

open**invention***network*<sup>®</sup>

# Open Source: A New Business Model for Fintech

An OIN **Playbook**

- An Overview
- Facts & Figures
- OIN Member Case Studies
- The Industry Conversation

Receive our latest report on  
"The Recent Rise in Financial Services & Open Source Litigation:  
*Insights & Key Findings*"

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# An Overview

## Digital transformation continues disrupting Banking & Financial Services, demanding a cultural shift in Fintech.

Digital payments, card less transactions, mobile deposits and other self-service options in both Business-to-Business (B2B) and Business-to- Consumer (B2C) markets are forcing banks & financial service organizations to transition to Open Source. Consumers' demands are requiring the Fintech industry to be more strategic, efficient and comprehensive to compete in an aggressive, global, 24/7/365 marketplace, manage increasing data storage and comply with mandated regulations that require transparency. For example, banks are implementing standardized Application Programming Interfaces (APIs) to power even their most basic services with Open Source running ATMs, mobile banking apps, Bitcoin, blockchain and an array of additional digital services.

As Open Source technology solutions become the norm, banks and financial companies are shifting to "as a Service" industries. Banks are introducing more digital products. Financial firms are leveraging Open Source Software (OSS) to develop customer-centric tools and discovering it is significantly easier to do today than compared to the past.

As a result of this movement towards Open Source, just about any company has the capability to offer financial services.

### "Digital Transformation Continues Disrupting Banking & Financial Services"

[Free Whitepaper Download](#)

### OIN Banking & Financial Members

(Partial List)

- ▶ Alibaba
- ▶ Ally Financial
- ▶ Ant Financial
- ▶ Anthem / BCBS
- ▶ Barclays
- ▶ Bombay Stock Exchange
- ▶ Equifax
- ▶ Prudential Financial
- ▶ RBC
- ▶ SMFG / SMBC
- ▶ Square
- ▶ Stripe
- ▶ TD Bank
- ▶ Tencent
- ▶ Truist
- ▶ Union Pay

### Here's what a few of our Banking & Financial members are up to:



Stripe builds economic infrastructure for the Internet to increase the platform's Gross Domestic Product (GDP).



Ally Financial — the only 100% online-only bank — serves 9 billion customers who rely on digital banking.

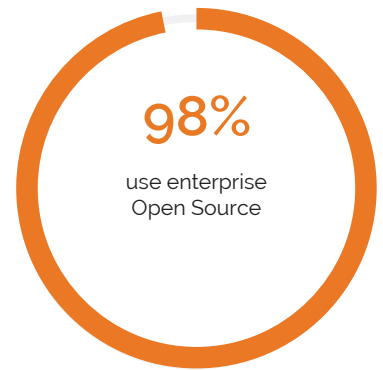
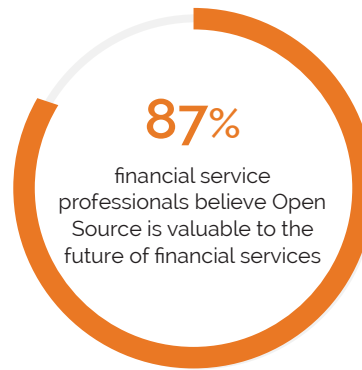


Uber provides a portfolio of financial services to its drivers, including real-time earnings deposited into a fee-free account.

**"61% of Financial Services professionals who completed a Linux Foundation Free & Open Source Software (FOSS) survey in 2021 indicated using Open Source standards can increase their productivity at work."**

- Fintech Open Source Foundation

The Financial Services industry is choosing Open Source



72% of respondents said they **commit to looking for Open Source solutions** before proprietary ones.



69% of respondents feel **consumption of Free Open Source Software improves work productivity**

84% of respondents said **Innovation was the top motivator** for participating in Free Open Source Software.



50% of respondents feel their employer **should provide greater support** around Free Open Source Software contribution policies.



**Mobile bank transactions** — which rely on Open Source — **are expected to grow 121%** from 2017-2022.



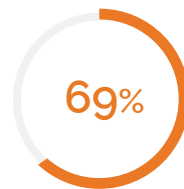
Financial Service Advantages of Open Source



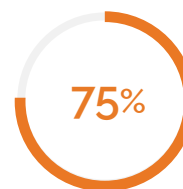
Provides flexibility to customize solutions to meet company needs.



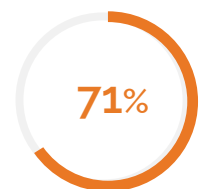
Ensures an organization has access to the latest innovations.



Instrumental in ability to take advantage of hybrid cloud architectures.



Simplifies the process of adopting a hybrid cloud infrastructure.



Is a key part of an organization's security strategy.

The Financial Brand

SOURCES: The Fintech Open Source Foundation (FINOS)

The State of Enterprise Open Source, Red Hat

## America's Most Convenient Bank® Turns to Open Source

Since its founding in 1855, TD Bank Group — the Toronto-Dominion Bank and its subsidiaries — has grown from a single-branch bank serving grain millers and merchants to the 6th largest bank in North America by branches. It is also the 8th largest bank in the United States based on assets. The bank has transformed from a finance company into a tech company and managed the cultural shift that occurs with any big transition. TD Bank is relying on Open Source tools, digital automation to improve customers' experiences, added a Twitter chatbot into its communications and adopted Amazon's Alexa devices to offer voice banking to customers.

## Stripe Aims to Increase the Internet's Gross Domestic Product

Founded by 2 brothers in 2009, Stripe is an Irish-American, private tech firm that builds economic infrastructure for the Internet. Millions of businesses — from start-ups to public companies like Salesforce and Facebook — use the company's Open Source Software (OSS) to accept online payments and run technically sophisticated financial operations in more than 100 countries.

