



FSA Group
AGM Presentation
31 October 2011

Agenda



1. Chairman's address
2. Executive Director's address
3. Ordinary business

Chairman's address



- A year of steady growth in an uncertain market
- PAT of \$9.0m up 20% on FY2010
- Maiden dividend of 1c per share
- WBC increased and renewed funding facilities
- BEN provided a new \$50m funding facility
- In a strong financial position

Executive Director's address



- Products and Services
- Financial Results
- Outlook and Capital Management

Products and Services



SERVICES

- Debt Agreements
- Personal Insolvency Agreements and Bankruptcy
- Other Solutions

HOME LOANS

- Home Loan Lending
- Home Loan Management

SMALL BUSINESS

- Factoring Finance
- Consulting

Services



Debt Agreements

- FSA is the largest provider - market share 53%*
- Clients under management up 30% on FY2010
- Manages over \$270m of unsecured debt
- Consistent low level of arrears
- \$63m paid to creditors up 13% on FY2010
- Superior rates of return to creditors compared to market
- Fee for service income, delivering “annuity” cash flow

Personal Insolvency Agreements and Bankruptcy

- FSA is one of the largest providers*
- Clients under management up 32% on FY2010
- Fee for service income, delivering “annuity” cash flow

* Calculated using ITSA statistics

Home Loans



FSA is one of the few remaining non-conforming home loan lenders operating in the market

Home Loan Lending

- Non-recourse funding of \$310m
 - WBC \$260m (renewed to Oct 2013)
 - BEN \$50m (to June 2014)
- Balance sheet risk limited to equity invested
- Lender's margin and annuity income

Home Loan Management

- Recently launched into the prime home loan market as a manager for BEN
- No balance sheet or funding risk
- Upfront and trail commission

| Home Loan Lending | |
|---------------------------------|----------------|
| Loan Pool Size | \$229m |
| Average Loan Size | \$206,000 |
| Average Weighted LVR | 68% |
| Full Doc Borrowers | 98% |
| Variable Rate Borrowers | 100% |
| Geographical Spread | Australia Wide |
| >30 day arrears* | 2.38% |
| Loss of Capital since inception | \$149,619 |

**Competitors >30 day arrears as reported by the Standard & Poors Index was 12.67% at May 2011*

Small Business



FSA also provides a range of debt solutions to small businesses including factoring finance

Factoring Finance

- Limited-recourse funding of \$25m from WBC (renewed to July 2012)
- Assigned receivables are credit insured
- Lender's margin and annuity income

Consulting

- Provides a range of consulting services
- Fee for service income

| Factoring Finance | |
|---------------------------------|----------------|
| Loan Pool Size | \$12m |
| Average Loan Size | \$225,000 |
| Average Weighted LVR | Ranges 55%-65% |
| Geographical Spread | Australia Wide |
| > 90 day arrears | 9.30% |
| Asset Insured | Yes |
| Loss of Capital since inception | NIL |



Financial Results

Financial Results

Revenue and Profit



| | FY2010 | FY2011 | | % |
|--|---------|---------|---|-----|
| Revenue and Income | \$50.8m | \$54.1m | ↑ | 7% |
| Profit Before Tax | \$12.9m | \$15.3m | ↑ | 19% |
| Profit After Tax (Attributable to Members) | \$7.5m | \$9.0m | ↑ | 20% |
| Net Assets | \$44.8m | \$54.6m | ↑ | 22% |
| NTA/ share | 28.4c | 34.9c | ↑ | 23% |
| EPS Basic | 5.82c | 6.51c | ↑ | 12% |
| Full Franked Dividend/ share | - | 1c | | |



Outlook and Capital Management

Outlook and Capital Management



| | |
|---------------------------|---|
| Outlook | Market environment remains uncertain and consumer confidence is low. Given this environment and the underpinning fear of unemployment people are spending less and saving more. This may result in a softening in demand for some of our products and services. |
| Dividends | Aiming to continue to pay a dividend for FY2012 |
| On Market Buy-Back | To commence an on market buy-back |

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