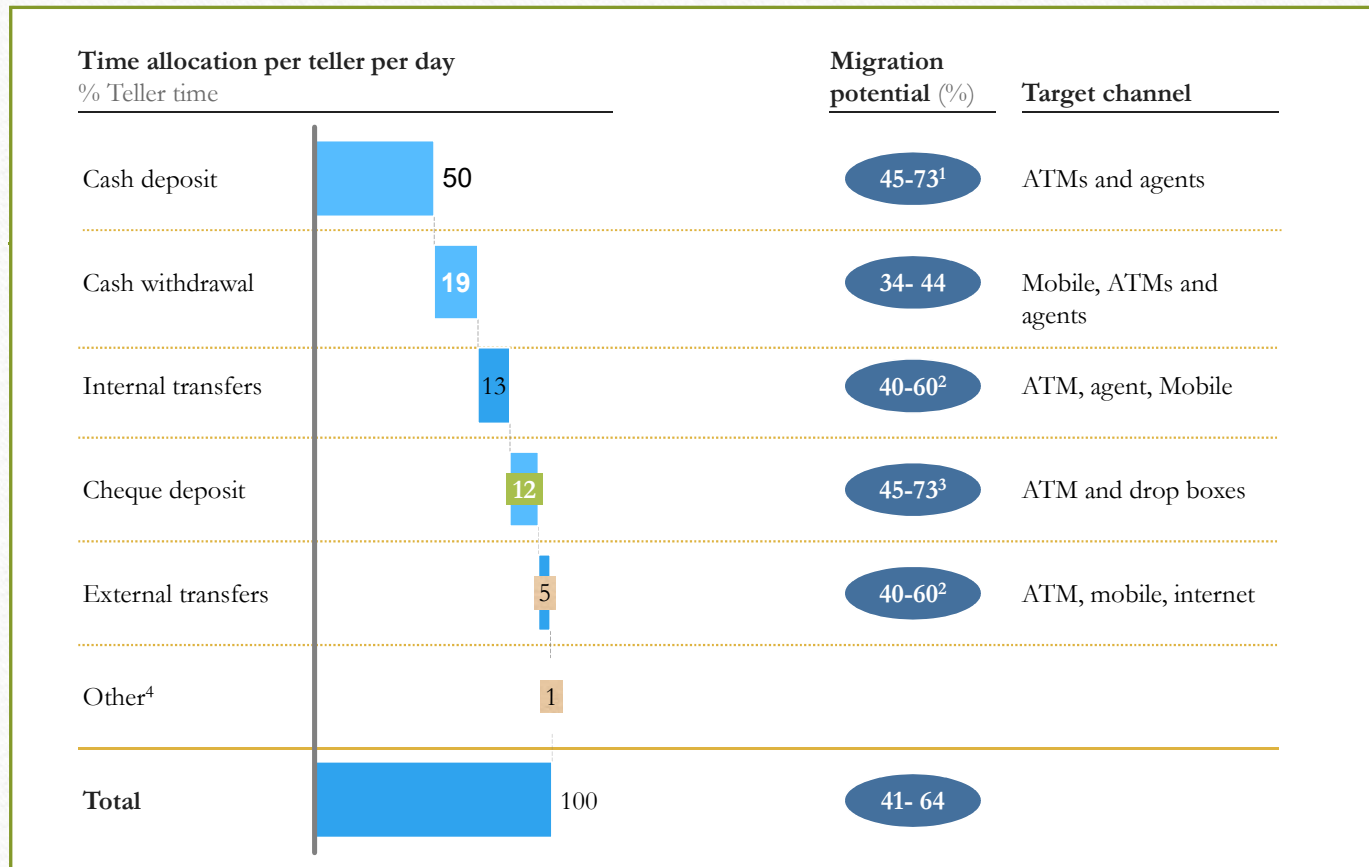


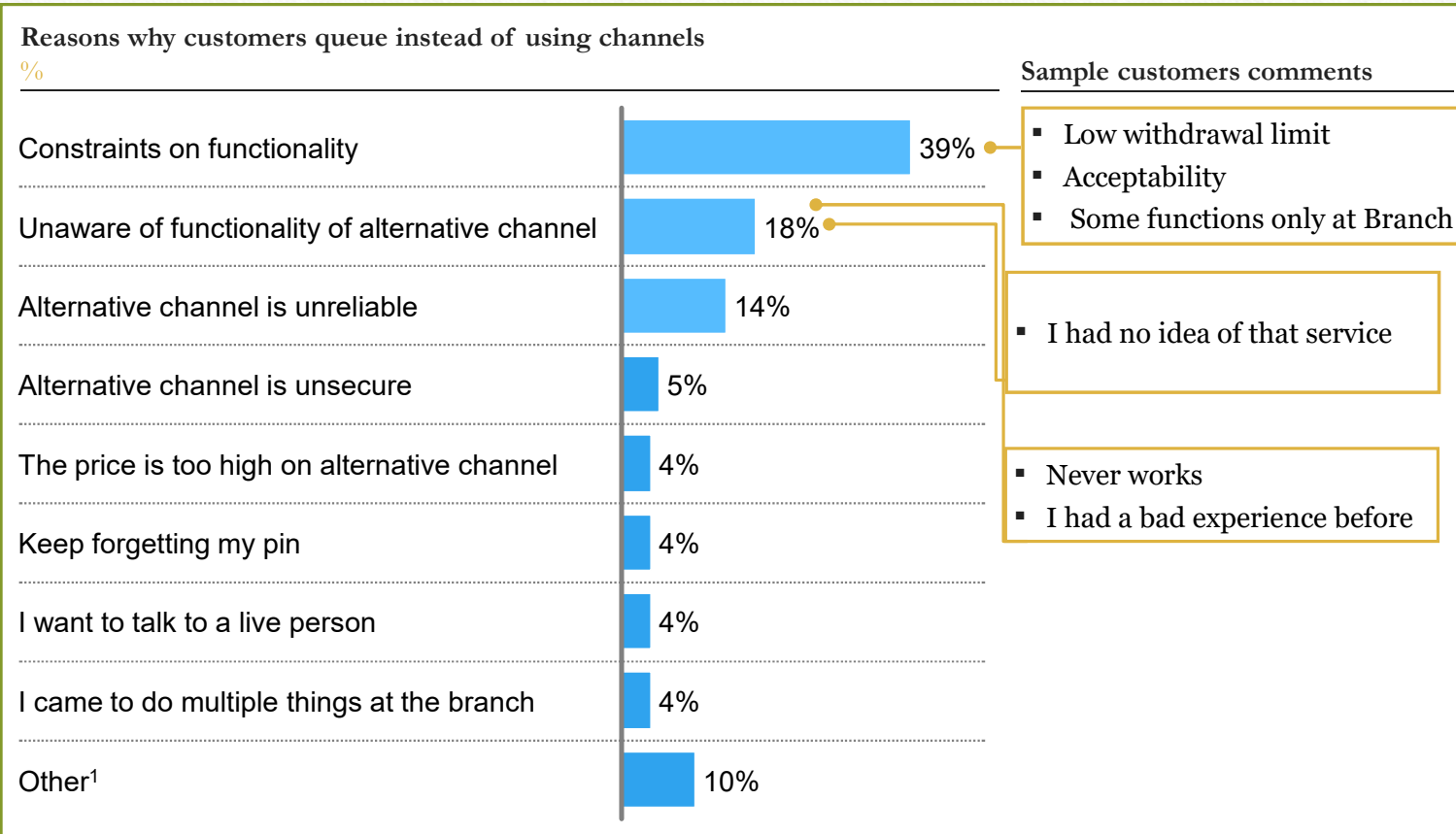
Branch in a mobile phone

VINCENT WAKABA

PROBLEM 1 – Branch setup is a huge CAPEX/OPEX yet 41-64% of Branch transactions can be migrated to Digital channels



