

The
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625th Meeting

Shivani Siroya
Founder and Chief Executive Officer
Tala

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Webinar

Moderator: John C. Williams
President and Chief Executive Officer
Federal Reserve Bank of New York
Chair, The Economic Club of New York

President Barbara Van Allen: Good afternoon. This is Barbara Van Allen, President of the Club, and we will get started in exactly one minute. Thank you.

Introduction

Chairman John C. Williams

Good evening and welcome to the 625th meeting of The Economic Club of New York. This is our 114th year. I'm John Williams. I'm Chair of the Club, and I'm President and CEO of the Federal Reserve Bank of New York. As many of you know, The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues, and our mission is as important today as ever as we continue to bring people together as a catalyst for conversation and innovation. A special welcome to members of The Economic Club of New York's 2021 Class of Fellows – a select group of diverse, rising, next-gen business thought leaders as well as students from the CUNY Graduate Center, Columbia Business School, Rutgers University, and the Gabelli School of Business at Fordham University.

Now, it's a pleasure for me now to welcome our special guest today, Shivani Siroya, Founder and CEO of Tala. Tala is a personal finance app serving the global underbanked. Since launching in 2014, Tala has disbursed over \$2 billion in credit to more than 6 million customers across Kenya, the Philippines, Mexico, and India who

use Tala financial products to start and expand small businesses, pay school fees and bills, and build more stable financial lives. Tala is backed by a number of leading venture and impact investors and has been named to the *Fortune* Impact 20 list, CNBC's Disruptor 50, and *Forbes'* Fintech 50 list for four years running.

Prior to founding Tala, Shivani worked as an analyst with UNFPA, conducting thousands of user interviews to understand the impact of microfinance programs in South Asia and Sub-Saharan Africa. She's also held a variety of positions in global health and investment banking, including with Health Net, Citigroup, and UBS. She's a member of the G7 Impact Task Force, an Aspen Institute Finance Leader Fellow, a WEF Young Global Leader, Senior TED Fellow and Ashoka Fellow. She's also on the board of Stellar.org. and holds an MPH from Columbia University and a BA from Wesleyan University.

Our program will be a conversation, which I'm fortunate to be moderating. In addition, we'll be using the chat box for this conversation. So feel free to enter questions directly into the chat box for consideration. We'll end promptly at 5:45, and as a reminder, this conversation is on the record as we do have media on the line. And with that, I get to turn to the actual program.

Conversation with Shivani Siroya

CHAIR JOHN C. WILLIAMS: So welcome, Shivani.

SHIVANI SIROYA: Thank you so much for having me. I'm really excited to be here.

CHAIR JOHN C. WILLIAMS: Terrific. So why don't we just get started with the basic question. So what was your journey to Tala? Tell us about how you got there.

SHIVANI SIROYA: Well, I mean as you described, it was a very, you know, kind of varied journey. I started my career on the private sector side in traditional investment banking, then realized that I wanted to do something more impactful. I grew up between India and New York so I had seen firsthand, you know, I think how different communities have access to different opportunities, essentially, but grew up always believing in the potential of individuals.

And so early on, after leaving investment banking, I worked in microfinance and what I saw was essentially that there were, you know, benefits in terms of everyday living improvements that micro-credit could offer. But what I was not seeing actually was a change in the way the financial system was actually including these individuals as a result of them getting access to credit.

And so traditionally micro-credit operates from an aspect of assessing risk based on the group nature, right, and really thinking more about the trustee kind of relationship and how groups can establish trust together or creditworthiness together. And what I wasn't seeing was that assessment of risk or capacity or really like aspiration at an individual level. And when I thought about more developed markets like the U.S. and how our credit system operates, you know, we operate from an aspect of having credit scores.

And so that got me more interested in understanding how economic systems work. And so I went back to school and I studied econometrics and, as you said, health systems. And so I really wanted to understand, you know, what is the underpinning behind how can we actually ensure that people have the means to go access preventative care or education. It all came back down to economics and livelihood.

