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## **Banks vs Fintech – Openbanking as New Opportunity**

Darko Sesvecanec

Head of Industry Advisory



# Open Banking – Global Trends

“By 2030, I would say that you probably have two billion people that’ll be using day-to-day banking services independent of banks.”



**Brett King**, Australian Futurist, Author, and Co-founder and CEO, Moven

“Customers expect digital banking to be straightforward as other transactions, such as booking a taxi or ordering takeaway.  
Open Banking brings opportunities to serve the customers in innovative and more intuitive ways.”



**Josh Bottomley**, Global Head of Digital, HSBC

# Why Open Banking is Rapidly Gaining Traction in The Global Market



Majority markets  
still unbanked,  
underserved

1.7 billion  
15 countries  
\$5.2 trillion

global unbanked population

make up 60% of the  
world's unbanked region

Micro, small and mid sized  
enterprises face a global  
financing gap of



Low attach rate  
of financial  
services

27

Non-digital customers

0.5

average banking products  
purchased in a year by  
non-digital customers

# Catalysts of Open Banking



## Willingness

Nearly six in ten consumers would be willing to share significant personal information, such as location data and lifestyle information, with their bank and insurer in exchange for lower pricing on products and services.



## Digitization

Globally, a 65 percent smartphone penetration coupled with 90 percent internet penetration, create an environment conducive to the growth of digital services.



## Regulation

Regulators across the world are driving the agenda for greater competition and data sharing



## Competition

80 percent of customers in Asia-Pacific look forward to financial products from technology companies.

# Benefits for Banks & Customers from Openbanking



**BANKS**



**CUSTOMERS**

**Increase revenue streams and profitability**

**Accelerate digital innovation**

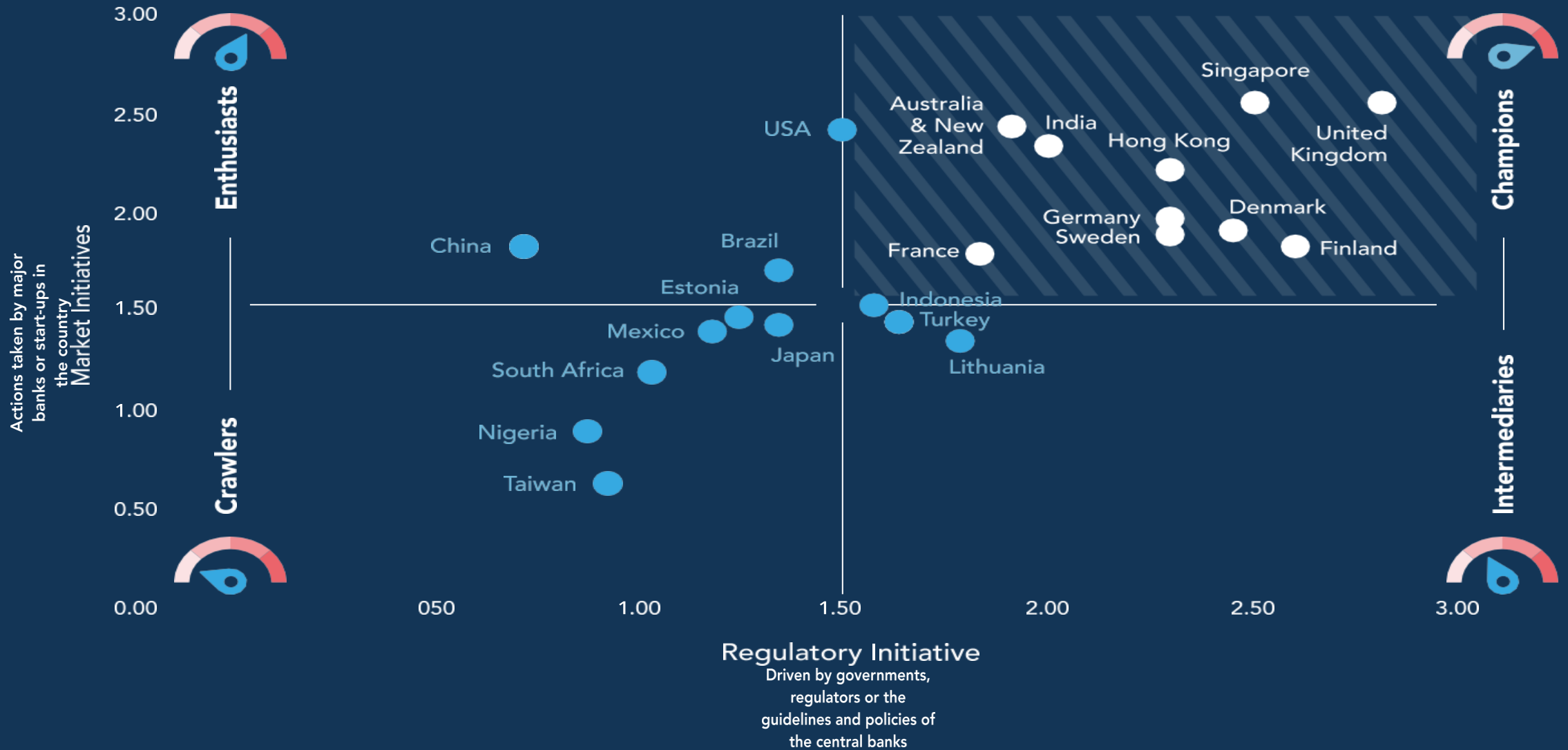
**Deepen customer relationships and build loyalty**

