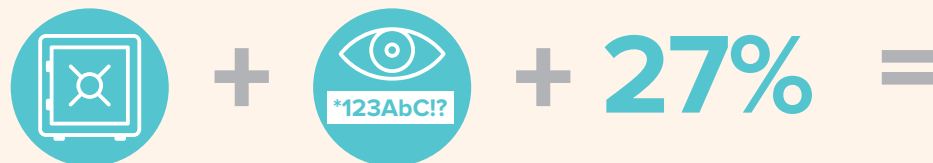


## What is Open Banking?\*

The secure way to give third party providers access to your financial information using standardised Application Programming Interface (APIs)

To initiate payments and other financial transactions

The current proportion of the population that would use open banking\*\* services. This is expected to rise



Source: Finextra 2018

Definition: \*Open Banking is CMA regulation | \*\*open banking is using open APIs to enable new financial products and services

## 01 Pre-regulation – screen scraping



Storing users credentials unencrypted



Varied security standards lack of access control



Unstable, costly, inhibits innovation



Inadequate solution for banks and customers

## 02 Regulation as a driver

New regulations will drive greater competition and standardise technology, encouraging innovation and facilitating increased data flow.

### USA

1<sup>st</sup> August 2018, the US Treasury Department published a report aimed at fostering innovation with guidance to open banking

### Latin America

FinTech Mexico – Estimates that open banking could generate economic benefit of up to \$25M a year

### UK

9 High Street Banks – single API standard Jan 2018, regulation by CMA

PSD2 went live in Jan, 2018

### EU

PSD2 went live in Jan, 2018

### Asia

Hong Kong, Singapore and Malaysia are leading the open banking digital revolution

### Australia

4 largest banks with 95% market share will launch open APIs this year

3 main regulatory value drivers

Security

Stability

Innovation

## 03 Why is now the time to move fast?

In 2018 Gartner surveyed financial institutions about their plans to become an open bank:

39% plan to in 1 to 3 years

30% plan to in the next 12 months

21% already do this

10% no plans in the next 3 years

Gartner, Open Banking: Adoption Increases, but Barriers Challenge Path to Collaborative Openness, 23 March 2018

Potential value of the open banking market in the UK\*

£7.2 Billion by 2022

8.1 million consumers using open banking services by 2019

2.3 million small businesses by 2019

open banking estimated to be worth £2.3 billion by 2019

\*The future of banking is open – how to seize the Open Banking opportunity (PwC, 2018)

Market response is real, since Open Banking regulation went live on the 13<sup>th</sup> Jan, 2018 in the UK



allowing users to aggregate their current, savings and mortgage accounts, regardless of providers including: Santander, Lloyds and Barclays

UK challenger Bank



took the step of building a developer portal – letting 3rd parties build services on top of its APIs

Banking app created



by ING, connected to Lloyds, RBS and HSBC brands, as well as Monzo and Starling

and many more...

By 2020, European banks that build open banking may generate up to:

21% of current account revenue pool

20% of lending revenue pool

17% of payments

12% of retail investments

Accenture, Insights on Open Banking trends (https://www.accenture.com/us-en/insight-open-banking-trends)

Key strategic initiatives for banks in open banking globally\*

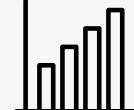
31% to 62% Real time payments



already a strong interest for payments and is only going to accelerate with open banking

\*Finextra and ACI worldwide 2018

47% increase within 2016/2017



of global banks having a defined API development strategy

73% of banks



willing to open up APIs to Third Party Providers (TPP)

## 04 Open banking business models

Monetisation of APIs beyond regulatory compliance

Customer experience champion

Enhance customer experience through access portfolio of best in class execution services with one single app



BaaS\* – automation, cost efficiency

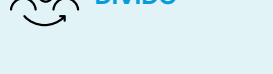
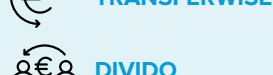
Highly efficient and cost effective executions of transactions, customer/product management and service

\*BaaS – Banking as a Service



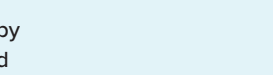
New win-win partnerships

Attract new customers through high value partners



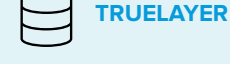
Plug-and-play marketplace

Enhance customer experience through a wide choice of apps



APIs vendors

Create value for new customers by providing access to customer and transactional data



