

## Disruptive Innovation and Credit information markets

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Shchelovanova Natalia

Global Innovation and ecosystem, InnovEcos Lead

14 june 2022/

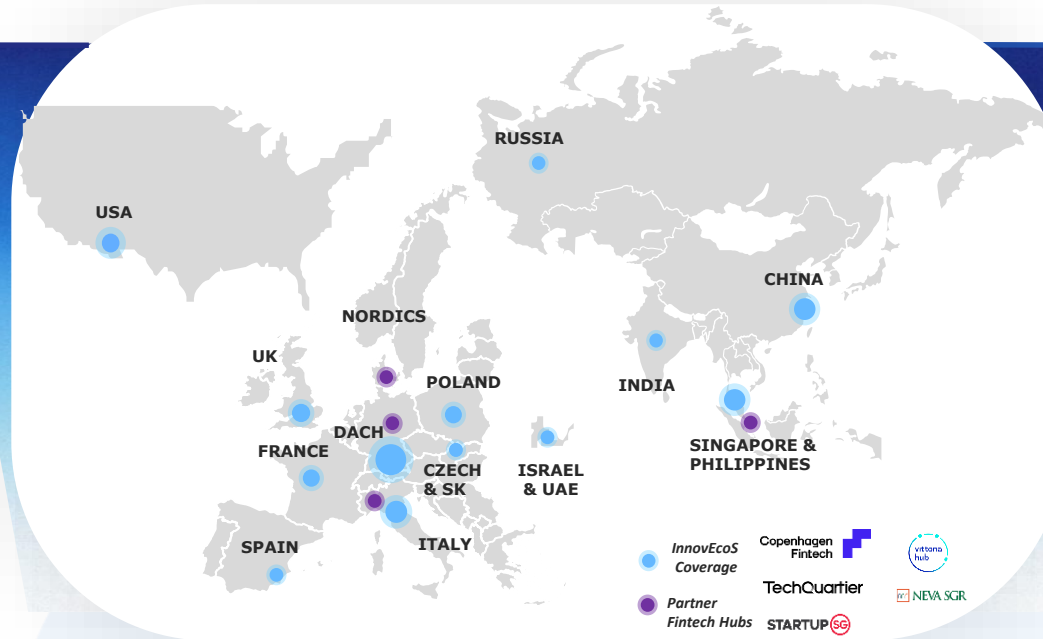
# WHO WE ARE

**InnovEcoS** is a network of **multidisciplinary professionals**, passionate about innovation with +5 to +25 years of **experience** within the **Fintech Industry** acting as local hotspots across the globe, Fintech Accelerators and Market Opinion Leaders.

Supported by **CRIF Global Ecosystem** of professionals, partners, projects multiplied by 30+years of Customer, Data, Products, Services Growth And Experiences.

## KNOWLEDGE

- Digital Transformation
- Advanced & Big Data Analytics
- Open Innovation
- Credit & Risk management
- Regulatory and Public Relations
- Business and Consumer Information
- Product Design & Customer Journey



## PROFESSIONALS

- IT & Product
- Management Consultants
- Project Managers
- Business Analysts & Data Scientists
- Project Delivery
- DevOps
- Solutions Architects

## Key drivers

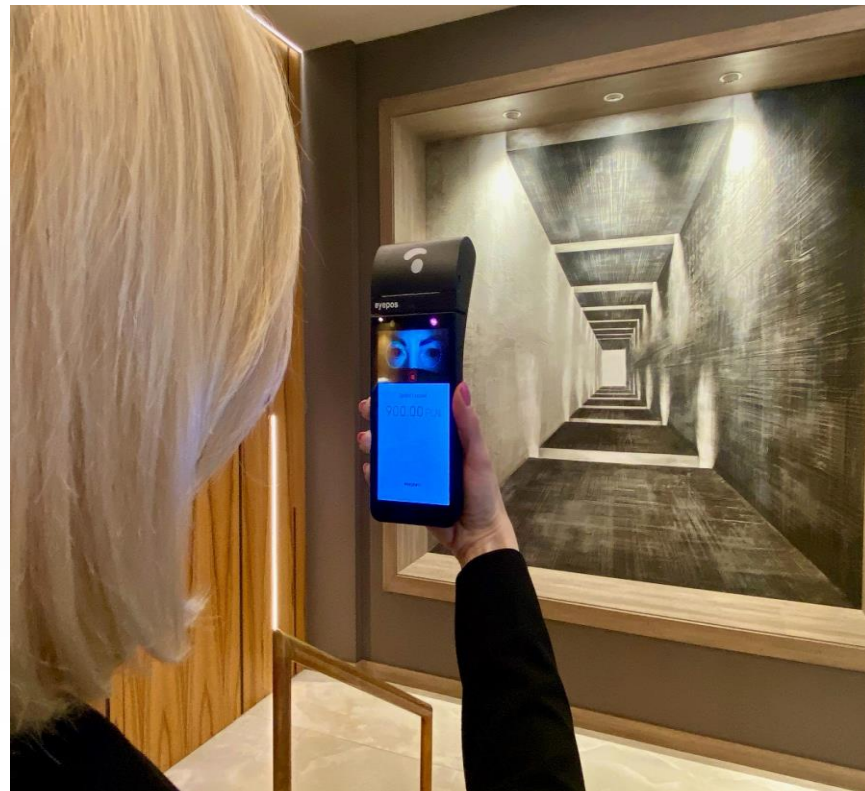
- Payments and financial services development to a status quo
- Reaching a lifestyle economy
- Access to finance by open startups ecosystems
- Metazens – vanguards of future market spirali.





## Key enablers.

- Open banking enabling open platforms
- From ecosystem extending to SuperApp and/or embedded finance models
- GAFA extending services beyond
- New technologies
- Alternative data

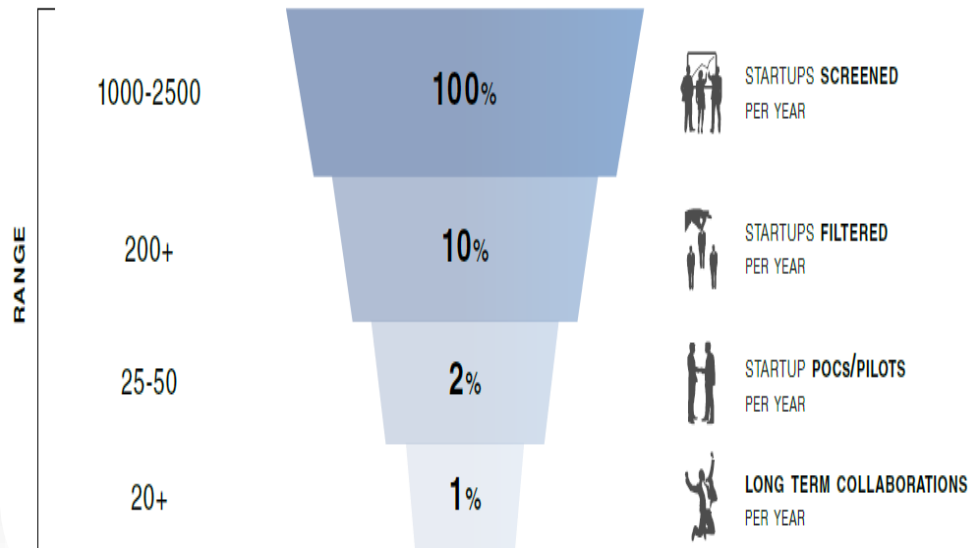




### Key changes.

- Open Innovation adaptation and Culture transformation
- Copernican mindset acceleration
- Partnering and coopetition through experimenting, testing and failing

