



Grant Thornton

An instinct for growth™



Grant Thornton Luxembourg Technology Hub

| NEW services, SAME trust: creating the bridge between technology and business

The Grant Thornton Technology HUB stems from the ambition to complement our current advisory services offer for financial institutions with focused services in domains such as **Blockchain, Cybersecurity** and **Innovation**.

Our clients increasingly understand that they must adapt their business processes through emerging technologies, in order to enhance their business models, protect related data in order to keep their competitive advantage.

For this reason, they are looking for professional advice and a strategic vision that provides them with the necessary roadmap to ascertain technology needs in the short, medium and long term.

| The technology HUB dedicated advisory

With our Blockchain service offer, we aim at answering the following questions :

- (1) *What is Blockchain and is Blockchain the right solution to adopt in view of my business environment? How can I take advantage of this technology for my business?*
- (2) *What is the evolution of the Blockchain and is it mature enough to replace and / or connect my legacy systems?*

As a founding partner of Infrachain, we believe that our customised awareness trainings, our assistance and guidance on Blockchain feasibility and strategy development studies, our Blockchain roadmap co-elaboration and implementation services provide an answer to all these questions and bring the necessary knowledge to achieve clients' objectives.

Our **Cybersecurity services** are delivered in close cooperation with Grant Thornton Business Risk experts and aim at providing IT Governance Solutions, Data Privacy Assessments, Risk Management and /or CISO as a service, in addition to preventive services such as Penetration Tests, IT forensic, Incident Response Management and advice on Cybersecurity software solutions.

| An example of a business model definition with one of our Fintech clients : the White Label E.M.I.

Electronic Money Institutions (“E.M.I.s”), new technologies combined with existing EU Passporting rules are enabling alternative payments solutions and creating new customer needs and business use cases, as **Who has a Smartphone has an E-wallet**.

New business models are quickly becoming available to merchants, who face the challenge of :

- Developing new strategies for **customer retention** by understanding and focusing on differentiating factors, such as exit barriers, switching costs (for customers) as well as entry barriers (for new providers) which are being substantially reduced by available technologies;
- Creating new revenue flows with a pricing scheme for customers that reflects the **true added value** which customers accept to pay for, such as : provision of fast, easy, secure payment methods, of ease and freedom of transferring money, of ease to store information and documents (e.g. tickets, seasonal tickets, fidelity cards, member cards), of ease to aggregate transactions from different sources (e.g. bank accounts, credit cards, other e-wallets..);
- Improving the quantity and perceived quality of contacts with customers, in order to collect valuable **behavioural data** and fine-tune future commercial actions;

The Grant Thornton Technology HUB is also an **Incubator for Fintech Start-ups**, providing access to a full array of services : from funding to provision of office space and connectivity, from definition of business models to networking events with potential clients / partners, from support in the process of becoming CSSF regulated to operational support services (e.g. accounting, regulatory reporting, payroll, tax advisory, internal audit) in an outsourcing or co-sourcing model.

- Minimising cost and maximising effectiveness of operational processes in general, such as transactions processing and management, AML / KYC checks, risk fraud management, accounting and invoicing.
- Support the creation of highly innovative new **digital business** models and processes.

This vision led Grant Thornton Luxembourg to conceive a unique, mutualised, standard, immediately customisable, **E-wallet-based Payment Circuit** independent from IBAN numbers and credits cards (usable, among others, just for the purpose of loading e-wallets).

