

4Q 2018 Earnings Call Supplemental Presentation

February 12, 2019

Safe Harbor Statement



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4Q 18 Highlights – Continued Double-Digit Portfolio Growth



(dollars in millions, except EPS)	4Q 18	4Q 17	Chg B/(W)	% Chg B/(W)
Total Finance Receivables	\$932.2	\$817.5	\$114.8	14.0%
Total Revenue	83.7	72.1	11.6	16.1%
Provision for Credit Losses	23.7	19.5	(4.2)	(21.8%)
G&A Expense	36.6	34.0	(2.6)	(7.6%)
Interest Expense	9.6	6.8	(2.8)	(41.5%)
Net Income	\$10.8	\$10.9	(\$0.1)	(1.1%)
ROA	4.6%	5.4%	(0.8%)	(14.8%)
ROE	15.7%	18.7%	(3.0%)	(16.0%)
Diluted EPS	\$0.90	\$0.92	(\$0.02)	(2.2%)

- **GAAP net income of \$10.8 million, or \$0.90 diluted EPS. 4Q 2017 net income includes \$0.30 per share of tax benefit from:**
 - Federal tax rate reduction on our net deferred tax liability (\$3.1 million or \$0.27 cents per share)
 - R&D tax credit (\$0.4 million or \$0.03 per share)
- **Total revenue growth of 16.1% driven by \$115 million year-over-year portfolio growth**
 - Total finance receivables increased 14.0% year-over-year
 - \$1.5 million increase due to lower non-file insurance claims (with corresponding increase in net credit losses, resulting in no impact on net income)
- **Provision for credit losses is up \$4.2 million primarily due to:**
 - 14% increase in total finance receivables
 - \$1.5 million increase due to shift in non-file claims noted above, which resulted in no impact on net income
- **Annualized G&A expenses as a percentage of average finance receivables declined 100 basis points from the prior-year period**
- **Higher interest expense due to portfolio growth as well as Fed rate increases**

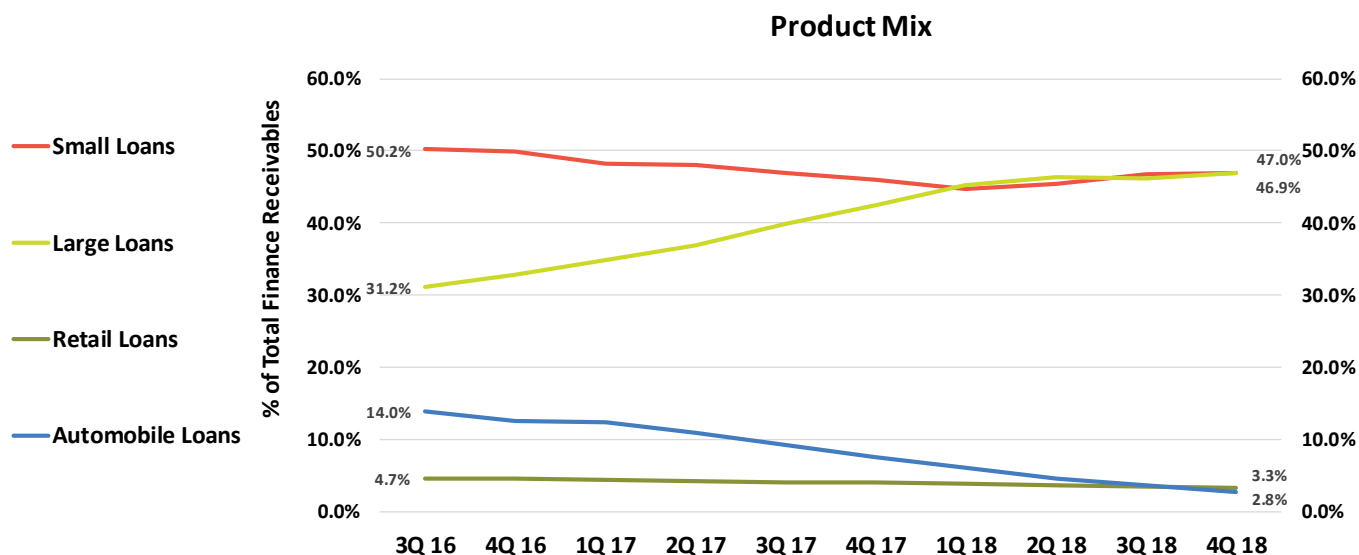
15 Consecutive Quarters of Double-Digit Portfolio Growth



