



**INFO-SERVICE**

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Solutions for  
Companies and Banks



**Study**

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# The Digital Revolution in the Financial Services



## How can we support you...

- Support for the BaFin-admission to act on the German financial market
- Solutions for new products and services
- Implementing a Risk Management System to avoid fraud
- Creating and embedding an Anti Money Laundering System
- Implementing a Compliance Management System
- Complete documentation of the Governance Framework
- Outsourcing solutions for the functions AML Officer, Compliance Officer and internal Auditor



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- **Overview - the current FinTech landscape**
- Digital Payments – A market overview
- FinTechs – The Revolution in the Financial Services
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### Definition: „FinTech“

“FinTech” is short for ‘Financial Technology’, the central concept of structural change and digitization within the financial services industry.

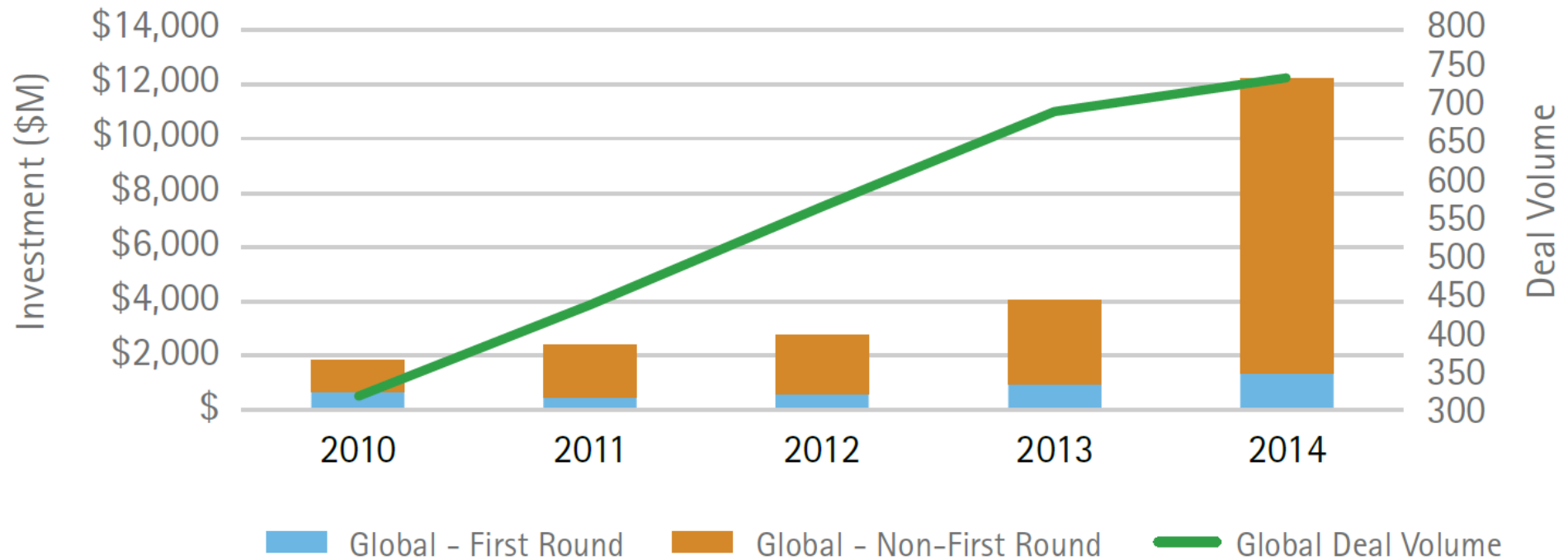
### Characteristics of FinTech:

- simplified access for end users via the Internet or mobile Apps
- increase in the processing speed of automated processes
- reduction in costs
- focus on customer service
- more convenience
- higher transparency
- exploitation of network effects

### Some Facts about FinTech companies:

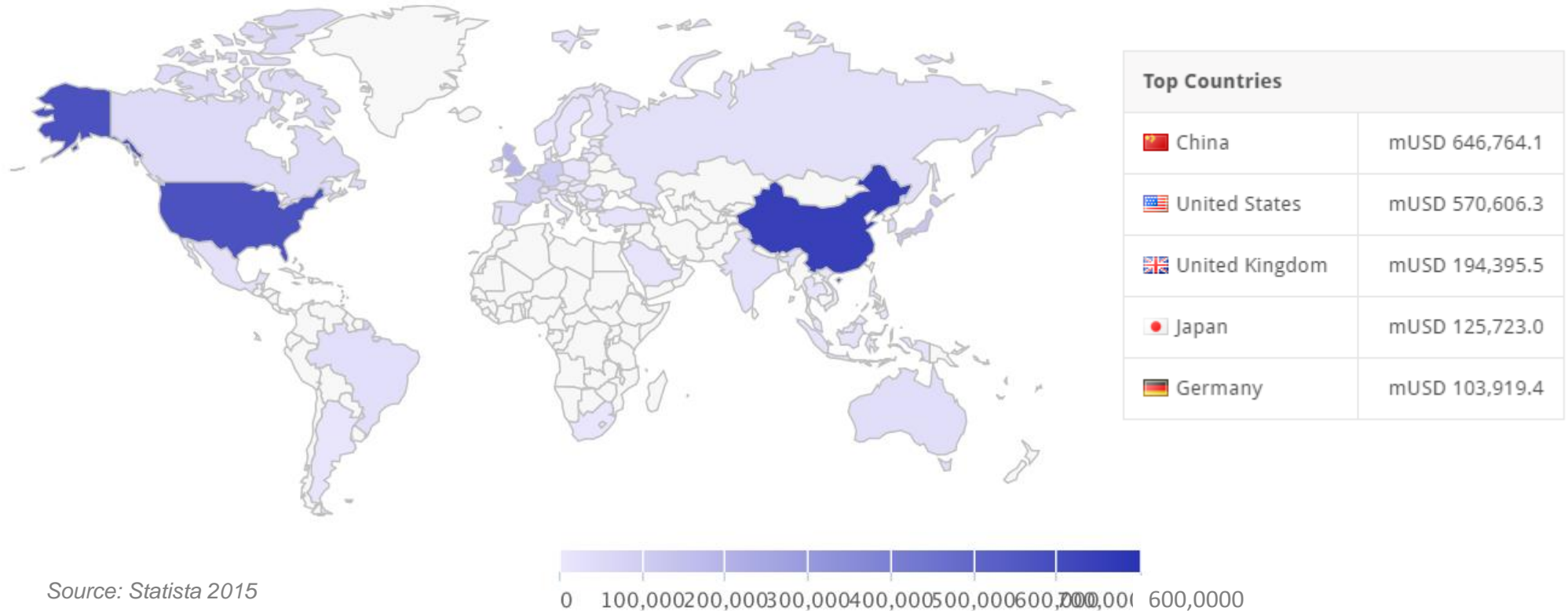
- Global investment in FinTech ventures **tripled to \$12.21 billion** in 2014.
- Compared to 63% growth in overall venture-capital investments, FinTech companies **grew globally by 201 %** in 2014.
- The consulting company Accenture estimates, that by 2020 traditional banks will loose **more than 30 %** of their revenues on FinTech companies.
- Especially **digital payment methods** are used by the FinTechs to attack the traditional banking model.

