Vol.1 2023

# Top Tech innovative **Services for Banking**

*15 Keys to improve the turnover of banking institutions*

Coinscrap FINANCE

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# Foreword

This guide was born out of the need to facilitate decision making in the banking sector. Analyzing the latest trends and anticipating which technological innovations will be most important in the financial world in the short and medium term is essential to be the first to improve the range of products and services offered.

At Coinscrap Finance we believe that innovation must be understandable and accessible to everyone. That is why we will show you in the following pages some of the developments that are generating a major transformation and substantially improving the turnover of banks.

The aim of this guide is to highlight which modules facilitate the initiation of activities that are new for the customer (investment and automatic savings, for example), also to be able to build customer loyalty with PFMs that improve their financial health or reveal Insights with which to launch hyper personalized notifications at the right time, among many other innovations.

We hope you enjoy the reading!

# Micro services

## Micro savings and Micro investment

To eliminate consumer friction in the face of new products, it is useful to use these types of modules based on behavioral economics. Saving is not very appealing at the beginning, so you offer manageable tools to take small steps to start. It is a good way to remove the initial barriers for the general public and start to increase turnover.

Many companies in the fintech sector are committed to financial education and transmit the importance of saving, which instead of being a tedious habit, becomes, thanks to technology, a service with which to meet economic objectives effortlessly.

These microservices modules allow inserting functionalities such as automatic rules, gamification tools or personalization of objectives, within the digital platforms of financial institutions. Through API (or Application Programming Interface) integrations are made in days with a minimum cost.

### The microsavings module allows you to perform:

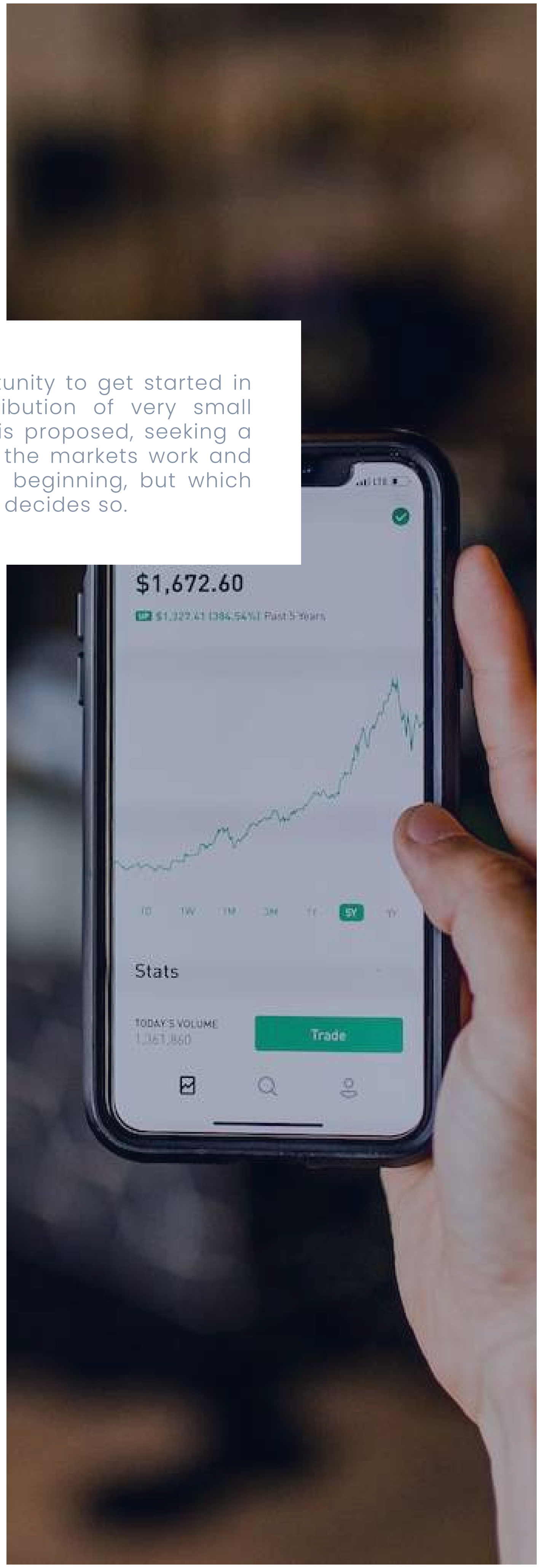
**One-time contributions**
With an amount set by the user

**Customization**
allows you to put a name and an image on the target to increase engagement and commitment.

**Fixed monthly contribution**
with a percentage of payroll

**Gamification**
contributions will be made every time your favorite team scores a goal or wins a game.

**Purchase rounding**
with card up to the upper unit




Microinvestment modules offer the opportunity to get started in the world of investment with the contribution of very small amounts. Normally, a medium-term goal is proposed, seeking a partially insured return, which shows how the markets work and generates a conservative practice at the beginning, but which can evolve towards a higher risk if the user decides so.

## The microinvestment module involves:

### Better cash management
since it offers high returns.

### Analyze market trends
including real-time estimates.

### Financial advisory services
the user will be able to receive professional advice

### Personal Finance
improve personal financial planning.

### Low cost
has a low cost of entry

# **Fraud detection** Cybersecurity and personal data protection

Artificial Intelligence can help institutions and companies deal with increasingly advanced cybercrime and phishing techniques. It saves a great deal of time and money, not to mention its efficiency and ability to learn with every use.

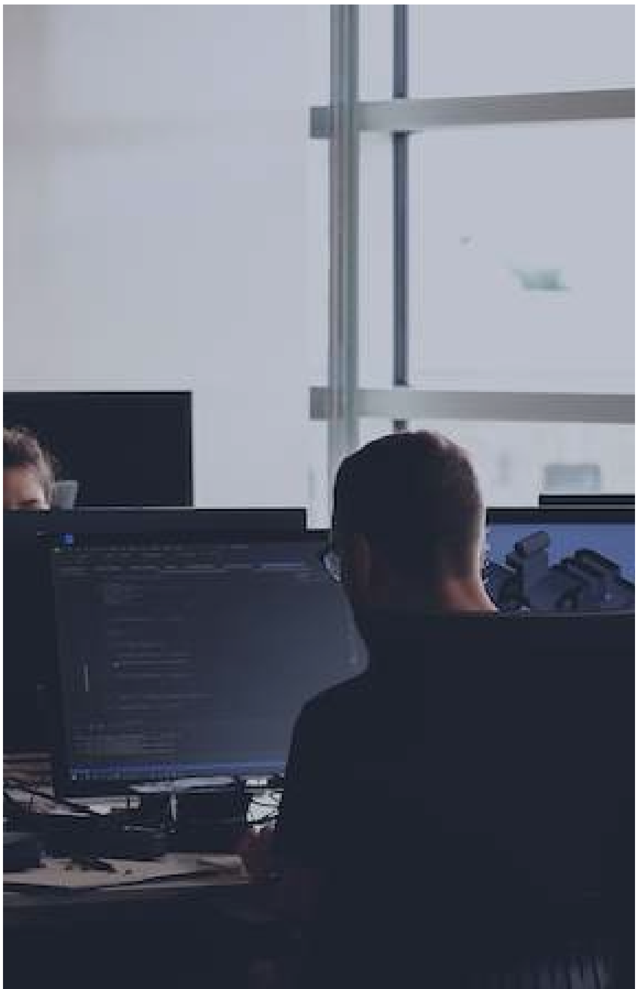
With the increase in digital transactions and multiple data sources, FinTechs have seen our security strengthened as new national and international regulations have emerged to ensure the protection of sensitive information, such as users' identity or banking data. Given our agility and flexibility, we can adapt quickly to regulatory changes, protecting them against cybercrime.

