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IT'S TIME



Mortgage Choice was established in 1992 with a vision of building a national network of ethical, credible and professional mortgage brokers who local communities could trust.

Today, we have sourced a home loan for well over 350,000 clients thanks to our network of hundreds of franchises that have access to an extensive panel of lenders. Our brokers empower clients by guiding them through the mortgage maze and the process of becoming a mortgage holder, without playing favourites. Importantly, we pay franchisees the same commission rate for the home loans they write, regardless of the rate paid by the lender selected by our clients.

A strong commitment to client convenience and our 'duty of care' is why many of our brokers now also access personal loans, commercial loans, asset finance and risk and general insurances.

Australia's largest independently-operated mortgage broker, Mortgage Choice has no balance sheet funding risk, and consistently delivers strong profits and attractive yields. We listed on the Australian Stock Exchange in 2004 and are a member of the Mortgage & Finance Association of Australia (MFAA).

Mortgage Choice holds an Australian Credit Licence no. 382869, issued by ASIC.

IT'S TIME TO TAKE IT TO THE NEXT LEVEL



SAMUEL UNO
Lending Analyst

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With the foundations that were created over the past three years, we are positioned well to expand our vision and narrow our focus to accelerate business growth. We are ready to take the business to the next level.

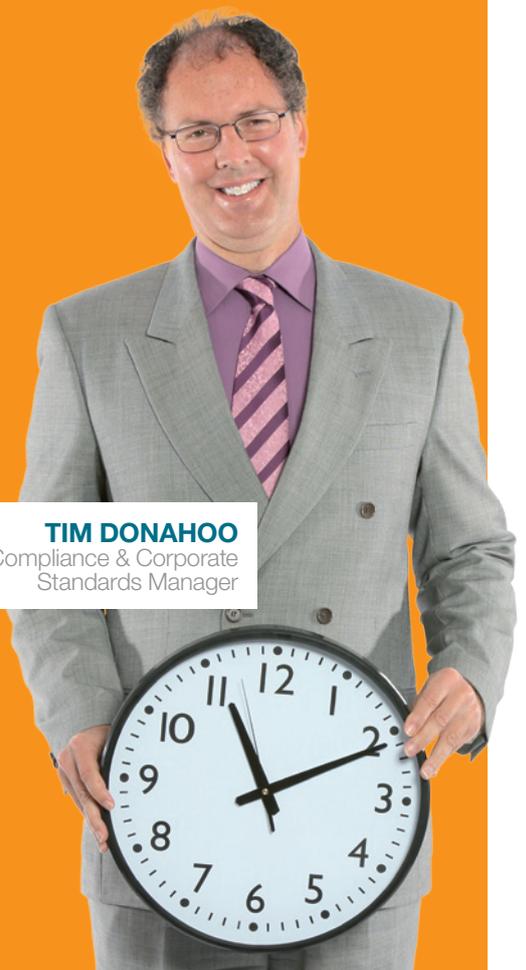
Key to our success will be our relationships – with franchisees, staff, lenders, media, suppliers, customers and the community. The time is now to leverage these assets to build a formidable Australian financial services and wealth creation business.



LAUREN THOMPSON
Corporate Affairs Coordinator



CLARE XIE
Financial Analyst



TIM DONAHOO
Compliance & Corporate Standards Manager

IT'S TIME TO STEP UP THE PACE

“Our customers are our future, so we must focus on how we can better service and respond to their changing needs by **delivering more value to the relationship.**”

[read more on p12](#)



BIANCA LONG

Owner Manager, Mortgage Choice
in Glenwood, NSW

“**Bolstering our network with new and inventive training opportunities,** our Learning and Development team create the professional pathway that helps our brokers build successful businesses.”

[read more on p15](#)

DAN WALSH

National Learning & Development Manager

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“Our corporate partner, Ronald McDonald House Charities, helps to provide a home away from home for families in need. **We are proud to be aligned with such a great charity.**”

read more on p7



MARIE PITTON
Head of Human Resources



TANIA MILNES
General Manager, Mortgage Choice
Financial Planning

“We have **a clear vision of two successful franchise models** working together to meet the growing needs of our customers.”

read more on p13

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“ We are determined to **recruit franchisees who are focused on building better businesses** and

growing our market share. The message is that Mortgage Choice is the first choice in financial services franchising.”

read more on p14



TIFFANY SPIERS
National Franchise
Recruitment Manager



CO VAN NGUYEN
Software Support Analyst

“

We are focused on providing our brokers with fully integrated campaigns across multiple media channels.

