banking technology

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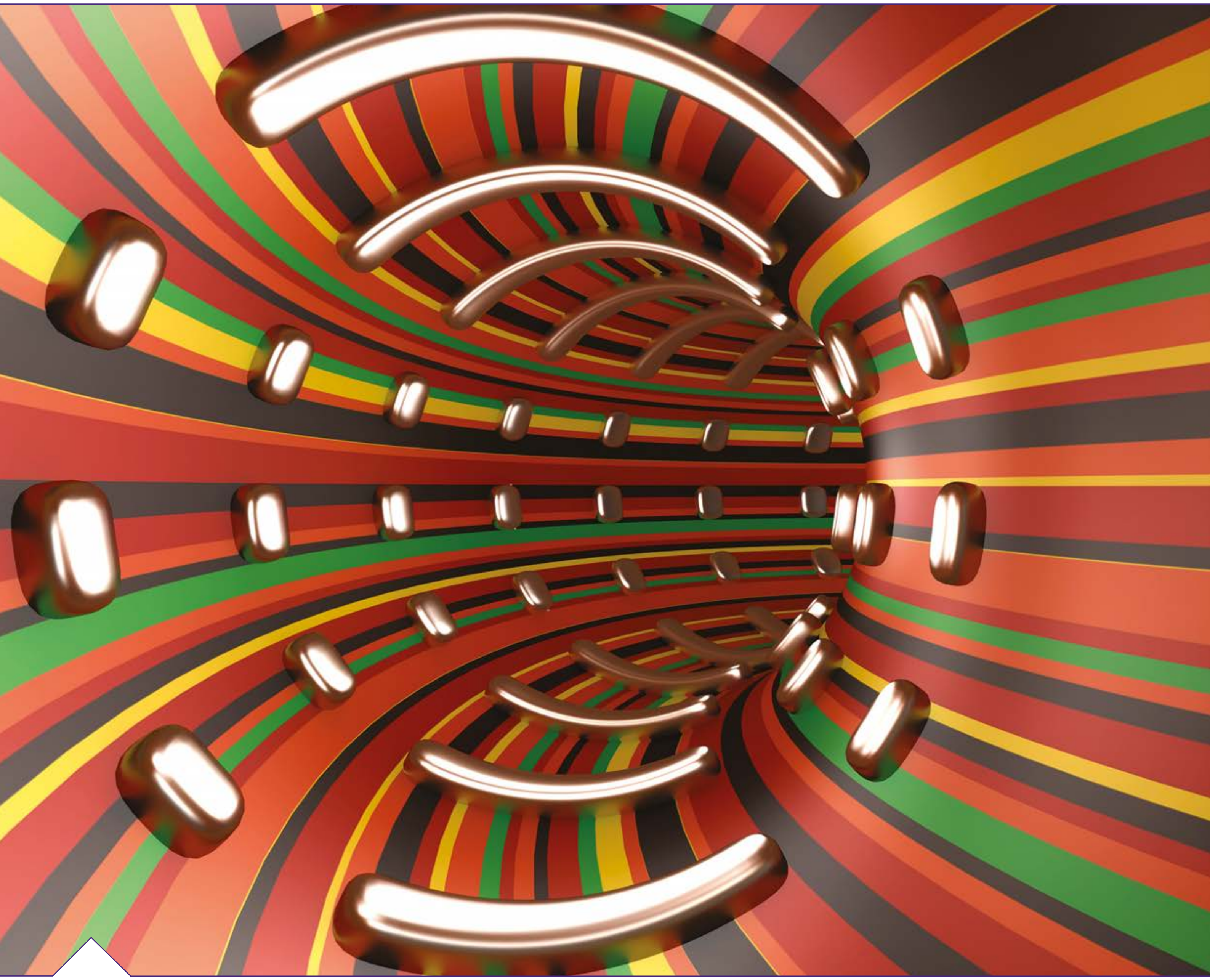

THE NEED FOR SPEED
Getting money to those that need it, fast

ANYONE FOR PING PONG?
Fun and games of landing a big deal

ESG PIONEERS
The fintechs with their fingers on the eco pulse

Produced by FINTECH FUTURES

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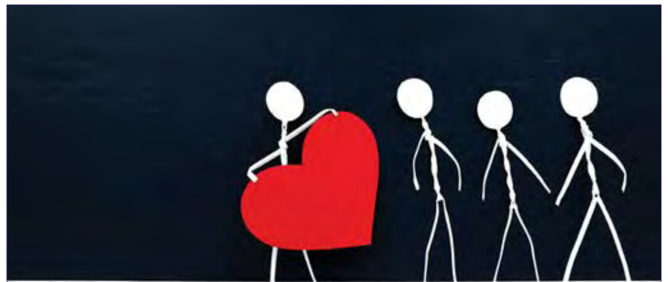

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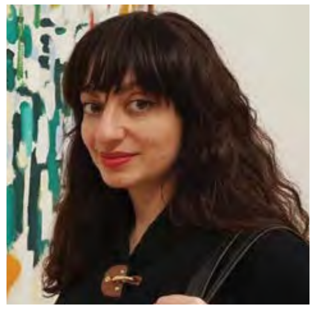


Tanya Andreasyan
Managing Director & Editor-in-Chief, ***FinTech Futures***

Another month, another batch of fintech start-up hopefuls getting ready to unveil their offerings to the market.

In the UK, OnLadder – which seeks to make buying a home affordable for first-time buyers by providing flexible deposit financing – has received £275,000 in an angel funding round.

OnLadder says the money will be used to progress through the FCA authorisation process, solidify key partnerships and build out its initial operations ahead of launch.

Fellow UK start-up Keyzy promises aspiring homeowners the ability to "move in now, buy later" with the upcoming launch of its rent-to-own solution. It works by converting a proportion of an individual's rent into a deposit, offering a higher budget than traditional mortgage lenders.

In the US, savings app Lilly Funds is working on "the world's first retirement debit and credit card", aimed at 150 million underserved Americans who don't have access to retirement services. Using open banking platform Plaid, users will be able to connect their bank and cards to the Lilly app. The app will monitor a user's cashback, spending habits, bills and transactions and any time a user spends with their connected cards, Lilly will take any cashback accrued and squirrel it away for retirement.

Another app in the US, Swell – which combines checking, credit and more into one integrated account – is set to launch in June.

Swell's parent bank Central Pacific Financial, based in Hawaii, hopes to expand its reach across the US mainland with this new app.

It will also offer investing, home purchasing and cryptocurrency capabilities further down the line.

Swell has recently secured $10 million in Series A equity funding that saw participation from Elevate Credit, which will also provide its credit solution for Swell to offer personal lines of credit.

"The top five US banks posted record profits of $145 billion in 2021, yet 99% of consumers say that their bank doesn't help them get ahead financially," notes Swell founder and CEO Kevin Dahlstrom.

"More than ever, consumers are looking for an alternative that helps them build wealth."

Innovative fintech start-ups to the rescue!

NEWS ROUND-UP

Money transfer app Azimo acquired by payroll firm Papaya Global

Papaya Global, a New York-based payroll and payments solutions provider, has acquired digital money transfer firm Azimo.

Launched in 2016, Papaya Global says it is "reinventing global payroll, payments and workforce management", with clients across more than 160 countries. Last September, it landed $250 million in a Series D funding round, bringing its valuation up to $3.7 billion (more than tripling its previous valuation of $1.2 billion following its $100 million Series C in March 2021).

The acquisition includes Azimo's technology and team, a payment network reaching more than 150 countries, and – "perhaps most significantly" – payment licences in the UK, the Netherlands, Canada, Australia and Hong Kong.

Stripe-backed one-click checkout fintech Fast folds

San Francisco-based e-commerce checkout fintech Fast has shut down. The one-click checkout site was founded by Domm Holland and Allison Barr Allen in 2019. Holland says Fast no longer has the financial resources to continue operating the business.

"This means that all team members will no longer have roles with Fast and Fast's brand and products will be retired. The Fast checkout button will also be removed from customer sites," he says.

The fintech had previously raised a $20 million Series A led by Stripe in March 2020 and a $102 million Series B in November 2020, which saw its valuation skyrocket to more than $1 billion. Fast reportedly burned through $10 million a month but generated just $600,000 in revenue in 2021.

BNP Paribas invests in fintech-focused VC firm Anthemis

French banking group BNP Paribas has invested in global fintech venture capital firm Anthemis. It follows a series of investments in other fintechs and digital firms, including Kantox, Symphony, Saphyre and Forge.

"We are not only investing in the fund but also looking at potential partnerships and co-investment opportunities, which will support the capital markets industry and develop the next generation of fintech champions," BNP Paribas says.

Founded in 2010, Anthemis' focus on fintech and insurtech has seen it amass a portfolio of notable firms including social trading and investment network eToro and international online money transfer firm Azimo.

Apple looking to build its own payments and lending infrastructure

According to a report from Bloomberg, Apple is planning to build its in-house technology and financial services infrastructure, including payment processing, risk assessments for lending, fraud analysis, credit checks and additional customer service functions such as handling of disputes.

The US tech giant has been busy in the fintech space of late. In March, it acquired Credit Kudos, a UK open banking start-up, at a reported value of $150 million. In February, it announced plans to allow US merchants to use their iPhone for contactless payments. The new 'Tap to Pay' feature will leverage near-field contact (NFC) technology to allow merchants to accept Apple Pay, contactless card payments and digital wallet payments on an iPhone, with no additional hardware needed.

