



Z O P A

Rebooting the cash savings market

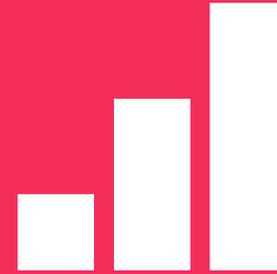
Natasha Wear, Head of Investment Product
11th July 2018

A pioneering financial services company

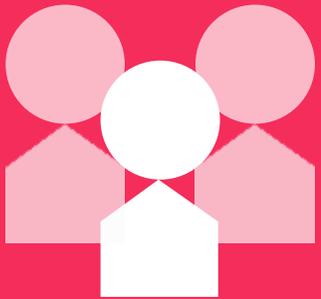
ZOPA



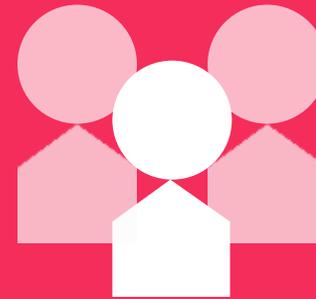
World's 1st
peer-to-peer
lending platform
in 2004



£3+ billion
lent to date,
and our growth is
accelerating



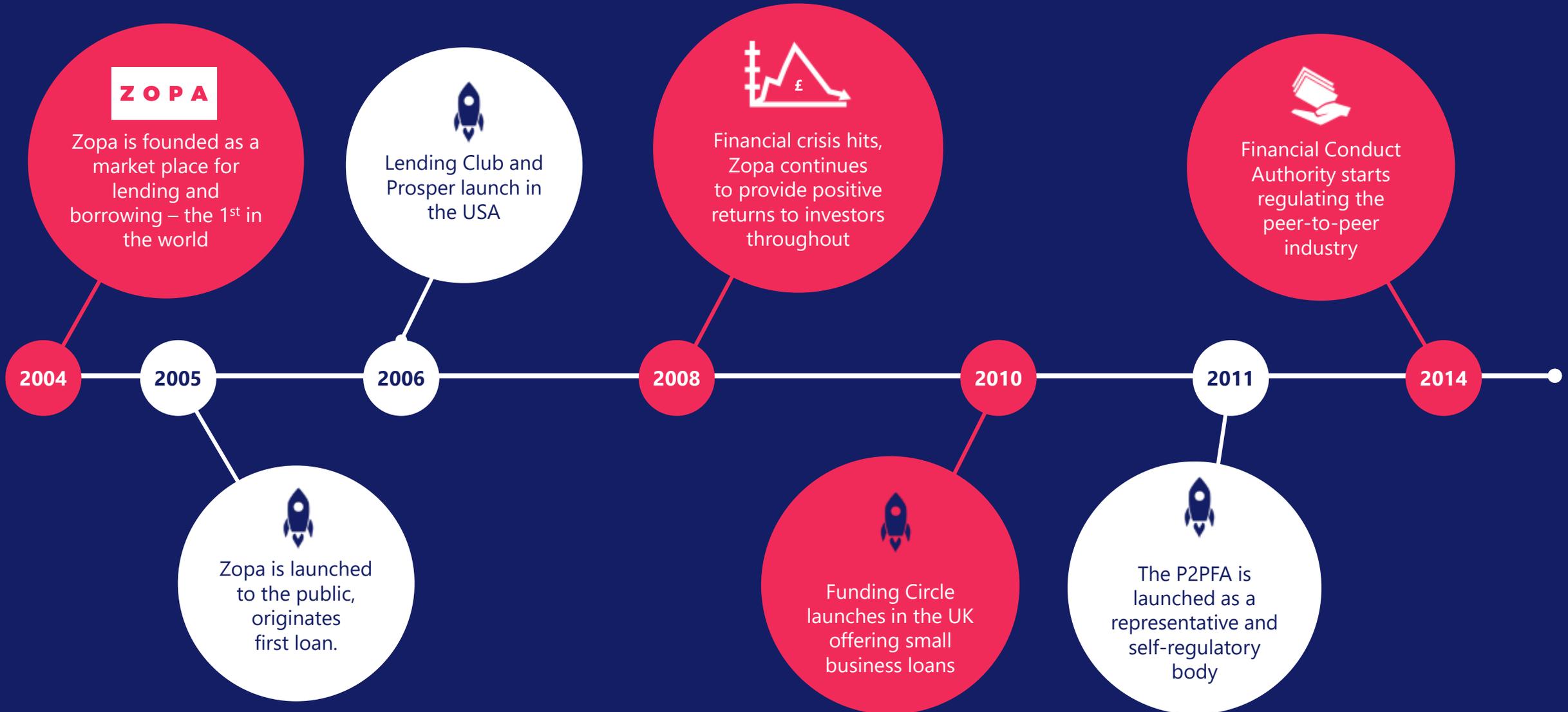
300,000
people have taken
a Zopa loan



