



ENCORE CAPITAL GROUP, INC.

**JMP SECURITIES FINANCIAL SERVICES &
REAL ESTATE CONFERENCE**

October 1, 2013

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The statements in this presentation that are not historical facts, including, most importantly, those statements preceded by, or that include, the words “will,” “may,” “believe,” “projects,” “expects,” “anticipates” or the negation thereof, or similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). These statements may include, but are not limited to, statements regarding our future operating results, earnings per share, and growth. For all “forward-looking statements,” the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company and its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in the reports filed by the Company with the Securities and Exchange Commission, including the most recent reports on Forms 10-K and 10-Q, as they may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

ENCORE IS A LEADING PLAYER IN THE CONSUMER DEBT BUYING AND RECOVERY INDUSTRY

We deploy capital to acquire delinquent consumer receivables...

1 in 7 American consumers have accounts with us

3.1 million consumers have satisfied their obligations

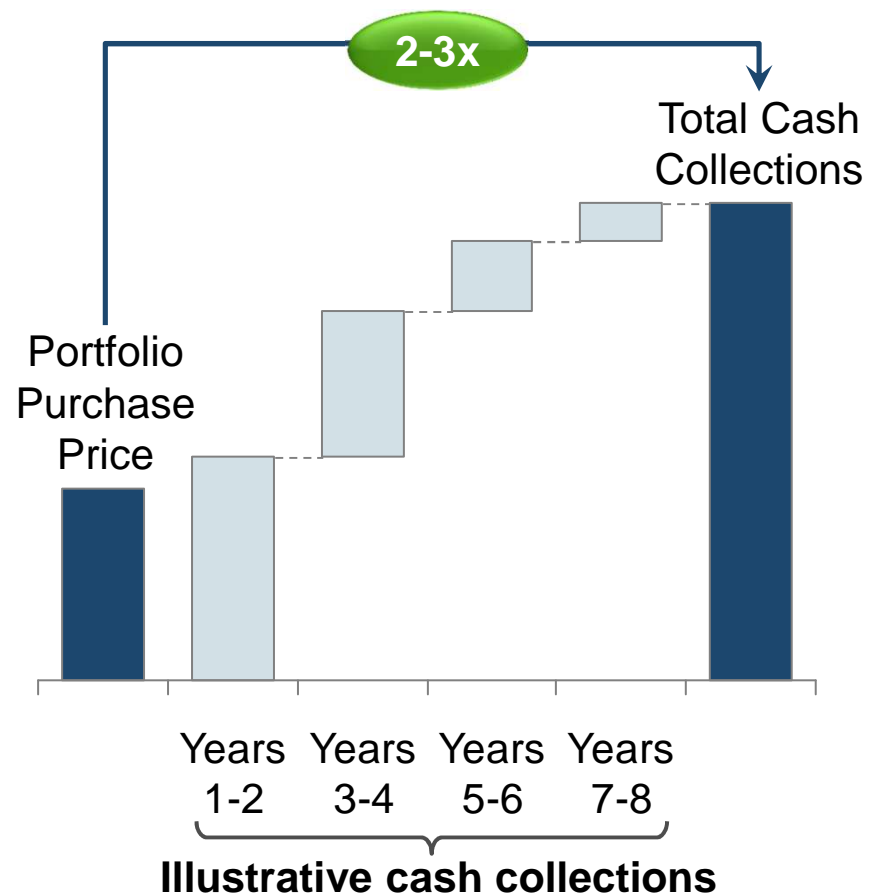
\$1 billion collected in the last twelve months

\$2.7 billion in estimated remaining collections

27% Adjusted EBITDA[†] 5-year compound annual growth rate

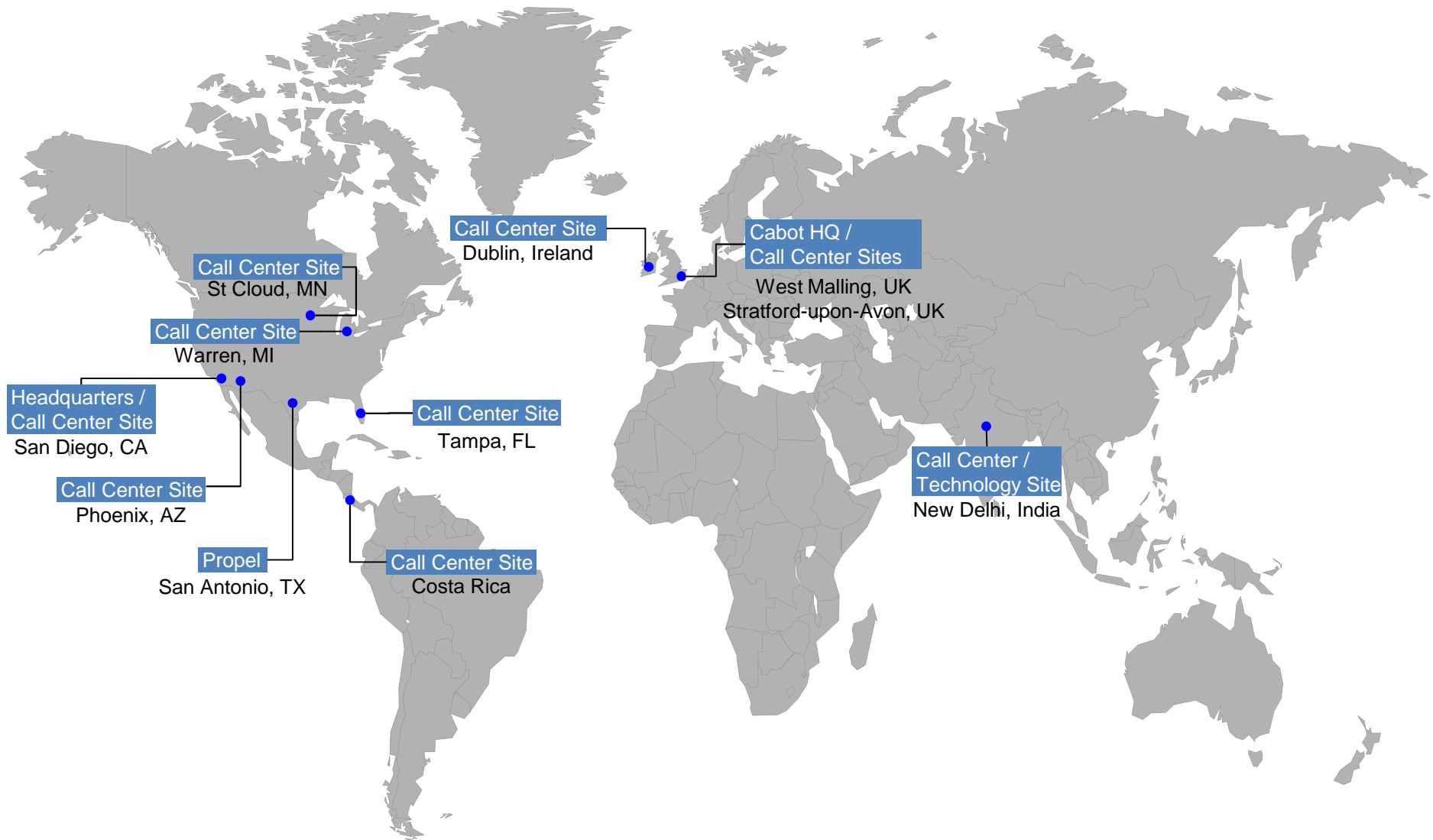
3,530 employees worldwide

... and generate predictable cash flows over a multi-year time horizon



[†]Adjusted EBITDA is a non-GAAP number which the Company considers to be and utilizes as a meaningful indicator of operating performance. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation.

WITH A STRONG DOMESTIC AND INTERNATIONAL PRESENCE



ENCORE PROVIDES A PRINCIPLED AND ESSENTIAL SERVICE

Original creditor



Relationship is transactional

- Attempt to collect during initial delinquency cycle
- Consumer is “charged-off” by issuer on day 181 of cycle
- No longer considered a “customer” by creditor

Contingency collection agency



Collection time frame

- 4-6 months

- 84 months to recover financially

Consumer experience

Pressure

- Artificial deadlines
- Multiple exchanges of sensitive data
- Counterproductive incentives

Partnership

- Create partnership strategy and set goals
- Tailor solutions to individuals
- Single point of contact

Outcome

- Consumer is confused and frustrated

- Maximizes repayment likelihood, and ensures fair treatment

OUR BUSINESS PRINCIPLES ARE BUILT ON TREATING CONSUMERS FAIRLY AND WITH RESPECT

Understanding our consumers

- Acknowledging limitations of our consumers' household balance sheets to align recovery plans
- Deploying specialized surveys to test consumer satisfaction

Making focused investments

- Built specialized non-collections work groups to serve consumer needs
- Established Consumer Credit Research Institute to better understand the financially stressed consumer

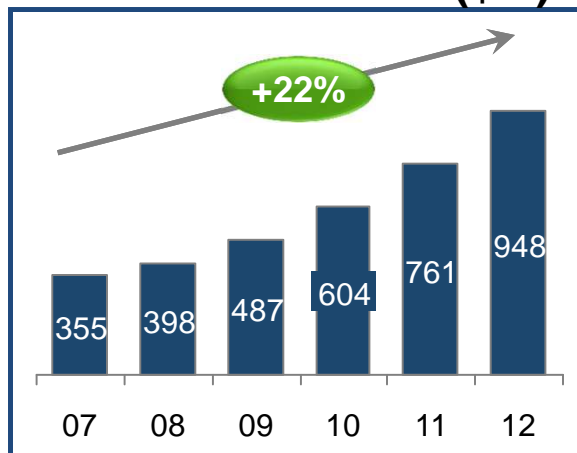
Improving consumer experience

- Living the *Consumer Bill of Rights*
- Creating resources and directing financially stressed consumers to best external references
- Founded Consumer Experience Council

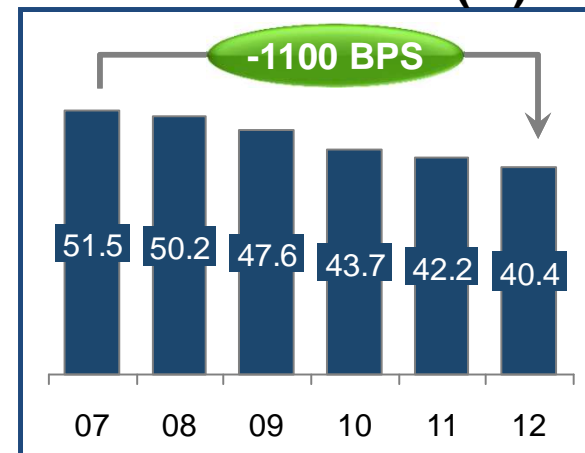
ENCORE HAS DELIVERED A TRACK RECORD OF STRONG, SUSTAINABLE FINANCIAL RESULTS

Strong business fundamentals...

