

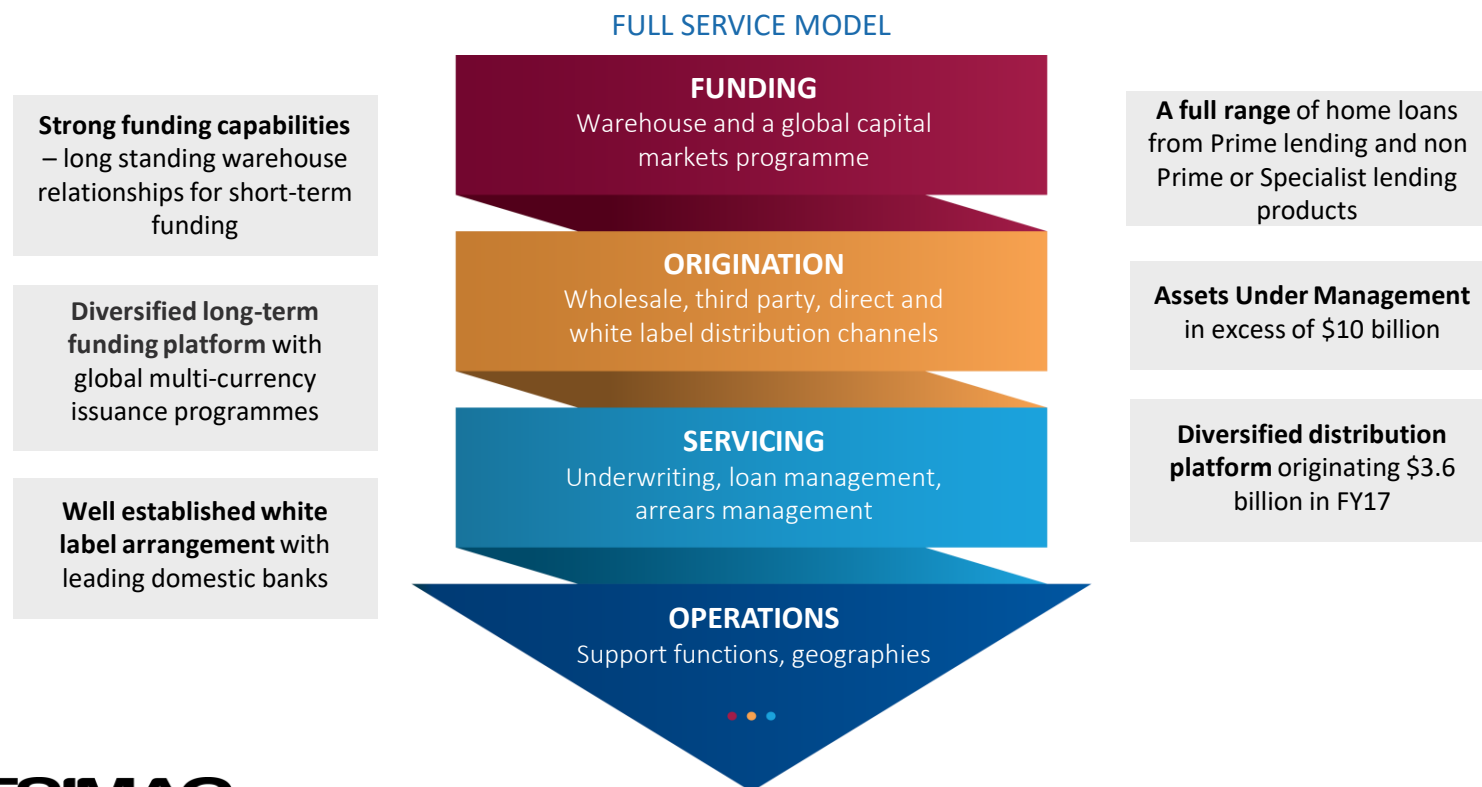
Homeloans Ltd

2017 Full Year Results
Investor Presentation – August 2017

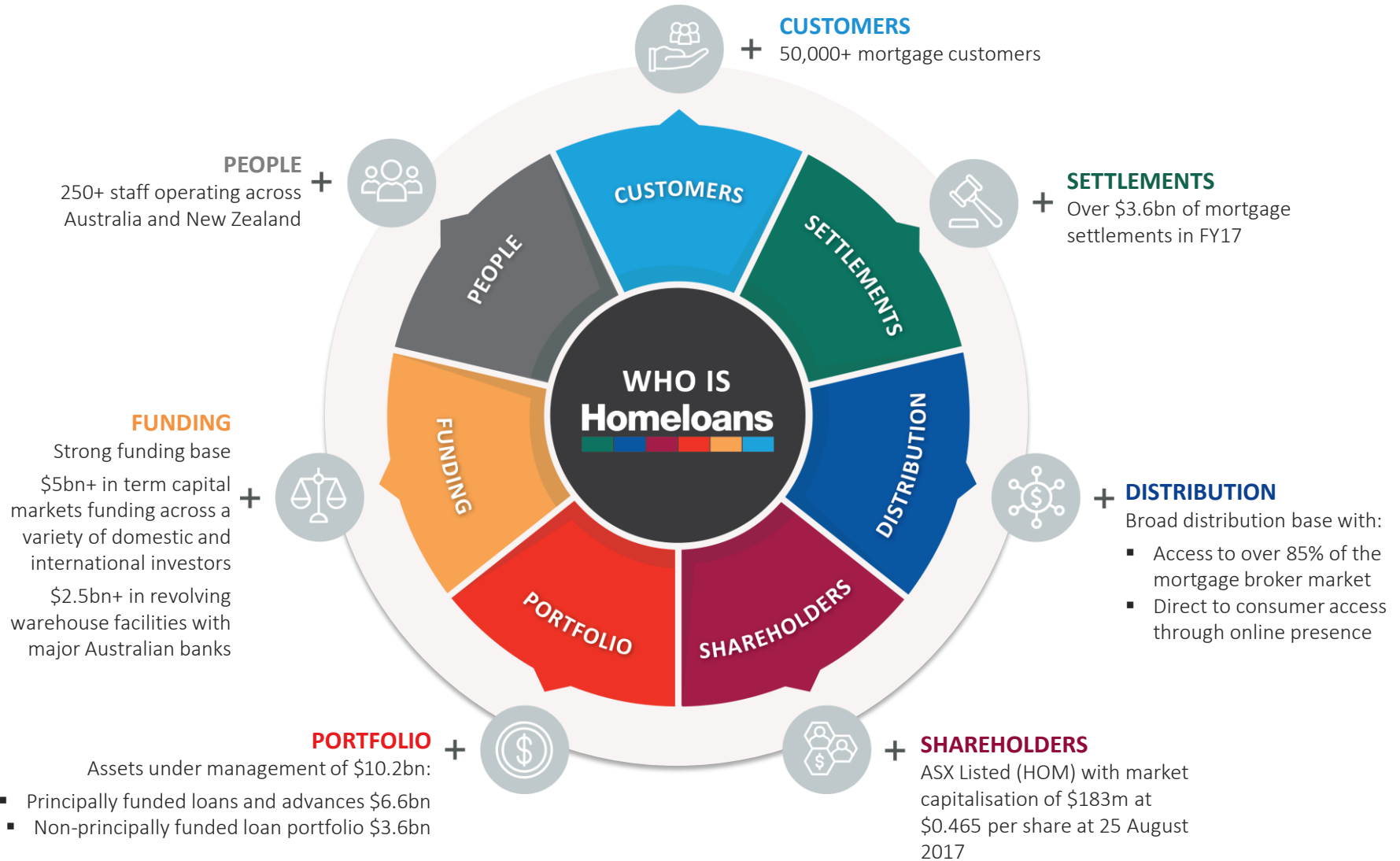
Business Overview

In October 2016 RESIMAC Limited and Homeloans Limited merged to create a leading non-bank lending and multi-channel distribution business within Australia and New Zealand.

We are a profitable organisation with diverse income streams – net interest margin on principally funded loans, annuity trail income on non principally funded loans and other fee income. We operate a proprietary servicing platform with a Standard & Poor's ('S&P') 'Strong' Servicer Ranking which was reaffirmed February 2017.



Who is Homeloans?

