



**THE RELATIONSHIP  
BETWEEN THE FINTECH  
REVOLUTION AND  
PAYMENTS INNOVATION**

**Tallinn, January, 2017**

# David Gyori: FinTech and Banking Innovation

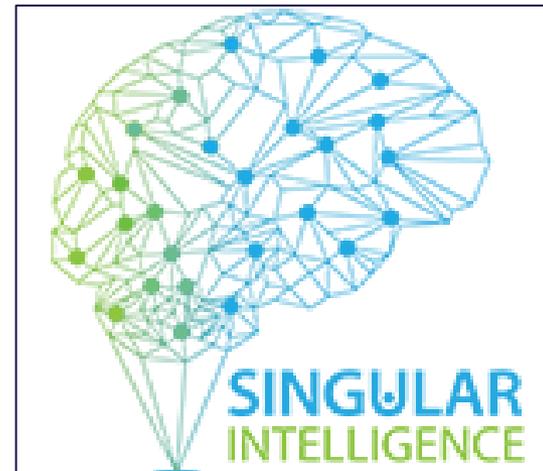
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- Financial Technology Trainer
  - Banking Innovation Trainer
  - Consultant, Author, Researcher
  - CEO of Banking Reports
  - Co-Author of The FinTech Book
- 
- Member of Judging Panel of UK National Technology Awards
  - Member of Panel of Judges of the European FinTech Awards
  - Member of the Advisory Board of multiple FinTech companies
  - Founding Member of the World FinTech Association
  - Mentor of SuperCharger Alliance



# David Gyori: FinTech and Banking Innovation





**C1**

**DRIVING FORCES  
OF THE FINTECH  
REVOLUTION**

# The Driving Forces of FinTech: GPT

ICT is GPT

Writing  
3500 BC

Printing  
1500 AD

Steam Engine  
1790 AD

Electricity  
1890 AD

What is holding  
FinTech back?

REGULATORY  
PATCHWORK

COMPLIANCE

DIGITAL FINITY

TECH: GAFA



# 30 AREAS OF FINTECH IN COMPETITIVE/COOPERATIVE VIEW

COMPETITION

Crowdfunding I

Card Substitutes D

Wallets D

Neo-Banks I

Remittances D

Social Trading N

Micropayments D

P2P Lending I

Wearables D

Big Data I

APIs I

Roboadvisors N

Personal Finance Dashboards I

Phone-Related-Solutions D

Digital Currencies D

Interbank Blockchain D

15 000 Companies  
USD 150 bn Invested

InsureTech N

Augmented Reality I

ATM Innovation D

Back-Office Artificial Intelligence N

IoT N

Biometric Identification D

RiskTech N

RegTech N

Virtual Reality N

Back-Office Blockchain N

Compliance N

Others I

Digital Identity I

Video Banking I

COOPERATION





**C2**

**COMPETITION**



**COOPERATION**

# Competition vs Cooperation



- **COOPETITION:** banks and FinTech companies, tech companies with each-other
- **FRENEMIES:** banks and FinTech companies, tech companies with each-other
- **CO-MARKETING:** cafes, payments opportunities, FinTech companies are doing it much more openly, banks have been reluctant... to share distribution channels
- ... communicate in a FinTech dress



# JAMIE DIMON: CEO of J.P. Morgan

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**“When I go to Silicon Valley...they all want to eat our dinner. Every single one of them is going to try. That’s capitalism and I think that’s a good thing.”**

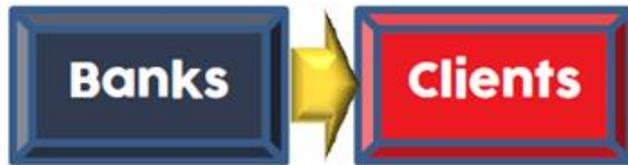
**J.P.Morgan**



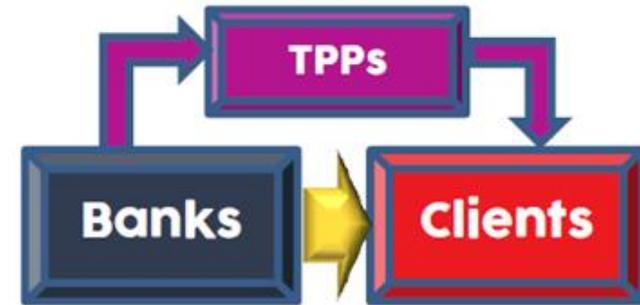
# XS2A: Access to Account, 3rd Parties Appear

