
Market Release: 31st October 2018

September 2018 Quarterly Market Update and Appendix 4C Commentary

- New non-property lending activity for the quarter was A\$8.4m, a 54% increase on the previous quarter.
- Deposit level at the end of the quarter was lower than the previous quarter as deposits were drawn down to fund the increase in lending activities.
- Net cashflow for operating activities decreased by A\$5.6m over the previous quarter as lending activities continued to increase.
- Cash balance of A\$7.6m is currently at 12% of total assets, providing the Company with ample reserves to withstand any unexpected contraction in liquidity in the financial markets.
- FEI reached a significant milestone by reducing its property development exposure from 28% to 15% of its total loan portfolio as at 30 September 2018.

The Company is pleased to provide this update as part of its Appendix 4C release for the September 2018 quarter.

Business Update

- New non-property lending increased this quarter by 53% as the broker network expanded, driven by the recently appointed Head of Lending.
- Marketing – Digital marketing platform for Lending launched with a satisfactory response rate in the form of increased lending leads and conversions.
 - Further technological enhancements are planned to be released over the coming months which will improve the turnaround time for processing loan enquiries.
- Capital released from the lower property exposure has improved the capital ratio enabling the continued re-positioning to increase lending to the SME business sector.
- Implementation of cost efficiency measures which are aimed at achieving an estimated annualised cost savings of A\$500,000.



This is a pleasing result and further cements FEI's growth strategy and objective to be a specialist financial institution offering deposit taking capabilities and business lending and equipment leasing solutions to the SME business sector.

A handwritten signature in blue ink, appearing to read 'M. Ritchie', with a long horizontal flourish extending to the right.

Marcus Ritchie

Executive Director
FE Investment Group Limited