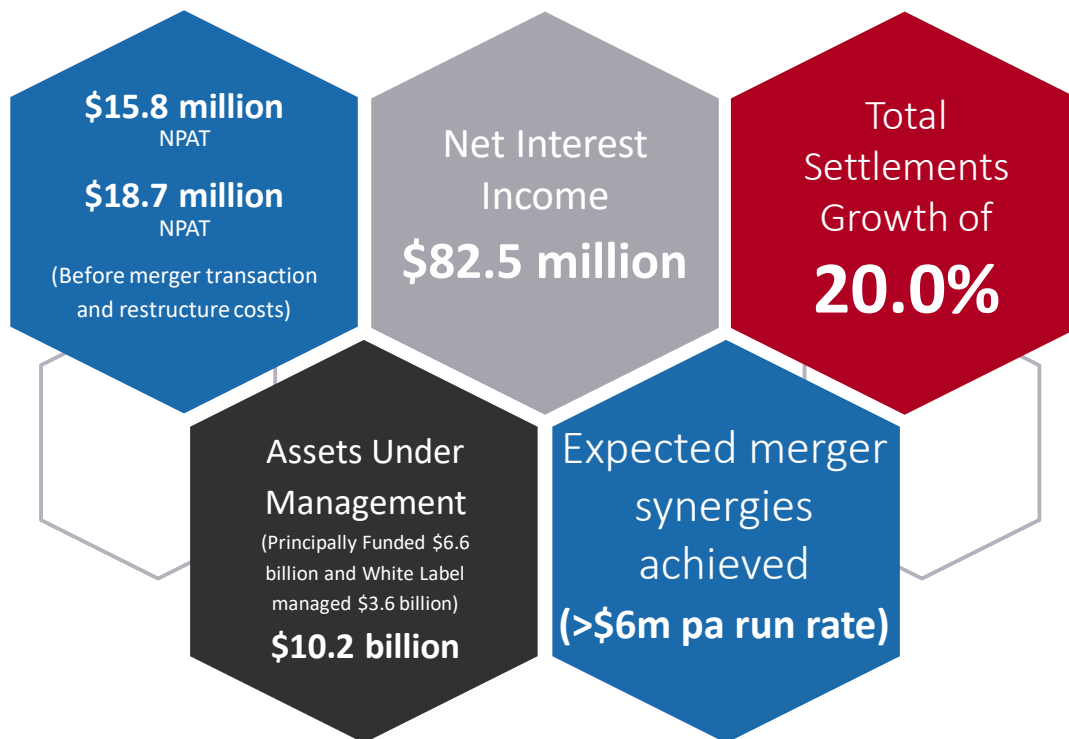


Contents

1. Performance Highlights	Scott McWilliam, Joint CEO	Mary Ploughman, Joint CEO
2. Financial Results	Ian Parkes, CFO	
3. Outlook	Scott McWilliam, Joint CEO	Mary Ploughman, Joint CEO

Performance Highlights

Capitalising on the Merger



- Underlying NPAT of \$18.7m reflecting growth of loan portfolio and strong settlement growth during the year
- The second half of the year represents a full 6 months' of the merged businesses (refer slide 22)
- Statutory NPAT of \$15.8m
- Settlements up 20.0%
- Improvement in AUM (up 14.6% on PCP)
- Fully-franked final dividend of 0.75c per share
- ROE of 13.2% (normalised)
- Expected merger synergies realised ahead of schedule (>\$6m pa run rate)

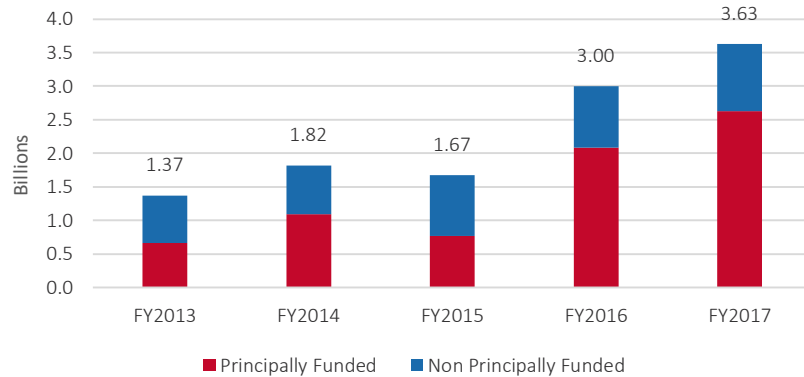
Momentum Through Change

- ✓ **Continue to develop distribution network**
 - Strong growth in the second half of FY17 across key distribution channels
- ✓ **Invest in process efficiencies**
 - Work commenced on efficiency and technology platform review
- ✓ **Expand and diversify the funding programme**
 - All issuances during the year well supported by investors and markets
- ✓ **Full realisation of merger potential**
 - Merger integration substantially complete and cost and revenue synergies tracking ahead of expectations
- ✓ **Asset quality maintained**
 - Settlement growth achieved while maintaining sound credit and lending practices, supported by low levels of arrears

