You need us EY
Thank you

Joe McGuire
Global Head of Sales and Partnerships

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Simplify the currency market to inspire global opportunities
FINTECH: ASIC’s APPROACH and REGULATORY ISSUES
AN ASIC PERSPECTIVE

8 March 2017

Maan Beydoun – Senior Manager
ASIC
Member of Innovation Hub
Outline

Part 1: Setting the scene
• ASIC’s objectives

Part 2: ASIC’s Innovation Hub
• ASIC’s Innovation Hub – approach and outcomes
• Progress

Part 3 ASIC’s Regulatory Sandbox
ASIC’s strategic objectives

• Promote confident and informed financial consumers and investors

• Promote fair, orderly, transparent and efficient financial markets
ASIC’s Innovation Hub and approach

• The Hub is assisting fintech start-ups to navigate the our regulatory system

• Consistent with cutting red-tape

• ASIC will not compromise fundamental principles of regulation and licensing
The five point approach

• Engagement

• Streamlined approach

• Enhanced communication

• Coordination

• Digital Finance Advisory Committee
Innovation Hub – Some of work to date

- Marketplace lending (peer-to-peer lending)
- Digital advice (Roboadvice)
- Regulatory Sandbox; and
- Regtech – use of technology to facilitate compliance
ASIC’s Sandbox approach

- Additional guidance – organisational competence
- Limited licence – alternative organisational competence
- Limited licensing exemption (the ‘regulatory sandbox’ exemption)
The ‘regulatory sandbox’ exemption – Conditions

- Advice or dealing service
- Liquid products
- Client and investment caps
- Adequate compensation arrangements
- External dispute resolution arrangements
- Core conduct and disclosure obligations
- Notification and report requirements
Further Information


Email: innovationhub@asic.gov.au
BIGSTONE
LOAN MARKET

Connecting small business
to a world of lenders

Introductory Presentation
February 2017
Simple, Fast & Fair
Small business loans made easy

💰 Borrow up to $250,000. Get a rate in minutes, approval in hours, funds in as little as two days.

⚡ Be the bank. Earn 7 - 23% by funding loans to established Australian small businesses.

Rate Calculator
Invest
how does the platform work?

live demonstration of platform
# Experienced Leadership

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Experience</th>
</tr>
</thead>
</table>
| Boyd Pederson         | CEO            | - Ex-Partner at The Boston Consulting Group, focused on Financial Services, Customer Experience Transformation, and innovative technology.  
                        |                | - Transformed SME & Commercial lending businesses at 3 banks, increased market share by 20%; multiple start-ups. |
| Rob Morgan            | CTO            | - Founded IT&E Ltd - startup that built CommSec, AUs largest direct broker.  
                        |                | - Led the build of Commsee, CBA’s customer management & origination system, led business case for CBA’s $1.1bn core banking system upgrade.  
                        |                | - Experienced CTO in payments, integration, & CRM. |
| Liam McLagan          | General Counsel| - Financial services regulatory lawyer, ex-Linklaters (UK); HWL Ebsworth (Australia) and Commonwealth Bank (Australia).  
                        |                | - Expert in legal design of marketplaces and clearing houses – seconded to Goldman Sachs to implement new derivatives clearing system. |
| Indy Singh            | COO            | - Recently led the establishment of a new bank in India (500+ branches, 6m+ customers).  
                        |                | - Expert in process, operations, and contact centres; business banking transformation and post-merger integration experience in Australia. |
| Marcus Korff          | CRAO           | - Former Global Head of Risk, (Banks, Countries & Govt.) at ANZ, with a focus on underwriting alternative lenders; 15 years’ lending authority.  
                        |                | - Over 20 years directly analyzing and approving credit for business, corporates, & institutions, and deep experience with analytic models. |

1) All team members are full-time committed and not drawing pre-launch salaries.
management team

