



**Regional Forum on Cybersecurity in the Era of Emerging Technologies
&
the Second Meeting of the “Successful Administrative Practices”-2017
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FinTech BETWEEN THE RISE AND THE CHALLENGE

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AGENDA

- FinTech Rise
- FinTech Challenges
- Conclusion
- Questions



What is FinTech?

FinTech is a term that can be given to firms whose providing technology based financial services and/or products.

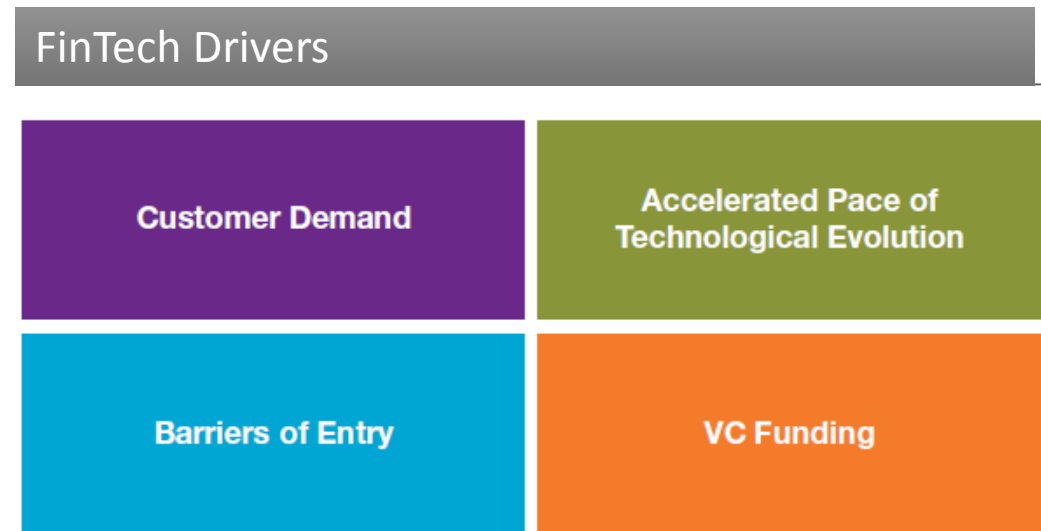


