FLEXIGROUP

1H16 Investor Presentation

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Highlights and Overview

FXL Highlights

Solid results achieved and major acquisition signed through period of significant change

Financial Results

	1H15	1H16		1H16/ 1H15
Cash NPAT [1]	$42.5m	$44.3m	⬆	4%
Statutory NPAT	$38.5m	$41.4m	⬆	8%
Volume	$587m	$617m	⬆	5%
Closing Receivables	$1,345m	$1,456m	⬆	8%
Interim Dividend payable [2] (fully franked)	$26.6m	$27.0m	⬆	1%
Cash Earnings Per Share [3]	13.5c	13.8c	⬆	2%

Notes

1. Cash NPAT excludes amortisation of acquired intangibles $1.2m (1H15: $1.5m) and deal acquisition costs $1.7m (1H15 nil). 1H15 also excluded a one off residual value loss of $2.5m.
2. Dividend per share reduced from 1H15 due to increased shares on issue post rights issue conducted during the period - no Cash NPAT contribution to date as a result of timing lag to completion due to receiving regulatory approvals (payout ratio maintained at 50-60% of Cash NPAT)
3. Prior year EPS restated for impact of bonus shares in rights issue conducted during the period.

Key Highlights

- Stability of business re-established during 1H16 with results achieved within guidance
- New Zealand business delivered outstanding profit growth as TRL performs and synergies realised
- Interest Free Cards achieved significant organic volume growth which is driving double digit NPAT growth
- Rebuild of Enterprise & SME businesses has started to deliver results with volume increasing in 1H16 v 2H15
- Consumer, SME and Enterprise now consolidated into one reporting segment as Australia Leasing

Guidance

- Reconfirm FY16 Cash NPAT guidance of $92m-$94m (excl. contribution from Fisher & Paykel Finance acquisition)
- Acquisition of Fisher & Paykel Finance expected to complete Feb/March 2016 with all required capital committed
- Cash EPS and interim dividend per share impacted by rights issue undertaken in period to fund FPF acquisition - no Cash NPAT contribution to date as a result of timing lag to completion due to receiving regulatory approvals
- Dividends policy unchanged, payout ratio expected at 50-60% of Cash NPAT

Note : FY16 guidance based on New Zealand results using an annual average exchange rate of $1 AUD = $1.08 NZD

Flexi fundamentals on a page

FXL business model continues to deliver for all stakeholders – investors, partners and funders

Investor Highlights

- Consistent earnings growth and history of achieving earnings guidance
- High predictability of earnings from resilient business model and successful M&A record
- Strong dividend yield and return on equity supported by enviable organic cash generation
- Diversified financial services business across products, segments & geographies

Sales Focus

- Broad "on the ground" sales support structure to cover network of over 16,000 partners
  - Difficult for competitors to replicate
  - Actively leverage our existing relationships to increase FXL's foothold in Interest Free cards market
  - Re-establish, re-enforce and renew channel partner relationships in Commercial (SME & Enterprise)
- Exclusive long tenure continuing agreements with major retailers
- Business now well diversified across consumer and commercial markets in both Australia and NZ
- Sales process digitisation driving improved customer experience and cost structure

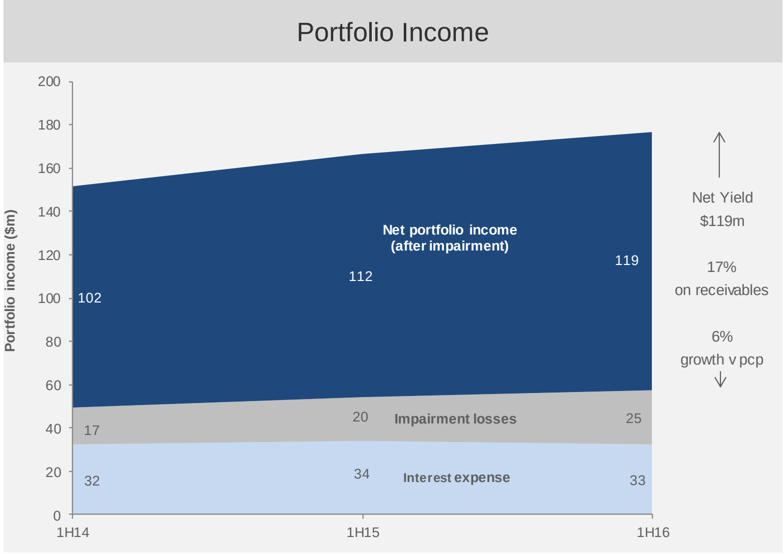
Capital/ Funding

- Diverse funding sources in place with strong track record of stable performance
- Well capitalised balance sheet – FXL has equity funding support in all funding vehicles
- Receivables are packaged in most optimal way for wholesale investors and funders
- Credit process and online origination is core strength

FXL Financial Performance Overview

FlexiGroup		1H15	1H16	1H16/ 1H15
Portfolio income	$m	166.4	176.6	6%
Interest expense	$m	34.2	32.5	(5%)
Net portfolio income	$m	132.2	144.1	9%
Impairment losses	$m	20.1	24.9	24%
Net portfolio income (after impairment)	$m	112.1	119.2	6%
Total expenses [1]	$m	56.8	61.7	9%
Statutory NPAT	$m	38.5	41.4	8%
Cash NPAT [2]	$m	42.5	44.3	4%
Cash EPS	cents	13.5	13.8	2%
ROE	%	22%	19%	(2.6%)

Notes
1. Total expenses include deal acquisition costs $1.7m in 1H16 (1H15 nil).
2. Cash NPAT adjustments are detailed in individual segment results



Key financial performance highlights

- Strong portfolio income growth 6% vs pcp
- High cashflow conversion – 37% of portfolio income
- Tight management of cost to income ratio – critical to realising operating efficiencies to offset increased depreciation charges resulting from expanded investment program
- Funding costs lower due to management's ongoing actions on funding diversification
- Receivables growth and higher consumer mix in portfolio driving impairment charge and resulting provision increase
- ROE impacted by rights issues undertaken in period to fund FPF acquisition and timing lag of completion driven by regulatory approvals

Outlook

- FY16 Cash NPAT guidance of $92-94m reconfirmed excluding contribution from Fisher & Paykel Finance acquisition
- FPF on track to complete February/March 2016 and contribute to FXL FY16 full year results
- Capital in place to complete transaction – rights issue completed in Nov-15 and debt fully committed
- Medium term earnings to benefit from:
  - Significant recent growth in interest free cards portfolio which will mature into transacting cardholders
  - Growth in core product volumes from increased focus on origination
  - Significant technology and product investment
  - Operational cost and synergy benefits

FXL has delivered Cash NPAT in line with guidance driven by accelerated performance across Interest Free Cards and New Zealand Leasing segments

