

LUNAR^o

Challenger banking reactions

Peter Smith, CEO Lunar Bank

- **Trust issues**
- **New business model**
- **Pirate bankers**
- **From third party to real bank**

CHANGE
CHANGE
CHANGE
CHANGE
CHANGE
CHANGE LUNAR®

LUNAR®



Offices in Aarhus,
Copenhagen, Stockholm
and Oslo



Banking license from
Danish FSA in august
2019



+100 employees



Will launch Nordic
bank built from
scratch in 2020

**“The others laugh
at me because I
can’t manage my
own calendar”**

Djøfbladet, 22.9.2019



71%

Would rather go to the dentist than listen
to what banks are saying.

80%

Only have one
bank

60%

have had the same
bank for +10 years

A photograph of a modern, silver washing machine on the left side of the frame. The machine is set against a textured, teal-colored wall. The floor is made of light-colored square tiles. The text "People have lost their trust in banks." is overlaid in the center of the image in a bold, light pink font.

**People have
lost their trust
in banks.**

Business models

The pressure on banks opens the door to rethinking the business model

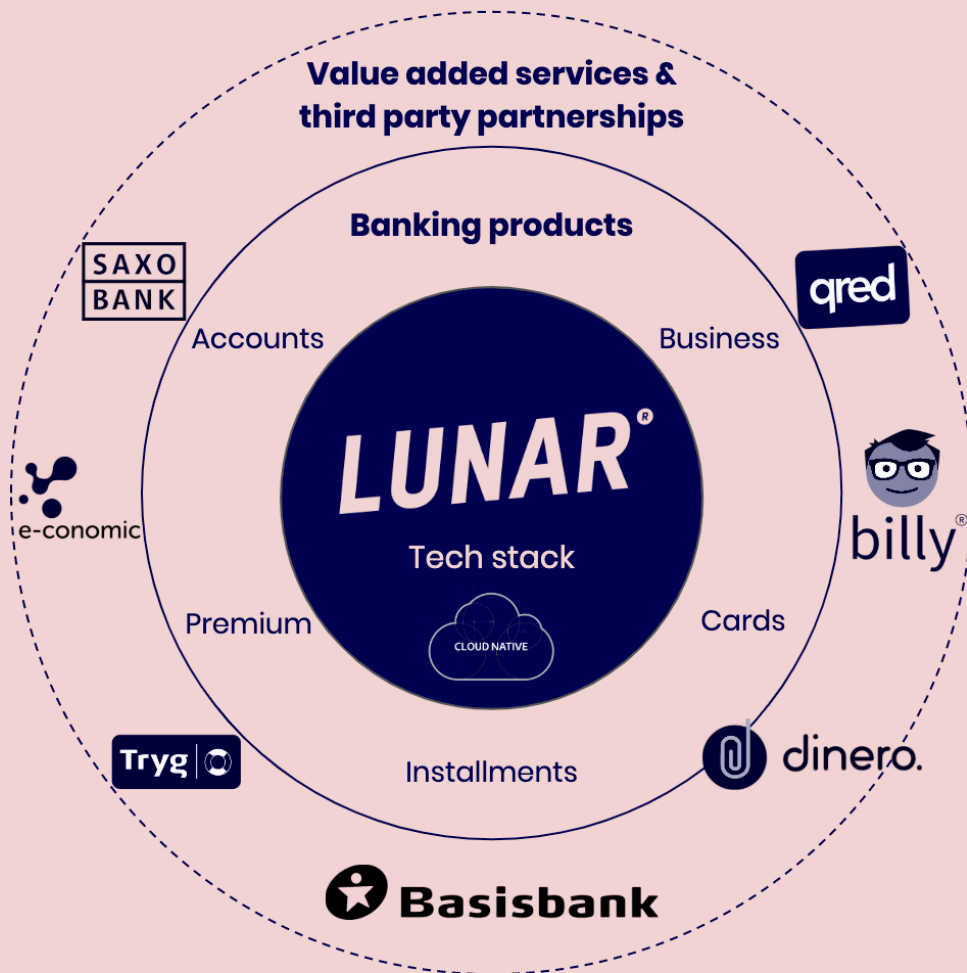


