banking technology

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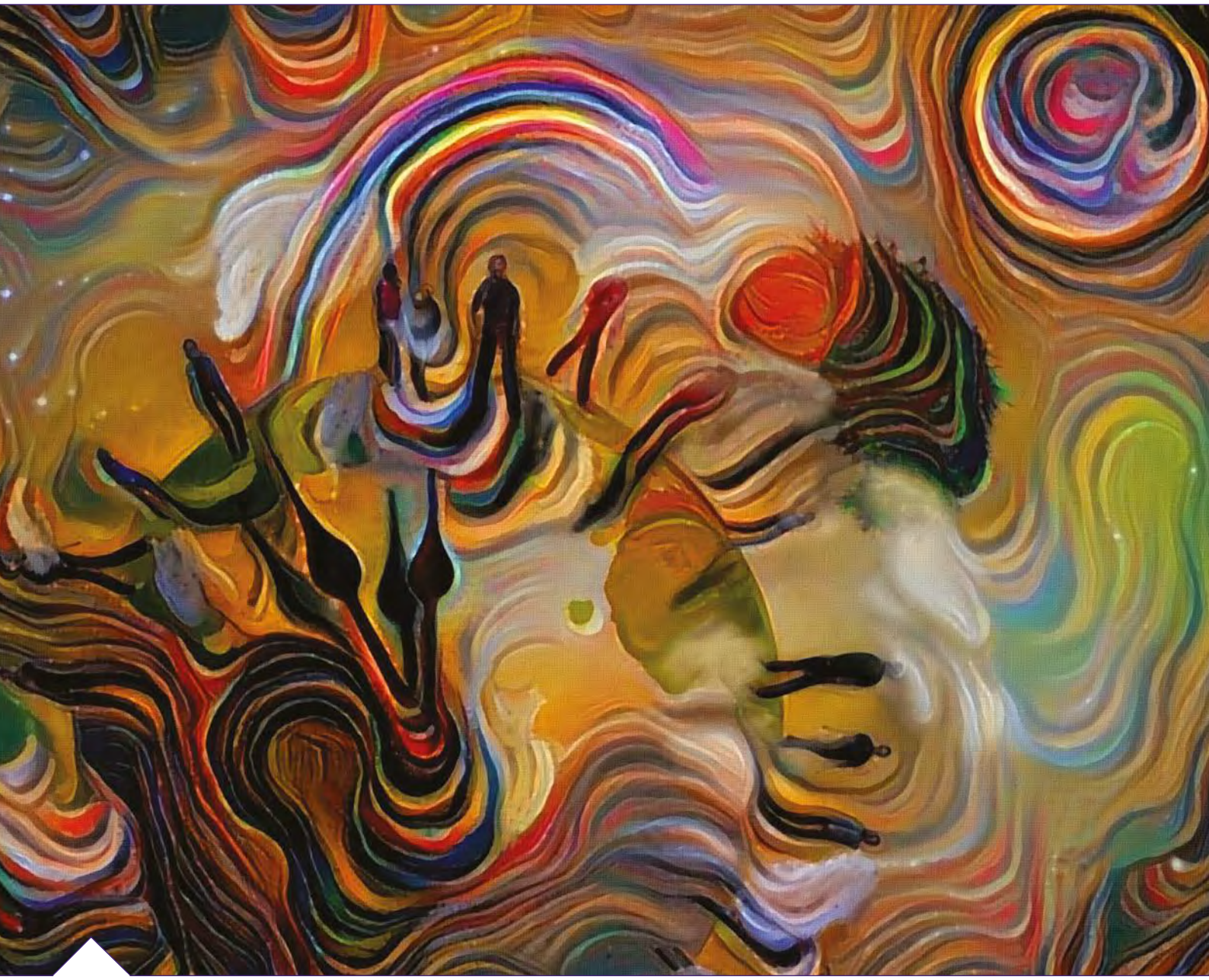


INVESTING IN THE FUTURE
Putting money in the right places

UNLOCKING THE POTENTIAL
How fintechs can learn from cars

VIVE LA TECH RÉVOLUTION
Contributing to the evolution of agriculture

Produced by
FINTECH FUTURES

Real-Time Payments Drive Real-Time Economies

ACI Worldwide
Real-Time Payments

1 Modern economies are real-time

Real-time payments are at the heart of the new global payments landscape, which is evolving rapidly. Real-time transactions and growth forecasts continue to rise globally, with emerging countries leading the way and outpacing developed nations.

2 Real-time payments unlock economic growth

By allowing for the transfer of money between businesses and consumers within seconds rather than days, real-time payments improve overall market efficiencies in the economy. Real-time payments improve liquidity in the financial system and therefore act as a catalyst for economic growth. This is especially important for fast-paced and digital-led gig economies.

3 Consumers expect real-time payments

Real-time payments are offering consumers and businesses cheaper, faster and more efficient ways to pay. Payments are increasingly becoming embedded into non-financial digital apps and services, with today's customers looking for a hyper-connected, frictionless customer experience.

4 Cloud accelerates banking modernization

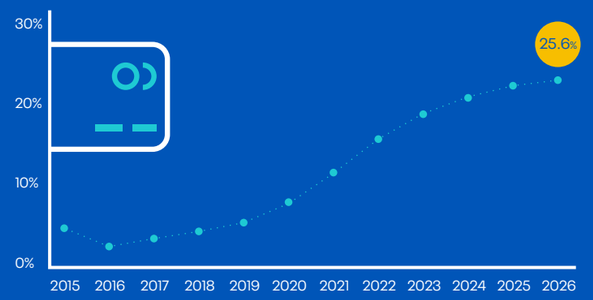
Banks are reinventing their mission-critical operating systems to compete in the new real-time, post-digital, cloud-first and data-centric business environment. The financial services industry has moved beyond the tipping point of broad-based disruption and is now witnessing the realization of those changing paradigms.

There were

118.3B

real-time payments made globally in 2021; that's year-on-year growth of 64.5%.

By 2026, real-time payments are set to be at the heart of the new global payments landscape, accounting for a quarter of all electronic payments globally.



India led the way for real-time payment transaction volumes in 2021.

India 48.6B

China 18.5B
Thailand 9.7B
Brazil 8.7B
South Korea 7.4B

Real-time payments help to generate additional economic output.

Formal GDP facilitated by real-time payments across 30 markets in the Cebr Economic Impact Report:

That is equivalent to the output of 10.35B jobs

Top-five fastest-growing real-time markets:

(where IP share of all electronic payments is at least 10%)

Brazil 56.8% CAGR (IP Volume, 2021-26)

Oman 41.0% CAGR (IP Volume, 2021-26)

India 33.5% CAGR (IP Volume, 2021-26)

Philippines 31.7% CAGR (IP Volume, 2021-26)

Malaysia 26.9% CAGR (IP Volume, 2021-26)

Prime Time for Real-Time 2022 tracks real-time payment volumes and growth forecasts across 53 countries and provides an economic impact study for 30 key global markets. The move towards real-time payments is unstoppable, and financial organizations that enable them are at the heart of modern economies. It is undeniably prime time for real-time.

Discover more about innovating with real-time payments at aciworldwide.com

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IN THIS ISSUE

21 COVER STORY

TIME TO OPEN OUR EYES
How conscious investing can help save our planet.

04 News
A round-up of our top news stories of the month.

06 The fintech feed
Top figures that have caught our eye.

07 Trending
A raft of new launches in the UK, US and India.

FEATURES

08 HEART OF THE MATTER
Dave Wallace explores how banking and fintech can learn from a car that won't unlock.

11 Interview: SEBx
We chat to Christoffer Malmer, head of SEBx, a start-up launched by Swedish bank SEB to explore new technologies from scratch.

14 Food for thought
How a hidden Miró painting led Leda Glyptis to conclude that a good, empowered designer is vital to customer satisfaction.

16 FEATURE: AGRICULTURE
Gihan Hyde explains how the fintech sector is contributing to the agricultural sector's revolution.

18 I'm just saying...
Although composable banking can solve a number of issues for banks, Dharmesh Mistry argues it will require an organisational change to flourish.

25 Analysis
Theodora Lau, founder of Unconventional Ventures, on how banks can play a crucial role in lifting people out of poverty and help break the cycle of inequality.

REGULARS

28 Fintech funding round-up
Big deals around the world, including for Australia's Shaype, Italy's Satispay and Israel's Noble.

31 Appointments
Including a new CDO at the European Investment Bank.

32 Cartoon

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EDITOR'S NOTE

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

Welcome to the autumn edition of *Banking Technology*! With so much happening in the fintech sector across the globe, here is a snapshot of the latest arrivals to, and departures from, the industry.

In the UAE, Wio Bank, which describes itself as "the region's first platform bank", has launched. Its first product, Wio Business, is an app for SMEs, entrepreneurs and freelancers.

Wio wants to partner with other fintech start-ups to offer customers a "fully digital banking experience" through its mobile app, and embedded finance and Banking-as-a-Service (BaaS) products.

In Singapore, Trust Bank, backed by Standard Chartered Bank and FairPrice Group, has opened its virtual doors. The challenger offers a savings account, credit cards, family personal accident insurance and a rewards and loyalty programme integrated with FairPrice Group. Its numberless card – a "market-first" in Singapore – will work as a dual credit and debit card.

In the US, Oklahoma-based Citizens Bank of Edmond is launching a new financial brand catering exclusively to newly enlisted members of the US military, in partnership with tech provider Nymbus.

Check out this issue's Trending section on page 7 for other interesting bank challengers entering the fray!

And what of the exits? UK-based Bank North is winding down its operations having failed to raise the funds needed for a full banking licence. Founded in 2018 and initially operating as a lender for small businesses in the UK, Bank North went crowdfunding last November, following a £24 million Series A earlier that year.

Also in the UK, open banking app sync. has gone into administration. The start-up launched in beta in August 2020 aiming to help users budget, manage and track their money in one place.

The firm had big plans, partnering with TrueLayer and Railsr, raising £5.5 million, and intending to double its workforce to 60 people.

UK mobile payments service Paym is to shutter next year, nine years into its existence. Pay.UK (the operator and standards body for the UK's retail interbank payment systems) and 15 banks and building societies made the decision to wind down the service after declining payment volumes and fewer sign-ups over the past three years.

Pay.UK chief payments officer Dougie Belmore says the emergence of new products and services means it's time for consumers and businesses to switch to faster, better systems.

For many more juicy stories please head over to the *FinTech Futures* website at www.fintechfutures.com!

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NEWS ROUND-UP

HSBC and Oracle NetSuite team for embedded finance initiative

Banking heavyweight HSBC and Oracle NetSuite have unveiled a new solution named NetSuite AP Automation that aims to help organisations automate their accounts payable (AP) processes and make invoice processing and vendor payments "easier and faster" – all from within NetSuite.

The two firms say it will arm customers with control over outgoing cash flows and the ability to scale AP processes, which can often be "time consuming and labour-intensive".

They add that customers will also be able to determine exactly when and how to pay suppliers and take advantage of early payment discounts.

Barry O'Byrne, CEO of global commercial banking at HSBC, claims the move to be the largest fully embedded Banking-as-a-Service (BaaS) deployment into a cloud enterprise resource planning (ERP) system.

