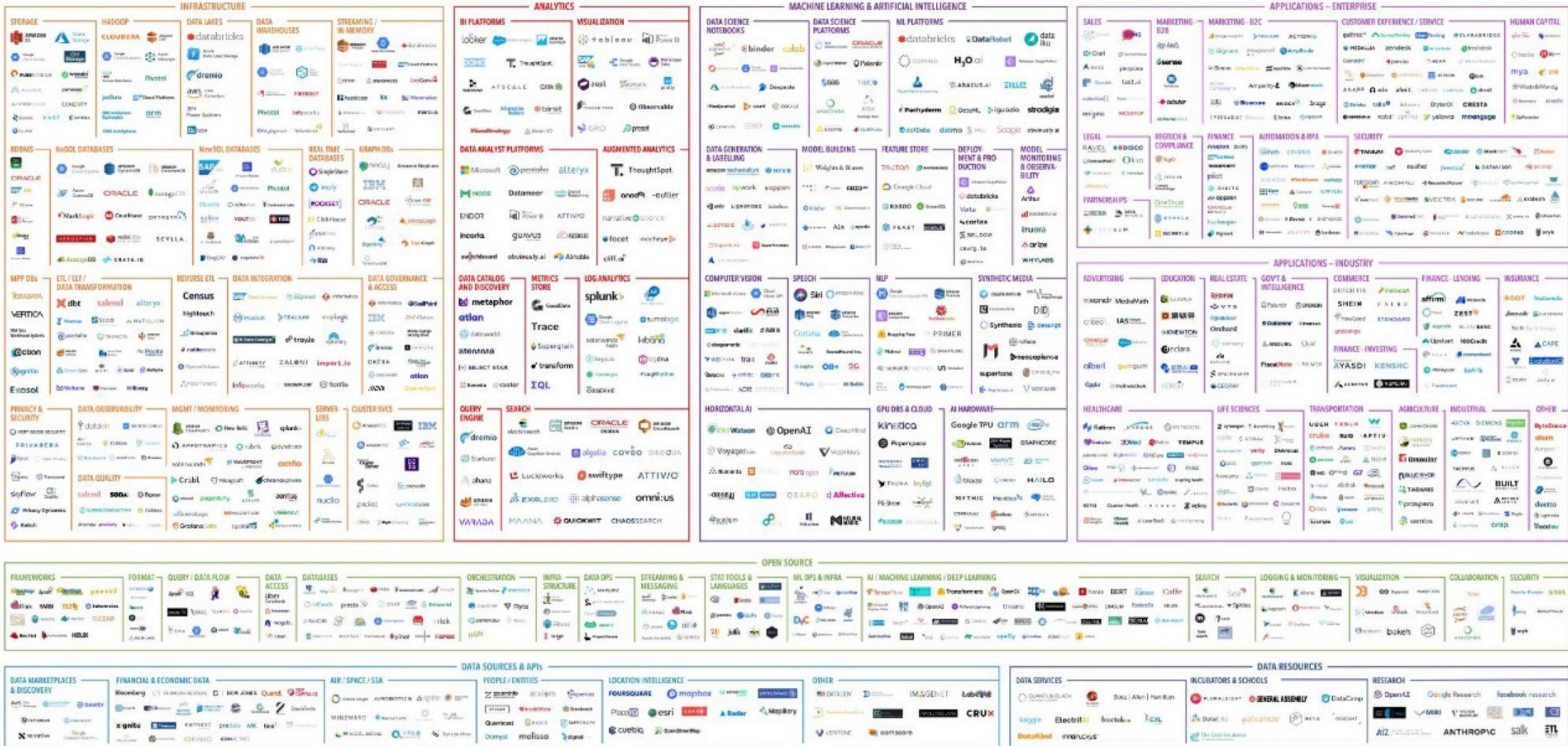


Embracing FinTech Risk Strategically



Disruption is re-defining customer expectations.

MACHINE LEARNING, ARTIFICIAL INTELLIGENCE, AND DATA (MAD) LANDSCAPE 2021



Disruption is re-defining customer expectations.

MACHINE LEARNING, ARTIFICIAL INTELLIGENCE, AND DATA (MAD) LANDSCAPE 2021

We've spent the last two decades consolidating vendors.

Reduce expenses
Achieve economies of scale
Streamline oversight



Disruption is re-defining customer expectations.

MACHINE LEARNING, ARTIFICIAL INTELLIGENCE, AND DATA (MAD) LANDSCAPE 2021

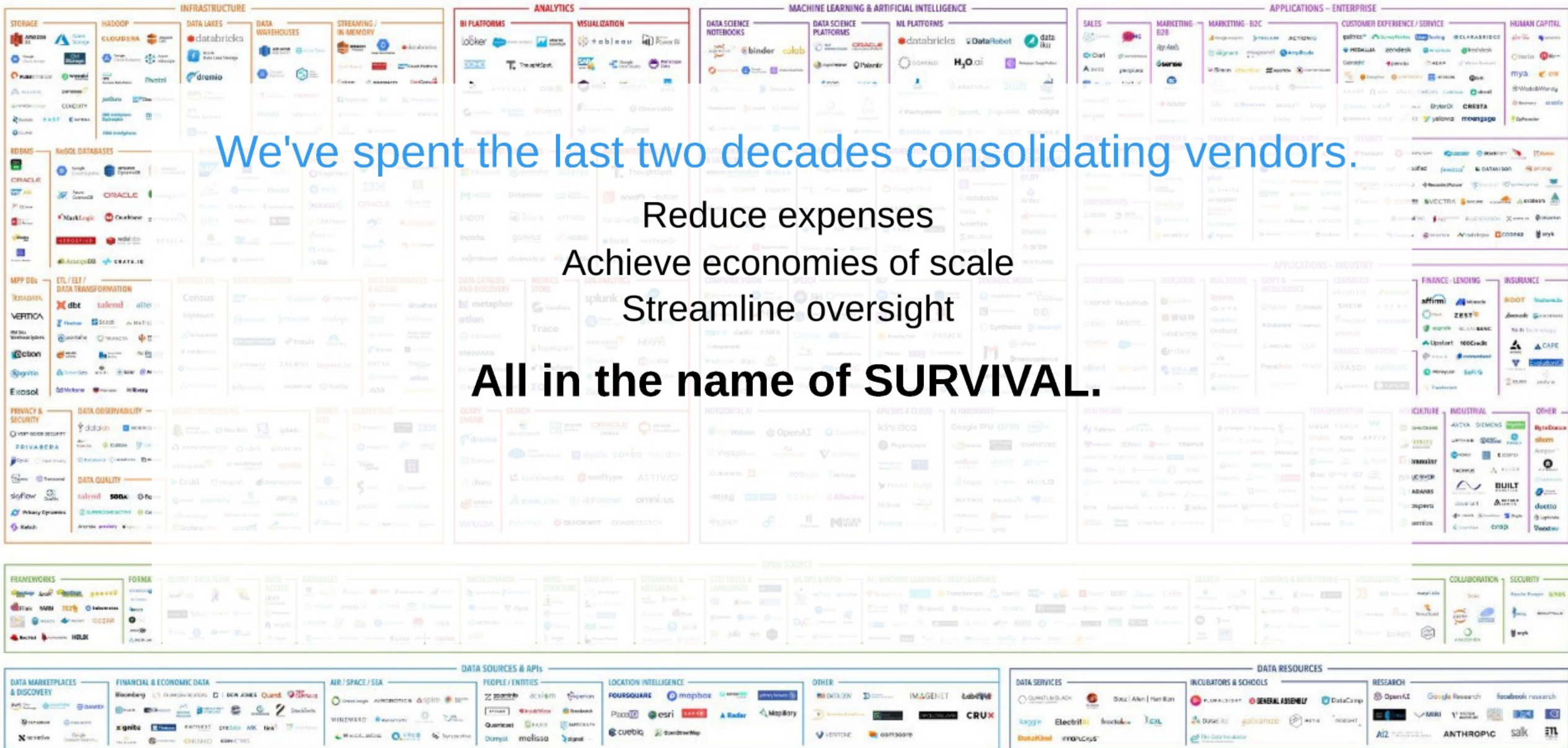
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Streamline oversight

All in the name of SURVIVAL.