## Global investment in FinTech companies



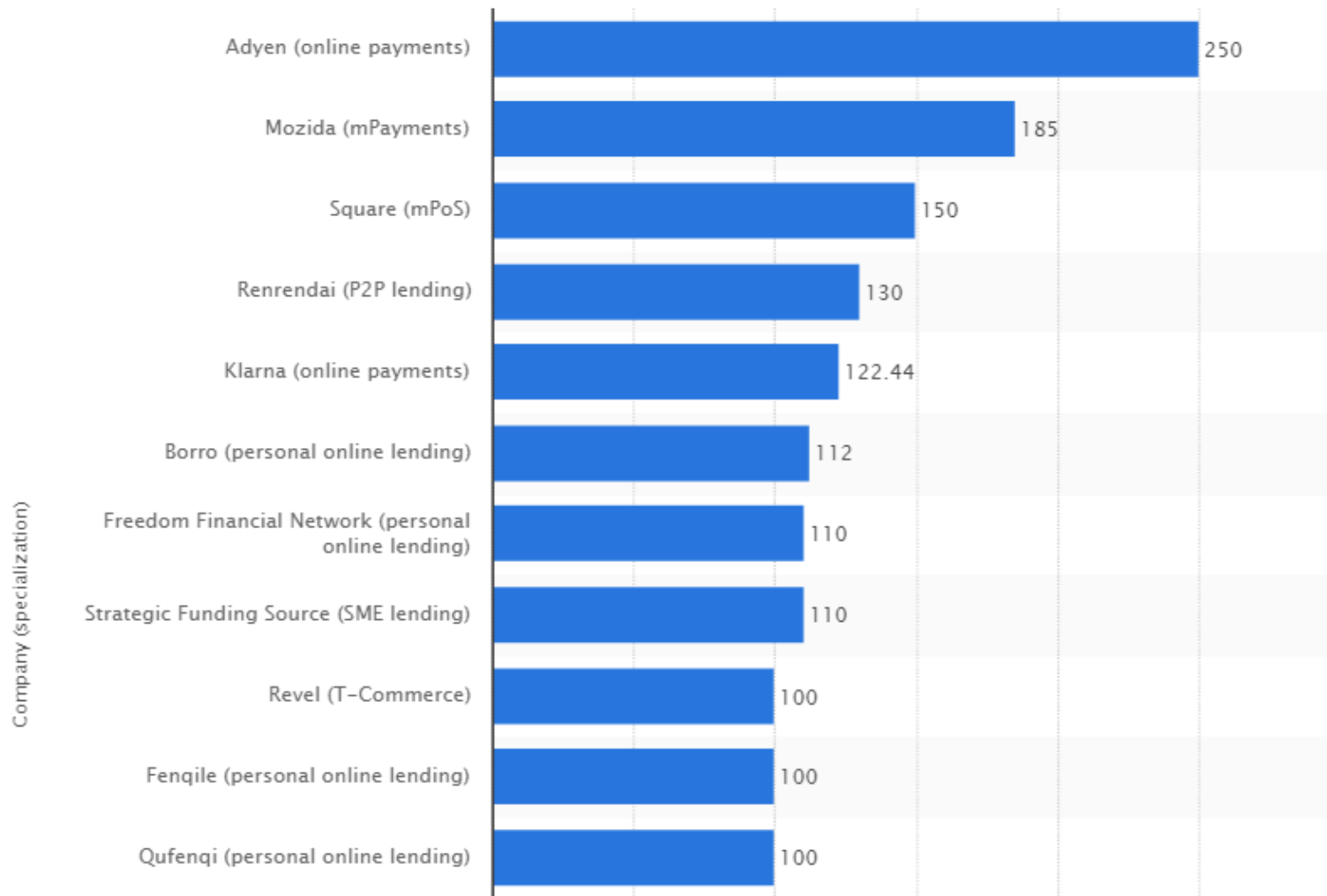
Source: Accenture and CB Insights

## Global Comparison – Transaction Value in the FinTech market



With a total transaction value of million USD 646,764.1 in 2016, the highest value worldwide is reached in China.

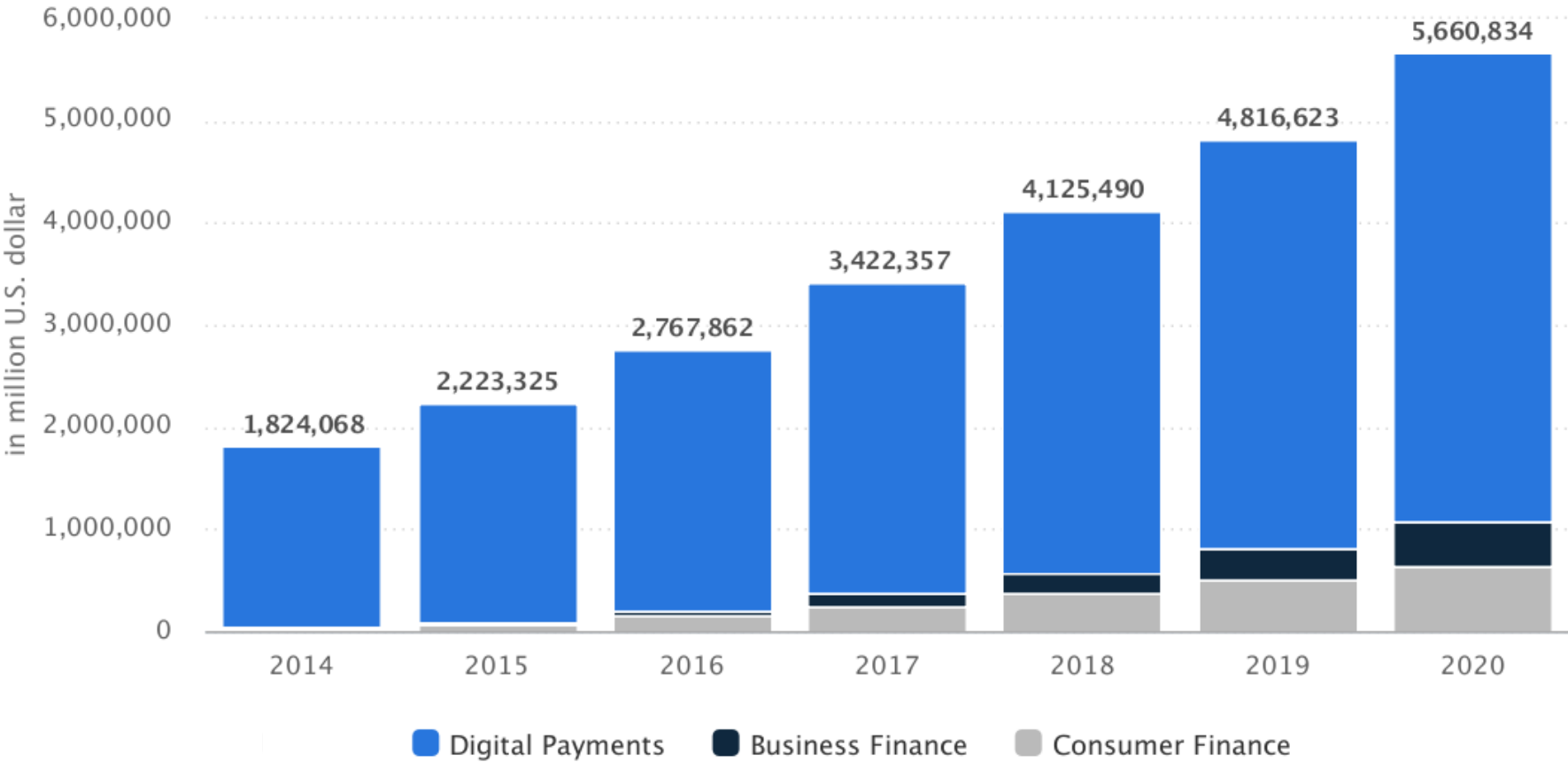
Largest FinTech deals worldwide in 2014, by value of investment (in million U.S. dollars)



Source: Statista 2015

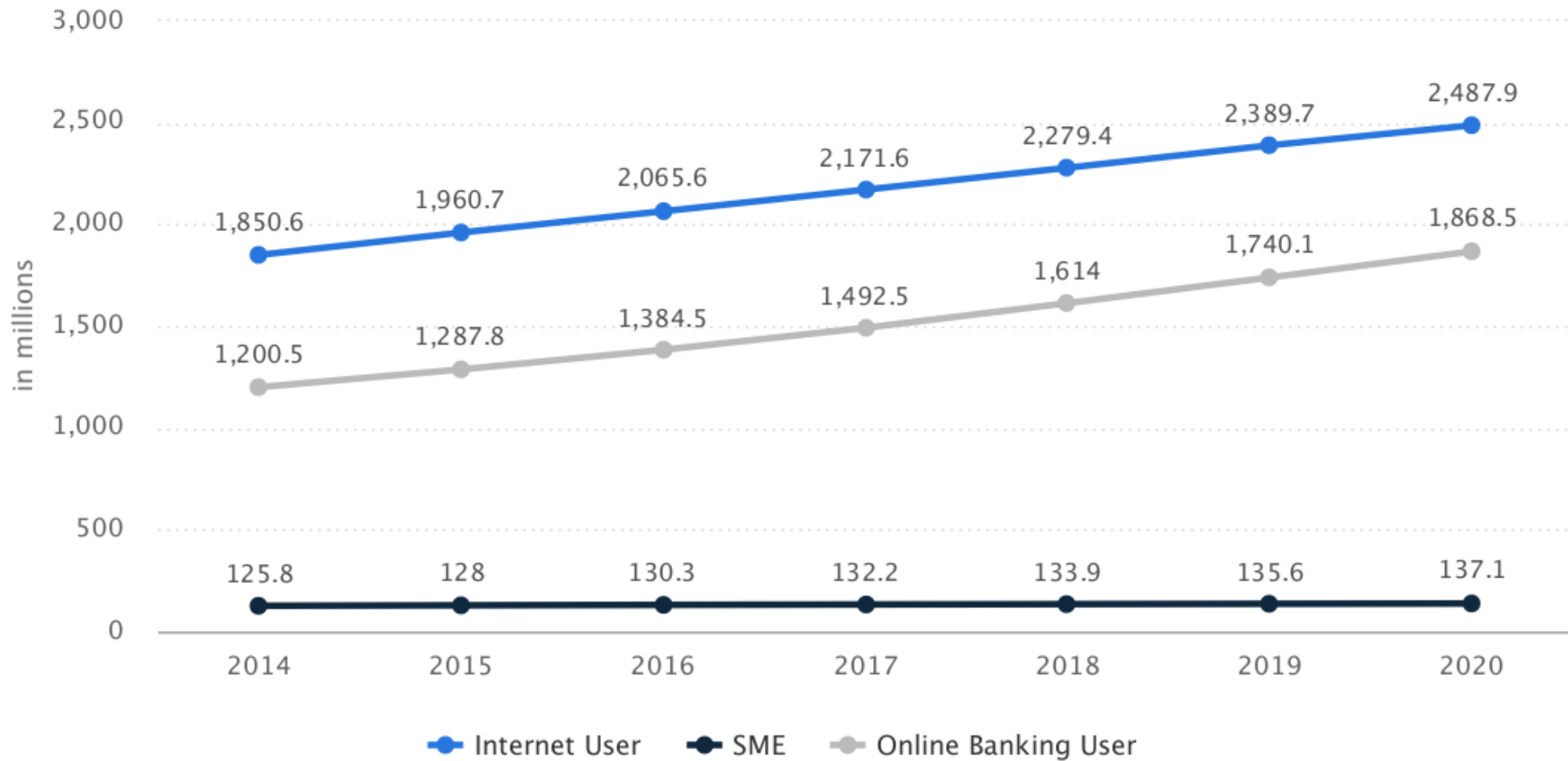


Transaction Value in the FinTech market in million U.S. dollars (worldwide)



