



If a week is a long time in politics, a year is an age in an industry as fast-paced as the Australian mortgage market.
BARNEY MCCARTHY
looks back at 2011 to see who is hot

Reputations can be forged or destroyed overnight as *X Factor* starlets or Qantas executives can easily tell you. For those in the mortgage industry looking to build a high profile, it is a slightly longer road to the top, although some may argue there is less chance of being toppled once you get there. There may be some truth in the latter sentiment as a number of those featured in our fourth annual Hot List are regulars, but there is also a healthy dose of fresh blood this year to dash any suggestions that membership to the upper echelons of the mortgage industry is a closed shop. It's not just high-ranking bank staff dominating proceedings either – brokers, aggregators and mortgage managers all feature, too. This list has been the subject of extensive debate at MPA HQ, but we welcome differences of opinion. Let us know if we've got it right – or if we've missed out any key players – on the *Australian Brokernews* messageboard or contact the MPA editorial desk. Congratulations to this year's inductees and read on to find out who has made our Australian mortgage market A-Z.

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SPECIAL REPORT / HOT LIST

THE YEAR'S MOVERS & SHAKERS

Who: Meg Bonighton
What: Head of broker distribution
Where: ANZ

Bonighton steered ANZ to second place in this year's Brokers on Bank poll after the lender topped the pile last year. With general group profits in excess of \$5bn unveiled in early November and a concentration on retail deposit growth, ANZ shows no signs of forfeiting its place in the hearts of brokers and consumers alike. As Bonighton told this magazine back in July: "ANZ has been a strong supporter of the broker channel from the beginning and we remain committed to building collaborative relationships and striving to truly understand what brokers need to run a successful business."

Who: Ellie Comerford
What: CEO
Where: Genworth



Comerford's first year in charge of the Genworth reins has been a positive one as the mortgage insurer continues to be a major player in the LMI scene. Genworth was quick to the rescue of borrowers struggling as a result of the Queensland floods and unveiled an expanded hardship package for those still in difficulty some months later. The insurer's *International Mortgage Trends Report* provides interesting snapshots of debt and mortgage sentiment, with Comerford commenting in June that first homebuyers are facing a worsening situation due to increased debt servicing.



Who: Huw Bough
What: Head of franchise
Where: RAMS

Bough was on the move in 2011, departing Westpac and returning to RAMS where he served as head of broker business between 2004 and 2008. While RAMS endured a tough time during the GFC before eventually coming under Westpac's wing, Bough says such resilience proves the strength of the brand. In his new role, Bough will directly lead a team of new and long-term franchisees and be partly responsible for driving increased value for stakeholders.



Who: Mark Bouris
What: Founder
Where: Yellow Brick Road

Bouris is squarely in the public eye at present, courtesy of his hosting duties on Nine's *Celebrity Apprentice*, but away from the reality show, Yellow Brick Road (YBR) continues to bring the fight to the big boys. The group launched a no-fee home loan in October and Bouris challenged the majors to beat the rate at the time. YBR also diversified further into investment products in 2011 and is actively looking to grow its franchise network - something that should be achievable given its increased exposure through its partnership with Nine.

Who: Mark Davis
What: Director
Where: The Australian Lending & Investment Centre

It's probably fair to say that Mark Davis was far from a household name 12 months ago, but that has all changed due to a whirlwind year. The ex-ANZ man first came to prominence by virtue of his newly established firm being named as one of the country's leading independent brokerages in our poll, before following that up by being named as Australia's top individual broker after settling more than \$170m worth of home loans. His true crowning glory came at the Australian Mortgage Awards in October when he collected two individual awards, and ALIC landed a brokerage prize. With an ambitious target of \$200m in the coming year, Davis really is one to watch.



Who: Tony Carr
What: General manager of third party distribution
Where: Homeloans Ltd

Homeloans Ltd swept the board in this year's Brokers on Non-Banks poll, winning all but one category. Voting advisors felt the lender outshone its rivals in terms of service, products, rates and internet proposition. Brokers also recognised Homeloans Ltd's increased marketing presence, much of which was centred on the view that non-banks are no longer a last resort but a genuine alternative.



Who: Cameron Clyne
What: CEO
Where: NAB

NAB certainly hasn't shied away from publicity in 2011, with its huge "break-up" marketing campaign garnering endless column inches and provoking much water cooler debate. Kowtowing to consumers by paying exit fees incurred by customers of other banks moving to NAB and continuing to have the lowest standard variable rate of the major banks won the lender new fans, but it was at risk of alienating these converts by refusing to pass on the full 0.25% RBA cash rate cut in November.



