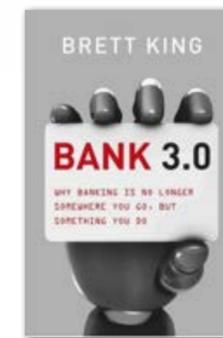


# The Coming Disruption in Financial Services

Get Moving or get out of the Way!

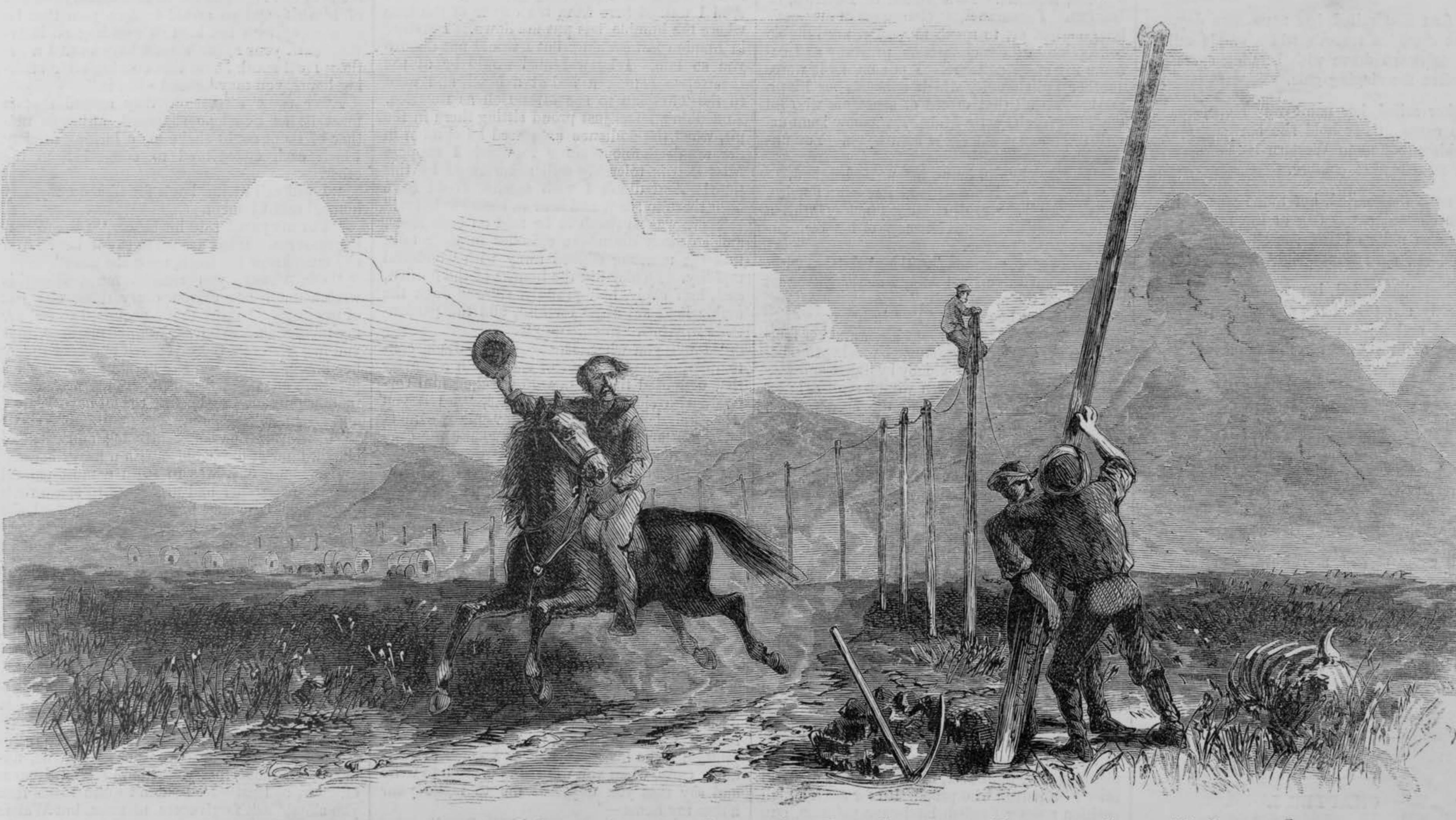


An industry leader dialogue hosted by  
the Federal Reserve Bank of Chicago



 [brettkingauthor](#)  
 [@brettking](#)

**AMERICAN BANKER.**  
Innovator of the Year 2012





**HOW BIG IS YOUR DATA?**



We will generate 3.9 Zettabytes of "content" in 2013



In storage terms that's the equivalent  
of **250 Billion iPhones** every year

The equivalent of every book, magazine and newspaper ever printed,  
but that same content generated **100 Thousand times every second...**





