The FinTech Evolution 2017

How will disruption and collaboration lead to revolution?
THE TEAM

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The FinLab was officially launched in November 2015 as Singapore’s first corporate FinTech accelerator – a notion conceived and made real by United Overseas Bank Limited (UOB) and SGInnovate Pte Ltd.

After months of intense preparation and equally hectic campaigns to promote what we do, we kicked-started our inaugural acceleration programme in May 2016 and launched Cycle 2 in May this year.

Our focus has consistently been on identifying, selecting and supporting strong teams with promising solutions looking to grow their businesses in Asia. We then avail the founders of these companies to a comprehensive mentor network, as well as access to business and venture capital networks through numerous events and networking sessions. Our mentors, 7 of whom are featured in this publication, bring a wealth of experience and insights to the conversation as well.

We have built a strong portfolio of 13 companies across diverse FinTech areas: 6 have been recognised in the Monetary Authority of Singapore (MAS) FinTech Awards (of which 3 are past winners), 2 in the Global Hackcelerator Programme at the Singapore FinTech Festival, and 5 have gone on to raise the next round of funds.

None of this would have been possible without the hard work and dedication of the respective founders and their teams. They are the reason for this magazine. We want to share their personal journey, the business building process and the amazing vision of the companies we have had the honour of working with in both cycles. In the ensuing pages, you will be introduced to Aimazing, Attores, Bondlinc, CardUp, Chynge, HelloGold, Nickel, PayKey, Quber, Tookitaki, TransFICC, Tuple Technologies, and Turnkey Lender.

Working tirelessly to support them is my fantastic team at The FinLab, comprising Pauline, Will, Jaime, and Guan Yang (who was with us for Cycle 1 in 2016), and not forgetting our faithful group of interns, who have all made a difference.

The FinLab team has also been actively engaging and contributing to the FinTech ecosystems locally and regionally, so we get to have our “finger on the pulse”. This network now spans Indonesia, Malaysia, Thailand, India, Hong Kong and China (Shenzhen), and will soon include Australia and Japan.

Since the successful conclusion of our Cycle 2 in August this year, we have been busy preparing for our next cycle in 2018. We are now looking at how we can better leverage our strengths on what we’ve built to deliver greater value and impact for the budding entrepreneurs and businesses here in Singapore, and eventually to the greater ASEAN arena.

As much as The FinLab encourages entrepreneurs to heed Mark Twain’s famous words and “throw away the bowlines, sail away from safe harbour, and catch the wind in their sails”, we are also there to assess winds constantly, and if the landscape has matured, we will support them in evolving along with it.

Stay tuned.
THE BIG PICTURE
For more than 80 years, UOB has grown and developed by remaining committed to understanding our customers and to anticipate their needs. We are constantly striving to understand their goals, their challenges and how we can serve them better.

The very values that underpin our approach as an institution - honour, enterprise, unity and commitment - guide our response to the digitalisation of the financial sector. We do not see FinTech as a disruptor to our business but as an opportunity to harness technology to improve the customer experience and to drive performance. The FinLab initiative embraces this ethos by creating a collaborative effort that serves three objectives:

Firstly, we empower start-ups, which are essentially small businesses. The acceleration programme leverages the time-tested strengths of the UOB Group - our comprehensive network and deep customer insights - to give them a boost. We promote them, showcase them, connect them, and welcome them into our ecosystem so they can bring their solutions to market faster. Sometimes there is hesitation on the part of the start-ups - they are smaller and worry about protecting their ideas - which is why our values are crucial. With The FinLab, we are genuinely interested in their welfare and in seeing them win business, raise funding, grow, succeed and become part of the extended UOB family. In all that we do, we seek to add value.

Secondly, we learn from them. We gain first-hand experience of the dynamic start-up space. As a bank, we are always innovating from within. But, we also understand that innovation cannot only be done internally - it needs to be collaborative and include outside partners. Innovating from inside must continue because we need that core engine to innovate, but if you choose only to innovate internally and not learn from others, you may also lose sight of trends and ideas that may lift our game and accelerate our time to market. We want to drive and to lead change rather than respond to it. We want to understand, to mentor and to experience working with the most promising minds. You not only learn by doing, you can also learn by observing. We benefit from exposure to a range of platforms, some experimental, and through insights from stakeholders of our broader ecosystem - be they venture capitalists, tech partners, corporations/institutions or research bodies and knowledge partners. This helps to strengthen the innovative culture within UOB, intensify the talent quotient, and prepare our teams for the future.

Finally, collaborating with FinTechs strengthens the broader ecosystem and enables The FinLab, supported by UOB and our joint venture partner SGInnovate, to drive change and contribute to growth of the start-up community. The solutions from FinTechs can be applied directly to improve the lives of UOB customers and the broader community. After two cycles of The FinLab, we have seen multiple delegations from around the world looking to learn about our journey, share their insights, to collaborate and to be a part of this community. The feedback has been positive and heartening.

Ultimately, FinTechs are stakeholders of the constantly changing financial ecosystem and will help to shape the future of finance. It may happen that some of the things that they do will compete with us but this will only spur us to innovate and to create better solutions that improve our customers’ lives and livelihoods. Thereby taking us back to our core value and priority - our CUSTOMERS, who stand to reap the benefits of the FinTech revolution.

Janet Young
Head of Group Channels and Digitalisation, UOB
FINTECH FUTURE
From its engagement with start-ups across verticals in Singapore, SGInnovate has seen technology continuously disrupting and improving many aspects of our lives, including financial services.

Innovation in the financial sector is crucial for Singapore, not just in the drive towards its Smart Nation programme, but to also solidify its reputation as one of the world’s leading financial hubs.

Bringing this experience and expertise together was one of the rationales behind our partnership with UOB to set up The FinLab – to establish Singapore’s first corporate FinTech accelerator that taps not only on UOB’s financial expertise and market access as a bank, but also SGInnovate’s understanding and reach in both the technology and investment aspects.

Leveraging this synergy as part of their key value propositions (Mentorship, Business & Venture Capital Networks), coupled with The FinLab’s decision to focus almost exclusively in the “Business-to-Business” space, it has attracted and selected promising, early-stage FinTech companies to their programme over the last two cycles.

Moving forward, SGInnovate over the next few years sees considerable development and/or adoption in the following areas – Artificial Intelligence, Blockchain, Cybersecurity, and Internet of Things – given that these technologies are becoming increasingly more robust and less costly.

Here’s why:

**Artificial Intelligence**

Artificial intelligence (AI) is transforming entire industries with its various distinct elements e.g. machine learning, robotics and natural language processing. Very often, AI is mentioned in the same sentence with a FinTech solution, with the capabilities to make sense of an immense amount of data which can help with things like risk assessments and management. The commitment to the development of AI in Singapore is particularly strong, as seen in the AI-Singapore initiative launched by the government recently.

**Blockchain**

Blockchain technology is being used or tested by many institutions and players in the trade and finance sector. By design, it is an irreversible record, so you can use that to record transactions and put it away, or use it to reconcile transactions and keep track of financial movements. We will have to see how the technology develops further.

**Cybersecurity**

The issue of cybersecurity has impacted industries across the globe, and continues to gain prominence in our lives, both as consumers and businesses. The increased number of connected devices and our increasingly digitally-embedded lives mean potentially higher security risks, threats and vulnerabilities. It is an area in which the world of trade and finance, as well as FinTech start-ups in particular have been keeping a close eye on.

**Internet Of Things (IoT)**

Connectivity, sensors, devices and analytics are creating incredible outcomes for industries, even financial services. Take the insurance industry, for example: sensors can tell the time spent driving a vehicle and how it is being driven. The availability of such data can disrupt the industry in terms of allowing for more personalised, and possibly more competitive auto insurance pricing. IoT applications will play a big role in the financial sector, such as smart banking, but will require all stakeholders involved in IoT deployment to work together in a synergistic manner.
FOOTPRINT
OVER 700 APPLICATIONS

3 MONTHS

13 FINTECH COMPANIES

OVER 40 COUNTRIES

THE FINLAB FOOTPRINT
Singapore has a highly developed financial system, underpinned by advance technology and is already moving rapidly towards a cashless nation but along a different path from China’s.
How far away are we from cashless kopitiams?

