FLEXIGROUP

Annual Review 2014

Creating smarter financial partnerships




Contents

Introduction

Every day, FlexiGroup's specialty finance products connect consumers and businesses with the things they need.

We do this by harnessing technology and by creating seamless customer experiences that cater to changing lifestyles and the ever-transforming ways that business is done.

About FlexiGroup

FlexiGroup is a diversified financial services group. Through a large, trusted network of retail and business partners we provide a wide range of finance products and payment solutions to consumers and businesses.

From supporting education, to equipping a home, to building a business – we have a wide range of solutions to help. This includes interest free cards and no interest ever payment plans; consumer and business leasing solutions; mobile phone and broadband payment plans; and online payment services.

FlexiGroup operates in Australia, New Zealand and Ireland, offered at more than 12,000 locations including Harvey Norman, IKEA, Dick Smith, JB HiFi, AGL Solar, Thermomix, Escape Travel, The Good Guys Kitchens, Noel Leeming, Husqvarna, Apple Resellers, Michael Hill, M2 Telecommunications and Fantastic Furniture.

FlexiGroup is a top 200 ASX-listed company.

About this report

The 2014 Annual Review is a summary of FlexiGroup's operational and financial performance for the financial year ended 30 June 2014. See the 2014 Annual Report for full financial details.

In this report unless otherwise stated, references to 'FlexiGroup', 'the Group', 'we', 'us' and 'our' refer to FlexiGroup Limited listed on the ASX as FXL.

Any reference in this report to 'year' relates to the financial year ended 30 June 2014.

All dollar figures are expressed in Australian dollars unless otherwise stated.

References to 'cash NPAT' relate to cash net profit after tax. Cash NPAT adjustments are detailed on page 49 of the Annual Report.

This year, New Zealand is reporting as a separate business unit, with volume and receivables disaggregated from the Consumer and SME reporting line. Ireland still remains within Consumer and SME.

Key Highlights

The FlexiGroup M&A strategy is delivering – as we realise the full year benefits of acquisitions

Business integration and customer centricity will deliver strong earnings momentum in the next few years

Cash NPAT of $85m

up 18%

Statutory NPAT of $57.6m

down 13% due to one-off adjustments*

Integration

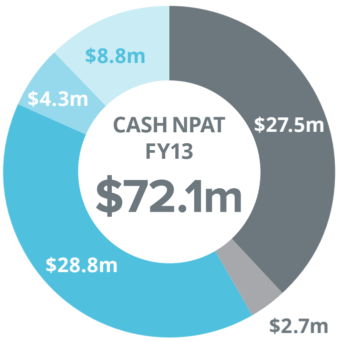
Cards integration nearing completion, RentSmart completed 12 months ahead of schedule

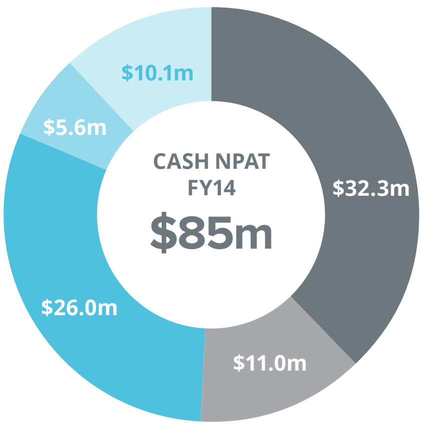
New investment program

is already creating synergies across the business

Profit pool is transformed

Certegy now the largest business and Cards significantly increases share





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

* see page 49 of the Annual Report

Double digit growth in volume, receivables and cash NPAT

VOLUME ($M)

▲19%

FY14	1,083
FY13	907

Volume passes $1B milestone – Cards a highlight with growth of 127%

RECEIVABLES ($M)

▲13%

FY14	1,318
FY13	1,163

All business lines contribute to strong receivables growth

CASH NPAT ($M)

▲18%

FY14	85.0
FY13	72.1

Cash NPAT of $85m, FY15 guidance of $90m–$91m

CASH EARNINGS PER SHARE (CENTS)

▲12%

FY14	28.0
FY13	25.1

FXL continues to deliver solid shareholder returns

ANNUAL DIVIDEND PAYOUT FULLY FRANKED (CENTS PER SHARE)

▲14%

FY14	16.5
FY13	14.5

Dividends are expected to remain within a 50–60% payout range

The Strategy

Our Ambition
We will measure our success by:

- Highest ranking NPS in Australian Financial Services industry
- ROE greater than 20%
- Employer of choice
- From ASX200 to ASX100 company
- Partner of choice

Our mission is to find new and ever better ways to financially connect businesses and consumers to the things they need and the things they dream of.

Our vision is to have ‘Flexi’ become the empowering verb that people use when talking about acquiring a significant item.