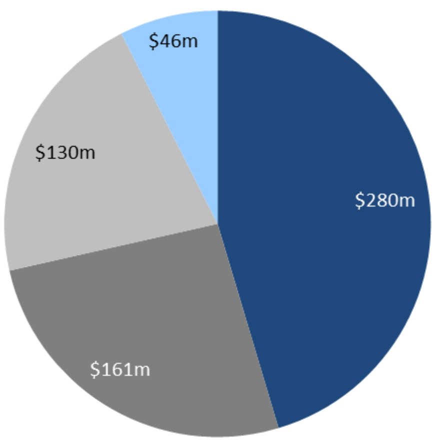
4% Cash NPAT growth delivered, driven by strong results in Interest Free Cards and New Zealand Leasing

	Volume			Closing Receivables			Cash NPAT [1]			Cash NPAT / ANR %		
	1H15	1H16	1H16/ 1H15	1H15	1H16	1H16/ 1H15	1H15	1H16	1H16/ 1H15	1H15	1H16	1H16/ 1H15
No Interest Ever	$286m	$280m ➡	(2%)	$476m	$484m ⬆	2%	$16.6m	$17.5m ⬆	5%	7.1%	7.3% ➡	0.1%
Interest Free Cards	$116m	$161m ⬆	39%	$218m	$271m ⬆	24%	$5.6m	$6.2m ⬆	11%	5.2%	4.9% ➡	(0.3%)
Australia Leasing	$158m	$130m ⬇	(18%)	$579m	$526m ⬇	(9%)	$17.1m	$15.4m ⬇	(10%)	5.9%	5.7% ➡	(0.1%)
New Zealand Leasing	$27m	$46m ⬆	70%	$72m	$175m ⬆	143%	$3.2m	$5.2m ⬆	63%	9.2%	6.1% ⬇	(3.1%)
Total FlexiGroup	**$587m**	**$617m** ⬆	**5%**	**$1,345m**	**$1,456m** ⬆	**8%**	**$42.5m**	**$44.3m** ⬆	**4%**	**6.4%**	**6.1%** ➡	**(0.3%)**

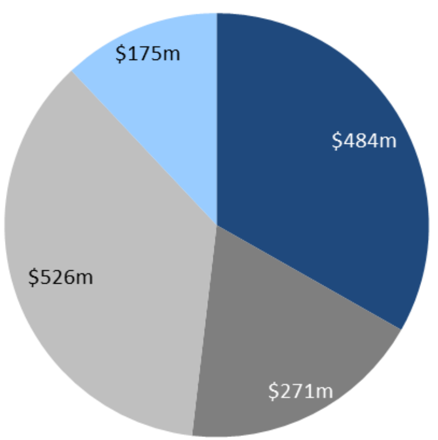
← *Growth & Future Earnings Potential* → ← *Results* → ← *Returns* →

Notes
1. Cash NPAT adjustments are detailed in individual segment results

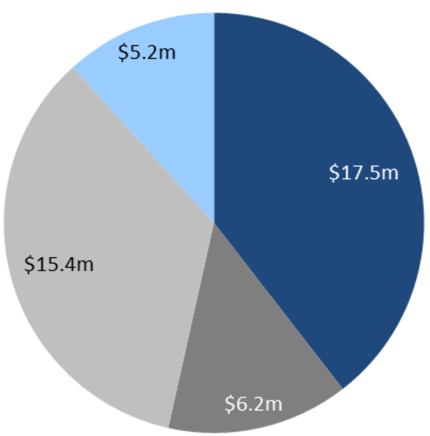
Volume by segment 1H16



Receivables by segment 1H16



Cash NPAT by segment 1H16



No Interest Ever | Interest Free Cards | Australia Leasing | New Zealand Leasing

Overview of F&P Finance

F&P Finance is a leading New Zealand non-bank consumer finance provider with over 430,000 active cardholders across the Farmers Finance and Q Card brands

Business Structure

Fisher&Paykel Finance

Q Card – NZ$468m receivables
- Flexible long-term interest free finance
- 90 days interest free on card spend
- ~158k active customers
- ~11k partner stores

Farmers finance – NZ$170m receivables
- Card branded with iconic NZ department store chain
- Up to 55 days interest free period
- ~272k active customers
- Loyal customer base built over decades
- ~12k partner stores

efl – NZ$24m receivables
- Commercial equipment leasing finance
- Similar to existing FXL NZ leasing business
- ~85 equipment dealers

cis
- CISL provides credit repayment insurance and goods insurance to Q Card and Farmers Finance customers
- ~3,200 new policies for year to December 2014

Side-by-side Comparison

	A$m (LTM Jun-15)	FLEXIGROUP	Fisher&Paykel Finance
P&L	Portfolio Income	340.8	129.6
	Net Portfolio Income	273.2	98.0
	Cash NPAT	90.1	27.7
B/S	Volume	1,136	577
	Receivables	1,428	619
Operating Metrics	Net Portfolio Income / ANR	19.9%	16.4%
	Cost to Income Ratio	41%	47%
	Impairments / ANR	3.3%	2.3%
	Cash NPAT / ANR	6.8%	4.6%

Interest Free Cards

39% volume growth business delivers 11% NPAT growth

Key financial performance highlights

- FY16 cash NPAT increased by 11% v pcp driven by 39% growth in new business volumes and 24% growth in receivables
- Total active customers increased by 19% v pcp to 115k
- Customer card spend up 37% v pcp - these transactions drive interest revenue
- Impact of Dick Smith Electronics failure will be immaterial - <5% of interest free cards volume

Growth Outlook

- Volume growth is lead indicator to future NPAT growth as customers revolve through initial interest free period to interest bearing and utilise their card/account for subsequent purchases
- Dedicated business development team has signed a number of new retail relationships in 1H16 while all major existing relationships have been maintained with an increase in new loans settled
- Fisher & Paykel Finance acquisition provides further scale and opportunity in the Australian Interest Free Cards business through:
  - BD opportunities given spread of Trans-Tasman merchant relationships
  - Marketing, IT, Risk and Operations synergies created through common products and business model

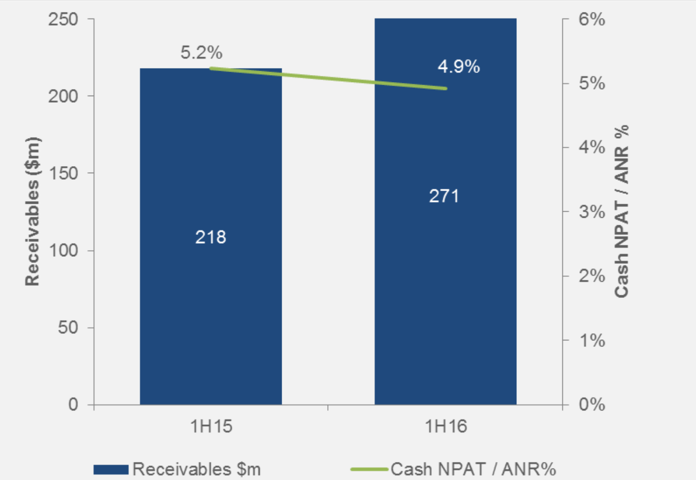
Interest free cards finance offered through retail point of sale

