REGIONAL MANAGEMENT®

RM LISTED NYSE

4Q 2022 Earnings Presentation

February 8th, 2023

Legal Disclosures

This document contains summarized information concerning Regional Management Corp. (the “Company”) and the Company’s business, operations, financial performance, and trends. No representation is made that the information in this document is complete. For additional financial, statistical, and business information, please see the Company’s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (the “SEC”), as well as the Company’s other reports filed with the SEC from time to time. Such reports are or will be available on the Company’s website (www.regionalmanagement.com) and on the SEC’s website (www.sec.gov). The information and opinions contained in this document are provided as of the date of this presentation and are subject to change without notice. This document has not been approved by any regulatory or supervisory authority.

This presentation, the related remarks, and the responses to various questions may contain various “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead represent the Company’s expectations or beliefs concerning future events. Forward-looking statements include, without limitation, statements concerning financial outlook or future plans, objectives, goals, projections, strategies, events, or performance, and underlying assumptions and other statements related thereto. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “outlook,” and similar expressions may be used to identify these forward-looking statements. Such forward-looking statements speak only as of the date on which they were made and are about matters that are inherently subject to risks and uncertainties, many of which are outside of the control of the Company. As a result, actual performance and results may differ materially from those contemplated by these forward-looking statements. Therefore, investors should not place undue reliance on such statements.

Factors that could cause actual results or performance to differ from the expectations expressed or implied in forward-looking statements include, but are not limited to, the following: managing growth effectively, implementing Regional Management's growth strategy, and opening new branches as planned; Regional Management's convenience check strategy; Regional Management's policies and procedures for underwriting, processing, and servicing loans; Regional Management's ability to collect on its loan portfolio; Regional Management's insurance operations; exposure to credit risk and repayment risk, which risks may increase in light of adverse or recessionary economic conditions; the implementation of new underwriting models and processes, including as to the effectiveness of new custom scorecards; changes in the competitive environment in which Regional Management operates or a decrease in the demand for its products; the geographic concentration of Regional Management's loan portfolio; the failure of third-party service providers, including those providing information technology products; changes in economic conditions in the markets Regional Management serves, including levels of unemployment and bankruptcies; the ability to achieve successful acquisitions and strategic alliances; the ability to make technological improvements as quickly as competitors; security breaches, cyber-attacks, failures in information systems, or fraudulent activity; the ability to originate loans; reliance on information technology resources and providers, including the risk of prolonged system outages; changes in current revenue and expense trends, including trends affecting delinquencies and credit losses; changes in operating and administrative expenses; the departure, transition, or replacement of key personnel; the ability to timely and effectively implement, transition to, and maintain the necessary information technology systems, infrastructure, processes, and controls to support Regional Management's operations and initiatives; changes in interest rates; existing sources of liquidity may become insufficient or access to these sources may become unexpectedly restricted; exposure to financial risk due to asset-backed securitization transactions; risks related to regulation and legal proceedings, including changes in laws or regulations or in the interpretation or enforcement of laws or regulations; changes in accounting standards, rules, and interpretations and the failure of related assumptions and estimates, including those associated with CECL accounting; the impact of changes in tax laws, guidance, and interpretations, including the timing and amount of revenues that may be recognized; risks related to the ownership of Regional Management's common stock, including volatility in the market price of shares of Regional Management's common stock; the timing and amount of future cash dividend payments; and anti-takeover provisions in Regional Management's charter documents and applicable state law. The COVID-19 pandemic may impact Regional Management’s operations and financial condition and may also magnify many of the existing risks and uncertainties. The foregoing factors and others are discussed in greater detail in the Company's filings with the SEC. The Company will not update or revise forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events or the non-occurrence of anticipated events, whether as a result of new information, future developments, or otherwise, except as required by law.

This presentation also contains certain non-GAAP measures. Please refer to the Appendix accompanying this presentation for a reconciliation of non-GAAP measures to the most comparable GAAP measures.

4Q 2022 Financial Highlights

$ in millions *(except per share amounts)*	4Q 22	4Q 21	$ Chg B/(W)	% Chg B/(W)
Interest & Fee Income	$ 117.4	$ 107.1	$ 10.3	9.6%
Insurance Income, Net	10.8	9.4	1.3	14.1%
Other Income	3.8	2.9	0.9	30.2%
Total Revenue	132.0	119.5	12.5	10.5%
Provision For Credit Losses	60.8	31.0	(29.8)	(96.0%)
G&A Expense	55.1	55.5	0.4	0.7%
Interest Expense	14.9	7.6	(7.3)	(95.5%)
Income Taxes	(1.2)	4.6	5.7	125.4%
Net Income	**$ 2.4**	**$ 20.8**	**$ (18.4)**	**(88.5%)**
Diluted EPS	**$ 0.25**	**$ 2.04**	**$ (1.79)**	**(87.7%)**
Ending Net Finance Receivables (ENR)	$ 1,699.4	$ 1,426.3	$ 273.1	19.2%
Average Net Finance Receivables (ANR)	$ 1,646.0	$ 1,363.2	$ 282.7	20.7%
Operating Expense Ratio (annualized)	13.4%	16.3%	2.9%	17.8%
ROA (annualized)	0.6%	6.0%	(5.4%)	(90.0%)
ROE (annualized)	3.1%	29.5%	(26.4%)	(89.5%)

Net income of $2.4 million and diluted EPS of $0.25, inclusive of a $2.7 million, or $0.29 per share, reduction from the sale of non-performing loans [1]

Total revenue increased $12.5 million, or 10.5%

- Interest and fee income up 9.6% due to a 20.7% increase in ANR, inclusive of revenue reversals of $1.9 million resulting from the loan sale
- Insurance income, net increased by $1.3 million due to portfolio growth, inclusive of revenue reversals of $0.3 million resulting from the loan sale

Provision for credit losses increased $29.8 million, or 96.0%

- Net credit losses up $26.9 million from higher ANR and macro conditions
- Net credit losses up $13.1 million from accelerated charge-offs resulting from the loan sale
- Decrease in provision of $10.2 million from a reserve release in 4Q 22 of $1.0 million compared to a reserve build in 4Q 21 of $9.2 million
    - 4Q 22 included a reserve release of $11.8 million due to the loan sale

Operating expense ratio improved 2.9% from the prior-year period

- Revenue increase of $12.5 million and G&A expense decrease of $0.4 million

Interest expense increased $7.3 million, or 95.5%

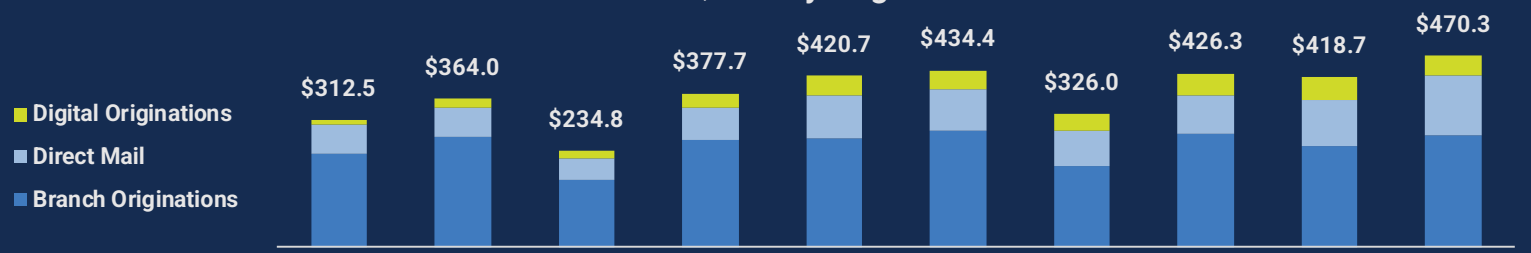
- Up $2.2 million from favorable market values on interest rate caps in 4Q 21
- Increase of $5.0 million on higher interest rates and ANR growth of $282.7 million

(1) Accelerated 1Q 2023 charge-offs into 4Q 22 to focus collection efforts on early-stage delinquency

Originations and Delinquency Trend

($ in millions)

