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TECH TRENDS *in the* FINANCI SECTOR

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It is said that the growth of human beings is at its highest when they face new challenging situations and go out of their comfort zones. And that is where we can express our nature better as human beings and achieve our highest potential. The ability to do so also defines us as human beings as we are a product of constant changes and selective evolution.

In the recent few months, a new reality has shaken us challenging our way of dealing with our day-to-day world and accelerating many of the technological evolutions that may have happened in the following years.

We are living a new industrial revolution shaped by Emerging Technologies such as artificial intelligence, inter-connectivity, and digitalization, through a new generation of financial infrastructure driven by Distributed Ledger Technologies (DLT)/ Blockchain, digital assets and digital currencies.

In a world in continual changes with alternative options moving fast, innovation driven by emerging technologies has been converted more than ever in the difference that will make the companies to stay longer in the corporate world.

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Evolve every day embracing the gift of the new discoveries. Dare to follow your dreams.

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Banking system and capital markets are tied to the emerging technologies. Financial service is one of industries where their adoption will transform mostly of the tasks and the way that the industry is conceived. Embracing them can make a difference for a selective evolution of institutions, in an environment of boosting efficiencies, and scalability, driven by the consolidation and reinforcement of the institutions, as well as improving the consumer experience, and facilitating financial inclusion as a fuel for economic growth, allowing the unbanked population to participate in the economy.

Emerging Technologies such as Artificial Intelligence, Machine Learning and Distributed Ledger Technologies/Blockchain will play a key role in making a sounder and more efficient financial industry, and help to improve some of the main challenges of the global financial industry such as effective tools to provide liquidity to the markets, to increase the speed of processes and transactions, measure better the small and medium companies credit risks, manage more efficiently the Assets and Liabilities of the Financial Institutions as well as their assets under management, or facilitate the financial inclusion of the unbanked populations areas.

The key role of emerging technologies such as DLT/Blockchain for the evolution of the world's financial infrastructure is considered as an essential catalyst, making it more efficient, resilient and reliable, and becoming the foundation of the next generation of technologies for the financial services industry, particularly in the multi-trillion value transactional, payments, and

asset management areas. Among their main benefits, DLT enables disintermediation and considerable cost savings, facilitate access to new markets by automating low value-added tasks, and provide a standardised and immutable method to interconnect financial institutions, and the trillions market of financial assets that they have under management.

DLT are databases set up and maintained by multiple independent participants, called nodes. The nodes record, share and synchronize transactions in their respective electronic ledgers, and synchronously maintain the latest version of the database. The participant at each node of the network can access the recordings shared across that network and can own an identical copy of it. Any changes or additions made to the ledger are reflected and copied to all participants in a matter of seconds or minutes. The database is append-only and all the new entries are linked to the previous ones. Blockchain is one type of a distributed ledger for which new entries are stacked in blocks to be appended. Blockchain is a type of distributed ledger used by bitcoin.

A distributed ledger solves the failure issues found in centralised systems, which is the type of ledger that most companies use, more prone to cyber-attacks as they have a single point of failure. Its decentralised nature and cryptographic algorithm make DLT very robust to any type of manipulation or cyber-attack. This makes the data contained within DLT virtually immutable, being ideal for organisations which require a single source of trust shared between various stakeholders.

Remarkable is the impact of Emerging technologies on financial inclusion, improving the access to finance for unbanked populations without an access to a bank account. With the increased penetration of mobile and Internet, the primary focus would be to accelerate technology enabled digital financial inclusion to capture that non-official economy. The increasing interest of the Central Banks on the development of Central Bank Digital Currencies (CBDCs) shows the impact of the new emerging technologies and Blockchain on the evolution that the financial sector is experimenting.

Tied to this current challenging business environment, lies also a continuous flow of increasing opportunities for the expression of our creativity to solve the challenges that we are facing, where emerging technologies as well as entrepreneurs play a key role to boost the engine of evolution.

Technology can be linked to Human Sciences to evolve without losing humanity. In a new world where technology will do most of the tasks, more than ever, creativity, imagination and passion - human traits that technology does not replace, will also make a difference in the future.

This is a unique opportunity for the entrepreneurs of our century to explore, and be the drivers of new improvements and discoveries on how create new ways of doing things with emerging technologies in order to enhance people's lives, and to enrich our society. 🇨🇪