



Half Year ending Dec 2014

Half Yearly Results Presentation

Presented by Michael Russell (CEO) and Susan Mitchell (CFO)

25th February 2015

Contents

1. Performance highlights
2. Economy and industry
3. Operations and strategy
4. Appendices



PERFORMANCE HIGHLIGHTS

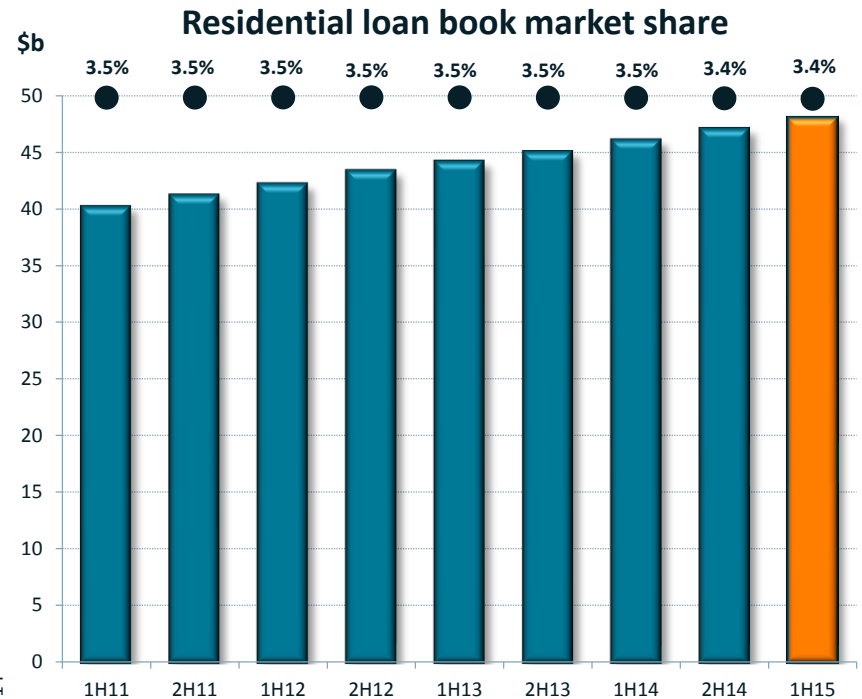
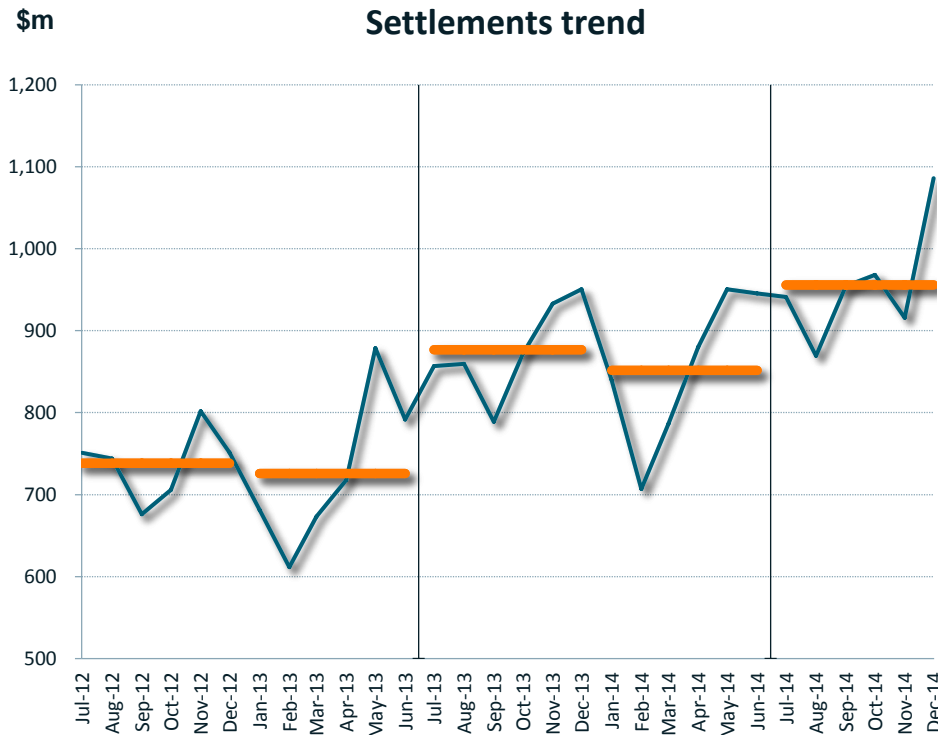
1H15 performance highlights

| | 1H15 | 1H14 | 1H15 vs 1H14 | |
|---|-------|-------|--------------|---|
| NPAT – cash* – continuing operations | 9.0m | 9.0m | 0.0% | ■ |
| – IFRS* – continuing operations | 10.0m | 9.7m | 3.3% | ↑ |
| Loan book*^ | 48.4b | 46.4b | 4.5% | ↑ |
| Approvals* | 6.9b | 6.2b | 11.4% | ↑ |
| Settlements* | 5.7b | 5.3b | 9.0% | ↑ |
| Market Share (approvals)* | 3.9% | 3.9% | 0.0% | ■ |
| Basic EPS – cash (Cps)* | 7.2c | 7.3c | 1.4% | ↓ |
| – IFRS (Cps)* | 8.0c | 7.9c | 1.3% | ↑ |
| DPS – ordinary (Cps) | 7.5c | 7.5c | 0.0% | ■ |
| NPAT – cash (includes discontinued ops in 1H14) | 9.0m | 10.3m | 13.0% | ↓ |
| – IFRS (includes discontinued ops in 1H14) | 10.0m | 11.0m | 9.4% | ↓ |

*excludes discontinued operations in 1H14

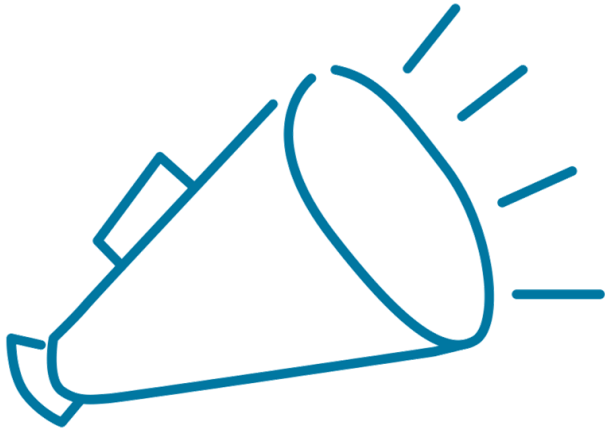
^includes residential, commercial loans and reverse mortgages

MC settlements and loan book



- Highest 6 monthly settlements in Mortgage Choice's history
- Loan book continues to grow at steady rate despite low rate environment encouraging borrowers to pay off mortgage sooner

Highlights Summary



- NPAT Cash profit consistent with 1H14
- Loan book growth approaching \$50b
- Settlements trend remains strong
- Dividend maintained at 7.5c

FINANCIAL PERFORMANCE

Profit and loss statement

| \$m | 1H15 Cash^ | 1H14 Cash^ | % change | 1H15 IFRS | 1H14 IFRS | % change |
|---|---------------|---------------|--------------|--------------|--------------|-------------|
| Origination commission received | 35.0 | 31.7 | 10% | 35.0 | 31.7 | 10% |
| Trailing commission received | 44.3 | 43.9 | 1% | 50.9 | 48.0 | 6% |
| | 79.3 | 75.7 | 5% | 85.9 | 79.7 | 8% |
| Origination commission paid | 25.8 | 23.1 | 12% | 25.8 | 23.1 | 12% |
| Trailing commission paid | 26.7 | 25.9 | 3% | 30.9 | 28.1 | 10% |
| | 52.5 | 49.0 | 7% | 56.8 | 51.2 | 11% |
| Net core commission | 26.8 | 26.7 | 0% | 29.1 | 28.5 | 2% |
| Diversified products net revenue | 0.8 | 0.6 | 29% | 0.8 | 0.6 | 29% |
| HMC and Financial Planning net revenue | 2.0 | 1.2 | 64% | 2.2 | 1.3 | 70% |
| LoanKit Revenue | - | 0.3 | (100%) | - | 0.3 | (100%) |
| Other income | 2.6 | 2.2 | 22% | 2.6 | 2.2 | 22% |
| Gross profit | 32.2 | 31.0 | 4% | 34.7 | 32.8 | 6% |
| Operating expenses | 19.6 | 18.2 | 7% | 19.6 | 18.2 | 7% |
| Share based remuneration | - | - | - | 0.7 | 0.6 | 23% |
| Net profit before tax | 12.6 | 12.8 | (1%) | 14.4 | 14.0 | 3% |
| Net profit after tax | 9.0 | 9.0 | 0% | 10.0 | 9.7 | 3% |
| After tax gain on sale of LoanKit | - | 1.3 | (100%) | - | 1.3 | (100%) |
| NPAT including gain on sale of LoanKit | 9.0 | 10.3 | (13%) | 10.0 | 11.0 | (9%) |
| EPS (cps) (continuing operations) | 7.2 | 7.3* | (1%) | 8.0 | 7.9* | 1% |
| DPS (cps) | 7.5 | 7.5 | 0% | 7.5 | 7.5 | 0% |