Cash Collections (\$M)

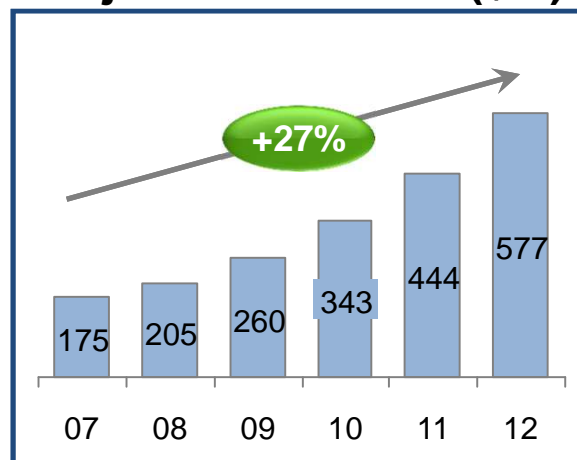


Cost to Collect¹ (%)

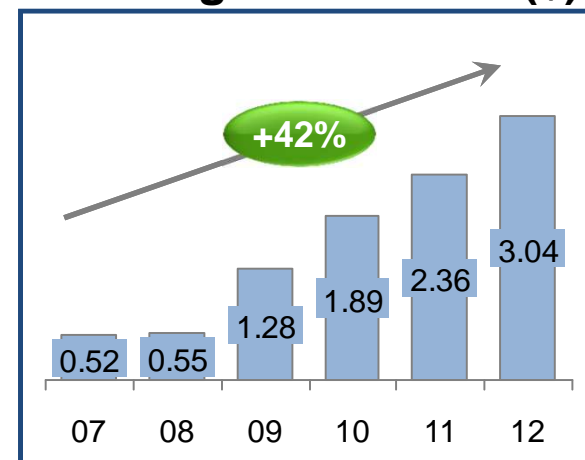


...driving profitable growth

Adjusted EBITDA² (\$M)



Earnings Per Share³ (\$)



1. Cost to Collect is Adjusted Operating Expenses / Dollar Collected. See Reconciliation of Adjusted Operating Expenses to GAAP Total Operating Expenses at the end of this presentation. 2. Adjusted EBITDA is a non-GAAP number which the Company considers to be and utilizes as a meaningful indicator of operating performance. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation. 3. Per Fully Diluted Share from Continuing Operations
Note: Growth rate percentages for Cash Collections, Adjusted EBITDA, and EPS signify compounded annual growth rate from 2007 - 2012

AND HAS CONTINUED TO BUILD UPON THIS PERFORMANCE WITH STRONG RESULTS THIS YEAR

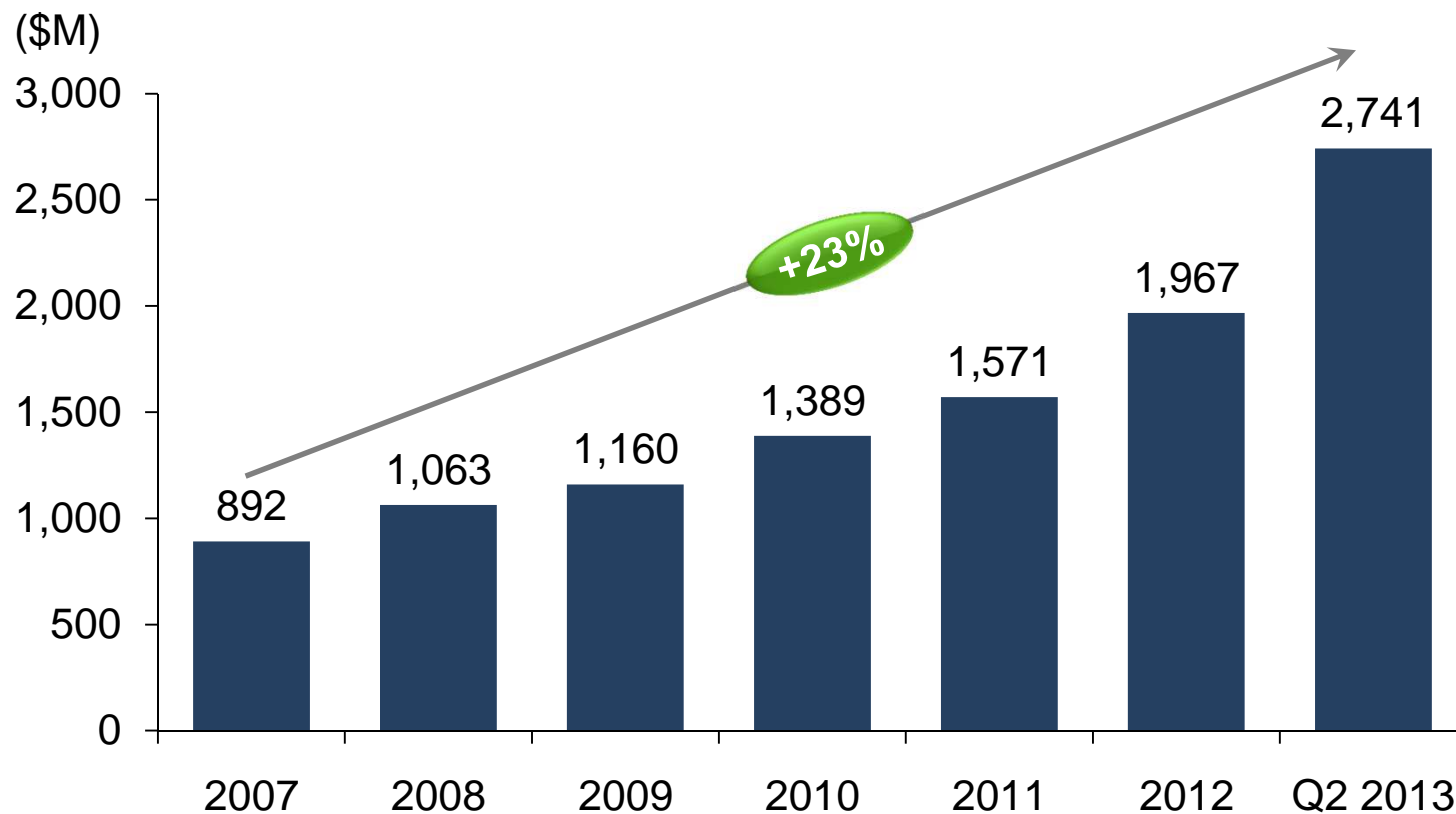
Year over year financial results

	H1 2013	H1 2012	Increase/ (Decrease)
Collections	\$549	\$472	16%
Revenue	\$301	\$268	12%
Cost to collect ¹	37.7%	38.9%	(120 bps)
Adjusted EBITDA ²	\$352	\$292	21%
Adjusted EPS ³	\$1.70	\$1.54	10%

1. Cost to Collect is Adjusted Operating Expenses / Dollar Collected. See Reconciliation of Adjusted Operating Expenses to GAAP Total Operating Expenses at the end of this presentation. 2. Adjusted EBITDA is a non-GAAP number which the Company considers to be and utilizes as a meaningful indicator of operating performance. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation. 3. See reconciliation of Adjusted EPS to GAAP EPS at the end of this presentation.

