

# Helsinki Fintech 2019 Guide



EXPLORING  
THE FINNISH  
FINTECH  
LANDSCAPE

4

KEYS TO GOING  
**GLOBAL**

LEARNINGS FROM THE  
**FINNISH FINTECH  
SURVEY**



## Helsinki Fintech Farm

Helsinki Fintech Farm is an independent financial technology hub and a digital finance service company connecting banks with fintech companies. Fintech Farm provides innovation, knowledge, acceleration, matchmaking, and training services for the financial industry. Fintech Farm is a part of HUB13 Ltd. and has built a vibrant community of 100 financial industry organizations within the last 3 years.

[www.helsinkifintech.fi](http://www.helsinkifintech.fi)

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### Our Partners:

**Deloitte.**

**DITTMAR & INDRENIUS**

**Danske Bank**



Enfuce

**Nordea**

For decades already, Finland has been laying the digital groundwork for financial services. We are the country where internet banking was mainstreaming in the 90s, long before digitalization and fintech became 'a thing'.

Throughout the years, Finns have developed their digital infrastructure project by project, and standard by standard, in order to make services happen online and in real time, both for the consumer and corporate side.

Perhaps it's our small population that has forced us to co-create and standardize in order to be efficient, which in turn has helped us build a world-class platform for the digital economy.

And that's why Finland is a great environment for developing financial technology. The base level in tech is high, the innovation culture is great and digital is a standard. Besides being the happiest country on earth again, we have seen some impressive numbers, what comes to our digital readiness, soundness of our banks and our talent pool. Also, as recent events have shown, being a member of the EU and the banking union, is a great advantage for the financial sector.

It's still important to stress, that the latest boom in fintech, as we understand it, is just partly about the newest technologies. Actually, fintech can be a bit of a misleading term, because the biggest change comes from new ways of thinking, and innovating around existing proliferation of technology; everyone and everything is constantly connected, and information is no longer dependent on time or location.

The biggest change is of course driven by customers, closely followed by the financial

# WELCOME TO FINTECHLAND

**Text:** Janne Salminen

institutions and regulators, though the biggest innovators are often the fintech startups.

As financial services are more complex than other industries, having more regulation and trust involved, newcomers need the right knowledge and connections to succeed. The

Finnish fintech landscape has previously been scattered, hindering good work, but Fintech Farm is on a mission to fix it.

Together with our commercial partners, fintech members, the public sector, including the Finnish Financial Supervisory Authority and Bank of Finland, and the Fintech Finland Association, we're building bridges between the different stakeholders.

We're also an active part of the Nordic Fintech Initiative, with the other Nordic fintech hubs NCE Finance Innovation (Bergen), TheFactory (Oslo), Findec (Stockholm), The Fintech Cluster (Reykjavik) and Copenhagen Fintech.

Fintech guide was drawn to put the entire landscape into one publication, to benefit companies working with financial innovation in Finland, planning to expand from Finland or thinking of coming to Finland.

In the following pages, we will explain the fintech landscape, show the fintech companies' essentials for growth and tell some encouraging success stories.

Have a good read, and welcome to the Finnish fintech landscape.

If you want to know more, or find the always up to date statistics and news, visit us at:

[www.helsinkifintech.fi](http://www.helsinkifintech.fi)

## Helsinki Fintech Farm

2019

### **Publisher**

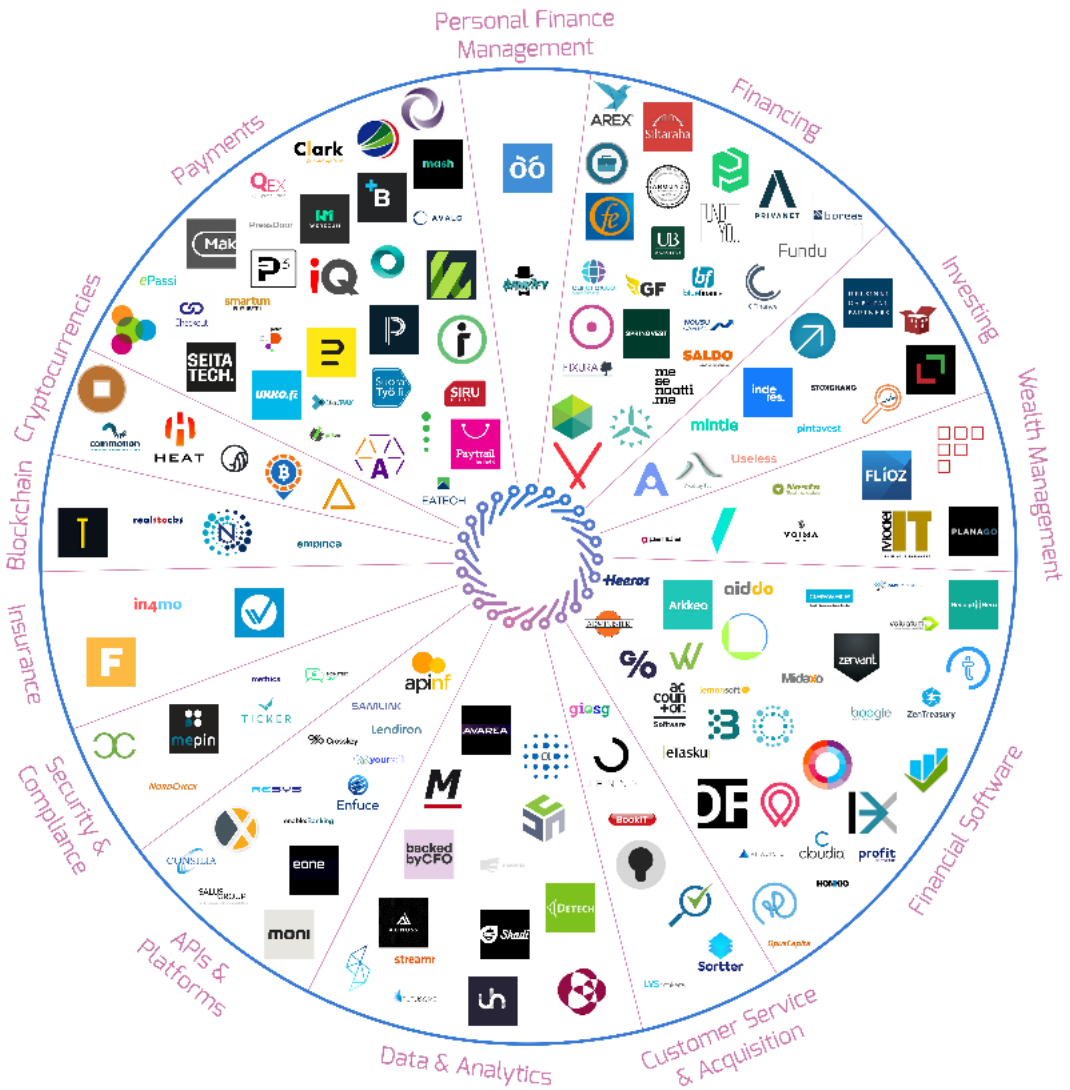
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# THE FINNISH FINTECH LANDSCAPE

Always up-to-date statistics available at [www.helsinkifintech.fi/fintech-landscape/](http://www.helsinkifintech.fi/fintech-landscape/)

Financial figures are from 2017

We have divided the landscape into 13 categories where:

**Financing** has 24 companies generating a total of €301 million in revenue. 9 of these companies are regulated by the Finnish FSA.

