









2Q 2018
investor update

Business Overview

Corporate Snapshot

- RESIMAC was originally founded in 1985 as 'FANMAC' with the NSW State government as a majority shareholder
- Following a reverse takeover in October 2016 RESIMAC is a 100% owned entity of ASX listed Homeloans Limited (ASX:HOM)
- A leading non-bank financial institution with an extensive history in originating, servicing and securitising mortgage assets
- Pioneer in Residential Mortgage Backed Securities (RMBS) in Australia
 - Issued over AUD25bn across 43 domestic and offshore RMBS transactions
 - No charge offs and has met all first occurring calls
- AUD12bn AUM (AUD8bn principally funded, white label managed AUD4bn) as at 30 April 2018
- Distribution – access to 85% of broker network Australia wide
- Full product suite – over AUD8bn current funded AUM (as at 30 April 2018):
 - Prime: AUD6bn
 - Non-Conforming Lending: AUD2bn
 - NZ: NZD300MM

FINANCIAL PERFORMANCE	1H18	1H17*	PCP% CHANGE
NPAT (Statutory)	\$11.9m	\$5.6m	112.5% 
NPAT (Normalised)	\$12.9m	\$8.2m	56.1% 
Expense to income ratio (normalised)	62.1%	68.7%	9.6% 
ROE (normalised and on a year-end basis)	HY Annualised 16.9%	N/A	N/A
SETTLEMENTS	1H18	1H17*	PCP% CHANGE
Settlements: Principally funded	\$1.8b	\$1.1b	63.6% 
Settlements: Non-Principally funded	\$0.4b	\$0.5b	(20.0%) 
Settlements Total	\$2.2b	\$1.6b	37.5% 

*In accordance with the accounting treatment of the merger as a reverse acquisition, the consolidated information for 31 December 2016 represents the results of RESIMAC for the six months and Homeloans for the period from 13 October 2016.

Business Key Activities

Key Activities

Origination

Direct to consumer

- Online

Third Party

- 85% of broker market

Wholesale

- Mortgage managers

Inorganic Growth

- Acquisitions in adjacent business

Servicing

Underwriting

- Loan applications
- Loan credit assessment
- Loan packaging

Loan Management

- Loan processing
- Customer service
- Variations
- Settlements

Arrears Management

- Collections
- Complaints
- Hardship
- Recoveries

Servicing managed by a fully integrated proprietary end to end loan servicing platform

Funding

Warehouse

- Short-term funding (364 days)
- Funding provided by banks



Residential Mortgage Backed Securities

- Medium term funding (3 to 5 years) – matched to mortgage profile
- Securitisation – grouping together of contractual, secured debt obligations such as home loans and repackaging as tradeable debt securities such as RMBS

Operations

Support Functions

- Shared services – IT/ finance / tax / HR / marketing
- Treasury
- Compliance
- Internal audit
- Risk management

Geographies

- Australia
- New Zealand
- Manila (some servicing operations)

Note: Salary packaging services are also provided through 88% owned subsidiary Paywise Pty Ltd.

Strategic Focus

	Strategic Achievements	Current Objectives
1. Invested in distribution	<ul style="list-style-type: none"> • Direct to consumer distribution • Strategic shareholding in Finsure • Product and policy enhancements e.g. Prime Uninsured • Homeloans acquisition further diversified the distribution platform • Large aggregator group added since Homeloans acquisition 	<ul style="list-style-type: none"> • Continue to grow direct to consumer • Pursue book growth opportunities in line with risk and funding settings • Access to assets – time in market for second tier and non-bank market share growth
2. Invested in processes	<ul style="list-style-type: none"> • Fully integrated proprietary servicing platform • Increased automation – online applications • Quality underwriting processes and Quality Control • Met RBA Reporting requirements – first in market 	<ul style="list-style-type: none"> • Expand existing platform’s multi-jurisdictional capability • Continue to upgrade and enhance business objects and rules • Offshoring capabilities fully tested, Manila operation to be expanded • Investing in scalability of platform utilising a build v buy v partner evaluation approach
3. Funding platform	<ul style="list-style-type: none"> • Expand funding platform to US, Europe and NZ markets to provide funding diversification – further developed 144a programme through fourth term issuance • Increased global investor base • Add new warehouse providers including mezzanine investors in warehouse structures • Ability to fund down the capital structure to recycle capital • Introduced offshore warehouse providers • All warehouses restructured in line with APS120 requirements 	<ul style="list-style-type: none"> • Continue to expand global investor base including Asia focus • Monitor and evaluate funding conditions in offshore markets for future issuance • Ensure flexibility/structural responses to ongoing regulatory changes • Placement and direct investment opportunities
4. Geographic diversification	<ul style="list-style-type: none"> • Establishment and expansion of NZ business 	<ul style="list-style-type: none"> • Focus on growing New Zealand business – establishment of B2C platform
5. Acquisitions	<ul style="list-style-type: none"> • AUS – AUD1.8bn RHG acquisition • NZ – NZFinance, PFSL • Homeloans acquisition 	<ul style="list-style-type: none"> • Support growth through targeted, strategic acquisitions • Evaluate new M&A opportunities that fit strategic, risk and funding parameters
6. Expand business capabilities beyond mortgages	<ul style="list-style-type: none"> • Forms part of the 2017/18 strategy 	<ul style="list-style-type: none"> • Harness capabilities in funding and servicing platform to expand capabilities to auto receivables • Develop RESIMAC into a broad based consumer finance company with a secured funding platform



Funding

Funding Strategy

- Dynamic funding strategy based on growth objective and funding market environment
- While RESIMAC is confident with the depth of its funding programme, it will continue to manage growth strategies in line with deemed capacities of the term capital markets
- Each loan approved by RESIMAC is assessed on its ability to be securitised
- USD144a programme developed in 2012

Warehousing

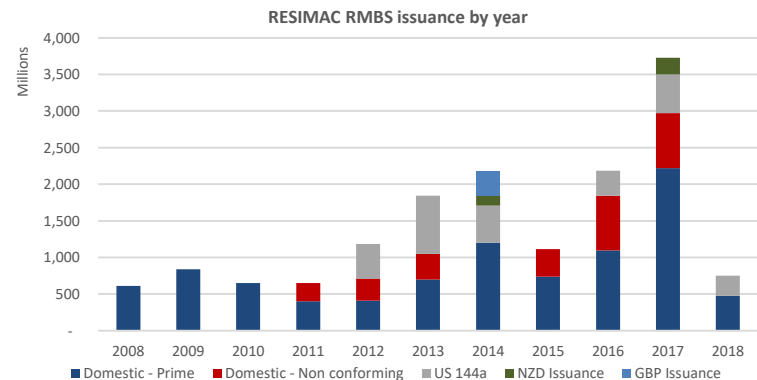
Long standing banking relationships ensure stable warehouse funding to support organic origination and funding for acquisition opportunities:

Program	Australia	New Zealand
Prime	National Australia Bank Westpac	Westpac
Non-conforming	National Australia Bank Commonwealth Bank Australia	Westpac Bank of New Zealand
RHG	National Australia Bank	



