

BUILDING A GLOBAL ALL-DIGITAL BANKING NETWORK

Business Proposition

EXECUTIVE SUMMARY

A NOTE FROM THE FOUNDER..

“After more than 20 years in senior positions in the banking industry, and recently a candidate for the role of the Supervisor of Banks in Israel, my vision is to set a universal banking model that will comply with international standards and will be scalable, thereby allowing the model to be implemented in multiple countries.

The current global financial system is witnessing significant changes, lead by a rise of new technological solutions facilitating the adoption of fully digital banking models and alternative payment solutions such as the rise of bitcoin.

These technologies provide a base for the successful rise of new participants in the banking industry that distinguish themselves from the traditional competitors and enable players such digital merchants and Telco's to offer their clients financial services.

My vision is twofold. Firstly to build a digital bank, using the most modern architectural capabilities, set up in the UK. Our first licence is projected to be in Israel before expanding the banking platform to other countries.

Secondly, we plan to integrate traditional banking services, new innovative payment methods and multi branding capabilities with merchants and Telco's that will optimise their customer's supply chain.

Sincerely Yours,

Eyal Perry, Founder

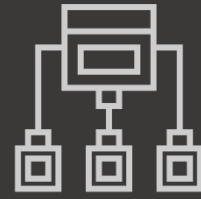
THE VISION

PROVIDE **SIMPLE,**
TRADITIONAL
BANKING PRODUCTS TO
RETAIL CUSTOMERS &

CREATE ONE OF THE
MOST **EFFICIENT BANKS**
IN THE WORLD



ALL DIGITAL BANK



MODERN
ARCHITECTURE
BUILD



FEDERATED BANKING
LICENCES IN
DIFFERENT
COUNTRIES



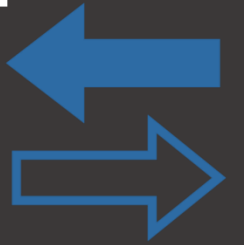
'TECH-CO' TO BE BASED
IN THE UK

WHY TRADITIONAL BANKING IS CHANGING...

With risk lead business models, monolithic architectural structures built over years and internal silos that promote competition rather than collaboration, traditional incumbent banks are struggling to react to the changing pace of customer needs.

Technological advancements have facilitated a cultural shift in customer requirements, with early adopters who demand personalisation, instant gratification, 24/7 access, rewards for loyalty, choice and low cost without a compromise on quality. Additionally regulation is forcing the banking industry to change in ways that it has traditionally fought...opening up data, being expressively transparent and openly partnering with companies who threaten their customer primacy.

WHAT STILL NEEDS TO CHANGE



- Old and inefficient legacy systems and processes
- Inefficient balance sheet and FTP management
- Cross subsidising of business lines/products/customers
- Missing of adequate risk/return models and policies ("we charge as much as we can")
- Economic models based on selling customers the most profitable product and not necessary what they need
- Relying on customer apathy to survive and thrive

OUR VALUE PROPOSITION



WHAT ARE THE **KEY DIFFERENTIATORS** WE WILL OFFER TO OUR CUSTOMERS



Almost "No fees", reduced credit margins, higher rates for funding (over 30 days)



Simple banking products in a language customers understand



24/7 services



Efficient and fully automated key processes such as biometric identification, instant KYC, immediate credit approval if eligible



Best of breed integrations with partners and merchants, creating a true modern day Open Banking ecosystem
'Open' technology to enable best of breed white label services



Common real-time data and information across digital channels



Provide advisory services based on deep understanding of customer preferences

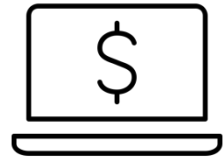


Single view of all accounts / products / transactions / collaterals

WHY START IN ISRAEL?

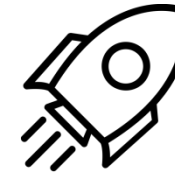
- There has been **no new bank in Israel for 50 years**
- There are currently 5 major banks in Israel. Bank Hapoalim and Bank Leumi hold more than 65% of the retail banking market. **Customers do not have many alternatives**
- **Governmental reform** is creating a unique window of opportunity
- Mature market with **unsatisfied customers**
- Constrains on traditional banks to change their business model and legacy systems
- Biggest banks are obliged to sell credit card companies to new players in the credit/debit card clearing business
- Take advantage of Israel's thriving fintech industry, encouraging close cooperation with FinTech's, becoming a distribution platform for new

ISRAEL IS DIGITALLY ENABLED



HIGH USE OF E-BANKING

Around 50% – 60% of customers are currently using online banking



WORLD RENOWNED START-UP ECOSYSTEM

There are more than 500 Fintech start-ups in Israel with fundraising upwards of \$650m

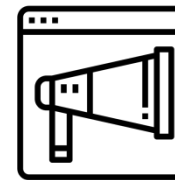


DIGITAL COMMUNICATION CHANNELS

Almost 20% of customers receive online updates and phone messages (SMS) regarding their current bank account status



**DIGITAL
INFRASTRUCTURE**
66% of all capital markets transactions, as well as the majority of transfers of funds between accounts, are currently executed online



DIGITAL MARKETING
Israeli Banks spend more than 25% of their marketing budget through digital channels



HEALTHY MARKET
An increasing number of customers are using digital applications created by incumbent banks

WHY BASE IN THE UK?

- 🇬🇧 Favourable combination of traditional industry (Banking) and innovation (fintech)
- 🇬🇧 Rich source of talent who have required experience
- 🇬🇧 Strong financial governance and oversight
- 🇬🇧 Leads the way as an example of neo bank disruption in financial industry
- 🇬🇧 UK is a fintech capital
- 🇬🇧 Excellent base for scalability to other geographic locations
- 🇬🇧 Easy to federate licences from strong base
- 🇬🇧 Very advanced regulation including the CMA's response to facilitating competition in retail banking (Open Banking) and the adoption of PSD2

THE NUMBERS

WE WILL PROVIDE INVESTORS WITH SIGNIFICANT VALUE BASED ON STRONG INVESTMENT CREDENTIALS



3% penetration
into Israel Retail
Bank Market within
5 years (circa 200k
CA)



30% - 40% annual
dividend cash pay-
out (medium term)



€20m (annual) profit
in year 5, following 3
years of operation
and 2 years of build



Bank profitable in
year 3



ROE of 17%,
(comparing to 8%-
11% of traditional
bank), we expect
investment value to
be almost doubled in
3 years



150 employees
with a C:I of
35%



Build bank for
€20m

WE WILL PROVIDE OUR PARTNERS A PLATFORM TO OFFER : FINANCIAL PRODUCTS & SALES FINANCE...

