

FY15 April Update

30 April 2015

Thomas Beregi, CEO
Michael Eadie, CFO

Leveraging our leadership in the credit-impaired consumer segment

Core Australian debt buying business



- Largest participant in market
- CAGR in NPAT of 26% over the 5 years to FY14
- Generating acceptable returns with limited gearing

Leverage strengths to expand into high opportunity markets



Credit-impaired consumer lending

- Apply our experience with credit-impaired consumers
- Sustainable and affordable products
- Segment not serviced by mainstream credit issuers



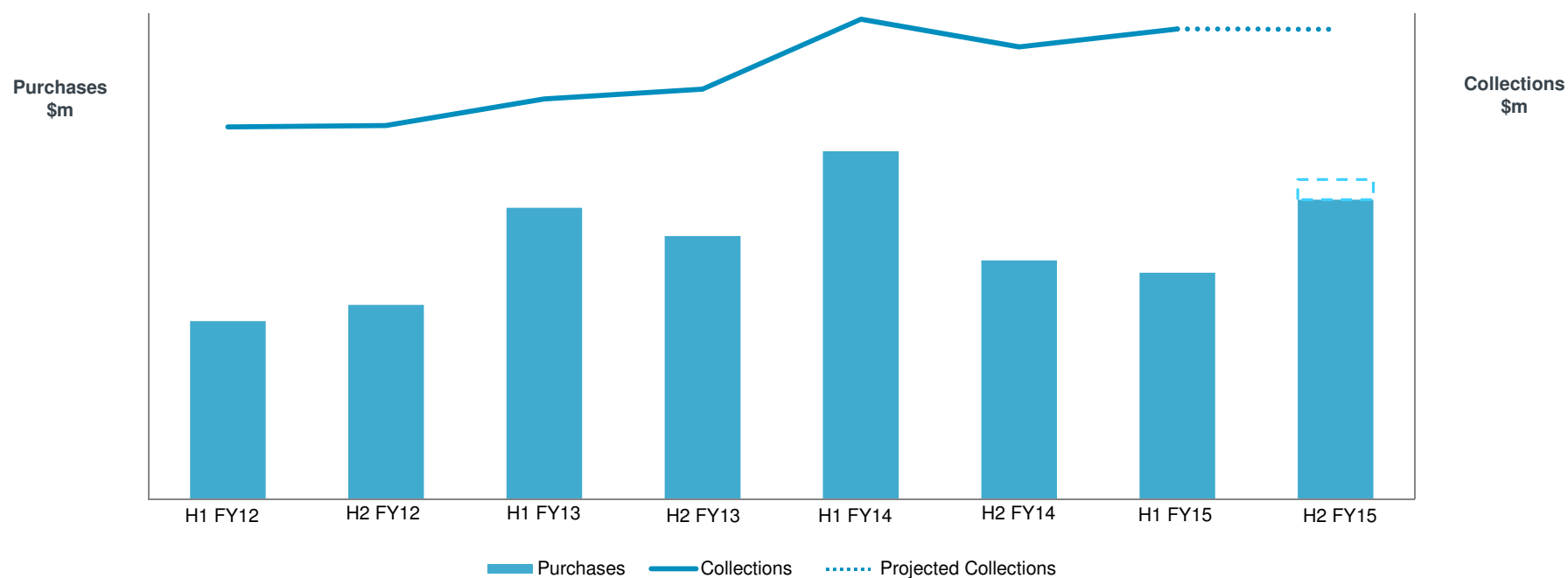
US debt buying

- Much larger than the Australian market
- Apply our strengths as the US market transitions



