

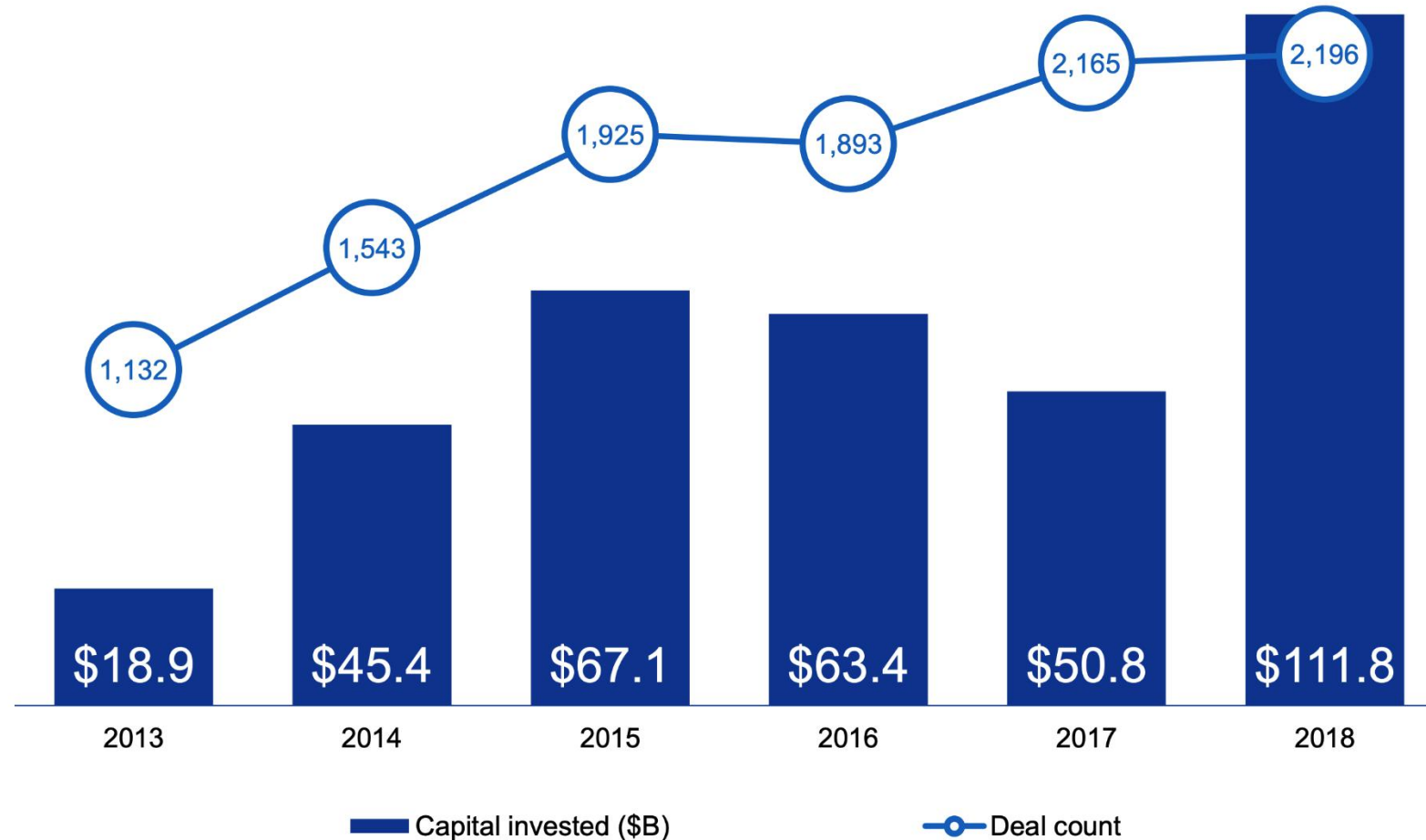


Are Fintech Innovations Challenging the Stock Markets?

