



Credit Corp Group

ANNUAL GENERAL MEETING

FY2022 PERFORMANCE UPDATE

Thomas Beregi, CEO

BUILDING
MOMENTUM

Continued leadership in the credit-impaired consumer segment ...

ANALYTICS & DISCIPLINE

Australian / NZ debt buying

- Largest database
- History of pricing accuracy
- Purchasing levels vary inversely with pricing

US debt buying

- Adapted knowledge to US environment
- Large market opportunity
- Diversified purchasing across major sellers

Australian / NZ lending

- Leverage knowledge of consumer
- Up-front loss provisioning
- Analytical monitoring
- Unique statistical underwriting

OPERATIONAL EXCELLENCE

- Highest asset turnover ¹
- Lowest cost to collect ²
- High performing on-shore and off-shore platforms
- Leading technology and use of data

- Significant growth in productive capacity with opening of second site
- Emphasis on payment arrangements and a lower proportion of litigated outcomes

- Automated decisioning
- Collection strength
- Unmatched efficiency

SUSTAINABILITY & COMPLIANCE

- No adverse orders or undertakings
- Low dispute rate
- \$1.5b in ongoing repayment arrangements

- Low regulator complaint rate
- Strong client audit outcomes

- APRs below cap applicable to mainstream credit
- Regulatory upside - no 'payday loans'
- Superior pricing disrupting the market

Target

Long-term growth

ROE 16% - 18%

Low gearing

1. FY2022 ratio of cash collections from PDLs to average PDL carrying value in Australian Debt Ledger Purchasing segment of 1.2x

2. FY2022 cash costs as a proportion of collections in the Australian Debt Ledger Purchasing segment of 35%

... has delivered a solid operational start to FY2022 ...



- Collections on track
 - Strong result despite limited investment
 - Improved productivity
 - Q12020 comparative demonstrates impact of Government stimulus on Q12021 result
- Operational capacity recovering
 - Return to more 'normal' labour market conditions in US

Consolidated debt buying



	Q1 FY2022	Δ Q1 2021 ¹	Δ Q1 2020 ¹
Collections	\$130m	(3%)	20%
Productivity	\$323 per hour	8%	27%
Operations headcount ²	1,249	(3%)	(2%)
Payers book ²	\$1,764m	10%	21%

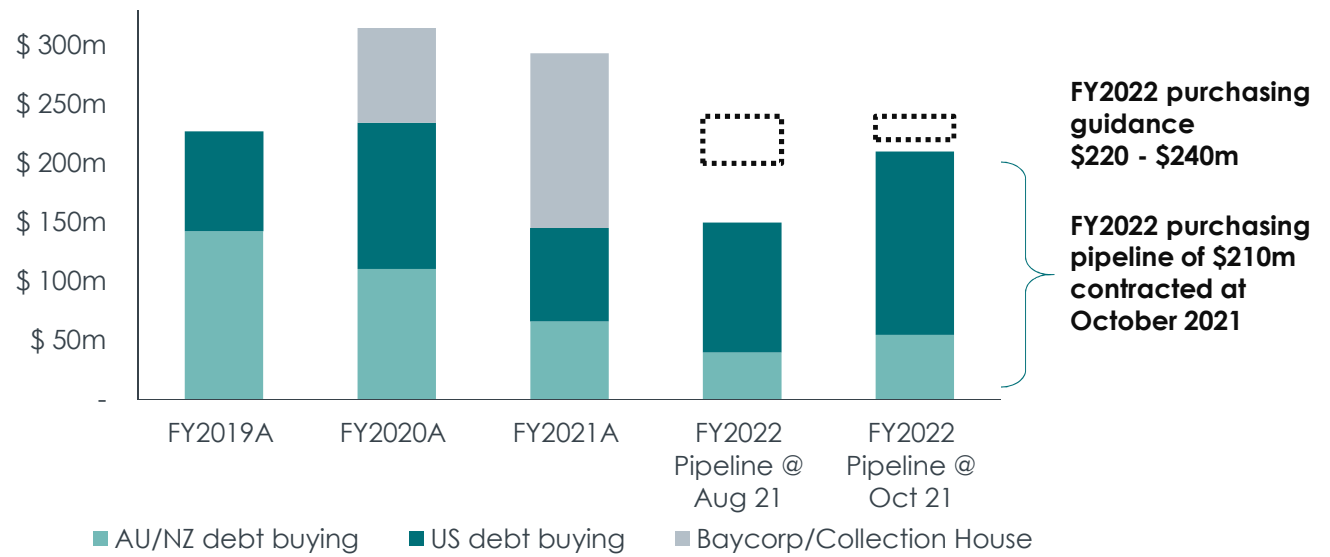
1. Previous period comparatives restated for constant currency

