



THE J.G. WENTWORTH COMPANY.

Third Quarter 2015 Earnings Call

November 9, 2015



SAFE HARBOR

Certain statements in this press release constitute “forward-looking statements.” All statements, other than statements of historical fact, are forward-looking statements. You can identify such statements because they contain words such as “plans,” “expects,” or “does expect,” “budget,” “forecasts,” “anticipates,” or “does not anticipate,” “believes,” “intends,” and similar expressions or statements that certain actions, events or results “may,” “could,” “would,” “might,” or “will,” be taken, occur or be achieved. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements.

A number of factors could cause actual results, performance or achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause our actual results, performance and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. Consideration should also be given to the areas of risk set forth under the heading “Risk Factors” in our filings with the Securities and Exchange Commission, and as set forth more fully under “Part 1, Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014, these risks and uncertainties include, among other things: our ability to implement our business strategy; our ability to continue to purchase structured settlement payments and other assets; the compression of the yield spread between the price we pay for and the price at which we sell assets due to changes in interest rates and/or other factors; changes in tax or accounting policies or changes in interpretation of those policies as applicable to our business; changes in current tax law relating to the tax treatment of structured settlements; our ability to complete future securitizations or other financings on beneficial terms; our dependence on the opinions of certain rating agencies; our dependence on outside parties to conduct our transactions including the court system, insurance companies, outside counsel, delivery services and notaries; our ability to remain in compliance with the terms of our substantial indebtedness; changes in existing state laws governing the transfer of structured settlement payments or the interpretation thereof; availability of or increases in the cost of our financing sources relative to our purchase discount rate; changes to state or federal, licensing and regulatory regimes; unfavorable press reports about our business model; our dependence on the effectiveness of our direct response marketing; adverse judicial developments; our ability to successfully enter new lines of business and broaden the scope of our business; potential litigation and regulatory proceedings; changes in our expectations regarding the likelihood, timing or terms of any potential acquisitions described herein; the lack of an established market for the subordinated interest in the receivables that we retain after a securitization is executed; the impact of the Consumer Financial Protection Bureau inquiry and any findings or regulations it issues as related to us, our industries, or products in general; our dependence on a small number of key personnel; our exposure to underwriting risk; our access to personally identifiable confidential information of current and prospective customers and the improper use or failure to protect that information; our computer systems being subject to security and privacy breaches; the public disclosure of the identities of structured settlement holders; our business model being susceptible to litigation; the insolvency of a material number of structured settlement issuers; and infringement of our trademarks or service marks.

Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to publicly revise any forward-looking statements, to report events or to report the occurrence of unanticipated events unless we are required to do so by law.



