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2022 Global Fintech Agenda

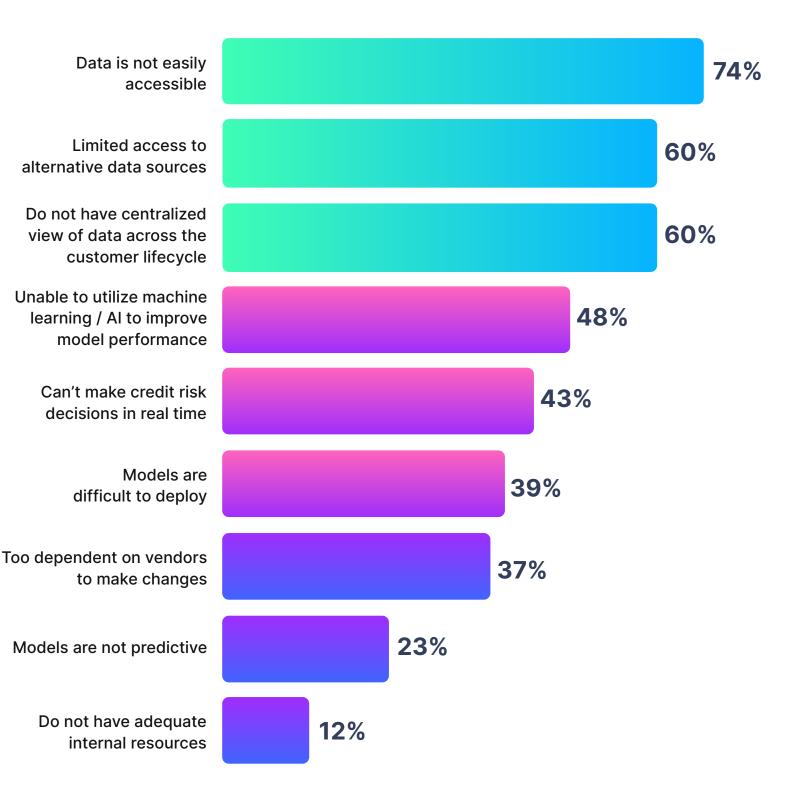
What's driving the agenda for fintechs and financial services in 2022? Pulse and Provenir surveyed 400 decision-makers in fintechs and financial services organizations globally to find out what they believe will be the biggest challenges, opportunities and trends of 2022 and how they plan to address them with data, AI and decisioning.

Data collection: October 13 - December 21, 2021

Respondents: 400 Fintech decision-makers

The lack of data access, effective AI, and real-time decisioning are key challenges facing decision-makers today.

Most decision-makers struggle with their organization's credit risk strategy because data is not easily accessible (74%), access to alternative data sources is limited (60%), and a centralized view of data across the customer lifecycle is not available (60%).



the biggest challenge(s) with your organization's credit risk strategy today?

Which of the following do you consider to be

Real-time credit risk decisioning is the #1 investment focus for 2022.

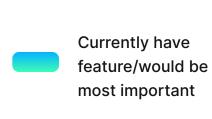
74% are planning to invest in a real-time credit risk decisioning platform in 2022. 69% plan to invest in AI-enabled credit decisioning and more than 50% plan to invest in digital wallet, financial inclusion and alternative data.

In which of the following do you plan to invest in 2022?			
Planning invest	g to Not planning to invest		
Real-time credit risk decisioning platform			
74%	26%		
Digital wallet			
71%	29%		
Al-enabled credit decisioning			
68.5%	31.5%		
Products that enable financial inclusion			
63%	37%		
Embedded finance			
55%	45%		
Alternative data for credit risk			
53%	47%		
Buy now, pay later (BNPL)			
46%	54%		
SuperApps			
41%	59%		

Al and data integration are the two most important features when selecting an automated risk decisioning system.

