

Twimbit open finance radar Q2 2024



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Summary



01

Collaboration between Westpac and NextGen to integrate open banking into the mortgage application process to enhance service delivery.



02

Chemonics and Talino Venture Studios introduced Higala, an instant payment system in the Philippines.



03

Standard Chartered launched its new Open Banking Marketplace, a comprehensive platform designed to enable businesses to discover and test APIs in a sandbox environment.



04

Integration of Payto based one-click payment solution with Volt to simplify the payment experience.



05

FinbotsAI and Fintech Galaxy collaborated to transform credit scoring and decision-making across the MENA region.

A person is seen from behind, walking up a wide, modern staircase. The staircase has dark steps with small, warm-toned lights embedded in them. The railing is made of polished metal. The building's interior is characterized by a large, circular, glass-and-metal structure with a complex, geometric pattern of intersecting lines. The lighting is soft and ambient, creating a sense of depth and architectural grandeur.

Introduction

The second quarter of 2024 has brought notable advancements within the open finance sector, with key innovations pushing the boundaries of financial innovation.

This report provides a comprehensive analysis of these initiatives, highlighting pivotal projects that are transforming the financial landscape and their potential impact. From leveraging open APIs to enhance customer experiences, to efforts focused on financial inclusion reshaping future financial ecosystems.



O1

Westpac's integration of open banking into mortgage applications

In Q2 2024, Westpac announced a strategic collaboration with NextGen to integrate their ApplyOnline platform, a loan application software widely used by brokers and lenders in Australia. This partnership aims to address inefficiencies such as manual data entry and prolonged approval times.

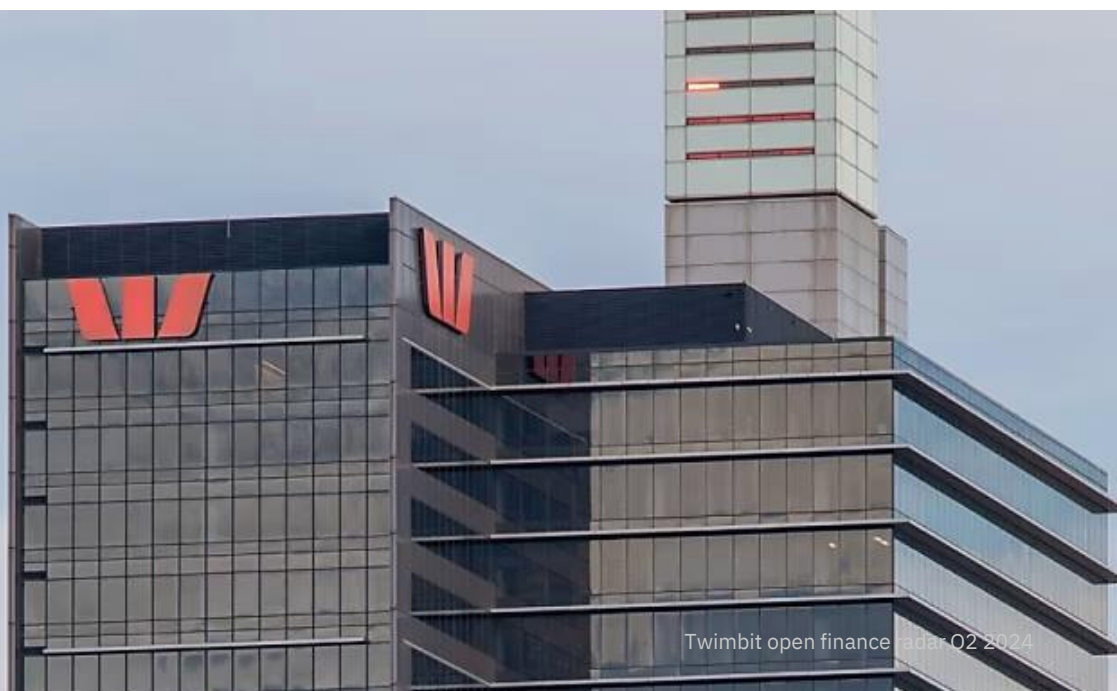
With housing loans increasing by 4% from USD 300.4 billion in FY-2022 to USD 308.1 billion in FY-2023, the demand in the mortgage market is clear. However, 85% of Australian mortgage applications require additional information post-submission, leading to an average 14-day waiting period for approval.