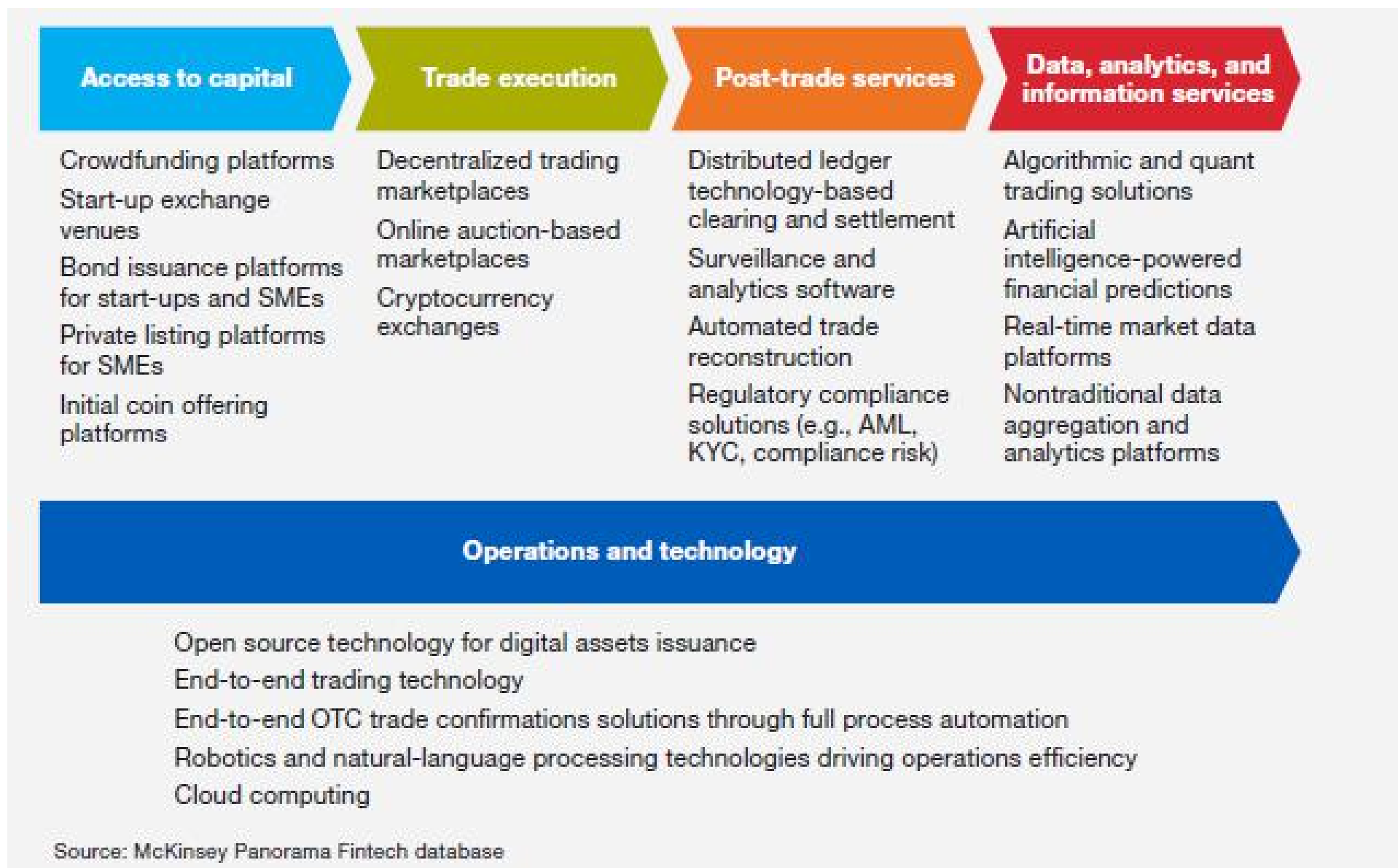
Yusuf Hussain
August 29, 2019

There is a significant surge in fintech investments

**Total investment activity (VC, PE and M&A) in fintech
2013–2018**



Innovation is occurring across the entire CMI chain



Technology trends are bringing transparency and efficiency

Domain	Function	Cloud Technology	Process and Service Externalization	Robotic Process Automation	Advanced Analytics	Digital Transformation	Block chain	Smart Contracts	Artificial Intelligence	Internet of Things
Client Servicing	Client onboarding	●	●	●		●	●			
	Client insight/ analytics	●			●	●				
	Research	●			●				●	●
	Client relationship management	●			●	●			●	
	Insurance, mergers and acquisitions	●	●	●	●	●	●			
Trading	Pre-trade analytics	●			●	●				
	Trade execution	●	●		●	●			●	●
	Post-trade analytics	●	●		●	●				
Business Management	Cost transparency	●			●					
	Business continuity management	●	●			●				
Data Management	Market news and data	●	●		●	●				
	Reference data	●	●	●	●		●			

Cont ..1 Technology trends are bringing transparency ..

