



ASX ANNOUNCEMENT

26 April 2017

MARCH 2017 QUARTERLY OPERATIONAL UPDATE: REVENUE BUILDING AND NEW FEATURES AHEAD OF TARGET

INVESTMENT HIGHLIGHTS

- Strong trading quarter delivers key revenue milestone ahead of target
- Doubling of key metrics quarter on quarter ~ Transaction Volume ("TTV"), Customer Deposits, Customer Spend, and Revenue to new highs
- In excess of 18,000 new banking customers during the quarter
- Annualised TTV run-rate of US\$118 million (A\$155 million¹) up from A\$56 million in the previous quarter
- New Savings Account with round-up feature launched in April following successful pilot during the quarter
- Significant progress in build-out of internal processing capabilities delivering improved costs and faster to market innovation of neo-banking functionality and products

ChimpChange Limited (ASX: CCA) ("ChimpChange"), Australia's only listed digital banking platform, is pleased to present its March 2017 quarterly report on business progress.

Strong organic growth supercharged by the U.S. tax refund season

The Company delivered strong growth across all areas of its business and continued to confirm the opportunity in the US market for an innovative tech-driven fee-free consumer banking product.

Key metrics including customer deposits, new customers, and customer spend utilising the ChimpChange MasterCard all grew ahead of forecast and delivered company-wide records during the quarter. The period also saw a seasonal boost in deposits in the form of tax refund inflows, which we now expect to experience annually, and which contributed to the record results during the quarter.

The table below highlights the rate at which ChimpChange's growth is accelerating across all key transactional metrics.

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Metric	Three Months Ended (USD)			Change	
	31 Mar 2017	31 Dec 2016	30 Sept 2016	QoQ% Growth	PCP% Growth ¹
Transaction Volume	\$23,906,550	\$10,536,894	\$4,486,805	127%	263%
Deposits	\$12,039,570	\$5,294,705	\$2,294,603	127%	291%
Purchases	\$8,104,894	\$3,690,271	\$1,475,589	120%	351%
Revenue	\$140,000	\$69,000	\$28,600	103%	37%

Note: 1. Prior Corresponding Period Comparison (Quarter ended 31 Mar 2016)

Ash Shilkin, Founder and Managing Director of ChimpChange, stated:

“We continued to aggressively scale our business model resulting in the Company more than doubling total revenues compared to the previous quarter and achieving an A\$1 million revenue run rate ahead of forecast.

Furthermore, we finished the March quarter with TTV running at an annualised run rate in excess of US\$118 million (A\$155 million¹), strongly up from US\$56 million at the end of the December quarter.

We are tremendously gratified that so many people choose to bank with ChimpChange and trust our platform with their daily banking needs, reinforcing our investment and drive in the ChimpChange banking proposition.

Building customer trust and a solid base of transactional bank account holders is the first step in positioning ourselves for even faster growth when we start to offer higher-margin financial products to our customer base. As we attract more and more customers, we continue to lay a solid foundation for future growth.

We are excited at the potential of the enhancements we are making to the platform, which will attract higher quality customers, decrease transactional costs with partners, and accelerate innovation in banking. New feature roll-out and vertical integration efforts both remain a focus and will support our vision to transform the banking experience.

I'm extremely excited to share the strong results of our growth efforts, and the opportunity to introduce additional step changes over the next few quarters that will further differentiate the ChimpChange banking experience, enhance monetisation opportunities, and diversify the company in the future.”

KEY METRIC ANALYSIS

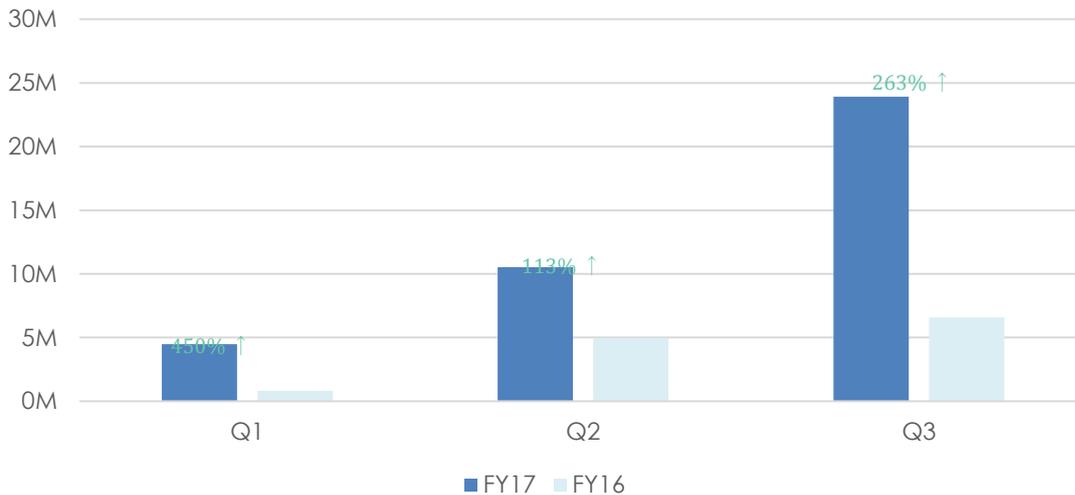
Growth in Total Transaction Volume (TTV)

Total Transaction Volume, which represents the movement of gross customer funds within our banking environment, grew by 127% QoQ to US\$23.9 million (A\$31.5 million¹). This strong growth has boosted the annualised run rate of ChimpChange's TTV to approximately US\$118 million (A\$155 million¹).

