

2016 Annual General Meeting

Don McLay, Chairman
3 November 2016

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Performance Update

Thomas Beregi, Chief Executive Officer

Michael Eadie, Chief Financial Officer



Competitive leadership in the credit impaired consumer segment...

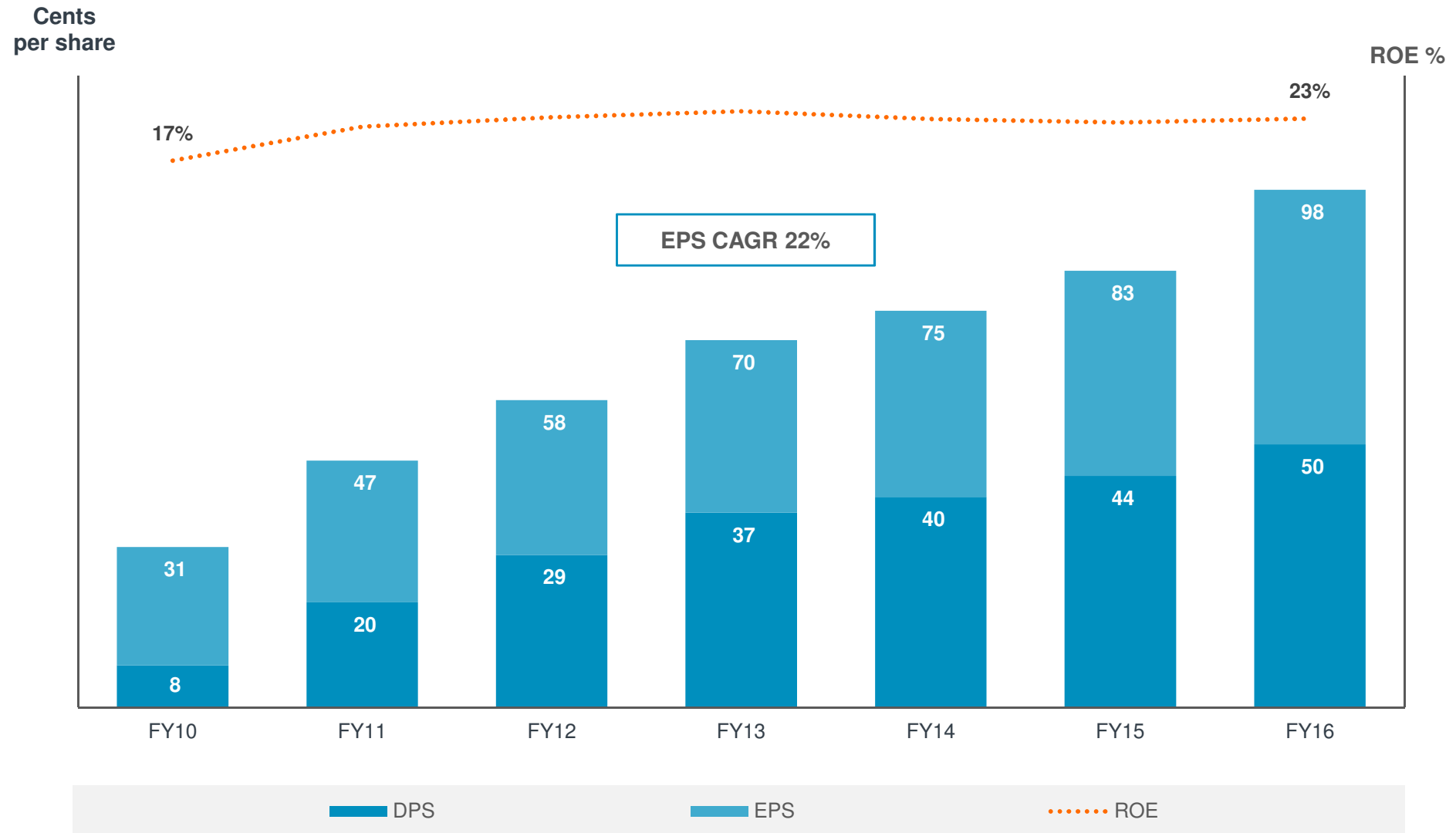
ANALYTICS & DISCIPLINE	OPERATIONAL EXCELLENCE	SUSTAINABILITY & COMPLIANCE	<ul style="list-style-type: none">• Long-term growth• ROE 16 - 18%• Low gearing
Core Australian / NZ debt buying			
<ul style="list-style-type: none">• Largest database• History of pricing accuracy	<ul style="list-style-type: none">• Highest asset turnover (1.5x p.a.¹)• Lowest cost to collect (34%²)	<ul style="list-style-type: none">• No adverse orders or undertakings• Low complaint rate• \$1.2bn in ongoing repayment arrangements	
Australian / NZ lending			
<ul style="list-style-type: none">• Leverage knowledge of consumer• Up-front loss provisioning• Analytical monitoring	<ul style="list-style-type: none">• Automated decisioning• Collection strength	<ul style="list-style-type: none">• APRs below cap applicable to mainstream credit• Regulatory upside - no 'payday loans'	
USA debt buying			
<ul style="list-style-type: none">• Adapted knowledge to US environment• Large market opportunity	<ul style="list-style-type: none">• 35% productivity improvement on FY16 purchases• Sizeable operation ready to take advantage of improved conditions	<ul style="list-style-type: none">• Low regulator complaint rate• Strong client audit outcomes	