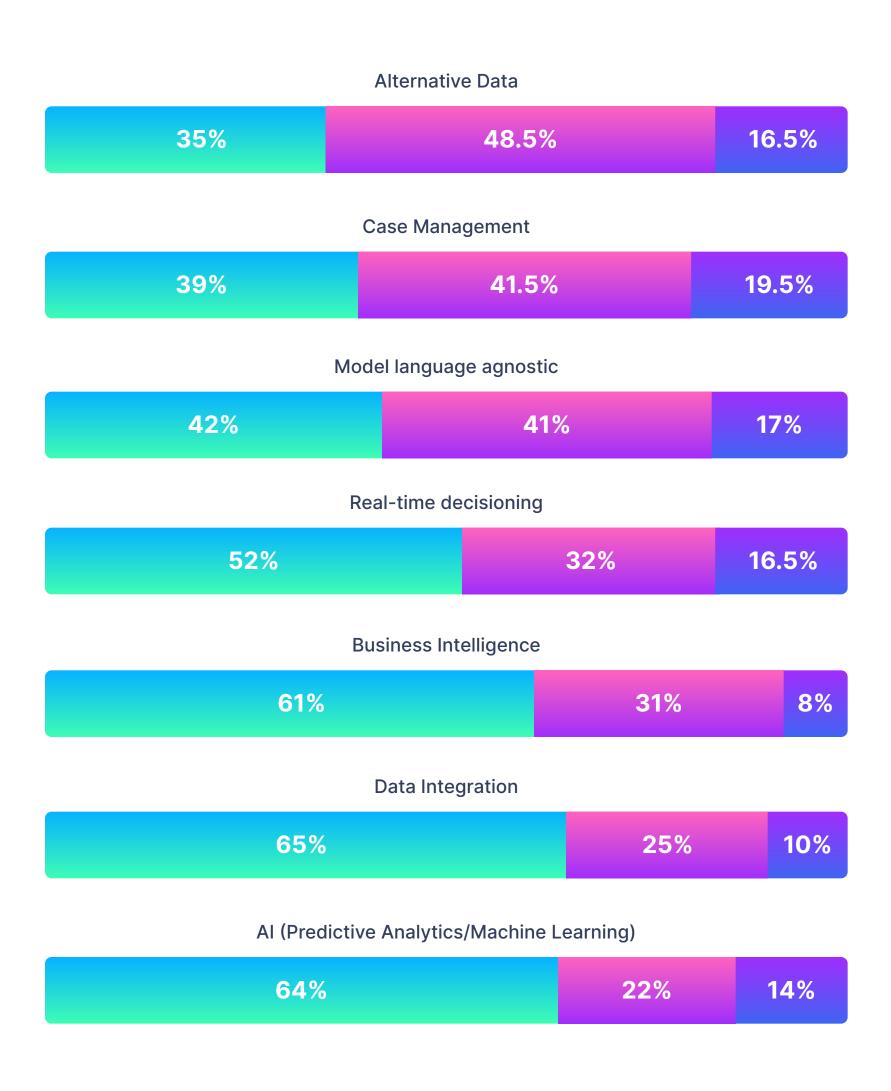
Almost 50% of respondents plan to invest in an automated risk decisioning solution with alternative data capabilities in 2022.

Which of the following features does your automated risk decisioning system currently include / will be important in your selection?