FinTech RISE



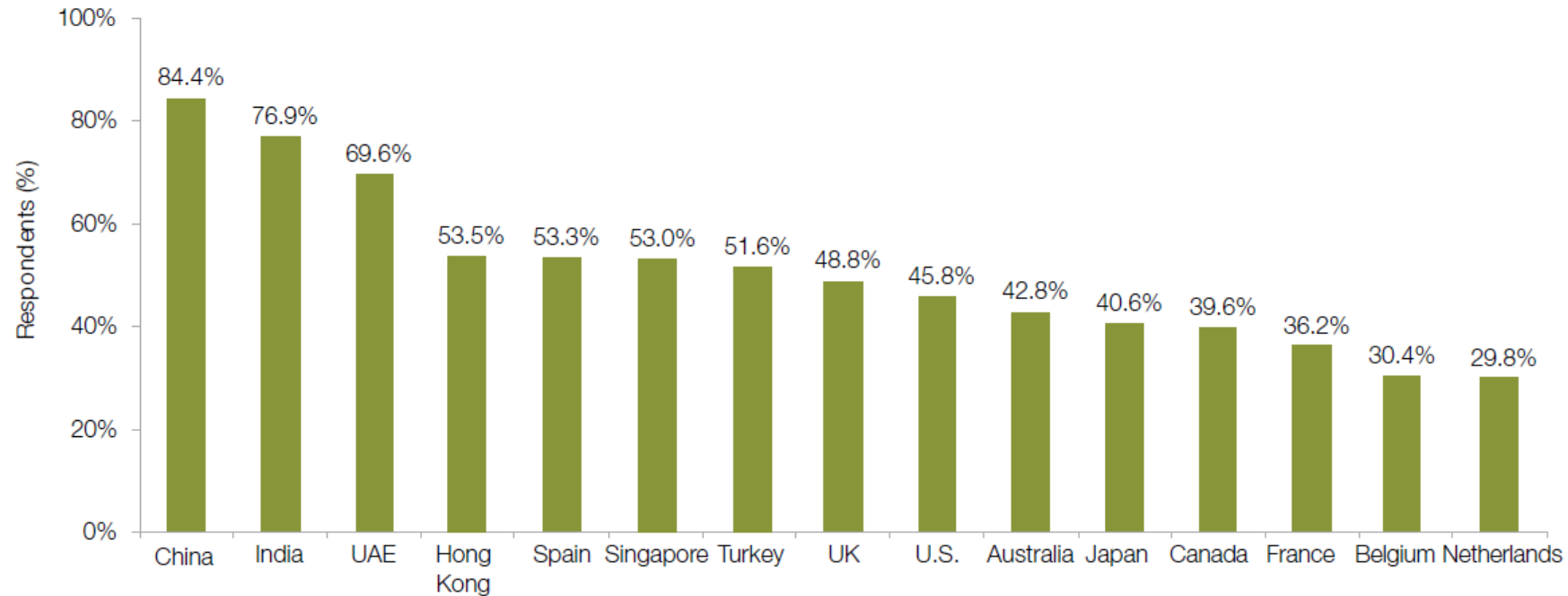
FinTech Drivers

- FinTech rise driven by:
 - Continuously increasing customers' Demand
 - Expanding Venture Capital funding
 - The need for reduced barriers to entry
 - Technology Evolution
- 50.2% of financial sector customers are doing business with at least one non-traditional firm
- Traditional firms still distinguished by the convenience and quality of service than the non-traditional firms



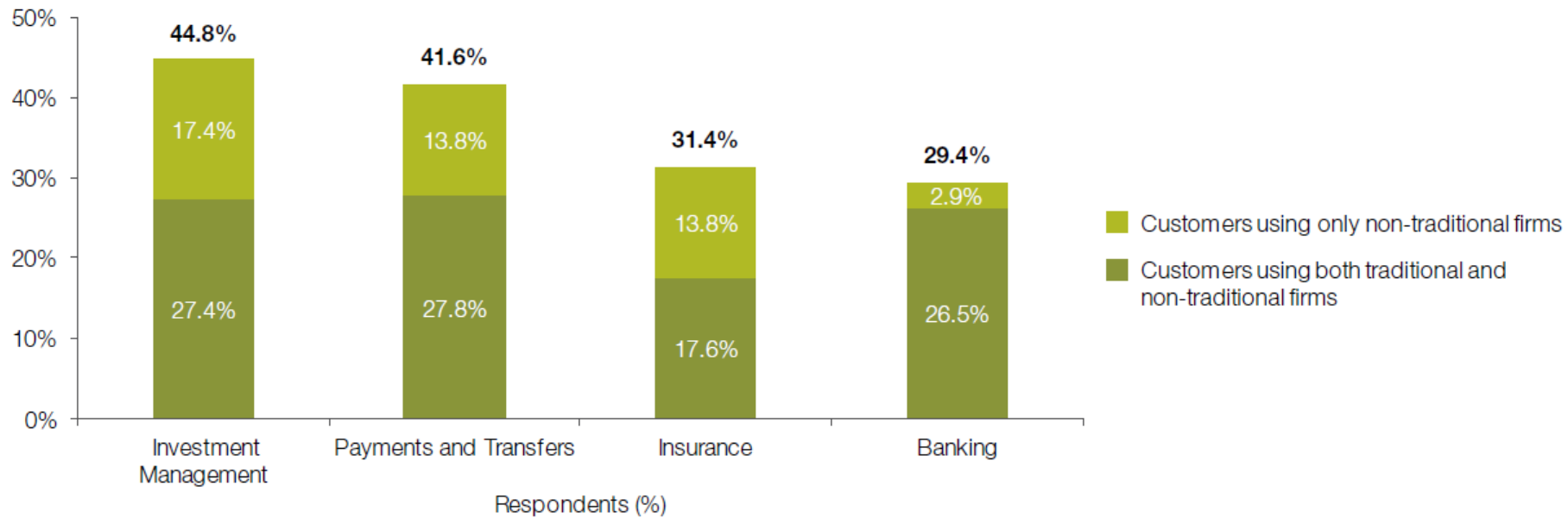
Source: Capgemini Financial Services Analysis, 2016

