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**30 August 2018**

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**2018 Annual General Meeting – Chairman's Address**

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I would like to take this opportunity to briefly update you on a number of initiatives that we have undertaken since the year end on 31 March 2018

We are pleased to have achieved some significant business successes over the past five months as FEI Investments progresses through its transition to a listed public company. A number of these include:

1. We have recently appointed two new Directors to the Board of FEI Investments Group Limited. Tony Lally has been appointed as Independent non-executive Director and will Chair the Audit and Risk Committee. Tony was previously CEO of Sun Super for six years and his considerable experience in the financial services sector will provide significant business oversight and strategic direction for the Group.

Additionally, we are pleased to have Marcus Ritchie join the Board as an Executive Director and as a full-time senior executive of FEI Investments Ltd. Marcus will drive corporate and operational efficiencies and processes along with the business growth strategy both in NZ and Australia. Marcus was previously a director at ANZ bank in Sydney and Vice President of Merrill Lynch. I have worked extensively with Marcus for many years and have the utmost confidence in his ability to add significant value to the Group.

2. Operational efficiencies of over \$600,000 of annualised cost savings have now been implemented. These have been driven by employee restructuring, tighter control of our expense base and technology adoption which have had an immediate positive impact on our monthly bottom-line.
3. Although our property portfolio provides FEI with attractive returns, we have previously stated that we are working to reduce this exposure from 26% of our loan portfolio to below 15%. This will enable capital reutilisation into businesses which attract lower capital adequacy ratios thus enabling circa \$15-\$20m in loan growth without additional capital requirements.
4. Our technology platform is rapidly progressing, moving to online applications and a fully automated approval platform for both our deposit and lending customers, while still maintaining FEI's core credit guidelines. We are expecting Stage 1 of this technology upgrade to be released by the end of calendar 2018 which will then allow straight through online automated loan applications and approvals.

5. We have recently hired a new Head of Lending from ANZ's equipment finance business to drive better loan growth via our established broker and direct sales network which will be supported by a new digital marketing campaign which starts early next month
6. Recent studies estimate that the SME business loan sector in Australia is over \$88bn and is poised to grow rapidly as Australian banks continue to focus on consumer lending opportunities and shy away from cashflow lending. This provides a real opportunity for FEI to take advantage of this growth market by building on our core strengths in SME lending by rolling out our successful credit platform and leveraging our expertise in cashflow lending and equipment financing. As our lending expansion into Australia begins, we are in the process of securing all relevant licences and approvals to enable us to take deposits in Australia which will provide a significant competitive advantage for our cost of funding as well as having a diversified depositor base in Australia.

This is an exciting time for FEI as we transition to a growth phase, built on our core business success in NZ which includes using our established deposit taking capabilities and lending credit platform. I look forward to updating you over the coming months.

**M. J. Green**  
**Chairman**

**30 August 2018**