2. As at September 2021

... and a growing purchasing outlook ...

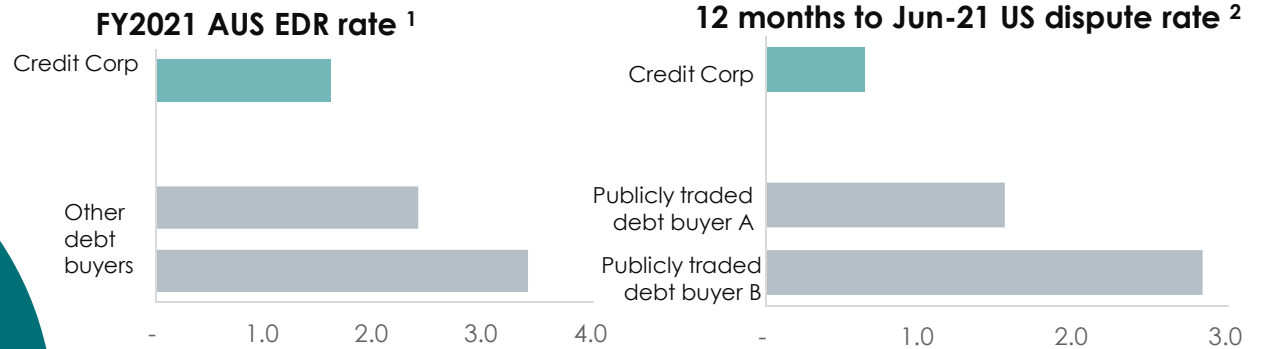
- Increased share in all markets offset by subdued PDL supply
- Opportunity to accelerate purchasing as supply recovers

PDL INVESTMENT

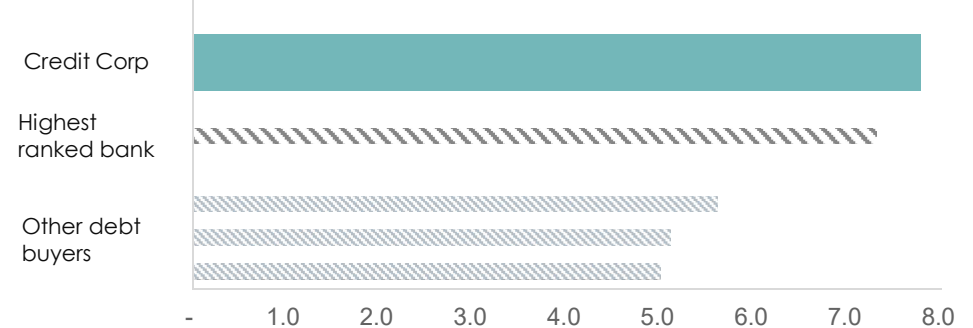


... supported by industry leading compliance metrics ...

