



FINTECH ONE-ON-ONE PODCAST NO. 400-DEE CHOUBEY

Welcome to the Fintech One-on-One podcast, Episode No. 400. This is your host, Peter Renton, Chairman & Co-Founder of Fintech Nexus.

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Before we get started, I want to talk about our flagship event, Fintech Nexus USA, happening in New York City on May 10th and 11th. The world of finance continues to change at a rapid pace, but we will be separating the wheat from the chaff covering only the most important topics for you over two action-packed days. More than 10,000 one-on-one meetings will take place and the biggest names in fintech will be on our keynote stage. You know, you need to be there so go ahead and register at fintechnexus.com and use the discount code "podcast" for 15% off.

Peter Renton: Today on the show, I'm delighted to welcome back Dee Choubey, he is the CEO & Co-Founder of MoneyLion. Now, had Dee last on the show, boy, it was almost six years ago, and a lot has changed in that time. For one, he runs a public company now, they have also really gone from focusing on credit products to really creating an entire ecosystem of products and it's not really just financial products. As he talks about this, he talks about creating content, creating educational videos and engaging videos and trying to reach the customer in multiple different ways.

He talks about this concept of changing the form factor and it really is quite impressive to me. And it certainly got me thinking what's possible because once you finish listening to this interview you'll say wow, MoneyLion is really doing things differently, there's not anyone out there in fintech doing things the same way and, you know, I think it's a super interesting story, one that I think all of us should be paying close attention to. Hope you enjoy the show.

Welcome back to the podcast, Dee!

Dee Choubey: Thanks for having me, Peter.

Peter: Okay, my pleasure. It's been a few years since you've been on the show, quite a bit has changed. So, why don't we kick it off by just telling the listeners, like how do you describe MoneyLion today?

Dee: Yeah, like a lot has changed since the last time we spoke, right. So, when we started the business in 2013 it was all about using increases in Artificial Intelligence, machine learning that gave, cheaper, faster, more convenient credit products directly to consumers and we built a digital bank around that.

Today, MoneyLion is much more. We offer consumer services, of course, we also have a very vibrant and growing enterprise business. If you think about MoneyLion as the advice and content layer and the strategy's then to monetize the impressions and the consumers that we're bringing in through that value proposition through the neobank strategy which is, again, digital banking, credit products, investing, round-ups, the impression strategy as well as the enterprise business which is now a network that we provide as a service to match supply of financial leads with product partners that fulfill



every type of financial product you can think of, from personal loans to student loans, mortgages, insurance, auto loans, credit cards.

Peter: So then, when you look at your overall business and now you've got, you know, millions of customers, what is sort of the typical MoneyLion customer?

Dee: Yeah. So, you know, we're intentionally mass market. The ideal customers are \$40,000 households all the way up to \$150,000 households, you know, they're typically underserved by the existing money center banks, 30 to 35% of our users are gig economy workers and that's really where we excel. We can provide very customized, personalized products to consumers that don't fit into the boxes of the traditional financial institution, right.

So, our paycheck detection capabilities, our ability to really help consumers in times of excess when they may be earning a little bit more than they're spending, giving a lot of advice and content around taxes, around buying, all around inflection points, buying a house, buying a car, leasing, paying taxes all the way to times of need where they may be in-between jobs or thinking about learning how to make more money and helping them through some of our credit products that we have, right. On our network side, it's even a bit more mass market, if you will, with the average consumer having a FICO score of at least 720 on that side, all the way up to 850.

Peter: Right, right, okay. So then, when you look back at the neobank product side of the business, what area gets the most engagement, like where are people kind of spending their time on MoneyLion?

Dee: Yeah. Well, look if you think about, you know, our core consumer value proposition, it's integration, right. It's a platform of products, it's one piece of software that's part bank, part investment advisor, part lender. We have one of the leading Earned Wage Access products in the country, we have a credit building membership as well as access to third party products. Given our integration with our marketplace, we can now offer in a very seamless experience a myriad of third-party products right into that consumer flow.

