



The State of Open Banking

What you need to know

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Point 2018
Auckland, NZ

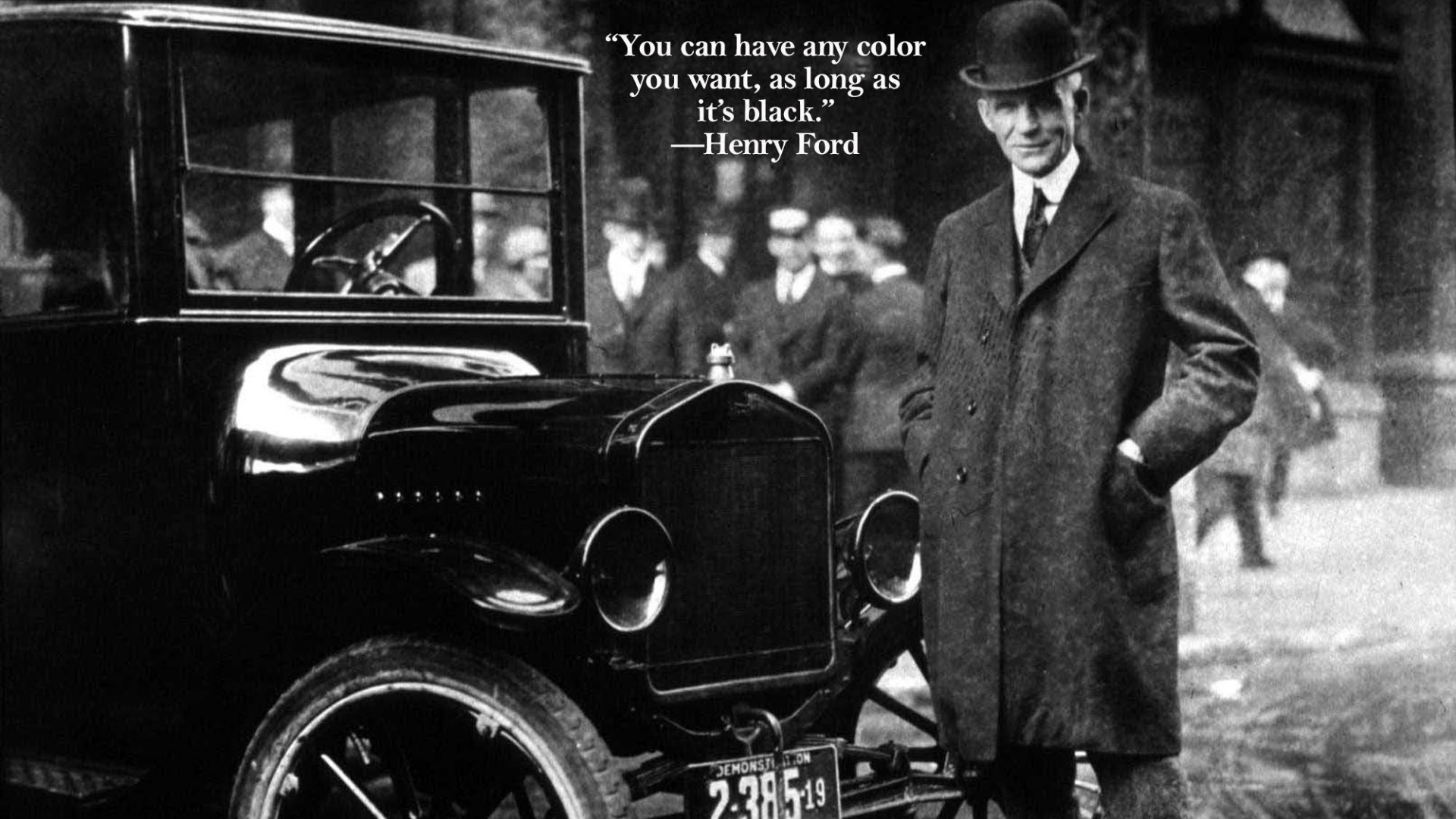


Background

- COO, Open Bank Project
- 5 years in Open Banking
- Tweet @iChaib



**“You can have any color
you want, as long as
it’s black.”
—Henry Ford**





In the '20s, GM introduced Pyroxylin paints and its sales soared

Banking is facing its **Pyroxylin** moment

Times are changing

A photograph of a man in a dental chair being examined by a dentist. The man is looking up and to the right with a slightly pained or uncomfortable expression. The dentist is on the left, using a dental instrument on the man's teeth. The background is a plain, light-colored wall.

