

# Financial Technology and Banking: Threats and Opportunities



# About Monex Group

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- **Started in 1999 as Online Broker in Japan, “fintech” disrupter**
    - **Retail stock trading online in Japan: 0% to 90%+ in 20 years**
  - **3 Business Lines:**
    - 1) Online Broker in 4 Countries (Japan/US/HK/AU)**
    - 2) Cryptoexchange [Coincheck]**
    - 3) VC (focus on fintech)**
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## **2 Most Important Technology Changes**

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- 1) Artificial Intelligence  
(Machine Learning of Big Data)**
  
  - 2) Blockchain  
(Distributed Ledger Technology)**
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## 2 Most Important Technology Changes

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**Artificial Intelligence  
(Machine Learning of Big Data)**

**Personalization (Profiling) x Extreme Speed**

**→ Credit Scoring & Lending  
InsurTech  
RoboAdvisor**

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## 2 Most Important Technology Changes

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### **Blockchain**

**(Distributed Ledger Technology)**

**Distributed records of data resistant to modification**

**→ International Money Transfer**

**Trade Finance**

**Asset Tokenization**

**Capital Raise (ICO / STO)**

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# Entrance by Platformers

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**Alibaba** Group

阿里巴巴集团

- Alipay (QR on mobile. Killing UnionPay)
- Yuebao (World largest MMF \$233bn)
- Sesame Credit (AI credit scoring)

**amazon**

- Amazon Lending

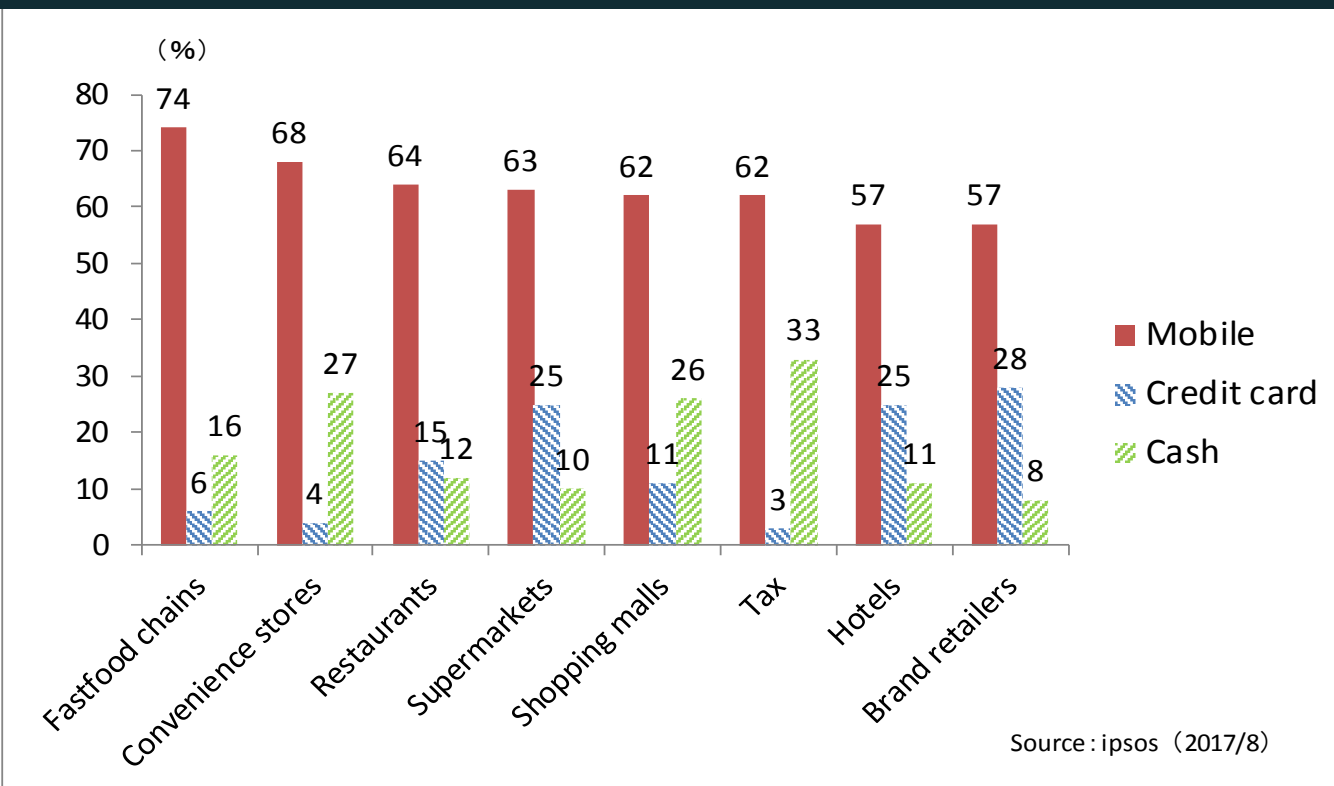
Market Place / FBA (Fulfilment By Amazon) / AWS