Difficulties growing market share in SME/HH segments

Lack of innovative power in data centres

The cost base is difficult to significantly reduce

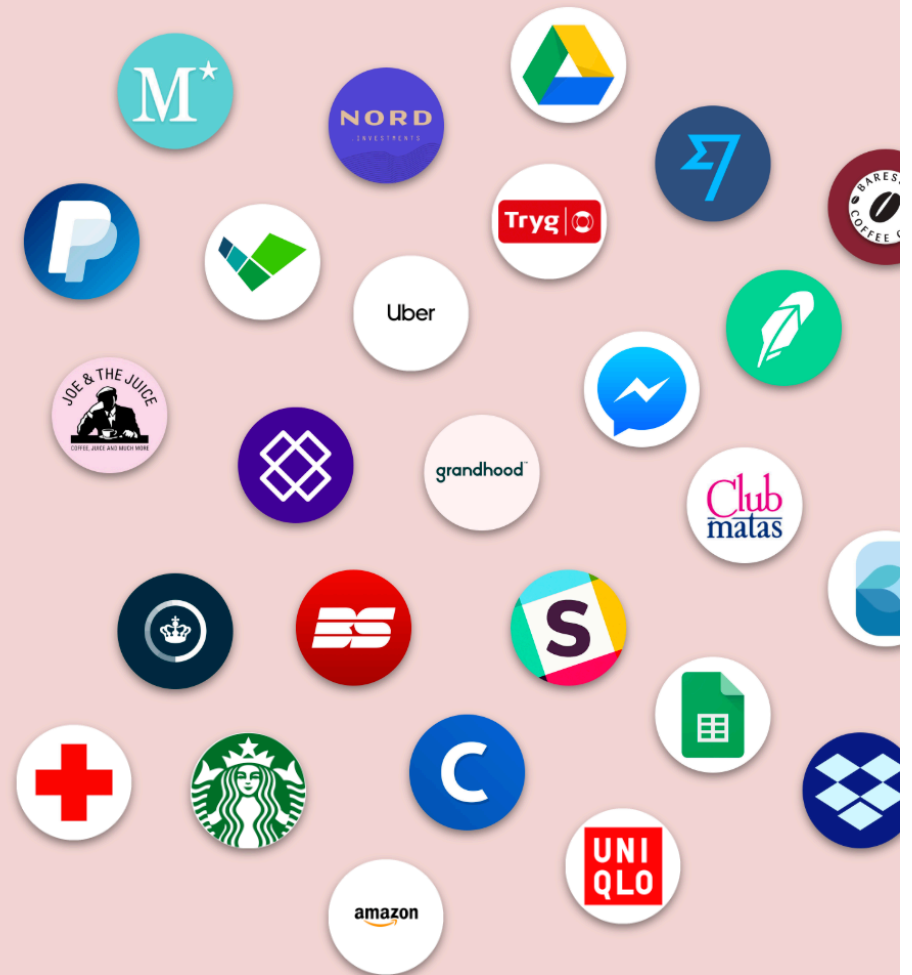
Increasing regulatory pressure



Rethinking the banking experience

- Shared revenue models
- Subscription based banking products
- No full ownership of customer
- Scale number of users
- Not becoming greedy

**A Financial Super
App bundling all
transaction-based
services essential
for our users.**





Nordic Vertical Expansion Strategy

We go deep in the Nordics to become a full alternative to incumbent banks.

This is a true differentiator compared to challenger banks with global ambitions.

From pirates to navy





A transformation to understand how to run a bank

LUNAR

**But once
a pirate,
always
a pirate**



**From third party to
real bank**

Neo-banking vs Real banking



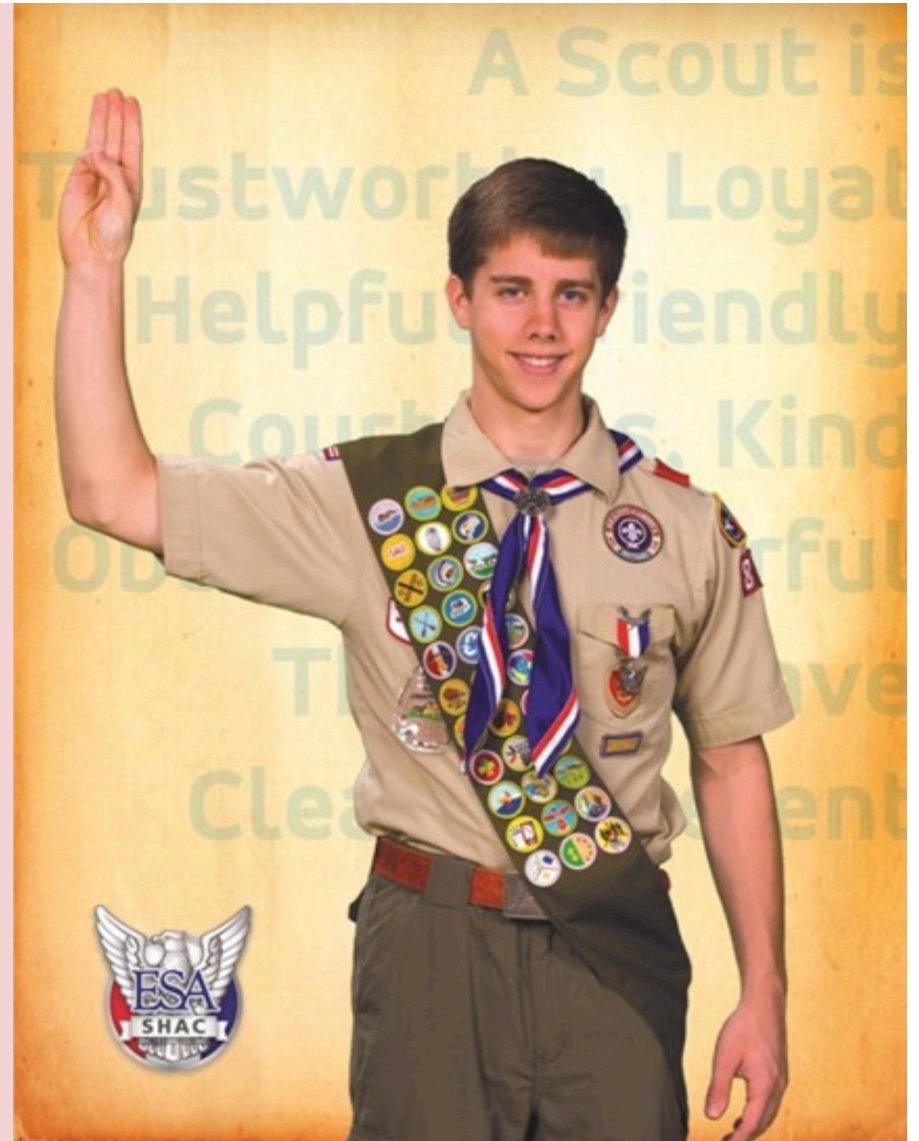
Proactive and always prepared

Low risk

Monitor & analyze

Adapt

Evaluate



**Fit&Proper risks turning
management and
boards into a closed club
with low diversity**

**We would like to grow the
talent pool to a wider
extent**

BØRSEN.