- Continued industry leadership
 - Lowest EDR rate in AU ¹ and low US dispute rate ²
 - Highest rating from consumer stakeholders
 - No regulatory actions
- Leading approach to hardship
- Compliance and sustainability critical in present conditions



Rating of banks & debt buyers by financial counsellors in 2019 ³ (score out of 10)



1. No. of complaints reported by External Dispute Resolution (EDR) provider (The Australian Financial Complaints Authority) for the 12 month period to Jun-21 divided by total annual PDL collections expressed in millions of dollars

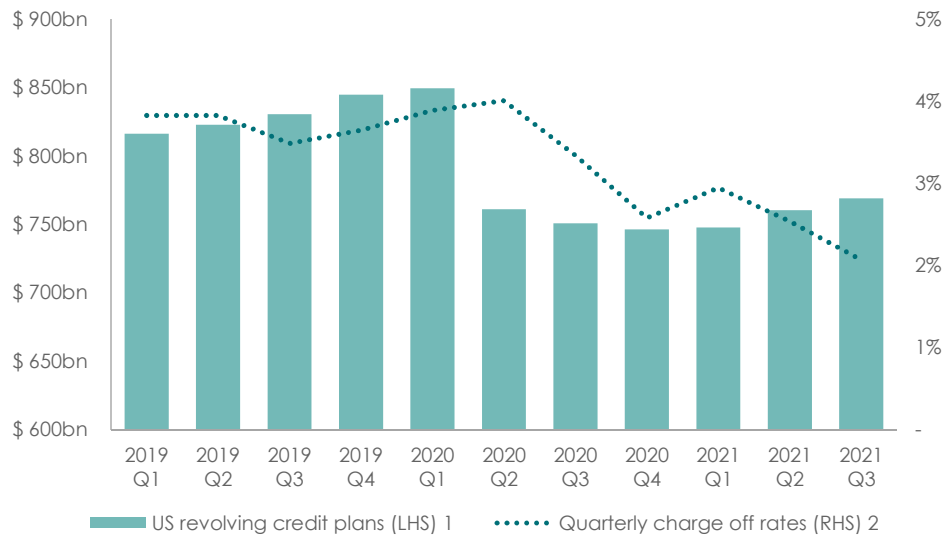
2. Complaint metrics from Consumer Financial Protection Bureau (CFPB) database for the 12 months to Jun-2021 divided by reported collections
https://www.consumerfinance.gov/data-research/consumer-complaints/search/?from=0&searchField=all&searchText=&size=25&sort=created_date_desc

3. Financial Counselling Australia: Rank the banks and other creditors survey 2019 - Rating of response to consumer hardship, July 2020, pages 7 and 19

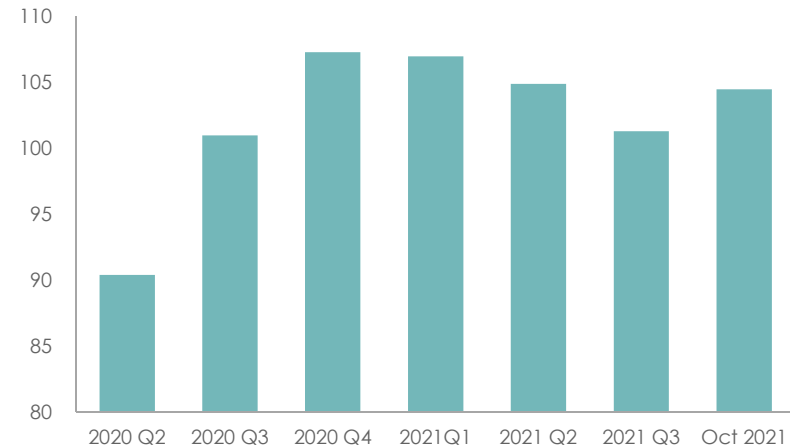
... with the potential for additional growth as PDL supply recovers ...

