

FY16 H1 Results Presentation

28 January 2016

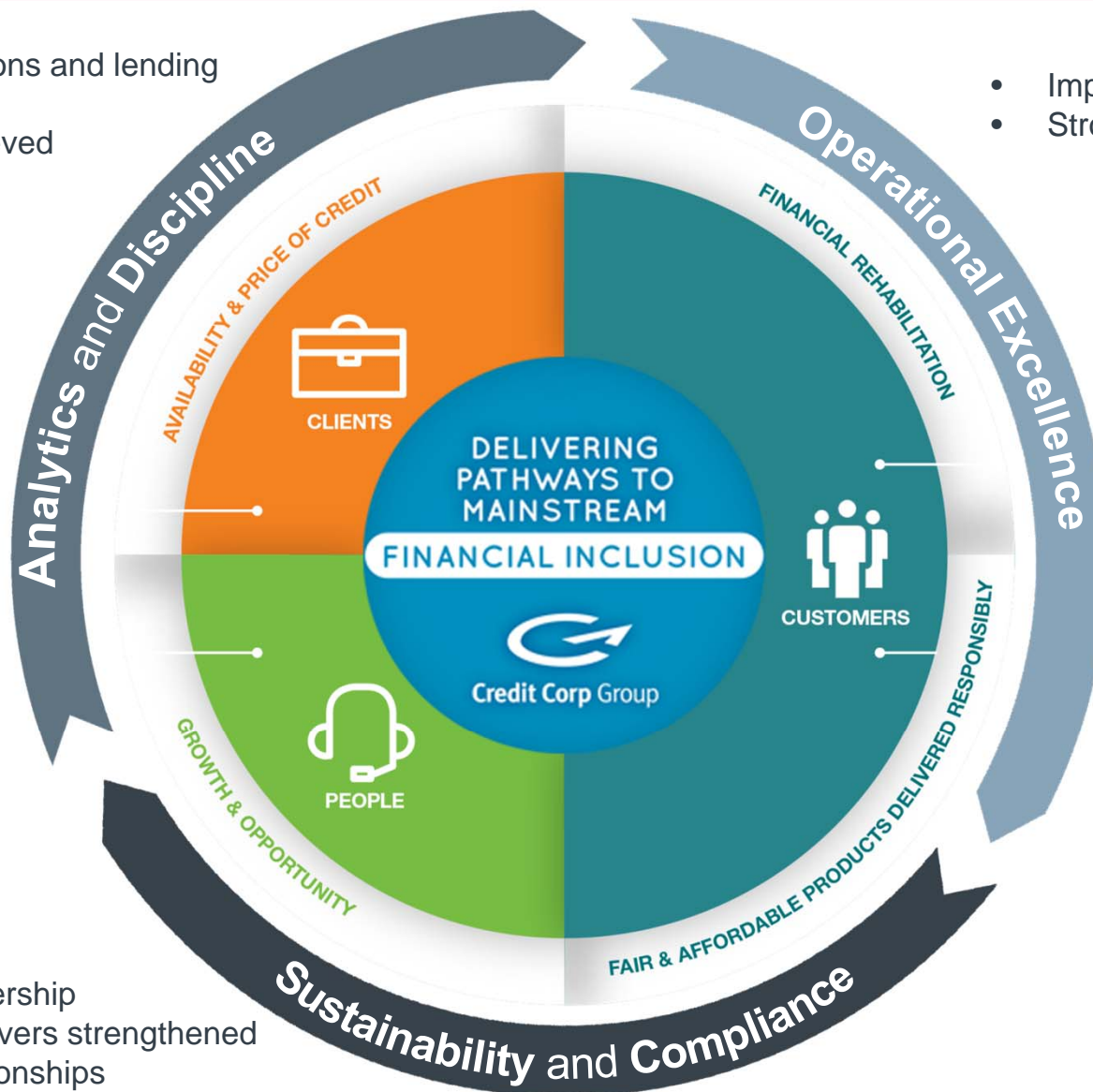
Thomas Beregi, CEO
Michael Eadie, CFO



Competitive leadership in the credit-impaired consumer segment

- PDL acquisitions and lending growth
- Returns achieved

- Improved operating metrics
- Strong outlook



- Compliance leadership
- Sustainability delivers strengthened stakeholder relationships



