



**44**

years of experience



**£1.5bn**

LTM originations



# Investor Presentation

## Q3 2018 Results

17<sup>th</sup> May 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
- Group CFO between 2001 and February 2018, contributing to the strategic development of the Group, with specific responsibility for financial reporting, taxation and treasury. From 01<sup>st</sup> March 2018 Gary took on the role of Group Managing Director and Chief Treasury Officer, 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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Financial Review

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Loan Book Analysis

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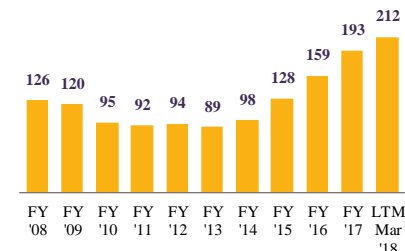
Appendix



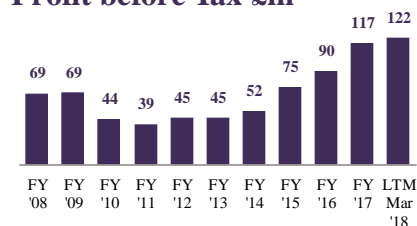
# Key highlights

<p><b>1</b></p> <p><b>Originations</b></p> <p><b>+ 37.7%</b></p> <p>£422.4m (Q3 '17 : £306.7m)</p>	<p><b>2</b></p> <p><b>WA Origination LTV</b></p> <p><b>58.8%</b></p> <p>(Q3 '17 : 58.2%)</p>	<p><b>3</b></p> <p><b>Loan Book</b></p> <p><b>£2.78bn</b></p> <p>+30.8% (Q3 '17 : £2.13bn)</p>
<p><b>4</b></p> <p><b>Net Interest Margin<sup>(1)</sup></b></p> <p><b>7.7%</b></p> <p>(Q3 '17 : 8.5%)</p>	<p><b>5</b></p> <p><b>Underlying EBITDA</b></p> <p><b>£53.5m</b></p> <p>+10.0% (Q3 '17: £48.6m)</p>	<p><b>6</b></p> <p><b>Underlying PBT</b></p> <p><b>£28.9m</b></p> <p>-2.3% (Q3 '17 : £29.6m)</p>

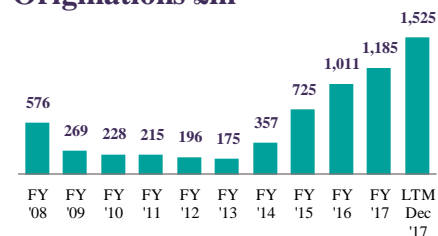
EBITDA £m <sup>(1)</sup>



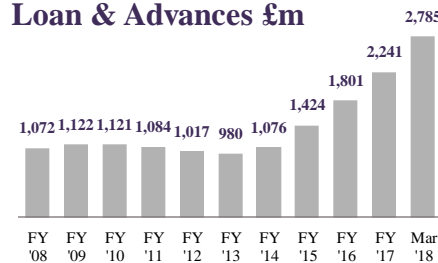
Profit before Tax £m <sup>(1)</sup>



Originations £m



Loan & Advances £m



## Continued Strong Progress

- Record lending volumes at conservative LTVs as loan book grows to £2.78bn
- Additional investment in people, products, distribution channels, systems and governance to enhance platform for growth
- Strong progress reflected in Fitch ratings upgrade to BB and 34th place in Sunday Times Top 100 Companies to Work For
- Continued to deliver strong levels of profit and cash generation and highly attractive NIM (exceptional costs in Q3 of £2.2m)
- Further depth and maturity added to funding platform with successful £255m LABs refinancing and £150m Bond Tap
- April '18: £14.4m increase in RCF

(1) Based on a rolling 12 months

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# Successful, proven and scalable business model

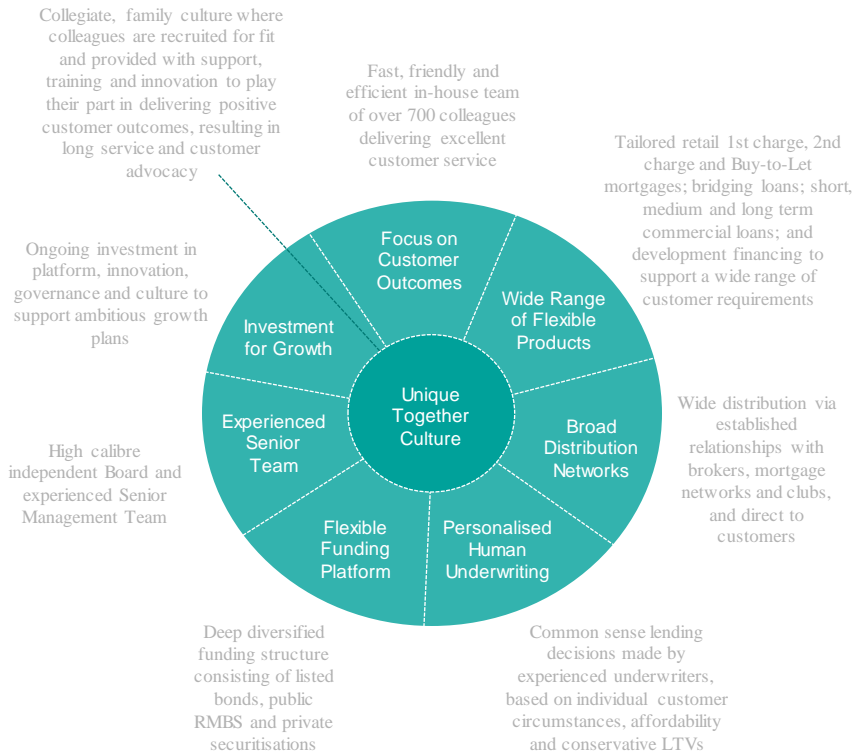
## Strategy

Focusing on profitable underserved market segments

Increasing lending volumes and growing loan book

Enhancing platform to support future growth objectives

### Based on over 40 years' experience



	Mar'17	Mar'18
<b>Colleagues</b> <ul style="list-style-type: none"> <li>34<sup>th</sup> best place to work UK</li> <li>Increase in Execution Bandwidth</li> </ul>	500+ X X	700+ ✓ ✓
<b>Distribution &amp; Marketing</b> <ul style="list-style-type: none"> <li>National Sales Team</li> <li>Network &amp; Clubs</li> </ul>	42 X	57 ✓
<b>Risk &amp; Compliance</b> 	20 FTE	48 FTE
<b>Performance</b> <ul style="list-style-type: none"> <li>Originations (LTM)</li> <li>Loan Book</li> <li>WA Indexed LTV</li> <li>Performing Loans</li> <li>Underlying PBT (LTM)</li> <li>NIM</li> </ul>	£1,103m £2.1bn 53% 91% £107m 8.5%	£1,525m £2.8bn 55% 91% £122m 7.7%
<b>Funding Structure</b> <ul style="list-style-type: none"> <li>Securitisations</li> <li>Senior Secures Notes</li> <li>RMBS</li> <li>RCF</li> <li>Shareholders Funds<sup>(1)</sup></li> <li>Ratings</li> </ul>	£1,345m £575m - £29m £638m BB-/B+	£1,345m £725m £248m £58m £720m BB/BB-

