



Appendix 4D

Preliminary financial statements for the half-year ended 31 December 2023

Name of Entity FSA Group Limited
ABN 98 093 855 791

Details of the reporting period

Half-year ended 31 December 2023
 Previous corresponding reporting period 31 December 2022

Results for announcement to the market	\$A'000	up/down	Movement %
Total operating income	25,373	down	16.6%
Net profit before tax	5,113	down	60.7%
Profit after tax from ordinary activities attributable to the members of the parent	3,193	down	60.0%
Net profit for the period attributable to members of the parent	3,193	down	60.0%

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Final 2023 dividend per share (paid 31 August 2023)	3.50	3.50	30%
Interim 2024 dividend per share determined	3.50	3.50	30%

Interim dividend dates:

Ex-dividend date 7 March 2024
 Record date 8 March 2024
 Payment date 15 March 2024
 There is no dividend reinvestment plan

	31-Dec-23	31-Dec-22
Net tangible assets per security	56.2 cents	56.0 cents

Note

Details of the entities over which control has been gained or lost during the period Not applicable
 Associates and joint ventures Not applicable
 Foreign entities Not applicable
 Independent audit report or review Page 16

This information should be read in conjunction with the 2023 Annual Report.

Additional information supporting the Appendix 4D disclosure requirement can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2023.

DIRECTORS' REPORT

The Directors submit their report for the half-year ended 31 December 2023.

DIRECTORS

The names of the Directors of FSA Group Limited (“FSA Group”) in office during the half-year and until the date of this report are shown below. All Directors were in office from the start of the half-year, unless otherwise stated.

Tim Odillo Maher	Executive Chairman
Deborah Southon	Executive Director
Cellina Z Chen	Executive Director

PRINCIPAL ACTIVITIES

FSA Group provides direct lending services and debt solutions to individuals and businesses.

