FINTECH: What, Where, Why

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Goals for today

1. Define what fintech is
2. Examine some new fintech
3. Gain some insight into why a lot of change is happening now
4. Some thoughts on impacts and what it all means
What is fintech?
**Broadly:** “An economic industry composed of companies that use technology to make financial systems, transactions and decisions more efficient and effective”

**fin·tech**

/macron variants
nimble

**noun**

computer programs and other technology used to support or enable banking and financial services. "fintech is one of the fastest-growing areas for venture capitalists"
Some examples
Payments

Square works for every business.

Under $250K Per Year  
Retail Goods

(And yes, we happily accept INTERAC Flash.)

Let's take this online:
Weebly is joining the Square team.
Learn More
Trust makes it simple
Experience fast, easy and safe online payments

Go to My Alipay
Forecasted growth in mobile payments

Source: John Heggestuen, THE PEER-TO-PEER PAYMENTS REPORT, 2015: The exploding market for smartphone apps that transfer money, Business Insider
Value of mobile payments to increase tenfold by 2021

Estimated mobile payment transaction volume in the United States

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$8.6b</td>
</tr>
<tr>
<td>2016</td>
<td>$24.9b</td>
</tr>
<tr>
<td>2017</td>
<td>$55.0b</td>
</tr>
<tr>
<td>2018</td>
<td>$99.4b</td>
</tr>
<tr>
<td>2019</td>
<td>$154.4b</td>
</tr>
<tr>
<td>2020</td>
<td>$214.7b</td>
</tr>
<tr>
<td>2021</td>
<td>$274.4b</td>
</tr>
</tbody>
</table>

Average annual growth rate 2016–2021: 64%

Source: Statista
Bye bye bank fees, hello world.

You could save up to 8x compared to a bank when you send money, get paid in other currencies, or spend abroad on the TransferWise debit Mastercard.

How it works

FINTRAC regulated

Learn more

Over 3 million customers

Read on Trustpilot

Send money

Receive money

Show fee breakdown

9.43 CAD Total fees

0.65319 Guaranteed rate (48 hrs)

Recipient gets 647.03 EUR

Should arrive by Jun 13

Get started
A finance company that can help you get ahead. That's SoFi.
Funding

June 11, 2018
Bringing creative projects to life.

TOTAL BACKERS
14,762,798

FUNDED PROJECTS
145,254

LIVE PROJECTS
3,941

Games
Food & Craft
Music
Film
Design & Tech
Publishing
Arts
Comics & Illustration

Games
VIEW ALL ➔

FEATURED PROJECT

NEW & NOTEWORTHY
Temtem - Massively multiplayer creature-collection adventure
320% funded

Vast: The Mysterious Manor
1,024% funded

POPULAR

"Watch & Pray" Games
" развивающие игрушки "

www.kickstarter.com
Invest in Hard Moonshots

Where is our hyper-loop and flying car? Support the hard stuff. It's even riskier, but can be good for America's long-term growth.

SIGN UP TO START INVESTING

OR READ ABOUT THE RISKS
ICOS, TOKEN SALES, CROWDSALES

We maintain both a curated and comprehensive list of ongoing and upcoming Tokens Sales, ICOs (initial coin offerings) and crowdsales. We provide several tiers of research at our own discretion. We don’t perform in-depth research on every project.

Read about what a curated listing means here. It is not an endorsement of the project, nor a verification of the specifics or claims of the team.

Listing or analysis (curated or otherwise):
- not an endorsement of the team or project
- not a verification of the specifics or claims of a project
- not investment, accounting or legal advice

Conduct your own research. Use common sense. Check multiple sources and verify.

ONGOING/PENDING ICOs (ALL CURATED)

Note: recently completed ICOs are listed here.