How we will win:

Reinforce Core

Funding: maintain conservative funding approach

Talent: install talent management processes

IT: upgrade core systems to drive further efficiencies and support growth

Legal and Regulatory: regulatory compliance, commercial structuring

Next generation, expand and grow

Digital: develop omnichannel experience across all products

Credit Risk Management: maintain industry leading credit assessment process

M&A: access new or adjacent markets through acquisitions

Connecting our present to our future

Where we play:

Consumer Finance

A range of financing solutions for consumer and SMEs at **point-of-sale in-store and online**

Services that complement our consumer products, such as mobile broadband and **tablets plans**

Business Finance

Standardised and bespoke financing solutions for a range of assets, offering finance and operating leases (including residual value options) and service solutions

Our partners can use our **digital platform** for originations and self-service

International

We may acquire or joint-venture businesses overseas where we can **win in our core**

Our **development of NZ is through our core business lines** such as Enterprise and Certegy and where appropriate through acquisition

Chairman's Report

An outstanding year, where the Group's new growth engines of Certegy, Enterprise and Cards underpinned strong cash NPAT growth of 18% to $85 million.

Three acquisitions made in FY2014 integrate into existing business lines and further expand FlexiGroup's distribution footprint in Australia and New Zealand.

Chris Beare
Chairman

Consistently delivering.

Having joined the board as Chairman in July, it is pleasing to see that since the Group listed nearly 8 years ago we have consistently delivered to guidance. The visibility of largely fixed term receivables has supported a high level of earnings predictability. This year is no different, with cash net-profit after tax of $85 million delivering growth of 18%; meeting last year's guidance of between 17% - 19% growth.

The year's excellent results reflect our ability to: add new distributors, leverage the existing customer base, extract acquisition synergies and lower funding costs. With another year of double-digit growth in both volume and receivables the Group has achieved momentum across all business lines. Delivering 19% growth from volumes of $1,083 million the Group has surpassed the $1 billion milestone. Receivables of $1,318 million deliver solid growth of 13%.

The right acquisitions; well executed.

Diversification, either organic or by acquisition is an ongoing part of our business strategy and over a number of years has cemented FlexiGroup as a leading financial services company. The Group has an excellent record of delivering strong earnings growth, driven by well executed acquisition initiatives and organic growth. Our M&A strategy is working.

Interest Free Cards is this year's example of the team's ability to identify impressive growth segments, secure the right opportunities and rapidly realise value through integration. The results from our acquired businesses are strong, with Interest Free Cards (after only a 13 month period of ownership of both Lombard and Once) contributing $11 million in Cash NPAT and $210 million in Receivables for the year.

During the year the Group digested three new acquisitions with RentSmart ANZ, Think Office Technology and Equico NZ acquired for a cash outflow of only $38 million (net of acquired cash balances) and with the RentSmart integration completed 12 months ahead of schedule we are already seeing the realisation of full year benefits for FY2015.

Corporate governance – a commitment to excellence

The Board is committed to a high standard of corporate governance and follows a set of well-defined policies to ensure it is a good corporate citizen that protects the interests of stakeholders and supports ongoing success.

Accordingly we have revised our suite of Board corporate governance documentation (including Board Charter and Board Sub-Committee documentation) to ensure compliance with Version 3 of the ASX Corporate Governance Council's Principles and Recommendations.

In addition we have applied more rigour to our Legal and Compliance functions by re-structuring to create a dedicated Compliance Team with full remit over the Group's businesses, supplemented by an independent audit function under a "three lines of defence model".

We seek to reinforce the Group's values with a continued focus on inclusion and diversity at all levels of the business and we have practices and measures in place that are in line with our Best Employer strategy.

Our 2014 Remuneration Report transparently outlines how the executive reward framework (which conforms to market best practice) aligns to the achievement of strategic objectives and the creation of value for shareholders. The full remuneration report starts on page 11 of the 2014 Annual Report.

Changes to the Board

During her eighth year as Chairman, Ms Margaret Jackson AC elected to retire from the Board. The Board wishes to extend their thanks for her years of dedicated service and exemplary leadership during a time of significant growth.

I look forward to contributing to the ongoing success of the company and am excited to join the team at FlexiGroup as it embarks on the implementation of the Board endorsed growth strategy. The company is well positioned to continue to deliver strong and sustainable growth through its strategy of business diversification, digital innovation and disciplined execution.

Strong return for shareholders

This year the total shareholder dividend grew by 14% to 16.5 cents (per share) and was paid after the Board declared a fully franked final dividend of 8.5 cents (compared to a 7.5 cents final dividend last year). Dividends are expected to remain within this 50–60% payout range. Additionally, cash earnings per share increased 12% to 28 cents for the year.

An exciting outlook

This year the business has articulated its goal to become a digital finance leader. The Group has begun a journey to transform business services across multiple products and brands to deliver a consistent, outstanding customer and dealer experience.

Business integration and customer centricity will drive strong earnings momentum over the coming years as we embrace changing customer buying behaviours. The Board is committed to an investment program that is aligned with this strategy and that is already creating synergies across the business.

