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*General presentation*



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- Company Overview
- Trends in Technology
- Changing Business Models
- Open Banking
- Building a global financial ecosystem
- **FINCONNECTA**
-  Community – FinTech Sample Portfolio



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# Above & Beyond

## *Mission & Vision*

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### Mission

*“Build a global financial ecosystem integrating Financial Institutions, FinTechs and others in one open platform.”*

### Vision

*“Be the platform which enables the global financial solution marketplace.”*



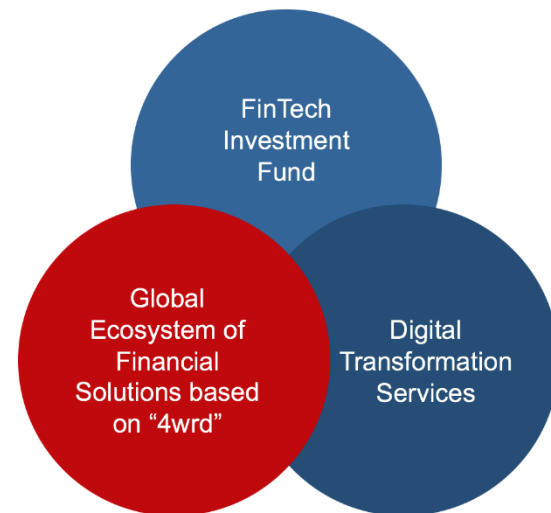
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# Above & Beyond

## *Business Plan*

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- Above & Beyond's primary objective is to build create a global financial ecosystem integrating Financial Institutions, FinTechs and others in one open platform. This ecosystem will operate based on a single platform called 4wrđ.
- As a secondary objective, Above & Beyond will provide advice to financial institutions allowing them to define and execute their digital transformation strategy.
- Finally, Above & Beyond Ventures will create an investment fund, to support the development and implementation of FinTech solutions with a proven demand. This investment fund will be launched in early 2018.



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# Above & Beyond

## *Core Management Team*

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**Jorge Ruiz M, Founder and CEO**

Jorge is the Founder and CEO of Above & Beyond. With more than 25 years of experience in the financial sector, Jorge has seen firsthand how much the industry has changed. He worked at Citigroup for 18 years, where he led their efforts to become a global leader in the FinTech industry by defining a digital transformation strategy, launching the first global virtual accelerator, and hosting 16 programs and implementing more than 50 solutions worldwide. Jorge also has founded and led businesses in the investment, insurance, and retail industries; and is a founding member of ChallengeMeNow, a social network dedicated to personal achievement while helping charity organizations raise funds. Jorge holds a degree in Finance from the University of Texas.



**Mauricio Lorenzetti, Co-Founder, CTO**

Mauricio has 30+ years of experience transforming organizations with newest technologies, revolutionary processes, business capabilities, and exponential team productivity. He has extensive experience in design, development, and implementation of global customer-centric solutions and with multicultural team leadership. His portfolio is composed by over 140 strategic initiatives at IBM, Citibank, FedEx, Shinsei Bank, Singapore Airlines, amongst others.



**Martijn van Rooij, CFO, Business Development Head**

Martijn is an early adept of crypto-currencies and is well connected in the blockchain community in Latin America. As an advanced user and investor he tested numerous products for storage, trading and payments. Before a&b, Martijn spent over two decades at Citigroup. As Risk Manager and Senior Credit Officer he analyzed hundreds of companies and as Administrator and Lean Six Sigma Black Belt he managed a global team. He holds a Master's in Finance (Cum Laude) from Rijksuniversiteit Groningen and is currently focused on completing a Master's Degree in Digital Currency from the University of Nicosia. Martijn speaks five languages.