Disruption is re-defining customer expectations.

MACHINE LEARNING, ARTIFICIAL INTELLIGENCE, AND DATA (MAD) LANDSCAPE 2021

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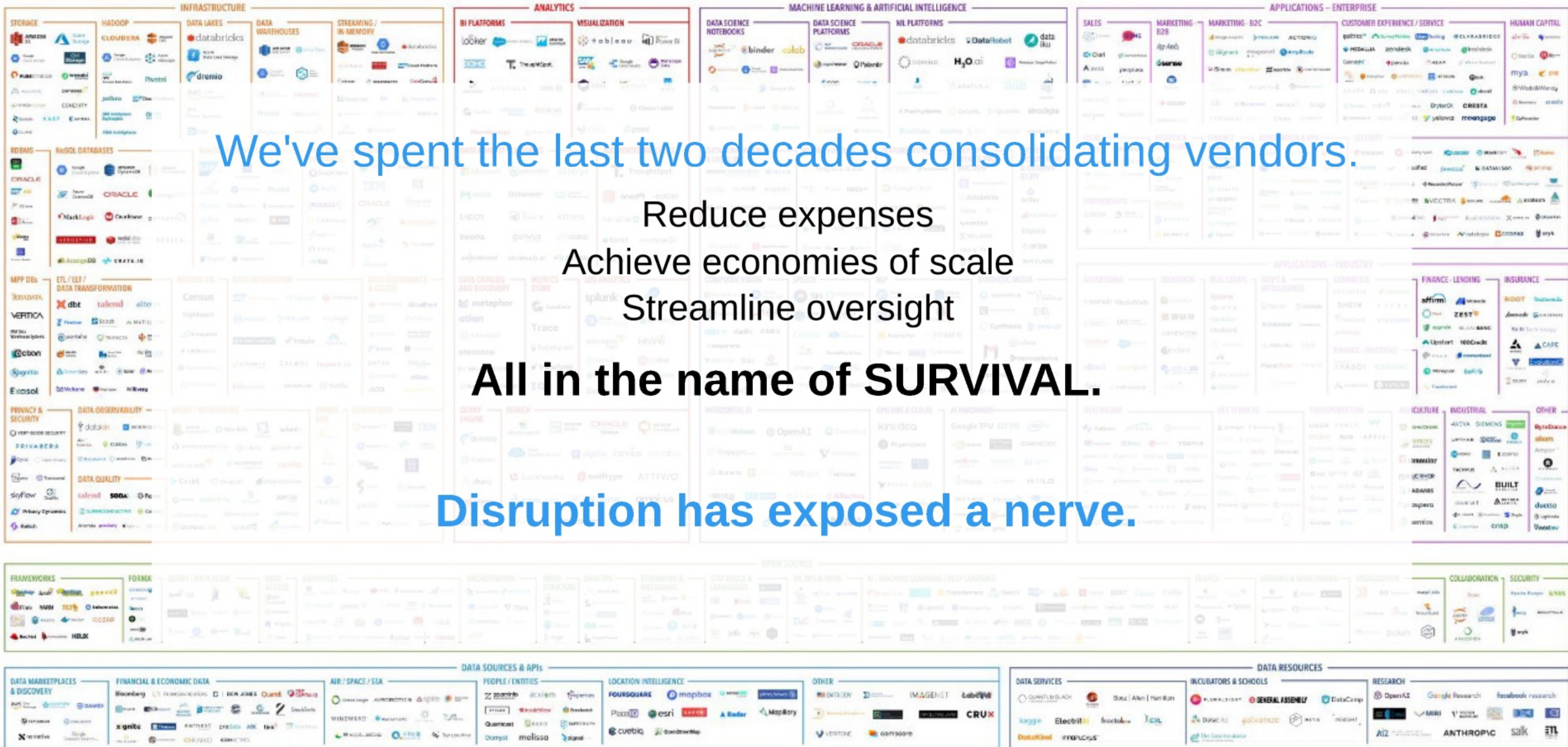
Reduce expenses

Achieve economies of scale

Streamline oversight

All in the name of SURVIVAL.

Disruption has exposed a nerve.



Our core vendors can't keep up.



STORAGE

- AMAZON S3
- Microsoft Azure
- PERFORMANCE
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

EDMS

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

MPP DBs

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

PRIVACY & SECURITY

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

FRAMEWORKS

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

DATA MARKET & DISCOVERY

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

MAN CAPITAL

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

RANCE

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

OTHER

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

JURITY

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

RESEARCH

- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure
- Microsoft Azure

If you hear one thing today...

If you hear one thing today...

Be Curious!





If you hear one thing today...

Be Curious!



If you hear one thing today...

Be Curious!



What's your **barbeque sauce**?

Being curious...
is being intentional.



- :: Being **intentional** yields dividends
- :: You can't **do it all**
- :: The **pieces** are right in front of you

It's all about the
journey.

Embracing FinTech Risk Strategically





Defined

Use Cases

By the Numbers

Oversight

FINTECH

Defined



Defined

Financial technology (fintech) describes new technology that works towards enhancing and automating the delivery and use of financial services



By the Numbers



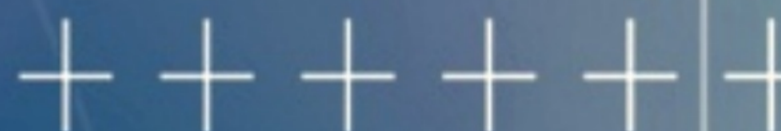
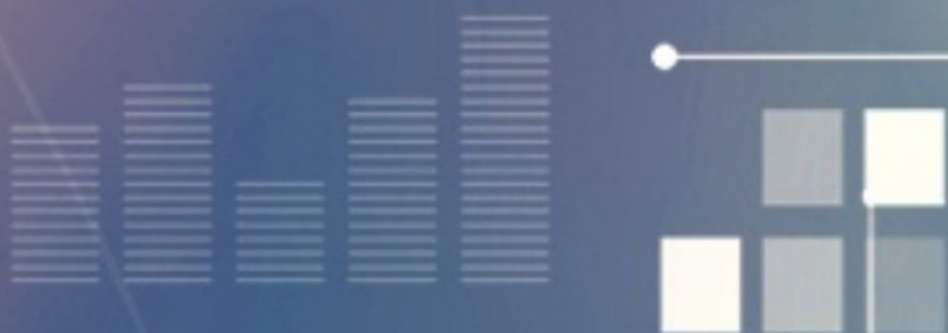
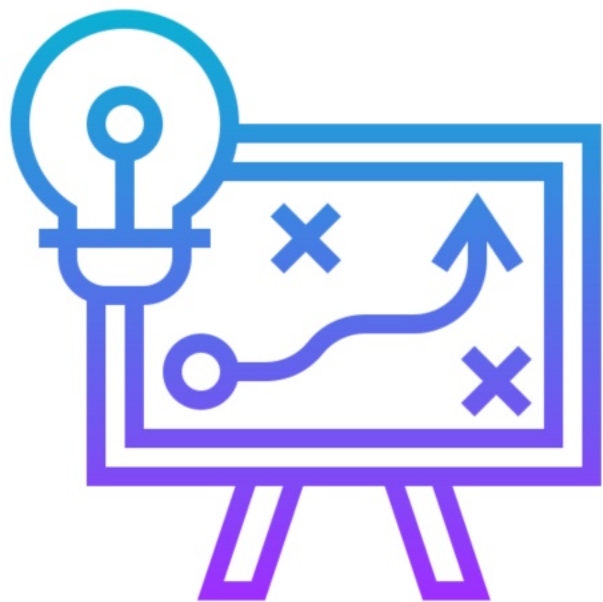
:: Over 10,000 in
the U.S.

