Q1 2013/14 Results
Investor Presentation
26 November 2013

Management Team Participants

Gary Beckett - Group Finance Director

- Gary joined Jerrold in 1994 and has responsibility for financial reporting, tax, treasury and Investor relations
- Gary also contributes to the strategic development of the Group and supports the regulatory function
- Gary is a qualified chartered accountant

Alan Shaoul – Group Treasury Director

- Alan joined Jerrold in 2012. Alan is responsible for the Group’s Treasury functions
- Prior to joining Jerrold Alan held various senior treasury and corporate finance roles at Euroports, Babcock & Brown and DP World

Jerrold Holdings

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2 Financial Review
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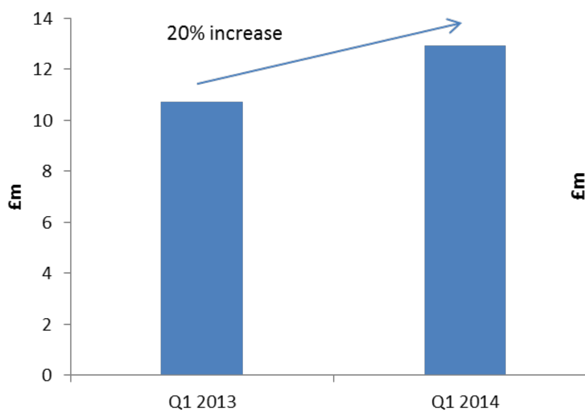
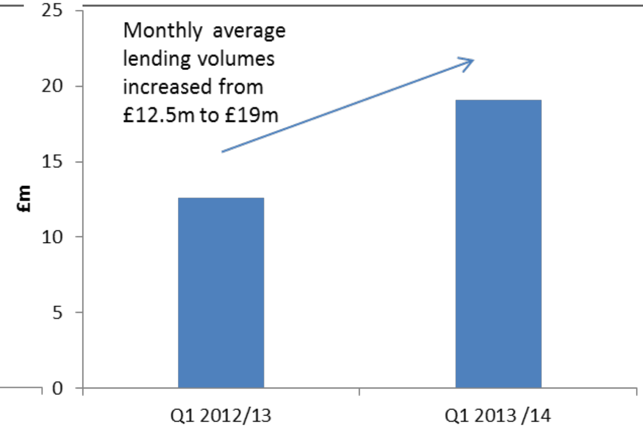
Jerrold Holdings

Strong Performance

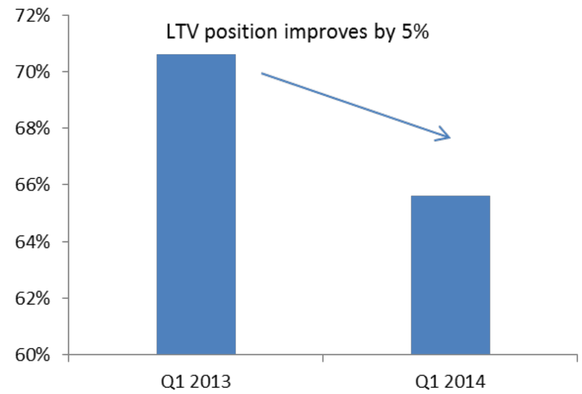
Improving Profit Before Tax



Higher Lending Volumes



Improving Indexed Loan To Value



- Achieved PBT for Q1 2013/14 of £12.9m. Shareholder reserves increasing to £431m
- £200m Senior Notes transaction closed September 2013 diversifying sources of funding and providing £100m of facility headroom
- Increasing lending volumes whilst maintaining credit quality
- Group's beginning to see benefit from increases in UK housing market activity
- Reduction in level of non performing loans and arrears
- Management team strengthened with a number of senior appointments
- Regulatory Change Programme on track to ensure we are fully prepared for the FCA assuming role of Regulator of Consumer Credit and for introduction of the mortgage market review