Eligible transactions completed in NetSuite with an HSBC virtual credit card will earn credit, which the firms claim will "further reduce operating costs and turn AP from a cost centre into a revenue generator".

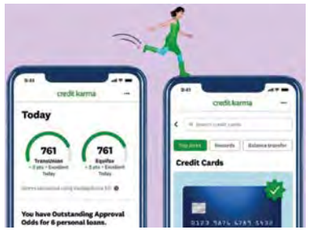
UBS and Wealthfront abort $1.4bn acquisition deal

Swiss banking giant UBS and wealth management platform Wealthfront have pulled out of a mooted acquisition deal.

UBS Americas was set to acquire the Millennial and Gen Z-focused Wealthfront in an all-cash deal worth $1.4 billion. The platform was to serve as the foundation of the bank's digital-first wealth management offering and spearhead UBS' expansion into the US as it looked to cater to "the next generation of investors". Wealthfront CEO David Fortunato says the pair are "continuing to explore ways to work together" and drew attention to the $69.7 million in financing UBS has poured into the company.

The acquisition was meant to be a central plank of UBS CEO Ralph Hamers' three-year digital transformation strategy, which saw around 3,000 jobs on the chopping block in May last year as part of a $1 billion series of cost-saving measures. UBS also shuttered its US private banking arm in January last year, again as part of a wider overhaul of its wealth management business.

FTC orders Credit Karma to pay $3m over credit card offers



The Federal Trade Commission (FTC) has ordered credit services company Credit Karma to pay $3 million for allegedly misrepresenting consumers with "pre-approved" credit card offers.

It alleges that from February 2018 to April 2021, Credit Karma claimed consumers were "pre-approved" and had "90% odds", making them apply for offers that, in many instances, they did not qualify for, resulting in potential damage to their credit scores.

Founded in 2007, Credit Karma has more than 120 million members in the US, UK and Canada. It offers free credit scores and credit reports, as well as financial services such as identity monitoring, applying for credit cards, shopping for loans, auto insurance, savings accounts and checking accounts through its bank partner, MVB Bank.

JP Morgan to acquire US paytech firm Renovite

JP Morgan has signed an agreement to acquire paytech firm Renovite Technologies for an undisclosed sum. Renovite will become part of JP Morgan Payments, which provides corporate treasury services, trade finance, card and merchant services.

Founded in 2015, the California-based company offers cloud-native software products for payment systems, helping clients with infrastructure, including switch, reconciliation, security, issuing, ATM and testing. It also has offices in the UK and India. The bank says the acquisition "complements" its investment in European SME paytech Viva Wallet and its stake in Volkswagen's payments business.

European fintechs join forces to make open finance a reality

Several fintechs have joined forces to develop and promote an open finance ecosystem in both the UK and EU underpinned by APIs.

As the next step in open banking, the non-profit trade association – the Open Finance Association (OFA) – hopes open finance will give businesses and consumers "greater control and visibility of their economic lives".

Operating out of Brussels and London, the OFA has three key objectives: enable consumers and businesses to access and use their financial data via third-party providers; develop an instant payment method based on open payments; and promote a "well-functioning" open finance ecosystem.

The OFA has appointed Nilixa Devlukia as chair of the organisation. She has previously held senior roles at the UK's Financial Conduct Authority (FCA) and the European Banking Authority.

The OFA's current members are Armalytix, Crezco, finAPI, GoCardless, Nuapay, Ordo, Plaid, Token, TrueLayer, Volt, Worldline, Worldpay and Yapily. The European Commission has recently completed a public consultation on open finance with a legislative initiative anticipated to follow in 2023.

Societe Generale to buy majority stake in PayXpert

French banking giant Societe Generale has signed an agreement to acquire a majority stake in fintech PayXpert for an undisclosed sum.

Established in 2009, London-based PayXpert is a fintech firm offering specialised payment services for online and retail merchants – enabling them to accept customer payments via all methods including cards, mobile app and QR code, among others.

Through the planned acquisition, the bank aims to broaden its payment offering for retail and online merchants in Europe, mainly by developing its omnichannel commerce solutions in the region. It also plans on offering value-added and complementary services such as financing and insurance solutions.

$4.7bn Prosus acquisition of India's BillDesk falls through

Dutch e-commerce company Prosus has abandoned a deal to acquire Indian digital payments provider BillDesk.

Prosus subsidiary PayU was set to buy BillDesk for $4.7 billion, but the firm says certain conditions were not met by the 30 September 2022 long-stop date and the agreement was automatically terminated.

The acquisition would have seen Prosus' fintech business expand its reach in India and become one of the largest online payment providers globally by total payment volume.

Prosus says it "remains committed" to the Indian market and growing its existing business' in the region, having invested nearly $6 billion in Indian tech firms since 2005.

PayU reported a total payments volume of $55 billion across India, Latin America and Europe in 2020. It has licences for credit distribution in both retail and business markets in India.

CFPB sues digital lender MoneyLion for allegedly overcharging

The US Consumer Financial Protection Bureau (CFPB) has filed a lawsuit against MoneyLion Technologies and 38 of its lending subsidiaries.

The regulatory body alleges the firm has imposed "illegal and excessive" charges on service members and their dependents.

According to the CFPB, MoneyLion has been charging them "more than the legally allowable 36% rate cap on loans", through a combination of stated interest rates and monthly membership fees.

It also alleges the company required customers to join a membership programme to access certain "low-APR" loans, and then did not allow them to cancel their memberships until their loans were paid. CFPB director Rohit Chopra says companies are "breaking the law" when they set up monthly membership fees to obtain loans and then create barriers to cancelling those memberships.

However, MoneyLion calls the allegations "meritless" and intends to defend itself against "false allegations" to "set the record straight".

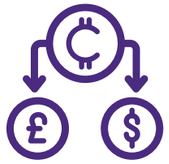
FINTECH FEED

THE NUMBER GAMES

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

$1.4 billion

to be paid by crypto exchange FTX US for the assets of the bankrupt Voyager Digital that were auctioned off



$1.7 billion

to be paid by EQT Private Equity for Billtrust – a US-based business-to-business accounts receivable automation and integrated payments provider – giving shareholders $9.50 per share in cash (a more than 64% premium above the closing share price)

$46 million

raised by embedded finance platform Railsr in Series C – "a significant step on the route to profitability", according to its CEO and co-founder Nigel Verdon

100

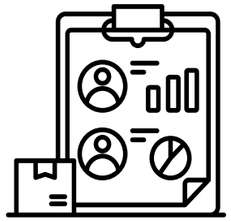
jobs to be cut by Klarna globally in a new round of workforce downsizing, following the company's recent valuation plummeting from $45.6 billion to $6.7 billion in the latest funding round

$24 million

paid for the payments platform and technology of Global Payroll Gateway and its wholly owned subsidiary, Deepstack Technologies, by Banc of California

$35 million

penalty issued by the US Securities and Exchange Commission (SEC) for what the regulator describes as "astonishing" customer data protection failures at Morgan Stanley Smith Barney (MSSB, Morgan Stanley's wealth management arm)



40

employees are set to lose their jobs at European open banking platform TrueLayer as it cuts 10% of its workforce due to "challenging market conditions"

5

partners selected by the European Central Bank (ECB) – out of 54 applicants – to collaborate with for the development of potential user interfaces for the digital euro

$35 million

invested by banking giant HSBC in UK-based mobile banking app Monese as part of a strategic partnership

£150 million

is the price tag of Capita's Pay360 business as the consulting and digital services company agrees to sell it to Access PaySuite

$316.1 million raised by Power, a New York-based start-up that offers a full-stack credit card issuance platform, in debt ($300 million) and equity funding ($16.1 million) as it emerges from stealth

THEY SAID IT...

"We won't be talking about blockchain in ten years. I hope not. It'll just be a technology that's always there under the covers, like TCP/IP."

James Wallis, VP of central bank engagements, Ripple

• Click here to read the full interview with Wallis on the *FinTech Futures* website

TRENDING

Bankkit claims first with overseas payments

New banking app for "global citizens" Bankkit has launched in the UK, offering foreign exchange and overseas bill payments and an integrated current account.

Bankkit claims to offer a feature "which no UK bank has" – the "easy payment" of overseas utility bills and non-utility bill payments. Customers will have access to Bankkit accounts in 23 countries for bill payments, including Argentina, Costa Rica, Dominican Republic, Ecuador, Egypt, El Salvador, Ghana, Guatemala, Honduras, India, Indonesia, Jamaica, Jordan, Kenya, Mexico, Nepal, Nicaragua, Nigeria, Pakistan, Peru, Philippines, UAE and Vietnam.

The firm, which claims users can open a UK bank account "in minutes", also offers dark web cybersecurity protection and terminal-free, instant B2B and B2C QR code-based merchant payments.

Without monthly terminal fees, no commission on transactions and no limit on the number of transactions, businesses could save "thousands of pounds" with the QR code-enabled Bankkit Pay, according to the start-up.

Onuu offers coaching with Candi

All-in-one banking and insurance platform Onuu has launched its mobile app across the US. Founded in 2021 and headquartered in Austin, Texas, Onuu claims to have 600,000 members on its waitlist.

Through a subscription membership service starting at $7.99 a month, Onuu aims to provide financial tools such as checking and savings accounts, Visa debit cards, life and accident insurance, budgeting tools and an AI-powered financial coach, Candi.

In addition, Onuu also offers members access to their "financial security score" which uses machine learning models to factor in their income, regular and irregular expenses, insurance, savings, health and financial behaviours to determine a measure of their overall financial well-being.

"As AI and ML built on old frameworks continue to dominate the most basic automated processes in modern life, like applying for a credit card, AI bias often prevents Americans of modest means from accessing essential financial tools," the start-up says. "Onuu is building modern technology using that same data to create new models designed to fit the needs of the people, paving the way to financial freedom all under one app."

Nice to meet you, Bond

Bond, a digital bank for businesses offering high yield business accounts, savings accounts and embedded treasury services, is planning to launch in the UK in Q1 2023. Bond will offer 2.52% yield on its business accounts with no monthly fees.

The new bank will also provide expense management tools, business insights and physical and virtual Visa debit cards for corporate teams. "Bond Treasury optimises the movement of money throughout your financial stack by enabling you to determine defined cash management rules for your business to automate and optimise cash management internally and externally," the firm says.

Businesses can also invest in funds, government securities or ESG funds, based on their financial strategy. Funds will be managed by UBS, BlackRock and Goldman Sachs.

Challenger hot off the Shelf

A new challenger bank for young professionals, Shelf, is gearing up for launch in India. Headquartered in Bengaluru and founded this year, the firm has launched a closed beta and is currently accepting new applicants to its waitlist.

Shelf aims to help young professionals manage and control their spending, enabling them to save and invest. It offers features including group wallets to make payments when out with friends, budgeting tools, expense tracking and cards for personal and group use. According to co-founder Vedant Kumar, 70% of expenses made by young Indian professionals are shared, which is something the current banking system "does not understand".

Shelf was recently accepted into start-up accelerator Y Combinator's Summer 2022 batch.

