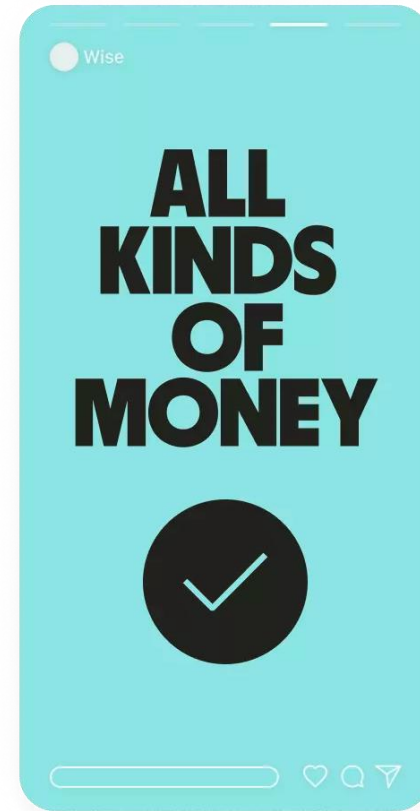
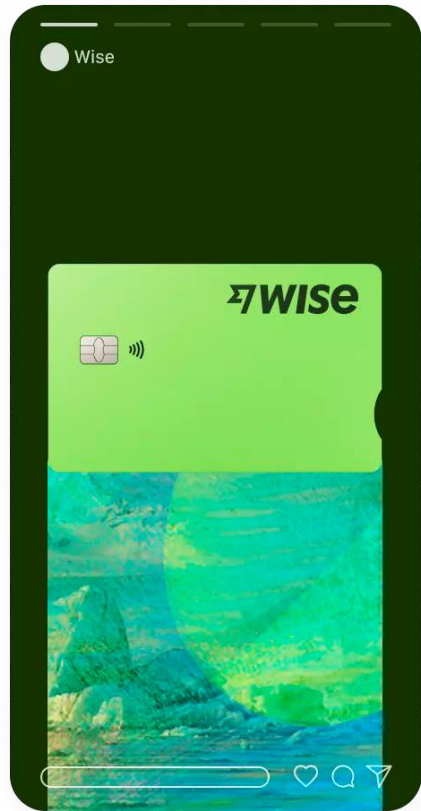




# New Brand to Next-Generation Banking



FinTech strategy deep-dive and benchmarking collection by



# FinTech Strategy deep-dive collection

- C-Innovation offers you access to high quality, actionable, business-oriented reports.
- Over the next few months, our teams will be compiling research on a number of successful FinTechs, taking deep dives into their company history, culture, success, and outlook. Our first one Wise (formerly TransferWise)
- By placing FinTechs under the magnifying glass, we offer a better understanding of the factors that enabled them to become challengers in the financial services industry as a guide for actors seeking to reach similar exponential growth.
- These report aim at providing actionable insights to those interested in the financial technology industry, and more specifically, to businesses and entrepreneurs seeking to improve their strategies and increase their competitiveness.

[Stay tuned for more!](#)

Deep-dive # 10 :

**WISE**

*by*



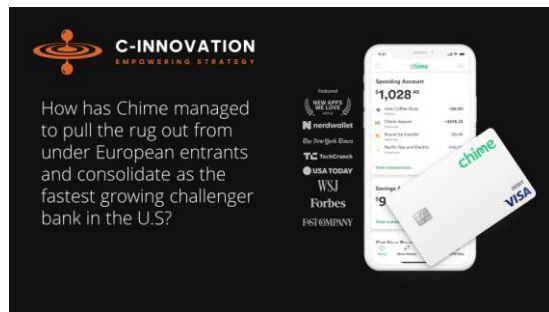
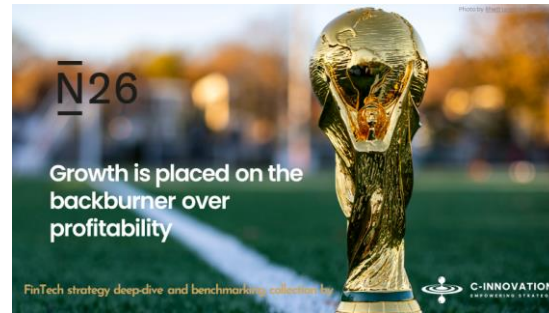
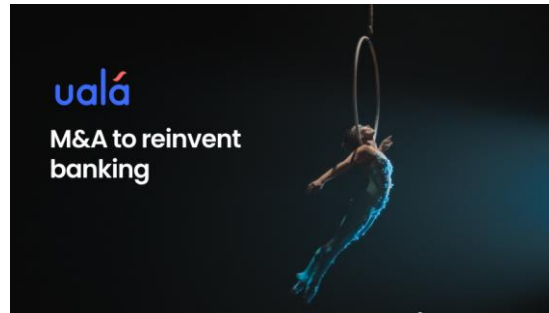
**C-INNOVATION**  
EMPOWERING STRATEGY

[Subscribers can access here to our complete library of Digital Banks deep-dives](#)

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This is not a commissioned report and all data used for the analysis is taken from Wise's financial statements and other publicly available sources. The information presented here is intended for informational purposes only. The opinions expressed here are those of their authors and do not constitute an offer to sell, or a recommendation to buy, or a recommendation to buy any investment product or service.

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“Transfers still power our underlying infrastructure, but what we’re offering today is an international banking experience.”

Kristo Käärman,  
Co-founder and CEO Wise



# Executive Summary

01

**Wise developed its initial segment until it has achieved a recognizable name and market position.** Just then, with its growing customer base, it started to introduce more features.

