



OPEN BANKING

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What Is Open Banking?

- It is making available to third parties (**financial institutions or not**) both data and services:
 - to encourage the development of new financial products and services
 - to provide more choice for customers
- It is also accessing third parties (**financial institutions or not**) data and services to complement the solutions offered to customers
- In many regions, like EU with PSD2, this is enforced by regulation to improve competition in the market.
- We will always need customer consent to gather and use their data

Open Banking Is A Philosophy



Open Banking Is A Business Model Transformation

How Is Open Banking Realised?

APIs

APIs

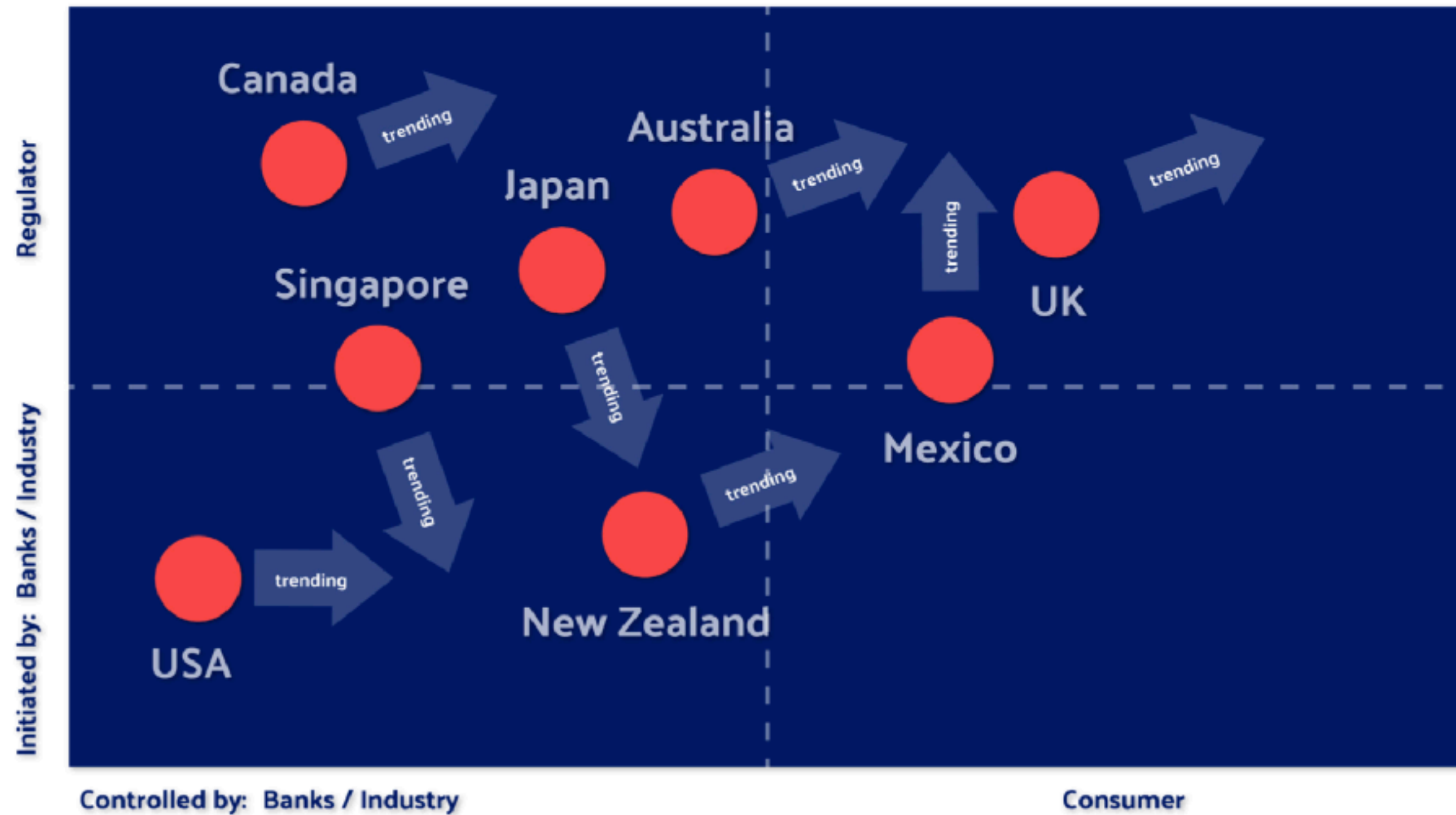
APIs

APIs – or Application Programme Interfaces – are technology that allows banks and other companies to conveniently and securely share data and services between their organisations.



STATUS OF OPEN BANKING

Status Of Open Banking



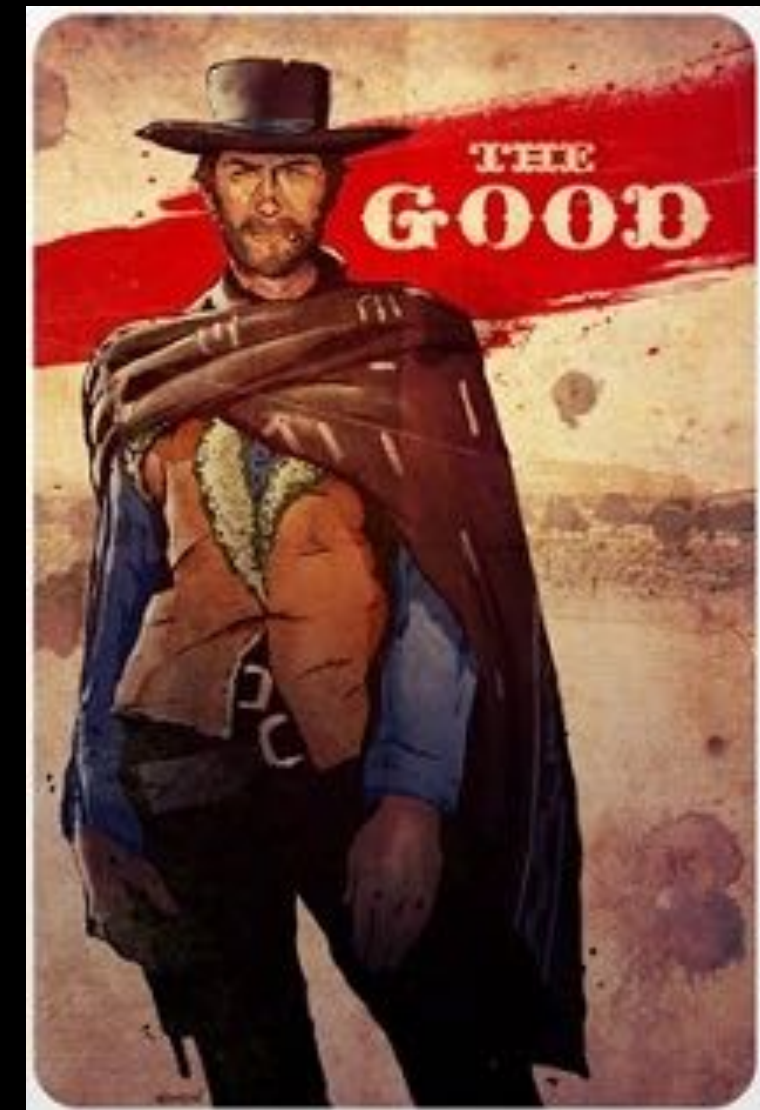
Source: Bud bud-open-banking-global-snapshot.pdf



OPEN BANKING

The Good

- More data means better underwriting, better KYC, better product placement
- Opportunity for new [financial] products to emerge
- New business models: Selling the use of APIs and data, become a Marketplace, become a channel, etc.



