



## ASX RELEASE

# Wisr returns to pre-COVID-19 loan origination levels May origination delivers 48% growth on April

Sydney, 16 June 2020 - Wisr Limited (ASX: WZR) (ACN 004 661 205) (“Wisr”, or the “Company”) is pleased to announce the Company has returned to pre-COVID-19 loan origination levels. Wisr’s rapid response to COVID-19 conditions, and exceptionally low exposure to high-risk COVID-19 sectors, has seen new loan originations grow 48% in May 2020, compared to April 2020. Customer support requests have also returned to pre-COVID-19 levels.

### Loan Growth Highlights:

- **As previously advised, the Company took steps to deliberately moderate loan originations through Q4FY20, as a prudent response to the COVID-19 disruption**
- **Despite these measures, the Company delivered \$23.1 million in new loans originated in the first two months of Q4FY20, comprising \$9.3 million in April and \$13.8 million in May (+48% month-on-month)**
- **Growth in the month of May saw loan originations return to pre-COVID-19 levels, despite maintaining the significantly tighter credit policy introduced in March 2020 in response to COVID-19**
- **May saw new records in total weekly settled loan volume (exceeding \$4.0 million for the first time) with the whole Company working from home**
- **Q4FY20 represents only the second full quarter operating under the Wisr Warehouse funding model, with significantly improved economics and operating benefits beginning to flow**
- **Wisr retains the strong support of all its funders, including NAB, with the vast majority of loan originations in April and May settled into the Wisr Warehouse**
- **The loan book continues to grow, with an average credit score of 712 (Australian average credit score is circa 600<sup>1</sup>), reinforcing the prime nature of the Company’s loan book and customer base**

Mr. Anthony Nantes, Chief Executive Officer, Wisr said, “In May, we achieved the milestone of the highest weekly settled loan volume in the Company’s history and have now surpassed pre-COVID-19 origination levels. This is an exceptional validation of our fintech business model, proprietary technology, and high-performance culture.”

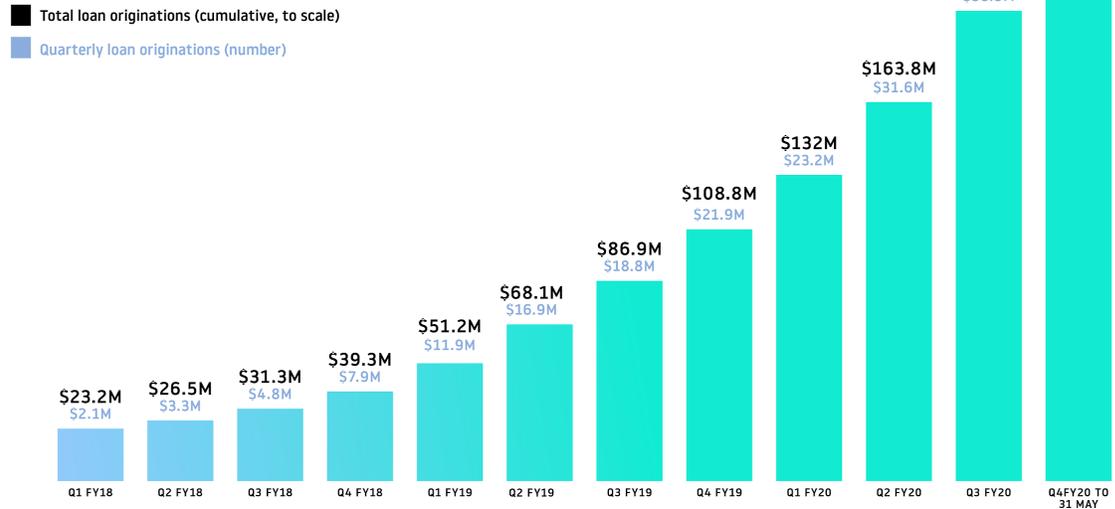
“By rapidly responding to COVID-19 economic conditions in Q3FY20, and taking a prudent approach to loan origination in Q4FY20, we have continued to responsibly lend to our customers to help them consolidate, refinance, purchase, and fulfil their needs through the Wisr Ecosystem in these uncertain times,” finished Mr. Nantes.

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<sup>1</sup> According to data supplied by Equifax



# Loan origination growth



## Secured Vehicle launch

WISR was poised to launch the Secured Vehicle product to market in Q4FY20 as planned. As widely reported, the entire auto sector experienced significant disruption in April and May due to COVID-19 social distancing measures, including inability of buyers to inspect vehicles. To maximise the impact of this exciting new product launch, the launch will now proceed in Q1FY21 across all channels.

## COVID-19 SUPPORT AND ARREARS UPDATE:

During the period 1 March to 31 May 2020, the Company provided 395 customers (5.8%) with COVID-19 related relief packages, consisting of short-term (three month) payment deferrals. Interest on the outstanding principal during the full or partial deferral periods will be capitalised, in line with industry standard.

The volume of requests for support has now returned to pre-COVID-19 levels, with only two requests in June 2020 to date. To ensure customers credit reports are not adversely impacted, no repayment history information will be reported to credit bureaus for customers on a COVID-19 related payment deferral.