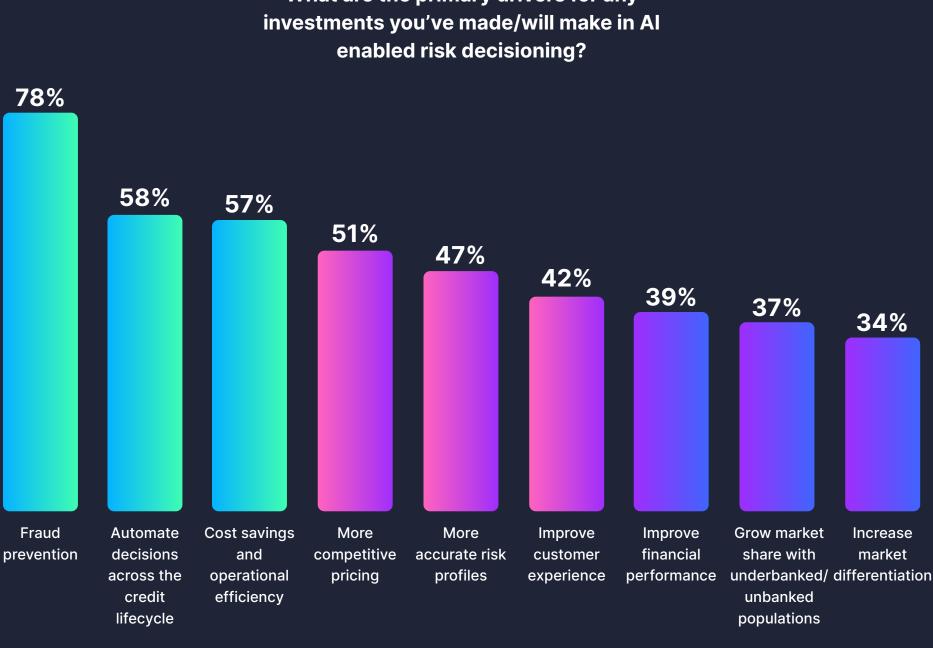
Plan to invest in 2022

No plan to invest in 2022



Fraud prevention is the biggest driver for investments in Alenabled risk decisioning.

For 78% of respondents, fraud prevention is among the primary drivers of their investments in Al-enabled risk decisioning. More than half say their investments are driven by a desire to automate decisions across the credit lifecycle (58%) and improve cost savings and operational efficiency (57%).



What are the primary drivers for any

Only 21% of respondents begin to see returns from their AI projects within 120 days.

59% of respondents reported that they did not begin to see ROI from their AI implementations for 3-4 months.

> How long after implementing AI (predictive analytics/ML) did you begin to see positive ROI?

> > **59%** 121-150 days

> > > 18%

More than

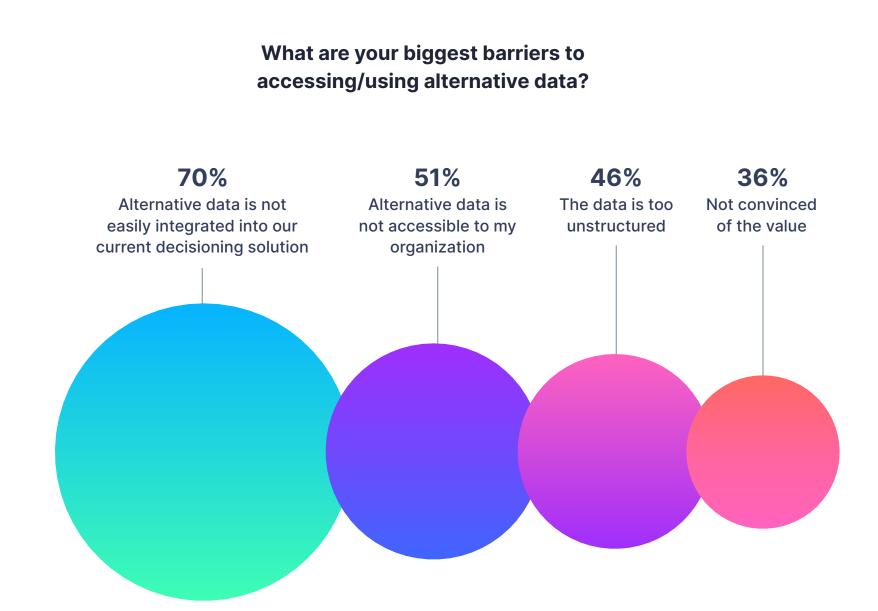
150 days

16% 61-120 days 5% 0-60 days

2% We have not implemented Al 1%

Data integration is the biggest impediment to using alternative data.

70% of respondents list data integration challenges as one of the biggest barriers to using alternative data. 51% stated that alternative data is not accessible to their organization.



Improving fraud detection and prevention and serving the underbanked/unbanked are the top reasons respondents use alternative data in credit risk analysis.

65% of respondents say improving fraud detection and prevention is one of the primary reasons for using alternative data in credit risk analysis; 40% cite more accurate credit scoring. 51% use alternative data to better serve the underbanked/unbanked.