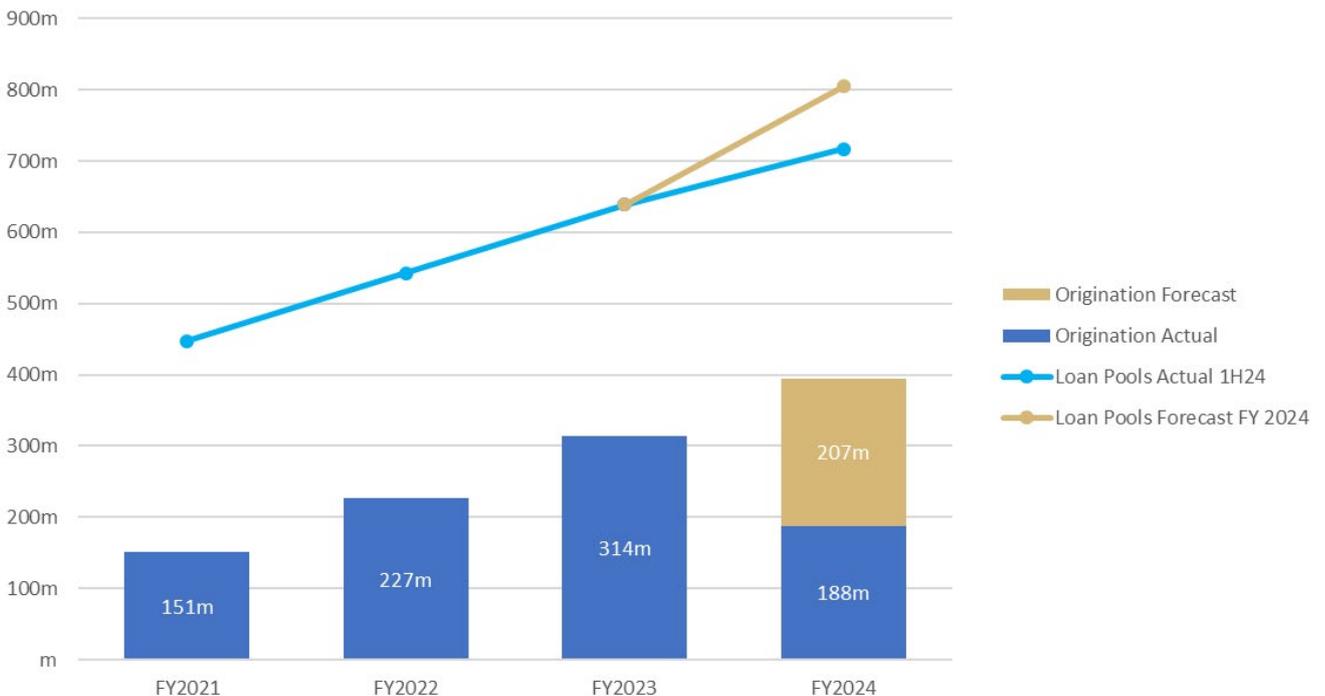
EXECUTIVE DIRECTORS' REVIEW

In early 2020 we placed Services in “hibernation” due to COVID-19 and our strategy was to transition the business from predominately Services to Lending. In 2020 we launched an unsecured personal loan product and in 2021 we acquired an asset finance lending business.

Now the business offers loan products including home loans, secured and unsecured personal loans and asset finance. We also invested significantly in our systems and started developing broker channels to grow new origination and our loan pools.

FSA Group is completing its transition to a Lending business. We have done so successfully amid an extraordinarily challenging lending environment. Our new origination and loan pools are growing at exceptional rates.

New Origination and Loan Pools



DIRECTORS' REPORT continued

This successful transition has come at a short term cost.

For the half-year ended 31 December 2023, FSA Group generated a profit before tax of \$5.1m, a 61% decrease compared to the half-year ended 31 December 2022.

Our Lending segment profit has been impacted by the rising cash rate. This materially impacted the NIM % on our fixed rate loans. Our Services segment experienced a 51% reduction in fee income due to the decrease in the number of clients under administration and generated a loss of \$2.1m.

Profit before tax by segment	1H22	1H23	1H24	% Change
Lending				
Home loans and Asset finance	\$5.7m	\$4.7m	\$3.1m	-36%
Personal loans	\$5.2m	\$5.0m	\$3.9m	-21%
Services	\$5.1m	\$3.3m	-\$2.1m	-164%
Other/unallocated	-\$0.2m	\$0.0m	\$0.2m	
Profit before tax	\$15.7m	\$13.0m	\$5.1m	-61%

Dividends

We advise that the Directors have declared a fully franked interim dividend of 3.50 cents per share, with a record date of 8 March 2024 and payable on 15 March 2024.

FY 2024 Profit Guidance

Our profit before tax guidance for FY 2024 is between \$12m and \$14m.

Lending Segment

The Lending segment offers loan products including home loans, personal loans and asset finance.

During the first half, new origination increased from \$145m to \$188m, a 30% increase.

Our loan pools increased from \$572m to \$727m, a 27% increase. This growth came from personal loans, up 50%, and asset finance up 75%, which are fixed rate loans. The percentage of fixed rate loans has increased from 24% in 1H22 to 46% in 1H24.

Loan Pools	1H22	1H23	1H24	% Change
Home loans	\$383m	\$370m	\$392m	+6%
Personal loans	\$70m	\$84m	\$126m	+50%
Asset finance	\$54m	\$119m	\$208m	+75%
Total	\$507m	\$572m	\$727m	+27%
% of fixed rate loans	24%	35%	46%	

Our Net Interest Margin % (or NIM %), calculated as the percentage of net finance income to finance income, declined from 75% in 1H22 to 47% in 1H24, primarily due to the rising cash rate. Since May 2022 the cash rate has increased by 4.25%, which impacted the NIM % on these fixed rate loans. The greatest impact has been on fixed rate loans originated prior to May 2022. This impacted profit for this segment.

Lending - Revenue and other income	1H22	1H23	1H24	% Change
Finance income	\$23.0m	\$32.3m	\$43.1m	+34%
Finance expense	\$5.6m	\$12.3m	\$22.8m	+85%
Net finance income	\$17.3m	\$19.9m	\$20.3m	+2%
NIM %	75%	62%	47%	

DIRECTORS' REPORT continued

Lending Segment Strategy

1. Improve our NIM % over time

Our fixed rate loans have a contracted average life of 5.3 years and an actual average life of approximately 3.5 years. Over time our NIM % will improve as new originations are originated at higher risk adjusted fixed rates. Our NIM % for October to December 2023 was stable at 47%.

