



## **PODCAST TRANSCRIPTION SESSION NO. 121-LENDIT EUROPE PREVIEW SHOW**

Welcome to the Lend Academy Podcast, Episode No. 121. This is your host, Peter Renton, Founder of Lend Academy and Co-Founder of LendIt.

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**Peter Renton:** Today on the show, we are doing something a little bit different. This is our LendIt Europe preview show. The Lend Academy team is going to be heading to Europe very shortly and we wanted to give everybody a preview of not just what's to come on the show, but what we're seeing in Europe today, what are some of the themes, what are some of the trends that are happening in Europe today. So I wanted to bring my colleagues Ryan Lichtenwald and Todd Anderson on. The three of us have been putting together the LendIt Europe agenda over the last several months and so we wanted to get them on the show, talk about the event, how you can get the most out of it and what are the trends we are seeing. Hope you enjoy the show!

Welcome back to the podcast, Ryan and Todd.

**Ryan Lichtenwald:** Thanks for having me, Peter.

**Todd Anderson:** Glad to be here again, Peter.

**Peter:** Okay, so before we sort of dig into LendIt Europe, the event, I want to just talk a little bit about the state of play in fintech today in Europe and maybe we can start with you, Todd and just sort of...as we've been putting this event together, what stood out for you as some of the trends in European fintech today?

**Todd:** Thanks, Peter. I think overall there's a few main trends that I see that we've tried to highlight not only on the agenda, but I think you'll see permeate throughout the event and that is traditional banks becoming bigger players in the fintech arena as well as open banking and PSD2.

More recently, what you've seen is kind of the focus on cyber security so I think of the many topics that we'll be covering at the event and many themes that we'll be hitting on, I think those three in particular are kind of the things of focus that we've really tried to highlight throughout the agenda. I think you'll see that recent hacks of Equifax and other areas have led to a refocus on cyber security. I think there has been some focus in the past, but that has refocused people on kind of protecting data, protecting customers' information.



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And then back to the first point I mentioned was I think the banks are really beginning to take note of what fintech players are doing so they've become more involved and now that open data and open banking with PSD2 is coming I think you'll see that everybody has that on their mind when it comes into effect in 2018. I think you'll hear a lot about it at the conference and in conversations with people at the conference as well.

**Peter:** Okay, Ryan, what about you, what are you seeing?

**Ryan:** Yeah, I mean I would say coming out of last year with Brexit there was obviously a lot of uncertainty especially around this sector. I think we found that for the most part companies weren't affected. We've seen a lot of companies in the industry actually accelerate growth. Funding Circle comes to mind with their recent reporting of their 2016 financials which was really interesting, it shows they're doing quite well.

Zopa in the last year has come out that they're going to be launching a bank and then beyond that to many of the other players in the industry, the FCA has authorized many companies in the industry. So that I think is a big piece and then to kind of just go along with what Todd said, you know, PSD2 is becoming a really hot topic which we'll cover further, but that's kind of one thing that comes to mind for me.

**Peter:** Right, it's interesting because Brexit is something that I think many of us thought it was going to be a lot worse than it has been and it really is not proving to be as big of a disaster, at least not yet. I mean, who knows what the long term ramifications are going to be, but certainly in the short term it hasn't. The companies seem to be weathering the storm.

The other thing that I would echo is that one of the things that I'm always really impressed with are the European digital banks, in particular in the UK where you've got so much innovation happening like a consumer now has more choices and that's even going to become more so once PSD2 comes. I really believe that we're going to see a real kind of increase in the breadth and depth of offerings through a mobile app in the digital banking space and I think it's actually really exciting. I wish the US would actually be able to keep up in some ways with Europe, but it hasn't been the case.

That actually segues into my next question. We put on three events a year in the US, Europe and China and all three of us are deeply involved in each of those events so I'm curious to get your take and maybe, Ryan, we can start with you as far as what is different in Europe than in the US and China?

