

WHAT'S CHANGING IN COMPLIANT BANKING COMMUNICATIONS

RegTech Summit

3rd October 2019

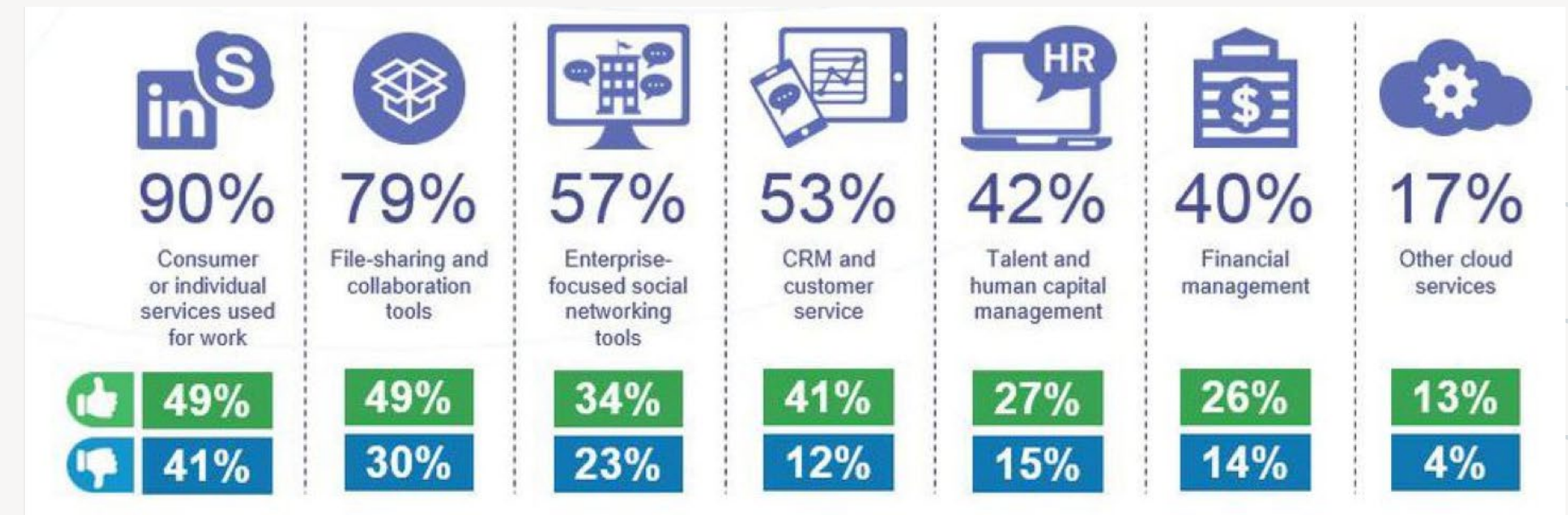


THE BATTLE GROUND

Consumerization of Technology Vs Compliance

WHAT IS THE CONSUMERIZATION OF TECHNOLOGY?

- The phone in your pocket today could have managed the moon landing
- Consumer collaboration, communication and desktop tools are free, ubiquitous, and in many instances more powerful than the equivalent corporate tools
- In banking, 425k use Symphony, 325k use Bloomberg Messenger and 5M use WhatsApp Business
- Google's G Suite costs \$6 per month, Microsoft 365 is \$12 per month
- Microsoft Office cost \$499 in 2009