Apple has also been looking into buy now, pay later (BNPL) services over the last year. It has been reportedly in talks with Goldman Sachs to launch a BNPL service called Apple Pay Later and partnered with BNPL provider Affirm to launch a pilot programme in Canada.

Nubank secures $650m credit line to boost international growth

Brazilian digital bank Nubank has obtained a credit line worth $650 million as it looks to boost its growth in Mexico and Colombia. The funds come from a three-year local currency line of credit financed by multinational financial services giants Morgan Stanley, Citi, Goldman Sachs and HSBC. These banks also acted as underwriters for Nubank's IPO last December, in which the bank raised $2.8 billion.

Founded in 2013 in Brazil, Nubank has about 54 million customers. It launched in Mexico in 2019 and in Colombia in 2020 under the Nu brand. It now has 1.4 million customers in Mexico (and is the largest credit issuer in the country) and 114,000 in Colombia (the latter is a threefold increase over Q4 2021). It is also building an engineering, product and data science hub in Colombia.

Trading app Robinhood buys UK crypto start-up Ziglu

California-based stock trading app Robinhood has acquired Ziglu, a UK-based electronic money institution and cryptoasset firm, for an undisclosed sum. The deal forms part of Robinhood's mission to "democratise finance" and "supercharge" its international expansion beyond the UK and Europe. Founded in 2018, Ziglu allows users to buy and sell up to 11 cryptocurrencies, make payments using a debit card and move and spend money abroad, without fees. It will ultimately be fully integrated into the Robinhood brand and platform.

US digital challenger Battle Bank taps Temenos for core tech

Digital-first challenger in the US, Battle Bank, has selected Temenos' core banking system to support its foreign currency, market index and precious metals products. The system will be delivered on the hosted, cloud basis. The bank plans to launch in H2 this year and is actively seeking its national banking charter. "We've created Battle Bank to fill a widening gap in the traditional banking landscape – to offer high-yield interest accounts coupled with access to the world markets," says president and board member Frank Trotter.

Tighten financial crime controls, FCA tells challengers

A review by the UK's Financial Conduct Authority (FCA), conducted over 2021, has found that some challenger banks in the country need to improve how they assess financial crime risk. The review also identified a growing number of suspicious activity reports reported by challengers, which the regulator says raises questions around the adequacy of checks when onboarding new customers.

The FCA's executive director for markets Sarah Pritchard says: "Challenger banks are an important part of the UK's retail banking offering. However, there cannot be a trade-off between quick and easy account opening and robust financial crime controls.

"Challenger banks should consider the findings of this review and continue enhancing their own financial crime systems to prevent harm."

Goldman Sachs and Form3 team for FX solution launch

Paytech firm Form3 has partnered with Goldman Sachs Transaction Banking (TxB) to launch a new solution that supports foreign exchange (FX) and cross-border payments capabilities for its banking clients.

Powered by TxB's APIs, the new offering is integrated into Form3's platform and will provide customers real-time FX rates coupled with payment execution and tracking capabilities.

Form3 says its financial institution clients will be able to access FX payments in 124 currencies across 163 countries.

FINTECH FEED

THE NUMBER GAMES

To read more about any of these stories, visit *www.fintechfutures.com/type/news*

$135.5m
paid by digital banking tech provider Alkami Technology to acquire Segmint, an account and transaction data fintech

900%
staff growth experienced by Californian fintech start-up Remote over the last 12 months – to 900 people in over 65 countries – making it "the fastest-growing employer of record in the world", the firm claims

$5bn
is the latest valuation of Indian merchant commerce platform Pine Labs, following a new investment of $50 million from Vitruvian Partners

9%
of full-time workforce to be cut by stock trading app Robinhood, citing duplicate roles and job functions and "more layers and complexity than are optimal"

$175m
secured by financial wellbeing app Wagestream in a Series C funding round as it prepares to expand beyond the UK; the round is believed to be the largest ever for a social impact fintech

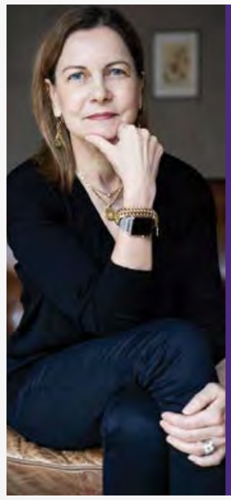
1
funding round (the company's first ever) has been held by crypto platform Binance.US, reeling in more than $200 million and the valuation of $4.5 billion

$620m
raised by US-based Cross River Bank, which provides core infrastructure and embedded financial solutions, in a financing round led by Eldridge and Andreessen Horowitz

$1.5m
hoped to be raised by Australian start-up Yondr Money via crowdfunding, to fund its ambition as a challenger to mainstream banks

$14bn
is the current valuation of London-based crypto firm Blockchain.com following an undisclosed funding round led by Lightspeed Venture Partners

$80m
raised by Swiss expense management platform Yokoy in a Series B funding round, led by Sequoia Capital



THEY SAID IT...

"While the majority of fintech's gender issues require exhaustive change and overhaul, a simple, but hugely important, step that all companies could take is to increase the visibility of their female leaders. To consider fintech a realistic career path, women need to see more examples of their gender achieving success across the sector."

Pamela Mead, VP of design at UK-based financial service provider SumUp

• Click here to read the full opinion piece by Pamela Mead

TRENDING

Bolt fires off acquisition of Wyre

E-commerce checkout fintech Bolt is to acquire crypto infrastructure provider Wyre as the firm looks to "decentralise and democratise commerce" through integrating Wyre's crypto stack, giving developers blockchain protocols to build financial crypto products. The deal is reported to be valued at about $1.5 billion.

Bolt CEO Maju Kuruvilla says the acquisition will "improve the buying experience" online, with "seamless, secure crypto transactions and NFT enablement for our retailers".

Wyre CEO and co-founder Ioannis Giannaros says: "Simply put, we want to allow every retailer to transact easily in cryptocurrency, removing long-standing barriers."

Crypto paytech Wyre has "on-ramped" more than 15 million end-users on to the crypto ecosystem and has processed more than $10 billion in payments since its inception in 2013.

PayRetailers scores with double deal

Spanish paytech PayRetailers has acquired two online payments platforms – Chile's Paygol and Colombia's Pago Digital. The deals are intended to shore up PayRetailer's card processing and e-commerce capabilities across Latin America.

Founded in 2017, PayRetailer offers an online payment platform that is a unified solution integrating more than 250 payment methods, including online payment alternatives using local currency such as credit and debit cards, online banking, QR codes and a wide range of e-wallets.

Founder and CEO Juan Pablo Jutgla says: "PayRetailers' mission is simple: to realise LatAm's vast e-commerce potential. This clarity of purpose drives us as we acquire the right companies at the right times to deliver the right capabilities."

Paygol is an online payment platform for merchants to receive payments through a wide array of payment methods. Pago Digital is a payment gateway that offers online payment processing solutions for emerging markets.

Advent gets fruity with Mangopay

PE firm Advent International has acquired Mangopay, a payment solutions provider for marketplaces and platforms, from French banking group Crédit Mutuel Arkéa (which will remain a minority shareholder).

As part of the transaction, Advent will also take a majority stake in Mangopay's parent company Leetchi, a donation-based crowdfunding platform in France. It will also invest €75 million of primary capital into Mangopay to facilitate its growth through international expansion and product development.

Mangopay offers end-to-end payments solutions to marketplaces and platforms. It currently serves European and global marketplaces such as Vinted, La Redoute and Rakuten.

It claims to be one of the fastest growing payments companies in Europe. The business is currently experiencing 50% year-on-year growth and expects to process €13 billion in transactions in 2022.

Good Bisnis for FinAccel

Fintech firm FinAccel has acquired a majority stake in Indonesia's Bank Bisnis Internasional as part of its strategy to build out its financial services offering.

The company plans to offer digital banking and larger loans alongside its other financial services including buy now, pay later (BNPL) platform Kredivo and digital credit platform KrediFazz.

The deal with give FinAccel a 75% share of Bank Bisnis, with the Suriadi family, the previous majority owners, retaining a significant minority stake.

The acquisition is purportedly the first time a fintech company has acquired a majority stake in a local Indonesian bank.

Waste! What is it good for? Absolutely nothing!

By Dave Wallace

As the world rightly focuses its attention on Ukraine, climate change has taken a back seat.

However, it does not appear that climate change has got the memo. As I sit here today, the news just in is that the Antarctic and Arctic regions are over 40 degrees warmer than they should be at this time of year.

The worst storms in over 150 years have just battered Australia not long after the terrible wildfires it suffered from two years ago. I'm beginning to think that Australia is the canary in the mine… sorry, Aussie friends.

And yet it feels like we're ambling rather than running to a solution. The IPCC makes it clear in its latest report: some progress has been made, but much more action is needed and needed fast.

COVID and Ukraine demonstrate the power of collective will when things need to happen quickly. COVID was, in many ways, straightforward. The adversary was a virus, and viruses are well understood. Within weeks of COVID first appearing, its genome had been mapped and vaccines were in development, ready to be fast-tracked through trails.

But climate change is a remarkably complex problem, and its solutions are manifold and multifaceted. Solving one problem can create others. For example, I recently listened to a presentation on black carbon or soot, a significant contributor to warming. A point made was that everything requires black carbon emissions, including the things designed to reduce it: every wind turbine and solar panel results in some soot.

If it is so complex, what can we as individuals do? As I have contemplated that question, one thing that has come to mind is how much waste there is in our daily lives. Taking stock of the waste in our lives and thinking about ways to minimise it could be a good start.

