

Media Release

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Continued growth delivers 'best ever' interim financial result for MOC

Mortgage Choice grows loan book, financial planning revenue

Mortgage Choice Limited (MOC) has today announced its financial results for the six months ending 31 December 2016.

Today's results highlight the ongoing strength of the company, with Net Profit After Tax (NPAT), home loan settlements, loan book, and financial planning revenue all growing to record levels for the first half.

Financial highlights for the six months to 31 December 2016 included:

- NPAT on a cash basis was \$11.7 million, up 16.2% from \$10.1 million in 1H16.
- NPAT IFRS was \$11.1 million, up 6.4% from \$10.7 million in 1H16.
- \$6.4 billion in home loans were settled in 1H17, up 2.4% from \$6.2 billion in 1H16.
- Total loan book reached \$52.4 billion, up 3.3% from \$50.7 billion in 1H16.
- Mortgage Choice Financial Planning (MCFP) delivered its first interim profit result.
- MCFP Funds Under Advice climbed 35.8% from \$311.6 million in 1H16 to \$423.1 million in 1H17.
- MCFP insurance Premiums Inforce surged past the \$20 million milestone, reaching \$22.0 million – up 27.8% from \$17.2 million in 1H16.
- Cash earnings per share at 9.4 cents compared to 8.1 cents in 1H16.
- A record interim dividend of 8.5 cents per share was declared by the Board, up from 8.0 cents in 1H16.

Mortgage Choice chief executive officer John Flavell said the impressive interim financial results reflected the ongoing strength of the business.

“In the six months to 31 December 2016, Mortgage Choice recorded its best ever home loan settlement result, with settlements reaching \$6.4 billion. This, in turn, helped us to further grow our mortgage book, which surpassed \$52 billion for the first time,” he said.

Of course, the core broking business was not the only division to deliver record cash results, with the financial planning arm also performing strongly.

“Throughout 1H17, the financial planning division has gone from strength to strength, with this business now consistently profitable on a monthly basis,” Mr Flavell said.

“Our network of mortgage brokers understands the value of providing their customers with access to professional financial advice. As a result, a larger proportion of our customers’ wealth needs are now being met.

“During 1H17, the value of Funds Under Advice and Premiums Inforce rose by 35.8% and 27.8% respectively in comparison to 1H16.”

Mr Flavell said the continued growth in financial planning revenue, combined with the ongoing strength of the underlying core broking business, ultimately helped the company to drive an impressive cash NPAT result.

“This strong result also confirmed that the Group’s decision to close the loss making Help Me Choose business in 1H16 was a sound one,” he said.

“Throughout 1H17, we also expanded the network both in terms of franchisees and brokers on the back of having established a ‘Business Growth’ team in 2H16.

“Looking ahead, we will continue to grow our network and accelerate broker productivity in the second half by leveraging the Business Growth team’s capabilities.”

Mr Flavell said while he was pleased with the Group’s performance over the first half of the financial year, the team remains focused on continued growth in all areas of the business with a prudent focus on operating expenses.

“We have started the 2017 calendar year off strongly, with growth in the network, growth in home loan applications, growth in the number of referrals going to our financial advisers, increased momentum in Mortgage Choice Asset Finance, and a continued focus on investing for the future whilst prudently managing operating expenses.

“We look forward to continuing to deliver strong results and addressing the market again at financial year’s end.”

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About Mortgage Choice

Mortgage Choice is an ASX listed company that seeks to help Australians with all of their financial needs. Established in 1992, Mortgage Choice was originally established to help Australians improve their financial situation by offering a choice of home loan providers, coupled with the expert advice of a mortgage professional. Since that time, the company has grown and developed into a fully-fledged financial services provider.



Today, Mortgage Choice helps customers source car loans, personal loans, credit cards, commercial loans, asset finance, deposit bonds, and risk and general insurance.

Further, the company offers Australians access to real, relevant and affordable financial advice through our qualified financial advisers.

Mortgage Choice has no balance sheet or funding risk, and consistently delivers strong profits and attractive yields.

It listed on the ASX in 2004 (MOC) and is a member of the Mortgage & Finance Association of Australia (MFAA).

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