(1) Includes shareholder debt

# Enhancing our platform to support our future growth ambitions

## Accelerated strategic investment programme

### People & Culture

#### Investing in people – in-depth recruitment process to ensure maintenance of the Together culture

- Senior Management Team responsibilities realigned to reflect Group’s future growth objectives
- Awarded accolade of placing 34<sup>th</sup> in the Sunday Times 100 “Best companies to work for in the UK”, as well as recognition for our charity work in its “Giving Something Back” awards
- Continuous investment in L&D and engagement, including the launch of our Leadership Academy
- Launch of “returnship” programme to add to our existing Graduate Scheme, Apprenticeship and work experience programmes
- 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

- Further extended distribution into retail broker networks and mortgage clubs across the UK
- Launched additional functionality to further enhance broker portal
- Continued building out marketing, communications and digital strategy capabilities to clearly differentiate brand from peers
- Building out our national sales team to support of widening our increasing geographical presence
- Launch of London office to further establish our positioning as a national business

### 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, exploring the use of Natural Language via Chatbots, and further advancements in providing automated decisions in principle for customers
- New Commercial Finance CRM system for collections, automating workflow and enhancing customer contact strategies
- Undergone predictive analytics which provides us greater insight into our credit risk assessments allowing us to forecast more accurately
- Digital customer sentiment analysis and predictive analytics introduced following our Innovation hackathon

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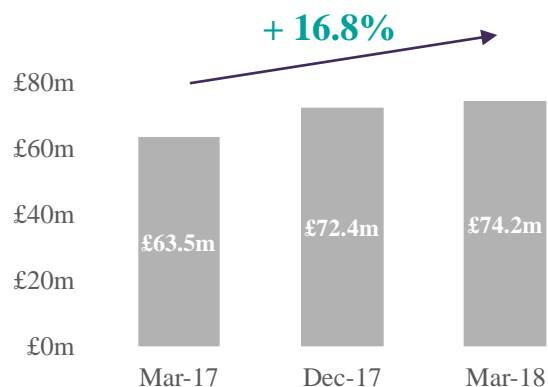
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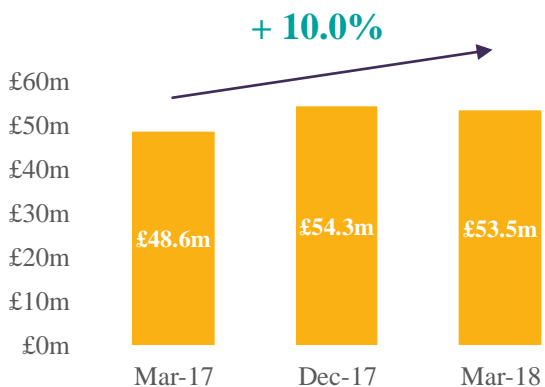


# Continued growth in Income and EBITDA

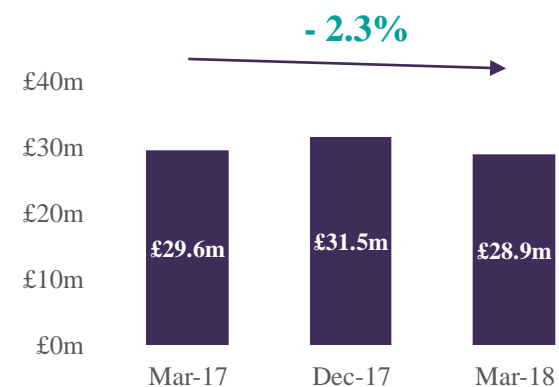
Income<sup>(4)</sup> £m



Underlying EBITDA £m



Underlying PBT £m



	Mar '17	Dec '17	Mar '18
Income <sup>(3)</sup> £m	63.5	72.4	74.2
Impairment Charge £m	2.6	2.6	3.0
EBITDA £m	48.8	54.3	53.5
Underlying EBITDA £m	48.6	54.3	53.5
Interest Payable £m	18.4	22.0	23.7
PBT £m	29.7	31.5	28.9
Underlying PBT £m	29.6	31.5	28.9
Net Interest Margin <sup>(1)</sup>	8.5%	8.2%	7.7%
Cost / Income Ratio <sup>(2)(4)</sup>	29.0%	31.0%	33.1%

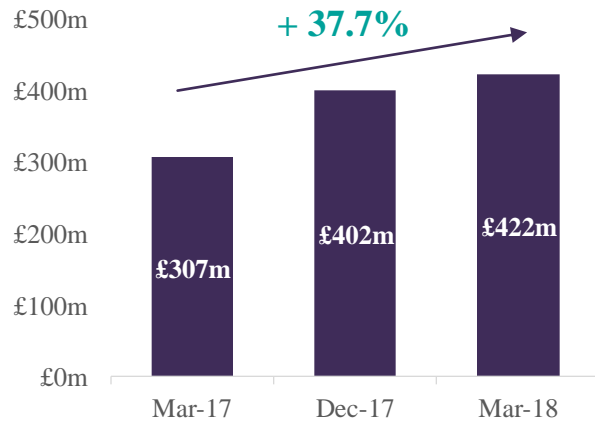
## Income & Expenditure

- Income increased by £10.7m to £74.2m (Q3'17: £63.5m) reflecting growth in the loan book
- Impairment charge of £3.0m remains consistent at just 0.1% of the loan book
- Underlying PBT, down slightly on prior periods due to exceptional; non-recurring costs of £1.5m bonus accrual adjustment and £0.7m uplift in cost of funds following the Bond Tap along with continued investment to enhance growth platform.
- LTM NIM lower at 7.7%, due to mix of vintages as older loans with higher yields redeem and some rate compression as volumes increase
- LTM cost / income ratio increased to 33.1% as investment in infrastructure continues to support future growth ambitions. Still remains very low compared with peer group

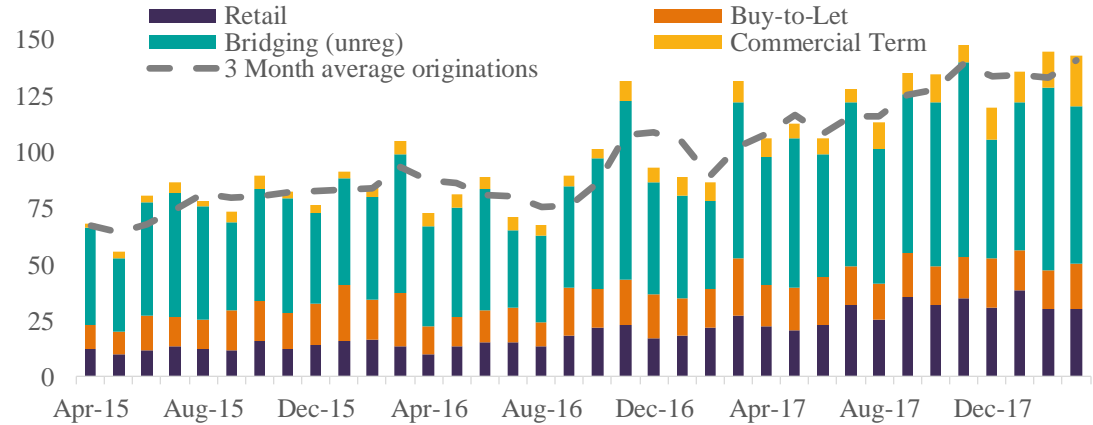
(1) Calculated as LTM net interest income / average opening and closing loan assets  
 (2) Operating expenses excluding impairment, financing costs, and tax/ net operating income  
 (3) Includes fees & commission receivable  
 (4) Based on rolling 12 months