**Investing** has 12 companies generating a total of €3,7 million in revenue. One of the companies is regulated by the Finnish FSA.

**Wealth Management** has 8 companies generating a total of €7,6 million in revenue. One of the companies is regulated by the Finnish FSA.

**Financial Software** has 33 companies generating a total of €237 million in revenue. One of the companies is regulated by the Finnish FSA.

**Customer Service & Acquisition** has 7 companies generating a total of €5,5 million in revenue. One of the companies is regulated by the Finnish FSA.

**Data & Analytics** has 14 companies generating a total of €7,9 million in revenue. None of the companies are regulated by the Finnish FSA.

**APIs & Platforms** has 13 companies generating a total of €14,9 million in revenue. One of the companies is regulated by the Finnish FSA.

**Security & Compliance** has 6 companies generating a total of €0,4 million in revenue. None of the companies are regulated by the Finnish FSA.

**Insurance** has 3 companies generating a total of €4 million in revenue. Two of the companies are regulated by the Finnish FSA.

**Blockchain** has 4 companies generating a total of €0,6 million in revenue. None of the companies are regulated by the Finnish FSA.

**Cryptocurrencies** have 6 companies generating a total of €0,7 million in revenue. None of the companies are regulated by the Finnish FSA.

**Payments** have 32 companies generating a total of €133 million in revenue. 12 of the companies are regulated by the Finnish FSA.

**Personal Finance Management** has 2 companies without any significant revenue yet. Neither of the companies are regulated by the Finnish FSA.

**+160 COMPANIES**

**+€340 M INVESTED**

**+€780 M REVENUE 2017**

**+6500 PEOPLE EMPLOYED**

## WHY FINLAND?

1 *Happiest country in the world*

2 *Soundest banks in the world*

3 *The 3<sup>rd</sup> most innovative country in the world*

4 *Member of Eurozone, EU & Banking Union*

1 UN World Happiness Report 2018

2 World Economic Forum, The Global Competitiveness Report 2018

3 Bloomberg innovation index 2019

TOP

# 15

## OF FINNISH FINTECH

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**Statistics:** Helsinki Fintech Farm®

Finland has a solid amount of fintech companies in various categories. The first few fintechs have roots reaching back to mid-80s, and in the 90s we got a handful more. Earliest companies were in the fields of financial software and other back-end technologies. More than 70 percent of the active fintech companies were founded this decade, and the most significant growth in recent years has been in the fields of payments and financing.

Out of 127 companies, that reported revenue in 2017, 61 generated profit. This is understandable for young companies still working with their technologies and compliance. More than a third of the companies employ just 1 to 5 people and just a bit above 10% employ more than 50.

Looking at the companies with the most revenue, it is clear that lending money is still a feasible business, though there is more regulation to come, especially to consumer lending. Selling technology to financial institutions tends to work well, but platforms and

transaction-based businesses are showing the biggest growth.

For a fair comparison, the numbers used are from the fiscal year that ended in 2017, as some companies have not yet released their numbers for 2018. Based on the first FY2018 numbers available, we will be seeing some massive growth in revenue (eg. Mash +119%, ePassi +63% and LVS Brokers +270%).

Most of the fintech companies in Finland are non-funded or operate with smaller seed funding, commonly from Tekes or angel investors and only a handful of all the fintechs have gathered more than a million euros in investments.

The biggest company revenue-wise, Ferratum, got listed on the Frankfurt stock exchange in 2015, the first fintech company to be listed. Other companies already listed are the First North Helsinki's newcomer Fellow Finance, Heeros and Basware, which got listed already in 2000.

**Next Page:**

*Statistic covers publicly announced equity rounds*

*\*Companies have investments in non-voting shares*

*Revenue and profit numbers are from fiscal year 2017*

## TOP 15 Startups

\*Founded since 2013

<b>Fellow Finance</b>	2013	<b>8 666</b>	<b>2 493</b>	<i>10 000</i>
<b>Enfuce</b>	2016	<b>3 320</b>	<b>293</b>	
<b>LVS Brokers</b>	2013	<b>2 421</b>	<b>-7</b>	
<b>Pikasiirto</b>	2013	<b>2 311</b>	<b>1 522</b>	
<b>UB Rahoitus</b>	2015	<b>1 093</b>	<b>-83</b>	
<b>MONI</b>	2013	<b>994</b>	<b>-337</b>	<i>3 500</i>
<b>Big Data Solutions</b>	2013	<b>870</b>	<b>31</b>	
<b>Streamr</b>	2014	<b>736</b>	<b>251</b>	<i>26 000</i>
<b>Cloud Asset</b>	2014	<b>697</b>	<b>-2</b>	
<b>Siltaraha</b>	2015	<b>630</b>	<b>20</b>	
<b>Taimer</b>	2013	<b>619</b>	<b>72</b>	
<b>PayiQ</b>	2013	<b>509</b>	<b>-38</b>	
<b>Futusome</b>	2013	<b>475</b>	<b>-11</b>	
<b>VertaaEnsin</b>	2015	<b>419</b>	<b>-981</b>	
<b>Empirica</b>	2015	<b>358</b>	<b>24</b>	
<b>Company</b>	<b>Founded</b>	<b>Revenue (K€)</b>	<b>Profit (K€)</b>	<b>Invested (K€)</b>