- Strong US credit growth should see charge-off rates increase in medium-term
- Lockdowns and restrictions in Aus have suppressed unsecured credit use but consumer credit card usage is increasing as restrictions ease

US REVOLVING CREDIT MARKET



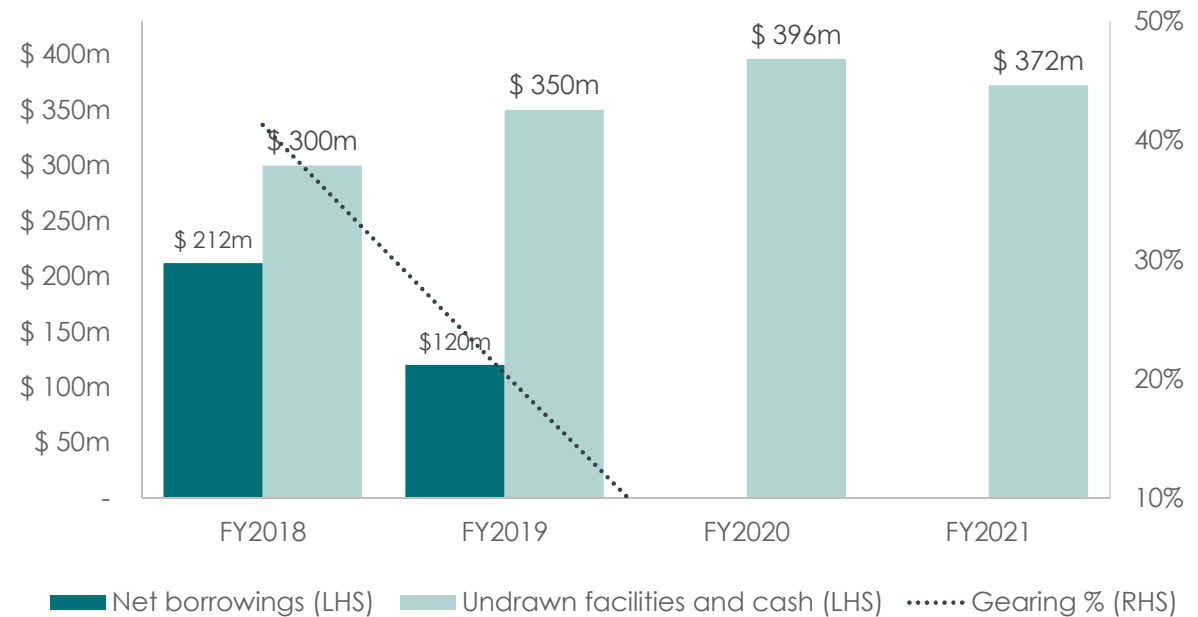
AUS CREDIT CARD USAGE INDEXED TO PRE-COVID COMPARATIVE PERIOD ³



1. Total Revolving Credit Outstanding, Federal Reserve Economic Data (<https://fred.stlouisfed.org/graph/?g=KHD>)
 2. Charge-Off Rate on Credit Card Loans, All Commercial Banks, Federal Reserve Economic Data (<https://fred.stlouisfed.org/series/CORCCACBN>)
 3. Westpac card tracker 21 October 2021 <https://westpac.westpac.com.au/Article/50050> indexed to same period in 2019