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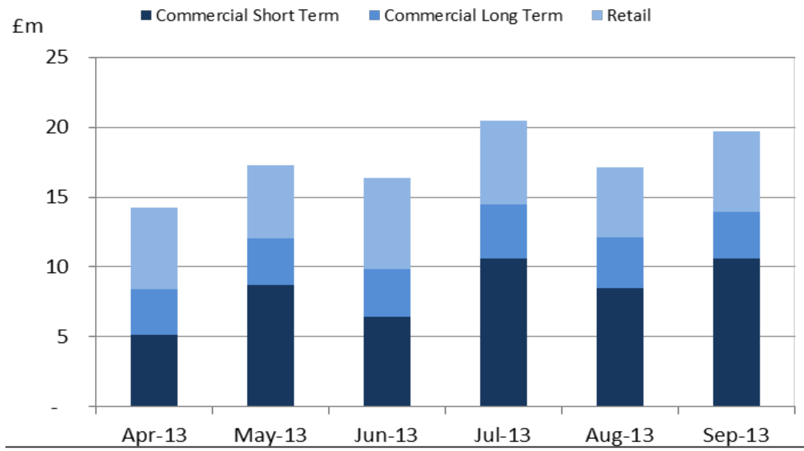
Strong Financial Performance and Increasing Lending Volumes

	Q1 2012/13	Q1 2013/14	Change %
Turnover £m	30.1	30.9	3%
New provisions £m	(0.9)	(1.5)	77%
EBITDA £m	23.1	22.6	(2%)
Interest Costs £m	12.2	9.4	(23%)
Profit Before Tax £m	10.7	12.9	20%
New Business			
Cash Receipts £m	84.3	79.8	(5%)
New advances £m	37.7	57.2	52%
Origination LTV	51.5%	52.7%	2.3%
Nominal Interest	13.8%	14.1%	2.2%

Monthly Loan Advances since April 2013

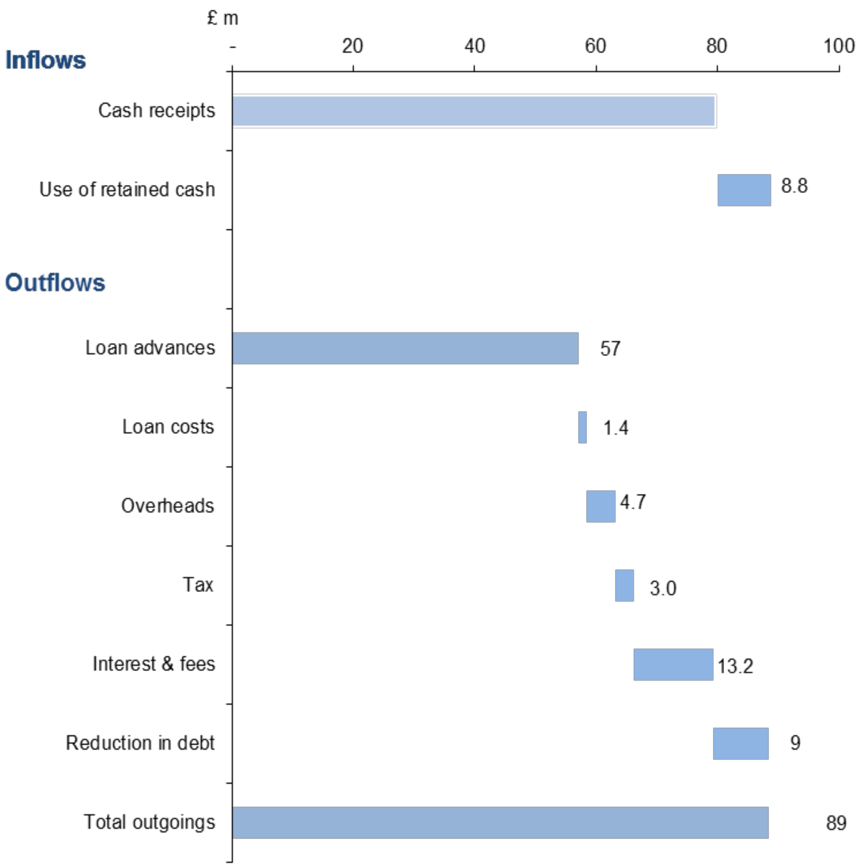


- Profit before tax ahead of last year benefiting from lower funding costs due to maturity of interest rate swaps
- Bad debts at low levels compared to size of £1bn loan book and well within covenant levels
- Maintained record of high profitability with EBITDA margins over 70%
- The Group continued to write new business at attractive nominal interest rates and low LTVs
- New business mix with slightly higher proportion of bridging loans. Loan book remains 85% secured on residential property