## TOP 15 All Other Companies

<b>Ferratum</b>	<i>2005</i>	<b>221 638</b>	<b>31 838</b>	<i>48 000</i>
<b>Basware</b>	<i>1985</i>	<b>149 167</b>	<b>-11 524</b>	<i>8 200</i>
<b>Samlink</b>	<i>1994</i>	<b>100 600</b>	<b>6 800</b>	
<b>Ukko.fi</b>	<i>2012</i>	<b>53 455</b>	<b>1 251</b>	
<b>Saldo Finance</b>	<i>2010</i>	<b>34 507</b>	<b>15 831</b>	
<b>Crosskey</b>	<i>2004</i>	<b>33 635</b>	<b>1 160</b>	
<b>ePassi</b>	<i>2007</i>	<b>29 508</b>	<b>1 061</b>	
<b>Finago</b>	<i>1990</i>	<b>21 175</b>	<b>0</b>	
<b>Profit Software</b>	<i>1992</i>	<b>14 799</b>	<b>1 817</b>	
<b>Privanet Group</b>	<i>2000</i>	<b>13 971</b>	<b>4 797</b>	<i>4 988</i>
<b>Mash</b>	<i>2008</i>	<b>13 200</b>	<b>1 900</b>	<i>63 100*</i>
<b>Administer</b>	<i>1985</i>	<b>10 794</b>	<b>707</b>	<i>5 000</i>
<b>Blue Finance</b>	<i>2011</i>	<b>8 878</b>	<b>4 424</b>	<i>40 000*</i>
<b>Lemonsoft</b>	<i>2006</i>	<b>7 919</b>	<b>1 571</b>	
<b>Eatech</b>	<i>2006</i>	<b>7 576</b>	<b>1 075</b>	
<b>Company</b>	<b>Founded</b>	<b>Revenue (K€)</b>	<b>Profit (K€)</b>	<b>Invested (K€)</b>

# LEARNINGS FROM THE FINNISH FINTECH SURVEY

**Graphs & text:** Courtesy of Deloitte

Helsinki Fintech Farm, Fintech Finland and Deloitte conducted a survey of Finnish fintech companies with the objective of understanding their operations, ambitions and challenges. The online survey was designed and undertaken by Deloitte in April-June 2019.

The online survey got responses from 56 companies representing a good sample of Finnish fintechs across different sectors. The survey focused on the fintechs' growth ambitions and

the four key pillars of the supporting ecosystem:

(1) Access to risk capital, (2) collaboration opportunities, (3) human resources, and (4) the regulatory environment.

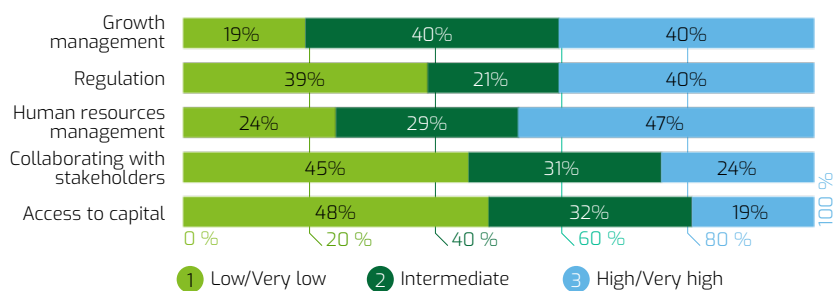
The following illustrations represent select key findings of the survey. More findings along with additional insights will be published in Q3/2019 by Fintech Finland and Deloitte in the form of a white paper.

## Key hindrances of collaborating with external stakeholders

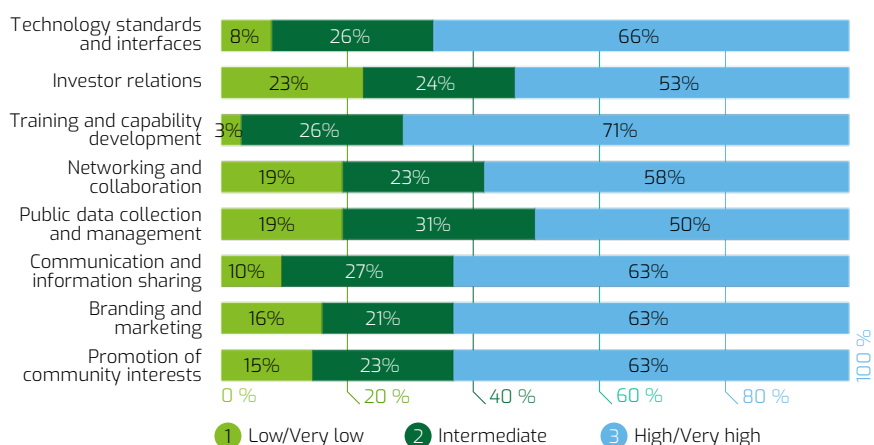
Key hindrances	Stakeholders (collaboration rate, %)					
	Universities (50.0%)	Public sector org. (75.8%)	Incubators & accelerators (41.9%)	Commercial service providers (74.2%)	Business partners (85.5%)	Customers (38.7%)
Decisionmaker access	8.1%	11.5%	13.0%	<b>10.8%</b>	7.9%	<b>20.3%</b>
Admin. burden	<b>19.4%</b>	<b>24.0%</b>	<b>19.6%</b>	6.8%	6.7%	10.1%
Collaboration terms	3.2%	7.3%	<b>15.2%</b>	9.5%	<b>19.1%</b>	12.7%
Commercial terms	0.0%	4.2%	10.9%	<b>28.4%</b>	<b>19.1%</b>	<b>13.9%</b>
Lack of resources	<b>29.0%</b>	<b>17.7%</b>	<b>28.3%</b>	<b>18.9%</b>	<b>16.9%</b>	<b>16.5%</b>
Governance & culture	<b>29.0%</b>	<b>20.8%</b>	4.3%	8.1%	11.2%	<b>13.9%</b>
Tech & information management	6.5%	2.1%	4.3%	8.1%	6.7%	5.1%
Legal constraints	4.8%	12.5%	4.3%	9.5%	12.4%	7.6%



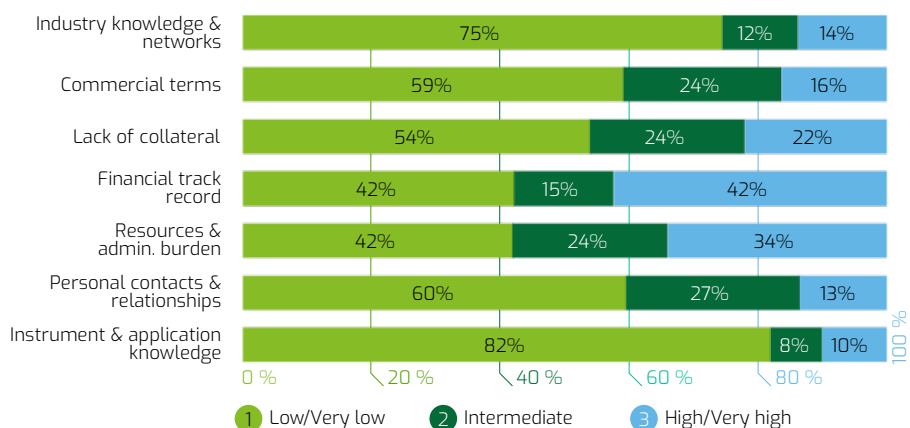
## Key challenges for Finnish fintechs



## Key priorities for developing the Finnish fintech ecosystem



## Major obstacles for acquiring financing



## Regulation and Finnish fintechs

	PSD2	GDPR	MiFID II	PRIPs	DAC 6	AML	Act on the Providers of Virtual Currencies
<b>Familiarity*</b>	3.82	4.40	3.10	2.27	2.07	3.75	2.04
<b>Impact**</b>	3.71	4.13	3.03	2.15	2.22	3.68	1.90
<b>Preparedness***</b>	3.67	4.35	2.92	2.31	2.21	3.79	1.89

