



3Q 2017 Earnings Call Presentation

November 8, 2017

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3Q 17 Highlights – Strong Portfolio Growth and Hurricane Impact



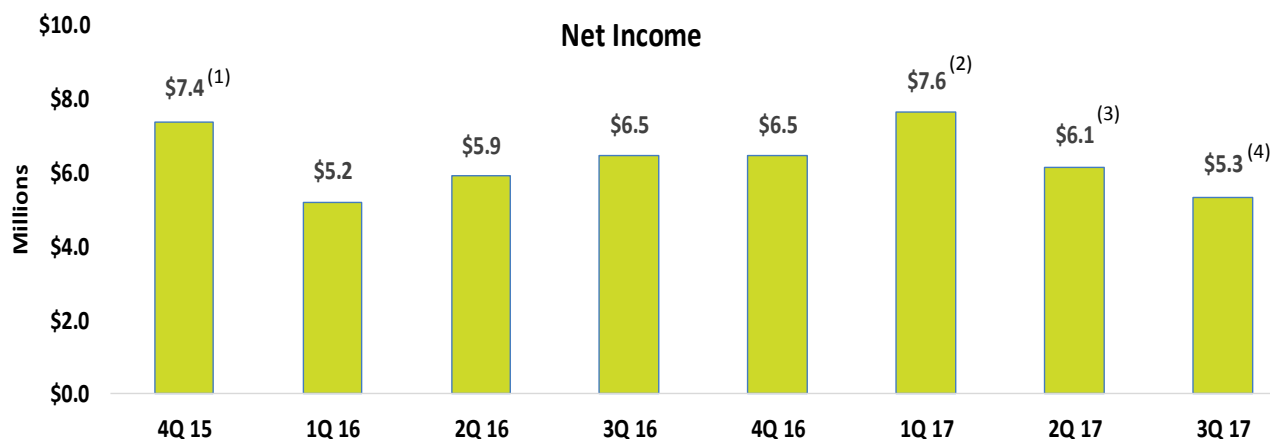
(dollars in millions)	3Q 17	3Q 16	Chg B/(W)	% Chg B/(W)
Total Finance Receivables	\$774.9	\$696.1	\$78.7	11.3%
Core Finance Receivables	671.9	566.5	105.4	18.6%
Total Revenue	69.2	62.5	6.7	10.8%
Provision for Credit Losses	20.2	16.4	(3.7)	(22.8%)
G&A Expense	33.8	30.5	(3.4)	(11.1%)
Interest Expense	6.7	5.1	(1.5)	(30.1%)
Net Income	\$5.3	\$6.5	(\$1.2)	(18.0%)
ROA	2.8%	3.9%	(1.1%)	(28.2%)
ROE	9.4%	13.2%	(3.8%)	(28.8%)

- **Net income \$5.3 million, or \$0.45 diluted EPS**
 - (\$2.2) million, or (\$0.18) per share, estimated negative impact from hurricanes
 - \$0.6 million, or \$0.05 per share, benefit from bulk sale of previously charged-off bankrupt accounts
- **Revenue growth of 10.8% driven by \$78.7 million year-over-year portfolio growth**
 - Interest and fee income up 10.8% year-over-year on 11.3% increase in net receivables
 - Core finance receivables up 18.6%
- **3Q 17 provision for credit losses increased by \$3.7 million versus the prior-year period**
 - Year-over-year net credit losses increased \$1.2 million due to:
 - Average net receivables growth of 11.8%, offset by an improvement in the net credit loss rate
 - Pre-tax increase of \$1.0 million from amount of insurance claims that are typically included in the insurance line, offset by \$1.0 million bulk sale of bankrupt accounts
 - Allowance build of \$2.5 million more than 3Q 16 entirely due to a \$3.0 million pre-tax build related to the hurricanes
- **Higher interest expense due to portfolio growth, LIBOR increases, upsizing of bank facility, and higher cost of new warehouse financing**

