

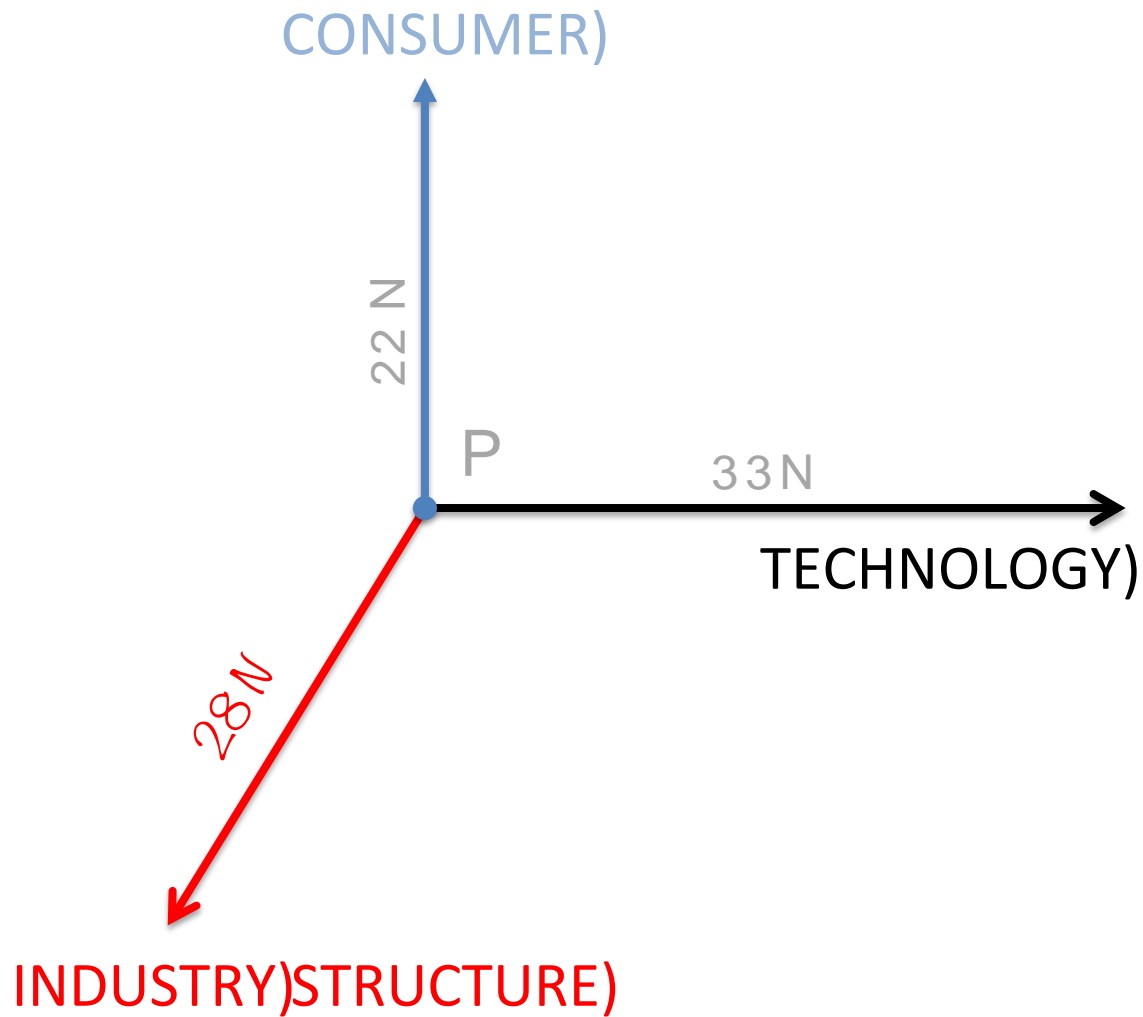


Date: September 2 2016

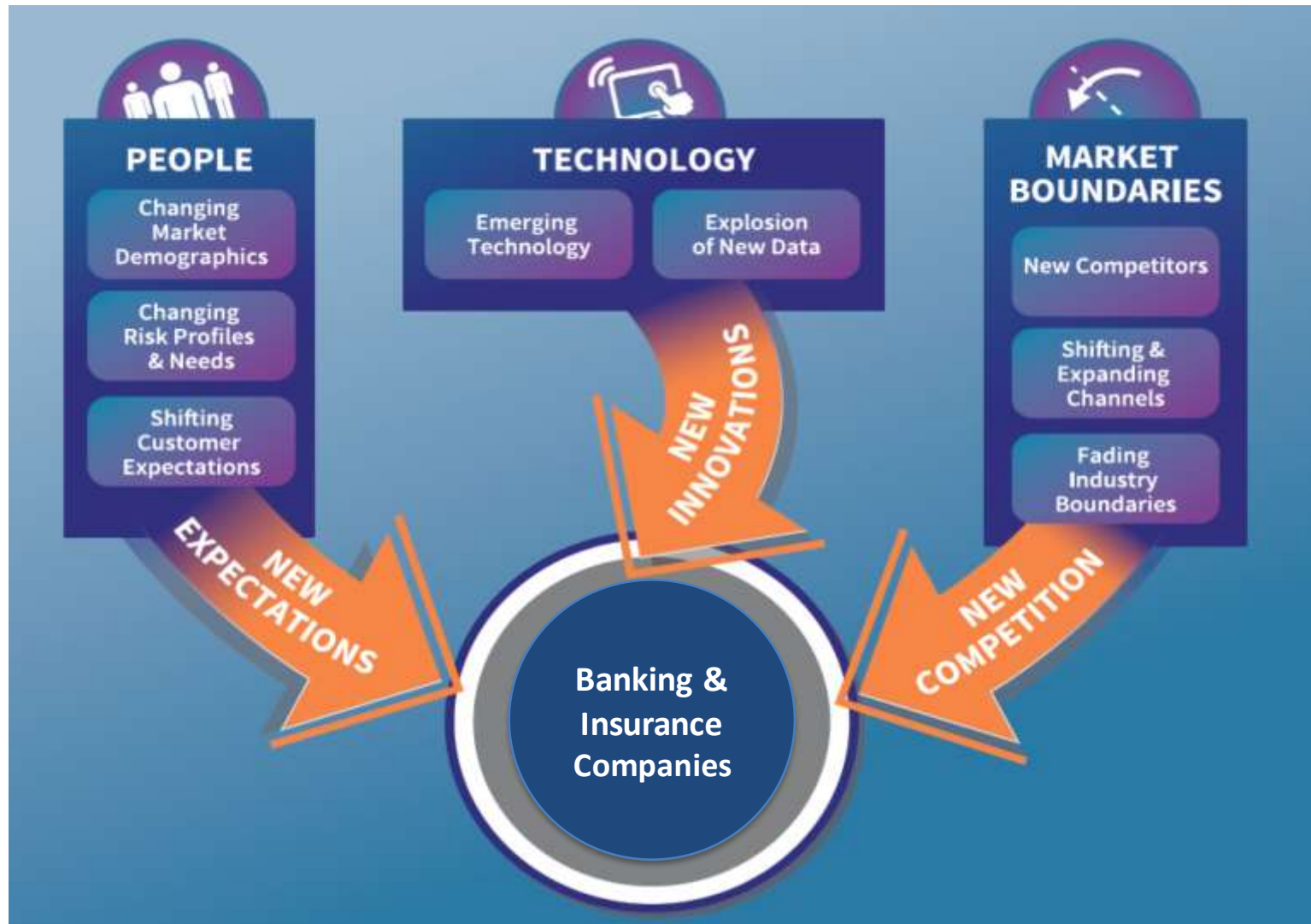


Enabling Business Aware Banking & Payments

Three forces of change



The world of Banking & Insurance is changing ...



“Software is eating the world”

Mar k Andr eesen



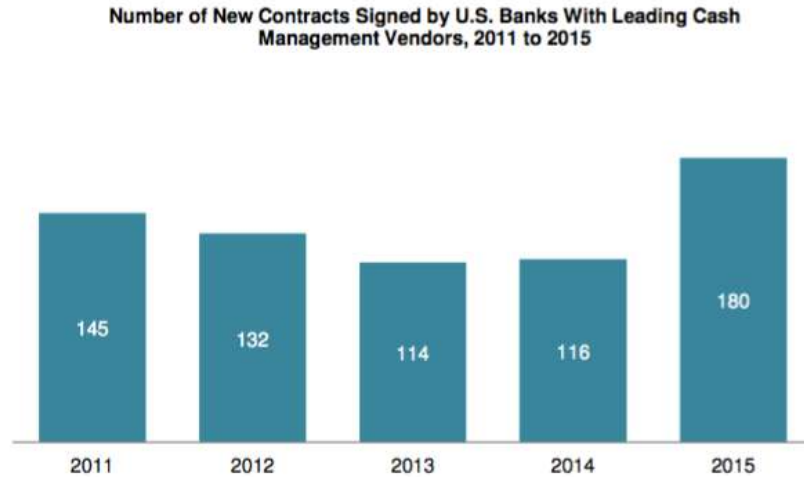
#disruption (still) a myth?



Market is growing | Example: US

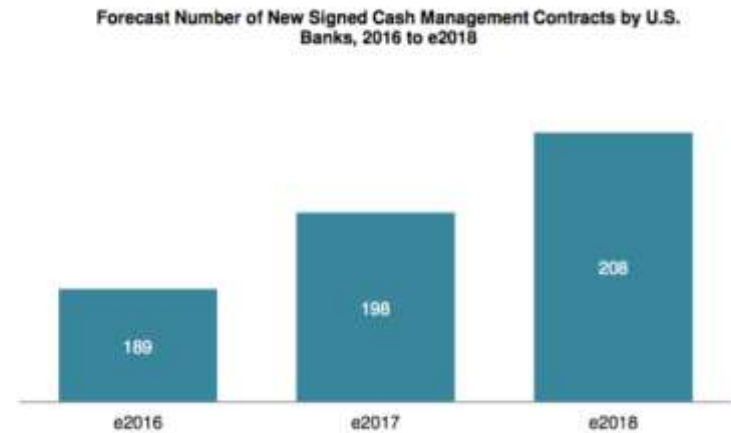


Figure 1: New Contracts Signed With Cash Management Vendors



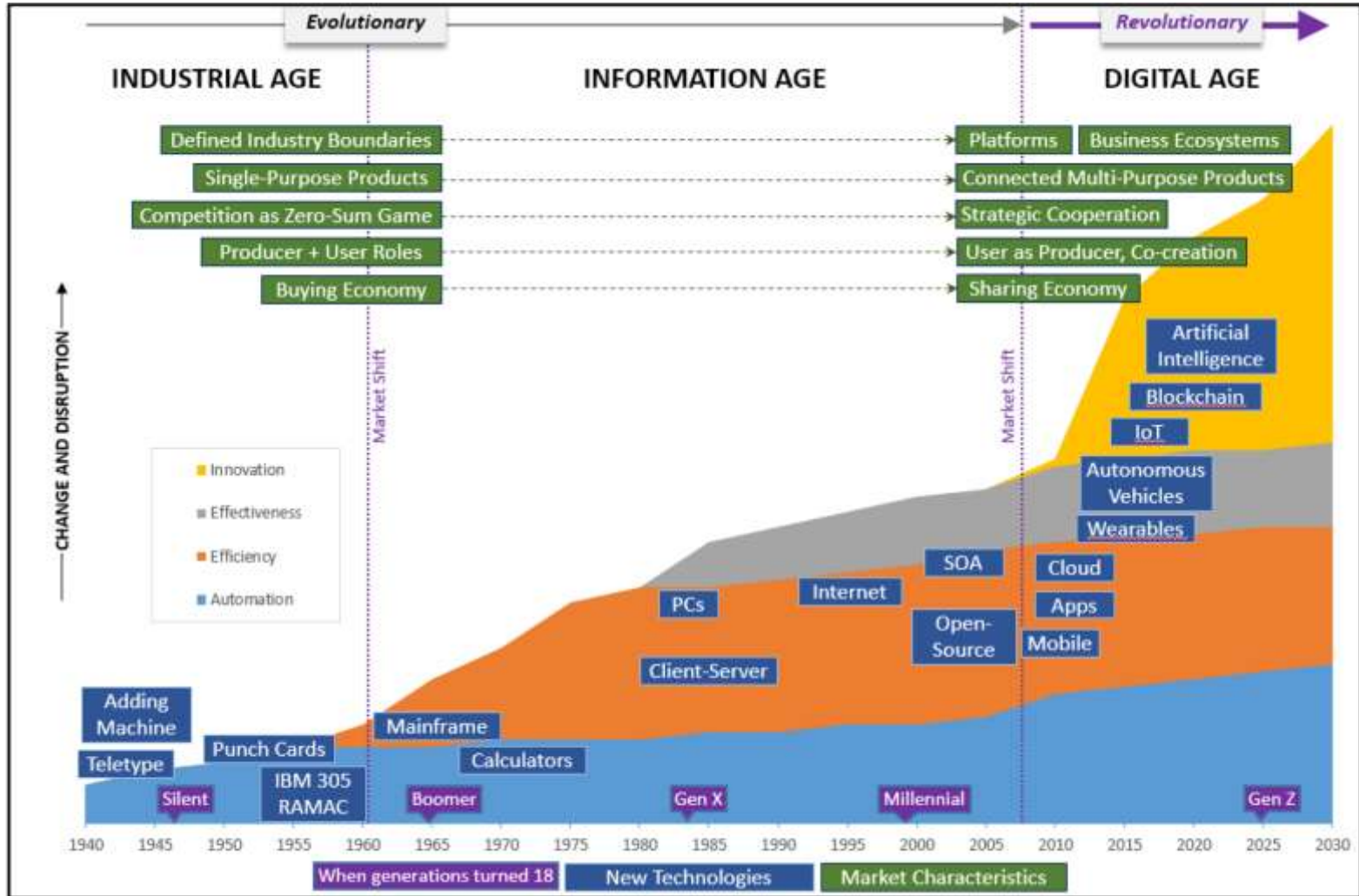
Source: Aite Group estimates based on vendor input