<table>
<thead>
<tr>
<th>Name</th>
<th>Report</th>
<th>Description</th>
<th>Attributes</th>
<th>Start</th>
<th>End</th>
<th>Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAM On Road (CAM)</td>
<td></td>
<td>The worldwide decentralized real time video logging system that allows drivers to make profit with every ride.</td>
<td>![Curated], ![Detail Founder Identities]</td>
<td>01d 11h 19min</td>
<td>Nov 12, 2017</td>
<td></td>
</tr>
<tr>
<td>Eggs Datacenter (EGS)</td>
<td></td>
<td>A distributed data center for remote workspaces and internet connection. Exact sales dates TBA.</td>
<td>![Curated], ![Detail Founder Identities]</td>
<td>01d 11h 19min</td>
<td>Jan 15, 2018</td>
<td></td>
</tr>
<tr>
<td>Globe Trotter Cryptocurrency Ecosystem (GTT)</td>
<td></td>
<td>The first system using three different tokens including the first truly stable cryptocurrency. We are aiming the travel market and introducing Smarter Contracts.</td>
<td>![Curated]</td>
<td>01d 11h 19min</td>
<td>Oct 31, 2017</td>
<td></td>
</tr>
<tr>
<td>Pelly (PAL)</td>
<td>![Profile]</td>
<td>A decentralized social travel platform similar to Airbnb in which travelers share their skills with local host businesses.</td>
<td>![Curated], ![Detail Founder Identities]</td>
<td>01d 11h 19min</td>
<td>Nov 13, 2017</td>
<td></td>
</tr>
</tbody>
</table>
Peer to Peer lending

Personal loans up to $40,000

Check your rate. It won’t impact your credit score.

$ How much do you need?  
What’s the money for?  
Check Your Rate

50 Billion +  
Borrowed

3 Million +  
Customers

Average Customer Rating
Value of global peer to peer lending from 2012 to 2025 (in billions U.S. dollars)

- 2012: 1.2 billion
- 2013: 3.5 billion
- 2014: 9 billion
- 2015: 64 billion
- 2025: 1,000 billion

Source: Statista
SME financing

• 45-55% of SMEs worldwide do not have an overdraft loan, but need one.

• In the US, 44% of SMEs receive none of the bank credit they apply for.

Small business finances, simplified

Get quick access to working capital with a *Kabbage* line of credit.

Apply Now

QUESTIONS?
888-986-8263

There's a better way to fund your business
We can help right away

Register for free. Connect your accounting software or bank account to give us insight into your business. Then the magic happens: we review your information and make a credit decision in under three minutes.* Fundbox provides credit limits up to $100,000.

Learn how to get the funds you deserve.
Flexible Financing for Your Entire Supply Chain

Customizable and scalable solution giving your suppliers fast access to cash while ensuring you hit your unique business objectives.

FEATURES & BENEFITS

- Offer Early Payment Discounts to Suppliers
- Extend Payment Terms While Still
- Strengthen Supplier Relationships
Personal financial mgmt

Invest Your Spare Change
Anyone Can Grow Wealth

Get Started
Personal finance shows highest growth

Global segment sizes and growth rates

Global FinTech Transaction Value in million USD by segment

FinTech: 269,566
Digital Payments: 2,221,688
Business Finance: 119,599
Personal Finance: 1,752,788

2017 - 2018
Source: Statista
Robo-advising

WEALTHFRONT

Live the life you want. We've got your back.
Robo-Advisory evolution: Digital Wealth Management from 1.0 to 4.0

1.0
- Online questionnaire
- Product or portfolio proposal
- Listed ETFs, bonds, shares

2.0
- Dedicated fund management
- Managed adjustments & rebalancing
- Funds of funds & portfolio view
- Risk-based portfolio allocation

3.0
- Algorithm based adjustments & rebalancing proposals
- Pre-defined investment rule-sets

4.0
- Fully-automated investments
- Self-learning algorithms
- Automatic asset shifts

Introducing Pay-Per-Mile Insurance

Car insurance based on how much you drive. Pay a low base rate then just pennies per mile.

Call an agent at 1.888.242.5204
Model No.: C4s OBD DONGLE
Input DC: 8 - 32V = 2A max
FCC ID: RI7UE910NA
IC: 5131A-UE910NA
S/N: 9320003321
Made in PRC
IMEI: 354675565219646
Projected market size for Insurtech industry globally in 2016 and 2020, by type of improvement

- Market size available for underwriting improvements
- Market size available for claims processing improvements

Amount in billion U.S. dollars

Source: Statista
Applied Industrialized AI – Insurance

Monitor social interactions for patterns of fraud
Reduce waste
• Reduce loss

Optimize staff and resource availability
Improve efficiency
• Reduce costs

Hyper-customize client interaction
Improve service quality
• Improve pricing
• Improve cross selling

Automate policy decisions
Create market differentiation
• Hyper-personalized services
• Simplify offering and interaction
• New customer value proposition

Detect Fraud

Demand Forecasting

Staff Planning Optimization

Pricing Optimization

The Next Best Offer

Improve Risk Calculation

Real-time Personalized Service

Subsidize well-being, safety, and personal goals

10 Monitor social interactions for patterns of fraud percent of property and casualty claims costs are potentially fraudulent

30 Monitor social interactions for patterns of fraud percent potential reduction in claims

80 Optimize staff and resource availability percent of administrative activities can be augmented by machine learning

6-8 Optimize staff and resource availability percent potential gain in productivity

53 Hyper-customize client interaction percent potential drop in risky driving behavior

$2 Hyper-customize client interaction million potential annual savings by using claim analytics

This material is based on research by:
Regtech

KYC X NET®
KYC Exchange Net AG

Setting the Standard as the first secure communication platform for Know Your Customer (KYC) and Customer Due Diligence (CDD) purposes for the Financial Industry.