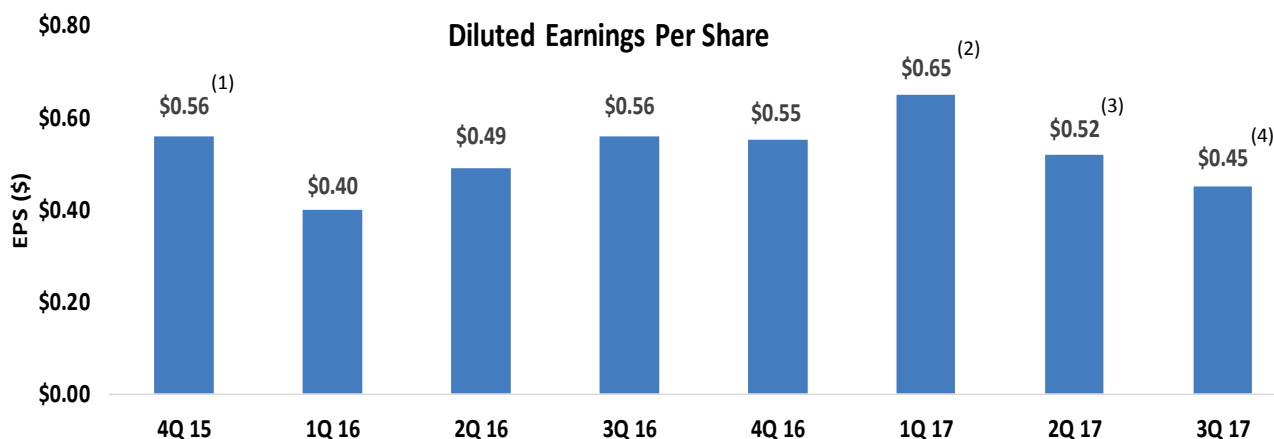
Strategic Focus

- **Nortridge Loan System (NLS) Implementation**
 - Conversion to NLS progressing
 - Successfully built enhanced functionality (texting, imaging, and customer portal)
 - Successfully converted Texas in October; 80% of all accounts on new system
 - On schedule to complete conversion of all states by end of 2017
- **Auto Business**
 - Beginning in November, we are no longer originating auto loans
 - We expect losses and delinquencies to remain stable as we maintain our focus on collections
- **Centralized Collections**
 - Strong results from limited testing in Texas, North Carolina, and South Carolina
 - Continue to expand centralized collections function in other geographies
- **Marketing / De Novo Branches**
 - Hybrid growth model
 - Increase receivable growth within existing branch footprint
 - Modest de novo expansion in 2017 while completing our system conversion
 - Developing next generation risk and response models to improve direct mail targeting
 - Cost reductions improve direct mail campaign efficiency
- **Digital Channel / Online Lending Update**
 - Continued expansion of Lending Tree relationship driving growth in the channel
 - Actively recruiting and testing of additional affiliate partnerships
 - Continue the rollout of texting and our customer portal with each state conversion to NLS
 - Enhancing digital foundation through website design and search engine optimization

Net Income and Fully Diluted EPS



GAAP Net Income	\$7.4	\$5.2	\$5.9	\$6.5	\$6.5	\$7.6	\$6.1	\$5.3
Net Non-Operating Items	\$1.2	N/A	N/A	N/A	N/A	\$1.5	(\$0.3)	(\$1.5)



EPS ⁽⁵⁾	\$0.56	\$0.40	\$0.49	\$0.56	\$0.55	\$0.65	\$0.52	\$0.45
Net Non-Operating Items	\$0.09	N/A	N/A	N/A	N/A	\$0.12	(\$0.02)	(\$0.13)

⁽¹⁾ 4Q 15 included \$1.2 million after-tax benefit from bulk charged-off debt sale