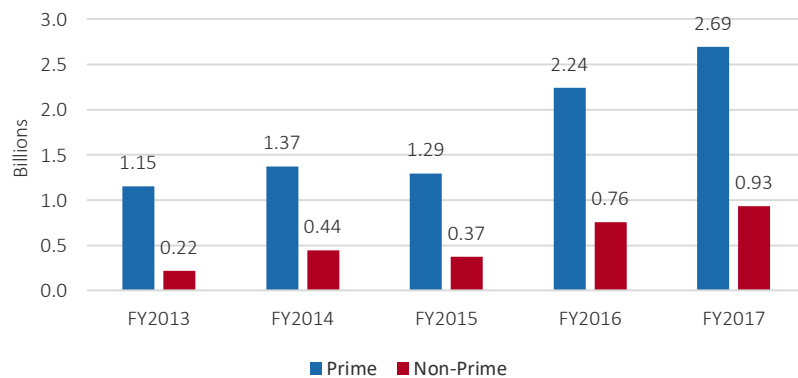
Performance Highlights

Settlements

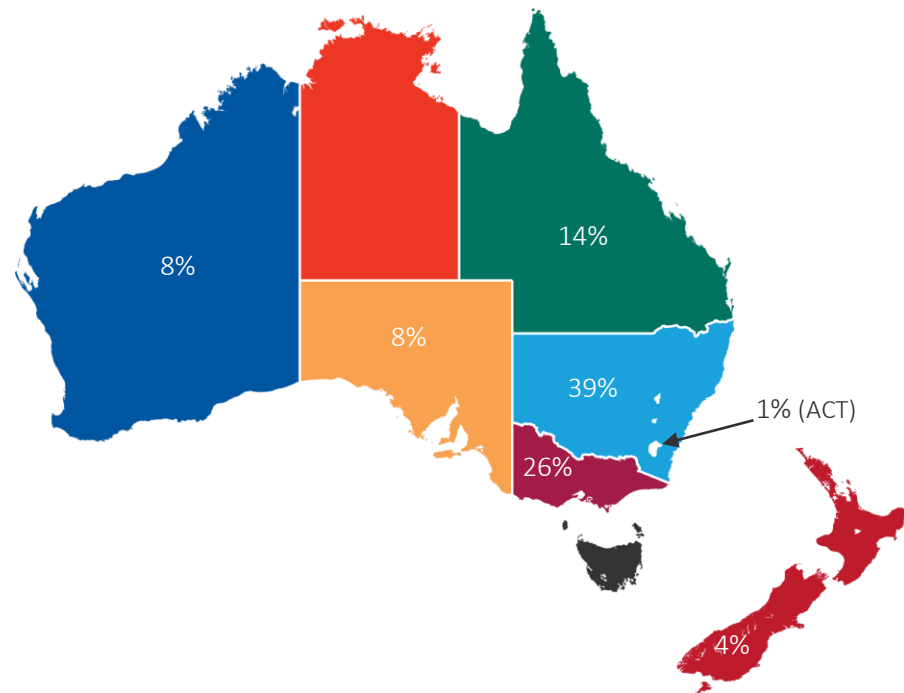
Homeloans Originations



Homeloans Originations Prime / Non-Prime



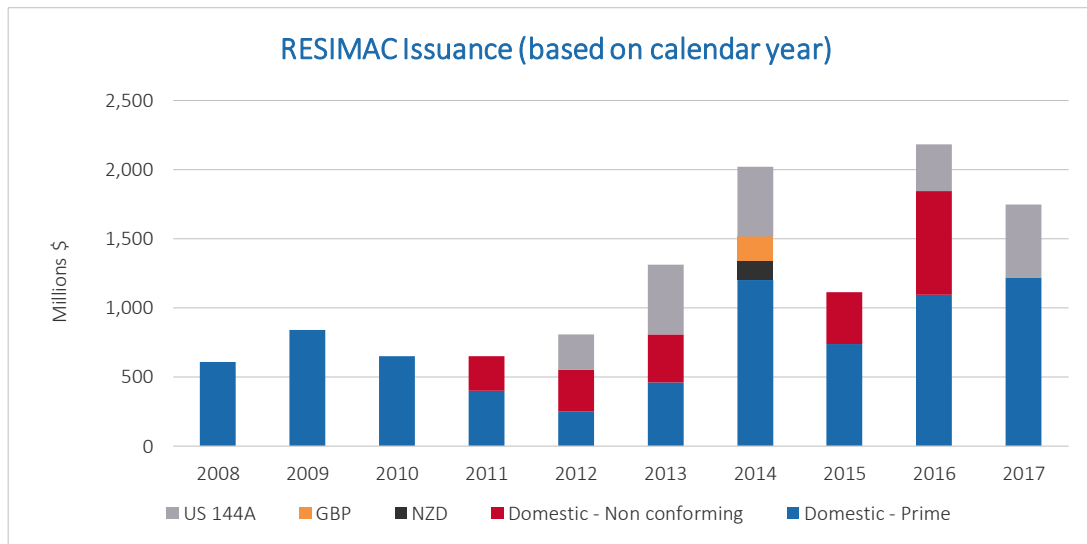
Diversified settlement coverage with full product suite offered