Who: Tim Brown
What: CEO
Where: Vow Financial

The vastly-experienced Brown took over as the chief executive of Vow Financial at the beginning of 2011 and was charged with helping grow the aggregator after previous CEO Jeff Zulman had overseen the assimilation of various constituent broker groups.

With a number of wealth management offices opening, plans to expand into Western Australia, a 3% annual rate of growth and a plethora of new broker agreements signed, Brown looks to be doing just that.



It has been a good year for CBA in the third party channel with the lender steamrolling the opposition in our Brokers on Banks poll by virtue of winning six of the nine available categories. The bank is well positioned to weather any further shocks to the global financial system too, with Cummings saying that its \$6.8bn financial year profit and 61% funding from deposits proving it was "rock solid". With two-fifths of its mortgages being sourced via brokers, intermediaries are well placed to take advantage of CBA's strength in the year ahead. Cummings continues to champion the presence of women in brokerages and in the boardroom and leads by example in this respect.

Who: Kathy Cummings
What: Executive general manager - third party banking
Where: CBA



SPECIAL REPORT / HOT LIST

Who: John Flavell
What: General manager of distribution
Where: NAB Broker



NAB Broker turned the corner in 2011 and Flavell's stewardship is partly responsible for that. Improvements in the bank's service platforms and lending policies have impressed brokers and Flavell reported back in May that NAB Broker had grown by 141% since March 2010. While he has long predicted strong competition in the Australian mortgage market as credit growth slows and foreign-owned banks seek a slice of the pie, Flavell believes there are still opportunities for lenders to reduce net margins by moving on rates while still securing strong returns on equity.

Who: Iain Forbes
What: Director
Where: Australian First Mortgage



The inimitable Iain Forbes retains his place on the MPA Hot List due to another strong showing by Australian First Mortgage (AFM) in our Brokers on Non-Banks poll. AFM followed up 2010's first position with third place this time round and continues to provide a viable alternative to the major lenders. Its pricing remains keen - as two fixed-rate cuts in a week in August testifies - and with eight years in business now under AFM's belt, expect the non-bank to go from strength to strength.

Iain Forbes retains his place due to AFM's strong showing in our Brokers on Non-Banks poll

Who: Gail Kelly
What: CEO
Where: Westpac

Despite being consistently linked with top banking jobs in the UK and US, Kelly recently pledged her future to Westpac for the next three years. It's no wonder, with the bank unveiling a cash profit of \$6.3bn in 2011, up 7% year-on-year. Kelly is overseeing the institution's move into stage two of its strategic plans, with the first stage - the integration of St.George - now complete. It is expected the next phase of Westpac's plans will centre on efficiency gains and IT enhancements.

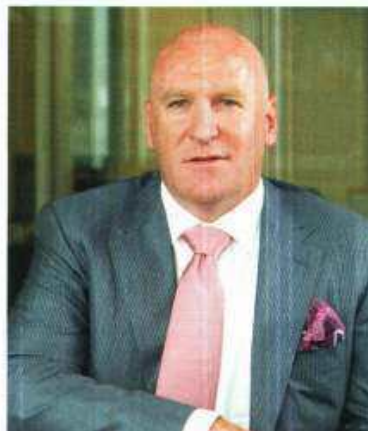
Who: Mark Forsyth
What: CEO
Where: Firstfolio



Having snapped up Club Financial Services and The Apple Group in 2010, Forsyth's Firstfolio continued along the acquisition trail in 2011, taking a controlling stake in Calibre Financial Services. Such purchases helped the company to a 36% rise in revenues for the financial year 2010/11 and has led it to target further additions in 2012 alongside the roll-out of further white-label programs. Expect big things from Firstfolio once it has fully assimilated its acquisitions.

Who: Wendy Higgins
What: Franchisee
Where: Mortgage Choice

Some people can't help but be successful. Withdrawing from the individual categories at the Mortgage Choice Business Excellence Awards to give other franchisees an opportunity in the spotlight, Higgins was instead inducted into the broker group's hall of fame. Likewise, Higgins didn't enter our Top 100 Broker rundown having scored top spot on a number of occasions, only to be recognised with the Golden Morgle award recognising lifetime achievement at the Australian Mortgage Awards. And did we mention that in June, Higgins became Australia's first \$1bn mortgage broker? Truly an advisor with the Midas touch.



