

SURVIVE THRIVE



Natural Selection

Financial Services Forum

21-22 May 2018 • Hilton Sydney



**Actuaries
Institute**



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Damn, it's a great time to be a fintech

Stuart Stoyan
Founder & CEO, MoneyPlace
Chairman, Fintech Australia

@Stuart Stoyan

*This presentation has been prepared for the Actuaries Institute 2018 Financial Services Forum.
The Institute Council wishes it to be understood that opinions put forward herein are not necessarily those of the
Institute and the Council is not responsible for those opinions.*

Can we truly say that bank customer outcomes have improved?

Australian consumers are in the midst of a financial health crisis (1)

63% of Australians
could not easily raise
\$3,000 for an
emergency



Australian consumers are in the midst of a financial health crisis (2)



"I found the problem. We earn money 5 days a week, but we spend money 7 days a week."

59% of Australians
spend all their
income (or more)

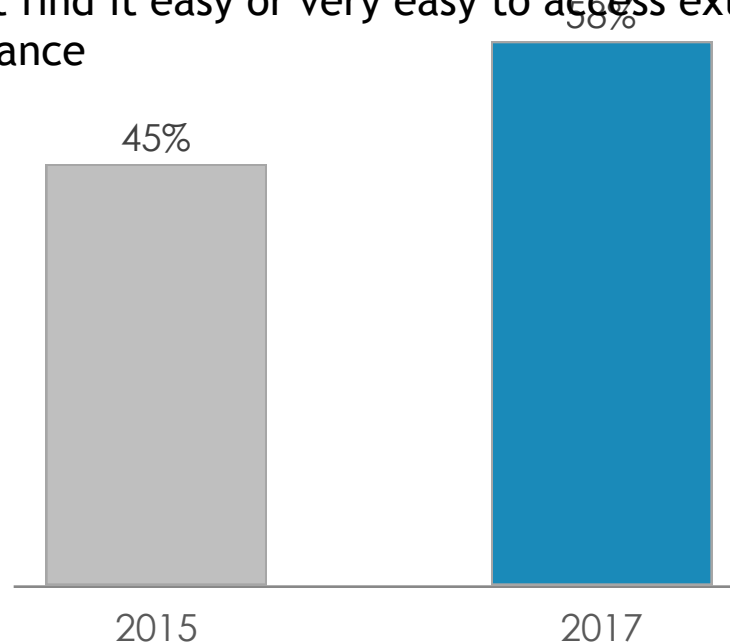
Consumer finance interest rate spreads doubled over the past 25 years

Australian fixed personal term loan and credit card rate vs. term deposits rate (average %; 1989-2017)



Australian small businesses are finding it harder to access finance

Proportion of Australian small businesses that did not find it easy or very easy to access external finance



WARNING

The following images contain

GRAPHIC CONTENT

some viewers may find disturbing

Traditional financial services companies have lost the trust and confidence of ordinary Australians (and Rowena too)



And then there was this...

And then there was this...

business banking

Commonwealth Bank's Dollarmite scam exposed

THOUSANDS of Dollarmite accounts were dishonestly used by bankers in a widespread scam to earn bonuses and reach targets.

 **news**
com.au © MAY 18, 2018 4:06PM

And then there was this...

BANKING ROYAL COMMISSION

Dollarmites bites: the scandal behind the Commonwealth Bank's junior savings program

Making money by meddling with schoolchildren's savings accounts is just one of the scams bank staff are using to game their own systems.

By Adele Ferguson

18 MAY 2018

business

Com

THOU
target

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BANKING ROYAL COMMISSION

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Com

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But why was this a surprise?