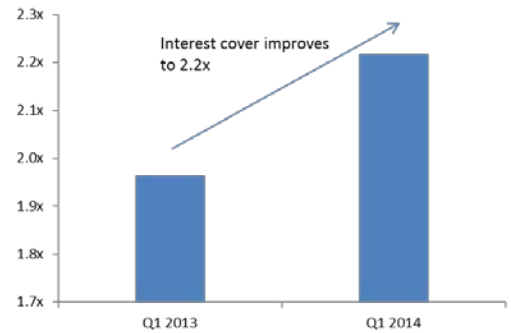
Jerrold Holdings

Group Highly Cash Generative

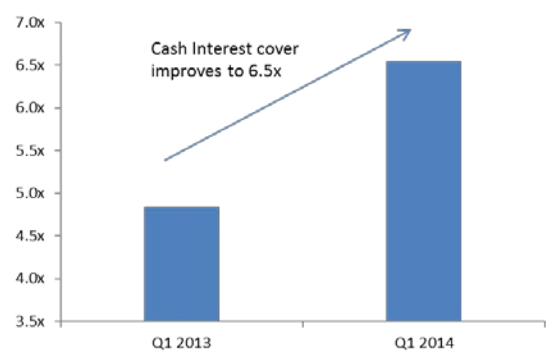
Quarterly Cash-flow



EBITDA / Interest Cover



Cash Interest Cover



Calculated on 12 months basis, using cash available for debt service (prior to cash used for new advances or debt amortization)

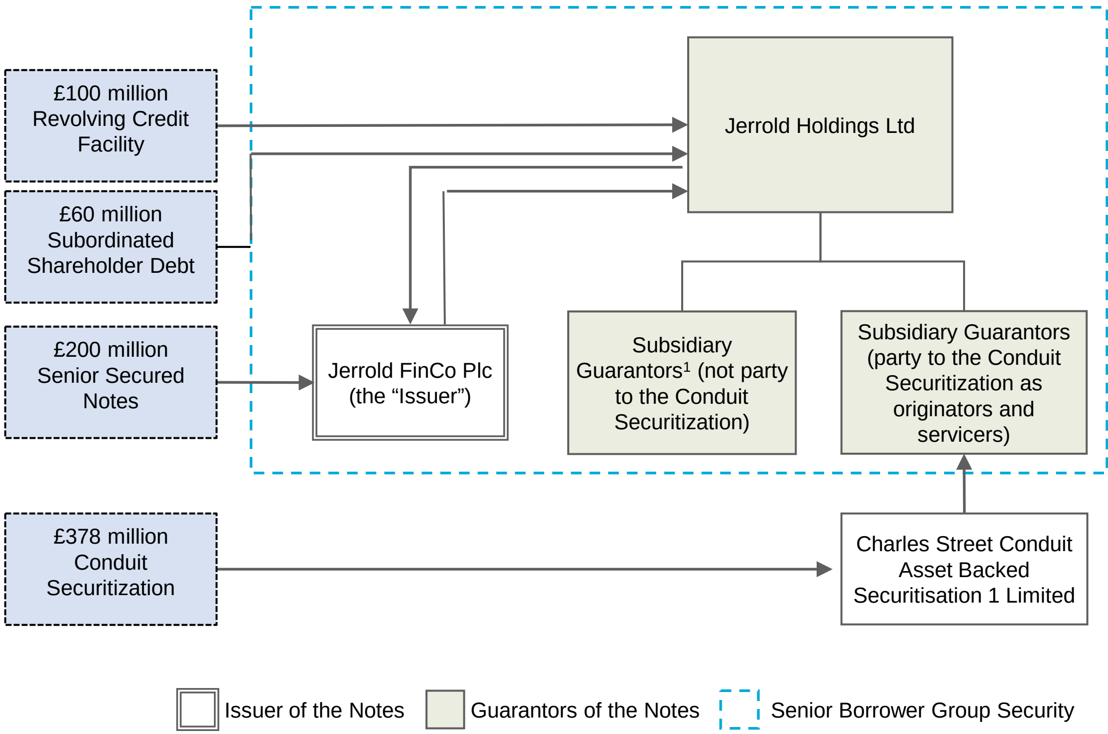
High levels of Cash Generation

- Interest cover above 2x and significantly higher on a cash basis
- Quarterly Consolidated Group cash receipts of £80m compared to debt service and principal repayments of £22m and other expenses of £9m