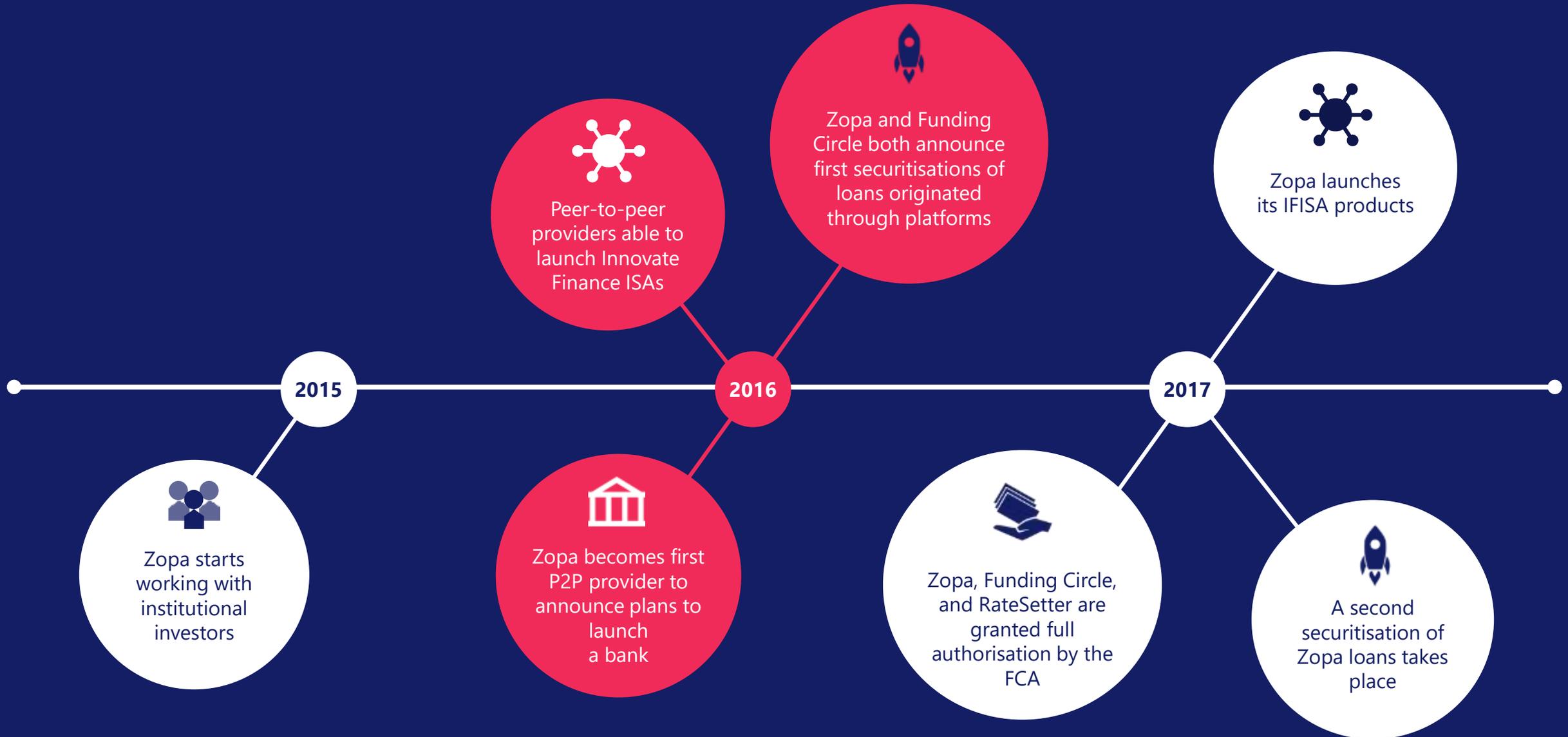
60,000
actively invest
through Zopa

A history of peer-to-peer: Early years

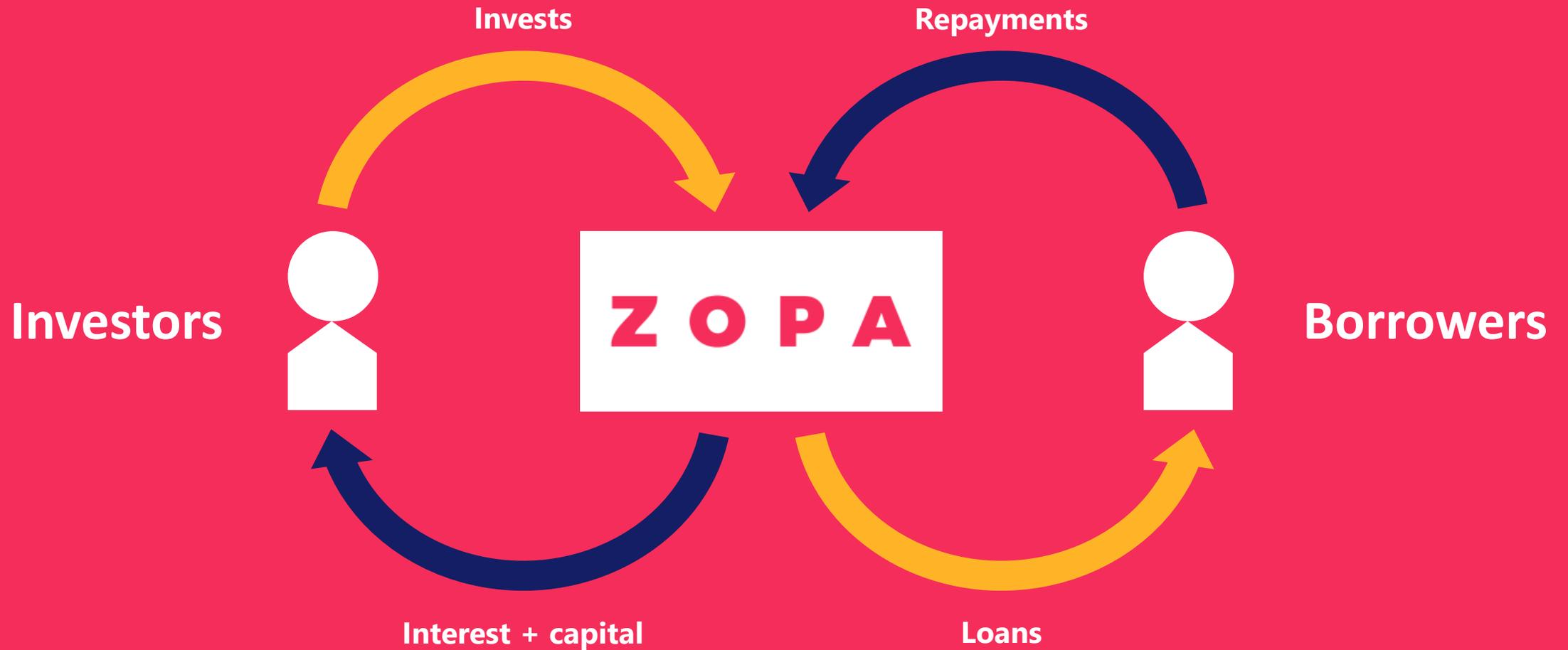
ZOPA



A history of peer-to-peer: Recently



Simple loans.
Smart investments.