Interest Free Cards, $m	1H15	1H16	1H16/ 1H15
Total Volume	$116m	$161m	39%
Closing Receivables	$218m	$271m	24%
Cash NPAT [1]	$5.6m	$6.2m	11%
Active customers	96,599	114,759	19%

Notes

1. Cash NPAT excludes amortisation of acquired intangibles $0.4m (1H15 $0.9m).

Cash NPAT & Receivables Growth



No Interest Ever (Certegy)

NPAT growth of 5%, volumes stablise in more challenging trading conditions

Key financial performance highlights

- Cash NPAT growth of 5%, driven off 2% receivables growth and tight control of costs utilising the highly scalable platform
- Solar volumes remain stable at ~$15m per month in a low government subsidy environment. Certegy has increased share as market growth has slowed (see next slide on solar market)
- VIP / Repeat volumes (lower risk / higher margin) continue to grow at 10%
- Some volume loss experienced as a result of several merchants who ceased trading in 2015 (e.g. solar and bed retailers)
- Certegy NZ expansion has been suspended given product and merchant synergies from impending acquisition of FPF with resulting volume impact

Growth Outlook

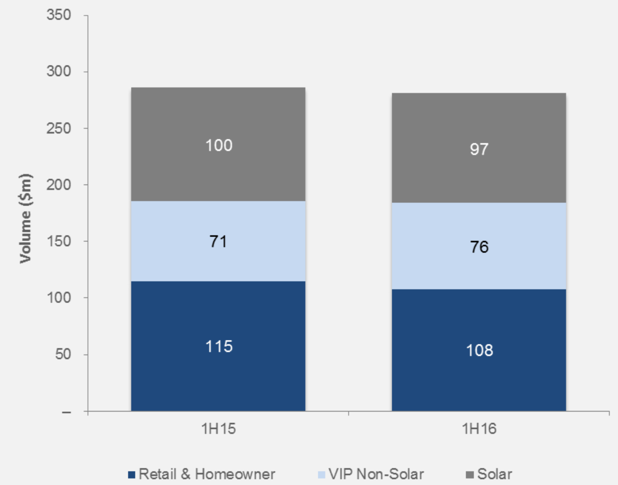
- Battery storage for domestic solar systems is coming to the Australian market imminently which presents significant opportunity to leverage existing dealer relationships and ~120,000 installed customer base
- Certegy launched with one of Australia's largest solar retailers, True Value Solar in late 2015 which is expected to contribute volume growth in 2016 and compliment pending Battery Storage Solution phase
- Technology and digital marketing initiatives will continue to support expansion of lower risk / higher margin VIP and consumer volumes
- Increased focus on home improvement sector with pending launch of new product variant in 2016

certegy ezi-pay

No interest ever payment processing primarily in homeowner sector

No Interest Ever (Certegy), $m	1H15	1H16	1H16/ 1H15
Volume	$286m	$280m	(2%)
Closing Receivables	$476m	$484m	2%
Cash NPAT	$16.6m	$17.5m	5%

Certegy Volume Mix ($m)



Certegy has grown share as solar market growth has slowed

Well positioned to take advantage of new solar battery storage technology to new and existing 120k customer base

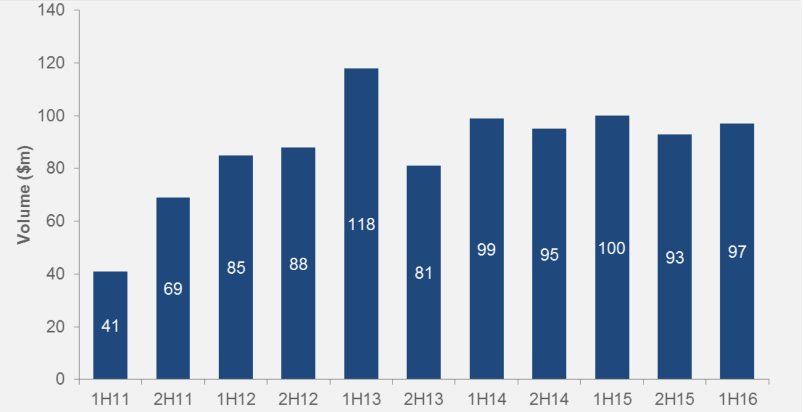
Certegy market share growth achieved through partner relationships

- Certegy has maintained consistent solar volumes despite changing market conditions of reducing government subsidies, decreasing cost of PV panels and an increase in average solar system capacity
- Market growth has slowed but Certegy has steadily increased market share to 15% in 2015
- Certegy has now financed ~120,000 solar installations: ~8% of Australian installed base
- Success achieved through enduring relationships with established and reputable partners combined with strong product value proposition
- Added True Value Solar in November 2015 – one of Australia's largest solar retailers

Growth Opportunities for Certegy in Solar

- The next major phase for the domestic Solar PV sector is Solar Battery Storage systems which are rapidly being developed and will become increasingly significant in sales volumes over the next 1 – 5 years (first Australian units being installed currently)
- This technology significantly enhances the economic benefit of domestic solar systems and reduces investment payback period. It is estimated ~1m Australian households will have Battery Storage inside the next 5 years [2]
- Certegy well positioned with our broad coverage of Solar merchant partners and customer base of 120k

Certegy Solar Volumes



Certegy Solar Market Share[1] and Active Partners

Note:

1. Market data is current as at 1 Jan 2016 but includes estimates for installations completed in 2015 but not certified by 1 Jan 2016. Source www.cleanenergyregulator.gov.au
2. Source: Australian Broadcasting Corporation Catalyst programme "BATTERY POWERED HOMES" aired 2 February 2016

Australia Leasing

Volumes have stabilised in 1H16. Focus has been on the rebuild of the commercial offering

Key financial performance highlights

- Consumer, SME and Enterprise now consolidated into one reporting segment as Australia Leasing
- Cash NPAT decrease primarily driven by lower receivables
- Closing receivables down 9% due to both lower volume levels within Commercial and the RentSmart product portfolio run off
- Commercial rebuild continues with improvement in sales force capability and enhanced business development team. Commercial volumes have increased during 1H16 compared to the 30% decline from 1H15 to 2H15
- First managed services deal with major global vendor settled in Dec 2015