By setting the foundation for the brand

we give our franchisees a solid base on which to build their local marketing efforts.”

read more on p13

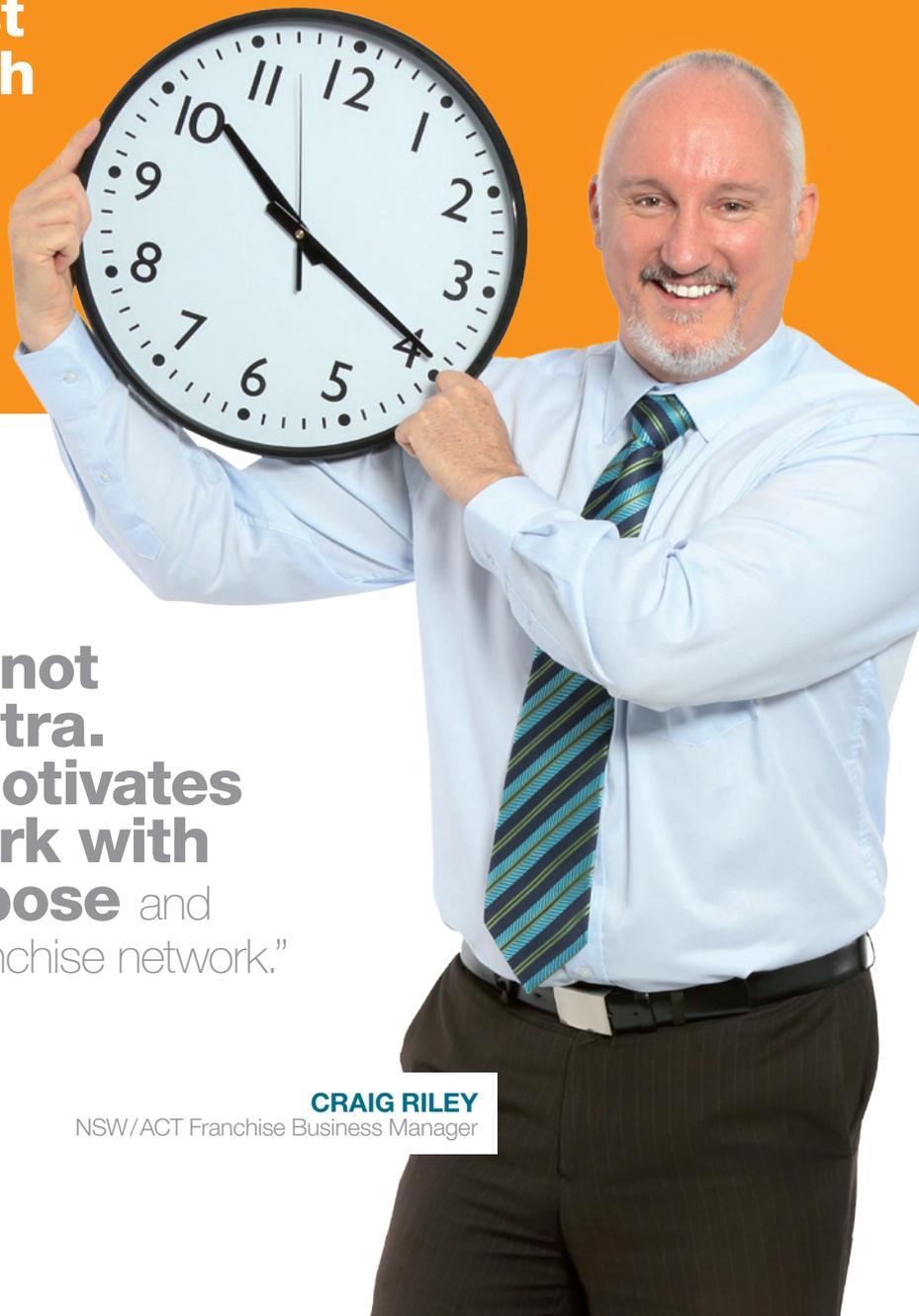


DANNA BROWN
Head of Marketing

...AND TRANSITION THE BUSINESS FOR A BIG FUTURE.

“By engaging our stakeholders and conducting regular usability reviews, we are able to ensure we are meeting the needs of our customers. **We continue to invest time and research in technology** to deliver innovative solutions.”

read more on p12



“We live by a **‘today not tomorrow’** mantra. **This attitude motivates our team to work with a sense of purpose** and urgency to assist our franchise network.”

read more on p14

CRAIG RILEY
NSW/ACT Franchise Business Manager

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FINANCIAL HIGHLIGHTS FOR THE 12 MONTHS TO 30 JUNE 2012

NET PROFIT AFTER TAX (NPAT)

on a cash basis was

\$15.0 million,

down 5.7% on FY11.

TOTAL GROUP LOAN BOOK

(i.e. residential and commercial loans written by Mortgage Choice and its aggregation arm, LoanKit)

was **up 6.4%** at \$45.1 billion.

\$11.2 billion in HOUSING

LOAN APPROVALS were generated by the Group, up on \$9.9 billion in FY11.

A final fully franked dividend of 7 cents per share took

TOTAL DIVIDENDS

to **13 cents** per share.

TOTAL GROUP REVENUE

on a cash basis was

\$143.9 million,

up 3.6% on FY11.

NET ASSETS were \$93.6 million,

up 3.7%.

On an IFRS basis:

EARNINGS PER SHARE stood

at **15.4 cents,**

compared to 22.9 cents in FY11.