## 05 GFT open banking capability

Advisory and design led thinking



Business and technology alignment  
API diagnostic assessment and business led prioritisation workshops

API governance process design



API governance design  
Open banking consent model  
API artefact generation engines  
Business capability alignment  
Identity management and security

Functional and technical design



API specification design  
API management and gateway  
Business capability alignment  
Software lifecycle and DevOps

Established AWS partner



Demonstrable experience on AWS in verticals ranging from:

Application migration factories  
Burst compute  
Containerisation of microservices  
Serverless architecture  
Machine learning and NLP  
Near real time data pipelines

Legacy system mainframe optimisation



Monolithic decomposition  
System assessment and optimisation  
Mainframe offloading  
MIPS mitigation

Experience

More than 15 years working on API development and API governance

12

Capacity

Upto 300 Experts in API analysis, design and implementation



Training

Over 150 cloud certified engineers in UK and over 500 worldwide



Expertise

30 cloud projects delivered, over 50 proof-of-concepts underway

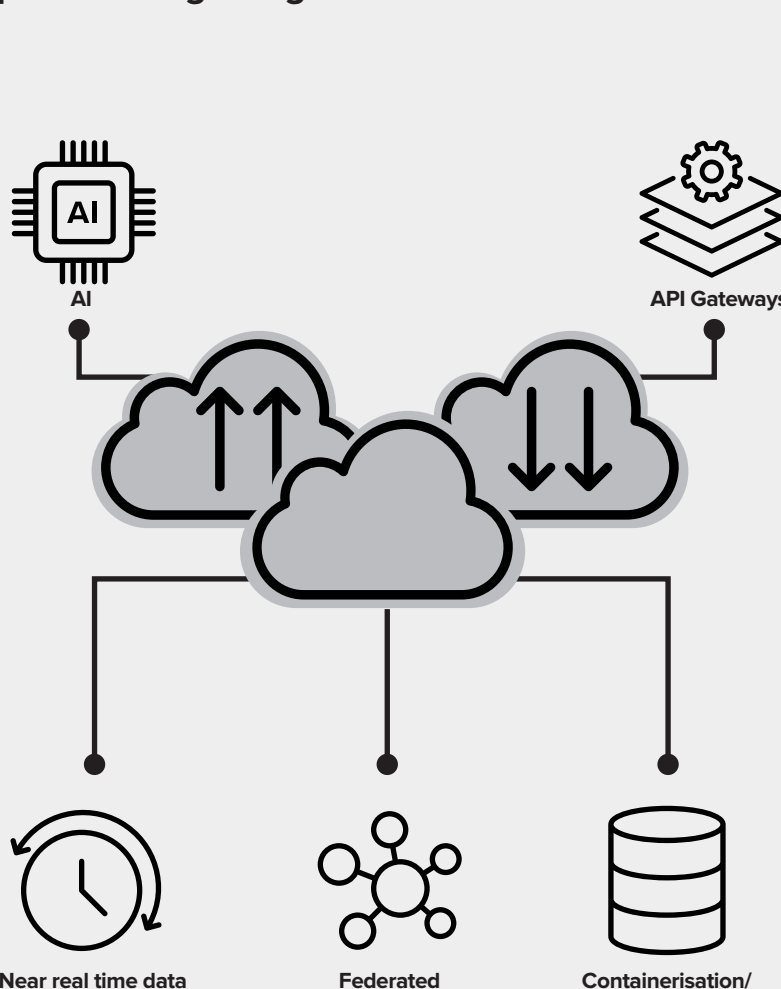


“ open banking requires significant digitalisation capabilities to meet the new challenges and interactions in business models, affecting all areas of the bank ”

## 06 Why cloud technology provides a platform for ‘new bank’ business models

Instant, secure access to technology  
Pay-as-you-go pricing encouraging fail fast and experimentation – scalable to meet demand and optimise cost  
Secure, resilient platform reduces operational risk  
Simpler technology provision leads to more resources focused on innovation

## Open banking is digital transformation



## 07 Technology enablement

