

Chairman's Address – Robert Scott

AGM 13th November 2017

Thanks again for your attendance today.

I'm delighted to say that this year has seen a major milestone in the history of Homeloans Ltd, with the merger between Homeloans and RESIMAC.

The merger was a key strategic move for both organisations. We identified a number of opportunities to leverage the strengths of each, and areas where we could find synergies and efficiencies. To this end we are making great progress – already realising our cost and revenue merger synergies resulting in strong performance for our shareholders.

I am very pleased to report that our financial results have been strong across all areas.

Net Profit After Tax for the year was \$15.8M, and we paid a final fully-franked dividend of 0.75 cents per share, taking the full year dividend to 1.5 cents per share.

Assets Under Management increased by 14.6%, settlements grew by a healthy 20% - and our expected cost merger synergies are ahead of schedule at more than \$6M.

On behalf of the Board I would like to take this opportunity to express my thanks to the management team and staff for their commitment during the last 12 months. At a time of such significant change, it is very pleasing to see such strong results and positive steps towards the future of our company.

Aside from the activities that we can control, the market has also served us well during the last 12 months. We have seen strong market conditions from which we have benefited.

The ongoing validation of the Third Party Broker channel and its viability has been a positive message for us supporting our distribution strategy.

In addition, our move towards prioritising the customer experience supports our decision to continue to invest in our digital capability and operational efficiencies.

As a result, we are very well placed to take advantage of these market conditions now and into the future.

Our Board has seen some changes over the last 12 months.

It is the end of an era today with Robert Salmon stepping down from the Board. As a Founding Director, Rob has been involved with Homeloans since 1985 when he and Tim Holmes established International Financing & Investment, or 'IF&I'. IF&I evolved into WA Homeloans before launching state brands nationally in the 1990s, and listing on the ASX as Homeloans Ltd in 2001. Rob was a driving force behind these developments and has continued to be invaluable to the organisation as a Non-Executive Director since 2006.

Following the company's most recent significant milestone, the merger with RESIMAC, Rob feels that the time is right for him to move on. On behalf of my fellow directors, I am sincerely grateful to Rob for his significant contribution to Homeloans Ltd and wish him well in his future endeavours.

We are pleased to confirm that Duncan Saville has been appointed a Non-Executive Director on the Board. Previously Duncan was an Alternate Director for Warren McLeland representing our majority shareholder, Somers Limited. We look forward to working with Duncan in his new capacity.

And finally, as mentioned in our recent communications, we have been looking for a Chairman to lead the company through its next phase, and I am pleased to advise Chum Darvall will assume the role of Chairman, effective immediately. I will be stepping down as Chairman and moving into a Non-Executive Director's position on the Board. Chum brings over 30 years of experience in financial markets. Previously Non-Executive Vice Chairman of Deutsche Bank, prior to that he held the role of Chief Executive Officer of Deutsche Bank Australia and NZ from 2002 to 2011. We are delighted to welcome a Chairman of Chum's calibre, and look forward to working with him.

I will handover shortly to Chum to say a few words but before I do, I'd like to say I have been honoured to have been your Chairman over the last 3 years. I'd like to take this opportunity to thank my fellow Board members – past and present – for their contribution and support during my tenure as Chairman. I look forward to continuing to work with all of you in my new role on the Board, and I wish everyone the best for the next exciting chapter of the Homeloans story!

And now, I invite Chum Darvall to address the meeting.

Robert Scott

Independent Non-Executive Chairman

Deputy Chairman's Address – Chum Darvall

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Thank you Rob, for your kind welcome. I look forward to working with you and our other Board members to enhance and grow our business.

Thank you for your leadership over the last few years, particularly through the merger process. Mergers of any kind are challenging and we are grateful to have had Rob's calm experience to help guide the process. With the strong commitment of our Joint CEOs – Mary Ploughman and Scott McWilliam - and key staff, the merger has been very successful and this bodes extremely well for our future!

It is very encouraging to see the key performance highlights over the last 12 months, which is a testament to both the success of the merger, and the focus of the team.

- We have seen settlements growth of 20%: largely driven by the positive support from our Third Party channel.
- This has been complimented by strong growth in our Direct Channel, State Custodians.
- Our funding program serves us well due to strong investor and banking relationships, exceptional underlying asset performance and a highly professional securitisation capability across multiple jurisdictions;
- We have exceeded our synergy target by focusing on both cost and growth priorities, which has built a solid foundation for future performance.

Looking to the future, as Rob has said: market and regulatory changes are generally favourable for our business. We will continue to look to expand our activity as a high quality, non-bank provider of home loan products. We will also consider investing in businesses that are adjacent to our core activity, including all aspects of consumer-based finance. With that in mind, we were pleased to move to 100% ownership of Paywise, our salary packaging business, this year.

Most importantly, we want to be the lender of choice for our customers – leveraging our strong and diverse brands with quality products and services. And we will achieve this by continuing to build on our strengths, and to maximise our opportunities within our chosen segments.

In closing, I also would like to acknowledge our retiring director, Rob Salmon, who has been involved in non-bank home lending for well over 30 years. As one of the founders of Homeloans, we owe you a very distinct debt of gratitude.

I would also like to acknowledge the appointment of Duncan Saville to the Board. Duncan has extensive experience globally, growing and supporting companies like Homeloans. I appreciate the support of Somers and look forward to working with Duncan, along with all of our existing Homeloans Board members.

Finally, I would like to thank our shareholders and owners for your support of Homeloans over the last 12 months.

Chum Darvall

Deputy Chairman