**Ryan:** Yeah, I'd certainly say that the industry in Europe is smaller scale. You know, that's been true since the industry really got started, but on that point though the regulation in Europe is far ahead of where we are in the US and certainly in China. When I think about the industry in Europe it kind of feels like looking into the future of what fintech could be in the US with some of these firms, you know, launching banks and adding on services and partnerships to expand functionality and we see a lot of that in Europe. That's kind of what I view as two of the major differences.



**Peter:** Todd, what about you?

**Todd:** Yeah, I've always thought of the European market as more...like Ryan said, it's a smaller scale, but I feel as if it's more structured. The regulators are a lot more proactive, I think they've put better markers, so to speak, around the industry. While you have in the US people trying to achieve scale and then kind of coming back from that after some issues cropped up in the US.

In China, you have consistent and just massive scale. In Europe, I think it's been a more consistent, slower growth, but I think it's been a more structured growth over time and I think the regulators have played a big part to that. I think there hasn't been this wide breadth of the scandal that you've seen maybe in some other markets and I think companies have been better able to grow smaller but steadily over time and there hasn't been this insatiable appetite in some of the other markets to reach certain scale.

They've been more of a structured, slow kind of getting to where they want to be and now you're starting to see some bigger players in this space reach some great milestones. So I've always seen that market as while smaller, I think certainly a lot more structured than some areas of the world and I think that gives it a lot of benefit. I think you might even see some of those benefits come back to them in future years since they've kind of built this up in a more methodical way than say the US or even the China market.

**Peter:** Right, right, I agree. You talk to companies in the UK, the CEOs in the UK, they're not going to say...they will never publicly criticize the regulators although they always would like it to be better and different. I look at sort of the UK environment where you've got the FCA as sort of the main regulator and then there's like a competition authority, but it's really the FCA is what companies have to deal with for the most part compared to the US, for example, where you've got the OCC, the SEC, the FDIC and then not to mention all the different states.

It's really challenging regulatory-wise. I feel like we've created this system in the US that is too complex to really be beneficial. In some ways they should just throw it all out and start over, but that's obviously not going to happen. You look at the UK model and I often am quite envious of how simple that system is. We are seeing it now in the innovation in fintech.

I think there's more ideas getting scale, more different kinds of ideas getting scale in the UK than I would say even in the US. China is its own animal and obviously it's got...the scale there is just staggering and they've got their own regulatory challenges, but Europe, I often think it's...they've got many advantages and many companies will not realize it, but certainly, in the US we have challenges on the regulatory front.

Anyway, I want to segue back into the actual event itself, LendIt Europe. It's on October 9th and 10th, coming up here pretty quickly so Todd, why don't you give the listeners a little bit of a framework about the event, how it's put together and what attendees can expect?

**Todd:** Sure, similar to the way that we structured the event last year, each morning of both the 9th and 10<sup>th</sup> will kick off with our keynotes and these are our what we see as the biggest topics,



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the most interesting speakers and this is what the mornings are focused on, both the 9th and 10th.

In the afternoon, after we have lunch, we move into tracks, so we've broken up the event, the idea being let's focus a little bit more on specific areas, for example, digital banking, credit & underwriting, policy & regulation, innovations in lending so it really takes a bit of a deeper dive in the afternoon so each day is broken up into three different tracks.

Along with that we also have what we're calling the announcement and demo stage as well as our PitchIt competition so really there is a plethora of content that you can go to both in the morning that is focused more on bigger, forward looking, the hottest topics. In the afternoons when you look at the agenda it's really how do we dig a little bit deeper, how do we get into issues that affect specific companies and specific segments of the fintech space. So I think it really lends itself to allowing the audience to see different speakers and different levels of understanding and gives them a good flavor as to really what's going on in fintech today in all different facets of the event.

**Peter:** Okay, okay, and then, Ryan, what about networking. What are some of the things that we have for attendees as far as networking goes?