:: Represent
\$4 Trillion in
market size

By the Numbers

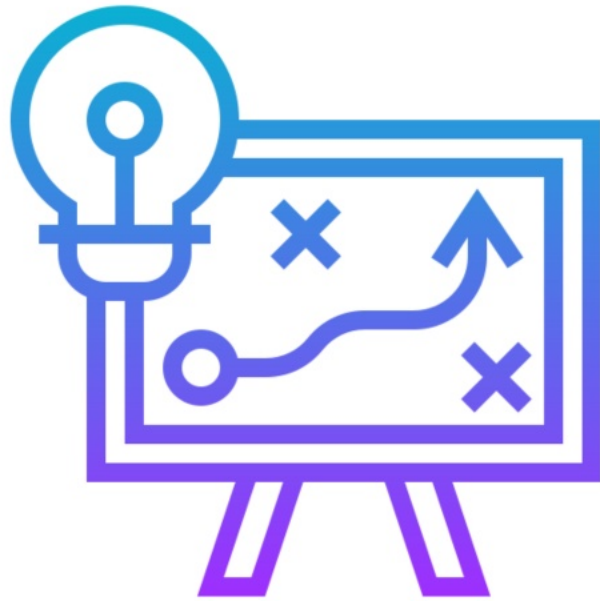


Use Cases



Defined





Use Cases

1. Customer

:: BaaS

:: PaaS

2. Partner

:: Operations

:: Improve CX

3. Investment

Defined



Oversight



Oversight



◀ :: Considered a vendor.

◀ :: Oversight must balance the benefits with the potential risks related to your use case.

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Defined

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Use Cases

- 1. Customer**
 - :: BaaS
 - :: PaaS
- 2. Partner**
 - :: Operations
 - :: Improve CX
- 3. Investment**



:: Over 10,000 in the U.S.

:: Represent \$4 Trillion in market size

By the Numbers



Oversight

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FINTECH

Embracing FinTech Risk Strategically

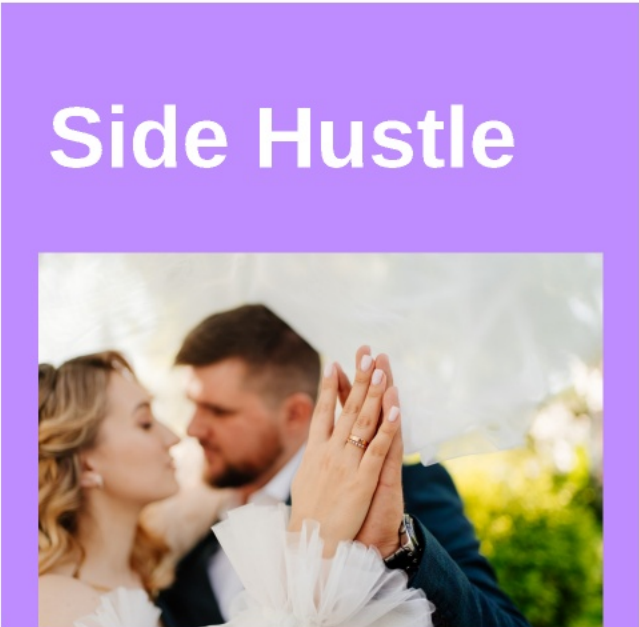


Temp Independent Workers
Workforce Cultural
Mobile GIG Jobs
ECONOMY
Freelancers Hours
Mobility Temporary
Employment Efficient
Flexibility Work-Life Trend Digital
Nontraditional Work
Balance ebuery
Short-Term
Projects
Business
Remote

57 Million
Americans

\$1 Trillion in
Income

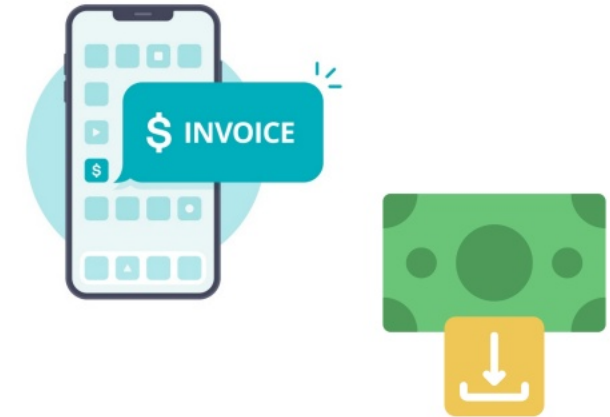
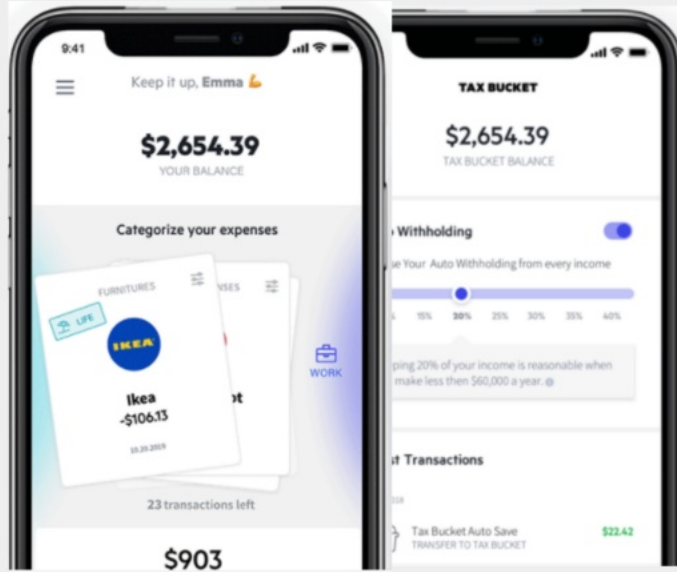
Meet :: Amber Smith



The Freelance Niche



PhotoSmith
Photography



lili gets it...



PhotoSmith
Photography



Banking designed for your business

With smart bookkeeping, unlimited invoices & payments, financial reports and tax planning tools—you'll always know where your business stands.

