



OPEN BANKING >
TRANSFORMING
BANKING & THE
FINANCIAL
INDUSTRY

NEW MASTERCLASS AVAILABLE!

A compact and in-depth view on one of the most significant developments in finance.

MASTERCLASS BRIEF

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“When we will look back in 10-20 years, to see what was the most disruptive event in Financial Services - we will say that it was the introduction of Open Banking”

“Customers are not seeing Open Banking yet – it is like electricity, customers do not see it, but its use cases are spectacular”



Dr Michael Salmony
Masterclass Lecturer

The Open Banking Masterclass Brief

Open Banking forces banks towards a fundamental rethink of their traditional banking business model and at the same time enables banking to become more customer centric. Exchanging customer data will create a new eco-system for incumbents and new entrants and will for sure increase competition. More importantly, open banking will facilitate the creation of new products and services that were previously impossible to imagine. The possibilities and opportunities are innumerable. But there are also threats. This course will not only focus on technology and business changes but also will discuss and lay out scenarios for the future that Open Banking will create. New sources of revenue and new propositions will bring significant advantages. Also innovative banks have a real opportunity to challenge traditional banks looking at, for instance, new value propositions and therefore the customer relationship. The future of banking is far from certain. Understanding these swift developments and learning how to anticipate them is essential for bankers, regulators, and all key stakeholders in the financial services industry.

This comprehensive Open Banking Masterclass is ideal ‘fast-learning’ for professionals actively involved with the future of financial services and payments in particular. In a **highly tuned**/customised, typically ca 2 day intensive in-person course, Participants will get a thorough understanding of what Open Banking is, and how this will impact the way we will transact, organize, and enhance financial services from payments to credit to insurance and much, much more. Next to that, Open Banking will ‘open’ up more aspects within the financial logistics of clients/consumers. A new world of ‘forward integration’ will develop.

This course is essential for all financial services professionals in banks, regulators, Fintechs, services providers in roles such as:

- Senior Management
- Product Development (across all product lines)
- Strategy
- Marketing
- Data Services
- Retail and Corporate services
- Legal and Compliance
- IT

N.B. Open Banking impacts all areas of business !



MASTERCLASS CONTENT

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The Masterclass Explained

The Masterclass will consist of a number of modules. Special emphasis will be made depending upon the specific needs. For example, some want heavy focus on use cases, some on strategic positioning, some on APIs, some want a broader overview covering global developments covering all business/regulatory/strategic/operational aspects. In any case we will discuss what Open Banking is; how we see this being implemented and having impact on all stakeholders and product lines and we conclude by sharing our visions and ideas on the impact for the future.

1 About Open Banking

1.1 What Is Open Banking

We start by defining what we mean by Open Banking. What it is, and what it is not. We show how banks' interactions with customers and external third parties will change with Open Banking. We define Application Programming Interface (API) as an enabling technology for Open Banking and look at some examples of requests for data and payment initiation that will flow across an Open Banking API.

1.2 Why Is Open Banking Happening

We investigate the drivers for Open Banking and who are the beneficiaries. We look at the enabling environment and the changing nature of supply chains in the digital economy. We suggest that Open Banking is how banks will connect to, and participate in, emerging digital commerce ecosystems. What is the risk to the banks if they decline to participate, and why are some banks resisting the change? What are the benefits and outcomes that Open Banking is expected to deliver?

1.3 The Key Elements Of Open Banking

We show the nature of the APIs that enable third parties to access customers' data and initiate payments on their behalf. The concepts behind the consent mechanisms that ensure that access and payment are only made under informed consent of the user are described. First use cases that employ these APIs are offered giving a first insight how payments and banking will change. Some timelines and international perspectives are shared on how Open Banking is currently conquering the world.

1.4 Business Models And Consequences For Users

We show a first high-level view of some of the new business models that are enabled through Open Banking and how this will change the way payment, banking and finance will be provided to users. Beyond customer interface changes we explore some of the structural and strategic changes that are being brought about through Open Banking. These range from the new channels, the pressure being brought on the traditional card business up to the need for banks to position themselves anew in this emerging ecosystem and how they may fit in to the new world of Fintech.