^Cash is based on accruals accounting and excludes share based remuneration and the net present value of future trailing commissions receivable and payable. This is an extract from our audited accounts

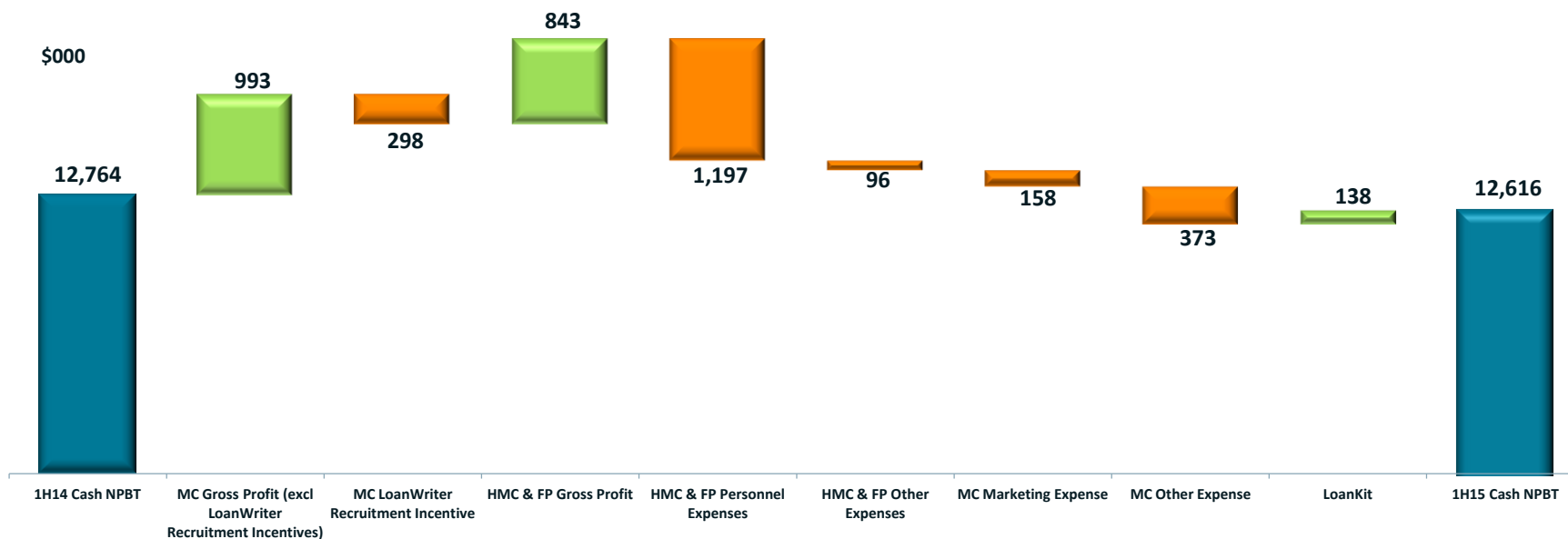
*1H14 contains profit from discontinued operations which is excluded from the comparative EPS

Payout

| | 1H15 | 1H14 | % Change |
|--|----------------------|----------------------|----------|
| Origination commission received | 34,980 | 31,722 | |
| Origination commission paid | <u>25,530</u> | <u>23,052</u> | |
| Net origination income | <u><u>9,450</u></u> | <u><u>8,671</u></u> | |
| Origination Payout | 73.0% | 72.7% | 0.3% |
| Loan writer recruitment incentive paid | <u>298</u> | <u>33</u> | |
| Net origination income | <u><u>9,152</u></u> | <u><u>8,638</u></u> | |
| Origination Payout | 73.8% | 72.8% | 1.1% |
| Trailing commission received | 44,273 | 43,942 | |
| Trailing commission paid | <u>26,654</u> | <u>25,893</u> | |
| Net trail income | <u><u>17,619</u></u> | <u><u>18,049</u></u> | |
| Trail Payout (inc MOC book) | 60.2% | 58.9% | 1.3% |
| Trail Payout (exc MOC book) | 62.4% | 60.7% | 1.7% |

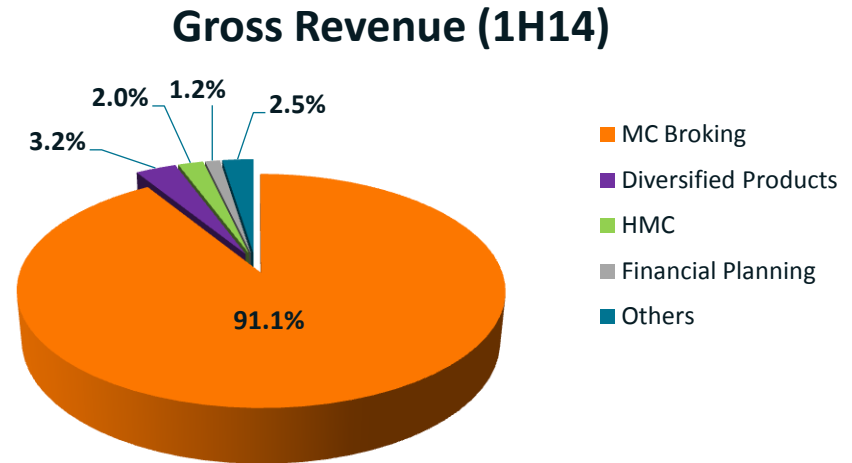
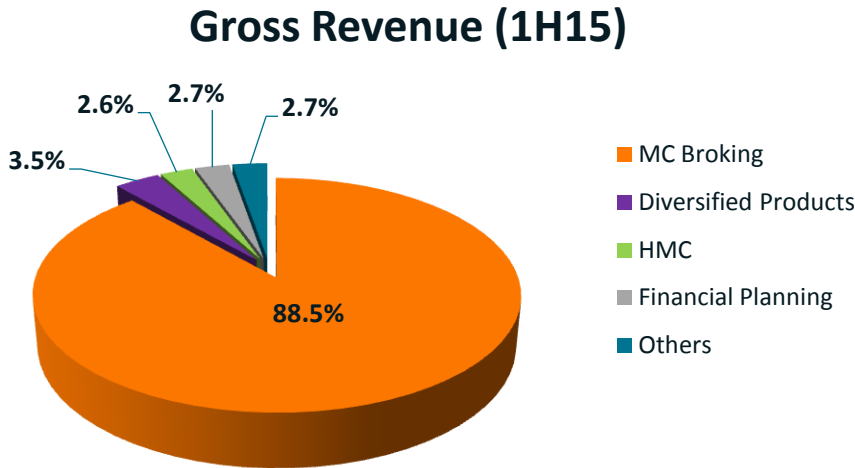
- Loan writer recruitment incentives pushed payout ratio up on origination payments; incentive to finish at the end of FY15
- Increased settlements triggered payment model to share more trail with franchisees, encouraging further business investment on their part

Continue to invest in diversification and growth in broker numbers



- Increase in personnel expense for HMC and FP. FP's additional support staff positions business for further growth; HMC positioned to take advantage of seasonal uplifts in 2H15
- Loan writer incentives estimated to be \$250k in second half and finish by 30th June 2015
- Operating expenses in total expected to be lower by 8 to 10% as national and high flyer conferences are held in the first half of the financial year

