



Investor presentation

April 2015

Proposed acquisition by Basper Limited

An opportunity to participate in a technology company to take advantage of the rapidly growing Marketplace Lending sector

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- **Acquisition and re-listing**

- Basper Limited (ASX:BER) has entered into a share sale agreement to acquire 100% of DirectMoney Pty Ltd. Subject to the relevant approvals Basper will be recapitalised with a capital raising and will recommence trading on the ASX as DirectMoney Ltd.

- **Disruptive product**

- Innovative warehouse model enables loans to fund immediately rather than the 3-10 days for “classic P2P” lenders
- Scalable technology - marginal cost of additional capacity is low

- **Highly experienced team**

- Banking and funds management
- Technology architecture and digital marketing

- **Untapped growth market**

- Few domestic competitors
- Savers and personal loan customers are underserved by traditional providers
- Banks moving out of personal funding market due to Basel III requirements

- **High margin**

- Australian unsecured consumer lending is **3%** of bank assets and **16%** of profits

- **Barriers to Entry**

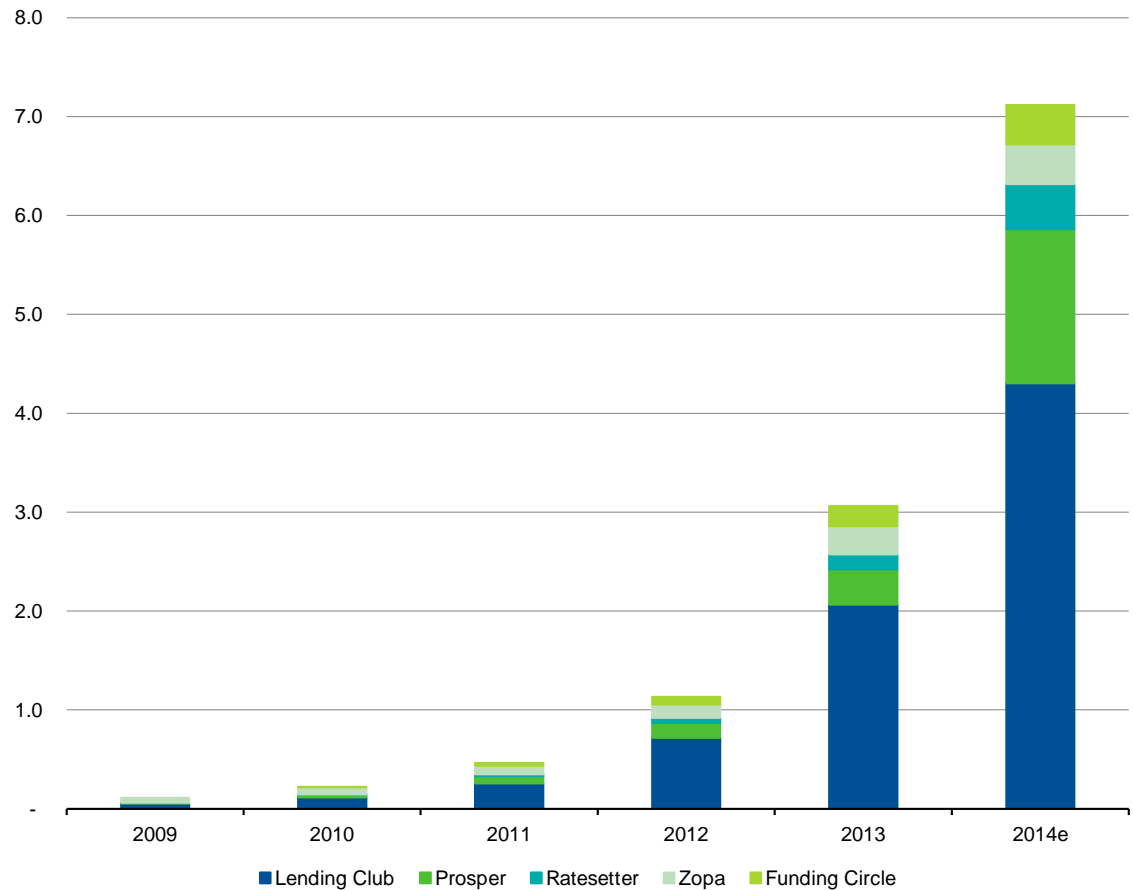
- Heavy regulation & licensing requirements

