GreenSky Completes Over $2.5 Billion of New Funding

Consummates $1.8 billion Elective Healthcare bank funding partnership and executes $875 million in additional funding

ATLANTA--(BUSINESS WIRE)--Oct. 23, 2020-- GreenSky, Inc. (NASDAQ: GSKY), a leading financial technology company Powering Commerce at the Point of Sale®, announced today it has entered into a new, long-term, $600 million per year, bank funding partnership totaling up to $1.8 billion for its elective healthcare business. GreenSky has also recently completed approximately $875 million of new asset sales demonstrating the successful execution of the Company’s previously announced diversified funding strategy.

“I am very pleased to announce GreenSky’s latest strategic bank alliance, which I anticipate will serve as a significant catalyst for our elective healthcare business,” said David Zalik, GreenSky Chairman and CEO. “I am excited to have a new core GreenSky lending partner funding our Patient Solutions activities as we look to reignite our elective healthcare consumer loan platform in 2020 and beyond.”

In addition to the new $1.8 billion commitment, GreenSky recently executed a total of $875 million in loan participation and whole loan sales to institutional asset managers and bank partners, which included a loan sale to the new bank partner and an increase to an existing bank partner’s funding commitment by $100 million.

“These recent transactions demonstrate GreenSky’s strong access to funding. The loan participation sales create incremental available capacity, and the increase in bank commitments show continued support from our bank partners,” said Andrew Kang, Chief Financial Officer. “These are but the first in a series of programmatic initiatives to diversify and optimize the Company’s funding profile in order to continue to support our consumers and merchants through the strategic growth of our business.”

“These sales, which were executed at an average price of approximately 95% of principal, will partially decrease third quarter 2020 net income. In future periods, however, they will also reduce total cost of revenue and earnings volatility through lower net Finance Charge Reversal (“FCR”) amounts. Additionally, we will continue to earn servicing fees on these assets. We are pleased with
these executions and with the implications on our margin and profitability,” said Kang.

About GreenSky, Inc.

GreenSky, Inc. (NASDAQ: GSKY) is a leading technology company Powering Commerce at the Point of Sale® for a growing ecosystem of merchants, consumers, and banks. Our highly scalable, proprietary technology platform enables merchants to offer frictionless promotional payment options to consumers, driving increased sales volume and accelerated cash flow. Banks leverage GreenSky’s technology to provide loans to super-prime and prime consumers nationwide. Since our inception, 3.4 million consumers have financed $25 billion of commerce using our paperless, real time "apply and buy" technology and the Company services a $9 billion+ loan portfolio. GreenSky is headquartered in Atlanta, Georgia. For more information, visit https://www.greensky.com.

Forward-Looking Statements

This press release contains forward-looking statements that reflect the Company's current views with respect to, among other things, its operations; its financial performance; and the impact of COVID-19. You generally can identify these statements by the use of words such as “outlook,” “potential,” “continue,” “may,” “seek,” “approximately,” “predict,” “believe,” “expect,” “plan,” “intend,” “estimate” or “anticipate” and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as “will,” “should,” “would,” “likely” and “could.” These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. These risks and uncertainties include those risks described in GreenSky’s filings with the Securities and Exchange Commission and include, but are not limited to, risks related to the extent and duration of the COVID-19 pandemic and its impact on the Company, its bank partners and merchants, GreenSky program borrowers, loan demand (including, in particular, for elective healthcare procedures), the capital markets (including the Company’s ability to obtain additional funding or close new institutional financings) and the economy in general; the Company's ability to retain existing, and attract new, merchants and bank partners or other funding partners, including the risk that one or more bank partners do not renew their funding commitments or reduce existing commitments; its future financial performance, including trends in revenue, cost of revenue, gross profit or gross margin, operating expenses, and free cash flow; changes in market interest rates; increases in loan delinquencies; its ability to operate successfully in a highly regulated industry; the effect of management changes; cyberattacks and security vulnerabilities in its products and services; and the Company’s ability to compete successfully in highly competitive markets. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, GreenSky disclaims any obligation to update any forward-looking statement.
to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements.

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