⁽²⁾ 1Q 17 included \$1.5 million tax benefit from exercise of stock options

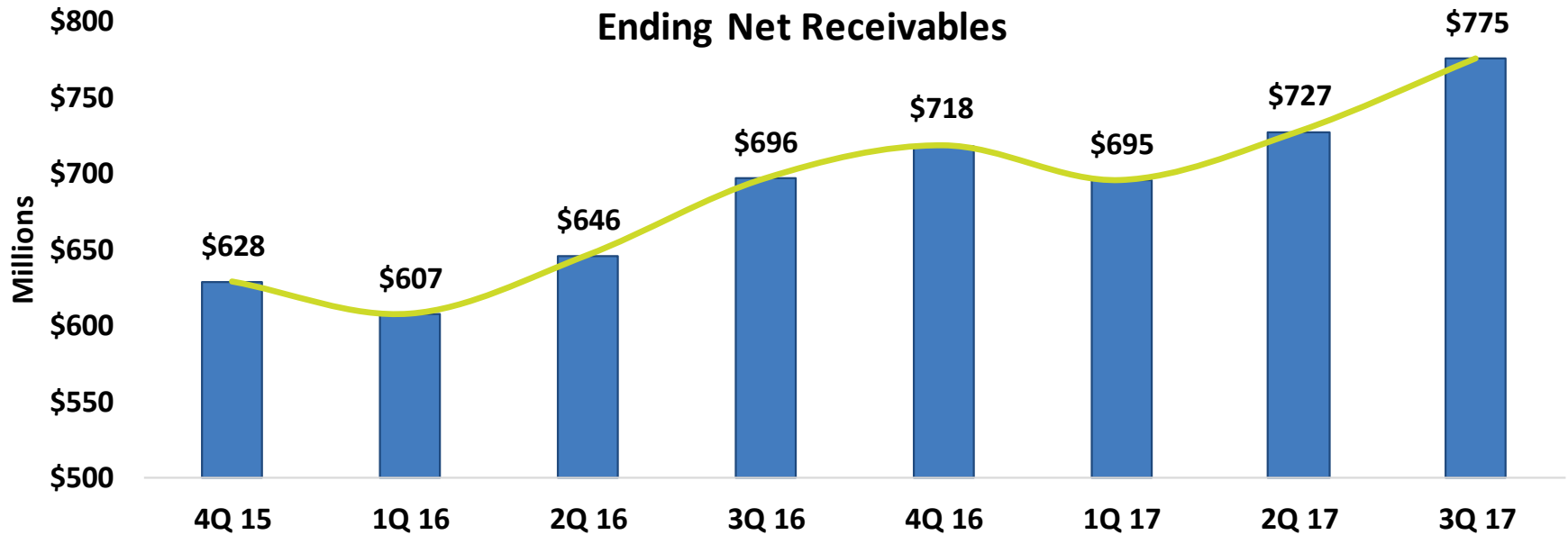
⁽³⁾ 2Q 17 included \$0.3 million after-tax COO transition costs

⁽⁴⁾ 3Q 17 reported results were impacted by the following after-tax non-operating items:

	Net income	Diluted EPS
As Reported	\$5.3	\$0.45
Hurricane impact	(\$2.2)	(\$0.18)
Bulk sale impact	\$0.6	\$0.05

⁽⁵⁾ Calculated using diluted share count

Ending Net Finance Receivables



YoY	\$82.3	\$81.5	\$73.2	\$94.5	\$89.3	\$87.6	\$81.0	\$78.7
Change	15.1%	15.5%	12.8%	15.7%	14.2%	14.4%	12.5%	11.3%

- Strong 3Q 17 growth of 11.3% over prior year increases portfolio to \$775 million
- Tenth consecutive quarter with double digit net finance receivable growth