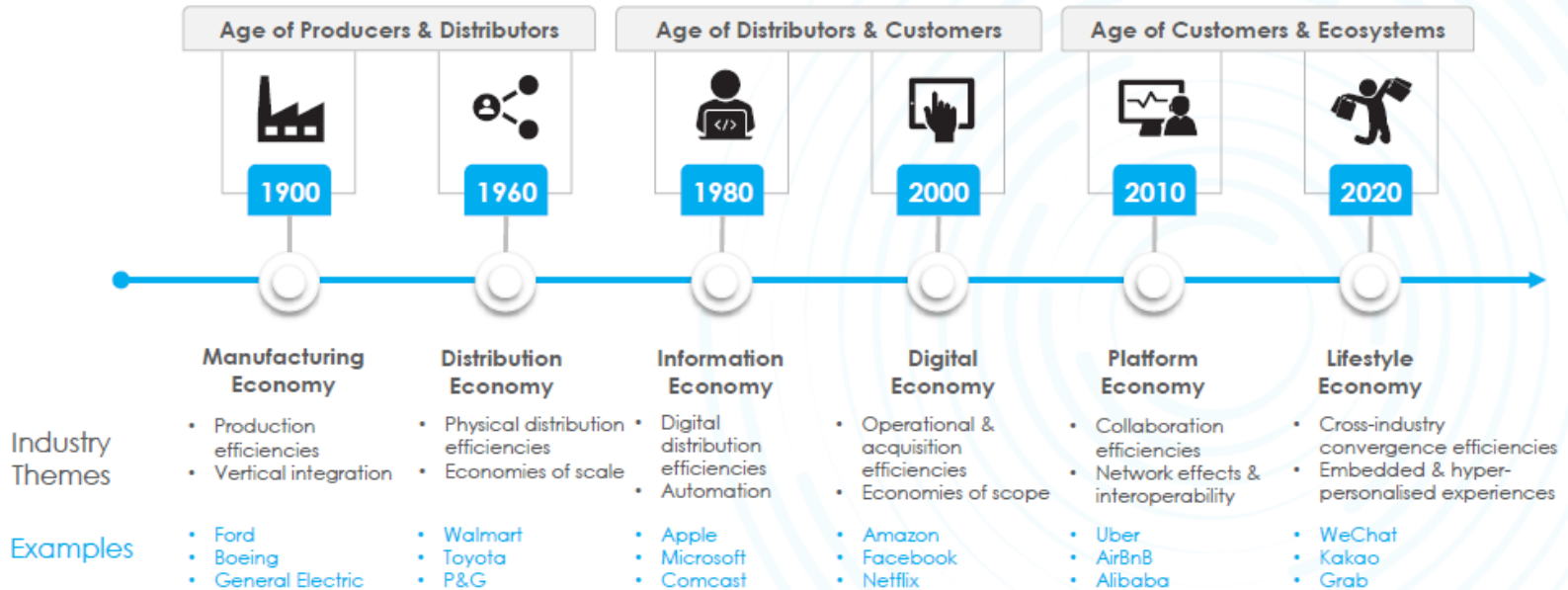
FIGURE 9  
VENTURE CLIENT FUNNEL





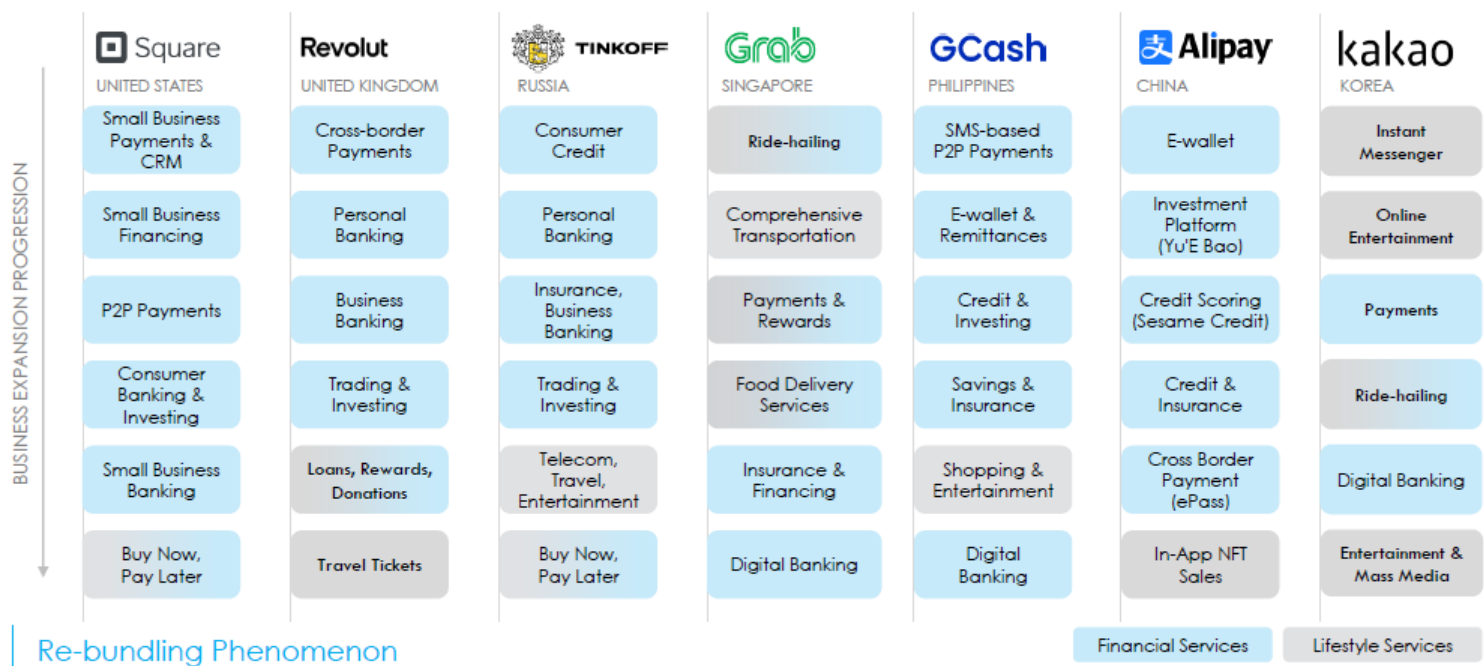
By 2024, mainland China and the U.S. will account for more than 61% of the global fintech transaction value.

# THE RISE OF LIFESTYLE ECONOMY



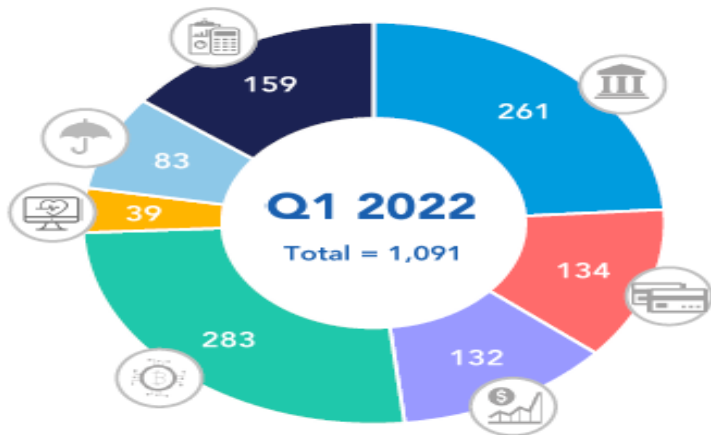


## Fintech Evolution: From Unbundling to Re-bundling

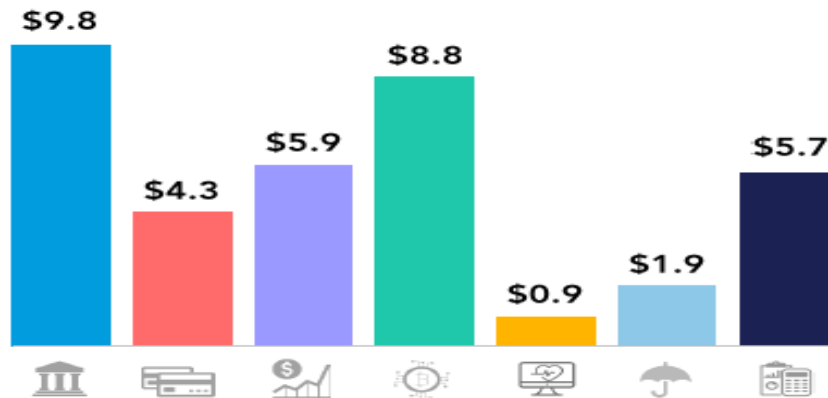


## Q1 2022 Global FinTech Financing by Sector

Number of Financing Transactions



Financing Volume (\$ in billions)



**KEY**



# The Metaverse changes profoundly the CJ of younger generations



**More than just Gaming**

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Metaverse platforms



**Digital banks**

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Metaverse can boost blockchain based DEFI solutions



**Digital << Physical**

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The Metaverse is blurring the lines between our physical and virtual worlds



**Digital payments**

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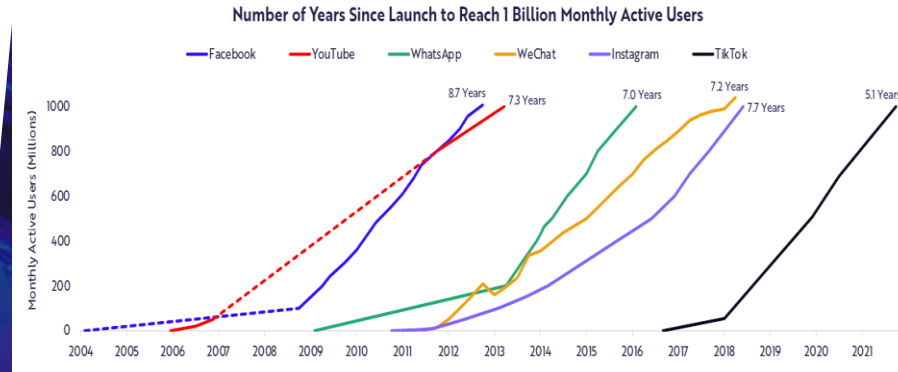
Metaverse can boost blockchain based payments and digital wallets

**“The potential for the metaverse is truly disruptive. How significant will it be?”**

McKinsey, April 2022

*The Metaverse, in its proto-form today, already started to change profoundly how we consume, socialize, and manage money online.*

*Younger generations, GenZ and millennials have been fast in adopting the new technologies forming the Metaverse. This will profoundly change how they will consume as the Metaverse develops.*





13% of the population  
70% are willing to pay to access the  
Metaverse

The Citizens of the Metaverse (or  
“Metazens”) embody these four key macro  
trends:

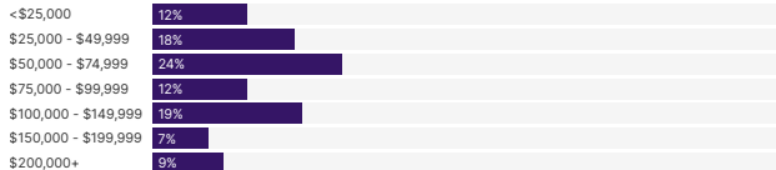
- Adopting Web 3.0
- Intertwining the virtual with the  
everyday
- Dispelling fear that alternate reality can  
detract from the physical world
- Investing in purely virtual assets

Source: [Oliver Wyman](#)

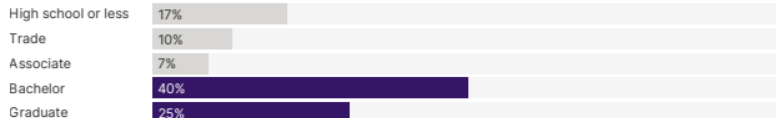


## The „Metazens“ are the vanguards of an immense market opportunity Who are they?

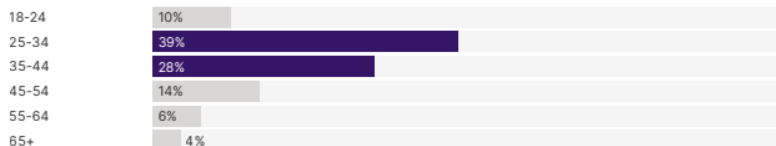
### Are all incomes



### Are college-educated



### Skew Millennial



### Are mostly urban



### Skew male

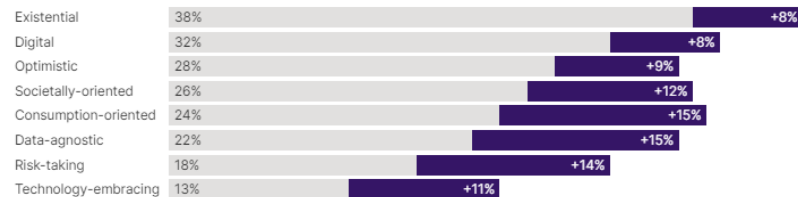


Source: Oliver Wyman Forum Global Consumer Sentiment Survey 2021

### Relative to the general population, Metazens are more...

Global US DE FR UK BR ES MX IT CA

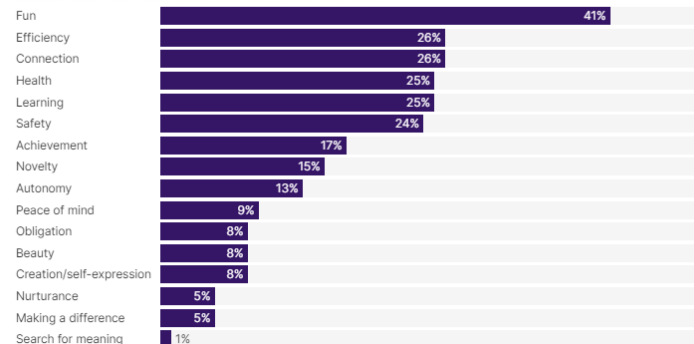
General population Metazens increase in agreement



