



**44**

years of experience



**650+**

employees



**£1.4bn**

LTM originations

**Investor Presentation**

**Q2 2018 Results**

**22<sup>nd</sup> February 2018**

## Management team participants

### Gary Beckett – Group Managing Director & Chief Treasury Officer



- Gary is one of the longest serving colleagues at Together, joining the Group in 1994, Gary has overseen much of the organic growth of the Group undertaking a number of roles within the Finance, Operations and Risk and Compliance functions
- Appointed Group CFO in 2001 contributing to the strategic development of the Group, with specific responsibility for financial reporting, taxation and treasury. Gary will take on the role of Group Managing Director and Chief Treasury Officer on 1 March, and along with continuing to oversee Treasury and Investor Relations he will additionally support the Group CEO in developing and implementing the Group's strategy as Together continues to expand
- Gary created the group structure in 1996, led the original private equity buy in during 2006 and buy out in 2016, and arranged the Groups inaugural RCF Syndication, Securitisation Programme, RMBS and Senior Note issuance facilities
- In October 2016 Gary successfully led the refinancing of the Senior Notes and in November 2016 executed the PIK Toggle Notes issuance to acquire the Equistone interests
- Gary is a qualified Chartered Accountant

### Mike Davies – Director of Corporate Affairs



- Mike joined Together in 2017 to lead the Group's Investor Relations Programme
- He was previously Managing Partner of the Financial Institutions Group at international communications consultancy, Instinctif Partners, where his experience included floating and advising Shawbrook Group, Arrow Global and Hastings Group
- Earlier in his career, Mike led Investor Relations at 3i Group, The Rank Group and Invensys, during the group's £2.7bn equity, debt and bond refinancing in 2004
- Mike is a former investment banker and a qualified Chartered Accountant

# Agenda

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Key Highlights

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Operating Update

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Financial Review

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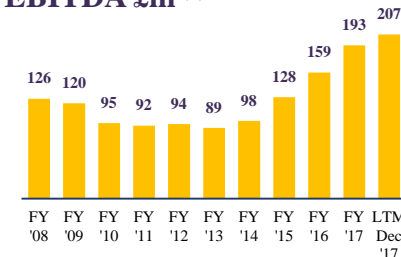
Appendix



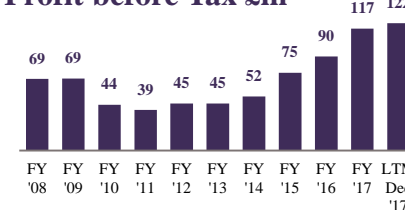
# Key highlights

<p><b>1</b></p> <p><b>Originations</b></p> <p><b>+ 23.2%</b></p> <p>£401.6m (Q2 '17 : £325.8m)</p>	<p><b>2</b></p> <p><b>WA Origination LTV</b></p> <p><b>58.7%</b></p> <p>(Q2 '17 : 55.8%)</p>	<p><b>3</b></p> <p><b>Loan Book</b></p> <p><b>+ 28.0%</b></p> <p>£2.55bn (Q2 '17 : £1.99bn)</p>
<p><b>4</b></p> <p><b>Underlying EBITDA</b></p> <p><b>+ 14.7%</b></p> <p>£54.3m (Q2 '17 : £47.3m)</p>	<p><b>5</b></p> <p><b>Underlying PBT</b></p> <p><b>+ 6.1%</b></p> <p>£31.5m (Q2 '17 : £29.7m)</p>	<p><b>6</b></p> <p><b>Net Interest Margin<sup>(1)</sup></b></p> <p><b>8.2%</b></p> <p>(Q2 '17 : 8.7%)</p>

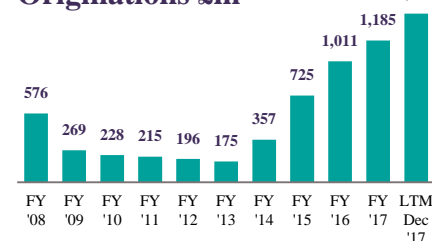
EBITDA £m<sup>(1)</sup>



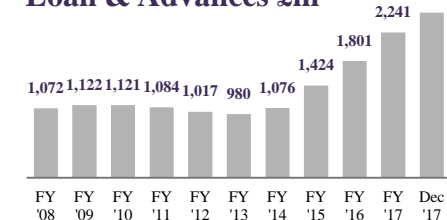
Profit before Tax £m<sup>(1)</sup>



Originations £m



Loan & Advances £m



## Continued Strong Progress

- Record lending volumes at conservative LTVs as loan book grows to £2.55bn
- Increased profitability and strong cash generation as the group maintains a highly attractive NIM
- Accelerated investment in people, brand, products, distribution and systems to enhance platform for growth
- Rating upgrades by S+P and Fitch acknowledging performance of business, enhanced governance and funding
- Progress maintained into Q3, with successful £255m LABs refinancing and £150m Bond Tap

(1) Based on a rolling 12 months

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# Successful, proven and scalable business model

## Strategy

Focusing on profitable underserved market segments

Increasing lending volumes and growing loan book

Enhancing platform to support future growth objectives

## Business Model

Prudent risk management based on affordability, sustainability and low LTVs

Broad distribution channels and tailored product offerings






High quality service, flexibility and speed of completion

Efficient and cost effective in house servicing and collections

Continuous investment in people, governance, systems and technology

Significant equity protection

Proven management team

	Dec'16	Dec'17
 <b>Colleagues</b>	500+	650+
 <b>Distribution &amp; Marketing</b>	42 X X	57 ✓ ✓
 <b>Risk &amp; Compliance</b>	20 FTE	48 FTE
 <b>Performance</b>	£1,077m £2.0bn 52% 91% £102m 8.7%	£1,409m £2.5bn 54% 91% £122m 8.2%
 <b>Funding Structure</b>	£1,255m £375m - £29m £612m BB-/B+	£1,345m £575m £248m £58m £695m BB/BB-

(1) Includes shareholder debt

(2) £150m of 2024 Senior Secures Notes were issued in Jan 18

# Enhancing our platform to support our future growth ambitions

Accelerated strategic investment programme

## People

### Investing in people – in-depth recruitment and on-boarding process to ensure streamlined integration of colleagues and maintenance of the Together culture

- Senior appointments including Group Finance Director, Marketing Director and Heads of Digital Strategy and Innovation
- Senior Management Team responsibilities realigned to reflect Group’s future growth objectives
- Investment in new colleague onboarding, learning and development to support continued growth
- Expanded Compliance, Advisory and Monitoring teams to embed new divisional compliance structures into operations

## Sales, Brand & Distribution

### Extending distribution capabilities, enhancing Together brand and improving digital presence

- Extended distribution into retail broker networks and mortgage clubs across the UK
- Launched additional functionality to further enhance broker portal
- Building out marketing, communications and digital strategy capabilities to clearly differentiate brand from peers

## Technology, Systems & Innovation

### Enhancing the speed, capacity, resilience, flexibility and security of our platform

- Running prototypes for application of FinTech solutions to support trademark human touch underwriting
- New Commercial Finance CRM system for collections, automating workflow and enhancing customer contact strategies
- Replaced all infrastructure servers leading to significant increase in capacity to support future growth
- Introducing new machine learning cyber security tool
- Digital customer sentiment analysis and predictive analytics introduced following our first Innovation hackathon

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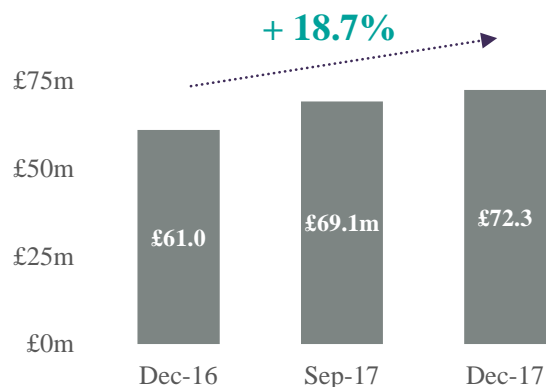
7 Appendix