...without having to become a bank

BY PROVIDING FINANCIAL SERVICES,
MERCHANTS CAN BENEFIT FROM:

- 1 Broadening the appeal for merchants by allowing their customers to earn and benefit from loyalty programs and cash back rewards
- 2 Issuance of club card points for debit card spend anywhere which is likely to lead to increased store spend
- 3 Incremental sales uplift in stores
- 4 Lower likelihood for customers to lapse in-store loyalty as their engagement increases through ownership of retailer financial products and services
- 5 Opportunity to provide customers with high-quality online, telephone and mobile banking services and to offer basic deposit and withdrawal services in stores. Opportunity to generate income to offset the cost of running operation and rewarding loyalty

THE RISE OF TELCOS

WE ARE INTERESTED IN PARTNERING WITH
TRADITIONAL TELCO COMPANIES....HERE'S WHY:



Telecommunication companies can be a formidable contender in offering financial products to their clients, considering:

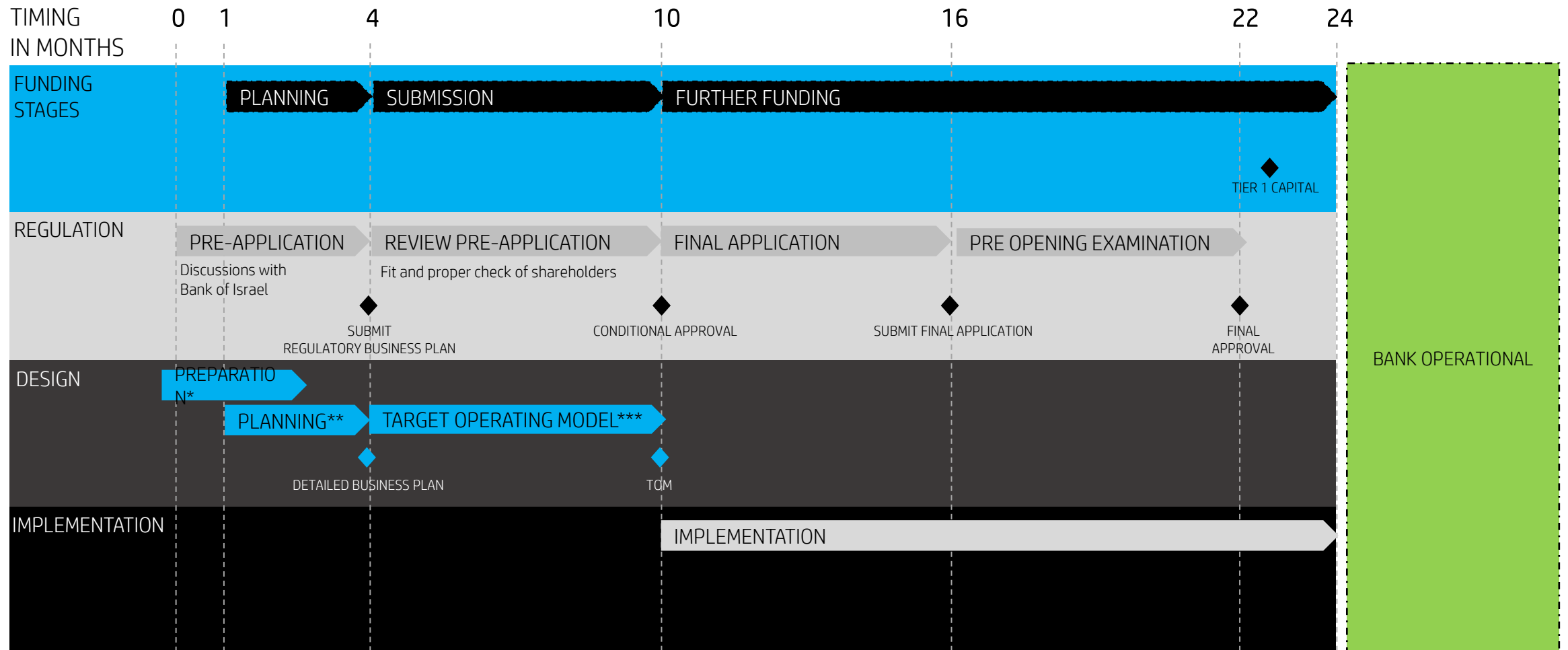
- They have strong client concentration and segments
- They have broader client appeal due to their stronger and more mature marketing skills
- Telecom operators attract customers in younger segments with an image of “banking without banks”
- Their database and reliability can be used to shorten KYC processes
- Currently looking for adjacent propositions and new growth engines



DEVELOPMENT OF NEW JOINT BUSINESS MODELS

- Banks are interested in leveraging clients’ mobility needs as a source of advantage. As such, retail banks could either partner with telecoms or enter the mobile market as mobile virtual network operator
- Benefiting commercially from customers’ transactional information
- Offer financing for mobile devices
- Integrating into direct carrier billing, covering commercial and financing charges
- Controlling the mobile digital channel experience as the main method of interaction – mobile phones will progressively substitute ATM

IMPLEMENTATION TIMELINE



* Preparation: (1) Meetings with: (a) Minister of Finance, (b) Consultants, (c) Law firms, (2) proposals from consultants

** Planning: Preparation of (1) application package, (2) operational plan, (3) investor prospectus

*** TOM: (1) Governance, (2) Org. structure, (3) Processes, (4) Infrastructure incl. IT, (5) People

WHAT WE NEED...