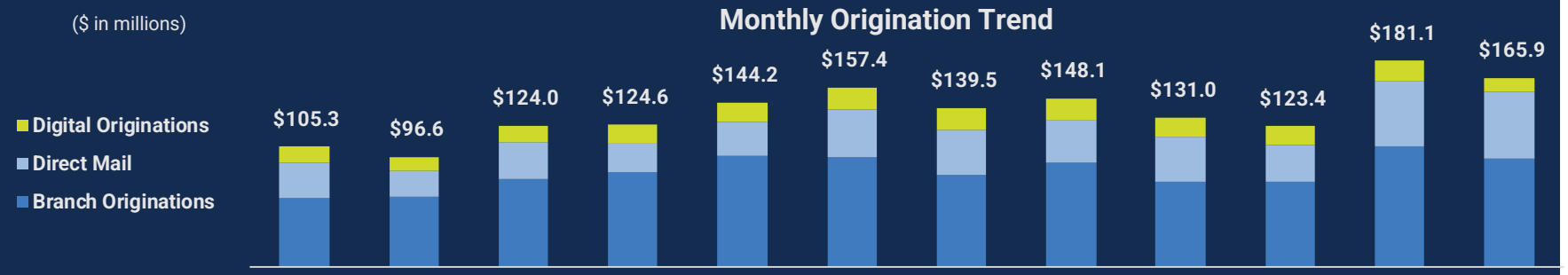
Quarterly Origination Trend



	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
% YoY Δ	(11.6%)	-	1.0%	116.8%	34.6%	19.3%	38.8%	12.9%	(0.5%)	8.3%

($ in millions)

Monthly Origination Trend



	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
% YoY Δ	49.4%	20.2%	47.9%	28.4%	8.4%	6.6%	2.8%	(5.1%)	1.6%	(5.9%)	16.7%	12.0%

($ in millions)

30+ Day Delinquencies

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
30+ DQ % YoY Δ	(1.8%)	(1.7%)	(2.3%)	(1.2%)	-	0.7%	1.4%	2.6%	2.5%	1.1%
% Δ from 2019			(2.6%)	(2.7%)	(1.8%)	(1.0%)	(1.2%)	(0.1%)	0.7%	0.1%

(1) Adjusted to exclude impact related to the loan sale completed in 4Q 22. This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.

Year-over-year growth rate reduced from credit tightening actions; lower originations were offset by direct mail programs to former borrowers, which perform better than new borrowers

4Q 22 branch and digital originations are down year-over-year 4.3% and 2.1%, respectively

Year-over-year origination growth slowed to 8.3% in 4Q 22 from 19.3% in 4Q 21 from tightened credit and focus on former borrowers

Proactive growth initiative originations of $48.9 million in 4Q 22 also offset credit tightening

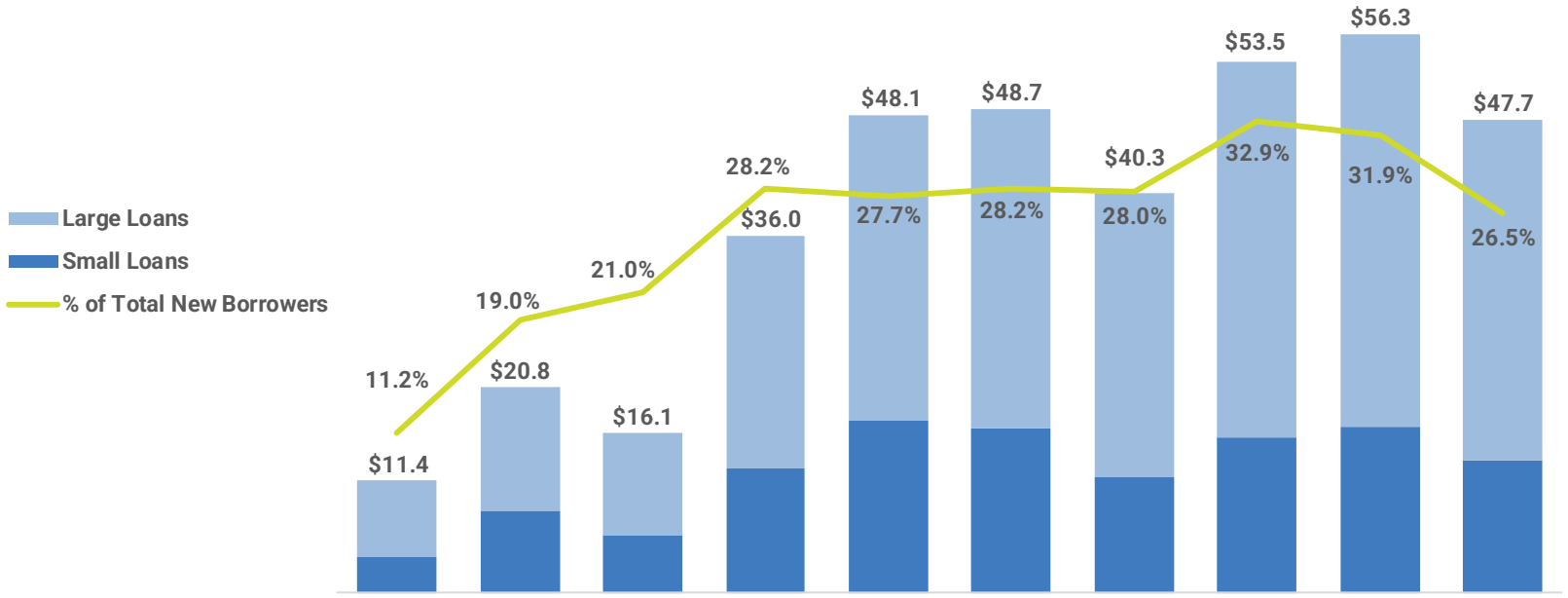
4Q 22 delinquency was 7.1%, which included 20 basis points from three eliminated high APR segments with profitable net credit margins; 4Q 22 delinquency, excluding the loan sale, was 8.0% (non-GAAP)

Digitally Sourced Originations

- Digital originations are sourced from either our affiliate partnerships or directly from our website, underwritten by our custom credit scorecards, and serviced by our branches
- Digital originations decreased sequentially in 4Q 22 due to credit tightening; 93% of 4Q 22 digital originations were 600+ FICO vs. 84% in 4Q 19
- Digital volume represented 26.5% of our total new borrower volume in 4Q 22
- Large loans represented 70.1% of new digitally sourced loans booked in 4Q 22

($ in millions)

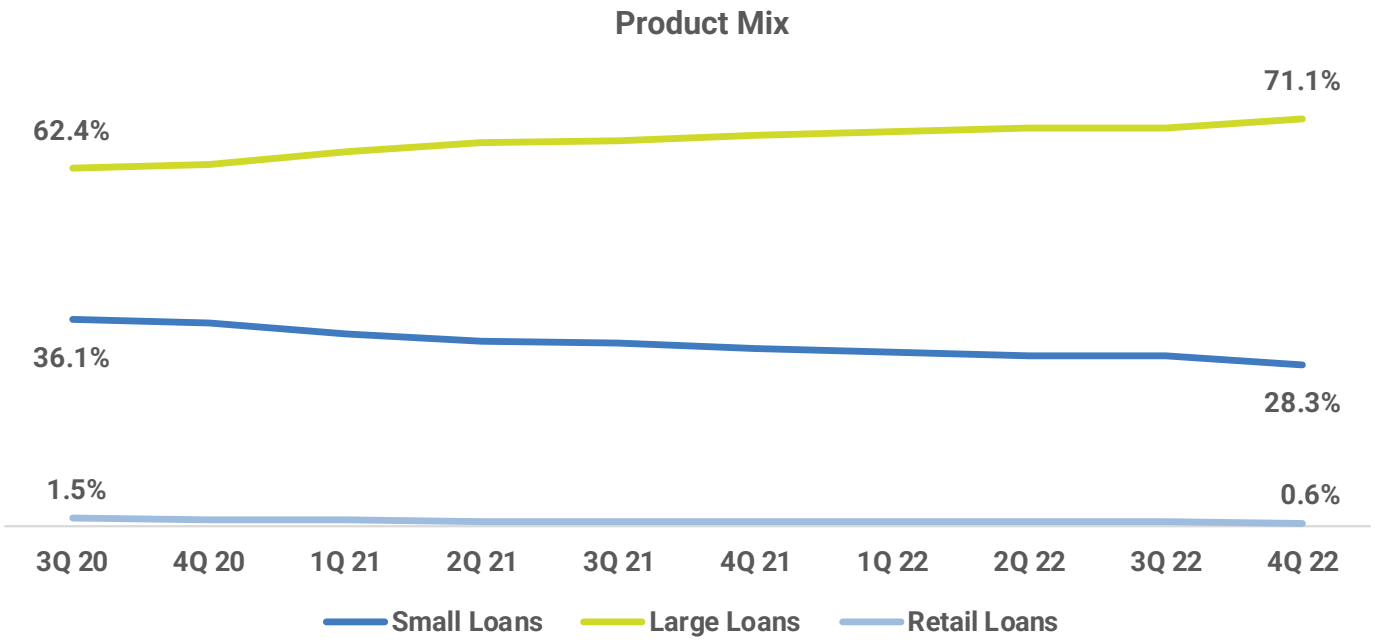
Digitally Sourced Origination Volume Trend



