2015 Investor Presentation

17th August 2015

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FLEXIGROUP

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Highlights and Overview

FXL Highlights

5% volume & 8% receivables growth delivers Cash NPAT of $90.1m (+6% pcp)

Financial Result

	FY14	FY15		FY15/ FY14
Cash NPAT [1]	$85.0m	$90.1m	⬆	6%
Statutory NPAT	$57.6m	$82.7m	⬆	44%
Volume	$1,083m	$1,136m	⬆	5%
Closing Receivables	$1,318m	$1,428m	⬆	8%
Annual Dividend (fully franked)	16.5c	17.75c	⬆	8%
Dividend Yield [2]	5.2%	6.1%	⬆	17%
Cash Earnings Per Share	28.0c	29.6c	⬆	6%

Notes
1. Cash NPAT excludes amortisation of acquired intangibles $3m (FY14 $2.2m), deal acquisition costs $1.9m and one off residual value loss in Enterprise business of $2.5m.
2. Dividend Yield calculated as annual dividend divided by closing share price at 30 June

Key Highlights

- Continued transformation of profit pool with all segments contributing higher earnings v pcp
- Investment program is already creating synergies across the business particularly in digital
- FXL is becoming digital with material improvements in service levels, speed of origination and enhancing customer satisfaction driving a net promoter score of +14 and repeat-business value across the group
- Excellent conversion of total portfolio income to operating cash flow at 36%

Guidance

- FY16 Cash NPAT guidance of $92m-$94m
- Rebuild of Enterprise & SME businesses has impacted FY16 earnings growth
- Higher depreciation charge of $2m in FY16 v FY15 due to investment program which commenced FY14
- Dividends expected to remain within 50-60% of Cash NPAT (currently ~7% dividend yield fully-franked)

Note : FY16 guidance based on New Zealand results using an annual average exchange rate of $1 AUD = $1.08 NZD
1H/2H split expected to be broadly in line with historical results.

Flexi fundamentals on a page

FXL business model continues to deliver for all stakeholders – investors, partners and funders

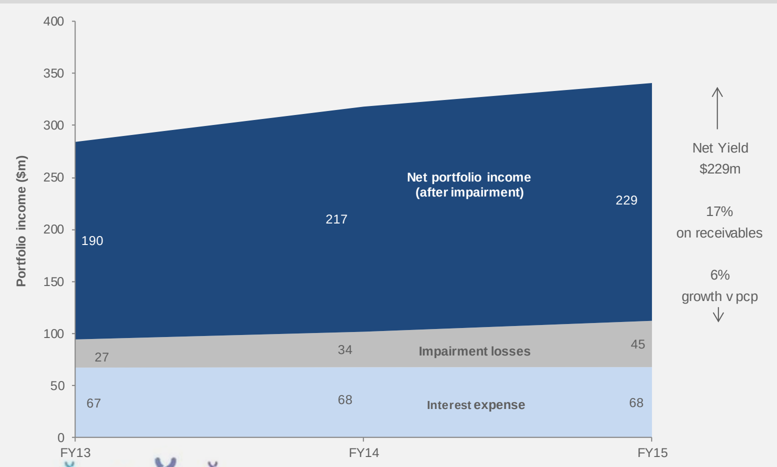
Investor Highlights	Consistent earnings growth and history of achieving earnings guidance High predictability of earnings from resilient business model Strong dividend yield and return on equity supported by enviable organic cash generation Diversified financial services business across products, segments & geographies
Sales Focus	Broad "on the ground" sales support structure to cover network of over 16,000 partners - Difficult for competitors to replicate - Actively leverage our existing relationships to increase FXL's foothold in Interest Free cards market - Re-establish, re-enforce and renew channel partner relationships in SME & Enterprise Exclusive long tenure continuing agreements with major retailers Sales process digitisation driving improved customer experience and cost structure
Capital/ Funding	Diverse funding sources in place with strong track record of stable performance Well capitalised balance sheet – FXL has "skin in the game" in all funding vehicles Assets are packaged in most optimal way for wholesale investors and funders Credit process and online origination is core strength

FXL Financial Performance Overview

FlexiGroup		FY14	FY15	FY15/FY14
Portfolio income	$m	318.1	340.8	7%
Interest expense	$m	67.5	67.6	0%
Net portfolio income	$m	250.6	273.2	9%
Impairment losses	$m	34.1	44.5	30%
Net portfolio income (after impairment)	$m	216.5	228.7	6%
Total expenses	$m	131.5	115.8	(12%)
Statutory NPAT	$m	57.6	82.7	44%
Cash NPAT [1]	$m	85.0	90.1	6%
Cash EPS	cents	28.0	29.6	6%
Dividends	cents	16.5	17.75	8%
ROE	%	23%	23%	-

Notes

1. Cash NPAT adjustments are detailed in individual segment results



Key financial performance highlights

- Sector leading ROE and high cashflow conversion
- Strong portfolio income growth vs pcp
- Tight management of cost to income ratio
- Funding costs lower due to management's actions on funding diversification
- Higher consumer mix in portfolio driving impairment charge and resulting provision increase in addition to higher losses experienced on acquired RentSmart portfolio

Outlook

- Technology investment program to yield productivity gains in short-medium term
- FY16 Cash NPAT guidance of $92-94m more muted than consensus - impacted by higher depreciation charges and rebuild of Enterprise and realignment of SME business
- Turn-around of underperforming Enterprise and SME segments through:
  - Managed services and power purchase products
  - Increased sales force productivity
  - Expanded product offerings
  - Growth in channel distribution into other sectors
  - Expanded adjacencies through existing consumer channel partners
- Medium term earnings to benefit from:
  - Growth in core product volumes from increased focus on origination
  - Significant technology and product investment
  - Operational cost and synergy benefits

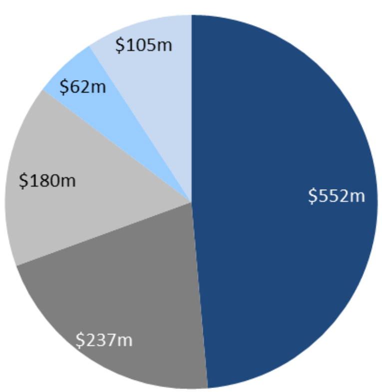
In FY15 FXL has delivered Cash NPAT in line with guidance despite challenging volume performance in Enterprise and SME segments

6% Cash NPAT growth delivered, with growth in NPAT achieved across all segments

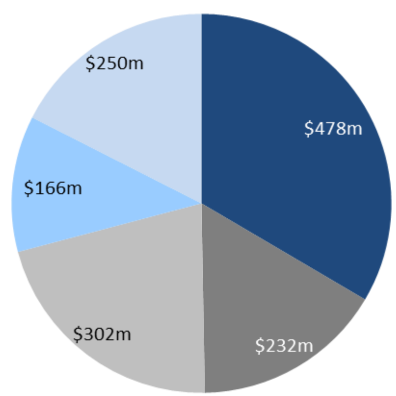
	Volume			Closing Receivables			Cash NPAT [1]			Cash NPAT / ANR %		
	FY14	FY15	FY15/ FY14	FY14	FY15	FY15/ FY14	FY14	FY15	FY15/ FY14	FY14	FY15	FY15/ FY14
No Interest Ever	$507m	$552m ↑	9%	$453m	$478m ↑	6%	$32.3m	$34.4m ↑	7%	7.4%	7.4% →	0.0%
Interest Free Cards	$200m	$237m ↑	19%	$210m	$232m ↑	10%	$11.0m	$12.3m ↑	12%	5.6%	5.6% →	0.0%
Consumer & SME Leasing	$189m	$180m ↓	(5%)	$326m	$302m ↓	(7%)	$26.0m	$26.2m ↑	1%	8.2%	8.3% ↑	0.1%
New Zealand Leasing	$38m	$62m ↑	63%	$66m	$166m ↑	152%	$5.6m	$7.0m ↑	25%	9.5%	9.5% →	0.0%
Enterprise Leasing	$149m	$105m ↓	(30%)	$263m	$250m ↓	(5%)	$10.1m	$10.2m ↑	1%	4.4%	4.0% ↓	(0.4%)
Total FlexiGroup	**$1,083m**	**$1,136m** ↑	**5%**	**$1,318m**	**$1,428m** ↑	**8%**	**$85.0m**	**$90.1m** ↑	**6%**	**6.9%**	**6.8%** ↓	**(0.1%)**
	← *Growth & Future Earnings Potential* →						← *Results* →			← *Returns* →		

