

2014 Annual General Meeting

Performance Update

Thomas Beregi | *Chief Executive Officer*

Michael Eadie | *Chief Financial Officer*



Leveraging our leadership in the credit-impaired consumer segment Credit Corp Group

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



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

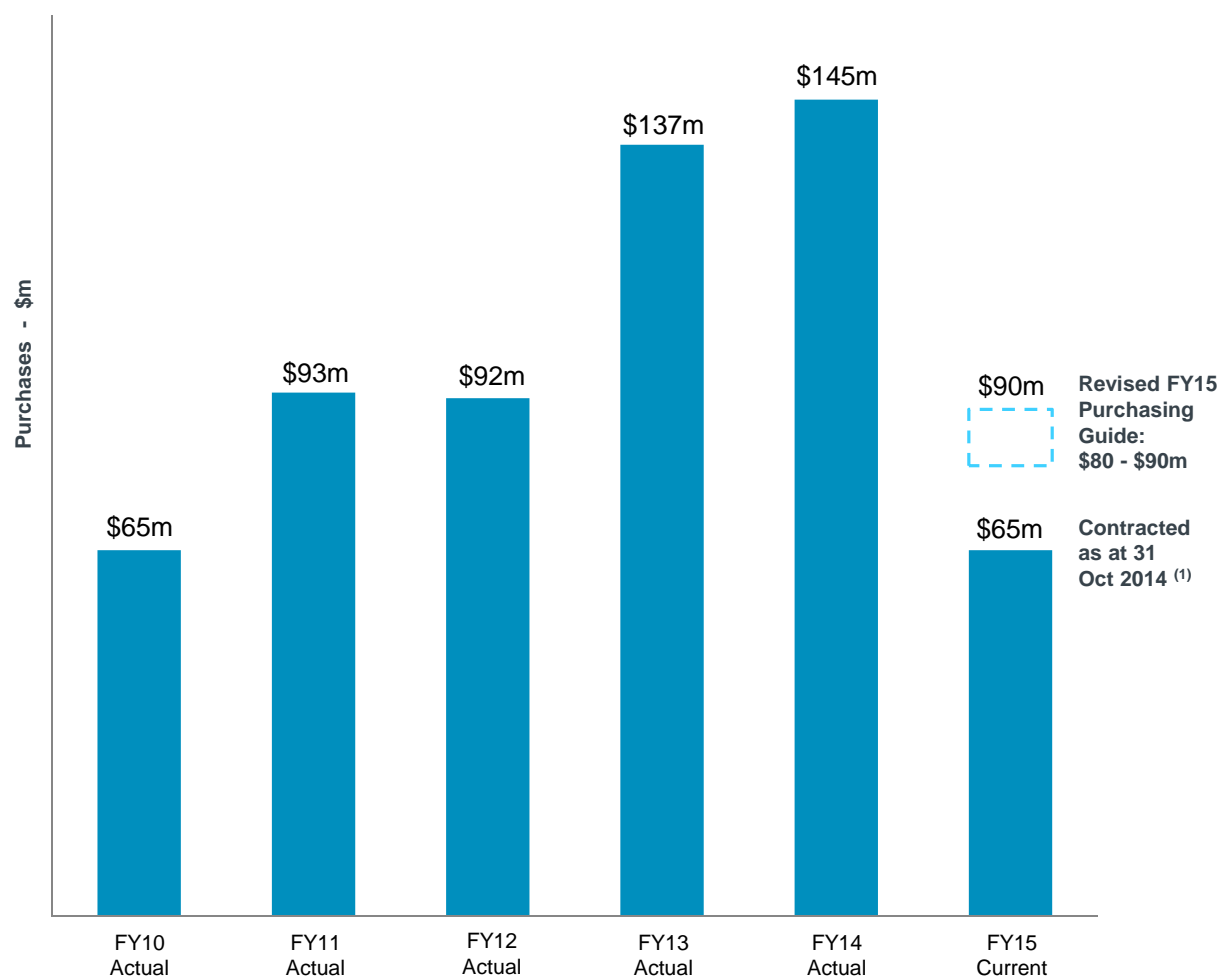
- Much larger than the Australian market
- Apply our strengths as the US market transitions