2 Open Banking Implementation

2.1 How Is Open Banking Happening

We define the two broad models under which Open Banking is progressing in various markets around the world. We compare and contrast "regulator driven" with "market driven" and examine the defining attributes and consequences of each approach.

2.2 The Role Of The Regulator In Open Banking

What is the role of regulators in the establishment of Open Banking? The role of the regulator is a key success factor, but the role of the regulator will vary depending upon timing and the development stage for Open Banking that exists within a market. We look at the specific activities in which a regulator may become involved and provide some real market examples.

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2.3 Disruption Due To Open Banking

We show how Open Banking is disrupting not only payments but all other areas of finance and banking including core business e.g. credit and insurance. The particular – and often forgotten – transformative impact of Open Banking on B2B is demonstrated and some best practices from around the world showcased. These disruptions in B2C and B2B will cause ruptures in the relationship between banks and the customers – retail and corporate. This is good news for agile, offensive banks but bad news for banks not willing or able to change. However even for basic compliance, "RegTech" and "SupTech" can help to bring down costs, reduce errors and streamline processes

2.4 API Options For Banks

We show that those banks that embrace the inevitable rise of APIs can position themselves well and generate new business. For example, not just offering mandated regulated APIs (which typically have to be offered for free) but also offering further commercial, value-added APIs (which offer new real commercial advantages to customers) may promote customer retention and generate new revenues. We also touch on the topic of harmonized API access – how to find a way through the jungle of standards and show a realistic path to a more connected world.

3 Future Impact / New Strategies

3.1 Bank Strategies For Open Banking

We explore the strategies that banks might adopt in implementing Open Banking. Should a bank be an aggregator, a wholesaler, or go it alone? What are the implementation options available to banks, why would a bank choose a particular option, and what are the pros and cons of each option? Is a multi-pronged strategy viable?

3.2 Partnering Strategies For Banks

Open Banking is often described as banks collaborating with third parties to build innovative solutions that provide benefits that are greater than could be achieved if each partner attempted to deliver the solution alone. "The whole is greater than the sum of its parts". How do banks find the right role in an Open Banking collaboration? We examine the possible partnering strategies.

3.3 What Open Banking May Develop Into

We step back to see the enormous power and creativity that "opening up", standard platforms and APIs have already unleashed in many industries. We suggest that Open Banking is just the beginning of a wider development for finance and part of a global cross-industry trend. We share some of the regulations emerging across the world that aim to promote the wider sharing of data (not only for payments and finance) and for creating a more level playing field across many industries. There are some challenges – which will be noted – that need to be overcome but the goal is an API Mashup Economy connecting all and providing new business models and opportunities for all. Some of these we already see.

3.4 What To Expect In The Future

Finally we look at some of the new business models and new services that we can expect to emerge in the future. With the current beginnings of Open Banking, the further opening up of all areas of finance and of all other industries we will see new connected models that were not possible before. We show some that we can expect – and show some surprising examples of what was not expected, but are emerging. We close with an outlook on the worldwide development across all industries, where banking and finance will play a significant role. Indeed Open Banking is the beginning of a development where financial services can play a key role in the new digital economy.