Performance Highlights

Successfully Leveraging Our Market-Leading Funding Platform

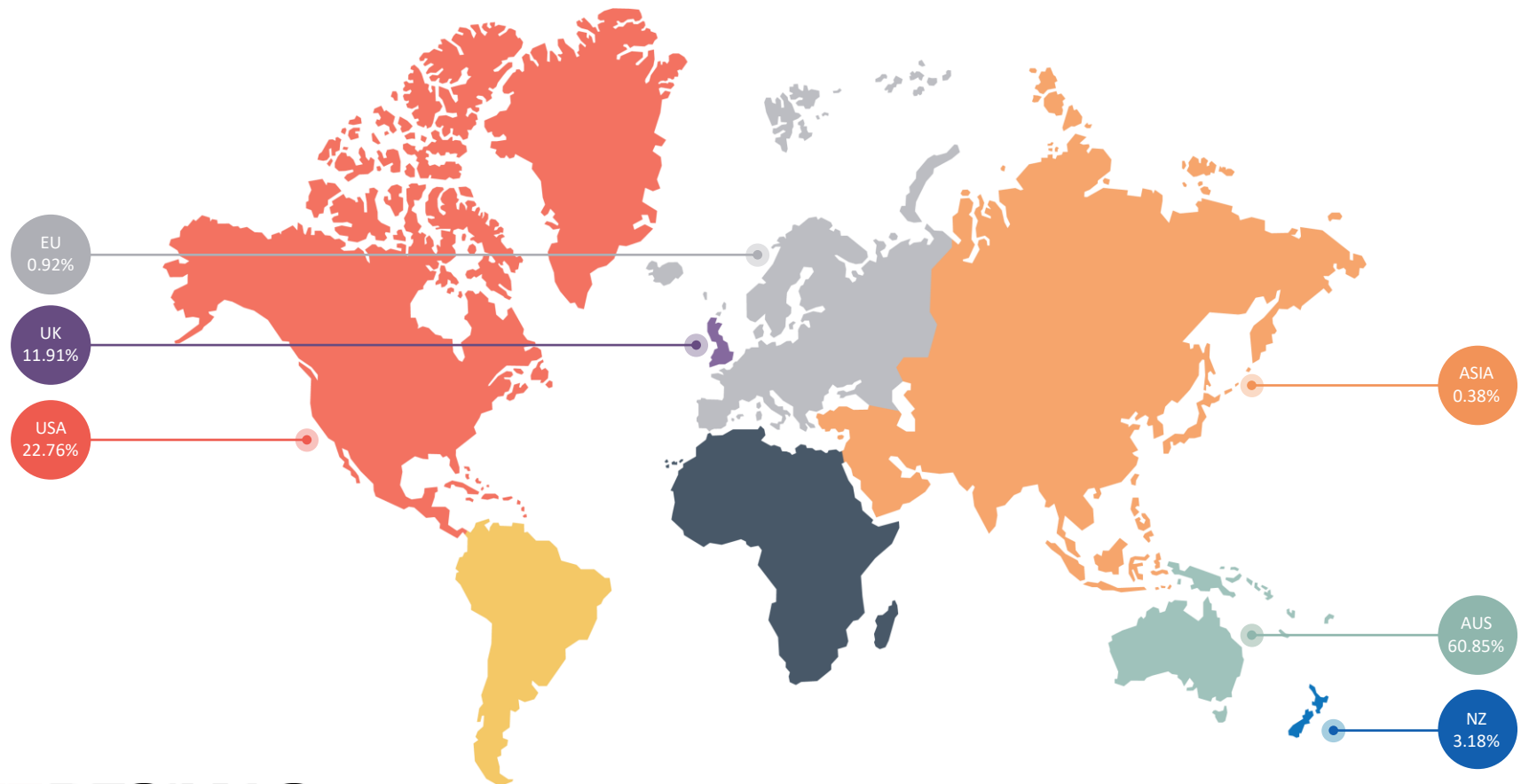
- RESIMAC has issued over A\$21 billion RMBS since inception across 40 domestic and offshore Residential Mortgage Backed Securities transactions, including:



A Geographically Diversified Funding Platform

- The development of a 144a US programme in 2012 has provided broader capital markets access
- RESIMAC's funding platform attracts a range of investors across multiple jurisdictions

Percentage of capital markets issuance from 2012-2017 by investor jurisdiction:



Contents

1. Performance Highlights	Scott McWilliam, Joint CEO	Mary Ploughman, Joint CEO
2. Financial Results	Ian Parkes, CFO	
3. Outlook	Scott McWilliam, Joint CEO	Mary Ploughman, Joint CEO

FY17 Financial Results at a Glance

The below results are shown on a statutory, normalised and pro-forma basis with a reconciliation of FY17 statutory and normalised profit included on slide 21

	FY17	FY16 (pro-forma)**	16v17 movement	FY16*
NPAT (Statutory)	\$15.8m	\$15.7m	0.6%	\$13.0m
NPAT (Normalised)	\$18.7m	\$15.7m	19.1%	\$13.0m
PBT (Statutory)	\$23.0m	\$22.2m	3.6%	\$16.5m
Expense to income ratio (normalised)	67.0%	70.6%	5.1%	73.3%
ROE (normalised and on a year-end basis)	13.2%	12.4%	6.5%	15.8%
AUM: Principally funded	\$6.6b	\$5.4b	22.2%	\$5.4b
AUM: Non-Principally funded	\$3.6b	\$3.5b	2.9%	\$3.5b
AUM: Total	\$10.2b	\$8.9b	14.6%	\$8.9b
Settlements: Principally funded	\$2.6b	\$2.1b	23.8%	\$2.1b
Settlements: Non-Principally funded	\$1.0b	\$0.9b	11.1%	\$0.9b
Settlements Total	\$3.6b	\$3.0b	20.0%	\$3.0b

* In accordance with the accounting treatment of the merger as a reverse acquisition the consolidated information for 30 June 2016 represents the results of RESIMAC only.

**Unaudited pro-formas are based on assumptions outlined in Explanatory Memorandum.

Consolidated Statement of Profit or Loss

For the Financial Year Ended 30 June

	2017 (a) \$m	2016 (a) \$m
Interest income	278.8	241.2
Interest expense	(196.3)	(171.8)
Net interest income	82.5	69.4
Fee and commission income	32.1	9.3
Fee and commission expense	(31.1)	(13.9)
Other income	4.4	1.5
Employee benefits expense	(36.7)	(28.3)
Other expense	(26.9)	(20.1)
Share of profit from joint ventures	-	0.7
Loan impairment expense	(1.3)	(2.1)
Profit before tax	23.0	16.5
Income tax expense	(7.2)	(3.5)
PROFIT FOR THE YEAR	15.8	13.0

(a) In accordance with the accounting treatment of the merger as a reverse acquisition the consolidated information for:

- 30 June 2017 represents the 12 months' results of RESIMAC and the results of Homeloans from 13 October 2016 (8 ½ months)
- 30 June 2016 represents the results of RESIMAC only