In 2007 we uploaded **7 hours** of video every **minute**

Today we upload more than **300 hours** of video every **minute**

*Vine*



By **2015**

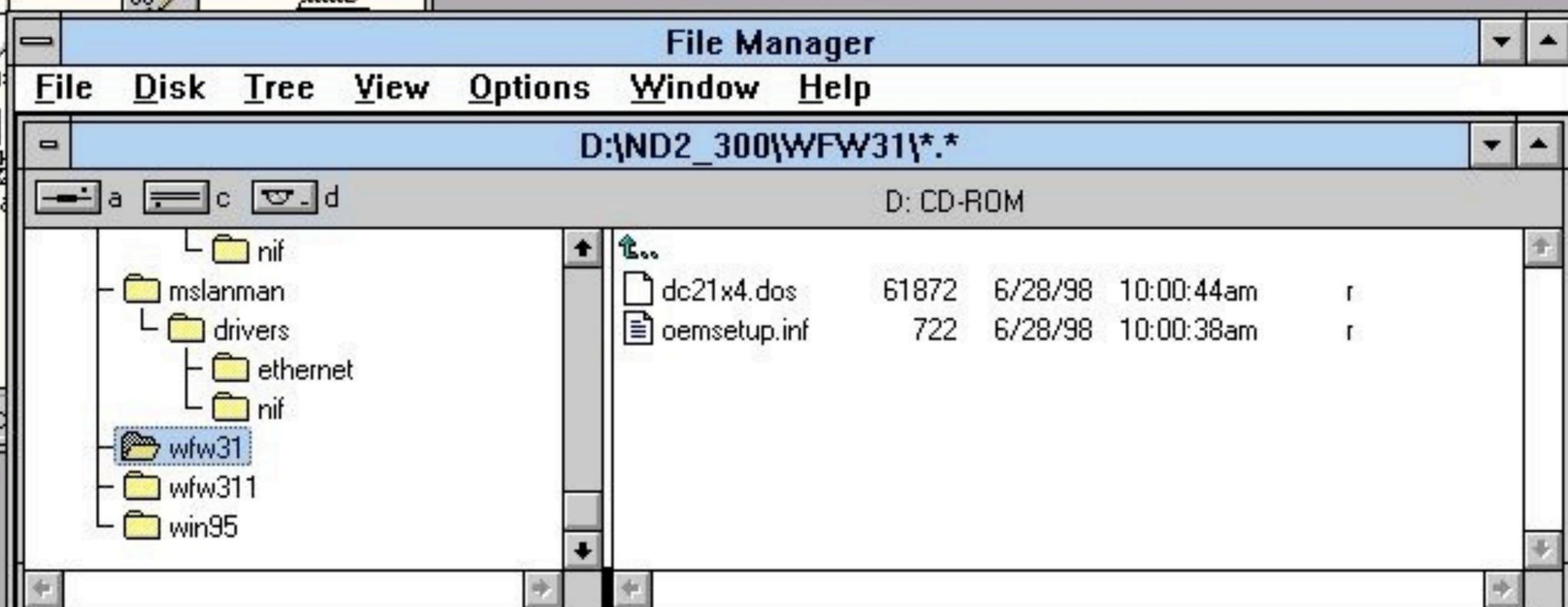
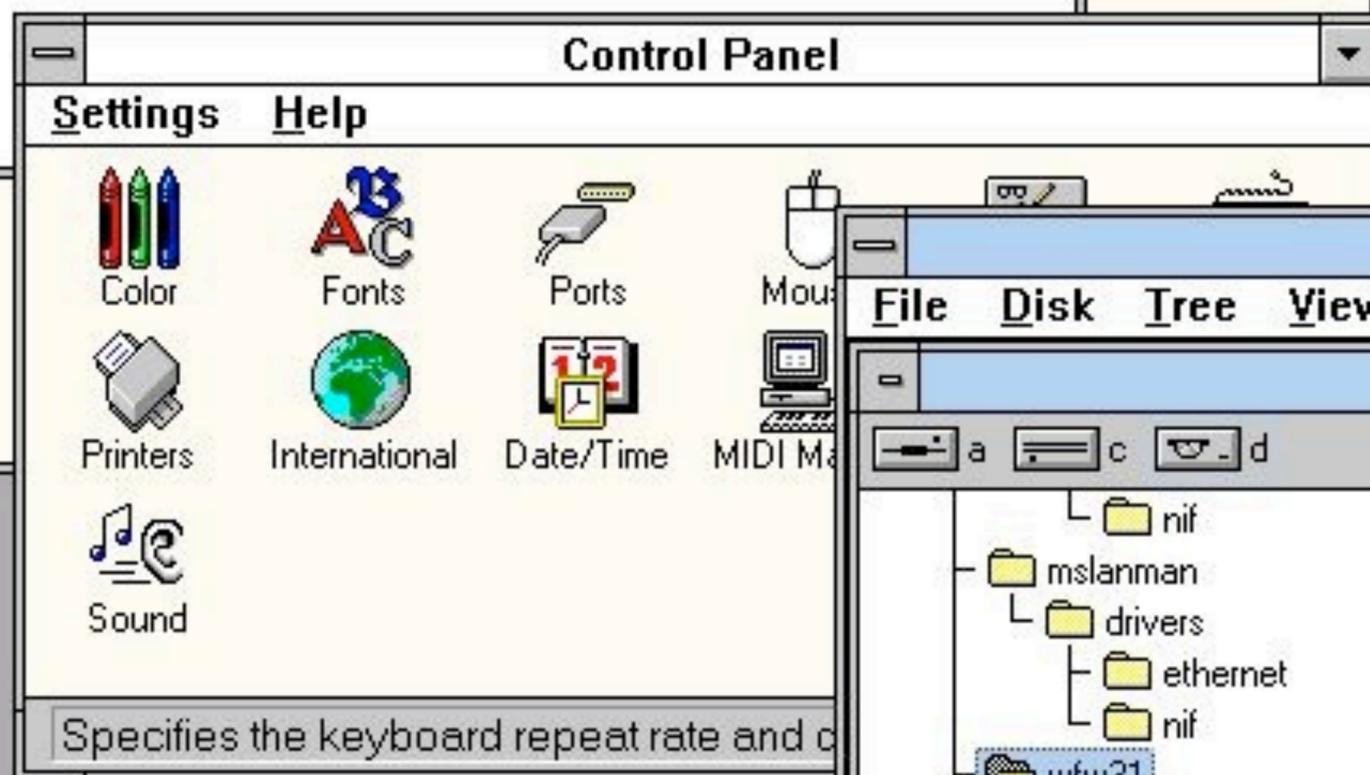
Video crossing IP networks  
*every second* of every day  
will take you

**5 years** to watch\*

\*If you really wanted to...











# BORDERS

BOOKS • MUSIC • MOVIES • CAFE

**GOING OUT OF BUSINESS**

**WHAT ABOUT BANKING?**



DEPOSIT YOUR  
SAVINGS HERE



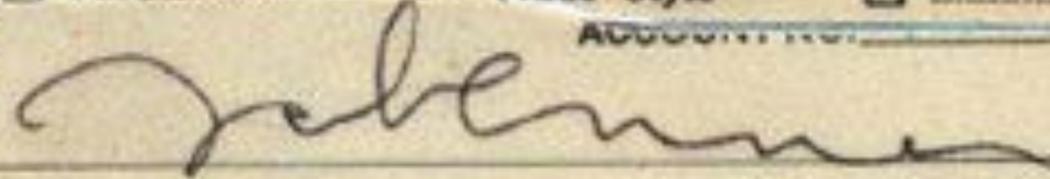
JOHN LENNON & -OR  
YOKO ONO LENNON

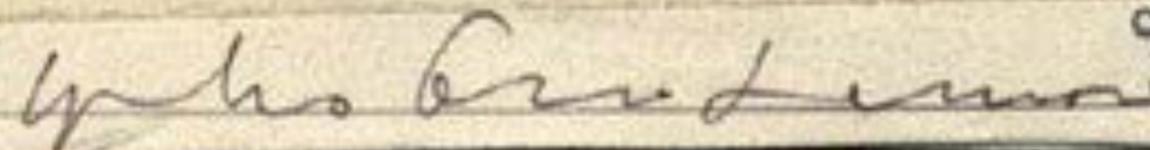
#051-84350-1

BARCLAYS BANK OF NEW YORK is hereby authorized to recognize any of the signatures below in the payment of funds or the transaction of any business for this account. It is agreed that all transactions between the Bank and the undersigned shall be subject to the Account Agreement, the rules and regulations of the Bank, and the Uniform Commercial Code and other laws of the State of New York.