Banks have to open up their client accounts to Third Party Providers (TPP) upon PSD2 is transposed into national law (early 2017). Account Information Services (AIS) and Payment Initiation Services (PIS) will basically gain direct access to the clients (i.e. client accounts).

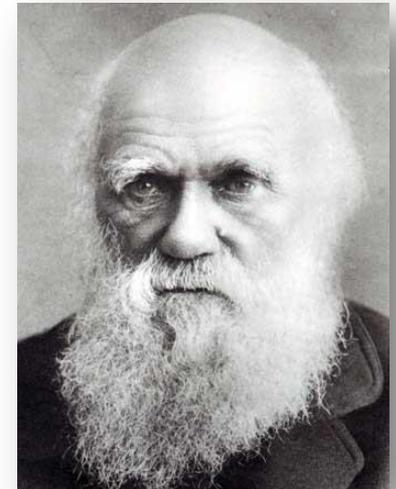
Before XS2A



After XS2A



- MNOs
- GAFA
- Chinese Tech
- Large FinTech: Moven / PayPal / TransferWise
- Small FinTech: Social Trading, etc.
- ForEx
- Gaming
- **THE SMART BANKS**





**C3**

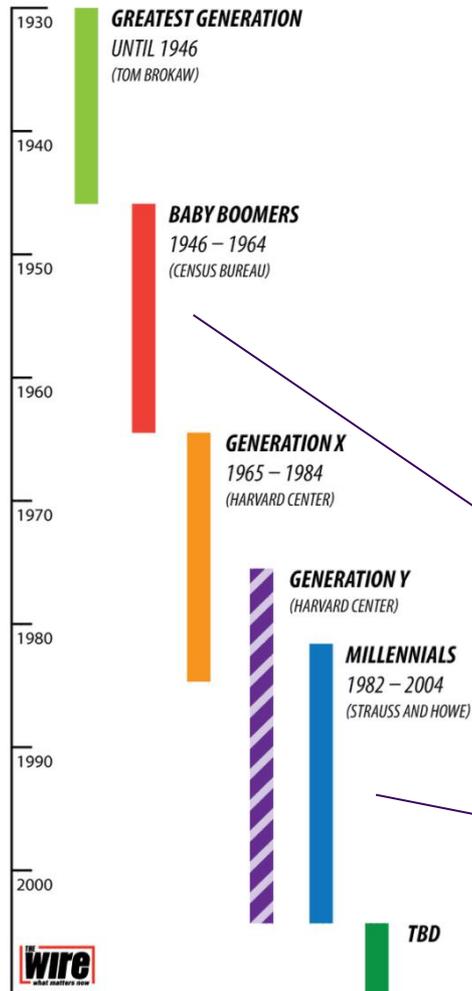
**BABY BOOMERS**



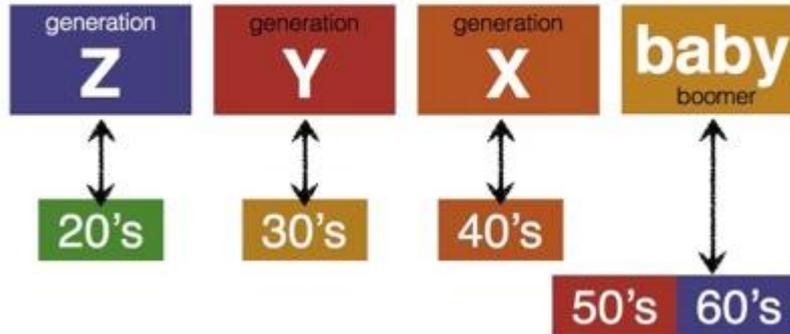