That said, let's take a look at some of the most common online banking and insurance frauds:

- Phishing or identity theft: they deceive the user to get their bank details by pretending to be a company they trust.
- Keylogging: they use silent spyware that identifies keystrokes in order to steal access data from banking platforms
- Carding: they make low-value purchases with the stolen credit card, in such a way that the user does not notice immediately and it takes time to block it.
- Cyber Espionage: through a series of complex actions, they manage to cross the security barriers of an entity to obtain confidential data.
- Computer damage: such as the deletion of information, interference in the systems to prevent the normal operation of the equipment, introduction of malware, etc.

The increase in digital transactions poses a major management challenge that especially affects banks. Fortunately, we have technological advances in Big Data that allow us to process and analyze millions of databases with records of previous breaches. This avoids cracks in security systems and, with the implementation of artificial intelligence, the data is processed to predict different outcomes, so that we can prevent possible attacks through programmed alerts.

Among other technological developments, those capable of analyzing and contrasting information poured into social networks with different official sources (such as the BOE) to detect possible fraud stand out. These innovative tools also use artificial intelligence, but are complemented with NPL (natural language processing) to improve their continuous learning.



Similarly, Machine Learning and Deep Learning techniques are able to detect fraud in real time. Using flexible models, they analyze the user's digital habits and map "predicted" behavior. If they detect any deviation from that behavior, they can automatically flag it to pass a second analysis. In this way, movements that escape traditional security systems are checked. Of course, governments have the primary interest in ensuring the security of citizens' information and data.

The Budapest Convention is an international instrument to combat cybercrime. Sixty-six countries have already signed it since it entered into force in 2004, although not all of them have ratified it. It includes most EU countries, but also the United States, Israel, Japan, Canada, Canada, Australia, several African countries and eight Latin American countries.

# PFM,
# **Personal Finance Manager**

In the current economic recession, it is essential to support our users with adequate financial education and practical tools with which they can plan their domestic economy. Helping people to make conscious and responsible decisions positions us as their allies and increases their trust and engagement with our digital platforms.

One of the most useful fintech developments for users is the Personal Finance Manager (such as Fintonic), which improves the management of household finances. These planning tools manage to increase the financial health of households with little effort. To do so, they use technological innovations that analyze and classify banking data to offer personalized advice and services.

Personal Finance Manager modules, better known as PFM, allow you to control income and expenses, allocate budgets, receive real-time recommendations and view all the information needed to make better decisions. The module's operation is based on an API (or Application Programming Interface) integrated into the digital banking platform.

FinTechs like ours can integrate these modules in a matter of weeks, at low cost and with all the security guarantees required by the European Union.

## These are some of the **features of the Financial planner**

- Improves user engagement and trust, especially among Gen Z and Millennials.
- Provides a global, clear and simple view of the financial situation in real time.
- Enables budgeting and management.shows investments and offers full control over them.
- Allows you to control spending and program alerts to avoid overdrafts.

The ease of aggregating several bank accounts in the same PFM allows us to retain customers and increase their engagement with the bank's website or App, while saving time for the user, who does not need to enter different platforms and can carry out their transactions comfortably in a single place.

There are already many institutions that are taking advantage of this technology to improve the daily lives of their users: happy customers, happy institutions. On the one hand, users get a true picture of their financial health, and on the other, institutions get to know their customers much better, opening up a wide range of opportunities for the development of hyper-personalized and innovative products and services.

One of the most useful fintech developments for users is the Personal Finance Manager (such as *Fintonic*), which improves the management of household finances. These planning tools manage to increase the financial health of households with little effort. To do so, they use technological innovations that analyze and categorize transactional banking data to offer hyper-personalized advice and services.

## For banking, **some of its benefits are**

- Attract customers from other entities that do not help them manage their money.
- Increase the time of use of their digital platforms.
- Generate up selling and cross selling due to hyper-personalized recommendations.
- Build customer loyalty and create brand evangelists.
- Position your brand as a leader in innovation.

# Insights and recommendations generator

Understanding financial habits, identifying areas for improvement and displaying hyper-personalized automated recommendations are essential to deliver the best possible user experience. Thanks to AI engines you will be able to understand your consumer in a deeper and more detailed way and launch innovative tools in few weeks. This provides key insights for the development of new products and services, now that you know your customers better.

We have been seeing for some years now that banking customers are becoming more demanding and less loyal, which is a big challenge for banks. They also try to retain them with commission-free accounts or the payment of an amount in exchange for depositing their paychecks, among other claims. Some banks are paying high sums for each new client, which accentuates the low remuneration of deposits and weakens the profitability of current accounts. This becomes a vicious circle that ends up disillusioning both actors.

For this reason, a paradigm shift is emerging in which FinTechs are teaming up with financial institutions to offer innovative developments in weeks to improve customer satisfaction and increase engagement. In this way, we can get an overview of the user's consumption habits and offer hyper-personalized services at the most appropriate time.

Through APIs or Application Programming Interfaces, this functionality is integrated into the entity's digital platform and we have access to valuable insights such as these:

- Subscription detection.
- Insurance expiration.
- Duplicated charges.
- Overdraft risk.
- Transportation expenses.
- Expected incomes and expenses.

This is just a sample of what we can learn about a user by analyzing their banking transactions. By helping your customers to plan and manage their finances, you become an important ally in their daily lives, you guarantee a longer time of use of your platform and you boost your NPS.

Insights detection tools offer new cross-selling and up-selling opportunities for your business and automate notifications to your customers. For example, the moment a childcare expense is detected, it is inferred that the customer may need life insurance, if they do not have it, or a complementary product, if they already have it. Thanks to these functionalities, your customers will become prescribers of your bank thanks to the improvement of their experience and you will be able to differentiate yourself in a saturated market.