... and the capital to seize opportunities as conditions change

FACILITY HEADROOM AND GEARING

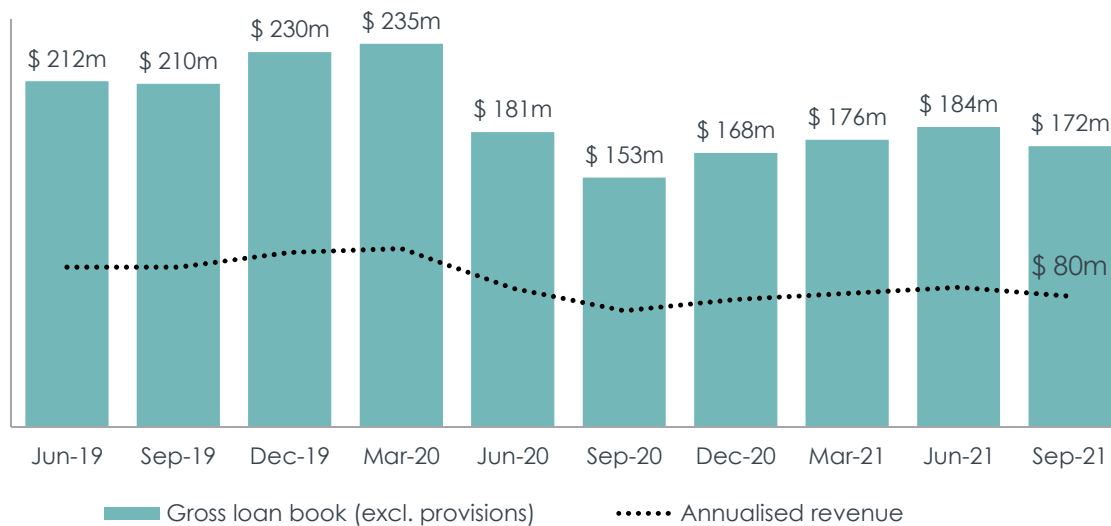


- Capital position critical to securing opportunities like the Collection House PDL acquisition
- Strong position to maximise investment as PDL supply recovers

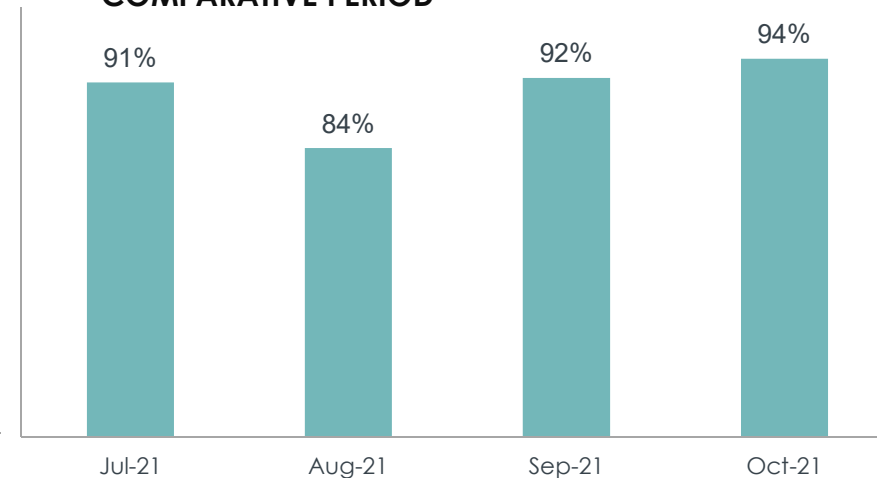
Lending impacted by lockdowns, but recovering strongly

- Loan book run off during Q1 FY2022
- Strong recovery as lockdown eased in NSW/VIC
- Advertising in place to drive volume over the upcoming seasonal peak

CONSUMER LENDING BOOK AND REVENUE






LENDING VOLUMES INDEXED TO PRE-COVID COMPARATIVE PERIOD ¹



1. All months indexed against 2019, as 2020 was COVID-impacted

New product development on track, including US commencement

US Consumer Lending	<ul style="list-style-type: none"> ▪ Pilot underway ▪ Wallet Wizard branded loan ▪ Pilot commenced in one state, expanding to 7 over coming months (population: 50 million) 	
Auto Lending	<p>Product relaunched in Q4 FY2021</p> <ul style="list-style-type: none"> ▪ Record monthly volumes ▪ Strong broker take-up 	
Buy Now Pay Later	<p>Pilot commenced</p> <ul style="list-style-type: none"> ▪ 250 merchants operational ▪ Encouraging new customer acquisition 	

Refined guidance reflects strong investment pipeline

	FY2022 initial guidance	FY2022 revised guidance
Ledger investment	\$200 - \$240 million	\$220 - \$240 million
Net lending	\$45 - \$55 million	\$45 - \$55 million
NPAT	\$85 - \$95 million	\$85 - \$95 million
EPS (basic)	126 - 141 cents	126 - 141 cents



