

2017 Annual General Meeting

Don McLay, Chairman
2 November 2017

2017 Annual General Meeting

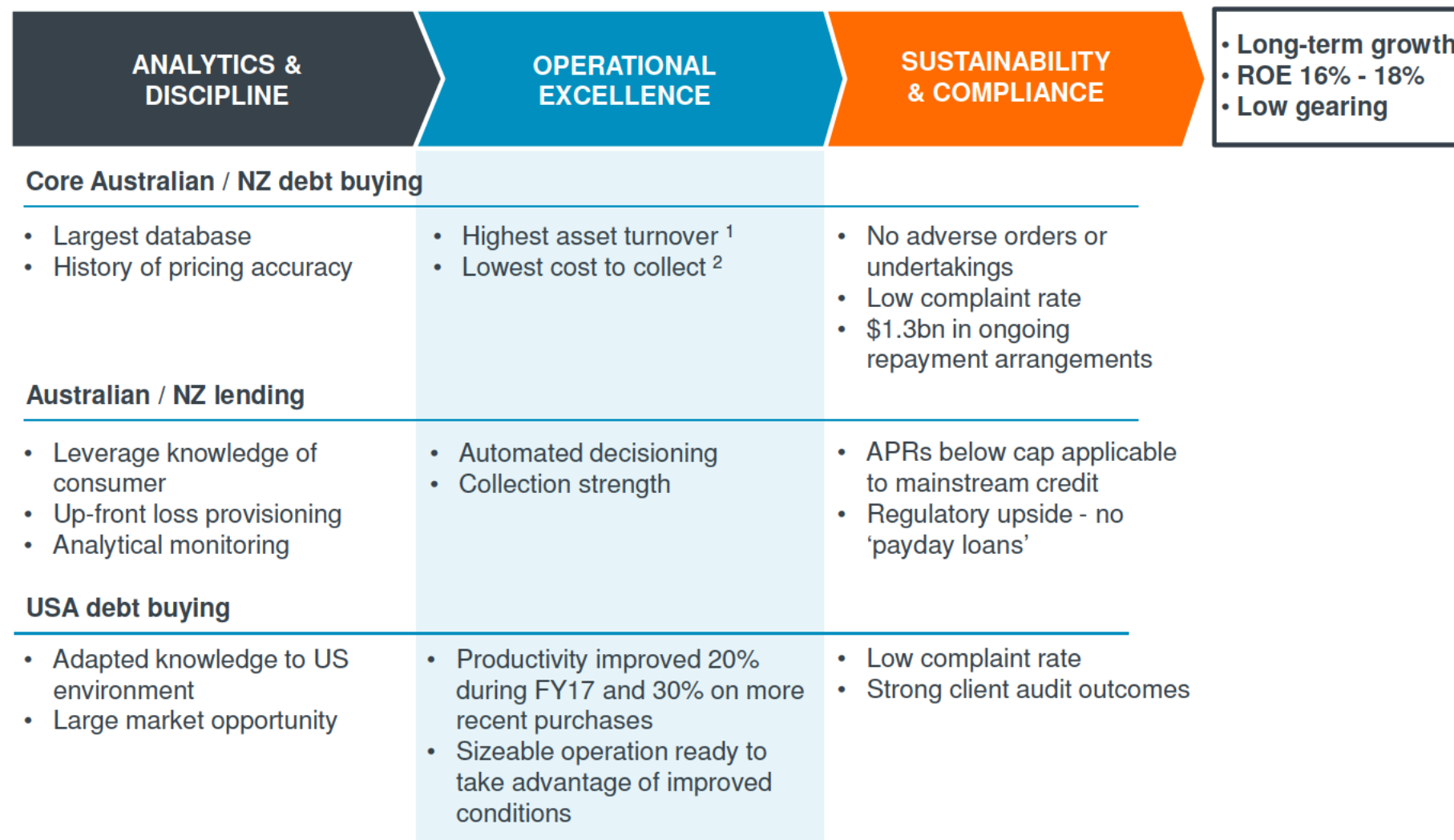
Performance Update

Thomas Beregi, Chief Executive Officer

Michael Eadie, Chief Financial Officer



Leadership in the credit impaired consumer segment...



