



IMPERIUM MARKETS

Digitizing money markets and fixed income securities



Digital Transition of the Wholesale Deposit and Funding Market: Opportunity & Impact

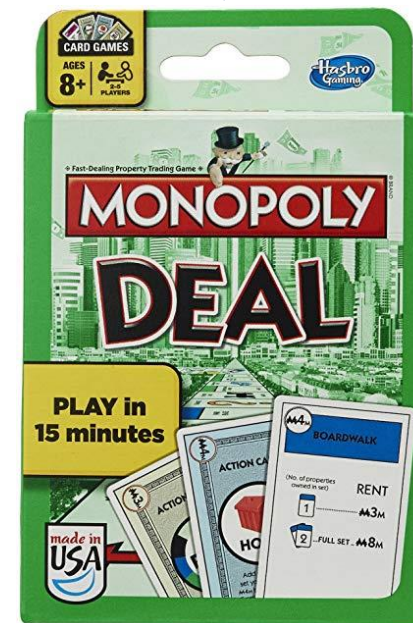
Glen Giffen
Director – Sales & Marketing
Imperium Markets
E: glen.giffen@imperium.markets

Rod Lewis
Chief Strategy Officer
Imperium Markets
rod.lewis@imperium.markets



The opportunity:

Retain core gameplay elements, whilst reducing the game time and form factor



The impact:

- Fast paced (15 - 25 mins)
- Compact & portable
- Rules basis retained

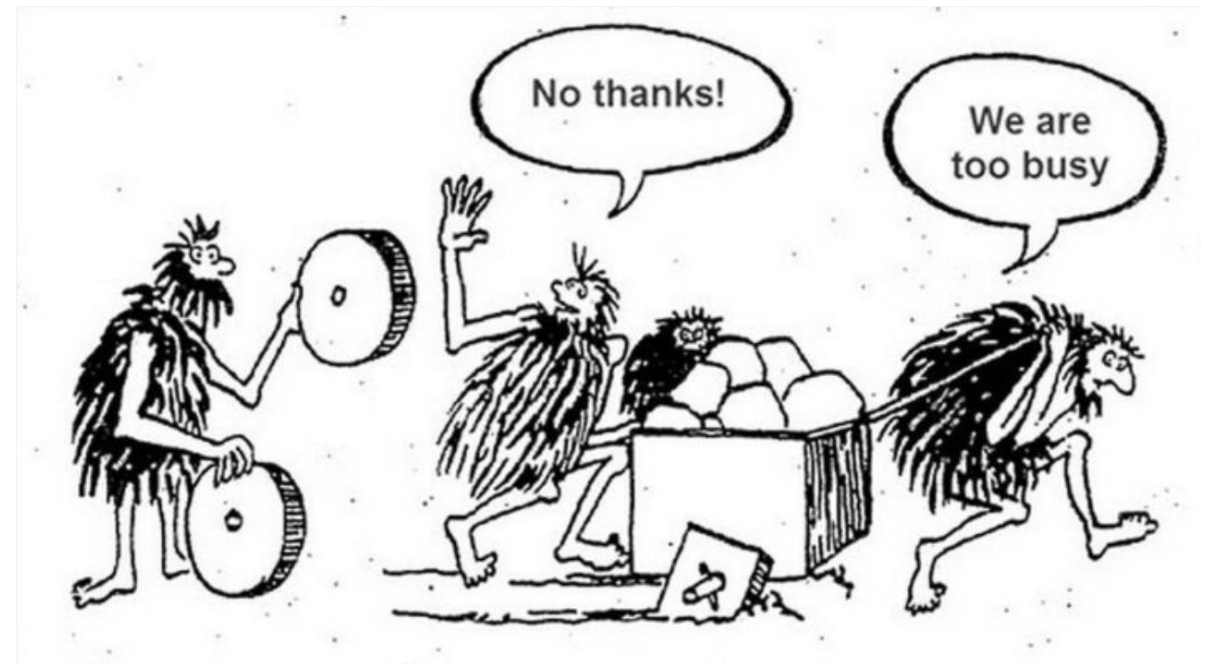


And so what does this have to do with the wholesale investment & funding market (money market)?