The precise timeframe is unclear. It has a lot to do with the actual context and situation where the cash is used. Using cashless payment to pay for your meal at a hawker centre is a challenge because the hawker is paying his suppliers using cash – so we need to solve this issue first. Good news is we are working on it. If you take another scenario, for example, management of condominium properties where conservancy fees are collected in cheques – here cashless is easier to adopt and offers an immediate benefit. For example, HiLife offers a solution for this already.

In terms of infrastructure, what more is needed for the region to go cashless?

Going cashless is ecosystem based, and across ASEAN. Currently, the infrastructure is not standardised so it is very hard to introduce something that doesn’t integrate into the entire fabric of how commerce happens across the community. This is why you can see different developments in different countries. You’ve got Singapore that has a high penetration of Near Field Communication (NFC) terminals, but if you go to Vietnam you are unlikely to find any NFC terminals. The reality is more to do with specific use cases and how you’re going to resolve the friction around each cashless use case on a granular level, taking each country’s cashless ecosystem one at a time. There are countries in the region that don’t have the terminal infrastructure and banking penetration rates are much lower: where mobile-based solutions will be used as a leapfrog strategy.

What can we learn from China?

China went down the path of using QR codes to push payments between buyers and sellers – this worked well given the size and scale of China and that there is no physical infrastructure involved. China also didn’t have the market proliferation of cards, contactless and online banking systems that we see in Singapore enabling Alipay and WeChat to sweep through many parts of the ecosystem in one go. This is not going to happen in Singapore. On the surface you may not see people using their phones to make payments on the street like they do in China but if you look deeper, Singapore has a highly developed financial system, underpinned by advanced technology and is already moving rapidly towards a cashless nation – but along a different path from China’s.

Why is there so much buzz around cashless payments? Is it all just hype?

There’s a large volume of data suggesting that even taking early steps towards cashless can add 0.5% to 1% of GDP to an economy. Why? There are a lot of steps and time needed to process cash-based transactions – you must count, account for, deposit and withdraw cash – all these take time and resources, not to mention the costs of printing and moving money from point A to B. Here there are real efficiencies in cashless. Of course, that doesn’t mean every cashless initiative is needed or is going to succeed – in each case you need to look at the efficiencies and the value-add of new technology.

What is the role of FinTech companies in helping to move towards the cashless revolution?

The real advantage of FinTech start-ups is their ability to specialise and to explore technologies on a granular level. A lot of FinTech and cashless advances are going to be made incrementally from a very small scale. That’s where I see the greatest value and opportunity today – not so much the everyday activities such as E-wallets and cash transfers but in specialised solutions. For example, I’ve been mentoring Paykey – a portfolio company of The FinLab that integrates a key on your mobile keyboard that allows you to make transactions with one touch. As it is integrated with the keyboard it doesn’t matter what platform you are using - Whatsapp, Facebook, WeChat - the innovation is at a deeper level. This isn’t a space many others have looked at and this is the value of FinTech start-ups.
We have built a solution to let consumer-facing businesses provide a “frictionless” payment experience to their customers, similar to the “tap and pay” experience using NFC. Best of all, this can be run and supported on ALL smartphones.

The youthful trio behind Aimazing stand out from financial industry veterans and IT professionals who dominate today’s FinTech start-up scene. But they aren’t novices; founder and CEO Jun Ting launched his first start-up when he was a 15-year-old student in Johor Bahru, Malaysia.

Besides him, Aimazing is also led by COO Yar Hong Chiong and CTO Kong Yi Kai, both young men so devoted to the start-up that they put their university education on hold to focus on this business. “To me, dropping out from school is a show of commitment, that we believe in what we’re doing and we’re not taking this lightly. We plan to succeed,” says Hong Chiong.
The importance of a pivot

The company began as a mobile wallet application targeted at university students. However, a glut of competing e-wallet systems forced Aimazing to review its value proposition and business direction.

In 2016, Jun Ting was faced with every founder’s dilemma: cut his losses or pivot. “I had only two solutions: raise more funds to sustain the business or pivot the product.” That same year, Hong Chiong joined Aimazing as an intern during his summer break. A physics major at NTU, he suggested focusing on the Business-to-Business (B2B) space instead of the Business-to-Consumer (B2C) space where it faced stiff competition.

The small team then looked closely at the entire mobile payment ecosystem and saw a clear gap in applying Near Field Communication (NFC) in emerging markets. This is the technology that enables credit cards and phones to make wireless, contactless transactions, and it typically relies on dedicated chips and readers – which can be expensive. Current NFC mobile payments are dominated by Apple Pay and Android Pay (only on higher end smartphones), thereby excluding most consumers in lesser developed parts of ASEAN (SEA).

This then became an offering that businesses with large networks of outlets across wide geographies can use to address the issue of accepting and receiving secured cashless payments from their customer base.

A sound solution

Aimazing’s breakthrough was developing a sound-based technology using ultrasonic waves to transmit payment details. This means payments can be made securely between any two devices with a speaker and microphone. “We want mobile payments to be experienced by everyone who owns a smartphone,” said Jun Ting.

A payment solution for every smartphone user and a potentially transformative technology for the under-banked populations in SEA, Aimazing’s solution is a Software Development Kit (SDK) designed to be easily integrated into existing applications and systems.

By integrating the SDK, mobile wallets will be able to transact using the proprietary soundwave data communication technology. From a consumer-facing E-wallet, Aimazing pivoted to a much more specialized B2B solution – an innovation they believe will empower future E-wallets and payment systems.

“We have built a solution to let consumer-facing businesses provide a “frictionless” payment experience to their customers, similar to the “tap and pay” experience using NFC. Best of all, this can be run and supported on ALL smartphones,” said Hong Chiong.

Too young for FinTech?

Start-ups are bound to face some roadblocks along their path to success, and Aimazing has had more than their fair share. “People are always telling us how young we are, questioning our abilities, some even said they can’t trust us as we don’t have enough experience. That’s something we’re working on, building credibility in a space dominated by financial industry insiders and veterans,” says Jun Ting. He often motivates himself with Elon Musk’s example - he wasn’t from the car industry either and has built the largest electric car company to date.
Accelerating experience with The FinLab

In a move to deepen and accelerate their networks in the FinTech industry, Aimazing joined Cycle 2 of The FinLab’s acceleration programme. The decision proved enormously valuable for the company as it provided more credibility and a wealth of experiential learning and useful connections for the young team.

“For us, the two key benefits that The FinLab has given us are the mentorship and the commitment to continually help and guide us even though we have completed the programme.

We had many good mentors who are willing to guide us, and are extremely grateful for the insights received on how businesses architect their payments infrastructure - they basically bridged the knowledge gap for us. Furthermore, The FinLab continually brings us into conversations with organisations and individuals they believe can help our business grow – this is invaluable.”

Advantage over other start-ups

The team leverages on their youth. They are confident, daring to explore creative ideas and unfazed by existing conventions. Being new to the industry has allowed them to be more disruptive in thinking, with lighter baggage of past experiences.

“Contactless mobile payment using sound? No one else really considered it - sometimes we see things established players don’t and we are curious and bold enough to ask stupid questions, and to continually experiment so we learn and grow along the way,” says Jun Ting.

Upcoming plans

Operating in Singapore and Taiwan, the company is preparing their expansion to Indonesia, and is in talks with an Indonesian partner looking to connect Aimazing’s technology to its network of over a million touchpoints. Aimazing is currently on the lookout for strategic investors and partners to help them penetrate and grow into the large emerging markets across Asia.

Founded in 2015 by

Jun Ting
CEO/Founder

Yar Hong Chiong
COO/Co-Founder

Kong Yi Kai
CTO/Co-Founder

Regions/Markets company currently in Singapore, Taiwan, Indonesia

Funding Stage: Raising Seed

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START-UP

MOBILE TRANSACTIONS USING SOUNDWAVES

SIMPLE
A Tap and Pay experience using only your device’s speaker and microphone

SECURE
Creates one-time soundwaves token using industry standard encryption + soundwave generation algorithm

ACCESSIBLE
No platform dependency. Aimazing can be used on any device

FOR

ATMS
MOBILE POINT OF SALE
IN-STORE KIOSKS

OVER 95% of smartphone models do not have the NFC chip required for CONTACTLESS TRANSACTIONS dependency.
Blockchain can make data more secure, in financial services and beyond. This understanding is the motivation behind Attores. Founded in 2015 by experienced Bitcoin broker, CEO David Moskowitz, and CTO Gaurang Torvekar, Attores specialises in enabling secure and efficient sharing of data in the form of documents. Their solution involves the issuance of digital certificates, which authenticate users through blockchain technology and provide smart contracts through the open-source blockchain platform, Ethereum. It has been nominated for the Monetary Authority of Singapore’s (MAS) FinTech Awards 2017.
Digitising education certificates

When a document is issued off the blockchain, it prevents fraud as it cannot be duplicated or tampered with; any attempt to alter it will be immediately flagged out. With this key feature, the cost of verification will be reduced.

