

Market Release: 31 July 2019

June 2019 Appendix 4C Commentary and Business Update

4C Commentary

- New and reinvested deposits raised during the quarter ended 30th June 2019 were A\$16.3m, evidencing depositor confidence in the Company.
- The average reinvestment rate for deposits for last quarter was approximately 63%. This helped to maintain a deposit base in-line with management's forecast of A\$60m-A\$65m.
- Group assets have grown from A\$76.6m to A\$81.1m. This is due to the combination of new Business Lending and Cash at bank from the deposits raised per above.

The Company is pleased to announce recent milestones:

Equity Raise

FEI has successfully raised A\$3.375m via conditional share placement agreements with two companies associated with two directors, evidencing their further support for the Company.

The funds raised will be used to bolster capital adequacy reserves, support the growth of our Business lending book in Australia and New Zealand and repay debt.

Credit Rating

On 30th July 2019 S&P reconfirmed FE Investments Limited credit rating of B/Watch/Neg/B.

FEIG Clear Path to Growth

✓	Launch Online lending capabilities in NZ
✓	Equity raised to support growth
✓	S&P confirmation of FEI's credit rating
Next Month	First business loans in Australia
Pipeline	Launch online lending capabilities in AU
Pipeline	Australian lending over \$1m
Pipeline	Secure finance facility to support growth
Pipeline	Launch of Australian digital campaign
Pipeline	Growth of Australian sales team

Online Lending

FEI has completed its online lending platform with automated credit processing up to certain loan sizes via the Company website www.fei.co.nz

The online lending platform is supported by a technology upgrade enabling, a fully interactive credit decisioning tool which guides clients through the application process through to loan documentation and execution.

Importantly FEI has maintained its long-standing credit writing methodology and standards.

This process enhancement drives process efficiencies which enables greater handling of loan applications at no additional operating cost.



Since the completion of the website in October 2018 the Company has seen lead generation increase by 600%. Adding online lending capabilities will further enhance the loan conversion rate which is now supported by more appropriate capital levels.

This is a pleasing result on our continued strategic path of business lending growth in both Australia and New Zealand

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

Marcus Ritchie
Group Chief Executive Officer