LEVELLING OF ASYMMETRY OF KNOWLEDGE AND COMMUNICATION

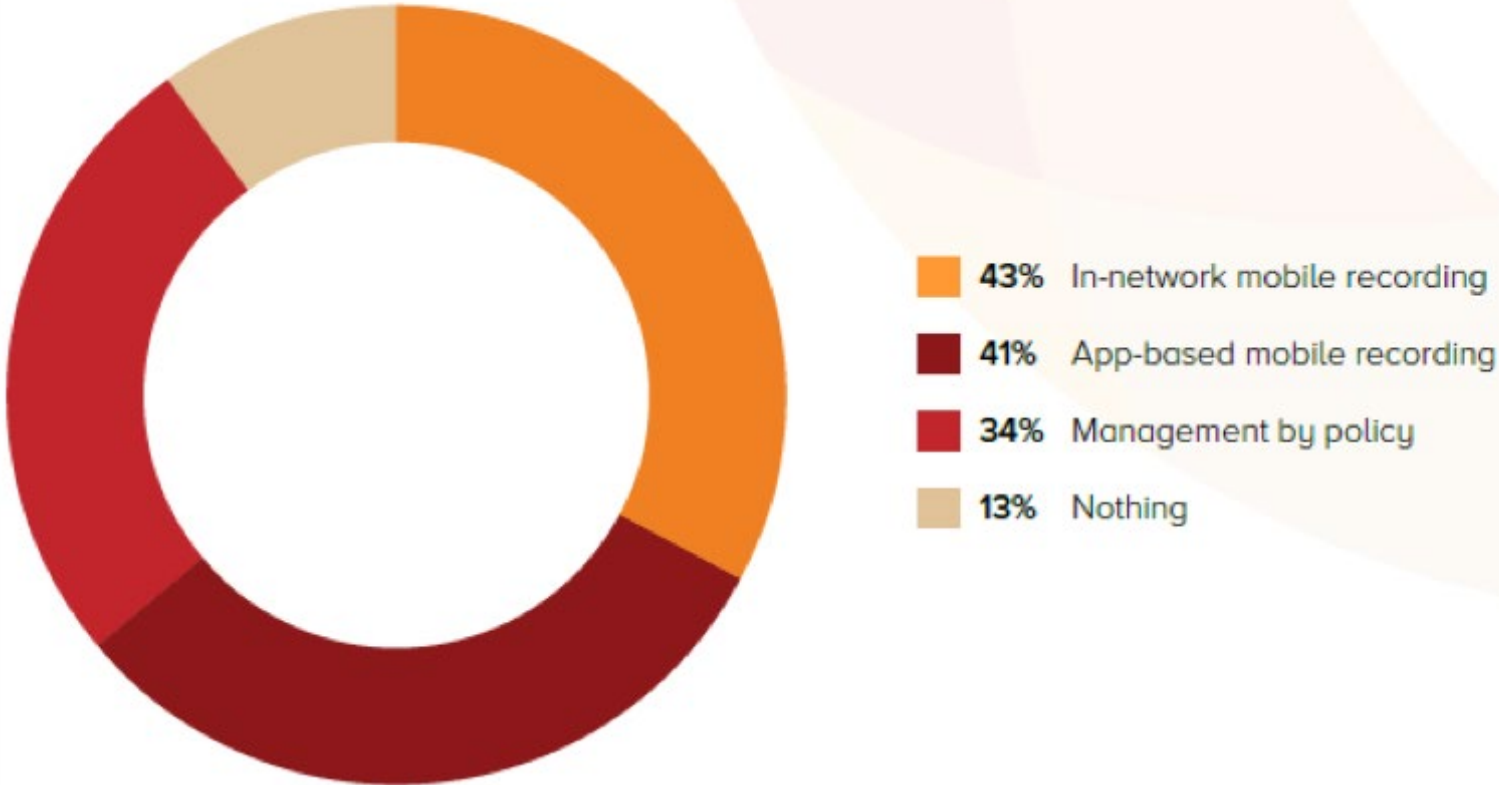
- Many industries, especially banking, rely on the asymmetry of knowledge
- I know more and can communicate faster than you – therefore I can make more money than you
- The impact of this real time free flow of data means that participants are forced to use the most efficient tools to keep up – these are often consumer
- The desire for rapid access to information and effective communication on both the buy and sell side is encouraging market participants to take risks

"Financial markets exhibit asymmetric information, in that in a financial transaction, one of the two parties involved will have more information than the other and will have the ability to make a more informed decision."

