

5<sup>th</sup> February 2019

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## **Credit Rating Annual Review**

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FE Investments Group Limited (Company) has been notified that Standard & Poor (S&P) has placed the rating of “B” long term on its wholly owned subsidiary FE Investments Limited (FEI), on CreditWatch pending their annual review. The review is expected to commence shortly.

S&P note that the Company has successfully raised its Risk Adjusted Capital (RAC) ratio since March 2018 by reducing its property development loan exposures and undertaking various capital raising measures. Strong loan growth and reductions in its capital due to goodwill and other intangible assets as part of the company’s merger also influenced the RAC ratio.

S&P’s annual review will focus on the level of capital the Company is required to carry on its balance sheet. S&P and the Regulators (being Reserve Bank of New Zealand and FEI’s Trustee) have different methodologies for benchmarking capital levels. FEI operates above the minimum capital ratio set by the Regulators.

The Company will announce its credit rating once S&P has completed its review.



Marcus Ritchie  
Executive Director  
FE Investments Group Limited

FE Investments Group Ltd is a specialist financial institution offering securities and SME lending in New Zealand and Australia. The Company’s subsidiary FE Investments Limited in NZ has been operating since 2003 and is regulated by the Reserve Bank of New Zealand and Independent Trustee. FEI Finance Ltd is an Australian subsidiary of the Company holding AFS Licence No. 408024. It is not authorised under the Banking Act 1959 (Cth) or supervised by the Australian Prudential Regulation Authority.