The value of insights lies in their correct categorization and classification, thus ensuring a 360° view of the user profile and allowing you to organize clusters by customer type. In this way, your marketing and sales strategy will hit the target and guarantee the success of your products and services like never before.

# **BNPL**, payment in installments integrated into the purchase process

Deferred payment platforms allow people to finance purchases so users will pay little by little. The access to this type of financial product is then democratized and more people can make use of your services. The integration of tools that allow loans to be offered in seconds guarantees customer retention and the acquisition of those who, due to their characteristics, could be excluded from the system.

The so-called Buy Now, Pay Later or BNLP are tools that are integrated into e-commerce platforms. Thanks to them, users who do not have the necessary amount at the time of purchase, or for another reason prefer to pay in installments, can purchase the product they want instantly. Usually, the companies that manage it charge a commission to the owner of the online store.

The advantage is that businesses can make the sale without assuming any risk since it is the third party that advances the total amount. The integration is easily done via API, customizing the module with the bank's look & feel.

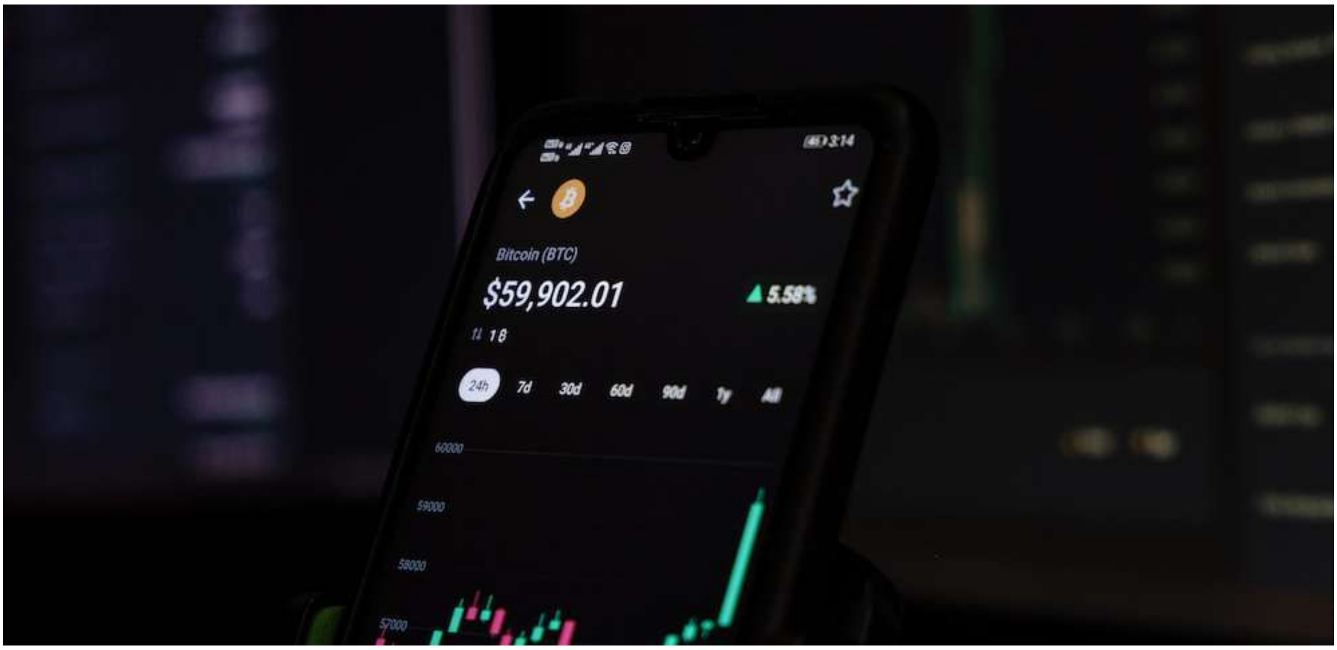
This payment system is very popular because it does not imply any additional expense for the customer, nor require a complex study of their financial situation or approval by a financial institution. You only have to choose the "split" option when making the payment on the e-commerce platform and the amount will be divided into the number of installments that are chosen and will be subsequently charged to your account.

There is also the possibility of saving commissions from third-party companies by offering the service directly in the online store. Thanks to the developments of fintech companies and open banking, they can offer deferred payment without assuming great risks, checking the payment capacity of the future customer in seconds, only by checking their bank transactional data.

Now it is much easier to allow deferred payments in minutes based on the financial habits of the users and the credit policies established in each case. With all this information, offering BNPL is completely safe and more profitable for a business, in addition to offering these advantages:

- Facilitates the onboarding and reduces checkout friction.
- Increases the conversion rate.
- Streamlines decision-making processes.
- Generates more traffic to the online store.
- Boosts loyalty.
- Increases the number of customers and the frequency of their purchases.

Having an immediate and 100% reliable data source is basic to offer safe deferred payment to your customers. Fintech developments improve conversion while reducing the abandonment rate and minimizing business risks.




# Cryptocurrencies

This digital medium of exchange was born more than 10 years ago, but lately its relevance has increased as the controversy grows about its practical utility, beyond mere speculation. Imagining a future in which money is totally digital is not very difficult, but on a day-to-day basis what the most popular cryptocurrencies have shown is to be highly volatile and unreliable when it comes to accumulating value.

The famous cryptocurrencies are digital assets that use a cryptographic system. That is, they are "encrypted" which guarantees the security and anonymity of its owner. In addition, this system allows transactions and other operations to be carried out in a unique and integral way, thus avoiding any type of fraud such as copies or falsifications.

These digital currencies only exist virtually and are stored in users' wallets, usually within an exchange. This fact presents certain objections when investing because you do not obtain a physical certificate that those coins belong to you. However, that logic can be applied to different financial assets that are in circulation today.