71%

Of millennials would rather go to the dentist than to a bank

*Source: The Millennial Disruption Index, Scratch 2014

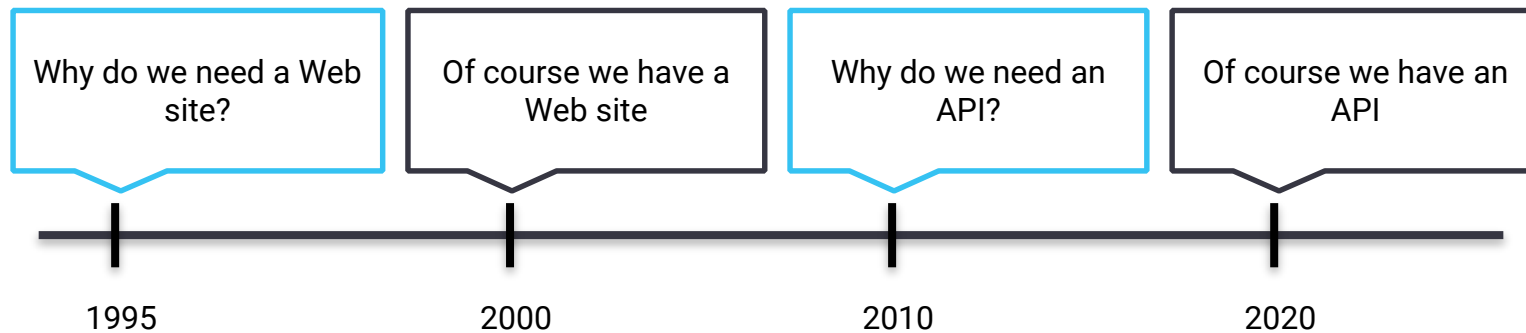


Source: "FinTech is disrupting Financial Services. But What Happens Next?", FT Journal, The Future of Fintech – Crystal balls and tasseography, Sim Kee Boon Institute at Singapore Management University.

Note: Fintech companies providing similar services superimposed on Wells Fargo, one of world's largest bank, traditional product offerings.

The Great Unbundling of FS

The future will be open



1995

2000

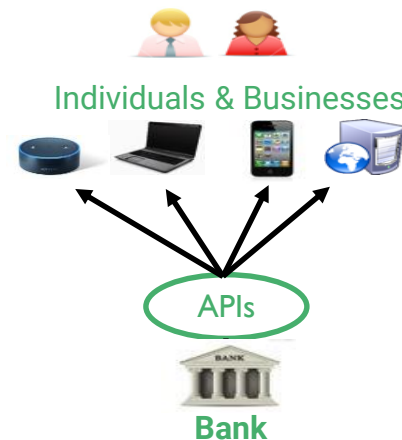
2010

2020

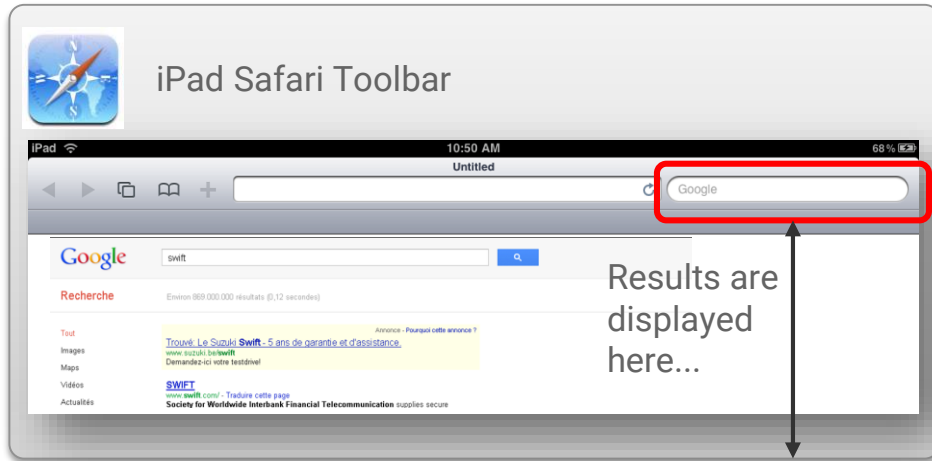
- Banks gain faster time-to-market and save money
- Developers have easy data access
- Customers enjoy improved experience

"In the next 5 years, **75% of the top 50 global banks** will have launched an API platform and 25% will have launched a customer-facing app store"

Gartner



Hey Google, what's my balance...



Type a search here...

...search happens @ my bank

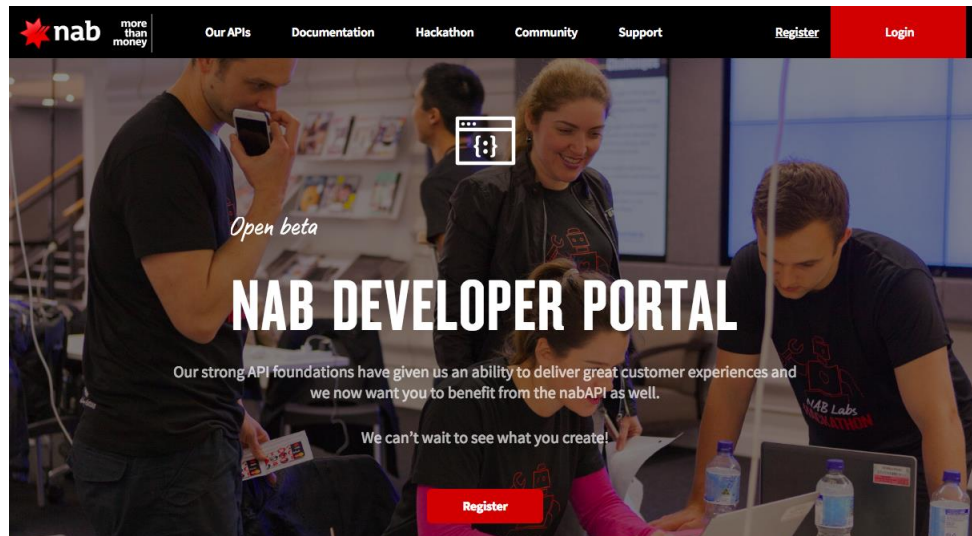


Bank core banking

Results are displayed here...