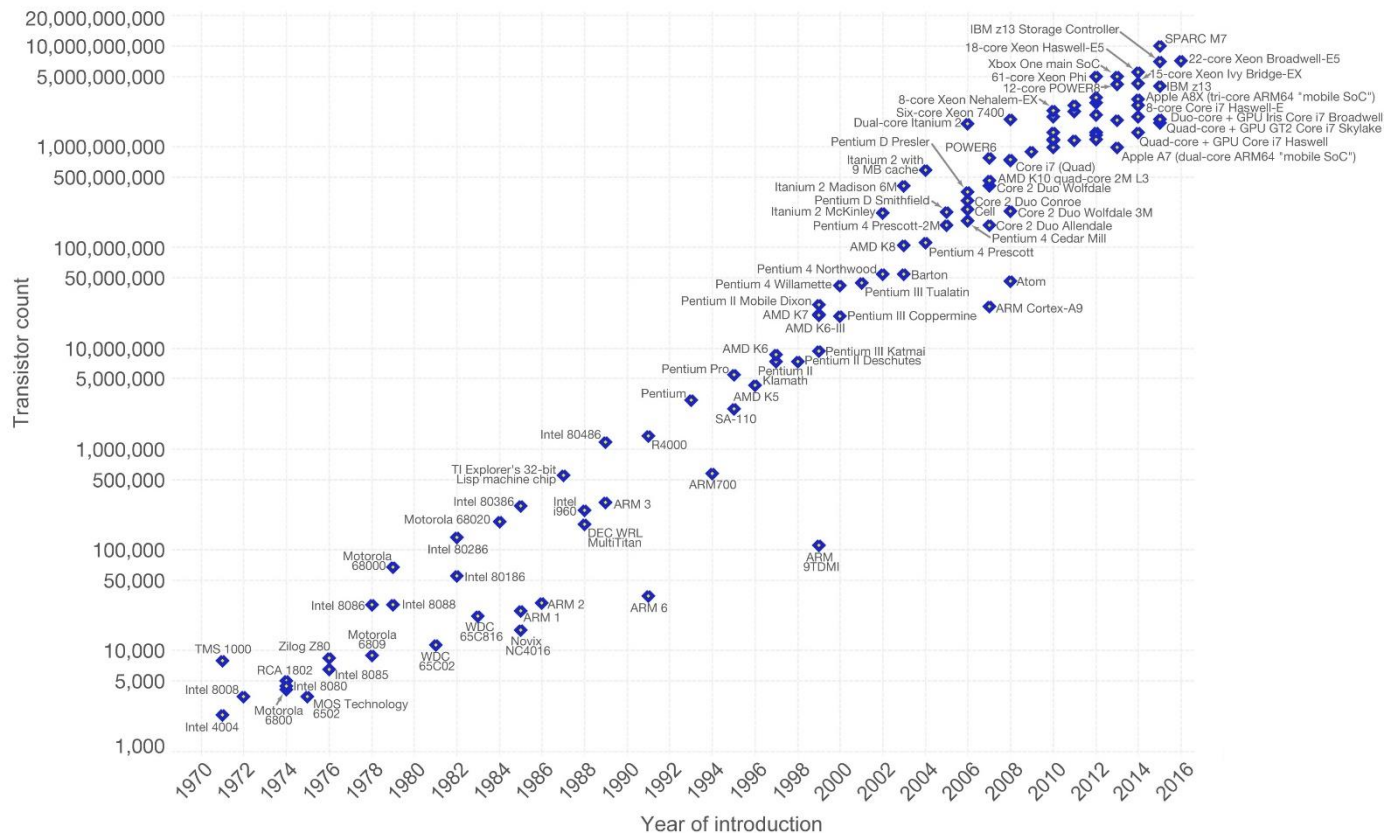


# Trends in Technology

## *A closer look at digital transformation: Moore's Law*

### Moore's Law – The number of transistors on integrated circuit chips (1971-2016)

Moore's law describes the empirical regularity that the number of transistors on integrated circuits doubles approximately every two years. This advancement is important as other aspects of technological progress – such as processing speed or the price of electronic products – are strongly linked to Moore's law.

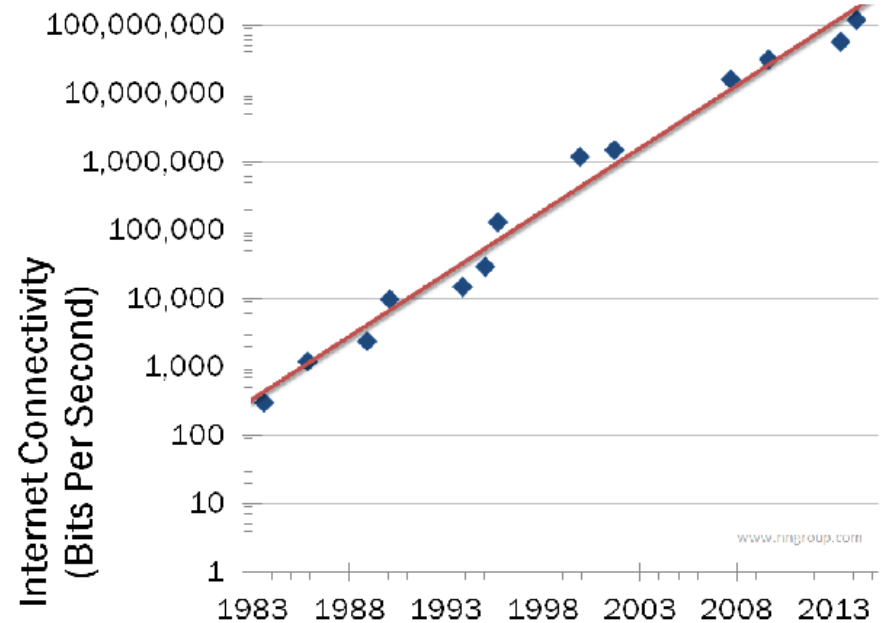
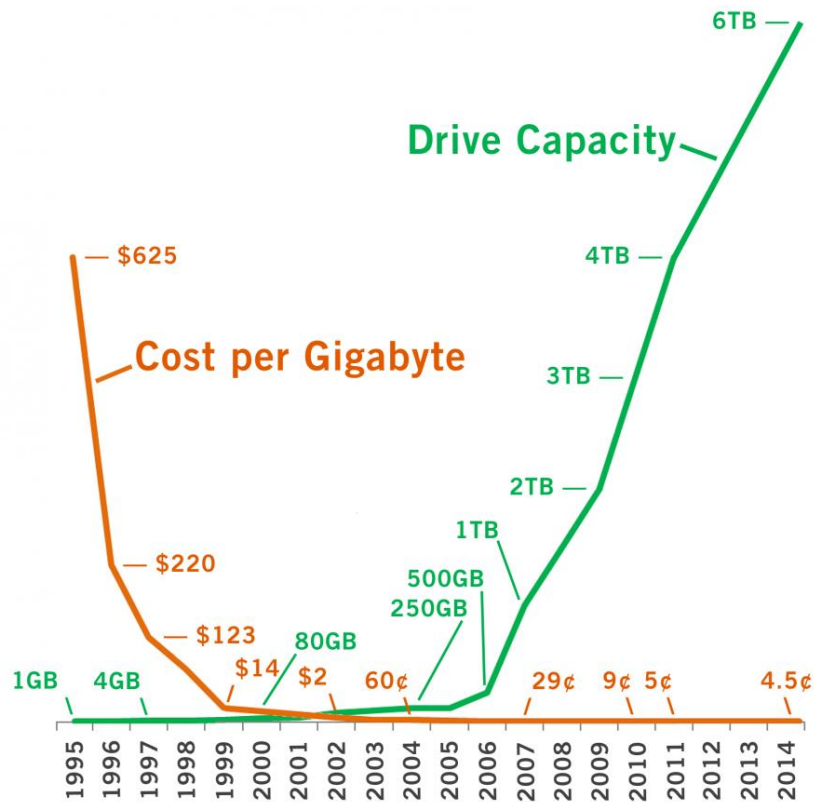