Forside Seneste Kurser Ledelse Penge Finans Play Pleasure Investor

Danmarks første autoriserede fintech i kronik: Vi risikerer at finanssektoren i jagten på de bedste ender med at blive en lukket klub



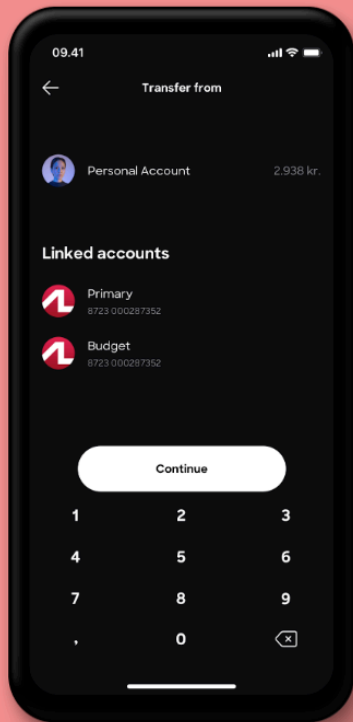
Arkivfoto: Hans Christian Jacobsen

■ **AVISEN** | Af Peter Smith, direktør, Lunar

25. NOV. 2019 KL. 22:04

Eksklusivt for kunder

LUNAR



**The division line
between banks
have been diluted**

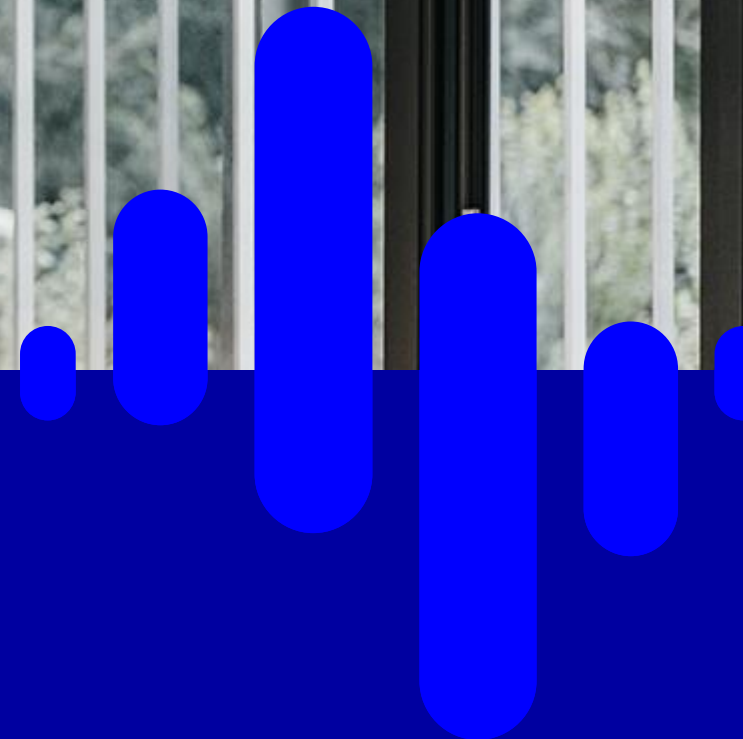
**Things change,
banks should too.**



Changed customer behaviour - the future of banking

Dorthe Håhr Dupont, Head of Group Nordea Ventures

4. December 2019



Who am I?



Dorthe Håhr Dupont

2018 – present: Nordea

- Head of Group Nordea Ventures

2005 – 2018: Nordea

- Executive Digital Business Transformation Partner
- Managing Partner and Head of Development
- Strategic Partner

Educational background

- Doctor of Business Administration, Leadership & Digital Transformation
- MSc in Economics and Business Administration, Change Management, HRM, and Project Management




Nordea

80% of companies are seeing a change in how their customers want to access and pay for goods and services.

50% of these are changing their pricing models as a result

– *The Economist*

The image shows two white wind turbines in a green field under a clear blue sky. The turbine on the left is significantly larger than the one on the right, illustrating a scale difference. The background features a line of trees and some distant buildings.

Changed customer behaviour.....

Business lines struggle to generate new growth as the marketplace change

Disruptive threats going unaddressed

(Oliver Wyman Analysis)

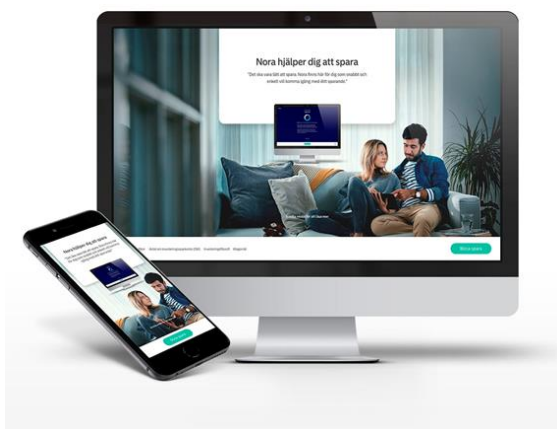
FOCUS GROUP OF ONE

IF I WERE A TEENAGE GIRL,
I WOULD WANT TO FIND OUT
ABOUT OUR NEW BEAUTY APP
FROM A SPORTS TALK SHOW
PROMO ON AM RADIO.



© marketoonist.com

The changed customer behaviour



SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



Business Models



Customer expectations



.... and then the business model?



- Quality over quantity
- Products with life long guarantee
- Subscription
- It's known as circular economy

The need for Innovation and Fintech partnerships

- Partnering to develop new digital solutions
- Partnering to develop new models
- Partnering to meet customer expectations
- Data Analytics



