

NEO BANKS

SITUATION ANALYSIS

FORECASTING

Industry Overview

- Trends in Neo Banking
- Key Players
- "[Relevant Market](#)" for Neo Banks
 - By assessing the nature of products and services (substitutes or complements) to traditional banking

Customers

- Customer base / segmentation
 - Demographics
 - Geography
- Usage and demand
- Deposit and loans
- Sentiment Analysis

Climate

- Regulations + Government Oversight
- Social/Cultural factors for adoption
- Effects of business cycles

Competitors

- Traditional Banks
 - Novelty and Value Proposition
 - Business Model
 - Customer Segmentation
 - Products and Services
 - Economies of Scale
 - Digital Products of Traditional Banks
 - Policy Environment
- Other Neo Banks
 - Product differentiation
 - Market Congestion
 - Competing for customers
 - Barriers to entry, new entrant rate, early mover advantage
 - Drop out / Failure
- Other FinTech products
 - Venmo, TransferWise, P2P lending/deposit apps

Drivers of Growth

- Customer growth / market penetration / New acct opening rate
- Rate of deposits + loans + Market Share (by revenue)
- Profitability (EBIT Margin)
- Capital + Investments
- Technology (tangible, intangible capital)
- Expansion (beyond current region of operation)

- **Profitability** for a sample of the key players as measured by EBIT margin
- **Growth** of neo-banking industry as measured by the market share calculated on the basis of revenue generated from *comparable* products
 - ARIMA using investment, deposits, customer growth as determinants
- **New entrant projection**
- **Potential for penetration in developing countries**

DATA

- Bank specific data can be found in Annual/Quarterly reports of respective banks (pdf format so requires manual scraping)
- European Central Bank Database
- Neo Banks consumer survey by Cornerstone Advisors & finder dot com
- Statista (using Georgetown login)
- CBInsights
- Netadvantage (using Georgetown login)
- KPMG, Accenture, Deloitte have done some studies. Track their data sources.

1. **Neo Banks SWOT Analysis**
2. **Predictors for growth to be used in model**