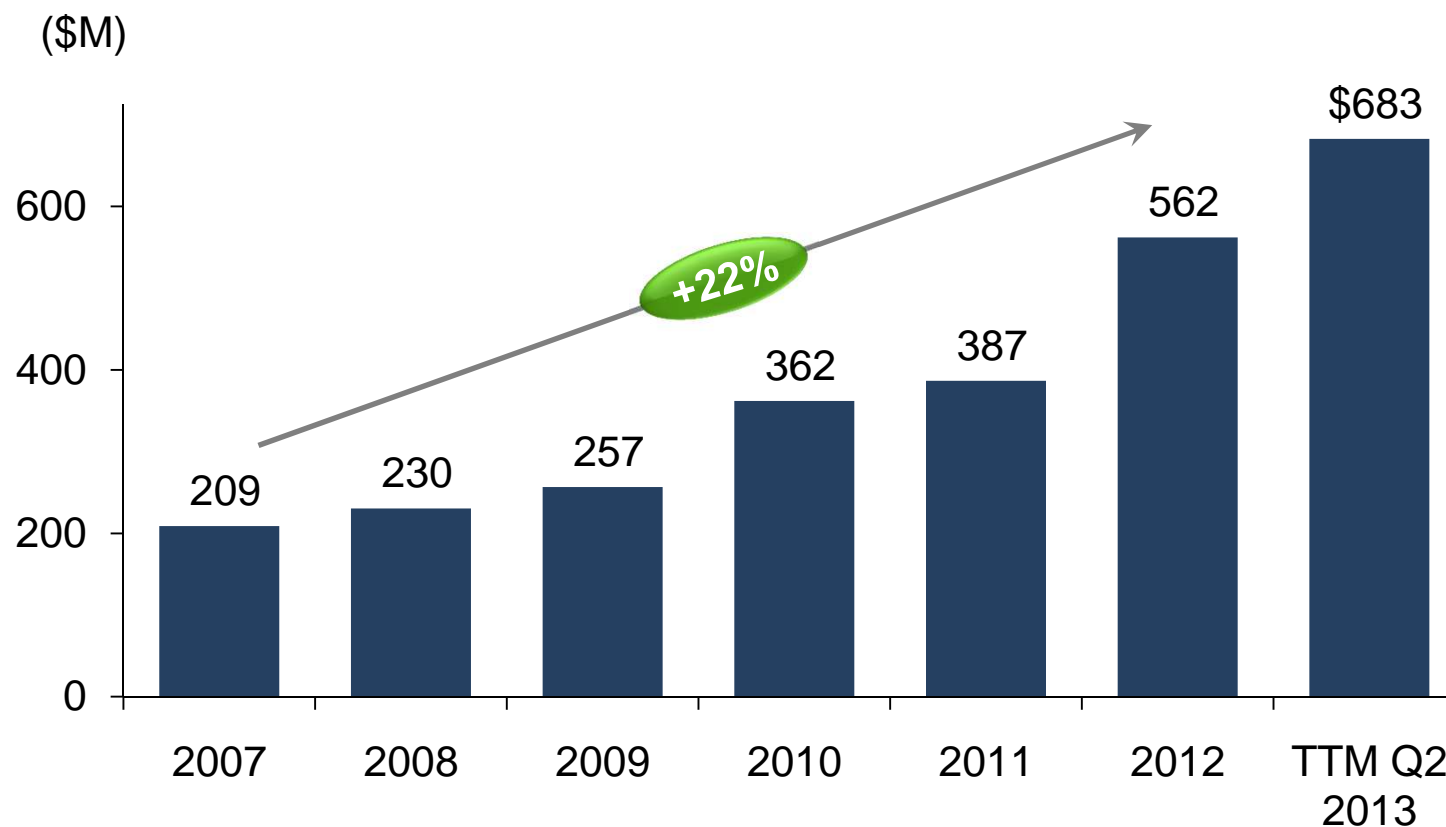
ENCORE HAS RAPIDLY GAINED SCALE AND POSITIONED ITSELF FOR SUSTAINED GROWTH

Estimated Remaining Collections in core receivables



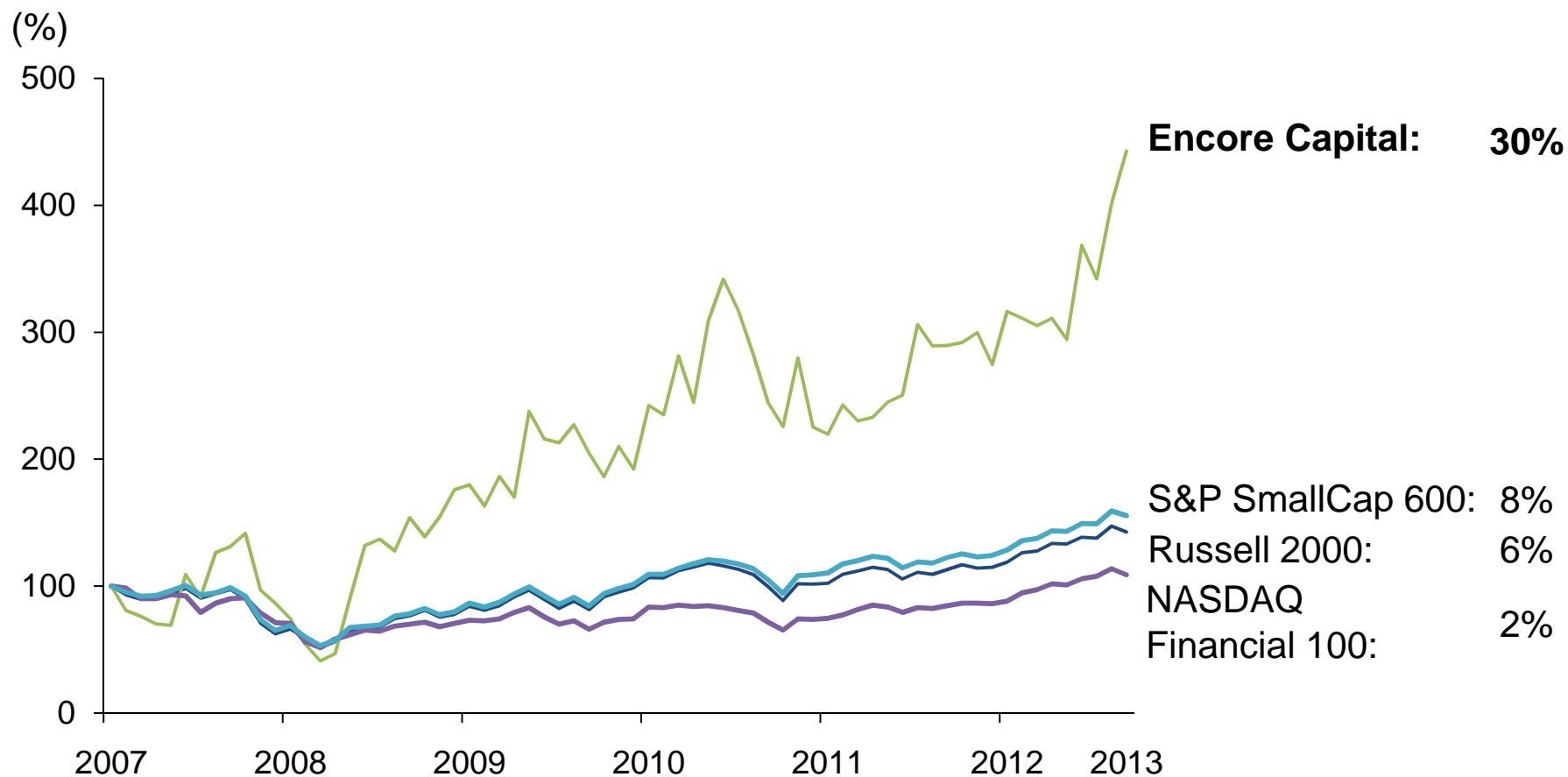
THIS SCALE HAS BEEN CREATED BY MARKET LEADING INVESTMENTS

Capital deployed in core receivables

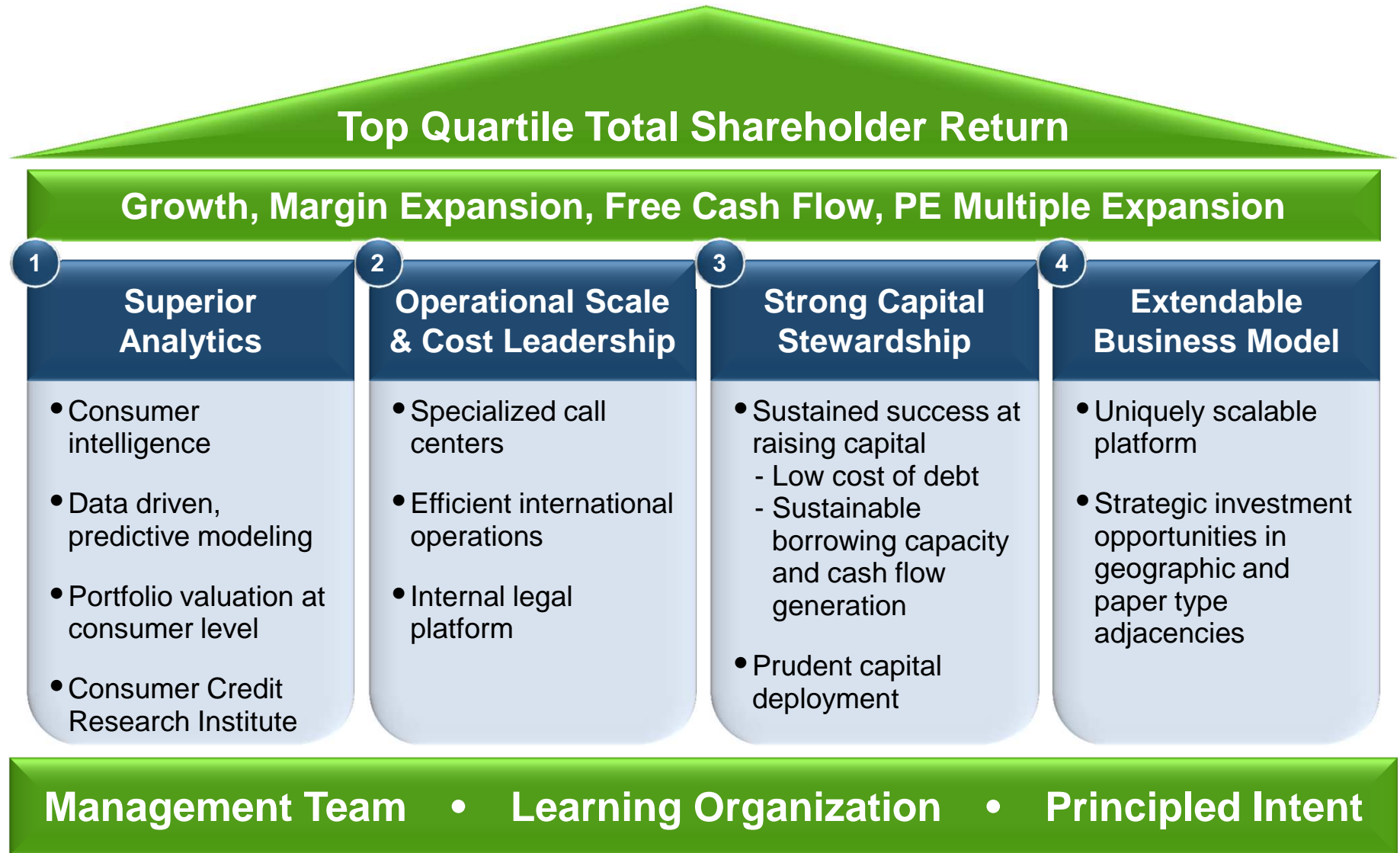


ENCORE HAS DELIVERED INDUSTRY LEADING TOTAL SHAREHOLDER RETURN OVER THE PAST 5+ YEARS

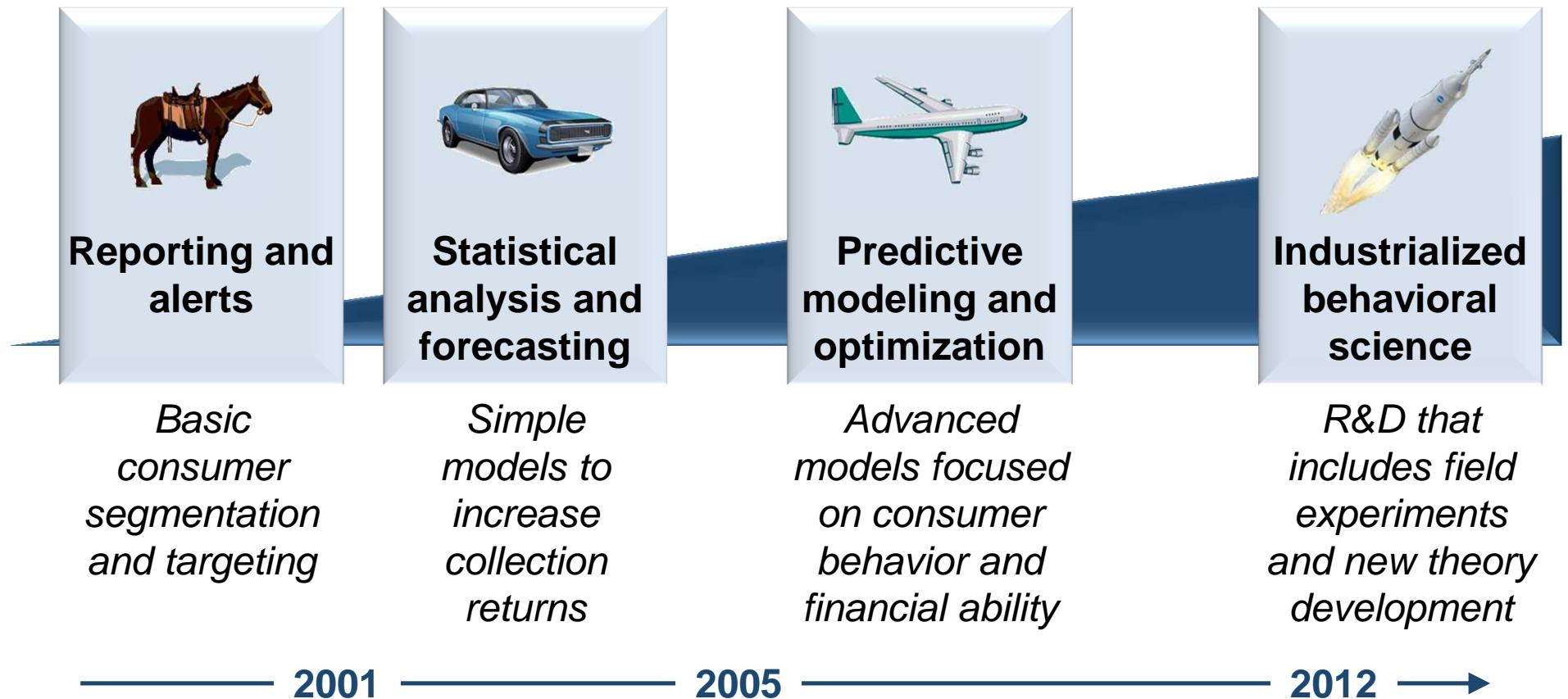
Total Shareholder Return (Dec. 2007- Aug. 2013)



WE ARE WELL POSITIONED TO MAINTAIN OUR MOMENTUM AND CONTINUE DELIVERING TOP QUARTILE TSR



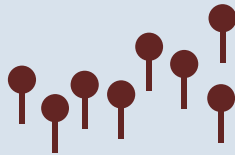
OUR SUPERIOR ANALYTICS STEM FROM OUR INVESTMENTS TO BETTER UNDERSTAND CONSUMERS...



...WHICH IS CLEARLY SEEN IN OUR APPROACH TO CONSUMER LEVEL PORTFOLIO VALUATION

High willingness High capability

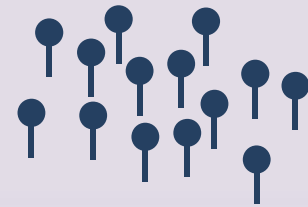
- Strong partnership and recovery opportunities