02

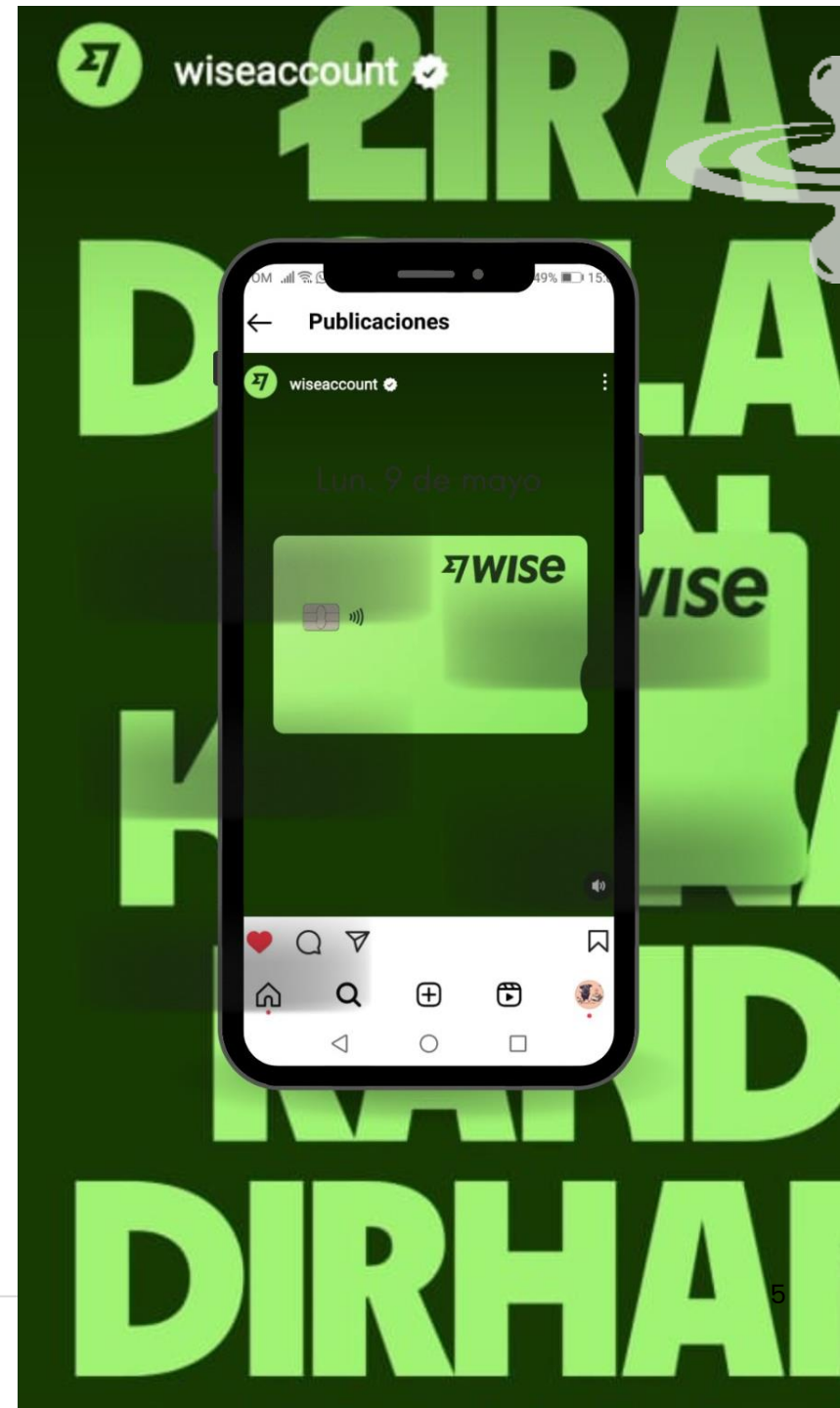
The Borderless (now Wise) bank accounts and debit card was a **logical broadening of the product range to meet the multi-currency needs of people and businesses, while increasing Wise's bottom line.**

03

**Wise shifted from fixing just consumer transfers, to replacing traditional international banking and offering a new international payments rail to FinTechs, banks and big businesses,** which has open a wide set of opportunities to enable their growth to continue.

04

with 15 million customers globally, investment products and a sustainable business model, Wise continues to expand its offerings and gain regulatory approvals. **It is well placed to eventually challenge Digital Banks by offering a wider set of products and increasingly profitable alternatives.**



# Company Overview

Wise is a money transfer platform that serves mainly expats, foreign students, businesses and Banks.



**2011**

Founded



**\$1.2Bn**

Funding Raised pre-Direct Listing



**\$6B**

Market cap as 28th Feb 2023



**16m**

Customers



**5,000**

Employees



**175**

Countries money can send to



**£560M**

Revenues

## Products offered:



**PERSONAL:**

Multi-currency account and card



**PERSONAL:**

Investment funds and "interest" account



**BUSINESS:**

Business account and cards



**BANKS:**

API integration



It provides a mobile app that enables users to send money abroad at the real exchange rate and track transfers in their accounts.

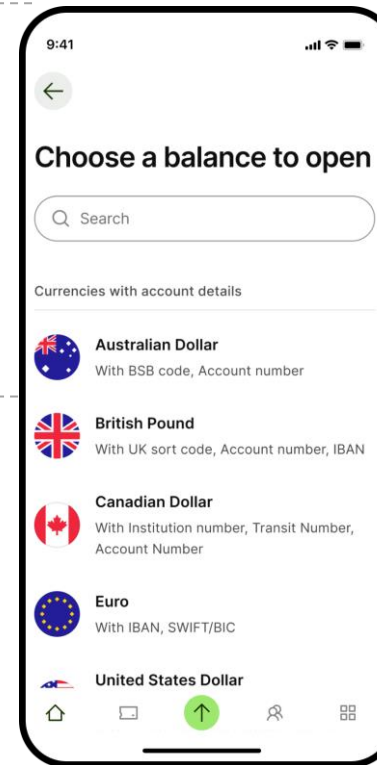
Tools and features for business, retail customers and banks

### Cheaper and faster money transfers

- Send money to over 170 countries
- Low, mid-market exchange rate
  - Half of transfers are instant
  - Secure two-factor authentication

### Wise platform

- It allows businesses and Banks to offer their own customers faster, cheaper and more efficient international payments.
  - Businesses do not need to create an infrastructure for themselves.
- 60 partners between Banks, businesses and distribution partners.



### Wise account

- It allows to receive, spend hold and invest through wise assets.

### Hold 50+ currencies

- No monthly or maintenance fees
- Convert between currencies instantly at real exchange rate

### Wise Assets (UK)

- let's customers invest in a fund, but it doesn't lock money away.
- **"Interest"** pays central bank interest rates and provides a 100% government guarantee.

