



EU interim compliance report by ASIC

ASIC's interim report dated **28 August 2017** on compliance with the s322 National Credit Act enforceable undertaking given by **Cash Converters Personal Finance Pty Ltd** (ACN 110 275 762) and **Cash Converters International Ltd** (ACN 069 141 546) (**together 'Cash Converters'**) dated **4 November 2016**.

Terms used in this report have the same meaning as in the 4 November 2016 enforceable undertaking (EU).

Undertakings	Report on compliance
<p>Communication Plan and Appointment of Independent Expert</p> <p>EU paragraphs 3.5*, 3.8-3.10*</p>	<ol style="list-style-type: none"> 1. On 20 February 2017 ASIC approved the terms of engagement for Deloitte's appointment as the Independent Expert. 2. On 3 March 2017 ASIC approved the Communication Plan. 3. On 15 March 2017 Cash Converters engaged Deloitte as the Independent Expert.
<p>Interim Remediation Report</p> <p>EU paragraph 3.11.6</p>	<ol style="list-style-type: none"> 4. On 19 May 2017 Deloitte provided the Interim Remediation Report to Cash Converters and ASIC, which was agreed in writing with ASIC. The report details the remediation paid to consumers in accordance with paragraphs 3.2 to 3.6 of the EU, specifically noting that, as at 4 May 2017: <ul style="list-style-type: none"> • Cash Converters has completed the process of identifying 116,878 Relevant SACCs and 54,511 consumers eligible for remediation within the required time frame; • Cash Converters has attempted to make initial contact with all 54,511 eligible consumers to inform them of their remediation entitlement within the required time frame, and in accordance with the approved Communication Plan; • Cash Converters has published information on its Website about the consumer remediation using the wording in the approved Communication Plan, within the required time frame; • Cash Converters has paid \$10,284,667 in Remediation Funds to eligible consumers, which represents 95% of the

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	<p>total Remediation Funds payable under the EU;</p> <ul style="list-style-type: none"> • Deloitte has not identified any concerns in relation to the processes undertaken by Cash Converters to calculate the remediation amount to be paid to each eligible consumer and the processing of refunds to those consumers.
<p>Interim Compliance Report</p> <p>EU paragraph 3.11.5</p>	<p>5. On 6 June 2017 Deloitte provided the Interim Compliance Report to Cash Converters and ASIC, which was agreed in writing with ASIC. The report details Deloitte's assessment of whether Cash Converters' systems, processes, policies and training procedures are adequate to ensure compliance with its obligations under its Australian Credit Licence and the general conduct and responsible lending obligations of the National Credit Act. Specifically:</p> <ul style="list-style-type: none"> • Deloitte found that prior to the full implementation of the new Income & Expenses ('I&E') framework on 18 February 2017, Cash Converters' systems, processes, policies and procedures was not adequate. This was in part due to the use of benchmarks in performing unsuitability assessments; • Since implementation of the new I&E framework on 18 February 2017, Deloitte has not identified any key deficiencies in Cash Converters' current systems, processes, policies and procedures; • Deloitte has not made any recommendations for actions to be implemented as no current deficiencies have been identified; • Deloitte has however suggested some better practice enhancements, all of which Cash Converters have accepted and plan to implement.

* Substantial, satisfactory compliance with these paragraphs of the undertakings relating to timing.