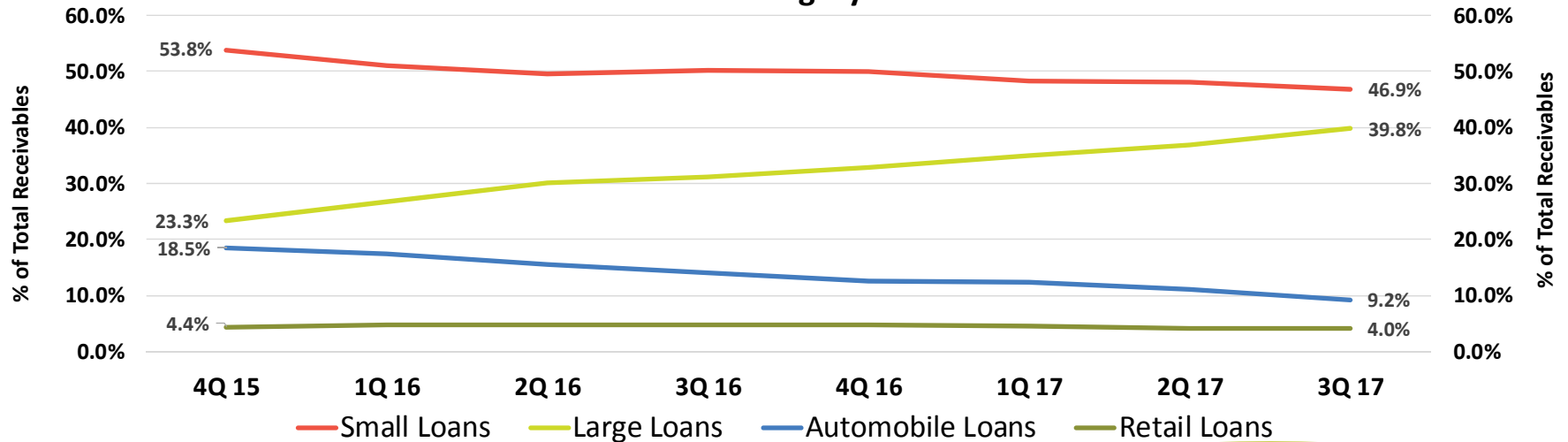
Product Category Trends



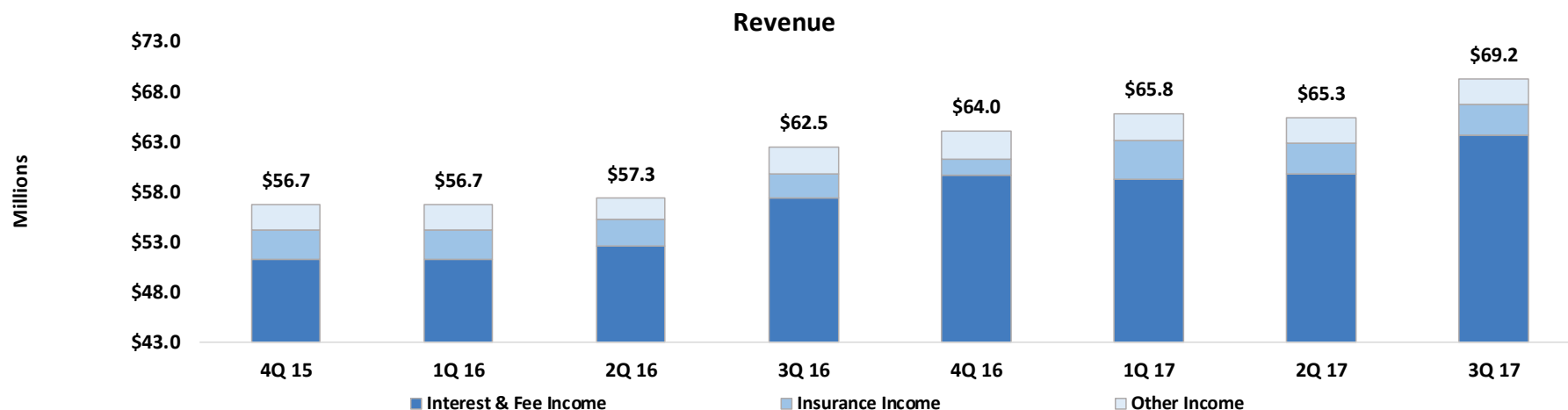
in millions

Ending Net Receivables	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	\$ Chg I/(D)		% Chg I/(D)	
									vs. 2Q 17	vs. 3Q 16	vs. 2Q 17	vs. 3Q 16
Small Loans (≤ \$2,500)	\$338	\$311	\$320	\$349	\$358	\$336	\$349	\$363	\$15	\$14	4.2%	4.0%
Large Loans (> \$2,500)	\$147	\$162	\$195	\$217	\$235	\$242	\$268	\$309	\$41	\$92	15.2%	42.2%
Core loan products	\$485	\$473	\$515	\$566	\$594	\$578	\$617	\$672	\$55	\$105	9.0%	18.6%
Automobile Loans	\$116	\$106	\$101	\$97	\$90	\$86	\$80	\$72	(\$8)	(\$25)	(10.3%)	(26.2%)
Retail Loans	\$28	\$28	\$30	\$33	\$34	\$31	\$30	\$31	\$1	(\$1)	3.4%	(3.8%)
Total	\$628	\$607	\$646	\$696	\$718	\$695	\$727	\$775	\$48	\$79	6.6%	11.3%
Total YoY Δ (\$)	\$82	\$81	\$73	\$95	\$89	\$88	\$81	\$79				
Total YoY Δ (%)	15%	15%	13%	16%	14%	14%	13%	11%				