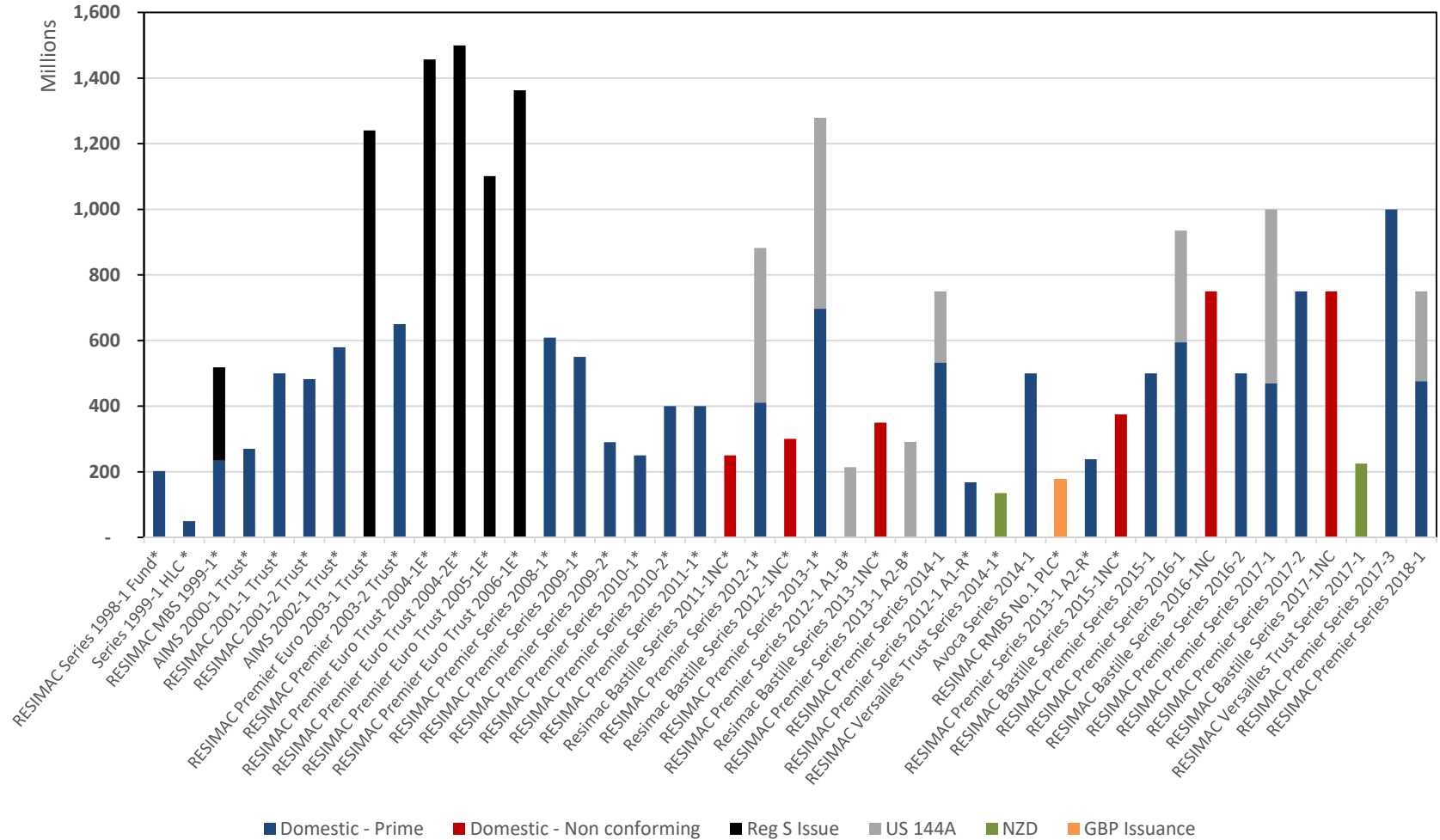
RMBS

- Securitisation is RESIMAC's primary medium term funding source
- Incorporate structural enhancements to meet investor demand
- Distinct funding programmes:
 - Premier (Prime) – AUD/USD 144a programme
 - Bastille (Non-conforming) - AUD
 - Avoca (acquired collateral e.g. RHG) - AUD
 - Versailles (New Zealand) - NZD



RESIMAC Issuance

- RESIMAC has issued over AUD23bn across 42 domestic and offshore RMBS transactions:



Premier Series 2018-1 Capital Structure

<i>Note Class</i>	<i>Volume (\$m)</i>	<i>Currency</i>	<i>Repayment Type</i>	<i>Expected Ratings (S&P/Fitch)</i>	<i>Initial Credit Support</i>	<i>WAL (years)</i>	<i>Swap</i>	<i>Margin</i>
A1	210	USD	Scheduled Amortisation	AAA/AAA	10.00%	1.80	1M LIBOR	80
A2	289	AUD	Pass through	AAA/AAA	10.00%	2.70	1M BBSW	110
A3a	50	AUD	Soft Bullet	AAA/AAA	10.00%	5.00	Fixed	3.87%
A3b	63	AUD	Soft Bullet	AAA/AAA	10.00%	5.00	1M BBSW	140
AB	47	AUD	Pass through	NR/AAA	3.70%	4.50	1M BBSW	165
B	11	AUD	Pass through	NR/AA	2.20%	4.50	1M BBSW	185
C	8	AUD	Pass through	NR/A	1.20%	4.50	1M BBSW	270
D	6	AUD	Pass through	NR/BB	0.40%	4.30	1M BBSW	575
E	3	AUD	Pass through	NR/NR	Nil	5.00	1M BBSW	

Bastille Series 2017-1 Capital Structure

<i>Note Class</i>	<i>Volume</i>	<i>Currency</i>	<i>Repayment Type</i>	<i>Expected Ratings (Moody's/Fitch)</i>	<i>Initial Credit Support</i>	<i>WAL (years)</i>	<i>Swap</i>	<i>Margin</i>
A1	525	AUD	Pass through	Aaa/AAA	30.0%	2.10	1M BBSW	127
A2	112.5	AUD	Pass through	Aaa/AAA	15.0%	2.10	1M BBSW	185
B	58.5	AUD	Pass through	Aa2/NR	7.2%	3.50	1M BBSW	210
C	14.25	AUD	Pass through	A2/NR	5.3%	3.50	1M BBSW	300
D	14.25	AUD	Pass through	Baa2/NR	3.4%	3.50	1M BBSW	400
E	9	AUD	Pass through	Ba1/NR	2.2%	3.50	1M BBSW	600
F	8.25	AUD	Pass through	B2/NR	1.1%	2.60	1M BBSW	710
G	8.25	AUD	Pass through	NR/NR	n/a	4.10		

Versaille Series 2017-1 Capital Structure

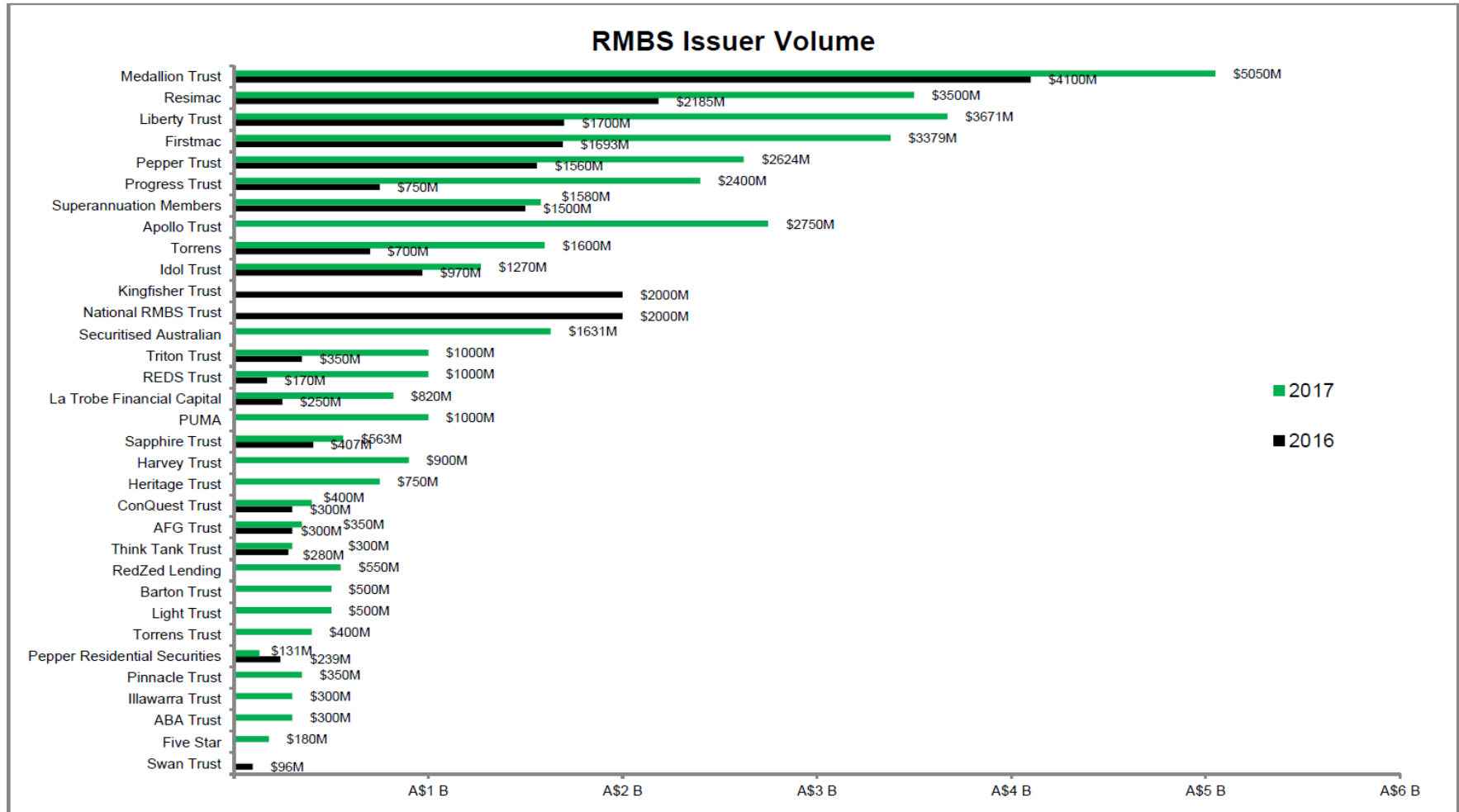
<i>Note Class</i>	<i>Volume</i>	<i>Currency</i>	<i>Repayment Type</i>	<i>Expected Ratings (S&P)</i>	<i>Initial Credit Support</i>	<i>WAL (years)</i>	<i>Swap</i>	<i>Margin</i>
A1	175	NZD	Pass through	AAA	30.0%	1.80	1M BKBM	125
A2	46.875	NZD	Pass through	AAA	11.3%	1.80	1M BKBM	180
B	8.25	NZD	Pass through	AA	8.0%	3.00	1M BKBM	250
C	7.5	NZD	Pass through	A	5.0%	3.00	1M BKBM	335
D	5.25	NZD	Pass through	BBB	2.9%	3.00	1M BKBM	435
E	3.25	NZD	Pass through	BB	1.6%	3.00	1M BKBM	650
F	3.875	NZD	Pass through	NR		5.00	1M BKBM	

