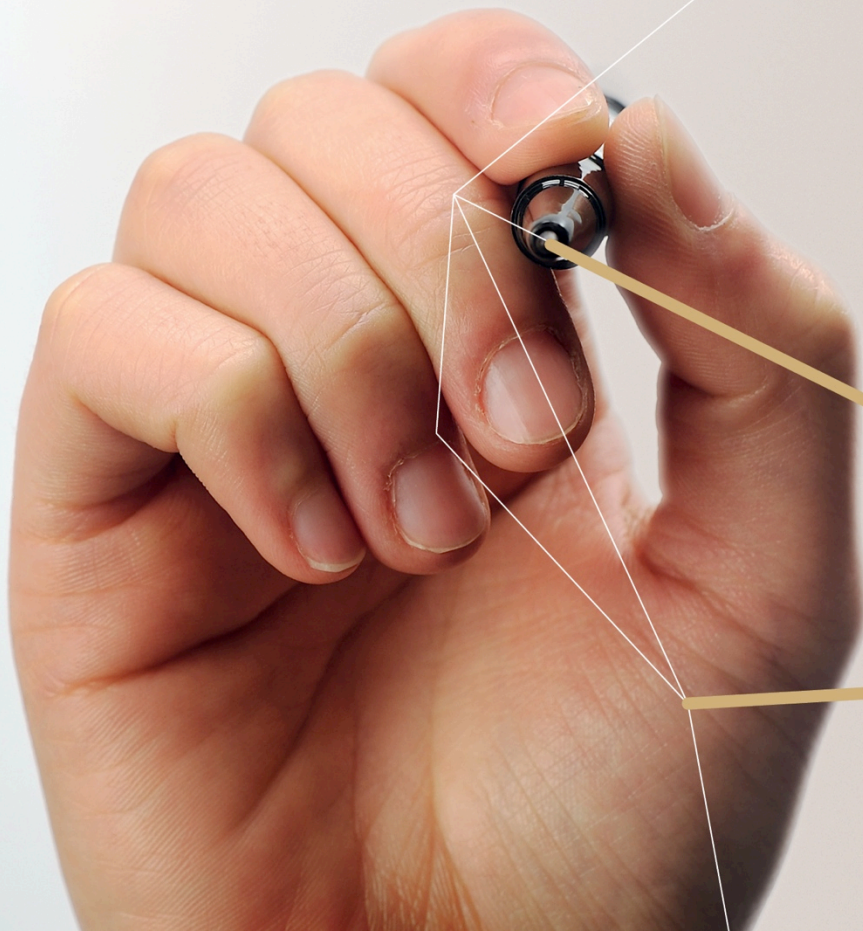




FSA Group Limited

AGM Presentation

24 November 2017



Agenda



- Overview
- Segments
 - Services
 - Consumer Lending
- Financial Results 2017
- Strategy and Outlook

Overview



Overview



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

What we do

For over 17 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 2 segments:

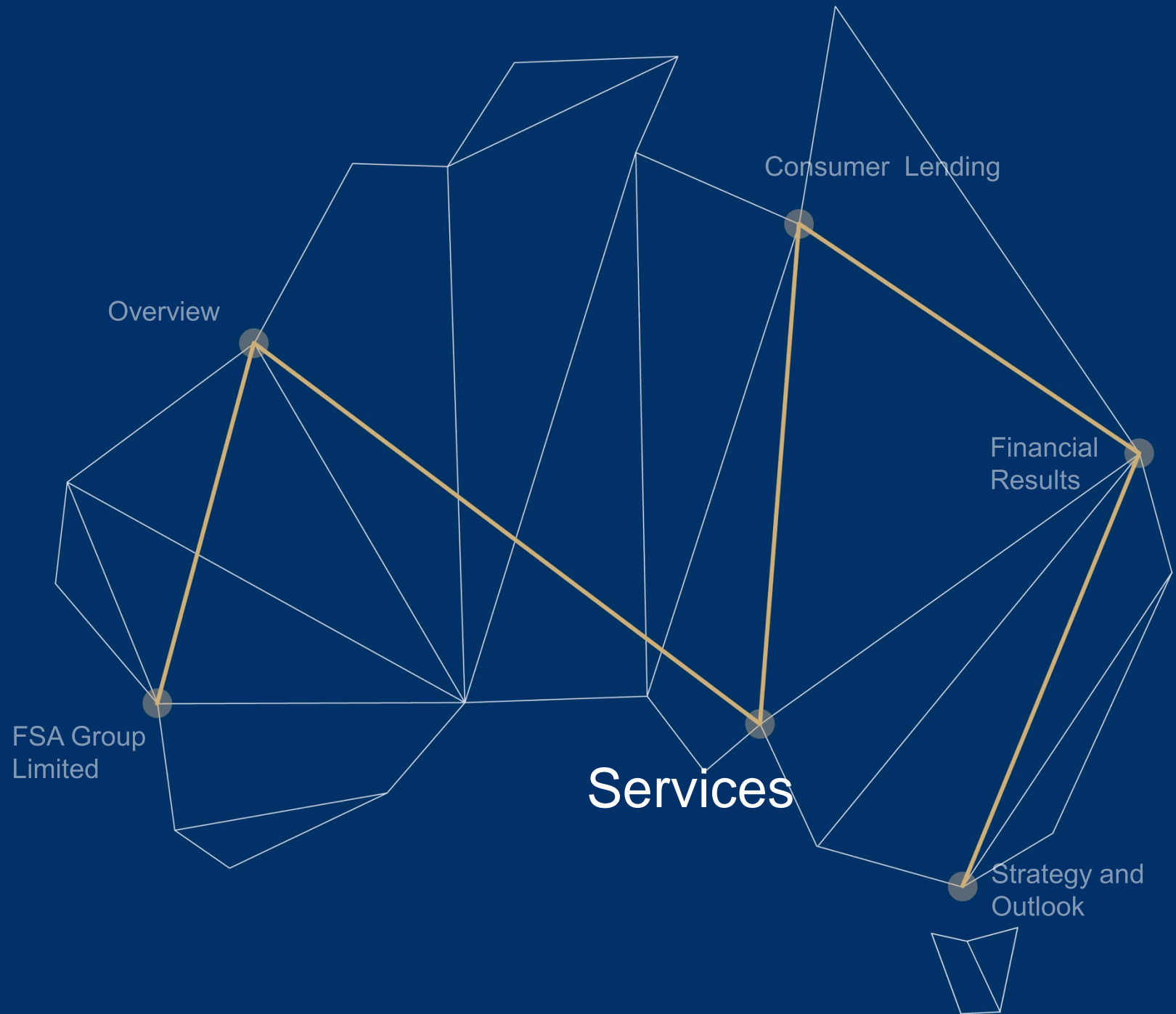
- Services
- Consumer Lending

Overview



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

2000	Founded with director loans of \$50,000. Initial offering debt agreements then PIA's and bankruptcy, then home loan brokering
2002	Back door listing raised \$600,000 for shareholder spread requirements
2006	Commenced home loan lending
2009	Raised \$5.2m to underpin home loan pools
2015	Commenced car loan lending
2017	Market capitalisation of circa \$180m
2011 to 2017	\$50m returned to shareholders in buybacks and dividends
2002 to 2017	Shareholder return of 17.7% pa assuming dividends are re-invested



Services



Debt Agreements

FSA offers a range of services to assist clients wishing to enter into a payment arrangement with their creditors.