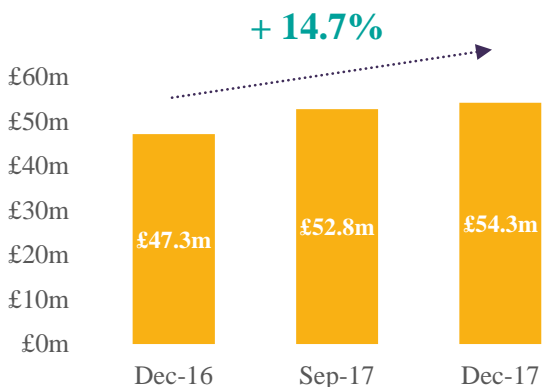


# Continued growth in underlying EBITDA & PBT

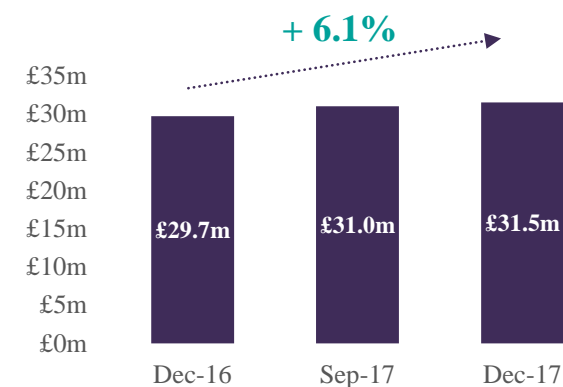
## Income<sup>(4)</sup> £m



## Underlying EBITDA £m



## Underlying PBT £m



	Dec '16	Sep '17	Dec '17
<b>Income<sup>(4)</sup> £m</b>	61.0	69.1	<b>72.3</b>
<b>Impairment Charge £m</b>	2.4	1.6	<b>2.6</b>
<b>EBITDA £m</b>	38.7	52.8	<b>54.3</b>
<b>Underlying EBITDA £m</b>	47.3	52.8	<b>54.3</b>
<b>Interest Payable £m<sup>(1)</sup></b>	17.2	21.1	<b>22.0</b>
<b>PBT £m</b>	20.9	31.0	<b>31.5</b>
<b>Underlying PBT £m</b>	29.7	31.0	<b>31.5</b>
<b>Net Interest Margin<sup>(1)(2)</sup></b>	8.7%	8.5%	<b>8.2%</b>
<b>Cost / Income Ratio<sup>(1)(3)(5)</sup></b>	28.7%	29.8%	<b>31.0%</b>

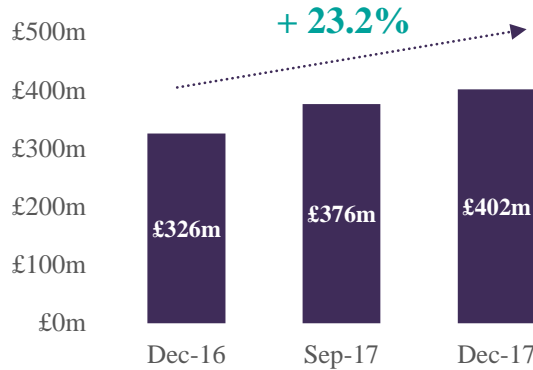
## Income & Expenditure

- Income increased by £11.3m to £72.3m (Q2'17: £61.0m) reflecting growth in the loan book.
- Impairment charge of £2.6m represents just 0.1% of the loan book.
- LTM NIM at 8.2% at December '17, we expect there to be some compression over the coming year.
- LTM Cost / income ratio increased to 31.0% as costs increase as Together invests in its infrastructure over the coming year. Remains comparably very low.

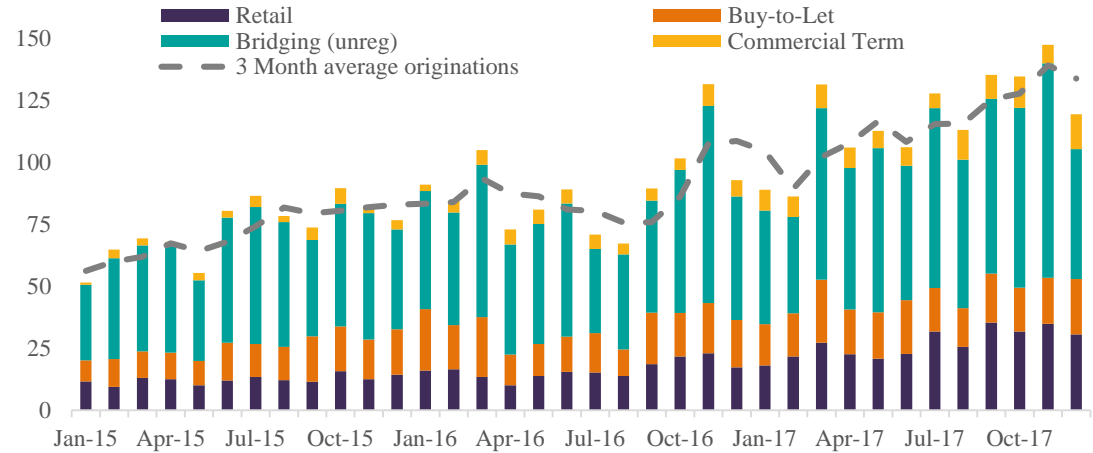
(1) Dec '16 adjusted for £14.5m of exceptional costs relating to the refinancing of the senior secured notes  
 (2) Calculated as LTM net interest income / average opening and closing loan assets  
 (3) Operating expenses excluding impairment, financing costs, and tax / net operating income  
 (4) Includes fees & commission receivable  
 (5) Based on rolling 12 months