Total Digital Originations	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
% YoY Δ	(29.5%)	38.7%	122.4%	694.0%	322.9%	134.8%	150.0%	48.6%	17.0%	(2.1%)

Controlled Portfolio Growth

	Ending Net Receivables (ENR)										vs. 3Q 22		vs. 4Q 21	
($ in millions)	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	$ Chg I/(D)	% Chg I/(D)	$ Chg I/(D)	% Chg I/(D)
Small Loans (≤ $2,500)	$383	$403	$371	$381	$420	$445	$438	$455	$480	$482	$1	0.3%	$37	8.2%
Large Loans (> $2,500)	661	719	722	792	884	971	997	1,060	1,116	1,208	92	8.2%	237	24.5%
Retail Loans	16	14	12	11	10	11	11	11	11	10	(1)	(12.3%)	(1)	(8.9%)
Total	**$1,060**	**$1,136**	**$1,106**	**$1,183**	**$1,314**	**$1,426**	**$1,446**	**$1,526**	**$1,608**	**$1,699**	**$92**	**5.7%**	**$273**	**19.2%**
Total YoY Δ ($)	($8)	$3	$3	$161	$255	$290	$340	$342	$293	$273				
Total YoY Δ (%)	(0.7%)	0.3%	0.3%	15.7%	24.0%	25.5%	30.8%	28.9%	22.3%	19.2%				



Generated sequential portfolio growth of $92 million, or 5.7%, in 4Q 22

Achieved year-over-year loan growth of $273 million, or 19.2%, in 4Q 22, down from 30.8% in 1Q 22 as a result of credit tightening for disciplined growth

Continued the mix shift toward large loans

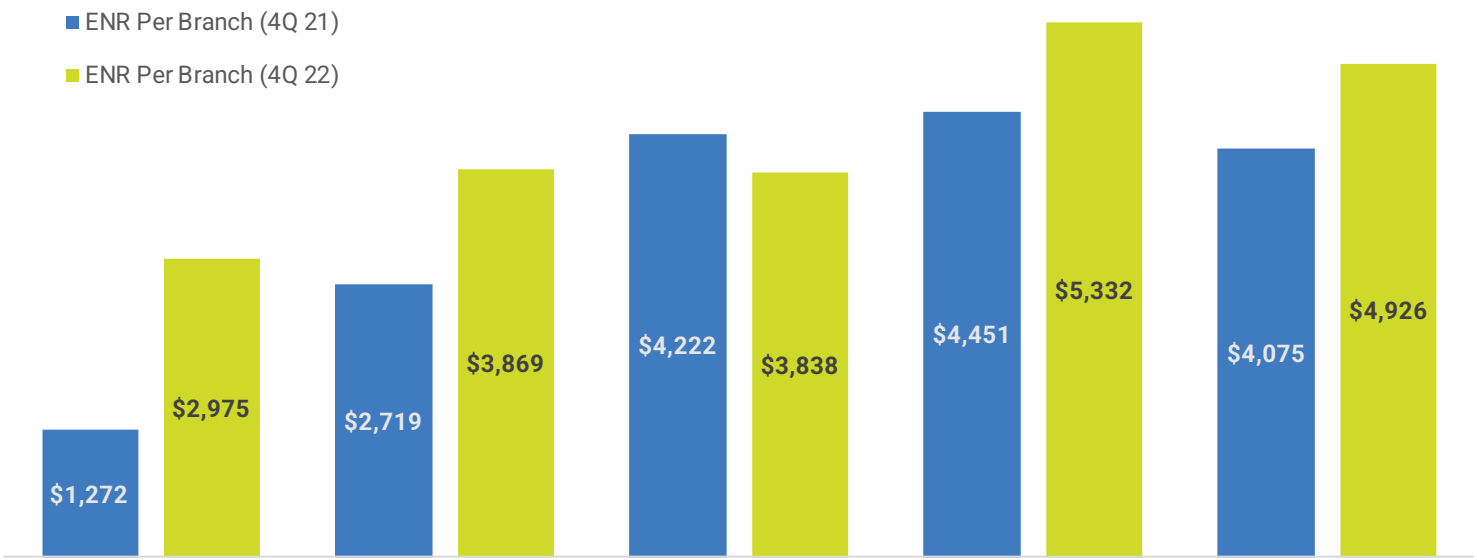
As of December 31, 2022, 86% of net finance receivables were at or below 36% APR

Higher ENR Per Branch is Driving Efficiency

- Branch consolidations and our new state, lighter footprint strategy with larger branches, are driving strong ENR per branch in all age cohorts
- Same store[1] year-over-year growth rate of 14.8% in 4Q 22 vs. 23.3% in the prior-year period
- Considerable growth opportunities in our existing branch footprint, particularly from branches opened within the last 3 years

($ in thousands)

Ending Net Finance Receivables Per Branch



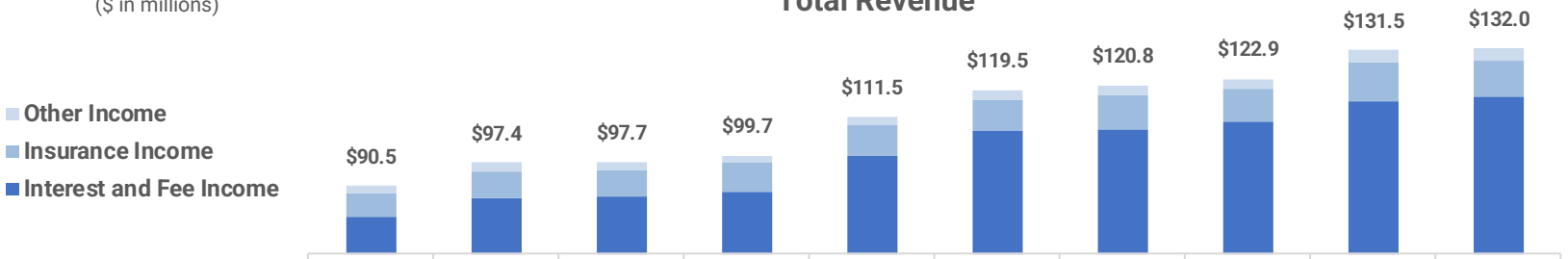
	< 1 Year	1-3 Years	3-5 Years	5+ Years	All
# of Branches (4Q 22)	25	28	27	265	345
# of Branches (4Q 21)	20	37	17	276	350

(1) Same store sales reflect the change in year-over-year sales for the comparable branch base. The comparable branch base includes those branches open for at least one year.