- Integrating ApplyOnline will enable Westpac to accelerate decision-making and streamline the loan approval process by reducing manual efforts by 50% and reducing application processing time to 4-5 days.

- Brokers will gain instant access to comprehensive financial data from over 110 participating lenders, enabling them to make informed decisions quickly and efficiently.

Westpac's collaboration with NextGen signifies a pivotal step towards enhancing service delivery and transforming the mortgage application experience through innovative use of open banking technology. Westpac is not only enhancing its operational efficiency but also transforming the customer and broker experience.

Source: Westpac annual report, Twimbit analysis





02

Higala: Inclusive instant payment system in the Philippines

In Q2 2024, Chemonics and Talino Venture Studios launched Higala, an inclusive instant payment system (IIPS), marking a significant advancement in the realm of digital payments in the Philippines. This initiative aims to address the high transaction costs and exclusion faced by rural banks, thrift banks, and microfinance institutions, which struggle to offer real-time payment solutions and inclusive financial services to underbanked populations.

With 44% of Filipinos unbanked, Higala's launch is timely and crucial. By connecting rural banks and financial institutions to enable real-time payments and settlements, Higala will make digital transactions more accessible and affordable. The system is powered by open-source technology from the Mojaloop Foundation, ensuring seamless connectivity and interoperability across the financial ecosystem.

Higala aims to lower the cost of transactions by up to 60%, making banking services more accessible to approximately 50 million unbanked individuals in rural areas.

Higala's modernized digital infrastructure includes regulatory technologies like e-KYC and AML-TF monitoring, AI-based risk management tools, and global transaction gateways for remittances. Support from key stakeholders such as Bangko Sentral Ng Pilipinas (BSP) and Rizal Commercial Banking Corporation further enhances its potential for success.

By focusing on financial inclusion and cost-effective real-time payment capabilities, Higala is set to revolutionize the digital payment landscape in the Philippines, empowering financial institutions and contributing to the modernization of the country's payment infrastructure.

Source: Chemonics, Twimbit analysis



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03

Standard chartered' s open banking marketplace for global accessibility

In 2019, Standard Chartered launched its aXess platform as part of a broader initiative targeted at the developer community. The goal was to enhance customer experience and accelerate open banking adoption by simplifying access for corporates. Building on this foundation, Standard Chartered in April 2024, has unveiled its new Open Banking Marketplace, a comprehensive platform designed to enable businesses to discover, identify, and test application programming interfaces (APIs) in a sandbox environment. The Open Banking Marketplace includes the following features:

1. Extensive API Suite: Users can access over 180 ready-built API products covering areas such as cash management, foreign exchange (FX), trade finance, and securities.
2. Global Reach: Solutions are tailored for 33 global markets, spanning sectors like manufacturing, fintech, technology, and e-commerce.
3. Project Space & Simulator Environment: Teams can create collaborative testing environments in an upgraded simulator environment that supports writing and testing production-ready code. The platform has processed more than 570 million API calls.

4. Educational Resources: Developer guides, API technology documents, and tutorials on security protocols and authentication are available to support developers.
5. Client Stories & Use Cases: Past use cases specific to each API product offer insights into replicable solutions and tangible outcomes. The platform ensures 99.9% availability of historical APIs.

The Open Banking Marketplace represents a significant leap forward in fostering innovation and accessibility within the financial sector. This move will boost open banking adoption, enabling businesses globally to leverage advanced solutions for growth and efficiency in an interconnected economy

Source: Standard chartered, Twimbit analysis



04

Volt's secure one-click payment solution for Australian retail customers

In 2024, Volt, a global real-time payments platform, launched a secure, PayTo-based one-click payment solution for retail customers in Australia. This marks a significant advancement in digital payments market which is valued at USD 0.92 trillion and is projected to grow at a CAGR of 16.44% reaching USD 1.97 trillion by 2029

Volt's new feature integrates with PayTo, Australia's instant digital payment system. This simplifies the payment experience, eliminates credit card surcharges, and enables instant payments. Customers can select PayTo at checkout, enter their PayID, set a secure PIN, and approve the agreement in their banking app, enabling future one-click payments.

