



KPMG shares Top 10 fintech predictions for 2018

PETALING JAYA, 3 April 2018 – The global fintech ecosystem continued to mature at an accelerated pace over the course of 2017. According to the Q4'17 edition of *The Pulse of Fintech* by KPMG International, total global investment in fintech remained steady at over USD31 billion, year-over-year.

With big developments ranging from the rise of open banking, increasing regulatory clarity and maturation of AI and blockchain, 2018 promises to be another big year for fintech. KPMG lists down its top 10 fintech predictions for 2018:

1	AI accelerates Continued innovation and adoption of AI as an underlying tech
2	Regtech rising Increased investment in regtech around the world
3	Building bridges Greater collaboration and partnering between large-scale providers
4	Next gen digital lending The rise of online mortgage technology and platforms
5	Beyond use cases Early success efforts in the initiation of blockchain production systems
6	Open banking Open APIs pave the road for third-party developers in Europe and globally
7	New challenger banks Financial services incumbents building their own digital banks
8	Insurtech innovation Accelerated investment into driving insurtech innovations and building hubs around the world
9	Going full-stack Broadening of solution sets by mature fintech companies
10	Big tech participation More partnering between fintech and technology giants



Alvin Gan, Executive Director of KPMG Management Consulting in Malaysia, has been observing how emerging technologies like big data, AI, robotics, blockchain, coupled with ever-changing customer expectations, are reshaping how the Malaysian financial institutions (FIs) deliver services.

“The introduction of robotic process automation (RPA) and chatbots, for example, had enabled greater productivity hence allowing FIs to address more complex customer needs. Many also recognize AI becoming a pivotal technology behind fintech innovation, presenting massive opportunities to be the first mover in causing a shift in customer expectations by being able to know what their customers need, even before they know it themselves,” said Alvin.

With these developments in play, Alvin is not surprised to see greater collaborations between FIs and large-scale technology providers to build customized solutions and value creation. Globally, FIs have invested more than USD27 billion in fintech and digital innovation since 2015¹.

Alvin added, “Collaborations such as these are becoming more rampant in Malaysia, not only between organizations within the private sector, but between regulators and non-profit organizations as well. The application of blockchain technology into the financial sector is an excellent example. In the ASEAN region, we are seeing FIs working closely with the regulators to develop a blockchain proof-of-concept aimed at streamlining know-your-customer processes. As we move further into 2018, we expect blockchain to continue being a hot area of focus in this part of the world as it does globally.”

With these digital transformations and emerging disruptors taking place in 2018 and beyond, KPMG sees fintechs enabling the provision of more effective products and services in the financial sector.

“Fintechs, being the disruptors and facilitators, will see corporations, innovators and regulators come together to use technology and innovative propositions to improve financial inclusion and enhance customer experience in Malaysia. We will see greater access for customers that were previously excluded from the traditional financial system as product innovations and lowering of costs will allow them to enjoy the same standards of services as other customers. Also, there will be a significant increase in customer engagement and experience as fintechs are able to analyze customer data to offer personalized services and provide more interactive communication through multiple channels,” Alvin concluded.

END

¹ KPMG International, [“The Pulse of Fintech Q2 2017: Global analysis of investment in fintech”](#), 1 August 2017



PRESS RELEASE

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