Revenue Up 10.5% on Controlled Receivable Growth

($ in millions)

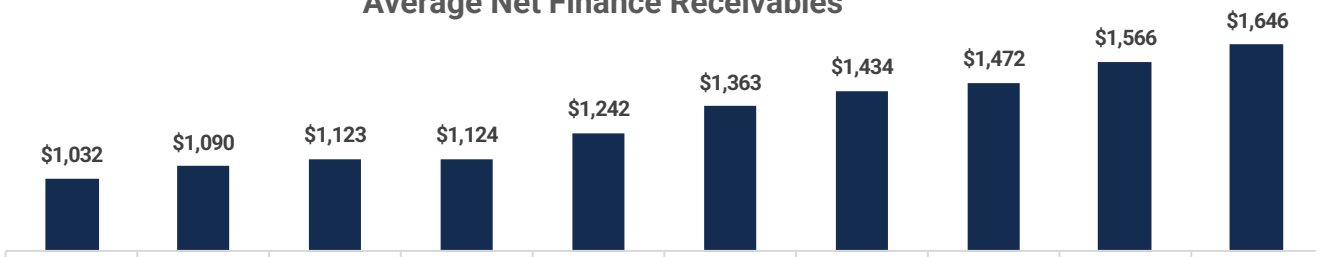
Total Revenue



	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Sequential Δ	0.8%	7.6%	0.3%	2.0%	11.8%	7.2%	1.1%	1.7%	7.0%	0.4%
YoY Δ	(1.3%)	(0.6%)	1.7%	10.9%	23.1%	22.6%	23.7%	23.3%	17.9%	10.5%

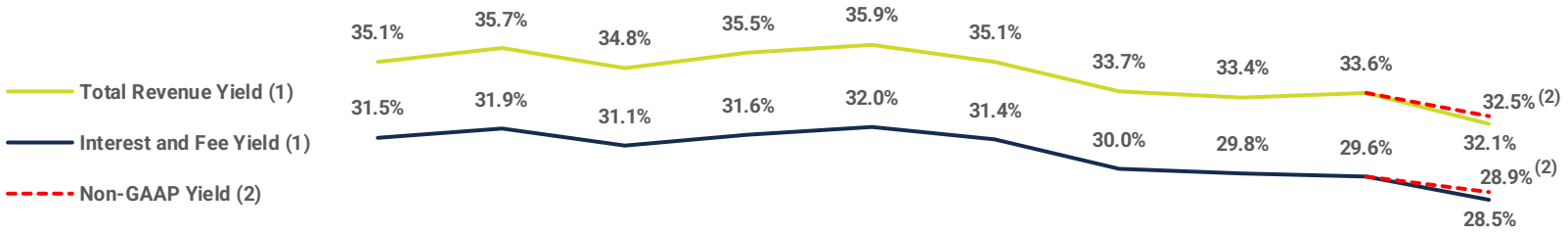
($ in millions)

Average Net Finance Receivables



	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Sequential Δ	(1.7%)	5.7%	3.0%	0.1%	10.4%	9.8%	5.2%	2.6%	6.4%	5.1%
YoY Δ	(0.2%)	(0.7%)	-	7.1%	20.3%	25.0%	27.7%	30.9%	26.1%	20.7%

Total Revenue and Interest & Fee Yield



Total Revenue Yield	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Sequential Δ	0.9%	0.6%	(0.9%)	0.7%	0.4%	(0.8%)	(1.4%)	(0.3%)	0.2%	(1.5%)
YoY Δ	(0.4%)	-	0.6%	1.3%	0.8%	(0.6%)	(1.1%)	(2.1%)	(2.3%)	(3.0%)

Note: Table above reflects changes in total revenue yield

Revenue grew 10.5% year-over-year to a record $132 million in 4Q 22

Total revenue yield decreased 300 basis points and interest and fee yield declined 290 basis points year-over-year due to the loan sale (40 basis points), the credit impact from macro conditions on revenue reversals and non-accrual loans (100 basis points), and the continued mix shift to larger loans and credit tightening on higher rate loans (150 basis points)

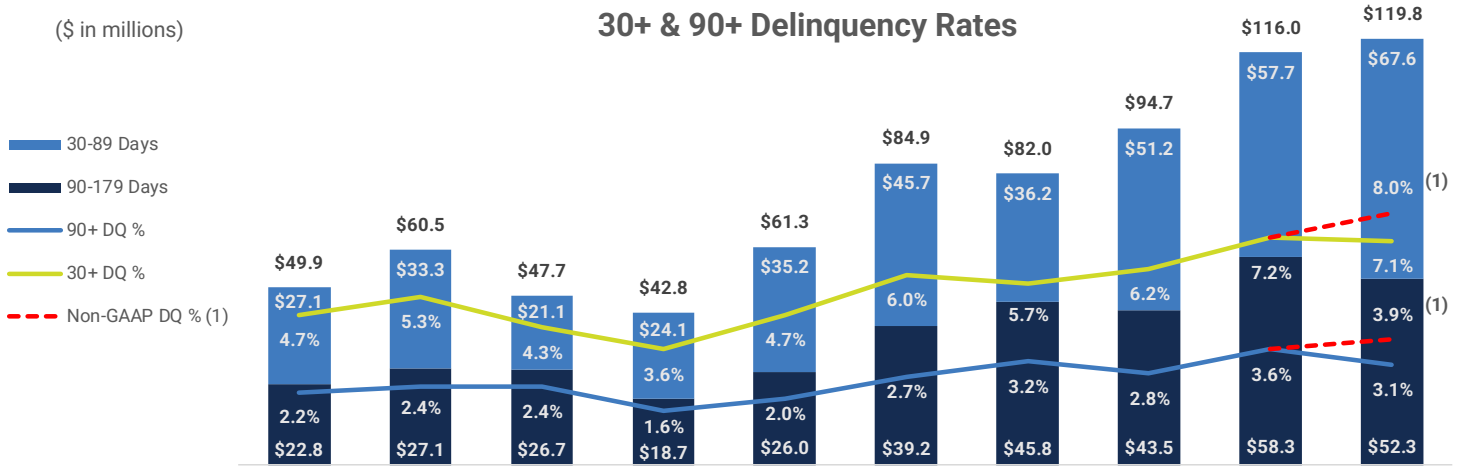
4Q 22 loan sale decreased total revenue by $2.2 million and yield by 40 basis points

Started re-pricing new originations in the second half of 2022 as a result of the rising rate and macro credit environment, and expect those actions to stabilize yield over the long-term

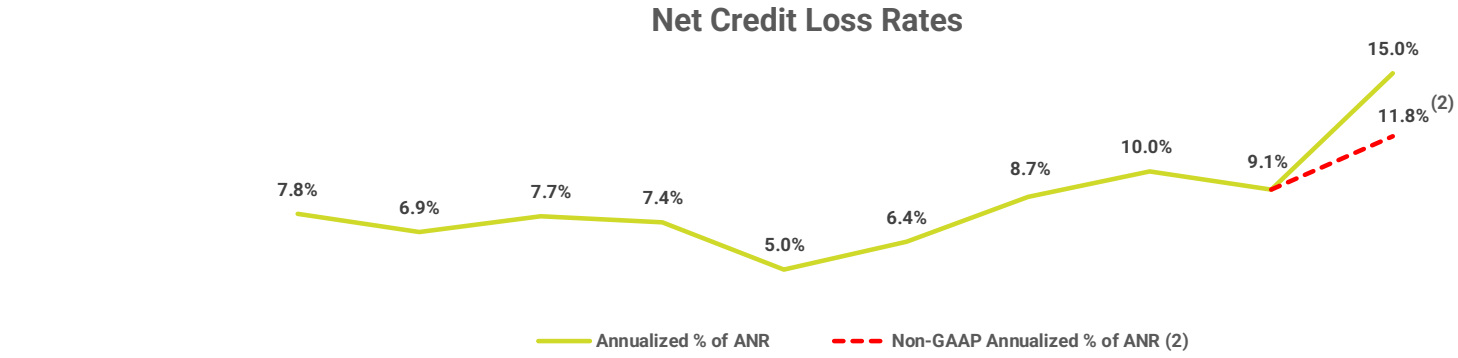
As of December 31, 2022, 86% of net finance receivables were at or below 36% APR

(1) Total revenue and interest and fee income each as annualized percentages of average net receivables
(2) Adjusted to exclude revenue reversals related to the loan sale completed in 4Q 22. This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.