Record levels of investment driving earnings growth

Nov 15 Expectation	Jan 16 Update
<ul style="list-style-type: none">PDL acquisitions \$125 - \$145m	<ul style="list-style-type: none">Record half of purchasing \$98.5mNow on track for \$185 - \$195mIncludes significant increase in US purchases
<ul style="list-style-type: none">Net lending volume of \$30 - \$40m	<ul style="list-style-type: none">1H volumes - net lending \$32mVolumes likely to moderate in 2H
<ul style="list-style-type: none">NPAT \$42 - \$44m	<ul style="list-style-type: none">Investment driving strong earnings growthNPAT on track for \$44 - \$45m

Strong core business growth



H1 FY16 Financial Results

	1H15	1H16	\$ Change	% Change
Debt Purchasing	\$78.2m	\$86.1m	+\$7.9m	+ 10%
Lending	\$15.5m	\$26.1m	+\$10.6m	+ 68%
Total Revenue	\$93.7m	\$112.2m	+\$18.5m	+ 20% ↑
Debt Purchasing	\$26.0m	\$28.4m	+\$2.4m	+ 9%
Lending	\$2.9m	\$2.1m	(\$0.8m)	(28%)
NPBT Total	\$28.9m	\$30.5m	+\$1.6m	+ 6% ↑
NPAT	\$20.1m	\$21.2m	+\$1.1m	+ 6% ↑
EPS (basic)	43.6cps	45.7cps	+2.1cps	+ 5% ↑
Dividend	22.0cps	23.0cps	+1.0cps	+ 5% ↑