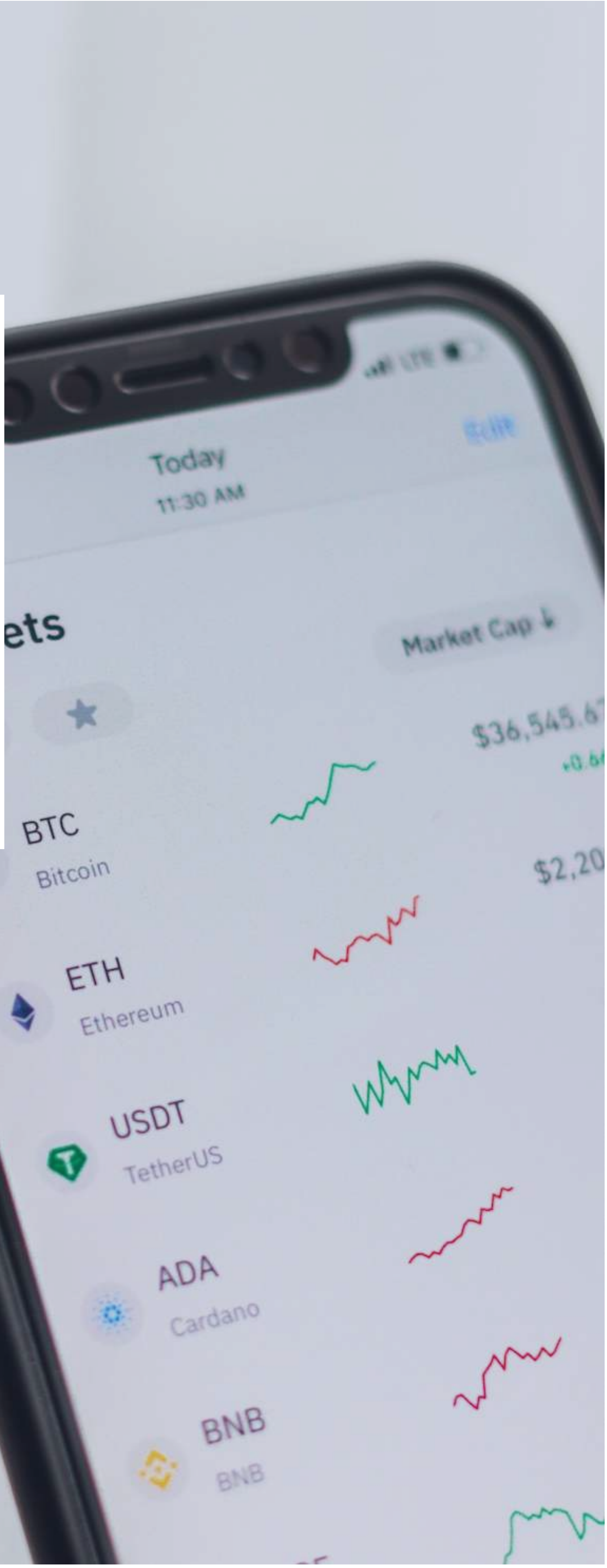
To see what the current landscape of cryptocurrencies is, the main advantages and disadvantages of its purchase and application are listed below.

Benefits of using cryptocurrencies:

- It is a market that is always open and is not limited by closing times.
- Blockchain technology is highly secure and decentralized.
- They present an accessible and equal financial system for all citizens, regardless of their location.

On the contrary, these characteristics can become disadvantages because:

- It is a recent market and not enough time has elapsed to assess its stability, so high volatility can work against investors.
- New coins are constantly emerging, some commonly called “shitcoins”, which tend to be worthless on the market.
- Newer investors are vulnerable to being sucked into Ponzi schemes or pyramid schemes.
- A complete regulation for its use as a payment method has not been established yet.




It seems that cryptocurrencies are here to stay, but there is still a long road to regulation, security and acceptance in society. The world has been divided into two sides: those who adore them and fully trust that their stability will be similar to gold (in the case of Bitcoin) and those who are convinced that soon everything will disappear.

Time will decide everything. For now, it is an opportunity to explore and learn from a new market full of technological and economic advances.

# Finance **Expert Chatbots**

*"Information and technology are within our reach, due to quick and easy integrations it is possible to offer virtual assistants to your customers with a minimum investment.*

Virtual assistants are already part of the mobile and desktop applications of many banking entities. There is a clear orientation towards the customer, increasingly demanding, due to the growing saturation of the market. Thanks to tools that use Natural Language Processing and AI, we can quickly understand what your needs and concerns are and offer solutions.

Financial institutions have been using this type of technology for some time to serve their customers 24/7. And if it is something that a chatbot can guarantee, it is the improvement in response time. As a step prior to personalized attention, they are extremely useful, as they quickly refer the user to the department that can best help them.

In terms of improving the user experience, they make it possible to draw the attention of visitors to the bank's website or App and generate conversations with the brand, increasing the time the platforms are used. Due to Machine Learning, they have thousands of responses and learn with each interaction, as well as being available in many languages. Some of their services include:

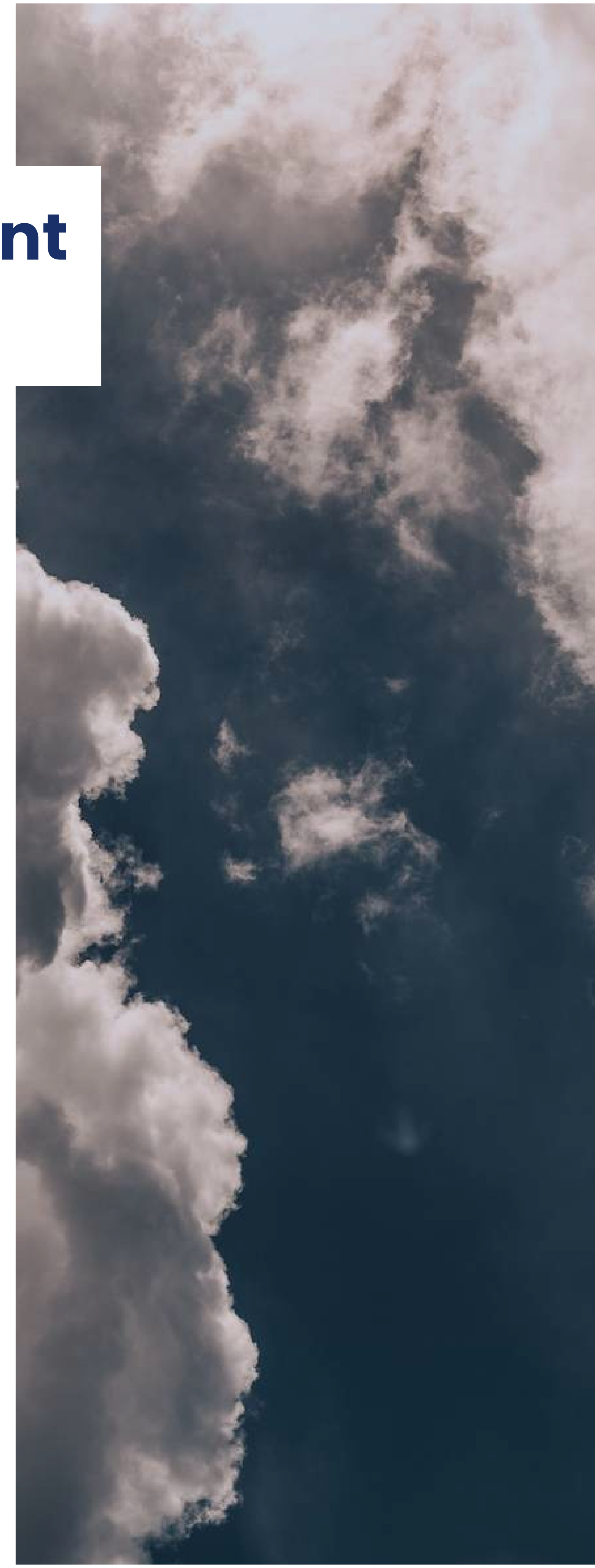
- Inquiries.
- Issuance of alerts.
- Expense tracking.
- Online transactions.
- Preparation of reports.
- Setting savings goals.
- Calculating taxes.
- Detection of deductible expenses.