FlexiGroup expects mid, single-digit growth for FY2015, with Cash NPAT between $90m–$91m and with higher growth returns expected in the following years.

Our main goals for FY2015 are concentrated on using our capabilities to protect the value of mature businesses, accelerate growth into new segments and to transform the Group to capitalise on the digital finance opportunity. As the company continues to generate significant cash flows we will reinvest funds into receivables growth, modernise our capabilities, and increase dividends to shareholders.

On behalf of the Board, I would like to thank our people, the executive team and our CEO Tarek Robbiati for exceptional performance and leadership over the year. We also extend our thanks for the support we receive from our customers, partners, shareholders and funders. I am confident we will continue to achieve excellent results in FY2015 through the innovation and hard work of our people.

Chief Executive Officer's Report

FY2014 was a year in which FlexiGroup transformed the profit pool mix and delivered double-digit: volume, receivables and Cash NPAT growth.

For the first time, we achieved more than $1 billion in volumes; and Certegy is now our leading business line by all key measures.

Tarek Robbiati
Managing Director and CEO

Highlights of an outstanding year

- Cash NPAT growth of 18% to $85 million, meets guidance provided to the market a year ago. Certegy is now the largest profit centre comprising 38% of the Group's profit pool. New business lines transformed the mix, with $15.7m cash NPAT added in-year.
- Strong volume growth; up 19% to $1,083 million, surpassed the $1 billion milestone for the first time. With all lines in growth, Cards was a highlight with 127% growth to $200 million.
- Receivables growth of 13% to $1,318 million, was driven by solid growth across all business lines with Enterprise, New Zealand Leasing and Cards the double-digit performers.
- Three acquisitions made early in 2014 (RentSmart, Think Office Technologies, Equico) tuck-in to existing business lines and further expand the Group's distribution footprint in Australia and New Zealand.
- The M&A Strategy has been well executed and is delivering with the realisation of full year benefits of acquisitions completed in FY2014. The RentSmart integration completed 12 months ahead of schedule and the Cards integration is near completion.
- A new investment programme to deliver business integration and customer centricity is already creating synergies across the business and will deliver future earnings momentum. FXL is now ideally positioned to capitalise on the digital finance opportunity.

Acquisitions deliver scale and expand our distribution footprint

A key strategy of the Group is to selectively acquire and grow consumer and commercial finance businesses to enhance scale and introduce new channels. In-line with this strategy, three new acquisitions were completed in early 2014, for a cash outflow of only $38 million, (net of acquired cash balances) and they are already delivering the realisation of full year benefits for FY2015.

In January 2014, FlexiGroup acquired the Australian and New Zealand businesses of ThinkSmart Ltd ('RentSmart'). The acquisition expands our leasing relationships to include JB HiFi, Officeworks, Leading Edge and Dick Smith Electronics and will provide solid growth opportunities for our Consumer and SME leasing business both in Australia and New Zealand.

Acquired in March 2014, the Equico business is a well-established New Zealand leasing provider of information and communications technology to business. Equico is a leader in the education sector; dealing with private and public schools as well as tertiary institutions. This acquisition delivers a promising new distribution channel within the New Zealand market.

The Think Office Technology ('TOT') acquisition was also completed in March 2014. Operating throughout regional Queensland, TOT provides: office equipment, tailored print services, cloud computing solutions and traditional technology services. The acquisition allows Enterprise to vertically integrate into this market and will deliver growth in the print and managed services industry.

Rapidly delivering synergies and realising value

The Group's M&A Strategy continues to deliver with the realisation of full year benefits of acquisitions completed in FY2014 and with the Cards integration nearing completion. A single originations platform for Cards has been deployed and the back-end system integration is expected to deliver further synergy benefits in FY2015.

The results from our acquired businesses are strong, after only 13 months of ownership (of both Lombard and Once), Interest Free Cards contributed $11 million in Cash NPAT and $210 million in receivables for the year. The RentSmart integration completed 12 months ahead of schedule and supported Consumer and SME consolidated receivables growth of 7% to $326 million. These results reflect the benefits of scale and unleashing the growth potential of previously underfunded businesses at a reduced funding rate.

A talented team, with an ability to execute

The Flexi team has shown a commitment to new product innovation and has done an excellent job balancing solid receivables growth while limiting impairment losses (they remain stable at 2.7% of average net receivables). Business diversification continues to underpin strong credit quality and steady impairment rates will remain a focus as:

- Enterprise, SME and New Zealand continue to grow lower risk, commercial receivables
- The Certegy portfolio is primarily focused on the lower loss, homeowner segment
- The Group's revolving Interest Free Cards portfolio continues to demonstrate stable performance with 90+ delinquency between 2.0%–2.5%
- An enhanced collections platform (to be implemented in the first half of FY2015) will increase the automation and productivity of collections

FlexiGroup's strategy of diversifying funding sources combined with the strength of securitisation markets has resulted in a step-change reduction in funding costs, down 240 basis points since FY2011. The focus on high quality segments has enabled the Group to embrace securitisation and to deliver capital efficient funding which has improved cost of funds this year by 110 basis points.