Growth Outlook

Point of Sale

- Online capabilities continue to expand with further developments planned for digital integration with channel partners
- Opportunities for refreshed product offerings to provide enhanced value for customers and improvements in penetration levels of key channels

Commercial

- Chattel Mortgage introduced in December 2015 and is generating strong interest in the broker channel
- Opportunities through broker channels continue to grow as a result of refreshed market offerings and business development activities. Negotiations continue to acquire established broker businesses
- Continued focus on sales force effectiveness is showing early signs of success particularly through previously dormant dealers

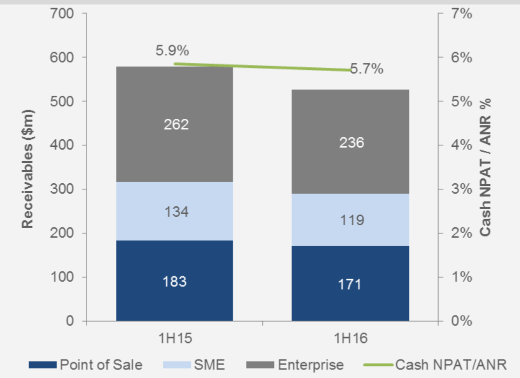
Leasing of IT, electronics and other assets through Point of Sale, Dealers and Vendors

Australia Leasing, $m	1H15	2H15	1H16	1H16/ 1H15	1H16/ 2H15
Volume	$158m	$127m	$130m	(18%)	2%
Point of Sale (Prev. Consumer)	$61m	$59m	$60m	(2%)	2%
SME (Flexi Commercial)	$34m	$26m	$25m	(26%)	(4%)
Enterprise	$63m	$42m	$45m	(29%)	7%
Closing Receivables	$579m		$526m	(9%)	
Point of Sale (Prev. Consumer)	$183m		$171m	(7%)	
SME (Flexi Commercial)	$134m		$119m	(11%)	
Enterprise	$262m		$236m	(10%)	
Cash NPAT[1]	$17.1m		$15.4m	(10%)	

Notes

1. 1H16 Cash NPAT excludes amortisation of acquired intangibles of $0.4m (1H15: $0.6m) and acquisition costs of $1.7m (1H15: nil). 1H15 Cash NPAT excluded a one off residual value loss of $2.5m.

Cash NPAT & Receivables growth



New Zealand Leasing

Strong volume growth drives 63% Cash NPAT growth (+63% in local currency)

Key financial performance highlights

- Cash NPAT at $5.2m is up 63% on the prior year driven by strong receivables growth, continued low impairment rates and synergies realized from recent acquisitions
- Volume growth of 70% primarily due to the TRL acquisition (May-15) but also growth from existing vendors
- Receivables of $175m are up 143% due mainly to the TRL acquisition. Organic growth in receivables has predominantly come from lower credit risk SME and Education sectors
- Reduction in Cash NPAT/ANR metric is due to a shift in receivables mix, with a greater proportion of larger, lower yielding, lower risk government and commercial transactions

Growth Outlook

- TRL to continue to provide a platform for further growth through the Education & SME channels
- The NZ Ministry of Education have signed a 2-year extension of their existing contract with TRL. The TELA program leases approximately 47,000 laptops to NZ teachers and principals over a three year period
- Opportunity remains to expand the core leasing product particularly into the SME and Education channels
- Access to EFL customer base from FPF acquisition to provide further receivables growth in commercial sector, EFL will be consolidated into New Zealand Leasing segment once FPF acquisition is completed

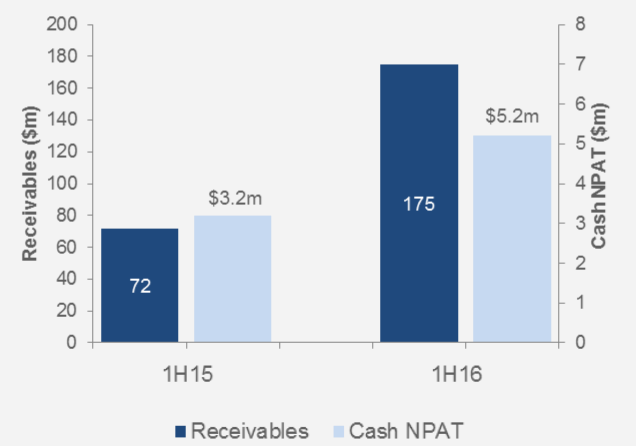
FLEXIRENT equico Funding Technology trl leasing technology finance

Leasing of IT, electronics and other assets

New Zealand Leasing, $m	1H15	1H16	1H16/ 1H15
Volume	$27m	$46m	70%
Closing Receivables	$72m	$175m	143%
Cash NPAT	$3.2m	$5.2m	63%
Cash NPAT (NZD)	*$3.5m*	*$5.7m*	*63%*

Notes
1. 1H16 Cash NPAT excludes amortisation of acquired intangibles of $0.4m (1H15: nil).

Receivables & Cash NPAT Growth



1H16 Results Analysis

Cash NPAT of $44.3m, an increase of 4% on 1H15

FlexiGroup continues to drive scale efficiencies, providing consistent profitability and returns

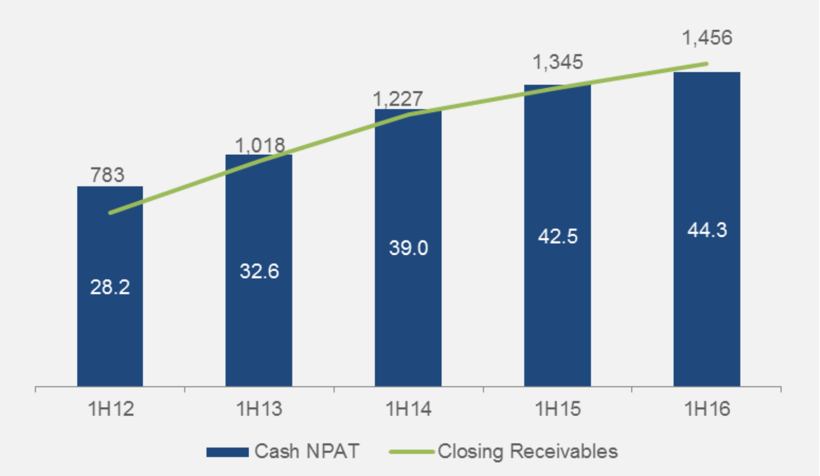
Performance

- Group Cash NPAT at $44.3m is up 4% on pcp, driven by:
  - +8% growth in receivables and lower funding costs, delivering a $7.1m increase in net portfolio income (after impairment)
  - Cost to Income ratio has decreased to 39% in 1H16 through continued tight control of costs and deployment of investment program partially offset by higher depreciation charges
  - Cost of funds benefit from ongoing successful securitisation program in addition to improved funding terms achieved from banks on warehouse funding facilities

