



April 2015  
Confidential

# A new model - Light bank approach - turns cost structure and time-to-market upside down

“RocketBank is not a bank itself, rather it’s a mobile app with banking abilities” (TechCrunch)



RocketBank

- Marketing & Customer acquisition
- Product Development
- Customer Service



Bank - Partner

- Bank Accounts
- Cards Issuance & Processing
- Bank License & Deposit Insurance



## Next Gen Bank

- We can enter markets unprecedentedly fast and cost-efficient
- One backend integration for several countries
- Full focus on product, service and marketing innovation



## RocketBank focuses on great user experience and usability for emerging wave of Mobile & Social Networks users

Our product already includes the following features (1 year since market launch):

- Traditional bank services entirely mobile – eliminated need for desktop
- Personal Financial Management („Mint“)
- 3<sup>rd</sup> party Deals Integration (affiliate)
- P2P money transfers via contacts or Facebook
- Universal loyalty miles to be redeemed with any merchant
- Card2Card transactions and replenishment
- Chat-like support interaction with “real” language customer service

... and we add new features every month

See more details at --> <https://rocketbank.ru/>

## **The Solution:** Build low-cost direct banking model focusing on great user experience and usability for mobile-savvy users

- Direct banking model dramatically decreases costs. We share the higher margin with users, which makes the product economically attractive;
- Innovations in all operations areas: creative & viral marketing approach, application design, communication points, starting with pack design to client support natural language chat;
- Mobile channel of communication is time-saving and convenient for new fast-emerging audience. E.g. 99% of our customers prefer to chat with our Support Service via app, than to call, like they get used with FB;
- Our approach attracts affluent audience. E.g. RocketBank customers have 4x higher card turnover, than average.



# The model is based upon several powerful trends in the banking industry

## Mobile

Frequent mobile interaction is transforming traditional role and functionality. Smartphone is a primary communication channel for younger audience.

## Direct

Usual banks need to pay for branches and old infrastructure. Direct banking model dramatically decrease expenses and allows to propose better conditions to customers.

## Mass Customization

Mobile platform, easy feature configuration, access to geo-targeted purchase behavior and social networks profiles of costumers allows us to broadly customize our product for different users and merchant partnerships.

And we have built everyday trusted communication channel with customers

# Our achievements and capabilities

## Our major achievements:

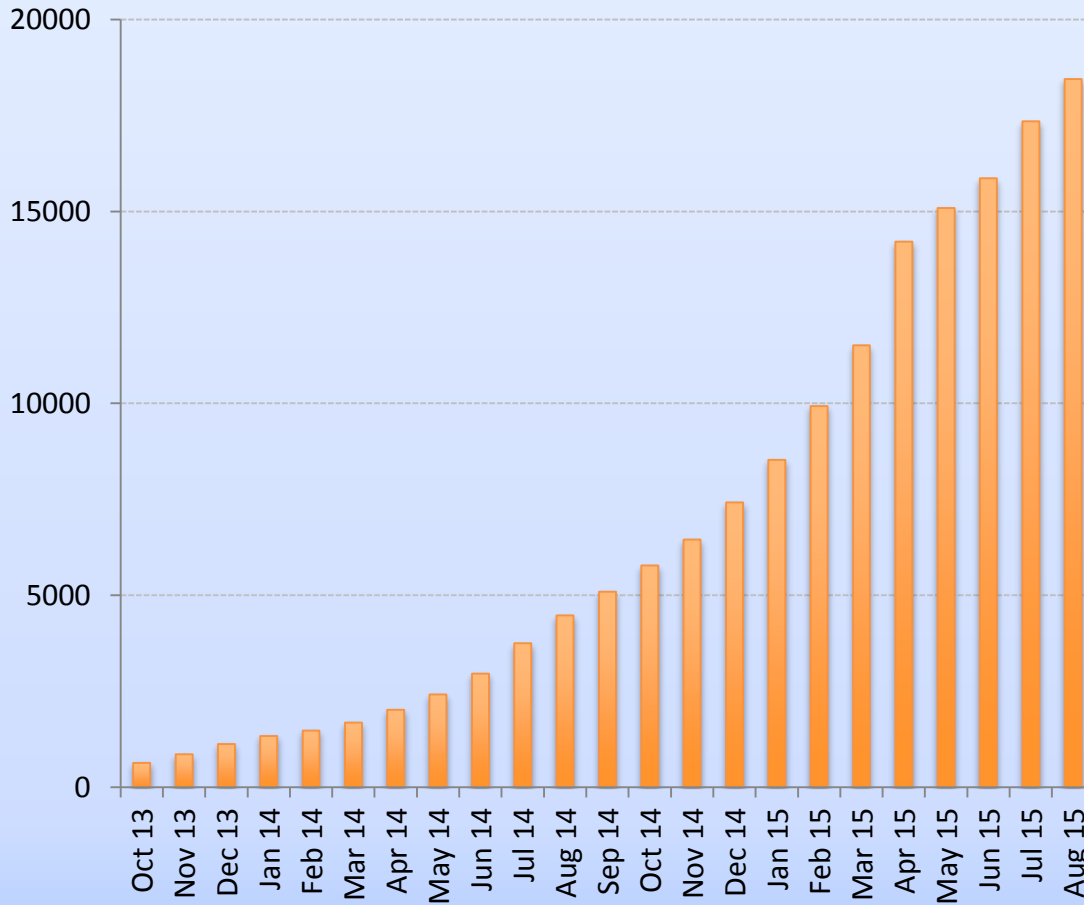
- We developed and improved all the Direct Banking processes: onboarding, delivery, customer support
- We developed one of the best mobile banking solutions on the market for iOS, Android and Windows
- We successfully integrated with several banks
- We were chosen as an operator for two important co-branded products (Metropolis, Malina)

