

Investor Presentation

September 2019

Safe Harbor Statement

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).

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, which represent the Company’s expectations or beliefs concerning future events. 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 are about matters that are inherently subject to risks and uncertainties, many of which are outside of the control of the Company. Factors that could cause actual results or performance to differ from the expectations expressed or implied in such forward-looking statements include, but are not limited to, the following: changes in general economic conditions, including levels of unemployment and bankruptcies; risks associated with the Company’s transition to a new loan origination and servicing software system; risks related to opening new branches, including the ability or inability to open new branches as planned; risks inherent in making loans, including credit risk, repayment risk, and value of collateral, which risks may increase in light of adverse or recessionary economic conditions; risks associated with the implementation of new underwriting models and processes, including as to the effectiveness of new custom scorecards; risks relating to the Company’s asset-backed securitization transactions; changes in interest rates; the risk that the Company’s existing sources of liquidity become insufficient to satisfy its needs or that its access to these sources becomes unexpectedly restricted; changes in federal, state, or local laws, regulations, or regulatory policies and practices, and risks associated with the manner in which laws and regulations are interpreted, implemented, and enforced; the impact of changes in tax laws, guidance, and interpretations, including related to certain provisions of the Tax Cuts and Jobs Act; the timing and amount of revenues that may be recognized by the Company; changes in current revenue and expense trends (including trends affecting delinquencies and credit losses); changes in the Company’s markets and general changes in the economy (particularly in the markets served by the Company); changes in the competitive environment in which the Company operates or a decrease in the demand for its products; the impact of a prolonged shutdown of the federal government; risks related to acquisitions; changes in operating and administrative expenses; and the departure, transition, or replacement of key personnel. Such factors and others are discussed in greater detail in the Company’s filings with the SEC. The Company cannot guarantee future events, results, actions, levels of activity, performance, or achievements. Except to the extent required by law, neither the Company nor any of its respective agents, employees, or advisors intend or have any duty or obligation to supplement, amend, update, or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

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Investment Highlights



Profitability Growing While Investing for the Long-Term



Financial Results

- 2018 results: 4.0% ROA and 13.6% ROE
- 380 bps improvement in G&A as % of average finance receivables since 2015

Growth

- Branch footprint more than tripled over past 10 years
- Large loan portfolio receivables CAGR of 76% from 2015 to 2018
- 17 consecutive quarters of year-over-year double-digit receivable growth
- 12 consecutive quarters of year-over-year double-digit revenue growth

Credit

- Deployed custom credit scorecards and convenience check risk and response models in 1Q 2019
 - Over 50% of core branch small and large portfolio now underwritten using new scorecards as of June 30, 2019

Technology

- Converted to Nortridge Loan Origination and Servicing System (“NLS”)
- New customer account portal
- Investing in digital capabilities
- Texting to customers

Company Overview



History

- Consumer finance company founded in 1987
- Focused on consumer installment lending
- IPO: March 2012; NYSE: RM

Who We Are

- 356 branches in 11 states as of June 30, 2019
- Total receivables of \$973 million as of June 30, 2019
 - Large loans a key source of growth since early 2015
- Multiple origination channels
 - Branches, direct mail, digital, referrals, and retailers

Abundant Market Opportunity to Serve the Underserved

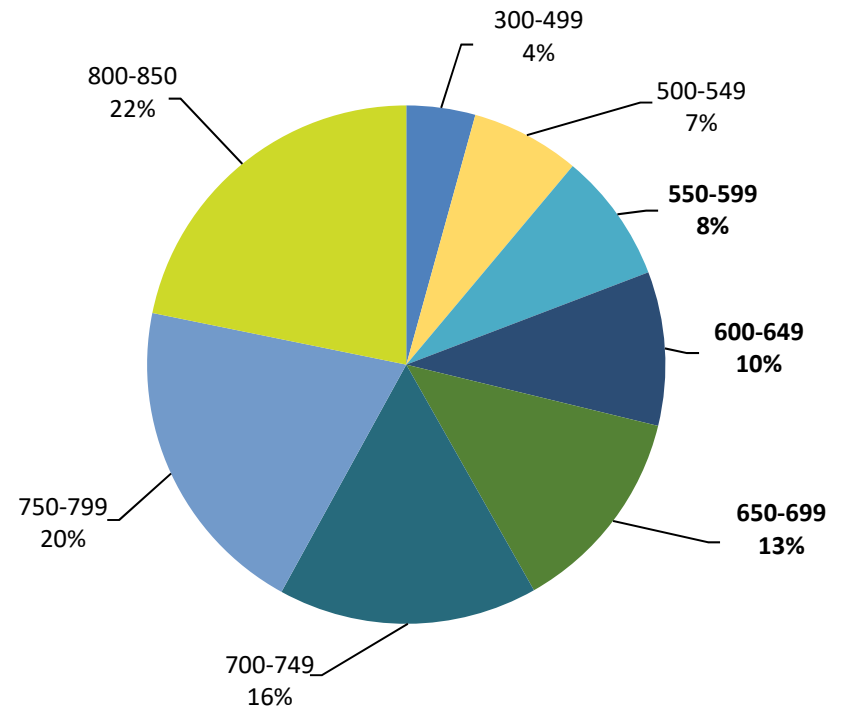
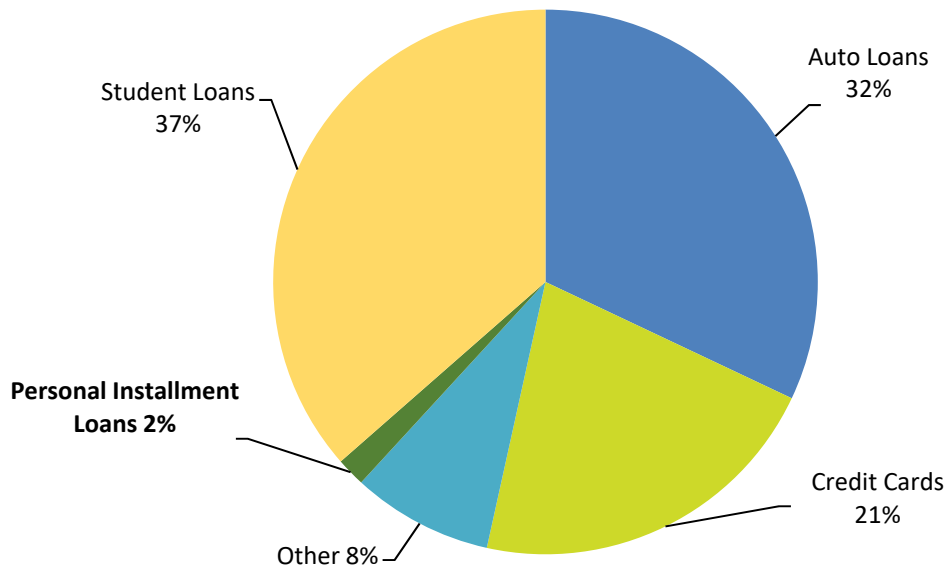