The UK peer-to-peer ecosystem

ZOPA

Consumer



Business

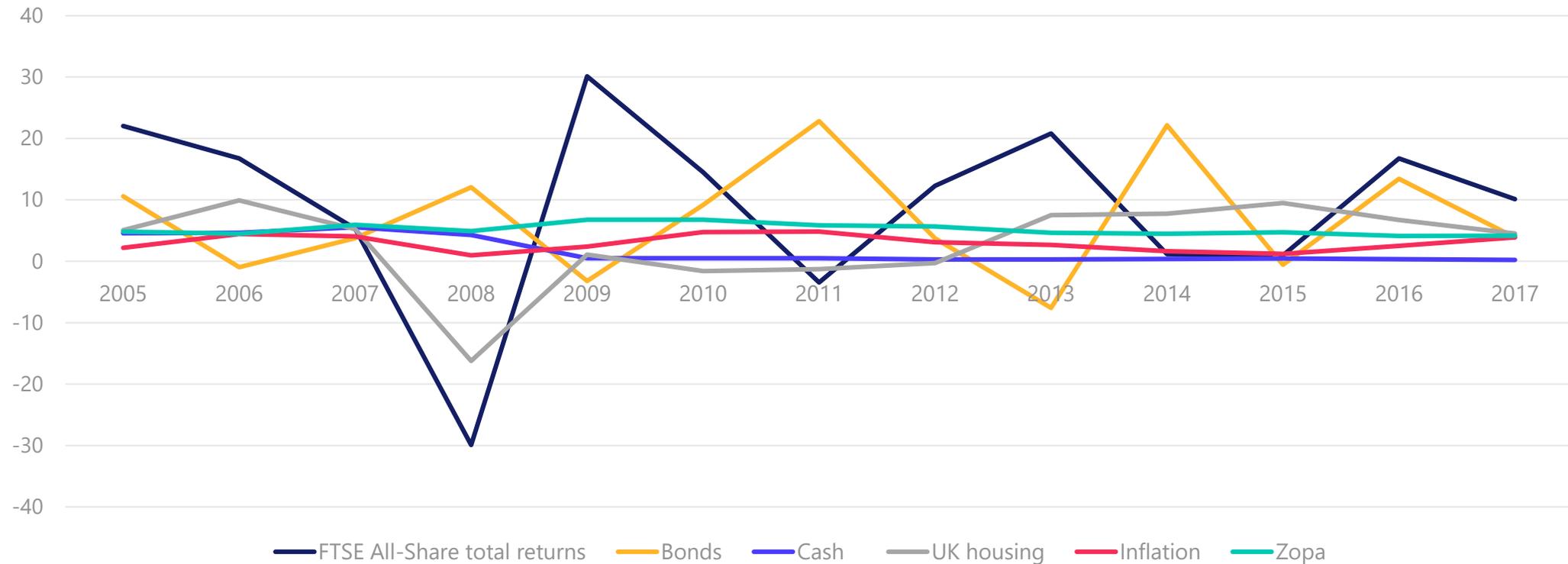


Property



The creation of a new asset class for retail and institutional investors

Zopa has delivered consistent returns across the cycle
(% return)