The creation and operational feasibility of such an initiative depends on three main factors:

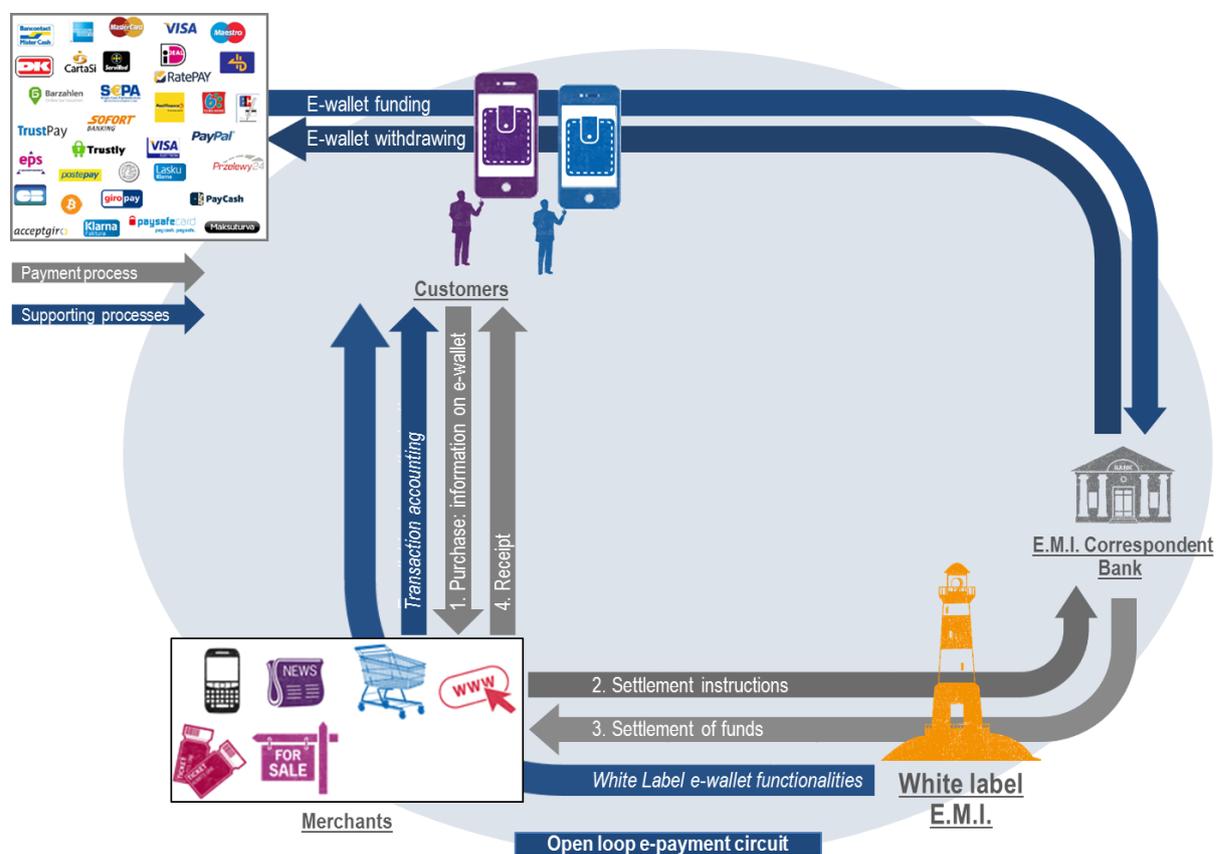
- The adequate **sourcing** of a standardised payment platform, enabling profit generation through increasing volumes of small transactions in addition to cost savings (i.e. increase the independence from credit card circuits and related fees);
- The **ease of use** for customers, who should be given complete freedom in choosing their means to load the e-wallet;
- The ability to **streamline** backoffice processes (e.g. issuing and management of e-wallets, accounting, AML / KYC checks), and hence capitalise on cost-savings.

Therefore, a « White Label » E.M.I. setup, addresses these issues and offers to co-participants :

- The highest degree of customisation allowed by the selected e-wallet platform such as KontoKloud by Contoworks, in terms of logos and layouts available to customers, as well as of product and process parametrisation available to merchants (e.g. allowed transactions, cash-in / cash-out limits, special promotions,

charged fees, risk management indicators and alerts);

- A unique technology standard to ensure large sourcing combined to economies of scale, enabling an efficient management of growing volumes, that could be leveraged to provide payment services from a strong negotiating position with credit card circuits.
- A protection of customer data ensuring that ownership of customer data from participants is ascertained;



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