Source: Statista 2015

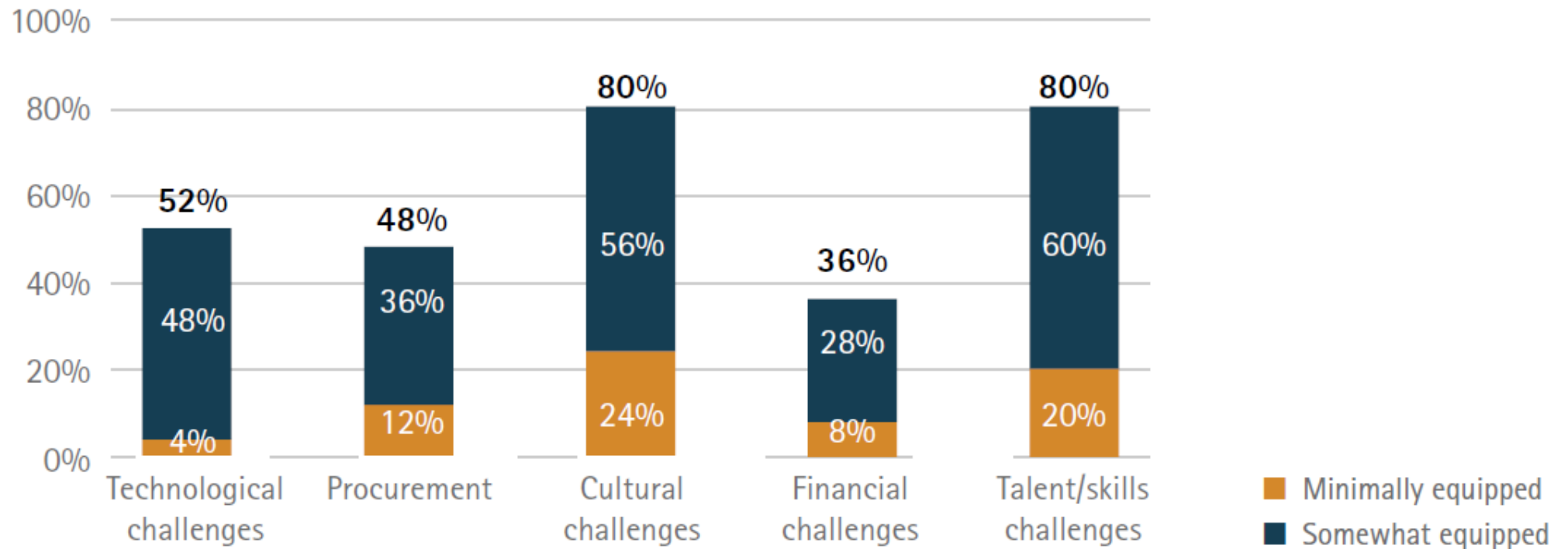
### User Potential in the FinTech market worldwide (in millions)



Source: Statista 2015

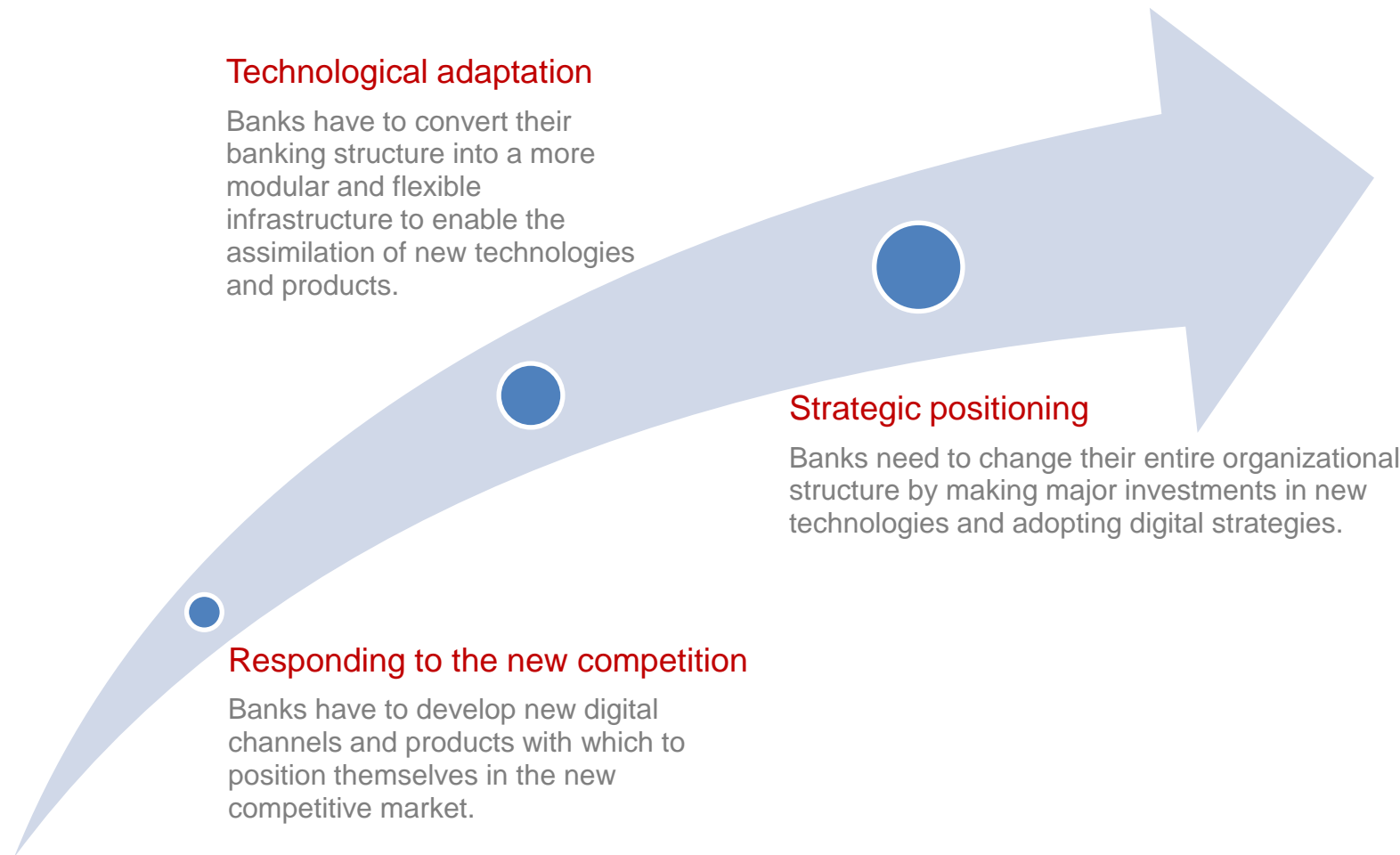
The FinTech sector is often characterized as a battle between the old and the new.

So how equipped do banks feel to address the challenges associated with the next wave of digital innovations?