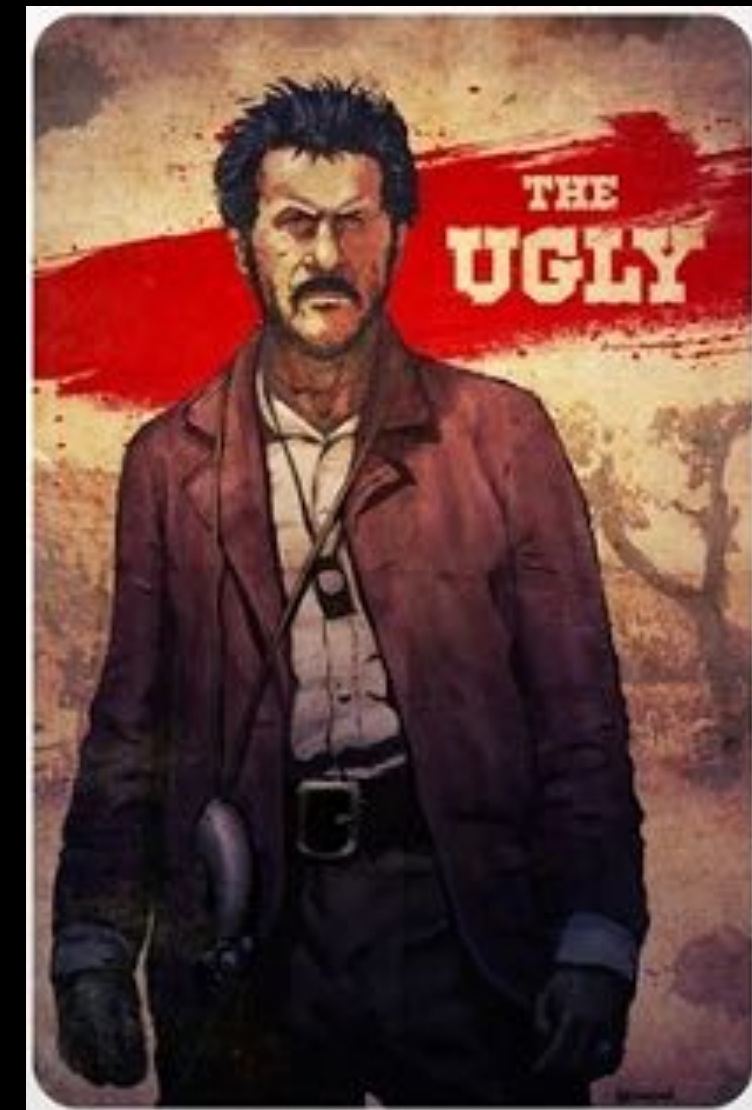
The Bad

- Technology issues and costs to implement Open Banking
 - New middleware, databases, peripheral systems.
 - Improved Security
- Difficult Business decisions
- Increased competition: fintech encroachment