Figure 2: Forecast Number of New Contracts With Cash Management Vendors



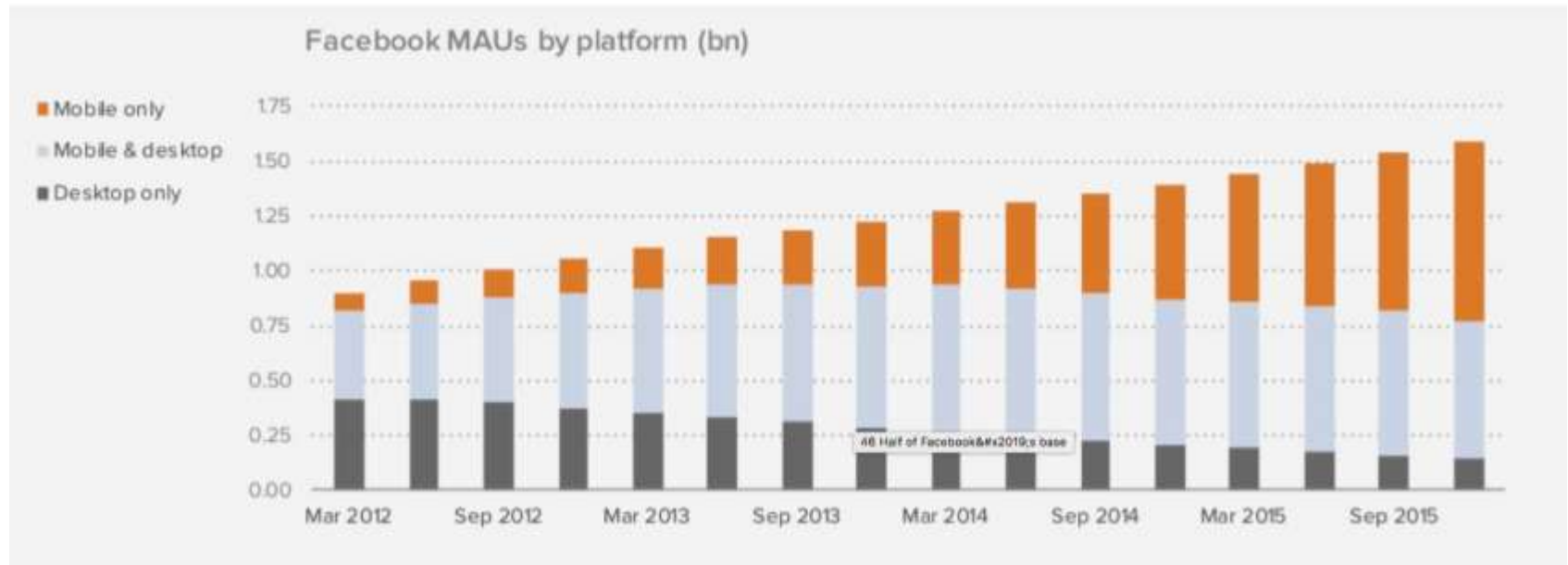
Source: Aite Group

This change has a significant impact on the industry ...

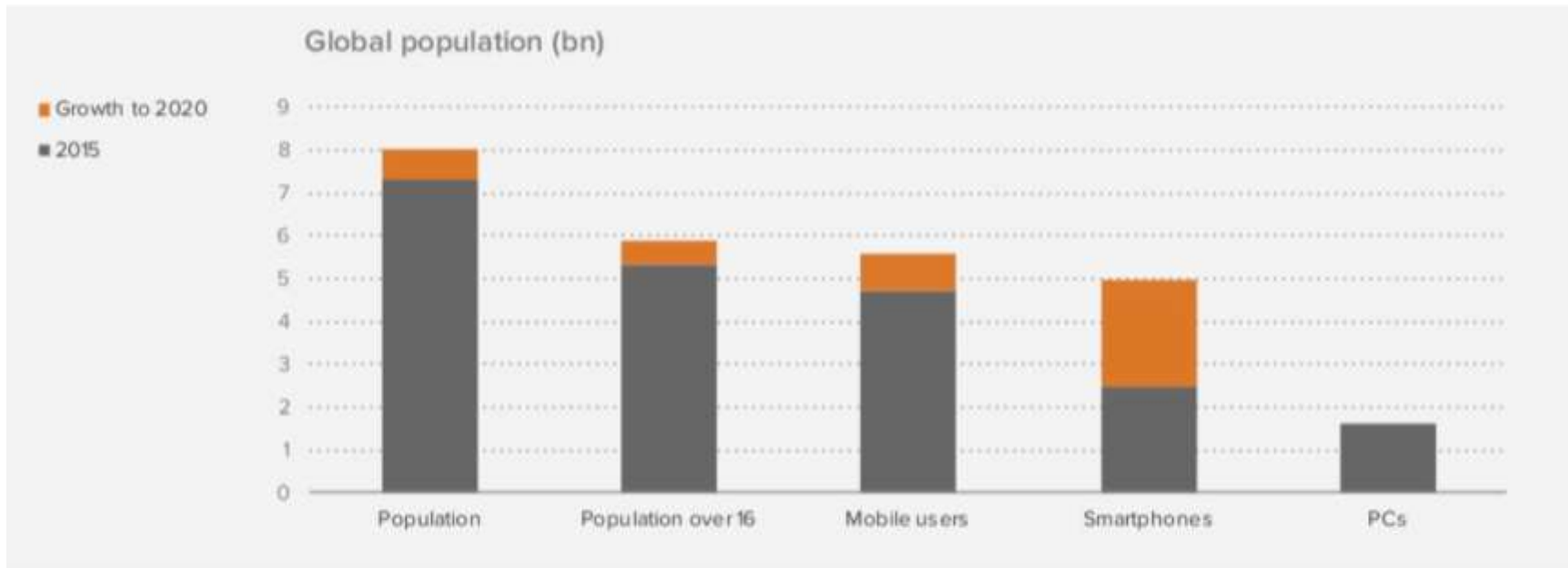


And it is driven by digital adoption ...

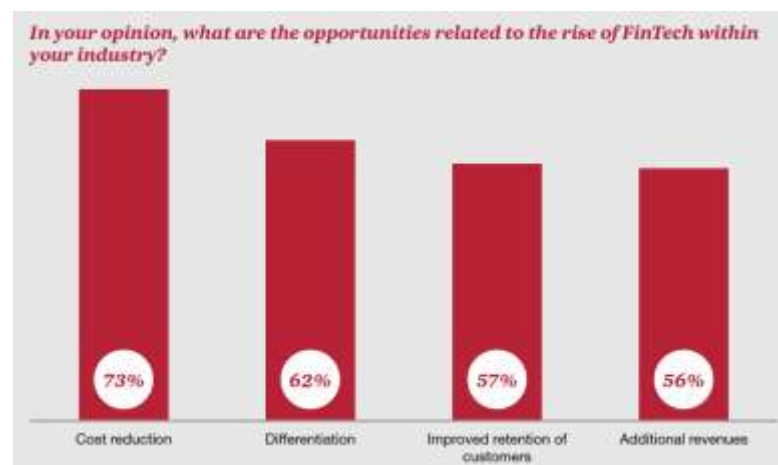
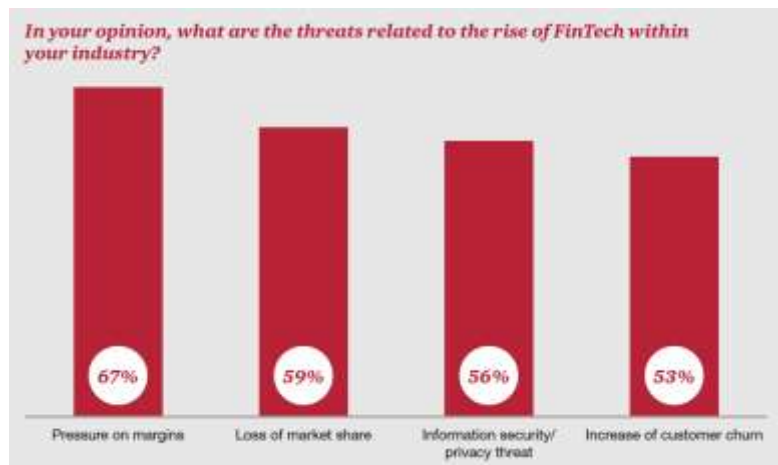
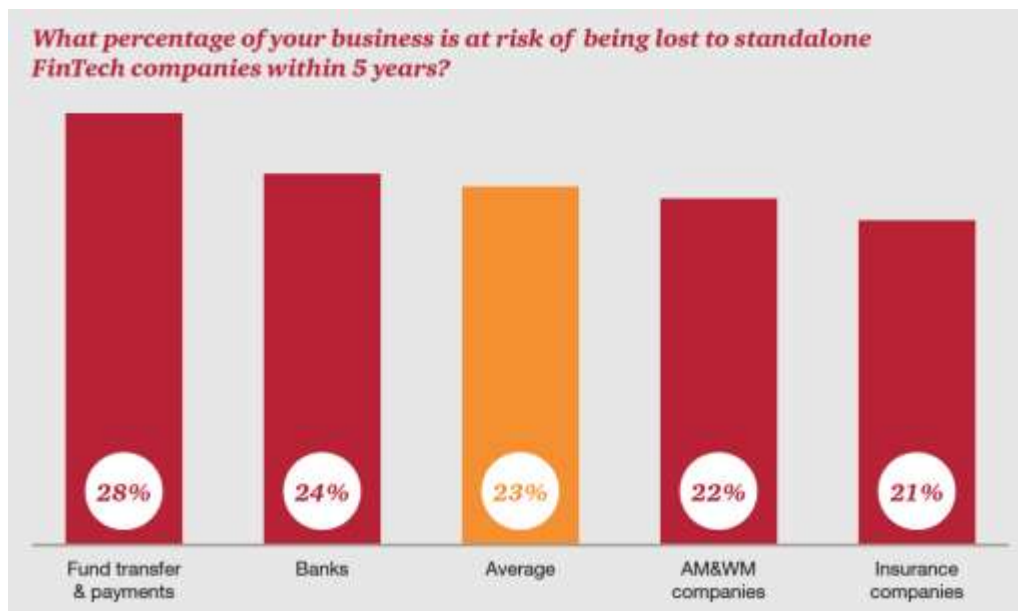
52% of Facebook's 1.6bn monthly active users only use it on mobile



The world in 2020 | 5bn people have a smartphone

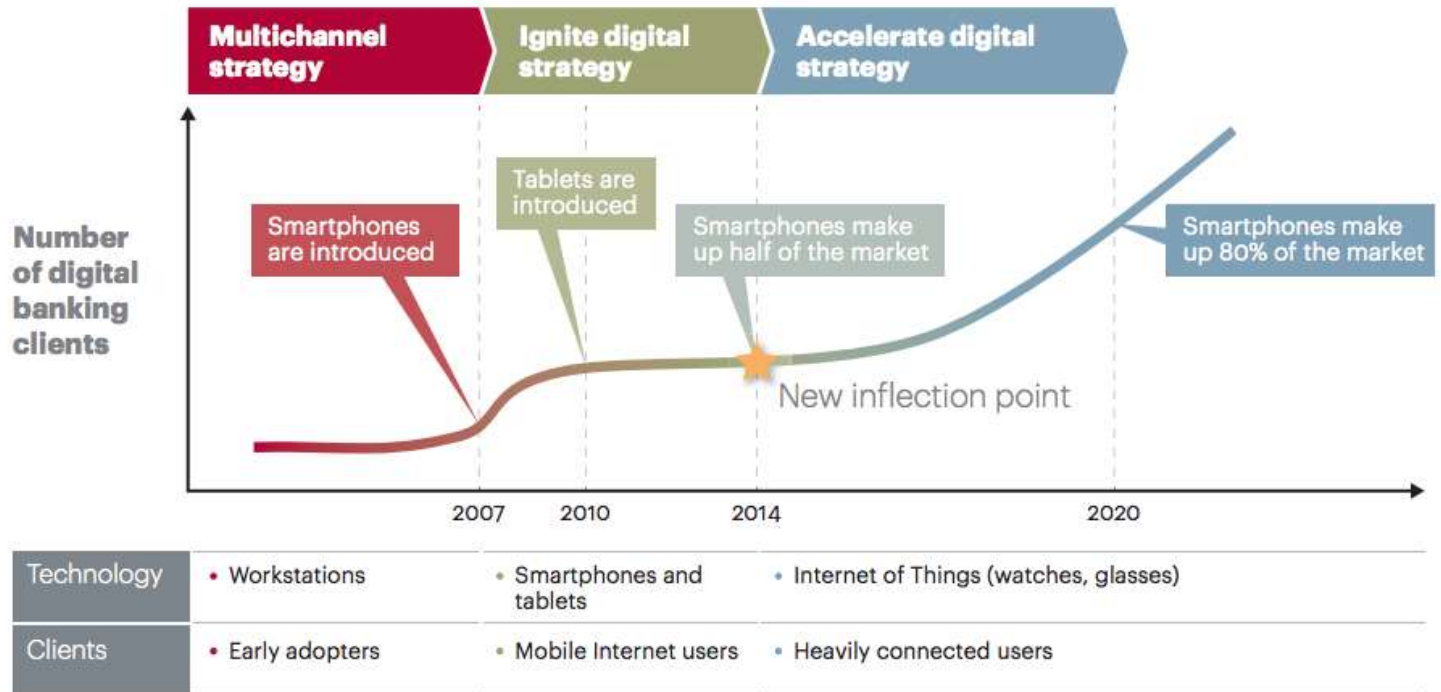


“Digital Age” is transforming the industry as we know ...