CAGR:
131%

- **2005: Zopa** launched in the UK;
- **Lending Club** - originated \$4.3bn+ in 2014

US\$7bn of volume on top 5 platforms in 2014; MPL / P2P volumes have grown at 131% CAGR since 2009

MPL / P2P Gross Annual Volume \$bn

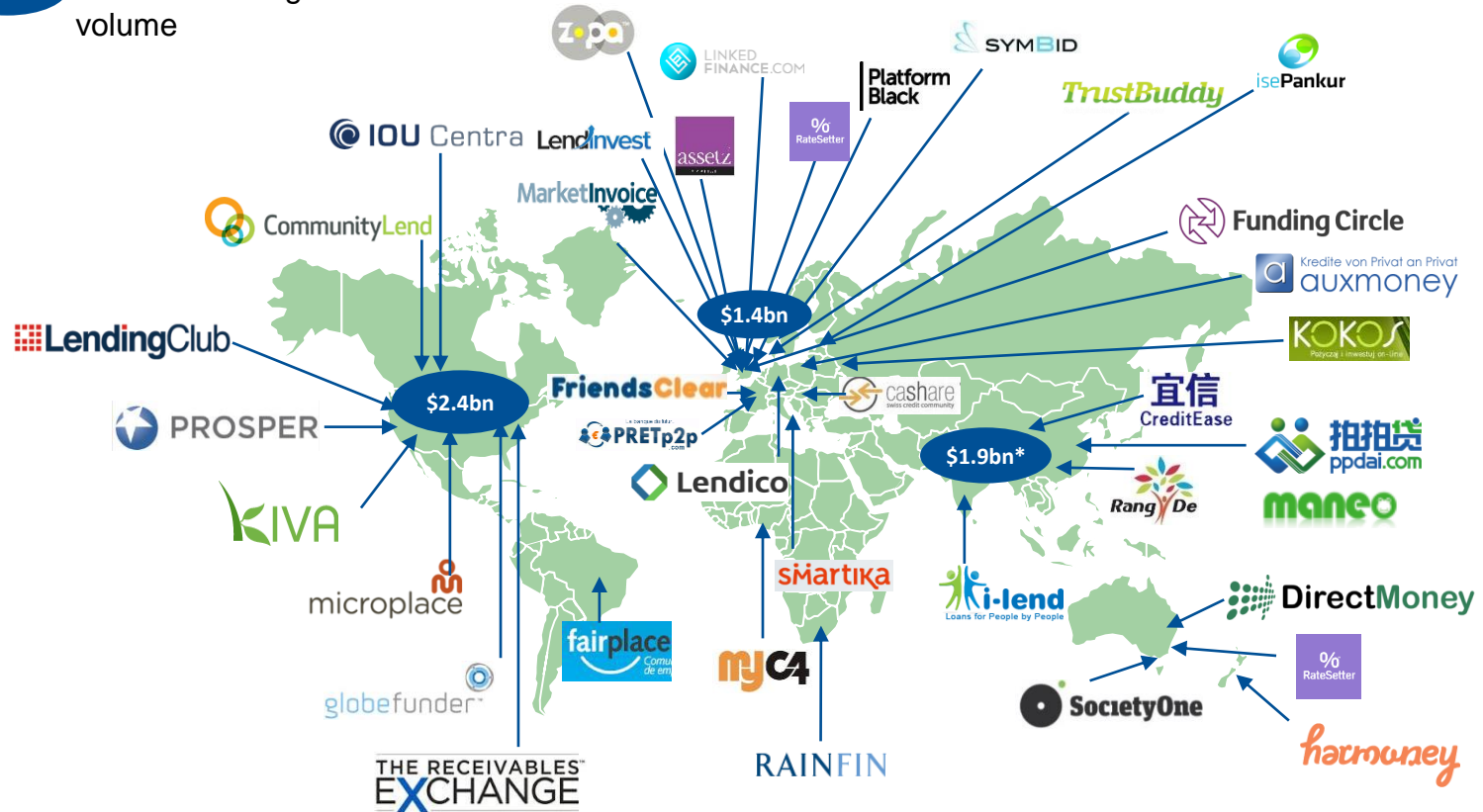


Source: Lending Club, Prosper, Funding Circle, Zopa, RateSetter, Liberum

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P2P/MPL lending is a rapidly growing industry: largest markets US, China and UK