Attores is looking to implement its services through partnerships with educational institutions, starting with Ngee Ann Polytechnic, where they are piloting a programme to issue educational certificates via the blockchain - the first of its kind in the region. This can be replicated to the other polytechnics so that it will include the rest of the educational certificates issued for the millions of students who are still receiving paper certificates. Over time, this solution can be adopted by private and public sectors and across the region.

While they foresee challenges - Moskowitz highlights, “Institutions are often not receptive of new technologies; particularly when you are looking to introduce a brand new way of doing things to an established structure”- they also see a changing landscape. The setup of Pollinate, a joint-polytechnic Incubator; the PolyFinTech 100 initiative where more than 100 mentors comprising FinTech founders and industry leaders provide mentorship to students seeking a career in FinTech; and the establishment of Ngee Ann Polytechnic’s Sandbox programme are all steps taken by Institutes of Higher Learning (IHLs) to provide avenue for their students and institution to innovate, develop and learn in a risk-free space.

Maximising potential by democratising control

An open collaboration is paramount for Attores’ solution to succeed. “One of the trickiest issues related to the blockchain is ownership; whereby control by any one party will essentially compromise the benefit provided by the technology,” say Moskowitz and Torvekar. As such, to effectively implement blockchain in their operations, they would need to be open in sharing the blockchain code among multiple parties.

One of the trickiest issues related to the blockchain is ownership; whereby control by any one party will essentially compromise the benefit provided by the technology.
In the tech industry we need to enable our talents to build and showcase their portfolios as we do in the open source community.

An avid open source activist and commentator, Harish sheds lights on the tech talent dearth debate and tells us how industries can nurture and hire talent better.
To say across the board there is a dearth of tech talent is not fair. Tech talent means different things to different people depending on the skill sets they are looking for. Some skills may be harder to come by than others.

If you are looking for people to manage your systems – also tech talent – that is not hard. But if you are specifically looking for someone in blockchain or cryptography, then that is a little bit narrower and harder to come by.

Still, I feel a lot of what is needed in FinTech doesn’t necessarily have to do with tech skills, but more to do with thinking about the big picture problem, knowing how to run the business and trying to figure out how to apply existing technologies.

Up till the ‘80s, engineering was the thing to be in. Then it suddenly fell out of favour and became the last choice in a student’s choice of subjects. Soon, Singapore no longer had talented and passionate individuals pursuing engineering. Fortunately, this is now being addressed.

I currently see a lot of enthusiasm behind technology training in the universities, and one such manifestation is hackathons. It provides a very good learning opportunity as students explore a different way of learning and then apply what they have learnt almost immediately.

Having said all that, I feel you cannot always wait for schools to inculcate the importance of engineering or learning. As people within the industry, we must take it upon ourselves and seek to fix this. We should go to the schools and engage with the students through events and do whatever it takes to get them to try things and experiment with stuff. As an employer, what is most important to me is that you get the job done.

What UOB is doing for FinTech with The FinLab is the right thing to do. I was very glad to see it happen because FinTech companies are pushing the boundaries of banking and finance, and for a bank to take such an initiative to work with these companies is not easy. You see, if you do not do something disruptive like this, somebody will eventually do it to you... so you might as well do it to yourself.

We need to have the industry look and see what else can be done because they have a sharp focus on profits and are clear in identifying the skills needed to generate solutions for the customers to achieve better outcomes. Innovation labs for staff are also a good initiative to allow talent within organisations to break out of their daily roles and work on bigger problems functioning as start-ups within corporates. Embracing the open-source world enables better hiring – what I mean here is that code already written can be shared and improved upon openly. If I am going to hire a developer, where do I hire the developer from? Do I have to do interviews? Run tests? And if I ask, “Show me what you have done?” the talent will end up replying, “I built the following things but the code belongs to my employer, so I have nothing to show you.” Then this is a problem.

No. It is called the magic of large numbers. When you have lots of trials, some will succeed phenomenally. If you only have a few, you are depending on those few to succeed. So the more the merrier, because 90% will fail. Do you want to have 1000 and 90% fail which means you have 100 succeeding? Or do you want to have 10 and 90% fail, leaving you with only one success story?

Is the dearth of tech talent fact or fiction?

How can we ensure ample technical talent?

What more can industry do to nurture and hire tech talent?

Can you have too many start-ups?
BUILDING A BOND TRADING PLATFORM

If you try to buy bonds right now, you will have no help apart from calling your private banker.

As a retail investor, if you ever considered buying bonds, you would have quickly discovered that the trading of this asset class is not accessible to most beyond the very wealthy. For former bond trader EK Ong, this was an obvious gap in the market that he saw as a growing opportunity when more retail investors started looking to switch from equities to bonds.

Together with banking technologist veteran, Vincent Caldeira, they set up Bondlinc in January 2017. “We enable clients to trade bonds electronically in the retail bond space,” sums up EK Ong.
Complementary skills

EK understands the difficulties of bond trading, and he also understands the value that a technologically proficient and robust platform can bring to Financial Institutions (FIs) in the bond-trading space. With more than 10 years of experience in that area, he approached Vincent, then a Managing Director of Technology at a private bank, who himself had more than 15 years experience in IT banking. Vincent had implemented trading systems for nearly every single asset class except bonds. Coupled with EK’s deep expertise in bonds trading, they saw a partnership that could bring their complementary experiences together to create a strong solution. And so Bondlinc was born.

Compliance and creation

Banks, by their very nature, are not traditionally conducive to innovation, explains Vincent. “For every person you have within the bank looking to build a new solution, you will have ten times as many people whose job is to think of ways it can go wrong.”

On the other hand, Vincent also clearly understands the logic that drives the conservative attitudes with which banks approach innovation. Even as the bank innovates, their commitment to keeping customers safe will ensure a compliance level that leaves little room to allow for experimentation or testing. This is why accelerator programmes like The FinLab are crucial as they bring together the expertise of an established player like UOB, yet are agile and able to support start-ups as they build innovative solutions.

The start-up proposition

“I don’t think FIs anywhere in the world have a real interest in seeing the market adopt multiple platforms or solution providers - the preference will be to identify standard, affordable solutions to some of their technology needs,” Vincent Caldeira asserts as he points out the benefit that start-ups bring to FIs. There are also cost savings to be gained if external parties focus on innovation, and the institution focuses on validation. This can be used to justify engaging a FinTech start-up instead of spending millions of dollars to develop a solution, which will detract from their core services.
Room to fail

Since Bondlinc, the two men have days that are markedly different from their previous roles. As entrepreneurs, they are “allowed to fail, and try again” explains Vincent Caldeira, “and this is crucial for innovation.”

A white-label future

Building Bondlinc, the founders are keen to keep their solution white-labelled – so that FIs using their solution are able to put their own branding instead. The alternative, they say, is too time-consuming and frankly, impractical.

From the customer’s perspective, they do not really want multiple accounts on multiple platforms, just better digital services that they receive on one convenient channel. Bondlinc already offers this for banks’ customers through their “platform-as-a-service” on a white-label basis. Furthermore, this also enables Bondlinc’s solution to be deployed faster and safer within their existing financial infrastructure. “If you want to be a game-changer, you must work together with a bank,” concludes EK.
BOND TRADING: CURRENT MODEL & PROBLEMS

- Lack of transparency
- Sole reliance on RM
- Inconsistent order placement
- Expensive terminals

THE SOLUTION

A PRIVATE BANK BOND ECOSYSTEM

- Automated bond sales
- White-label service for private banks

THE BENEFITS

- Transparency
- Easy execution
- Increased confidence
- Market liquidity
- Accessibility
- Real-time notifications
- Indicative pricing
Providing access to credit and rewards for big payments

CardUp was founded at the end of 2015 with the intent to provide a win-win solution for the entire ecosystem of payments. From her decade of experience in credit card payments, founder Nicki Ramsay saw pain points that affected both businesses and individuals alike. In a landscape saturated with countless cards, and competition jostling for a limited consumer base, Nicki felt the biggest problem hindering the growth of credit card usage was the fact that majority of big recurring payments could not be put on cards. She saw that therein lies the opportunity to unlock new areas for credit card payments.
“I realised that much more could be leveraged from routine large payments such as rental payments or school fees, or supplier payments and payroll in the business space,” shares Nicki. “We help both individuals and businesses maximise the benefits of their credit cards by enabling their cards to be used for payments that are historically made by cheques or bank transfers. In doing so, they access credit, gain extended payment terms and earn rewards and rebates from their card issuers.”

