FLEXIGROUP

—

Annual Review 2015

Innovating for future success

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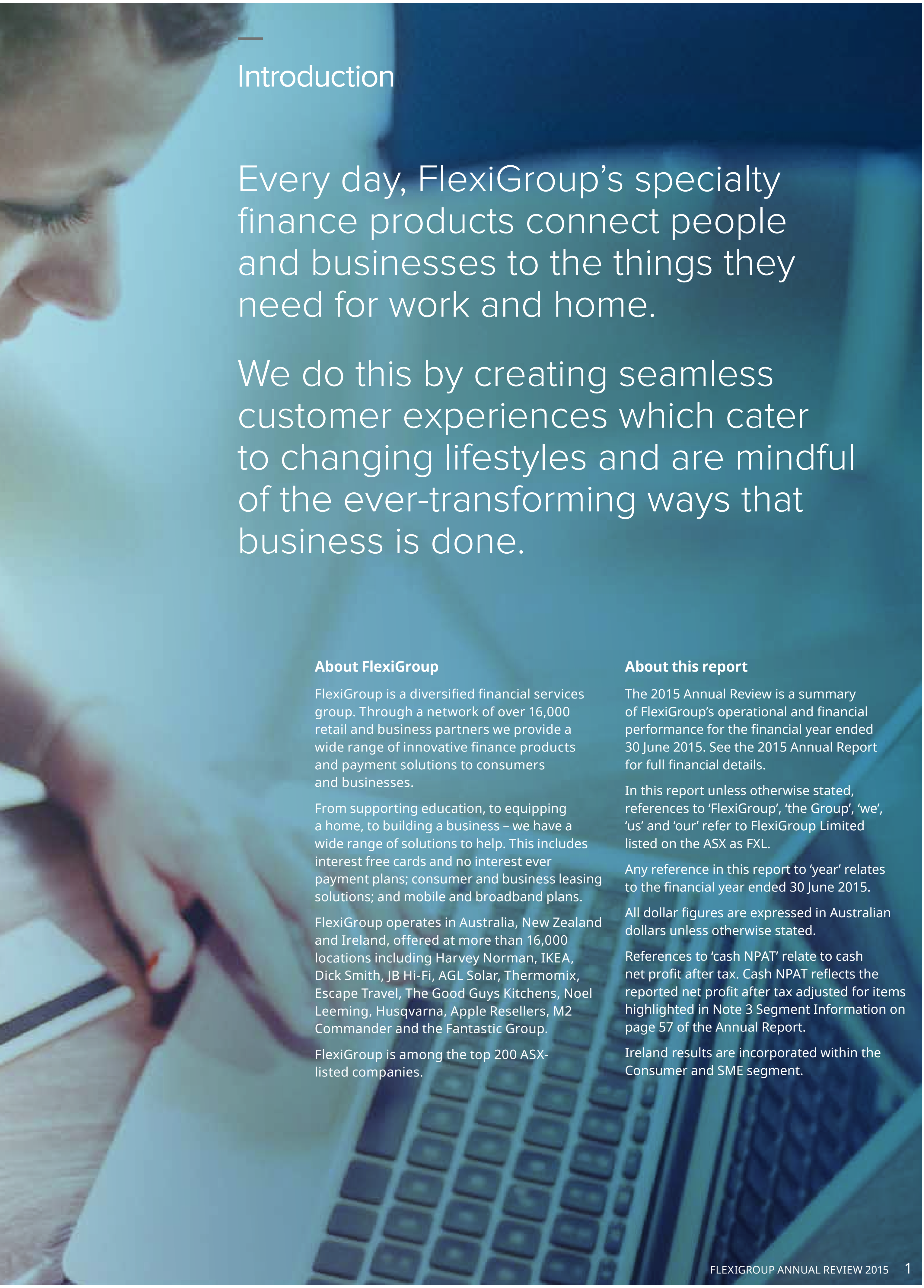


Introduction

Every day, FlexiGroup's specialty finance products connect people and businesses to the things they need for work and home.

We do this by creating seamless customer experiences which cater to changing lifestyles and are mindful of the ever-transforming ways that business is done.

About FlexiGroup

FlexiGroup is a diversified financial services group. Through a network of over 16,000 retail and business partners we provide a wide range of innovative 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; and mobile and broadband plans.

FlexiGroup operates in Australia, New Zealand and Ireland, offered at more than 16,000 locations including Harvey Norman, IKEA, Dick Smith, JB Hi-Fi, AGL Solar, Thermomix, Escape Travel, The Good Guys Kitchens, Noel Leeming, Husqvarna, Apple Resellers, M2 Commander and the Fantastic Group.

FlexiGroup is among the top 200 ASX-listed companies.

About this report

The 2015 Annual Review is a summary of FlexiGroup's operational and financial performance for the financial year ended 30 June 2015. See the 2015 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 2015.

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

References to 'cash NPAT' relate to cash net profit after tax. Cash NPAT reflects the reported net profit after tax adjusted for items highlighted in Note 3 Segment Information on page 57 of the Annual Report.

Ireland results are incorporated within the Consumer and SME segment.

Key Highlights

$90.1m

Cash NPAT
Cash NPAT growth of 6% to $90.1 million.

Statutory NPAT
Statutory NPAT of $82.7 million is up 44%.

+14

Net promoter score
A net promoter score of +14 and repeat business value across the business reflects the customer focus of technology improvements.

#1

Number 1 in New Zealand
The acquisition of Telecom Rentals Limited (TRL) expands FlexiGroup to the #1 technology leasing business in New Zealand.

11.6%

NZ receivables contribution
NZ receivables contribution increases from 5% to 11.6% of the Group, providing significant scale for our existing high-growth New Zealand business.