So, that bank account continues to be the hub of the relationship, it gives us the ability to have a very personalized conversation with our consumer because we know how much they earn on Thursdays, how quickly that paycheck decays by the next week. So, we can actually say, here are the five or six substitution products that help you save more money over time or replace a more expensive financial product that we're observing through your linked accounts or through your bank transactions with something that we can go and get out of the marketplace and place that right in front of the consumer.

Peter: Right, right, that's super interesting. I feel like one of the things that fintech has done really well is take the data and then make recommendations that is just objectively going to make their financial life better.

Dee: Yeah, it's intrinsically valuable, right. The consumer enters into that data barter because at the end of the day, they save money every month than they were paying beforehand.



Peter: Right, right. So then, I want to talk about the personalized content you guys do because you've already mentioned it once or twice now, the brief amount of time we've been together so tell us a little more about it. And I'm really curious if you're actually seeing people improve their financial literacy or maybe improve their decision making, what can you tell us about that?

Dee: Yeah. You know, one of the things that we saw was that the Internet is filled with massive amounts of personal finance content, right, and personal finance not necessarily just how to improve your credit score or how to budget or how to save, but, increasingly, our labor force is becoming a labor force that's a sole proprietor. So, how does that segment of the population, you know, I mentioned 30 to 40% of our users are gig economy workers, how do they think about setting up an LLC, how do they think about the taxes and the insurance products that they need to run a vibrant sole proprietorship. That type of content is pretty scattered across the Internet, you know, what we saw an opportunity to do was really curate it into organized playlists, feeds and match them with sort of the daily transaction data that we're seeing at the consumer.

That personalization, every time you open the MoneyLion ecosystem, whether it's our app, whether it's our social feeds, whether it's our website, whether it's interacting with our shows, they're personalized down to the income generative capability of the consumer and the aspirations, the preferences, the intent that we're seeing that consumer display across multiple ways.

They can tell us just like you would personalize your Pinterest Board or just like you personalize your Twitter feed. Our consumers are now personalizing their MoneyLion feed much akin to social media platforms so we think of that as a form factor change. We're not quite there, in terms of really kind of delivering that form factor change from a results perspective, but we're seeing green shoots where we're becoming the daily destination that.....I hate saying it this way, but it's the best way to kind of make the analogy, the TikTok of finance.

You know, the more you're spending time on a topic that pertains to you, you can upvote, you can see more of that type of content, you can see how the community.....you know, the best gig economy workers, the best creators and influencers are optimizing their savings, their wealth management activities, their taxes and you can learn from the best. That community element combined with, you know, our first party ability to create content, remember we bought a company a year ago which was a media studio, so we have media generation capabilities in Jersey City and Los Angeles that allow us to go directly and create those stories on our own behalf, whether it's podcast, short forms, and embed them in otherwise what would be a pretty static financial services experience.

Peter: Well, I really love that, Dee, because it is taking it to the next level and as you say, you have so much data on these people. I imagine, I mean, the more you personalize it, it's probably a flywheel effect, right. The more you personalize it, the more they engage and the more you can personalize it.

Dee: Yeah. What you think in a lot of ways, the neobanking business model was historically always predicated on generating interchange and ancillary bank transaction fees. What we saw, an opportunity was actually to use the neobanking model to get to know the consumer really well and then really create a platform for delivering benefits on a daily basis. So, what that does is it creates more impressions for us, it creates an opportunity for us to really increase that lifetime value for the consumer over a longer period of time.



Peter: Right, right. I won't name names, but I log into my bank every morning, that's part of my morning routine just to see that nothing strange is going on, what's going on there, but I'm given the same screen every single day and I don't learn anything other than what were the last transactions in my account. People are very engaged with their financial lives so I imagine, people logging in everyday, I mean, what's the engagement?

Dee: We're seeing a 300% increase in engagement quarter over quarter.

Peter: Wow!

Dee: And that engagement is the same engagement that users on social media tiers would use, like a TikTok, like an Instagram, on a similar metric we're seeing 300% increase. So, initially, we heard the feedback that hey, look, you know, people want to come into their bank app and they want to see the balance and they want to get out as quickly as possible and that, you know, really think about this is a weekly active user or a monthly active user. But our idea was that we can actually get, with the right content and the right personalization and the right advice not ads, a daily active behavior through this platform and we're seeing that again, and we're seeing people share.