I was reminded of a documentary about how Team Sky went from obscurity to winning the Tour de France cycling race.

David Brailsford, the team director, talked about their approach – the aggregation of marginal gains. They examined the entire system and identified ways to improve every aspect of the system by 5%. From the weight, comfort and aerodynamics of the bikes to the clothes worn to the nutrition, everything was looked at to identify improvements.

My favourite factoid was that the riders' bedding went with them, so they slept on the same mattress and under the same duvets every night. Sleep problems caused by changes to bedding in different hotels had been identified as an issue.

So taking that mantra, what could we all do to reduce our waste by 5%? And when I talk about waste, I think it is essential to go beyond the obvious things like food, energy, travel and so on.

Think about waste at work.

I was contemplating how many projects I have worked on over the years that haven't seen the light of day. I enjoyed working on many of these projects but often knew, in my heart of hearts, they were doomed from the start. I also know how much time and resources many of them involved.

What I never sat and thought about was the energy that was involved. Every step has a footprint from travelling, meeting, brainstorming, UXing, designing, building and testing. Perhaps it's time to start forecasting and measuring project-based energy as part of the rationale for the project itself. The footprint of a project could be a potential gate to be overcome. An ideal opportunity for those who understand the project's futility to use energy as a reason to say, "Stop, don't start!".

> "Is 'failing' climate-friendly? If we consider the energy footprint of failure in the context of innovation, what does that look like? How much waste is involved?"
>
> **Dave Wallace**

The mantra on innovation is "Fail fast, fail often" – something I have espoused many times. The fact I am sat writing this article is on the back of many mistakes made over the years. But is 'failing' climate-friendly? If we consider the energy footprint of failure in the context of innovation, what does that look like? How much waste is involved?

As I look at the incredible infographics of the fintech ecosystem, I am often struck by how many companies have started to solve essentially the same issue. How much energy is underpinning competition in the start-up space? And how much of that is waste?

A logical conclusion could be, do we need so many banks? Ultimately, what's the balance between climate change and competition?

These are big things and would involve a wholesale change, which will not happen tomorrow.

So, to get started, I wonder if it's time for us to think about the 5% savings we can all make.

Think about how you work and how things work at work, and ponder how much waste could be involved. Then imagine changing how you work and reducing just 5% of that waste as a starting point.

It feels like time to leap out of the water as the temperature rises!

Dave Wallace is a user experience and marketing professional who has spent the last 25 years helping financial services companies design, launch and evolve digital customer experiences.

He is a passionate customer advocate and champion and a successful entrepreneur. Follow him on Twitter @davejvwallace.

Bringing transparency to cross-border payments

By Rasika Raina, senior vice president, strategy and transformation, Mastercard Cross-Border Services

The world is becoming a smaller place. Modern technology has allowed us to communicate and share information with each other instantly and across any distance like never before.

Nowhere is this clearer than in the world of business. Previously conducting commerce across borders was the preserve of big international companies. But with the advent of new digital platforms, this is now a possibility for almost any worker or small business. Indeed, more than a third of the thousands of workers and businesses we've spoken to have told us they were making more cross-border payments than they were 12 months ago.

Finding consumers for your goods or employers to work for around the globe has now become the norm for many, with clearer and more transparent processes for achieving this. And yet despite these innovations, there is still one area where transparency is sorely lacking – cross-border payments.

A LACK OF TRANSPARENCY IN CROSS-BORDER PAYMENTS

Those who send and receive funds across borders are often subjected to hugely uncertain and opaque processes, in stark contrast to the speed, reliability and transparency of making domestic payments.

To better understand this, Mastercard spoke to and surveyed thousands of consumers and businesses from countries all around the globe. We found that many have little choice over how they conduct their transactions, experiencing unpredictable speeds, high costs and little clarity around status.

One worker told us that when he sends money home to family in his home country he often has to wait days to find out if it has arrived safely, with no way of getting updates during the process. Another who uses a money exchange house told us how they regularly get hit with high and unpredictable fees and rates. One supplier said that they routinely wait weeks or months to get paid, having to constantly chase for updates.

This lack of transparency causes unnecessary admin and worry for both people and business owners. Rather than focusing on growing their business and doing their job, too many entrepreneurs are spending valuable time trying to stay on top of disparate and vague payment processes, forever attempting to align funds sent or received with goods or services provided.

Those we spoke to about this want to see change, but are realistic about what can be achieved. While cross-border payments are becoming faster and faster, this isn't the main priority for them. Their desire is to see an end to the high, unpredictable fees and get better real-time confirmation of payments.

THE CHALLENGES OF GIVING GREATER TRANSPARENCY

This all sounds reasonable, so why isn't it a reality? One reason is because of the disconnect between the various different systems we use to make financial transactions across borders. It's not that banks and other providers don't want to offer a good service to their customers, it's that sharing the relevant information needed to make simple cross-border payments is cumbersome, leading to delays, uncertainty and a lack of transparency.

Greater transparency gives people confidence when using payment services. They feel reassured when they can check on the status of their transaction whenever they want, see upfront any fees they will pay and know when it has arrived safely. It stands to reason that in a competitive market people and businesses will choose providers that can give them this level of service, choice and control.

Of the businesses we surveyed, 81% said using online cross-border payments, including wire or bank transfers, had helped their business to grow. And more than two thirds of the small and medium sized businesses we sampled said they hope to do more international business than they did during the pandemic.

HOW DO WE SOLVE THESE ISSUES?

With this expected increase in cross-border payment transactions, there is an opportunity for banks, non-banking financial institutions and digital platforms to come together with payment providers to tackle these challenges, give people better choices and in the process kickstart the global economy as we recover from the pandemic.

Transparency is at the heart of Mastercard's solutions, and nowhere is this more evident than in the cross-border payment services we've built.

We've made sure that our services give consumers any costs, rates or fees upfront, so they're never caught off-guard by what they'll pay. As well as this, we give people full visibility of their funds throughout the transaction process. So, whether they are receiving money from loved ones or paying suppliers for goods, they can rest assured knowing where their funds are, its value and when it will be received.

All of this goes hand in hand with our dedication to speed and choice. Our network covers more than 100 markets and 90% of the world's population. And we deliver funds in real-time to bank accounts in more than 50 markets, which we are constantly growing, in addition to real-time delivery of payments to mobile wallets and cash payouts.

Everyone deserves transparency when managing their money, and the confidence, control and security this brings. Together with banks, digital platforms and other institutions, Mastercard wants to give people a better service, and in the process ensure we all play a role in boosting business and growing economies around the world. Given the unprecedented events of the past two years, never before has this been more important.

The evolution of core banking: build or buy?

By Dharmesh Mistry, CEO, Askhomey

Incumbent core banking vendors had things relatively easy in the previous decade as many of them faced little new competition and some acquired others to consolidate the market into a dozen or so large players.

While all serving the same need, each of the players have quite different strategies and strengths. In my view: Jack Henry focuses on the US, Avaloq boasts strength in wealth management, Temenos has the most deals, TCS has the most resources and SAP has the largest licence values.

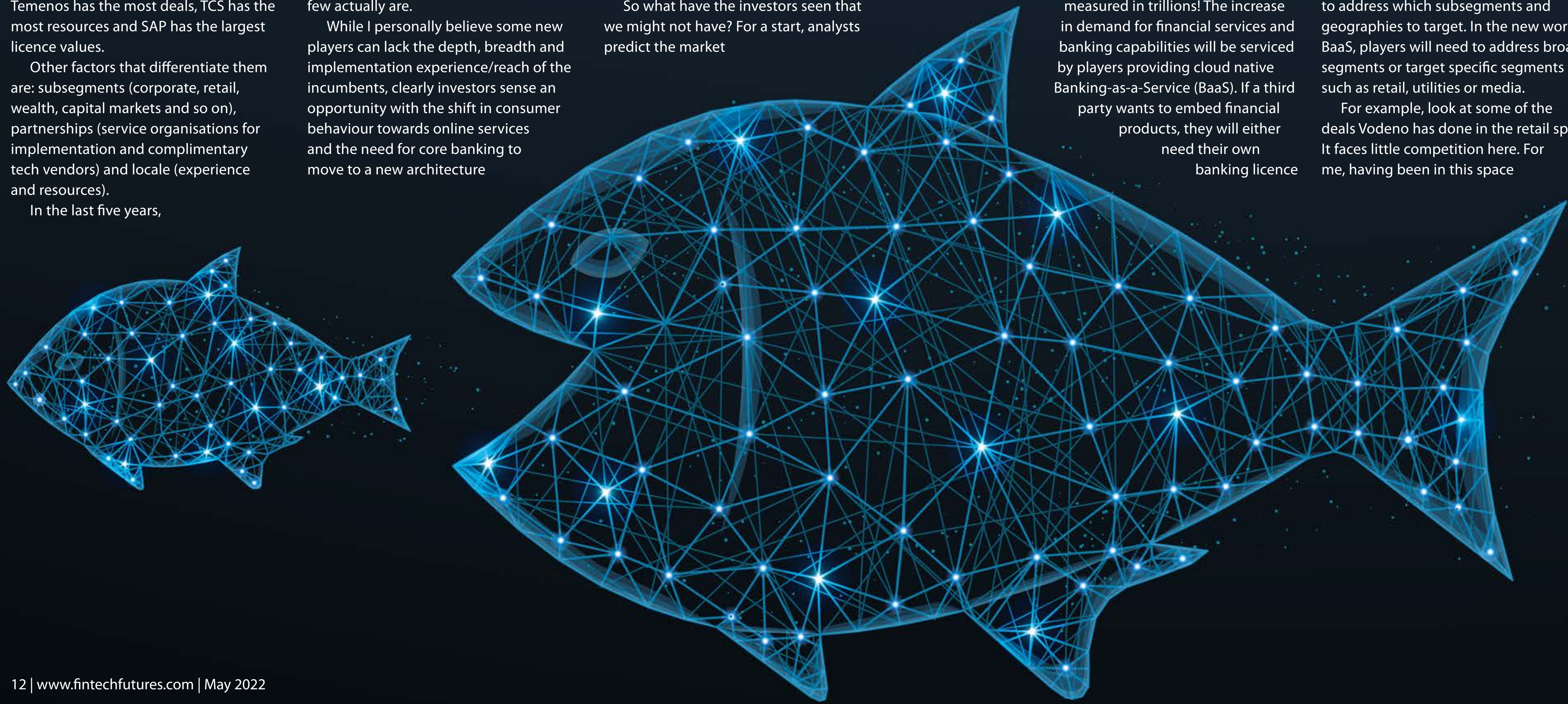
Other factors that differentiate them are: subsegments (corporate, retail, wealth, capital markets and so on), partnerships (service organisations for implementation and complimentary tech vendors) and locale (experience and resources).