**Ryan:** Yeah, so obviously we have the expo hall and we're in the same venue as last year so it's a big space and then we also have, which I'm really excited about, we first launched Brella, which is integrated within the LendIt app.

At LendIt USA we first launched that and it's this one-on-one networking tool that really is the best way that we found that attendees can network with one another, schedule times, manage their calendar, etc. It's much easier than simply sending e-mails so I personally am really excited about bringing that to Europe. I encourage everyone to download that and sign up, make sure you link your LinkedIn profile and add Brella. So those are the opportunities that we have for networking at the conference.

**Peter:** Okay, okay, so let's talk about some of the individual sessions here because obviously there are many sessions to attend, but I wanted to get your sense, both of you guys, as far as what are some of the things that you're looking forward to? What are some of the individual sessions that you think are going to be highlights? Let's start with you, Todd.

**Todd:** Sure, as I mentioned earlier the playing in the fintech sector from the more traditional banks I think is something that you'll see a fair amount of at the conference. So first, we kick off with Imran Gulamhuseinwala of Ernst & Young and he's going to be talking about the open banking revolution. He's specifically been working on helping the UK government, he is the trustee of the open banking implementation entity so he's been helping the UK government get the UK market ready for PSD2 and open banking. So that is really, I think a good table setter for the event and it will give the audience a more deeper knowledge of what PSD2 might mean. As we've talked to Imran before, he's really helped some of these other markets in Europe potentially handle the effects of PSD2 as well.



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Then moving into late morning, we have a new initiative launched by a big European bank, ABN AMRO, and they're launching this new SME lending platform that's going to be all digital. So the way they're viewing this is kind of a fintech company within a big bank so this is one of the biggest themes at the event is that banks are becoming a bigger part of fintech. You'll see that with a couple of the other sessions we have as well which is some of the largest small business lenders in the UK which features a few banks as well as how big banks are approaching a new connected world.

So really it's giving the audience an understanding of not only how the startups and the fintechs are playing in the market, but also how do these incumbents either handle handle fintech, build fintech or even work with the startups to really give the customers, whether they're small business or consumers, just a really more seamless digital experience when they're looking at banking in general.

**Peter:** Okay, sounds good. So, Ryan, what are the things you are looking forward to most?

**Ryan:** So I'm big on the partnerships so we have a few sessions. One on the partnership with Auxmoney and N26 so looking forward to that one and then as well Tide & iwoca. You know, these are some of the biggest partnerships we've seen in the last year so we're highlighting them and I'm really interested in hearing kind of how those partnerships were formed. That continues to be a key theme as of late, so that's one.

The second one I'm looking forward to is we're doing this session on KYC/AML and automating it and I think kind of as we went through building out this session and as Todd kind of alluded to earlier, with the Equifax hack...you know, these are companies that are going to not necessarily prevent a hack happening in the first place...the biggest firms in the world are susceptible to these hacks, but what can you do to protect after the fact. And so some these companies that we're going to be featuring have built some tools to help with that process and automating KYC/AML. Some of them are working with some big banks so curious this hear some of the innovations happening there, I think it's really timely.

And then on the RegTech side, you know, this is more of a newer topic for us as we approach and cover wider fintech and we have a mix of different perspectives, you know, someone with global perspective can talk about the market in the US, Europe more widely and then we have someone who is going to be talking about how RegTech startups can work with big banks. I mean, that's certainly interesting as a lot of these firms, traditional financial institutions look to be more efficient so I think that'll be interesting as well and some other executives who have experience in compliance.

And then I would say, generally, I'm interested in hearing what some of the big banks have to say. This is one of the first times we've really brought some of the big banks into the fold so curious to hear their perspective.

