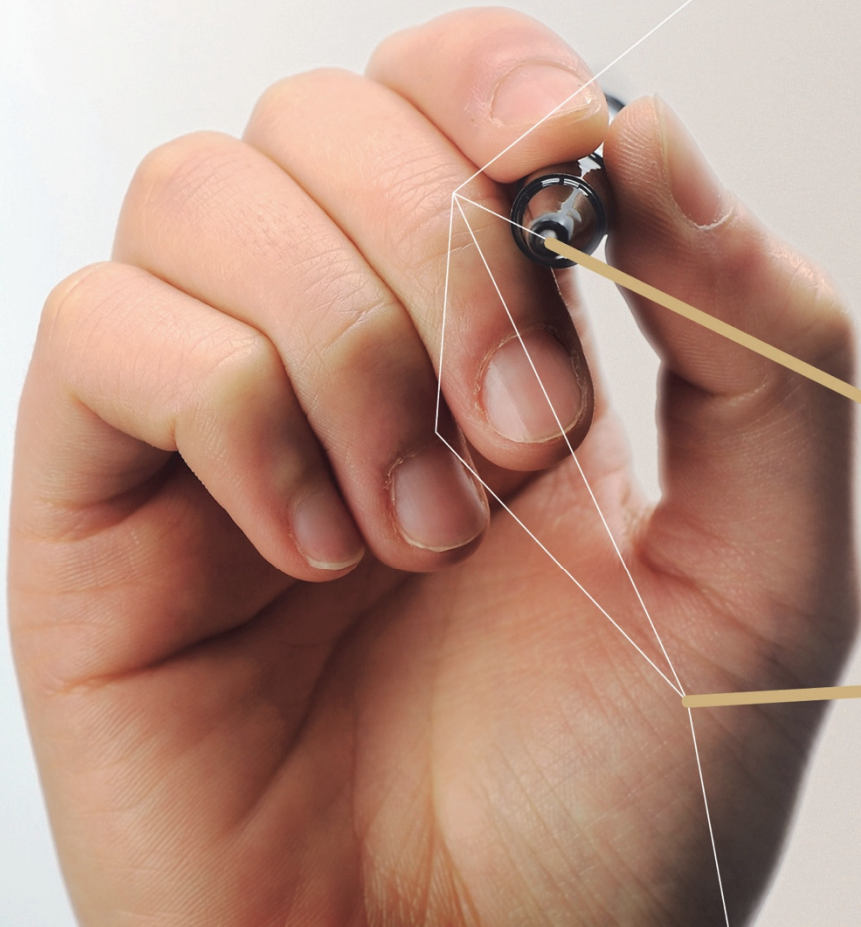




FSA Group Limited

AGM Presentation

27 November 2015



Agenda



- Overview
- Segments
 - Services
 - Consumer Lending
 - Business Lending
- Financial results 2015
- 5 Year Strategic Plan 2016 to 2020
- July to October 2015

Overview

FSA Group
Limited

Consumer and
Business Lending

Financial
Results

Services

5 year
strategic plan



Overview



Australia's largest provider of debt solutions;
direct lender to individuals & businesses

What we do

For over 15 years, FSA has helped thousands of Australians take control of their debt. Our large and experienced team of professionals offers a range of debt solutions and direct lending services, which we tailor to suit individual circumstances and to achieve successful outcomes for our clients.

Segments

Operates across 3 segments:

- Services
- Consumer Lending
- Business Lending

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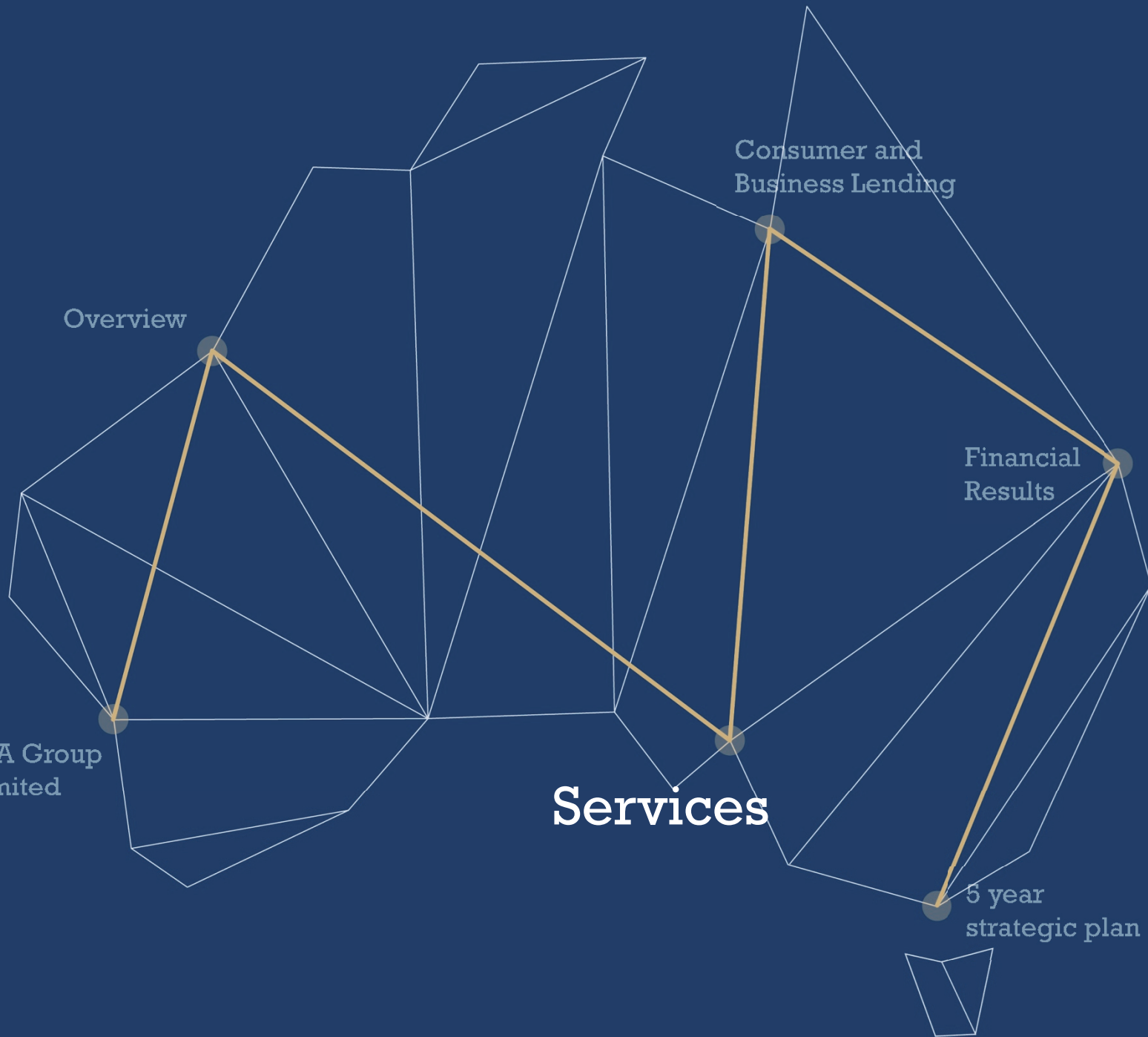
Overview

