

Full Year Results Presentation

28 August 2015

Who we are

Prime Financial Group is an ASX Listed Integrated Wealth Management Firm for business owners and family groups

Prime's goal is to become the Premier Partner to Accountants for Growth, Succession and Integrated Wealth Management and to deliver personalised advice to clients for a secure financial future

PERSONALISED **ADVICE**



ASX LISTED



**TRULY INTEGRATED
WEALTH MANAGEMENT**

\$1BILLION+
CLIENT FUNDS
UNDER MANAGEMENT

INDEPENDENT
OF 'BIG 4' AU BANKS

ESTABLISHED 1998

» *Accounting Heritage* «

PREMIER
ACCOUNTING FIRM PARTNER

30+ ACCOUNTING FIRM EQUITY PARTNERS

How we work



Accounting Services

Personal & Business Structuring
Accounting & Taxation Services
Business Advisory
Superannuation
Succession Planning



Asset Protection inc. Legal Services

Asset Protection Review
Wills & Estate Planning
Binding Death Benefit Nominations
General Security Agreements
Loan, Shareholder & Buy/Sell Agreements



Life Insurance

Income Protection
Term Life Insurance
Total & Permanent Disablement Insurance
Trauma (Critical Illness) Cover
Business Buy/Sell & Keyman Insurance



Superannuation inc. SMSF

Retirement Needs Analysis
Superannuation Review
Superannuation Consolidation
Capital Preservation/Growth Analysis
Contribution Strategies



Financial & Retirement Planning

Retirement Needs Analysis
Capital Preservation/Growth Analysis
Tax Efficient Strategies
Transition to Retirement Strategies
Pension Establishment
Intergenerational Planning
Social Security Analysis



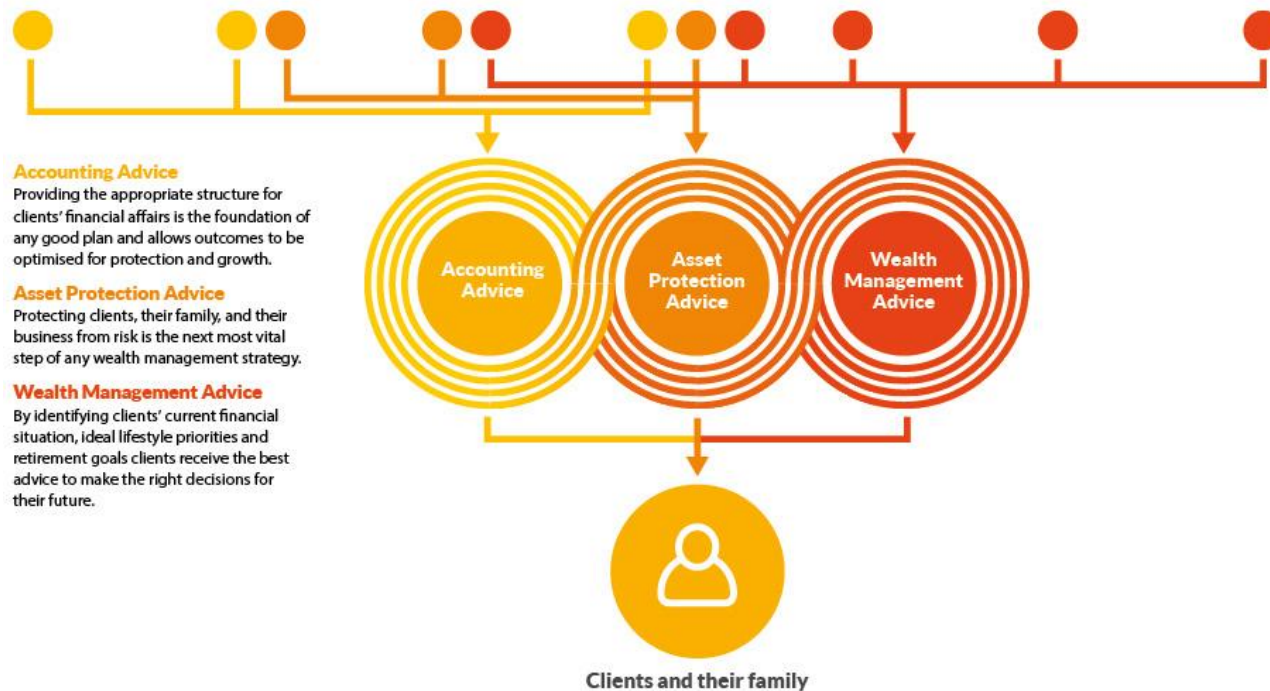
Investment Advice

Tailored Portfolio Review
Asset Allocation Advice
Portfolio Construction
Investment Strategy incl. SMSF
Term Deposit & Cash Service



Lending & Finance

Home Loans
Investment Loans
SMSF Property Lending
Business Cash Flow Lending
Business Working Capital
Succession & Acquisition Funding



FY2015 Results Summary

- Reported Loss Before Tax after Impairment (\$19.43M)
- Impairment \$23.19M
- Underlying Profit Before Tax (excluding impairment) \$3.76M up 3%
- Underlying Profit After Tax (excluding impairment) \$2.70M up 3%
- EPS of 1.9 CPS (excluding impairment) up 3%
- Net Debt \$7.4M @ 30/06/15
- Net Debt approx. \$1.3M @ 28/08/15
- Debt funding facility refinanced to 30 September 2016 on substantially the same terms
- PWM Funding structure for Growth – 3 transactions completed to 28/08/15
- New FUM of \$90M v \$84M
- Lost FUM of \$55M v \$150M
- Final Dividend of 0.40 CPS (Full Year Dividend of 0.80 CPS)

