

Platform to help Banks across ASEAN collaborate with Fintechs to reach different underserved segments and improve access to finance

MSMEs

Agri

Trade & Supply
Chain

Merchants

Millennials

SME FINANCE FORUM PRESENTATION



Creating Markets, Creating Opportunities



**ASEAN FINANCIAL
INNOVATION NETWORK**

December 2, 2018



AGENDA



Background and updates on APIX Program



APIX Platform Overview



Value for Fintechs & Financial Institutions



Next Steps

Globally, financial services innovation has triggered a shift in market structure, transitioning towards “open banking”

BANKS

...breaking out of silos, opening up to an ecosystem of fintech developers, users and



BBVA Innova Challenge

private

public

POLICY

...regulating to facilitate fintech innovation, competition and open banking market structures



Consumers

Digital & Open

Businesses

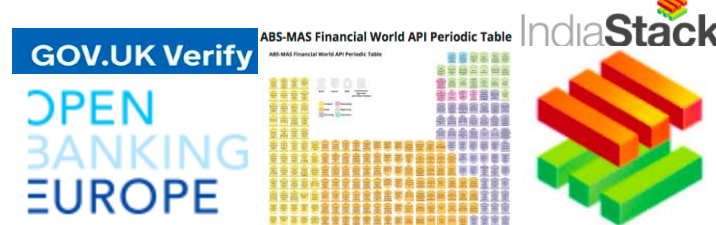
FINTECHS & NONBANKS

...establishing business models that relies on open banking...or creating their own proprietary ecosystems



PUBLIC SERVICES

... making central infrastructure and utilities - *ID, payments, credit scores*...available digitlly, via APIs



This transition is not a linear process:
benefits of innovation do not flow smoothly, nor do they automatically get shared evenly..

Different actors....different strategies

INCUMBENTS

BIG BANKS

Have the resources and scale to develop their own labs and accelerators, the power to attract fintechs, connect multiple players



Fintechs seeking to add value to banks; looking to tap into established client base of banks; in consolidated sectors, banks can be "price setters"

CORE BANKING SYSTEMS providers building platforms to stay in the game and support their existing users in fintech testing and integration



Some banks can benefit from using these internal market places managed by their vendors...

CHALLENGERS

FINTECHS & NONBANKS

- Building alternatives to traditional banking at least where market structure & regulation allow..
- ...can reap biggest gains from transition... if they own the clients and moment of truth relationships
- ...are the market makers and price setters for banks that want to support them

SMALLER & CHALLENGER BANKS in DEVELOPING MARKETS

Squeezed and less well equipped

- ✗ to set up their own labs / accelerators
- ✗ to meet the needs of new non-banks
- ✗ to provide scale to fintechs, set terms
- ✗ to access digital public infrastructure in their own country



XAAH BANK



AFIN will help equip 2nd & 3rd tier banks embrace digital transformation

Challenges	Role of AFIN	Objectives
<ul style="list-style-type: none">• Financial Institutions' limited capacity• Small markets lack scale• Regulatory environment in slow transition• Fintechs need scale, compliance and market openness	<ul style="list-style-type: none">• Open platform for banks' development needs• Scalable marketplace• Supporting regulatory learning and evolution• Developing operating stds and best practices <i>by industry for industry</i>	<ul style="list-style-type: none">• Accelerate financial innovation that boosts inclusion• Prepare banks to embrace technology change• Improve access for smaller markets• Work towards open, competitive and integrated market infrastructure and regulatory environment

AFIN will help open the way for more stable and dynamic FinTech usage in the region....
Facilitating innovations that boost financial inclusion

Background to APIX



- AFIN has been **set up by International & national stakeholders** with complementary roles in promoting financial sector development, innovation and inclusion
- A Membership based organization **to provide open, neutral and collaborative approaches to financial market evolution**
- **Supports engagement** by Financial Institutions & FinTechs, to take a proactive role in addressing implications of FinTech innovation for the market
- Self declared objective to **support financial inclusion** and sector development as well as inclusive growth and integration across the region



Objectives

Facilitate access by financial institutions to a broader, deeper range of competitive (FinTech) solutions to meet opportunities and challenges.

Accelerate and reduce the costs of service development through use of efficient testing, design & integration.

Support API commonalities, digitization and improvements to bank's and their client's business processes and operations.

Support capacity building of 3rd & 4th tier financial institutions' IT architecture and management skills



APIX is a cloud-based marketplace and sandbox platform provided by AFIN. APIX enables Financial Institutions and FinTechs in Asean and across the globe to collaborate and find innovative solutions to business problems.

