

Impact of digitization on Financial Institutions

FOZ DO IGUAÇU, 27 DE SETEMBRO 2019



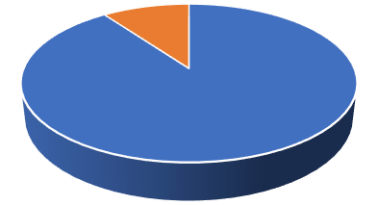
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Galileo Network is an Italian leader in providing Outsourcing Services, application software, technologies and consultancy with over 20 year experience:

- Credit Guarantee Institutions under and out of National Central Bank compliance
- Pivot, Consortia and multi-tier Credit Guarantee Institutions
- Guarantee Banks
- Financial Intermediaries
- Microcredit institutions

More than 90% of
Italian Market



Projects in 9 countries
and 4 continents

Over 2 mil borrowers
Over 20 Bil. €/year
guarantees





FROM FINANCIAL INSTITUTION TO FINTECH

(i.e. advantages posed by rising technological innovation in the financial sector)

INTEGRATED MIS

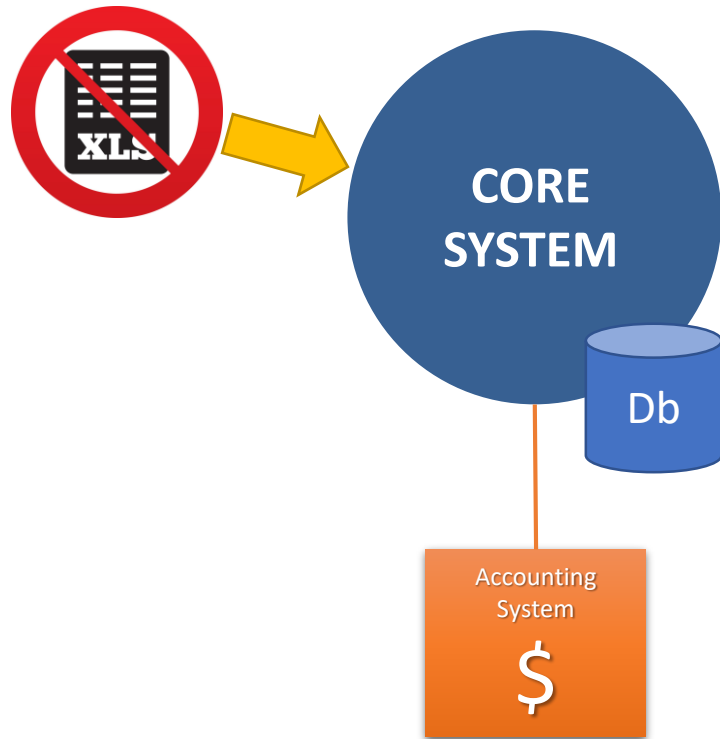
- CORE SYSTEM
- DOCUMENT MANAGEMENT
- BUSINESS PROCESS MANAGER
- SCORING AND RATING SYSTEMS
- BUSINESS INTELLIGENCE AND REPORTING

DATA AND COMMUNICATION (SIDE TOOLS)

- BIG DATA
- CHATBOT
- ROBO ADVISORS
- ARTIFICIAL INTELLIGENCE

FINANCIAL INSTITUTION MIS . . . FINTECH





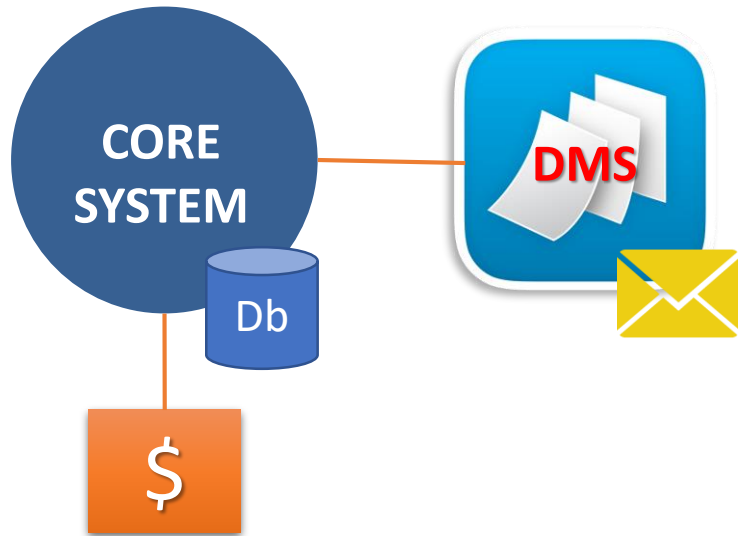
FROM XLS E-SHEET TO SOFTWARE CORE MODULE