Lessons from a car that won't unlock

By Dave Wallace

Learning lessons and gaining insight from different industries can be a fabulous way to get a perspective that helps shape thinking, strategies and propositions.

Based on recent experiences, here are some thoughts on what finance can learn from the auto industry.

I recently acquired a new car through a car company's shiny new subscription service.

Google seemed to read my mind. I saw (and clicked on) an advert for the service placed at the top of my Gmail inbox at the very moment I was pondering the fact that I needed a new car.

In a conversation I had just been having with my wife, I had said that I did not want to go down the traditional leasing route for our new car due to previous poor experiences, and I wondered if anyone offered a car subscription service.

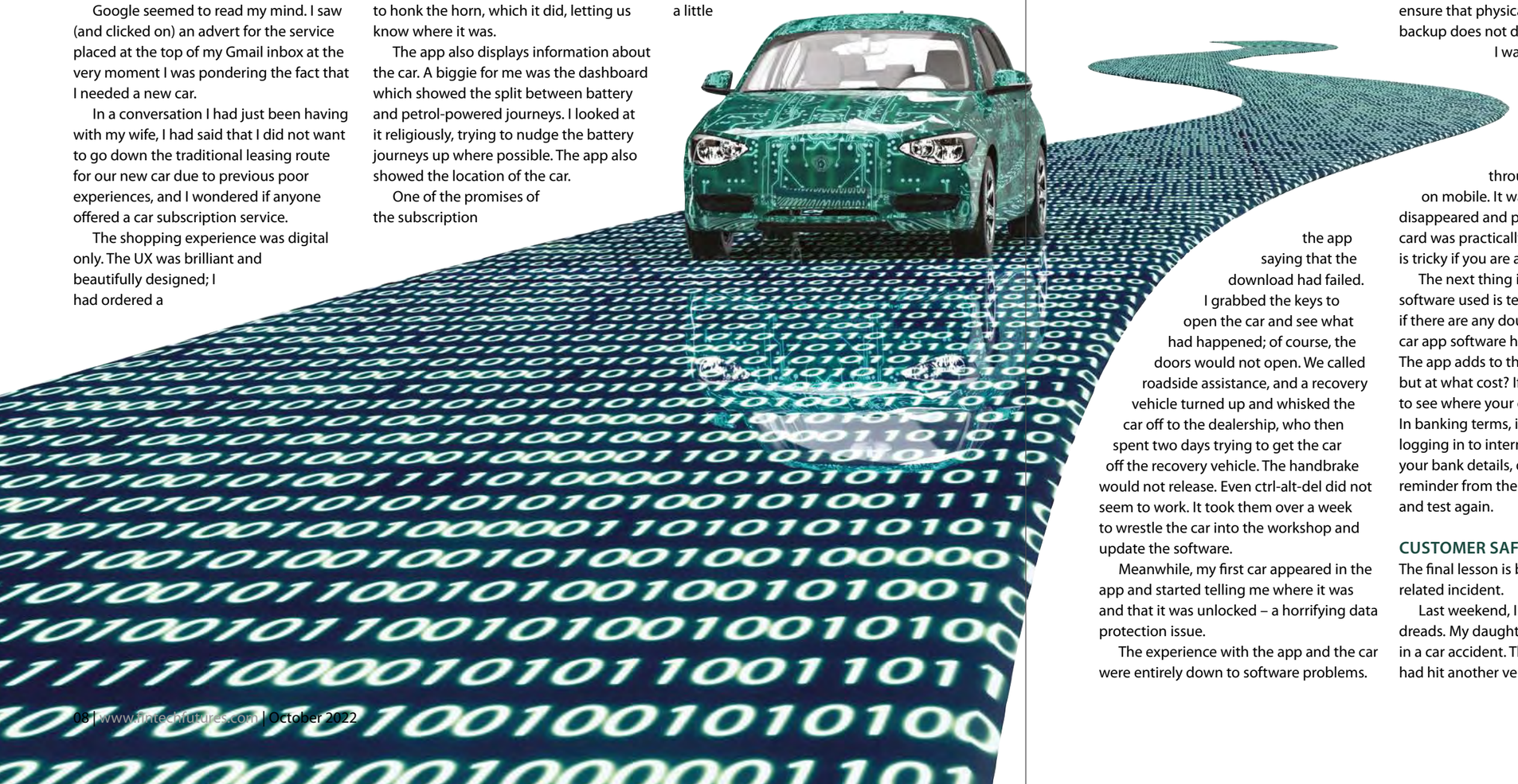
The shopping experience was digital only. The UX was brilliant and beautifully designed; I had ordered a hybrid car through my mobile phone almost before I knew what was happening. A human being phoned me within minutes of hitting submit to ensure all was well – a massive tick in the omnichannel box.

The car turned up and was fabulous. A feature of the car was you could connect it to an app, which proved its worth when we lost it in a festival car park. Through the app, you can send a message to the car to honk the horn, which it did, letting us know where it was.

The app also displays information about the car. A biggie for me was the dashboard which showed the split between battery and petrol-powered journeys. I looked at it religiously, trying to nudge the battery journeys up where possible. The app also showed the location of the car.

One of the promises of the subscription service is that you can change your car with three months' notice. We have a large family and four dogs, so we went for the largest car possible to start. However, we found that, in actuality, we did not need such a large car, so we requested a swap to a smaller model. The exchange was not as seamless as it should have been, but it worked. I disconnected the old car from my app and connected the new one. The person who delivered the car mentioned that the new car came with a new version of the app, which did not show the car's location, muttering something about data protection.

All was well, except my old car appeared in the app the next day and let me know it was unlocked. I put this down to me not disconnecting it properly and tried to disconnect it again. We went to get into the new car a little while later, but we could not unlock it; despite trying all the keys, and all the doors, it remained firmly locked. We had to call out roadside assistance.



CTRL-ALT-DEL

A mechanic turned up who had to disconnect the battery and do a hard reboot on the computer controlling the car. He told me that he had, in effect, initiated a 'ctrl-alt-del' on the vehicle – a solution to various problems that are common in modern computer-controlled cars. His diagnosis was a software download that had gone wrong. The reboot worked, and the car seemed to be OK until the day I got a message on the car's dashboard saying new software was available.

In a moment of staggeringly misplaced optimism, I clicked on download. Ten minutes later, a message appeared in the app saying that the download had failed.

I grabbed the keys to open the car and see what had happened; of course, the doors would not open. We called roadside assistance, and a recovery vehicle turned up and whisked the car off to the dealership, who then spent two days trying to get the car off the recovery vehicle. The handbrake would not release. Even ctrl-alt-del did not seem to work. It took them over a week to wrestle the car into the workshop and update the software.

Meanwhile, my first car appeared in the app and started telling me where it was and that it was unlocked – a horrifying data protection issue.

The experience with the app and the car were entirely down to software problems.

> "If the app allows others to see where your car is, that isn't good. In banking terms, it is the same as me logging in to internet banking and seeing your bank details."
>
> **Dave Wallace**

So, what can banking and fintech learn from these examples? The biggie is that we need to consider having backups in place as we rely more on computers to control our lives. A vehicle is useless if your key cannot get you into the car. An analogue backup would be sensible (for instance, if the electronics fail, a physical key can do the job). In banking terms, that means ensuring backup for when the digital channels we use are not available. We must ensure that physical money as a helpful backup does not disappear too quickly.

I was reminded of a visit I made to China a few weeks before Covid hit. Paying for absolutely everything was done through local payment apps on mobile. It was almost like cash had disappeared and paying for anything on a card was practically impossible. Commerce is tricky if you are a tourist.

The next thing is ensuring that the software used is tested thoroughly and, if there are any doubts, not released. The car app software has some glaring bugs. The app adds to the customer experience, but at what cost? If the app allows others to see where your car is, that isn't good. In banking terms, it is the same as me logging in to internet banking and seeing your bank details, dear reader. A timely reminder from the auto industry – test, test and test again.

CUSTOMER SAFETY IS VITAL

The final lesson is based on another car-related incident.

Last weekend, I got the call every parent dreads. My daughter had been involved in a car accident. The car she was driving had hit another vehicle. Thankfully she was all right, as was the person (and the dog) in the car she had collided with. We drove to the scene. Looking at what was left of the vehicles, the fact that everyone was unharmed seemed miraculous. The whole front of her car appeared to be missing. However, the cabin was untouched, other than all the inflated airbags. The crumple zone in the car had done its job. The auto industry is on a path to ensuring driver and passenger safety. Cars are modified and evolve constantly. When you see the results up close, it is remarkable how successful these efforts have been.

And so, the banking industry needs to evolve continually, putting customer safety at its heart.

It is doing a good job. For example, 2FA is increasingly common for transactions. We have the comfort of account name checking and authentication when making payments and AI that monitors transactions for anything that looks out of sorts. Much like the auto industry, which constantly evolves around customer safety, I doubt if this relentless drive to protect people's money will ever end.

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.

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Stand A18

Building a start-up from the inside

By Shruti Khairnar, reporter, FinTech Futures

Banking-as-a-service (BaaS) has been making waves in the financial services industry in recent years, and it's only expected to keep growing over the next decade. With fintech start-ups disrupting the space and making legacy banks rethink their strategies, one such legacy bank in Sweden decided to launch its very own start-up to compete.

In 2018, SEB Group launched SEBx to explore new technologies from scratch and build new products and offerings in a bid to join the growing BaaS industry.

Since its launch, SEBx has built financial products catering to the self-employed in Sweden, as well as struck a partnership with retail giant Axel Johnson and its fintech start-up Humla.

In a chat with *FinTech Futures*, Christoffer Malmer, head of SEBx, discussed the Nordic bank's rationale behind launching SEBx, what sets it apart from the competition and what it aims to build going forward.

What was the idea behind launching SEBx?

Prior to launching SEBx, the conversations had been coming from two perspectives – one being technology driven. We were thinking of ways to explore new technology, considering the current legacy infrastructure that we have, and the opportunities that new technologies could bring and how we could break into that.

The second perspective is our ability to try and increase pace in new product exploration and bring concepts and products to market.

By setting up SEBx on the side, we thought we could give ourselves the opportunity to start from scratch, outside of existing legacy technology, outside of committee structures and processes, giving ourselves the opportunity to reinvent banking inside the bank if we had a chance to do it again.

So that's how it started and very early on, we zoomed in on what we refer to as a dual strategic purpose. We want to build new products and we want to explore new technology, but with a business-driven initiative.

For example, building new technologies such as cloud infrastructure and artificial intelligence (AI) credit scoring gives us the opportunity to build those two pieces together.

There are a lot of start-ups out there and we don't necessarily think that we have an edge just being a 'start-up'.

We want to bring together the strength of being an incumbent bank and what we have in terms of data, capital, liquidity, products, licences and network customers with some of the traits that we see in fast growing start-ups and fintechs.

What does SEBx offer in terms of products and the platform itself?

For the first product, we decided to go for a value proposition for the self-employed.

Looking at the opportunity in the market, we thought that this was a customer segment that was struggling a little bit with its personal and business finances. There were not that many

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products and services that were specifically targeting this audience, and it's a fast-growing form of employment.

Even last year, the number of new companies started in Sweden was at record levels. We see this across the Nordics, across Europe and beyond, that self-employment is a growing form of employment.