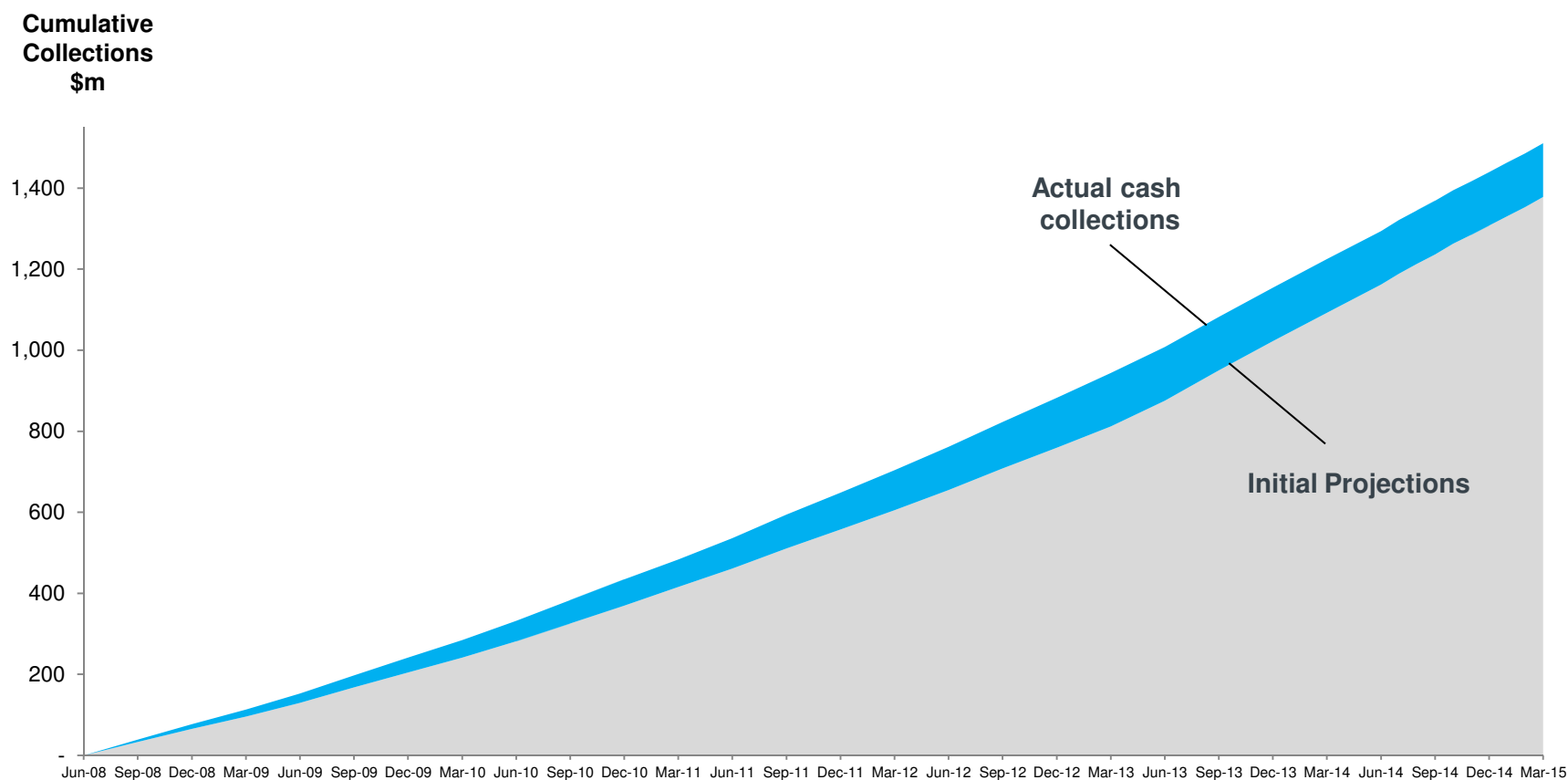
Core business continues to deliver despite a period of reduced purchasing

- Operational metrics maintained
- Collections on track to emulate the FY14 record
- Improved purchasing over H2