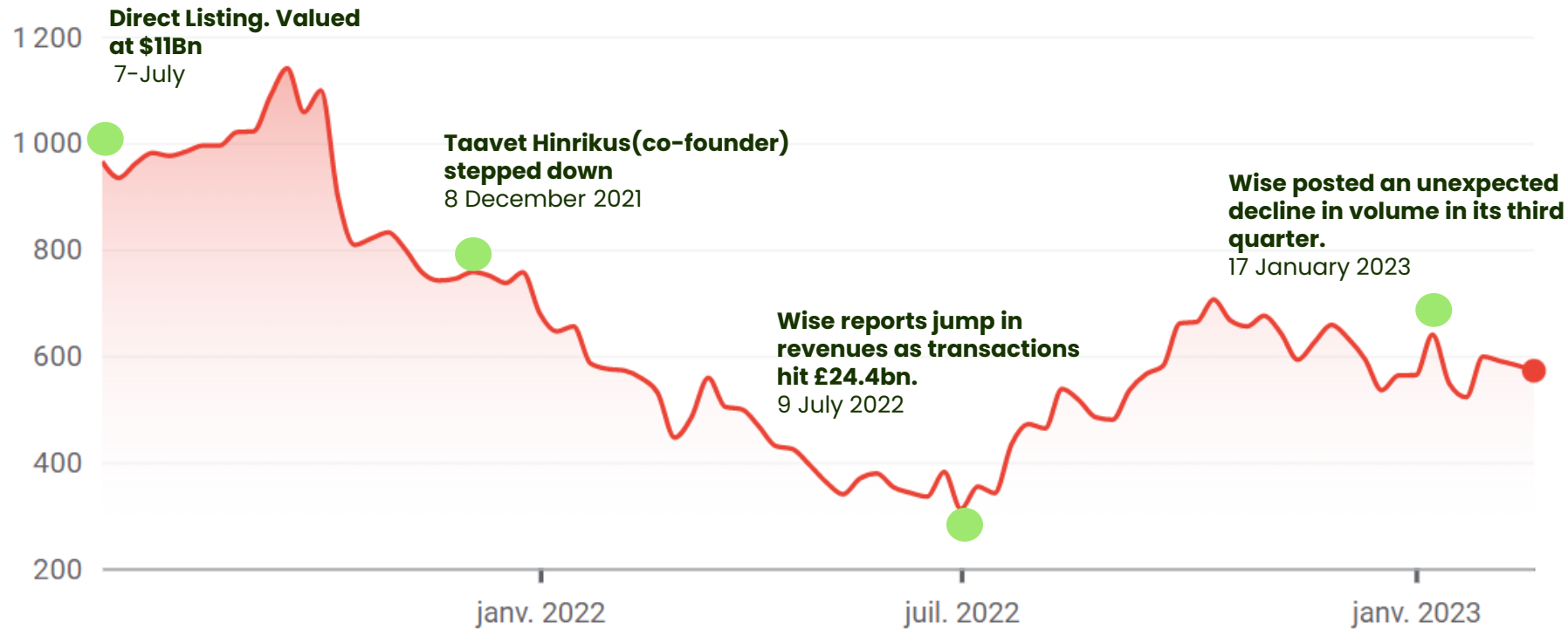
### WISE BUSINESS

- Pay suppliers and employees
- Manage expenses
- Alliance with amazon, stripe among others as an ATM function.
- Smarter workforce collaboration
- One of their fastest growing products.

# Dropped in FinTech funds, inflation, economic uncertainty and fierce competition has impacted Wise market cap since Direct Listing.

## Wise Market performance

571,54 GBX ↓ 40,77 % -393,46 5 a **Wise**



**\$5.9Bn**

Is Wise current market cap. Down from \$9Bn reached at Direct Listing.

**- 41%**

Is the lost of Wise valuation since Direct Listing in July 2021.