Recent Credit Trends



	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
30+ DQ										
Sequential Δ	(0.1%)	0.6%	(1.0%)	(0.7%)	1.1%	1.3%	(0.3%)	0.5%	1.0%	(0.1%)
YoY Δ	(1.8%)	(1.7%)	(2.3%)	(1.2%)	-	0.7%	1.4%	2.6%	2.5%	1.1%
Δ from 2019			(2.6%)	(2.7%)	(1.8%)	(1.0%)	(1.2%)	(0.1%)	0.7%	0.1%
90+ DQ										
Sequential Δ	(0.2%)	0.2%	-	(0.8%)	0.4%	0.7%	0.5%	(0.4%)	0.8%	(0.5%)
YoY Δ	(0.6%)	(0.7%)	(0.8%)	(0.8%)	(0.2%)	0.3%	0.8%	1.2%	1.6%	0.4%
Δ from 2019			(1.0%)	(1.0%)	(0.8%)	(0.4%)	(0.2%)	0.2%	0.8%	-



	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Sequential Δ	(2.8%)	(0.9%)	0.8%	(0.3%)	(2.4%)	1.4%	2.3%	1.3%	(0.9%)	5.9%
YoY Δ	(0.3%)	(2.1%)	(2.8%)	(3.2%)	(2.8%)	(0.5%)	1.0%	2.6%	4.1%	8.6%

4Q 22 delinquency was 7.1%, which included 20 basis points from three eliminated high APR segments with profitable net credit margins; 4Q 22 delinquency, excluding the loan sale, was 8.0% (non-GAAP)

- Pre-pandemic 30+ days past due was 7.0% in 4Q 19
- 30+ days past due of $119.8 million compares favorably to loan loss reserves of $178.8 million as of 4Q 22

4Q 22 net credit loss rate was 15.0%, with 3.2% attributable to accelerated charge-offs from the loan sale; excluding the loan sale, net credit loss rate was 11.8% (non-GAAP) which included a 90 basis point impact from three eliminated high APR segments with profitable net credit margins

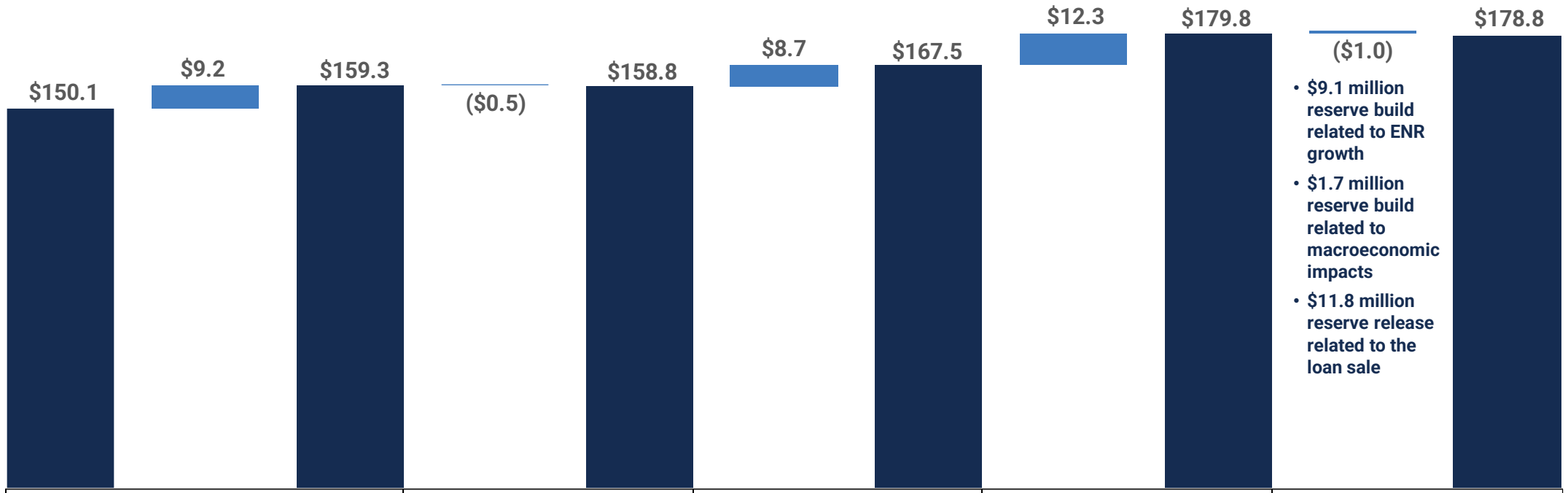
(1) Adjusted to exclude the delinquency impact related to the loan sale completed in 4Q 22. This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.
(2) Adjusted to exclude net credit loss impact related to the loan sale completed in 4Q 22. This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.

Reserved For Stressed Credit Losses

In 4Q 22, we increased our loan loss reserves by $9.1 million on ENR growth of $91.8 million, increased reserves $1.7 million for macroeconomic impacts, and decreased reserves $11.8 million related to the loan sale. The 4Q 22 ending reserve included $20.7 million, or 11.6% of total loan loss reserves, associated with potential future macroeconomic impacts on credit losses.

($ in millions)

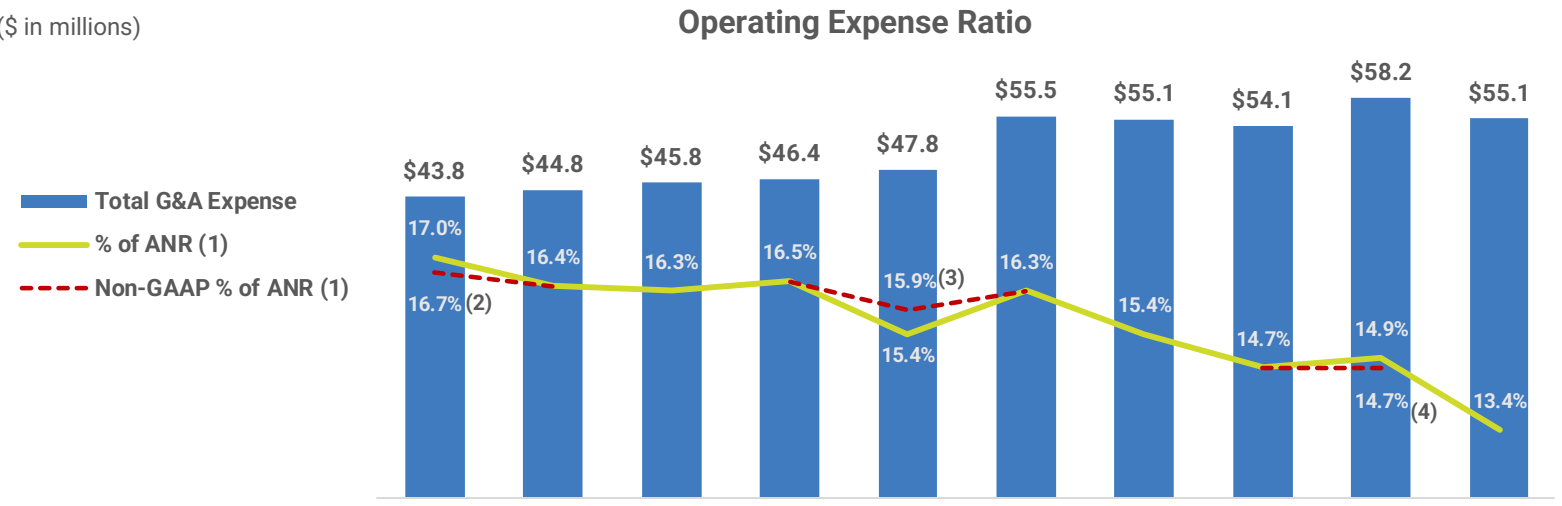
Loan Loss Reserves



	4Q 21			1Q 22		2Q 22		3Q 22		4Q 22	
	Beginning Reserve	Increase/ (Decrease)	Ending Reserve	Increase/ (Decrease)	Ending Reserve	Increase/ (Decrease)	Ending Reserve	Increase/ (Decrease)	Ending Reserve	Increase/ (Decrease)	Ending Reserve
Reserves as % of ENR	11.4%		11.2%		11.0%		11.0%		11.2%		10.5%