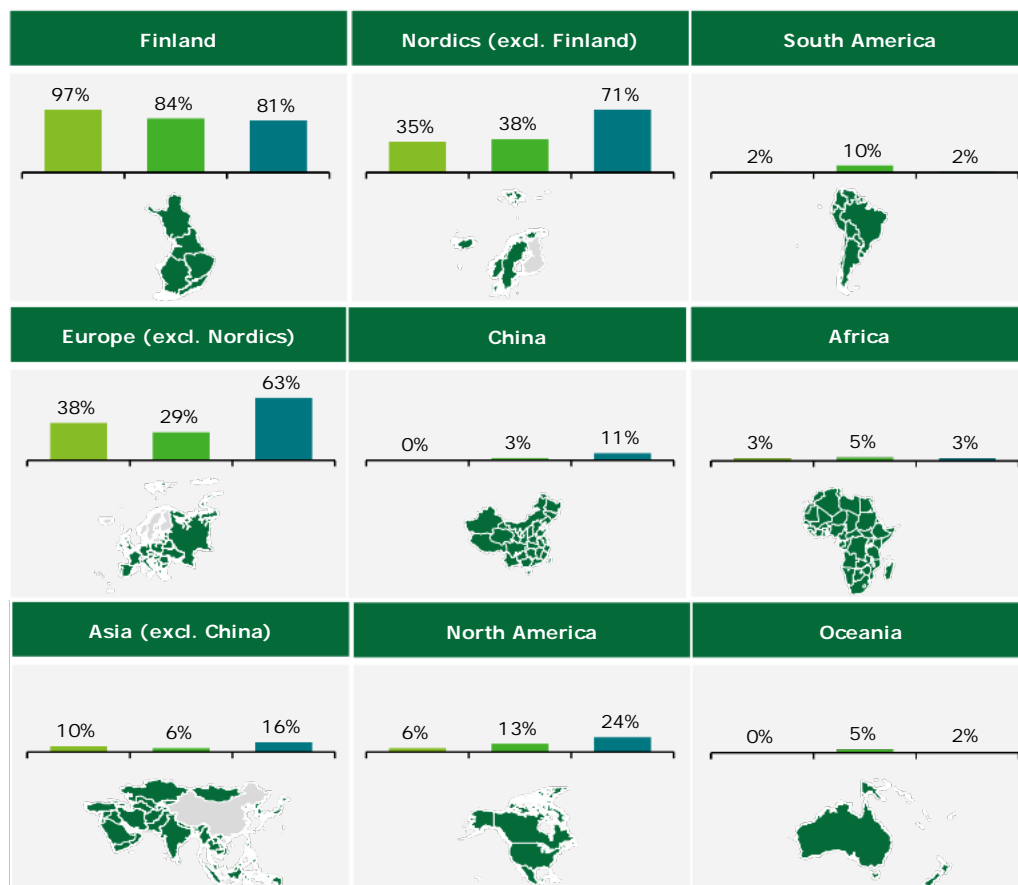
\*Scale 1-5, not familiar at all to very familiar

\*\*Scale 1-5, no impact to significant impact

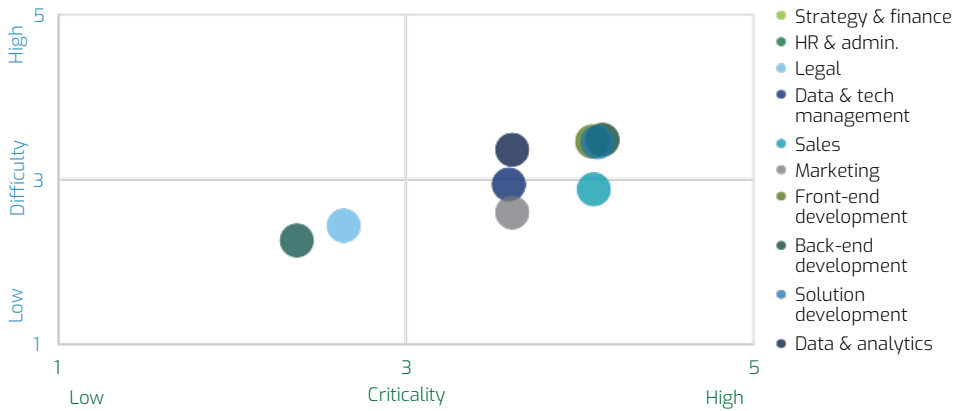
\*\*\*Scale 1-5, not prepared at all to very prepared

## Strategic growth ambitions of Finnish fintechs

● Established operations    
 ● Target market, next 12 months    
 ● Target market, next 36 months



## Criticality and difficulty of attracting talent



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# Join us for some forward-thinking innovation

Let's create the future of banking together. Sign up at [aktia.fi/openbanking](https://aktia.fi/openbanking) and join our Developer community. Aktia's secure APIs are ready to turn your innovations into new value-adding services.

Aktia Bank Plc is one of the leading Finnish banks, offering a broad range of solutions in banking, asset management, insurance, and real estate. Our relatively small size and flat organisation mean quick decision making and make us a flexible partner to work with.

**Aktia**  
Open Banking

## CROSSKEY

# PIONEERING AN OPEN BANKING STRATEGY

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**Photo:** Courtesy of Crosskey

Mobility and digitalization coupled with the demand for open, secure, and personalized banking experiences are the key drivers for the adoption of innovative financial technology within the banking industry. Banks are now looking to team up with fintech companies to yield new and better ways of banking with their customers. In order to realize the full potential of innovative fintech applications, what matters most to banks today is an open banking system that can help with integration and development of new products and services through the use of APIs.

This is precisely where Crosskey marks its presence in the Nordic region by providing a new lane to the banking industry by enabling a fruitful collaboration with fintech companies through their forward-thinking technology and innovative open banking solutions.