FinTech Utilization



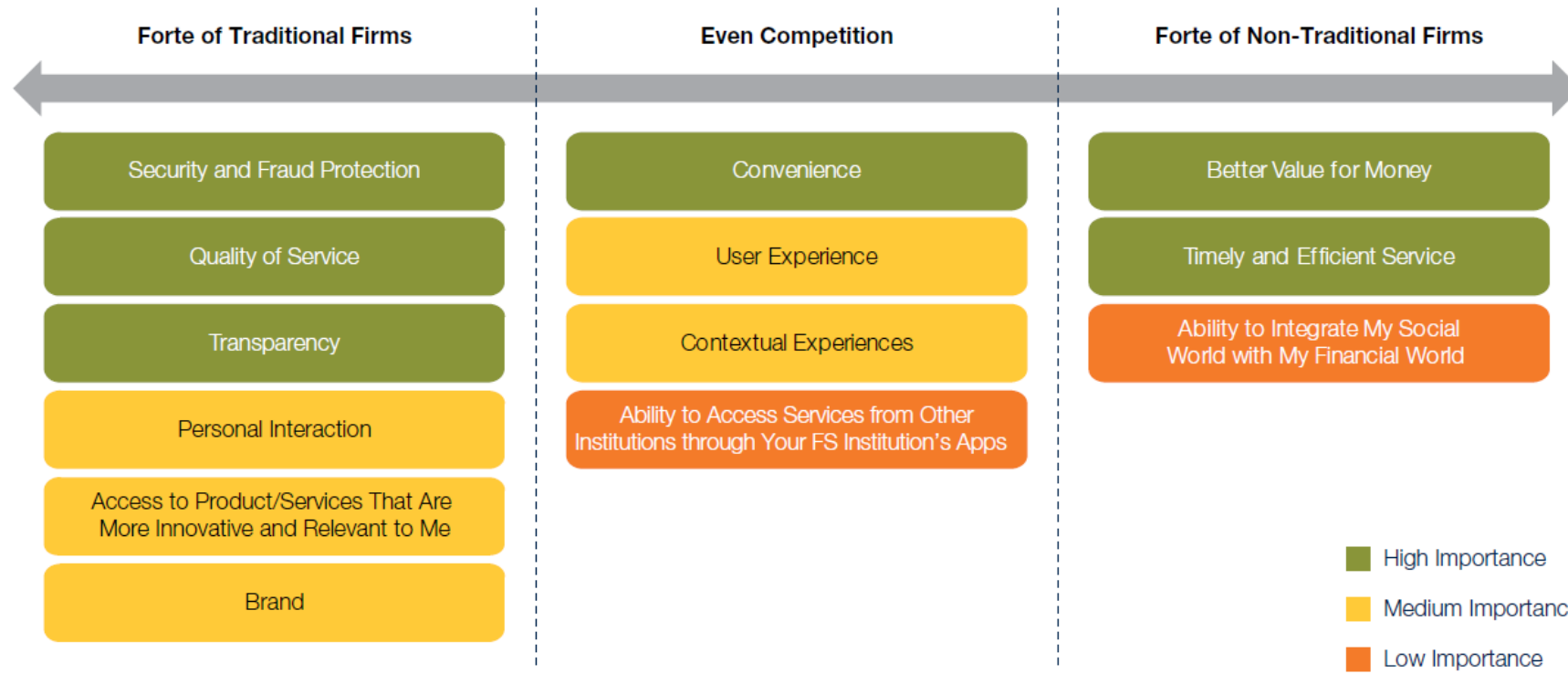
Customers Using At Least One Non-Traditional Firm for Financial Services by Country(%), 2016

FinTech Utilization



Customers Using At Least One Non-Traditional Firm for Financial Services by Domain (%), 2016