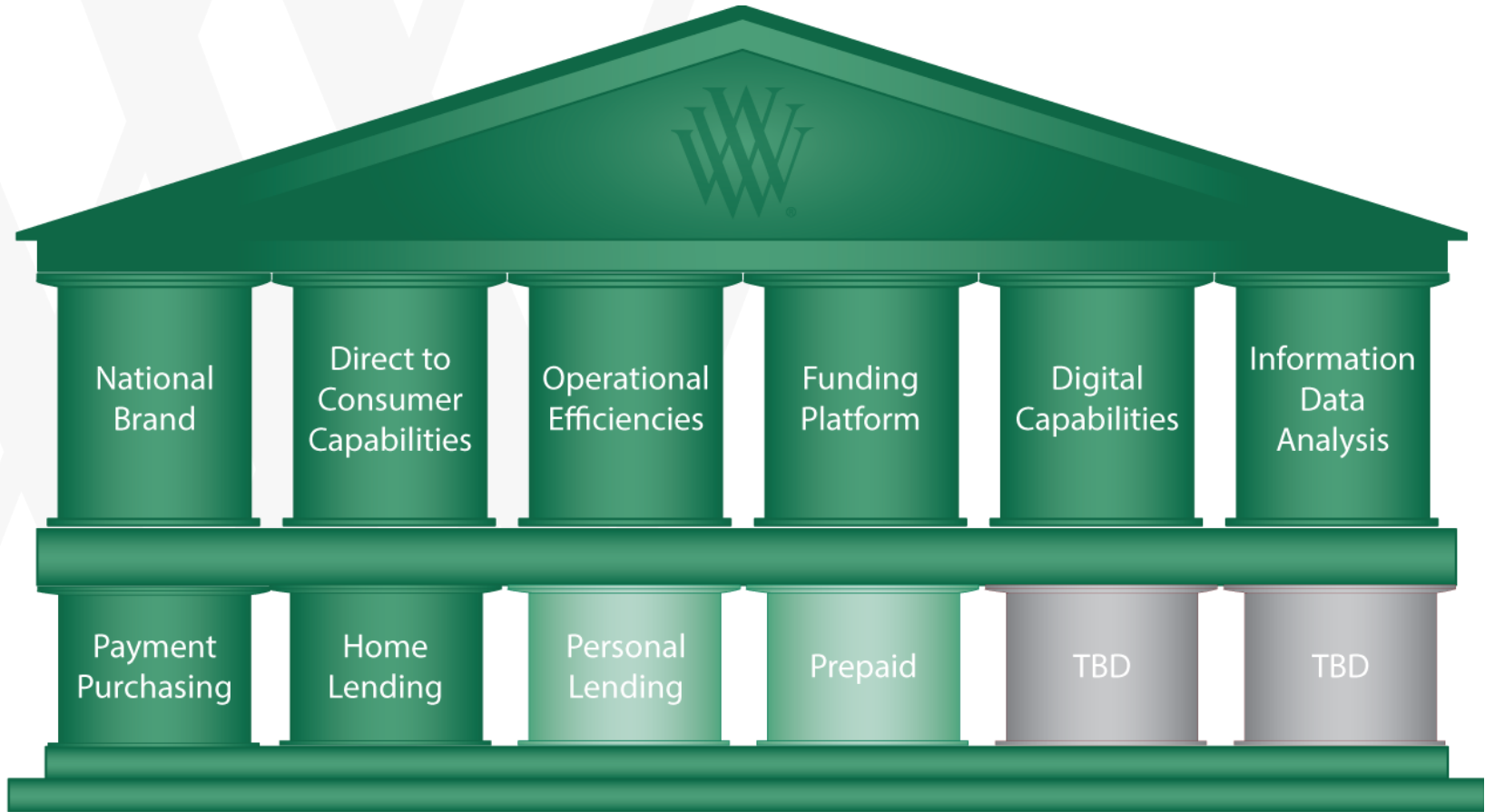
OVERVIEW




- Completed the acquisition of Weststar Mortgage Inc. – July 31, 2015
- Adjusted consolidated revenue growth of 5%
- Adjusted net income of \$5.2M
 - ✓ Structured Settlements segment achieved \$3.2M
 - ✓ Home Lending segment achieved \$2.0M
- Home Lending delivered strong loan origination growth
- Testing new direct to consumer channel for Home Lending
- Completed 2015-2 securitization valued at \$158M
- Intend to implement a hedging program for Structured Settlements

Continued focus on improving cost structure across the enterprise



CONTINUE TO DELIVER DIVERSIFICATION STRATEGY



-  = Strength
-  = Recently Launch
-  = Future opportunities



NEW HOME LENDING DIVISION



J.G. WENTWORTH®

HOME LENDING



HOME LENDING METRICS*	Q1	Q2	Q3	YTD (3 Quarters)
Closed Originations 2014	\$237M	\$367M	\$396M	\$1B
Closed Originations 2015	\$554M	\$630M	\$522M	\$1.7B
YOY Growth Rate	133%	72%	32%	71%
Adjusted Net Income 2014	\$1.7M	\$4.6M	\$3.3M	\$9.6M
Adjusted Net Income 2015	\$4.5M	\$6.5M	\$4.5M** \$2.0M***	\$15.5M
YOY Growth Rate	165%	41%	36%	61%

*Unaudited results for time periods prior to acquisition closing date of 7/31/2015 and are subject to external accountant review