1. FY16 ratio of cash collections from PDLs to average PDL carrying value

2. FY16 ratio of cash costs of the Debt Ledger Purchasing segment to collections



...producing sustainable growth and returns



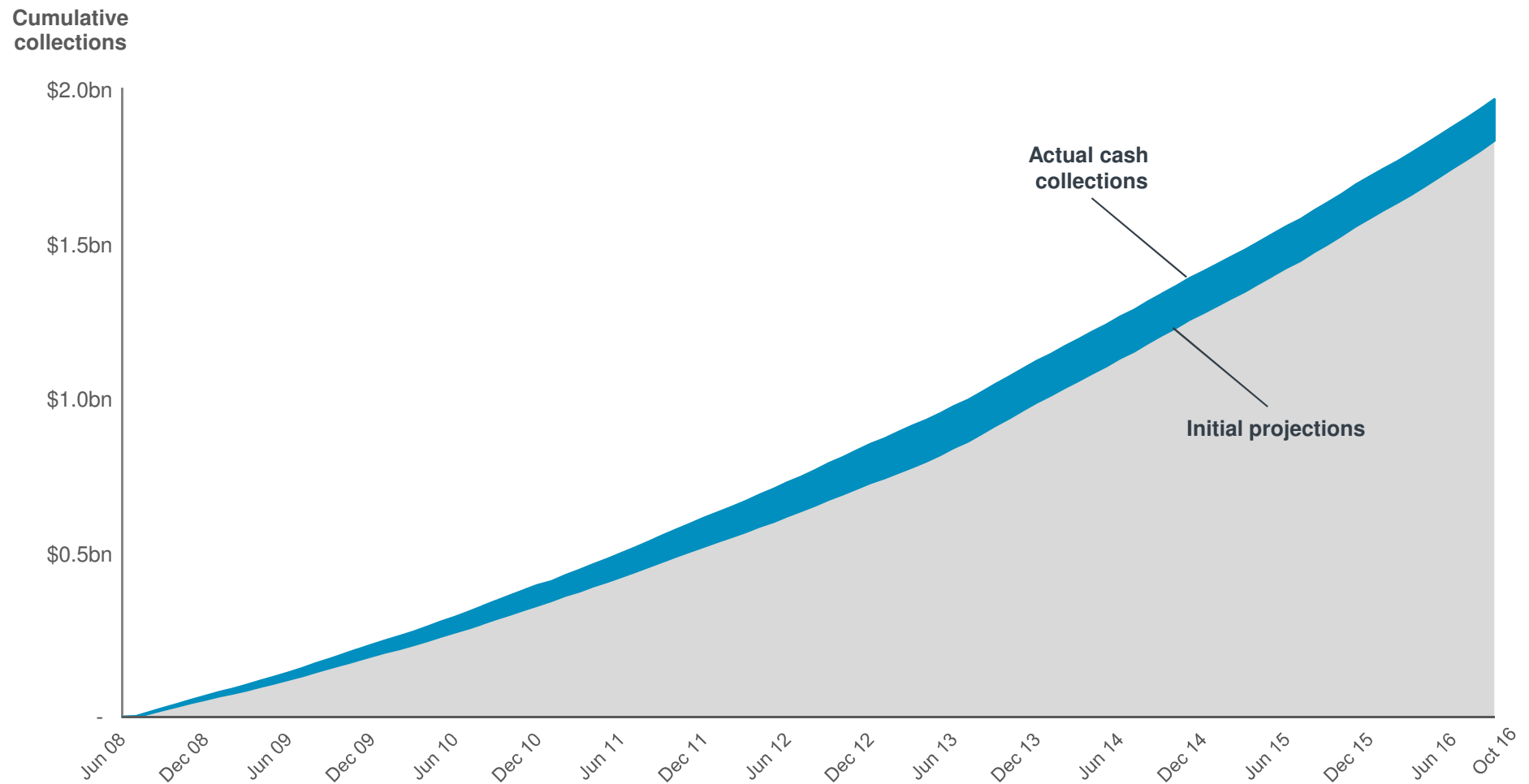
FY17 outlook is for another strong year

Full year guidance update

Aug 2016 expectation	Nov 2016 update
<ul style="list-style-type: none"> PDL acquisitions of \$180 - \$200m ¹ 	<ul style="list-style-type: none"> Upgraded to \$195 - \$215m including NCML Pipeline reflects rollover of forward flows Limited contested volume over remainder of FY17
<ul style="list-style-type: none"> Net lending volume of \$35 - \$45m 	<ul style="list-style-type: none"> On track to meet expectation Volumes to increase in peak December quarter
<ul style="list-style-type: none"> NPAT of \$52 - \$54m 	<ul style="list-style-type: none"> Acquisition of NCML improves outlook Earnings now on track for \$53 - \$55m (15 - 20% growth)