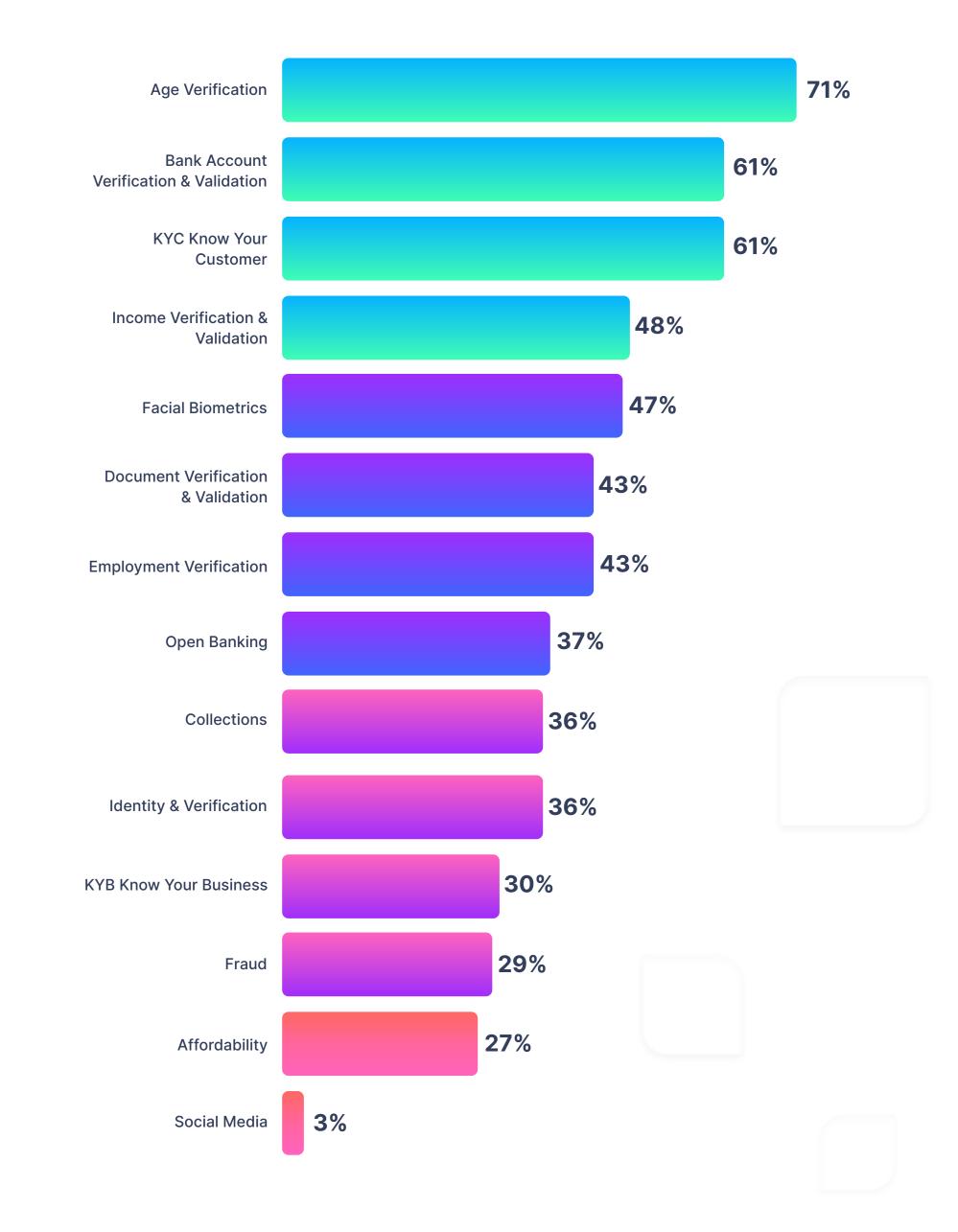
What are your primary reasons for using alternative data sources in credit risk analysis?

<section-header></section-header>	43% Reach a bigger audience	40% More accurate credit scoring
51% Serve the underbanked/ unbanked	31% Our competitors are doing it	
	26% Alternative data is now available	
	11% We don't use alternative data	

Age verification, bank account verification and KYC lead the pack for top types of data used in risk decisioning.

