

## Banking in the 19<sup>th</sup> century





## A lot has changed

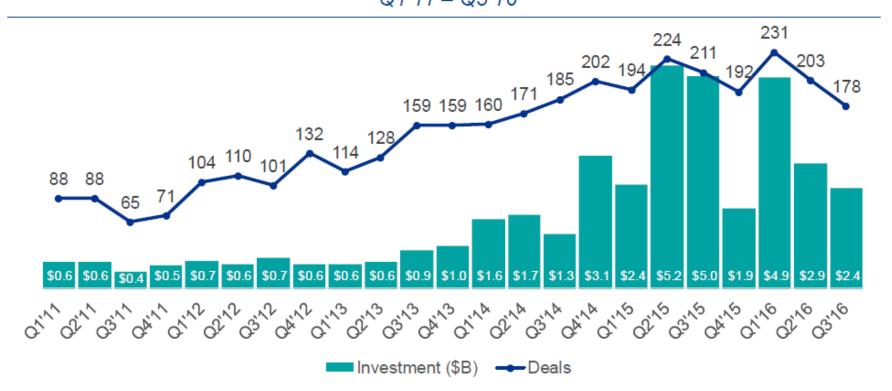
#### Unbundling of a Bank





#### **Accelerated investment around Fintech**

# Quarterly Global Financing Trends to VC-Backed Fintech Companies Q1'11 - Q3'16

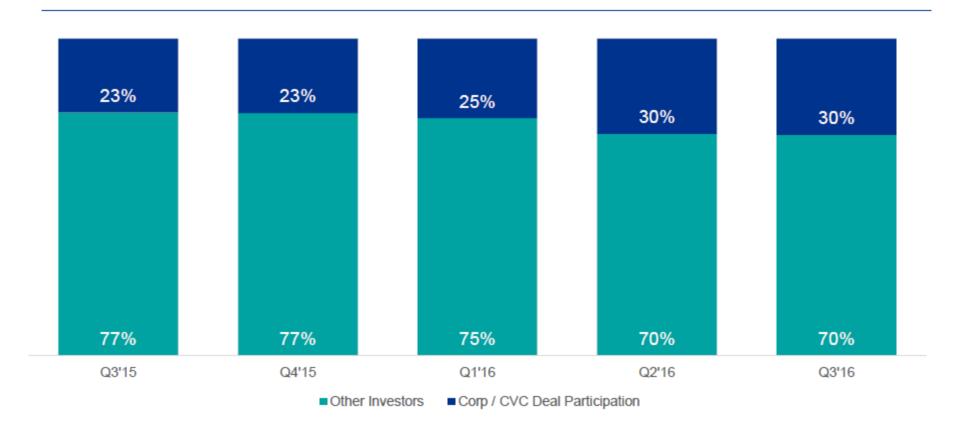




## Corporate VCs now make up 30% of Fintech deals

CVC Participation in Global Deals to VC-Backed Fintech Companies

O3'15 - O3'16



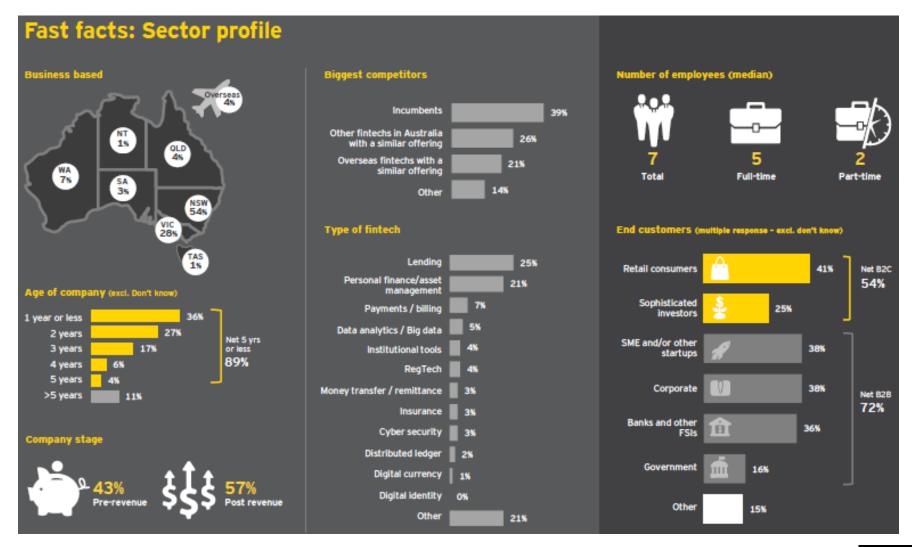


## 20 Fintech Unicorns valued at \$68B; 15 in payments or lending





## Australia Fintech Scene is starting to take off...





## **KGSM Fintech Top 100**





#### Australia and NZ growing in representation – 10 / 100







## **Key Innovation Clusters within Financial Services**









## **NAB Battlegrounds**

Help customers navigate the full home ownership journey



HOME OWNERSHIP

Provide a "connected" experience for small and medium businesses



CONNECTED BUSINESS

#### FOUNDATIONAL CAPABILITIES

- Use deep understanding of data to drive customer insights and solutions
- Leverage inherent bank capabilities including trust, security and identity