Source: Wikipedia, Max Roser, OurWorldInData.org



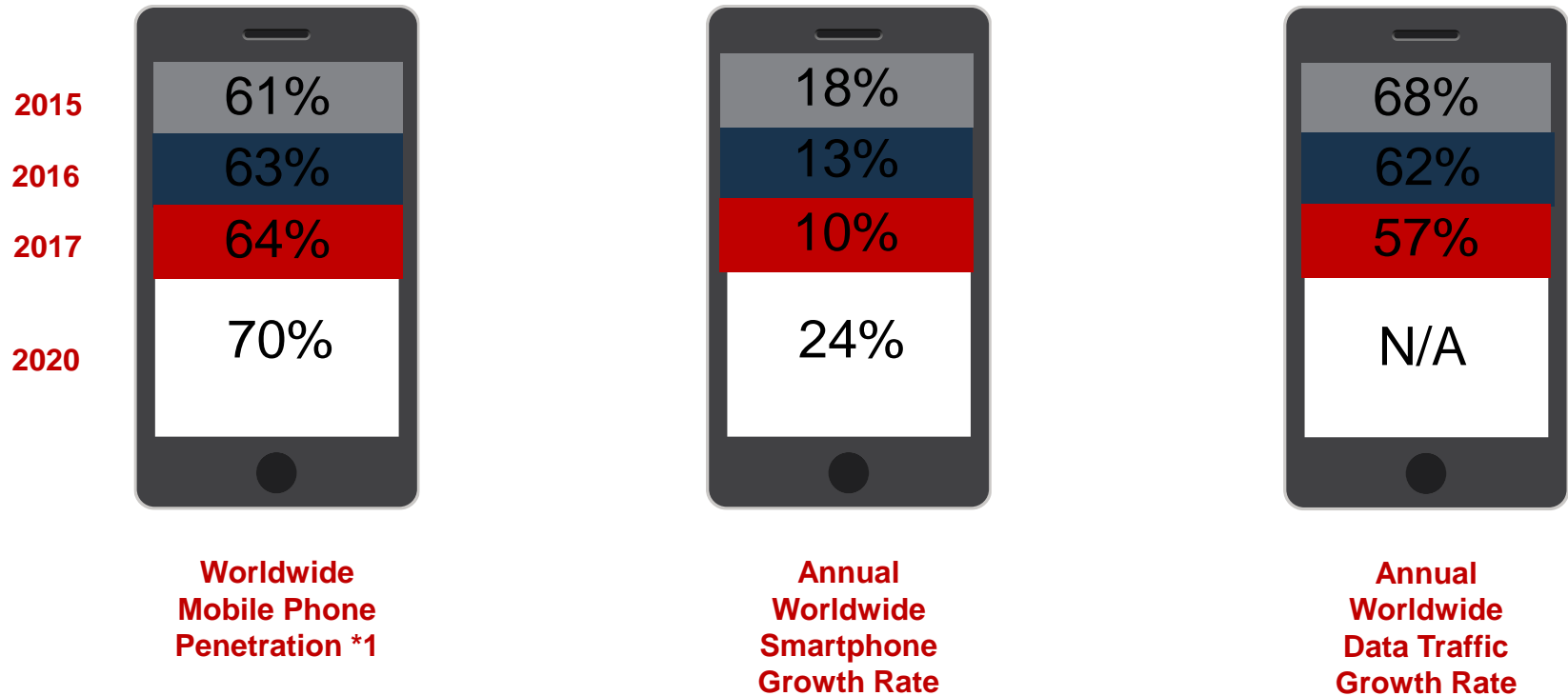
# Trends in Technology

## *A closer look at digital transformation: other basic technologies*



# Trends in Technology

## *A closer look at digital transformation: mobile communication*



Source: Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2015-2020.

\*1 - Unique users.





# Trends in Technology

*Today, exponential growth is everywhere!*

## Cybersecurity

In today's increasingly interconnected world, hacks, breaches and malware have become a way of life. Cybercrime is projected to cause \$6T in damages by 2021.

AI and Machine Learning allow systems to continuously learn by constantly analyzing billions of data points to detect patterns and even predict attacks before they occur. IBM uses Watson's AI to improve its leading cybersecurity platform, helping clients analyze threats up to 50% faster.

## Blockchain / Distributed Ledger Technology

Distributed electronic ledger that uses software algorithms to record and confirm transactions with reliability and pseudonymity or anonymity.

- Aggregate Market Capitalization of Cryptocurrencies borders \$150B versus \$5B two years ago
- In 2017 YTD Initial Coin Offerings have raised \$1.2B and now surpass early stage VC funding

## Virtual and Augmented Reality

Computer-generated simulation of three-dimensional image overlaid to the physical world (AR) or a complete environment (VR).

- "By 2020, 100 million consumers will shop in augmented reality"
- "By 2021, Americans will own 70 million VR Headsets, an eye popping 69% CAGR"

## Cloud Computing (including Big Data)

Cloud computing has experienced exponential growth in the last few years, and now include hybrid clouds, BYOD, Platform-as-a-Service (PaaS), Big Data Analytics, Identity Management and protection, etc.

## Artificial Intelligence

Software algorithms that are capable of performing tasks that normally require human intelligence, e.g. Visual perception, speech recognition and decision making.

- Estimated Chatbot Revenue CAGR 27.8% from 2016 to 2024

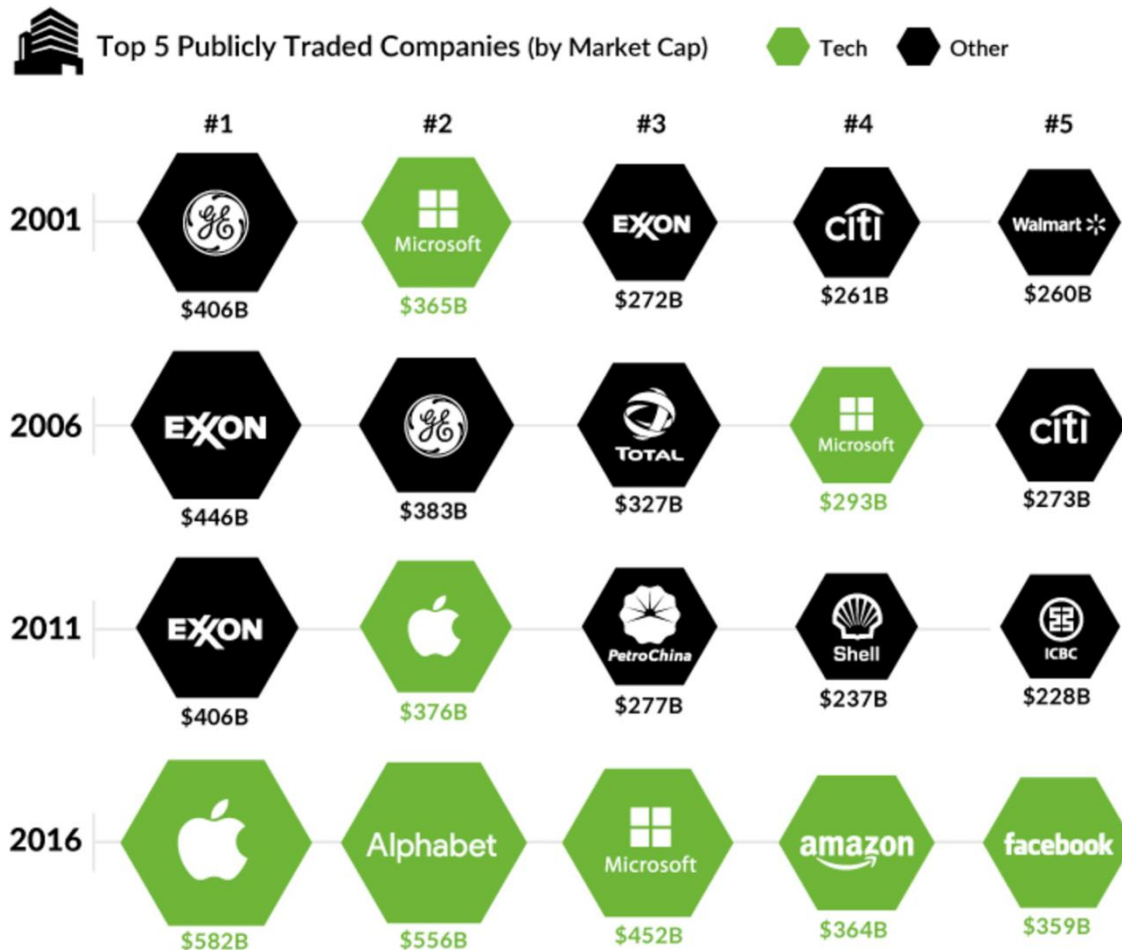
## Internet of Things - IoT

- It is estimated that by 2020 50 billion devices will be connected to the internet, up from 10 billion in 2013.
- The following industries stand to benefit: Manufacturing, Retail, Information Services and to a lesser extent Finance & Insurance.