LATEST NEWS

08.06.2015
Improvements to client database management and other system upgrades successfully implemented on Monday, June 8, 2015

01.06.2015 Press Release
Unique product offering attracts 6 more banks to KYC Exchange Net AG. [more]

20.06.2014 Press Release
Commerzbank, Société Générale and Standard Chartered have signed service contracts with KYC Exchange Net AG. [more]
Cybersecurity

SecureKey is a leading identity and authentication provider that simplifies consumer access to online services and applications. SecureKey’s next generation privacy-enhancing services enable consumers to conveniently and privately assert identity information using trusted providers, such as banks, telcos and governments, helping them connect to critical online services with a digital credential they already have and trust, while ensuring that information is only ever shared with explicit user consent. SecureKey is a

JOIN US AT SIBOS
OCT. 16-19
TORONTO, ON
Why is it happening?
1. The **mobile** (r)evolution
   - Computational miniaturization
   - Artificial Intelligence

2. Tech **ecosystems** / “**share**” economy

3. Demographics - **millennials**

4. **Reduced trust** in “establishment” (2008 GFC)

5. **Inability** of established institutions to respond
https://hexus.net/tech/news/systems/116393-ibm-unveils-worlds-smallest-computer-1mm-x-1mm/
Internet Usage Worldwide
October 2009 - October 2016

- Desktop: 48.7%
- Mobile & Tablet: 51.3%
The power of mobile: m-pesa
2 billion people lack access to a transaction account.

Here is the percentage in each focus country:

China 11.6%
India 20.6%
Pakistan 5.2%
Vietnam 2.4%
Nigeria 2.7%
Egypt 2.4%
Mexico 2.6%

Percentage access to financial services:
- 0% - 25%
- 26% - 50%
- 51% - 100%

25 Focus Countries = 73% of the world’s financially excluded

Sources: Global Findex 2014, IMF Financial Access Survey
M-Pesa around the world: Launch dates

- **ALBANIA**: May 2015
- **ROMANIA**: March 2014
- **EGYPT**: June 2013
- **GHANA**: August 2015
- **KENYA**: March 2007
- **TANZANIA**: April 2008
- **INDIA**: April 2013
- **DRC**: November 2012
- **LESOTHO**: July 2013
- **MOZAMBIQUE**: March 2013

Source: Vodafone, Safaricom, MIT
M-Pesa by the numbers

18 million
active users in Kenya, where the service launched in March 2007

614 million
M-Pesa transactions were processed during December 2016 and

287,400
agents worldwide providing services to users

6 billion
transactions over 2016

2%
of Kenyan households lifted out of extreme poverty through access to mobile money services

Source: Vodafone, Safaricom, MIT
Millennials

- Born late 80’s - late 90’s
- Digital natives
- Peer influenced
- Personalized frictionless service
- Socially conscious
- Price sensitive
Figure 2.5  Digital Banking Users by Generation in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Millennials</th>
<th>Generation X</th>
<th>Baby Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>35.1</td>
<td>40.4</td>
<td>48.1</td>
</tr>
<tr>
<td>2015*</td>
<td>35.6</td>
<td>41.4</td>
<td>52.7</td>
</tr>
<tr>
<td>2016*</td>
<td>35.9</td>
<td>42.4</td>
<td>57.2</td>
</tr>
<tr>
<td>2017*</td>
<td>35.8</td>
<td>43.2</td>
<td>61.8</td>
</tr>
<tr>
<td>2018*</td>
<td>35.4</td>
<td>44.0</td>
<td>66.6</td>
</tr>
<tr>
<td>2019*</td>
<td>34.7</td>
<td>45.1</td>
<td>68.8</td>
</tr>
</tbody>
</table>

GENERATION Z: CONNECTED FROM BIRTH.

Born mid-1990s to 2010.
3. The "Share" Economy

Eco systems

Transportation
Products & Apparel
Hospitality
Banking
Labor
Education & Skill
Office Rental
Connect to Everything

Avoka Transact™ includes pre-built connectors for best in class services such as fraud detection, ID verification, digital signatures, and over 30 different connection partners.