in millions

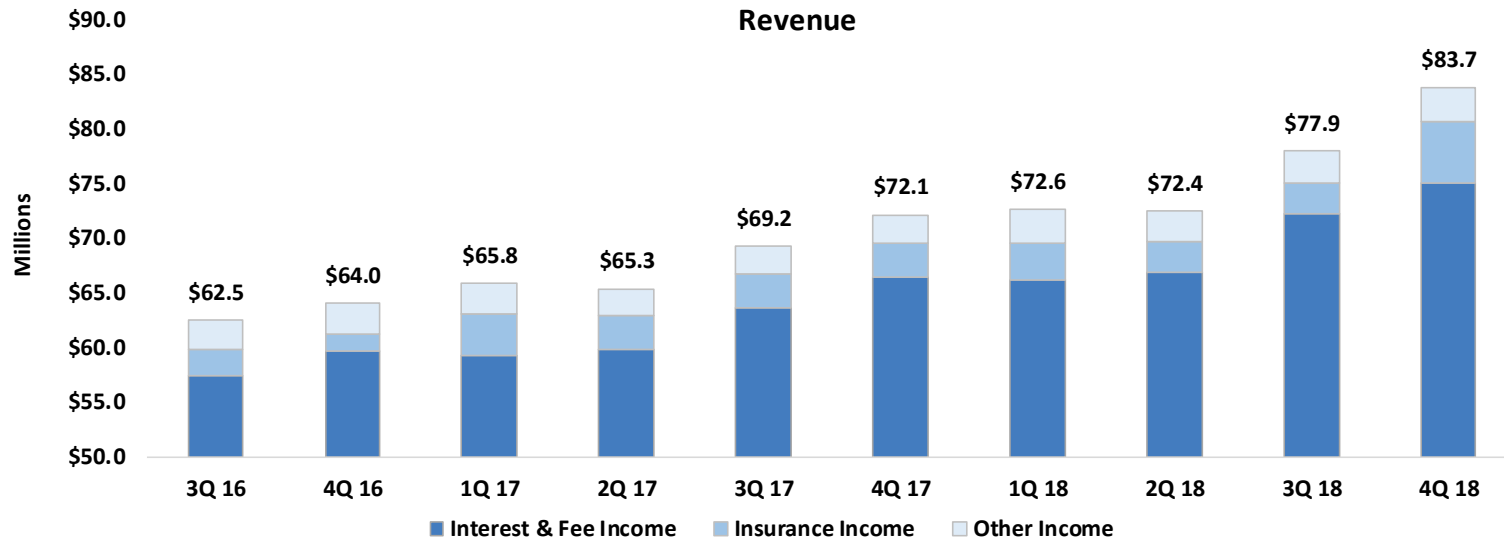
Finance Receivables	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Small Loans (≤ \$2,500)	\$349	\$358	\$336	\$349	\$363	\$376	\$360	\$385	\$414	\$438
Large Loans (> \$2,500)	\$217	\$235	\$242	\$268	\$309	\$347	\$364	\$392	\$411	\$438
Core Loan Products	\$566	\$594	\$578	\$617	\$672	\$723	\$724	\$777	\$825	\$876
Retail Loans	\$33	\$34	\$31	\$30	\$31	\$33	\$32	\$31	\$31	\$30
Automobile Loans	\$97	\$90	\$86	\$80	\$72	\$61	\$49	\$39	\$32	\$26
Total	\$696	\$718	\$695	\$727	\$775	\$817	\$805	\$847	\$888	\$932
Total YoY Δ (\$)	\$95	\$89	\$88	\$81	\$79	\$100	\$110	\$120	\$113	\$115
Total YoY Δ (%)	15.7%	14.2%	14.4%	12.5%	11.3%	13.9%	15.8%	16.6%	14.6%	14.0%