**Peter:** Sure, I should give you my highlights of what I think are going to be some of the most interesting sessions. I'm going to lead with probably the biggest name in fintech that we have at



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the event, Renaud Laplanche, the CEO of Upgrade and the former CEO and Co-Founder of Lending Club and he's the first person ever to do a keynote, he will be, at all three events. He's done a keynote in China, he's obviously done many, many keynotes at LendIt USA and he's coming over...I mean, obviously he's European, he's from France, but he's coming over and will be talking about where online lending is going, some of the things that he's working on which are really, really interesting so that's going to be a fascinating conversation kicking off day two.

We also have Antony Jenkins, the former CEO of Barclays and the current CEO of 10x Future Technologies. He's going to be sitting down with Eileen Burbidge, the UK fintech envoy and they're going to be talking about AI. Artificial Intelligence is something that will be...we have several sessions on and it will actually be weaved throughout the event as well, but Antony Jenkins is quite passionate about this and will be talking about some of the misconceptions that people have and how this is going to impact not just financial services, but our entire lives in the future. He's got some really interesting thoughts to share there.

Another one, we have probably one of the most talked about fintech companies in all of Europe is Revolut and they are very, very fast growing, they're almost at a million customers and we've got their CEO and Founder. Revolut is going to be on stage on day two and I'm very excited to sort of hear what he has to say.

And then we have several other panels, I mean, like the biometrics panel is one that I want to highlight. We just had this whole...recently the launch from Apple of their new iPhones that are using facial recognition and we've obviously had the thumbprint for a long time and how this is going to impact identity and fraud and that sort of thing. It's a real practical kind of application of technology that can really help, whether you're an online lender or a digital bank or what have you, but biometrics, I believe, is going to become entrenched in finance. It already is to some extent, but it's going to become even more so as time goes on.

So those are some of the sessions I'm looking forward to, there's many, many more, I think every single session is going to be fantastic, but obviously I'm probably somewhat biased there.

Okay, let's just close it up with final thoughts, I mean, how are people going to get the most out of the event. Ryan, why don't you just give us a little bit of...just let us know...those attendees that are listening, how can they really get the most out of their two days?

**Ryan:** So I would reiterate downloading the app, it's live now for everyone registered for the event so you can get a jumpstart on preparing your meetings and scheduling them so highly recommend that. Just looking at the app, going on our website, the agenda is available for everyone to view so start planning out your sessions and I think that will help you make the most out of your time while at the event.

**Peter:** Okay, any final thoughts, Todd?

**Todd:** Just to reiterate, planning out your conference can really help to get the most out of the event so trying to set up as many meetings, trying to bookmark as many sessions as possible



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and I think what you'll see from the event is customers today are beginning to get more power and have a lot more information than maybe they have in the past when it comes to banking and finance.

I think you'll hear throughout the agenda and the event about how much more that's going to change in the coming year with PSD2 and other regulatory changes so I think making sure that you take the time to hear from some of the leaders in the market and how to best understand and position yourself for future years. I think there's a lot to get out of the event and we look forward to seeing you in about a week.

**Peter:** Yeah, okay. Well on that note, thank you guys for coming on and sharing your thoughts and we will be seeing everybody October 9th and 10th in London. Thanks a lot, guys.

**Ryan:** Thanks, Peter.

**Todd:** Thanks, Peter.

**Peter:** Okay, see you.

Just one more note on the app. So we are not having a printed agenda this year at LendIt Europe, we are going completely digital, we feel like it's a better experience for everybody. There's been some last minute changes and obviously if we had a printed agenda that would not be reflected on there, it is going to be reflected on the app. I feel like that will be the best way for everybody to find out exactly what's going on, find out details of all the speakers, the session descriptions, everything is on the app. So if you're coming to LendIt Europe, make sure you download it. And then I know we're going to be publishing this just a few days before LendIt Europe, but there are still going to be tickets available. If you decide at the last minute you want to come, make sure you use the LendAcademyVIP discount code, that will get you 15% off.

Anyway on that note, I will sign off. I very much appreciate your listening and I will catch you next time. Bye.

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