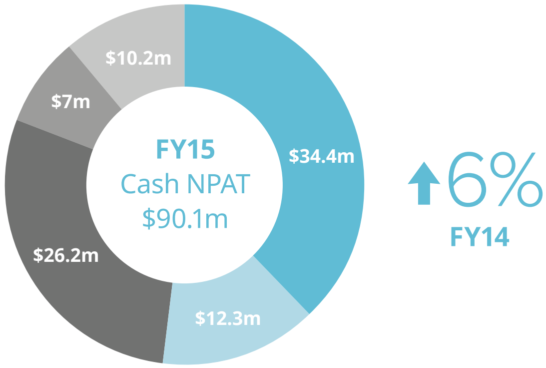
17.75c

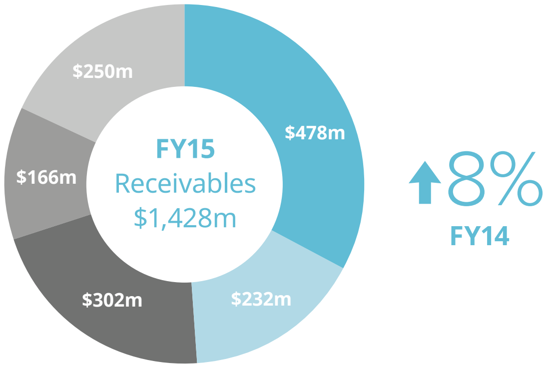
Dividends per share
Dividend yield increased by 17%, with an annual dividend payout of 17.75c (fully franked).

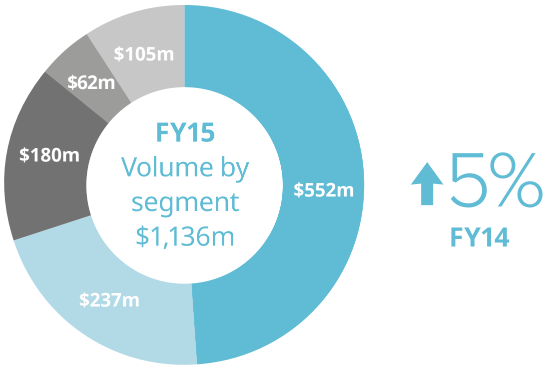
All segments contribute higher earnings than last year, as the investment program continues to drive synergies across the business.

Increasing digital sophistication drives material improvements in service levels, speed of origination and enhances customer satisfaction.

Continued profit pool transformation with all segments contributing higher earnings than last year.







- No Interest Ever
- Interest Free Cards
- Consumer and SME Leasing
- New Zealand Leasing
- Enterprise Leasing

The Strategy

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.

Our Ambition
We will measure our success by:

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

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:

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

Consumer Finance

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

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

International

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

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

Chairman's and CEO's Report

This year, FlexiGroup has continued a substantial program of work to achieve a greater return on investment for shareholders in the upcoming years.

Enhancing our technology and digital platforms has delivered material gains in: service levels, speed of origination and has enhanced dealer and customer satisfaction.

It is pleasing that during a time of substantial change, the Group's results are in line with market guidance and all segments positively contributed to cash NPAT growth of 6%.

Andrew Abercrombie
Chairman

Highlights during a year of transformation

- Cash NPAT growth of 6% to $90.1 million and statutory NPAT growth of 44% to $82.7 million meets guidance previously provided to the market.
- Growth in cash NPAT has been underpinned by receivables growth and reductions in both expenses and cost of funds.
- The Group has continued with a sector leading return on equity of 23% and has delivered an excellent conversion of portfolio income to operating cash flow of 36%.
- Group volumes increased 5% to $1,136 million for the year and receivables rose 8% to $1,428 million driven by strong performance in Interest Free Cards, Certegy and the high-growth New Zealand portfolio fuelled by the TRL acquisition.
- FlexiGroup has expanded to the #1 technology leasing business in New Zealand with the acquisition of Telecom Rentals Limited (TRL). Consequently New Zealand's closing receivables contribution to the Group is up from 5% to 11.6%.
- FlexiGroup's strategic investment program has advanced; delivering synergies across the business. The program's focus on the customer experience is reflected by a positive trend in our Net Promoter Scores (NPS) across the majority of products during the last 12 months.
- Dividend yield increased by 17%, with an annual dividend payout of 17.75c (fully franked).

Volume growth from combined originations

A strong record of acquisitions continues to build scale efficiencies while a focus on digitisation and product simplification is delivering strong momentum across Interest Free Cards, New Zealand and Certegy.

In FY2015 sales volume grew by 5% to $1,136 million as increased investment in Interest Free Cards delivered growth of 19%, Certegy continued to increase VIP and repeat business to deliver 9% growth and New Zealand continued to perform with largely organic growth of 63%.

The combined Consumer and SME volume declined 5% driven by a 23% decline in the SME volumes. The higher yielding Consumer business reported growth of 8%. Additionally our commercial business, Enterprise, declined 30%.

While existing key accounts remain unchanged, the sales development pipeline of SME and Enterprise was impacted by a mixture of a management restructure and increased competition. Significant focus has been directed to our Commercial businesses; both will benefit in FY2016 from a renewed sales effort, supported by new leadership, product development and new distribution opportunities.

Acquisition strategy fuels New Zealand growth

FlexiGroup has a long-held strategy to selectively acquire consumer and commercial finance businesses and, as articulated last year, a commitment to maximising growth opportunities in the New Zealand market. In line with both these strategies, in April 2015 the Group announced the acquisition of Telecom Rentals Limited (TRL), a wholly owned subsidiary of Spark New Zealand Limited (formerly Telecom Corporation of New Zealand Limited).

Acquired for a total enterprise value of $108.4 million, TRL is a leading lease provider for IT and telecommunications equipment in the commercial and government sectors. Providing scale to the existing high growth New Zealand business, we expect to penetrate new distribution segments (through the Spark Digital channel) and to leverage the Equico brand (acquired in FY2014) in the education sector.

With this expansion of the New Zealand footprint we now have significant access to tender for government IT leasing contracts through a wide range of partners. When combined with our existing channel (including a preferred leasing provider agreement with Apple for Commercial and Education), FlexiGroup is now the largest technology leasing provider in New Zealand.

