

The Next Generation of Banks

A Fintech Consultancy Group (Fincog) infographic

1

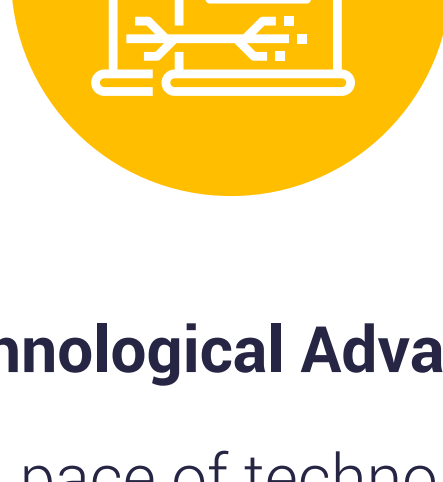
Key Drivers

Key trends are shaping the banking market globally



Changing Customer Behavior

Higher expectations, lower loyalty, more price sensitive, digital natives, expect services on-demand, lower trust



Technological Advances

Rapid pace of technological innovations, rise of Open Banking and increased use of data



Underbanked Population

Underpenetration of financial services with opportunities in underserved and overpriced niches

The Rise of Neo Banks

These trends gave room to a rise of digital banks across the globe

2

Traction of Neo Banks

