Credit Risk Management

Presented to: Analysts, Investors & Fund Managers
September 2007

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Differentiation between New & Repeat Customers

New Customers

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Application Processing System

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Application Risk Scorecards

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75% Strength from Bureau Data

Repeat Customers

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Monthly Account Management System

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Behavioural Risk Scorecards

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75% Strength from Internal Data

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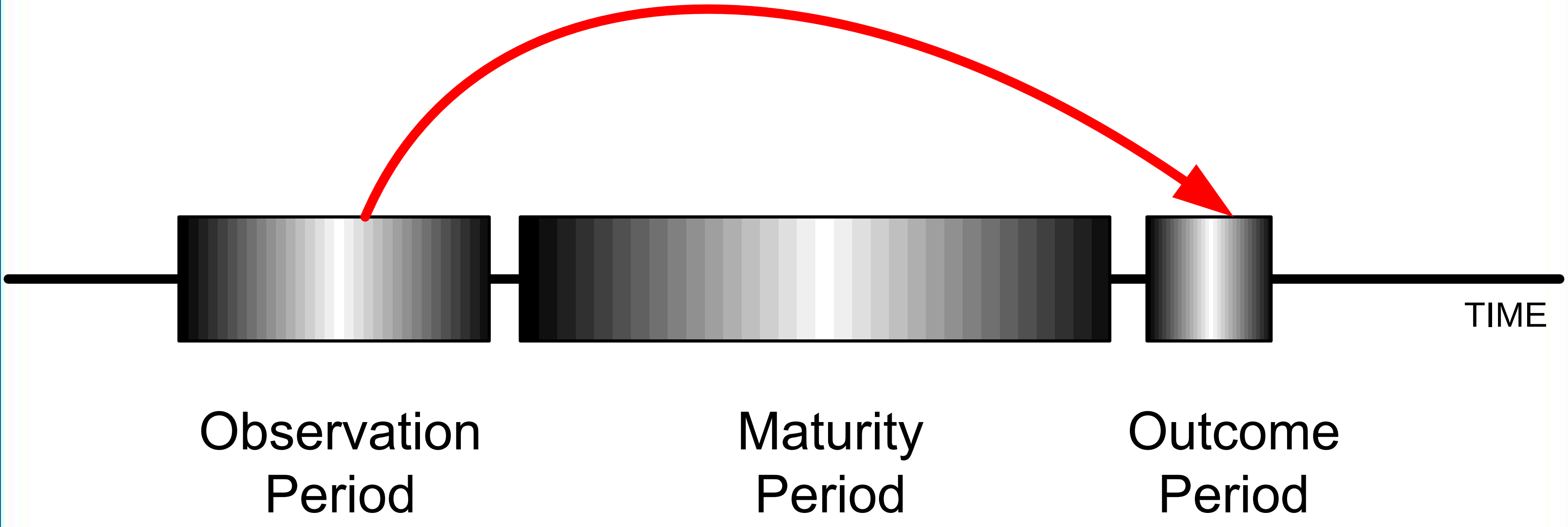
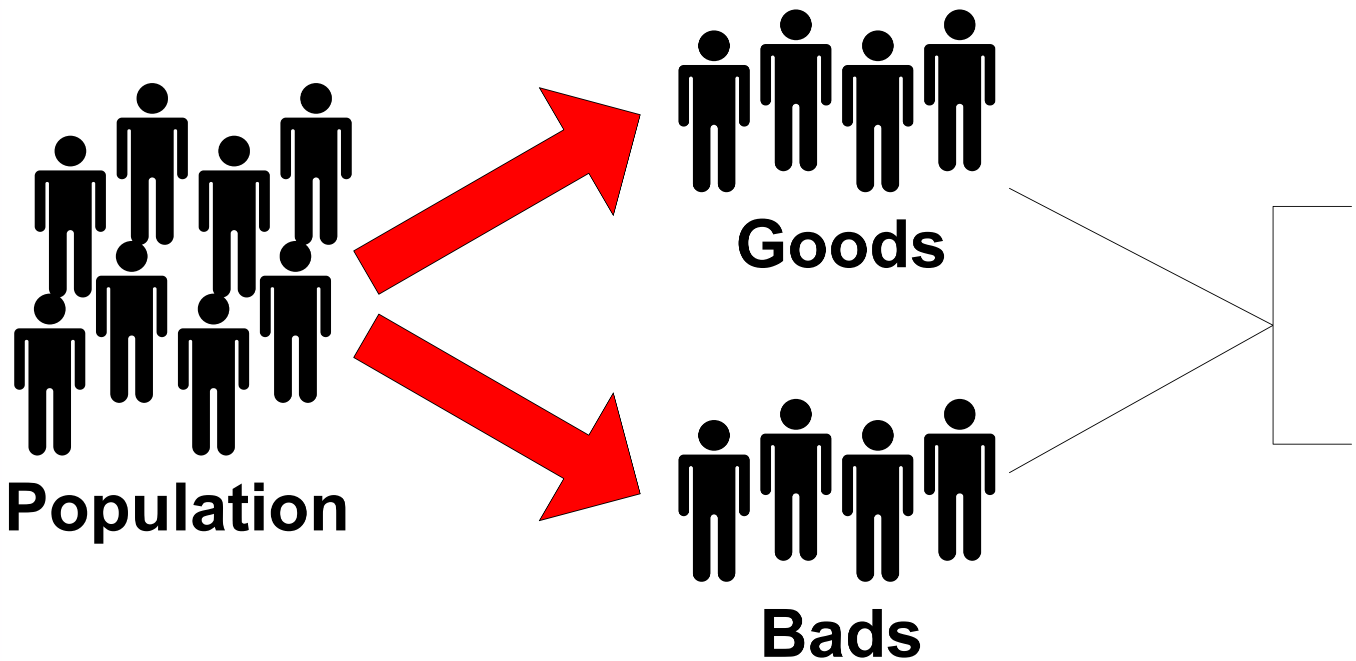
Principals of Credit Scoring