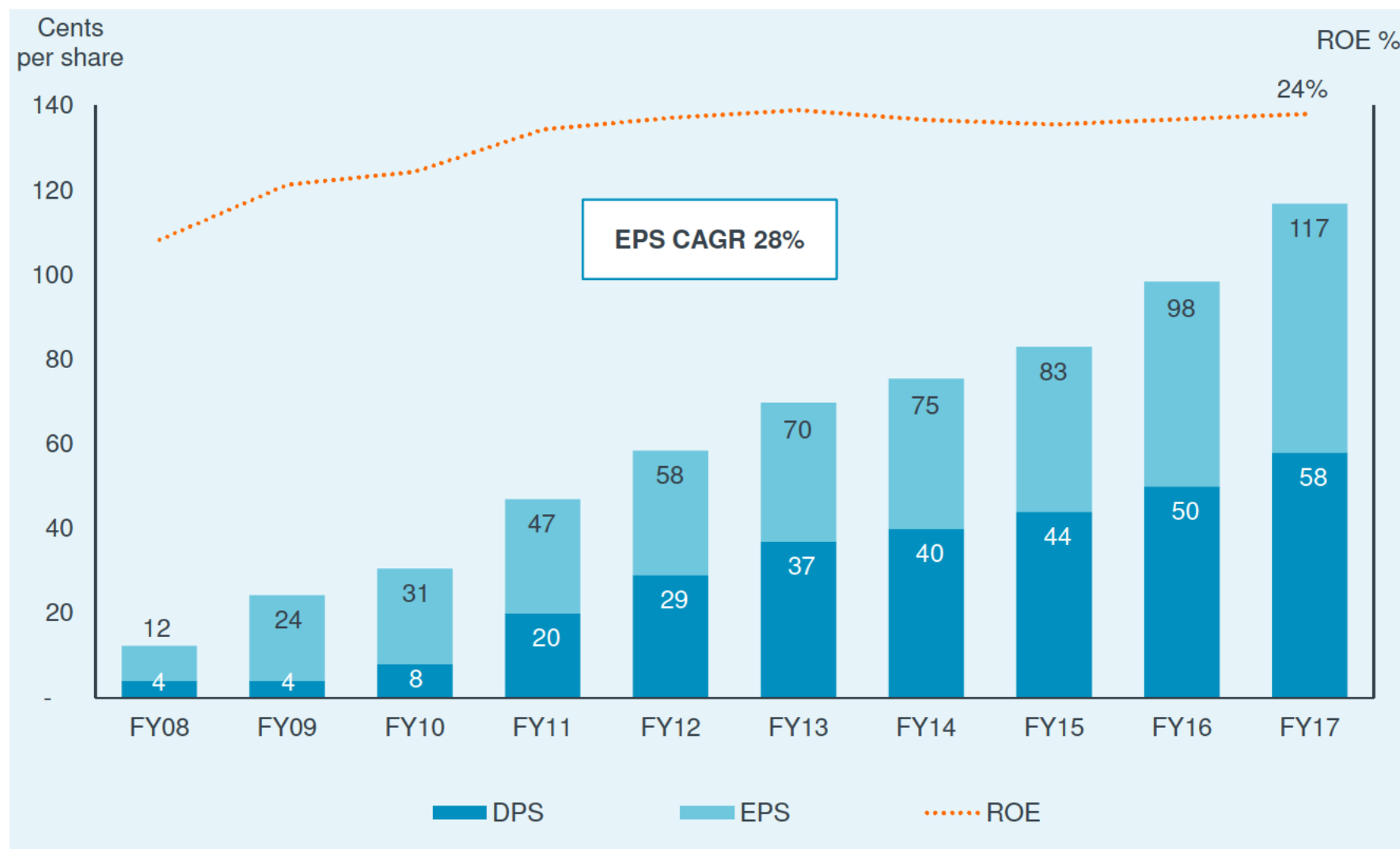
1. FY17 annualised ratio of cash collections from PDLs to average PDL carrying value of 1.2x

2. FY17 ratio of cash costs of the Debt Ledger Purchasing segment to collections of 36%

...and return disciplines have generated sustained performance...