- Approximately **80 million** Americans generally align with Regional’s customer base
- **\$66 billion** market opportunity – RM has 2% market share; significant runway for growth

\$3.9 Trillion Consumer Finance Market ⁽¹⁾

Personal Installment Loans Account for ~\$66 billion ⁽²⁾

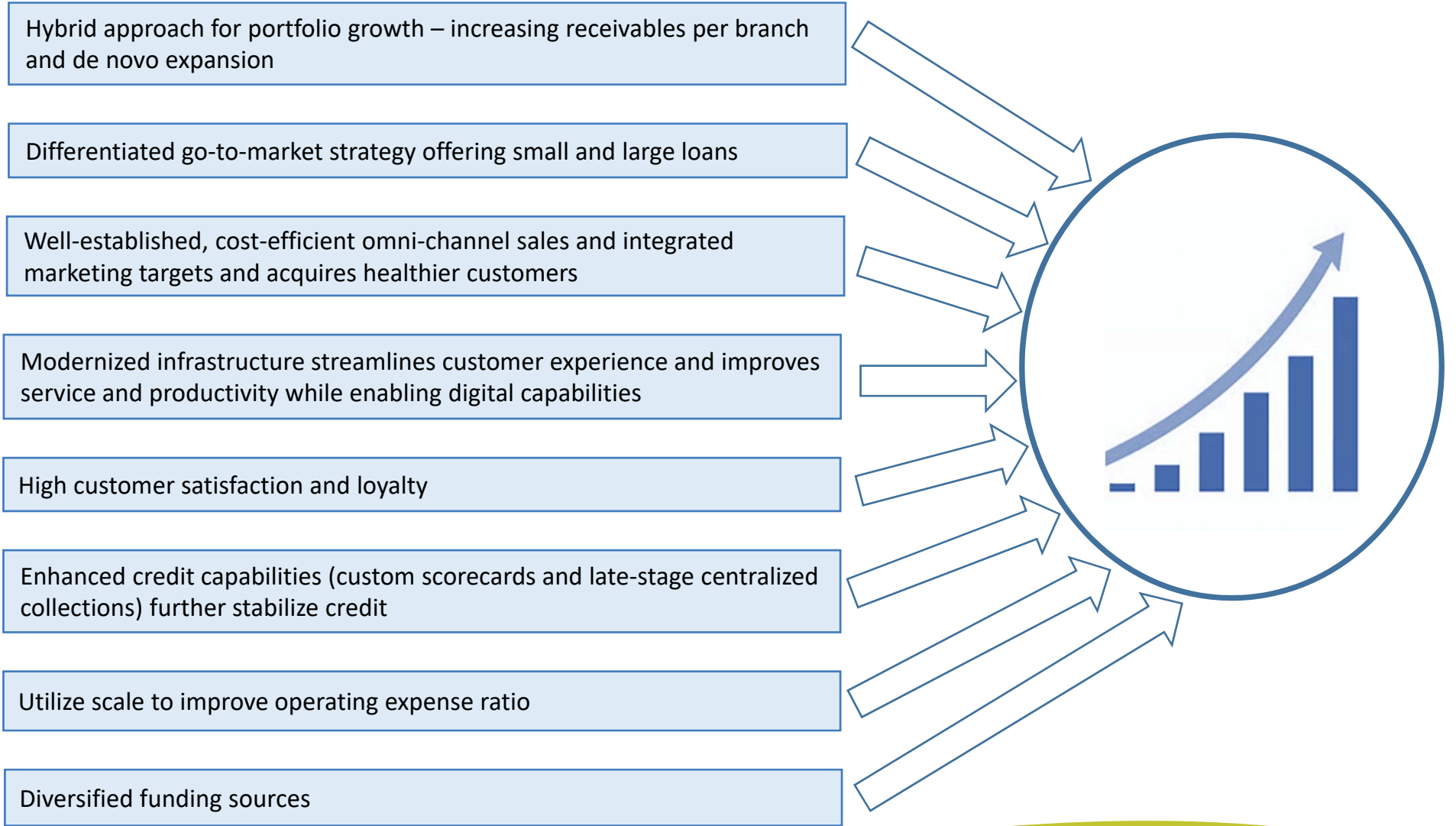
31% of US Population with FICO Between 550 & 700



⁽¹⁾ Sourced from Federal Reserve Bank of New York; 2Q 2018 Quarterly Report on Household Debt and Credit; excludes residential mortgage and home equity revolving credit

⁽²⁾ Sourced from Equifax US National Consumer Credit Trends Report; June 2018, sourced from August 2018 publication

