



FSA GROUP LIMITED

28 May 2020

Market update

The impact of Covid-19 continues to evolve on a daily basis impacting businesses throughout Australia. FSA Group is no different.

1. **(New Clients)** Covid-19 has led to a reduction in the number of new callers seeking our assistance. We believe consumers are currently more concerned with Covid-19 and job security and are less concerned with their debt. In response to this reduction we have restructured parts of our business to reduce costs.

We believe demand for our services will start to increase in the months leading up to the withdrawal of both Government and Bank support packages.

2. **(Existing Clients)** We are focusing on assisting our existing clients with their payments:

	Collections	Arrears > 30 Day	Hardships
Services	Materially increased	Relatively unchanged	Relatively unchanged
Home Loans	Relatively unchanged	from 1.76% to 3.04%	from 2.66% to 6.54%
Personal Loans	Relatively unchanged	from 3.48% to 4.43%	from 1.09% to 4.05%

* From/to compares reported 31 December 2019 vs. 22 May 2020.

** Hardship is defined as a client who is currently unable to meet their payments, due to a change in circumstance.

These hardship percentages for Home Loans and Personal Loans are below what the market is currently experiencing on average.

3. **(Azora)** On 27 May 2020, Patrick Tuttle and David Holmes joined the board of Fox Symes Home Loans Pty Limited to be called "Azora Home Loans". We are now focussed on preparing for the launch of Azora Home Loans.
4. **(FY2020 Guidance)** In February 2020, we provided the following FY2020 guidance:
 - a. Expect earnings growth of 5% to 15% compared to FY2019; and
 - b. Expect our full year dividend to be between 6 cents to 7 cents per share.

We continue to individually review all existing clients in hardship to determine which ones are likely to be temporary versus permanent. The result of this ongoing analysis will quantify the likely increase in provision for doubtful debts for FY2020. At this stage we do **not** believe the increase in provision for doubtful debts for FY2020 will materially impact our earnings and dividend guidance above.

This ASX announcement has been authorised for and on behalf of the FSA Group Board by:
Tim Odillo Maher, Executive Director

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