NPAT was **\$18.5 million.**

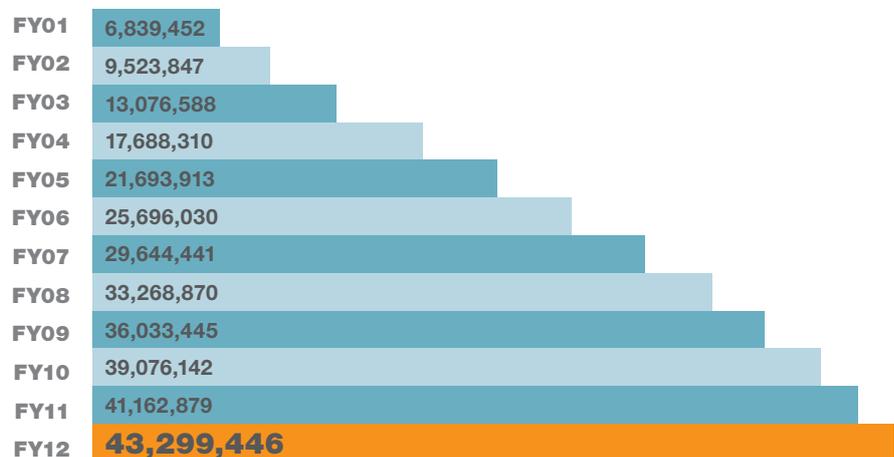
This was down 32.7% on FY11, as a result of last years positive tax adjustment of \$12.3 million.

TOTAL GROUP REVENUE

was **\$157.0 million,**

down 7.3% on FY11.

MORTGAGE CHOICE RESIDENTIAL LOANBOOK (\$'000)



Note: These figures represent the Mortgage Choice residential loan book only.



“

Our vision is bold, to expand Mortgage Choice from a market leading home loan specialist **to a diversified financial services provider.**”

In addition, 20 new greenfield franchises helped us grow our national share of new home loans to 4.6%, the highest level since 2006 (and our share is considerably higher in regional areas).

We paid a fully franked dividend of 7 cents per share, taking the total dividends for the year to 13 cents per share. This represents an industry leading yield of 10.1% based on the 30 June 2012 closing share price of \$1.28.

IT'S TIME TO ENGAGE.

This year Mortgage Choice celebrates two decades of providing mortgage broking services to Australians, and the on-going commitment of our staff and franchise network to building a better business has once again produced strong financial results for both shareholders and other stakeholders.

Market conditions this year have been challenging. Unparalleled volatility in global financial markets and the European sovereign debt crisis resulted in a subdued housing market and weak consumer confidence. In addition, we weathered a new out-of-cycle interest rate environment, falling property prices and a resulting desire by consumers to deleverage.

Speaking on behalf of the Board, I would like to say that despite these challenges we have enjoyed a successful year. Our staff and franchise owners have worked together to increase market share, revenue opportunities and broker productivity, all while exceeding customer expectations. In fact, customer satisfaction ratings remained well above the 90th percentile throughout the year.

Our financial results for 2012 are also very pleasing. We posted a net cash profit after tax of \$15 million and the Group's total housing loan approvals reached \$11.2 billion. We reported the total loan book grew to \$45.1 billion.

We also announced in October 2011 that we would partner with Ronald McDonald House Charities to help support seriously ill children and their families. To date, our customers, franchise network, staff, lender partners and suppliers have raised in excess of \$125,000. A great result by any measure.

I know that our strong financial performance is a direct result of the success of the DREAM (an acronym for Diversification, Recruitment, Existing broker support, Acquisitions and Managing costs) strategy introduced three years ago by our CEO Michael Russell. Each element of the strategy has contributed to a positive transformation in the way we do business.

We have just signed a new three year employment agreement with Mike and he intends to use the successful DREAM strategy as a basis for a new three year strategic plan. Our vision is bold, to expand Mortgage Choice from a market leading home loan specialist to a diversified financial services provider.

At Mortgage Choice we firmly believe that the best way to continue to meet the diverse needs of our customers is by enabling them to access affordable, quality financial planning advice.

We hope you will join us as we build on our successes to realise our dream of revolutionising the financial planning industry in the way we did the home loan business over 20 years ago. ➡

PETER RITCHIE
Chairman



IT'S TIME TO ACT.

Over the past three years we have worked hard to build the solid foundations that we will rely upon to accelerate our growth into the future. The time is now right to act on a number of new initiatives that will propel Mortgage Choice into a new decade of financial services franchising.

The 2012 financial year has not been an easy one for financial markets across the world, and Australia has been no exception.

Weak economic data out of the US and China, combined with the sovereign debt crisis in Europe seriously impacted consumer confidence in the local market. Falling property prices discouraged many from selling, and this in turn had an effect on those looking to buy. These factors, combined with out-of-cycle interest rate movements, made trading conditions for our brokers and franchisees difficult.

Despite the challenging circumstances, our DREAM strategy proved to be the right one, helping to insulate our business against the changing marketplace and providing the means for us to continue to grow.

We understood that our brokers would need to look beyond traditional service offerings to meet the needs of customers, and as such, we took steps to broaden our customer offering and introduce new revenue streams for our franchisees. At the same time, we continued to recognise the competitive advantage that great brokers give to the business and as such, we invested in professional development through reward and recognition as well as best practice recruitment processes.

We feel the foundations for further growth are now built. We have made our DREAM a reality and in our twentieth year in business we are ready to welcome the next phase of our development.

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“

We have made our DREAM a reality and in our 20th year in business **we are ready to welcome the next phase of our development.**”

But first, a quick look at where we have come from, and where we are going.

In 2009, Mortgage Choice was a mortgage broker where face-to-face interaction between brokers and customers was our major distribution channel.