Notes
1. Cash NPAT adjustments are detailed in individual segment results

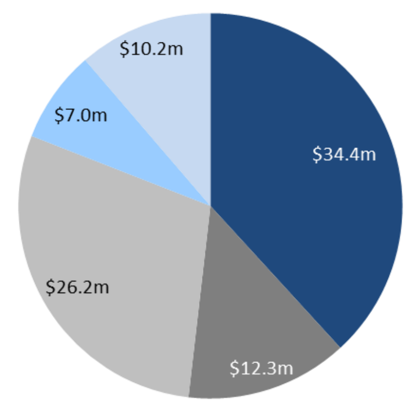
Volume by segment FY15



Receivables by segment FY15



Cash NPAT by segment FY15



■ No Interest Ever ■ Interest Free Cards ■ Consumer & SME Leasing ■ New Zealand Leasing ■ Enterprise Leasing

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No Interest Ever (Certegy)

FY15 volume growth of 9% and NPAT growth of 7%

Key financial performance highlights

- Cash NPAT growth of 7%, driven by 9% volume growth and 6% growth in receivables off a highly scalable platform
- Solar volumes remain stable at ~$15m per month in a low government subsidy environment
- VIP / Repeat volumes continue to grow at 20%, enhanced by increased use of digital mediums and tailored marketing with merchant partners

Growth Outlook

- Technology initiatives resulting in expansion of "connection points" with consumers and merchants resulting in higher engagement and driving repeat, higher margin VIP business
- Taking advantage of mobile sales environments to leverage new mobile and online platforms driving new business growth in Certegy
- Volume diversification journey with further expansion in sectors such as education, health and a higher penetration of the home improvement sector
- Certegy continues to strategically expand its new Ezi-Pay Edge product in New Zealand

certegy ezi-pay

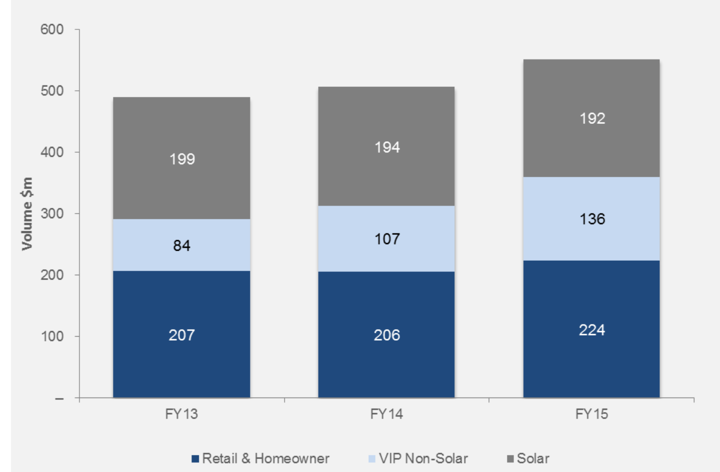
No interest ever payment processing primarily in homeowner sector

No Interest Ever (Certegy), $m	FY14	FY15	FY15/ FY14
Volume	$507m	$552m	9%
Closing Receivables	$453m	$478m	6%
Cash NPAT	$32.3m	$34.4m	7%

Notes

1. Cash NPAT excludes amortisation of acquired intangibles $ nil (FY14 $0.3m).

Certegy Volume Mix ($m)



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Interest Free Cards

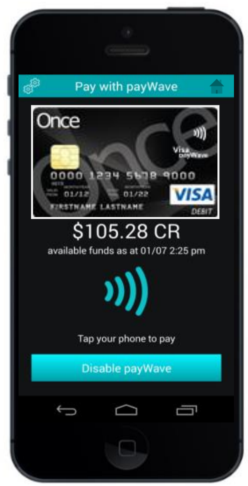
19% volume growth business delivers 12% NPAT growth

Key financial performance highlights

- FY15 cash NPAT increased by 12% v pcp driven by 19% growth in new volume and 10% growth in total receivables
- Growth in interest free receivables provide a runway of future interest earnings as receivables revolve from interest free to interest bearing
- New business volumes (Interest Free and Card Spend) are up $37m (19%) on FY14. This is primarily driven by card spend on existing cards which is up 30% - these transactions are more likely to drive revenue
- Total active accounts have increased by 14% to 103k

Growth Outlook

- Volume growth is lead indicator to future NPAT growth as customers revolve through initial interest free period to interest bearing and card/account utilisation
- Drive new retail origination relationships through dedicated business development team
- Two new flagship card products (Lombard 180 and Once Agile) have been launched with key dealers. Early results encouraging with increased card activation and utilisation rates to drive returns
- Combined cards business now using a single digital originations platform and process making it easier for dealers to do business, with approval times in store below 10min



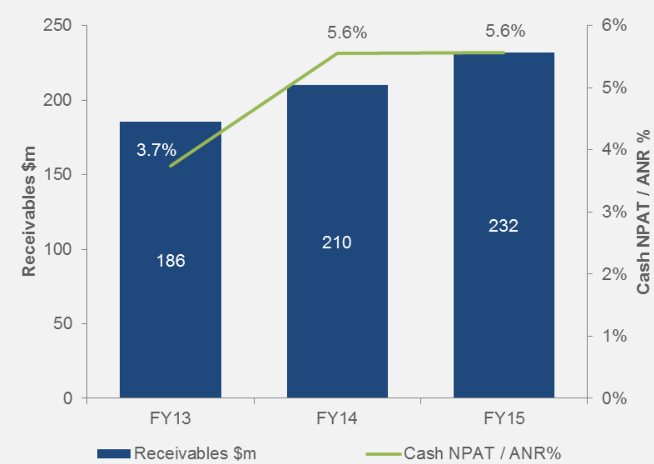
Interest free cards finance offered through retail point of sale

Interest Free Cards, $m	FY14	FY15	FY15/ FY14
Total Volume	$200m	$237m	19%
Closing Receivables	$210m	$232m	10%
Cash NPAT [1]	$11.0m	$12.3m	12%
Active customers	90,295	103,207	14%

Notes

1. Cash NPAT excludes amortisation of acquired intangibles $1.8m (FY14 $1.4m). FY14 excluded integration costs of $3.5m (FY15:$nil)

Cash NPAT & Receivables Growth



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Consumer & SME Leasing

High yielding Consumer business delivers strong result in FY15

Key financial performance highlights

- Cash NPAT increase driven by improved product yield mix towards higher yielding Consumer business
- Performance positively impacted by improved end of term processes which are also driving increased customer engagement and trade up rates
- 8% volume growth in Consumer driven through major channel partners. Positive returns achieved from digital investment both through increasing numbers of transactions, improved customer experience and increasing the average transaction deal sizes
- 23% volume decline in SME driven by increased competition in the sector, management restructure and out-dated consumer style product offering to be refreshed with risk based pricing structure

Growth Outlook

Consumer

- Continued growth in applications via the online portal to enhance engagement with retail partners and customers
- Simplified end of term process and customer options to drive increased trade up volumes