Gross revenue mix



- Percentage of gross revenue from diversified sources now accounts for 11.5% of total revenue despite the strong growth in broking commission from increased settlements. These results reflect our success in growing the core business but still diversifying
- Over the past five years the percentage of gross revenue from diversification has increased from 1.4% for FY09 to 11.5% for 1H15

Divisional results

\$000

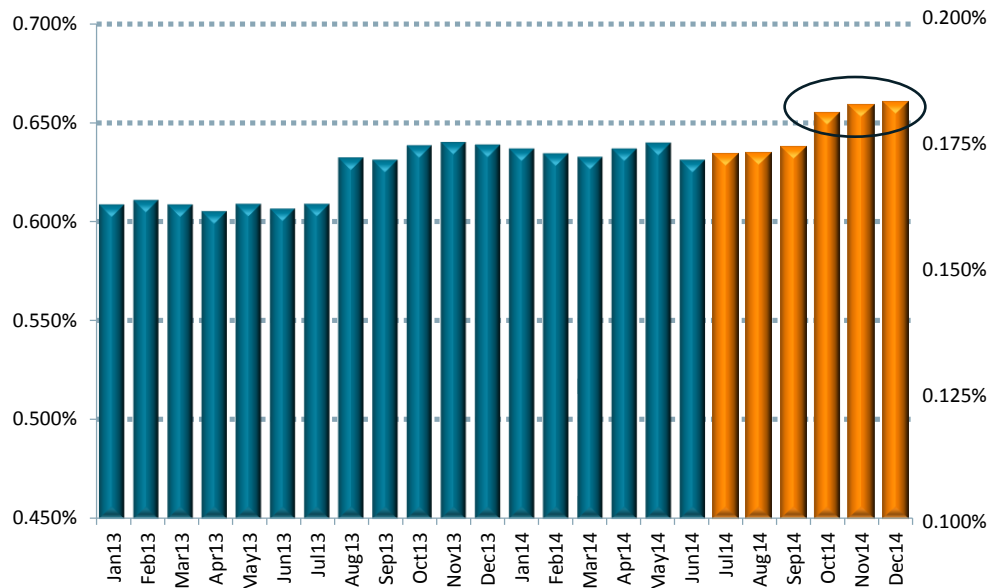
| \$000 | 1H15 | | | | 2H14 | | | | 1H14 | | | |
|---------------------|--------|-------|-------|----------------------|--------|-------|-------|----------------------|--------|-------|-------|----------------------|
| | MC | HMC | FP | LK (Discontinued) | MC | HMC | FP | LK (Discontinued) | MC | HMC | FP | LK (Discontinued) |
| Settlements | 5.7b | | | | 5.1b | | | | 5.3b | | | 0.5b |
| Gross profit (IFRS) | 32,417 | 1,725 | 553 | 0 | 27,549 | 2,261 | 423 | 0 | 31,191 | 1,108 | 213 | 329 |
| Gross profit (Cash) | 30,095 | 1,559 | 553 | 0 | 27,864 | 2,264 | 423 | 0 | 29,398 | 1,055 | 213 | 329 |
| EBITDA (Cash) | 14,106 | (690) | (463) | 0 | 13,996 | 641 | (519) | 0 | 14,244 | (232) | (497) | (109) |
| NPAT (IFRS) | 10,753 | (422) | (359) | 0 | 8,815 | 391 | (408) | 0 | 10,291 | (177) | (365) | (92) |
| NPAT (Cash) | 9,836 | (522) | (342) | 0 | 9,722 | 406 | (390) | 0 | 9,620 | (203) | (349) | (98) |
| YOY Growth (%) | 2% | -157% | 2% | 100% | | | | | | | | |

* Figures before gain on sale of LoanKit

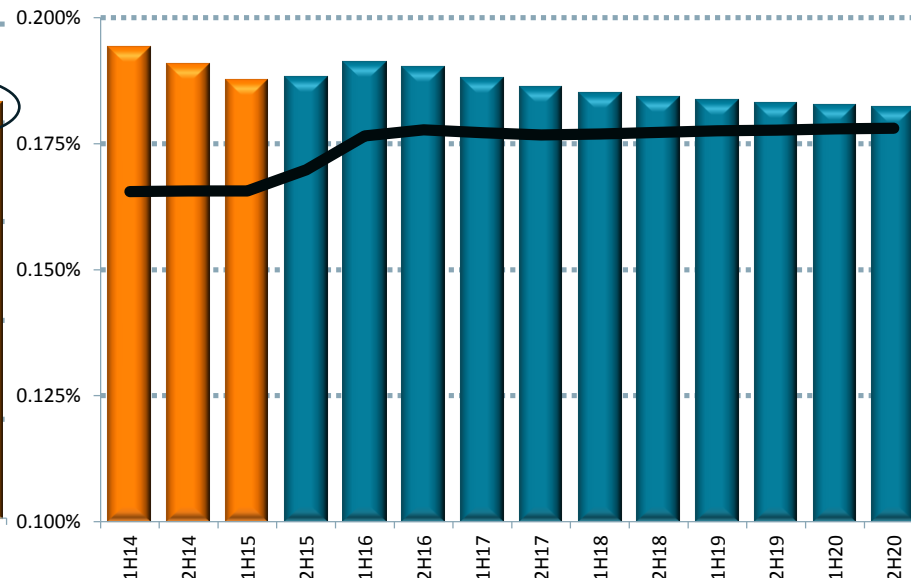
- Growth of 2% in cash profits from core broking business – benefits from increased settlements have been reined in due to increase in payout ratio
- HMC cash gross profit up by 48% on PCP. Cash NPAT reflects investment in scale to capitalise on the upcoming seasonal uplift, which should push HMC into profit
- Financial Planning build complete, gross profit to grow in second half and FY16. Breakeven on a monthly basis pushed out to FY16 as adviser recruitment driven by quality

Average commission rates

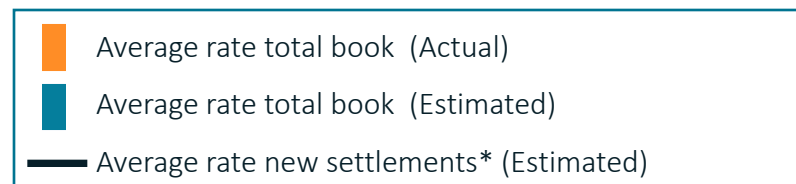
Average upfront rate



Average trail rate













- Average upfront rate for 1H15 of 0.647%, up from 0.633% in FY14
- Upfront rate rise due to special offers but expected to return to 0.635% towards end of financial year
- Stabilised trail rate for new settlements has increased from 0.175% to 0.178% due to recent commission changes



* Settlements from 1 Jan09 - projection based on our best estimates for lender mix, run off and settlements growth

Lender commissions

| | UPFRONT RATE bps | | TRAIL RATE bps | | | | |
|---|------------------|----------|----------------|--------|--------|--------|---------|
| | Basic Rate | Max Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5+ |
|  | 50 | 67.5 | 15 | 15 | 15 | 20 | 20 |
|  | 70 | 70 | 0 | 15 | 20 | 20 | 25 |
|  | 50 | 65 | 15 ↑ | 15 ↓ | 15 ↓ | 20 | 20 |
|  | 60 | 60 | 15 | 15 | 15 | 15 | 15 |
|  | 50 | 65 | 15 | 15 | 15 | 20 | 20 |
|  | 70 | 70 | 15 | 15 | 17.5 | 20 | 22.5 |
|  | 65 | 65 | 15 ↑ | 15 | 20 | 25 | 30 |
|  | 65 | 65 | 15 | 15 | 15 | 15 | 15 |
|  | 65 | 65 | 15 | 15 | 15 | 25 ↑ | 25 ↑ |
|  | 50 | 65 | 15 | 15 | 15 | 15 | 15 |