Principals of Credit Scoring



Use past information to predict future behaviour

Results in a Risk Score which equates to a probability of a customer becoming delinquent

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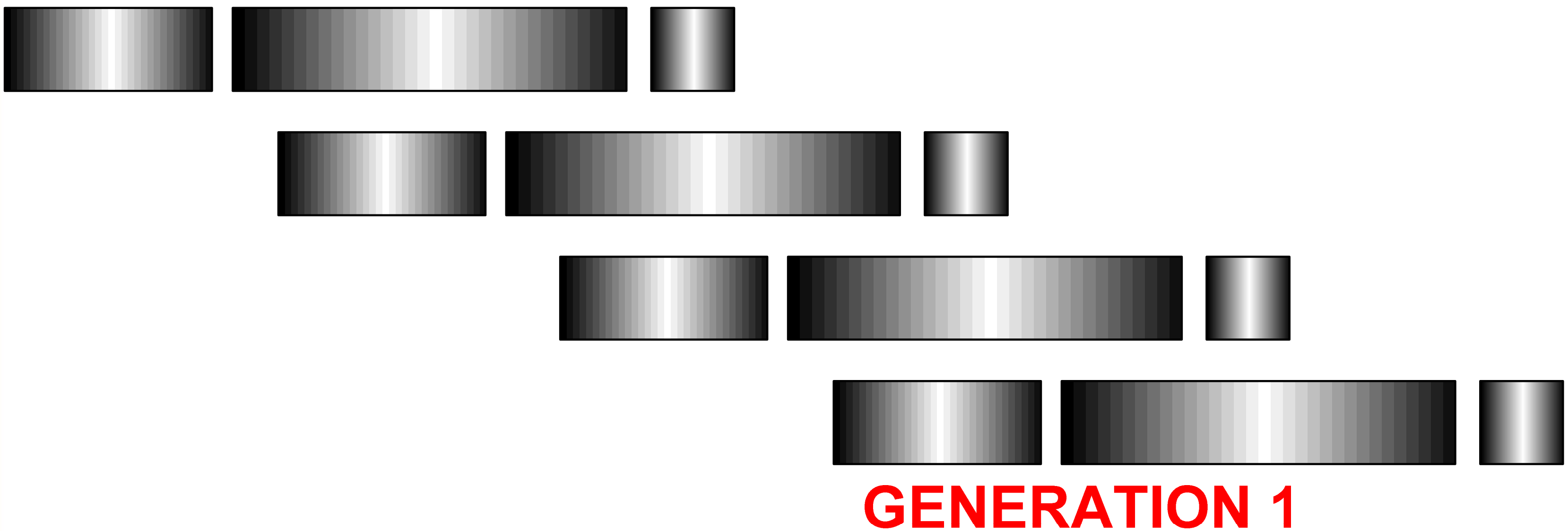
Principals of Credit Scoring