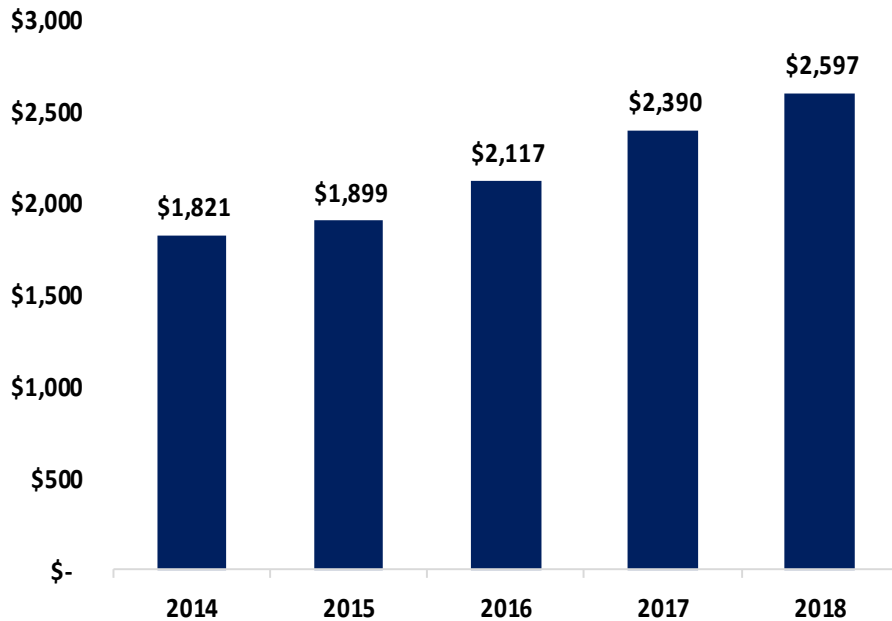
Supporting Growth to Generate Shareholder Value



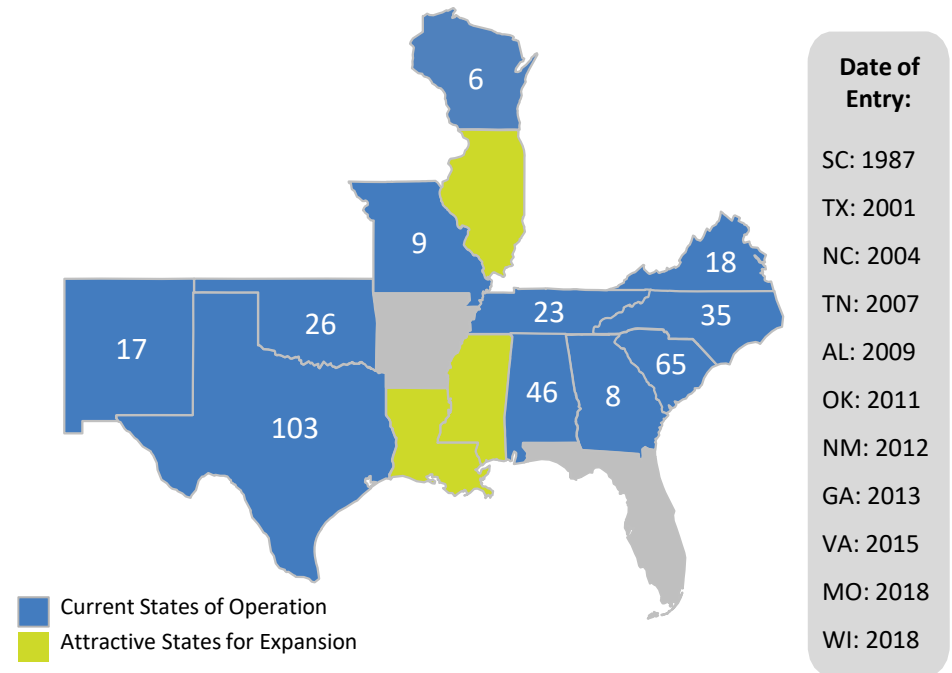
Hybrid Approach to Growth

- Multiple channels and products provide attractive market opportunities
 - Most loans serviced and collected through branches
 - Late-stage delinquency through centralized collections group
- Most branches with significant capacity to increase size of their portfolios
- Wisconsin expansion in 4Q 18; 15 de novo branches expected in 2019

Finance Receivables Per Branch



Geographic Footprint ⁽¹⁾



(1) As of 6/30/2019

Multi-Product Offering Fits Customer Needs



- Product suite provides multiple solutions for customers as their credit needs evolve
- Easy-to-understand products based on credit underwriting and ability to repay
- Ability to cost-effectively “graduate” qualified small loan customers to larger loans at reduced rates

	Small	Large	Retail
Customer Need	<ul style="list-style-type: none"> ▪ Short-term cash needs ▪ Bill payment ▪ Back-to-school expenses ▪ Auto repair 	<ul style="list-style-type: none"> ▪ Loan consolidation ▪ Medical expenses ▪ Home repairs 	<ul style="list-style-type: none"> ▪ Home furnishings ▪ Appliances ▪ Televisions and electronics
Size (a)	Range: \$500 to \$2,500 Average: ~\$1,900	Range: \$2,501 to \$12,000 Average: ~\$5,300	Range: Up to \$7,500 Average: ~\$2,100
Term	Up to 48 months	18 to 60 months	6 to 48 months
Security	Non-essential household goods	Title to a vehicle and/or non-essential household goods	Purchased goods (e.g. furniture)
Finance Receivables (b)	\$431.2 million	\$498.8 million	\$27.8 million
# of Loans (b)	~272,000	~111,000	~19,000
Average APR (c)	43.5%	30.0%	22.2%

(a) Represents the average origination loan size (new and renewal) for quarter ended June 30, 2019

(b) As of June 30, 2019

(c) Fixed interest rates; represents average portfolio APR for the quarter ended June 30, 2019