Source: Accenture 2015

### The process of transformation towards digital banking

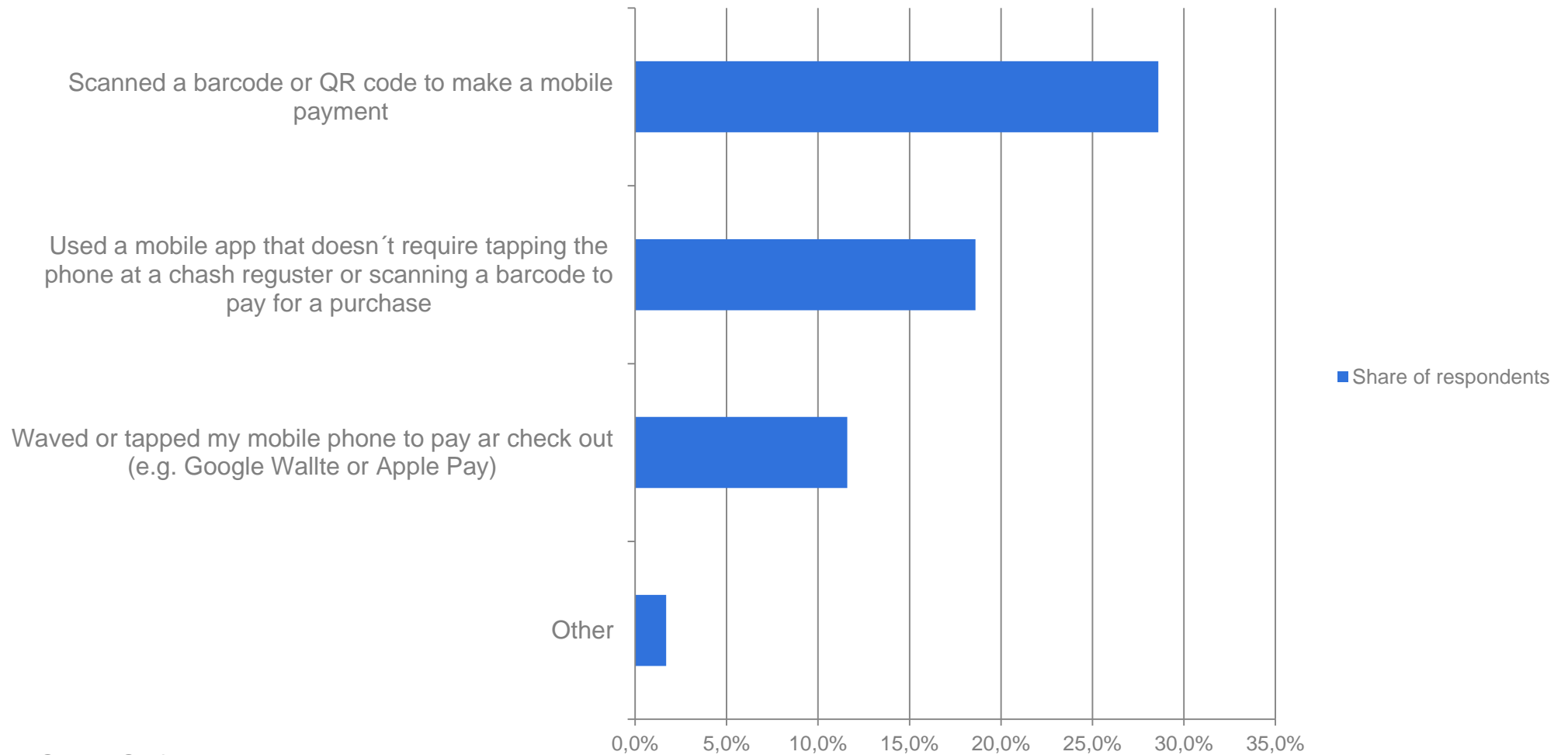




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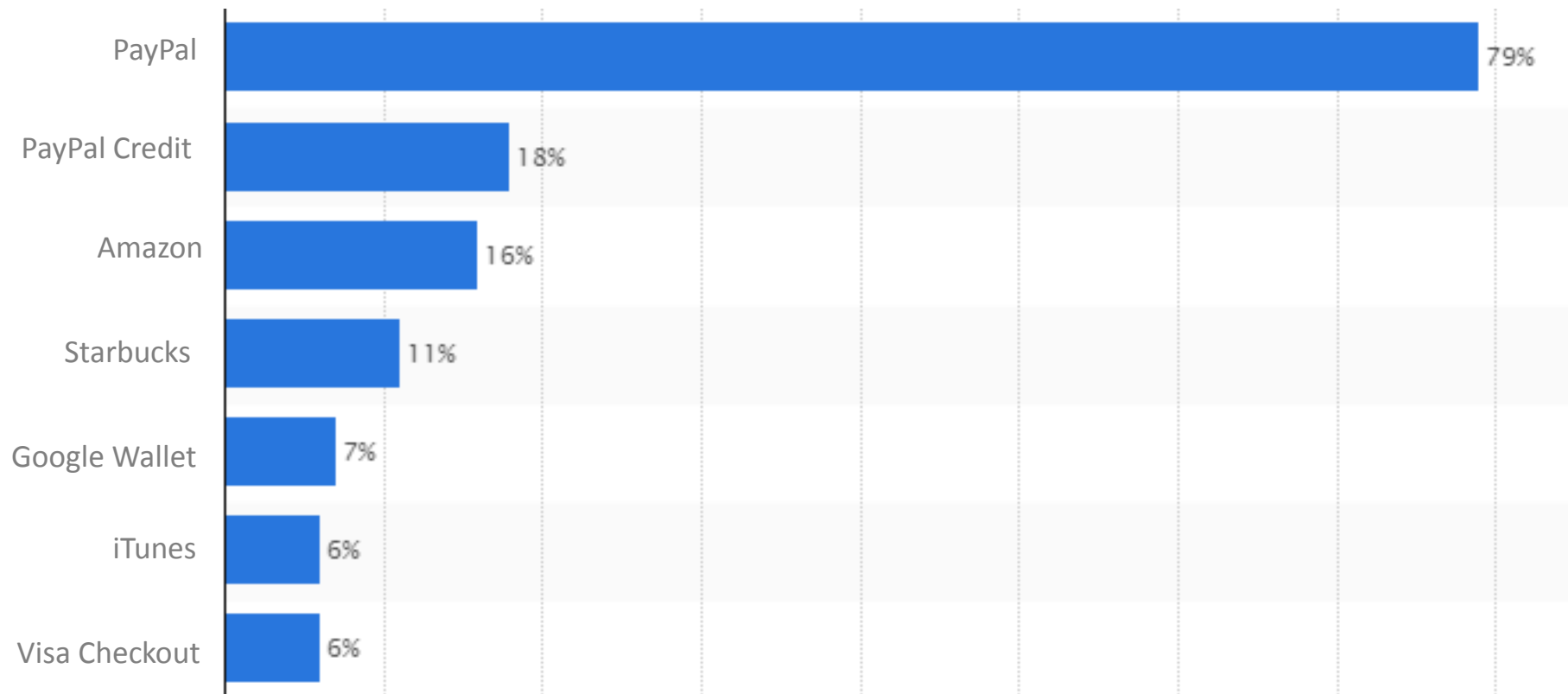
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### Most popular mobile methods

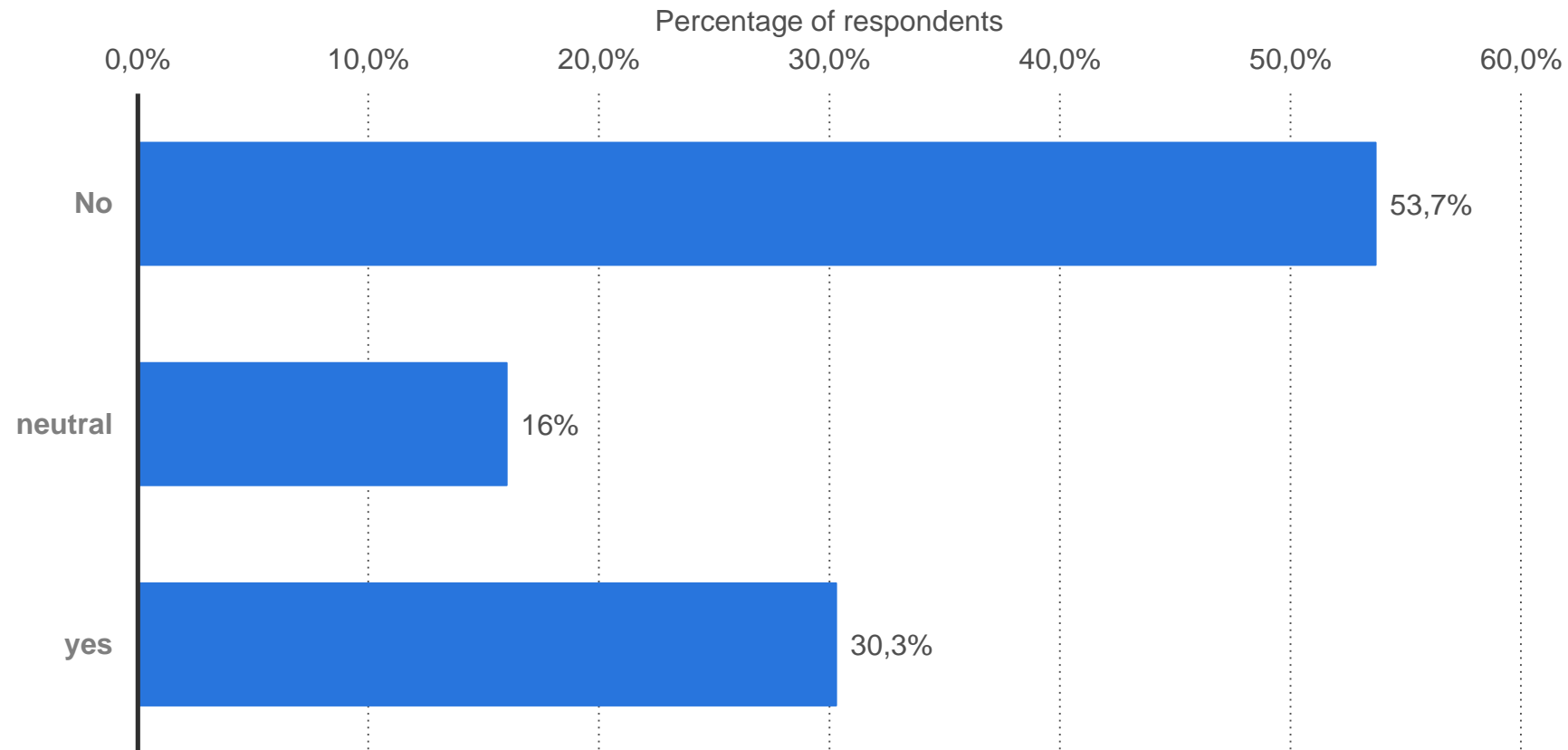


Source: Statista 2015

Most popular digital wallets according to digital buyers in the United States as of 4th quarter 2014