1. Updated to include impact of NCML acquisition on 12 September 2016

Operational metrics maintained - pricing discipline and accuracy

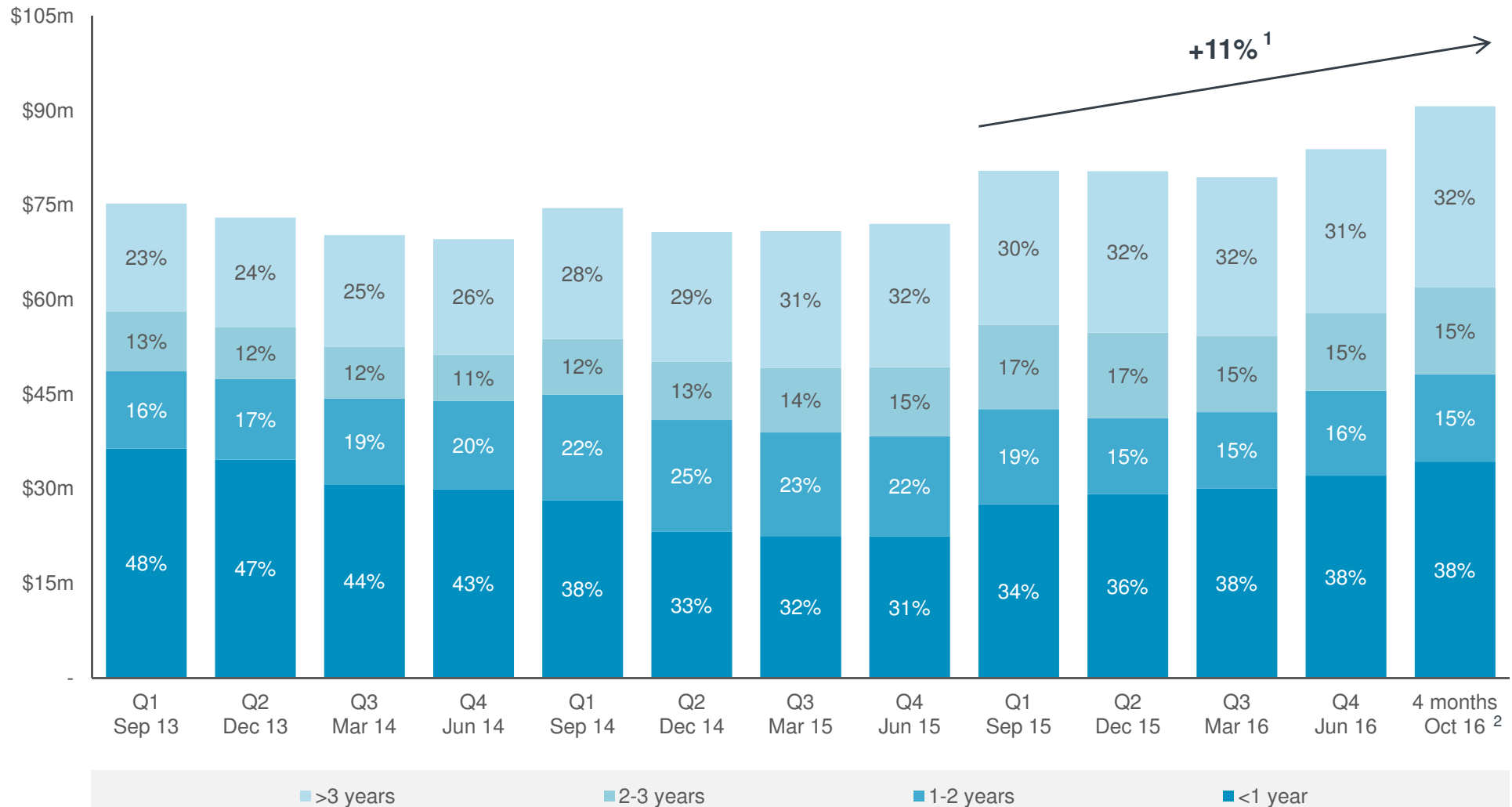


* For all PDLs held at Jun 08, initial projections represent the forecast at Jun 08