Operational metrics maintained – pricing discipline and accuracy

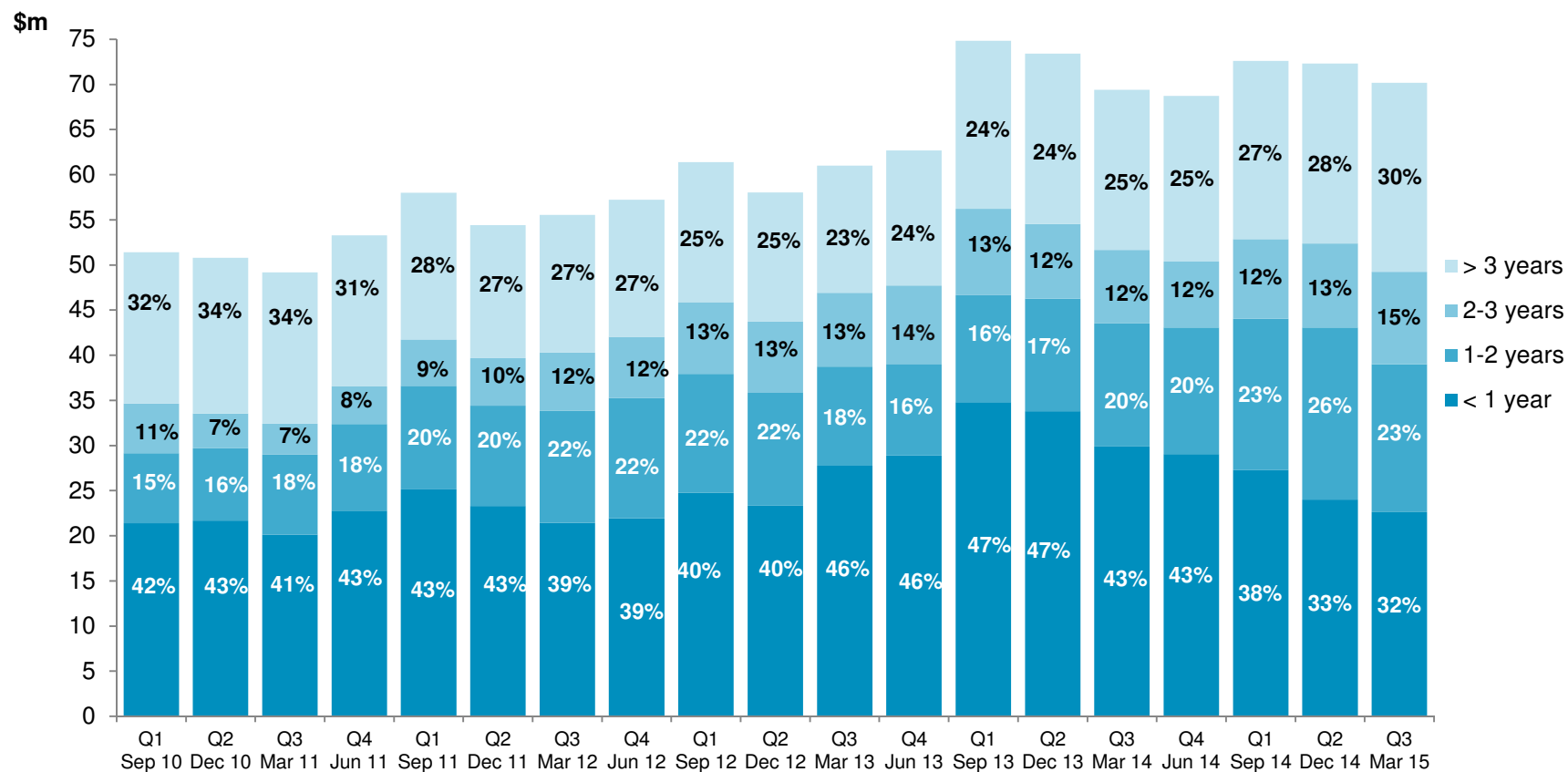


Note: For all PDLs held at June 2008, initial projections represent the forecast at June 2008