CUSTOMERS AND COUNTER PARTIES

If your high net worth customer will only communicate with you on WhatsApp, *what are you going to do?*

To comply with mobile recording regulations, such as those in MIFID II, which of the following are you using?



If it were possible to record WhatsApp, WeChat and/or LINE messaging app, which of the following would you enable for your users?



WhatsApp

77%



WeChat

34%



LINE

17%

If the same customer wants to speak with you at any hour of the day or night, *will you make your mobile number available to them?*

BYOD - BRING YOUR OWN DEVICE

Consumerization

Contract Management

Costs

Two Phones

Talent Acquisition

Would you consider implementing BYOD for your regulated users?



- 41% Perhaps (but not within the next 12 months)
- 32% I already am
- 27% Definitely (within the next 12 months)



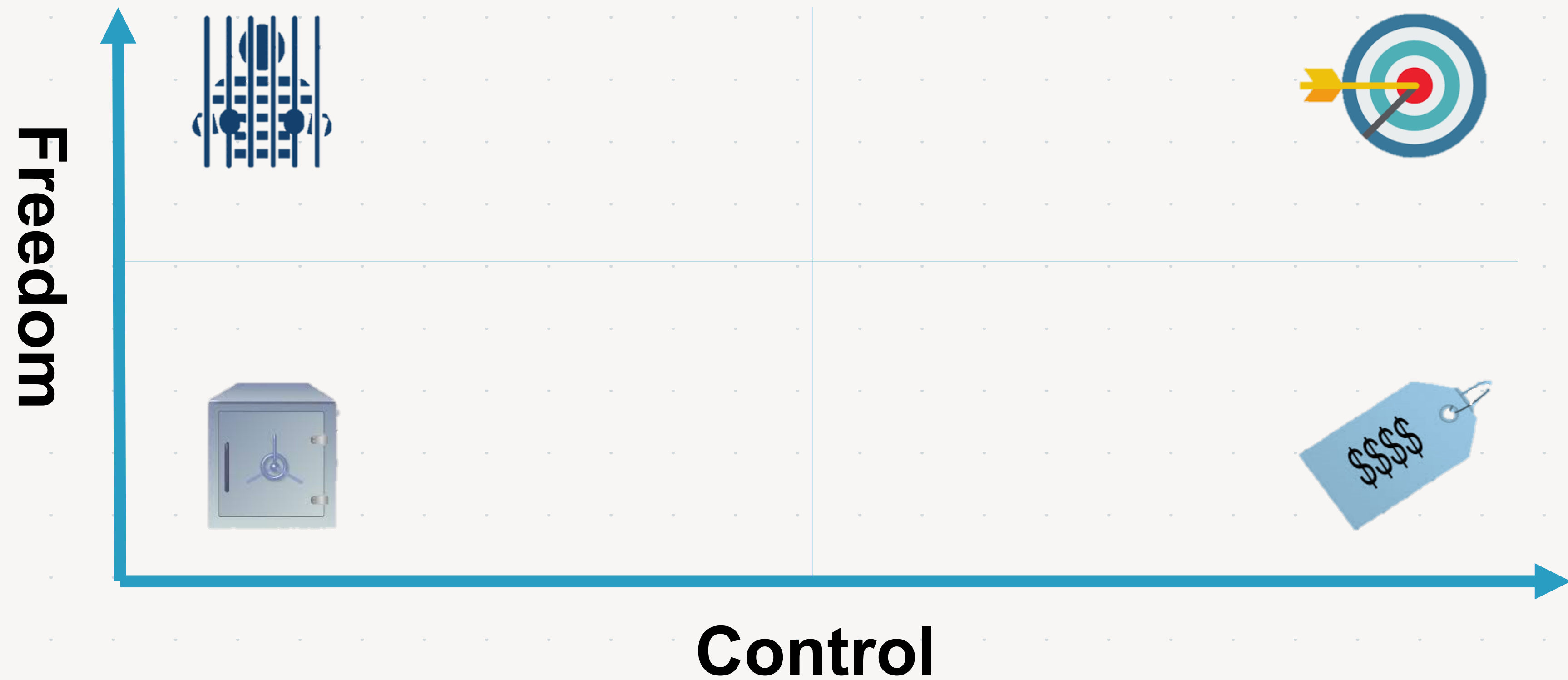
WHY DO WE NEED TO CHANGE?

