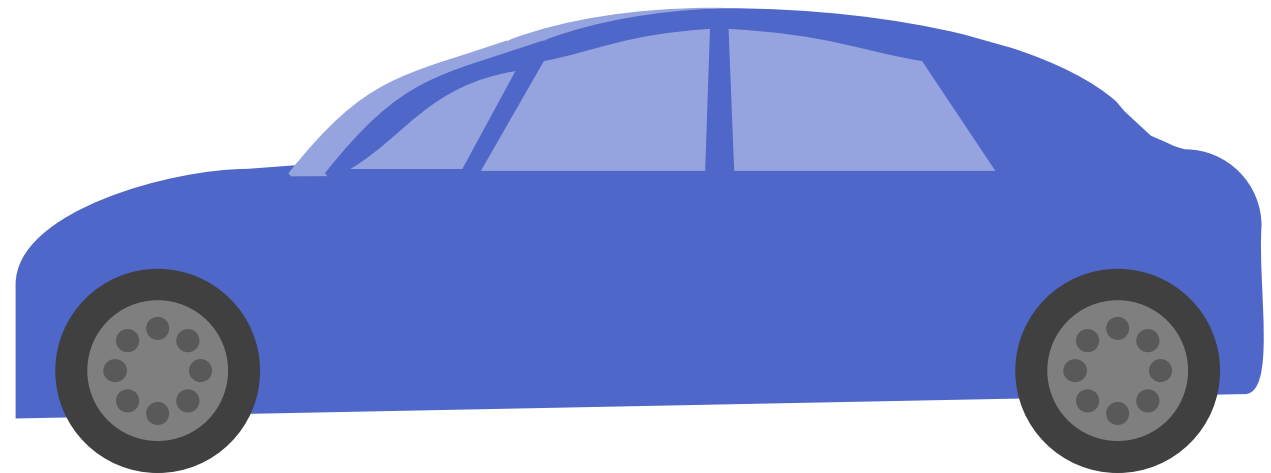


Future of Ownership

Fractional Asset Ownership and Financial Institutions

DeGroot Consulting Group
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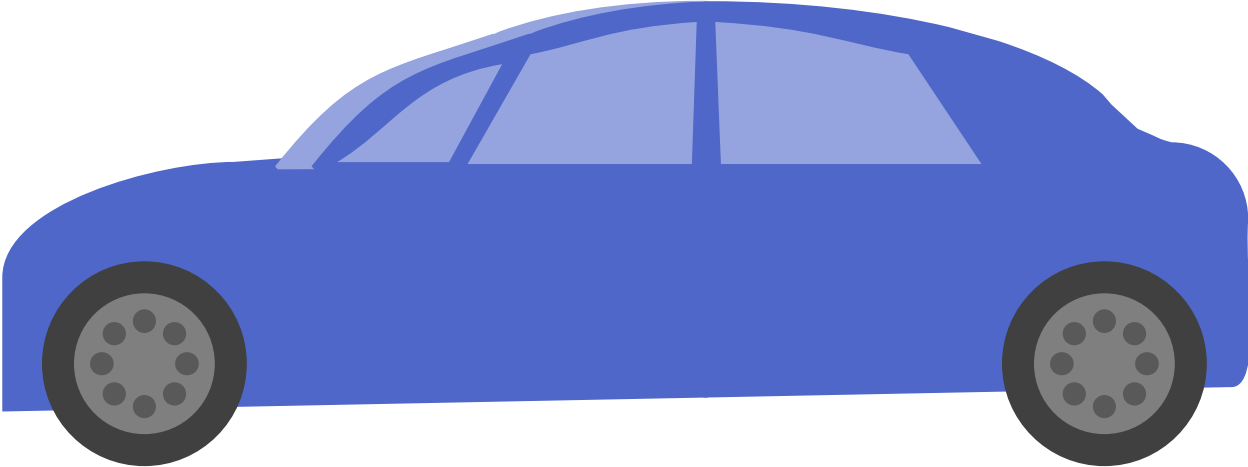
Background