Services

Consumer and
Business Lending

Financial
Results

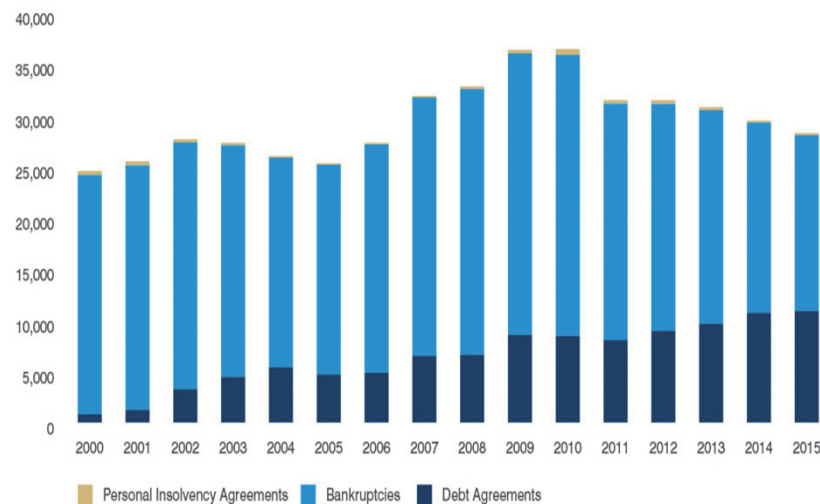
5 year
strategic plan



Services



The Services Market



FSA assists individuals wishing to enter into a formal payment arrangement with their creditors through:

1. Debt Agreement
2. Personal Insolvency Agreement
3. Bankruptcy

FSA is Australia's largest provider of debt solutions

Services



Debt Agreements

Largest provider – market share 48%* for new agreements
Our focus is affordable, viable and sustainable agreements

- Reflected by our 61% market share for paid out agreements in 2014

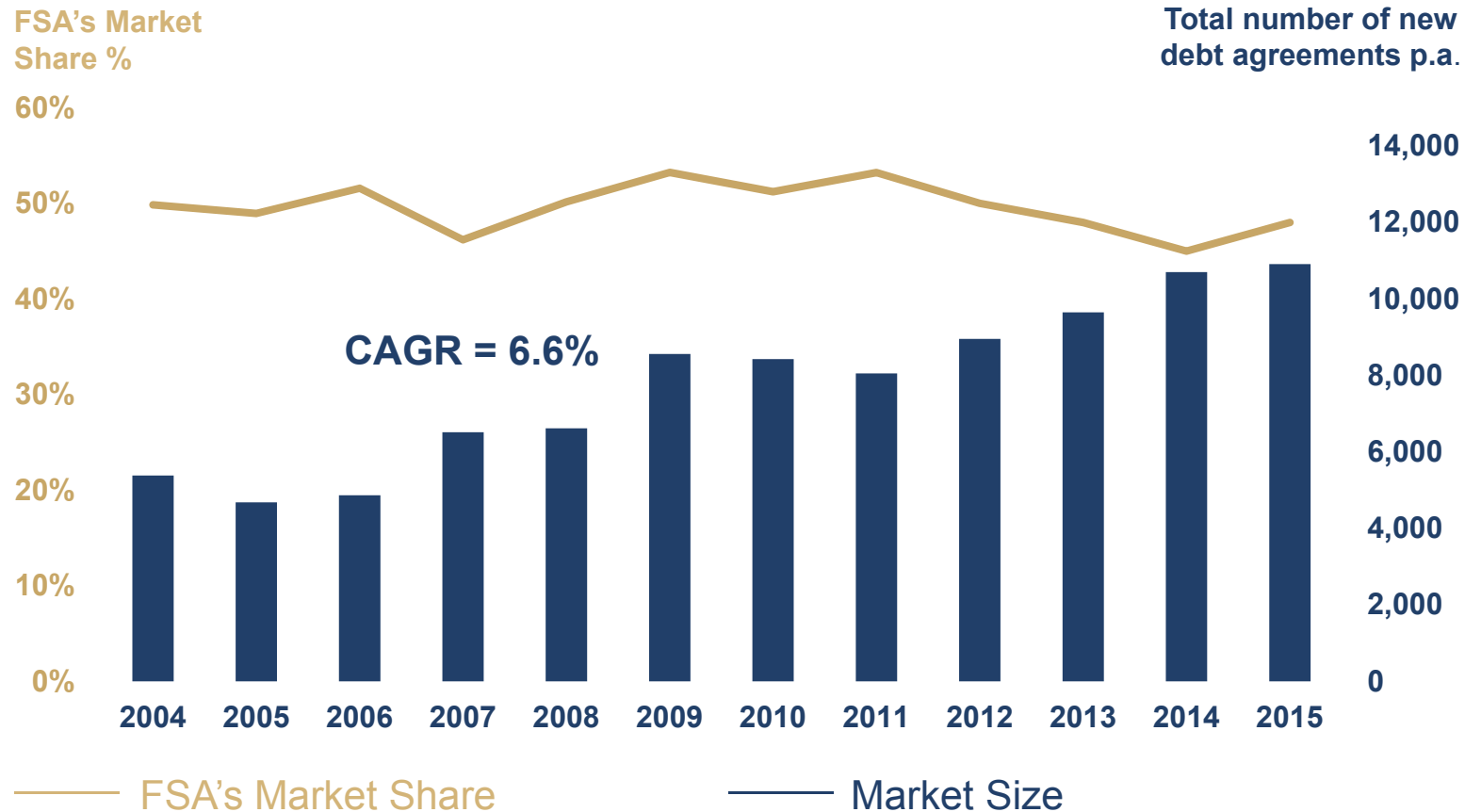
18,844 clients owing \$328m to creditors
Low arrears, \$81m paid to creditors in 2015
Superior returns to creditors compared to market