Our customers take Digital strategically and are accelerating their transformation programs

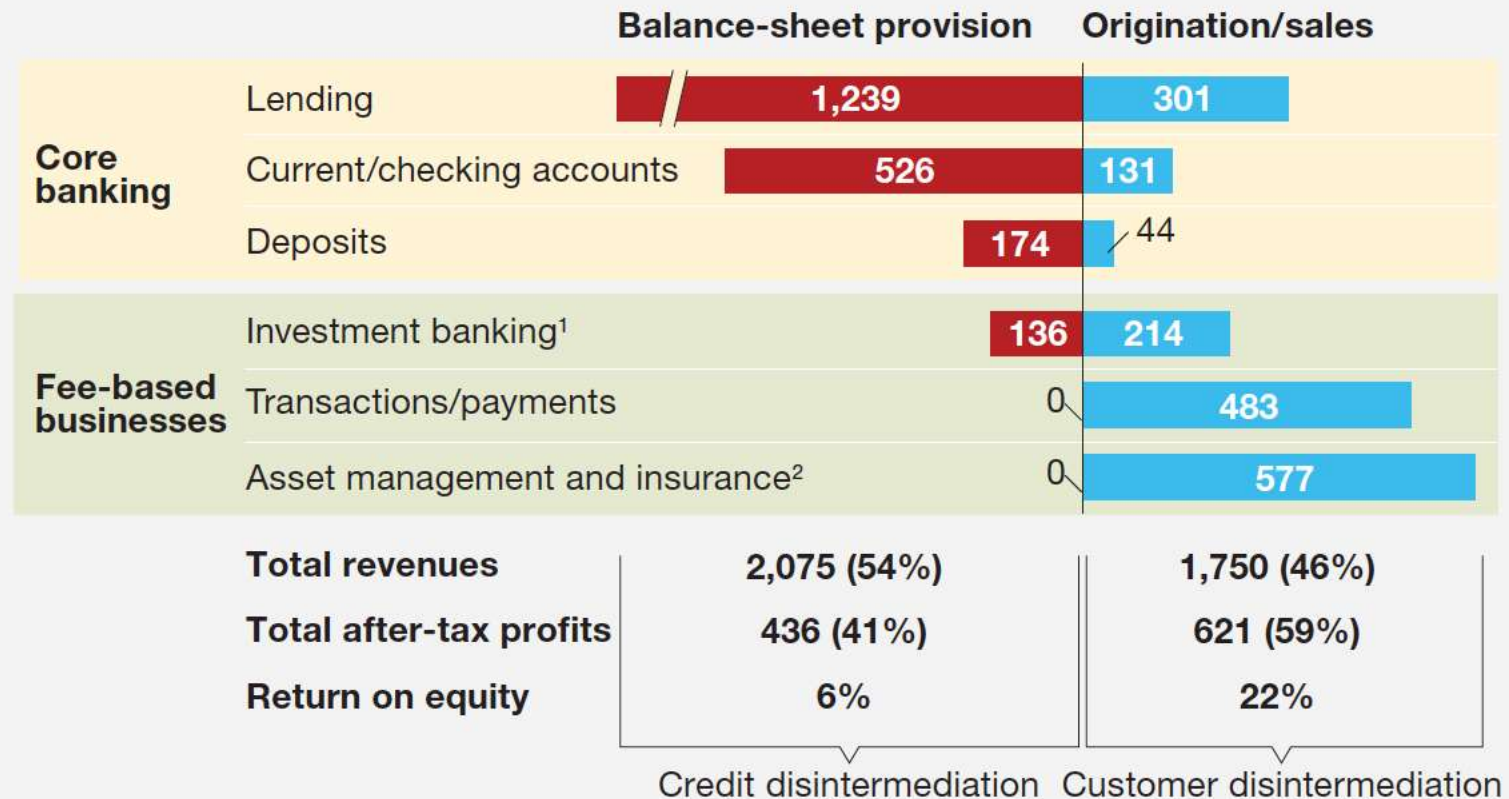
Most banks are now accelerating their digital strategies



Why do our customers need Intellect Design?

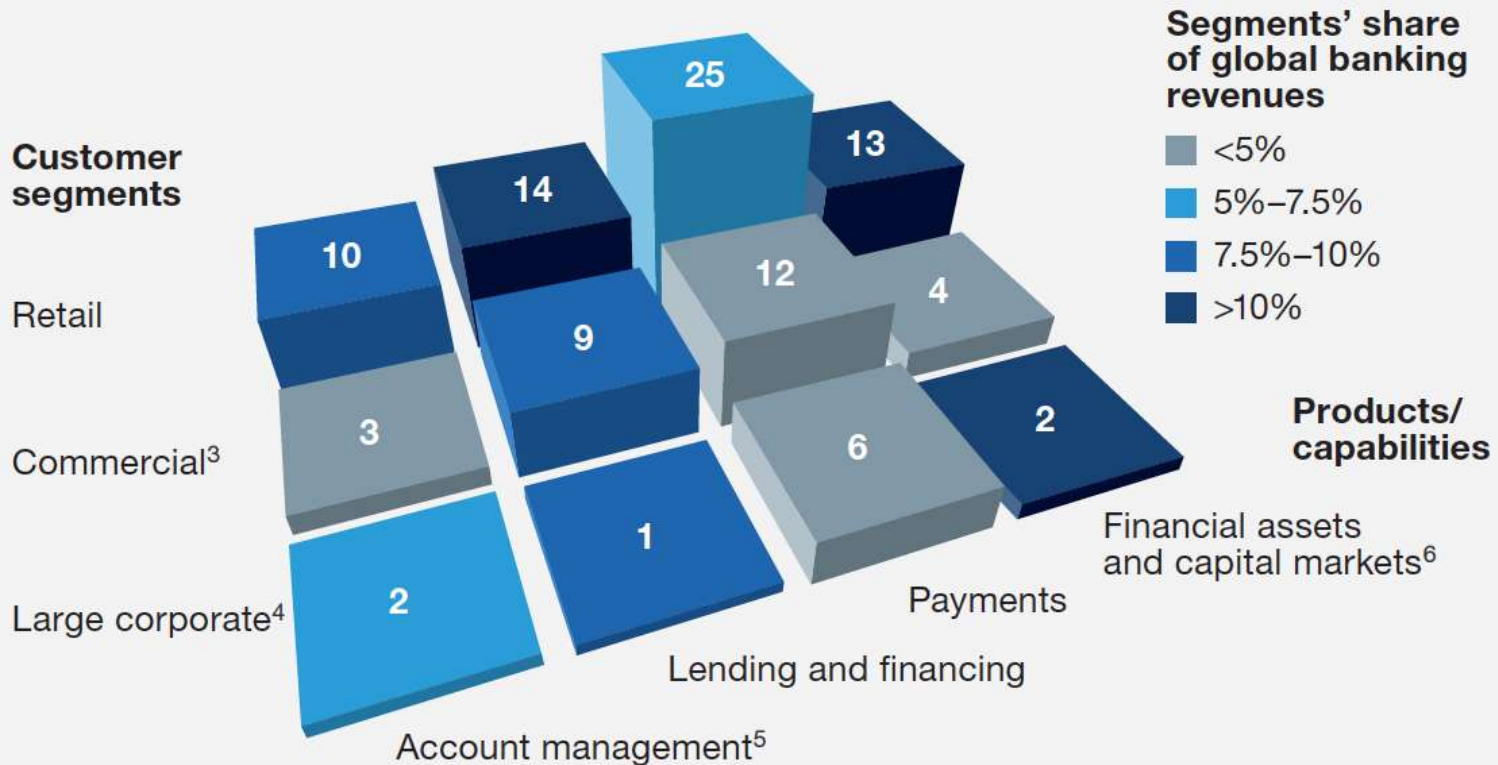
Origination and sales—the focus of nonbank attackers—account for about 60 percent of global banking profits.

Global banking revenues and profits by activity,
2014, \$ billion



Disintermediation is here and now ...

Customer segments and products of leading financial-technology companies,¹
2015, % of total²



Why the rush? Re-bundling of the Bank is already happening



Challengers all around us | Insurance

oscar 1-855-OSCAR-88 [Talk With a Guide](#)

Let's get you a quote—it only takes a few seconds.

My zip code is 10013
and I'd like to cover me, my spouse, and kids v .
I'm 49 years old, my spouse is 26,
and my 2 v kids are 9 and 12.
My family makes \$ 102,000 per year.
There are 4 v people in my tax household.

[Get Quote](#)

Disrupters | SME Banking

888-986-8263 | Help | Sign In



How it Works

Why Kabbage

Resources

Company

Apply Now

Get the security of a business line of credit today.

Qualify for a line up to \$100,000 in minutes!

Get Started

FREE, NO OBLIGATION



Find out how Kabbage works in this [brief video](#)



Disruptors | Retail Banking

Atom



Save with us

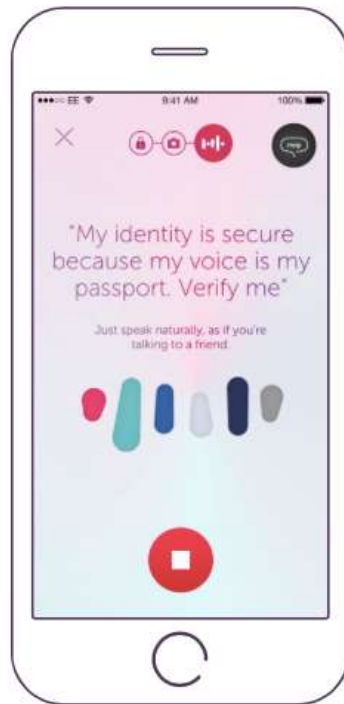
Our story

Newsroom

Our family

Blog

Sign up



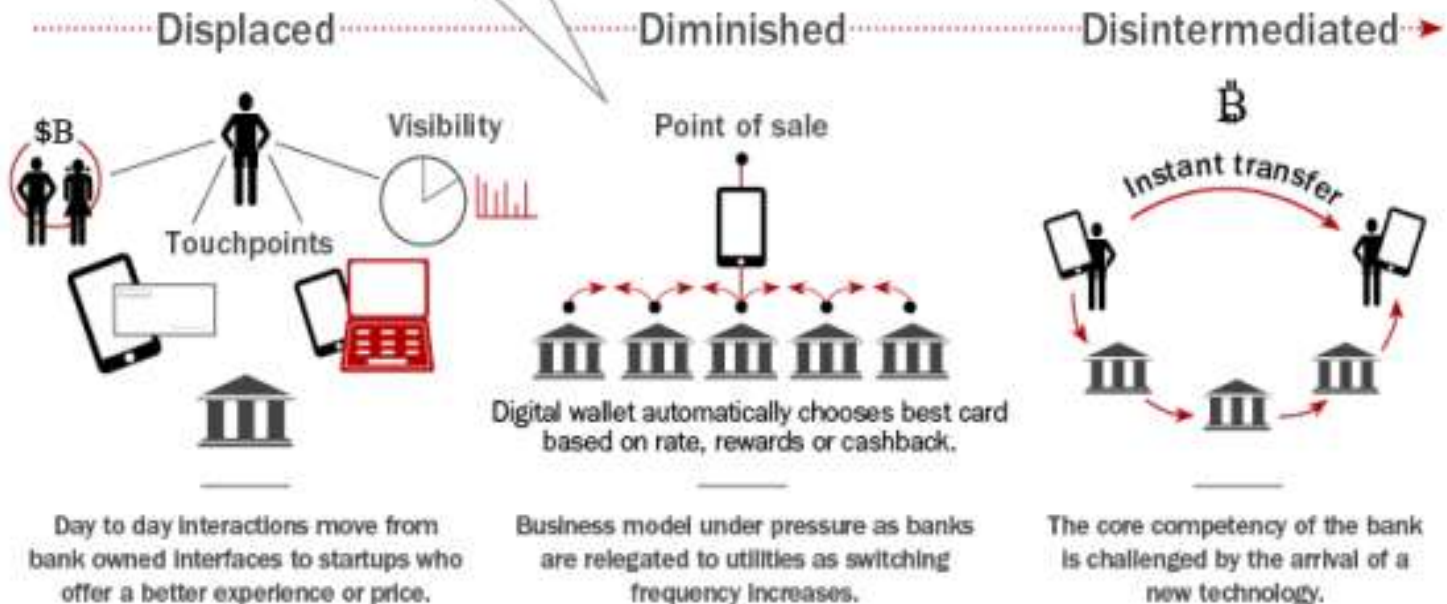
It's a pleasure, treasure

Our App is full of gems. Not only will you receive your own unique Atom logo, making our App truly personal, but you'll be able to name your bank whatever you want to. And when it comes to opening an account you'll be done in just a few taps.