INDIVIDUAL AND INTERACTIVE

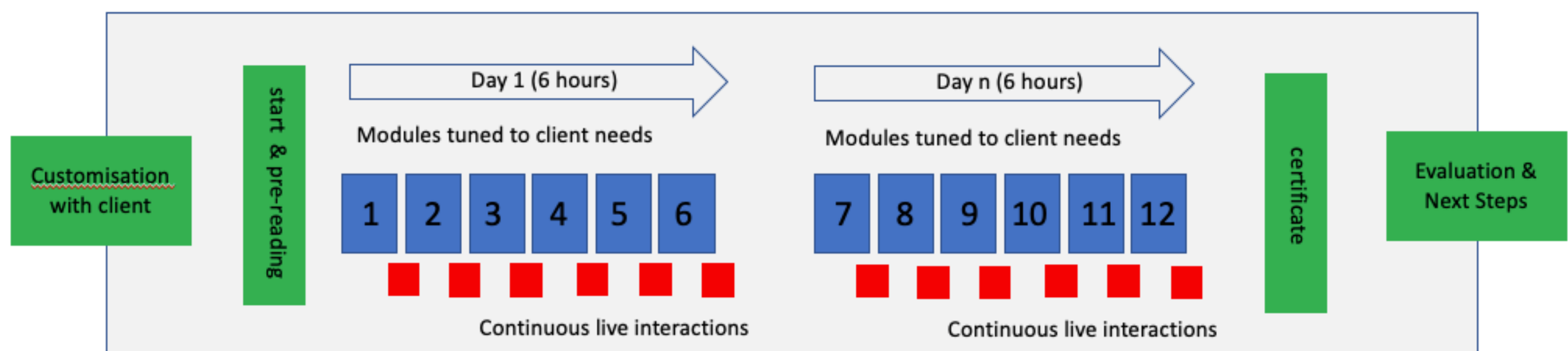
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Open Banking Masterclass - specifically tuned for your needs and audience

The Open Banking Masterclass will be a highly interactive, **tuned/customised** event at your location (or remote during Covid). Typically 20-25 participants per masterclass from diverse departments across your organisation will get an in-depth and **highly practical**/hands-on view on what Open Banking is, what its consequences are, what this means for various departments and what the future will look like. The course is heavily based upon **real-live use cases from around the world** where Open Banking has shown to transform a particular business or service line or even fundamental ways of working together. **Best-of-breed** models from around the world on **commercialising** these developments are presented. Structural changes with all threats and opportunities (such as disintermediation, new partnerships) are discussed and options for the organisation developed on how best to position oneself in the face of these developments. There will be a heavy focus on **lessons-learned** to show what has worked elsewhere and what **surprises** were discovered along the way, so that these can be benefited from.

Training materials will include: slides, videos, case studies, interactive sessions (breakout workshops, test/quizzes, etc), suggested reading lists and further materials for study. All individual questions will be addressed specifically.

In short, the course is structured as follows:



“Open Banking, APIs, Platforms will bring a quantum leap to financial services – just like the leap from the Nokia to the Smartphone”



Dr Michael Salmony
Masterclass Lecturer

GOALS

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Overall Goals:

- Bring diverse teams (with different knowledge of Open Banking, with different responsibilities within the organisation) onto common knowledge/understanding of the main aspects of Open Banking and identify actionable elements for their business
- Focus on business models that have flourished across the world, lessons learned, critical issues to attend to for success
- Goal of the core Masterclass is not to define strategy of the organisation, but to give background to all functions on key threats and opportunities that are likely to arise, enabling internal strategy process. (Optional full strategy development and implementation add-on is available)
- Show how Open Banking is developing from basic (e.g. PSD2) to Open Finance and “Open X” with interconnection and sharing of data between multiple industries in novel ecosystems, with consequences for established and new players
- Strategic importance of APIs both as standard connector, but also as vehicle for integration of new lending, insurance, identity services in platforms/marketplaces of others (banking as a platform, banking as a service)
- Monetisation of APIs with examples around world how banks are deploying APIs for their own services and in other banks/marketplaces/platforms to yield new revenues and reposition themselves strategically; rise of the super-app
- Understand best practices, success factors to enable scale-up of business models (technical, operational, strategic, partnership ecosystems)
- The key role of partnerships across the whole value chain (not only FinTechs, but also with service providers, targeted marketing, developer-as-a-client)
- Make participants comfortable in thinking about, speaking about and making strategic decisions on positioning and defining optimal way forward in Open Banking for their organization.

Become comfortable with all topics FinTech/InsurTech/RegTech/CreditTech, Open Banking, Open Finance, Banking-as-a-service (BaaS etc), Platforms, Digital Banks/Challenger Banks, APIs, new Partnership models, Embedded banking, transformation of B2B, opportunities for increasing inclusion, super-apps, management and capitalisation of Data – all that is dominating the new paradigms in payment, financial services and banking.

