

NSW 'REVERSE PITCH' FINTECH EVENT

ANZ PROBLEM STATEMENTS

THEME:

HELPING CUSTOMERS TRANSITION AWAY FROM CHEQUES



BACKGROUND

As the Australian payment landscape undergoes continuous transformation and adapts to shifting consumer needs, there has been a notable departure from conventional payment methods, particularly cheques, which have witnessed a substantial 90% decrease in volume over the past decade. Despite this decline, some individuals, businesses, and institutions persist in utilising these traditional payment methods for various reasons. Factors contributing to this persistence include personal preference, compliance with legislative requirements, limited internet connectivity in rural and regional Australia, and technological constraints.

While cheques currently constitute a relatively narrow segment of our payment system, they continue to be issued in significant numbers by certain corporations and government entities. Additionally, specific segments of the population with limited digital proficiency or connectivity still rely on cheques.

Certain businesses, such as charities and other non-profit organisations, also heavily depend on cheques. These entities receive a substantial portion of their donations through cheque payments, highlighting the enduring relevance of this payment method within specific sectors.

PROBLEM STATEMENT

The Challenge

- To assist banks, and their customers, in meeting the proposed Federal Governments cheque retirement deadline of 2030, by transitioning from cheques to more cost effective, secure and efficient alternate payment methods where beneficiary details are not held, or where the recipient is a vulnerable / at risk individual that needs access to funds.

KEY AREAS OF INTEREST

We are interested to see impactful technology-based solutions, software or hardware, that:

1. Accelerate the transition off cheques to more efficient and cost-effective digital payment methods for individuals, businesses and government,
2. Ensure our vulnerable/at risk/unbanked population are no worse off or left behind; and
3. Address all (or most) of the various cheque payment scenarios, incorporating the use of modern technologies for sustained effectiveness into the future.

WE ARE INTERESTED IN SOLUTIONS THAT HAVE FEATURES THAT...



- Can solve for all (or most) payment scenarios, and is scalable, reliable and operationally resilient



- Supports the ecosystem across the network of Financial Institutions



- Enables services to continue to be delivered to the vulnerable/at risk/unbanked population



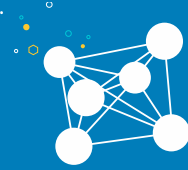
- Supports fixed and variable amounts
- Supports recurring or one-off payments



- Leverages AI, Digital Assets or Cloud technologies
- Is Digital Wallets / Mobile Phone enabled
- Can support on-line and off-line payments



- Supports fraud detection and adherence to industry compliance and global policies (e.g. AML/CTF and sanctions)
- Is flexible in working in conjunction with existing ERP / Finance systems (API, File-based integration)



SCENARIO EXAMPLES

Cheques are still used across many Businesses and Government Agencies for transfer of value to individuals in situations which may include one or more of the follow factors :

- Where beneficiary details (name, address or bank account) may not be known.
- Vulnerable/At risk individuals that need access to funds where there is no access to a bank account or technology (ie. mobile phone, internet) does not exist.
- Offline payments, natural disaster support (ie. floods, fire).
- Where the beneficiary may not have a bank account or does not want to provide a bank account number.
- Can support time-based (i.e. settlements, dividend payments, remediation) low or high value payments.



THEME:

HELPING CUSTOMERS REDUCE CYBERSECURITY RISKS IN INTERNATIONAL PAYMENTS



BACKGROUND

By 2025, it is expected that cybercrime will cost an estimated \$10.5tn globally.

In Australia, it is estimated that cybercrime costs the economy ~\$42 billion a year. For Australian businesses, both small and large, they face escalating vulnerability to sophisticated scams, including vendor and executive impersonation, as well as insider fraud. Fraudsters manipulate compromised email channels, deceiving organisations into making payments to fictitious vendors or authorising fraudulent transactions by posing as high-ranking executives.

Making payments overseas heightens the risk of fraud even further due to increased complexities in international payment processes and diverse regulatory environments. To counter these risks, businesses must prioritise robust cybersecurity, employee training, and ongoing vigilance.

PROBLEM STATEMENT

The Challenge

- Help customers to reduce risks and delays associated with making cross-border, or domestic, payments by providing solutions that will:
 - Reduce the amount of payment fraud resulting from payment beneficiary details being altered/intercepted (e.g. Business Email Compromise)
 - Reduce the delays, and improve the customer experience, in cross-border payments that are a result of incorrect payment or beneficiary details being input into the payment.

KEY AREAS OF INTEREST

We are interested to see impactful technology-based solutions, software or hardware, that support consumers and businesses by enhancing the security of their International Money Transfers (IMT's), including:

1. **Outward IMT's:** during the payment initiation process, ideally while the customer is in channel (web, mobile), but if not, before the payment leaves the bank, ie. services that allows banks to validate certain information within a customer instruction before the payment is sent.
2. **Inward IMT's:** before the bank receives the instruction. For example, a bank can subscribe to a service where they receive a "query/validation request" to respond to before the payment is received.