And so after getting my masters at Columbia, I went to go work at the UN Population Fund, then I worked for one of the lead economists for West Africa and Sub-Saharan Africa. And what we were doing was trying to understand, from a cost-benefit perspective, where does money actually go in the system? You know, we know that millions of dollars are actually coming into development programs, but we don't really know, essentially what is the true cost of running these programs and then what's the outcome as a result? And in order to get that data, I started doing individual interviews.

And so I worked across nine different countries for about four and a half years and I started literally just interviewing customers. I would go to their homes, their homes in the morning, I would go to work with them, and I would understand how much money they made for that day. So I was there when they counted their cash. I would go to the marketplace and understand what were those micro-decisions that they made. How did they decide what to prioritize in terms of bills? How much did they decide to actually take home with them and, you know, save, but essentially put into a lockbox or under a mattress or how they thought about liquid money versus soft money versus hard money? And then I would actually do it over and over and over.

And by walking alongside our customers, or these customers, what I understood was that there was an enormous amount of financial decisions being made and an enormous amount of daily life data that was pointing further to the potential that these customers actually had. And so I had a hypothesis that potentially we could use this kind of daily life data, if gathered in a scalable way, to actually create a credit score that could be more predictive or predictive of their capacity and their creditworthiness. And that was essentially like the lightbulb moment that started Tala.

I came back to the U.S. I did get jaded with the development industry and instead of pursuing my PhD in economics, I decided to go back into investment banking and I learned how to code on the side and started to develop our prototype. But essentially

that was the start of Tala, it's an android device, an android application that allows us to instantly credit score a customer using a mix of behavioral data, application data, and mobile data that we then use to create a credit score for each individual and then Tala acts as the lender, providing access to capital to these customers around the world.

CHAIR JOHN C. WILLIAMS: Well, I really like the fact that this whole journey kind of started with taking econometrics and that led you into the world of microfinance and these ideas. You talk about the lightbulb moment. So now, I know you've been at work at this for many years, I mean what's the vision for Tala that you have today, looking to the future.

SHIVANI SIROYA: So my vision, it's always stayed the same in some ways. My vision has always been about being a financial partner to our customers and really being the enabler to help them accelerate financial agency, is how we put it, over their financial lives. And so when we use this term, agency, we really think of it as the ability for our customers to use their money, to protect their money, and to grow their money throughout their financial lives. And we want to be their partner, that they can then continue to do those different aspects, you know, as they continue to grow towards those opportunities.

And so we started out by really focusing in on credit scoring and providing access to

capital, but our vision is broader than that. Our vision is really about providing holistic financial services. And so now we are moving beyond credit and really providing them with a full financial account that allows them to use their money, so transact with us, to be able to save with us, and then to be able to grow their money with us as well. So access to savings products, deposit products, but also products that are more geared at working capital and also budgeting. So really giving them a lot more awareness and control so that they can actually point to those growth opportunities.

CHAIR JOHN C. WILLIAMS: Yes, and we're going to come back to the topic of innovation and all of that in a few minutes. But before we do, I'm curious, so who are your customers? You talked a lot about walking alongside people and understanding all of the financial decisions and activities that they make, but when you think, you know, look at who your customers are today, can you describe, help us understand who that is and why is it that they find your product very valuable and useful?

SHIVANI SIROYA: Sure. So the majority of our customers are, one, I should say, in emerging markets. So we work in Kenya, in the Philippines, in Mexico, and India. Our customers are making somewhere between \$300 to \$500 on a monthly basis. I would say about 60 to 70% of our customers are using the capital for working capital so these are sole proprietors. But at the same time, they have everyday needs just like the rest of us. And so because of the flexibility of our product, we're able to help them both on the

working capital side, but also on the side of daily life activities. So whether that means smoothing consumption or paying for life emergencies as well.