Today, Mortgage Choice is a financial services broker where face-to-face interactions are as important as ever and mortgages remain our core service offering, but where mobile communication technologies are starting to become a preferred channel for a growing number of customers.

Our vision for 2015 is for Mortgage Choice to be a diversified financial services and wealth solutions business that engages customers via their channel of choice.

There are a number of reasons we believe expanding our service offering to include financial planning provides the best growth opportunity for our business.

Currently, only 30% of Australians seek financial advice. However, the recent Future of Financial Advice reforms by the Government are set to introduce sweeping changes to the industry, improving the quality of financial advice and making it more accessible to all Australians. It is our aim to capitalise on the expected strong increase in demand for financial services, particularly in the areas of risk insurance, superannuation and scaled (issue-specific) advice.

At Mortgage Choice we have always been committed to meeting our customers' diverse needs, indeed it has been the hallmark of our success. Our customers are looking for a trusted partner to provide them with financial advice, and we are well-positioned to meet their needs as a home loan specialist that offers broader financial services.

WORKING TOWARDS 2015

MORTGAGE CHOICE INTENDS TO BE:

- Australia's largest branded mortgage broker;
- Australia's favourite mortgage broker;
- Australia's fastest growing branded financial planning organisation;
- One of Australia's largest and fastest growing franchise operations;
- An ASX stock that investors respect for both its yield and growth potential; and
- A diversified financial services and wealth solution business where we engage our customers through their channel of choice.



MICHAEL RUSSELL
Chief Executive Officer



Mortgage Choice is a financial services distribution business where mortgages remain its core offering and face to face its core distribution.



Mortgage Choice is destined to be a diversified financial services and wealth solutions business where it will engage its customers through their channel of choice.

In order to fulfil our vision, we have developed a number of clear and measurable goals, and most importantly, a three year strategic plan to deliver them. The plan is known as ACT and stands for:

- **A**cquire greater market share in our core mortgage business;
- **C**ross-sell our mortgage customers into our financial planning business; and
- **T**ransition the Group into a diversified financial services and wealth solutions business.

With the support of our Board we have obtained an Australian Financial Services Licence and have a team of experts working around the clock to make our vision a reality. We are counting down the days until the Mortgage Choice

Financial Planning franchise business officially launches in July 2013. It will be an exciting next 12 months!

Joining us on this journey and helping us achieve this goal are our existing franchisees, many of whom will be taking the opportunity to purchase a Mortgage Choice Financial Planning franchise. Their interest in the new business shows they are embracing our vision for the future of Mortgage Choice and are helping us make the changes necessary for growth, both of the brand and their own businesses.

Our passionate team will continue supporting our franchisees during this transition phase. The team and I have embedded in us a culture that we live by in day to day business that is focused on three key values:

1. Franchisees first
2. Yes we can
3. Today not tomorrow

This ensures we concentrate on accelerating our business to achieve more impressive results in a shorter span of time.

While this year has been an exciting one for Mortgage Choice, the next year will prove to be even more so. We have pursued our strategy with focus and dedication and have created the solid foundation we needed to take the step from our home loan business into a fully fledged financial services provider.

The time is right for us to leap forward, and we anticipate achieving impressive milestones during the year ahead. ➔

OUR NEW 3 YEAR STRATEGIC PLAN

Acquire greater market share in our core mortgage business;

Cross-sell our mortgage customers into our financial planning business; and

Transition the Group into a diversified financial services and wealth solutions business.

A handwritten signature in blue ink, appearing to read 'Michael Russell'.

MICHAEL RUSSELL
Chief Executive Officer

SENIOR EXECUTIVES



MICHAEL RUSSELL
Chief Executive Officer

Michael joined in April 2009 with over 20 years experience in financial services and an in-depth knowledge of mortgage broking. Prior roles include leading Choice Home Loans and Choice Aggregation Services to impressive heights over several years, senior executive positions at ANZ Bank and National Mutual Royal Bank, and a number of years as a small business entrepreneur. Michael is now responsible for managing Mortgage Choice's operations to ensure continued business growth and development, encouraging 'blue ocean' thinking with a focus on customer acquisition, product and brand diversification, improving productivity and increasing market share.



SUSAN MITCHELL
Chief Financial Officer

With over 20 years financial services experience, Susan previously held senior finance roles with Credit Suisse (London), Bear Stearns (US) and ABN Amro and Seiza Capital in Australia before joining Mortgage Choice in February 2009. She is now responsible for managing its financial activities and financial risks including compliance and corporate standards. Susan's finance team provides financial assessments and information that ensure planning and budgeting activities meet corporate goals. Her compliance team ensures the company provides quality service to lenders and customers, adhering to all regulatory requirements including the NCCP Act.



NEILL ROSE-INNES
General Manager, Operations

Neill has 30 years experience in information technology, management consulting and business leadership. Prior to joining Mortgage Choice in September 2007, he was Head of Operations at Greenway Capital and previous to that CIO for RAMS Home Loans. In his current role with Mortgage Choice, Neill is responsible for delivering efficiency and productivity gains through technology, systems and process automation, as well as the effective delivery of support to the franchise network from the Learning and Development and Lending Support teams. During FY12, Neill led the successful re-structure and re-organisation of the wholly owned subsidiary HelpMeChoose.com.au.