# Changing Business Models

## The current hegemony of digital platforms



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## Changing Business Models

### Thousands FinTech startups are being created ...

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- Technology change has impacted multiple industries resulting in the recent conquest of the Top 5 spot of the NYSE by companies representing Digital Platforms.
- We now witness exponential growth in multiple different technologies all directly impacting the financial industry. It is a huge challenge to keep up with these technologies growing exponentially.
- These changes have led to the creation of thousands of FinTech startups. Many FinTechs have the necessary means to grow exponentially and seek to solve the same needs as Financial Institutions for a reduced cost and/or with improved UX.



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# Changing Business Models

## *The FinTech (R)evolution*

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- The FinTech community is currently composed of >10,000 FinTechs from around the world and >1,000 investors (VCs, funds) that have invested more than US\$ 50 billion in the last 3 years. However, investment is specially lagging in Latin America.
- Some regulators are aggressively supporting this innovation; asking FIs to open their tech platforms via APIs, offering regulatory sandbox, signing collaboration agreements, launching innovation programs.
- In 2017 there will be more than 100 seminars, conferences and competitions worldwide addressing this new and relevant wave
- In Emerging Markets, Asia is the most advanced region in FinTech, followed by Africa, and lastly Latin America



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# Changing Business Models

## *The FinTech (R)evolution*

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FinTech is now playing a central role in the evolution of finance.

FinTechs are touching every aspect of financial services.



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## Changing Business Models

### Other threats are Large Tech and Digital Currencies

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- Besides the arrival of FinTech startups, large technology companies (Google (Wallet), Facebook, Apple (Pay), Alibaba, etc.) are creating alliances with local banks disrupting traditional banking.
- In parallel, digital currencies form another latent threat to the established financial ecosystem, with new infrastructure based on distributed blockchains expanding rapidly.
- Is the legacy banking system ready to compete in this environment of extreme change while being restrained by a strict regulatory framework and a bloated expense to maintain decades old core banking systems?



# Changing Business Models

## How do banks respond?

- For now, most large banks invest massive amounts to upgrade their core banking system and client engagement platforms.
- An example from Mexico (*percentages reflect annual digital investment CAPEX over annualized revenues*):



“

*“The **1 Bn USD** 2014-18 investment plan has the main purpose of improving customer experience and service” Ernesto Torres Cantú, October 2016*

4.8%

”



“

*“BBVA has invested **1.1 Bn USD** in new technology and systems throughout Latin America that have given Bancomer a higher exposure to clients, specifically reaching under tapped markets” Luis Robles Miaja, March 2016*

3.6%

”



“

*“Scotia will invest **over 165 Mn USD** over the course of **the next three years [2016-2018]** in the reinforcement of their basic digital platform, system improvement, mobile and digital banking.” Enrique Zorilla, January 2016*

4.3%

”



“

*“We are investing 12% of annual profit (**80 Mn USD**) towards innovation, we have the mindset to digitally transform Banorte. The client wants a more agile, higher quality and clear service.” Carlos Hank González, September 2016*

2.3%

”



“

*“From January to October in 2016 Santander has spent nearly 1,300 Mn MXN (**65 Mn USD**)<sup>1</sup> in the new digital banking platform, but new services and tools will be gradually incorporated*

1.6%

”



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# Changing Business Models

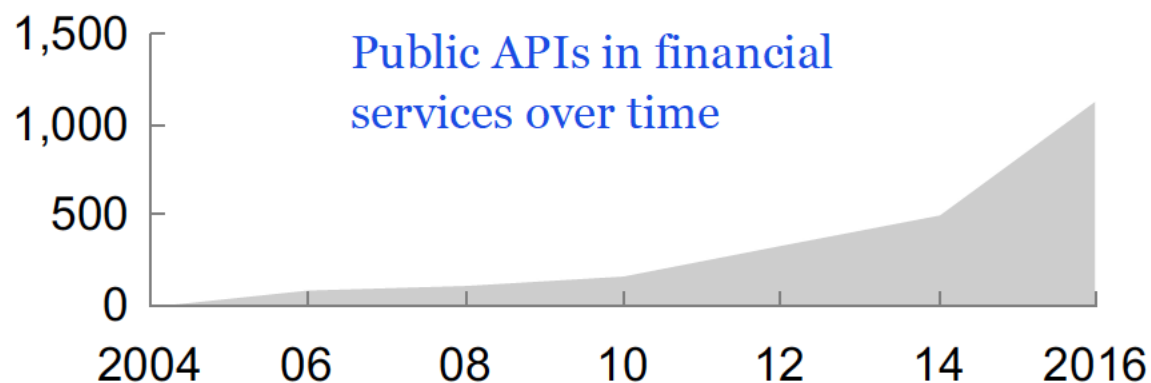
## Open Banking as an alternative

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But there are other alternatives which can be implemented in a couple of months:

Today several major FI's are launching innovation programs to partner and collaborate with FinTechs. They are launching open innovation initiatives, accelerators and establish venture capital funds;

Other banks have embraced “Open Banking”, an emerging term in financial services / financial technology that refers to the *use of Open APIs that enable third party developers to build applications and services around the FI.*