Encore's individual underwriting approach to portfolio valuation accommodates our specialized operational strengths

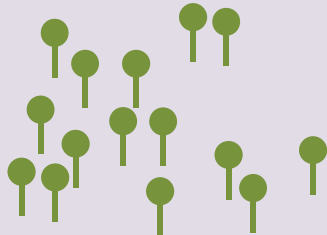
Low willingness High ability

- Enforce legal contract through formal channels



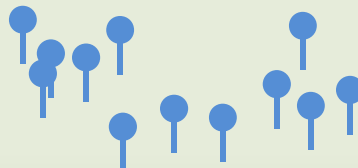
High willingness Moderate capability

- Payment plans and opportunities to build longer relationships



High willingness Low capability

- Significant discounts and many small payments



Low willingness Moderate ability

- Remind consumers through legal messaging



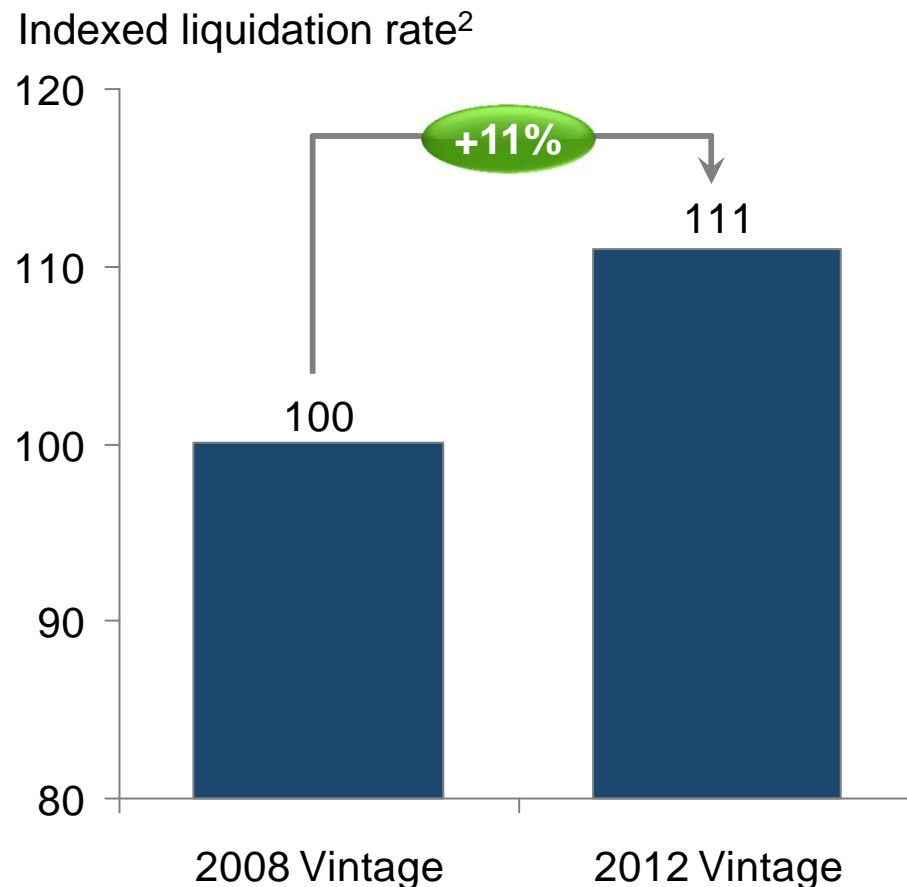
Low willingness Low ability

- Hardship strategies and removal from the collections process



OUR EFFECTIVENESS HAS IMPROVED SIGNIFICANTLY THROUGH OUR INVESTMENTS IN ANALYTICS

Improved liquidation in our call center channel¹



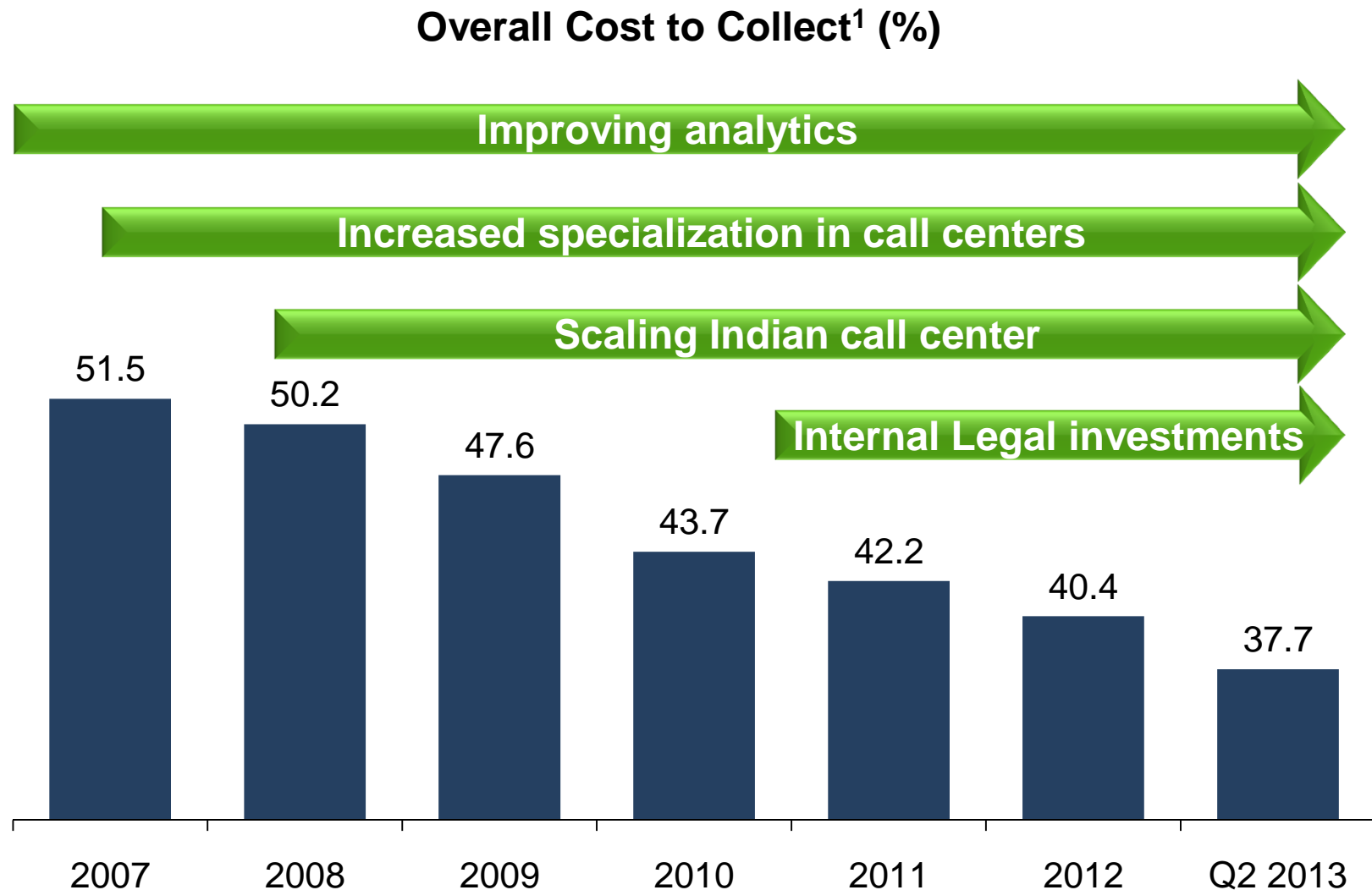
Impact of 11% improvement in liquidation (2008-2012)