Solid start against ingoing expectations

Aug-14 Expectation	Nov-14 Update
<ul style="list-style-type: none"> PDL acquisitions to reduce from \$145m in FY14 to \$70 - \$90m in FY15 	<ul style="list-style-type: none"> On track for \$80 - \$90m in FY15
<ul style="list-style-type: none"> Net lending volumes of \$40 - \$50m in FY15 	<ul style="list-style-type: none"> Presently behind pro-rata requirement Volumes expected to rebound over the balance of the year
<ul style="list-style-type: none"> NPAT to increase from \$34.8m to \$36 - \$38m 	<ul style="list-style-type: none"> Operational metrics on track Lower loan loss provisioning in H1 but will reverse in H2

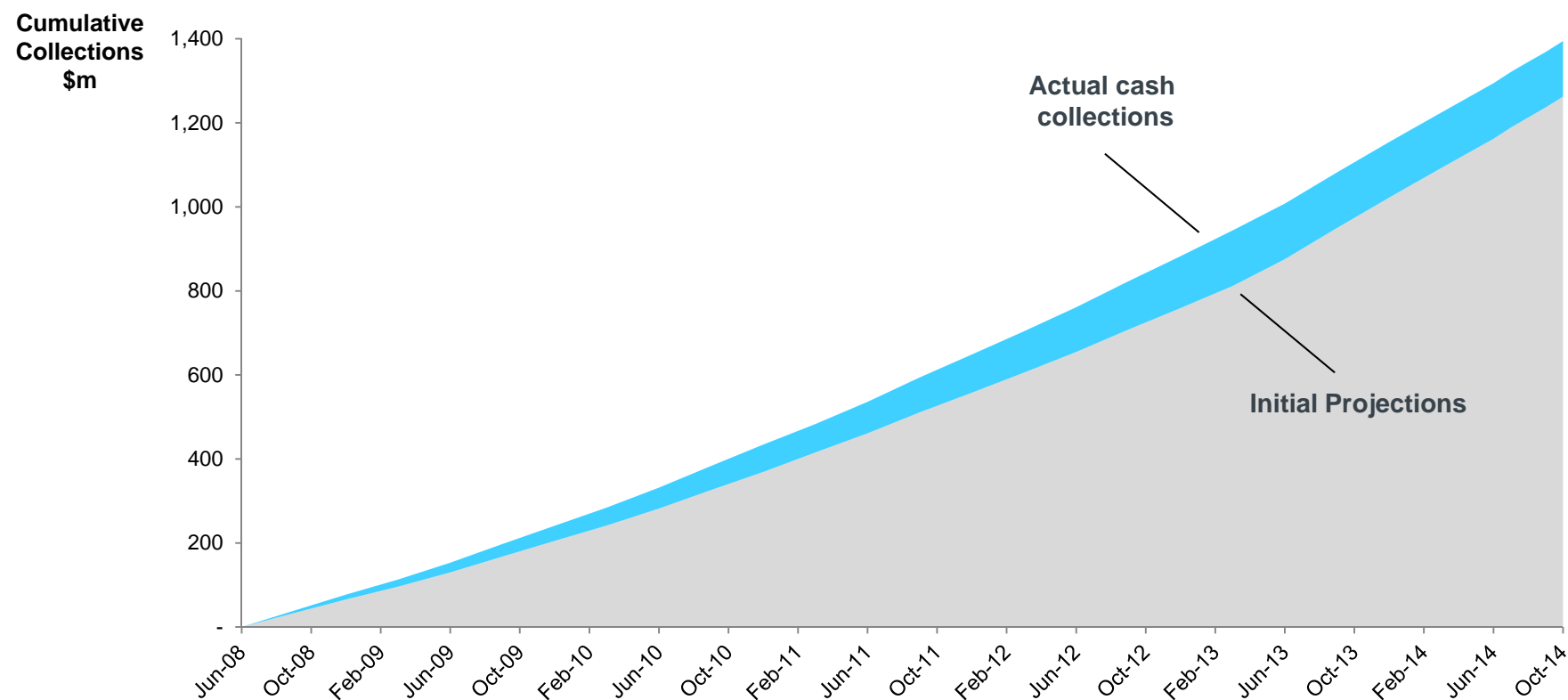
Improved purchasing outlook

- Recently expiring forward flows have been renewed
- Purchasing guidance has been refined towards the upper-end
- Market share remains lower than in FY14



(1): Includes US purchases; FY14 comparative \$95m.