"We implemented open banking strategy seven years back even before there was any talk about PSD2 or open banking,"

remarks Thomas Lundberg, CEO of Crosskey. As a part of their open banking strategy, Crosskey took a strategic decision to tailor its systems to support open banking concepts and later developed a state-of-the-art, cloud-based, PSD2-compliant open banking integration module. "With our open banking solution, banks can access several other banks' APIs and collaborate with third-party developers to build various banking applications and services," explains Lundberg.

By adopting Crosskey's open banking strategy, banks can add more modules, integrate with other stakeholders in the financial markets, build processes that are unique, and generate higher revenue. Crosskey's open systems are

built on a "step by step" integration model, making it possible for customers to implement certain modules from the company's portfolio as the first step and add more as they go along. For instance, the Swedish savings app Dreams is a collaboration between Crosskey's customer Ålandsbanken and Dreams, a fully digital financial service provider in Sweden. Within the cooperation framework, Crosskey integrated already in 2016 the Dreams' application with the Ålandsbanken banking system, which Crosskey has developed. This made Crosskey among one of the few in the Nordic markets to have effective integrations with renowned fintech players and was a pioneer back in 2016.

*"With our open banking solution, banks can access several APIs and collaborate with third-party developers to build various banking applications and services"*

Crosskey's open banking platform offered as software-as-a-service enables customers to pick and choose specific components as and when they need. The company today has over three million end users using their bank sys-

tems' databases and peaks daily above 1.5 million monetary transactions per hour.

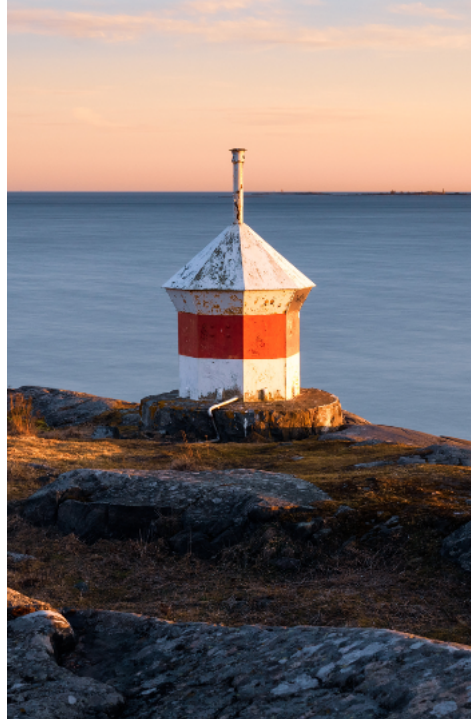
Elaborating on the effectiveness of Crosskey's banking platform, Lundberg cites a case study where S Group, a Finnish retailing cooperative organization wanted to launch a bank in Finland. The business-critical nature of the task demanded a partner with a deep understanding of core banking, and a system with the stability to handle large volumes of transactions. Since S Group was starting its banking business from scratch with the launch of S-Pankki, a retail bank, Crosskey proved to be the ideal choice to tailor a system that closely matched their business needs. Crosskey's ►

**CIOApplications** AMERICA TOP 10  
**FINTECH**  
 SOLUTION PROVIDERS - 2019

▼  
 banking products delivered support for customer

management, deposits, loans, payments, and business products, with online banking as the primary channel. "We also have a proven track record of helping a Swedish startup bank implement a banking solution within five months," extols Lundberg.

To deliver banking experiences that align with current digitally driven businesses, Crosskey not only offers PSD2-products but also supports areas outside basic PSD2 scope such as capital markets, credit cards and/or other parts of banking through an exceptional "aggregator" module. ■



## CROSSKEY'S OPEN BANKING OFFERING

### Open Banking offering for banks

- Compliance
  - PSD2 Aggregation
  - Open Banking
- A cloud-based open service platform for banks, financial institutions, and fintech companies.
  - An Open Banking API market linking banks and third parties with data, channels, functionality and opportunities (www.crosskey.io).
  - Enables the creation of new financial experiences, products and services beyond PSD 2 requirements.
  - Makes Open Banking simple, streamlines integrations, reduces complexity and lowers costs for all parties.

### Open Banking offering for fintechs

- PSD2 Aggregation
- Open Banking - Open your services for other players

**For more information** please contact our Mr Open Banking

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# FINNISH FINTECHS GO INTERNATIONAL

*Fellow Finance and LVS Brokers going strong in Poland*

**Text:** Catarina Myllärniemi

**Photo:** Isla Vainio

Crowdfunding and peer-to-peer loans are a relatively new trend in the finance sector. Some very sophisticated tools have been developed to realize the true potential of these services. Automatically auctioned loans, machine-created margins with personal positive credit data, and a possibility to compare all costs related to financial products – just like consumers are used to comparing flights and hotels – are very popular today. The Finnish fintechs Fellow Finance and LVS Brokers are both 21st-century Finnish companies successful in Poland. Why and how do these two perform together and solely so well?

## **Lend me a hand?**

LVS Brokers has developed an artificial intelligence based brokering technology. It acts as a platform to connect banks, insurance companies and other financial institutions with consumers and SMEs. Digital tools bring speed and ease into comparing the features and costs of financial services, which has traditionally been very cumbersome. The firm, that started when the founders wanted to create an easy way for people to compare financial services, has reached nine million euros' turnover today. Some of the

success is achieved with open and agile corporate culture and great cooperation with other fintech forerunners, such as Fellow Finance.

The B2B product of LVS Brokers—the Money API—is designed to deliver growth for all the

financial service providers wishing to participate in the digital revolution. The Money API provides an effortless yet secure way for financial organizations to connect with consumer and SME clients. The company already has more than 50 financial institutes using their API in Europe.

"An interface connecting service providers to risk-free customer acquisition has been our success product and major European banks are interested in cooperation with us," states Salo.

**Anni Salo**, Chief Business Development Officer also explains:

"In Poland, it is very popular to visit a physical broker office. People are used to asking for help when they make financial or insurance decisions."

*The full potential of LVS Brokers is yet to be seen, as millennials are just coming to the money market as we speak. They seldom think about visiting any physical site or building and enjoy comparing services, also loans and insurances, online.*

Now LVS Brokers is on a mission to make digital broker usage the new mainstream in Poland. In central Europe, the market is already there. The company has already helped hundreds of thousands of consumer clients in making better financial decisions online. LVS Brokers has a loan application volume of more than 4 billion eu-

ros. The company headquarters are in the capital of Finland—Helsinki—but more

developer workforce has been acquired from the west coast university town, Turku. ►

**In the Picture:** Anni Salo, Chief Business Development Officer at LVS Brokers, and Jouni Hintikka, CEO at Fellow Finance.