- In 2012, we collected **\$442M** through our call center channel
- In 2008, we would have only collected **\$398M**
- **~\$44M** in incremental cash collections
- **~\$0.50** in incremental EPS

1. Of like portfolios through call center channel 2. 2008 = 100

Note: Assumes 8% marginal cost to collect through call center channel, 40% tax rate, 2.3x cumulative collections multiple, 25M diluted shares outstanding

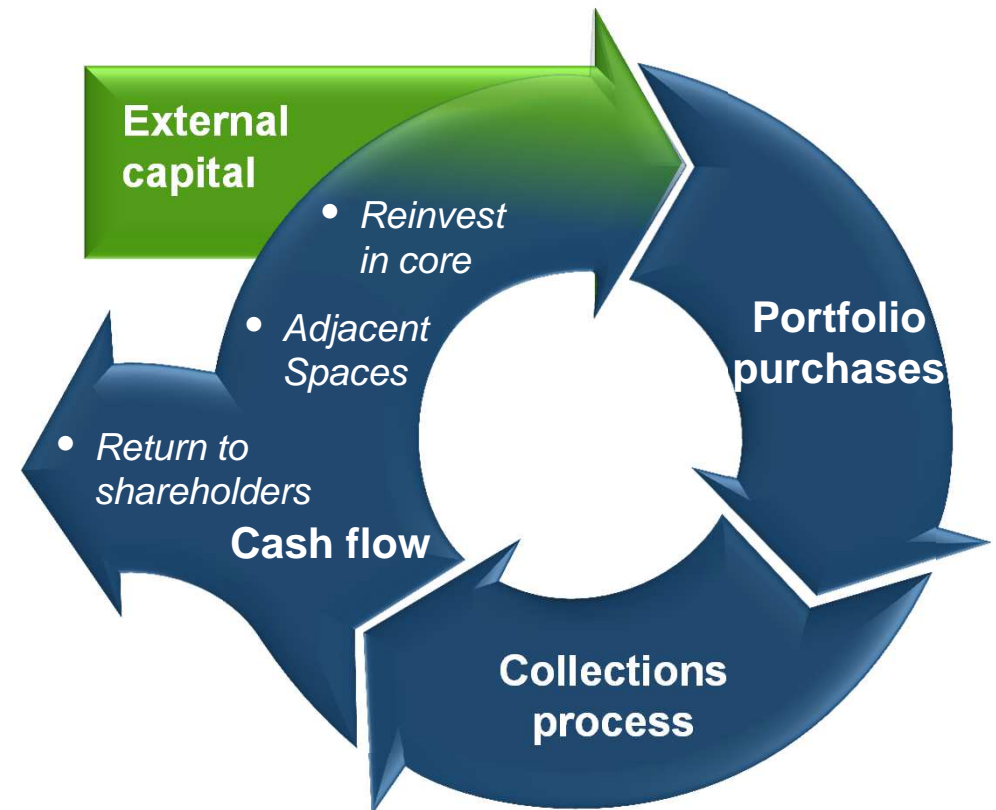
WE HAVE THE INDUSTRY LEADING COST PLATFORM, DRIVEN BY CONTINUING OPERATIONAL IMPROVEMENTS



1. Cost to Collect is Adjusted Operating Cost / Dollar Collected. See Reconciliation of Adjusted Operating Cost to GAAP Total Operating Expenses at the end of this presentation.

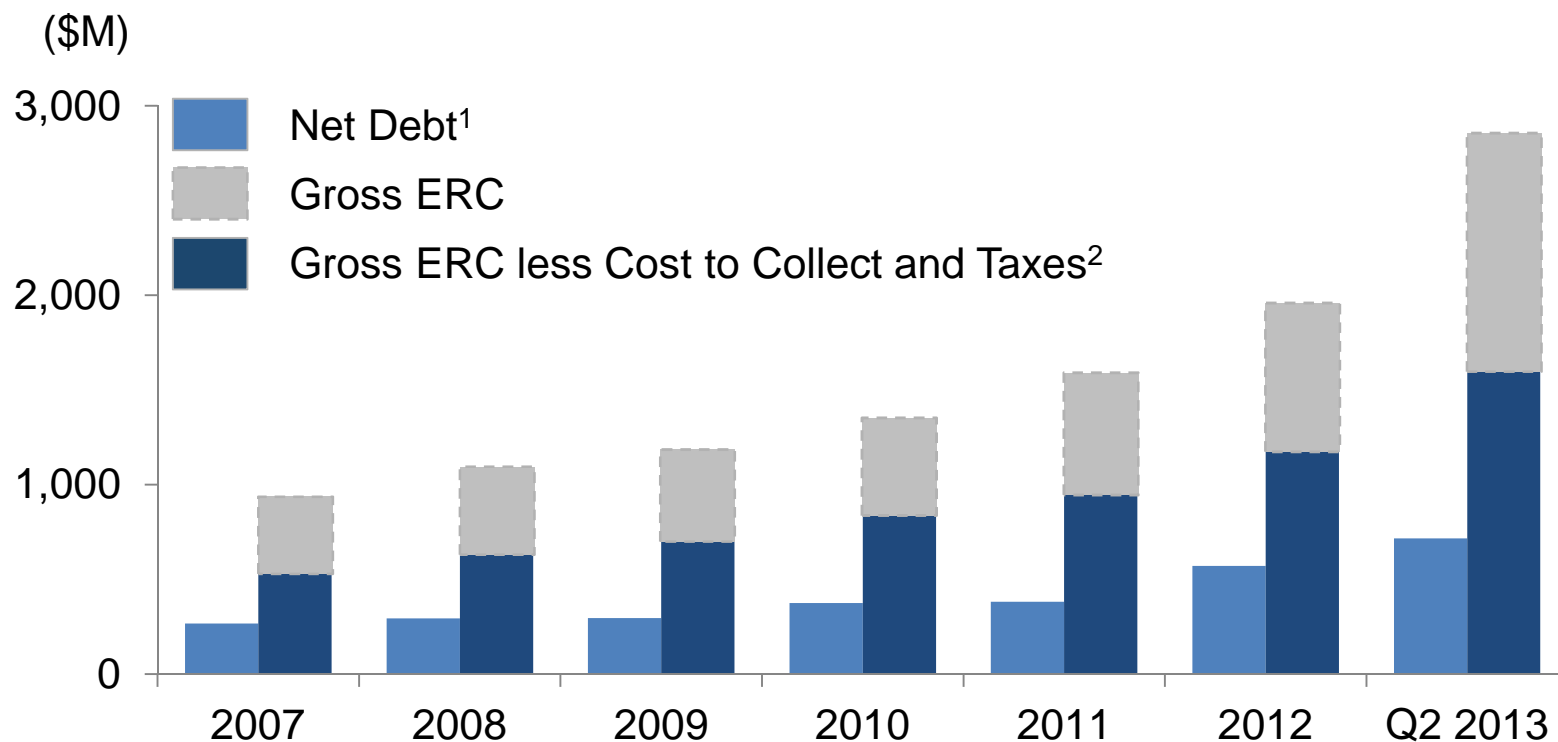
EFFICIENT CAPITAL STEWARDSHIP IS CRITICAL TO ENCORE'S SUCCESS

- **Debt is our working capital**
 - Capital deployment business which generates strong cash flows
- **Strong cash flow allows for TSR driving investments**
 - Reinvest in wide range of receivables
 - Prudent investment in adjacencies to supplement core growth
 - Return capital to shareholders when it is highest return option