# Strong lending volumes with conservative LTVs...

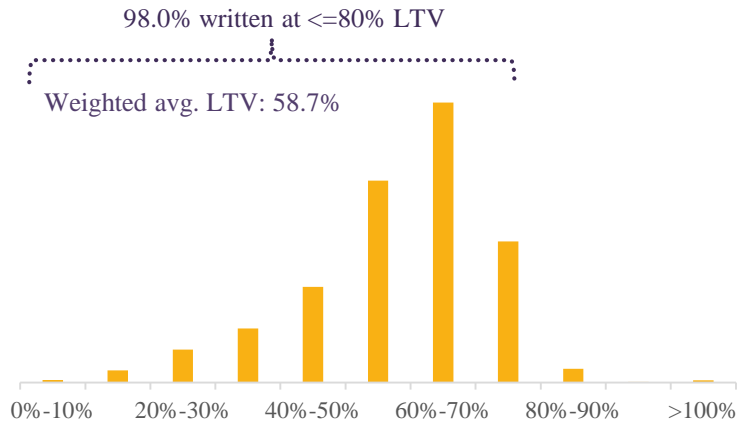
## Quarterly Originations £m



## Monthly Advances £m



## Q2 '18 Origination LTV Bandings



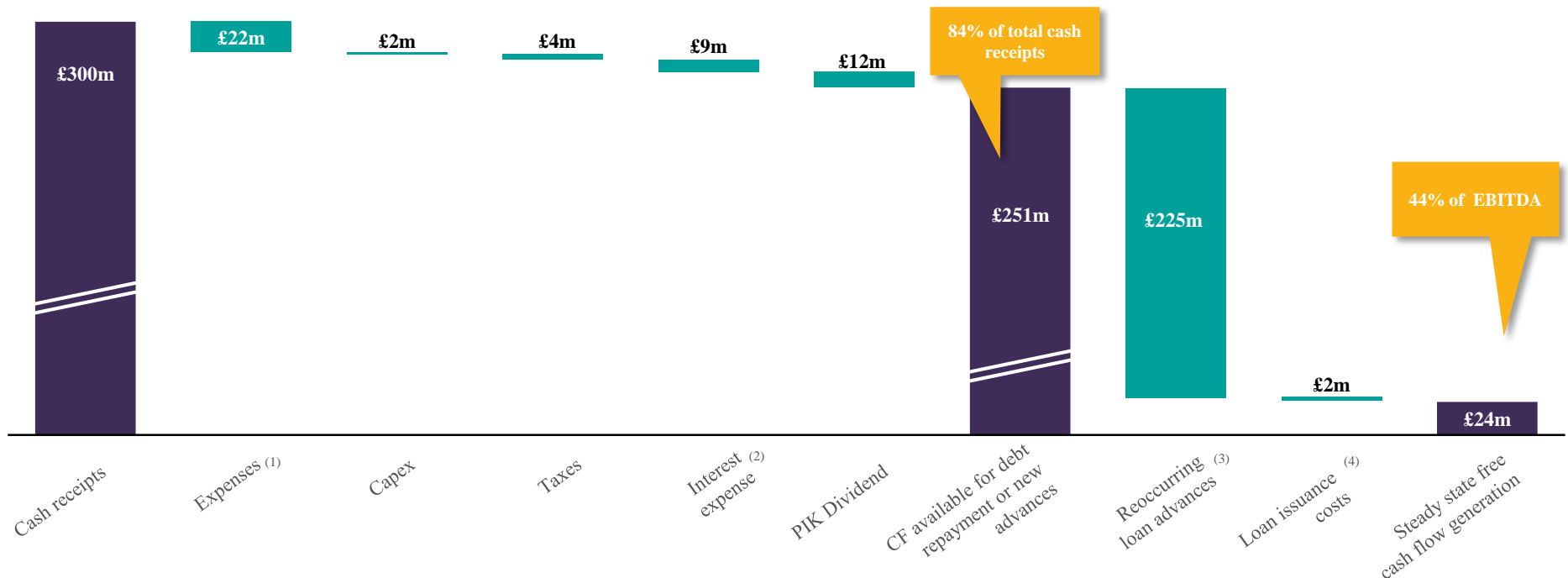
## Lending Volumes

- New originations volumes remain strong increasing by 23.2% to £401.6m (Q2 '17: £325.8m)
- Nominal rates reduced to 9.1% in Q2 '18 (Q2 '17: 10.5%), mainly due to a change in mix towards Retail and Buy-to-Let business along with some rate compression as we expand our product set.
- Weighted average LTV's have remain low at 58.7% (Q2 '17: 55.1%)

## ...driving high levels of cash generation

### Quarterly Cash Flows (Dec '17)

- Consolidated group cash receipts £299.5m, up 17.3% on Q2 '17 reflecting increased loan book growth. (Q2 '17: £255.6m)
- Net increase in outstanding debt of £142.0m (Q2 '17: £125.2)
- New advances of £401.6m (Q2 '17: £325.8m)
- Expenses including overheads, capex, tax, transaction fees and PIK dividend totalled £40.4m in the quarter (£28.9m excluding PIK Dividend). (Q2 '17: £27.3m)
- Cash interest totalled £9.0m. (Q2 '17: £26.1m (£8.7m excluding the penalty and fees on the refinancing of the £300m notes))
- Interest cover at c2.5x and significantly higher on a cash basis



**Strong cash flow profile underpinned by secured property loans**

(1) Principally represents overheads.

(2) Excludes debt issuance costs.

(3) Reoccurring loan advances are loan advances required to maintain the size of the loan book at the beginning of period level. Calculated as loans underwritten in the period less growth in loans & advances over the last twelve months.

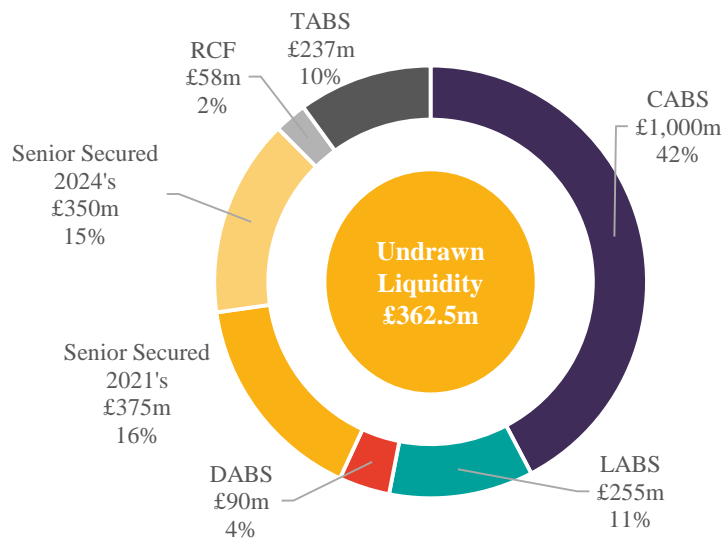
(4) Loan issuance costs adjusted proportionately to reflect costs associated with reoccurring loan advances only, assuming a 1.1% loan issuance cost on loan advances.

# Significant additional funding to support growth ambitions

## Liquidity & Funding

- 2024 senior secured notes tapped for £150m at 101.75 (Jan '18)
- Lakeside ABS was refinanced (Jan '18) to 2021 for a further 3 years on favourable terms: i) reduction in pricing, ii) widening of the eligibility criteria
- Diversified funding structure with average maturity of 3.7 years (at Jan '18)
- High level of liquidity: £362.5m total undrawn committed funding and c£59m unrestricted cash (at Jan '18) and £251.7m free cash flow generated after paying expenses and interest for the quarter

## Diversified Funding Base as at 31 Jan 2018



Together Financial Services Loan Portfolio £2.55bn	
<b>Commercial Finance (Unregulated)</b>	<b>Personal Finance (FCA Regulated)</b>
Bridging Loans, BTL, Commercial Real Estate, Developments	1 <sup>st</sup> & 2 <sup>nd</sup> Lien Mortgages, Regulated Bridging Loans, Consumer BTL

Borrower Group	Conduit Securitisations	Term Securitisation
<ul style="list-style-type: none"> <li>• Dedicated loan portfolio: £887m<sup>(3)</sup></li> <li>• Indexed LTV &lt;60%</li> <li>• Additional "2<sup>nd</sup> lien" effectively over securitisation assets</li> <li>• £11.5m excess spread received from Securitisations per month<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Non-recourse to Together</li> <li>• Excess spread and subordinated debt interest of £10.5m per month<sup>(1)</sup> transferred to Borrower Group</li> </ul>	<ul style="list-style-type: none"> <li>• Non-recourse to Together</li> <li>• Excess spread of £1.5m per month<sup>(1)</sup> transferred to Borrower Group</li> </ul>
<b>As at Jan '18</b>	<b>As at Jan '18</b>	<b>As at Jan '18</b>
<ul style="list-style-type: none"> <li>SSN 2021 £375m 5yr NC2 S&amp;P: BB -; Fitch: BB</li> <li>SSN 2024 £350m 7yr NC3 S&amp;P: BB -; Fitch: BB</li> <li>RCF 2021 £57.5m Commitment £nil Drawn NR</li> </ul>	<ul style="list-style-type: none"> <li>Charles St ABS "CABS" 2021 £1,000m Commitment £780m Drawn Moody's: Aa2(sf); DBRS: AA (sf)</li> <li>Lakeside ABS "LABS" 2021 £255m Commitment £190m Drawn NR</li> <li>Delta ABS "DABS" 2021 £90m Commitment £70m Drawn NR</li> </ul>	<ul style="list-style-type: none"> <li>Together ABS "TABS" RMBS £236.9m rated notes in issue 81% rated Aaa/AAA 98% rated Baa3/BBB or higher<sup>(2)</sup></li> </ul>
<b>Shareholder Funding</b> £694.7m <sup>(3)(4)</sup>		

