

Annual General Meeting

27 November 2014

Welcome

Board Members:

- Rick Nelson - Chairperson
- John de Zwart– Managing Director
- Noel Griffin – Non-executive Director
- Stephen Maitland – Non-executive Director
- Matthew Kidman – Non-executive Director
- Martin Pretty – Non-executive Director

Senior Executives:

- Glenn Toohey – Company Secretary & Chief Financial Officer
- Debra Anderson – Company Secretary & Corporate Manager – Legal
- Linda Kaddatz – Assistant Company Secretary
- Bob Dodd – CEO of Centrepont Alliance Premium Funding
- Soula Cargakis – CEO of Associated Advisory Practices
- Mathew Walker – CEO of Ventura and Investment Diversity
- Anne Fitzgerald – General Manager - Strategic Initiatives
- Bruce Sweeney – Chief Information Officer

AGM Order of Business

- 1. Annual financial and other reports**
- 2. Adoption of remuneration report**
- 3. Re-election of Stephen Maitland**
- 4. Re-election of Noel Griffin**
- 5. Election of Martin Pretty**
- 6. Ratification and approval of previous issue of shares**
- 7. Approval of employee incentive scheme**
- 8. Issue of shares to Managing Director: John de Zwart**
- 9. Additional capacity to issue ordinary shares**
- 10. Appointment of new auditor**
- 11. Renewal of proportional takeover provisions**

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Resolution 1:

To consider and if thought fit pass the following resolution as a resolution in accordance with section 250R(2) Corporations Act 2001:

“That the remuneration report for the year ended 30 June 2014 be adopted.”

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Resolution 2:

To consider and if thought fit pass the following resolution as an ordinary resolution:

“That Stephen Maitland, who retires by rotation in accordance with rule 58(a) of the Company’s constitution and, being eligible, be re-elected as a director of the Company.”

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Resolution 3:

To consider and if thought fit pass the following resolution as an ordinary resolution:

“That Noel Griffin, who retires by rotation in accordance with rule 58(a) of the Company’s constitution and, being eligible, be re-elected as a director of the Company.”

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Resolution 4:

To consider and if thought fit pass the following resolution as an ordinary resolution:

“That Martin Pretty, who was appointed in accordance with rule 47 of the Company’s constitution and, being eligible, be elected as a director of the Company.”

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Resolution 5:

To consider and if thought fit pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous issue of 8,000,000 shares, as detailed in the explanatory statement.”

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Resolution 6:

To consider and if thought fit pass the following resolution as an ordinary resolution:

“That the Company’s long-term incentive plan (LTIP) be approved for the purposes of ASX Listing Rule 7.2, exception 9.”

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Resolution 7:

To consider and if thought fit pass the following resolution as an ordinary resolution:

“That, pursuant to section 208(1)(a) of the Corporations Act 2001 and ASX Listing Rule 10.14, the members of the Company approve the issue of 2,800,000 shares under the LTIP to the Company’s Managing Director, John de Zwart, in the manner outlined in the explanatory statement.”

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Resolution 8:

To consider and if thought fit pass the following resolution as a special resolution:

“That the additional capacity to issue ordinary shares in the Company under rule 7.1A of the ASX Listing Rules for cash or non-cash consideration at any time during the next 12 months (or until a transaction under rule 11.1.2 or 11.2 is approved by the shareholders of the Company), be approved for the purposes of rule 7.1A and for all other purposes.”

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Resolution 9:

To consider and if thought fit pass the following resolution as an ordinary resolution:

“That, subject to the consent of the Australian Securities & Investments Commission to the current auditor resigning, Deloitte having been duly nominated under section 328B(1) Corporations Act 2001, be appointed as auditor of the Company.”

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Resolution 10:

To consider and if thought fit pass the following resolution as a **special resolution**:

“That the proportional takeover approval provisions contained in rule 86 of the Company’s constitution be granted effect for a further three years, effective on and from the day on which this resolution is passed.”

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- Centrepont Funding has continued its strong growth in FY14 with revenue up 16% and pre-tax profits up by 43%
- Strong progress has been made in the transformation of Centrepont Wealth including a change in organisational structure to align with our strategy of developing a customer and adviser centric wealth business
- Centrepont acquired the remaining 45% of the shares in Associated Advisory Practices Pty Ltd and Associated Advisory Practices Pty (No 2) Ltd in October 2013 positioning that business for continued growth
- In April-May \$13.63m in equity was raised through a placement to institutional and sophisticated investors and a 1 for 3 non-renounceable, fully underwritten entitlement offer
- The equity raising has strengthened the balance sheet, provided future capital requirements for the AFSL holding entities and for both organic and inorganic growth of the Centrepont group
- A final dividend of 2.2 cents per share, fully franked, was paid on 15 October 2014

The Group is embarking on a new 'challenger' strategy (2014-2020) in the financial services industry leveraging our scale, independence and expertise.