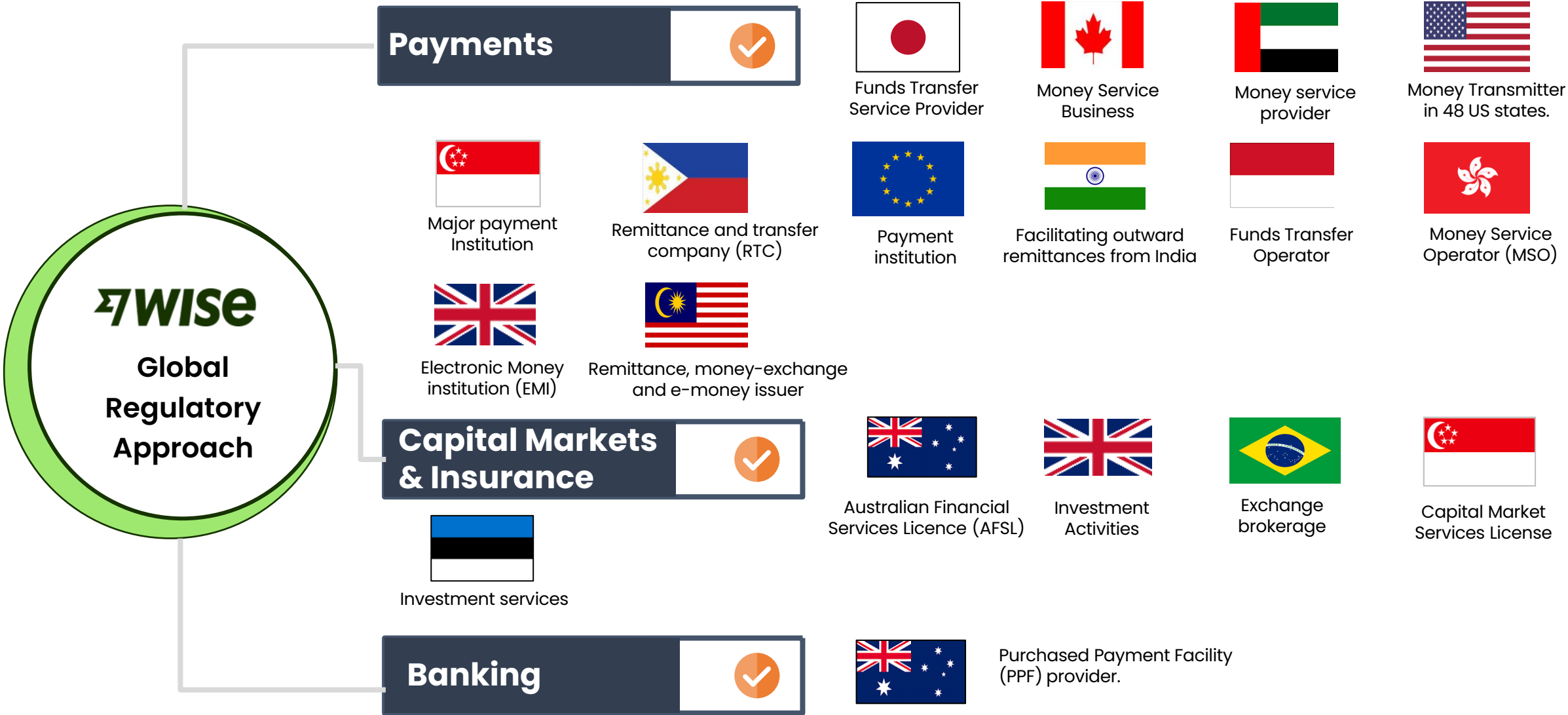
**62%**

Wise revenue growth YOY as Q3 2022.

Source: [Google finance](#), [News at London stock change](#), [Wise stock makes comeback after sudden share dive following Citi note that urged clients to dump fintech](#), [Cityam, January 2022](#)

Data: True as 26 February 2023

# From regulatory standpoint Wise has evolved from pure payments provider to wealth management and potential banking player.





# In 2023 Wise unveils his new bold look to fuel global expansion.

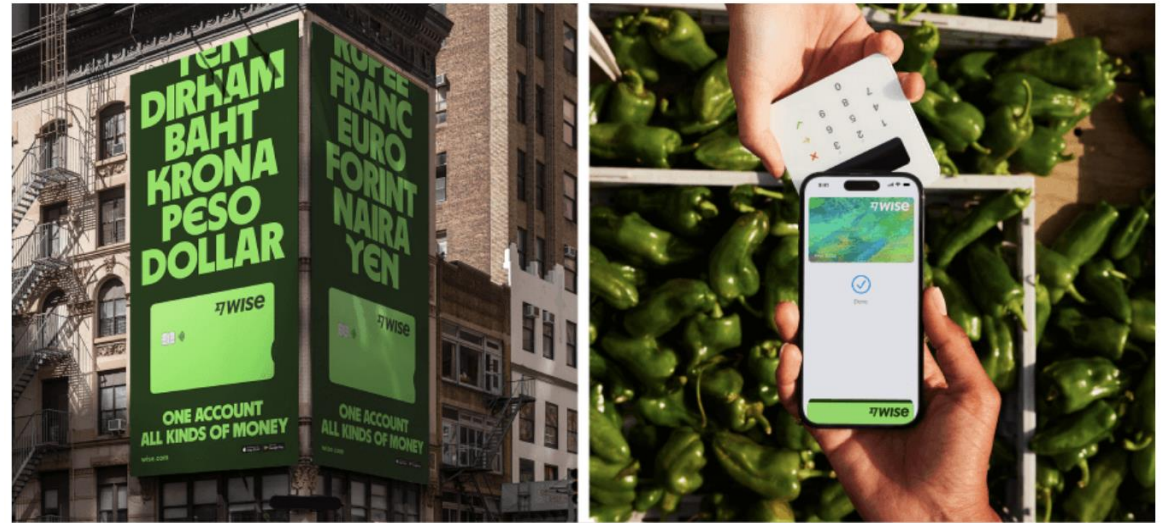
- **Growth and change** are behind the new face of Wise.
- Colours, images and fonts have been rebranded, inspired by all users of the platform, **incorporating global elements** and showing the dynamism of customers.
- Another new element that can be perceived is the **new tone of voice that is closer to a younger generation** and simpler to allow dialogue with everyone.
- **Wise wants to celebrate people, places and culture** of all the ones it serves so that they are always reflected in wise anywhere in the world.

## MONEY FOR HERE, THERE AND EVERYWHERE

One place to manage your money. Save when you send,  
receive and spend worldwide.

Open an account

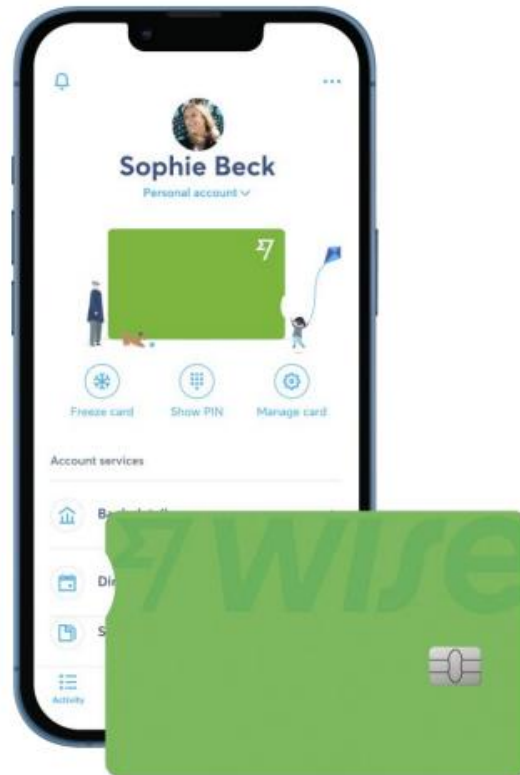
Send money now



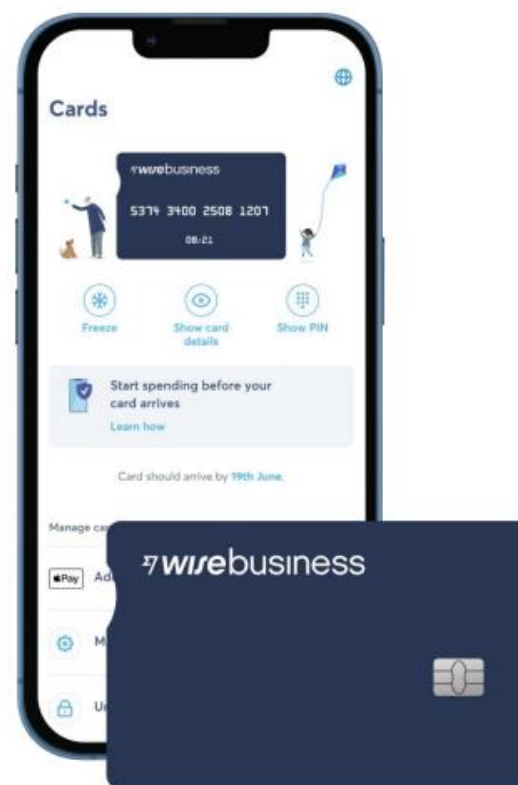
Green is a **fresh** and **natural** color, it communicates **growth, health, and all-natural qualities**.

