

# Annual General Meeting August 2019

FE Investments Group Limited



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Note: All figures in this presentation are AUD unless otherwise stated.

# FE Investments Group Limited

## Highlights

FE Investments Group Ltd (FEI) listed on the ASX is a specialist financial institution offering deposit taking and business lending.



### Total Assets now \$80m

- Unaudited as at July 2019
- Increase of 14% since FY18



### Capital Raise

- \$3.375m raised via 2 associated companies of directors (conditional on re-election and shareholder approval)
- Capital to enable accelerated lending growth
- Bolster capital adequacy and repayment of facilities

### S&P Global

### Annual Reconfirmation of S&P Credit Rating

- Current Rating: B/Watch/Neg/B



### Key Appointments

- Simon Den Bak appointed as Chief Financial Officer
- Benjamin Hawkins appointed as Senior Lending Manager



### LaunchOnline

### Lending Capabilities (NZ)

- New online lending application platform launched
- Provides a significant time/resource saving with automatic application processing (e.g. automated credit scoring)

FE Investments Group Limited

# Priorities over the next 6 Months

Australia provides a competitive cost of funding advantage and is supported by sound lending opportunities.



## General Priorities

- » Appropriate capital levels for growth
- » Continued property exposure reduction
- » Business lending growth forecast supported by capital and digital advertising campaigns

## Australian Loan Growth

- » Digital platform to be completed
- » Hiring of Sales Managers
- » Securitisation program under consideration

## Completion of Technology Automation & System Innovation

- » Online lending capabilities to launch in Australia
- » Straight-through application process for deposits in mid 2020
- » Further technology improvements to drive operational procedures

# FE Investments Group Limited

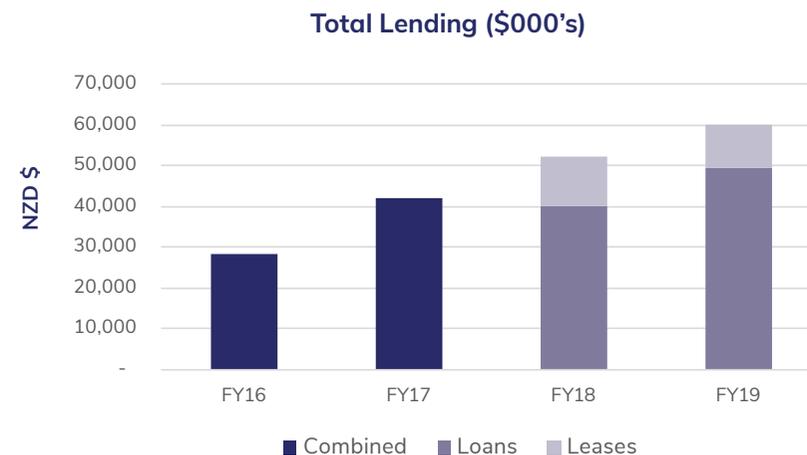
## Lending Summary

- » Significant YOY Loan Growth of 16% from FY18
- » FY19 growth driven by focussed customer penetration in targeted product segments;
  - » Auto equipment (+159%)
  - » Commercial (+69%)
  - » Medical Suppliers (+65%)
- » Even distribution of loan tenure, of which 32% extends post 12 months with weighted average term now improved to 18 months
- » Growth from Leasing business will continue to enable customer diversity which grew by 76% to \$7.1m



Note: FY16-FY17 pre merger. in relation to Total Lending bar chart

Loan Summary	
	MAR 19 (NZD)
Total Loans	\$60.9m
Loan Size (Average)	\$12,000
Number of Customers	5,260
Loan Term (Weighted Average)	18 Months