The integration has already been done, so each connector can be added to the user experience as needed when designing the transaction.

Manage & Optimize

Agility is built into every Avoka application.
Trust issues

Net Trust* in Industry Sectors
Average of 24 Countries, 2014

<table>
<thead>
<tr>
<th>Sector</th>
<th>Net Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT/computer</td>
<td>24</td>
</tr>
<tr>
<td>Auto</td>
<td>13</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>9</td>
</tr>
<tr>
<td>Food/beverage</td>
<td>7</td>
</tr>
<tr>
<td>Mobile/cell phone</td>
<td>4</td>
</tr>
<tr>
<td>Beer</td>
<td>0</td>
</tr>
<tr>
<td>Mining</td>
<td>-4</td>
</tr>
<tr>
<td>Media/entertainment</td>
<td>-8</td>
</tr>
<tr>
<td>Chemical</td>
<td>-11</td>
</tr>
<tr>
<td>Banks/financial</td>
<td>-13</td>
</tr>
<tr>
<td>Oil/petroleum</td>
<td>-14</td>
</tr>
</tbody>
</table>

*“A lot of trust” and “Some trust” minus “Not much trust” and “No trust at all”

Globescan Radar 2014 survey
Most Important Issue the Banking and Financial Services Industry Needs to Address
Unprompted, Top Mentions, Average of 13 Countries,* 2014

- Better customer service / online service: 2014 - 10, 2011 - 9
- Making loans/credit available to small businesses: 2014 - 8, 2011 - 7
- Building a strong economy: 2014 - 9, 2011 - 4
- Employee treatment: 2014 - 8, 2011 - 4
- Low interest rates for deposits: 2014 - 4, 2011 - 0

*Includes China, Germany, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Spain, Turkey, UK, and USA

Globescan Radar 2014 survey
Establishment
TOP FINTECH INVESTORS

- **Citi Ventures**
  - Launched Multi-city FinTech accelerator (US, Germany, Singapore, Brazil, Spain) with 6 big-data analytics and IT security focused startups

- **JPMorgan Chase & Co.**
  - $50 million investment to Circle Internet Financial
  - First BB investing into crypto-currency
  - Focus on big data and payments

- **Goldman Sachs**
  - $150 million investment fund with an intensive Accelerator program managed by Techstars
  - Creation of its own platform to access innovative digital products

- **Barclays**
  - 7-figure investment from major institutions launching Securities Product Reference Data (SPReD) targeted to pull and clean reference data as a collective to mitigate the issue of individual cost for financial institutions

Source: dealsunny.com
What does it all mean?
- Buying
- Banking
- Saving
- Talking
- Reading
- Remembering
- Relaxing
but …
Social media and behaviour

• Mobile device focused

• Share-ability is currency

• “Follow” curation drives an echo chamber effect

• “Regular” news adapts what and how it publishes

• Mobile is increasingly the platform for opinion and consumer decision making inputs (rather than person to person contact)
Smartphone Addiction

Worried about your phone or Internet use? These tips can help you break free of the habit and better balance your life, online and off.

Coping with Depression

Anxiety Disorders and Anxiety Attacks
Smartphone Compulsion Test

1. Do you find yourself spending more time on your cell or smartphone than you realize?
   - Yes
   - No

2. Do you find yourself mindlessly passing time on a regular basis by staring at your cell or smartphone?
   - Yes
   - No

3. Do you seem to lose track of time when on your cell or smartphone?
   - Yes
   - No

4. Do you find yourself spending more time texting, tweeting or emailing as opposed to talking to people in person?
   - Yes
How to Break Up with Your Phone: The 30-Day Plan to Take Back Your Life Kindle Edition

by Catherine Price  (Author)

82 customer reviews

Packed with tested strategies and practical tips, this book is the essential, life-changing guide for everyone who owns a smartphone.

Is your phone the first thing you reach for in the morning and the last thing you touch before bed? Do you frequently pick it up "just to check," only to look up forty-five minutes later wondering where the time has gone? Read more

Follow the Author

Catherine Price  + Follow

Customers who bought this item also bought
Consumer risk
WANTED BY THE FBI

BANK ROBBERY

UNLAWFUL FLIGHT TO AVOID CONFINEMENT - ARMED ROBBERY

Photograph taken October 14, 1945

Photograph taken April 3, 1945

WILLIAM FRANCIS SUTTON
Cybersecurity risk
Regulatory innovation
Questions?

Thanks for listening!