Main Mitigants to Migrations: Functionality, Awareness & Reliability

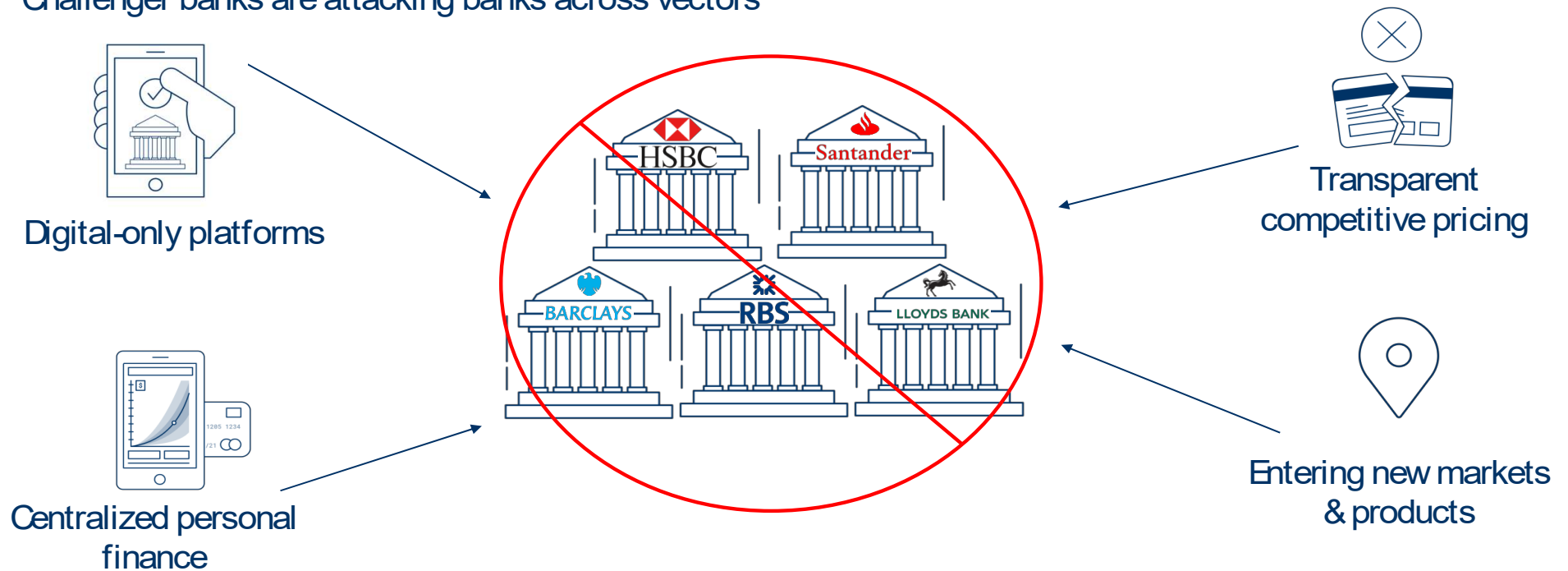


Problem 2 – Competition from Challenger Banks

THE FUTURE OF RETAIL BANKING

Will challenger banks replace physical branches?

Challenger banks are attacking banks across vectors



NUBANK IS EXPANDING INTO RETAIL BANKING WITH CURRENT SAVINGS ACCOUNT



Mar'18 // \$150M Series E

\$2B Valuation

Select Investors:

Goldman Sachs, Sequoia Capital, Tiger Global Management, Ribbit Capital, Thrive Capital, DST Global, Founders Fund, QED, Redpoint Ventures

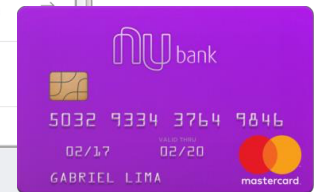
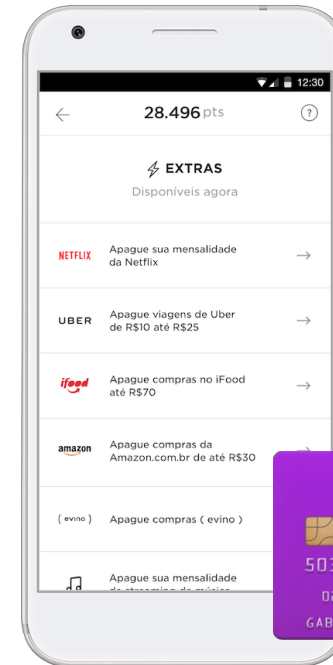
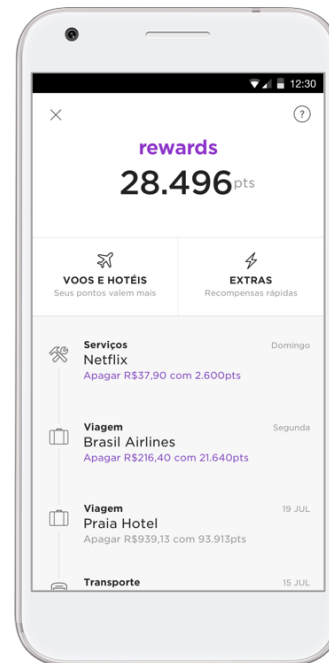
Brazil-based Nubank is a mobile-only 'challenger bank' focused on the 60M unbanked & underbanked people in LatAm. In 2017, Nubank reported having approximately 3M customers and 850 employees.