In the last five years, however, we have seen a great expansion in the number of players vying to be the core banking software/cloud provider of choice for banks. These new players also have different strategies, but the common theme they address is that core banking architecture has to change and move to the cloud (for instance, be cloud native). And although many of the incumbents have stretched their marketing prowess to claim being cloud native, in my opinion, few actually are.

While I personally believe some new players can lack the depth, breadth and implementation experience/reach of the incumbents, clearly investors sense an opportunity with the shift in consumer behaviour towards online services and the need for core banking to move to a new architecture and modern technology.

In the last few years, just six companies (10x, Mambu, Thought Machine, Solaris, Railsbank and Vodeno) have raised more than $2 billion between them. This sounds even more astonishing when you realise the market for core banking software is sized at around $10-12 billion. I would be surprised if the total revenue in 2021 for these new players exceeded £100 million last year.

So what have the investors seen that we might not have? For a start, analysts predict the market for core banking to grow annually by 8-10%, with some forecasting the market to be worth $30 billion by 2030. We have already seen an increase in the number of licensed banks in recent years, so this accounts for some of the growth. Banks are also under increasing pressure to move off legacy systems. But these are relatively small growth drivers.



BOOSTING CAPABILITY

I believe the main growth driver is the need for more banking capabilities (not necessarily the need for more banks). The demand for this comes from a much bigger audience of non-banks that want to embed financial services or banking capabilities into their customer journeys.

One of the key things that Uber handles is payments. There is no exchange of cash or cards and the payment process is embedded into the service of getting a ride. The market for this is measured in trillions! The increase in demand for financial services and banking capabilities will be serviced by players providing cloud native Banking-as-a-Service (BaaS). If a third party wants to embed financial products, they will either need their own banking licence or to partner with a BaaS provider and use their licence.

> "Retrofitting an old core is much harder than building a new one, especially if you have to consider how you migrate existing customers as incumbents do."
>
> **Dharmesh Mistry**

Aside from the new technology, this new demand necessitates a new sales model. Incumbents have typically sold only to banks. Their strategy had to address which subsegments and geographies to target. In the new world of BaaS, players will need to address broader segments or target specific segments such as retail, utilities or media.

For example, look at some of the deals Vodeno has done in the retail space. It faces little competition here. For me, having been in this space a long time, it's really fascinating to watch the landscape for core banking evolve. I believe the market will go through a shakeup and consolidation in a similar way that CRM software did in the noughties.

For incumbents, I doubt many will be able to transform their software to compete with the new players that already have solutions and customers. More likely they will acquire platforms like Fiserv has with Finxact. As the new players increasingly close more deals, the pressure to acquire a platform will grow, and I expect most of the big incumbents to acquire. Retrofitting an old core is much harder than building a new one, especially if you have to consider how you migrate existing customers as incumbents do. Even building a brand-new core is harder for an incumbent as they can potentially struggle to let go of 'legacy thinking'.

I'm not saying it's impossible for incumbents to build their own core, I'm just saying there are plenty of players that are not growing as fast as their investors want, so buying one makes a lot of sense. Combining the scale and reach of an incumbent with shiny new tech is in my view a safer strategy than trying to compete alone. There is only so much 'magic' marketing can do with an old core.

Dharmesh Mistry has been in banking for 30 years and has been at the forefront of banking technology and innovation. From the very first internet and mobile banking apps to artificial intelligence (AI) and virtual reality (VR). He has been on both sides of the fence and he's not afraid to share his opinions.

He is CEO of AskHomey, which focuses on the experience for households, and an investor and mentor in proptech and fintech.

Why composability is the future of banking

By Prema Varadhan, chief product and technology officer, Temenos

Today's big banks face multiple challenges. Consumers expect the same sort of digital convenience from their banks as they get from other experiences. Regulators agree and have made it easier for new entrants to disrupt the financial services space by using cloud-native technologies to get to market, offering new services at breakneck speed.

To survive and thrive against these new competitors, those that grasp the urgency and begin migrating now from legacy technologies that struggle to enable innovation at pace, will win. Those that don't will find it harder to compete in this new banking paradigm.

So what sort of platform should banks be using? The answer is a composable one.

LEARNING THE LESSONS

Banks only need to look at some of the most successful B2B technology companies to understand the value of composability. These companies have taken a specific function and created an entire suite of software capabilities, accessed through a single platform. Think Salesforce for CRM, Oracle for ERP or Microsoft 365 for office functions and collaboration. Once a business is plugged into these platforms, they have everything they need, whether they choose to enable all the modules at once or gradually over time. And all without the burden of integrating, updating, localising and innovating, which falls to the platform provider to do.

Compare this to the technologies that continue to dominate big banks. The picture here is of dislocated systems procured from multiple vendors, requiring complex integrations to enable process automation.

What's more, much of these legacy systems run on-premise, meaning banks must take on the cost, management and risks of hardware, networking and security. The cost of rewiring often outweighs the commercial opportunity. All the while, more nimble players attract customers with better services and experiences.

DEFENCE TO OFFENCE

However, composable banking can be the answer, helping banks to develop new revenue streams by extending their portfolio of services and products.

That is what Banca Mediolanum Group has achieved with its creation of Flowe, the digital-only bank designed to attract younger customers. Using the Temenos Banking Cloud, Flowe could compose and configure services tailored to its customers and went live in just five months, onboarding 600,000 customers in its first half-year.

Meanwhile, Varo Bank in the US leveraged the Temenos Banking Cloud to compose solutions quickly and attract four million new accounts in 13 months and serve customers at approximately 25% of the cost of incumbent banks.

BREAKING BOUNDARIES

Composable banking is also creating opportunities beyond traditional market boundaries. Increasingly, companies from a variety of sectors are entering banking, directly using composable banking platforms to entice their customers with credit offers, new payment methods, investment opportunities and wealth management solutions.

But offering "embedded finance" services directly has limits – regulation and know-how being two of the obvious ones. Banks that can enable merchants to expand their portfolio of "embedded finance" products will take their share of the revenue and may also collect new prospects to market their core banking services to.

A composable platform allows for this to happen at scale. Without it, it would be too complex for a bank to integrate their systems, processes and protocols with those of the merchant. But now, the "plug and play" nature of a composable banking platform means banks can work with providers of all sizes, with merchants expanding their range of available capabilities as fast as possible.

HOW YOU COMPOSE MATTERS

Openness in a composable platform is fundamental, to enable banks to run in any environment, including on any public cloud or as SaaS. It should also be database agnostic, and leverage API architecture. This matters for deployment, but also for the developer ecosystem that needs to be built around it.

Developers are the lifeblood of a composable platform. Without their involvement in extending modules with new features, or building new capabilities on top of core ones, the platform will be starved of the innovation it needs to stay relevant. The platform must also enable partners to bring their own solutions and integrate those easily.

So, the platform must be cloud-native, to enable containers, microservices and other modern DevOps tools. There must be a sandbox environment to facilitate experimentation and testing; and a marketplace where developers can commoditise their work.

> "The 'plug and play' nature of a composable banking platform means banks can work with providers of all sizes."
>
> **Prema Varadhan, Temenos**

It is only through these open principles that a composable banking platform can generate the breadth and depth of capabilities that it is designed for; the deployment flexibility to suit current and future needs; and the ease of use that enables fast adoption and then scale.

MAKING A SUCCESSFUL PLATFORM

Successful banking platforms must offer scale. They also should handle a variety of complex entities – from legal, geographical, regulatory, currency, customer to product standards – to ensure they run effectively and safely. They should also enable banks to support an ecosystem of solution providers, developers and embedded finance innovators.

Banks should prioritise a platform whose vendor knows that the pace of transformation is not uniform. For large banks, adoption of composable banking is likely to be incremental as they migrate gradually to run down their legacy investments. Therefore, banking platforms must offer modularity.

Challengers, fintechs and non-banks eyeing growth through embedded finance will want to scale fast and adopt specific capabilities that have been pre-composed for specific use-cases, such as buy now, pay later (BNPL), payments or digital mortgages.

The profits and success generated through composable banking activity will ultimately dictate how urgently banks adopt composable banking software. Banks and businesses that move first will be in pole position to analyse the commercial implications, double down and reap the most benefit.