The FinLab and the big players

With a sizeable consumer base, Nicki credits the company’s success to strong relationships with partners keen on collaboration. “The FinLab got us onto the radar of regulators and investors in the market, and importantly, opened the door for collaboration with UOB,” she says.

“In our case, the lesson of working with bigger players,” she shares, “has been to focus on the value proposition of your start-up’s services.” CardUp, a Singapore FinTech Festival 2016 Global Hackcelerator finalist, focuses on building a mutually beneficial relationship between consumers and Financial Institutions.

Cards for cash flow

CardUp’s solution has been applauded by businesses for its ability to improve cash flow management by allowing them to tap into existing credit limits on their cards. The company is adding further features on its platform to help SMEs with their financial needs and use credit cards as a medium to gain instant access to interest-free credit, given that using corporate credit cards to pay is an efficient way to get an additional 60 days of payment terms on business payables.

“We are here to enable customers to make single or recurring payments online using one or more credit cards, in places where credit cards could not be used historically.”

Future expansion

The fast-growing start-up aims to broaden its range of solutions and be the leading financial player in payments. It has its sights on the Business-to-Business (B2B) frontier, where CardUp is establishing itself as a thought leader in cash-flow management and financing for SMEs. With CardUp’s team growing steadily, backed by a core team of payment industry veterans and global investors, plans are in place to roll out even more deals for their consumer base. Starting from November 2017, CardUp has tied up with UOB to offer UOB card members additional card benefits.

I realised that much more could be leveraged from routine large payments such as rental payments or school fees, or supplier payments and payroll in the business space.
The region has huge unmet needs in financial services and this presents substantial opportunities for FinTech solutions to be used.

As Group Head of Business Banking, Lawrence is responsible for the small business customers that bank with UOB in Singapore and the region. With his wide insights into the modus operandi of small businesses, Lawrence is familiar with what makes them tick. He shares why ASEAN is well positioned to benefit from the FinTech revolution and how UOB, as Small and Medium Enterprise (SME) Bank of the Year for 2016 & 2017 continuously, is well positioned to support the SMEs, which are the backbone of economies in Asia.
ASEAN societies have always been strongly entrepreneurial. Now private and public sectors are coming together more than ever to foster innovation, and to create conducive business environments to attract talent. Most of all, the region has huge unmet needs in financial services, and this presents substantial opportunities for FinTech solutions to be used.

In a recent SME survey conducted by UOB, business customers are more likely to rely on their trusted primary banker to recommend related services such as accounting, payroll and e-invoicing to improve business productivity. This is an area where I see collaboration working well - where FinTech companies such as Xero can partner with us to reach more SMEs, and we provide added value by offering such solutions through a single, integrated platform. To further support the whole SME ecosystem, UOB recently signed a regional partnership with SAP to provide these services overseas.

With the lines between banks and other ecosystem partners blurring, governments in the region, while engaging SMEs, work alongside Financial Institutions and FinTech companies to understand the rapidly evolving business landscape, and together seek a direction that best suits the country, and help them to stay ahead. The creation of workgroups and sandboxes we see in recent times will facilitate this cross-sector and multi-party collaboration.

It is already happening. The last two years have seen the regulators in ASEAN countries looking to leverage FinTech to improve the lives of their citizens - from financial inclusion to improving efficiency through digitisation. Regional countries each have their own sandboxes, focus areas, and FinTech associations that actively engage their local ecosystem.

Indonesia is offering government scholarships to their local start-ups to foster and incubate more ideas to fruition. The updated regulation by Otoritas Jasa Keuangan (OJK) on Peer-to-Peer financing is meant to protect consumers and enable FinTech companies to exist in the P2P space as well.

In May, the Securities Commission Malaysia introduced the Digital Investment Management framework, setting out licensing and conduct requirements for the offering of automated discretionary portfolio management services to investors. Better known as Robo-Advisory, this framework will enable access to a suite of digital wealth management products. Malaysian Digital Economy Corporation (MDEC), the lead agency in driving the digital economy in Malaysia, has identified FinTech as one of its core focus areas.

It is definitely not easy - of the tens of thousands of FinTech companies formed in the last 10 years, there are less than 10 unicorns from China and even fewer from ASEAN.

How have they succeeded where others have failed?

To me, you must first have a strong and defensible business proposition that addresses the key pain points of your target market (which must be large for starters). Then you need to have a clear strategy on how to deliver this quickly and consistently, and a strong team to make sure this happens.

When you do these well, your business will grow. And VCs will want to fund and help scale your business. Whether your business becomes a unicorn or not should be secondary. In my opinion, this should just be a natural progression, a by-product of all the right decisions and actions taken.
No matter how much money you have in your wallet, so long as you have some, you have the ability to choose the financial products and services you want.

HelloGold provides a platform to easily invest in gold, diversifying savings and offering access to simple financial products beyond cash. The Malaysia-based start-up was founded by ex-CFO of the World Gold Council, Robin Lee, who is determined to provide consumers with a smarter decision to buy gold through his team in lieu of merchants and banks.
Gold savings – not just for the rich

During his time as Chief Financial Officer of the World Gold Council and principal accounting officer of SPDR Gold Trust, one of the world’s leading exchange-traded funds, Robin witnessed how gold was used for financing and wealth preservation by the rich.

Quitting his job for HelloGold in 2015, Robin is looking to help people invest in assets and obtain affordable loans using gold as a form of collateral, and to transfer wealth between accounts. The young FinTech firm understands that whichever part of the world you are from, gold is a tangible, first-class asset that can hold its value when the economy gets a cold. This way, HelloGold aims to solve financial inclusion issues via a blockchain platform managed by a team, comprising experts from the gold industry, financial services and technology.

“We want to remove that problem from the equation so that no matter how much money you have in your wallet, so long as you have some, you have the ability to decide what financial products and services you want,” he sums up.

Moving on from middlemen

Traditionally, managing gold can be a tedious, inefficient and costly process. Currently, someone needs to value the gold alongside paying further costs to store the gold for security.

HelloGold wants to cut out these middlemen by giving customers custody of their assets, particularly by allowing them to instantly sell gold via a hybrid virtual marketplace where people can buy with as little as 1 Malaysian Ringgit (US$0.24). “We can remove a lot of the inefficiencies along the way and reduce the costs involved, passing these savings to the client.”

Stabilising the crypto-community

Robin firmly believes that tokens will be the future of financing: allowing people the ability to trade virtually with a global outreach whilst simultaneously avoiding costly charges. However, much of the current offerings consist of volatile tokens such as Bitcoin, Ethers and Litecoin. By basing its core businesses on gold, HelloGold offers customers a more stable coin by using real assets, which Robin considers can help foster more stability in an unpredictable crypto-currency environment.
Eyes on expansion

Off the back of being the world’s first Shariah-compliant gold digital application and raising more than US$5million through a recent ICO, HelloGold aims to expand to Thailand and China in 2018, with sights on moving in to the Indonesian, Indochina and African markets over the next few years.

“We have plans to include silver, platinum, wheat, oil – in short, real assets that people need for their day-to-day lives so when bad things happen they have these assets to monetise.” HelloGold plans to start dealing with these other real assets in the next 3-5 years.