**MILLENNIALS**

# Generations: 5 SECONDS vs 5 MINUTES

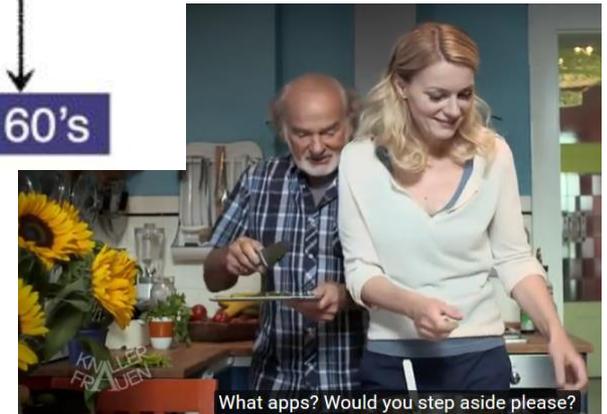
## GENERATION, BY BIRTH YEAR



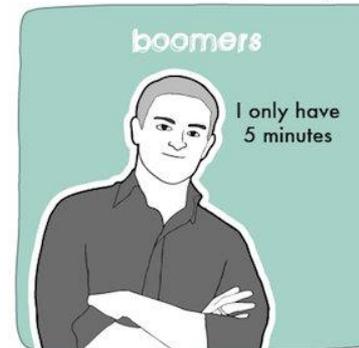
age is a factor...



## The iPad VIDEO



Boomers vs. Millennials @ Work **ATTENTION SPAN** thecooperreview.com





**”Design is not just what it looks like and feels like. Design is how it works.”** THE APPLE BANK EXERCISE BEYOND DESIGN

# Moven from New York

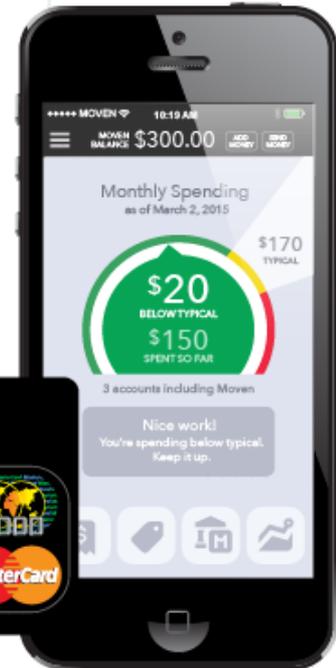
**“In financial technology, you have thousands of startups coming in and disrupting the distribution and the experience, and it’s just not possible for banks to survive this transition.”**