Zopa's Products

 Zopa Core	 Zopa Plus
4.0%	4.6%
Annualised projected return (capital weighted average loan interest rate minus expected principal loss and our loan servicing fee)	Annualised projected return (capital weighted average loan interest rate minus expected principal loss and our loan servicing fee)
A*-C	A*-E
Risk markets: Lending to individuals taking loans up to 5 years in our A*-C risk markets . Across Core investors, returns are likely to be less volatile than for Plus investors.	Risk markets: Lending to individuals taking loans up to 5 years across all our risk markets (A*-E), including (D-E) markets which are higher risk than A*-C. Across Plus investors, returns are likely to be more volatile than for Core investors.

- **Same rates for ISAs and non-ISAs**
- **Same rates for current and historic ISAs**
- **Flexible allowances**

New inflows into ISAs are starting to decline

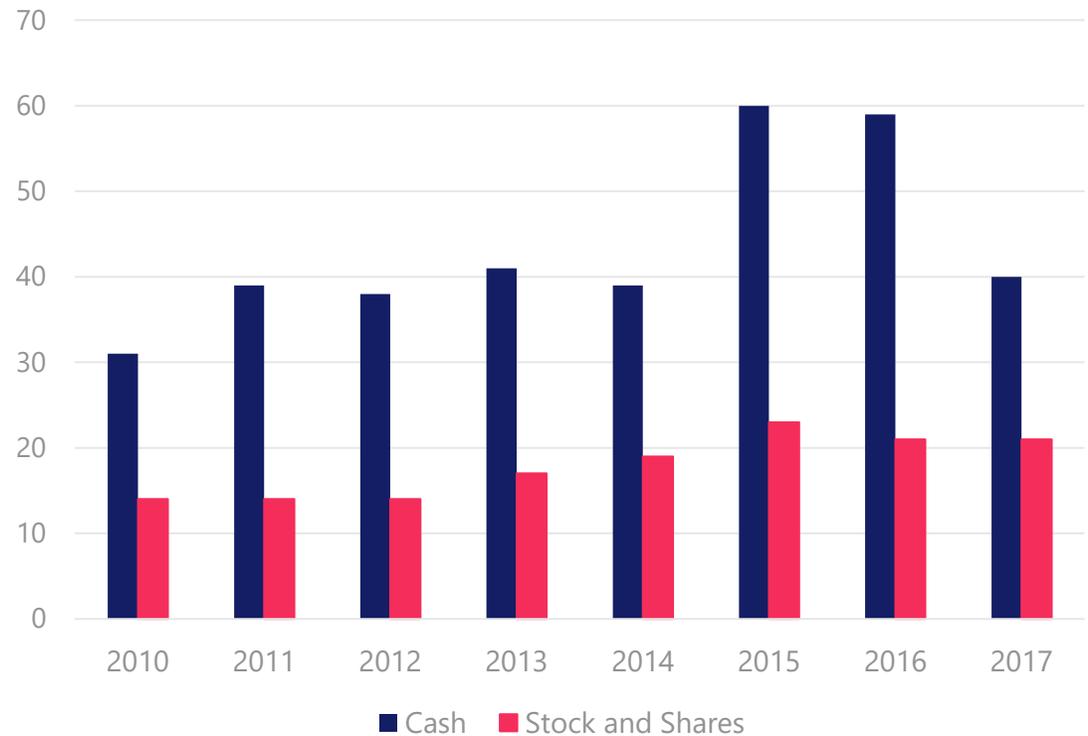
Current ISA Market Value (£ billion, April 2018)

£315bn Stocks and Shares ISAs

£270bn Cash ISAs

£0.4bn IF-ISAs

New cash subscriptions fell in 2016/17 (£ billion)



What's next?