ANDREW RUSSELL
General Manager, Product & Distribution

Andrew joined Mortgage Choice in December 2010 with over 18 years financial services experience, having previously held roles at Virgin Money, Deutsche Bank, UBS Australia, Tokai Bank Europe and Credit Suisse Financial Products UK. Now, his primary focus is to drive increased market share for Mortgage Choice through leadership and coaching of state office teams, ensuring franchise network members are provided all they need to develop sales and business generation skills. Andrew also oversees the company's franchise recruitment efforts, major sales incentive programs and diversified products range, including building our new financial planning franchise business.

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REVIEW OF OPERATIONS

An award-winning consumer advocate, Mortgage Choice has built its reputation as a highly innovative industry leader that prides itself on its offering to franchise owners and customers. Here we discuss the latest initiatives that will drive business growth in FY13.

INFORMATION TECHNOLOGY

In FY12 we applied resources to initiatives designed to further simplify the user experience for our broker network and team. This was achieved through optimising existing platform investments, retiring legacy assets and rationalising the tools and standardising technologies before deployment.

An important efficiency outcome achieved during this period was to provide franchise owners and their teams with quick and easy access to information as and when required by centralising the many resources available to them in a newly created Mortgage Choice 'home' portal.

In the year ahead we will continue to transform our broker tools of trade with a focus on mobile access and simple to use solutions as well as integrating social capabilities into the network. This is especially important as our clients and prospects are engaging with their local mortgage broker via their communication channel of choice and in a manner that suits their needs best.

HUMAN RESOURCES

Over the past 12 months we aimed to further foster our passionate staff to be a highly engaged and top performing team, fully aligned to the company's growth strategy.

To achieve this goal the HR team focused on integrating the company's three business arms and reinforcing a company culture based on quality customer service excellence. This process helped to strengthen our core employee/franchisee partnerships and aimed to achieve a better outcome for our customers.

The HR focus in FY13 is:

- Further integrating quality customer service training
- Employee personal, professional and leadership development

- Franchisee support tools including developing our new online HR portal
- Corporate/ethical social responsibility
- Growth and continuous improvement

Further to this we will continue to develop strategies and practises to engage our staff and contribute towards an efficient and productive team of motivated people.

COMPLIANCE AND CUSTOMER SERVICE

The major focus of this team throughout FY12 was, and continues to be, the ongoing monitoring of our Credit Representatives to ensure obligations under our Credit Licence are being satisfied.

Credit Representatives were required to upload loan application and relevant documents to a centralised and secure document repository, named CloudLock Vault. In excess of 3,000 uploaded files were reviewed by the compliance team during their checking process, with reports on assessed results provided to brokers, franchise owners and management. Over 40 compliance workshops, both face-to-face and online, were presented during the financial year.

The business implemented a Credit Policy for both Mortgage Choice and LoanKit brokers that has encouraged many brokers to improve standards within their business operations.

Operations within the Customer Service Centre were streamlined to provide a more cost-effective result for the business while maintaining a high level of service delivery to ensure customer leads are actioned promptly.

During FY13 further refinements to the above mentioned processes will take place to improve efficiency and standards of corporate governance.



LENDING SUPPORT

Operating in a context of extremely high activity in interest rate and policy changes across our lender panel, the Lending Support team has still moved forward with our strategy of integrating additional lenders to our online lodgement system. We have successfully added Gateway Credit Union to our panel with more to come.

The team has made further enhancements to our loan qualifier system and continues to provide lending assistance to the franchisee network both over the phone and through our online forums.

We are assisting our franchisees to acquire new clients, extend their services to existing clients and strengthen their ties to financial planners, having launched a panel of approved Self Managed Super Fund lending products. We worked with our Learning and Development team to roll out a training program to support this exciting new offering and to ensure our brokers remain compliant.

The aim over the year ahead is to improve network efficiency by transferring our lender information into new online environments and reviewing our diversified product panel, information and support systems as more and more franchisees expand into this area.

DIVERSIFICATION

The majority of product lines experienced year on year growth. Particularly strong performance came from our vehicle finance product offerings and property referral program.

Our diversification strategy is to review our existing product suite to assess its relevance to our clients needs and to evaluate new offerings that will provide additional revenue opportunities to our franchise owners and a value-add to our clients who are in search of a growing range of financial solutions.

“

Currently only 30% of Australians seek professional financial advice. **Our goal is to transform the need from optional to essential** – with real, relevant and results driven financial advice that satisfies our customers' growing needs.”



LEANNE SCOTT

Owner Manager, Mortgage Choice
in North Sydney, NSW

TIMING IS RIGHT TO MOVE INTO FINANCIAL PLANNING

Roll-out of the new franchise business well underway

The future of financial advice is here. Government reforms are aimed at changing the competitive landscape forever, and demand for financial advice in Australia is predicted to explode, particularly in the areas of risk insurance, superannuation and scaled (issue-specific) advice.

Our customers are asking for financial advice from a trusted partner, and at Mortgage Choice we firmly believe that the time is right to enter the financial planning market. We intend to challenge the status quo and make financial planning advice more accessible to all Australians.

