Evolve
Capital Partners

# Weekly News Update

Week Ending 06/15/18

**SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY**

## Preface

*Each week, Evolve Capital Partners compiles relevant news and press releases across the finance and technology sectors. We analyze publicly available information and source each article. We also release a weekly summary of M&A and financing transactions.*

*Evolve Capital Partners is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology. We are a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements. Founded in 2012, we are based in New York.*

*You can learn more about us at [www.evolve-capital.com](http://www.evolve-capital.com). We post past weekly transaction and news updates on our website, plus in-depth industry research reports.*

*To contact us, please email [admin@evolve-capital.com](mailto:admin@evolve-capital.com) or call (646) 688-2792.*

***Sectors we cover at the intersection of finance and technology include:***

| | | |
|---|---|---|
| Bank Technology Solutions | Healthcare Tech | Securities |
| BPO | Insurance | Specialty Finance / Alternative Lending |
| Financial Management Solutions | Payments | Data & Analytics / IoT |

## News Count

| Sector | Number of News | % of Total |
|---|---:|---:|
| Bank Technology Solutions | 8 | 17% |
| BPO | 4 | 8% |
| Financial Management Solutions | 3 | 6% |
| Healthcare Tech | 0 | 0% |
| Insurance | 8 | 17% |
| Payments | 17 | 35% |
| Securities | 1 | 2% |
| Specialty Finance / Alternative Lending | 6 | 13% |
| Data & Analytics / IoT | 1 | 2% |
| Others | 0 | 0% |
| **Total** | **48** | **100%** |

# BANK TECHNOLOGY SOLUTIONS

# Alior Bank, solarisBank, Raisin and Mastercard to unveil European digital bank

**Bank Technology Solutions**

6/14/18

Poland's Alior Bank has teamed with solarisBank, Raisin and Mastercard to unleash a pan-European digital bank.

The new offering, which is planned to be launched in the fourth quarter of 2018, will be built on the "strengths of all partners".

Alior Bank will deliver multicurrency accounts with international transfers and deposits.

solarisBank will add the banking infrastructure with its technological, compliance and regulatory framework.

Raisin through its network of partner banks, is adding various savings and investment possibilities to the offering.

Mastercard's benefit optimisation programme will be used to offer additional services for the customers. The product will be available for all EU residents with a focus on the German market during the first phase of the project.

Daniel Daszkiewicz, head of fintech at Alior Bank, says: "For example, a customer in Germany, while opening an account with solarisBank, will instantaneously gain access to a multicurrency account with Alior Bank and to Raisin's savings products."

He adds that with Mastercard, customers will be able to buy additional value-added services.

According to solarisBank, the open API platform will use the opportunities from the EU directive PSD2 and open banking.

While they have unveiled a joint website for this development, solarisBank tells FinTech Futures the name of the bank has not been disclosed yet.

https://www.bankingtech.com/2018/06/alior-bank-solarisbank-raisin-and-mastercard-to-unveil-european-digital-bank/

# Deutsche Bank launches digital repository for exchanging documents

**Bank Technology Solutions**

6/14/18

Deutsche Bank has introduced a secure digital repository for exchange of documents as it bids to keep clients happy during the loan market's move to a paperless process. Dubbed eVault, the platform provides a legally compliant way to securely move original electronic files from one party to another, while preserving unique digital ownership.

The system ensures authentication of the original documents in passing between owners, irrespective of how many duplicate electronic files there may be of the same record. The repository system relies upon digital tamper-proof seals and has an audit trail that ensures compliance and provides detailed reporting.

Deutsche says that it is the first bank to make use of the technology, which will empower its document custody group to take possession of electronically originated assets for clients as the loan market continues to transition to a paperless process.

Jose M Sicilia, head, trust and agency services, Deutsche Bank, says: "Our top priority is to deliver market leading solutions for clients that enables them to conduct their current and future business in the most streamlined manner."

http://www.finextra.com/newsarticle/32255/deutsche-bank-launches-digital-repository-for-exchanging-documents

# Primetel and Revolut help consumers connect to a world of unlimited digital capabilities

**Bank Technology Solutions**
6/13/18

PrimeTel, one of the leading and fastest growing Telecom providers in Cyprus, have teamed up with Revolut, Europe's newest Digital Bank Unicorn, to help Cypriot consumers connect to a world of unlimited digital capabilities by leveraging technology, connectivity and software to improve their lifestyle. The two innovative challenger brands announced today the availability of a new PrimeTel Revolut co-branded contactless VISA card that comes packed with a host of features to make managing your money easier and more secure, while offering a range of unique benefits and exciting rewards to all new and existing PrimeTel subscribers that sign up.

Jamie Devlin, European Business Development at Revolut said: "We are excited to work with PrimeTel as one of our co-brand launch partners in Cyprus. Our partnership will enable Primetel customers to access all the market leading services that Revolut offers, as well as a range of rewards and local discounts". Theodosis Theodosiou, Chief Commercial Officer at PrimeTel said: "The move is connected to Primetel's continued investment in our loyalty and technology platforms. We are excited to cooperate with one of Europe's most progressive startups and be able to bring all the benefits of the Revolut card to PrimeTel's customers".

**Rewards**

The PrimeTel Revolut Prepaid Visa Card is the only prepaid card in Cyprus that rewards consumers with a Free Mb every month, addressing their increasing needs for mobile internet. 1 GB mobile internet for Free upon card activation and extra Free MBs with every purchase, every month.

**Unique features**

Revolut allows you to transfer money abroad for free, making international money transfers up to 10x cheaper. It is also the perfect travel companion, allowing you to spend fee-free with the real exchange rate in 25 currencies and get Free ATM withdrawals of up to €200 per month while abroad. You can also Buy, hold and exchange crypto currency including Bitcoin, Ether and Litecoin at the best possible exchange rate. Revolut offers a financial marketplace of essential services such as Pay-per-Day Geolocation Travel Insurance and great value Mobile Insurance that helps you protect your phone from only €1,11/ week.

**Security and control**

PrimeTel Revolut Visa Card holds a number of next-generation security features. The ability to immediately freeze or unfreeze the card in the app if it's been misplaced, lost or stolen, and the option to fully customise the security settings by turning online, ATM and contactless payments on or off. Customers can also carry out secure purchases at all businesses and/or electronic shops (e-shops) featuring the Visa logo. The app allows customers to receive instant payment notifications and view easy to understand analytics that automatically categorise transactions so customers can plan ahead and stay within their budget.

**Offers and Discounts**

Alongside the great rewards, PrimeTel Revolut card holders can also enjoy exclusive discounts at selected locations around Cyprus including popular cafes, restaurants and cinemas.

http://www.goldnews.com.cy/en/companies/primetel-and-revolut-help-consumers-connect-to-a-world-of-unlimited-digital-capabilities

# Starling Bank introduces gambling blocker tech

**Bank Technology Solutions**

6/13/18

Starling Bank has introduced a gambling blocker, enabling customers with addiction problems to block betting payments from their accounts. Currently, people with gambling addictions who want to stop themselves from placing bets have to contact various different providers to block their accounts.

With nearly one per cent of the UK population reporting a gambling problem, the Money and Mental Health Policy Institute has been calling for banks and other card providers to make the situation easier by allowing customers to simply block all gambling transactions on their cards.

Starling is now doing this, offering customers the chance to activate the blocker as an opt-in feature from the bank's app, meaning that all attempted transactions to registered gambling merchants will be declined.

If they turn the feature off because they want to start gambling again, customers will get a message saying: “You are cancelling the block you put in place to prevent you from gambling. If you are worried you spend more than you should on gambling, call the National Gambling Helpline now on 0808 8030 133 for free advice on how to stay in control.”

Anne Boden, CEO, Starling, says: "Starling’s gambling blocker underlines how digital banking can quickly react to issues facing customers and use technology to develop solutions that help them to live a better financial life.

"This isn’t about telling customers not to gamble - it’s about providing problem gamblers with a simple and effective tool that can help them to regain control over their finances."

Starling says that its feature is an industry first but last month Monzo introduced something similar, giving customers the option to block payments to gambling merchants through the company, both online and in person.

Monzo's system actually requires customers who want to turn the block off to call the bank and speak to a rep. Even then, the restrictions are not lifted for 48 hours.

https://www.finextra.com/newsarticle/32245/starling-bank-introduces-gambling-blocker-tech?utm_medium=newsflash&utm_source=2018-6-13&member=93489

# Small Business Banking goes Digital with new Radius Bank and Treasury Prime Partnership

**Bank Technology Solutions**
6/12/18

Radius Bank, an industry-leading national virtual bank, today announced its strategic partnership with Treasury Prime, a Y Combinator-backed startup, to create the Tailored Checking Account, a leading-edge checking account designed for business owners on the go. This announcement signifies the latest in a series of fintech partnerships, propelled by Radius Bank, aimed to enhance the user experience for consumers and businesses alike.

Available nationwide, and exclusively through Radius Bank's new online account opening platform, the Tailored Checking Account allows micro and small business owners to quickly and easily open an account in a fraction of the traditional time, from any device. This marks a shift on how the banking industry can serve the 25 million+ micro and small businesses in the U.S. in a way that makes sense in today's digital age.

"We are thrilled to partner with an innovative and forward-thinking fintech organization like Treasury Prime to bring this long-needed product offering to small business owners," said Mike Butler, President and CEO, Radius Bank. "By offering a user-friendly digital solution, we aim to make it really easy for our clients to handle their banking thus freeing up time for them to focus on what matters most: successfully managing their business."

The Tailored Checking Account offers a competitive interest rate and provides convenient money management features within the Radius Mobile app that can be used to view account activity, deposit checks and pay bills. The offer includes a business debit card for purchases and unlimited ATM fee rebates, and unlimited transaction volumes without any hidden fees, all features that are unlike any micro and small business banking options currently offered on the market. Users can manage their account from anywhere in the country, while establishing a relationship with Radius Bank, a financial institution well-positioned to effectively serve their needs now and as they grow their businesses in the future.

"Today's businesses expect their bank to provide fast, easy-to-use online services, just like any other Internet company. But banking technology has lagged far behind, making it impossible for banks to keep up," said Chris Dean, CEO of Treasury Prime. "Business owners don't have time to waste filling out paper forms at a traditional bank. We are so excited to partner with Radius Bank to offer the fastest and easiest way for the more than 25 million U.S. based micro and small businesses to handle their banking needs. This is banking for the Internet era."

https://www.bizjournals.com/boston/prnewswire/press_releases/Massachusetts/2018/06/12/UN20120

# CGI launches CGI Open Finance to power and extend the new banking ecosystem

**Bank Technology Solutions**
6/12/18

CGI (NYSE: GIB) (TSX: GIB.A) is pleased to announce the launch of CGI Open Finance, a solution built for the next wave of digital banking and designed to empower banks to reap the benefits of the open API economy, as well as address the challenges of open banking.

Open banking, whether driven by competition or regulation, is breaking up the traditional banking value chain, opening up the global banking industry, and profoundly changing the dynamics of the banking market. Despite the challenges this presents, CGI sees it as a great opportunity for collaboration. By leveraging CGI Open Finance, traditional banks, with the advantage of their strong reputations and longstanding customer relationships can now look to develop new value propositions and revenue streams through partnering with CGI and FinTechs.

"CGI Open Finance is modelled on our successful partnership with a leading multinational which was looking to design, develop and launch a new API-based bank said Frederik Evrard, Vice-President, CGI in Luxembourg. "We are excited about the opportunities it offers our clients. By incorporating the latest technology and architecture with CGI's deep banking expertise in open banking and the open API economy, we believe CGI Open Finance can transform the industry."

CGI Open Finance is a complete solution for open banking, enabling the integration of traditional banks and their product-centric applications with FinTechs through an API and orchestration layer. More than that, CGI Open Finance supports the much wider set of non-functional requirements needed to operate an industrial strength, secure and resilient platform required for the new world of banking. It not only facilitates close collaboration with third party providers (TPPs), but also enables banks to become aggregators and provide the same services, driving real innovation. With CGI Open Finance, banks can maximize the benefits of open banking by offering new digital services and value-add partnerships to their customers.

Moreover, with its state-of-the-art open banking architecture, CGI Open Finance ensures complete compliance with the Revised Payment Service Directive (PSD2) for European financial institutions and, in the UK, compliance with the Open Banking Implementation Entity initiative in line with the Competition and Markets Authority (CMA). Its interfaces and non-functional requirements have been defined based on PSD2 requirements and leverage the power of APIs to open up the value chain for banks.

Overall, CGI Open Finance leverages a wide array of everyday banking functionalities out-of-the-box, including:

- Secure APIs for PSD2, CMA, STET and Berlin Group transactions

- Building blocks for the management of TPPs, including an enrolment portal, and consent management
- Continuous integration platform for quality control, automated build and API testing
- Sophisticated analytics and smart security
- Access to API store
- Billing and monetization options

CGI helps its clients realize their transformational agendas by bringing the latest thinking, innovation and technical know-how to the fore. As a trusted partner to banks across the globe, and with more than 40 years' experience at the heart of the banking industry, CGI is well positioned to support clients in embracing the new market dynamics of open banking.

https://www.prnewswire.com/news-releases/cgi-launches-cgi-open-finance-to-power-and-extend-the-new-banking-ecosystem-300664714.html

# NatWest taps Open Banking for cardless online payments

**Bank Technology Solutions**

6/12/18

NatWest has teamed up with the Carphone Warehouse to trial an online shopping system that lets customers ditch their debit and credit cards and pay directly through their bank account. According to the Press Association, when checking out on the Carphone Warehouse site, shoppers are presented with a NatWest button that they can press to be taken to the bank's app, where they log in and complete the payment.

NatWest says that the pilot has proven a big hit with customers, cutting purchase times and ensuring that bank balances are immediately accurate. Meanwhile, retailers like Carphone Warehouse benefit from lower processing fees and bank-grade security.

NatWest plans to carry out more trials with other businesses in the coming months and, because the system harnesses the UK's new Open Banking regime, could eventually offer it to customers of other banks.

Dean Wallace, practice lead, at ACI Worldwide, says: "NatWest is the first UK bank to launch a truly innovative payments service, leveraging Open Banking compliant APIs and its direct connection to the UK’s Faster Payments Service.

Adds Wallace: "Adds Wallace: "The core concept at play here is globally referred to as ‘Request for Payment’ - not to be confused with FPSL’s Request To Pay service which is not yet launched - where the person or entity that wants to be paid for goods or services asks to be paid via a trusted third party who then routes the payment request to the consumer’s bank.