WE HAVE A STRONG ABILITY TO QUICKLY RAISE CAPITAL WHICH IS SUPPORTED BY OUR ESTIMATED REMAINING COLLECTIONS

Estimated Remaining Collections (ERC) vs. Net Debt

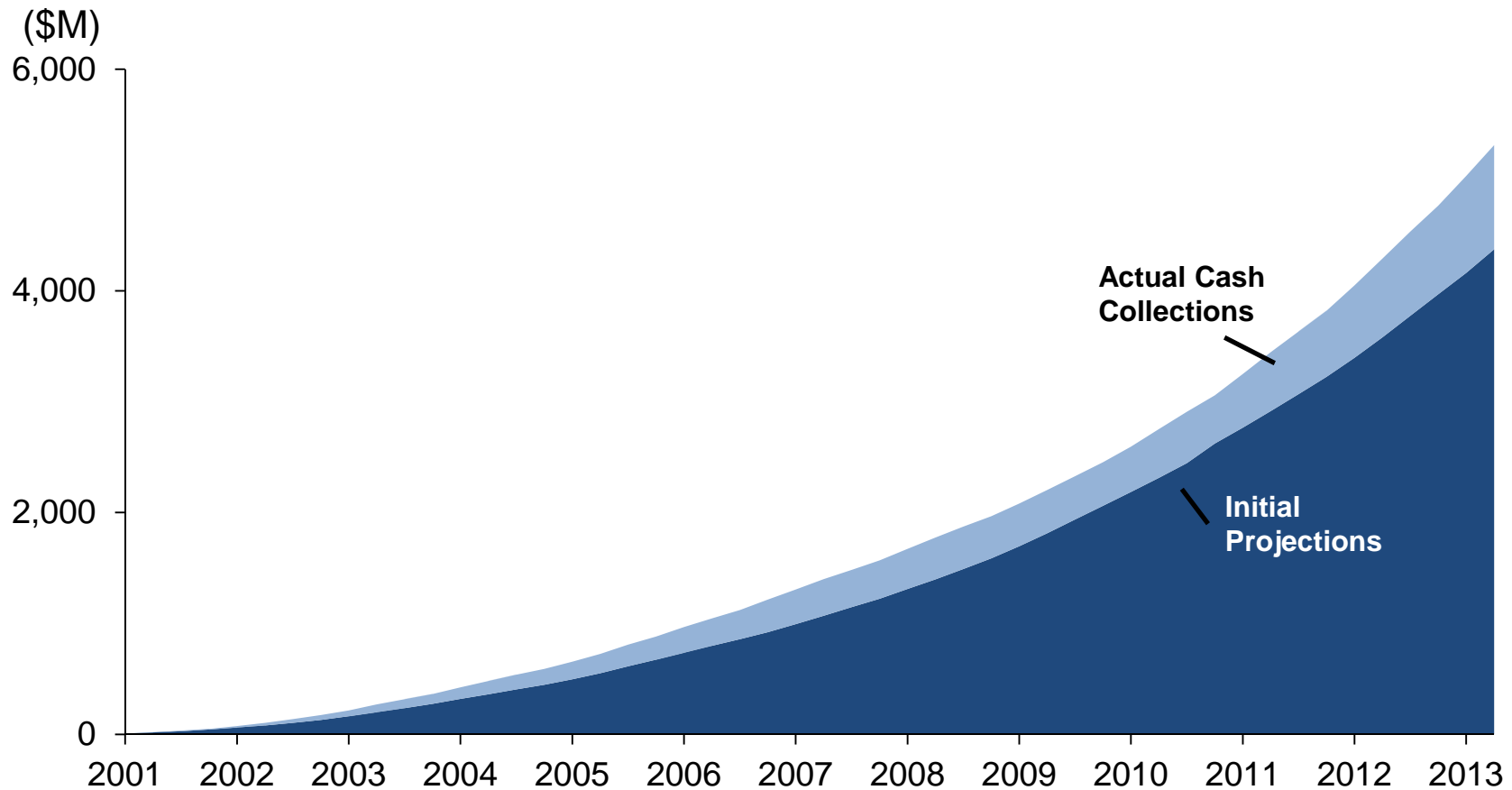


1. Includes revolver, term loan, senior, and net convertible debt less cash (excludes Propel debt)

2. Assumes liquidation cost to collect of 30% and a tax rate of 39.2%; Q2 2013 values as of June 30, 2013.

WE BELIEVE THAT OUR CURRENT ESTIMATE OF REMAINING COLLECTIONS IS CONSERVATIVE

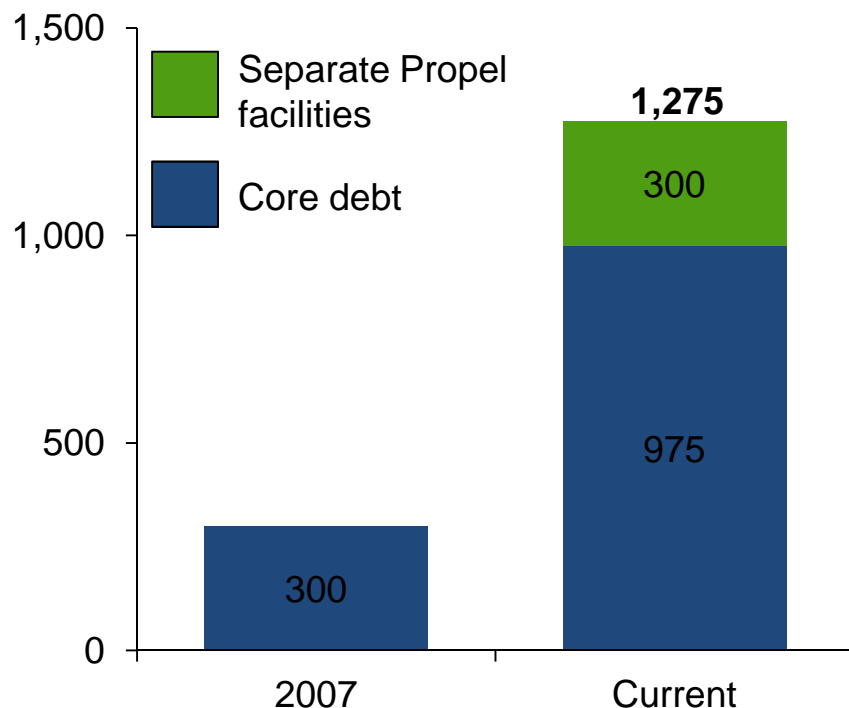
Cumulative Collections - initial expectation vs. actual



OUR ABILITY TO RAISE ADDITIONAL CAPITAL ALLOWS US TO PURSUE SUPPLEMENTAL GROWTH IN ADJACENT SPACES

We have the debt markets expertise to fund new opportunities...

Total debt availability (\$M)



...and structure our debt to maximize flexibility for future growth

- **Propel facilities are incremental to, and separate from, our core debt facilities**

– No impact on ability to purchase core US receivables

- **We will continue to pursue and deploy separate pools of capital**

Note: Core debt includes the credit facility plus accordion

OUR CAPITAL DEPLOYMENT STRATEGY FOCUSES ON DELIVERING ATTRACTIVE AND SUSTAINABLE TOTAL SHAREHOLDER RETURN

Deployment priorities

Reinvestments in core
receivables business

Investments in
adjacent spaces

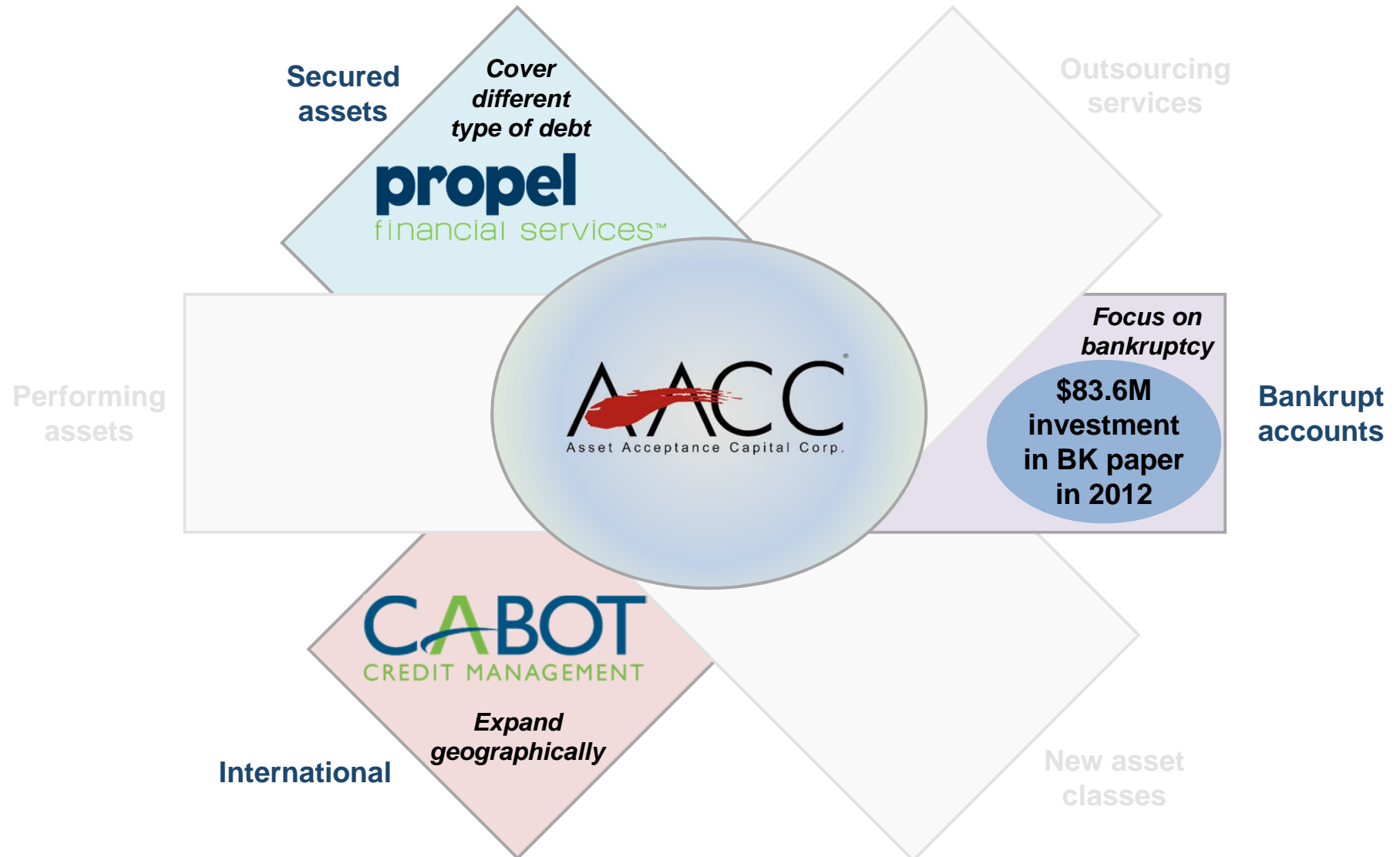
Return of capital
to shareholders

Principles for capital deployment

- All investments bound by IRR guidelines
- Maintain operational flexibility with a range of core asset classes
- Prudent investment in adjacent spaces which leverage our core competencies
- Recognize there are times when best investment is to return cash