Keeping that in mind, we started building the cloud infrastructure and thinking about the different pieces we should have in this platform to really bring it to life.

We launched a version of the product, called UNQUO, initially targeting the Swedish self-employed.

The process of building that product, bringing it to market and launching it has been a tremendous learning experience.

The next step for us was thinking how we should leverage this platform, because it was built for a lot of use cases. The infrastructure, the heavy lifting, the technology is very much scalable and leverageable.

Via APIs, SEB wanted to see if there are ways of leveraging this platform to establish new products and services. So, we set up a team inside SEB that is building on this platform a new generation of mobile apps for a younger customer segment. So again, a specific user experience but a very standardised and scalable infrastructure.

And as of the first quarter of this year when we announced our quarterly results for the group, we also announced our first external BaaS customer.

With our BaaS platform, we're now trying to open up to external customers to build on it.

The first customer we have signed up is a Swedish retail conglomerate called Axel Johnson, who started a fintech company called Humla. This company is now building products and services on top of the very same infrastructure that powers UNQUO.

Could you elaborate about your association with Humla?

Here's somebody who comes from the retail perspective, centred around user journeys, the retail interaction and consumer purchase, and we're coming from the banking, infrastructure and regulatory compliance risk management perspective. And I think this really gives us an opportunity to build on our relative strengths.

"When it comes to UNQUO, we really think there is an opportunity to serve the self-employed – that there's still a gap in that market."

Christoffer Malmer, SEBx

What our BaaS platform then enables, is it allows Humla to build on top of our infrastructure, which will ensure that they comply with all the EU regulations, and if there's any banking assets or banking capabilities that are needed, we can deliver it to them as a service.

We think there's an opportunity for companies to engage further to access more customer data and get closer to customers by bringing them financial services, but they don't want to become a bank. So for Humla, this is an opportunity to leverage all those aspects of offering financial services without crossing the line of actually becoming a bank.

What do you think sets SEBx apart from your competitors?

When it comes to the concept of innovation in incumbent companies, through something like SEBx, you put something outside the conventional organisation that allows you to operate differently.

I think that's a methodology we have seen across banking, but certainly across other industries as well. When we started SEBx, we talked to a lot of other companies and even banks that have done similar types of initiatives, learning from their experience how to manoeuvre in this way.

We've never done this before. It's a novel way of innovation for ourselves. In that regard, I think there are other initiatives that are of this similar nature.

When it comes to UNQUO, we really think there is an opportunity to serve the self-employed – that there's still a gap in that market.

At the same time, when it comes to the broader BaaS platform offering, as an incumbent bank, we think there is a great opportunity to combine the banking assets of being part of the group of having access to liquidity, capital, licences and products, and put a technology piece on top that allows us to embed those products in whatever user journeys we find in our B2B customers.

I think it's important to mention as well: this is for us. That's not to say that we will now distribute our products via third parties. It's to say that we're going to continue to distribute products in our own distribution channels. But we also think there's an opportunity to empower other brands and embedding financial services in their user journeys.

What's next for SEBx?

BaaS is still in the early stage of its development for us. We've just onboarded our first external customer. Our most imminent priority is to see how this works and how it can grow and scale from here on. So for now, it's really about execution.

In the longer term, broadening the suite of products delivered as a service in combination with broadening the partner pool of distributors that build and embed financial services on top of our platform is an opportunity.

When it comes to SEBx, our ambition – together with the group – is to share our experiences, technology insights, ways of working and product development and try to play to our strengths. It's a learning journey every day, but we're really excited about the progress so far.

The designer, the surrealist and the potted plant

By Leda Glyptis

A long, long time ago, in an office in a major European city, I sat in a meeting room waiting for the Important People to arrive, marvelling at the fact that there was a Miró hanging on the wall.

It was not the only painting in the room, but the Miró was *specifically* hanging behind and partly obscured by a rather large potted plant.

How many Mirós do you need to have in your possession for you to put one behind a fern?

What else must you have in this collection for a Miró to not be the apple of your eye?

Was it possible that the people who owned this painting didn't know what gem they had in their possession? Was it possible that the people who positioned the plants are making a statement against surrealism?

I never got to ask.

The Important People arrived.

They talked to our Important People about Important Stuff and then we got to the digital bit.

You remember those days?

When banks would add digital stuff to the wider client account review agenda in an 'I will show you mine if you show me yours' spirit of one-upmanship?

So we showed them ours (that was where I came in). We talked to them about our new analytics capabilities and all the cool stuff we could now do for them. We walked them through our API store. Admittedly, there was some really interesting and useful stuff there, but as the audience in these meetings was neither technical enough to appreciate the innovation nor close enough to operational realities to appreciate the solution's impact, we kept it short and snappy and hoped for the best.

These guys were already clients anyway. Their teams were using half the stuff I was talking about. So I soon wrapped my piece, took my seat and I was all ears for they were about to 'show us theirs'… so to speak.

And I was excited.

These guys had a fully-owned digital subsidiary to go with their Miró.

One of the very first digital banks in Europe back then… and they had recently launched an app. An app! (Yes, this was a long time ago.)

I am not ashamed to admit I was easy to impress back then.

I didn't ask about the backend, didn't mind batch processing and didn't despair in all the things you couldn't do on the app. These were early days and this was new and I was excited to hear how they went about designing their proposition and prioritising features and capabilities.

"We don't talk to clients," said the CEO with a look on his face that suggested there was a limit to how many stupid questions he was willing to entertain in one day, hence why we never got to the Miró.

"They are our customers, we know what they want."

I was reminded of this chap a couple of months ago when I was speaking to the CEO of an aspiring start-up. One of those that got funding before they even got the idea going, that have advisors onboard before getting themselves a CTO and use swag as a placeholder for product-market fit.

The start-up was building a youth proposition.

They were still working out their USP.

Fine.

Were they running any focus groups?

Hell no, says the CEO.

"Those kids, they have the attention span of concussed goldfish," he said. "They don't know what they want and they change their mind every three seconds. Talking to them would be a total waste of time."

Disrespecting your users is always an excellent place to start.

Maybe I should ask this guy about where he would place a Miró painting if he had one.

But back to my point, because believe it or not, I was building up to one.

Maybe the sheer blinding arrogance of these two examples is unusual. Maybe it is. And maybe it isn't.

But the 'not talking to users' thing is much more common than you think. Much more common than it should be and much more prevalent than is allowed, given the amount of time and money we have all spent on design thinking courses.

The vast majority of companies of all sizes, from corporates to touchy-feely start-ups, do not spend enough time working out what problem they are solving and for whom.

Many start off well. They work out the product by talking to potential customers but then sort of stop. It's heads down to get it out the door and who has the time to keep doing endless research?

Besides… analysis paralysis, right?

Wrong.

Your customers change. The market changes. The segments you try to add to the mix may not be as similar to the ones you are already serving. A pink credit card may, just *may*, not be the way to target women. I'm spitballing here.

Every day we either use poorly designed services or read about new products and features launched and withdrawn because they failed to deliver *any* value to *anyone*.

And there is a way around this, you know. A simple one.

Hire designers.

No, no. I know you know that you need designers, but I am not done yet.

Hire them.

Then let them do research. Actually let them do the research.

And *then*, and this bit is the most important of them all, then listen to them.

Crazy idea, I know, but bear with me.

Listen to what they discover.

Don't carry on building what you were doing anyway because of the sunk cost or because it's almost done or because you don't like what they discover.

Don't ask them to align their findings to the existing roadmap.

Do not tell them to add what they found to the backlog. If it's not already reflected in the stories you are working on, it's time to change those stories, not ignore reality.

Do not send them to talk to marketing about creating some visual assets around the things they found the clients want.

Do not reduce them to a messaging alignment machine for a tone-deaf product.

Hire them. Let them do their work. And listen to them.

And realise it's an ongoing thing.

It's not one and done. Both because the market keeps shifting and because you have blind spots.

Hire designers because you have blind spots. We all do. And because we do, the world is littered with opportunities missed. Opportunities to do better both on a human level and a commercial level. Because for every pink credit card issued, there is a demographic whose needs are not understood and therefore not served.

For every empty bank account offered via a mobile wallet as a gesture towards financial inclusion, there is a demographic left unserved. For every 'faster horse' we devise, there is the total addressable market of potential car owners, blissfully untapped.

And no, I don't know what the winner product idea is. If I did, I wouldn't tell you, I would launch it myself. But I know what you need to do to get the killer product in your chosen vertical. For any product. For all the products.

Hire designers.

And let them do the job you hired them for. Which may entail telling you that some of the things you were going to do aren't what you should be doing and some of the things you were not going to do, are.

If nothing else, a designer will teach you how to respect your users and stop you from shoving a potted plant in front of a Miró… you absolute heathen.

#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.

FEATURE: AGRICULTURE

Vive la tech révolution

By Gihan Hyde, founder & CEO, CommUnique

The agriculture industry has radically transformed over the past 50 years.

Farming equipment has increased in scale, speed and productivity, leading to more efficient cultivation of larger land. Irrigation and fertilizers have also vastly improved, helping farmers increase yields.

The world's population is on track to reach 9.7 billion by 2050, requiring a corresponding 70% increase in calories available for consumption, even as the cost of the inputs needed to generate those calories is rising, according to the UN. By 2030, it predicts we will fall 40% short of meeting global water supply needs, and rising energy, labour and nutrient costs are already pressuring profit margins.

Agricultural development is key to fighting poverty around the world. Take India, for example. The country exported $38.54 billion in 2019 and 70% of its rural households depend on agriculture.

Post-pandemic, agriculture is in the early days of yet another revolution – the revolution of technology. Artificial intelligence, analytics, connected sensors and other emerging technologies could further increase yields, improve water efficiency and other inputs, and build sustainability and resilience across crop cultivation and animal husbandry.

Fintechs are at the heart of this revolution and it's their services and products that will connect farmers with finance and enhance the power of financial inclusion. According to recent research, if connectivity is implemented successfully in agriculture, the industry could add $500 billion in value to the global gross domestic product by 2030.

A DYNAMIC DUO

So how is the fintech sector contributing to the agricultural sector's revolution? Two fintechs in particular have grabbed my attention.

The first is BPC, which in December 2019 launched Safal Fasal (which translates as 'successful harvest' in Hindi), the first agritech marketplace in India. It is built on a vision of using technology to serve farmers and solve their challenges in getting access to input, financing, insurance or advisory services.

The platform has generously onboarded 500,000 farmers mentored by multiple institutions, including Reliance Foundation, PWC, Tanager, Dr Reddy's Foundation and JSW Foundation. It also matches them with buyers and other partners such as Bayers, Fino Payments Bank and ICICI Bank, among many others.

The pilot phase, which lasted for three months, has successfully boosted the industry, starting in the Gujarat and Andhra Pradesh regions. Farmers sell their produce online to FMCG or wholesalers at a better price and get greater exposure than they could ever imagine.

As the marketplace closed its pilot phase in March 2020, the unexpected Covid-19 pandemic came to challenge its model with very little time to act. The model evolved into an online marketplace coupled with on-field meetings to drive better education and reach.