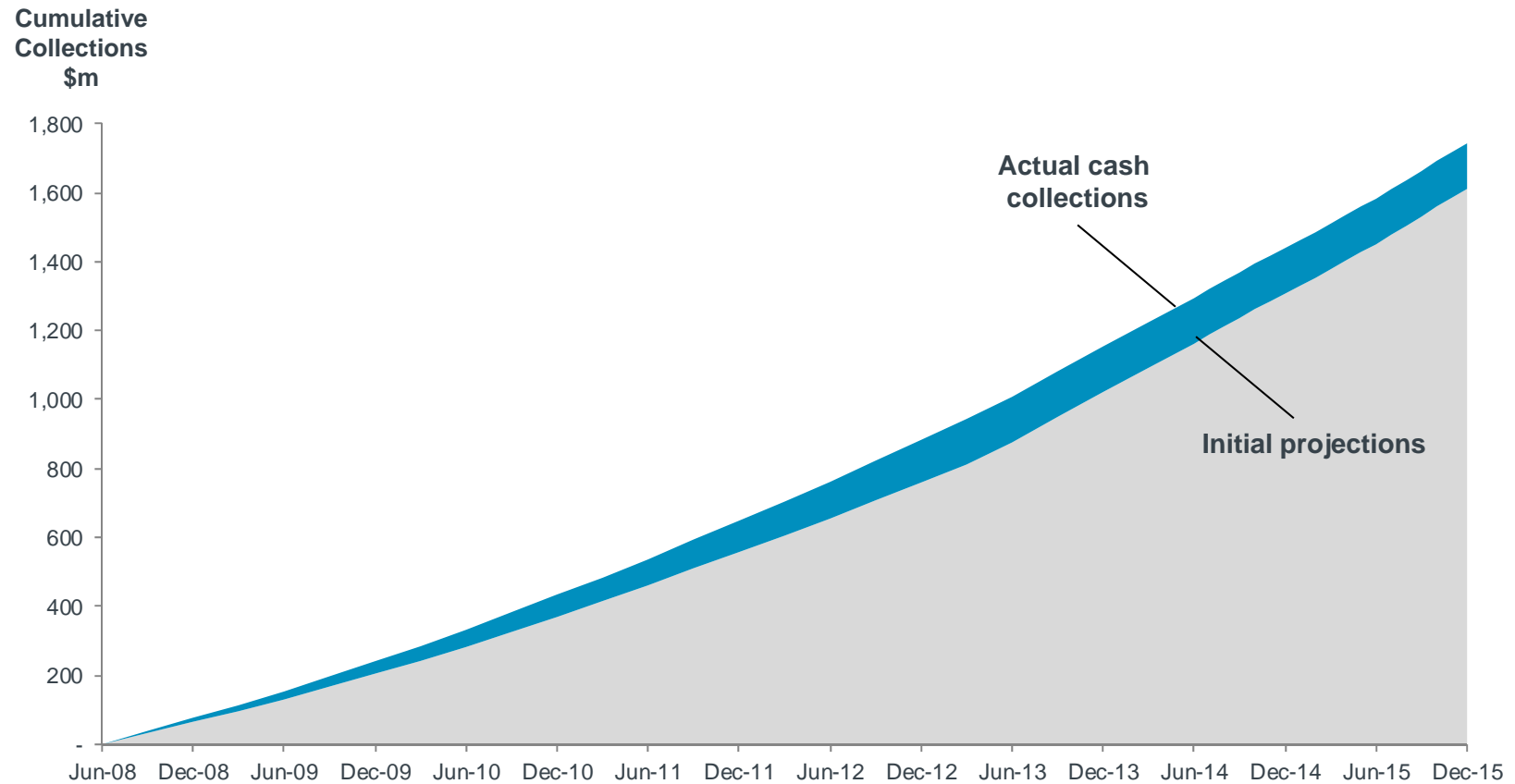


Asset growth drives operating cash flows

\$ million	Jun 14	Dec 14	Jun 15	Dec 15
Pre-tax operating cash flow	98.9	103.6	112.0	118.7
Tax payments	(5.5)	(13.1)	(13.4)	(1.8)
PDL acquisitions, lending and capex	(91.7)	(72.6)	(118.7)	(134.6)
Net operating free cash flow	1.7	17.9	(20.1)	(17.7)