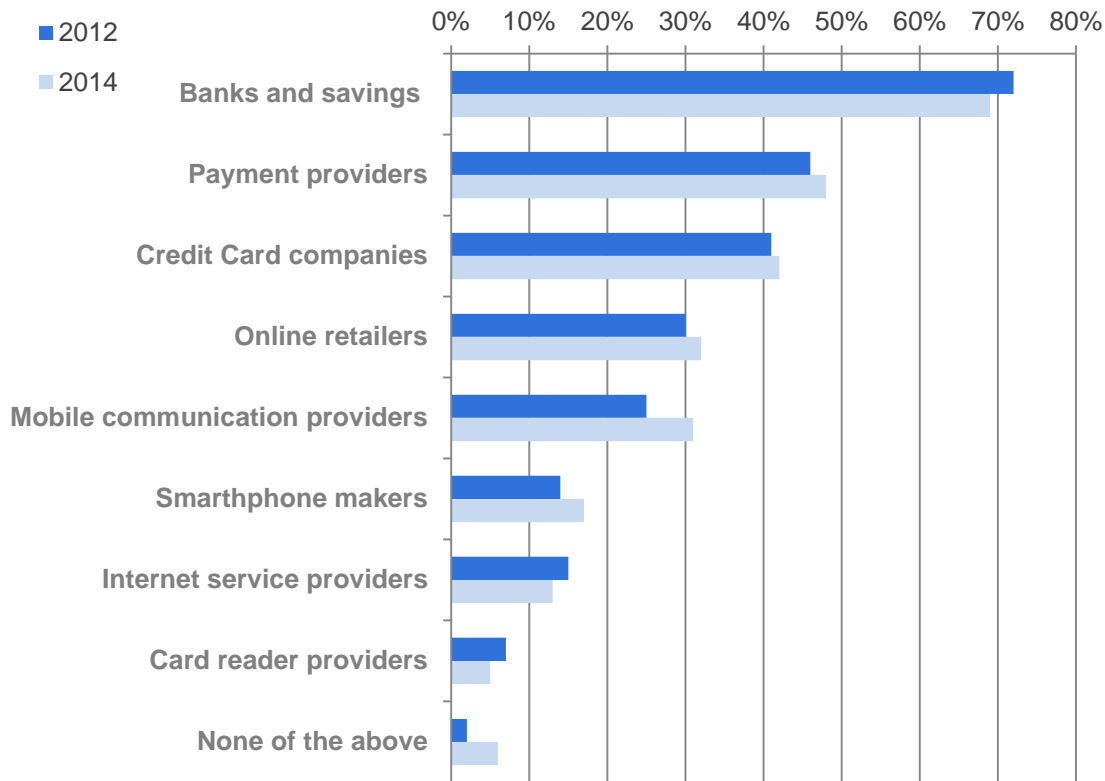
I can imagine to use mobile banking in the future.....



Source: Statista 2015



### Trust in mobile payment providers (in percent)



Source: Initiative D21, TNS Infratest

The market for mobile payment systems remains in a state of flux and holds promise of lucrative market entry and growth opportunities for many players outside the banking sector.

Companies such as “Amazon”, “PayPal”, “Apple” and “Google” are associated with user-friendly, convenient and reliable services. In a few cases, they enjoy a similarly high level of trust as traditional financial service providers



### Digital Payments

#### **Online B2C Commerce**

The “Online B2C Commerce” segment covers all consumer transactions made via the Internet which are directly related to online shopping for products and services.

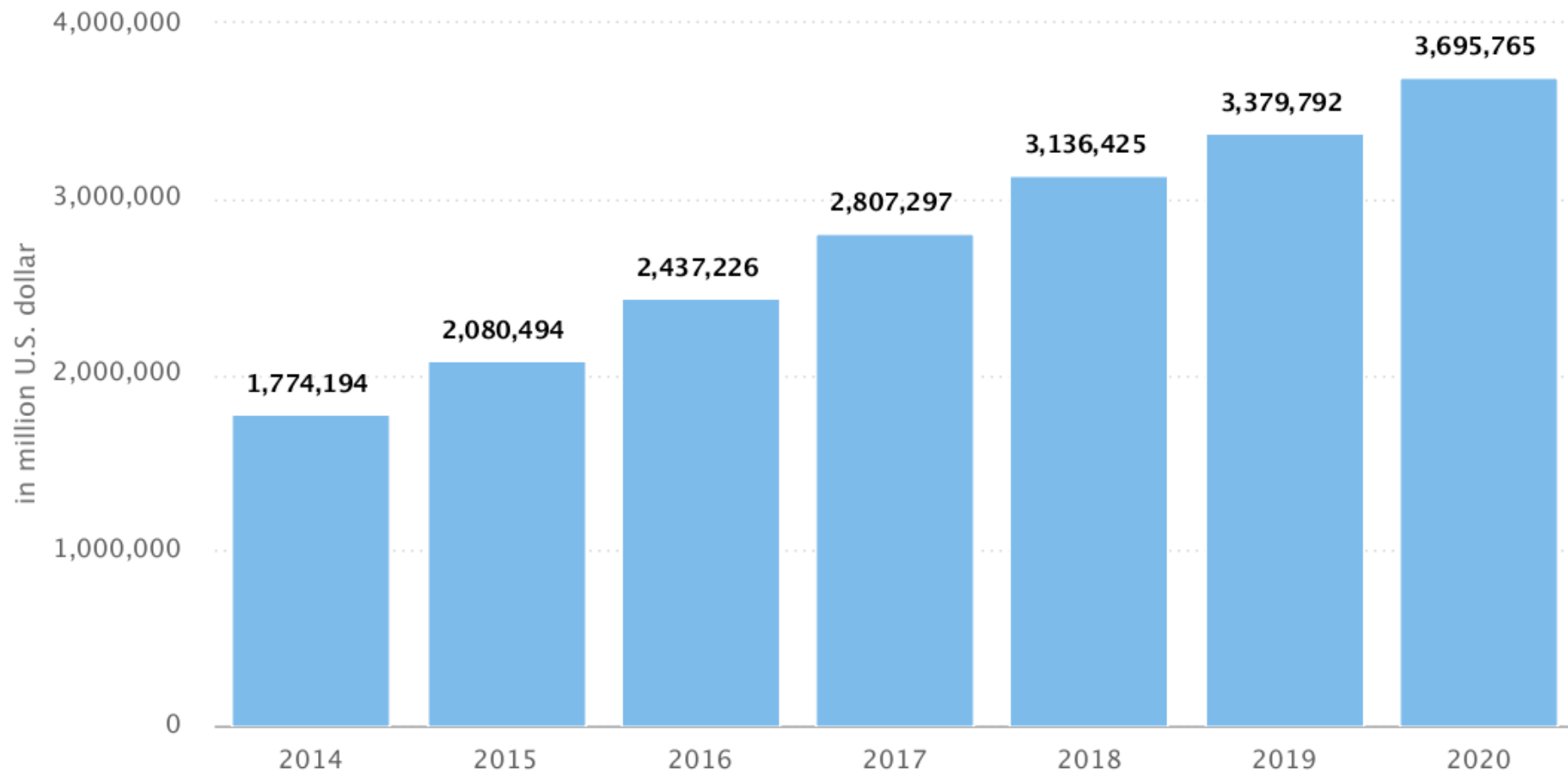
#### **Mobile Wallet POS Payments**

The “Mobile Wallet POS Payments” segment includes transactions at Point-of-Sale that are processed via smartphone applications (so-called “mobile wallets”).