Premier Series 2017-2 Capital Structure

<i>Note Class</i>	<i>Volume</i>	<i>Currency</i>	<i>Repayment Type</i>	<i>Expected Ratings (S&P/Fitch)</i>	<i>Initial Credit Support</i>	<i>WAL (years)</i>	<i>Swap</i>	<i>Margin</i>
A1a	275	USD	Scheduled amortisation	AAA/AAA	10.0%	1.80	1M LIBOR	95
A1b	125	USD	Soft Bullet	AAA/AAA	10.0%	5.00	1M LIBOR	145
A2	370	AUD	Pass through	AAA/AAA	10.0%	2.70	1M BBSW	120
AB	45	AUD	Pass through	AAA/AAA	5.5%	4.20	1M BBSW	205
B	27	AUD	Pass through	AA/NR	2.8%	4.20	1M BBSW	275
C	13	AUD	Pass through	A/NR	1.5%	4.20	1M BBSW	315
D	10	AUD	Pass through	BB/NR	0.5%	3.80	1M BBSW	590
E	5	AUD	Pass through	NR/NR	Nil	5.00		

RESIMAC – a Frequent Issuer

- RESIMAC was the third largest Australian ABS / RMBS issuer in 2017 and second largest in 2016 (Source: Bloomberg)



*Includes CMBS/SME issuer

Regulatory Overview

- The group's core business activities operate in highly-regulated environments
- As an ASX listed entity need to comply with governance regime and listing rules of Australian Stock Exchange
- As an issuer of securities RESIMC was one of the first holders of an AFSL
- All 2017 regulatory challenges met – APRA APS120 warehouse changes completed, global securitisation retention rules addressed for US SEC and EU CRD compliance

Assets	Liabilities
<ul style="list-style-type: none"> ▪ The asset origination programme, including the lending and servicing activities, is regulated by ASIC who supervise and enforce the National Consumer Credit Protection Act 2010 ▪ All facets of the asset distribution channels, i.e. brokers, aggregators and mortgage managers, are required to hold an Australian Credit Licence administered and overseen by ASIC ▪ Other relevant legislation includes AML/Privacy Act 	<ul style="list-style-type: none"> ▪ RBA repo-eligible RMBS reporting requirements: <ul style="list-style-type: none"> ▪ Applying our own proprietary servicing and reporting platform and in-house expertise, RESIMAC met the RBA reporting requirements by the 30 June 2015 launch date without delay ▪ RESIMAC has traditionally captured granular borrower level data and has embraced the RBA initiative – industry enhancement of loan level data with a standardised format across the industry ▪ RBA template is available for investors for all trusts (repo-eligible) ▪ RESIMAC regularly reviews its documentation, policies, accreditation requirements and product parameters in order to embrace regulatory requirements and ensure compliance with all regulations ▪ Overseas regulatory requirements and their potential impact are monitored closely and complied with where relevant/possible ▪ Recent RESIMAC Premier Series 2016-1, Series 2017-1, Series 2017-2 and Bastille Series 2017-1NC transactions are CRR/CRD IV compliant ▪ Warehouse funding structures are compliant with APS120 requirements

'STRONG' Standard & Poor's Servicer Ranking

- Prime Lending: 'STRONG' Servicer Ranking assigned by S&P in September 2006 and affirmed each year, most recently in February 2017 (post-merger)
- Non-conforming Lending: 'STRONG' Servicer Ranking assigned by S&P in July 2011 and affirmed most recently February 2017
- All material changes to the servicing platform are flagged with S&P prior to any changes being implemented
- Selected on S&P's Global Select Servicer List

Opinion

"RESIMAC will continue to be an efficient and competent residential loan servicer, which is underpinned by the company's experienced management team, qualified staff, and substantial technology infrastructure. We expect that RESIMAC will continue to maintain a comprehensive corporate governance and risk-management framework, and optimise its collection strategies through ongoing enhancements to key technology platforms and processes."

Risk Management and Compliance Framework

"RESIMAC continues to demonstrate a sound risk-management and compliance framework, with evolving risk-management disciplines. Senior risk-management appointments continue to strengthen the development, monitoring, and oversight function of risk-management and compliance disciplines within the company. The risk-management framework provides a comprehensive mechanism to facilitate business, industry, and regulatory changes. In our view, the senior management team fosters a strong risk and compliance culture throughout the organisation."

Loan Servicing

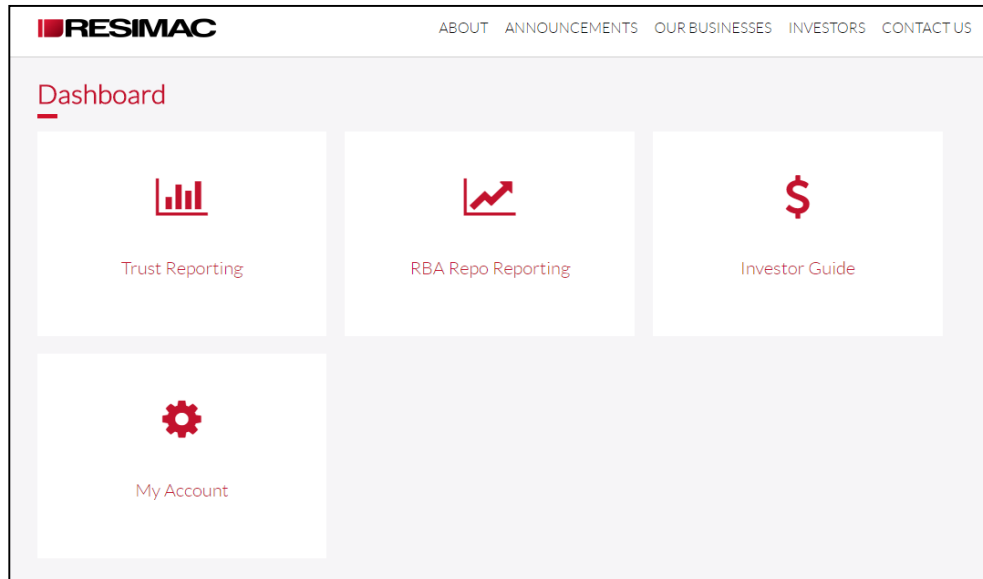
"Technology infrastructure is a critical component to RESIMAC's servicing objectives. RESIMAC has continued to invest considerable efforts and resources in its servicing platform so as to develop flexible, fully integrated, workflow-based systems that provide end-to-end processing, deliver exceptional customer service to clients, and drive operating efficiencies. The loan-servicing platform, business plans, and performance measures are clearly aligned with the company's loan-servicing drivers."