You know, the referrals is a percentage of our total, new accounts are on the rise, word-of-mouth is on the rise and it just lends to more peer-to-peer, more social finance activities ultimately bringing down customer acquisition costs because these business models are hyper-focused on business models these days. We are building sustainable business models across cycles when interest rates are low and when interest rates are high and we categorically believe that this strategy is all-weather. It's resilient, it's durable because we have the opportunity to converse with the consumer at every financial inflection point in times of excess as well as in times of need.

Peter: Right, right. Interest rates are obviously rising and, you know, there's a lot of talk about a recession next year, how are you kind of adjusting your business with that backdrop?

Dee: We've been at it for just about ten years, we have a near-decade experience now in acquiring consumers, retaining consumers, conducting KYC, AML and providing various types of products. So, we feel like we have significant amount of levers that we can pull, but I would say that the American consumer right now, at this moment in time, is holding up rather well. Unemployment still is an acceptable and in fact, it's historically still fairly low. We're not seeing any concerns right now, whether it's on provision rates or NPLs or delinquency rates or roll rates and we're seeing a consumer that's able to pay their obligations.

But what we are foreseeing though is that a lot of large employers are holding a, you know, layoffs in their back pocket for Q1 and we're anticipating that, you know, that unemployment rate will go up in Q1 and Q2 until there is an equilibrium between unemployment and interest rates and I think that's what you're seeing the entire market really react to. On our enterprise side of the business, we are highly exposed to advertising spend.

Peter: Yeah.



Dee: You know, we provide our Marketplace-as-a-Service capabilities to some of the largest fintechs in the world and I think we, you know, kind of publicly say that some of those clients include the likes of SoFi and Lending Club and Upstart as well as a myriad of banks and credit unions and other financial institutions, including insurance providers and credit card companies.

There's, you know, sort of this precipitous rise in interest rates that certainly affected mortgage originations. It certainly increased the cost of capital both to provide and both to warehouse personal loans and we're seeing certainly headwinds there. Now, the benefit of having a two-sided network though is that once you have the supply, you can expand your demand partners and your product partners to be really diverse. That's been a hedge and that's been working really well, but certainly seeing the market react to what might become a self-fulfilling prophecy in Q1 and Q2.

Peter: Right, right. You have a crypto offering now, right, and obviously, you know, we're recording this just a couple weeks after the FTX blowup, could you touch on kind of any activity that your customers are doing that's different from....are they all wanting to pull-out, I mean, what have you seen?

Dee: Yeah. Well, first of all, we have zero exposure to, you know, FTX, crypto.com, Binance.

Peter: That's good. (laughs)

Dee: And, if you remember, crypto for us is part of the content strategy, part of the education, part of the financial literacy, part of the daily active views. You can log-in to MoneyLion and you can tell us how you feel about Bitcoin, you can tell us how you feel about, if you don't even like coin, we only support four coins right now, of course, Bitcoin, Ethereum, Bitcoin Cash and Litecoin. We're not exposed to the Solana ecosystem or the DogeCoin or the Shiba, you know, ecosystems or even other alt-coins, we, of course, provide the ability to track them and monitor them.

We are not seeing any changes to the behavior, in fact, we're seeing a roundup scale-up. The primary use case for crypto inside of the MoneyLion ecosystem is consumers can round up their debit card transactions on their own bank account, both our own as well as, you know, your expenditures on Capital One or Chase or Amex, all of them can be rounded up into Bitcoin. In fact, we use that as an opportunity to say that look, if you're taking a long term view on the usefulness or the applicability of these coins, this is a great time to continue dollar cost averaging when it's seemingly at a significant discount to where it was six months ago or a year ago.

Peter: Right, right, okay. So, I want to go back and talk about Even Financial, I think it was last year that you've made that acquisition, it's been a while.

Dee: Yeah, February, we announced it about a year ago and in February we closed it.

Peter: Right, okay. It sounds like you've really gone all-in in integrating this into your business, but tell us a little bit about, what have you done to the Even Financial platform that, you know, maybe you can describe what it was when you bought it and what you kind of wanted it to be or want it to be.