Jerrold Holdings

Diversified Funding Profile and £100m Facility Headroom

Group Legal & Finance Structure



Liquidity and Funding

- At end of September Group had £100m undrawn RCF available to fund new business and meet any short term liquidity requirements

Funding Plans

- Extension of Conduit Securitisation facility
- No other debt maturity / amortization payments in the next 12 months

Notes:

- The Conduit has no recourse to the assets of the senior borrower group "Borrower Group"
- The Senior Secured Notes and Senior RCF rank pari passu and share security over the same pool of assets
- The Notes are guaranteed by all assets of the Jerrold Holdings Group apart from the Conduit
- The Jerrold Holdings Ltd consolidated accounts include the assets in the Conduit and we refer to this as the "Consolidated Group"

Low Levels of Gearing and Strong Asset Backing

Key Credit Metrics	Consolidated Group		Borrower Group
	Sep-12	Sep-13	Sep-13
Value of Loan Portfolio (£m)	1,010	1,000	484
Shareholder funds (£m)	395	431	291
WA Indexed LTV	71%	66%	79%
Gearing (1)	59%	55%	40%
Underlying Asset Cover (2)	42%	36%	31%
Cost / Income Ratio (3)	20%	22%	n/a
EBITDA margin (4)	77%	73%	n/a
Net Debt / EBITDA (4)	6.3x	6.2x	2.7x
Gross debt / tangible equity (4)	2.1x	1.7x	1.1x
ROE (%) (4)	10%	10%	n/a

Notes
(1) Gearing: Ratio of net senior secured borrowings to the value of the loan portfolio for the Consolidated Group and the Borrower Group respectively
(2) Ratio of net senior secured borrowings to the value of the Consolidated Group's and Borrower Group's claim on the respective underlying property
(3) operating expenses excluding bad debts / turnover for 12 months to September 2013
(4) calculated on 12 month basis

Low Levels of Financial Gearing

- Over the last 12 months shareholder reserves increased by £36m and currently stand at £431m
- Significant asset backing from low levels of financial gearing and equity in the underlying properties
- Gearing at just 55% for the Group and 40% for the Borrower Group
- Low cost base
- Net senior secured leverage of 6.2x for the Group and 2.7x for the Borrower Group

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Continued Improvement in Loan Book Quality

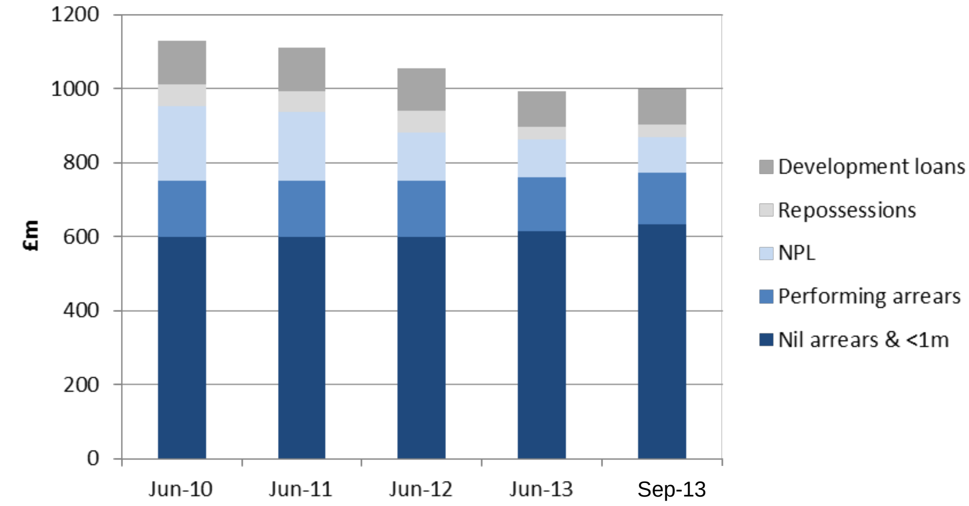
Falling Level of Non Performing Loans

- Non performing arrears loans (NPL), development and repossessed / LPA loans continued to fall
- Between June 2012 and Sept 2013 repossessions / LPA's have fallen from £51m to £33m and NPLs fallen from £131m to £95.4m
- Between June 2012 and Sept 2013 development loan book reduced from £102.5m to £97m. Sales of £8m albeit there were some further advances on existing commitments
- Trend continuing post Sept 2013