HelloGold recently launched its initial gifting feature which “allows our customers to send and receive gold from other HelloGold customers, instantly and at no cost,” says Robin. They will be looking to build on this to allow HelloGold customers to send gold to non-HelloGold customers (who will have to be onboarded as HelloGold customers to receive value) in the future. Other plans include launching a Shariah-compliant lending product with a partner to borrow against the value of their gold, in Q1 next year.
START-UP

SIGN UP
create your HelloGold account

TOP UP YOUR ACCOUNT
with a cash transfer order

BUY GOLD
set your investment amount from RM1

SELL GOLD
submit a sale order to instantly sell your gold

SECURE STORAGE
Gold is instantly vaulted and insured in Singapore

HOME DELIVERY
Have your gold delivered directly to your home

TRACK STATS
Check gold prices, and see how much gold is being held by HelloGold

WITHDRAW MONEY
directly from the app to your bank account
Founded in 2014 by experienced customer analytics specialist Joe Tusin, Chynge aims to make money transfers more secure for Financial Institutions (FIs) and money changers via Artificial Intelligence (AI). The start-up is looking to work with regulators across the Asia Pacific to curb the risk of unauthorised transactions and to support anti-money laundering efforts. By using their technology, Chynge can monitor and flag potential compliance issues at early stage, so that pre-emptive actions can be taken.

"If I have sufficient information about you, I will start to see patterns - how you send money, invest, and borrow money."
Starting out as a Peer-to-Peer (P2P) money changing app, Chynge's focus expanded when Joe and his team sought to tackle a larger problem: to make currency exchanges more efficient (especially for remittances) without circumventing regulations designed to protect customers’ money from being laundered via opaque transnational money transfers.

“In the money and healthcare business, transactions are highly regulated because lives are at stake”, said Joe. “This fact motivates us to work on enhancing compliance around money exchange and transfers, collaborating with regulators to improve the integrity of transactions among respective markets.”

Based on AI and machine learning, Chynge has built up expert systems to help banks and individual customers stay ahead of money launderers, who are all too familiar with how to evade contemporary regulatory checks.

**Embrace regulation**

Chynge’s solution, when deployed to FIs and money transfer agents, is able to perform automated compliance checks on customer’s data, as well as to monitor daily/monthly transaction limits.

“Today, there are fees and there are Foreign Exchange (FX) rates. I believe fees will go down to zero and people will begin to just rely on FX rates”, explained Joe. “When that happens, it will no longer be about the transactions or the volume; it is then about data, information and knowledge”. In this day and age, Knowing-Your-Customer is crucial for every FI and agent, given intensifying regulatory requirements. “If I have sufficient information about you, I will start to see patterns - how you send money, how you invest, and how you borrow money. Every piece of information about your profile helps the FI and agent to better manage your transactions.”

**Human element is still key**

Despite industry assertions that FinTech will be replacing people with technology, Tusin believes a more prudent approach is to consider the roles humans can play as technology enhances the processes.

Chynge seeks to optimise human capital in FIs. One approach is to provide compliance officers with tools that can make them more efficient and effective in monitoring fraudulent money transfer crimes. In this way, Chynge allows compliance officers to focus on real, complex issues. “The idea is not to replace compliance officers; it is to make them more effective,” said Joe. Regarding the role of humans in cross-border money transfers, Tusin noted that, “there will always be a human dimension to it because we are still dealing with human conduct, or rather, misconduct.”

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**It’s all about collecting actionable data**

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**Built in 2015 by**

**Joe Tusin**
CEO/Founder

**Regions/Markets company**
currently in **Singapore, Hong Kong, Brunei**

**Funding Stage**: **Raising Seed**

chynge.com
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chynge
BIG DATA IS CALLING

Today we are giving up our privacy in exchange for free services on the internet.

Mock Pak Lum,
Former Chief Business Development Officer of StarHub

With over 30 years in the IT and technology sector, Mock has closely followed the birth and rise of big data and sees an opportunity for telecommunication companies (Telcos) to be part of the movement. Here, he talks to us about finding the balance between leveraging data for improved consumer experience and ensuring adequate privacy.
Can big data be a bane instead of a boon?

Despite growing concerns over privacy and misuse of data, I still see that the big data revolution will be overall beneficial to mankind, as we are seeing advances in data analytics in a variety of areas: optimisation of processes, transport systems and healthcare. I think we’d still be much better off if we had access to big data.

Is too much privacy possible?

This is about finding a balance. I am amazed at the kind of private information we readily surrender on the internet. Today, when I receive an email, the email reply already suggests standard replies like “Okay, I’m interested” or “I’m not interested”. This means that email providers are already analysing the content of the mail. Then what kind of privacy are you talking about? On the other hand, telcos in Singapore cannot access the content of the SMS or the voice conversations between our customers. So, yes, I think privacy is important, but we must also realise that we are already giving up a lot of our own data and privacy. This has become the cost for free services like Wi-Fi.

Are more businesses understanding what to do with big data?

Slowly but surely. Big businesses, such as banks and telco companies (Telcos), have been collecting and analysing data for years. I’m starting to see SMEs embarking on this recently. Another thing to note is that having data from a single organisation may not be enough. Instead, having an amalgamation of data across different industries can create much more insights. One of the barriers to this amalgamation is the need to obtain consent from individuals to use data, especially if you want to use data across different organisations. If we want to aggregate and analyse the data between a bank, telco or transport company, then the organisation’s customers must all say “I consent”. Due to restrictions from the Personal Data Protection Act (PDPA), it is a challenge to get all this amalgamation of data and that is what’s holding the industry back.

So much of data passes through our phones, how can this be better used?

Telco data itself is very rich. What’s missing from it is transaction data, i.e. the payments made by the customer. For example, when a consumer buys from an online shop such as NTUC FairPrice, we don’t know what is bought. I think this is where partnerships between telco firms and retailers and banks can actually fulfil the potential of data analytics and give us more insights about the individuals, and bring about a clearer understanding of the consumer so we can offer better solutions.

And FinTech start-ups can bridge these partnerships?

Partnering with start-ups is key to fully unleash new ideas that improve our lives. Many issues can be solved through a combination of the inherent domain expertise of a corporation and the disruptive and fresh approach a start-up takes. Imagine if IBM had not built the PC under a separate entity, IBM would not have dominated the PC market in the early days. It is inevitable that large organisations will have to find some ways, possibly through an incubator or accelerator, to engage start-ups. This is why I am impressed by UOB and The FinLab because there is support throughout the organisation – The FinLab’s mentors are either heads of different banking functions in UOB, or experts from the ecosystem or the industry. And I think this mentorship goes a long way in grooming start-ups that will be successful.
Founded in 2014, the Tel Aviv-based firm is the first to bridge the gap between banking and social network interactions. PayKey is a first-of-its-kind secured banking keyboard app that enables participating bank customers to access financial services, including sending and receiving money, within any social network. The app leverages on existing networks to create a simple, yet intuitive, banking experience.

We provide a second-to-none mobile banking experience for customers, and let them stay in the context of a social conversation.
This way, PayKey’s users can enjoy the security of their trusted bank within their favourite social network applications, making everyday banking easier and more efficient than before. PayKey is a Global Hackcelerator Finalist in the Singapore FinTech Festival this year, only one of twenty selected from hundreds of global applications.

Making banking social

Describing itself as a social banking solution, one of PayKey’s core offerings is its patent-pending Mobile Banking Keyboard, a specialised keyboard which seamlessly integrates with any mobile banking application, enabling users to initiate the use of financial services directly from their social messaging apps.

The Mobile Banking Keyboard’s uses include making Peer-to-Peer (P2P) payments, requesting payments, checking bank balances and even making cardless cash withdrawals – all without the need to open a separate mobile banking app. All the while, security is maintained by retaining bank authentication methods.

“Instead of the user needing to leave their messaging apps to do banking, Paykey enables users to conduct transactions on the messaging platform they spend most of their time on,” says Guy Talmi, Chief Marketing Officer (CMO). “We provide a second-to-none mobile banking experience for customers which lets them stay in the context of a social conversation.”

Best of both worlds

The idea for PayKey was conceived when the founders were working in a bank accelerator in Tel Aviv. While scanning the local FinTech space, they witnessed a host of start-ups aiming to disrupt the finance ecosystem by competing with large established institutions such as banks. Rather than challenging these institutions, PayKey decided to cooperate with these banks to create and provide their customers the best user experience.

For Guy, while social media giants are capturing more real estate in terms of helping millennials organise their daily activities, those same millennials still trust their banks for banking transactions. By working in tandem with banks, PayKey is able to offer their customers an easier mobile banking experience without them compromising their banking security because they have used a standalone, third-party app.
While ecosystems such as telecommunications are continuously being disrupted by new start-ups every day, Guy sees the FinTech space – especially in terms of customer demand – to be unique from other services due to the need for security when handling money.

As such, he says that banks have a central role in developing FinTech, but start-ups can support by modernising the banking experience. “Banks will still be dominant in leading the FinTech space, but looking forward, we need to help them close the gap in terms of user experience requirements;” says Guy. “We will see more corporates competing on better delivery of services, through the adoption of technology.”