PDL and consumer loan carrying value	203.7	201.4	244.3	289.6
Net bank debt	35.7	28.1	58.5	84.7
Net debt / carrying value (%)	17.5%	14.0%	23.9%	29.2%



Operational metrics maintained - pricing discipline and accuracy



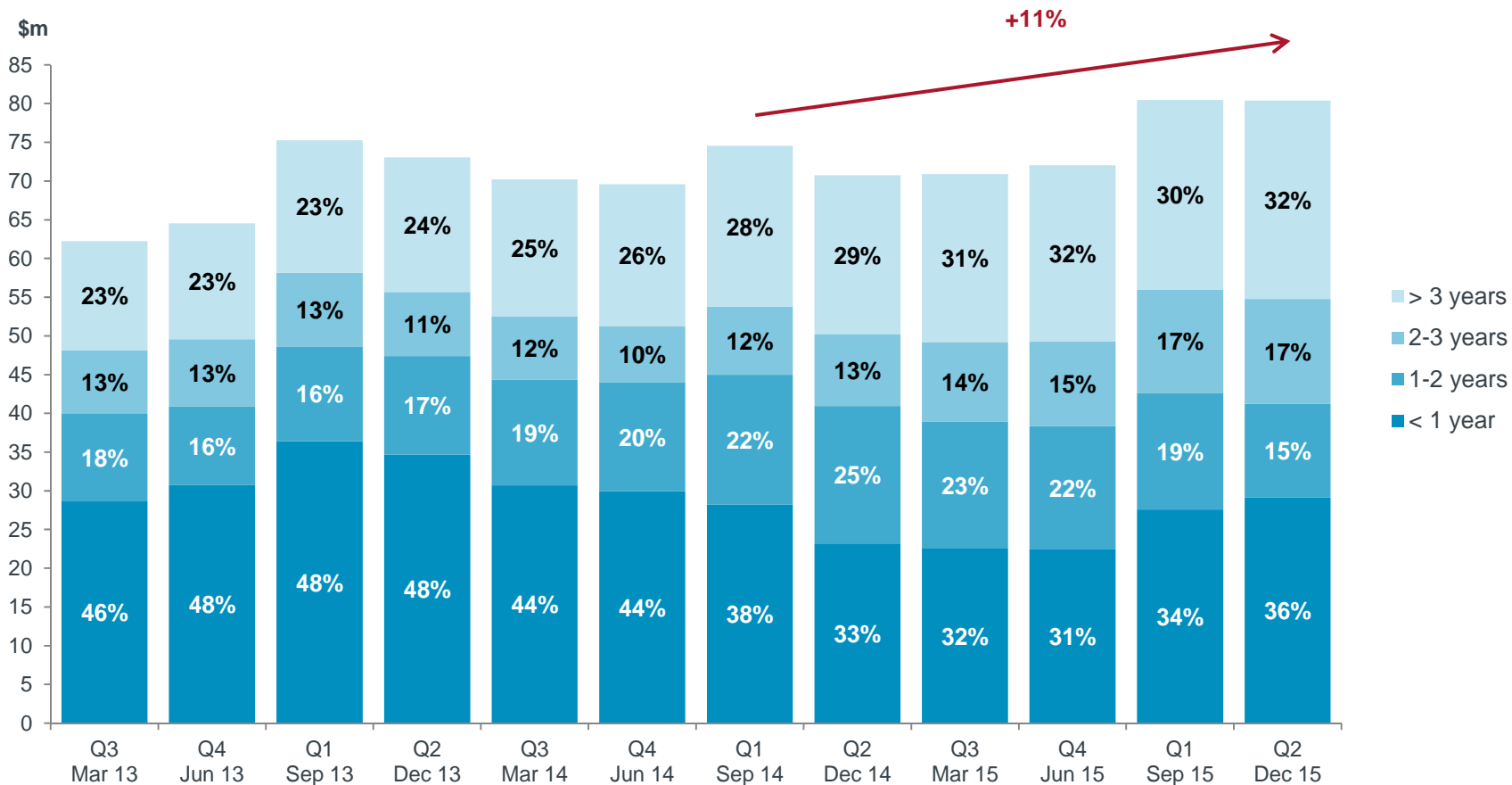
Note: For all PDLs held at June 2008, initial projections represent the forecast at June 2008