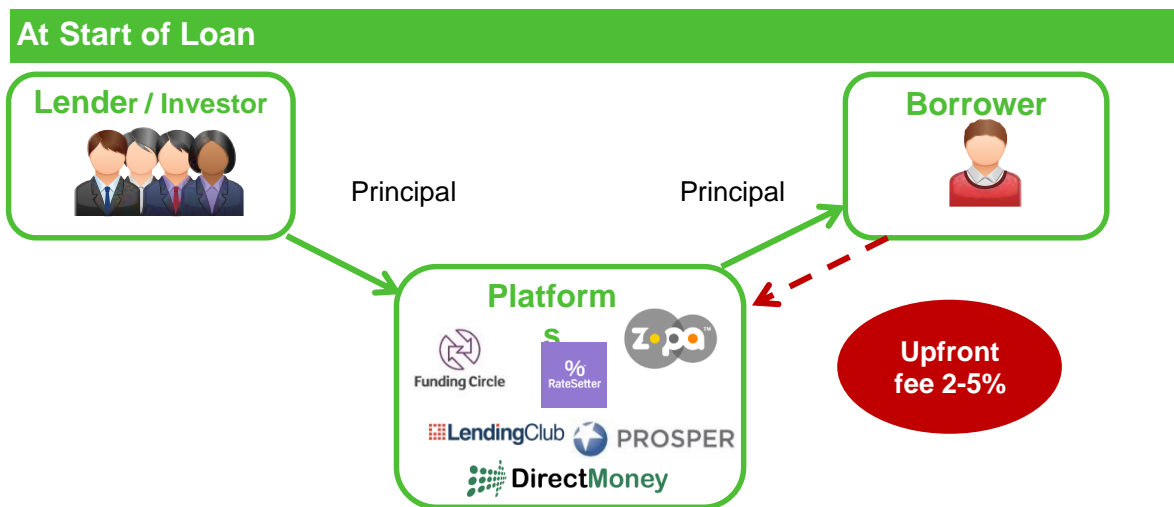
\$ = 2013 annual gross volume



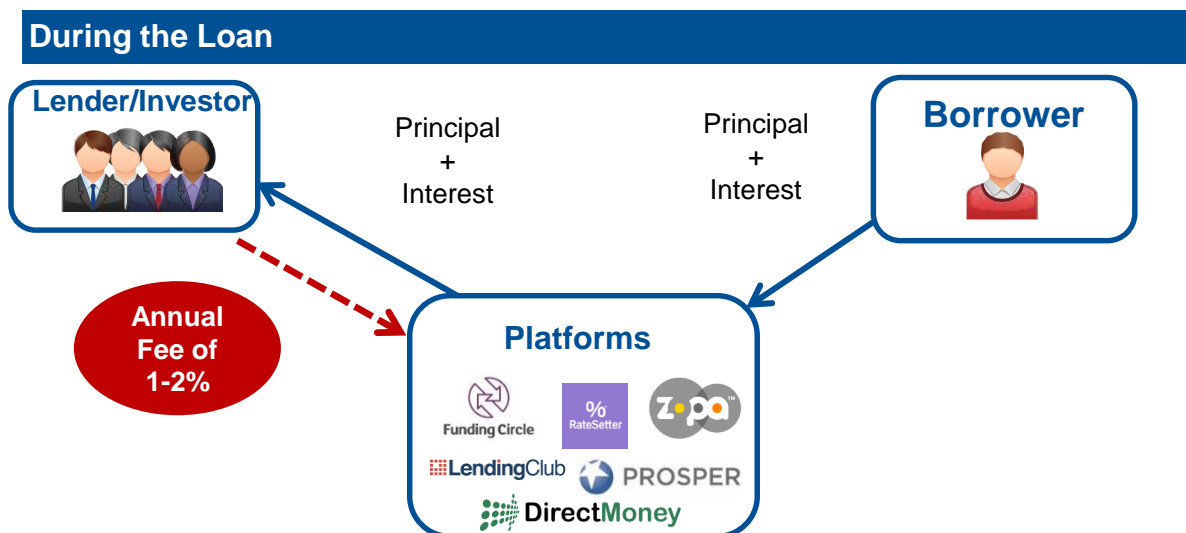
* Estimate based on historic and Celent forecast