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tino Ho</td>
<td>Head of BD &amp; Channel Partnerships</td>
<td>Left SocietyOne where he held the same role to join Bigstone</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prior 10 years at OFX (Ozforex) progressing through Business development,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>channel partnerships and channel execution roles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strong connections with Accounting firms and financial institutions</td>
</tr>
<tr>
<td>Michael Wyer</td>
<td>Head of Treasury</td>
<td>Former fund manager with extensive experience in distressed debt and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>high-yield alternative finance in Asia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Former MD, Wyerplan; supporting Asian investors into AU assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Former MD, Head Distribution High Yield Finance – Standard Bank SG</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Former Executive Director, Presidio Capital, Singapore</td>
</tr>
<tr>
<td>Chris Sonn</td>
<td>Head of Digital</td>
<td>Expert in digital marketing and online brand building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Deep experience across the content marketing, advertising and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>customer loyalty building components of digital marketing, both</td>
</tr>
<tr>
<td></td>
<td></td>
<td>internally and with agencies</td>
</tr>
<tr>
<td>Paul Goldsmith</td>
<td>BDM</td>
<td>An established history in B2B sales leadership and strategy, specialising</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in commercial finance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Former roles at NAB as a sales leader.</td>
</tr>
</tbody>
</table>
multi-layered risk assessment
multiple proprietary models (behaviour, financials, directors)

Bigstone Credit Index (BCI) is determined by the following sub-components of risk:

- business financial condition
- business reputation and management quality and the financial position of directors
- industry and demographic position (e.g. time in business, geographic location)
- additional financial and non-financial factors that reflect the customer’s ability to repay
the data science behind
500,000 SME default history over 3+ years

Robust data inputs

SME panel data
- 500k, 6 time slices
- Six month intervals

Calibrated to ABS Survival Data (by geo, age, size, entity type)

SME accounting financial data (proprietary)
- Financial metrics
- Cashflow signals

Director risk overlay (personal score)

Distribution of Risk

98.2% of population

Hard cut-off filter at PD 5% (Probability of Default) removes 60% of "bads"
Secondary and tertiary screening reduces the maximum PD to 3% and portfolio* average PD to 1%

[NB. *Model Portfolio of min. 100 loans]
insight drives liquidity
invest in predictability

contact
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Investor Relations
M: +61 421 484 626
sherrie.robless@bigstone.co
CrowdfundUP

//IABW2017

Presented by Jack Quigley

NON-DISCLOSURE:

We understand that You ("the Discloser") wish to investigate the business of CrowdfundUP Pty Ltd ("the Company") in accordance with the terms and conditions set forth herein. To protect the Company from the possible risk of disclosure of the Confidential Information ("the Confidential Information") to you and spreading of the Confidential Information, we request that you agree to the following terms:

1. You acknowledge and agree that you are not permitted to disclose the Confidential Information to any person or entity other than as permitted by the Company.
2. You acknowledge and agree that the Confidential Information is the property of the Company and is protected by copyright, patent, and other laws. You agree to use the Confidential Information solely for the purpose of investigating the business of the Company.
3. You acknowledge and agree that you will not remove or alter any proprietary notices or labels from the Confidential Information.
4. You acknowledge and agree that you will not use the Confidential Information for any purpose other than the purpose of investigating the business of the Company.
5. You acknowledge and agree that you will not disclose the Confidential Information to any person or entity other than the Company or its authorized representatives.
6. You acknowledge and agree that you will not use, modify, distribute, or disclose the Confidential Information in any manner that would violate any law, regulation, or contractual obligation.
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As Australia's First and Leading Real Estate Crowdfunding Platform, we enable international investors to seamlessly invest in Australia's most sought after asset class.... Commercial Real Estate.

Jack Quigley - Founder
CrowdfundUP

- Launched Q1 2015
- Australia's leading property crowdfunding platform
- A strong executive team
- Strategic partnerships with Positive Investment Enterprise and IBDO
- Strong shareholder register
- Australian Financial Services License
- Well capitalised
- Proven Due Diligence and underwriting process
WE ARE BACKED BY INVESTORS WITH SEVERAL BILLION DOLLARS WORTH OF PROPERTY IN THEIR PORTFOLIO
$800M
2016

The Australian alternative finance industry is riding a wave of rapid growth.
$250M

Since launching in March 2015 CrowdfundUP has successfully originated over $250M qualified investment opportunities. If filled this origination capacity would equate to over 25% of the Australian Alternative Finance Market.
OUR PROPERTY PARTNERS HAVE SUCCESSFULLY DELIVERED SEVERAL BILLION DOLLARS IN PROJECTS
What we do

- Alternative real estate finance / investments
- Comprehensive due diligence procedure
- Junior and Senior Debt Transactions
- Equity & Pref Equity funding transactions
- Comprehensive online investor management suite
- Facilitate foreign investment transactions
- Originate a wide selection of commercial property investment options with varying risk / return profiles attached
How we do it ...