Operational metrics maintained – return disciplines

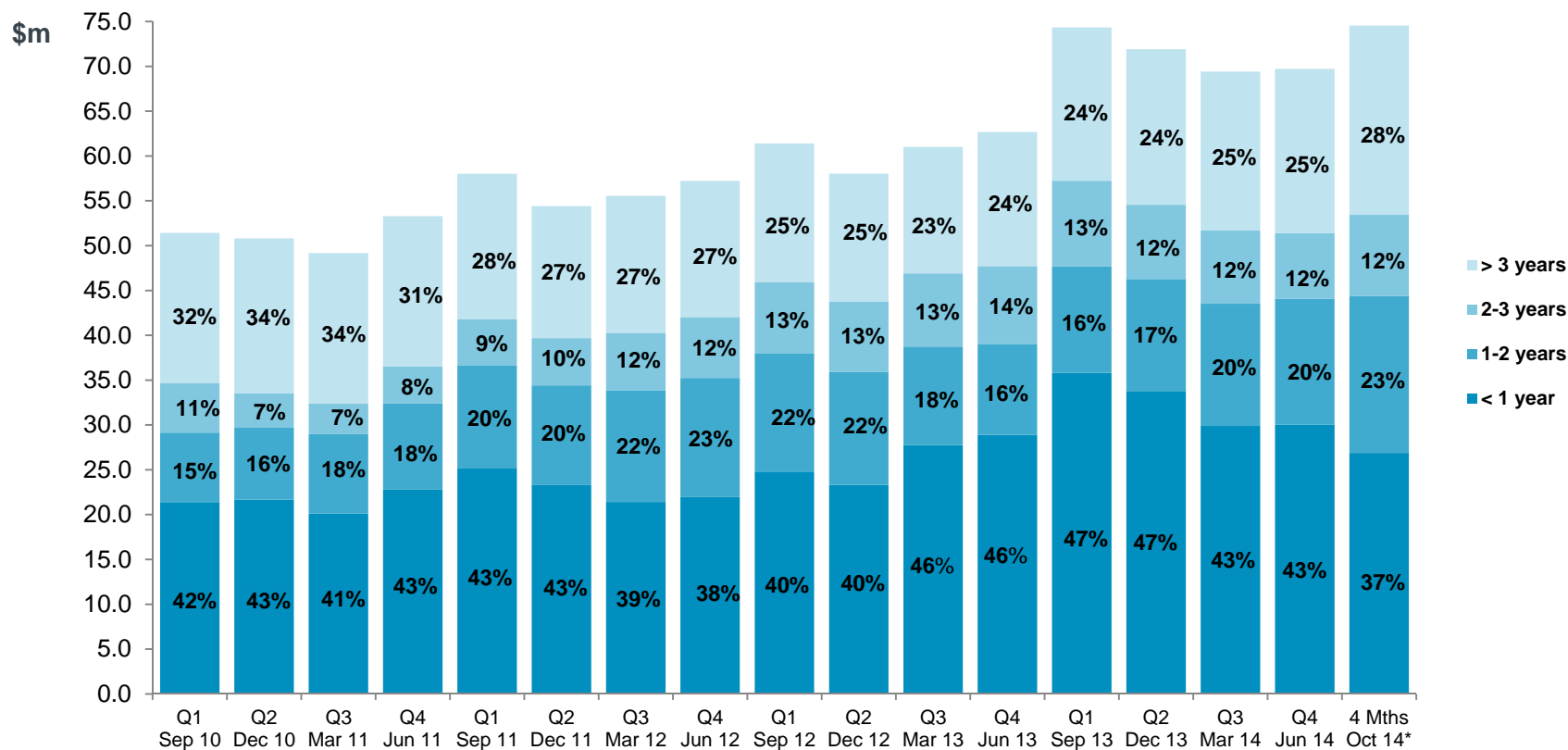


Note: For all PDLs held at June 2008, initial projections represent the forecast at June 2008