Credit Corp Group



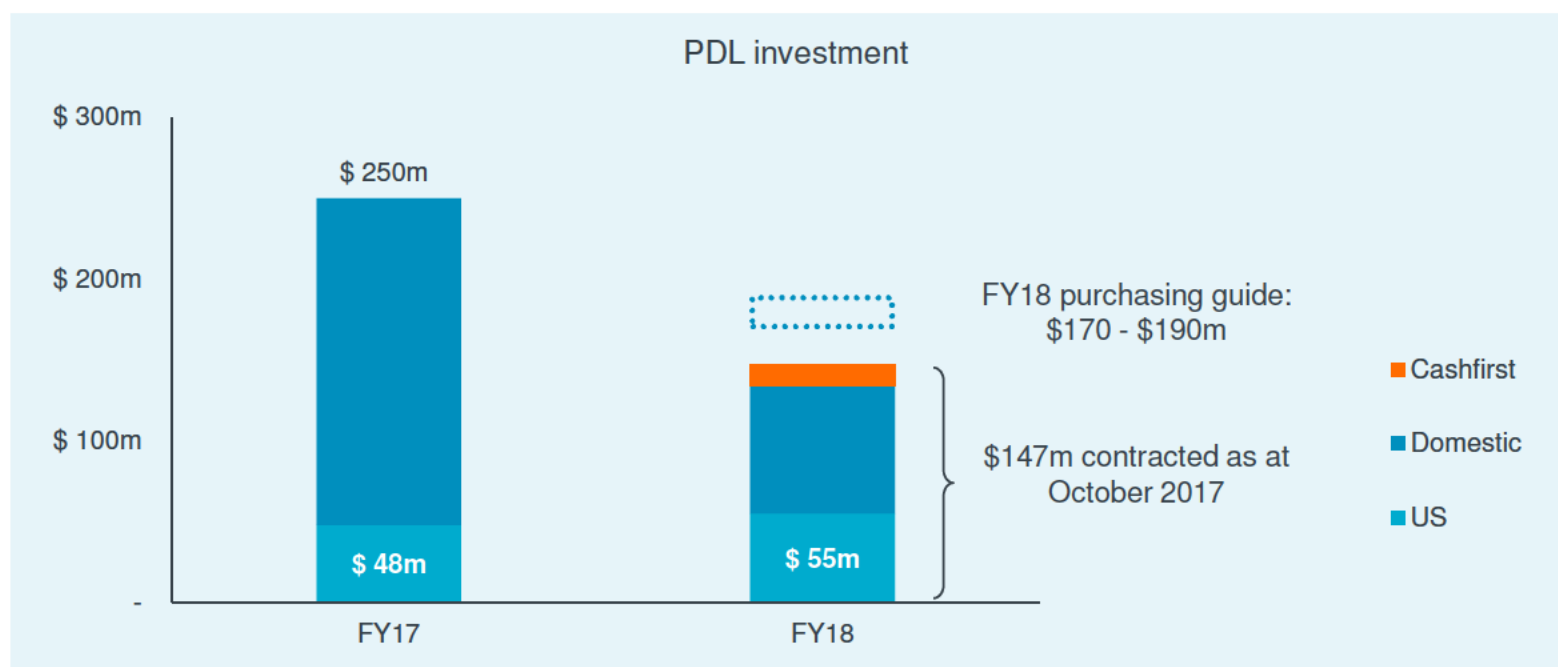
...while positioning CCP for the next wave of opportunity

Segment	Market conditions	CCP response
AUS / NZ Debt buying	<ul style="list-style-type: none"> • Pricing remains strong • Indications of segment stress point to opportunity ahead 	<ul style="list-style-type: none"> • Operational momentum from past purchasing • Maintain discipline • Utilise capacity to seize opportunity (e.g. Cashfirst)
AUS / NZ Lending	<ul style="list-style-type: none"> • Regulatory and stakeholder focus reducing competitiveness of existing business models <ul style="list-style-type: none"> - 'Payday loans' - 'Consumer leases' 	<ul style="list-style-type: none"> • Unique sustainable alternative • Drive strong earnings growth and operating cash flows
US Debt buying	<ul style="list-style-type: none"> • Diminished competition for PDLs at a time when supply is also increasing 	<ul style="list-style-type: none"> • Improve operations • Accelerate purchasing at target returns • Grow operational capacity • Drive earnings growth



Disciplined deployment of financial capacity...

- Reduced core business purchasing outlay due to lower pricing and disciplined bidding
- Opportunistic \$13m acquisition of Cashfirst book at attractive return
- Favourable US pricing means an 14% increase in outlay delivers 31% increase in total expected collections from purchases





...supported by ongoing operational improvement

Pricing accuracy and returns on track

- Total cumulative collections above aggregate expectations
 - Total collections up 8% over the pcp (YTD October)
 - Core AUS / NZ 4%
 - US 32%
- despite purchasing being 30% below the pcp (YTD October)

(Refer to Appendix 1 and 2)

Efficiency and productive capacity growth

- Productivity up by 8% over the pcp (YTD October)
- US debt buying operations staff up 10% since Jun-17

(Refer to Appendix 3)

Arrangement book

- Face value of accounts under arrangement steady since Jun-17 at \$1.3bn
- Payments under arrangement represent 76% of collections

(Refer to Appendix 4)