Individual     Partnership     Trade Style     \_\_\_\_\_

Signatures:

<sup>OL</sup>  
1  Signature

<sup>YOL</sup>  
2  Signature

SIG. CONFIRMED

Date \_\_\_\_\_ Initial \_\_\_\_\_ Account \_\_\_\_\_  
Opened \_\_\_\_\_ Deposit \$ \_\_\_\_\_ Accepted by \_\_\_\_\_

Tax ID # 13 270 9967

REGULAR CHECKING ACCOUNT

SIG 1-19-69



# ~~Sweet and Simple.~~ Mortgage Checklist

---

In order to ensure that your loan transaction is completed in a timely manner, we have provided the below list of items that will be needed in conjunction with your mortgage application.

- IDENTIFICATION:** Copy of current, unexpired, Government issued Photo I.D. for all applicants. (exp: Driver's Licence, Passport, etc.)
- PAYSTUBS:** Original automated paystubs covering the most recent 30 days, for all applicants. (If paid twice a month, bring the two most current pay stubs.)
- W-2s:** Original W-2/1099 for the last two years for each applicant. (If you receive Social Security income, you will also need your most recent awards letter/benefits statement that you would have received in December.)
- TAX RETURNS:** Copies of last two years signed tax returns with all schedules for personal and business. After April 15 of current year, you must either have a current return or a signed extension. Year to Date Profit and Loss Statement and Balance Sheet along with the Business Tax Returns for all entities where income is derived.
- BANK STATEMENTS:** Copies of all pages of bank statements for the past 60 days for all checking and savings accounts you list on the application. You may provide computer print-outs of any of the above documents, providing that they are dated and contain your full name, the institutions name, and the full account number.
- INVESTMENT STATEMENTS:** Original 401K, Investment, and IRA statements (if applicable). The most recent statement (all pages) within the past 90 days will be required. If not available, a verification will have to be mailed.
- COPY OF PURCHASE CONTRACT:** Contract must be signed by all buyers and sellers. (purchase transactions only)

**MISCELLANEOUS ITEMS:**



...and then there's **KYC**

DISQUALIFICATION OF JURORS BASED ON GENDER

EXHIBIT 11.1



Complexity also negatively impacts trust

**"Apple will sell a few to its fans, but the iPhone won't make a long-term mark on the [financial] industry."**

Bloomberg, January 14, 2007



# Average In-Branch Transactions per Month across the US

**11,400**

2000

**40%**

**8,100**

2010

**32%**

**5,400**

Projected

2013

**22%** of branches already do less than 3,000 transactions per month

Current **FDIC trends** indicate

# 2018

is the year US check usage declines below  
**1m checks per day**

*that's down from more than 50 million per day in 2000*

This is not progress



1995  
27.5 visits

3.2 visits  
2012

85%

The decline in average # of visits **per customer per year** to a branch



**70%** of YGens  
Will be Mobile Banking  
*'first'* by 2015

\*source: Gartner



**Mobile**

 20-30 Times per month

**Web/Tablet "Screens"**

 7-10 Times per month

**ATM**

 3-5 Times per month

**Call Centre, IVR & Voice Response**

 5-10 Times per year

**Branch**

 1-2 Times per year

**2016**

digital interactions with financial institutions will outnumber face-to-face by 300-to-1

Square's greatest Innovation is **abstracting friction**



CONTEXT IS THE KEY  
TO INNOVATING BANKING





DVICE



Big data will drive risk assessment... in real-time



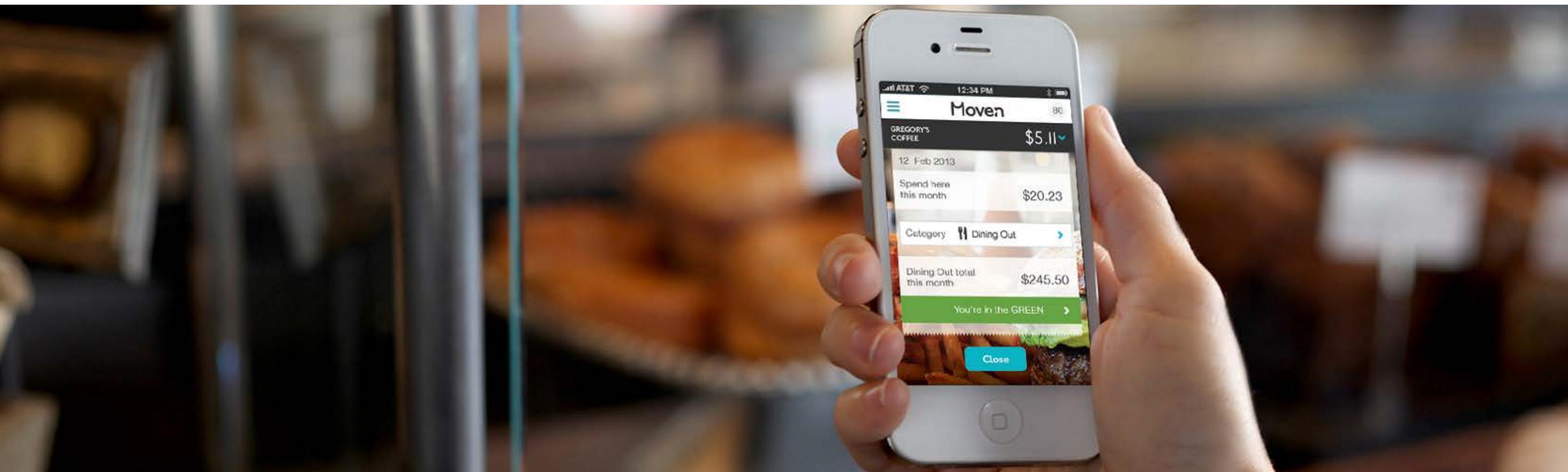
Branches that remain will simplify in **form and function...**





As cash use declines, ATMs will change form too

We need **smarter**, not just simpler banking





TR XBA

GUIDED MICRO-PROJECTILE

18  
12

ROCKETS HIGH-POWER  
a2 N ENLT  
ROCKETS HIGH-POWER  
a2 N ENLT  
ROCKETS HIGH-POWER  
a2 N ENLT







HEART RATE

92

/109 KM/H

YOU SHOULD SLOW THE PACE.