Fractional asset ownership enables multiple entities to own a percentage of an asset

the busy Mom



the Businesswoman

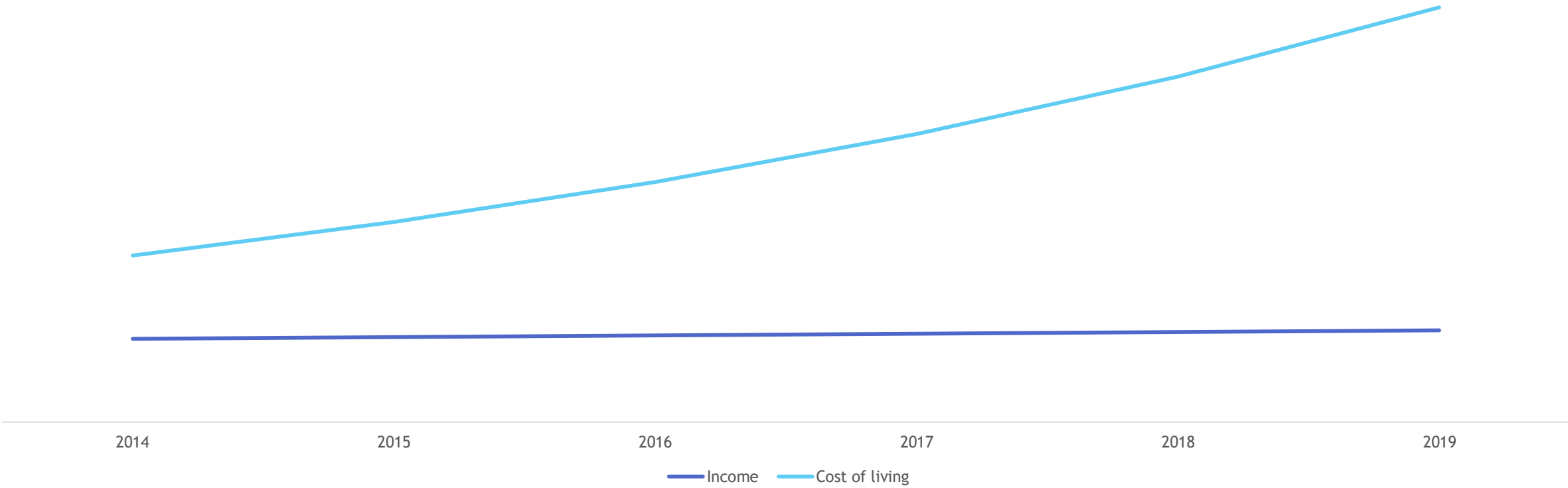


Contributing Factors

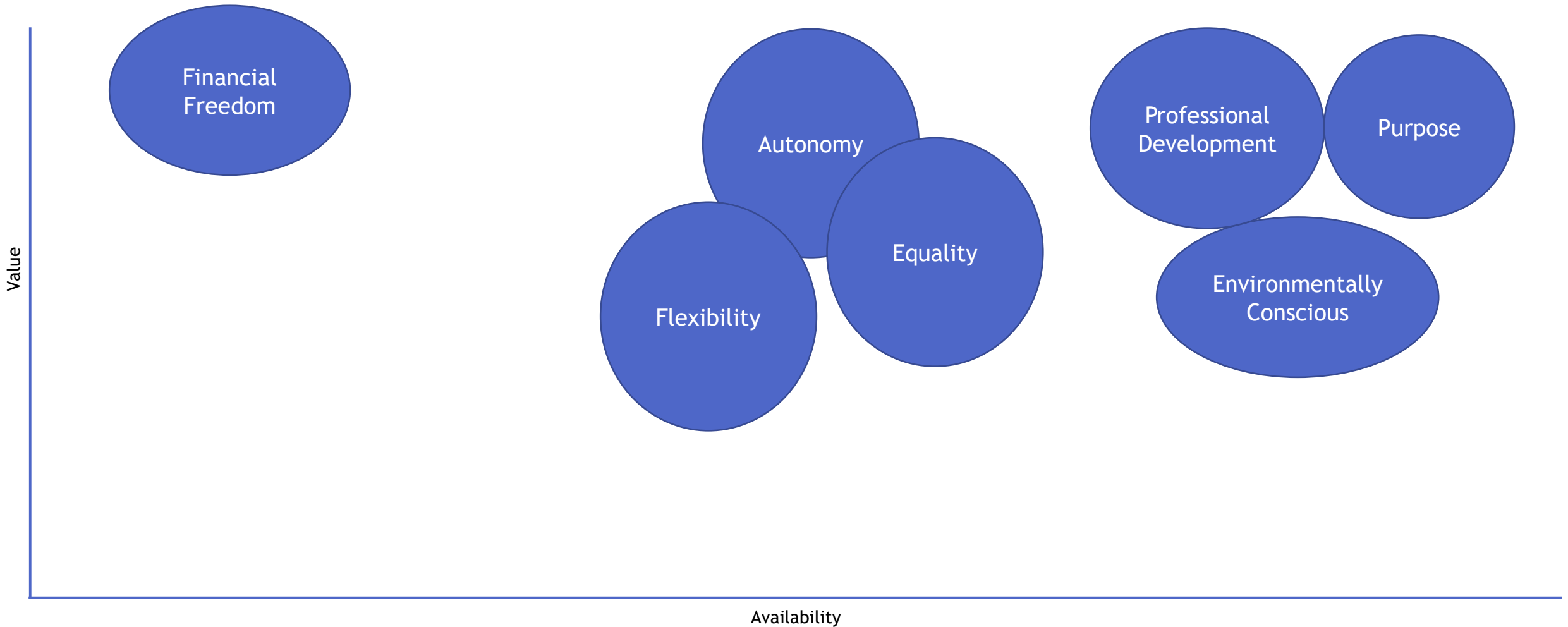
Root cause analysis

- 1 Income growth is stagnant
- 2 Millennials have different needs
- 3 Technological advancements

Income growth is stagnant



Millennials have different needs



Technological advancements

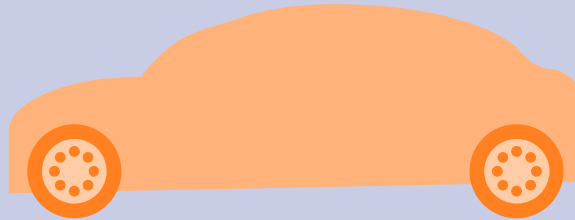
- Mobility
- Internet of Things
- Automation and autonomous vehicles
- Artificial Intelligence and Machine Learning
- Decreasing cost of computing power

Current State

Financial institutions have been hesitant to enable consumers to access fractional asset ownership



Minimal existing products or services designed for fractional ownership of consumer assets

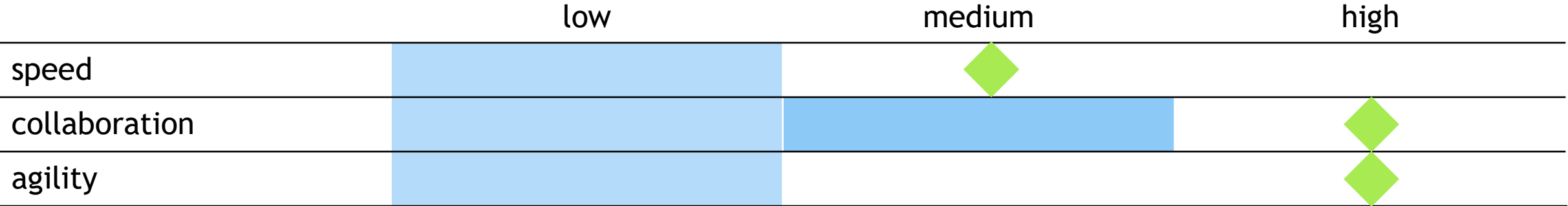


New sharing economy entrants have assumed the risk and captured market value



Regulatory environment does not allow for creativity and adoption of new ideas

Why did FIs fail to respond appropriately to the disruption?



◆ target

Recommendation

Proposed reaction - insurance

Key activities

- identification verification
- track driving habits
- predictive analytics
- flexible insurance quotes

Benefits

- opportunity to cross sell insurance products
- improved insurance pricing mechanisms

Considerations

- actuaries difficulty pricing risk of owner due to shared use
- cost to fix needs to be split

Proposed reaction - banks

Key activities

- financing based on shared ownership
- loan based sharing application
- improved integration of digital loan applications

Benefits

- risk spreading
- innovative sales model to generate incremental revenue
- transferability of ownership if sold before paid off

Considerations

- difficult to determine interest rate on loss
- uptake and collaboration with car company doesn't produce desired effect
- consumers prefer ride sharing service to partial ownership

Future of Ownership