1. Creates Account
2. AML Verification
3. Bank Linked to Digital Wallet
4. Makes Investment Debt or Equity
5. Returns Made Into Users Digital Wallet
6. User Can Auto Invest or Withdraw Returns
TRACTION

100+ Project Sponsors

10000+ Individual Investors

$20M + Capital Raised

100 + Wholesale Investors

5 + Strategic Partners

250M + Originated Investments
Let's work together towards a common goal
THANK YOU
JACK@CROWDFUNDUP.COM
The Aegis platform enables your customers to privately and securely aggregate, store, manage and share their financial information. Leverage eWise’s data aggregation platform to easily connect users’ bank accounts, credit cards, investments, pension funds, utilities, loans and more.

Money Manager and FastBalance beautifully designed apps offer best-in-class user experience on desktop, tablet and mobile. Users get a global view of all of their financial accounts in one dashboard and access powerful Personal Financial Management features.

Developers can use eWise API services to efficiently build financial apps, leveraging eWise expertise in transaction categorisation, cashflow forecasting and alerting. APIs can be integrated seamlessly within your apps or connect to the Aegis platform to access bank data.
Users can choose to share their personal data with value added services.

ACCOUNT AGGREGATION
Aggregate all of your customers’ financial accounts from their bank accounts, credit card, investment portfolio, pension funds, insurance contracts, savings accounts, utility providers, and loyalty programmes.

PERSONAL DATA VAULT
Your user’s personal data store for financial services.

PERMISSION MANAGEMENT
Provide the user with full control and privacy over their personal data.

DATA BROKER
Users can choose to share their personal data with value added services.
Why CVX from InfraRisk?

**THE PROBLEM**

- Slower approvals causing opportunity costs to borrowers through delayed time to market.
- Demand for higher productivity and automation in banks in high-wage countries to reduce operation costs.
- Poorly defined pricing policy that are not centrally controlled and managed.
- Client data still maintained through hard copies. This data has enormous value in establishing credit worthiness of borrowers and is underutilized.

**THE CVX SOLUTION**

- Achieve Faster Turnaround Time
- Lower Cost to Income
- Increase Net Interest Margins and Fee Income
- Support introduction of Basel standard Risk processes
- Maximise advanced data and analytic processes
CVX Platform – Integrating Origination

Time to prepare a submission reduced by over 30% leading to:

- Faster time to market
- Lower cost to income

Efficiency checklist:
- Meet regulatory requirements
- Reduce rework
- Comply with policies and procedures

Identify
- Demographics & Profile
- Aggregation Group
- Accounts & Limits

Analyze
- Financial Analysis
- Segment Template

Quantify & Price
- Ratings/Prob. Default
- Collateral/LGD
- Relationship Pricing

Approve
- Approval Authorities
- Covenants & Terms
- Document Generation

Analytics

Reporting

Effective Administration
What is muru-D and why is it different?

1. muru-D is a startup accelerator. Over 6 months, it offers a global network of mentors & investors, working space & more.

2. A core component of the muru-D program is being born global, and accessing big markets - China, USA and Europe.

3. muru-D was founded and is still supported by Telstra.
<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Invested</td>
<td>$2.5M</td>
</tr>
<tr>
<td>Capital Raised</td>
<td>$14M</td>
</tr>
<tr>
<td>Companies Accelerated</td>
<td>62</td>
</tr>
<tr>
<td>Companies Operational</td>
<td>56</td>
</tr>
<tr>
<td>Revenue Generated</td>
<td>$9M</td>
</tr>
<tr>
<td>Jobs Created</td>
<td>290</td>
</tr>
<tr>
<td>Accelerator Programs</td>
<td>5</td>
</tr>
<tr>
<td>Teams will be accelerated in</td>
<td>50</td>
</tr>
<tr>
<td>Portfolio value growth</td>
<td>1.8X</td>
</tr>
</tbody>
</table>
Muru-D’s Graduate Start-Ups

A mobile application allowing Indonesian small businesses to compare and apply for loans easily and quickly.

Help mining companies improve asset management by streamlining maintenance process & optimizing the resource consumption.

