

Media release

Household Capital secures \$300 million financing from IFM and Citi

Key points:

- Major new investment in Australian retirement housing and funding
- Financing to help retired Australians meet the challenges of an aging population
- Scalable facility to meet rapid demand in a new \$1 trillion asset class

17 December 2021

Household Capital, a leading Australian provider of home equity retirement funding, today announced the completion of a \$300 million financing package provided by Citi, one of the world's biggest banks, and IFM Investors, the industry super-owned global fund manager.

The innovative securitisation debt facility, will allow Household Capital to continue to meet the increasing demand from retired Australian homeowners who are seeking responsible, long-term funding for their retirement needs --- a segment of the market which has more than \$1 trillion in home equity available today.

"Household Capital is an innovator in home equity retirement funding with a clear values-based focus on customer outcomes," said Joshua Funder, Chief Executive Officer of Household Capital.

"We originate responsible, long term, low risk Australian residential mortgages, enabling retirees to access some of the equity in their home to achieve a more secure and dignified retirement, recognising the family home can be both the best place to live and a way to fund retirement.

"In partnering with Citi and IFM Investors, we are making access to home equity more efficient, more available and more reliable for retirees. This funding facility delivers Australian retirees low interest rates which mean more access to their home equity retirement funding."

Household Capital Chair Nick Sherry said that despite Australia's world-class superannuation system, the family home has always been a missing link in the nation's retirement funding system.

"The wealth of baby boomers is mostly tied up in their home," said Mr Sherry.

"Australian seniors need ubiquitous, responsible, long-term, and efficient access to home equity."

Mr Sherry said Household Capital's partnership with Citi and IFM Investors is a game changer in delivering back to Australians their own wealth.

"We were delighted to work with Household Capital and IFM to develop an innovative securitisation structure that balanced the needs of Household Capital, Citi and IFM's investment requirements," said Will Mortimer, Managing Director and Head of Citi's Financing and Securitisation team for Australia & New Zealand.

"The facility will refinance Household Capital's legacy funding arrangements and ultimately deliver a more cost effective, long term and scalable funding solution to Household Capital to help grow their business."

Hiran Wanigasekera, Executive Director, Debt Investments, IFM Investors, said: "We believe that our investment will help generate risk adjusted returns for our investors, while delivering a social dividend for retired Australians. By working with Household Capital, we are able to directly support the quality and availability of retirement housing and funding."

Stella Choe, Managing Director and Head of Corporate Banking Citi Australasia hopes that the financing package helps Household Capital to deliver much needed retirement support to elderly Australians.

“We are proud to partner with Household Capital, a leading reverse mortgage funder in Australia, to deliver much needed retirement funding to Australians, and help address the challenges faced by the Australian Government in housing and funding a growing cohort of aging Australians,” said Ms Choe.

Mr Funder said that Household Capital was focused on responding to the Australian Government’s Retirement Income Review and Retirement Income Covenant, both of which highlighted the important role home equity can play in meeting people’s financial needs in retirement.

“This funding package is an endorsement of our approach and will help us continue to deliver on our mission: to help retired Australians Live Well At Home,” said Mr Funder.

“Already Household Capital has transformed the lives of thousands of retired Australians and this facility will enable us to help thousands more have confidence in their retirement housing and funding.”

Co-author of the Retirement Income Review and chair of Household Capital’s advisory board, Professor Deborah Ralton, said: “For most people retiring today who haven’t really enjoyed the full benefits of superannuation over their working lives, their home represents a considerable part of their net wealth.

“The baby boomers coming through to retirement want to know that they can have a good quality retirement and feel confident and happy that they can use their resources well, including home equity.”

-Ends

About Household Capital

Household Capital is an Australian-owned independent retirement funding provider founded in 2016 with a mission to help retired Australians ‘Live Well at Home’. It offers retirees a responsible, sustainable, and flexible financial solution that allows them to bundle their superannuation savings, equity in their home and their Aged Pension to achieve their retirement goals while continuing to live at home.

www.householdcapital.com.au

Household Capital media contact

Michael Mullane

michael@mjpmadvisory.com.au

+61 (0)414 590 296

About IFM Investors:

IFM Investors was established more than 25 years ago with the aim to protect and grow the long-term retirement savings of working people. Owned by a group of Australian pension funds, the organisation has A\$179 billion under management as at 30 September 2021. Because IFM is owned by industry pension funds, we prioritise the interests of over 500 like-minded investors worldwide by focusing on assets that aim to combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community. As a signatory to The United Nations-supported Principles for Responsible Investment, IFM actively engages on ESG issues with the companies in which we invest with the aim of enhancing their net performance while minimising investment risk. Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, New York, Hong Kong, Seoul, Amsterdam, and Tokyo, IFM manages investments across infrastructure, debt, listed equities and private equity assets. For more information, visit

www.ifminvestors.com

IFM media contact

Phil Davey

phil@mountainmedia.com.au

+61 (0)414 867 188

About Citi:

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, capital

markets and corporate advisory, markets and securities services, commercial banking and treasury and trade solutions.

Citi Australia and NZ Media contact

Jane Clapcott

Email: jane.clapcott@citi.com

Mobile: +61 409 837 484