Customer satisfaction skyrockets with these types of services, as they simplify banking operations and are capable of giving hyper-personalized recommendations after analyzing our financial health. We are all interested in being able to make the best economic decisions and improve our day-to-day life, which is why entities strive to offer this type of service.

For Millennials and Gen Z, bots are already part of their daily lives, so they are used to interacting with them in the digital sphere, choosing their services, for example, to automate their transactions or savings. In addition, the massive use of GPT-3 (an AI model created in 2020) has made us even more familiar, if possible, with smart chats.

Information and technology are at our fingertips and, due to quick and easy integrations, it is possible to offer virtual assistants to your customers with a minimum investment.

# **Carbon Footprint** Measurement



Through specific tools you can find out what GHG emissions are generated by the financial habits of your users and help them mitigate the impact of their consumption pattern. The demand for products and services that offset the carbon footprint is growing every day. Making this information available to your customers can make an essential difference with your competitors.

The effects of climate change on our planet are clear: increase in average temperatures, drop in rainfall, desertification and increasingly violent and unpredictable nowadays weather phenomena. Generations Z and Y are very aware of this and demand real commitments from companies and authorities. It is no longer just about caring for CSR, but about taking action.

New technologies allow us to offer a series of developments aimed at offsetting the carbon footprint of our daily habits. It is an effective way to fight global warming and diversify the portfolio of banking products and services. By offering consumers an overview of the impact of their consumption with graphs and clear, concise and orderly information, we promote their awareness and increase the desire to offset those carbon emissions generated.

## The tools developed by FinTechs offer these and other advantages:

- They calculate the user's carbon footprint daily to offer relevant information.
- They compare the user's GHG emissions with those of other bank customers.
- They offer ESG recommendations to improve the environmental impact of your customers.
- They promote the use of green products to neutralize part or all of the emissions.

Thanks to categorization engines, large amounts of information can be processed, ordered and relevant insights revealed from bank transaction data. We start from 100% reliable and certified data thanks to the Open Banking PSD2 regulation, complying with European regulations. These tools quantify CO2 emissions in purchases made in many categories, the most important being the following:

- Transport.
- Gas.
- Supplies.
- Energy.
- Fashion.
- Tolls.

The emissions are clearly shown to the user on a dashboard within the web or App. It is then when the bank can offer the user different options to neutralize their environmental impact and thus be able to counteract their carbon footprint.

# Decentralized finance or **DeFI**

These are loan contracts, investment or other applications that are based on blockchain technology, so they do not need intermediaries to work. The blockchain is a database shared by users that records all transactions made. It is that community of developers and programmers that establishes the DeFi protocols using open source software.

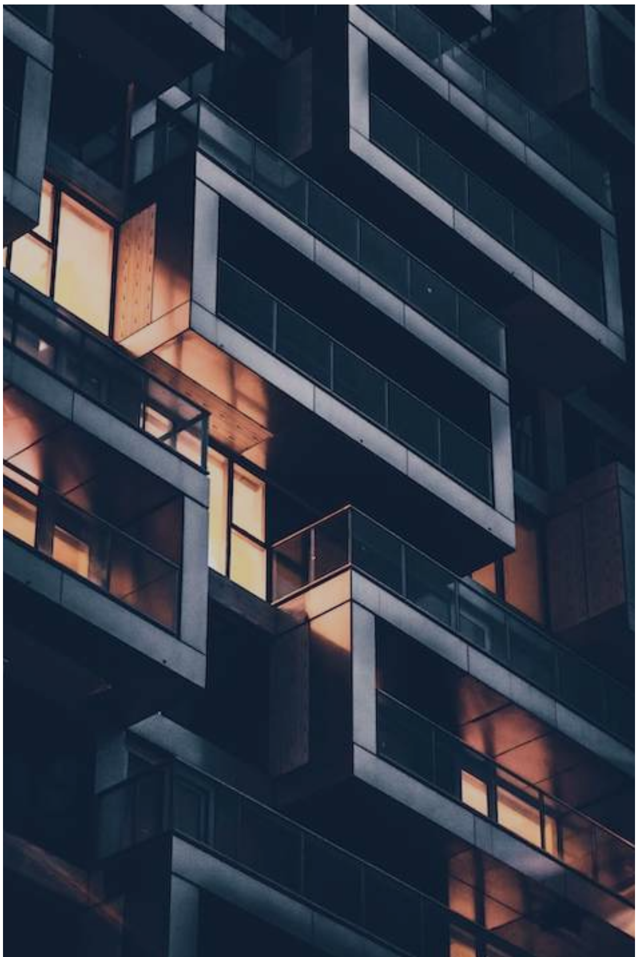
The term DeFi, short for decentralized finance, refers to the financial ecosystem built on blockchain technology. The main feature is that it does not need intermediaries for the exchange of assets and financial services, but rather these transactions are made directly between the users themselves.

Decentralized Finance allows markets to be open at all times. In addition, they prevent centralized authorities from blocking transactions or denying access to any service. The latter, which are usually slow and in some cases involve the risk of human error, have been automated and are now more secure due to the code shared by developers. DeFi technology has spawned a booming crypto economy, where you can:

- Lend an amount.
- Borrow an amount (short or long term).
- Generate interest.
- Pay off a loan.
- Withdraw cash.

A clear example is the case in Argentina, where cryptocurrency users have managed to escape strong inflation thanks to DeFi technology. On the other hand, more and more companies are beginning to pay the salaries of their employees in real time through this tool. As if this were not enough, some people have been able to withdraw and repay millions of dollars in loans without the need for personal identification.

To sum up, the blockchain technology allows information to be shared among many actors and, due to encryption, the creation of an open, secure financial system without the control of intermediaries is guaranteed. It remains to be seen if regulation accompanies innovation in order for these implementations to be global.



# PSD2 and **Blockchain**

PSD2 (Payment Services Directive 2) is the European banking and payment services regulation that affects banking transactions and online purchases. It guarantees the security of movements, opens bank payment services to third-party companies and uses Strong Customer Authentication (SCA), among others. The addition of Blockchain to the equation will allow, for example, the use of tokens to certify payments.