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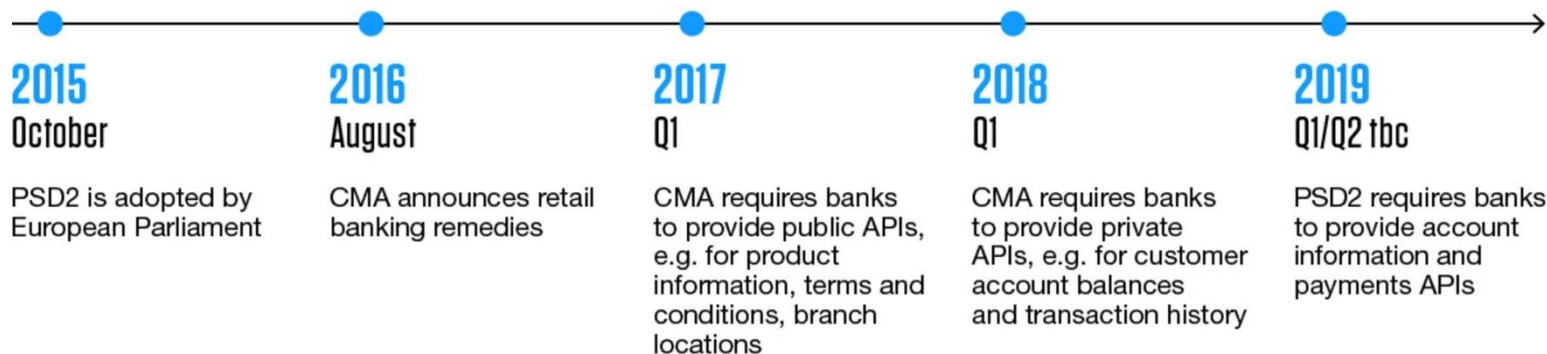
# Open Banking

## Geographies with an Open Banking mandate: Germany

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- In order for Open Banking to thrive, financial institutions need to provide Open APIs, for the most common services.
- In the European Union this is being mandated under the Revised Payment Service Directive (PSD2) which will be mandatory in 2018, which is set to be a game-changing year for retail banking. As it becomes implemented, banks' monopoly on their customer's account information and payment services is about to disappear.

### TIMELINE FOR THE DELIVERY OF APIs

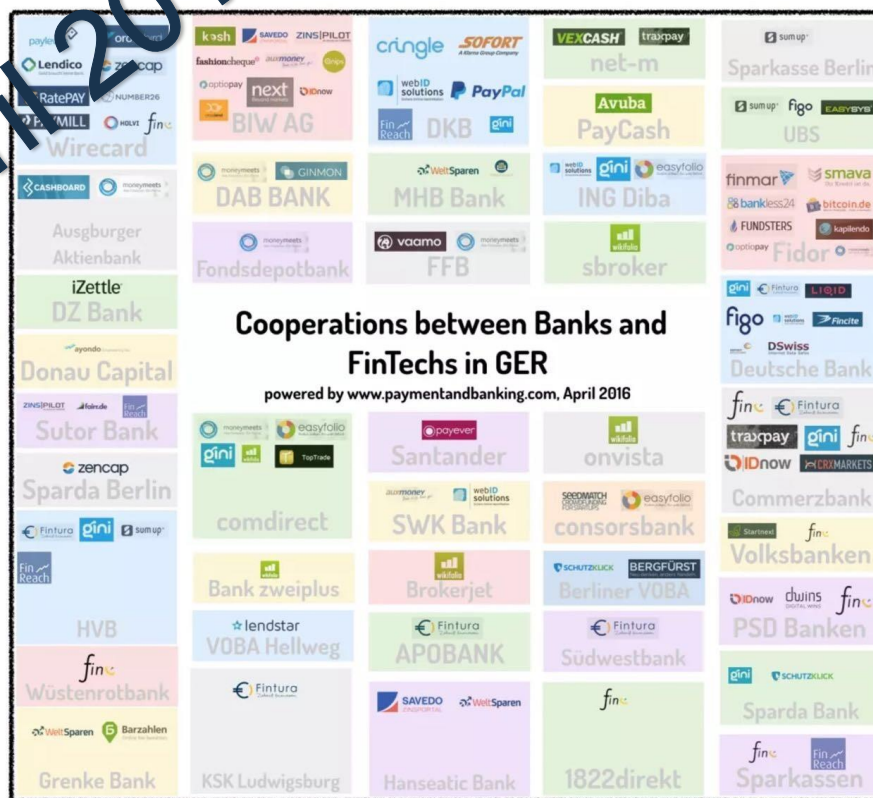


# Open Banking

## Geographies with an Open Banking mandate: Germany

- The following slides from Germany highlight the underlying trend of a financial system being more and more integrated with third party FinTech companies.

April 2016



# Open Banking

## Geographies with an Open Banking mandate: Germany

May 2017



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# Open Banking

## Geographies with an Open Banking mandate: South Korea

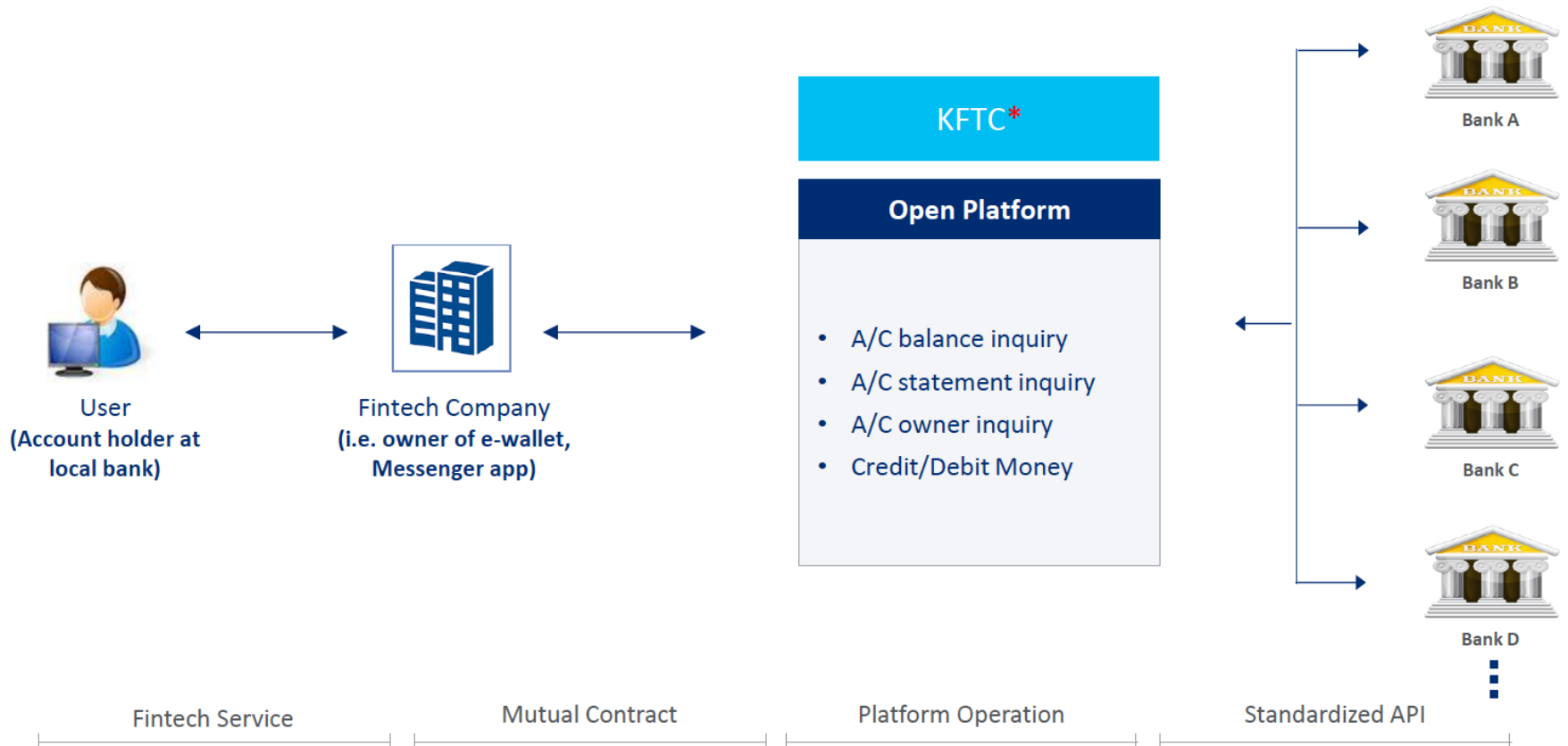
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- In South Korea, in August 2016, the Korea Financial Telecommunications & Clearing Institute (FKTC) launched the common API allowing FinTech firms to “plug in” to banks’ technical systems.
- Prior to its launch, FinTech firms had to customize their solutions for each and every bank they form a partnership with.
- Korea is the first country to launch a common API platform across banks globally.