PIAs and Bankruptcy

One of the largest providers
1,612 clients

* Calculated using AFSA statistics for FY2015

FSA is the leader in debt agreements

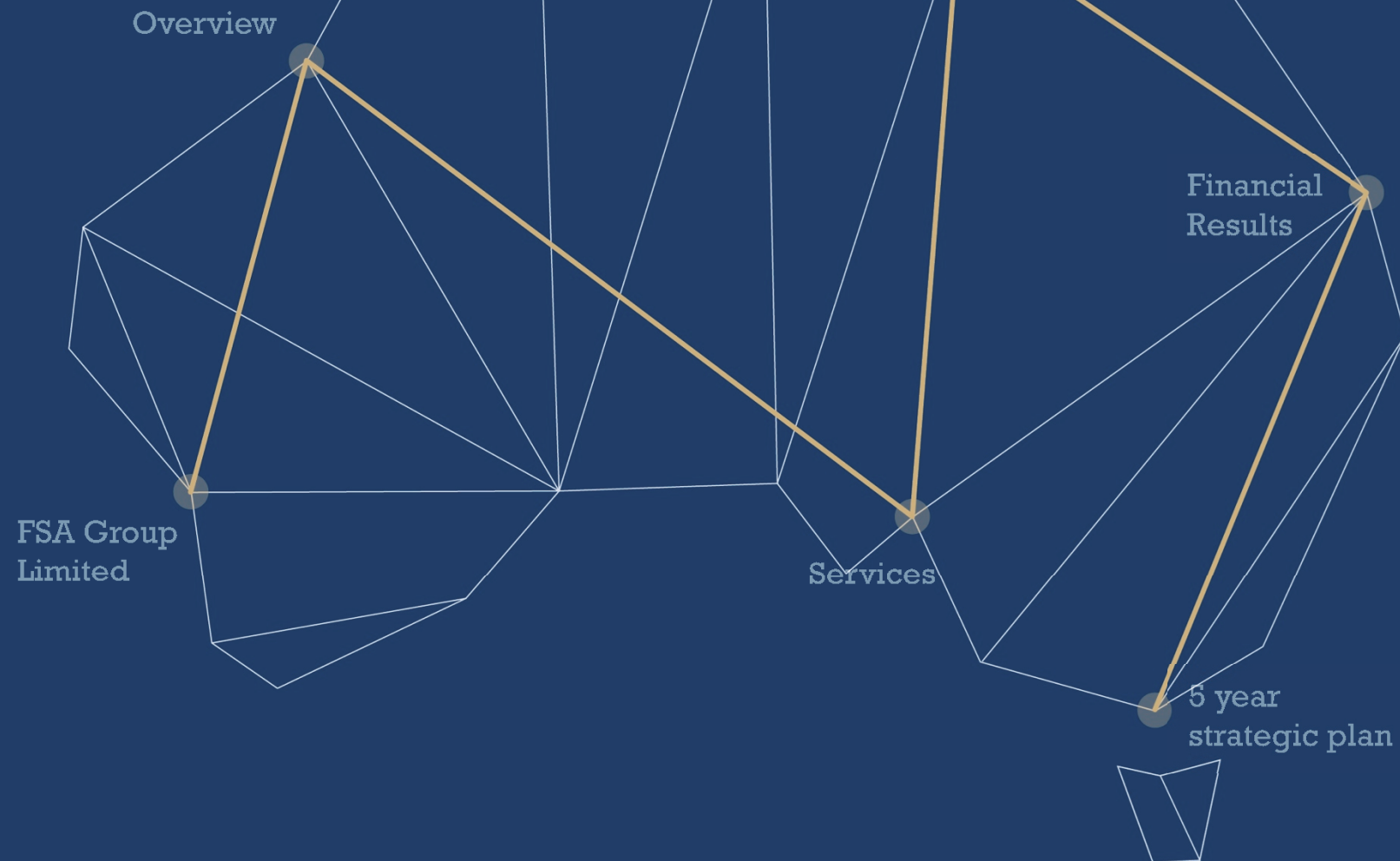


New service - Easy Bill Pay



What is EBP?	Service to assist clients with paying their bills
Target market	The 6,000 to 7,000 new callers who contact us each month
Cost to client	99c per day
Cost to FSA	Nominal operating costs to run as system driven
Launched when	Trialling since April 2014
Performance to 2015	762 clients 16,866 bills paid to date Added 157 and 167 new clients in May and June 2015
Future plans	Aiming to add over 500 new clients per month over the next few years

Consumer and Business Lending



Consumer and Business Lending



Home Loans	FSA offers non-conforming home loans to assist clients with property who wish to consolidate their debt.
Personal Loans	FSA offers non-conforming personal loans to existing clients to assist with the purchase of a motor vehicle.