SME

- Increased focus on sales force effectiveness is driving productivity
- Expand product offerings including new product targeting $20k tax deduction for small business to be rolled out in Oct to Dec 15 quarter
- Growth in channel distribution into other sectors e.g. Healthcare & Education
- Expand adjacencies across existing consumer channel partners through partner distribution network

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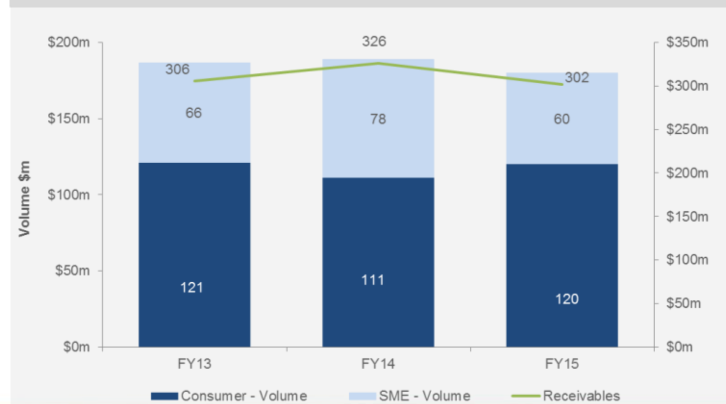
Leasing of IT, electronics and other assets

Consumer & SME Leasing, $m	FY14	FY15	FY15/ FY14
Volume	$189m	$180m	(5%)
Consumer	$111m	$120m	8%
SME (Flexi Commercial)	$78m	$60m	(23%)
Closing Receivables	$326m	$302m	(7%)
Consumer	$192m	$175m	(9%)
SME (Flexi Commercial)	$134m	$127m	(5%)
Cash NPAT [1]	$26.0m	$26.2m	1%

Notes

1. FY15 Cash NPAT excludes amortisation of acquired intangibles of $0.4m (FY14: $0.3m). FY15 excluded acquisition costs of $1.9m (FY14: $7.2m) and $nil impairment (FY14: $9.2m).

Volume & Receivables growth



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New Zealand Leasing

Strong volume growth drives 25% Cash NPAT growth (+23% in local currency)

Key financial performance highlights

- Cash NPAT at $7.0m is up 25% on prior year driven by 63% volume growth from both new and existing partners
- Receivables of $166m are up 152%. Organic growth has predominately come from lower credit risk SME and Education sectors
- Acquisition of TRL consolidated from May-15 – expands FXL to #1 technology leasing business in New Zealand
- TRL acquisition and continued low impairment will enable further efficiencies to be gained with local funders, delivering higher profit margins.

Growth Outlook

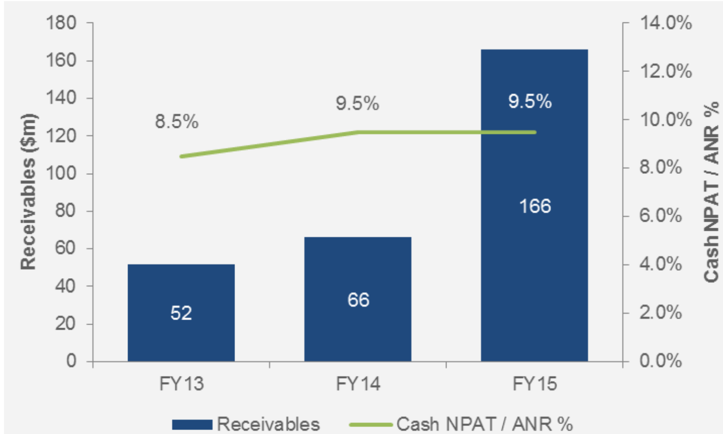
- TRL to provide a platform for further growth through the Education, SME and Enterprise channels
- Continued growth is expected from the core leasing business particularly from the SME and Education channels
- Further volume opportunities exist as we have signed a preferred supplier agreement with Apple for Commercial and Education leasing

Leasing of IT, electronics and other assets

New Zealand Leasing, $m	FY14	FY15	FY15/ FY14
Volume	$38m	$62m	63%
Closing Receivables	$66m	$166m	152%
Cash NPAT	$5.6m	$7.0m	25%
Cash NPAT (NZD)	*$6.2m*	*$7.6m*	*23%*

Notes
1. FY15 Cash NPAT excludes acquisition costs of $0.1m (FY14: $0.1m).

Cash NPAT & Receivables Growth



Enterprise Leasing

Enterprise contributes $10.2m NPAT, an increase of 1% on FY14

Key financial performance highlights

- Cash NPAT at $10.2m, up 1% achieved despite weak volume performance
- Volume down 30% due to restructure of internal senior management team and organisational change during the period
- Business development volume pipeline impacted by management changes however existing key accounts remain unchanged
- TOT acquisition continues to perform in line with expectations
- Largest residual value exposure within FXL portfolio is $1.7m relating to assets which have an active and stable secondary market
- Largely variable cost structure has enabled absorption of reduced volume and receivables

Growth Outlook

- Development now complete on managed services and power purchase products – expected to deliver volumes from 1H16 onwards
- Partnership agreement signed with Data#3 to provide leasing solutions for their customer base in the IT managed services sector
- Opportunities identified to acquire, incorporate and leverage broker businesses which have long term established customers

FLEXI ENTERPRISE | THINK OFFICE TECHNOLOGY

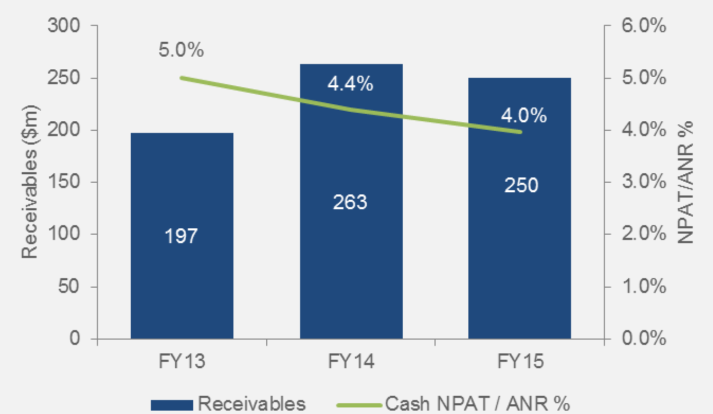
Commercial leasing through Original Equip. Manufacturers (OEM) and Vendors

Enterprise Leasing, $m	FY14	FY15	FY15/ FY14
Volume	$149m	$105m	(30%)
Closing Receivables	$263m	$250m	(5%)
Cash NPAT [1]	$10.1m	$10.2m	1%

Note:

1. FY15 Cash NPAT excludes amortisation of acquired intangibles of $0.7m (FY14 $0.2m) and one off residual value loss of $2.5m (FY14 $ nil)

Cash NPAT & Receivables Growth



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FY15 Results Analysis

Cash NPAT of $90.1m 6% growth

FlexiGroup continues to drive scale efficiencies, providing consistent profitability and returns