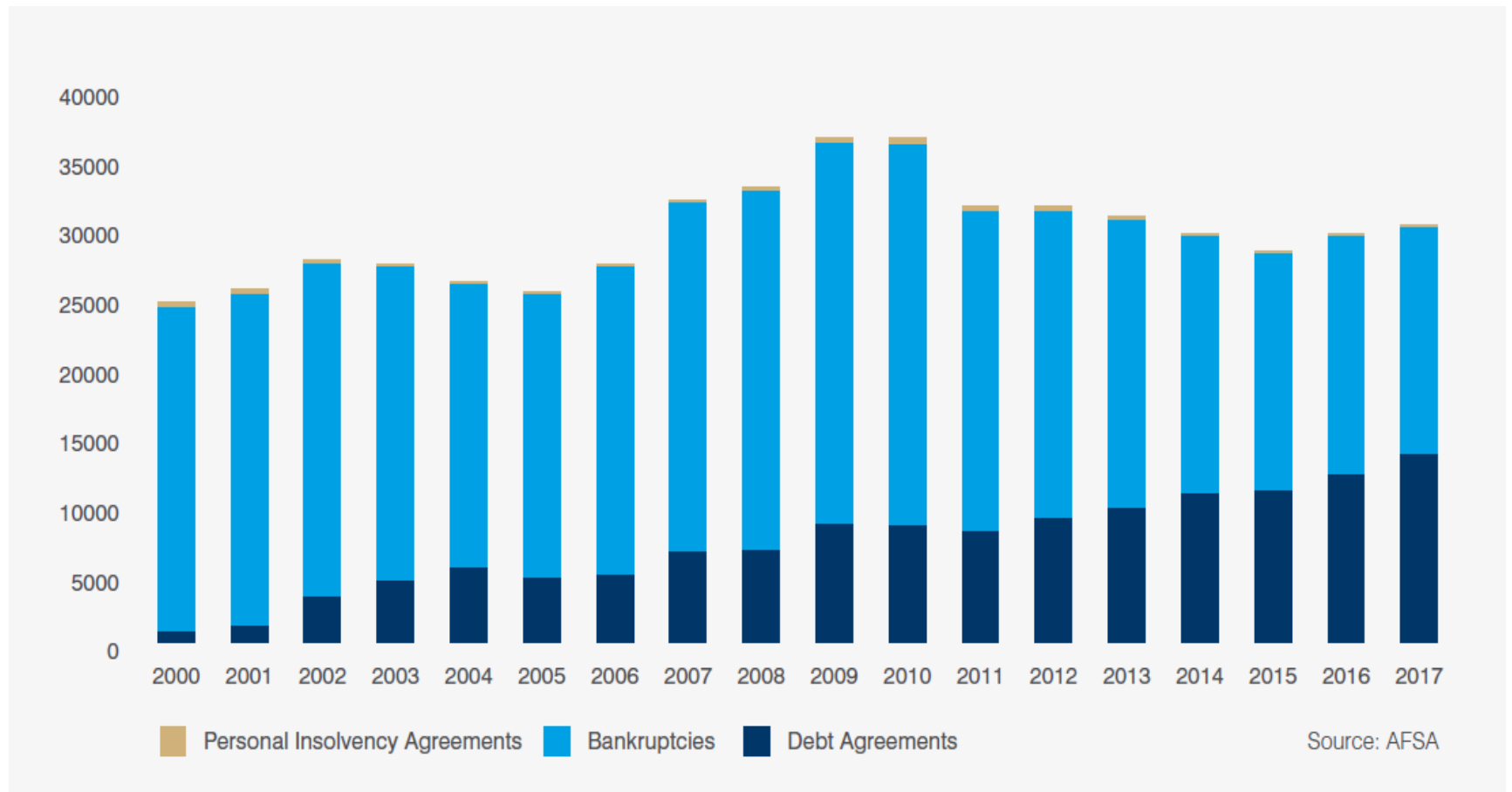
PIAs and Bankruptcy

These services include informal arrangements, debt agreements, personal insolvency agreements and bankruptcy.