"The bank then uses a secure mobile app to present the ‘Request to Pay’ to the consumer so they can choose an account, check the balance, and make the payment."

https://www.finextra.com/newsarticle/32241/natwest-taps-open-banking-for-cardless-online-payments

# Finastra develops an open platform for banking apps

**Bank Technology Solutions**

6/7/18

Finastra, the global fintech company, has launched a cloud-based platform that will allow financial firms to develop apps with minimum coding and offer a marketplace for them to collaborate with banks.

Called FusionFabric.cloud, it is a Platform as a Service (PaaS), an open innovative platform that will change the way banks develop and deploy software, said Natalie Gammon, chief cloud officer at Finastra.

“One big challenge banks face is to remain competitive and relevant,” she said. “They are under pressure to reduce costs, manage risk, boost revenues and meet customer expectations.”

Ninety percent of bank innovations come from outside the organization, she added, and they face competition for customer loyalty from companies like Mint and Monzo which aggregate financial information and offer it to customers in one place.

The risk for banks is that their customers will establish their primary financial relationship with the aggregators rather than with brick and mortar banks.

“On the other side we deal with a lot of fintechs which have the innovation, but similar problems — they are struggling to find a way to connect with financial institutions. Some are startups and don’t have the capital or sales presence required to deal globally, or even to get through the long arduous procurement process needed for a large bank.”

Banks and consultancies have launched incubators and partnership programs to bring together technology firms and banks, helping tech firms meet the appropriate decision makers while learning what banks need in terms of financial stability and security from suppliers. Accenture, which is a partner with Finastra in the open banking platform, has sponsored fintech innovation labs in New York, London and Hong Kong.

https://www.thepaypers.com/e-invoicing-scf-e-procurement/finastra-develops-fintech-platform-for-banking-apps/773500-24

# BPO

# Accenture offers way to erase gender, racial, ethnic bias in Artificial Intelligence

**BPO**

6/13/18

Consulting firm Accenture has a new tool to help businesses detect and eliminate gender, racial and ethnic bias in artificial intelligence software.

Companies and governments are increasingly turning to machine-learning algorithms to help make critical decisions, including who to hire, who gets insurance or a mortgage, who receives government benefits and even whether to grant a prisoner parole.

One of the arguments for using such software is that, if correctly designed and trained, it can potentially make decisions free from the prejudices that often impact human choices.

But, in a number of well-publicized examples, algorithms have been found to discriminate against minorities and women. For instance, an algorithm many U.S. cities and states used to help make bail decisions was twice as likely to falsely label black prisoners as being at high-risk for re-offending as white prisoners, according to a 2016 investigation by ProPublica.

Such cases have raised awareness about the dangers of biased algorithms, but companies have struggled to respond. “Our clients are telling us they are not equipped to thinking about the economic, social and political outcomes of their algorithms and are coming to us for help with checks and balances,” Rumman Chowdhury, a data scientist who leads an area of Accenture’s business called Responsible AI.

So Accenture developed a software tool that does three things: It lets users define the data fields they consider sensitive — such as race, gender or age — and then see the extent to which these factors are correlated with other data fields. Race, for example, might be highly correlated with a person’s postcode, so to de-bias an algorithm it wouldn’t be enough to simply avoid considering race; postcode would also have to be de-biased.

Chowdhury, who showcased the tool publicly for the first time Tuesday at an AI conference in London, said Accenture uses a technique called mutual information that essentially eliminates the bias in algorithms. The product also provides a visualization that lets developers see how the overall accuracy of their model is affected by this de-coupling of dependencies between variables.

Finally, Accenture’s method assess an algorithm’s fairness in terms of “predictive parity” — are the false negative and false positive rates the same for men and women, for instance. And again, the tool shows developers what happens to their model’s overall accuracy as they equalize the predictive parity among sub-groups.

“People seem to want a push-button solution that will somehow magically solve fairness,” Chowdhury said, adding that such expectations are unrealistic. She said the value of Accenture’s tool is that it visually demonstrates there is often a tradeoff between overall accuracy of algorithms and their fairness.

She said, however, that while sometimes creating a fairer algorithm reduces its overall accuracy, it’s not always the case. In Accenture’s demonstration, which took German credit score data widely used by academic researchers investigating algorithmic fairness, improving predictive parity actually improves the model’s accuracy. And Chowdhury pointed to academic research showing that in many cases much fairer outcomes can be achieved with only a small decline in overall effectiveness.

https://www.insurancejournal.com/news/national/2018/06/13/491963.htm

# Wipro and Opera Solutions launch solution to detect and address fraud and waste in US Healthcare Insurance claims

**BPO**

6/12/18

Wipro Limited, a leading global information technology, consulting and business process services company, today announced the launch of an end-to-end solution to address the issue of fraud, waste, and abuse in healthcare insurance claims in the United States, in partnership with Opera Solutions, LLC. Opera Solutions LLC is a global leader in applied Big Data analytics and artificial intelligence (AI). The solution will combine Opera Solutions' powerful AI and machine learning based Fraud, Waste and Abuse (FWA) detection engine with Wipro's extensive full-service claim processing capabilities in claims review, which includes the forensic examination of questionable claims, audits, adjustments, negotiations, recovery follow-up and payment posting.

Opera Solutions' FWA detection engine leverages proprietary entity risk scoring algorithms that significantly outperform traditional rules-based methods. While existing approaches primarily search for irregularities on a claim-by-claim basis, Opera Solutions' detection engine goes far beyond claims to identify anomalous treatment patterns for every healthcare entity, i.e., all healthcare providers and physicians across major medical specialties. This approach will substantially improve the identification rate of high-risk claims and reduce the number of false positives, or flagged claims that are in fact, legitimate.

Wipro's claims auditors can thus begin their work with a far more accurately prioritized list of claims to review, along with a detailed background and reason codes for flagged claims, thereby, enhancing their efficiency and reducing claims review turnaround time. It reduces the admission of non-allowable claims, as well as customer dissatisfaction arising out of the holdup of legitimate claims that were flagged, erroneously. This will help healthcare organizations focus on delivering high-quality care in the most efficient manner possible.

"As one of the global leaders in healthcare insurance claims services, we are aware of the many limitations of automated rules-based systems for first-line claims review," said Nagendra Bandaru, Senior Vice President and Global Head - Business Process Services, Wipro Limited. "Opera Solutions' powerful entity-based AI-powered approach, when combined with Wipro's deep claims management expertise, will give us an edge in the market and enable us to create tremendous value for health insurers." Arnab Gupta, Chief Executive Officer and Founder of Opera Solutions, said, "Our strategic relationship with Wipro is a perfect example of the ways in which advanced pattern-based AI and machine learning can allow talented and highly experienced people to become even more effective at what they do. We look forward to working with Wipro to take this powerful new capability to the market."

https://www.businesswire.com/news/home/20180612005819/en/Wipro-Opera-Solutions-Launch-Solution-Detect-Address

# TCS Digital Reimagination Framework, powered by SAP Leonardo, launches on Microsoft Azure

**BPO**

6/7/18

Tata Consultancy Services, a leading global IT services, consulting and business solutions organization, today announced the launch of the TCS Digital Reimagination Framework on Microsoft Azure and powered by SAP Leonardo.

The TCS SAP framework combines readily deployable, pre-built industry specific solutions with a robust structure for easy customization to suit customer's specific needs. Furthermore, it leverages cutting edge technologies including blockchain, Internet of Things, machine learning, artificial intelligence, advanced analytics, big data, and mobility components of SAP Leonardo to help customers digitally transform their businesses to become Business 4.0 enterprises.

The rapid pace of growth in digital technologies is reshaping industries and enterprise platforms must be intelligent, agile, automated, and on the Cloud in order to drive transformation to improve business results. TCS' SAP framework and pre-built industry solutions are designed with the above core principles and delivered on the Microsoft Azure platform. Microsoft Azure ensures agility, global reach and flexibility in the deployment and operations, while SAP Leonardo platform enables continuous innovation and seamless integration with SAP. Thus, the combination of modular solutions, contextual knowledge, and the latest technology stack helps deliver better value for the customer and faster deployments.

"The TCS SAP Digital Reimagination Framework will help customers to accelerate their Business 4.0 digital transformation journeys," said Prashant Shirgur, Global Head, TCS SAP practice. "The framework combines our industry and technology expertise, along with our strategic relationship with Microsoft to deliver Cloud based solutions, enabling our customers to innovate rapidly and ensure business agility."

Victor Morales, Vice President, One Commercial Partner at Microsoft Corp. added, "Microsoft is excited with the launch of TCS SAP digital re-imagination framework. TCS' framework is an excellent example of developing and delivering extensible solutions on Azure. Azure is a secure, robust, scalable, and globally accessible cloud and will enable our joint customers to quickly evaluate, adopt and extend the solutions."

https://www.prnewswire.com/news-releases/tcs-digital-reimagination-framework-powered-by-sap-leonardo-launches-on-microsoft-azure-300661689.html

# New Azuqua connect partner program helps SaaS Companies quickly deliver powerful app integrations for customers

**BPO**

6/6/18

Azuqua, a leader in cloud-based business automation, today announced the Azuqua Connect Partner Program, which is designed to deliver powerful app integration capabilities to SaaS companies and their customers. SaaS vendors and their services partners can now easily tap into the power of the Azuqua platform to streamline integration, orchestration and automation of key business applications and workflows. Adobe, Allocadia, Widen, Workfront, Zendesk and dozens of other leading SaaS companies have already come on board to partner with Azuqua. As an added incentive to early partners, Azuqua will be offering one of the most generous referral incentives in the industry at 20 percent of year one subscription revenue.

"For SaaS vendors, owning the integrated customer experience is a business imperative, but this process can be costly and complex and typically comes down to difficult build vs. buy decisions for businesses," said Todd Owens, CEO at Azuqua. "Our new partner program eliminates these barriers and introduces a new consideration into the buy vs. build paradigm, allowing SaaS vendors to better focus their resources, scale integration quickly, accelerate their sales cycles, and expand a solution portfolio across applications. All of this translates into giving customers the services and technology they need and expect, so they can quickly overcome application integration challenges required to solve complex business problems."

Leading SaaS companies already working with Azuqua to accelerate their integration efforts and deliver value to customers, include:

- **Adobe:** "Adobe is focused on giving its customers, which range from emerging artists to global brands, everything they need to design and deliver exceptional digital experiences," said John Pritchard, Sr. Director of Engineering, Adobe I/O. "Enabling those experiences requires Adobe solutions to seamlessly integrate with other SaaS applications in a customer's ecosystem. Azuqua's dynamic approach to making Adobe integrate seamlessly with other key apps, and turning these integrations into an automated connected experience, helps our customers be more successful."

- **Allocadia:** "Allocadia helps marketing leaders #RunMarketingBetter. As a system of record for marketing that ties plans, investments and results together, this means we must be able to connect with other foundational technologies from finance, sales, and marketing," said Katherine Berry, Chief Product Officer & Co-Founder at Allocadia. "By partnering with Azuqua, we are easily able to integrate and connect marketers' technology stacks, workflows, and data structures – no matter the systems involved. This allows us to help our marketing customers understand what is working, what is not, and where to spend their next marketing dollars, and allows Allocadia to focus 100% on our customers and their experience."

- **Workfront:** “Integrating Workfront with numerous enterprise applications is critical to our customers’ success, which is why we partnered with Azuqua to rapidly extend the integration capabilities made available to our customers,” said Steven ZoBell, Chief Product and Technology Officer at Workfront. “We did an extensive evaluation of more than five integration technology vendors when considering partners for extending our integration capabilities and found Azuqua delivered the best combination of enterprise-grade product capabilities, intuitive end user experience, deployment flexibility, connectivity options to key applications and product team responsiveness.”

- **Zendesk:** “We believe that great customer relationships drive successful businesses,” said Billy Robins, Director of Technology Alliances at Zendesk. “Our partnership with Azuqua empowers a range of organizations to seamlessly integrate Zendesk and their customer service conversations with the rest of their critical SaaS applications, enabling them to work more intelligently and effectively; and always with the customer in mind.”

The Azuqua Connect partner program allows Azuqua partners to quickly design, build and deploy tailored integration solutions for their customers and connect to hundreds of enterprise applications without the need to manage virtual machines, constantly monitor logs, build customer error handling, manage updates to third-party APIs and more. Partners get access to their own custom dashboard where they can provision new customers with a single click, see a rollup view of usage metrics, and monitor the health of integrations by each customer. They also retain ownership of contracting, billing and invoicing.

Azuqua also offers a lucrative referral program for partners that do not want to manage integration solutions on behalf of their customers. Alternatively, partners can provide customers with direct access to the platform where they can use Azuqua’s no-code visual designer to build and maintain their own custom integrations. This eliminates the need for internal IT resources and the associated costs required for legacy iPaaS solutions or custom development.

Azuqua helps the world’s leading companies get more from their applications, deliver better experiences for their customers and eliminate manual work for their employees by providing the most comprehensive integration platform in the industry. From completely custom automation scenarios, to packaged templates, to in-product native integration, to finished apps and bots, Azuqua’s platform is comprehensive and flexible enough to meet all of the use cases for SaaS companies and their customers. Azuqua has a large and rapidly growing library of pre-built connectors for applications including Adobe, HubSpot, Marketo, Microsoft Dynamics CRM, Salesforce, Slack, Smartsheet, Workday, Zendesk and hundreds more.

https://globenewswire.com/news-release/2018/06/06/1517623/0/en/New-Azuqua-Connect-Partner-Program-Helps-SaaS-Companies-Quickly-Deliver-Powerful-App-Integrations-for-Customers.html

FINANCIAL MANAGEMENT SOLUTIONS

# Gemalto launches virtualized network encryption platform

### Financial Management Solutions

6/6/18

Gemalto, the digital security company, announced the launch of a new virtualized network encryption platform, SafeNet Virtual Encryptor CV1000 as part of its continued investment to address the rapidly changing data security needs of organizations worldwide.

Today, enterprises and service providers are increasingly using network functions virtualization (NFV) and software-defined networking (SDN) technologies to design, deploy and manage their networks and cloud-based services. These software-based technologies give organizations cost and operational benefits because they move network functions from dedicated network encryption hardware appliances to virtual servers. However, these technologies can also present additional security challenges for protecting sensitive data that runs across these networks because of their virtualized architecture.

Leveraging the proven security and performance of the hardware-based SafeNet High Speed Encryptor family, the SafeNet Virtual Encryptor CV1000 is a hardened virtual security appliance designed to secure data in motion across both software-defined wide area networks (SD-WAN) and traditional networks. Developed by Gemalto's high speed encryption partner, Senetas (ASX:SEN), the SafeNet Virtual Encryptor CV1000 can encrypt data in motion at data-rates up to 5 Gbps.

"More and more organizations are embracing the advantages of virtualized networks to deliver cost-effective scalability, flexibility and network management to the network edge. Consequently, network services require trusted virtualized encryption for optimum data security," said Todd Moore, senior vice president of Encryption Products at Gemalto. "Gemalto's launch of a virtualized network encryption platform redefines network data security by providing the crypto-agility required to ensure sensitive data and transmissions remain secure, regardless of network design."