Operational metrics maintained - collection life-cycle

PDL collections by date of purchase

On track for record collections ⁽¹⁾

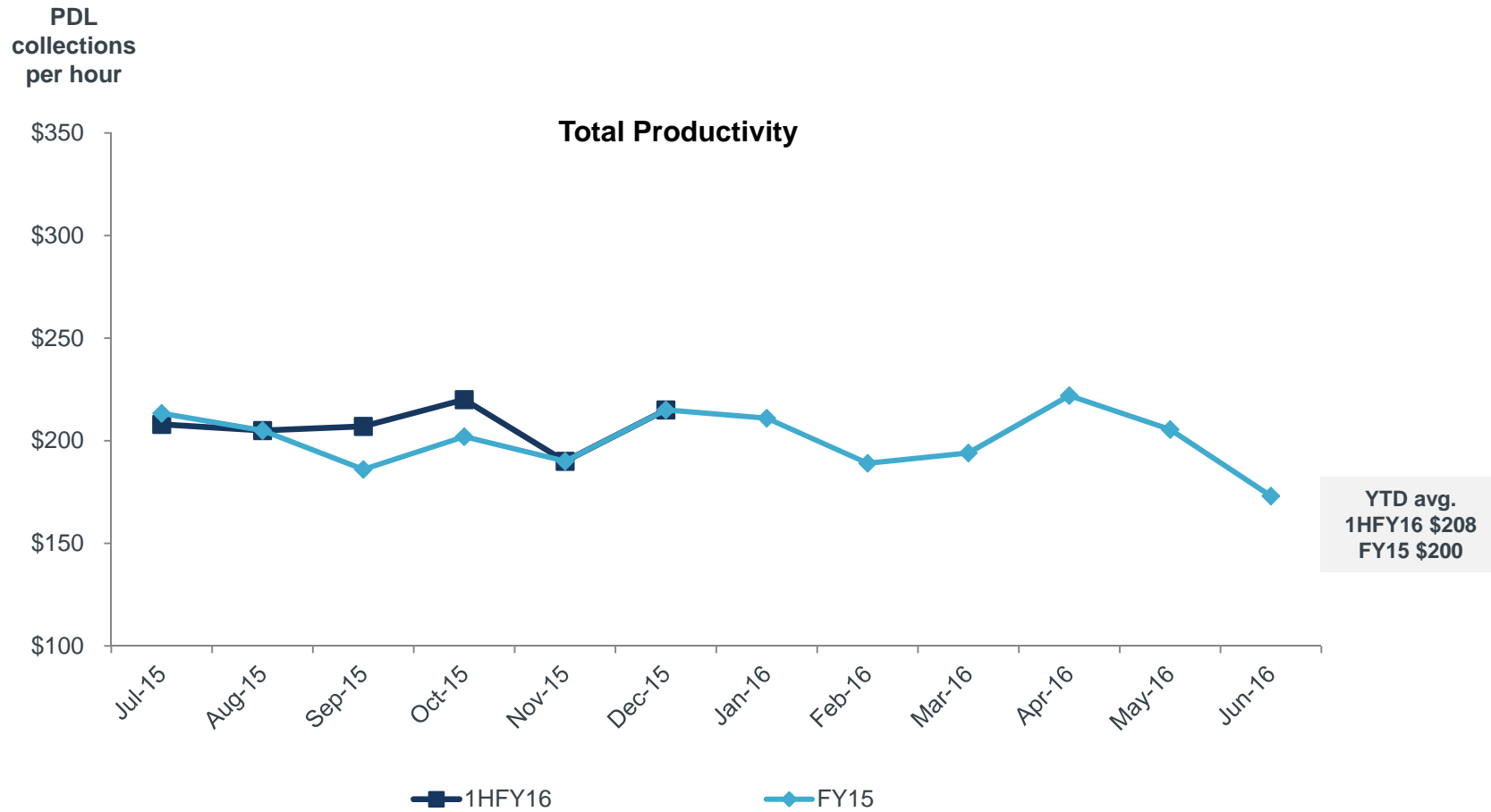


(1) 11% growth based on p.c.p. (1H FY16 vs. 1H FY15)



Operational metrics maintained - productivity

Debt purchase productivity (direct collection staff only)





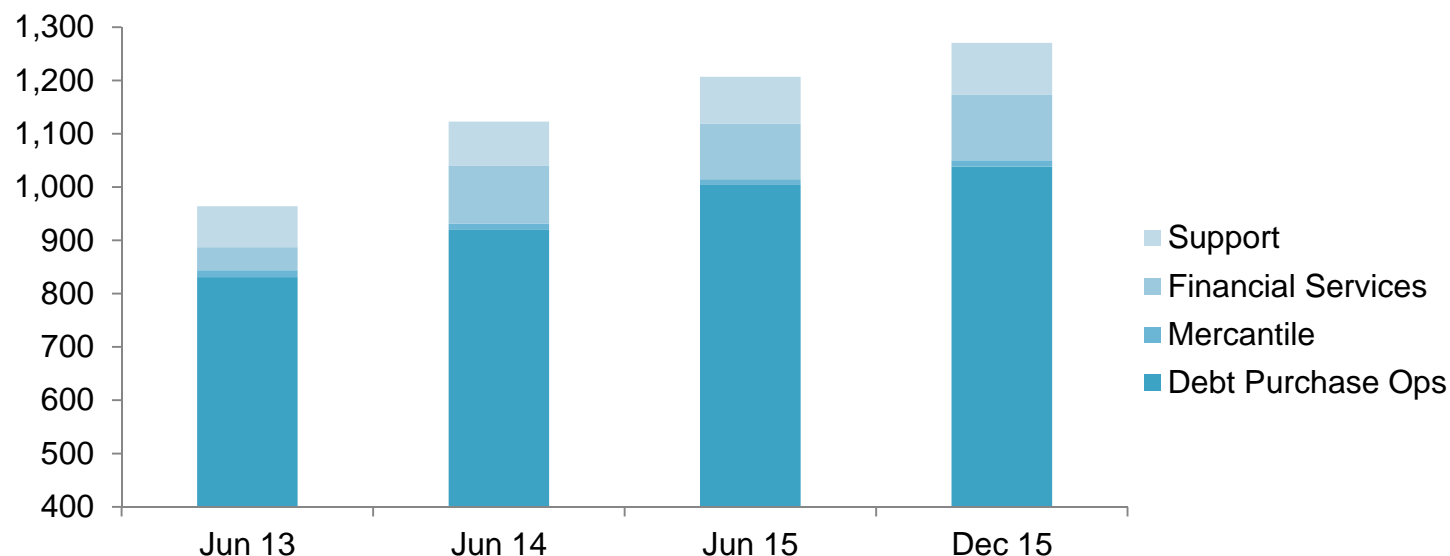
Operational metrics maintained - payers base

Total Portfolio	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15
Face value	\$4.5bn	\$4.7bn	\$4.8bn	\$4.9bn	\$5.1bn
Number of accounts	759,000	744,000	698,000	703,000	687,000
Payment arrangements					
Face value	\$791m	\$909m	\$963m	\$1,044m	\$1,099m
Number of accounts	111,000	120,000	125,000	133,000	139,000
% of PDL collections	71%	73%	73%	75%	76%