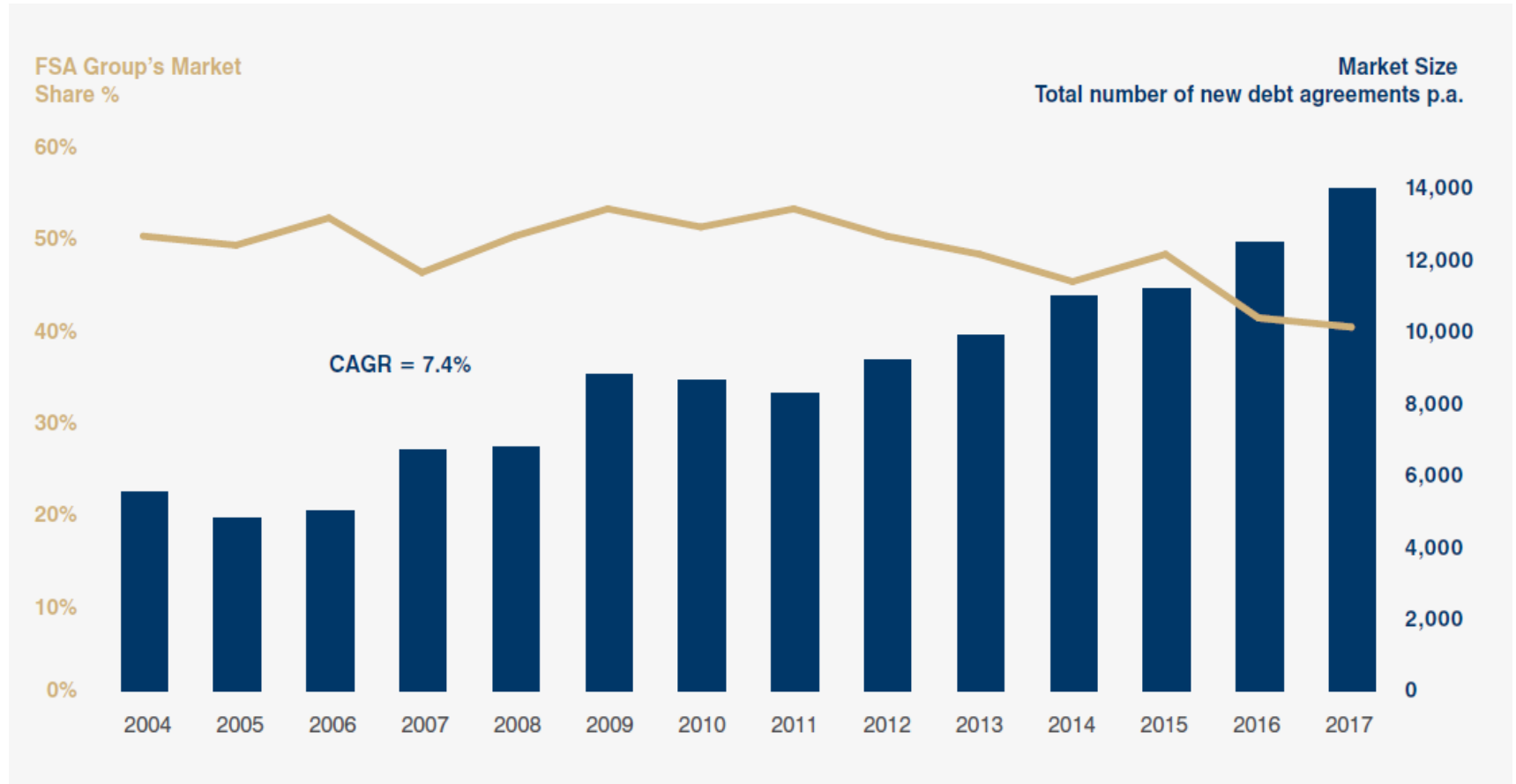
Easy Debt Management

FSA offers a service which assists clients with paying their debts.

Market



FSA is the leader in debt agreements



Services



Debt Agreements	<p>Market share 40%*</p> <p>8% increase in new clients</p> <p>20,194 clients up 4%</p> <p>\$366m of debt managed</p> <p>\$81m paid to creditors</p> <p>Our market share remains under pressure. We will never sacrifice quality and customer benefit for volume and market share.</p>
PIAs and Bankruptcy	<p>One of the largest trustees</p> <p>New clients steady</p> <p>1,404 clients down 1%</p>
Easy Debt Management	<p>2,575 clients</p> <p>318,730 bills paid totalling \$34m</p>

* Calculated using AFSA statistics for FY2017

Consumer Lending



Consumer 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 assist clients with the purchase of a motor vehicle.

Loan pools



Loan Pool Data	Home Loans	Personal Loans
Average loan size	\$325,718	\$25,483
Security type	Residential home	Motor vehicle
Average loan to valuation ratio	68%	100%+
Variable or fixed rate	Variable	Fixed
Geographical spread	All states	All states

Loan pools



Loan Pools	FY2016	FY2017	% Change
Home Loans	\$262.0m	\$306.3m	+17%
Personal Loans	\$19.8m	\$35.3m	+78%
Total	\$281.8m	\$341.6m	+21%

Arrears > 30 day	FY2015	FY2016	FY2017
Home Loans	2.87%	2.17%	2.21%
Personal Loans	Nil	0.59%	1.56%

Impairments	FY2015	FY2016	FY2017
Home Loans	\$173,288	\$564,867	\$259,895
Personal Loans	Nil	\$20,222	\$294,911

Loan pools



Funding	Facility Type	Provider	Limit	Renewal Date
Home Loans	Non-recourse senior	Westpac	\$300m	October 2019
	Non-recourse senior	Westpac	\$25m	September 2019
	Non-recourse mezzanine	Institutional	\$25m	October 2019
Personal Loans	Recourse corporate	Westpac	\$40m	December 2017

For Personal Loans we continue our discussions in relation to securing a larger facility to support future growth.