Transforming the network encryption market, SafeNet High Speed Encryptors are the first to offer Transport Independent Mode, which enables organizations to encrypt data across mixed high speed WAN links (Layers 2, 3 and 4). Organizations can now be assured that they are getting the best performance and secure encryption, regardless of the network layer. This feature is currently available for the SafeNet Virtual Encryptor CV1000, and will be available for the hardware-based SafeNet High Speed Encryptors later this year.

"As organizations increasingly embrace cloud-based applications and their use of multiple network types from Ethernet to MPLS, Senetas and Gemalto are ahead of the curve in providing seamless concurrent multi-layer network traffic encryption to ensure the best in network security and performance available today," said Andrew Wilson, CEO of Senetas.

Key Features and Benefits of the SafeNet Virtual Encryptor CV1000 include:

- Virtualized Network Functionality reduces dependence on dedicated network encryption hardware appliances for both enterprises and network operators.
- Reduced Cost of Ownership makes the SafeNet Virtual Encryptor CV1000 up to 10 times more affordable than hardware-based appliances.
- Rapid Deployment and Scalability enables organizations to spin up a virtual machine to protect data across the network rather than having to physically deploy hardware at each end point.
- Crypto-Agile Encryption Across All Network Layers with Transport Independent Mode, providing the ability to encrypt traffic across Layers 2, 3 and 4 with optimized performance and robust encryption, including support for custom algorithms.
- Combined Encryption Key Management option integrates with SafeNet KeySecure for enhanced key lifecycle management.

http://www.dqindia.com/gemalto-launches-virtualized-network-encryption-platform/

# New DXC Technology application service automation offering transforms apps Portfolio Management

**Financial Management Solutions**

6/6/18

DXC Technology, the world's leading independent, end-to-end IT services company, today announced the launch of DXC Application Service Automation, an offering powered by DXC BionixTM that enables organizations to manage their applications up to 40 percent more efficiently than with traditional methods, creating savings that can then be reinvested in digital initiatives.

Organizations today face increasingly complex hybrid application environments, including legacy and dynamic applications, containers, micro-services and integrated APIs. To stay competitive, IT leaders are seeking ways to reduce the manual efforts associated with managing their apps portfolio, while meeting increasing demand from their businesses for digitization of services.

Transforming the way organizations manage their applications portfolio, DXC Application Service Automation addresses these issues by employing digital technologies that automate applications management tasks to provide such benefits as:

Increasing the productivity of the applications-support team by up to 30 percent through automated service request fulfillment;
Reducing mean time to resolution for applications incidents by up to 50 percent, using artificial intelligence to determine the root cause of problems;
Improving applications quality by up to 60 percent through process automation and analytics.
"Application leaders face increased challenges in driving costs down while using traditional methods to manage growing application portfolios," said Pete Marston, research director, Application Development, Testing, and Management Services, IDC. "Leaders need to transform the way they manage their application estates and examine ways to transition from opportunistic to systematic automation."

DXC Application Service Automation is available globally and leverages the DXC Bionix approach to intelligent automation. The offering features the following four components:

1. DXC autoDetect is a next-generation applications performance management service that proactively detects an application issue affecting an end user, and triggers the workflow and resolution capabilities for remediation without human intervention. Using AI, DXC autoDetect can automatically correlate monitoring alerts, across the application and infrastructure stack, to identify the root cause of the issue with speed and accuracy.

2. DXC autoManage combines workflows and analytics capabilities to optimize and effectively orchestrate the resolution of IT service requests and tickets. This component automatically triggers the autoResolve module for issue resolution.

3. DXC autoResolve automates repetitive IT service requests and resolutions at scale, increasing speed to resolution — from days to seconds — while reducing manual effort.

4. DXC autoImprove analyzes application source code to identify inefficiency, redundancy, unreachable code or flawed logic. This reduces defects and improves code maintainability and quality.

The announcement coincides with the news that Zurich Insurance Company Ltd (Zurich), a leading global, multi-line insurance provider, has awarded DXC the contract to run DXC autoDetect across several markets.

The agreement comprises software from DXC's partner, software intelligence company Dynatrace.

"Zurich wanted to move away from reactive monitoring conducted by service providers to a collaborative and proactive service, providing value to all of our customers, both internal and external," said Thomas Kropp, group chief IT services officer at Zurich. "This new service supports Zurich's strategy to simplify, innovate and become more customer focused. Our collaboration with DXC makes our application management simpler, helping us to remain responsive to our customers and deliver excellent service."

"IT teams today face a growing number of requests for applications support, services and innovation to be delivered at an even faster pace," said Mike Klaus, senior vice president and general manager, Application Services, DXC Technology. "This new DXC service meets the demands of companies such as Zurich, by bringing together intelligent incident analysis and AI to automatically detect and remediate applications issues through on-premise and as-a-service, consumption-based delivery models."

For more information on DXC Application Service Automation, please visit:

- DXC Application Service Automation video
- DXC Application Service Automation infographic.

http://www.businesswire.com/news/home/20180606005291/en/New-DXC-Technology-Application-Service-Automation-Offering

# GCI launches new data compliance solution with CSG

**Financial Management Solutions**

5/31/18

CSG (NASDAQ: CSGS), the trusted partner to simplify the complexity of business transformation in the digital age, has partnered with Yaana to advance GCI's ability to respond quickly and accurately to notifications alleging copyright infringement by GCI's subscribers.

GCI offers wireless and wireline voice, video, and data communication services to residential, commercial and government customers across Alaska and the Pacific Northwest.

CSG has partnered with Yaana, a leading global provider of intelligent compliance solutions, to deliver a copyright complaint system that quickly and accurately processes copyright infringement notices from digital content owners and their copyright agents to GCI's Internet subscribers. The system enables GCI to rapidly notify and educate its customers regarding copyright infringement and take other appropriate measures.

"As consumer appetite for digital content continues to grow, GCI is making sure that our subscribers can easily access the content they want, while also having the right processes in place to address subscribers who are repeat infringers," said Susannah Scholl, vice president of Information Technology, GCI. "The copyright complaint system will help us meet our compliance goals and free up valuable resources which we can devote to growing our business and satisfying our customers."

CSG's managed services offering combined with Yaana's copyright complaint system offers a cost-effective solution that automates the process of managing incoming notices alleging copyright infringement.

"The copyright complaint system is the latest step we have taken to help our clients better manage complex processes such as lawful compliance, subpoena search and data infringement requirements," said Ian Watterson, head of Americas for CSG. "Local and national law enforcement communications requests are growing daily for service providers worldwide and CSG helps our clients respond to requests efficiently, securely and quickly." CSG is an authorized reseller of several Yaana solutions, including legal compliance solutions such as Request Management System (RMS) and Data Retention System (DRS).

"Our strategic partnership with CSG allows us to effectively address the challenge regarding copyright infringement by extending our copyright complaint solution to communication providers. We are proud that GCI has chosen Yaana's industry leading copyright complaint system," said Raj Puri, chief executive officer of Yaana.

https://www.businesswire.com/news/home/20180531005160/en/GCI-Launches-New-Data-Compliance-Solution-CSG

# INSURANCE

# Start-up partners with insurance giant to cover Uber, Lyft passengers

**Insurance**
6/15/18

Worried about an accident when you ride with Uber or Lyft? Now you can get an insurance policy from your phone for the ride too.

Start-up Sure Inc. announced Thursday that it has partnered with underwriter Chubb to launch a new service called RideSafe that allows passengers to buy accidental medical, death and dismemberment insurance coverage for the ride.

Ride-hailing companies typically provide liability insurance coverage for US drivers that would cover passengers in an accident.

Uber and Lyft, for example, both provide $1 million of liability insurance, which would cover bodily injury and property damage for the driver, passenger and anyone else involved in a potential accident.

But Sure CEO Wayne Slavin said the ride-hailing company policies have strict guidelines as to when they take effect and in what situation they are applied. That may leave passengers footing the bill for some expenses. He says RideSafe is a means to cover some of those gaps, such as medical co-payments or for times a company policy is not in effect.

It's unclear how often those situations arise, but those who want the added peace of mind can make the purchase through an app. RideSafe works by connecting a customer's Uber or Lyft account to their Sure Insurance app, and once coverage is initially authorized, the passenger's ride is automatically insured. The cost is $2.40 for 24 hours of coverage on any number of rides. RideSafe is available in 38 states.

The company said future versions of the product will include coverage for passengers riding in autonomous vehicles used for ride-sharing and electric scooters. "They are going to need insurance that follows them, no matter how they are moving," Slavin said. Sure is not the first company to try and address the changing needs of Americans as they find new ways to get around.

Startup Trov announced last year that it was working with Waymo, Alphabet's self-driving technology unit, to provide customized insurance for trips through the service to provide coverage for lost property, medical expenses and some trip interruption benefits.

https://www.insurancebusinessmag.com/us/business-news/startup-partners-with-insurance-giant-to-cover-uber-lyft-passengers-103429.aspx

# Beazley enhances cyber policy offering

**Insurance**
6/15/18

Beazley has launched an improved version of its cyber insurance offering, InfoSec.

The company enhanced its product to better respond to the risk of data breaches – particularly the type accompanied by an extortion demand by attackers.

InfoSec's comprehensive product offers coverage for:

- Cyber extortion
- Data recovery costs
- Business interruption costs arising from security breaches and related system failures
- Contingent business interruption costs arising from security breaches and related system failures occurring at the policyholder's vendors or suppliers
- Scams involving criminals impersonating trusted individuals or entities who direct funds to be wired to their own bank accounts.

The policy also allows clients to access Beazley's dedicated in-house breach response unit, Beazley Breach Response (BBR) Services. BBR provides expertise to clients on how to maintain the confidence of their customers after a data breach, helps identify what data was lost in a cyberattack, and aids clients in notifying their customers of the attack.

Under the improved InfoSec policy, BBR also provides extensive risk management services. These services can help clients reduce their chances of experiencing a data breach and mitigate their impact. Clients will also have access to incident response and business continuity planning workshops, as well as advice from Beazley's wholly-owned cyber security consulting company, Lodestone Security (at negotiated rates).

"The equivalent of an arms race is being run between cyber criminals and corporate America. The criminals are highly adaptable and our job as insurers is to ensure that our clients have the means to defend themselves effectively," said Beazley's technology, media and business services global focus group leader Mike Donovan.

https://www.insurancebusinessmag.com/us/news/cyber/beazley-enhances-cyber-policy-offering-103442.aspx

# The technological revolution in Insurance

**Insurance**

6/14/18

InsurTech, an area of the insurance industry that captures new uses of digital technology, has attracted a great deal of interest from startup teams, investors, and incumbents.

Three constants define the insurance industry's focus on progress and growth: enhancing the customer/distribution experience, accessing new products and capabilities, and improving underwriting and data analytics. Innovative technologies allow insurers and reinsurers to become more customer-centric and cost-efficient while covering risk with new business models.

The insurance business value chain consists broadly of proposition, distribution and operations. Managing General Agents (MGAs) and Third Party Administrators (TPAs) are responsible for distribution and operations. Technological innovation has opened up opportunities in all areas of the value chain, and consequently, the business models of MGAs and TPAs are shifting. These MGAs and TPAs leverage partnerships and acquisitions to scale their business and get access to the distribution systems and customers of legacy insurance companies.

**Managing General Agents (MGAs)**

MGAs are defined as "an individual or business entity appointed by an insurer to solicit applications from agents for insurance contracts or to negotiate insurance contracts on behalf of an insurer and, if authorized to do so by an insurer, to effectuate and countersign insurance contracts."

Traditional MGAs are affected by the entrance of new companies that use technologies to improve distribution systems. For example, Insureon enables carriers to serve and distribute insurance to small and medium-sized businesses. As a tech-focused distribution business, Insureon streamlines the commercial insurance buying experience.

**Third Party Administrators (TPAs)**

In the past, standardized insurance products satisfied the needs of the general public. In today's market of hyper-customization and micro-segmentation, insurance companies are looking for new ways to attract consumers by designing customized market and service products.

Given the economic and operational challenges associated with new product launches, insurance companies need to rely on partners to augment their capabilities. A digital TPA can step in to provide a sophisticated technology platform that supports newer, feature-rich products along with the necessary scale and size needed for these strategic initiatives.

Digital TPAs provide these and other advantages:

- Digital TPAs can hire, train and onboard resources which have expertise in specific domains and are comfortable operating in a digital environment.
- Digital TPAs have the agility and speed to respond to volumes of new applications and service requests, varying their operations staff accordingly.
- Digital TPAs excel in the economics of new products. Not only can they get a product up and running in a short amount of time (6-9 months) compared to most insurance companies, but they can also dramatically reduce steady-state cost. Insurance companies leverage a “pay-by-the-drink” model that puts the risk and onus on TPAs to vary their steady-state cost and run efficient operations.

Many tech companies believe the millennial generation will transform the insurance industry as their insurance needs intensify. Millennials are expected to represent 50 percent of global consumption by the end of 2017. Trov, the first global on-demand insurance platform fills this need by offering to insure any item anywhere in the world via a mobile phone. The company raised $45 million in April 2017 from strategic investors, and now has roughly $90 million for global expansion efforts.

**M&A Trends**

According to the “Pulse of Fintech” report published jointly by KPMG International and CB Insights, total global fintech funding was US$8.2 billion in Q3’17, well above the $6.3 billion raised in Q3’16.

The insurance market is mature and highly competitive, with limited growth opportunities. As a result, carriers are among three sets of buyers (including brokers and private equity) fueling a hot M&A environment for specialized managing general agencies. Some of these MGA acquisition targets have gone for high-teens multiples of EBITDA—surpassing the historical range of 8-to-12-times valuations.
Acquisitions to increase vertical integration and distribution

While brokers are the most active buyers, insurance carriers continue to seek vertical integration and value MGAs’ specialist product and geographic expertise and distribution. MGA deals with carriers allow insurance companies to grow strategically and diversify with lower execution risk and costs.

MGA-produced business accounts for a growing share of both commercial and personal lines offered by an increasingly large number of insurers. Insurers and reinsurers are attracted to MGAs because they provide underwriting expertise and access to specialty business that may be difficult to reach. Private equity firms are currently more interested in investing in distribution via MGAs than in balance sheet companies.

Large incumbents flush with cash, looking for acquisitions & strategic investments

The insurance industry did not experience the capital issues that the lending, investment and banking sectors faced during the financial crisis. As a group, property/casualty insurers in the U.S. are not distressed or in need of immediate change to dramatically improve their financial position. Even after the 2017 natural disasters, surplus levels are expected to remain strong.