Who: Mark Haron
What: Principal
Where: Connective

Connective continues to grow at an impressive rate and featured in BRW's Fast 100 list for the third year running. This remarkable achievement came on the back of five consecutive months of more than \$1bn in settlements for the aggregator. Factor in expansion into WA, the launch of its white label range and a swelling of its credit services ranks and it's been a productive period for Haron and his Connective colleagues.



Who: Mark Hewitt
What: Director of sales and operations
Where: AFG



Who: Ray Hair
What: CEO
Where: ALI Group

In a year of many high-profile transfers, Hair was one of the personalities to hop on the merry-go-round in 2011, swapping PLAN for ALI Group after 10 years at the aggregator. As well as seeking a change of scenery, Hair admitted the timing of the move was pertinent too, with loan protection insurance becoming increasingly prominent under the new regulatory regime.

Hewitt leapt to brokers' defence this year, warning the public that consumer group Choice's One Big Switch campaign was not all it was cracked up to be and dismissing "sweeping pronouncements" it had made about the quality of financial advice in Australia.

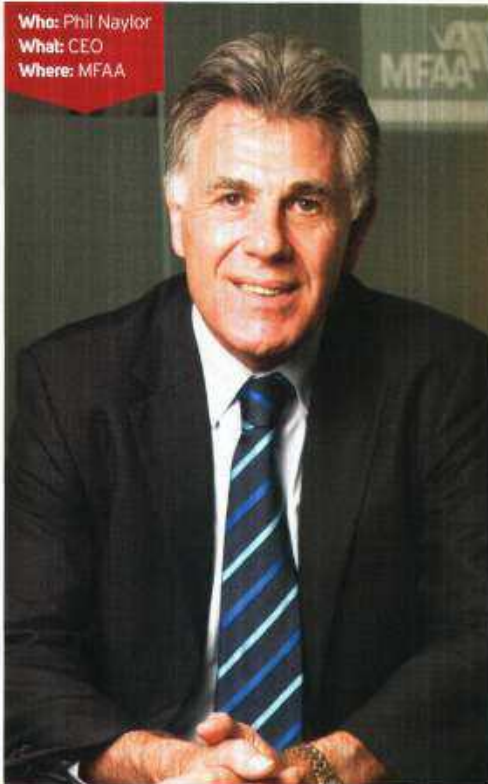
AFG was also selected as a preferred partner by LJ Hooker, helping the real estate giant meet its growth goals and cement its position as Australia's largest independent aggregator.

Who: Steven Heavey
What: Head of intermediaries
Where: Suncorp Bank

Heavey was another figurehead on the move in 2011, trading his role as head of Intermediary distribution at St.George for a similar position at Suncorp Bank. Having helped relaunch the Bank of Melbourne brand in his former job, he immediately promised a "total strategic review" of Suncorp's credit policies and broker processes. Heavey says he was attracted to the Suncorp position by its commitment to the third party channel and he will be hoping to raise the bank's presence outside of its Queensland stronghold.



SPECIAL REPORT / HOT LIST



Who: Phil Naylor
What: CEO
Where: MFAA

Who: Ian Narev
What: CEO
Where: CBA

Narev is probably the newest name on the list given that he has only been ensconced in the CBA top job for a matter of weeks. He has big boots to fill now that Raiph Norris has retired, but Narev is no stranger to big business or the mortgage market, having masterminded the takeover of Bankwest and CBA's investment in Aussie Home Loans. Given his background as a lawyer specialising in mergers and acquisitions, it will be interesting to see if CBA makes any headline purchases in the coming year.

While it is ASIC's responsibility to ensure brokers are adhering to the letter of the law, the MFAA's focus has been more on trumpeting the professionalism of its members through its approved broker campaign. In conjunction with increased compliance standards, the drive will hopefully benefit consumers who can be confident they are receiving the highest quality advice possible. Naylor has also had his hands full with the ongoing debate around increased education requirements, another development which will ultimately protect the best interests of consumers.



Who: Steve Kane
What: Managing director
Where: FAST

Not content with running the day-to-day operations of one of Australia's most popular aggregators, Kane has also increased his standing within the MFAA, becoming president at the association's annual general meeting in November. He has made public his desire to continue to develop the MFAA's role in providing education and training opportunities, as well as lobbying with the regulator and government. On the FAST side of things, Kane has been vocal on the topic of brokers fully harnessing customer relationship systems after the aggregator ploughed vast sums into enhancing its offering.