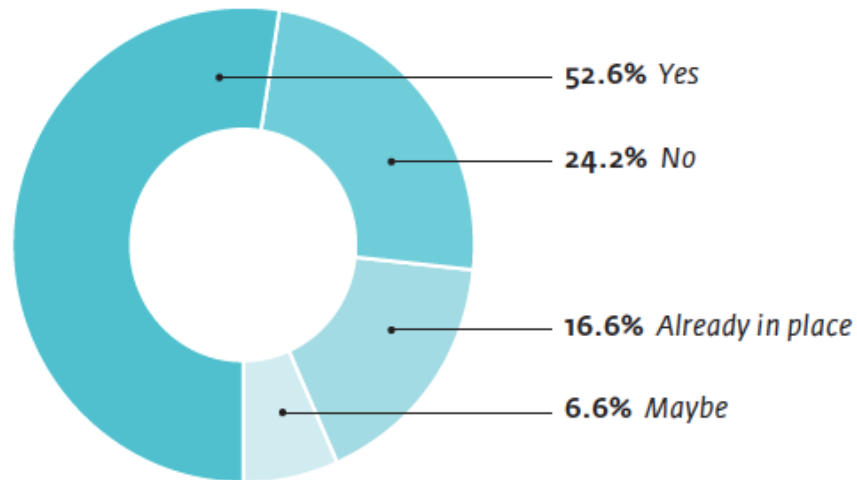
It's already happening...



It's already happening...

ARE YOU CONSIDERING LAUNCHING AN OPEN OR A PARTNER-ONLY API INITIATIVE IN THE NEXT 12 MONTHS?


52.6% of the respondents stated that they consider launching an open or partner-only API initiative in the next 12 months, while 24.2% stated that they do not consider such initiatives. 16.6% said the initiatives are already in place for their organizations.





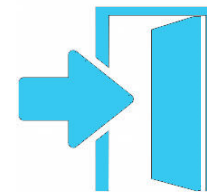
Why APIs

The value of APIs have already become apparent as a way to help reduce time to market, allowing banks to move away from legacy systems and harness 3rd party relationships



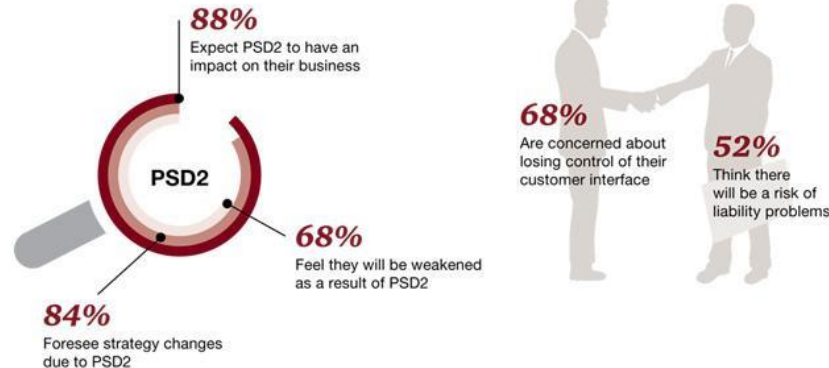
Internal Efficiencies	Gain Agility Rationalize and control access Faster development cycle & lower overall cost
External Opportunities	Outsource R&D & foster innovation Speed-up & Scale fintech partnership efforts New Business Model & Revenue Streams
Regulatory Compliance	Comply/ Anticipate potential regulatory regime and industry body recommendations

Three types of APIs

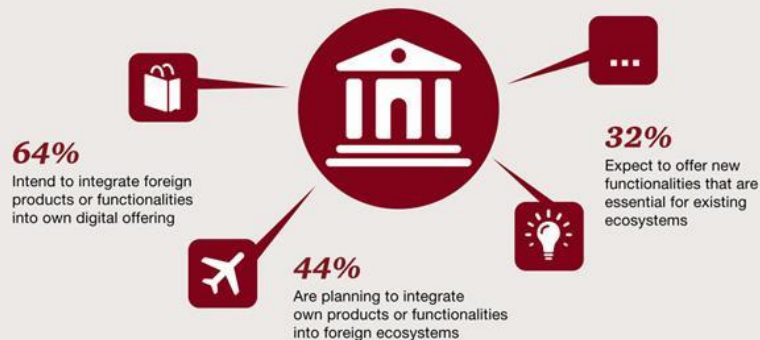


Private	Partner	Public
<p>Private APIs are used internally to facilitate the integration of different applications and systems used by a company</p>	<p>Partner APIs are used to facilitate communication and integration of software between a company and its business partners</p>	<p>Public APIs allow companies to publicly expose information and functionalities of one or various systems and application to third parties that do not necessarily have a business relationship with them</p>
<p>Advantages:</p>	<p>Advantages:</p>	<p>Advantages:</p>
<ul style="list-style-type: none">• Rationalize infrastructure• Reduced costs• Increased flexibility• Improved internal operations	<ul style="list-style-type: none">• Value-added service• Up sell• Must have for business partners	<ul style="list-style-type: none">• Delegated R&D• Increased, reach traffic• New revenue stream

