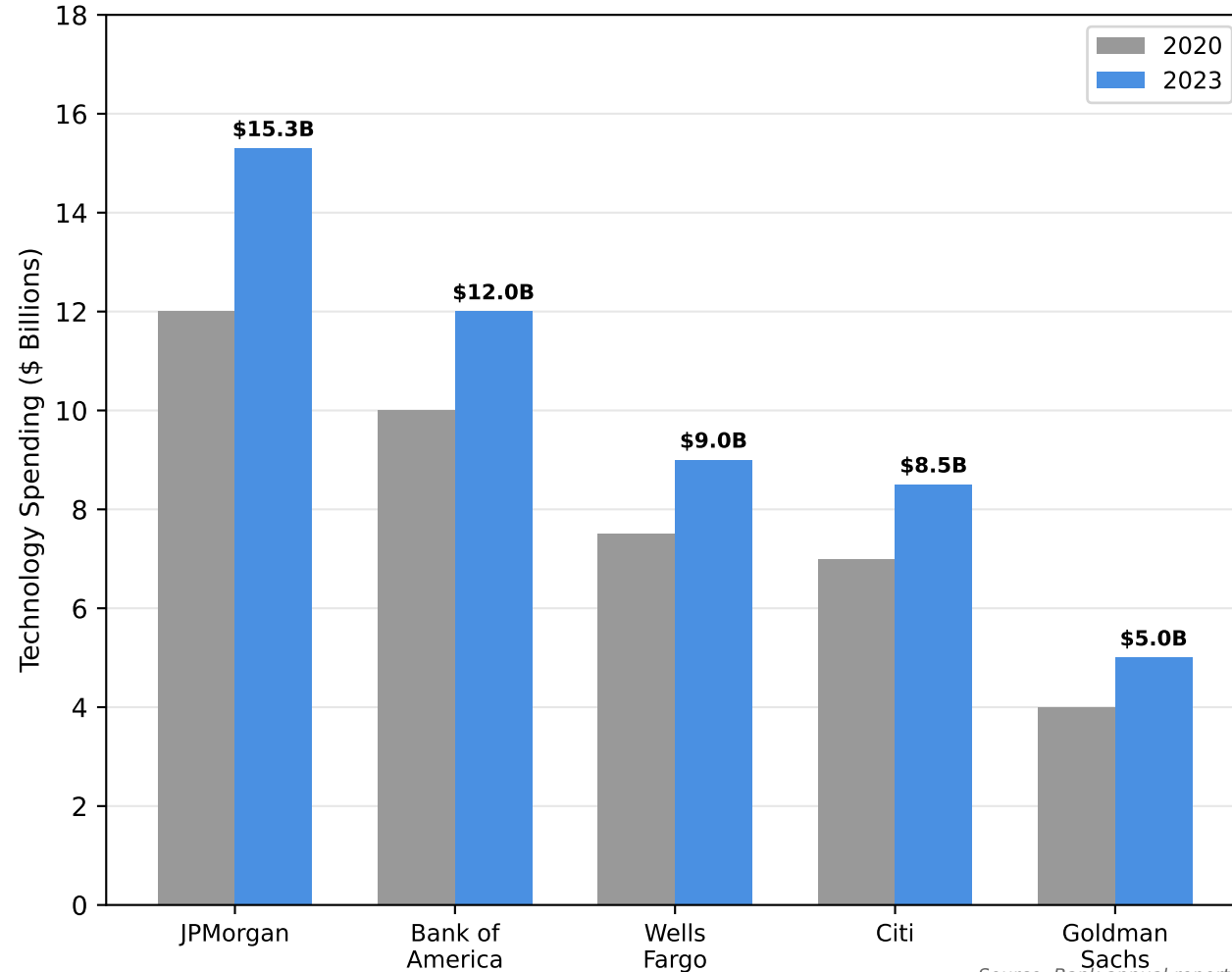


How Incumbent Banks Respond to Neobank Competition

Major Bank Tech Spending



Incumbent Response Strategies

Build Own Digital Bank

Create separate digital brand

Examples: Marcus (Goldman), Zelle, Chase Digital

Acquire FinTech

Buy innovation and talent

Examples: Visa-Plaid*, JPM-WePay, Goldman-GreenSky

Partner/Invest

Monitor and collaborate

Examples: Strategic VC arms, accelerators

Modernize Core

Transform from within

Examples: Cloud migration, API platforms

**Visa-Plaid deal terminated (antitrust)*