vs. 3Q 18		vs. 4Q 17	
\$ Chg I/(D)	% Chg I/(D)	\$ Chg I/(D)	% Chg I/(D)
\$23	5.6%	\$62	16.5%
\$27	6.6%	\$91	26.1%
\$50	6.1%	\$153	21.1%
(\$0)	(0.2%)	(\$3)	(7.9%)
(\$6)	(19.1%)	(\$35)	(57.4%)
\$44	5.0%	\$115	14.0%



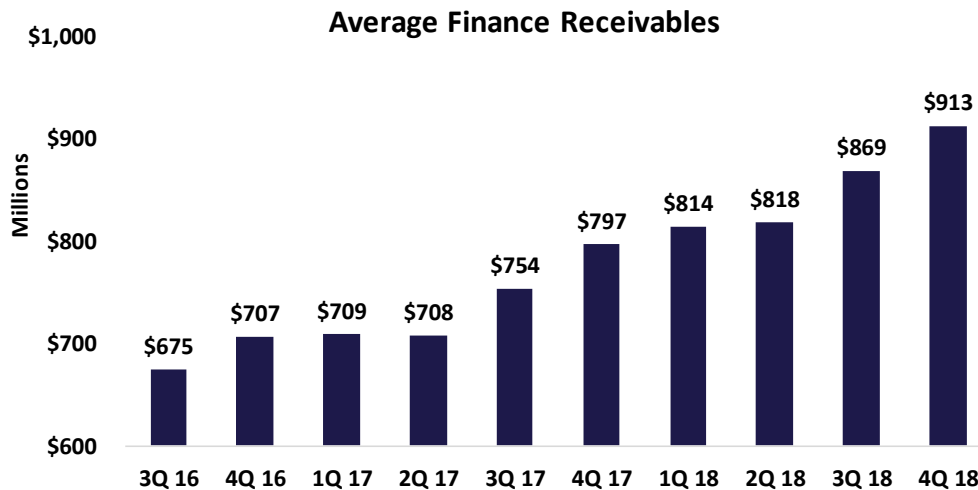
- 15 consecutive quarters of double-digit growth
- Core loans are 94% of total loan portfolio
- Strong core loan growth of 21% from prior year
- Approximately 50% of small loans qualify to apply for a large loan offer

10 Consecutive Quarters of Double-Digit Revenue Growth

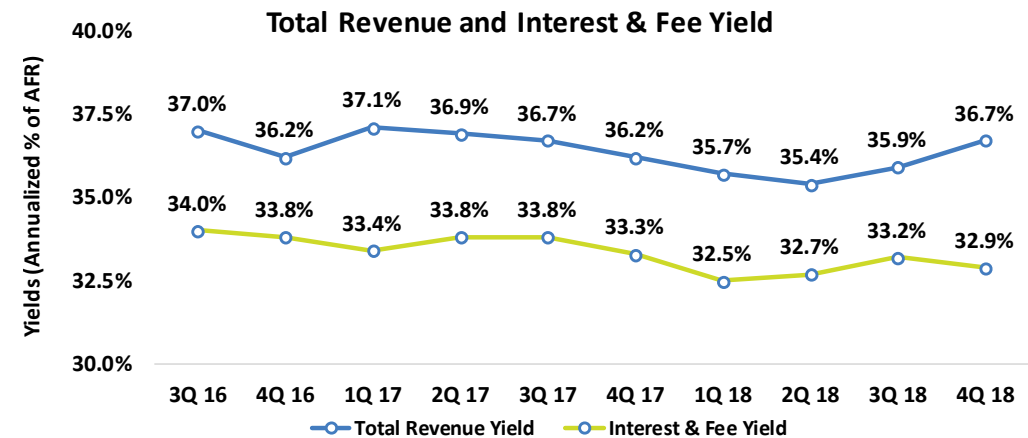


- \$1.5 million of year-over-year revenue increase due to reduction of non-file insurance claims (with offsetting increase in net credit losses, resulting in no impact on net income)