**Frictionless, “invisible” banking**

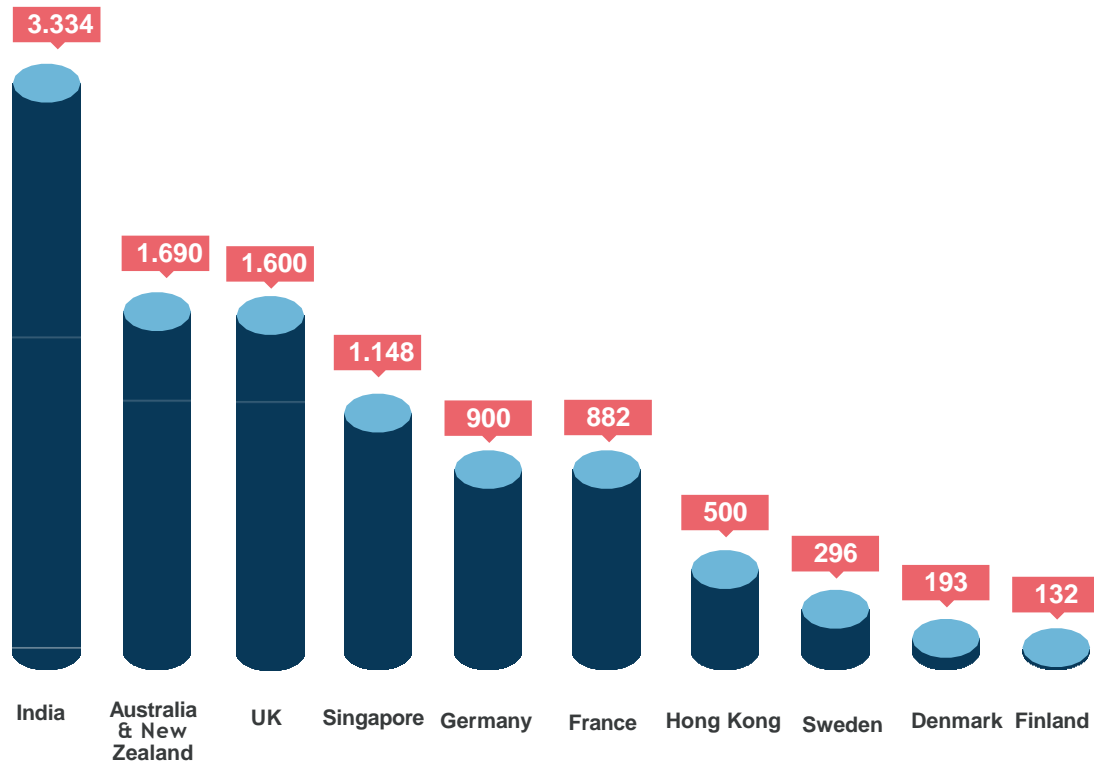
**Access to innovative and personalized solutions**

**Platform of choices**

# Global Open Banking Maturity Model



# Number of FinTechs in Champion Markets



All ten countries that have been in Champion Markets have well-developed FinTech ecosystems. The following chart highlights the number of FinTechs in each of these markets

# Fintech Categories



## Blockchain

Fintechs that use blockchain as a core enabler of their business model.



## Enterprise Financial Management

B2B fintechs that provide technology that is primarily used by downstream businesses to enable financial services.



## Personal Financial Management

Platforms that enable individuals to optimize their financial needs by providing services such as tax advisory, savings planning, and debt management.



## Crowdfunding

Platforms that enable individuals, organizations, and companies to launch funding campaigns and receive donations via the internet.



## Fintech As A Service

B2B fintechs that offer regulated or unregulated banking services to downstream companies, normally on a white label or open-platform basis.



## Remittances & Foreign Exchange

Fintechs that specialize in domestic and cross-border remittance, as well as foreign currency exchange.



## Cryptocurrencies

Fintechs whose business models are primarily based on the use of encrypted digital tokens.



## Lending

Fintechs that enable or provide business and/or consumer lending.



## Scoring, Identity & Fraud

Fintechs that specialize in providing risk scoring, customer identity services (e.g. KYC), and fraud detection.



## Digital Banks

Fintechs that offer regulated banking services which are delivered exclusively or predominately through digital channels.



## Payments

Fintechs that provide or enable payment services or technology.



## Wealth Management

Fintechs that enable personal or corporate wealth management through primarily digital means (e.g. asset management).



# Fintech activities



## Blockchain

- Blockchain

## Crowdfunding

- Agroinvestment
- Real Estate Funding
- Startups & microSME Investment
- Social Cause Funding

## Cryptocurrencies

- Digital Currencies
- Marketplaces (Buy & Sell Crypto)

## Digital Banks

- Digital Banks (Held by Traditional Banks)
- Neobanks

## Enterprise Financial Management

- AR Solutions
- AP Solutions
- AR & AP Solutions
- ERPs With Procure-To-Pay Functionality
- E-Invoicing
- Financial Reporting
- Payroll & Benefits Management
- Travel & Expense Management
- Treasury

## Fintech As A Service

- Other Banking Services
- Payments Enablers
- Risk Management Solutions
- Technology Enablers

## Lending

- Business Lending
- Consumer Lending
- Consumer & Business Lending
- Receivables Financing

## Payments

- Billing Platforms
- E-Wallets
- Loyalty Currencies
- mPos & Alternative Payment Acceptance
- Payment Gateways & Portals
- Prepaid Cards & Other Card Products
- Processing

## Personal Financial Management

- Debt Negotiation
- Financial Planning & Management
- Savings & Purchase Planning
- Tax Advisory

## Remittances & Foreign Exchange

- Foreign Exchange
- Remittances

## Scoring, Identity & Fraud

- Fraud
- Identity
- Scoring

## Wealth Management

- Investment & Trading Platforms
- Retirement & Pension Planning
- Roboadvisors



# OBaaS- Data Aggregators / Payment Enablers example