Consolidated Statement of Financial Position

As at 30 June

	2017 (a) \$m	2016 (a) \$m
Assets		
Cash and bank balances	187.1	161.5
Trade and other receivables	7.7	3.1
Loans and advances to customers	6,643.0	5,245.3
Other assets	67.4	11.3
Derivative financial asset	7.3	46.0
Investments in joint ventures	-	1.2
Intangible assets	22.3	1.3
Total assets	6,934.8	5,469.7
Liabilities		
Trade and other payables	38.3	25.1
Interest-bearing liabilities	6,708.8	5,349.2
Other financial liabilities	28.3	-
Derivative financial liabilities	4.4	5.2
Other liabilities	8.6	4.4
Provisions	5.2	3.5
Total liabilities	6,793.6	5,387.4
Net Assets	141.2	82.3
Equity		
Share capital	174.7	134.2
Reverse acquisition reserve	(61.5)	(70.2)
Total issued capital	113.2	64.0
General reserves	(3.1)	-
Retained earnings	31.1	18.3
Equity attributable to owners of the parent	141.2	82.3
Non-controlling interest	-	-
Total equity	141.2	82.3

\$m	FY17	FY16
Cash reconciliation		
Cash at bank and on hand	18.5	12.3
Cash collections account	166.2	149.2
Restricted cash	2.4	-
Cash at bank	187.1	161.5

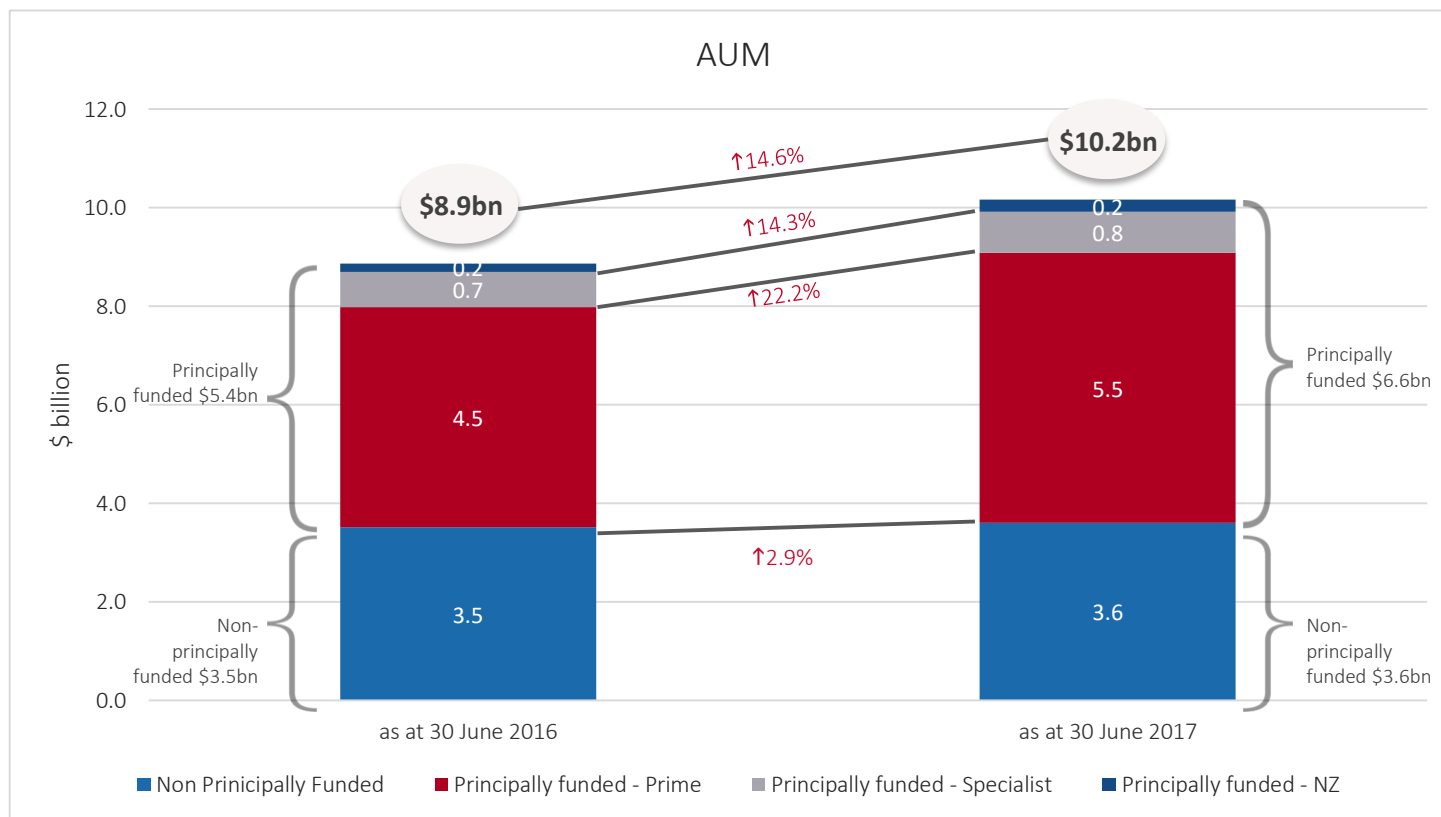
(a) In accordance with the accounting treatment of the merger as a reverse acquisition the consolidated information as at:

- 30 June 2017 represents the consolidated financial positions of RESIMAC and Homeloans
- 30 June 2016 represents the financial position of RESIMAC only

