

N1 Holdings acquisition of Sydney Boutique Property and \$80m loanbook



September 2016

Introduction



N1 Realty is one of the most important links in fulfilling N1 Group's 'one-stop shop' concept in conjunction with the mortgage broking business. It is N1 Group front line in generating new clients and leads as well as the property acquisition and management solution for our existing mortgage clientele.

Acquisition of existing quality property agencies is the quickest and easiest way for N1 to enter into the established property sales and management business. With centralised marketing, administration and accounting services, N1 is able to maximise its profitability and branding enhancement from the acquisition.



Who is SBP



SBP (Sydney Boutique Property) is an established real estate office located in McMahons Point Sydney. It started operations in 2003 and specialises in property management.

Many of its current landlords have been with the company for a number of years, a strong indication of successful retention and satisfactory service.

<http://www.sydneyboutique.com.au/>



SBP's Metrics



- **162 properties under management**
- **Total rent annualised is \$6.88m**
- **Total annualised management income (fully tenanted) is \$445,000 (unaudited)**
- **Total letting fees of \$164,000 in FY2016 (unaudited)**
- **Average monthly residential rent per property is \$3,539.52**
- **Average commission rate is 6.58% plus GST**
- **Average property management revenue per property is \$2,747.39 pa**

Strategy Implications



- **Sydney lower north shore brand awareness**
- **Instant N1 Realty growth**
- **Cross sell opportunities for N1 Loans and other N1 Group entities**
- **Immediate cash flow**
- **Instant customer database and business & compliance systems**

N1 Holdings

n1realty

n1loans

Financial Implications

n1

- Projected positive EBITA for SBP
- Excludes Home Loans cross sell opportunities



Management Responsibility



Jacqueline Wang
Head of Business Development

Jacqueline Wang joined N1 Loans in Feb 2012 and prior to that was the Business Development Manager for Be100 Pty Ltd. As head of business development, she expanded business into Melbourne and Shanghai. She was appointed as chief representative of Shanghai office.



Jacqueline has a Bachelor of International Business from University of Wollongong (2008), Master of Accounting from University of Curtin (2009).

Attlee Hsu
Licensee-in-charge of N1 Realty

Practising since 2010 as a Residential Sales Agent specialising within our local Asian communities, in and around Northern Suburbs and Lower North Shore and has over 6 years of experience within both sales and property management.



Fluent in Mandarin and conversational in Cantonese facilitates a reliable and efficient level of communication and service to a growing number of Asian clients seeking to purchase or sell their homes in the area, offering a 'six star service'.

Existing SBP property management and residential sales team to be retained

Loanbook Acquisition



- **N1 Loans also recently completed acquisition of \$80m loan book**
- **240 residential mortgages in Sydney**
- **Recurring trail income of approx. \$132,000 pa**

Loanbook Opportunities

- **Opportunities to refinance for upfront commission revenue**
- **Opportunities to cross sell other loan products such as car loans, commercial loans and financial planning products**



Conclusion



- **The acquisitions are expected to deliver additional annual revenue for N1 Loans and N1 Realty**
- **Not including sales commission revenue and cross sell of loans and related products revenue**
- **Assuming no growth in properties under management**