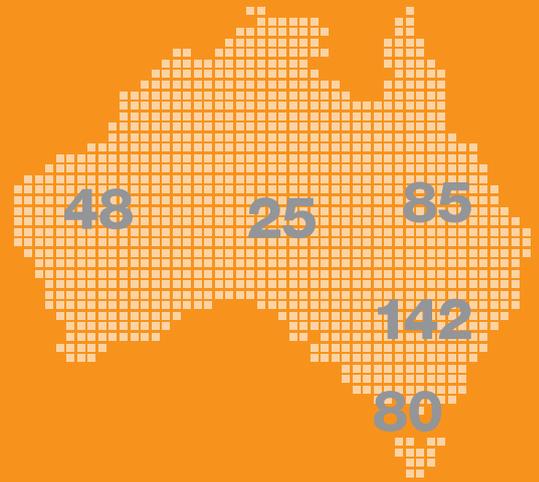
The business case for extending the company's service offerings into the financial planning space has been embraced by our Board. We have recruited a team of industry experts, obtained an Australian Financial Services Licence, and are counting down to a soft launch in late 2012.

We look forward to revolutionising the way our customers access quality financial planning advice, in the same way we did in the home loan business 20 years ago.

To satisfy this call in demand, we will be launching in FY13 our new financial planning franchise business, which will include scaled advice for a range of financial services including risk insurance capabilities. This will be the core business focus for our diversification strategy in the year ahead.

BRANDING, MARKETING AND PROMOTION

The past year has seen the evolution of the Mortgage Choice brand through the continuation of the 'make the right move' campaign. This was achieved through the release in August 2011 of a new suite



DEDICATED TO GROWING OUR CORE BUSINESS

Recruiting and training the best bolsters our numbers

NSW & ACT	QLD	VIC & TAS	WA	SA & NT
\$16.1bn Loan book (37% of total)	\$10.5bn Loan book (24% of total)	\$8.4bn Loan book (20% of total)	\$4.4bn Loan book (10% of total)	\$3.9bn Loan book (9% of total)
142 Franchises 173 Brokers 73 Retail sites	85 Franchises 112 Brokers 45 Retail sites	80 Franchises 119 Brokers 29 Retail sites	48 Franchises 58 Brokers 12 Retail sites	25 Franchises 36 Brokers 8 Retail sites
\$3.5bn Approvals (34% of total)	\$2.4bn Approvals (24% of total)	\$2.3bn Approvals (23% of total)	\$1.0bn Approvals (10% of total)	\$0.9bn Approvals (9% of total)

Note: These figures represent the Mortgage Choice residential loan book only.

of television commercials. These incorporated targeted messages for different buyer groups and were based upon research findings that showed the strength of the relationship that exists between the Mortgage Choice broker and their customer.

The focus of the Marketing team will continue to be on delivering fully integrated campaigns that result in a high quality lead to the broker network. All campaigns, no matter what medium used, have contained a solid, consistent consumer message.

With over 85% of leads delivered to the network coming through the Mortgage Choice website we plan to capitalise on this further in FY13. Work has already begun on building a new Mortgage Choice website that aims to increase lead volumes through increased organic traffic and higher conversions.

SALES AND FRANCHISE RECRUITMENT

The team's sales cry for FY12 was 'Make your Mark'.

Our state sales teams made their mark through building closer and motivated relationships with the Mortgage Choice network and helping the franchises meet settlement targets in a subdued housing finance market.

The recruitment team made their mark by achieving the strongest

greenfield recruitment performance since FY07, adding 20 greenfield businesses to the network and facilitating the sale of 11 existing businesses all at market leading multiples. This was the result of a refreshed strategy for recruiting and on-boarding that focused on two key types of franchise owners: aspiring entrepreneurs and existing business owners.

There was a renewed focus on reward and recognition with incentives being awarded to franchise owners who showed excellence in lead conversion, diversification cross-sell and in sales approach and delivery.

In the year ahead, it will be 'Game On' for the Sales and Franchise Recruitment teams to build stronger Mortgage Choice businesses.

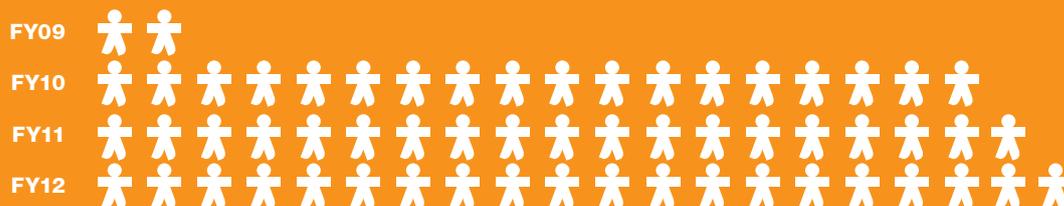
CORPORATE AFFAIRS

In the past financial year we have successfully transitioned to a new company spokesperson and built a formidable team of communication specialists who have the passion and skills needed to elevate Mortgage Choice's profile as Australia's favourite mortgage broker and to build the positive reputation of LoanKit and HelpMeChoose.com.au.

The team continues to place great importance on strategic communications aimed at the Groups' key stakeholders, including media materials and

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NUMBER OF GREENFIELD FRANCHISES SIGNED EACH YEAR



“

I chose Mortgage Choice because it is **committed to industry best practice, and to providing new recruits with a professional pathway** through quality training and mentoring initiatives.”