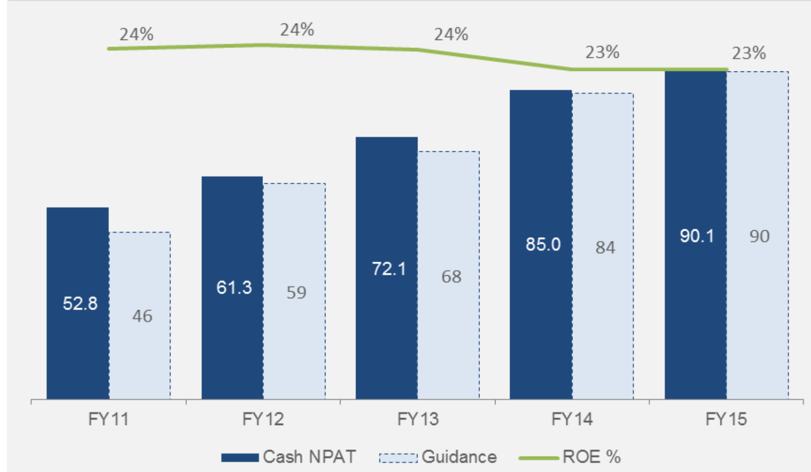
Performance

- Group Cash NPAT at $90.1m is up 6% on pcp, driven by:
  - +8% growth in receivables and lower funding costs, delivering a $15.8m increase in net portfolio income (after impairment)
  - Cost to Income ratio has remained flat at ~41% in FY15 through continued tight control of costs and deployment of investment program
  - Cost of funds benefit from ongoing successful securitisation program in addition to improved funding terms achieved from banks on warehouse funding facilities
- ROE maintained at 23% (significantly higher than the financial services sector average)

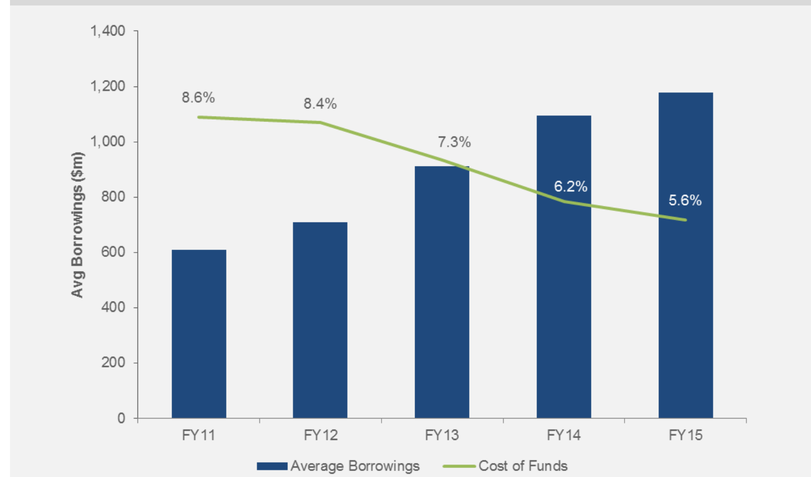
Funding Efficiencies & Credit Quality

- FXL's focus on growth in high quality segments combined with continual optimisation of funding structure has enabled the Group to embrace securitisation and deliver capital efficient funding resulting in a 60bps improvement in cost of funds on FY14. This has also been supported by a favourable swap rate environment
- FXL's portfolios have low risk profiles and in turn drive efficient funding costs and lower capital requirements

Consistent NPAT growth and high ROE



Securitisation supports cost of funds improvements



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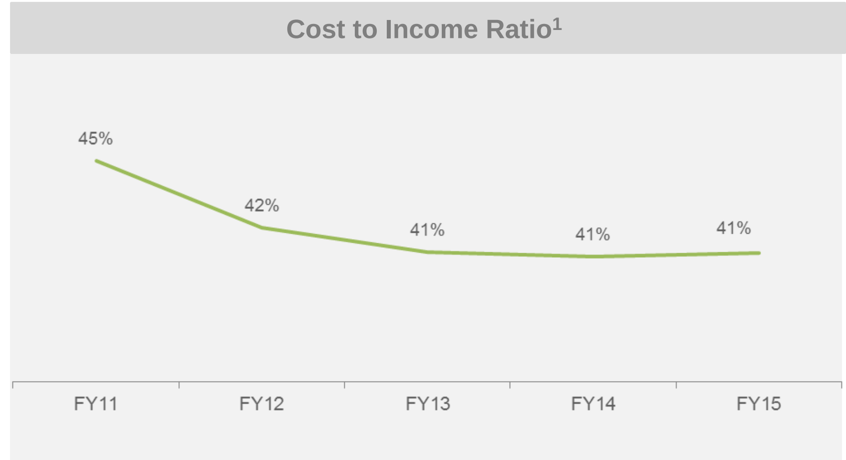
Cost to Income ratio flat but will be driven down by capex investment program moving forward

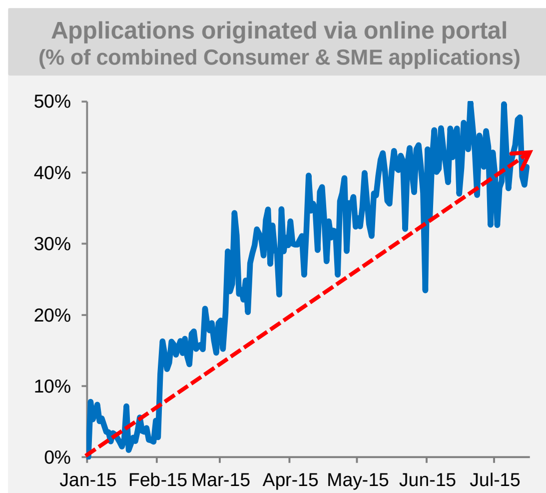
Cost / Income Ratio

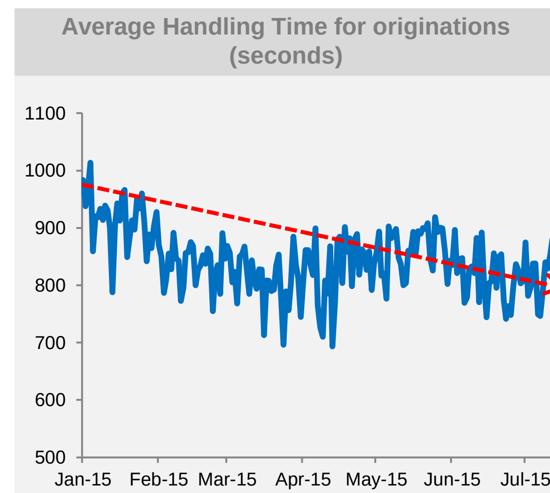
- Cost to Income ratio remained flat driven by:
  - Ongoing tight control of costs and scale efficiency benefits
  - Synergies being realised from acquisitions completed
  - Investment in customer facing digitisation projects which are beginning to show benefits in both cost efficiency and customer experience (e.g. Collections platform)



Capital Expenditure

- Planned capex investment program will sustain improvement in Cost / Income ratio
- Benefits of digitisation projects beginning to drive customer behaviour (e.g. online applications) and now impacting resource requirements and cost structure (e.g. average handling time)
- Investment program is expected to return to industry benchmark levels of Capex / Income ratio of 4-6% of portfolio income after FY16





Note:
1. Think Office Technology employs a different cost structure to all other FXL businesses. Ratio used above excludes TOT to ensure accurate trend comparison

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FXL - Impairment Losses

Impairment has increased with Consumer mix – this risk is priced into product

Performance

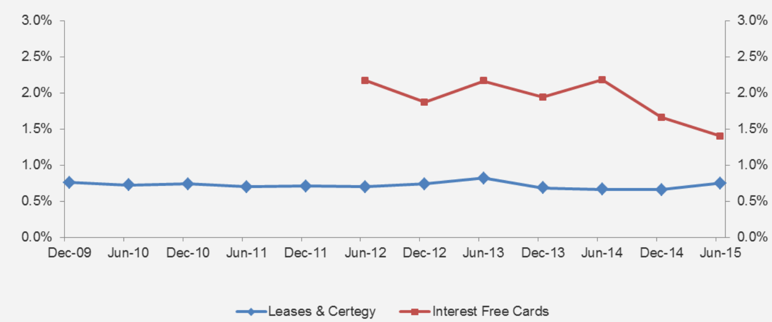
- Net impairment losses increased to 3.3% of ANR driven by higher consumer mix in portfolio and resulting provision increase and higher losses incurred on acquired RentSmart portfolio. This risk is priced into product so mix impact still positive at NPAT level
- FY15 impairment losses also impacted by short term operational issues in collections associated with the transfer to a new best practice collections platform
- Forecast bad debt provision based on certain portfolio mix of business. Due to commercial mix being lower, higher consumer mix has required higher provision
- FXL's revolving IFC portfolio continues to demonstrate stable performance with 90+ delinquency improving to <1.5% in 2H15