THE INVESTMENT PLAN

PHASE	ACTIVITY	INVESTMENT	INVESTORS
Application & Planning (3 months)	High level design and first banking license application form and regulatory business plan (RBP)	€1.5 Million €	Seed Investors
Regulatory submission and TOM development (6 months)	Launching the bank	€3.5 Million	Seed Investors
Build, Implementation and phased roll-out (Alpha / Beta and launch) (14 Months)	Mobilisation period (restricted authorisation)	€15 Million	Institutions
Post Live (After 2 years)	Full authorisation	€65 Million	Institutions
*Total Investment		€85 Million	

APPENDIX THE MODEL

OUR THESIS

New banking business and technological models are being built to achieve historically low C:I ratios and maximising speed to market. New banks are taking a digitally led approach to building banks, with a customer focused approach from the ground up. From an architectural perspective that means providing a flexible infrastructure that will deliver functionality that customers really want.

From a business perspective, it means implementing a new operational system. In practice it means looking to resource business and engineering resources as per the correct ratios, and adopting a product and platform focus to internal teams.

KEY POINTS TO NOTE

1
A FLEXIBLE AND MODULAR “TECHCO” (UK) ABLE TO PROVIDE BANKING SERVICES TO SEVERAL DOMESTIC BANKING LICENSES

2
EFFICIENCY; COST/INCOME OF 30%-35% VS 55%-65% FOR INCUMBENTS

3
ALMOST ‘NO FEES’, REDUCED CREDIT MARGINS, HIGHER RATES FOR FUNDING (OVER 30 DAYS)

4
OPTIMISING THE SUPPLY CHAIN AND LEVERAGE DATA BY PARTNERSHIPS WITH MERCHANTS/TELCO'S, 3rd PARTY VENDORS.

5
SIMPLE, TRADITIONAL RETAIL BANKING PRODUCTS

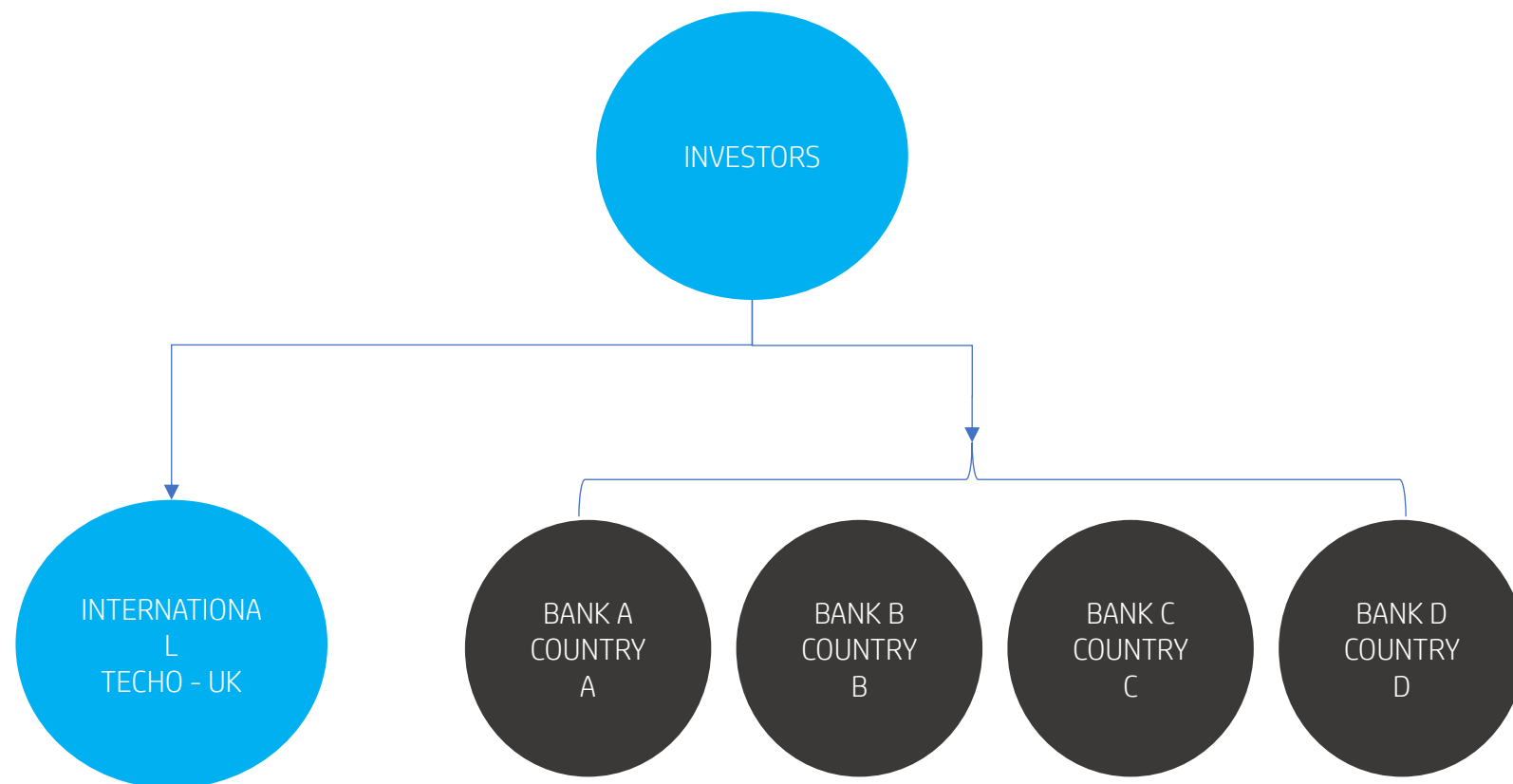
6
COMPETITIVE PRICING: ALMOST NO FEES, RISK/RETURN PRICING, ADDED VALUE ADVISORY SERVICES

7
A GLOBAL SCALABLE AND FLEXIBLE OPERATIONAL BANKING SYSTEM, PROVIDING LOCAL BANKS A PLATFORM

8
OPEN AND INNOVATIVE INFRASTRUCTURE (SAAS, API, KYC, LENDING, DIRECT PAYMENTS)

PROPOSED COMPANY STRUCTURE

Establish a holding company that will hold an “International TechCo” (UK) with associated banking platform, powering banking entities in different countries. The first banking license is planned to be acquired in Israel

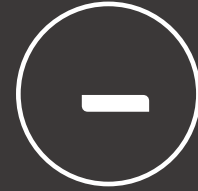


HOW WILL WE ACHIEVE C:I OF 35% & DELIGHT THE CUSTOMER ?