Some European merchants complain that their digital customers need double authentication to make their purchases. They believe this will make them abandon the process. What could be the solution? Blockchain technology can pave the way for automated payments. Just as the classic cash-on-delivery payment offers guarantees to the buyer, blockchain sales systems allow programming the time of payment and show the traceability of the purchase.

At the moment, the only digital money recognized by central banks is the electronic, which leaves out tokens, pending regulation. The PSD2 Directive regulates the EU payment industry and focuses on reducing operating costs, simplifying procedures, ensuring free competition and increasing the consumer protection and security.

"The elimination of cash can put an end to counterfeiting, **limit tax fraud and make it easier to trace irregular movements."**

Regardless of future normatives, merchants must study their options and offer the payment experience that best suits the needs and preferences of their customers, in addition to adjusting to their business model. It is very possible that in the coming years we will see how new Blockchain-based systems are established:

- Digital wallets.
- Devices with biometric technology.
- Digital values.
- Local payment systems.

Digital wallets have the support of prestigious economists, such as K. Rogoff, who points out: *"The disappearance of cash would put an end to counterfeit money, limit tax fraud and facilitate the monitoring of illegal or irregular financial movements."*

This is an upward trend that allows access to actors such as card issuers, technology companies, telephone operators, retailers, startups, etc. Business models will have to change and adapt to these and other means of payment.

# **Financial scoring** digital passport

It is a document that certifies a person's credit history based on various sources, such as banks, credit institutions, collection agencies, etc. Having this certificate increases financial inclusion as it allows access to loans to people who would otherwise be excluded from the system. What is valued is the ability to pay, not the liquid funds of the user.

The Financial Passport helps accelerate credit decisions with a real-time view of applicants' finances, due to open banking. Risk studies are standardized based on the credit policies established in the tool, thus avoiding subjective or emotional biases that may distort the decision.

Financial entities usually rely on declarative data and physical documentation to carry out loan evaluations. This approach is complex, lengthy, and limits the number of customers to those who can provide documentation in the required way. Thanks to the digital passport, credit decisions are made in minutes and based on 100% reliable data.

Here we will name some of its advantages:

- Shows a credit scoring based on the real solvency of the user.
- Allows you to approve a greater number of credits (financial inclusion).
- Eliminates document fraud.
- Minimizes the risk of non-payment.
- Increases conversion due to speed in decision making.

The operation of the passport is based on the secure linking of the applicant's bank accounts with the tool. In a few minutes, due to open banking and artificial intelligence, an income and expense report will be generated in just few seconds.

Once this information has been matched with the credit policies established by the institution granting the credit, both the customer and the entity will receive an OK or a KO.

The main advantage for both is that people who are usually left out of the system due to low income or low liquidity could be included once it is verified that they maintain good financial health and correct spending habits, in addition to recurring income that guarantees payment of the granted amount.

# **Cashless Pay** services

The trend towards a cashless future is clear and continuing, no doubt strengthened after the pandemic. In cashless payments, transactions are made by transferring digital information instead of using physical currency, which offers greater security against fraud. In the coming years we will see if it takes hold or setbacks arise, as we can already see in Latin America.

Cashless transactions are revolutionizing finances and not only because of the wide reception they are having, but also because banking today is mobile above all else. We have a virtual card on our smartphone, the bank App, Google or Apple Pay, PayPal... There are many tools at our fingertips to manage our economy well into the new millennium.

The main difference with contactless pay systems is that all the transaction information is available to the merchant and this allows him to understand:

- Consuming habits.
- Sales seasonality.
- Most selled products.
- Stores most visited by their customers.
- Purchase frequency.
- Recurring expenses.

These data provide valuable information for future marketing campaigns, personalized products and services, or improvement of the user experience and loyalty.
With the disappearance of third-party data, having these systems can be a competitive advantage. That is why more and more establishments are implementing it compared to other payment options.

Some events have successfully tested the creation of their own currencies (real or virtual) to pay in a venue and at a specific time, obtaining higher consumption, reducing losses and optimizing operations and data management. For users it also means greater visibility of their spending and an improvement in their customer journey.

"With the data recorded with the purchase, **we can get to know our customers better."**

There is no doubt that cashless payments are more efficient for both customers and businesses. In order to motivate this type of development among the most reticent people, reward plans are a good option. They consist of campaigns where points are accumulated with each purchase and can be redeemed at the desired time.

It is important to mention that, with the data that is recorded in digital transactions, we can obtain very valuable information about customers, such as their financial habits, consumption or preferences.

# **Hyper-personalization** of fintech services

After the pandemic, we have seen how the mass consumption sector has turned towards improving the user experience, with special attention to the immersion and interactivity of products and services. Not only is permanent attention and various means of access demanded, but it is essential to know the customer deeply in order to make hyper-personalized offers at the right time.

Due to open banking, machine learning and artificial intelligence we can create personalized itineraries that increase customer satisfaction and interaction. It has been shown that engagement rates skyrocket when we launch messages, offers, and products tailored to the real needs of users. Technology allows us to actively listen and use that feedback to create tools capable of adapting individually to each of them.

Gamification, in particular, is one of the most used ones, since the public is more open to share information in recreational environments that provides them with unique experiences.

Many banks are beginning to use this technology to monitor the activity of their customers on different platforms in order to hyper-personalize their products and offer rewards based on consumption habits.

Improving the value proposition by establishing strategic alliances with FinTech startups means entering the new era of 100% digital and individualized products and services. Growing your business volume by meeting the needs of your customers is a reality that places you in an advantageous position against competitors and changes in the industry. Here are some examples of hyper-personalization:

- Offer loans with interest rates and payment terms adapted to the purchase and savings habits of the user.
- Suggest life insurance to a customer with childcare expenses, if they don't already have it, or suggest switching to another one that better suits their needs.
- Anticipate a possible overdraft and send an alert to the user.
- Make suggestions to improve its financial health effortlessly.

These integrations can be automated by customer typology, so entities can focus on increasing their customer base while the APIs do the work.

Let's not forget that the main reason to be able to hyper-personalize products and services is to know our current and potential consumers in depth. Analyzing their banking transactions, we obtain a complete overview of your consumption habits and savings capacity, so that it is possible to offer loans and products adapted to the resources of each individual, boosting financial inclusion.

# **Analysis of consumer** sentiment and markets, Big Data

Social listening allows us to know the needs of the public and their concerns. Due to Big Data and technological developments, we can understand consumer sentiment and put it at the center of our business strategy. The "feeling" includes a whole series of behaviors, conversations and actions that the user carries out digitally.

The study of emotions is increasingly relevant in the field of finance and is used, among other things, to find out how users feel when they interact with a banking service or product. The psychological changes, sensations, impulses to action and behaviors of the public are analyzed to locate areas for improvement and generate new sales opportunities.