Who: Tony MacRae
What: General manager of third party distribution
Where: Westpac

MacRae made his way up the Westpac ranks in 2011, replacing Huw Bough as general manager of third party distribution after an internal reshuffle. Formerly NSW state general manager of Westpac's commercial banking business, MacRae was drafted into the role due to his strategy, sales management and specialist knowledge in distribution business. He will be charged with further growing the lender's third party distribution network, which already accounts for 45% of all its home lending business.



Who: John Mohnacheff
What: National sales manager
Where: Liberty Financial

The charismatic Mohnacheff has helped oversee a successful year for Liberty Financial, including a solid second place in our annual Brokers on Non-Banks rankings. The lender hosted a successful set of national road shows with attendances well up on 2010 and is also in the process of developing its direct retail brand Liberty Network Services, a proposition it describes as the best of aggregator and franchise worlds. Mohnacheff also continues to champion the cause of university degrees for brokers to further increase professional standards.



Who: Matt Lawler
What: CEO
Where: Yellow Brick Road

Lawler resurfaced in 2011 as the chief executive of Yellow Brick Road, having disappeared off the industry radar on departing NAB Broker in 2010. Teaming up with Mark Bouris in his new role, Lawler is charged with expanding the company's product offering and cementing its position as a trusted, independent advice brand. With many brokers diversifying or becoming more like financial planners in terms of the products they offer consumers, Yellow Brick Road should be well placed to take advantage of this new brand of advice offering.

Lawler resurfaced in 2011 as the chief executive of YBR

Who: Greg Kirk
What: Senior executive leader - deposit takers, credit and insurers
Where: ASIC

With licensing fully underway, Kirk is one of the main mouthpieces at regulator ASIC. While he has admitted that there will be something of an 'adjustment period' while the industry adapts to the new regime, Kirk is also quick to point out that the regulator will quash serious misconduct regardless of when it takes place. Although ASIC's remit is more concentrated on compliance with laws rather than taking decisions on competition and exit fees, the regulator has a huge part to play in the coming years, and Kirk is likely to be instrumental in that process.



Who: Stephen Moore
What: CEO
Where: Choice Aggregation Services

2011 represented Moore's first full year in the Choice hotseat and he has settled in seamlessly at the aggregator. The past 12 months have seen Choice augment its lender panel, launch a business skills masterclass for its members and stand by brokers affected by the Refund Home Loans collapse. Moore is also keen to see a steady supply of new blood to the market, calling on the industry to source fresh talent from outside the mortgage arena, back in August.



SPECIAL REPORT / HOT LIST



Who: Michael Russell
What: CEO
Where: Mortgage Choice

Despite describing 2010/11 as one of the most demanding financial years in the company's history, Mortgage Choice chief Michael Russell still managed to preside over a 7.4% increase in net profits and more than \$2bn of loan book growth. The broker group also added 19 green field franchises to its armoury, as well as selling 19 existing operations. With expansion into vehicle finance as well as being home to Australia's first \$1bn mortgage broker, it's been a busy year for Russell.



Who: Ilan Rakhit
What: Head of specialist lending
Where: Bankwest

Bankwest performed admirably in this year's MPA Brokers on Bank survey, landing the overall bronze as well as the honour of being the only non-major in the top three. This may have been in part due to a raft of loan discounts, commission initiatives and fee abolitions introduced to entice new business earlier in 2011. Such adaptability proves that there continues to be viable alternatives to the Big Four, even if Bankwest does come under the CBA umbrella.

Who: Rod Sims
What: Chairman
Where: Australian Competition & Consumer Commission

Sims replaced Graham Samuel as chairman of the ACCC in August, moving across from the Independent Pricing and Regulatory Tribunal of NSW. He's had his hands somewhat full with the Qantas debacle of late, but second-tier lenders and non-banks will be keen to ensure that Sims keeps his eye on the big bank ball before any possible monopoly situation is allowed to develop.