CHAIR JOHN C. WILLIAMS: And, you know, one thing, there's a lot of activity in the broad fintech world, a lot of amazing innovation going on and you've got your particular suite of products that you're developing. First of all, how do you, who are your competitors in this space? And maybe more to the point, how are you thinking about finding your place in this rapidly evolving ecosystem going forward?

SHIVANI SIROYA: Sure. I mean, of course, I will say that in some ways I'm biased. But at the same time, when you look at the global breadth, right, and I think the customer base that Tala has, there is no other competitor or fintech that's working across these many geographies at once and that has really proven that, you know, our model can scale to different cultures, to different languages and to different – I would say – infrastructures that exist across these markets.

And so I think what makes us really unique is that we have identified global features as well as local features that are predictive of creditworthiness. What we've also done is really designed an application as well as a brand that is both local and global at once. So even our name actually means many different things across multiple languages. It's also the name of a city across 22 countries around the world. But at the same time, it

has that kind of global meaning that can resonate with growth and movement. And so what I would say is we have a lot, we have local competitors that have also started to understand that the underserved is a true opportunity and that these customers do have potential and purchasing power, but then, again, at a global level, I don't believe anyone's competing with us.

The last thing I want to mention is that I think what's made us innovative and unique in this space is that, yes, we provide a direct-to-consumer product, but on the back end we've built a global infrastructure. And that's really, I think, when I think about economic systems and, you know as I think about the kind of changes that I want to see, I want to see it at a systemic level. And what I think is really missing from our financial system globally is that kind of underlying infrastructure, right, and data.

And so it goes into the fact that, you know, most emerging markets don't have national ID systems. If we look at a market like the Philippines, there are 17 different forms of identity that are accepted. And so it becomes very costly and cumbersome for a financial institution to serve the underserved because of that. And so what we've done is developed digital KYC identity verification, facial recognition, all within the app so that we can again lower those barriers to actually thinking about how do you actually build a global account product at scale across multiple markets. And so one by one, we've actually created a very unique supply chain that enables us to again go after the local

market context, but the global as well.

CHAIR JOHN C. WILLIAMS: Yes, that's really interesting because it kind of ties into – I'm going to jump a little bit around in terms of this link to innovation, and one of the biggest challenges that, you know, we see, speaking from like world of central banking, is international payments and remittances. It's clearly very important to families around the world who send often small payments across borders. It's very expensive. It's challenging. How do you see your product fitting into helping solve these problems that so far, you know, despite a lot of effort, seem to be pretty intractable.

SHIVANI SIROYA: So I mean, I think remittances is one thing that is pretty near to my heart. I think if you look at the markets that we're in, you know, Mexico, India, the Philippines, these are some of the largest remittance corridors around the world. And so it was very intentional for Tala to be a part of the flow of money and that flow of money around the world.

And, in particular, I think we saw this really during Covid, when we saw that there were lockdowns happening across our markets. When you look at, again, let's take the Philippines as an example, they had a lockdown where essentially only one member of the household could leave at any time. And so even though our customers were actually receiving remittances from their families in the U.S. or in the U.K., they could actually

physically not get to these remittance centers because of the harsh lockdowns. And so you have a customer that has capacity and that actually had the willingness to repay, but you're not able to actually serve them because you're not able to see that data and they're not able to actually access the capital from you or the remittances coming in.

And so we really saw this as an opportunity for Tala to be a part of, to really think of essentially if we already believe in this customer and we have the trust with them, how do we enable them to actually start to move from cash to actually digital currency? And again, I mean it more as how do we actually change their behavior so they feel that they can actually trust a digital account?

And so I think this is an area that we're really looking at is saying how do we help onboard customers into this digital ecosystem? So instead of pulling money out in terms of remittances into cash, how can they keep it with Tala? How can they essentially protect their money with us? And so that's where we're starting to move is forming partnerships with companies that are also serving our customer base and then we can act as that trusted source that can then convert them and transition them into the digital ecosystem.