- Technology consumerization is upon us and will happen to you if you don't do anything about it
- Compliance is increasing
- It's a competitive market
- Ignorance is no longer bliss
- It can be very expensive

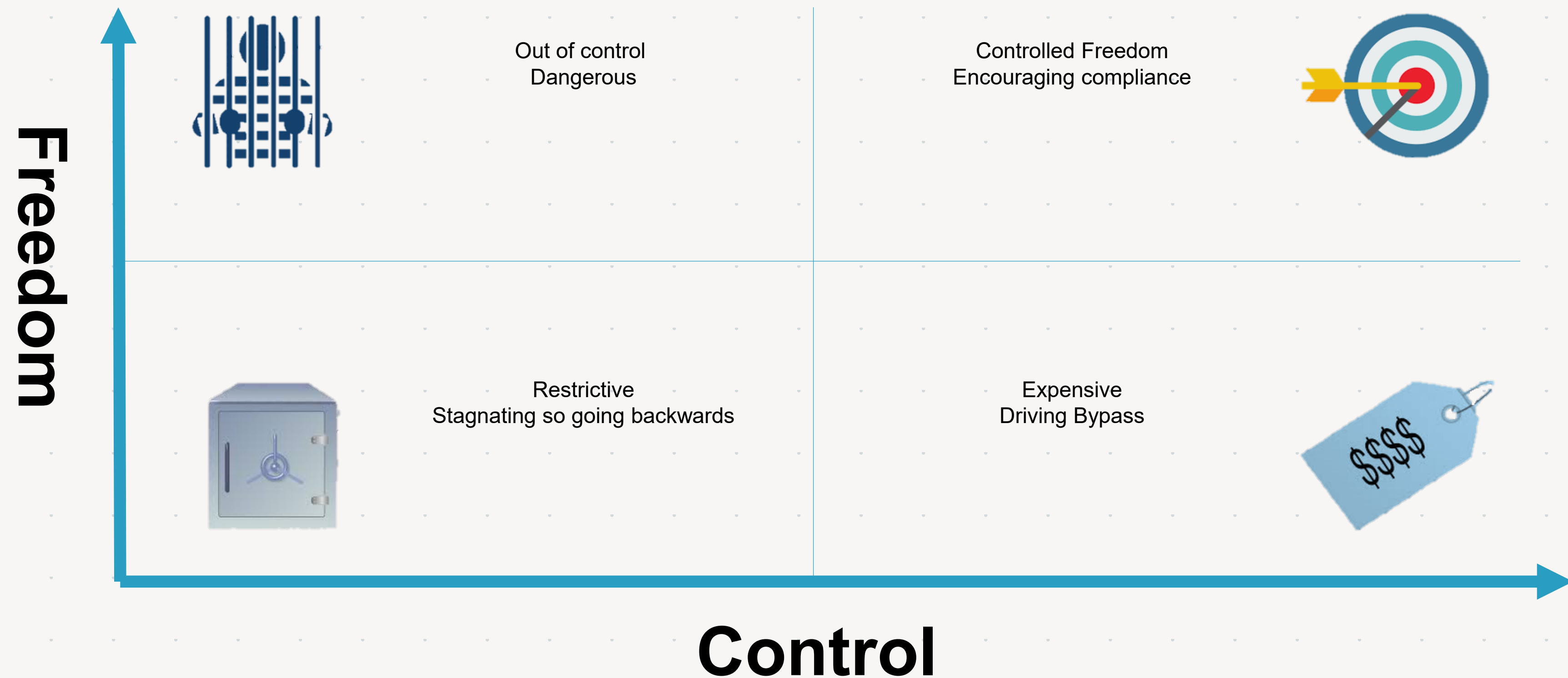
WHY NOW?