Dee: Yeah. Look, I think it's an incredibly powerful platform, it is a true two-sided network with over 500 channel partners that are publishers across the Internet and these are some of the most iconic and top



consumer-facing websites starting with [cnbc.com](https://www.cnbc.com) and on down. And then on the other side, we have over 400 product partners so these are, you know, providers of personal loans, high yield savings accounts, insurance products, mortgages, even though that's muted right now it's still a very important part of the network, credit card offerings, auto loans, credit building, all the way down to near prime and sub-prime offers, that include debt relief and others, you know, it's a really powerful network.

The overall strategy here for us to, you know, have a consumer business, a media business and a network is to have that flywheel, right, so we want to take some of our media assets, you know, if we're creating content feeds, if we're doing MoneyLion University. We're doing original series, we want that to be available for everybody on the Even Financial network. In fact, you know, we're going to be really branding it all together as part of the MoneyLion family very soon, but that network has the benefit of our media business that every one of our 400 product partners can use to improve their own marketing funnels, whether it's acquisition, whether it's retention, we want that media business to be democratized across that network.

Peter: Right.

Dee: Our consumer business is a publisher in its own right with significantly scaled daily active impressions and daily active and monthly active news, you know, we are very agnostic. We still hear like, you know, questions that hey, do you compete with SoFi or do you compete with this provider or that provider and the answer is definitively not, right, because the strategy with the consumer businesses to be a publisher is around financial advice and financial content.

So, we're happy to provide and actually take an Amazon style strategy where we're encouraging our consumers to think about the best path towards meeting a financial goal as opposed to our path to meeting a financial goal. If our first party products, whether it's our credit building membership that people need to increase their credit score or if it's our Instacash product, where, you know, providing Earned Wage Access, you know, then certainly they act as complimentary products.

But for the most part, our consumer business acts as a very powerful publisher of recommendations of the products that are happening at our network and amplifying the use case of those products through very contextualized short videos, podcasts, the community, you know, how does someone else think about refinancing a home, how does someone in Texas think about redoing their kitchen and when they redo their kitchen they, of course, say, we looked at these four options for my home repair loan. That, again, creates a flywheel because we're providing a lot of context around how very smart Americans and consumers already in the MoneyLion consumer side are using the network products.

Peter: Right. So, I want to go back to the media piece. So, when you're saying you're creating original content, like you're not competing with Netflix, I imagine, but is the original content going to that person in Texas who's redoing their kitchen and interviewing them? I mean, what is sort of the thrust of what you're focused on there?

Dee: It's actually very interesting, right. So, the media business that we bought already had a network of over a thousand creators and these are some of the top influencers on TikTok, on Instagram. They were already creating postproduction services for analytical services, for distribution services so they



were able to go into that existing network and said hey look, why don't you also post the same content that you're putting across the Internet also on MoneyLion instead.

We're not taking every piece of content, we're taking a piece of content that's money adjacent, right. In life, as it happens, most conversations have some element of money involved so, you know, assume 70 to 80% of the content that's being created by a top influencer on TikTok has some money adjacency. Then our ingestion capabilities, this is where the machine learning, the AI all comes in place to match that piece of content not randomly, but when we see there's a match with an inflection point that a consumer may be having, that's really a super power.

I think that's really where, you know, the power of the media business sitting next to a consumer finance fintech business, next to a network, is misunderstood a little bit by the markets, but I think as we start showing some of the engagement benefits that drive ultimate impressions and ultimate monetization through monetizing those impressions, that business model really will prove out to be one of the ones that are more resilient and more durable to keep acquisition cost low and customer retention high.

Peter: Right. So, rather than advertise on TikTok, you're bringing TikTok inside your business, it sounds like. So, is the idea to have...is it to be like a mini TikTok in and of itself, like you want people to go in, watch a video, maybe watch another video and another video, is that like, how are people, the individual supposed to engage with this?

Dee: Yeah. That's the ultimate end goal for what we are building. Clearly, that's not going to happen overnight because we're taking a business that was just a consumer fintech business and we're integrating and we're getting the benefits of synergies. But when this is working at scale that's exactly right, you know, we want to be the definitive search engine for financial products and we want that search to be hyper personalized to the consumer, to the geography that they're looking in.

