

Supplemental information provided in order to support reported ERC performance metrics, and to update information previously provided in introductory paragraphs to our Annual Reports issued by Cabot for the years ended 31 December 2018, 2017, and 2016

Following the publication of our 31 December 2018 Annual Report, we have identified some immaterial points of difference in the information provided within the introductory paragraphs to the Annual Report issued by Cabot Credit Management for the years ended 2017 and 2018. In order to provide greater consistency between years and better comparability to the audited financial statements in those years, we have updated these tables below. These immaterial points of difference amount to 0.1-0.2% of the lifetime cash collections expectations

		AS PREVIOUSLY REPORTED					UPDATED					
		Capital Deployed £m	Collections to Date £m	120 Month ERC £m	Total £m	Gross MM at Dec-17	Vintage	Capital Deployed £m	Collections to Date £m	120 Month ERC £m	Total £m	Gross MM at Dec-17
2017	Pre 2008	292	680	79	759	2.60	Pre 2008	292	678	77	755	2.59
	2008	81	182	42	224	2.77	2008	81	182	42	224	2.76
	2009	74	200	67	267	3.61	2009	74	200	67	267	3.60
	2010	70	144	47	191	2.73	2010	70	144	47	191	2.72
	2011	182	346	190	536	2.95	2011	182	345	190	535	2.94
	2012	149	234	197	431	2.89	2012	149	235	197	432	2.90
	2013	188	250	245	495	2.63	2013	188	248	245	493	2.62
	2014	227	234	276	510	2.25	2014	227	232	276	508	2.24
	2015	289	224	342	566	1.96	2015	289	224	341	565	1.95
	2016	196	111	342	453	2.32	2016	196	113	342	455	2.32
	2017	321	50	543	593	1.85	2017	321	49	546	595	1.85
	Total	2,069	2,655	2,370	5,025	2.43	Total	2,069	2,649	2,370	5,019	2.43
		Delta to "As Previously Reported"		0.0%	-0.2%	0.0%	-0.1%					
2018	Pre 2008	292	692	74	766	2.62	Pre 2008	292	690	74	764	2.62
	2008	81	189	40	229	2.83	2008	81	189	40	229	2.82
	2009	74	210	50	260	3.51	2009	74	210	50	260	3.51
	2010	70	152	40	192	2.74	2010	70	152	40	192	2.74
	2011	182	381	194	575	3.16	2011	182	380	194	574	3.16
	2012	149	261	187	448	3.01	2012	149	267	187	454	3.04
	2013	188	285	217	502	2.67	2013	188	288	217	505	2.68
	2014	227	281	250	531	2.34	2014	227	281	250	531	2.34
	2015	289	284	299	583	2.02	2015	289	286	299	585	2.02
	2016	196	176	299	475	2.42	2016	196	179	299	478	2.44
	2017	321	156	441	597	1.86	2017	321	157	440	597	1.86
	2018	333	36	589	625	1.88	2018	333	36	590	626	1.88
Total	2,402	3,103	2,680	5,783	2.41	Total	2,402	3,114	2,680	5,794	2.41	
		Delta to "As Previously Reported"		0.0%	0.3%	0.0%	0.2%					

We note the following facts in relation to similar tables provided within the introductory paragraphs to our Annual Reports for 2016 and prior:

- These tables from 2016 and prior do not provide information relating to historic collections on portfolios purchased prior to 2007
- As a result, the tables provided in the Annual Reports for 2014, 2015 and 2016 covered only 84%, 95% and 97% of the Estimated Remaining Collections respectively, as noted within those Annual Reports. These tables therefore do not, and were not intended to, provide a comprehensive view of cumulative lifetime collections

In order to provide some additional historic information, we have prepared the below comparable table for 2016.

Vintage	Capital Deployed £m	Collections to Date £m	120 Month ERC £m	Total £m	Gross MM at Dec-16
Pre 2008	292	666	70	736	2.52
2008	81	175	70	245	3.02
2009	49	131	57	188	3.84
2010	60	114	46	160	2.67
2011	217	389	288	677	3.12
2012	149	198	208	406	2.72
2013	188	204	278	482	2.56
2014	227	174	304	478	2.11
2015	289	144	389	533	1.84
2016	196	38	375	413	2.11
Total	1,748	2,233	2,085	4,318	2.47

As a result of complexity associated with historic acquisitions (including Marlin in 2014 and dlc in 2015), it is not possible to provide at this time similar tables for prior years.

Supplemental guidance for assessing Cabot collections performance against historic ERC forecasts, based on publicly available information

Total cash received in any particular year can be calculated by linkage to items disclosed in the audited financial statements, as follows

	Source	2018	2017	2016
Total cash received reconciled to financial statements				
Total reported portfolio collections	Note 16 of financial statements (Purchased loan portfolios)	453	408	359
Real Estate Owned (REO) proceeds	Note 4 of financial statements (Other income)	12	3	
Portfolio sale proceeds	Cash flow statement and associated notes	4	3	6
Total cash received		469	414	365

Alternatively, total cash received can be estimated using the information publicly provided in the introductory paragraphs of the Annual Report. Utilising the information provided above, this can be achieved as follows

	Source	2018	2017	2016
Estimated total cash received based on other publicly available information				
Lifetime collections to end of year	Updated table above	3,114	2,649	Not available
Less: lifetime collections at beginning of year	Updated table above	(2,649)	(2,233)	
Total cash received		465	416	

We note that immaterial variances do exist between the introductory paragraphs of the Annual Reports and audited financial statements as a result of rounding and other timing items. We note that across 2017 and 2018, the difference in the aggregate cash received is immaterial (0.1%).

The collections performance for Cabot can then be assessed by applying an alternative approach to measuring the collections performance through utilisation of this publicly available supplemental information, as follows.

	Source	2018	2017	2016
Performance against prior year ERC				
		vs 2017 ERC	vs 2016 ERC	vs 2015 ERC
Total cash received	As noted above	465	416	365
Less: Collections relating to current year purchases	Updated table above	(36)	(49)	(38)
Cash received relating to prior year ERC		429	367	327
ERC expected to be collected	Prior year investor presentation	426	348	330
Performance against prior year ERC - as calculated above		101%	105%	99%
Performance against ERC two years prior				
		vs 2016 ERC	vs 2015 ERC	
Cash received relating to prior year ERC	As noted above	429	367	
Less: Collections relating to prior year purchases	Updated table above	(108)	(75)	
Cash received relating to ERC two years prior		321	292	
ERC expected to be collected	Investor presentation two years prior	315	283	
Performance against ERC two years prior - as calculated above		102%	103%	
Performance against ERC three years prior				
		vs 2015 ERC		
Cash received relating to prior year ERC	As noted above	321		
Less: Collections relating to prior year purchases	Updated table above	(66)		
Cash received relating to ERC three years prior		255		
ERC expected to be collected	Investor presentation three years prior	244		
Performance against ERC three years prior - as calculated above		105%		

Based on this alternative approach, we note that recent performance continues to be between 99%-105% of projected ERC, as previously reported.