

THE FUTURE of FINANCIAL SERVICES in the WORLD of AI

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Two hands are shown from the wrist up, with fingers curled to form a heart shape. The hands are light-skinned. The background is a soft-focus image of large, overlapping circles in shades of yellow and light green.

Ability to show
love to the
customer

Two hands are shown from the front, with fingers curled to form a heart shape. The background is a soft-focus image of yellow and green circles.

Ability to show **love** to the customer

- **To understand the customer segment of one**
 - Single Customer Views, Greater Use of analytics
- **To know more about the customers**
 - To know things we did not know before: mood, sentiment, event, intent
- **Ability to engage meaningfully**
 - Data virtualization to get data and insights to and from frontlines, Data visualization to act on insights faster



Ability to show
love to the
customer

WARNING:

- **New capabilities will scale so fast, we might not know what to do with them!**
- We might be tempted to do things simply because we can, even though they are unnecessary!

**Two
NEW things**
we need
to be good at

Identity  **Consent**

You need to know the evolving concept of IDENTITY



IDENTITY as the BASIS OF ENGAGEMENT



บุคคล

Entity

*Person with a distinct
and independent
existence*



Set of behaviors

Behavior that makes you distinct and identifiable from others

พฤติกรรมที่ทำให้เราแต่ละคนแตกต่างจากคนอื่น ๆ

IDENTITY as the BASIS OF ENGAGEMENT



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*Person with a distinct
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Set of behaviors

*Behavior that makes you
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Personally identifiable information (PII)

IDENTITY as the BASIS OF ENGAGEMENT

การที่บุคคลไม่ต้องการเปิดเผยตัวตนที่แท้จริง
โดยการสร้างตัวตนใหม่ภายใต้ชื่อใหม่ใน
โลกดิจิทัล



Anonymity

(is anonymity a right
or is it even possible?)

Consent



Informed
Consent as
basis of
engagement

WHAT THAI CUSTOMERS WANT

Getting consent	4.0
Masking data	3.9
Disclosing details	3.7
Providing incentives	3.5

Source:
IDC Digital
Trust Survey
2017-2018

NEW!

IDC FI Framework for Customer Informed Consent

BENEFICIAL

Immediate delivery
of benefit

Discernible
value

Secure

DYNAMIC

Precise

Auditable

Permutable

SIMPLE

Specific

Easy to understand

Not open-ended

Simplification

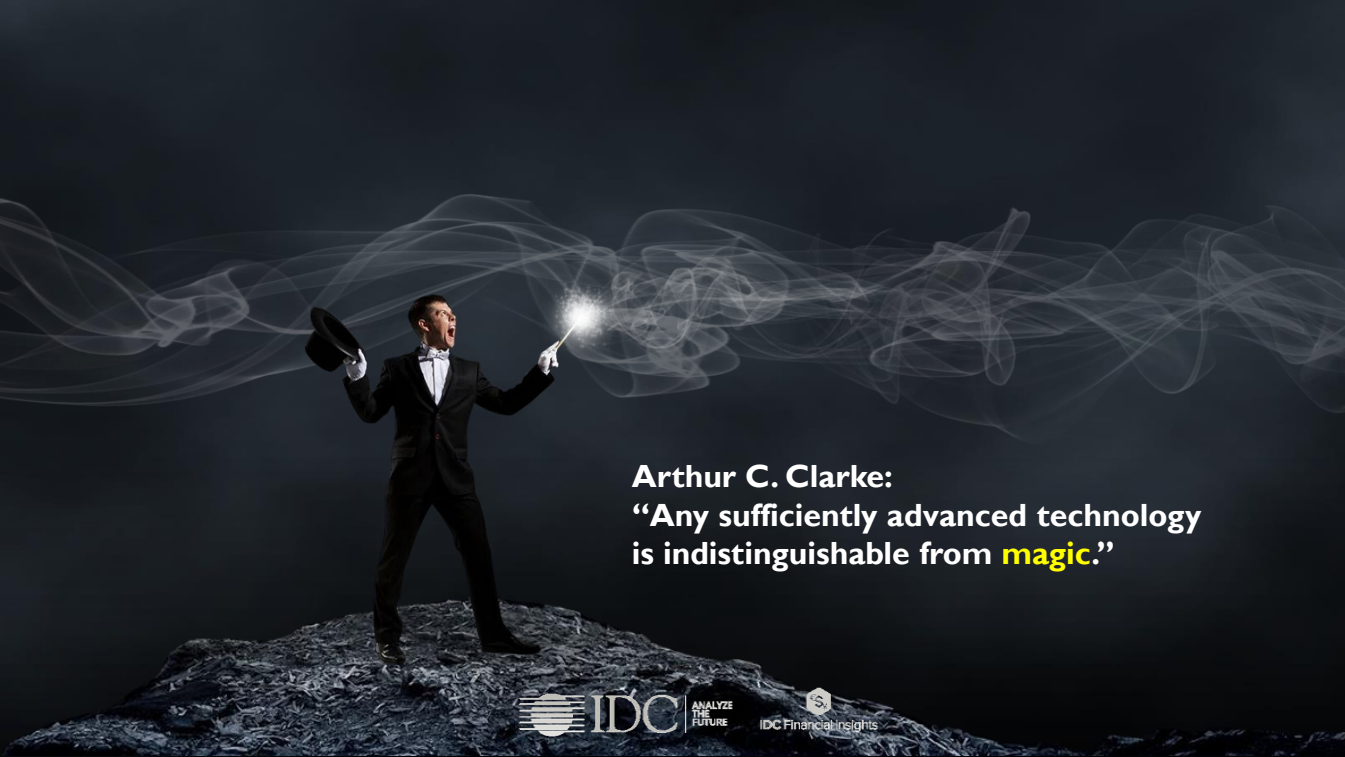
- **Core Abstraction** = taking out business logic from the core, and modernizing around it
- **Preference is to refactor using APIs, microservices**
- Chance to transform to a lightweight, agile, modular, cloud-ready architecture