Aimed at carrying out of principal operations it is the main module of the system. It **implements and monitor Financial Institution full operations cycle** including:

- issuing loans
- monitoring portfolio and instalment plans repayment
- transaction analysis review and approval
- managing NPL
- mobile apps for travelling Agents and Operators
- Integration with Accounting System and Treasury

CORE MODULE WITH dB IMPROVEMENT →

Database data structure is needed for data consistency, information reuse and correct link between data (i.e. Persons / Companies / Operations / Loans)



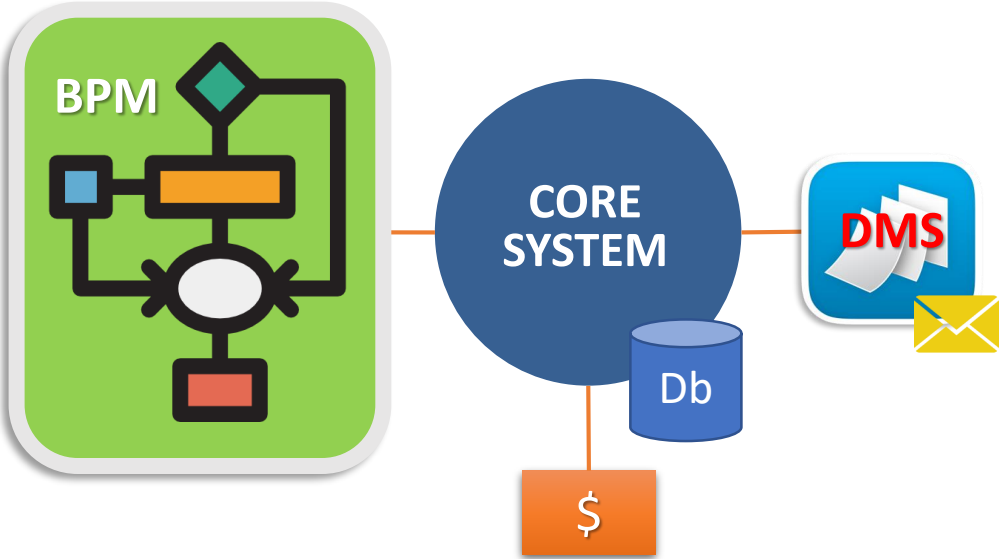
DOCUMENT MANAGEMENT SYSTEM

Intended to allow efficient document management:

- Upload of documents by internal & external users
- collect MIS output documents (letters, memos, agreements, claim notifications, recovery notification & audit, invoices etc.
- synchronization with folder and cloud storages
- Metadata and info search
- Communications, e-mail (IMAP) and register management
- Digital signature by internal Workflow

DMS IMPROVEMENT →

Easier document collection and better folder management. Better Quality and no more paper