#### **Online P2P Money Transfers**

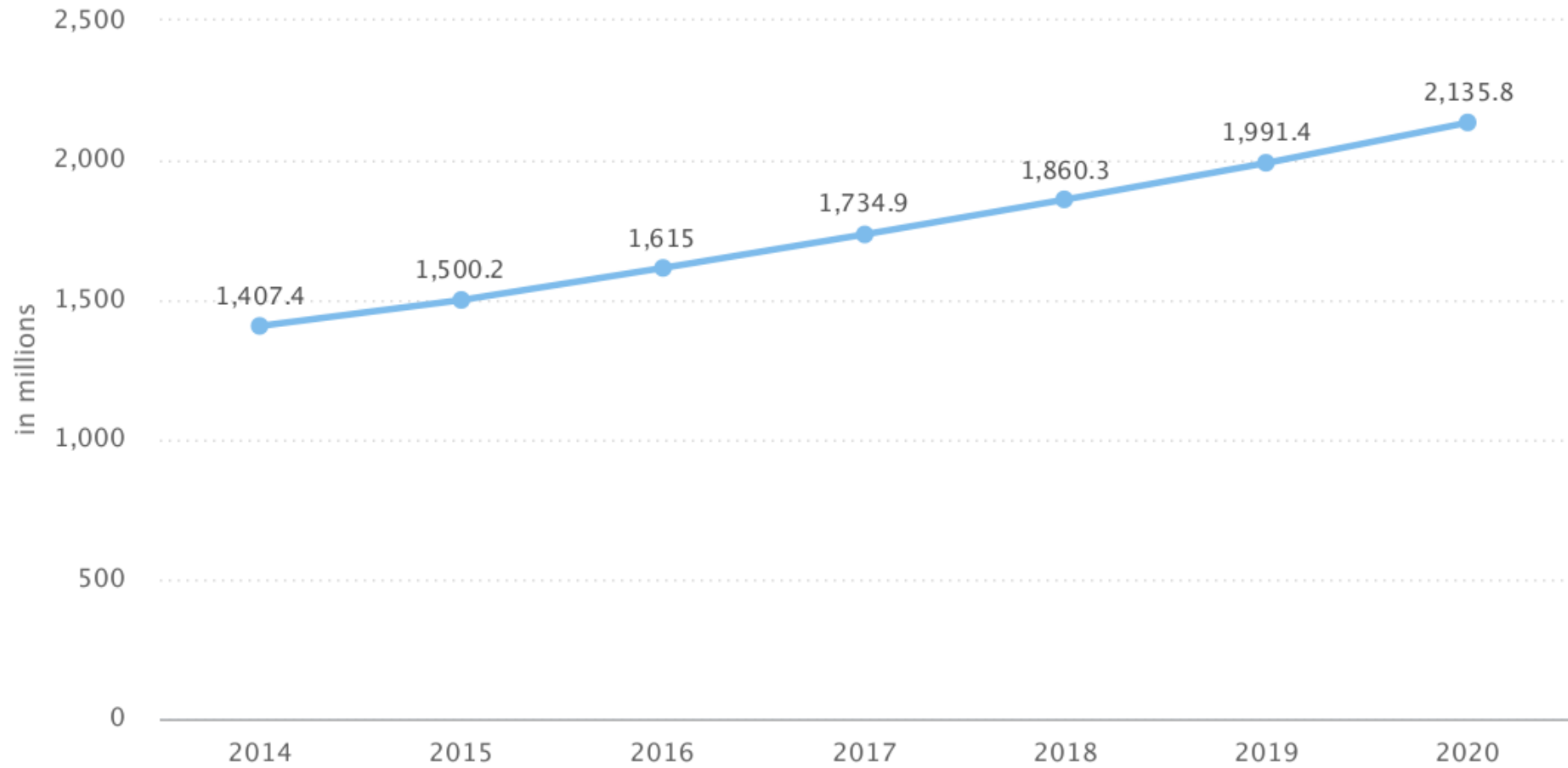
Online Peer-to-Peer (P2P) money transfers are defined as money transfers made over the internet between private individuals.

Transaction Value in the Online B2C Commerce market worldwide  
(in million U.S. dollars)