Operational metrics maintained - collection life-cycle

PDL collections
by vintage

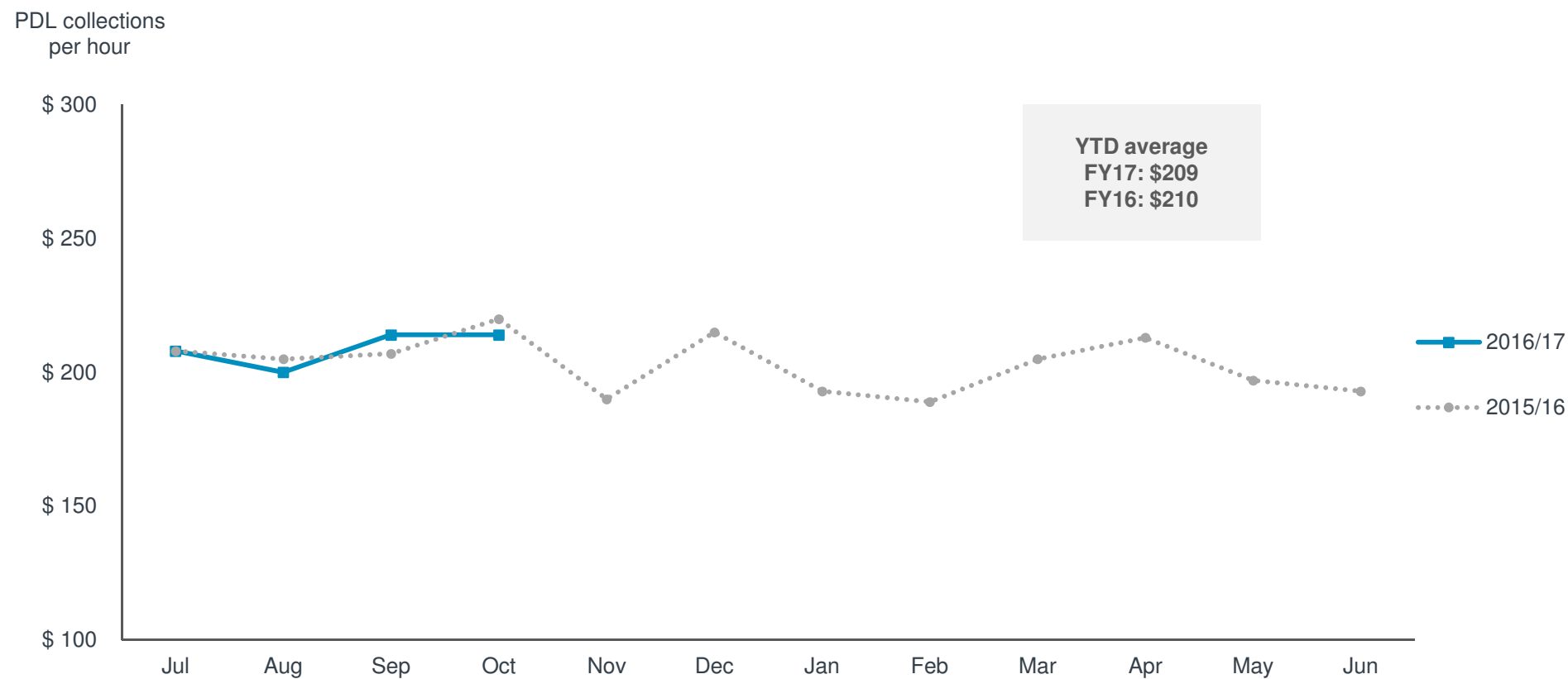


1. 11% growth on p.c.p. (Q1 FY17 vs. Q1 FY16)

2. Pro-rated to a quarterly average

