ARROW GLOBAL GROUP PLC

Q1 Results

22 May 2014

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TODAY'S SPEAKERS

Tom Drury
Chief Executive Officer

- 17 Years of MD/CEO leadership roles
- Joined Arrow Global from Shanks Group PLC (then a FTSE 250 Company) where he served as Group Chief Executive
- Previously served as Founding Managing Director of Vertex, a leading firm in the UK's business process outsourcing sector

Robert Memmott
Chief Financial Officer

- 12 years of experience as a CFO and 17 years in senior leadership roles
- Previously CFO of Leeds Bradford International Airport Ltd as well as with Alfred McAlpine and Servisair plc
- Qualified Charted Accountant with KPMG

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Q1 HIGHLIGHTS
31 MARCH 2014

Compliance	➢ FCA interim permissions granted – transition to FCA regime well progressed ➢ Further enhancements to our servicer management and oversight framework ➢ Appointment of BDO as internal auditors
Portfolio Purchases	➢ Purchases £33.2m, a good start to building the vintage in line with our expected returns ➢ Total face value acquired £246m underpinned by 67.8% paying accounts ➢ £9.7bn assets under management including £7.5bn of purchased portfolios
Adjusted EBITDA	➢ Increase of 17.6% to £22.3m ➢ Adjusted EBITDA ratio[1] 70.1%
Underlying Net Income	➢ £5.2m with no portfolio write up ➢ Resolution of historical tax issue resulting in a non-recurring charge of £2.4m
ERC[2]	➢ 84-month ERC up 15.9% to £587.8m at 31 March 2014 ➢ 120-month ERC up 15.4% to £681.3m ➢ Current paying face value up to £1.2bn, 2.1 times 84-month ERC
Leverage	➢ Net debt[3] at 31 March 2014 : £201.4m ➢ Leverage ratio[4] 34.3%

1. Adjusted EBITDA/core collections
2. Estimated remaining collections on purchased loan portfolios over an 84-month/120 month period, as applicable
3. Debt owed to third parties and cash and cash equivalents or unamortised bank arrangement fees, as applicable
4. Leverage ratio – net debt/84-month ERC

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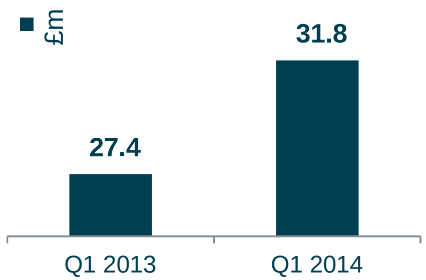
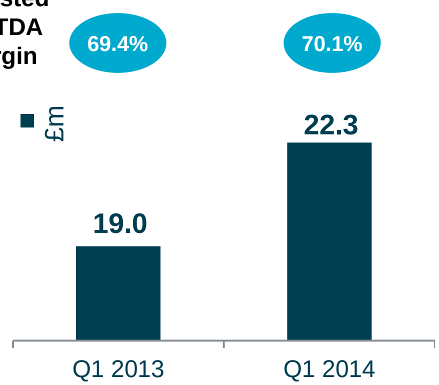
Q1 PERFORMANCE: 31 MARCH 2014

Core Cash Collections (£m)

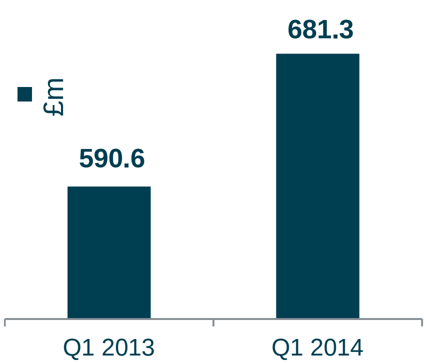


Adjusted EBITDA (£m)