# Wise serves international payments market with three core products.

## Wise Account



## Wise Business

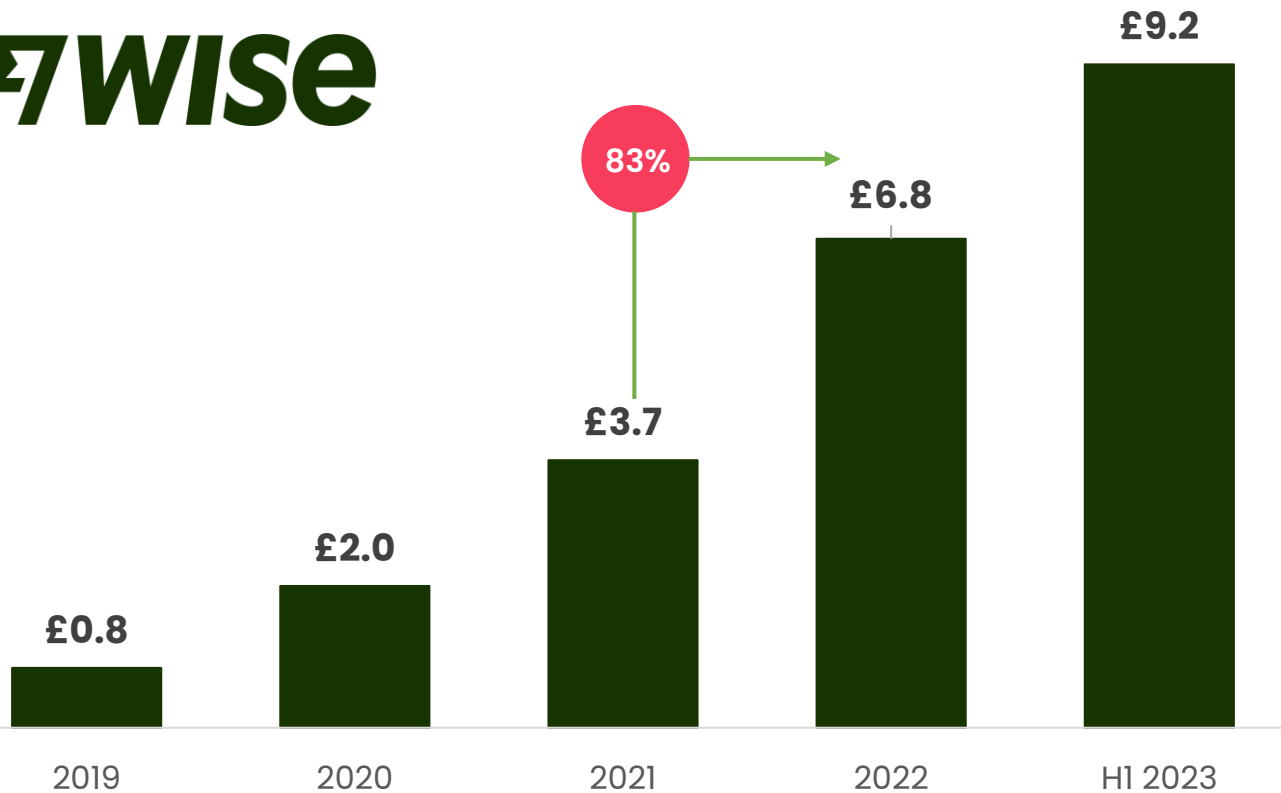


## Wise Platform

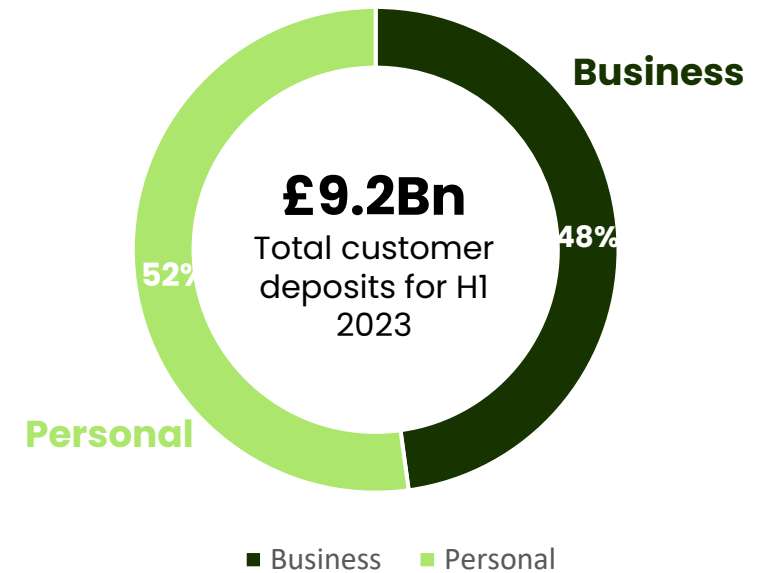


# Individuals and businesses are holding more balances with Wise. Funds held on “Wise Accounts” reached £6.8Bn as FY2022 and it keeps growing.