FinTech Value Perception



Traditional vs. Non-Traditional Firms Customer Value Perception, 2016

FinTech Customers' Expectations

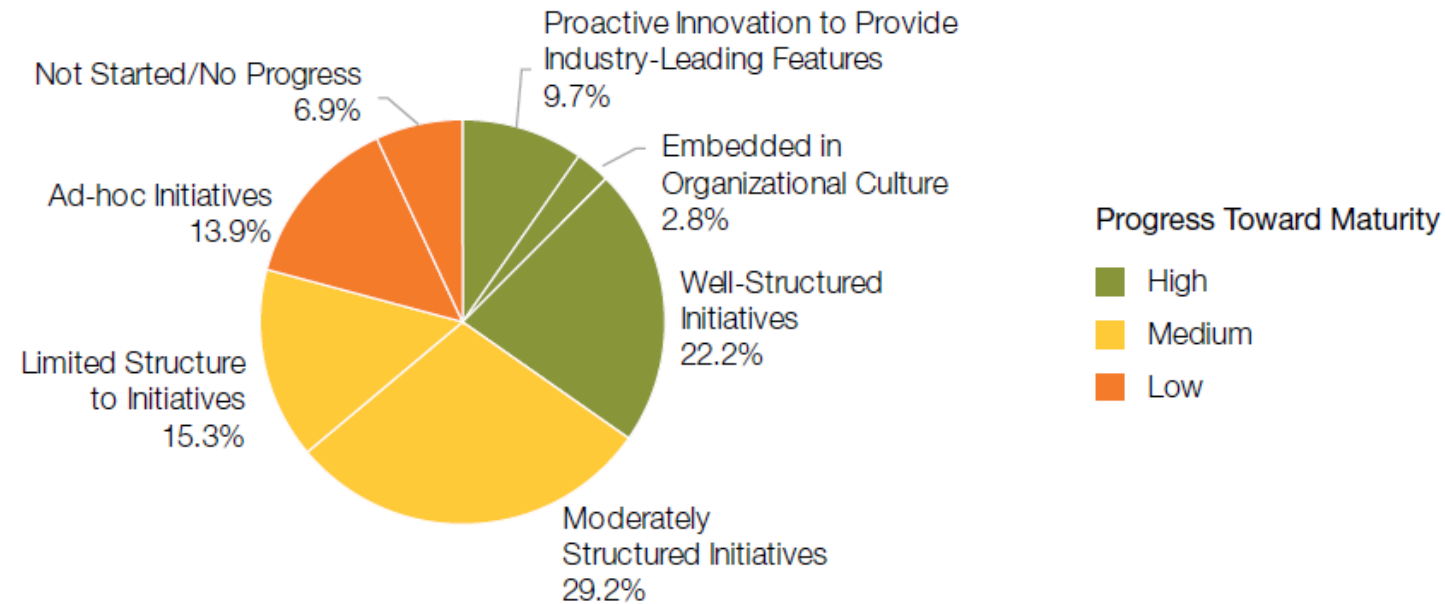
Top Five General Moments of Truth (MoTs)

1	Transparent fee structure	74.6%
2	Quick account opening	71.8%
3	Ability to update your account details digitally	70.6%
4	Anytime/Anywhere access to aggregated information on all financial accounts/products	66.9%
5	Real-time updates on problem resolution timeline	66.7%