Strong business model; well executed

We are pleased that the Group has again met guidance, demonstrating the strength and resilience of a business model that consistently delivers profitability and returns. This year, the drivers of the statutory profit and cash NPAT changes were:

- A net portfolio income increase of 9% to $273.2 million which was driven by an 8% increase in receivables from strong growth in Interest Free Cards and Certegy; and the acquisition of TRL during the year.
- An increase in impairment losses of 30% to $44.5 million; or, as a percentage of average net receivables, losses grew from 2.7% to 3.3%. The by-product of a higher consumer mix in the portfolio is an increase to the forecast bad debt provision; additionally higher losses were incurred on the acquired RentSmart portfolio. Because products are priced to reflect risk, the mix impact is still Cash NPAT positive.
- The reduction of operating expenses by 2% to $108.6 million; however, when several net one-off costs (circa $14 million incurred in the prior year) are excluded, expenses increased by 14% driven by the full year consolidation of TOT and Equico.
- Lower funding costs as capital efficient, diversified funding resulted in a 60bps improvement over the prior year.

FlexiGroup has continued a well-managed, conservative funding strategy, which has stable, revolving wholesale debt facilities in place with five Australian trading banks and a major institutional entity, plus numerous institutional investors in its Asset Backed Securities (ABS) program.

There is a continual process to optimise funding structures between bank warehouses, securitisation structures and corporate debt. Since FY2011 a 300 basis point reduction in the costs of funds has been achieved as the impacts of lower base swap rates and decreased bank/securitisation credit margins have been optimised.

Chairman and CEO's Report

Continued

FlexiGroup will continue with its growth strategy that is aimed at creating and maximising shareholder returns and value. The Group will be focused on growing receivables and profitability through targeting lower risk receivables in the No Interest Ever and Interest Free Cards segments and also expanding its footprint in large ticket leases in the Enterprise segment and New Zealand.

David Stevens
Acting CEO and
Chief Financial Officer

The Group has responded to changing customer expectations with a three-year IT investment program to become a digital finance leader. Our goal is to connect customers to their goods as seamlessly as possible.

Peter Lirantzis
Acting CEO and
Chief Operating Officer

Business transformation; meeting customer expectations

Historically, FlexiGroup's investment in IT has been well below industry benchmark levels. In FY2014 the Group responded to changing customer expectations and undertook a three-year IT investment program to become a digital finance leader. Whether in-store, at home or using a mobile device, our goal is to connect customers to their goods as seamlessly as possible.

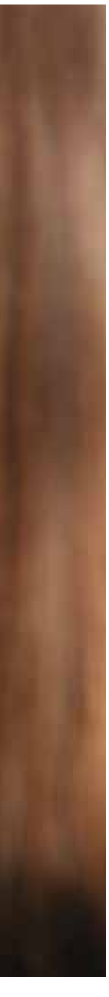
The program of work includes delivering: Omni channel; online digital capability, new products and services, transforming our operational processes and enhancing the scalability of our core platforms so future demand can be efficiently met.

The benefits of digitisation projects are being realised as more customers are engaging with online application options, reducing resource requirements and improving average handling times. It is most meaningful that these cost benefits have occurred in parallel with an improving customer experience.

Net promoter score (NPS) reporting indicates that customer satisfaction is positively trending across the majority of products and helps pinpoint areas of products or services that may need further development.

In FY2016 the investment program will continue to focus on online and customer origination through new and existing channels. It is expected that the capex/income ratio will return to the industry benchmark of 4%–6% of portfolio income after FY2016.

Sales execution to optimise investment



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The continued execution of the digital transformation strategy will contribute to volume growth and cost efficiency. The Group is well positioned to drive growth and expects FY2016 cash NPAT between $92–$94 million.

Key drivers of FY2016 results are:

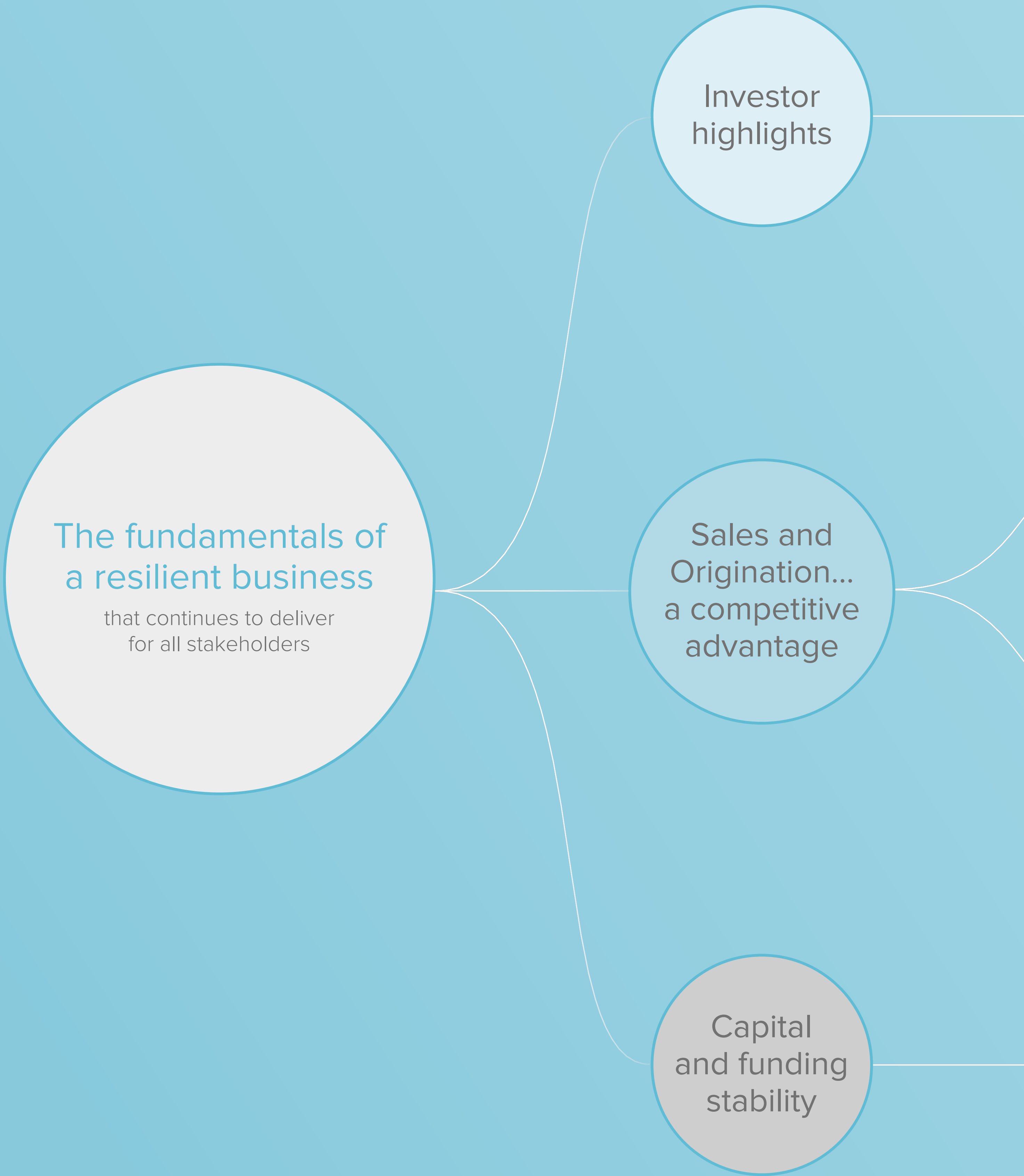
- Interest Free Cards will optimise a new digital origination platform to drive growth and will leverage revised products to generate increased card spend and profitability. Scale afforded by the combined business will be utilised to consolidate growth and to access new retailer relationships.
- Continued solid performance from Certegy as the impacts of digital transformation are realised through well executed integrated marketing. Additional enhancements to the VIP customer program and targeted expansion into new product categories and merchants will also contribute.
- Strong volume growth in New Zealand from the Education sector as customer relationships and the deep sector knowledge furnished by the Equico and TRL acquisition is leveraged.
- A rebuild of the Enterprise Leasing sales pipeline with a key focus on broker based origination channels and managed service products. The TOT acquisition has started contributing and will support growth in the Enterprise business.
- Simplified product offerings across existing retail partners in Consumer and SME Leasing. Increased customer engagement and trade-up rates as the end of term customer offer is significantly improved.
- Dedicated business development teams which are now in place across all business units to focus on initiating new relationships.
- Continued investment in core IT systems and digital capability will support future business growth and drive down the cost to income ratio. However, FY2016 will be impacted by a depreciation charge of $2 million.
- Leveraging new collections technology and maintain strong credit disciplines to improve impairment ratios.
- FlexiGroup will continue to selectively acquire consumer and commercial finance businesses to complement organic growth and to accelerate scale in existing segments.