Evolution of Customer Deposits  
(For Financial Year - billions)



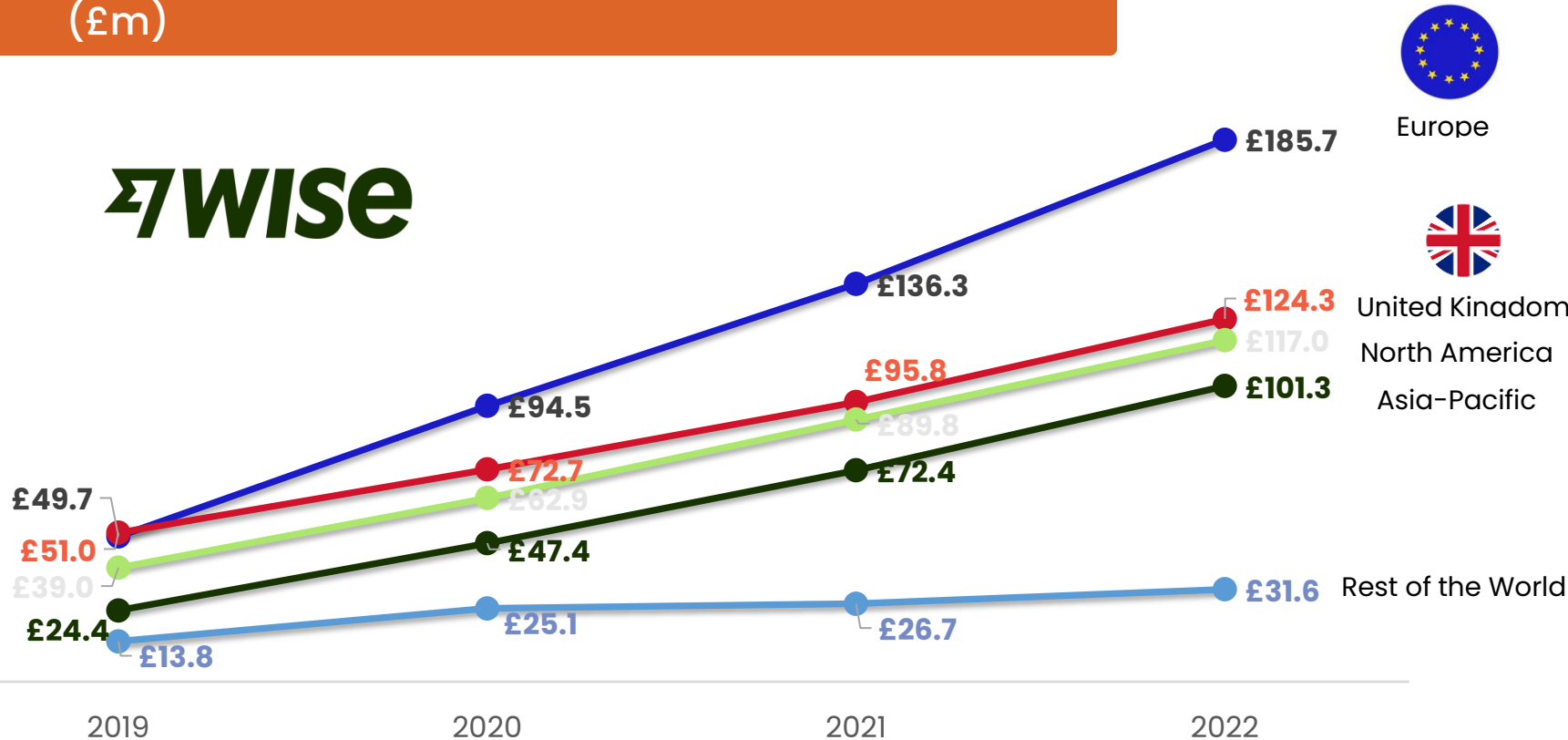
Wise total deposit balances split



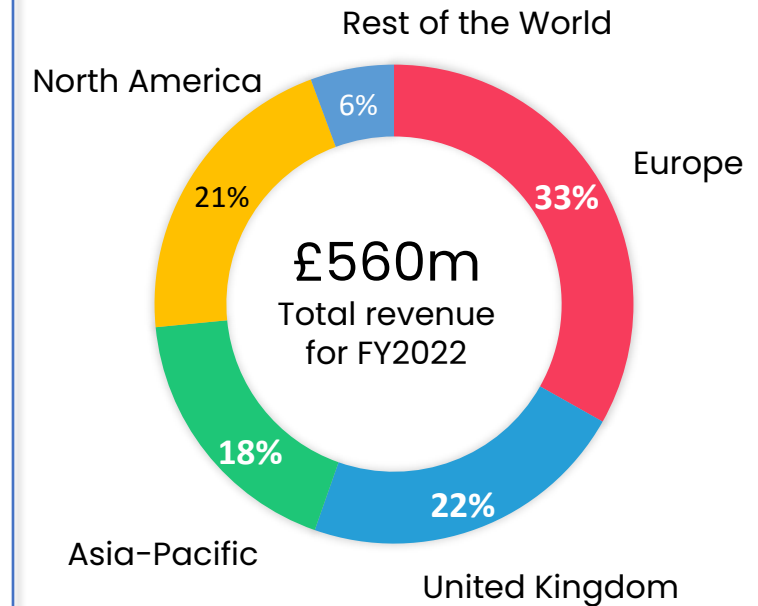
- Wise liabilities to customers resulted from the **deposit business reaching £6.8bn**, an increase of 82% compared to FY2021.
- On average on H1 2023, **customers were holding £707 in their accounts**, an increase of 33% from £532 at the FY 2022.

Wise's revenues are well diversified and growing rapidly across all geographical regions. Europe is its main source of revenue and the fastest growing market.

Wise's revenue by location (£m)



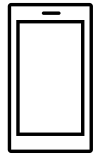
Revenue by geographical regions



Globally, we observe four models of Digital Banks. With an e-money and investment activity license in several geographies Wise is limited to extend its offering in more profitable products, such as lending.

## Challenger banks (with full banking license)

## Neo-banks (without full banking license)



### FinTech Banks

Start-ups that have acquired a full banking license.



STARLING BANK



### Backed by Corporates

Financial or non-financial corporate brands that have launched a digital brand



### Partnership

Firms that partner with a bank license holder, to provide banking products and services.