Achieving Operating Leverage While Investing in Our Business

($ in millions)



As % of ANR (1)	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
YoY Δ	1.5%	1.5%	(0.2%)	0.7%	(1.6%)	(0.1%)	(0.9%)	(1.8%)	(0.5%)	(2.9%)
% of ANR above includes:										
Branch Optimization	-	-	-	-	0.2%	0.3%	0.2%	0.1%	-	-

Operating Expense Improvement

$ in millions	4Q 21	4Q 22	YoY Δ
Total Revenue	$119.5	$132.0	$12.5
G&A Expense	$55.5	$55.1	($0.4)
Average Net Finance Receivables	$1,363.2	$1,646.0	$282.7
Operating Expense Ratio (annualized)	**16.3%**	**13.4%**	**(2.9%)**

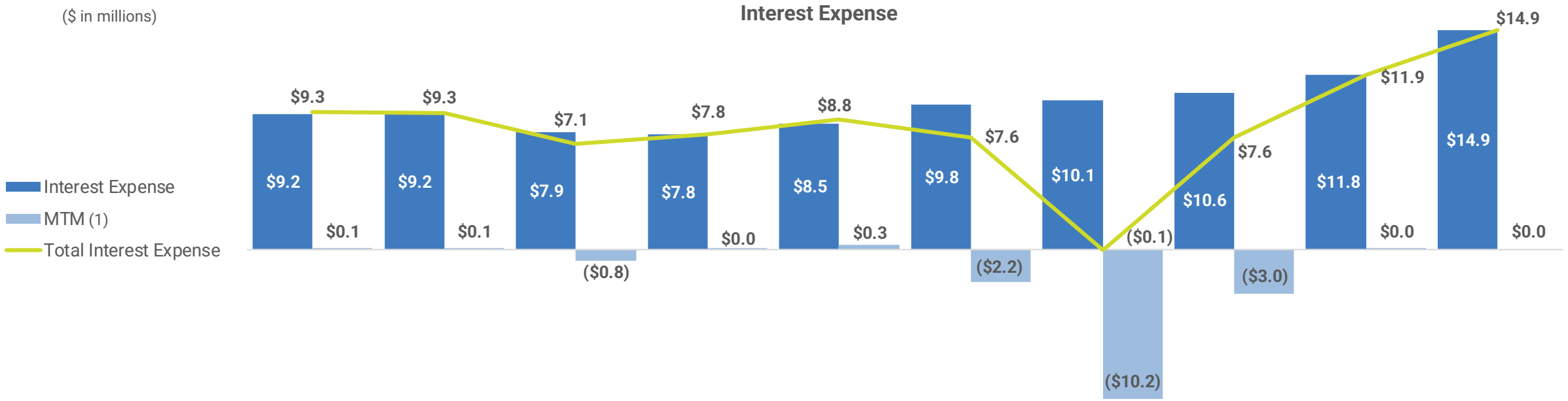
4Q 22 operating expense ratio improved 290 basis points from the prior year

- 4Q 22 includes a reduction to incentive compensation of $3.1 million and an insurance settlement of $0.8 million, which decreased the ratio 90 basis points collectively
- 4Q 22 revenue increased $12.5 million year-over-year and G&A expense decreased $0.4 million

(1) Annualized general and administrative expenses as a percentage of average net finance receivables
(2) Adjusted to exclude severance related to workforce actions of $0.8 million. This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.
(3) Adjusted to exclude incremental deferrals associated with digital loan origination costs of $1.5 million. This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.
(4) Adjusted to exclude costs for discontinuing the retail loan product and acceleration of lease expense associated with relocating our Texas office of $0.6 million. This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.

Cost of Funds

4Q 22 interest expense as an annualized percentage of ANR increased 130 basis points year-over-year, 60 basis points of which related to favorable market value increases on interest rate caps in 4Q 21, with the remaining 70 basis points due to higher interest rates on ENR growth



Interest Expense	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
% of ANR	3.5%	3.3%	2.6%	2.8%	2.8%	2.3%	-	2.1%	3.0%	3.6%
YoY Δ	(0.5%)	(0.4%)	(1.0%)	(0.6%)	(0.7%)	(1.0%)	(2.6%)	(0.7%)	0.2%	1.3%

(1) Market value (increase) decrease on interest rate caps ("MTM" or mark-to-market value)

Strong Funding Profile

As of December 31, 2022, total unused capacity was $555 million (subject to borrowing base)

Available liquidity of $101 million as of December 31, 2022

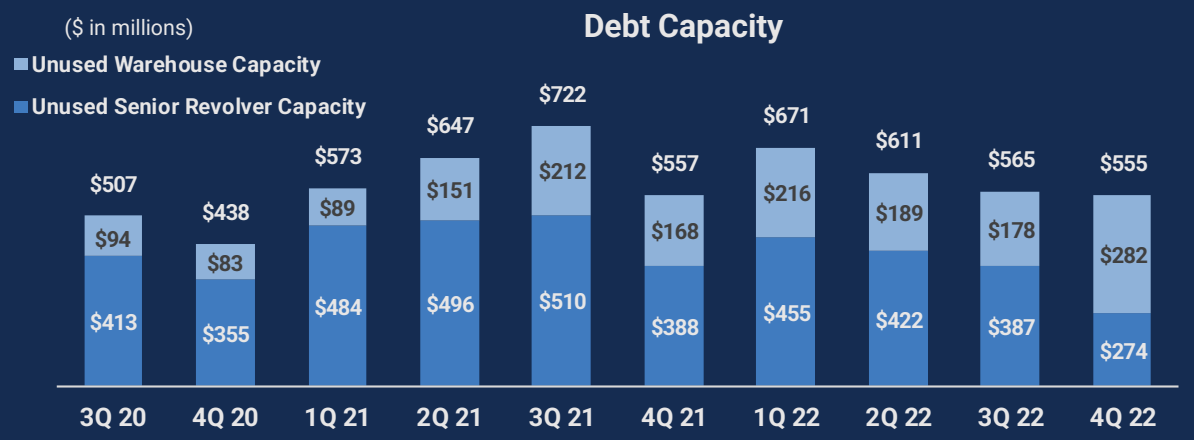
Fixed-rate debt represented 88% of total debt as of December 31, 2022, and had a weighted-average revolving duration of 2.1 years

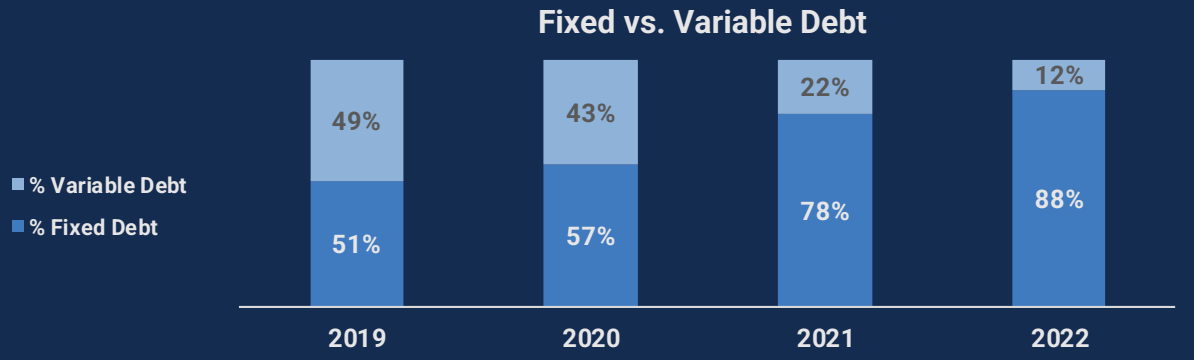
($ in millions)