Our thanks go to the dedicated Flexi team who have worked tirelessly and enthusiastically to bring to fruition the Group's digital vision while maintaining a focus on achieving FY2015 results.

The Board would like to recognise the guidance and contribution of our previous Chairman Chris Beare, Board member Anne Ward, and previous CEO Tarek Robbiatti who was instrumental in the development of our 2020 strategy and digital direction.

While the search for a CEO and non-executive Directors is well progressed, the Board commends the leadership provided by David Stevens and Peter Lirantzis which has been excellent as has the contribution from the entire executive team.

Strong Business Fundamentals



Strong dividend yield and return on equity supported by enviable organic cash generation

Consistent earnings growth and a strong history of achieving earnings guidance

Diversified financial services business across products, segments and geographies

Earnings have a high degree of predictability given the fixed term nature of the underlying finance contracts

Resources

Exclusive long tenure continuing agreements with major retailers

Existing distribution relationships leveraged to increase FXL's foothold in the Interest Free Cards market

Broad, on the ground, sales support to cover a large network of retailers, merchants and national partners; difficult for competitors to replicate

A breadth of offerings to expand FlexiGroup's presence into new industries and new end-markets

Credit and contract origination is a core strength; 20+ years of credit data history informs a robust credit decision

Increasing online presence and digital sophistication drives material gains in: service levels, speed of origination and enhances customer satisfaction

An enviable Net Promoter Score of +14 impacts the success of repeat business strategies

Capability

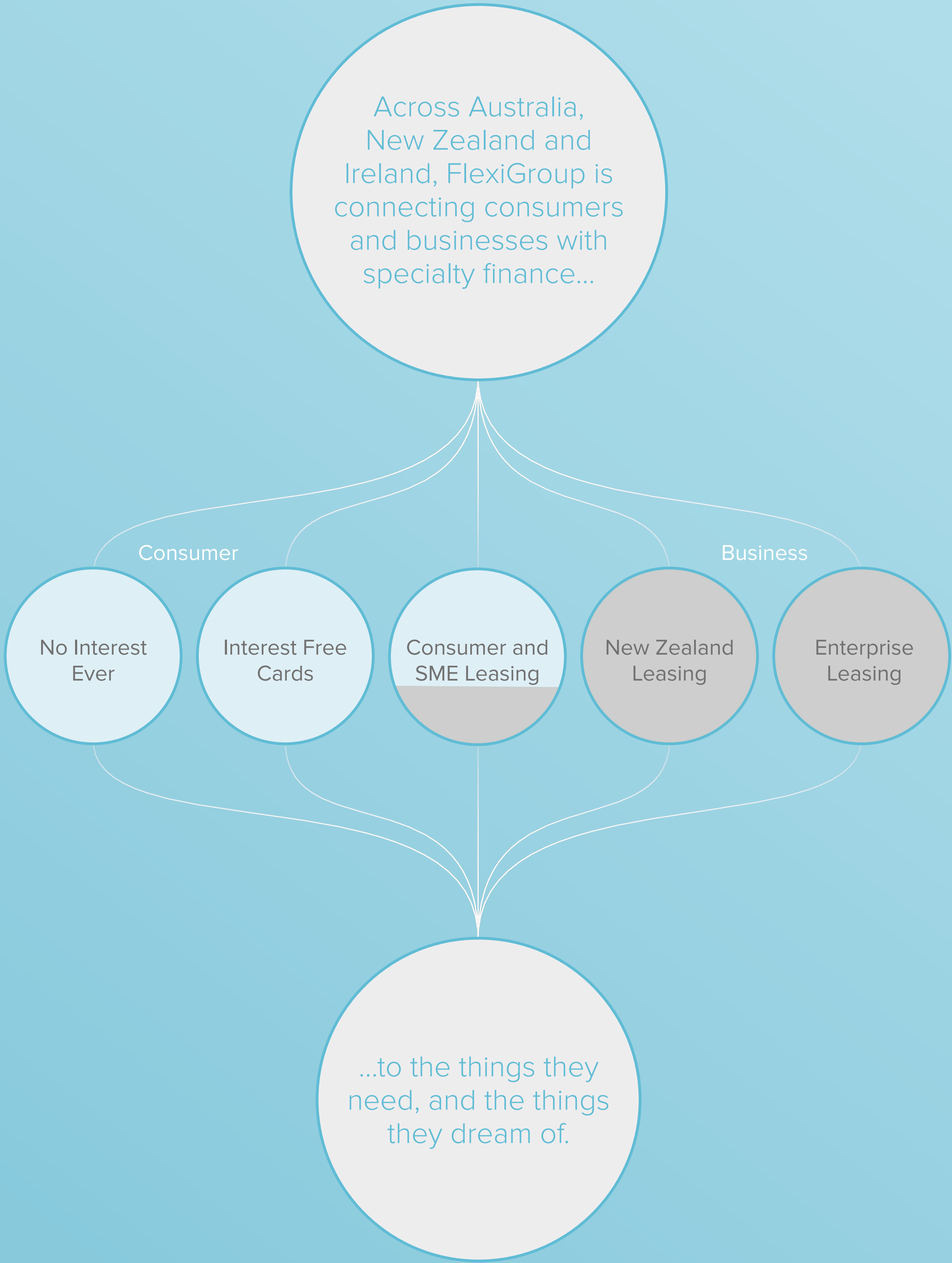
Diverse funding sources in place with a strong track record of stable performance