Operational metrics maintained - productivity

Debt purchase productivity (direct collection staff only)



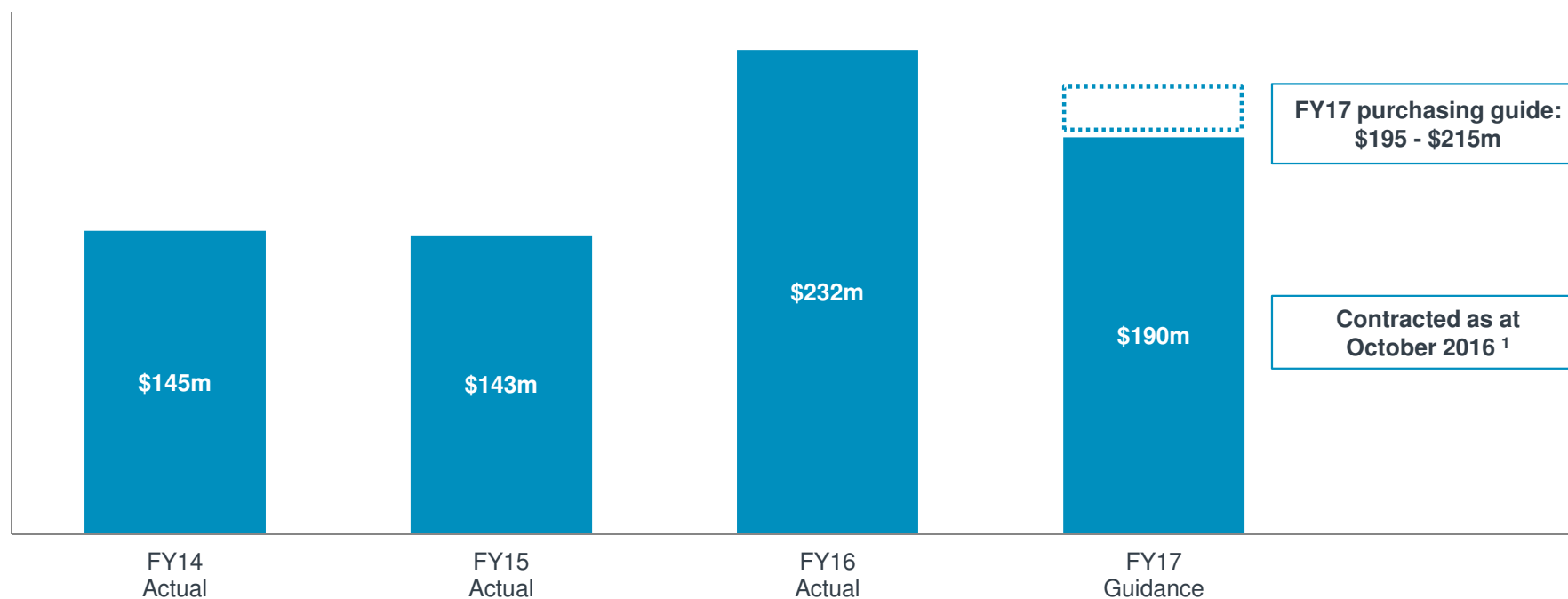
Operational metrics maintained - payers base