Factoring Finance	FSA offers factoring finance to assist small businesses with cash flow management.

Loan pools



Loan Pools	FY2014	FY2015	% Change
Home Loans	\$221.1m	\$233.0m	+5%
Personal Loans	\$1.1m	\$5.9m	+440%
Factoring Finance	\$24.3m	\$31.5m	+30%
Total	\$246.5m	\$270.4m	+10%

Arrears	Type	FY2013	FY2014	FY2015
Home Loans	> 30 day	3.22%	3.32%	2.87%
Personal Loans	> 30 day	NA	NA	Nil
Factoring Finance	> 90 day	4.75%	5.89%	6.79%

Loan pools



Loan Pool Data	Home Loans	Personal Loans	Factoring Finance
Average loan size	\$285,640	\$24,228	\$277,004
Security type	Residential home	Motor vehicle	Invoices
Average loan to valuation ratio	68%	100%	55% to 65%
Variable or fixed rate	Variable	Fixed	Variable
Geographical spread	All states	All states	All states

Funding	Facility Type	Provider	Limit	Renewal Date
Home Loans	Non-recourse senior	Westpac	\$250m	October 2016
	Non-recourse mezzanine	Institutional	\$20m	October 2016
Personal Loans	Recourse corporate	Westpac	\$20m*	July 2017*
Factoring Finance	Recourse structured	Westpac	\$35m	June 2017