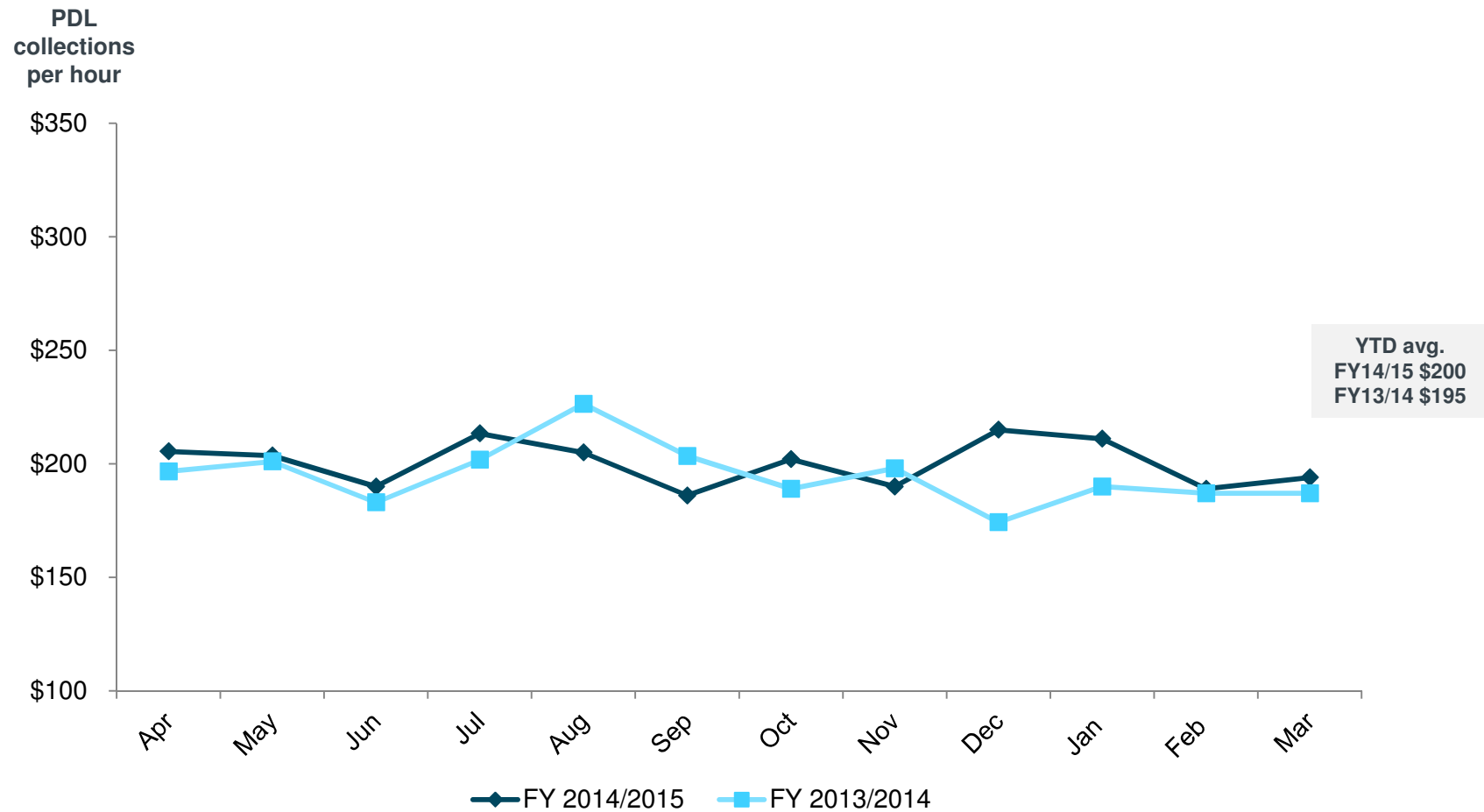
Operational metrics maintained – collection life-cycle

PDL collections by date of purchase



Operational metrics maintained - productivity

Debt purchase productivity (direct collection staff only)