Hands-on, practical guide on the best success models on monetising and strategic positioning from the best players in Europe/UK, US, Singapore, Brazil, Australia, Japan, India, ...

REGISTRATION AND FEES

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Open Banking Masterclass Enrolment

The Open Banking Masterclass will be specifically tuned for your needs, tuned to your organisation and participants. A typical package will include

- Pre-reading materials
- Typically 2 days of personal, interactive Masterclass with world expert on Open Banking
- Booklet with slide set used during Masterclass, links to videos
- All materials (exercises, flip charts, etc) jointly developed during the interactive sessions
- Further reading list and any additional materials presented
- The FinTech Istanbul Certificate of participation

Possible in-depth follow-on sessions are negotiable:

- Market-analysis studies (e.g. competitive landscapes, personal SWOT analyses, regulatory environment)
- Joint strategy development (e.g. positioning, leveraging key assets, developing key partnerships)
- Support in the development and roll-out of your Open Banking proposition

The fee will be discussed when banks, regulators, corporates or institutions would like to enter single or multiple registrations, please contact office@paymentsinnovation.consulting for specific arrangements

COURSE LECTURER

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We are happy to partner with a leading global expert as lecturer for the Masterclass. His insights from the birth of Open Banking in Europe/UK, then helping drive its explosion around the world brings unique perspectives on Open Banking developments with clear lessons-learned from the best around the globe



Dr Michael Salmony is an internationally recognised leader on strategy of business innovations in digital and financial services.

He is board-level adviser to major global banks, industry associations, card networks, governments, regulators, Fintechs, service providers, corporates and international finance bodies across the world and regularly helps shape future directions in all key decision making bodies (e.g. European Commission/ECB/European Parliament in Europe, and central banks from Japan to Uruguay and Kazakhstan).

He has particular specialisation in Open Banking, having helped shape the PSD2 regulation in Europe since its inception and was, for example, programme director of the 20Mio€ global Open Banking development for Europe's largest (and the world's 4th largest) service provider, which handles over 17 trillion Euro per year.

He also works with multiple regions where Open Banking is currently emerging - for example with the World Bank in Central Asia, as Board Member of Fintech Africa, as Advisory Board Member to Mastercard in Latin America, as strategic partner to FinTech Istanbul on all matters Open Banking, Platforms, FinTech, APIs, Neo-Banking, and further digital financial services.

His views are much in demand as keynote speaker at international events and he appears on TV/Radio/all electronic media on advances in finance and is quoted extensively (e.g. Financial Times, Harvard Business Manager, New Scientist, The Economist and by governments from Ghana to Malaysia). He lectures at the Oxford Business School on "AI in Fintech and Open Banking" and has published much own original work which has been translated into many languages including German, Italian, Dutch, Turkish, Finnish, Polish, Danish, Russian, Chinese and Japanese.

Previous positions include Director Business Development of leading national central bank (Bank of the Year, Best Innovator Award).

Before entering the world of finance, he helped transform companies and business models in many industries as IBM's Director of Market Development Media and Communications Technologies.

He studied at the University of Cambridge and is married with two millennial children

Consistent top/5-star rating and references from all clients available

London/Frankfurt – Tokyo/Japan – Abu Dhabi – Azerbaijan – Brussels – Central Asia – Cyprus – Kazakhstan – Latin America – Moscow – Nigeria – Singapore – Sydney – Tallin – Turkey – Uruguay

APPENDIX: TOPIC DETAILS

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Background: What is Open Banking ?

Key market-driven/regulator-driven motivations for OB
(esp. innovation/customer focus, competition, security)

Key provisions of typical regulation (PSD2 Europe)

- AIS, PIS, PIIS (APIs and their key functions, standardisations)
- SCA/authentication/consent
- EBA RTS secondary provisions (e.g. licensing, insurance, directories, liabilities, reporting, certification, ...)
- Timelines (from publication of laws, through implementation across all stakeholders) – including topics found difficult along the way, lessons learned and how second-movers can benefit from hindsight

Overview of OB across world (key differences in approach/content, timeline, ambition)

Basic models emerging due to OB

- PFM/account consolidation
- Access to Data, interpretation through AI
- New payment methods (direct from account vs via card)