- Special short term offers available on remainder of panel

Operating cash flow

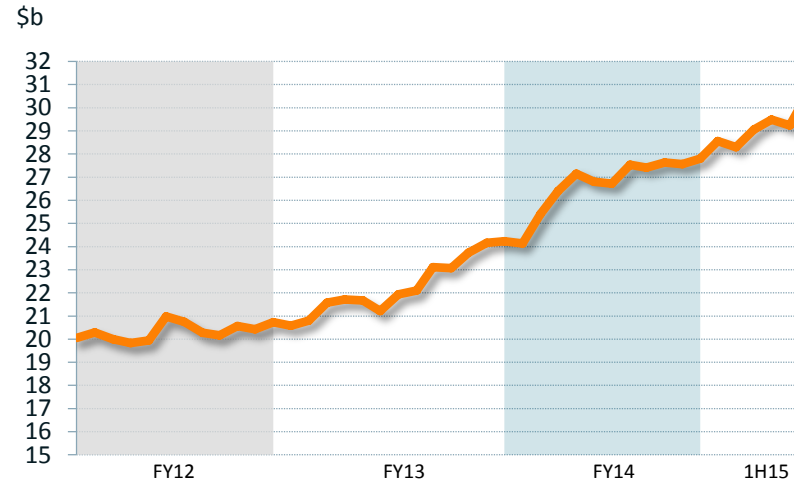
| \$000 | 1H15 | 1H14 |
|---|----------------|---------------|
| Net profit before tax (cash basis) | 12,616 | 12,764 |
| Depreciation and amortisation | 605 | 990 |
| | 13,221 | 13,754 |
| Tax paid | (4,070) | (3,901) |
| Purchase of fixed assets and intangibles | (3,538) | (725) |
| Net Proceeds from sale of Loankit | - | 1,595 |
| Other balance sheet movements | (1,884) | (2,108) |
| Cash flow before dividends | 3,729 | 8,615 |
| Dividends paid | (9,910) | (8,640) |
| Net cash movement | (6,181) | (25) |

- Increase in dividend and IT expenditure met without the need to borrow

ECONOMY AND INDUSTRY

Australia's housing finance commitments

**Housing finance trend
(Owner occupied + Investment)**

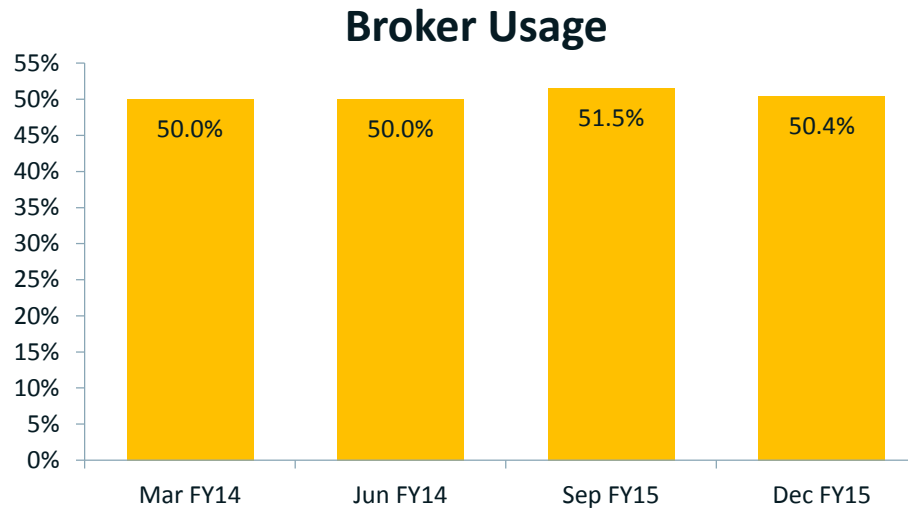


Source: ABS 5609 Table 11 – Housing Finance, Australia, Dec14 (Seasonally adjusted series)

- Housing finance commitments are at an all time high, providing Mortgage Choice with a wonderful growth opportunity
- The level of investment activity remains high by historical standards
- First Home Buyer activity remains low by historical standards

However, our data indicates up to 21% of FHBs are choosing to purchase an investment property as their first property purchase

Housing market in an upward cycle and broker usage at 50%



Source: MFAA's quarterly survey of leading mortgage brokers and aggregator – Dec14 report

| % | 2014 | 2015(f) | 2016 (f) | 2017 (f) |
|----------------|------|---------|----------|----------|
| Credit growth | | | | |
| Total | 5.1 | 5-7 | 4.5-6.5 | 4-6 |
| Housing | 6.4 | 6-7 | 5.5-7.5 | 5-7 |
| Business | 3.5 | 4-6 | 3-5 | 3-5 |
| Other personal | 0.7 | 2-4 | 2.5-4.5 | 2-4 |
| Cash rate | 2.5 | 2 | 2 | 2 |

Source: CBA Half Year Results presentation – Dec14

Headwinds and tailwinds

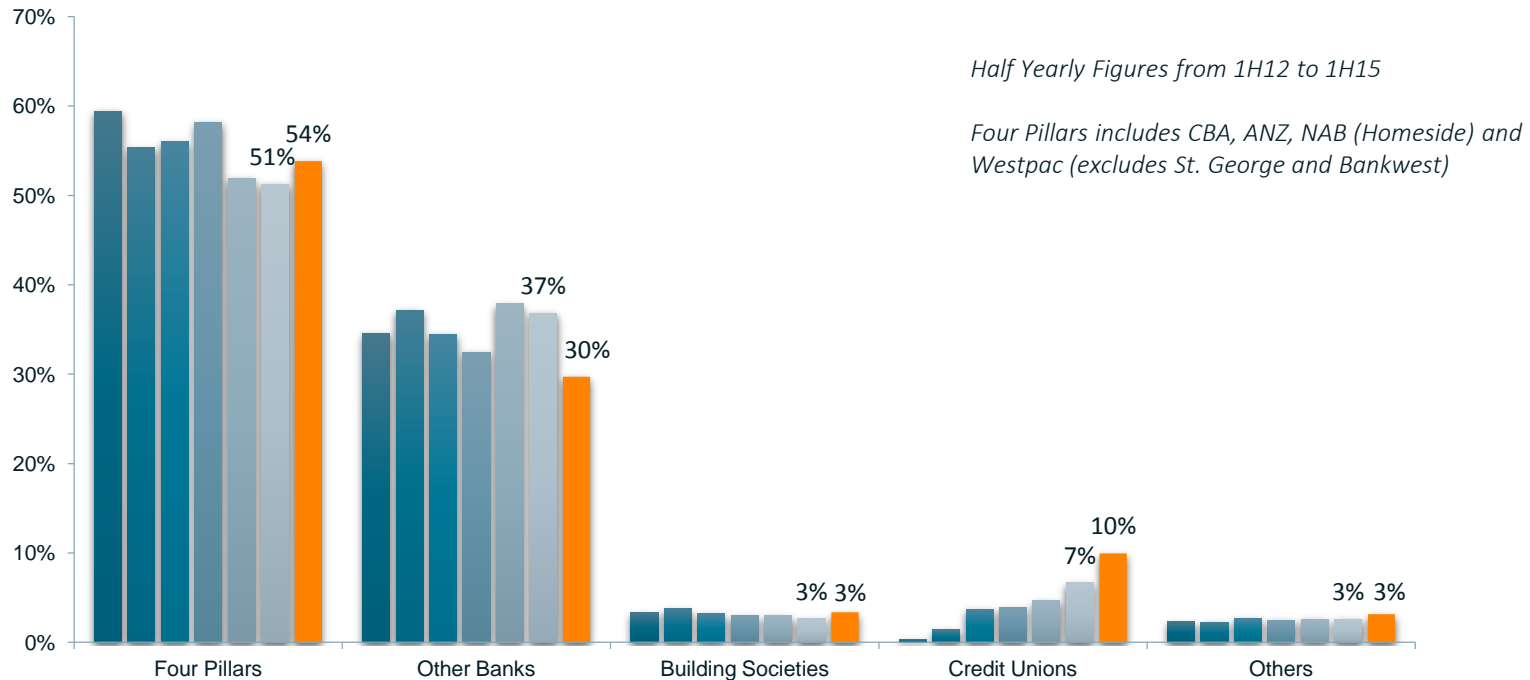
Headwinds

- ☒ Consumer confidence volatile
- ☒ Has housing affordability reached its limit?
- ☒ Unemployment on the rise