CHAIR JOHN C. WILLIAMS: Now just listening to how you describe that, you know, it reminds me of something I think we all say in financial services, that credit is always

founded on trust. And, you know, normally we think of it – coming from the regulator side – we think about, know your customer, which you mentioned earlier in your comments and worry about money laundering and making sure that our systems are secure. And you're bringing up the other side of that, the trust of the customers themselves in the money and holding it in digital form and obviously the counterparties that they're working with, merchants and others. So is that different in the different countries you're working? Was it easier to develop this, you know, your product, in one place or another? I'm curious about that.

SHIVANI SIROYA: I mean I would say that across the board, I think, I think in some ways the difference in terms of how Tala has entered these markets is from an aspect of we come in actually saying it's our responsibility to gain the trust of the customer. And so in that sense, like building our reputation, thinking about community structures, referral mechanisms, thinking about the things that can essentially prove to the customer that we are trustworthy because we believe, like you just said, trust is a feedback loop. And so by us approving customers for credit, we're showing them that we can trust them, and then by them actually paying us back, we believe that is completing that kind of trust feedback. Right? And then we can continue to grow with them over time.

I would say market by market, the difference has been that, you know, some markets

have more infrastructure than others. Some are more nascent from a regulatory aspect, and so there's a little bit more kind of upfront work that is required from Tala. Whether it's establishing the key infrastructure, the partnerships, working with regulators, that kind of stuff does make a difference to us. But it's also how we think about the opportunity that's in a market and the need for our product as well. So all of that goes into how we decide what market to enter.

CHAIR JOHN C. WILLIAMS: Well, you know, we've been talking about digital wallets and currencies in a way so that's probably a good segue to the topic that's on everybody's mind apparently, and that's getting into digital currencies, stablecoin, cryptocurrencies. So I'm curious. Let me pose it this way. So hypothetically, if you were sitting across the virtual table with a regulator, 100-year-old financial regulator, how would you try to convince that person that, you know, that we really should be seeing, whether it's cryptocurrency, stablecoin, or other digital currencies as this huge opportunity, especially around some of your social objectives, around the unbanked or underbanked, but more broadly as well? So how do you make that case?

SHIVANI SIROYA: I mean when we were talking yesterday, it's like, you know, I think one of the most exciting things that we are seeing is the opportunity to put more power in consumer's hands. And, you know, when we think about the way that Tala started, right, I started by doing these individual interviews, by understanding the daily life data

of these customers. And so if we think about the power of what crypto can enable, it goes even further there. Right? To truly believe in this idea of decentralized finance and the idea that a customer in India, or an individual in India can decide, you know, what they decide to give us in terms of data access, that enables us to actually then understand their capacity. Right? Or to think of it more as we're flipping the financial system so that service providers are having to go to the customer and the customer is choosing and having more control. Right? So I think that's the ultimate aspect.

And what we need to do from a regulatory standpoint and the private sector standpoint is work together to think about how do we protect the consumer? How do we essentially put in the safeguards so that the ecosystem can really enable that kind of putting power in the customers' hands? So I'm actually saying, I think, what we talked about is that a lot of the policies that we see today in our financial system do still need to be there. But I think the difference is that we have the power to really create more global infrastructure using crypto.

CHAIR JOHN C. WILLIAMS: So one of the concerns, you've described how you're really driven by what your customers need and helping them succeed, but one of the concerns in this world is there can be actors who are not as well-intended or maybe unintended consequences of that. So when you think about, again, like an example would be the stablecoin example that really isn't fundamentally stable in its

underpinnings, I mean how do you make sure, again, it really starts and ends with trust, doesn't it? How do you make sure that people can trust, you know, maintain that trust with your products when maybe there are other products out there that, you know, aren't perhaps as trustworthy?

SHIVANI SIROYA: I don't actually, I mean I think in some ways it actually lends itself to more public exposure when a party is actually not trustworthy. Right? Because in some ways the customer does have more of that vocal power because they're in more control of the data that is being used. They're in more control of the parties that they work with because ideally what we're looking at is, you know, when you look at the kind of ecosystems that are being created, there are more service providers out there.