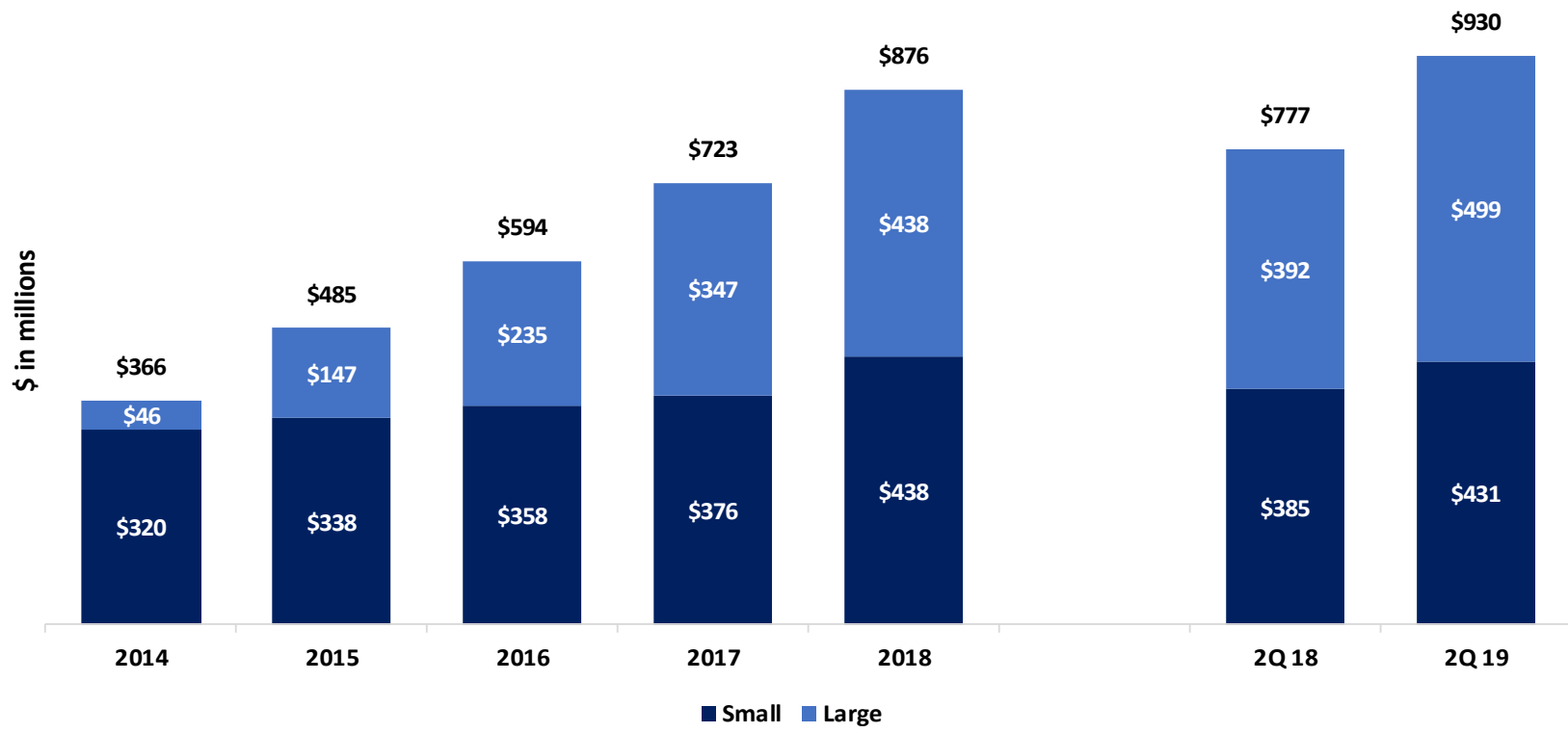
Note: Product offering table excludes \$15.7 million auto portfolio (as of June 30, 2019), as the Company is no longer originating auto loans.

Core Loan Portfolio Growth Driven by Large Loan Receivables



Since adding large loans as a core product in 2015, large loan receivables have grown approximately 981%, from \$46 million to \$499 million