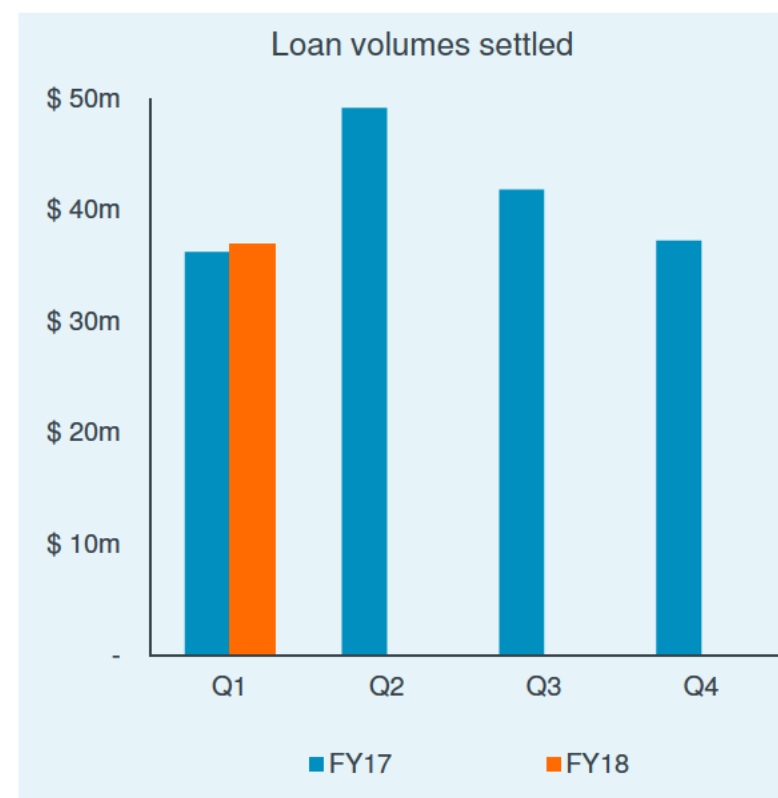
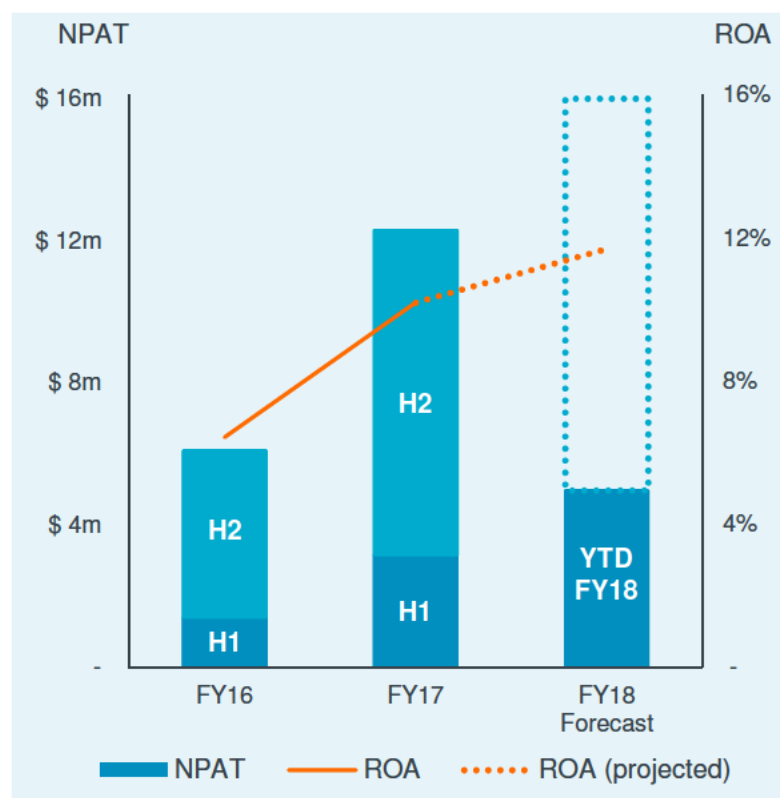
Automation during FY17 driving results

- Rollout of new and enhanced technology
 - Enhanced customer portal
 - Further automation of customer location activity
 - Ongoing workflow optimisation



Consumer lending continues to grow strongly

- Rapid profit growth
- Settled loan volumes above pcg



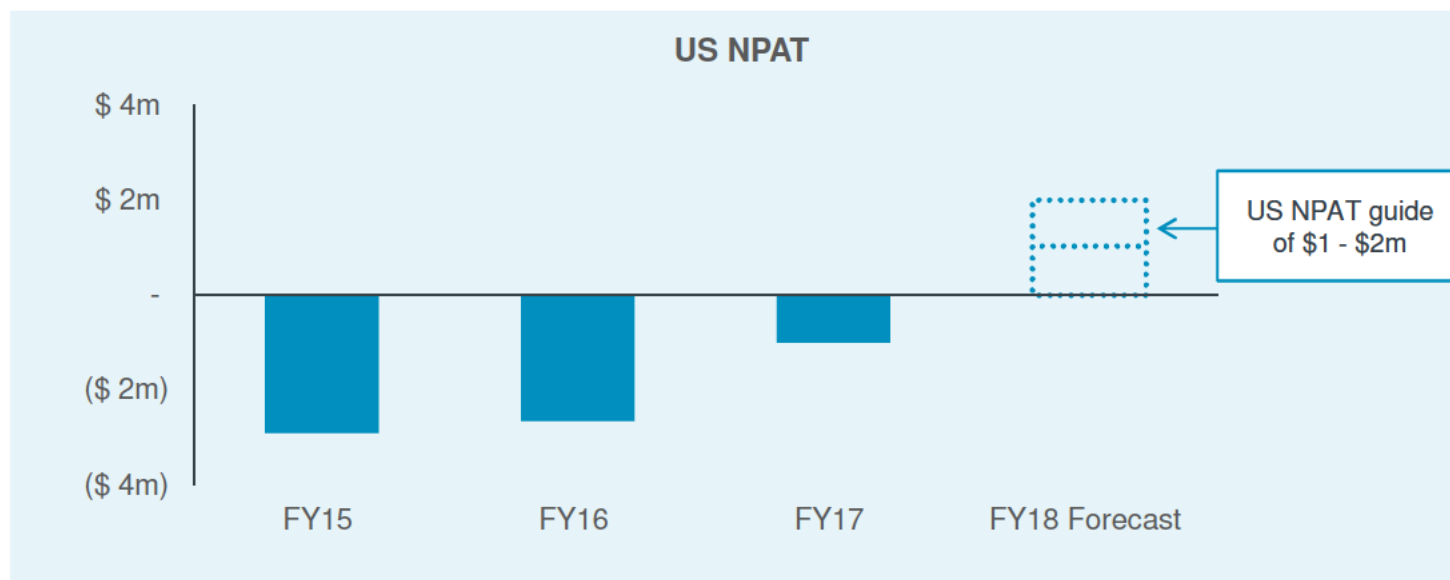
Product superiority critical to Lending success