VOLKAN YILDIZ

Owner Manager, Mortgage Choice
in Dandenong, VIC

SUPPORTING OUR RISING STARS

Employing the best to serve our customers

This year we were very excited to launch our Accelerate Entrant and Mentor Program. The aim of the program is to help new recruits increase their knowledge and skills at an accelerated rate to enable them to achieve results faster.

Participants in the program have access to a dedicated Learning and Development Mentor who they can call 24 hours a day. In addition, they undergo training that combines live online and face-to-face teachings with the opportunity of sitting-in with and learning from an existing franchise owner.

The program is the first of its kind to receive accreditation from all of our lender panel partners and to be considered an acceptable mentor program by the industry's official body, the Mortgage and Finance Association of Australia.

in-house public relations training for our broker networks.

The company highlights over the past year have provided significant opportunities for us to build on the brands' positive reputations. To assist with gaining greater share of voice in the market in FY13 the Corporate Affairs team will be

focusing on profile building campaigns for its spokespeople and accessing internal data to formulate meaningful and diverse media stories.

LEARNING AND DEVELOPMENT

The Learning and Development team successfully introduced in FY12, live online learning to the franchise network to reduce

travel expenses and increase broker attendance. The training utilises GoToTraining platforms and to date we have had over 1,000 course completions covering a range of topics including compliance, deal structuring, social media, Google software, Discovery, etc.

Three major new initiatives were rolled out during the year:

1. Self Managed Super Fund lending training, which covered the compliance responsibilities, how this form of lending works, etc.
2. One day Investment Lending program, which covered the process of seeking out and communicating to investor clients.
3. Launch of our Accelerate Program, which is a two year rookie development program that delivers several learning interventions commencing with Certificate IV in Mortgage Broking and is completed with the Diploma of Mortgage Broking Management. Endorsed by our lender panel, the program has significantly improved overall rookie productivity.

In FY13 our team will introduce a revamped Induction course to further enhance the Accelerate Program. New initiatives will include an introduction of a formal Business Lending and Financial Statements program, which will greatly assist in identifying diversified opportunities.

FINANCE AND LOAN ACCOUNTING

Loan Accounting rolled out a new commission system that improved processing speed, security and storage capacities, and has put the team in a great position for future development projects.

The team also continued to refine reporting for franchisees and kick started a series of GoToTraining sessions to educate franchisees on how to best manage their loan book reporting.



The Loan Accounting and Finance teams have recently transitioned to delivering reporting for the network through a Google enterprise solution, which enables the network to access all of their reporting from any place, anywhere and at any time.

Throughout FY13 Finance are going to embark on the upgrade of our Accounts Payable systems and both Finance and Loan Accounting will continue to improve the efficiency of their ongoing service to the franchise network.

LOANKIT

LoanKit, which was acquired in December 2009 and relaunched in April 2010 as part of Mortgage Choice's mortgage aggregation strategy, has continued to gain momentum. The 2012 financial year was no exception, with broker numbers increasing year on year by 31% to 245, and settlements up 188% to over \$110 million per month.

In addition to a broad range of financial solutions through a diversified product panel, LoanKit also gives customers access to health insurance solutions, integrating the offering of our most recent acquisition, online comparison website, HelpMeChoose.com.au.

LoanKit's ability to generate revenue opportunities for the Group has seen its position cemented in the industry and it is now widely hailed as one of the most innovative and fastest growing boutique aggregators in Australia.

We anticipate that LoanKit's contribution to the Group will only increase in 2013. Quality brokers are consistently attracted to a partner of the Group with over 20 years' experience in the mortgage broking industry, as well as to LoanKit's diversified service offering and constant enhancements to its award-winning software.



JULIE RYBURN
General Manager
HelpMeChoose.com.au

HELPMECHOOSE.COM.AU

Helping customers choose wisely

Julie Ryburn joined the team at HelpMeChoose.com.au as General Manager, Operations, in December 2011. Julie has over ten years' experience in financial services operations; one of her most recent roles was Head of Operations at Choice Aggregation Services, where she helped the team grow the business to become one of Australia's biggest mortgage aggregators. Currently, Julie has been charged with growing and improving the business and instilling her own passion for HelpMeChoose.com.au in her team. We look forward to the benefits that her skills and experience are sure to bring to the Group.

HELPMECHOOSE.COM.AU

The health insurance comparison website, HelpMeChoose.com.au continues to offer unlimited possibilities to the Group in a largely untapped and profitable market.

A management change in December 2011 resulted in a positive uplift in performance, and HelpMeChoose.com.au posted a net profit after tax of \$70,000 in the final quarter of the 2012 financial year.

One of the new management's initiatives was the introduction of a health sales induction program to assist new sales staff to accelerate their competency and achieve results sooner. The success of the program was fantastic; monthly sales targets were almost immediately exceeded, and the team was able to write well over 1,000 health insurance policies in June 2012, representing over \$2.5 million in premiums.

Improvements to the HelpMeChoose.com.au website have continued to ensure a better customer experience and therefore a higher lead to conversion rate. In the less than two years since Mortgage Choice acquired the site, HelpMeChoose.com.au is consistently ranked number one in Google's organic search listing for "health insurance comparison" and "compare health insurance".