Tailwinds

- ☒ Interest rates at historical lows and lenders competing hard for new mortgage customers
- ☒ Broker usage at 50%
- ☒ Property prices, auction clearance rates and housing finance commitments remain strong

Mortgage Choice settlements by lender

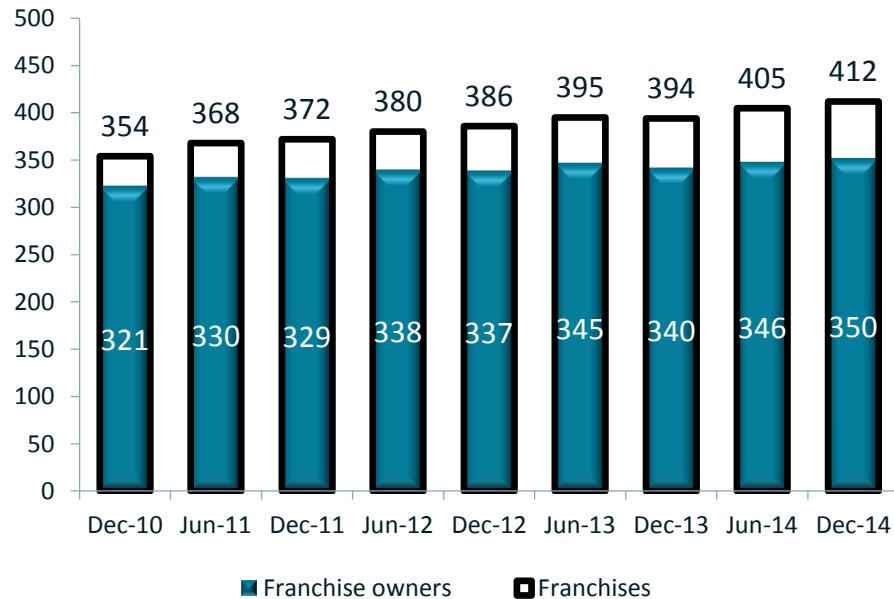


- Four pillars continue to dominate
- Credit unions have seen an increase in market share as they continue to compete aggressively on pricing and product innovation
- Four pillars including St. George and Bankwest = 67% in 1H15 vs 68% in 2H14

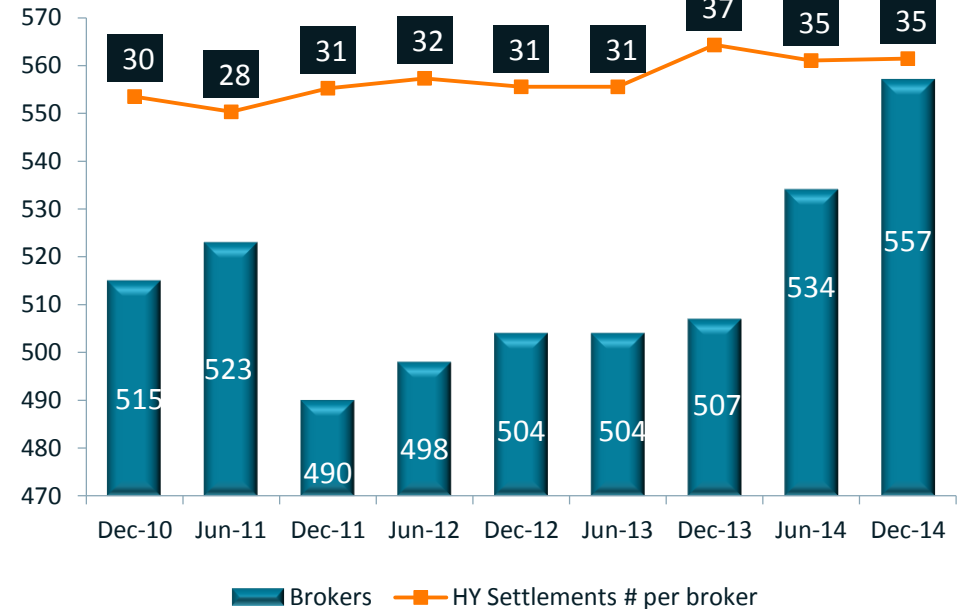
OPERATIONS AND STRATEGY

Strong network growth and productivity

Network



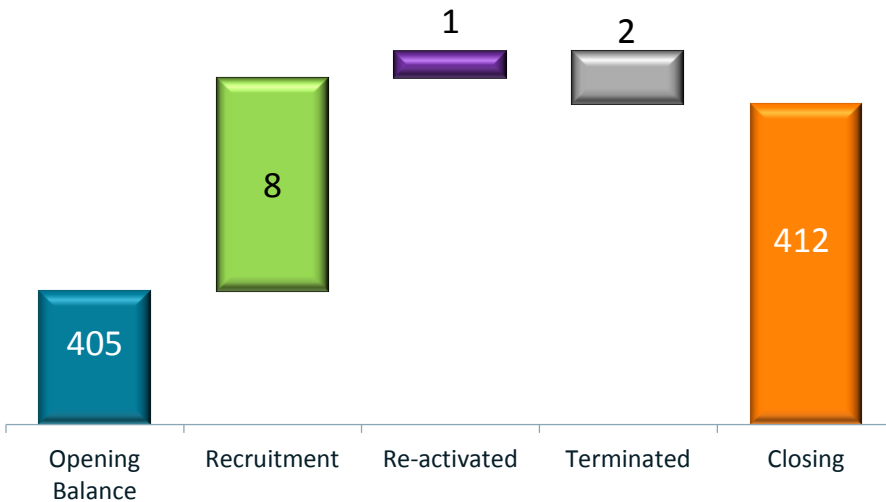
Productivity settlements



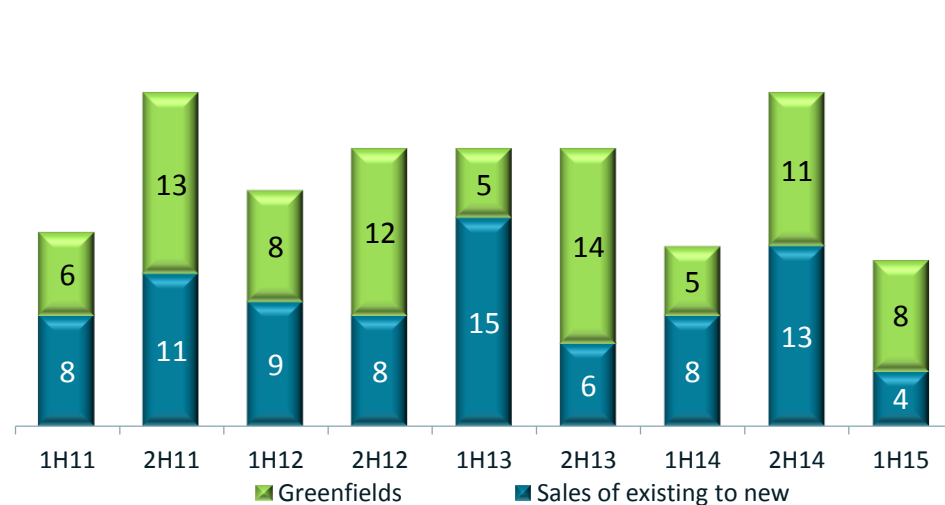
- Franchise numbers are up from 405 to 412
- Plus One initiative pushed loan writer count to 557
- Productivity maintained throughout this period of exciting network growth

Franchise recruitment strong and steady

Franchise Movement



Sale of greenfields and existing franchises

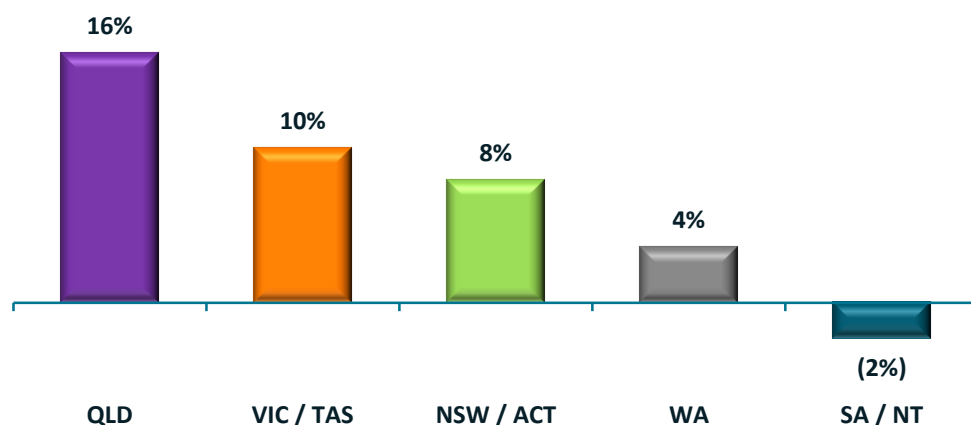


- Consistent interim result of 8 greenfields and 4 sales of existing franchises
- Full year greenfield recruitment expected to reach 25 as approved pipeline high, demonstrating the strong commercial viability of our franchise system