Sentiment analysis techniques are very varied and include: facial and voice recognition, monitoring mentions on social networks, comments on blogs, forums, articles, and much more. Complaints, reviews, comments or retweets provide a wide range of feelings that we must classify. Due to the multitude of nuances that user interactions with the brand can contain, it is necessary to have artificial intelligence (AI) and natural language processing (NLP) tools to help us navigate the ocean of Big Data.

Before we go any deeper, let's look at some of the benefits of knowing consumer sentiment:

- Improve user experience.
- Know the needs and preferences of our target in depth.
- Launch new hyper-personalized products.
- Analyze the emotional impact of a service in different places in real time.

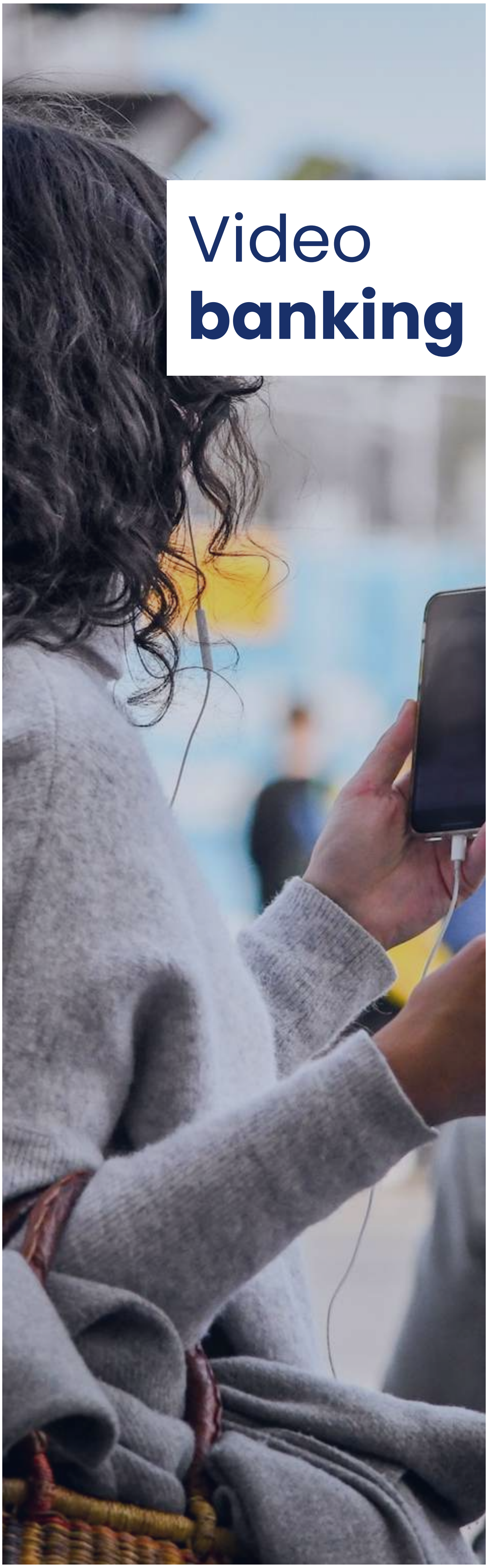
An important challenge after the generation of this enormous amount of data is its management. With the emergence of Big Data, numerous tools have appeared that facilitate analysis and classification, so we can obtain types of customers that will be very useful when communicating with our users and potential customers.

There is no doubt that some of the most common demands today are the sustainability and environmental awareness of financial institutions, as well as that they offer green products to offset the carbon footprint generated by their customers (commuting to work, shopping cart, vacations, etc.). In addition, there is a need to enrich products and services with unique user experiences.

"The consumer demands from entities **awareness regarding sustainability and environmental issues"**

Specifically, the conclusions collected in the global survey of Generation Z and Millennials (Deloitte 2022) indicates that Gen Z and Y are willing to spend money in the short term to improve sustainability in their day-to-day lives, but some currently hesitate to make large long-term investments, probably due to their financial limitations. It is in the hands of the institutions to enable these wishes to be fulfilled, making their products more accessible to the general public.

Jumping on the sentiment analysis bandwagon can mean the difference between being competitive or not; even more in these moments of economic uncertainty.

