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)

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

- *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*

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.