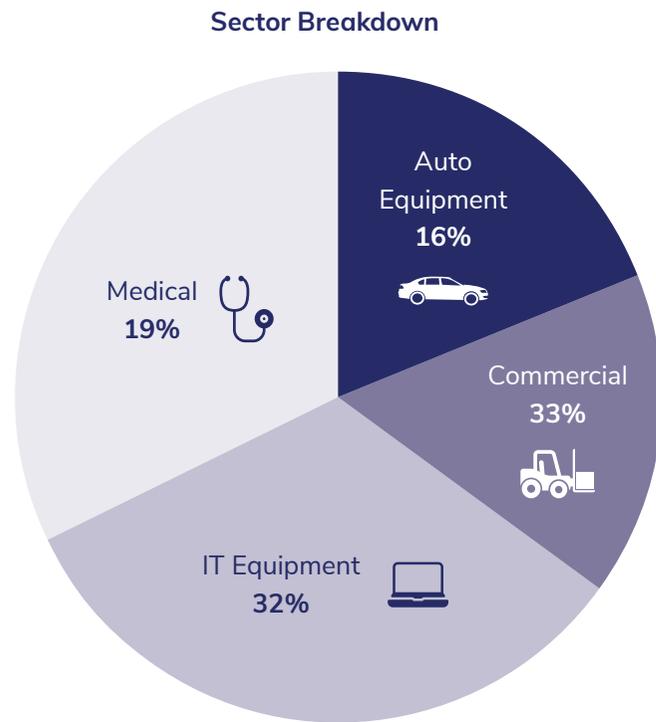




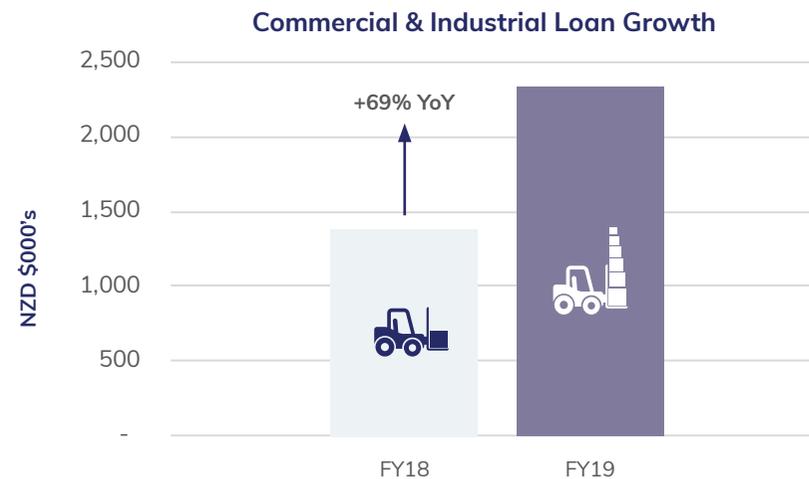
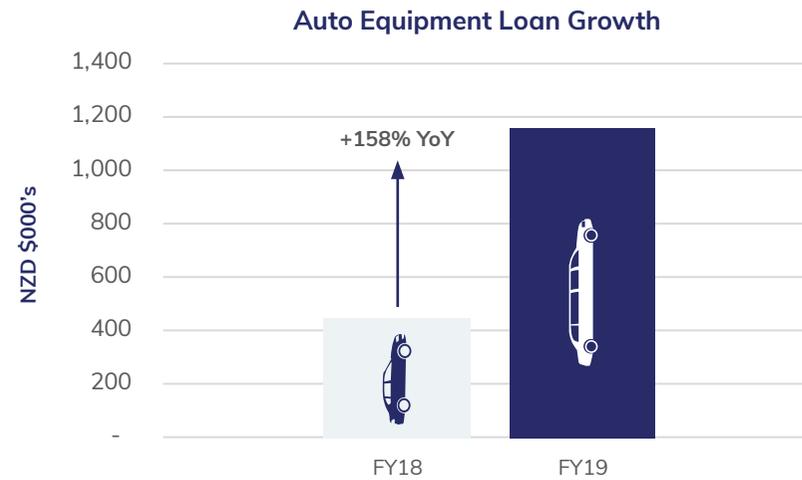
# FE Investments Group Limited

## Lease Breakdown

Strong growth from Auto Equipment and Commercial sector with upside opportunity. Continued focus on our niche sectors.



- Automotive** Calibration machines, hoists & supplies from key auto suppliers
- Commercial** Construction and manufacturing equipment
- Medical** X-ray machines, heart scanners



# Technology Platform Improvements Implemented

Transition from a manual, resource-heavy process to automated, instant application approvals



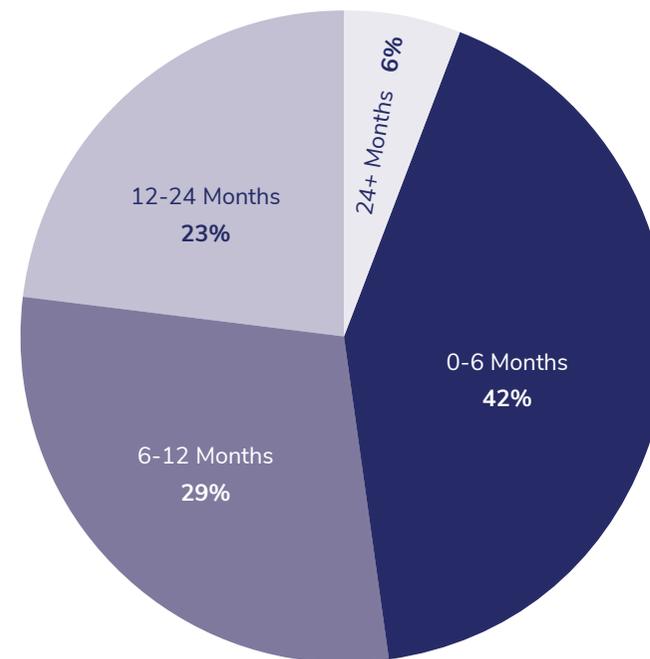
Our Intellectual Property (future-proofed & scalable for NZ/AU growth)

# FE Investments Group Limited

## Deposits Overview

- » Total deposits balance at the end of July 19 is \$63m
- » License issued by Reserve Bank of New Zealand (RBNZ)
- » Avg. deposit amount continues to increase (currently at \$48,000)
- » Strong reinvestment rate of 67%
- » FEI purposely slowed deposit and lending growth over the past 6 months due to excess cash reserve and capital constraints
- » Seeking to replicate the model in Australia with a more competitive cost of funding, resulting in attractive returns

Deposit Tenure FY19



Deposit Summary A\$	FY18	FY19	%	
Total Deposits Balance (\$000's)	55.45	61.06	10.12%	↑
Deposit Amount (avg.) (\$000's)	\$47.93	\$47.89	-0.07%	↓
Deposit Accounts	1,157	1,275	10.20%	↑
Tenure (avg. months)	9.24	9.98	8.03%	↑
Deposit Rate (avg.)	6.39%	5.70%	-10.74%	↓

Note: Non-resident depositors require a New Zealand bank account with a major New Zealand bank. Current term deposit rates are subject to market change.

Consistent Deposit Growth