**We need to remove the friction**





Thanks for riding Uber!

BILLED TO  
**Assata R**

TRIP REQUEST DATE  
**July 17, 2012 at 02:33pm**

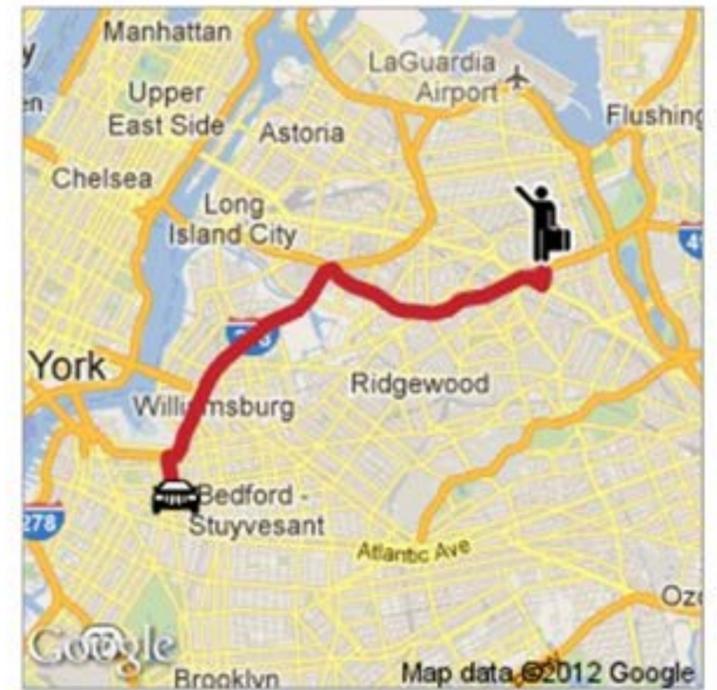
DROPOFF LOCATION  
**Lafayette Ave, Brooklyn, NY**

CREDIT CARD  
 **Personal American Express -**

BILLED TO CARD  
**\$34.00**



DRIVER  
**Ruben**



#### Fare Breakdown

CHARGES	
Base Fare	\$7.00
Distance	\$30.44
Time	\$2.28
<b>Charge subtotal</b>	<b>\$39.72</b>
DISCOUNTS	
Rounding Down	(\$0.72)
<b>Discount subtotal</b>	<b>(\$0.72)</b>
TOTALS	
<b>Total Fare</b>	<b>\$39.00</b>
<b>Uber Credit</b>	<b>(\$5.00)</b>
<b>Billed to Card</b>	<b>(\$34.00)</b>
<b>Outstanding Balance</b>	<b>\$0.00</b>

#### Trip Statistics

DISTANCE	<b>8.10 miles</b>
DURATION	<b>17 minutes, 43 seconds</b>
AVERAGE SPEED	<b>27.43 mph</b>

Financial Services will become contextual...

Welcome to Volkswagen

PASSAT CC 2013

Starts at

\$30,965\*



31 hwy/21 city

Location Aware

Pre-Approved Financing

\$380.44/mth 2 yrs/48 mths



**SAMSUNG**  
 1000-Watt 3D Home Theater System  
 Model: HT-D8000XAM-SG3 9952723

5.1 | 3D | Wi-Fi | 3

With support for Blu-ray Disc, DVD, CD and multiple audio and video formats, this home theater system makes it easy to enjoy your favorite music, listen to music from your favorite CD, or watch your favorite TV shows.

**349<sup>99</sup>**  
 (Reg. 569.99)

Manufacturer's Warranty: 1 Year Parts & Labor  
 Product Reviews: ★★★★★ (33)

Barcode: 0885915034000

Samsung 1000-Watt 3D Home Theatre  
**\$339\* -629** \*Best Price [Amazon.com](http://Amazon.com)

Financial Advisor Mode

Savings Account Bal  
**\$923.25** Above Average Spend 

Rent Due Jun 15 **\$750.00**

**SAMSUNG**  
 280-Watt Soundbar  
 Model: HW-F400 SADA 3761483

2.1

This wall-mountable soundbar features a 2.1/2" polycarbonate and real poly wood and a 5.0" subwoofer for brilliant audio. A sleek cabinet design, silver accents and VFX Surrounding Sound which surrounds you.

**279<sup>99</sup>**  
 (Reg. 449.99)

Manufacturer's Warranty: 1 Year Parts & Labor  
 Product Reviews: ★★★★★ (33)

Barcode: 0885915034000

**SAMSUNG**  
 55" Class\* 3D LED HDTV  
 Model: UN55J6000 1111 5816 7100-11

1000P | 7400z | 3D | Smart TV

Experience the ultimate in 3D with Samsung's premium 1000P LED TV. This TV is packed with features with the Smart TV you love. This TV features an LED backlight with all technology that brings an entire living room alive.

**3099<sup>99</sup>**  
 (Reg. 4199.99)

Manufacturer's Warranty: 1 Year Parts & Labor  
 Product Reviews: ★★★★★ (33)

Barcode: 0885915034000

29wsmw

Samsung  
 Full HD 1080p  
 3D; Immerses  
 Web-connect

The **best advice** is not in a branch anymore



**RETHINKING SKILLS & METRICS?**

**PERSONAL LOANS**

**PERSONAL LOANS**

Do we measure **customer engagement** like this?





17 Q "\$APPL" @brettking

**Letti** @Letti4U 1h  
@CNBC S&P \$400 \$APPL \$AZO \$CMG \$GOOG \$MA \$PCLN \$WPO Learned something new 2day!  
View

**MockTrade** @MockTrade 1h  
\$APPL if getting/holding +457.30 I will b trgting 467-470 zone 2 start a marco Put position against core long-term Long position  
Details

**Jörn Menninger** @JoeMe... 2h  
#Chinese #Smartphone Producer #Xiaomi wants to beat #Apple in low end #sector  
europe.chinadaily.com.cn/business/2013-... #iphone #competition #andriod \$APPL  
Details

**Nancy Boots Davison** ... 3h  
Took \$APPL long o/n Needs to get above resistance 457 to run over 460 .  
Details

**Mariano Amartino** @ama... 5h  
LG y ZTE duplican ventas en un año; solo \$APPL no es asiático entre el top 5 (Strategy Analytics Q2-13 Global) j.mp/1420w3a  
Details