Operational metrics maintained – payers base

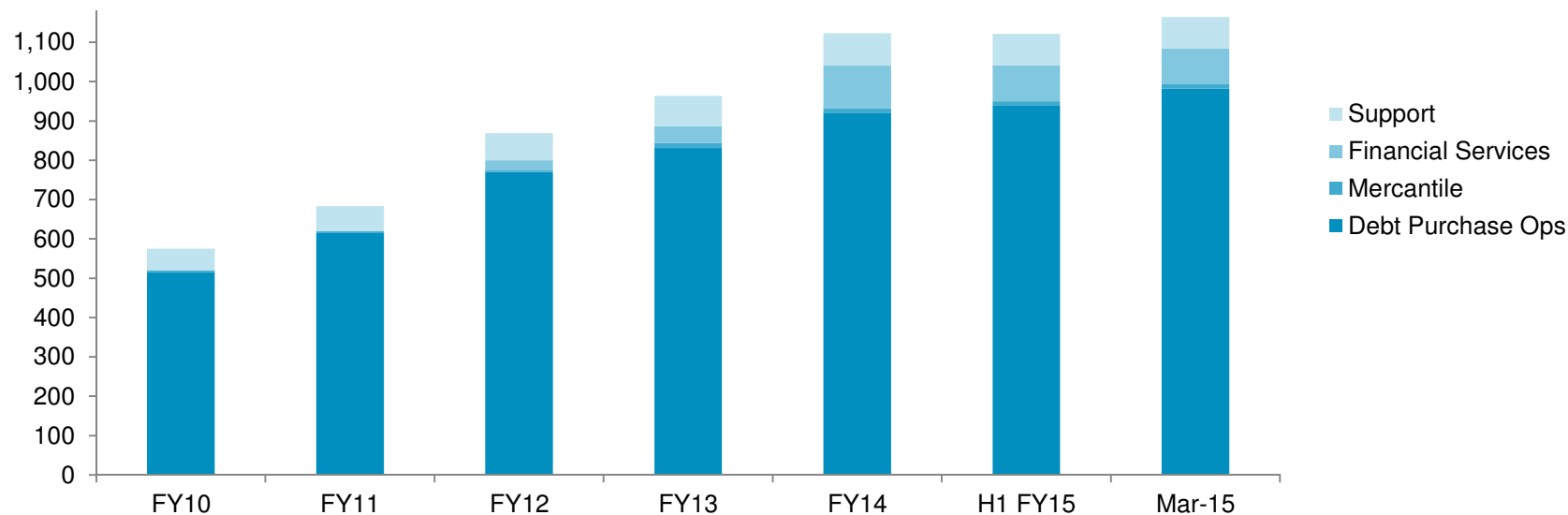
Total Portfolio	Mar 15	Dec 14	Jun 14	Dec 13	Jun 13	Dec 12
Face value	\$4.8bn	\$4.8bn	\$4.7bn	\$4.5bn	\$4.0bn	\$3.8bn
Number of accounts	679,000	698,000	744,000	759,000	711,000	650,000

Payment arrangements						
Face value	\$995m	\$963m	\$909m	\$791m	\$742m	\$666m
Number of accounts	129,000	125,000	120,000	111,000	106,000	98,000
% of PDL collections	73%	73%	73%	71%	72%	72%