PSD2 Impact



Despite the high perception of risk, **44% of banks plan to provide an open bank offering** in the next 5 years



*Source: Catalyst or Threat – PSD2 report, PwC, 2016

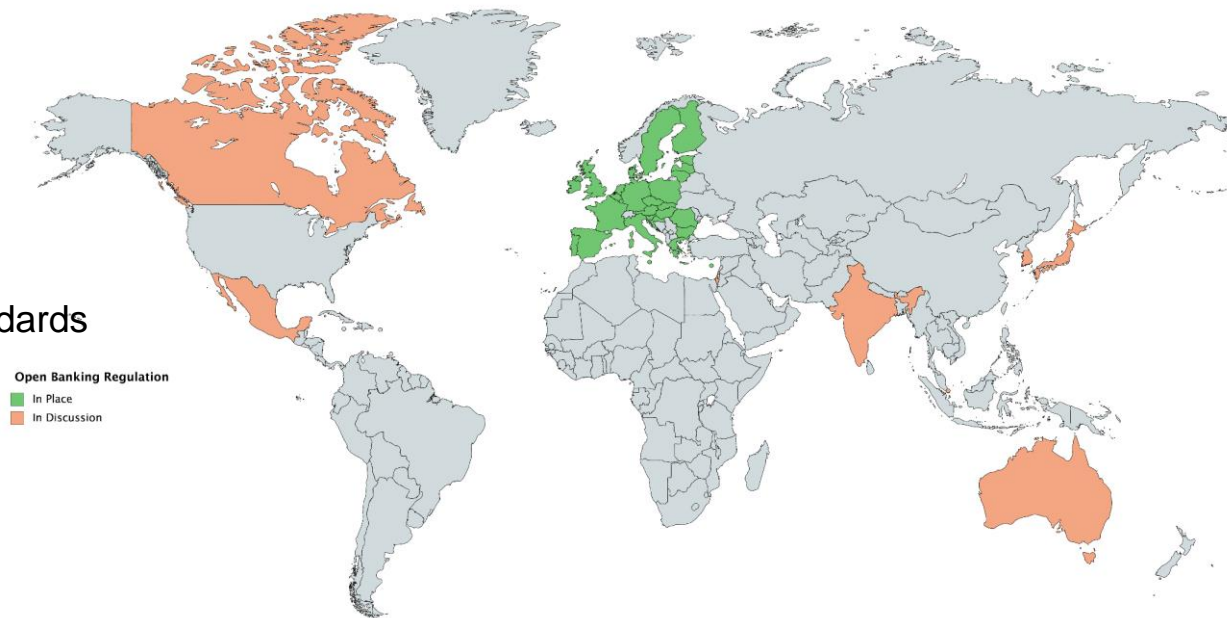
Source: Strategy& interviews with executives of leading European banks, February–May 2016
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Worldwide movement

50%

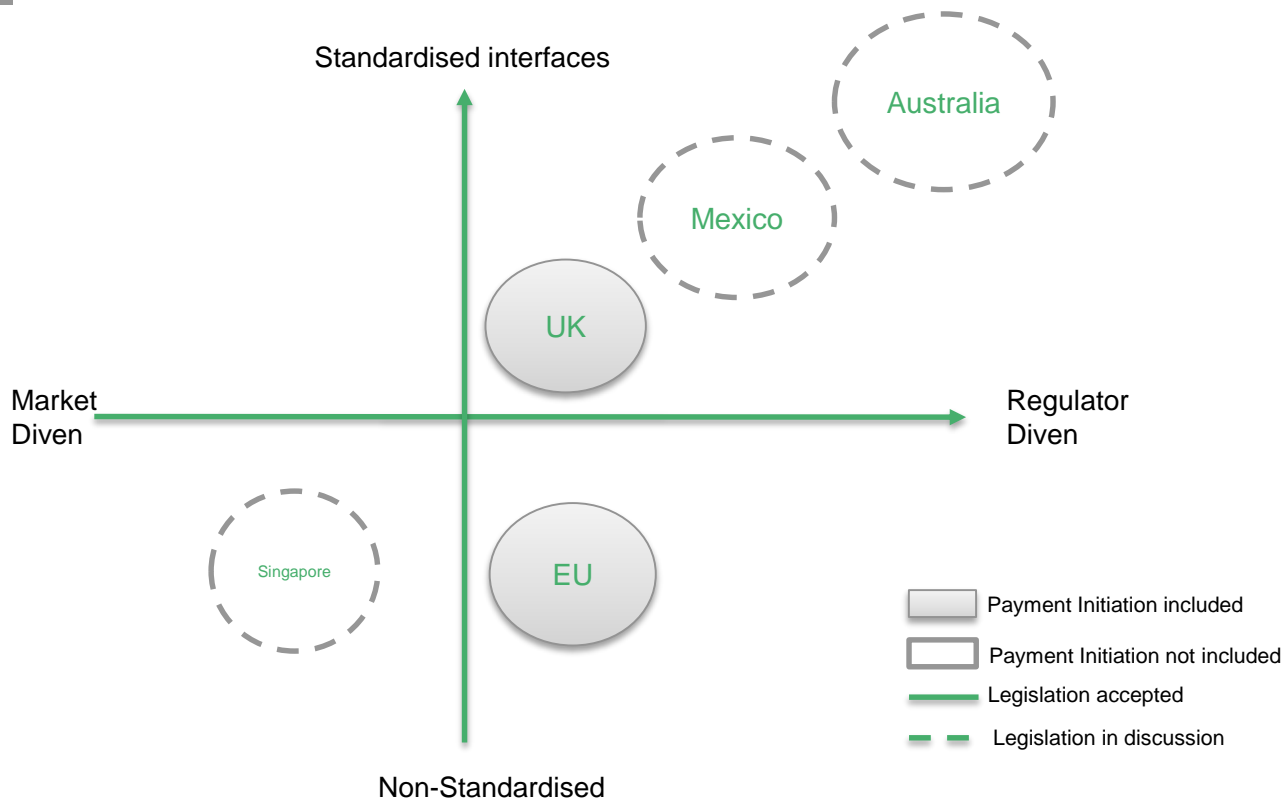
Of G20 countries expected to
create open banking API standards
or gateways by 2018*



