

HARMONEY**Celebrates 1st Birthday and achieves \$100m lending milestone.**

Auckland, 10 September 2015 – Peer to peer marketplace Harmony celebrates a successful first year as New Zealand's only operating P2P lender, achieving unprecedented growth, creating jobs in New Zealand, Australia and Fiji and preparing to launch in Australia.

Harmony highlights:

- Facilitated \$100 million of personal loans in less than 12 months
- 65 new jobs created
- Launched on 10 September 2014 with \$100 million of committed lending capital from institutions including Blue Elephant Capital Management & Heartland Bank
- Heartland Bank becomes a 10% shareholder
- Welcomed Trade Me as a 15% shareholder (January 2015) at \$55m valuation

Borrower highlights:

- 70,000 loan applications received c. \$1bn in value
- Proprietary credit scorecard delivering expected credit performance
- 90% of loans funded by the marketplace within 24 hours

Investor highlights:

- Welcomed 3000 active individual investors with average account balance of \$6,000
- Generated average realised yield of c.13% (net of fees and losses)
- Investors earned total interest income of \$6m
- Welcomed several large institutional investors incl. Marshall Wace LLP / P2P Global Investments PLC

Chairman Rob Campbell says Harmony's online marketplace facilitated \$100 million in personal loans in its first 12 months, and is setting new lending records.

"Harmony has much to be proud of. We were the first P2P marketplace in the world to launch with \$100 million lending capital, and we welcomed two high profile shareholders; Heartland Bank and Trade Me. These events have been the foundation of our success.

"Kiwis, in keeping with their reputation as early adopters, are embracing Harmony's P2P offering with enthusiasm.

www.harmony.co.nz | 0800 HARMONEY.

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"We are achieving phenomenal growth, and in 12 months have attracted 70,000 loan enquiries worth \$1bn and welcomed 3,000 active personal investors to our marketplace, www.harmoney.co.nz

"With the exception of China, this level of growth is unheard of, and reflects the hard work and experience of the team."

By using technology and cutting out the middleman, Harmoney has created an exciting, new and higher yield asset class, disrupting the market and revolutionising the investor-borrower relationship. Investors are able to achieve higher rates of return (target 12%); fast tracking retirement savings or home deposits.

Investors fractionalise their investments, a process that breaks a loan into \$25 units called "notes". This approach allows investors to select how many "notes" they wish to fund in a particular loan, which spreads risk. Harmoney's individual investors currently fund 25% of loans available*, and have an average investment of \$6,000.

Harmoney's focus is on acquiring and retaining creditworthy borrowers, says CEO, Neil Roberts.

"The team wanted to limit the exposure to higher risk customers, so apply risk-grade lending limits, and only fund a fraction of the applications received. Using our proprietary scorecard lower risk 'A' credit grade applicants can borrow up to \$35,000, compared to just \$5,000 for an 'F' customer."

Harmoney's median customer has a C1 risk profile; a solid customer to finance. A typical C1 applicant has an unblemished credit history, is 45 – 49 years old and married with a mortgage. They are using the funds to consolidate high interest personal loans and credit cards or for home improvements.

Future focus

Apart from the recent brand refresh and advertising campaign, Harmoney is focusing on making greater use of emerging technology, particularly mobile, developing channels to market, enhancing its online marketplace with new products for high net worth individuals, and growing even faster.

"Harmoney has had a fantastic first year. There is strong and growing demand for higher investment returns and cost effective borrowing and a growing awareness of the benefits of P2P. We're proud to be the platform that facilitates people investing in people," says Mr Roberts.

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ABOUT HARMONEY

[Harmony](#) operates New Zealand's first [licensed](#) Peer to Peer Lending platform bringing together people that want to [lend](#) and prime creditworthy borrowers that want to [borrow](#), a marketplace that has existed for generations but until now has been closed to retail [investors](#).

[Harmony](#)'s [founders](#) and [management team](#) have a proven track record starting a business in 2001 that processed \$3b in personal loan applications over a 5 year period before a successful sale to a US based conglomerate. The team has delivered shareholder value in excess of \$1b over 12 years.

New Zealand is one of the first countries in the world to overhaul securities law and to allow for peer to peer lending platforms which can act as a challenge to traditional banking.

The service providers are regulated, [licensed](#) and policed by the Financial Markets Authority (FMA). Peer to Peer Lending Platforms operate with benchmark operational costs far lower than any main street bank; the savings from which are passed on to lenders using the platform.

The investor/lender takes the same risks that the bank takes and enjoys the retail return. [Harmony](#) is currently the only FMA Licensed Peer to Peer Platform in New Zealand.

Visit www.harmony.co.nz