Credit Corp Group

Appendices: Key Operating Metrics

Appendix 1: Pricing discipline and accuracy

Appendix 2: Collections life cycle

Appendix 3: Productivity

Appendix 4: Operational metrics

Appendix 5: Payers base

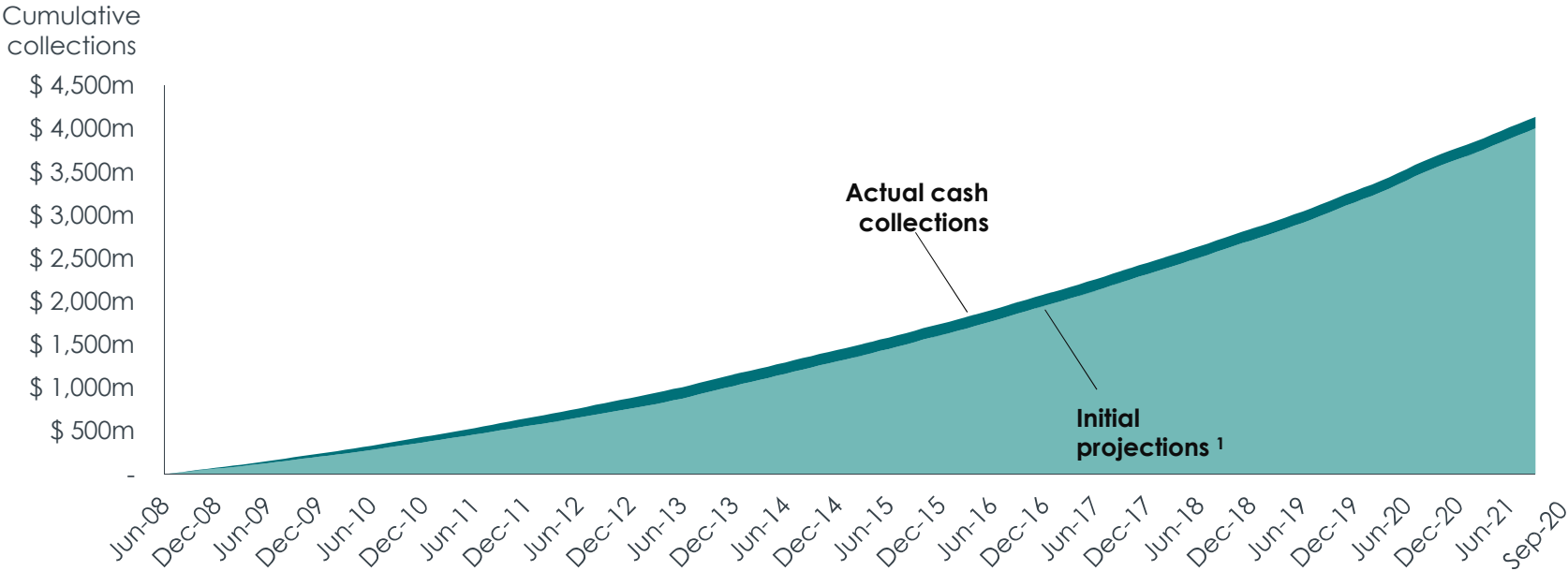
Appendix 6: Operational and total headcount