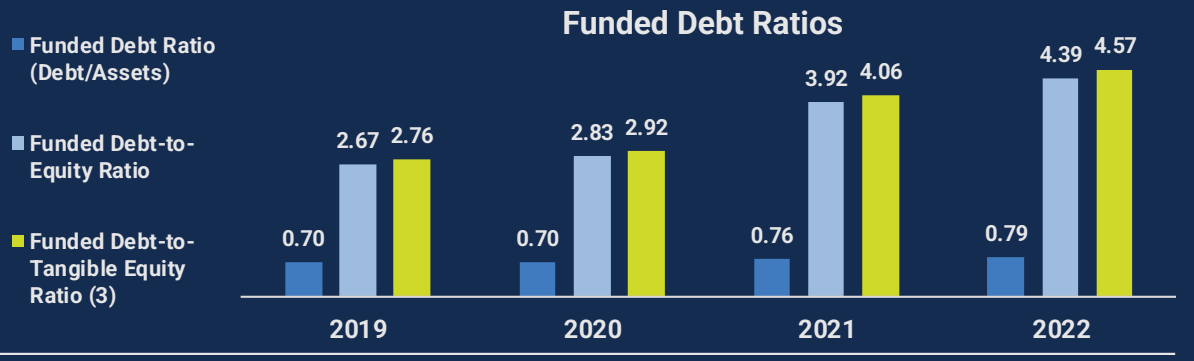
Current Securitizations

Period	Amount	Maturity	WAC[1]
3Q 20	$180	Oct 2030	2.85%
1Q 21	$249	Mar 2031	2.08%
3Q 21	$200	Aug 2033	2.30%
4Q 21	$125	Oct 2033	3.88%[2]
1Q 22	$250	Mar 2032	3.59%
4Q 22	$184	Nov 2031	7.51%

(1) Weighted-average coupon
(2) Private securitization that allows for fixed-rate funding of loans with APRs greater than 36%, resulting in a higher WAC than prior securitizations for funding of loans with APRs at or below 36%
(3) This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.
(4) Annualized interest expense as a percentage of average net finance receivables







	2019	2020	2021	2022
Interest Expense % (4)	4.0%	3.6%	2.6%	2.2%

Appendix

Significant Capacity to Absorb Losses

$ in millions	4Q 22
Total stockholders' equity	$308.6
Allowance for credit losses	178.8
TTM[1] net income	51.2
Absorption capacity including TTM net income	**$538.7**
Absorption capacity as % of net finance receivables	**31.7%**
Total stockholders' equity	$308.6
Allowance for credit losses	178.8
TTM Pre-tax pre-provision income (non-GAAP)[2]	250.4
Absorption capacity including TTM PTPP (non-GAAP)	**$737.9**
Absorption capacity as % of net finance receivables (non-GAAP)	**43.4%**
TTM net credit loss rate[3]	10.8%
Ending net finance receivables (ENR)	$1,699.4

(1) Trailing twelve months (TTM) from 1Q 22 through 4Q 22
(2) Pre-tax pre-provision income (PTPP) is a non-GAAP measure and is defined as net income, plus income taxes and provision for credit losses. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.
(3) Net credit losses as a percentage of average net finance receivables

Diversified Liquidity Profile

Long history of liquidity support from a strong group of banking partners

Diversified funding platform with a senior revolving facility, warehouse facilities, and securitizations

	Senior Revolver	Warehouse Facilities	Private Securitization	Securitizations
Size	$420 million	$300 million	$125 million	$1.1 billion
Interest Type	Floating	Floating	Fixed	Fixed
Maturity	Sep 2024	$100 million, Nov 2025 $75 million, Mar 2024 $125 million, Apr 2024	Oct 2033	2020-1, $180 million, Oct 2030 2021-1, $249 million, Mar 2031 2021-2, $200 million, Aug 2033 2022-1, $250 million, Mar 2032 2022-2B, $184 million, Nov 2031
Effective Rate (as of December 31, 2022)	7.22% [one-month SOFR plus a 3.00% margin and a 0.10% SOFR spread adjustment (with a SOFR floor of 0.50%)]	$100 million, 7.62% (the commercial paper rate plus a margin of 2.75%) $75 million, 7.00% [three-month SOFR plus a margin of 2.35% and a 0.25% SOFR spread adjustment (with a SOFR floor of 0.25%)] $125 million, 6.57% (one-month SOFR plus a margin of 2.35% and a 0.10% SOFR spread adjustment)	3.88%	2020-1, $180 million, 2.85% 2021-1, $249 million, 2.08% 2021-2, $200 million, 2.30% 2022-1, $250 million, 3.59% 2022-2B, $184 million, 7.51%
Lenders	Wells Fargo Bank (Agent), BMO Harris, First Tennessee, Texas Capital, Synovus, Bank United	JPMorgan Chase Bank - $100 million Credit Suisse - $75 million Wells Fargo Bank - $125 million	Qualified institutional investor	Qualified institutional investors
Collateral	Allows for funding of all products and APRs	Allows for funding of all products with ≤ 36% APR (excluding retail)	Allows for the funding of all products, including > 36% APR loans (excluding retail)	Allows for funding of all products with ≤ 36% APR (excluding retail)

Consolidated Income Statements

$ in thousands	4Q 22	4Q 21	2022	2021	2020	2019
Revenue						
Interest and fee income	$ 117,432	$ 107,117	$ 450,854	$ 382,544	$ 335,215	$ 321,169
Insurance income, net	10,751	9,423	43,502	35,482	28,349	20,817
Other income	3,833	2,944	12,831	10,325	10,342	13,727
Total revenue	132,016	119,484	507,187	428,351	373,906	355,713
Expenses						
Provision for credit losses	60,786	31,008	185,115	89,015	123,810	99,611
Personnel	34,669	33,313	141,243	119,833	109,560	94,000
Occupancy	5,997	6,511	23,809	24,126	22,629	22,576
Marketing	4,239	4,431	15,378	14,405	10,357	8,206
Other	10,238	11,277	42,098	37,150	33,770	32,202
Total general and administrative	55,143	55,532	222,528	195,514	176,316	156,984
Interest expense	14,855	7,597	34,223	31,349	37,852	40,125
Income before income taxes	1,232	25,347	65,321	112,473	35,928	58,993
Income taxes	(1,159)	4,569	14,097	23,786	9,198	14,261
Net income	**$ 2,391**	**$ 20,778**	**$ 51,224**	**$ 88,687**	**$ 26,730**	**$ 44,732**

Consolidated Balance Sheets

$ in thousands	2022	2021	2020	2019
Cash	$ 3,873	$ 10,507	$ 8,052	$ 2,263
Net finance receivables	1,699,393	1,426,257	1,136,259	1,133,404
Unearned insurance premiums	(51,008)	(47,837)	(34,545)	(28,591)
Allowance for credit losses	(178,800)	(159,300)	(150,000)	(62,200)
Net finance receivables, less unearned insurance premiums and allowance for credit losses	1,469,585	1,219,120	951,714	1,042,613
Restricted cash	127,926	138,682	63,824	54,164
Lease assets	34,521	28,721	27,116	26,438
Restricted available-for-sale investments	20,416	-	-	-
Deferred tax assets, net	13,810	18,420	14,121	619
Property and equipment	14,526	12,938	14,008	15,301
Intangible assets	12,122	9,517	8,689	9,438
Other assets	28,208	21,757	16,332	7,704
Total assets	**$ 1,724,987**	**$ 1,459,662**	**$ 1,103,856**	**$ 1,158,540**
Debt	$ 1,355,359	$ 1,107,953	$ 768,909	$ 808,218
Unamortized debt issuance costs	(9,512)	(11,010)	(6,661)	(9,607)
Net debt	1,345,847	1,096,943	762,248	798,611
Lease liabilities	36,712	30,700	29,201	28,470
Accounts payable and accrued expenses	33,795	49,283	40,284	28,676
Total liabilities	**1,416,354**	**1,176,926**	**831,733**	**855,757**
Common stock	1,433	1,416	1,385	1,350
Additional paid-in capital	112,384	104,745	105,483	102,678
Retained earnings	345,545	306,105	227,343	248,829
Accumulated other comprehensive loss	(586)	-	-	-
Treasury stock	(150,143)	(129,530)	(62,088)	(50,074)
Total stockholders' equity	**308,633**	**282,736**	**272,123**	**302,783**
Total liability and stockholders' equity	**$ 1,724,987**	**$ 1,459,662**	**$ 1,103,856**	**$ 1,158,540**