	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Total Revenue										
Sequential Δ	9.0%	2.5%	2.8%	(0.7%)	5.9%	4.2%	0.7%	(0.3%)	7.6%	7.5%
YoY Δ	13.4%	12.9%	16.1%	14.0%	10.8%	12.6%	10.3%	10.8%	12.6%	16.1%



	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Sequential Δ	8.0%	4.8%	0.3%	(0.2%)	6.5%	5.7%	2.2%	0.4%	6.2%	5.0%
YoY Δ	14.6%	15.1%	14.9%	13.3%	11.8%	12.7%	14.8%	15.6%	15.3%	14.5%



	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Total Revenue										
Sequential Δ	0.3%	(0.8%)	0.9%	(0.2%)	(0.2%)	(0.5%)	(0.5%)	(0.3%)	0.5%	0.8%
YoY Δ	(0.4%)	(0.7%)	0.4%	0.2%	(0.3%)	0.0%	(1.4%)	(1.5%)	(0.8%)	0.5%

Provision Expense Tracking with Growth

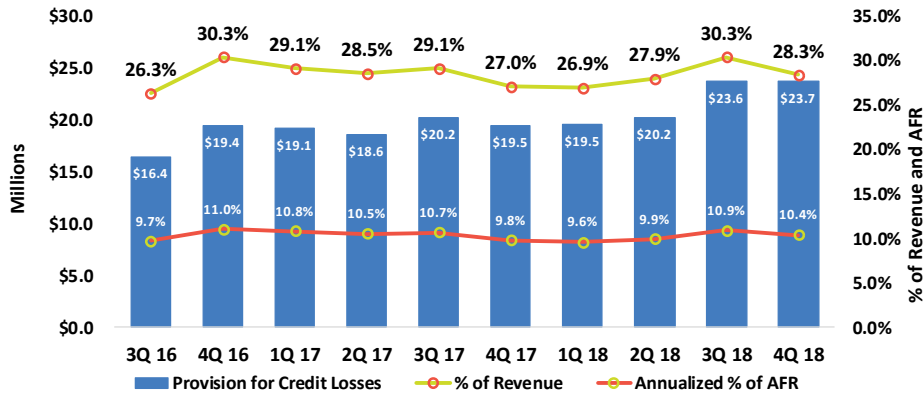
Net Credit Loss Rates



	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Sequential Δ	(0.6%)	1.8%	1.1%	(1.0%)	(2.1%)	1.2%	1.2%	(0.7%)	(1.8%)	1.4%
Year/Year Δ	(0.5%)	2.1%	1.2%	1.3%	(0.2%)	(0.8%)	(0.7%)	(0.4%)	(0.1%)	0.1%
Net credit loss rate above includes:										
Non-file claims			0.5%	0.9%	0.5%	0.4%	0.3%	0.1%	0.2%	0.7%
Bulk debt sale proceeds			-	-	(0.5%)	-	-	-	-	-
Hurricane losses			-	-	-	0.0%	0.5%	0.3%	-	0.1%

- 4Q 18 net credit loss rate includes 30 basis points of higher impact from shift of non-file claims vs. 4Q 17
- Net credit loss rate will include at least 70 basis points of shift in non-file claims in future periods
- Non-file shift has offsetting increase to revenue with no impact on net income