2. Grow new origination and loan pools, supported by automation

In recent years, we invested significantly in our systems and developed end-to-end automation. Our aim is to double annual new origination, through our broker channels, from the \$300m achieved in FY 2023 to over \$600m per annum. Automation will play a key role in supporting this growth, growing our loan pools to around \$1.3 billion. Achieving this growth target depends on broker take up of our product offering and funding, both of which are potential risks.

3. Grow while containing expenses, through automation and expanding our offshore office

Excluding impairment expenses which will increase as our loan pools grow, we aim to increase new origination and our loan pools while containing expenses. We aim to achieve this through automation and expanding our offshore office.

Expenses	1H22	1H23	1H24	% Change
Employee benefit expense	-\$9.1m	-\$10.9m	-\$10.8m	-1%
Marketing expense	-\$1.9m	-\$1.8m	-\$2.3m	+27%
Operating expenses	-\$2.6m	-\$3.0m	-\$3.0m	-0%
Office facility expenses	-\$0.8m	-\$0.8m	-\$0.9m	+8%
Depreciation and amortisation expense	-\$0.6m	-\$0.6m	-\$0.8m	+21%
Total expenses excluding impairment expenses	-\$15.0m	-\$17.1m	-\$17.7m	+3%
Impairment expenses	\$0.2m	-\$0.3m	-\$2.6m	+739%

Impairment expenses in 1H22 and 1H23 benefited from write backs in provision for doubtful debts post COVID-19. Impairment expenses for 1H24 were \$2.6m.

4. Benefit from operating leverage

As our loan pools grow to \$1.3 billion we expect to benefit from operating leverage. We are targeting a profit before tax of between \$36m to \$42m per annum and a return on equity in excess of 25%.

This target is based on a number of factors, including the percentage of fixed rate loans, NIM%, automation, expanding our offshore office and our cumulative losses tracking in line with historical performance.

Lending Segment Arrears and Losses

During the first half, arrears were impacted by cost of living pressures. We continue to work closely with our clients to ensure we achieved positive outcomes. Losses increase as the loan pools grow. Arrears and losses are within acceptable levels.

Arrears > 30 day	1H22	1H23	1H24
Home loans	1.39%	3.32%	3.32%
Personal loans	2.11%	2.57%	2.93%
Asset finance	1.93%	2.61%	2.99%
Losses	1H22	1H23	1H24
Home loans	\$111,134	\$89,914	\$0
Personal loans	\$308,996	\$365,444	\$795,667
Asset finance	\$166,233	\$719,116	*\$1,509,928

*The loss of \$1,509,928 excludes a loss of \$463,989 on loans originated between April 2021 and May 2022. These loans were part of a discontinued pilot lease product offering.

DIRECTORS' REPORT continued

Services Segment

The Services segment experienced a 51% reduction in fee income due to the decrease in the number of clients under administration and generated a loss before tax of \$2.1m for 1H24.

Services - Revenue and other income	1H22	1H23	1H24	% Change
Fees from services	\$13.2m	\$10.5m	\$5.1m	-51%

In June 2023, we moved Services out of “hibernation” while being acutely aware that conditions in the insolvency market remained subdued. Over the past 6 months we have closely monitored debtor behaviour and demand for our services. We have also been conscious of the emergence of entities offering unregulated, informal debt arrangements to debtors with lower levels of debt and the consequential impact this has had on debtor behaviour.

Our Services segment assists debtors with unsecured debt as low as \$10,000 and debt exceeding \$500,000. Informal Arrangements and Debt Agreements are an option for debtors with lower levels of debt while Personal Insolvency Agreements and Bankruptcy are an option for debtors with higher levels of debt.

Prior to COVID-19, for the FY 2018 to FY 2020 period, the profit before tax breakdown of Services was as follows.

Services	FY 2018	FY 2019	FY 2020
Profit before tax	\$10m	\$11m	\$12m
Breakdown:			
Informal Arrangements and Debt Agreements	\$6m	\$7m	\$8m
Personal Insolvency Agreements and Bankruptcy	\$4m	\$4m	\$4m

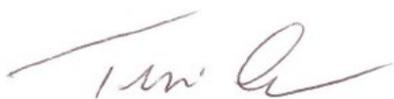
What drove this breakdown was marketing. Going forward we will focus on debtors with higher levels of debt and we will assist them with Personal Insolvency Agreements and Bankruptcy. This is where we see the greatest debtor demand as the insolvency market reopens. We will refocus our marketing to assist debtors with higher levels of debt.