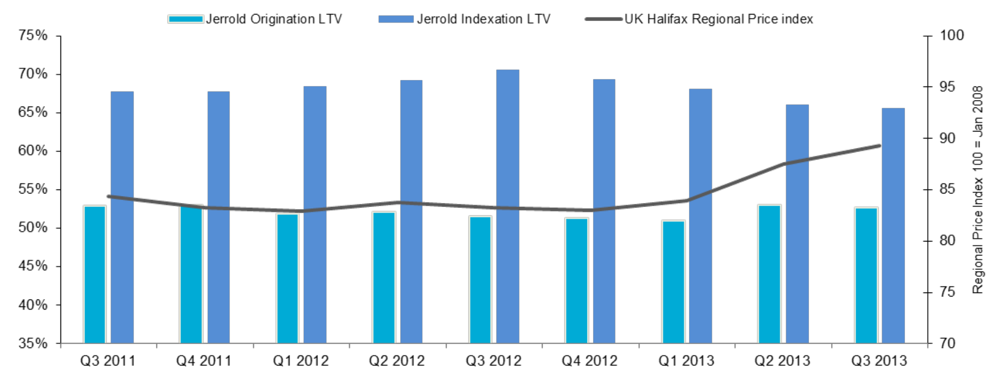
Improving Security Position

- UK house prices have risen 10% since low point triggering a corresponding improvement in our security position
- Origination LTVs remain at low levels

Loan book Segmentation



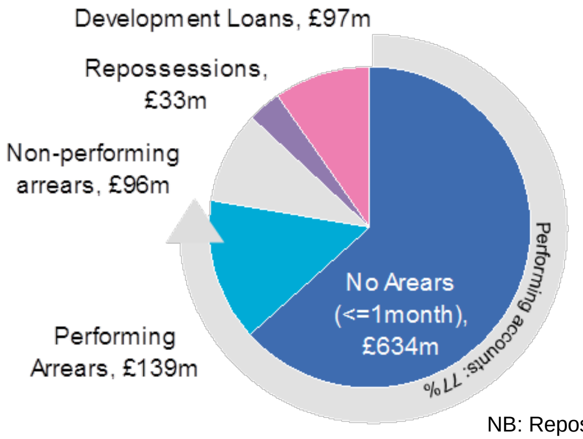
Movement in Origination / Indexed LTV & house prices



Jerrold Holdings

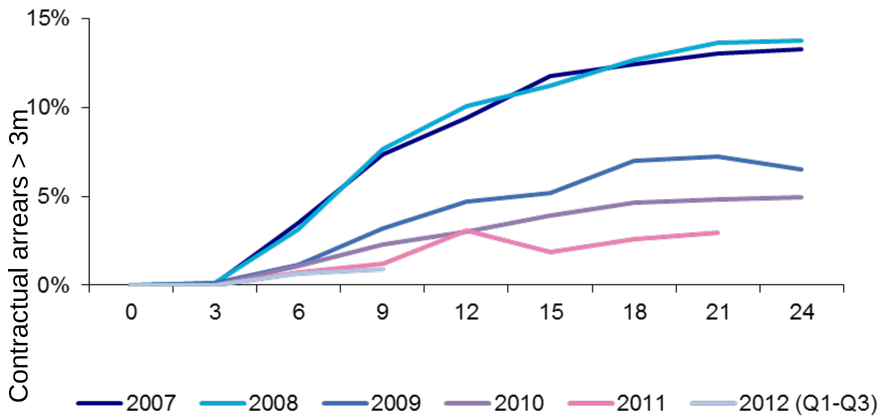
Continued Improvement in Arrears Levels

Loan Book Segmentation



NB: Repossessions include LPA

>3m Arrears Performance by Balance & Vintage



Note: Based on live loans by annual vintages

Improving Arrears Trend

- High quality underwriting and well developed collection techniques have resulted in a reduced numbers of accounts in arrears
- Performing accounts increased from 72.5% in June 2012 to 77.4% in September 2013
- Consistent improvement in vintage delinquency rates since 2009