Created with mapchart.net ©

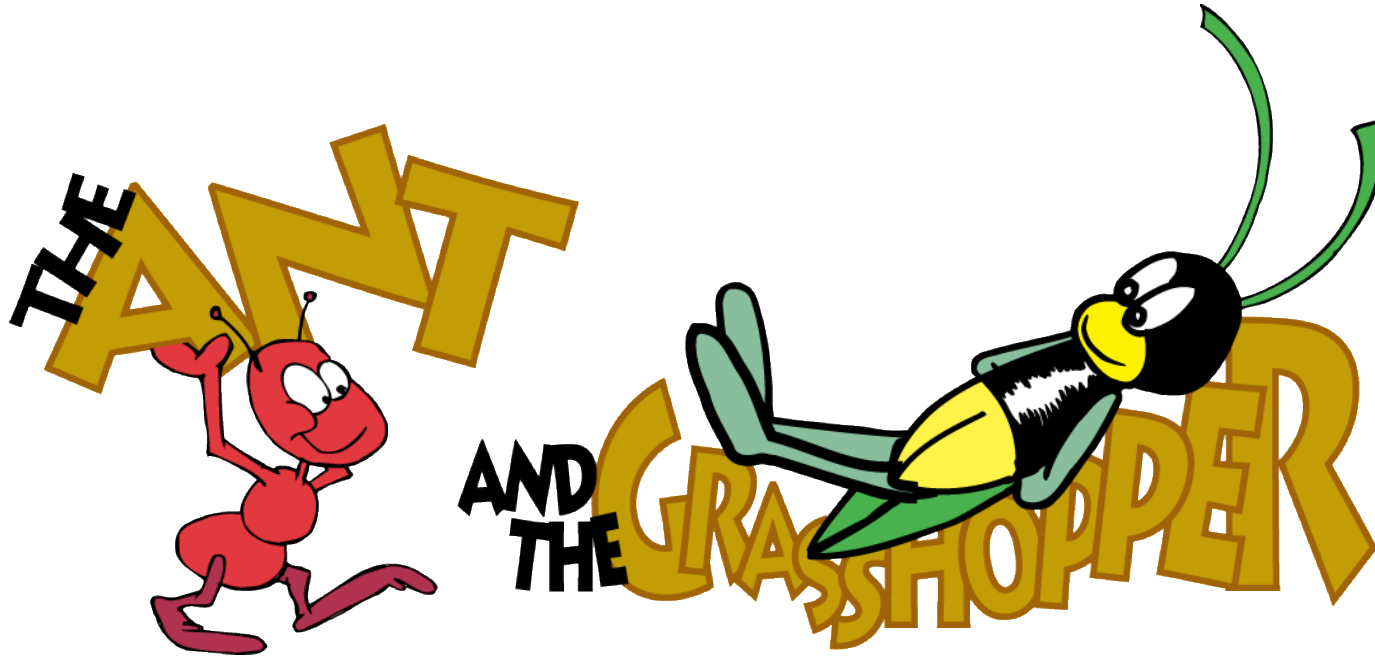
Source: Hype Cycle for Open Banking APIs, Apps and App Stores, Gartner 2015

Regulating Open Banking





Which approach to take





The Open Bank Project is an open source API and App Store for banks and a developer community around.

1/ Open
Standard

2/ Open Banking
Middleware

3/ Developer
Community



API Catalogue

A catalogue of 160+
API Definitions
available



Accounts

Access the user's list of accounts and account information. Provide fine-grained account and transaction access to guests (auditor, accountant or public). Explore...



Transactions

Access the transaction history and transaction metadata. Explore...



Counterparties

Access the payers & payees of an account including metadata such as their aliases, labels, logos and home pages. Explore...



Customer onboarding and KYC

Perform user, customer and account creation. Manage Know Your Customer (KYC) documents, media and status. Create customer meetings and messages. Explore...



Payments & Transfers

Initiate Transaction Requests (transfers and payments). View and confirm charges (as per PSD2). Answer strong customer authentication (SCA) challenges. Explore...



Bank, Branches, ATMs, Products

Access open data related to banks including branches and ATMs including geolocation and opening hours. Explore...