The one-click payments offer smoother and faster checkouts for consumers, while merchants benefit from quicker settlements and reduced fraud risks. Volt's innovation addresses critical industry challenges such as the 46% rise in complaints related to payment scams reported by the Australian Financial Complaints Authority.

This move solidifies Volt's position as a leader in advancing secure, efficient, and customer-centric digital payment solutions.

Source: Open Finance Expo, Twimbit analysis



05

FinbotsAI and Fintech Galaxy's partnership transforms MENA credit scoring

In Q2 2024, Singapore's FinbotsAI and Fintech Galaxy, a leading fintech in Bahrain, joined forces to streamline credit scoring and decisioning process across MENA region. Traditional credit scoring methods in these regions suffer from inefficiencies like low approval rates, high losses, and slow processing. These limitations hinder financial inclusion efforts and impede lenders' ability to serve diverse customer bases effectively.

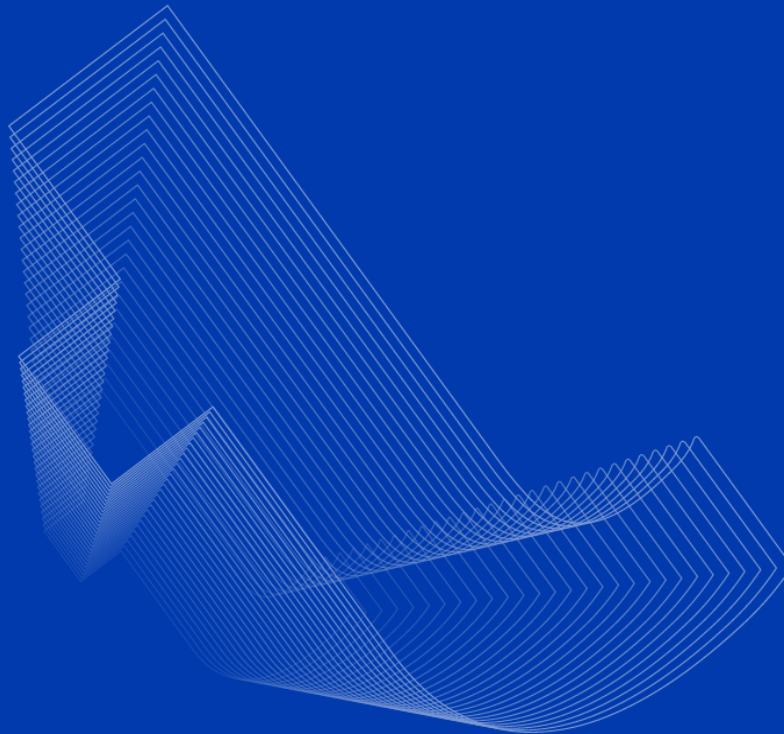
This strategic partnership integrates FinbotsAI's, AI-powered CreditX solution with Fintech Galaxy's Open Finance API platform, FINX Connect. This boosts risk assessment accuracy and operational efficiency using Open Banking data. It also streamlines onboarding, fosters financial inclusion, improves risk management, and offers personalized financial solutions, expanding access to services in the MENA region.

This collaboration promises a 20% increase in approval rates and a 15% reduction in loss rates through advanced credit scoring and open banking integration. This partnership will reshape financial services by enhancing efficiency, minimizing risks, and fostering inclusion, empowering lenders to better serve diverse customer needs in MENA.

Source: Finbots AI

Outlook

In Q2 2024, open finance made notable progress through several key initiatives. Westpac integrated open banking into mortgage applications. Chemonics and Talino introduced Higala to enhance financial inclusion. Standard Chartered launched its Open Banking Marketplace. Volt rolled out a one-click payment solution. FinbotsAI collaborated with Fintech Galaxy on credit scoring enhancements. These initiatives collectively showcase the transformative power of open finance. As we look forward to Q3 2024, we anticipate further breakthroughs that will continue to reshape the banking sector.



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