Dokemites CLUB

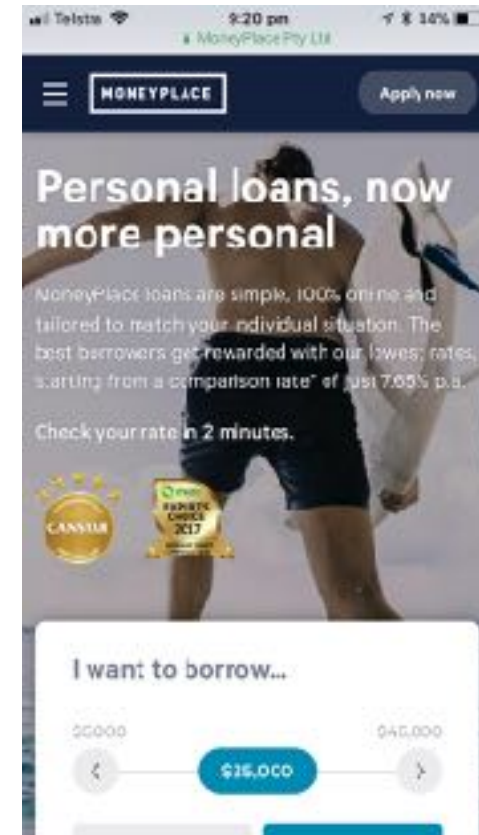
Cred's cool side. He's also a total techno geek - but we don't hold that against him. He knows everything, like what butterflies eat for breakfast and important stuff like that. He finds it all on the Net, I guess.

Cred

Commonwealth Bank

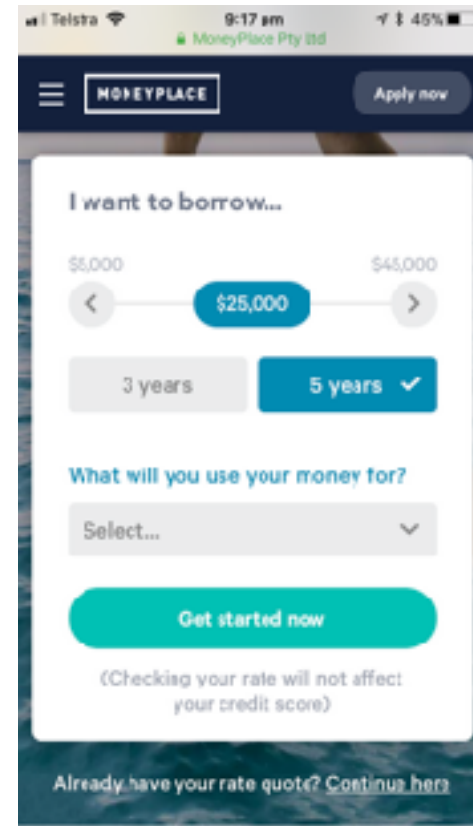
Case study part 1: MoneyPlace

- Take out your phone
- Go to moneyplace.com.au



Case study part 1: MoneyPlace

- Take out your phone
- Go to moneyplace.com.au
- Get a 2 minute rate estimate
- (we'll come back to this in a bit)



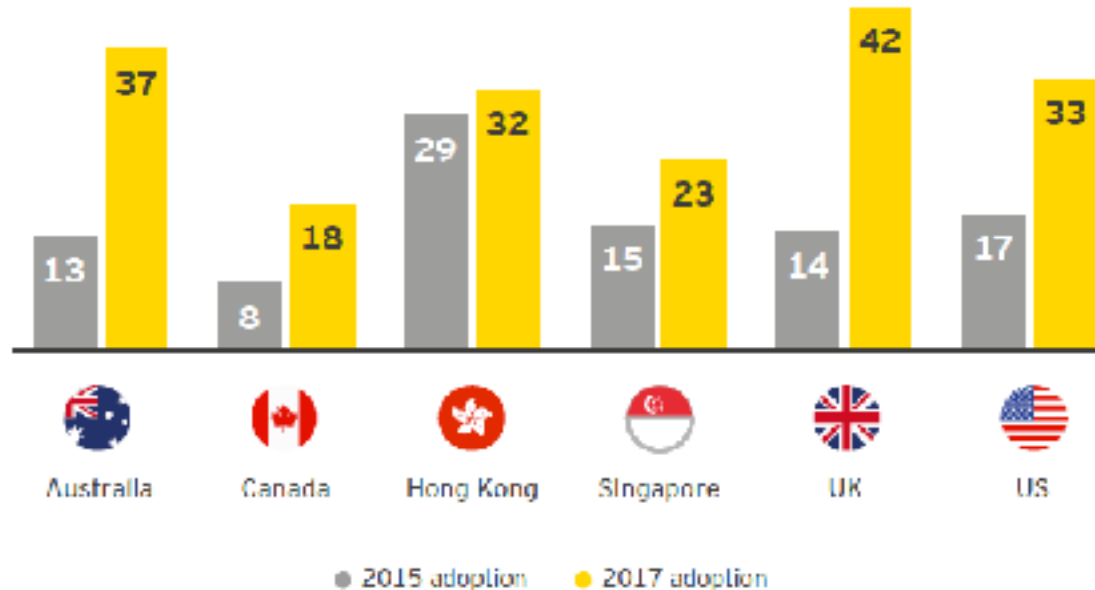
The screenshot shows the MoneyPlace mobile app interface. At the top, the status bar displays 'Telstra', '9:17 am', and '45%' battery. The app header includes the 'MONEYPLACE' logo and an 'Apply now' button. The main content area is titled 'I want to borrow...' and features a loan amount slider set to '\$25,000' between '\$5,000' and '\$45,000'. Below the slider, there are two buttons for loan terms: '3 years' and '5 years' (selected with a checkmark). A dropdown menu asks 'What will you use your money for?' with 'Select...' as the current selection. A large teal button labeled 'Get started now' is positioned below the dropdown. A note states '(Checking your rate will not affect your credit score)'. At the bottom, a link reads 'Already have your rate quote? Continue here'.

