

Market Release 20th February 2019

Market Update

FE Investments Group Limited (the **Company**) is pleased to advise that, its New Zealand subsidiary, FE Investments Limited (**FE Investments**), has completed its Half Year - September 2018 Accounts. The audit was undertaken by William Buck Audit (NZ) Ltd.

Notably there was a 189% improvement in NPAT, moving from a loss of (NZ\$655,000) to a profit of NZ\$584,000 driven by recurring items that include:

- Continued loan growth of 11% over the past 6 months;
- Total Assets have now reached in NZ\$68,000,000;
- Benefit from fair value of recognising property development fees as they progress towards completion which amounted to approx. NZ\$400,000, and
- A one-off Deferred Tax Asset benefit.

FE Investments is pleased to announce it has come to an agreement with First Eastern Securities Limited. The agreement enables FE Investments to benefit from additional fees on property loans effective from 1st August 2018. The value of these fees is expected to add a further NZ\$3m of income to FE Investments once the property developments are complete and the property loans repaid. This in turn will have a positive impact on FE Investments financial statements going forward.

As outlined in the ASX Announcement dated 1 November 2018, FE Investments, restated its 2018 audited financial statements to reflect various related party disclosures.

Following consultation between FE Investments and the Company's auditor regarding the impact to the Group's 2018 financial statements of the related party disclosures, it has been agreed with the auditor to incorporate these disclosure changes to the Group 2018 financial statements (including the Remuneration Report), in the Company's 2019 Annual Report. The changes will be set out in the related party disclosure notes.

There are no changes to the net position in the 2018 Balance Sheet, Profit and Loss Statement and Statement of Cash Flow.



Marcus Ritchie
Executive Director
FE Investment 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.