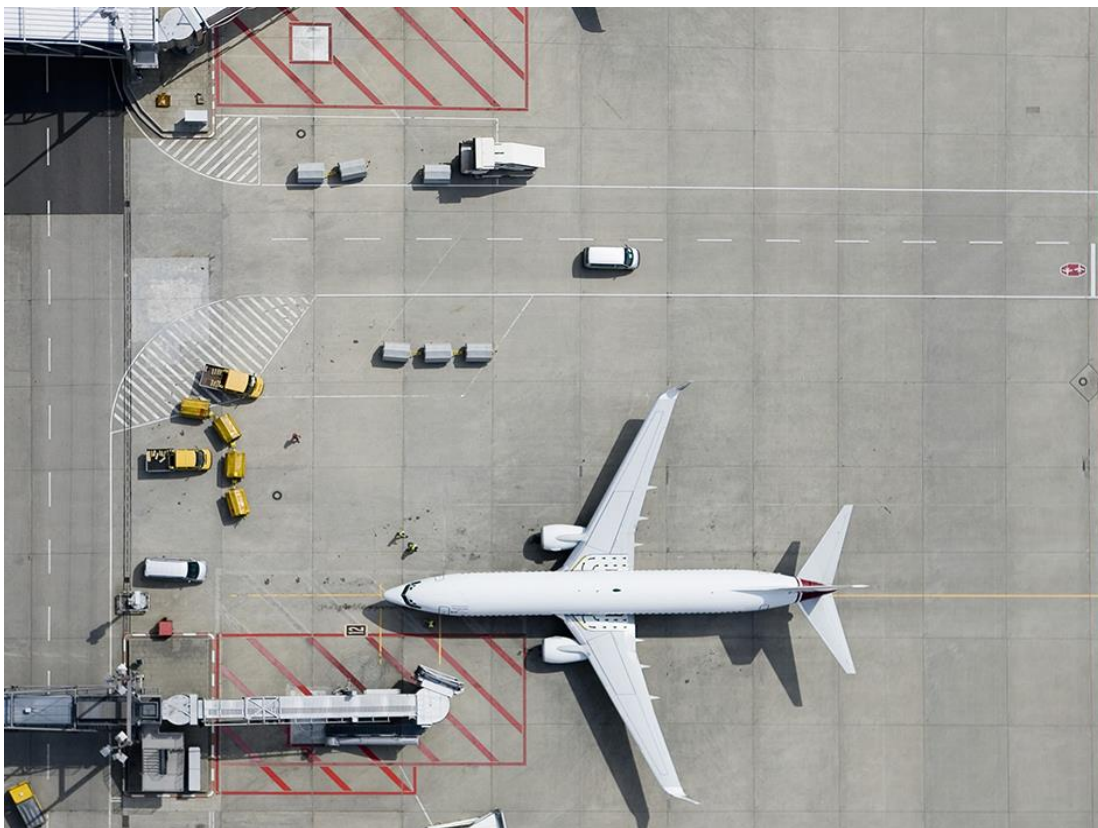
Fintech
Ecosystem
Open Banking

Systems and People

- Changing systems to match future expectations
- New digital solutions based on customer data
- Organisational culture
 - The people side of new models
 - New skills and competencies



Open Banking



**Open Banking won't
transform data into
value
- people will**

Thank you

Dorthe Håhr Dupont
Head of Group Nordea Ventures

Crypto Assets

Business 2.0 or Disruption?


Viewpoints from an emerging industry



Hans Henrik Hoffmeyer
Co-Founder, Coinify
Founding member of Blockchain and
Virtual Currencies Working Group
4th December 2019, FT Conference



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Profile of registrant

Blockchain and Virtual Currencies Working Group
Identification number in the register: **635727423661-17**
Registration date: **30/09/2016 02:48:18**

The information on this entity was last modified on: **25/09/2017 12:16:53**
The date of the last annual update was: **07/09/2017 21:06:06**
Next update due latest on: **07/09/2018**

Registrant : Organisation or self-employed individual

(Organisation) name: Blockchain and Virtual Currencies Working Group

Acronym: BVC WG

Legal status: none

Website:

Section of registration

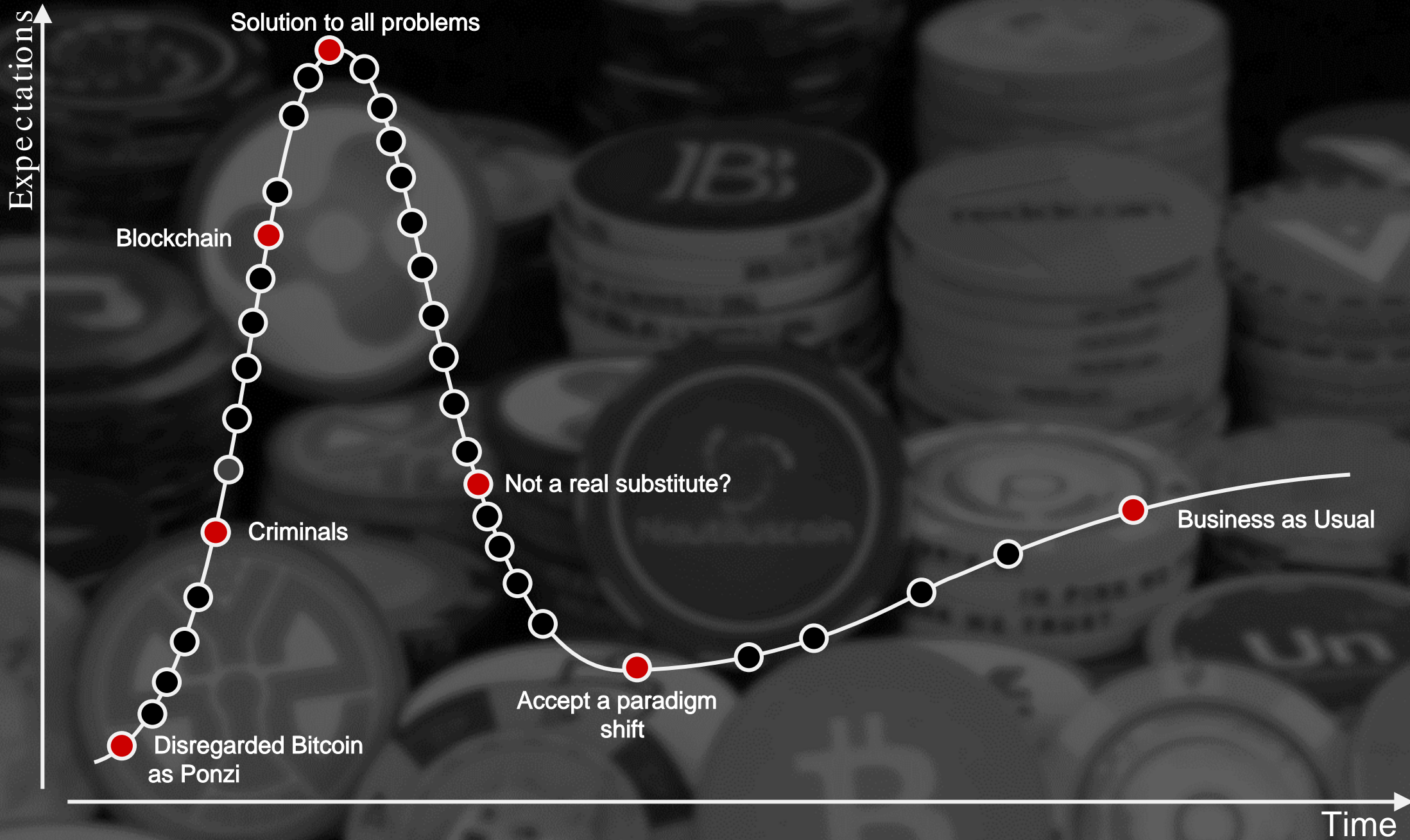
Section: II - In-house lobbyists and trade/business/professional associations

