

Industry Intelligence Service 12th Edition



For the six month period
1 October 2020 – 31 March 2021



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Insights derived by MFAA based on CoreLogic Data.



CEO's Report

It is with pleasure that we present the twelfth edition of the MFAA's Industry Intelligence Service (IIS) Report. This report covers the six-months from 1 October 2020 to 31 March 2021.

The COVID-19 global pandemic made 2020 the most challenging year faced by Australia for generations. Australia's economy was one of the few that entered 2021 well placed for recovery.

Australia's continued success in keeping virus numbers low during this period, the immediate fiscal and non-fiscal policy responses by the Federal Government to support households and businesses and the swift action by the Reserve Bank and financial regulators to steady financial markets and introduce temporary relief measures in the first half of 2020 contributed to Australia's favourable economic position. Importantly during this period, the Federal Budget was handed down in October 2020 which included further measures to stimulate the economy and the RBA cut the cash rate to an all-time low of 0.1% in November 2020 resulting in a continuing decline in mortgage interest rates.

These measures spurred consumer sentiment and continued to revitalise the domestic residential property market with shifting trends including a significant increase in remote working and a greater demand for regional and rural residential property. Therefore, despite the protracted Victorian lockdown which ended on 30 October 2020, the period between 1 October 2020 to 31 March 2021 was remarkably buoyant for the Australian economy and in particular the residential property market.

During this period, mortgage brokers continued to facilitate more than half of all new residential mortgages, recording their second highest March Quarter at 57.5% of all residential home loans in 2021.

This result was indicative of a strong performance across the board from the nation's mortgage brokers throughout the six-month period, as the average number of applications lodged per active broker jumped from 21.4 to 22.5, while the national average value of home loans settled per broker rose to its highest value since IIS records began at \$8.2 million.

The broking industry population continued to grow, recording its second consecutive period of growth since September 2018, with an additional 478 brokers compared to the previous six months, reaching 16,968 mortgage brokers in March 2021.

The national broker residential loan book grew by a further 6.3% compared to the same period a year ago. While average trail commission increased by 7.84% compared to the previous year, up-front commissions grew by a significant 19.93%, reaching \$94,096 for the period, combining to achieve a healthy national average combined remuneration per broker of \$161,894.

Overall, the period between October 2020 to March 2021 although challenging at times was a positive time for the performance of the mortgage broking industry as a whole and for the greater majority of the individual brokers.

Regards,

Mike Felton
MFAA CEO

Executive summary

This latest Industry Intelligence Service (IIS) Report, 12th edn., provides broker and industry performance and demographic data for the six-month period from 1 October 2020 to 31 March 2021, as well as data from recent quarterly periods.

This report draws on data supplied by 12 of the industry's leading aggregators.

During this period, the broker channel again facilitated more than half of all new residential mortgages at 57.5% at the end of the March 2021, further cementing the broker channel as the channel of choice for consumers.

The broker channel settled \$122.81 billion in residential home loans for the six-month period, the highest value recorded for any period since the MFAA commenced reporting in 2015, up 24.4% year-on-year.

The aggregate value of brokers' home loan books grew by 6.3% year-on-year, to \$766.89 billion. At a state level, most states grew their total loan books led by Victoria and Tasmania which grew 8.8% and 23.5% respectively year-on-year, while Western Australia remained flat, and the Northern Territory fell by 2.3%.

The average value of loans settled per broker for the six months to 31 March 2021 is the highest value observed to date, exceeding \$7 million for the first time at \$7,237,709. This continues a significant year-on-year and period-on-period increase, and suggests that brokers are settling higher value loans, which in turn has significantly increased the national average.

For the third consecutive six-month period since March 2018, the total number of home loan applications lodged has exceeded 300,000, with ~364,000 applications lodged between October 2020 and March 2021 – the highest total observed to date.

Year-on-year, the number of applications increased by 21.12% overall. Also, year-on-year, at an individual mortgage broker level, the average number of applications lodged per active broker or 85% of all mortgage brokers grew from 19.6 to 22.5.

The conversion rate of applications to settlement jumped for the first time in two years, growing by 3.5 percentage points 6 months ended March 2020 compared to the current half, and increasing 3.1 percentage points period-on-period.

Year-on-year, the number of brokers increased by 579, while period-on-period there was an increase of 478 brokers. When comparing population changes to settled value changes, year-on-year broker numbers at a national level increased by 3.5%.

National average total broker remuneration year-on-year, it has grown to \$161,894 in the current period from \$141,329 in October-March 2020, a significant increase of 14.55%. This is the highest result since the report has tracked this dataset. Period-on-period, this result also represents strong growth of 6.67%, or an increase of \$10,122 from \$151,772, which is largely attributed to strong up-front commission results.

Between October 2020 and March 2021, broker originated loans settled with the major banks fell in two consecutive quarters covering the report period. The majors' share decreased by a material 4.9 percentage points between January and March 2021, the largest decline observed in a quarter by any segment to date.

This was driven by growth in broker originated loans settled with other lenders including credit unions, building societies, mutuals and non-bank lenders along with white label products.

The numbers of mortgage brokers also writing commercial and equipment loans has recorded an uptick period-on-period from 4,539 to 4,727 between October 2020 and March 2021 or 188 new writers. The value of settled commercial lending rose to its highest level yet surpassing \$10 billion for the first time in IIS history to reach \$10.27 billion.

With thanks to the contributors

Information for this edition of the MFAA's leading market intelligence resource for brokers, the Industry Intelligence Service Report, was provided by leading aggregators, including:



Industry snapshot

Industry Intelligence Service (IIS) Report – 12th edition, October – March 2021

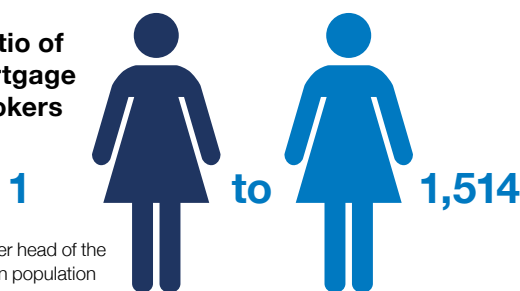
Population of mortgage brokers

16,490
Up to
16,968
Oct20–Mar21



Ratio of mortgage brokers

Brokers per head of the Australian population



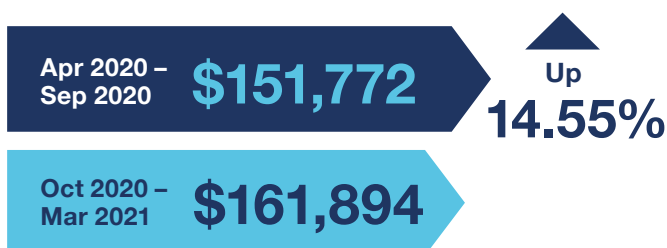
Compared to 1 broker per 1,557 Australians in Oct19–Mar20

Total value of loans settled

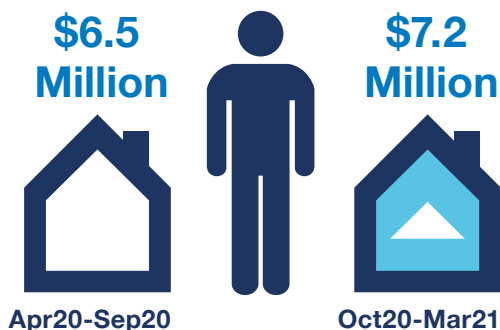


24.4%
Compared to the Oct19 – Mar20 period

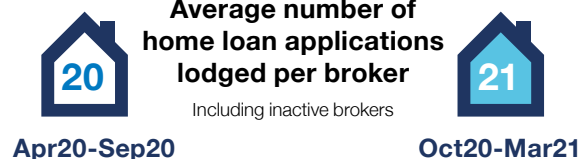
Average gross annual earnings



Average value of home loans settled per broker



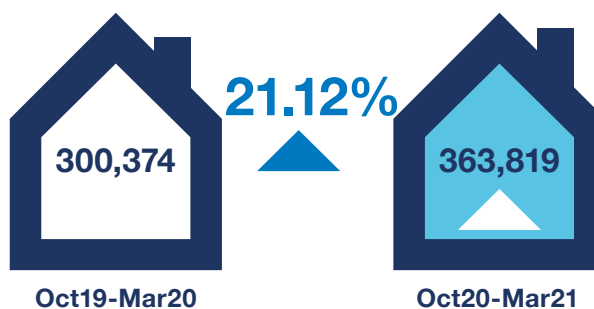
Average number of home loan applications lodged per broker



Share of lenders other than the Majors and their affiliates



Total number of home loans lodged



Proportion of mortgage brokers also writing commercial loans



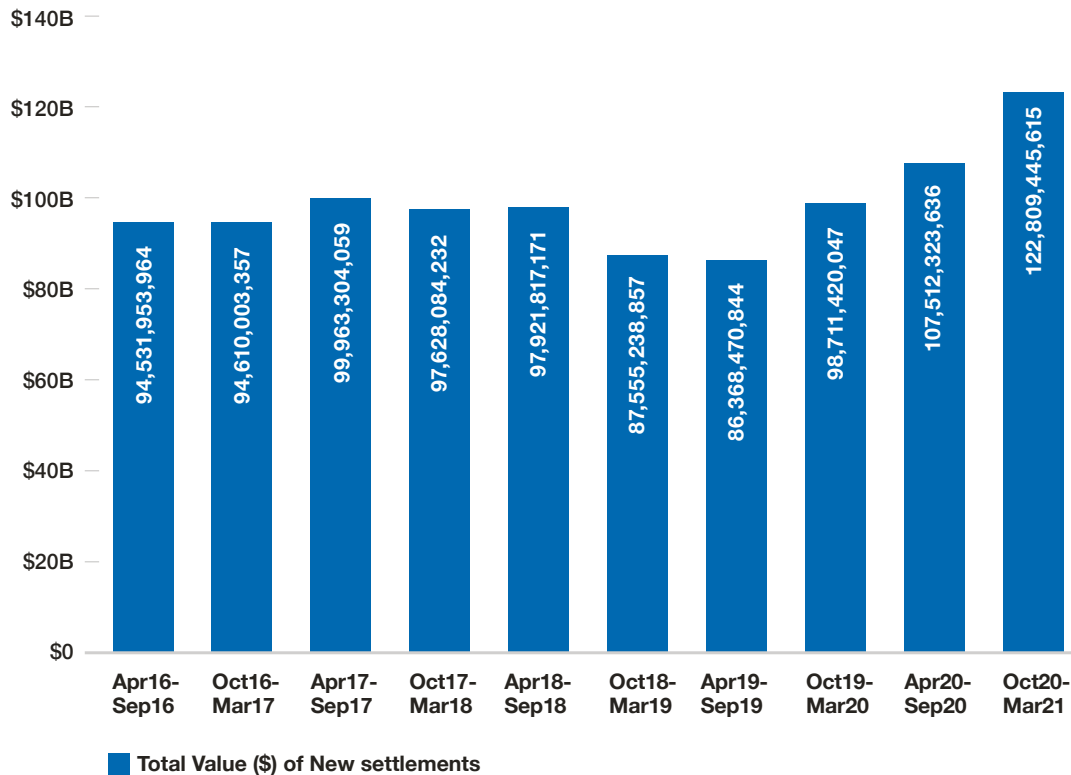
Average value of the home loan portfolio per broker



The MFAA's Industry Intelligence Service (IIS) Report is compiled by comparator, a CoreLogic business.

The last twelve-month period has seen a 24.4% increase in home loan settlements for the mortgage broking sector.

Value of home loans settled by brokers, per six-month period (\$)

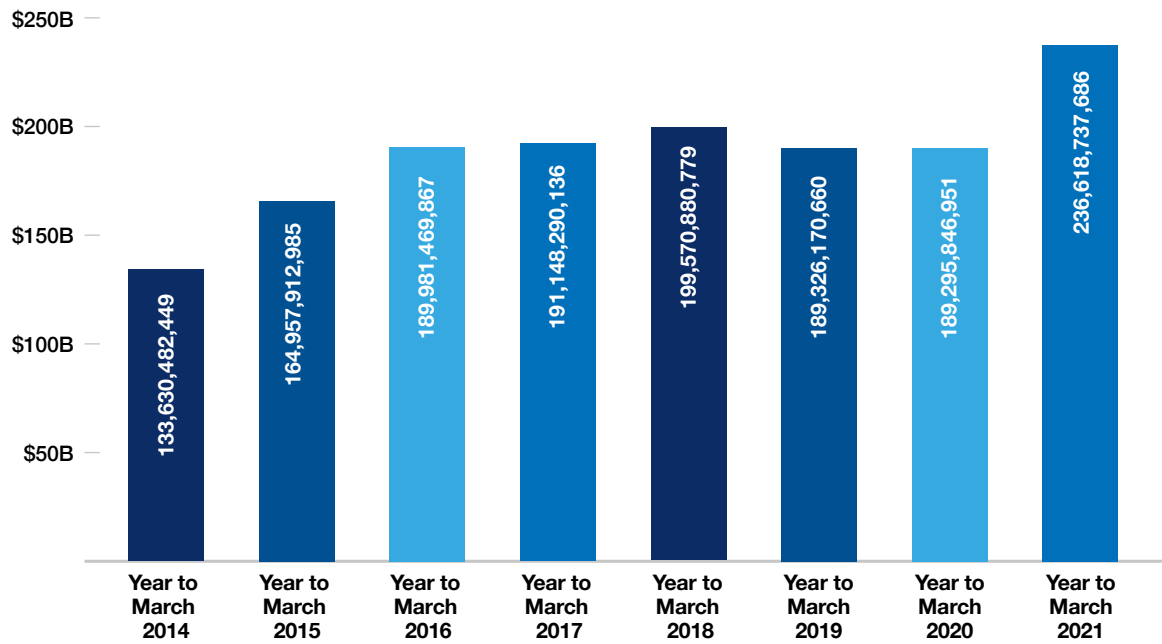


Note: There is data from one less aggregator in the six most recent six-month periods from October 2017 to September 2020 period compared to previous periods. It is estimated that this impact is in our view only marginal.

Mortgage brokers settled \$122.81 billion in residential home loans for the six-month period from October 2020 – March 2021. This represents the largest year-on-year increase, \$24.10 billion or 24.41% in new loan settlements, and is the highest six-month value recorded since the report has been issued, with settlements exceeding \$120 billion for the first time.

The substantial increase in the value of home loan settlements over the last six-month period continues to be driven by a combination of increased refinancing activity and first home buyers in the market taking advantage of record-low interest rates, as the continuing impact of COVID-19 did not dampen market activity during this period.

**Value of new home loans settled by brokers, per year (\$)
12 months to the end of March**



Source: MFAA Quarterly Survey

Note: IIS 11th edition compares the value of home loans settled by brokers for the year-ending periods up to 30 September 2020; whereas this 12th edition compares year-ending periods up to 31 March 2021.

In the twelve months to 31 March 2021, brokers settled a record \$236.62 billion in home loans – a staggering increase of \$47.32 billion or 25.00% growth when compared year-on-year.

It is the highest value of new home loan settlements observed over a 12-month period to date and is the first-time settlements have exceeded \$230 billion.

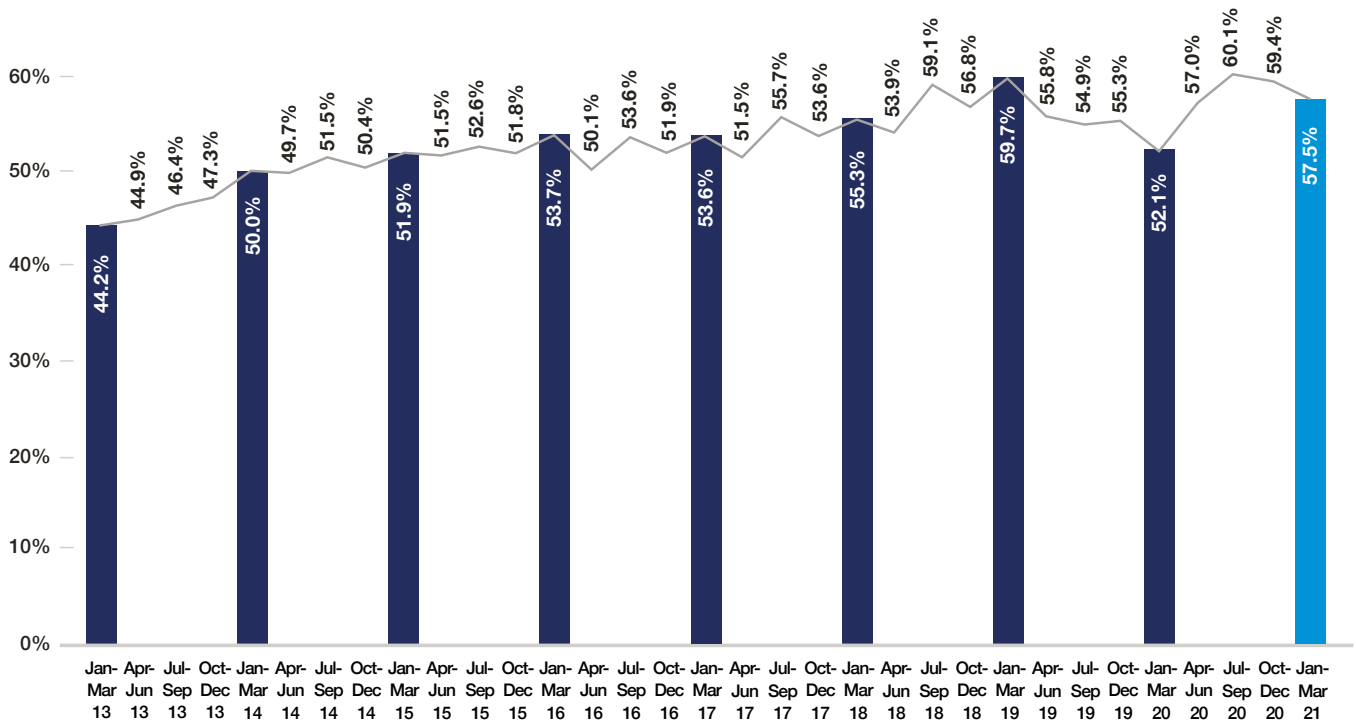
MFAA's Quarterly Survey of brokers and aggregators

The March 2021 quarter saw brokers' market share of all new residential home loan settlements grow to the second highest share for a March quarter at 57.5%.

Quarterly Survey of Brokers: Market share of home loans settled by brokers (%)

MFAA's Quarterly Survey of brokers

Market share of new residential home loans settled by mortgage brokers as % of ABS Housing Finance Commitments/Lending to Households

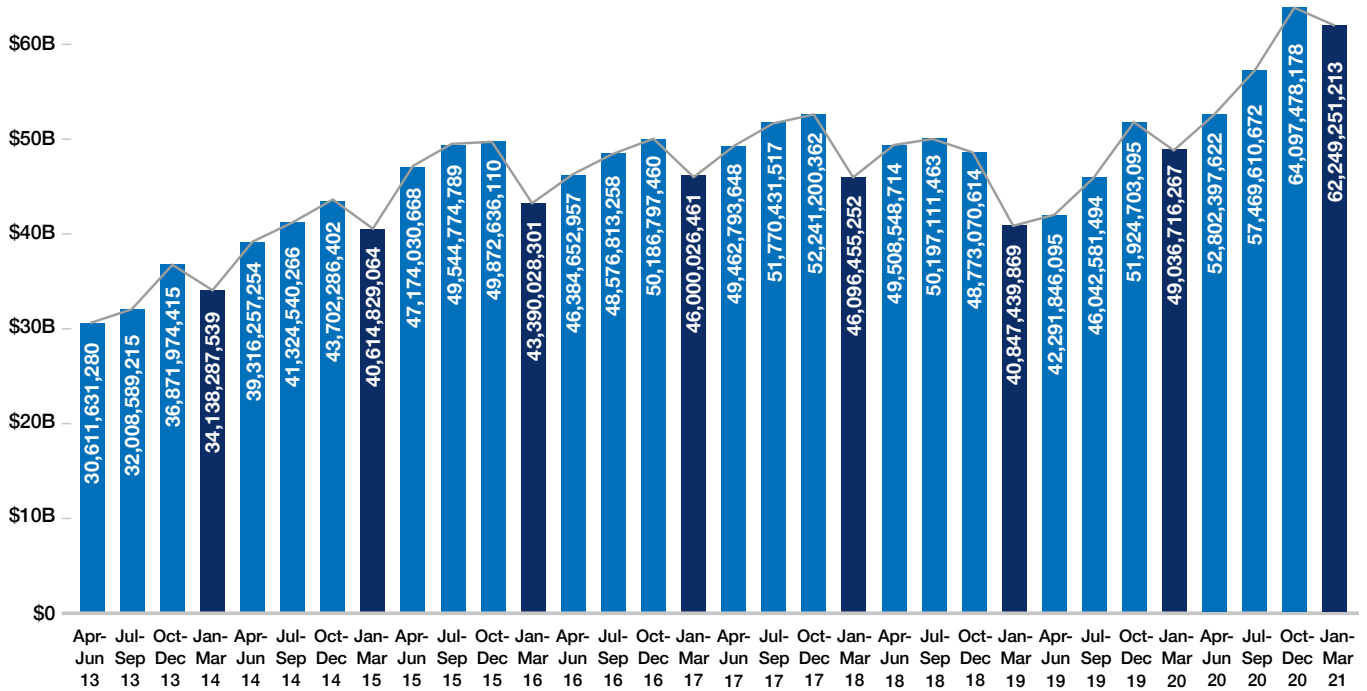


Note: The Quarterly Survey draws on data from 13 aggregators, whilst the IIS draws on data from 12 aggregators.

The March 2021 quarter saw brokers' market share of all new residential home loan settlements grow to the second highest share for a March quarter at 57.5%.

Year-on-year, comparing to the March 2020 quarter, broker market share grew by 5.4 percentage points, the largest year-on-year increase observed.