Source: S&P Servicer Evaluation: RESIMAC Ltd (Feb 2017)

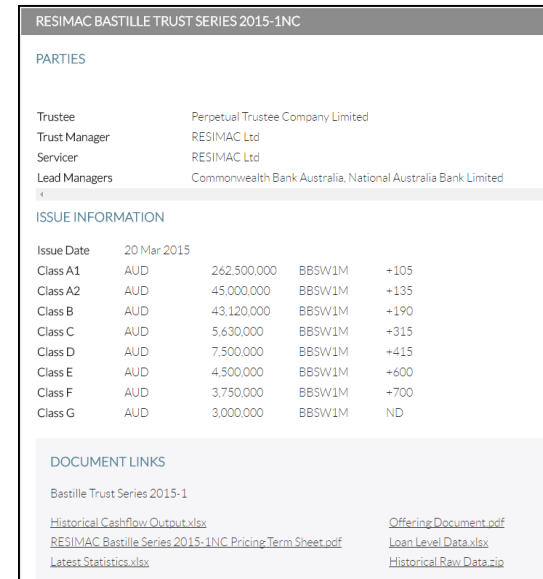
Backup Servicing

- RESIMAC engaged Perpetual in 2008 as backup servicer for Prime and Specialist Lending
- Backup servicing includes the RHG portfolio since transitioning the book onto the RESIMAC platform in September 2014
- Perpetual conduct an extensive on-site due diligence in Australia and operational review annually
- A comprehensive backup servicing plan developed with Perpetual is in place and reviewed annually
- Imbedded in annual processes across all business lines
- Perpetual has a thorough understanding of RESIMAC's operations (including offshore operations) and the roles of key personnel and could act effectively as the backup servicer should it be required

Investor and Collateral Reporting



The screenshot shows the RESIMAC investor dashboard. At the top, there is a navigation menu with links for ABOUT, ANNOUNCEMENTS, OUR BUSINESSES, INVESTORS, and CONTACT US. The main content area is titled 'Dashboard' and contains four tiles: 'Trust Reporting' (with a bar chart icon), 'RBA Repo Reporting' (with a line graph icon), 'Investor Guide' (with a dollar sign icon), and 'My Account' (with a gear icon).



The screenshot shows the 'RESIMAC BASTILLE TRUST SERIES 2015-1NC' report. It is divided into three sections: 'PARTIES', 'ISSUE INFORMATION', and 'DOCUMENT LINKS'.

PARTIES

Trustee	Perpetual Trustee Company Limited
Trust Manager	RESIMAC Ltd
Servicer	RESIMAC Ltd
Lead Managers	Commonwealth Bank Australia, National Australia Bank Limited

ISSUE INFORMATION

Issue Date	20 Mar 2015			
Class A1	AUD	262,500,000	BBSW1M	+105
Class A2	AUD	45,000,000	BBSW1M	+135
Class B	AUD	43,120,000	BBSW1M	+190
Class C	AUD	5,630,000	BBSW1M	+315
Class D	AUD	7,500,000	BBSW1M	+415
Class E	AUD	4,500,000	BBSW1M	+600
Class F	AUD	3,750,000	BBSW1M	+700
Class G	AUD	3,000,000	BBSW1M	ND

DOCUMENT LINKS

Bastille Trust Series 2015-1	
Historical Cashflow Output.xlsx	Offering Document.pdf
RESIMAC Bastille Series 2015-1NC Pricing Term Sheet.pdf	Loan Level Data.xlsx
Latest Statistics.xlsx	Historical Raw Data.zip

- Full suite of reporting available through RESIMAC's website
- www.resimac.com.au/en-au/investors
- Easy registration and verification process
- Complete access to RBA reporting:
 - Cashflow Reporting
 - Deal, Pool, Tranche, Counterparty and Loan Level Data
 - Postcode Report

- Report types:
 - Bond summary
 - Collateral and Pool Stratifications, including pool cut raw data
 - Cashflow
 - Defaults and Claims
 - Prepayment data

Bloomberg and Intex Reporting

RESIMAC
Resimac Limited
Level 9
45 Clarence Street
Sydney NSW 2000
Australia

- 1) RESIMAC Premier Series 2010-2
- 2) RESIMAC Premier Series 2011-1
- 3) RESIMAC Premier Series 2012-1
- 4) RESIMAC Bastille Trust - Series 2012-1NC
- 5) RESIMAC Premier Series 2013-1
- 6) RESIMAC Bastille Trust - Series 2013-1NC
- 7) RESIMAC Premier Series 2014-1
- 8) RESIMAC Avoca Series 2014-1
- 9) RESIMAC Premier Series 2015-1
- 10) RESI Investor Information
- 11) Contact List
- 12) To Request Information

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2016 Bloomberg Finance L.P.
SN 623679 EDT GMT-4:00 6454-4163-0 14-Jun-2016 18:48:24

Trust Data Pages:

- Bond factors updated on determination dates
- Current and historical CPRs
- Basic pool data
- **RESI <GO>**, click on selected trust

RESI 2015-1NC A1 Not Priced CUSIP BCC28UH11 Disc Mrgn --/--
As of -- Prepay 18 CPR WAL 3.49 Collateral 100.0% RMBNSC 0%
RESI 2015-1NC A1 Mtge 60 Send Page 1/5 Security Description
ISIN AU3FN0026845 6.768(317)35 AU RMBS 19 Buy 96 Sell

1 Bond Summary 2 Group Summary 3 Comments 4 Structural Summary 9 Overview

Issuer Resimac 6 Pro | CF » 7 Docs | CF » 8 Servicer RESIMAC Ltd (100%)
Series 15-1NC Class A1 Mty 09/18/2056 14 ISIN AU3FN0026845 15 Lead Mgr Joint
16 Class Description FLT FIGI BBG0088FK828 17 Trustee Perpetual Trustee Co

Current	Original	Payment Details	Rating	Curr	Orig
Bal AUD 141,278,935	Bal AUD 262,500,000	Next Pay 06/20/2016	Fitch	AAA	AAA
Fct (May 16) 0.538205468	WAL 1.8Yrs@ 18 CPR	Red Date 06/08/2016	MDY	Aaa	(P)Aaa
Cpn (May 16) 2.90000%	1st Coupon 3.32930%	Pay Day 18th	Additional Information		
Class/Grp Pct 64.26%	Class/Grp Pct 69.94%	Frequency 12	Austraclear		
Beg Accrue 05/18/2016	1st Pay 05/18/2015	Pay Delay 0 Days	Min Size 500,000		
End Accrue 06/19/2016	1st Settle 03/20/2015	Day Count ACT/365	Increment 10,000		
	Dated Date 03/20/2015	Calendars AS, US			
	Priced 100.00 03/13/2015	Call 30% Deal Call			
18 Cr Supp 30.61%	Expected Mty 04/18/2018	Call Date 04/18/2018			

	Jun16	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul15
Fctr	0.54	0.57	0.60	0.62	0.65	0.68	0.70	0.75	0.78	0.81	0.87	
Cpn	2.90	3.14	3.15	3.13	3.10	3.12	3.10	3.08	3.11	3.09	3.11	
VPR												
CDR												
SEV												
D60+	2.6	2.4	3.4	1.6	1.5	1.7	1.7	1.9	2.9	0.8	1.3	

19 Cpn Details | FCG »
1 x BBSW1M +105BP
Monthly Reset
Next Reset 06/20/2016

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2016 Bloomberg Finance L.P.
SN 623679 EDT GMT-4:00 6454-4163-0 14-Jun-2016 19:10:33

Bloomberg cashflow forecasts and collateral data:

- Paydown scenarios
- Collateral reporting
- **RESI <GO>**
- Click: "RESI Investor Information"
- Click on selected Trust
- Click on selected tranche
- Type in **CFT <GO>** (cashflow)
- Type in **CLP <GO>** (collateral performance)