Digital Disruption Requires Digital Replacement!

“A digital version is Better and Cheaper than the physical”

1. Digital version of physical product
2. Distribution at zero cost
3. Convenient consumption anywhere







Currencies Ranked by Market Cap



Donald J. Trump
@realDonaldTrump

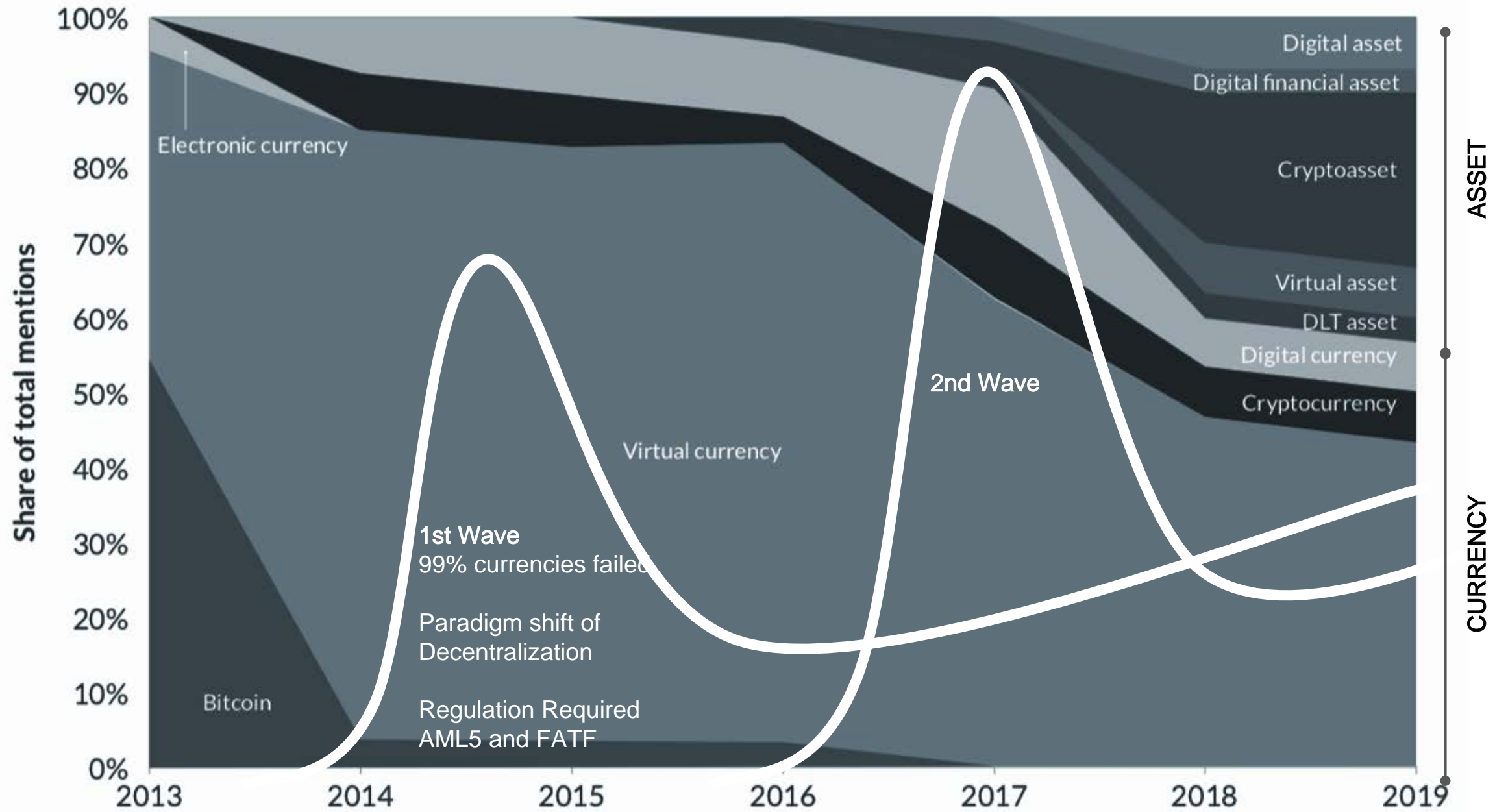
I am not a fan of Bitcoin and other Cryptocurrencies, which are not money, and whose value is highly volatile and based on thin air. Unregulated Crypto Assets can facilitate unlawful behavior, including drug trade and other illegal activity....