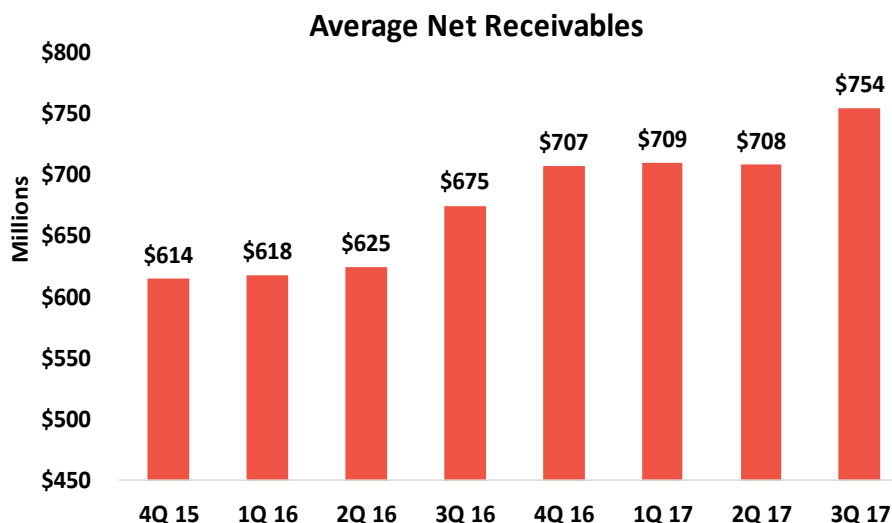
Product Category Mix



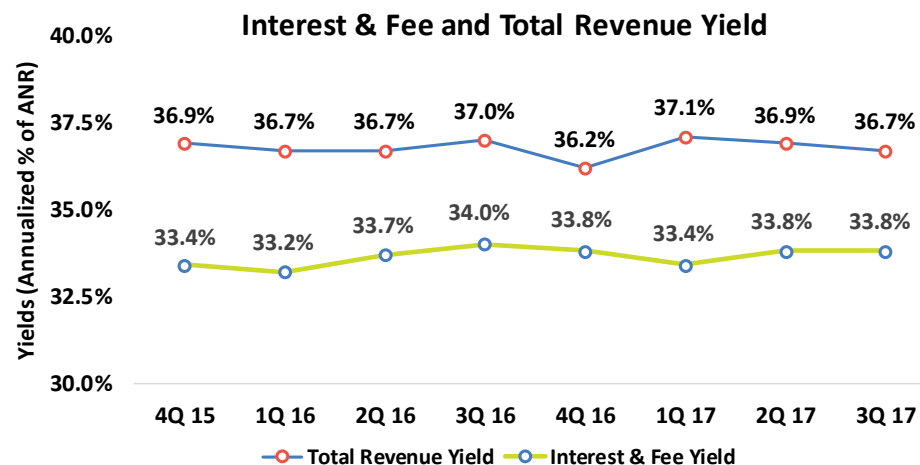
Revenue Driven by Strong Year-Over-Year Portfolio Growth



	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17
Total Revenue								
Sequential Δ	2.9%	0.0%	1.1%	9.0%	2.5%	2.8%	(0.7%)	5.9%
Year/Year Δ	5.4%	7.9%	8.2%	13.4%	12.9%	16.1%	14.0%	10.8%