Given this new focus, it is expected Services will generate a loss before tax of around \$1.0m for FY 2024. We expect Services will generate a profit for FY 2025.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is attached to this Directors' report on page 6.

Signed in accordance with a resolution of Directors made pursuant to section 306(3) of the Corporations Act, on behalf of the board of Directors.



Tim Odillo Maher
Director
Sydney
29 February 2024

DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF FSA GROUP LIMITED

As lead auditor for the review of FSA Group Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of FSA Group Limited and the entities it controlled during the period.



Ryan Pollett
Director

BDO Audit Pty Ltd

Sydney, 29 February 2024

FSA Group Limited

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2023

	Notes	Consolidated Entity	
		31-Dec-23	31-Dec-22
		\$	\$
Revenue and other income			
Fees from services	4	5,112,287	10,498,414
Finance income	4	43,071,776	32,250,837
Finance expense	4	(22,810,983)	(12,308,002)
Net finance income	4	20,260,793	19,942,835
Total operating income	4	25,373,080	30,441,249
Employee benefit expense		(10,780,597)	(10,903,456)
Marketing expense		(2,300,974)	(1,812,062)
Operating expenses		(2,954,569)	(2,956,660)
Impairment expenses		(2,556,520)	(304,724)
Office facility expenses		(903,782)	(837,582)
Depreciation and amortisation expense		(764,026)	(631,581)
Total expenses		(20,260,468)	(17,446,065)
Profit before income tax		5,112,612	12,995,184
Income tax expense		(1,371,089)	(3,767,272)
Profit after income tax		3,741,523	9,227,912
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period		3,741,523	9,227,912
Total profit and comprehensive income for the period attributable to:			
Non-controlling interests		548,747	1,238,035
Members of the parent		3,192,776	7,989,877
Net profit for the period		3,741,523	9,227,912
Earnings per share			
Basic earnings per share (cents per share)	7	2.63	6.53
Diluted earnings per share (cents per share)	7	2.63	6.53

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

FSA Group Limited
Consolidated statement of financial position
as at 31 December 2023

		Consolidated Entity	
	Notes	Dec-2023	Jun-2023
		\$	\$
Assets			
Cash and cash equivalents		5,011,720	16,404,282
Restricted cash		19,724,005	20,045,421
Trade and other receivables		13,966,753	14,769,434
Loans and advances	5	726,528,989	638,697,386
Other assets		467,650	319,634
Right of use assets		7,646,248	8,176,043
Plant and equipment		1,708,951	1,795,058
Intangible assets		14,148,887	14,601,068
Deferred tax assets		2,444,642	2,410,202
Total Assets		791,647,845	717,218,528
Liabilities			
Trade and other payables		2,703,453	3,708,800
Current tax liabilities		220,751	5,382,588
Financing liabilities	6	674,014,660	591,018,637
Lease liability		8,633,838	9,065,182
Contract liabilities		139,636	286,197
Provisions		3,380,685	3,218,683
Deferred tax liabilities		2,881,189	3,234,555
Total Liabilities		691,974,212	615,914,642
Net Assets		99,673,633	101,303,886
Equity			
Share capital		2,493,454	2,493,454
Reserves		8,825,222	8,707,901
Retained earnings		75,636,486	76,816,975
Total equity attributable to members of the parent		86,955,162	88,018,330
Non-controlling interests		12,718,471	13,285,556
Total Equity		99,673,633	101,303,886