* Increased and renewed October 2015

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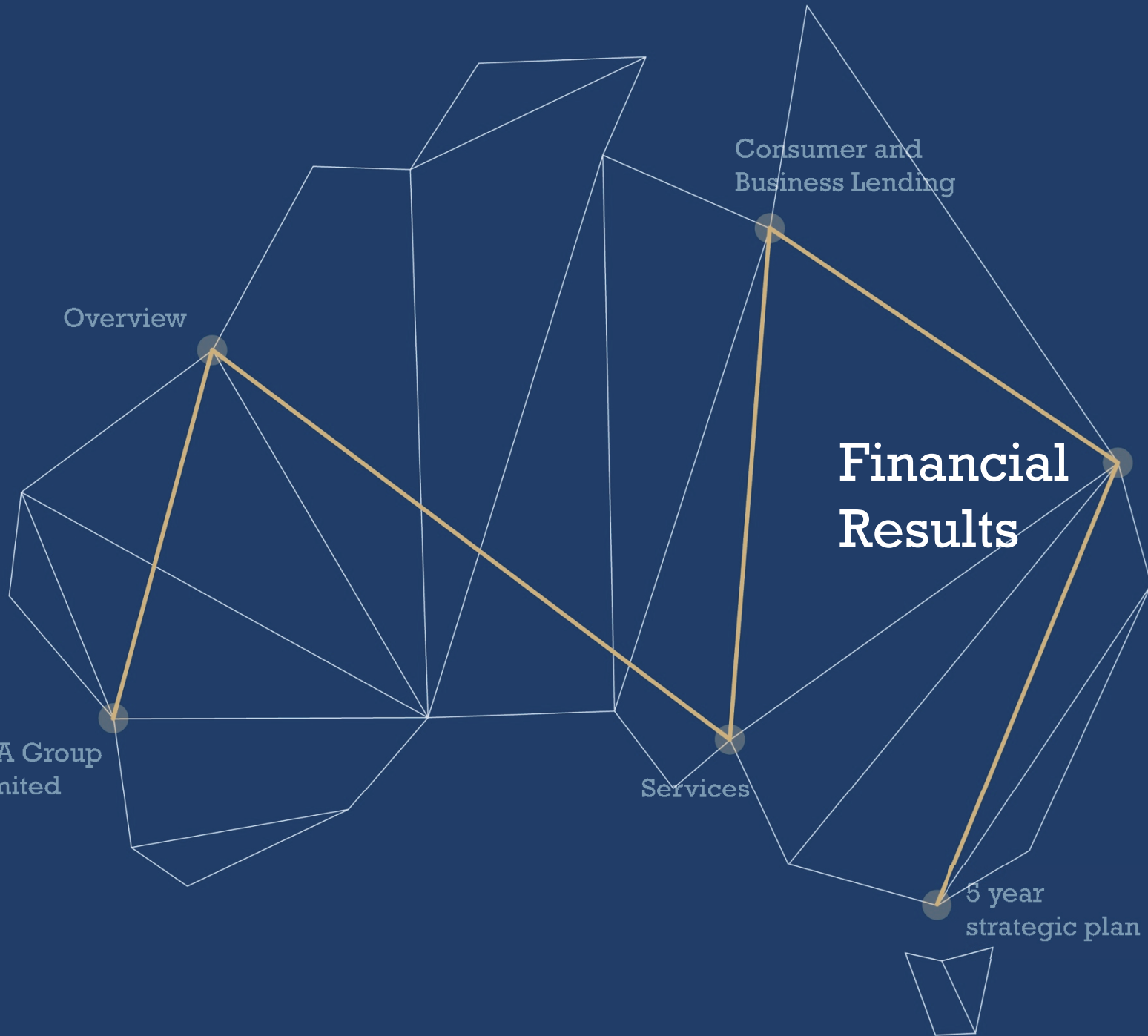
Overview

Services

Consumer and
Business Lending

Financial
Results

5 year
strategic plan



PBT by segment



	FY2013	FY2014	FY2015	%
Services	\$11.7m	\$11.2m	\$14.8m	+31%
Consumer Lending	\$5.1m	\$6.8m	\$5.1m	-26%
Business Lending	\$0.8m	\$2.8m	\$2.6m	-7%
Profit before tax	\$17.8m	\$20.8m	\$22.4m	+8%

Services

Continued to perform well. New client numbers increased 8% for debt agreements and 5% for personal insolvency agreements and bankruptcy. Our debt agreement market share increased from 45% to 48%.

Consumer and Business lending

Our focus has been and will remain on growing our loan pools. Over the past year we hired additional staff, increased our marketing spend and decreased our upfront settlement fee to stimulate lending growth. This upfront investment in the future growth of our loan pools impacted profitability.