**Putting banks at the FinTech forefront**

Regions/Markets company currently in Australia, Norway, Israel, Turkey, Colombia, and Singapore

Funding Stage: Closed Series B

Founded in **2014** by

Mr Daniel Peled  
CEO/Co-Founder

Offer Markovich  
CTQ/Co-Founder

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anna@paykey.com

getPayKey  
company/10358153/

getPayKey
SOCIAL PAYMENTS SOLUTION

Everyday Banking becomes Simple and Frictionless with

PayKey

INTUITIVE • CONTEXTUAL • SIMPLE

1. Tap Banking Button
2. Select Option
3. Enter Amount
4. Authenticate
5. Payment Done

SEAMLESS
Users access financial services from within any app, including all social and messaging apps

SECURE
All actions are performed within the security of their trusted bank

APP NEUTRAL
No need to onboard a dedicated app - one banking button supports all apps!

BENEFITS
- Instantaneous and Contextual.
- One Payment Button.
- Intuitive and Quick.
In emerging markets, the onshore banks can offer better rates than the global banks due to their large retail deposit base, but they don’t have the connections to the corporates.

Nickel’s Foreign Exchange (FX) trading platform, NiX, is Asia’s first FX exchange on the Blockchain. It is a trade-driven, fully regulatory compliant marketplace for corporates and onshore banks to access liquidity and price discovery at the institutional level.
In 2015, former investment banker Liam Julien Lin was volunteering in the Philippines to assist in the reconstruction effort for the Bohol earthquake. Through the rebuilding effort, Liam observed that one of the main constraints to relief work was the difficulty in fundraising the work from overseas. “I realised there was only one payment option, and its fees took a large portion of the funds, so I knew there had to be a better way,” said Liam.

He returned to Singapore after and began to research the problem of cross-border payments, realising that moving money to hometowns and villages was a major problem for migrant workers in Singapore. He devised a bitcoin-based solution to the problem but found there simply wasn’t enough liquidity in cryptocurrencies to solve the problems. At this point, Liam realised he had to tap into a more reliable liquidity source — the banks. What better way to offer interbank rates at high volumes than at an institutional wholesale marketplace that trades currencies on a self-sustaining basis.

A widespread problem

The problems with cross-border payments went beyond migrant workers; it affected small businesses and even major corporations worldwide. Nickel is now focused on solving the problem at the highest level — Institutional FX trading.

In Asia, a corporate would typically have to meet numerous requirements to trade currencies. In addition, the trading process may be inefficient due to a lack of options in liquidity providers. This is usually dominated by a handful of global banks, despite their limited presence in the region.

The solution

In emerging markets, the local banks can offer better rates than the global banks due to their large retail deposit base, but they don’t have the connections to the corporates. To solve this, NiX provides a bridge that links the corporates and local banks to facilitate liquidity and price discovery.

NiX uses the blockchain as a digital trade ledger to aid in streamlining the confirmation and settlement process, and reduces operational errors and fraud. Self-executing smart contracts can be deployed in the future to provide automated post-trade processes such as collateral management, options exercise, and the fixing of cross-currency swaps.

The FinLab’s role

“Our ultimate goal is to become the infrastructure for FX-driven activities in emerging markets. By providing APIs for both Business-to-Business and Business-to-Consumer businesses to access the exchange, we can power everything from consumer remittances to larger-scale SME cross-border payments” said Liam.

Through The FinLab, Nickel had extensive help and support from UOB in approaching the regulators in Asia and access to expertise through UOB’s mentorship network.

Founded in 2015 by

Liam Julien Lin
CEO/Co-Founder

Regions/Markets company currently in Indonesia

Funding Stage: Raising Seed

www.nickel.to
hello@nickel.to
nickel.to
If you look at the new business models that UOB is working on – in every one of them we have some form of partnership and these partnerships, from a technical and architectural point of view, are enabled by APIs.

Eduard Fabian
UOB - Head of Business Technology Services, Group Technology & Operations

Responsible for driving the formulation and implementation of the overall technology strategy and IT architecture design for UOB’s Wholesale and Retail Banking businesses, Eduard helps to create new business models and improve customer experience by collaborating with ecosystem partners through the deployment of banking APIs. A proponent of open architecture, he shares with us more on how APIs are going to shape the future of financial technology.
<table>
<thead>
<tr>
<th>What is API?</th>
<th>API stands for application programming interface. It is how systems talk to each other. It is a technical term that has been around for many years. Now we have systems from FinTech, systems from banks and systems from governments all talking to each other seamlessly, and it is all done via APIs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why is it important for FinTech?</td>
<td>The real story for FinTech is the collaboration between start-ups and traditional financial service providers such as banks and insurance companies. Through collaboration, our clients get to benefit from better customer experiences that are enabled by an open architecture underlined by APIs.</td>
</tr>
<tr>
<td>What is the role of regulators in this space?</td>
<td>In Singapore, the regulators have been very supportive in terms of encouraging the partnership between FinTechs and banks. It has been a collaborative effort in terms of coming up with the right architecture and the right set of APIs. For me, it is a great story where the regulator brings the various ecosystem players together: The FinTech companies, the banks and even the government.</td>
</tr>
<tr>
<td>So, the future is open architecture?</td>
<td>It is already happening and UOB has a few use cases that we have already enabled via APIs... and we are doing more. I think what is also important is that I don’t see the scenario where everyone is going to open everything to everyone. I think it is going to happen on a business case by business case basis, with the right governance and frameworks in place, delivering the right business value and experience to our customers.</td>
</tr>
<tr>
<td>How crucial is this openness to innovation?</td>
<td>You are not going to get the same level of innovation when you do everything by yourself, as you get when you collaborate. If you look at the Apple Store, Apple could have never written one billion apps, but by opening the platform to all developers, they can offer one billion solutions. It is very similar for banking as well. Banks have their core banking solutions and innovate continuously on their products and services; but with an open architecture and collaboration with FinTech companies and the government, they will be able to offer richer user experiences that will benefit their customers.</td>
</tr>
<tr>
<td>For consumers - how do they remain secure?</td>
<td>Every consumer wants data to be protected and banks have a fundamental duty to protect and manage the risk around collecting, storing and using data. That is why we are putting the right governance and security framework in place. For example, a “know your partner” framework, where partners will go through thorough vetting before we open APIs to them.</td>
</tr>
</tbody>
</table>
The UK start-up saw opportunity in chaos. Offering a single new API solution in the cluttered e-trading landscape, TransFICC is helmed by Steve Toland, Judd Gaddie and Tom McKee. Translating more than 200 APIs from multiple Fixed Income and Derivatives venues for easy integration, their solution is simple but powerful.
A simplifying solution

As Steve describes it, the simplicity of the solution is clear. The 18-month-old FinTech start-up identified a logistical pain point – the demand on financial institutions to install and integrate multiple APIs from multiple venues – and built a product that streamlines the process. TransFICC is an e-Trading technology company providing ‘One API for eTrading’ for Fixed Income and Derivative markets. “What we are doing is normalising all the different venues – whether it is protocols, work flows or instruments, into a single format protocol, or one API,” explains Steve, who has over 25 years’ experience working in the global capital markets. This solution has met the pain point, as within months, the team is already working with two banks that are paying to test the solution.

The opportunity of regulation

In an interesting twist, the topic that is often a bane for FinTech start-ups has proven to be a boon for TransFICC. One of the key factors pushing FIs to consider their solution, says Steve, is regulation, which he calls a “huge opportunity” as compliance is time-consuming and expensive.

MiFID II

The second “Markets in Financial Instruments Directive” (“MiFID II”) is a package of European Union laws aimed at creating a single, more competitive market for financial services across all EU member states. Focused on creating a safer, more transparent marketplace as a whole, MiFID II will impact everyone engaged in the dealing and processing of financial instruments as they look for low-latency and robust technological solutions.

Increasing regulation

As regulation beyond Europe is only set to increase, the demand for products like those offered by TransFICC will rise in demand. “The world is changing, and regulatory bodies are asking for much more transparency and a lot more proof of best execution when you trade, particularly in fixed income. Banks and investment managers will need to trade more on electronic trading venues in order to fulfil these new requirements,” summarised Toland.