Continuous enhancements take into account shifts in population (changes in emerging market)

Allows for new information to be considered (NLR, banks, telco's, etc)

GENERAT

Principals of Credit Scoring

More immediate changes in economic conditions are managed by the scorecard

A negative shift in the population will result in more people scoring lower

The calculated probability of the score remains the same

Reflected in changes in the Accept Rate

The amount of risk taken on by Lewis remains unchanged

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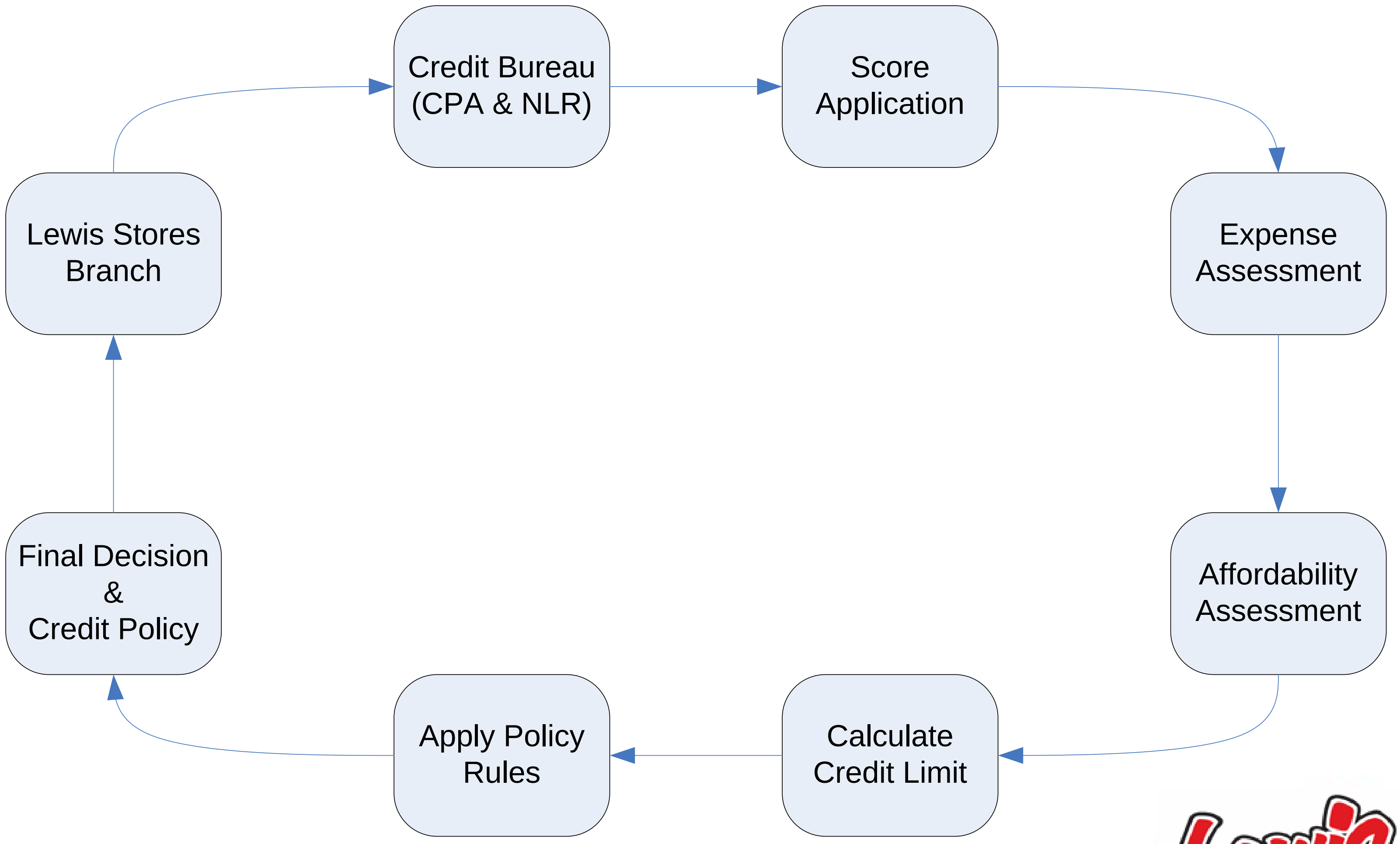
New Customer Application Processing