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

FSA Group Limited
Consolidated statement of cash flow

For the six months ended 31 December 2023

	Consolidated Entity	
	31-Dec-23	31-Dec-22
	\$	\$
	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers	6,747,934	8,853,611
Payments to suppliers and employees	(18,538,631)	(17,047,633)
Finance income received	44,295,721	31,812,533
Finance cost paid	(21,110,195)	(11,738,071)
Income tax paid	(6,920,731)	(3,917,385)
Net cash inflow from operating activities	4,474,098	7,963,055
Cash flows from investing activities		
Acquisition of property, plant and equipment	(71,893)	(97,288)
Acquisition of intangibles	(153,844)	(100,000)
Net (increase) / decrease in home loan assets	(15,364,169)	19,526,818
Net increase in personal loan assets	(24,404,821)	(11,588,606)
Net increase in asset finance assets	(52,351,946)	(37,812,138)
Net increase in other loans	(140,000)	(105,000)
Net cash outflow from investing activities	(92,486,673)	(30,176,214)
Cash flows from financing activities		
Net receipt of borrowings	82,319,815	19,682,247
Payment of lease liability	(532,123)	(468,058)
Payment of distributions to non-controlling interests	(1,242,000)	-
Dividends paid to the Company's shareholders	(4,247,096)	(4,281,790)
Net cash inflow from financing activities	76,298,596	14,932,399
Net decrease in cash and cash equivalents	(11,713,979)	(7,280,760)
Cash and cash equivalents at the beginning of the period	36,449,704	35,924,613
Cash and cash equivalents at the end of the period	24,735,725	28,643,853

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

FSA Group Limited
Consolidated statement of changes in equity
31 December 2023

	Share capital	Reserve	Retained earnings	Non-controlling interests	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2022	3,502,630	8,477,064	72,384,411	11,713,863	96,077,968
Profit after income tax for the period	-	-	7,989,877	1,238,035	9,227,912
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	7,989,877	1,238,035	9,227,912
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(4,281,790)	-	(4,281,790)
Long term incentive plan	-	18,126	-	-	18,126
Class shares	-	95,390	-	-	95,390
Balance at 31 December 2022	3,502,630	8,590,580	76,092,498	12,951,898	101,137,606
Profit after income tax for the period	-	-	5,006,269	571,658	5,577,927
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	5,006,269	571,658	5,577,927
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(4,281,792)	-	(4,281,792)
Distributions to non-controlling interests	-	-	-	(238,000)	(238,000)
Share buy-back	(1,009,176)	-	-	-	(1,009,176)
Long term incentive plan	-	21,933	-	-	21,933
Class shares	-	95,388	-	-	95,388
Balance at 30 June 2023	2,493,454	8,707,901	76,816,975	13,285,556	101,303,886
Profit after income tax for the period	-	-	3,066,608	674,915	3,741,523
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	3,066,608	674,915	3,741,523
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(4,247,097)	-	(4,247,097)
Distributions to non-controlling interests	-	-	-	(1,242,000)	(1,242,000)
Long term incentive plan	-	21,933	-	-	21,933
Class shares	-	95,388	-	-	95,388
Balance at 31 December 2023	2,493,454	8,825,222	75,636,486	12,718,471	99,673,633

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

FSA Group Limited
Notes to the consolidated half year financial report
31 December 2023

1. REPORTING ENTITY

FSA Group Limited (the 'Company') is a for-profit company domiciled in Australia. The consolidated half year financial report of the Company as at and for the six months ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the 'Consolidated Entity') and the Consolidated Entity's interests in associates.

The principal activities of the Consolidated Entity are the provision of direct lending services and debt solutions to individuals and businesses.

2. BASIS OF PREPARATION

Statement of compliance

This consolidated half year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*' and the Corporations Act 2001 and does not include all of the information and notes of the type normally required for full annual financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcement made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. These consolidated interim financial statements were approved by the Directors on 29 February 2024.

New, revised, or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all new, revised, or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The accounting policies applied by the Consolidated Entity in these consolidated interim financial statements are the same as those applied by the Consolidated Entity in its consolidated financial statements as at and for the year ended 30 June 2023. Any new, revised or amending Accounting Standards or Interpretations that are not mandatory yet have not been early adopted.

3. SEGMENT INFORMATION

Reportable segments

The Consolidated Entity's operating segments are distinguished and presented based on the differences in providing services and providing finance products. From this information, the Consolidated Entity's chief operating decision makers have identified reportable segments that are subject to different regulatory environments and legislation:

Reportable segment	Description
Services	Offering a range of services to assist clients wishing to enter into a payment arrangement with their creditors.
Lending	Offering home loans and personal loans to assist clients wishing to purchase a property or consolidate their debt or to purchase a motor vehicle and asset finance to SMEs for vehicles and business-critical equipment.
Other / unallocated	Including parent entity services and intercompany investments, balances and transactions, which are eliminated upon consolidation.