(1) Based on average surplus securitisation interest received over last twelve months to December '17.  
 (2) Based upon rated notes at issuance (Sep 29, 2017)  
 (3) As at December '17  
 (4) Includes shareholder debt

# Robust financial performance

	Consolidated Group			Borrower Group			
	Dec '16	Sep '17	Dec '17	Dec '16	Sep '17	Dec '17	
<b>Balance sheet / asset quality</b>	<b>Loan ledger after impairment (£m)</b>	1,988.6	2,369.4	<b>2,545.8</b>	643.5	924.1	<b>886.6</b>
	<b>Shareholder funds (£m)<sup>(1)</sup></b>	612.1	678.7	<b>694.7</b>	274.9	365.1	<b>320.6</b>
	<b>WA Indexed LTV</b>	52.4%	54.4%	<b>53.6%</b>	56.9%	59.1%	<b>57.5%</b>
<b>Profitability<sup>(3)</sup></b>	<b>EBITDA (£m, underlying)</b>	174.0	200.1	<b>207.2</b>	140.4	163.4	<b>168.4</b>
	<b>EBITDA margin</b>	74.9%	76.8%	<b>76.2%</b>	n/a	n/a	<b>n/a</b>
	<b>Interest income / average loan book</b>	12.6%	12.2%	<b>11.8%</b>	n/a	n/a	<b>n/a</b>
	<b>PBT (£m, underlying)</b>	101.9	120.5	<b>122.3</b>	n/a	n/a	<b>n/a</b>
	<b>Net interest margin</b>	8.7%	8.5%	<b>8.2%</b>	n/a	n/a	<b>n/a</b>
	<b>Cost / income ratio</b>	28.7%	29.8%	<b>31.0%</b>	n/a	n/a	<b>n/a</b>
	<b>Impairment / Average Loan Book</b>	0.6%	0.3%	<b>0.3%</b>	n/a	n/a	<b>n/a</b>
	<b>Return on equity<sup>(1)</sup></b>	13.9%	16.2%	<b>16.0%</b>	n/a	n/a	<b>n/a</b>
<b>Key credit metrics</b>	<b>Gearing<sup>(4)</sup></b>	68.6%	71.4%	<b>72.4%</b>	57.2%	60.5%	<b>64.1%</b>
	<b>Underlying asset cover<sup>(5)</sup></b>	35.9%	38.8%	<b>38.8%</b>	32.5%	35.7%	<b>36.9%</b>
	<b>Net debt : EBITDA<sup>(1)(2)(6)</sup></b>	7.9x	8.5x	<b>8.9x</b>	2.8x	3.6x	<b>3.4x</b>
	<b>Gross debt : shareholder funds</b>	2.4x	2.6x	<b>2.8x</b>	1.4x	1.5x	<b>1.8x</b>
	<b>Interest cover<sup>(2)(3)</sup></b>	2.4x	2.5x	<b>2.5x</b>	4.6x	5.3x	<b>4.5x</b>
	<b>Tangible equity<sup>(1)</sup> / tangible assets</b>	30.2%	28.0%	<b>26.8%</b>	n/a	n/a	<b>n/a</b>

## Key highlights

- ✓ Robust loan growth with stable LTVs and arrears
- ✓ Protection of highly attractive net interest margin as loan volumes grow
- ✓ Stable and highly attractive profitability margins and strong operating cash flows
- ✓ Significant RoE uplift while maintaining prudent capitalisation
- ✓ Conservative levels of gearing, strong capitalisation and low cost / income ratio relative peers

(1) Subordinated shareholder loans and notes treated as equity.  
 (2) Calculated on quarterly basis.  
 (3) Dec '16 LTM & Sept '17 LTM excludes the effects of exceptional items related to the Refinancing (£14.8m redemption costs) and the Exit Transactions – repurchasing minority investors stake (£8.6m & 8.2m of staff incentive costs, respectively).  
 (4) Ratio of net borrowings to the value of the Consolidated Group loan ledger after impairment & Ratio of net senior secured borrowings to the value of the Borrower Group loan ledger after impairment.

(5) Ratio of net borrowings to the value of the Consolidated Group and Borrower Group underlying security valuation & Ratio of net senior secured borrowings to the value of the Borrower Group underlying security valuation.  
 (6) Sep '17 & Dec '17 figure reflects the £200m issuance in Feb 2017 on a non pro-forma basis.

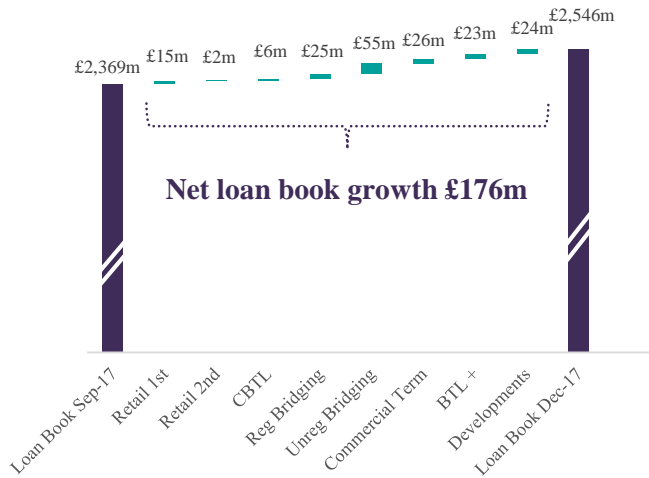
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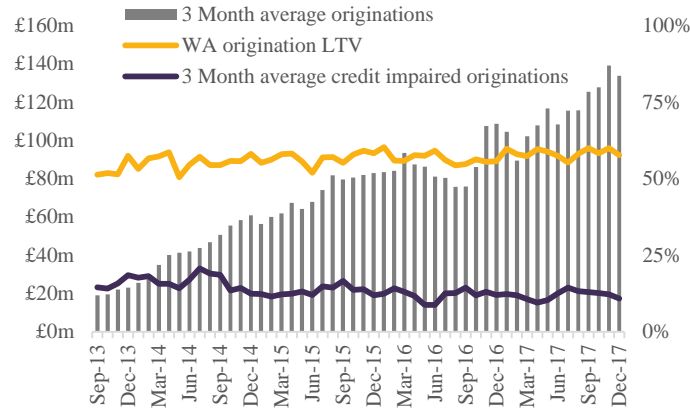


# High quality underwriting focused on affordability and low LTV's

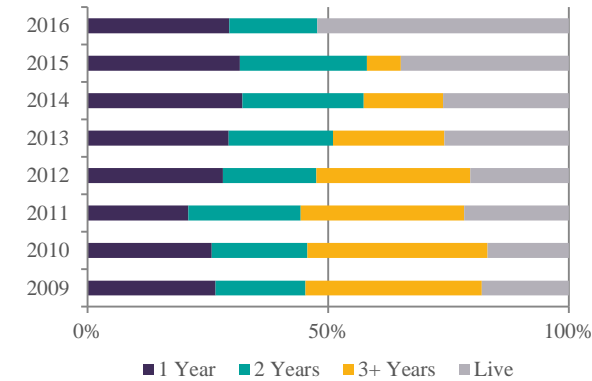
Loan Book Movement<sup>(1)</sup> (£m)