Metadata

Enrich transactions and counterparties with metadata including geolocations, comments, pictures and tags (e.g. category of spending). Explore...



Cards

List and create Cards. Explore...



API Roles, Metrics and Documentation

Control access to endpoints, get API metrics and documentation. Explore...

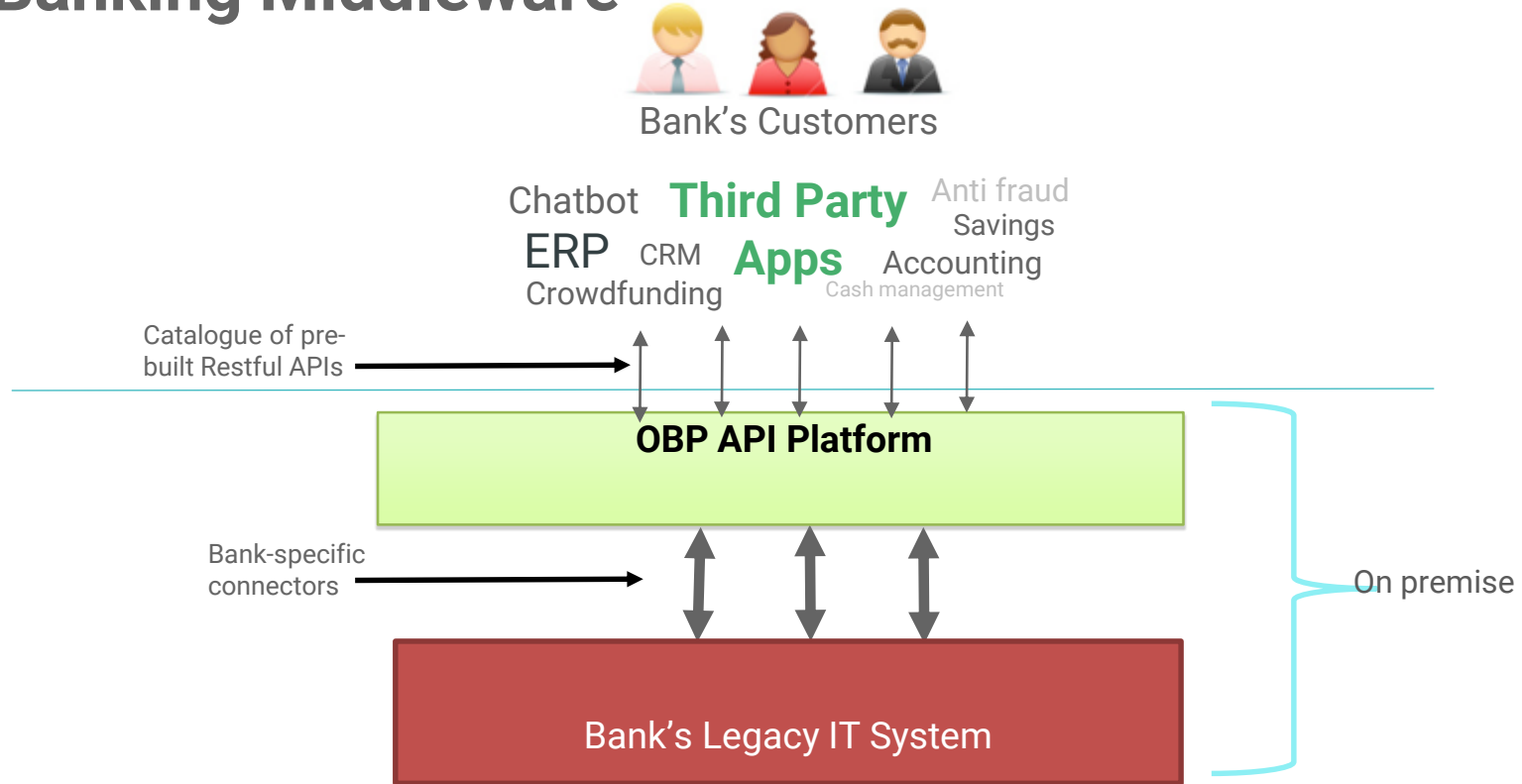


Search warehouse

Perform advanced searches and statistics queries on the data warehouse. Explore...



Open Banking Middleware



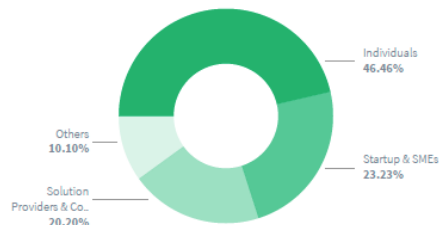
We offer a white-labeled API solution for banks and complementary services