Group financials



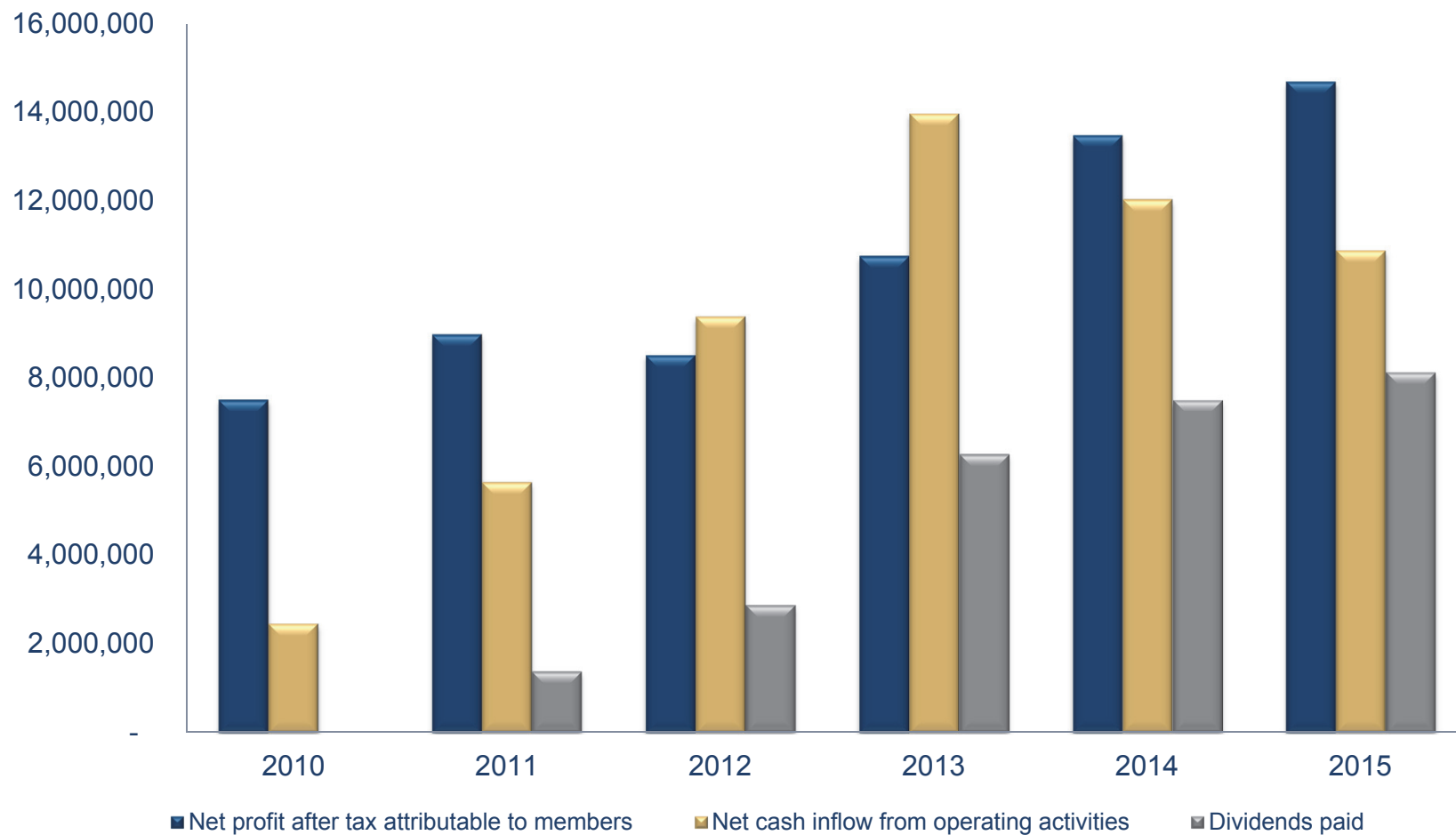
	FY2013	FY2014	FY2015	%
Operating income	\$64.4m	\$65.5m	\$69.6m	+6%
Profit before tax	\$17.8m	\$20.8m	\$22.4m	+8%
Profit after tax ¹	\$10.8m	\$13.5m	\$14.7m	+9%
EPS basic	8.51c	10.78c	11.74c	+9%
Operating cash flow ²	\$14.0m	\$12.0m	\$10.9m	-10%
Dividend/share	5.0c	6.0c	6.5c	+8%

1. Profit after tax attributable to members
2. Net cash inflow from operating activities

Operating cash flow

Maintained strong cash inflow driven by long term annuity income from our clients. The reduction in net cash inflow from operations is attributable to the upfront investment in the future growth of our loan pools.