Outlook

- Impairment levels to reduce through leverage of new collections platform plus focus on growing lower loss segments through deployment of enhanced risk-based pricing and refreshed credit decisioning tools and higher loss RentSmart portfolio running off
- Enhanced collections platform allows for greater data capture and more sophisticated provisioning methodology in addition to updated credit scorecards being introduced across multiple segments in 1H16
- FXL will continue to drive growth in customer segments it understands in terms of risk, and will not relax its credit underwriting criteria

Net Impairment Losses	FY14	FY15	Impairment / ANR %
No Interest Ever	$13.5m	$14.4m	3.1%
Interest Free Cards	$5.3m	$6.7m	3.0%
Consumer & SME Leasing	$12.3m	$19.6m	6.2%
New Zealand Leasing	$0.6m	$1.0m	1.4%
Enterprise Leasing	$2.4m	$2.8m	1.1%
Leases	$15.3m	$23.4m	3.6%
Net Impairment Losses	**$34.1m**	**$44.5m**	**3.3%**
Impairment / ANR %	**2.7%**	**3.3%**	
Impairment / ANR % (ex provision increase)	**2.7%**	**3.1%**	

FlexiGroup 90+ Delinquency



Note:
Consumer & SME Leasing, NZ Leasing and No Interest Ever's write off policy is after 120 days. Enterprise and IF Cards' is after 180 days

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FXL - Cash Flow

Strong operating cash flow supports investment in capital projects and receivables growth

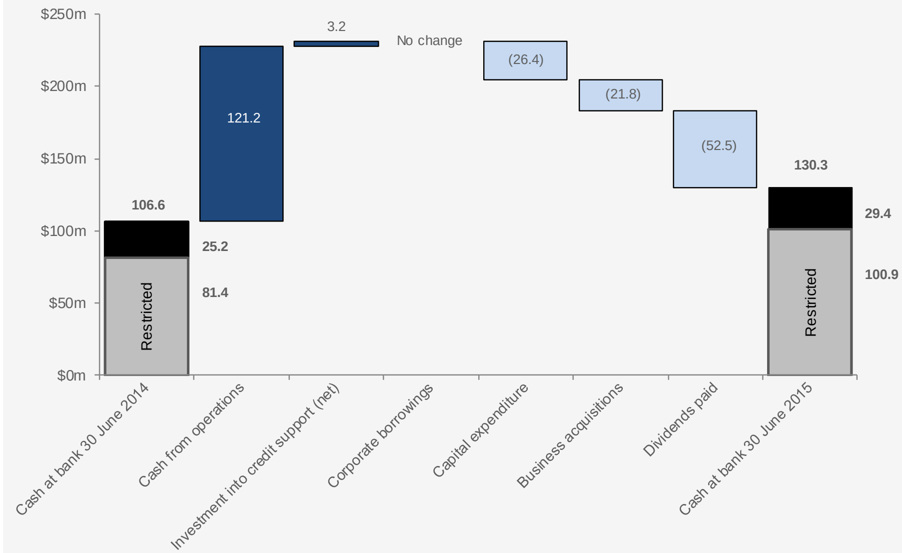
Performance

- Cash at bank was $130.3m as at 30 June 2015
- Impressive operating cash flow generation capabilities of the business allow FXL to reinvest funds into receivables growth and increase dividend by 1.25 cents per share
- 2 significant securitisations completed during 2H15 allowing acquisition of TRL without requirement to extend corporate borrowings
- Increased capital expenditure to upgrade IT platforms and support continuing diversification of the business

Outlook

- Dividend payout forecast to remain at 50-60% of Cash NPAT
- Investment into receivables and unrated notes in securitisation vehicles to support portfolio growth
- $100m corporate debt facility to provide flexible funding for organic and non-organic growth drawn to $45m ($45m drawn at 30 June 2014)

Cash Flow Bridge FY15 ($m)



Note:
1. Restricted cash represents balances on collection accounts, which are held as part of the Group's funding arrangements and are not available to the Group as at reporting date

FXL - Balance Sheet

Appropriate gearing maintained as balance sheet continues to grow

Performance

- FXL remains appropriately geared with recourse Debt/Equity at 21% whilst maintaining balance sheet flexibility via $55m available undrawn limit in the corporate facility
- SPV borrowings are non-recourse to FXL
- Borrowings are matched to customer contract term and interest rates are fixed to match fixed income products
- No bullet repayments on receivables funding

Outlook

- 82% of total borrowings are fixed to contract term, which provides protection against underlying movements in base interest rates
- Remaining 18% of borrowings relate to Interest Free Cards and corporate facility which are funded off a floating rate. FXL has the ability in IFC to vary the customer rates to match any underlying change in official interest rates
- FXL's strategy of diversifying funding sources has resulted in an ongoing reduction in FXL's funding costs

	Jun-14		Jun-15	
Summarised Balance Sheet	**FlexiGroup excl. SPV's**	**FlexiGroup incl. SPV's**	**FlexiGroup excl. SPV's**	**FlexiGroup incl. SPV's**
Cash at bank (unrestricted)	25.2	25.2	29.4	29.4
Cash at bank (restricted)	81.4	81.4	100.9	100.9
Receivables	92.0	1,299.8	59.4	1,405.1
Investment in unrated notes in securitisation vehicles	120.2	-	116.2	-
Other assets	56.3	56.3	55.8	55.8
Goodwill and intangibles	161.8	161.8	195.0	195.0
Total assets	**536.9**	**1,624.5**	**556.7**	**1,786.2**
Borrowings	45.0	1,158.8	45.0	1,300.9
Cash loss reserve available to funders	-	(26.2)	-	(26.4)
Other liabilities	106.9	106.9	101.2	101.2
Total liabilities	**151.9**	**1,239.5**	**146.2**	**1,375.7**
Equitiy	**385.0**	**385.0**	**410.5**	**410.5**
Gearing (i)	**20%**	n/a	**21%**	n/a
ROE	**23%**	n/a	**23%**	n/a

Notes:
1. Gearing = Recourse borrowings as a percentage of FlexiGroup equity adjusted for goodwill and intangibles

FLEXIGROUP

FXL - Funding

Committed support from banks and institutions, diverse funding sources

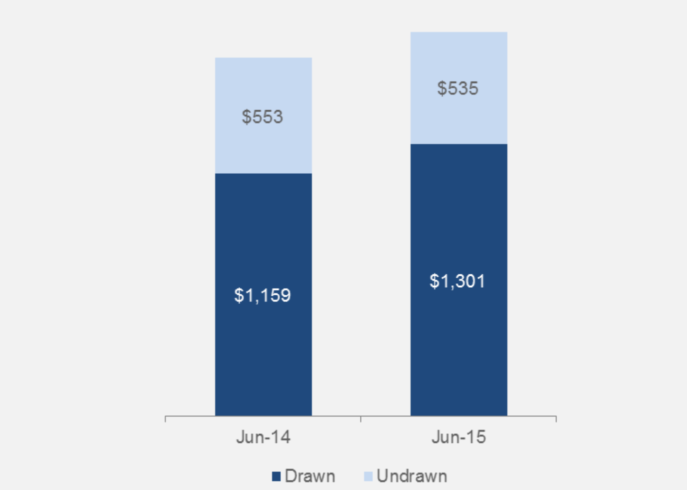
Performance

- FlexiGroup continues to maintain a conservative funding strategy, underpinned by multiple committed debt facilities, matched term and rate structures for wholesale debt and an active debt capital markets presence
  - Strong stable relationships with 5 Australian institutions providing revolving committed facilities
  - Material reduction in cost of funds driven by both lower base swap rates and decreased bank/securitisation credit margins
  - Continual ongoing process to optimise funding structure between bank warehouses, securitisation structures and corporate debt