Simplification

- **Core Abstraction** = taking out business logic from the core, and modernizing around it
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7 NEW THINGS as we simplify

- Choosing, deploying and maintaining the right APIs
- Rapid, repeatable integration of APIs
- Modular application platforms (cloud-native, mobile-first apps)
- Infrastructure that is really hybrid
- Containers, container management platforms and toolkits
- DevOps
- Security and Governance in an open world



Arthur C. Clarke:
“Any sufficiently advanced technology
is indistinguishable from **magic**.”

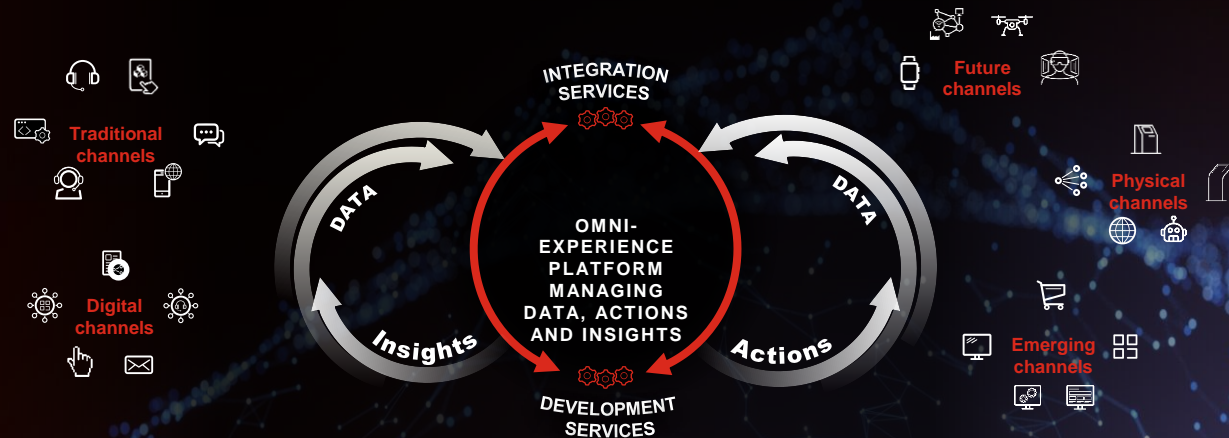


ANALYZE
THE
FUTURE



IDC Financial Insights

MAGIC HAPPENS HERE...



Innovation



AN EMERGING PHENOMENON



Open Banking



1

A bank's capability to truly understand customers will improve significantly.

WHAT WILL IMPROVE?

- **Identity integration.** 28 Digital identities increasingly integrated. National ID initiatives everywhere.
- **Single customer views.** In financial services, 75% of top A/P institutions already have a single customer view.
- **Data collection.** Ability to hasten data collection process thanks to greater automation and new technology like RPA.
- **Sentiment collection.** The ability to know “feelings”
- **Data augmentation.** The use of external data sources to augment knowledge of our customers has increased.
- **Hyper-segmentation.** Development of new tech that achieves hyper-segmentation on a real-time basis.
- **Deployment of customer insights to the frontlines,** thanks to data virtualization and visualization.