Up next, they're launching personal savings & hiring internationally.



Nubank reduces losses with client base growth
March 29, 2018 | REUTERS

Nubank launches NuCanta digital savings accounts
January 18, 2018 | **EL PAÍS**



CHALLENGE ACCEPTED

Top Q1'18 deals in Europe went to digital-first challenger banks

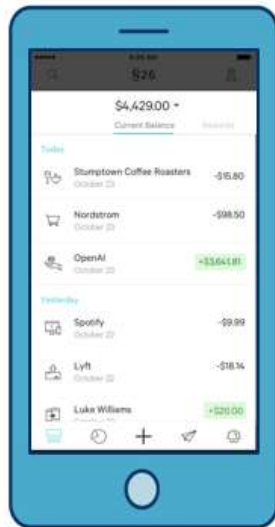
N 26

Mar'18 // \$160M Series C

\$500M - \$750M Valuation

Select Investors:

Allianz X & Tencent Holdings



PARTNERS

Payments



Payments



Insurance



Lending



Savings



Wealth management



Atom bank

Mar'18 // \$207M Series D

\$1.25B Valuation

Select Investors:

BBVA & Toscafund Asset Management



GLOBAL FINTECH VC-BACKED EQUITY FUNDING IN Q1'2018:

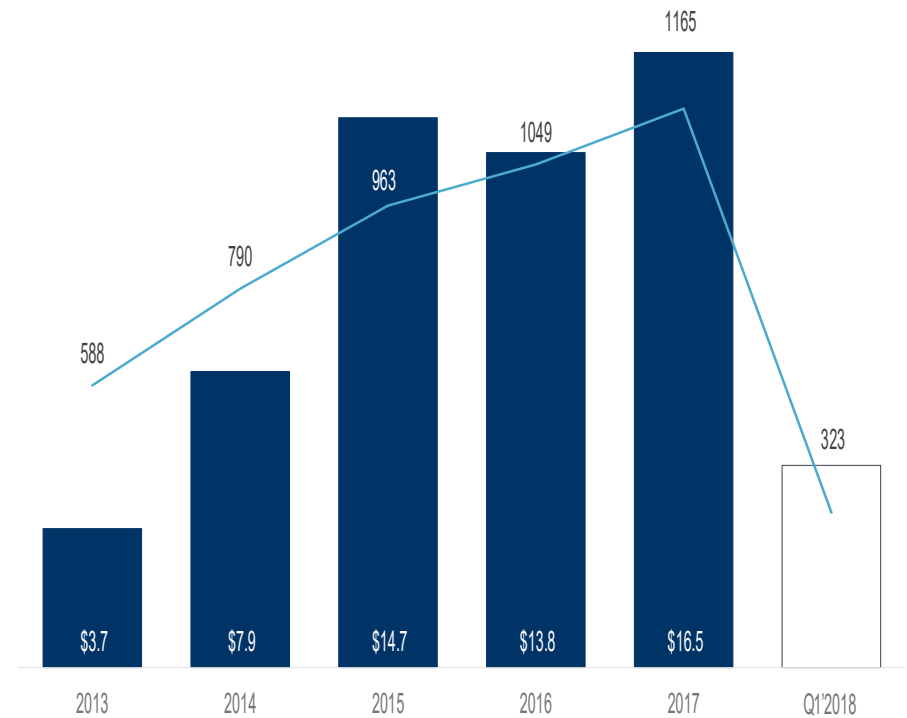
\$5.4 BILLION

ACROSS

323 DEALS











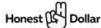



















Global fintech investment on pace for new high

Annual VC-backed global fintech deals and financing, 2013 – 2018 (Q1'18), (\$B)