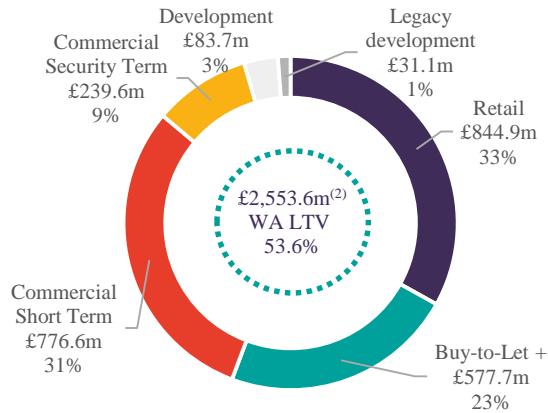
Strong originations at low LTVs and impairments



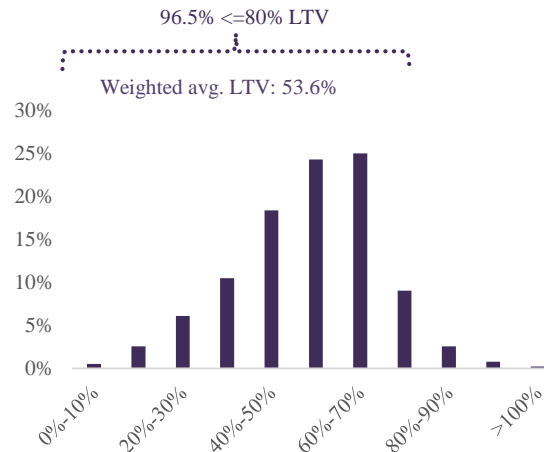
Redemption Rates (by Loan vintage)



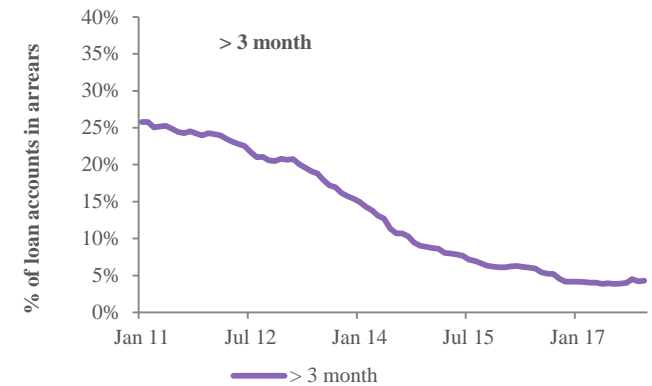
Loan Book at Dec '17<sup>(2)</sup> (£m)



Loan Book LTV's<sup>(2)</sup>



Declining Arrears



(1) Loan book balance as per Statement of Financial Position

(2) Loan book analysis for core operating subsidiaries is presented after allowances for impairments and before certain accounting adjustments required to comply with the income recognition requirements of IFRS

# Low LTV provides significant downside protection

## LTV's Remain Conservative at 53.6%

- WA indexed LTV of total loan portfolio 53.6%; Borrower Group: 57.5%
- Percentage of loans in Borrower Group with origination LTV of > 80% is 3.5% reflecting very conservative approach to loan origination

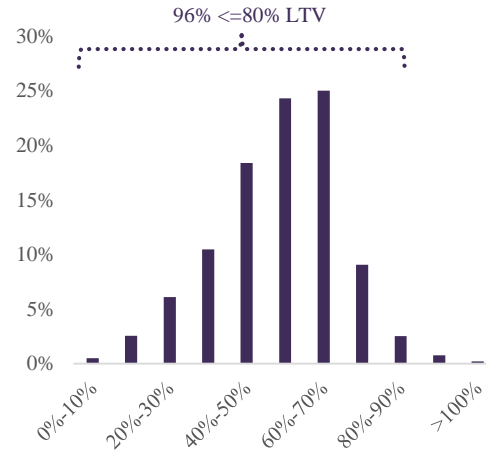
## Loans in Negative Equity

- Group had negative equity exposure of £18.5m, supported by £26.3m of provisions
- Group's provisioning policy under IFRS requires discounting of expected cash flows at the Effective Interest Rate (EIR) to achieve a present value based on an expected realisation period

## Downside Scenario Analysis

- Additional Group exposure to negative equity from 10% and 20% falls in property values estimated to be £6.3m and £17.8m respectively
- Additional Borrower Group exposure to negative equity from 10% and 20% falls in property values estimated to be £6.0m and £16.5m respectively
- Peak principal loss ratio only 0.8% during financial crisis. On lending since we tightened our underwriting policies in 2010, loss ratios have consistently been below 0.01%

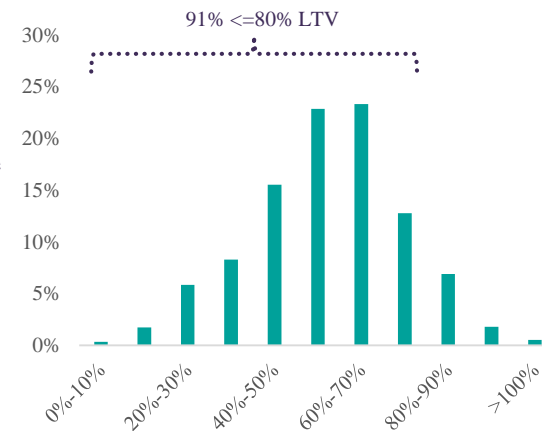
## Loan Booked by Indexed LTV



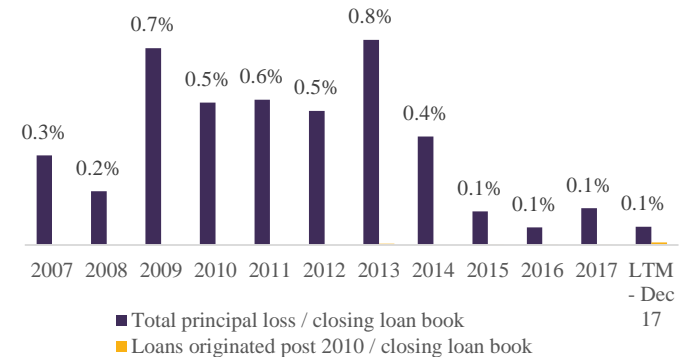
## Estimated Impact of Declining Security Valuations



## Borrower Group Indexed LTV



## Principal Loss Ratios





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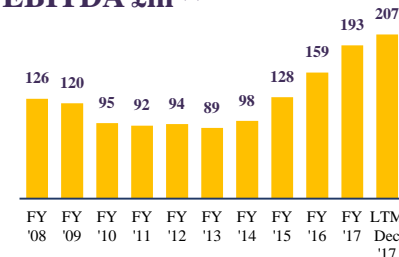
# Summary & outlook