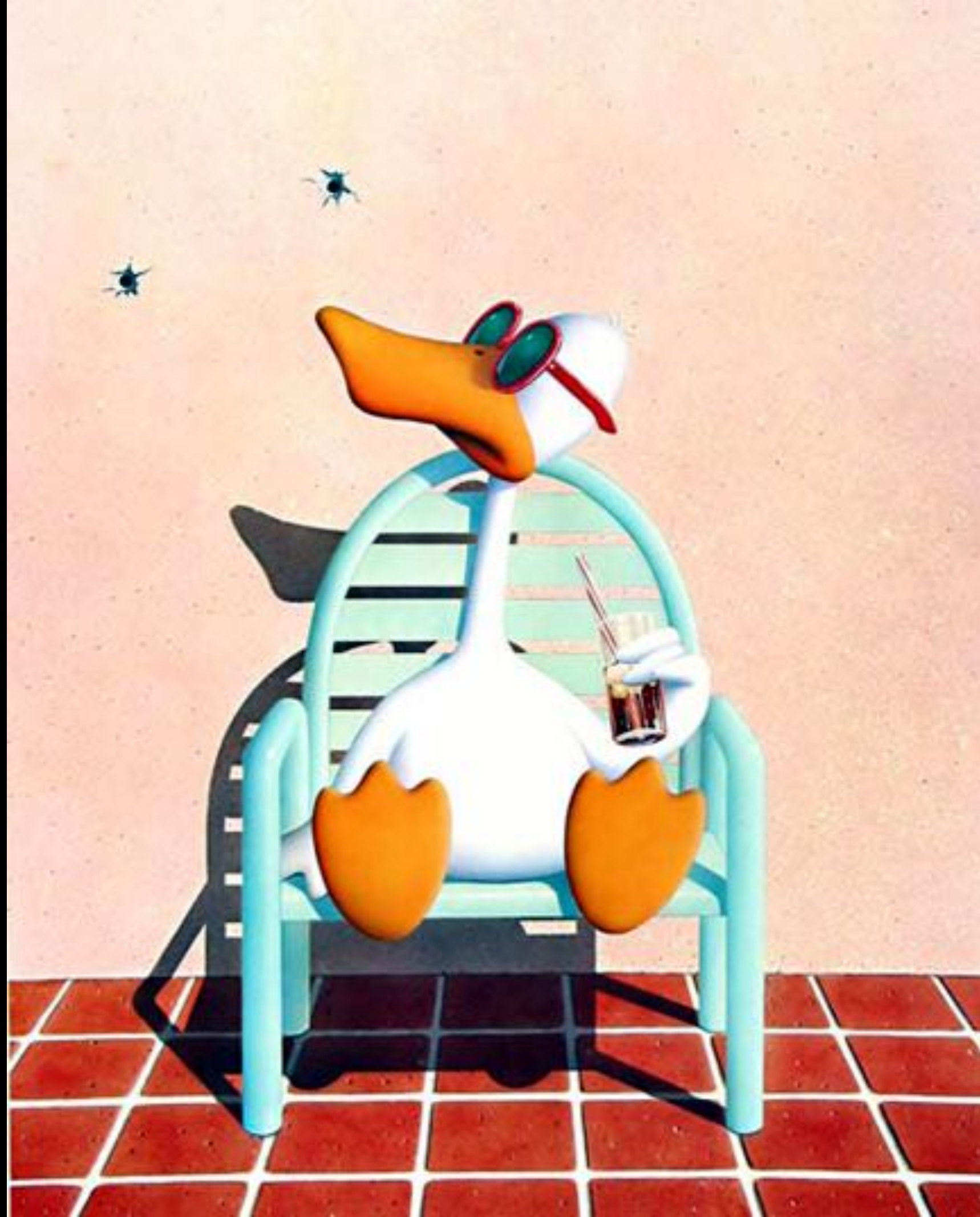
The Ugly

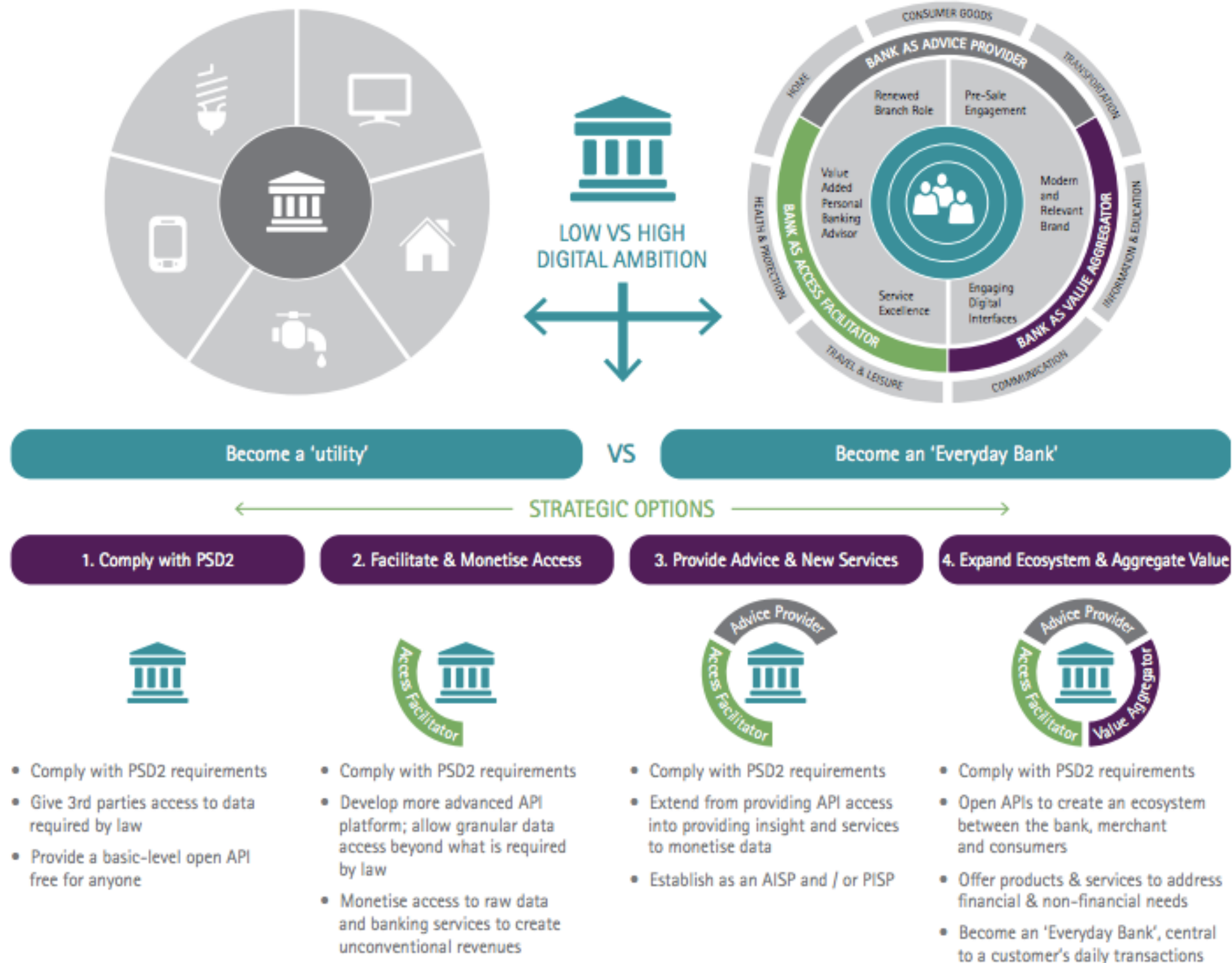
- Will customers adopt Open Banking?
- Investment in Marketing and building trust
- Creation of relevant propositions



A man with a beard and short dark hair is sitting on a dark brown leather chair. He is looking upwards and to the right with a thoughtful expression, his right hand resting against his face. The background is a plain, dark grey wall. The lighting is soft, highlighting the contours of his face and the texture of the chair.

HOW WILL YOU MAKE MONEY WITH OPEN BANKING?





ING Group @ING_news Volgen

What does it mean that ING wants to become the WeChat of banks? Our CEO explains @CNBCClosingBell #fintech video.cnn.com/gallery/?video...

00:25 - 22 Jun 2017

ING Group wants to become the WeChat of banks
Ralph Hamers, ING Group CEO, talks about what's next for the company after celebrating 20 years as publicly traded company. video.cnn.com

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OPEN BANKING KEY TAKEAWAYS

It is good for the customer so it should be good for you too

It is a **business model transformation** not just a technology or a regulation project