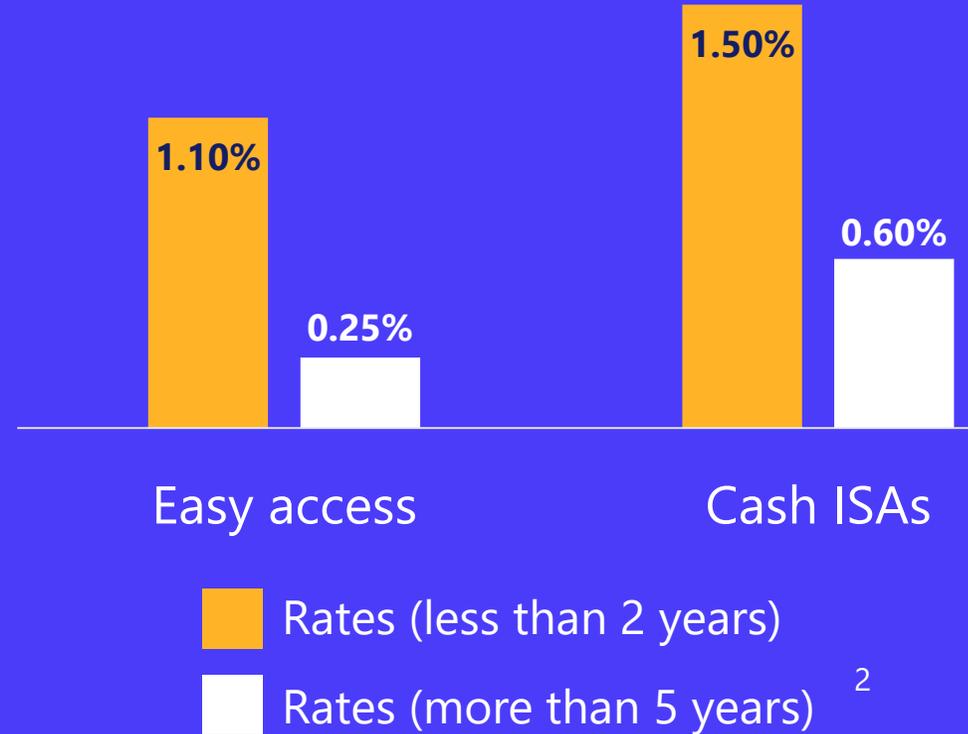
Lack of customer centricity in the savings market



Savings rates

66% of savers don't like that banks advertise a rate and cut it after a year ¹

20% of savers with a fixed-term account don't know what happens to the interest rate at the end of the term ¹



Customer aligned products...

Unsecured Personal Loan

No early repayment fees

Credit cards

No 0%

Saving & investments

No front book and back book pricing differentiation

Prioritising existing customers

Auto loans

Soft check

Transparent pricing

...delivered through award winning experience...



...embracing open banking to enable customers to get in control of their finances

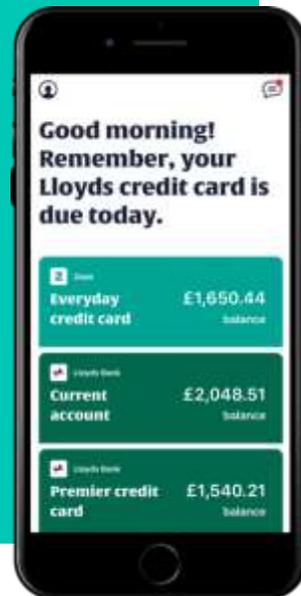
Simplifying finances: Everything in one place, securely and in customers' control

Snappy insights:

To act on, whether to avoid charges or work towards a bigger goal

Great value:

Personalised pricing



Zopa Bank is uniquely positioned

ZOPA

	Established banks	ZOPA	Start-up banks
Strong customer centric culture		✓	✓
Excellent customer experience		✓	✓
Risk management capabilities	✓	✓	
Innovative technology		✓	✓
Proven origination engine	✓	✓	
Established franchises	✓		
Agile and nimble		✓	✓
Lean operating model		✓	✓