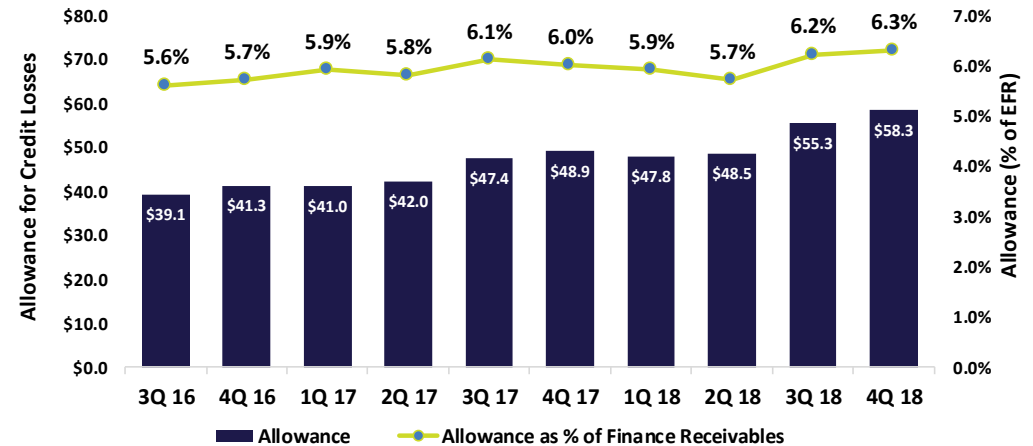
Provision for Credit Losses



% of Revenue	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Sequential Δ	2.9%	4.0%	(1.2%)	(0.6%)	0.6%	(2.1%)	(0.1%)	1.0%	2.4%	(2.0%)
YoY Δ	0.7%	10.1%	4.8%	5.1%	2.8%	(3.3%)	(2.2%)	(0.6%)	1.2%	1.3%

