



September 2015



From the CEO

We have an exciting period ahead with eChoice's new growth strategy driving the business.



It has been a transformative six months since our last newsletter.

A year of positive change:
FY15 financials

\$67.8M
REVENUE

\$17.3B
LOAN BOOK

\$3.0B
SETTLEMENTS

\$9.8M
CASH OPERATING
EBITDA

\$2.1M
REDUCTION IN
OPERATING COSTS

16
eChoice ACADEMY
GRADUATES

In March we received shareholder approval to change our name to eChoice, recognising the strong reputation of our existing eChoice brand.

That was only the beginning of a watershed period. We have purposely focused our resources and expertise on areas of the business which will create the greatest shareholder returns and have moved decisively on those business structures that fit within the core strategy. We are increasing our focus on the Aggregation and Direct businesses, which represent 96% of settlements.

We believe these changes enable eChoice to be positioned to more comprehensively capitalise on the growing opportunities in this space and will contribute to greater profitability in the long term.

The early signs of this change in focus are positive, with settlements up 11% month-on-month on average since March, compared to 5.8% a year earlier.

Supporting our network of brokers lies at the heart of eChoice's business strategy. Our people are the cornerstone of our success. We have introduced the Concierge service (a lead management and appointment setting service) to help brokers maximise the potential of their client relationships. We have also formed new alliances with some of the industry's leading financial services partners so our brokers can offer a broader range of quality financial products.

The first home buyer program was launched in August (FirstHomeBuyers.com.au) and is now receiving growing traffic volumes, as well as additional traffic from Domain, one of Australia's leading property websites. This new initiative will generate a significant number of new business opportunities.

Expanding our broker network remains a high priority. The more scale we have, the more business we will generate and the more we can leverage our competitive advantages. We will continue to build broker numbers by offering market leading products, services and support to established brokers, in addition to training the next generation of brokers through the eChoice Broker Academy.

The Academy has already graduated 16 new brokers since March, each completing their studies armed with the skills and support to start pursuing new business immediately.

eChoice continues to win wider industry recognition for its innovation and expertise. eChoice was a finalist for *Best Career Development Programme* at the 2015 Australian Broking and Finance Awards, and for *Training and Education Program of the Year* at the 2015 Australian Broking Awards. We were also a finalist for *Best Broker Marketing Platform* at the 2015 Australian Broking Awards and *Most Effective Internet Presence* at the 2015 Australian Mortgage Awards.

We lead the industry in understanding how to get the best out of our people, partners, processes and products. The changes we have put in place are now generating sustainable growth in eChoice's core businesses.

This puts us in a unique market position where we are not just focused on what's now, but are already preparing for what's next.

Peter Andronicos
CEO, eChoice Limited



eChoice stakes its claim to Australia's first home buyers

eChoice provides valuable support to the first home buyer market through its range of tailored solutions and services, with the launch of the digital first home buyer program.



The eChoice value chain



The comprehensive online portal www.firsthomebuyers.com.au went live in August, and is a partnership with media group Fairfax, owner of Domain, one of Australia's most popular property websites.

eChoice Marketing Director, Nancy Matar, says the aim is to make the site the premier destination to help educate, support and deliver a "one stop shop" with dedicated tools and services tailored for Australian first home buyers.

"We have created a valuable service that we believe will become the preferred choice for buyers looking for information and advice on their first purchase," Ms Matar says.

The service offers buyers a comprehensive suite of free financial tools and guides specifically tailored to first home buyers. Users are provided with a free consultation with an eChoice Home Loan Consultant, which in turn generates qualified leads for the eChoice broker network.

The program also delivers our Customer Concierge service, which provides first home buyers with personalised support as well as a range of exclusive offers, including free property reports, home and building insurances, and even discounted utilities for when they move into their new home.

Ms Matar says the power of the program is that it gives buyers real time access to information from eChoice's panel of over 25 lenders. First home buyers are given the tools to make more informed decisions.

Ms Matar says eChoice expects the program to generate at least 1,000 home loan enquiries for its broker network per month. This will increase opportunities flowing through the eChoice value chain funnel, delivering a unique end-to-end solution for both client and broker.

Online partnerships and referrals are key tools in eChoice's strategy to dominate the digital space. The company is in discussions with other potential partners with high volumes of users who want access to eChoice's services.

These partners are looking for new ways to engage, reactivate, and monetise their client base. eChoice can help brokers and partners achieve those goals.

eChoice strategy scorecard



People

- ✓ Executive Team Restructure: new CEO, deputy CEO and Specialist Business Leaders
- ✓ Board renewal
- ✓ 16 Graduates of the eChoice Broker Academy



Partners

- ✓ Renewed partnership with Fairfax and Domain
- ✓ Launched FirstHomeBuyers.com.au
- ✓ Signed on 5 leading industry partners



Process

- ✓ Concierge service launched and generating new business for the eChoice broker network
- ✓ FLedTS, customer and loan tracking system now fully digital



Product

- ✓ New product partners deliver deeper client engagement and opportunities for income diversification
- ✓ Expansion of eChoice lender panel



Profit

- ✓ Positive cash operating earnings and cashflow in FY15
- ✓ Costs cut by \$2.1m
- ✓ 23.1% increase in FY15 lead generation income



Rolling out the red carpet for brokers and their clients

The eChoice Concierge service is proving a powerful tool for supporting the company's network of mortgage brokers in generating new business and delivering a high level of service to their clients

eChoice's tools for brokers

- Concierge
- Lead Generation
- Technology
- Broker Academy
- Social Media
- Marketing Toolkit

The Concierge service is a client engagement centre, helping many time poor brokers to maintain client relationships and identify new opportunities.

eChoice General Manager of Sales and Distribution, Paul Liccione, says regular contact with a broker's existing clients is vital for developing and maintaining a successful, long term relationship. However many busy brokers have an ongoing struggle to find the time required to re-engage with clients. The Concierge service overcomes that challenge.