Quarterly Survey of Brokers: Value of home loans settled by mortgage brokers (\$)



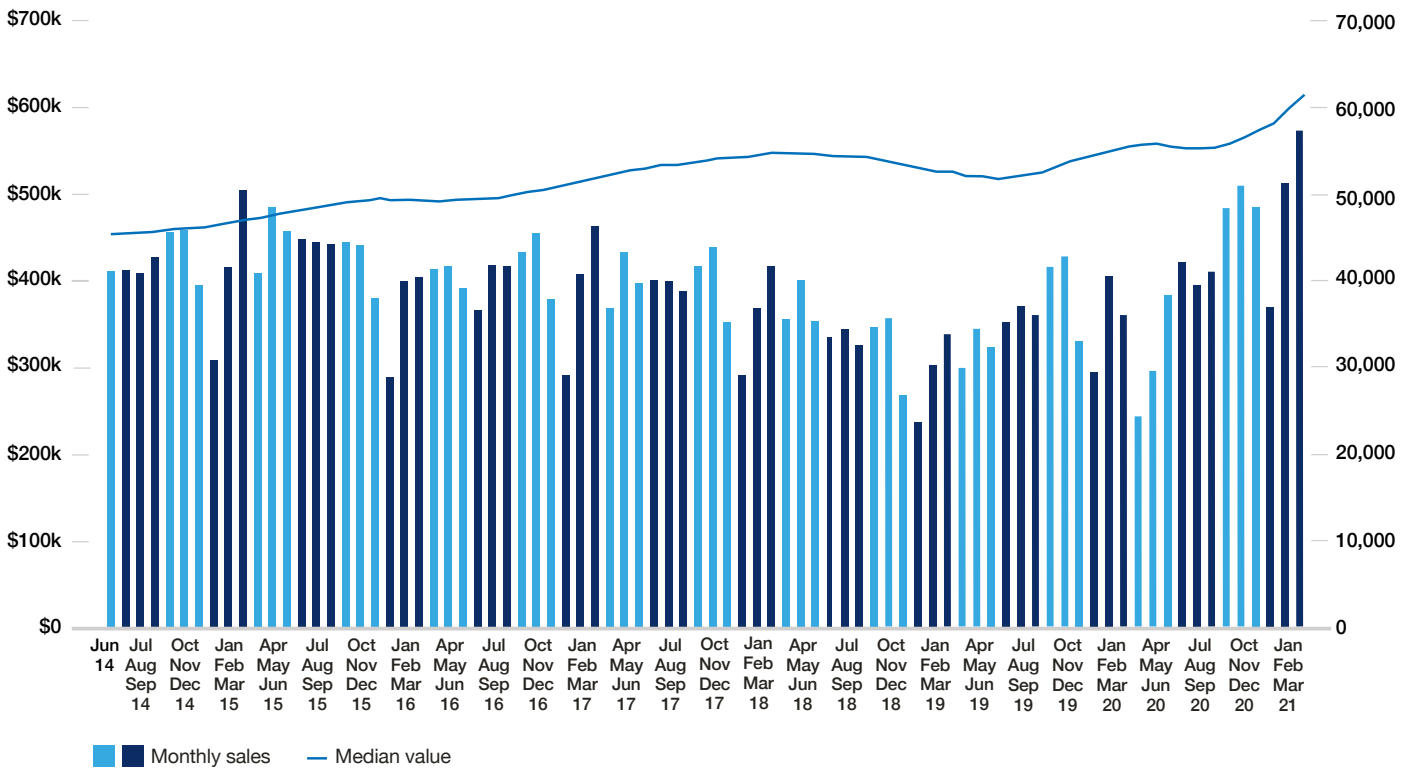
Note: The Quarterly Survey draws on data from 13 aggregators, whilst the IIS draws on data from 12 aggregators.

In the March 2021 quarter, \$62.25 billion in new loan settlements were recorded, overwhelmingly the largest observed for a March quarter to date, and the second highest value observed for any quarter to date. Comparing year-on-year, it represents an increase of \$13.21bn or 26.94% to the \$49.037 billion in March 2020, the largest year-on-year increase observed.

Comparator insights: The value of new home loan settlements by brokers in 2020 and early 2021 continue to show strong uplifts quarter-on-quarter through to March 2021, which has been mirrored by strong growth in market share for the broker industry in comparison. This was highlighted in March 2021 quarter by reaching the highest value of settlements observed for a March quarter to date.

With interest rates continuing at the record lows and assistance from government stimulus programs in response to COVID-19 pandemic, the housing market continues to outperform.

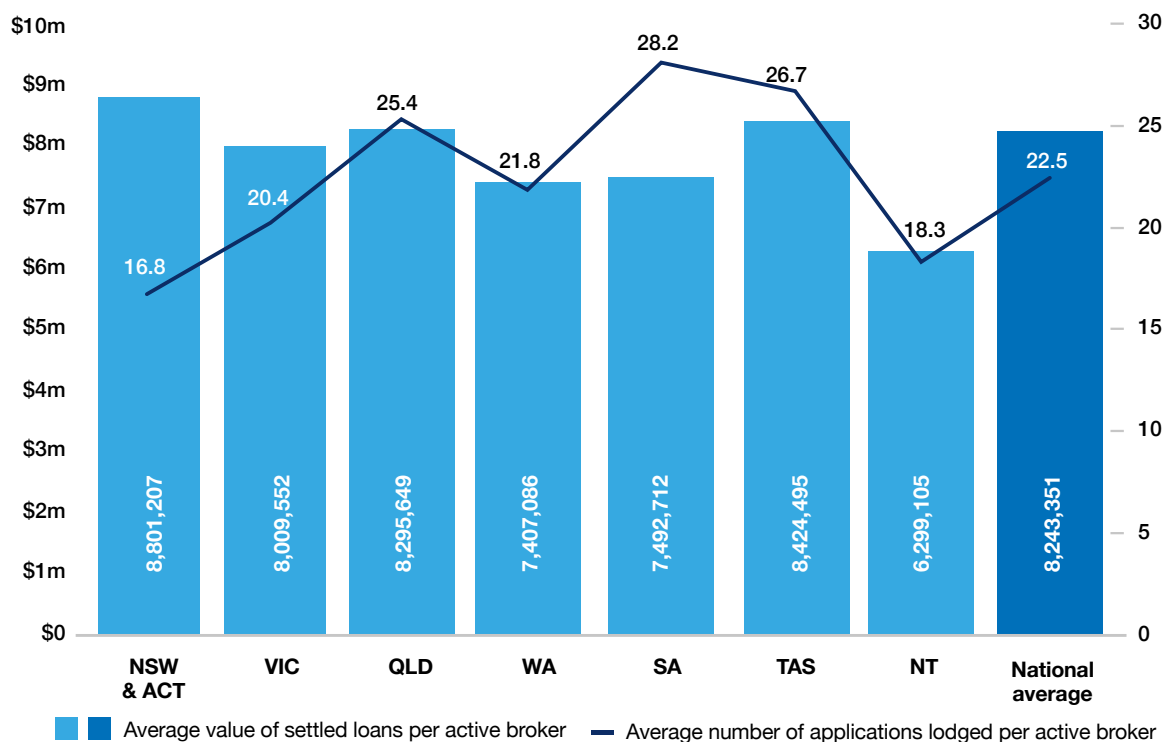
Residential Property: Median Values and Total Sales – National



Comparator insights: National median dwelling values have reached a record high, breaking through the \$600,000 mark for the first time since this metric has been tracked.

Similarly, sales volumes have also reached record highs in March 2021, with volumes exceeding 55,000 in March 2021 for the first time. February and March 2021 saw two consecutive months of record highs observed for the first time, further highlighting the record growth observed in the industry in Q1 2021.

Average value of settled home loans by state (\$) and average number of applications lodged per active broker from 1 October 2020 to 31 March 2021



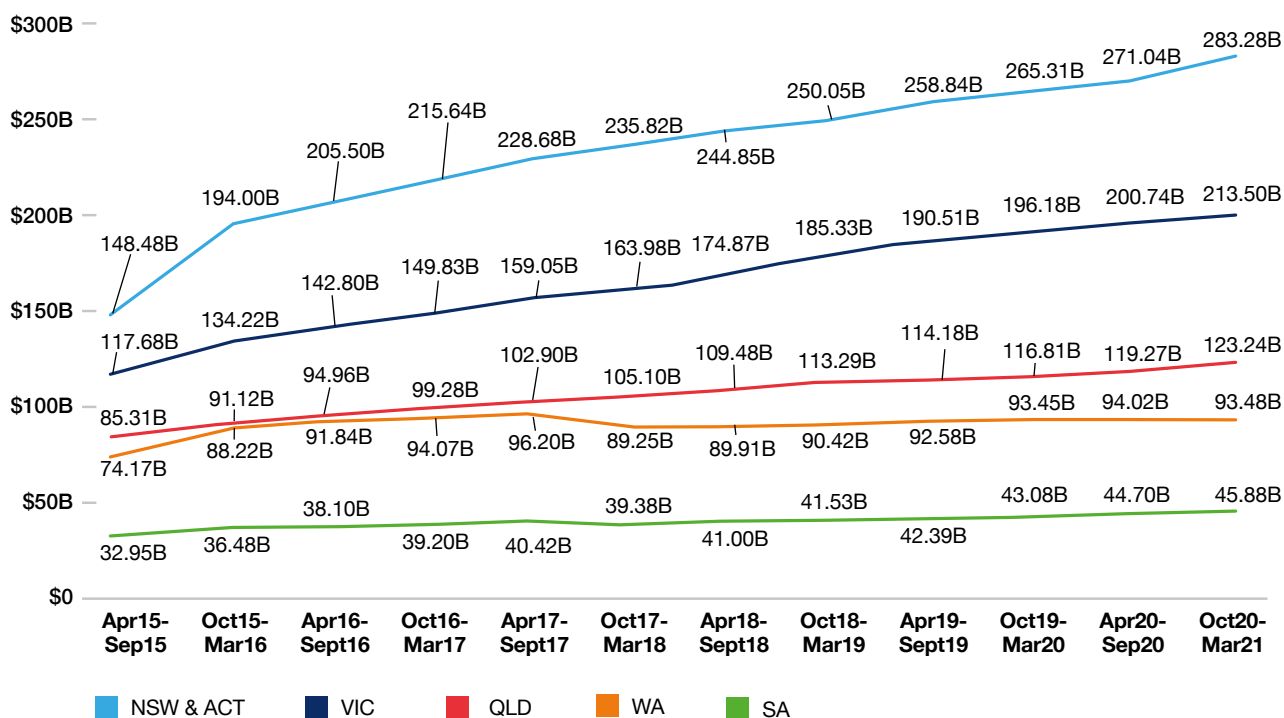
Nationally, the number of applications lodged per active broker has grown from 21.4 to 22.5 year-on-year, with the value of settled loans increasing from \$6.88 million to \$8.24 million.

At the state and territory level, year-on-year, all states grew significantly. New South Wales and ACT increased from 15.0 to 16.8, Victoria from 19.3 to 20.4, Western Australia from 15.5 to 21.8, Queensland from 20.8 to 25.4, and South Australia from 24.5 to 28.2 applications.

Tasmania increased the average number of loan applications from 24.5 to 26.7, whilst the Northern Territory increased from 12.2 to 18.3.

All states recorded growth year-on-year in the average value of settlements, with notable increases in Queensland from \$6.41m to \$8.30m, WA from \$4.96m to \$7.41m, New South Wales and ACT from \$7.45m to \$8.80m. Victoria recorded the weakest increase amongst all the major states and territories with growth from \$7.46m to \$8.01m, with the impact of multiple lockdowns during the last six months being a contributory factor.

Total value (\$) of broker loan books, per state



New South Wales and ACT continues to have the largest broker loan book at \$283.28 billion in value or 36.94% share of the overall national home loan portfolio. As at the end of March 2021, this represented an increase of 4.5% or \$12.24 billion compared to the previous six-month period.

Victoria has the second largest loan book at \$213.50 billion or 27.84% share of the national total. Its loan book value increased by 6.4% or \$12.76 billion.

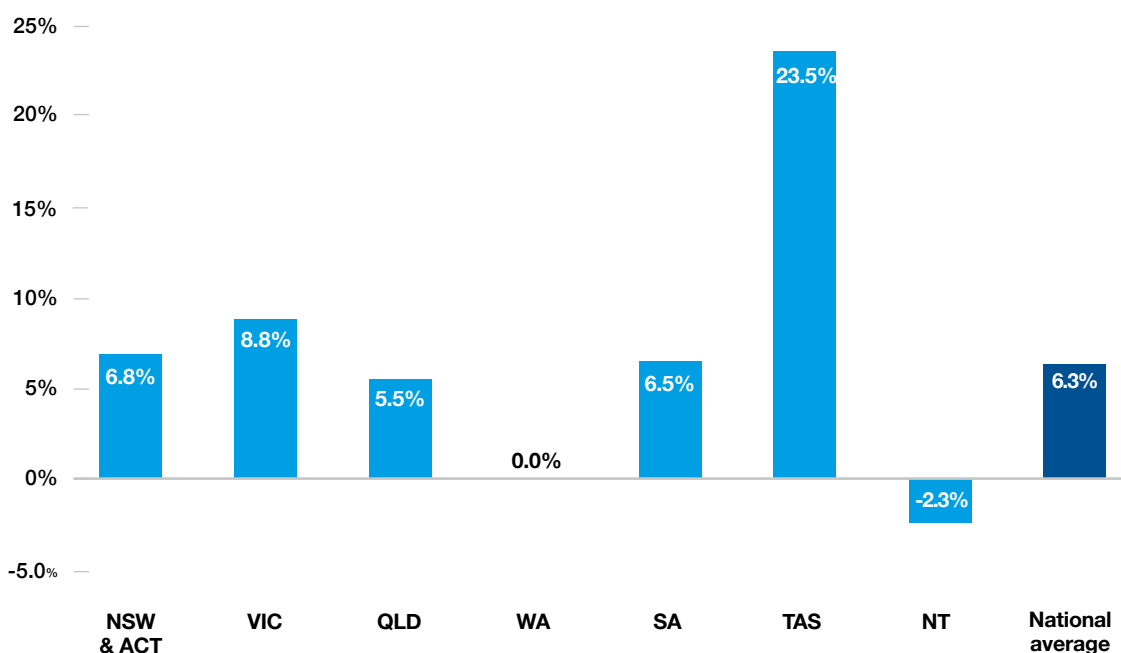
Queensland recorded milder growth, with its loan book increasing by \$3.97 billion or 3.3% to \$123.24 billion.

Western Australia was mildly negative at -0.6% with its book value currently at \$93.48 billion.

South Australia's loan book recorded an increase of 2.6% or \$1.18 billion period-on-period, with a loan book value of \$45.88 billion.

At a national level, the aggregate value of broker home loan books grew by 6.3% year-on-year to March 2021.

Change in the value of broker loan books, from March 2020 – March 2021



Note: The data used is from 10 aggregator participants that consistently provided the data for the same periods.

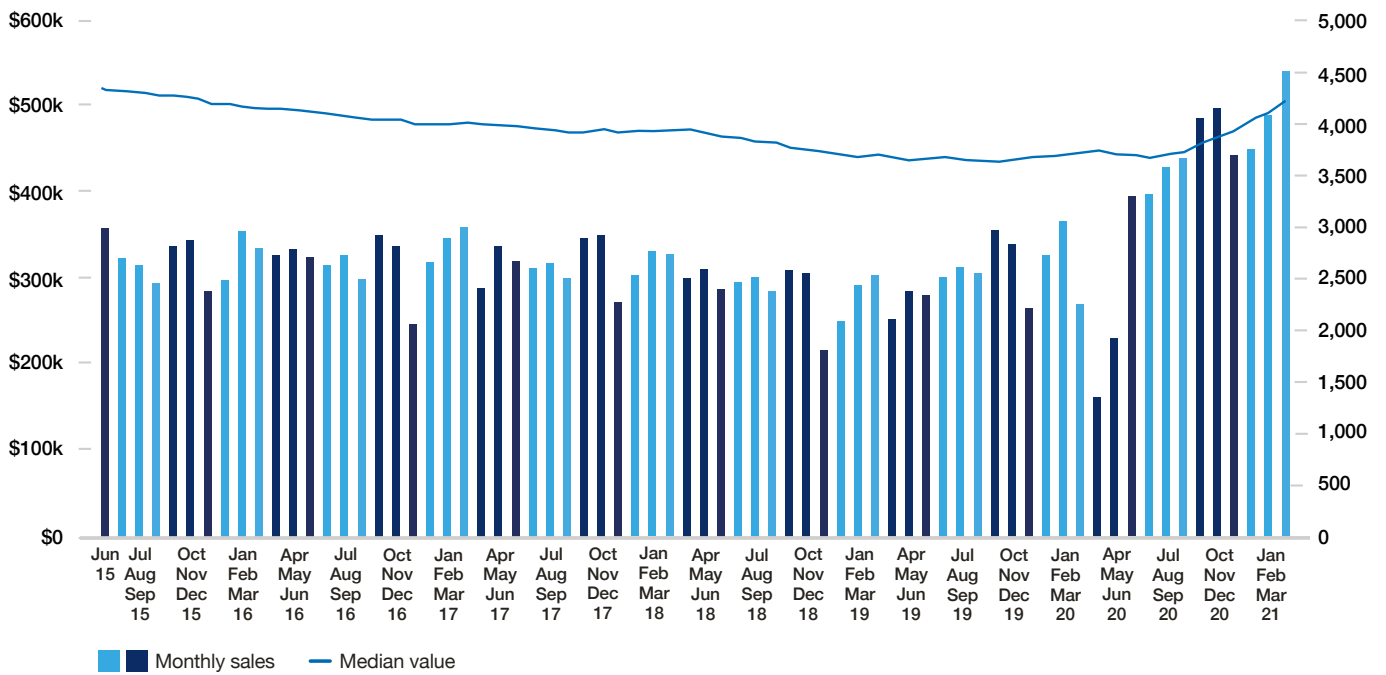
At a national level, brokers' total loan books grew year-on-year to March 2021, with an increase of 6.3% to \$766.89 billion, stronger than last year's growth rate of 5.0%.

At the state level, New South Wales and ACT recorded a 6.8% increase (currently valued at \$283.28 billion). Victoria recorded higher growth figures with an increase of 8.8% (at \$213.50 billion). South Australia experienced similar growth to NSW with an uplift of 6.5%.

Queensland recorded increases of 5.5%, whilst Western Australia was flat.

Tasmania had the highest growth at 23.5%, whilst Northern Territory recorded a decline of 2.3%, although both were from a smaller base.

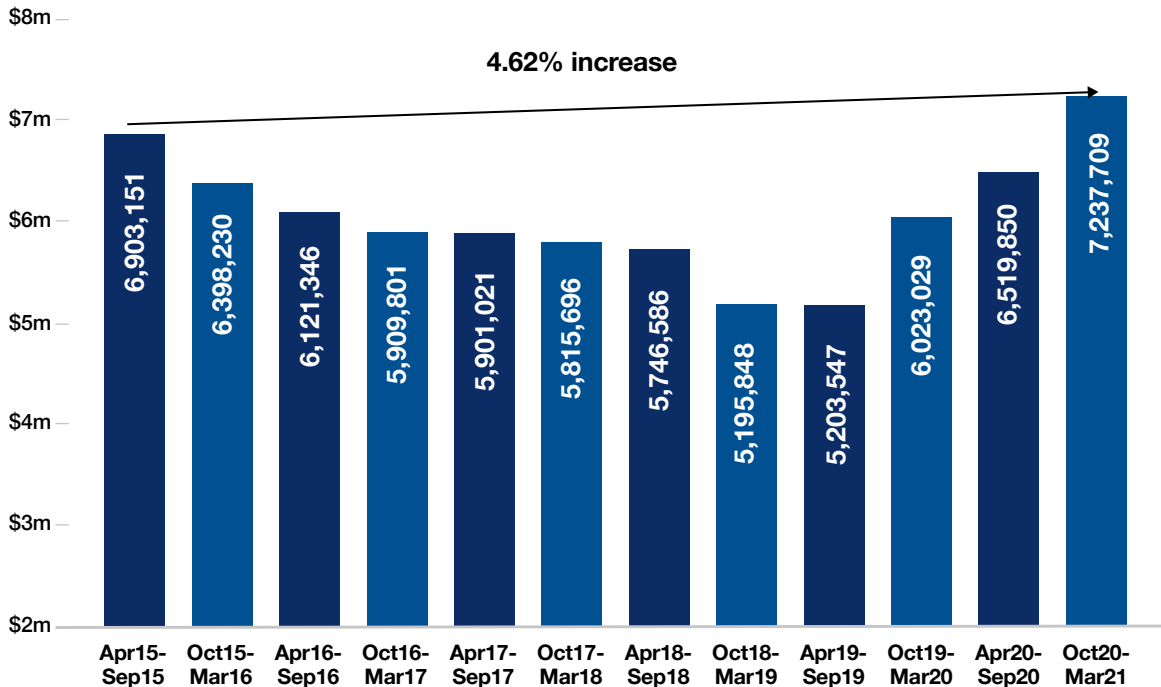
Capital Cities Median Property Values and Monthly Sales – Greater Perth Area



Comparator insights: Median property values across Greater Perth have seen strong and consistent growth over the last six months to exceed \$500,000 with similar values observed six years ago halting a gradual decline dating back to 2015. The uplift with values increasing to levels similar to March 2020. Year-on-year, 2020 has seen a turn in the declining trend, replaced by a gradual recovery in median values, which had started after the trough in September 2019. This has been buoyed by strong sales volumes which have recovered from the historic low in March 2020, to record highs over the last four months from June – September 2020. This shows a strong indication of recovery and positive growth in what has been a very tough market in the past.

The average value of loans settled per broker reached a record high exceeding \$7 million for the first time and continuing a significant year-on-year and period-on-period growth.

National average value of new home loans settled per broker



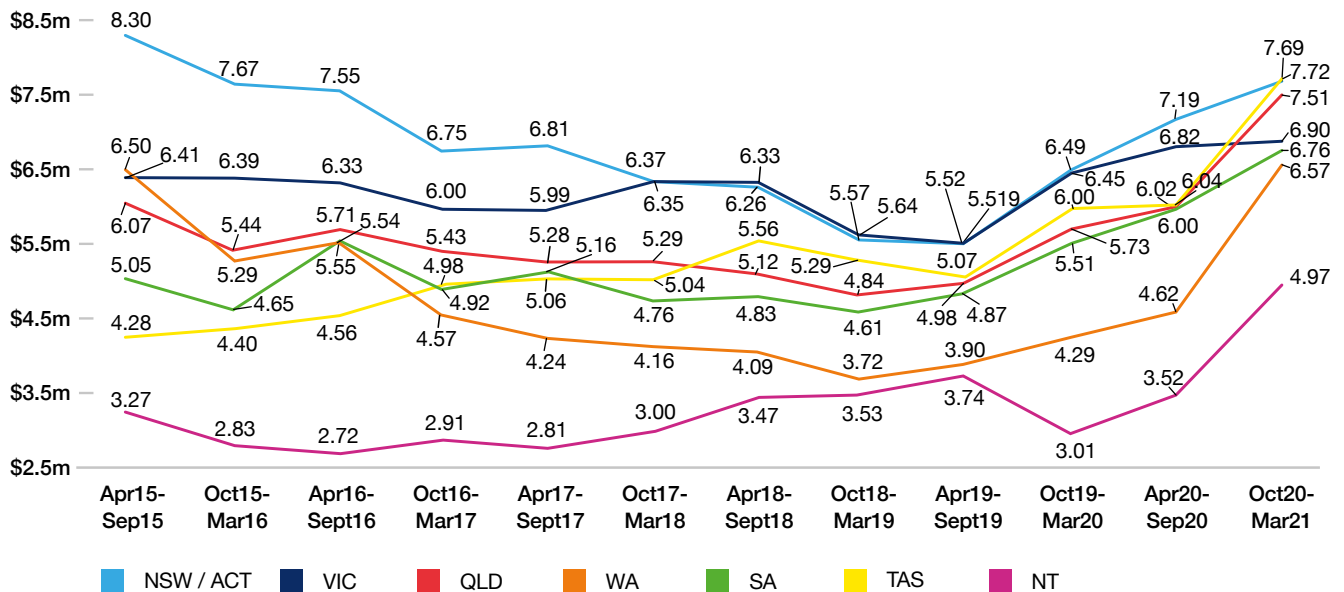
Note: There is data from one less aggregator included in the six most recent six-month periods from October 2017 to March 2018 compared to previous periods. It is estimated that this impact is only marginal though, and not material.