Source: Oliver Wyman Forum Global Consumer Sentiment Survey 2021

### Why do you want to participate in the metaverse?

Global US DE FR UK BR ES MX IT CA



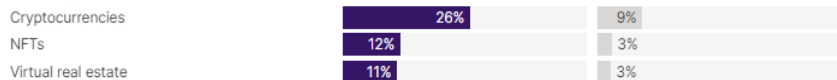
Source: Oliver Wyman Forum Global Consumer Sentiment Survey 2021

# What do they do?

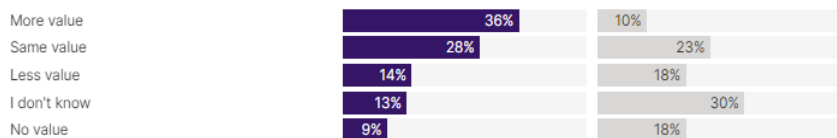
## They invest in purely virtual assets

Global US DE FR UK BR ES MX IT CA

### What do you invest in?



### How do you perceive the value of virtual assets relative to traditional financial investments?



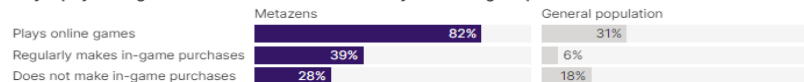
NFT = Non-fungible token

Source: Oliver Wyman Forum Global Consumer Sentiment Survey 2021

## For them, Gaming is the entry-point

Global US DE FR UK BR ES MX IT CA

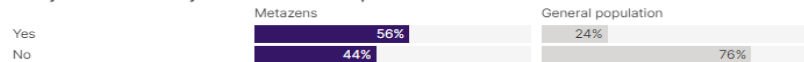
### Do you play online games that simulate another world? Do you make in-game purchases?



### Do you use or have you used an online fitness subscription?



### Have you ever attended any virtual entertainment experiences?




Source: Oliver Wyman Forum Global Consumer Sentiment Survey 2021

“It’s going to be an entirely new way to have fun and experience the world.”



# Metaverse: Emergence of a New Economy



**Nike** acquired RTFKT, a startup that designs exclusive virtual shoes as NFTs. Each NFT provides exclusive rights to the owner – such as exclusive digital goodies, a private room (pod) in the Metaverse, or **the physical shoes** matching the NFT.



**Digital >> Physical**

Brands experiments NFTs as a loyalty tool



**Virtual Real Estate**

Dealing, Owning, Renting Virtual Land



**\$501 Mio**  
total sales of real estate in the Metaverse in 2021

**\$7 Mio USD**  
revenues created by ICE Poker virtual casino in Decentraland in the last 3 months




NFT Collateral Agreement  
**8,080,000 DAI**  
101 CryptoPunks

Facilitated by **MetaStreet**

March 2022


**NFT-backed Loans**

DeFi Liquidity Protocols allows borrowers to use the NFTs they own to access the liquidity




**User Generated**

Content is created by digital creators, earning revenue from their creations.



**Play-to-Earn**

Online games where the player can receive rewards with real-world value.



**AXIE Infinity** is a popular battle game in South East Asia. Requiring upfront investment to start, lenders can borrow their assets to gamers who play and share the tokens earned. The tokens can be sold on any crypto exchange. This led to a complex new ecosystem of gamers guilds and scholarships, that helped Filipinos improve their lifestyle via financial inclusion and a new source of income.

**\$8 Mio USD**  
record amount borrowed by one wallet (unknown borrower) in March 2022, collateralized with 101 JPEG artworks.

“By 2026, 25% of people will spend at least **one hour a day** in the Metaverse for work, shopping, education, social media and/or entertainment.” Gartner(4)

” In the next five to 10 years, a lot of this is going be mainstream.” Mark Zuckerberg

„a complete metaverse will take at least eight years to develop.” Gartner (10)

“By 2030, users will spend 52% of their free time online and 48% offline.” Ark Invest (11)

# EMBEDDED SERVICES

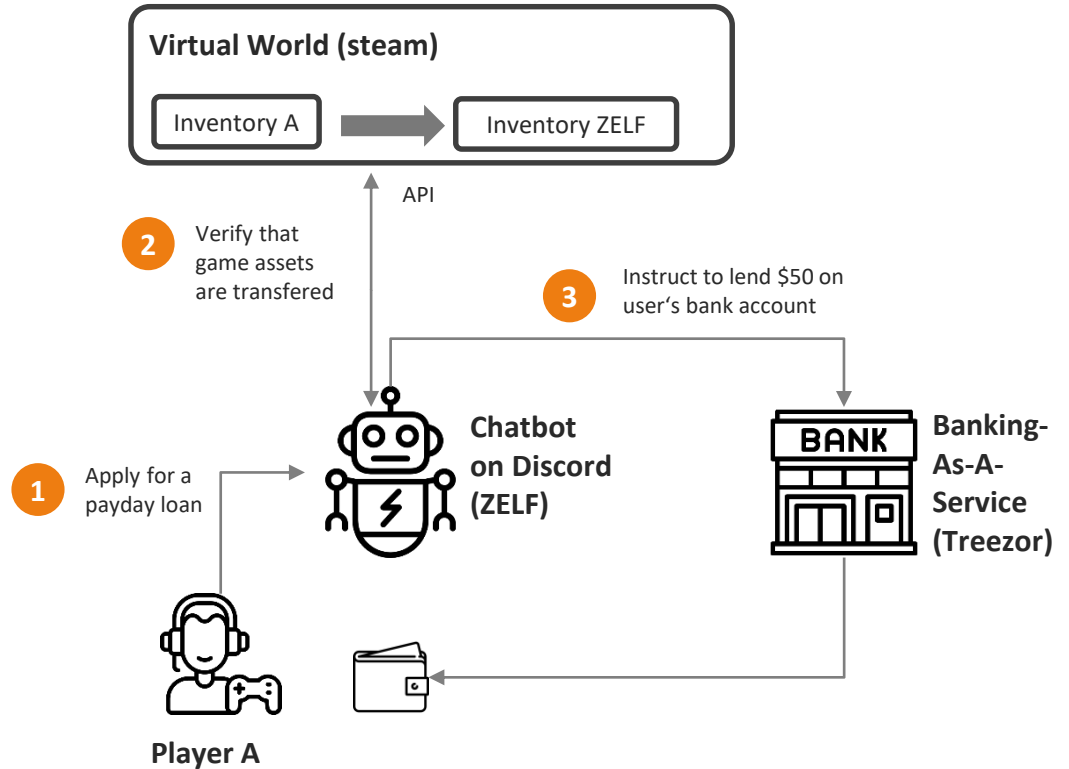
## ZELF - BANKING FOR GENZ GAMERS

Zelf is building an embedded banking system for exchanging value from virtual worlds to the real world in conjunction with a bank account. It already offers embedded banking in messenger apps.

Zelf acts as a trusted intermediary required to secure payment transactions

### Lending using digital assets as escrow

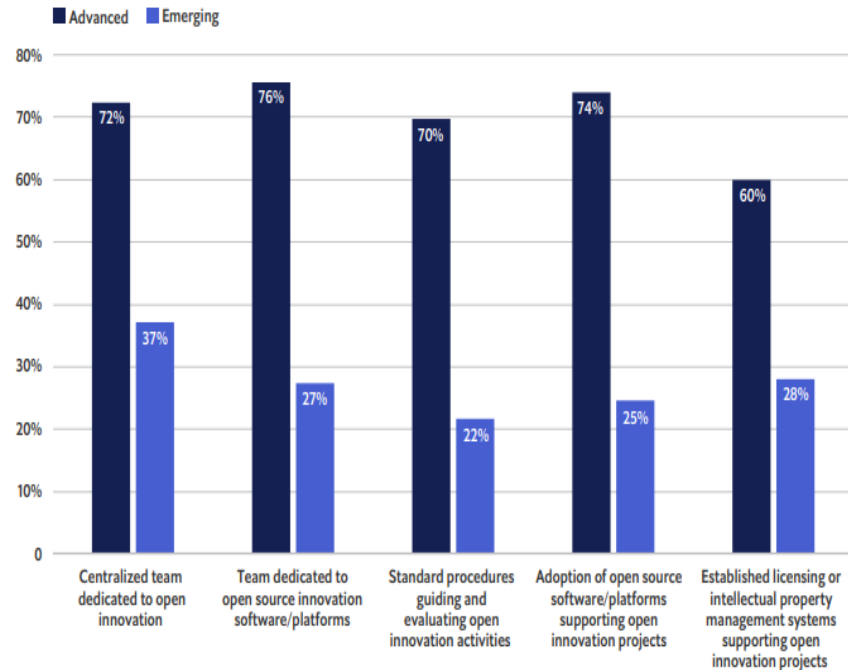
In a typical scenario, a 17-year-old boy might have \$2,000 in tokens inside a video game, but needs \$50 in real-world dollars for a date with his girlfriend. Zelf would hold the game tokens in escrow and provide the player with a payday loan. If the person couldn't repay, Zelf would sell the game tokens on its marketplace to other players to compensate for the loss.