A creative recruitment platform connecting new talent to brands through match-making algorithms, social analytics and assessments.
Telstra’s Cycle of Innovation in Indonesia

- **muru**: Incubating & Mentoring Series A Investments
- **VENTURES**: Series B + C Strategic Minority Investments
- **telkom telstra**: Taking innovative ventures to market at scale

Logos of TEMAN USAHA, compare88, zelos, amtiss, MANDOE, whispir, iPSCAPE
Are you a picture of good wealth?
Why Picture Wealth?

Most people are not as organised in relation to their money as they could be.

What we have done at Picture Wealth is create that one space that people can go to in relation to their money so that they can get organised and stay that way.

Our algorithms are focused on educating and empowering people by delivering customised financial guidance on a large scale, at a low cost.

Financial literacy: a global issue

“We believe that small actions can have a big impact on personal finances”
"Picture Wealth launching with:

$100M under management
$750M assets being advised
Existing partnerships across $2.2B
Beta pilot launch with up to 120,000 users
B2B2C business and revenue model

Focused on Education

1. **Think**
   Self-assess your current circumstances

2. **Learn**
   Consider what you could be doing differently

3. **Do**
   Go ahead and act now for your future

Moving into ‘Series A’ funding of $2M.
Seeking expressions of interest from prospective global partners.

Contact: david@picturewealth.com

---

**Neal Cross**
CIO at DBS Bank
World’s ‘most disruptive’ Chief innovation officer*
Top 10 FinTech authority across Asia
*awarded by Wozniak and Branson

**David Pettit**
Thought leader in financial services
Owner of the Australian advice firm of the year
Listed and unlisted M&A expertise
Are you a picture of good wealth?

Contact: david@picturewealth.com
Enjoyable Payment Experience - 2017
Our Vision
Revolutionise payment ecosystem for modern society
Mobile Indonesia

M-Social Penetration: 35%
M-Commerce Penetration: 33%
M-Payment Penetration: 0.4%

+39% y-o-y
+155% y-o-y
+61% y-o-y

Source: Statista (2016), Wearesocial (2016)
Enjoyable Payment Experience - 2017
M-Payment APAC

Source: Statista (2016), TE (2016)
Our Pilot

M-Payment ecosystem needs accurate meeting points of user and merchant.
Pilot Collaboration

“Arema is a local culture, Arek Malang = Malang People”

Total Fanbase Indonesia
3.2mm

Mobile Fanbase Malang
1mm

Source: FB Insight (2017), Liga Indonesia (2016)
Collaborative Effort

Revolutionise payment ecosystem for Arema community through common interest.

Source: FB Insight (2017), BPS (2016)
Our Journey

Aug '16
Australian Award Indonesia Course

Dec '16
Arema Access v 2.0 Release

Feb '17
Mobile Payment QR Ecosystem Start

E-Membership & M-Payment Release
Userbase: 230k

Dec '16
+150%
Arema Access v 2.0 Release

Aug '16
+210%
Mobile Access to Ticket & Merchandise

Apr '16
Arema Application Initial Release

Userbase: 30k

Aug '16
Revalidate MVP & Product Concept

Userbase: 75k

Userbase: 230k

+210%
+150%

Enjoyable Payment Experience - 2017
M-Payment Ecosystem

Establishing M-Payment Access for SMEs across Malang District

300+

+304

Feb ‘17

Mar ‘17
Our SMEs Traction

Warung Pak Mul is one of our top SMEs. Warung Pak Mul digital payment sales performance has been increasing constantly by 50% each week since they’ve joined our M-Payment ecosystem.
More Financial Access

Additional Access to

- Lending
- Insurance
- Dream Savings

Enjoyable Payment Experience - 2017
We are implementing the model to other cities, Lamongan with Persela FC and Palembang with Sriwijaya FC. PayAccess application will also releasing very soon to cover broader market.
License and Authorisation

BI License No. 13/92/DASP/38

PCI DSS 3.2

Enjoyable Payment Experience - 2017
Working a more mobile financial access for mobile generation and SMEs
Trust-backed Currencies, Settlement and Reserves Management for Central Banks
Problem

The current global monetary framework is the remnants of the poorly-designed Bretton Woods system. It requires every country to have its own central bank (162 of them including Samoa, Fiji, Tonga etc.) and to issue a currency if they do not wish to be affected by another country’s monetary policy and costly seigniorage (Berg, Borensztein).

