

# Is 2017 the Year of the Bank Partnership?

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AVANT



# **There's Been Lots of Talk of Bank Partnerships**

## Banks Have Bought Loans...



✓ High Yielding Asset

✗ Unfamiliar Credit / Underwriting

✓ Efficient Use of Capital

✗ No Customer Relationship

## They've Made Investments...

PROSPER

GreenSky™

- ✓ Access to Growing Asset Class
- ✓ Capital Markets Fees
- ✗ Uncertain Environment
- ✗ Fintech Valuations Are Down



## And, They've Even Started to Partner...

**ondeck**



**J.P. Morgan**

✓ Improved Customer Service

✗ Only Solves Small Business

✓ Rapid Deployment

✗ No Decline Monetization



**But, Not Enough to be  
Truly Strategic**



# Closer to Strategic...

AVANT



  
REGIONS®

✓ Full Digital Capability

✗ Only Personal Loans

✓ Ability to Customize

✗ Awaiting Full Scale Deployment



# **So What Makes a Strategic Partnership?**





# Why Should Banks be Interested?

Expand Target Market

Serve Customers Better

Uniform Online Experience



Across Products



# Why Should Platforms be Interested?

Scalable



Capital Light



Recurring Fee Revenue



Low Cost, High Quality Customers





# How Do Partnerships Create Enterprise Value?



## Online Lenders

- ✓ Seamless customer experience / growing base
- ✗ High cost of capital
- ✓ Technology, analytics and talent
- ✗ Uncertain regulatory environment

## Banks

- ✗ Antiquated customer experience / limited growth
- ✓ Cheap cost of funds
- ✗ Difficult to attract tech and analytics talent
- ✓ Stable regulatory environment



# Prime Customer

## Banks





# Non-Prime Customer

## Online Lenders





# Creating a Win-Win



550                  600                  650                  700                  750                  800                  850

- |  |                                     |
|--|-------------------------------------|
| ✓ Reduced Acquisition Cost             | ✓ Speed to Market                   |
| ✓ Tap New Distribution Channel         | ✓ Reduce Cannibalization Risk       |
| ✓ Form Long Term Strategic Partnership | ✓ Customized Tech Platform Solution |