Operational metrics maintained - collection life-cycle

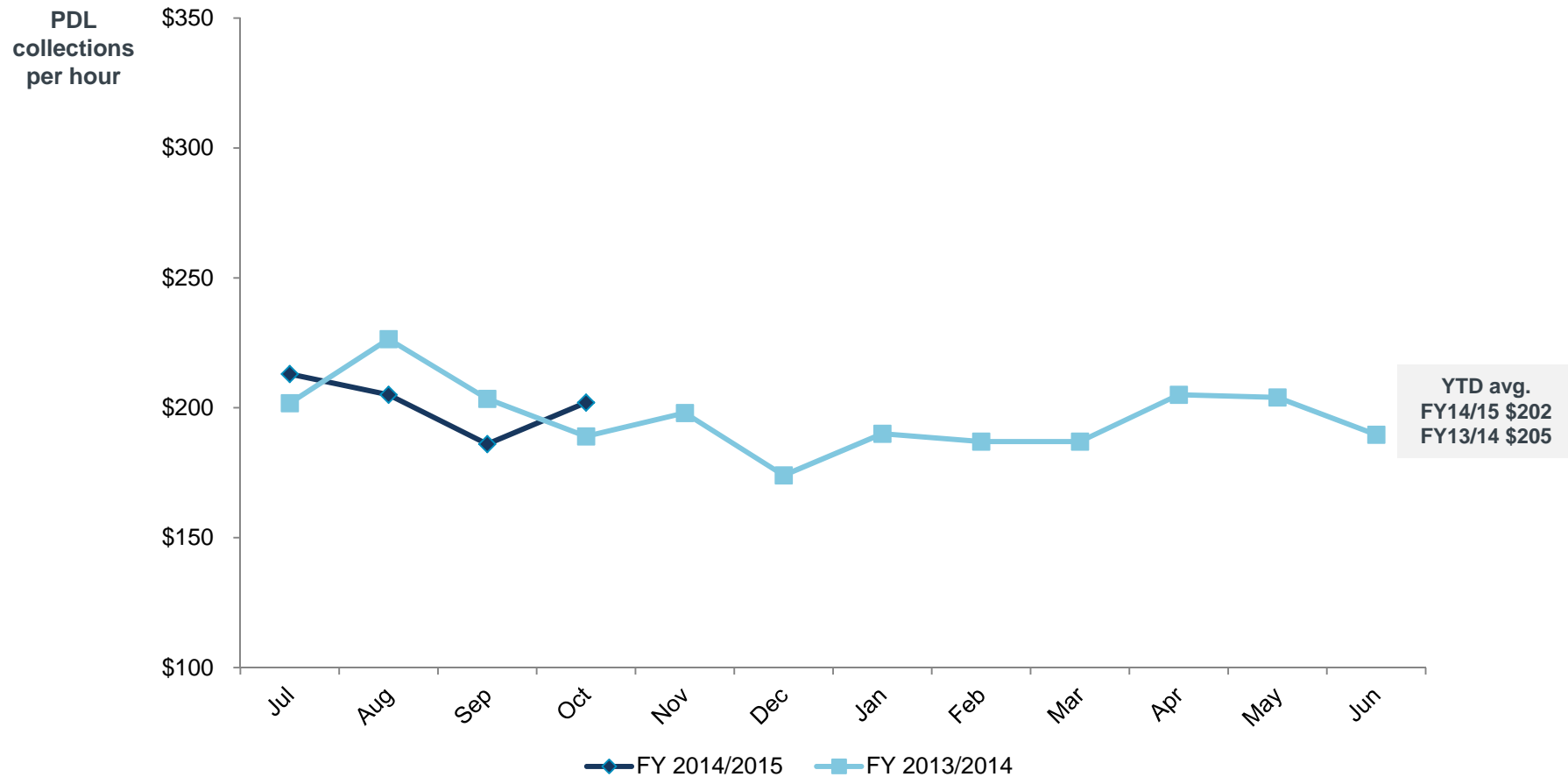
PDL collections by date of purchase



* Pro-rated to a quarterly average

Operational metrics maintained - productivity

Debt purchase productivity (direct collection staff only)



Operational metrics maintained – payers base

Total Portfolio	Oct 14	Jun 14	Dec 13	Jun 13	Dec 12	Jun 12
Face value	\$4.8bn	\$4.7bn	\$4.5bn	\$4.0bn	\$3.8bn	\$3.6bn
Number of accounts	711,000	744,000	759,000	711,000	650,000	598,000

