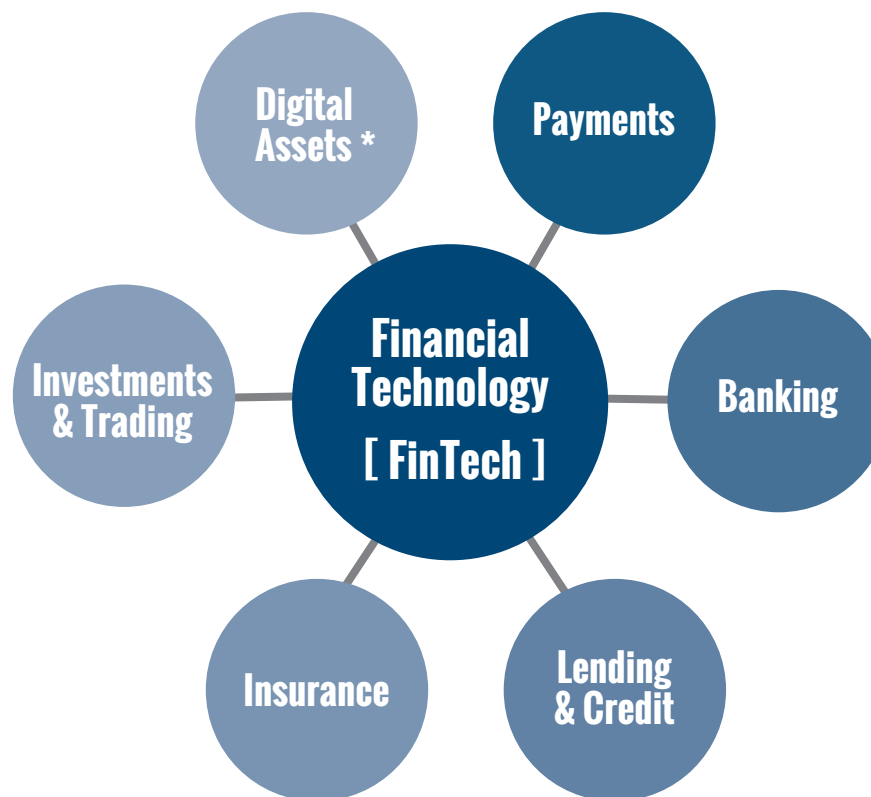




# FinTech Market Segmentation

FinTech is segmented into three broad categories: technology, services, and applications.

**FinTech  
innovation  
spans multiple  
market  
segments and  
use-cases.**







**\*Digital Assets** = digital wallets, mining and exchange platforms



# Emerging Markets Payment Infrastructure

Financial technologically in fast-growing emerging markets are set to leapfrog current technology with innovative solutions.

		MERCHANT	
		CARD	MOBILE
CUSTOMER	CARD	 <p><b>POS ATM</b></p> <ul style="list-style-type: none"> <li>Brazil, Urban</li> <li>India, Urban</li> <li>Mexico, Urban</li> <li>Nigeria, Urban</li> <li>South Africa</li> </ul>	 <p><b>mPOS Mobile Wallet</b></p> <ul style="list-style-type: none"> <li>India, Urban</li> <li>China Urban</li> <li>Brazil Urban (Stelo)</li> </ul>
	MOBILE	 <p><b>NFC Contactless</b></p> <ul style="list-style-type: none"> <li>Brazil, Urban</li> </ul>	 <p><b>Mobile Remote</b></p> <ul style="list-style-type: none"> <li>Kenya</li> <li>South Africa</li> <li>Nigeria</li> </ul>

## TERMINOLOGY

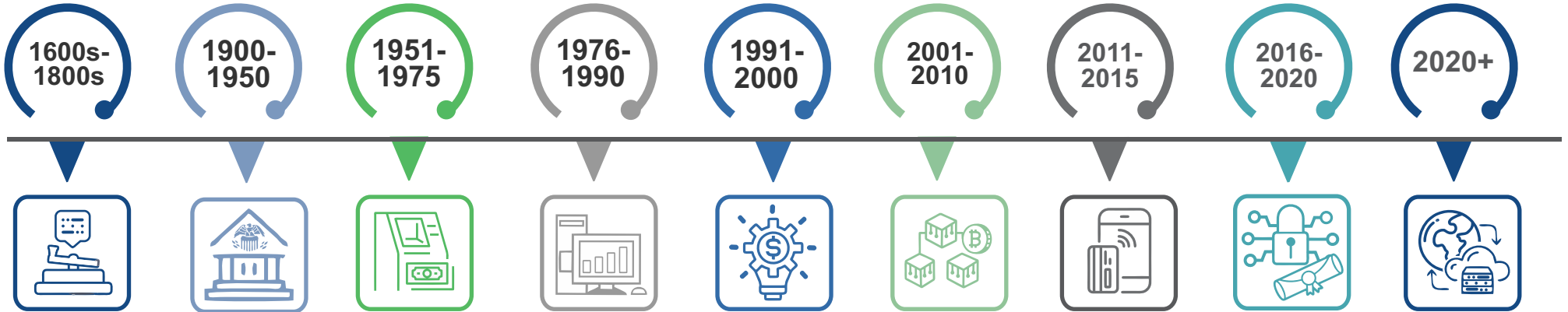
- POS** - Point of Sale
- ATM** - Automated Teller Machine
- NFC** - Near-Field Communication
- mPOS** - Mobile Point of Sale
- Mobile Wallets** - Wallets that live in mobile devices instead of backpacks
- Mobile Remote** - Remotely controls mobile devices.



