Presented by: Amala Duggirala
Fintech is a term used to describe financial technology, an industry encompassing any kind of technology in financial services - from businesses to consumers.

Companies in this space existed long before the term “Fintech” became widely used – around 2014.

Fintechs create technology and innovation that aim to compete with traditional financial methods in the delivery of financial services. Traditionally, this sector focused on enabling banks with financial solutions.
What Started Fintech?

Generational Behavior
- These generations were raised in a digital age, they are mobile pioneers.
- Different views on face-to-face interactions than baby boomers.
- Grew up during an economic recession, shaping their views on the industry.

Big Tech
- Large technology companies amassed huge ecosystems of customers and started leveraging AI.
- These companies are obsessed with customer experience, raising the bar for all industries.
- Enabled customers with near real time access to almost any type of information.

Source: https://www.fintechfriendorfoe.com/
24 new fintech unicorn births in 2019 and 3 in Q1’20
Global VC-backed fintech companies with a private market valuation of $1B+ (2/14/20)

The opinions expressed in the presentation are statements of the speaker's opinion, are intended only for informational purposes, and are not formal opinions of nor binding on Regions Bank, its parent company, Regions Financial Corporation and their subsidiaries, and any representation to the contrary is expressly disclaimed.
The opinions expressed in the presentation are statements of the speaker's opinion, are intended only for informational purposes, and are not formal opinions of or binding on Regions Bank, its parent company, Regions Financial Corporation and their subsidiaries, and any representation to the contrary is expressly disclaimed.
Customers Adoption of Fintech Providers

Fintechs with scale of 1M+ accounts are chasing similar playbooks to keep customers engaged

Since launch, these startups have added 255M+ combined accounts (11/1/2019)
Fintech Customers are Primarily Millennials, Gen Z, Underbanked/Unbanked, SMB/SMEs, or Startups

The opinions expressed in the presentation are statements of the speaker’s opinion, are intended only for informational purposes, and are not formal opinions of, nor binding on Regions Bank, its parent company, Regions Financial Corporation and their subsidiaries, and any representation to the contrary is expressly disclaimed.
Banks will continue to increase investments in new innovation as a result of increased competition from non-traditional providers who are focused on the user experience.
Collaboration Models

- **The SATELLITE**
- **The MERGER**
- **The CHANNEL**
- **The SUPPLIER**

**FINANCIAL COMMITMENT**

**BRAND COMMITMENT**

Source: Pacemakers
In a recent study from Finextra, 81% of bank executives surveyed said that collaborating with partners was the best strategy to achieve digital transformation.

“The biggest barrier to bank/Fintech partnerships is banks’ procurement departments. They treat us like small IBMs and hammer us with performance and risk clauses that would kill us if we let them.” Brett King, Founder of Moven (Fintech)

“For the things they cannot do well on their own, banks must develop a partnership strategy"
Considerations for Banks without Fintech Partnerships

How can Fintech delivery speed be matched or exceeded? How can we keep pace?

Is the right talent in place with skills in modern technology practices? Will training take too long?

How can the customer experience be enhanced with focus on digital?

Are we investing enough in innovation? Would a partnership be cost effective?

Can Millennials and Gen Z be reached with the current strategy for consumer banking? If not, what is the potential impact to sales?

The opinions expressed in the presentation are statements of the speaker’s opinion, are intended only for informational purposes, and are not formal opinions of, nor binding on Regions Bank, its parent company, Regions Financial Corporation and their subsidiaries, and any representation to the contrary is expressly disclaimed.
Regions History of Innovation

The opinions expressed in the presentation are statements of the speaker's opinion, are intended only for informational purposes, and are not formal opinions of, nor binding on, Regions Bank, its parent company, Regions Financial Corporation, or their subsidiaries, and any representation to the contrary is expressly disclaimed.
Strategic Objectives of Bank/Fintech Partnerships

- Digital Account Opening: 75%
- Payments: 54%
- Lending and Credit: 52%
- Risk Management: 38%
- New Banking Products: 27%
- Personal Financial Management: 19%
- Investment Management: 11%
- Insurance: 6%
- International Remittances: 3%

Source: Cornerstone Advisors

The opinions expressed in the presentation are statements of the speaker’s opinion, are intended only for informational purposes, and are not formal opinions of, nor binding on Regions Bank, its parent company, Regions Financial Corporation and their subsidiaries, and any representation to the contrary is expressly disclaimed.