

19 November 2019

MEDIA STATEMENT

Collection House has today welcomed the new ABA Guideline for sale of unsecured debt and will fully support the efforts of its banking clients to protect the interests of customers experiencing vulnerability and financial hardship.

We are committed to working closely with our banking clients to make sure that our values, policies and processes align with theirs and comply to the new guideline. We are committed to a process of continuous improvement to meet changing community expectations and industry standards.

Our subsidiary Lion Finance deals with tens of thousands of customers each week, people who are working through difficult and emotional financial situations. Our commitment to our customers is to work with them, treat them fairly at all times and give them the right help and support to take back control of their finances.

Across the business, we can nearly always find fair, flexible and realistic solutions tailored to our customers' individual circumstances, including waiving or reducing debts where hardship, health or family difficulties make this the right thing to do.

The Company provides additional protections for customers in vulnerable circumstances, and has a dedicated team specially trained to work empathetically with them to agree the best outcome for the customer. This ensures that our corporate values continue to align with those of our clients.

Collection House recently announced its decision to further increase the threshold for bankruptcy to \$20,000, effective from 1 October 2019, which is above the regulatory threshold of \$5,000 and will significantly reduce the number of such actions taken by Lion Finance.

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Additional controls have also been implemented so that no vulnerable customer or customer who has instructed a Financial Counsellor will face a petition for bankruptcy from Lion Finance. Some credit providers already approve matters recommended for bankruptcy action. This policy has been extended so that prior approval is now required from the Collection House Chief Operating Officer, Board Chairman and, in all cases, the original credit provider.

Since the Financial Services Royal Commission, the operating landscape for the debt recovery industry and our clients is evolving rapidly. Like many of our clients, Collection House has instituted a comprehensive internal project to review our policies and procedures across all aspects of the business, to promote continuous improvement of our customer experiences and outcomes.

The policy changes and internal review of the business follow constructive discussions with Financial Counselling Australia and other stakeholders, which we always welcome. The Company is also making changes to improve our engagement with all Financial Counsellors who represent our customers.

At the Collection House Limited Annual General Meeting on 1 November 2019, CLH Chairman Leigh Berkley outlined the Company's commitment to redouble its efforts to help customers resolve their financial difficulties. A copy of the Chairman's Address is available by clicking the link below.

<https://www.asx.com.au/asxpdf/20191101/pdf/44b6d2rpzlpqzx.pdf>

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