



#02 Solved

How do you foster
successful Savings Circle
communities?

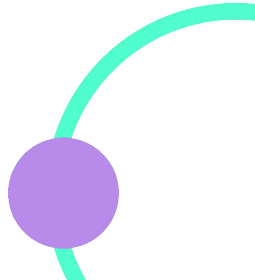




Designed for members, structured to work

Create better performance from fusing behaviour and finance

- We help you underwrite
- We have built-in nudge factors
- We create interpersonal engagement





Example: StepLadder's underwriting for UK home-buying product

TEST 1

Affordability with rent

PASS if 60% of monthly disposable income* inc.rent
>
Fixed monthly Circle Contribution

*In all tests reported expenditure is tested against ONS data and the higher of the two figures is used

TEST 2

Affordability with mortgage

PASS if 60% of monthly disposable income
inc.mortgage payment* >
Fixed monthly Circle Contribution

*Mortgage assumptions: total loan = 4.5 x
Household Income and 2.25% interest + principle
repayment, 25yr term

TEST 3

Affordability under stress

PASS if surplus funds available to cover outgoings
under 3.00% interest rate increase

*Mortgage assumptions: total loan = 4.5 x
Household Income and **5.25% interest** + principle
repayment, 25yr term

Applied for:
£1,000pm circle

Test 1: **Pass**
Test 2: **Pass**
Test 3: **Pass**

Decision: PASS
Invite to join £1,000pm



Applied for:
£1,000pm circle

Test 1: **Pass**
Test 2: **Fail**
Test 3: **Fail**

Decision: REFER
Invite to join £100pm



Applied for:
£500pm circle

Test 1: **Fail**
Test 2: **Fail**
Test 3: **Fail**

Decision: FAIL
Lead Passive

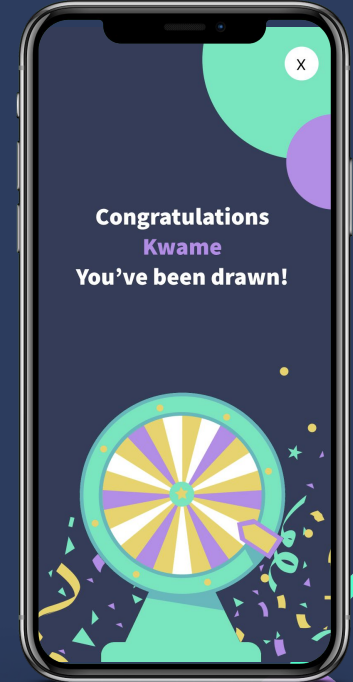
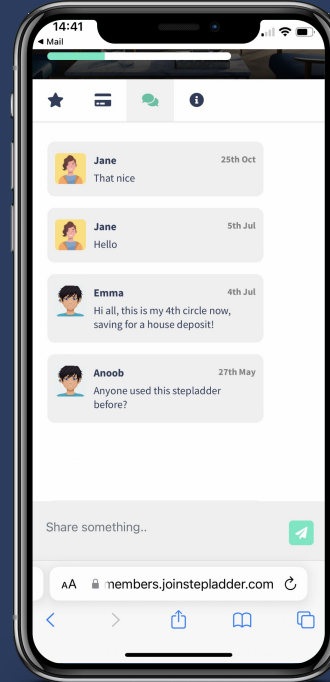




Engagement throughout member journey

Nudge Factors Matter:

- Affinity matching magnifies reputational cost of bad behaviour - just like among colleagues, neighbours and communities
- On-boarded members are known to each other through a personal profile, online Circle chat and some have joined with friends/family
- Member experience designed to provide education, resources and support throughout journey and buying discounts for our members in an affiliate ecosystem
- Gamification of engagement features: WOW moments - the draw and platform





Communication: with purpose

Purpose is Personal

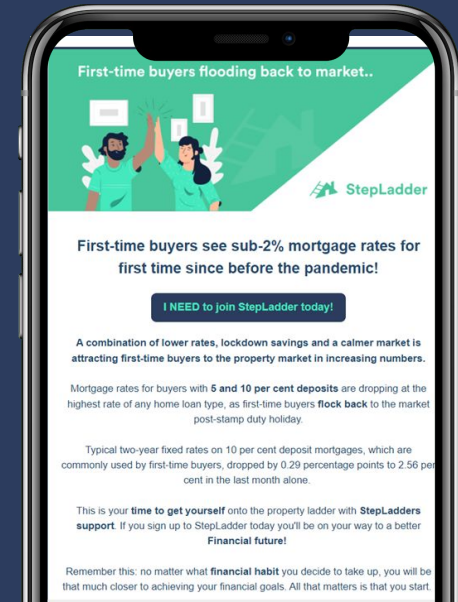
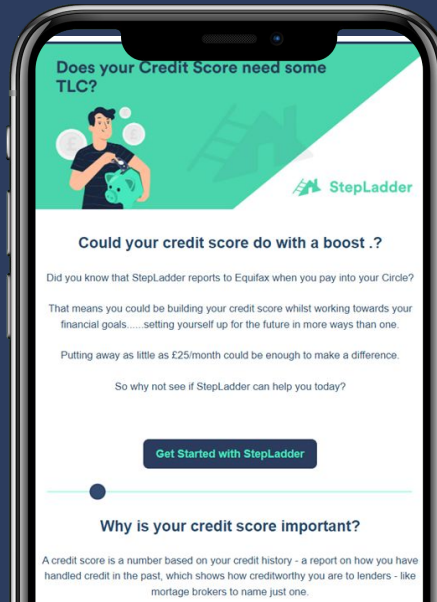
Example: Members become 'Credit Builder' marketed as a 'new product' designed especially for inclusion purposes: a product for people who may have been refused other financial products due to a low credit score.

Goals are why Members Joined StepLadder

We combine Reason for Saving and Affordability, which allows us to send targeted emails

Matched Groups

Content relevant to a Member's 'Reason for Saving' increases engagement and retention





StepLadder's Savings Circles have powerful risk mitigation

We overlay these features of the member experience to directly enhance results: defaults in StepLadder Savings Circles are **1/10th credit bureau predictions**

