

Media Release

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SocietyOne sets new lending record as growth accelerates in 2016

- Total lending reaches \$200 million since inception after record month in November
- Loan book up 315% in 2016 to \$126 million
- Record quarter of lending in the three months to December 2016
- New Chief Marketing Officer appointed

SocietyOne, Australia's leading and fastest-growing marketplace lender, has achieved another key milestone after breaking through the \$200 million lending mark.

The last three months of the 2016 calendar year have witnessed the strongest growth in the company's four-year history with an additional \$50 million of lending made between the first weeks of September and mid-December. November saw a record month of more than \$15.3 million in lending.

That took the total amount of lending made by SocietyOne to just over \$200 million since inception of which \$126 million - nearly two-thirds of the total - has been recorded in 2016 alone, said Jason Yetton, SocietyOne's Managing Director and Chief Executive Officer.

The year had seen strong demand from both borrowers of personal loans and investors with every dollar lent matched by a dollar in funding from wholesale investors such as life companies, mutual banks, credit unions, SMSFs and high net worth individuals through SocietyOne's digital auction marketplace. The total number of investor funders has now grown to 280 since the company started lending in August 2012.



“2016 has been a milestone year for several reasons, not least for the fact of us reaching a total of \$200 million in lending which makes us the clear leader in marketplace lending for consumer finance in Australia,” said Mr Yetton.

“Having started the year with \$70 million of originated loans since we commenced in August 2012, we have virtually tripled that amount in the last 12 months with an additional \$126 million of lending to our personal loans and agri-lending customers. This is a real testament to the vision of the company’s co-founders, Greg Symons and Matt Symons, and the hard work of everyone at SocietyOne.

“We are now looking forward to an even better year to come in 2017 as the opportunity opens up for us to mount a real challenge to the big four banks in the \$20 billion personal loan market and the wider \$100 billion consumer finance market. This is part of our goals to achieve a 2-3 per cent share of the consumer finance market by 2021 and helping over 100,000 Australians to get a better deal.”

Mr Yetton’s comments came as SocietyOne released its latest performance figures, which show:

- An acceleration in quarterly lending in the three months to December. SocietyOne topped \$100 million in total originated loans in early-April this year, up from \$70 million at the start of January, and then reached \$150 million in early-September;
- Available funding from investors for borrower customers has averaged \$22 million a month for the past six months;
- The effective annualised rate of return across the company’s portfolio of two year, three year and five year personal loans has averaged 10.66% p.a. between January 2014 and the end of November 2016^(a) ;
- The number of borrower customer accounts has grown by a further 1,800 since August 2016 to now stand at 7,800 at December;
- Default rates of the personal loan portfolio as at the end of November 2016 were 1.1% compared to a sector average of 2-3%.

“The momentum we saw in the first half of the year has increased in the second half following our successful national TV brand campaign that was launched during the Rio Olympic Games on Channel 7,” added Mr Yetton.

“Hundreds of thousands of Australians have been empowered with their personal credit information through getcreditscore.com.au and are now aware that they can get personal loans tailored to their individual circumstances without having to turn to their major bank. Since June, the number of Australians who have obtained their credit score has risen by nearly 450,000 to 800,000 now.

“At the same they are also discovering that there is a better, trusted alternative to the one-size-fits all, higher comparison interest rates the traditional big banks offer.

“That alternative now includes even better reasons for customers to tackle the financial issues that matter to them, whether it’s consolidating credit card debt, renovating their home, buying a car, taking that well-deserved holiday, paying for the wedding of their dreams or covering off those ever-increasing school fees.

“We’re now offering interest rates that are up to 1.4 percentage points lower than our previously publicised rates as we look to help out Australians at what is arguably the most expensive time of the year as Christmas, the summer holidays and back to school come together in one huge spending moment.

“We are also responding to borrower demand by increasing the limit available on our personal loans from \$35,000 to \$50,000 which will give our customers the financial flexibility they are looking for.”

(a) Effective Annualised Rate of Return as shown on the SocietyOne website and as calculated at 30 November 2016



Mr Yetton also announced two changes to SocietyOne's management team with the appointment of Maria Loyez as the company's new Chief Marketing Officer and the resignation of Company Secretary Jerry Yohanonov.

Ms Loyez was previously Global Chief Marketing Officer of the ASX-listed money transfer company OFX (previously known as OzForex) and prior to that worked spent two years at AMP, the financial services company, as Director of Channel Marketing, Advice & Banking.

Her career has also included a seven year spell at Optus where her last role was as Head of Marketing Communications. As CMO of SocietyOne, she will have responsibility for all of the company's marketing and brand operations and reports directly to Mr Yetton.

"Maria has more than 15 years' experience in marketing and business development and I am delighted she has chosen to join us," said Mr Yetton.

"Her leadership, experience and expertise will be invaluable as we grow SocietyOne into one of the most trusted brands in financial services in Australia. She will also play a critical role in helping us to achieve our ambitious plans to grow our borrower customers to 100,000 and a significant slice of the \$20 billion personal loans market over the next five years."

Mr Yetton also paid tribute to Jerry Yohanonov, who has been appointed Chief Financial Officer and Company Secretary of the SME lender, OnDeck Australia.

Mr Yohanonov was SocietyOne's first Chief Financial Officer, a role he handed over to Anna Harper when she joined the company in February this year. He also held the position of Company Secretary whose duties have now been taken on by General Counsel, Simon Willoughby.

"Jerry was one of our original employees and was here when, as Australia's pioneering peer-to-peer lender, we made our first ever loan, in 2012," said Mr Yetton. "Since then, the company has established itself as the leading lending marketplace in the country and Jerry should take pride in the contribution he has made to our phenomenal growth over that time."

"While sad to see him go, everyone here wishes Jerry well at OnDeck where he will bring a wealth of expertise and experience to bear. I personally want to thank him for his support and advice since I joined the company as CEO in March."

In addition to these changes, Mr Yetton said the company was very close to appointing its first Chief Investment Officer with responsibility for its investor funding operations. An announcement is expected early in the New Year.

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About SocietyOne

SocietyOne was founded in 2012 and is Australia's leading online lending marketplace for personal loans, connecting borrowers and investors through a risk-based pricing digital auction marketplace on its ClearMatch technology platform. SocietyOne was named in September 2016 in the Global Top 50 FinTechs by KPMG and H2 Ventures. The company also won the Best Digital Offering of the Year category in the 2016 AB+F Australian Retail Banking Awards and the 2016 Fintech Innovation in Lending award in the inaugural Australian Fintech Awards. For more information visit www.societyone.com.au