FinTech Customers' Expectations

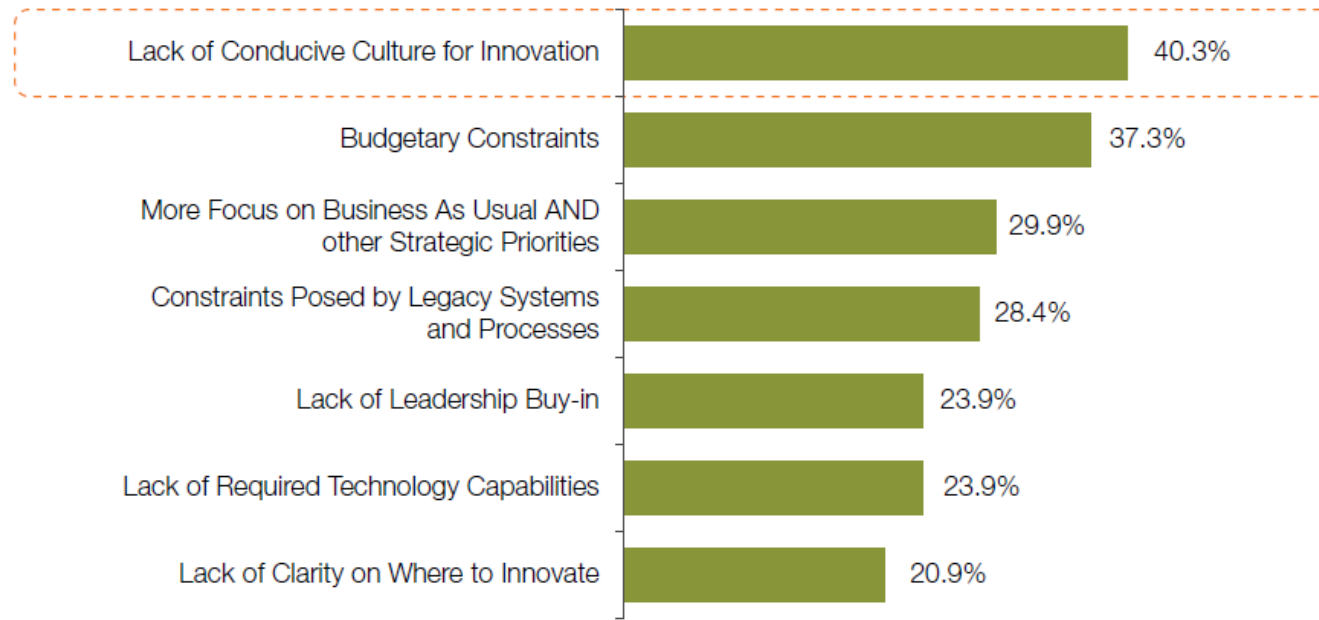
Top Five Banking Moments of Truth (MoTs)			Top Five Payments Moments of Truth (MoTs)		
1	Digitally update transaction limits	68.6%	1	Transfer money digitally	69.8%
2	Real time alert notifications	63.9%	2	Digital or contactless payment remotely	59.6%
3	Real-time information to better manage your financial life	60.0%	3	Alerts when exceeding monthly expenditures	58.7%
4	Initiate or close a loan from digital channels	57.6%	4	Digitally control cards	58.7%
5	Real time loan quotes on mobile	56.4%	5	Place/cancel/modify standing instructions from mobile app	52.7%
Top Five Investment Management Moments of Truth (MoTs)			Top Five Insurance Moments of Truth (MoTs)		
1	Consolidated view of all assets	65.9%	1	Proactive updates on status of claim	69.2%
2	Personalized advice and data-driven recommendations for investment goal	63.2%	2	Instant claim notification to insurer online/ on mobile	66.8%
3	Display of only those services relevant to me, based on my usage patterns or behavior	61.6%	3	Automatically connect to third parties to assist with an emergency	65.7%
4	Track investment sentiments and trading activity of other users in real time	60.4%	4	Policy renewal and cancellation digitally	65.6%
5	Digital access to investment strategy research/ideas	58.9%	5	Reward and incentive programs enabling savings on premium fees	63.8%