Get Started

Lili is a financial technology company, not a bank. Banking services provided by Choice Financial Group, Member FDIC

The screenshot displays the Lili business banking app interface. At the top left, a 'Checking Account' card shows an available balance of \$22,654.39. Below it, a 'Tax Bucket' card shows a balance of \$43,961.72. To the right, an 'Invoice' card for James Smith shows a total amount due of \$1,000.00, due on Oct 03 2023, with a 2-day overdue notice. Below that, an invoice for Rocky Inc. shows a total amount due of \$20,000.00, due on Oct 15 2023. Further down, an invoice for Alex West shows a total amount due of \$5,000.00, due on Oct 16 2023, with a 'Payment Pending' status. To the right of the invoices, a 'Categorize Your Expenses' card shows a 'Surge Electric' expense of \$910.87 categorized under 'UTILITIES'. Below this, an 'Auto Saving' card shows that 35% of future deposits will move straight to the Tax Bucket. On the far right, a vertical list of transactions includes 'Cashback' of \$5.71, 'Surge Electric' of -\$910.87, 'Hanna George' of \$11,300.00, 'Jon Fursland' of -\$1,500.30, 'Torta della Nonna' of -\$34.80, and 'Tax Bucket Deposit' of -\$198.64. A Lili Visa Business Debit card is shown at the bottom left of the app interface.





chime[®]

Leader



Current

2nd Place (4 Million)

N26

Get Paid Early



Cash App

Bitcoin Account



MoneyLion

Credit Building
Second Chances

Varo

Best Savings Tools

axos
BANK

Best Checking/Investing

lili

NOVO

Best for Freelancers

Aspiration

Save the Planet



ONJUNO

Cashback Rewards
Metal Cards

Rise of the NeoBanks

chime®

21.6 million

Varo

5.4 million



Current

Aspiration

4.6 million

4.5 million

QuickFacts

- :: Two Types
- :: Niche Driven
- :: Full Stack
- :: Front-End
- :: Speed to Mkt
- :: Innovative

Fast Metrics

- :: 2021 - 40 Neobanks
- :: 2023 - 93 Neobanks
- :: Over 400 Worldwide

Challenge the Challengers



Embracing FinTech Risk Strategically



From **M**ore

Change the lens you look through.



**Look
at
me**

**I'm
a
NeoBank**

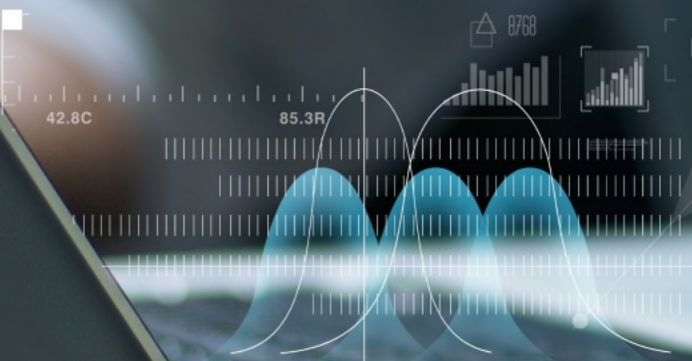
**Hold
my
beer...**



Experience matters.



BANKING



201.95	—
1,097.95	—
0.00	—
26,717.43	—
7,534.44	—
12,512.54	—
28,875.56	—

Experience matters.

- ✓ Proven Model
- ✓ Strengths
- ✓ Weaknesses
- ✓ Key Niches
- ✓ Brick and Mortar
- ✓ Years of Data
- ✓ Wins/Losses



Innovation is possible.



Traditional Thinking



We tend to resist change



Change
is
inevitable.

Growth
is
optional.

John Maxwell

Innovation is a journey...

Plant the seeds of transformation



Being curious



creates a
cultural shift



that transforms your
organization



with the
understanding that
failure is an option but
small **"wins"** add up
over time.



- Executive sponsorship
- Decision-making process
- Challenge engrained thinking
- Discuss fears
- Failure is acceptable
- Empower
- Identify obstacles
- Assemble the right team

Culture

::be curious

::be intentional

The Innovation Officer





The Innovation Committee

Data Collection



Departmental Interviews



Focus Groups

Cultural Initiatives



Consistent Messaging

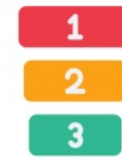


Rewards Curiosity

Process Related



Centralized Process



Prioritizes Initiatives



Perfects the Process



Go-Live

Be realistic with the resources you have



The Innovation Committee

Data Collection



Departmental Interviews



Focus Groups

Cultural Initiatives



Consistent Messaging

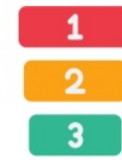


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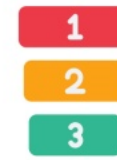


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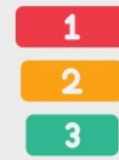


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Process Related



Centralized Process



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The Innovation Committee

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Departmental Interviews



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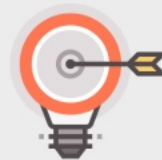


Consistent Messaging

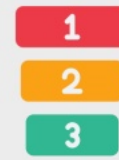


Rewards Curiosity

Process Related



Centralized Process



Prioritizes Initiatives



Perfects the Process



Go-Live

Be realistic with the resources you have

Stop Underestimating Yourself!

Leverage your uniqueness.



Your first initiative is right in front of you ::

Start with something easy ::

Low Risk | Internal Initiative ::

Define the problem ::

Clarify the ideal solution ::

Due Diligence ::

Select Your Partner ::

Know you will have to "Play & Adjust" ::



