



CAPITAL & CREDIT RISK MANAGER

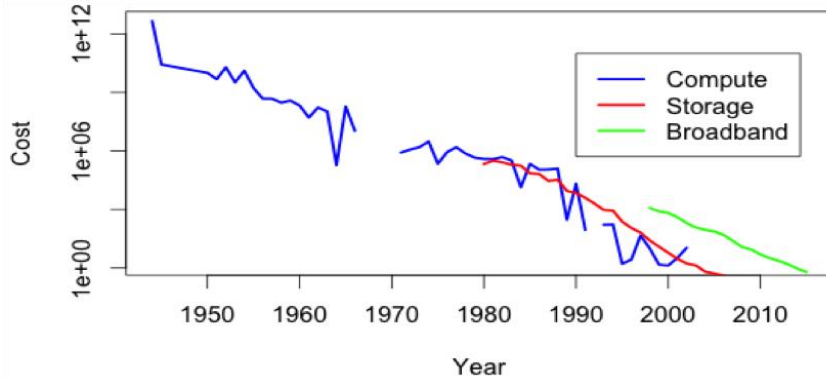
Asia-Pacific Trade Facilitation Forum 2019

What Technology **Can** (*and Can't*) Do for Inclusive Growth

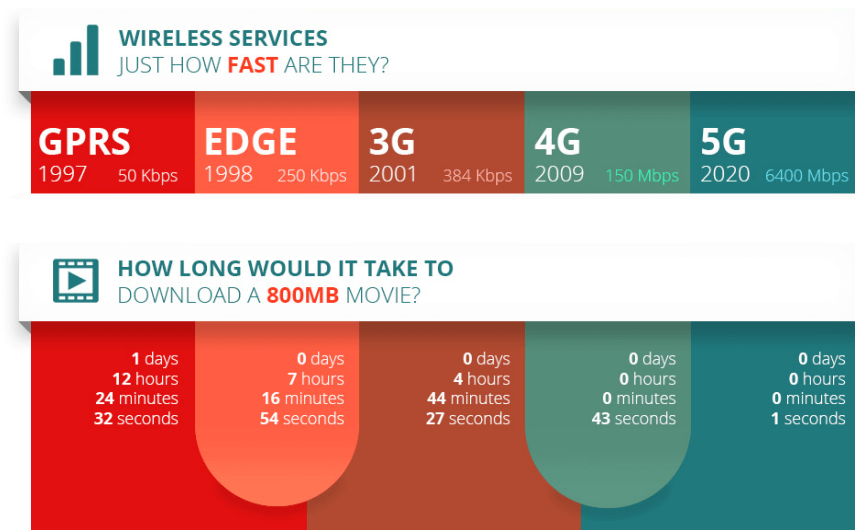
Session 4:

Facilitating trade finance for inclusive growth: Bridging gaps through technology

Technology Enablers Fundamentals Shifts



Source: MIT Technology Review



Technology Enablers Derived Impact to New Technologies

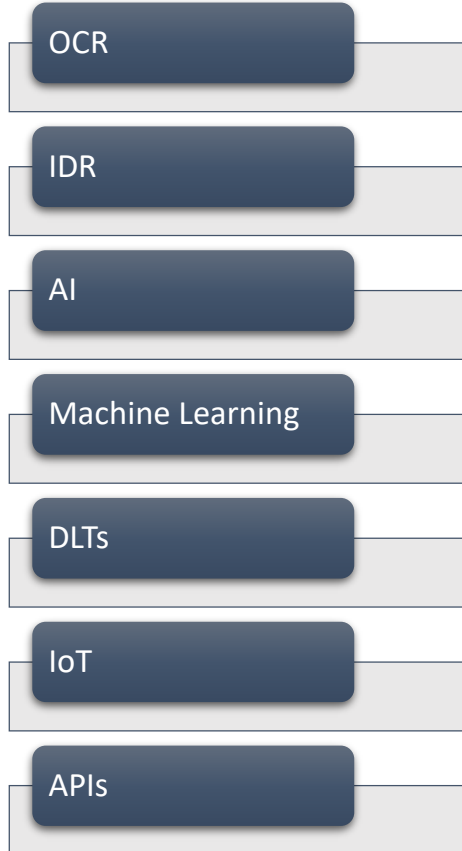
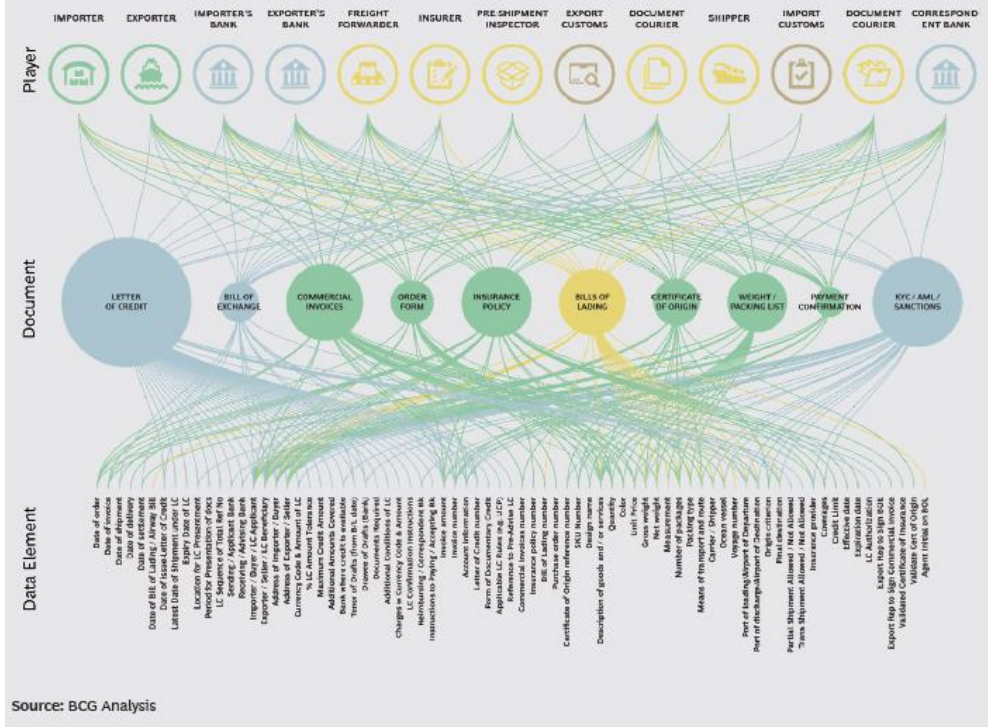


