

Asian Mortgage Origination Business Model

**Property Developer or Bank
Discussion Pack**

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Current challenges impacting participants

Developers

- Inconsistent service offerings for end-finance for property purchasers
- Lack of on-site sales and financial advisor support
- Uncertainty of finance approval status impacting conversion

Banks

- High cost of origination and low conversion to approvals
- Limited penetration into end-finance opportunity presented by developer channel
- Developer's main financier tends to dominate end-finance access
- Potential for concentration risk as "main" financier as both commercial and retail funder
- Potential for property valuations to be influenced to inflate values

Customers

- Limited finance expertise at Point of Sale (POS)
- Limited choice of lenders offered at POS
- Not sure they are getting best loan offer
- Inconvenient to do all the work yourself



A unique opportunity exists in Asia

A real opportunity for mortgage broking services exists

- High number of real estate transactions & new housing loans issued every year (see slides);
- Increasing number of loan products and offers available in the market creating choice (& confusion);
- Negligible competition in the broking services market currently.

A compelling value proposition can be delivered to all stakeholders

- Improved outcomes for loan customers ;
- Larger loan distribution channel and lower cost per loan for banks;
- Improved sales outcomes for developers

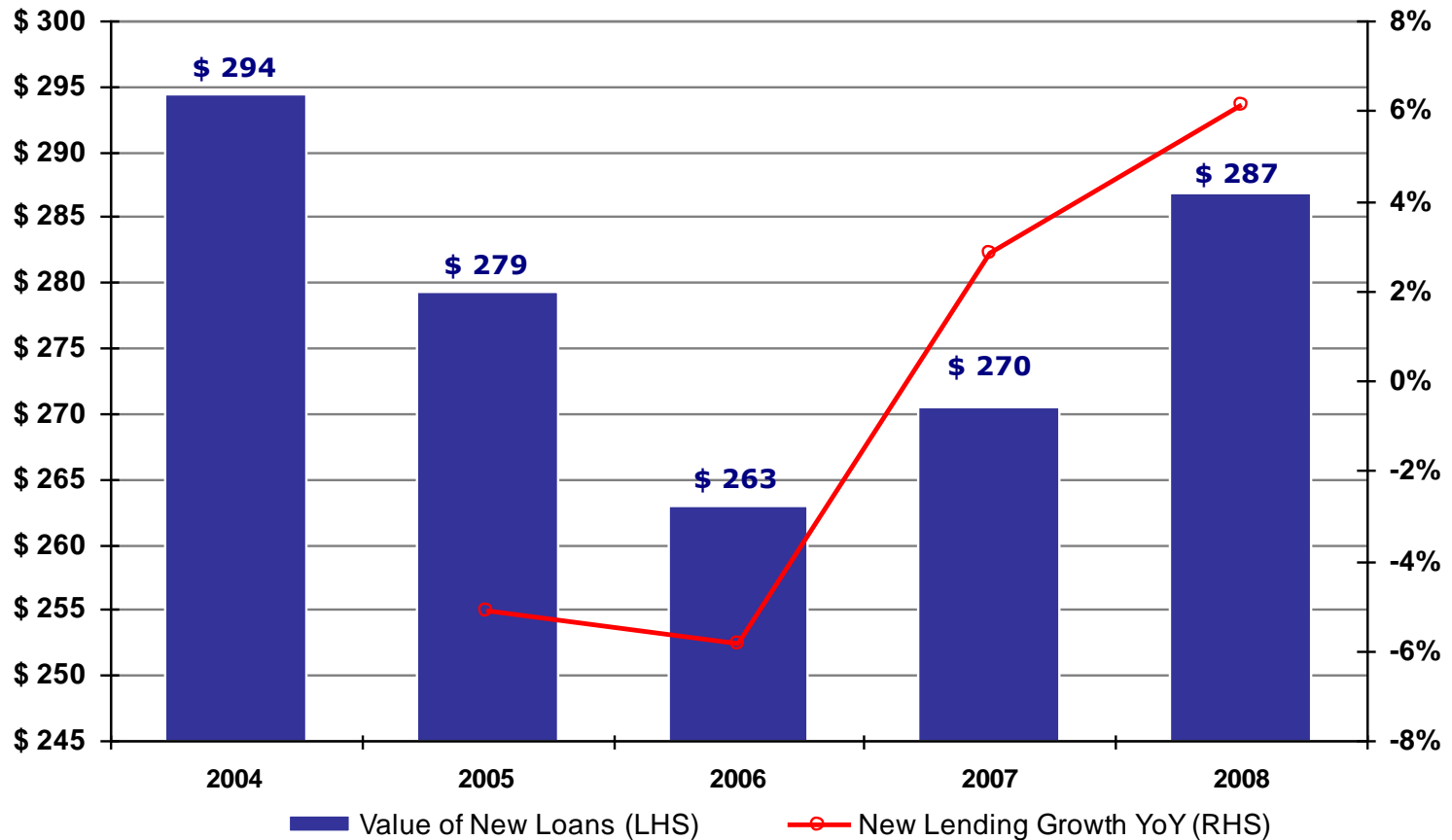
The new business has the capabilities to profit from the opportunity

- Business model that leverages the Asian entrepreneurial spirit and required networks at the local level;
- An attractive return on investment can be achieved in a challenging market under conservative business assumptions;
- Management expertise and previous experience gained in highly developed broker markets.