Revenue fee structure for MPL Platforms

- Platform revenue from **borrower**: Upfront **2-5%** of principal.

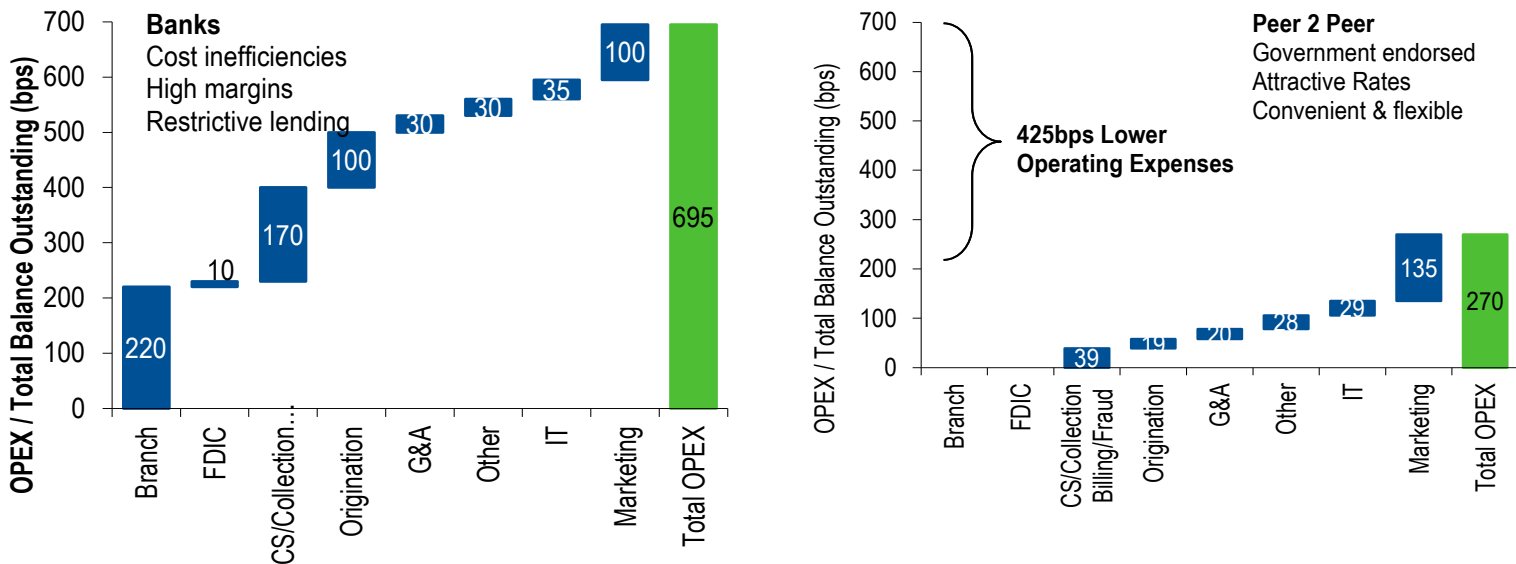


- Platform revenue from **lenders**: Annual fee of **1-2%** of loan balances under management (details vary by platform)
- Credit risk managed carefully** by the MPL - but **passed through** to lender/investor
- Asset maturities matched** with obligations to lender/investors



MPL / P2P is the 'Amazon' of financial disintermediation; with costs 60% lower than banks.