The average value of loans settled per broker for the six months to 31 March 2021 is the highest value observed to date, exceeding \$7 million for the first time at \$7,237,709. This continues a significant year-on-year and period-on-period increase, and suggests that brokers are settling higher value loans, which in turn has significantly increased the national average.

For a state-by-state indicator, refer to the corresponding IIS Report, 12th edition, 'Benchmark Your Business section' beginning on page 59.

The average value of loans settled per broker recorded significant period-on-period growth across all states.

Average value of home loans settled per mortgage broker in each state



Note: Data-sets at the state level do not always reconcile exactly to national figures. This is because of slight variations in some aggregators' data extracts at the state level. They are not a material cause for concern.

Period-on-period, the average value of new loans settled per broker recorded significant growth across all states except Victoria which recorded a mild increase.

New South Wales and ACT has grown by \$505,453 or 7.03%, from \$7.19 million to \$7.69 million. Over the same period, Victoria has seen the average value increase by \$74,285 or 1.09%.

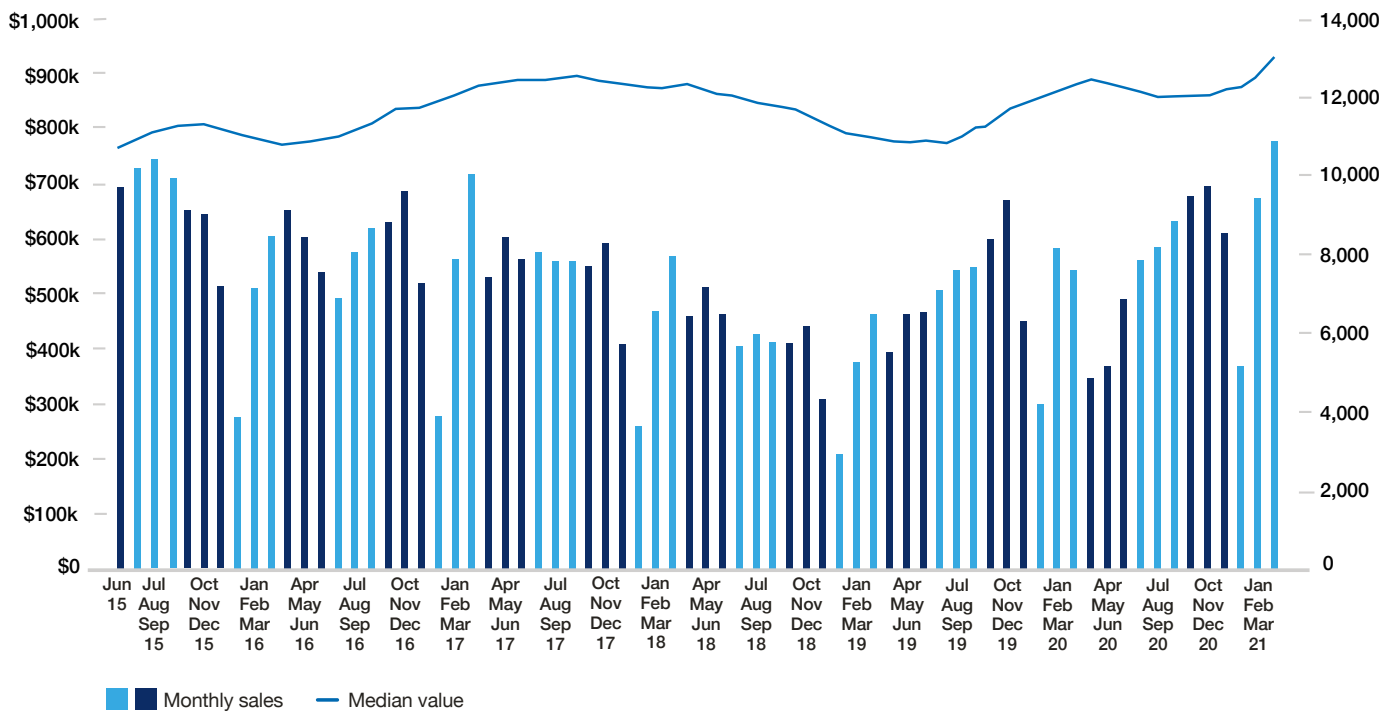
Queensland recorded an increase of \$1,486,955 or 24.70% over the period. Western Australia's average value grew by \$1,952,123 or 42.27% in comparison, whilst South Australia increased by \$763,028 or 12.72%.

Tasmania increased by \$1,672,125 or 27.66%, converging to similar values with New South Wales and ACT at ~\$7.7 million over the last six months.

Northern Territory also recorded double-digit growth, with a \$1,448,605 or 41.18% increase, from a smaller base.

Comparator insights: Throughout 2020 and in particular the last six months, values and volume of sales have increased by record levels nationwide and across most states, as shown in brokers' new home loan settlements particularly in Q1 2021 providing further evidence of the strengthening housing market.

Capital Cities Median Property Values and Monthly Sales – Greater Sydney Area



Comparator insights: Over the last six months, the median value of home loans settled per mortgage broker in New South Wales and ACT has shown consistent growth exceeding \$900,000 for the first time. Sales volumes have seen a similar seasonal trend observed last year, however March 2021 has seen volumes reach a record high at just below 11,000 per month.

The total number of applications lodged has reached record highs across the major states.

Number of loan applications lodged by state and nationally

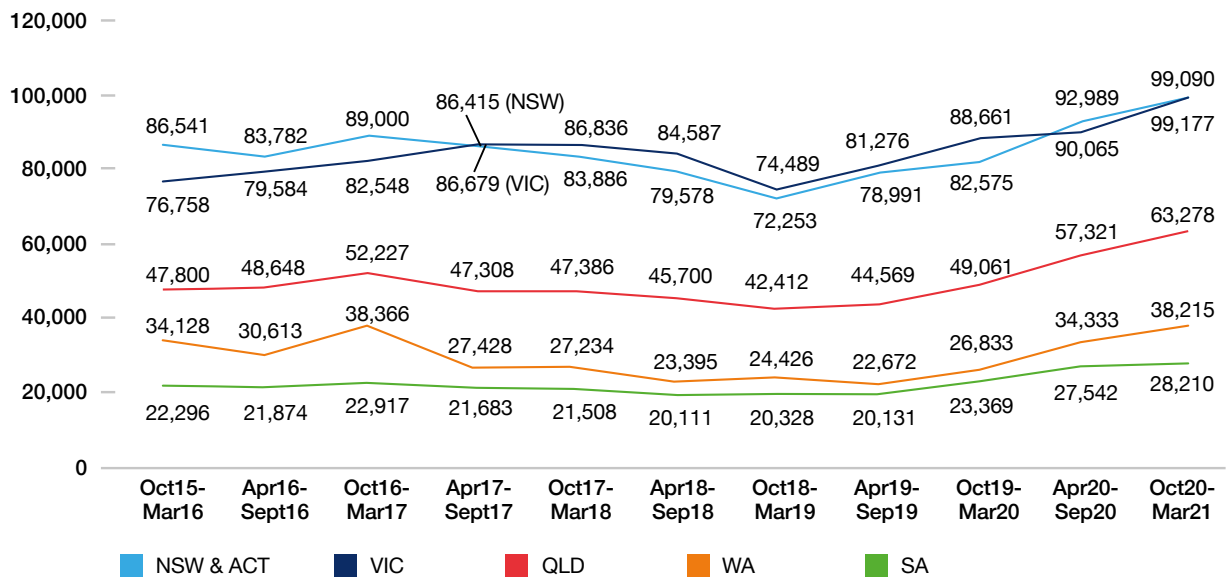
Number of new home loan applications	Oct15-Mar16	Apr16-Sep16	Oct16-Mar17	Apr17-Sep17	Oct17-Mar18	Apr18-Sep18	Oct18-Mar19	Apr19-Sep19	Oct19-Mar20	Apr20-Sep20	Oct20-Mar21
NSW & ACT	86,541	83,782	89,000	86,415	83,886	79,578	72,253	78,991	82,575	92,989	99,090
VIC	76,758	79,584	82,548	86,679	86,836	84,587	74,489	81,276	88,661	90,065	99,177
QLD	47,800	48,648	52,227	47,308	47,386	45,700	42,412	44,569	49,061	57,321	63,278
WA	34,128	30,613	38,366	27,428	27,234	23,395	24,426	22,672	26,833	34,333	38,215
SA	22,296	21,874	22,917	21,683	21,508	20,111	20,328	20,131	23,369	27,542	28,210
TAS	1,640	1,769	1,680	1,935	2,225	2,554	2,425	2,775	3,092	3,903	3,447
NT	1,125	818	998	818	855	705	648	659	623	873	858
Total number of applications	290,879	317,651	303,303	303,058	300,828	284,830	260,544	275,081	300,374	333,830	363,819
Total number of Brokers	14,379	15,443	16,009	16,940	16,787	17,040	16,851	16,598	16,389	16,490	16,968

Note: Nine aggregators provide data for loan applications at the state level, so sub-totals for the states do not reconcile to the overall total.

The total number of home loan applications lodged has exceeded 360,000 for the first time, with 363,819 applications lodged between October 2020 – March 2021, the highest total for a report period observed to date.

Year-on-year, this represented a significant increase of 63,445 or 21.12%, the largest year-on-year growth observed and providing indication of the strength of the market. Period-on-period, this represented an increase of 29,989 applications or 8.98% growth. Volume of applications continues to provide a strong leading indicator for settlement figures for the next reporting period.

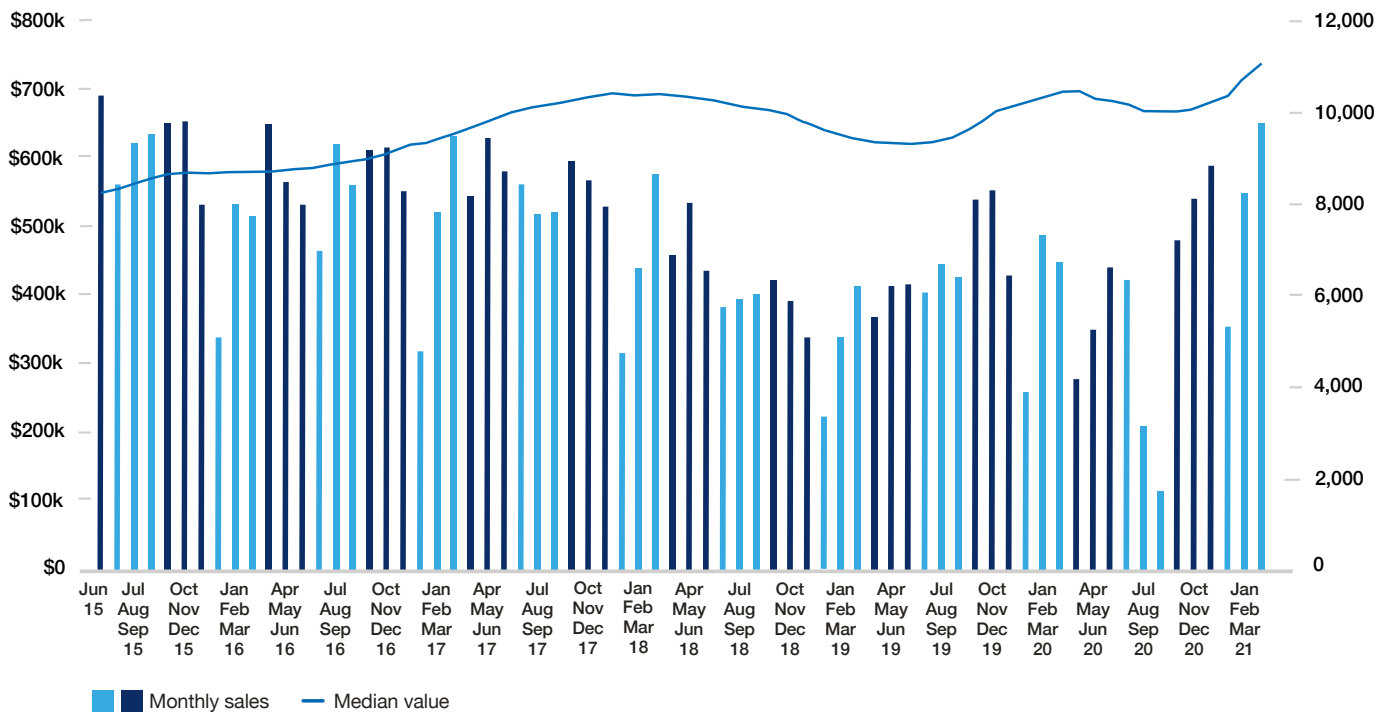
Number of home loan applications by state



Note: Data for the Northern Territory and Tasmania has been excluded from this analysis due to the scale of the Y-axis labelling.

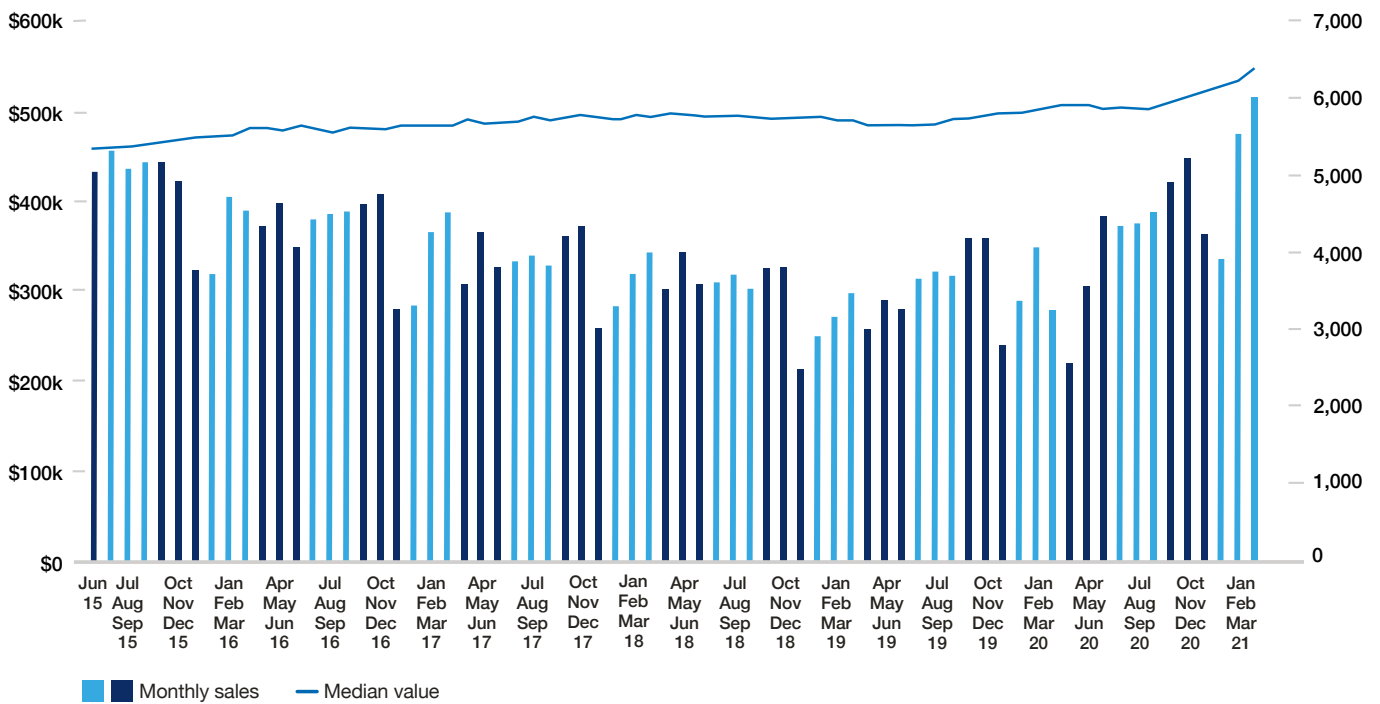
Comparing the above chart period-on-period, all major states of New South Wales and ACT, Victoria, Queensland, Western Australia and South Australia continue to record an increase in the number of home loan applications.

Capital Cities Median Property Values and Monthly Sales – Greater Melbourne Area



Comparator insights: The Greater Melbourne area has also mirrored the trend observed in Greater Sydney showing a consistent growth in median value over the last six months exceeding \$700,000 for the first time. Monthly sales volumes have seen volatility with declines in September 2020 and January 2021 culminating in the low volumes impacted by Victoria's lockdown periods. February and March 2021 have seen volumes recover to levels last seen four years ago in March 2017.

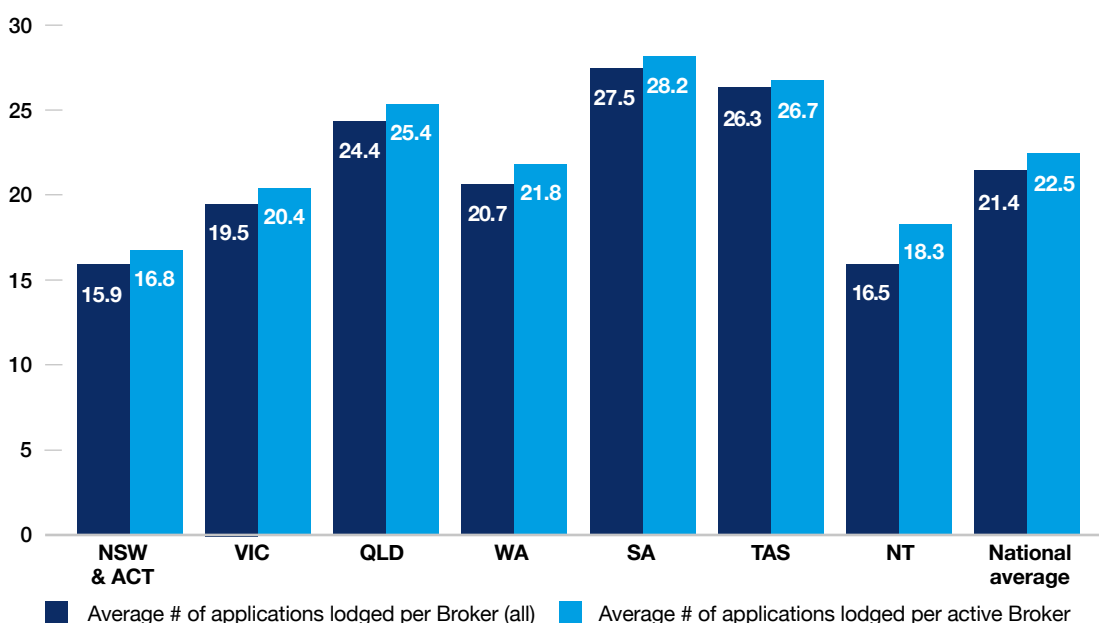
Capital Cities Median Property Values and Monthly Sales – Greater Brisbane Area



Comparator insights: Up until September 2020, Greater Brisbane’s median house price had been flat with this consistent trend spanning back historically over the last five years. However, the last six months, from October 2020 – March 2021, has seen a clear and significant uplift month-on-month with median values peaking in March at \$550,000, the highest median value observed.

Sales volumes for the greater Brisbane area have seen record highs notably in February and March 2021, with volumes exceeding 6000 for the first time in March after the seasonal declines observed in December and January.

Average number of home loan applications lodged per broker vs. average number of home loan applications lodged per active broker, October 2020 – March 2021



Number of Applications	Oct15-Mar16	Apr16-Sep16	Oct16-Mar17	Apr17-Sep17	Oct17-Mar18	Apr18-Sep18	Oct18-Mar19	Apr19-Sep19	Oct19-Mar20	Apr20-Sep20	Oct20-Mar21
Average number of applications lodged per broker	20.2	20.6	18.9	17.9	17.9	16.7	15.5	17.1	18.3	20.2	21.4

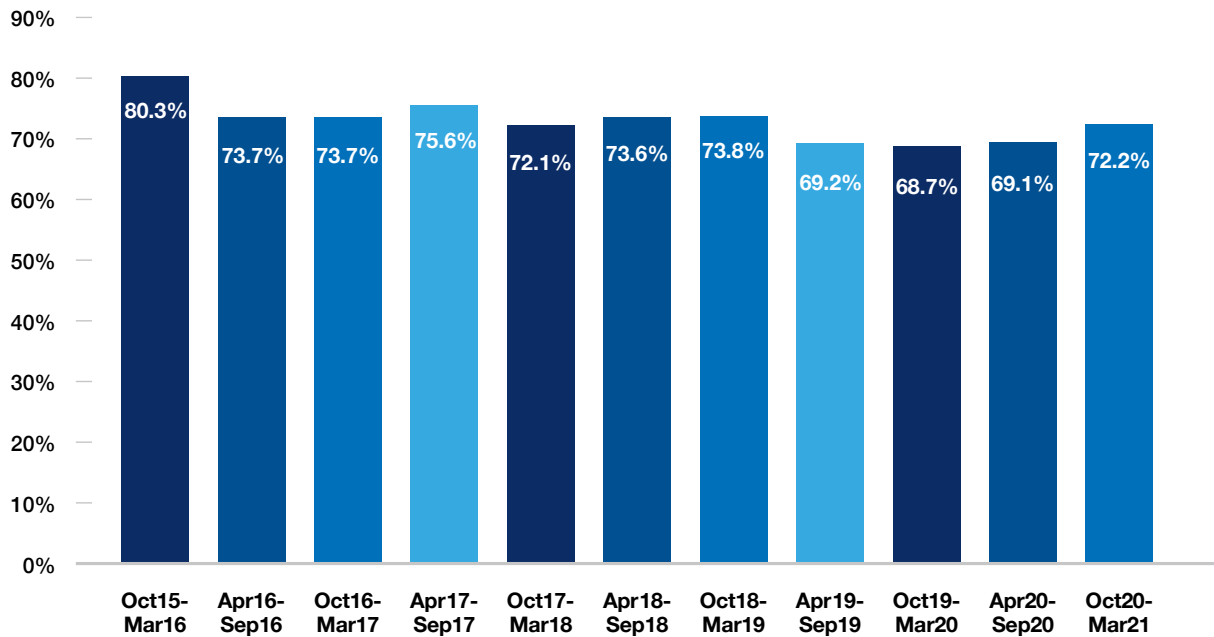
Note: Inactive brokers – Those who had not settled a loan for the six-month period – represent 15% of the total broker population. Therefore, it was important to account for inactive brokers to better illustrate the average rates of productivity for the majority of brokers.

