

**INTESA SANPAOLO PROJECT  
FINANCIAL EDUCATIONAL/INFORMATION PROJECT  
"FINTECH"**

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**FINTECH**

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# LaFabbrica

Fintech, from "Fin" finance and "Tech" technology, indicates the digital development of the banking and financial system. Today, it is the sector of the financial economy that records the most important growth, an integral part of the structural change that is affecting the global economy.

Digital technology radically changes access to financial products and services and the bank sees its business model completely transformed. The relationship with users has changed, and Fintech offers direct access, flexibility, open systems, dematerialization of processes and documents. Fintech gives a new role to commercial brokerage, replacing or integrating "traditional" banking and insurance services.

## **Fintech Stat-up**

After a dreaded digital banking disruption, Fintech turned out to be a winning card in the medium and long term. An inversion of the trend that saw the financial world pick up the situation and take advantage of the support of the Fintech start-ups, integrating them in the modernization process as advanced research support.

The birth of always new Fintech Start-ups means a growing digitalization, effective, secure, easy to use in every place and at any time, a reduction in bank costs, new advantages for consumers, the emergence of other business models.

For individuals and businesses, Fintech offers a range of services ranging from payments, credit, consultancy services, risk management, virtual currencies.

## **Target and research priority**

Two targets represent Fintech priorities: people and families, the business area.

This entails the strengthening of technological infrastructures and the search for new solutions to render transactions in the financial field more direct and secure.

# LaFabbrica

## **Fintech people and families**

- *Home banking* Today Fintech's technological innovation allows us to perform a whole series of operations, controls (checking the progress of our investments) and home-based activities at our preferred times. This has the consequence of simplifying certain operations (payments, e-commerce, instant online transfers...), making the management of our accounts immediate, and increasing our general banking skills.

*Mobile and digital Payment* - Daily use of the smartphone to make payments. These are instant Payments, real-time payments made via the internet that allow inter-bank clearing of transactions with immediate credit. We can make mobile-payments, increasingly sophisticated e-commerce payments, mobile money transfer...

*Banks and AI* - in the not too distant future, in our relationship with the bank we will have as an interlocutor the Artificial Intelligence, able to make decisions based on the enormous amount of data obtained from our financial actions, that can process in real time.

In the same manner as Google's Assistant, Apple's Siri and the self-driving car, we can resort to a virtual banking consultant who assists us in the management of the current account and other operations, advising on the best choices decided by the AI based on the systematic observation of our financial behavior.

*Banks and the social world* - Today, all banks have activated social channels to communicate with customers and in many cases to activate real communities to offer targeted services. An example is the community of young account holders who on one hand exchange information on trips, shows, events, and on the other hand they benefit from special price offers, exclusively for those who belong to the community.

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## **Fintech business**

Crowdfunding together with Crowdlending or Social Lending (also called P2P Lending - Peer-to-Peer Lending) are alternative forms of financing that could be developed thanks to dedicated platforms. The objective is to start funds research or loan activities for projects with characteristics representing innovation or company interest. This occurs by addressing the public on the net directly and without intermediaries.

However, the role of banks in supporting and strengthening these activities is increasingly important. Some banks have created dedicated internet lines, with particular attention to the use of these tools to channel resources on ethical projects. The function of the bank, in this case, is to act as a "guarantor" of the initiative, ensuring that the lender is available to lend money even at zero interest but without risk.

*Cryptocurrencies* - These are speculative financial instruments that the name and the media associate improperly with money or currency. Their rather complex mechanism easily gives rise to large and sudden changes in value, both positive and negative. Basically they are based on a system of transactions validated by cryptographic algorithms that theoretically should guarantee anonymity, confidentiality and "security" of information. These are financial instruments not suitable for the private saver. They rest on peer-to-peer technologies and are not governed by a central authority, which makes it impossible for traditional circuits and institutions to block transfers. Recent studies conducted by the major central Banks of the world, reveal that the characteristics of cryptocurrencies make them ideal financial instruments for non-legal purposes such as money laundering and/or tax evasion.

## **More information...**

*The best-known cryptocurrency is bitcoin, created at the end of 2008 by an anonymous inventor, known under the pseudonym Satoshi Nakamoto. Their use is based on a **blockchain**, a type of register and archiving of transactions that take place within a given computer network.*

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*Currently blockchain is one of the leading sectors of the "search" for start-ups all over the world.*