Finteum aims to create a global financial market for institutional intraday borrowing
Part 1

Intraday Liquidity and Blockchain
Who created Finteum

Brian Nolan
Co-founder

Business
Subject matter expertise in intraday liquidity and bank infrastructure

Zbi Czapran
Co-founder

Technology
Data engineer with financial services and startup experience

Stirling Fielding
Advisor - Product

20 years in treasury, most recently MD head liquidity, Deutsche Bank

James Carlyle
Advisor - Technology

25+ years in technology including 9 at Barclays, lead engineer at R3

Scott Nelson
Advisor - Operations

Apple - customer experience design, staffing and team development

Team Focus Areas

- We are speaking with other potential members of our advisory board.
- Preparing to hire technical team, commercial relationship management (clients & partners), product & structuring, regulatory
The Problem

Intraday liquidity costs banks billions in profits every year

Payment patterns: banks often need to make large early outgoing payments.

There is no effective institutional market to match lenders with banks that want to borrow for hours at a time.

Banks and organisations with surplus intraday funds can earn a return on cash held.
Financial Benefit

Each borrowing bank, annual recurring

£40m

Estimated average potential yearly savings for a top 100 global commercial bank

Additionally, operational, staff and technology cost will be lower than the recurring cost to currently support funding markets.

Each lending bank, annual recurring

£2.5m

Estimated potential yearly revenue per lending bank using Finteum at today’s interest rates

Additionally, operational, staff and technology cost will be lower than the recurring cost to currently support funding markets.
Traction

Partners

**r3.**
Entrepreneur in Residence company at R3

**Baringa**
Brighter together
Intraday liquidity experts

**INDUSTRIA**
Technology build partner

**F10**
Part of F10 Fintech accelerator in Zurich

Five banks with £2trn combined balance sheet are trialling:

Most promising leads now after discussions with 30 banks:

Bank of Ireland, Deutsche Bank, Commerzbank, Credit Suisse, HSBC, Lloyds Banking Group, Nomura, Northern Trust, Raiffeisen, Royal Bank of Scotland, Societe Generale, UBS

Regulatory Engagement

- Bank of England
- Prudential Regulation Authority
- Reserve Bank of Australia

Ongoing dialogue

Industry Organisations

- UK Finance
- Euroclear
- SIX Group
- LCH (The Markets’ Partner)

Ongoing dialogue
Platform and Technology

Before Intraday Borrowing

Start of Day Cash Balance

End of Day Cash Balance

Required liquidity buffer = expensive

After Intraday Borrowing

Start of Day Cash Balance

End of Day Cash Balance

Borrow

Lower required buffer

Repay

Finteum Platform

Distributed Ledger Benefits

- Move money and securities faster
- Shared trade details, avoiding failed settlement and reconciliation issues
- Share portions of the data, including to regulators

Cost Savings

Software demo available. Research paper available co-authored with R3, Baringa
Demo
Part 2

Dealing with Startups
What’s the problem?

In 20 years, financial services will be run by …

Millennials
(born 1981-96)

… some are today’s financial services employees, some are in fintech startups
... a generation known for

- Jumping between employers
- Seeking autonomy at work
- Disregard for workplace norms
- Impatience, needing instant validation
- Seeking careers with purpose

Simon Sinek speaks well on this topic
... see research and statistics

Engagement: 29%
Leaving 60%

Will start business: 65%

Have started business: 3.6%
Banks’ Clever Response

For banks and people who want to be involved in innovation without the risk …

30 Corporate Innovation Labs In Finance - CB Insights

Some of the biggest names in finance are creating fintech innovation labs to solve the most pressing challenges faced by banks, merchants, and consumers.

… DIY (at least during a bull market)
My Experience

From Inside …

- No unsuccessful projects
- Ownership difficulty
- Inflexible technology, e.g. “feed”, “release schedule”

From Outside …

- Limited bandwidth
- Careful decisions
- Two year relationship
Innovation Bandwidth

Waardecreatie (naar Peter Hinssen)
Worrying Threat
Potential Opportunity

If millennials create more fintech startups in the next 20 years …

- Business Risk
  Outsourcing
  (startups can fail)

- Modular architecture:
  permissioned APIs

- Engaged innovative
  ecosystem (lower risk
  of irrelevance)