# Strong lending volumes with conservative LTVs...

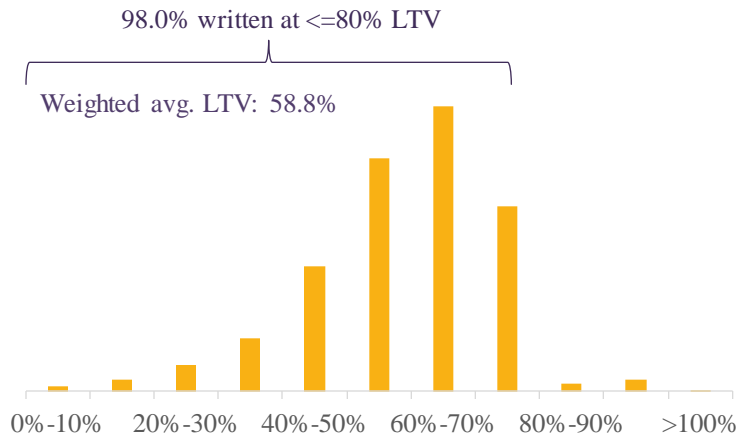
## Quarterly Originations £m



## Monthly Advances £m



## Q3 '18 Origination LTV Bandings



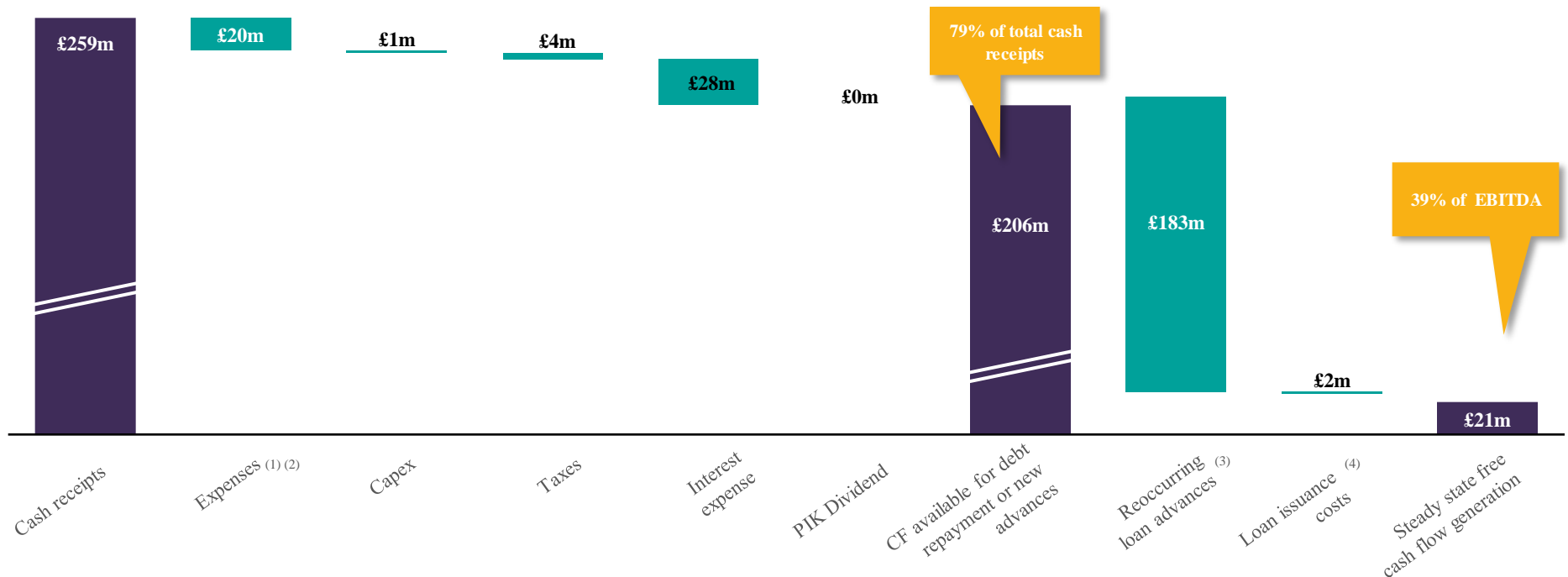
## Lending Volumes

- Record origination volumes, up 37.7% to £422.4m (Q3 '17: £306.7m)
- Nominal rates reduced to 9.2% in Q3 '18 (Q3 '17: 9.9%), partly due to a mix change towards retail and BTL, with some rate compression as we expand our product set
- Weighted average LTV's have remain low at 58.8% (Q3 '17: 58.2%)

## ...driving high levels of cash generation

### Quarterly Cash Flows (Q3 '18)

- Consolidated group cash receipts £259.4m, up 12.3% on Q3 '17 reflecting increased loan book growth (Q3 '17: £231.1m)
- Net increase in outstanding debt of £220.6m (Q3 '17: £116.1)
- New advances of £422.4m (Q3 '17: £306.7m)
- Expenses including overheads, capex and tax totalled £25.5m in the quarter (Q3 '17: £26.6m)
- Cash interest totalled £28.3m. (Q3 '17: £18.9m)
- Interest cover at c2.4x 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 quarter.  
 (4) Loan issuance costs adjusted proportionately to reflect costs as associated with reoccurring loan advances only, assuming a 0.9% loan issuance cost on loan advances.

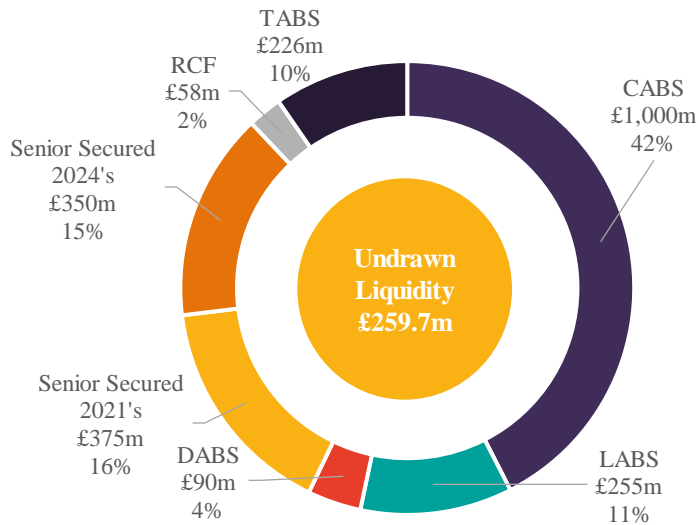
# Significant additional funding to support growth ambitions