# History of Financial Technology

## MAKING CHANGE

The evolution of modern FinTech might seem like a fairly recent phenomenon, but finance and technology have been interconnected since the beginning of modern society. Today FinTech is changing finance, banking, insurance, back offices and consumer behavior at revolutionary rate.



**1611:** The world's first stock exchange took place in a courtyard in Amsterdam

**1838:** Morse Code was first demonstrated by Samuel Morse using the electronic telegraph system

**1858:** The first Transatlantic Cable via telegraph was sent. Queen Victoria and U.S. president James Buchanan exchanged telegraphic pleasantries. It took the 98-word greeting nearly 16 hours to send from British North America to Ireland

**1918:** Fed Wire debuts. The Federal Reserve allows 12 member banks to wire funds between them electronically

**1919:** *The Economic Consequences of the Peace* - a book by John Maynard Keynes first cultivates the concept of financial technology services integrating together

**1950:** Diner's Club, the first universal credit card is created established to allow patrons to pay for their food with credit

**1958:** The American Express Card is the first credit card that is accepted at many establishments around the world

**1967:** The first Automatic Teller Machine (ATM) is installed by Barclays Bank

**1971:** NASDAQ begins operations as the first electronic stock market

**1973:** SWIFT (Society for Worldwide Interbank Financial Telecommunications) was founded

**1981:** Innovative Market Solutions (IMS) was created by Michael Bloomberg

**1982:** E-Trade launches the first online brokerage service

**1990:** PayPal launches the first online payment system

Digital banking platforms - via the internet - that service the customer directly start to emerge

**1993:** Financial Services Technology Consortium (FSTC) was initiated by Citicorp with the mission of members collaborating on interbank technical projects that affected the entire financial services industry

**1995:** Online checking accounts were offered for the first time by Wells Fargo

**1997:** Virtual banks, like ING Direct, emerged to service customers without physical branches

**2005:** The word "FinTech" was heard for the first time by many with the launch of Zopa, a peer-to-peer lending company

**2009:** Bitcoin and other types of blockchain-based cryptocurrencies are born

**2010:** Accelerated payment platform, C2FO enables more rapid transactions between suppliers and customers  
**Crowdfunding** becomes increasingly popular

**2011:** Mobile wallets debut with Google Wallet that allows financial transactions on smartphones

**2013:** All digital, no fee banking alternatives, like Chime, allow users to build credit and increase FICO scores

Contactless payments are introduced

**2014:** Apple Pay is launched by Apple

E-commerce Business models flourish

**2016:** FinTech college degrees are offered for the first time

**2017:** "Smile to Pay" using a 3-D camera to use facial recognition as payment is introduced by Alibaba

**2020:** FinTech apps like Venmo, Zelle, Coinbase, Robinhood, TurboTax, SoFi, Stripe and Square gain in popularity.

**Cybersecurity** evolves to a higher-level powered by advanced technologies such as blockchain and other sophisticated types of encryption

**2020+:** The Finegration Trend" is evolving rapidly disrupting industries and business models across the globe

Smarter financial services using AI, blockchain, cloud computing and data analytics continue to grow

Regulations, fiscal and monetary policies struggle to keep pace

Emerging Markets "leapfrog" in regions that previously had little or no access to traditional banking services for rapid adoption of new advanced financial technologies



## EQM Emerging Markets FinTech Index

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For more information, visit us at:

[eqmindexes.com](http://eqmindexes.com)



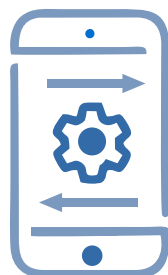
# Global Population's Access to Services

More smartphones than bank accounts and running water.