Operational headcount to support asset growth

Period end headcount (FTE)

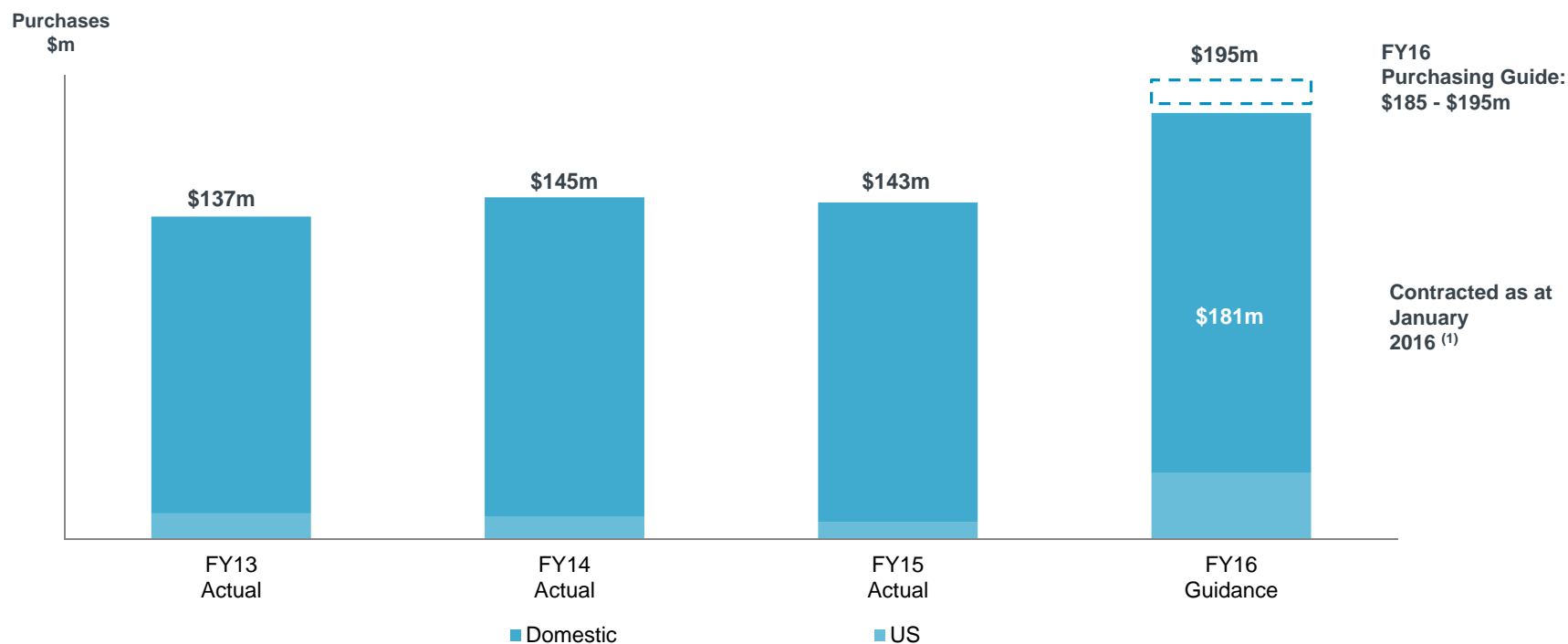


Function	Jun 13	Jun 14	Jun 15	Dec 15
Debt Purchase Ops	831	919	1,004	1,038
Mercantile	13	12	11	12
Financial Services	43	109	104	123
Support	77	82	88	97
Total	964	1,122	1,207	1,270
Support %	8%	7%	7%	8%