Top banks are finally picking up fintech acquisitions

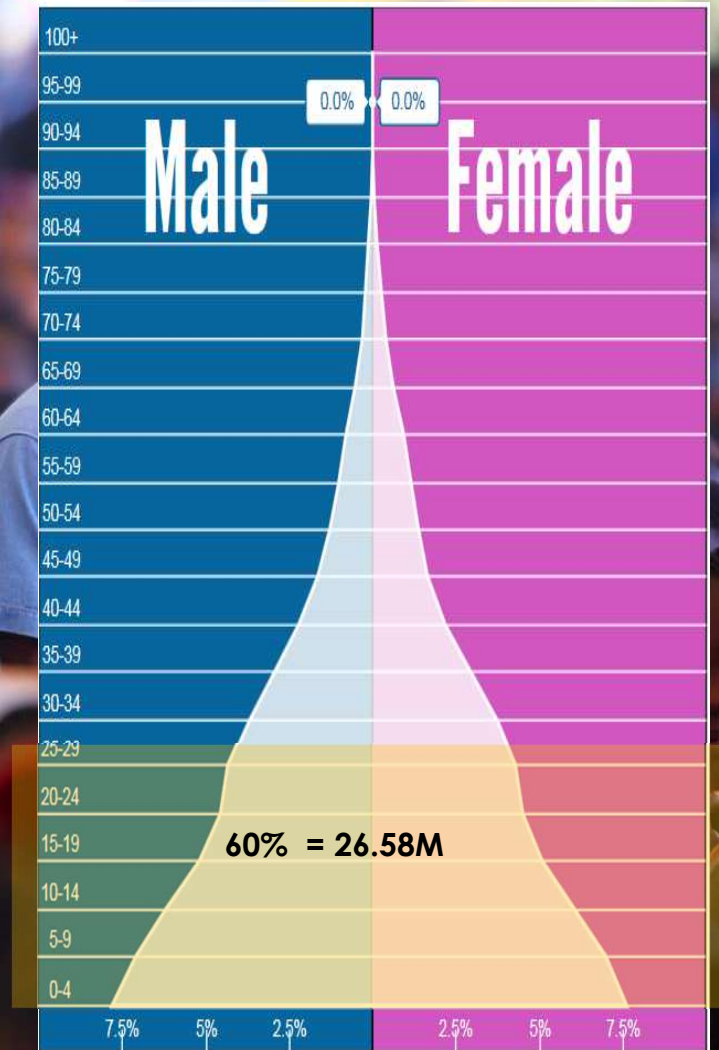