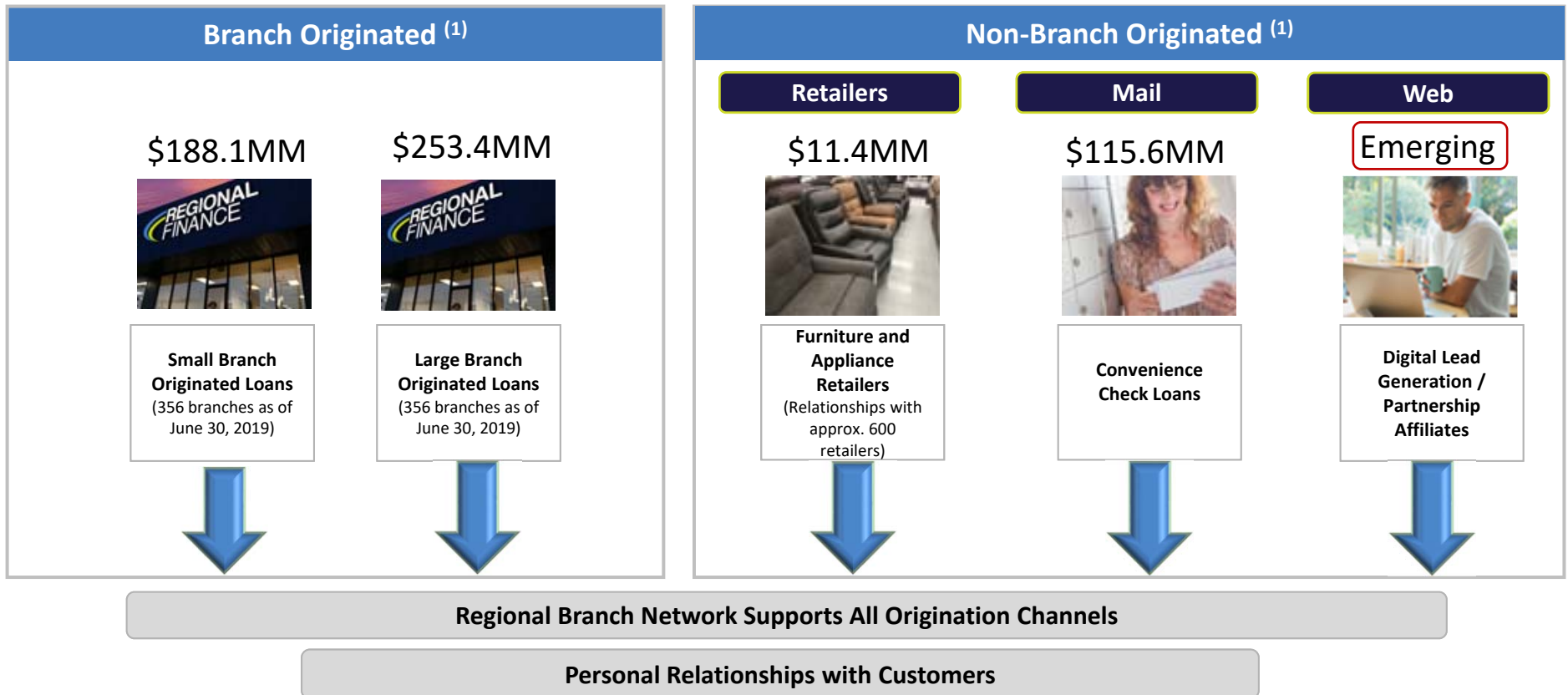
Core Loan Finance Receivables



YoY % Increase	2015	2016	2017	2018	2Q 19
	32.6%	22.5%	21.8%	21.1%	19.7%

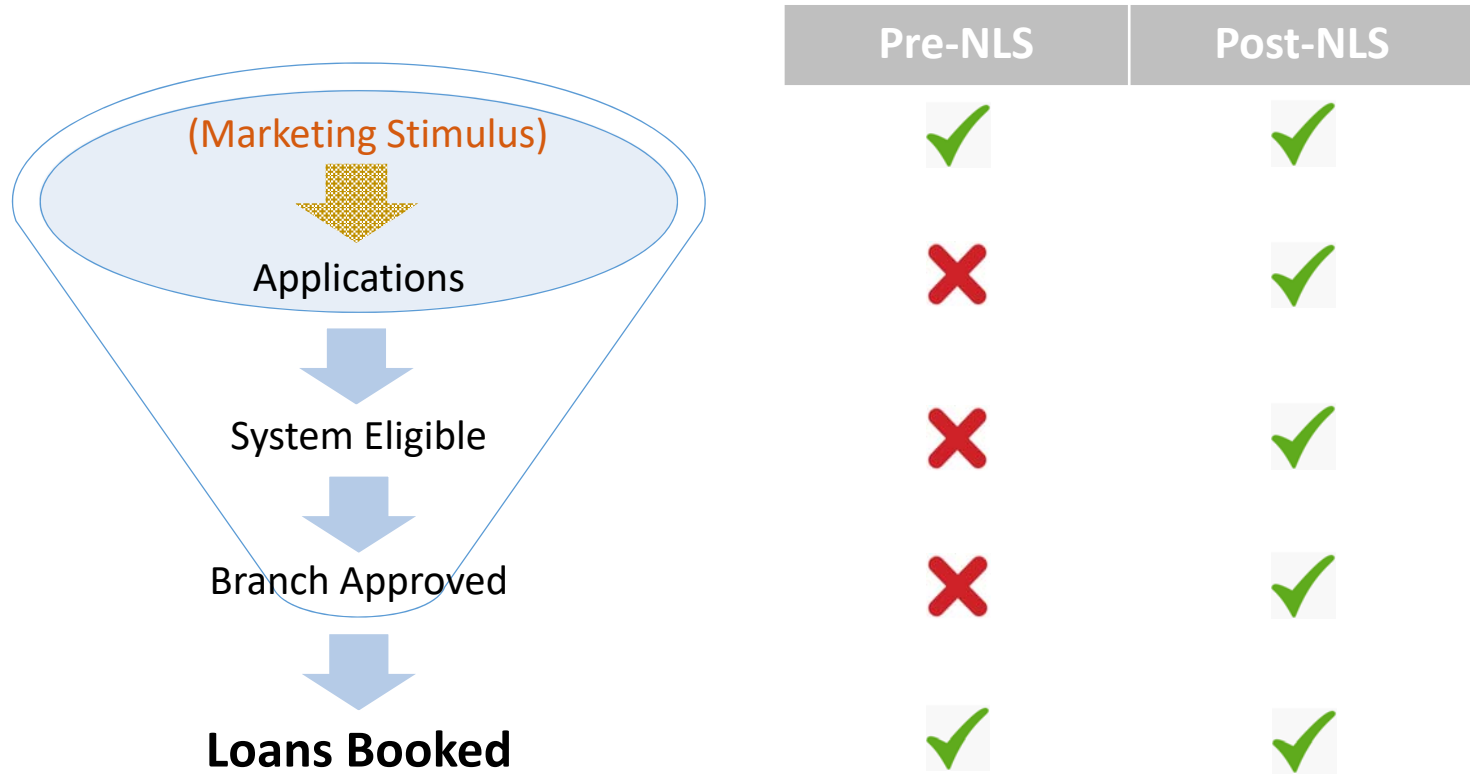
Omni-Channel Originations

- Branches are the foundation of Regional’s multi-channel strategy
- Mail campaigns attract ~100,000 new customers per year to Regional
- Continued expansion of digital channel / online lending capabilities to acquire customers



(1) YTD Origination Volume as of June 30, 2019

NLS provides visibility to the “application funnel” that was previously invisible



Understanding “funnel dynamics” provides significant benefit to Marketing, Risk, and Operations

A Snapshot of Regional's Digital Journey – 2016 to 2019



#	Function	2016	2019
1	Loan Origination Process	<ul style="list-style-type: none"> Paper-based process 	<ul style="list-style-type: none"> Implemented in NLS as streamlined workflow from application to booking Debt Consolidation Sales Tools in NLS
2	Loan Underwriting Process	<ul style="list-style-type: none"> Manual and paper-based process 	<ul style="list-style-type: none"> Automated in NLS and implemented logistic regression Custom Scorecards
3	Loan Booking Process	<ul style="list-style-type: none"> Manual data entry 	<ul style="list-style-type: none"> Implemented in NLS as streamlined workflow from application to booking
4	Loan Servicing	<ul style="list-style-type: none"> Legacy end-of-life system 	<ul style="list-style-type: none"> Implemented in NLS and includes electronic payments and texting
5	Compliance Controls in Branch Operations	<ul style="list-style-type: none"> Manual origination controls Fewer servicing controls in legacy system 	<ul style="list-style-type: none"> Numerous automated controls implemented in NLS
6	Branch and RMC Central Workflow	<ul style="list-style-type: none"> Primarily paper and fax workflow 	<ul style="list-style-type: none"> Automated workflow and decisioning implemented in NLS
7	Digital Documents in Branches	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Scanning and upload capabilities into NLS
8	Digital Self-Servicing	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Customer Portal implemented and includes electronic payments
9	In-Branch Recurring Payments	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Branches can set up recurring payments for customers
10	Digital Affiliate Lead Generation	<ul style="list-style-type: none"> Rudimentary processes and no prequalification criteria 	<ul style="list-style-type: none"> Improved prequalification criteria Acquired more affiliate partners and have grown this channel 5x
11	Digital Customer Interaction	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Mobile texting implemented for payment and late fee notifications Emails to prospects being tested

Top-Shelf Customer Satisfaction



Top-three box (8, 9, or 10 out of 10) customer satisfaction of 88%



75%+ customers would apply to Regional Finance first the next time they need a loan



~90% favorable ratings for key attributes:

- Loan process was quick, easy, affordable, understandable
- People are professional, responsive, respectful, knowledgeable, helpful, friendly



Texting, online account self-service, electronic payments, and digital lending should increase customer satisfaction

Our Typical Customer

Our customer demographics...