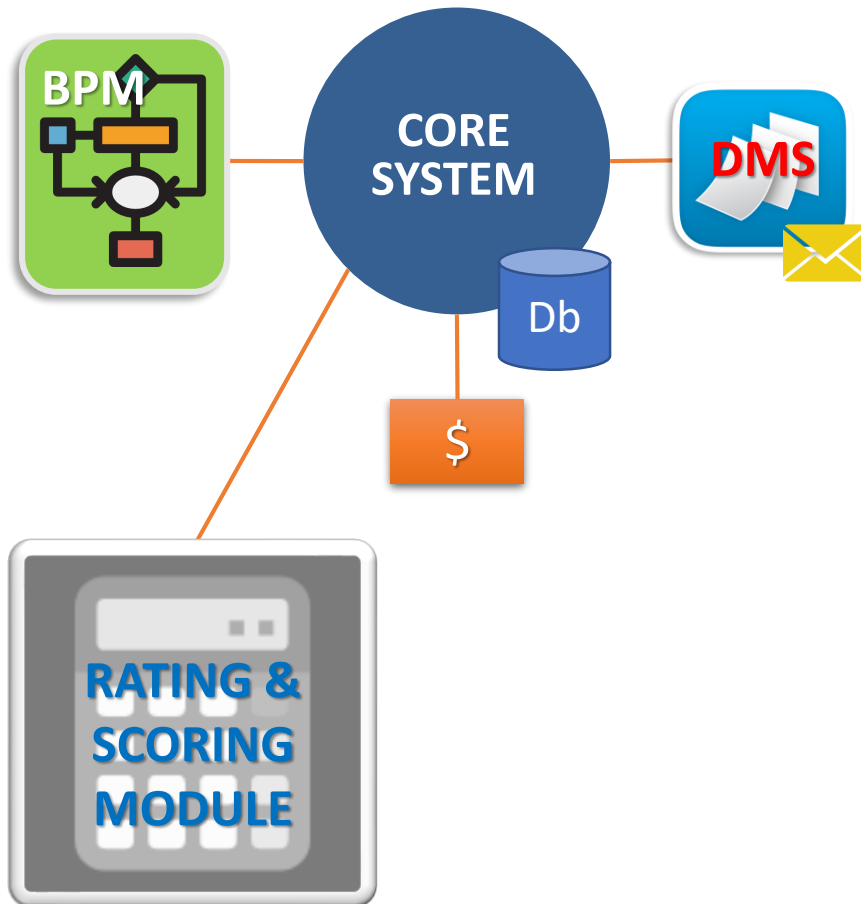
BUSINESS PROCESS MANAGER SERVER ENGINE

Throughout the use of workflows, users can execute the processes across the various phases. The adoption of a process (or different processes depending on CGI operation cycle) based on Loan state changes **guides and helps stakeholders** :

- Checklist
- To-Do Lists (and Watchlists)
- Timers and Trigger/Event trackers
- Automatic Data e DMS Document check!
- Tailored Workflow on customer's need

BPM IMPROVEMENT →

Better Quality and control in loan management.
Better organization of the "Guarantee Factory"