Open banking and SMEs

SMEs core activities



Buy

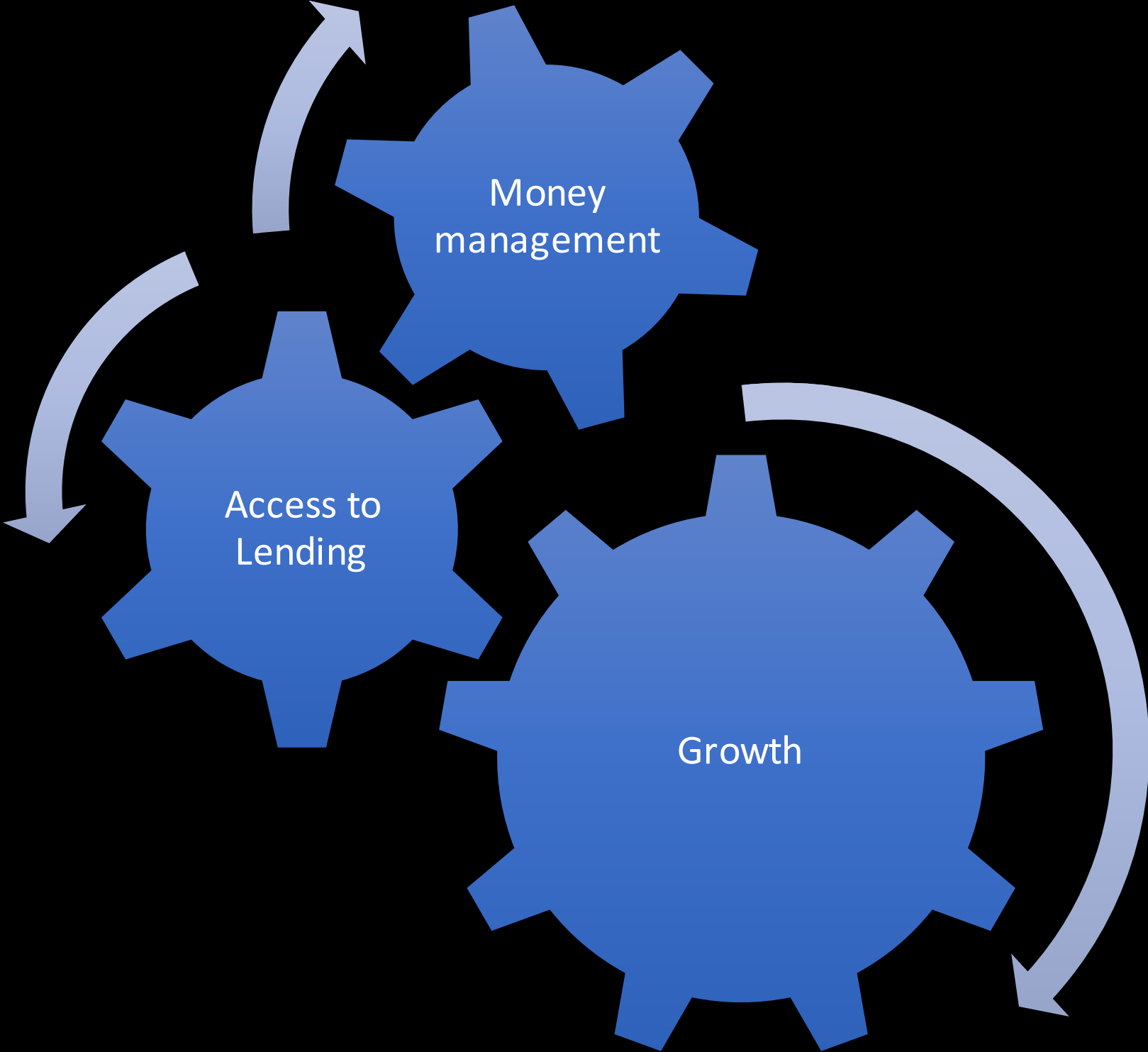


Operate



Sell

SMEs key issues



How does Open banking help?

- All SMEs financial and accounting data can be in one place simplifying access and control
- As you have more data a bank can provide better underwriting
- Also combining financial products from specialised suppliers can cover areas not currently of interest to the bank
- Providing access to a market place will allow SMEs to sell their product and services (WeChat example)