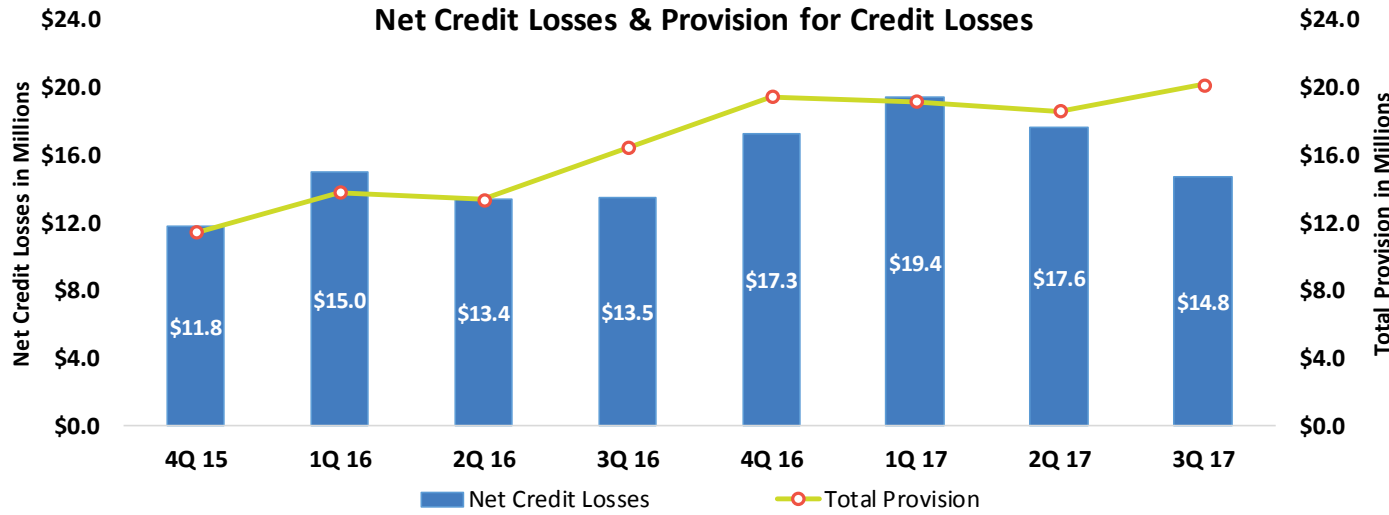


	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17
Sequential Δ	4.4%	0.5%	1.2%	8.0%	4.8%	0.3%	(0.2%)	6.5%
Year / Year Δ	13.5%	15.7%	13.6%	14.6%	15.1%	14.9%	13.3%	11.8%



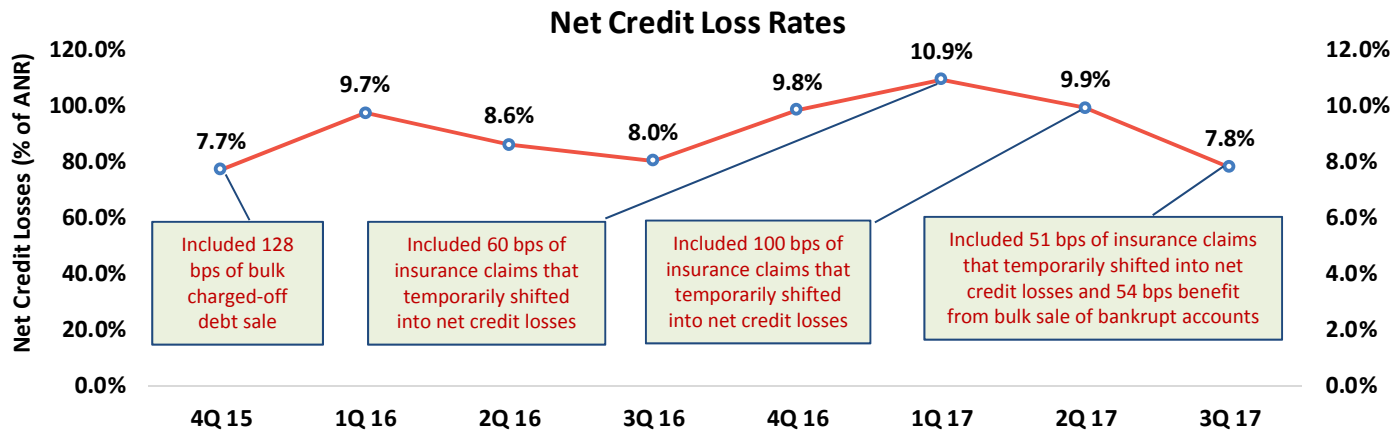
	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17
Total Revenue								
Sequential Δ	(0.5%)	(0.2%)	0.0%	0.3%	(0.8%)	0.9%	(0.2%)	(0.2%)
Year / Year Δ	(2.9%)	(2.7%)	(1.8%)	(0.4%)	(0.7%)	0.4%	0.2%	(0.3%)