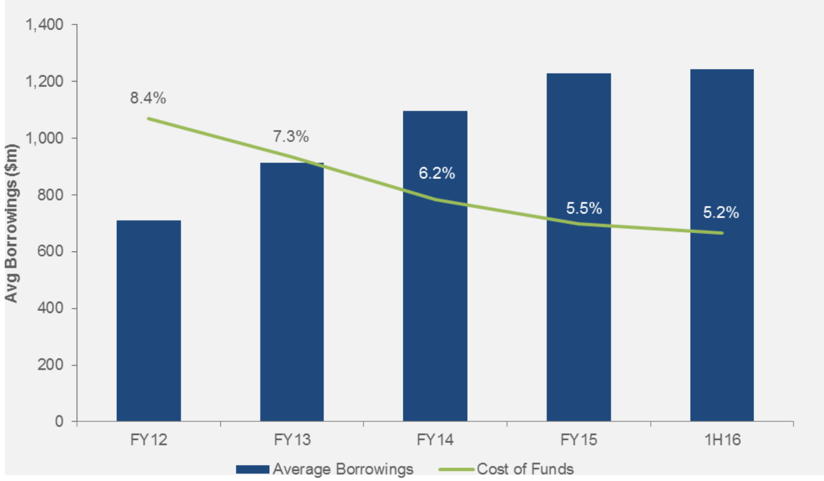
Funding Efficiencies & Credit Quality

- FXL's focus on growth in high quality segments combined with continual optimisation of funding structures has enabled the Group to embrace securitisation and deliver capital efficient funding resulting in a further 30bps improvement in cost of funds
- FXL's portfolios have low risk profiles and in turn drive efficient funding costs and lower capital requirements

Consistent Cash NPAT Growth – 4 Year CAGR 12%



Consistent reduction in funding costs



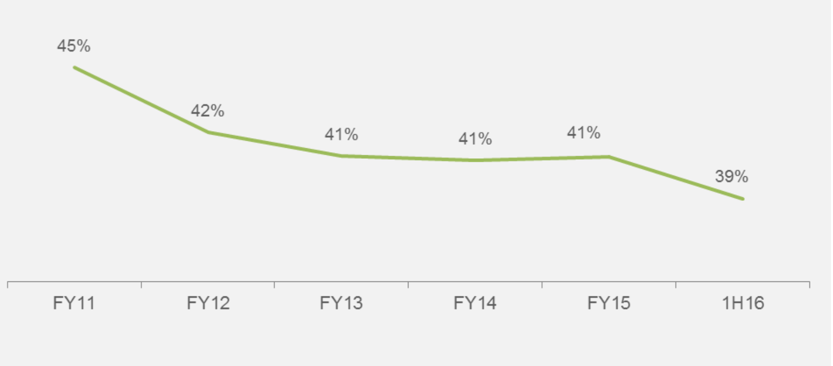
Cost to Income ratio reduced to 39%

Driven down by results from capex investment program and synergies realised on acquisitions

Cost / Income Ratio

- Cost to Income ratio decreased to 39% driven by:
  - Ongoing tight control of costs and scale efficiency benefits
  - Synergies realised from acquisitions completed
  - Investment in customer facing digitisation projects which are beginning to show benefits in both cost efficiency and customer experience (e.g. fully online applications process)
  - Rationalisation of corporate centre costs

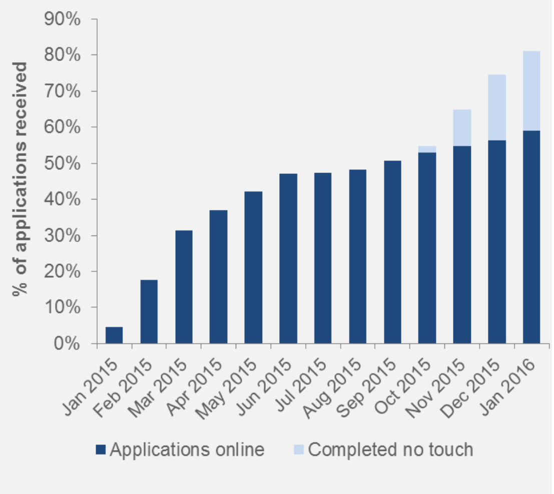
Cost to Income Ratio[1]



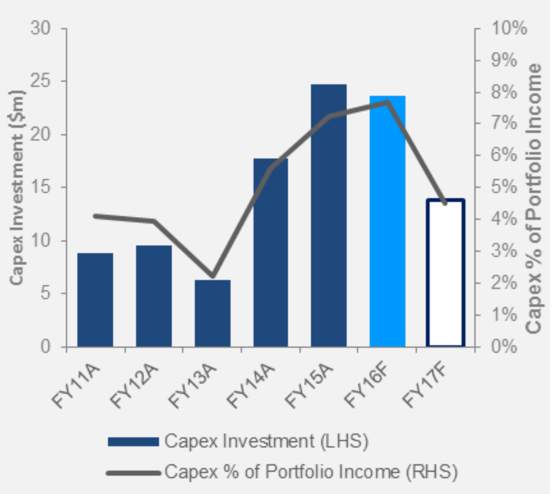
Capital Expenditure

- Benefits of digitisation projects beginning to drive customer behaviour (e.g. online applications) and now positively impacting resource requirements and cost structure (e.g. average handling time, no touch applications)
- Flexible payment options rolled out (weekly, fortnight, monthly) to drive lower delinquencies and improved customer experience – likely impact 2H16 onwards
- Investment program is expected to return to industry benchmark levels of Capex / Income ratio of 4-6% of portfolio income after FY16

Applications originated via online portal
(% of combined POS & SME applications)



Capex investment to return to industry benchmark levels after FY16 ($m)



Note:
1. Think Office Technology employs a different cost structure to all other FXL businesses. Ratio used above excludes TOT to ensure accurate trend comparison

FXL - Impairment Losses

Impairment has increased with higher Certegy loss rates and higher Consumer mix in portfolio