The need for speed

By Bhairav Trivedi, CEO, Crown Agents Bank

When a crisis hits, it's paramount that everything that can be done to help communities recover is done.

However, issues around local liquidity challenges can restrict vital funds being received by those most in need. Access to funds may be limited by a lack of payment channels, expensive rates that syphon off large chunks of the money intended for aid, and fraud due to limited verification processes.

Furthermore, in a crisis, time is of the essence and many secure payment channels can take days. However, the innovative approaches of the payments sector are driving a transformation towards increased connectivity and quality of service across markets in both the Global North and Global South.

THE IMPORTANCE OF DIGITAL INNOVATION

It will come as no surprise that 'digital' is still the word on everyone's lips in emerging markets specifically. Over the past few years, digital payments have overtaken traditional banking methods that have proven themselves unfit for purpose and have experienced a surge in volume and adoption as a result.

The African payments industry, for example, is being reshaped by a confluence of factors, from increasing ambitions for regional trade integration to ongoing social and political challenges such as Covid-19.

The continent has already proven its readiness for fintech. It has long led the way in mobile payments and innovation due to it having one of the highest mobile phone penetration levels in the world. In fact, mobile money transactions boomed globally in 2020, especially in sub-Saharan Africa, which accounted for 43% of all new accounts, according to the GMSA Association.

However, making domestic and cross-border payments in emerging markets is not as easy as it should be. This makes it incredibly difficult to send, receive or save money, as well as access credit and financial advice.

There is a high prevalence of feature phones which go beyond making calls and sending messages to offer some advanced features, such as accessing the internet and basic apps, but do not have the advanced operating systems seen on smartphones.

Therefore, many of the banking apps created in developed countries where smartphone penetration is high simply aren't suitable in these markets. Tech solutions have to work for the local context.

Take Mowali. The mobile wallet providers' huge success and vision helped to demonstrate how enormous the potential for payments is in sub-Saharan Africa. The MTN Group and Orange's 2018 launch of Mowali to enable interoperable payments across Africa provided the optimal environment in which the mobile money industry can thrive.

By allowing users to seamlessly send money between accounts and across different providers, Mowali successfully reduced costs of transfers and enabled a wider reach for mobile money users, especially businesses – necessary features to further remove limits on financial inclusion.

Thirteen years after the launch of mobile money transfer service M-Pesa in Kenya, there are now nearly 200 million consumers subscribed to popular mobile money services in Africa, including Paystack and MoMo.

A SECTOR LOOKING FORWARD

There is a feeling across the industry that we do not want to lose the pace of innovation that fintech has catalysed over the last decade. The adoption of digital services and the increased effort by regulators and governments to facilitate these alternative financial services has been ground-breaking.

Moving money where it's needed quickly, reliably and cost-effectively is more important than ever, particularly in emerging markets, where fintech advances will significantly improve financial inclusion and access.

FOOD FOR THOUGHT

Who owns the client?

By Leda Glyptis

Who owns the client? If you are a seasoned banker, you have heard this question asked more than once. And it never means 'whose responsibility is it to make sure the client gets what they need?'.

It rather means 'who books the revenue?'.

I don't know about you, but I have watched 'table tennis' (not ping pong, no, the verbal version: bouncing a claim like a ball across the table, not conceding a single point) between bank big-wigs when we were about to land a big deal. A complex deal. A deal that brought together several parts of the bank in order to solve a complex set of problems in a creative way.

And when the deal was as good as signed (but critically not signed yet), "The Meeting" was had. About who owns the client. And if you are thinking 'oh come on, this isn't a zero sum game', you are wrong and it is.

Although this is so much more relevant and valuable in corporate or transaction banking (big client, big money), it carries through to retail because there is immense perceived value in booking original revenue.

New money.

Everyone in the bank likes new money because it translates to real money in your pocket and robust personal credibility in the organisation.

Client retention? Not so much.

It's not that retaining revenue isn't important. It's just that it's taken for granted. New money is acknowledged as important. Even when it comes with high churn, somehow nobody worries about that enough to call foul and new money reigns supreme.

And a new, big, complex deal is the best kind of new money. The big kind. So although we all worked together on this, someone gets to claim the prize. Who will it be?

Who the hell cares, you may think.

Everyone, actually.

The team that own the client get to book the 'net new' revenue. They will be the ones who made the bank money. Everyone else gets to cross-charge. So they get some money credited to them. It appears in an inter-company account ledger. It materialises in your internal 'black' column. (And black is better than red, friends, but not as good as new. Nothing is as good as new money.)

In a bank, owning the client is an exercise in accounting, not accountability.

SO WHO GETS TO OWN THE CLIENT?

It depends. Sometimes it's the last team who handled them. The team that pressed the green button. Sometimes it's the first team that handled them. The team that holds the original relationship, where the client entered the bank. Sometimes it's the team that 'owns' the biggest piece of the solution, the team that will host the solution on their systems or the team whose ledger the new money will sit on.

Usually a client team exists. They own the client by design. They are equally tasked with selling all the bank can sell. It means someone is there to look after the client, not so much by solving their problems as by helping them gorge on everything the bank does across its estate rather than trying to get them to focus on one vertical, one product line. It sort of makes sense and it sort of works. Mostly. It doesn't save you from the 'who owns the client?' meetings, but it does make them mercifully short.

Now… the client themselves mostly really doesn't want to be owned and would rather fewer folks from your shop called.

Remember my latest a banker goes a-banking piece (*Banking Technology*, April 2022)?

I would happily only talk to Jim, and Jim was well placed to extract the most value out of me for his bank. But because of internal processes and targets and people having no idea how things fit together, I was forced to speak to seven of his colleagues in one week to get something very small and basic, but essential, done.

In case you are wondering, how many is too many? Seven is definitely too many.

Touch points? Not good.

Repeat after me.

Do you need me to say again?

Because encouraging or forcing the client to interact with you seems to be a default staple of banking UX and I live for the day someone inside a big bank will realise that good UX for an intermediary business is less UX.

But back to my story.

And before you say I am a low-value 'mass affluent' customer I will tell you to zip it, skippy, respectfully. Not because I am high value but because this is not intentional. This is default behaviour.

Let me let you in on a secret: I grew up in operations and as part of business process re-engineering work, we always mapped out customer touch points and, let me tell you, what we found is that the average fund (hint for the uninitiated, hedge funds never employ a lot of people and are definitely high value customers) would find their entire workforce minus maybe the cleaning crew (because, occasionally, the cleaning crew answered the phone after hours so, you know, occasionally them too), their entire workforce (repeated for effect), would speak to their custodian at least once a week. Custody positions don't move that regularly, by the way. The client didn't need to talk to the custodian. It was the custodian who needed to talk to the client. Needed. Yes. Mostly for admin work that had a lot to do with how the bank was set up internally.

But also. This is all believed to be a good thing because… touch points.

So if you get given the run-around by your bank, being made to speak to half a dozen folks for a simple issue, it is not because you are low value. This is about the bank, not about the customer.

> "I am going to go out on a limb here and say, dear bank, you are doing client ownership wrong."
>
> Leda Glyptis

Some of the run-around is because there are process constraints inside the bank. And some of it is because somewhere on this journey, people inside banks were convinced that regular and frequent touch points with clients are good and increase ownership.

You are mine if I speak to you often.

So touch points become coveted, pursued, cultivated. Some banks measure client touch points as a KPI for their staff. A client-facing person speaking to their client often is doing a good job.

But are they?

If you are speaking to every single one of a hedge fund's 25 employees in a single week, are you doing a good thing or are you hassling them?

If I have to call Jim six times in a single day, is he performing high-value work or is he just helping me navigate his Byzantine organisation?

The answer to both, by the way, is that the way big corporates service clients is 99% about the corporate and 1% about the client. If that client is retail, then the 1% is about their presumed demographic. People who liked current accounts like this one also ordered… type territory. As a working-class kid done good, I am always miscast here and having all the fun, by the way.

In institutional banking, the ratio remains. The only difference is that the 1% is genuinely about the client. But in really weird ways. It's less about solving problems and being in constant dialogue and more around indulgence.

I have worked with a client that had written into their fund accounting contract what type of paper we should print their statements on. I have worked with another client who had written into their contract having their own version of Wall Street Office (irrespective of what the rest of the clients were on) and their favourite relationship manager. Neither could be changed – upgraded (for the system), fired or promoted (for the human) – without renegotiating a hugely valuable contract.

I am going to go out on a limb here and say, dear bank, you are doing client ownership wrong.