FY17 Financial Results

Key Drivers of Financial Result

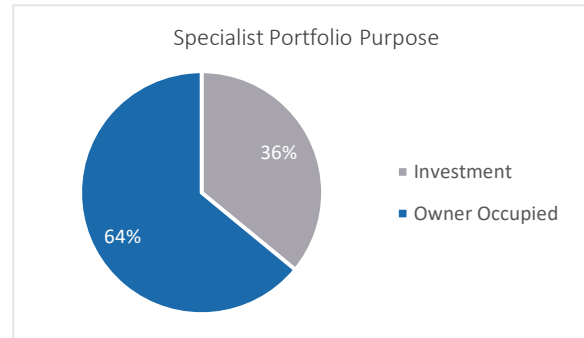
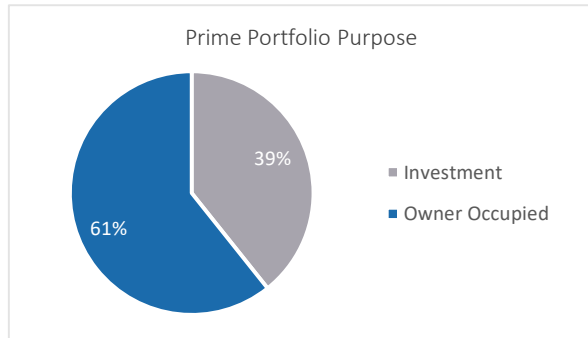
- Homeloans assets under management (AUM) drive the financial results with growth in AUM supported by new settlement flows and retention activities
- Strong credit quality of portfolio maintained



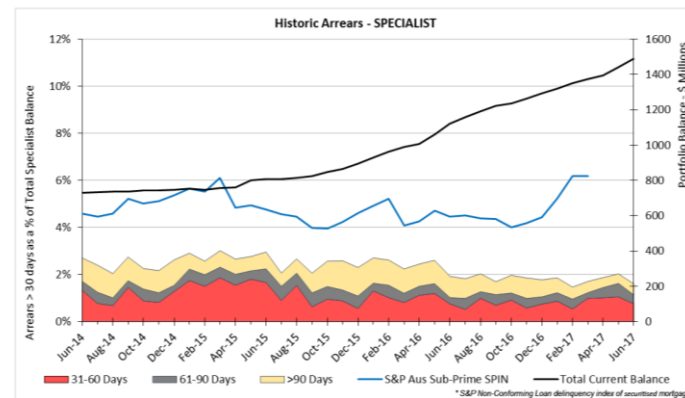
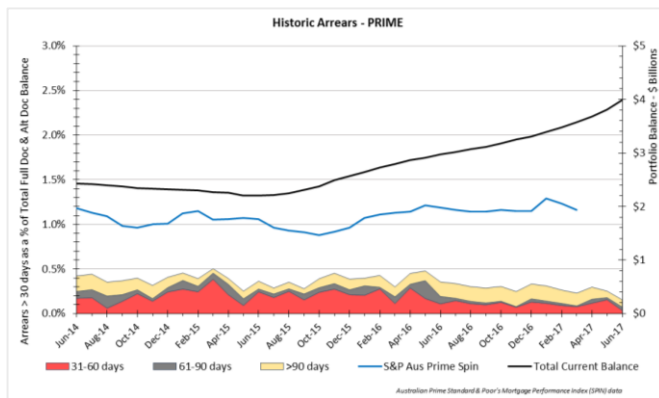
FY17 Financial Results

Key Drivers of Financial Result continued

- Principally funded portfolio mix between investor and owner occupier remains well balanced



- Arrears¹ remain low, consistent with the underlying credit quality of the Australian principally funded loan portfolios



1 Graphs based on Australian arrears performance and excludes RHG loan portfolio.

Contents

1. Performance Highlights	Scott McWilliam, Joint CEO	Mary Ploughman, Joint CEO
2. Financial Results	Ian Parkes, CFO	
3. Outlook	Scott McWilliam, Joint CEO	Mary Ploughman, Joint CEO

Identifying Our Opportunity

The Australian Residential Mortgage Market

The past twelve months has been categorised by strong market conditions with increased regulatory focus on specific lending types. In addition, the evolution of pricing for risk has opened up opportunities for the non-bank sector to meet the needs of mortgage customers in the market

INCREASE IN NON BANK SECTOR

The non-bank sector remains well placed to provide an alternative to the major lenders

THIRD PARTY BROKER CHANNEL VIABILITY

Homeloans is recognised as a reputable non-bank lender in the broker space

REGULATION

Changes have improved the competitive landscape particularly for non-banks

FOCUS ON CUSTOMER

Guiding digital and operational development efficiency

ACQUISITION OPPORTUNITIES IN THE MARKET

Continue to leverage our extensive experience acquiring complementary portfolios and businesses

Our Vision

A Leadership Role in the Sector



Outlook

Next 12 Months

Consolidate and refine processes and systems to embed further cost savings

Continue to leverage our well established third party distribution and funding programs to manage our profitability

Continue to build volume and scale through our direct channel

Pursue our vision of a customer centric operational model to access new customers and market segments

Assuming current economic conditions prevail for the remainder of the financial year, the FY2018 financial year result is expected to be stronger than the FY2017 result