	Dec 14	Jun 15	Dec 15	Jun 16	Oct 16
Total portfolio					
Face value	\$4.8bn	\$4.9bn	\$5.1bn	\$5.3bn	\$5.8bn
Number of accounts	698,000	703,000	687,000	673,000	748,000
Payment arrangements					
Face value	\$963m	\$1,044m	\$1,099m	\$1,171m	\$1,215m
Number of accounts	125,000	133,000	139,000	147,000	149,000
% of PDL collections	73%	75%	76%	78%	76%

Purchasing is on track for a strong result

- Roll over of forward flows reflects compliance credentials
- More limited contested volume over remainder of FY17
- US purchasing in line with prior year

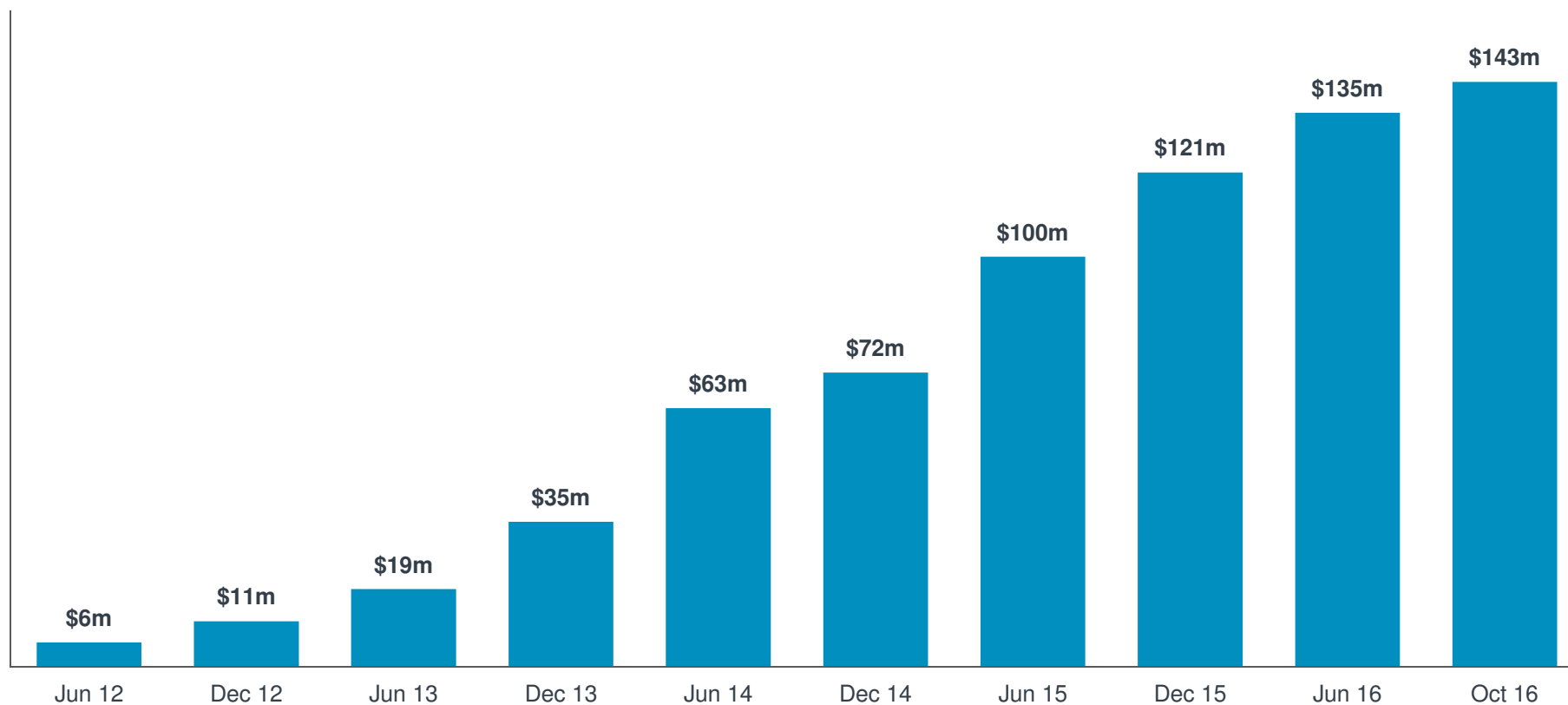
Purchases



1. Includes NCML acquisition