Strategy Implementation Progress



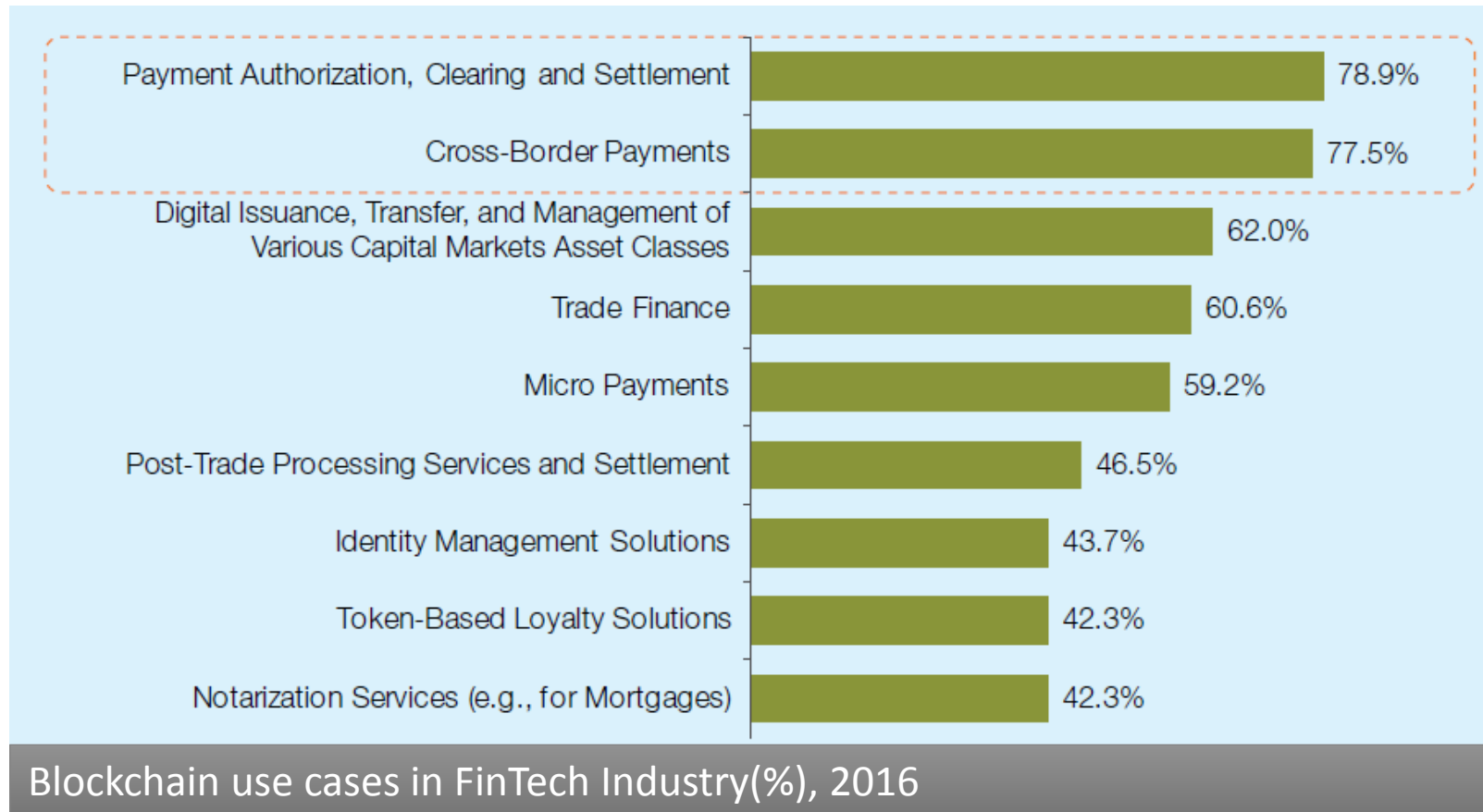
Organizations FinTech Strategy Implementation Progress, 2016