Want to be one of the first
to try our App?

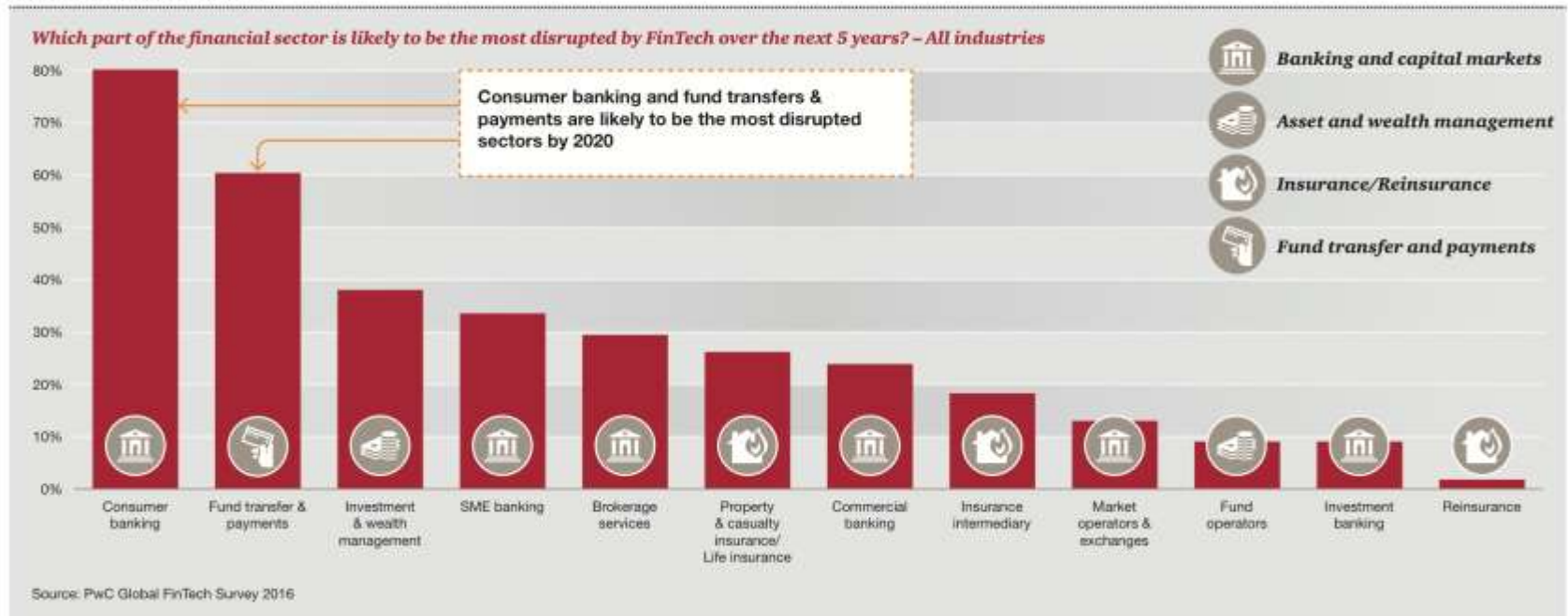
Enter your email

How retail banks are being displaced, diminished and disintermediated



Source: Bye Bye Banks? © July 2015 The Financial Brand

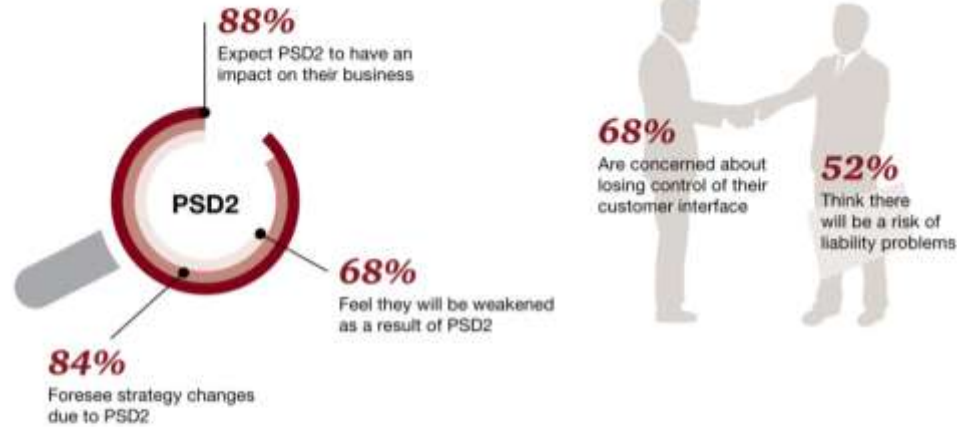
Disruption | Market Outlook across FI categories



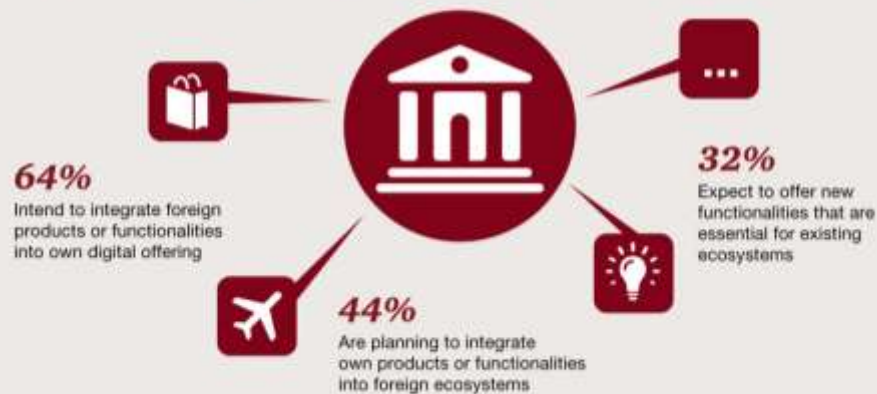
Opportunity for Intellect Design

Opportunity or threat?

Assessment of PSD2 impact on banks



Despite the high perception of risk, **44% of banks plan to provide an open bank offering** in the next 5 years



Relevant Trends in Banking

**How important are these trends for your industry and how likely are you to respond to them?
(e.g. allocate resources, invest)**

The size of the bubbles is proportional to the number of related FinTech companies as assessed by the DeNovo platform

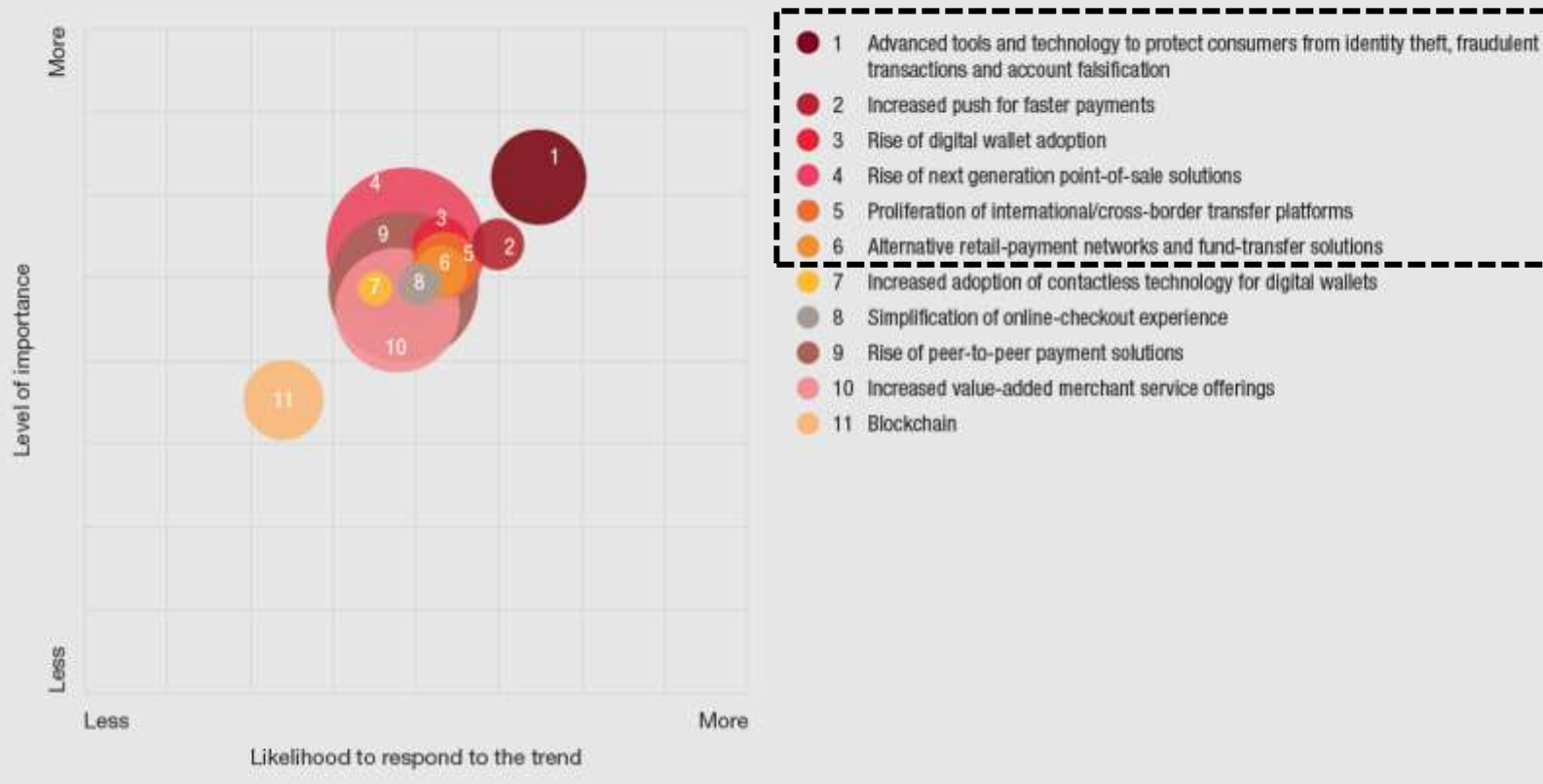


- 1 Solutions that banks can easily integrate or incorporate to improve and simplify operations
- 2 The move toward nonphysical or virtual channels
- 3 Simplified and streamlined product application processes to improve customer experience
- 4 Increased sophistication in methods to reach, engage, and retain customers
- 5 Emergence of self-service tools
- 6 Digitalisation of cash- and treasury-management functions
- 7 Increase of services and solutions for underserved consumers
- 8 Enhanced credit underwriting/decisioning
- 9 Blockchain
- 10 The rise of marketplace or peer-to-peer lending
- 11 Democratisation of banking and personal finance
- 12 Emergence of new options in mid-market funding such as crowdfunding

Relevant Trends in Payments and Fund Transfer

**How important are these trends for your industry and how likely are you to respond to them?
(e.g. allocate resources, invest)**