Well capitalised balance sheet – FXL has 'skin in the game' in all funding vehicles

Lower funding costs due to ongoing securitisation of receivables

Assets are packaged in the most optimal way for wholesale investors and funders

Divisional Results



Divisional Results

No Interest Ever (Certegy)

	Volume ($m)	Closing Receivables ($m)	Cash NPAT ($m)
Change	↑ 9%	↑ 6%	↑ 7%
FY15	552	478	34.4
FY14	507	453	32.3

Certegy is the largest profit centre of FlexiGroup; with cash NPAT of $34.4 million comprising 38% of the Group's total.

Strong performance again from Certegy; sales volume increased by 9% to $552 million and where, despite a low subsidy environment, solar contributions remained stable. The VIP/Repeat business program continued outstanding performance, with growth of 20% supported by an increased use of digital mediums and tailored marketing with merchant partners.

Cash NPAT growth of 7% to $34.4 million driven by:

- A net portfolio income increase of 10% to $93.4 million, supported by a 6% growth in receivables to $478 million and a 6% reduction in the cost of funds.
- Impairment losses of $14.4 million which are in line with expectations and receivables growth. This reflects the ongoing risk controls and the effectiveness of new collection initiatives.
- A 16.5% increase in the Operating expenses to $29.7 million, primarily driven by costs associated with volume growth initiatives, such as direct consumer marketing and VIP campaigns.

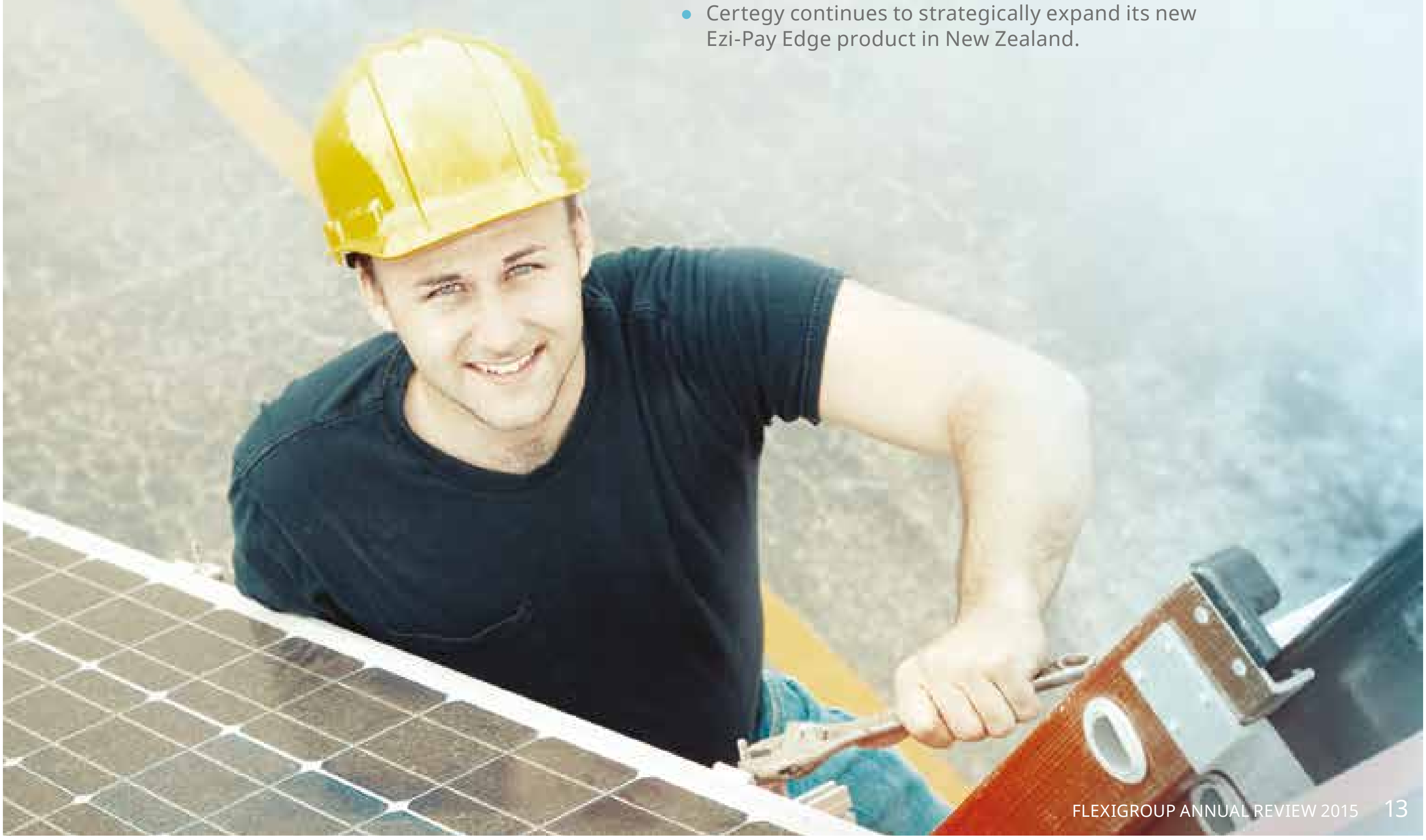
FY2015 has been an exciting year for Certegy as the business has been transformed by a program of work that seamlessly integrates marketing, origination and the customer experience. With 'smart' customer self-service applications including: online pre-approval, mobile paperless application processing and interactive electronic digital marketing, the Certegy team has created a strong digital platform with many consumer, existing customer, and merchant connection points.