## Liquidity & Funding

- £150m tap of 2024 senior secured notes at 101.75
- Lakeside ABS extended 3 years to 2021 at lower price and with wider eligibility criteria
- Diversified funding structure with average maturity of 3.5 years
- High level of liquidity: £217.5m total undrawn committed funding and c.£42m unrestricted cash and £205.7m free cash flow generated after paying expenses and interest for the quarter
- RCF was increased by £14.4m in April '18 with introduction of a new bank

Together Financial Services Loan Portfolio £2.78bn	
<b>Commercial Finance</b> (Unregulated)	<b>Personal Finance</b> (FCA Regulated)
Bridging Loans, BTL, Commercial Real Estate, Developments	1 <sup>st</sup> & 2 <sup>nd</sup> Lien Mortgages, Regulated Bridging Loans, Consumer BTL

## Diversified Funding Base as at 31 Mar 2018



Borrower Group	Conduit Securitisations	Term Securitisation
<ul style="list-style-type: none"> <li>• Dedicated loan portfolio: £1,041.9m<sup>(3)</sup></li> <li>• Indexed LTV &lt;60%</li> <li>• Additional "2<sup>nd</sup> lien" effectively over securitisation assets</li> <li>• £11.1m 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 £9.7m 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 £1.4m per month<sup>(1)</sup> transferred to Borrower Group</li> </ul>
<b>As at Mar '18</b>	<b>As at Mar '18</b>	<b>As at Mar '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 £905m 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 £90m Drawn NR</li> </ul>	<ul style="list-style-type: none"> <li>Together ABS "TABS" RMBS £226.1m rated notes in issue 81% rated Aaa/AAA 98% rated Baa3/BBB or higher<sup>(2)</sup></li> </ul>
<b>Shareholder Funding</b> £720.0m <sup>(4)</sup>		

(1) Based on average surplus securitisation interest received over last twelve months to March '18.  
 (2) Based upon rated notes at issuance (Sep 29, 2017)  
 (3) As at 31 March '18  
 (4) Includes shareholder debt

# Robust financial performance

	Consolidated Group			Borrower Group			
	Mar '17	Dec '17	Mar '18	Mar '17	Dec '17	Mar '18	
<b>Balance sheet / asset quality</b>	<b>Loan ledger after impairment (£m)</b>	2,129.2	2,545.8	<b>2,784.8</b>	910.8	886.6	<b>1,041.9</b>
	<b>Shareholder funds (£m)<sup>(1)</sup></b>	638.5	694.7	<b>720.0</b>	337.1	320.6	<b>327.5</b>
	<b>WA Indexed LTV</b>	53.1%	53.6%	<b>55.4%</b>	56.4%	57.5%	<b>59.1%</b>
<b>Profitability<sup>(3)</sup> (LTM)</b>	<b>EBITDA (£m, underlying)</b>	180.3	207.2	<b>212.1</b>	145.6	168.4	<b>171.4</b>
	<b>EBITDA margin</b>	75.3%	76.2%	<b>75.1%</b>	n/a	n/a	<b>n/a</b>
	<b>Interest income / average loan book</b>	12.2%	11.8%	<b>11.3%</b>	n/a	n/a	<b>n/a</b>
	<b>PBT (£m, underlying)</b>	106.8	122.3	<b>121.6</b>	n/a	n/a	<b>n/a</b>
	<b>Net interest margin</b>	8.5%	8.2%	<b>7.7%</b>	n/a	n/a	<b>n/a</b>
	<b>Cost / income ratio</b>	29.0%	31.0%	<b>33.1%</b>	n/a	n/a	<b>n/a</b>
	<b>Impairment / Average Loan Book</b>	0.5%	0.3%	<b>0.3%</b>	n/a	n/a	<b>n/a</b>
	<b>Return on equity<sup>(1) (3)</sup></b>	14.5%	16.0%	<b>15.3%</b>	n/a	n/a	<b>n/a</b>
<b>Key credit metrics</b>	<b>Gearing<sup>(4)</sup></b>	69.9%	72.4%	<b>73.9%</b>	63.2%	64.1%	<b>68.6%</b>
	<b>Underlying asset cover<sup>(5)</sup></b>	37.1%	38.8%	<b>40.9%</b>	35.6%	36.9%	<b>40.5%</b>
	<b>Net debt : EBITDA<sup>(1)(2)(6)</sup></b>	8.3x	8.9x	<b>9.7x</b>	4.2x	3.4x	<b>4.2x</b>
	<b>Gross debt : shareholder funds</b>	2.4x	2.8x	<b>3.0x</b>	1.7x	1.8x	<b>2.2x</b>
	<b>Interest cover<sup>(3)</sup></b>	2.4x	2.5x	<b>2.4x</b>	4.8x	4.5x	<b>4.2x</b>
	<b>Tangible equity<sup>(1)</sup> / tangible assets</b>	29.6x	26.8%	<b>25.4x</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
- ✓ Strong and stable profitability margins and operating cash flows
- ✓ Uplift RoE Y-O-Y while maintaining prudent capitalisation
- ✓ Conservative levels of gearing, strong capitalisation and low cost / income ratio relative to peers

(1) Subordinated shareholder loans and notes treated as equity.  
 (2) Calculated on quarterly basis.  
 (3) March '17 LTM excludes the effects of exceptional items related to the Refinancing (£14.8m redemption costs).  
 (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) Mar '17 & Dec '17 figure reflects the £200m issuance in Feb 2017 on a non pro-forma basis. Dec '17 & Mar '18 figure reflects the £150m tap in Jan 2018 on a non pro-forma basis.

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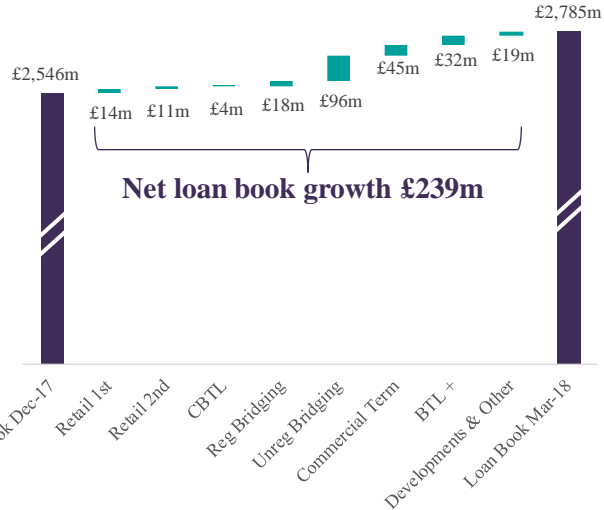
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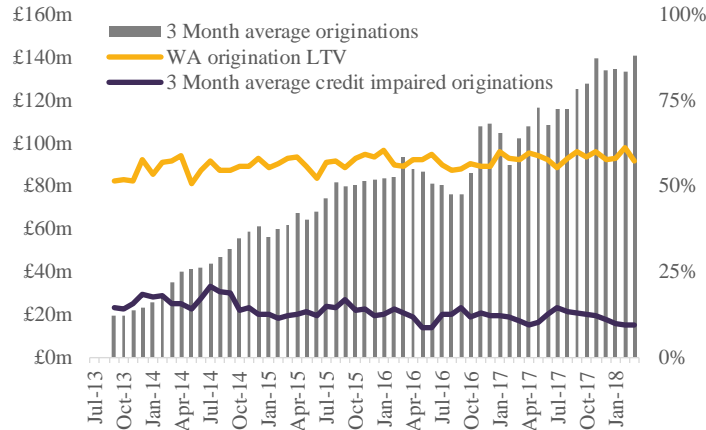