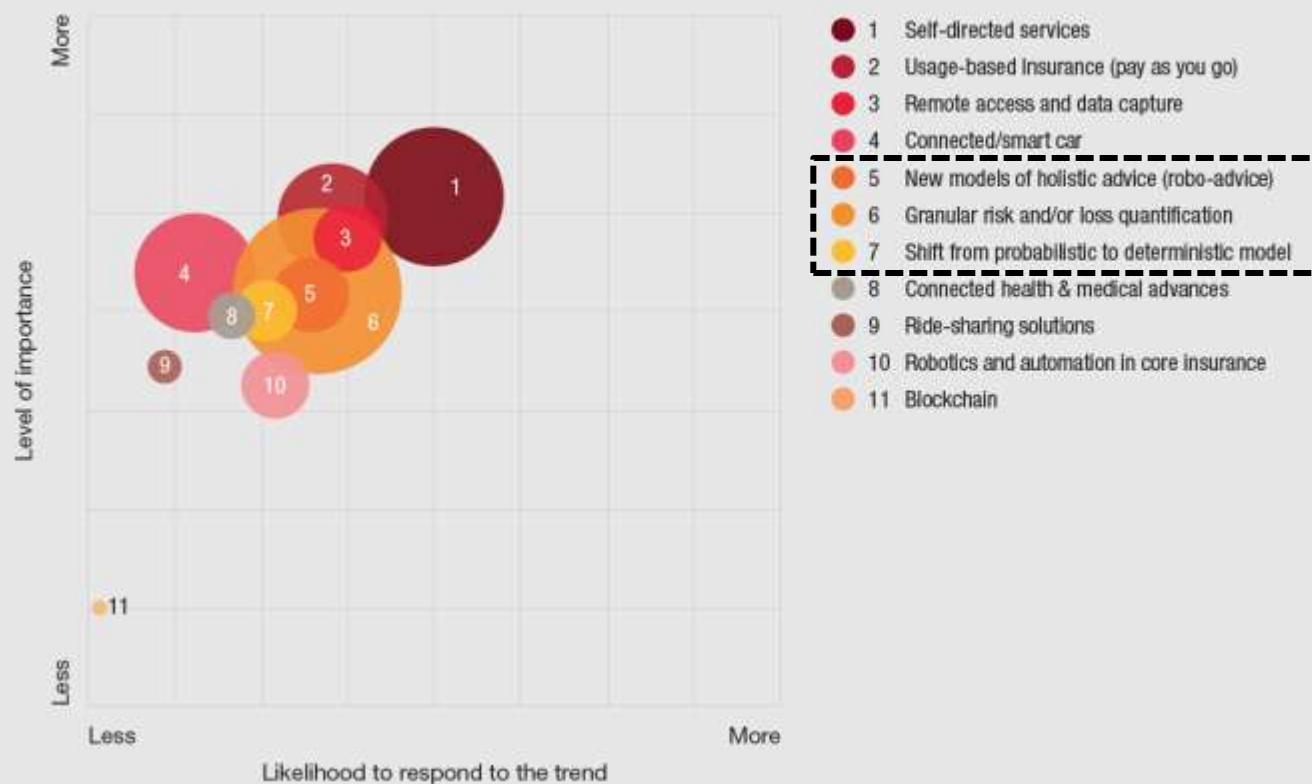
The size of the bubbles is proportional to the number of related FinTech companies as assessed by the DeNovo platform



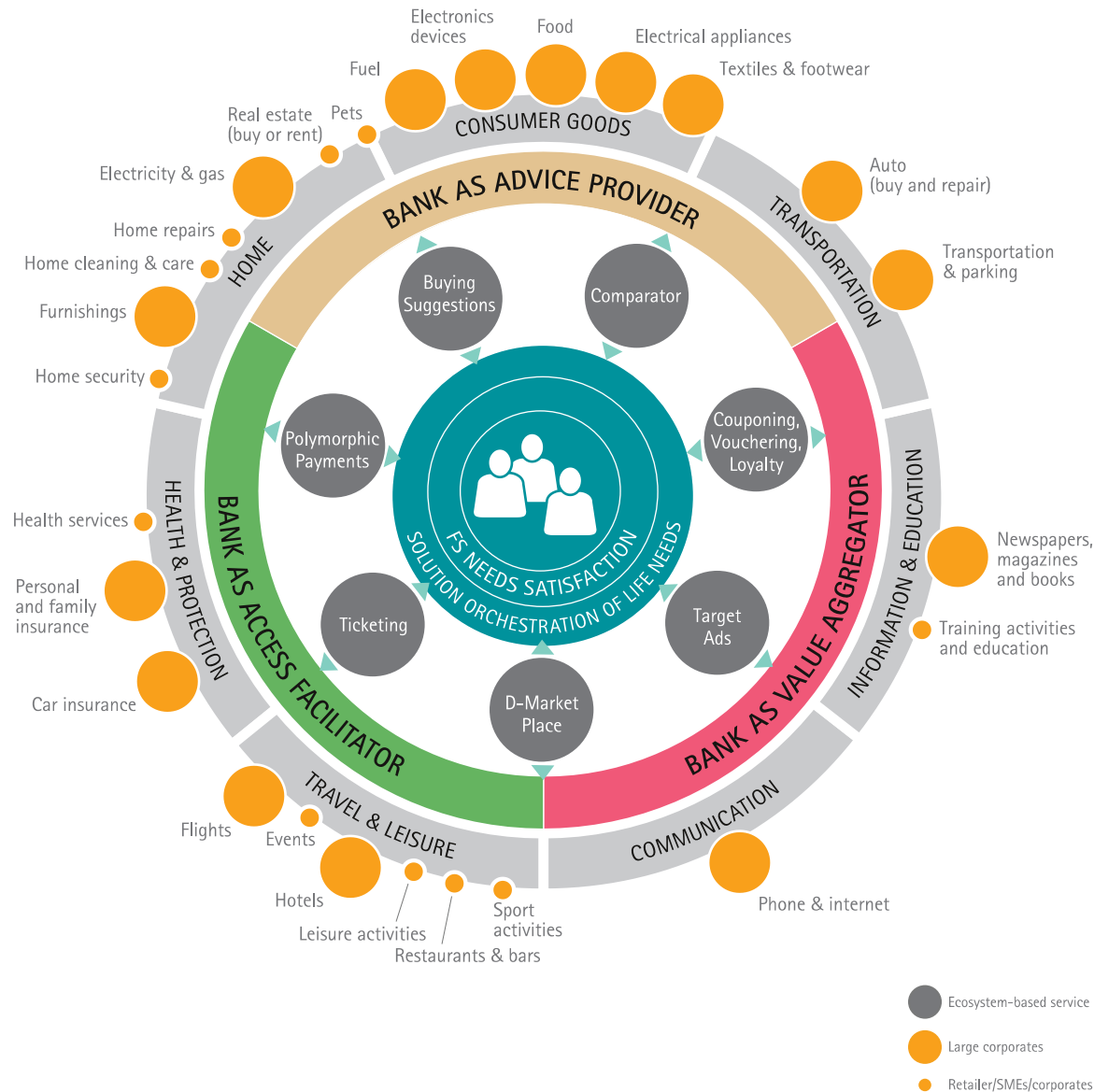
Relevant Trends in Insurance

**How important are these trends for your industry and how likely are you to respond to them?
(e.g. allocate resources, invest)**

The size of the bubbles is proportional to the number of related FinTech companies as assessed by the DeNovo platform



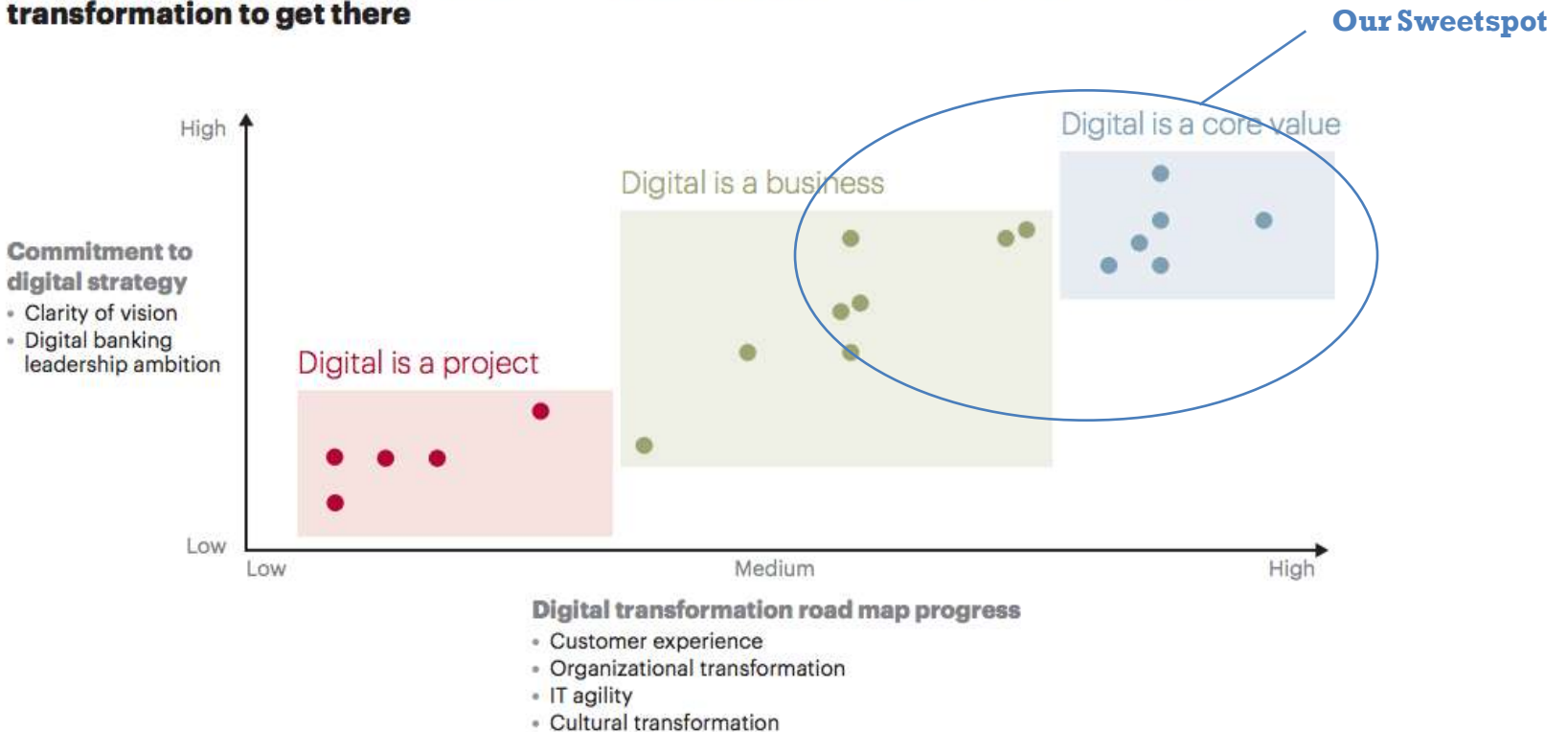
Our Focus is on enabling FI's New #Digital Eco System



Ideal Customer Profile (ICF) in each Market Segment

Figure 2

Most banks want to become digital banking leaders and are deeply engaged in the transformation to get there



Source: A.T. Kearney analysis



Digital Strategy – Technology Enablement

1

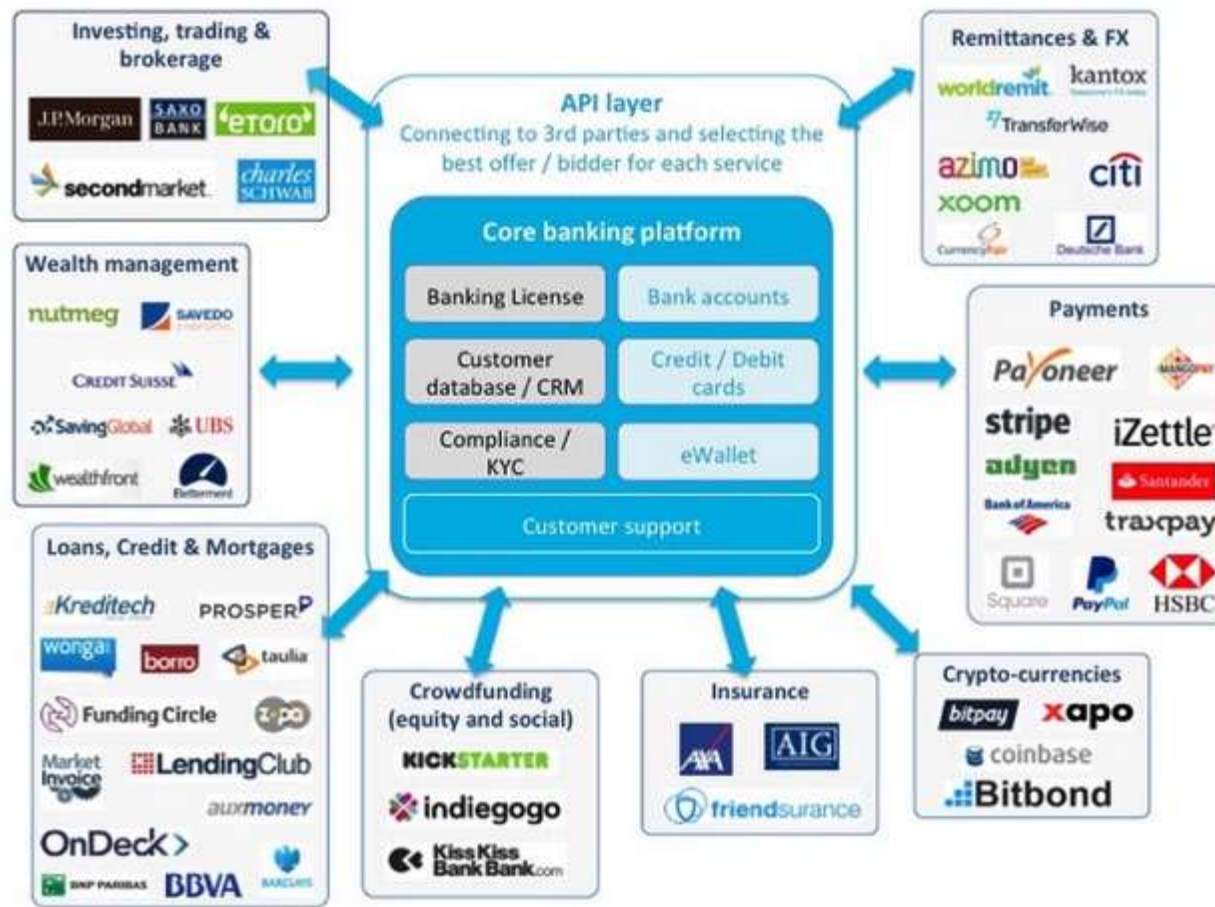
#co-exist

**Build ecosystems,
and be part of other's**

#Disruption : Re-bundling of the Financial Institution



Opportunity (or Thread): API* based Eco System through regulation (PSD2) or competition (rebundling)