And so I think you actually enable more players to actually access and serve this customer base than previous. Because if you think about the way that we enter a market, we're having to form multiple partnerships to be able to put together that kind of supply chain. But what could happen in the future is that you have, again, these composition blocks that can work across geographies. And so I actually, maybe in the spirit of being an economist, I do believe in competition. And so I think by having more players that are excited to serve this customer base, you actually put more power in the consumers' hands.

CHAIR JOHN C. WILLIAMS: Right. So we've talked about this before, as you mentioned, and this issue about having technology actually support more competition and more choice by consumers obviously is appealing to economists and I think should be to people. But, you know, there is a concern out there in the world, a political discussion around the world around technology and data often have a natural increase in returns or scale economies to them. And so you hear a lot of talk about the big tech just gets bigger and bigger. So how do you think about that in your product and in your ecosystem and how do you make sure that you can stay competitive even if you aren't the biggest fish in the sea?

SHIVANI SIROYA: And I think what we talked a lot about was the startup costs are different. Right? I think now it's not about necessarily having the largest marketing budget. It's a lot about how do you actually, again, really provide the right value proposition and then based on that you become the trusted brand that the customer is willing to on-ramp with. And so as you can hear from our journey, we started with one product, which was access to credit. By proving to our customers that they could trust us even during hard times like Covid, our customers then said, okay, I'm willing to actually trust you with my cash. I'm willing to transact with you. So I don't necessarily believe that it's only money, but I really believe in the fact that it is, you know, I think the vision, the values of an organization, the value proposition, but also the people at the company and the mission that you're collectively all on, even if that sounds a little

cheesy.

CHAIR JOHN C. WILLIAMS: So, okay, again in this hypothetical conversation between an innovator and a regulator, so when you think about me and my colleagues who work in the regulatory sector, not just in the Federal Reserve, but, you know, in general, and also internationally, what do you think we need to learn about? What should I spend my weekends and my colleagues spend our weekends studying and understanding to better understand kind of, not only your set of products and innovation, but more how this, that whole system is changing?

SHIVANI SIROYA: So I think it's two things. I think the first is I would say the infrastructure required. So I always think of it as, you know, what is the – you know, I think you guys think about this as well – it's like, what is the role that regulators have or governments have? What's the role that a tech company has? And there are certain things that we have had to build to enable our services that should just exist. Right?

Like we're saying, national ID systems. Right? That's an element where, you know, yes, we've now actually gained the expertise in doing that across markets and it's become something proprietary to us and it's an asset, but at the same time, you know, other markets that we work in, such as Kenya, have a national ID system. And so by being able to just integrate with that, it makes us move faster towards creating more of those

other kinds of service offerings rather than focusing in on something that could be actually just infrastructure that exists across markets.

And then I would say, so what I would ask is, you know, from the regulatory side, the government side, what are certain things that we want to actually mandate, our sort of baselines or foundations? The other thing I would say is actually, you know, I would love for regulators and policymakers to spend more time actually understanding, again, microeconomics, and really understand how are the capital flows working? And so we understand where is the need greatest in terms of our customers putting it towards working capital, are people in more need around educational investments. Certain things like that, I think we can then start to work backwards more towards the actual impact that we want to be making.

You know back when I was at the UN, we really thought about it as essentially what are our indicators that are telling us that someone is progressing out of poverty? Right? And, yes, it sounds very theoretical, but I do think that when we really understand, again, the context in the daily life of the individual and the decisions they're making, we're able to then work together better to really think about those customized offerings.

CHAIR JOHN C. WILLIAMS: Your comments about, you know, having the infrastructure, I think it really is about public good, public goods that a government

society can provide to allow, to foster innovation. I think that's important. I mean one of the things that I know from my conversations in other countries is national identification systems can be very touchy politically. And I'm curious, I know that India had gone years ago through a big process of creating a system, but do you actually think, is it easier to do this through the technology and collecting the data than actually trying to politically coalesce around a national ID system? Or do you think, no, that really that's a thing that governments should be doing and that would help innovation more generally?