Payment arrangements

Face value	\$943m	\$909m	\$791m	\$742m	\$666m	\$639m
Number of accounts	124,000	120,000	111,000	106,000	98,000	90,000
% of PDL collections	73%	73%	71%	72%	72%	71%

Continued leadership in compliance and respectful practice

- EDR complaints / \$ million collected ⁽¹⁾

	FY14	FY13
General	0.6	0.6
Credit reporting ⁽²⁾	0.6	0.5
Total	1.2	1.1

- Recognised leader in dealing with consumer hardship:
 - consulted directly by Treasury and ASIC
 - engaged to assist major creditors
 - five year long partnership with major financial counselling body
 - more than 120,000 customers making ongoing repayments pursuant to mutually-agreed hardship arrangements
- Never subject to a regulatory order or undertaking, despite being the longest established and largest debt buyer

(1): Number of complaints reported to External Dispute Resolution (EDR) services divided by total PDL collections expressed in millions of dollars.

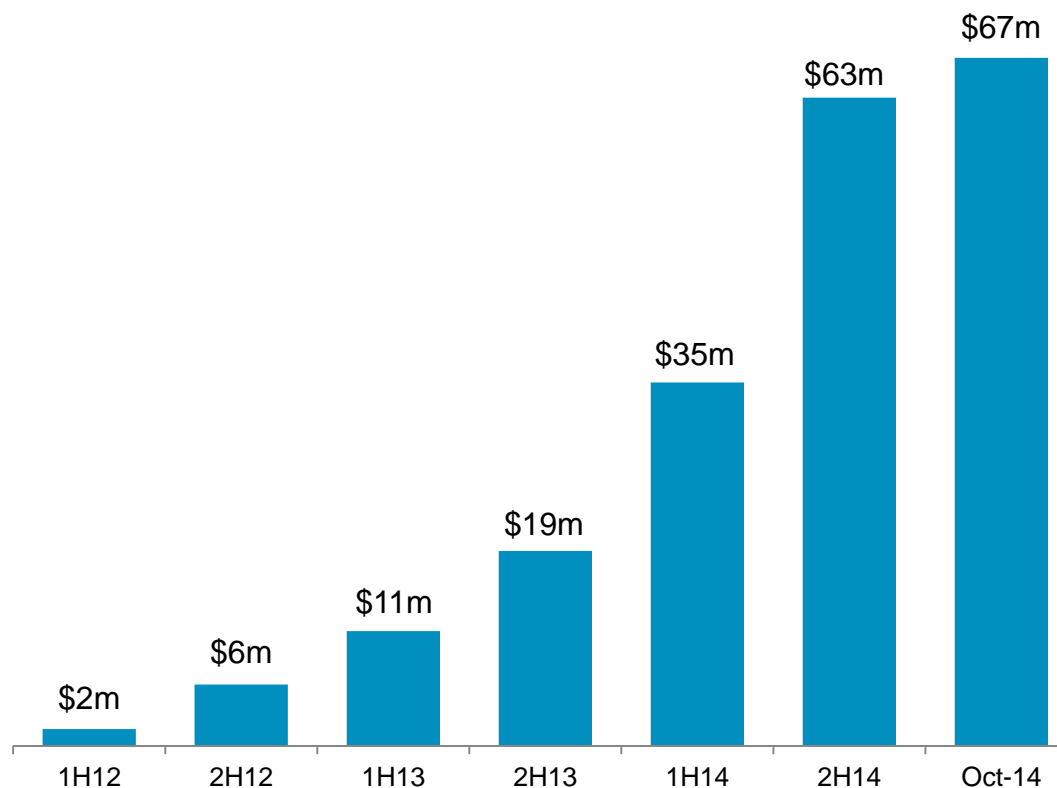
(2): Predominantly relate to credit listings made by the original credit issuer.