CASHLESS WORLD

Help customers move to easier, faster, richer payments

# EMPOWERED INVESTMENT



Help customers build, monitor and manage wealth:



## **Key Criteria for Investment**

**Founders** 



**NAB** Leverage



#### **Market Potential**



**NAB** Innovation







2020 Strategy Themes

Sensing & Scanning

**Build** 

**Experiments** 

**Express Delivery** 

**Partner** 

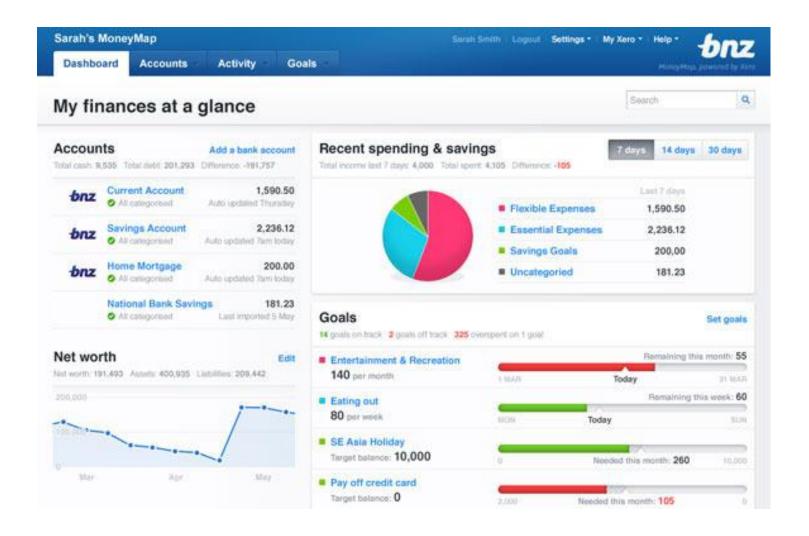
Commercial Deals

Joint Ventures Buy

NAB Ventures

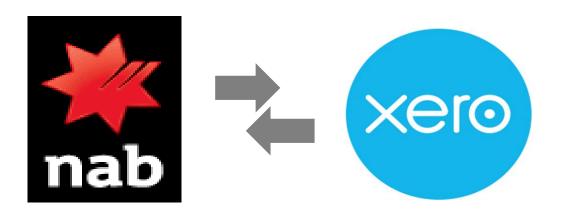


## Strategic Investment – XERO





### **Strategic Investment – XERO**



#### **Market leading bank integration**

Simplifying the accounting process by setting up of bank feeds between NAB and Xero . This can be done in less than a minute and entirely online within NAB Internet Banking.

#### **Australian first lending lead integration**

Customers can consent to sending reports with pre-existing Xero data to NAB. Our bankers will call back within 2 business days to have an informed lending conversation.



# Strategic investments in businesses with capabilities aligned to NAV

Disruptive – creation of new business models

## Impact of Innovation

Sustaining – enhancements to existing business



Pursue if mutual benefit (to disrupter & NAB)



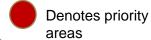
Capture innovation (represents biggest opportunity & threat to NAB)

**Don't pursue** (likely distraction)

Commercialise into NAB

Adjacent Market

Core market







#### **NAB Ventures**



\$1-5m Investment



Often part of larger financing round with co-investors

#### **INVESTMENT MANDATE**



Typically developed product or service with market traction



Strong interest in fintech...



START-UP

#### CAPTURE SYNERGIES



NAB

Drive value in portfolio companies by:

- Validating key assumptions & product market/fit through experiments and partnerships
- · Leveraging NAB's distribution to accelerate growth
- Accessing NAB's expertise in technology, compliance & scaling businesses
- Leverage insights & synergies across the growing portfolio
- NAB becoming a customer/user, adding credibility

Portfolio companies will bring innovation into NAB by:

- Providing early access to innovative business models and technology
- Facilitate NAB thought leadership in the fintech sector
- Increase **industry engagement** through portfolio companies as well as their wider start-up ecosystem
- Provide cutting edge technology to NAB customers



#### **PORTFOLIO MANAGEMENT**



\$

Maximise value for NAB and company

Support for 5-7 Years



**Exit** through IPO or Trade Sale



#### **NAB Ventures Investments**



Payments Sector
Company Confidential

Payments Sector
Company Confidential