Carriers want to protect their cash position for growth or to return capital back to shareholders. Incumbents are looking to maintain their significant market share while using any spare capital to acquire technologies that would allow them to improve efficiency and develop new customizable insurance products. Taking the inorganic route, incumbents could acquire proven companies who have technology they desire, rather than risk building out the capabilities internally.

**Key M&A Deals**

- In July 2017, JenCap Holdings agreed to acquire privately held Special Risks Facilities Inc., an MGA in Sterling Heights, Michigan as part of a roll-up to gain access to specialties.
- Also, in July 2017 Nexus Underwriting Management Ltd. acquired the MGA business of ZonRe, the third acquisition for Nexus as it positions itself as a multi-product and multi-geographic insurance company.
- In November 2017, Goji raised $15 million from HSCM Bermuda. This funding will allow the country's leading independent online personal lines insurance agency to benefit from HSCM's knowledge and robust access to the insurance and reinsurance markets.

Investments in InsurTech companies have increased significantly over the last 18 months, with the majority of interest coming from insurers and reinsurers. It's apparent the insurance industry recognizes the necessity for change and the increasing relevance of new technologies

http://finteknews.com/the-technological-revolution-in-insurance/

# Chubb, SURE partner to launch mobile-distributed accident coverage for rideshare

**Insurance**

6/14/18

Insuretech SURE is rolling out a new insurance product, underwritten by Chubb, that provides additional medical and accidental death and dismemberment coverage for passengers ridesharing services.

The RideSafe gives passengers the ability to buy one-day coverage by downloading the SURE insurance app and connecting their Uber or Lyft account. Once the passenger registers and his or her account is authorized, coverage begins automatically as soon as they enter the vehicle. The policy is in effect for 24 hours regardless of the number of rides he or she takes during that period and once lapsed, coverage renews automatically when the passenger takes the next Uber or Lyft ride. Individuals have the ability to pause and restart the automatic coverage through the app.

The launch follows SURE's launches of mobile device and rental-car coverage last year.

“As we see ridesharing services and autonomous cars evolving, and the market develops from its nascent state, the data will become richer and we’ll be able to collect information on who, what, where and when rides occur, as well as other variables like whether a trip is for business or pleasure,” says Wayne Slavin, SURE’s founder and chief executive officer.

While the company collects enough data to refine models, premiums will be set price for based on geography, although SURE is looking to incorporate user experience data into its model in the future.

The company’s long-range plan is also to provide the same insurance for passengers of autonomous ridesharing fleets as ownership for these vehicles evolve from personal ownership to a service model.

The company’s target market for RideSafe is broad, applicable to everyone using rideshare services, from students on up to seniors. SURE currently offers RideSafe coverage in 38 states, although the company is looking to expand to all 50.

It hopes to eventually include varying coverage and offering ride-based policies to cover riders of rental bikes and electric scooters. “We want to give individuals options for alternative types of insurance that suit their lifestyle,” Slavin explains.

Slavin points out that the industry’s changing and both insurers and rideshare companies benefit from innovative products. “Companies like Uber and Lyft are providing a delightful service and changing people’s lives but insurance isn’t their core business. Carriers know the insurance business but don't necessarily know how to do the technology and we don't want to disrupt them," Slavin explains. "We know how to bridge the two, bring the insurance product, make it easy, connect the consumer and make this novel coverage work."

https://www.dig-in.com/news/chubb-sure-partner-to-launch-mobile-distributed-accident-coverage-for-rideshare

# ING, AXA form digital bancassurance partnership, offering cover in 6 Countries

**Insurance**

6/13/18

ING and AXA announced a long term and exclusive, multi-country bancassurance partnership to provide insurance products and related services through a central digital insurance platform. Under the partnership, ING will provide its leading digital banking experience and AXA its expertise in innovative modular insurance products and services, offering property/casualty (P/C), health and protection insurance solutions to ING customers in six countries – France, Germany, Italy, Czech Republic, Austria* and Australia*.

ING and AXA teams together will develop personalized insurance products and relevant services, accessible via the ING mobile application.

“Our partnership with AXA adds an important dimension to our ambition to build one customer-centric platform,” said Ralph Hamers, CEO of ING Group. “Adding personalized protection products that are life-stage driven will ensure we keep our customers ahead in life, empowering them to stay in control, in line with their widening demands.”

The partnership also will help ING Group diversify its income, added Hamers. “We are excited to embark on this journey with AXA and we are united in our vision. We believe that, between our leading digital banking capabilities and AXA’s unparalleled insurance expertise, we will be able to build an international platform of significant value to our customers.”

AXA’s partnership with ING will deliver a significant step change in the future of digital insurance, affirmed Thomas Buberl, CEO of AXA. “This is another key step in AXA’s transformation, fully aligned with our payer-to-partner strategy. We will indeed accelerate our growth in Europe and build innovative insurance solutions and services that have the potential of creating more frequent interactions with the customers.”

https://www.insurancejournal.com/news/international/2018/06/13/491941.htm

# Cyber Business interruption remains area of uncertainty for Insurance

**Insurance**
6/12/18

Although the insurance industry may have had plenty of time to wrap its mind around managing physical property threats, what about the newly growing area of non-physical threats? Panelists at the 2018 PLUS Cyber Symposium, held in May in Chicago, Ill., discussed how the cyber-related business interruption space differs from traditional, property-related business interruption.

"We've got a lot of weather experience from hundreds of years of tracking that. The insurance industry knows where the wind is going to blow, so from an individual risk standpoint and from a risk aggregation standpoint, insurance companies can manage that," said panelist Jason Glasgow, vice president in the E&O division at Allied World. "Nobody knows where the cyber winds are going to blow." Indeed, cyber attacks were cited as the top threat to businesses worldwide in the Business Continuity Institute's 2018 Horizon Scan Report, with data breaches and unplanned telecom outages ranking second and third in the report.

Since 2011, the study has tracked challenges to business continuity globally by asking survey respondents about perceived threats, which have migrated over the years from adverse weather and political unrest to cyber attacks and data breaches. However, as non-physical threats become more of a concern for business continuity, the insurance industry will need to address certain gray areas in its coverage of cyber-related business interruption, panelists discussed.

"In business interruption, we do see some gray areas on policies," said panelist Catherine Rudow, senior vice president of North America Property and Casualty and senior underwriter of Casualty at PartnerRe. "I wonder if as claims start coming in, we'll start to see the insurance industry figure out where in fact these losses do belong."

Business interruption coverage began in property policies as an add-on with a built-in waiting period of as little as 48 hours to as long as two weeks in some cases to cover the revenue a company would have earned while being down due to physical perils such as fire, flood or power outages, Glasgow explained. In the cyber world, business interruption coverage functions similarly, although the triggers involve events such as computer system shutdowns due to hacking or a data breach, and the waiting periods can be much shorter – typically a matter of hours, he said.

Recently, cyber-related business interruption has broadened beyond technology simply malfunctioning to include voluntary system shut-downs as preventative measures or anything cyber-related that interrupts a company's ability to function, added Bob Parisi, managing director and cyber product leader at Marsh. As the market has expanded, coverage has begun to separate itself from traditional property policies.

"If companies think they are insuring business interruption by buying an additional property policy, they have to realize that they're not because traditional property policies are retracting and pulling back to accommodate expanding cyber coverage," Parisi said.

As cyber-related business interruption coverage continues to evolve, however, the insurance industry has struggled to understand the exposures, panelists said. "I think we're seeing a lot of confusion out there amongst not only organizations trying to quantify their exposure and get their arms around questions of 'How much are we exposed? What would a potential BI loss look like due to a cyber peril?' but also, on the insurance market side of things, it sounds like there's the need for greater clarity as to where these exposures are," said panelist Chris Mortifoglio, senior vice president of Procor Solutions & Consulting.

This is because although the property market has had plenty of time to build deep history and expertise, the cyber market is a relatively new area for insurers. "Property has a lot more ability to support big losses than our cyber product does," Rudow said. She added that an hour-long loss in property looks different than an hour-long cyber loss because the property market has enough experience to know what questions to ask and more substance regarding how to measure the risk it is taking on involving business interruption.

"Whereas [with cyber], we're sort of guessing," Rudow said. "Where do we manage it and underwrite it? How do we eliminate or change how we trigger our deductible?…It's still an area of uncertainty."

Parisi believes that, except when it comes to privacy risk, one of the biggest struggles in terms of cyber is the lack of statistically significant actuarial data to model risk. "It's not necessarily the risk, it's the lack of knowledge about the risk," he said. "I think a truly effective business interruption modeling tool continues to be somewhat elusive."

However, he stated this is something that he believes will simply take time. "We won't have a large body of claim data for a while – that's just a function of you get 10 years of data for being around 10 years," he said.

**Defining Policy Terms**

That said, one concern from the start has been a lack of clarity in the way terms are defined in cyber policies, panelists said.

"If you look at five cyber polices from five different markets, you'll see six different wordings," Parisi said. "There's no consistency." As a result of the long history in the property underwriting market, there is more specificity when it comes to policies, particularly regarding standard terms such as 'occurrence' or 'event,' Mortifoglio said. In cyber, it's less clear, panelists agreed.

Glasgow pointed to an example of a company experiencing two back-to-back outages to demonstrate the challenges around carving out language in cyber policies.

"Is [the second outage] another event? Or is it related to the first event?" he said. "It's much more difficult than if you had a fire in a building that burns down, and that's it – that's the event."

**Aggregation Concerns**

Beyond policy definitions, adding to the confusion about cyber-related business interruption is the fact that cyber differs from the traditional property market in terms of the potential for aggregation events, panelists explained.

"If you have 10 manufacturing facilities, you know very well what those vulnerabilities are. If you operate in the Gulf Coast region, you're concerned about hurricanes. If you're in California, you're concerned about fires. The likelihood of all of your facilities being impacted by one single peril is minimal," Mortifoglio said. "With a cyber peril, you now no longer have those physical constraints, and you could be impacted on a global basis across your entire organization."

Indeed, a company could experience a total loss or a 10 percent loss, leading to uncertainty in terms of where the risk could be concentrated, Glasgow said. The prevalence of organizations utilizing the same major technology companies also adds to the aggregation concern, Parisi said.

"There are four or five technology companies that are in every single company out there, but the market seems to kind of turn a blind eye and says, 'We're going to pretend we don't know that's the aggregation function,'" he explained. "The market says, 'We want our insureds to be with best-in-breed technology companies.' Well, if you encourage everyone to be with the best-in-breed technology companies, you're funneling everyone into an aggregation position."

Glasgow pointed to an example of the recent Amazon web service outage at the end of February.

"I can guarantee myself and every other insurance carrier held their breath when they saw that on the internet and said, 'This is it. This is the one that's going to be the aggregation event,'" he said. "Well, it turns out they were down for four hours. No one really had any loss."

Although the impact was minimal, Glasgow said it did teach the industry about resiliency.

"It taught us that not only do our insureds all have resiliency, but the companies in question have resiliency in place, and they want to get up and running as quickly as possible," he said. "So I think events like that which haven't led to losses have informed us as well."

In fact, Parisi said he believes the idea of a total aggregation event is a little far-reaching. This is because technology is used differently within each company, so the risk is always going to be different, he explained. "The concept that you can just kind of 'tip over' is theoretically possible, but I think that's a caution that's a step too far," he said.

He pointed to the Petya and NotPetya attacks of 2016 and 2017 as an example.

"That was a huge loss in the billions of dollars going through the cyber and property markets, but it was fairly constrained. The internet didn't tip over," he said.

**Data Breach Lessons**

With this in mind, there are still valuable lessons in some of the big data breaches of the past couple of years, even for those that weren't impacted, panelists agreed.

"Petya and NotPetya was a very expensive proof of concept for a variety of industries that had for longest time said they would never have a problem because this wasn't their issue; they didn't take credit cards," Parisi said. "But that ability for that piece of ransomware that had malware behind it to shut down multiple industries across the globe and basically break a substantial portion of their hardware is something that we need to question what we learned. It's just as important to figure out what companies did that were in the neighborhood at the time, but didn't get hit."

Rudow said she believes change is already occurring as a result of claims from past breaches, and Mortifoglio agreed.

"Some of those events like WannaCry had a fairly significant impact on a relatively small number of U.S. companies,"Mortifoglio said. "As a result, we have a combination of companies and carriers becoming more aware of these exposures and more aware of the benefits of coverage related to cyber, as well as a lot more requests to buy business interruption coverage."

Rudow added that although the industry doesn't quite have all of the answers yet, it is working through them and will need to continue to adapt in order to find its footing in the future.

"By my calculations, we come to market between $3.5-4 billion, so we're still very small," Rudow said. "Even the NotPetya attacks would have destroyed the market had they been fully insured, and it was a small number of companies that were hit. I think we need to start promoting ourselves, making ourselves attractive and having some scale, so we can handle a large loss when it comes through."

https://www.insurancejournal.com/news/national/2018/06/12/491842.htm

# Allianz eyes M&A targets Zurich, Hartford, QBE, Argo and more after missing out on XL

**Insurance**

6/12/18

A $94 billion financial behemoth is keeping the market on tenterhooks about its next move.

Europe's largest insurer, Allianz SE, is in the early stages of evaluating a variety of potential acquisition targets as deal-hungry Chief Executive Officer Oliver Baete scans the market for growth, people with knowledge of the matter said. Those on the list range from Switzerland's Zurich Insurance Group AG and the U.K.'s RSA Insurance Group Plc to Hartford Financial Services Group Inc. in the U.S. or, going further afield, assets in China, they said.

Allianz is working with a few advisers informally in exploring options, but deliberations are at an early stage and may not result in a deal, the people said, asking not to be identified as the discussions are confidential. A spokeswoman for the firm said Allianz would consider acquisitions where the target is a "fit" on strategy, culture and price, with its board jointly taking the decisions.

An abundance of capital and returns crimped by low interest rates have prompted rivals to turn to acquisitions, with France's Axa SA beating out Allianz to seal a $15.2 billion deal for XL Group Ltd. this year. That deal prompted speculation that the German giant, facing a lackluster stock performance this year, could target Zurich Insurance, worth about $46 billion, to bolster earnings, reap cost savings and be more competitive in key markets.

"The strategic rationale is compelling" as their businesses are complementary, James Shuck, an analyst at Citigroup Inc., said in a note to clients. "Any deal would be unprecedented in the industry, transforming global competitiveness."

Even if Allianz were to pay a 20 percent premium over Zurich's share price, the transaction could still boost the Munich-based firm's earnings by 10 percent, and offer an additional 10 billion euros in capital synergies, Shuck estimated.

Allianz, whose shares have dropped about 5 percent this year, hasn't made any formal approach to Zurich about a merger, the people said. Baete's focus is on implementing the "renewal agenda" that he put into place shortly after taking the helm in 2015, the firm's spokeswoman said.