Group Loan Portfolio Arrears Analysis

	Jun-12	Sep-13
Nil Arrears & Arrears ≤ 1 m	**57.9%**	**63.5%**
Performing Arrears	**14.6%**	**13.9%**
1-3 months	8.1%	8.2%
3-6 months	3.0%	2.8%
> 6 months	3.5%	2.9%
Non Performing Arrears	**12.6%**	**9.6%**
3-6 months	3.1%	2.3%
> 6 months	8.1%	5.7%
Past due	1.0%	1.2%
LPA rent	0.4%	0.4%
Development loans	**9.9%**	**9.7%**
Repossessions / LPA	**5.0%**	**3.3%**

Jerrold Holdings

Low Level of Losses Underpinned by Low LTV Lending

Overall LTVs

- The WA indexed LTV of the total loan portfolio is 66% and 79% for the Borrower Group

Loans in Negative equity

- 6% of Group loans have an indexed LTV >100% (negative equity exposure of £18m). Full provisions been prudently applied albeit not all loans with negative equity will result in loss
- Notwithstanding our prudent provisioning policy, write-downs have been very modest due to conservative lending
- Movement in provisions was £1.5m over the 3 months to September 2013, or 0.6% of the loan book on an annualised basis
- Percentage of loans within the Borrower Group with an origination LTV of > 75% is 24.9% (covenant 32%)
- **Downside Scenario Analysis**
- We estimate that for the Group 10% and 20% falls in property values would result in additional exposure of £8m and £44m respectively
- We estimate for the Borrower Group 10% and 20% falls in property values would result in additional exposure of £7m and £37m respectively

Loan Book by Indexed LTV

Indexed LTV	Group		Borrower Group	
Indexed LTV ≤ 60%	£498m	50%	£157m	33%
Indexed LTV > 60 ≤ 85%	£307m	30%	£146m	30%
Indexed LTV >85% ≤ 100%	£137m	14%	£125m	25%
Indexed LTV > 100%	£58m	6%	£56m	12%
Total Loan book	**£1,000m**	**100%**	**£484m**	**100%**

Estimated Impact of Declining Security Valuations

Jerrold Holdings

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2. Financial and key credit metrics
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Jerrold Holdings

Group Expected to be Beneficiary from Regulatory Change

- The Group has a formal Regulatory Change Programme that will ensure its fully prepared for the Financial Conduct Authority assuming role of Regulator of Consumer Credit from the OFT in April 2014 and for the introduction of the mortgage market review also in April 2014
- We believe we are well placed to comply with the changes in the regulatory landscape as we already apply many processes of our FCA regulated business across our residential lending activity
- Continue to operate using a three lines of defence model and formal governance structures
- Management team further strengthened with a number of senior appointments including a new role of deputy CEO.
- Continued investment in IT and back office automation to improve processes, increase efficiency and reduce cost ratios

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Outlook and Growth Strategy

- Strategy remains unchanged – we will continue to focus on niche segments in the secured mortgage market which are under served by the mainstream lenders
- We expect to grow the loan book as we use retained earnings and facility headroom to increase advance levels - continued underwriting focus on affordability and security
- Established distribution channels, operational infrastructure and experienced people provide strong competitive advantage
- Secured loan book with low W.A. LTV of 66% provides a high degree of visibility of future earnings and cash flow
- Positive outlook for UK economy driven by increase in UK housing market activity. Expected to have a positive impact on lending volumes and property value of existing loan book

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Questions and Answers Session