The lower funding costs provided good margin support and when combined with 13% growth in receivables delivered a $32 million increase in operating income. Return on equity in excess of 20% remains significantly higher than the financial sector average.

A digital future; creating seamless connections

Whether in-store, at home or using a mobile device our goal is to connect customers to their goods as seamlessly as possible. While customer needs haven't changed, customer behaviour is changing rapidly as a result of the digital revolution. We are responding with a 'Call and Click' model across all segments to meet our customers' shifting behaviours, increase our reach and to drive significant productivity and scale benefits.

With "customer" top of mind, we are integrating our businesses and transforming from a product-centric call centre to an integrated full-service provider of finance solutions with multiple originating and servicing options.

Our journey to become a digital finance leader has begun and is supported by an investment program approved by the board, and is already delivering benefits.

Building a foundation to expand and grow

Our company culture is underpinned by our values of 'innovate, collaborate, simplify and deliver'; over the next couple of years our stakeholders will see this externally reflected as we transform to embrace an omni-channel, digital world.

To support this evolution and to deliver strong earnings momentum, increased capital expenditure is required to upgrade IT platforms and to continue integration across the business. Next year cash NPAT is expected to be $90 million - $91 million, with the split between the first half and second half of the year to be broadly in-line with historical results.

Key drivers of FY2015 results:

- Certegy will continue to deliver, with solid performance from: enhancements to the VIP customer program, increased penetration within existing retail partners and targeted expansion into new product categories.
- Interest Free Cards will see growth and improved returns, supported by: the completion of an integrated Once and Lombard IT platform plus new cards offerings will see an enhanced customer value proposition to drive portfolio utilisation and returns.
- Consumer and SME Leasing will deliver volume uplift as we: experience the full year benefit of the RentSmart acquisition and our product offerings across retail partners are refreshed (including a Telco bundle and the transition to the 'Call and Click' model).
- New Zealand Leasing volume will experience strong growth from: the low-risk SME sector and from the education segment as we leverage the Equico acquisition.
- Enterprise Leasing will scale up as we leverage the digital originations platform rolled-out in FY2014 and deliver new scheduled product innovation.
- Overall business growth will be supported by investment in core IT Systems.

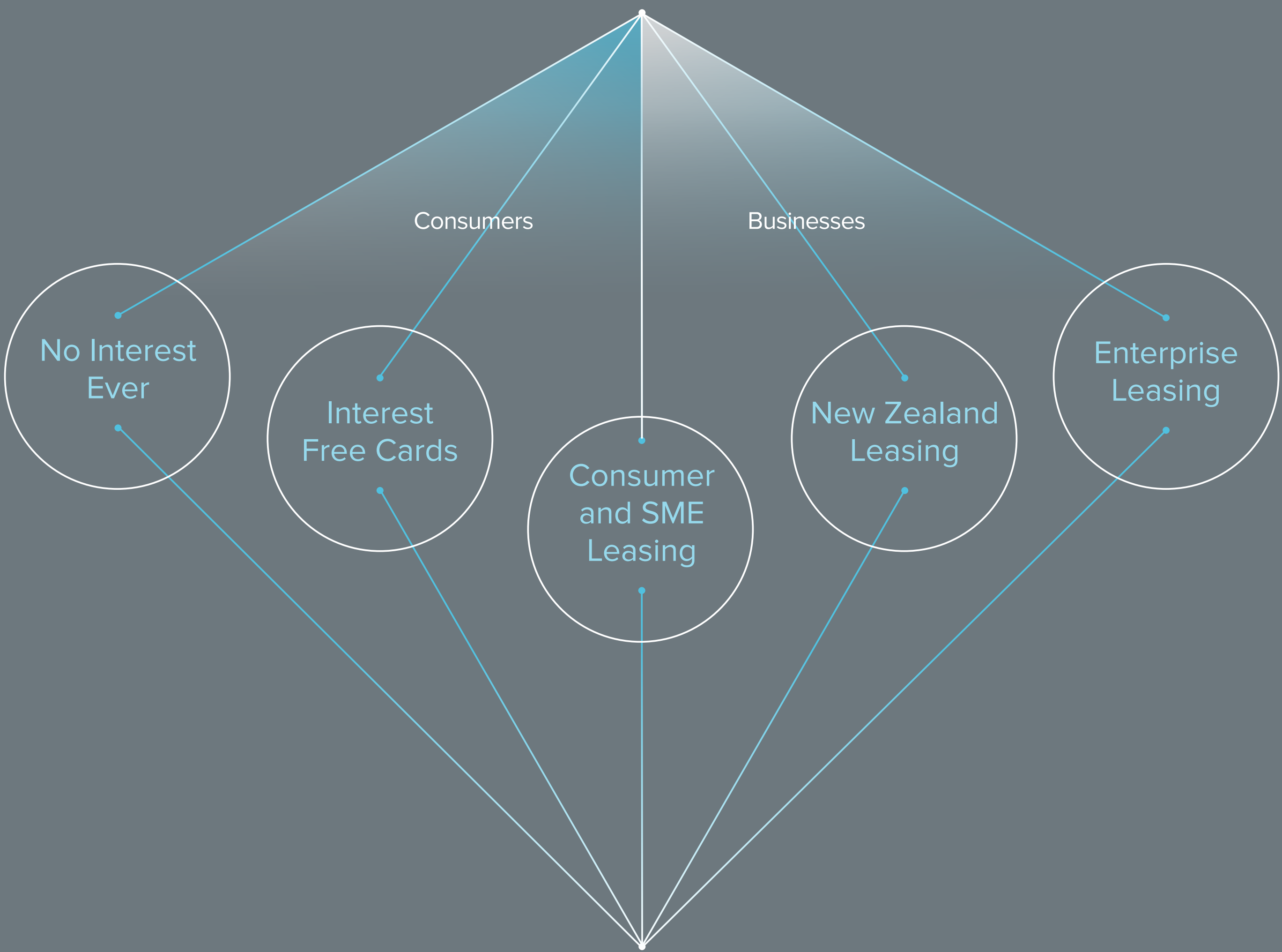
Additionally we see further growth opportunities in the New Zealand market as a whole, through the core business lines of Certegy, Enterprise and Consumer Lease where key Australian channel partners (existing and acquired) have untapped New Zealand operations.

