

18th March 2015

ASX Limited
Exchange Centre
20 Bridge Road
Sydney NSW 2000

Money3 welcomes ASIC Review

Money3 welcomes the ASIC report into the small amount credit industry released on 17 March 2015.

Money3 is pleased to see that some of the key industry recommendations have been working well, particularly the protected earnings provision which limits the amount of small amount consumer credit to 20% of a customer's income where they receive Centrelink benefits exceeding 50% of their total income.

As with any significant regulatory changes the report demonstrates that there has been an adjustment period while a number of industry participants adapt to the regulatory environment and as ASIC itself gradually releases more detailed guidance for the benefit of the industry. A number of participants have also exited the industry. Money3 has also acquired several businesses, which has enabled it to replace their products with Money3's compliant and sustainable product offerings, for the benefits of consumers.

Money3 will continue to work with ASIC and policy makers to continue to fine tune the regulatory framework to achieve the best outcome for consumers and ensure that consumers have access to much needed small amount credit.

Money3 has observed that today's commentary in the financial press misstates Money3's position in relation to the impact that changes in fee caps on small amount credit might have on Money3's financial position. Below is a page from Money3's ASIC released presentation dated 2 March 2015 which identifies that loans under \$1,000 account for 20% of Money3's income. Money3's position is that if fee caps on those loans are reduced Money3 would exit that segment of the industry.

Loan Range (\$)	No of Loans	% of No of Loans	Income	% of Income
0-500	41,089	49%	\$2.2M	5%
501-1000	25,610	31%	\$6.7M	15%
1001-2000	7,172	9%	\$4.3M	9%
2001-3000	3,035	4%	\$3.7M	8%
3000+	6,285	7%	\$28.8M	63%
	83,191		\$45.7M	

The scaleable and growing part of Money3's business is in secured lending. Loans above \$1,000 account for 80% of Money3's revenue.

Money3 does not anticipate that fee caps on loans below \$1,000 would be reduced as industry participants and policy makers appreciate the strong social and economic need for consumers to be able to continue to access small amount credit. Money3 anticipates that if there are to be regulatory changes they are more likely to be in relation to the number of small amount credit loans that can be made in a 90 day period.

Further information on Money3's position can be viewed in the full investor presentation dated 2 March 2015, available on the ASX website.

Rob Bryant
Managing Director

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