# Open innovation trends by main actors

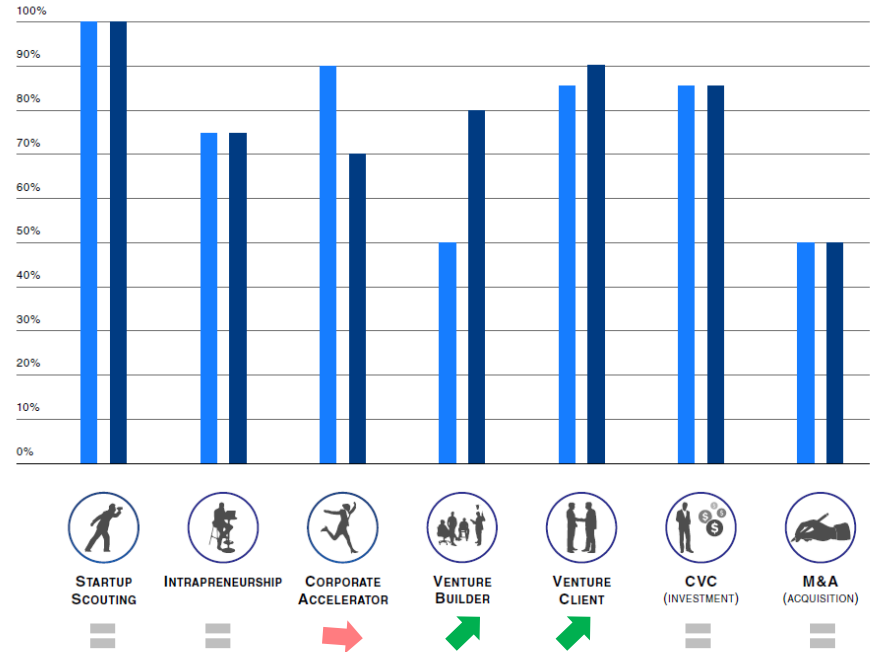
Figure 1. Adoption of supportive OI practices in advanced and emerging organizations

Source: Economist Impact survey



## Open Innovation Tools – Outlook 2022

Source: MindTheGap 2021, edited by InnovEcoS





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<https://www.crif.com/innovecos>

**THANK YOU !**

**InnovEcoS**

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# InnovEcoS

Disruptive Innovation and Credit  
information markets

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ASIA Landscape

Graziani Gabriele  
Head of Consulting – CRIF Singapore  
CRIF InnovEcos , Asia.

Credit in ASIA – Setting the Context

# Financial Inclusion

Digital-First Population

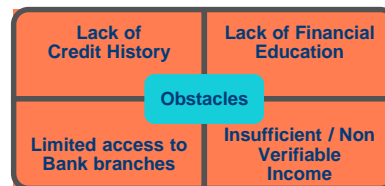
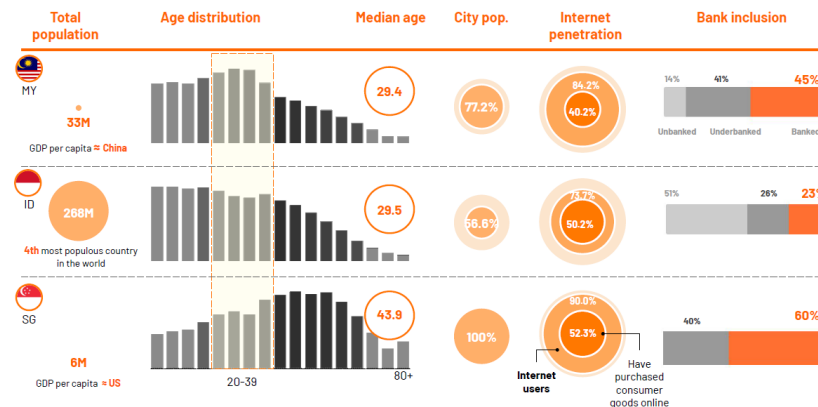
Median Age: 32

Highest # of Mobile Devices per cap.

Highest # of Social Accounts / Users

Credit Lending Growth of 20% Y/Y until 2025

Unbanked (50%) | Underbanked (25%)  
«Growth Engine» in Digital Financial Services



Embedded Finance



# Lifestyle SuperApps – The new Digital Journey

China has developed **SuperApp Ecosystems** long before anyone else, starting from **Payments** and expanding to **Financial Services** in an integrated fashion

	Payments	Lending	Wealth Mgmt.	Digital Bank	Insurance	Others
Tencent 腾讯	微信支付 WeChat Pay QQ	WeBank 微众银行 东方财富	东方财富	WeBank 微众银行	weSure 微保	腾讯证券
蚂蚁集团 ANT GROUP	支付宝 ALIPAY	芝麻信用 花呗 网商银行 MYBank	余额宝 天弘基金 蚂蚁财富	网商银行 MYBank	蚂蚁保险服务 ANT Insurance Service	股票 阿里云 ALICLOUD







Source: World Economic Forum

## Lifestyle SuperAPPs in South East Asia – From Ride Hailing

		PARTNERS / INVESTOR	SERVICES	COUNTRIES
<p><b>SOUTH EAST ASIA - SUPER APP</b></p> <p>From ride hailing to financial services (and Digital banking)</p>	 <p>Indonesia 2010</p>	<ul style="list-style-type: none"> <li>2022 Listed in Indonesia Stock Ex.</li> <li>Decacorn 25+ B\$ after merging with largest Indonesian e-Commerce player Tokopedia</li> </ul>	<p><b>Products and Services</b></p> <p><b>Transport &amp; Logistics</b></p> <ul style="list-style-type: none"> <li>goride Two-wheeler taxi</li> <li>gobox Moving service</li> <li>gocar Rideshare taxi</li> <li>gobluebird Regular taxi</li> <li>gosend Package delivery</li> </ul> <p><b>Payments</b></p> <ul style="list-style-type: none"> <li>gopay Mobile wallet</li> <li>gotagihan Pay bills online</li> <li>paylater Order now, pay later</li> <li>gogive Make donations</li> <li>gosure Insurance coverage</li> <li>goinvestasi Invest smart</li> </ul> <p><b>Food, Shopping, Entertainment &amp; Business</b></p> <ul style="list-style-type: none"> <li>gofood Food delivery</li> <li>gomart Grocery delivery</li> <li>gomed Teledoc services</li> <li>goplay Streaming service</li> <li>gotix Online ticket sales</li> <li>gobiz Run &amp; grow a business</li> </ul>	<ul style="list-style-type: none"> <li>Indonesia</li> <li>Vietnam</li> <li>Singapore</li> <li>Thailand</li> <li>Philippines</li> </ul>
	 <p>Singapore 2012</p>	<ul style="list-style-type: none"> <li>SPAC in NASDAQ / USA</li> <li>Singtel - largest Telco in Singapore, partnership for Digital banking license</li> <li>Decacorn 15+ B\$ raised from banks, large car and tech companies</li> </ul>	<p><b>Products and Services</b></p> <p><b>Deliveries</b> Alternative to traditional dining options including home-cooked food and dine-in restaurants</p> <p><b>Express</b> Ride on the wave of e-commerce with parcel delivery service</p> <p><b>Mobility</b> Alternative to modes of transport including trains, buses and private cars</p> <p><b>Digital Advertising</b> Alternative to traditional advertising mediums including prints, television, billboards, classifieds</p> <p><b>Financial Services</b> Digital Wallet &amp; GrabPay Card</p> <p><b>Insurance</b> Invest Loans</p> <p><b>PayLater</b></p> <p><b>Remittance</b></p>	<ul style="list-style-type: none"> <li>Malaysia</li> <li>Singapore</li> <li>Indonesia</li> <li>Philippines</li> <li>Vietnam</li> <li>Thailand</li> <li>Cambodia</li> <li>Myanmar</li> </ul>





























## Lifestyle SuperAPPs – From E-Wallets | Insurance

			PARTNERS / INVESTOR	SERVICES	SEA COUNTRIES
<b>LOCAL MOBILE WALLET</b>  Start with payment moving to credit	    <i>Vietnam 2010</i>	Leading SEA Super App providing delivery, mobility and fin. Serv.  23M users, 12k partners and 100k POS	<ul style="list-style-type: none"> <li>• <b>200 -300 M\$</b> raised from investment fund (Warburg Pincus and Goodwater) and invest. bank (Goldman Sachs)</li> <li>• <b>Partnership with 28 Viet banks</b> for investment and micro loan service</li> </ul>	<ul style="list-style-type: none"> <li>• <b>E wallet</b> and <b>mobile payment</b> (pay online, peer to peer transfer, top ups, utility bills payment,..)</li> <li>• <b>Consumer finance</b></li> <li>• <b>Insurance</b></li> <li>• <b>BNPL</b></li> </ul>	<ul style="list-style-type: none"> <li>• Vietnam</li> </ul>
	    <i>Philippines 2004</i>	Mobile wallet, mobile payments and branchless banking service  46M active users and 2.5M merchant	<ul style="list-style-type: none"> <li>• <b>Owned by Mint</b> (joint venture between Ant Group, Ayala Group and Globe Telecom)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Mobile wallet</b></li> <li>• <b>Mobile payment</b></li> <li>• <b>Remittance</b></li> <li>• <b>E commerce market place</b></li> <li>• <b>BNPL (Gcredit)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Philippines</li> </ul>
<b>LOCAL INSURTECH</b>  Provide financial experience to insurance playground	    <i>Singapore 2012</i> <b>Inno</b>	Digital insurer that offers life coverage and insurance savings plans with a connected Financial Experience	<ul style="list-style-type: none"> <li>• <b>Acquired in 2020 75% of Aviva Singapore</b>, with the combined entity valued SG 3.2 B\$</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Saving</b></li> <li>• <b>Investment</b></li> <li>• <b>Insurance / Life coverage</b></li> <li>• <b>Debit Cards</b></li> </ul>	<ul style="list-style-type: none"> <li>• Singapore</li> </ul>

Battle for Digital Space

# Digital Banking License – The Consortia Model

	 	 	 	 	  	  
<b>Key expertise (industry)</b>	Infra. conglomerate Diversified tech	Diversified tech Telecommunications	Banking Telecommunications / payment	Finance, Payment, Private equity fund	Diversified conglomerate Lending, Banking	Wealth management, Credit cooperative, Investment, Fintech, Speedmart chain
<b>HO</b>	  MY SG	  MY SG	 MY	 MY	   MY CN TH	   MY SG CN
<b>Digital Bank licence</b>	Singapore - Full (Sea)	Singapore - Full (Grab & Singtel)	-	-	Singapore - Wholesale (Linklogis )	China - Provides digital banking tech for Yillion Bank (Yillion Fintech)
	Infrastructure + Ecomm + Fin.Serv + Gaming	SuperApp + Telco	Bank + Telco + Payment	Airline + Payment + Priv.Equity	Conglomerate (Tencent / Wechat)  SupplyChain Financing	CH Digital Bank Gov. Cooperative Fintech Investment

ASIA - Alternative Data Sources for Decision Making

## From Ecosystem to Alternative Data (Bureaus)

**Credit History  
(Traditional)**

- + Payment Transactions
- + Digital Footprint
- + Psycho-graphic/metric
- + Footfall / GeoLocation
- + E-Commerce
- + BNPL
- Social Media
- LifeStyle