For the month of March, ChimpChange was able to achieve US\$9.8 million (A\$12.9 million¹) in TTV on the heels of continuing tax refund deposits and strong usage of the debit MasterCard.

The charts below show ChimpChange's strong recent momentum in building transactional scale.

TTV Growth, FY17 to Date over FY16

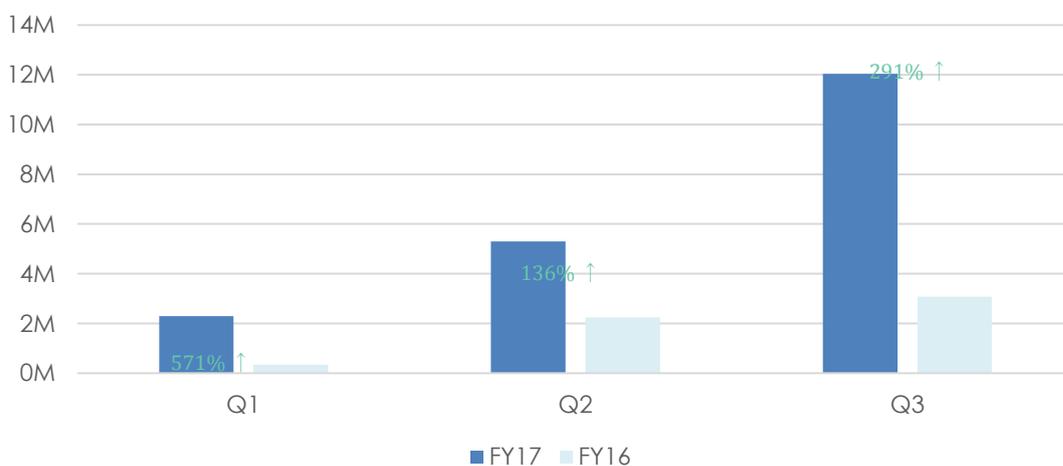


Growth in Customer Deposits

Customer deposits for the quarter grew by 127% to US\$12.0 million (A\$15.8 million!). As the chart below illustrates, ChimpChange customer deposits continue to grow sharply to new highs each quarter.

For the month of March, ChimpChange was able to achieve US\$4.7 million (A\$6.2 million!) in deposits with the increase predominantly driven by the US Tax refund season, which continued from the February results and will likely continue to be a cyclically strong period for the Company in future years. The Company estimates that the March impact from the US Tax return season represented approximately US\$1 million in Tax refunds compared to US\$2 million in February. More importantly, underlying growth of deposits, exclusive of Tax refunds, remained strong at a 29% MoM growth rate, ahead of the Company's expectations.

Growth in Deposit Loads, FY17 to Date over FY16



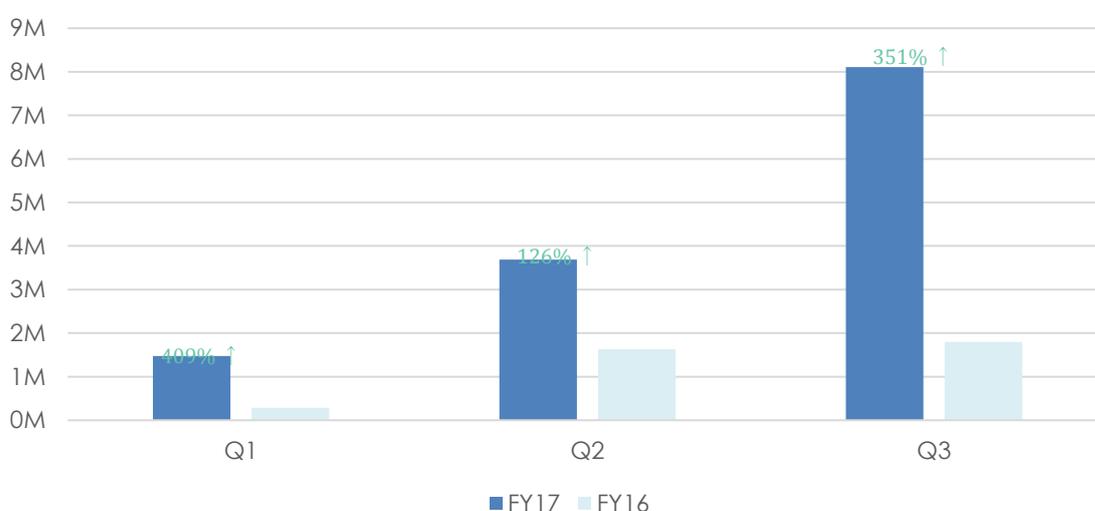
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Growth in Customer Card Purchases

Customer Card Purchases increased quarter-on-quarter by 120% to US\$8.1 million (A\$10.7 million!). The Company finished the March quarter at an annualised card purchase run rate of approximately US\$41 million from approximately 1.42 million transaction swipes per annum.

