

## MEDIA RELEASE

# 20 YEARS YOUNG

**Financial services company AFG marks a significant milestone this month as it celebrates 20 years in business.**

26 May 2014

Founding Directors Brett McKeon, Malcolm Watkins, Kevin Matthews and the late Bradley McGougan began the business in an office in the Perth suburb of Subiaco so small the photocopier needed to be wheeled in and out each day so that they could sit down at their desks. The company now boasts a national footprint, 2000 brokers, a loan book over \$90 billion and a fully diversified financial services business.

AFG Director Brett McKeon outlined the company's development: "For the past 20 years, our core driver has been the profitable growth of our brokers' business which in turn has driven our growth. It's a simple strategy that's worked, we're now the largest mortgage broking group in Australia and one of the country's leading financial services companies.

Mr McKeon lists the diversification of the business as its key to longevity, "AFG is not an aggregator. Our industry leading mortgage broking business is one arm of a what is now a much larger financial services company which includes a successful and growing property business with \$300 million of projects underway; we have a prosperous securitisation arm with over \$1 billion of business; and we are a bond issuer with a full treasury division which has issued over \$800 million in bonds to global markets in the past 12 months.

"AFG is also a property trust manager and we have plans to expand this thriving part of the business.

"Our broker business model was a first for Australia. Our hair may now be greyer than the suits we wore in the 90s, but our conviction remains the same – our success in business has come from our belief in the value proposition a broker can provide to their clients. And our future lies in helping our brokers to operate efficiently and profitably and to ensure they maximise the opportunities diversification can also bring to their businesses.

"And we continue to focus on helping our brokers' growth by re-investing profits back into the business. We have invested \$60 million alone into IT, developing the latest technology platforms and tools since we began.

Declining competition in the mortgage market is a topic Mr McKeon feels passionately about; "Australia's population has grown by 25% since we began in 1994, but the number of lending partners has halved. We work hard to promote the importance of competition and commission structures and will continue to do so. Competition is key to a healthy lending market.

Today AFG members are lodging around \$4B in mortgage finance each month, accounting for 11.4% of the Australian residential mortgage market.

"In 20 years a lot has changed," said Mr McKeon. We've grown bigger, the world is a lot faster, but one thing has never changed - our focus is on profitable business growth and diversification; our brokers' and our own.

## **ENDS**

For more information please call:

Brett McKeon, Managing Director

Tel 08 9420 7888

David Michie, Mosaic Reputation Management

Tel 0411 453 404