Provision Up Due to Growth & Hurricane; NCL Rate Down



Sequential Δ	(5.5%)	27.4%	(10.6%)	0.7%	27.9%	12.2%	(9.3%)	(16.1%)
Year/Year Δ	(37.1%)	13.1%	4.2%	8.3%	46.6%	29.1%	31.1%	9.2%

- Growth in the quarter pushed the LLR higher by \$2.4 million, plus an incremental \$3.0 million LLR for hurricanes
- Net credit losses were lower by \$1.0 million due to the bulk sale of BKs
- Similarly, the BK sale accounted for 54 bps reduction in the NCL rate

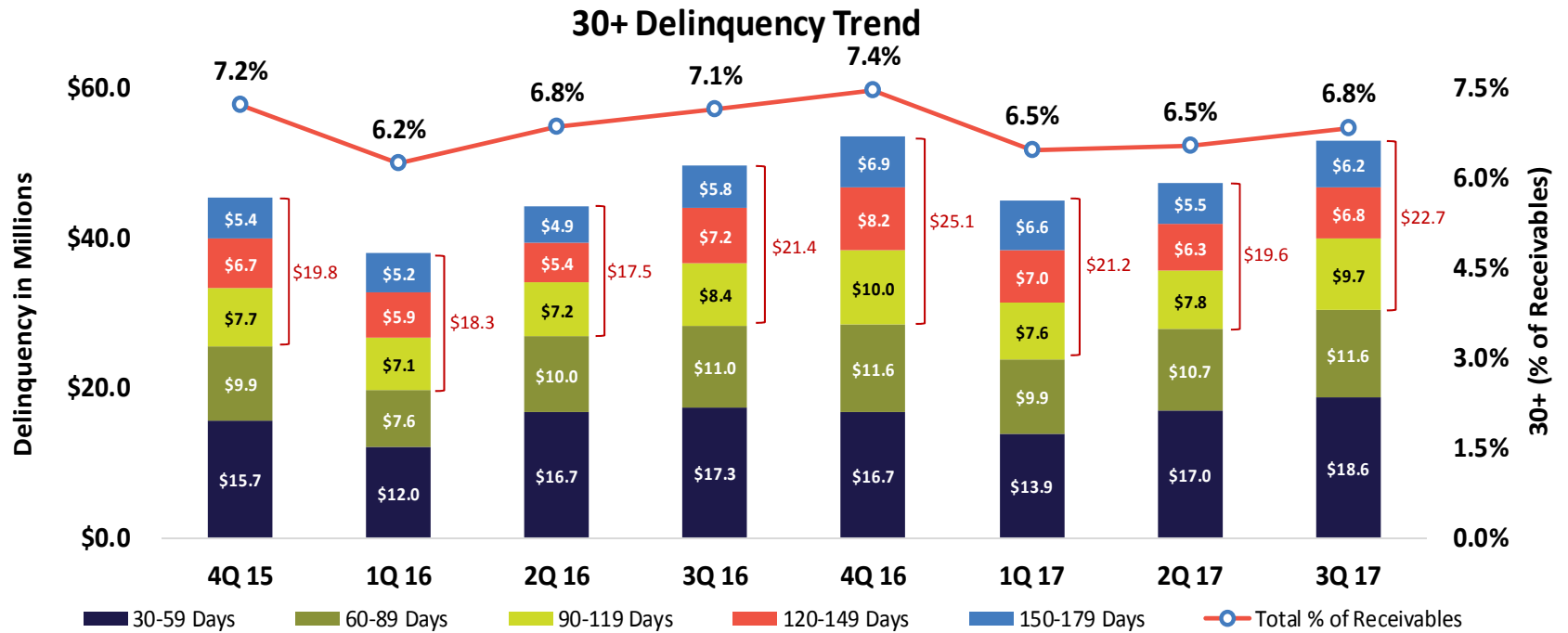


Sequential Δ	(0.8%)	2.0%	(1.1%)	(0.6%)	1.8%	1.1%	(1.0%)	(2.1%)
Year/Year Δ	(6.2%)	(0.2%)	(0.8%)	(0.5%)	2.1%	1.2%	1.3%	(0.2%)