As at 31 May, \$10.3 million or 6.7% of total portfolio loan balances are on a COVID-19 related payment deferral. This includes \$3.4 million from the WISR Warehouse, which represents 5.0% of the WISR Warehouse portfolio balance. These loan deferral rates compare favourably to industry-wide deferral rates for residential mortgages (10%<sup>2</sup>) and SME business loans (14%<sup>2</sup>).

Applying the industry standard arrears treatment, to hold all COVID-19 loans on a payment deferral at the arrears position at the month end prior to entering the payment deferral, 90+ arrears are at 1.62% for the total portfolio and 0.21% for the WISR Warehouse as at 31 May 2020, which is well below internal risk appetite and WISR Warehouse parameters. This treatment is approved by funders and aligns to guidance

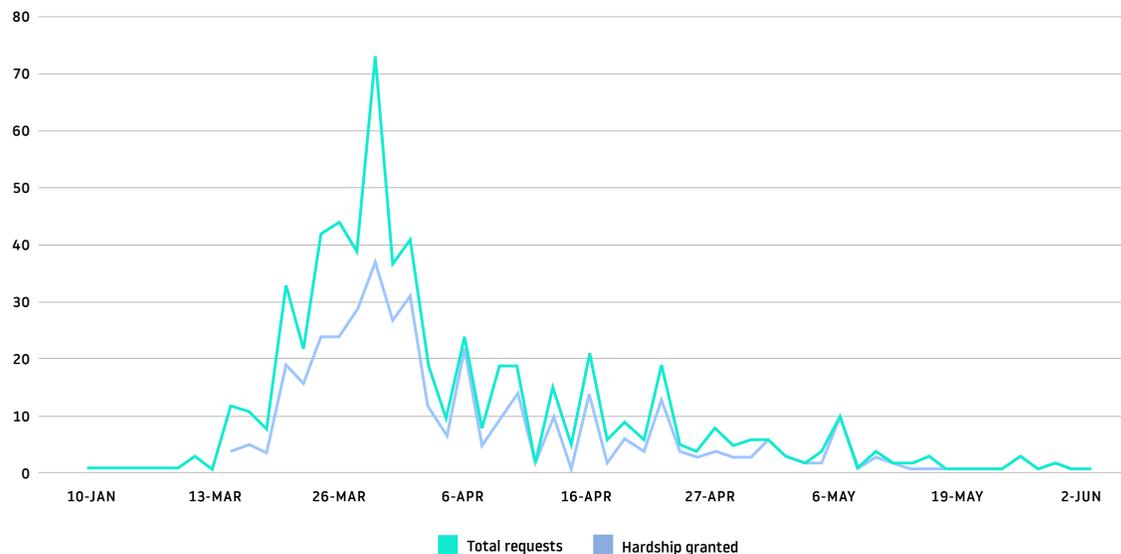
<sup>2</sup> According to E&P Australian Major Banks Report, 2 June 2020



from APRA for ADI's.

Wisr continues to proactively reach out to customers on a COVID-19 payment deferral arrangement to understand their circumstances. Results have been encouraging to date with 52% of respondents indicating a return to normal payment schedule at the end of the assistance period, or earlier.

## Daily requests vs hardships granted



Mr. Anthony Nantes, Chief Executive Officer, Wisr said, “To ensure Wisr grew safely and maintained our market-leading credit performance through COVID-19, in Q3FY20 we tightened our credit policy while retaining our customer-centric approach to responsible lending. Our key origination and risk metrics are showing that Wisr’s purpose-led model is driving growth and revenue in line with risk appetite and above management expectations.”

“We expected a period of heightened customer hardship stemming from COVID-19. However, this impact has been very manageable in light of the Company’s very small balance sheet loan exposure, prime customer base and exceptionally low exposure to high risk sectors. We are now back to pre-COVID-19 levels for customer support requests.”

“Throughout this time, the Company has worked closely with our Wisr Warehouse funders who are very supportive of Wisr providing customers with COVID-19 relief, including agreeing for arrears triggers to not be impacted by such relief provision. Wisr appreciates the significant support provided by its funders during the COVID-19 disruption.”

“Our purpose-led and agile fintech business model has Wisr well-positioned for growth through COVID-19 disruptions and post-recovery, setting the Company up for a strong revenue growth trajectory over the coming quarters,” finished Mr. Nantes.



**-ends-**

This announcement has been approved in accordance with the Company's Continuous Disclosure Policy and authorised for release by the Board of Directors.

**For further investor enquiries, please contact:**

Vanessa Chidrawi

Company Secretary

E: [investor@wisr.com.au](mailto:investor@wisr.com.au)

**About Wisr Limited**

Wisr (ASX: WZR) is Australia's first neo-lender with a commitment to the financial wellness of all Australians, through providing a smarter, fairer and wiser collection of financial products and services. Wisr provides a unique financial wellness eco-system underpinned by consumer finance products, the Wisr App to help Australians pay down debt, WisrCredit.com.au the country's only credit score comparison service, combined with content and other products that use technology to provide better outcomes for borrowers, investors and everyday Australians.

For more information visit [www.wisr.com.au](http://www.wisr.com.au)