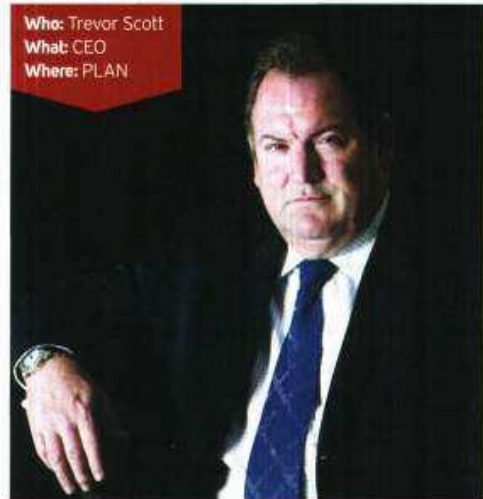


Who: Damian Percy
What: General manager of third party lending
Where: Adelaide Bank

Adelaide Bank - and Percy in particular - have long been staunch advocates of the broker channel and that didn't change in 2011, with the man himself stressing the importance of third party business to the lender back in July. The bank may have slid down the Brokers on Banks rankings this year, but Percy is mindful of the challenges facing the lender, and it has been busy enhancing its online proposition as well as launching a new suite of basic products.

Scott assumed the PLAN reins in March and expanded its clout

Who: Trevor Scott
What: CEO
Where: PLAN



Scott assumed the PLAN reins in March and immediately set about expanding the aggregator's clout through a recruitment drive. The network's white label roll-out has been a positive and Scott has been a vocal supporter of brokers diversifying their propositions, reminding PLAN members to take advantage of the aggregator's referral program and investment in commercial professional development training. Scott acknowledged at PLAN's national conference in October that there had been some member discontent over the course of the year, but allayed fears by reassuring that a wholesale restructure of the broker support team would keep PLAN's service levels on track.

Who: James Symond
What: Executive director
Where: Aussie

Aussie enjoyed another strong year in 2011, but continues to forge ahead and look at the bigger picture. The broker group has targeted Western Australia as a big growth area for its business and is also looking to expand into wealth management in the future. Executive chairman John Symond continues to be the face of Aussie, but it will be his nephew James that helps drive the company to the next level before too long.



SPECIAL REPORT / HOT LIST

Who: Wayne Swan

What: Treasurer and deputy prime minister

Where: Federal government

Swan was lauded as the world's best Treasurer by *EuroMoney* magazine in September, no mean feat given the uncertainty currently plaguing the global economy. The accolade was presented for Swan's "careful stewardship of Australia's finances and economic performance both during and since the GFC". Those who opposed Swan's exit fee ban may not agree with the award, but his sensible handling of the nation's purse strings cannot be questioned. He's not afraid to bring the fight to the banks either, slamming NAB in November for not passing on the full RBA rate cut to borrowers.



Who: Mark Woolnough

What: Head of broker distribution

Where: ING Direct

ING Direct performed admirably in our 2011 Brokers on Banks poll, coming home fifth. The lender's service proposition did come in for some criticism in the winter, but Woolnough took the unusual step of posting his contact details on the *Australian BrokerNews* website, inviting disgruntled brokers to contact him personally. Such transparency won the lender new friends and gave it a renewed purpose in its pursuit of the "best of the rest" mantle it covets.

Who: Ranjit Thambyrajah

What: Managing director

Where: Acuity Funding



Thambyrajah was named MPA's Top Commercial Broker in 2011 for the second year running due to settling in excess of \$200m worth of non-residential deals over the financial year. The intermediary attributed his success to a settling down in the commercial space, but admitted conditions remain tough. If the sector can continue to turn itself round, then not many would bet against Thambyrajah making it three on the spin in 2012.



Who: Patrick Tuttle

What: CEO

Where: Pepper

Tuttle has now spent a decade at Pepper and he shows no signs of letting up in his attempts to make the non-bank a force to be reckoned with. A \$5bn residential mortgage portfolio acquisition from GE Capital in August can only help with those intentions as it intends to expand into niche segments of the prime market. It remains on the ball in terms of service too, claiming its \$150 guarantee for turnaround times exceeding 48 hours has only been claimed once in the past 12 months.

Who: Michael Smith

What: CEO

Where: ANZ

Smith has now racked up four years in charge at ANZ and the bank shows no signs of surrendering its position among the majors after its recent profit of \$5.36bn. A reduced reliance on offshore wholesale funding and customer funding in excess of 60% means ANZ isn't as exposed to the whimsies of global money markets as some lenders. Plans to grow the bank's Asian business could see profits continue to soar.

Who: Glenn Stevens

What: Governor

Where: Reserve Bank of Australia

Stevens ended the year a popular man after cutting the official cash rate on Melbourne Cup Day in November. The move - regarded by many economists as long overdue - was praised for helping release some of the pressure on stressed homeowners and it is hoped it will help stimulate the economy. The RBA has left the door open to further rate cuts in the coming months, citing the ongoing volatility of the world's financial markets as a potential risk factor.