APIX Program

AFIN has selected a consortium led by Virtusa to implement and run the APIX market place and sandbox platform

MVP Launch @

12
16
NOV
2018

SINGAPORE
FINTECH
FESTIVAL

virtusa®

Percipient

fidor
SOLUTIONS

World's First Cross-Border, Open-Architecture Platform to Improve Financial Inclusion



ASEAN
Bankers Association



International
Finance Corporation
WORLD BANK GROUP
Creating Markets, Creating Opportunities



Monetary Authority
of Singapore

Singapore, 17 September 2018 ... The ASEAN Financial Innovation Network (AFIN) today announced the launch of API Exchange (APIX), an online Global FinTech Marketplace and Sandbox platform for financial institutions (FIs). APIX is the world's first cross-border, open-architecture platform which will enable:

- FIs and FinTech firms to connect to one another through a globally curated marketplace;
- collaborative experiments in a sandbox among financial industry participants; and
- adoption of APIs to drive digital transformation and financial inclusion across Asia-Pacific.

A global consortium led by Virtusa, which includes Fidor and Percipient, has been selected to develop and operate APIX. The consortium will apply proven technology solutions to support the transition of FIs towards API architecture and collaboration with other participants in the marketplace.

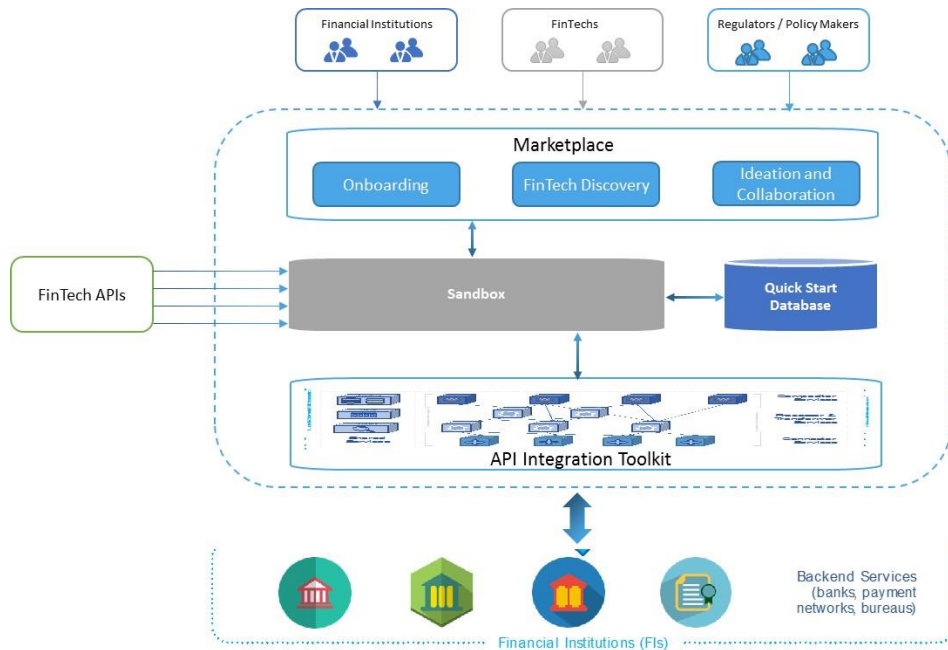
AFIN also announced a partnership with Abu Dhabi Global Market as the first regulator member of the APIX platform outside ASEAN. This partnership on the APIX platform will see the expansion of the Global Fintech Marketplace and Sandbox to the Middle East and North Africa (MENA) region to the benefit of FIs, FinTechs and customers.

The APIX platform will be unveiled at the Singapore FinTech Festival in November 2018.

The consortium is working closely with participating FinTechs and Financial Institutions towards a successful MVP launch and beyond. Multiple work tracks have been organized:

- Platform development
- Financial Institution and FinTech onboarding
- Marketing and Launch activities