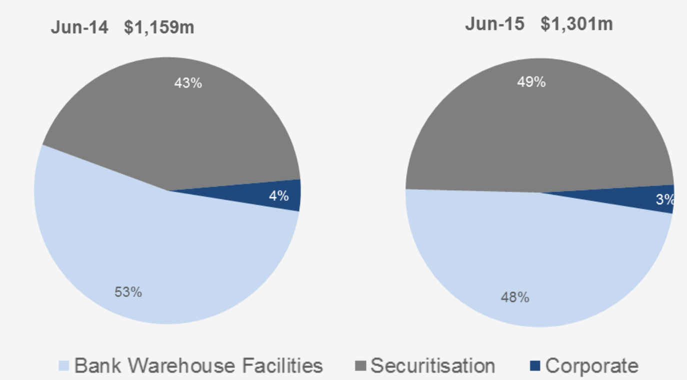
Outlook

- FXL has substantial unused committed revolving facilities to fund growth in the foreseeable future, even without securitisation of receivables
- Despite this, FXL will continue to securitise through its ABS program to
  - Decrease cost of funds
  - Improve capital efficiency
  - Maintain diversification of funding sources
- During FY15, FXL completed two securitisation issuances:
  - Enterprise $210m (April 2015)
  - Certegy $285m (June 2015)

Funding Facilities ($m)



Diversified Funding Sources



FLEXIGROUP

Strategy and Outlook

Summary of the Flexi2020 Strategy: Progress to date

Investment program delivers the following:

Mission, Vision and Ambition

Our Mission – *this is our reason for being (our purpose):*

We find new and ever-better ways to financially connect businesses & consumers to the things they need and the things they dream of and enhance the businesses of our channel partners

Our Vision – *this is where we want to go:*

To have "Flexi" become the empowering verb that people use when talking about acquiring a significant item

Our Ambition – *how we'll measure success:*

ROE ~20%
From ASX200 to ASX100 company
Highest ranking NPS in Aust. FS industry
Employer of choice and Partner of choice

Where to play

CONSUMER FINANCE

New Products & Innovation

✓ Android Tap & Go Application
✓ Cards new products Once Agile & Lombard 180

Cards Originations

✓ Cards originations platform for Once & Lombard
✓ Cards origination optimisation (Fraud management & scorecards)

Leasing & Interest Free

✓ Retail leasing online originations consumer and commercials for pre-approvals and customer self-serve
✓ Certegy centralised VIP program

BUSINESS FINANCE

FY16 Focus

- Managed services product
- New Enterprise strategy (Includes Broker acquisition)
- Purpose built CRM platform
- Enterprise online origination system
- Restructured management team

INTERNATIONAL

New Zealand

✓ Acquisition of Telecom Rentals New Zealand and Equico

Ireland

✓ Significant volume growth being achieved through new product development

How to win

REINFORCE CORE

Funding

✓ Telecom Rentals New Zealand
✓ $0.5B in securitisation funding

Talent

✓ Embedding Flexi2020 in our culture
✓ Digital learning management system

IT

✓ Collections platform for AU leasing and Cards
✓ Telephony upgrade including new platform, email routing and call back assist

Legal & Regulatory

✓ Regulatory compliance and Commercial structuring

NEXT GENERATION, EXPAND & GROW

Digital

✓ FlexiGroup, Blink, Enterprise, Commercial, SmartWay, FlexiWay and FlexiRent websites
✓ Self-service for Leasing customers

Credit Risk Mgmt

✓ Flexi Commercial rate card changes
✓ Cards originations optimisation with fraud protection

M&A

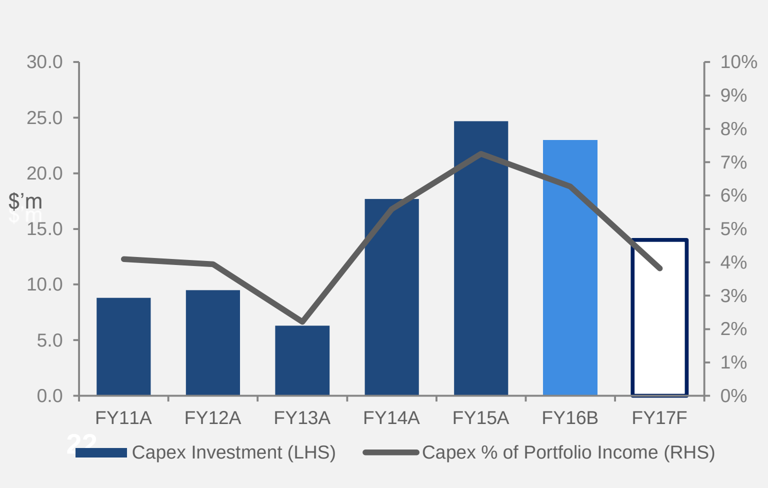
✓ Telecom Rentals New Zealand
✓ Think Office Technology

FlexiGroup initiated a 3 year transformation program aligned to the Flexi2020 strategy and designed to enhance FXL Digital Finance capability

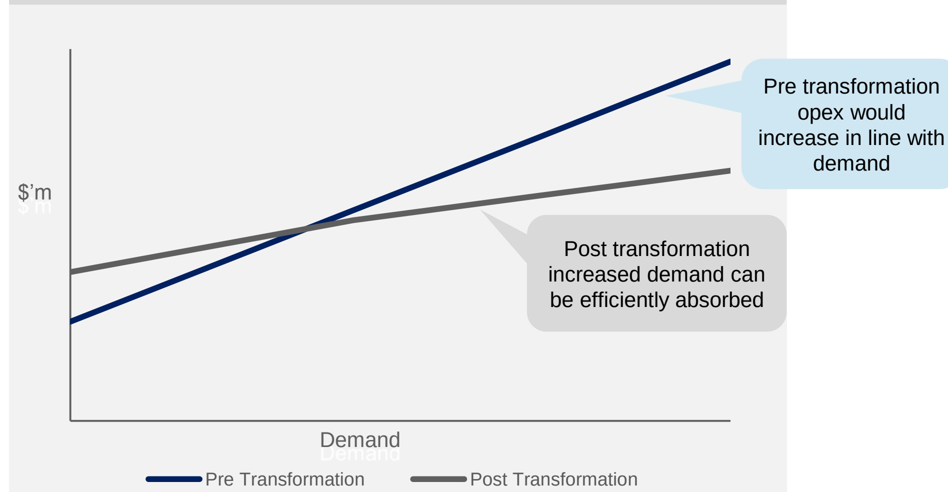
Program of Work:

- Historically FlexiGroup has underinvested in IT, well below industry benchmark levels
- In FY14, FlexiGroup commenced a program of transformation by heavily investing in IT capabilities to provide digital solutions to enhance our business capabilities and engagement with our channel partners
- The program of work will last from FY14-FY16 and includes: increasing our online digital capabilities, new products & services, transforming our operational processes, and enhancing the scalability of our core platforms so future increased demand can be efficiently absorbed
- Focus for FY16 investment program is online and customer origination through new and existing channels
- Beyond FY16, future capex investment is expected to return to industry benchmark levels of Capex at 4-6% of Portfolio Income