Q&A

Interactive session: comparing European regulatory environment to local (actors, timelines, key provisions)

Functional deep dive:

- Improvement of existing business (e.g. better credit, better insurance, ...)
- Widening of market (e.g. advanced B2B functions not only for large corporates but also wider SME market)
- New services enabled by OB (some beyond financial services)
- Competition through new market players (FinTech, InsurTech, PayTech, ...), comparison/consolidation services, and service providers
- Further opportunities for banks (improved compliance, reporting) and regulators (RegTech)
- New market structures (ecosystems, lifestyle companions, network of specialists, provision of services in environment of others, BaaS, PaaS)
- E-Wallets and Open Banking

Q&A

Interactive discussion: relevancies for local market, for ...

Positioning options for banks:

- Utility
- Supplier: Best-in-class/specialist/niche
- Aggregator: Marketplace
- Orchestrator: Ecosystem builder

Factors in determining future position (e.g. Strategy/Ambition, IT and process capabilities, market/competition/regulatory environment, ...)

Banking-as-a-service, bank-as-a-platform models

Best practice marketplaces created by banks or with bank participation

Interactive comprehension test

Interactive Workshop: finding first tentative orientation for ...

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Potential inhibitors for success – and what to do about them:

How to measure success (disruption, financials, scale, control)

- Technical (legacy IT, API, service providers, UX, ...)
- Operational (processes, procurement process, rapid onboarding, third party lifecycle management)
- Cultural (mindset, middle management)
- Business (importance of B2B, monetizing APIs, handling comparison services, revenue sharing with partners/competitors, co-opetition, finding the right value-added-services)
- Strategic (priorities, partnering, goal conflicts)
- Organisational (governance, x-department coordination, quality and availability of data, resources)
- Skills (IT, regulatory expertise, data expertise, market knowledge, customer knowledge, product, competitive position, ...)

Interactive session: self-reflection on position of ... (assets vs development potential)

Deep-dive on global best-of-breed products

Examples: (preferred business lines to be used here)

- Disrupting lending: smart credit scoring and underwriting
- Disrupting insurance: data-driven analytics, real-time insurance
- Disrupting B2B: democratization of advanced services (FX, cash-flow prediction, liquidity management, collections, data in invoicing, treasury 4.0, analytics, e-procurement, e-tax ... services for SMEs/not only for large corporates)

Interactive Workshop:

- product specialists' reflections
- working through a few key banks' case studies

Case-studies of best-of-breed approaches from banks around the world

- Positioning APIs in other marketplaces
- Internal segmentation with APIs
- Closed APIs, walled garden APIs, regulated APIs, open APIs
- Developer-as-a-client, developer portals, developer engagement
- An alternative customer consent model
- Authentication/consent as competitive advantage: transaction risk analysis, risk-based authentication, keeping challenges/abandonment/fraud low
- Nurturing own FinTechs
- Building own ecosystem
- Lifestyle companion model

Q&A

Interactive discussion: potentials/inspirations for own development

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Best-of-breed from new players around the world

- Neobanks, Superapps, ...
- Alt-Networks
- OB service providers (API aggregation hubs, data cleaning, directory services, fraud services, security services, certification authorities, ...)
- Service providers to banks (e.g. modules for B2B plug-ins, ...)
- Emerging marketplaces for financial services and beyond

Q&A

Interactive discussion: reflections on local competitors, service providers, marketplaces

Outlook beyond Open Banking - Preparing for "Open X"

- Journey from API to Open Banking, Open Finance, Open X "The Mashup Economy"
- Experiences from Europe, India, Asia
- Interconnection of all industries (not only finance) in a "Data Market"
- Coming regulations in Europe (Financial Services Strategy, Identity, Sovereignty)
- OB not only for making money: also "doing good"/social, ESG, etc
- Future of data privacy, consent, authentication

Q&A

Interactive discussion: joint look into the future

Conclusion/wrap-up

Course summary and conclusion

- What have we learned
- Reflections
- Next Steps for ...
- Feedback

- End of course -