APIX Platform Overview



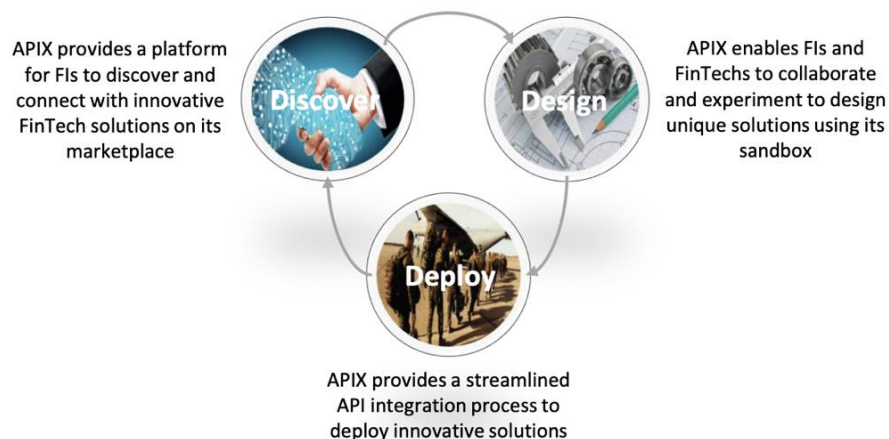
APIX Platform	
Marketplace	Sandbox
<ul style="list-style-type: none"> • DIY onboarding for FIs and FinTechs • Advanced search functionality • Easier collaboration across business problems and solutions 	<ul style="list-style-type: none"> • Easy search and categorization of APIs • Detailed API documentation and Wiki • Quick Start database and API toolkit
Integration Toolkit	
<ul style="list-style-type: none"> • Easy integration with multiple backend services • Robust security components for securely publishing APIs • Accelerated MVP to production deployment 	

The platform will be available for MVP launch at Singapore FinTech Festival and full launch in early 2019

Value for Financial Institutions and FinTechs

APIX gives financial institutions competitive advantage through partnerships and innovation

APIX addresses three key characteristics of collaboration between FIs and FinTechs



Enhances visibility for FinTechs across banks via the list of **curated FinTechs** in the APIX marketplace

Access to an innovation sandbox, with quick start database and API toolkit to **jump start experimentation**

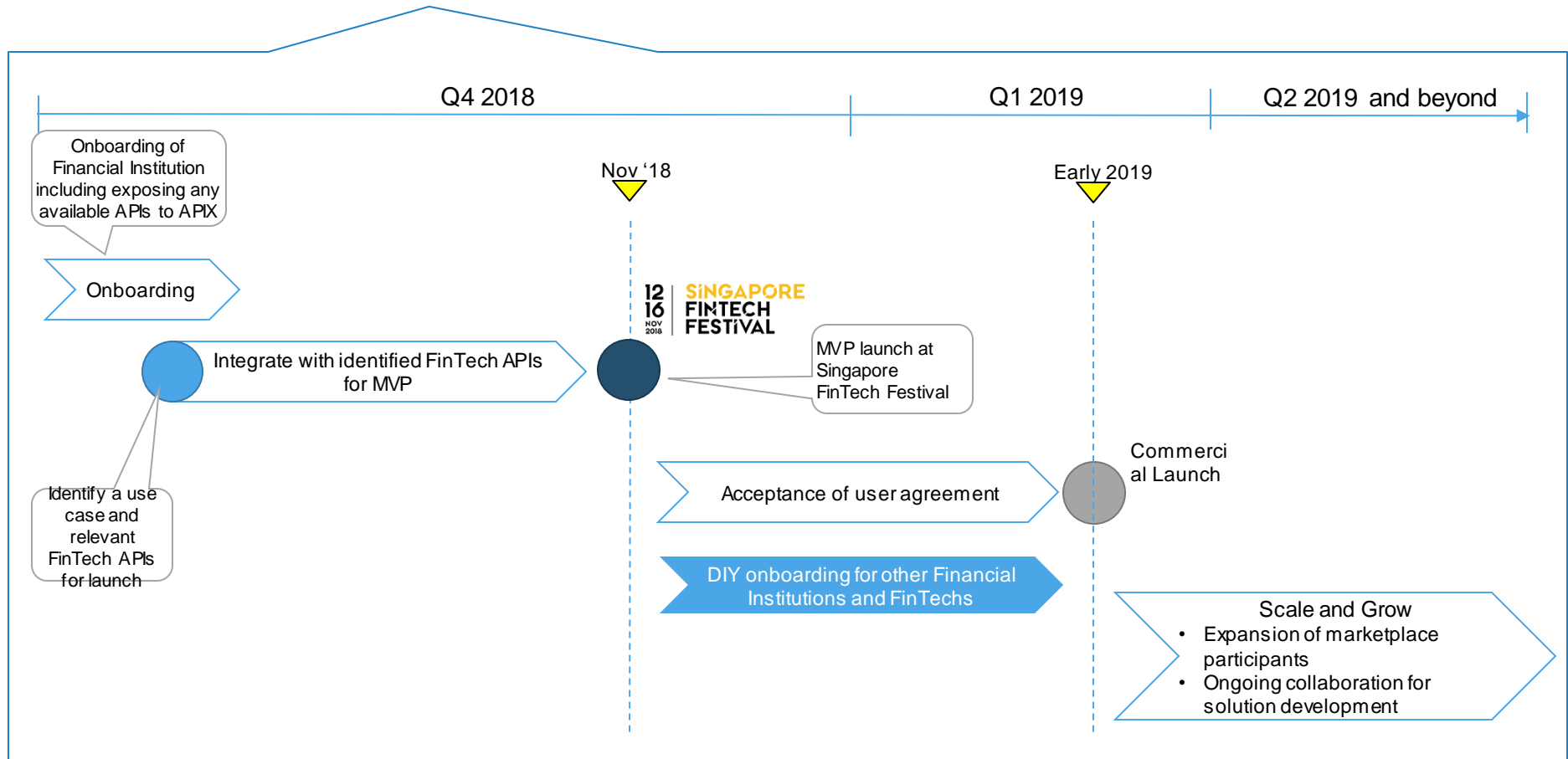
Helps banks and fintechs monetize APIs through subscriptions by publishing them on the APIX platform