Average age ⁽¹⁾
51 years



Annual income ⁽²⁾
\$45,000

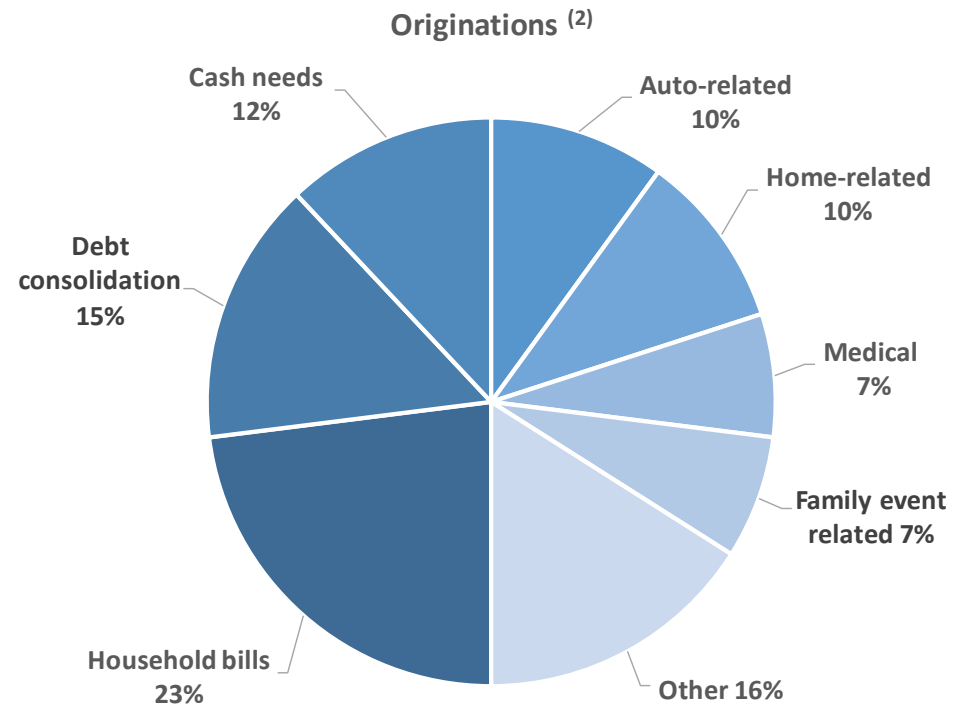


Homeownership ⁽¹⁾
60%



College or advanced degree ⁽²⁾
32%

How we solve their financial needs...