Smaller countries should not imitate large countries in issuing currencies as their central banks will struggle for credibility and their currencies will create barriers to trade and investment. Ask yourself:

Would you like exposure to a million Tongan pa‘angas to make an investment?

Further, because each small central bank uses its own settlement system even making payments with its financial centre and other neighbours becomes a mess of *nostro vostro* accounts and correspondent banking.

The result is that small countries are required to cut themselves off via their currencies from the financial services they need that could readily and gladly be provided by their financial centre neighbours. Lack of financial services is a key development hurdle for small countries.
Timor-Leste plans to issue its own currency to avoid US dollar costs & for national pride. This will cost trade and GDP growth.
And of course a problem that all investors face is that they can expect their holdings in any government-run currency to be subject to inflation and debasement.
Soveren Concept

Multiple Central Banks

Issue a standardised international currency

With a common RTGS system operated by a BNY Mellon Trust in London

Base money and transfers automatic reserves management

BI Soveren

BCTL Soveren

Other Soveren

Common RTGS

M0 money reserve management
Soveren currency design - highlights

• Fully trackable transactions - if no notes or coins are issued there can be no cash transactions that could lower tax compliance or make it attractive for criminal or money laundering use. Issuing notes and coins is optional.

• Fully AML/CTF compliant.

• As secure as the existing banking network, no blockchain risk.

• Zero cost transfers/instant RTGS between banks with Soveren accounts.

• Zero cost, instant foreign exchange to other Soveren currencies.

• Central bank/monetary authority control of which jurisdictions can be transferred to and from.

• Only open to central banks (sub-accounts may be made available to national banks at the discretion of the central bank).
01. TRUST
Soveren has been designed to be trusted from the core.

02. SECURITY
Soveren is as secure as the existing banking network.

03. COST
Zero transaction cost (frictionless) international transfers.

04. SPEED
Instantaneous transfers.
Cash is king, bank transfers dominate, with e-money outpacing credit cards

Payments segmentation in Indonesia

- Debit card: 67%
- Credit card: 11%
- Credit transfer: 5%
- Direct debit: 2%
- Cheque: 2%
- Cash: 10%
- Other: 5%

Source: BI

Transaction volume

- ATM/Debit card - Cash withdrawal: 71.8%
- ATM/Debit card - Intrabank transfer: 9.5%
- ATM/Debit card - Purchase: 10.1%
- ATM/Debit card - Interbank transfer: 41.9%
- Credit card - Cash withdrawal: 25.2%
- Credit card - Purchase: 25.2%
- eMoney: 16.8%
How does this translate to the contents of my wallet…

… and what does this mean for payments?

- Payments are fragmented
- Payments are exclusive
- Payments are disjointed
Xendit helps automate payment operations via API connection and more

- Accept credit card payments for your e-commerce site with a simple API integration
- Accept payment via virtual accounts or unique amounts at major banks in Indonesia
- Bill customers with our invoice UI and save developer resources so they can focus on your product
- Pay your suppliers instantly, at any bank in Indonesia, on weekend or weekdays, when the bank servers are up
- Pay all your employees through our batch disbursement product with a simple excel upload
- Refund your e-commerce customers, and send them an automated email receipt at the click of a button
A strong team from finance and technology with advisors from banking, technology and government

Sajid Rahman
• Country head of Standard Chartered Consumer Banking

Mahendra Siregar
• Vice Minister, Ministry of Finance
• Vice Minister, Ministry of Trade

Justin Kan
• Founder, Twitch $1b to Amazon
• YCombinator Partner, $65b value

Raoul Oberman
• Partner and MD, McKinsey Indonesia
• Board member, multiple Agri busn

Philip Ingelbrecht
• Founder, Shazam $1b valuation
• Head of Partnerships, Youtube
Where is the payments landscape heading?

With a high rate of unbanked population (~110mn), will be a dominant force in payments.

Tight regulations and low penetration rate (~3%) will impede growth.

3D secure/pin cards are required by mid 2017 will increase online usage.

To remain core banking method, but will not be dominant.

A necessary evil, problematic for merchants, will grow at slower pace.

Source: Deloitte, Worldpay, Jakarta Post, Statista
Contact Us

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Tessa Wijaya
tessa@xendit.co

xendit.co/