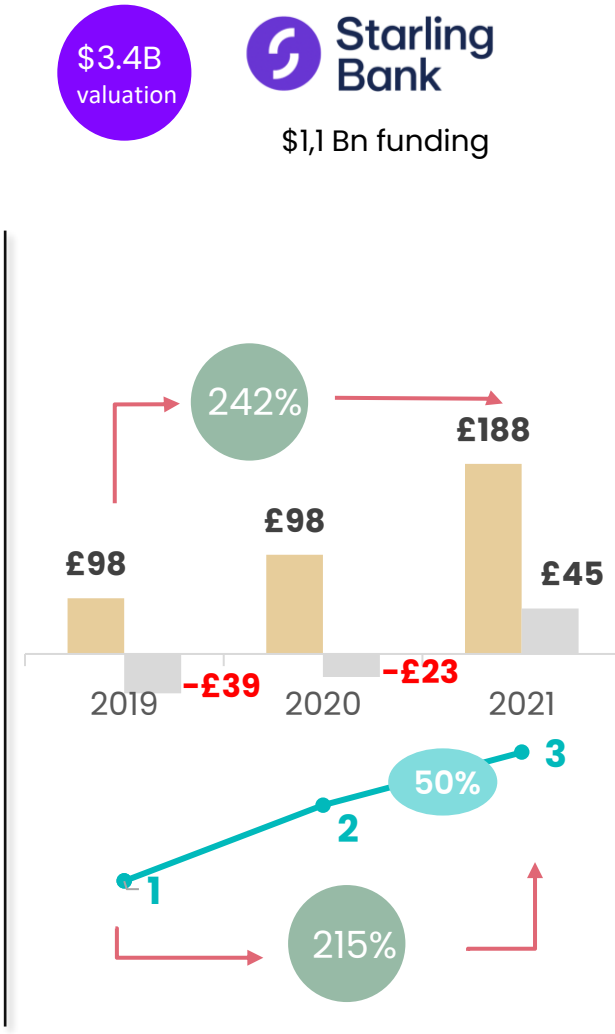
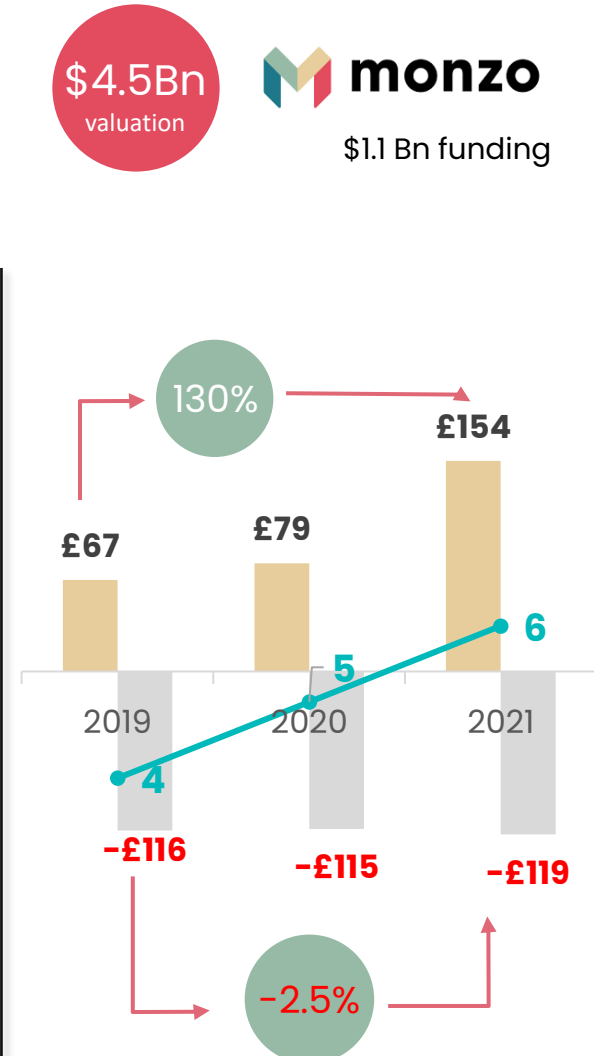
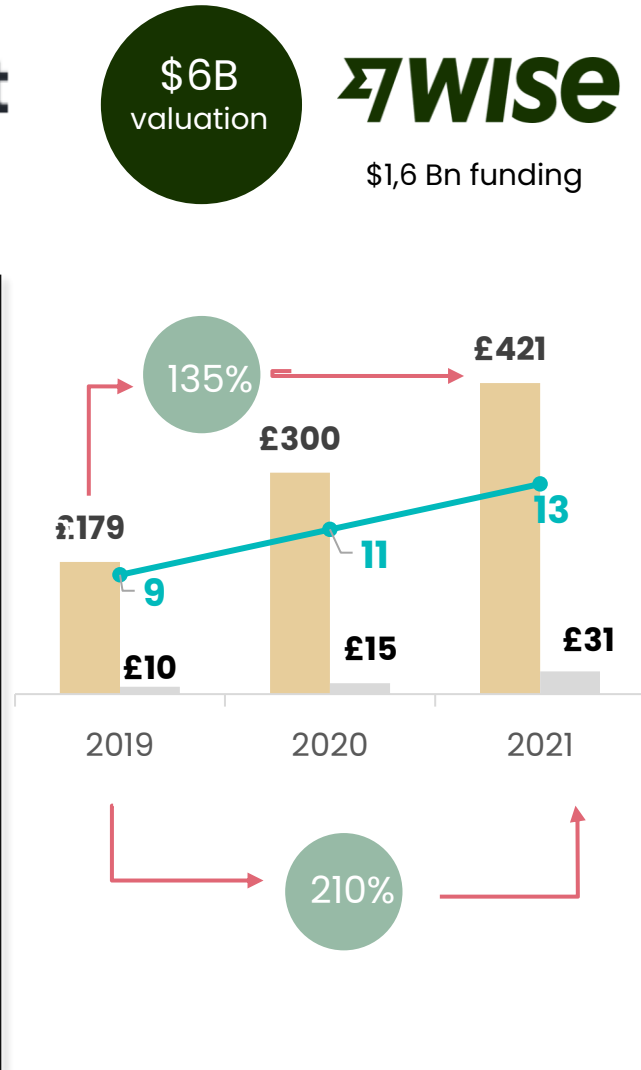
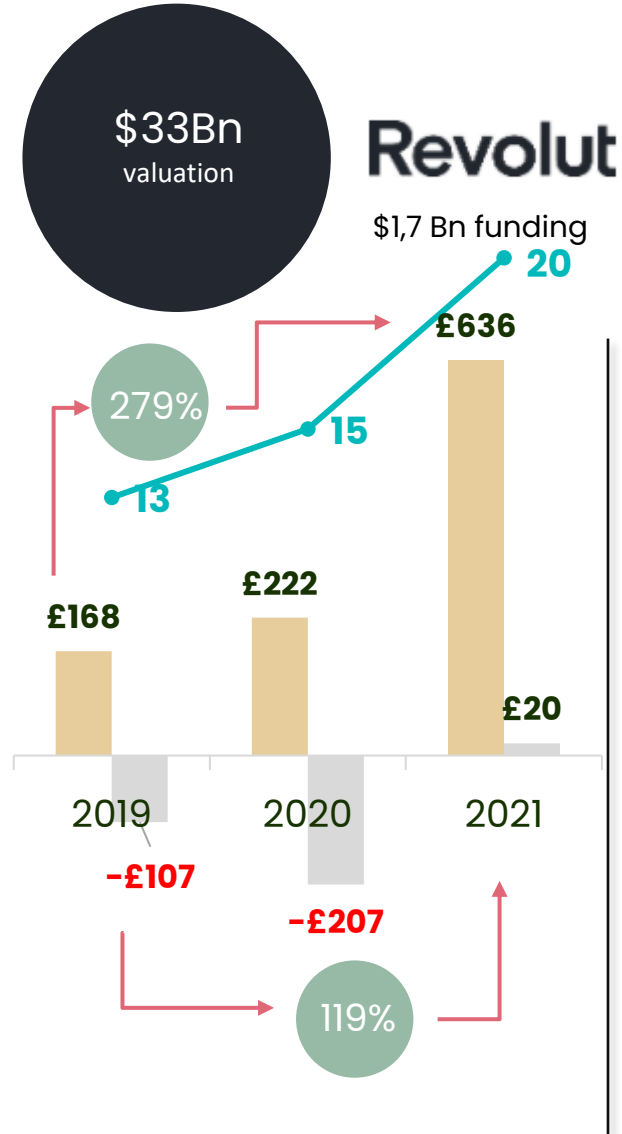
### Independent

