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MyBucks

Investor Newsletter January 2019

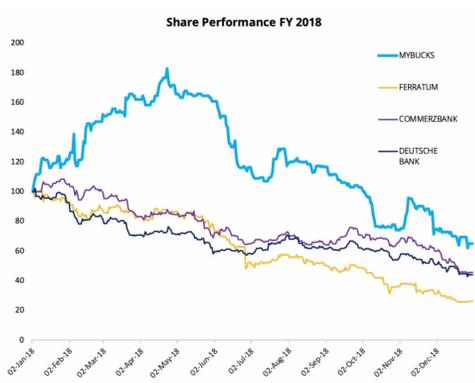
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## Equity analysts see a great opportunity in small caps, banks and emerging markets in 2019

Last year was the worst-performing year for stock markets since 2008, with financial institutions and emerging markets being among the most affected sectors. Despite the higher volatility of our share price, MyBucks' stock fell "only" 35% in 2018, which compares well with other financial entities listed on the DAX -e.g. Deutsche Bank: -56%; Commerzbank: -54%; Ferratum: -74%.

Goldman Sachs, JP Morgan and most other investment banks agree that one of the big themes for 2019 will be Emerging Markets. Small caps, banks and technology are also mentioned among the key sectors to look at this year. While earnings forecasts are being adjusted, banks profits keep on growing, and valuations are certainly much more attractive now.



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## Will 2019 be the year of the challenger/neo-banks?

	Number of customers	Presence (number of countries)	Equity raised in 2018
<b>Revolut</b>	+ 3 million	30 countries (mostly EU)	c.EUR 220 million
<b>N26</b>	+ 2 million	17 countries (mostly EU)	c.EUR 140 million
<b>chime</b>	+ 2 million	USA	c.EUR 60 million
<b>MyBucks</b>	+ 0.5 million	5 countries (Sub-Saharan Africa)	c.EUR 23 million

Major banks were blamed for the sub-prime crisis 10 years ago, leading to a widespread belief that customers would flee to smaller banks, changing the sector as we knew it. But that never happened. Or at least not until now. Small banks at the time were, after all, just banks that offered the exact same services and products as the larger banks.

But in the last 2-3 years, we have seen a growing number of the so-called challenger or neo-banks that have started to perfection a new banking model that could really change things going forward. These banks offer better pricing, better customer experience and more innovative products than the traditional banks.

In the US, the leading neo-bank is Chime, a start-up that raised c.EUR 60m in 2018 and that has already opened in excess of 2m mobile bank accounts. Meanwhile, German unicorn N26 has achieved also 2m customers across 17 countries, raising c.EUR 140m in 2018 and c.EUR 265m in early 2019. And UK unicorn Revolut has also reached an astonishing 3m customers across more than 30 countries, having raised c.EUR 220m in 2018 only.

In Africa, a continent with 1.2 billion people where 77% of the population is still unbanked, MyBucks has been able to open 500k deposit accounts in the 5 countries where it has a banking license, raising EUR 23m in new equity in 2018. MyBucks is in fact the fastest growing entity in some of its markets, like in Malawi and Mozambique.

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## Haraka app soon to service the Dzaleka refugee camp in Malawi

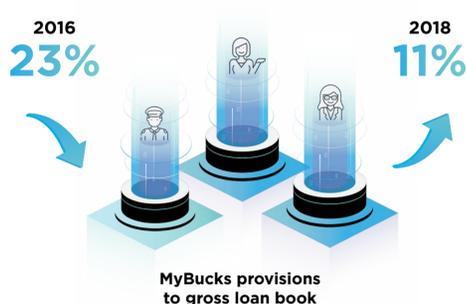
MyBucks' Haraka app is soon to be launched in Malawi, hoping to service among others, up to 80,000 refugees living on the Dzaleka Camp. The Haraka app is currently operational in markets like Kenya, Uganda or Swaziland, and it provides quick unsecured nano loans to low income customers in a completely automatized way -i.e. without any human interaction. The app in Malawi will be launched as a USSD platform, which will allow customers to use it on both smartphones and feature phones. MyBucks is already the leading FinTech company in Malawi and we expect this initiative to not only be a success, but also to lead the path to other institutions working to promote financial inclusion in Africa.



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## Using Artificial Intelligence to improve collections

Since inception, MyBucks has used Artificial Intelligence (A.I.) algorithms to credit-score its clients and to prevent fraudulent behaviour. As our technology improved over time, and we have already gathered enough data in our markets to feed our algorithms, we have seen material improvements across the group in terms of collections. Provisions to gross loan book have reduced from 23% in 2016 to 11% in 2018, which is a remarkable statistic, especially if we take into account that we focus on servicing unbanked, underbanked and low income customers.



Through our continuous efforts to improve, last year we launched MAICA, an A.I. algorithm that monitors client credit profiles and other data sources to predict when a client will miss their next instalment payment. Based on these predictions, MAICA sends an alternative, more

affordable offer to the client, which typically increases the likelihood of the client repaying the loan. We have measured an improvement of 21% to our collections rates by using this algorithm.

## MyBucks at the 2nd FinTech Dubai Conference & Exhibition

On January 8th 2019, MyBucks' Head of Investor Relations, Fernando Oltra joined a panel titled "Closing the gap: FinTech for financial inclusion" at the 2nd FinTech Dubai Conference & Exhibition. Organised by the World Finance Council at the Marriott Hotel, this conference was attended by over 300 FinTech professionals from more than 50 countries. The panel on which MyBucks presented focused on how technology can allow financial institutions to service customers that would otherwise be unbanked, in a cost-efficient way.



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## Key company data (As of 31 January 2018)

ISIN	LU1404975507
Share code	MBC:GR
Price	EUR 4.80
Shares in issue	12 715 613

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## Let's catch up

**5-6 February 2019:** Luxembourg (Luxembourg)  
**12-13 February 2019:** London (UK)  
**26-28 February 2019:** London (UK)

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## Upcoming events we will attend

**'How to succeed as a Fintech in the UK' Event at the British Embassy'**  
 5th February 2019: Luxembourg, Luxembourg

**Money Live Spring 2019**  
 11-13th March 2019: Madrid, Spain

**Finnovex Middle East 2019**  
 19th March 2019: Dubai, UAE

**AFSIC 2019**  
 8-10 May 2019: London, UK

**FinTech World Forum**  
 21-22 May 2019: London, UK

**Money 20/20 Europe**  
 3-5th June 2019: Amsterdam, Netherlands

**MoneyLIVE Digital Banking**  
 25-26th June 2019: London, UK

Do not hesitate to contact us for additional information | general information [info@mybucks.com](mailto:info@mybucks.com) | investor relations [ir@mybucks.com](mailto:ir@mybucks.com)

we empower people. we push boundaries. we innovate. we provide digital financial solutions.