- Pricing below the cap applicable to mainstream lending
 - Free of supplier / marketing restrictions applicable to competing products
 - Access to efficient conventional funding
 - High rates of retention and referral
- Integration economics are a sustainable barrier
 - Leverage common overhead and technology
 - Analytics and consumer understanding
 - Efficient and effective collections platform
 - Low cost of offshoring
- New products in pilot have the same sustainable positioning and integration economics



US is now delivering earnings growth...

- FY17 labour productivity improved by 20% over the prior year
- Sustainable bank of payments established
 - Payment arrangements now 60% of collections
 - Litigation pipeline developed
- Automation initiatives set to produce further improvement



...and market conditions have improved...

- Reduced demand
 - Industry consolidation over the past 3 years
 - Major debt buyer placed into bankruptcy (SquareTwo) ¹
- Enlarged supply
 - Charge-off rates increased from 3.03% (Q2 2016) to 3.54% (Q2 2017) ²
- Competitors report improved returns
 - 15% price reduction in recent purchases reported by Encore ³
 - 9% reduction in prices implied from Encore purchasing multiples ⁴
 - Expectation of further price decreases as the supply of charge-offs grows ⁵
- Recent CCP purchases secured at pricing sufficient to meet hurdle return

1. "SquareTwo Financial Corp files for Chapter 11", <http://www.reuters.com/article/us-squaretwo-financial-bankruptcy-idUSKBN16R01M>

2. "Credit Cards - Charge-off and delinquency rates on loans and leases at commercial banks", US Federal Reserve, <https://www.federalreserve.gov/releases/chargeoff/chgallsa.htm>

3. Encore Capital Group (NASDAQ: ECPG) Q4 2016 earnings call transcript

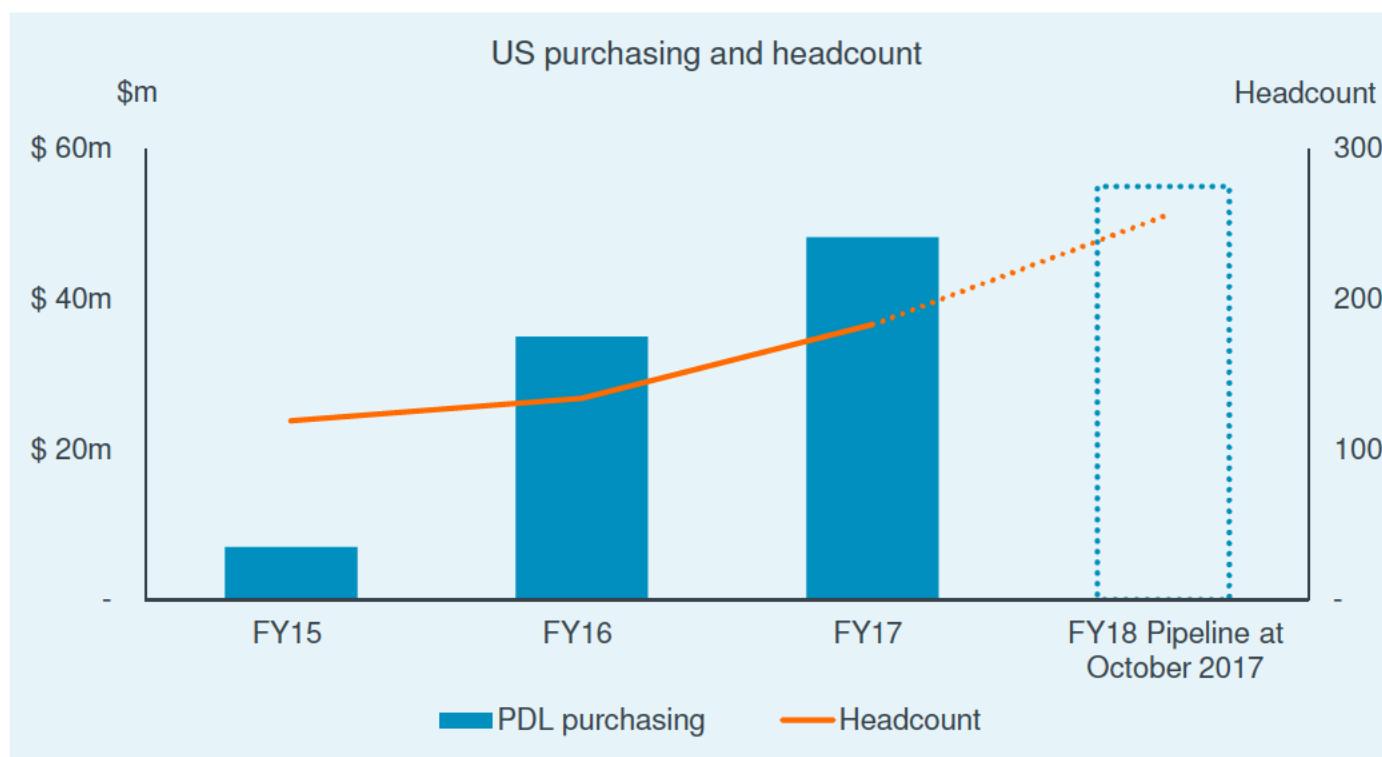
4. Portfolio Recovery Associates Group (NASDAQ: PRAA) Form 10-Q and Form 10-K for the periods ended 30 Jun 17 and 31 Dec 16