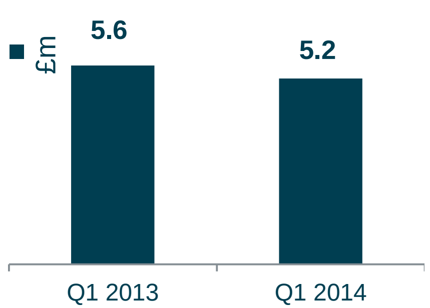
Adjusted EBITDA Margin



120-Month Gross ERC (£m)



Underlying Net Income[1] (£m)



Key Highlights

- Core cash collections increased by 16%
- Adjusted EBITDA increased by 18% with an improved margin
- Growth in ERC driven by purchasing activity
- Underlying net income reflects no portfolio write up (2013 included £2.6 million of portfolio write up). Portfolio revaluation moved from a quarterly to a half yearly process in line with our audit timetable
- Resolution of historical tax issue resulting in a non-recurring charge of £2.4m

1. Net income adjusting for post-tax effect of exceptionals. Net income is equivalent to profit / (loss) for the period attributable to equity shareholders.

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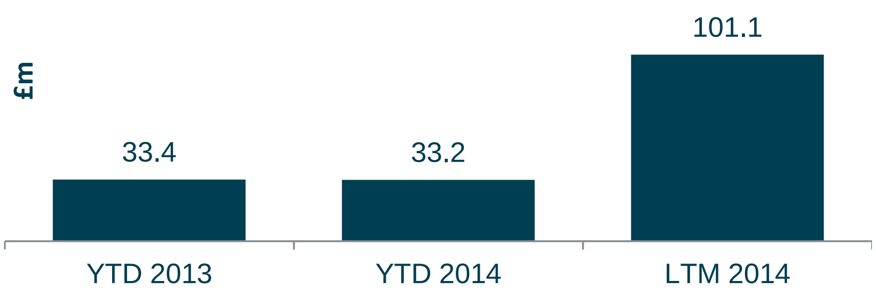
Q1 2014 PURCHASES

Portfolio Purchases[1]



Accounts	Face Value	Purchase Price	% of Investment
Paying	£67m	33.5p	68%
Non Paying	£179m	6.0p	32%
Total	**£246m**	**13.5p**	**100%**

Key Highlights

- Acquired portfolios with a face value of £246m for £33.2m, 100% in our core UK market
- 67.8% of the purchase price underpinned by paying accounts
- Paying accounts include good quality portfolios with some deferred consideration and secured assets
- Non paying accounts include the first tranche of deferred student loan assets
- Good start to building the vintage in line with our expected returns

1. Purchased loan portfolios represents the purchase price of our purchased loan portfolios excluding related acquisition expenses.

NET DEBT AND LEVERAGE

Indebtedness – as at 31 March 2014 (£m)

Key Metrics	
Cash and Cash Equivalents	(32.6)
Bond	220.0
Accrued Bond Interest	5.8
Revolving Credit Facility	-
Deferred consideration	12.6
Net Debt	201.4
LTM Adjusted EBITDA	92.9
84-Month ERC	587.8
Leverage Metrics	
Net Debt / Adjusted EBITDA	2.2x
LTV (Net Debt / 84-Month ERC)	34.3%

- 5-year (to 2018) Revolving credit facility of £55m - currently undrawn
- Significant headroom on 75% LTV covenant with LTV of 34.3%
- £87.6 million of cash and RCF resources available at 31 March 2014
- Significant capacity for future purchases
- Net Debt/Adjusted EBITDA of 2.2 inside our target of 2.5

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OUTLOOK

- Overall outlook remains strong
- Banks propensity to sell is increasing
- Segments of UK market remain competitive, but our ability to access deals from multiple sources will allow us to continue to invest in attractive loan portfolios
- The business is highly cash generative and the board confirms its intent to announce a maiden dividend with our half year results
- We continue to anticipate a normal weighting of purchasing to the second half of the year
- We remain on track to deliver results in line with our expectations

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Q&A