The German insurer may need to look elsewhere for a willing partner, with Zurich executives including Chief Executive Officer Mario Greco publicly opposing big-ticket deals. Other targets Allianz has looked at include Australia's QBE Insurance Group Ltd., Bermuda firms Argo Group International Holdings Ltd. and Aspen Insurance Holdings Ltd., as well as London-based Aviva Plc and the asset-management arm of Sweden's Nordea Bank AB, the people said.

Representatives for Zurich, RSA, Hartford, Aviva, Aspen, Nordea Bank and QBE declined to comment, while spokesmen for Argo didn't respond to a call or email.

Baete is concerned about being left behind by both Axa and American International Group Inc. — which scooped up Validus Holdings Ltd. for $5.4 billion this year — and is keen to explore a transformative deal, according to the people. The 53-year-old, who'd also previously expressed his willingness to pursue takeovers, remains keen on bolstering his defenses in the property and casualty sector and the U.S. market, they said.

The German-born CEO appeared to signal anew his appetite for mega-deals after he told the Financial Times last month that Allianz would be open to a "merger of equals." Though Baete didn't confirm the speculation that has linked Allianz with Zurich Insurance, and noted that the prospect of paying a high premium was unattractive, his comments were interpreted as a sign of interest. The German firm's spokeswoman said Baete was merely explaining the circumstances under which Allianz may consider large deals in the interview.

"Strong balance sheets and lack of growth tend to make you look more externally around M&A," Arjan van Veen, an analyst at UBS Group AG, said in an interview. But large deals, even when they "make sense," pose significant hurdles, he said.

Those may be some of the concerns dogging Allianz Chairman Michael Diekmann, Chief Financial Officer Giulio Terzariol and board member Helga Jung, who may be more hesitant about pursuing a big deal, the people said. M&A isn't the main priority, and Allianz is focused on operational improvements at present, Terzariol said in an interview last month.

Baete himself has ruled out any hostile takeovers. An unwilling seller would complicate any pursuit — and bump up the price.

Zurich's top executives have already signaled that the firm won't prove an easy conquest. Greco last month said M&A activity "is not really a priority" because the challenges and opportunities stemming from technological change can't be addressed by combining businesses. "Consolidation doesn't solve the issues," Greco said in a Bloomberg TV interview. "The size of the company doesn't really matter."

Those views were echoed a few days later by Zurich's Chief Risk Officer Alison Martin, who said big mergers are "incredibly distracting."

Baete will also want to avoid the fate of his counterpart Thomas Buberl at Axa, whose shares have fallen about 12 percent since the XL acquisition was disclosed amid concern that he overpaid. His predecessors at Allianz also have a checkered record when it comes to M&A, underscored by the doomed 2001 purchase of Dresdner Bank AG.

In that context, the Allianz CEO's comments to the FT may have been a signal to the broader market — and particularly to smaller insurers that are thinking of a sale — to view the German giant as a friendly suitor that'd be willing to treat the acquired business as an equal, offering autonomy in operations following a deal, the people said.

Even so, Allianz may face a tough road ahead in identifying the right target.

"In the case of XL, you had a willing seller and a willing buyer to pay the price," UBS's van Veen said. "As they get larger, it gets a bit more and more difficult."

https://www.insurancejournal.com/news/international/2018/06/12/491832.htm

# XL Catlin adds cyber solution to UK casualty insurance offering

**Insurance**

6/12/18

XL Catlin's insurance operations in the UK announced the extension of its casualty insurance offering to include a cyber solution.

The endorsement – which is designed for mid-sized and large companies that don't require a stand-alone cyber solution – is offered as an extension to general liability policies.

The extension is available to a wide range of industry sectors and has a limit of £5 million ($6.7 million). It covers the risks associated with data management, data safety, the impact of a network breach and the various costs that may derive from a cyber incident, using a combination of third-party liability and first-party losses coverages.

"Companies around the world are increasingly vulnerable to targeted cyber attacks. We regularly speak to companies that record thousands of attacks every year – sometimes every month," said James Tuplin, head of cyber & technology, media and telecoms – International Financial Lines.

"Yet many UK organizations – particularly smaller companies with limited resources – still have some way to go in terms of measuring and quantifying their cyber liabilities. And in our experience, this is preventing many of them from transferring the risk to the insurance market," Tuplin added.

"We have introduced this endorsement specifically for clients that have not previously bought cyber insurance," said Andrew Farmer, senior casualty underwriter, insurance. He noted that XL Catlin underwriters provide a straightforward survey that helps clients understand their cyber exposures, which helps first-time buyers access this coverage.

This extension complements XL Catlin's existing stand-alone Cyber & Data Protection policy, managed by its International Financial Lines team.

https://www.insurancejournal.com/news/international/2018/06/12/491826.htm

# PAYMENTS

# Zelle, a payments service created by the 7 biggest US banks, is on track to be more popular than Venmo in 2018

**Payments**

6/15/18

If you're not already using Zelle, you may be one of the millions of users the platform is expected to add in 2018.

Zelle is a year-old service that lets you instantly transfer money to someone else, much like Venmo or Square Cash.

But Zelle differs from either service in a major way: because it was built by seven of the largest US banks, it's often able to integrate more seamlessly with your bank's mobile app. While other services make you wait a few days for the money you received from friends to show up in your bank account, Zelle can transfer the money almost instantly.
For those reasons, analysts at eMarketer expect Zelle to "leapfrog" other payments services before the end of the year.

"One of the main hurdles new apps face is building trust and a sizable audience," eMarketer forecasting analyst Cindy Liu wrote in a report. "But Zelle has leapfrogged the early stages of adoption by having the benefit of being embedded into the already existing apps of participating banks."

Zelle is expected to grow more than 73% this year, eMarketer predicts, and will likely reach 24.7 million US users. That's more than Venmo's 22.9 million users.

Square Cash is the third most-popular payments app with 9.5 million users.

https://www.businessinsider.in/Zelle-a-payments-service-created-by-the-7-biggest-US-banks-is-on-track-to-be-more-popular-than-Venmo-in-2018/articleshow/64594360.cms

# Visa Canada's AI chatbot walks customers through (non-payment) pain points

**Payments**

6/15/18

Visa Canada is collaborating with Finn AI to develop natural language chatbot technology to address common needs experienced by credit cardholders.

Issuers deploy conversational chatbots to act as digital assistants for their cardholders to free staff from routine inquiries about issues such as forgotten PINs, to answering more complex questions.

"We're opening up the edges of our network through the Visa Developer Platform in order to improve the digital commerce experience for cardholders," says Derek Colfer, Visa Canada's head of digital product. "The actual payment represents a very small part of a consumer's digital commerce experience. So, working with fintechs, we want to empower consumers in a way that goes well beyond just payments."

The Visa Developer Platform provides fintechs, issuers and acquirers with access to around 100 Visa APIs in areas such as data and analytics; ID intelligence; offers and benefits; payment methods including the Visa Direct card-to-card transfer platform; and risk and fraud management. These APIs can then be used to develop digital services for customers.

Vancouver-based Finn AI began life in 2014 as the developer of Payso, a P2P money transfer app designed to be the Canadian equivalent of Venmo. However, the company realized after a year and a half of offering Payso that working with banks offered more opportunities than working directly with consumers. It then developed its chatbot technology for the banking and credit card industries.

With Finn AI's technology, possible interactions include notifying an issuer when cardholders travel abroad so their card isn't declined at foreign retailers, and blocking lost or stolen cards. According to Jake Tyler, Finn AI's CEO, around half of cards reported lost or stolen actually turn up within 48 hours.

Other capabilities that Finn AI and Visa Canada have developed include spending controls including limits on certain types of purchase, and the ability to check FX rates when using a card in a foreign store. This means a cardholder could decide whether to pay in their own currency or in the local currency of the merchant.

While Finn AI integrates with banks and issuers' digital banking and card management apps, it also works with social media channels such as Facebook Messenger as well as SMS messages and Amazon Alexa.

Tyler estimates that Canadian consumers spend around 50 minutes a day using instant messaging apps. “They use instant messaging more than they use social media,” he says. “Messaging apps are increasingly becoming portals to the Internet and to digital services such as banking.”

Finn AI’s chatbot uses an AI technology called deep learning to analyze and learn from inquiries from customers.

“We think that deep learning is more flexible and adaptive than using rules-based AI technology,” says Tyler. “When a customer asks our chatbot a question it can’t answer, it hands over seamlessly to a human agent, but then researches the answer for the next time this question is asked.”

Other companies that have integrated with the Visa Developer Platform include Canada’s CIBC, which has developed a tool in its mobile banking app to give customers real-time foreign currency costs when making purchases abroad. San Francisco-based mass payout specialist Hyperwallet is using Visa Direct through the Visa Developer Platform in the Hyperwallet Transfer to Debit Card service.

Financial institutions that have deployed Finn AI’s chatbot include Banpro Grupo Promerica, Nicaragua's largest bank, and two Canadian FIs, Bank of Montreal (BMO) and ATB Financial (Alberta Treasury Branch). Commonwealth Bank of Australia plans to roll out the chatbot for its international banking operations outside Australia.

These implementations are separate from Finn AI’s work with Visa — BMO and ATB are both Mastercard issuers.

Finn AI’s core chatbot technology is card-scheme agnostic and can be used by issuers on any card network. Since around half of all Canadian retail purchases are paid with credit cards, Finn AI recognized that credit cards are an important use case for its chatbot, Tyler says.

“The Canadian credit card market is very competitive, with a lot of people switching between issuers,” Tyler says. “So the tools we have developed with Visa such as our travel notification capability can help build customer loyalty. If someone is traveling abroad and their card is declined, there’s a 44 percent chance that they will use that card less in the following 12 months.”

Finn AI already supports voice interactions with its chatbot, but its primary usage is with text-based messaging.

“I think conversational banking chatbots will be very powerful and deployed for many use cases,” says Colfer. “The advantage of Finn AI is that its chatbot can be used not just in a banking app but in a wide range of social messaging apps.”

Visa has a hands-off approach to the Visa Developer Platform, and doesn't want to "curate" the development of new consumer uses cases by fintechs that join the platform, says Colfer.

In a separate development, Royal Bank of Canada (RBC) announced in March 2018 that it had become the first Canadian bank to launch an open API developers' platform. Among the RBC APIs offered on the platform is a credit card catalog API, which provides access to credit card rates and fees, organized in terms of line of business, product family and individual products.

RBC's APIs aren't currently integrated with the Visa Developer Platform.

"One of the issues right now is the existence of a number of different sandboxes where developers are trying out APIs," says Colfer. "So I think we will see platforms that aggregate multiple APIs from various sources in a universal sandbox to make it easier for developers to work with APIs from different businesses."

https://www.paymentssource.com/news/visa-canada-finn-ais-chatbot-targets-pain-points-beyond-payments?utm_campaign=bulletin-c-Jun%2015%202018&utm_medium=email&utm_source=newsletter&eid=12a6d4d069cd56cfddaa391c24eb7042

# Ondot Sytems launches digital card services platform

**Payments**

6/15/18

Ondot Systems has launched a digital card services platform, a new offering that provides card issuers with full digital card life-cycle management, from initial invitation through secure payments, in a single platform, reports David Penn at Finovate.

"In a digital-first world where payments are becoming invisible and consumers expect instant gratification, card issuers must attract, acquire, and empower consumers with personalised digital experience," explains Sung-Wook Han, CTO for Ondot.

Ondot's latest solution takes advantage of social networking and bot technology to enhance the customer acquisition, application, and KYC processes. Approved cardholders get instant digital card issuance with dynamic security codes (CVV2) to support secure e-commerce, and the ability to make in-app push provisions to digital wallets.

The firm's technology also enables cardholders to control how and when their cards can be used. Cardholders can also set spending limits, location parameters, and allow or block transactions with specific merchants.

Ondot's latest offering can be integrated into current mobile banking apps via APIs/SDKs, or accessed as a white label mobile app with customised branding. The platform supports credit, debit, and prepaid cards, including Visa, Mastercard and private label cards.

Last month, Ondot celebrated a major milestone by having 3,000 financial institutions offer mobile card controls powered by its technology. Founded in 2011, the company has raised $28 million in funding. Vaduvur Bharghavan is CEO.

https://www.bankingtech.com/2018/06/ondot-sytems-launches-digital-card-services-platform/

# Wirecard launches supply chain payment platform on blockchain

**Payments**
6/15/18

Paytech firm Wirecard is expanding its digital payment and banking platform with a supply chain solution based on blockchain.

The prototype focuses on linking merchants with producers, capturing business processes in smart contracts.

Wirecard says in this way, all steps along the commercial chain, from drawing up contracts, to quality assurance and guarantee of origin, are mapped transparently in a decentralised database.

Markus Braun, CEO of Wirecard, says it sees “great potential in the digitisation of payment processes worldwide”.

Jörn Leogrande, EVP of Wirecard Labs, adds: “Within the framework of the private blockchain technology, Wirecard initially maps the possibility of direct interaction via a platform as well as the possibility for payments.

“Our experience in the area of financial and Internet technology puts us in a position to be able to transfer further services with concrete application examples to the blockchain.

“For example, the technology can be used to establish a comprehensive loyalty system, transparent and cost-efficient banking solutions for emerging markets and a secure, decentralised and efficient method for collecting, validating, storing, approving and updating trustworthy know your customer (KYC) data.”

https://www.bankingtech.com/2018/06/wirecard-launches-supply-chain-payment-platform-on-blockchain/

# American Express® launches new, no annual fee Cash Magnet™ Card, offering unlimited 1.5% cash back

**Payments**

6/14/18

American Express today announced the newest addition to its cash back portfolio — the no annual fee American Express Cash Magnet™ Card. Designed for people who enjoy earning rewards in a way that fits their busy lifestyle, the Card offers unlimited 1.5% cash back on purchases from a cup of coffee to a new couch.

The Cash Magnet Card also features Pay It Plan It™, an innovative payment tool that gives Card Members control and flexibility over how they pay for the things they buy.

With the Cash Magnet Card, Card Members will be rewarded on purchases, while having options for how they chose to pay.

With Plan It™, Card Members can split up big purchases over time with a fixed monthly fee and no interest. With Pay It™, Card Members can pay off smaller purchase amounts as soon as they appear on their bill, thus lowering their monthly statement balance. All of this can be done simply in the Amex Mobile App.

“Our award-winning cash back products have always kept our customers’ needs front and center,” said Kartik Mani, Executive Vice President, Global Consumer Lending, American Express. “Today, we are excited to introduce the Cash Magnet Card, which offers compelling, unlimited cash back on purchases, with the exceptional experience and backing of American Express.”