Cost base comparison 2015e: Banks vs. Lending Club (costs as % loans outstanding)



Source: McKinsey / Lending Club

- **Lending Club expects to be 60% more efficient than the equivalent banking business**, on costs as % of loan balances, by 2015e
- MPL / P2P has no expensive branches/ legacy systems/ expensive regulatory capital to service

Internet sourced credit information has become a robust way to underwrite loans effectively and cheaply

Web-enabled game changers in lending

Credit Scoring



Can run credit check on any individual or company for \$8 in seconds

Bank A/C Scraping



Automated analysis of borrower's bank a/c; cash flow health

Big Data, social media

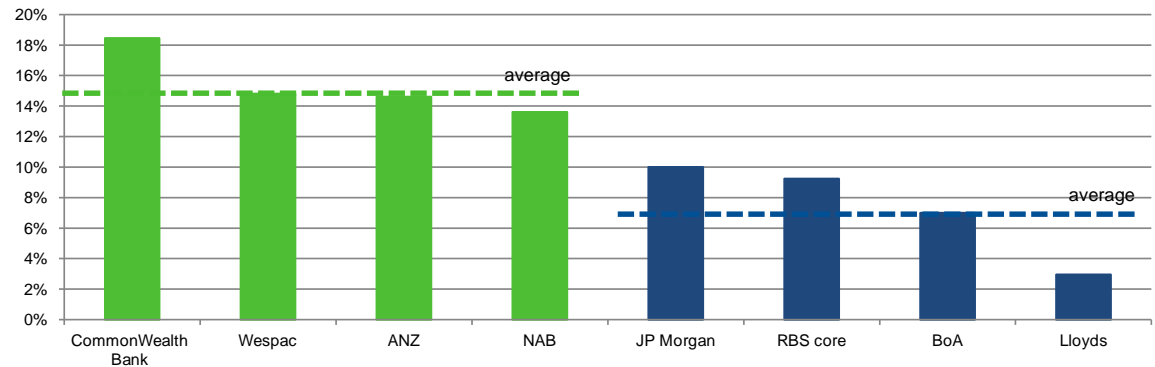


Use of big data to enhance credit scoring

Big 4 Australian banks are currently an oligopoly – vulnerable to disruption

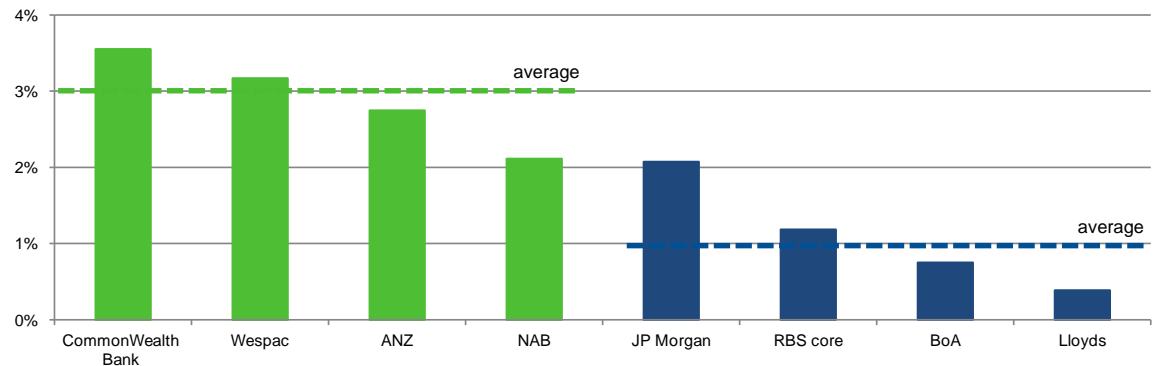
- Australian banks currently enjoy an oligopoly with an average RoE of **15.4%** in 2012/13 (international peers well below **10%**)
 - charging above average rates and fees
 - unsecured consumer lending is **3%** assets and **16%** of profits

