

17 August 2023

## ASX ANNOUNCEMENT

### HARMONEY PRICES INAUGURAL NZ\$200M ABS TRANSACTION

Harmony Corp Limited (ASX:HMY) (**Harmony** or the **Company**) is pleased to announce the pricing of its inaugural NZ ABS transaction, the NZ\$200million Harmony NZ ABS 2023-1 Trust.

#### Highlights:

- NZ\$200million ABS priced for New Zealand personal loans-backed securities originated by Harmony with a weighted average margin (at close) on the rated notes of 313bps over one-month BKBM achieved.
- First public non-credit card consumer ABS transaction in NZ.
- Prime quality loan book achieved AAA Moody's Rating for \$125.4m (62.7%).
- The facility adds to current capacity within the group, now at \$330 million.

The inaugural ABS transaction has been arranged by the Bank of New Zealand, with Joint Lead Manager Commonwealth Bank of Australia.

The transaction will add materially to Harmony's capacity and delivers further diversification of Harmony's funding to support continued growth in the loan book, which was \$744 million at 30 June 2023.

#### CEO Commentary:

Mr David Stevens, Chief Executive Officer, Harmony said, *"Despite challenging market conditions since Central Banks began their current tightening cycle over the last year, we have managed our interest rate risk prudently, protecting our margins and, importantly, growing sustainably."*

*"This transaction further diversifies our funding sources and will add significant capacity to the group, supporting our growth objectives. We are especially pleased by the strong support shown by investors in this transaction, demonstrating their ongoing confidence in our business and recognition of the quality of our underlying loan book."*

Class	Expected Moody's rating	Issue size (NZ\$M)	Initial Credit Support	WAL (yrs)	Spread (1MBKBM+)
A1	Aaa	100.00	50.00%	1.7	165 bps
A2	Aaa	25.40	37.30%	1.7	250 bps
B	Aa2	20.80	26.90%	2.1	375 bps
C	A2	11.20	21.30%	2.1	450 bps
D	Baa2	11.80	15.40%	2.1	545 bps
E	Ba2	9.20	10.80%	2.1	850 bps
F	B2	9.20	6.20%	2.1	950 bps
G	NR	12.40	-	2.9	Retained
<b>Total</b>		<b>200.00</b>			

The levels of credit support required by Moody's at each rating level and the pricing across the classes reflect the strong credit performance of the underlying personal loans.

The transaction is due for settlement on Thursday 24 August 2023.

This announcement has been authorised for release by David Stevens, CEO and Managing Director.

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**For queries please contact:**

**Corporate/Investors**

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## ABOUT HARMONEY

Harmony is the only 100% consumer-direct personal lender operating across Australia and New Zealand. Harmony provides customers with unsecured personal loans that are fast, easy, competitively priced (using risk-adjusted interest rates) and accessed 100% online.

Harmony's purpose is to help people achieve their goals through financial products that are fair, friendly, and simple to use.

Harmony's proprietary digital lending platform, Stellare® is the power behind the platform. Stellare® can process, approve and fund most loan applications within 24 hours. Stellare® also replaces the traditional industry credit scorecard with a predictive behavioural analytics engine which uses machine learning to analyse our rich, direct consumer data to deliver automated credit decisioning and superior risk-based pricing.

## BUSINESS FUNDAMENTALS

- Harmony provides risk based priced unsecured and secured personal loans of up to \$70,000 to consumers across Australia and NZ.
- Its 100% consumer-direct model and automated loan approval system is underpinned by Harmony's scalable Stellare® proprietary technology platform.
- A large percentage of Harmony's originations come from existing customers with no customer acquisition cost.
- Harmony is comprised of a team of ~85 full-time employees predominantly based in Auckland, New Zealand, half of whom comprise engineering, data science and product professionals.
- Harmony has a highly diversified funding panel with warehouses being provided by three of the "Big-4" banks across Australia and New Zealand. Harmony also issued its first asset backed securitisation in 2021, and followed up with a \$200m NZ asset backed securitisation in August 2023, both being publicly rated by Moody's.

For further information visit <https://www.harmony.co.nz/> or <https://www.harmony.com.au/>