“Concierge is an efficient, cost effective service that generates real returns for brokers. Not only does the service enhance their brand, it provides opportunities for the broker to generate additional income,” Mr Liccione says.

An eChoice broker's offering is now well beyond simply home loans, with an ever-increasing suite of financial products available. The Concierge team are well versed in all the offerings and combined with eChoice's expertise in data and analytics, are able to have valuable and efficient conversations with clients.

Mr Liccione says that while not every contact produces a new business lead, the return on the modest cost of the Concierge service can be in excess of ten times the investment.

The Concierge service is also being offered as an incentive for new brokers to join eChoice. “We are offering the Concierge service to brokers and other professionals such as accountants who are considering branching into mortgage broking,”

Mr Liccione says. “The Concierge will help them realise greater returns from their client database and deepen their relationships.”

Mr Liccione says building broker numbers at eChoice and providing them with the best support in the industry is his highest priority. “People are the biggest piece of the puzzle,” he says.

Strategies and initiatives such as the Concierge program, Broker Academy and First Home Buyer program work cohesively to deliver a full value proposition to brokers, partners and customers.



Key partnerships help diversify and fortify broker businesses

eChoice has forged partnerships with five leading financial services companies, providing its broker network with new income diversification opportunities by offering a complete borrower proposition.

Product alliances



General Manager of Product and Services, Kon Shizas, says the quality of products from new alliances adds a further boost to eChoice's growing broker network by offering a true 'one-stop shop' for borrowers, representing another key stage in the development of the industry best practice model.

"We are giving our brokers the power to diversify their revenue streams by having the tools to support the changing needs of a broader demographic of borrowers. So as a whole business enabler for brokers,

this is an important part of our strategy, which not only drives sales growth, but fortifies their businesses," Mr Shizas says.

Mr Shizas says according to *MPA Magazine's* inaugural 'Consumers on Brokers' Survey, 84% of respondents said they would feel confident in using their mortgage broker for a non-mortgage related product or service.

"This supports what we already know - that consumer appetite for mortgage brokers is growing and we are now poised to capitalise on that," he says.

A key competitive advantage for eChoice is that it has built its own digital platform and manages it internally, unlike other mortgage aggregators.

"We can build and create opportunities others simply cannot," Mr Shizas says. "We've got the technology experts here to help us embed new features and products into our platform. This means that with our network of brokers, partners and our understanding of what consumers want, we have a unique and pivotal role to play in a dynamic marketplace."

Technology gives eChoice the edge

eChoice's innovative technology enables our brokers and partners to connect with customers seamlessly through the eChoice service offerings.

4.6/5

The Mortgage Professional Australia Aggregator Survey revealed that eChoice brokers were the happiest with their information technology and client relationship manager support. Brokers named IT and CRM support as one of the top three most important services eChoice offered, giving it a performance score of 4.6 out of 5.

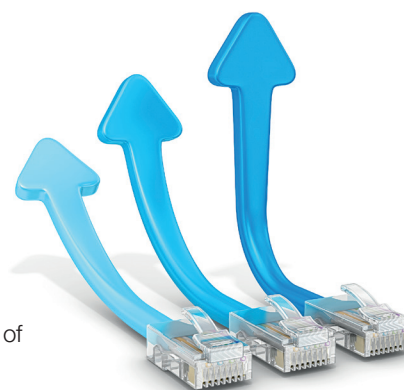
The in-house technology team continually improves existing systems, while creating new technology in anticipation of market needs.

eChoice's established technology services include FLeaTS, a digital loan management and sales system which was revamped in August to allow brokers access to these systems and tools, wherever they are, on any device.

Technology Development Manager Roland Flanagan, says: "We identified our brokers' need for the flexibility to work anywhere and anytime without restriction, and we gave them a solution."

eChoice focused on the needs of brokers and partners, resulting in the creation of new markets through technology, leveraging the strong partner and product offerings available to the eChoice network. This has led to the development of new revenue opportunities that integrate all facets of the business.

Answering the need for an effective way for brokers and partners to stay engaged with their customers, eChoice created the Concierge program, derived from the extensive experience and collaboration of its dedicated Technology, Marketing and Broker Services teams. The Concierge



program's three tiered platform delivers automated customer contact management, script management and partner integration at all points in the customer lifecycle.

Mr Flanagan says that "the role of the technology team is to enable our business, brokers, partners and customers to connect, analyse and action business opportunities in real time".