CREATE

- Simple and transparent products
- Innovative and efficient IT that will enable cost efficiency and thus reduction of prices
- Developer and customer communities that advocate product



REDUCE

- Product range
- Bloated customer relationship models
- Operational costs
- Credit rates and bank charges



RAISE

- Trust
- Efficient services
- Convenience and ease of transactions
- Deposit rates



ELIMINATE

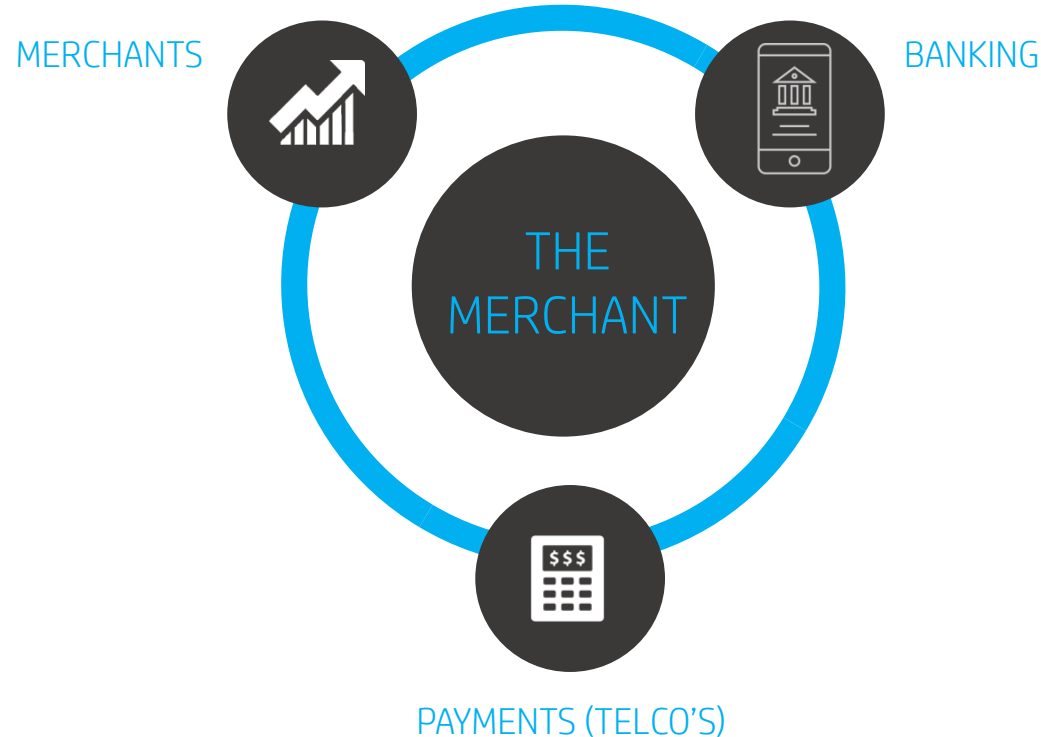
- Bank branches
- Hidden costs
- Preferential treatment of customers
- Cross subsidising

PROPOSED ECOSYSTEM

OUR ECOSYSTEM OPTIMISES MERCHANTS SUPPLY CHAINS BY **SHARING THE SAME OPERATING PLATFORMS (WHERE POSSIBLE) AND DATA**

We can connect Merchants, Telco's, Banks and Payment providers, based on the following trends:

- Merchants are looking for growth engines. New powerful platforms are making financing easier and more accessible
- Rapid innovation in payments enabled by digital technologies
- Customers looking for more choice when they pay and merchants having to facilitate this



PROVIDING MERCHANTS...

MERCHANTS

- Loans,
- Sales finance: Cash back, coupons, loyalty Plan, B2B, merchant funded rewards

BANKING

- Current Account
- Loans
- Deposits

PAYMENTS (TELCO'S)

- Credit & Debit
- Direct debit
- P2P (Mobile)

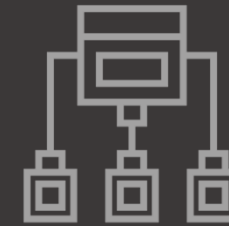
ARCHITECTURAL PRINCIPLES

Building a bank with a C:I of 35% means providing a modern architecture that has been designed for purpose, with a digital led approach rather than rooted in legacy platforms.

The banks architecture will be flexible in design, extensible and highly performant, designed to support modern technologies such as API integration (provision and consumption), Machine Learning etc. The use and integration with 3rd party platforms will improve time to market and provide the best possible functionality to customers without large software development efforts.