- Volatile and uncertain market
- Users need to be empowered with the right tools
- Global equivalence of reregulation
- Employee Empowerment Vs Regulatory Risk

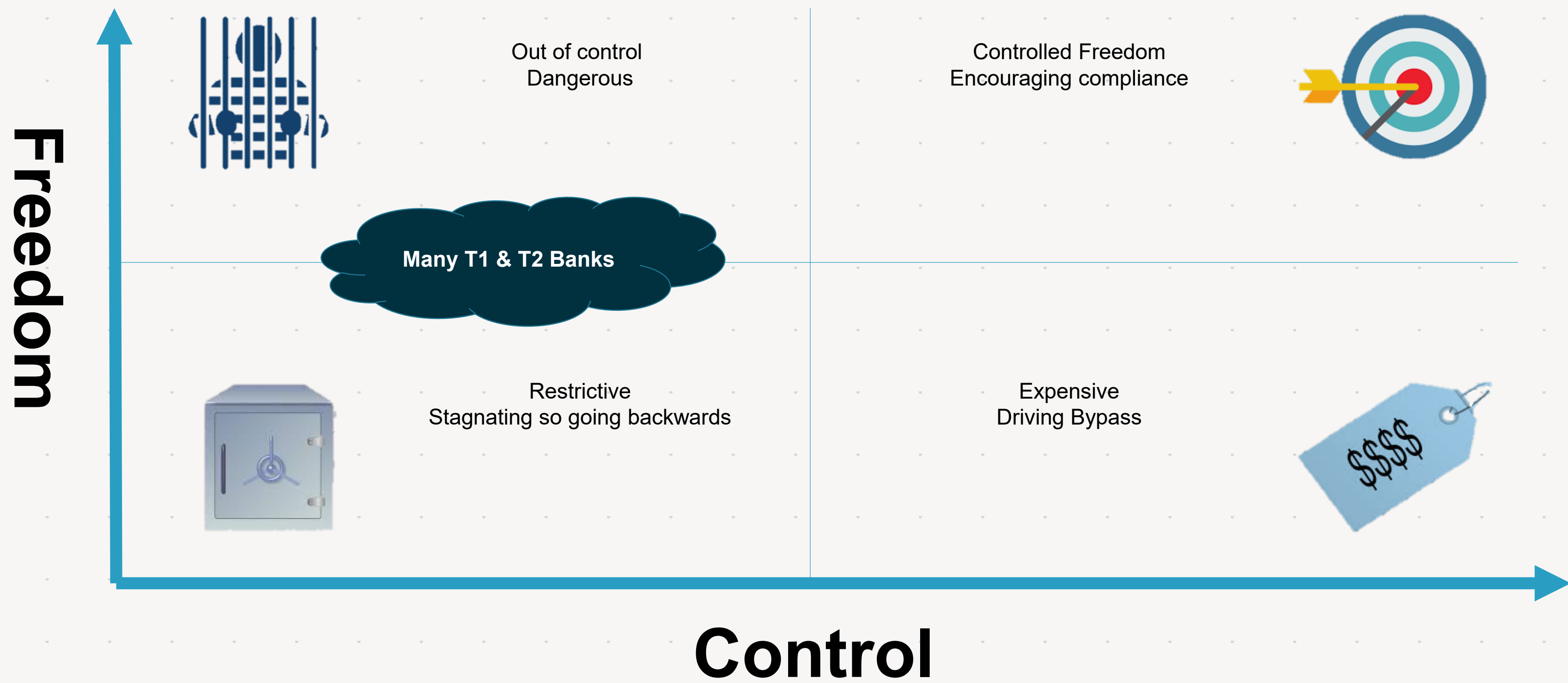
WHAT IS THE INDUSTRY DOING ?