Average RoE between 2012-2013



Source: Liberum, Bloomberg

Average PBT as % of RWA between 2012-2013

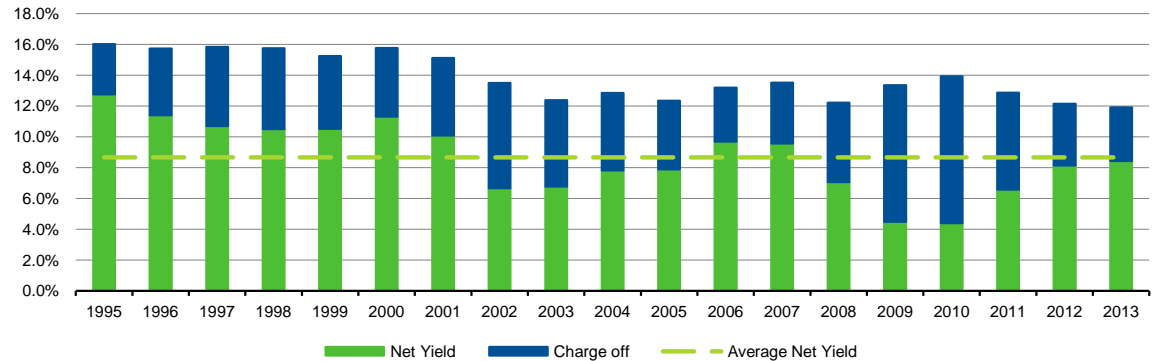


Source: Liberum

- In Australia since 2007:
 - the average net yield on Consumer loans is **10.9%**
 - with a low in annual return of **8.0%**
- Consumer finance returns are less volatile than SME

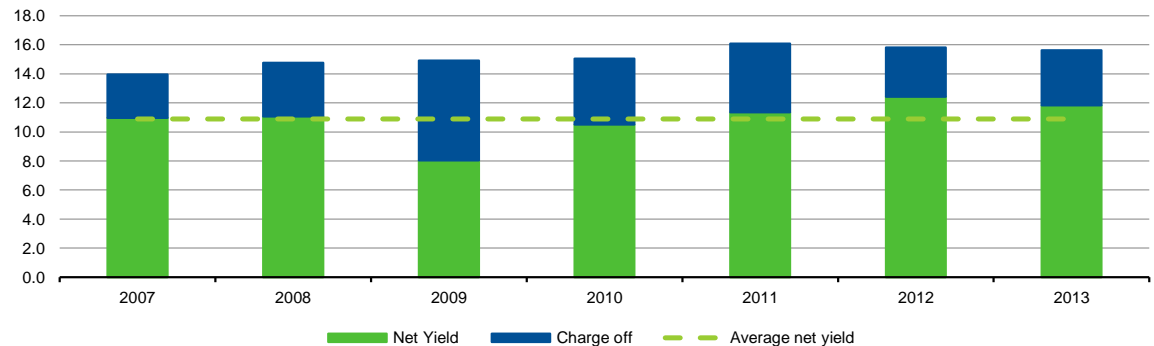
Consumer Finance Loans – attractive asset class ‘through-the-cycle’ in US, Australia (and elsewhere)

US Credit Card Historic Net Yields- Annual %



Source: Liberum, Bloomberg, Federal Reserve

Australia Consumer Loans: Historic Net Yield – Annual %



Source: RBA, Australia bank company data, Liberum estimates

DirectMoney's model is superior to competitors

- DirectMoney model is designed for **higher growth** and earlier profits
- Pooled retail fund* **integrated** with lending platform providing cost efficiency
- Pooled fund is a **safer** investment product and **familiar** to retail investors
- No fractional bidding = **lower software costs**
- Whole loan sales are now the **industry direction**
- Loan warehouse funding = **faster loan settlement** and drives borrower demand

DirectMoney can capitalise on the sector's growth

- Registered the world's first regulated Personal Loan Fund in 2008
 - US Marketplace lenders followed this regulated model from 2009
- Experienced team of bankers and financial services technologists
- Launched personal loans site October 2014 with a capacity of **\$2m** per month