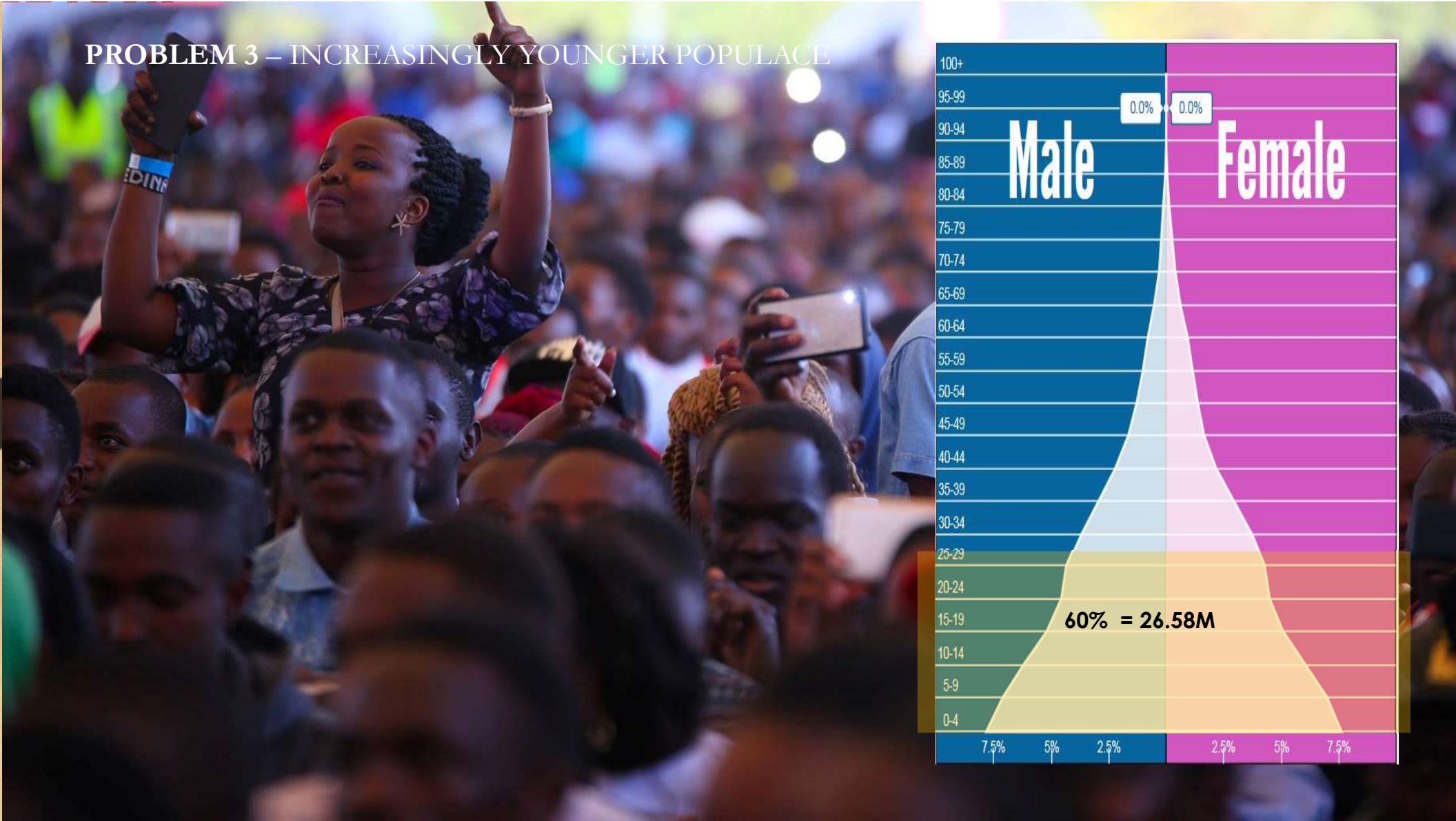
2013 – 2018 YTD (04/16/2018)