On track for record PDL acquisitions

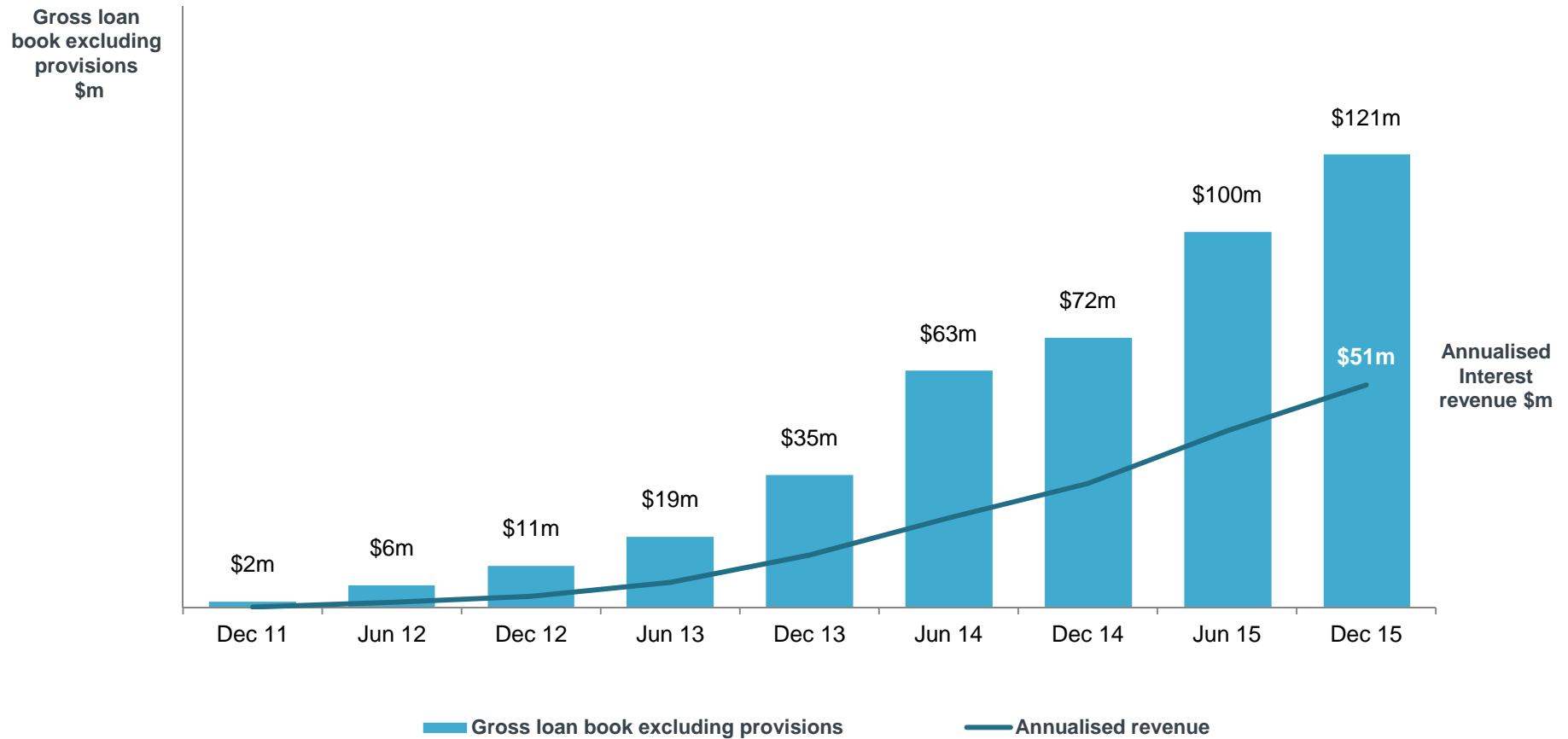
- Compelling debt purchase client proposition
 - Operational improvements and scale reflected in strong prices
 - Industry-leading compliance record preserves brand / reputation
- Most existing forward flows renewed and some additional volume secured
- Pricing of purchases ensure hurdle return will be achieved
- Significant increase in US purchasing



(1): Includes US purchases



Consumer lending book has grown strongly in H1



Consumer lending book growth expected to moderate in H2

- More modest book growth in H2
 - Seasonality
 - Impact of SACC exit and transition from March 2016
 - On track to achieve net lending market guidance

- Segment NPAT likely to be significantly higher in H2
 - Lower marketing costs
 - Lower life-of-loan loss provision expense

A strong platform for ongoing lending growth

- Significant customer acquisition in 1H provides platform for ongoing growth
 - Longer duration products provide a pathway to mainstream financial inclusion
 - Launched reloadable debit card to enhance customer retention
- SACC review panel due to issue final recommendations in Feb-16
 - Credit Corp has been an active participant irrespective of its decision to exit
 - Potential impact on competitive dynamics of credit impaired lending sector
- Sustainable positioning facilitates ‘second look’ lending opportunities