We provide banks and asset managers with an alternative to maintaining connectivity to multiple e-Trading venues, offering a unified low-latency, robust and scalable API.
Expanding into Asia

The issues that set the stage for TransFICC’s solution—regulation, fragmentation in the connectivity to trading venues, speed of technology and the cost of upgrading IT systems to meet new requirements—persist in Asia. In some ways they are even more pronounced. ASEAN sees many venues with even more varied set-ups, compounding the burden of the Financial Institutions (FIs) and asset managers. “Even if FIs in ASEAN are not yet directly impacted by MiFID II regulations, we are in a technology trading world, and if FIs are not moving towards digitally managing their trades, they will be greatly disadvantaged—it is as simple as that.”

Reaching the right investors with The FinLab

Having been offered access to two other programmes, TransFICC was drawn to The FinLab for three reasons. The first was connections to capital markets and people who understand them. Second was access to the Asian markets with a strong partner that has a comprehensive footprint, and the final reason was the people. “We flew to Singapore for Selection Day on our own cost. It may not have worked out, but we thought it was worth exploring and as soon as we had a chance to meet the team it proved to be the right decision.” And it was this team and their expertise in Asian capital markets, explains Steve, that went on to help them shape and adapt their message to reach the right investors.
THE PROBLEM

FRAGMENTATION
connecting to over 200 API formats

THE SOLUTION

TransFICC
One API for eTrading

Simpler
Code to one API instead of hundreds

Faster
Improve speed of trading

Easier
Code to TransFICC in minutes

Competitive
Reduce fixed technology costs
Tookitaki - a Bengali word for ‘hide and seek’ - was launched in 2014 and has already clinched a top spot in the Monetary Authority of Singapore (MAS) FinTech Awards. The three-year-old start-up was founded by Abhishek Chatterjee (CEO) and Jeeta Bandopadhyay (COO). In short, Tookitaki provides a machine-learning platform that helps to optimise the operations and compliance workflows for the financial services industry.
The opportunity: lower revenues, higher cost

In recent years, the financial services sector has been forced to rethink about operational procedures in the face of revenue declines and cost increases resulting from stricter regulatory requirements.

Compliance has become one of the largest expense items on the balance sheet of most financial institutions; this expense, along with ever-stricter regulatory requirements, will invariably increase over time. “Banks are always looking for ways to drive down costs while improving productivity associated with compliance monitoring and reporting,” says Abhishek, co-founder of Tookitaki.

Tookitaki provides a Machine-Learning (ML) Platform where its customers, Financial Institutions, can build and optimise workflows for exception and alert management, areas that have seen the volume of tasks increasing significantly with intensifying regulatory demands.

“My vision is to become an industry leader in ML workflows for financial services,” said Chatterjee.

Best of both worlds

Before starting Tookitaki, Abhishek was a software engineer for Google’s Double Click; before that, he was an analyst on a swap desk in New York – the latter giving him first-hand understanding of the inefficiencies of compliance monitoring and reporting. “Coming from an applied mathematics background, I understand the mathematics going into finance. I soon realised that combining my knowledge in mathematics with software and finance, I am able to build up a solution that can provide definite business efficiency in operations and compliance workflows.”

Learning with The FinLab

Even before winning the top prize in the Singapore SME category at the FinTech Awards in last year’s Singapore FinTech Festival, Tookitaki had been committed to be part of The FinLab’s Cycle 2.

Describing The FinLab as “nothing short of fantastic,” Abhishek explains that the benefits of being selected into the programme are manifold: “The FinLab opens scores of connections for a start-up. Here you can meet the entire ecosystem of the finance sector and establish your Minimum Viable Product.” In Tookitaki’s case, the programme has given it access to UOB’s network.

Today, Tookitaki has been a revenue-generating business with growing presence in ASEAN. In 2018, the start-up is looking to expand into the US market and of the accelerator experience, Abhishek excitedly says, “I have definitely enjoyed being part of The FinLab family!”
TO SUCCEED, LEARN TO FAIL

“

To an investor like me, an idea isn’t worth anything. No one has a monopoly on ideas. The key is execution.

Kuan Hsu,
Co-Founder and General Partner at KK Fund

One half of KK Fund, venture-capitalist Kuan Hsu looks at the state of the FinTech start-up space in the region and shares what it takes to succeed. The KK Fund invests in seed-stage internet and mobile start-ups across ASEAN, Hong Kong and Taiwan.
Start-ups are in the business of solving people’s problems. A successful start-up must be able to find a big enough problem that is painful enough for a large number of people, and come up with a solution that people will be happy to pay them to solve. This should also be independent of what’s hot or what’s trending right now – in other words, today it may all be about bitcoin, but does your solution need to use bitcoin? So you must not only figure out what the problem is but also what needs to be solved and what is the best solution, all with limited resources, because as a start-up, you don’t have much money, people or time. This is why I think a successful startup is ultimately a team that can manage this.

Start-ups are very good at repeatedly failing... failing fast, then taking all the learnings from various failures to keep tweaking, honing or improving their product or service. In a large company, the set-up doesn’t reward people for failures, it rewards people to mitigate risk.

It has changed for the better in the last couple of years, but I still think many of the start-ups in the region don’t think big enough - which is somewhat related to the first common mistake that start-ups make of not imagining beyond the country they are in. They neither think about scaling nor ask themselves, “is this problem shared by more people?” Also, I think there is too much of emphasis on having a fantastic idea, that ideas are everything. To an investor like me, an idea isn’t worth anything. No one has a monopoly on ideas. The key is execution.

Understand what the VCs are like because every VC has its own personality. Some VCs like B2B start-ups, others may prefer start-ups with a China angle - the key here is doing enough research so that you understand that you are speaking to the right audience. As a startup you need to do your research. You need to understand what the VC has invested like talking to those portfolio companies. From founder to founder it is much easier to chat. Many VCs will say that they will provide value-add - you should ask them what that means!

I look for a great team. Firstly, one that has a great chemistry working together - perhaps they have worked with each other on and off for the last few years, and know each other’s strengths and weaknesses. I choose to look at it this way because the team will be tested many times in their journey and when it gets tough, we as the investors, need to know that there is enough faith and trust in each other that they are not going to bail. Often, the biggest reason for startup failure, especially in the early stage of a startup life, is founders not getting along. Secondly, to the extent possible, the team should have complementary skill. If you have someone good at sales, it will be good to have someone else that is good at operations, IT, PR or strategy, along with a diversified work experience.

The traditional method where we were introduced to teams, and then have meetings and share information, that is completely outdated. You see in the US, for example, there are platforms that facilitate the faster exchange of information that makes it much easier for VCs. Furthermore, with the availability of data - I am starting to see VCs in the US take a very data-driven approach - they may not have met the team many times, but they already know exactly what their background looks like - that hasn’t happened here. Here, it is still a little old school - some people may call it old boys club. So, whether it will be disrupted by ICOs or something else is a non-issue – fact is it will get disrupted.
Traditionally, you will spend half a million to one million dollars to get what we offer, how many organisations can afford that kind of capital investment?”

Tuple Technologies’ mission is to help Small & Medium Enterprise (SME) customers get the benefit of data analytics on a plug-and-play and Software-as-a-Service (SaaS) basis. Established in early 2016, Tuple was founded by Anmol Mohan, CEO, Santhosh Nagaiah, CMO, and Neha Singh, COO.

Tuple Technologies’ solution taps on customer data required for analytics, and its customized machine learning engine will generate predictive attributes about these customers, and how best to reach them.

The predictions empower brands to make smarter marketing decisions; they can understand if consumers are seeing their communications and how they are engaging with them. And as the solution provider, Tuple Technologies is careful to make it clear that data privacy is maintained as data is used solely by its engine and not for further monetisation.
The first data point

“If it was not for The FinLab, I don’t think we would be here today, that is for sure,” explains Santhosh, “because honestly the journey as a start-up has been extremely tough, and without The FinLab’s support in providing sound advice, strong connections and simply believing in us, we would not be in this far along.”

As part of The FinLab’s Cycle 1 cohort, the young start-up went through coaching sessions in fundamental business areas, learnt to pitch effectively through weekly practices with The FinLab team and regular meetings with mentors and venture capitalists.

“The FinLab enabled us to refine our solution faster with industry stakeholders offering constant feedback,” added Santhosh.

Democratising data

One of the key drivers for Tuple Technologies is increasing the accessibility of data-driven business solutions. “For SMEs and start-ups, they have expertise in their specific sectors, but they rarely have the technical skills to leverage the data available.”