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# Cashless Society

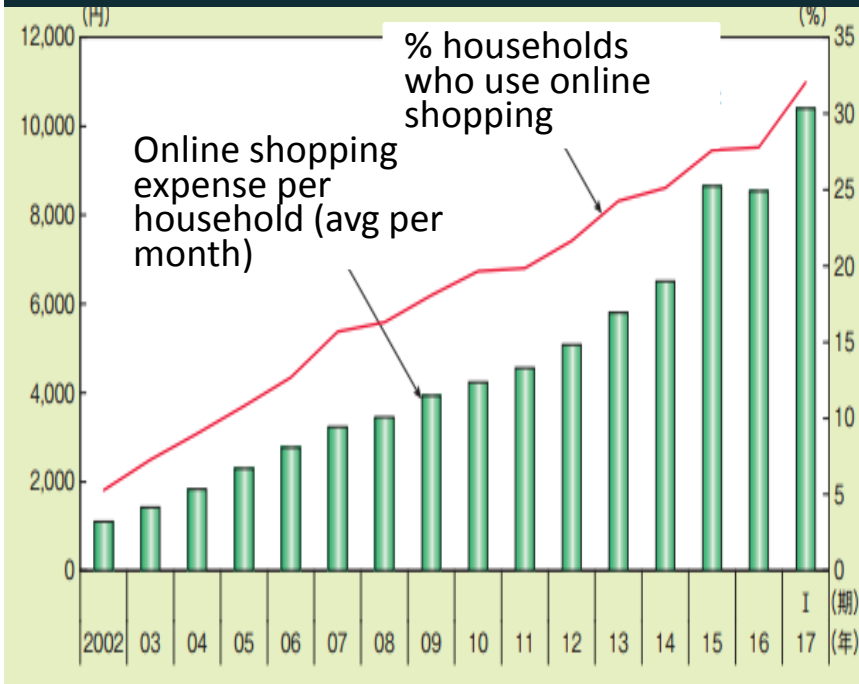
84% of China youths do not carry any cash

## Penetration of mobile payments among Chinese individuals



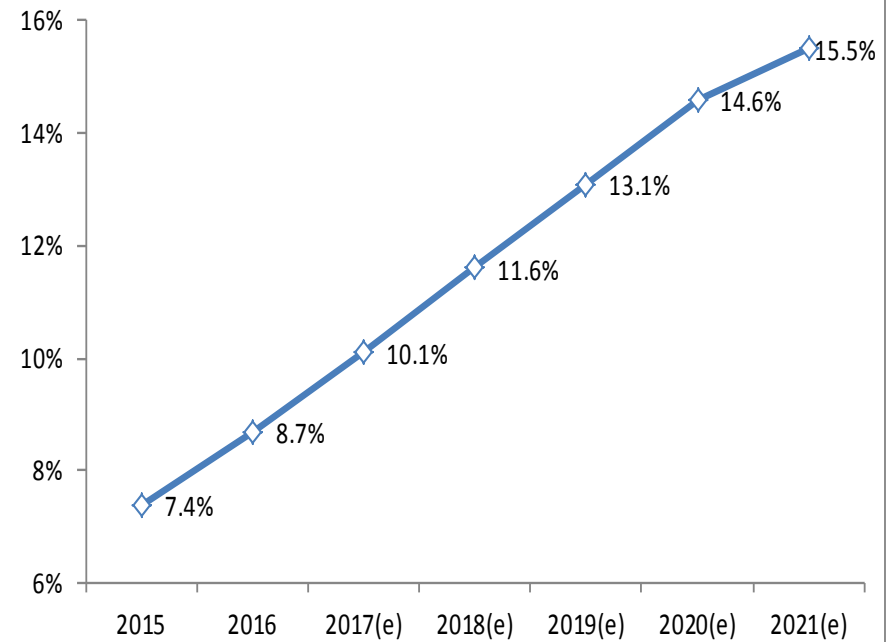
# Growing consumption via Internet

## Japanese individuals' online shopping expense and ratio of users



(Source) Ministry of Internal Affairs and Communications

## Global share of online shopping in total retail sales



(source) Statista



# AI x Blockchain x Platformers

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**What happens if...**

**Amazon issues “Amazon Coin” using blockchain that will be used as a currency?**

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# Discussion themes

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- **Do we still need centralized banking system?**
- **What should the ideal industry framework be?**
- **What should the existing financial institutions do?**
- **To what extent should / can the regulators get involved in the distributed financial system?**
- **How will it affect the monetary policy?**