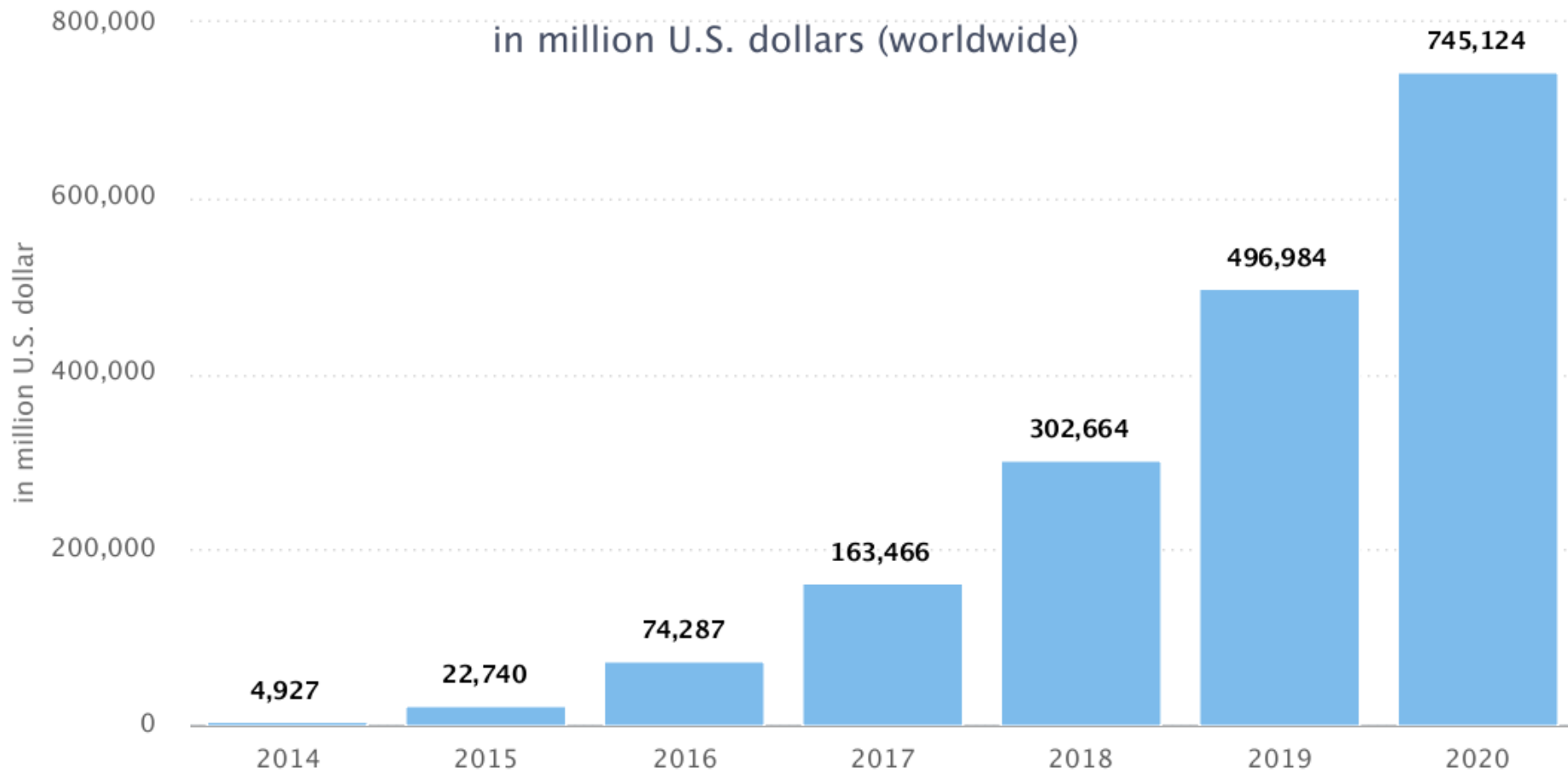
Source: Statista 2015

## User in the Online B2C Commerce market worldwide



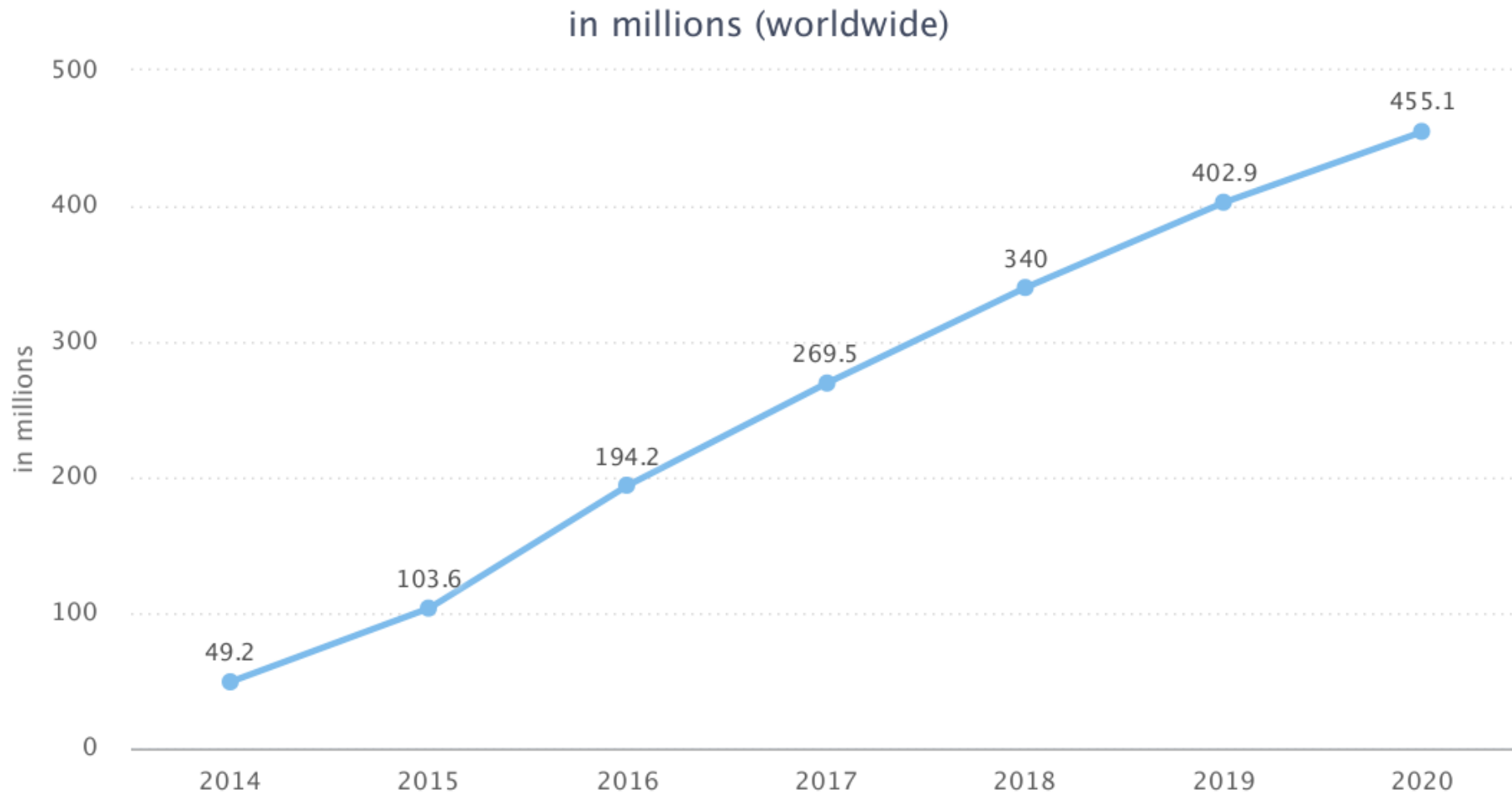
Source: Statista 2015

Transaction Value in the Mobile Wallet POS Payments market



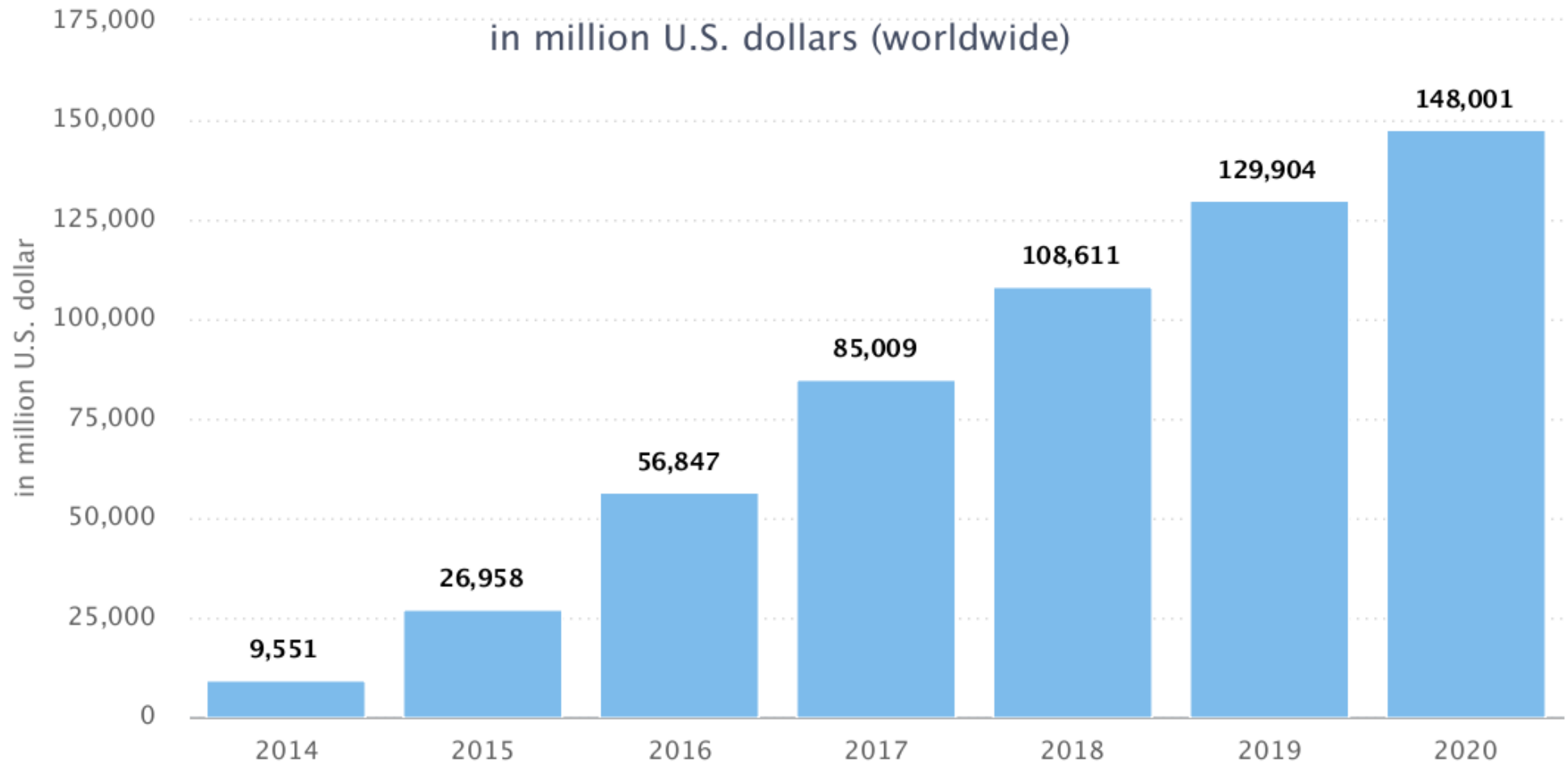
Source: Statista 2015

User in the Mobile Wallet POS Payments market



Source: Statista 2015

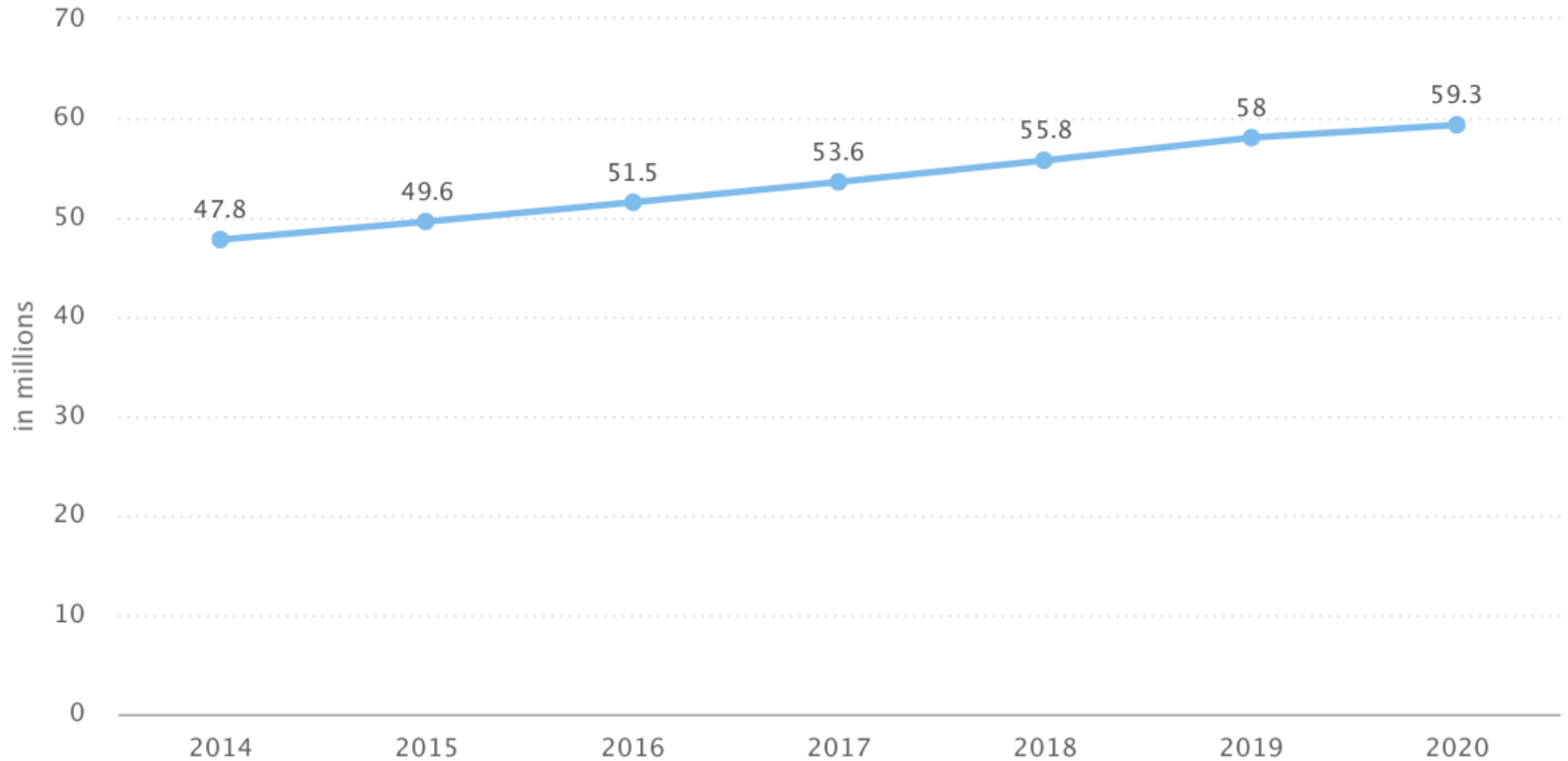
Transaction Value in the Online P2P Money Transfers