Comparing October 2020-March 2021 to the previous 12 months, at a national level, the average number of applications lodged per active broker increased from 19.6 to 22.5, whilst the average number of applications lodged for all brokers grew from 18.3 to 21.4.

Period-on-period, from April-September 2020 compared to October 2020-March 2021, the average number of applications lodged by all brokers increased from 20.2 to 21.4, whilst the average number of applications lodged by active brokers grew from 21.4 to 22.5.

The conversion rate of home loan applications to settlements grew YoY by 3.5% to 72.2%.

Conversion rates by brokers



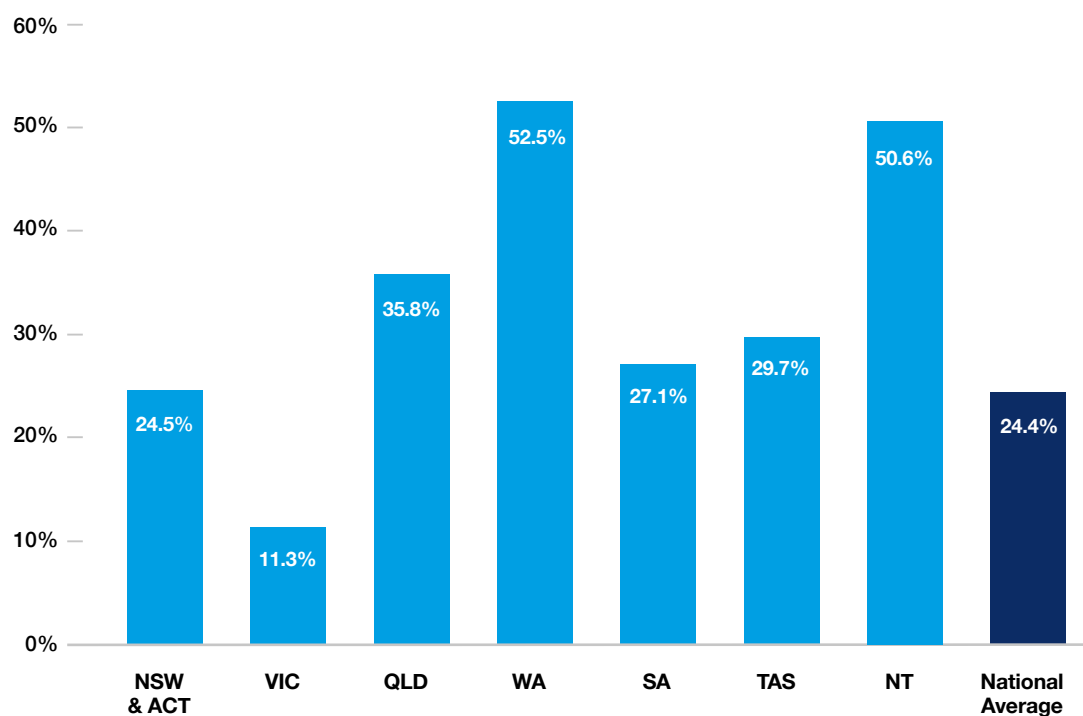
Note: The conversion rate of home loan applications to settlements increased significantly to 72.2%.

The conversion rate is calculated based on the number of home loans settled as a proportion of the number of home loan applications lodged. Conversion rates need to be interpreted with caution as some aggregators may count conditional approvals rather than applications.

After three six-month periods of decline and stability between April-September 2019 and April-September 2020, conversion rates have risen materially by 3.5% year-on-year to 72.2%, to levels last seen three years ago in March 2018. Period-on-period, a similar uplift was observed of 3.1 percentage points, from 69.1% to 72.2%.

The national growth rate of the value of loans settled has increase by 24.4%

Change in the value of home loans settled, March 2020 – March 2021



The national growth of the value of home loans settled grew by 24.4% year-on-year to October 2020 - March 2021, from \$98.71 billion up to \$122.81 billion. All states recorded strong double-digit growth in the value of new loans settled.

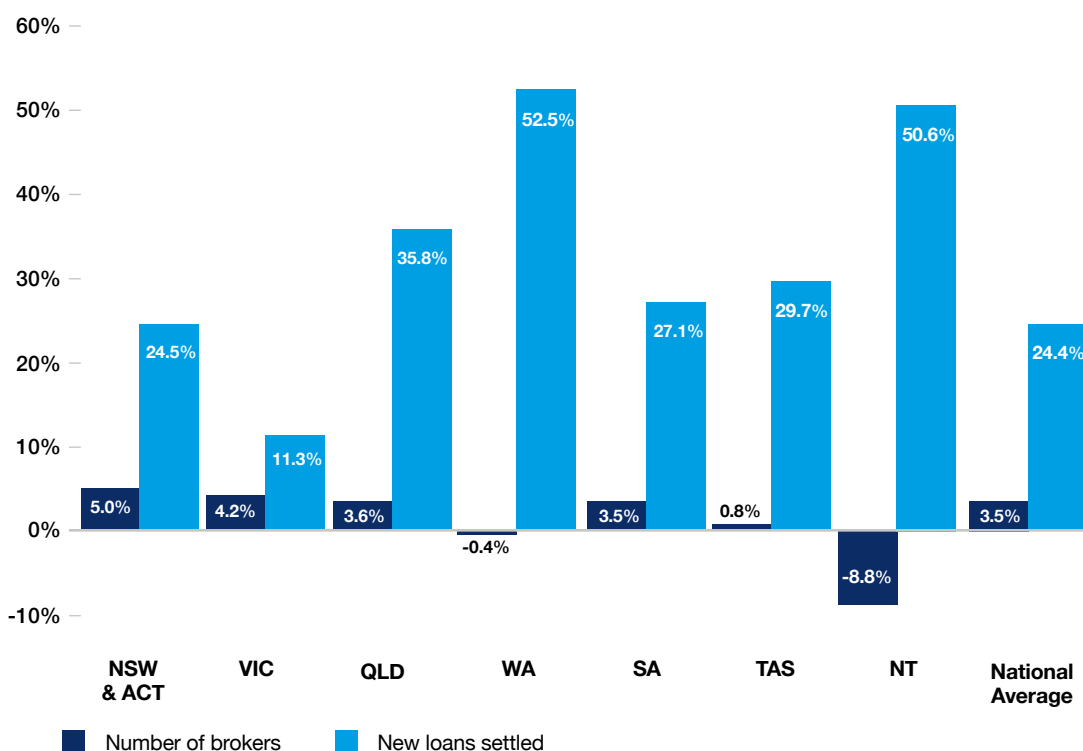
New South Wales and ACT recorded growth of 24.5%, from \$38.45 billion to \$47.88 billion, whilst Victoria increased by 11.3%, from \$31.53 billion to \$35.08 billion.

Queensland recorded a large uplift of 35.8%, from \$14.35 billion to \$19.49 billion, while Western Australia had the largest growth, increasing by a substantial 52.5%, from \$7.96 billion to \$12.15 billion.

South Australia and Tasmania achieved double-digit growth of 27.1% and 29.7% respectively.

Northern Territory grew by 50.6% albeit from a small base.

Change in the number of brokers deployed vs. change in the value of home loans settled by state, year-on-year March 2020 – March 2021



Overlaying the growth in broker numbers against the growth in new loan settlements, year-on-year, comparing the same periods of October-March 2020 and 2021, broker numbers at a national level have increased by 3.5%, whilst overall new loan settlements grew by a significantly higher proportion at 24.4%. This suggests the increase in number of brokers has fed into the active brokers achieving more productive activity which has contributed to the strong double-digit growth in all states.

New South Wales and ACT and Victoria both recorded similar growth in broker numbers at 5.0% and 4.2% respectively, however the impact on settlements is greater for New South Wales and ACT, with growth in the value of new loans settled increasing on par with the national level at 24.5%, whilst Victoria was lower than the national level at 11.3%. This continues to highlight the disproportionate impact of growth in new loan settlements and movement in broker numbers in the two largest states.

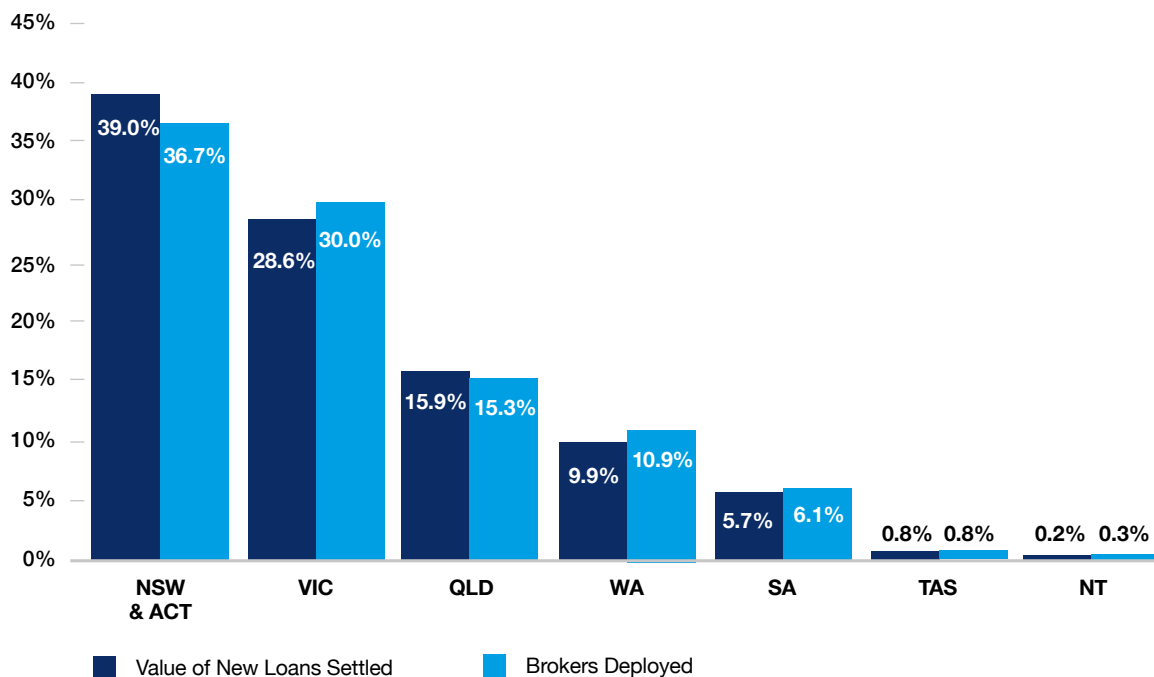
In Queensland and Western Australia, the effects of the change in broker population were disproportionate when compared with the growth in the value of home loans settled in each state. Queensland had an increase of 3.6% in brokers, and recorded settlement growth of 35.8%, whilst Western Australia recorded a marginal 0.4% decline in brokers with a substantial 52.5% increase in new loans settled.

South Australia had a 3.5% increase in brokers, whilst settlements grew by 27.1%.

Tasmania saw a mild increase in broker numbers of 0.8%, although the value of new loans settled increased by 29.7%.

Northern Territory recorded a decline in broker numbers of 8.8%, however the value of home loans settled grew materially by 50.6%, albeit from a small base.

Share of national value of home loans settled (%) vs. share of total brokers deployed by state (%), October 2020 – March 2021



New South Wales and ACT, and Victoria have the largest shares of lending. New South Wales and ACT and Queensland show a higher proportion of value of new loans settled compared to their proportion of broker population, which continues to indicate that there is still opportunity for growth in broker numbers in these two states.

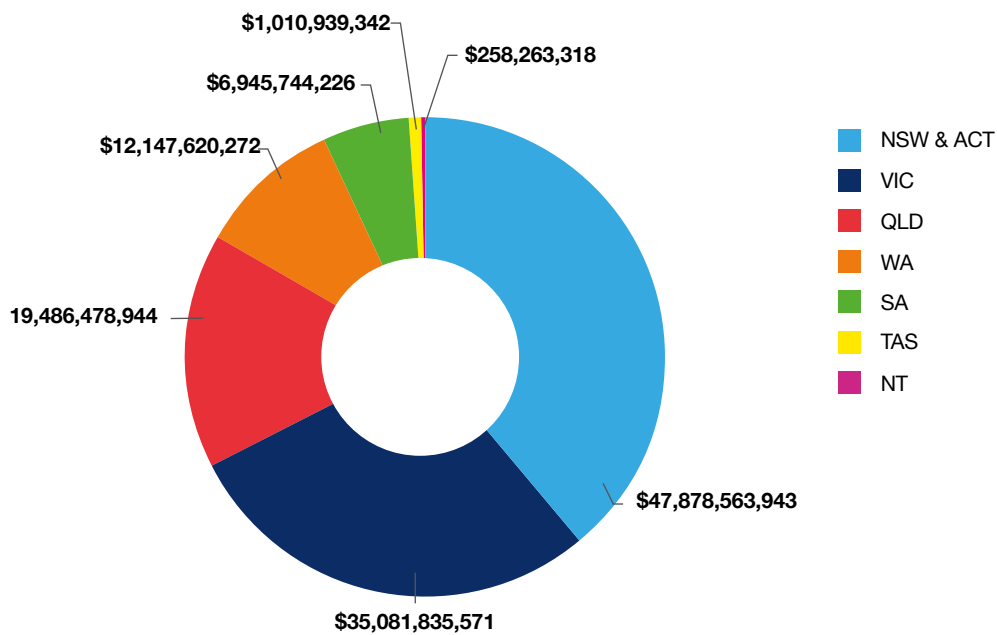
Victoria, Western Australia and South Australia share a different profile, all having a mildly higher share of broker numbers compared to their share of new loans settled, which continues to suggest these states may be mildly overweight in their broker population.

Tasmania and Northern Territory remain on par with equivalent shares in both broker numbers and settlements.

Compared to the same period last year, October 2019 - March 2020, the difference between the two measures has shown variation between the different states. New South Wales and ACT's share of settlements remains unchanged at 39.0%, whilst the share of brokers increased by 0.4 percentage points, from 36.3% to 36.7%. Victoria's share of settlements declined by 3.3 percentage points from 31.9% to 28.6%.

Queensland and Western Australia also showed similar variation, whilst the other states showed little variation year-on-year.

Value of home loans settled during the period, by state (\$)



Broker home loan settlements grew by \$24.10 billion (24.4%) overall, year-on-year to October 2020 - March 2021. New South Wales and ACT, and Victoria continue to dominate with the largest share of the home loan settlements 'pie', at a combined 67.55%. New South Wales and ACT accounted for the largest proportion of the growth, up \$9.42 billion since last year, whilst Victoria's value settled grew by \$3.56 billion. Queensland's settlements value increased \$5.13 billion and was the second largest proportion of growth.

Year-on-year, all states saw growth, with notable increases in West Australia and South Australia of \$4.18 billion and \$1.48 billion respectively.

The average value of a broker's loan book has increased year-on-year.

Average value of residential home loan book per broker, per state and in total from October 2020 – March 2021



The national average value of brokers' loan books has increased year-on-year from Oct-Mar 2020 to 2021, from \$44.02 million to \$45.20 million, an increase of \$1.17 million or 2.67%. The book-per-broker growth rate of 2.67% was less than the total book growth of 6.3% ([see page 14](#)). This was due to the number of brokers increasing year-on-year from Oct-Mar 2020 to 2021.

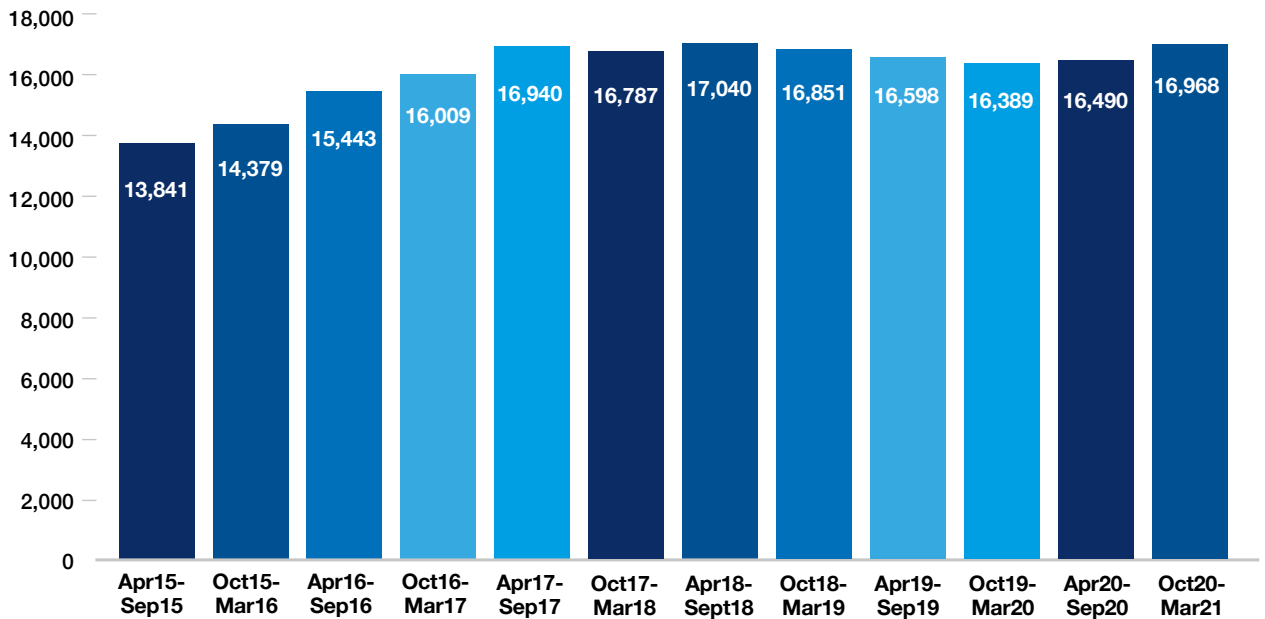
At the state level, when compared to the national average, Western Australia (up from \$50.32 million year-on-year), Northern Territory (up from \$47.51 million) and Queensland (up from \$46.61 million year-on-year) have the highest average loan book values per broker, and notably higher than the national average.

The average loan book value of New South Wales and ACT (up from \$44.75 million year-on-year) was also mildly above the national average.

Victoria and Tasmania continue to be the only two states where the average loan book values remain significantly lower than the national average, Victoria (up from \$40.17 million year-on-year), and Tasmania (up from \$30.33 million year-on-year).

The broker population has recorded its second consecutive period of growth after three consecutive periods of decline.

Broker population, in total for the sampled aggregators



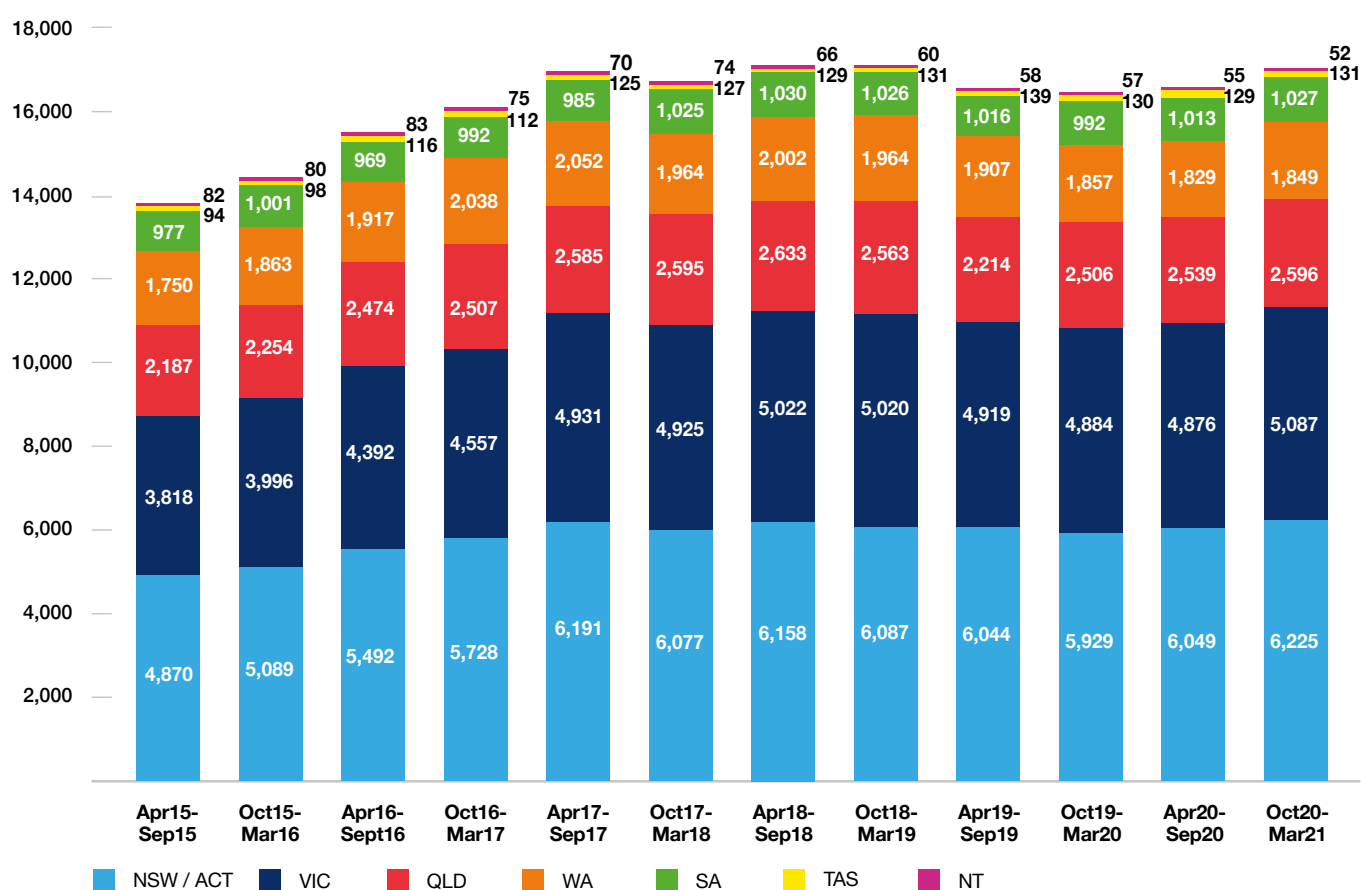
Note: There is data from one less aggregator included in the five most recent six-month periods, from October 2017 to March 2018 period, compared to previous periods.

After four six-monthly periods of decline and stability in the broker population, the October-March 2021 half has seen a significant shift with an increase of 478 brokers or 2.9% compared with the previous six months, halting a declining trend observed over the last 24 months. It is the second highest total for the broker population observed, and further highlights the buoyant appeal and confidence of the housing market in attracting more brokers to the industry.

