

PFM, WE'VE ONLY SEEN  
**THE TIP OF THE  
ICEBERG!**



Let's start with some definitions; a **Personal Finance Management (PFM) solution** can refer to a person or tool(s) that help people better manage their finances. The PFM's we're referring to here are digital, app-based tools that provide a range of features which help people keep tabs on their finances. Depending on the PFM you're using, features offered vary and can be anything from budget and account overview to spend trend analysis, bill management and more.

## PFM & Open Banking

PFM and Open Banking have been adjacent words as of late. It just so happens that Open Banking can actually be the engine to power next-gen PFM's or "customer engagement platforms". No more manual data or transaction entries – **who even wants to do that?!** Open Banking enables an aggregated view of customers finances, and AI enables the categorization and enrichment of data. This technology allows for some awesome features like personalized insights and recommendations to better manage personal finances.

# 96%

say that they would spend more time on their banking app if it had advanced PFM features like budget and spend management.

(Spire Tech VOC Survey)

# 71%

of Gen Zs believe brands should help them achieve personal goals and aspirations.

(Business Insider Intelligence 2020)



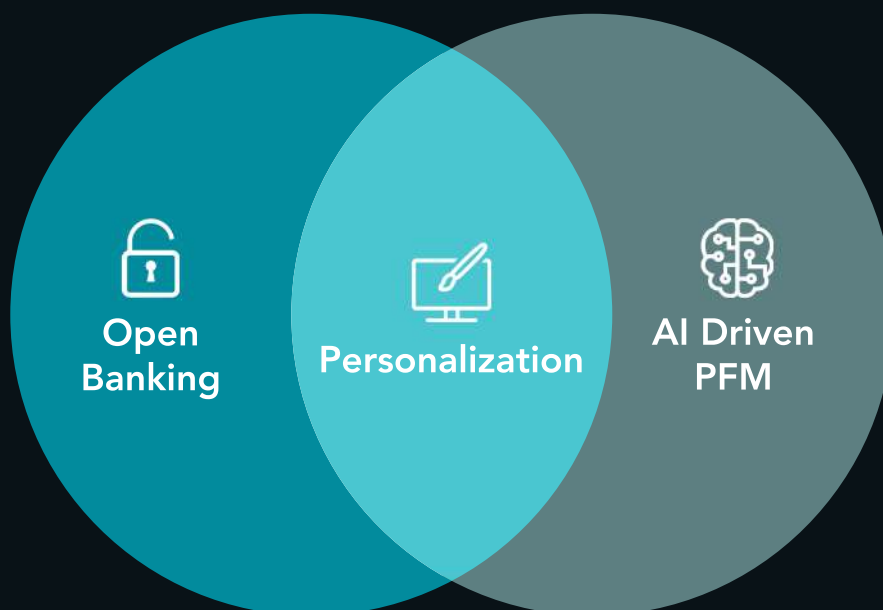
## That's a pretty powerful use-case, isn't it??

Most initial Open Banking- powered PFM offerings have the account aggregation feature which links all customer's bank accounts in one platform, giving them a consolidated view. **Is that enough though?** Customers are now demanding for more, especially those who fall in the Gen Y and Gen Z categories. Today's customers are looking for personalized digital banking experiences. These experiences need to be both consistent and instant across all touchpoints, customers seek convenience and value through real-time, predictive, and proactive financial solutions that serve their specific needs. This can be achieved through a customer engagement platform.

# 76%

consider personalization as highly important in their banking experience.

(Spire Tech VOC Survey)



## In comes PFM 2.0

The possibilities of digital PFMs are “almost” infinite. When they were first introduced, digital PFMs relied on customers to manually enter their data and only produced reports to customers post purchase. With the power of AI and Open Banking, PFMs now have the ability to do much more than that. Below is a comparison between PFM in its initial form and the AI, Open Banking enabled PFM 2.0:

PFM 1.0	PFM 2.0
<b>Query-based (Pull)</b> Relies on the customer to pull the data they need.	<b>Proactive Everyday Engagement (Push)</b> Proactively engages the customer daily, pushing relevant and timely information. 
<b>Asking the Customer to Enter Data</b> Expecting customer to do work before they see the benefits, resulting in lower adoption rates.	<b>Automated Data Analysis</b> Proactively presents information to the customer, resulting in higher engagement and usage. 
<b>Reporting-Oriented</b> Provides information, expecting the customer to figure out what it means and what to do about it.	<b>Actionable and Automated</b> Offers actionable recommendations and automated money management that take away the guesswork. 
<b>Planning and Budgeting</b> Expects the customer to engage in planning and budgeting, with no immediate sense of accomplishment.	<b>Goals and Challenges</b> Helps customers act on an immediate goal that is within their reach — like spending less on restaurants so they can save for a vacation — setting them up for success rather than failure. 
<b>Same for All Users</b> Doesn't match the nuances and particulars of individual needs.	<b>Bite-Sized and Personalized</b> Individuals can take actions tailored to their own personal financial situation. 
<b>Time-Lapsed Transaction and Balance Data</b> Paints a picture based on a time-lapsed snapshot that doesn't always include recent transactions.	<b>Real-Time Data and Forward-Looking Balances</b> Real-time data provides an accurate picture of current and future cash flows and balances. 
<b>Average-Based Cashflow Forecast</b> Cashflow forecasts don't account for variability in income and spending and can lead to mistaken actions.	<b>Pattern-Based Cashflow Forecast</b> Reliable cashflow forecasts allow users to anticipate issues and opportunities and take early action. 
<b>Separate App</b> Requires the customer to use a new app, placing a barrier to adoption and use.	<b>Embedded in Digital Banking Experience</b> Enhances a familiar experience and increases engagement with the bank app. 
<b>Static</b> Static presentation cannot adjust to individual needs.	<b>Self-Learning</b> Self-learning analytics continuously improves the data presented to customers based on their interaction with the system to increase engagement, satisfaction, and response. 

(The Financial Brand) |  Available via Spire Ingage

## Are we there yet?

Financial Institutions in the GCC have recently started offering PFM tools within their mobile apps. In a few short months, you can expect to see more features that fall under PFM 2.0. It will be one step closer to providing that holistic and interactive financial experience that customers are longing for.

Due to the young population in the GCC region, it's only normal that the tech-savvy customers consider personalization a highly important feature in their financial dealings. Today's customers have high expectations from the brands they're consuming and believe they should help them achieve personal goals and aspirations.

### AI Driven Personal Finance Management

(Business Insider Intelligence 2019)



#### Knowledge

Help customers understand their expenses



#### Automated Actions

Acting on behalf of consumers e.g. automated savings



#### Insights

Real time and relevant



#### Prescriptive Advice

Actionable and personalized

## Ending This with Some Perspective!

It's very clear that the competition for customers screen time is a continuous challenge for banks, and so solutions like a more personalized engagement platform can truly set you apart.

We believe AI enabled PFMs, ready to be deployed in an Open Banking environment, provide the most holistic and engaging experience, driving all traffic towards that one app that ticks all customers' boxes. We can already see a few neo-banks acquiring a good chunk of customers with new, customer centric features, so **get onboard!**

*Looking for an AI driven, Open Banking powered PFM to spruce up your mobile banking experience? Spire Ingage is what you're looking for!*

*Find out more by clicking on the link below*  
<https://spiretech.co/products/spire-ingage/>

According to our VOC survey,

# 60%

of people use 3 or more mobile banking apps to manage their finances,

# 64%

said it's mostly due to varying products and services.