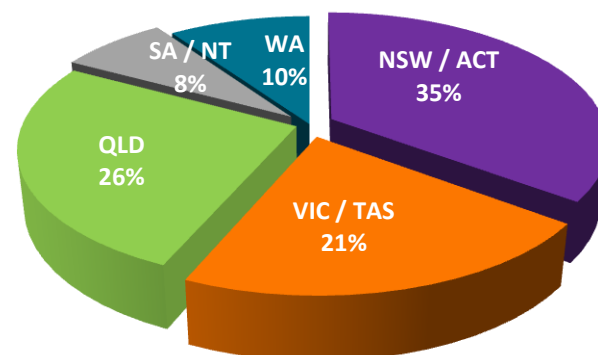
Mortgage Choice broking network snapshot – state performance

| <u>Settlements (\$m)</u> | <u>1H15</u> | <u>%</u> | <u>1H14</u> | <u>%</u> | <u>Growth</u> |
|--------------------------|--------------|-------------|--------------|-------------|---------------|
| NSW / ACT | 2,017 | 35% | 1,869 | 36% | 8% |
| VIC / TAS | 1,226 | 21% | 1,116 | 21% | 10% |
| QLD | 1,508 | 26% | 1,300 | 25% | 16% |
| SA / NT | 428 | 8% | 438 | 8% | (2%) |
| WA | 557 | 10% | 537 | 10% | 4% |
| | 5,736 | 100% | 5,260 | 100% | 9% |

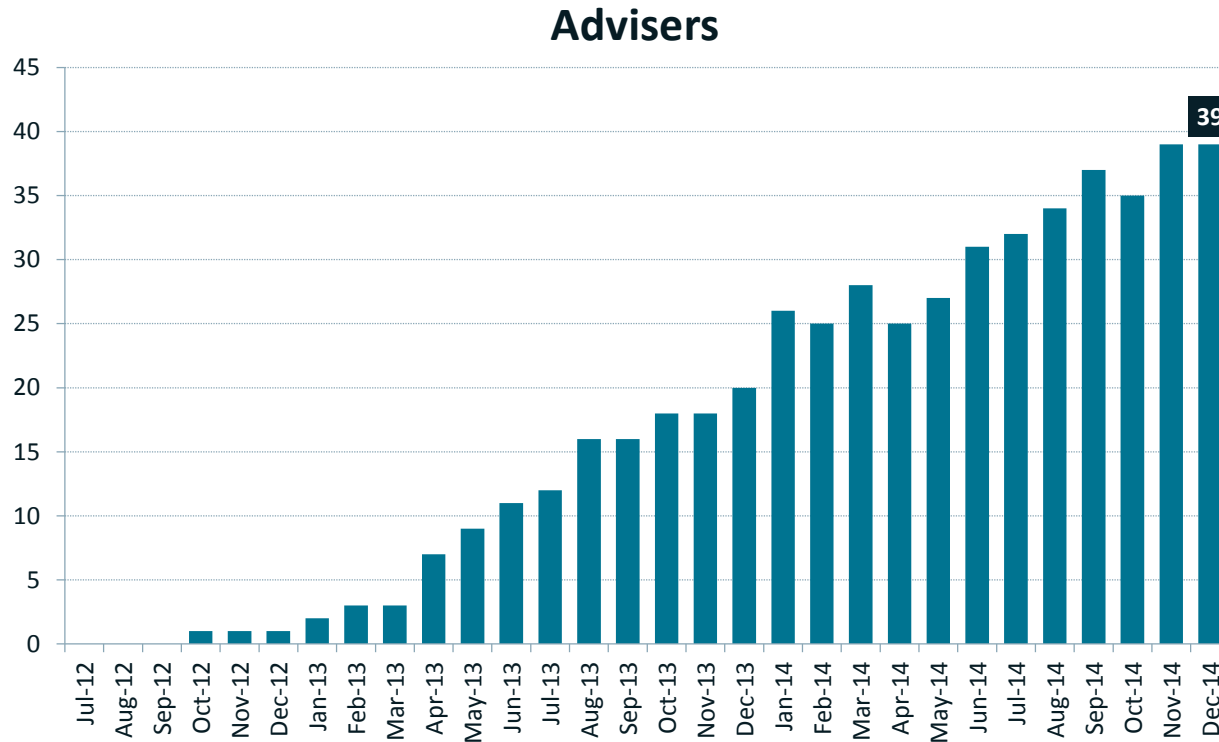
Settlements growth 1H15 / 1H14



States contribution to settlements

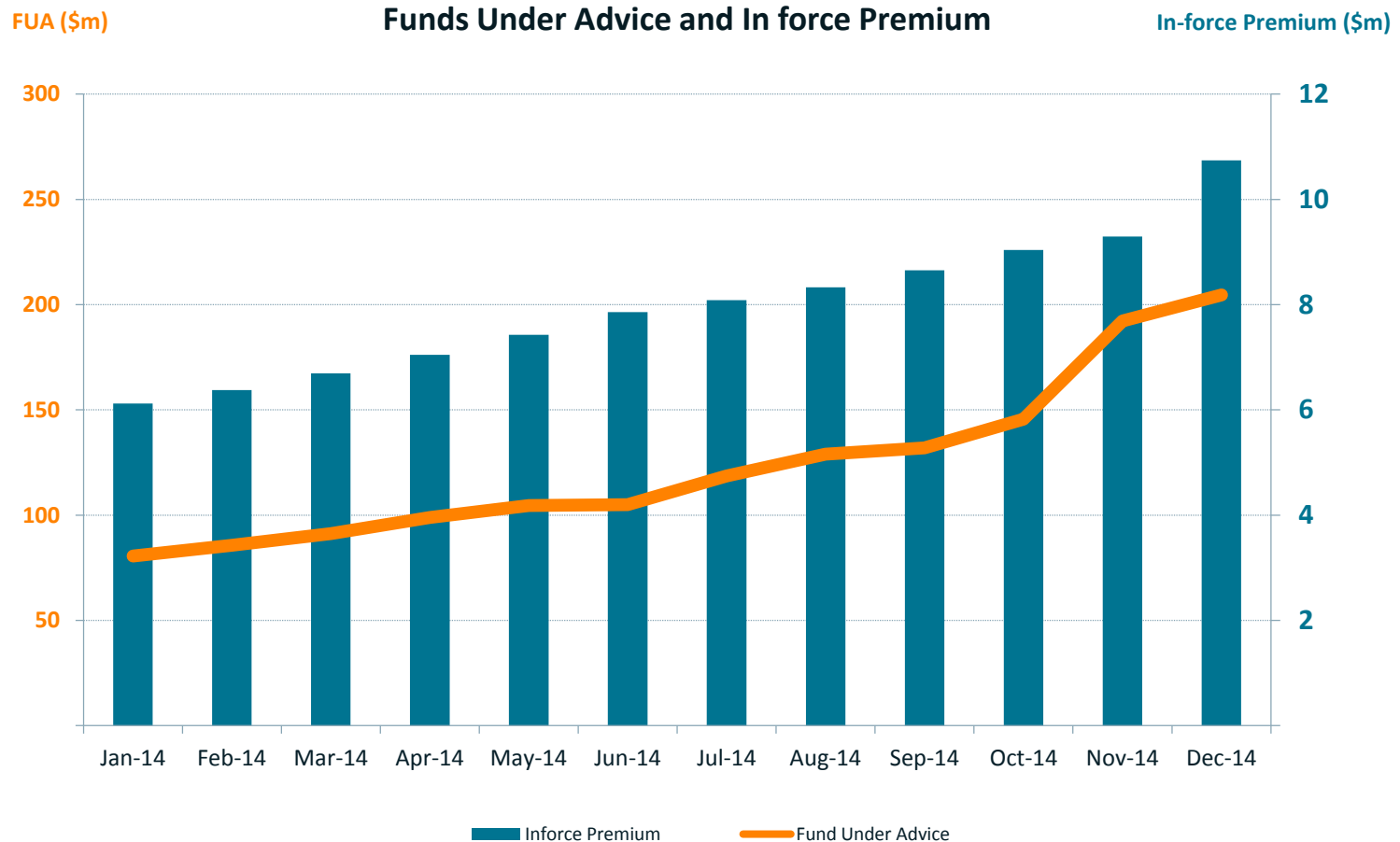


MCFP adviser numbers are growing



- We continue to search for quality advisers with target adjusted to 50 at 30 June 2015 with continued recruitment expected in FY16