# Open Banking

## Geographies with an Open Banking mandate: South Korea



\* KFTC(Korea Financial Telecommunications & Clearing institute) is a government organization under BOK (Bank Of Korea) which inter-connects transactions between local banks

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# Open Banking

## Which are the challenges in most countries?

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Key challenges are:

- Absence of mandatory APIs
- Only few banks with Open APIs
- No standardization of APIs

As a consequence:

- FinTechs are building non-standardized APIs, making the **integration** of their applications with interested FIs **expensive, time-consuming** and **not scalable**.
- FinTechs will have limited interest to actively cover their expansion in foreign markets with one on one marketing to financial institutions.

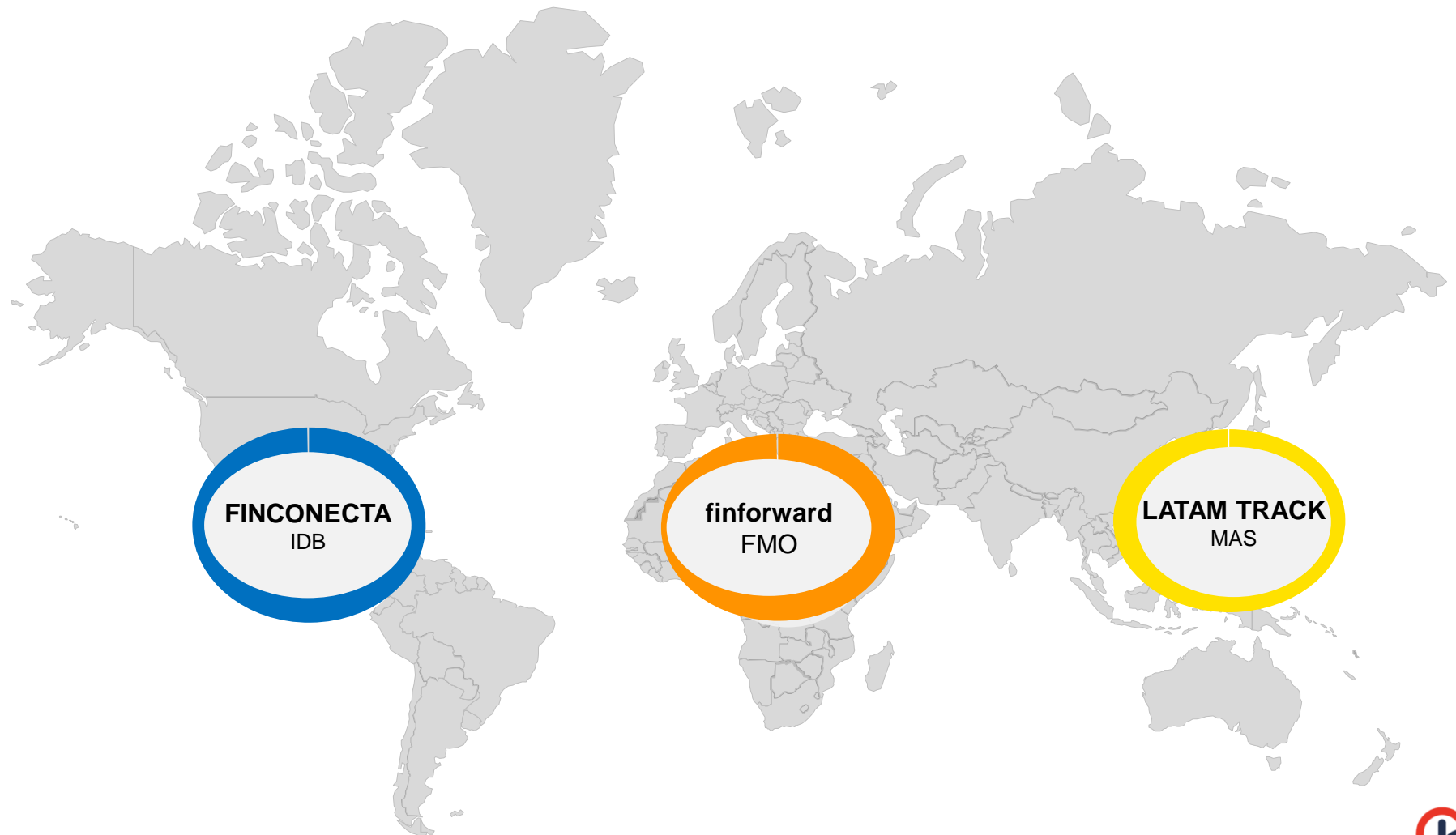


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# Building a global financial ecosystem

## Key programs

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# Building a global financial ecosystem