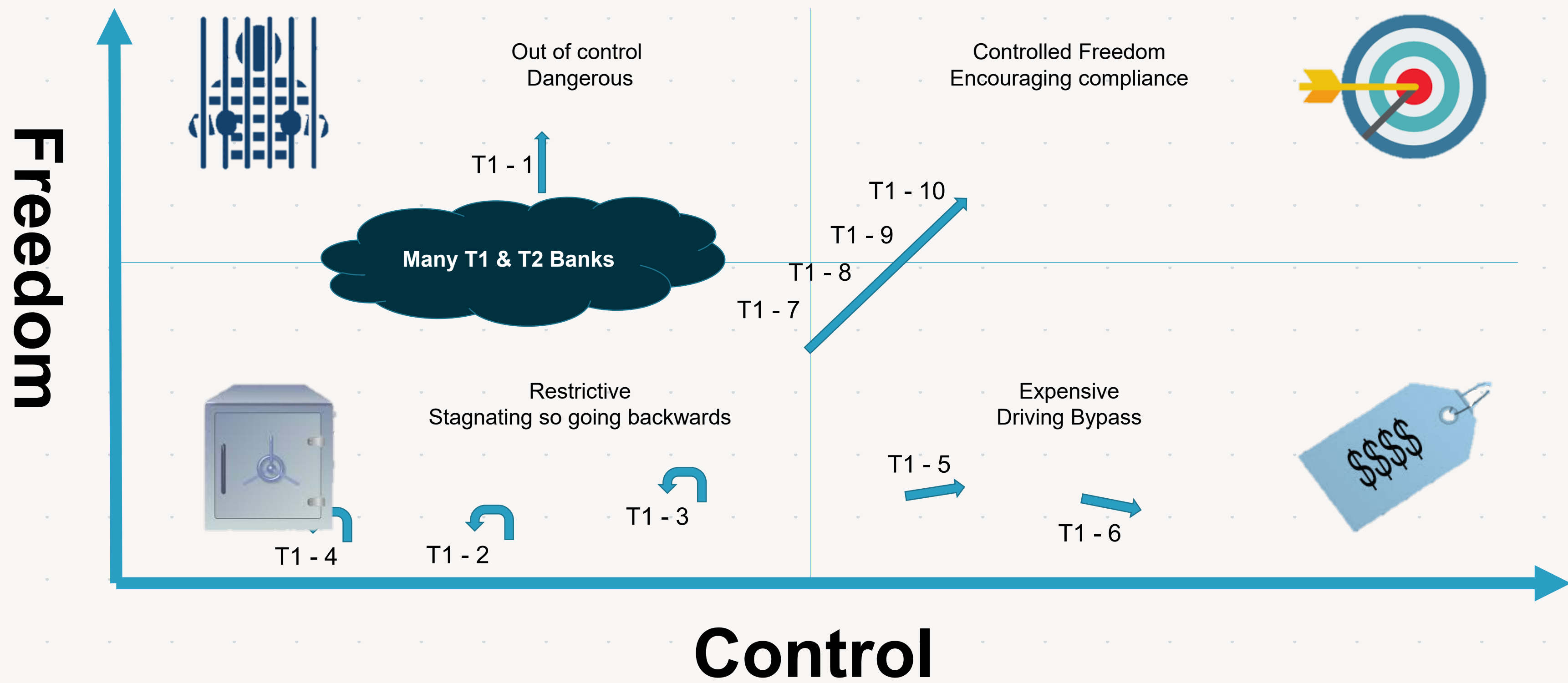
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WHAT SHOULD YOU DO?

- ☐ What regulations do you need to comply to?
- ☐ What regulations are you complying with today?
- ☐ What are the current controls?
- ☐ What are your users saying they need?
- ☐ What is the vendor community offering today and tomorrow?



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