5. ECPG and PRAA Q2 2017 earnings call transcripts



...accelerating CCP's US expansion

- Collection headcount growing
- Purchasing from new issuers



Updated FY18 guidance

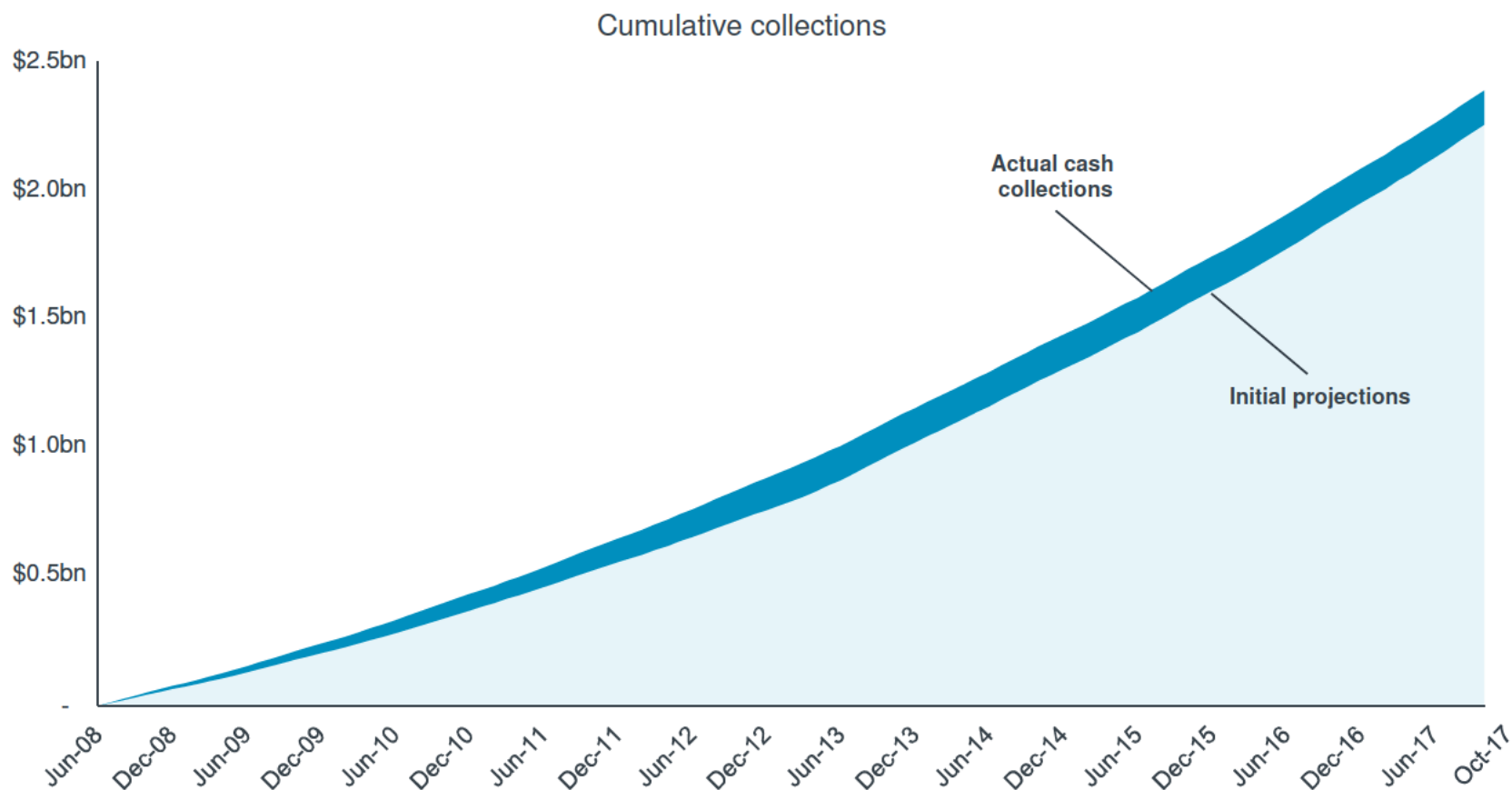
	Initial guidance Aug 2017	Upgraded guidance Nov 2017
PDL acquisitions	\$140 - \$170m	\$170 - \$190m
Net lending	\$35 - \$45m	\$35 - \$45m
NPAT	\$60 - \$63m	\$62 - \$64m
EPS (basic)	126 - 132 cents	130 - 134 cents