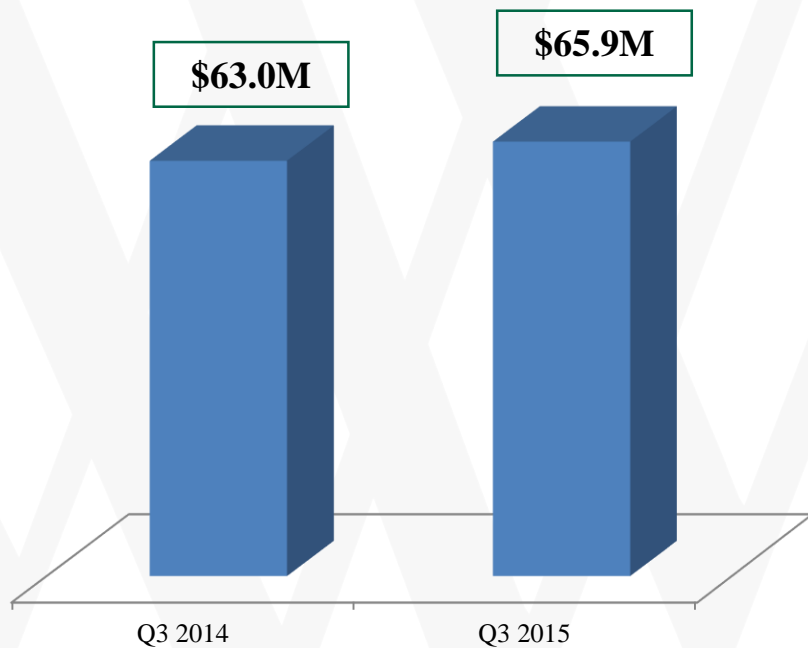
**Pro forma and does not include acquisition related costs and other one time expenses

***For the two months (August and September) Home Lending reported ANI



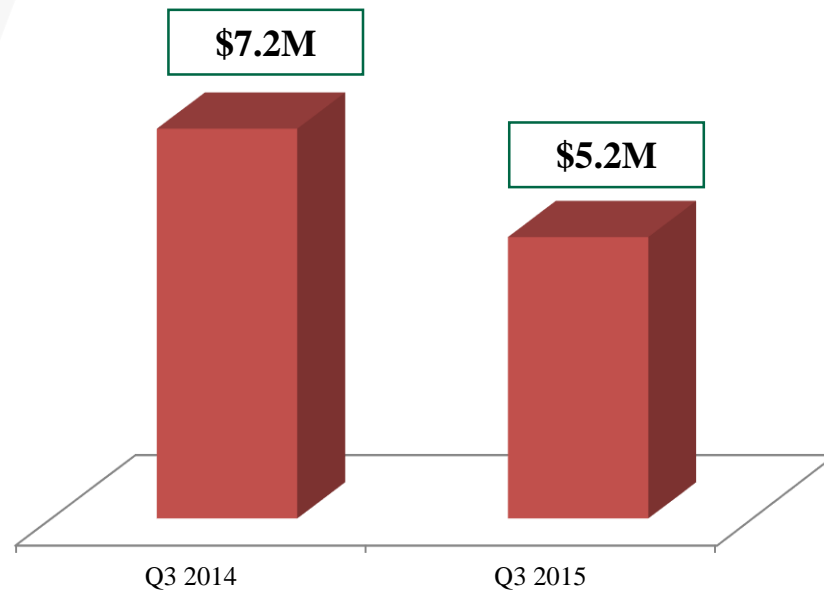
CONSOLIDATED ADJUSTED REVENUE & ADJUSTED NET INCOME

Consolidated Adjusted Revenues



- Consolidated Adj. Net Revenue increased 5% YoY
- Revenues declined from Structured Settlements segment primarily due to a decline in spread revenue
- Addition of Home Lending segment contributed \$11.5M