Performance

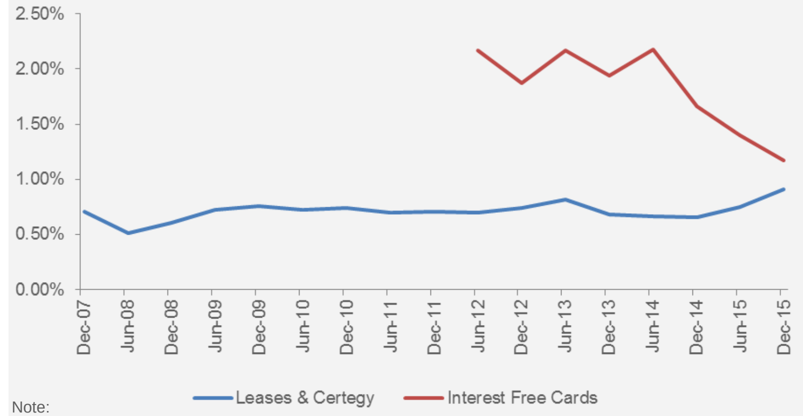
- Net impairment losses increased to 3.5% of ANR driven by increased loss rates in Certegy and higher consumer mix in portfolio and resulting provision increase
- Certegy impairment losses impacted by higher losses in some segments. Action has been taken to tighten approval rates where appropriate. Significant one-off losses booked ~$0.8m as a result of Certegy NZ expansion suspended ahead of FPF acquisition
- As business moved to increased penetration of online applications within POS leasing, some increased fraud activity has occurred in 1H16. This has been addressed by implementing enhanced fraud detection technology and processes and is reverting to prior levels
- Delinquency trend in Interest Free Cards continues to improve as collections activity has been migrated to new platform

Outlook

- Updated credit scorecards being progressively rolled out across all business units which will drive down impairment losses in short to medium term
- Stability and technology in collections will continue to drive improved performance in collections
- Rollout of flexible payment options (weekly, fortnightly and monthly) to contribute to lower delinquencies going forward as customers are able to align direct debits to timing of their income and missed payments are identified sooner and for lower amounts
- FXL will continue to drive growth in customer segments it understands in terms of risk, and will not relax its credit underwriting criteria

Net Impairment Losses	1H15	1H16	Impairment / ANR %
No Interest Ever	$6.7m	$9.6m	4.0%
Interest Free Cards	$3.5m	$4.1m	3.3%
Australia Leasing	$9.6m	$10.4m	3.9%
New Zealand Leasing	$0.3m	$0.8m	0.9%
Leases	$9.9m	$11.2m	3.2%
Net Impairment Losses	**$20.1m**	**$24.9m**	**3.5%**
Impairment / ANR %	**3.0%**	**3.5%**	
Impairment / ANR % (ex provision increase)	**3.0%**	**3.2%**	

FlexiGroup 90+ Delinquency



Note:

Consumer & SME Leasing, NZ Leasing and No Interest Ever's write off policy is after 120 days. Enterprise and IF Cards' is after 180 days

Delinquency data used where FXL collects cash from end customers.

FXL - Cash Flow

Strong operating cash flow supports investment in capital projects and receivables growth

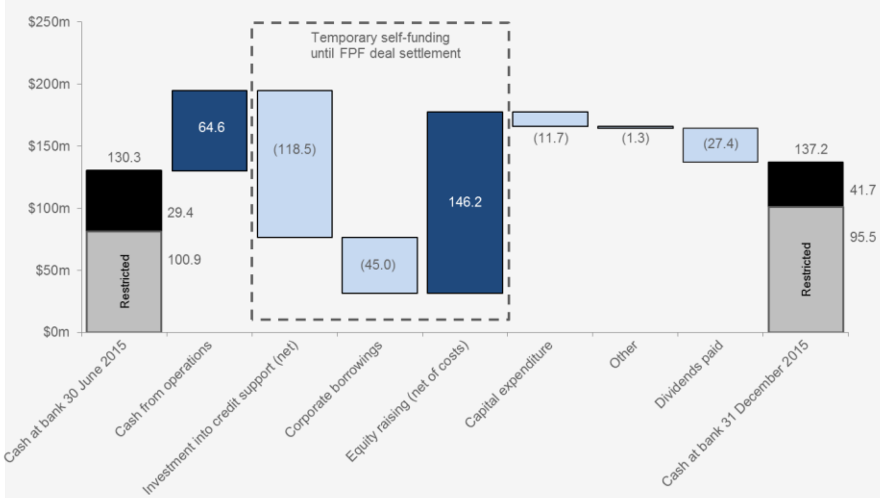
Performance

- Cash at bank was $137.2m as at 31 December 2015
- Proceeds from rights issue received in November and temporarily invested into self-funded receivables and corporate debt repayment until FPF deal settlement in 2H16
- Impressive operating cash flow generation capabilities of the business allow FXL to reinvest funds into receivables growth
- Capital expenditure to upgrade IT platforms and support diversification of the business continues in line with the strategy and within previously communicated range

Outlook

- Corporate debt facility was increased from $100m to $187.5m to create capacity for FPF settlement and to retain headroom for organic and non-organic growth
- Self-funded receivables will be funded via warehouse facilities in 2H16 to release cash prior to FPF settlement
- Drawn balance of corporate facility will increase from nil (as at 31 December 2015) to $130-150m after FPF completion
- Dividend payout forecast to remain at 50-60% of Cash NPAT

Cash Flow Bridge 1H16 ($m)



Note:

1. Restricted cash represents balances on collection accounts, which are held as part of the Group's funding arrangements and are not available to the Group as at reporting date

FXL - Balance Sheet

Proceeds from equity raising to be deployed in 2H16

Performance

- FXL gearing temporarily reduced to zero and ROE impacted by rights issue undertaken in period to fund FPF acquisition and timing lag of completion due to receiving regulatory approvals
- FPF deal is being funded via an optimal mix of equity, perpetual vendor note and corporate debt
- Increased gearing after the completion will be well supported by strong Cash NPAT contribution from F&P Finance
- SPV borrowings are non-recourse to FXL
- Borrowings are matched to customer contract term and interest rates are fixed to match fixed income products
- No bullet repayments on receivables funding

Outlook

- 83% of total borrowings are fixed to contract term, which provides protection against underlying movements in base interest rates
- Remaining 17% of borrowings relate to Interest Free Cards and corporate facility which are funded off a floating rate. FXL has the ability in IFC to vary the customer rates to match any underlying change in official interest rates
- FXL's strategy of diversifying funding sources has resulted in an ongoing reduction in FXL's funding costs

	Dec-14		Dec-15	
Summarised Balance Sheet	**FlexiGroup excl. SPV's**	**FlexiGroup incl. SPV's**	**FlexiGroup excl. SPV's**	**FlexiGroup incl. SPV's**
Cash at bank (unrestricted)	34.4	34.4	41.7	41.7
Cash at bank (restricted)	85.3	85.3	95.5	95.5
Receivables	58.8	1,326.5	110.6	1,427.8
Investment in unrated notes in securitisation vehicles	146.4	-	155.7	-
Other assets	52.5	52.5	50.2	50.2
Goodwill and intangibles	172.3	172.3	207.8	207.8
Total assets	**549.7**	**1,671.0**	**661.5**	**1,823.0**
Borrowings	52.0	1,199.7	-	1,184.5
Cash loss reserve available to funders	-	(26.4)	-	(23.0)
Other liabilities	98.8	98.8	83.7	83.7
Total liabilities	**150.8**	**1,272.1**	**83.7**	**1,245.2**
Equity	**398.9**	**398.9**	**577.8**	**577.8**
Gearing [1]	**23%**	n/a	**0%**	n/a
ROE	**22%**	n/a	**19%**	n/a