Nadia Benaissa, global marketing director at BPC, says: "This achievement would not have been possible without implementing the right communications strategy. Together with our network of partners, we had to establish community-based, language and gender-specific communication lines to ensure we gain trust from farmers and create value for all stakeholders in this ecosystem."

The second firm I want to mention is Ant Group, which is part of Alibaba. The group has been working with MYBank to create a new product called Tomtit. This product allows farmers to use a smartphone app to locate their farmland via satellite imaging and then have the AI technology identify the type of crops planted in the associated area so that the bank can identify this and offer the farmers corresponding loans for their planting and harvesting financing needs.

Technological advancements have evolved the social and economic landscape, evident from the emergence of industries like fintech. By properly leveraging modern technology's financial and communication applications, agriculture – the oldest industry of human civilization – can experience rapid growth and sustainability. Companies like BPC and Ant Group have realised communication's role in driving initiatives that promote sustainability. Without proper communication, getting farmers and stakeholders to onboard the projects would have been difficult.

Let's hope that other fintech companies will follow suit and contribute to the evolution of the agriculture sector.

"If connectivity is implemented successfully in agriculture, the industry could add $500 billion in value to the global gross domestic product by 2030."

Gihan Hyde, CommUnique

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

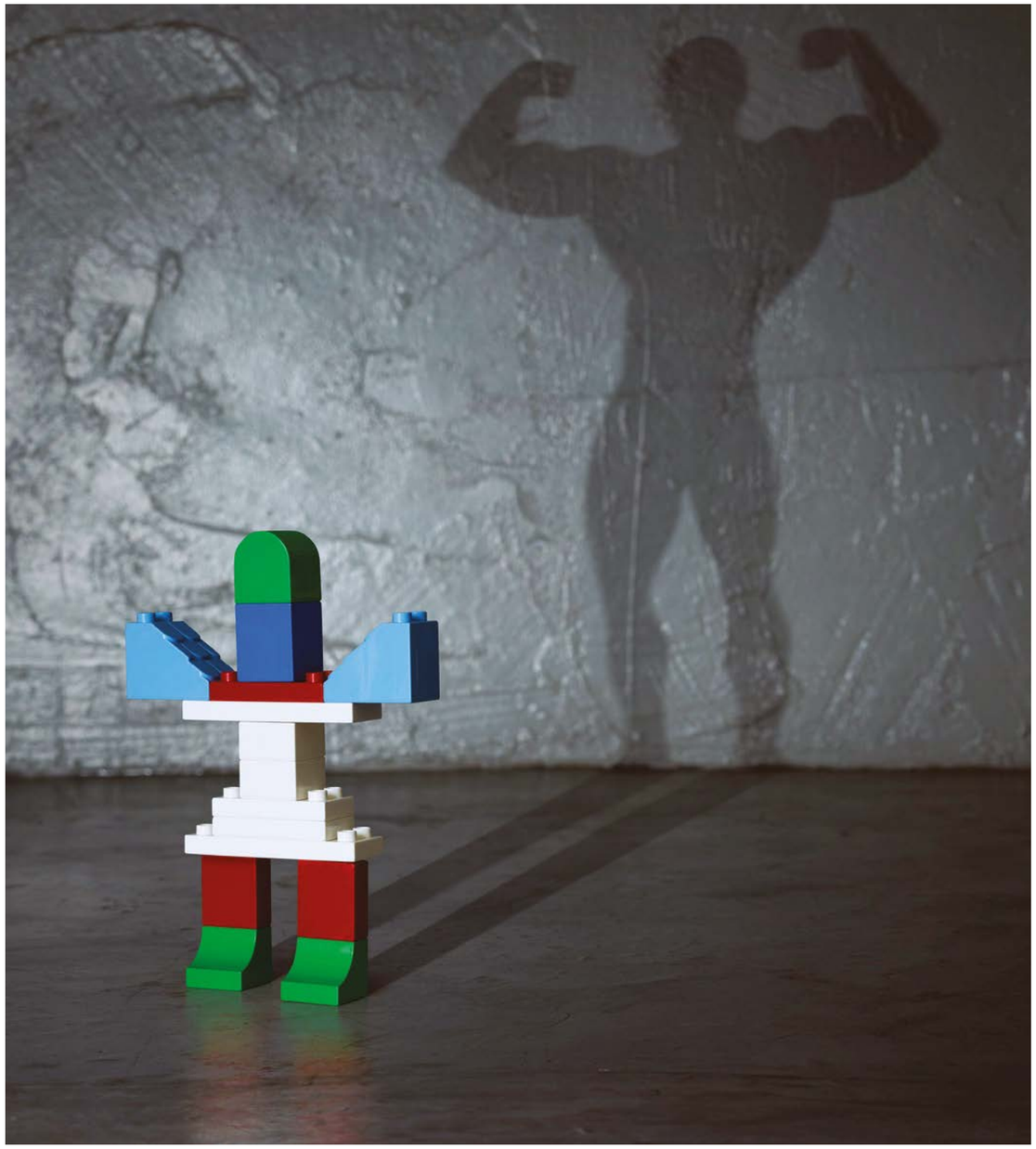
She has been implementing ESG campaigns in eight sectors, across six countries over the past 20 years.

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.

The complete package

By Dharmesh Mistry, CEO, Askhomey



When I first started my career in banking technology in the 1980s, I was initially working with mainframes.

Back in those days, we had teams of 'head office business users' that specified our requirements. These were middlemen that represented the actual users of the system. We had no direct contact with the actual users.

A few years later, the bank wanted to trial what today would be called agile, but back then was Rapid Application Development. The goal was to accelerate how we delivered our solutions. We were the first in IT to be armed with laptops and even mobile phones. We were taken out of the IT office and given an office in one of the business units.

At the same time, we were allowed to work from home or wherever we felt we could be productive. My schedule was typically wake up at 6am and code till 2pm, then break to have lunch and an afternoon kip. I was back at my desk from around 6/7pm and would typically code till midnight. This worked for me.

Aside from this, the biggest change was actually getting requirements from end users in branches. This made a huge difference to getting the usability and functions of the solution right.

Fast forward 30 years and this is the norm now. Over the past 30 years, we have seen increasing integration of business users and IT. Even software providers have moved towards a model whereby customers are deeply involved in new products. However, generally for business-specific requirements, an analyst documents them and a developer writes the code. This has been the model for decades.

There have been attempts to change this, to empower business users to write their own solutions using low-code or no-code solutions. Indeed, my last company, edgeIPK, was a pioneer in creating a no-code platform for the development of web/mobile apps.

Gartner calls users of such tools "citizen developers". This reduced the separation of requirements and development, but I dare say it generated a lot of solutions that were difficult to maintain and fostered little re-use. Hence, such tools haven't really been used at an enterprise level for mission-critical solutions.

However, this might change with composable banking, where the emphasis is to develop, publish and consume building blocks from a marketplace, and then allow someone else to 'compose' these blocks into a complete solution. But clearly, it's not as simple as that.

Yefim Natis, distinguished VP analyst and research fellow at Gartner, defines the following five roles in composable banking:

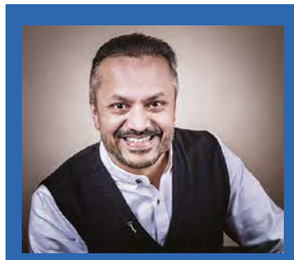
1. **Enterprise architect (EA):** someone that governs the overall solution at a high level, ensuring maximum re-use and consistency. The BIAN architecture is a good example of something that an EA could create. BIAN provides a great model for the application of composable 'building blocks' for a complete bank architecture.
2. **Creators:** developers that create and publish the building blocks of individual computation, functionality or business capability.
3. **Curators:** a role to manage the 'library' or marketplace of building blocks. This library should include any proprietary or third-party acquired solutions too.
4. **Composers:** teams that compose a solution from building blocks, using application composition platforms and tools, but not necessarily.
5. **Consumers:** the actual users of the application.

ORGANISATIONAL CHANGE

I'm just saying that 'composable banking' is not just an IT issue as it involves the business users. It is not just standard development with a re-use library, it is an organisational change, and firms will struggle to see the full benefits without this shift.

In the past, the role of an enterprise architect was extremely difficult as it required strong knowledge of the business and technology, to be able to sift through hundreds if not thousands of systems and provide a blueprint for a better landscape. BIAN has made this immensely easier, though the task of mapping existing systems is still not so easy.

As I have highlighted in my previous article published in the September edition of the magazine, composable banking can solve a number of issues for banks, but it will require an organisational change and should be supported by a strategy to educate and adopt a new way of working supported by new roles. As always, the tools and theory are readily available, the devil is in the detail. There are strong examples of organisations making this work, and I hope to write about them soon.



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.

GENESYS

SEVEN CRITICAL JOURNEYS EVERY BANK MUST MEASURE, MONITOR AND OPTIMIZE

Your customers see every interaction as part of one connected experience. Most business teams can't visualize behavior outside of the channels they own but measuring customer experience (CX) through that lens doesn't give you a full view. Journey measurement gives your entire firm perfect vision.

Every bank and its customers are unique. So, it's critical to measure these seven journeys to improve experience and business outcomes.

1. Shop and buy

As consumers shop for loans, credit cards and investment accounts, they're inundated with information about similar products and claims of better service and lower prices. To meet internal goals like net-new customers and cost per acquisition, banks must deliver effortless acquisition journeys that stand up to the best buying experiences.

2. Set up (onboarding)

Whether they're activating a credit card or setting up automatic deposits, you must deliver exceptional onboarding experiences. Onboarding is critical to success. Inconsistent and inefficient journeys can negatively affect retention and revenue. Too often, internal processes, timelines and metrics — not customer goals — drive onboarding journeys.

3. Payments

Unpaid bills or late payments affect your institution's cash flow. And difficult payment experiences will frustrate your customers. Encountering problems frequently puts your customer satisfaction and trust at risk. Delivering a low-effort payment experience is essential.

4. Transactions

Transact journeys encompass different consumer goals, such as purchasing groceries or transferring funds. These journeys heavily affect metrics like engagement and usage, satisfaction and retention. Regardless of your customer's goal, effectively measuring your key transaction journeys is important for improving CX and performance.

5. Support (customer service)

Great service is meaningful to customers. It's a critical moment of truth. Service journeys play a major role in each customer's perception of your firm, their satisfaction, and their decision to churn or remain a customer.

6. Changes

Change journeys can include reallocating assets, altering direct deposit amounts, changing reward selections and more. When a customer changes their product, it's an opportunity to provide additional value and prove that your firm understands them. Often, it's also a way to generate more revenue.

7. Leave (retention)

When your customers are determined to leave, it benefits you to make that journey as easy as possible. Consumers will remember the effort required; firms that make the exit journey easy are more likely to win back a customer's business in the future.
The path to operationalizing customer journey management across your institution is a journey itself. Genesys can be your guide on that journey.

START YOUR OWN JOURNEY

Download the ebook to learn how you can measure and optimize customer journeys. Or speak to an expert about customer journey management.