250+
neo banks

number of independent neo banks

16
unicorns

number of unicorn neo banks

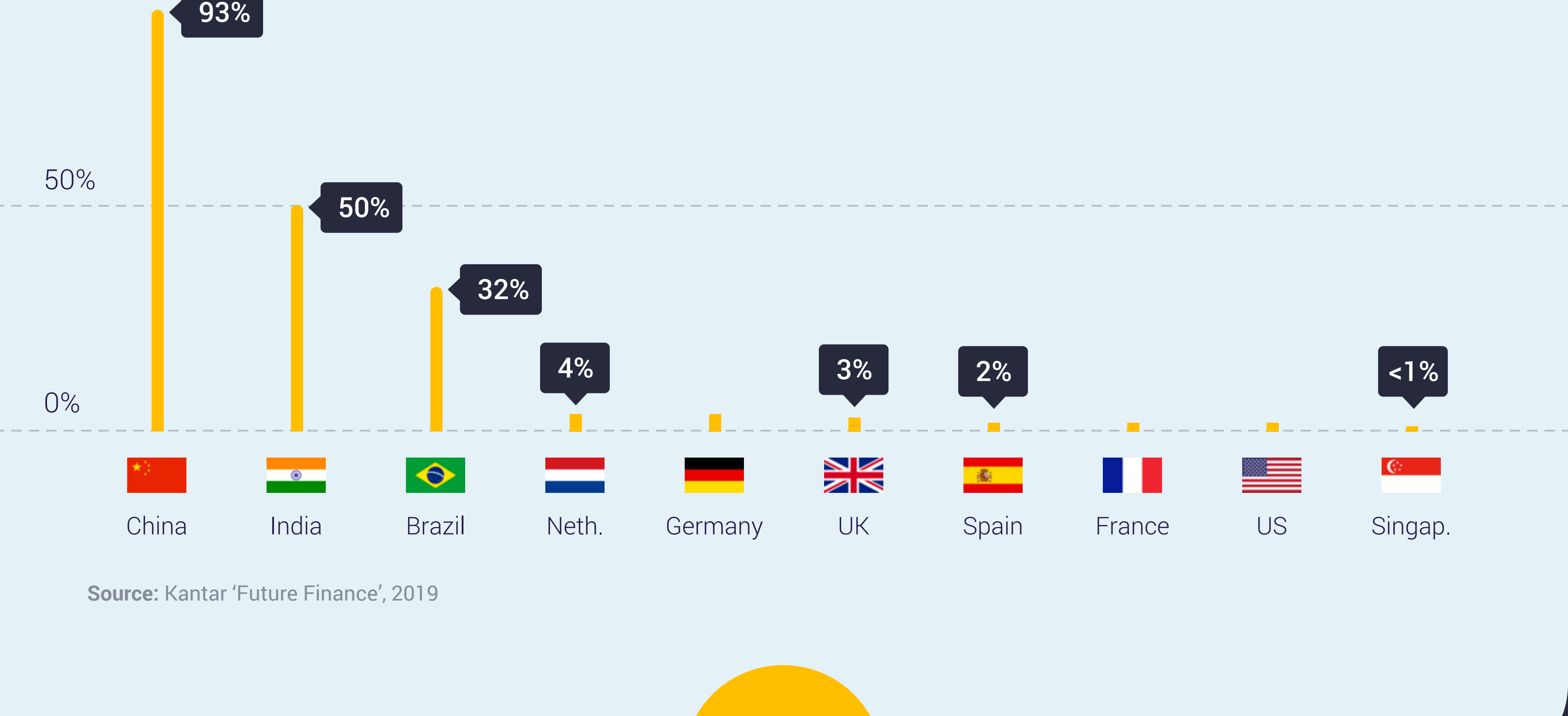
350+
million

customers at neo banks



Penetration of Neo Banks

Proportion of consumers banking with a neo bank



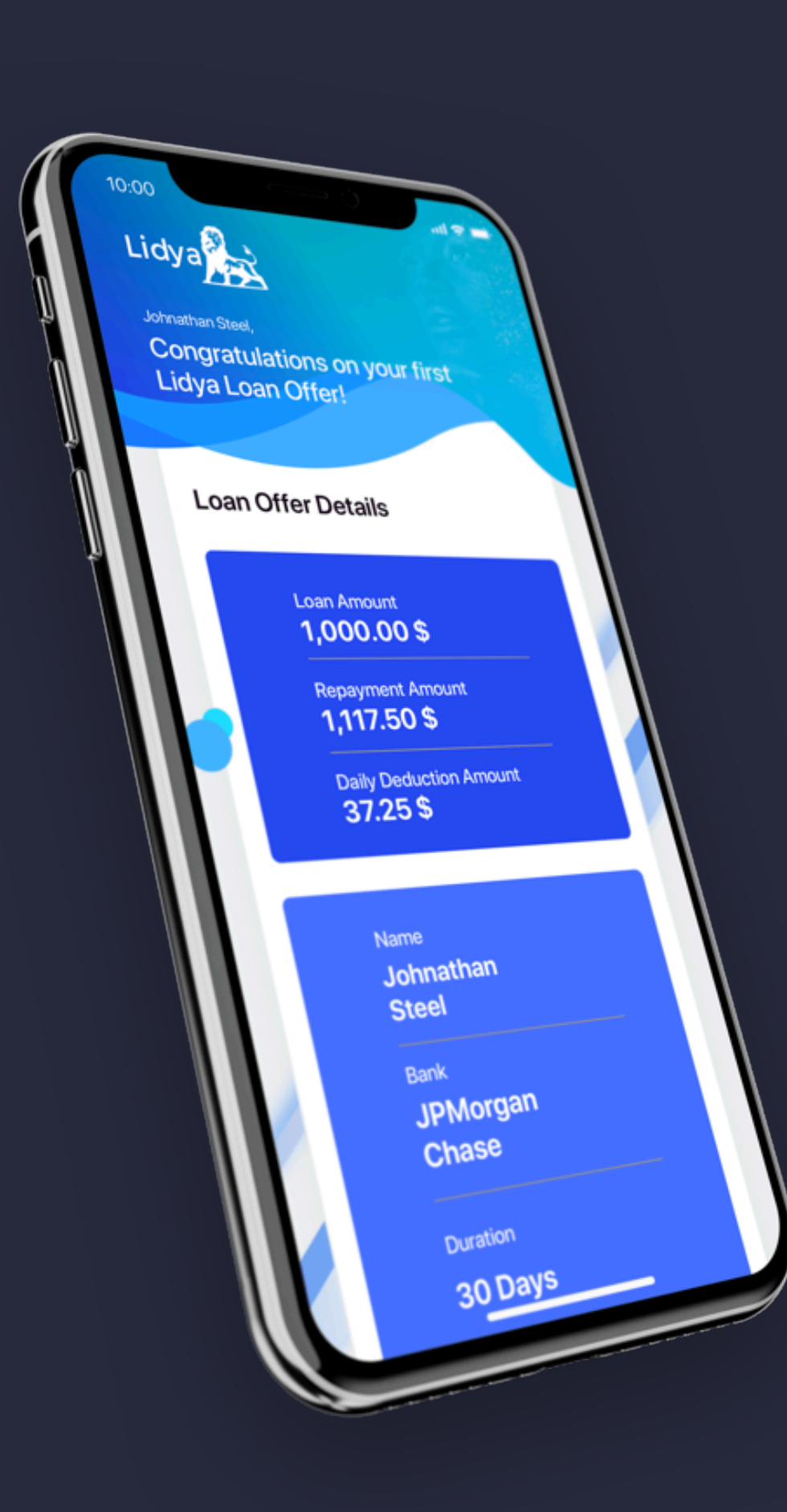
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USPs of Neo Banks

Neo banks quickly secured their position in the market by offering modern, low-cost solutions, addressing underserved segments

Fintechs typically target **one specific** niche, often yet **underserved or overpriced**.

Thanks to strong focus on the niche, they can offer **better propositions** than incumbents.