2017 was a turning point for Australian fintech

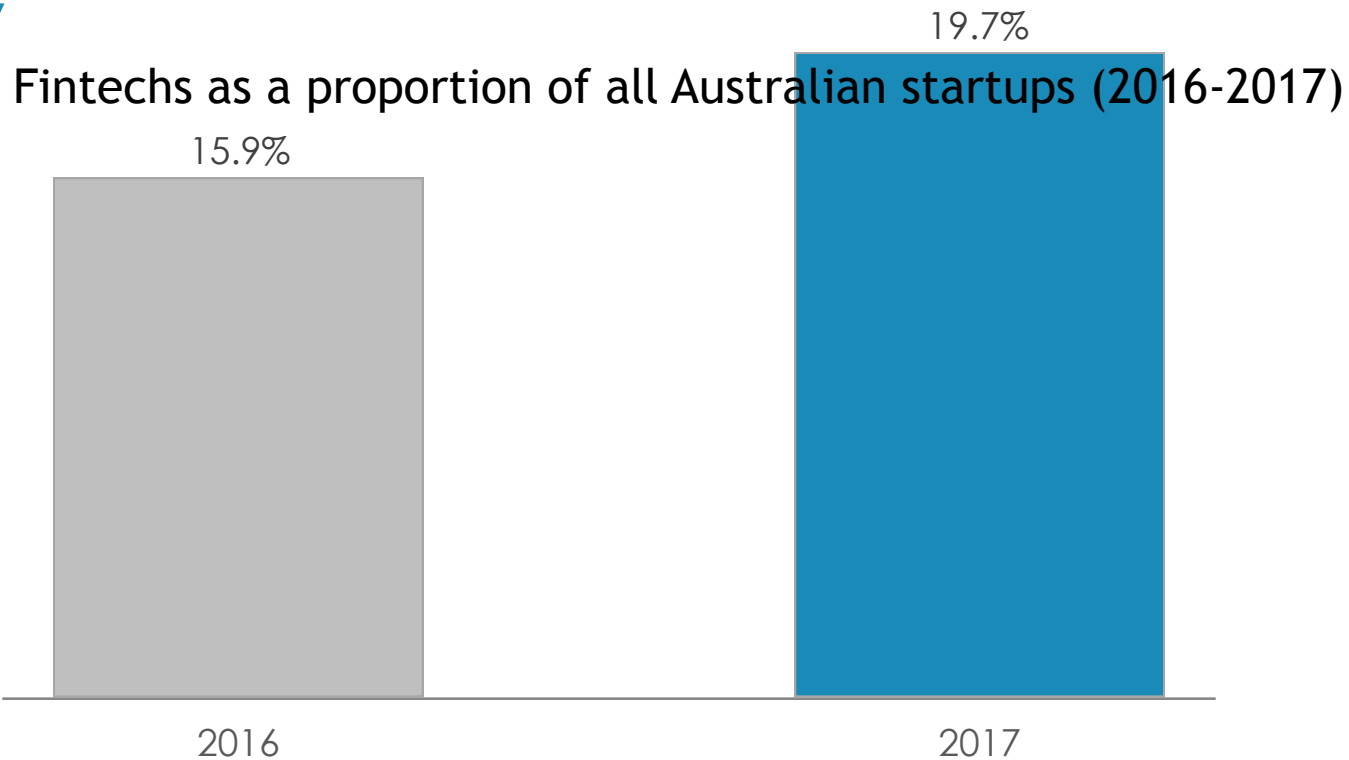
Fintech adoption tripled from 13% in 2015 to 37% in 2017