Improved outlook for US despite unchanged conditions

- Supply conditions remain constrained
 - Recent consent orders (enforceable undertakings) by major issuers (Chase) and debt buyers (Encore and PRA) provide a regulatory template
 - Proposed rules still unlikely to be released prior to the June 2016 quarter

- Competitors demonstrate a pathway to returns in current market

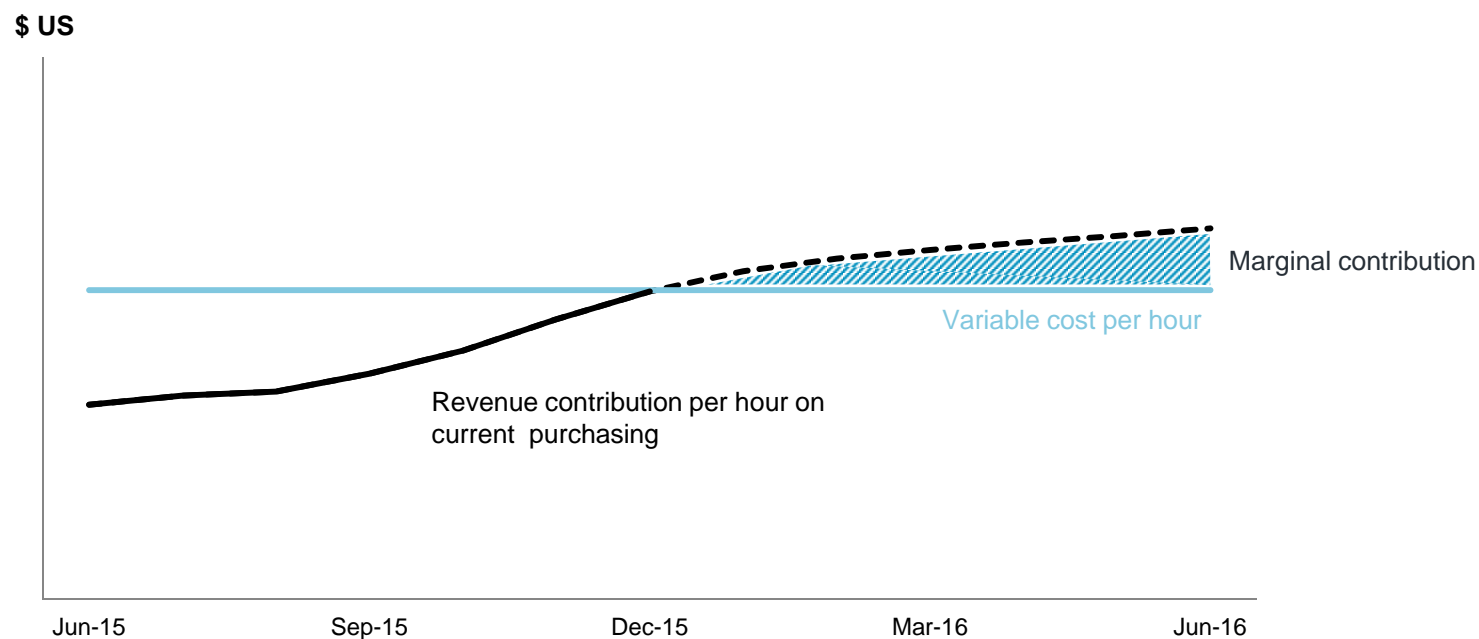
	FY14	FY15 (to 3 rd qtr)
Purchase price multiple on current year purchases ⁽¹⁾	2.04x	2.03x
Cost to collect	37%	39%
Nominal net return	14%	12%

⁽¹⁾ Based on PRA Group (Nasdaq: PRAA) Form 10-K and Form 10-Q reports

- Substantially improved operating model for recent purchases
 - Collection efficiency on track for 35% improvement
 - Legal performance on track to achieve internal target

Enhanced operating model drives increased purchasing

- Current forward flow now delivering a positive contribution



- Recent decision to increase purchasing
 - Enhanced operating model provides a path to breakeven
 - Achievement of target returns still requires improved market conditions

Updated FY16 Guidance



	Updated Nov 15	Updated Jan 16
PDL acquisitions	\$125 - \$145m	\$185 - \$195m
Net lending	\$30 - \$40m	\$30 - \$40m
NPAT	\$42 - \$44m	\$44 - \$45m
EPS (basic)	91 - 95 cents	95 - 97 cents



Credit Corp Group

Questions