"Human resourcing is a critical matter in company growth. For tech companies, it is crucial to find people with the right tech stack and skillset."

### Working together in Poland

A key partner of LVS Brokers in Poland is Fellow Finance. Why do these two companies work so well together? What are the key areas of cooperation?

- Excellent tech-readiness to function automatically.
- Completing service portfolios that create synergy.
- No burden of ICT legacy issues as both are 21st-century scaleups.
- Nordic companies are good and reliable partners in the Polish eyes.
- The companies have a commercial growth mindset: They have entered the Polish market in cooperation, and are continuously looking for other expansion possibilities for their partnership. This benefits both equally.

### The vanguard of the North

Fellow Finance is the biggest Nordic crowdfunding platform. The company was founded in 2013 and listed in Nasdaq in 2018. Fellow Finance platform allows a high level of automatization in loan application and underwriting processes resulting in less need for manual labor and thus permits fast-growing volumes. This, connected with light administration, are the keys to profitability.

Fellow Finance has savvy personnel with investment banking background. The company listing went smoothly last year, and today, institutional investors are convinced as well. Bigger investments are flowing in the platform. The current year has been record-breaking as the loan volume in April reached 20,9 million euros. The cumulative loan volume of the company exceeded 435 million euros in April 2019 and the total number of investors topped 12,000 people. Good numbers for a six-year-old company.

"We are closer than ever to our vision statement of changing the way the financing market works," CEO **Jouni Hintikka** states.

Internationalization has brought significant growth for the company. Fellow Finance is currently present on the Finnish, Swedish, Danish, Polish and German markets and the international growth continues. Results are convincing with profitability staying on a good level. The turnover was announced to top 15 million euros in the spring of 2019, compared to the 11,9 million reported at the year-end of 2018.

### Market when you go to market

Finnish businesses have been criticized for being too techy and for poor marketing. It's great to have good ideas and a tech-heavy platform, but the successful companies have one thing in common: lots of existing clients. Acquiring clientele has been a focus for both and, naturally, marketing and sales are the cornerstone of a successful expansion.

"Develop your business with and for actual customers," states Salo.

### Where to next?

The private banking sector is a possible area for the experienced team of Fellow Finance. Both companies will also target new major, yet unnamed, European markets in the future.

"The positive credit data open to the finance sector in Germany and Poland are working in our favor. Hopefully, it will also be soon available in Finland," Hintikka says.

"There's a lot to do in the European markets and the harmonization of EU legislation helps us in that," Salo adds.

The two exporters have not yet shared news about growth to other geographical territories outside of Europe, but digitally everything is possible. Platform driven operations are truly here to stay, in Finance too.

### Why should successful Fintech's go international?

Far up in the North, Finland is a distant small market with five million inhabitants. This is a petty fraction of the European Union's 500 million population. Within the whole Scandinavia, a company can reach some 26 million people. The leap to Central Europe is quite

necessary. Poland has 38 and Germany 81 million inhabitants. This adds up to a market of approximately 120 million people. ➤





Internationalization provides a tiger's leap to all fintechs interested in serious growth.

As EU regulation evolves and a common market is created for financial organizations as well, cross-border possibilities are ripe for the picking. An early adapter would be in the market already, the extra work will pay off later.

International growth requires both cultural and multilingual understanding. Most companies hire a local leader for the new market. Knowledge of the language, culture, and people is strongly recommended. Networking is important as no market will open through Skype calls, though the world is digital today.

Growth is a burden on the resources and assets. A company should already be profitable in its home market before going international. Fast growth can create new turnover, but especially in speedy times, the focus should be on profitability too.

For some companies, the foreign markets might even be easier to start operations in, as for example brokers are commonly used in central Europe. The less one needs to educate and change the market, the better, as big changes in routines tend to require huge marketing resources.

LVS Brokers and Fellow Finance can offer new services for the finance sector in Poland that are in demand. They offer digital platforms for something that is traditionally done offline and on spreadsheets.

The new tools are making it faster to compare and sell different kinds of financial products from credit cards to mortgages. Finnish brokers and crowd financiers have made it in Poland. Success is not achieved automatically with a good techy product. As the example shows, larger investments in sales and marketing are necessary, but when service portfolios have no redundancies, and internalization mindsets match, anything is possible.

**For more information, please visit:** ■

[www.fellowfinance.com](http://www.fellowfinance.com)

[www.lvsbrokers.com](http://www.lvsbrokers.com)

## IN A NUTSHELL

### **LVS Brokers**

Started operations in 2013

Operates in Finland and Poland

Financial organizations can connect their digital brokerage platform by utilizing the Money API

500,000 consumer clients

More than 50 financial institutions connected to their platform

Yearly loan application volume of more than 4 billion euros

### **Fellow Finance**

Launched its operations in 2014

Listed in Nasdaq First North Finland in 2018

Operates in Finland, Sweden, Denmark, Germany and Poland

Auction-based pricing of loans covered with highly automated business processes

2800 shareholders around the world

580 000 users from 60 countries

The cumulative loan volume of the company today exceeds 435 million euros.

Business loans and peer-to-peer loans for private consumers



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## THE NEXT BIG THING IN OPEN BANKING IS PARTNERSHIP

*As banks across the continent prepare to provide third-party access to financial data, **Enfuce Financial Services** and Suomen Asiakastieto exemplify how a collaborative fintech ecosystem can make the most of PSD2.*

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**Photo:** Courtesy of Enfuce

PSD2 has opened the floodgates of financial data and Suomen Asiakastieto wanted to offer a single point of entry to banks and third parties with a unified interface to generate next-generation credit scoring using more accurate and clearly presented transaction data.

One of the leading providers of digital information services in the Nordics, Suomen Asiakastieto partnered with Enfuce who has a strong track record within data and compliance in the payment cards and open banking industry – as well as a reputation for delivering cost-effective, secure and scalable solutions. Enfuce got to work right away to integrate their Enfuce API Hub to quickly onboard banks and financial institutions.

More accurate credit decisions can help customers avoid debt. "This service is a European solution for KYC, cash flow and risk assessment purposes that helps fight against over-indebtedness," explains Reetta Sinelampi,

Development Director at Suomen Asiakastieto. Customers can also control who can access their information.

The partnership exemplifies the trend of collaboration in fintech. Strong alliances bring out the best in all stakeholders and deliver more profitable and scalable services. "I look forward to Finland having a fintech ecosystem in place where companies interact with each other to develop better customer experiences," says says Monika Liikamaa, co-founder and CCO at Enfuce. "We want to be an important player in enabling new services and ideas."