Bringing in a full-time data scientist is costly - they can only be afforded by large corporates - so Tuple Technologies come in to provide data analytics services on a campaign and SaaS basis, which is a more cost effective and faster solution proposition for SMEs. “Ordinarily, you will spend half a million to one million dollars to get what we offer, where will the SMEs find that kind of money?”

Understanding consumers

Tuple Technologies understands that businesses need three things to grow: they want to know how much their customers are likely to spend, on what, and when. Using first party data - from customer profiles to transactions - the solution can craft messages that can get to these customers to act at the right time.

This is because the machine learning gets better and more accurate as more data is introduced. This allows deeper insights, that are more specific and targeted. “Let’s say a specific group of customers of yours like a certain type of chocolate but realises it is a little out of their budget after an online search. With our solution in place, this group of customers will be offered a limited period discount when you, as a chocolate business owner, run an offer on that type of chocolate. So sales can potentially be pushed up without very much effort on your end, and better yet, that group introduces their friends and you get to convert them into your customers as well,” says Santhosh.
“Our predictions are 87% to 94% accurate. That is the variation we have. We have even reached 96.97% with one of our clients,” says Santhosh.

Tuple Technologies goes beyond the plug-and-play solution to ensure that customers are fully leveraging on the depth of data and insights that machine learning can offer, offering a full suite of services from on-boarding to infrastructure support.

Predicting pivots

We initially targeted financial institutions and insurance companies because we believed our solution could help them better leverage the large amounts of data they have available. However, we quickly recognised that the gap is bigger in the SMEs and start-up space and pivoted our offering towards that market segment.

“With SMEs, we are helping them understand why predictive marketing is necessary, and how that can help their businesses grow. Plus, it is affordable and easy to use,” Santhosh reiterates.
A TURNKEY AUTOMATION SOLUTION FOR LENDING

The founders of Turnkey Lender, Elena Ionenko and Dmitry Voronenko, both hail from Europe, each with over 17 years of experience in the financial and technology areas. In the course of their work, they saw that Financial Institutions (FIs) bear high costs in using existing software solutions in the lending space. Together with an increasing number of lending processes being digitised, the founders saw the opportunity to provide a solution that is affordable and effective for the automation of lending.
Turnkey Lender’s cloud-based platform allows companies that are non-banks to automate credit scoring and loan management online. It uses machine learning and data analysis to understand potential loan applicants, ranging from small scale to large scale loans. Simply put, Turnkey Lender is a technology platform for non-bank lenders, online lenders and anyone who provides loans as a business.

Launching a free version

There is an untapped potential found online and in 80% of the unbanked population. As more people apply for loans online and through their mobile phones, Turnkey Lender’s platform makes it easier for users to make and check their applications and loan statuses online.

To attract more micro-lenders from around the region to give Turnkey Lender’s solution a try, the founders launched the world’s first free solution for loan application processing online. The goal is simple: Showing existing micro-lenders that their platform is useful before offering the paid version to them.

The FinLab: Gateway to Asia

“We were always looking at ASEAN because the market opportunities are enormous here. While we were ambitious and ready to conquer the region, we realised we didn’t have much knowledge or understanding of the markets here,” said Elena.

From their time with The FinLab and their mentors, they learnt a lot about the Asian landscape. They credit much of their expansion success to the experienced industry veterans providing timely and valuable advice for the company to take off in Asia.

Since moving the business to Asia, Turnkey Lender has secured a firm footing in Singapore, Indonesia, and the Philippines. The founders are moving ahead with plans to expand into Thailand and China.

“We want to help existing lenders digitise their services, especially for small-and-medium-sized banks. We want them to be more efficient and as a result bring down the cost of lending, and in turn this will benefit their customers when part of these savings are passed down.”

We were always looking at ASEAN. While we were ambitious and ready to conquer the region, we realised we didn’t have much knowledge or understanding of the markets here.
MODERNISING TRADITIONAL SAVINGS

Designed to revitalise personal savings for the contemporary era, Quber lets people set short-term and long-term financial goals and channel them towards the things that matter most in life. Besides using data-based analysis to determine individual spending habits, Quber uses the savings jar concept to enable the users to set different goals and help achieve those goals.
Standing out from the FinTech crowd

Established in 2016 by Jen Leger and Venky Kulkarni, Canada-based Quber lets people analyse personal spending habits, identify areas of excess spend and recommend specific actions to reduce spend in a particular area. Quber has linked up with Financial Institutions (FIs) in Canada and is working on a full release of the product by early 2018 on iOS and Android mobile devices.

Quber’s founders wanted to bring fun to an all-too-often overlooked aspect of personal finance – saving money. Through their app, they want to change the attitudes of consumers and the way they look at money by giving them a holistic view on how their finances are moving and helping them manage their money.

“Quber helps people be more mindful about spending their money and helps them save for things that they want,” said Leger, who holds more than a decade’s experience in tech and consulting. “We’ve taken the old model of the saving jars people used to put change in to save for something they want, and we’ve digitised it.”

The psychology of saving

According to Jen, she’s become intrigued by the psychology of saving and believes that people feel more rewarded by seeing coins go into Quber’s digital jar and reach one step closer to their saving goals.

“I have my Fitbit and for some reason it motivates me to get out and run,” she said. “But if you set yourself a personal challenge, we’ll let you know that you’re on track. And that just keeps you on track.”

The importance of institutions

“Every FI that we’ve talked to knows that the direction towards customers having a good experience is when they plan their finances, tracing their spends digitally. We see this as an opportunity to work with the FIs.”

We’ve taken the old model of the saving jars people used to put change in to save for something they want, and we’ve digitised it.
Don’t just take money; instead look for smart money.

A successful Venture Capitalist for whom “the world is his oyster”, Debneel believes that we need to be relevant in the times we live by constantly seeking to be “contrarian yet correct”, as that is the only way to discover true value that differentiates the extraordinary from the ordinary.

Having seen the VC world from both sides of the counter, he understands the challenges that stand before the start-up ecosystem. Here, he shares how to match-make a successful funding round.

Debneel Mukherjee, Founder & Managing Partner at Decacorn Capital
FINTECH is a slightly different ball game. In this, there are two elephants in the room: the high street banks and their regulators. The magic formula to be successful in FinTech is to take the banks and regulators onboard. Cynics would say that it is not disruptive any more if you tow line with regulators; but that is not the case. After all, both banks and regulators know very well that they need to be part of this disruption if they wish to stay relevant. Else, some regulators and banks will move ahead and their jurisdictions would flourish, while the laggards will be left to perish.

There are one or two high street banks in major financial centers and countries around the world that are adopting timely course corrections and moving in the right direction. FinTech start-ups need to engage them, rather than trying to disrupt the sector at its head. Both sides must morph fast, and this is why The FinLab initiative of UOB and SGInnovate is so important as it provides this vital connection between the dominant players and the disruptive start-ups. After all, disruption rarely comes from within. We have ample examples across every cross-section of industry that have been disrupted for good.

Generate early, yet incremental traction, even though it may be small. Putting together a well-balanced founding team that has the grit to do heavy lifting. Use speed as an essential ingredient to forge ahead and look for early adopters as the proof of the pudding is in eating, after all. Demonstrate a differentiated value proposition by staying away from many of the same and the same of the many. Ensure that the founders have enough skin in the game left by avoiding large dilution in the early stages of fund raise. Above all, allocate capital optimally, be prudent and frugal.

Don’t just take money; instead look for the smart money. You have to see what is tagged along with the money. Is the investor an overarching control freak? Is he trying to tell you how to run your business? If the answers to both these questions are yes, then do not take his money even if he has tons of it to offer. VCs should not teach founders how to run their business. Rather, they should help start-ups raise follow-on funding from new sets of investors and link them up to new markets and opportunities through their network. The VC should be willing to pass the baton to the next round of investors as the start-ups need bigger investors with deeper connects to take them further.

Just after a fund raise start-ups often get on a spending spree by purchasing new offices, getting tons of new hires and the likes thereof. This is where start-ups have to make efficient allocation of capital. Secondly, a lot of start-ups end up taking a lot of money at very high valuations and then fail to defend those valuations. That is where they start failing. The beginning years of the start-up journey are not that traumatic to survive as compared to 3-4 years on the road when early traction often starts to fade, and that’s when allocation of time and money in the formative years starts to show metal.