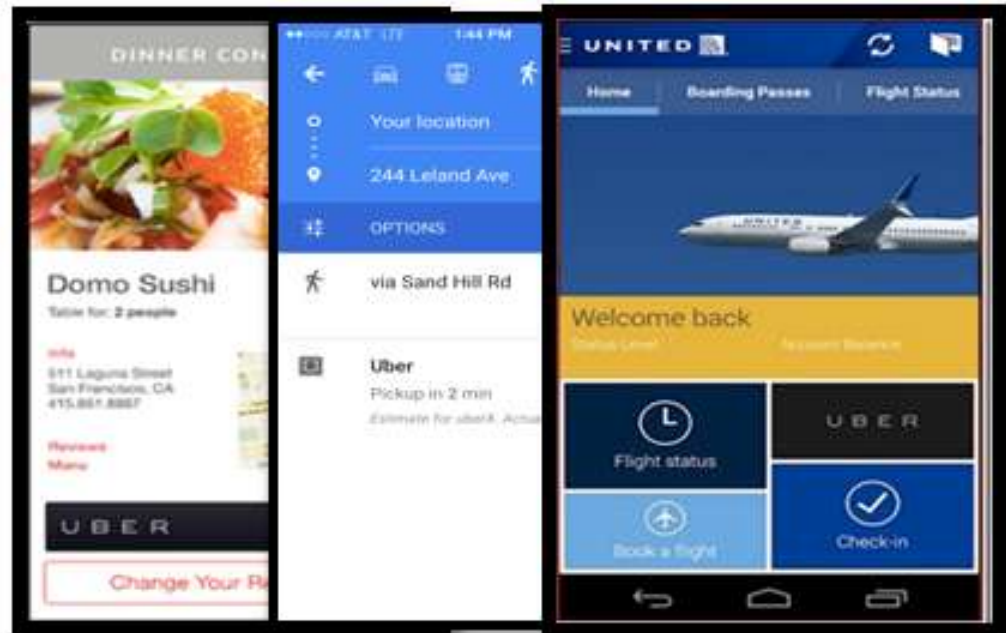
* API = Application Programming Interface, see also: https://en.wikipedia.org/wiki/Application_programming_interface

Building Eco Systems through APIs

Uber in 2014



Uber in 2015



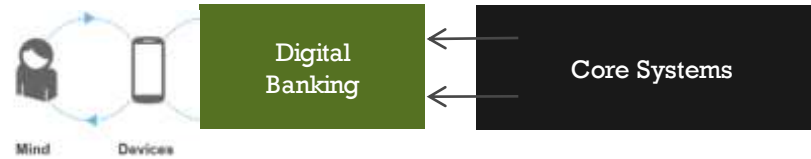
OpenTable

Google Maps

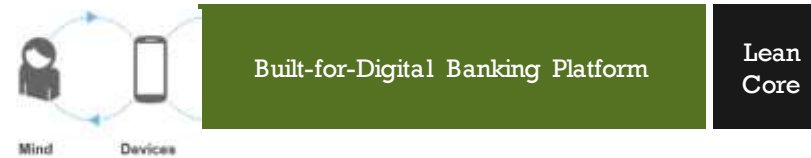
United

Banks have to choose a path to the future ...

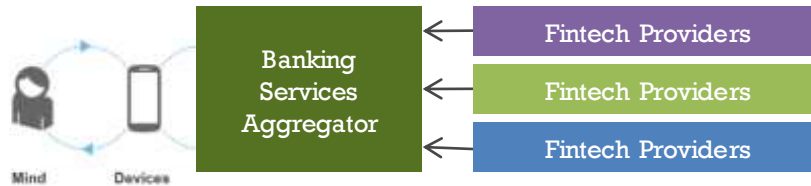
Scenario 1
Digital CX



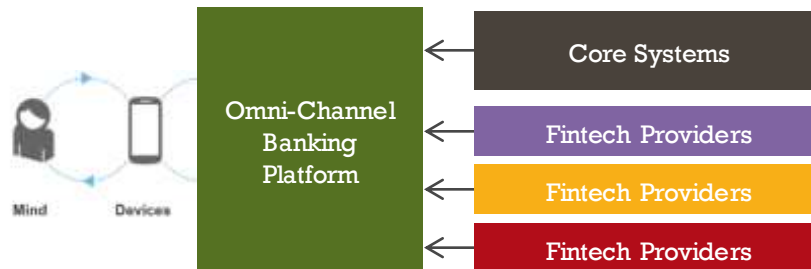
Scenario 2
Greenfield Digital



Scenario 3
Aggregator



Scenario 4
Omni-Channel



API First and Platform Strategy to Aggregate and Co-Exist with Fintechs

**Extend the
Eco System**



APIs | FI's Eco System and as Internal Co-Creation Enabler



INTERNAL API (Agility)

Meet demand for mobile and social apps: iPhone, iPad, Android, Facebook, Twitter

PARTNER API (Collaboration)

Deliver on backlog of business development opportunities with customers and partners

OPEN API (Innovation)

Inspire worldwide community of application developers to create new profit opportunities

Product Offering | Alternative capitalization on same Product IP

Part of Full Stack : Speed + Economics

No Restrictions : Flexibility + Control

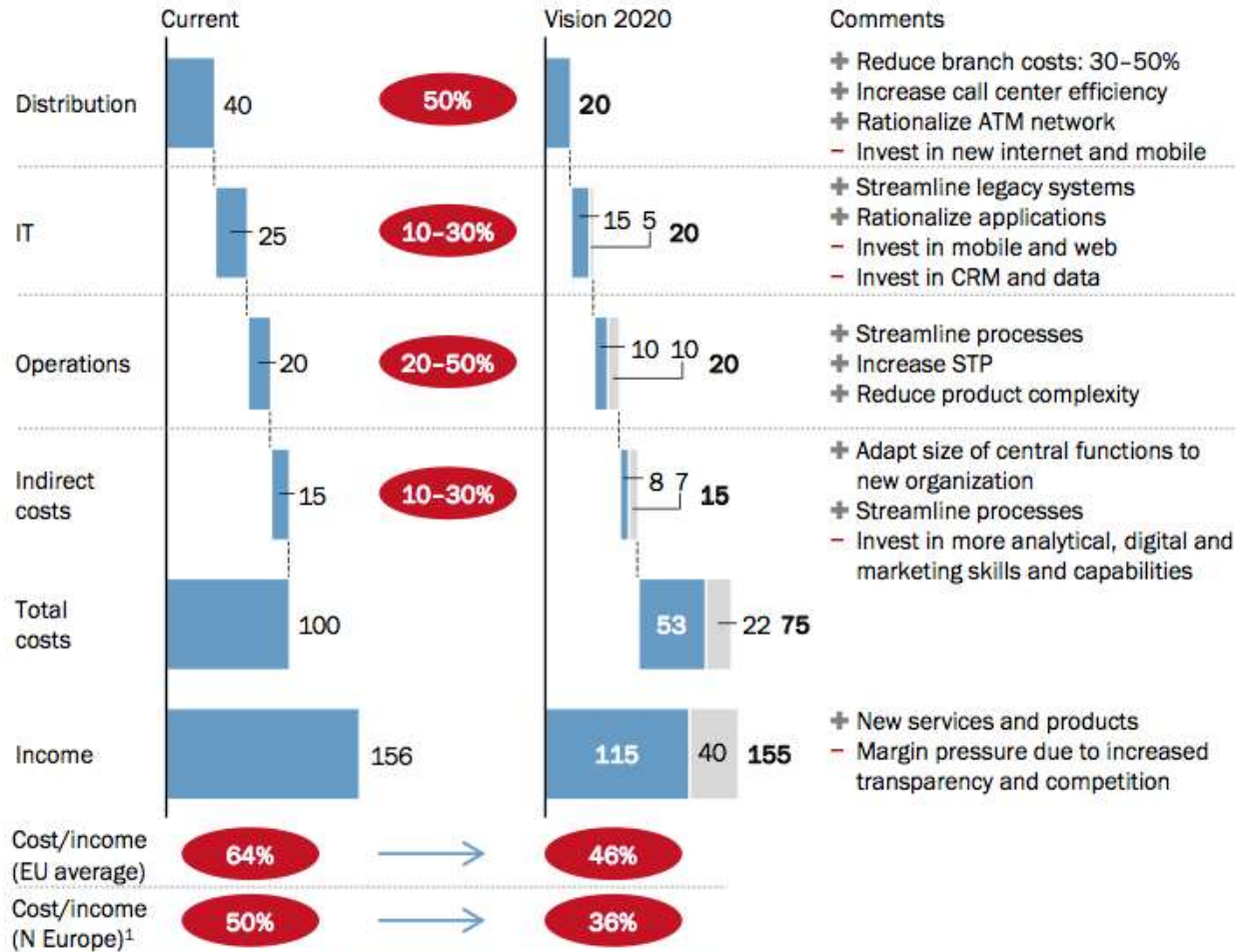


2

#decomplex

Increase adoption
of digital channels

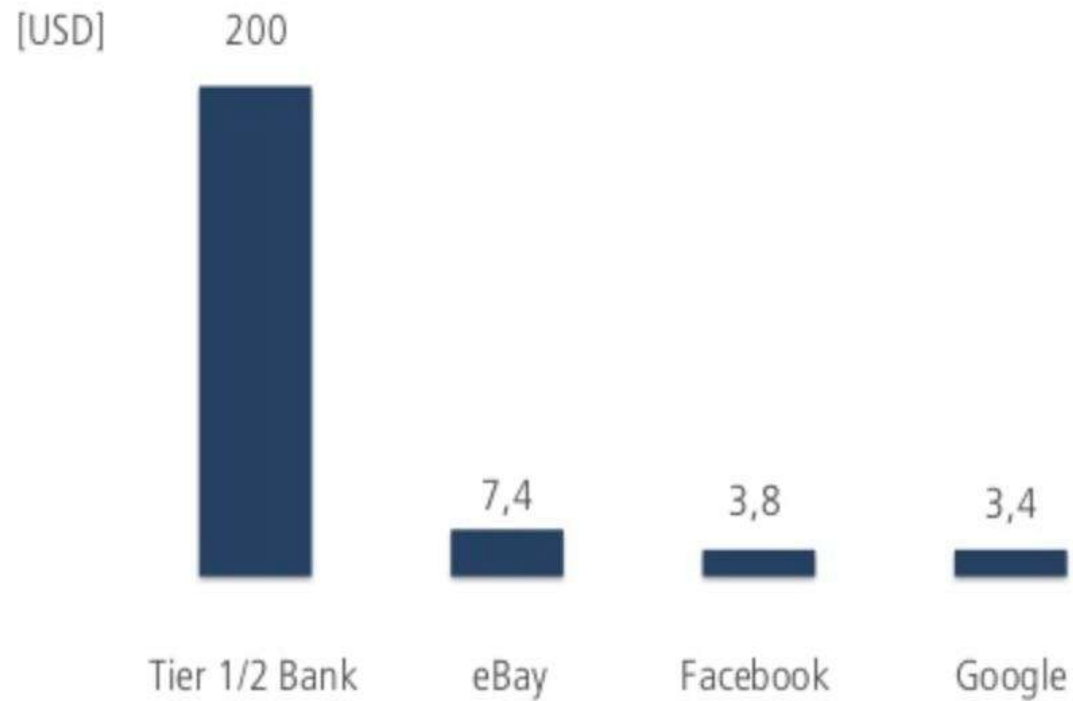
Disruption | Pressure on Cost Income ratio



¹ For countries like Northern Europe (Scandinavia, Netherlands) and for countries such as UK or Australia

Source: EFMA - Digital Transformation in 10 Building Blocks – to boost customer experience and return on Equity. McKinsey

Cost per user compared



Digital Adoption: No friction, easy to onboard.