Long Term Vision

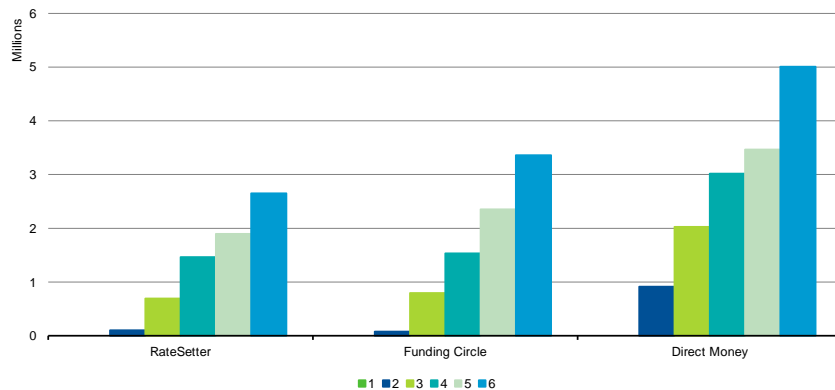
- Build multi \$billion AUM
- Multiple listed lending funds offering safe, liquid, high yield income products

* Planned launch May 2015

Strong start for Direct Money relative to leading UK peers

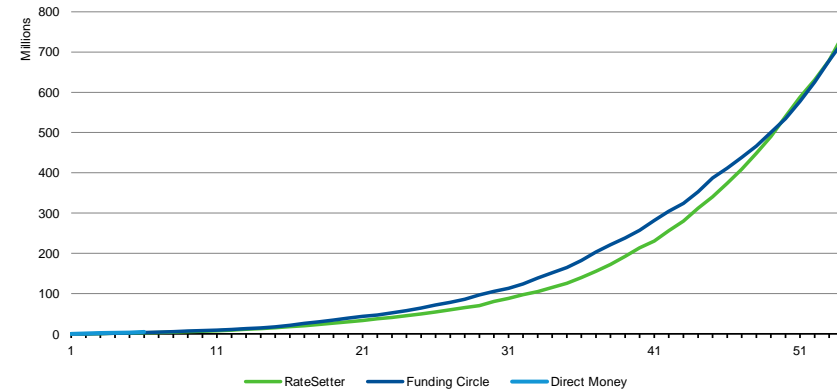
- In its first 5 months, DirectMoney has achieved **67% faster growth than UK peers** Funding Circle and RateSetter- 2 of the UK P2P sector leaders.
- DirectMoney's fast growth is underpinned by its **scalable warehouse + fund model** allowing for immediate loan fulfillment investment efficiency and familiarity
- **Institutional capital** is expected to further accelerate DirectMoney's volumes relative to peers.

First 5 months cumulative volume: Direct Money, Funding Circle and RateSetter \$m



Source: Liberum, Companies

First 60 months cumulative volume: Direct Money, Funding Circle and RateSetter \$m



Source: Liberum, Companies

BOARD

Executive Chairman: Stephen Porges

- 30+ years financial services; 5 years CEO Aussie Home Loans

Director: Campbell McComb

- Former CEO listed fund manager, stock broker, CIO of a large family office

Director: Craig Swanger

- 20+ years investment banking; Former CIO Macquarie Retail Bank; Head Cap Mkts FIIG

Director: Bleddyn Gambold

- 30+ years funds management experience; current RM under ASIC regulations.

EXECUTIVES

Founder: David Doust

- 30+ years accountant, banker, IT project manager; Silicon Valley startup founder & CEO

Chief Operating Officer: Peter Beaumont

- 30+ investment banking, capital markets sales management, engineering background

Credit Manager: Marianne Young

- 20+ years credit experience with Westpac; branch credit compliance auditor; training officer

Chief Technology Officer: David Russell

- 13 yrs IT senior architect, 8 yrs at IRESS share trading systems, Comp Sc. Honors

Digital Marketing Manager: Jason Theofilos

- Senior software engineer at IRESS, digital marketer at \$350m Catch Group

Investor Distribution Manager: David Marshall

- 30+ years experience in credit policy, capital markets and funds management research

Banking Industry Disruption Play

- 18 yrs after internet disrupted media & retail; driven by crisis & tech consumers

High Margin, High Growth Opportunity

- 10%+ rate gap; 150% US lending growth; 15% per month growth plan

Experienced Team

- 100+ years funds management, banking, credit and IT experience

Barriers to Entry

- Heavy regulation & licensing requirements; 5 years experience in MPL

Strong Early Traction

- Capacity built for \$3m in loans per month