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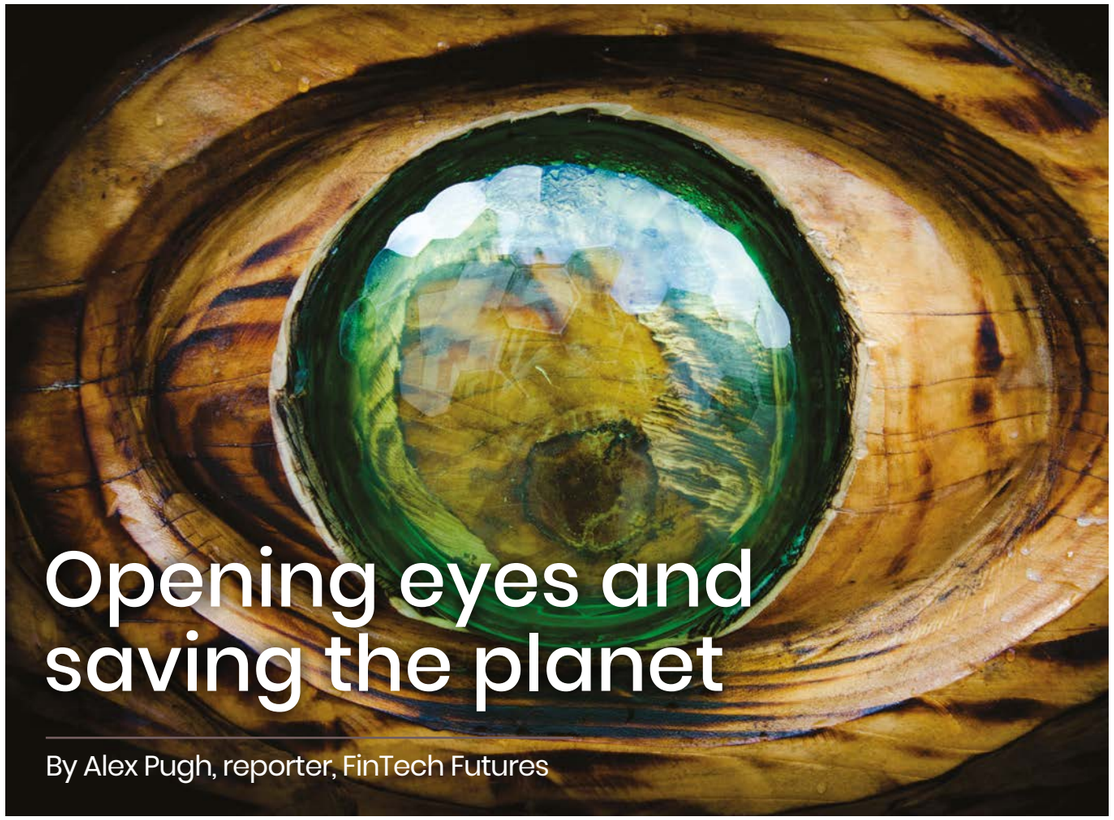

Opening eyes and saving the planet

By Alex Pugh, reporter, FinTech Futures

Impact investing has been around a long time, with socially responsible investing (SRI) and environmental, social and governance (ESG) investing being the two main approaches.

What recently launched fintech Etcho offers though is the ability for newcomers to understand how their investments can impact the planet right from the get-go.

The firm's co-founder Charlie French recently spoke to *FinTech Futures* on the promises of sustainable investing – and where the future might be heading.

CONSCIOUS INVESTING

Etcho bills itself as a conscious investing platform. But what is conscious investing? How does it differ from 'regular' investing and how does Etcho cater to it?

For Etcho, conscious investing means giving people the relevant information to understand the unseen consequences of their investment decisions. "Without Etcho, we don't feel investors are given the whole story when they choose an investment," French says.

Etcho is "empowering greater consciousness" in investment decisions by increasing people's knowledge and awareness of the global impact of their investments.

"We're just getting started," French adds. "Ultimately, we believe in a world where impact information on investments is as obtainable and as reliable as financial fundamentals."

While people are doing all they can to cut their personal carbon footprints and reduce their general impact on the world, there isn't enough out there at the moment that helps people assess the impact of their investments.

Research by Make My Money Matter, French says, suggests switching to a green pension can cut your carbon footprint 21 times more than going vegetarian, giving up flying and switching energy providers combined.

DATA IS THE NEW OIL (OR NON-FOSSIL FUEL EQUIVALENT)

Etcho uses a variety of data providers to determine an 'Etcho score'. "We like to take a holistic view of what a company is doing," French says.

Etcho will consider what a company earns its money from in the form of revenues and what that company is up to through daily events such as news articles.

"We believe it's essential to see not just what a company is saying but also what it is actually earning its revenue from," says French.

For example, a company may announce many 'green' initiatives yet earn all its income from non-sustainable products.

Etcho will also look at corporate disclosures, such as carbon emissions, to derive a company's footprint.

Despite the recent boom in ESG data, this data is in its infancy, and there is room for improvement. Etcho wants to be

19
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a leader in improving data for investors and welcomes regulation on corporate disclosures.

"We are excited to see new frameworks, such as nature-related disclosures, which will help investors understand their impact," says French.

The company is evolving already, with the recent addition of exchange-traded funds (ETFs).

During the build of its app, French says Etcho spent a lot of time speaking to users in 'user testing' focus sessions.

"We found that while people enjoy stock-picking, they often prefer investing in diversified funds, such as ETFs," he says.

But without firms like Etcho, it's tough to know the impact of an ETF, and when you look under the hood of some 'ESG' labelled funds, French says it can be "pretty shocking".

"We're on a journey to helping wealth and financial advisors to communicate their clients' impact and the ETF analysis displays how Etcho can be used at a portfolio level," he says.

Etcho has a number of other features, products and services in the pipeline.

"When we started Etcho, we set out on a mission to help everyone learn the true impact of their investments," says French.

While the initial product idea was to build a trading platform that provided sustainability information on investments, Etcho soon realised that to provide meaningful data on investments, it needed to make the impact data and the display of this data its sole focus.

"We also found that people are happy with current investment offerings but cannot source impact data" says French. "That's where Etcho comes in."

INTEGRATION, INTEGRATION, INTEGRATION

The platform is moving from a direct B2C provider into the B2B2C world through integration with financial services platforms. Ultimately, if Etcho can partner with investment and wealthtech platforms and provide them with reliable and relatable data to display to their clients, "we'll achieve our mission faster", says French.

Etcho now has a robust product suite including its retail app, reporting software and pro-web portal. "Our API and SDK will soon be ready too," French adds.

Eventually, Etcho has plans for its data to service the entire investment ecosystem, but for now, it's "laser-focused" on partnerships with fintechs and wealthtechs, as well as the advisor and wealth management space.

In light of all this collaboration and emphasis on partnerships, what other apps or platforms are jostling in the same space as Etcho?

"A year ago, I would have told you that investment apps and platforms are our competition," French says. However, given the change of direction mentioned above, Etcho is now looking to partner with those platforms.

In effect, as Etcho builds out its product suite, its competitive landscape has evolved.

"We are really trying to crystallise impact partnerships with wealthtechs and fintechs via SaaS integration," French says, although some players in the market offer their own platforms and data streams. And although they're not entirely the same nor necessarily considered 'competitors', French adds some firms are "certainly ones to watch and pretty inspiring".

"The Sustainable Development Goals have always been close to our hearts at Etcho, and they were the driving force behind starting Etcho."

Charlie French, Etcho

As well as leveraging the UN's Sustainable Development Goals (SDGs) to determine a firm's Etcho score, the company is also looking at other metrics to help refine its scoring system.

"The Sustainable Development Goals have always been close to our hearts at Etcho, and they were the driving force behind starting Etcho," French says.

The SDGs are globally recognised, which is "crucial", French says, as current impact metrics are patchy with little standardisation.

He adds the company "absolutely considered" other metrics, "but we feel nothing quite tells the story as well as the SDGs".

The SDGs provide a granular output rather than grouping ESG metrics. They're also relatable to the everyday person compared with other more complicated taxonomies.

But Etcho intends to dive deeper into some of the goals. Biodiversity loss and deforestation, for example, can be associated with goal 15 – 'life on land' – but French says people want a deeper view. "We're keen to develop in line with what people find useful and are always open to ideas on what metrics people want," he says.

MONEY TALKS

Ultimately, investing platforms like Etcho will have an influence on companies' attempts to become more sustainable. If more people invest in sustainable companies, logically, that might suggest more companies seeking investment will adapt and modify their practices to become more sustainable.

"Corporations are certainly starting to say the right things," French says. The crucial point is whether they are acting on what they are saying.

"We believe that by providing people with insightful information, they can then make solid decisions," he says.