WE ARE INTERESTED IN SOLUTIONS THAT HAVE FEATURES THAT...



- Are able to validate the payment details are correct and accurate



- Provides signals that a payment has not been fraudulently tampered with



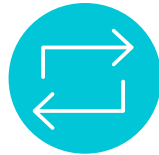
- Are able to validate the account and beneficiary are the intended recipient



- Can support B2B and/or B2C/C2C payments



- Has a UX that can be delivered either In Banking Channel, in the customers finance platform (ERP) or another UX platform



- Can be provided by Digital Wallets / Mobile Phone payments



- Provides immediate 'real-time' responses while the customer is in channel



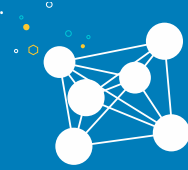
- Leverages AI, Digital Assets and Cloud technologies



- Meets the banks requirements of Anti Money Laundering, Sanctions, and Fraud



- Are scalable, reliable and operationally resilient



SCENARIO EXAMPLES

- Business email compromise (BEC): cybercriminals infiltrating the systems (often email) of a supplier and impersonate them to make fraudulent payments.
- Executive frauds: where the email account of a senior executive within a company is infiltrated, and the impersonating cybercriminal then instructs a member of staff to make a fraudulent payment to their bank account.
- Insider scams: staff within finance teams act maliciously to pay themselves. This may involve processing 'fake' invoices, manipulating ABA files or setting up 'false' suppliers.
- Incorrect details (e.g. IBAN, BIC, Name...) have been entered into the payment instruction, resulting in delays to legitimate payments reaching the beneficiary.



THEME:

SUPPORTING CLIMATE CHANGE ADAPTATION FOR BUSINESSES



BACKGROUND

In order to meet Australia's climate change commitments, businesses are experiencing an increase in demand by government, staff and consumers, to be centered around positive environmental and social impacts.

With the rising impact of the physical risk of climate change and the evolving need for businesses to calculate, measure and report their emissions, ANZ recognises its role to support customers in their plans to future proof their businesses.

As a signatory to the Net Zero Banking Alliance, one part of ANZ's strategy is to help its business clients across corporate and SME reduce Green House Gas emissions and impact on the environment so as to support sustainable businesses.

PROBLEM STATEMENT

The Challenge

- Help ANZ business customers better manage their physical and/or transition risks and reduce their carbon emissions through scalable, innovative green technology that can serve both local and export markets from Australia.

KEY AREAS OF INTEREST

We are interested to see impactful technology-based solutions, software or hardware, focused on one or more of the following areas:

1. Rapidly provide ANZ customers with data to be able to determine the potential physical impacts of a future climate event. This way empowering them with the knowledge to make informed decisions about location. In turn having this information integrated into their banking platform enables ANZ to be pro-active in providing them with relevant and timely support.
2. Accelerate the adoption of sustainable and regenerative practices across businesses that have exposure to nature risk.
3. Help measure and reduce emissions, so businesses have the information and data they need for their staff, customers and supply chains.

WE ARE INTERESTED IN SOLUTIONS THAT HAVE FEATURES THAT...



- Have measurable impact on carbon emission reductions.



- Surface up insights across their supply chain to identify carbon reduction opportunities.



- Enables ANZ to assist customers by responding to a natural disaster event in a timely and efficient manner.



- Provide monitoring and tracking tools.



- Help protect the planet by having measurable impact on carbon emission reductions.



- Leverage the circular economy and waste reduction.



- Are available through API or Batch to ANZ or its customers.



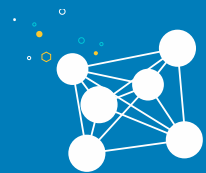
- Leverages AI, Digital Assets and Cloud technologies.



- Provide education & training on how to develop a sustainability plan and strategy.



- Are geospatially accurate and scalable across different geographies and customer segments.



SCENARIO EXAMPLES

- Physical Climate Risk is affecting increasing number of businesses and individuals. The risk may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption. Acute physical risk are events linked to climate change. For example, droughts, floods, bush fires, etc. While chronic physical risk results from longer term changes in climate patterns. For example, rising temperatures, rising sea levels, loss of biodiversity, etc.
- It is important for ANZ customers to understand their exposure to physical risk and ANZ aims to provide timely assistance when climate events occur.
- We all need to do our part to reduce carbon emissions and early adopters will benefit in the transition to net zero. ANZ aims to help all its customers reduce their green house gas emissions, so they have the information they need to remain competitive.