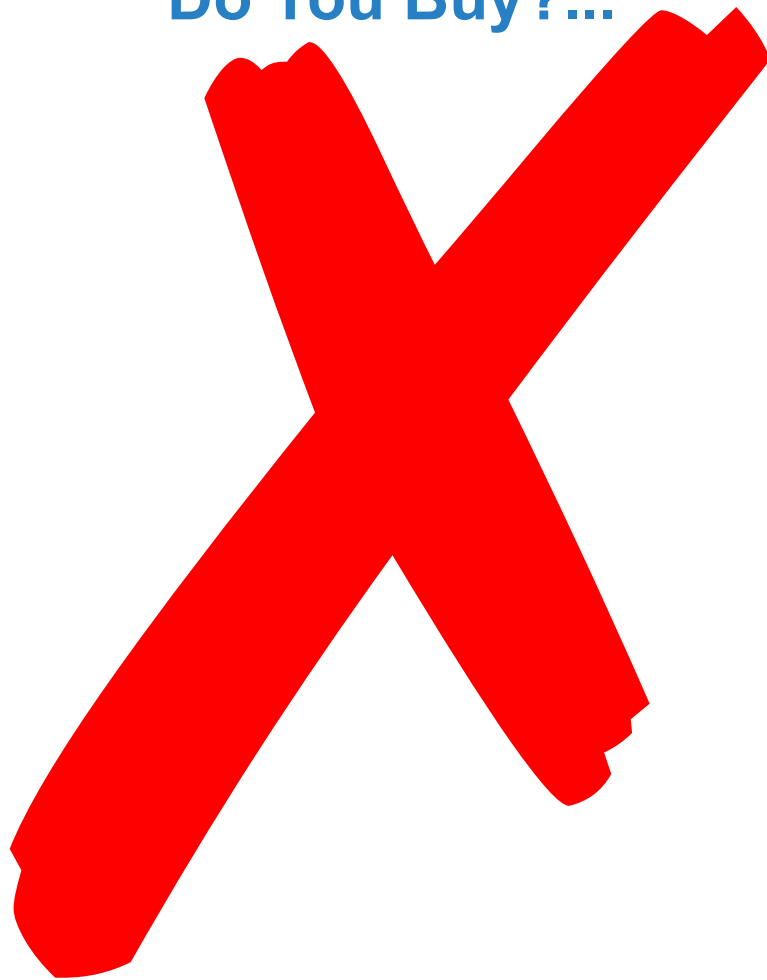


# **Banks Have an Important Decision to Make**



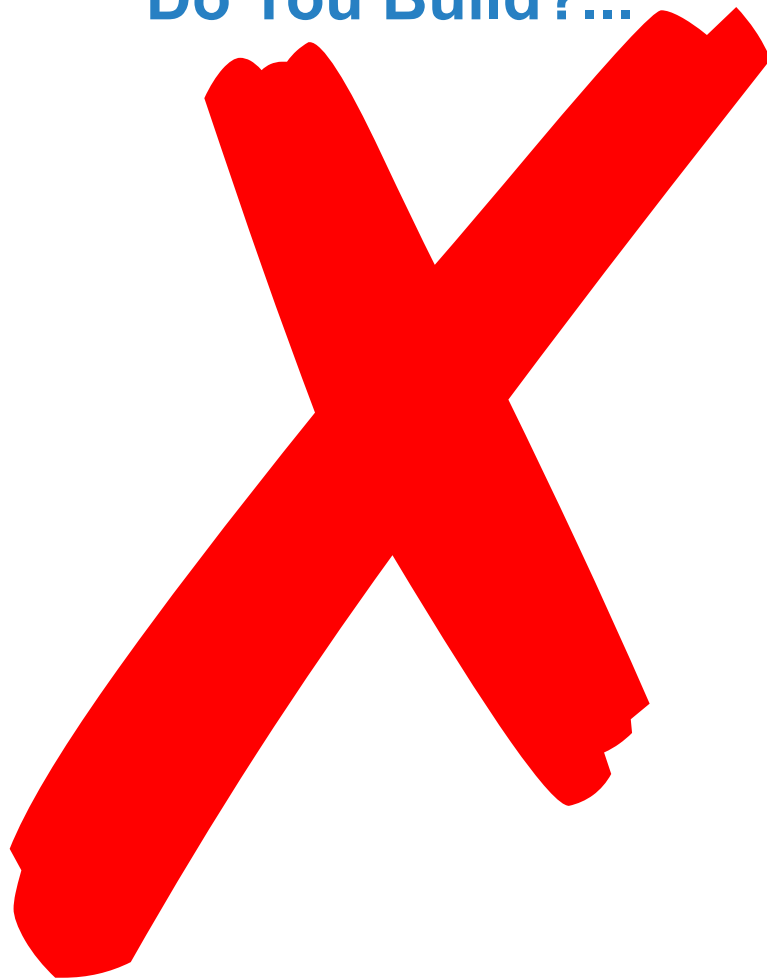


Do You Buy?...





Do You Build?...





# Or, Do You Partner?





# **But, What Does a Partnership Really Mean?**



# The Lending Solution Market is Fragmented

## Marketing

lendingtree  
credit karma  
Bankrate  
nerdwallet  
DATAMYX  
MERKLE  
acxiom  
EPSILON

## Lending Platforms

Infosys  
Finade  
bakerhill  
CLOUD LENDING SOLUTIONS  
Zoot  
TEMENOS  
D+H  
lendfoundry  
soara banking  
MIRADOR  
MISYS  
LendKey  
BACKBASE

## Decisioning & Analytics

GOSLINK  
LUXOR  
EQUIFAX  
aliya  
CoreLogic  
TransUnion  
Experian  
FACTOR TRUST  
CLARITY SERVICES  
ARGO  
FICO

## Fraud & Verifications

Experian  
PLAID  
RapLeaf  
neustar  
EQUIFAX  
GIACT  
TransUnion  
ThreatMetrix  
TeleSign  
YODLEE  
emalgae  
LexisNexis

## Full Lifecycle Servicing

FIRST ASSOCIATES  
SSST  
CardWorks  
VERICOMPLY  
FIS  
jack henry  
fiserv  
encore  
Alltran  
PRA Group

## Core Consumer Banking Platforms

TEMENOS  
soara banking  
D+H  
jack henry  
Infosys  
Finade  
fiserv  
FIS



# Building an Online Loan Product Requires Significant Investment in Partners & Infrastructure



# **Banks Need a Customizable, One-Stop Shop**





# Standard Offering

# Full Outsource Capabilities



## Application Hosting

\$5,000



[Continue to Agreement](#)



## Underwriting Services

### Full Hosting Capabilities

### Fully Customizable

- Product Features
- Eligibility Cuts
- Ability-to-pay Cuts
- Credit Scoring Model
- Pricing Policy
- Loan Amount Calculation



## Verification Services

- ✓ **Identity**
  - KBA
  - Email
  - Phone
- ✓ **Employment**
- ✓ **Income**
- ✓ **Bank Account**



## Marketing Services



Funnel Analytics



Direct Marketing Strategy



Customer Targeting



## Servicing



Best in Class CRM and Servicing Tools



White Label Servicing Capabilities



## Credit Analytics



Data Analytics



Portfolio Monitoring & Management



Portfolio Testing



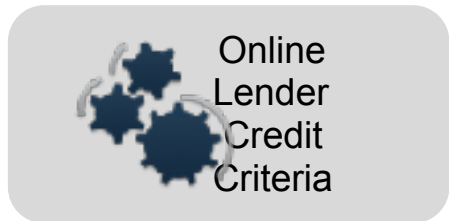
# **And the Ability to Retain Customers**



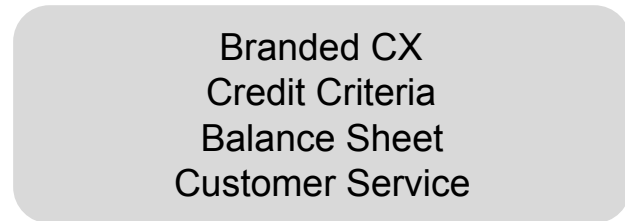
Approved



Declined



Approved



Declined





**Don't Compete with Banks...**

**Make Them Better!**



# Avant's Long Term Value Proposition

# AVANT

*"lowering the costs and barriers of borrowing"*

## Near-Prime Direct Lending



Unsecured  
Installment Loan



Auto



Credit Card

## Prime Technology Partnerships

POWERED BY AVANT

