

Our business today

We have built a truly unique business with a proven track record of unlocking value

We aim to be the most sophisticated purchaser and specialist asset manager of debt portfolios across our five core European markets while fulfilling our purpose of building better financial futures for our stakeholders.

We tap into a large, growing market with a fundamental need for our specialist skills

We focus on non-performing loans, non-core assets and complicated assets that banks and investment funds need to sell.

Investment Business

We buy debt at a significant discount to face value and use our platform to unlock returns far above our cost of capital.

Asset Management and Servicing

We advise on, manage and collect debt portfolios on behalf of clients who pay long-term and recurring fees to utilise our platform.

Unique synergy

We purchase the 'tails' of our clients' funds towards the end of their lifespan, transfer these familiar assets to our investment business and extract the remainder of their considerable value.

£1.6 billion

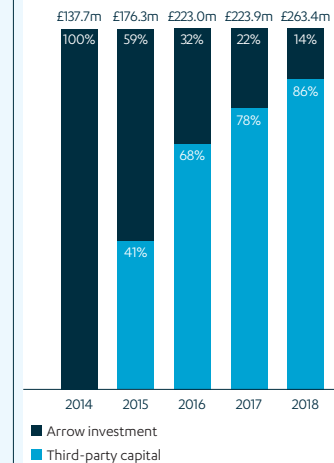
third-party co-investments in 2018

Investment Business:

Specialist debt investor

- Consistent underwriting outperformance (104% cumulative performance since inception)
- Specialist focus on niche assets
- Aim to co-invest with institutional fund clients – generates servicing income
- Generates high returns – 17% net IRR achieved in 2018 (2017: 15%)
- Over 500 portfolios well diversified by geography and asset class

Investment by vintage split by Arrow balance sheet organic investment and third-party investment



Asset Management and Servicing Business:

Rapidly growing capital-light income

- Total AMS income of £132.3 million – 32.9% of total segmental income
- Five-year target to grow income contribution to towards 50% of Group gross income and increase margins from high-teens per cent to mid-20s per cent
- Fund management offering build out will contribute to income growth and margin enhancement

Arrow asset management timeline

2013: 100% of assets managed on balance sheet



2013 – 2017: Acquired leading servicing platforms



2018: Manage £52.6 billion of assets



2019 onwards: Shift to higher margin business via fund management offering