

Order Confirmation

The Fintech tsunami

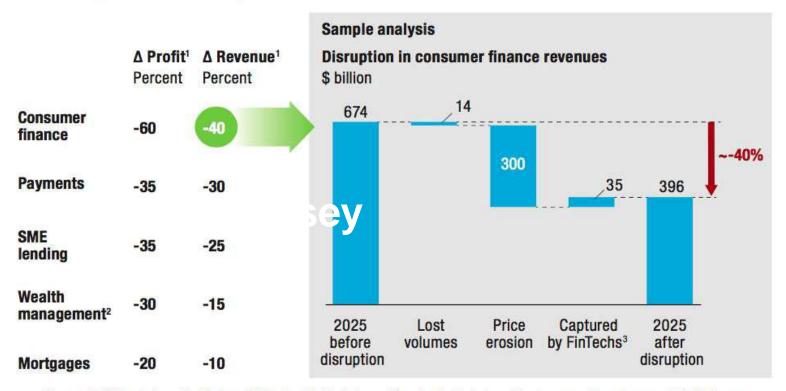
Fintech attacking verticals on UX, prices, transparency...

Unbundling of a European Bank Saving Global **етого** OSPET O CENTRALWAY SQUIRREL NUTMEG borro Bondora HSBC (2) Property & analogs Property & Service Service & the Library WAFIT L CHEST ST. Money Send money overseas in a Dashboard few clicks If a secure, quick and easy. See just how much we LENDING moni could save you. prét d'union transfer Go Lendico vorldremit % fruitful Our lowest weer kantox Lendinvest LANDBAY HSBC (X) CurrencyFair Property Klarna CBINSIGHTS. aducn wongai Every business has its own story sum up* Spotcap Spotcap iZettle* Get in touch Discover products and services for your banking needs Funding Circle There is query? There were not if your words to be part of the same realizing the same relation. BILLPAY FINEXKAP Call us un 0800 731 8904 @ GOCARDLESS M fleximize Retrieve application PAYMILL CONTRACTOR OF STREET woca capiota A Lydia lydia cosygnio payleven CB INSIGHTS www.cbinsights.com

The Fintech tsunami

Fintech would reduce banks revenues and profits by up to 40% and 60% over the next decade

Esimated impact of FinTech disruption on five retail businesses, 2025



¹ Compared to 2025 projections without the impact of Fintech and digital attackers; profit numbers include the impact of savings on operating costs as a result of digital; revenues are after risk cost, profits are after tax; figures are rounded.