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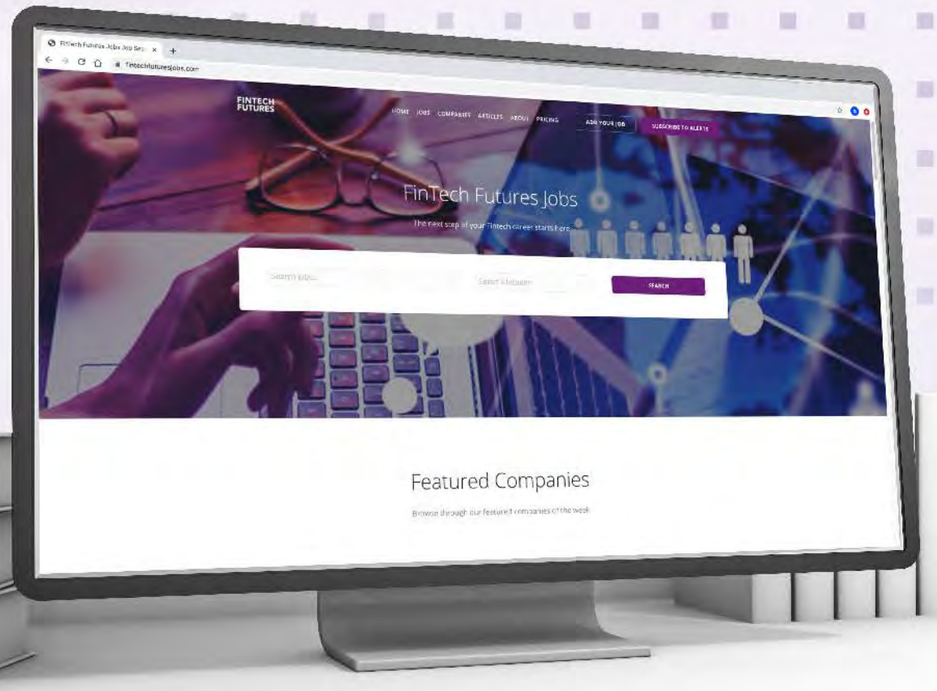
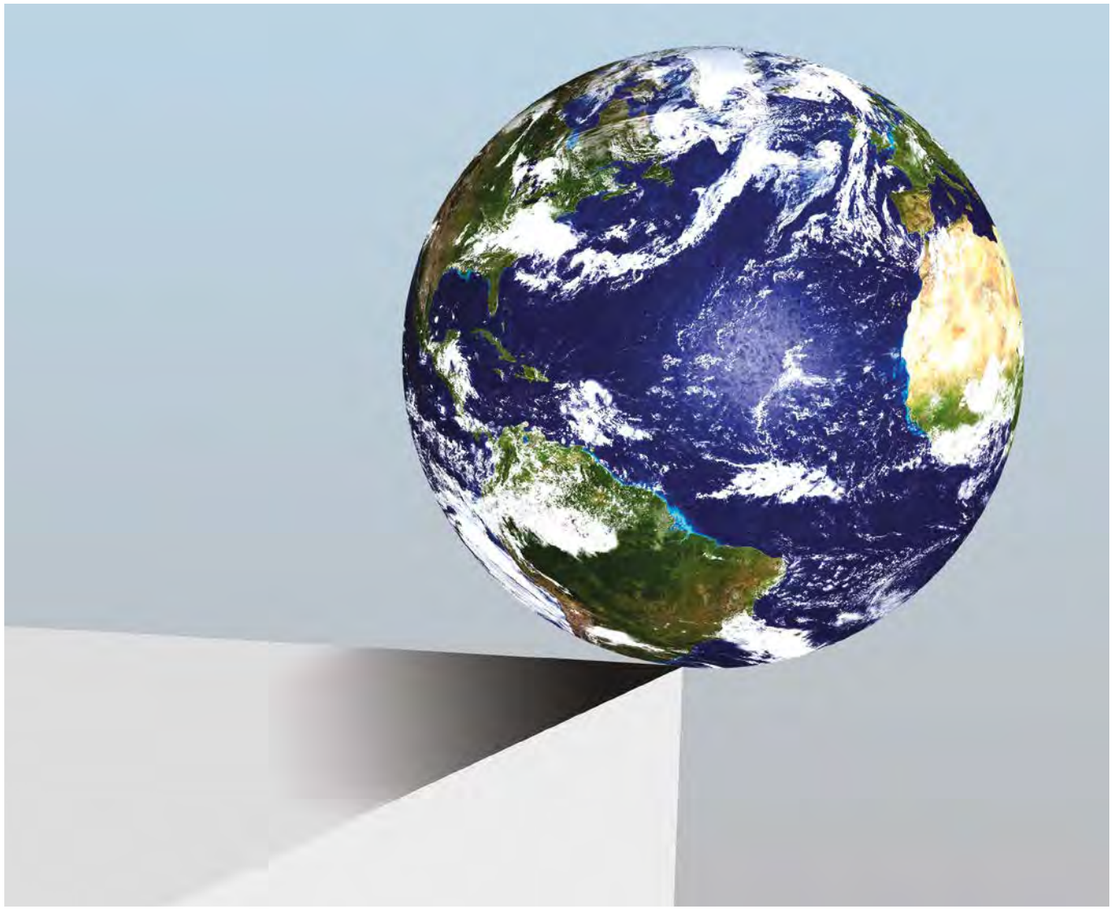


How banking can help as we reach climate tipping point

By Theodora Lau, founder, Unconventional Ventures



The idea of progress is the belief that human society gets better and better over time. But it's hard to think about progress when we are facing unprecedented crisis after crisis.

What can leaders do during such turbulent times? How can we instil hope and trust in an increasingly polarised society? Let's see.

THE WORLD IS AT A CRITICAL POINT

Food, shelter and water are barebone necessities for one's survival. Access to such basics, along with the internet and healthcare, should be basic rights for the modern era. Yet, the statistics are startling:

- According to the United Nations, the world is not on track to achieve Sustainable Development Goal 2 (SDG2), zero hunger, by 2030. In fact, in 2020, approximately 720 to 811 million people went hungry (118 million more people than in the year prior). Unless we take bold actions, around 660 million people may face hunger in 2030. To put the crisis in perspective, this is close to double the current population of the US.

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- Water covers 70% of our beautiful blue marble. Unfortunately, water scarcity is an increasing problem on every continent. As reported by UN-Water, 2.3 billion people live in water-stressed countries, and 4 billion people (nearly two-thirds of the global population) experience severe water scarcity during at least one month of the year.

This is just the tip of the iceberg. The current impacts of climate change are putting our civilisation at heightened risk of reaching *climate tipping points*, a scenario where crossing intricate thresholds would trigger significant and irreversible changes in how our planet operates. It is an event – perhaps *the* event – that impacts not only those whose livelihood depends on water (for example, farmers) and those who live in poor countries, but also the rest of human civilisation.

But what does banking have to do with it, you ask?

MONEY MAKES THE WORLD GO ROUND

Of the many roles that banks play, one of the most important ones is being the intermediary between depositors and borrowers. With great power comes great responsibility. Regardless of what form money takes, banks hold an outsized role in shaping our society. With intention, they can be at the forefront of change. By focusing on what the world needs, we can create a roadmap to a better future – together.

It all starts with trust.

BANKING IS A TRUST BUSINESS

People will only use banking services if they trust that their money is safe in the bank, and when they make a payment, the money will be received. Ultimately, banks need to show that they have the consumers' interests at heart.

This is where technology plays a crucial role: banks can leverage data analytics to better understand their customers and their needs, provide better and more personalised services, and make services more equitable and accessible.

A great example is Project REACh, which aims to expand credit access in underserved communities and lower the barriers to financial services. Major US banks including JP Morgan, US Bancorp and Wells Fargo are among those working with the project.

> "By enabling financial inclusion, through new business models and partnerships, banks can play a crucial role in lifting people out of poverty and help break the cycle of inequality."
>
> **Theodora Lau, Unconventional Ventures**

Another Project REACh collaborator is Citi, which is set to launch two new pilot programmes. It plans to issue credit cards to people without credit scores by leveraging information such as the applicant's income and spending habits to measure creditworthiness. In addition, the bank will also assist small business owners who are women, veterans or from underrepresented communities to get credit by adapting their underwriting standards and through lower credit score thresholds.

By enabling financial inclusion, through new business models and partnerships, banks can play a crucial role in lifting people out of poverty and help break the cycle of inequality.

TOWARDS A SUSTAINABLE FUTURE

Despite pledges from the Net Zero Banking Alliance committing to aligning its members' lending and investment portfolios with net-zero emissions by 2050, Citigroup, Wells Fargo, Goldman Sachs and Bank of America spent a combined $137 billion on fossil fuel projects last year alone.

Yet it can't be clearer what needs to be done. Institutional investors need to shift away from carbon-intensive industries and vote with their wallets to help scale up and mature cutting-edge renewable technologies and transition the world to a low-carbon economy. Our industry needs long-term objectives on climate action and a clear framework to move away from fossil fuels.

Else, the pledges are nothing more than PR and empty promises, towards an increasingly unpredictable future that we can ill afford to gamble on.

A DIVIDEND FOR THE PRESENT IS A DIVIDEND FOR ALL

So how are banks looking to reinvent themselves for the 21st century?

Leaders need to do more than merely reacting to customer demands and competitive threats. Purpose needs to be integral to everything that we do, much like how DEI must be part of a successful company's DNA.

Taking the necessary bold actions today will lay the foundation for tomorrow, and it is the only way that we can sustain and thrive through the turbulent times in an increasingly fragmented world.

Theodora (Theo) Lau is the founder of Unconventional Ventures. She is the co-author of Beyond Good and co-host of One Vision, a podcast on fintech and innovation.

She is also a regular contributor for top industry events and publications, including Harvard Business Review and Nikkei Asian Review.

FINTECH FUNDING ROUND-UP

Shaype, an embedded finance platform provider in Australia, has landed **AU$33 million ($21.4 million)** in equity in its Series C funding round. The round was led by Regal Funds Magagement, with participation from a number of family offices.

The money will be used to grow Shaype's team and domestic client base as well as for international expansion.

It plans to launch a range of embedded finance solutions for the financial services, HR, property and government sectors by the end of the year.

Shaype was founded in 2020 with its HQ in Sydney. It has a global team of around 100 people and offices in the UK and Poland.

New York-based **AccessFintech**, which enables data and workflow collaboration across the financial industry, has raised **$60 million** in a Series C funding round led by WestCap. Other investors in the round include BNY Mellon and Bank of America, along with existing investors Dawn Capital, JP Morgan, Goldman Sachs and Citi Group.

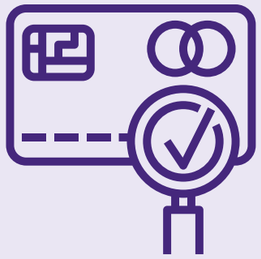
The money will be used for expansion into new markets.

AccessFintech's cloud-based collaboration network, Synergy, has over 100 participants, including global banks, broker-dealers, custodians and asset managers.

Italian paytech **Satispay** has landed **€320 million** in a Series D funding round led by Addition, taking its valuation to more than €1 billion. The round also saw existing investors Greyhound Capital, Coatue, Lightrock, Block Inc, Tencent and Mediolanum Gestione Fondi SGR take part.

Founded in 2013 in Milan, Satispay is a mobile payment alternative to credit and debit cards. Through its mobile app, it allows users to pay in physical and online stores, peer-to-peer (P2P) payments, phone top-ups and bill payments, pagoPA and auto vehicle tax stamps, donations, gift envelopes and savings.

Satispay claims a network of three million consumers and 200,000 merchants. Alberto Dalmasso, co-founder and CEO of Satispay, says that the company has "more than doubled" its customer base and launched in three new markets in the last two years, with offices in Luxembourg and Berlin. The company currently has around 300 employees.



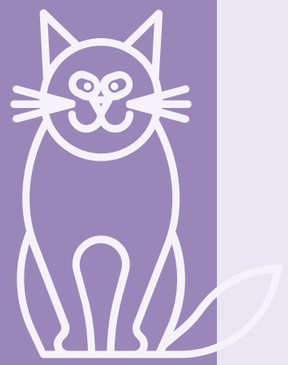
Israeli fintech **Noble** has emerged out of stealth with **$18 million** in a funding round led by Insight Partners. Additional investors include Cross River Digital Ventures, Y-Combinator, Flexport Fund, TLV Partners, Operator Partners, Verissimo Ventures, Interplay ventures, Plug and Play and the George Kaiser Family Foundation.

Founded in 2021 in Tel Aviv, Noble provides the infrastructure for companies to build, launch and scale credit products, helping companies assess the creditworthiness of their customers for use-cases including credit cards, credit line assignments and buy now, pay later (BNPL) offerings.

California-based medical and patient care fintech **Scratch Financial** has raised **$35 million** in a Series C funding round.

The round was led by Norwest Venture Partners and saw participation from Alumni Ventures, Companion Fund, Struck Capital, SWS Venture Capital and TTV Capital, among others.

Founded in 2016, Scratch offers a "care now, pay later" payment model to help pet owners and patients across the US and Canada cover the cost of medical care.



With more than 10,000 veterinary and medical care practices using Scratch's payment and financing tools, the company says it is on track to process nearly $1 billion worth of patient payments by the end of this year.

Sardine, a fraud prevention and compliance infrastructure fintech, has raised **$51.5 million** in a Series B round led by Andreesen Horowitz.

A number of new and existing investors also participated, including XYZ, Nyca Partners, Sound Ventures, Activant Capital, Visa, Google Ventures, Eric Schmidt, Vikram Pandit, The General Partnership, NAventures, ING Ventures, ConsenSys, Cross River Digital Ventures, Alloy Labs and Uniswap Labs Ventures.