<p><b>1</b></p> <p><b>Underlying EBITDA</b></p> <p><b>+ 14.7%</b></p> <p>£54.3m (Q2 '17: £47.3m)</p>	<p><b>2</b></p> <p><b>Underlying PBT</b></p> <p><b>+ 6.1%</b></p> <p>£31.5m (Q2 '17: £29.7m)</p>	<p><b>3</b></p> <p><b>Net Interest Margin<sup>(1)</sup></b></p> <p><b>8.2%</b></p> <p>(Q2 '17: 8.7%)</p>
<p><b>4</b></p> <p><b>Originations</b></p> <p><b>+ 23.2%</b></p> <p>£401.6m (Q2 '17: £325.8m)</p>	<p><b>5</b></p> <p><b>WA Origination LTV</b></p> <p><b>58.7%</b></p> <p>(Q2 '17: 55.8%)</p>	<p><b>6</b></p> <p><b>Loan Book</b></p> <p><b>+ 28.0%</b></p> <p>£2.55bn (Q2 '17: £1.99bn)</p>
<p><b>7</b></p> <p><b>Net Impairment Ratio<sup>(2)</sup></b></p> <p><b>0.3%</b></p> <p>(Q2 '17: 0.6%)</p>	<p><b>8</b></p> <p><b>Fitch Ratings Upgrade</b></p> <p><b>BB</b></p> <p>Outlook stable (from BB-)</p>	<p><b>9</b></p> <p><b>Enhanced Platform</b></p> <ul style="list-style-type: none"> <li>Accelerated investment in <b>people</b> focussed around our core culture to support headcount growth</li> <li>Heavy investment in <b>brand</b> by building out marketing, PR and digital capabilities</li> <li>Strategic investment in <b>distribution</b>, products, governance and systems</li> </ul>

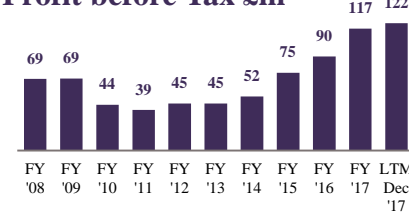
## Outlook

- Detailed Brexit negotiations may increase market volatility and the UK economic outlook remains mixed
- This may create further opportunities for specialist lenders - Together is well placed to benefit from these conditions and to deliver on our ambitious growth plans

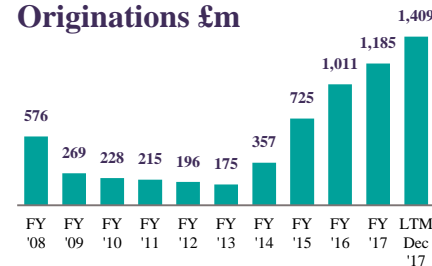
EBITDA £m<sup>(1)</sup>



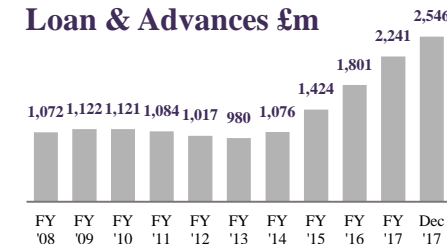
Profit before Tax £m<sup>(1)</sup>



Originations £m



Loan & Advances £m



(1) Based on a rolling 12 months  
 (2) LTM impairment charge / average gross loan book

# Agenda

1	Key Highlights
2	Operating Update
3	Financial Review
4	Loan Book Analysis
5	Summary and Outlook
<b>6</b>	<b>Q&amp;A</b>
7	Appendix





# Agenda

1 Key Highlights

2 Operating Update

3 Financial Review

4 Loan Book Analysis

5 Summary and Outlook

6 Q&A

**7**

**Appendix**

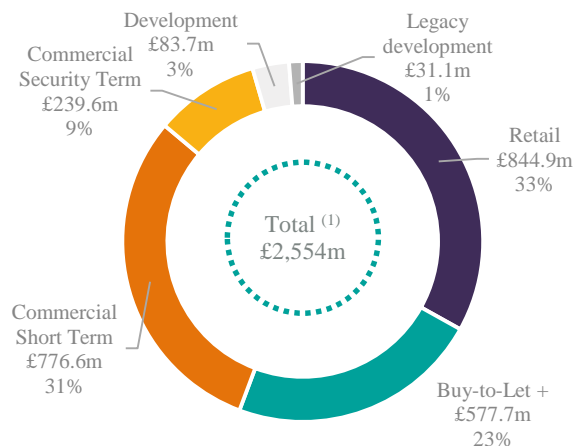


# Appendix: Additional Information

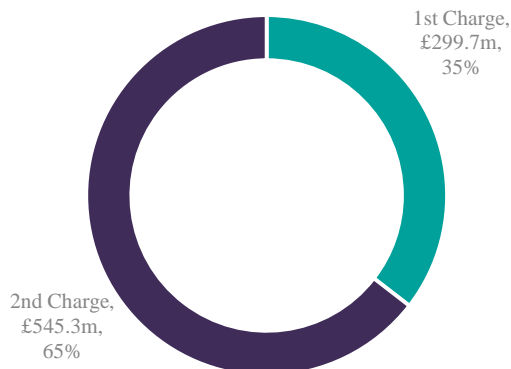


# Diversified loan book – consolidated group

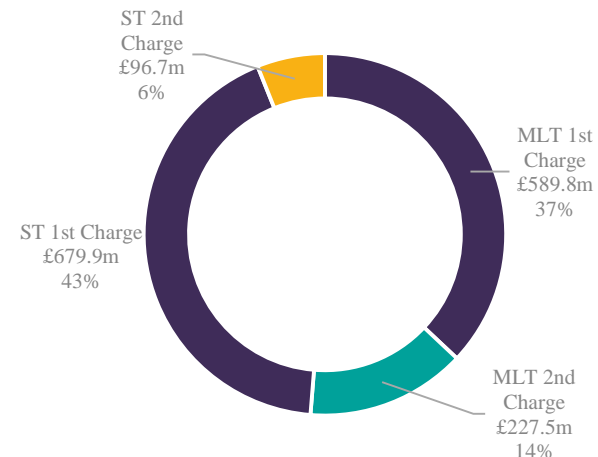
### Loan Portfolio Breakdown by Loan Purpose



### Retail Loan Book Breakdown



### Commercial Loan Book Breakdown



72% Secured on Residential Security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>Retail</b>	41.9	8.9%	48.8%
<b>Commercial</b>	151.6	10.5%	55.0%
<b>Development</b>	565.7	11.8%	69.9%
<b>Total</b>	82.7	10.0%	53.6%

100% Secured on Residential Security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>1<sup>st</sup> Charge</b>	82.9	7.7%	45.4%
<b>2<sup>nd</sup> Charge</b>	33.0	9.5%	50.7%

59% Secured on Residential Security

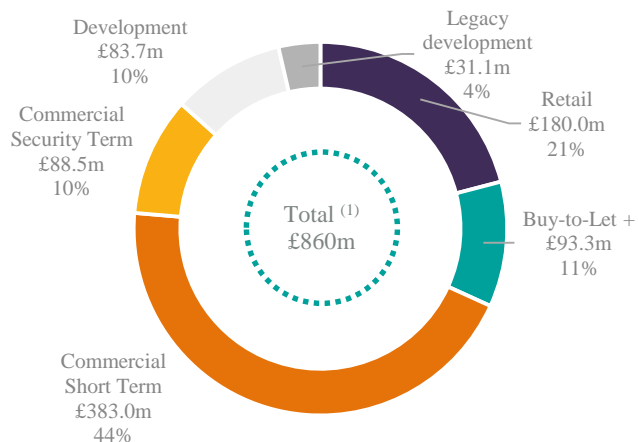
Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>ST 1<sup>st</sup> Charge</b>	335.4	12.1%	57.8%
<b>ST 2<sup>nd</sup> Charge</b>	232.4	12.8%	57.5%
<b>MLT 1<sup>st</sup> Charge</b>	120.3	8.9%	51.2%
<b>MLT 2<sup>nd</sup> Charge</b>	71.8	8.8%	55.4%

Note: ST = Short term; MLT = Medium + Long term.