— Moven founder and CEO Brett King



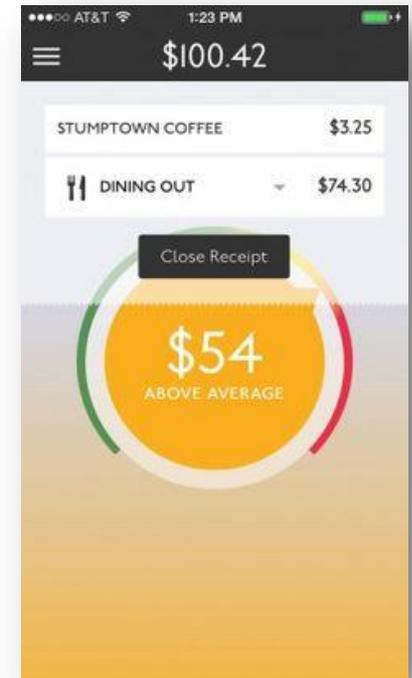
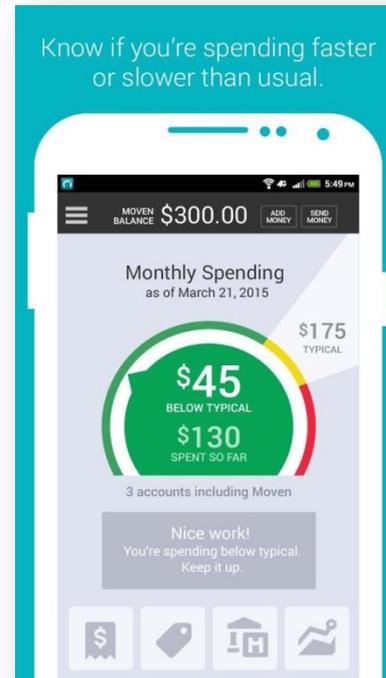
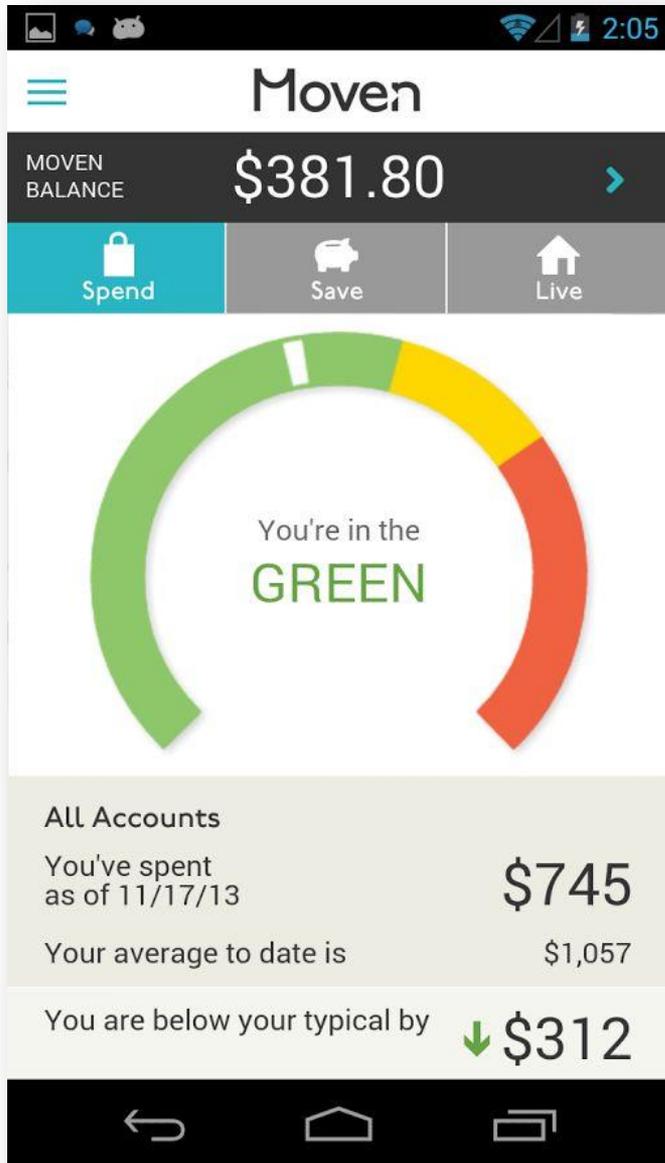
Here’s what you get...

- Free Moven App
- Moven Debit Card
- No Monthly Fees
- 42,000+ ATMs (no surcharges)
- Instant Feedback on Your Spending



BANKING REPORTS

# The Computer Gaming DASHBOARD



# Digital Loyalty: The Lock-In Effect



# Smartphone: Multifunctional Touch-Point



# Smartphone: Multifunctional Touch-Point



1. Use Your Online Bank With It
2. Use Your Online Bank Through an Application With It = Mobile Banking
3. Pay With It
4. Withdraw Money With It
5. Use it for Identification
6. Use it for Text Message Transactions
7. Sales Platform for Banking Services
8. Cross-Sell Platform
9. Advertisement Platform
10. Social Media Platform
11. Turn it into a POS
12. Turn it into a P2P ATM
13. M-Commerce Platform
14. Call Your Bank with It
15. Retrieve Data for Credit Score
16. Deposit a Check
17. Video Banking
- +1: Education, Gamification Platform