Comparison of FinTech adoption in six markets between 2015 and 2017

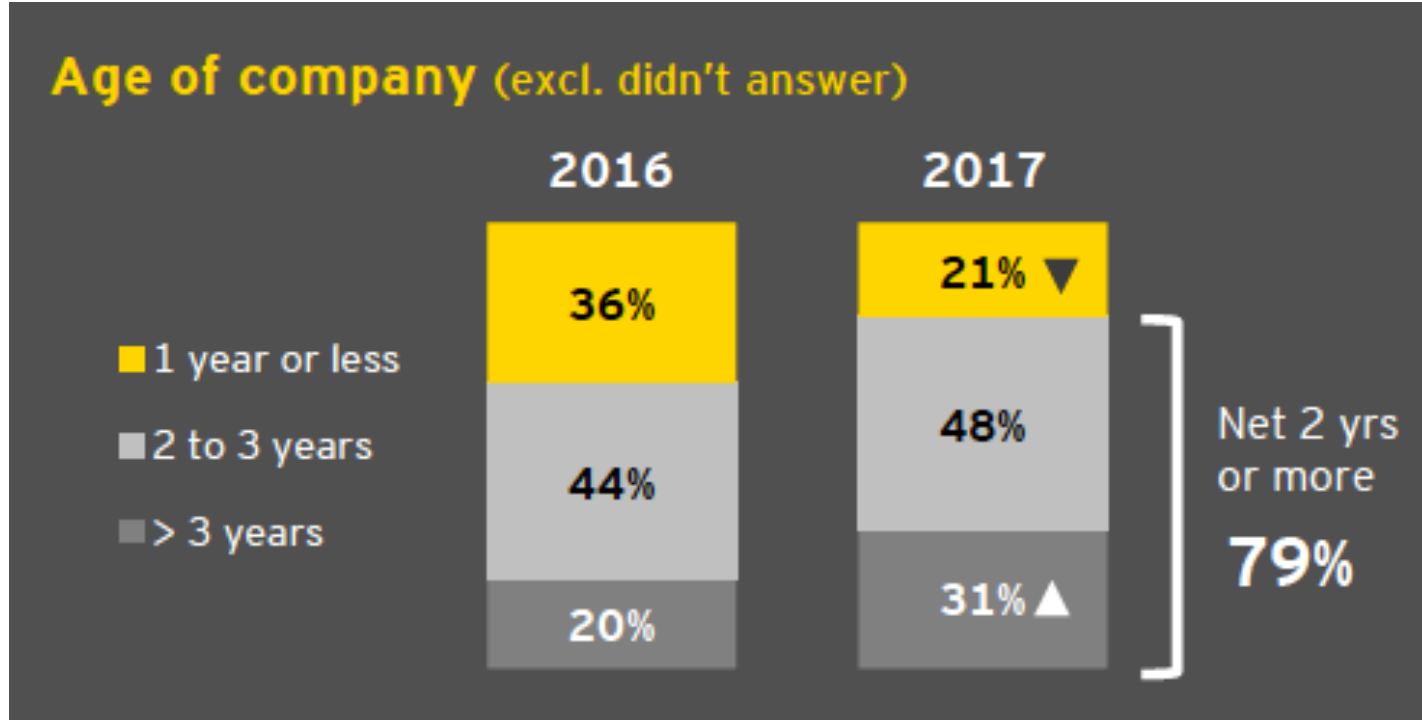
Australia has one of the fastest growing fintech markets