Positioned to leverage digital transformation

With an intuitive consumer-facing platform now in place Certegy is well positioned to leverage a ramp-up of marketing activity in FY2016 as the Certegy brand goes 'public' with a fully integrated, above the line, marketing campaign.

Certegy identifies specific growth prospects from:

- Technology initiatives that have expanded the number of 'connection points' with consumers and merchants resulting in higher engagement and driving repeat, higher margin VIP business.
- Merchants with mobile sales environments as Certegy leverages new mobile and online platforms.
- New product development to further the utilisation of the revolving credit facility to enable higher penetration in the home improvements sector plus expansion into sectors such as education and health.
- Certegy continues to strategically expand its new Ezi-Pay Edge product in New Zealand.



Divisional Results

Interest Free Cards

Volume ($m)		Closing Receivables ($m)		Cash NPAT ($m)		Active customers	
↑ 19%		↑ 10%		↑ 12%		↑ 14%	
FY15	237	FY15	232	FY15	12.3	FY15	103,207
FY14	200	FY14	210	FY14	11	FY14	90,295

Through the Lombard and Once brands, the Cards business delivered $12.3 million cash NPAT, up 12% on the prior year.

Excellent results for the Cards business, delivered during significant changes to products and systems, total volume (Interest Free and Card Spend) increased by 19% to $237 million.

Strong interest free volumes reflect the effectiveness of restructuring sales leadership and teams behind strategic partnership streams in the Retail and Homeowner segments, delivering an uplift in interest free volumes of 8% with industries such as Travel showing a significant increase.

Increased investment in the management of Cards campaigns has contributed to a 30% uplift in the amount spent on issued Visa cards (which is a key driver of revenue). Additionally the launch of compelling card propositions into the Once Credit brand has delivered increased card activation and utilisation.

Receivables increased by 10% to $232 million and a percentage will revolve from interest free to interest bearing to provide a runway for future interest earnings. Total active accounts increased by 14%.

Other drivers of cash NPAT include:

- A net portfolio income increase of 2% to $33.6 million, attributable to an increase in receivables, lower funding costs and the adoption of a simplified fee structure for new interest free accounts.
- Impairment losses increased 26% to $6.7 million. This increase reflects the growth in the receivables portfolio.
- A decrease in operating expenses by 41% to $9.1 million. This relates to $5 million of pre-tax, one-off, integration costs incurred in the prior year. Excluding the impact of these integration costs, expenses are relatively stable for the business.

Integration and product enhancements will drive FY2016 growth

The combined Cards business now uses a single process and digital originations platform, making it easier for dealers to do business and for a better customer experience. In-store approval times are below 10 minutes.

Two new flagship card products (Lombard 180 and Once Agile) and an Android Tap & Go application have been launched. Early results are encouraging with increased card activation and utilisation rates set to drive increased returns.

A newly created business development team are expected to originate new retail relationships which will be directed to the appropriate sales stream.

Volume growth is the leading indicator of future NPAT growth as customers revolve through to interest bearing either from the initial interest free period or from the utilisation of the Visa Card.

Divisional Results

Consumer & SME Leasing (including Ireland)

Volume ($m)

↓ 5%

FY15	180
FY14	189

Closing Receivables ($m)

↓ 7%

FY15	302
FY14	326

Cash NPAT ($m)

↑ 1%

FY15	26.2
FY14	26

Mixed volume results from Consumer and SME Leasing delivered cash NPAT growth of 1% to $26.2 million.

The Consumer and SME business reported a 5% decline in volume to $180 million. Cash NPAT growth was supported by the improved volume mix towards the higher yielding Consumer business which grew at 8%, while SME volume declined 23%.

The Consumer business has delivered volume of $120 million (growth of 8%) as the established partners and those added through the RentSmart acquisition performed above expectations. This segment is beginning to see a positive return from digital investment as the online sales capability has increased the number of transactions, improved the customer experience, and is arresting the trend of declining average deal sizes.

The SME segment reported a volume decline of 23% to $60 million, impacted by increased competition, a management restructure and products not optimised for commercial customers.

The Cash NPAT result was also driven by:

- Impairment losses which increased by 59% to $19.6 million largely driven by the higher Consumer mix and the resulting provision increase. Additionally higher losses were experienced on the acquired RentSmart portfolio which is running off rapidly.
- Operating expenses decreased by 29% to $37.4 million due to significant acquisition and integration pre-tax costs of $9.9 million in the prior year compared to $2.5 million in FY2015. Consolidation of the Manila operations and ongoing projects continue to deliver operating efficiencies. Cost control remains a key focus to maximise profitability.
- Closing receivables of $302 million, a 7% decrease on the prior year, were impacted by the declining volumes in SME and run-off on the acquired RentSmart portfolio.

Digital transformation continues in FY2016

The digital transformation remains ongoing and will continue to drive growth and deliver enhancements. While a number of projects have been released the business is yet to benefit from a full year impact. Additional growth is expected from the following:

- Consumer will see application growth continue from the online portal which in turn will enhance engagement with customers and retail partners.
- Simplified end of term processes and customer options will drive increased trade-up volume.
- SME will experience improved sales force effectiveness as new leadership, a team re-structure and the addition of a supporting CRM system take effect.
- Additionally a refresh of unsuitable consumer style products with more commercially appropriate features including a risk-based pricing structure will better meet the needs of our commercial dealer partners.