GRO **WTH**
COM **FORT** **Z** **O** **N** **E**

Embracing FinTech Risk Strategically





20

40

60

120

LATEST BUZZ

HOT CONTENT

GOING VIRAL

TRENDING NOW

NOW

Operational Efficiency



Financial Back Office Automation

Automate
EFT Disputes

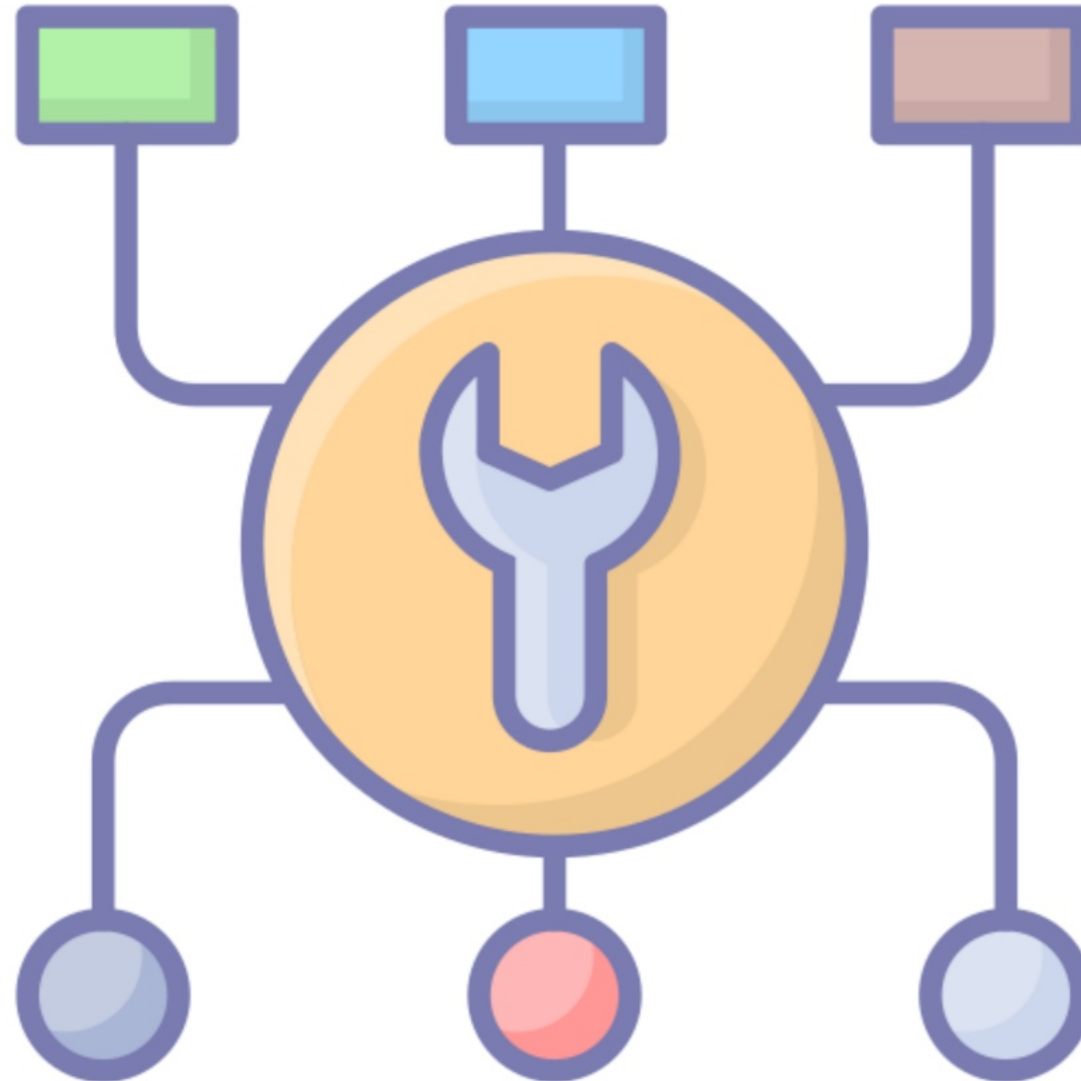


User-Rights
Management



COMMUNITY BANKING SOFTWARE

Loan Operating
System (LOS)



Data Analytics
Data Warehouse



CRMNEXT
CRM for
Banks



DATASEERS

KYC/KYB
Compliance
Automation

Digital Onboarding



MANTL



Digital Onboarding



MANTL





re:think



Think outside of your core.
Rethink your strategy.
Stay ahead, instead of...
playing catch up.

Digital Makeovers

Alkami

BACKBASE

NYMBUS®

glia

Q2

APTITUDE

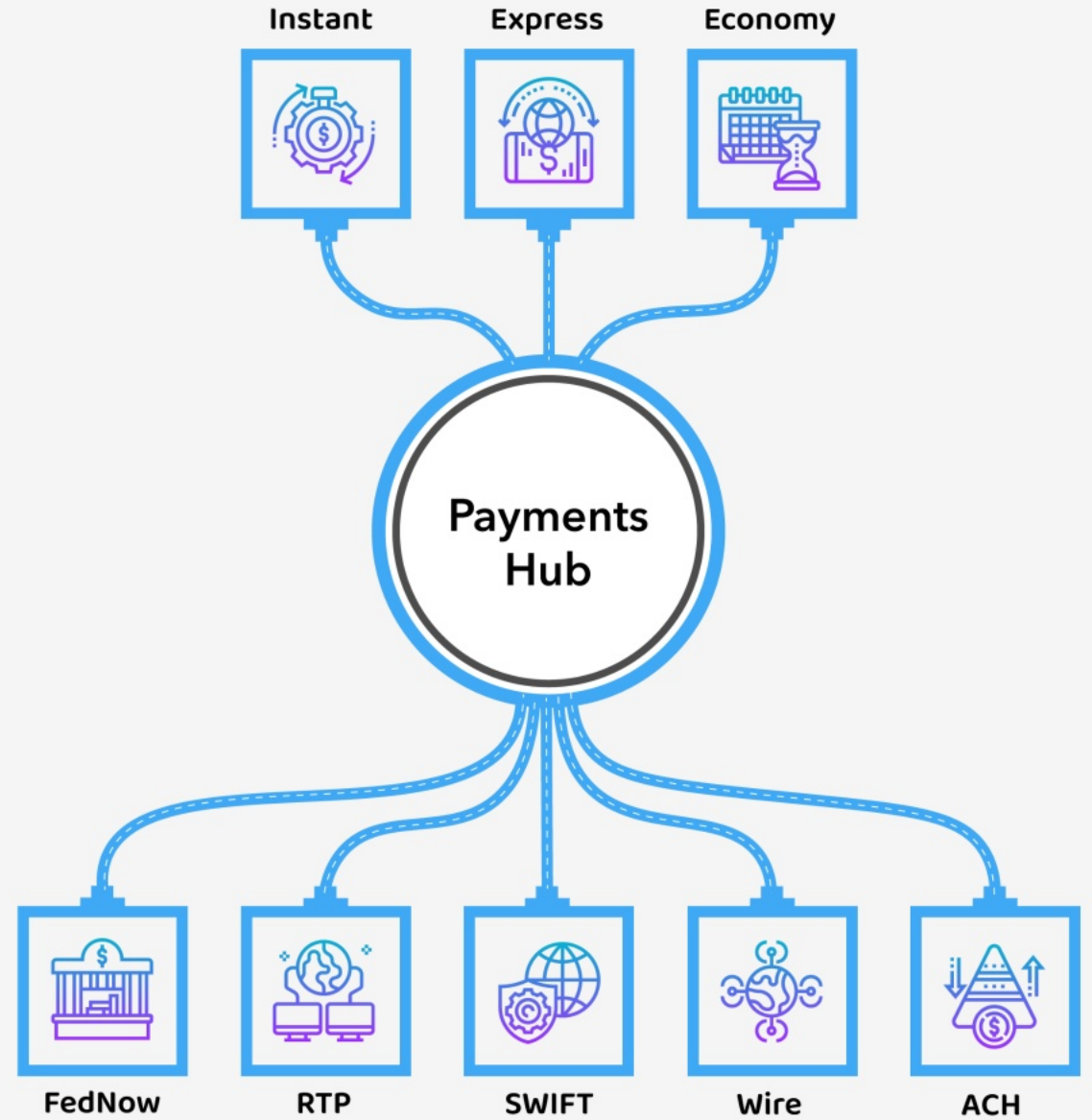


Payments



What's your game plan?

Educate • Strategy • Deploy



Staffing/Resources ::
Oversight ::
Compliance ::
Know your **WHY** ::



BaaS

PaaS...

Digital
Brand

It's a business within your business!

Real-Life Initiatives

**N E W
N O R M A L**



Beginner



Moderate



Advanced



Pro



Legendary



Beginner

Baby steps...start thinking outside of your core.

:: Identify :: Due Diligence :: Engage ::
:: Scope :: Budget :: Negotiate :: Implement ::

 NUMERATED

 docfox

Online Lending
with Workflow

 finzly

Payments Hub
Online Account Opening

 ncino.