Adjusted Net Income

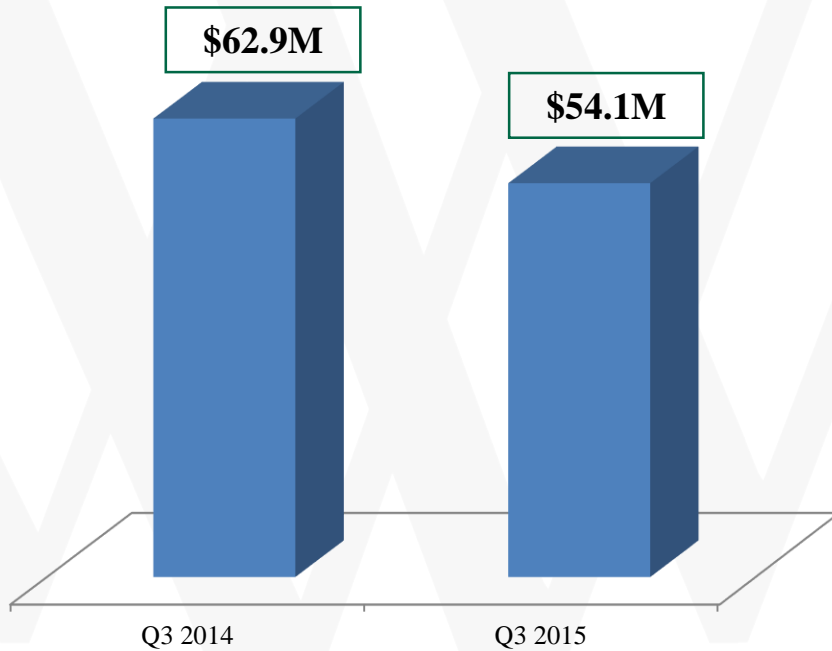


- Consolidated ANI decreased by \$2.0M YoY
- Structured Settlements segment ANI decreased by \$4.0M
- Home Lending contributed \$2.0M in ANI



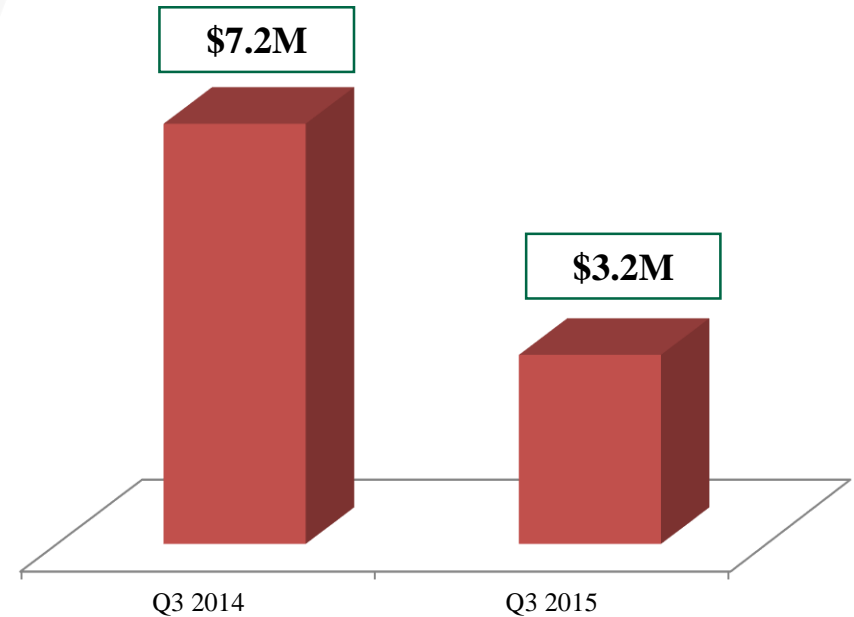
STRUCTURED SETTLEMENTS

Total Adjusted Revenues



- Decreased revenues driven primarily by decline in spread revenue
- Spread revenue was \$42.6M

