



# N1 Commercial Lending Investors Presentation

Performance Update 23/10/2019

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OneLend is N1H’s small-to-medium enterprise (“SME”) loan product. The capital lent under the OneLend product is sourced from (i) N1H’s balance sheet; and (ii) One Lending Fund, a wholesale debt fund managed by N1 Venture, a subsidiary of N1H.

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# Executive Summary



- **About OneLend** - OneLend is N1H's short term SME loan product.
- **Short term** - all loans are made short term, on average 5 to 7 months, making OneLend a very agile product which is adaptive to changing market conditions.
- **Low LVR** - all loans are property backed with business owner personal guarantees. N1H's credit policy is a maximum 70% LVR for any borrower. The portfolio's average LVR is 55%.
- **SME market** - SME businesses are collectively Australia's largest employer.
- **Investment properties** - security is only taken over guarantors' investment properties (and never owner-occupied property). This means that only asset strong borrowers are eligible.
- **Non-construction** - we do not provide progressive construction loans to property developers.
- **Established residential and commercial properties** - we only lend against "as if value" of established properties. OneLend doesn't lend against gross realisation value.
- **Diversified portfolio** - loans are typically smaller in size, averaging \$1m, capped at \$2m-\$3m per property.
- **Metro location security** - we only take Sydney, Melbourne and occasionally Brisbane metro locations investment properties as loan collateral.
- **Strong credit experience team** - we specialize in lending, all potential loans are reviewed by a three-person credit team, and management is overseen by N1H's board of directors.
- **Compliant and transparency** - N1H is a public company with audited financials and AFS licensing compliant business processes.

# Commercial Lending Quarter Revenue (unaudited)



	SEP QTR FY2020	Compared to Previous QTR (JUN QTR FY2019)	Compared to the SEP QTR FY2019 (YOY)
Commercial Lending Interest	\$320.7k	▲ 9%	▲ 134%
Commercial Loan Fee	\$268.5k	▲ 105%	▲ 656%
Commercial Broking Fee	\$70.1k	▲ 76%	▼ -3%
Total Revenue	\$659.3k	▲ 42%	▲ 169%

# Emerging opportunities in SME lending



2.2m

Australia has approx. 2.2 million SMEs.

150b

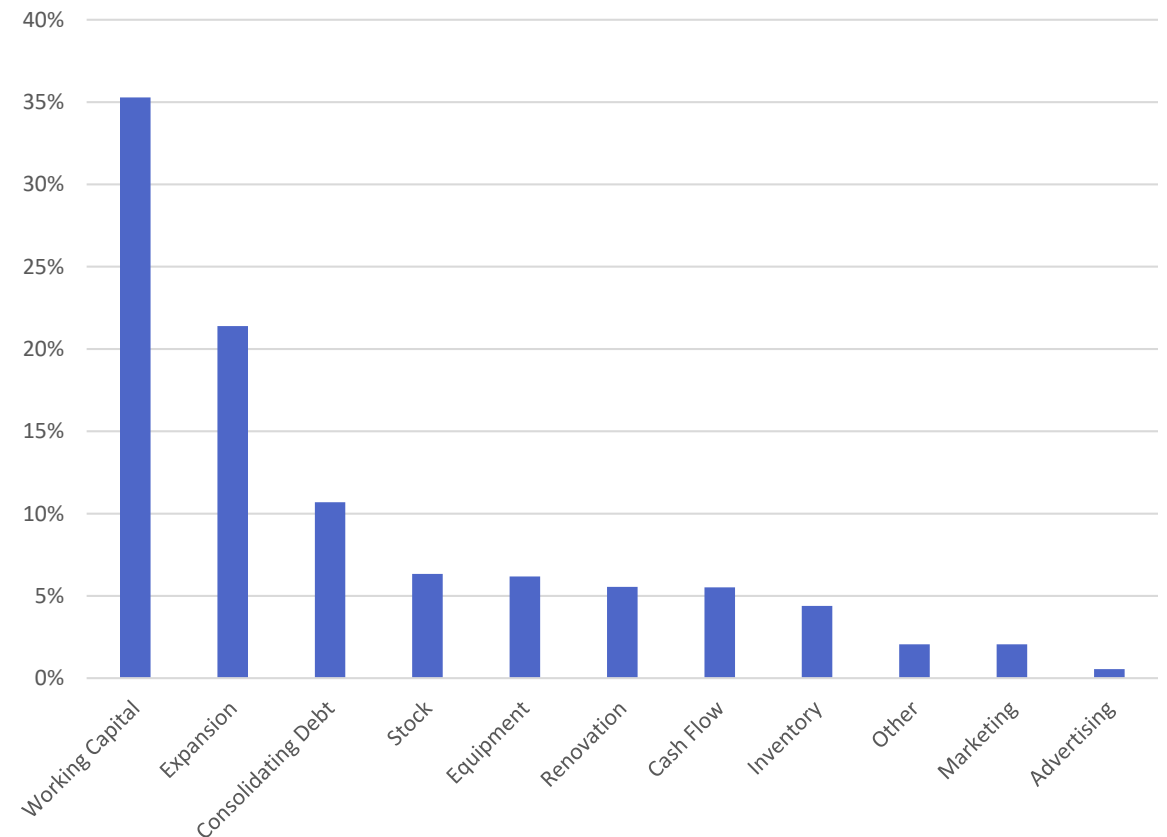
The size of the Australian SME lending market is regarded as being around \$150 billion.

As a result of:

- changes to bank capital requirements;
- return on equity considerations; and
- recommendations from the Carnell inquiry regarding loan terms and conditions,

the major banks and other traditional lenders have been retreating from the SME lending space, particularly in respect of loans of \$5 million or less.

Loan Reason by SMEs



# N1 Market Niche OneLend

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Loan amount 0

\$100k

\$3mil

\$5mil+



Fintech Lenders  
(unsecured)

**OneLend**  
(property-backed)

Banks  
(secured)

# Performance Overview



	SEP QTR FY2020	YTD (as at 23/10/2019) FY2020
Average Loans Size	1,113k	850k
Average Loan Term	190 days	197 days
Average LVR	51%	48%
Total Security Value	104.23 mil	113.07 mil
States Allocation	89% in NSW / 11% in QLD	73% in NSW / 20% in QLD / 7% in VIC
No of Active Loans	9	15
Total Capital Committed to lend	11.43 mil	13.53 mil
Aggregate Loan Book Size	21.20 mil	23.94 mil

# Cumulative capital for Commercial Lending