9,000

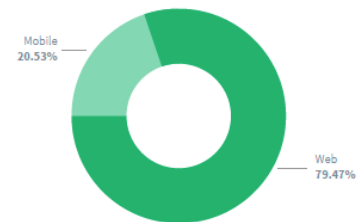
FinTechs use the
Open Bank Project
API

Meet our developers

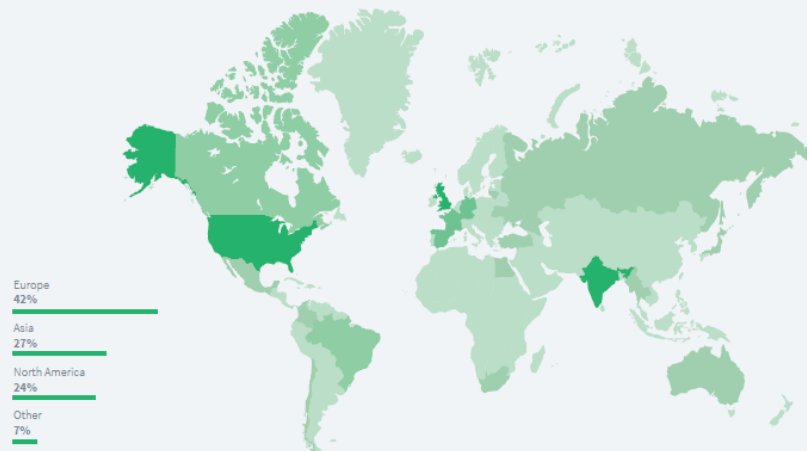
Who are they?



Which platform do they target?



Where are they from?





App Example: Hiveage

Best Online Invoicing Software

Trusted by 60,000 small businesses and freelancers from 152 countries.

TRY IT FREE

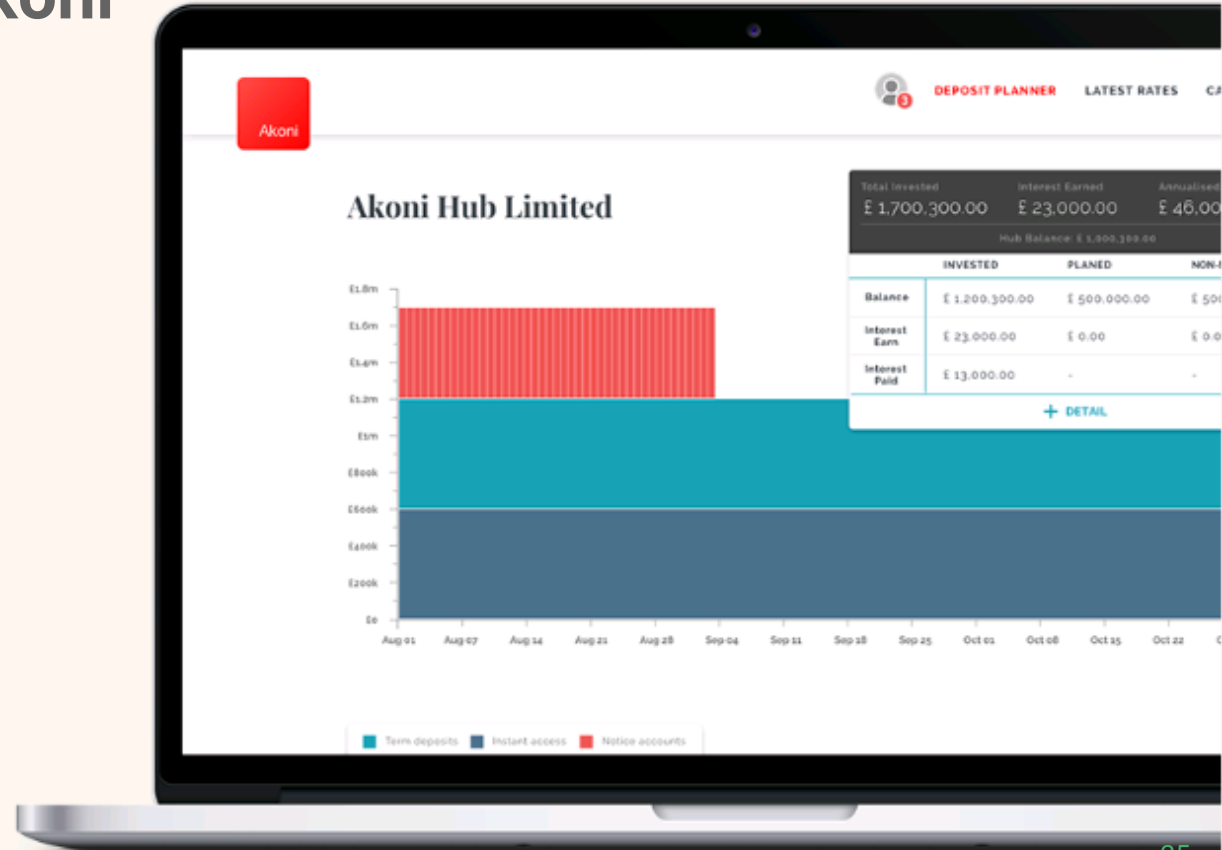
Enjoy a 14-day free trial of all features.