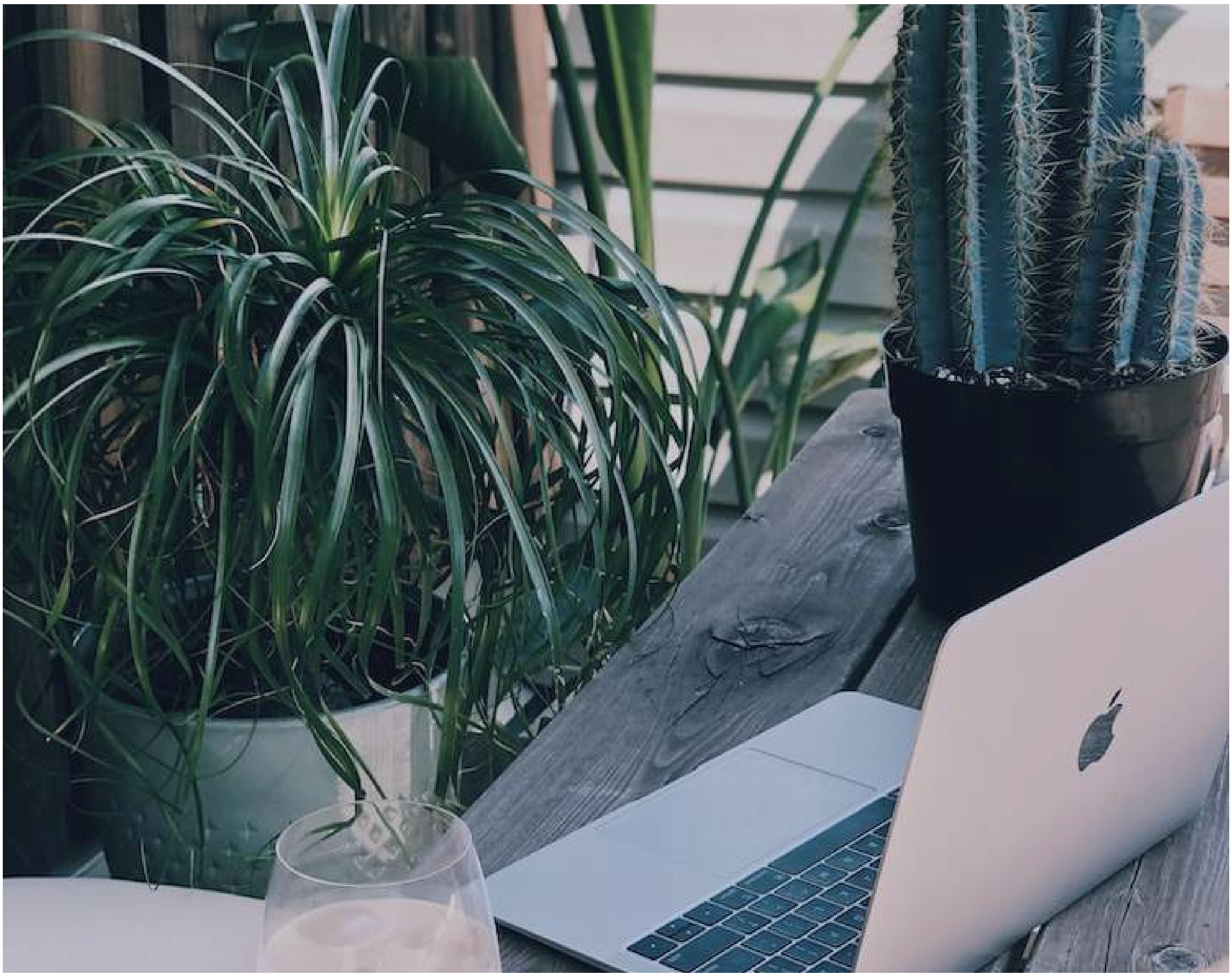


# Video **banking**

In the web3 era, security in the exchange of data and user privacy prevail, that is why the video platform is becoming popular to connect with bank managers. With more features than a simple video call, it offers the possibility of subsequently guarding the recording to guarantee the rights of the user. With this system, it is possible to operate remotely, ensuring the identity, as in face-to-face service, but without its limitations.

Gone is the time when we entered the nearest bank branch to carry out our operations. With digital banking we are connected 24/7. Not to mention that after the pandemic, our consumption habits have changed drastically. Now, from our mobile phone or any electronic device we can make a video call to our advisor and manage our accounts comfortably.

To guarantee security, banks verify our identity in several steps, through protocols that offer the maximum security and confidentiality. Only then can issues related to accounts or personal information be discussed. The financial services industry is offering this type of solution regarding the need to make life and personal finance management easier for its users.



Through video banking we can:

- Apply for a loan or mortgage.
- Open a savings account.
- Request a new card or cancel an existing one.
- Make contributions to investment funds or pension plans.
- Solve doubts about financial products.

Despite the initial reluctance it might cause, face-to-face interaction via computer or smartphone is already part of our lives. Applying it to the world of banking was only a matter of time and it is gaining more and more followers for its reliability, security and simplicity.

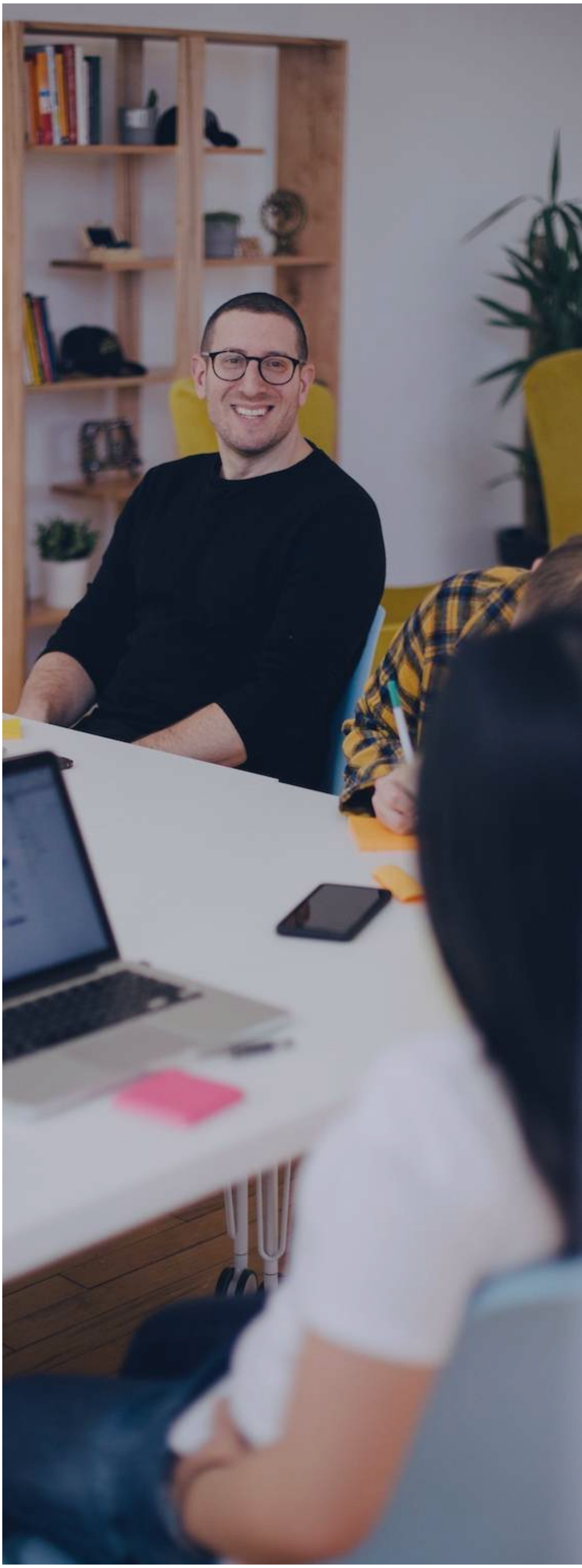
Some of its advantages are:

- Improve interaction and offer personalized attention.
- Allows access to expert advice immediately.
- Recording of video calls for greater user security.
- Possibility of solving incidents outside office hours.
- Perfect complement to the service offered by the bank.

With the democratization of the use of the Internet in our country*, a better banking service is guaranteed to citizens, which results in financial health that is more in line with their desires and needs. Age, place of residence or socio-cultural environment are no longer a barrier for the vast majority of Spaniards.

We must not forget that the function of video banking is to complement face-to-face contact at the bank branch. These are two complementary approaches.

* 94.5% of the population between the ages of 16 and 74 have used the Internet in the last three months and 82.9% of households have some type of computer, according to the INE. Press release, November 29, 2022.



# Conclusion

This was our summary of the most outstanding newness in the banking sector. As the Central Bank of Spain indicates in its 2022 Financial Stability Report:

*"The process of digitization in society is being reflected in the appearance of multiple wide-ranging innovations in the provision of financial services (...) Empirical evidence shows that, in general, in the past, innovations in the financial sector have raised the potential growth of the economy."*

At Coinscrap Finance we are convinced that this will be the case. In our opinion, the industry will continue to take advantage of all the FinTech developments to compete with technological companies' innovations.

Due to globalization, we will be able to see functionalities that are giving good results on the other side of the planet, applied here in just few weeks.

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