Originations

Distribution Channels

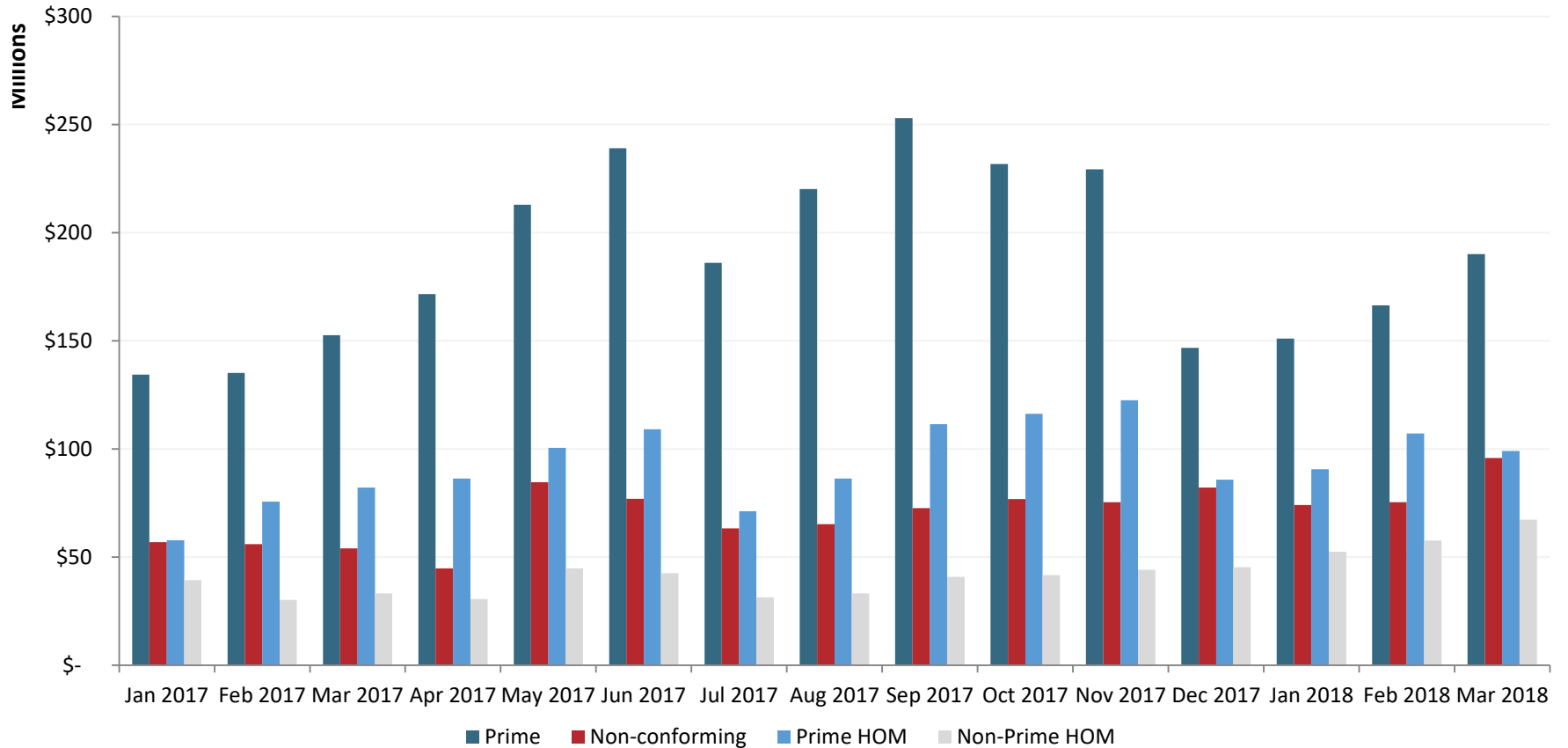
- RESIMAC continues to distribute product via three distinct origination channels:

	Digital	3 rd Party Broker	Wholesale
Channel Size (p.a.)	c. AUD10bn	c. AUD200bn	c. AUD4bn
Channel Access	100%	c. 85%	100%
Source	Digital Marketing	Mortgage Brokers	Mortgage Managers
Funder	RESIMAC & Managed	RESIMAC & Managed	RESIMAC
Products	Prime	Prime & Non-Prime	Prime & Non-Prime

- Current Brands:

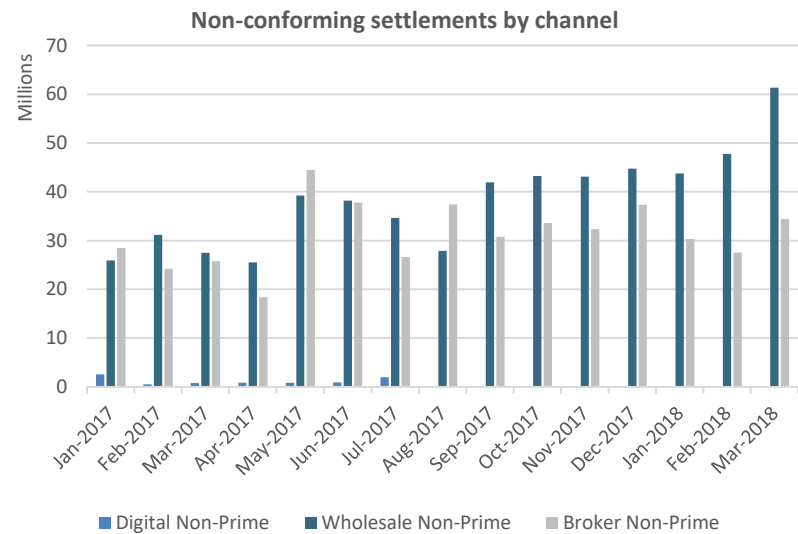
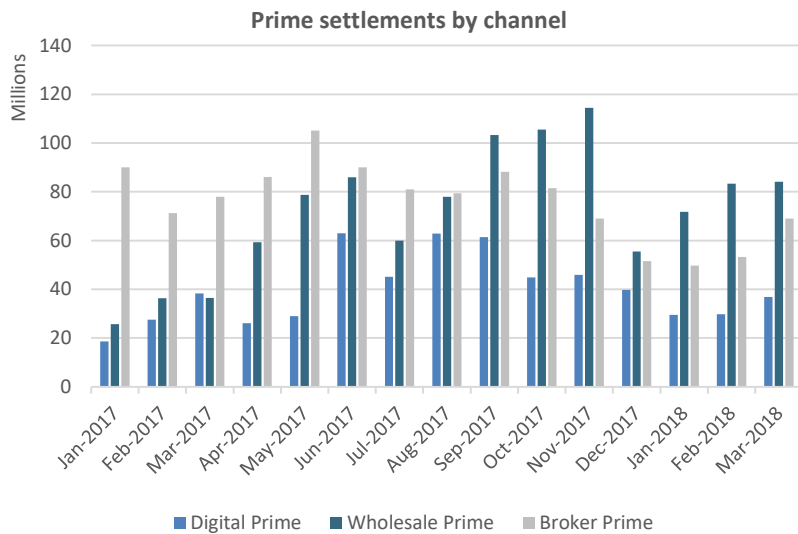
- Digital – State Custodians, iMortgage
- 3rd Party Broker – RESIMAC Platinum, RESIMAC Select, RESIMAC Financial Services, Homeloans
- Wholesale – RESIMAC

RESIMAC and Homeloans Originations



RESIMAC and Homeloans Originations

- RESIMAC continues to distribute product via three distinct origination channels:



Product Matrix – by Funding Platform

Prime

Eligibility
Income Verification
Loan Purpose

Loan Amount

Loan Term

Maximum LVR

Interest Only

Fixed Interest Option

LMI Premium Payable

Full Doc	SMSF
STANDARD HOME LOAN	SELF MANAGED SUPER FUND
PAYG & Self Employed	PAYG & Self Employed
Full Documentation	Full Documentation
Purchase, Refinance, Debt Consolidation, Cash Out	Purchase Investment or Refinance existing SMSF
From \$50,000 to \$1,500,000	From \$50,000 to \$500,000
From 15 - 30 Years	From 15 - 30 Years
95%	80%
1-10 years (5yrs for O/O) - max 80% LVR Line of Credit max. 15 years (5yrs for O/O)	1-10 years
No	No
Above 80% LVR*	Above 70% LVR