The approach to our architecture will provide:

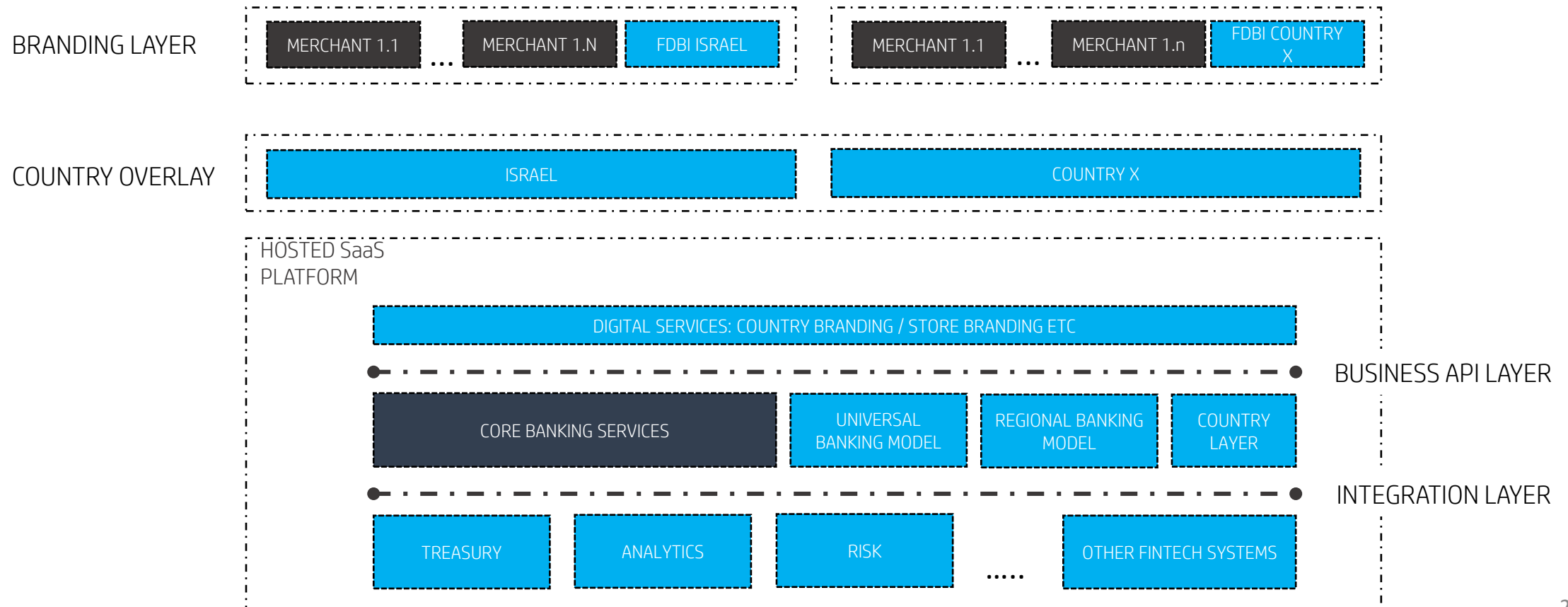
- **Rich customer functionality** with fast response times for customers
- **Enhanced data analytics** capabilities for customers and staff (e.g. sales)
- **KYC, Screening and Transaction Monitoring** driven by state-of-the-art data analytics and machine learning capabilities
- **Fast release cycles** for new functionality, bug fixes etc.
- Increased automation and self-service, lowering the operational overhead per customer



KEY PRINCIPLES

- ① **'Best in breed'**
 - Use best 3rd party solutions where required
- ② **"Stay ahead of the game"**
 - Make it easy to add new functionality and incorporate new technology
- ③ **"Be indifferent"**
 - Front end, data storage and infrastructure agnostic (but cloud native where possible)
- ④ **"Design small to build big"**
 - Minimise upfront design and build smaller building blocks
- ⑤ **"Never leave customers waiting"**
 - Allow seamless access to new services for customers

MULTI-COUNTRY / BRANDING PLATFORM



INDUSTRY VIEW

OTHER RETAIL MERCHANTS AND TELCO's WHO HAVE MOVED INTO FINANCIAL SERVICES



Orange has launched its banking offer in mainland France. This 100% mobile-based proposition, provided by Orange Bank, is the only French bank to offer a free service that provides real-time balances, mobile payment and a virtual adviser that is available 24-hours a day, 7-days a week








Tesco Bank was formed in 1997, originally as a JV with RBS and Tesco. The bank now operates under its own license in the UK and offers insurance, credit cards, loans, savings and mortgage products. In addition, it launched its first Current Account product in 2014. A USP of Tesco Bank is its ability to leverage its large customer base and physical stores to cross sell financial services products, primarily through its Tesco Clubcard loyalty scheme



Sainsbury's Bank became wholly owned by Sainsbury's in 2014 and has over 1.8m customers in the UK. The bank launched as a JV with Lloyds Banking Group (formally Bank of Scotland) in 1997. The bank provides insurance, credit cards, savings and loans. In addition Sainsbury's financial products are linked to their Nectar rewards scheme

INDUSTRY VIEW (cont.)

EXAMPLE OF MORE TELCO INTEGRATIONS - THREE OUT OF FOUR MAJOR POLISH MOBILE TELECOM OPERATORS HAVE DECIDED TO LAUNCH THEIR BANKING VENTURES

TELCOM BANK			
TELCOM			
Number of SIM Cards	15.2m	15.3m	14.2m
Bank Partner			
No of Current Accounts	2.8m	1.3m	200k
Alliance Model	Joint venture	Joint venture	Owned by Capital Group
Banking Services Offered	Current & Savings account, Term Deposit, Loan, Overdrafts, Credit Card	Current & Savings account, Term Deposit, Loan, Overdrafts, Credit Card	Current & Savings account, Term Deposit, Loan, Overdrafts, Credit Card, mortgage

ISRAEL BANK AUTH' PROCESS....

