

Fintech

Longer Term Investments (LTI)

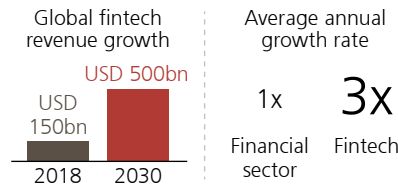
Driven by rapid urbanization, strong demand from millennials and favorable regulations, we believe the global fintech industry is at an inflection point and set to drive a major digital transformation in the financial services industry. We expect global fintech revenues to grow from USD 150bn in 2018 to USD 500bn in 2030, implying an average annual growth rate about three times faster than the broader financial sector's.



Projections and opportunities

Global fintech revenues growth

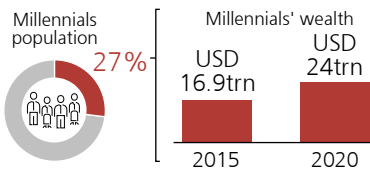
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Source: UBS, as of 2018

Millennials

Accounting for 27% of the global population, they held USD 16.9trn of the world's private wealth in 2015; and by 2020, that could rise as high as USD 24trn – or roughly 1.5 times the US's national output in 2015.



Source: UBS, as of June 2017

Blockchain

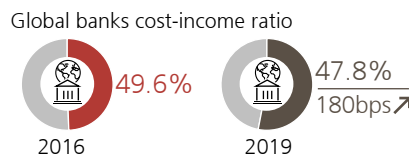
We expect blockchain to generate annual economic value worth USD 300–400bn globally by 2027 across six major industries, led by financials.



Source: UBS, as of 2017

Global bank cost-income

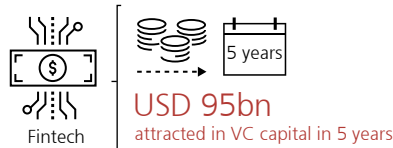
It is predicted that fintech can improve the cost-income ratio of global banks by 180bps (from an expected 49.6% in 2016 to 47.8% in 2019).



Source: UBS Evidence Lab, 2016

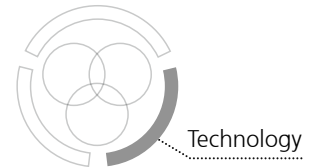
Venture capital

Fintech attracted more than USD 95bn of VC capital over the past five years, making it one of the fastest-growing funding segments.



Source: CB Insights, UBS, as of 2018

Fintech investment properties



○ Influencer ⊗ Key drivers

Near-term drivers

- Urbanization
- Favorable regulation
- Millennials

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