Year-on-year, the growth in the broker population was 579 or 3.53% for the industry.

The total broker population growth is approaching the 17,000 mark, sitting just below the industry peak observed in September 2018.

Broker population by state, and population change between reporting periods

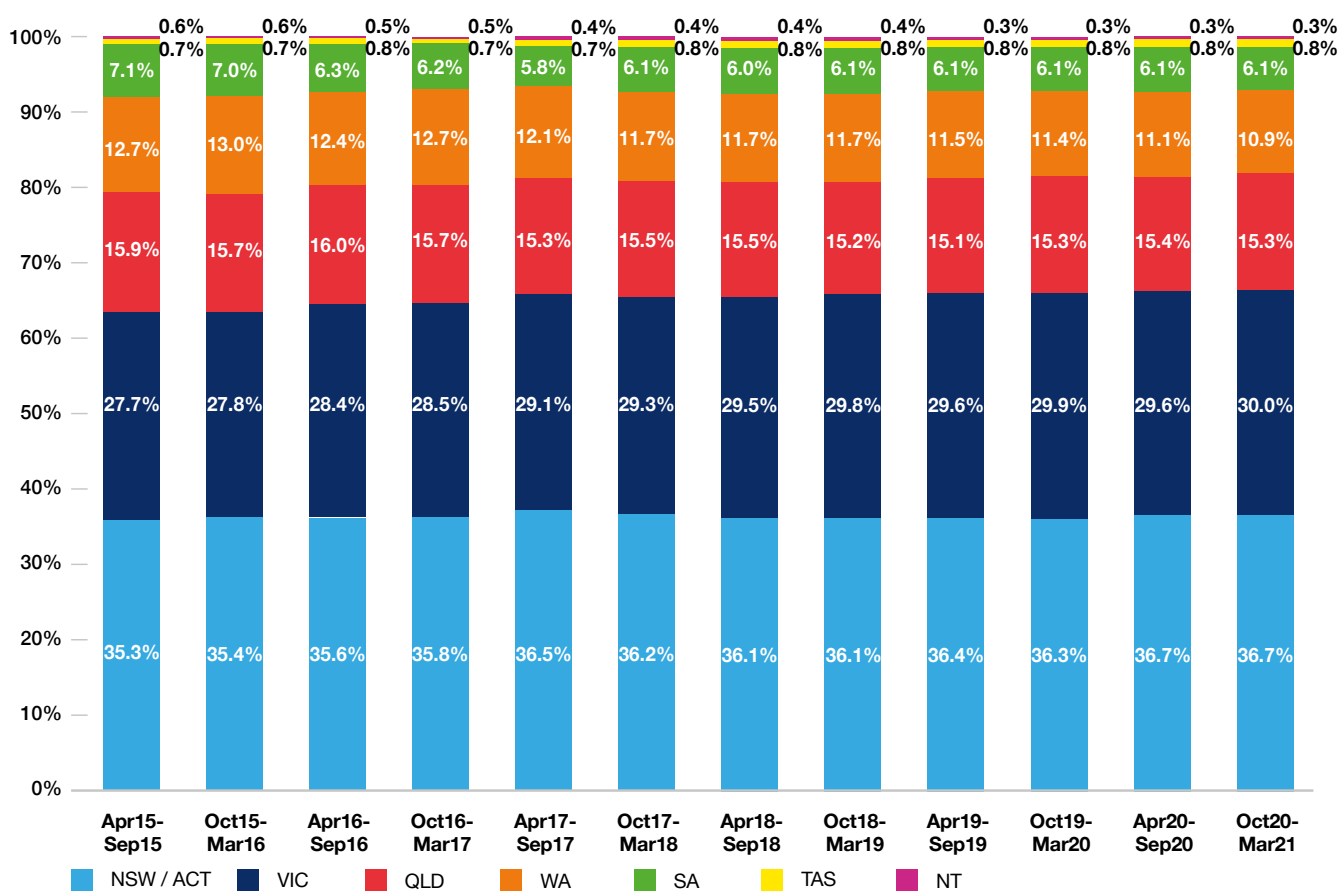


	Oct15-Mar16	Apr16-Sep16	Oct16-Mar17	Apr17-Sep17	Oct17-Mar18	Apr18-Sep18	Oct18-Mar19	Apr19-Sep19	Oct19-Mar20	Apr20-Sep20	Oct20-Mar21
NSW & ACT	4.5%	7.9%	4.3%	8.1%	-1.8%	1.3%	-1.2%	-0.7%	-1.9%	2.0%	2.9%
VIC	4.7%	9.9%	3.8%	8.2%	-0.1%	2.0%	0.0%	-2.0%	-0.7%	-0.2%	4.3%
QLD	3.0%	9.8%	1.3%	3.1%	0.4%	1.5%	-2.7%	-1.9%	-0.3%	1.3%	2.2%
WA	6.4%	2.9%	6.3%	0.7%	-4.3%	1.9%	-1.9%	-2.9%	-2.6%	-1.5%	1.1%
SA	2.5%	-3.2%	2.4%	-0.7%	4.1%	0.5%	-0.4%	-1.0%	-2.4%	2.1%	1.4%
TAS	3.9%	19.0%	-3.6%	11.6%	1.6%	1.6%	1.6%	6.1%	-6.5%	-0.8%	1.6%
NT	-3.0%	4.5%	-9.8%	-6.7%	5.7%	-10.8%	-9.1%	-3.3%	-1.7%	-3.5%	-5.5%
Total	4.4%	7.4%	3.7%	5.8%	-0.9%	1.5%	-1.1%	-1.5%	-1.5%	0.8%	2.9%

Note: There is data from one less aggregator included in the five most recent six-month periods from October 2017 to March 2018 compared to previous periods. Data sets for the number of brokers at a state level do not always reconcile to national figures. This is because of slight variations in some aggregators' data extracts at the state level. This is not a material cause for concern.

At the state level, the broker population increased across all states except Northern Territory. In-line with the increase in the overall broker population, there are indications that the broker population has seen a resurgence with numbers similar to the highs observed in April – September 2018.

Proportion of broker population by state



Note: There is data from one less aggregator included in the six most recent six-month periods from October 2017 to March 2018 compared to previous periods. Data sets for the number of brokers at a state level do not always reconcile exactly to national figures. This is because of slight variations in some aggregators' data extracts at the state level. This is not a material cause for concern.

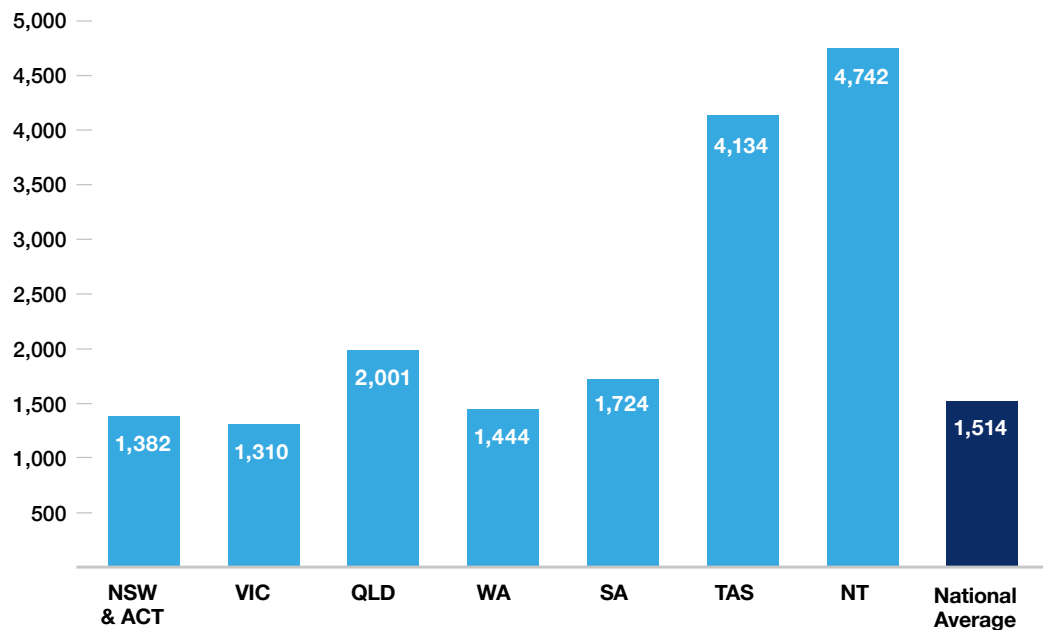
The proportion of brokers in each state continues to remain stable and consistent over time, with little movement. A notable shift has been Victoria's share of the broker population, which grew at the expense of Queensland and Western Australia.

Period-on-period, New South Wales and ACT's share remain unchanged, maintaining their high of 36.7%. Victoria's market share increased by 0.4% points to reach its highest market share to date at 30.0%. Conversely, the proportion of broker population in Western Australia recorded a fourth consecutive period of decline, whilst South Australia continues to be relatively stable over the last seven reporting periods. They remain the two states that have lost the highest market share since April-September 2015 with Western Australia down 1.8 percentage points, and South Australia down 1.0 percentage point.

There is now one mortgage broker per 1,514 people in Australia.

Number of Australians per mortgage broker

Based on ABS's Estimated Resident Population, December 2020



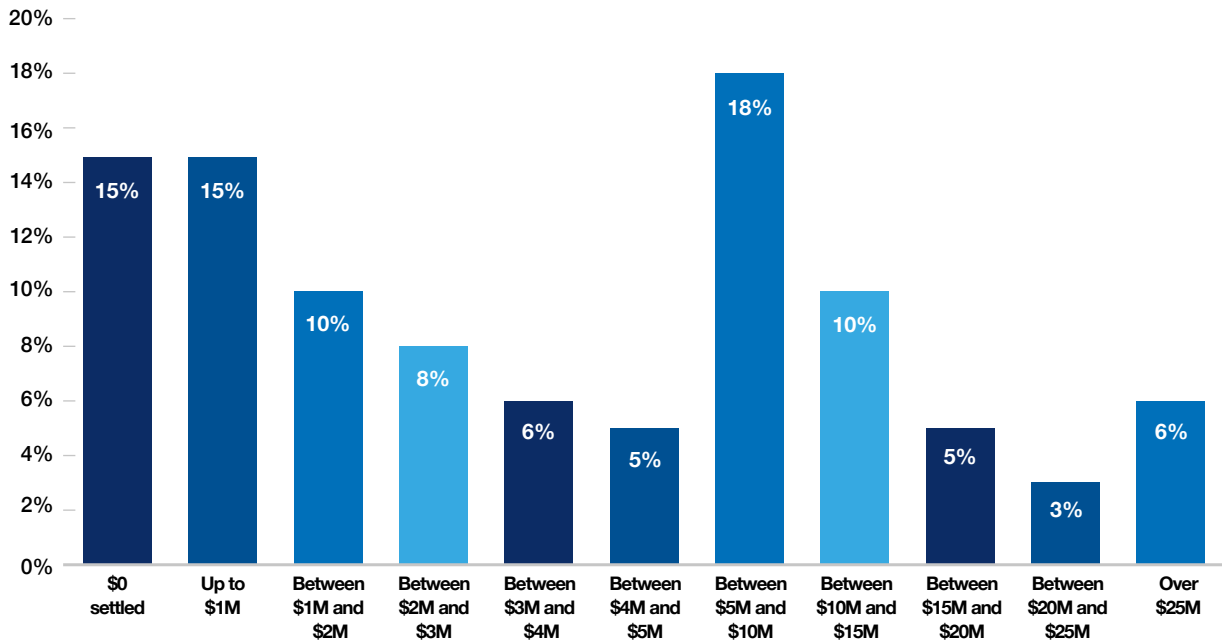
The national average number of Australians per mortgage broker has declined year-on-year from 1,557 to 1,514 – a decrease of 43 people or 2.76%.

At the state level, Victoria continues to have the highest concentration of brokers per capita at 1,310, followed closely by New South Wales and ACT at 1,382 and by Western Australia at 1,444, with all three states continuing to sit below the national benchmark figure indicating higher competition.

The Northern Territory continues to have the lowest saturation of brokers, with 4,742 Australians per broker, followed by Tasmania at 4,134.

Inactive brokers represent 15% of the broker population.

Share of brokers that settled home loans in aggregate in the following value bands, October 2020 – March 2021



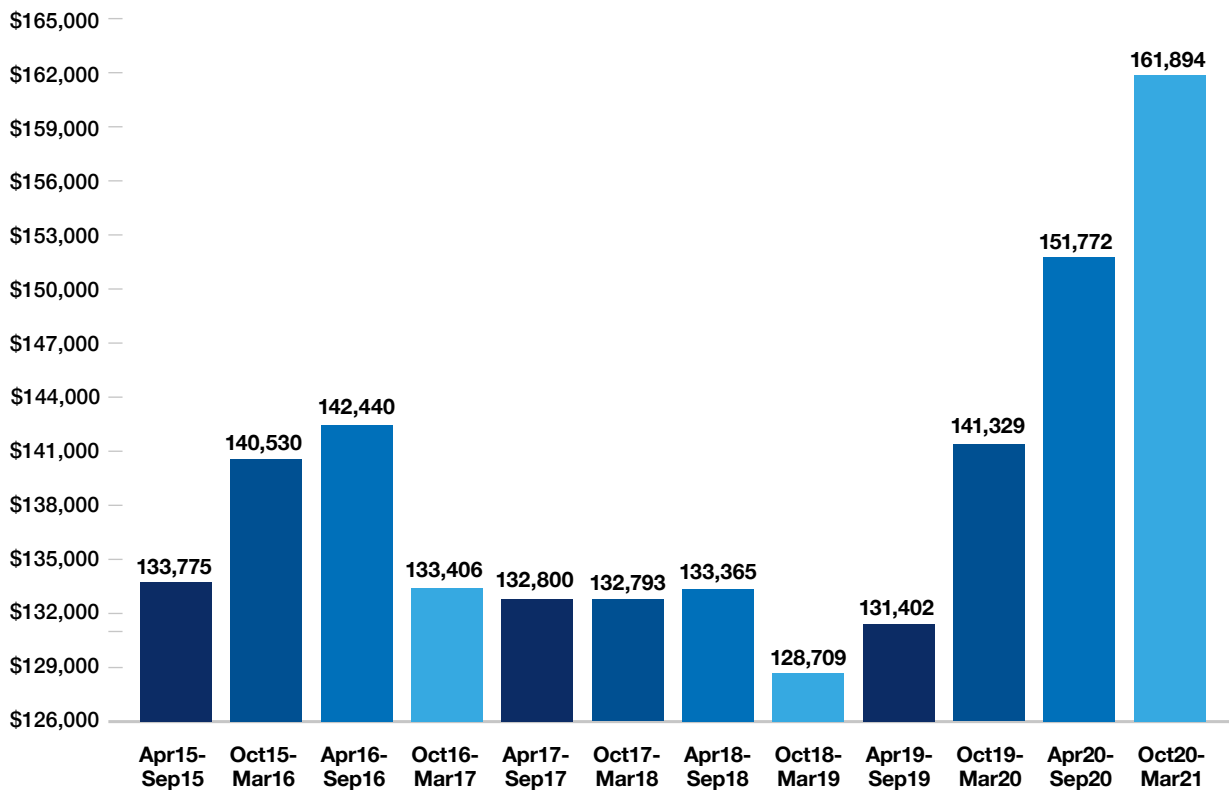
Note: The figures in this analysis are a representative sample of the industry.

During the October-March 2021 period, 2,070 brokers did not settle a home loan which equated to 15% of the broker population, a similar figure to last year when inactive brokers equated to 2,051 brokers or also 15%. This cohort has been stable year-on-year and impacted broker productivity measures as seen in previous charts. Consistent with the reduction in the broker population in some states, this chart provides evidence that in a challenging market, low performing and unproductive brokers are often the first to go.

Consequently, there has been increased growth in the two cohorts of high-performing brokers, from \$5-\$10 million and >\$25 million compared year-on-year.

If inactive brokers were excluded and the data recalculated for their exclusion, 37.6% of brokers wrote \$3 million in home loans or less, 51.0% of brokers wrote \$5 million in home loans or less, and 32.4% of brokers wrote \$5-\$15 million in the current six-month period.

National average total broker remuneration



This graph depicts the estimated combined average up-front and trail remuneration that goes into the national average broker remuneration compared to the previous IIS Report. Year-on-year, it has grown to \$161,894 in the current period from \$141,329 in October-March 2020, a significant increase of 14.55%.

This is the highest result since the report has tracked this dataset.

Period-on-period, this result also represents strong growth of 6.67%, or an increase of \$10,122 from \$151,772, which is largely attributed to strong up-front commission results.

The last two six-month reporting periods have seen significant increases in total broker remuneration to record the highest and second highest result ever, exceeding the previous high last seen five years ago.

Average annual up-front commission per broker, prior to costs (\$)



Note: Brokers' average measured gross up-front remuneration and gross trail remuneration from residential lending, both prior to all costs and prior to meeting any commercial obligations with aggregators are estimates.

Gross remuneration generated in this analysis means the total amount that lenders paid for the origination services provided by brokers. Out of these gross commission figures, brokers have to pay their own salaries, all their fixed costs of doing business, premises, and service provision fees paid to aggregators, marketing and communications expenses, support staff salaries and wages, and other costs.

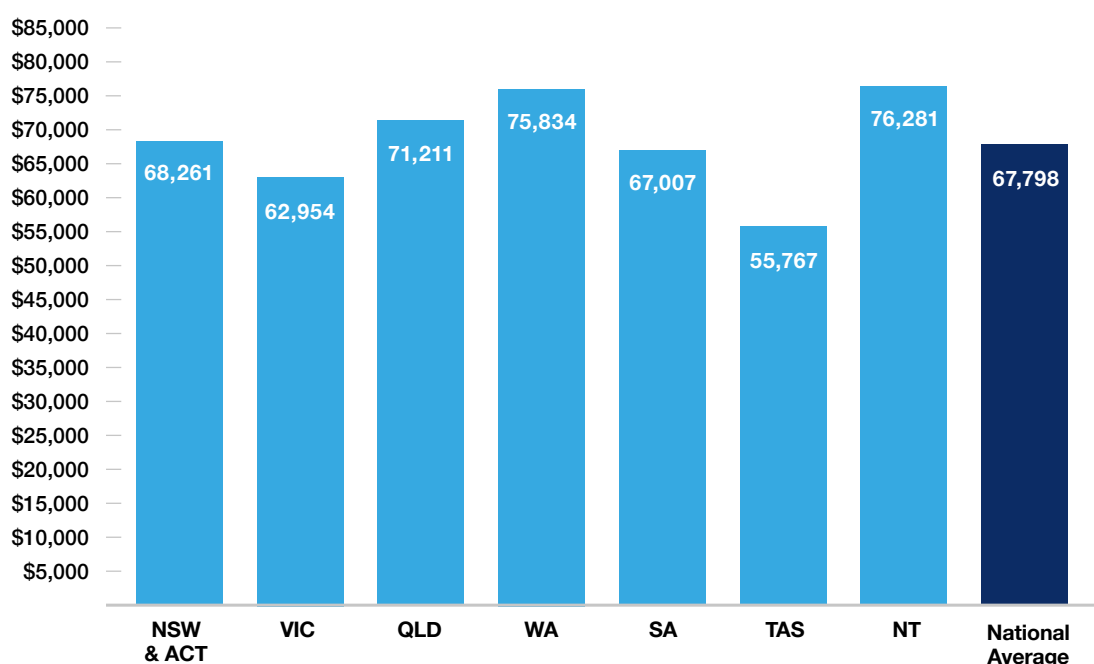
Year-on-year, the national average annual up-front remuneration per broker for the six-month period to March 2021 has seen significant growth, increasing by \$15,634 from \$78,462 in the March 2020 period to \$94,096 in the latest period – an uplift of 19.93%. This is driven by the growth in the value of home loans settled by brokers (see page 25) in the reporting period which was 24.4% higher year-on-year.

New South Wales and ACT, and Queensland were both key drivers of the significant growth, due to both major states having amongst the highest average up-front commission per broker. Both states saw a large increase year-on-year, with New South Wales and ACT's average annual upfront commission increasing by \$15,673 or 18.59%, whilst Queensland's grew by an even greater level at \$23,130 or 31.07%.

In the other states, there were also large increases in Western Australia's average annual upfront commission which grew by a staggering \$29,656 or 53.19%, and South Australia's increased by \$16,297 or 22.75%. In comparison, Victoria experienced a milder increase of \$5,741 or 6.84%.

Tasmania recorded a material increase of \$22,364 or 28.69%, and Northern Territory also recorded substantial year-on-year growth of \$25,457 or 65.09%.

Average annual gross trail commission per broker, prior to costs (\$)



Note: Brokers' average annual gross up-front remuneration and gross trail remuneration from residential lending, both prior to all costs and prior to meeting any commercial obligations with aggregators are estimates.

The average annual national trail commission for this period was \$67,798, compared with \$62,867 for the same period year-on-year, an increase of \$4,931 or 7.84%.

Year-on-year, at the state level, gross annual trail commission estimates have increased across all states with New South Wales and ACT (up \$3,585 or 5.54%), Victoria (up \$6,237 or 11.00%), Queensland (up \$6,597 or 10.21%) and the Northern Territory (up \$5,020 or 7.04%) showing notable gains.

South Australia and Tasmania recorded growth of \$6,839 or 11.37% and \$10,279, 22.6%.