Appendix - Key operating metrics

Appendix 1 | Operational metrics - pricing discipline and accuracy

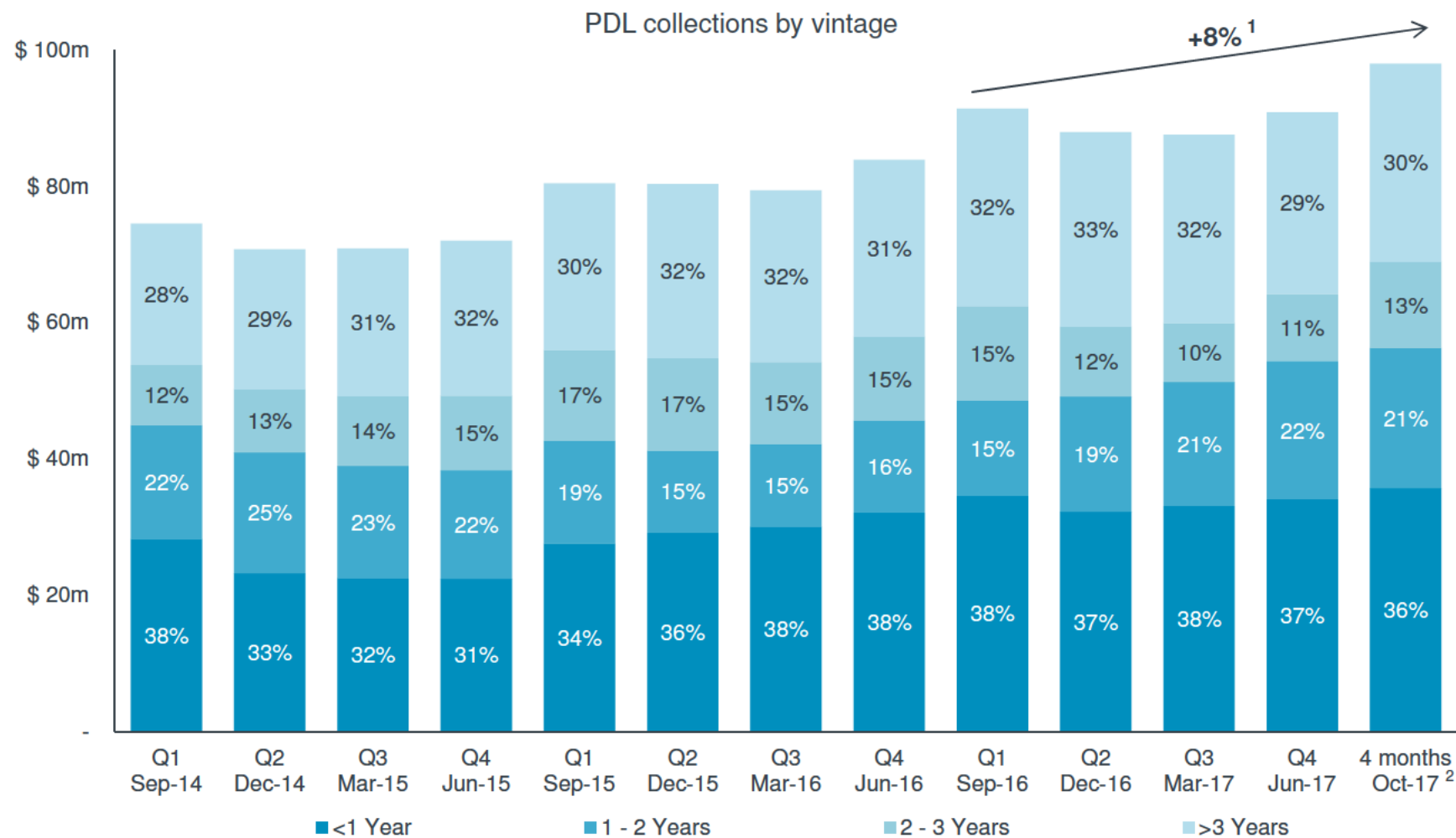


Credit Corp Group



* For all PDLs held at June 2008, initial projections represent the forecast at June 2008