The American Express Cash Magnet Card Offers:

- Unlimited 1.5% Cash Back — no caps, no categories
- No annual fee (rates and fees)
- Pay It Plan It, an innovative payment feature from American Express that gives Card Members control over how they pay for the things they buy
- Special launch offer: Today through July 18, new Card Members will have the opportunity to earn up to $300 Cash Back. New Card Members can earn $150 back after they spend $1,000 on purchases in their first 3 months of Card Membership. Plus, earn an additional $150 back after spending an additional $6,500 on purchases within the first 12 months of Card Membership. Cash back will be received in the form of a statement credit.

The Card also features many of the benefits and services that Card Members have come to expect from American Express, including a complimentary ShopRunner membership and Amex Offers, which rewards Card Members at places they like to shop, travel and dine.

https://paymentweek.com/2018-6-14-american-express-launches-new-no-annual-fee-cash-magnet-card-offering-unlimited-1-5-cash-back/

# Bango launches direct carrier billing with Entel in Chile

**Payments**

6/13/18

Bango has announced that millions of Entel subscribers in Chile are now able to pay using their phone bill for the massive array of content and services sold in Google Play, including Minecraft, Tinder and Google Play Music, according to a press release.

Pre and post-paid Entel subscribers can simply click-to-buy using carrier billing, placing the charge on their Entel phone bill, for instant access to their favorite games, music, movies and more.

"Launching carrier billing in Google Play through the Bango Platform enhances our offering, providing a safe, easy to use payment method so our customers can enjoy the very best content on offer in the world's biggest app store," Matías del Campo, who is the market people manager at Entel Chile, said in the press release.

https://www.mobilepaymentstoday.com/news/bango-launches-direct-carrier-billing-with-entel-in-chile

# Fintech celebrates 15 year anniversary with launch of new app with ‘one click payments’

**Payments**
6/12/18

Opal Transfer, the London-based Fintech company, is celebrating its 15th anniversary of money transfers with the launch of a new app, making money transfers easier than ever with ‘one click payments.’

Opal Transfer registered for business in London on St George’s Day in 2003, and it has now transferred more than £1.5 billion for private individuals and small businesses across Europe.

Not only was Opal Transfer one of the first fintech companies in the transfer market, but it is one of the only fintechs  that has grown organically to profitability, without raising any external capital.

In its 15 years, Opal Transfer has served over 300,000 customers and is now active in 38 countries across Europe and continues to expand.

So far in 2018, Opal Transfer has already launched a new money transfer service between Poland and the Ukraine, its first outside the of the UK, as well as a transfer service between Italy and the UK.

**Opal Transfer launches innovative new app**

As a fintech business, Opal Transfer is at the forefront of developing new technology and is celebrating its anniversary by launching a brand new app designed at improving the customers experience.

The app will enable customers to make one click payments, as well as simplifying the transfer process and makes it easier to use. It is Opal Transfer’s first app that is available on Apple, Android and Windows.

Alongside its app, Opal has more plans to innovate and expand its offerings to customers in the next 12 months. The launch of an Opal Transfer card is expected before the end of the year as well as an expansion of transfer services into Western Europe.

Gita Petkevica, Managing Director and founder of Opal Transfer, says “We are all so proud at how far Opal Transfer has come in the past 15 years, and even more excited about the next 15 years, starting with our new app. We’ll continue innovating so that our customers have the most user friendly technology.”

“The money transfer fintech market is extremely competitive, and only through offering an innovative service at an affordable price have we been able to grow continuously for 15 years.”

"Opal Transfer continues to have ambitious growth plans, and as we launch new products and enter new markets we will continue to offer the best and cheapest money transfer service to our customers."

Opal Transfer is a leading European fintech business that has been working in the money transfer sector for 15 years, standing out with fast international payments.

London-based, Opal Transfer offers foreign exchange money transfers across 38 European countries.

The company was born as an answer to the difficulties faced by migrants upon arrival in a foreign country. Today over 300,000 customers have used Opal Transfer service.

http://www.altfi.com/wire/408

# UK small businesses increase acceptance of mobile payment apps

**Payments**

6/12/18

New research commissioned by Verifone shows how U.K. small and medium enterprises are modernizing their businesses to deal with the huge demand from a digitally-savvy society, according to a press release about the study.

The independent report, conducted by Verve Partners Research and commissioned by Verifone for MoneyConf, shows that more than a quarter (29 percent) of U.K. small and medium businesses now give their customers the option to pay using an app in store — an increasingly popular payment method for consumers, fueled by the popularity of mobile payments apps such as Google Pay and Apple Pay.

In addition, almost a fifth (17 percent) of micro-businesses are also tapping into the trend and accepting payment apps to ensure an easy experience for their customers at the checkout.

"Society has become familiar with the seamless use of apps and social media," Nathan Gill, vice president and head of solutions at Verifone, said in the press release. "Today, consumers expect to pay with the same speed and convenience as with these other aspects of their lives, but they also want other options at the checkout that extend beyond a traditional transaction — the ability to donate to charity or delay the debit from their account, for example."

https://www.mobilepaymentstoday.com/news/uk-small-businesses-increase-acceptance-of-mobile-payment-apps/

# RBC's Caribbean contactless push paves way for mobile wallet

**Payments**

6/12/18

Royal Bank of Canada is one of three Canadian banks with a presence in the Caribbean, and is deploying contactless card readers throughout the region to ride a wave of digital payment adoption.

The move to support contactless payments is a first step toward enabling mobile wallets. RBC has yet to issue a mobile wallet for its cardholders in the Caribbean, although mobile wallets are planned for RBC's Going Digital initiative in the region. This initiative involves encouraging RBC customers in the Caribbean to use its ATMs and digital and mobile banking platforms, which have been expanded with new payments capabilities.

Individuals using some mobile wallets will be able to use their phones for mobile payments at RBC's contactless-enabled POS devices. "However, mobile wallets aren't as prevalent in the Caribbean as they are in other parts of the world, and individual banks which operate in the region haven't yet launched mobile wallets," said Rob Johnston, head of Caribbean banking and CEO, RBC Financial (Caribbean) Ltd.

"The mobile payments feature, for now, would most likely be used by visitors to the region from countries where their banks offer wallet technology," Johnston said. "As the region becomes more digitally enabled and more people take advantage of these technologies, mobile wallets and payment apps will likely become more commonplace, and payment acceptance will adapt accordingly."

The other Canadian banks operating in the Caribbean are Scotiabank and CIBC, which owns CIBC FirstCaribbean. RBC said it has operations in 17 Caribbean countries including Trinidad and Tobago, the Bahamas, Barbados, Turks and Caicos, the Cayman Islands and Curaçao, plus 66 branches and over 1 million clients in the region. However, RBC sold its Jamaican subsidiary to Sagicor Group Jamaica Ltd. in 2014.

Since RBC's contactless technology is still rolling out in some Caribbean markets, it's too early to estimate the volume of contactless transactions in the region, Johnston said. But it does have a firm timeline for deployment.

"Just over two-thirds" — 68% — "of our Caribbean credit card client base will have been issued with contactless enabled chip cards by August 2018," Johnston said. "We will be issuing the rest of our Caribbean credit cardholders and debit cardholders with contactless-enabled chip cards in 2019."

With increased digitization, RBC is seeing greater numbers of Caribbean merchants take advantage of its POS capabilities. But certain parts of the Caribbean are still very much cash-dependent for some everyday purchases, particularly the smaller islands.

“With the introduction of new technologies like contactless payments, chip-and-PIN capabilities and RBC’s EZPay card acceptance system, we’re seeing card-based and digital transactions become much more common as compared to just a few years ago,” Johnston said. EZPay is an mPOS system that lets merchants accept card payments on their smartphones or tablets equipped with an EZPay device.

Mastercard and Visa are also actively promoting contactless payments in the region.

“In the Caribbean, contactless is still ramping up,” said Rodrigo de Paula, director of market development for the Caribbean at Mastercard. “The most advanced island in terms of contactless penetration is Bermuda, where 98% of merchants are ready to receive contactless transactions. In addition, there are a number of efforts around contactless underway in the Dominican Republic, but it’s still early days.”

Visa is working closely with key issuers, merchants and acquirers throughout the Caribbean to accelerate the adoption of contactless payments, which it describes as a secure alternative to cash.

“Contactless technology can help to facilitate the transition from cash to electronic payments in Latin America and the Caribbean,” said Ruben Salazar, senior vice president for products and innovation for Visa Latin America and the Caribbean.

In mid-2017, Visa issued an official mandate in Latin America and the Caribbean to its issuers that all newly-issued Visa credit and debit cards must be contactless-capable by Q4 2018.

According to “The State of Contactless Payments in Latin America,” a study by Americas Market Intelligence that was commissioned by Visa, contactless payments are still at an early stage in Latin America, where just a few issuers have launched contactless cards. The report notes that across Latin America cash accounts for 90% of retail payments and that contactless payments represent just 1% of total credit and debit card card-present payments.

"There remains a large opportunity ahead as contactless transactions in the Caribbean still account for under 1% of total face-to-face transactions," Salazar said. "The key markets behind this shift to contactless are Puerto Rico, Barbados, the Dominican Republic, Bahamas, the Cayman Islands and Trinidad & Tobago, according to VisaNet data for April 2017-April 2018.”

https://www.paymentssource.com/news/rbcs-caribbean-contactless-push-paves-way-for-mobile-wallet

# American Express to launch credit card made from ocean plastic

**Payments**
6/12/18

Using your credit card can sometimes be a guilty experience.

Fortunately, American Express is working to alleviate some of that guilt through the launch of a new card made entirely with plastic recovered from the ocean.

The new credit card, a world-first, is being produced with Parley for the Oceans, a marine conservation group which has worked with Adidas on a highly successful plastic sports shoe.

The card currently exists as a prototype but it is expected be made available to the public within the next 12 months.

"Our oceans play a vital role in our lives, the health of our planet and the health of travel and tourism, which American Express has long supported. It's important that we raise awareness and do our part to keep our oceans blue," said Doug Buckminster, a group president at American Express.

"Partnering with Parley is the right next step as we pursue our larger vision of backing our communities and sustaining the planet we share."

The move is designed to raise awareness on the issue of plastic pollution and make a small dent in the estimated 8 million tonnes of plastic which is dumped in the world's oceans each year. Latest figures show that American Express has produced 112.8 million credit cards worldwide.

"Every second breath we take is created by the oceans. Without them, we can't exist. American Express is creating a symbol of change and inviting their network to shape a blue future, one based on creativity, collaboration and eco-innovation," said Cyrill Gutsch, founder of Parley for the Oceans.

Alongside the new card, Amex has made a number of tentative commitments to reduce plastic waste across some of its business. It is planning to immediately remove single-use plastic straws from its major offices and airport lounges. This will form part of a more comprehensive waste reduction strategy to be released by the end of 2018.

http://www.climateactionprogramme.org/news/american-express-to-launch-credit-card-made-from-ocean-plastic

# First Data's Star Debit Network plans to challenge Visa and Mastercard for signature transactions

**Payments**
6/12/18

Payment processor First Data Corp.'s Star debit network is poised to aggressively challenge Visa Inc. and Mastercard Inc. for a share of the signature-debit market that the global networks have dominated since signature debit became a payment option more than 20 years ago.

Star gained a potentially big foothold in the signature market in March when Walmart Inc., the nation's largest retailer, began using its Star Signature service, First Data executive vice president Barry McCarthy said Tuesday at the company's 2018 Investor Conference in New York City.

"With Star Signature, we intend to challenge all the incumbents and compete for all transactions," said McCarthy, who heads First Data's Network & Security Services unit, which includes Star and processing services for debit card issuers. Star aims to capture what McCarthy termed a "mid-single-digit" percentage share of the signature market.

Star first introduced a signature-authentication service about two years ago. In 2017, the network rolled out Star Signature, which McCarthy said uses a "true dual-message protocol" that he claimed competing networks lack.

In traditional PIN-debit transactions at ATMs and the point of sale, the authorization and clearing information is contained in one message. PINless debit transactions, in which PIN authentication is eliminated, also use the single-message format. But signature debit and credit cards, typically authenticated with signatures, use the so-called dual-message format in which the clearing/settlement message trails the authorization. PIN-debit networks until recently have been shut out of many merchant segments because dual-messaging is essential for car rentals, ride-sharing, e-commerce orders with delayed shipments, and many other transactions in which the final payment amount may not be known at authorization.

"Dual-message capability is critical in the fastest-growing segments like digital commerce and the Internet of Things," McCarthy said. "This protocol works well in all channels, and no PIN pad is required."

How much signature volume Star may get from Walmart is unclear, since it's apparently not the only network providing the retail giant with such a service. Processor Fiserv Inc.'s Accel debit network, for example, confirmed in January that Walmart is using its signature service. When asked by Digital Transactions News how many debit networks it uses, a spokesperson for Bentonville, Ark.-based Walmart said by email that the company does not discuss details of agreements that have not been announced.

McCarthy has high hopes for Star Signature. Walmart already was using Star's PINless debit service, he noted. Star's PINless volume has been growing 40% annually over the past few years and now accounts for 10% of total network volume, he said.

"We expect to see the same thing for Star Signature over the next 18 months," he said.

McCarthy, relying on 2016 figures from the Federal Reserve and internal company estimates, said the PIN- and signature-authenticated debit market generates about $4.5 billion annually in revenue for networks. He estimated Star currently has about 7% of that market, virtually all from PIN-based transactions and their PINless cousins, which translates into about $315 million in revenue. With its newer products kicking in, Star is aiming for about 10% of revenues.

http://www.digitaltransactions.net/first-datas-star-debit-network-plans-to-challenge-visa-and-mastercard-for-signature-transactions/

# Mastercard seeking patent for Blockchain-Based Payment Card Verification

**Payments**
6/12/18

Mastercard (NYSE:MA) has applied for a method and system that uses blockchain-based technology for verifying payment at point-of-sale (PoS). The information was revealed by the US Patent and Trademark Office (USPTO) recently. The American multinational financial services corporation filed for the patent in December 2016.

**Mastercard To Use Blockchain For Verification**

According to the report, Mastercard has devised a conveyance and retrieval processes for verifying the credentials of users' payment over a publicly accessible blockchain. It is a two-way process that first encodes the image of a payment card, encrypts it with a public and private key and then stores it on the blockchain. When there is a retrieval request from the user during the payment, the blockchain-based system will use the private keys for decrypting the image and verifying it.

According to Mastercard, it will integrate this method at PoS to make transactions secure because there will be no need to present the card physically. It will also relieve users of the hassles of getting their payment credentials scanned every time they decide to engage in a transaction.

**Mastercard Expects New Solution To Improve Security**

Mastercard has said that the technical solution for sending and retrieving payment credentials through the PoS device using third-party data sources will improve security. A statement from Mastercard says, "The use of a third party data source enables an individual to transact safely without concern for their payment credentials being skimmed from their payment instrument, or without having to even carry a payment instrument entirely."

