

Loan Book Valuation Summary

Year >>

Units	0	1	2	3	4	5	6	7	8	9	10	Comments
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Profit & Loss (A\$) - Debt Funding

1 Scenario: Purchase Price Treatment

1: Purchase price not expensed; 2: Purchase Price included as one-off cost on P&L

Revenue												
Original Book - Trailing Commissions	\$k		317.8	254.4	198.3	154.3	120.6	94.9	75.2	60.1	48.5	39.6
Re-work Book												
Initial Commissions	\$k		6.9	8.6	7.1	5.4	4.1	3.0	2.2	1.6	1.2	0.9
Trailing Commissions	\$k		4.3	13.8	22.7	28.8	32.4	33.9	33.4	31.2	27.8	24.1
Total Re-work Revenue	\$k		11.2	22.4	29.8	34.2	36.5	36.9	35.6	32.8	29.0	25.0
Total Revenue	\$k		329.0	276.8	228.1	188.5	157.1	131.8	110.8	92.9	77.5	64.6
Incremental Operating Costs	\$k		-	-	-	-	-	-	-	-	-	-
One-off Costs	\$k		-	-	-	-	-	-	-	-	-	-
EBIT	\$k		329.0	276.8	228.1	188.5	157.1	131.8	110.8	92.9	77.5	64.6
Interest	\$k		-	-	-	-	-	-	-	-	-	-
Tax	\$k		(98.7)	(83.1)	(68.4)	(56.6)	(47.1)	(39.5)	(33.2)	(27.9)	(23.3)	(19.4)
Net Income	\$k		230.3	193.8	159.7	132.0	110.0	92.2	77.6	65.0	54.3	45.2

Loan Book Bridge

Opening Balance	\$m		140.0	116.4	93.9	75.8	61.7	50.6	41.8	34.7	28.7	23.8	
Run-off	\$m		(25.8)	(25.0)	(19.9)	(15.3)	(11.7)	(8.9)	(6.8)	(5.2)	(4.0)	(3.1)	
Closing Balance before Re-work	\$m	140.0	114.2	91.4	74.0	60.6	50.0	41.7	35.0	29.4	24.7	20.6	
Re-work													
Same institution	\$m		1.1	1.3	1.1	0.8	0.6	0.5	0.3	0.3	0.2	0.1	
Different institution	\$m		1.1	1.3	1.1	0.8	0.6	0.5	0.3	0.3	0.2	0.1	
Total Re-work	\$m		2.1	2.7	2.2	1.7	1.2	0.9	0.7	0.5	0.4	0.3	
Additional Run-off from Re-work Portfolio	\$m		-	(0.2)	(0.3)	(0.5)	(0.6)	(0.8)	(1.0)	(1.2)	(1.3)	(1.1)	
Closing Balance	\$m	140.0	116.4	93.9	75.8	61.7	50.6	41.8	34.7	28.7	23.8	19.8	
Make-up of Closing Balance													
Victoria	\$m		20.0	17.4	14.7	12.3	10.4	8.8	7.5	6.3	5.4	4.6	3.9
Segment 2	\$m		15.0	12.6	10.7	9.1	7.8	6.7	5.8	5.0	4.3	3.7	3.3
Segment 3	\$m		30.0	24.7	19.6	15.6	12.4	10.1	8.2	6.7	5.4	4.4	3.6
Segment 4	\$m		50.0	41.1	32.6	25.9	20.7	16.8	13.6	11.1	9.0	7.3	6.0
Segment 5	\$m		25.0	20.6	16.3	13.0	10.4	8.4	6.8	5.6	4.5	3.7	3.0
Check		OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	
Re-work Portfolio - Closing Balance	\$m			2.1	4.6	6.5	7.6	8.2	8.3	8.0	7.3	6.4	5.5
Original Portfolio - Closing Balance	\$m	140.0	114.2	89.3	69.4	54.1	42.4	33.5	26.7	21.4	17.4	14.3	
Book Run-off Rate (excl re-work portfolio)	%		18.4%	21.9%	22.3%	22.0%	21.6%	21.0%	20.4%	19.6%	18.8%	17.9%	
Net Run-off Rate (incl re-work portfolio)	%		16.9%	19.3%	19.2%	18.6%	17.9%	17.4%	17.1%	17.2%	17.2%	16.8%	

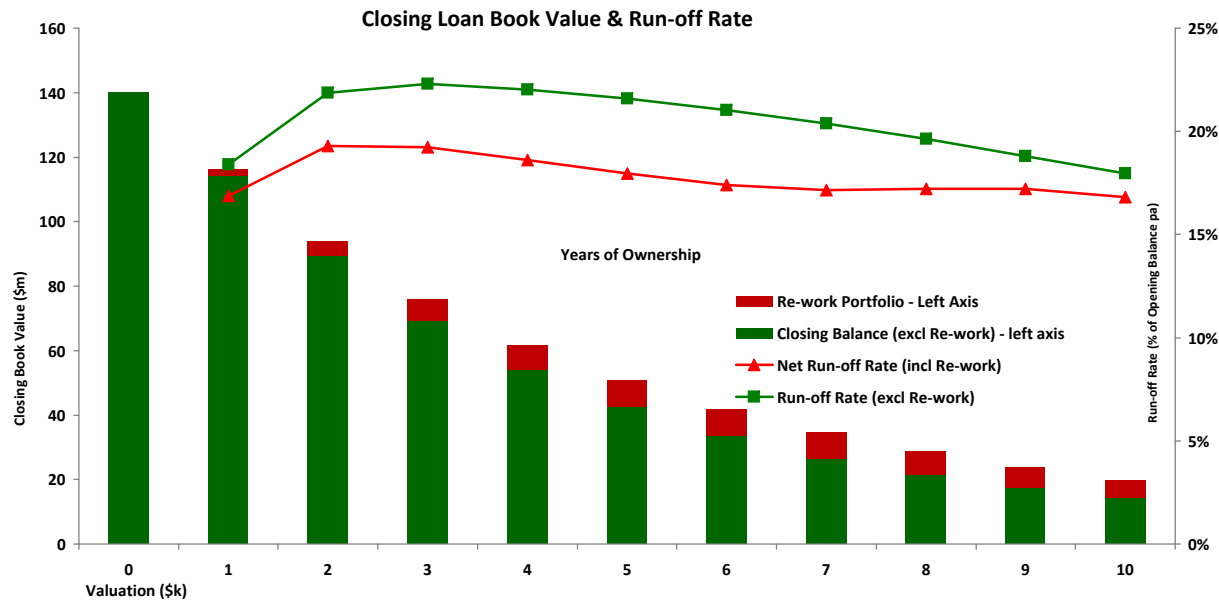
Loan Book Valuation

		Debt Funding	No Debt
Valuation	\$k	869.9	869.9
Assumed purchase price	\$k	-	
Multiple of Present Annuity (excl re-work)	#	2.74 x	2.74 x
Victoria	\$k	136.0	136.0
Segment 2	\$k	108.3	108.3
Segment 3	\$k	178.7	178.7
Segment 4	\$k	297.9	297.9
Segment 5	\$k	148.9	148.9

Check

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Valuation (no debt) Sensitivity Analysis			
High Run-off	Low Run-off	Low Re-work	High Re-work
728.8	1,072.8	807.1	932.7
2.29 x	3.38 x	2.54 x	2.93 x
111.4	173.6	129.2	142.9
88.3	140.3	99.8	116.9
151.2	216.8	165.2	192.3
252.0	361.4	275.3	320.5
126.0	180.7	137.6	160.2



Debt funded	869.9
Equity funded	869.9