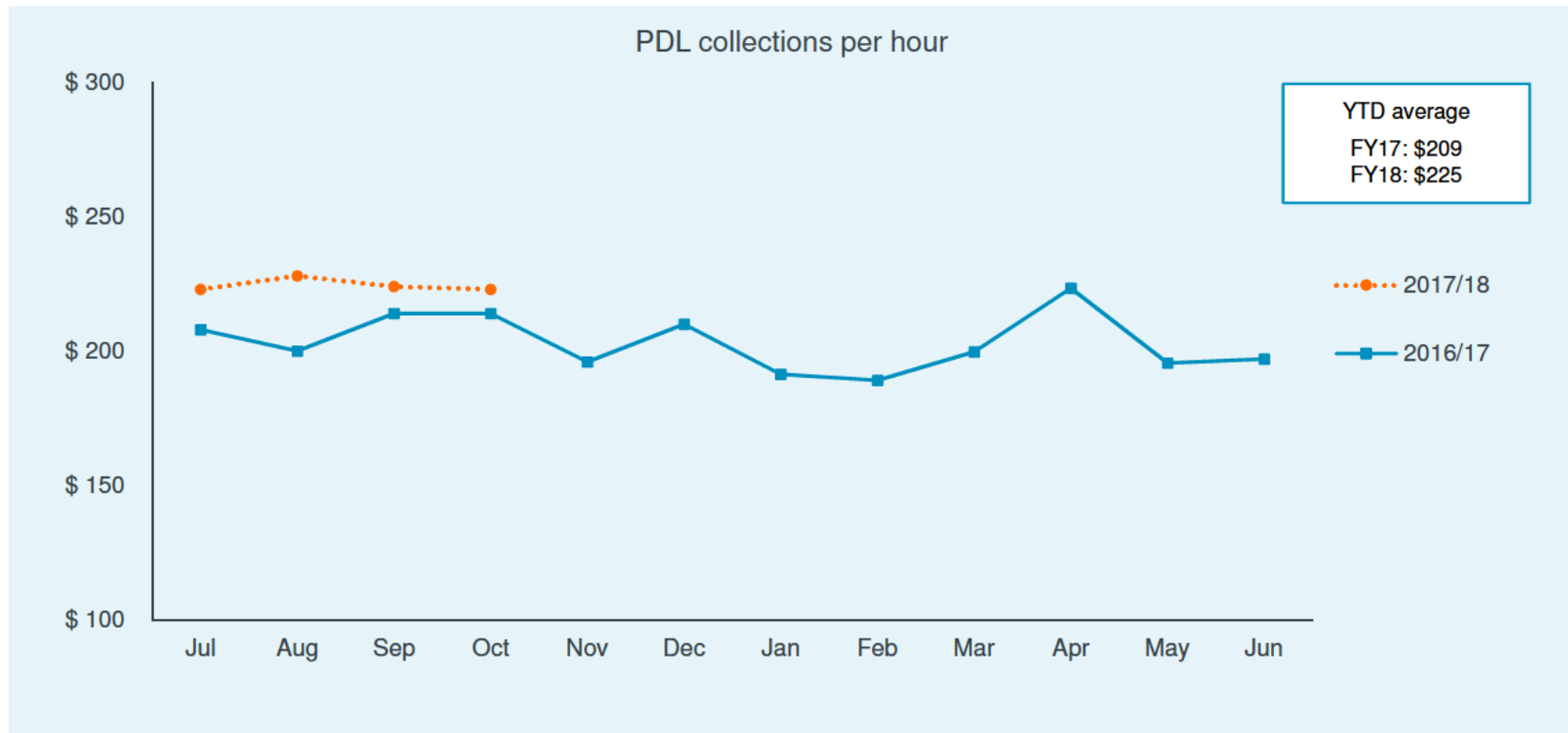
Appendix 2 | Operational metrics - collection life-cycle



1. 8% growth on pcp (YTD Oct FY18 vs. YTD Oct FY17)
2. Pro-rated to a quarterly average

Appendix 3 | Operational metrics - productivity

Debt purchase productivity (direct collection staff only)





Appendix 4 | Operational metrics - payers base

Total portfolio	Dec 15	Jun 16	Dec 16	Jun 17	Oct 17
Face value	\$5.1bn	\$5.3bn	\$5.7bn	\$5.8bn	\$5.9bn
Number of accounts	687,000	673,000	699,000	716,000	710,000
Payment arrangements					
Face value	\$1,099m	\$1,171m	\$1,235m	\$1,300m	\$1,300m
Number of accounts	139,000	147,000	151,000	157,000	157,000
% of PDL collections	76%	78%	77%	80%	76%