# High quality underwriting focused on affordability and low LTV's

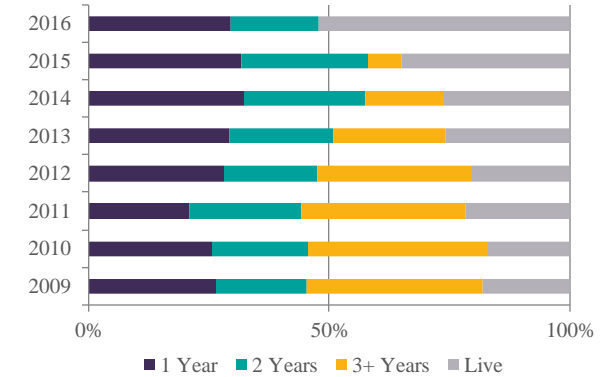
Loan Book Movement<sup>(1)</sup> (£m)



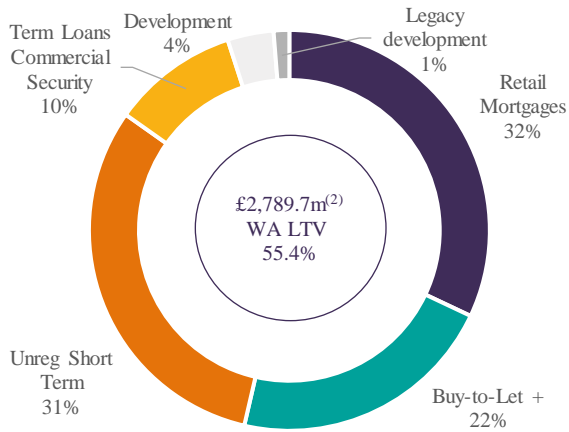
Strong originations at low LTVs and impairments



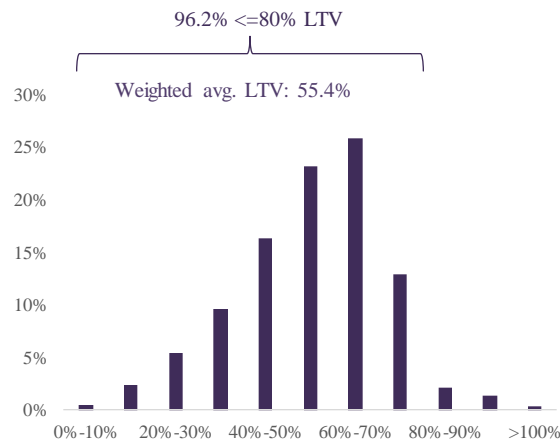
Redemption Rates (by Loan vintage)



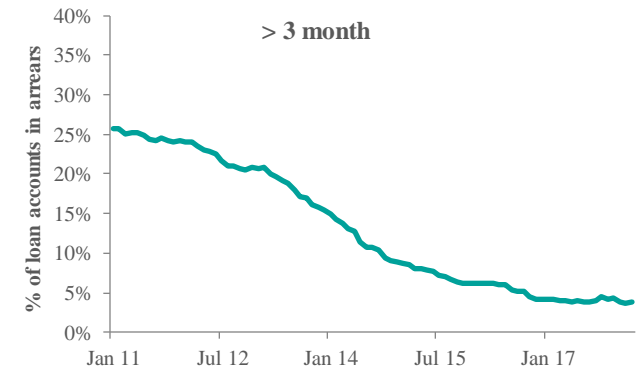
Loan Book at Mar '18<sup>(2)</sup> (£m)



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 55.4%

- WA indexed LTV of total loan portfolio 55.4%; Borrower Group: 59.1%
- Percentage of loans in Borrower Group with indexed LTV of > 80% is 8.5% reflecting very conservative approach to loan origination

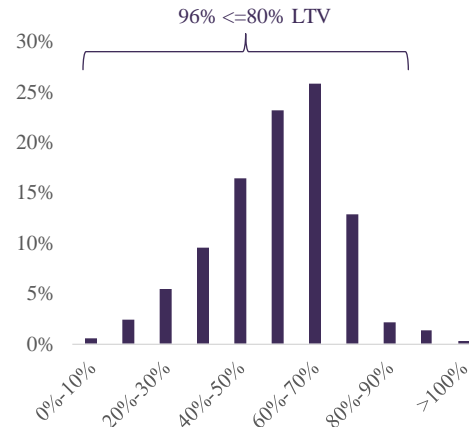
### Loans in Negative Equity

- Group had negative equity exposure of £15.8m, supported by £24.8m 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

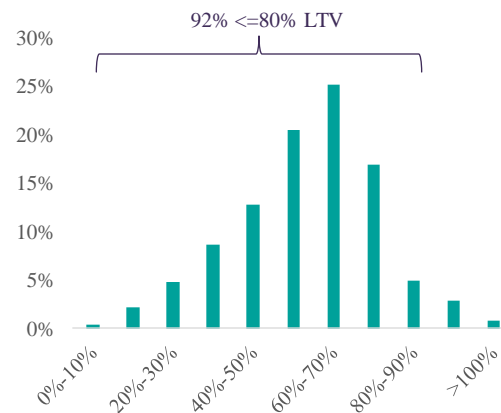
### Downside Scenario Analysis

- Additional Group exposure to negative equity from falls in property values: 10% (£6.4m) and 20% (£18.1m)
- Additional Borrower Group exposure to negative equity from falls in property values: 10% (£5.7m) and 20% (£15.8m)
- 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%