Firms that have acquired other than a full banking license and provide "bank-like" services.



# Comparison of Select European Neo-banks with Wise shows the strength of its business model that it's been generating profits for 6 years in a row.

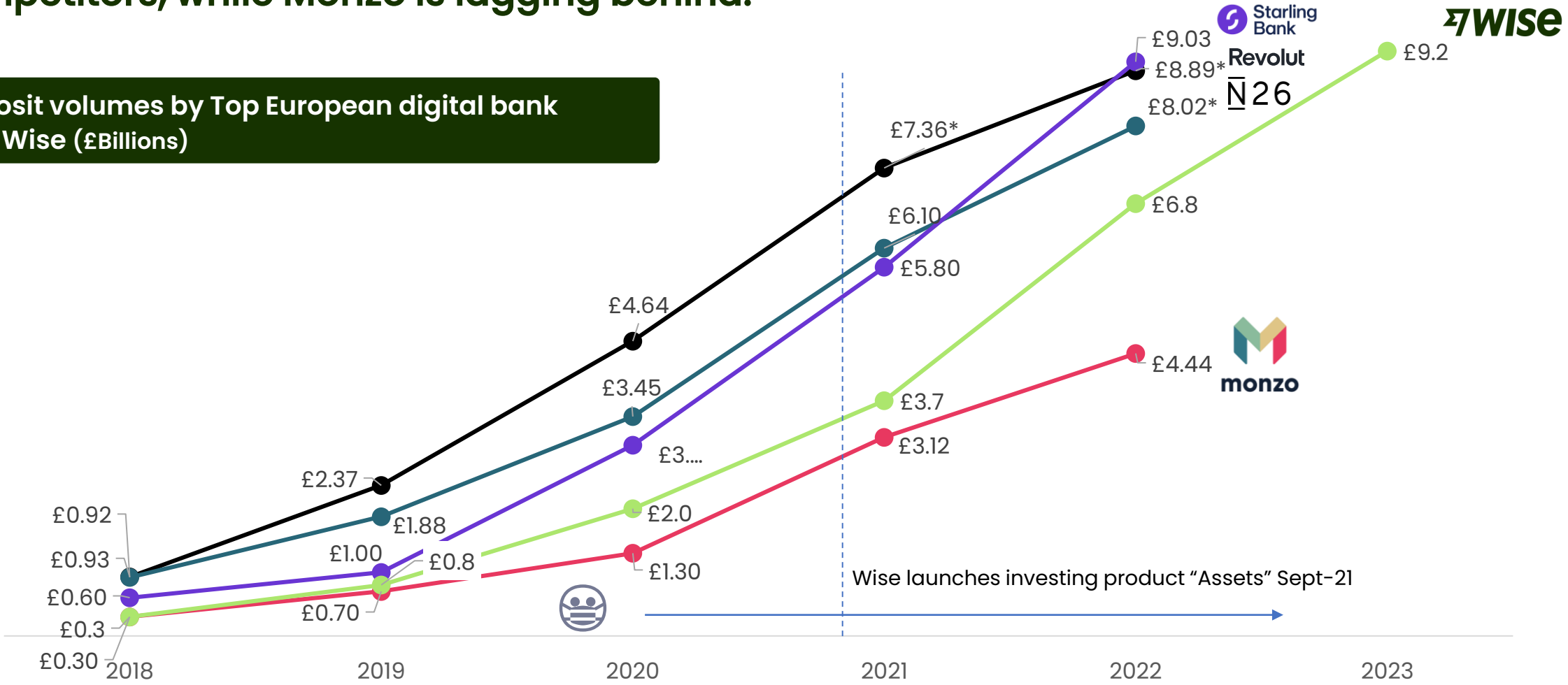
Millions of Local Currency/People : ■ Revenue ■ Profit/Loss —●— Customers



Note: Figures correspond to end of Financial Year 2021.  
 Source: .

# The pandemic pushed deposits for digital players and Wise is taking advantage of the current high interest rate environment to quickly catching up digital competitors, while Monzo is lagging behind.

Deposit volumes by Top European digital bank and Wise (£Billions)



\* Estimated values for Revolut and N26 for year 2022.

Source: Players financial reports from 2018 to 2022.  
 Note. Values for N26 and Revolut for year 2022 has been estimated, using average customer deposits +15% increase from previous available year (2021 and 2020) and multiplied by the effective number of customers reported by each company for years 2021 and 2022. For comparison consistency N26 values has been converted into sterling using an Exchange rate of 0.86 pounds per Euro.

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