FinTech Obstacles

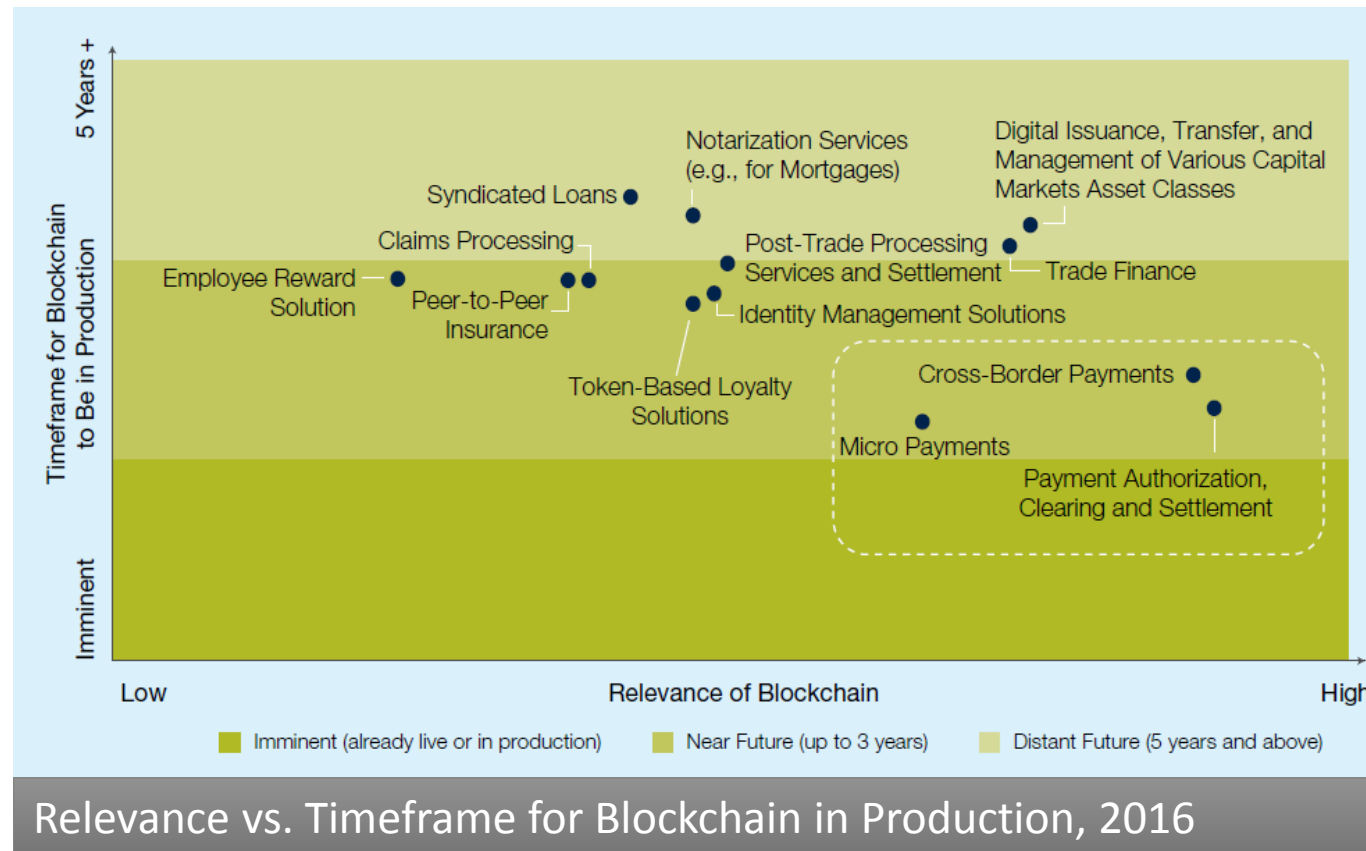


FinTech Capabilities Implementation Obstacles (%)
for Traditional Firms, 2016

Blockchain use cases



Blockchain Relevance vs. Timeframe



Relevance vs. Timeframe for Blockchain in Production, 2016

Pillars for Collaboration Strategy



Cybercrime Level of Impact

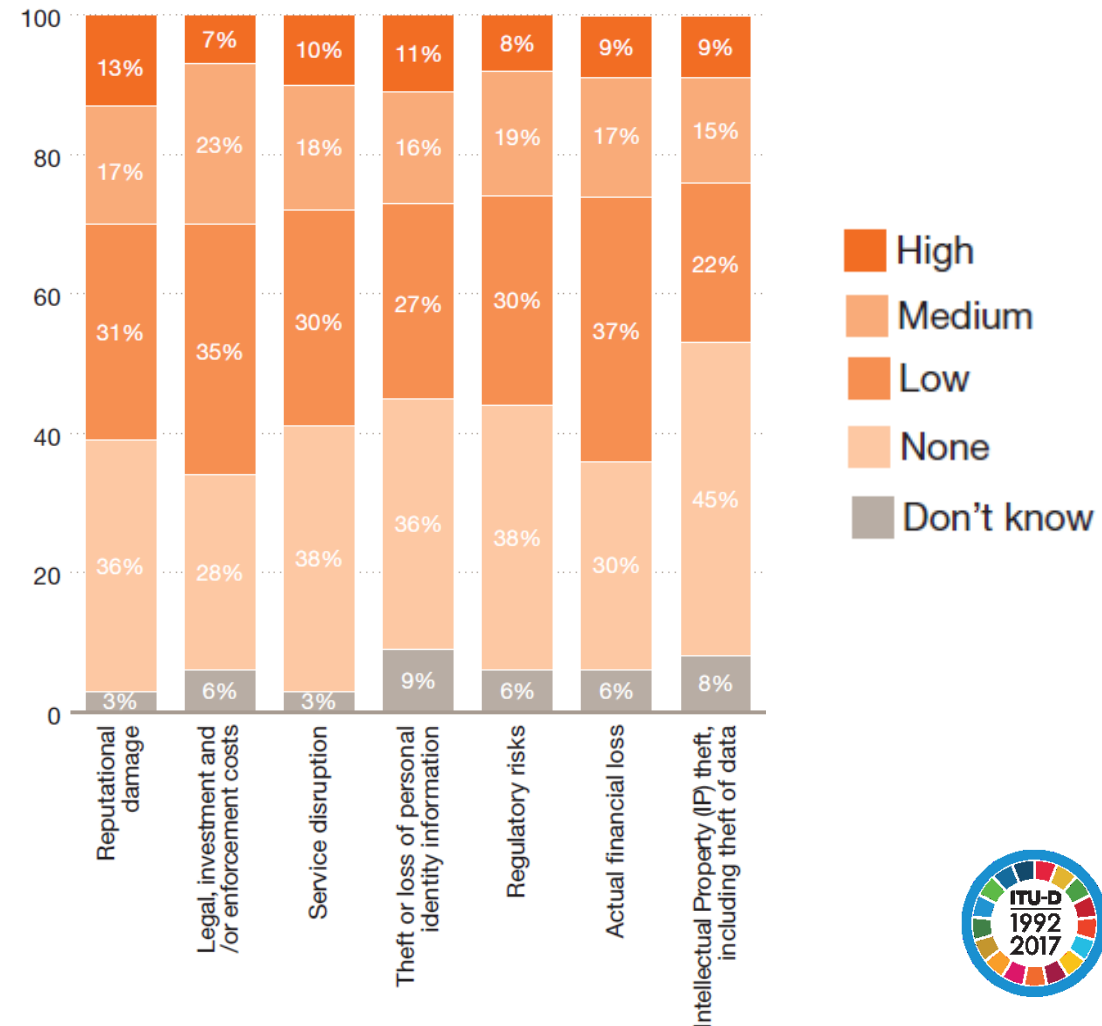
Q: Which industries are at risk for cybercrime?!

A: All industries are at risk

- Financial services still one of the most attacked sectors.

- Retail Sector is registering the most significant increase in cybercrime activity in 2015.

"PwC's Global State of Information Security Survey 2016"





FinTech Challenges

- Large number of new market entrants, some of them may not meet the security requirements
- Carefully design the new regulations to:
 - Minimize the gap between technology and regulations
 - Address the urgent need for consumer protection in relation to Cybersecurity
 - Reduce the amount of consumer data at risk during breaches
 - Minimize the damage when a breach is detected
- Machine learning will be the most powerful techniques that hackers will use to *attack* systems “cyberattacks”
- Financial Inclusion
- Integrations between traditional financial service providers and FinTech startups will generate more cyber vulnerabilities
- Blockchain-based services require more attention to Cybersecurity in the context of decentralized systems



Conclusion

- FinTech rise aided by increasing of customer demand, VC funding expansion, reduced barriers to entry, and technology evolution
- Customers are embracing new FinTech providers
- Traditional Financial Services Firms will adopt new strategies in order to innovate and modernize
- Financial institutions must take the advantage of mobile, cloud, social and other technical trends in order to reignite growth and build customer trust,
- Blockchain and Machine Learning are new and complex security challenges
- IT Security has a critical role in order to enable financial services firms to conduct business efficiently and securely
- Strong security and risk management programs are necessary to empower financial firms to innovate and compete with confidence



Thank You







References

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