Notes:

1. Gearing = Recourse borrowings as a percentage of FlexiGroup equity adjusted for goodwill and intangibles
   Non-recourse borrowings are secured against FXL's lease and interest free receivables and cash security in Special Purpose Entities (SPV's)

FXL - Funding

Committed support from banks and institutions provide diverse funding sources

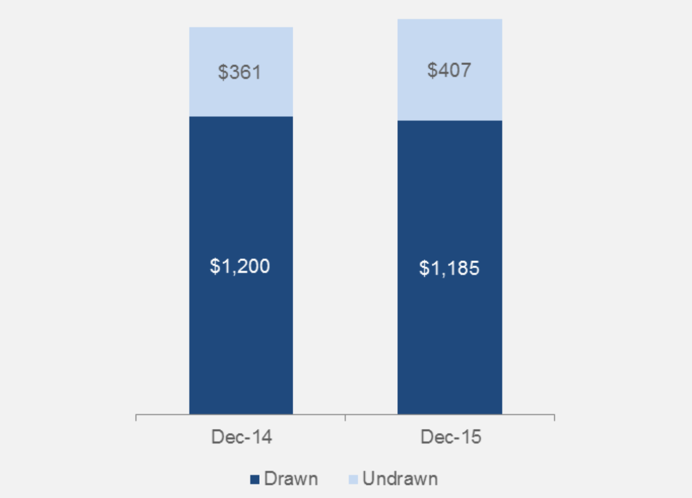
Performance

- FlexiGroup continues to maintain a conservative funding strategy, underpinned by multiple committed debt facilities, matched term and rate structures for wholesale debt and an active debt capital markets presence
  - Strong stable relationships with 6 Australian institutions providing revolving committed facilities
  - FPF acquisition brings a well-established relationship with another major Australian bank and diversified funding structures in NZ with healthy tenure and headroom for growth
  - $100m corporate debt facility was undrawn as at the balance sheet date. The limit was increased to $187.5m with a maturity date extended to 2019
  - Ongoing process to optimise funding structure between bank warehouses, securitisation structures and corporate debt

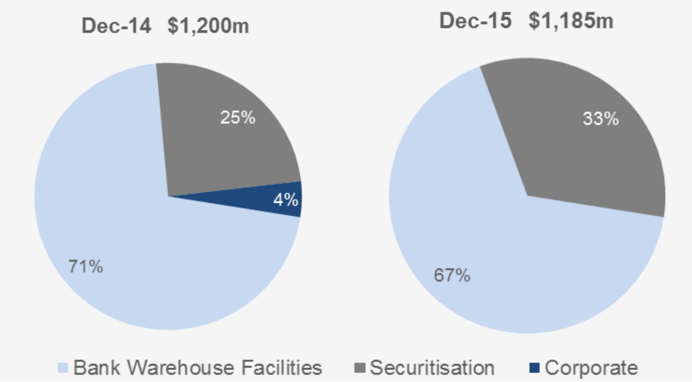
Outlook

- FXL has substantial unused committed revolving facilities to fund growth in the foreseeable future, even without securitisation of receivables
- Despite this, FXL will continue to securitise at appropriate times in the market through its ABS program to:
  - Decrease cost of funds
  - Improve capital efficiency
  - Maintain diversification of funding sources

Funding Facilities ($m)



Diversified Funding Sources



Strategy & Outlook

FY16 Cash NPAT guidance of $92-94m reconfirmed excluding contribution from FPF

- Maintaining volume trajectory in **Interest Free Cards** through channel partner engagement, optimizing the digital origination platform and in turn driving increased card usage and profitability
- Strong profit growth in **New Zealand Leasing** primarily targeting the Education sector through leveraging deep sector knowledge and customer relationships through the acquisitions of Equico and TRL
- Continued solid performance from **Certegy** through enhancements to VIP customer program, increased penetration within existing retails partners and targeted expansion into new product categories such as Solar Battery Storage
- Build further momentum in **Commercial Leasing** business as volume from managed service and chattel mortgage products starts to accelerate
- Relationship driven organic sales growth is focus for FY16, leveraging **dedicated business development** teams which are now in place across all business units
- Investment in core IT Systems and digital capability to support future business growth and **maintain cost to income ratio**
- Maintaining strong credit disciplines and **leveraging collections** technology and processes to improve impairment expenses run-rate
- Integrate **Fisher & Paykel Finance acquisition** to realise synergies and identify business development opportunities
- FXL continues to look at strategic acquisition opportunities to complement organic growth

Appendices

Appendix A: Detailed Statutory Income Statement

A$ MILLION	Dec-14	Dec-15
Total portfolio income	166.4	176.6
Interest expense	(34.2)	(32.5)
Net portfolio income (before impairment)	**132.2**	**144.1**
Impairment losses	(20.1)	(24.9)
Net portfolio income (after impairment)	112.1	119.2
Employment expenses	(32.1)	(32.3)
Depreciation and amortisation expenses	(4.2)	(5.9)
Operating expenses	(20.5)	(23.5)
Total expenses	**(56.8)**	**(61.7)**
Profit before income tax	**55.3**	**57.5**
Income tax expense	(16.8)	(16.1)
Statutory profit after tax	**38.5**	**41.4**
Amortisation of acquired other intangible assets	1.5	1.2
Residual value loss	2.5	-
Acquisition and integration costs	-	1.7
Cash net profit after tax	**42.5**	**44.3**

Appendix B: Detailed Statutory Balance Sheet

A$ MILLION	Dec-14	Dec-15	Excluding SPV's Dec-14	Excluding SPV's Dec-15
Assets				
Cash at bank	119.7	137.2	119.7	137.2
Loans and receivables	1,344.7	1,456.0	223.4	294.5
Allowance for losses	(18.2)	(28.2)	(18.2)	(28.2)
Net receivables	1,326.5	1,427.8	205.2	266.3
Other receivables	43.4	41.3	43.4	41.3
Inventory	2.8	3.9	2.8	3.9
Plant and equipment	6.3	5.0	6.3	5.0
Goodwill	136.0	153.1	136.0	153.1
Other intangible assets	36.3	54.7	36.3	54.7
Total Assets	**1,671.0**	**1,823.0**	**549.7**	**661.5**
Liabilities				
Borrowings	1,199.7	1,184.5	52.0	0.0
Loss reserve	(26.4)	(23.0)	0.0	0.0
Net borrowings	1,173.3	1,161.5	52.0	0.0
Payables	33.5	31.8	33.5	31.8
Current tax liability	15.3	9.4	15.3	9.4
Provisions	5.4	6.0	5.4	6.0
Derivative financial instruments	5.5	4.2	5.5	4.2
Contingent and deferred consideration	5.8	4.4	5.8	4.4
Deferred tax liabilities	33.3	27.9	33.3	27.9
Total Liabilities	**1,272.1**	**1,245.2**	**150.8**	**83.7**
Net Assets	**398.9**	**577.8**	**398.9**	**577.8**
Equity				
Contributed equity	161.2	307.9	161.2	307.9
Reserves	3.6	4.3	3.6	4.3
Retained profits	234.1	265.6	234.1	265.6
Total Equity	**398.9**	**577.8**	**398.9**	**577.8**