Divisional Results

New Zealand Leasing

Volume ($m)

↑ 63%

FY15	62
FY14	38

Closing Receivables ($m)

↑ 152%

FY15	166
FY14	66

Cash NPAT ($m)

↑ 25%

FY15	7
FY14	5.6

An excellent result with cash NPAT growth of 25% to $7 million, driven by strong volume growth of 63% from both new and existing partners.

This high performance business has delivered largely organic volume growth of 63% to $62 million.

FlexiGroup has expanded to the #1 technology leasing business in New Zealand with the acquisition of Telecom Rentals Limited (TRL) for a total enterprise value of $108.4 million. Consolidated from May 2015 closing receivables have grown 152% to $166 million. New Zealand's receivables contribution to the Group is up from 5% to 11.6%.

TRL is a leading lease provider for IT and telecommunications equipment in the commercial and government sectors; this acquisition and continued low impairment will enable further funding efficiencies and deliver increased profit margins.

With growth and acquisitions predominantly in the low risk SME and Education sectors, the high quality portfolio mix is evident in low impairment losses of $1 million. With cash NPAT/ANR (average net receivables) recorded at 9.5%, New Zealand Leasing is the Group's most profitable segment.

A solid platform for growth

Continued growth is expected from the core leasing business; particularly from the SME and Education channels. The TRL and Equico brands (acquired in FY2014) provide scale and growth is expected from new distribution segments (the Spark Digital channel) and as the Equico brand is leveraged in the Education sector.

With this expansion of the New Zealand footprint there is now significant access to tender for government IT leasing contracts through a wide range of partners. Additionally a preferred leasing provider agreement has been signed with Apple for Commercial and Education business.

Divisional Results

Enterprise Leasing

Volume ($m)	Closing Receivables ($m)	Cash NPAT ($m)
↓ 30%	↓ 5%	↑ 1%
FY15 105	FY15 250	FY15 10.2
FY14 149	FY14 263	FY14 10.1

Enterprise cash NPAT growth of 1% to $10.2 million despite challenging volume performance.

During the period, Enterprise volume declined 30% (receivables declined 5%) as the business development pipeline was impacted by organisational change and a restructure of the internal senior management team.

Existing key account volumes remain unchanged and due to a largely variable cost structure, the impact of reduced volume and receivables is able to be absorbed.

The TOT acquisition performed in line with expectations and following a full year consolidation drove an Enterprise net portfolio income increase of 32% to $38.3 million and an operating expense increase of 111% to $24.1 million.

The Enterprise portfolio has a low impairment loss ratio, largely driven by continued focus on assets and customers with a higher credit quality. Impairment losses increased by 17% to $2.8 million, however remained flat when measured against average net receivables of 1.1%.

Enterprise outlook

Volumes are expected to increase in 2016 via new distribution channels, new products and broker programs. Opportunities have been identified to acquire, incorporate and leverage broker businesses which have long-term established customers. Additionally a partnership agreement was signed with Data#3 to provide leasing solutions for its customers in the IT managed services sector; and is expected to deliver volume.

Development is now complete on managed services and power purchase products which are expected to deliver volume from the 1H FY2016. Systems, processes and a suite of documents have been developed to support the billing and collecting of variable payment streams.

- The Managed Services model is proving applicable for a range of industries outside of the traditional IT, Office and telephony space. Agreements are being developed across IT, Security and Managed Print sectors.
- A number of Power Purchase Agreement funding solutions are in place and transactions commenced in June 2015. In these agreements the solar provider installs panels (funded by FlexiGroup) and contracts with the customer to provide electricity at a cheaper rate. Payment to Flexi is made via the customer's monthly power bill with surplus going to the solar provider.

The Board and Interim CEOs

Since August 2015

Peter Lirantzis
Acting CEO and Chief Operations Officer, BSc

Peter joined FlexiGroup in March 2012 as Chief Information Officer and in July 2014, Peter's role was expanded to Chief Operations Officer, incorporating both the IT and the Operations Teams. Peter is responsible for developing and executing the Group's 2020 business and digital strategy. Leading the execution of M&A integrations and digital technology implementation, his work is integral to increasing our online digital capabilities, bringing on new products and services, transforming our operational processes and enhancing the scalability of our core business platforms. Since August, in his capacity as joint acting CEO he has additionally assumed responsibility for Legal, HR and Marketing.

Peter has extensive experience in banking, insurance, finance, telecommunications, marketing and government industries. He has held senior management positions in Westpac Banking Corporation, Insurance Australia Group, Tourism Australia and Optus.

Andrew Abercrombie
Chairman (appointed August 2015), 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

David Stevens
Acting CEO and Chief Financial Officer, BCom, CA, SA Fin

In 2008 David joined FlexiGroup as the Group Financial Controller before expanding his responsibilities to include Strategy and Planning and in 2013 he was appointed Chief Financial Officer.

David has over 15 years experience in financial services. Prior to joining FlexiGroup David worked for PricewaterhouseCoopers in a senior management role in various functions including audit, tax and M&A. David brings a broad range of skills to the Group with his experience in M&A, strategy, finance, risk, tax, project management and investor relations. David has led the M&A teams for every acquisition that has been undertaken in recent years. He has a deep understanding and knowledge of all the Group's business units, products, sales strategies and key relationships. Since August, in his capacity as joint acting CEO David has assumed responsibility for the business divisions as well as Finance and Risk.

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 34 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

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 22 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.

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.