Helps banks to identify and **develop** new and **innovative business models** by working with cutting edge FinTechs

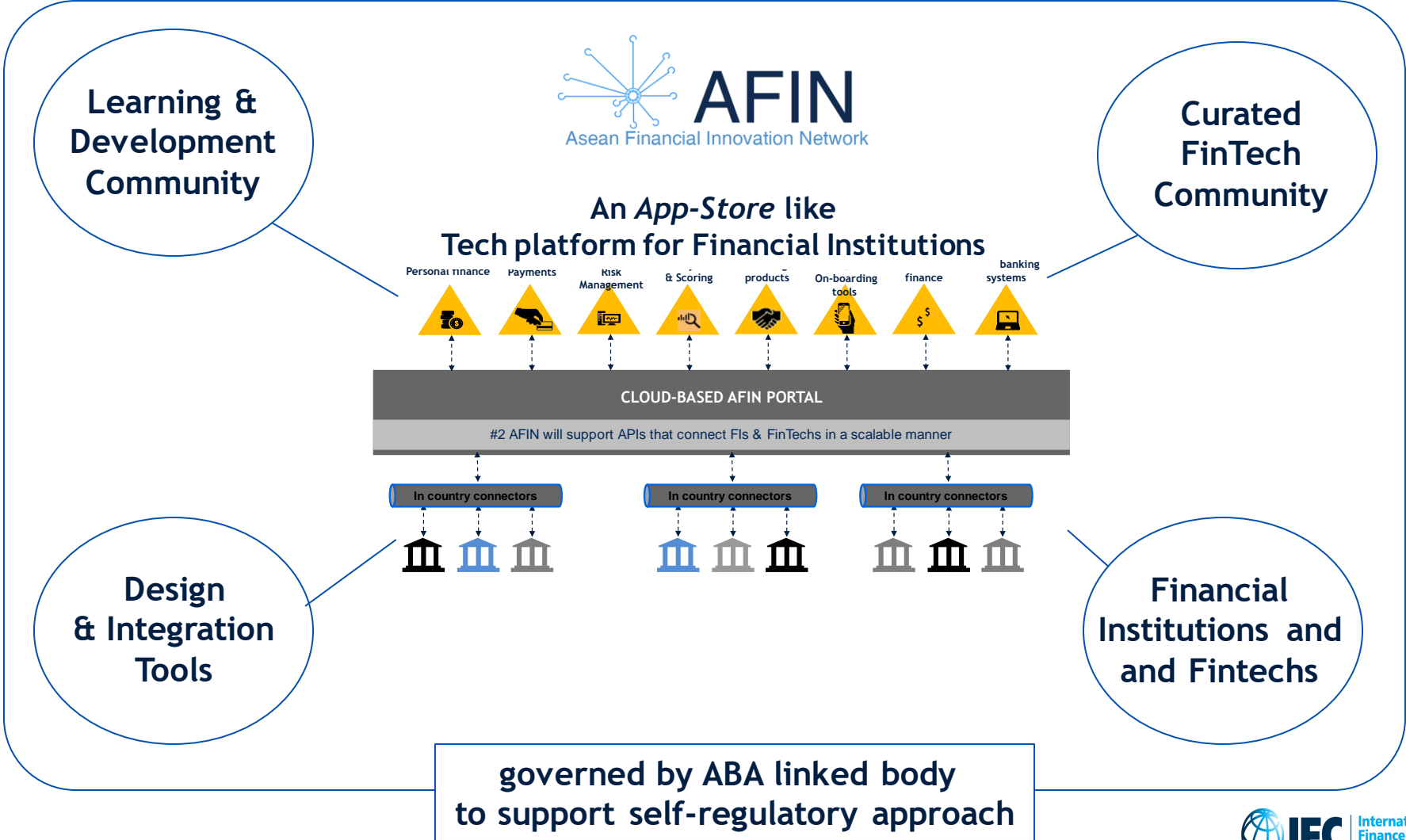
Helps banks and fintechs to quickly develop Minimum Viable Products (MVP) within the APIX platform and **rapidly deploy** them in production