EXHIBIT 1 | The 20+ Players interact with the data fields captured in the 10-20 Documents to create ~5,000 data field 'interactions'



Technology Enablers Use Cases for Trade Finance & Services

New technologies	Pre-transaction		Transaction processing			After transaction	
	Product selection	Data entry	Workflow management	Document check	Compliance check	Problem resolution	Client mgmt. information system
Optical character recognition (OCR)		Text recognition from trade documents to minimize data entry		Check for completeness of documents based on transaction/product type	Scrape documents for AML keyword hit		
Artificial intelligence (AI)	Intelligent and personalized marketing: Offer new product sales or client promotions based on insights on clients' needs and behaviors	Populate fields with text extracted from documents (integrate OCR with transaction process)		Validate/remediate data with cross-references, machine learning	Contextual filtering: Identify suspicious or unusual activity and block suspicious transactions based on predictive indicators	Intelligent problem resolution: Track individual error rates and flag users in need of remediation	
Advanced analytics (AA)		Enhanced KYC (e.g., web scrape)	Efficient process and productivity monitoring, and predictive analytics to detect patterns				Reports enable enhanced operational and strategic decisions
Robotic process automation (RPA)			Bridge data flow and communication: Integrate data from different systems into single interface				
Internet of things (IoT)			Ease of tracking goods and documents; dynamic pricing and financing triggered by shipment events; automated payments release based on "smart contracts"				Track document locations: Track goods (location, volume, quality)
Distributed ledger technology (DLT)	Create smart letter or credit as smart contract on distributed ledger - auto notifications	Replace document-ation, checks, data entry, validation, with single digital record	Real-time verification and reconciliation; workflow executed as per smart contract conditions; replace payment and funds transfer with cryptocurrency				

Source: World Economic Forum x. Bain White Paper

“ A man with a hammer
always sees the nail as
part of the solution ”

How Has Technology Change the Game

Impediments

to MSME/SMEs
Financing
Access/Services

Cost to Serve

Trust

Track Record

Responsible
Lending

- ✓ 1. CHARACTER
- ✓ 2. CAPITAL
- ✓ 3. CAPACITY
- ✓ 4. COLLATERAL
- ✓ 5. CONDITIONS

Learnings & Observations

From paper to bytes

First trade finance transaction via blockchain < 24 HOURS	Paper-based, letter-of-credit transactions 5-10 DAYS
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Incumbents

- Business Case
- Incentives
- Address Adoption Frictions

CapitalMatch
Crowdfunding

HEVEA CONNECT INTEGRATED ECOSYSTEM

HEVEA/COOP → HEVEA/FACT → HEVEA/PRO → HEVEA/CONNECT

FARMERS • PLANTATIONS • FARMERS • AGENTS	PRODUCERS • FACTORIES	FACILITATORS • LOGISTICS • FINANCING • INSURANCE	CONSUMERS • FINE MANUFACTURERS • RE-SELLERS
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Global Value Chain Enablers

Learnings & Observations

Trade finance blockchain consortia



- Super Connectors
- Single National Windows
- Consolidation & Convergence





Thank You