PSD2 and open banking will serve as catalysts for fintech innovation and Enfuce supports the ecosystem with cutting-edge digital tools and a collaborative mindset. Enfuce aims to build strong partnerships and continually open up new revenue streams for their customers.

**For more, please visit:** [www.enfuce.com](http://www.enfuce.com)



# JENNY GOES INTERNATIONAL

**Photos:** Sami Tuoriniemi

**Text:** Catarina Myllärniemi

GetJenny is an internationally functioning startup that combines AI and Machine Learning with customer service. The company has developed a popular chatbot platform called Jenny. Jenny speaks Finnish, Swedish, English, Spanish, Portuguese, French, Italian, and Dutch, and many more, up to 30 languages.

According to FY 2018 year-end results the company turnover was 0,5 million euros and some 90K on the red. With the annual growth speed of 200-300 percent, the company is continuing on the fast path of international growth. Recently it received 2 million in seed funding for expansion to the Nordic countries and the Middle Eastern and North African Region, i.e. MENA. This will possibly bring the enterprise into the black, and certainly into a million-turnover league.

The recent funding came from Dubai Angel Investors and May Nasrallah of DeNovo Corporate Advisors. The Middle East is familiar to Teemu Kinos, the CEO of GetJenny.

"I have been doing research in the area during my studies," Kinos tells.

"It is important in international business to have personal relations around the world," he continues.

Now GetJenny has started to do business in Dubai. There are no public client references yet. According to one of the investors, May Nasrallah, GetJenny's solution stands out in how it leverages an artificial intelligence-driven product.

According to Forbes, which was the first to announce the new investors:

"The Finnish company is set to help businesses provide consistent, high-quality customer service".

The company has also employees in Italy. One of the famous ones is nuclear physicist, doctor Mario Alemi, based in Milan. ►

**In the Picture:** Annu Karhu, Mario Alemi and Mikko Rindell at the GetJenny Helsinki Office



The AI platform works best when it is built actively and taught by humans. The benefit of these two combined is better, friendly and stable quality customer service for all clients.

"There is no reason to fear chatbots. They cannot replace people, but can give time for people to work on more complicated issues," states Teemu Kinos, CEO of GetJenny.

Jenny has already proven its ability to automate over 80% of responses, enhance customer satisfaction, increase the number of resolved cases, drive new sales, and reduce customer service overhead. One can maintain Jenny without programming. It enables people to focus on tasks that require empathy, emotional intelligence, and life experience.

What will be the next stage of development? The work on pairing artificial intelligence with people continues.

"One major future challenge for us is to get our recruitment process right. We are constantly looking for people with the right talent and mindset," concludes Mr. Kinos.

According to its website, GetJenny is recruiting at least a Data Scientist, Front-end Developer and Scala Developer to work in Turin, Italy. ■



**In the Picture:** *GetJenny CEO Teemu Kinos*

**Brief history:**

**2015** Facebook opened its API for chatbots and it created a hype

**2016** GetJenny was founded in Finland with the vision to create chatbot service for medium-sized to big companies with a platform that is scalable from one client to another.

**2017** GetJenny 'Went international overnight,' said the headlines in Newspapers as it got into an international development program in TechStars.

**2018** GetJenny was chosen into Microsoft's Turbopump, a tailored program for companies combining AI and IOT to achieve new investors

**2019** GetJenny received new financing and clients from the EMEA Region.

**GetJenny in a nutshell:**

"We help customer service people focus on tasks that require life experience by enabling companies to quickly and easily teach, deploy, and maintain human-directed AI to instant messaging on live chat platforms."

[www.getjenny.com](http://www.getjenny.com)

**Some client stories:**

**If P&C Insurance's** customer service team cooperates with their human-directed chatbot called Emma, which is built on the GetJenny technology. Emma handles the quick and easy Q&A, giving the human customer service team time to concentrate on empathic and more challenging tasks.

In 2017, **Slush's** customer service was bound to support near 20,000 event participants. In just 6 weeks they were able to get the chatbot Jenny live, and automate nearly 70 % of the workload.

At **HOAS** GetJenny helps students in the Helsinki Metropolitan area look for housing in their new university town.

# ADVERTORIAL



## SLOW BUT RELIABLE MEETS FAST AND FURIOUS

*Match made in heaven  
for traditional banks  
and disruptive fintechs*

**In the Picture:** Satu Pulkkinen / Photo Courtesy of Accenture

**Banks that have served us well for decades** constantly hear someone else will eat their lunch—and that is partly true. Digitalization, liquid customer expectations and new regulations have resulted in challenges for traditional banks. Digital-only competitors offering new services are quickly gaining market share. In the European Union alone, 20 percent of players within financial services are new market entrants, many of them fintechs. Despite their small size, fintechs have already disrupted the financial services industry.

However, **Nordic consumers have high trust in traditional banks**, based on Accenture's recent [2019 Global Financial Services Consumer Study](#). Finns consider banks reliable and safe, despite—or because of—their slow-motion transformation."

*But to successfully merge different cultures, banks and fintechs need a facilitator to bridge the two worlds.*

Although fintechs have won market share, based on our research we see that consumers do not fully trust these newcomers," says Satu Pulkkinen, Accenture's Nordic Banking lead. Furthermore, even the most famous fintechs struggle with profitability, and the looming economic downturn might make funding even more challenging.

For both to succeed, traditional banks and fintechs may need to join forces. But to successfully merge different cultures, banks and fintechs need a facilitator to bridge the two worlds. This is where Accenture's [Innovation Architecture](#) and accelerator programs come into play. For example, [Fintech Innovation Lab](#) is a global innovation platform for banks and fintechs. It has already helped create 429 new banking services, more than 1,500 jobs and more than US\$1.1 million in raised funding.

Mixing trusted and profitable banks with agile and innovative fintechs is a true win-win. Fintechs need banks for scaling their business. And banks need fintechs too. Mere size is not enough anymore. "The future belongs to banks that collaborate with new players in scaling innovation and finding new growth," concludes Satu Pulkkinen.

**Get in touch:**

[Satu Pulkkinen](#), Nordic Banking Lead, Accenture

**Read more:**

[www.accenture.com/banking](http://www.accenture.com/banking)



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## PARTNERING STRATEGY FOR INNOVATION

*Nordics' largest bank Nordea is utilizing various collaboration tactics to deliver the best to their customers.*

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**Photo:** Courtesy of Nordea

The name Nordea comes from putting together the words "Nordic" and "ideas". Over the years they have been experimenting with various new ways of reaching out to their customers, like the drive-in banks of the 1960s or the launch of the very first mobile banks of the 1980s. Today, Nordea is exploring ideas with their fintech partners aiming to deliver the best for the customers.