Annexures

Reconciliation of Normalised Earnings with Statutory Profit

\$m	FY 17
Normalised NPAT	18.7
Acquisition and restructure costs	(4.3)
Profit on sale of investment*	1.1
Tax effect and other merger-related tax adjustments	0.3
Statutory NPAT	15.8

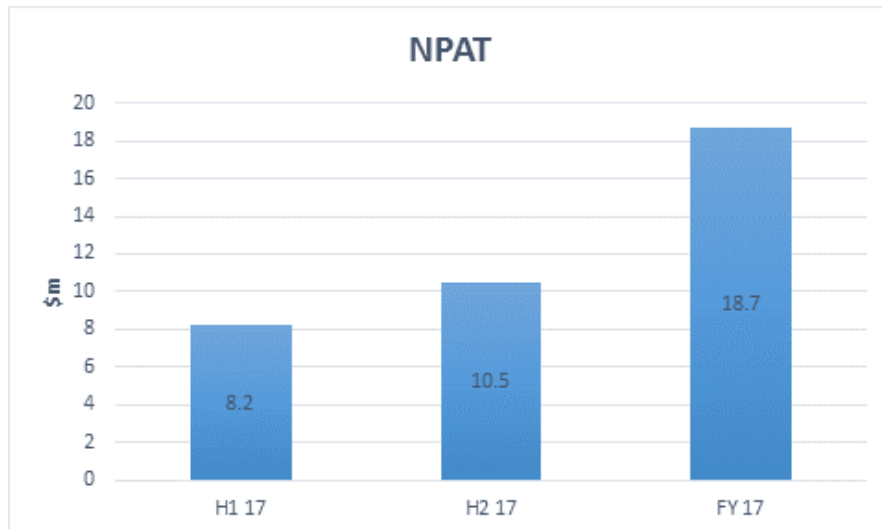
*Represents part sale of 60% of the company's holding in Finsure Group (investment in associate)

FY17 Financial Results by Half

H1 17 vs. H2 17

The second half of 2017 represents a full six months of the merged company results

	H1 17	H2 17	Movement
NPAT (Normalised)*	\$8.2M	\$10.5M	28.1%



- The results for the 6 months to 31 December 2016 reflect 6 months of RESIMAC Limited and the results of Homeloans from 13 October 2016 (2 ½ months)
- Second half results reflect full period on a merged company basis

*Excludes merger and transaction costs and other one-off items.

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June

	2017 (a) \$m	2016 (a) \$m
Cash flows from operating activities		
Interest received	293.0	254.8
Interest paid	(189.0)	(166.9)
Receipts from loan fees and other income	45.0	16.4
Payments to suppliers and employees	(117.9)	(71.3)
Payments of net loans to borrowers	(1,230.1)	(778.7)
Income tax paid	(7.5)	(4.4)
Net cash used in operating activities	(1,206.5)	(750.1)
Cash flows from investing activities		
Proceeds on sale of investment securities	-	2.0
Payment for property, plant and equipment	(0.4)	(1.0)
Repayment of loans from / (to) related parties	11.8	(3.1)
Cash acquired on acquisition of business	10.3	-
Proceeds from sale of share in joint ventures	2.3	-
Net cash provided by / (used in) investment activities	24.0	(2.1)
Cash flows from financing activities		
Proceeds from borrowings	20,017.0	10,988.0
Repayment of borrowings	(18,803.2)	(10,255.7)
Swap payments	(1.1)	(1.3)
Payment of dividends	(5.2)	-
Net cash generated by financing activities	1,207.5	731.0
Net increase / (decrease) in cash and cash equivalents	25.0	(21.2)
Cash and cash equivalents at the beginning of the period (1 July)	161.5	181.8
Effects of exchange rate changes on cash balances held in foreign currencies	0.6	0.9
Cash and cash equivalents at the end of the period	187.1	161.5

(a) In accordance with the accounting treatment of the merger as a reverse acquisition the consolidated information for:

- 30 June 2017 represents the 12 months' results of RESIMAC and the results of Homeloans from 13 October 2016 (8 ½ months)
- 30 June 2016 represents the results of RESIMAC only

Contact Us

For further information:

Scott McWilliam

Joint Chief Executive Officer

✉ scott.mcwilliam@homeloans.com.au

☎ +61 2 9248 0300

Mary C Ploughman

Joint Chief Executive Officer

✉ maryc.ploughman@resimac.com.au

☎ +61 2 9248 0300

Ian Parkes

Chief Financial Officer

✉ ian.parkes@homeloans.com.au

☎ +61 2 9248 0300

Disclaimer: The information contained in this Investor Presentation is general information, is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs.

These factors should be considered, with or without professional advice, when determining if an investment is appropriate. Forward looking statements in this presentation are based on Homeloans' current views and assumptions and involve known and unknown risks and uncertainties, many of which are beyond Homeloans control and could cause actual results, performance or events to differ materially from those expressed or implied. These forward looking statements are not guarantees or representations of future performance and should not be relied upon as such.

This presentation has not been subject to auditor review.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Any such securities have not been, and will not, be registered under the U.S. Securities Act of 1933 (Securities Act), or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, persons in the United States, unless they have been registered under the Securities Act (which Homeloans has no obligation to do or to procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.