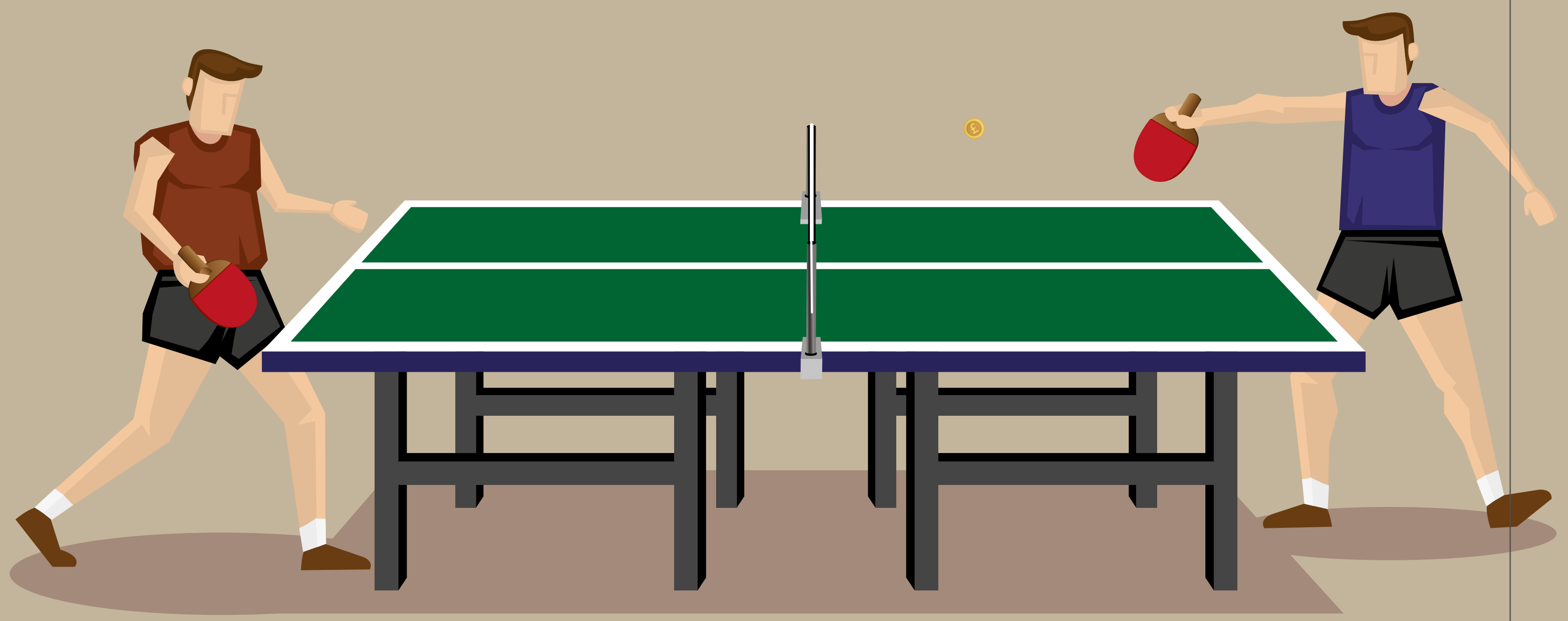
There is a world where your client doesn't need to be treated like a child, a nuisance or an endlessly patient, committed partner. There is a world where all business (new or repeat) is equally valuable and that is reflected in the way you treat customers once they've signed on the dotted line.

There is a world where you service the client, not counting on their patience and not presuming ownership.

And the way we get to that world is not through UX. It's through a shift in internal bank processes, incentives and attitudes. But above all, incentives.

Change the way you book revenue and you've transformed the way clients are treated forever.

#LedaWrites



Leda Glyptis is *FinTech Futures*' resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption. She is a recovering banker, lapsed academic and long-term resident of the banking ecosystem.

All opinions are her own. You can't have them – but you are welcome to debate and comment! Follow Leda on Twitter (@LedaGlyptis) and LinkedIn (Leda Glyptis PhD). Visit our website for more of her articles.

Hitting the on button towards a net-zero software future

By Alex Pugh, reporter, FinTech Futures

"The climate challenge in front of us all is immense. It's centuries in the making, and we have eight years to try and materially alter its current trajectory."

Those are the words of Eric Zie, CEO and founder of GoCodeGreen (GCG) and head of future solutions at NatWest Group.

While the clock is ticking on the climate emergency and inertia is pervasive in some sectors of the economy and society, a number of companies across industry verticals have sprung up with the goal of helping to reduce emissions and push for net-zero targets.

GoCodeGreen is just one such outfit. It's a tool that businesses can use to calculate the carbon emissions of a software product in both build and operate mode.

"Through accurate measurement we are able to recommend actions to reduce carbon emissions and rate software products against best-in-class for similar size and complexity," Zie says.

The platform has been built to help support the shift toward sustainable software engineering and inform decision makers as they design, build, select and procure new tech.

It can also help set clear KPIs and targets as more and more businesses undergo digital transformation.

Zie says: "For us, software is the heart of digitisation, and by building more efficient and carbon-aware products we can make a real difference in the consumption of energy through the entire technology value chain."

KNOWLEDGE IS KEY

Traditional banks are increasingly looking to embed sustainability in their transformational change strategies but often struggle to understand the carbon emissions related to technology and software beyond the energy going into their data centres.

Companies such as GCG are aiming to help financial institutions understand the carbon impact of their software production and usage at a level they have not been able to see before. Armed with that knowledge, they can start to build a strategic response to bring down their carbon footprint.

"We have to also face the truth – we are often telling them things they did not know and adding to their challenge to achieve net-zero," Zie says.

> "We have hard decisions, choices and actions to take over the next eight years that need us to only celebrate our journeys toward net-zero once we have all helped to make a difference."
>
> **Eric Zie, GoCodeGreen**

But, according to Zie, big banks have the scale and appetite for change to make a significant impact, and this desire coupled with better knowledge of their carbon emissions will give the industry a boost ahead of the UN's 2030 climate emergency tipping point.

SOFTWARE UNDER THE MICROSCOPE

Despite the gains and advances made in recent years towards net-zero and other climate targets, Zie says there are still hurdles to overcome.

"Right now, it feels like a constant education exercise," he says. "We need more advocates across all firms to really understand the size of impact that they can achieve."

Through its measurement platform, GCG is able to operate across individual projects all the way through to entire domains and product lines.

Understanding the carbon emissions related to software build and usage across the multiple layers of a tech stack provides a great basis to then act – "and we are seeing opportunities to reduce build emissions by up to 60% and 15 to 25% for operating emissions as a result of our pilot phase", says Zie.

While regulations and the reporting required by all firms over the next few years will become deeper and more detailed, software level standards and reporting are also needed for software development to encourage the transition to sustainable engineering practices. That way, supply chain professionals can start to effectively bake climate credentials into the software product selection process.

Zie outlines a few critical steps the financial technology sector could take to help avert climate catastrophe and make the industry net-zero.

First, he says computing power should be treated as a non-abundant resource. "We are too used to cheap limitless computing power and our software development has become 'lazy' as a result," Zie adds.

Second, software should be made carbon aware and more responsive to usage patterns in order to improve efficiency.

Last, Zie says developers should make software more "elegant" to extend the lifespan of devices and IT equipment so that use of the embodied carbon is maximised.

STEPPING UP TO BAT

Tackling climate change is a responsibility that falls on the whole world's shoulders. Zie says it is important governments set policies and commitments that they hold themselves to. But organisations, such as those in the financial services sector, have a powerful role to play in taking their own action.

"We also need to stop claiming success in the short term; we have hard decisions, choices and actions to take over the next eight years that need us to only celebrate our journeys toward net-zero once we have all helped to make a difference," he says.

Zie says he talks to too many firms who enthusiastically claim to have achieved net-zero but have failed to understand the full extent of their carbon emissions, whether direct, indirect or those that occur in their supply chains.

"I'm hoping that targeted tools like GoCodeGreen can help them uncover more in their value chain which they can then address with the same vigour and lead to true lasting impact," he concludes.

PROFILE: CHARITABLE GIVING

Simplifying the act of giving

By Zephin Livingston, editorial contributor, FinTech Futures

Charitable giving can feel like a win-win. You get to donate to a cause you are passionate about, and you get a tidy tax deduction to go with it. However, the donation process is a complicated one, and a whole fintech sub-industry has sprung up dedicated to simplifying it for donors and nonprofits alike.

It is in this tangled web of charitable giving that Daffy (short for Donor-Advised Fund For You) was founded in 2020 by veteran fintech executive and investor Adam Nash. Daffy is an app designed to help users give more easily and consistently through donor-advised funds (DAFs).

To better expand the platform's capabilities, the burgeoning company has tapped Lorie Lambert to run the app and lead its continued growth. Before Daffy, Lambert spent 12 years working in a variety of roles for Schwab Charitable, where she led the development of Schwab's own integrated DAF platform.

When asked about why she chose to go to Daffy after her time with Schwab, Lambert says: "When I met Adam, it sounded like he had this vision for what donor-advised funds could be… Specifically, working with charities and really building out a product that connects to charities and builds a community."

A FLEXIBLE WAY OF GIVING

Part of the complexity of charitable giving comes from the variety of options a donor has at their disposal. You can write a cheque, donate stock or use an online platform, among others. Of these possibilities, DAFs are one of the fastest growing in the sector.

A DAF is essentially a charitable investment account operated by a nonprofit or not-for-profit organisation. Donations to a DAF are invested into assets like stocks for growth. As the name implies, donors can then advise the DAF on which charity the fund's grants are given to.

DAFs have grown significantly in recent years. A 2021 report by the National Philanthropic Trust (NPTrust) revealed that DAFs gave $34.67 billion to charities in 2020, a record high and a 27% increase from 2019. Lambert cites DAFs' ease of use as a possible reason for their rapid rise:

"I think donor-advised funds are just a very flexible way to give to charity… And they're easy," she says. "A lot of ways you can give to charity are not as easy, and donor-advised funds allow you to get the benefits of the more complicated ways of giving to charity but make it super easy.

"For example, giving stock to charity is really difficult, but there is a great benefit because you receive a better tax deduction if you're giving appreciated assets. But most charities are not set up to take stock donations, and donor-advised funds can just make that very easy for you."