In the coming year the team will continue to focus on building on our solid foundations and generating increased revenues while also controlling costs. We expect that the measures we put in place this year will position HelpMeChoose.com.au for significant growth in the 2014 financial year. 📈

BOARD OF DIRECTORS *from left to right*

PETER RITCHIE AO, BCOM, FCPA

**Independent Non-Executive Chairman
Chairman of Nomination and
Remuneration Committees**

Peter is Deputy Chairman of Seven Group Holdings Limited and Chairman of Reverse Corp Limited. He previously served as Managing Director of McDonald's Australia from 1974 to 1995 and as its Chairman from 1995 to 2001. Peter was a Director of Westpac Banking Corporation from 1993 to 2002 and Solution 6 Holdings from 2000 to 2002. Age 70.



PETER HIGGINS

**Non-Executive Director
Member of Audit Committee**

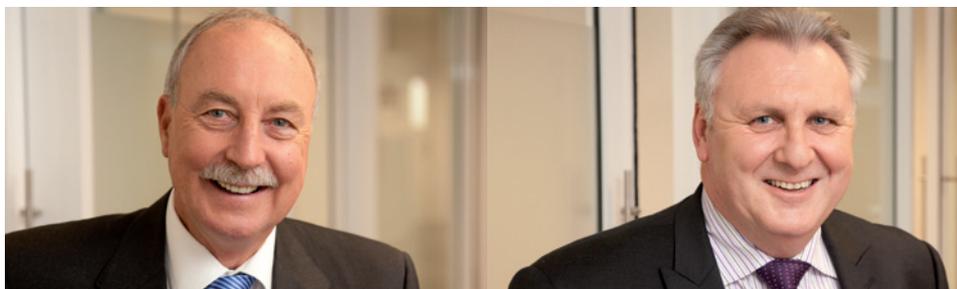
Peter is co-founder of Mortgage Choice. He also is a Director of technology company Power & Data Corporation Pty Ltd, trading as Mainlinepower.com. Having been successfully self-employed for over 25 years, Peter is an investor in a diverse number of industries covering manufacturing, agriculture, technology, property and finance. Age 52.



RODNEY HIGGINS

**Non-Executive Director
Member of Nomination and
Remuneration Committees**

Rodney is co-founder of Mortgage Choice. With a background in residential and commercial property, sales and leasing, he has been a Director of companies involved in manufacturing, wholesaling, importing, retailing and finance. Age 57.



DEBORAH RALSTON PHD, FAICD, SFFIN, FCPA

**Independent Non-Executive Director
Member of Audit Committee**

Deborah is Executive Director of the Australian Centre for Financial Studies and Professor of Finance at Monash University. She was formerly Pro Vice Chancellor at the University of Canberra and has also been Director of the Centre for Australian Financial Institutions at the University of Southern Queensland. Deborah is a former Director of Heritage Building Society. Age 59.

STEVE JERMYN FCPA

**Independent Non-Executive Director
Chairman of Audit Committee**

Steve joined McDonald's Australia in 1984 and joined the Board of Directors in 1986. In June 1999, he was appointed Deputy Managing Director. Steve has been involved in all aspects of the development of the McDonald's restaurant business in Australia and brings with him significant experience in the development of new business and franchising. He retired from McDonald's Australia in 2005. Steve is also a Director of Reverse Corp Limited. Age 63.

SEAN CLANCY DIP MKT

**Independent Non-Executive Director
Member of Audit and
Remuneration Committees**

With a sales and marketing background across many industries including banking, fast moving consumer goods, liquor, pharmacy, consumer electronics, telecommunications and hardware, Sean brings a diverse range of knowledge and expertise to the Mortgage Choice Board. He is also a Director of the Sydney Swans Foundation, Chairman of Metropolis Inc and Ambassador to Business Events Sydney. Age 52.



ANNUAL GENERAL MEETING

**MORTGAGE CHOICE LIMITED
LEVEL 10, 100 PACIFIC HIGHWAY
NORTH SYDNEY NSW 2060**

**TIME: 10.00 AM
DATE: 18 OCTOBER 2012**

REGISTERED OFFICE

**LEVEL 10, 100 PACIFIC HIGHWAY
NORTH SYDNEY NSW 2060**

SHARE REGISTER

**LINK MARKET SERVICES INVESTOR
INFORMATION LINE PH: 1800 054 388**

“

This year Mortgage Choice
**celebrates 20
years in business.**

During this time our award-winning
mortgage broking franchisees
have helped over 350,000
Australians source a home loan at
a time and place that suited them.”

**RECENT AWARDS FOR
MORTGAGE CHOICE**

- 2012 Mortgage & Finance Association of Australia (MFAA) Excellence Awards **Retail Aggregator/Originator of the Year**
- 2011 Australian Broking Awards **Major Brokerage of the Year – Franchise**
- 2011 The Adviser magazine **Top 25 Brokerages list** – Number 1

**FRANCHISEE
AWARDS**

- 2012 Mortgage & Finance Association of Australia (MFAA) Awards **Achievement Award** – Keith Caine (SA)
- 2012 Franchise Council of Australia's Excellence in Franchising Awards **NSW Franchisee of the Year (less than 2 staff)** – Bianca Long (NSW)
- 2011 Franchise Council of Australia's Excellence in Franchising Awards **National Franchise Woman of the Year** – Belinda Sugars (SA)
- 2011 Australian Mortgage Awards **Golden Morgie for Lifetime Achievement in the Mortgage Industry** – Wendy Higgins (SA)