Digitization and
Automation

 narmi

Forward-Facing
Forward-Thinking
Solutions



Bolt
On

 FINBOA
Financial Back Office Automation

EFT Dispute
Automation

 WalletFi

Subscription
Management



BILLSHARK

Bill Negotiation

 glia

Frictionless Online
Interaction



Moderate

:: Identify :: Due Diligence :: Engage ::
:: Scope :: Budget :: Negotiate ::
Implement ::



Q2



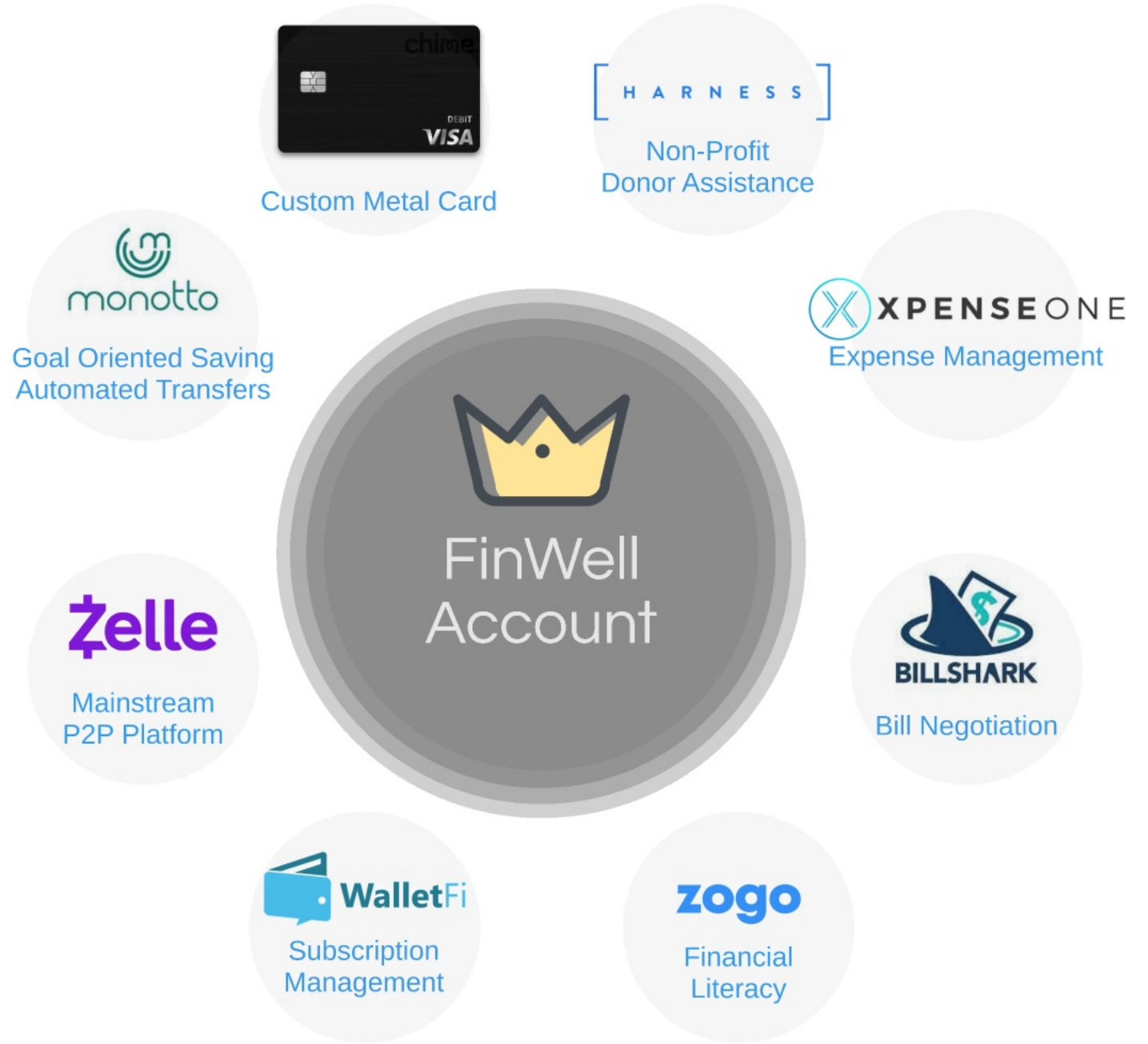


Advanced

:: Define Niche :: Engage Vendors ::

:: Due Diligence :: Develop Parameters ::

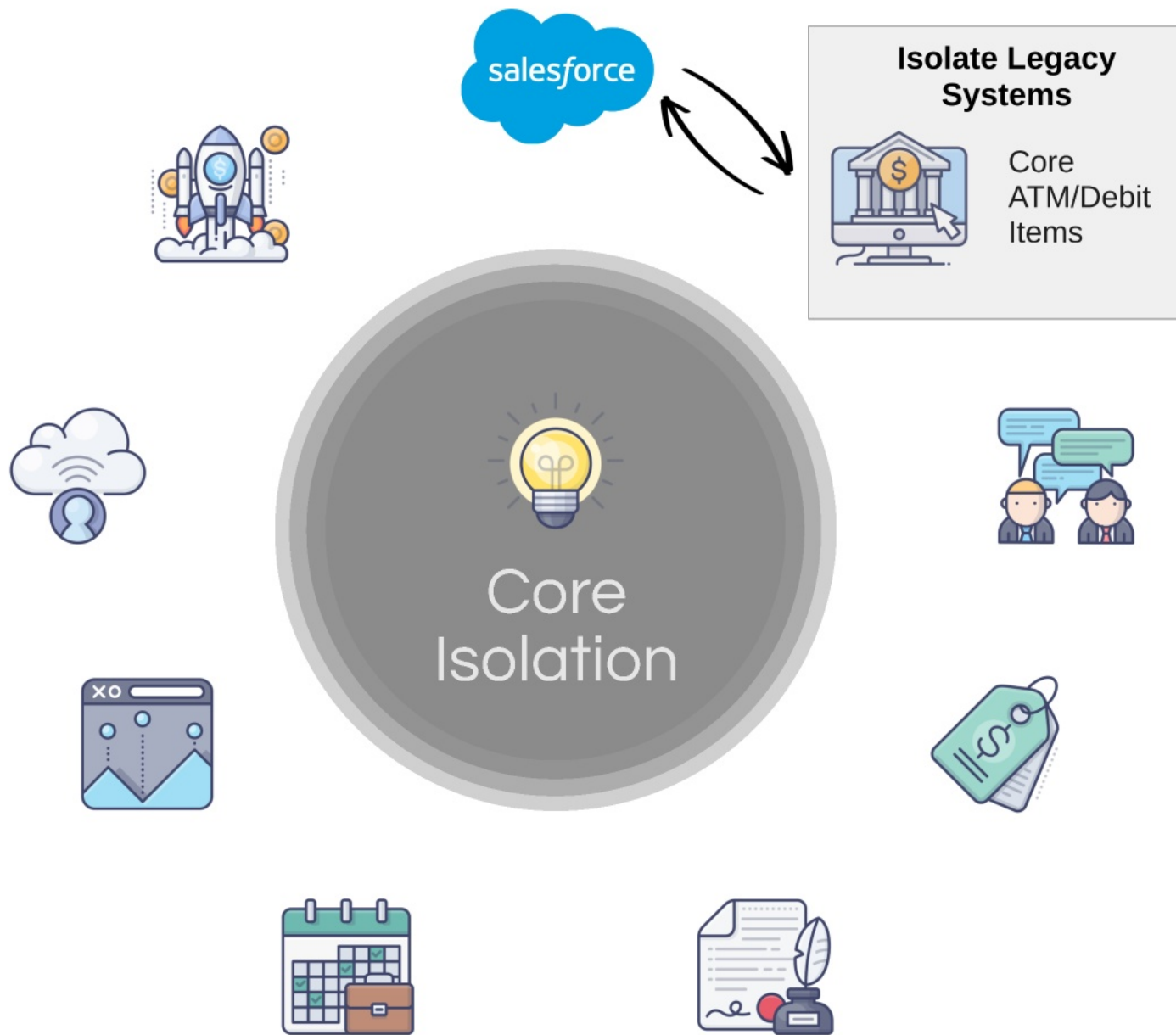
:: Social Media :: Marketing ::