FINTECH ADVANTAGE

Neither Lambert nor Nash are strangers to working with nonprofits. Lambert spent five years as a board member of the Shih Yu-Lang Central YMCA in San Francisco, and Nash is currently co-chairman of the Israel Collaboration Network, a nonprofit dedicated to fostering business relationships between the Israeli tech industry and Silicon Valley. Prior to that, he had spent six years on the board of Oshman Family JCC, a nonprofit focused on supporting the Jewish community in Palo Alto, CA.

Nash believes Daffy's fintech background gives it an advantage over competing providers and investors, and the firm is trying to bring a tried-and-true fintech solution to the industry: goals. "We've already used goals to help people with all sorts of tasks, including financial tasks," he says. "Saving for retirement, saving for college, saving to buy a home. But it hasn't been applied to giving."

Daffy's support of cryptocurrency is also one of the firm's favoured selling points. On its website, it mentions being able to both donate in crypto and invest donations into crypto, if the user so desires.

This is in line with another of Nash's roles: advisor to and former investor in crypto-asset manager Bitwise. Index funds from Bitwise are part of Daffy's crypto-focused investment options, alongside direct investment in Ethereum or Bitcoin via Coinbase. Coinbase Ventures is also one of Daffy's investors.

> "We've already used goals to help people with all sorts of tasks… saving for retirement, saving for college, saving to buy a home. But it hasn't been applied to giving."
>
> **Adam Nash, Daffy**

Regarding his company's implementation of crypto as an investment option, Nash says: "I realise there are some people out there who are very bullish about the future of crypto and Web3, and there's some people who aren't. The great thing about Daffy is, if you want to do it, we're happy to help you."

Whether or not Daffy's platform will revolutionise the world of giving, it has made believers out of some. In February, the firm managed to secure $17.1 million in Series A funding led by Ribbit Capital.

The fintechs with a feel for saving the planet

By Gihan Hyde, founder & CEO, CommUnique

Fintechs are in a unique position to build environmental, social and governance (ESG) criteria into the fabrics of their businesses.

As a relatively new sector, there is an opportunity to mould the future of fintech, while nudging other financial services to make socially and environmentally positive changes.

We get there by taking baby steps, making small changes and addressing the areas of our business where we have the greatest opportunity for change. And while it is important to focus on each achievement and be proud of each small change, sometimes it is worth just taking the time to get inspired. Here are some of my favourite ESG standouts in the financial and technical world.

As a disclaimer, I have no affiliation with the below organisations other than one (Tred). As for the rest, I am just a fan of their work. All opinions are my own.

Don't get me wrong, the below initiatives are not new because they have been implemented by other organisations within the retail, fashion and FMCG sectors. What's impressive is the use of technology in saving people and planet.

STARLING

Starling is a branchless, paperless bank, the first challenger bank of its kind in the UK. It has prioritised its people and planet credentials from the beginning – ensuring it does not build bias into its tech, ensuring an equitable workforce with women filling

40% of senior roles and partnering with Trillion Trees to plant 2,014 trees, plus an extra one for every person who is referred to Starling by a friend.

TRED

Tred, a green debit card made from recycled ocean plastic, is the UK's first green debit card that allows users the all-in-one ability to track, reduce and offset their carbon footprint as they spend, while also contributing to reforestation with every purchase. The Tred app calculates a user's personalised carbon footprint based on their spending, and a tailored monthly subscription then allows users to offset their carbon footprint by planting more trees or contributing to other climate change mitigation projects.

FAIRPHONE

Fairphone is a technology company that has pushed the tech sector to take a look at the way they build, source and trade. It pays all factory workers fair living wages and trace and publish its entire supply chain. It's thanks to Fairphone that it is now possible to source Fairtrade gold. Looking after people and planet is built into the core of what it does, and it is upfront and honest about every challenge it faces.

ALMOND

Almond helps individuals make better choices about where they shop. Consumers can "buy better, act better and offset the rest" with confidence as it has strict criteria for companies to be listed on its app and to earn badges for being carbon neutral or circular in nature.

TRIODOS

Triodos is another organisation that has had people and planet at the core of everything it does from the beginning – which was 1980. It is completely transparent about everything it invests in, with high criteria – firstly filtering in companies that are contributing to the United Nations Sustainable Development goals, and then filtering out companies that are involved in sourcing conflict minerals, violate their employees' rights or produce or retail energy from fossil fuels.

> "All these organisations are making the changes that are the most applicable to their business, owning their challenges and celebrating their achievements."
>
> **Gihan Hyde, CommUnique**

PENSIONBEE

PensionBee offers both a fossil-fuel-free pension plan and a Shariah plan, which invests only in Shariah-compliant companies. This allows customers to decide what is most important to them. It has also updated its ethical plans based on feedback from customers and its increased ability to index companies.

CLIMATEHERO

ClimateHero allows users to calculate their individual climate footprint. The interface asks users about aspects of their lifestyle and habits and then calculates their footprint. It then offers ways to reduce this climate footprint and finally an opportunity to offset any carbon that can't be reduced. It's a super simple app that lets people dig into their habits in a non-judgmental way and gamify their carbon reduction.

WEALTHIFY

Wealthify is an investment app that offers an ethical plan for investors. The algorithm can be set to whichever portfolio allocations you prefer – it recognises that ethical means different things to different people. All its funds are designed to avoid funding deforestation, gambling, tobacco, adult entertainment and weapons. It also allows positive screening so that investors can choose where they want to make the most difference.

All of these organisations are doing thorough work to push structural changes into the financial and technological industries. However, there is still more they could be doing in regards to their communication campaigns, specifically:

- Linking their campaigns to their purpose;
- Better explaining how we as their consumers play our role in saving people and planet; and
- Sharing with us the outcomes of their campaigns.

But what they are doing is making the changes that are the most applicable to their business, owning their challenges and celebrating their achievements. They are all getting there one step at a time.

Gihan Hyde is the award-winning communication specialist and founder of CommUnique, an ESG communication start-up.

She has been implementing ESG campaigns in eight sectors, across six countries over the past 20 years.

Her campaigns have positively impacted over 150,000 employees and 200,000 customers and have closed over £300m in investment deals. Some of the clients she has advised include The World Health Organisation (WHO), HSBC, Barclays, M&S, SUEZ, Grundfos, Philip Morris, USAID, and the Saudi Government.

Follow Gihan on Twitter @gehanam.

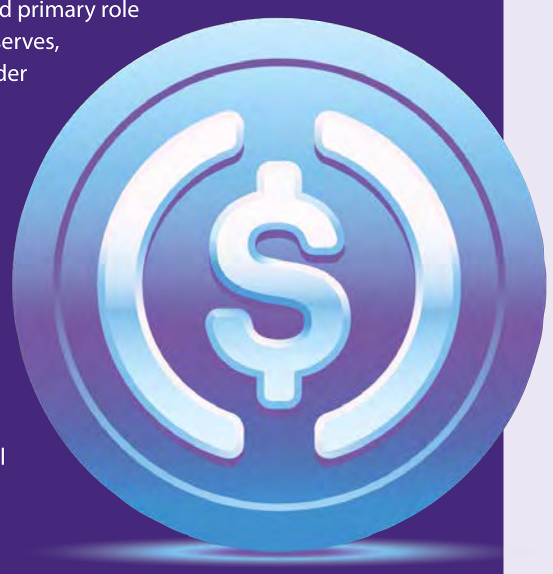
FINTECH FUNDING ROUND-UP

US-based **Circle** has entered an agreement for a **$400 million** funding round featuring contributions from BlackRock, Fidelity, Marshall Wace and Fin Capital.

In addition to its investment and primary role as asset manager of USDC cash reserves, BlackRock has also entered a broader partnership with Circle to explore capital market applications for USDC.

According to Circle, USDC is one of the fastest growing dollar digital currencies with more than $50 billion in circulation.

The fintech enables businesses of all sizes to utilise digital currencies and public blockchains for payments, commerce and financial applications worldwide. It also operates SeedInvest, a start-up fundraising platform in the US.



SamCart, a US-based e-commerce platform for the creator economy, has raised **$82 million** in a Series B funding round. The round was led by Eldridge and saw participation from existing investors TTV Capital, Fin VC and the George Kaiser Foundation, alongside new investor eGateway Capital.

SamCart's subscription-based platform offers specialised tools for online content creators, including revenue optimisation and diversification, payments processing and customer conversion and relationship enhancement capabilities.

The money will be used to expand the team and develop new features. The company has launched a service to help brands launch online courses, and an auto-enrolment feature which SamCart claims increases student engagement by as much as 30%. SamCart currently supports more than 30,000 businesses and has processed more than $2.2 billion in sales to date.

Fraud prevention platform **SEON** has raised **$94 million** in a Series B funding round.

The round was led by Silicon Valley's IVP and saw participation from existing investors Creandum and PortfoLion, as well as founders and senior executives from tech firms including Coinbase, DoorDash, GitHub, Slack and Wise.

The Anglo-Hungarian start-up will use the fresh capital to expand throughout North America, Latin America and Asia-Pacific.

Money will also be spent on building partnerships with e-commerce platforms and integrating additional data sources.

SEON CEO and co-founder Tamas Kadar says the company's solution "can be trialled by potential customers in less than 30 seconds and up and running in less than a day".

US-based **Welcome Tech** has raised **$30 million** in fresh funding. Its digital platform provides the immigrant community in the US with banking and credit-building resources, as well as healthcare and education solutions.

The cash was raised from existing institutional investors including TTV Capital, Owl Ventures, SoftBank Group Corp's SB Opportunity Fund, Mubadala Capital and Next Play Capital.

