

Millions more back

Banksia victims to get 70c to 80c

with the Australian Securities and Investments Commission now pushing for companies that sell mortgage debentures to hold a minimum amount of capital. Mortgage debentures are bonds that provide investors with a fixed interest return. Companies sell them and lend the money out. Investors in Banksia Securities will receive another 10c-in-the-dollar payment next month, taking total returns to date to 30c. Cherry Fund investors are yet to receive any money.

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examine Banksia's directors in the Victorian Supreme Court at the end of July. The public examination by the receiver is separate to a class action launched against Banksia's directors, accountants and trustee. The Kyabram-based company collapsed in October owing 16,000 mainly older investors \$663 million. Its downfall sparked a review of the country's shadow banking sector.

man Sachs and Macquarie Group are all reported to have shown interest in the portfolio, which has a face value of \$270 million and represents half of Banksia Securities' total loan book. McGrathNicol is working to wrap up a sale before the end of May. Investors in an associated investment vehicle, Cherry Fund, are also likely to receive an improved payout. The receiver will also

coupling an \$11.2 million loan made to the Banksia group's ultimate holding company, Securities Holdco, which has begun to sell off its assets in order to return the funds. The revised payout guidance follows stronger-than-expected interest in the sale of 565 residential, commercial and rural mortgages held by the collapsed rural lender. The Bendigo and Adelaide Bank, Deutsche Bank, Gold-

RECEIVERS winding up failed lender Banksia have upped their payout estimate for thousands of out-of-pocket investors. McGrathNicol said yesterday mortgage debenture holders in the non-bank lender's key Banksia Securities investment vehicle were likely to receive between 70c and 80c in the dollar. The revised estimate is up from an earlier forecast of 50c to 65c. Receivers also said progress was being made on re-