18 Q "\$GOOG" @brettking

**Google News** @GoogleB... 1m  
\$GOOG Moto X: Is it the start of Google's hardware era? | ZDNet  
zdnet.com/moto-x-is-it-t... via @AAinslie  
Details

**Alexander Ainslie** @AAi... 1m  
#MotoX: Is it the start of @google's hardware era? zd.net/142KWV0 \$GOOG \$\$  
Details

Laura Migliori retweeted

**CNNMoney.com** @CNN... 24m  
Nexus 7 is the best Android tablet money can buy (and it's only \$230):  
cnnmon.ie/11xbXPk \$GOOG  
Details

Jeremiah Ochieng retweeted

**CNBC Social Team** @C... 43m  
S&P 500 Companies with Stock Price > Than \$400: \$GOOG (\$902), \$PCLN (\$891), \$MA (\$640), \$WPO (\$545), \$AAPL (\$455), \$AZO (\$449), \$CMG (\$415)  
Details

**World Patents Mapped** ... 7m  
WO2013112906A1 Smart Touchscreen Key Activation Detection \$GOOG #G06F #G06F3  
w.pat.tc/WO2013112906A1  
Details

19 Q "\$FB" @brettking

**DeidreZune** @DeidreZune 2m  
Just spoke to a PM: had no \$FB pre-ER; now has 50K shares @costbasis 35+; normal position size over 500,000. That tells u more buying coming  
Details

**Facebook News** @Face... 2m  
\$FB U.S. Auto Market `Most Competitive,' Schuster Says: Video  
bloomberg.com/video/u-s-auto... via @crtrud  
Details

**Craig Trudell** @crtrud 2m  
Shoutout to @jwschust who visited the Bloomberg Detroit bureau today to break down July U.S. auto sales  
bloom.bg/15yc91t \$GM \$FB  
Details

Debbie Geckeler retweeted

**Jamie Cox** @jamesacoxiii 19m  
@IvanTheK she apparently under owns \$fb  
View

**Marek Fuchs** @MarekFuchs 4m  
Soon as Facebook hits all time high after troubles, I'll give a nickel to first person who says "Is Apple Next?" \$FB \$AAPL \$\$  
Details

20 Q "Investing" @brettking

**««{ Yuyu}»»** @Mjyayuuuu now  
Gold 'doesn't do anything except look at you', says Warren Buffett more Investing Marketing Vodafone cuts  
Details

**««{ Yuyu}»»** @Mjyayuuuu now  
Investing High marks Ask the professional: Steve Johnson, chief investment officer, Intelligent Investor  
Details

Sarjil retweeted

**Karen Damato** @DamatoK 2h  
Here's how financial pros teach their own kids about investing. on.wsj.com/1chrskv  
Details

**Soso08** @soso08 19s  
"@OccupyWallStNYC: Four charts show how the economy works for the one percent ow.ly/nxErs". Not investing 4 owners, but traders.  
View

**Jerry Durham** @Jerry\_D... 44s  
@PeoplesMrkt great article in @nytimes times today. I'm interested in investing. Let me know if opportunities are still available Thanks  
Details

**Victoria Lynden** @Victor... 51s

21 Q "wealth managem..."

**CBIZ** **CBIZ Life Insurance** @... 17m  
Most Important #Affluent #SalesSkill ow.ly/nxoxT  
Obvious, yet hard to do well @wealth\_mgmt #advisors #HNW #highnetworth  
Details

**Mr.GQ\_EUROSTEP** @L... 29m  
TIME & MONEY MANAGEMENT. SELF WEALTH\$\$\$\$  
Details

Adviser Intelligence retweeted

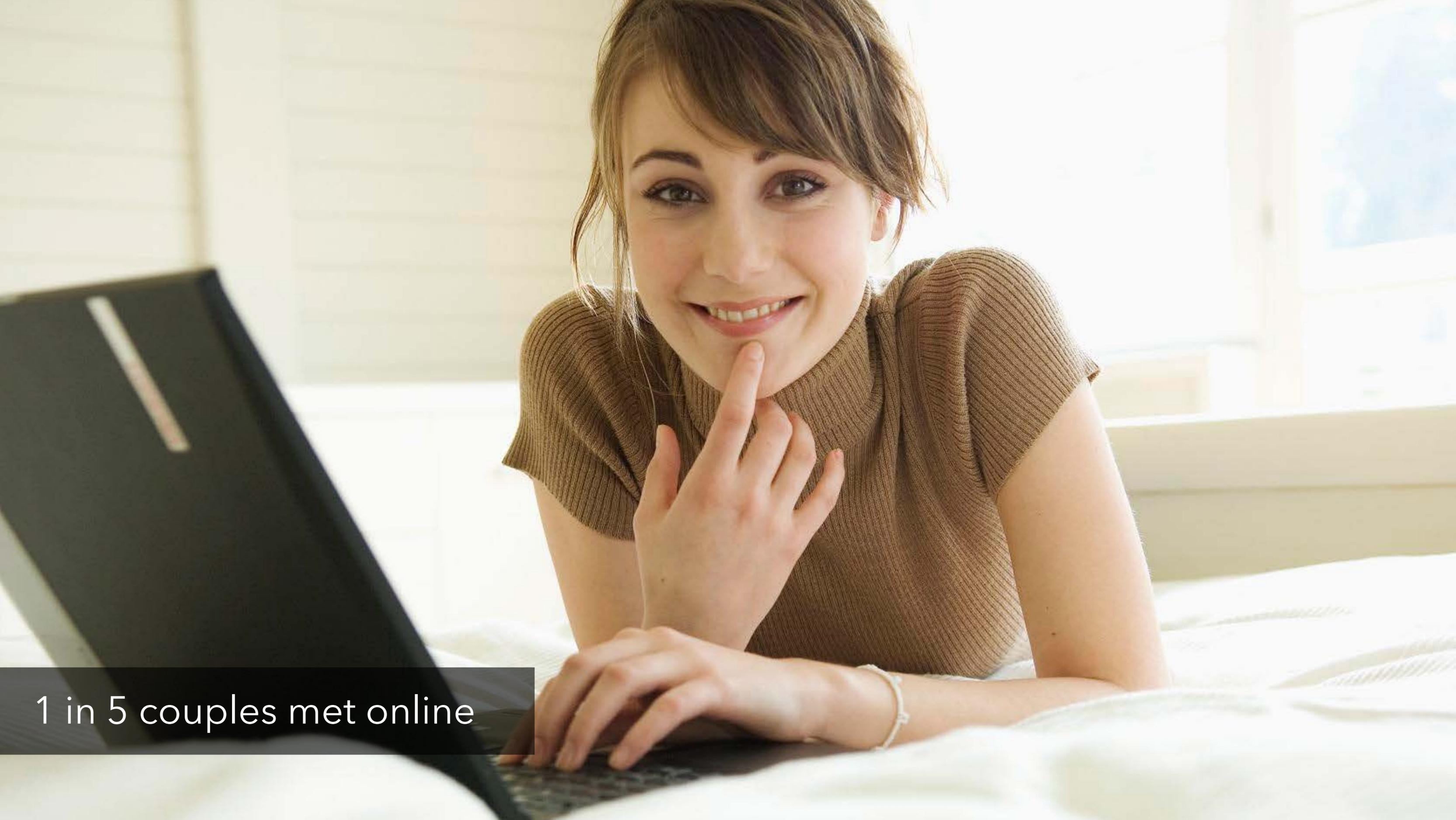
**Norb Vonnegut** @NorbVo... 1h  
Is mandatory arbitration the root cause of the wealth management industry's PR problem?  
on.wsj.com/19zyyzO via @WSJ #finance  
Details