This is a multi year journey requiring long term commitment and new skills. As a result, the Board has begun implementing a series of changes:

- One appointment made, Martin Pretty (27 June 2014)
- Following a transition, Noel Griffin to retire 28 January 2015
- Appointment of a new Chair (2H15)
- One further director to retire (2H15)
- Replacement of Ernst & Young as auditors and appointment of Deloitte (subject to shareholder approval)
- Centralisation and standardisation of compliance and risk management (in progress)
- External oversight of key governance processes i.e. Wealth advice, strategy (PwC appointed to review wealth advice)

These changes will position the Group well to oversee the ongoing development of the strategy and its execution.

2014 Annual General Meeting

Managing Director Presentation

- Strong results delivered across all businesses
 - Exceptional growth in Premium Funding
 - Simplification and refocusing of Centrepont Wealth progressing well
- Centrepont is leveraging its strong market positions and industry change to transform itself into a leading service provider to independent intermediaries
- 2014 was a successful year - revenue stabilisation, cost reductions, team rebuilding and improved stakeholder relationships

FY14 Financial Summary

	FY14	FY13	Change
Underlying PBT	\$8.3m	\$5.8m	43%
Statutory NPAT	\$3.3m	(\$7.8m)	142%
Total Revenue ¹	\$51.7m	\$52.6m	(2%)
Total Expenses (ex claims) ¹	\$45.5m	\$49.2m	(8%)
Cost to Income Ratio	88%	94%	(6%)
Total Assets	\$184.8m	\$150.2m	23%
Total Equity	\$34.5m	\$17.2m	101%
Cash & Term Deposits	\$21.4m	\$9.4m	128%
Underlying PBT EPS (cents)	7.9	6.0	32%
Underlying PBT EPS (cents) (Continuing Operations, Diluted)	3.1	- 7.9	139%

¹From Continuing Operations

Financial

- Underlying PBT up 43% to \$5.3m
- Premiums funded up 21% to \$445m and growing 3 times market
- Premium Funding east coast sales up 43% YOY
- Mortgage broking PBT up 2% to \$0.2m

Operating

- Operational efficiencies continued to be gained from prior year IT investment. Further capacity available
- Customer experience further improved
- Strong credit risk and expense management

Strategy and people

- Strengthened east coast Premium Funding sales team and rebalanced client base
- Renewed IBNA premium funding agreement
- Reweighting business to higher margin small loan size business
- Low risk profile
- Investment in developing the team underway

Financial

- Underlying profit flat. Statutory PBT up 149%
- Prior year revenue reductions offset by operational improvements
- \$6m in annualised savings achieved

Operating

- Significant investment in people, processes and systems funded by operational efficiencies
- Successfully re-engaged with advisers
- Claims management process transformed
- Range of market leading services launched for independent advisers strengthening proposition and service

Strategy and people

- New customer and adviser centric strategy launched
- Disposed of non-core assets i.e. GPS, Malaysian and NZ advice businesses
- Acquired remaining 45% of Associated Advisory Practices
- Launched salaried advice and new licensee Alliance Wealth

Regulation

- Completed transformation of professional standards team and processes
- Strong relationship with regulators and industry bodies
- Ongoing Monitoring Program completed in July 2014
- Regulatory changes (FOFA) implemented without any significant impact on revenues to date

- Centrepont rebranding progressing well across the business
- Centrepont cross sell initiatives being well received by intermediaries and clients
- Premium Funding volumes up 31% YTD in eastern states. Western Australia volumes are lower resulting in total sales margin down 7% YTD
- New Premium Funding distribution agreement entered into with Steadfast will strengthen long term growth
- Bank funding negotiations due to be finalised in Dec14 with second bank funder coming on board
- Centrepont Lending Solutions (ex Australian Loan Company) transformation has begun

- Centrepont Wealth has seen steady growth in new practices since Apr14
- New licensee, Alliance Wealth launched (September Qtr15)
- Salaried adviser model launched, Alliance Wealth and Protection (September Qtr15)
- New managed account solution, Ventura Managed Account Portfolios launched (December Qtr15)
- SMART practice services delivered to existing practices including:
 - Outsourced para-planning
 - Succession planning and book purchases
 - Acquisition funding service
- Investing in key staff appointments to continue the transformation of Wealth and grow revenues
- No significant impact from regulatory changes

A new Centrepont licensee providing a solution for financial advisers to provide quality independent advice with the freedom and opportunity of owning their own practice

Rationale:

- Complements existing offerings and leverages scale from existing business lines
- Strong demand from advisers for a high quality, full service licensee
- Seeking product choice and technology to support practice efficiencies
- Flat fee structure with no dealer splits
- Simplified model with no legacy issues

Growth Initiative: Alliance Wealth and Protection (AWP)

A new salaried advice business for financial advisers to provide quality independent advice with the security of a salaried income

Rationale:

- Complements existing offerings and leverages scale from existing business lines
- Demand from advisers for a high quality, non-aligned salaried advice role
- Strong demand from organisations to partner with a non-conflicted high quality advice business to complement existing client services
- High margin, low risk

Vision:

To create the leading and most highly respected independent financial services business in Australia.

Strategy:

1. Grow premium funding through strong distributor relationships and consistent reliable service
2. Build a modern, customer centric, vertically integrated, wealth business and:
 - Develop a platform which allows advisers to consistently deliver quality advice
 - In conjunction with consumers and advisers, design and deliver new solutions based around customer needs

Thank you and any questions?

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