

26th March 2018

ASX: FEI

Standard & Poors Completes Annual Review of FEI Investments Credit Rating

Standard and Poors (“S&P”) has carried out its annual review on FE Investments Group Limited’s wholly owned operating subsidiary FE Investments Limited (“FE Investments”) and affirmed its current B long-term and B short-term issuer credit rating. At the same time S&P has revised its outlook for FE Investments from B (stable outlook) to B (negative outlook) whilst FE Investments continues to reduce its property development loan exposure.

The primary driver for the change in outlook is the slower than anticipated amortisation of FE Investments’ property development lending portfolio. This has resulted in FE Investments carrying an overall lower risk adjusted capital ratio (pursuant to RBNZ prudential requirements and S&P’s capital risk matrix) across its total loan portfolio because property development loans attract a higher level of risk adjusted capital than other classes of loans in the lending portfolio.

S&P commented in its review that the performance within FE Investments’ property development loan portfolio is good with no current impairments.

S&P acknowledged that FE Investments has traditionally raised equity capital and accepted deposits to grow its total assets. S&P observed that FE Investments has a sound track record of supporting its growth through additional capital as and when required.

FE Investments is confident that it will meet its self-imposed target range of 10% -15% of property development loans by the third quarter of 2018. This will reduce the overall capital requirements enabling FE Investments to re-deploy its capital more efficiently to grow its SME lending and finance leasing portfolio. This in turn should generate a better ROE (Return on Equity) for the FEI Group.

Once property development loan exposure is reduced, S&P will be requested to revise its credit rating back to B (stable outlook).

For further information please contact:

TK Shim

Chief Executive Officer

FE Investments Group Limited: AU: +61 2 9247 6844 or NZ: +64 9 3599445

About FE Investments Group

FE Investments Group is an Australasian Group with a core focus on leasing/financing solutions for technology and business equipment as well as being a financier to the SME sectors with operations in Australia and New Zealand.

Its subsidiary, FE Investments Limited (FEI) has been operating since July 2003. It is a non-bank deposit taker (NBDT) with a deposit taking licence issued by Reserve Bank of New Zealand. FEI lends money and provides finance facilities to enterprises in the business and property sectors.