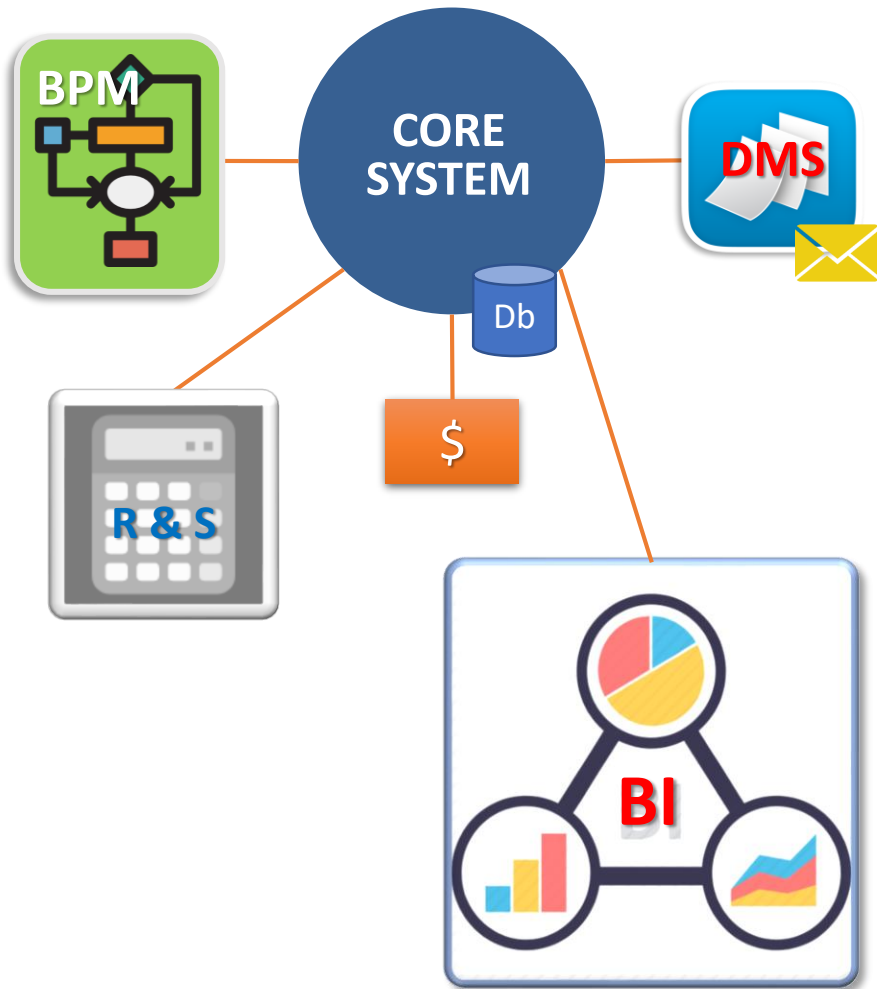
RATING & SCORING MODULE

allows evaluating the client during both the loan appraisal process and the non-performing loans process. Scoring and rating based on:

- Questionnaires with open/close weighted inquiries
- Data and “Assigned Scoring” from info provider and system itself (i.e. from Balance scorecards)
- multiple scoring Models
- KPI and targets/indicators
- initial screening of potential/prospective partners
- Risk scoring and Risk assessment documents.