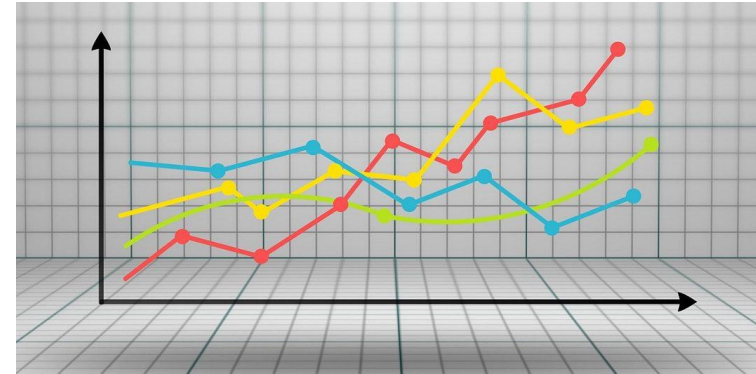
Domain	Function	Cloud Technology	Process and Service Externalization	Robotic Process Automation	Advanced Analytics	Digital Transformation	Block chain	Smart Contracts	Artificial Intelligence	Internet of Things
Post-Trade Operations	Clearing and settlement	●	●	●			●	●		
	Collateral and margin management	●	●	●			●			
	Custody and asset servicing	●	●	●			●			
	Treasury operations	●	●	●	●					
	Reconciliations	●	●	●	●		●		●	
	Transaction Reporting	●	●	●	●				●	
	Fees and invoicing	●	●	●	●				●	
	Tax operations	●	●	●	●		●	●	●	
Risk Control and Management	Credit, market and liquidity risk	●	●	●	●					
	Enterprise risk management	●			●	●			●	
Financial Control	Capital management	●	●	●	●					
	Independent price verification	●		●	●					
	Product control	●		●	●					
	Financial /regulatory reporting	●		●	●					

Cont 2 ..Technology trends are bringing transparency..

Domain	Function	Cloud Technology	Process and Service Externalization	Robotic Process Automation	Advanced Analytics	Digital Transformation	Block chain	Smart Contracts	Artificial Intelligence	Internet of Things
Compliance	Regulatory horizon scanning and compliance	●	●		●				●	
	Anti-money laundering and surveillance	●	●		●				●	
	KYC	●	●	●	●					
	Anti-bribery and corruption	●	●		●					
	Employee surveillance, market abuse and conduct	●			●				●	
	Policy setting, monitoring and testing	●		●	●					
IT	Cybersecurity	●	●		●	●	●	●	●	
	Identity and access management	●	●						●	
	IT service operations	●	●	●		●			●	
Legal		●	●	●	●	●	●	●	●	
HR		●	●	●					●	

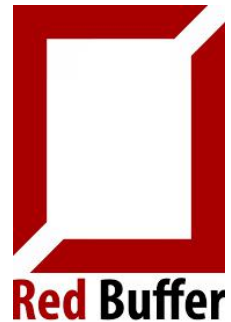
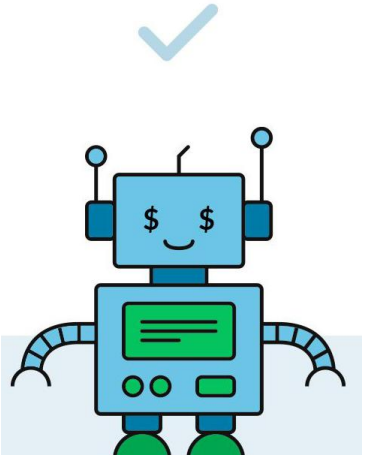
Pakistan online trading platforms are rife with challenges

- Low access
- Difficulty in access
- 7-10 days to onboard
- Between 200,000 - 500,000 investing in stocks and even fewer high net worth individuals



There are almost 100 online trading platforms operating in Pakistan

Robo Advisor



Recommendations

Fintech incubators



Regulatory sandbox



Corporate Venture Capital



Multiple asset classes trading



SME trading board listing




Takeaway

- **Fintech innovations are complementing the stock markets and would continue to create a transparent and efficient system that would significantly help increase the number of traders and volume of trade.**
- **Crowdfunding platforms such as kickstarter & indiegogo and other social platforms are providing alternatives to raise capital.**




Thank you!



 6th Floor, HBL Tower, Jinnah Avenue
Blue Area, Islamabad

 www.ignite.org.pk

 111 - IGNITE (446483)
(+92 51) 921 5360 – 64

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