PAT vs Operating cash flow vs Dividends



What's underpinning operating cash flow



Long-term annuity income

		No of clients/ loan pool size	Average client life in years
Services	- Debt Agreements	18,844	4.5 to 5.5
	- PIA/Bankruptcy	1,612	3
	- Easy Bill Pay	762	Expect > 5
Consumer Lending	- Home Loans	\$233m	3 to 4
	- Personal Loans	\$6m	4 to 5
Business Lending	- Factoring Finance	\$32m	2.5 to 3.5

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Limited

Overview

Services

Consumer and
Business Lending

Financial
Results

5 year
strategic
plan



5 year strategic plan 2016 to 2020



Services	Maintain our leading position in a niche market
Consumer and Business Lending	Expand our product offering Focus on growing our loan pools Aiming to grow from \$270m to around \$500m
Easy Bill Pay	Aiming to add over 500 new clients per month over the next few years

5 year strategic plan 2016 to 2020



Earnings	<ul style="list-style-type: none">- Expect average long term earnings growth of around 10% pa- Growth rate in earnings may be lower in earlier years
Capital Management	<ul style="list-style-type: none">- Dividends around 50% to 60% of earnings- Balance of earnings to be re-invested to support the capital requirements of our growing loan pools- Strategy is self-funding. We do not expect to raise equity capital- If loan pools do not grow as expected we would consider increasing dividend
Headwinds	<p>Consumer debt levels are at a record high and demand for our products and services is growing. However, we may face a number of headwinds over the next few years, including historically low interest rates adversely affecting certain areas of our business.</p>

July to October 2015



Overview	Continued our upfront investment in the future growth of our loan pools
Services	New client numbers down 6% for Debt Agreements and down 15% for PIA/Bankruptcy on previous corresponding period.
Easy Bill Pay	1304 clients (762 at June) 44,796 bills paid to date (16,866 at June) Added 213 and 204 new clients in Sept and Oct 2015
Consumer and Business Lending	Home Loans \$238.8m (\$233.0 at June) Personal Loans \$8.7m (\$5.9m at June) Factoring Finance \$31.5m (\$31.5m at June)
Earnings and Dividend FY2016	Earnings guidance - will be provided after half year results Dividend guidance - 6.50c to 6.75c per share

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fsagroup.com.au

Cautionary Statements and Disclaimer Regarding Forward-Looking Information



This release may contain forward-looking statements, including statements about FSA Group Limited's (**Company**) financial condition, results of operations, earnings outlook and prospects. Forward-looking statements are typically identified by words such as "plan," "aim," "focus," "target," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions.

The forward-looking statements contained in this release are predictive in character and not guarantees or assurances of future performance. These forward-looking statements involve and are subject to known and unknown risks and uncertainties many of which are beyond the control of the Company. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty.

Factors that may cause actual results or earnings to differ materially from these forward-looking statements include general economic conditions in Australia, interest rates, competition in the markets in which the Company does and will operate, and the inherent regulatory risks in the businesses of the Company, along with the credit, liquidity and market risks affecting the Company's financial instruments described in the Company's latest Annual Report.

Forward-looking statements are based on assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate. Those assumptions may not be correct or exhaustive.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. **You are cautioned not to place undue reliance on any forward-looking statements.**

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed. The Company disclaims any responsibility to and undertakes no obligation to update or revise any forward-looking statement to reflect any change in the Company's circumstances or the circumstances on which a statement is based, except as required by law.

The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement to the extent permitted by law. Unless otherwise stated, the projections or forecasts included in this release have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

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