**Advisa Centa** @Advisa... 37m  
Bellpenny acquires Entire Wealth Management  
dld.bz/cJyuy  
Details

**Northland Wealth** @No... 40m  
Northland Wealth Management goes West, expanding to Calgary Alberta. cnw.ca/vWy4  
Details

**Peter Zekert** @Zekfest 53m  
Called BofA to ask about my

or like this?



1 in 5 couples met online



1 in 4 divorces are blamed on





LATEST VIDEOS



NIGHT LIFE FAVORITES



WAKE UP WITH ME IN NYC



GIRLS NIGHT OUT



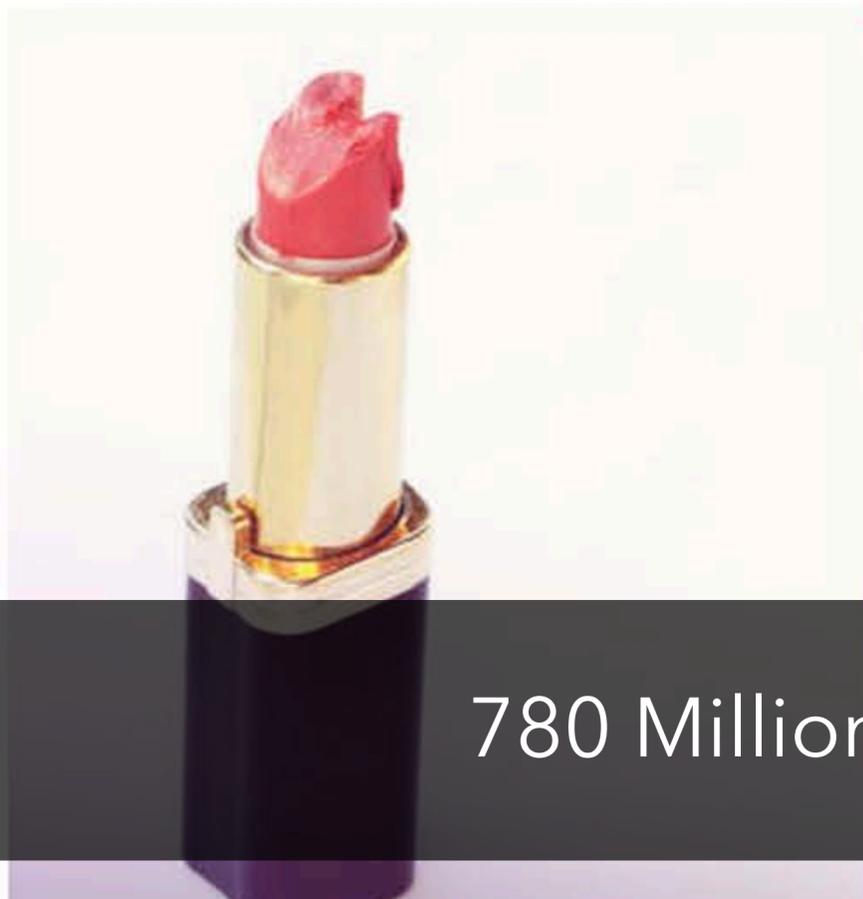
FINALLY! MY MAKEUP BRAND: EM MICHELLE PHAN



HOW TO MASTER THE HIGH HEEL

[SEE MORE VIDEOS ▼](#)

LATEST POSTS



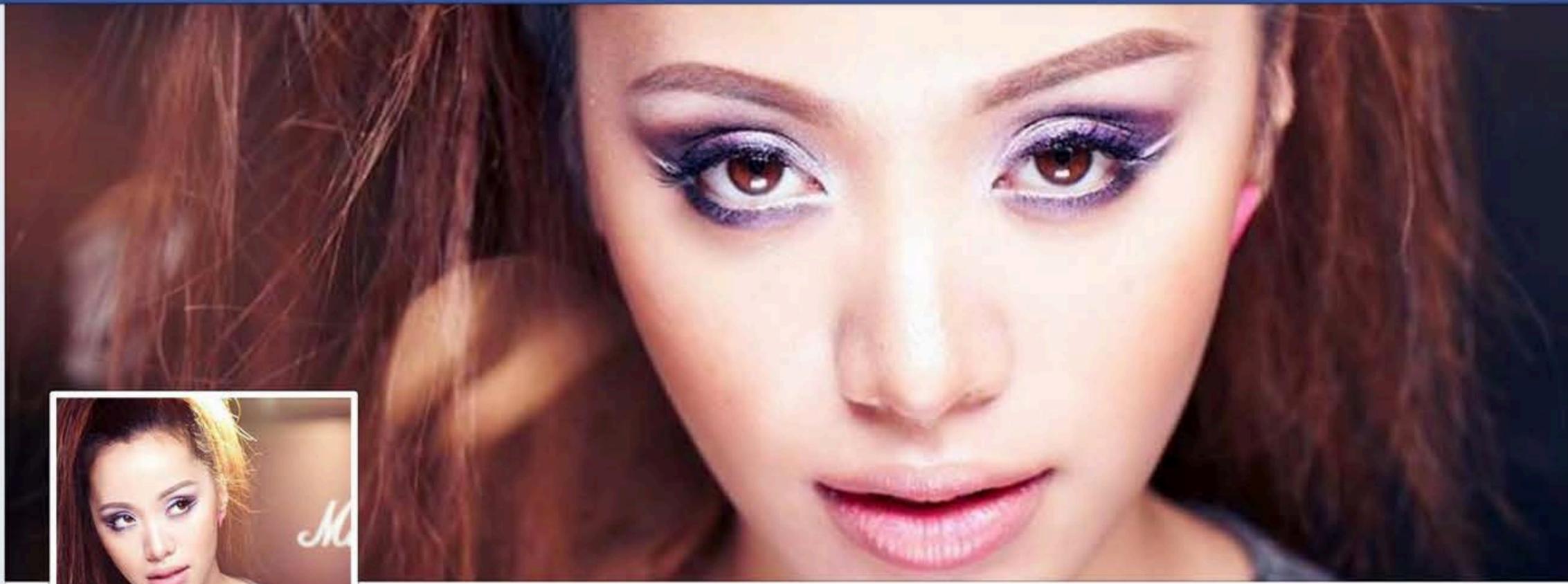
# QUICK TIP: HOW TO FIX YOUR BROKEN LIPSTICK

