

Media Release

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SocietyOne, Australia's leading marketplace lender, raises \$25 million in new capital

- **Latest funding round takes total capital raised to over \$55 million**
- **Strong support from major shareholders**
- **Mutual financial institutions join share register**
- **Capital will support ambitious growth plans**

SocietyOne, Australia's largest and pioneering marketplace lender, announced today the success of its Series C capital raising which has seen the contribution of an additional \$25 million in new capital by shareholders to support the company's ambitious growth plans.

The latest equity raising takes the total amount of capital raised by SocietyOne to more than \$55 million from institutional and individual sophisticated shareholders since March 2014.

It comes after the company announced that it had set a new record in lending when it broke through the \$100 million barrier in early April. This growth has continued with April becoming another record month for lending with more than \$10 million of loans written and significant interest in loan applications.

The Series C capital raising attracted strong support from the company's primary shareholders including Australian Capital Equity, Consolidated Press Holdings, News Corp Australia, Seven West Media and Westpac Banking Corporation's Reinventure Fund.

Two new institutional shareholders have joined the share register as a part of the equity raising. They are G&C Mutual Bank, a Sydney-based member-owned bank, and the Maritime, Mining and Power Credit Union, a member-owned financial institution that is also headquartered in Sydney. Both institutions are also funding investors of SocietyOne's loans to its borrower customers.

Anthony Kerwick, SocietyOne's chairman, said the success of the Series C capital raising was a reflection of the company's recent strong growth and a sign of confidence in its future prospects as the leading force in Australian marketplace lending.

"This is a very exciting milestone in SocietyOne's development and represents a significant step forward for the company and for the marketplace lending sector as a whole," said Mr Kerwick.

"There is real momentum behind SocietyOne as our recent growth in origination volumes, funded loans and investor funding has underlined. This latest show of support from our shareholders is a clear indication of their commitment to the revolution that is now underway in financial services.

"I'm also delighted to welcome G&C Mutual Bank and the Maritime, Mining and Power Credit Union to SocietyOne as our latest institutional equity investors."

Jason Yetton, SocietyOne's CEO, said the latest support from shareholders was critical in helping to deliver to the company's customers real choice and a better deal in terms of more competitive rates and strong investment returns.



“We have moved well beyond the start-up phase and are now in the scale-up phase,” said Mr Yetton. “We have established ourselves as the leading force in the new generation of digital lenders while at the same time putting marketplace lending on the map of Australia.

“With loan applications growing strongly and loans funded now standing at more than \$100 million, we are clearly delivering on the ambitions set by us and on behalf of all of our stakeholders. As a result, I am confident we will be cash-flow positive from operations over the next two years which will be a major achievement for a company that didn’t exist before 2012.”

Mr Yetton said SocietyOne was targeting significant expansion over the next five years with the aim of helping 100,000 customers and growing its total loans and matching funding to a two-to-three per cent share of the \$105 billion consumer finance market (excluding housing).

Since January 2013, the company had experienced two consecutive periods of ten-fold growth, he said. Loans to customers had risen from \$1 million to \$10 million over six quarters to June 2014 and then from \$10 million to \$100 million over seven quarters to April this year. Growth in the quarter to March 2016 was \$30 million alone.

The average size of a loan had also risen, to nearly \$20,000, with the vast majority of SocietyOne’s customers being white collar professionals earning between \$50,000 and \$150,000 a year. Their top loan priorities were debt consolidation, home improvement, buying a car and funding a holiday.

Mr Yetton said the company had also experienced substantial support from funding investors whose financing of loans to borrowers had set new records for an Australian marketplace lender. The company’s diverse base of funders included banks, credit unions, financial institutions, fund managers, self-managed super funds and high net worth individuals.

“The opportunities that lie ahead of us are immense,” added Mr Yetton. “Long term, we are targeting a two-to-three per cent share of the Australian consumer finance market which is calculated to be as large as \$105 billion.¹

“Of that, credit cards are estimated to account for \$42 billion² and debt consolidation by customers looking to reduce the crippling cost of repaying their credit cards makes up more than half of the loans we provide.

“We are already making a huge difference to the lives of thousands of Australians and I believe we should be able to help more than 100,000 customers achieve their financial dreams. The really exciting thing about this revolution is that individual investors get to participate alongside banks and fund managers as ‘equals’ in providing funds directly to SocietyOne borrowers.”

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About SocietyOne

SocietyOne is Australia’s leading marketplace lender and uses risk-based pricing through its world class proprietary ClearMatch technology platform to offer credit-worthy borrowers a better lending deal and investors direct access to an attractive new fixed income investment option. Borrowers with good credit histories benefit from personalised rates that are generally much lower than standard credit cards and the personal loan offerings of the banks. By reducing the cost of originating and managing loans, SocietyOne is able to share the operating cost advantage and the margin gain with both borrowers and investors. SocietyOne has also been recognised as one of Australia and New Zealand’s Top 20 “innovator, digital disruptor and game changer” in Australia and New Zealand in the inaugural Tech Pioneers 50 Report compiled by H2 Ventures and Investec Australia published in April 2016. To learn more about SocietyOne, go to <http://www.societyone.com.au>

¹ Total size of consumer finance market, excluding housing, APRA March 2016

² Latest data from the Australian Prudential Regulatory Authority, Monthly Banking Statistics, March 2016