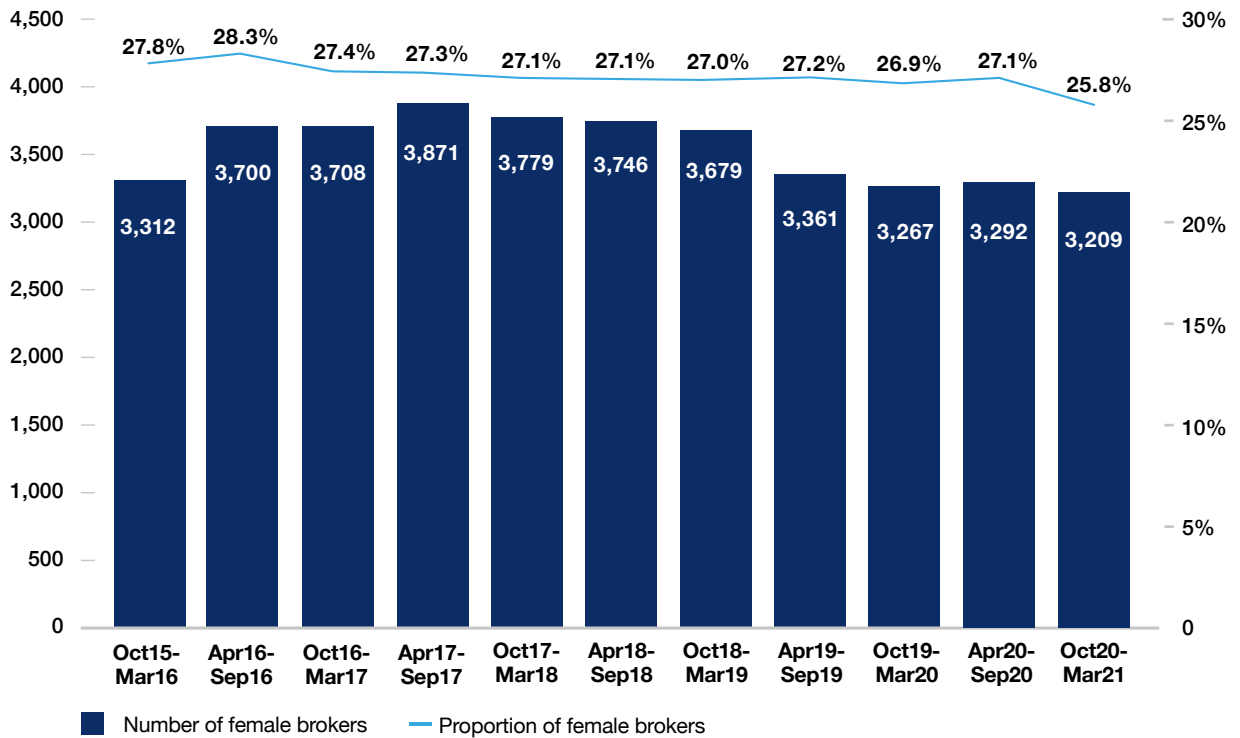
Northern Territory is now the highest trail-earning state at \$76,281, overtaking WA.

Average annual commission per broker, prior to costs (\$)

Combined up-front and trail remuneration generated per broker, prior to costs, per annum	Average up-front remuneration generated (\$)	Average trail remuneration generated (\$)	Total gross earnings generated (\$)
NSW & ACT	99,987	68,261	168,248
VIC	89,653	62,954	152,606
QLD	97,583	71,211	168,794
WA	85,408	75,834	161,242
SA	87,921	67,007	154,928
TAS	100,322	55,767	156,090
NT	64,566	76,281	140,847
Nationally	94,096	67,798	161,894

Female broker numbers recover mildly in line with overall broker recovery.

Number and proportion of female brokers in the industry



Note: The number of aggregators providing gender specific data fell from nine aggregators for IIS 8 to eight aggregators for IIS 9, 10 and 11.

As the total broker population recovered and increased period-on-period, the number of female brokers in the industry have seen a decline, with a decrease of 83 female brokers in the industry, down 2.52% period-on-period, this was a reduction of 58 female brokers, down 1.78% when compared year-on-year.

The proportion of female brokers in the industry has seen a significant decrease of 1.3 percentage points in the current period, to 25.8%, the lowest proportion observed.

Number recruited per period, by gender

	Oct15 – Mar16	Apr16 – Sep16	Oct16 – Mar17	Apr17 – Sep17	Oct17 – Mar18	Apr18 – Sep18	Oct18 – Mar19	Apr19 – Sep19	Oct19 – Mar20	Apr20 – Sep20	Oct20 – Mar21
Number of men recruited during period	972	947	938	1168	892	854	625	630	886	992	973
Number of women recruited during period	454	439	360	523	406	371	313	281	377	412	420

Proportion of men and women recruited per period

	Oct15 – Mar16	Apr16 – Sep16	Oct16 – Mar17	Apr17 – Sep17	Oct17 – Mar18	Apr18 – Sep18	Oct18 – Mar19	Apr19 – Sep19	Oct19 – Mar20	Apr20 – Sep20	Oct20 – Mar21
% of men recruited during period	68%	68%	72%	69%	69%	70%	67%	69%	70%	71%	70%
% of women recruited during period	32%	32%	28%	31%	31%	30%	33%	31%	30%	29%	30%

The number of new female recruits have continued to increase marginally, whilst new male recruits decreased mildly compared to the previous period.

Year-on-year, the number of female recruits has grown by 43 or 11.41%, whilst male recruits increased by 107 or 12.36%.

Period-on-period, the number of female recruits grew by 8 or 1.94%, whilst male recruits decreased by 19 or 1.92%.

Broker turnover/churn by state and nationally

Broker turnover/churn by state and nationally	The industry average %
NSW & ACT	10.8%
VIC	9.3%
QLD	9.8%
WA	8.4%
SA	7.9%
TAS	9.8%
NT	5.6%
Total nationally	9.7%

Note: Turnover accounts for the number of brokers at the start of the six-month period compared to the number at the end of the period, at an aggregator level. Turnover does not exclusively account for the number of brokers joining and leaving the industry. Included in the data are brokers moving from one aggregator to another. For industry comparisons, it is important to note that this is for six months.

Broker turnover results have been mixed across different states, with overall levels tracking ~10%.

Nationally, compared to the last period, broker turnover increased by 0.4 percentage points, from 9.3% to 9.7%.

Period-on-period, New South Wales and ACT's churn increased from 9.0% to 10.8%, Victoria was stable from 9.4% to 9.3%.

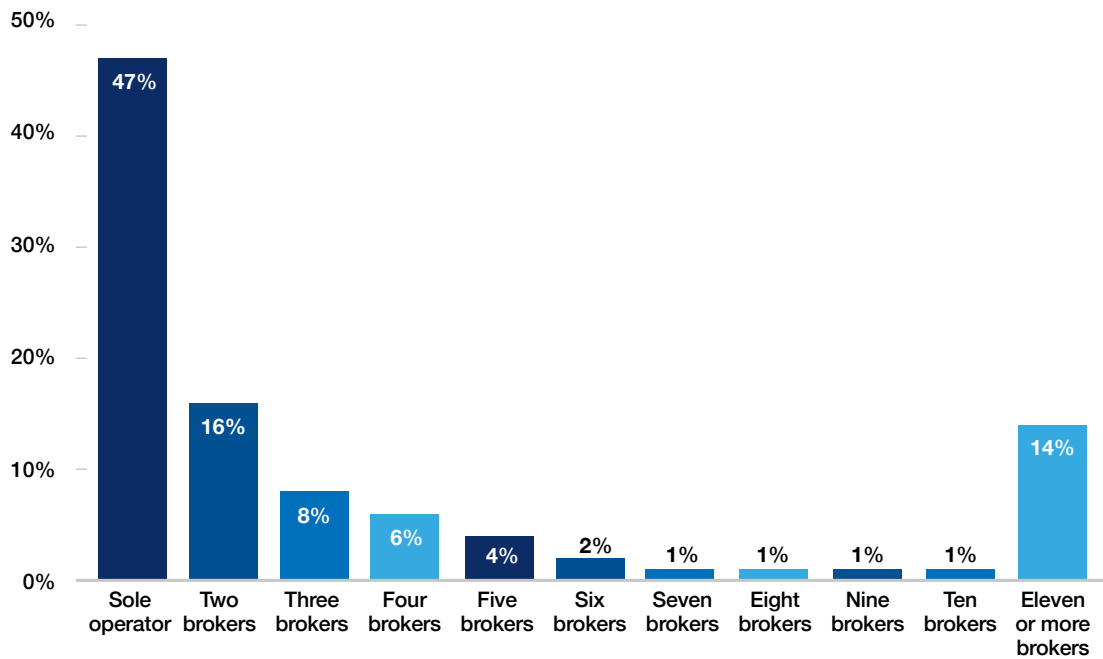
Queensland's churn remained unchanged at 9.8%, while Western Australia saw a decrease from 9.7% to 8.4%. South Australia was flat at 7.9%.

The Northern Territory recorded the largest decrease from 14.3% to 5.6%, although due to the small number of brokers in the Northern Territory, a small change in turnover can result in a significantly altered percentage. Tasmania recorded an increase from 8.5% to 9.8%, although similarly from a small base.

Year-on-year, the national turnover has decreased from 10.6% to 9.7%.

Broker offices made up of sole or dual operators continue to dominate the landscape.

Number of loan writers per broker business, October 2020 to March 2021



Note: The data in this chart is based on a sample of 14,081 brokers.

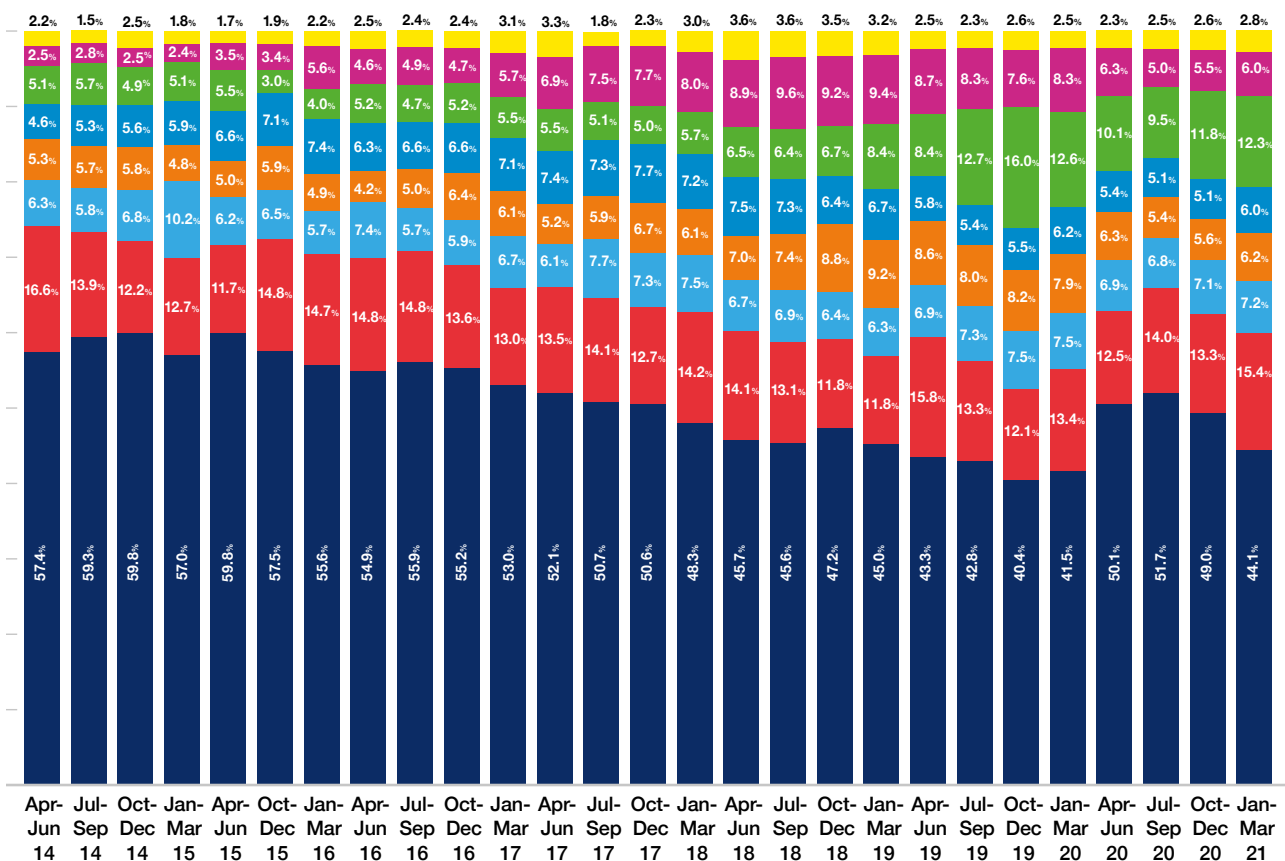
Broker offices made up of sole operators continue to dominate the broker landscape, comprising 47% this period. This remains stable and is up 1% when compared year-on-year.

Period-on-period, the result remains unchanged.

Lender Segments

The proportion of broker-originated home loans settled with lenders from the major banks and their affiliates lost significant market share in the last two consecutive quarters.

Share of broker-originated lending settled with each lender segment



- Credit Unions, Building Societies and Mutuals
- Non-bank lenders
- Any other type of lender
- Brokers' white label loans
- International Banks (eg ING Direct, Citi etc)
- Independent Regional Banks (Suncorp, Bendigo)
- Regional Banks owned by or aligned to major banks
- Major Banks (ANZ, CBA, NAB, Westpac)

Lender Category	OND 20	JFM 21
Major banks (ANZ, CBA, NAB, Westpac; primary brands only)	49.0%	44.1%
Regional banks owned by or aligned to major banks (ie BankWest, St George etc)	13.3%	15.4%
Independent Regional Banks (ie Suncorp, Bendigo-Adelaide etc)	7.1%	7.2%
International banks (ie ING Direct, Citi etc)	5.6%	6.2%
Brokers' white label loans	5.1%	6.0%
Any other type of lender (ie: Macquarie Bank; AMP Bank)	11.8%	12.3%
Non-bank lenders	5.5%	6.0%
Credit Unions, Building Societies and Mutuals	2.6%	2.8%

Note: No data was available for the July-to-September 2015 quarter. 'Non-Bank lenders' refers to: Firstmac, Resimac etc

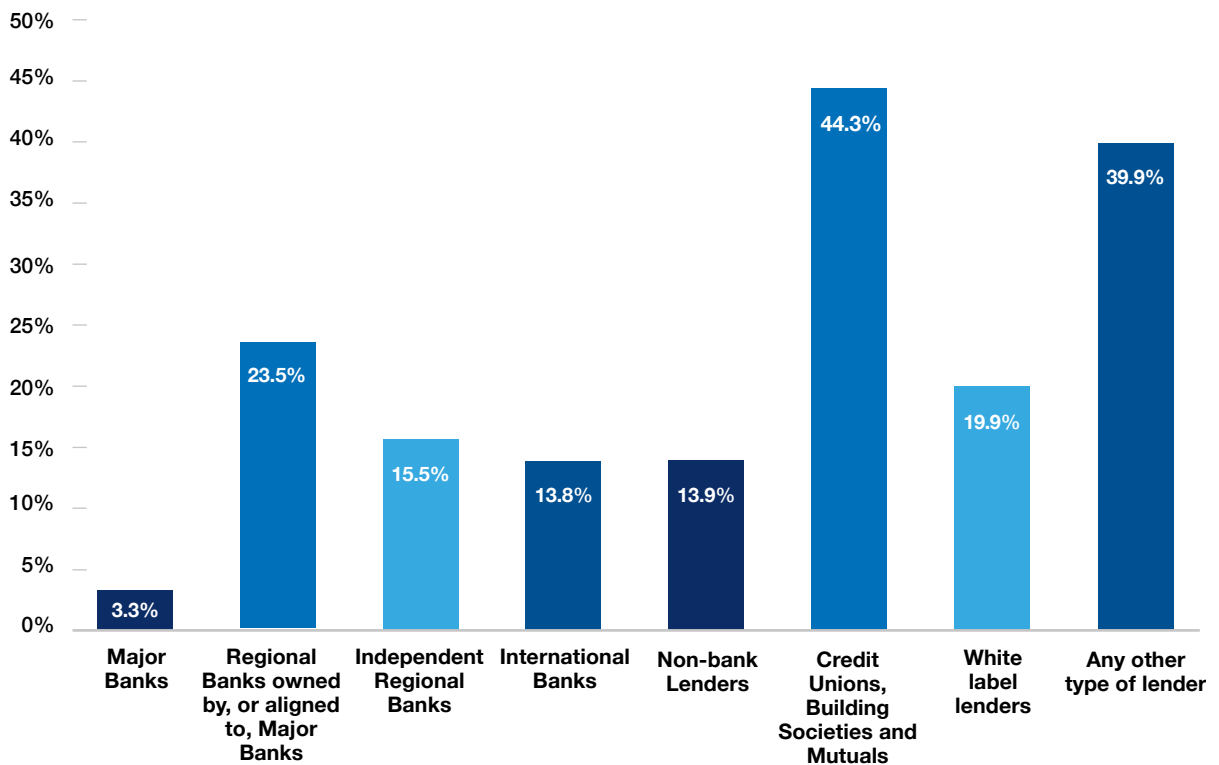
After two consecutive quarters of growth, between April-September 2020, where the majors bounced back to regain market share, the last six months between October-March 2021, have seen the majors lose market share for two consecutive quarters covering this period. This was driven by growth in performance in the categories of the Other Lenders, Regional banks owned by the Majors, White Label loans, International Banks and Non-Bank lender segments.

The majors' share decreased by a material 4.9 percentage points between January and March 2021, falling to similar levels last seen two years ago. The regionals aligned to the major banks have seen an uplift between October-March with market share increasing by 1.4 percentage points, growing from 14.0% to 15.4%.

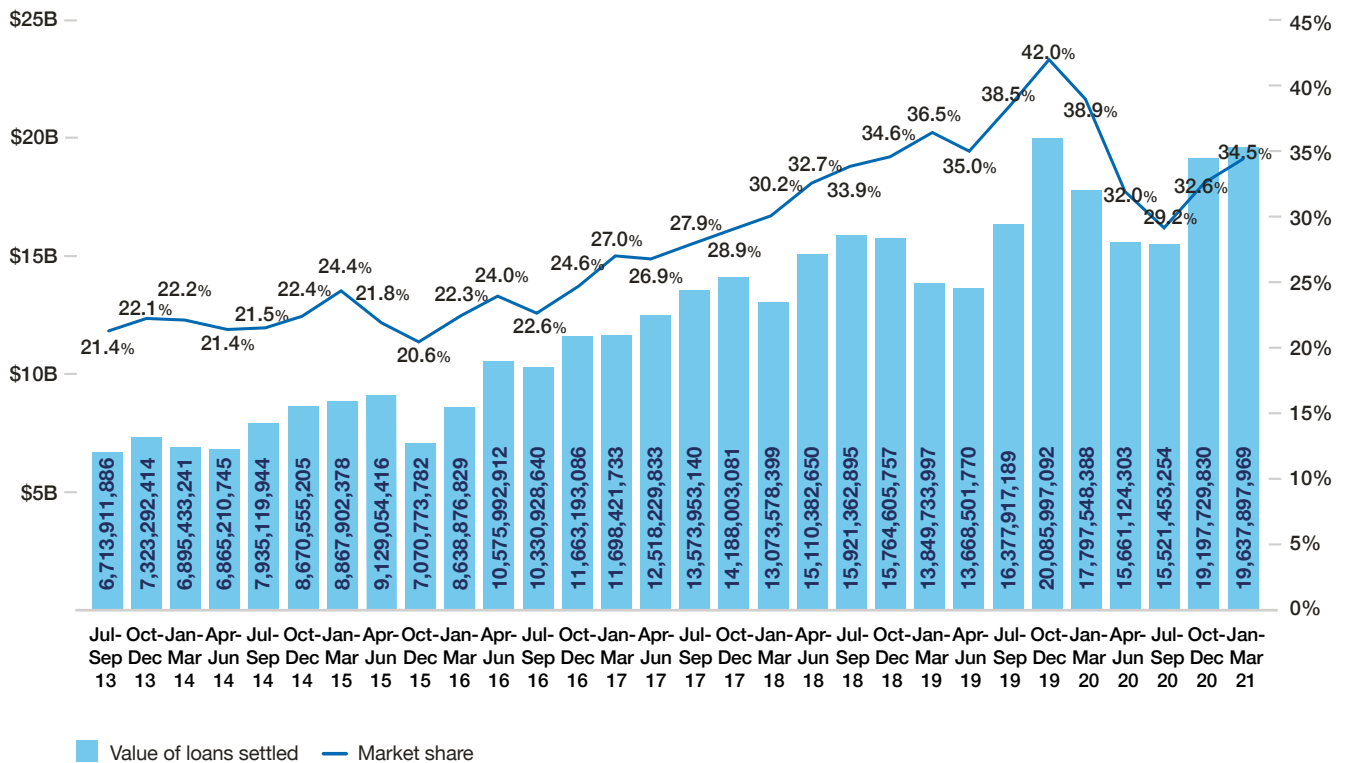
The other type of lender segment bounced back regaining growth in market share from 9.5% in October 2020, to 12.3% in the March 2021 quarter.

Non-bank lenders, international banks, and white label lending were other notable segments recording growth in market share over the last two quarters. The regional independents and Credit Union and Mutual segments recorded mild growth.

Change in value of broker-originated home loans settled per lender category, compared to the previous six-month period



Value (\$) and market share of broker-originated business to lenders other than the Major Banks and their affiliates



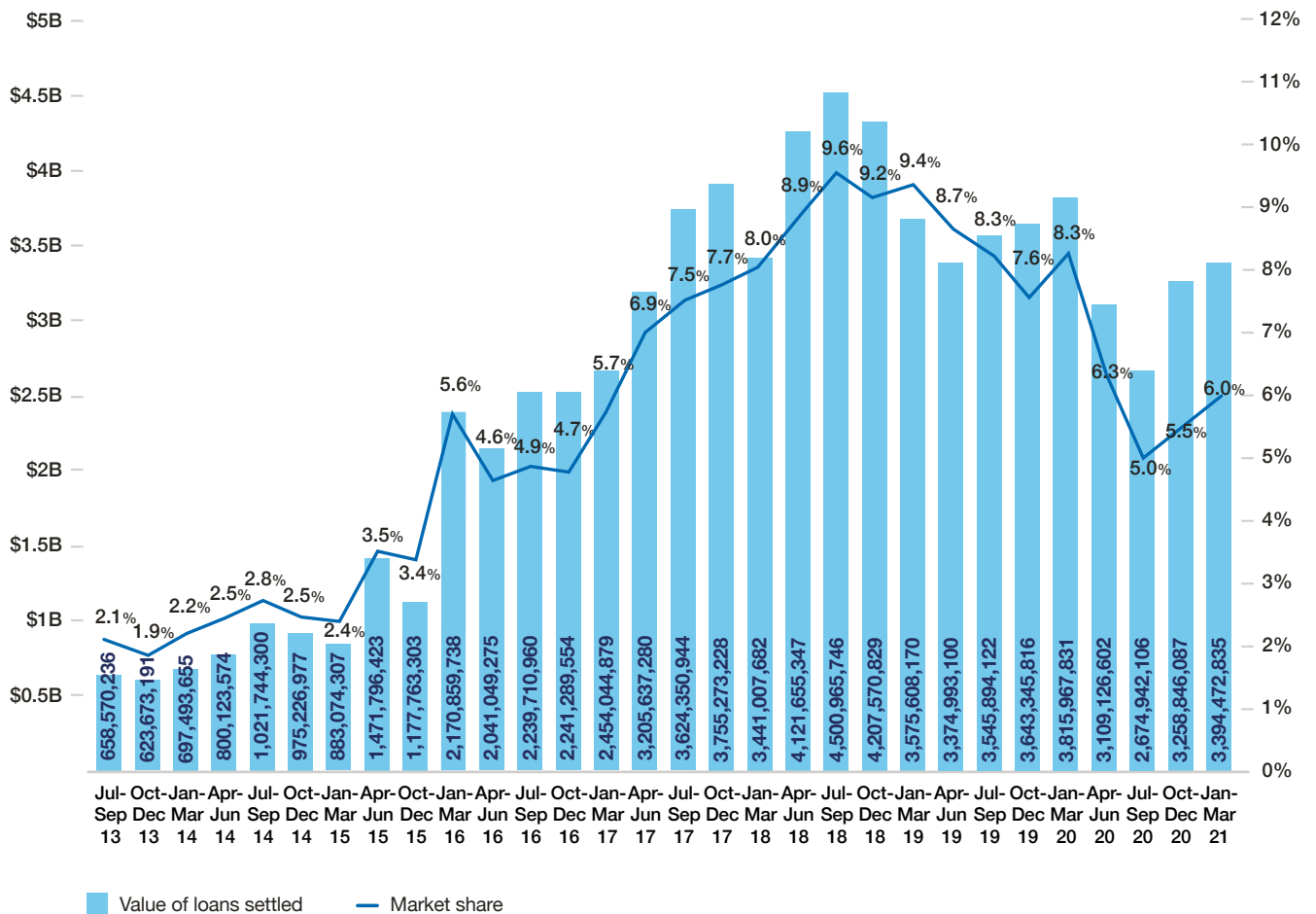
Note: No data was available for July-September 2015 Quarter. Due to decimal rounding, the sum of market share percentages presented in the 'Value (\$) and market share of broker-originated business to lenders other than the Major Banks and their affiliates' graph does not exactly add up to the equivalent sum of percentages in the 'Share of lending settled with each lender segment' graph. There is a 0.1 percentage point difference.