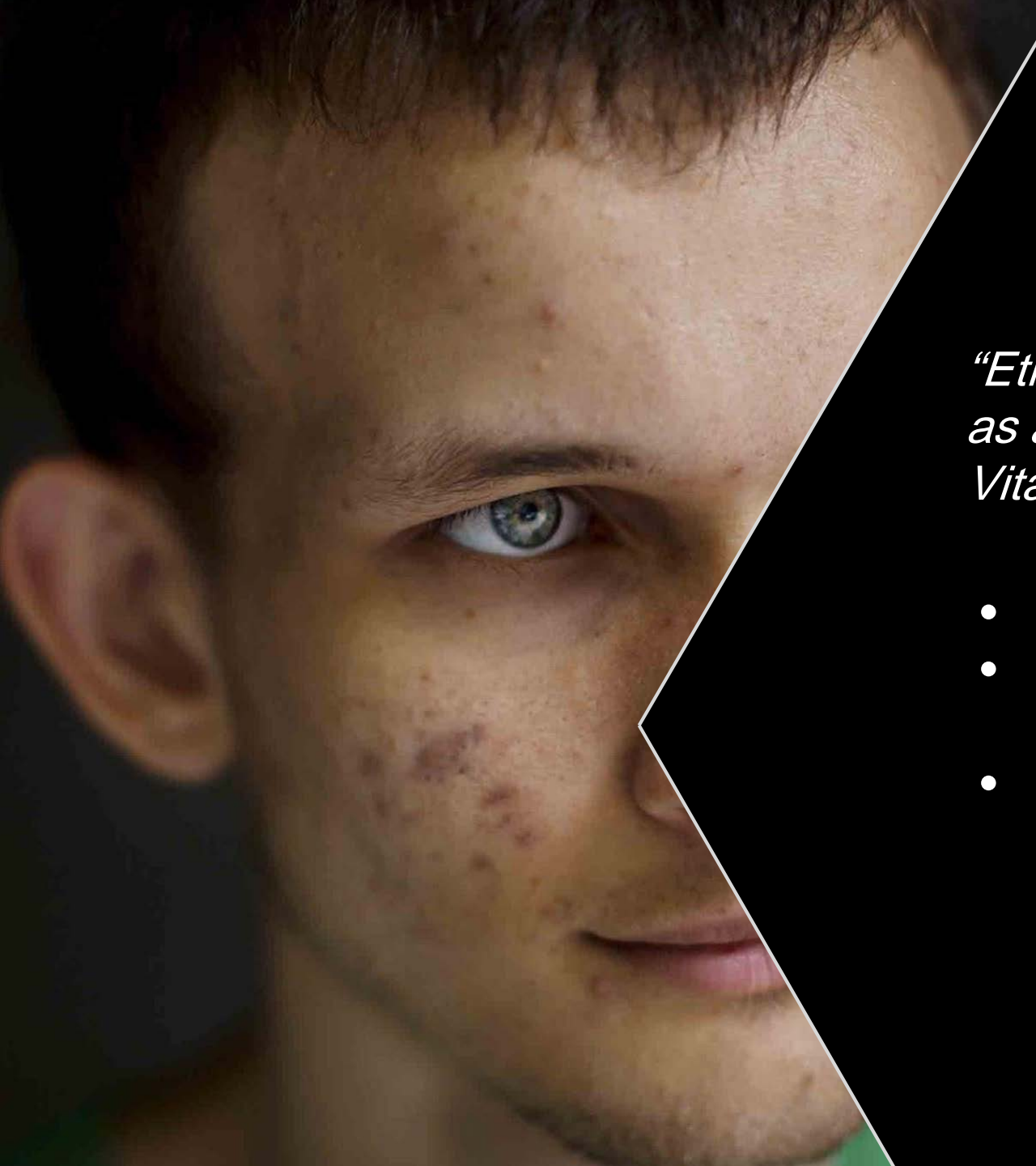
01:15 · 12/07/2019 · [Twitter for iPhone](#)

10.7K Retweets **36.4K** Likes



Market Cap (M2 money supply, USD billions)