Global Population

**7.9 B**



Smartphones

**6.6 billion**

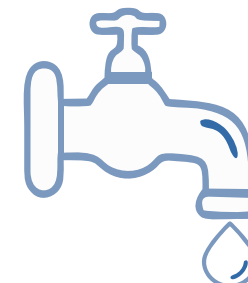
89.9%



Bank accounts

**6.2 billion**

78.4%



Running water

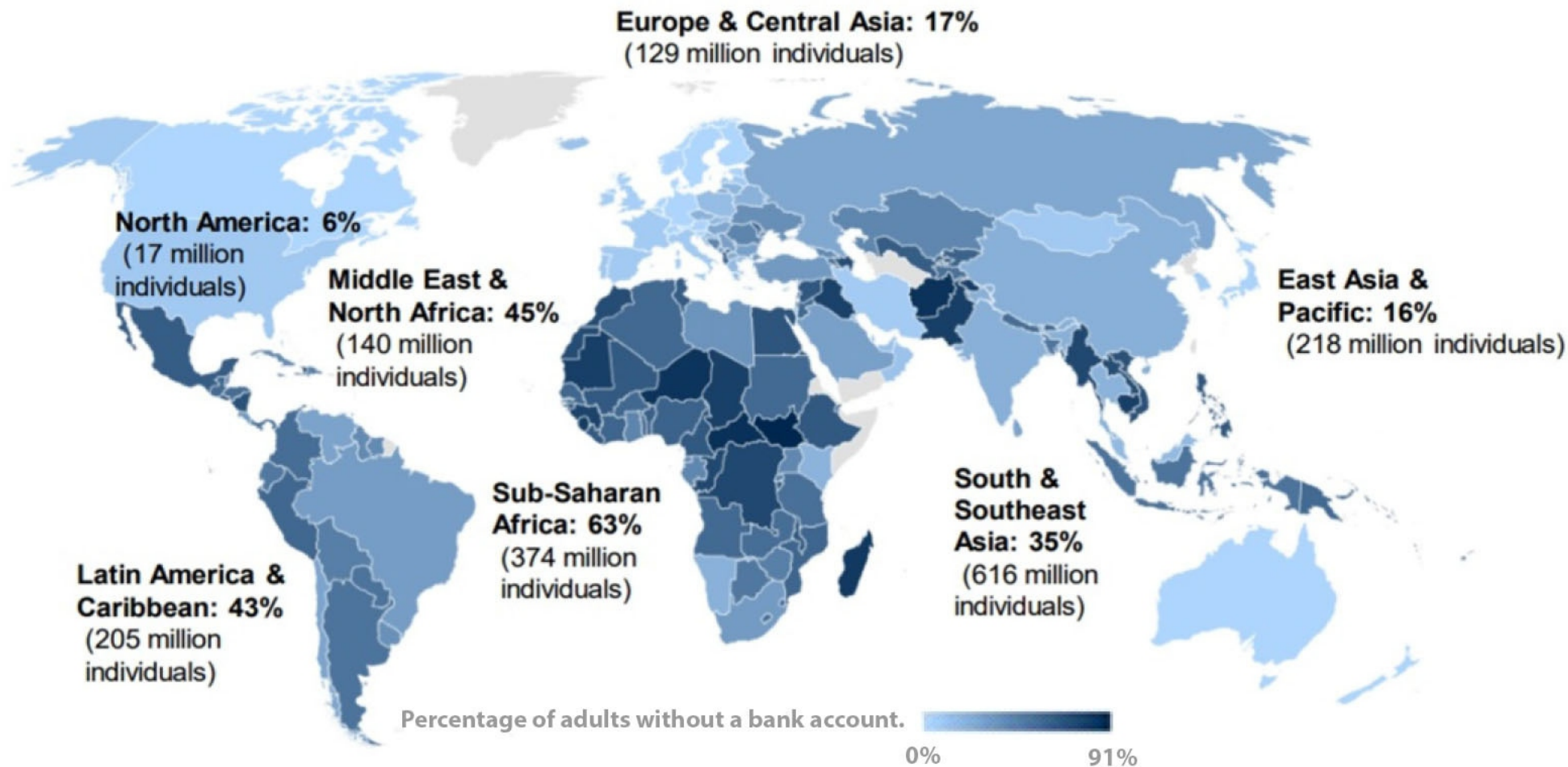
**5.7 billion**

72.2%



# The World's Unbanked Population

## Portion of Adult Population Without Access to Financial Services



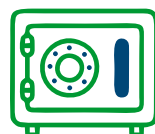


# Harnessing the Global Potential of FinTech

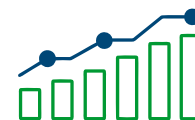
**FinTech has the power to create financial inclusion, new jobs, higher GDP growth, and better fiscal efficiency.**



**1.6 billion**  
newly included  
individuals



**\$4.2 trillion**  
in new deposits



**\$3.7 trillion**  
(6%) GDP boost by 2025



**\$110 billion**  
annual reduction in  
government leakage



**\$2.1 trillion**  
in new credit



**95 million**  
new jobs