+

**Open Banking  
(Income Verification)**














**Telco Data**

=

**Decision  
Making**

OpenBanking ASIA vs Worldwide

# OpenBanking – Regulatory Enablement

			Open Banking Regulation	Digital Banking License	Regulatory Sandbox	Instant Payments Rails	National QR Code	Digital KYC Policy
AMERICAS		Canada	🟡	🔴	🟢	🟡	🔴	🟢
		United States	🟡	🔴	🟢	🟡	🔴	🟢
		Mexico	🟢	🔴	🟢	🟢	🟢	🟡
		Brazil	🟢	🟢	🟢	🟢	🟢	🟢
EUROPE		United Kingdom	🟢	🟢	🟢	🟢	🔴	🟢
		European Union	🟢	🟢	🟢	🟢	🔴	🟢
AFRICA		Nigeria	🟢	🔴	🟢	🟢	🟢	🔴
		South Africa	🔴	🔴	🟢	🟡	🔴	🔴
MIDDLE EAST		Saudi Arabia	🟡	🟢	🟢	🟢	🟢	🔴
		UAE	🔴	🟢	🟢	🟢	🔴	🟡
ASIA PACIFIC		Hong Kong	🟢	🟢	🟢	🟢	🔴	🟢
		Singapore	🟢	🟢	🟢	🟢	🟢	🟢
		Australia	🟢	🟢	🟢	🟢	🔴	🟢

Source: Regulator circulars, industry reports and announcements up to August 2021.

🟢 Launched/Implemented    🟡 Work-in-progress    🔴 No developments



# Thank You



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# InnovEcoS

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information markets

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**UNITED STATES OF AMERICA**

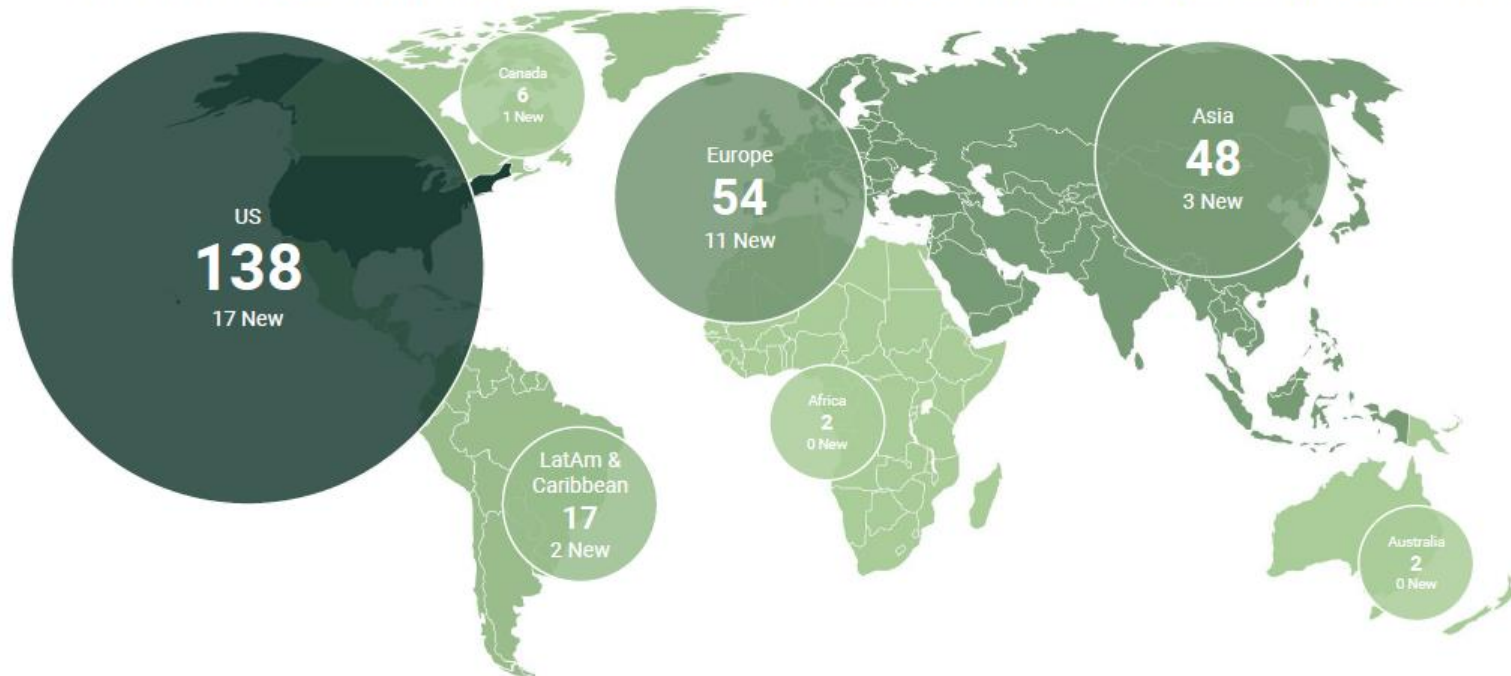
**Prashant Bhardwaj**  
**InnovEcos, US market**

## US FINTECH HIGHLIGHTS





## The US leads in fintech unicorn births in Q1'22, followed by Europe and Asia



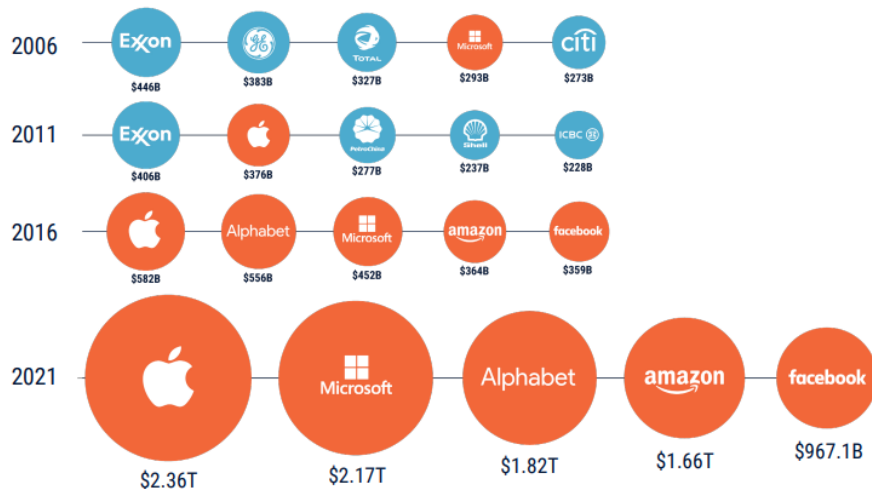


## US FINTECH INNOVATIVE TRENDS

### Technology is eating every industry

Top 5 publicly traded companies (by market cap)

● TECH ● OTHER



“We are a technology company.”



Marianne Lake

JPMORGAN  
CHASE & CO.

“We are a technology company.”



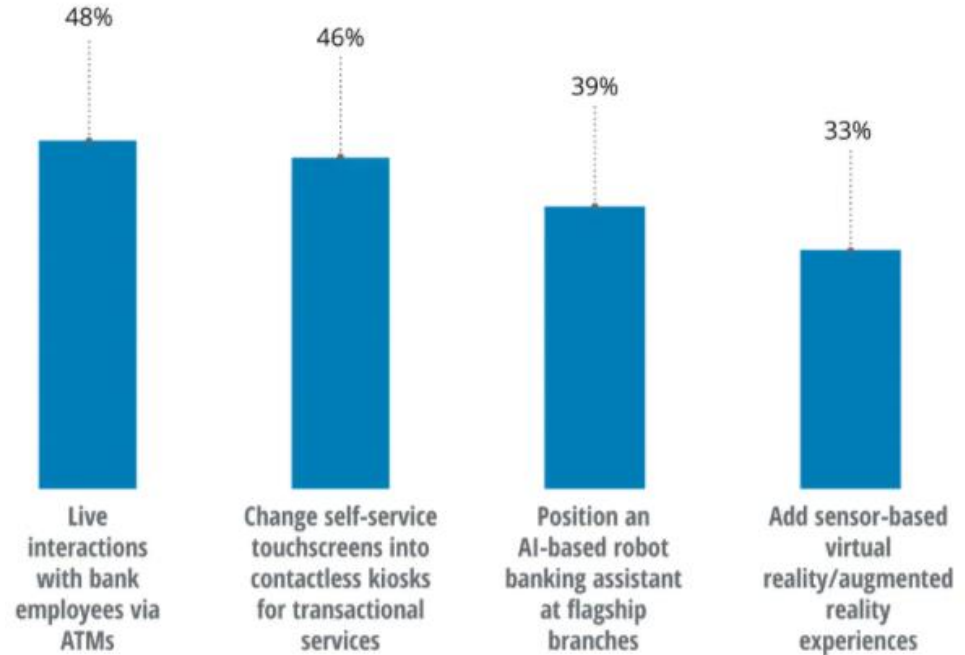
Lloyd Blankfein

Goldman  
Sachs

## US BANKS : More Digital capabilities

- JPMorgan Chase
- Bank of America
- Wells Fargo bank
- Citigroup
- U.S. Bancorp
- TD bank
- Capital One