Kabbage Email Us Sign Out

Qualify in 3 Simple Steps **Business Information** Instant Business Review Account Information

Instant Business Review

Questions?
Call Us: 888-986-8263

Select a service that you would like us to review. **Important!** Choose a service that contains the most revenue transactions. You only need one to qualify. You can add more later to potentially increase your line.

My business banks with...

CHASE Bank of America WY WELLS FARGO PNC usbank

REGIONS BB&T TD Bank USAA citibank

Capital One SUNTRUST NAVY FEDERAL BOVA Compass FIFTH THIRD BANK

Don't see your bank? [Click Here](#)

My business processes payments or accepts credit cards using...

PayPal Authorize.Net sage stripe SQUARE

My business sells on...

ebay shopify YAHOO! amazon Etsy

My business uses...

intuit QuickBooks xero Fuelman

Commonly Asked Questions

- Why do I need to link an account?
- What data is Kabbage reviewing?
- Does Kabbage support service providers not listed here?

Privacy
Kabbage does not view or store your login credentials.

Safe and Secure
We use bank-level security to keep all your data secure.

BBB ACCREDITED BUSINESS BBB Rating A+ TRUSTe Certified Privacy

Innovate on the Glass



**Banking As
A Widget**



Bespoke?



Asset: Knowledge Development

8012
FT Design Center
IT Highway, Chennai, India

A PLACE WHERE WE
CAN WORK
TOGETHER.

Rolf Knoepfel & Patrick
Brunschwig, Migros Bank



THE WORLD'S ONLY
DESIGN CENTER
FOR FINANCIAL
INSTITUTIONS

CONNECTING
THE DOTS AND
UNLEASHING
THE POWER OF
COLLABORATIVE
DESIGN TO DRIVE
UNPRECEDENTED
VALUE ACROSS
BUSINESS,
TECHNOLOGY
AND OPERATIONS.



DESIGN THINKING
IS PROBABLY THE
GREATEST GAME
CHANGER GIVEN

THE
COMPLEXITIES
AND CONFLICTS

THAT
WE DEAL WITH IN
THE BANKING
WORLD.

Michael Harte
Commonwealth Bank of
Australia

EXPERIENCE
DESIGN
IMMERSION
AT 8012

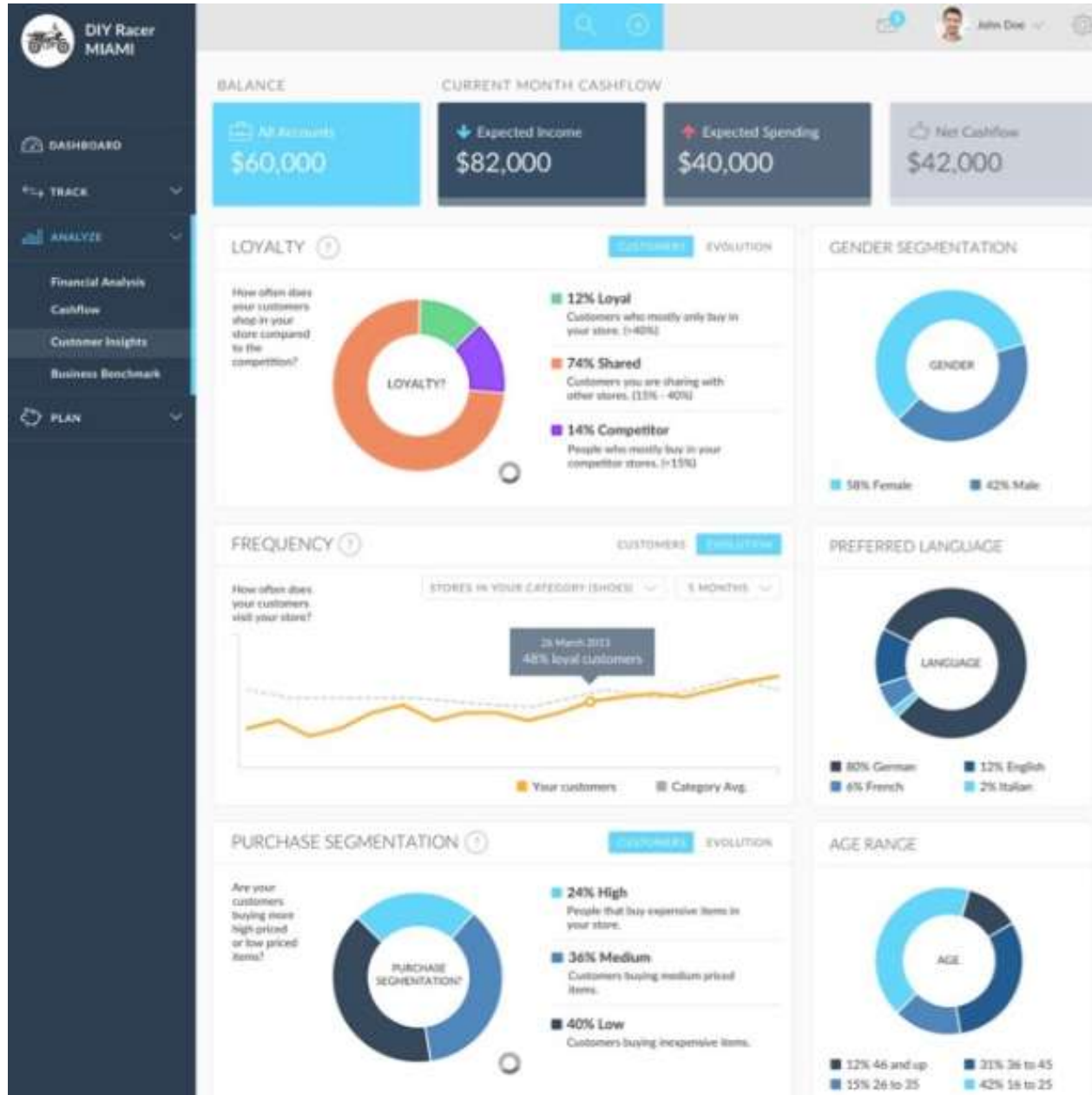


THE DESIGN CENTER
IS A VERY GOOD
IDEA AND CAN GO
A LONG WAY!

Henning Gebert
Swisscom



Industrialized UIs for Target Verticals



Netflix for Banking: Everywhere



Seamless Experiences despite the Technology and Organizational Silos






Enabling Technology

Tailored Experiences through SDKs and Extension Points





Leave home by 4:30 pm



Driving From home

45 min

Arrive 90 min early

British Airways BA02



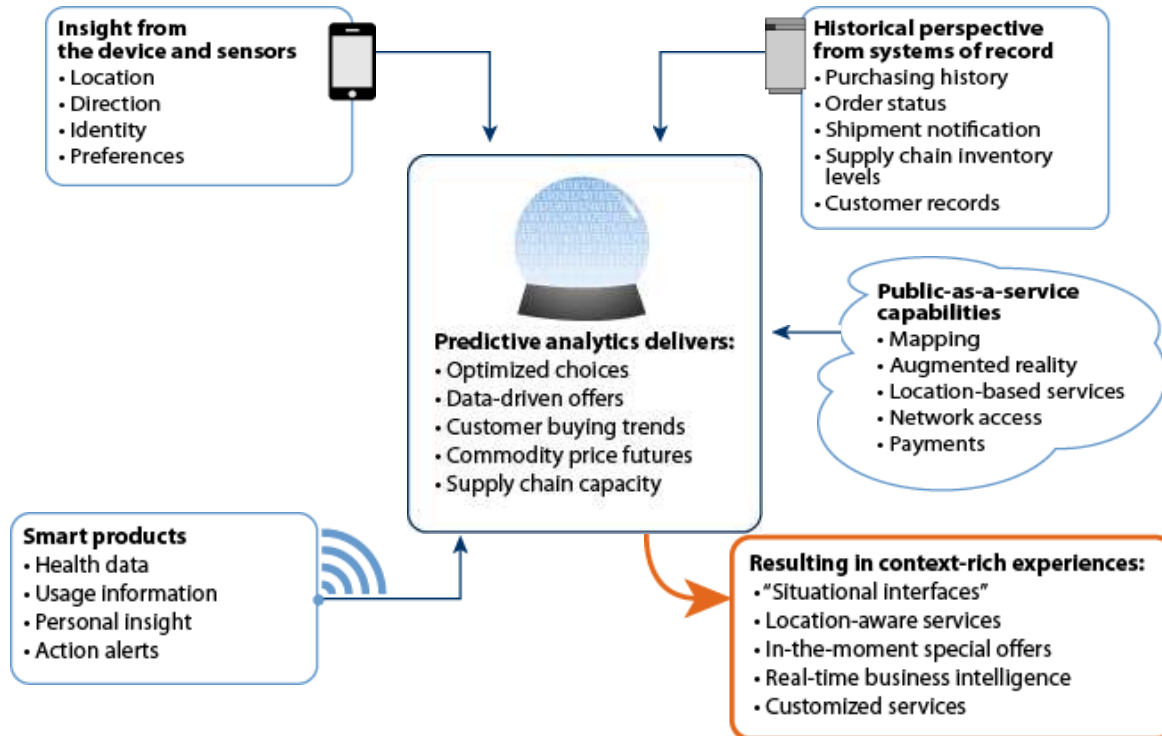
Scheduled - departs in 2 hours 56 mins

LON  JFK

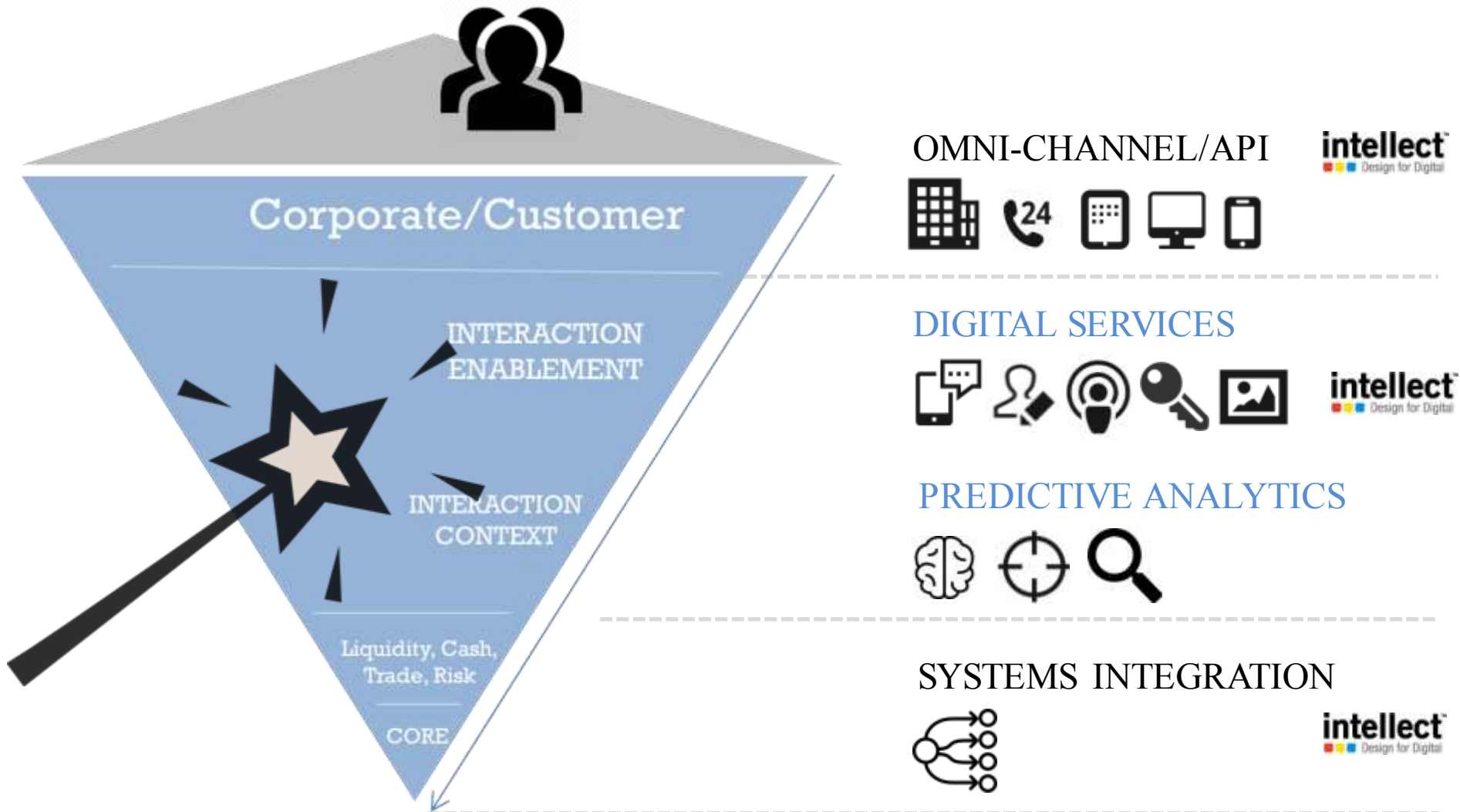
Harvest Data Insights: Contextual Banking



Machine Learning make interactions smarter and very context aware.