Non-GAAP Financial Measures

In addition to financial measures presented in accordance with generally accepted accounting principles (“GAAP”), this presentation contains certain non-GAAP financial measures. The company’s management utilizes non-GAAP measures as additional metrics to aid in, and enhance, its understanding of the company’s financial results. The company has presented non-GAAP measures that adjust for workforce actions taken (3Q 20), incremental deferrals associated with digital loan origination costs (3Q 21), costs for discontinuing the retail loan product and acceleration of lease expense associated with relocation of our Texas office (3Q 22), and impacts associated with the loan sale (4Q 22). The company believes that these non-GAAP measures provide useful information by excluding certain material items that may not be indicative of our operating results. As a result, the company believes that the non-GAAP measures that it has presented will aid in the evaluation of the operating performance of the business. In addition, pre-tax pre-provision income and absorption capacity including pre-tax pre-provision income are non-GAAP measures that adjust GAAP measures to exclude income taxes and provision for credit losses. Management uses these absorption measures to evaluate and manage the company’s position to absorb losses. The company also believes that these absorption measures provide useful information to users of the company’s financial statements in the evaluation of its capacity to absorb losses. Furthermore, tangible equity and the funded debt-to-tangible equity ratio are non-GAAP measures that adjust GAAP measures to exclude intangible assets. Management uses these equity measures to evaluate and manage the company’s capital and leverage position. The company also believes that these equity measures are commonly used in the financial services industry and provide useful information to users of the company’s financial statements in the evaluation of its capital and leverage position. Adjusted net income and adjusted diluted net income per common share are non-GAAP measures that adjust GAAP measures to exclude the impacts of the non-performing loan sale. Management uses these adjusted measures to evaluate and manage the company's performance by excluding certain material items that may not be representative of the company’s financial results.

As a result, the company also believes that these adjusted measures will aid users of its financial statements in the evaluation of its operating performance. This non-GAAP financial information should be considered in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. In addition, the company’s non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies. The following tables provide reconciliations of GAAP measures to non-GAAP measures.

Non-GAAP Financial Measures (Cont'd)

in thousands	GAAP	Non-GAAP Reconcilation Adjustments	Non-GAAP
4Q 22 Non-GAAP Reconciliation			
Interest and fee income	$117,432	$1,914 (1)	$119,346
Average net finance receivables	$1,645,969	$7,176 (2)	$1,653,145
Interest and fee yield	28.5%	0.4%	28.9%
4Q 22 Non-GAAP Reconciliation			
Total revenue	$132,016	$2,185 (3)	$134,201
Average net finance receivables	$1,645,969	$7,176 (2)	$1,653,145
Total revenue yield	32.1%	0.4%	32.5%
4Q 22 Non-GAAP Reconciliation			
Net credit losses	$61,786	($13,105)(4)	$48,681
Average net finance receivables	$1,645,969	$7,176 (2)	$1,653,145
Net credit loss rate	15.0%	(3.2%)	11.8%

in thousands	GAAP	Non-GAAP Reconcilation Adjustments	Non-GAAP
4Q 22 Non-GAAP Reconciliation			
30+ Delinquencies	$119,843	$17,454 (5)	$137,297
Ending net finance receivables	$1,699,393	$17,454 (6)	$1,716,847
30+ Delinquency %	7.1%	0.9%	8.0%
4Q 22 Non-GAAP Reconciliation			
90+ Delinquencies	$52,283	$13,831 (7)	$66,114
Ending net finance receivables	1,699,393	$17,454 (6)	1,716,847
90+ Delinquency %	3.1%	0.8%	3.9%
4Q 22 Non-GAAP Reconciliation			
Net Income	$2,391	$2,656 (8)	$5,047
Weighted average common shares outstanding, diluted	9,411	-	9,411
Diluted EPS	$0.25	$0.29 (9)	$0.54

(1) Interest and fee reversals of $1,914 related to the loan sale
(2) Average net finance receivables decreased by $7,176 related to the loan sale
(3) Total revenue reversals of $2,185 related to the loan sale
(4) Net credit losses include $13,105 recognized in 4Q 22 which would have been written off in 1Q 23 under the standard charge-off policy
(5) 30+ Delinquent receivables of $17,454 sold as part of the loan sale
(6) Ending net finance receivables decrease resulting from the sale of delinquent receivables of $17,454
(7) 90+ Delinquent receivables of $13,831 sold as part of the loan sale
(8) Net income decreased by $2,656 related to the loan sale
(9) Diluted EPS decreased by $0.29 related to the loan sale

Non-GAAP Financial Measures (Cont'd)

$ in thousands	GAAP	Non-GAAP Reconcilation Adjustments	Non-GAAP
3Q 20 Non-GAAP Reconciliation			
G&A expense	$43,754	($778) (2)	$42,976
Average net finance receivables	$1,032,133	-	$1,032,133
Operating expense ratio (1)	17.0%	(0.3%)	16.7%
3Q 21 Non-GAAP Reconciliation			
G&A expense	$47,750	$1,522 (3)	$49,272
Average net finance receivables	$1,241,685	-	$1,241,685
Operating expense ratio (1)	15.4%	0.5%	15.9%
3Q 22 Non-GAAP Reconciliation			
G&A expense	58,164	(559) (4)	57,605
Average net finance receivables	1,566,247	-	1,566,247
Operating expense ratio (1)	14.9%	(0.2%)	14.7%

(1) Annualized general and administrative expenses as a percentage of average net finance receivables
(2) G&A expense items include severance costs of $778 related to workforce actions
(3) G&A expense items include incremental deferrals associated with digital loan origination costs of $1,522
(4) G&A expense items include costs for discontinuing the retail loan product and acceleration of lease expense associated with relocation of Texas office of $559

Non-GAAP Financial Measures (Cont'd)

$ in millions	TTM[1]
Pre-Tax Pre-Provision Income (Non-GAAP) Reconciliation	
Net income	$51.2
Income taxes	14.1
Provision for credit losses	185.1
Pre-tax pre-provision income (non-GAAP)	$250.4

$ in millions	4Q 22	% of ENR
Absorption Capacity Non-GAAP Reconciliation		
Absorption capacity including TTM net income	$538.7	31.7%
Income taxes	14.1	
Provision for credit losses	185.1	
Absorption capacity including TTM PTPP (non-GAAP)	$737.9	43.4%
Ending net finance receivables	$1,699.4	

(1) Trailing twelve months (TTM) from 1Q 22 through 4Q 22

Non-GAAP Financial Measures (Cont'd)

$ in thousands	2022	2021	2020	2019
Total assets	$ 1,724,987	$ 1,459,662	$ 1,103,856	$ 1,158,540
Less: Intangible assets	12,122	9,517	8,689	9,438
Tangible assets (non-GAAP)	1,712,865	1,450,145	1,095,167	1,149,102
Debt	1,355,359	1,107,953	768,909	808,218
Total stockholders' equity	308,633	282,736	272,123	302,783
Less: Intangible assets	12,122	9,517	8,689	9,438
Tangible common equity (non-GAAP)	$ 296,511	$ 273,219	$ 263,434	$ 293,345
Shares outstanding	9,523	9,788	10,932	11,013
Funded debt-to-equity ratio	4.39	3.92	2.83	2.67
Funded debt-to-tangible equity ratio (non-GAAP)	4.57	4.06	2.92	2.76
Total stockholders' equity to total assets	17.9%	19.4%	24.7%	26.1%
Tangible equity to tangible assets (non-GAAP)	17.3%	18.8%	24.1%	25.5%
Book value per share	$ 32.41	$ 28.89	$ 24.89	$ 27.49
Tangible book value per share (non-GAAP)	$ 31.14	$ 27.91	$ 24.10	$ 26.64