You know, you can go to Google and say, I want to buy a house and, you know, you'll get lots of offers from mortgages, but if you go to MoneyLion in the future and you say, you know, I want to look for a house, it will know that you're in Dallas, it will know your income profile, it will know your preferences. It will know where you may potentially be living now and the search results will be not only be the type of house you can buy, but a mortgage financing offer to help you really act on that faster plus content for how to optimize in that geography, in that location, a house buying process.

So, we think that with the capabilities that we have, the financial search that MoneyLion will have will be more powerful than what's available in the market, it's a form factor change. You know, we all love the hyperbole of the future of finance, but the capabilities that we have and the strategy that we're executing on, you know, we definitively believe that that is one manifestation of where the entire industry is going to ultimately go to.

Peter: Right, I totally get that. I think that everyone wants to attract the young, you know, the 18 to 25-year old, 18 to 35-year old kind of audience. You know, the influencers seem to have a lot of real sway over these people. I know, my son, he's on soccer TikTok all the time and that's the sort of thing where he is gaining his knowledge, he's only 16 years old so it's not like he's, he does not care learning about finance or anything, but I can see that...I don't think fintech has really caught up to this yet at all, but



this new generation coming on, they're going to get a lot of their knowledge from these video platforms, right?

Dee: A hundred percent, that's the stat that really kind of, you know, keeps our attention...was just the idea of how many Americans get their financial advice from social media. Oftentimes, it's not vetted, it's not trustworthy.

Peter: Right.

Dee: So, we play a little bit of a part in making sure that it's responsible content from a curation perspective that we allow into the feed and then to the playlists that our consumers see.

Peter: Right. I think that's super important and, I mean, you're at the forefront there because I think in a decade or even in five years, everyone's going to be thinking this way, but they certainly aren't yet. But anyway, I want to talk about marketing channels. A few years ago now when I saw you at Money20/20 and you had your, I don't remember the exact type of car.

Dee: NASCAR.

Peter: NASCAR, right, yes. So, you've really gone all in on a marketing channel for that. I think I've seen you with like the NBA Junior League or G League, whatever they call it, so what's the strategy there?

Dee: The idea of really owning the culture of money can be translated into various segments, right. You know, historically, we were limited in our segmentation so what we realized that we had to do was, we had to become part of communities. So, some of the communities that, you know, we've really chosen to amplify what we stand for, our vision and our mission have been NASCAR and we've been part of NASCAR in various ways for almost five years now, first the team Penske, and now with Team 23XI, which is Michael Jordan's racing team. And we're really aligned with folks like Bubba Wallace and Kurt Busch who have a real desire to humanize financial services, humanize kind of, you know, thinking about the right financial decisions for the NASCAR community, for the underserved communities.

So, we're trying to align ourselves with challengers, we're trying to align ourselves with, you know, folks that are trying to do what's right to ultimately get a step function change in their own lifestyle. So, if you think about the G League, it's consistent with that ethos, challengers who are looking to do better and they all become, you know, ultimately great ambassadors for us. So, those are only a couple of our strategies in terms of go-to-market.

We're doing a lot with NIL, we're the official mobile banking app of Influencer which is one of the largest networks of leading college athletes who are now starting to really increase their presence on college campuses as really the money app that every time you money be a MoneyLion...really the idea there is let us be a free resource for people starting out in life, to really learn about all the things that were not taught in high school or college about personal finance, everything from budgeting, saving, investing, crypto, 401(k)s, retirement planning. All of it really should start when you're, you



know, 20/ 21/22 years old. So, these types of sponsorships help us with really kind of increasing the awareness of the incredible things that our product team is putting into the product.

Peter: Right, right. I want to get to a couple of more things before we close here. Everyone realizes there is a fintech bear market when it comes to raising capital, when it comes to valuation. Certainly, the public markets have been hammered and you've been hammered along with the rest of the industry, how has that impacted you? How are you navigating this kind of, this bear market in fintech?

Dee: This year, we saw a sudden and precipitous rise in interest rates, right, so what that does is it has a lot of pull on a lot of things from just how capital is allocated, right. We saw a huge monetary policy unwind from the pandemic, but what you have to remember, Peter, is that it's never as good as it seems and it's never as bad as it seems (Peter laughs).