Operational headcount to drive future collections

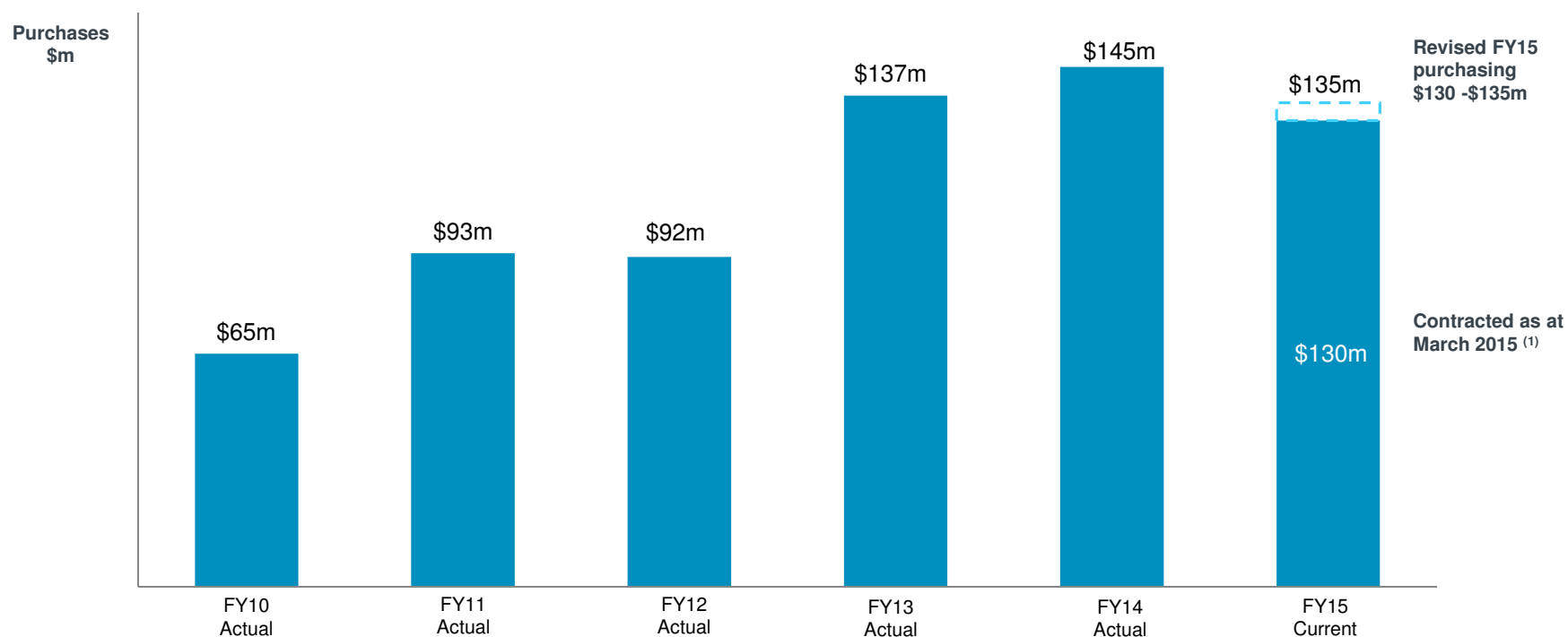
Period end headcount (FTE)



Function	FY10	FY11	FY12	FY13	FY14	H1 FY15	Mar 15
Debt Purchase Ops	516	615	770	831	919	938	982
Mercantile	4	4	4	13	12	12	12
Financial Services	-	-	26	43	109	91	90
Support	55	64	69	77	82	80	80
Total	575	683	869	964	1,122	1,121	1,164
Financial Services %	-	-	3%	4%	10%	8%	8%
Support %	10%	9%	8%	8%	7%	7%	7%