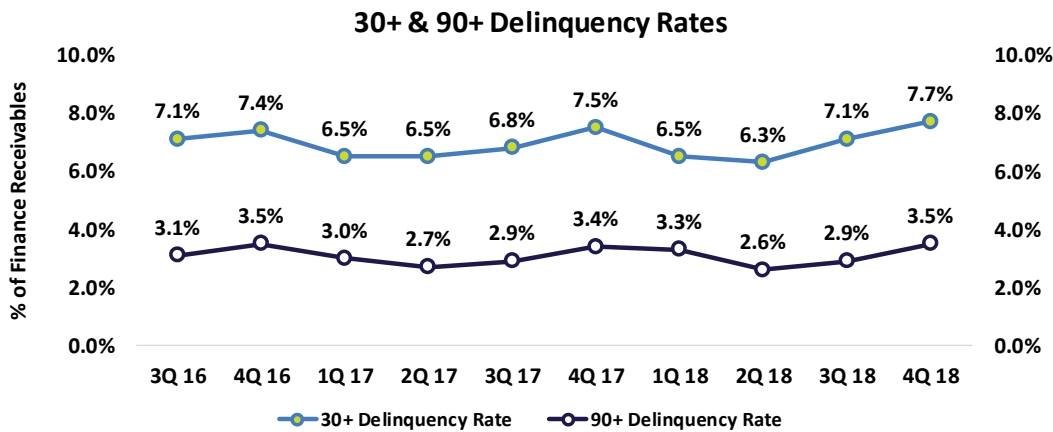
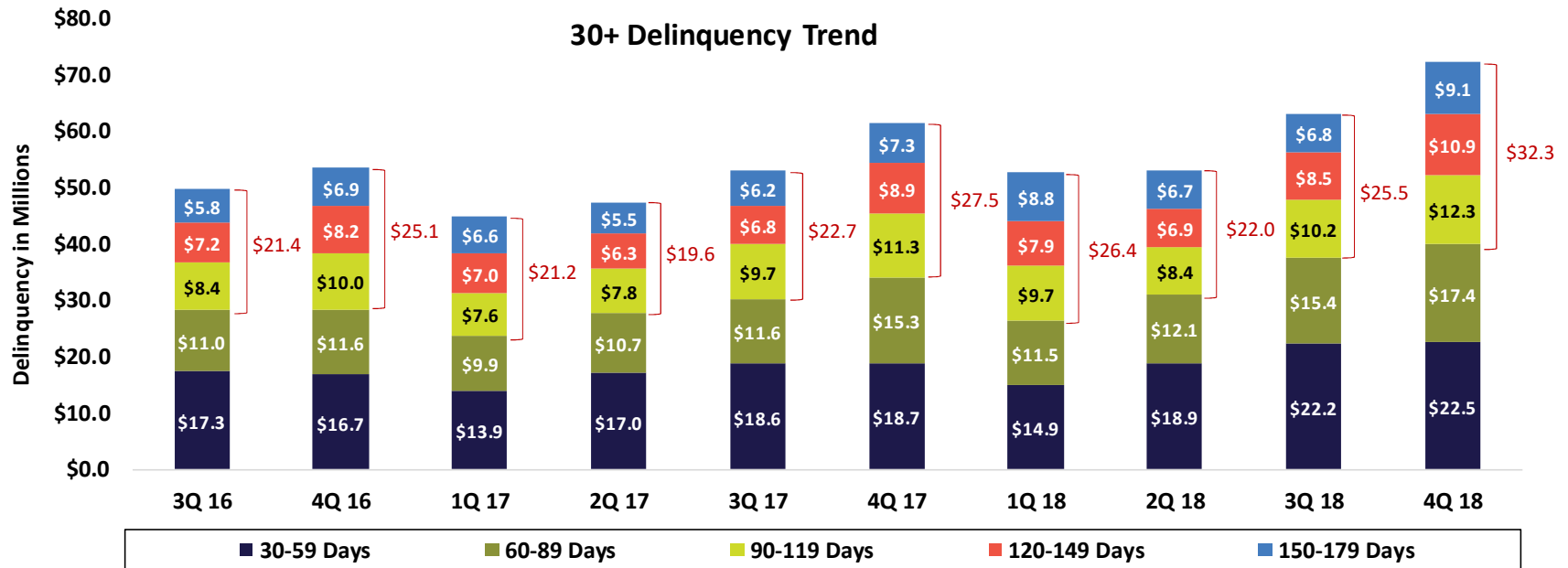
% of AFR	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Sequential Δ	1.1%	1.3%	(0.2%)	(0.3%)	0.2%	(0.9%)	(0.2%)	0.3%	1.0%	(0.5%)
YoY Δ	0.1%	3.5%	1.9%	1.9%	1.0%	(1.2%)	(1.2%)	(0.6%)	0.2%	0.6%

Allowance as % of Finance Receivables



Sequential Δ	0.0%	0.1%	0.2%	(0.1%)	0.3%	(0.1%)	(0.1%)	(0.2%)	0.5%	0.1%
YoY Δ	(0.7%)	(0.3%)	(0.1%)	0.2%	0.5%	0.3%	0.0%	(0.1%)	0.1%	0.3%