Reduces costs of business development with new banking partners for Fintechs

Next Steps to MVP

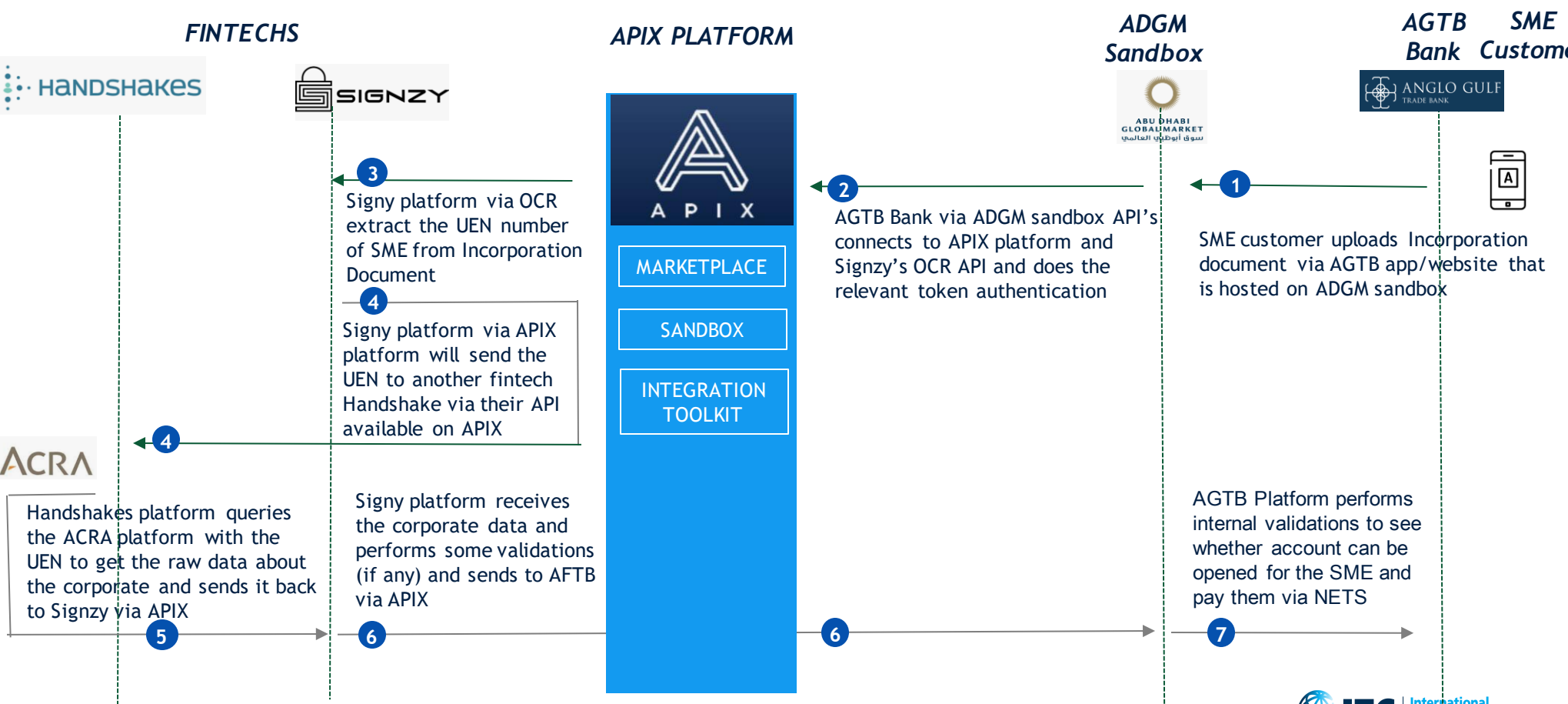


AFIN is also building a community around an open API technology platform making it easier for banks and fintechs to scale



AFIN is also making it easier for SME's to get access to credit by enabling banks to work with fintechs thus ultimately leading to financial inclusion

Use case example of an SME Seller being able to get their KYC done and upload an invoice and get access to invoice finance



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Thank you!

If you want to know more, write to us at ivan@afin.tech / yosha@afin.tech