Phase		Investors				Bank of Israel		
	Activity	Month		Activity	Month		Topics	
Licensing								
A	Pre application: General concept and principles, meetings with the Bank of Israel	1		Meeting and preliminary approval	1		SSB Mobilization Capital Requirement IT System	
B	Submitting a detailed application form and business plan	3		Application review and request for adjustments	2			
				On-site investigation	1			
				Conditional approval	1			
C	Organization phase: Establishment and pilot	12		Pre-opening examination	2			
	Findings, discussions and adjustments	1		Findings discussions and adjustments	1			
D	Licensing	1		Licensing	1			
Permit of the holders of control								
	Documentation	3			3			
	Discussions	1		Written permit of the control holders	1			
Overall Total		24			24			

APPENDIX ECONOMICS

MARKET POTENTIAL & MARKET SHARE

	MARKET	MARKET	FDBI	FDBI
	31.12.2015	T5	T5	Market share
Credit to the Public (EUR / Millions):				
Private Customers - other	36,113	41,865	1,465	3%
Of which:				
Loans	27,323	31,675	1,109	3%
Overdraft	8,789	10,189	357	3%
SME's	5,544	6,427	274	3%
Total Credit to the private customers and SME's	41,657	48,291	1,739	3%
Off Balance:				
Commitments (Private persons)	31,076	36,026	627	2%
Accounts:				
Number of accounts	8,236,991	8,236,991	200,575	3.00%
Assets under Management:				
Number of custodian accounts	1,811,563	1,811,563	63,405	2.70%
AUM (EUR / Millions)	37,833	37,833	1,585	0.40%
Avg. Assets / Account (EUR/ 000)	209	209	25	
Deposits from the Public (EUR / Millions):				
Demand Deposits - nonbearing interest	62,749	72,743	704	1%
Demand Deposits - interest bearing	26,680	30,929	-	0%
Time Deposits from the Public	93,050	107,870	1,091	1.0%
Total	182,479	211,543	1,795	
Credit Cards				
Number of Credit Cards	7,573,061		378,653	5%
Annual transaction volume (EUR/ml)	16,406		820	5%

CHARGES & COST STRUCTURE

ACCOUNT CHARGES	MARKET	PERCENTAGE	FDBI
Number of Credit Accounts	8,236,991	3%	247,110
Avg. Account Monthly charge (EUR)	6.75	50%	3.4
Total interest and Fees (EUR/MI)	2,668		40
Credit Card fees			
Number of Cards	7,573,061	5%	378,653
Avg. Account Monthly Charges (EUR)	7	56%	3.4
Total annual fees (EUR/MI)	613.4		9.2
Brokerage			
Number of accounts	1,811,563	3%	63,405
Assets under Management (EUR/MI)	377,000	3%	1,585
Total fees (EUR/MI)	568		5.25

PARAMETERS & ASSUMPTIONS

GENERAL

Annual Market Growth Rate	3%	
Bank of Israel Interest Rate	0.25%	
Tax Rate	38%	
Balance Sheet Structure		
Off / on Balance Ratio	20%	
Current Deposits / Public Deposits	10%	
P&L Assumptions		
Employees	143	
Annual avg. Salary (EUR '000)	87	
Cost / Income Ratio	35%	
Regulatory parameters and assumptions		
Core Tier 1 Capital Ratio	7%	
Basel II Risk Weight (Retail, SME)	75%	
Credit Conversion Factor (Off - balance)	30%	
Minimum Liquidity Ratio (LCR)	100%	
ROE	17.5%	
Leverage Ratio	5%	

Interest Rate	FDBI	Market
Bank of Israel Interest Rate		0.25%
Credit to the Public	3.75%	5.50%
Deposits with Banks	0.75%	0.55%
Bond	1.00%	1.00%
Deposits Rates	0.50%	0.00%
Deposits from Banks Margins	-	0.55%
Credit Losses Ratio	0.55%	0.55%

BALANCE SHEET

Assets EUR 000	T1 - T2	T3	T4	T5
Cash and Deposits with Bank of Israel	56,247	63,647	75,381	89,770
Deposits with Banks	9,919	11,225	13,294	15,831
Securities available for sale	197,844	223,875	265,146	315,759
Credit to the public	1,090,186	1,233,622	1,461,038	1,739,934
Fixed assets	1,259	1,425	1,688	2,010
Assets in respect of derivative	1,531	1,733	2,052	2,444
Other Assets	6,649	7,524	8,911	47,10,612
Total Assets	1,363,636	1,543,051	1,827,509	2,176,361
Liabilities				
Deposits from the public	1,124,940	1,272,949	1,507,615	1,795,402
Liabilities in respect of derivative	1,364	1,543	1,828	2,176
Bonds	-	-	-	-
Other Liabilities	43,399	55,899	66,203	78,841
Total Liabilities	1,288,636	1,458,183	1,726,996	2,056,661
Capital				
Share capital	100,000	100,000	100,000	100,000
Retained earnings	(25,000)	(15,132)	513	19,700
Shareholders' equity	75,000	84,868	100,513	119,700
Total Liabilities and Capital	1,363,636	1,543,051	1,827,509	2,176,361
Other financial data:				
Risk Assets	1,071,429	1,212,400	1,435,900	1,710,000
Commitments	272,727	308,610	522,502	627,214
ROE	-	12.3%	16.9%	17.4%
Leverage ratio	5.2%	5.2%	5.2%	5.2%
Number of loans	87,215	106,145	129,185	157,225
Equity / Total Assets	5.5%	5.5%	5.5%	5.5%
Avg. Loan (EUR'000)	12.5	12.5	12.5	12.5

PROFIT & LOSS STATEMENT

EUR 000	T1 - T2	T3	T4	T5
Interest Income				
Credit to the Public	-	30,661	46,261	54,789
Bank Deposits	-	56	84	100
Bonds	-	1,855	2,798	3,314
Total Interest income		32,572	49,143	58,203
Interest expense:			-	
From Deposits	-	(3,797)	(5,728)	(6,784)
Total Net Interest Income	-	28,775	43,415	51,419
Provision for credit losses	-	(4,497)	(6,785)	(8,036)
Net Interest Income after provision	-	24,278	36,630	43,383
Non - Interest Income	-	2,698	4,070	4,820
Total Income	-	26,976	40,700	48,203
Salaries and related expenses	4,375	5,395	9,182	12,494
Computer and software	-	135	204	241
Maintenance and other expenses	-	207	202	201
Total amortization and maintenance	-	342	405	442
Technology expenses	13,250	1,869	2,564	2,287
Marketing	2,500	2,935	2,400	1,500
Rent	250	200	204	241
Other expenses	4,625	319	836	1,017
Total operating expenses	25,000	11,060	15,466	17,257
Profit before taxes	(25,000)	15,916	25,234	30,949
Provision for taxes	-	6,048	9,589	11,760
Net Profit	(25,000)	9,868	15,645	19,187

APPENDIX TEAM

CORE TEAM

A world class bank demands a world class team



Eyal Perry,

Founder

Eyal has over 20 years experience in the banking industry, risk management and accounting. For the past 8 years, Eyal has been serving as the head of risk integration at Bank Hapolaïm. Eyal was responsible for group wide Basel II / III implementation, ICAAP processes, risk control og subsidiaries, risk data collection and aggregation as well as model validation. Prior to The Hapolim Group. Eyal worked as a controller at the Carmel Mortgage Bank and as an auditor with PWC. Eyal holds a BA from the Ben-Gurion University, an Israeli CPA licence, and MBA from The Rotterdam school of Management and an FRM Diploma. Recently, Eyal was a candidate for the position of the Israeli Supervisor of Banks.