New Customer Application Processing



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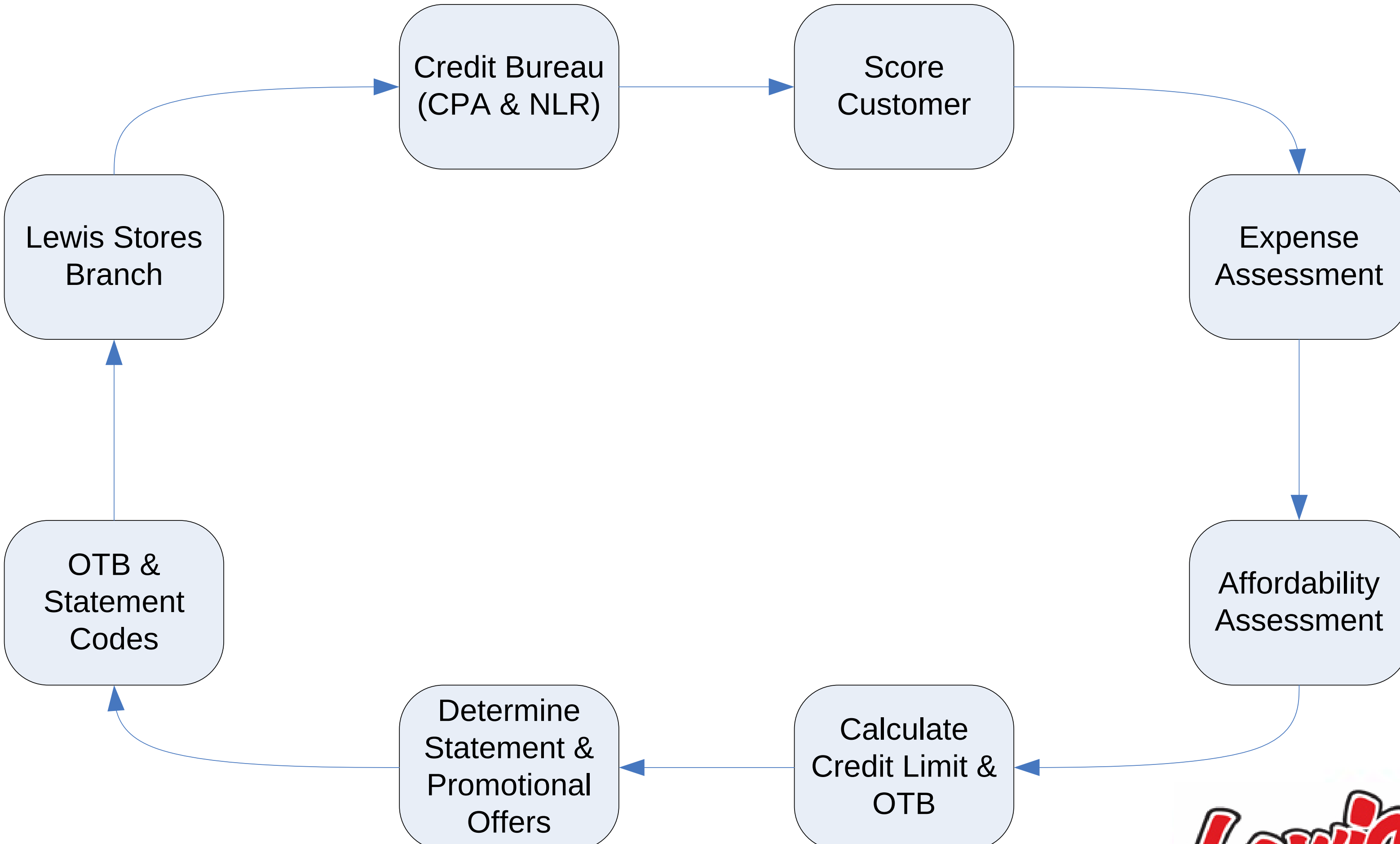
Repeat Customer Account Management

Repeat Customer Account Management



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Discussion