## KEY APPLEPAY ROLLOUT DATES

- USA: October, 2014
- UK: September, 2015

- China: February, 2016
- Canada, Australia, Hong Kong, Singapore, Spain **COMING**





**C4**

**OVERCOMING  
DIFFICULTIES  
TOGETHER**

# The Banking Innovation Paradox



**The Banking Innovation Paradox is the contradiction between two things.**

- (1) The key lesson from 2008: REDUCE RISKS.**
- (2) The key lesson from FinTech: INNOVATE.**

The Banking Innovation Paradox is a phenomenon banks struggle with but seldom realize consciously.

- The strategic tension banks face
- Why are '**REDUCE RISKS**' and '**INNOVATE**' contradictions? Because innovation is a form of risk-taking itself. Innovation (innovative attitude) requires to consciously embrace risks (and thereby opportunities).



# The Speed Changed: The Red Queen Effect

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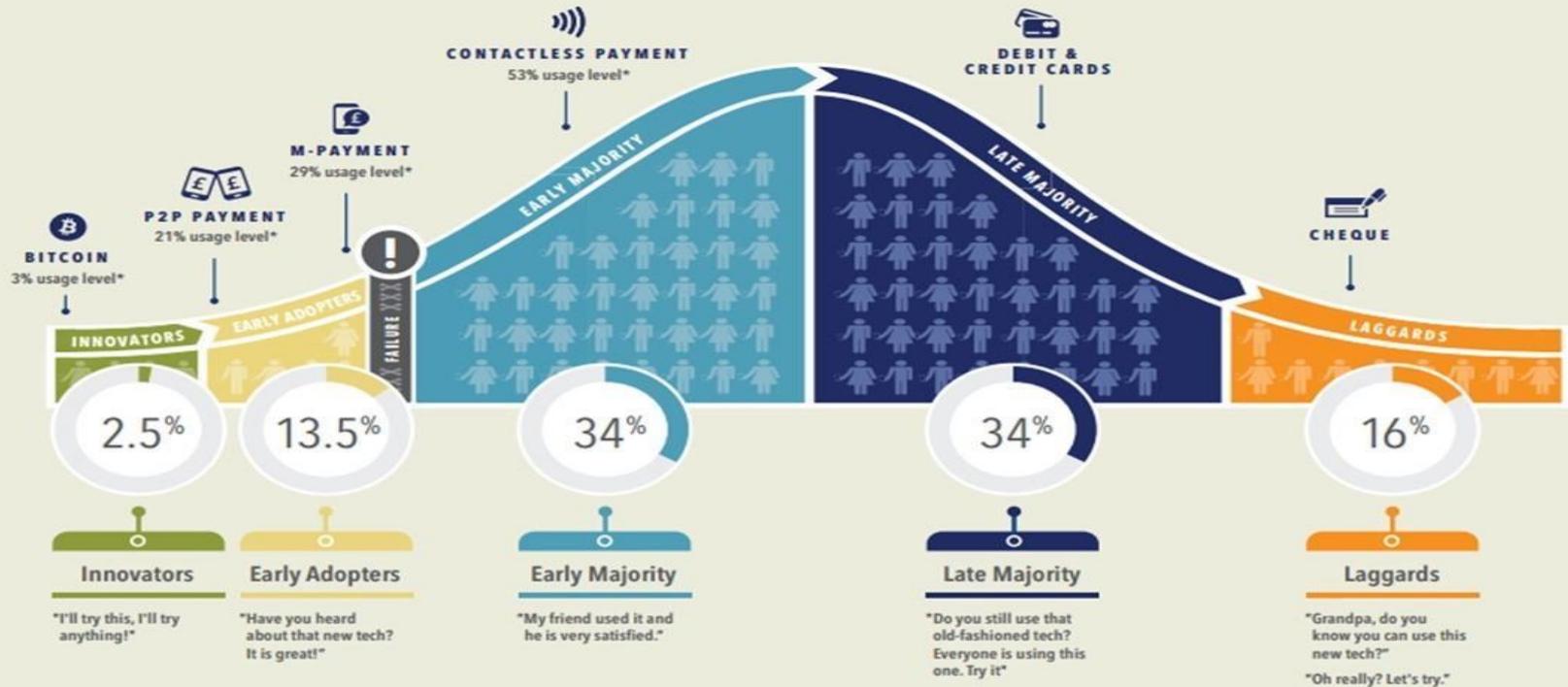