SHIVANI SIROYA: Yes, I'm on the side that I think we do need to have some baseline of public goods and infrastructure that technology companies can then build on top of. I think it would enable more companies to become involved in the ecosystem.

CHAIR JOHN C. WILLIAMS: Terrific. So, you know, when I think about financial services and payments and all of the things that we're talking about, when you look at the history of this, unfortunately there's a lot of, you know, things that have gone wrong in the past and some that have gone right. And we think about, you know, the very problem you're trying to address, which is about the underbanked. You think about discrimination in provision of financial services or a history, and a lot of other issues.

So, you know, when you think about it more generally, what do we collectively need to get right to make sure that we don't repeat the mistakes of the past, like redlining and

things. And, you know, I think of redlining as an example in the United States where it really was both actions of the private sector but also actions in government that combined to create those problems. So how do you think about, what do we really need to, what are the things we need to get right together to not repeat some of those mistakes?

SHIVANI SIROYA: I mean I think there's a few ways we could look at it. So, I think philosophically if we think about, you know, the organizations and the values that underpin those organizations. We think a lot about what makes a good society. Right? And there are, as we know, like four poles of a good society. There's the idea of community and efficiency or equality and liberty. Right? But when you think about it, a lot of our decisions are really underpinned by where we fall on the spectrum of that. Are we moving more towards efficiency and moving maybe away from how we think about community? And so there is an aspect of really understanding the values of an organization and what we're trying to do.

And, you know, even if we think of it as equality versus inclusion, you know, if we really want to create a system, a financial system that works for everyone, then we really are coming at it from the aspect of essentially how do we identify customers? How do we have that kind of global system that allows us to understand capacity, create choice, create control? And so that's one aspect. Right? And I understand that that's more

philosophical.

The other aspect would be really ensuring that we've got the right kind of ethical systems in place and kind of governance. And so thinking of it from the aspect of what data goes into our models? Or how do we think about, you know, our credit offerings? How do we think about essentially access to technology? And is it gender-equal? Right? And essentially there are ways I think that we can look at organizations to understand from the past and ensure that there is, again, equal access, and that we're not again biasing based on any particular data set.

CHAIR JOHN C. WILLIAMS: Is there a process that you and your colleagues and Tala go through as you contemplate a business opportunity or a new product that tries to address that?

SHIVANI SIROYA: We do. I mean I think one example is, as we look at India, while we know that android technology is prevalent in the market, what we see is that, you know, in particular, even though a household may have an android phone, you know, that phone may be carried by the male member of the household for the majority of the day. And so then we need to rethink how do we actually work with women in that market? How do they access our product in the same way that, you know, a man can?

And so we then need to think about going further than just, you know, advertising, and thinking about it more as what are the partnerships we're going to be forming with community organizations and with others that are also working with women? And so I guess that's what I think of as, is like we always think about our go-to-market strategy and we always think about, okay, essentially what are our dangerous assumptions here? Right? Even if something looks really great as an opportunity, we really want to ask ourselves, are we actually doing right by our customers and really getting to that north star that we have around a financial agency for all.

CHAIR JOHN C. WILLIAMS: So when you think about your business model and you talk about the decentralization of finance and, you know, I guess I have a couple of questions, probably 20 questions, but I'll just state two. So, one is like how do you see, you know, in this broader decentralization of finance, I guess like what is your part in that versus, you know, the parts you're not, you're just connecting into?

And the other is, you know, in my experience, typically in the fintech world, in the world of innovation, they're pretty honest with me, the thing that they don't want to be is regulated as a bank or regulated as a financial services company or anything like that. And, you know, there's a very strong desire in the innovation sector to say I'm going to do those things in financial services that are outside the regulatory perimeter but not get inside. And I'm curious how you think about, earlier you said there's good reasons for

some regulations.