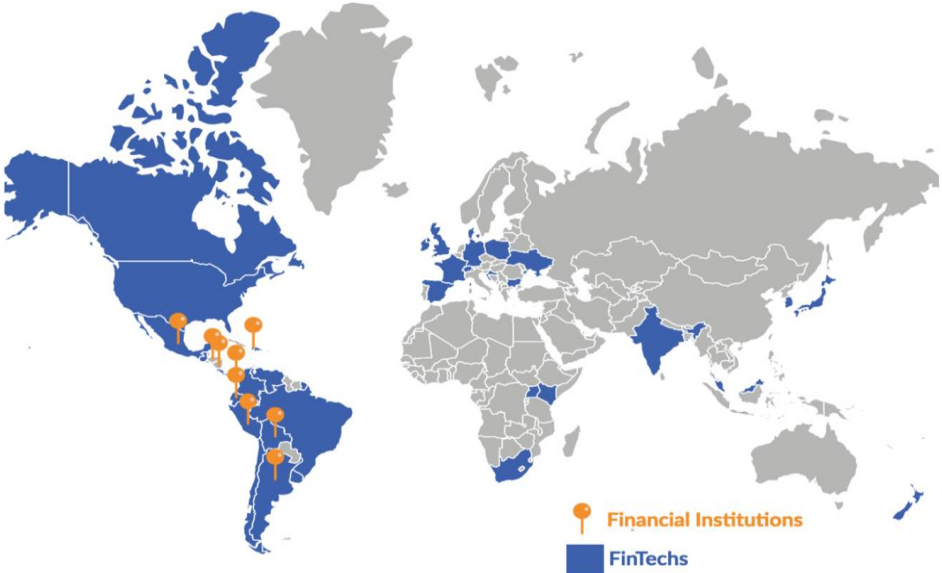
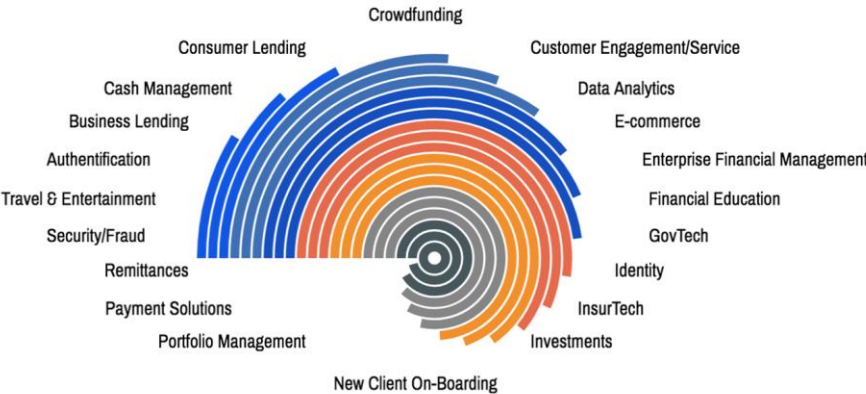
## FINCONNECTA

FINCONNECTA is an integration program, supported by the **Inter-American Development Bank** and coordinated by a&b, dedicated to creating the first interconnected financial ecosystem in Latin America & the Caribbean. Below is a summary on FINCONNECTA applications.

**383** Registrations  
since May 8th

**40** Countries

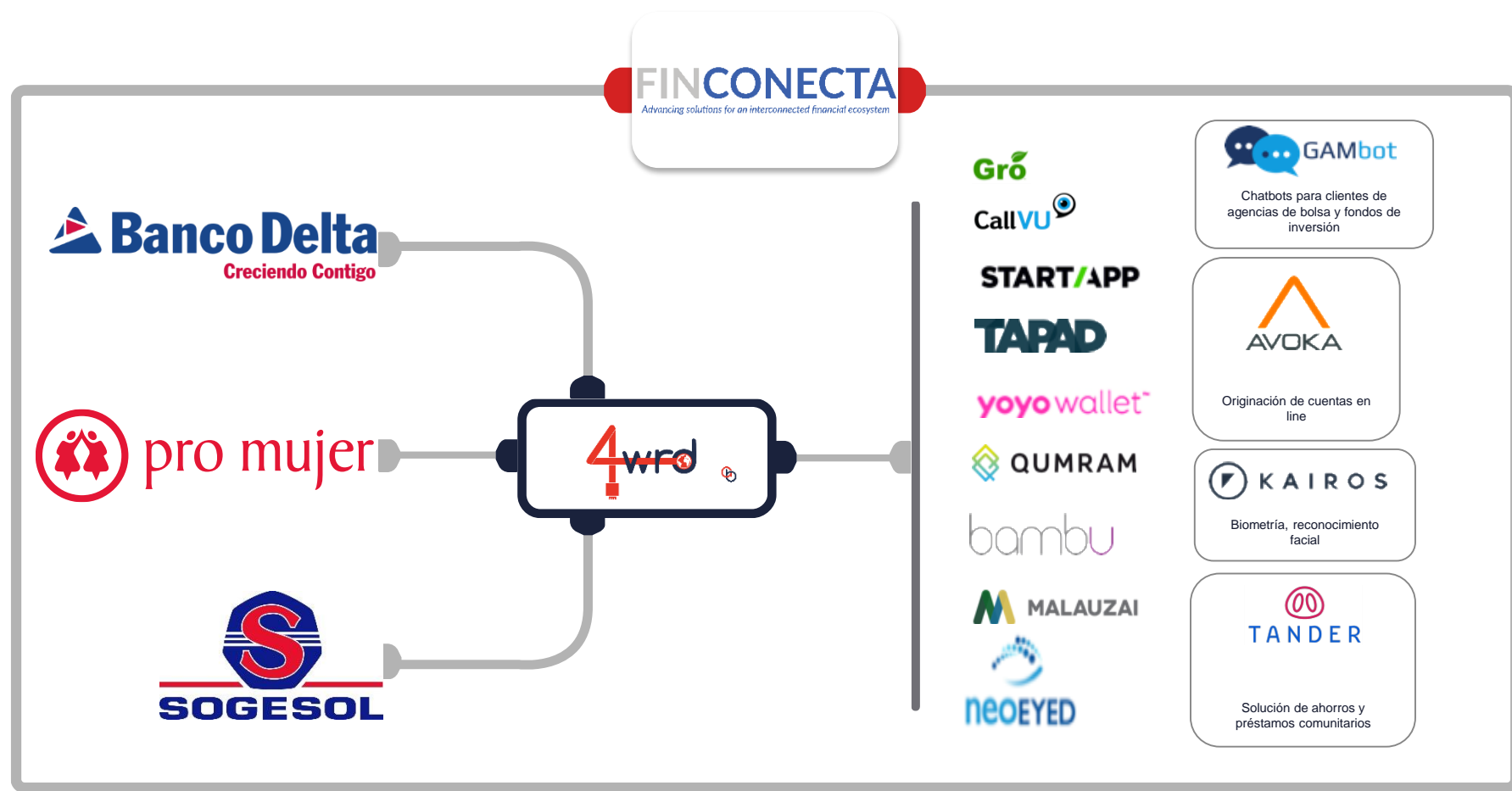
### Categories:





# Building a global financial ecosystem

*An ecosystem based on 4wrd*



# Building a global financial ecosystem

## 4<sup>th</sup> Community



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# Building a global financial ecosystem