SEP 3 2013

POSTED BY MICHELLE PHAN

SAVE YOUR BROKEN LIPSTICKS! HERE'S HOW...

780 Million total views; 5.7m views per week



### Michelle Phan

1,435,399 likes · 91,907 talking about this

✓ Liked

Message

Public Figure

Inspired by art, translating it into beauty, sharing it with the world.

<http://www.michellephan.com/>

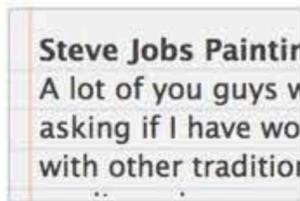
About - Suggest a Change



Photos



Likes



Notes 3

Highlights ▾

Post

Photo / Video

Write something...

2 Friends

Like Michelle Phan



Create Page

Sponsored

Create Ad

WebEx Meetings



Unlimited online meetings with up to 3 people- free! Or upgrade to Premium

Easy & Fast Transcription

rev.com



Simple Upload. Simple Delivery. Simply Amazing. 25,000 Audio and Video Files Transcribed.

Bye to the Pocket Bulge

bellroy.com



SLIM WALLETS

Leather wallets expertly crafted to slim your wallet. View the collection.

Recent

- 2013
- 2012
- 2011
- 2010
- 2009
- Born

Chat (73)



this is the emergence of the **see and hear** generation



**THE BALANCING ACT FOR REGULATORS?**



Regulation has only increased complexity



Complexity increases **costs** and the likelihood of **risk**

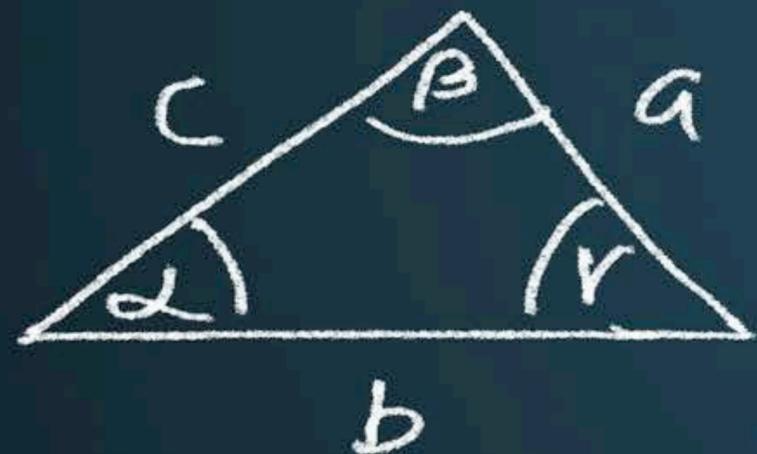


BofA's mobile banking user base is growing **28%** each quarter  
The Big Three (BAC, JPM, WFC) all have more than 40% total mobile adoption already

**Data Scientists** and **story-tellers** will bring the revenue

$$\lim_{x \rightarrow 0} \frac{(1+x)^n - 1}{x} = n$$

$$v^2 - v_0^2 = 2a(x - x_0)$$



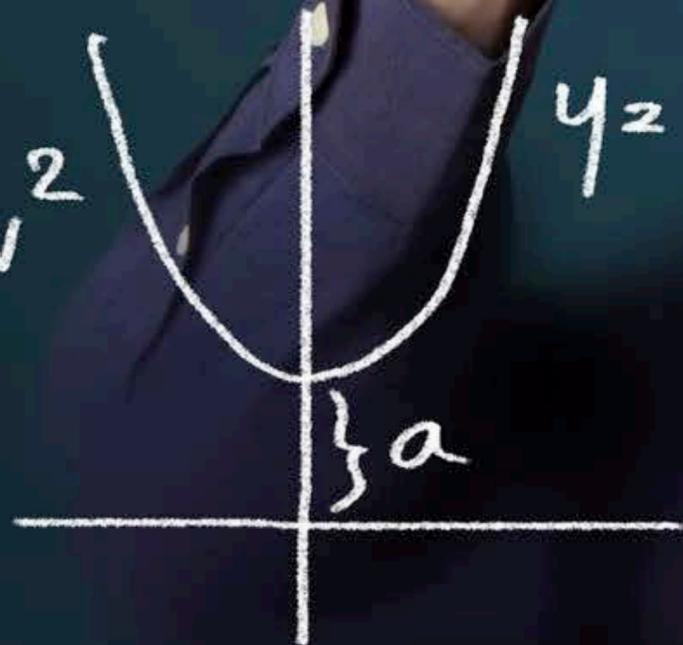
$$\frac{\sin \alpha}{a} = \frac{\sin \beta}{b} = \frac{\sin \gamma}{c}$$