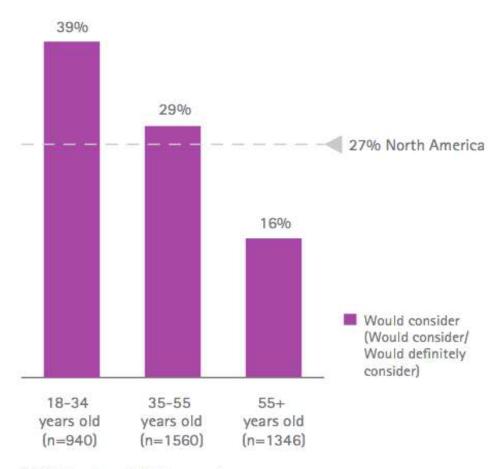
Source: McKinsey Panorama

² Excluding deposits

³ Includes currently unbanked segments

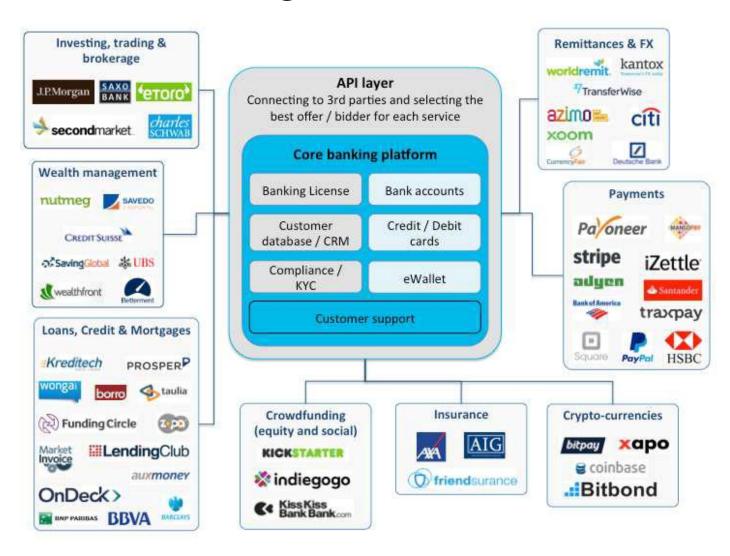
Branchless banking is gaining acceptance

Q: If you were to switch banks, would you consider a bank with no branch locations?



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Marketplace banking: core banking platform + API layer + CRM + KYC + Banking License



Uber is now the largest acquirer of small business bank accounts in the US today

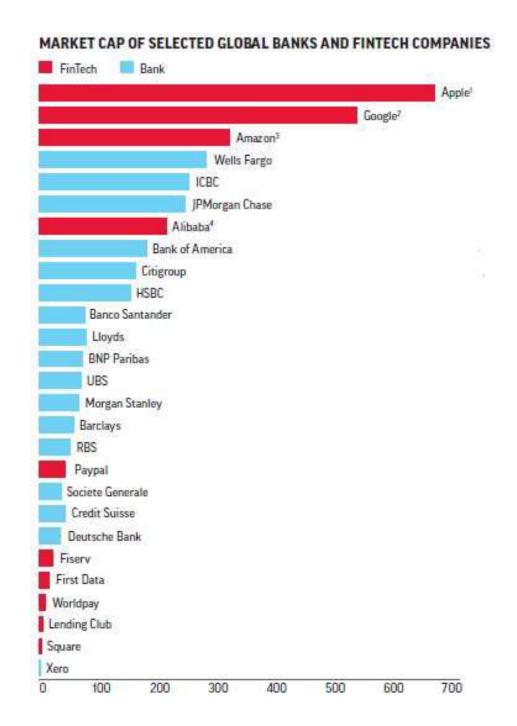
- 30% of Uber drivers in the US have never had a bank account
- To be a driver on Uber, they need a minimum of a debit card to get paid
- Uber has had to solve this problem by allowing drivers to sign up for a bank account as part of the Uber driver application process, in real-time

The next obvious move is to design day-to-day banking into Uber's a (including financing cars, leasing, insurance...)

Banks are frightened by GAFAs financial power and brand image

BRANDZ" TOP 100 MOST VALUABLE GLOBAL BRANDS 2015

	Brand	Category	Brand Value 2015 \$M	Brand Contribution
t	É	Technology	246,992	
2	Google	Technology	173,652	. 9
3	Microsoft	Technology	115,500	
4	IBM	Technology	93,967	9
5	VISA	Payments	91,962	- 4
6	atst	Telecom Providers	89.492	9
7	vertzen	Telecom Providers	86,009	98
8	Coca Cola	Soft Drinks	83,841	
9	// McDonald's	Fast Food	81.165	19
10	Marthoro	Tobacca	80,352	3
n	Tencent 腾讯	Technology	76,572	
12	facebook	Technology	71,121	. 9
13	CAlibaba Group	Retail	66,375	2
14	amazon.com	Retail	62,292	4
15	◎ 中国移动	Telecom Providers	59,895	34



Authorization

2. Merchant processes the card and transaction information, and requests an authorization from the merchant bank.

 Merchant bank submits the authorization request to Credit Card Network.



Credit Card
Network sends
the request to the card issuer.

Cardholder
presents a card
to pay for
purchases.



8. Merchant receives the authorization response and comletes the translation accordingly.



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7. Merchant bank forwards the response to the merchant.



6. Credit Card Network forwards the card issuer's authorization response to the merchant bank



5. Card issuer approves or declines the translation.