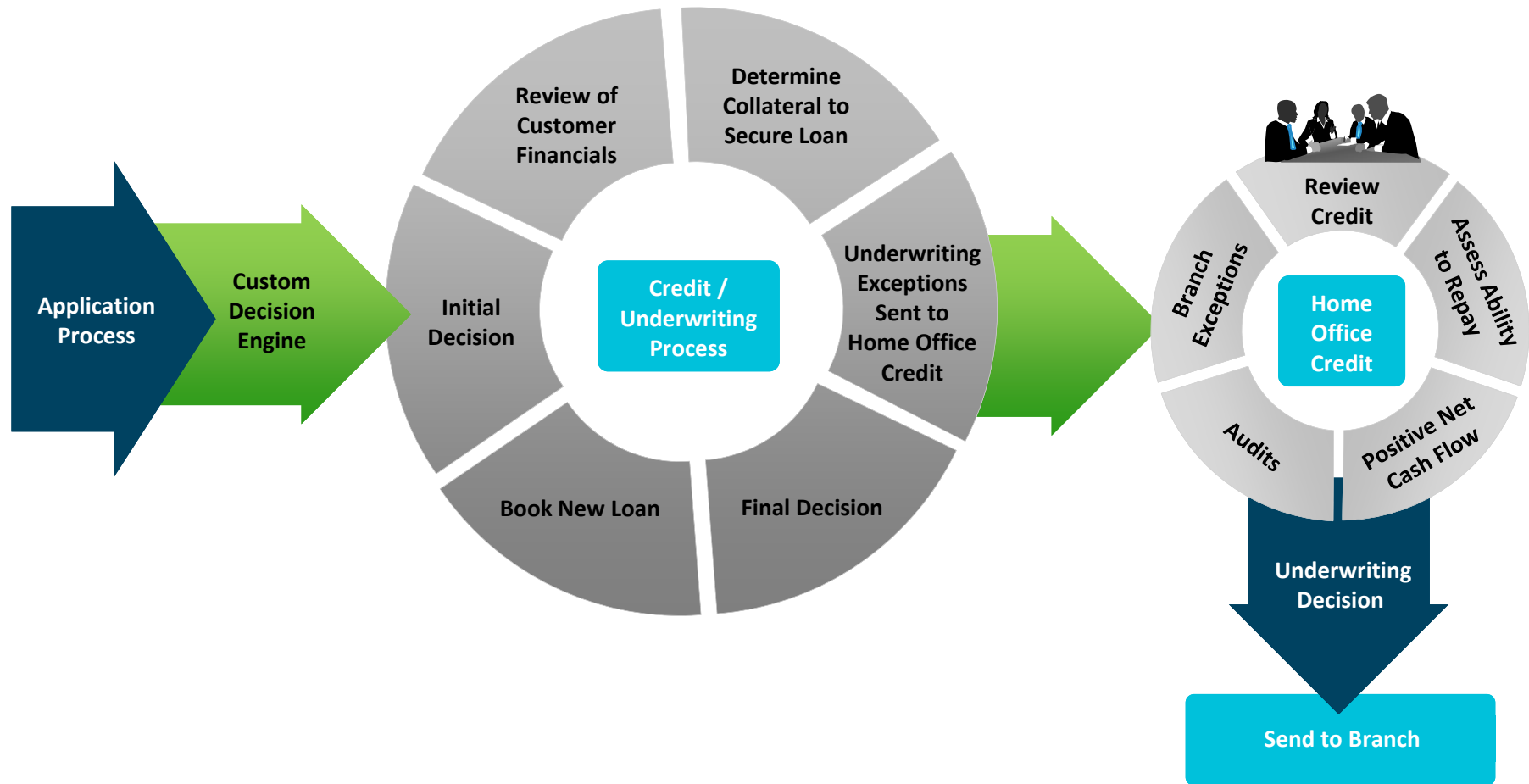


(1) Portfolio as of June 30, 2019

(2) Sourced from October 2018 Customer Satisfaction Survey

Robust Loan Approval Process

- Custom automated decision engine used to determine if customer qualifies for product offerings
- Product offering is based on risk profile of customer and their ability to repay
- Credit exceptions are administered by central underwriting team



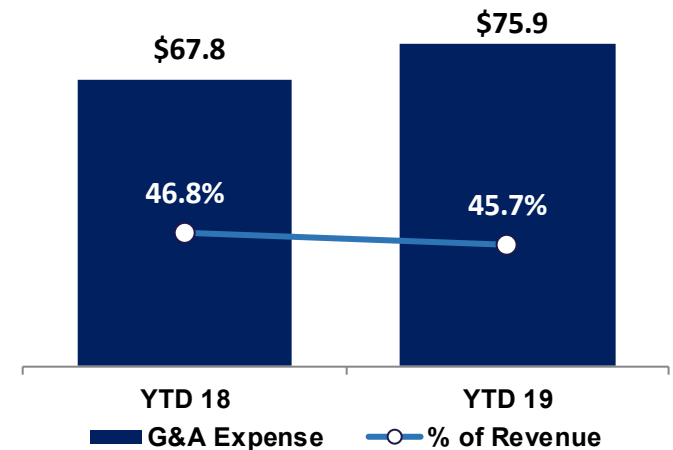
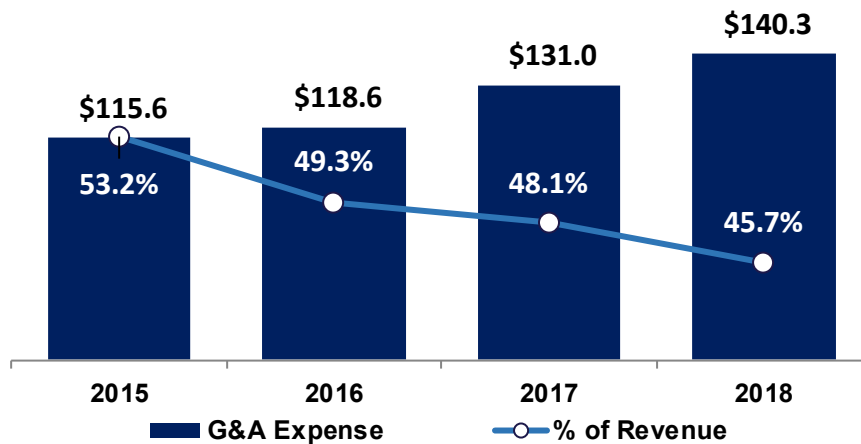
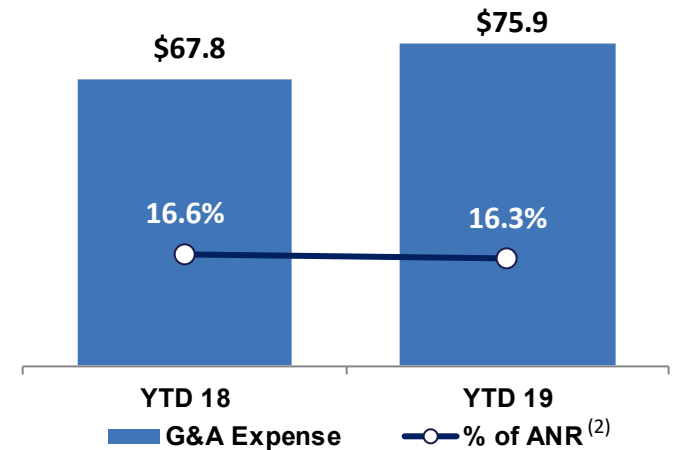
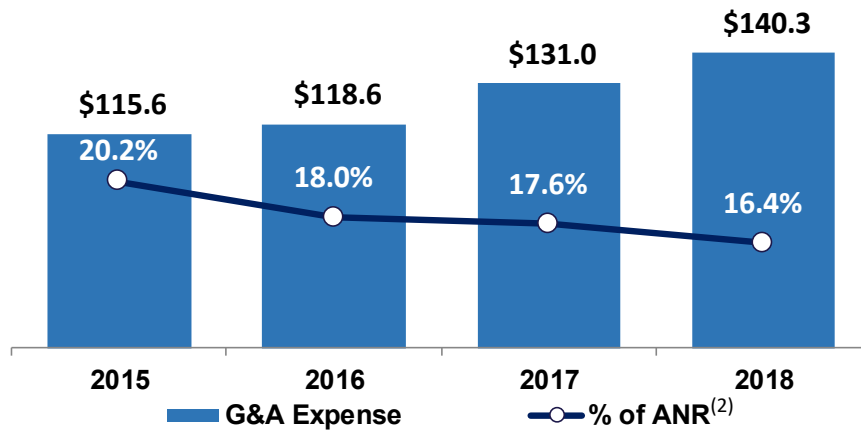
Optimizing Expense Structure



Achieving operating leverage while reinvesting in the business

Operating Expense Ratios ⁽¹⁾

(\$ in millions)