Sardine claims its real-time fraud prevention products help reduce false positives leading to faster user growth and higher authorisation rates.

It combines traditional financial data sets such as bank account history with identity, behaviour and device intelligence to enhance their customers' risk capabilities. Sardine says it offers KYC, AML, sanctions and transaction monitoring to reduce fraud during account opening, account funding and ongoing transactions. The company also offers instant settlement for crypto and NFT transactions.

Founded in 2020 in San Francisco, Sardine raised $19.5 million in a Series A round in February this year. Its clients include FTX, Blockchain.com, WealthSimple, Brave and Digit.

Ratio, a California-based start-up that combines payments, predictive pricing, financing and quote to cash process into one platform, has emerged from stealth with **$411 million** in funding ($11 million in venture funding and $400 million in a credit facility).

Investors include Streamlined Ventures, Cervin Ventures, 8-Bit Capital, HoneyStone Ventures, among other asset managers and angel investors.

Founded in 2021, Ratio's platform allows Software-as-a-Service (SaaS) companies and other recurring revenue businesses to provide embedded buy now, pay later (BNPL) services that match their customers' cashflow needs.

Ethic, an asset management platform that powers personalisation for financial intermediaries, has closed a **$50 million** Series C funding round led by the Jordan Park Group. The round also saw participation from UBS Next (venture arm of UBS) as well as existing investors Oak HC/FT, Nyca Partners, Sound Ventures, Urban Innovation Fund and Kapor Capital.

Doug Scott, co-founder and CEO of Ethic, says his vision is to create "a world in which all investing is sustainable investing".

Founded in 2015 in New York, Ethic's technology platform enables the creation of custom direct indexing portfolios that reflect clients' values, financial goals and tax preferences.

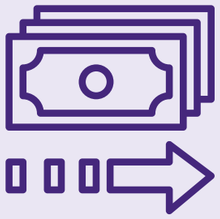
Since its $29 million Series B round in March 2021, Ethic claims to have surpassed $2 billion in assets and grown its headcount by more than 70%.

Singapore and Indonesia-based digital financial services group **Fazz** has raised **$100 million** in a Series C round.

The round consists of $75 million in equity from existing investors Tiger Global, DST Investment, B Capital, Insignia Ventures Partners and ACE & Company. Other investors in the equity round include Ilham Ltd, EDBI, InterVest, Michael Seibel (managing director of Y Combinator) and Hans Tung (managing partner, GGV Capital). Lendable provided $25 million in debt facility.

The new funding will be used to expand across Southeast Asia and build up the firm's business account that allows firms of all sizes – from micro, small and medium enterprises (MSMEs) to Fortune 500 companies – to pay, save and get credit.

Fazz claims $10 billion in annualised transaction volumes over the past year, which it looks to double in the next year as well as grow its teams in Singapore, Indonesia, Malaysia, Vietnam and Taiwan from 800 to 1,400. It was formed by the merger of Indonesia's PayFazz and Singapore's Xfers last year.



Denim (previously Axle Payments), a financial enablement platform for the freight and logistics industry, has raised **$126 million** in Series B funding.

The round was led by Pelion Venture Partners and includes $26 million in equity financing and $100 million in debt financing. Also participating were Crosslink Capital, Anthemis, Trucks VC, FJ Labs, Tribeca Early Stage Partners and Refashiond Ventures.

Founded in 2019 and based in New York, Denim's platform automates invoicing, collections and payments, claiming to reduce daily payments and collections tasks by 75%. It also provides freight brokers with access to working capital.

Denim says it quadrupled its revenue last year, and this year, facilitated nearly 60,000 jobs between shippers, carriers and freight brokers through its platform, and also scaled the team 200%.

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!

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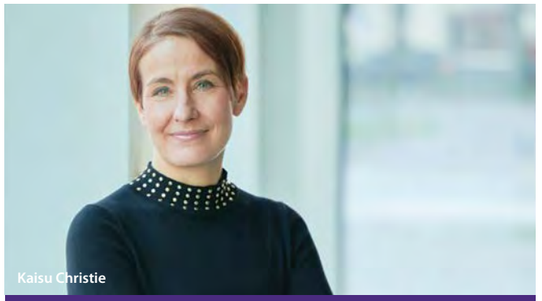
Kaisu Christie

The **European Investment Bank** (EIB, the lending arm of the European Union) has appointed **Kaisu Christie** as its new group chief digital officer (CDO), based in Luxembourg.

In her new role, Christie will lead digital transformation, information and technology services for the bank.

Christie brings more than 20 years of experience to the role. Most recently, she was SVP mortgages, consumer loans, collateral and real estate business at OP Financial Group, for almost five years. She has also served in various capacities at Cognizant, Bank of Queensland, ANZ Wealth and 3 Mobile Australia, among others.

UK-based **Virgin Money** has appointed **Sarah Wilkinson** as its new chief operating officer (COO). Her new role will combine the existing roles of Fraser Ingram, chief digital and innovation officer, and Fergus Murphy, chief customer experience officer.

Ingram is set to leave Virgin Money but will remain in his role until Wilkinson joins at the start of 2023. Murphy has agreed to remain with the firm to support various strategic activities.

Wilkinson joins from Thomson Reuters, where she currently serves as chief information officer (CIO) and head of TR Labs, the company's technology research and innovation centres. Prior to that, Wilkinson worked as CEO of NHS Digital. She has also previously served as CIO at the Home Office and held leadership roles at UBS, Credit Suisse, Deutsche Bank and Lehman Brothers.

US and India based **Zolve**, a new bank for "global citizens", has appointed banking veteran **Steve Freiberg** to its leadership team. Prior to Zolve, Freiberg was chairman of the board at a digital credit card start-up, Fair Square Financial (founded in 2016, it was sold to Ally Financial for $750 million in 2021).

Freiberg had a 30-year career at Citi, where he was co-chairman and CEO of Citigroup's global consumer group, looking after all business lines serving consumer and commercial customers, spanning 53 countries and 230,000 employees. He is also vice chairman of the board at SoFi, board member of Compas Digital Acquisition Corp, board chairman of Portage Financial Technology Acquisition Corp, and retired board member of Mastercard. He is also the founder of Grand Vista Partners and a senior advisor to Boston Consulting Group (BCG) and TowerBrook Capital Partners.

European multi-currency payments platform **iBanFirst** has appointed **Alain Lagabrielle** as CTO and **Diane Reille** as COO, as part of a broader leadership team shake-up.

Lagabrielle has more than 15 years' worth of experience in the tech and IT industry, having previously worked for French multinational investment bank Société Générale, leading the bank's tech transformation.

COO Reille will lead the CSM, due diligence, settlement and FI relationship teams, having been promoted to the role as an internal candidate – Reille joined iBanFirst in 2018 after working in the capital market department of BNP Paribas.

Other C-level changes at the firm see **Ivo Mertens** join as chief revenue officer (CRO), **Véronique Vingerhoets** as chief people officer, **Matthieu Chaigne** as chief communication and behavioural officer and **Anne-Sophie Pradier** as chief of staff.

Dutch bank **ABN Amro** has appointed **Carsten Bittner** as its new chief innovation and technology officer (CI&TO).

Bittner, who is currently chief technology officer (CTO) at Commerzbank, is set to fill the vacancy left by Christian Bornfeld, who left ABN Amro in May this year after four years at the bank.

Carsten Bittner

Before joining Germany's Commerzbank, Bittner held various management positions at international media and services group Bertelsmann and IT firm Accenture, where he was manager of financial services. Bittner also spent eight years at German IT service management company Arvato, where he was chair of the board of directors in Shanghai, China.

Banking start-up **Fiinu** has appointed a new chief product officer (CPO), chief financial officer (CFO) and head of technology as it gears up for the launch of its plug-in overdraft solution (without the need to switch banks and current accounts) next year.

John Willcock joins as CPO, responsible for product strategy and marketing. Willcock has experience at the Post Office, where he was responsible for developing and growing its mortgage, credit card, personal loan and current account offerings.

Charles Resnick, set to become CFO on 1 November, will join from ClearBank, where he is head of financial control. Resnick is also a reporting and data standards transformation board member at the Bank of England.

Darrin Scott Brent, the new head of tech at Fiinu, moves from Aspinall Financial Services where he was responsible for infrastructure, cloud computing and information security.

DANCING IN THE RAIN

Cartoon by Ian Foley

This week, the US technically went into a recession, recording two consecutive quarters of declining growth.

The last six months have seen a steady deterioration of confidence by tech business leaders built on a narrative of declining venture funding, M&A activity and hiring. Most notably, Sequoia Capital, in a presentation to its portfolio companies, laid out the case for a long and drawn-out recession and instructed founders to "do the cut exercise" immediately.

However, a closer look shows that some of this worry might be overblown, and there are significant growth opportunities for those businesses that want to take advantage of the new environment. For example, three venture funds have raised crypto-only VC funds of over $6 billion (Bain, a16z and Haun) and M&A in the first half of 2022 is up 58% year on year.

Companies with a strong product-market fit, strong cash-burn discipline and strong leadership who can navigate turbulent bear markets are going to be benefiting from these times to build successful businesses.

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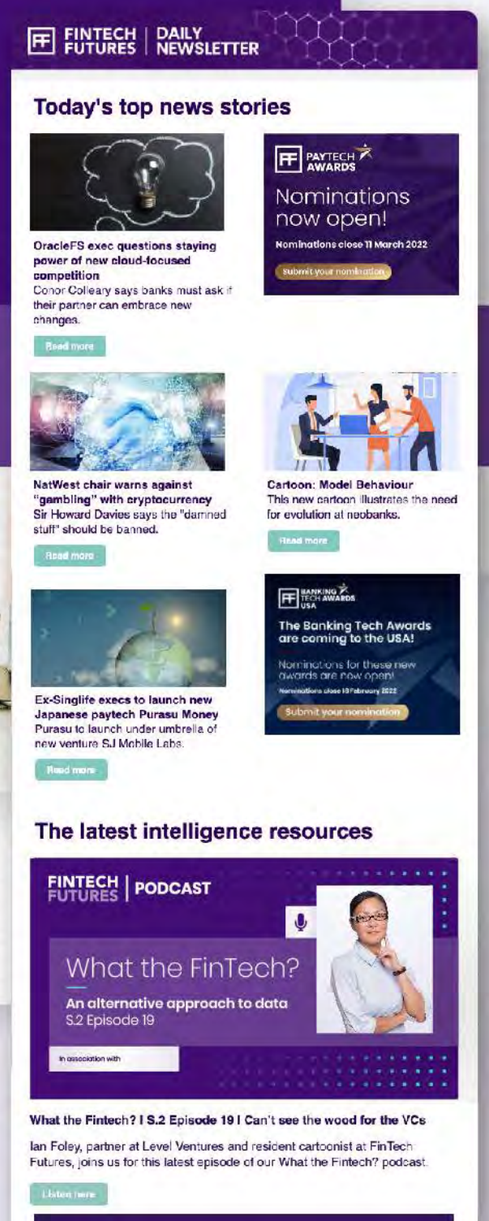

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