Consumer lending book growing in line with expectation

Gross loan book
excl. provisions



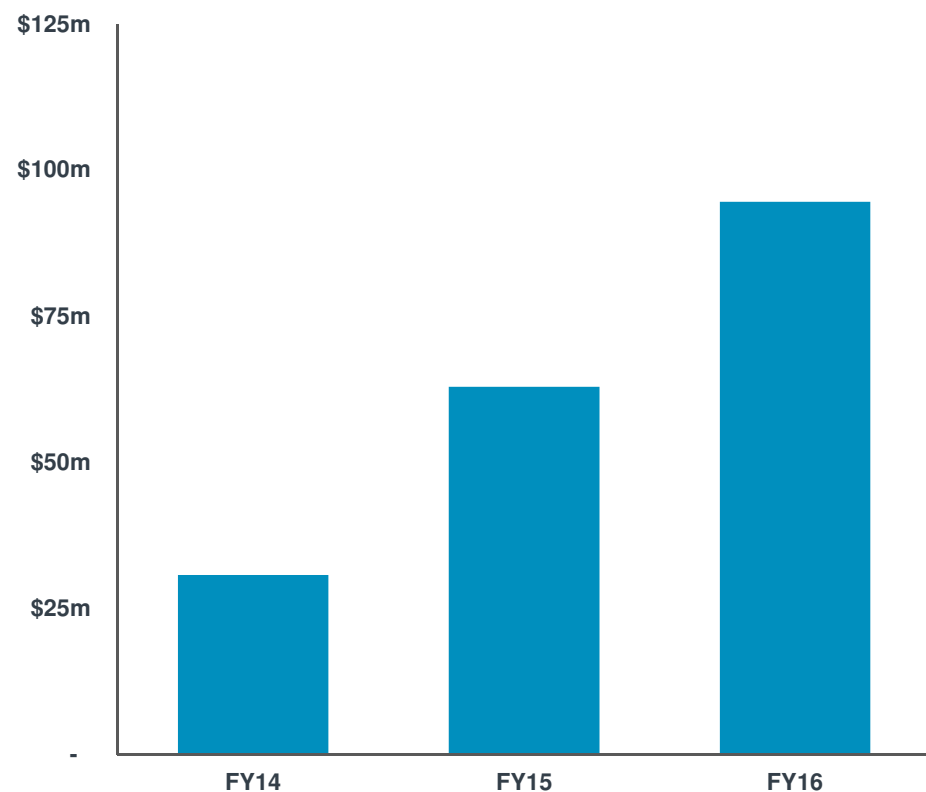
Strong platform for continued growth in consumer lending

- Wallet Wizard brand well-established
 - Increased brand recognition post FY16 television campaign
 - Further television campaign now underway
 - Referral channels established
- Market leading offering - uniquely sustainable
 - Among the lowest cost alternative for customers with impaired credit records
 - Priced below rate cap applicable to mainstream lending
 - Insulated from future regulatory or other stakeholder actions
 - No 'payday loans', SACCs or MACCs