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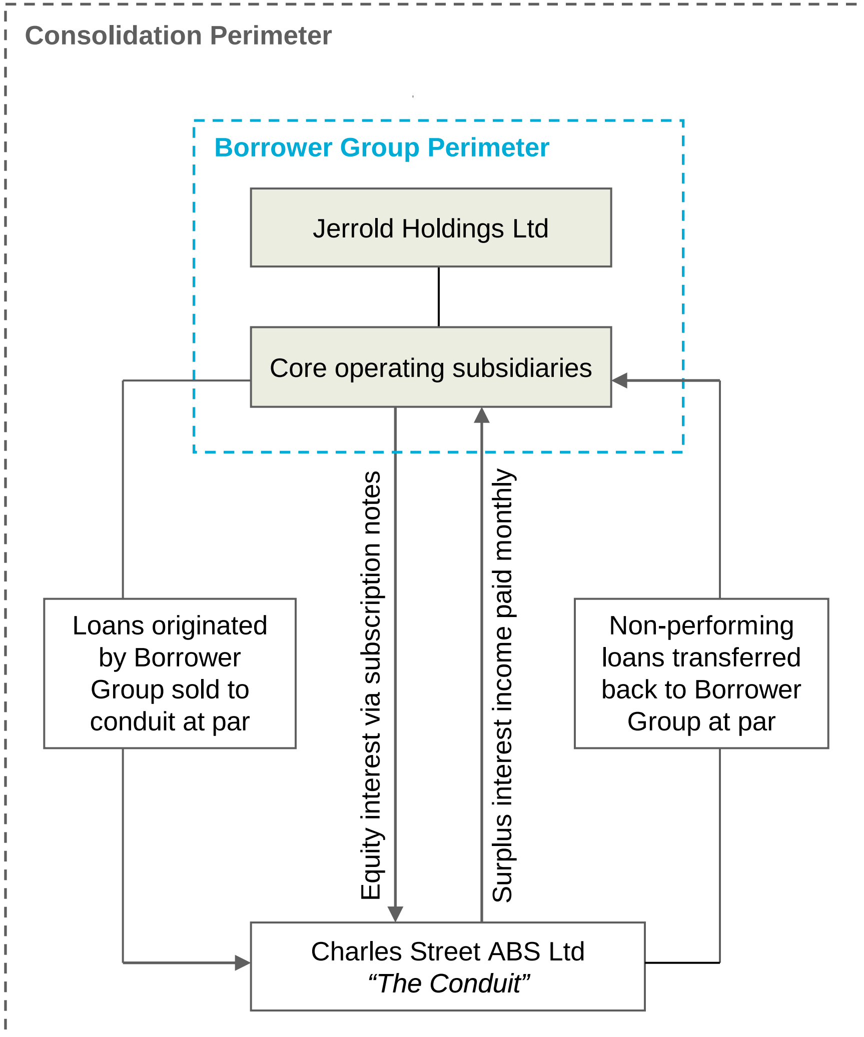
Overview of Conduit Structure



Notes: 1) As at 30 June 2013; 2) There is £5m of accrued interest on the loan notes at the end of the month which is the balance between the Conduit's assets and it's funding; 3) Monthly amount since refinancing of Conduit in August 2012; 4) Weighted Average indexed Loan to Value

Conduit Overview

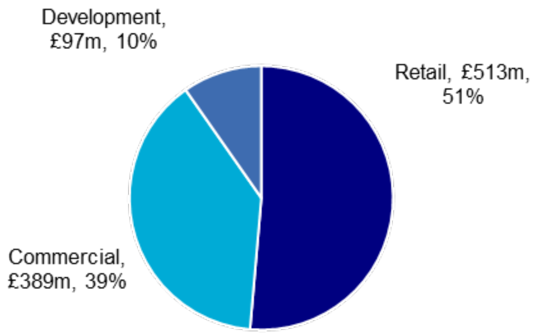
- The Conduit is a bankruptcy remote vehicle which buys qualifying loans from the Borrower Group
- The Conduit has £522.7m of assets comprising £499.5m of loans and £21.1m of cash[1,2]
- The Conduit is funded by £377.5m of loan notes issued to its lenders, £139.5m of subordinated subscription notes issued to the originators. The subscription notes effectively represent the Borrower Group's equity interest in the Conduit[1]
- The Conduit pays any surplus income net of its costs to the Borrower Group on a monthly basis (c. £4.3m per month)

Transfer of Mortgage Loans

- Qualifying Loans originated by the Borrower Group are sold to the conduit at par on a random basis
- About 90% of loans originated by the Borrower Group are eligible to potentially be included in the Conduit on day 1
- Loans may be transferred back to the Borrower Group if they do not continue to meet eligibility criteria (typically arrears related)
- For the financial year ending June 2013, £27.6m of loans were returned to the Borrower Group. These loans had a WA indexed LTV[4] of 62.5%
- In the 3 years to June 2013 the Borrower Group's average annual losses on loans returned from the Conduit have been £392.3k
- Semi-annual maintenance covenants related to Borrower Group asset quality.