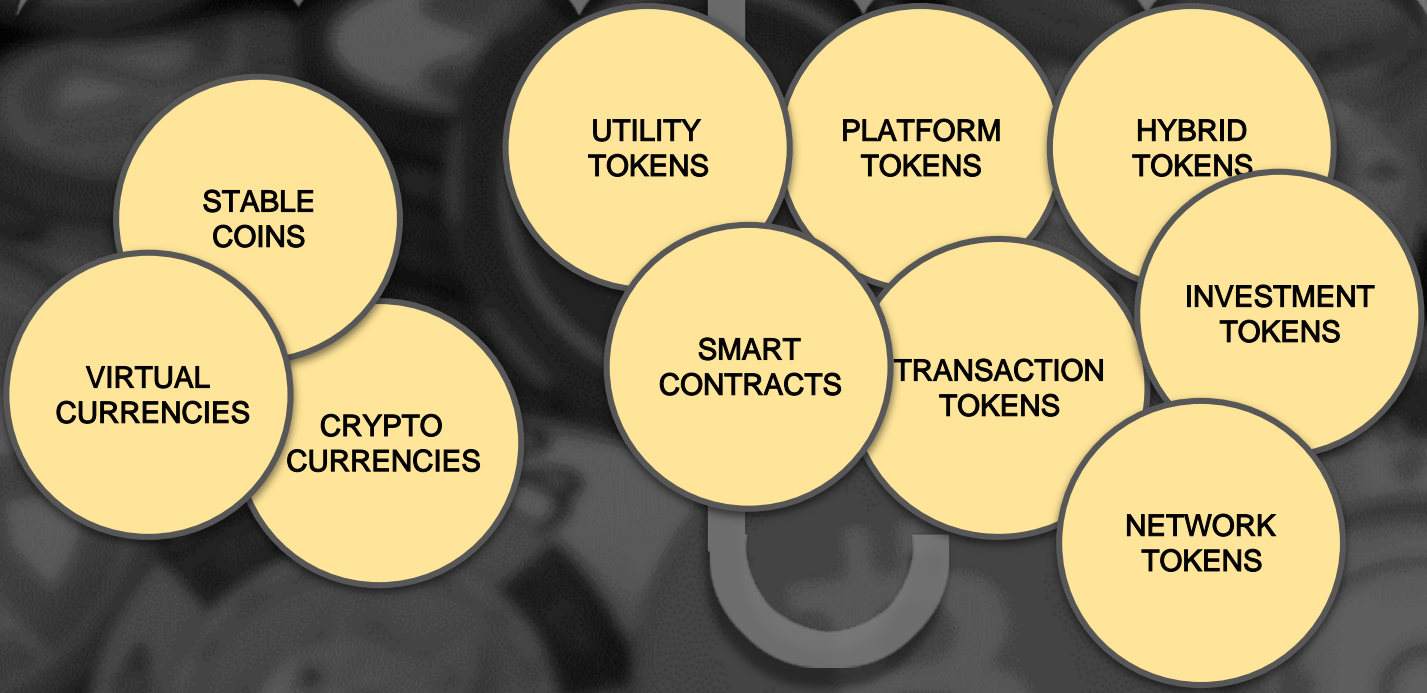


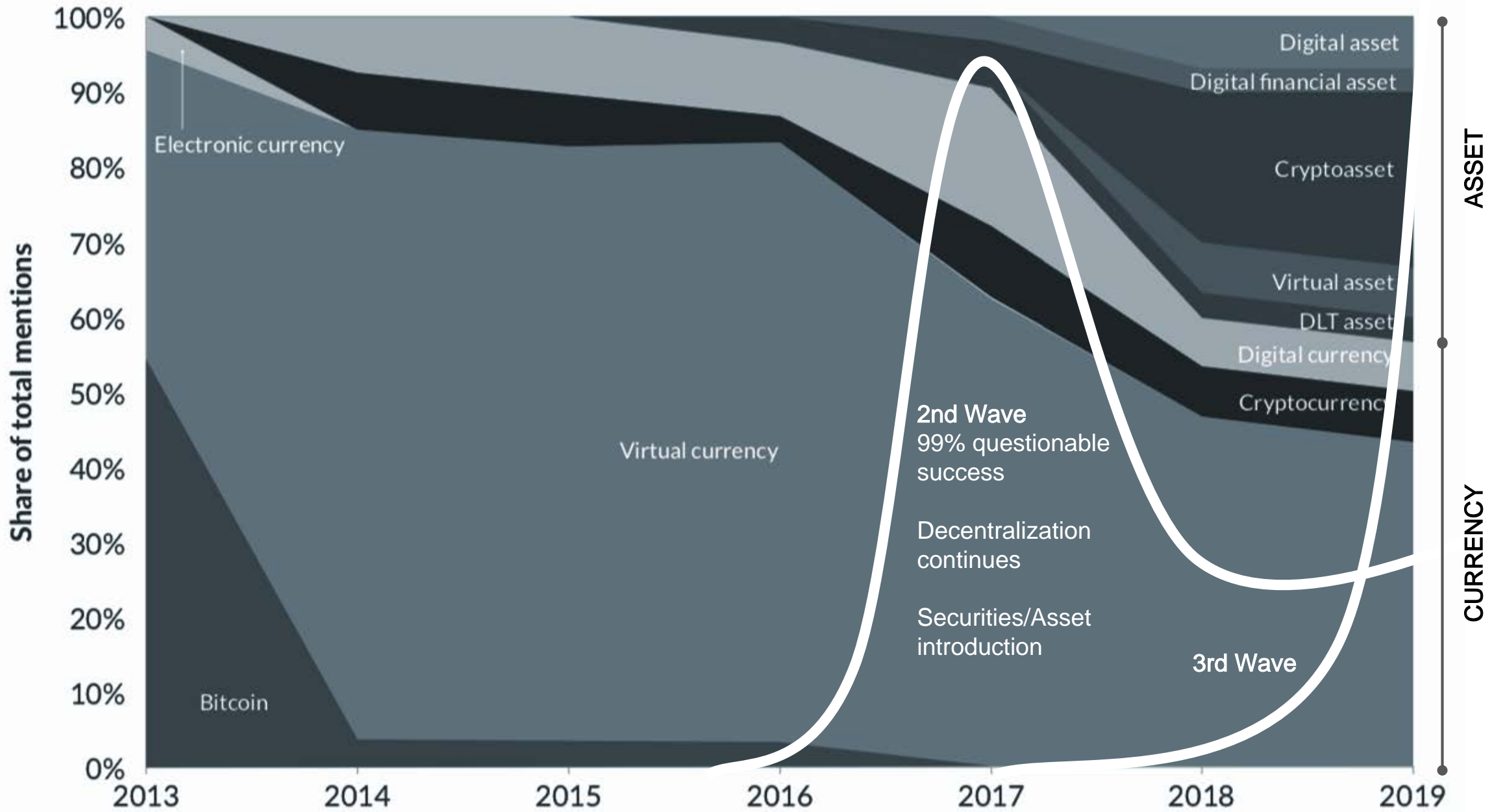
*“Ethereum is to Bitcoin
as a smart-phone is to a calculator”
Vitalik Buterin*

- **Mimic advanced financial products**
- **Completely decentralized code execution**
- **Examples CFDs, Futures, Derivates, Contracts, IPOs**