- **Hiveage: e-Invoicing Solution**
- hiveage.com



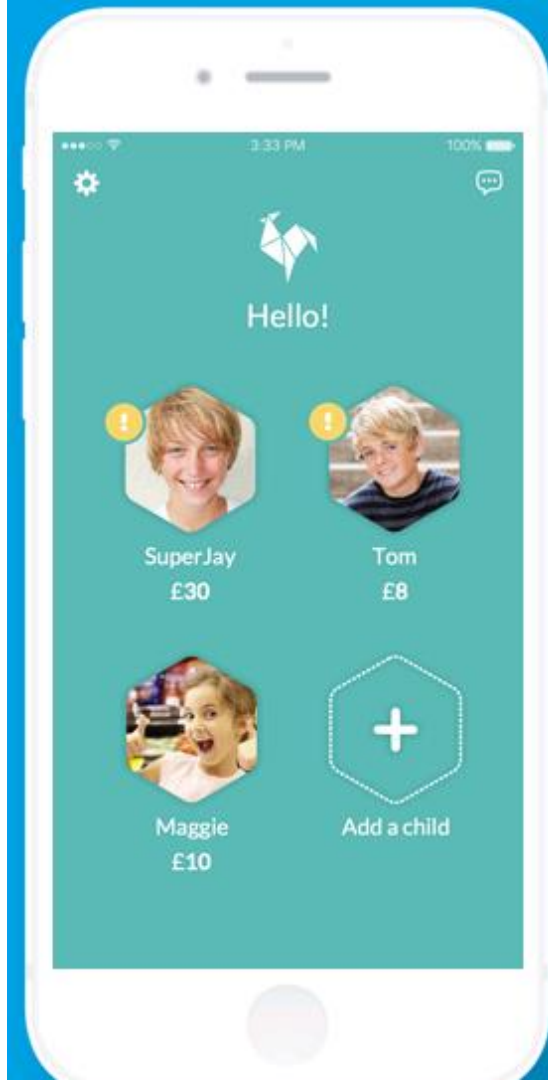
App Example: Akoni

- AKONI
- Cash management for business
- akonihub.com



App Example: Rooster

- ROOSTER MONEY
- Mobile app to manage pocket money for kids
- roostermoney.com





App Example: Singing Bank

```
{"singing": "bank"}
```

The Singing Bank

Select Account

- TESOBE / Music Pictures Ltd
- Fairmondo
- Hacker Bus

Using data from the

Open Bank Project Social Finance App
Eb3

TESOBE / Music Pictures Ltd

➤ € 0.12

ALIAS_5A05E9

➤ € -30.50

ALIAS_944731

➤ € -1461.32

ALIAS_1F3B62

➤ € -3926.02

ALIAS_CD5661

➤ € -6496.46

ALIAS_FC078E

➤ € -402.33

ALIAS_DB9496

➤ € -3054.00



They trust us



BNP Paribas



Societe Generale



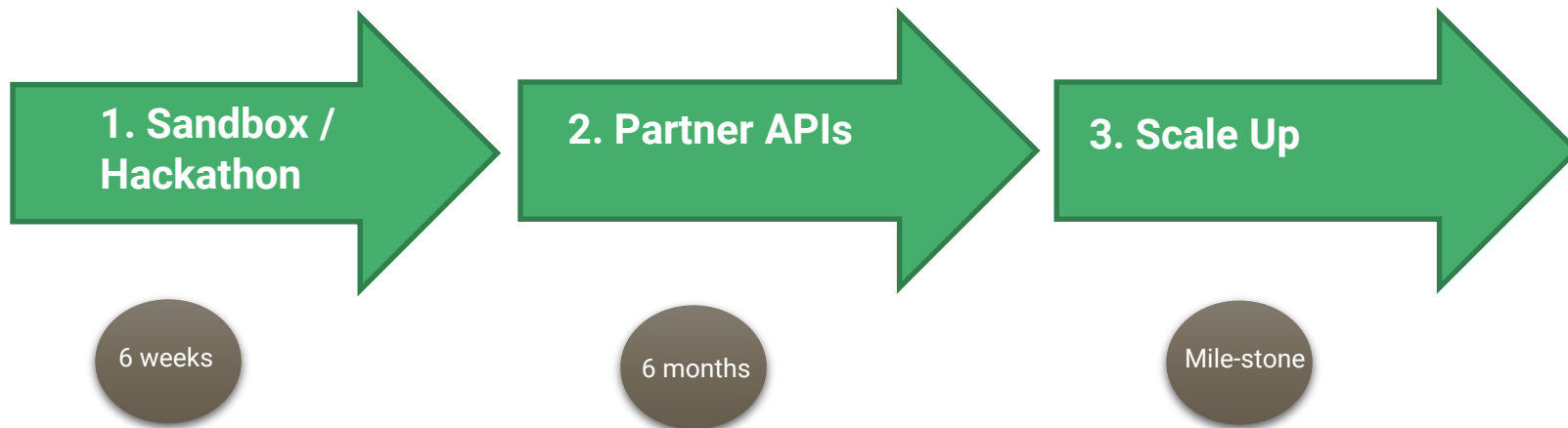
Australian Payment Council



Santander UK

Some of the largest financial institutions rely on the Open Bank Project

Open Banking Journey



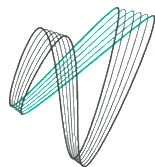
Starting with a sandbox & hackathon and moving to production in phases

Case Study: APC FinTech Hackathon



Impact

- 1 Sandbox, 12 banks, 50k API calls
- 120 participants in 2 cities
- 22 teams, 6 winners
- Various experimentations



Australian
Payments Network

Connect Inspire Thrive



Lessons Learned

- Treat your API as a Product
- Do not wait for the regulation fine print
- Engage with 3rd parties (e.g. Hackathons)
- Plan route to production
- Be Agile!



How are you preparing?

Thank You

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