Country XXX has a growing housing loan market...

New Mortgage Loans to Individuals Nationwide 2004 - 08





A proposed Broker Model provides real benefits and opportunities for key participants

Developers

- Increased choice of end-finance for property purchasers
- On-site sales and financial advisor support
- Improved sales conversion rates due to improved finance approvals
- Reduced cost of sales achieved via “outsourced” finance team

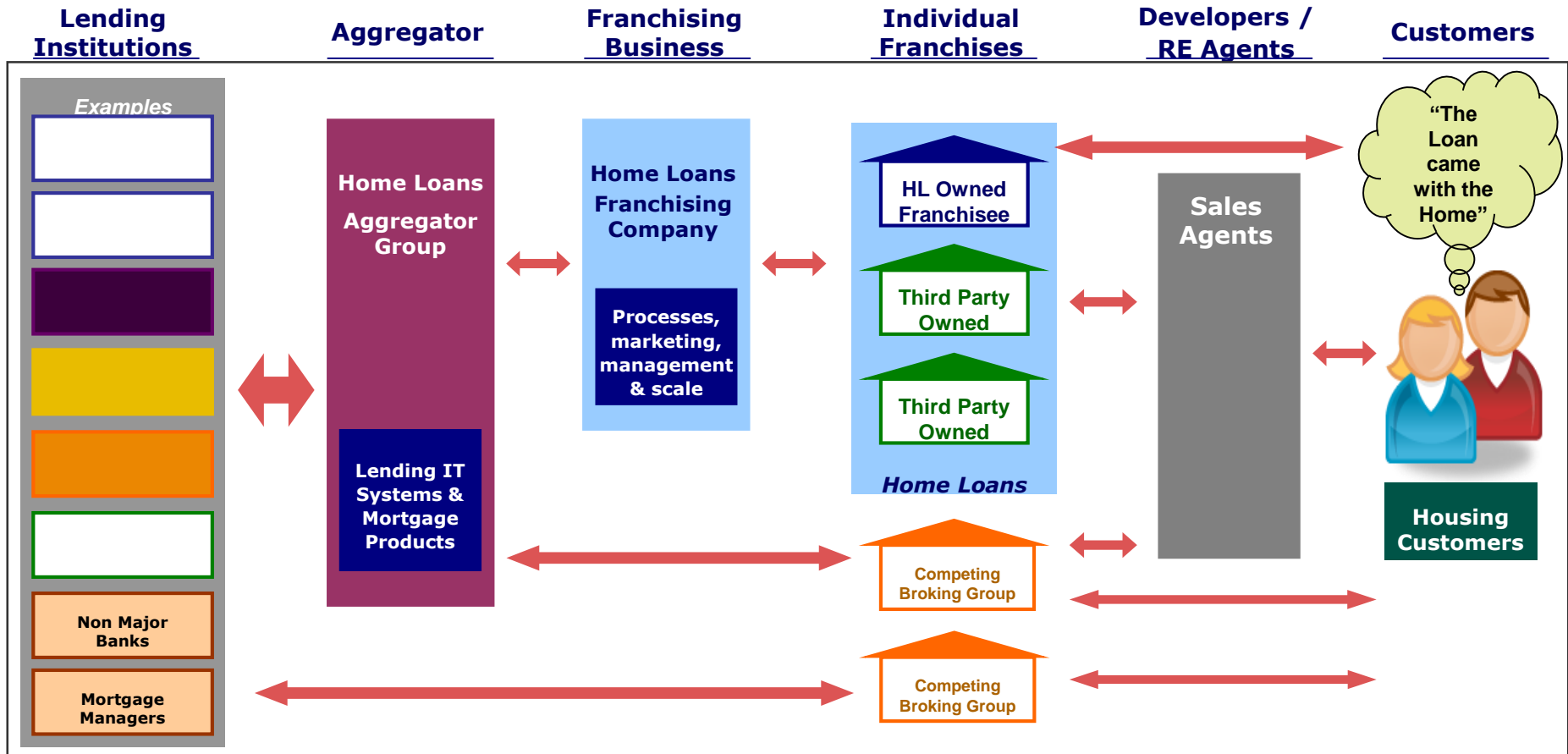
Banks

- Reduced cost of origination and higher conversion to approvals via experienced lenders
- Increased access into end-finance opportunity presented by developer channel
- Reduced concentration risk as end-finance is spread across multiple lenders

Customers

- One stop shop for finance advice and loan origination
- Increased convenience with Broker handling loan comparisons and applications
- Increased choice of lenders at POS
- Independence of Broker from both Developer & Loan Provider

A franchise broking model is proposed supporting relatively rapid expansion at low cost...



The revenue to the participants is typically funded from existing origination channel cost offsets...

