

16 May 2013

Banksia Receivers announce early payment of performing loan sale dividend, with a further repayment of 45 cents in the dollar made on Friday, 17 May 2013

Banksia dividend announcement

Receivers and Managers of Banksia Securities Limited (“BSL”), McGrathNicol, and The Trust Company as trustee, today announced a further repayment of 45 cent in the dollar, following the sale of BSL’s performing loan portfolio.

“We recently indicated a general dividend of 10 cents would be made in May, followed by the sale dividend of 35 cents by 30 June. Pleasingly, the early financial settlement of the sale has enabled an accelerated payment, with a total dividend of 45 cents to be paid on Friday, 17 May” Receiver Tony McGrath said.

The Receivers have now made total repayments of 65 cents in the dollar to BSL debenture holders.

David Grbin, Group Executive General Manager, Corporate Client Services at The Trust Company, welcomed the early repayment. “The Trustee is pleased to see the early financial settlement of the performing loan portfolio, and the resultant dividend to debenture holders. We will continue to work with McGrathNicol as Receivers, to ensure maximum repayments in the shortest possible timeframe.”

Total Banksia repayments

Based on the information currently to hand, there is no change in the overall repayment guidance of 80 to 85 cents in the dollar set out in the Receivers’ 23 April 2013 circular.

Mr McGrath noted that, although significant payments had been made, the receivers would act to ensure further repayments are made on a timely basis. “In consultation with the debenture holder committee, we are progressing our strategy for BSL’s remaining loan portfolio and its interest in the Banksia Mortgage Fund, which will be subsequently shared with debenture holders.”

Cherry Fund dividend announcement

The Receivers are also pleased to announce the payment of a dividend to CFL investors of 32 cents in the dollar from cash holdings.

The Receivers are currently negotiating the sale of a portfolio of CFL Loans, which they expect to result in a further distribution by 30 June 2013, with the hope of bringing total payments to Cherry Fund investors to 50 cents in the dollar by 30 June 2013.

The Receivers are also in a position to provide a preliminary revision on the repayment guidance for CFL. Based on current expectations, the Receivers estimate a further return to CFL debenture holders of 30 cents in the dollar, meaning total returns to CFL investors could be up to 80 cents in the dollar.

Circulars have been posted to debenture holders, along with the dividend notices for BSL and CFL. Copies of the circulars can be found on the McGrathNicol website at www.mcgrathnicol.com

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