The evolution of the money market

- Time consuming & **inefficient**
- Analog – based on **phone & email**
- Issuers can only access a **limited** number of investors
- Very little meaningful transacted **market data**
- Lacks **business continuity** & compliance in the event of a crisis or pandemic (e.g. COVID-19)





A digital licensed money market platform for Australia & New Zealand

AUSTRALIA

ASIC requirement (RG-172, May 2018):

“the obligation to do all things necessary to ensure the market is *fair, orderly and transparent*”

NEW ZEALAND

Financial Markets Authority (Licence Exemption, May 2020)

“The FMA encourages the use of technology to improve the *efficiency and transparency* of our markets and welcomes Imperium Markets to New Zealand.”

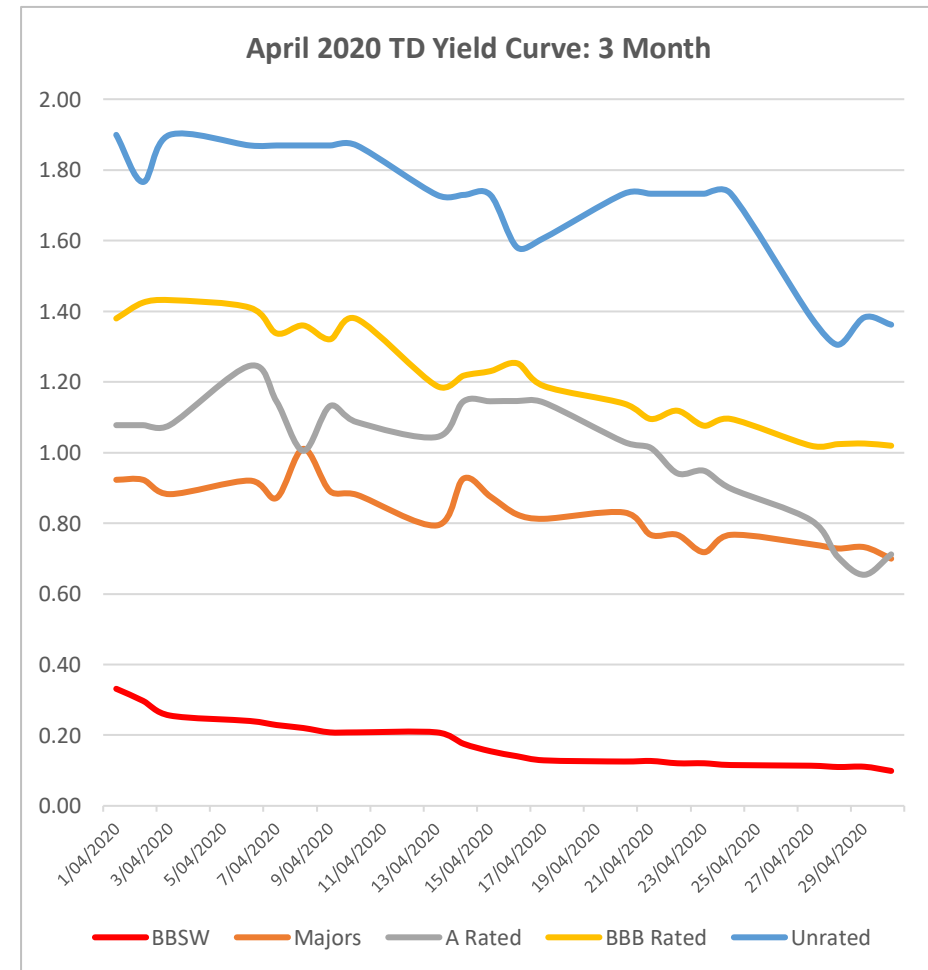
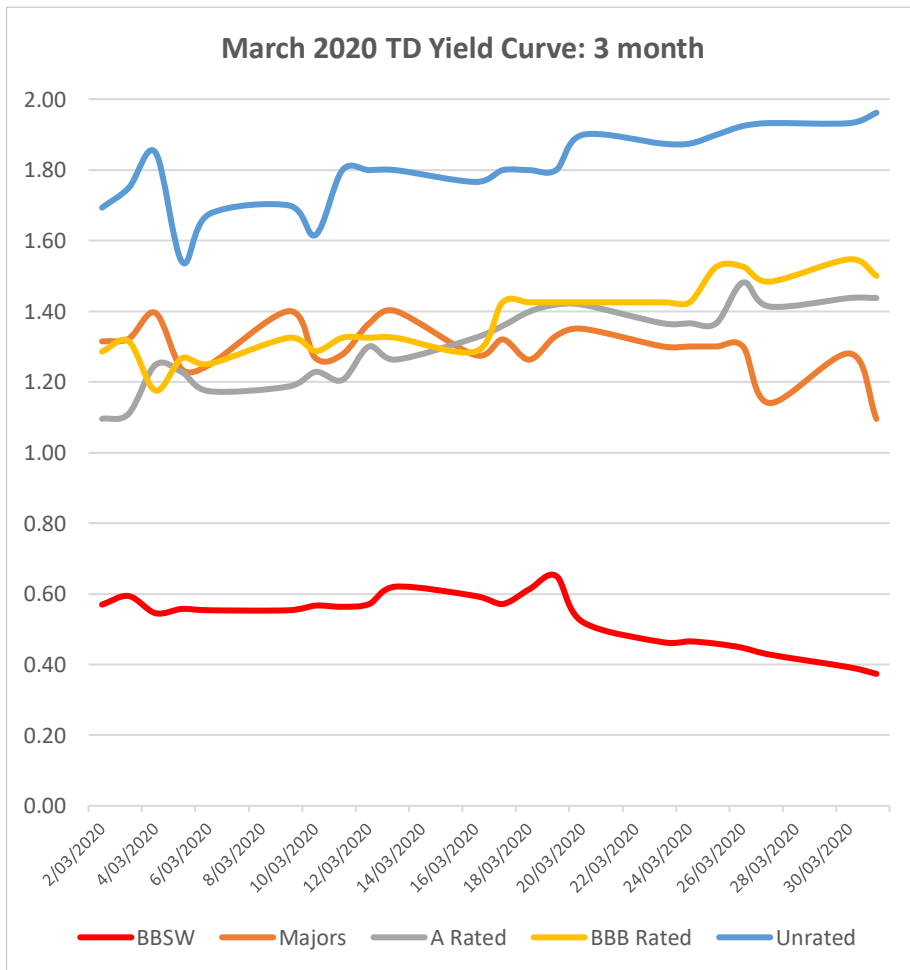


“Transparency” the common theme

But what does that mean...?



Term Deposit “Curve” comparison – March to April





Observations

- Imperium Markets transacted market data indicates we have a TD market that has **fragmented** and is pricing with respect to the underlying rating of the ADI
- There are two main reasons:
 1. the **credit stress** from the current COVID-19 crisis
 2. the response of the RBA by injecting liquidity is by its nature **top down**

We see this fragmentation remaining until at least the **end of the year...**

so get used to it



“Mutual Banks tend to write loans before making an ongoing funding plan.”

KangaNews Mutual Wholesale Funding Seminar, Feb 2020

The opportunity:

- Digitisation is just about becoming more **efficient**
- Digitising the deposit market does not replace the capital markets, but it can make them **operate a whole lot better**



The impact

TODAY

- Contributes meaningfully to more **efficiency** of market operations.
- Brings greater **transparency** by enriching market data available for all market participants
- Greater resilience in the event of a crisis – underpins business continuity and improved **compliance**

TOMORROW

- Promotes **liquidity** in secondary markets for NCDs and CP, which rarely trade
- Front end for **Approved Trading Venue (ATV)** for Prime Bank Paper





IMPERIUM MARKETS

Thank You