FY2015 Results Summary

FINANCIAL RESULTS	FY15 \$M	FY14 \$M	% CHANGE
Profit/(Loss) Before Tax	(19.43)	3.66	-631%
Profit/(Loss) After Tax	(20.49)	2.63	-879%
Basic & Diluted Earnings (cents per share)	(14.1)	1.8	-879%
Dividend Paid & Proposed (cents per share) (Fully franked)	0.80	0.80	

FINANCIAL RESULTS – UNDERLYING EARNINGS (EXCLUDING IMPAIRMENT)	FY15 \$M	FY14 \$M	% CHANGE
Profit/(Loss) Before Tax	3.76	3.66	+3%
Profit/(Loss) After Tax	2.70	2.63	+3%
Basic & Diluted Earnings (cents per share)	1.9	1.8	+3%

FY2015 Results Summary

DETAILED FINANCIAL RESULTS	FY 15 \$M	FY 14 \$M	% CHANGE
Wealth Management – New Business Revenue	2.32	2.27	+2%
– Recurring Revenue	7.48	7.63	-2%
– Licensing Revenue	0.35	0.50	-30%
Total Wealth Management Revenue	10.15	10.40	-2%
Accounting Investees	1.80	1.83	-2%
Other Revenue	0.38	0.38	-
Total Accounting & Other Revenue	2.18	2.21	-1%
Gross Revenue	12.33	12.61	-2%
Less Group Overheads	(7.46)	(8.02)	-7%
Less Non-Controlling Interest	(1.11)	(0.93)	+19%
Profit/(Loss) Before Tax Before Impairment	3.76	3.66	+3%
Less Impairment	(23.19)	-	-
Profit/(Loss) Before Tax	(19.43)	3.66	-631%
Profit/(Loss) After Tax	(20.49)	2.63	-879%

FY2015 Results Summary

OPERATIONAL	FY 15	FY 14	% CHANGE
Group Operating Margin (Excluding Impairment)	30%	29%	+3%
Total FUM (\$B)	1.051	1.058	-1%

FUNDS UNDER MANAGEMENT (FUM)	FY 15 \$M
Opening FUM	1,058
FUM – New	90
FUM – Outflow	(55)
Implied Market Movement	(42)
FUM – Net Total Movement	(7)
Closing FUM	1,051

FY2015 Results Summary

SUMMARY BALANCE SHEET	30/06/2015 \$M	30/06/2014 \$M
Current Assets		
Cash	0.6	0.3
Other Current Assets	2.4	4.4
Non Current Assets		
Receivables	0.6	4.0
Plant & Equipment	-	1.1
Investments	47.4	62.4
Total Assets	51.0	72.2
Current Liabilities		
Payables/Provisions	2.4	2.9
Non Current Liabilities		
Borrowings	8.0	7.5
Total Liabilities	10.4	10.4
Equity	40.6	61.8

Key Developments

Marketing & Technology

- New Prime & Accounting Partner Wealth Management Mobile & Social enabled Websites
www.primefinancial.com.au
- Development & deployment of Digital & Social channel strategy and content plus production capability
- Implementation of Cloud Infrastructure for Prime
- New client Investment Management Technology platform and mobile application (Prime Connect)
- A progressive communication platform – keeping clients completely connected



Key Developments

Investment Advice

- Broadening of Prime Client Asset Allocation Model enabled by new Investment Management Technology Platform
- Significant Value Added by Prime Separately Managed Accounts (SMA's)

Prime SMA's Portfolio Performance

PRE-FRANKING CREDITS	1 YEAR
Prime Australian Equity Growth Portfolio	13.65%
S&P/ASX200 Accumulation Index	5.67%
Prime value added	7.98%
Prime Australian Equity Income Portfolio	7.78%
S&P/ASX200 Accumulation Index	5.67%
Prime value added	2.11%

- Closure of Protus Prime Commercial Real Estate investment entity – low client take up
- Growth in New FUM + \$90M and reduction in lost FUM to \$55M
- Rollout of new 3 tier service offering for Self Directed Investors through to Full Advice Clients

Key Developments

Resourcing

- Implementation of increased centralised resourcing plus a global resourcing model for efficiency and growth

Funding for Growth

- On 2 October 2014 Prime completed a funding arrangement through Prime Accounting & Wealth Management Pty Ltd (PWM). Prime holds 99.9% of the ordinary voting shares representing a 33.3% economic interest, a financial institution holds preference shares under a preferred dividend structure representing a 66.7% economic interest
- On 13 February 2015 Prime completed through PWM, it's first new investment of 30% in a Sydney based Accounting Firm plus established a 50/50 Wealth Entity with that firm
- On 9 July 2015 Prime refinanced it's debt on substantially the same terms to September 2016
- On 21 July 2015 Prime transferred two existing investments in Accounting Firms and related Wealth Entities to PWM which after a capital contribution of \$1.8m from Prime netted Prime approx \$3.6M
- On 26 August 2015 Prime sold its 'direct' interest in a Sydney based Accounting Firm to the existing principals, Prime realised \$2.5M
- On 28 August 2015 Prime's net debt was \$1.3M (approx.) down from \$7.4M at 30 June 2015

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