PDL purchasing improved during the year

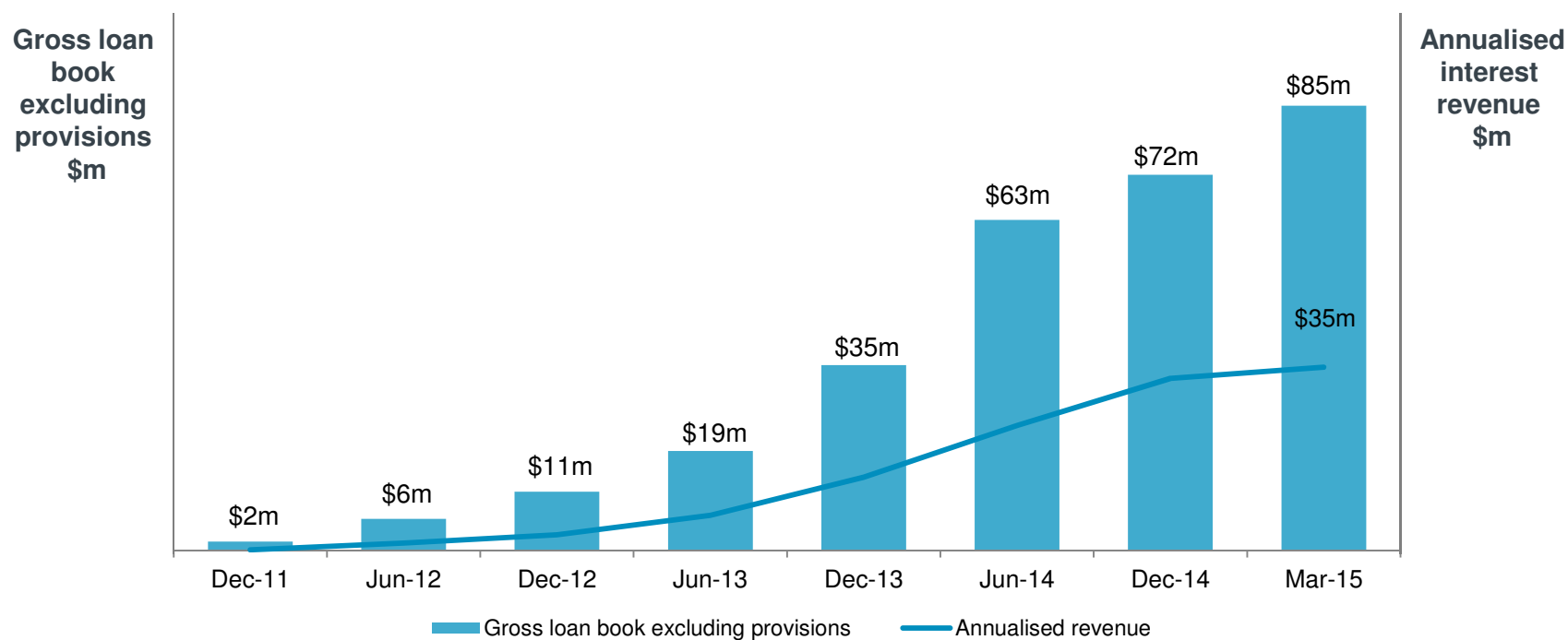
- Price growth has moderated
- Expiring forward flows renewed and additional volumes secured
- Purchases projected to achieve hurdle return



(1): Includes US purchases. Prior year comparative \$135m.

Consumer lending book growing more rapidly...

- Relatively modest growth during H1
- Annualised revenue of \$35m shows the significance of this business



...with the introduction of our new brand

Wallet Wizard

Sustainable online loans

- Merges our Small Amount Credit Contract (SACC) and Personal Loan (PL) products
 - Seamless graduation into lower cost finance
 - Supported by a fast automated decision engine
- National advertising campaign launched on 19 April
 - TVC featuring Wallet Wizard character
 - Digital advertising

The sustainable and responsible alternative



Sustainable online loans

- Not a payday lender
 - Loan amounts up to \$5,000
 - Minimum term of 4 months up to 3 years (avg. SACC 8 months, PL 2.4 years)
 - Lower rates and fees, substantially below legislated caps
 - No early repayment fees
 - Capped cost recovery late payment charges (waived on advance contact)
- Delivered responsibly
 - Robust financial capacity assessment
 - Verification of income and expenses
 - Compliant suitability assessment



US debt buying market remains in disequilibrium, despite improved outlook

- Supply conditions set to improve
 - Major credit issuers have indicated they will return to market
- Continued operational improvement
 - Telephone collection outcomes compare favourably to competitors
 - Satisfactory payment arrangement growth
 - Headcount maintained at circa 100 FTE
 - Pro-forma collections achieved on modest levels of purchasing
 - Ongoing effort to reduce collection costs

	Jan-15	Updated Apr-15
PDL acquisitions	\$120 - \$130m	\$130 - \$135m
Net lending	\$40 - \$50m	\$40 - \$50m
NPAT	\$36 - \$38m	\$37 - \$38m
EPS (basic)	78 - 83 cents	80 - 83 cents

Questions