After declining for 3 consecutive quarters to 29.2% in the September 2020 quarter, this segment, including the Credit Unions, building societies and mutual banks, non-bank lenders, international banks, independent banks, and any other type of lender segments - those that are not in any way affiliated to the major banks – has bounced back and recorded two consecutive quarters of growth, increasing to 34.5% in the March 2021 quarter, to levels similar to those last seen two years ago.

New loan settlement values have also recorded two consecutive quarters of growth for the segment, increasing by 26.55% over the last two quarters.

The broker-originated business for non-bank lending has recorded two consecutive quarters of growth following six months of decline.

Value (\$) and market share of broker-originated business to non-bank lenders



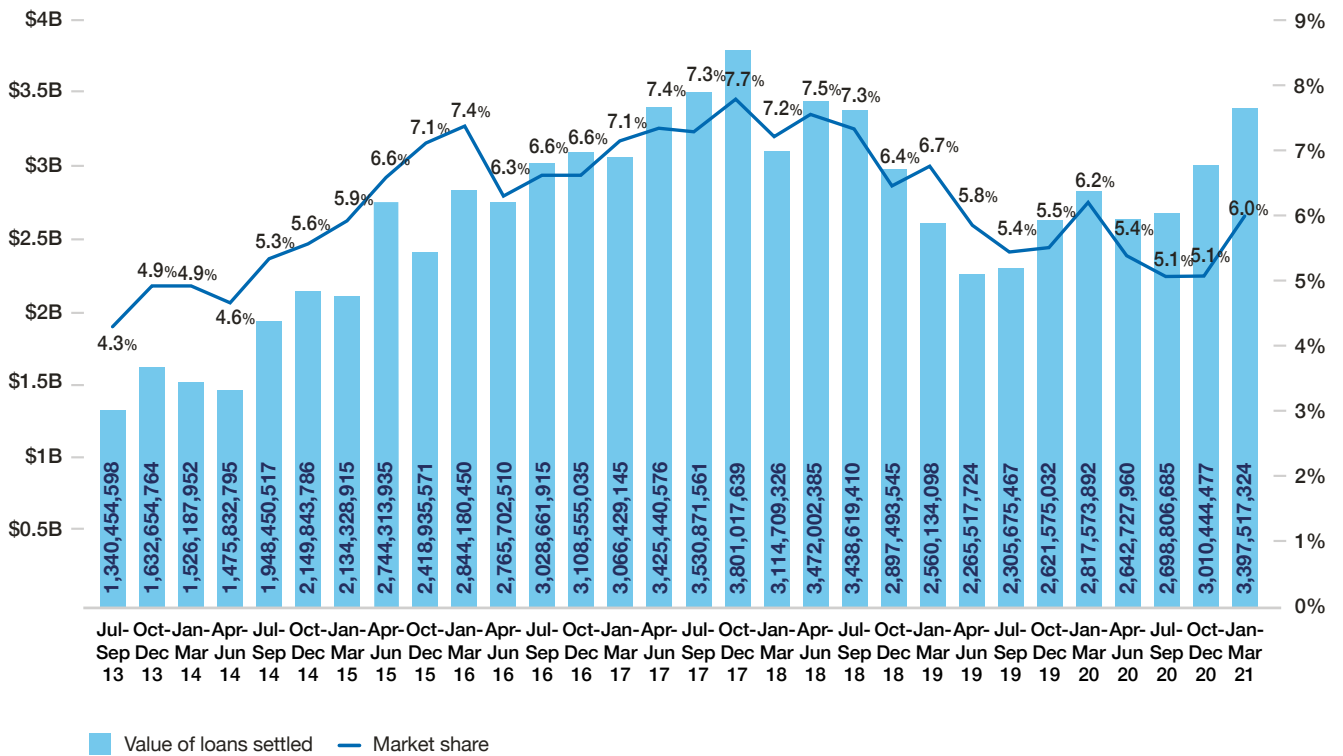
Note: No data was available for July-to-September 2015 Quarter

March 2021 quarter's result shows a re-bound in growth in market share over the last two consecutive quarters, from 5.0% in September to 6.0% in September, a combined increase of 1.0 percentage points, to similar levels observed in June 2020.

New loan settlement values have also recorded similar uplifts in growth with material increases in the last two consecutive quarters, settlement values re-bounding to levels last seen in the June 2019 quarter.

Market share of the white label home loan segment has recorded a jump in the three months to March.

Value (\$) and market share of broker-originated business to White Label Lenders



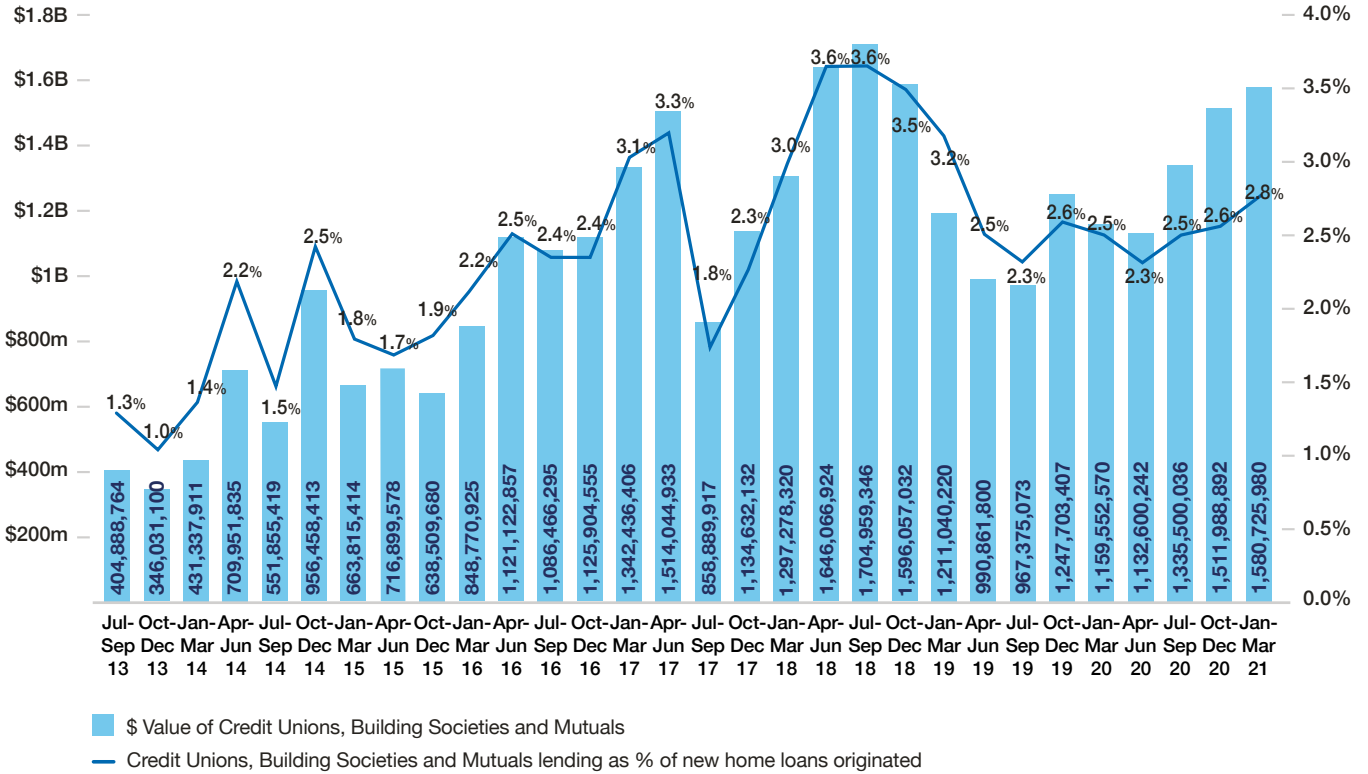
Note: No data was available for July-to-September 2015 quarter. The data embedded in this chart sums the white label lending for only those aggregators that have offered the product consistently over the past four years. As such, it reflects organic growth in the product category. As is commonly known, other aggregators are beginning to offer white label loans, but their small share has not been counted in this analysis.

Market share of broker-originated business to white label lenders recorded a material uplift in the last quarter, with a 0.9 percentage point increase over the last three months to 6.0% market share, similar to levels observed this time last year in the March 2020 quarter.

New loan settlement values have recorded three consecutive quarters of positive growth, with settlements reaching the values last observed in September 2018, indicating the segment has finally turned a corner in halting a consistent period of decline in 2018-2019.

The Credit Unions, Building Societies and Mutuals segment has re-bounded with both market share and value showing an upward trend over the last three quarters.

Value (\$) and market share of broker-introduced business to Credit Union, Building Society and Mutual Lenders



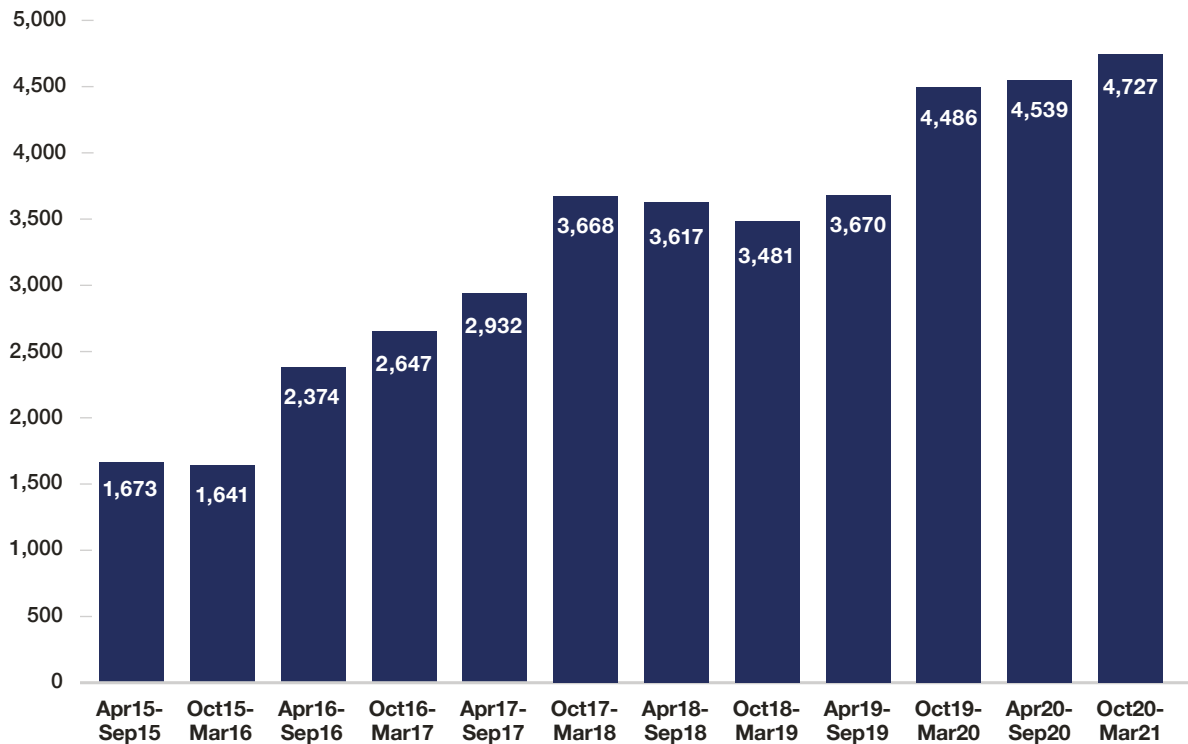
Note: No data was available for July – September 2015 quarter.

After decline throughout 2019, and volatility in early 2020, the Credit Union, Building Societies and Mutuals segment has re-bounded with three consecutive quarters of growth in market share from mid-2020 to reach March 2021 quarter at 2.8%.

Similarly, new loan settlement values have also seen strong re-bounds with increases in three consecutive quarters spanning the same periods, and settlement values on par with the December 2018 quarter.

Commercial Broking

Number of mortgage brokers also writing commercial loans



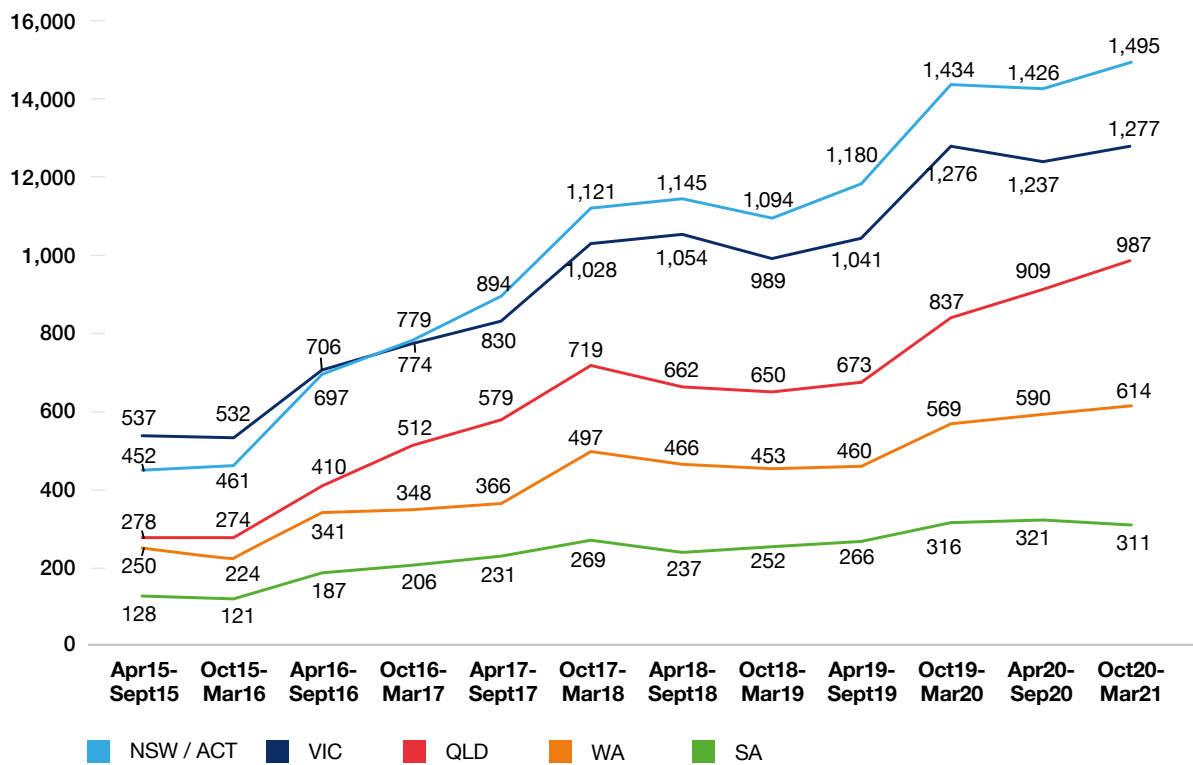
Note: Commercial brokers as those mortgage brokers who had written a commercial loan through their aggregator's panel for the period. Mortgage brokers who solely wrote loans direct with lenders are not included.

The number of mortgage brokers also writing commercial loans has continued to increase in the October-March 2021 period to a new high of 4,727 brokers, exceeding the previous record high of 4,539 brokers in the previous six-month April-September 2020 period.

Year-on-year, this represented an increase of 241 brokers or 5.37%.

Compared to the previous six-month period, this was up 188 mortgage brokers or 4.14%.

Number of mortgage brokers writing commercial loans, by state



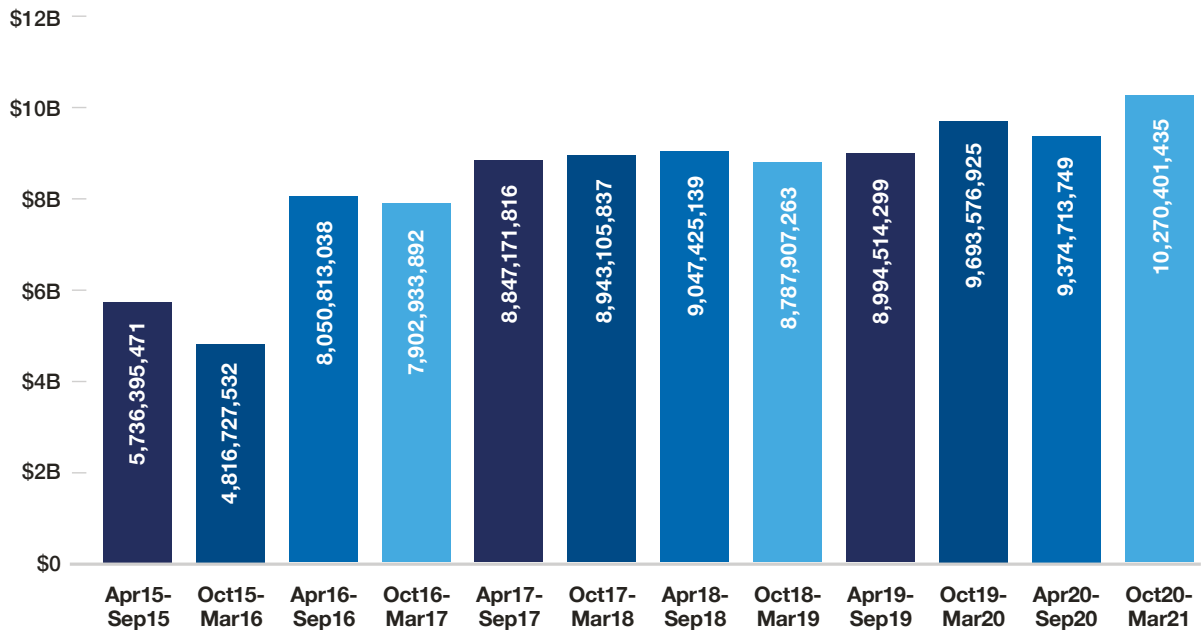
Note: Commercial brokers as those mortgage brokers who had written a commercial loan through their aggregator's panel for the period. Mortgage brokers who solely wrote loans direct with lenders are not included. Due to the scale of the Y-axis labels, graph excludes data for Tasmania.

At the state level, the number of mortgage brokers writing commercial loans in the October-March 2021 period has grown, compared to the previous six months.

Period-on-period, the two largest states recorded solid increases; New South Wales and ACT (69 brokers up 4.84%), and Victoria (by 40 brokers up 3.23%).

There were increases amongst the other states, with Queensland up 78 or 8.58%, Western Australia grew by 24 brokers or 4.07%, whilst South Australia decreased by 10 or 3.12%.

Value of commercial lending settled by mortgage brokers (\$)

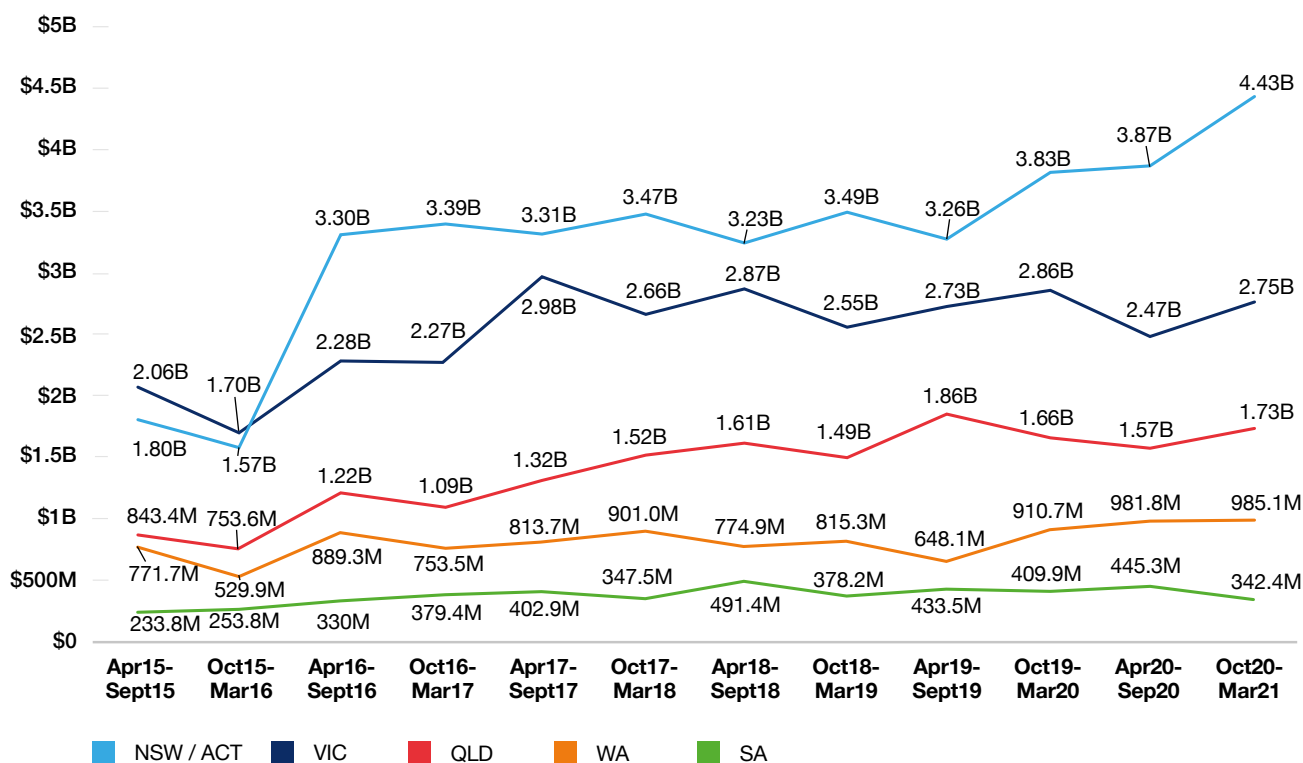


Note: Commercial brokers as those mortgage brokers who had written a commercial loan through their aggregator's panel for the period. Mortgage brokers who solely wrote loans direct with lenders are not included.