Capex investment



Scalability of platforms pre and post transformation



FLEXIGROUP

Outlook

Cash NPAT guidance of $92-94m as FXL moves towards leveraging capex investment and acquisitions

FXL Cash NPAT guidance of $92m-94m driven by:

- Relationship driven organic sales growth is focus for FY16, leveraging **dedicated business development** teams which are now in place across all business units
- Continued investment in core IT Systems and digital capability to support future business growth and **drive down cost to income ratio** however FY16 impacted by higher depreciation charge of $2m
- Continued solid performance from **Certegy** through enhancements to VIP customer program, increased penetration within existing retails partners and targeted expansion into new product categories and new merchants
- Optimise digital origination platform to drive growth in **Interest Free Cards**, in addition to leveraging revised products to generate increased card spend and profitability
- Strong volume growth in **New Zealand Leasing** primarily targeting the Education sector through leveraging deep sector knowledge and customer relationships through the acquisitions of Equico and TRL
- Rebuild of the **Enterprise Leasing** business with the key focus on broker based origination channels and managed service products
- Simplified product offerings across existing retail partners in **Consumer & SME Leasing** including significantly improved customer offer at end of contract term to drive increased customer engagement and trade up rates
- Maintaining strong credit disciplines and **leveraging collections** technology and processes to improve impairment expenses v FY15
- FXL continues to look at strategic acquisition opportunities to complement organic growth

Appendices

Appendix A: Detailed Statutory Income Statement

A$ MILLION	2014	2015
Total portfolio income	318.1	340.8
Interest expense	(67.5)	(67.6)
Net portfolio income (before impairment)	**250.6**	**273.2**
Impairment losses	(34.1)	(44.5)
Net portfolio income (after impairment)	216.5	228.7
Employment expenses	(66.1)	(61.6)
Depreciation and amortisation expenses	(10.0)	(9.4)
Operating expenses (including amortisation of goodwill)	(55.4)	(44.8)
Total expenses	**(131.5)**	**(115.8)**
Profit before income tax	**85.0**	**112.9**
Income tax expense	(27.4)	(30.2)
Statutory profit after tax	**57.6**	**82.7**
Amortisation of acquired other intangible assets	2.2	2.9
Residual value loss	-	2.5
Impairment of goodwill and other intangible assets	9.2	
Cancelled share based payments	5.2	
Acquisition and integration costs	10.8	2.0
Cash net profit after tax	**85.0**	**90.1**

Appendix B: Detailed Statutory Balance Sheet

A$ MILLION	Jun-14	Jun-15	Excluding SPV's Jun-14	Excluding SPV's Jun-15
Assets				
Cash at bank	106.6	130.3	106.6	106.6
Loans and receivables	1,318.6	1,428.0	231.0	222.2
Allowance for losses	(18.8)	(22.9)	(18.8)	(22.9)
Net receivables	1,299.8	1,405.1	212.2	199.3
Other receivables	47.4	46.4	47.4	46.4
Inventory	2.8	4.2	2.8	4.2
Plant and equipment	6.1	5.2	6.1	5.2
Goodwill	134.1	150.4	134.1	150.4
Other intangible assets	27.7	44.6	27.7	44.6
Total Assets	**1,624.5**	**1,786.2**	**536.9**	**556.7**
Liabilities				
Borrowings	1,158.8	1,300.9	45.0	45.0
Loss reserve	(26.2)	(26.4)	-	-
Net borrowings	1,132.6	1,274.5	45.0	45.0
Payables	44.5	35.7	44.5	35.7
Current tax liability	9.0	9.2	9.0	9.2
Provisions	5.4	5.5	5.4	5.5
Derivative financial instruments	3.7	7.3	3.7	7.3
Contingent and deferred consideration	8.7	5.9	8.7	5.9
Net deferred tax liabilities	35.6	37.6	35.6	37.6
Total Liabilities	**1,239.5**	**1,375.7**	**151.9**	**146.2**
Net Assets	**385.0**	**410.5**	**385.0**	**410.5**
Equity				
Contributed equity	161.2	161.9	161.2	161.9
Reserves	2.4	(3.0)	2.4	(3.0)
Retained profits	221.4	251.6	221.4	251.6
Total Equity	**385.0**	**410.5**	**385.0**	**410.5**

Appendix C: Detailed Statutory Cash Flows

A$ MILLION	Jun-14	Jun-15
Cash flows from operating activities		
Interest received	221.3	216.7
Fees and other non-interest income received	102.9	123.3
Payments to suppliers and employees	(101.8)	(118.3)
Borrowing costs	(69.1)	(68.7)
Taxes paid	(29.0)	(31.8)
Net cash inflows from operating activities	**124.3**	**121.2**
Cash flows from investing activities		
Payment for purchase of plant & equipment and software	(17.7)	(26.4)
Loans to related parties	(0.8)	-
Payment for business acquisitions	(38.0)	(18.8)
Payment for deferred consideration relating to business acquisitions	-	(3.0)
Net movement in:		
Customer loans	(70.9)	(64.3)
Receivables due from customers	(63.0)	14.9
Net cash outflows from investing activities	**(190.4)**	**(97.6)**
Cash flows from financing activities		
Dividends paid	(47.1)	(52.5)
Proceeds from cash settled options	-	0.5
Net movement in borrowings	78.6	53.0
Net movement in loss reserves on borrowings	17.5	(0.4)
Net cash inflows from financing activities	**49.0**	**0.6**
Net increase/(decrease) in cash and cash equivalents	**(17.1)**	**24.2**
Cash and cash equivalents at the beginning of the half-year	**122.8**	**106.6**
Effects of exchange rate changes on cash and cash equivalents	**0.9**	**(0.5)**
Cash and cash equivalents at end of the half-year	**106.6**	**130.3**

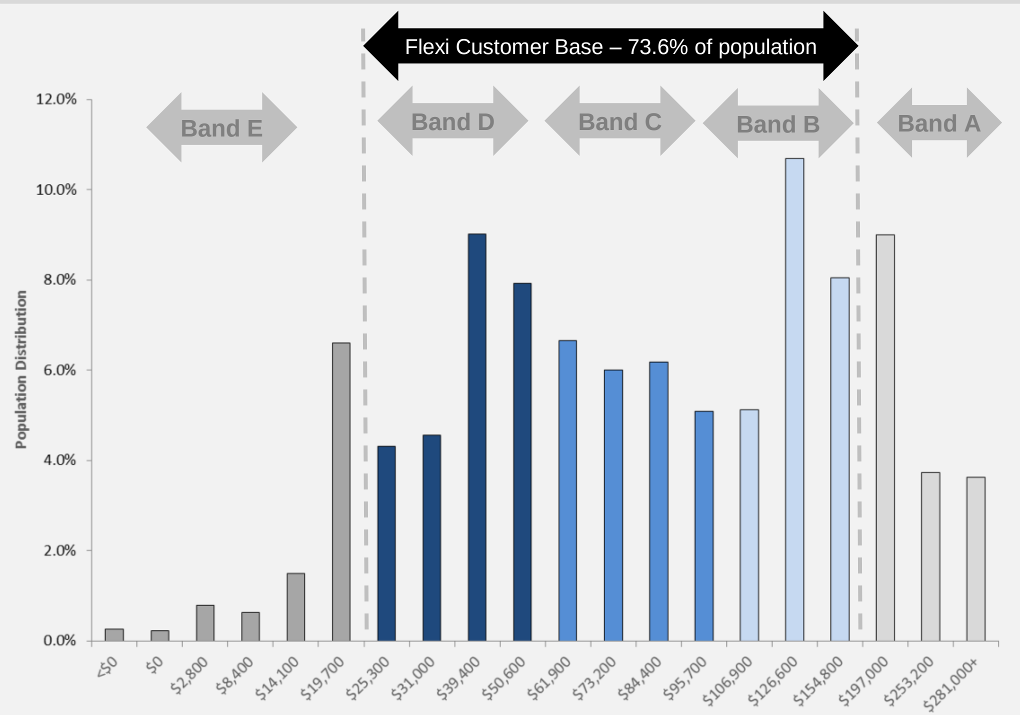
Appendix D: FlexiGroup Target Customer Demographic