Seasonal Pattern of Delinquency

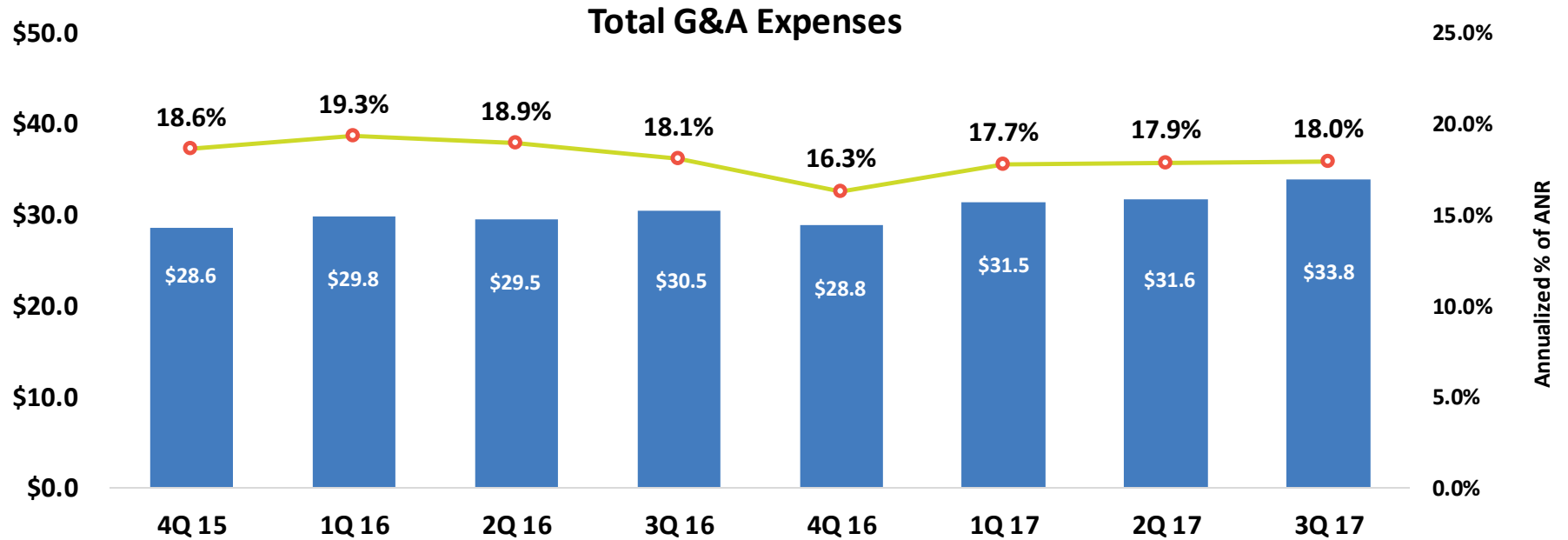


- 3Q 17 Delinquency:
 - 1+ days past due is at 17.5%, which is 70 bps below 3Q 16
 - 30+ days past due is at 6.8%, which is 30 bps below 3Q 16



1+ days past due %	20.3%	16.7%	18.3%	18.2%	18.1%	15.7%	17.5%	17.5%
30+ days past due %	7.2%	6.2%	6.8%	7.1%	7.4%	6.5%	6.5%	6.8%

G&A Expense Dollars and Ratios



Sequential Δ	9.0%	4.4%	(0.9%)	3.1%	(5.3%)	9.1%	0.6%	6.9%
Year/Year Δ	0.5%	(8.6%)	4.6%	16.3%	1.0%	5.5%	7.1%	11.1%
As % of ANR	18.6%	19.3%	18.9%	18.1%	16.3%	17.7%	17.9%	18.0%