Seasonal Pattern of Delinquency

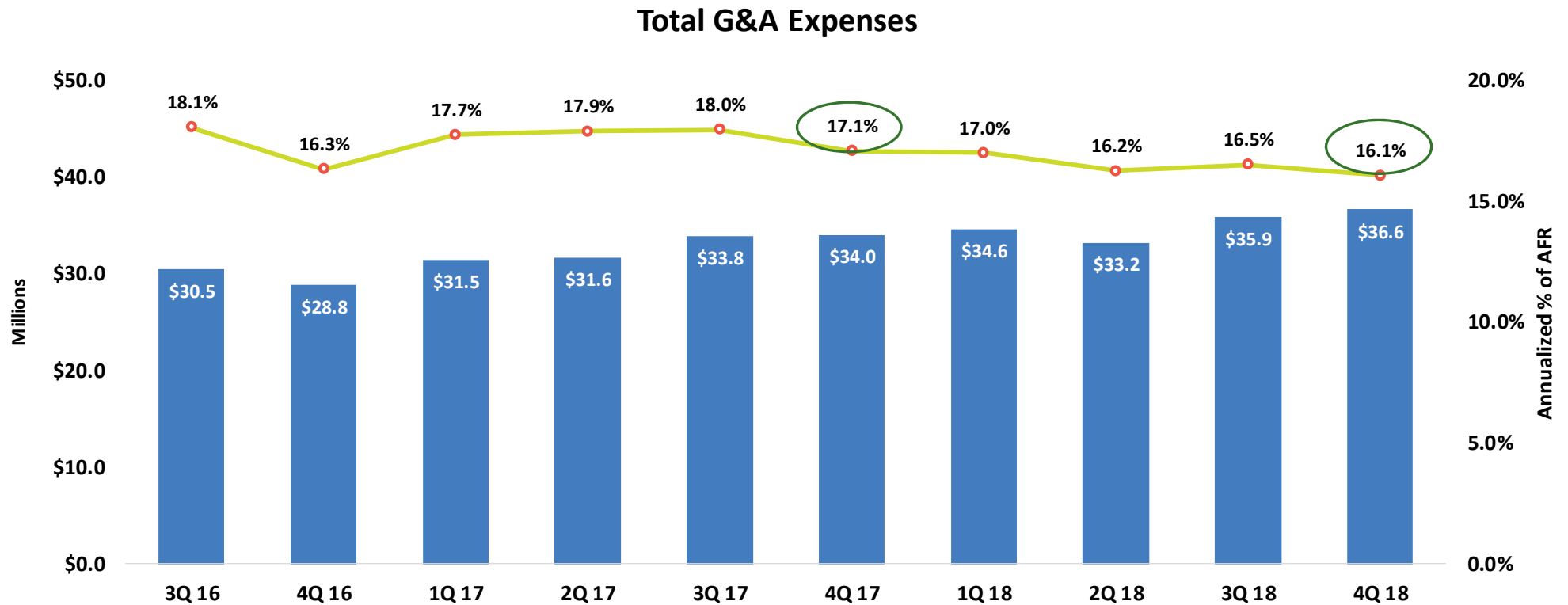


30+ DQ	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Sequential Δ	0.3%	0.3%	(0.9%)	0.0%	0.3%	0.7%	(1.0%)	(0.2%)	0.8%	0.6%
YoY Δ	(0.2%)	0.2%	0.3%	(0.3%)	(0.3%)	0.1%	0.0%	(0.2%)	0.3%	0.2%

90+ DQ	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Sequential Δ	0.4%	0.4%	(0.5%)	(0.3%)	0.2%	0.5%	(0.1%)	(0.7%)	0.3%	0.6%
YoY Δ	0.3%	0.4%	0.0%	0.0%	(0.2%)	(0.1%)	0.3%	(0.1%)	0.0%	0.1%

- 4Q 18 delinquency up partially due to mid-year tightening of underwriting:
 - 30+ days past due of 7.7% is 0.2% higher than prior year
 - 90+ days past due of 3.5% is 0.1% higher than prior year
- 30+ day delinquencies include 0.4% and 0.3% related to hurricane-affected branches as of Dec 31, 2018 and Dec 31, 2017, respectively.

G&A Expense Ratio Improved 100 Basis Points



Sequential Δ	3.1%	(5.3%)	9.1%	0.6%	6.9%	0.5%	1.7%	(4.0%)	8.0%	2.1%
YoY Δ	16.3%	1.0%	5.5%	7.1%	11.1%	18.0%	10.0%	5.0%	6.0%	7.6%
As % of AFR	18.1%	16.3%	17.7%	17.9%	18.0%	17.1%	17.0%	16.2%	16.5%	16.1%

- 4Q 18 annualized G&A expense as a percentage of average finance receivables improved 100 basis points from the prior-year period