## Our capabilities:

- Quickly develop adopt the product for customers' and partners' needs
- Quickly plug-in to processing and core banking systems of new bank partners
- Achieve high user loyalty: ~70% user retention in 18 months, over 50% of new customers come on the recommendation of friends
- Efficiently and creatively promote the product with very limited budget



**Active clients**



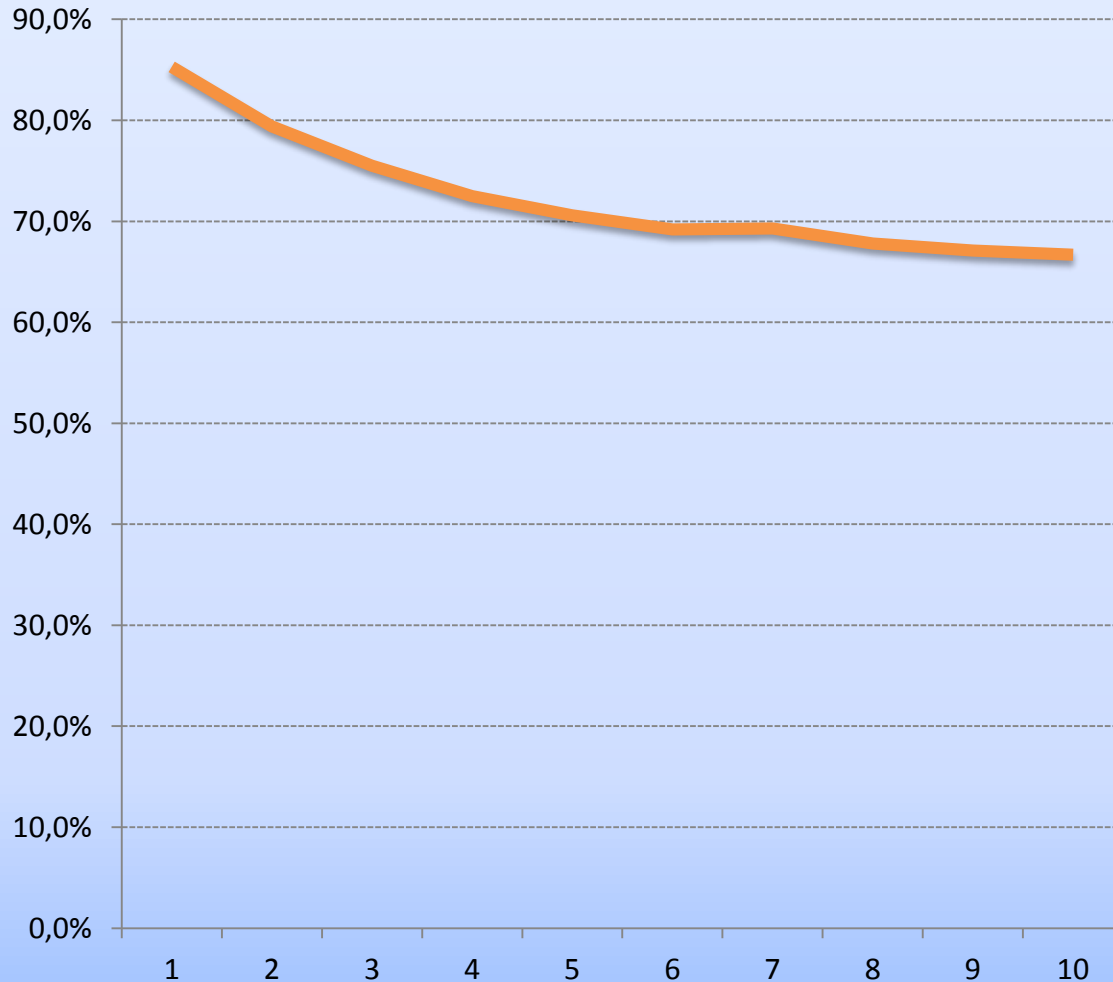
Average monthly turnover (thous RUR):

- Money IN– **57 k.**
- POS transactions– **25 k.**
- ATM Cashout – 15 k.
- 
- Average deposit – 250 k.

Target audience:

- Advanced urban population. Active smartphone users.
- 65% of clients are 25 to 35 years old

**Share of customers who continue to use the service in X months after activation**



- 2/3 of our clients stay with us after 18 months of service usage
- Over 50% of new customer every month become our clients by recommendation of their friends
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- Our surveys show that is due high quality service and great product