

# Homeloans Limited FY2015 Investor Presentation

August 2015



## Non-bank lender, mortgage broker & management service provider

- Listed on the Australian Securities Exchange in 2001 (ASX: HOM)
- Total Loan book of \$8.1 billion comprising;
  - Funds Under Administration \$4.3 billion (as at 30 June 2015)
  - Funds Under Management \$3.8 billion (as at 30 June 2015)
- Nationwide presence across five states
- Recognised award winning products and service

## AWARDS



## Well positioned for growth and diversification

**NPAT**  
**\$5.6 million**

**Interest Income**  
**\$18.3 million**

**Total Dividend Yield**  
**FY2015<sup>1</sup>**  
**~8%**

**Cash**  
**\$3.8m**

- Continued growth in settlements
- Investing in brand and distribution
- Strong broker origination sector
- Acquisition of Barnes Mortgage Management
- Focus remains on:
  - Growing distribution
  - Margin management
  - Ongoing cost management
  - Building national brand recognition
  - Inorganic growth opportunities

<sup>1</sup> Inclusive of HY2015 and FY2015 dividend, calculated based on closing share price at 20 August 2015

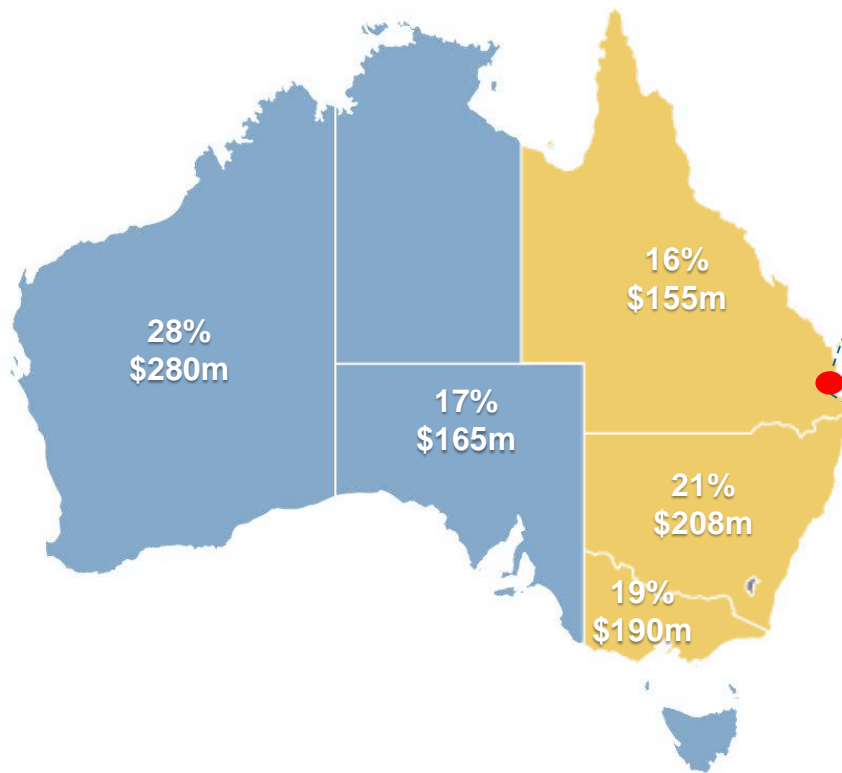
# FY2015 Financial Performance Summary

## Solid performance in an increasingly competitive lending market

	FY2015 (\$'000)	FY2014 (\$'000)	Change (%)
Net Interest Income	7,849	8,404	(6.6)%
Net fee and commission income	15,336	14,882	3.0%
Operating expenses <sup>1</sup>	(15,959)	(15,229)	(4.8)%
Profit before Income Tax Expense	8,019	8,894	(9.8)%
Net Profit after Tax	5,608	6,205	(9.6)%
Settlements Branded – (managed)	\$998m	\$807m	23.7%
Settlements Non branded – (non-managed)	\$794m	\$752m	5.5%
Settlements Total	\$1,792m	\$1,559m	14.9%
Dividend per Share – final	\$0.02	\$0.02	-

<sup>1</sup> Underlying expenses of \$15.5m for FY2015, excluding acquisition and one off costs of \$0.5m

East Coast growth – continue to assess strategic opportunities



**barnes** | HOME LOANS

Acquired February 2015:

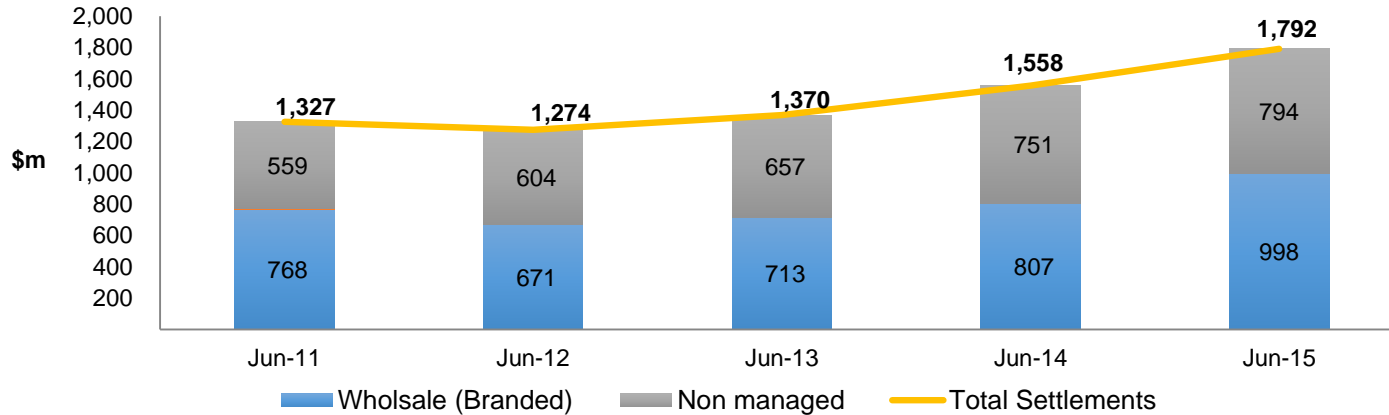
- \$120m Settlements p.a
- \$0.5b FUM

## SETTLEMENTS

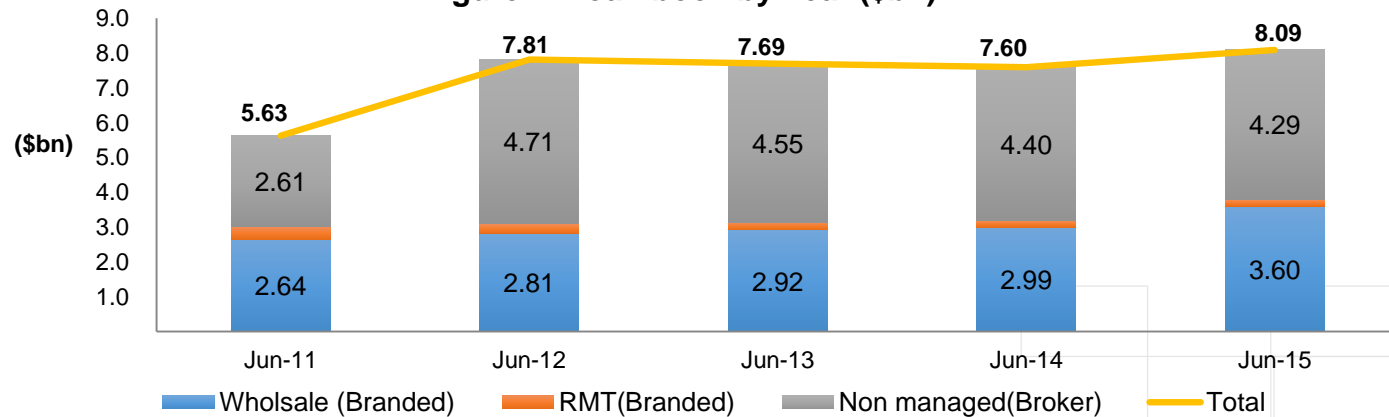
*for 12 months ended 30 June 2015*

## Settlements growing strongly, loan book continuing to grow

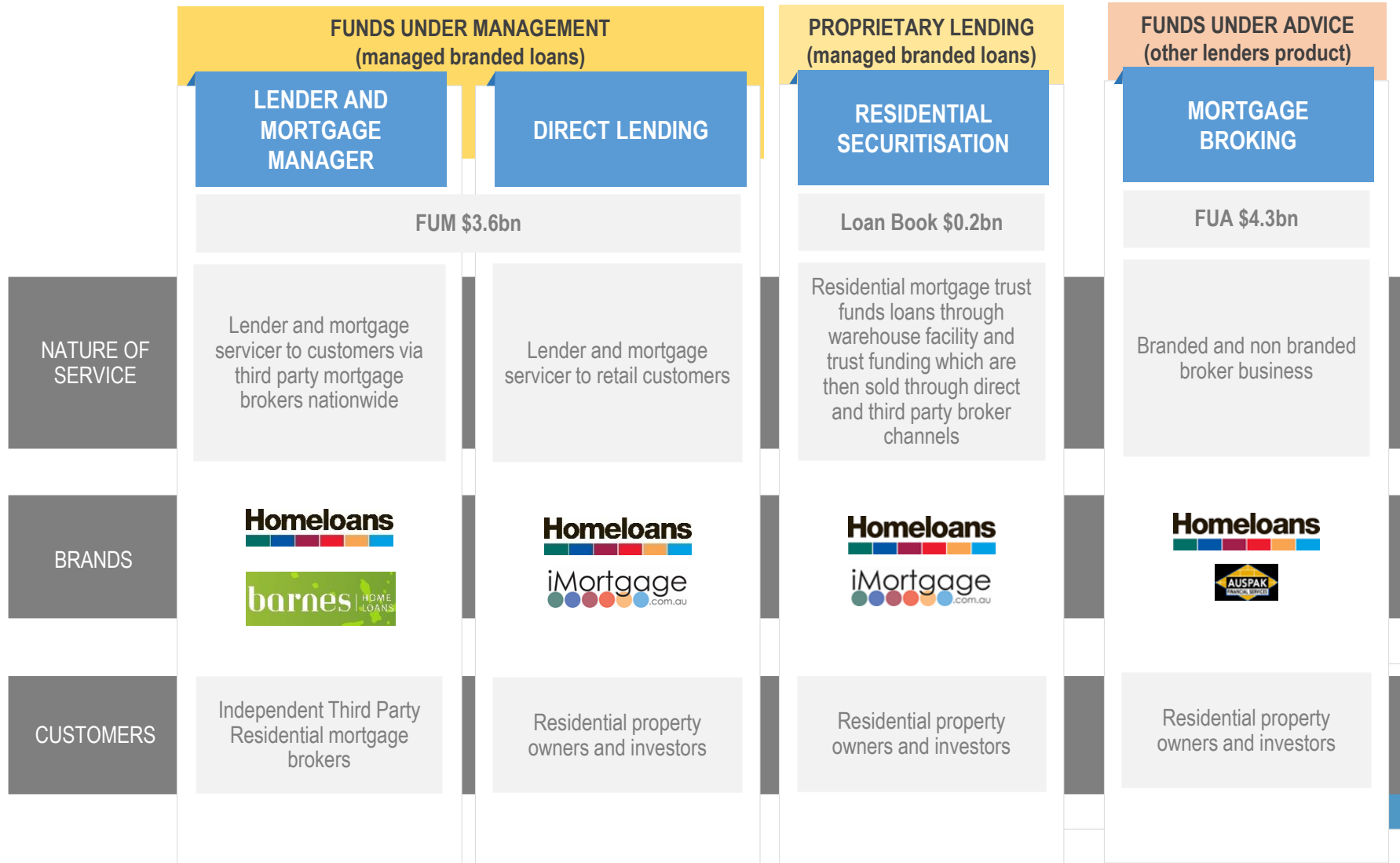
**Figure 1. Settlements by Year (\$m)**



**Figure 2. Loan book by Year (\$bn)**



# Business Overview



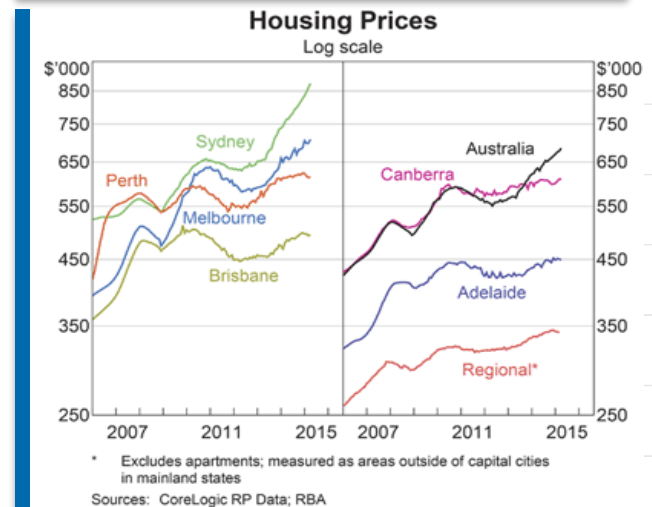
## Clear aim to grow and diversify

- Established leading non-bank alternative, specifically in the broker market, which is a growing segment of the mortgage market
- Focused on enhancing product and service offering to maintain competitiveness
- Clear aim to grow and diversify
  - Further enhancing our product and service offerings across our third-party broker partners and branded retail networks
- Continue to pursue the expansion of broker and distribution footprint
  - Actively assessing inorganic growth opportunities across a range of complementary financial and property service providers



## Positive Momentum continuing – competition remains strong

- Positive trend continuing in the housing market, particularly Sydney & Melbourne
- Housing loan approvals at 15 year highs fuelled by demand and record low rates
- Mortgage broker segment growing
- Australia lending market remains resilient to recent global volatility
- Recent fragmentation in mortgage interest rate movements has seen lenders move to differentiate on policy and price. This should benefit non-bank lenders such as Homeloans with its diversified funding base



## Supporter, Sponsor and Partner

- Proud supporter of Buying Time – Helping Australians impacted by breast cancer
- Principal sponsor of Perth Scorchers cricket team in 2013 & 2014
  - Scorchers won the national Big Bash League competition in both years
- Carbon Conscious Offset Partner



## ‘Clean’ listed exposure to the residential property finance & service sector

- Tight capital structure with supportive long-term strategic investor base
- Experienced Board and management team with a track record of delivery
- Positive FY2015 result – dividend yield remains strong
- Healthy balance sheet – excess cash and limited debt
- Positive market momentum expected to continue
- Strong settlements growth YoY
- Actively assessing inorganic opportunities to grow and diversify the business
- Strong and recognisable descriptive brand

## Homeloans Limited

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**ASX: HOM**

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