

Media Release

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MOC delivers solid interim result

Mortgage Choice grows loan book and financial planning revenue

Mortgage Choice Limited (MOC) has today announced its financial results for the six months ending 31 December 2017.

Today's results highlight the ongoing strength of the company, with Net Profit After Tax (NPAT) on a cash basis recording solid growth.

Financial highlights for the six months to 31 December 2017 include:

- NPAT on a cash basis reached \$12.5 million, up 7.0% from \$11.7 million in 1H17
- NPAT IFRS of \$11.4 million, consistent with the result in 1H17
- Total loan book \$54.0 billion, up 3.2% from \$52.4 billion in 1H17
- \$6.0 billion settled home loans 1H18, down slightly from \$6.4 billion in 1H17
- Financial planning Funds Under Advice climbed 49.9% from 1H17 to \$634.2 million in 1H18
- Financial planning insurance Premiums In Force moved past the \$25 million milestone, reaching \$26.6 million – up 21.1% from 1H17
- Cash earnings per share at 10 cents, compared to 9.4 cents in 1H17
- An interim fully franked dividend of 9.0 cents per share was declared by the Board, consistent with 2H17

Mortgage Choice chief executive officer John Flavell said the interim financial results were pleasing.

"In the six months to 31 December 2017, Mortgage Choice recorded a solid interim cash profit result, with Net Profit After Tax on a cash basis up 7% to \$12.5 million.

"Our loan book grew 3.2% to \$54 billion and the Financial Planning arm continued to enjoy growth.

"Funds Under Advice increased 50% to \$634.2 million from the prior corresponding period, while Premiums In Force grew 21% to \$26.6 million over the same period.

"The growth in both Funds Under Advice and Premiums In Force is a testament to the strength of our financial planning proposition.

"Importantly, our network of mortgage brokers understand the value of offering their customers access to professional financial advice. As a result, a larger proportion of our customers' wealth needs are now being met."

While the Company enjoyed growth in the loan book, financial planning revenue and diversified product revenue, home loan settlements fell slightly.



“Over the six months to 31 December, we settled \$6 billion in home loans, which is down slightly from the \$6.4 billion we recorded in 1H17.

“Despite this, Mortgage Choice has delivered solid results across all functions of the business.

“Looking ahead, we will continue to grow the business through our proactive approach to diversification. We will also focus on extending our brand presence, improving the customer experience and increasing broker productivity,” he said.

“We continue to increase our brand presence across the country via growth in the number of retail shopfronts and other marketing activities at a local level.

“At present, we have 142 retail shopfronts and that number is growing all the time,” Mr Flavell said.

At a national level, the first half of the year saw the launch of a new advertising strategy.

“Our new commercials emphasise that Mortgage Choice experts are a part of the local communities they operate in. Starring real Mortgage Choice brokers and advisers, the commercials explain how our local experts help people make better choices with their finances,” he said

The Company also commenced work on two significant projects, both focused on improving the customer experience and increasing broker productivity.

The new Mortgage Choice website, launched on 16 January 2018, makes it easier for customers to find the information they are looking for and provides franchisees with industry leading functionality for their individual websites.

“At Mortgage Choice, we are acutely aware that the needs and wants of customers are ever changing and evolving. While the majority of Australians still prefer meeting face-to-face when it comes to seeking professional advice, they spend a significant amount of time educating themselves online beforehand.

“The new website is intuitive and allows customers to interact with us in a way that meets their needs,” he said.

A new Broker Platform will be launched in phases over the remainder of FY18 with the first phase rolling out in February. The online platform will increase broker productivity by significantly reducing data entry and providing a more efficient process for writing a home loan.

“Technology is a critical enabler to increasing broker productivity and assisting franchisees in delivering an excellent customer experience, particularly in an increasingly complex lending environment. Our purpose-built online Broker Platform will significantly reduce data entry and the need for a broker to access multiple systems to write a home loan,” Mr Flavell said.

Mr Flavell said he was pleased with the Group’s performance over the first half of the financial year.

“The interim financial results for FY18 are pleasing and I am confident that we can continue to grow and evolve the business as we cater to the broader financial needs of our customers.

“We look forward to continuing to deliver solid 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). Mortgage Choice holds an Australian Credit Licence: no. 382869 and Mortgage Choice Financial Planning Pty Limited holds an Australian Financial Services Licence: no. 422854. Both licences are issued by ASIC. Visit www.mortgagechoice.com.au or call customer service on 13 7762.