

CAN FINTECH STARTUPS REALLY CHANGE BANKING?

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**TWINO IS ONE OF THE LEADING P2P
LENDING PLATFORMS IN EUROPE.
INVESTORS FROM 30 COUNTRIES.
OVER € 135 MILLION IN LOANS FUNDED**

**\$12.7 BILLION IN VENTURE
CAPITAL WAS INVESTED IN
FINTECH STARTUPS IN 2016**

Source: CB Insights

**FINTECH STARTUPS RARELY
INVENT NEW PRODUCTS, SO THEY
NEED TO REPLACE INCUMBENTS**

FinTech landscape replicates product offering of a full-service bank

Investment management
Alternative lending
Payments
Insurance

 Betterment

 Funding Circle

 stripe

oscar

FinTech startups might initially go after non-bankable segment, but eventual goal is to outcompete banks

**AUTOMATION THROUGH
USE OF TECHNOLOGY
DRIVES DOWN THE COST**

Blueprint: decompose banking processes (i.e. lending) and automate every part of it

Application process
Person identification
Document verification
Customer support
Decision making

**It is estimated that peer lenders have
>400 BP cost advantage over banks**

Source: Foundation Capital

**COMPETITIVE ADVANTAGE:
COST SAVING IS SHARED
WITH END CONSUMER**

**Fundamental difference in thinking:
technology is not a cost saving initiative,
but the basis for competition**

“Banks could charge you up to 5% in hidden costs when sending money to any bank account abroad. TransferWise is up to 8x cheaper.”



“Borrowers reduce their rates by an average of 24%”



REGULATORS CANNOT PROHIBIT INNOVATION AND CLEAR CONSUMER BENEFIT

Regulators will come after all FinTech sectors...but the regulation most likely won't work in favor of banks

**Banking license, besides all burdens,
also has major benefits that is not
available to FinTech startups**

“European Commission is exploring new rules that would give FinTech companies passporting rights to operate anywhere within the EU's single market”

KEY QUESTION: CAN FINTECH STARTUPS REACH THE SCALE OF BANKS?

HOW MUCH TIME BANKS HAVE LEFT TO CHANGE BEFORE FINTECH STARTUPS REACH SCALE?

TWINO

THANK YOU!

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