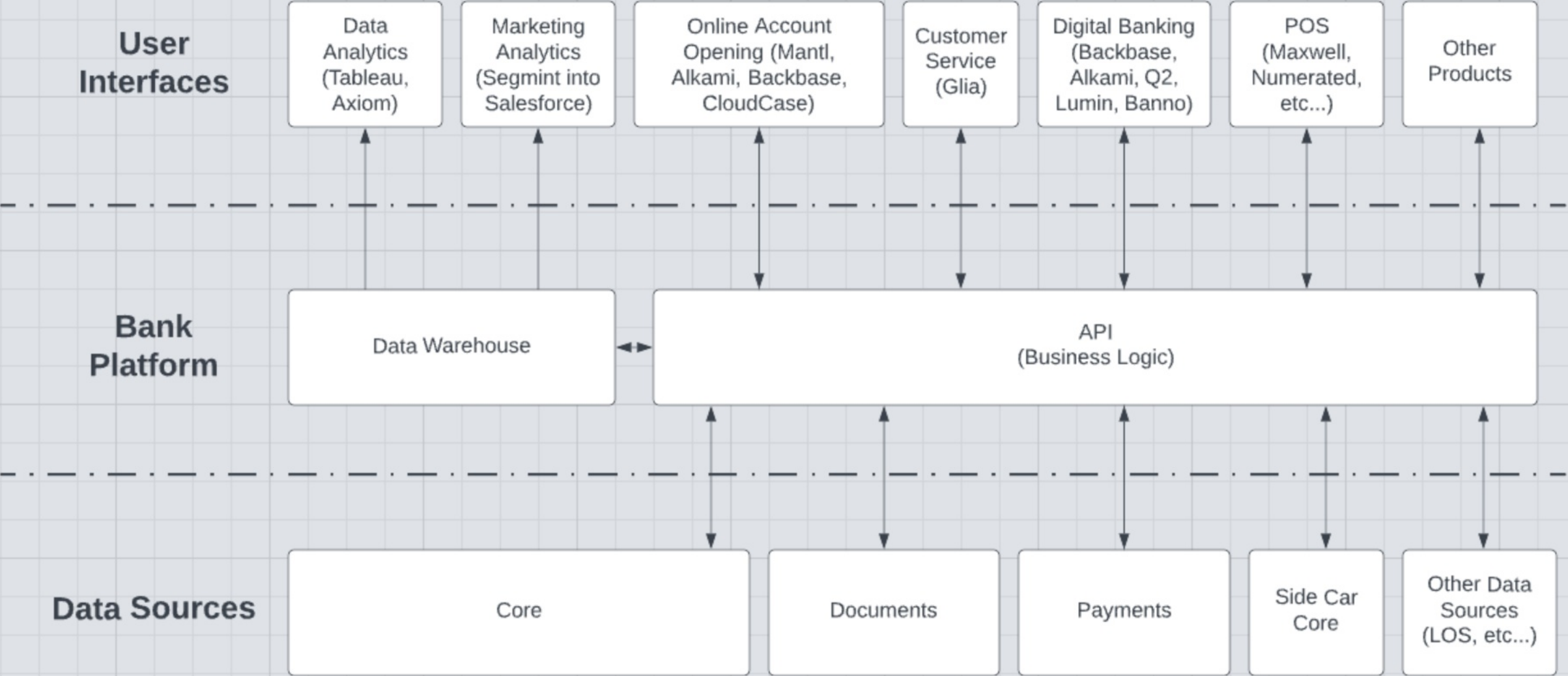


Pro

:: Identify :: Engage :: Price
:: Scope :: Timeline :: Design :: Beta ::
:: Launch ::



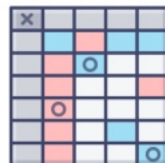
Real World - Core Isolation Blueprint





Legendary

:: Inventory :: Proof of Concept
:: Budget and Scope ::
:: Design :: Beta :: Release ::
:: Maintain ::



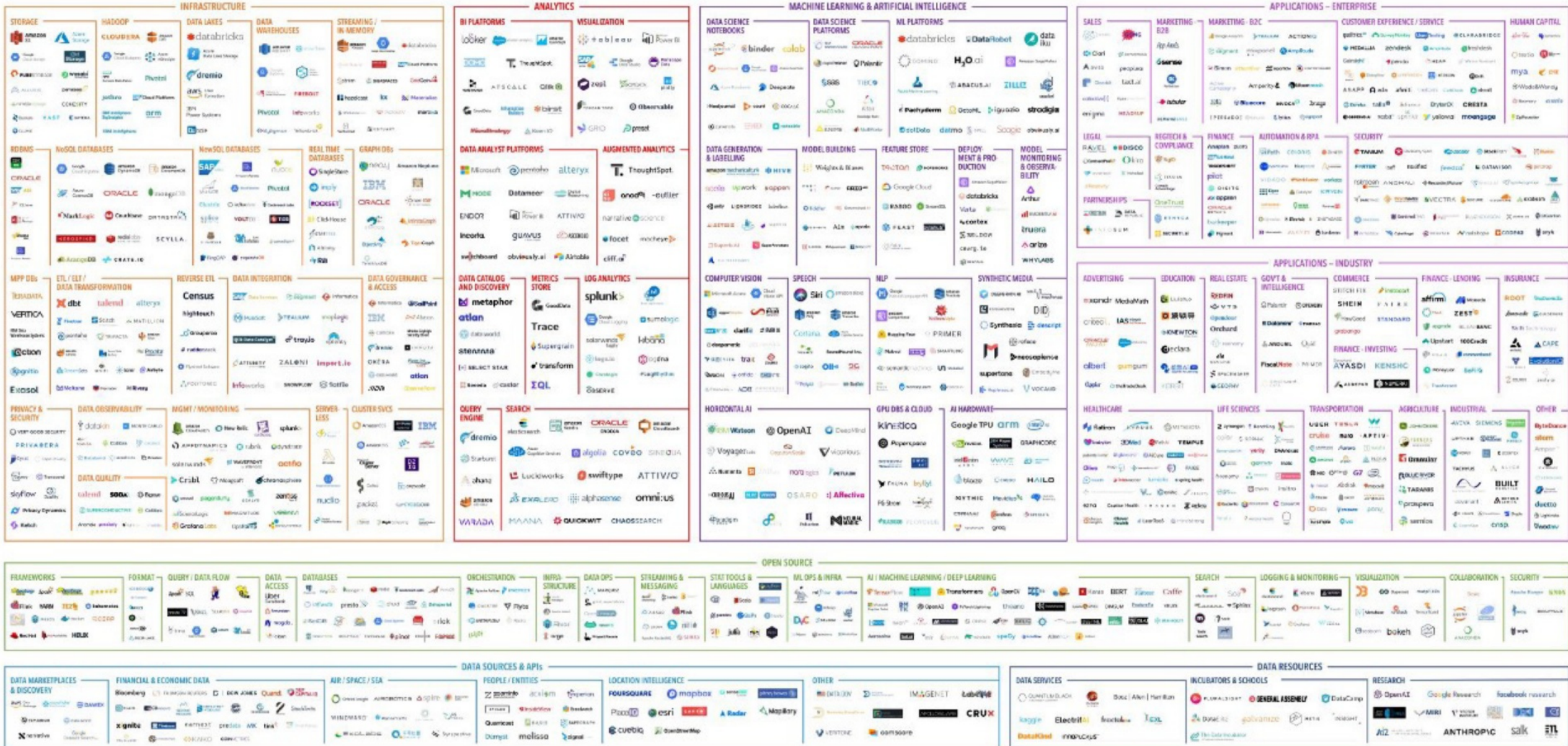
Embracing FinTech Risk Strategically





There is no shortage of Fintech...where do you start?