The Group will continue to seek value accretive acquisitions both domestically and internationally (where the market and regulatory environment is similar) and where our core capabilities can be leveraged.

I thank the Flexi team for their effort and enthusiastic support of the business evolution we are undertaking. We will continue to transform the business on our journey to become a digital finance leader.

Overview

Across Australia, New Zealand and Ireland, FlexiGroup is connecting consumers and businesses with specialty finance...



...to the things they need, and the things they dream of.

No Interest Ever (Certegy)

	VOLUME ($M)	CLOSING RECEIVABLES ($M)	CASH NPAT ($M)
Change	▲3%	▲7%	▲17%
FY14	507	453	32.3
FY13	490	422	27.5

Following outstanding performance since acquisition in 2008, Certegy is now the largest profit centre of FlexiGroup, with cash NPAT of $32.3 million comprising 38% of the Group's total.

Cash NPAT growth of 17% was driven by a 7% growth in receivables (to $453 million) and the reduction in cost of funds the Group derived from its well-established securitisation program.

Volume is up 3% for the year to $507 million, with second half growth accelerating to 9%. Solar volumes have remained stable despite significantly lower government subsidies following the removal of sizable rebates in December 2012.

Since its launch in FY2012 the VIP loyalty card programme remains a hit with customers and this year, direct marketing was increased, to deliver repeat volume growth of 21%; and is now 37% of new contracts written in the year.

Improved penetration, achieved through:

- Tailored direct marketing and promotional campaigns including joint initiatives with major partners to enhance the value of the VIP offer.
- Improved customer self-service tools including a dedicated VIP helpline, online portal and highly functional 'smart' application.
- Underpinning the success of the VIP program is the appeal of the "No Interest Ever!" product which continues to deliver high customer satisfaction and engagement levels with an ongoing Net Promoter Score of +40.

The Certegy outlook remains strong

Growth is expected as Certegy pinpoints selective growth prospects from:

- Increased penetration of existing merchants and repeat business programmes.
- New merchants and industries such as rental bonds, travel, education and solar/green technologies.
- Increased penetration from a focus on home improvement, health and aged care products.
- The Ezi-Pay Edge product launched (July 2014) in New Zealand.

To support growth in these areas and in-line with the corporate digital strategy, direct and digital marketing with increased use of smart technologies to facilitate "search, click and collect" will continue to be developed.

Interest Free Cards

VOLUME ($M)	CLOSING RECEIVABLES ($M)	CASH NPAT ($M)
▲127%	▲13%	▲307%
FY14 200	FY14 210	FY14 11.0
FY13 88	FY13 186	FY13 2.7

The combined business from Lombard and Once delivers $11 million cash NPAT in the first full year – up 307% ($8 million) on FY2013.

The business was fuelled by the Once Credit acquisition last year with the combined business reporting sales volume of $200 million (127% growth) and closing receivables of $210 million (13% growth).

The sales effort was directed to drive interest free volumes through strategic partnerships in the retail and homeowner segments. The number of new applications was up 40% on FY2013, contributing to 29% growth in customers.

Net portfolio income of $32.8 million was attributed to successful dealer promotions with a strong focus on increased card spend (included marketing campaigns and spend stimulation).