R&SM IMPROVEMENT →

Lower Risk in loan management. Better portfolio evaluation



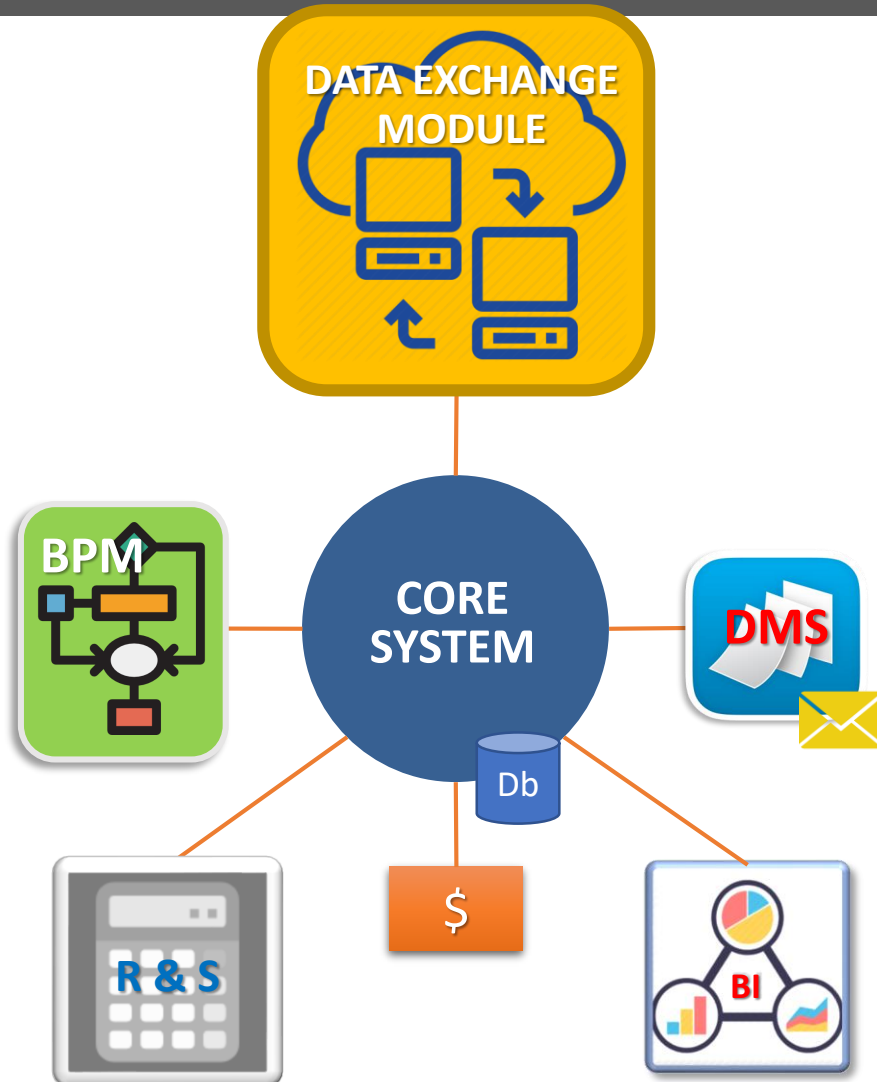
BUSINESS INTELLIGENCE AND REPORTING

Tool based on a data warehouse and Ms PowerBI:

- analyze the loan/ guarantee portfolio situation, performance, trends, risk management
- prepare actual versus budget/projected overviews and provisioning calculation
- List of delinquent clients, risk analysis and reports to shareholders and investors, claims and refund
- All reports aging by various parameters that allow correlation analysis (i.e. borrower, Lenders, branch, currency, sector etc.

BI&R IMPROVEMENT →

Better Knowledge on CGI Portfolio and activities.
Enable CGIs to project strategies



DATA EXCHANGE MODULE

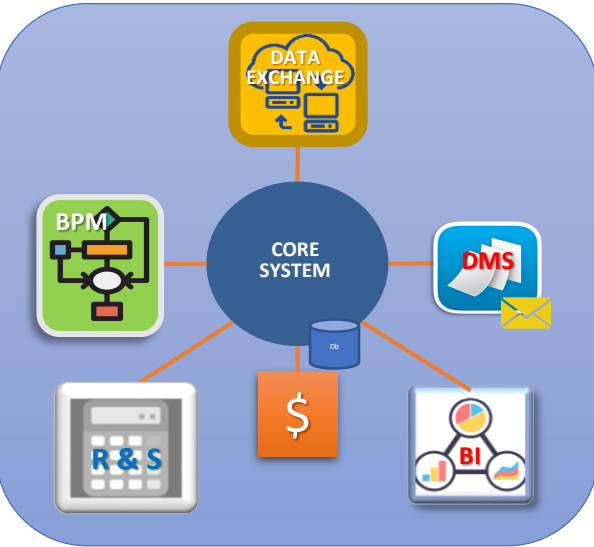
Allow CGIs to import and update loans Information and guaranteed outstanding portfolio from MFIs/Banks and info provider.

Data inside Core Module (persons/companies, loan information) can be updated automatically or under manual control. Installment plan can be updated and outstanding amount (and delinquency ...) can be recalculated.

DE Module also allow incoming data to perform “operations” on loan i.e. disbursement and update loan “Risk Status”

DATA EXCHANGE IMPROVEMENT →

Information up to date. Less manual work on loans

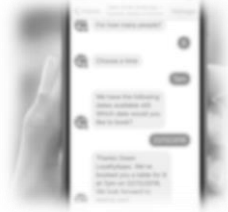


...OK THE SYSTEM...
...BUT ALSO ...



BIG DATA (BIG TECH)

IMPROVING KNOWLEDGE. Knowledge management is the set of strategies and methods for identifying, collecting, developing, preserving and making accessible DATA (according to the 3Vs Volume, Variety, Velocity plus Veracity and Valor) to the organization.



CHATBOT

Is the IT tool that responds to new consumer trends and enables companies to experiment and offer new services and new IT products. It is based on the use of bots, it makes available a platform capable of configuring and distributing services on social channels thanks to the use of messaging.



ROBO ADVISOR

They provide digital financial advice based both via API link to a legacy system for data collection and rules application and on internal mathematical algorithms. These algorithms are executed by software and thus financial advice usually do not require a human advisor



ARTIFICIAL INTELLIGENCE

Machine learning (the most relevant way to use AI) in fintech offers a new level of service for financial forecasting, customer service, and data security: Fraud prevention, Risk management, Marketing, Loan underwriting, Algorithmic trading, Process automation, Money-laundering prevention...

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