Adjusted Net Income

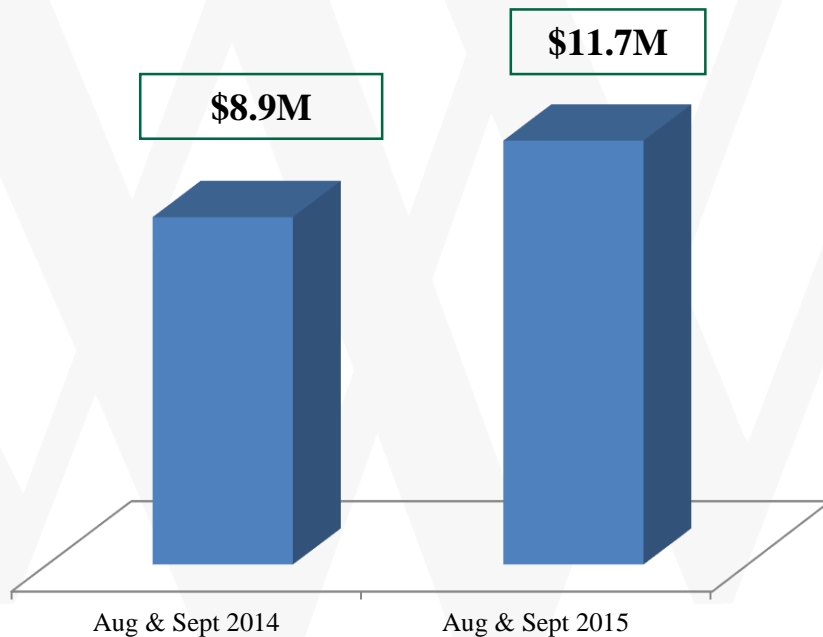


- Structured Settlements ANI decreased \$4M primarily due to a reduction in spread margin and lower TRB
- Lower expenses were a partial offset



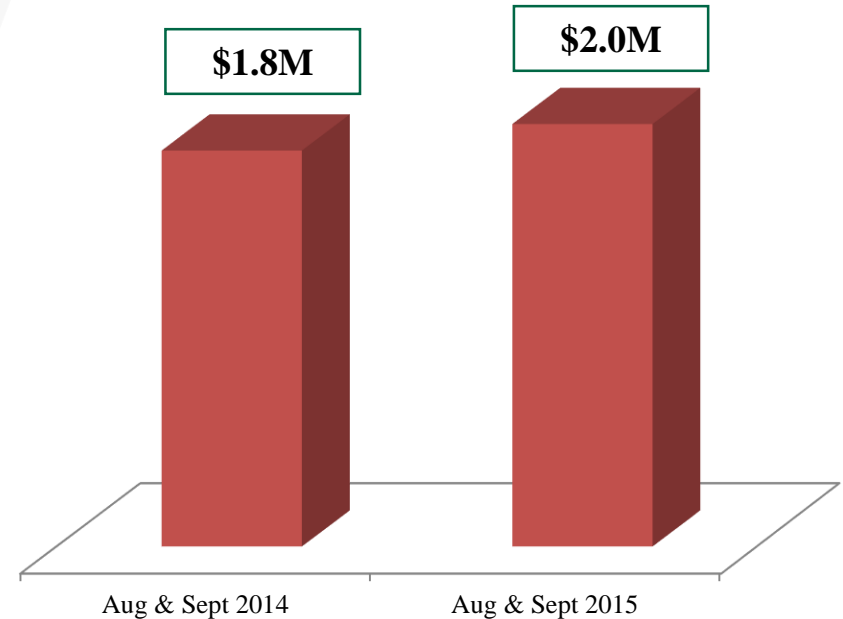
HOME LENDING (Aug & Sept view)

Total Adjusted Revenues*



- Home Lending Adjusted Revenues increased \$2.8M
- Growth primarily driven by increased originations

Adjusted Net Income*



- Home Lending ANI increased \$0.2M
- ANI increased from higher originations, offset by higher expenses

*Unaudited results for time periods prior to acquisition closing date of 7/31/2015 and are subject to external accountant review



ADJUSTED NET INCOME (ANI)

- Management views Adjusted Net Income as a better metric to measure the operating performance of the company
- For Home Lending, ANI = Net Income
- Goal is to unbundle impact of VIE accounting (consolidation of securitization issuers) in order to view the relevant operating performance

Included:

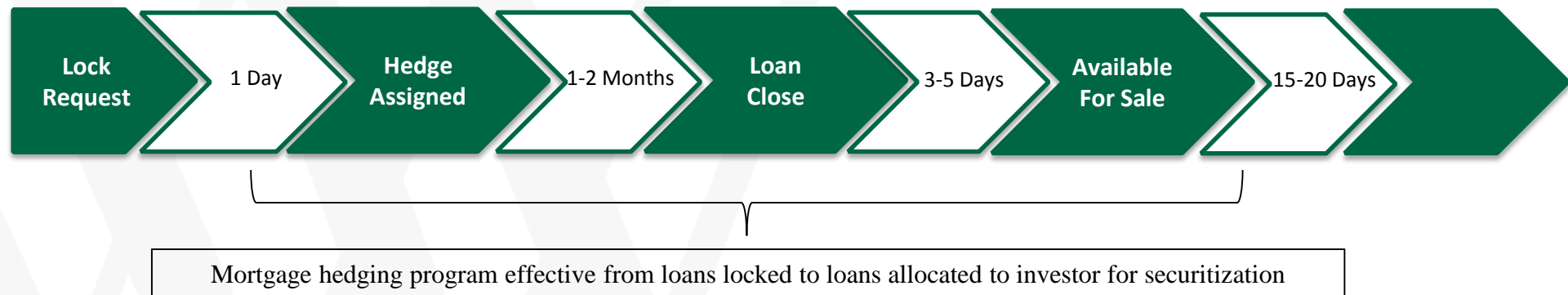
- Earned income and mark to market of assets yet to be securitized
- Earned income from the equity of the securitization issuers or Retained Interest
- Servicing fees earned as Master Servicer of the Company's securitizations

Excluded:

- Interest income and expense related to securitized assets as they are permanently financed
- Mark to market of all securitized assets
- Certain One-time or non-reoccurring items



HOME LENDING HEDGE PROGRAM LIFECYCLE





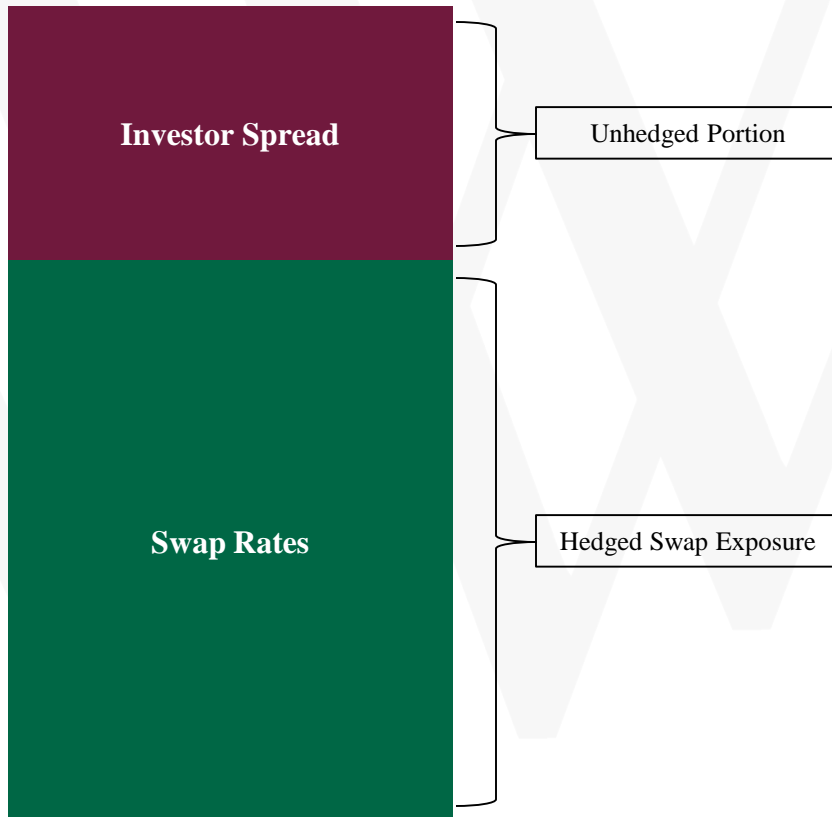
STRUCTURED SETTLEMENT HEDGE PROGRAM LIFECYCLE





ELEMENTS OF HEDGING PROGRAM

Example of Securitization



- Our cost of funds has two main elements:
the swap spread (general level of interest rates) and investor spread
- Our risk management program will partially hedge the swap component only
- There is no cost-effective way to hedge the investor spread at this time

Hedging strategy is designed to partially offset swap rate exposure



Questions & Answers



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