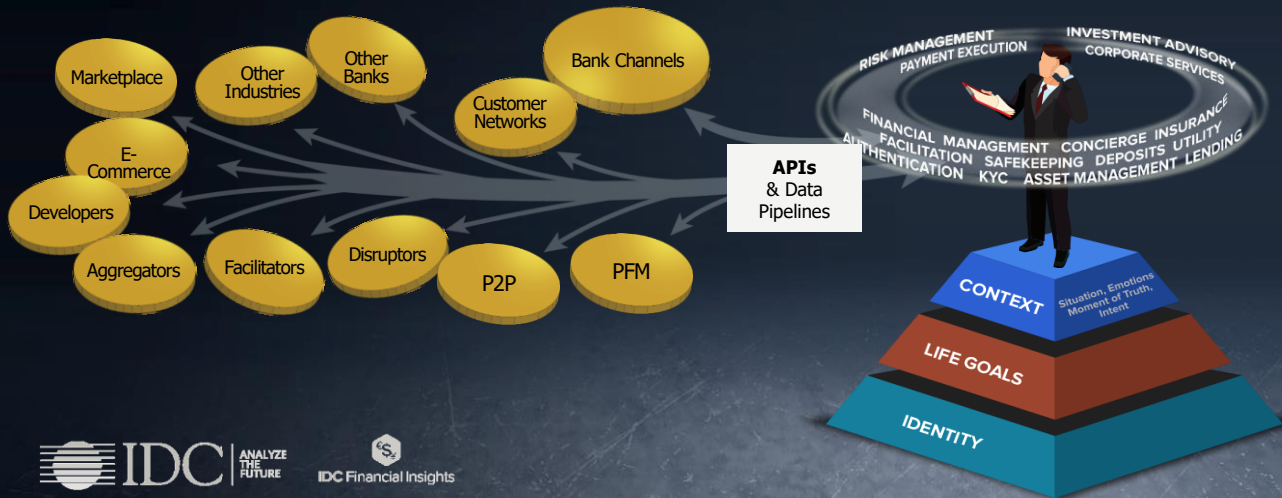
**The great unbundling.
Rethinking of products,
because products can be
provided by third parties.**

What this means for the bank:

- Breaking down product siloes
- If there is unbundling, there could be re-bundling
- Move up the value chain

3

Connections with Trusted Third Parties



Most Common Open Banking APIs

RETAIL BANKING

30 Most Common Open Banking APIs by 2018

Financial Information

1. Account Balance
2. Auto Loan Exposure
3. Credit Card Spends
4. Credit Card Limit
5. Home Loan Exposure
6. Investment Portfolio
7. Personal Loan Exposure
8. Transaction History

Loan-related APIs

9. Pre-approved Auto Loan
10. Pre-approved Home Loan
11. Pre-approved Personal Loan

Loyalty & Rewards

12. Reward Points Management
13. Rewards Point Calculator

Product Information

14. Product Terms and Conditions

Non-financial Information

15. Customer Details
16. Product Availed: CASA Products
17. Product Availed: Investment Products
18. Product Availed: Loan Products
19. Account Aggregation

Transaction-related APIs

20. Business Account Access
21. Card Authentication
22. Card Payment Management
23. Instant Refund/Settlement
24. Transaction Scheduler
25. Payment Initiation and Authorization
26. Remittance Authorization
27. Remittance Exposure

Location-driven APIs

28. Infrastructure Location Management
29. Offers Near Me
30. Pre-approved Property Search

CORPORATE BANKING

20 Most Common Open Banking APIs by 2020

Financial Information

1. Credit Exposure Details
2. Credit Transaction Details
3. Business Account Access
4. Investment Portfolio
5. Cash Management
6. Bank Exposure Consolidation

Credit Product Related

7. Pre-approved Cash Credit Limit
8. Pre-approved Invoice/Bill Discounting Limit
9. Invoice/Bill Discounting
10. Loan Re-structuring

Product Information

11. Product Terms & Conditions

Non-Financial Information

12. Customer Details
13. Products Availed: Credit Products
14. Products Availed: Non-Credit Products
15. Relationship Aggregation

Transaction-related APIs

16. Corporate Bill Payment
17. Merchant Card Payments
18. M2M Payment Management
19. C2M Payment Management
20. Transaction Scheduler

Research insights in this study are also based on the following IDC research:

IDC MaturityScape Benchmark: Omni Experience Digital Transformation in Retail Banking in Asia/Pacific, 2017

IDC MaturityScape Benchmark: Cloud in Banking in Asia/Pacific, 2017

IDC PeerScape: Best Early Steps in Deploying Open Banking Application Programming Interfaces in Asia/Pacific

3 FOUNDATIONS of the PHENOMENON

Open Banking

1

Data about our customers

2

Unbundling and re-bundling of financial services, and services consumed by and provided by third parties

3

Exchange of functionalities, applications and data primarily through Application Programming Interfaces (APIs)



LOVE

MAGIC

INNOVATION

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