Left to right from top:

Marilyn Conyer
Chief Marketing Officer

Michael Burke
General Manager Consumer SME

Rob May
General Manager – Certegy

Ross Horsburgh
Chief Risk Officer

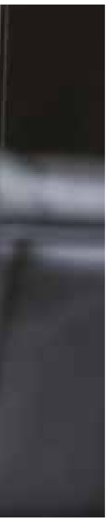
David Stevens
Acting CEO and Chief Financial Officer

Russel Webber
General Manager New Zealand

Peter Lirantzis
Acting CEO and Chief Operations Officer

Matt Beaman
Group General Counsel

Jane Miskell
Group Head of HR



People and Culture

We are committed to attracting the best talent and develop our people to reach their full potential. Our teams are encouraged and rewarded for operating in a collaborative and innovative environment to deliver smart, simple solutions to best meet the needs of our customers and business partners.

FlexiGroup recognises that business success relies on the capability and engagement of our people.

We are committed to attracting the best talent and develop our people to reach their full potential. Our teams are encouraged and rewarded for operating in a collaborative and innovative environment to deliver smart, simple solutions to best meet the needs of our customers and business partners.

Community

FlexiGroup has a strong focus on community engagement, which is best demonstrated via our community engagement program FlexiConnects. One strong example of this program is our relationship with the Starlight Children's Foundation where we support the Starlight team by enabling them to utilise our call centre facilities and providing them with a dedicated person to conduct their day to day operational activities.

We also actively encourage our team members to participate in volunteering activities for Starlight throughout the year. In the last 12 months we have also forged a strong relationship with Special Olympics Australia and a senior sales team member volunteers as a coach. As a result of employee fundraising and a FlexiGroup donation, we are very proud to say that we assisted some of our amazing Australian athletes with their travel to the Special Olympic Games in Los Angeles in July.

FlexiGroup offers all of our people two days of paid volunteer leave each year. These days are used to contribute their skills to organisations that help support our community. These 'Passion Days' are aimed at providing our employees with the opportunity to support a charity that they are passionate about and support the broader community.

Health and well-being

We are committed to supporting the health and well-being of our people. We aim to empower each employee to reach their full potential while also recognising that our people are individuals with different needs.

Over the last 12 months, we have driven a strong focus on flexible working arrangements across the organisation. It is important to us that we provide the ability to balance personal life with work requirements. We have had a strong focus on introducing policies and practices that enable flexible working arrangements where appropriate and practical. This resulted in 73% of our team reporting during our June survey that they feel they have the flexibility to balance their work schedule to address personal situations.

We also provide the opportunity for our employees to purchase an additional week of annual leave once a year and this benefit is utilised by approximately one-quarter of the people within the organisation.

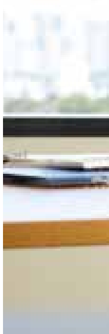
Our employees are able to access our Employee Assistance Program, which includes benefits such as free professional and confidential counselling.

Performance and career development

In the last 12 months, we have invested significantly in the development of our people, with a focus on building leadership capability and enhancing the technical skills of our front line sales teams. Our leadership programs build capability in our leaders to drive business success through coaching and development, with a practical focus on how to increase performance within their teams. Our sales programs have focused heavily on building and strengthening relationships with our customers.

All employees are encouraged to develop and optimise their performance and career at FlexiGroup through regular tailored conversations. Each leader is trained and coached on delivering engaging conversations through our Performance Planning process. These conversations focus on both business results and behaviours that are aligned to our strategic business plan.

We encourage and reward excellence through recognition and remuneration programs that reinforce our focus on high performance and the achievement of our Company goals.



“This year we are privileged to celebrate our 20 year anniversary with Harvey Norman it is therefore timely to reflect on the importance of our key partner relationships. The lifeblood of our business, we work collaboratively to develop new and innovative ways to grow our businesses.

The acquisition of Once & Lombard has energised the team with new products and relationships. It is a delight when these relationships mature to a true partnership.”

Jane Scotcher (Right)
Head of Consumer Sales – Major Accounts
13 years with Flexi

“I have witnessed great change over the last 20 years. Our core business of selling rental and interest free at retail point of sale has been transformed over recent time, as we adapt to meet our partners and customer’s needs.

Our strength is in our people and their passion; we rely on individuals to deliver on commitments and to reinforce vendor and customer relationships.”

Kate Porter (Left)
State Manager – Queensland/Northern Territory
20 years with Flexi

“10 years at Flexigroup and it still feels fresh. I have the pleasure of working with a broad range of business people: from the small start-up, the experienced business owner and to structuring large scale equipment funding programs in the tertiary and corporate channels.

What continues to prove energising is the spirit of our customers and partners. Relationships can span many years and it is rewarding to contribute to long term success.”

Adam Barber (Right)
Queensland Commercial Sales Manager
10 years with Flexi

“Recent years have seen significant change in both systems and structure within the SME team in an environment of growing competition. While this has provided some challenges, strong leadership and a clear vision has emerged. Service has always set us apart and it is exciting to see dealer and broker relationships develop and mature.”

Daniel Dew-Parry (Left)
Team Leader, SME Sales
6 years with Flexi

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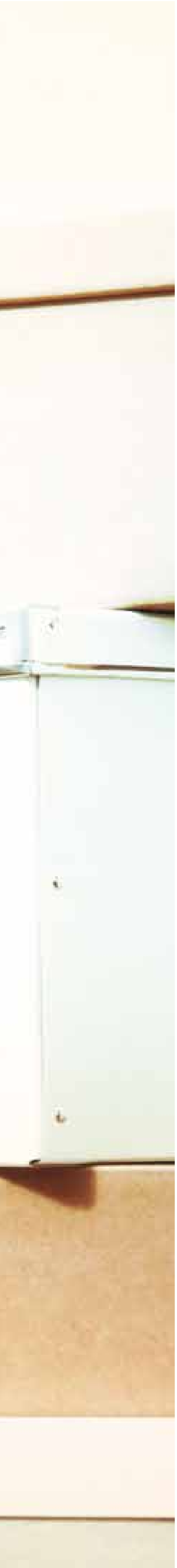

Corporate Directory

Directors
Andrew Abercrombie (Chairman)
Rajeev Dhawan
R John Skippen

Secretary
Julianne Lyall-Anderson

Notice of Annual General Meeting
The Annual General Meeting of FlexiGroup Limited will be held at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney at 4pm on 23 November 2015.

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

Securities Exchange listing
FlexiGroup Limited shares are listed on the Australian Securities Exchange

Website
www.flexigroup.com.au