APPENDIX 1

Pricing discipline and accuracy



PRICING DISCIPLINE AND ACCURACY

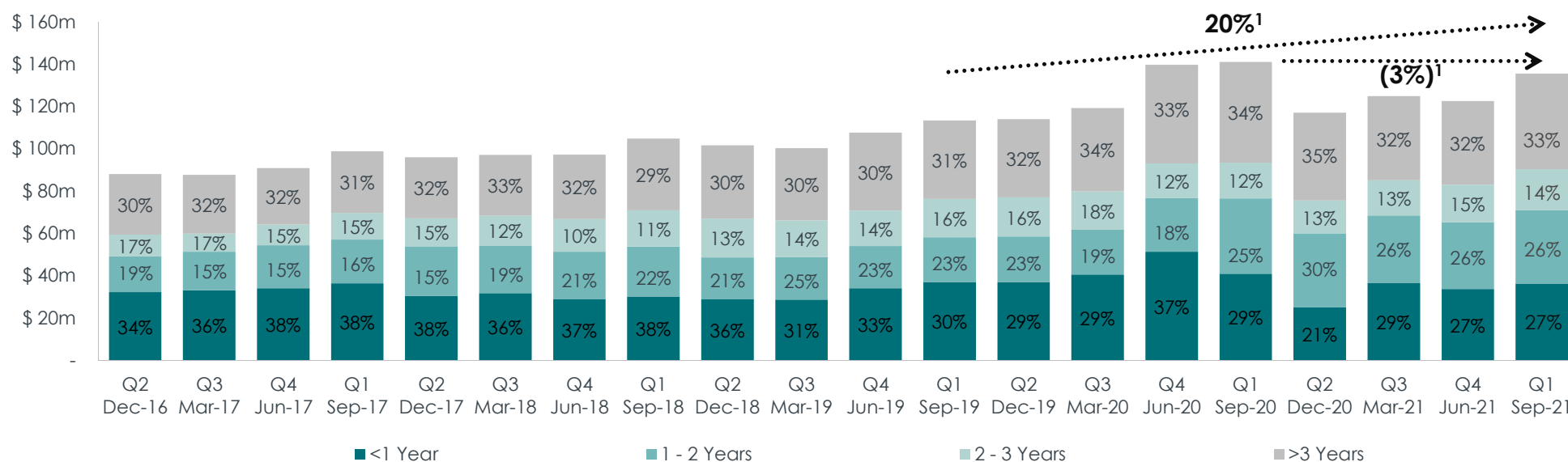


1. For all PDLs held at June 2008, initial projections represent the forecast at June 2008

APPENDIX 2

Collections life cycle

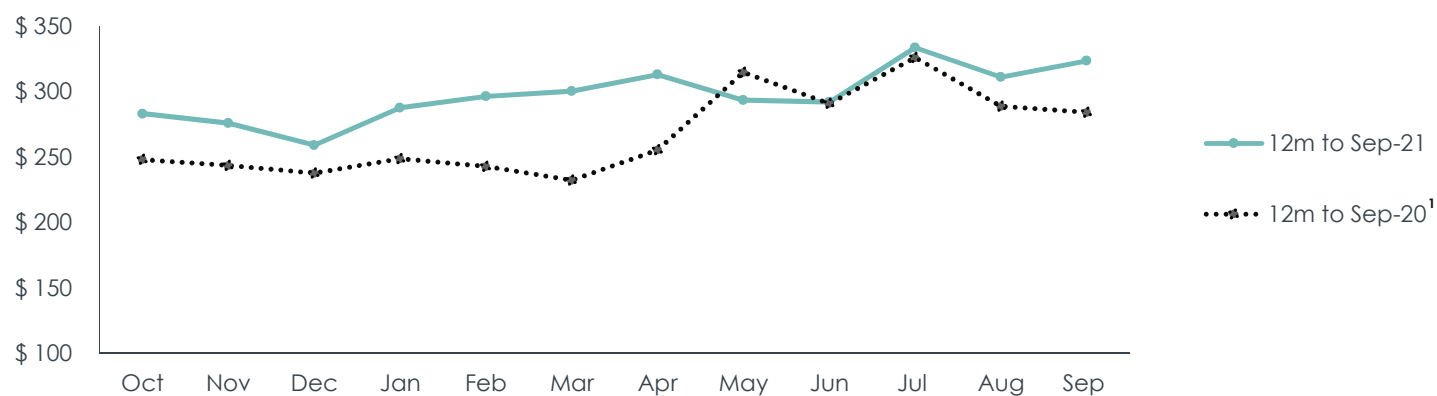
PDL COLLECTIONS BY VINTAGE



1. Prior years restated for FY2022 YTD average exchange rate

APPENDIX 3 Productivity

PDL COLLECTIONS PER HOUR



YTD Oct -2021 average

FY2022: \$323

FY2021: \$300

1. Prior year restated for Q1 FY2022 YTD average exchange rate

APPENDIX 4

Operational Metrics

AU/NZ debt buying



	Q1 FY2022	Δ Q1 2021 ¹	Δ Q1 2020 ¹
Collections	\$93m	(7%)	11%
Productivity	\$315 per hour	-	13%
Operations headcount ²	911	(1%)	4%
Payers book ²	\$1,512m	10%	18%