For the month of March, purchases made using the ChimpChange MasterCard were approximately US\$3.4 million (A\$4.5 million!) with more than 118,000 swipes in the period, averaging over \$29.00 per swipe. The strong growth in purchases MoM is attributed to greater percentage of the funds deposited being spent on the MasterCard rather than withdrawn from an ATM.

Growth in Card Purchases, FY17 to Date over FY16



Continuous innovation underpinning short and long-term revenue growth

ChimpChange continues to build the foundation of a diversified banking business offering strong functionality and providing an improved banking and saving experience for our customers. The Company's core principle is to provide customers with value-added banking and budgeting services at their fingertips, which differentiate the customer experience from the typical bricks-and-mortar bank.

At the end of the March quarter ChimpChange continued to deliver higher organic acquisition percentage (26.1%), higher adoption rates, and a higher annualised gross revenue of US \$738,000 (A\$971,000!) than in previous quarters. These achievements to date validate the value proposition ChimpChange provides to the marketplace and gives the Company confidence in continuing to invest in additional services.

During the final weeks of the quarter, ChimpChange piloted a new savings account feature to select users for testing and optimization. The Company expects this savings feature will increase the amount of deposits users load onto the platform, increase the number of transactional swipes customers make, and help to make our debit card top-of-wallet. Soft launch of the new feature to all customers occurred in April 2017.

The savings account has consistently been the most requested new feature by surveyed customers and the Company has worked diligently with our partners to be able to deliver a differentiated savings process for our customers.

The ChimpChange savings account is a feature that can be added by any user so that the virtual spare change – the difference between the nearest whole dollar and the actual purchase price - from every MasterCard transaction is saved in a separate round-up account. The round-up account will grow over time as the customer proactively swipes their debit card. Given that saving money is a high priority for most Americans, we expect that this feature will help promote our banking platform and reduce acquisition costs. Initial customer adoption data for this feature support this expectation.

From a longer-term perspective, ChimpChange expects loan products to drive a step change in the Company's ability to generate revenue (and gross margin) per active customer in significant multiples to what we are generating today. Each quarter, the Company is growing its base of transactional banking customers, and continues to build its relationship and trust with customers with this goal in mind. It is anticipated that when the Company rolls out other offerings such as loan products to the ChimpChange customer base, the positive financial impact on the business will be dramatic.

The Company views the advancement of its innovative services as a clear differentiator of the ChimpChange customer experience, compared to the customer experience with incumbent banks. The ChimpChange experience will delight our customers while enhancing monetisation opportunities that will establish a strong foundation for the Company's future growth.

4th Quarter finish to the Fiscal Year

ChimpChange will be building upon the momentum from Q3 with the roll-out of the Round-Ups Savings Account and enhanced Bank-to-Bank transfer capabilities early in the final quarter of fiscal year 2017. Without the seasonal impact of Tax refunds in this upcoming quarter, the Company views the new features as catalysts to continue the underlying growth across all metrics. During the next quarter, we will be stepping up marketing efforts centered around the new features and expect to improve upon our key metrics of organic acquisition percentage, adoption rates, and quarterly revenue. Furthermore, we are targeting to set a new quarterly record for customer acquisition since the IPO. Utilising these tools in acquiring customers will allow the Company to drive higher adoption rates, increase transactional activity, and lower customer acquisition costs.

Cash at the end of the March quarter was **US\$4.5 million** (A\$5.9 million¹).

All financial figures in the following Appendix 4C are denominated in U.S. dollars, unless stated otherwise.

¹Based on a Quarter-end USD/AUD of \$0.76

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About ChimpChange

ChimpChange Limited (ASX: CCA) is Australia's only listed digital banking platform. The Company offers consumers secure, low-cost, feature-rich bank accounts. Based in Los Angeles, California, ChimpChange delivers a better way to bank with two key value propositions to customers.

Firstly, it makes free retail banking available to tens of millions of Americans who typically pay monthly fees and overdraft fees to have a bank account. Secondly, the Company provides money management tools to help customers better understand how they spend their money, and save their money. The Company also offers real-time mobile cheque deposit and instant person to person payments.

All funds on deposit are held with a federally regulated FDIC-insured bank in the USA.