Interest Free Cards outstanding year driven by:

- A full year contribution made by Once Credit (compared to one month in FY2013)
- The realisation of significant Lombard and Once integration synergies
- Increased customer acquisition activity and card spend
- 190 bps uplift in cash NPAT margin as a result of the business scaling up

Integration and product enhancements will drive future growth

The integration of Lombard and Once is nearing completion with the deployment of a single originations platform that utilises best practice, including e-signatures. Back-end system integration will continue and is expected to deliver further synergy benefits in FY2015. There is scope to optimise the portfolio performance; and this will include enhancements to credit limit assignments, customer on-boarding, card activation and customer retention.

Strategic offers will target new customers and stimulate repeat spend and everyday card usage. Card products with enhanced value propositions for customers will be launched with the Once brand (aligned with the Lombard 180 Card).

There will be increased sales focus on existing partner relationships including accelerated joint marketing programmes and potential expansion into other sectors.

Consumer and SME Leasing (including Ireland)

VOLUME ($M) ▲1%

FY14	189
FY13	187

CLOSING RECEIVABLES ($M) ▲7%

FY14	326
FY13	306

CASH NPAT ($M) ▼10%

FY14	26.0
FY13	28.8

The acquisition of the RentSmart ANZ business expands FlexiGroup's distribution footprint and provides scale in an existing segment. The integration completed 12 months ahead of schedule (in June 2014) and delivered significant synergies.

Closing Receivables of $326 million are up 7% on FY2013, resulting from the consolidation of the RentSmart business in February 2014.

Sales volume increased by 1% to $189 million. This is a pleasing result given the difficult consumer computer leasing market, impacted by the emergence of lower priced tablets and a decline in computer and other hardware prices.

The SME segment continues to offset these declines and following 18% growth now contributes 41% of the total Consumer and SME Leasing volume. The changing mix from Consumer to SME has stabilised the cash NPAT trend, slowing the decline, down 10% to $26.0 million.

New products and distribution relationships will drive growth in FY2015

The acquisition of RentSmart is expected to mitigate the decline in consumer leasing by adding scale and a wider distribution footprint. New product offerings through the SmartWay (JB Hi-Fi) and FlexiWay (Dick Smith) brands are expected to continue to drive volume uplift in these channels in FY2015 and beyond. FlexiGroup is now the whole of business provider (both lease and interest free cards) for Dick Smith Electronics following the completion of a long-term agreement.

Additionally the expansion of product offerings into the mobile and tablet market is expected to provide further opportunities. New products have been introduced, such as the Blink Tablet Plan, in order to capture a share of the expanding tablet market.

In SME, the Group launched a refreshed FlexiCommercial brand in the second half. FlexiGroup will continue to build on its strong customer value proposition through a competitive product offering and real-time solutions. Growth is planned through new dealer relationships across existing channels such as catering, beauty, fitness and identification of new asset class opportunities in the solar and digital media space.

New Zealand Leasing

VOLUME ($M)	
▲31%	
FY14	38
FY13	29

CLOSING RECEIVABLES ($M)	
▲27%	
FY14	66
FY13	52

CASH NPAT ($M)	
▲30%	
FY14	5.6
FY13	4.3

Reporting separately for the first time, New Zealand Leasing contributed $5.6 million in Cash NPAT, up 30% on FY2013. An increasingly important segment for the Group, products are tailored towards the lower risk SME market, 90% of customers are now business users.

FlexiGroup offers leasing in New Zealand through Noel Leeming, Harvey Norman and independent partners. In FY2014 the New Zealand business experienced volume growth of 31% to $38 million delivering receivables growth of 27% to $66 million (5% of the Group's receivables).

With growth predominantly in the low risk SME sector, the portfolio mix has been changing over a number of years and is reflected in impairment losses reducing by 14% to $0.6 million. With cash NPAT/ANR (average net receivables) recorded at 9.5%, New Zealand leasing is the Group's most profitable segment.

In March 2014 the business was bolstered by the acquisition of Equico, a well-established provider of information and communications technology leasing to business and government agencies. They are a leader in the education sector dealing with private and public schools as well as tertiary institutions.

A solid platform for growth

FlexiGroup expects to see continued SME growth from the core leasing business in FY2015, and the education sector sales volumes are expected to show strong growth through the Equico product.

There will be a strong focus on transferring other successful Australian products to the local market and there is opportunity for expansion of the distribution footprint and improved service as some key Australian channel partners have untapped New Zealand operations. Additionally the RentSmart ANZ acquisition provides growth opportunity in the New Zealand JB HiFi and Dick Smith stores.

Enterprise Leasing

	VOLUME ($M)	CLOSING RECEIVABLES ($M)	CASH NPAT ($M)
Change	▲32%	▲34%	▲15%
FY14	149	263	10.1
FY13	113	197	8.8

An ongoing focus on growing mid-large market segments (average deal size in excess of $250,000) has resulted in 32% volume growth and has continued to enhance portfolio credit quality. Enterprise contributed $10.1 million cash NPAT, an increase of 15% on FY2013.