- Lewis Carrol
- Through the Looking-Glass, and What Alice Found There (Alice's Adventures in Wonderland)
- -> Now, here, you see, it takes all the running you can do, to keep in the same place.
- Evolution: species have to “run” or evolve in order to stay in the same place
- INNOVATION-THEORY



# MARKET TIMING: SCIENCE, ART – THE KEY

## Rogers Diffusion of Innovation: Adopter Categories



## Please select the option that best describes your usage of Retailer Apps (E.g. Amazon, Tesco, Argos, and Morrison)



<sup>6</sup> Rogers, E.M. (2003). *Diffusion of innovations* (5th ed.). New York: Free Press.

\*Source: 2016 TSYS U.K. Consumer Payments Study



**C5**

**SOMETHING  
BEAUTIFUL IS  
HAPPENING**

# FourEx London: A Genius Company →|←



**four**ex  
money exchange specialists

**150 currencies,  
coins, notes,  
out-of-  
circulation  
currencies, old  
European  
currencies, etc.**

**BLACKFRIARS  
NOW OPEN**

**WESTFIELD STRATFORD  
NOW OPEN  
(OUTSIDE WAITROSE)**

**KING'S CROSS  
NOW OPEN  
(CIRCLE LINE TICKETING HALL)**

choose your preferred  
payout currency

£

GB POUNDS

€

EUROS

\$

US DOLLARS



BANKING REPORTS

# Mobile ATM by Idea Bank in Poland



## Mobilny Wpłatomat – usługa odbioru gotówki

Wyobraź sobie, że klient właśnie zapłacił Ci gotówką za transakcją, a Ty, zamiast szukać wpłatomatu, pieniądze wpłacasz dokładnie tam, gdzie chcesz, o której chcesz. Tak właśnie działa Mobilny Wpłatomat Idea Banku – zamawiasz go i o nic się nie martwisz. To jedyna tego typu usługa w Polsce. Powstała właśnie po to, by oszczędzać Twój czas i pieniądze. Klienci Idea Banku zgłaszali, że wynajęcie konwoju lub ochrony jest zbyt drogie, a wożenie przy sobie utargu czy nawet większej kwoty jest bardzo niebezpieczne. Z Mobilnym Wpłatomatem ten problem nie istnieje.

Usługa dostępna dla klientów posiadających aktywne konto i kartę płatniczą Idea Banku.

 148 [Umów się na prezentację](#)