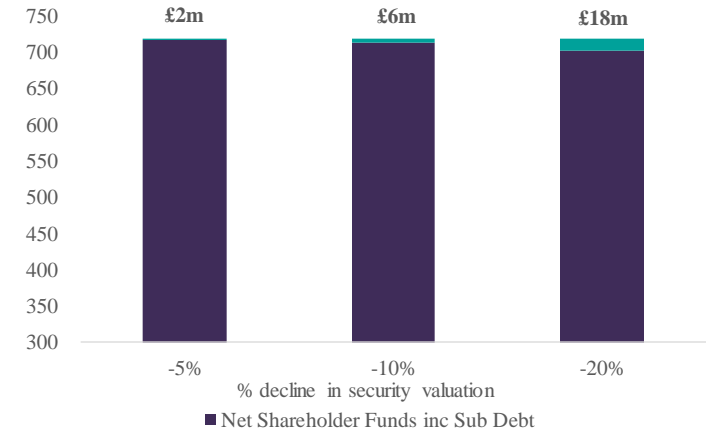
### Loan Booked by Indexed LTV



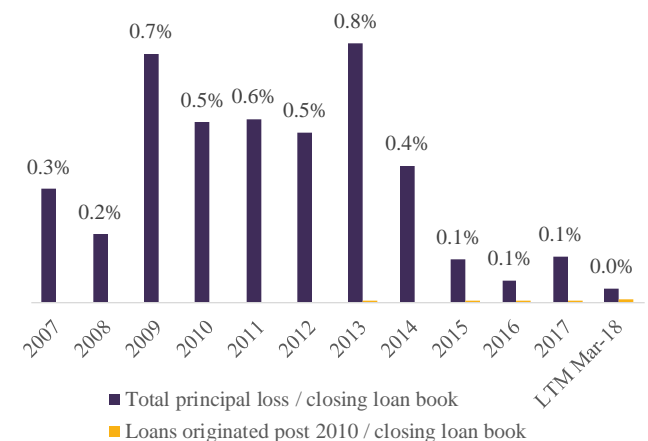
### Borrower Group Indexed LTV



### Estimated Impact of Declining Security Valuations



### Principal Loss Ratios





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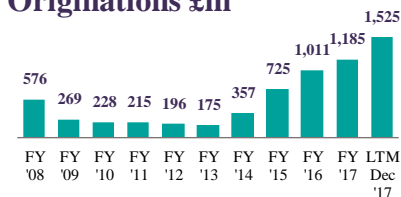
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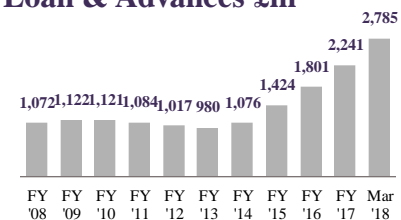
# Summary & outlook

<p><b>1</b></p> <p>Originations</p> <p><b>+ 37.7%</b></p> <p>£422.4m (Q3 '17 : £306.7m)</p>	<p><b>2</b></p> <p>WA Origination LTV</p> <p><b>58.8%</b></p> <p>(Q3 '17 : 58.2%)</p>	<p><b>3</b></p> <p>Loan Book</p> <p><b>£2.78bn</b></p> <p>+ 30.8% (Q3 '17 : £2.13bn)</p>
<p><b>4</b></p> <p>Net Impairment Ratio<sup>(2)</sup></p> <p><b>0.3%</b></p> <p>(Q3 '17: 0.6%)</p>	<p><b>5</b></p> <p>Net Interest Margin<sup>(1)</sup></p> <p><b>7.7%</b></p> <p>(Q3 '17 : 8.5%)</p>	<p><b>6</b></p> <p>Underlying EBITDA</p> <p><b>£53.5m</b></p> <p>+10.0% (Q3 '17: £48.6m)</p>
<p><b>7</b></p> <p>Underlying PBT</p> <p><b>£28.9m</b></p> <p>-2.3% (Q2 '17 : £29.6m)</p>	<p><b>8</b></p> <p>Fitch Ratings Upgrade</p> <p><b>BB</b></p> <p>Outlook stable (from BB-)</p>	<p><b>9</b></p> <p>34th</p>

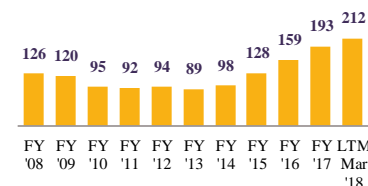
## Originations £m



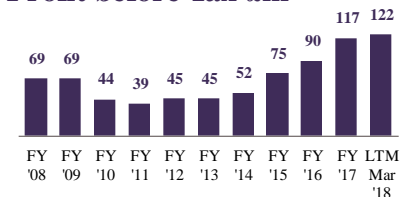
## Loan & Advances £m



## EBITDA £m (1)



## Profit before Tax £m (1)



## 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

(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

**6** Q&A

7 Appendix





# Agenda

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**7**

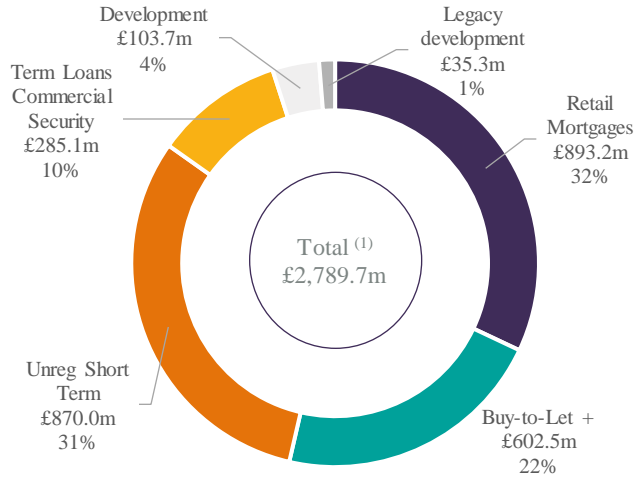
**Appendix**

# Appendix: Additional Information



# Diversified loan book – consolidated group

## Loan Portfolio Breakdown by Loan Purpose



69% Secured on Residential Security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Retail	44.1	8.7%	50.2%
Commercial	160.0	10.3%	56.7%
Development	526.4	11.6%	71.5%
<b>Total</b>	<b>88.6</b>	<b>9.9%</b>	<b>55.4%</b>

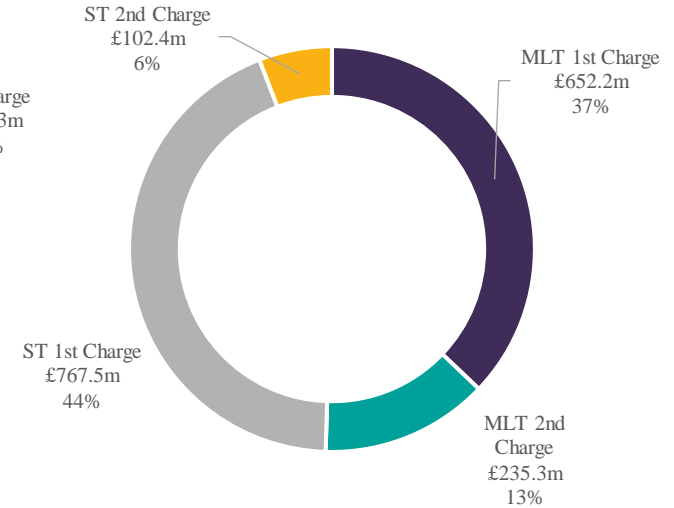
## Retail Loan Book Breakdown



100% Secured on Residential Security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
1 <sup>st</sup> Charge	85.9	7.6%	46.9%
2 <sup>nd</sup> Charge	34.2	9.3%	52.2%