So how do you think of, I guess two questions, one is your connection to the decentralization of finance? You talked a little bit about that already. But also about, you know, at what point do you say, you know, if I really want to broaden the services I provide to customers and to small businesses – I know that's an area that you're focused on – do you say, well, yeah, but that's going to mean being kind of a regulated entity, having some kind of charter that would pull you more inside that? Those are very big questions.

SHIVANI SIROYA: On the first part I would say, you know, when we think about our roadmap, the two areas that we're thinking about, I would say crypto enablement is, one, on the capital market side. And then on the second side, it's the consumer side. On the consumer side, I think what I see is the power of crypto to almost be the composition blocks. Right? So if I think about what we're building today, we are building in the web 2.0 world where there's existing infrastructure that we're using to be able to create this kind of virtual account product for our customers.

I think in the new ecosystem, there are actually existing essentially kind of infrastructure out there that we can pull from and so we're not necessarily having to build it ourselves. We can work with the existing kind of blocks to then bring in things like a yield product.

We can bring in things like a crypto wallet, so that we can enable global remittances at potentially cheaper cost and that also operate much faster for the consumer.

We can also think about essentially thinking about better access for emerging markets, consumers who don't have a lot of money but want to be able to save and earn and invest in kind of more long-term securities. There's lots of things out there that if Tala built it in the current world, it could take us a while to do that. But when we look at what's possible, there's ways to take kind of off-the-shelf technology now that's within crypto that can essentially like combine together, allow us to move much faster. And so that's one side.

The other thing is actually on the consumer side, there are a lot of new ecosystems being created. And so if we look at what Visa is doing as an example, and we've formed a collaboration with them, which is to say, you know, we could actually help onboard a whole new set of consumers into this new ecosystem where they're pooling together lots of different kinds of services providers. Whether that's, you know, credit providers and financial service providers like Tala in our space, or insurance providers or agriculture input providers, there's a lot of different kinds of service providers that they're pooling together into an ecosystem, but they need consumers to be within that system. And that's where we again have the trust with these consumers that we can then bring them into that crypto wallet ecosystem. So that's on the consumer side.

The second side that I said we're looking at is on the capital market side. And so today, we're again accessing traditional sources of capital. It's going to be institutional investors that are, again, earning a yield on our portfolio. They're asset-backed providers. But in this new ecosystem, there's also an opportunity to bring in, again, DeFi investors and smaller dollar crypto investors that can also benefit by investing in Tala's portfolio. And so it's an opportunity for us to actually broaden the ecosystem of investors for us so that we're not dependent on only institutions and then, you know, on their side, also be able to earn a return. So that's essentially why I'm so excited about this is that at an individual consumer level, there's a lot of opportunity in emerging markets and then even on the investor side, there's a lot of opportunity. So it really feels like a win-win for the marketplace.

CHAIR JOHN C. WILLIAMS: And on the question about this far and no further, is the model to say, kind of in the world you're in now, and stay out of the more directly regulated world? Because you think you can make those partnerships, create those synergies and relationships, or at some point does this, you know, you'll get much more into the direct, kind of making loans and typical more banking type activities?

SHIVANI SIROYA: So to clarify, we are actually making the loans ourselves. We are the lender. It's our capital. And so in that respect, we are already regulated. On the full spectrum of, you know, the banking side, we've stayed really focused on the product

value and the tech side. And so, you know, the future may change, but right now we're really focused on the speed and the enablement aspect and in that respect, we feel really excited about the banks that we're actually partnering with across our markets.

CHAIR JOHN C. WILLIAMS: Okay, so now, we've covered a lot of ground – decentralized finance and microfinance and international remittances. So I'm going to spend the last couple of minutes actually more about you running a company, a startup company in four different countries, pretty much spread all across the globe, at least my, looking at the map. You did not choose countries right next to each other.