FXL's target audience is the mass middle market of Australian Consumers

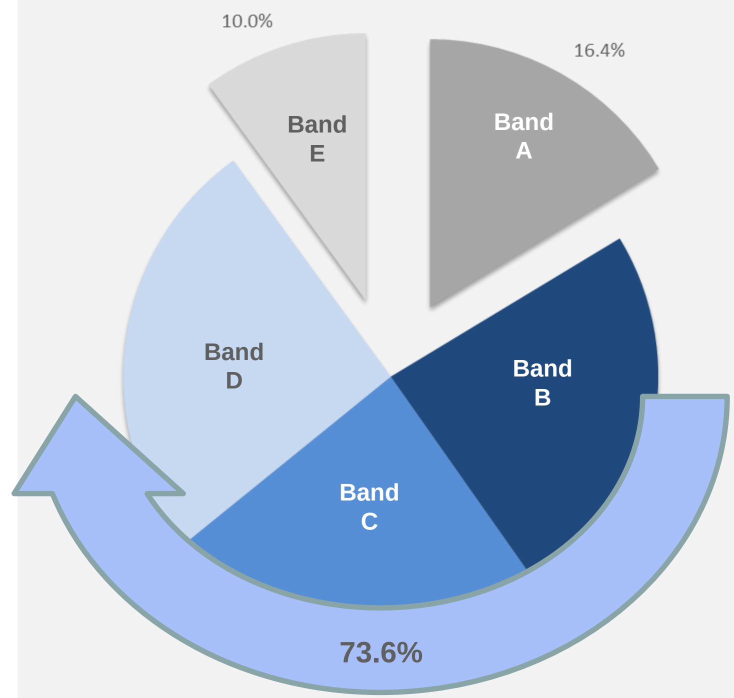
Overview

- The Flexi suite of financial products are generally aimed at the mass middle market in Australia, New Zealand and Ireland
- Low income (Band E) and very high income (Band A) individuals are not generally part of the Flexi customer base
- The low income customer sector (Band E) is serviced by pay-day or subprime enders with higher interest rates and losses
- By targeting the middle market, Flexi achieves the optimal balance of volume, risk and profitability

Australian Household Income Distribution



Australian Household Income Distribution by Band



Source: Australian Bureau of Statistics data at FY12 adjusted for wage inflation to FY15

Appendix E: FXL - Overview

FlexiGroup is a diversified financial services group providing point of sale interest free, no interest ever, leasing, vendor programs, interest free cards and other payment solutions to consumers and businesses

Background

- Founded in 1988 leasing office equipment to business
- Leading provider of consumer/small business retail point-of-sale finance
- Diversified products include: interest free cards, no interest ever, enterprise /commercial leasing, mobile broadband

Market

- IPO in 2006
- ASX200 stock with market cap of approximately ~A$1bn

Distribution platform

- 700,000 finance customers, ~16,000 active retailers, $1.4bn in receivables
- Distribution network across multiple industries, including relationships with:
  - JB Hi-Fi, Dick Smith, Harvey Norman, Apple resellers, IKEA, Escape Travel, Husqvarna, Thermomix, M2 Commander, AGL Solar, Noel Leeming, King Furniture and Fantastic Group

High performance culture

- Talented management team with capability to manage much larger organisation
- Australia and New Zealand Best Employers — AON Hewitt
- Australia's Best Contact (Call) Centre — ATA Award
- International IT Award — ICMG Architecture Excellence

Balance sheet

- Well capitalised balance sheet with further capacity – return on equity ~23%
- Highly diversified funding with committed facilities from Australian and International institutions to support growth

Solid risk profile

- eRisc award winning credit assessment system
- 20 years experience in consumer & business credit embedded in scoring systems

Acquisitions

- Management with significant acquisition experience, have successfully acquired:
  - Telecom Rentals NZ in Apr 2015
  - Rentsmart ANZ in January 2014
  - Once Credit Interest Free and Visa card business in May 2013
  - Lombard Finance Interest Free and Visa card business in June 2012
  - Certegy acquisition in 2008 now represents 33% of FXL receivables
- Conservative approach to acquisitions - target accretive, high volume businesses

30 Jun YE (A$m)		FY11	FY12	FY13	FY14	FY15
Receivables		**707**	**927**	**1,163**	**1,318**	**1,428**
	growth	*19%*	*31%*	*25%*	*13%*	*8%*
Portfolio Income		**223**	**246**	**284**	**317**	**341**
	growth	9%	10%	15%	11%	8%
Volume		**695**	**779**	**907**	**1,083**	**1,136**
	growth	*27%*	*12%*	*16%*	*19%*	*5%*
Cash NPAT		**53**	**61**	**72**	**85**	**90**
	growth	*26%*	*15%*	*18%*	*18%*	*6%*
Cash NPAT/ANR		**8.5%**	**7.7%**	**7.2%**	**6.9%**	**6.8%**
	change	*0.8%*	*-0.8%*	*-0.5%*	*-0.3%*	*-0.1%*
Dividends, cents per share		**10.5**	**12.5**	**14.5**	**16.5**	**17.75**
	growth	5%	19%	16%	14%	8%

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Appendix F: FXL - Overview

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No Interest Ever	Interest Free Cards	Consumer & SME Leasing	New Zealand Leasing	Enterprise Leasing
certegy ezi-pay	Lombard Once	FLEXI RENT, FLEXI COMMERCIAL	FLEXIRENT, equico Funding Technology, trl leasing technology finance	FLEXI ENTERPRISE, THINK OFFICE TECHNOLOGY
• Trading since 1989, acquired Oct 2008 • Interest free & cheque guarantee products offered in diverse industries • Increases sales volumes for retailers • No interest (ever) payable by the customer	• Trading since 2002, acquired June 2012 • Interest free point of sale card finance company • Retail partners are offered interest free product and customers are cross sold a Visa card • Visa card subsequently used for everyday retail purchases • Once Credit acquired on May 2013	• Flexirent trading since 1988, IPO Dec 2006 • Lease and mobile broadband offered • Customers get loaner, protect & affordable monthly payments • RentSmart acquired Jan 2014. Expands distribution to include JB Hi-Fi, Dick Smith and Officeworks	• Flexirent NZ office opened 1997 • Computer leasing mainly in the commercial / business use sector • Preserves margin for the retailer / merchant • Equico acquisition in Mar 2014 – expands distribution to education and government sectors • Telecom Rentals acquisition Apr 2015	• Recruited an experienced OEM / Vendor leasing team in Nov 2009 • Increase sales volumes for OEMs / Vendors • Affordable, tax deductible means for customers to acquire and manage assets • Acquired Think Office Technology in Mar 2014 – a specialist in managed print, IT and office solutions
Key metrics • $478 million receivables • 26 month average term	**Key metrics** • $232 million receivables • 18 month average term	**Key metrics** • $302 million receivables • 34 month average term	**Key metrics** • $166 million receivables • 34 month average term	**Key metrics** • $250 million receivables • 53 month average term
Retail & homeowner "No Interest Ever"	***Retail point-of-sale Interest Free Cards***	***Retail / SME / On line point-of-sale Lease, Mobile Broadband***	***Leasing solutions for business and point-of-sale retail***	***OEM & vendor lease to Enterprise accounts***