PBT by segment from continuing operations



Profit before tax by segment	FY2016	FY2017	% Change
Services	\$14.2m	\$14.9m	+5%
Consumer Lending	\$5.2m	\$7.0m	+34%
Other/unallocated	(\$2.5m)	\$1.6m	
Profit before tax	\$16.8m	\$23.5m	+39%

Services	Profitability positively impacted by higher new client numbers and a decrease in marketing costs. Negatively impacted by an upfront investment in resources.
Consumer Lending	Loan pool growth continues to exceed our expectations. As our loan pools grow our business will benefit from higher incremental margins due to fixed cost leverage.
Other/unallocated	Includes the before tax mark to market unrealised loss of \$2.4m in 2016 and unrealised gain of \$1.4m in 2017 on our 5 year interest rate swap agreements.

Group financials from continuing operations



Financial Overview	FY2016	FY2017	% Change
Operating income	\$62.1m	\$70.6m	+14%
Profit before tax	\$16.8m	\$23.5m	+39%
Profit after tax attributable to members	\$10.7m	\$15.4m	+44%
EPS basic	8.52c	12.27c	+44%
Net cash inflow from operating activities	\$9.9m	\$11.1m	+13%
Dividend/share	7c	7c	-
Shareholder Equity	\$76.8m	\$83.3m	+8%

PBT, PAT, EPS

Impacted by the before tax mark to market unrealised loss of \$2.4m in 2016 and unrealised gain of \$1.4m in 2017 on our 5 year interest rate swap agreements.

Group financials from continuing operations, excluding impact of swap agreement



Normalised Financial Overview	FY2016	FY2017	% Change
Normalised profit before tax	\$19.2m	\$22.1m	+15%
Normalised profit after tax attributable to members	\$12.3m	\$14.4m	+17%
Normalised EPS basic	9.85c	11.48c	+17%