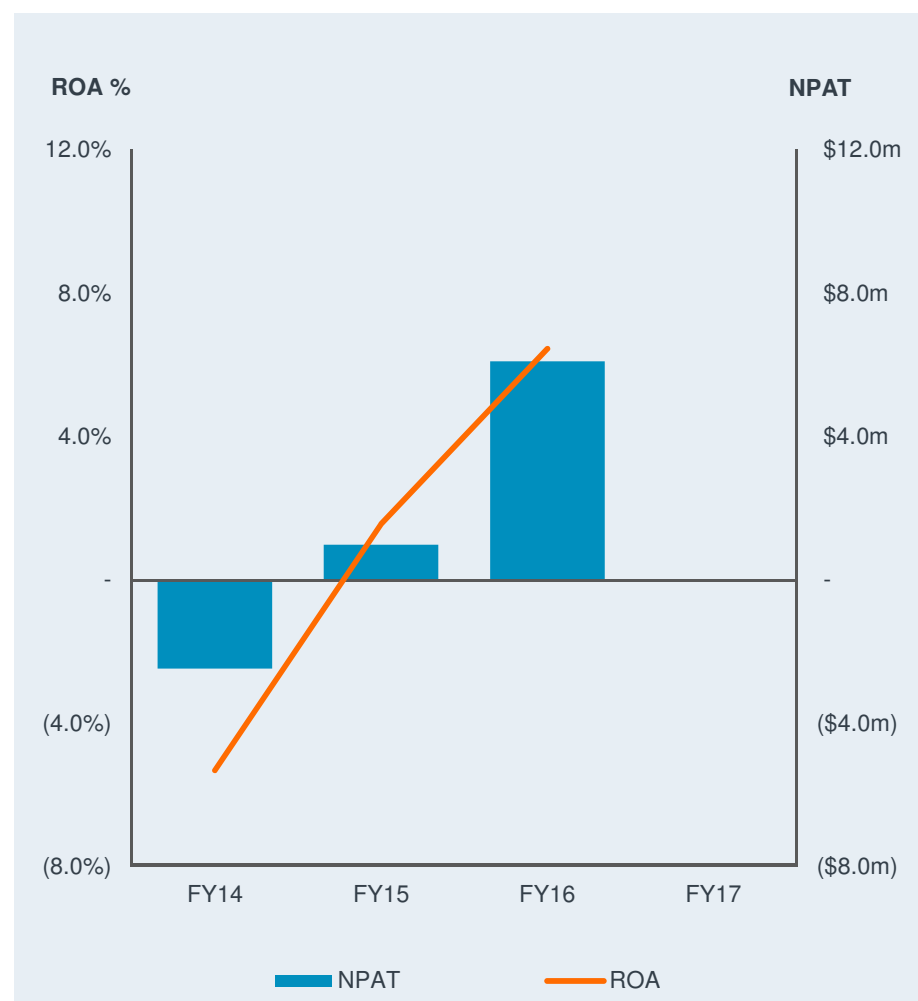
Loan book growth drives earnings towards pro-forma

- Profitability on track to improve in FY17
- Expected to achieve pro-forma return in FY18

Average net book size ¹




1. Net of provisions



US market conditions improving

- Price decreases reported by competitors
 - *“We are seeing, in certain segments, between a 10% and 15% price reduction...”¹*
 - *“We believe that pricing in the industry is declining as large and mid-tier debt purchasers seek higher returns for their invested capital...”¹*
 - Increase in PRAA reported core US portfolio purchase price multiple

	Q1 FY16	Q2 FY16	Implicit price change
Purchase price multiple ²	1.90x	2.05x	6.0% 

- Credit Corp has secured purchases at reduced prices
- Regulatory clarity progressing - draft rules released in August 2016

1. Encore Capital Group (NASDAQ: ECPG) Q2 earnings call transcript, August 2016

2. Portfolio Recovery Associates Group (NASDAQ: PRAA) Form 10-Q for the quarter ended 31 March 2016 and 30 June 2016

US operations well-positioned for transitioning market

- Strong credentials in the new compliance-focused market
 - Market leading CFPB compliance metrics

Name	2015 CFPB complaints per collector ¹
Credit Corp Solutions Inc. (Credit Corp)	0.11

- Ongoing operational improvement
 - Productivity increased by over 35% ²
 - Operation poised to breakeven during 2H FY17 ³
- Solid platform for growth
 - Current headcount of 143
 - Planned increase in capacity over the balance of the year

1. CFPB complaints database

2. Collections per hour p.c.p. (Q1 FY17 vs. Q1 FY16)

3. Assumes continued run-rate purchasing at present contractual pricing

Updated FY17 guidance

	Issued Aug 2016	Updated Nov 2016
PDL acquisitions	\$180 - \$200m ¹	\$195 - \$215m
Net lending	\$35 - \$45m	\$35 - \$45m
NPAT	\$52 - \$54m	\$53 - \$55m
EPS (basic)	110 - 114 cents	112 - 116 cents

1. Adjusted to include NCML acquisition announced on 12 September 2016

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General Questions