FUA and in force premiums are climbing



**Includes insurance written by broking network*

An external review gives MCFP a tick of approval

Now that MCFP has completed its start up phase, it seemed prudent to commission an external review of our compliance obligations as an AFS Licence holder. Not only that, we are aiming for best practice in everything we do in this space - from compliance, to adviser support, to the customer experience. So in January 2015, we commissioned specialist legal firm The Fold Compliance Pty Limited to complete an external view. The results were very pleasing and are best summarised by the quotes below from the final report.

Your business model, processes and structure are a standout example of a financial planning business model that has successfully adopted the Future of Financial Advice (FOFA) approach to financial services compliance.

Your compliance arrangements are robust, pragmatic and well managed. We applaud you on the support services and tools you have available to your advisers. This is often an area where many licensees fail leading to poor and inappropriate advice. It is clear...that much investment has gone into ensuring that your advisers have the systems in place to deliver appropriate advice that is in the best interests of the client.



**the
fold**

Update on Project One



- Project One will implement an enterprise wide, trusted off-the-shelf CRM platform with an industry leading broker front end. They will combine to provide our franchisees with a web based platform rich in functionality to improve productivity and customer experience
- Phase 1 to implement new CRM will be rolled out company wide by 30th June 2015
- Phase 2 to deliver broker front end will be rolled out in 1H16 as planned

Summary

- Increased broker numbers in place to capture more of the buoyant property market
- Increasing settlements trend
- Loan book poised to hit \$50b
- FP model implemented and continued focus on quality recruitment
- HMC investment to put additional scale in place for 2H15 seasonal push
- Cash profit steady with 1H14 despite increased HMC and FP investment
- Interim dividend maintained at 7.5c



QUESTIONS

APPENDICES

Half-Yearly Statistics – P/L

| \$m | 1H10 | 2H10 | 1H11 | 2H11 | 1H12 | 2H12 | 1H13 | 2H13 | 1H14 | 2H14 | 1H15 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Origination inc | 27.99 | 24.16 | 25.51 | 23.59 | 25.98 | 25.08 | 26.03 | 25.94 | 31.72 | 31.29 | 34.98 |
| Origination exp | (20.25) | (16.99) | (18.14) | (16.62) | (18.43) | (17.95) | (18.78) | (18.59) | (23.08) | (22.69) | (25.83) |
| Cash Trail inc | 41.48 | 41.45 | 42.30 | 41.48 | 42.13 | 42.32 | 43.40 | 43.28 | 43.94 | 43.47 | 44.27 |
| Cash Trail exp | (25.78) | (25.55) | (25.39) | (25.15) | (24.99) | (25.08) | (25.69) | (25.60) | (25.89) | (26.30) | (26.65) |
| Net Upfront | 7.74 | 7.17 | 7.37 | 6.97 | 7.55 | 7.13 | 7.25 | 7.35 | 8.64 | 8.60 | 9.15 |
| Net Trail | 15.70 | 15.90 | 16.91 | 16.33 | 17.13 | 17.24 | 17.71 | 17.68 | 18.05 | 17.17 | 17.62 |
| | 23.44 | 23.08 | 24.28 | 23.30 | 24.68 | 24.38 | 24.96 | 25.02 | 26.69 | 25.77 | 26.77 |
| Other Income | 0.89 | 1.51 | 1.36 | 1.95 | 2.45 | 2.50 | 3.45 | 3.64 | 4.31 | 4.79 | 5.43 |
| Cash PAT | 7.79 | 7.04 | 8.84 | 7.08 | 6.50 | 8.52 | 7.82 | 7.95 | 8.97 | 9.74 | 8.97 |
| IFRS PAT | 9.76 | 13.72 | 8.79 | 18.67 | 6.44 | 12.02 | 7.51 | 11.20 | 9.66 | 8.80 | 9.97 |
| After tax gain on Loankit sale | - | - | - | - | - | - | - | - | 1.34 | - | - |
| Cash PAT inclu. Gain on sale | 7.79 | 7.04 | 8.84 | 7.08 | 6.50 | 8.52 | 7.82 | 7.95 | 10.31 | 9.74 | 8.97 |
| IFRS PAT inclu. Gain on sale | 9.76 | 13.72 | 8.79 | 18.67 | 6.44 | 12.02 | 7.51 | 11.20 | 11.00 | 8.80 | 9.97 |
| Cash e.p.s. | 6.5 c | 5.9 c | 7.3 c | 6.0 c | 5.4 c | 7.1 c | 6.4 c | 6.5 c | 8.3 c | 7.9 c | 7.2 c |
| IFRS e.p.s. | 8.2 c | 11.5 c | 7.3 c | 15.6 c | 5.4 c | 10 c | 6.2 c | 9 c | 8.9 c | 7.1 c | 8.0 c |
| Div p.s. | 5.5 c | 6.5 c | 6.0 c | 7.0 c | 6.0 c | 7.0 c | 6.0 c | 7.0 c | 7.5 c | 8.0 c | 7.5 c |
| Upfront Payout | 72.3% | 70.3% | 71.1% | 70.4% | 70.9% | 71.6% | 72.2% | 71.7% | 72.8% | 72.5% | 73.8% |
| Trail Payout | 62.2% | 61.6% | 60.0% | 60.6% | 59.3% | 59.3% | 59.2% | 59.2% | 58.9% | 60.5% | 60.2% |
| Total Payout | 66.3% | 64.8% | 64.2% | 64.2% | 63.8% | 63.8% | 64.1% | 63.8% | 64.7% | 65.5% | 66.2% |
| Volumes MC | | | | | | | | | | | |
| Settlements # ('000) | 18.73 | 15.36 | 15.91 | 14.56 | 15.58 | 15.86 | 15.77 | 15.68 | 18.66 | 17.86 | 19.24 |
| Settlements \$b | 4.82 | 4.07 | 4.33 | 3.99 | 4.34 | 4.39 | 4.43 | 4.35 | 5.26 | 5.11 | 5.74 |
| Approvals \$b | 5.39 | 4.59 | 4.98 | 4.55 | 5.11 | 5.04 | 5.09 | 5.28 | 6.19 | 6.04 | 6.90 |
| Market \$b | 142.8 | 124.1 | 126.4 | 116.3 | 124.1 | 119.8 | 128.0 | 133.1 | 157.1 | 157.7 | 177.2 |
| Market Share | 3.8% | 3.7% | 3.9% | 3.9% | 4.1% | 4.2% | 4.0% | 4.0% | 3.9% | 3.8% | 3.9% |
| Avg Residential Loan Book \$b | 36.97 | 38.40 | 39.73 | 40.68 | 41.68 | 42.76 | 43.80 | 44.55 | 45.56 | 46.48 | 47.65 |