## Commercial Loan Book Breakdown



56% Secured on Residential Security

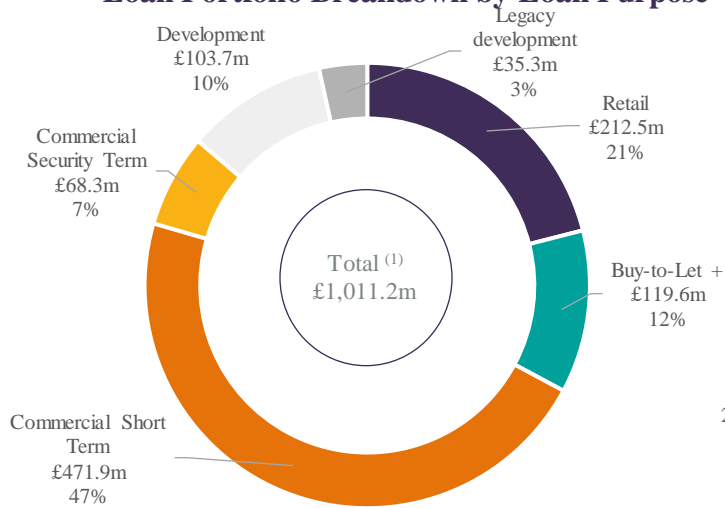
Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
ST 1 <sup>st</sup> Charge	348.4	11.8%	59.1%
ST 2 <sup>nd</sup> Charge	246.9	12.6%	61.9%
MLT 1 <sup>st</sup> Charge	126.6	8.8%	52.9%
MLT 2 <sup>nd</sup> Charge	73.2	8.8%	57.5%

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.

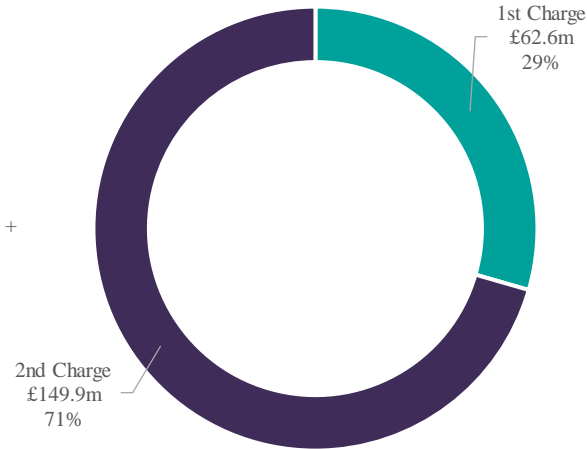
# Diversified loan book – borrower group

### Loan Portfolio Breakdown by Loan Purpose



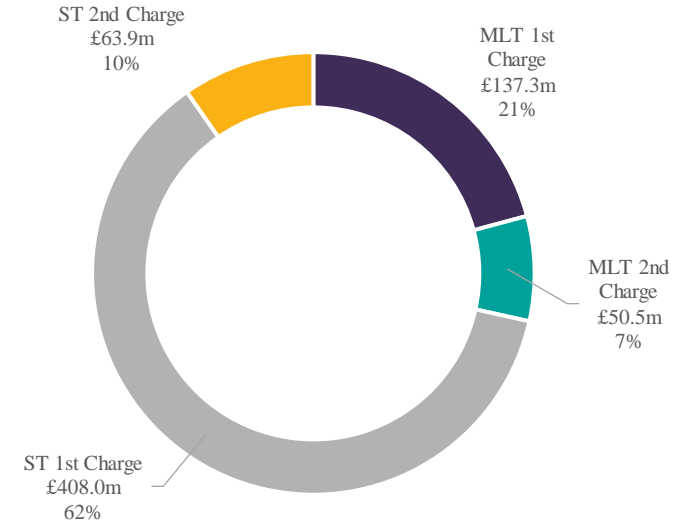
**54% Secured on Residential Security**

### Retail Loan Book Breakdown



**100% Secured on Residential Security**

### Commercial Loan Book Breakdown



**45% Secured on Residential Security**

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>Retail</b>	33.4	9.8%	51.2%
<b>Commercial</b>	251.9	11.0%	59.0%
<b>Development</b>	526.4	11.6%	71.5%
<b>Total</b>	108.7	10.8%	59.1%

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>1st Charge</b>	92.3	8.1%	48.4%
<b>2nd Charge</b>	26.1	10.5%	52.4%

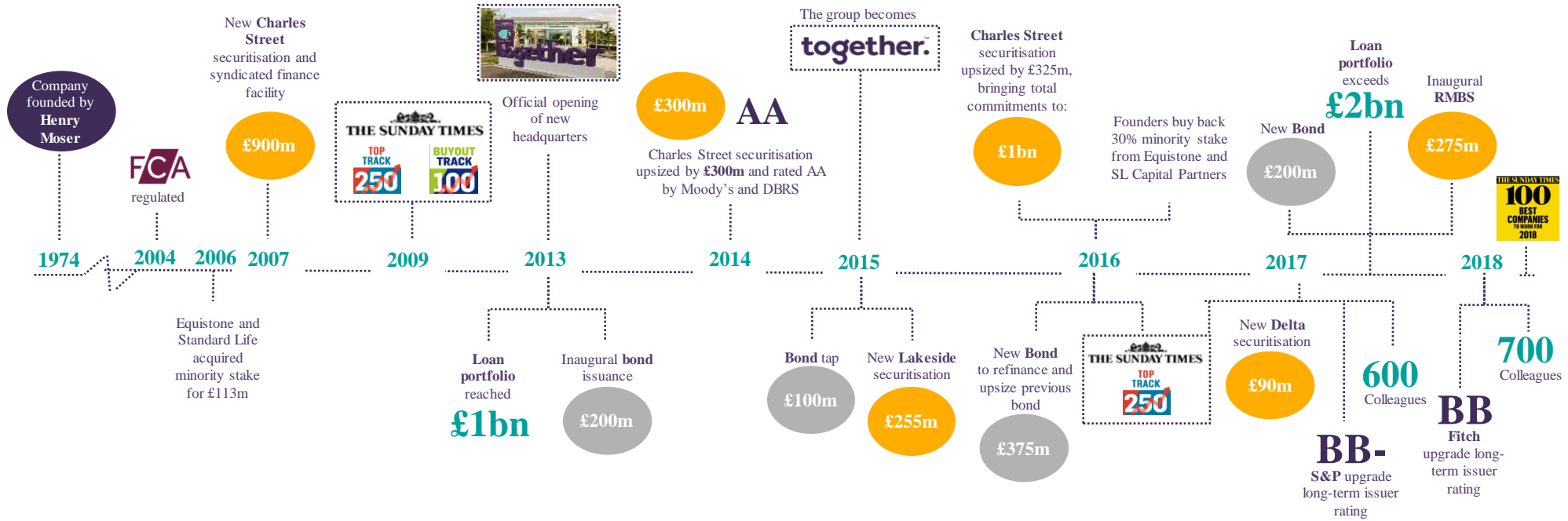
Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
<b>ST 1st Charge</b>	495.8	11.6%	60.0%
<b>ST 2nd Charge</b>	289.1	12.7%	62.7%
<b>MLT 1st Charge</b>	149.5	9.2%	55.3%
<b>MLT 2nd Charge</b>	77.0	9.2%	56.4%

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

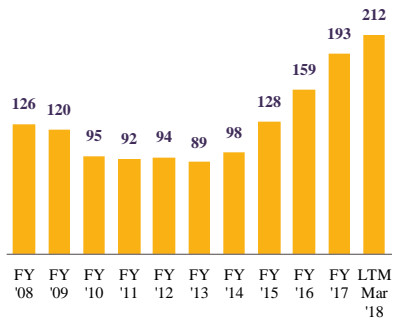
(1) Loan book analysis for core operating subsidiaries is presented after allowances for impairments and before certain accounting adjustments required to comply with the income recognition requirements of IFRS.