	Artificial Intelligence	Capital Markets Tech	Digital Banking	Lending & Credit	Alternative Payments	Personal Finance	Real Estate	Wealth Tech
			  					
				 				
								
						 		
					 			
								
								
								
								
								

Acquired after September 1, 2017 =  Startup acquired for talent = 

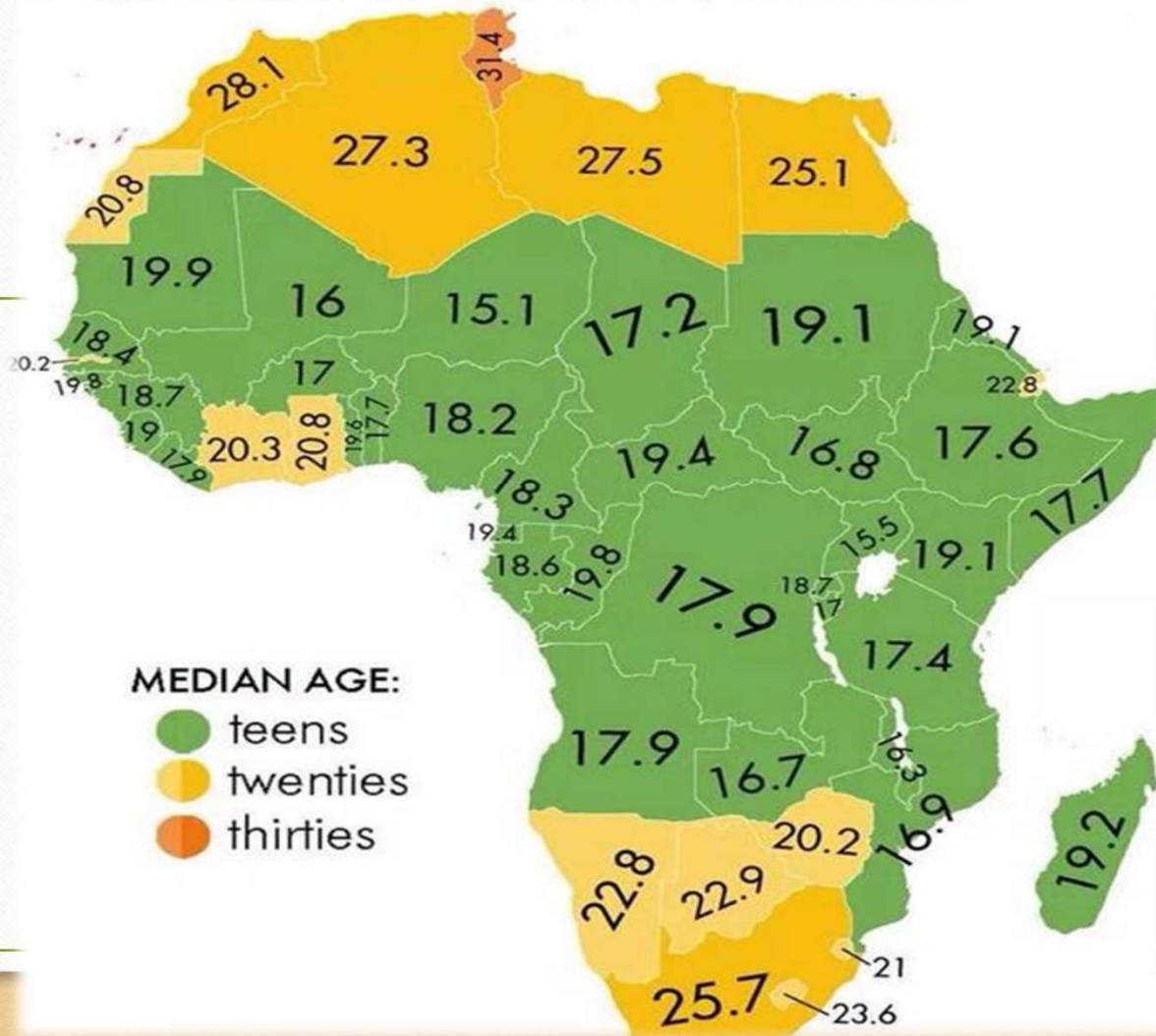
- 20 fintechs have been acquired by banks
- 40% of acquisitions occurred in the last 7 months
- The latest was Goldman's acquisition of PFM app Claritymoney in April 2018

