

## WHAT ARE FINTECHS?

Fintechs use technology to improve and automate the offering and use of financial products and services, which are now offered digitally. Fintechs offer convenience through innovation, enhancing existing experiences, and developing disruptive and innovative services that never existed before.

## HOW DO FINTECHS OPERATE?

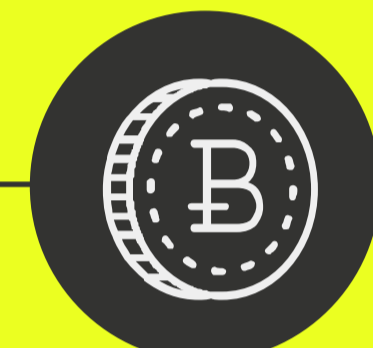
There are many possibilities and areas of operation for these companies. Fintechs are regulated by the Brazilian Central Bank, and by bank secrecy, consumer protection, data protection and other specific laws. See below a list of the most common types of Fintech.

### 1 CREDIT OR LOANS



They offer credit solutions and loans digitally, simplifying credit assessments through automated processes, including traditional financial institution models and more flexible regulatory models, such as: (i) Direct Credit Companies (SCD); and (ii) Peer-to-Peer Lending Companies (SEP), as recently regulated by the Central Bank.

### 3 BLOCKCHAIN AND CRYPTOCURRENCY



They allow the tracking and recording of financial transfers in a decentralized manner, i.e., without the interference of banks. Additionally, they may develop and allow the use of crypto coins.

### 5 FINTECH BANKS



Traditional banks are aggregating technology into the offering of their services, either becoming or operating like Fintechs.

### 7 BANKING CORRESPONDENTS



Representatives contracted by financial institutions to provide services to clients and users of these institutions on their behalf. They may perform credit operations and various other financial services.

### 9 CROWDFUNDING



They develop online platforms that enable the collection of resources collectively, allowing individuals or companies to enroll their project and raise funds.

### 11 INSURANCE



They provide simplified and tailored insurance products, manage insurance policies, and automate the insurance offering and contracting processes.

### 2 PAYMENT AND PAYMENT SYSTEMS



They offer electronic payment solutions using technology to simplify the payment processes. They allow for a simplified electronic transfer of money. Additionally, they may provide innovation in credit cards or prepaid cards, usually for low or no fees.

### 4 INVESTMENTS



They offer more profitable and less bureaucratic investments, offering an improved digital experience for investors. Some may develop and use Robo-Advisors, which are machines that offer financial advice and manage portfolios.

### 6 CORPORATIONS-FINTECHS



Companies of different sizes and areas of operation, especially technology companies that undergo the bankarization process. They offer financial solutions acting as Fintechs.

### 8 FINANCE MANAGEMENT



They enable clients greater control over their finances by developing applications which provide an interface between bank accounts and expenses. Applications allow the creation of expense categories and goals.

### 10 DEBT NEGOTIATION



Fintechs develop and provide systems that assist in negotiating and paying debts through platforms and negotiation systems.