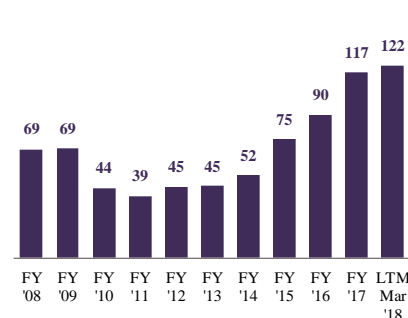
# 44 year track record of unbroken profitability



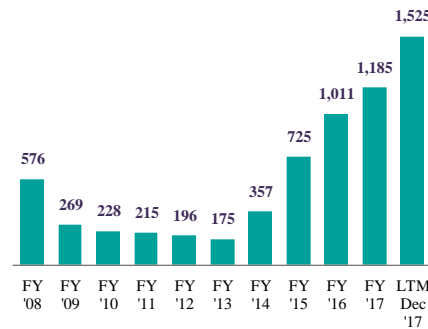
EBITDA £m <sup>(1)</sup>



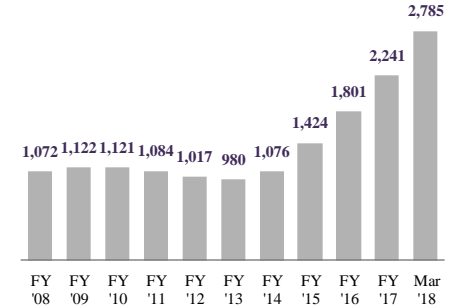
Profit before Tax £m <sup>(1)</sup>



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.

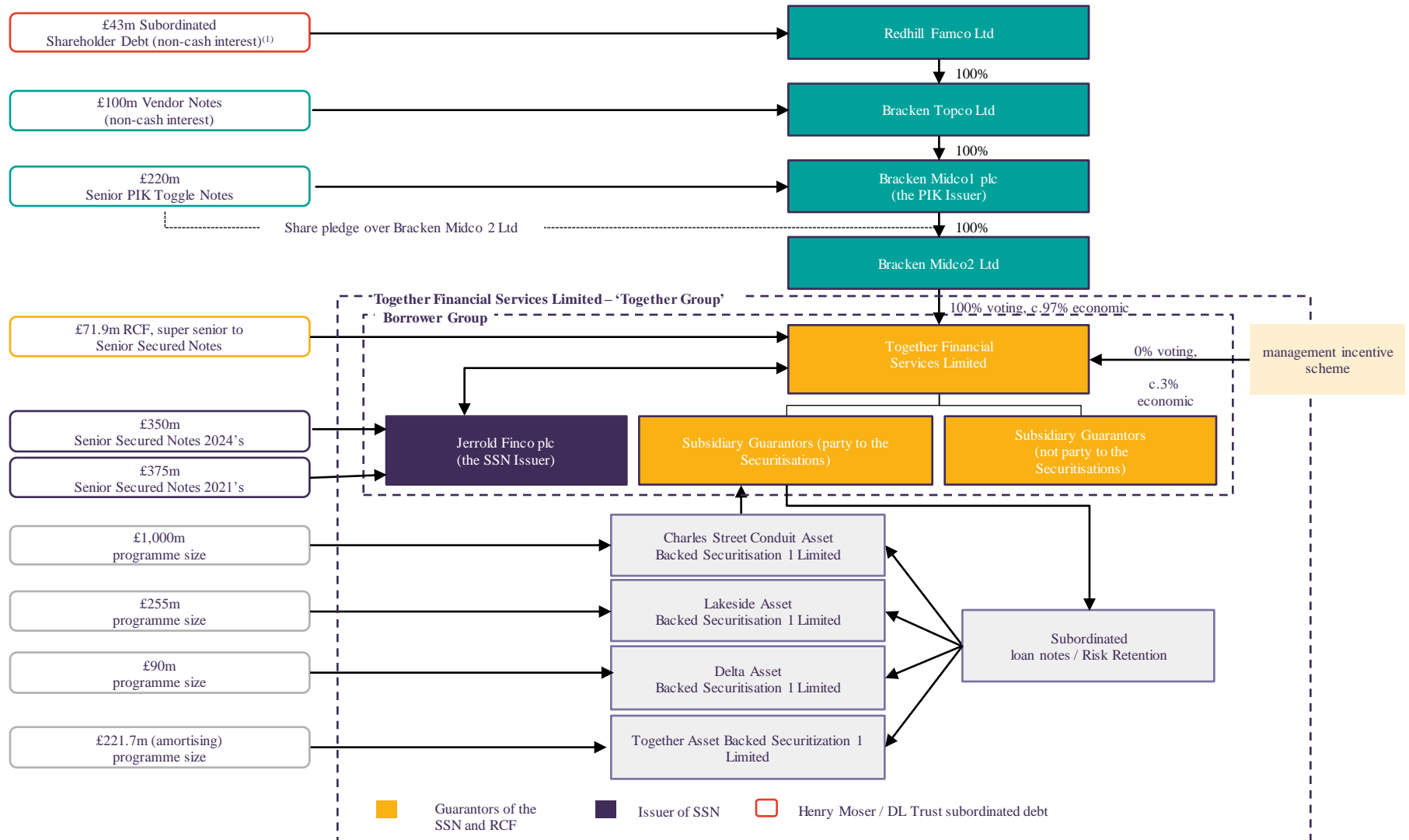
# Overview of securitisation structure

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>£935m issued</li> </ul>	<ul style="list-style-type: none"> <li>£255m facility size</li> <li>£210m issued</li> </ul>	<ul style="list-style-type: none"> <li>£90m facility</li> <li>£90m 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 £1,199.2m</li> <li>Together Financial Services subordinated loan notes</li> </ul>	<ul style="list-style-type: none"> <li>Loan pool collateral £273.5m</li> <li>Together Financial Services subordinated loan notes</li> </ul>	<ul style="list-style-type: none"> <li>Loan pool collateral £108.4m</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) 3.16%</li> <li>Rolling 3 month average default rate 0.21%</li> <li>LTM £48.9m of loans were repurchased</li> </ul>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 2.44%</li> <li>Rolling 3 month average default rate 0.43%</li> <li>LTM £14.9m of loans were repurchased</li> </ul>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 0.45%</li> <li>Rolling 6 month average default rate 0.68%</li> <li>LTM £8.3m 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 £6.3m</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 £0.04m</li> </ul>

Note: Data as at April 30, 2018.

(1) Delinquency rate includes the technical arrears.

# Group legal & finance structure as April 30, 2018



(1) Subordinated Shareholder Funding based upon nominal value

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