Outside In: Intellect's Contextual Digital Platform



3

#aggregate

To remain relevant,
become a platform

Wishlist customer



Source: Celent Research on U.S. Mobile App Preferences, July 2013

Hierarchy of Needs applied to Financial verticals' customers

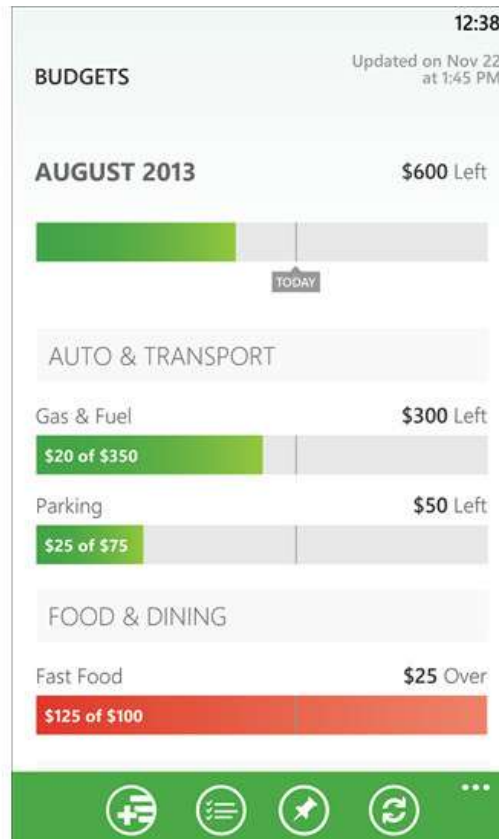
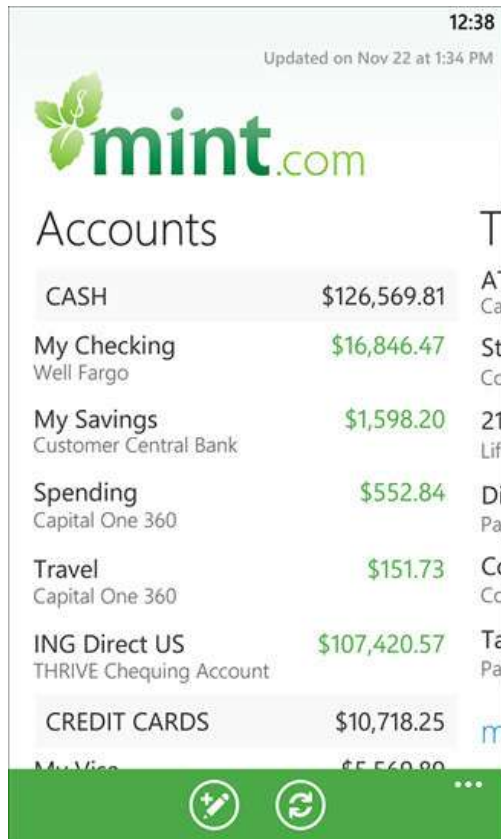
INSIGHT
How Am I Doing?



FORESIGHT
What Should I Do?

OVERSIGHT
What Do I Have and Where Is it Going?

Threat: Aggregated or be aggregated.



PFM and BFM: Financial Well Being

Business Worth

Worth
\$163,816

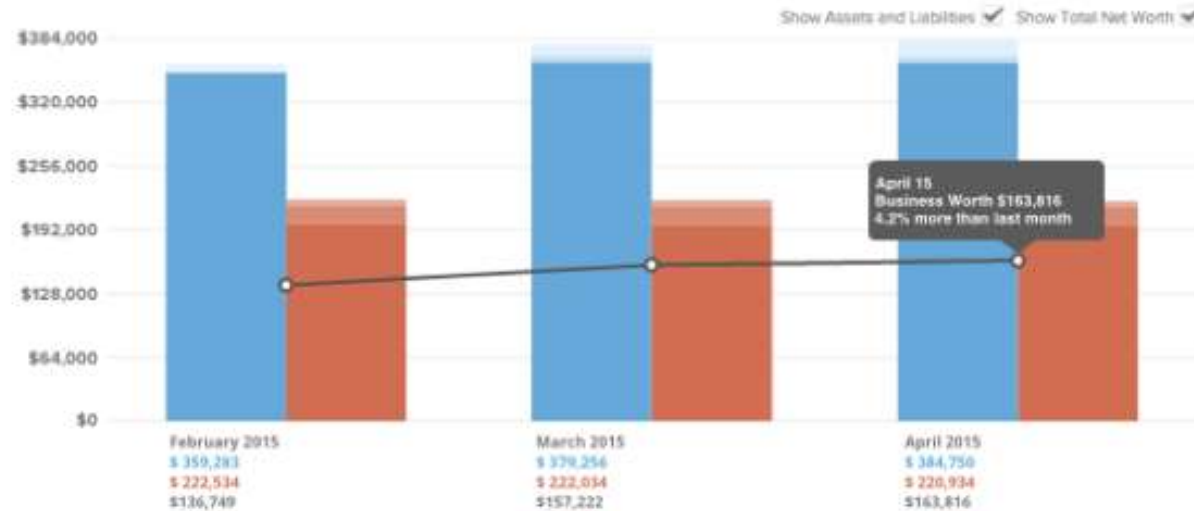
Assest
\$384,755

Liabilities
\$220,934

Analyze your business worth of the

Last 3 months

Assets and Liabilities



PFM and BFM: How am I doing compared to others?

COMPARE



Stefano E.
[edit profile](#)

Industry **Restaurant** ▼
 Number 1
 Employees 3
 Revenue \$65,000
 Based in Rome



55
Other restaurant owners in Rome, 1-5 employees



4

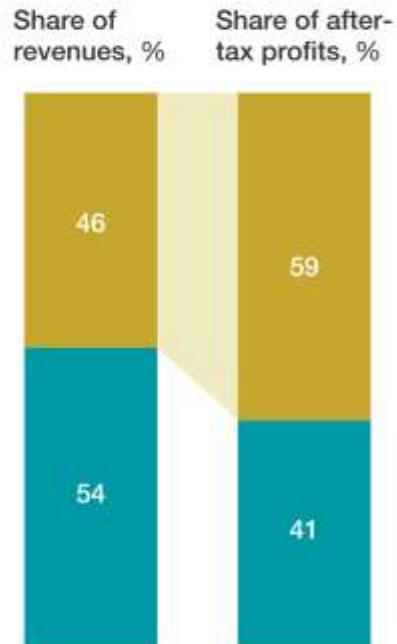
#bcommerce

Sell into Self Service
channels, and Improve
Conversion in Origination

Disruption | Margin Pressure

Digital attackers disintermediate profitable customer-facing businesses and avoid capital-intensive areas.

■ Origination and sales
■ Balance-sheet provisioning¹



¹Revenues generated by carrying loans and other assets already sold and sitting on the books.

²Asset management includes investment and pension products. Only insurance sold by banks is included.

Source: Analysis and data provided by Panorama (a McKinsey Solution)

eCommerce for Banking

Operate Self Service Channels with Amazon-like mindset



bCommerce and Digital Marketing

Pervasive analytics, a real-time marketing engine and advanced multichannel integration can more than double conversion rates



bCommerce: Campaign Management

1 CAMPAIGN DETAILS 2 **AUDIENCE SELECTION** 3 CREATE OFFER

CHOOSE A STRATEGY

TARGET ALL **BOOST OFF-PEAK** GAIN NEW CUSTOMERS REACTIVATE CUSTOMERS INCREASE SPENDING REWARD LOYALTY >

BOOST OFF-PEAK

All customers who have made purchases during a relevant period in your industry.

AVAILABLE (DAYS)
Every Day

TIME WINDOW
8:00 — 17:00

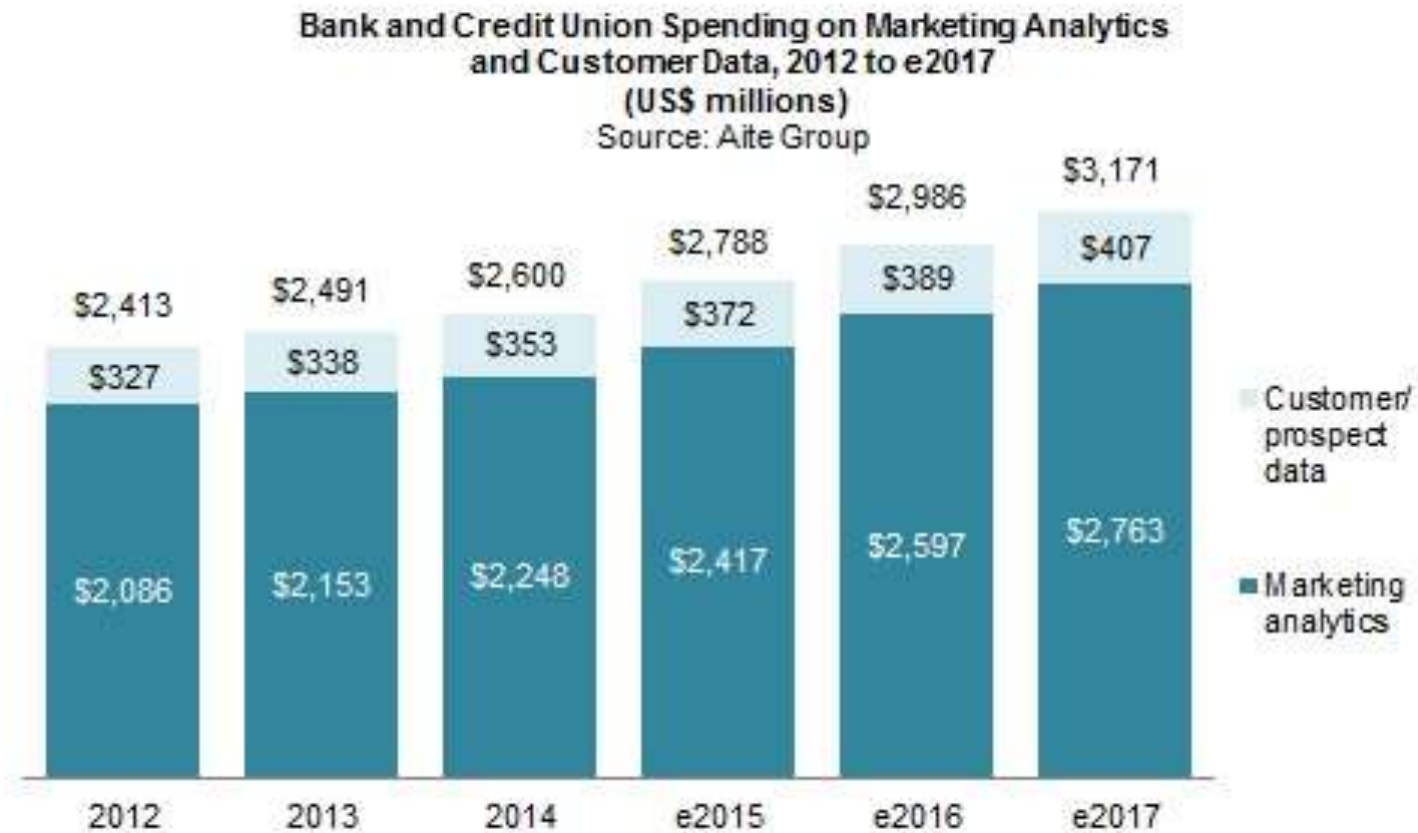
GENDER
Any

PRICE SEGMENTS
High **Medium** **Low**

DEMOGRAPHIC
18 years — 65 years

32723
CUSTOMERS

Spending in Marketing Technology



#timetoconnect
#masscustomize

A-la-carte and
Full Outsource

This is why they buy: Time-to-Market



Why the Intellect Digital solutions: Mass Customized



Embrace and Extend: Expand our eco system.



Digital Product IP Superstore, or In-Store





Roadmap Acceleration and Market Alignment: Co-Creation

Summary

- ✓ Customer Centric approach: Context Awareness will drive Interactions
- ✓ Deep focus: We have Product IP and Knowledge to get this right.
- ✓ Solutions are attached to customer's business pains and ambitions.
- ✓ Validated: Perfect Product-Market Fit.
- ✓ Targeting segments with: best-of-breed and full stack.

Our Ambition



Help Financial Institutions to Accelerate their Digital Transformation through Productized Technology- and Design Innovation, and make them True Customer Centric, Business Aware and Emerge as a FinTech Leader.

Thank you