So a couple of questions. I'll throw them out because we only have a few minutes left unfortunately. So one is, okay, so you've been at this a number of years, but the last two years, during the pandemic must have been particularly challenging. I think you mentioned you had several hundred or 400 folks involved in Tala overall around the world. So what have you learned about doing cutting edge innovation in financial services during the pandemic? I guess that's just an open-ended question. And you have two minutes.

SHIVANI SIROYA: I would say that the thing, I think, that we realized, and we learned a lot during Covid, I think again if I talk about the kind of experience that Tala had during Covid, it's kind of unlike any other company. You know we are truly working across four

emerging markets and we have a large team also here in the U.S. and so we did face the pandemic across five countries at once. The thing I think we learned, though, was that by being global we were able to learn faster than other organizations.

So, you know, the Philippines actually went into lockdown before the U.S. even went into lockdown. And so in a way we actually had a head start. So we, as a company, went remote before we even had the U.S. go into lockdown. And so as a result of that, we actually lost no business continuity. So we were remote within 48 hours. So I think that was one real lesson is really realizing the kind of power of our local contacts across the world.

The second thing, I think, we saw was that these economies are resilient. And so unlike the U.S., where lockdowns could have affected consumption to some respect, we actually saw the resilience of our customers and realized that in some ways they face volatility every day already. And so they actually navigated the pandemic extremely well and they have bounced back even in light of the second waves and third waves that are happening in their markets.

So I think that was the second thing we learned is resiliency and what can we learn from that. And so what we did do is start to think about what are other ways for us to understand capacity? And so we really started thinking about mobility data as a result.

Right? And starting to think about, okay, if we're not getting data from governments or at a macro level, what can we learn at a micro level? So it kind of took us back to our roots. And then the last thing I would say is actually I think the thing we learned was also the mission that we're on as a company is one that's unlike others and so our global team really rose to the challenge.

And so we jokingly had this mindset at the company called, the cockroach mindset, where we really thought of it as like we will survive because even cockroaches can withstand nuclear attacks. And so we need to be there for the long term and to keep on serving our customers and so we kind of put our heads down and we really focused on what could we do to keep providing value and be there for our customers during a really hard time, but also ensure the sustainability of our company. And so, yes, I think all in all, I think it was just an extremely pivotal moment for the company and we came out a lot stronger as a result.

CHAIR JOHN C. WILLIAMS: Well, unfortunately we are out of time now. So thank you so much for this discussion. It's fascinating to see someone, someone who was studying econometrics go on and change the world. It's too bad you didn't do your PhD in economics, but it's great to see all that you've accomplished, and I'm looking forward to continuing this conversation at some point in the future to see how this continues. Thank you so much.

And now I'm going to go to my final part of the agenda, which is just to announce some future speakers. I'm pleased to report we've got, as always, lots of great speakers coming up. We've got Charlotte St. Martin tomorrow, the President of The Broadway League. And she'll discuss her leadership at The Broadway League and the reopening of Broadway, and she'll be joined by Club Trustee, Rachel Moore. So looking further ahead into the fall, we've got a Member Only Discussion on global foreign policy developments with Bob Hormats on October 18th. We have The Honorable Gina Raimondo, Secretary of Commerce, on October 21st. The Honorable Christopher Wray, Director of the FBI on October 28th. Bob Sulentic, President and CEO of CBRE with Mason Morfit, Partner, CEO and CIO of ValueAct Capital on November 4th. So as usual, we have a packed schedule of terrific events coming up. If you joined as a guest and would like to become a member, please email the Club at the address on the screen.

And I'd like to take a moment to recognize those of our 338 members of the Centennial Society who are joining us today as their contributions continue to be the financial backbone of support for the Club and help enable us to offer our wonderful, diverse programming now and in the future. So thank you again. Please stay healthy and safe. Hope to see you at our next webinar and some day in the future, see you in person at one of our meetings. Thank you. Goodnight.