Peter: Right.

Dee: Probably it wasn't as good as it seemed last year or the year before when everyone was printing multibillion dollar valuations. You know, we took advantage of that market to raise a significant amount of capital through our SPAC transaction and now is the time, where again it's a business. When we took MoneyLion public, last 12 months it had 76, just under \$80 Million of revenue. This year we will do upwards of \$320 Million of revenue, right and as you said, you know, the stocks off significantly, lost most of its value, but the good news is that, you know, generational businesses are going to be created in this downturn and we believe we are one of them.

We are incredibly well capitalized, as we talked about today, you know, we have the ingredients, we have a great management team. We have, you know, with the acquisitions we have now three founders that are part of our executive bench, three people that have bootstrapped meaningful businesses, have raised a lot of capital. We have an incredible CFO, one of the world's best chief product officers, incredible people on our growth team, we have, you know, all of the capabilities in Kuala Lumpur, over 400 engineers, data scientists, product managers that are building incredible products. None of that has changed for us, right.

Peter: Right.

Dee: So, when I see kind of a reaction on the stock market, a lot of it to me means that it's a big misunderstanding that fintech still has incredible opportunities to create form factor changes. We continue to have a significant cost advantage, it may not be apparent if you look at the 10-Q, you know, you will see that MoneyLion had a \$14 Million loss on adjusted EBITDA, but we're bringing that down sequentially quarter over quarter. What the public markets do is they don't necessarily care too much about the short-term future because they think that okay, that loss divided by the cash on hand is ultimately the later value of the business, the fact of the matter is that momentum is on our side despite what we see in Q1 and Q2.

The diversity of the business models, the resiliency and the durability really positions us in a good spot so we can, you know, we have to focus on what we can control. Our teams is, you know, they're not looking over the shoulders at the stock price every day, of course, it's better to multiply your shares and your options by a larger number than a smaller one (Peter laughs), but the fact of the matter is,



they see the green shoots that give them a lot of confidence that this is going to be a massive outcome as long as we just continue to own the execution, continue to control what we can control and be really disciplined about what we focus on.

Peter: Right. So, any regrets about becoming a public company when you did rather than just sort of hold out, maybe do it in 2024?

Dee: Yeah, not at all actually. That's a question I get all the time as well. We were able to raise a significant amount of capital, being public forces you to be significantly disciplined. You build publicly, everything is transparent so what that makes you do is it makes you make decision that ultimately will result in business models that work. Actually, my wife told me this a couple of weeks ago, that it's easier to convince five guys in a private valuation in the private markets that, you know, you've got a form factor changing, the next best thing that's going to change the world, it's much harder to convince the public markets. You know, it just forces you to be operating in a disciplined environment that ultimately will lead to success.

Peter: The numbers catch up to the valuation eventually. If you end up with a profitable business that's generating great cash flow you're going to be rewarded for that eventually.

Closing question, what are you most excited about for 2023?

Dee: I'm super excited about bringing everything that I talked about in one container to the markets, building publicly, showing the world what we've been up to in 2022, not all of it is always apparent. If you go to our website, if you read our 10-Q, we have an Investor Day coming up on the 8th of December, I'd love for you to be there, it's going to be live cast as well if you're not in New York and that'll really be the unveil of consumer, media, tech, data and network coming together in what we think is one of the most exciting stories in fintech still.

Peter: Okay. Well, good luck with that, Dee, it's great to catch up with you, really impressive. A lot has changed really since we last chatted on the show so best of luck to you.

Dee: Thank you, Peter, thanks for having me.

Peter: Boy, there's just so much that I could really focus on there in my closing commentary, but what I really want to just point out is this different way of engaging with the customer, like you can see that MoneyLion don't really think of themselves as a financial app. They're a tool for engaging with their core customer in a variety of different ways and engaging with them deeply. He doesn't want you just to go and check your balance every day, he wants you to really engage with the product almost like you would engage with a social media app so doing it not just to manage your finances, check your finances, but doing it to learn, to really engage in your financial life in a new way. I think that's super exciting and something that I think we'll be seeing other fintechs emulate.

Anyway on that note, I will sign off. I very much appreciate you listening and I'll catch you next time, Bye.

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