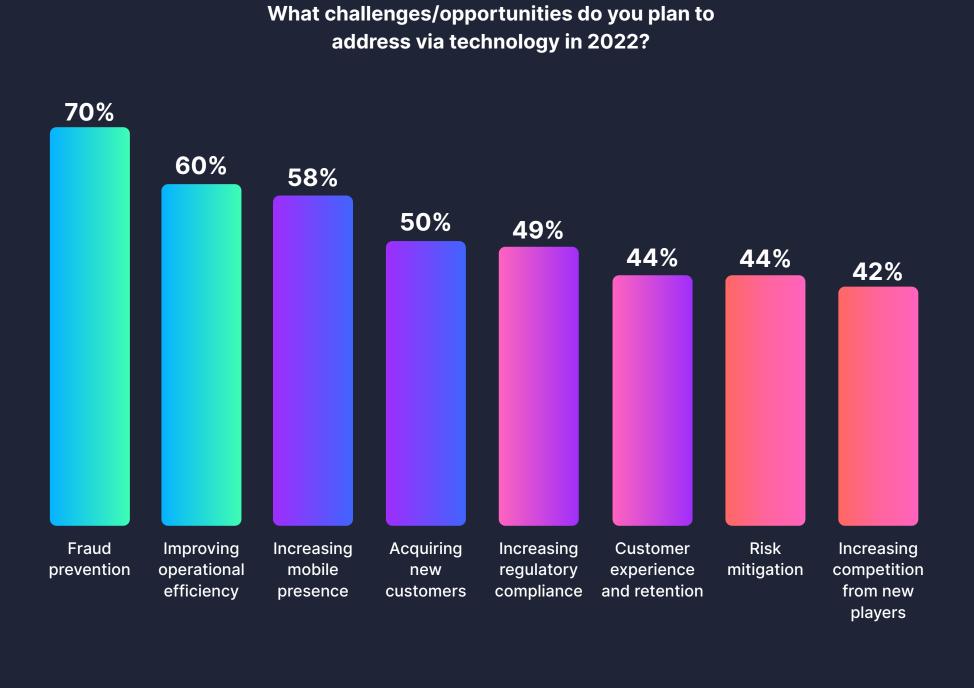
Age verification (71%), KYC (61%), and bank account verification and validation (61%) are the top sources of alternative data used in risk decisioning by respondents.

Which of the following sources of alternative data do you currently include in your risk decisioning?



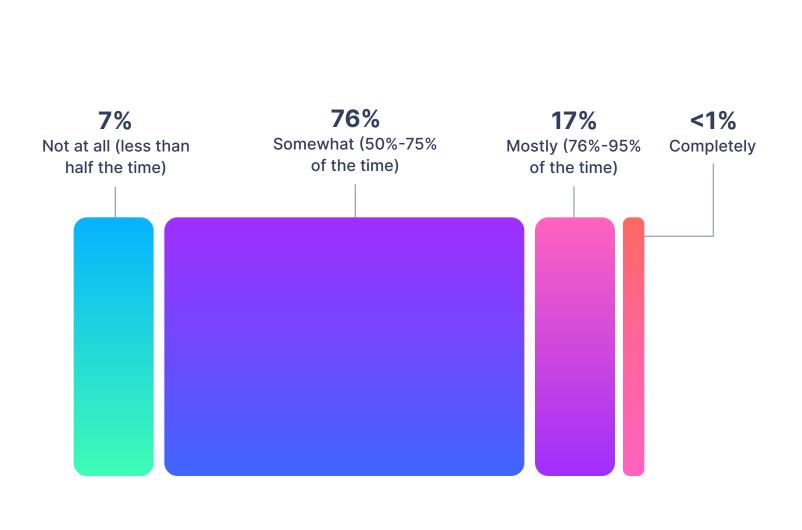
Fraud prevention and operational efficiency are the two top priorities decision-makers plan to address with technology investments in 2022.

In 2022, decision-makers are looking to technology to help prevent fraud (70%), improve operational efficiency (60%), and increase their mobile presence (58%).



Confidence in credit model accuracy is low.

Only 18% of respondents feel their credit models are accurate at least 75% of the time.



How accurate do you believe your organization's credit risk model (or models?) is today?

Almost 80% of respondents cited low/no code as an important feature of automated risk decisioning systems.

78% of respondents cited low/no code UI as a feature they have or that would be most important when selecting an automated risk decisioning system and 19% plan to invest in 2022. 42% of respondents cited model language agnostic and 41% plan to invest in 2022.