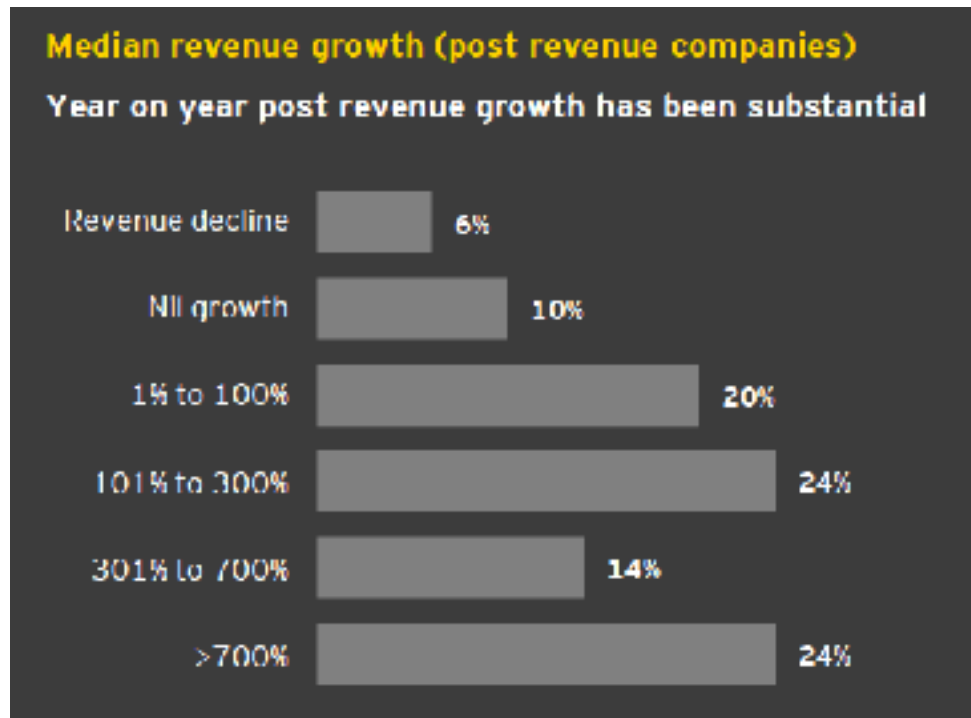
Fintechs now make up one fifth of the Australian startup industry



Nearly 80% of fintechs are two years or older



Median monthly revenue increased 208% (or 3.1 times), with a quarter of fintechs reporting a 700% increase in revenue