"Nordea's collaboration with various fintech ecosystem partners is a recognition that ideas

today are increasingly born global, and that startups provide a novel way for financial institutions to bring innovative solutions to the market swiftly."

Nordea is currently partnering with fintech network operator across the Nordic region including Copenhagen Fintech, Helsinki Fintech Farm, SUP46 and FinDec in Stockholm and The Factory in Oslo. ►



“Nordea's collaboration with various fintech ecosystem partners is a recognition that ideas today are increasingly born global, and that startups provide a novel way for financial institutions to bring innovative solutions to the market swiftly.”



The financial industry is facing unprecedented disruption, where changing customer expectations and behaviours are driving new business models and approaches. Simultaneously, regulation is facilitating a new era of “required co-operation”, and additionally both global and local forces are shaping the marketplace. This all has led Nordea to take various approaches towards fintech collaboration including:

- Nordea has been actively taking part in the open banking ecosystem being the first bank in the Nordic region to launch an Open Banking Developer Portal, where fintechs and other external developers are invited to help them create new products and services for their customers. The portal has gained traction of more than 3600 developers signing up as of today.
- Nordea has established a dedicated unit called Nordea Ventures to make strategic investments in fintechs usually - but not exclusively - residing in the Nordics. Their portfolio today includes P.F.C. -Sweden's newest 'neobank', Meniga, Subaio, Tink, and we.trade. Nordea Ventures helps the financial group in learning and experimenting with fintechs to accelerate the creation of innovative products and services for the customers, but also supporting their partners to grow faster.

- Nordea is continuing this year to be one of the main partners of Slush. Participating in Slush has been valuable for business units like Startup&Growth, an opportunity to bring in more of the iterative startup mindset and help Nordic ideas to grow & new Nordic businesses to succeed.

“To mention a few learnings along the way, we have redesigned our onboarding processes and involved all our business areas in Partnership Centre of Excellence. We have also learned that we need to be more transparent in the common goal-setting and explicit in our communication with the partners on what level of maturity is needed before getting introduced to Nordea stakeholders, and on what material they need to present to move from one stage to the next,” concludes Ewan MacLeod from Nordea.

“We have seen the industry maturing tremendously during the last few years and are proud to be part of the fintech movement in the Nordics. As the biggest financial institution in the Nordic region, we share a great opportunity with fintechs to drive change in the ecosystem,” he continues. ■

**For more information, please visit:**  
[developer.nordeaopenbanking.com](https://developer.nordeaopenbanking.com)

# EVOLVING FINTECH REGULATION IN FINLAND

*The importance of fintech regulation is growing. Today, most of the fintech related regulation in Finland originates from the European Union. However, there are national specifications relating to, for example, the implementation and importance of various directives. Legal experts at Dittmar & Indrenius provide their views on the most current regulatory topics in Finland.*

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**Photo:** Julius Konttinen

## Recent legislation

The regulatory response to fintech has taken many forms. In Finland, the most recent regulatory changes relate to the implementation of the Second Payment Services Directive, PSD2, and the Fifth Anti-Money Laundering Directive, AML Directive.

Finland implemented PSD2 in January 2018, but the change to open banking is not yet visible. Now that the final deadline on the PSD2 timeline, 14 September 2019, is quickly approaching, banks are focused on finalizing their application programming interfaces, i.e. APIs. However, there are still many open questions relating to PSD2 and the application of strong customer authentication in particular.

In terms of changes introduced by the AML Directive, all crypto exchanges and providers of electronic wallets for virtual currencies are now covered by the Finnish Anti-Money Laundering Act, the AML Act, and required to register with the Finnish Financial Supervisory Authority, the FIN-FSA. Additionally, a new Act on the Providers of Virtual Currencies has been enacted. The scope of the act covers also issuers of virtual currencies, although in many occasions their identity is not known.

Some fintech developments, such as the above-mentioned virtual currencies, raise questions about where the regulatory boundaries should be drawn. As the universe of regulated activities is expanding, some service providers that are currently operating without

a license or registration may find themselves subject to regulation in the future.

## Positive approach towards fintechs

In response to an evolving fintech market, European Supervisory Authorities, ESAs, encourage the development of fintechs, but require also appropriate oversight over innovative technology. In practice, national supervisors have taken different approaches to fintechs.

In Finland, the FIN-FSA not only issues rules and guidance, but also engages all parties in a dialogue. This makes Finland a favorable fintech platform inside the EU.

"Finnish Financial Supervisory Authority's Innovation Help Desk advises service providers on authorization, registration and other license issues. In terms of PSD2, it has established a Monitoring Group to discuss interpretation issues," explains Partner **Hanna-Mari Manninen**, Head of Corporate Advisory, Compliance & CSR at Dittmar & Indrenius.

Having just returned from London's fintech scene, Manninen elaborates:

"Supervisors really want to understand the service providers' standing point like the example of the Financial Conduct Authority, FCA, in the UK shows. However, there is often a need for additional legal advice that cannot be provided by supervisors." ►



A private law practitioner can be a bridge builder when it comes to complicated legal matters. It can for example be a partner that keeps up the dialogue with the supervisor binding the gap between an innovative entrepreneur and the legislator and assist in collecting necessary information for and coordinating licensing applications. External advice is often sought also in cross-border regulatory questions.

"If you wish for example to provide banking, payments, insurance or investment services in Finland, you need to obtain a local Finnish license or be licensed in another EEA country," explains Senior Attorney **Kristian Karlsson**.

"Considering the growing requirements for robust compliance culture in the financial services industry, it is not a bad idea to get your license in Finland as the country also has a solid reputation."

#### **Sustainability as an upcoming fintech trend**

Investors and service providers are increasingly interested in the sustainable financing space also in Finland. Sustainable finance can in principle mean any form of financial service that integrates environmental, social or

governance, i.e. ESG, criteria into business or investment decisions.

"Digitalization and sustainability have been two major trends shaping the financial services market globally. We expect these megatrends to materialize in the form of new innovative services offered by sustainable fintechs, and are happy to be part of a financial services market that responds to climate change and other sustainability challenges," summarize Manninen and Karlsson.

Dittmar & Indrenius is a leading Finnish law firm with stellar reputation for high-end expertise in landmark transactions, groundbreaking disputes and innovations relating to digital transformation.

Dittmar & Indrenius is celebrating its 120th birthday this year. The anniversary theme is "Thinking ahead – creating sustainable value". ■

**For more information, please go to:**

[www.dittmar.fi](http://www.dittmar.fi)

[www.finanssivalvonta.fi](http://www.finanssivalvonta.fi)

**In the Picture:** Partner Hanna-Mari Manninen & Senior Attorney Kristian Karlsson, Dittmar & Indrenius



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