Digital changes being considered





## Gig workers

Qwil, Oxygen, Move



**Disabled**  
InnovEcoS  
consumers

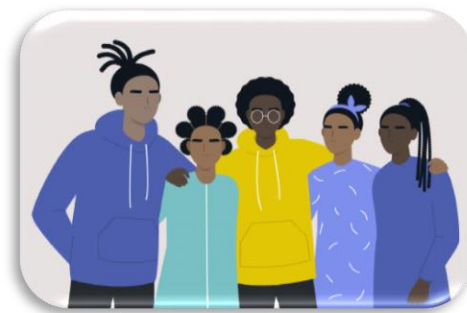


COMMUNIT  
Y  
BANKING



## Environmentally-conscious consumers

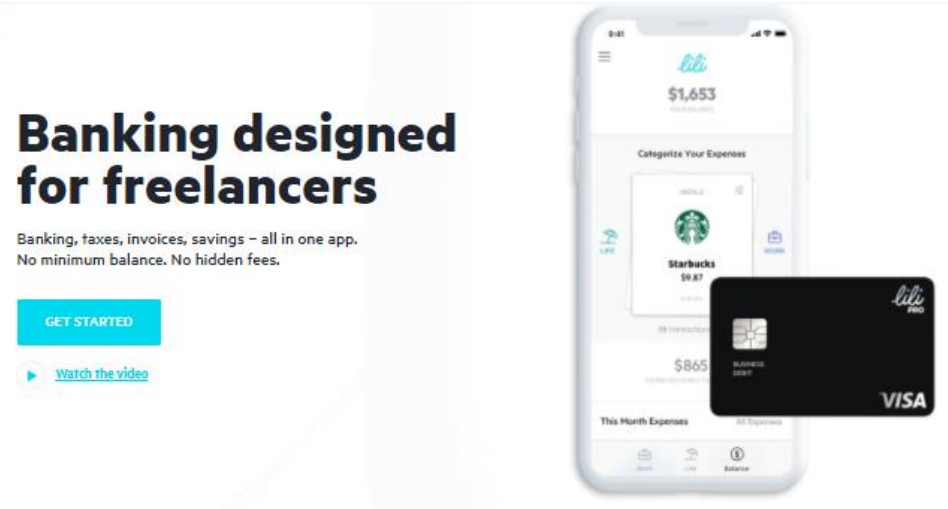
Aspiration, Greenpenny, Ando



**Afro-Asian**  
communities

## Lili: Banking for gig workers

- Approximately **60 million freelancers** in the U.S.
- Freelance economy experienced a **700%** increase in transactional volume since the beginning of the pandemic
- No min. balance, no hidden fees, tax savings, fee-free overdraft
- Currently has over **200,000** active accounts



**Banking designed for freelancers**

Banking, taxes, invoices, savings – all in one app.  
No minimum balance. No hidden fees.

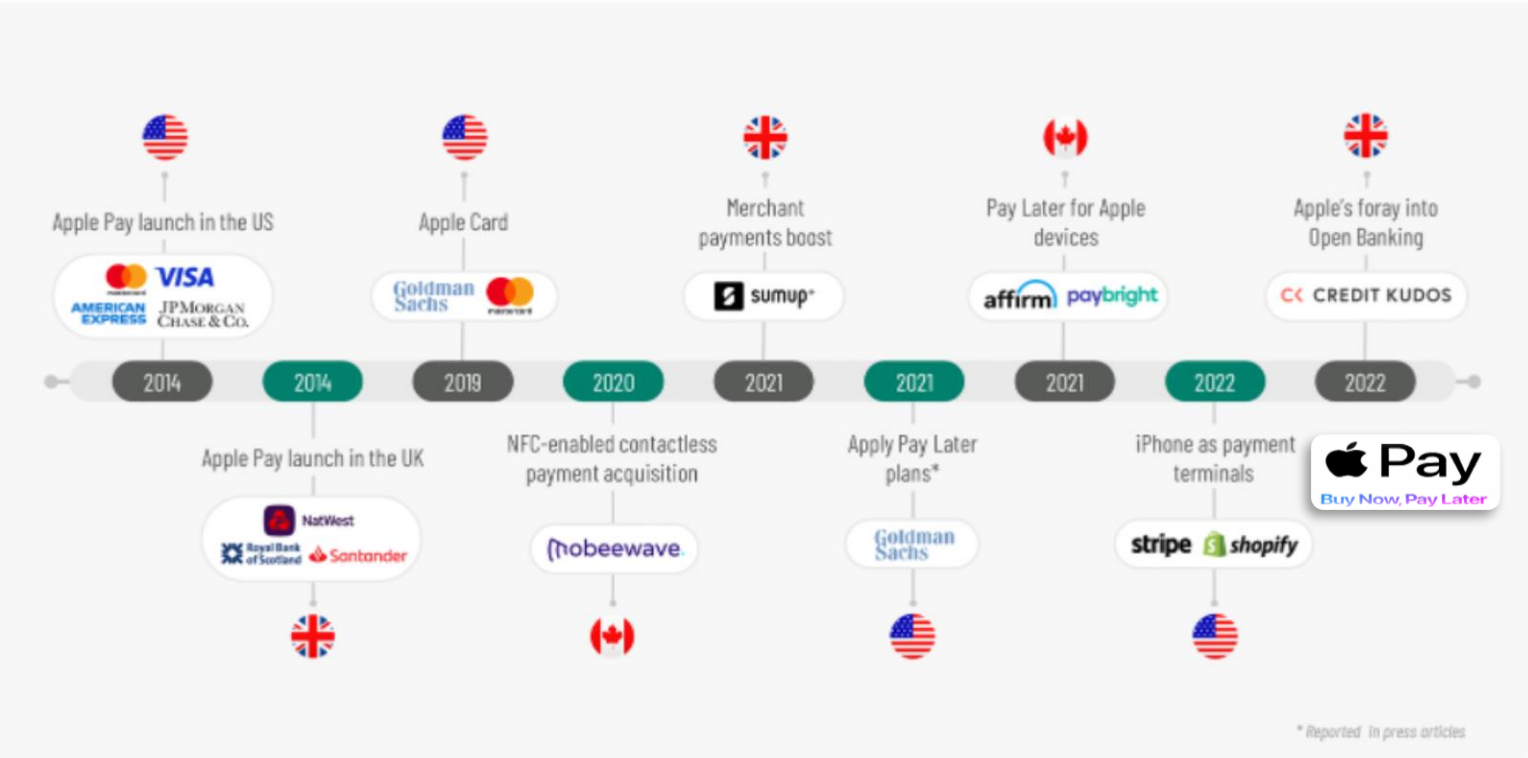
[GET STARTED](#)

[Watch the video](#)

The image shows a smartphone displaying the Lili app interface. The app shows a balance of \$1,653, a section for categorizing expenses with a Starbucks transaction of \$9.87, and a total of \$865 for this month's expenses. A Lili Visa card is shown in the foreground, partially overlapping the phone screen.



# Apple's FinTech Warchest



\* Reported in press articles

	Payments	Credit	BNPL	Deposits	Financial Mgmt
	 <b>Apple Pay</b> (Entry Product)	 <b>Apple Card</b>	 <b>Apple Pay Later</b>	 <b>Apple Cash</b>	 <b>Apple Card</b>
	 <b>Card Reader</b> (Entry Product)	 <b>Square Capital</b>	 <b>Afterpay</b>	 <b>Square Cash</b>	 <b>CashApp</b>
	 <b>Shopify Payments</b> (Entry Product)	 <b>Shopify Capital</b>	 <b>Affirm</b>		
	 <b>Acceptance</b> (Entry Product)	 <b>Venmo Card</b>	 <b>PayPal Pay in 4</b>	 <b>Venmo</b>	 <b>Honey</b>
	 <b>Money Services</b> (Entry Product)	 <b>Co-branded Card</b> (Entry Product)	 <b>Affirm</b>	 <b>MoneyCard</b>	 <b>MoneyCard App</b>
	 <b>AmazonPay</b> (Entry Product)	 <b>Amazon Lending</b>	 <b>Affirm</b>		
	 <b>Google Pay</b> (Entry Product)	 <b>Google Store Financing</b>	 <b>Afterpay</b>	 <b>Google Pay Send</b>	 <b>Google Pay</b>
	 <b>FacebookPay</b> (Entry Product)				
	 <b>QB Acceptance</b> (Entry Product)	 <b>QB Capital</b>		 <b>QB Cash</b>	 <b>Mint</b>

# ALL ABOARD THE CRYPTO TRAIN

## The Steps and Leaps Taken by Financial Institutions

	DeFi/Blockchain Startup Investment	Invested in Crypto Assets	Crypto Trading for Clients	Digital Asset/Blockchain Division	Ancillary Crypto Services	Crypto/Blockchain Transactions	Stablecoin
JPMORGAN CHASE & CO.	✓	✓	✓	✓	✓	✓	✓
Morgan Stanley	✓	✓	✓	✓	✓	✗	✗
Goldman Sachs	✓	✓	✓	✓	✓	✗	✗
citibank	✓	✓	✓	✓	✗	⚬	✗
VISA	✓	✓	⊘	✓	✓	✓	✗
mastercard	✓	✗	⊘	✓	✗	✓	✗
Standard Chartered	✓	✓	✓	✓	✓	✓	✗
BARCLAYS	✓	✓	✗	✓	✓	⚬	✗
BNP PARIBAS	✓	✓	✓	✓	✓	✓	✗
BBVA	✓	✓	✓	✓	✓	✓	✗

✓ Yes | 
 ✗ No | 
 ⚬ Successful completion of pilot trails | 
 ⊘ Not applicable

\*As of Dec 2021, based on public announcements and press releases

# Banks in the Metaverse

## American Express

In early March 2022, **American Express** filed seven trademark applications related to NFTs and the metaverse with the U.S. Patent Office.

One is for e-commerce software that lets consumers perform electronic business transactions in the metaverse. Another is for the “provision of an online marketplace for buyers and sellers of digital media, namely, non-fungible tokens.” A third is for assistance with electronic transfers of money and banking services in the metaverse.