FSA Group Limited
Notes to the consolidated half year financial report
31 December 2023

Segment information

The results of the reportable segments are reconciled to the Consolidated Entity's financial information as follows:

	Services		Lending		Other / Unallocated		Consolidated Total	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue and Income:								
Fees from services	5,024,599	10,394,111	302,601	93,390	(214,913)	10,913	5,112,287	10,498,414
Finance income	600,679	65,519	42,410,677	32,130,850	60,420	54,468	43,071,776	32,250,837
Finance expense	(262,568)	78,696	(22,761,798)	(12,361,023)	213,383	(25,675)	(22,810,983)	(12,308,002)
Net finance income	338,111	144,215	19,648,879	19,769,827	273,803	28,793	20,260,793	19,942,835
Total operating income	5,362,710	10,538,326	19,951,480	19,863,217	58,890	39,706	25,373,080	30,441,249
Results:								
Segment profit before tax	(2,103,138)	3,283,538	6,987,030	9,737,471	228,720	(25,825)	5,112,612	12,995,184
Income tax	616,158	(1,027,000)	(1,912,052)	(2,742,582)	(75,195)	2,310	(1,371,089)	(3,767,272)
Profit for the period	(1,486,980)	2,256,538	5,074,978	6,994,889	153,525	(23,515)	3,741,523	9,227,912
Segment assets	36,661,922	35,830,668	755,628,130	610,694,566	29,414,162	17,141,749	821,704,214	663,666,983
Reclassification*							(30,056,369)	(17,687,056)
Total Assets							791,647,845	645,979,927

* Represented reclassification of assets and liabilities and intercompany eliminations. Intercompany loans within each segment are eliminated within the segment assets.

4. REVENUE AND INCOME

Disaggregation of revenue

	Consolidated Entity	
	31-Dec-23	31-Dec-22
	\$	\$
Fees from services		
– Personal insolvency	4,809,686	10,245,043
– Refinance broking	302,601	253,371
Total revenue	5,112,287	10,498,414
Finance income		
– Home loan assets	17,495,463	14,698,285
– Personal loan assets	11,888,350	9,809,617
– Asset finance assets	13,552,571	7,628,119
– Other interest income	135,392	114,816
	43,071,776	32,250,837
Finance expense		
– Interest expense – home loan facilities	(12,223,500)	(8,206,122)
– Interest expense – personal loan facilities	(3,505,168)	(1,288,329)
– Interest expense – asset finance facilities	(7,082,315)	(2,813,551)
	(22,810,983)	(12,308,002)
Net finance income	20,260,793	19,942,835
Total operating income	25,373,080	30,441,249

FSA Group Limited
Notes to the consolidated half year financial report
31 December 2023

5. LOANS AND ADVANCES

	Home loan assets		Personal loan assets		Asset finance assets		Consolidated Entity Total	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
	\$	\$	\$	\$	\$	\$	\$	\$
Non-securitised financing assets	338,587,824	317,986,348	127,548,257	105,020,530	210,269,449	160,648,188	676,405,530	583,655,066
Securitised financing assets	54,841,502	60,123,016	-	-	-	-	54,841,502	60,123,016
Total financing assets	393,429,326	378,109,364	127,548,257	105,020,530	210,269,449	160,648,188	731,247,032	643,778,082
Provision for impairment	(1,020,349)	(872,840)	(1,237,308)	(1,505,397)	(2,460,386)	(2,702,459)	(4,718,043)	(5,080,696)
	392,408,977	377,236,524	126,310,949	103,515,133	207,809,063	157,945,729	726,528,989	638,697,386
The movement in the provision for impairment								
Opening balance	(872,840)	(777,800)	(1,505,397)	(1,344,844)	(2,702,459)	(1,167,000)	(5,080,696)	(3,289,644)
Increase in provision	(147,509)	(195,147)	(184,768)	(709,991)	(1,673,598)	(2,626,511)	(2,005,875)	(3,531,649)
Bad debts	-	100,107	452,857	549,438	1,915,671	1,091,052	2,368,528	1,740,597
Closing balance	(1,020,349)	(872,840)	(1,237,308)	(1,505,397)	(2,460,386)	(2,702,459)	(4,718,043)	(5,080,696)