CRYPTO ASSETS





Share of total mentions

2013 2014 2015 2016 2017 2018 2019

ASSET

CURRENCY

Electronic currency

Bitcoin

Virtual currency

2nd Wave
99% questionable
success

Decentralization
continues

Securities/Asset
introduction

3rd Wave

Digital asset

Digital financial asset

Cryptoasset

Virtual asset

DLT asset

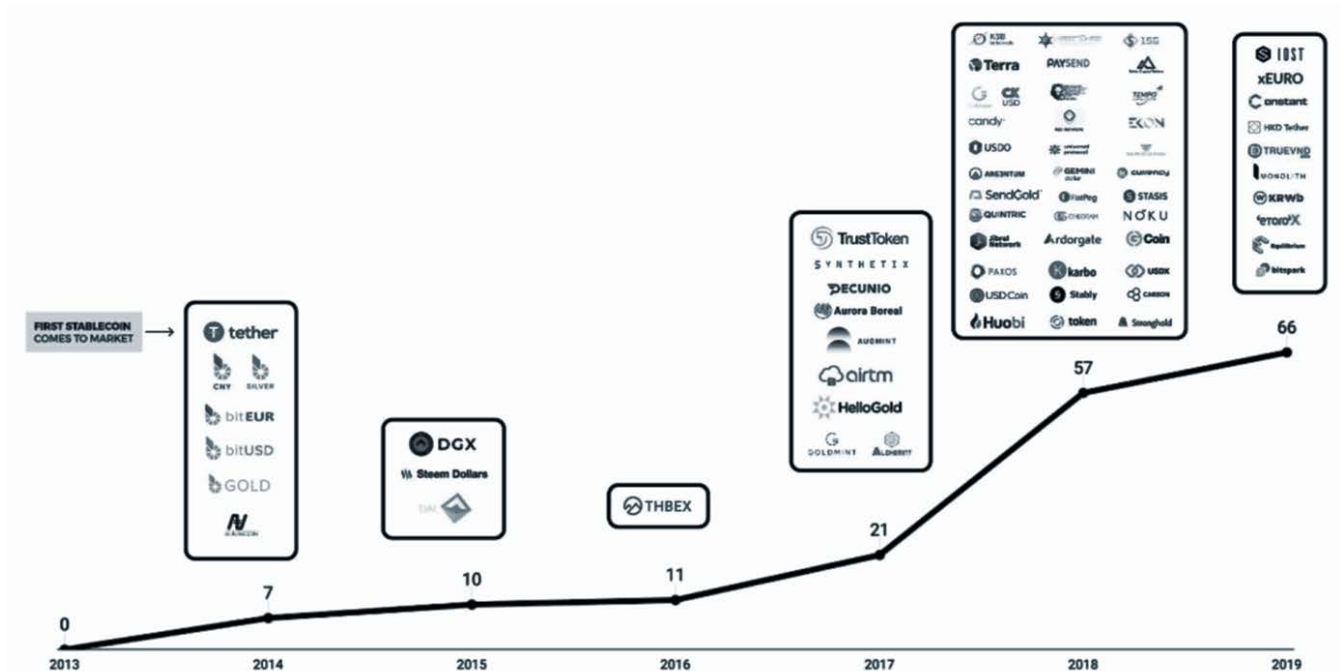
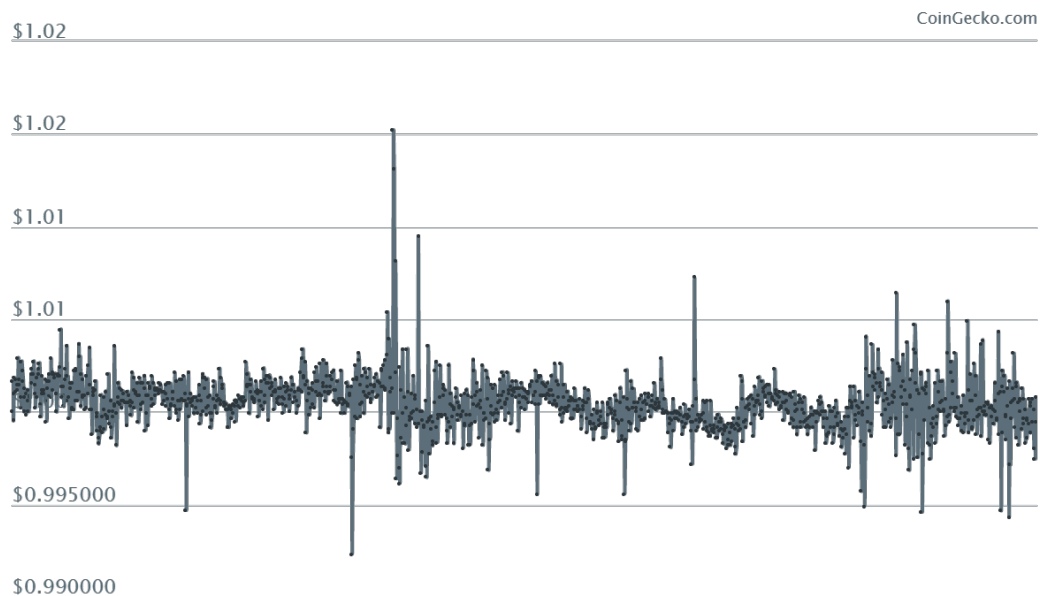
Digital currency

Cryptocurrency

10 Benefits of Stablecoins

1. **Backed** by real -world assets
2. Can be used to transact **globally**
3. Have very **low transaction** fees
4. Can be transferred very **quickly**
5. Offers protection during market **volatility**

6. Can be sent and received by **anyone** , anywhere, anytime
7. Can be used for cross -border payments for **businesses**
8. Can be **pegged** to an asset, e.g. USD, Euro, gold, silver or oil
9. Can help **unbanked** people
10. Are easy to **understand and less speculative**





Libra is a permissioned blockchain digital currency.

Libra token is backed by financial assets such as a basket of currencies and US Treasury Securities in an attempt to avoid volatility





Donald J. Trump ✓

@realDonaldTrump

Follow



....Similarly, Facebook Libra's "virtual currency" will have little standing or dependability. If Facebook and other companies want to become a bank, they must seek a new Banking Charter and become subject to all Banking Regulations, just like other Banks, both National...

5:15 PM - 11 Jul 2019

68 Retweets 70 Likes



10

68

70

CONCLUSION

Virtual Currencies
NEW CURRENCIES

Securities
FINANCIAL ASSET
DISRUPTION

COMPLEX FINANCIAL
PRODUCTS

Big Techs
LEVERAGING BLOCKCHAIN

DISRUPT EXISTING
CURRENCIES

TOKENIZATION OF REAL-
WORLD ASSETS

DELIVERED DECENTRALIZED
AND WITH DISTRIBUTED
TRUST

J.P.Morgan

Nasdaq

VISA

libra

CME Group

Main Contributors

Propellerheads

Financial Innovators

BIG TECHS

Financial Stability Impact

None

Limited

High

Regulatory Complexity

Low

Medium

High

Political / Central Bank

Curious

Observant

Concerned

Regulatory Reaction Time

Very Slow

Less Slow

Pretty fast

Crypto Assets

Business 2.0 or Disruption?

Viewpoints from an emerging industry



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