Non-conforming

Loan Type

Loan Purpose

Loan Amount

Loan Term

Maximum LVR

Mortgage Arrears

Adverse Veda Listings

Bankruptcy Discharge Timeframe

Interest Only

Income Requirements

Prime Alt Doc	Specialist Clear	Specialist Plus	Specialist Assist
Alt Doc	Full Doc & Alt Doc	Full Doc & Alt Doc	Full Doc & Alt Doc
Purchase, Refinance, Debt Consolidation, Cash Out	Any worthwhile Personal, Business or Investment Purpose considered (Construction excluded)	Any worthwhile Personal, Business or Investment Purpose considered (Construction excluded)	Any worthwhile Personal, Business or Investment Purpose considered (Construction excluded)
From \$50,000 to \$1,500,000	From \$50,000 to \$1,500,000	From \$50,000 to \$1,250,000	From \$50,000 to \$1,000,000
From 15 - 30 Years	From 15 - 30 Years	From 15 - 30 Years	From 15 - 30 Years
80%	90% (Alt Doc Refinance 85%)	85%	85%
No	Less than 1	Less than 3	Unlimited
No	0	2	Unlimited
N/A	2 years or more	Greater than 1 year	Current or less than 1 year
1-5 years	1 - 5 Years (Max 80% LVR)	1 - 5 Years (Max 80% LVR)	1 - 5 Years (Max 80% LVR)
» Self Certified – Execution by the applicant(s) of the Alt Doc Declaration of Financial Status. » 2 year ABN	» PAYG with base income only - either 2 of the 3 most recent computer generated payslips or 3 months statements from a financial institution showing regular salary credits with the name of the employer evident as a minimum. » PAYG with O/T and/or commissions, etc - latest PAYG Payment Summary (computer generated) or Tax Assessment Notice are also required. » Self Employed - Last 2 years full Business/Company & Personal Taxation Returns. This must also be supported by the latest available Tax Assessment Notice. 150% year on year variance can be used.	» PAYG with base income only - either 2 of the 3 most recent computer generated payslips or 3 months statements from a financial institution showing regular salary credits with the name of the employer evident as a minimum. » PAYG with O/T and/or commissions, etc - latest PAYG Payment Summary (computer generated) or Tax Assessment Notice are also required. » Self Employed - Last 2 years full Business/Company & Personal Taxation Returns. This must also be supported by the latest available Tax Assessment Notice. 150% year on year variance can be used.	» PAYG with base income only - either 2 of the 3 most recent computer generated payslips or 3 months statements from a financial institution showing regular salary credits with the name of the employer evident as a minimum. » PAYG with O/T and/or commissions, etc - latest PAYG Payment Summary (computer generated) or Tax Assessment Notice are also required. » Self Employed - Last 2 years full Business/Company & Personal Taxation Returns. This must also be supported by the latest available Tax Assessment Notice. 150% year on year variance can be used.
Alt Doc Minimum Requirements » Accountants letter, or » 6 months BAS, or » 3 months Business bank statements	» Accountants letter, or » 6 months BAS, or » 3 months Business bank statements	» 6 months BAS, or » 3 months Business bank statements	» 6 months BAS, or » 3 months Business bank statements

*Borrower has option to pay a risk fee rather than LMI on Prime Full Doc loans with an LVR 80-85%. These Prime uninsured loans with an LVR >80% are funded on the Non-conforming platform



Risk & Compliance

Corporate Governance

- RESIMAC Limited is a wholly owned subsidiary of Homeloans Limited, an ASX Listed company which has been listed for over 15 years
- Homeloans has established a robust governance structure which includes an enterprise wide risk and compliance framework to ensure it meets its regulatory and licensing requirements
- The Board is responsible for oversight and monitoring the risk and compliance framework
- Board subcommittees closely monitor and work with management to mitigate risk and ensure adequate controls are in place to operate effectively
 - Audit Committee
 - Risk and Compliance Committee
 - Remuneration and Nominations Committee
- In addition, there are a number of management committees that sit under the Board committees
 - Credit Committee
 - Asset and Liabilities Committee (which incorporates Pricing Committee)

Lending Authorities

- The Australian Lending Team comprises 53 staff (27 hold a lending delegation) across Sydney, Perth, Melbourne and Manila
- The RESIMAC Team based in Sydney operate under both the RESIMAC Prime (Insured and Uninsured) and Specialist Credit Policy and Procedures & Underwriting Guidelines and decision all loan applications
- The Funding Partners Team are located in Perth, Melbourne and Manila and need to be converse with the Credit Policies of all our Funding Partners (Advantagedge, Adelaide Bank, Macquarie, Pepper, RedZed and RESIMAC). They have Delegated Underwriting Authorities for Advantagedge and Adelaide Bank
- Automated credit scoring techniques are not used for decisioning purposes – all loans are decisioned by experienced underwriters based on the merits of the loan, capacity to service, security and story
- There are 6 levels of lending delegation, based on experience and performance
- Progression to a higher DLA is subject to an audit of at least 10 loan files and recommendations of Head of Lending Australia and Manager Credit Administration to the General Manager Credit Risk and Asset Management
- All Prime lending delegations are subject to restrictions relating to loan size, and acceptable exceptions / variations
- Additionally, Non-Conforming lending delegations are subject to the level of subordinations / impairment
- Where a Variation / Exception approval authority is exercised, the reasons for approval (including concise details of specific risk mitigants in respect of the areas of exception) is recorded within the RESIMAC Underwriting System (RUS) for appropriate monitoring and monthly reporting purposes
- In all cases where approving a Variation / Exception a Delegated Lending Authority holder must ensure:
 - The additional credit risks have been satisfactorily mitigated
 - The ability to securitise the relevant loan will not be adversely impacted
- Review of Variations / Exceptions provides insight into new business quality, underwriter performance, and opportunities for policy enhancement
- Monthly reporting on all Credit Policy Exceptions is provided to the Credit Committee, Audit Committee, Risk & Compliance Committee and Board

Accessing and verifying capacity to service

“The NSR calculation is net income after tax less living expenses of all applicants and guarantors, divided by the amount of the total financial commitments including the new loan repayment.”

Example:

- Total net annual income after tax less living expenses: \$55,000
- Total financial expenses: \$30,000
- NSR ($\$55,000 / \$30,000$): 1.83 times

Debt Servicing Capacity:

- RESIMAC assesses capacity to service using the Net Surplus Ratio method. A minimum serviceability ratio of 1.0 times must be evident on the stress tested interest rate (1.10 times for QuickStart)
- Both Prime and Non-Conforming loans are assessed at a test rate which is the higher of the actual customer rate plus a 2.00% loading, or the floor assessment rate of 7.25%
- The floor assessment rate is also applied to all existing RESIMAC debts and other non RESIMAC mortgage debts
- Prime and Non-Conforming Loans are assessed on a P&I basis over a maximum term of 30 years
- Interest Only loans are assessed on a Principal & Interest basis over the residual term (post IO period)
- Living Expenses are reviewed annually and based on the higher of the applicants declared Living Expenses (that includes both Basic and Discretionary expenses) OR the RESIMAC Living Expense Index (being the Henderson Poverty Index (HPI) plus a margin of 10% calculated automatically on single adults, adult couples and dependent children)
- Other expenses such as rent, notional rent, credit card liabilities, child maintenance are also captured
- Personal bank statements (where provided) are reviewed for non-disclosure of financial commitments and discretionary expenses which are included in capacity to service assessment. General spending habits are also reviewed to ensure applicants don't have any spending habits (e.g. gambling) that might impact their ability to make repayments

Lending

Credit Checks:

- Equifax (formerly Veda Advantage) credit history check for every applicant with all applicants and guarantors checked against Fraudcheck and Vericheck AML systems

Fraud Mitigation:

- Information sharing agreements with LMIs and industry bodies for market wide fraud detection (i.e. Fraud Focus Group)
- Credit staff liaise regularly with Quality Assurance staff who are able to make enquiries with third parties in relation to applicants
- Unconditional call made to all applicants to check details provided on application where:
 - LVR >70% (for Non-Conforming Lending)
 - New Brokers and Broker / Originator on watchlist
 - Alt Doc loans
 - Underwriter discretion
- The Arrears team refers all early delinquencies (less than 12 months) to the Quality Assurance Officer and to General Manager Credit Risk and Asset Management for review
- All loans submitted for LMI claim (where applicable) are reviewed by the QA team to identify systemic trends

Valuation Panel and Policy

Valuation Panel Management:

- From May 2013 RESIMAC has used the ValEx valuation management system provided by CoreLogic RP Data across all distribution channels
- CoreLogic RP Data is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), a leading global property information, analytics and data-enabled services provider
- A single ordering point for valuations in every postcode – and single billing
- Blended ValEx / RESIMAC panel optimised for full geographical distribution
- Automated distribution of valuations to panel firms on a random selection basis
- Online tracking and monitoring progress of every valuation – including automatic real time updates
- Stores complete records and job history of all valuations so RESIMAC can access and retrieve reports at any time
- Comprehensive reporting functions, including turnaround time and valuer performance analysis
- Quality control and compliance systems for enhanced risk management

Valuation Policy:

- All loans subject to full valuation using API Pro-Forma and Mortgage Valuation Practice Standard
- Valuations may only be ordered by RESIMAC or the Mortgage Manager (via ValEx)
- Valuation must be dated within three months of the date of approval and date of settlement
- 5 colour photographs with views of front, rear of property, kitchen, bathroom and any view, significant external improvements or defects of the property
- Saleability period of 3-6 months to be noted
- Minimum of 3 comparable sales, no older than 180 days