**All investments viewed through lens of
Total Shareholder Return**

WE HAVE PURSUED DEALS AND INITIATIVES THAT ALIGN WITH OUR CORE BUSINESS



THE ASSET ACCEPTANCE DEAL IS WELL ALIGNED WITH OUR STRATEGY AND ADDS \$1 BILLION TO OUR ERC



Largely satisfies our 2013 purchasing goals with attractive returns

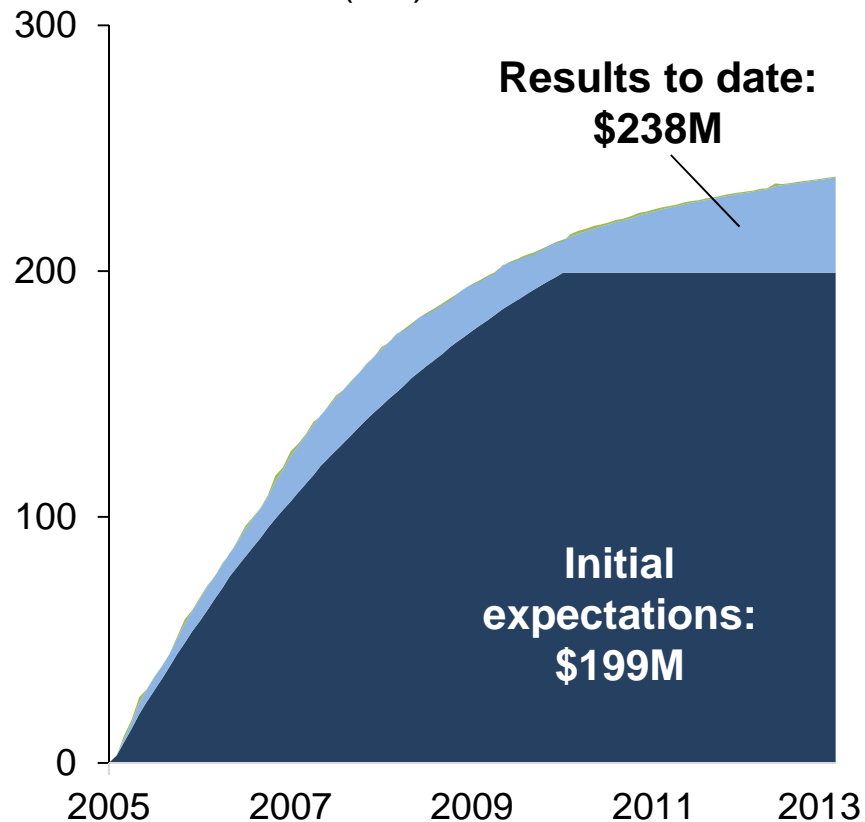
Allows us to be selective in purchases for the remainder of the year

Able to leverage best practices across the two platforms to drive synergies

WE HAVE A STRONG TRACK RECORD ACQUIRING PORTFOLIOS FROM OTHER DEBT PURCHASERS SIMILAR TO AACC

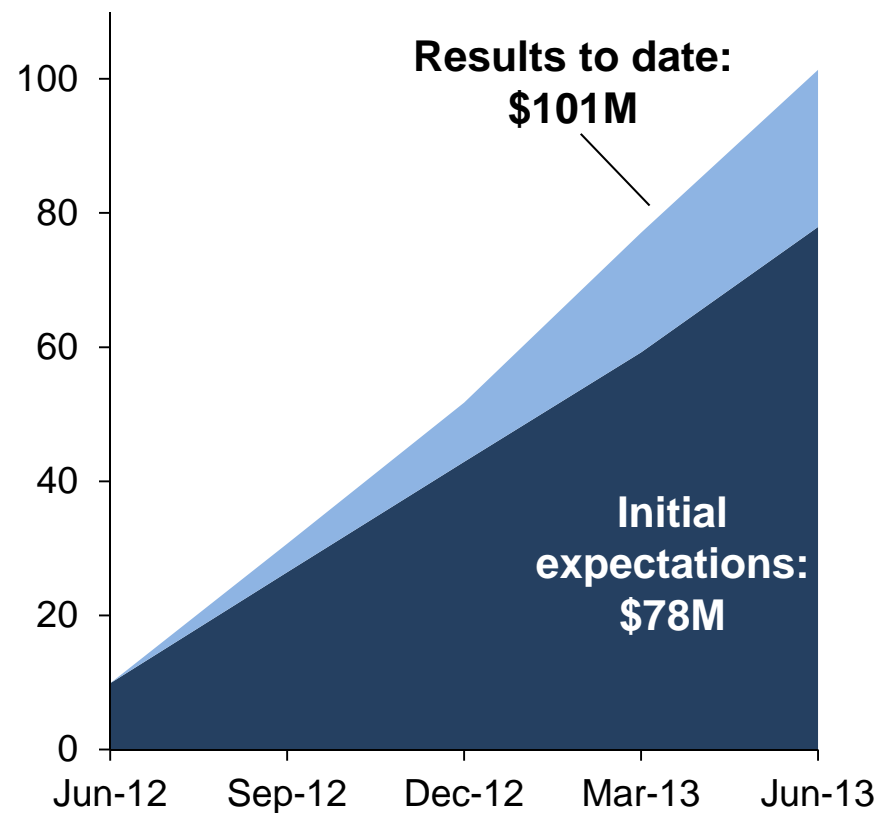
\$90M portfolio purchased in 2005

Cash Collections (\$M)



\$100+M portfolio purchased in 2012

Cash Collections (\$M)



WE BELIEVE WE CAN LEVERAGE OUR PLATFORM AND CAPABILITIES TO REALIZE SUBSTANTIAL SYNERGY VALUE AT AACC

Source of value	Expected Impact
1 Deeper consumer insight and analytics: More focused segmentation and targeting, resulting in better collections	CCM target of > 2.5x
2 Lower cost structure: Leverage Encore's lower cost platform to expand margins on cash collections	Match Encore's lower collection cost in 9-12 months
3 Internal legal collections: Integrate AACC's strong internal legal platform to drive additional overall operating efficiencies	Accelerate migration to internal legal platform by ~2 years

WE HAVE MADE SIGNIFICANT PROGRESS EXECUTING OUR PLANS FOR PROPEL

Our plan

What we've delivered

1



**Existing
market**

- Working to penetrate the 80% of the Texas market that doesn't use tax lien transfers

- Developed & implemented model for direct mailing
- Started outbound calling w/existing Encore facilities

2



**New
markets**

- Lobbying to introduce legislation in other states that will create new markets

- Successfully worked with Nevada to pass legislation
- Advancing legislative push to other states

3



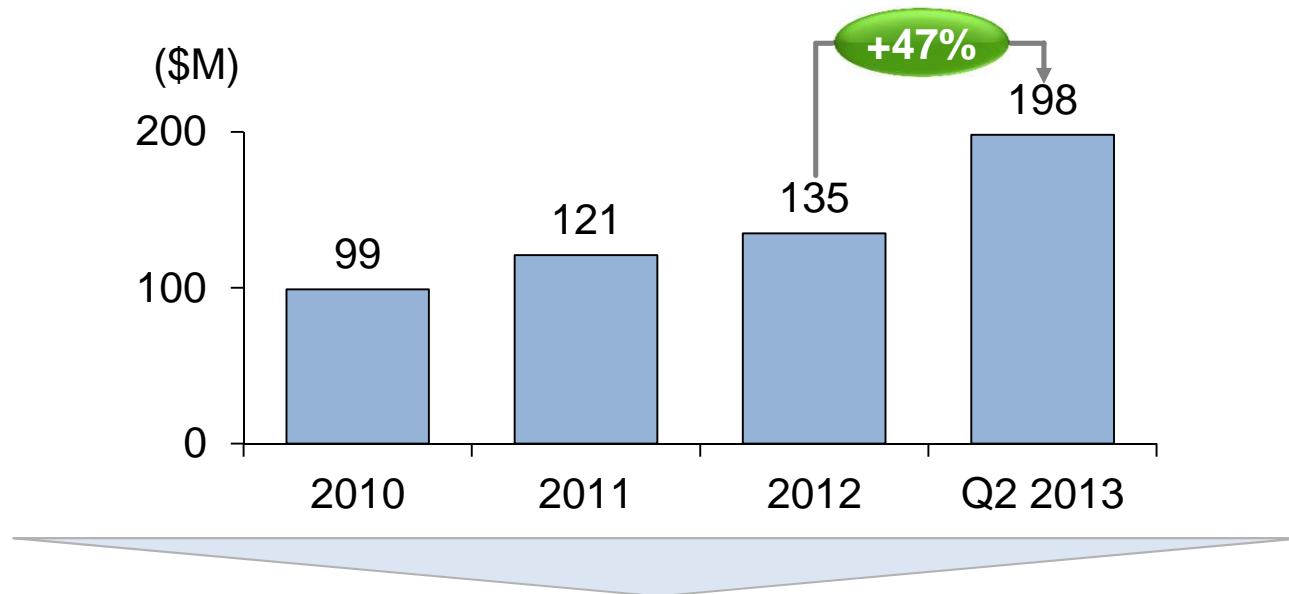
**New
opportunities**

- Exploring alternative tax lien models that will allow us to expand into new markets

- Purchased tax lien certificates in three states

RESULTING IN GROWTH IN THE SIZE OF OUR PORTFOLIO WHILE MAINTAINING AN EXCEPTIONALLY LOW RISK PROFILE

Propel portfolio size



Texas portfolio characteristics

- \$8,600 average balance
- 8-year term
- 6-year weighted average life
- 13-15% typical interest rate
- \$227,000 average property value
- 3.9% average LTV at origination
- Less than 1% foreclosure rate
- Zero losses

CABOT IS THE LEADING PURCHASER OF DEBT IN THE U.K.



Market leader in U.K. debt management

- Over 14 years of collections growth
- Operations in Great Britain and Ireland

Specializes in higher balance, “semi-performing” (i.e., paying) accounts

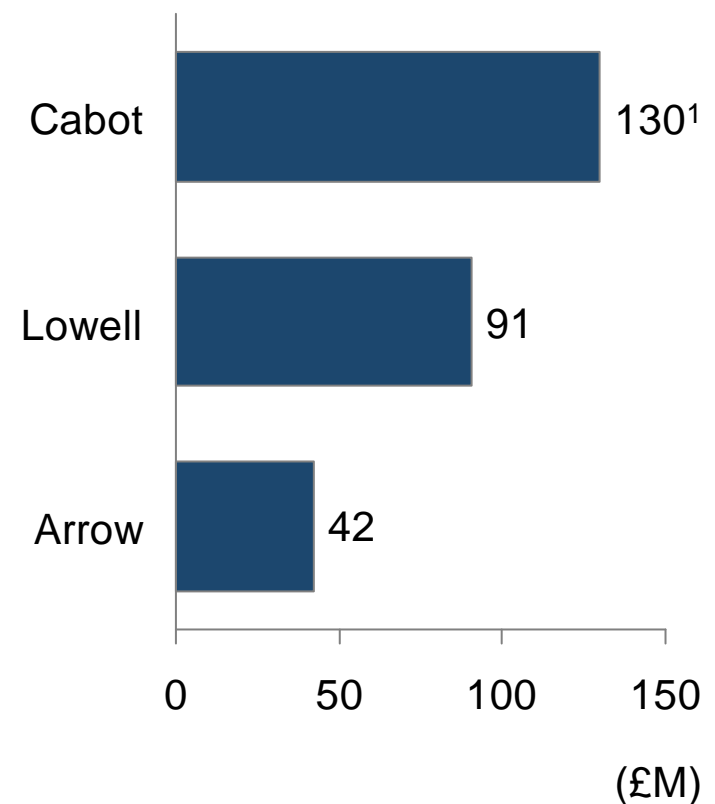
- Favorable repayment characteristics

Key statistics as of June 30, 2013:

- £8.4B face-value of debt acquired for £761M
- Statutory ERC of £1,043M
- 3.8M customer accounts
- 2013 H1 collections of £81M
- 2013 H1 capital deployment of £84M

Cabot was the leading purchaser of debt in the U.K. in 2012

For FY 2012



1. £31M funded by Anacap

ENCORE PROVIDES CABOT WITH SEVERAL SYNERGY OPPORTUNITIES



Leverage Encore's analytics

- Deploy Encore's superior analytical capabilities to the Cabot platform
- Focus on improving account segmentation and specialized collection strategies

Leverage Encore's operations and know-how

- Enhance collections by leveraging Encore's efficient operations, including our operations in India

Invest in different segments

- Leverage Encore's experience in secondary and tertiary debt to pursue new investments in the U.K.
- Leverage Encore's favorable financing to fund growth

ENCORE'S ACQUISITION OF CABOT WILL PROVIDE A VEHICLE TO CONTINUE ITS STRONG EARNINGS GROWTH

Growing market

- Encore can deploy capital in a growing market

Profitable market

- Portfolio IRRs are strong and favorable

Timeline

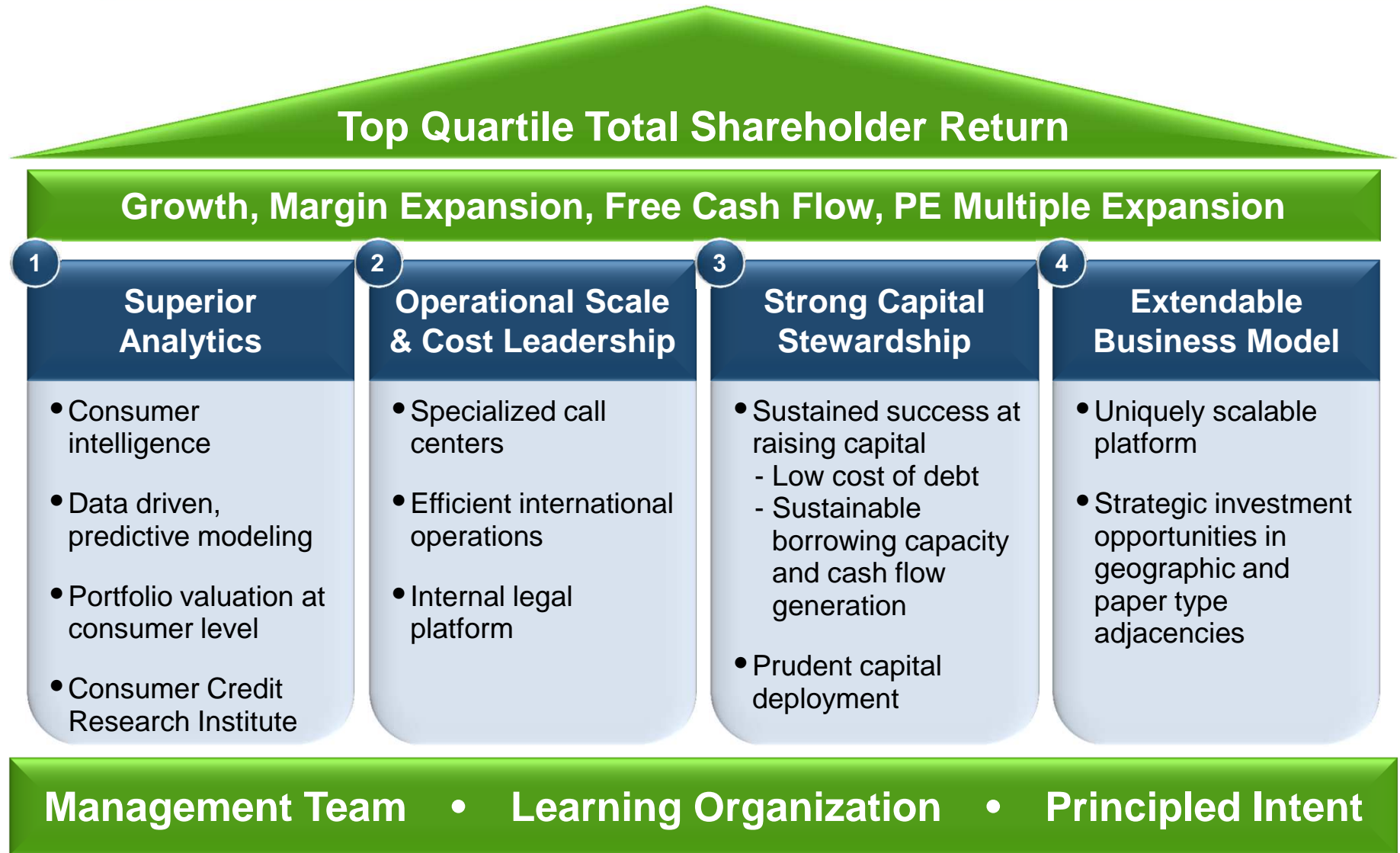
- Deal closed in Q3 of 2013

Encore Adjusted EPS

- Supports Encore's 15% long-term Adjusted EPS growth¹

1. Calculation of Adjusted EPS excludes one-time transaction and integration costs and non-cash interest associated with the Company's convertible debt offerings. For forward-looking Adjusted EPS projections, such one-time costs or charges are not presently quantified

WE ARE WELL POSITIONED TO MAINTAIN OUR MOMENTUM AND CONTINUE DELIVERING TOP QUARTILE TSR



APPENDIX

RECONCILIATION OF ADJUSTED EBITDA

Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In Thousands) Three Months Ended

	3/31/07	6/30/07	9/30/07	12/31/07	3/31/08	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09
GAAP net income, as reported	4,991	(1,515)	4,568	4,187	6,751	6,162	3,028	(2,095)	8,997	6,641	9,004	8,405
(Gain) loss from discontinued operations, net of tax	550	491	401	63	(422)	(89)	46	(483)	(457)	(365)	(410)	(901)
Interest expense	4,042	4,506	4,840	5,260	5,200	4,831	5,140	5,401	4,273	3,958	3,970	3,959
Contingent interest expense	3,235	888	-	-	-	-	-	-	-	-	-	-
Pay-off of future contingent interest	-	11,733	-	-	-	-	-	-	-	-	-	-
Provision for income taxes	3,815	(689)	1,262	2,909	4,227	4,161	2,429	(1,781)	5,670	3,936	5,676	4,078
Depreciation and amortization	527	496	486	464	438	482	396	391	410	402	443	516
Amount applied to principal on receivable portfolios	28,259	29,452	26,114	29,498	40,212	35,785	35,140	46,364	42,851	48,303	49,188	47,384
Stock-based compensation expense	801	1,204	1,281	1,001	1,094	1,228	860	382	1,080	994	1,261	1,049
Adjusted EBITDA	46,220	46,566	38,952	43,382	57,500	52,560	47,039	48,179	62,824	63,869	69,132	64,490

	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13
GAAP net income, as reported	10,861	11,730	12,290	14,171	13,679	14,775	15,310	17,134	11,406	16,596	21,308	20,167	19,448	11,012
(Gain) loss from discontinued operations, net of tax	(687)	(684)	(315)	28	(397)	(9)	(60)	101	6,702	2,392	-	-	-	-
Interest expense	4,538	4,880	4,928	5,003	5,593	5,369	5,175	4,979	5,515	6,497	7,012	6,540	6,854	7,482
Provision for income taxes	6,080	6,356	6,474	9,057	8,349	9,475	9,834	10,418	11,660	12,846	13,887	13,361	12,571	7,267
Depreciation and amortization	522	591	650	789	904	958	1,054	1,165	1,240	1,420	1,533	1,647	1,846	2,158
Amount applied to principal on receivable portfolios	58,265	64,901	63,507	53,427	85,709	83,939	73,187	69,462	104,603	101,813	105,283	90,895	129,487	131,044
Stock-based compensation expense	1,761	1,446	1,549	1,254	1,765	1,810	2,405	1,729	2,266	2,539	1,905	2,084	3,001	2,179
Acquisition related expenses	-	-	-	-	-	-	-	-	489	3,774	-	-	1,276	6,948
One-time severance and consulting expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	5,455
Acquisition currency hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	3,630
Adjusted EBITDA	81,340	89,220	89,083	83,729	115,602	116,317	106,905	104,988	143,881	147,877	150,928	134,694	174,483	177,175

Note: The periods 3/31/07 through 12/31/08 have been adjusted to reflect the retrospective application of ASC 470-20. All periods have been adjusted to show discontinued ACG operations.

RECONCILIATION OF ADJUSTED EPS TO GAAP EPS

	Six Months Ended June 30,			
	2013		2012	
	\$	Per Diluted Share	\$	Per Diluted Share
Net income from continuing operations	30,460	\$1.24	37,096	\$1.44
Adjustments:				
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,000	\$0.04		
Acquisition related legal and advisory fees, net of tax	4,980	\$0.20	2,567	\$0.10
Acquisition related integration and severance costs, and consulting fees, net of tax	3,304	\$0.13		
Acquisition related other expenses, net of tax	2,198	\$0.09		
Adjusted income from continuing operations	41,942	\$1.70	39,663	\$1.54

RECONCILIATION OF ADJUSTED OPERATING EXPENSES

Reconciliation of Adjusted Operating Cost to GAAP Operating Expenses (Unaudited, In Thousands)

	2007	2008	2009	2010	2011	2012		H1 2012	H1 2013
GAAP total operating expenses, as reported	\$201,849	\$216,900	249,782	\$269,952	\$328,566	\$401,696		\$194,203	\$232,110
Adjustments:									
Ascension Operating Costs	(14,801)	(13,369)	(13,218)						
Stock-based compensation expense	(4,287)	(3,564)	(4,384)	(6,010)	(7,709)	(8,794)		(4,805)	(5,180)
Tax lien business segment operating expenses						(5,681)		(1,513)	(6,526)
Acquisition related legal and advisory fees						(4,263)		(4,263)	(8,224)
Acquisition related integration and severance costs, and consulting fees									(5,455)
Adjusted operating expenses	\$182,761	\$199,967	\$232,180	\$263,942	\$320,857	\$382,958		\$183,622	\$206,725