## Ally Financial is Making Banking Smarter & Simpler

The invention of the assembly line changed the way the automotive industry conducted business in the 1920s. To keep factories running smoothly, manufacturers needed auto dealers to buy vehicles in large quantities. To help dealers finance and maintain their inventory — now Ally Financial — opened its doors as GMAC, a division of GM, in New York City. Today, Ally Financial is an award-winning leading digital financial services firm, one of the largest full-service automotive finance operations in the United States, and an online-only bank.

## Ant Group Leverages Open Source for Improved Business Efficiency

Ant Group is a leading developer of open platforms for technology-driven, inclusive financial services and the parent company of China's largest digital payment platform, Alipay. The business uses AntChain blockchain-based tech solutions, and its Open Source projects are the most active among Chinese enterprises.

## Barclays Becomes the 1st Major Bank Headquartered in Europe to Join OIN

Barclays is a transatlantic consumer and wholesale bank, offering products and services across personal, corporate and investment banking, credit cards and wealth management. Barclays' membership in OIN signals its focus on addressing Patent Assertion Entity threats, represents its commitment to innovation and understanding that Open Source drives innovation today.

## Block Connects Your Entire Business

Block founders Jack Dorsey — tech entrepreneur, philanthropist, and co-founder / CEO of Twitter whom *Business Insider* favorably compared to Steve Jobs for his "entrepreneurial vision and charisma" — and his friend, Jim McKelvey, imagined giving every business an easier way to accept credit cards. Since then, the company has grown its product offerings to include a complete suite of business tools and equitable loans, allowing business owners to manage their businesses — including commerce, banking, customers, staff, and developers — from one place — whether it is a brick-and-mortar store, or an online eCommerce company.

## Global Megabank Enhances Its Commitment to Advance Society

A trusted, global financial services provider which values its customers, innovation and its global talent pool, Sumitomo Mitsui Financial Group (SMFG) is demonstrating its public commitment to bettering society through Open Source innovation and patent non-aggression. With headquarters in Tokyo, Japan, SMFG is the 2nd largest bank in Japan; is the 67th largest company worldwide based on assets, according to Forbes; and its wholly owned subsidiary, SMBC, is the 14th biggest bank in the world.

## Truist Takes Care to Make Things Better

Truist Financial Corporation is a purpose-driven financial services company, formed by the historic merger of equals of BB&T and SunTrust in December 2019 to become a Top 10 U.S. commercial bank with \$509 billion in assets. Headquartered in Charlotte, North Carolina, Truist is also the 7th largest insurance broker in the world with \$2.27 billion in annual revenue. Open Source supports the company's purpose to inspire and build better lives and communities through innovation.

# Banking & Financial Services: The Industry Conversation

Fintech is transforming the Banking and Financial services industry. It's incorporating innovation and responding to consumers' demands.



"The convergence of technology and finance has resulted in an increase in Patent Assertion Entity litigation against financial services companies involving non-financial services-related patents ... We remain focused on leveraging the best technologies for our platforms and are excited to join OIN that protects patents for the greater good of the wider innovation community."

Josh Death  
*TD Bank, Intellectual Property & Patentable Innovations Lead*



"We recognize the value in shared innovation, a fundamental characteristic of Open Source communities ... Our participation in the OIN community demonstrates our commitment to support collaborative technology development."

Max Sills  
*Counsel at Square & General Manager of Crypto Open Patent Alliance*



"... SMFG is committed to creating businesses that transcend the boundaries of finance and resolving issues ... In promoting Open Source Software (OSS) utilization, SMFG believes that measures to protect Intellectual Property (IP) rights are important. Through joining OIN, SMFG hopes to deepen our understanding of the OSS community and contribute to the development of OSS."

SMFG



"RBC recognizes open source as a significant enabler of innovation and it was important for us to join the Open Invention Network and support its role in protecting Linux system open source software from patent litigation risk."

Lucille D'Souza  
*VP & Associate General Counsel*



"By fostering a culture of innovation across the financial services ecosystem, we can help protect our future and better serve our clients. Spurious claims from Patent Assertion Entities (PAEs) divert resources and investment away from true innovation and collaboration. We also recognize that a modern approach to technology development and innovation requires a level playing field around use of Open Source Software (OSS). With membership of LOT and OIN, we are pleased to contribute to and extend the growing global community working together to prevent the PAE threat and remove barriers to use of Open Source."

Lee Braine  
*Barclays, Managing Director, Chief Technology Office*



"We remain focused on integrating the best technologies in our payment networks, which help to deliver services that our banks' customers value and trust. We enable all financial institutions to offer safer, faster, and smarter digital transaction services and open source is a significant innovation driver in these offerings." We are pleased to join the Open Invention Network and support its role in protecting open source software."

Sean Reilly  
*SVP & Associate General Counsel*



"We have an unrelenting focus to put customers at the center of what we do. Incorporating open source software is one of the ways we implement the best technologies in our systems to deliver services and experiences that our customers value and trust. At U.S. Bank, we are committed to technology innovation, and we are proud to join the Open Invention Network and support its role in protecting open source software."

Don Relyea  
*Chief Innovation Officer*

We invite you to seriously consider joining our Open Source and Patent Non-aggression community. Membership is **FREE** and the process is simple. It will take you less than 5 minutes.

If you have additional questions, email us at [info@openinventionnetwork.com](mailto:info@openinventionnetwork.com) we will get back to you, or connect you with your Regional Licensing Representative.