LMI Relationships

- RESIMAC does not require LMI on Prime loans with an LVR of 80% or lower (policy change – November 2014) except where LVR restrictions are applied e.g. SMSF lending is restricted to 70% LVR without LMI
- Executive-level LMI relationships
- Enhanced RESIMAC claims assessment and submission process
- Executed “Exclusive Partnership Agreement” with Genworth January 2012
- RESIMAC holds a delegated underwriting authority on behalf of Genworth for loans up to \$2,000,000 at 90% LVR / \$1,150,000 at 95% LVR
- Master Policy includes Claims Assurance since February 2016 (i.e. Genworth will not cancel, avoid, or reduce liability on the basis of compliance misrepresentation)
- Improved claims payment rates with no issues identified by either LMI with regard to claims payment – no RESIMAC claim has been reduced for over 3 years (14 claims in last 3 years)

Credit & Quality Assurance

Overview

- Well established program covering all lending programs and products
- Following the Homeloans merger the responsibility for this function was reallocated to Credit Risk and Asset Management effective 1 November 2016
- Program covers file reviews for:
 - Credit compliance audits
 - Third party wholesale (once per year)
 - State Custodians (twice per year)
 - NZ (once per year)
 - Impaired files
 - Watch List files
 - Delegated Lending Authority (DLA) files
 - Quality Assurance Reviews (on behalf of Risk Management)
- Due diligence file reviews on potential acquisitions

Fraud Awareness and Prevention

Fraud Awareness

- Network of industry contacts via Equifax Fraud Focus Group conferences and Round Tables
- Own industry contacts
- Fraud workshops to internal sales and lending staff conducted in conjunction with audits (quarterly)
- Credit and administration staff liaise and share information with Head of Lending Australia and Lending team

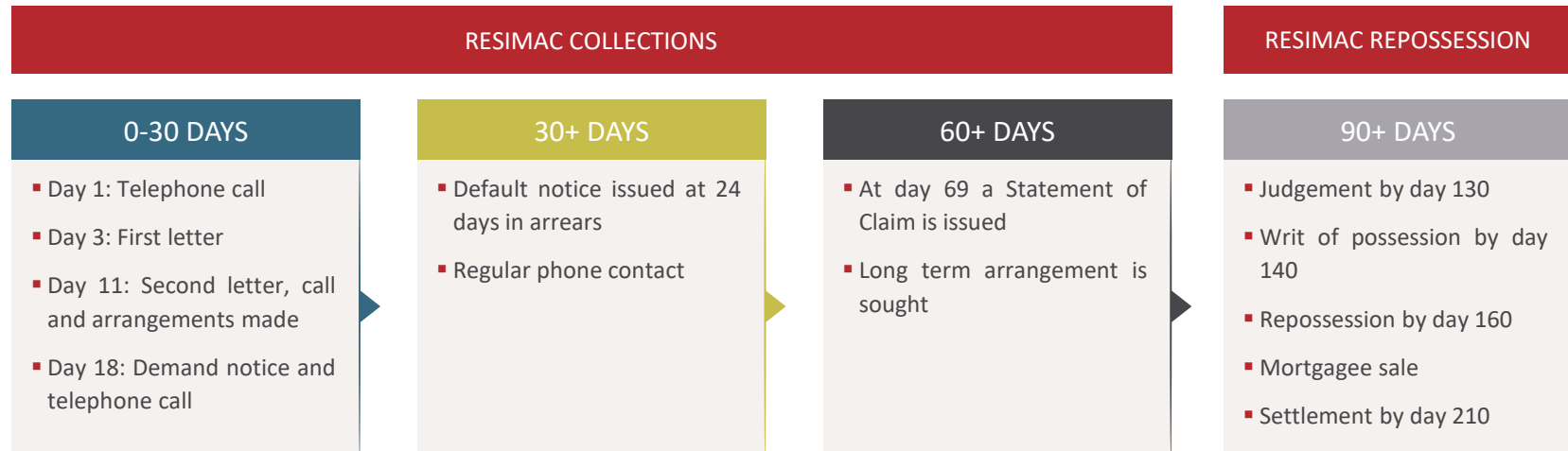
Fraud Prevention

- Verification of Loan Documentation through Equifax Fraud Focus Group and own industry contacts to identify potential fraud
- Rapid Addressing Tool (RAT)
- Red Flag Watchlist Register