The financing will enable the company to grow its workforce and expand its product range, including the launch of a credit card in H2 2022. It will also support the growth of its digital wallet offering and subscription healthcare programme. Welcome Tech claims its digital wallet and banking services saw 2,200% growth in 2021, with more than one million app downloads.

Indian crypto exchange **CoinDCX** has raised more than **$135 million** in an oversubscribed Series D funding round, valuing the company at more than $2 billion.

The round was led by Pantera and Steadview and saw participation from Kingsway, DraperDragon, Republic and Kindred as well as existing investors B Capital Group, Coinbase, Polychain and Cadenza. The firm intends to triple its workforce to more than 1,000 employees by the end of 2022.

Stark Bank has received a **$45 million** investment led by Ribbit Capital, Lachy Groom and Amazon founder Jeff Bezos' firm Bezos Expeditions.

Stark Bank focuses on high-growth start-ups and enterprises in Brazil. It currently has 300+ customers including Quinto Andar, Loft, Buser and Bitso.

A slew of entertainment, media and sports personalities have together invested **$87 million** in US crypto paytech and infrastructure provider **MoonPay**.

MoonPay aims to marry traditional e-commerce with Web3, "changing the way creatives, artists and athletes approach art, fan engagement and intellectual property management". It provides the infrastructure to buy and sell cryptocurrencies and NFTs, including its NFT Checkout solution, which allows users to buy NFTs with a debit or credit card.

Die Hard's Bruce Willis, *Wonder Woman* Gal Gadot and hip-hop legend Snoop Dogg are among the investors in the firm. Tennis star Maria Sharapova, A-lister and Gooper Gwyneth Paltrow and art dealer Larry Gagosian also feature in the list of more than 60 influential cultural figures who have stumped up cash.

MoonPay boasts ten million users across 160 countries and claims to have processed approximately $3 billion worth of transactions.

In November, MoonPay closed a $555 million Series A financing round led by Tiger Global Management and Coatue, with participation from Blossom Capital, Thrive Capital, Paradigm and NEA. It pegged the start-up's post-money valuation at $3.4 billion a mere two-and-a-half years after its inception.

London-based digital SME financing platform **Stenn** has landed a **$50 million** equity investment from Centerbridge Partners. The new funding takes the fintech's valuation to $900 million.

Stenn is able to provide cross-border capital to SMEs within 48 hours and capital is provided by some of the largest financial institutions in the world, with Stenn managing the allocation of funds on their behalf. The platform has financed more than $6 billion worth of transactions to date.

New York-based investment management platform **FundGuard** has raised **$40 million** in a Series B funding round.

The round saw participation from Citi, State Street, Blumberg Capital, LionBird Ventures and Team8 Capital, among others. It takes the company's total capital raised to date to more than $55 million.

The Software-as-a-Service (SaaS) platform utilises cloud and AI technology to enable asset managers and fund administrators to effectively manage mutual funds, ETFs, hedge funds, insurance products and pension funds. FundGuard president John Lehner, a former BNY Mellon executive, says the funding will allow the firm to expand its workforce.

Capital on Tap has secured a **$200 million** funding facility from HSBC and alternative investment firm Värde Partners to support its US growth.

Launched in 2012, the fintech company claims to have provided more than £3.5 billion in funding to more than 125,000 SMEs in the UK and US.

Capital on Tap does this by offering business credit cards with employee spending controls, reporting and reward facilities.

With the new funding facility, the fintech plans on reinforcing its expansion in the US. It launched its US credit card in March 2021 and has an office based in Atlanta employing more than 50 people.

Voyager Innovations, the fintech company behind the Philippines' end-to-end money platform PayMaya and neobank Maya Bank, has raised **$210 million**.

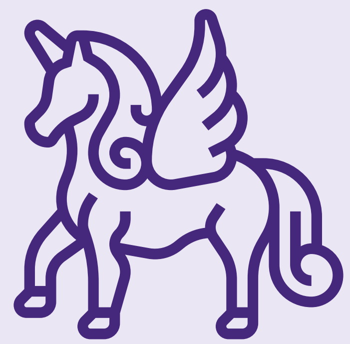
The new funding has seen the firm hit unicorn status, boosting its valuation to nearly $1.4 billion.

The round was led by new investors SIG Venture Capital with participation from Singapore-based EDBI and investment holding company First Pacific. A number of Voyager's existing shareholders also contributed to the round, including PLDT, KKR, Tencent and IFC.

Voyager entered the digital banking space with Maya Bank after securing a banking licence in September 2021 and commenced pilot testing in March 2022.

The company is also planning to offer new products through PayMaya such as cryptocurrency services, micro-investments and insurance.

Voyager claims to have more than 47 million registered users across its consumer platforms, a figure that is more than two-thirds of the adult population of the Philippines.



This is just a snapshot of the fintech funding activity worldwide. For more info on these and many other deals, head over to the *FinTech Futures* website!

MOVERS AND SHAKERS

Roel Louwhoff

Standard Chartered has brought together its transformation, technology and operations functions under the leadership of recent hire **Roel Louwhoff**.

Louwhoff, who joined from ING last November as chief technology officer, is now the bank's chief transformation, technology and operations officer.

The restructure will enable the bank "to move faster, harness synergies and provide an enhanced digital-first client banking experience", he explains.

He adds: "What excites me is the energy and passion of our people at every level and our renewed focus to provide an end-to-end 'Wow' experience for our clients."

US-based financial infrastructure platform **Stripe** has appointed **James Phillips** as its new president of financial services.

Phillips joins Stripe after a decade at Microsoft where he helmed the Digital Transformation Platform Group, scaling the team from 200 to over 15,000 employees across six continents and generating over $15 billion in annual revenue.

He brings both developer and entrepreneurial experience to the table having previously led three start-ups, including Couchbase, one of the first NoSQL companies.

His appointment follows Stripe's recent hires of **Dhivya Suryadevara** as chief finance officer, **Carmel Galvin** as chief people officer and **Mike Clayville** as chief revenue officer.

UK-based **Paysafe** has appointed **Bruce Lowthers** as its new CEO and executive director. He joins from FIS, where he spent nearly 15 years, the last year as president.

Lowthers succeeds Philip McHugh, who is stepping down from the CEO role and from the company's board of directors. McHugh was appointed in 2019 and took the firm public in 2021.

Lowthers says he joins Paysafe at a "pivotal time" and has been mandated with scaling the paytech firm that provides payment processing, digital wallet and online cash solutions.

PayPal has hired **Archana Deskus** as executive vice president and chief information officer (CIO). Deskus joins from tech titan Intel, where she has served as senior vice president and CIO since 2020. She has also held similar roles at Hewlett Packard Enterprise, Baker Hughes, Ingersoll Rand, Timex and United Technologies.

Lithuania's **Fintech HUB LT Association** has elected a new board and chair. **Asta Grigaitytė** is taking over as chair from Titas Budrys, who has held the post since 2019. She joins the group from the country's central bank, Bank of Lithuania, where she worked on payment system CENTROlink.

The board also elected new members: ECOVIS ProventusLaw partner **Inga Karulaitytė-Kvainauskienė**, Nikulipe CCO **Erika Maslauskaitė**, Fin-Ally! CEO **Alexandre Pinot**, CEO of Fronteria Financial Advisory Services **Saulius Racevičius** and CEO of NEO Finance **Paulius Tarbūnas**. The board also re-appointed CEO **Vaiva Amulė** for another two-year term.

The Bank of England's head of fintech **Varun Paul** is leaving the central bank and joining **Fireblocks**, a digital asset custody, transfer and settlement platform.

While Paul has been at the central bank for 16 years, he has only been in his most recent role as head of the fintech hub for just over a year.

Prior to this, he worked a number of roles ranging from senior manager, future of finance to senior economist, financial stability.

UK challenger bank **MoneeMint** has hired banking veteran **Kevin Guy** as its new chief operating officer.

Guy has 36 years of experience in banking and financial services, having worked at Royal Bank of Scotland and NatWest Group across wealth management, premier banking and credit risk. He will oversee the launch and operations of the MoneeMint Group across the UK, Europe and the Gulf Cooperation Council (GCC). He is also tasked with ensuring the bank is Shariah-compliant across the GCC.

The challenger has raised $845,000 to date. Its app offers a debit card, budgeting tools, cashback, international transfers and wealth management products.

Financial services veteran **Mike Regnier** has started his new role as CEO of **Santander UK**.

Regnier has more than 15 years of experience across the sector, having held senior positions at Lloyds Banking Group, TSB and Halifax.

He joins Santander from Yorkshire Building Society, where he was CEO since 2017, and prior to that chief commercial officer and chief customer officer.

Regnier replaces Nathan Bostock, who held the role since 2014 and will be moving to British multinational energy firm Centrica as a non-executive director.

MARKET DILEMMA

Cartoon by Ian Foley

This issue's cartoon illustrates how venture firms are reacting to the changing macro environment.

Since the beginning of the year, the NASDAQ is down 15%, some tech stocks have dropped 75% off their all-time highs last November and there has been a slew of dismal IPOs.

However, with more than $100 billion raised in venture capital in 2021 alone, venture investors have felt largely insulated from this turbulence, but this has not stopped them from adjusting valuations in their portfolio companies.

Tiger Global, the most active investor in 2021 with 335 investments, is cutting valuations on late-stage private companies by an average of 25% when there is a new round. As a result, many private companies are looking to extend their runway to the next investment round and hope the public market drop is a passing phase.

The problems will stack up if the macro investment continues or gets worse, and then start-ups with less room for manoeuvre will have to make steep cuts in valuation to attract new capital.

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