For the six months to March 2021, the value of commercial loans settled by mortgage brokers reached its highest ever value, breaking through the \$10 billion mark for the first time, at \$10.27 billion, up ~\$576 million or 5.94% compared year-on-year.

Period-on-period, the value of commercial loans settled by mortgage brokers grew by ~\$895 million or 9.55% from \$9.37 to \$10.27 billion.

Total value of commercial lending settled by mortgage brokers, per state (\$)



Note: Commercial brokers as those mortgage brokers who had written a commercial loan through their aggregator's panel for the period. Mortgage brokers who solely wrote loans direct with lenders are not included.

At the state level, the value of new lending grew at varying rates compared to the previous period, in most state's results.

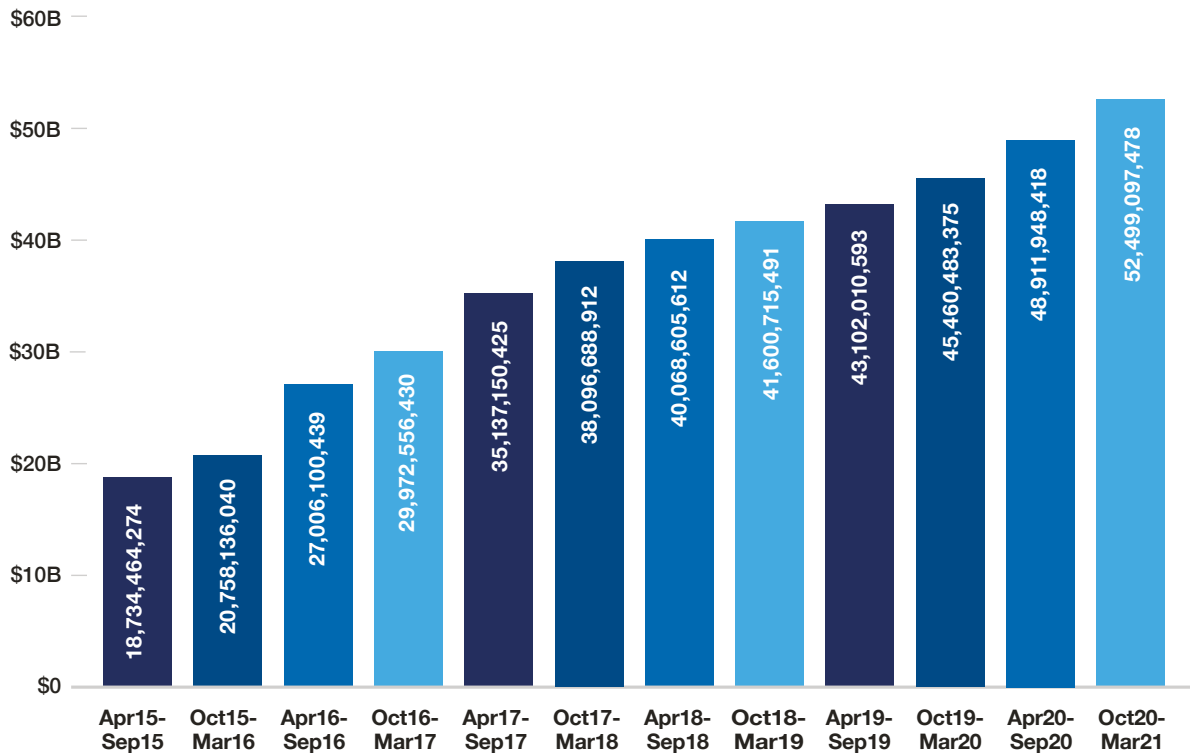
New South Wales and ACT recorded the largest increase in the value of commercial lending, reaching its highest ever value at \$4.43 billion, with an increase of ~\$553 million or 14.28% from the previous period.

Victoria recorded an increase with the value of commercial lending settled up by ~\$284 million or 11.49% to \$2.75 billion in the last six months.

Queensland's results saw an uplift of ~\$159 million up 10.15% in the value of commercial lending in the current reporting period.

Western Australia recorded mild growth of ~\$3.3 million or 0.34% increase to achieve its highest ever value at ~\$985 million, whilst South Australia decreased by ~\$103 million down 23.11%.

Total commercial lending loan book value of mortgage brokers (\$)

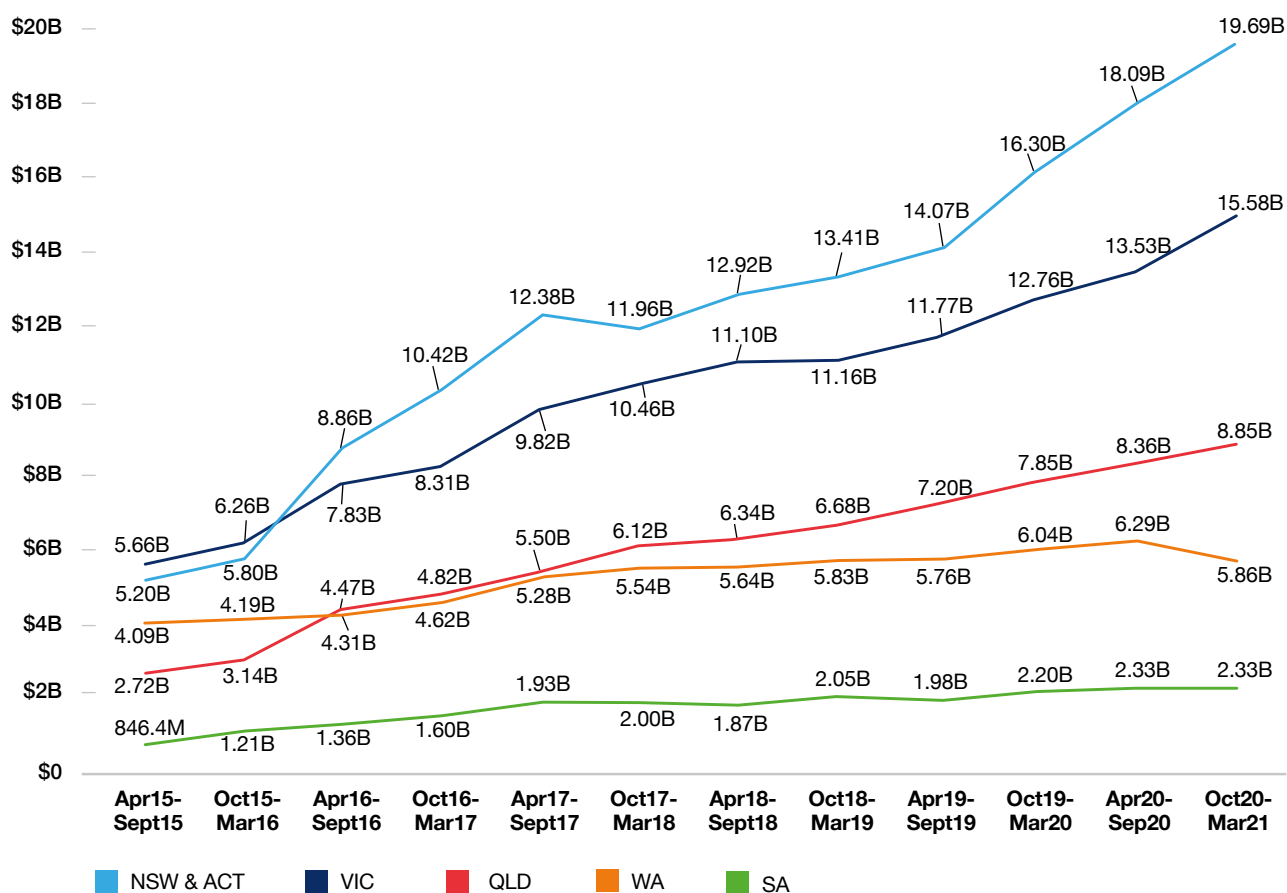


Note: Commercial brokers as those mortgage brokers who had written a commercial loan through their aggregator's panel for the period. Mortgage brokers who solely wrote loans direct with lenders are not included.

The total book value of commercial lending for mortgage brokers continues to grow, reaching a record high of \$52.5 billion, breaking the \$50 billion mark for the first time and maintaining consistency period-on-period.

Period-on-period, the commercial book value has increased by \$3.59 billion or 7.33%, year-on-year the value has increased by \$7.04 billion or 15.48%.

Commercial lending loan book value of mortgage brokers, by state (\$)



Note: Commercial brokers as those mortgage brokers who had written a commercial loan through their aggregator's panel for the period. Mortgage brokers who solely wrote loans direct with lenders are not included.

For the six months to the end of March 2021, the total commercial loan book increased across the three largest states.

New South Wales and ACT's book value recorded solid growth, reaching a new high of approximately \$19.7 billion representing an increase of \$1.59 billion or 8.81% since the last period. New South Wales and ACT's rate of growth has been consistent over the last three reporting periods.

Victoria recorded the highest growth with an increase of \$2.05 billion or 15.16% since the last period to record a total book of \$15.58 billion.

Queensland's rate of growth also shows continued consistency, with an increase of \$482.38 million or 5.77% to \$8.85 billion.

Western Australia recorded a decline with values decreasing by ~\$431.03 million down 6.85%, whilst South Australia was flat with a mild adjustment of \$62,000 over the last six months.

State-by-state analysis

NSW and ACT

It was an encouraging period for New South Wales and ACT.

During the October 2020 - March 2021 period, NSW and ACT brokers settled \$47.88 billion in home loans compared to \$38.45 billion during the equivalent 2019-20 period, an increase of 24.5%.

These results contributed to a growth in value of the state's overall home loan book, up by 6.8%, from \$265.31 billion to \$283.28 billion.

On an individual basis, the average New South Wales and ACT broker settled \$7.69 million in home loans for the period per broker, up 18.5% year-on-year, from \$6.49 million. This result contributed to the increase in value of the average loan book value of \$45.51 million per broker, from \$41.30 million a year ago, up 10.2%.

The population of 6,225 brokers for the period – up compared to 5,929 a year ago, lodged on average 15.9 loans. This equates to a total of 99,090 loans lodged for the state, for the period, up 20.0% compared to a year ago at 82,575.

Home to 36.7% of the national population of brokers, New South Wales and ACT brokers settled 39.0% of the national value of home loans settled – a favourable relationship between metrics.

Brokers earned \$99,987 gross up-front for the period, compared to \$84,314 the previous year, and \$68,261 gross trail for the period, compared to \$64,676 last year, for a combined gross commission of \$168,2489. In total, this was up by 12.9% from a year ago.

VIC

During the October 2020 - March 2021 period, Victorian brokers settled \$35.08 billion in home loans compared to \$31.53 billion during the equivalent 2019-20 period, up 11.3%.

These results contributed to a growth in value of the state's overall home loan book, up by 8.8%, from \$196.18 billion to \$213.50 billion.

On an individual basis, the average broker settled \$6.90 million in home loans for the period per broker, up 7.0% year-on-year, from \$6.45 million. This result contributed to the increase in value of the average loan book value of \$41.97 million per broker, from \$40.17 million a year ago, up 4.48%.

The population of 5,087 brokers for the period – down compared to 4,884 a year ago, lodged on average 19.5 loans. This equates to a total of 99,177 loans lodged for the state, for the period, up 11.9% compared to a year ago at 88,661.

Home to 30.0% of the national population of brokers, Victorian brokers settled 28.6% of the national value of home loans settled – a favourable relationship between metrics.

Brokers earned \$89,653 gross up-front for the period, compared to \$83,912 the previous year, and \$62,954 gross trail for the period, compared to \$56,717 last year, for a combined gross commission of \$152,606. In total, this was up by 8.5% from a year ago.

QLD

During the October 2020 - March 2021 period, Queensland brokers settled \$19.49 billion in home loans compared to \$14.35 billion during the equivalent 2019-20 period, a jump of 35.8%.

These results translated to growth in the value of the state's overall home loan book, which was up by 5.5%, from \$116.81 billion to \$123.24 billion.

On an individual basis, the average broker settled \$7.51 million in home loans for the period per broker, up 31.1% year-on-year, from \$5.73 million. The value of the average loan book of \$47.47 million per broker, increased from \$46.61 million or 1.9% a year ago.

The population of 2,596 brokers for the period – up compared to 2,506 a year ago, lodged on average 24.4 loans. This equates to a total of 63,278 loans lodged for the state, for the period, up 29.0% compared to a year ago at 49,061.

Home to 15.3% of the national population of brokers, Queensland brokers settled 15.9% of the national value of home loans settled.

Brokers earned \$97,583 gross up-front for the period, compared to \$74,453 the previous year, and \$71,211 gross trail for the period, compared to \$64,614 last year, for a combined gross commission of \$168,794. In total, this was up by 21.4% from a year ago.

WA

It was a promising period for Western Australia.

During the October 2020 - March 2021 period, Western Australian brokers settled \$12.15 billion in home loans compared to \$7.96 billion during the equivalent 2019-20 period, an increase of 52.5%.

These results maintained the state's overall home loan book at \$93.48 billion up marginally from \$93.45 billion.

On an individual basis, the average broker settled \$6.57 million in home loans for the period per broker, up 53.1% year-on-year, from \$4.29 million. This result contributed to the increase in value of the average loan book value of \$50.56 million per broker, from \$50.32 million a year ago, up 0.5%.

The population of 1,849 brokers for the period – down compared to 1,857 a year ago, lodged on average 20.7 loans. This equates to a total of 38,215 loans lodged for the state, for the period, up 42.4% compared to a year ago at 26,833.

Home to 10.9% of the national population of brokers, Western Australian brokers settled 9.9% of the national value of home loans settled.

Brokers earned \$85,408 gross up-front for the period, compared to \$55,752 the previous year, and \$75,834 gross trail for the period, compared to \$73,311 last year, for a combined gross commission of \$161,242. In total, this was up by 24.9% from a year ago.

SA

During the October 2020 - March 2021 period, South Australian brokers settled \$6.95 billion in home loans compared to \$5.47 billion during the equivalent 2019-20 period, up 27.1%.

These positive results translated to a slight increase in value of the state's overall home loan book, up by 6.5%, from \$43.08 billion to \$45.88 billion.

On an individual basis, the average broker settled \$6.76 million in home loans for the period per broker, up 22.7% year-on-year, from \$5.51 million. The average loan book value of \$44.67 million per broker grew from \$40.11 million a year ago.

The population of 1,027 brokers for the period – down compared to 992 a year ago, lodged on average 27.5 loans. This equates to a total of 28,210 loans lodged for the state, for the period, up 20.7% compared to a year ago, at 23,369.

Home to 6.1% of the national population of brokers, South Australian brokers settled 5.7% of the national value of home loans settled.

Brokers earned \$87,921 gross up-front for the period, compared to \$71,624 the previous year, and \$67,007 gross trail for the period, compared to \$60,168 last year, for a combined gross commission of \$154,928. In total, this was up 17.6% from a year ago.

TAS

Tasmania had another strong period.

During the October 2020 - March 2021 period, Tasmanian brokers settled \$1.01 billion in home loans compared to \$779.58 million during the equivalent 2019-20 period, up 29.7%.

These results contributed to the growth in value of the state's overall home loan book, up by 23.5%, from \$3.94 billion to \$4.87 billion.

On an individual basis, the average broker settled \$7.72 million in home loans for the period per broker, up 28.7% year-on-year, from \$6.00 million. This result contributed to the increase in value of the average loan book value of \$37.18 million per broker, from \$30.33 million a year ago, up 22.6%.

The population of 131 brokers for the period – down compared to 130 a year ago, lodged on average 26.3 loans. This equates to a total of 3,447 loans lodged for the state, for the period, up by 11.5% compared to a year ago, at 3,092.

Home to less than one per cent (0.8%) of the national population of brokers, Tasmanian brokers settled 0.8% of the national value of home loans settled.

Brokers earned \$100,322 gross up-front for the period, compared to \$77,958 the previous year, and \$55,767 gross trail for the period, compared to \$45,488 last year, for a combined gross commission of \$156,090. In total, this was up by 26.4% from a year ago.

NT

During the October 2020 - March 2021 period, Northern Territory brokers settled \$258.26 million in home loans compared to \$171.48 million during the equivalent 2019-20 period, an increase of 50.6%.

Despite these strong results the value of the Territory's overall home loan book dropped by 2.3%, from \$2.71 billion to \$2.64 billion.

On an individual basis, the average broker settled \$4.97 million in home loans for the period per broker, up 65.7% year-on-year, from \$3.00 million. This strong result also helped to bolster the value of the average loan book value at \$50.86 million per broker, from \$47.51 million a year ago, up 7.1%.

The population of 52 brokers for the period – down compared to 57 a year ago, lodged on average 16.5 loans. This equates to a total of 858 loans lodged for the territory, for the period, up 37.7% compared to a year ago, at 623.

Home to less than one per cent (0.3%) of the national population of brokers, Northern Territory brokers settled 0.2% of the national value of home loans settled.

Brokers earned \$64,566 gross up-front for the period, compared to \$39,109 the previous year, and \$76,281 gross trail for the period, compared to \$71,261 last year, for a combined gross commission of \$140,847. In total, this was up by 27.6% from a year ago.

About the MFAA's Industry Intelligence Service (IIS) Report

The MFAA's Industry Intelligence Service (IIS) Report provides reliable, accurate and timely market intelligence for the Australian mortgage broking sector.

It is designed, produced and delivered by comparator, a CoreLogic business and a recognised provider of performance benchmarking, market diagnostics and ad-hoc investigative services to the retail financial services sector in Australia and New Zealand.

The IIS Report profiles quantitative variables including:

- broker resourcing,
- deployment,
- recruitment and retention,
- new business acquisition, and
- loan portfolios.

It provides performance metrics or benchmarks for the industry and for the prevailing models of wholesale aggregators and franchised broker models.

Individual results for participating aggregators are completely confidential and are never provided to the MFAA, nor to other aggregators or brokers.

The MFAA's IIS Report is produced twice a year, for the six months ending March 31 and the six months ending September 30.



Level 21, 2 Market Street, Sydney NSW 2000 Australia. Telephone 1300 734 318

Benchmark your business

For the six month period
1 October 2020 – 31 March 2021



Benchmark your business

Where does your business fit in comparison to the rest of the state and national average?
Are you above, in the middle or behind the pack?

Use the information in the tables as a tool to evaluate your business.

New South Wales and ACT

	National average	NSW and ACT	My data	% Difference
Average value of new home loans settled per broker in each state during the 6 month period	\$6.5 million	\$7.7 million		
Average number of new home loan applications lodged per active broker in each state and in total during the 6 month period	21.4 loans	16.8 loans		
Average value of the home loan book per broker in each state and in total, at the end of the period	\$44.7 million	\$45.5 million		
Average gross up-front remuneration generated per broker, prior to costs per annum	\$84,758	\$99,987		
Average gross trail remuneration generated per broker, prior to costs per annum	\$67,014	\$68,261		
Average gross remuneration generated per mortgage broker, prior to costs per annum	\$151,772	\$168,248		

My key actions

Queensland

	National average	QLD	My data	% Difference
Average value of new home loans settled per broker in each state during the 6 month period	\$6.5 million	\$7.5 million		
Average number of new home loan applications lodged per active broker in each state and in total during the 6 month period	21.4 loans	25.4 loans		
Average value of the home loan book per broker in each state and in total, at the end of the period	\$44.7 million	\$47.5 million		
Average gross up-front remuneration generated per broker, prior to costs per annum	\$84,758	\$97,583		
Average gross trail remuneration generated per broker, prior to costs per annum	\$67,014	\$71,211		
Average gross remuneration generated per mortgage broker, prior to costs per annum	\$151,772	\$168,794		

My key actions

Western Australia

	National average	WA	My data	% Difference
Average value of new home loans settled per broker in each state during the 6 month period	\$6.5 million	\$6.6 million		
Average number of new home loan applications lodged per active broker in each state and in total during the 6 month period	21.4 loans	21.8 loans		
Average value of the home loan book per broker in each state and in total, at the end of the period	\$44.7 million	\$50.6 million		
Average gross up-front remuneration generated per broker, prior to costs per annum	\$84,758	\$85,408		
Average gross trail remuneration generated per broker, prior to costs per annum	\$67,014	\$75,834		
Average gross remuneration generated per mortgage broker, prior to costs per annum	\$151,772	\$161,242		

My key actions

South Australia

	National average	SA	My data	% Difference.
Average value of new home loans settled per broker in each state during the 6 month period	\$6.5 million	\$6.8 million		
Average number of new home loan applications lodged per active broker in each state and in total during the 6 month period	21.4 loans	28.2 loans		
Average value of the home loan book per broker in each state and in total, at the end of the period	\$44.7 million	\$44.7 million		
Average gross up-front remuneration generated per broker, prior to costs per annum	\$84,758	\$87,921		
Average gross trail remuneration generated per broker, prior to costs per annum	\$67,014	\$67,007		
Average gross remuneration generated per mortgage broker, prior to costs per annum	\$151,772	\$154,928		

My key actions

Tasmania

	National average	TAS	My data	% Difference
Average value of new home loans settled per broker in each state during the 6 month period	\$6.5 million	\$7.7 million		
Average number of new home loan applications lodged per active broker in each state and in total during the 6 month period	21.4 loans	26.7 loans		
Average value of the home loan book per broker in each state and in total, at the end of the period	\$44.7 million	\$37.2 million		
Average gross up-front remuneration generated per broker, prior to costs per annum	\$84,758	\$100,322		
Average gross trail remuneration generated per broker, prior to costs per annum	\$67,014	\$55,767		
Average gross remuneration generated per mortgage broker, prior to costs per annum	\$151,772	\$156,090		

My key actions

Northern Territory

	National average	NT	My data	% Difference
Average value of new home loans settled per broker in each state during the 6 month period	\$6.5 million	\$5.0 million		
Average number of new home loan applications lodged per active broker in each state and in total during the 6 month period	21.4 loans	18.3 loans		
Average value of the home loan book per broker in each state and in total, at the end of the period	\$44.7 million	\$50.9 million		
Average gross up-front remuneration generated per broker, prior to costs per annum	\$84,758	\$64,566		
Average gross trail remuneration generated per broker, prior to costs per annum	\$67,014	\$76,281		
Average gross remuneration generated per mortgage broker, prior to costs per annum	\$151,772	\$140,847		

My key actions



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