Appendix C: Detailed Statutory Cash Flows

A$ MILLION	Dec-14	Dec-15
Cash flows from operating activities		
Interest and fee income received from customers	172.5	182.2
Payments to suppliers and employees	(65.9)	(61.7)
Borrowing costs	(34.0)	(32.5)
Taxes paid	(14.4)	(23.4)
Net cash inflows from operating activities	**58.2**	**64.6**
Cash flows from investing activities		
Payment for purchase of plant & equipment and software	(12.9)	(11.7)
Payment for deferred consideration relating to business acquisitions	(2.9)	(1.5)
Net movement in:		
Customer loans	(42.3)	(57.1)
Receivables due from customers	(0.7)	14.4
Net cash outflows from investing activities	**(58.8)**	**(55.9)**
Cash flows from financing activities		
Dividends paid	(25.8)	(27.4)
Proceed from equity raising, net of transaction cost	-	146.2
Treasury shares purchased on market	-	(0.7)
Net movement in borrowings	40.0	(124.0)
Net movement in loss reserves on borrowings	(0.8)	3.2
Cash settlement on vesting of options	(0.1)	(0.1)
Net cash inflows/(outflows) from financing activities	**13.3**	**(2.8)**
Net increase in cash and cash equivalents	**12.7**	**5.9**
Cash and cash equivalents at the beginning of the half-year	**106.6**	**130.3**
Effects of exchange rate changes on cash and cash equivalents	**0.4**	**1.0**
Cash and cash equivalents at end of the half-year	**119.7**	**137.2**

Appendix D: FXL - Overview

FlexiGroup is a diversified financial services group providing point of sale interest free, no interest ever, leasing, vendor programs, interest free cards and other finance solutions to consumers and businesses

Background

- Founded in 1988 leasing office equipment to business
- Leading provider of consumer/small business retail point-of-sale finance
- Diversified products include: interest free cards, no interest ever, POS and commercial leasing

Market

- IPO in 2006
- ASX200 stock with market cap of approximately ~A$1bn

Distribution platform

- 700,000 finance customers, ~16,000 active retailers, $1.5bn in receivables
- Distribution network across multiple industries, including relationships with:
  - JB Hi-Fi, Harvey Norman, Apple resellers, IKEA, Escape Travel, Husqvarna, Thermomix, M2 Commander, AGL Solar, Noel Leeming, King Furniture and Fantastic Group

High performance culture

- Talented management team with capability to manage much larger organisation
- Australia and New Zealand Best Employers — AON Hewitt
- Australia's Best Contact (Call) Centre — ATA Award
- International IT Award — ICMG Architecture Excellence

Balance sheet

- Well capitalised balance sheet with further capacity – historical return on equity ~23%
- Highly diversified funding with committed facilities from Australian & NZ institutions to support growth

Solid risk profile

- eRisc award winning credit assessment system
- 20 years experience in consumer & business credit embedded in scoring systems

Acquisitions

- Management with significant acquisition experience, have successfully acquired:
  - Fisher & Paykel Finance expected to complete in February/March 2016
  - Telecom Rentals NZ in April 2015
  - Rentsmart ANZ in January 2014
  - Once Credit interest free cards business in May 2013
  - Lombard Finance interest free cards business in June 2012
  - Certegy acquisition in 2008 now represents 33% of FXL receivables

  Conservative approach to acquisitions - target accretive, high volume businesses

30 Jun YE (A$m)		FY11	FY12	FY13	FY14	FY15
Receivables		**707**	**927**	**1,163**	**1,318**	**1,428**
	growth	*19%*	*31%*	*25%*	*13%*	*8%*
Portfolio Income		**223**	**246**	**284**	**317**	**341**
	growth	9%	10%	15%	11%	8%
Volume		**695**	**779**	**907**	**1,083**	**1,136**
	growth	*27%*	*12%*	*16%*	*19%*	*5%*
Cash NPAT		**53**	**61**	**72**	**85**	**90**
	growth	*26%*	*15%*	*18%*	*18%*	*6%*
Cash NPAT/ANR		**8.5%**	**7.7%**	**7.2%**	**6.9%**	**6.8%**
	change	*0.8%*	*-0.8%*	*-0.5%*	*-0.3%*	*-0.1%*
Dividends, cents per share		**10.5**	**12.5**	**14.5**	**16.5**	**17.75**
	growth	5%	19%	16%	14%	8%

Appendix E: FXL - Overview

FLEXIGROUP

No Interest Ever

certegy ezi-pay

- Trading since 1989, acquired Oct 2008
- Interest free & cheque guarantee products offered in diverse industries
- Increases sales volumes for retailers
- No interest (ever) payable by the customer

Key metrics

- $484 million receivables
- 26 month average term

Retail & homeowner "No Interest Ever"

Interest Free Cards

Lombard Once

- Trading since 2002, Lombard acquired June 2012
- Interest free point of sale card finance company
- Retail partners are offered interest free product and customers are cross sold a Visa card
- Visa card subsequently used for everyday retail purchases
- Once Credit acquired May 2013

Key metrics

- $271 million receivables
- 18 month average term

Retail point-of-sale Interest Free Cards

Australia Leasing

FLEXI RENT, FLEXI COMMERCIAL, FLEXI ENTERPRISE

- Flexirent trading since 1988, IPO Dec 2006
- Recruited an experienced OEM / Vendor leasing team in Nov 2009
- Point of Sale, SME and Enterprise leasing offered
- Consumer customers get loaner, protect & affordable monthly payments
- Key partners include Harvey Norman and JB Hi-Fi
- Increase sales volumes for OEMs / Vendors

Key metrics

- $526 million receivables
- 45 month average term

Leasing - Point of Sale, SME, Enterprise

New Zealand Leasing

FLEXIRENT, equico Funding Technology, trl leasing technology finance

- Flexirent NZ office opened 1997
- Computer leasing mainly in the commercial / business use sector
- Preserves margin for the retailer / merchant
- Equico acquisition in Mar 2014 – expands distribution to education and government sectors
- Telecom Rentals acquisition Apr 2015

Key metrics

- $175 million receivables
- 34 month average term

Leasing – Point of Sale, SME, Education