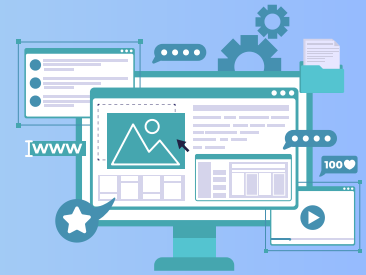




FINTECH: A CATALYST TO THE EVOLUTION OF TRADITIONAL BANKING



1

INTRODUCTION

Financial Technology Services or now widely known as 'FinTech' is an economic sector comprised of a range of businesses utilizing technology to provide streamlined financial services. On the other hand, a traditional bank is an entity providing two of the basic service which is accepting deposits from savers such as households and providing loans to borrowers. The existence of FinTech however has caused various traditional banks to delve deeper in technologies to stay competing in the industry.

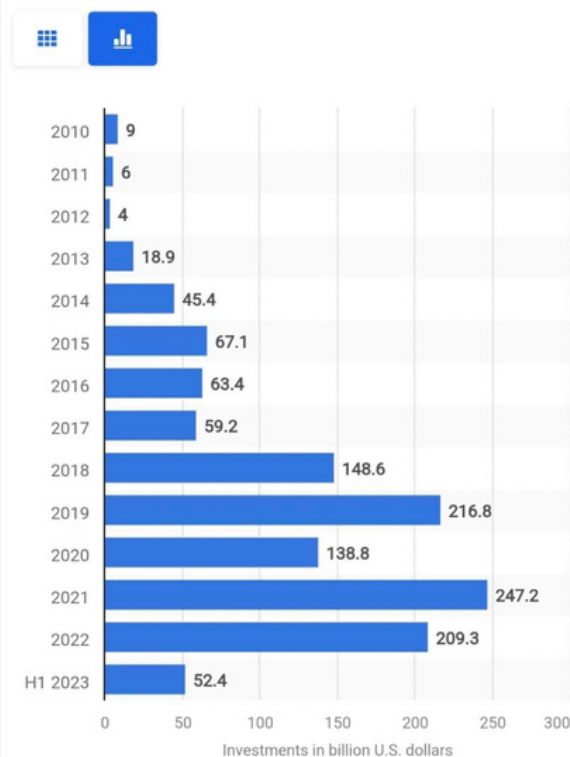


FACTORS THAT CONTRIBUTE TO THE USAGE OF FINTECH

- Improve customer's relation.
- Increase usage of Internet for business.
- Increase usage of mobile phones.
- Evolving consumer's behaviour.
- Implementation of blockchain and Big Data projects.
- Execution of artificial intelligence and business intelligence initiatives.

2

Total value of investments into fintech companies worldwide from 2010 to H1 2023
(in billion U.S. dollars)



HOW BANKS ADAPT TO FINTECH

Digitalisation in the banking industry.

Developing electronic channels with the usage of FinTech

- Online banking services.
- E-wallets.

3

EFFECTS OF THE BANK'S TECHNOLOGICAL DEVELOPMENT

- Reduced Banks Revenue-Generating Capacity Due to Loss of Deposits.
- Increase of Banks's Operational Risk.
- Promote Risk-taking Behaviour.
- Individuals of Older Generation has a Hard Time Adapting to Recent Banking Services.

4

RECOMMENDATIONS TO SOLVE THE PROBLEM

- Promote Incentives to Customers
- Diversify Service Providers
- Implement Clear Risk Policies
- Maintain Physical Presence and Providing Education Programs

5

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CONCLUSION

FinTech, not just a rival but a collaborator. Teaming up with traditional banks creates efficiency and enhances services for mutual benefit, benefiting customers.

6