The statement further says that the transactions will be conducted via the display of a machine-readable code to the point of sale device. This device will prevent further skimming as it is easy to control the reading of such code through control of the underlying display. The user can shield the display easily and it is obscured when in a purse or pocket.

Until now it is not clear whether an actual product will be offered from this concept or not. However, the effort from Mastercard to utilize blockchain technology for improving the core issues concerning the credit card business is significant in itself.

https://marketexclusive.com/mastercard-seeking-patent-blockchain-based-payment-card-verification/2018/06/

# FiiiPay, reshaping payments processing with Blockchain Technology

**Payments**
6/11/18

Blockchain technology is causing a paradigm in the fintech and payment processing arena. The desire for more efficient transactions and better audit trails is driving companies away from traditional payment processing methods towards innovation. One such example is FiiiPay.

FiiiPay, the brainchild and proprietary payment system of FiiiGroup, which is set to be the blockchain counterpart of payment giants like America's PayPal and China's Alipay — both of which are revolutionary ideas in their prime and reshaped traditional money transfers globally.

Blockchain technology — the backbone of cryptocurrencies — is shaking up businesses in big ways due to its wide application for financial processes. Blockchain is a distributed ledger of records without a centralized system, in which older parts of the record cannot be altered. Financial transactions can be carried out directly between people in the network, removing third parties and delays.

**Moving past sluggish transaction speeds**

However, the cryptocurrency market is currently plagued with a litany of delays. When cryptocurrencies were created, the intention was to bypass the centralized economic system and enable peer-to-peer exchange using the digital currency.

However, transaction confirmation time is usually slow and there is hardly a viable alternative for payment transfers. For example, Bitcoin block is propagated every 10 minutes. To get a 9-block confirmation, an estimated one and a half hours is needed.

Those at FiiiPay understand that there is no silver bullet to kill the problem of sluggish transaction speeds. They have devised a Hybrid Payment Network (HPN) that serves as a workaround, enabling any crypto payments to be made immediately.

It is a bold move to propose a centralized service in a world calling for decentralization, but by increasing the fault tolerance level, transactions will be made more leniently, and validation work can be reduced.

FiiiPay's HPN employs risk mitigation strategies to make up for its vulnerabilities. Equipped with machine learning capabilities to review all crypto withdrawal requests, it can collect all the withdrawal timestamps, IP addresses, geolocations and more essential data. It can then analyze user behaviour to raise alerts to FiiiGroup's team when an unusual activity is detected. This security measure is to protect FiiiPay users from risks of hackers.

FiiiPay's architecture is a distributed system designed to support load balancing, which can easily be scaled by adding hardware to the network when the demand is getting higher. Currently, a single server can support up to 1500 transactions per second. By having multiple servers online, FiiiPay is ableto support thousands of transactions simultaneously.

https://www.financemagnates.com/thought-leadership/fiiipay-reshaping-payments-processing-with-blockchain-technology/

# How Mastercard is using mobile to keep cash alive

**Payments**

6/11/18

While technology is diminishing cash usage in many sectors, Mastercard is working on using mobile to get cash into more consumers' hands.

Mastercard's Cardless ATM service, developed with Diebold Nixdorf, resembles the technology many banks have adopted in the last few years — but Mastercard's offering sheds the limitation of being tied to a specific bank's ATMs.

"The flaw with the existing cardless ATM technology banks have is there's no interoperability with other banks like there is for physical ATM cards—each bank's own cardless ATM integration is like an island," said Dan Goodman, Mastercard's senior vice president of product management for ATM products.

To get cash from other banks' ATMs without using a card requires software connectivity that Mastercard is providing in conjunction with a middleware link to Diebold, the maker of about a third of all ATMs in use globally, according to Goodman.

Mastercard and Diebold are preparing to trial the interoperable cardless ATM service with some unnamed banks this year with integrations via APIs, he said.

Though consumer usage of cardless ATMs is still relatively low, Mastercard predicts demand will gradually emerge with the growing security concerns around travel to foreign countries and greater appeal with younger consumers conditioned to using mobile technology.

"If you're traveling and you need cash—and you're worried about using your ATM card's PIN at an insecure location or you're unable to translate ATM commands presented in a foreign language—using a cardless ATM makes a lot more sense," Goodman said.

Banks can determine which accounts consumers may use to fund ATM withdrawals and price the service accordingly for their customers and with ATM networks, Goodman said. The banks would make the service available through their own mobile apps.

Diebold is also working with Mastercard on the impending rollout of a related new service called Mastercard Cash Pick-Up, which Mastercard announced last fall.

Cash Pick-Up enables consumers—even those with no bank account—to receive funds from the nearest ATM by entering an order number and a one-time-use code on the ATM's keypad. The number and codes are sent to the cash recipient via a phone call or text to access cash via a single-use virtual card, Goodman said.

Mastercard envisions a variety of use cases for the service including emergencies, government benefits and remittances, according to Goodman. Participating banks would set the fees that senders pay.

Government agencies could also use Cash Pick-Up to deliver cash benefits or the solution could be a new channel for remittance distribution, bypassing the need for recipients to visit a bank or payment counter.

“In cases where a consumer has lost their wallet, cards and their smartphone, they could get cash immediately with Cash Pick-Up,” Goodman said.

Cross River Bank will go live with Cash Pick-Up this summer at branches in New York and New Jersey, Goodman said. Diebold provides the ATM connection elsewhere, but Payment Alliance International is the ATM partner in Cross River's trial, he added.

It may take years to build out a critical mass of banks using Cash Pick-Up or interoperable cardless ATMs, because banks must sign up for both services individually, but Goodman said the pace will probably match demand.

“Our research shows a growing segment of the consumer population wants to do everything digitally — including getting cash — and because Mastercard is connected to most of the 3 million ATMs in use around the world, we can leverage connectivity that already exists for these new services,” he said.

https://www.paymentssource.com/news/how-mastercard-is-using-mobile-to-keep-cash-alive

# The Electronic Payments coalition takes a potshot at the new secure payments partnership

**Payments**
6/8/18

A lull in the longstanding war of words between merchants and the global payment card networks came to an end with the creation Thursday of the Secure Payments Partnership, an advocacy group of retailers and PIN-debit networks. On Friday, the Electronic Payments Coalition, a Washington, D.C.-based lobbying organization led primarily by card networks and large financial institutions, issued a brief statement blasting the SPP.

"Here retailers go again, lobbying Washington for further regulation in the interest of cutting their own costs instead of protecting their customers from fraud," Jeff Tassey, chairman of the EPC's board of directors, said in the statement. "Despite claims, all players in the payments ecosystem—including retailers—have the opportunity to provide feedback and participate in the process. We must all be committed to providing consumers with security and innovation without impeding consumer choice."

The SPP says it wants merchants, debit networks, and community banks and credit unions to have more input into payment-related security standards such as those promulgated by EMVCo and the PCI Security Standards Council. Both organizations were founded by global card networks, though they have procedures for taking comments from merchants and others as they update their rules. PIN-debit networks also are concerned about protecting their transaction-routing rights under the Durbin Amendment to the 2010 Dodd-Frank Act as new payment technologies emerge and security standards evolve.

The EPC in recent years has squared off against some of the nation's biggest merchant groups, including the National Retail Federation and the National Association of Convenience Stores, as it defended Visa Inc., Mastercard Inc., and card issuers in disputes over interchange, payment card acceptance rules, and debit card transaction routing. But, with EMV chip cards now widely issued and gaining acceptance in stores, things had been fairly quiet on the payment card battleground in recent months.

The simmering conflict heated up with the SPP's birth, however. In a statement Thursday, the Washington-based NRF said "the United States currently lags behind the rest of the world in card payment security, largely because Visa and Mastercard control security standards without sufficient input from competing card networks, merchants, consumers, and financial institutions."

NRF senior vice president and general counsel Stephanie Martz said in the statement that "the payments system has to keep pace with rapidly evolving technology and the needs of consumers and commerce. The U.S. payments infrastructure should be the strongest, most innovative and most secure in the world, but we won't get there unless we change the way we make security decisions."

Neither Visa nor Mastercard responded to Digital Transactions News's requests for comment about the SPP.

Besides the NRF and NACS, the SPP's founding members include the National Grocers Association, the Food Marketing Institute, processor First Data Corp.'s Star debit network, and Shazam, a Johnston, Iowa-based debit network, merchant acquirer, and card processor with 1,100 bank and credit-union clients.

http://www.digitaltransactions.net/the-electronic-payments-coalition-takes-a-potshot-at-the-new-secure-payments-partnership/

# Eye on Self-Checkout: mobile checkout that ditches apps, and new locations for Amazon Go

**Payments**

6/7/18

The payments industry's drive to bypass—or eliminate—the traditional retail checkout typically involves a mobile app, but on Thursday Moltin, a 5-year-old Boston-based developer, introduced a browser-based self-checkout capability that lets customers ring up their own goods. The first merchant to deploy the technology is a San Clemente, Calif.-based clothing maker and retailer called Stance.

In related news, Amazon.com Inc. has leased space at two locations in Chicago for Amazon Go stores, according to a report Thursday in the Chicago Tribune. The Chicago stores are among the initial indications of the checkout-free Amazon Go concept's expansion beyond the first location in Seattle, Amazon's home city. Amazon said last month it would also open an Amazon Go store in San Francisco.

With the Moltin technology, which relies on an application programming interface linking to the merchant's servers, a shopper using a smart phone can find a short URL, scan the barcode attached to the products, and make payment with a digital card or with Apple Pay or Google Pay. In this way, consumers can avoid downloading an app to check out and can make an in-store purchase in much the same way they would in an e-commerce scenario, Moltin says.

At the Stance stores, customers as they walk out must show a receipt on their phone screen, which greeters at the door compare to the items customers have in their bags.

"We are really excited to be at the forefront of the retail experience by offering a truly hassle-free self-checkout experience in our stores," said Paul Zaengle, executive vice president of direct to consumer at Stance, in a statement. "People don't want to wait in line, and they don't want to download an app to avoid a line either." A maker and seller of a wide variety of socks and other clothing items, Stance has installed the Moltin capability at three stores so far and plans to add it in six stores that are expected to open by the end of the year.

Moltin says its APIs can link to merchants' established catalogs, payment gateways, and point-of-sale systems. In Stance's case, the technology is connected to its POS system and with its Stripe integration, according to Moltin.

In the case of the Amazon Go convenience store, which does away with traditional checkouts by tracking customers as they pick up items and charging their stored card credentials as they leave, the upcoming Chicago and San Francisco locations represent expansion of a concept that Amazon only recently made available to the public after months of testing with Amazon employees.

The Chicago stores will be situated in an office building connected to the Ogilvie Transportation Center, one of two major commuter-train stations in the city, and in Willis Tower (formerly known as Sears Tower), Chicago's tallest building, according to the Tribune. San Francisco's store will be located in the city's Union Square, according to the San Francisco Chronicle.

Both the Moltin APIs and Amazon Go are part of a trend toward easing shopping and payments in physical stores by eliminating hassle, or friction, as much as possible. But the idea, while seemingly logical, may take some time to win over consumers. In the case of Amazon Go, for example, just 11% of consumers said they'd "definitely shop this way" if a local store offered it, according to survey results released this week by Paysafe Group, which canvassed more than 5,000 consumers in the United States and four other countries. The other 89% expressed concerns about security and privacy, said they didn't know enough about it, or said they "can't see the point."

http://www.digitaltransactions.net/eye-on-self-checkout-mobile-checkout-that-ditches-apps-and-new-locations-for-amazon-go/

# Wirecard partners with Visa to drive digital financial technology

**Payments**

6/7/18

Wirecard and Visa this week announced they have signed a partnership agreement to collaborate on new products in the field of digital financial technology, according to a press release.

Wirecard said that by combining its digital payment platform with Visa's global capabilities it will enable Wirecard to "extend card issuance, increase merchant acceptance of innovative digital payment methods and provide retailers with business analytics to help them streamline and improve the consumer purchase experience," according to the release.

Wirecard also said, in the release, the Visa partnership will enable it to further support fintechs and start-ups to develop new commerce ideas through white-label products and banking as a platform.

"This is an exciting time for the global payments industry with new payment innovators accelerating the creation of new ways to pay and be paid. We fundamentally believe this is good for consumers and good for merchants," Suzan Kereere, head of merchant services for Visa in Europe, said in the release. "Together with Wirecard we have the opportunity to making it easier for merchants and start-ups to access Visa's capabilities, and support the next generation of payment services."

https://www.mobilepaymentstoday.com/news/wirecard-partners-with-visa-to-drive-digital-financial-technology/

SECURITIES

# J.P. Morgan Asset Management launches new Portfolio Insights Digital Tool

**Securities**

6/7/18

J.P. Morgan Asset Management today announced the launch of a new digital tool from Portfolio Insights. The new technology is an extension of the program's services, providing on-demand custom diagnostics, observations and actionable content to help a broader set of financial advisors build stronger portfolios and communicate more easily with clients.

"The role of financial advisors is more complicated than ever, and we're committed to helping them make informed decisions through analytics that identify potential drivers of risk and return," said Steve Kaplan, Head of Product Strategy Americas and Global Portfolio Insights, J.P. Morgan Asset Management. "With the new tool, advisors can now run personalized diagnostics instantly using the same sophisticated portfolio construction and risk management platform used by the firm's investment teams."

Advisors can upload a portfolio and tailor their analysis to address specific risks and concerns, evaluate new asset classes and products, or simply perform a portfolio checkup against a benchmark of their choice. The digital experience then generates customized observations in a user-friendly, comparative report that highlights a portfolio's composition, performance, and risk data for mutual funds, separately managed accounts, stocks and ETFs, and offers supporting content and context from J.P. Morgan Asset Management's group of global strategists.

"The Portfolio Insights team conducts thousands of analyses and reviews each year, and has worked directly with financial advisors for more than a decade to examine investments and how they work in portfolios," continued Kaplan. "The expanded, on-demand service was created to help a broader group of financial advisors access these insights, and aligns with the firm's continued commitment to providing superior tools and services to support advisors and their business."

https://www.prnewswire.com/news-releases/jp-morgan-asset-management-launches-new-portfolio-insights-digital-tool-300661819.html

# SPECIALTY FINANCE / ALTERNATIVE LENDING

# Home Improvement just got better – SoFi partnership with Joist

**Specialty Finance / Alternative Lending**

6/14/18

We're in the full swing of home improvement season here at SoFi. We launched our Tiny Kitchen Makeover campaign to kick things off, and even conducted a survey on the DIY home improvement habits of Millennials versus Baby Boomers (TLDR: Millennials do it for the 'gram).