Diversified Loan Book Primarily Secured on Residential Property

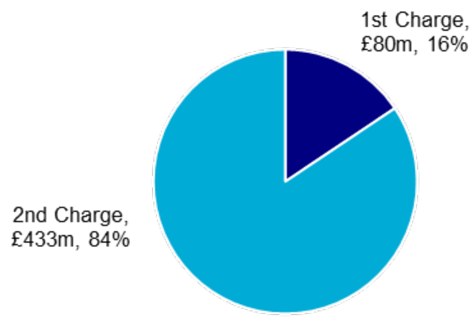
Loan Book Breakdown by Loan Purpose



85% secured on residential property

Total Loan Book	Average loan size £k	Weighted Average Indexed LTV
Retail	26.9	58.8%
Commercial	88.8	64.4%
Development	210.4	105.8%
Total	40	65.6%

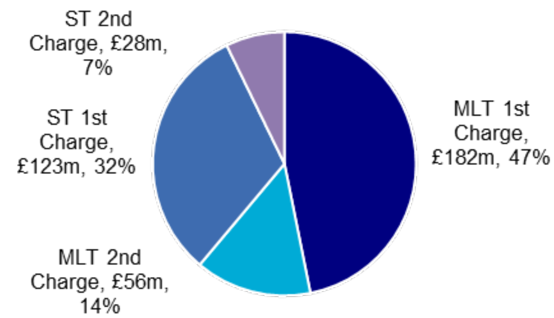
Retail Loan Book Breakdown



99% secured on residential property

Retail Loans	Average loan size £k	Weighted Average Indexed LTV
1st Charge	47.5	53.5%
2nd Charge	25.0	59.8%

Commercial Loan Book Breakdown

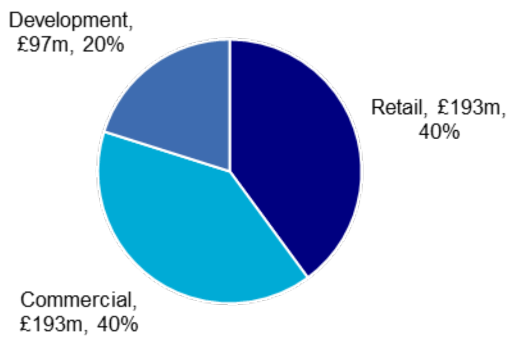


63% secured on residential property

Commercial Loans	Average loan size £k	Weighted Average Indexed LTV
ST 1st Charge	134.4	69.2%
ST 2nd Charge	93.4	70.0%
MLT 1st Charge	91.6	62.9%
MLT 2nd Charge	46.9	55.8%

Borrower Group Benefits from Low Gearing

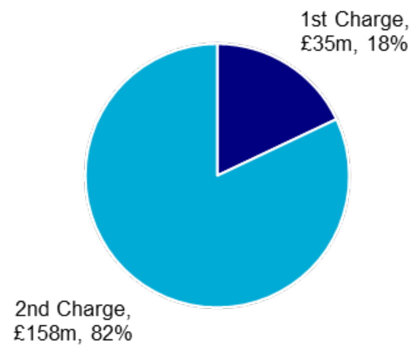
Loan Book Breakdown by Loan Purpose



83% secured on residential property

Total Loan Book	Average loan size £k	Weighted Average Indexed LTV
Retail	23.8	64.4%
Commercial	112.4	80.4%
Development	210.4	105.8%
Total	44.9	79.1%

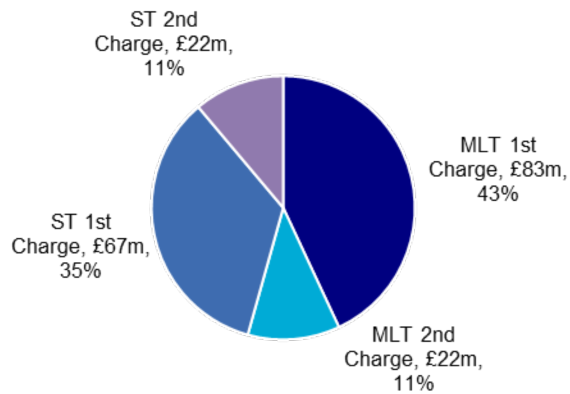
Retail Loan Book Breakdown



98% secured on residential property

Retail Loans	Average loan size £k	Weighted Average Indexed LTV
1st Charge	46.6	61.0%
2nd Charge	21.6	65.2%

Commercial Loan Book Breakdown



62% secured on residential property

Commercial Loans	Average loan size £k	Weighted Average Indexed LTV
ST 1st Charge	173.8	84.70%
ST 2nd Charge	93.4	74.6%
MLT 1st Charge	117.5	83.4%
MLT 2nd Charge	51.8	61.6%

Jerrold Holdings