Mr. Gaurav Malik, Project

CTO



Strong leader and astute manager with close 20 years of experience in developing financial and risk management systems . Gaurav has successfully established challenging objectives and lead 120 geographically dispersed team members in execution of widely varying projects and product initiatives supporting Fortune 500 and top tier organizations globally. Design solution architecture, engage in product delivery, and provide services to banks (Citigroup, State Street, Credit Suisse, Bank of the West, Santander Bank, Bank Hapoalim), investment management firms (Columbia Partners, Jensen Investment, ClearArc Capital) and other institutions such as Thompson Reuters, Moody's Corporation and Prudential Financial. Gaurav is currently employees by Xoriant Corp as Business Head.

SUPPORTING CONSULTANTS



Daniel Martin, Partner



EY

Daniel is the deputy head of the Financial Services Risk department within EY Switzerland whilst also leading the Risk & Regulation team within Financial Services Risk department. Additionally Daniel holds overall responsibility for the Recovery and Resolution Planning (RRP) and Structural Reform solution within EY Switzerland. Over the last 10 years Daniel has held various positions at a large Swiss Banks. Relevant experiences include leading a private client team and corporate banking portfolio as well as the installation of a portfolio management department within the credit risk sector.

Mark Spires, Partner



Bovill

Mark is Head of Bovill's Banking, Investments and Lending team. He has 16 years of financial services experience, holding the MLRO (CF11) position for several institutions, including UBS Wealth Management. As well as in house roles, Mark has provided training and consulting to a number of firms and has a deep interest in Financial Crime.

Jibran Ahmed, Head of RADAR - CAPCO



Jibran heads up Capco's next generation Research & Development Team – RADAR, specifically looking at the exploration of new technologies and architectural structures. Jibran has been fundamental in the creation of two new Bank builds in the UK over the past three years.

APPENDIX INVESTOR UPDATE

OCTOBER 2017

LICENCE APPLICATION – INFO

Phase 1 – Pre Application

Overarching goal of phase 1 is to:

- Prepare and submit an **Pre-Application Regulatory Business Plan (RBP)** and some supporting documentation to enable the regulator to consider the firm's proposed approach and provide any relevant feedback.
- Obtain an **feedback from the regulator** on the business plan and agree for the subsequent submission of the full banking licence application.
- Extend and sharpen the marketing, business and financial plans to **proof the financial viability** of the bank to present and future investors.
- Conceptually **design the operating model** incl IT, data and platform structure as well as governance, organizational structure and key processes

This phase will commence with a joint kick-off workshop as well as an **intensive strategy session** ensuring solid and consistent foundation for all involved parties.

A **team of experienced consultants** will then conceptually design and articulate the key elements of the bank and its operating model over an intense phase of 3 months.

Phase 1 will conclude with **formal presentations to the Investor(s)** and **submission the Pre-Application RBP to the Regulator**.

Prior to the operational start of Phase 1, the Technology Company (**TechCo**) will have been established and administrative elements around **Legal Entity and Tax planning** as well as **Founder and Investor agreements** will have been completed.

Phase 2 – Full Application / Mobilisation

Full application stage – once the regulator has completed its pre-application assessment, the firm can address any feedback or suggestions it has received from the regulator and submit the full application.

Therefore, the design of the **operating model** will be detailed and articulated along the **Full Regulatory Business Plan (RBP)**. Also, the **governing bodies** will be progressed and relevant **policies, procedures and terms of incorporation** will be advanced.

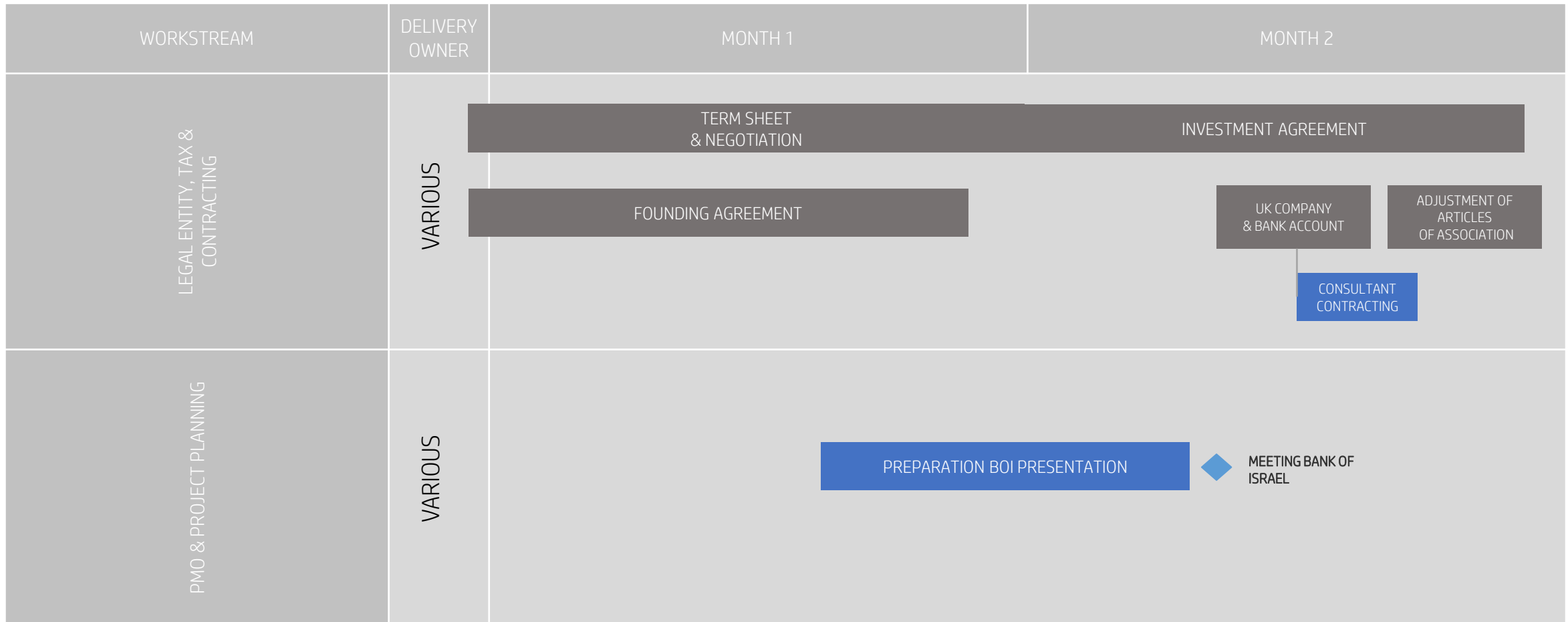
During this 6 - 12 months interactive process, the **Regulatory Business Plan will be assessed and evaluated by the Regulator**. The Founder Team will be in close contact with the Bank of Israel and manage the process.