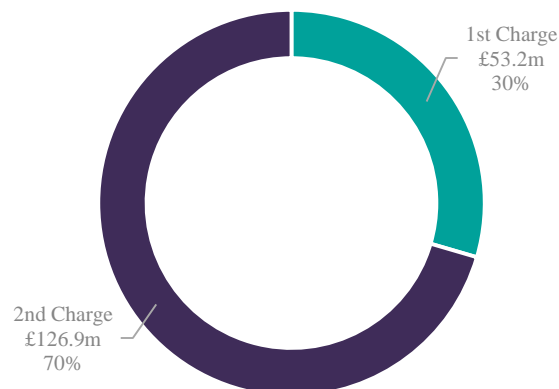
(1) Loan book analysis for core operating subsidiaries is presented after allowances for impairments and before certain accounting adjustments required to comply with the income recognition requirements of IFRS.

# Diversified loan book – borrower group

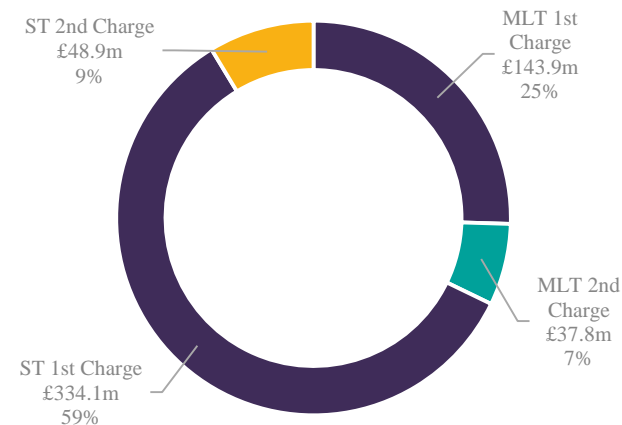
### Loan Portfolio Breakdown by Loan Purpose



### Retail Loan Book Breakdown



### Commercial Loan Book Breakdown



**52% Secured on Residential Security**

**100% Secured on Residential Security**

**40% Secured on Residential Security**

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>Retail</b>	29.3	10.0%	49.9%
<b>Commercial</b>	232.3	11.1%	57.4%
<b>Development</b>	565.7	11.8%	69.9%
<b>Total</b>	98.0	10.9%	57.5%

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>1<sup>st</sup> Charge</b>	67.7	8.0%	44.8%
<b>2<sup>nd</sup> Charge</b>	23.7	10.8%	52.0%

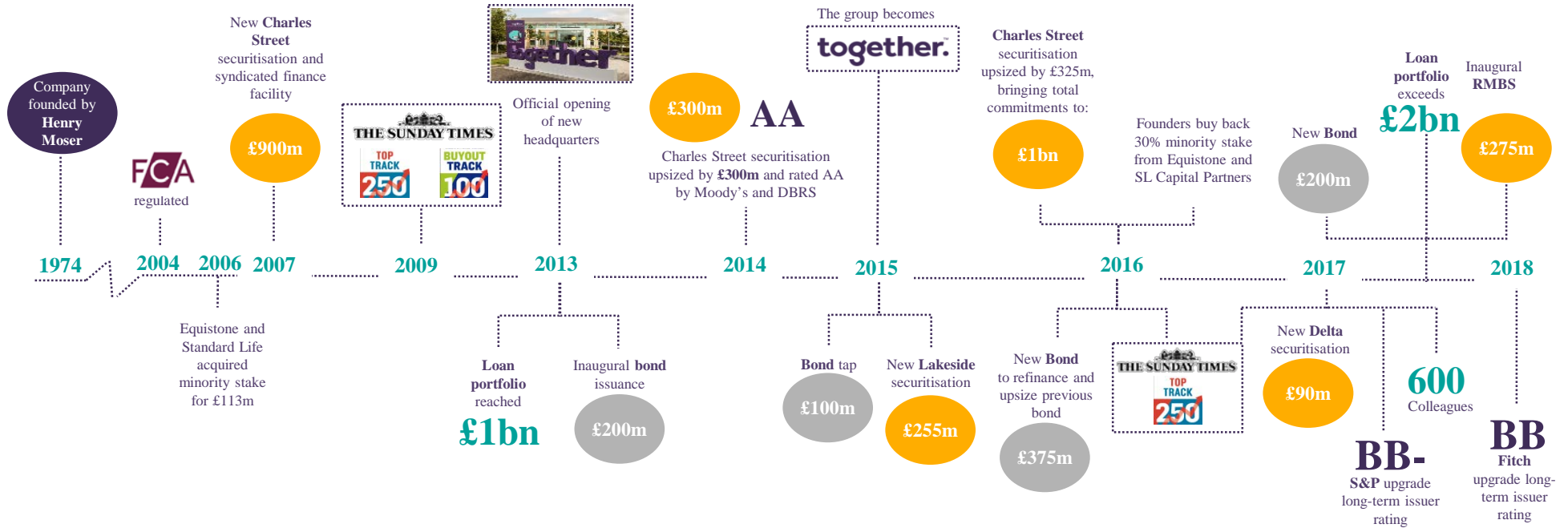
Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>ST 1<sup>st</sup> Charge</b>	547.8	11.8%	58.5%
<b>ST 2<sup>nd</sup> Charge</b>	231.8	13.2%	60.4%
<b>MLT 1<sup>st</sup> Charge</b>	136.5	9.1%	54.5%
<b>MLT 2<sup>nd</sup> Charge</b>	68.0	9.5%	54.9%

Note: ST = Short term; MLT = Medium + Long term.

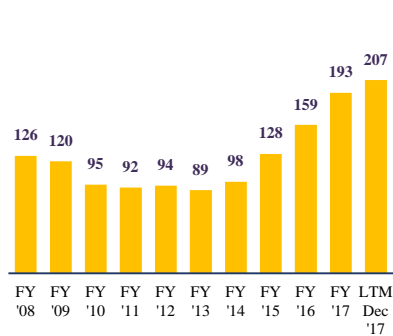
(1) Loan book analysis for core operating subsidiaries is presented after allowances for impairments and before certain accounting adjustments required to comply with the income recognition requirements of IFRS.



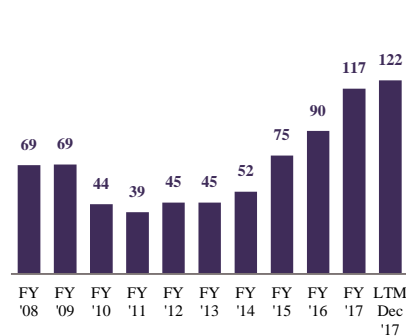
# 44 year track record of unbroken profitability



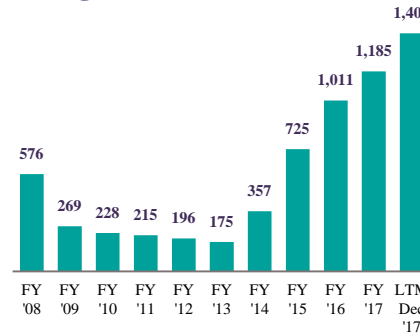
EBITDA £m <sup>(1)</sup>



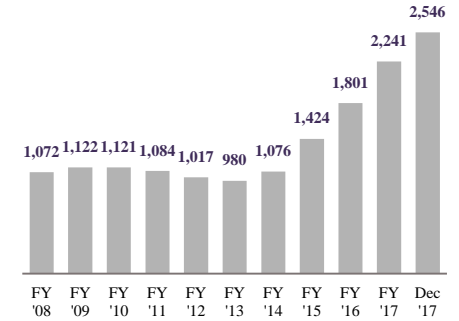
Profit before Tax £m <sup>(1)</sup>



Originations £m



Loan & Advances £m



(1) Underlying PBT & EBITDA

(2) FY '17 and Sep '17 LTM are on an underlying basis, adjusted for exceptional costs incurred during such periods.