Growth in the consumer lending book has slowed temporarily




- Attention diverted to establishing foundations for next phase of accelerated growth
- Accelerated principal run off as book matures
- Temporary hiatus in auto lending
- Volumes expected to rebound over the balance of the year

Gross loan book excluding provisions



A range of products to deliver growth

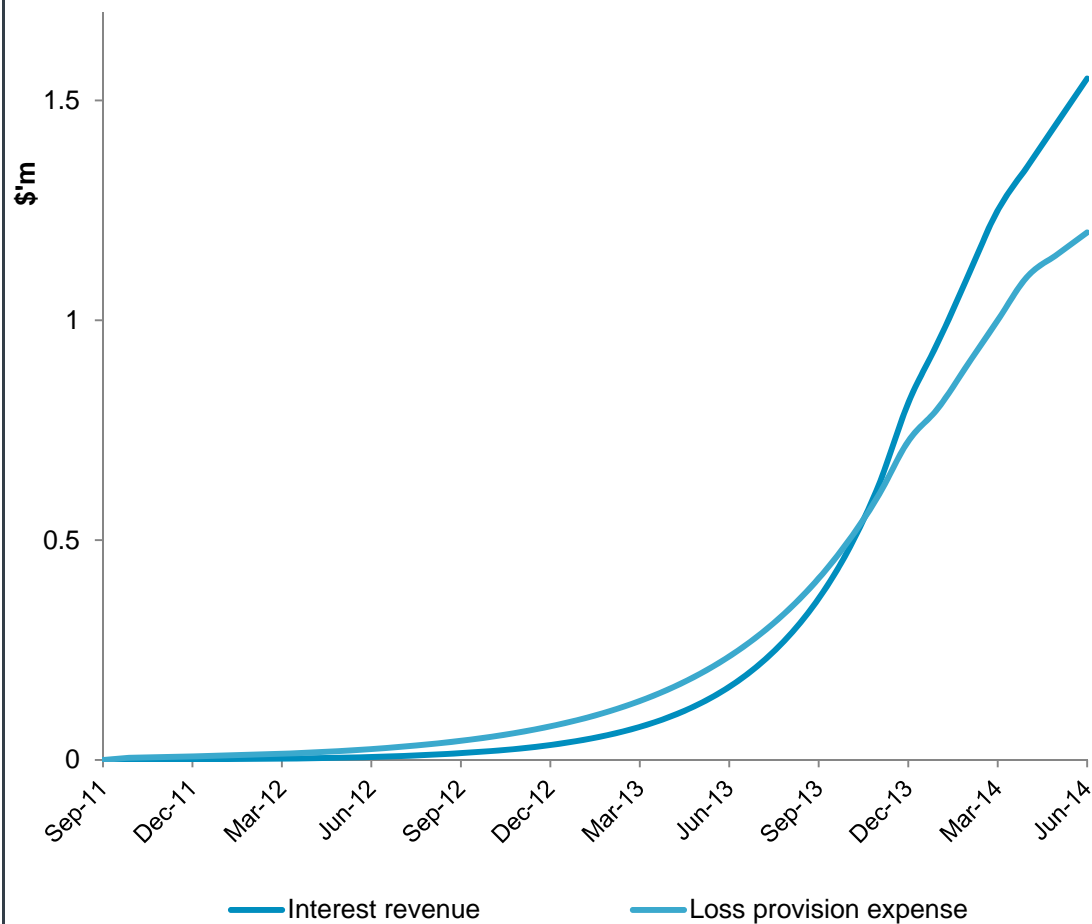
Credit impaired consumer lending products

			% of loan book	Pro-forma economics
Secured		Term: 3 - 4 Years Principal: Up to \$20K (avg. \$16K)	11%	✓
Unsecured		Term: 1 - 3 Years Principal: Up to \$5K (avg. \$3K)	80%	✓
		Term: 4 - 12 months Principal: Up to \$2K (avg. \$1K)	9%	✓
Loan principal / term				

Lending business now a significant growth driver

- Has delivered 80% of YTD revenue growth
- On track for profit in FY15

MoneyStart monthly revenue and up-front provisioning



US debt buying market remains in a state of flux

- Market conditions remain unchanged pending finalisation of new regulations:
 - Credit issuers who temporarily withdrew have not yet returned
 - The rule-making process by new regulator is proceeding slowly
- Operation being managed to minimise losses and position for growth:
 - Headcount c.a. 100
 - In process of gaining admission to 3 major issuer panels so far in FY15
 - Selective purchases are achieving pro-forma collection returns

Refined FY15 guidance

	Issued Aug-14	Refined Nov-14
PDL acquisitions	\$70 - \$90m	\$80 - \$90m
Net lending	\$40 - \$50m	\$40 - \$50m
NPAT	\$36 - \$38m	\$36 - \$38m
EPS (basic)	78 - 83 cents	78 - 83 cents

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General Questions