**“Crif InnovEcos is reconceptualising business models from competition to contribution.”**

**THANK YOU**

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# InnovEcoS

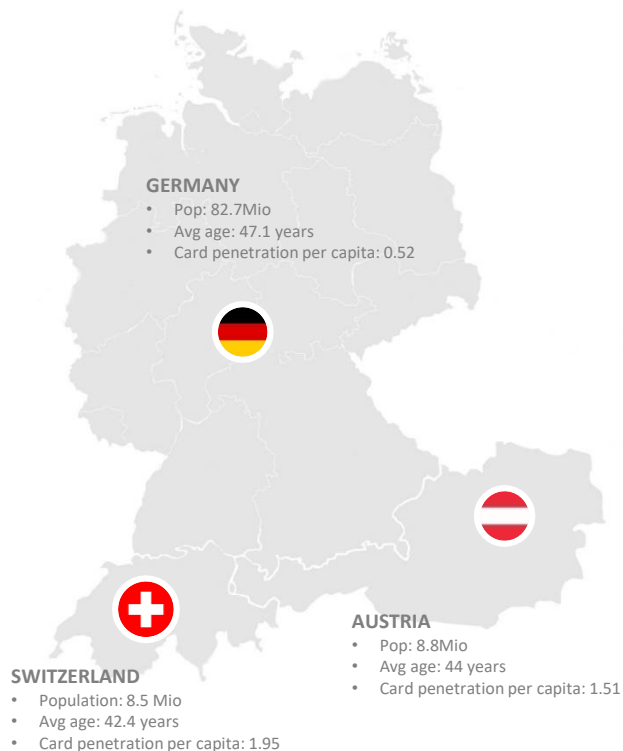
Disruptive Innovation and Credit  
information markets

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Focus on the DACH Region

Olivier Mathurin

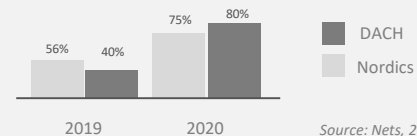
CRIF InnovEcos, DACH market



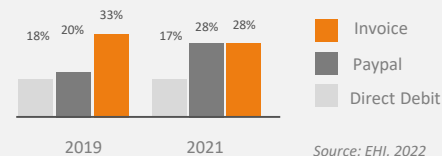
**Wealthy and educated:** DACH is home to 100 Millions people.  
**Highly banked** - 2300 banks, (1500 banks alone in Germany).  
Bank penetration: 98-99%



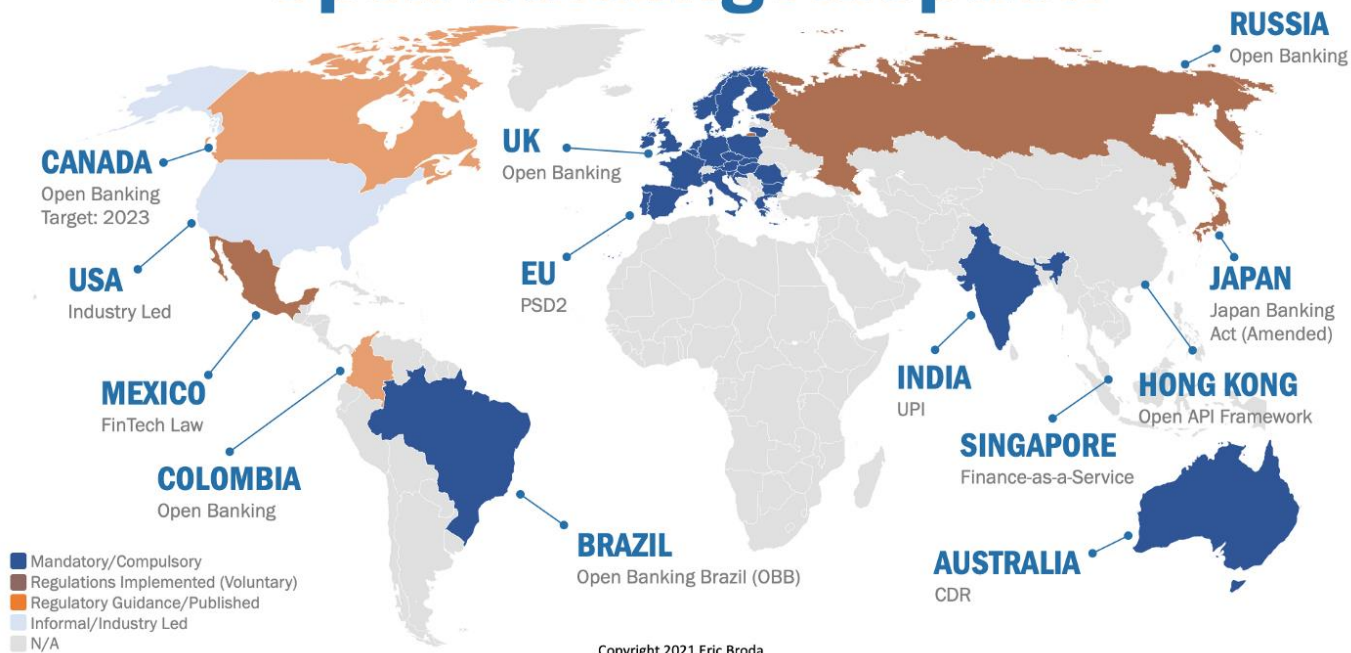
**Contactless transactions** surged in cash loving Germany, Austria and Switzerland



Online Payments: **PayPal** and **Invoice Payment** are equally the most popular methods.



# Open Banking Adoption



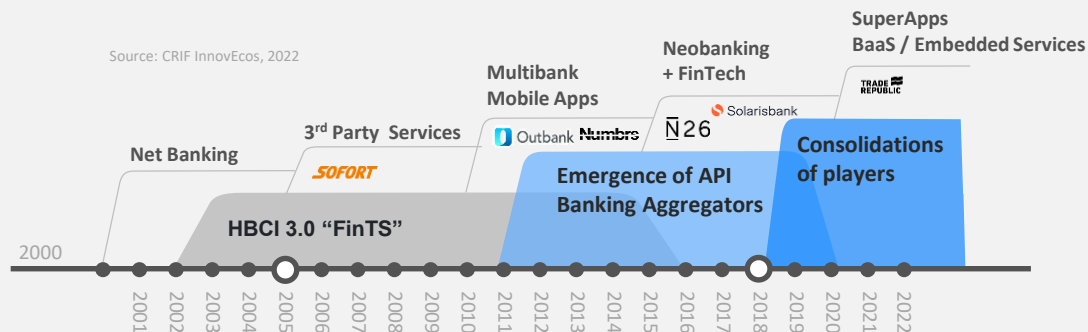
Copyright 2021 Eric Broda

SOURCE: Eric Booda



## Open Banking drives innovation since over 20 years in Germany

- Evolved from an EARLY ADOPTER of Account aggregation (web scrapping) to a mature market
- Emergence of few local players only due to segmented highly banking market



### Consolidation into global players of PSD2-as-a-Service:

- 2021: Tink (now VISA) acquired FintectSystem
- 2022: Yapily acquired finAPI from Schufa

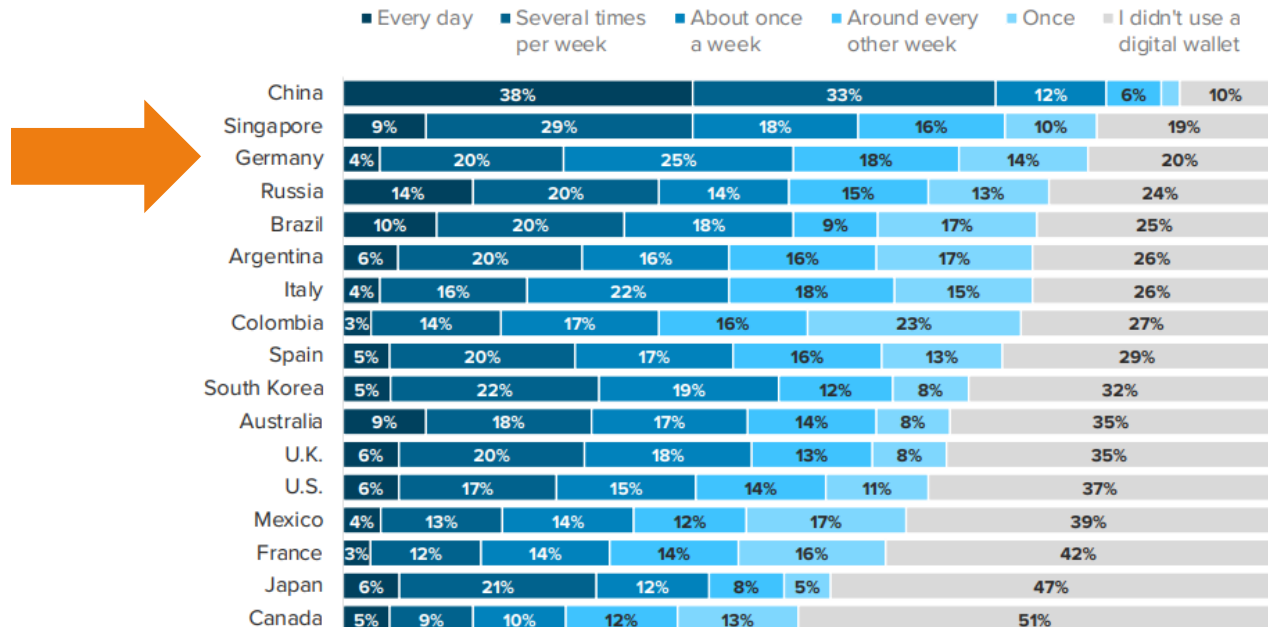
135 licenced AIS  
in Germany



1,056 fintech  
startups

Germany is the 2<sup>nd</sup> largest  
FinTech market in Europe,  
4<sup>th</sup> largest in the world.

### Digital wallet usage, February 2022



Source: Morning Consult (May, 2022)

Disruptive Innovation in DACH

## SuperApps

**Almost two-thirds of German citizens** use apps like Paypal, Klarna and Trade Republic

**3 out of 10** would even use an all-encompassing application for various financial topics. However, many have safety concerns.

Those surveyed expect:

- a better overview of the entire financial situation (62%)
- no longer have to switch between different websites and apps to take care of their financial affairs (59%)
- security concerns (48%)
- fear of problems when depending on just one service (45%)
- data protection (41%)

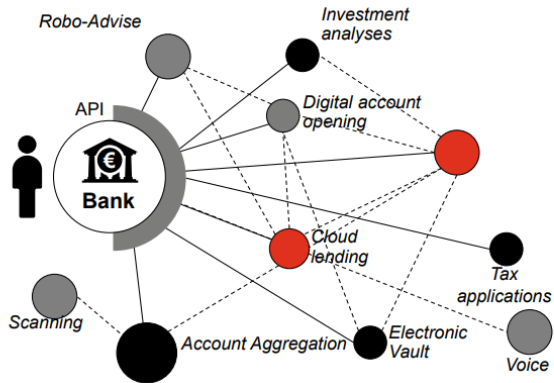
Source: Handelsblatt, YouGov, DE-CIX, April 2022

Disruptive Innovation in DACH

# How do Banks react: Two flavours of Ecosystem Growth

A bank can try to scale its own ecosystem with third party services and/or expand into partner ecosystems selling unique capabilities as a service

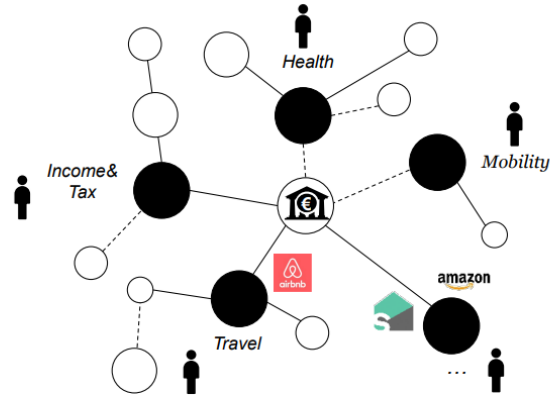
**Banks' Ecosystem:** bank is primary customer interface, adding third party services to a basic bank with an API layer



PwC's Digital Services  
Platform Banking & Digital Ecosystems

● End-to-end banking products

**Partners' Ecosystem:** bank as node in partner ecosystem, selling unique capabilities as a service



● Enabling components

● Plug-in value added services

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## Disruptive Innovation in DACH



# Banking-as-a-Service (BaaS) powers superior Customer Experiences in Banking

Several players are game changers, offering a full suite of self-service API-based products to banks and non-bank brands alike.