MACHINE LEARNING, ARTIFICIAL INTELLIGENCE, AND DATA (MAD) LANDSCAPE 2021



Consider the Risks

An iceberg floating in the ocean. The tip of the iceberg is visible above the water surface, while the much larger, jagged base is submerged underwater. The water is a deep blue, and the sky is a lighter blue with some clouds. The iceberg is positioned on the right side of the frame, with the text of various risks listed to its left.

Operational
Transaction
Compliance
Credit
Strategic
Reputation
Cyber
Cloud
Concentration
Country Risk

 N CONTRACTS

**Do you Know What
your Vendor's Vendors
are Doing?**

Third Party Risk Management
for Fintechs

Provided By:

 N CONTRACTS

FFIEC

Ownership

Capital

Flexibility

Your Customer

Development

Support

Plan B

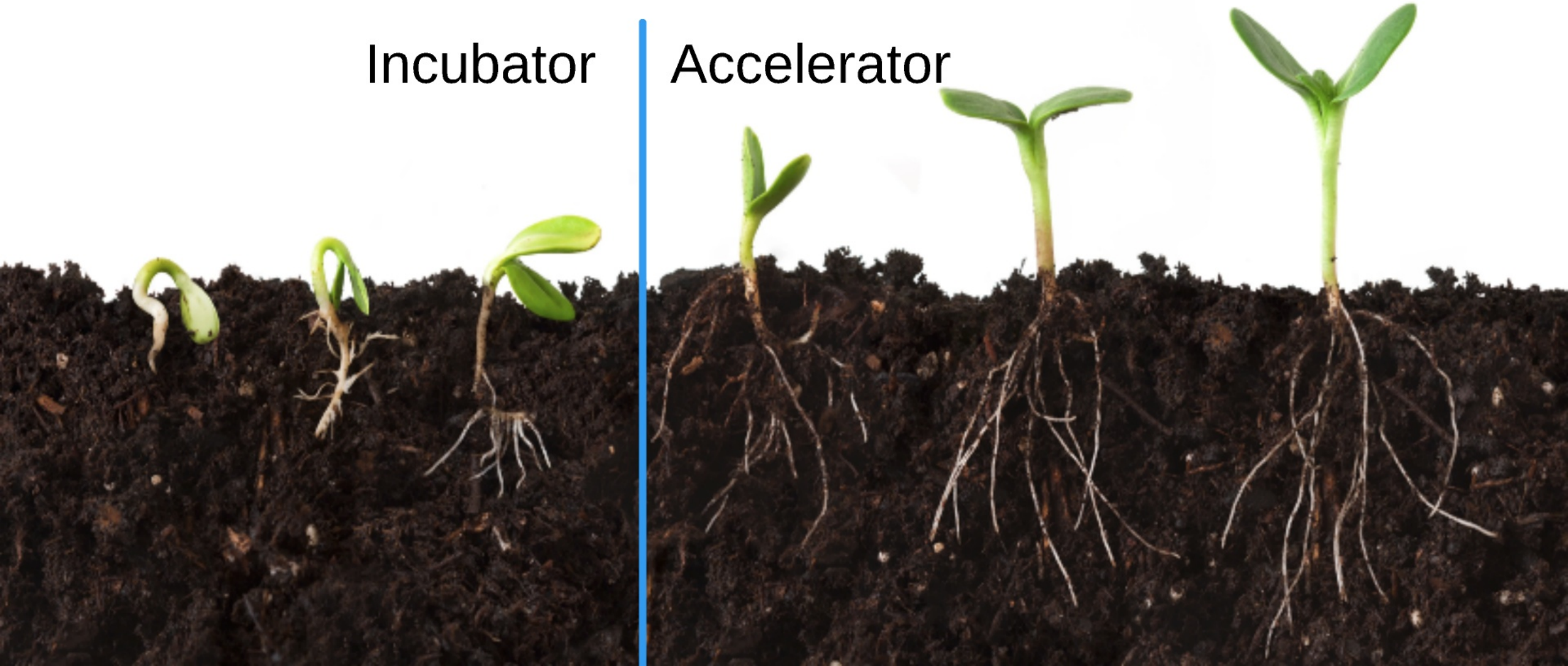
**DUE
DILIGENCE**



Resources

Incubator

Accelerator



Accelerators & Incubators

Track the up-and-comers



This year's class...



	CNote	CNote helps institutions invest capital into underserved communities at scale.	2023 (AP5)
	Finli	Finli is a digital back-office solution for invoicing, payment collection, CRM and communications to help banks support small businesses.	2023 (AP5)
	Micronotes	Micronotes is a cloud-based marketing automation solution allowing banks to execute on loan, deposit, and retention opportunities using data.	2023 (AP5)
	Neural Payments	Neural Payments is a payment engine that moves money over traditional debit rails, peer-to-peer payments, and real-time payment systems.	2023 (AP5)
	Pidgin	Pidgin is a platform supporting faster payments via an administration portal, user-centric front-end applications, and developer-friendly application programming interfaces.	2023 (AP5)
	Spiral	Spiral is an Impact-as-a-Service platform to help banks improve customer engagement and retention through social conscious spending.	2023 (AP5)

TECHNOLOGY CONSULTING



Get good. Think ahead.

Transfer of wealth



1

WHY DO BABY BOOMERS MATTER?

76 Million Americans are Baby Boomers ¹

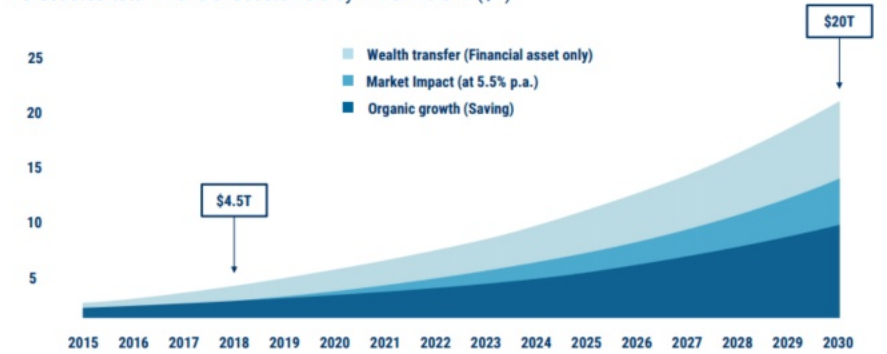
Source: US News & World Report

2

THEY MAY NOT BE ABLE TO AFFORD IT TODAY BUT..

By 2030, millennials will hold 5x as much wealth

Forecasted total financial assets held by millennials in (\$T)



CBINSIGHTS Source: US Census, Ribbit Capital analysis

3

Keeping Gen Z happy

Challenger banks' apps for young people generally go beyond what banks typically offer in their apps

Basic offerings	Next-level features
Customizable cards	Financial education
Specialized savings mechanisms	Charitable giving
Allowance and chore tracking	Investing
Parental controls and alerts	Credit building

Source: American Banker

Embracing FinTech Risk Strategically



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Embracing FinTech Risk Strategically



Embracing FinTech Risk Strategically



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Visit | Download | Reach Out
www.genesystg.com/ibat

David Saylor | Founder | Genesys Technology Group, LLC | david@genesystg.com

Embracing FinTech Risk Strategically