Balance Sheet

| | Dec 2014 \$'000 | Jun 2014 \$'000 |
|--------------------------------------|--------------------|--------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 6,264 | 12,445 |
| Trade and other receivables | 97,936 | 98,876 |
| Total current assets | 104,200 | 111,321 |
| Non-current assets | | |
| Receivables | 242,976 | 238,244 |
| Property, plant and equipment | 905 | 907 |
| Intangible assets | 5,249 | 2,349 |
| Total non-current assets | 249,130 | 241,500 |
| Total assets | 353,330 | 352,821 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 64,112 | 66,702 |
| Current tax liabilities | 865 | 2,418 |
| Provisions | 1,143 | 1,103 |
| Total current liabilities | 66,120 | 70,223 |
| Non-current liabilities | | |
| Trade and other payables | 146,090 | 142,900 |
| Deferred tax liabilities | 38,082 | 36,605 |
| Provisions | 826 | 762 |
| Total non-current liabilities | 184,998 | 180,267 |
| Total liabilities | 251,118 | 250,490 |
| Net assets | 102,212 | 102,331 |
| EQUITY | | |
| Contributed equity | 5,758 | 4,604 |
| Reserves | 1,799 | 2,210 |
| Retained profits | 94,655 | 95,517 |
| Total equity | 102,212 | 102,331 |

Cash Flow statement

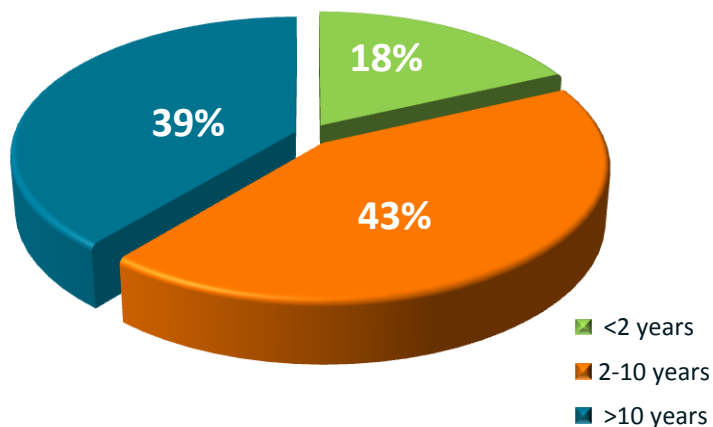
| | 1H15 \$'000 | 1H14 \$'000 |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of goods and services tax) | 99,332 | 90,352 |
| Payments to suppliers and employees (inclusive of goods and services tax) | (88,263) | (78,964) |
| Income taxes paid | 11,069 | 11,388 |
| Net cash inflow from operating activities | (4,070) | (3,901) |
| | 6,999 | 7,487 |
| Cash flows from investing activities | | |
| Payments for property, plant, equipment and intangibles | (3,538) | (725) |
| Proceeds from sale of LoanKit net of selling costs | - | 1,595 |
| Interest received | 268 | 258 |
| Net cash (outflow) from investing activities | (3,270) | 1,128 |
| Cash flows from financing activities | | |
| Dividends paid to company's shareholders | (9,910) | (8,640) |
| Net cash (outflow) from financing activities | (9,910) | (8,640) |
| Net decrease in cash and cash equivalents held | (6,181) | (25) |
| Cash and cash equivalents at the beginning of the half-year | 12,445 | 10,953 |
| Cash and cash equivalents at the end of the half-year | 6,264 | 10,928 |

Mortgage Choice broking network snapshot

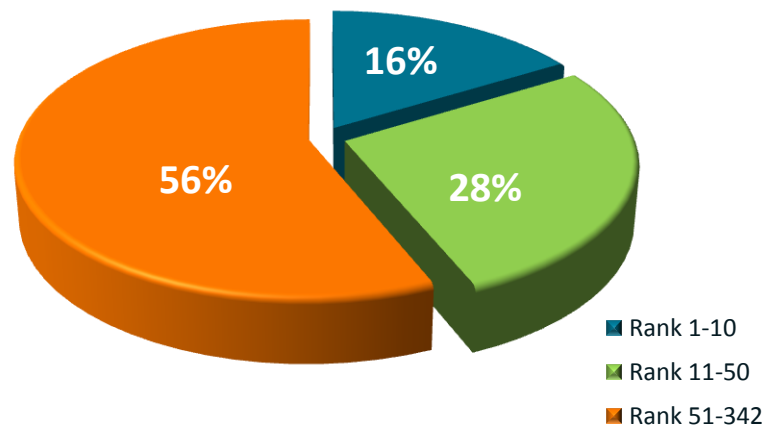
| | National | | NSW&ACT | | VIC&TAS | | QLD | | SA&NT | | WA | |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>Dec-14</u> | <u>Dec-13</u> | <u>Dec-14</u> | <u>Dec-13</u> | <u>Dec-14</u> | <u>Dec-13</u> | <u>Dec-14</u> | <u>Dec-13</u> | <u>Dec-14</u> | <u>Dec-13</u> | <u>Dec-14</u> | <u>Dec-13</u> |
| Loan book* | \$48.0bn | \$46.0bn | 35.2% | 36.0% | 20.0% | 19.8% | 25.8% | 25.2% | 9.0% | 9.0% | 10.0% | 10.0% |
| Loan writer | 557 | 507 | 197 | 177 | 127 | 119 | 132 | 116 | 41 | 39 | 60 | 56 |
| Franchise | 412 | 394 | 153 | 145 | 88 | 83 | 89 | 87 | 30 | 28 | 52 | 51 |

*Residential only

Franchise owner experience

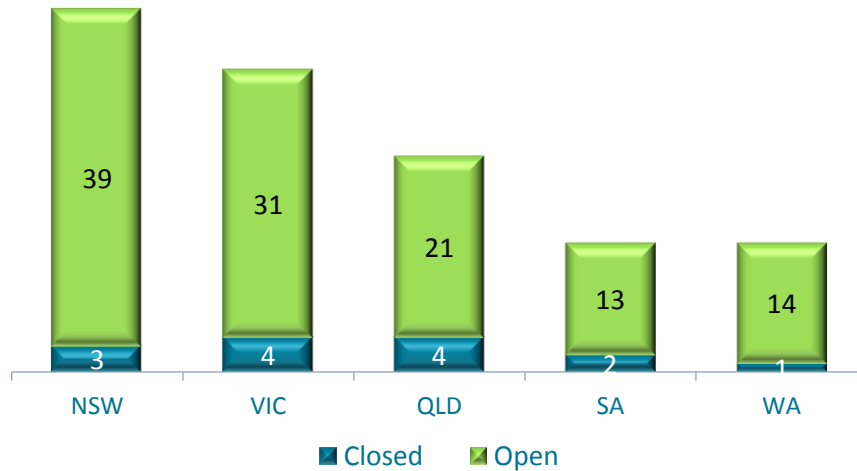


Franchise owner share of settlements

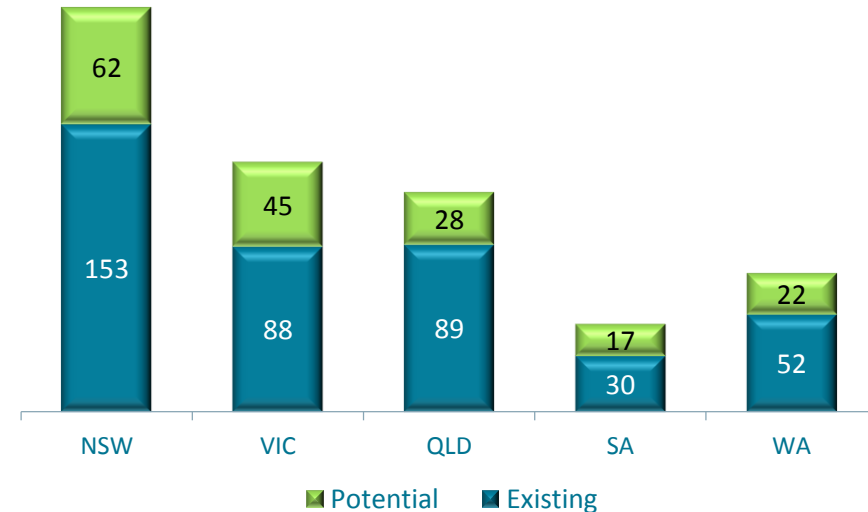


Capacity for growth in recruitment

Marketing Areas



Franchises



* Information based on Dec14 Quarter Broker Resource Model

- Marketing area capacities are assessed quarterly using an external benchmarking model that takes into account geographic data, ABS data and franchise settlements
- In 132 marketing areas, 118 greenfield sites are available
- We have capacity to increase our franchise footprint from 412 to 586

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