Q3'21 Funding: EUR190 Mio (series C)

solarisBank is a Berlin-based fintech company that offers **Banking-as-a-Platform** (BaaP) services with its German **banking license**.

**Solarisbank raised \$224M at a \$1.65B valuation to acquire Contis, expand API-based embedded banking tech in Europe**

**Foundation:** March 2016

**Clients:** 70 companies / attracting 400,000 clients

**Staff:** 400+ (45% with tech background)

**Funding:** 450M+ (ABN Amro, BBVA, Finleap, VISA, Samsung)

## End Users



Consumers



SMEs



Corporate

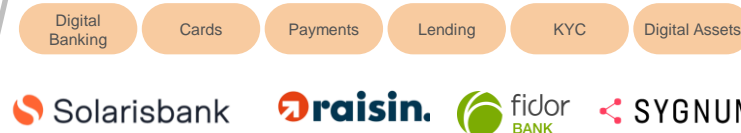
## BaaS clients

Uses these functions to launch their own solutions with their individual front-end.



## BaaS providers

Offer third parties access to back-end functions, **technology**, infrastructure, and benefit from their **full banking license**.



*BaaS Ecosystem in the DACH Region*

Source: CRIF InnovEcos, 2021

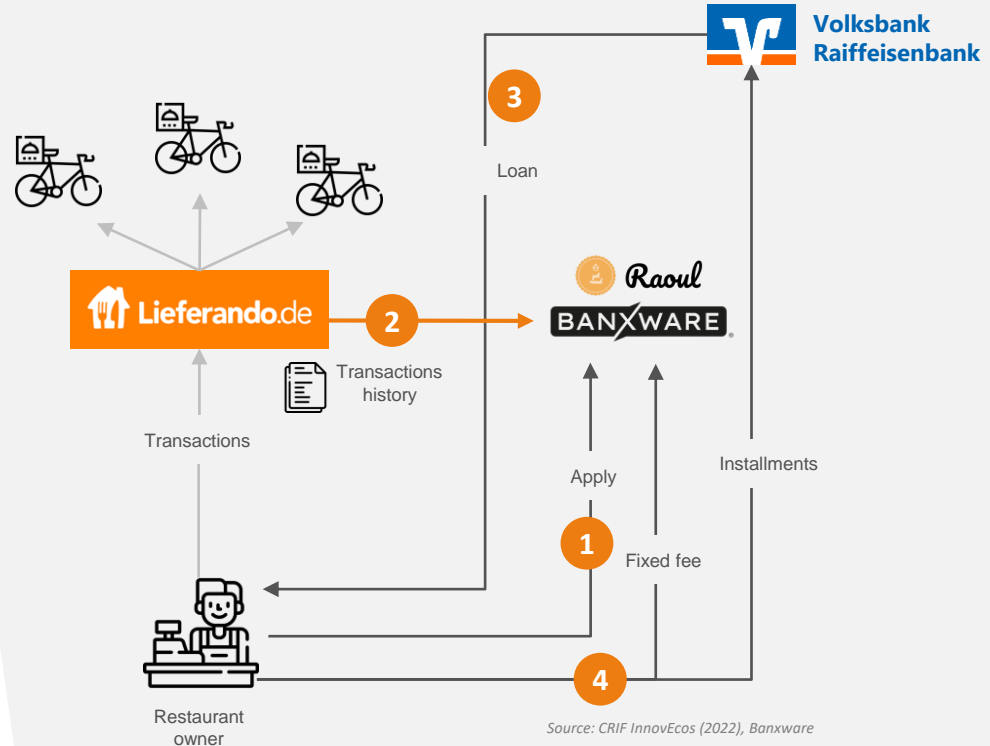
Disruptive Innovation in DACH

**Lending-as-a-Service**

Powered by Open Banking, Banking as a Service, new players such as Banxware or Credi<sup>2</sup> partner with banks and platforms to build turnkey services targeting undeserved customers segments.

**THE IDEA:** a restaurant that sells its dishes on a food delivery platform gets a loan via the platform.

- Restaurant owners can apply for a loan in a matter of minutes, based on their recent revenues.
- A typical customer receives 15,000 to 30,000 euros and has to repay the loan in 12 to 18 months
- Banxware lends against future revenues, giving the restaurants additional liquidity.
- For this purpose, applicants will only need to provide Banxware with their transaction history.
- The costs and repayment modalities are transparent: Banxware charges one fixed fee for each loan. No other fees or interest apply.




## Disruptive Innovation in DACH

# Value-Added Services



Retail Banks compete with neobanks and SuperApps by extending their offer with value-added services to their clients.

## 2021



### WALLET PAYMENTS

-  **Sparkasse** allows its 50 Mio customers to pay online with their debit card using **ApplePay** (2,5 Mio users today)

### BUY-NOW PAY LATER




-  **Sparkasse**: Added BNPL in its mobile app (Oct. 2021)
-  **Santander** introduced BNPL in Germany as pilot country.

### „HOME“ ECOSYSTEM

-  **UBS & Baloise** built a joint digital real estate ecosystem for home & living services (key4)
-  **Raiffeisen + La Mobiliare**

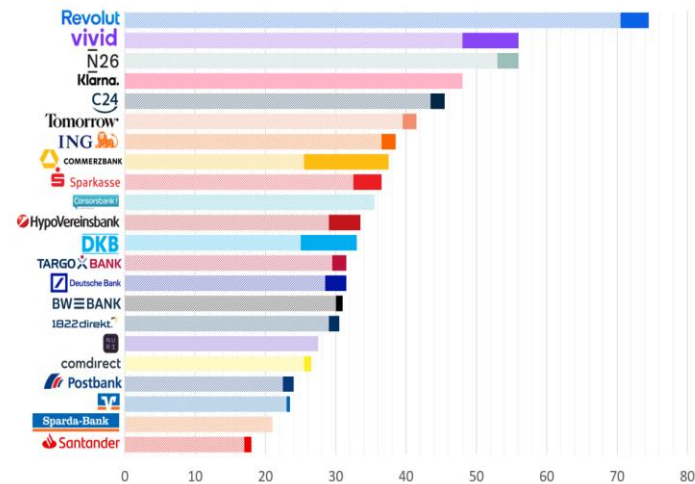
## 2022

### CRYPTO-ASSET TRADING

-  **Commerzbank** announced crypto-trading, applies for crypto custody license (Apr. 2022)
-  **Sparkasse** announced plans to enable Bitcoin trading
-  **Swissquote**

# features supported by app (Q1 2022)

Source: Optima Mobile Banking App Review Germany 2022 (4<sup>th</sup> edition)



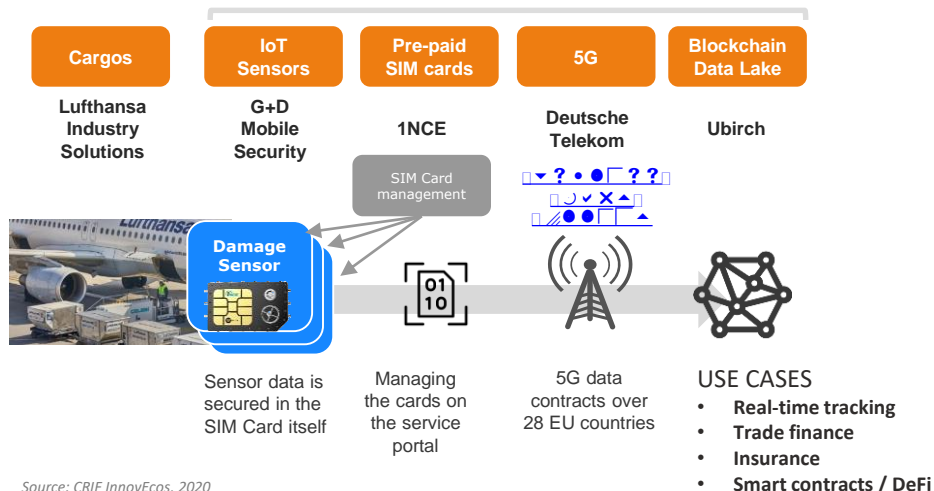
**200** partnerships already forged by banks and fintechs in Germany

## Next Wave of Disruptions

### Trust bridges between Physical and Digital Worlds

**Blockchain and 5G-enabled IoT** ensures that IoT sensors **cannot be falsified** after their creation. Blockchain on a SIM is commercially available since 2020.

#### „Blockchain on a SIM“

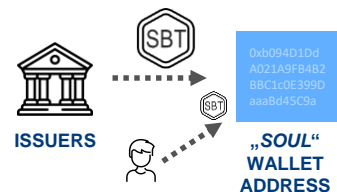


Source: CRIF InnovEcos, 2020

### Souldbound Tokens (SBTs): the new web3 credit score?

Ethereum creator Vitalik Buterin recently proposed a new kind of token standard that will help users gain insights into others' real-world activities and act as web3 credentials. This announces a next wave of disruptive web3 innovations, after the „crypto winter“. (NFT standard was created in 2018, disrupted the world in 2021)

#### Souldbound Token (2022)



#### USE CASES

- Degrees, credentials
- Web3 credit score
- DeFi uncollateralized loans
- Digital CV
- DAO voting

#### Non-Fungible Token (2018)



Source: CRIF InnovEcos, 2022



## DACH: TAKE-AWAYS

- EU's largest FinTech region is based on a mature Open Banking ecosystem
- Increasing footprint of SuperApps
- Banks in DACH build Partnerships and Ecosystems to innovate in two ways:
  - Banking As A Service
  - Value-Added Services
- Next wave of disruption:
  - Digital Assets, Unfalsifiable IoT data, NFT/Soulbound Tokens



**InnovEcoS**