

ASX/MEDIA RELEASE

## **DIRECTMONEY LIMITED THIRD QUARTER FY 2016 UPDATE**

### **Highlights:**

- **Q3 FY 2016, a record lending quarter with \$4.71 million of loans settled. 48% growth over previous quarter**
- **Loan origination growth continues to be driven by strong partnerships with broker aggregators (52% of volume in quarter) and direct online channel marketing**
- **First major sale of loans to an institutional buyer. \$5 million of loans sold to Macquarie Bank Limited**
- **Updated PDS for *DirectMoney Personal Loan Fund* available to investors as of 29th April 2016**
- **Strong credit since listing. No losses on loans written in FY 2016 to 31 March 2016**
- **450+ accredited brokers as at today. Agreements in place with major finance and mortgage broker aggregators representing approx. 5,000 individual brokers.**

### **Sydney, 2 May 2016:**

Marketplace lending company DirectMoney Limited (ASX: DM1) (DirectMoney) (the Company) is pleased to update shareholders on its operational performance for the quarter ended 31 March 2016.

DirectMoney listed on the Australian Securities Exchange on 13 July 2015 and is Australia's only ASX-listed fin-tech, marketplace lender. DirectMoney leverages technology to offer Australian consumers attractively priced, unsecured personal loans via a 100% online, internet-based loan management platform and a range of introducers and referrers. The Company seeks to secure a significant part of the ~\$100 billion market for unsecured consumer credit, capitalising on the increasing consumer acceptance of marketplace lending in Australia.

### **Another strong quarter of loan writing**

During the quarter, \$4.71 million of loans to 219 borrowers were settled, a 48% increase on the prior quarter. March 2016 was a record month where \$1.92 million of new loans were settled.

DirectMoney has written \$15.65 million of loans to 810 borrowers with an average interest rate of 12.7% since lending began in October 2014.

As at 31 March 2016 approx. \$12.5 million of current loans written by DirectMoney to 689 borrowers were held by parties including DirectMoney, Macquarie Bank, the DirectMoney Personal Loan Fund and a major shareholder.

### **Credit performance**

DirectMoney continues to manage its loan approvals according to strict credit criteria. No write offs / losses have been incurred from the 431 loans written in FY 2016 to 31 March 2016. Of these 431 loans, 4 loans had late payments exceeding 30 days as at 31 March 2016. These loans represent less than 1% of the \$9.3 million written in the period.

DirectMoney wrote off ~\$84,000 during Q3 FY 2016 in relation to loans written in the period October 2014 to February 2015.

**Loan Sales***DirectMoney Personal Loan Fund*

An updated Product Disclosure Statement (PDS) for the DirectMoney Personal Loan Fund (ARSN 602 325 608) (Fund) has been made available to investors as of the 29<sup>th</sup> of April 2016. The Responsible Entity for the Fund, One Managed Investment Funds Limited (ACN 117 400 987, AFSL 297 042) established the Fund in May 2015. Since inception to 15 April 2016 the Fund has returned 7.18% net of fees and provisions to investors.

The Fund is available to retail and wholesale investors and is the centrepiece of DirectMoney's business model of connecting unsecured personal loan borrowers with investors. The updated PDS has a number of new features for investors including weekly dealing for subscriptions, a reduced minimum subscription amount of \$10,000, a distribution reinvestment plan and expanded reporting.

*Institutions and wholesale*

\$5 million of loans were sold to Macquarie Bank Limited at face value in February providing cash for additional lending, as previously announced. DirectMoney crystalized establishment fees and earns an ongoing monthly loan servicing fee on the balance of loans sold to Macquarie.

Discussions with other institutional loan buyers regarding material loan sale agreements are ongoing at the time of writing. The Company shall provide further updates shortly.

**Operational achievement**

DirectMoney's Q3 FY 2016 operational achievements include;

*Technology*

- Beta testing of Broker Portal which provides brokers with detailed access to on-boarding and compliance details, loan application status plus loan and commission history
- Technical integration with Dun and Bradstreet to allow participation in the Comprehensive Credit Reporting community. This integration will further enhance DirectMoney's standard of loan underwriting.

*Loan Origination*

- First Business Development Manager hired to drive broker engagement and loan introductions
- Trialling of radio advertising to complement TV and drive direct loan channels
- First non-broker, retail loan-referral partner on-boarded

**Executive commentary**

Commenting on the Company's third quarter performance, Executive Chairman Mr Stephen Porges said: "DirectMoney is proving its capacity to write increasing volumes of loans - and writing these loans to our high internal credit standards. The DirectMoney Personal Loan Fund provides DirectMoney with an avenue to on-sell its loans and underpin further growth in the business in the most efficient manner possible. The release of the updated PDS to investors is an important achievement for the Company"

Chief Executive Officer Mr Peter Beaumont added: "Technology is the key to our ambitions to create a scalable platform for growth and reach our loan volume targets. We continue to apply technology to drive productivity, improve the customer-experience for our clients and maintain a robust, compliant loan processing environment"

-ENDS-

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**About DirectMoney**

DirectMoney is a pioneer in the rapidly growing Australian marketplace lending industry. DirectMoney connects borrowers and investors by leveraging technology and partnerships. We offer competitive interest rates and terms on personal loans for borrowers and provide innovative structures for retail and institutional investors to invest in these loans. We strive to deliver Australians better financial choice and improved investment outcomes.