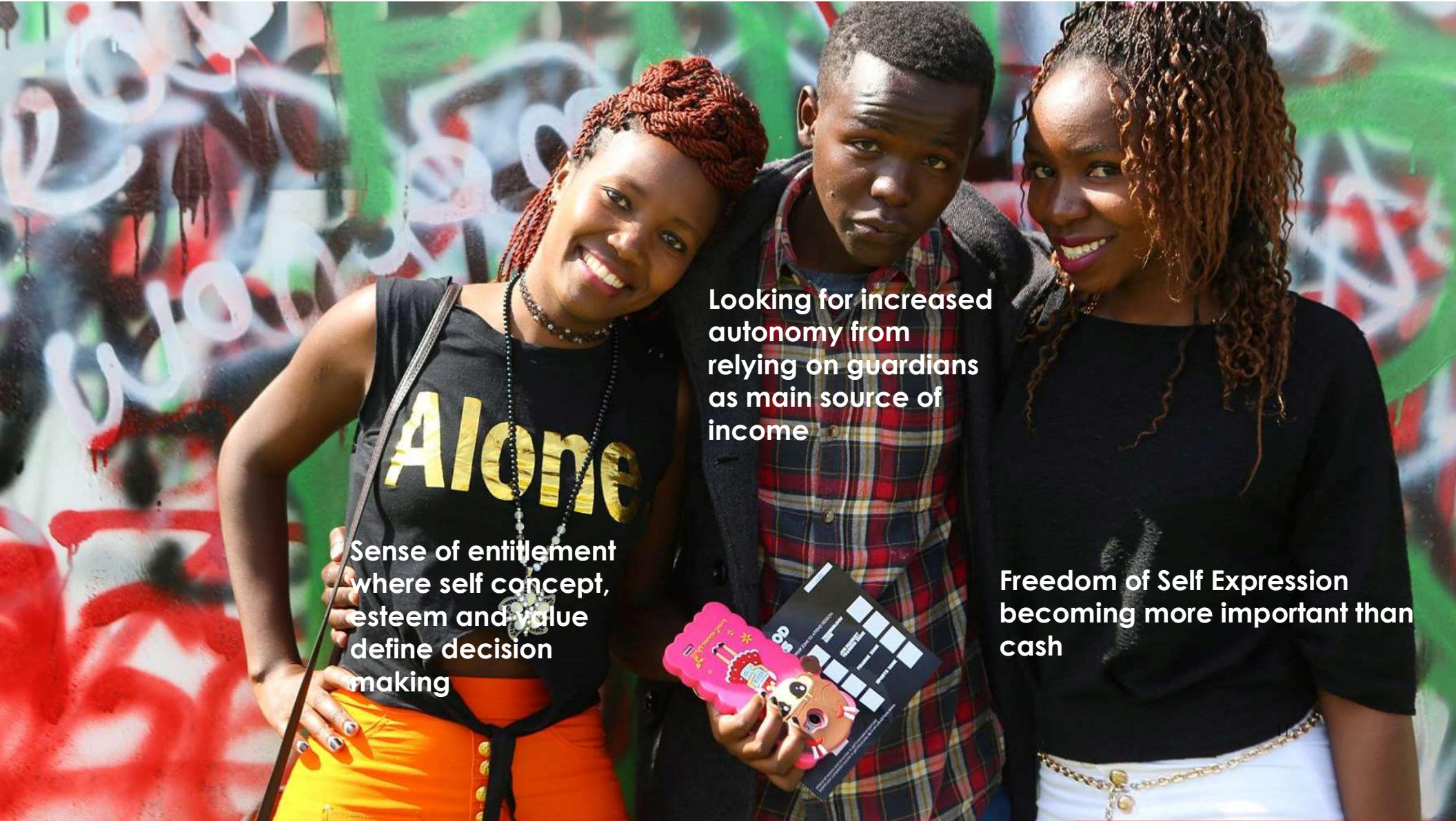
PROBLEM 3 – INCREASINGLY YOUNGER POPULACE



Africa: MEDIAN AGES

gp





Sense of entitlement where self concept, esteem and value define decision making

Looking for increased autonomy from relying on guardians as main source of income

Freedom of Self Expression becoming more important than cash

Current BANK challenges??

- Time consuming & Inconvenient - LONG QUEUES
- There is mistrust/ Hidden charges
- Need for Financial illiteracy
- Unfriendly Environment in the banking halls - GLOOMY
- Mobile Banking applications are not user friendly and are perceived as being insecure.
- High mobile costs for performing basic banking tasks.
- Bank offerings are too general and lack personalization.
- Lack of seamless change over of accounts
- Lack of washroom areas at banking halls

What does this mean for a BANK??

Millenials are shunning traditional banks and going for smaller banks because of flexibility and innovation and responsiveness to their needs

They have no problem of switching banks if you remain inflexible!

Overhaul of the Mobile Proposition

- Youth friendly App
- Self and Real Time Account registration
- Free Internal Funds Transfers
- No debit card required for cash access at ATM or Agent
- USD 0.05 Balance check & USD 0.3 ATM fee
- No monthly fees
- Instant loans applied and disbursed on Mobile

Transaction Migration

1. Culture change driven from the Top
2. Experiential customer onboarding
3. Selling a service not a product
4. Centralized data mining, synthesis and provision of leads

Growth in Mobile Banking Revenue