Great Customer Experience

Simple and tailored propositions, available anytime, anywhere

Enhanced Operational Efficiency

Operating largely digital, with faster processing and more cost effective

Drive Financial Inclusion

Better serving underserved segments, with better - and more cost-effective solutions

Neo Bank Features

Neo banks offer easy to use, personalized services with money management features and rewards



5

The New Wave of Neo Banks

A new wave of neo banks is growing fast and more profitable, focused on selected niches

STASH

.rebanking

papara



Stash unites a bank account with investments and financial advice to help people budget and save towards long-term financial goals


Founded in **February 2015** 
Launched in **October 2015**

5M customers

Charges all customers a financial subscription between **\$1-9 per month**



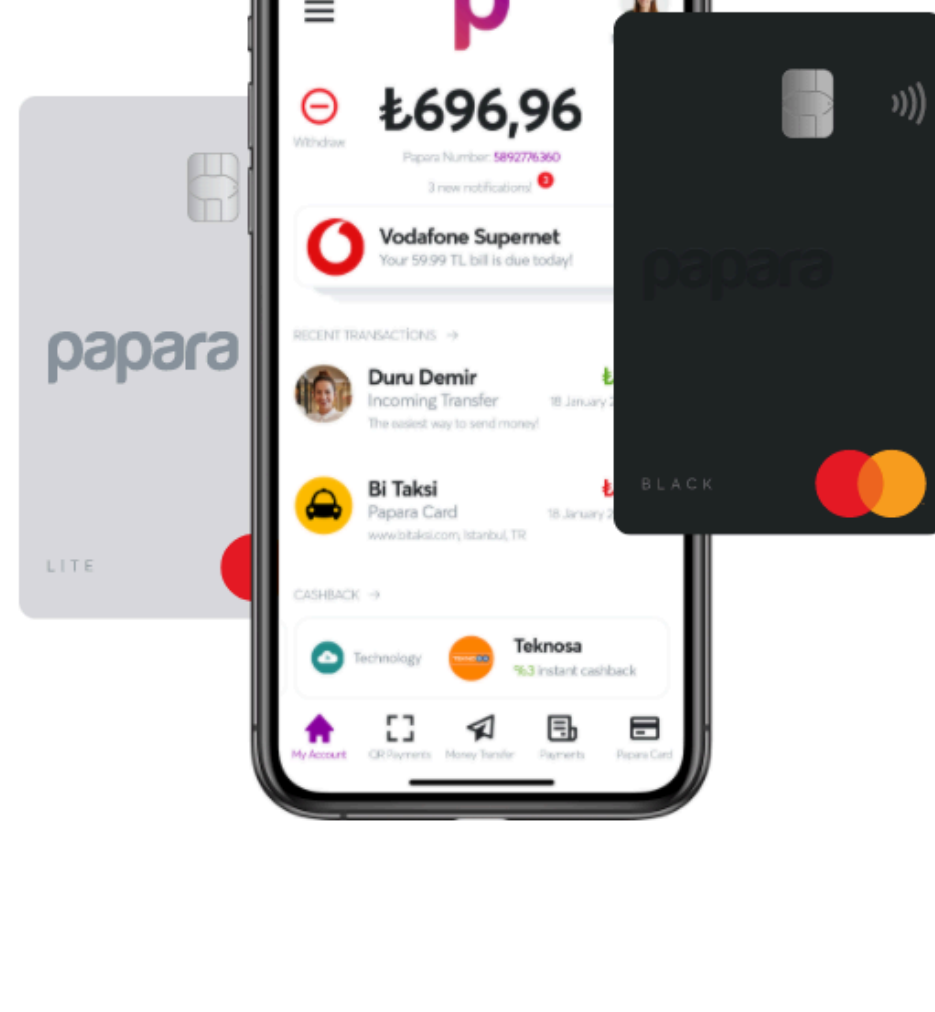
Rebanking offers multiple digital banking products focused on entrepreneurs and self-employed individuals, to pay and get paid, account recharge, loans and FX

Founded in **January 2017** 
Launched in **July 2019**

565k customers

Predominantly monetizes an FX margin, along with credit card fees and interest margin

Currently operating **break-even**



Papara offers a variety of low-cost money transfers and payment solutions to Retail and SME customers, to pay and get paid, trade cryptocurrency and FX

Founded in **August 2015** 
Launched in **August 2016**

4.4M customers

Monetizes P2P payments, interchange and B2B services

Profitable since first year of operations, TRY 153M revenue in FY2019, growing +300% YoY

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Who are we?

Fincog is a strategy consultancy specializing in Fintech. Based in the Netherlands, Fincog works internationally for incumbent banks and fintechs. Fincog supports its clients to design, build and scale digital banks