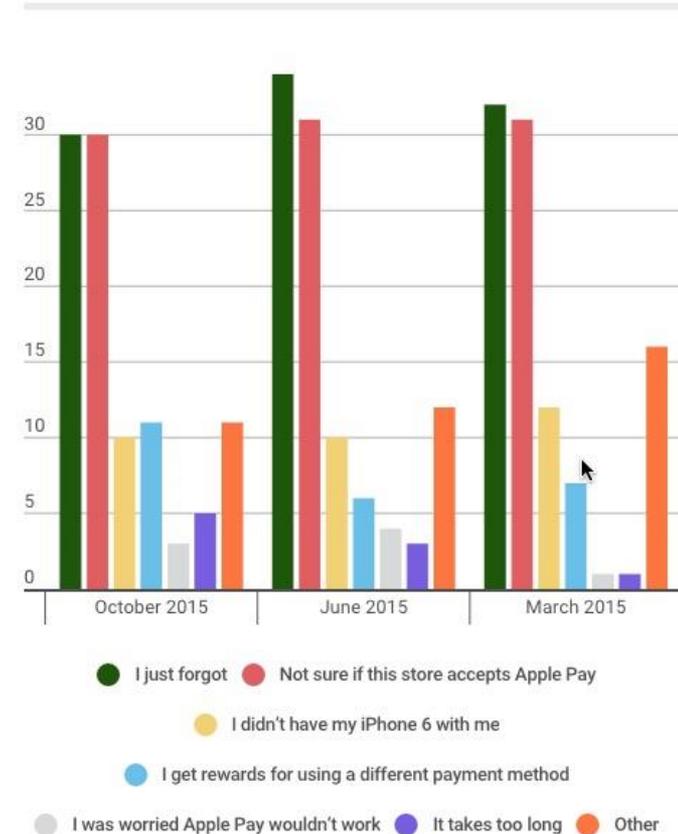


**Idea Bank**  
Fresh banking from Poland

# ApplePay: COMING SOON!



## USAGE So, why didn't you use it?



 **Banking Reports Smart Facts** #1



**Did you know?**  
 Apple is working on a P2P money transfer service in the USA on top of ApplePay that will let iPhone users send money to each other's bank account bypassing card companies!



2014. October: USA  
 2015. September: UK  
 2016. February: China

# SelfPay from Toronto + Even Beyond



Scan.  
Pay.  
Go!

**SelfPay**<sup>®</sup>

Powered by Digital Retail Apps™

<http://digitalretailapps.com/>



Offer full self-checkout on the shopper's device



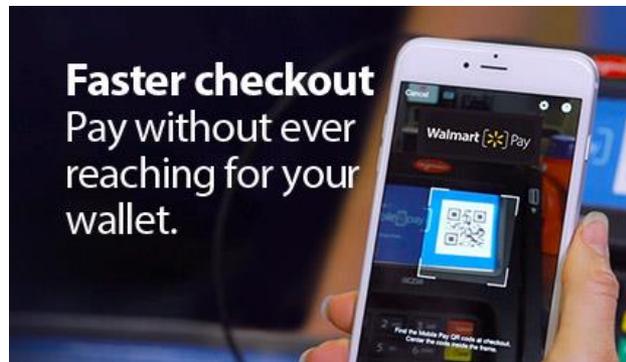
Improve shopper engagement at their personal moment of decision



Remove lines; optimize labor with a complementary sales channel



Enhance loss prevention with mobile purchase verification



# Korea: The Answer to ApplePay and beyond...

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**vodafone**



BANKING REPORTS

# And Taking Payments Even One Step Further:

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[The New Amazon Stores COMING in 2017](#)





<http://finanteq.com/superwallet/>



**The SuperWallet!**

# mOPESA

**four**ex  
money exchange specialists

 **FarmDrive**

 **Atikus**  
*insuring progress*



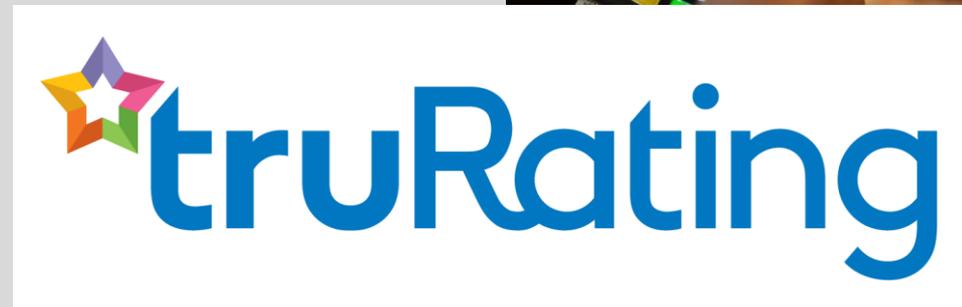


Saving is ~~im~~possible.

bankMe rounds up your everyday purchases and automatically invests the change.



Do you want to transfer money?  
Just say it out loud!



**THANK YOU FOR  
YOUR ATTENTION!**