$$a^2 + b^2 - 2ab \cos \gamma = c^2$$

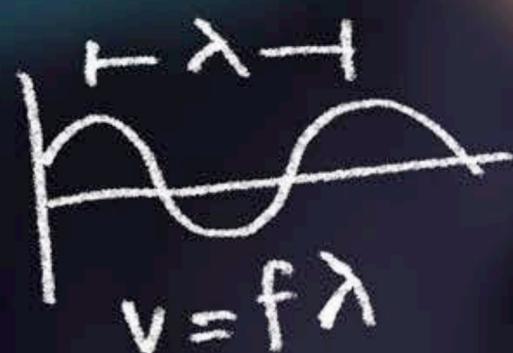
$$E = mc^2$$

$$F = \frac{\Delta P}{\Delta t} \quad \sin^2 + \cos^2 = 1$$

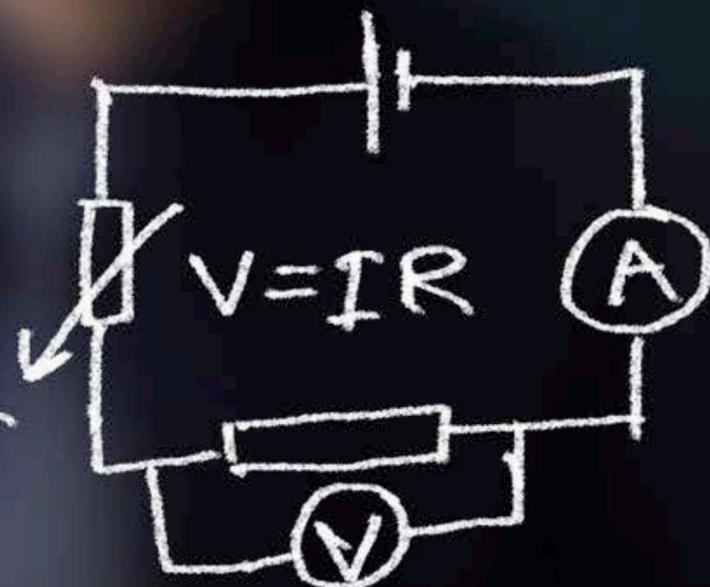
$$E_k = \frac{1}{2}mv^2$$



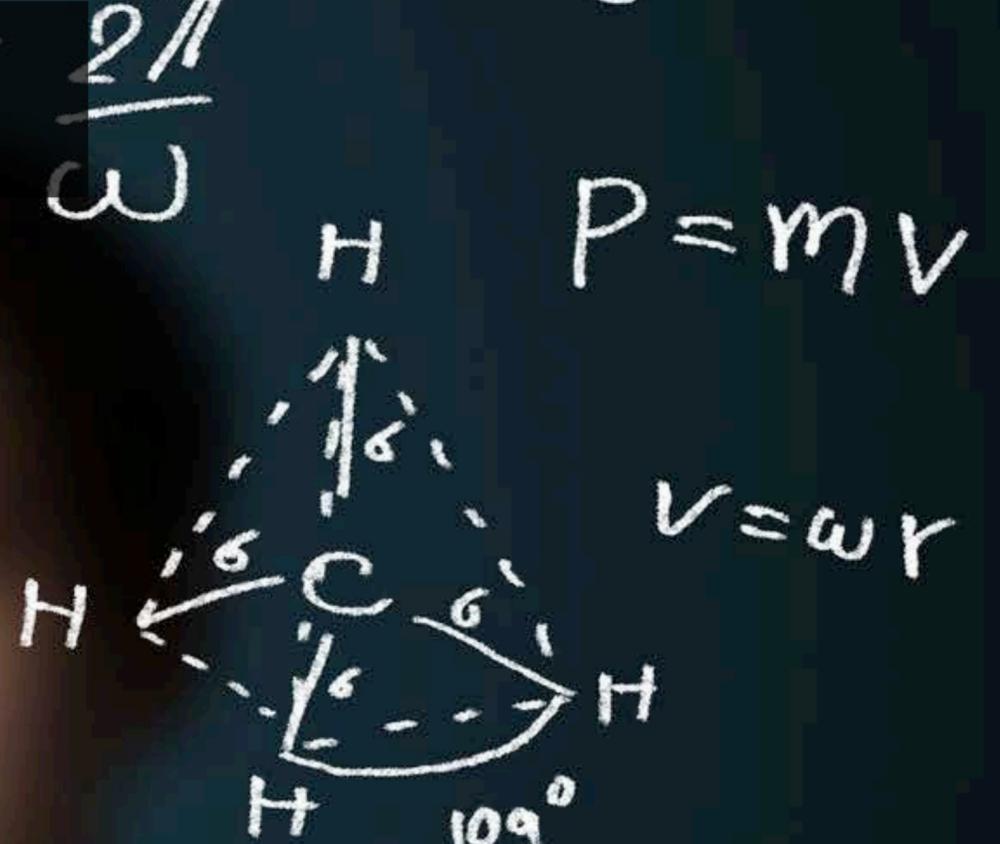
$$y = x^2 + a$$



$$PV = nRT$$



$$P = IV = \frac{V^2}{R} = I^2 R$$



$$P = mv$$



# ROLL OVER YOUR OLD 401K AND YOU COULD EARN A BONUS

EARN UP TO \$600 IN AN IRA AND 150 COMMISSION FREE ONLINE TRADES

QUALIFYING NET DEPOSIT	\$50,000	\$100,000	\$250,000
CASH BONUS	\$200	\$300	\$600
	150	150	150

When you make a qualifying net deposit into a new or existing Schwab IRA.

**CONTACT A ROLLOVER CONSULTANT TODAY**

SCHWAB.COM

866-428-4395

300 BRANCHES

How can we reduce **Disclosure Friction?**

Offer is valid from January 1, 2013 through December 31, 2013 for individuals who... Net deposits must be completed within 45 days of enrollment in the offer ("Enrollment"). Net deposits... The net deposit calculation for the free trades will be calculated daily and the free trades will be credited to your... The net deposit calculation for the cash bonus will be calculated as of the 45th day... You must maintain the net deposit amount (less market losses, if any) in your taxable... Free trades apply to base equity, exchange-traded fund (ETF),... Only trades placed through schwab.com, Schwab trading... No credit will be given for unexecuted trades.



**Real-time** payments and utility is key for a competitive global economy

# REPLACE - your - BANK

# SAY HELLO TO G

A new kind of bank account. N

[JOIN NOW](#)

SCROLL DOWN FO

# Start Building a Health Financial Life

With Moven, you will have a stronger  
your financial health. Our MoneyPuls  
MoneyPath™ tools let you know exa  
where you're spending you're money  
complete picture of your finances.

Try our online tools and start to take  
financial wellness!

[Join today](#)

**Innovation** is good for the industry/consumers/economy

*Now available by invitation only*

[Get Invited](#)

"GoBank is brand new, so RE  
for an exclusive early member  
out when a spot opens up."

The image is a composite of four panels showing network switch ports. Each panel displays a row of RJ45 ports with white Ethernet cables plugged in. The ports are numbered sequentially from 1 to 24 across the panels. The scene is lit with a strong blue light, creating a high-tech, digital atmosphere. The cables have various labels, including alphanumeric codes like '0356', '0346', '0396', '0443', and '0445'.

Identity and transaction data needs **mobility**



Banking is no longer a **place you go**,  
it's just **something you do...**

 [brettkingauthor](#)

 [@brettking](#)