And now, we're excited to announce a new partnership with Joist, a software platform used by over 650,000 trades contractors to estimate, invoice, process payments and manage their projects from anywhere. We're partnering with Joist to help empower contractors to provide homeowners with access to financing options to get their dream project done and help show why a SoFi Personal Loan for home improvement may be the right fit.

So why all this focus on home improvement? Because it's what our members want. We surveyed our members who used a SoFi Personal Loan for a home improvement project and found that over 50% started their projects sooner thanks to the loan and 27% wouldn't have started that project at all without SoFi.

The overwhelming majority of homeowners drain their cash savings and leverage high APR credit cards when embarking upon home renovations. That can be a very costly approach. And not to mention, home remodels are rife with compromise, and homeowners are often forced to scale back their vision due to financial constraints. SoFi offers the largest home improvement loan in the market of up to $100,000, and can be the answer to helping members like you turn your house into your dream home, without paying for it in the form of sky-high interest rates.

"Joist has been supporting contractors and helping them win jobs for the last 5 years," said Brendon Sedo, CEO and Founder of Joist. "Our partnership with SoFi will not only help contractors win more business, but also provide the customer with great options to pay for it, and get their dream project done!"

Working with a partner like Joist helps us spread the good word and to help us meet our future members when they need us the most – like when hiring a contractor and getting that first real glimpse on how much a project may cost. Joist is the perfect partner to help us do this, with over half a million customers to date. We're excited to work together!

https://www.sofi.com/blog/home-improvement-just-got-better-our-partnership-with-joist/

# Why digital lenders are tightening their lending criteria

**Specialty Finance / Alternative Lending**

6/12/18

In the early days of online lending, the big appeal was access to funds for potential borrowers with few, if any, options for securing capital. Now, the tech-driven underwriting models that promised to assess risk more accurately, and extend credit more efficiently, may be confirmation that traditional risk and lending business models may have more going for them than their new, FinTech challengers once thought.

**The Coming Risk Assessment Reset**

According to recent reports, some of the largest marketplace lending players in the field — SoFi, LendingClub, Avant, Prosper — are being pushed by their investors to batten down their credit hatches and demand better credit scores from their borrowers, as well as shorter maturities so they can make more attractive offerings to investors as they look to repackage those loans into asset-backed securities.

The move comes in the face of growing evidence that the loans they have sold and secured have not quite performed up to par. The wave of borrower defaults has forced many such platforms to pivot toward a quality borrower-focused future.

"They all had a pretty tough time and took losses a lot more than expected," said Henry Song, a portfolio manager at Diamond Hill Capital Management Inc. "Some dropped certain grades, and the mentality of grabbing market share to be profitable has shifted."

Some of the trouble, Bill Kassul — a principal at Ranger Capital Group in Dallas — told Bloomberg in an interview, is that the marketplace consumer lenders are all essentially trawling in the same waters, looking for millennial borrowers who are comfortable with borrowing online and have been traditionally underserved. Of late, it seems they have also added the criteria: must be at least somewhat likely to pay back their loan.

The problem, according to Kassul, is that, since everyone is running after the same, rather thin slice of the customer pie, the firms ended up in a race to the bottom, which ended with some unsustainable results. Kassul noted his firm used to invest in ABS from the lending marketplaces but, eventually, there just wasn't enough profit in it. "Yields were going down, a lot of that was due to competition. They were lowering rates just to stay competitive with each other," he said.

**Pushing For Quality**

Realizing that the race to the bottom isn't a competition that can be won, it seems the marketplace lenders are being forced to take on a new strategy, according to Kroll Bond Rating Agency

(KBRA). This, in turn, has led to firms raising their rates, turning back lower credit consumers and shortening the terms of their loans.

Rosemary Kelley, a senior managing director at KBRA, said in an interview, "We have seen many of the platforms tightening their underwriting or essentially eliminating certain segments. They are changing certain criteria in order to move up-tier somewhat in terms of the credit that they're taking."

According to KBRA, the number of asset-backed securities issues by online lenders, that saw performance triggers activated by missed payments, declined last year. As that falloff occurred, total loan losses rose, which signaled an increase in overall quality in the securities, according to KBRA. That experience echoes among at least some lenders that say their risk profile has changed quite a bit over the last few quarters.

According to KBRA, the weighted average of FICO credit scores of Prosper's loans, packaged in ABS, increased to 717 in a March 2018 deal from 704 in a sale two years earlier. And they weren't the only lender to see its average score go up — SoFi, increased the weighted average of its FICO credit scores to 744 in a sale earlier this year from 732 in a deal at the start of last year.

LendingClub had no new figures to offer, but Jessie Szymanski, senior director of LendingClub, told Bloomberg in a phone interview that it has been eliminating the riskiest borrowers in its loan offerings.

"Investors are changing their behavior on the margin and tending to gravitate toward higher-quality, lower-risk grades," she said.

With a new paradigm in mind, most experts expect that more securitized loans are coming — "the sector is expected to increase the amount of loans it turns into securities by 29 percent from a year earlier to $18 billion this year, according to New York-based research firm PeerIQ."

**Will those securities pay?**

Tracy Chen, a Philadelphia-based portfolio manager at Brandywine Global Investment Management, says her firm isn't ready to bet on securities from the segment yet because it has not yet functioned all the way through a boom-and-bust cycle. They know how these firms did in a boom but "this market hasn't gone through a credit crisis, so it's hard to find conviction of how it will perform," Chen said.

Plus, these firms are already pushing fairly deep into prime credit today. It remains to be seen who they could expand their lending to — if a credit crunch occurs.

https://www.pymnts.com/news/alternative-financial-services/2018/digital-lenders-lending-criteria/

# BNP Paribas Asset Management launches SME alternative lending platform, completes first UK loan

### Specialty Finance / Alternative Lending

6/7/18

BNP Paribas Asset Management has completed its first UK loan on its new SME lending platform.

The loan, a six year senior unsecured amortising loan, was made to a specialist recruitment services company based in the West of England.

BNP AM's alternative lending team is led by Stéphane Blanchoz, who has worked at BNP Paribas since 1997. The firm has been on somewhat of a hiring spree of late as it doubles down on private credit and alternative financing. It has added around a dozen members to its team, from various backgrounds linked to SME lending including banking and asset management. Also, its platform entered into a strategic alliance with Caple, an alternative credit specialist digital platform.

BNPP AM says investing in its SME alternative financing offers its client base a "differentiated and unique access" to SME lending as an asset class. It also has a warehousing capacity that enables it to immediately start granting loans, with the typical loan size being between £500,000 and £5m.

The platform is currently operational in the UK with the same business model soon to be deployed in Continental Europe.

The SME Alternative Financing platform is part of the Private Debt & Real Assets investment group, led by David Bouchoucha, one BNPP AM's four main investment areas.

The platform consists of 50 direct lending specialists and offers distinctive access to direct lending - for corporates, infrastructure and real estate debt. Stéphane Blanchoz, head of SME Alternative Financing at BNP Paribas Asset Management, says the closing of the first loan is a key milestone in the development of BNP Paribas Asset Management's SME alternative financing platform.

"It is the culmination of many months of effort by a wide range of teams, both within BNPP AM and externally. BNPP AM has strong ambitions to develop its SME lending capability, including expanding in Continental Europe, in order to provide investors with an attractive and genuinely differentiated investment offering.

http://www.altfi.com/article/4499_

# SuperMoney launches No-fee Financing Platform

**Specialty Finance / Alternative Lending**

6/7/18

At the Finovate Spring 2018 conference, CEO Miron Lulic and CFO Jesse Stockwell presented the company's new SuperMoney No-fee Financing platform, which allows merchants to obtain point of sale financing from online lenders and banks.

"The options for small business point of sale financing are embarrassingly archaic and painfully expensive," Stockwell said during their presentation. "In the current market, consumers lose, merchants lose and most lenders don't even get a chance to play."

The new platform allows a small business merchant, like a furniture store, to create a free profile that is co-branded with SuperMoney. With the profile, the merchant can easily see when a customer has applied for financing and follow up.

In addition to a sales boost for small businesses that can now offer financing to customers for free, Stockwell said that customers also win by being able to compare financing options. And he said that it's a boon for lenders as well, as a high quality loan source.

According to a Forrester Consulting study on SuperMoney's website, businesses that offer point of sale financing enjoy an average increase in sales of 17 percent and an average increase in order value of 15 percent.

The No-fee Financing platform is an expansion of SuperMoney's core business as a financial services comparison platform. The platform will at first provide point of sale financing to three industries: home improvement, medical and trade schooling.

In May, Stockwell said that the company, which was founded in 2013, had signed up 250 merchants in a closed beta program.

"Now we're ready to blow the cover off this thing and sign up 10,000 more [merchants] in the next year alone," Stockwell said.

https://debanked.com/2018/06/supermoney-launches-no-fee-financing-platform/

# C2 Systems launches cloud-based data aggregation and decision engine

**Specialty Finance / Alternative Lending**

6/7/18

C2 Systems, LLC has introduced access to its Vision engine, which until now had been exclusively in production at one of the largest indirect automobile financiers in the US. Vision provides access to a number of third party data sources, which enables both direct and indirect lenders the ability to rapidly deploy a robust digital loan origination solution for both consumer and small business product lines.

"We are excited to offer a solution that can be quickly integrated into loan origination environments that require the automation of complex lending decisions in a very high-volume format, sustainable to handling 1,000 application requests per hour. Vision began as a custom development for our indirect finance client, who required the ability to process between 500 and 1,000 small business credit requests per day," said Stephen G. Sargent, president and chief executive officer of C2 Systems. "Our Vision solution can automate an existing judgmental underwriting environment using a number of available standard industry data sources and scoring models, together with the application of the lender's credit policy rules and risk-based pricing structure."

With Vision, users can:

- Connect directly with dealers using DealerTrack and RouteOne automotive portals
- Automatically retrieve and interpret credit bureau data from Experian, Experian Business, Equifax, Equifax Business, TransUnion, Dun and Bradstreet and D&B Small Business Risk Insight™ (SBRI)
- Obtain automated fraud determination through LexisNexis InstantID® products
- Access FICO's LiquidCredit® Decision Engine to retrieve small business and consumer scores
- Transform retrieved third-party data into actionable information that can be used to implement credit policy rules and credit scorecards.
- Obtain loan documents using integrated CSi IntelleDoc™ and Simplicity Solutions

Vision can be deployed in either a privately hosted or Microsoft Azure cloud format.

https://www.prweb.com/releases/2018/06/prweb15539234.htm

# Invoice finance fintech rebrands, expands product set

**Specialty Finance / Alternative Lending**

6/6/18

In keeping with an industry trend, Invoice Cycle is expanding beyond its core invoice finance product. The UK-based platform has today rebranded as InvoCap, in tandem to launching a range of longer-term products.

Its products now include flexible credit lines, spot invoice financing and ledger loans. The revamped product set is focused on offering customers longer-term repayments and larger loans.

The strategic shift is reminiscent of sector-leader MarketInvoice's evolution over the past eighteen months, during which it has launched open funding lines and business loans. In addition to providing greater choice for customers, elongating terms also tends to help platforms to attract institutional funding, since investors are able to commit larger amounts over longer periods of time. MarketInvoice again springs to mind as a good case-in-point.

With its new products live, InvoCap (active in both Germany and the UK) hopes to hit £100m in cumulative origination in the next 12 months. The firm has lent out £40m to date.

Dave Cockle, the platform's UK managing director, commented: "We are so much more than just invoice financing, we acknowledge that every customer is unique, and their needs are different. Understanding this, means we understand that a unique approach is needed to ensure that we deliver the right product to each and every customer whether this is by way of a business loan, a revolving facility or invoice finance – we can help."

Invoice Cycle launched in the UK in 2016 with the goal of eliminating cash flow challenges for businesses.

http://www.altfi.com/article/4496

# DATA & ANALYTICS / IoT

# Envestnet | Yodlee unveils AI FinCheck - a new Artificial Intelligence-driven financial wellness assistant for financial service providers

**Data & Analytics / IoT**
6/6/18

Envestnet | Yodlee (NYSE: ENV), a leading data aggregation and analytics platform powering dynamic, cloud-based innovation for digital financial services, today announced significant enhancements to its Artificial Intelligence (AI) powered Financial Wellness Solution at CFSI's Emerge Financial Health Forum.

Leveraging enriched transaction data, artificial intelligence and machine learning, the enhanced Envestnet | Yodlee Financial Wellness Solution dynamically monitors consumers' financial health and provides actionable financial guidance across a spectrum of devices, user interfaces and platforms. New data intelligence enhancements include full integration of Envestnet | Yodlee's new award-winning AI FinCheck application and the availability of OK to Spend predictive cash flow application and API.

"Now, more than ever, consumers are looking for personalized, intuitive and forward-looking experiences that help them meet their financial goals now and in the future," said Katy Gibson, Vice President of Product Applications at Envestnet | Yodlee. "By expanding our Financial Wellness Solution to include the new AI FinCheck application, financial service providers can provide their consumers with a personalized virtual financial wellness assistant which delivers actionable insights to help improve their financial health. This easy-to-use tool utilizes real-time data to enable consumers to make more informed financial decisions."

AI FinCheck
Envestnet | Yodlee's AI FinCheck application not only helps consumers improve their financial health and reach their financial goals, but also offers financial service providers the opportunity to improve customer experience and grow share of wallet. The award-winning AI FinCheck app enables specific, personalized insights that are dynamically updated for each user based on key indicators of financial health across four categories: spending, saving, borrowing and planning.

Millennials and Gen Xers, who account for nearly 72 percent of total US digital banking users, are looking for digital services that leverage machine learning and AI to provide them with contextual, actionable, and personalized guidance. In a 2018 AITE research study, 79% of 22-34 year-old consumers and 77% of 35-49 year-old consumers were extremely, very or moderately interested in using a virtual financial wellness coach.

The Envestnet | Yodlee Virtual Financial Wellness Solution leverages tools across the Envestnet | Yodlee Financial Data Platform, including aggregation, transaction data enrichment and analytics, APIs and partner integration. By providing a seamless, interactive experience across preferred channels, including digital and mobile, the Envestnet | Yodlee AI FinCheck will encourage customers to actively engage with financial service providers on an ongoing basis, deepening relationships and helping drive positive outcomes.

Recognized by CFSI as a 2018 Financial Health Leader, Envestnet | Yodlee and its expanded suite of financial wellness applications and APIs provides financial institutions, wealth management firms and fintech developers with the necessary tools to create a digital engagement experience for customers, by simplifying and automating day-to-day financial management and long-term financial planning.

https://www.prnewswire.com/news-releases/envestnet--yodlee-unveils-ai-fincheck---a-new-artificial-intelligence-driven-financial-wellness-assistant-for-financial-service-providers-300660528.html