PBT, PAT, EPS

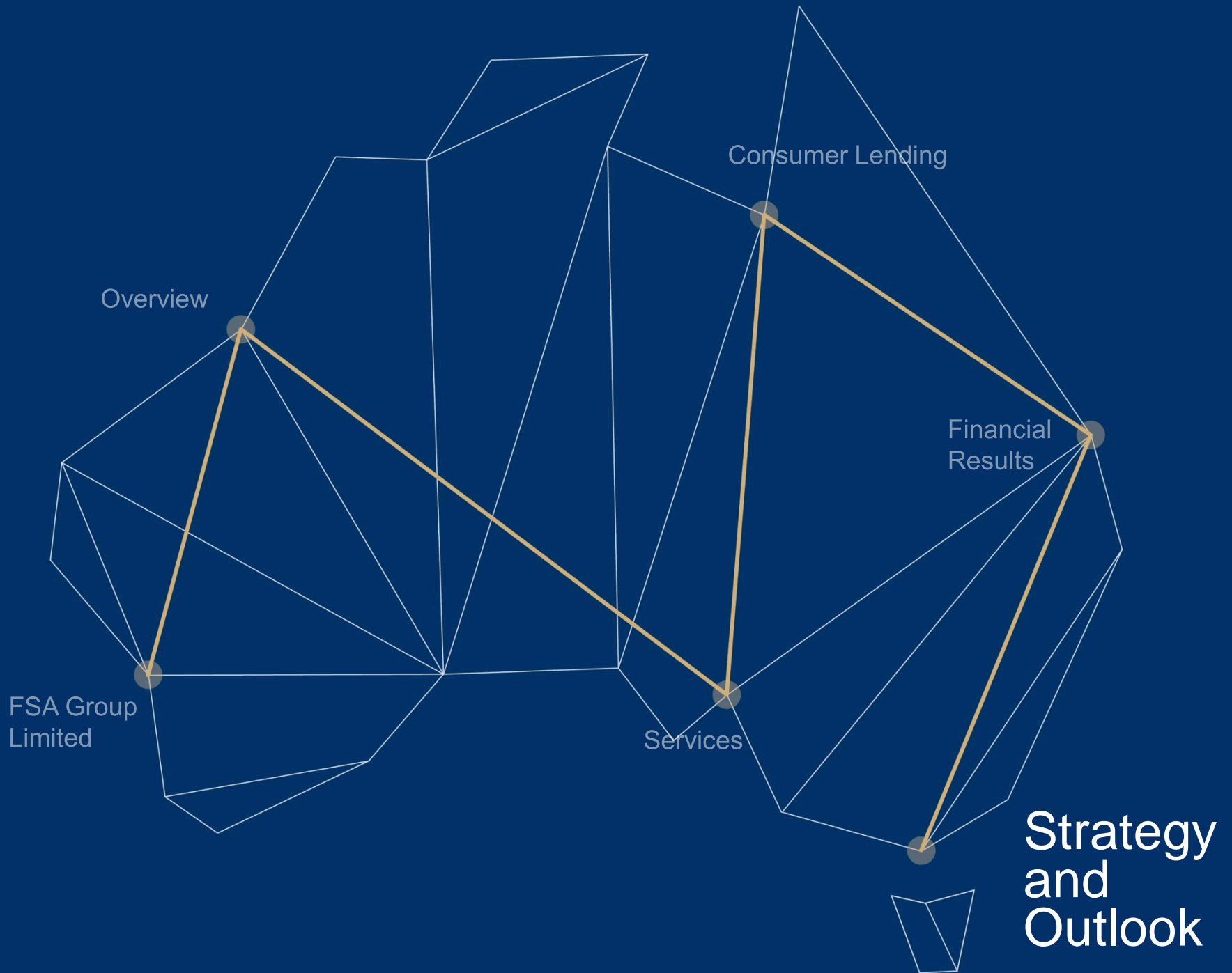
Excludes the before tax mark to market unrealised loss of \$2.4m in 2016 and unrealised gain of \$1.4m in 2017 on our 5 year interest rate swap agreements.

What's underpinning operating cash flow



Long-term annuity income

		No of clients / loan pool size	Average client life in years
Services	- Debt Agreements	20,194	4.5 to 5.5
	- PIA/Bankruptcy	1,404	3
	- Easy Debt Management	2,575	Expect > 5
Consumer Lending	- Home Loans	\$306m	3 to 4
	- Personal Loans	\$35m	4 to 5



Strategy - 5 year plan 2016 to 2020



Services	Maintain our leading position in a niche market
Consumer Lending	Aiming to grow our loan pools to around \$500m 14% growth rate pa
Earnings	Expecting average long term earnings growth of around 10% pa
Capital Management	Dividends around 50% to 60% of earnings Balance of earnings to support growing loan pools Strategy is self funding
Headwinds	Historically low interest rates adversely affecting certain areas of our business

Outlook



Services	New client numbers for July to October 2017 vs pcg <ul style="list-style-type: none">- up 16% for Debt Agreements and- down 19% for PIA/Bankruptcy
Consumer Lending	Home Loan pool \$327m up 7% on June Personal Loan pool \$39m up 11% on June Combined pool \$366m up 7% Targeting combined over \$385m by June 2018
Earnings and Dividend Guidance FY2018	PAT to members (excluding swaps) to be up 5% - 15% EPS in the range of 12.0c to 13.2c Dividend 7c per share
Future Tailwind	Consumer debt levels are at a record high, new enquiries are increasing and demand for our products and services is growing. This is currently occurring in a historically low interest rate environment. As interest rates normalise demand for our products and services will accelerate.

Investor Relations Contacts



Mr. Tim Odillo Maher

Executive Director

FSA Group Limited

Level 3, 70 Phillip Street
Sydney NSW 2000

T: 02 8985 5090

F: 02 8985 5310

E: tmaher@fsagroup.com.au

Ms. Deborah Southon

Executive Director

FSA Group Limited

Level 3, 70 Phillip Street
Sydney NSW 2000

T: 02 8985 5091

F: 02 8985 5333

E: dsouthon@fsagroup.com.au

Further information can be accessed from
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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