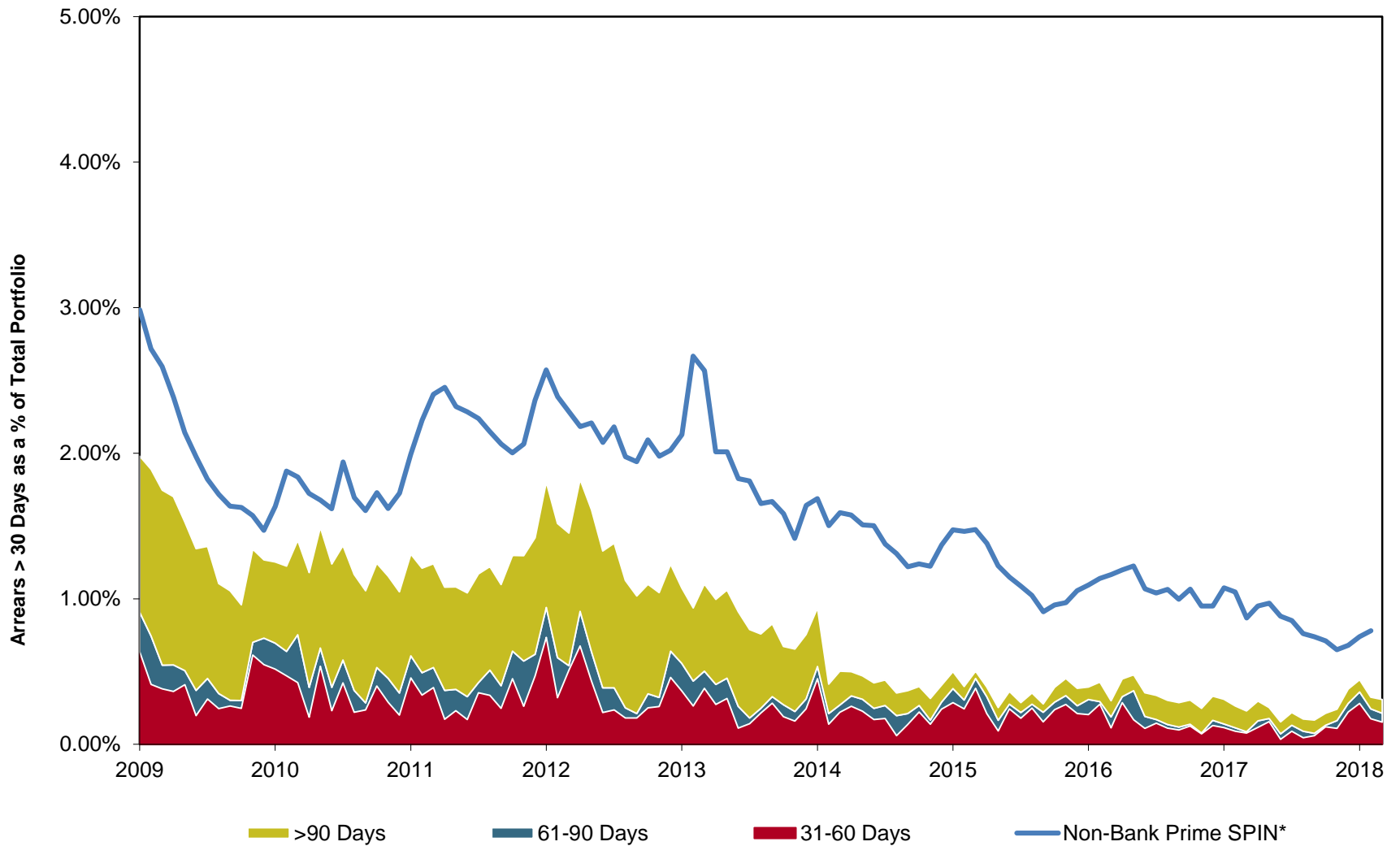
Asset Management

Arrears Workflow



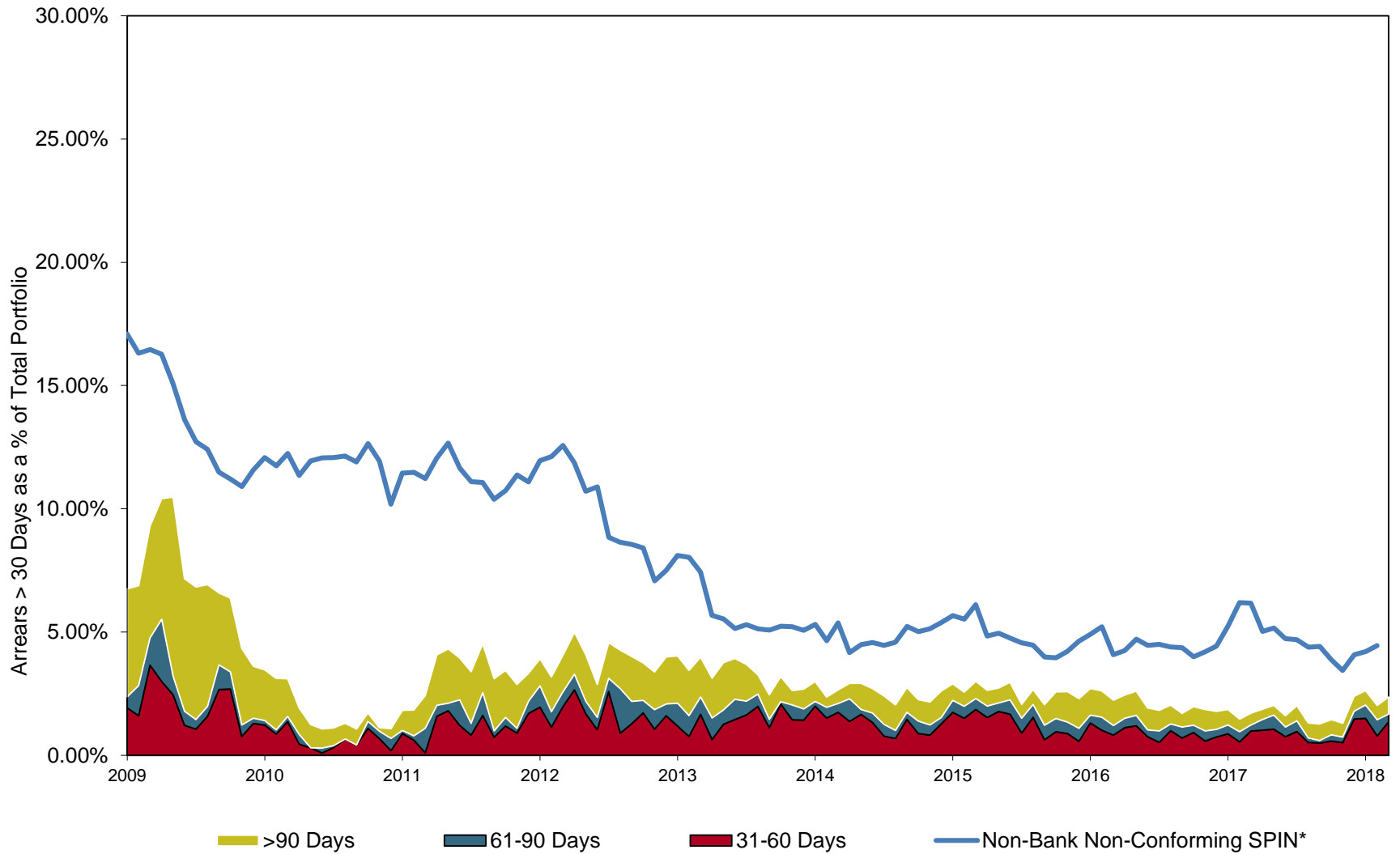
- RESIMAC manages arrears from day 1
- Monitored through an electronic diary
- Originators with >2.5% of loan balance in arrears are contacted and audited
- Trailing commission withheld on mortgages >22 days in arrears
- Originators deemed to have consistently high arrears have total commissions withheld

Asset Performance: Prime



* Standard and Poor's delinquency index of Prime non-bank and Major ADI originator securitised mortgages

Asset Performance: Non-conforming



* Standard and Poor's delinquency index of Non-conforming non-bank originator securitised mortgages

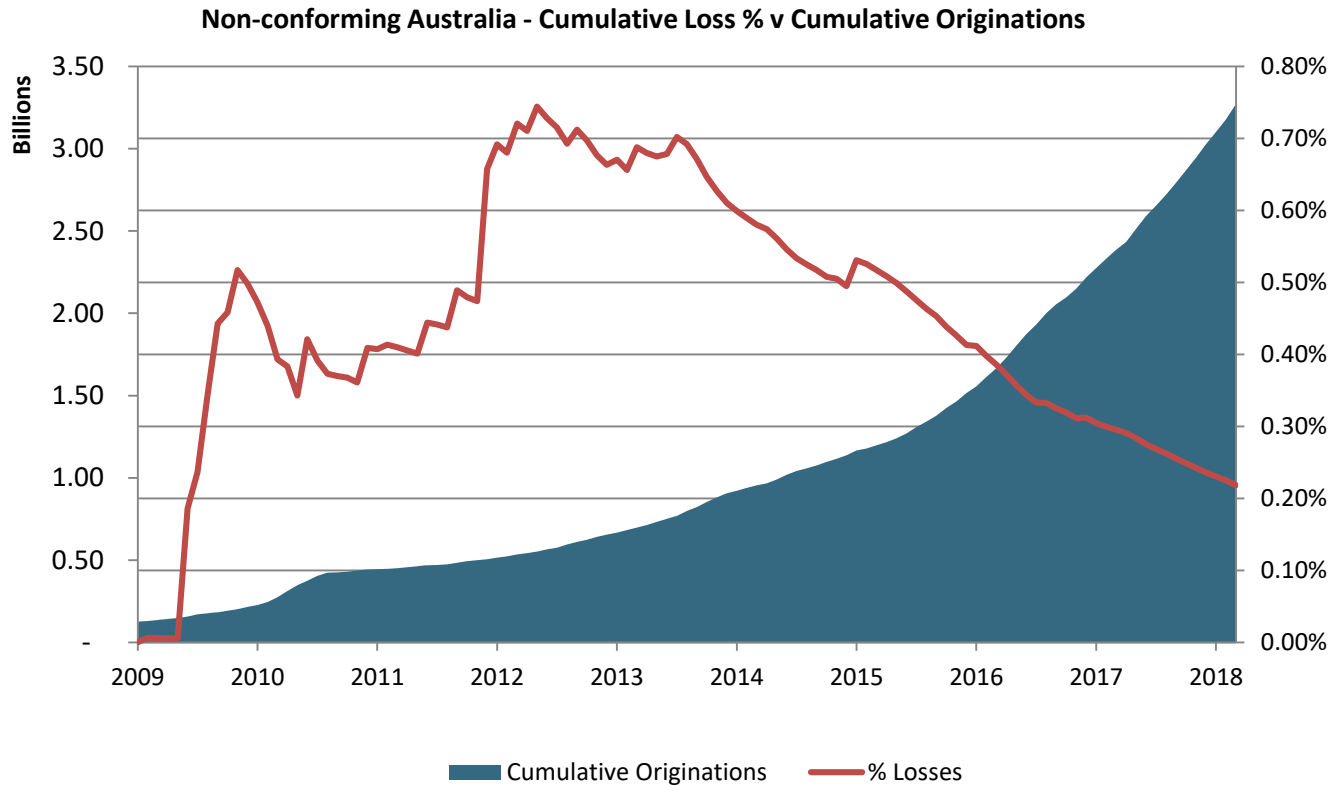
Claims and Losses – Prime



Prime Historic Claims & Losses (Year of Origination)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Claims	11,007,358	21,515,958	13,623,792	7,555,199	3,602,729	1,957,461	257,257	620,090	351,719	198,230	118,126	-	-	-	-
% Originations	0.833%	1.345%	1.180%	0.626%	0.374%	0.346%	0.079%	0.133%	0.072%	0.042%	0.021%	0.000%	0.000%	0.000%	0.000%
Losses	1,442,267	3,931,231	5,302,833	1,447,731	1,260,310	213,488	22,543	76,781	52,258	3,639	27,037	-	-	-	-
% Originations	0.109%	0.246%	0.459%	0.120%	0.131%	0.038%	0.007%	0.016%	0.011%	0.001%	0.005%	0.000%	0.000%	0.000%	0.000%

Loan Performance – Non-conforming



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