## *Financial Institutions*

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# Building a global financial ecosystem

## *Partnerships*

C L I F F O R D  
C H A N C E

facebook

VISION DE VALORES S.A.S.   
Estructuradores de Proyectos

*Strategic Partners*



*Partners*

*Contributors*

ST>RT-UPCHILE

 FINTECH  
CENTROAMÉRICA Y CARIBE

 VillageCapital



 CGAP  
PORTAL  
DE MICROFINANZAS

Nueva  
Economía  
LÍDER EN ECONOMÍA Y NEGOCIOS

 Cic miami



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# FINCONNECTA

above  beyond

# FINCONNECTA

## Difusión

Difundir la iniciativa en la Región

## Cierre del Registro

Finalización del proceso de registro de Instituciones Financieras (30 de Noviembre)

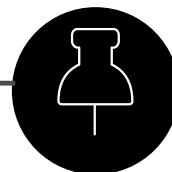
## Presentación

Demo Day en un evento a ser definido con la presentación de las propuestas y la premiación.

Agosto 2017



Octubre 2017



Noviembre 2017



Abril 2018

## Inicio del Registro

Anuncio del inicio de registro del segundo grupo de Bancos del programa de FINCONNECTA.

## Matching

Inicio de matching e integraciones entre IFs y FinTechs seleccionados

## Implementación

Proporcionar apoyo tecnológico para la integración de las mejores soluciones. Pruebas piloto en el Sandbox de 4wrd.



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# FINCONNECTA

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Para las Instituciones Financieras, por qué participar? El programa ofrece:

- La posibilidad de seleccionar problemas a ser resueltos por FinTechs
- Acceso a las mejores FinTechs en el mundo, validados por a & b
- La integración a “4wrd” realizado mayormente por a&b (80/20)
- Uso de un “sandbox” para realizar pruebas piloto de las soluciones de las FinTechs seleccionadas
- La opción de integrar soluciones de FinTech al completar el programa
- La posibilidad de adelantar procesos que ya están siendo realizados por otras IFs en el mundo a través de FinTechs probadas.
- Participar en el “Demo Day” y mostrar tus casos de éxito



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# FINCONNECTA

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Para las Instituciones Financieras, qué necesitan de mi?

- Participar en la validación de los problemas planteados
- Tener una persona designada que pueda ser contactada con respecto al programa
- Durante el periodo de integración, participar en la conversación y dar apoyo para conectar tu sistema actual a “4wrđ”





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# FINCONNECTA

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- Inversión por Institución Financiera (pago único, al inicio del Programa)

Total Assets	Participation Fee
Assets < USD 300M	USD 15,000
Assets USD 300M-600M	USD 30,000
Assets USD 600M-999M	USD 40,000
Assets > USD 1B	USD 70,000

- Al terminar el programa se cobrara una comisión de mantenimiento mensual en función al numero de APIs o equivalente en producción entre la institución financiera y 4wrdr.
- Adicionalmente, a&b cobrara un porcentaje de la factura de los servicios brindados por el FinTech a la institución financiera y/o viceversa (“pago por uso”).



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# Thank you

Jorge M. Ruiz  
Founder & CEO  
Above & Beyond  
+1 (305) 213-6266  
jorge@aandb.tech

Martijn van Rooij  
CFO & Business Development Head  
Above & Beyond  
+51 977 738 133  
martijn@aandb.tech



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**4wrd** Community  
FinTechs Sample Portfolio

above  beyond

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## 4wrd Community

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- We have selected several FinTechs of different categories to show an example of the breadth of financial solutions available in 4wrd Community.
- The following FinTechs have gone through the review process of a&b's team and are validated; they are ready for integration.
- The review process consists of three stages of analysis:
  - Business Model
  - Technology Readiness
  - Compatibility



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## *Examples of validated FinTechs*

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Country: Israel

[Video](#)

Category: Payment

PayKey has a payment system that can be integrated to make transactions through social media channels (WhatsApp, Facebook Messenger, etc.). It does not require to change the authentication system of the banks and security levels are not in danger.



Country: Venezuela

[Video](#)

Category: Collections

Payment solution that is adapted to the SME's different virtual or physical channels. It enables businesses to accept online payments from their customers through Visa/MasterCard credit cards by integrating virtual point of sale into their web page through plugins.

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## *Examples of validated FinTechs*

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Country: Colombia

[Video](#)

Category: Risk Analysis

IncluirTec allows financial institutions to simplify the decision to grant credit in rural populations through the analysis of information on productive activities and economic reality.



Country: Israel

[Video](#)

Category: Identity

VerumView uses the content of the end-user's email to generate multiple data points in order to perform credit analysis and provide variables for multiple purposes such as identity verification, fraud detection, KYC, etc.



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## *Examples of validated FinTechs*

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Country: Ecuador

[Video](#)

Category: Customer Service

Mensajea offers personalized service using chat apps and artificial intelligence. It is a set of tools that allow financial institutions to use chat (i.e. Facebook Messenger) as a customer service, sales and marketing channel, including artificial intelligence powered chatbots.



Country: Germany

[Video](#)

Category: Security/Fraud

Fraugster uses Artificial Intelligence to eliminate payment fraud and maximize conversions for ecommerce merchants. Their solution is live with notable payment companies like Visa, Ingenico, Wirecard, etc. using it.

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## *Examples of validated FinTechs*

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Country: United States  
Category: Wallet

Waleteros is a one-stop-shop Mobile Banking solution addressing the very specific needs of the 20M+ under-banked US Hispanics. Waleteros empowers them by providing a cheaper, safer, and more convenient way to cash checks in minutes, pay domestic and international bills, send money abroad and apply for small loans.



Country: Ecuador

[Video](#)

Category: Crowdfunding

HazVaca allows projects of all sorts to do crowdfunding through our website and also allow individuals to crowdfund privately for their own events. People can use this tool to promote their ideas and seek economic support in their respective communities.



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## *Examples of validated FinTechs*

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Country: Mexico

[Video](#)

Category: Lending

Quotanda offers a comprehensive white-label, multi-currency and multi-lingual solution including: customized, mobile-enabled loan origination, automated credit decisions, extended loan servicing and default management.



Country: United States

Category: Process Automation

Provides a solution aimed to an efficient bank account and loan origination process with back-office automation. The solution is in the cloud and FIs pay for each user, making it cost effective.



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## *Examples of validated FinTechs*

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Country: Peru

[Video](#)

Category: Risk Analysis

EFL helps lenders in emerging markets safely approve more people leveraging universally available psychometric and behavioral data.



Country: Germany

Category: InsurTech

massup develops own specialty insurance products and delivers the technology for financial institutions to sell them digitally in all channels.