institutions can automate higher-order tasks with intelligent automation that in the past required the perceptual and judgement capabilities of humans."

"This technology can increase operational agility, improve customer service-level agreement (SLAs), reduce processing time and improve regulatory compliance," he adds

Mike Heffner is presenting at Sibos with Goldman Sachs: Mon, Sep 23 - 10:00 to 10:30 | Open Theatre 2

Digital transformation for today's challenging landscape



CONTROLS



REGULATIONS



REVENUE



RISK

Our customers tell us that they need to use transformative digital strategies to remain relevant in today's challenging financial landscape. Strategies that will allow them to improve operational control, reduce costs, build new revenue streams, mitigate risk and comply accurately with regulation.

To help you make the journey towards digital transformation, we provide a range of solutions for the transaction lifecycle. AI and Blockchain technologies are now embedded in all of our solutions, which are also available in a variety of deployment models.

Digital transformation. Reaching the summit just got a little easier.

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