Source: Statista 2015

User in the Online P2P Money Transfers market

in millions (United States)



Source: Statista 2015





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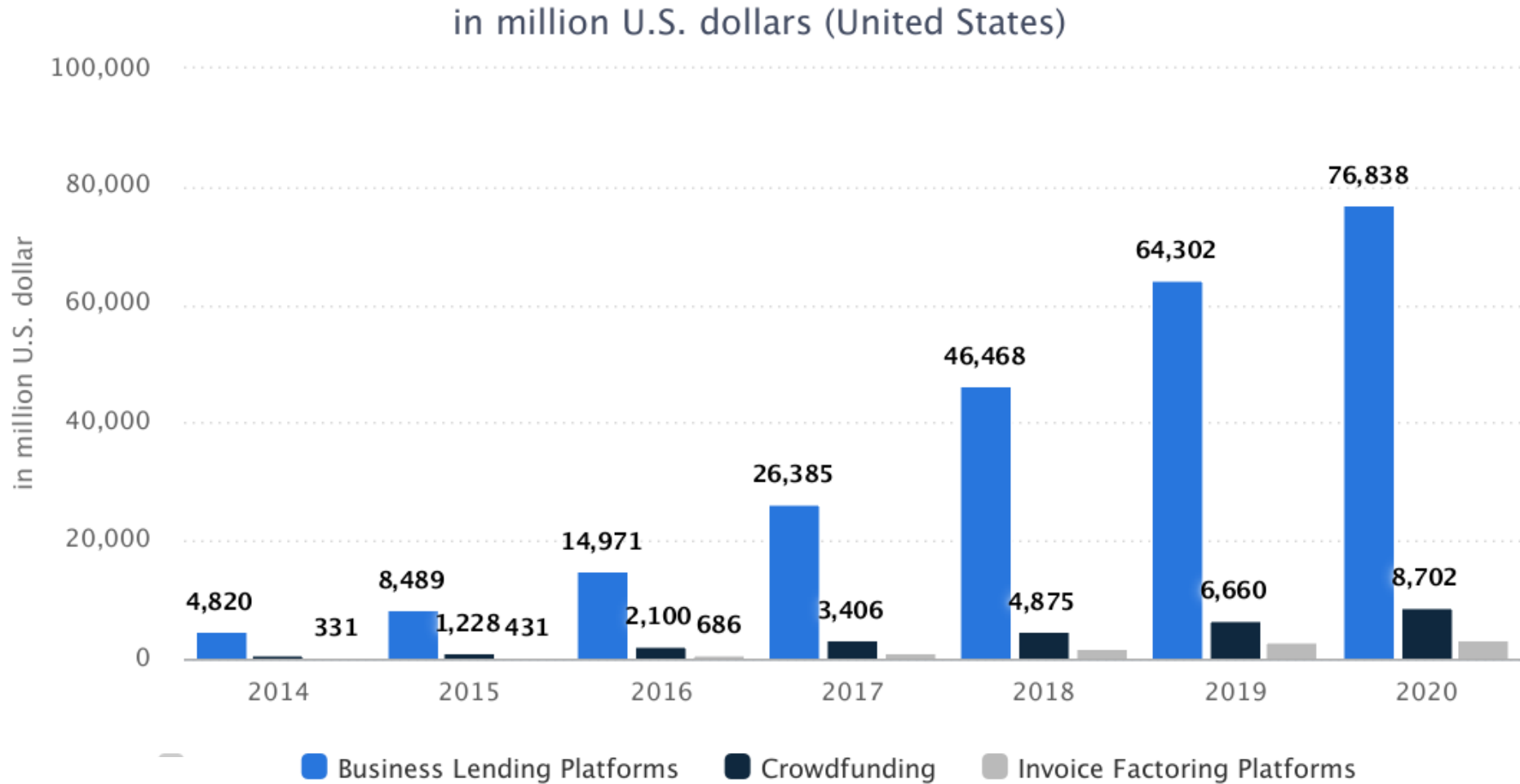
### Revolution in the financial market

Digital infrastructures allow the establishment of new types of agreements and procedures in the classic areas of banking such as lending, investment strategies and payments.

Therefore, we want to examine the changes in the Business Finance and in the Consumer Finance.

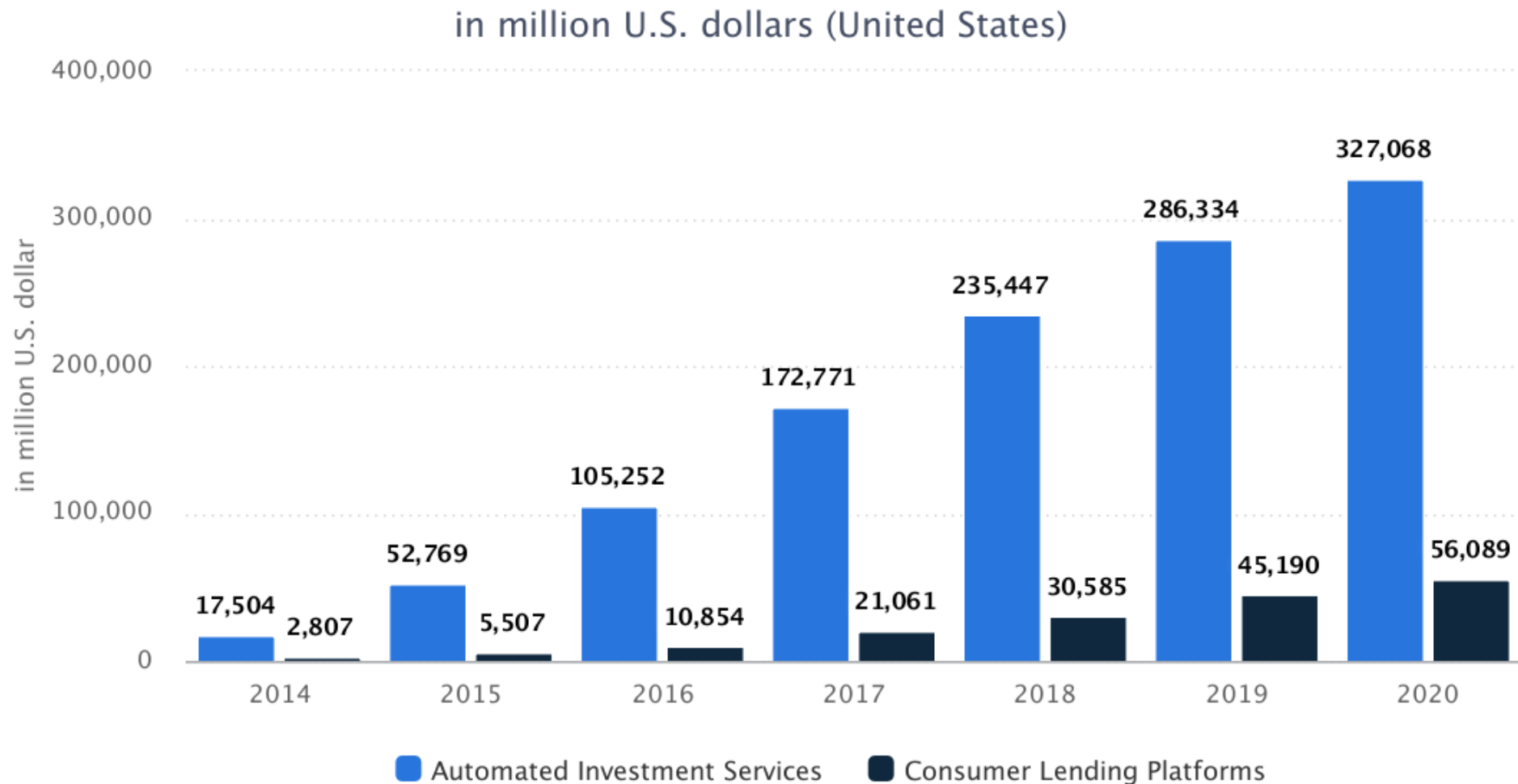
- **Business Finance:** The “Business Finance” market segment relates to digital financial services for business customers.
- **Consumer Finance:** The “Consumer Finance” market segment contains the bank-independent distribution of credit between private borrowers and private or institutional investors via online marketplaces as well as automated investment services that enable private investors to align their investment strategy or portfolio using automated recommendations.

## Transaction Value in the Business Finance market



Source: Statista 2015

## Transaction Value in the Consumer Finance market



Source: Statista 2015



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## Disclaimer

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- The secondary information and additional evaluations are based on published data sources and scientific reports.
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