Case study part 2: MoneyPlace

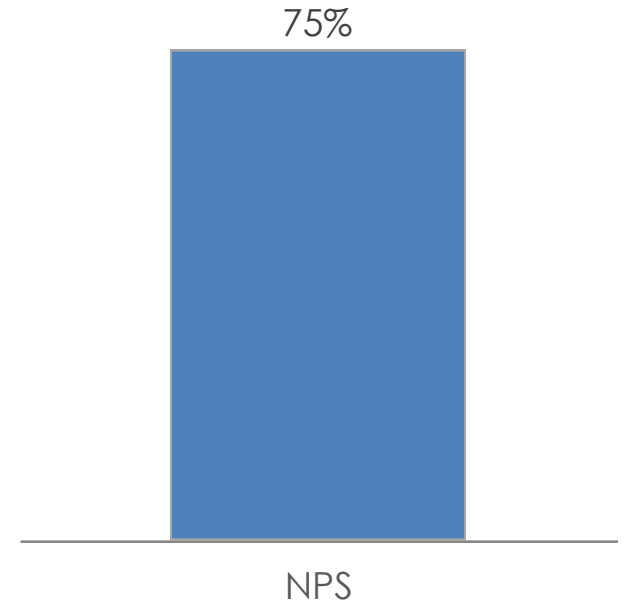
MoneyPlace

Reviews (145) • Excellent



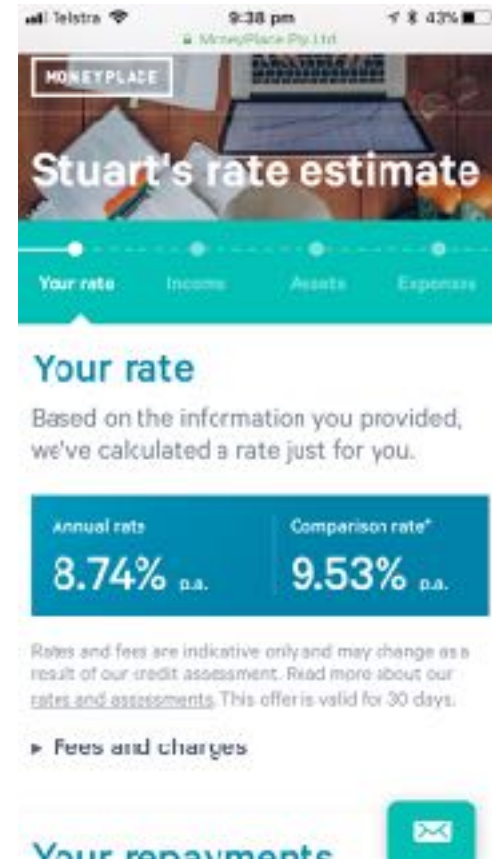
Collecting

TrustScore 9.5 out of 10



Case study part 3: MoneyPlace

On average, a borrower **saves \$5,400 with MoneyPlace** on a \$20K personal loan **versus the Big 4 banks**




The screenshot shows the MoneyPlace app interface on a mobile device. At the top, the status bar shows Telstra, 9:38 pm, and 43% battery. The app header includes the MoneyPlace logo and the text "Stuart's rate estimate". Below the header is a teal navigation bar with four tabs: "Your rate", "Income", "Assets", and "Expenses". The "Your rate" tab is selected. The main content area displays "Your rate" in large blue text, followed by the text "Based on the information you provided, we've calculated a rate just for you." Below this is a comparison table with two columns: "Annual rate" and "Comparison rate*". The "Annual rate" is 8.74% p.a. and the "Comparison rate*" is 9.53% p.a. Below the table is a note: "Rates and fees are indicative only and may change as a result of our credit assessment. Read more about our rates and assessments. This offer is valid for 30 days." At the bottom, there is a link for "Fees and charges" and a partially visible "Your repayments" section with an envelope icon.

Annual rate	Comparison rate*
8.74% p.a.	9.53% p.a.

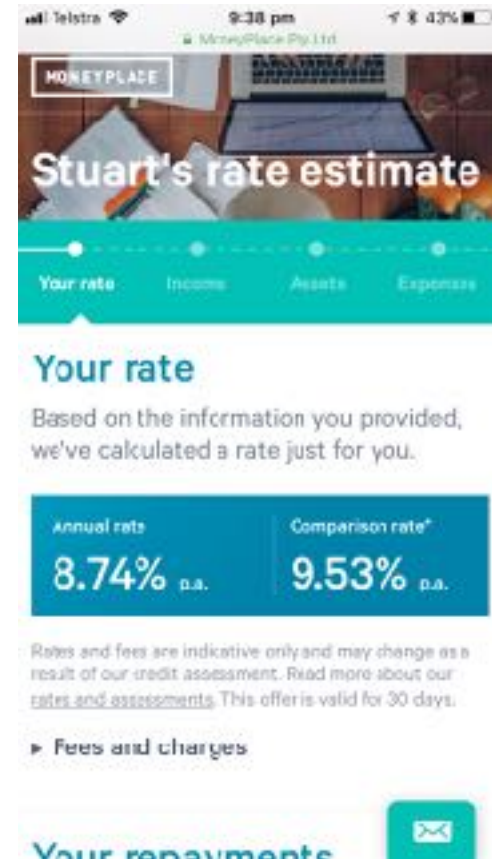
Rates and fees are indicative only and may change as a result of our credit assessment. Read more about our [rates and assessments](#). This offer is valid for 30 days.

► Fees and charges

Your repayments 

Case study part 3: MoneyPlace

What rate did you get?



Telesla 9:38 pm 43%

MoneyPlace Pty Ltd

MONEYPLACE

Stuart's rate estimate

Your rate Income Assets Expenses

Your rate

Based on the information you provided, we've calculated a rate just for you.

Annual rate	Comparison rate*
8.74% p.a.	9.53% p.a.

Rates and fees are indicative only and may change as a result of our credit assessment. Read more about our [rates and assessments](#). This offer is valid for 30 days.

► Fees and charges

Your repayments 