With 179 vendor relationships, Enterprise continues to grow into mid-large segments and new distribution channels; this momentum continues to sustain revenue growth. Net portfolio income increased by 27% to $27.4 million, this was largely driven by a 34% growth in receivables to $263 million. Sales volume increased by 32% to $149 million as a result of consistent volumes through new strategic partnerships and increased penetration within existing vendors.

The Enterprise portfolio has a low impairment loss ratio, largely driven by continued focus on assets and customers with a higher credit quality.

Enterprise has been expanded in March 2014 through the acquisition of Think Office Technology (TOT). TOT provides a full suite of office equipment, tailored print services, cloud computing solutions and traditional technology services throughout regional Queensland. The acquisition allows FlexiGroup to vertically integrate into a market that it has traditionally financed through its leasing business and will allow the Company to consolidate and grow in the print and managed services industry.

FlexiGroup forecasts ongoing growth in Enterprise

In line with the broader corporate strategy Enterprise is shifting from manual origination processes to digital originations with a self-service functionality. This will drive increased originations, faster approval speed and stronger partner relationships.

Organic growth is expected to continue as diversification and distribution growth opportunities will continue to be targeted. Additionally new product innovations are expected to result in an increased distribution footprint and improved penetration rates.

Board of Directors

Chris Beare

**Chairman,
Independent, Non-Executive
BSc, BE (Hons), MBA, PhD, FAICD**

Chris was appointed a Director of the Company on 1 July 2014 and Chairman on 23 July 2014.

Chris has significant experience in finance, international business, technology, strategy, and as an independent director. Chris joined Hambros in 1991 and following various roles he became Head of Corporate Finance and then joint CEO in 1995. When Hambros was acquired by Société Générale in 1998 he was an SG Director until 2002. He was Head of Strategy at Telecom Australia and has venture capital experience.

Chris helped form and then sold a successful 1998 technology start-up Radiata to Cisco Systems in 2001. He is currently Chairman of: Saluda Medical Pty Ltd, Cohda Wireless Pty Ltd and DEXUS Property Group (ASX:DXS).

Special responsibilities: Chairman of the Nomination Committee, Member of the Remuneration Committee and the Audit & Risk Committee.

Tarek Robbiati

**Chief Executive Officer
Non-Independent, Executive
MBA, MSc**

Tarek was appointed CEO of FlexiGroup on 1 November 2012 and commenced work at FlexiGroup on 21 January 2013. He was appointed a Director of the Company on 28 January 2013.

Prior to joining FlexiGroup, from 2009-2012 Tarek was Group Managing Director of Telstra International Group and Chairman of CSL Ltd, the mobile service provider of Telstra International Group based in Hong Kong. From 2007-2009, Tarek was CEO of CSL Ltd in Hong Kong, and prior to that between 2005-2007 he was Deputy Chief Financial Officer of Telstra Corporation Ltd in Melbourne.

Andrew Abercrombie

**Founding Director
Non-Independent, Non-Executive
BEc, LLB, MBA**

Andrew became a Director and CEO of the original Flexirent business in 1991. He was appointed a Director of the public Company for the IPO in November 2006.

Andrew is an experienced commercial and tax lawyer and was a founding partner in a legal firm operating in Sydney and Melbourne. Following several years in property investment and tax consulting, he co-founded the Flexirent business in 1991 and was Chief Executive Officer until 2003.

Special responsibilities: Member of the Nomination Committee

Rajeev Dhawan

Independent, Non-Executive
BCom, ACA, MBA

Rajeev represented Colonial First State Private Equity managed funds ("CFSPE") on the Board of Flexirent Holdings Pty Limited from February 2003 to December 2004. Upon CFSPE's exit from Flexirent Holdings in December 2004, Rajeev continued in an advisory capacity to the Flexirent business.

Currently a partner of Equity Partners, Rajeev has 21 years' venture capital and private equity experience and has been a Director of a number of listed and unlisted portfolio companies.

Special responsibilities: Chair of the Remuneration Committee, Member of the Audit & Risk Committee and the Nomination Committee.

R. John Skippen

Independent, Non-Executive, ACA

John was appointed a Director of the Company in November 2006. John was the Finance Director and Chief Financial Officer of Harvey Norman Holdings Limited for 12 years.

John was involved in the establishment of the original agreement between Flexirent Holdings Pty Limited and Harvey Norman in 1995. John has over 33 years' experience as a chartered accountant and has extensive experience in mergers and acquisitions, strategy, international expansion, property and taxation.