6. BORROWINGS

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn
Home loans	Non-recourse warehouse	Westpac	\$350m	Oct-24	\$307m
		Institutional	\$27m	Oct-24	\$23m
	Securitised	Institutional	N/A	Mar-51	\$51m
Personal loans	Limited recourse warehouse	Westpac	\$75m	Apr-26	\$62m
		Institutional	\$21m	Apr-26	\$16m
	Corporate	Westpac	\$15m	Mar-24	\$8m
Asset Finance	Non-recourse warehouse	Australian Bank	\$200m	May-24	\$155m
		Institutional	N/A	May-24	\$48m

*In January 2024, the home loan securitised assets were refinanced to the home loan warehouse. This senior home loan facility limit increased from \$350m to \$375m.

** In February 2024, the senior personal loan facility was amended from a limited to non-recourse facility, and the limit increased from \$75m to \$125m.

FSA Group Limited
Notes to the consolidated half year financial report
31 December 2023

7. EARNINGS PER SHARE

	Consolidated Entity	
	31-Dec-23	31-Dec-22
Total Earnings per share for profit	\$	\$
Total profit attributable to the members of the parent for the period	3,192,776	7,989,877
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	121,345,588	122,336,824
Weighted average number of ordinary shares used in calculating diluted earnings per share	121,345,588	122,336,824
Basic earnings per share (cents)	2.63	6.53
Diluted earnings per share (cents)	2.63	6.53

8. DIVIDENDS

Dividends recognised during the six months ended 31 December 2023 by FSA Group Limited are:

Half year ended 31 December 2023	Value per share \$	Total Amount	Franked	Date of Payment
Final - ordinary	0.035	\$4,247,097	100%	31-Aug-23

Financial Year 2023	Value per share \$	Total Amount	Franked	Date of Payment
Final - ordinary	0.035	\$4,281,790	100%	30-Aug-22
Interim - ordinary	0.035	\$4,281,792	100%	9-Mar-23

Franked dividends declared or paid during the period were franked at a tax rate of 30%. On 29 February 2024, the Directors declared a fully franked dividend of 3.50 cents to be paid on 15 March 2024, a total estimated distribution of \$4,247,096 based on ordinary shares on issue as at 31 December 2023.

9. FINANCIAL INSTRUMENTS

Except as detailed in the following table, the Directors consider that due to their short-term nature the carrying amounts of financial assets and financial liabilities, which include cash, current trade receivables, current payables and current borrowings, are assumed to approximate their fair values. For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

	31-Dec-23	31-Dec-23
	Book value	Fair value
	\$	\$
Financial assets		
Current receivables net of deferred tax	1,628,107	1,628,107
Non-current receivables net of deferred tax	434,392	428,531
Financing assets		
Personal loan assets	128,802,513	142,248,317
Home loan assets	393,799,783	408,584,061
Asset finance assets	210,269,449	217,322,098

10. COMMITMENTS AND CONTINGENT LIABILITIES

At the reporting date loan applications accepted by the Consolidated Entity but not yet settled amounted to \$12,046,650 (1HYF2023: \$12,874,285).

FSA Group Limited
Notes to the consolidated half year financial report
31 December 2023

11. EVENTS AFTER THE REPORTING PERIOD

There have been no events since 31 December 2023 that may significantly affect the Consolidated Entity's operations, impact upon the financial performance or position of the Consolidated Entity except as follows:

- In January 2024 the home loan securitised assets were refinanced to the home loan warehouse. This senior home loan facility limit increased from \$350m to \$375m.
- In February 2024 the senior personal loan facility was amended from a limited to non-recourse facility, and the limit increased from \$75m to \$125m.
- On 29 February 2024, Directors declared a 3.50 cents fully franked interim dividend to shareholders to be paid on 15 March 2024 with a record date of 8 March 2024.

Directors' Declaration

In the Directors' opinion:

1. the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
2. the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors.



Tim Odillo Maher
Director
Sydney
29 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of FSA Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of FSA Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

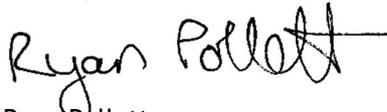


Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO


Ryan Pollett
Director

Sydney, 29 February 2024