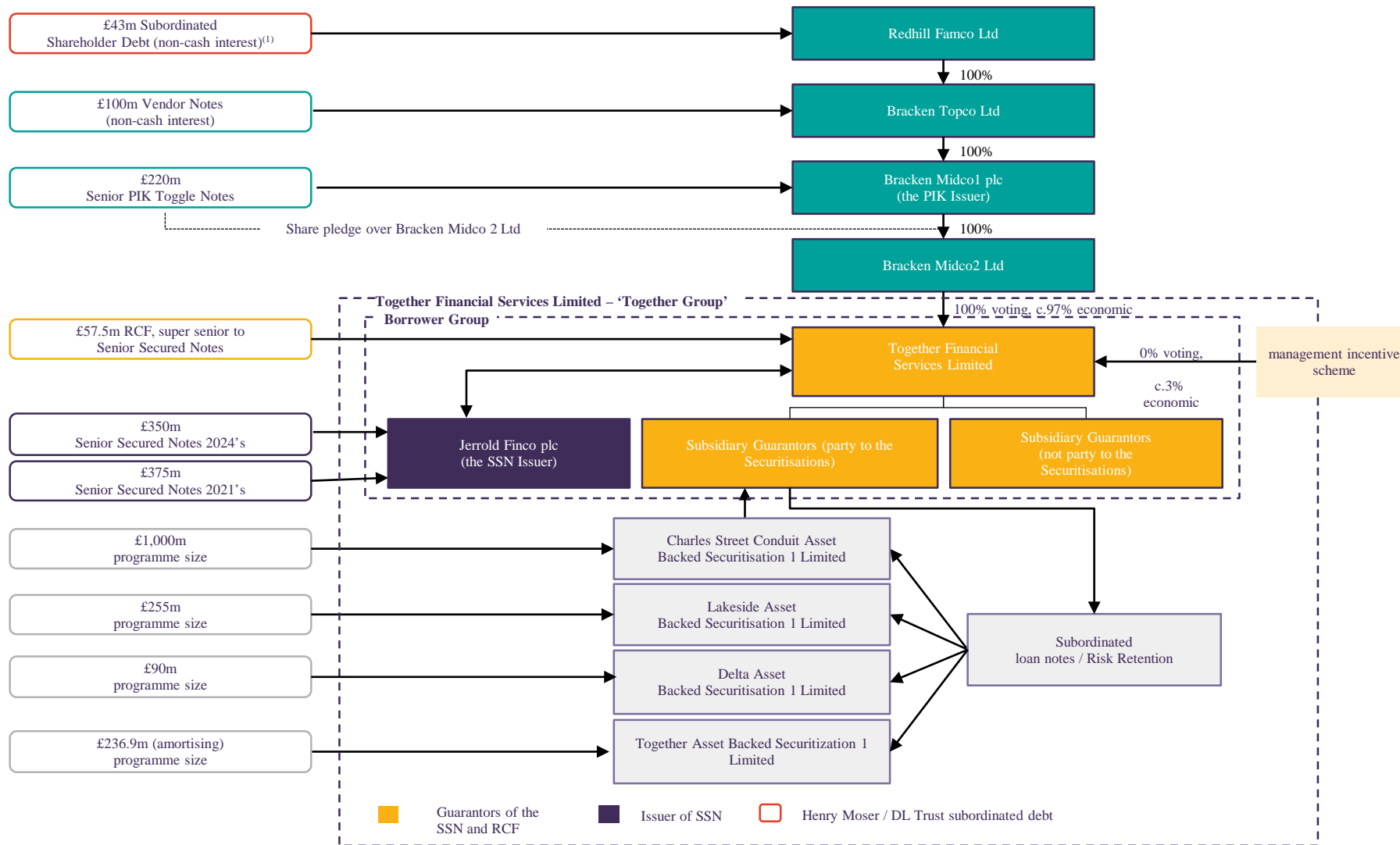
# Overview of securitisation structure

Issuer	Charles Street Asset Backed Securitisation	Lakeside Asset Backed Securitisation	Delta Asset Backed Securitisation
<b>Note purchasers</b>	<ul style="list-style-type: none"> <li>RBS, Barclays, Lloyds, Natixis and HSBC</li> </ul>	<ul style="list-style-type: none"> <li>Lloyds, Natixis and HSBC</li> </ul>	<ul style="list-style-type: none"> <li>Goldman Sachs Private Capital</li> </ul>
<b>Facility size</b>	<ul style="list-style-type: none"> <li>£1,000m facility size</li> <li>£780m issued</li> </ul>	<ul style="list-style-type: none"> <li>£255m facility size</li> <li>£190m issued</li> </ul>	<ul style="list-style-type: none"> <li>£90m facility</li> <li>£70m issued</li> </ul>
<b>Maturity</b>	<ul style="list-style-type: none"> <li>Revolving period January 2020</li> <li>Full repayment January 2021</li> </ul>	<ul style="list-style-type: none"> <li>Full repayment January 2021</li> </ul>	<ul style="list-style-type: none"> <li>Revolving period January 2020</li> <li>Full repayment January 2021</li> </ul>
<b>Rating</b>	<ul style="list-style-type: none"> <li>Rated Aa2 (sf) by Moody's and AA (sf) by and DBRS</li> </ul>	<ul style="list-style-type: none"> <li>Not rated</li> </ul>	<ul style="list-style-type: none"> <li>Not rated</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>Loan pool collateral £990.8m</li> <li>Together Financial Services subordinated loan notes</li> </ul>	<ul style="list-style-type: none"> <li>Loan pool collateral £256.2m</li> <li>Together Financial Services subordinated loan notes</li> </ul>	<ul style="list-style-type: none"> <li>Loan pool collateral £86.1m</li> <li>Together Financial Services subordinated loan notes</li> </ul>
<b>Facility purpose</b>	<ul style="list-style-type: none"> <li>Flexible facility to fund all asset types</li> <li>Concentration limits on % of short term commercial purpose loans</li> </ul>	<ul style="list-style-type: none"> <li>Primarily to fund new short term commercial purpose loans and loans secured on commercial property</li> </ul>	<ul style="list-style-type: none"> <li>Primarily to fund new short term commercial purpose loans and loans secured on commercial property</li> </ul>
<b>Purchase &amp; recycling of assets</b>	<ul style="list-style-type: none"> <li>Beneficial interest in qualifying loans transferred to Securitisation on a random basis in consideration for full principal balance</li> <li>The Borrower Group buys back assets that no longer meet the eligibility criteria. Primarily this is where a loan no longer meets the relevant arrears criteria (3–5 months)</li> </ul>		
<b>Delinquency<sup>(1)</sup> and loss rate</b>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 3.19%</li> <li>Rolling 3 month average default rate 0.59%</li> <li>LTM £47.0m of loans were repurchased</li> </ul>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 2.14%</li> <li>Rolling 3 month average default rate 0.69%</li> <li>LTM £15.9m of loans were repurchased</li> </ul>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 0.8%</li> <li>Rolling 6 month average default rate 1.2%</li> <li>LTM £6.4m of loans were repurchased</li> </ul>
<b>Excess spread and subordinated debt interest (LTM)</b>	<ul style="list-style-type: none"> <li>Average monthly excess spread of £6.5m</li> <li>Average monthly subordinated debt interest of £0.5m</li> </ul>	<ul style="list-style-type: none"> <li>Average monthly excess spread of £2.2m</li> <li>Average monthly subordinated debt interest of £0.1m</li> </ul>	<ul style="list-style-type: none"> <li>Average monthly excess spread of £0.7m</li> <li>Average monthly subordinated debt interest of £0.03m</li> </ul>

Note: Data as at January 31, 2018.

(1) Delinquency rate includes the technical arrears.

# Group legal & finance structure as January 31, 2018



(1) Subordinated Shareholder Funding based upon nominal value

# Contact

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