Bank Mobilisation stage ^{*1} - where a bank wishes to go down the mobilisation route, the regulator will grant authorisation with restrictions at an earlier stage, This enables the bank to hold off on some of the more expensive recruitment / systems until they have received assurance of approval from the regulator. Once mobilisation has been reached, the bank will apply to the regulator to remove the restrictions. The team **will continue working on the built-up of the bank** with a high focus on the IT and data elements, product specification and detail processes. Also, the **marketing and branding concept** will be detailed ensuring that the **time to market**, after having obtained regulatory approval, will be **minimized**.

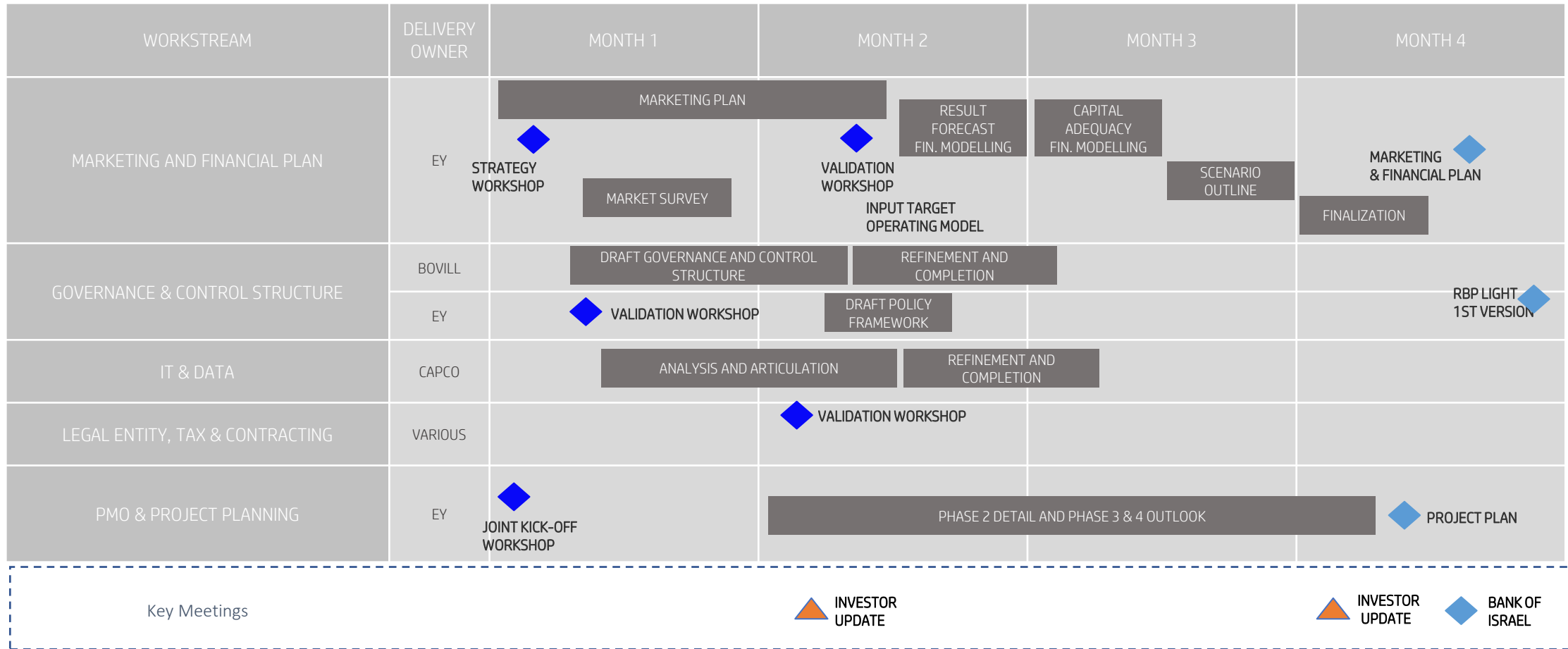
The second phase will culminate with the **Banking Licence (Full/Restricted)** being provided by the Bank of Israel.

The timing is predominantly influenced by the time required by the Regulator; however, overall the second phase is assumed to last **from 9 to 12 months**.

PREPARATION ACTIVITIES – PHASE 1



ACTION PLAN - PHASE 1



 EXTERNAL MILESTONES
  INTERNAL MILESTONES
  INTERACTIONS