Special responsibilities: Chair of the Audit & Risk Committee, Member of the Remuneration Committee and the Nomination Committee

Anne Ward

Independent, Non-Executive
B.A., LLB (Melb), FAICD

Anne was appointed a Director of the Company in January 2013. Anne is presently Chairman of Colonial First State Investments Ltd, Avanteos Investments Ltd, the Qantas Superannuation Plan, Zoos Victoria and the Centre for Investor Education.

Prior to becoming a professional director, Anne was a commercial lawyer for 28 years advising major corporations on strategic transactions, mergers and acquisitions, capital markets, contract law and regulation and corporate governance. She was General Counsel for National Australia Bank for Australia and Asia and was a partner at national law firms Minter Ellison and Herbert Geer.

Special responsibilities: Member of the Audit & Risk Committee, the Remuneration Committee and the Nomination Committee

Executive Management Team

Our strong and effective leadership team has deep experience in finance, technology, risk, product, human resources, sales and marketing. They underpin our success and challenge our talented management teams to simplify the Flexi experience for our customers and partners.

Tarek Robbiati
Managing Director and CEO

Rob May
General Manager Certegy

Jane Miskell
Group Head of HR

Ross Horsburgh
Chief Risk Officer

David Stevens
Chief Financial Officer

Peter Lirantzis
Chief Operations Officer

Marilyn Conyer
Chief Marketing Officer

Matt Beaman
Group General Counsel
and Company Secretary

People and Culture

FlexiGroup recognises that business success relies on the capability and engagement of its people. With employer of choice embedded in our strategy we want Flexi to be the best place our people have ever worked.

The Group has been growing at a rapid rate and with growth comes challenges and opportunities. As we grow, our customer focus remains constant. Delivering excellence in customer service is one of our key priorities.

We are committed to attracting the best talent and supporting our people to reach their full potential. Our teams strive to make things simple for our customers and each other. The ability to collaborate, innovate, simplify and deliver encompasses how we think, problem solve, communicate and how quickly we can deliver smart, simple solutions to best meet the needs of our customers and partners.

Health and well-being

We support the health and well-being of our people, and empower each person to reach their full potential while recognising that people are individuals with different needs. We have Employee Assistance Programs in place which include benefits such as access to free professional and confidential counselling and the opportunity for every employee to purchase an extra week of annual leave. Being a collaborative culture the Group supported the R U OK Day initiative to promote awareness of fellow team members.

Diversity

FlexiGroup has a strong commitment to equal opportunity and diversity. We appreciate the value of developing, recruiting and retaining employees from a diverse range of backgrounds, genders, knowledge, experience and abilities. By focusing on diversity, FlexiGroup also recognises that employing a diverse range of people in our business supports us in providing great service for our customers.

This year we had a strong focus on gender diversity; which will continue in the 2015 financial year and we will be placing greater focus on Flexible Arrangements.

During the year, Group gender initiatives delivered the following highlights:

- We recruited 156 personnel, 42% whom were female;
- Flexible and part-time working arrangements were promoted and we now have 12 part time employees; 83% whom are women. As a result of flexible arrangements 100% of women returned to Flexi following their maternity leave; and
- The Company has continued to offer six weeks paid maternity leave to eligible employees in addition to the government paid parental leave scheme.

Performance and career development

All employees are encouraged to develop and grow their performance and career through regular tailored conversations. Each leader is trained and coached on delivering engaging conversations through our Performance Planning process. We encourage and reward excellence through innovative recognition and remuneration programs that drive high performance and reinforce our company goals.

Community

FlexiGroup engages with other businesses, such as The Starlight Children Foundation and offers support and assistance as part of our community engagement programme – Flexi Connects. Starlight Children Foundation utilises FlexiGroup's call centre facilities to conduct their day to day operational activities. Additionally, FlexiGroup seconds employees to assist the Foundation on a regular basis.

The Flexi Connects initiative provides two additional days of paid annual leave to every FlexiGroup employee and our people use these days to contribute their skills to our community partners. The programme focuses on skilled volunteering and by sharing knowledge, skills, resources and systems with our partners; we aim at working towards making sustainable long term change.

Corporate Directory

Directors
Chris Beare (*Chairman*)
Tarek Robbiati (*Chief Executive Officer*)
Andrew Abercrombie
Rajeev Dhawan
R John Skippen
Anne Ward

Secretary
Matthew Beaman

Notice of Annual General Meeting
The Annual General Meeting of FlexiGroup Limited will be held at
Sofitel Sydney Wentworth
61–101 Phillip Street
Sydney NSW 2000

Principal registered office in Australia
Level 8, The Forum
201 Pacific Highway
St Leonards NSW 2065
Australia

Share Register
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Australia

Auditor
PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000
Australia

Solicitors
King & Wood Mallesons
Level 60, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Bankers
Commonwealth Banking Corporation
Westpac Banking Corporation

Stock Exchanges listing
FlexiGroup Limited shares are listed on the Australian Stock Exchange

Website
www.flexigroup.com.au

www.flexigroup.com.au