US debt buying



	Q1 FY2022	Δ Q1 2021 ¹	Δ Q1 2020 ¹
Collections	\$37m	6%	48%
Productivity	\$342 per hour	24%	76%
Operations headcount ²	338	(8%)	(14%)
Payers book ²	\$252m	10%	49%

1. Prior year collections adjusted for the Q1 2022 average exchange rate

2. As at September 2021

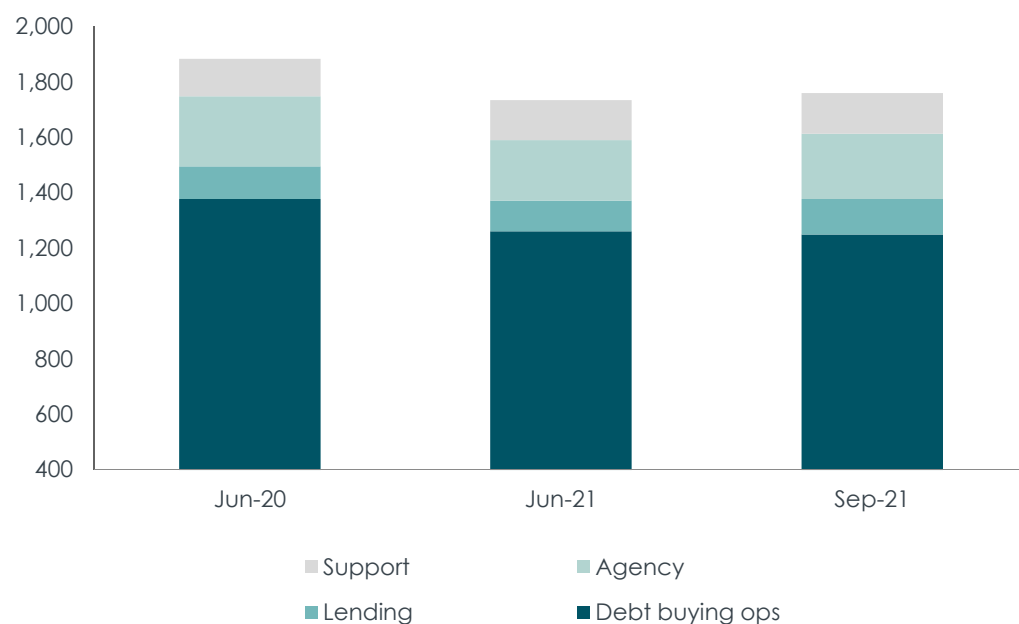
PORTFOLIO SUMMARY: AU/NZ DEBT BUYING ONLY

Total portfolio	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Sep-21
Face value	\$6.0b	\$6.2b	\$6.4b	\$7.8b	\$7.7b	\$8.6b	\$8.5b	\$8.2b
Number of accounts	710,000	753,000	786,000	1,268,000	1,193,000	1,392,000	1,326,000	1,276,000
Payment arrangements								
Face value	\$1,300m	\$1,300m	\$1,300m	\$1,400m	\$1,350m	\$1,550m	\$1,600m	\$1,510m
Number of accounts	157,000	154,000	157,000	200,000	195,000	219,000	217,000	213,000
% of PDL collections	81%	79%	78%	81%	73%	82%	83%	84%

APPENDIX 6

Operational and total headcount

PERIOD END HEADCOUNT (FTE)



PERIOD END HEADCOUNT (FTE)

	Jun-20	Jun-21	Sep-21
Debt buying operations	1,378	1,261	1,249
Agency	251	218	235
Lending	118	111	129
Support	135	143	146
Total	1,882	1,733	1,759
Support %	7%	8%	8%