(1) YTD figures through 2Q of each respective period

(2) Annualized as a percentage of average finance receivables

Volume Driven Revenue Growth

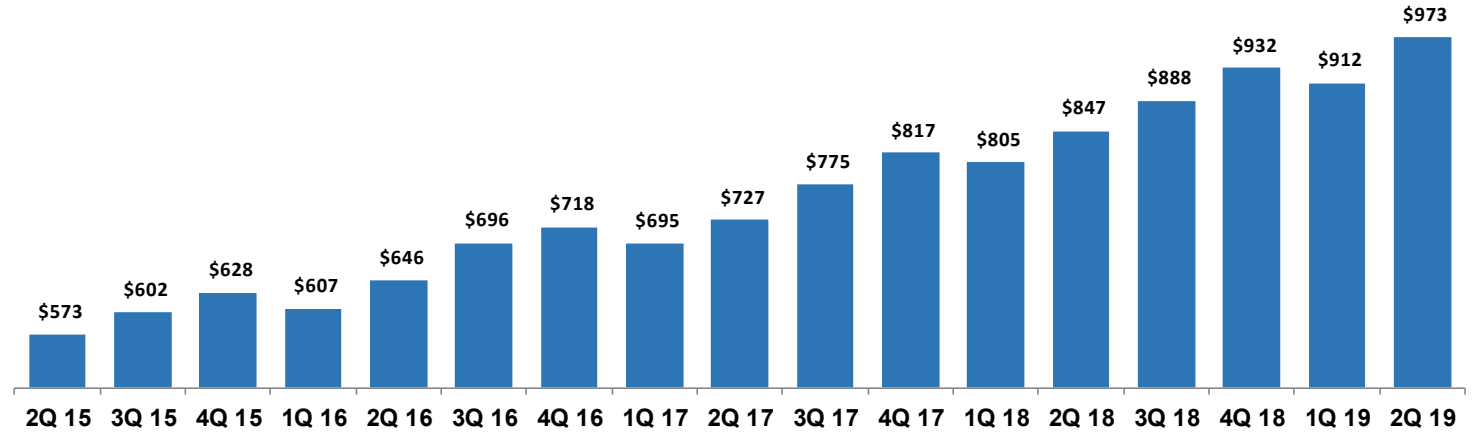


17 consecutive quarters of year-over-year double-digit receivable growth

12 consecutive quarters of year-over-year double-digit revenue growth

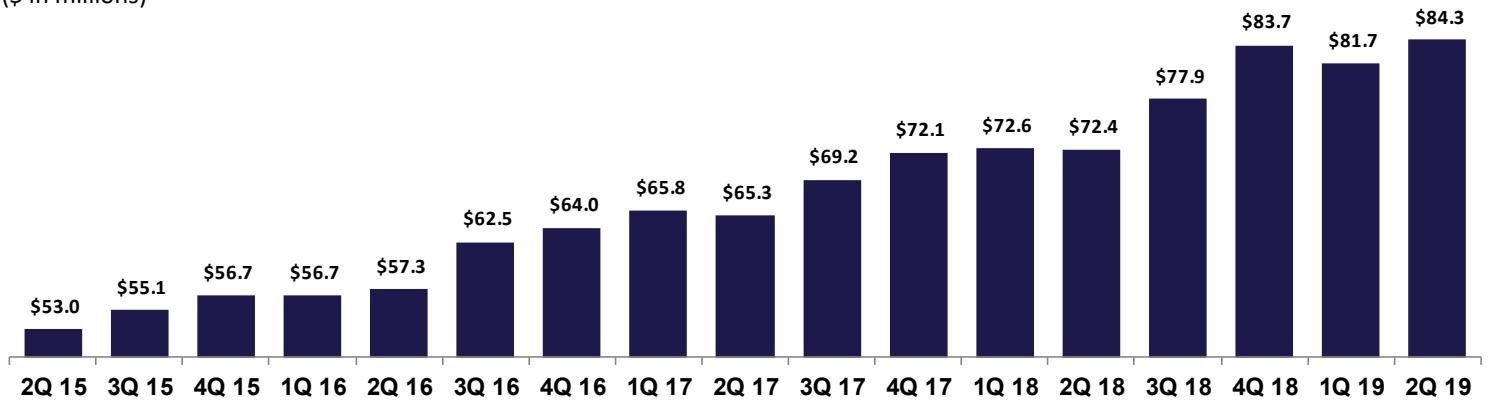
Finance Receivables

(\$ in millions)



Total Revenue

(\$ in millions)



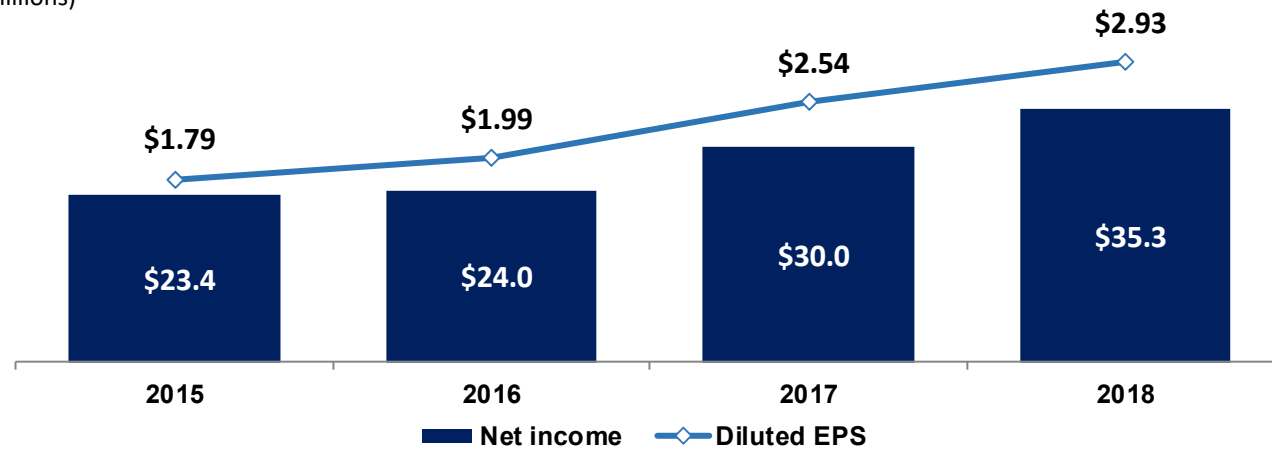
Growing Receivables and Expanding Bottom Line Lead to Consistent Returns



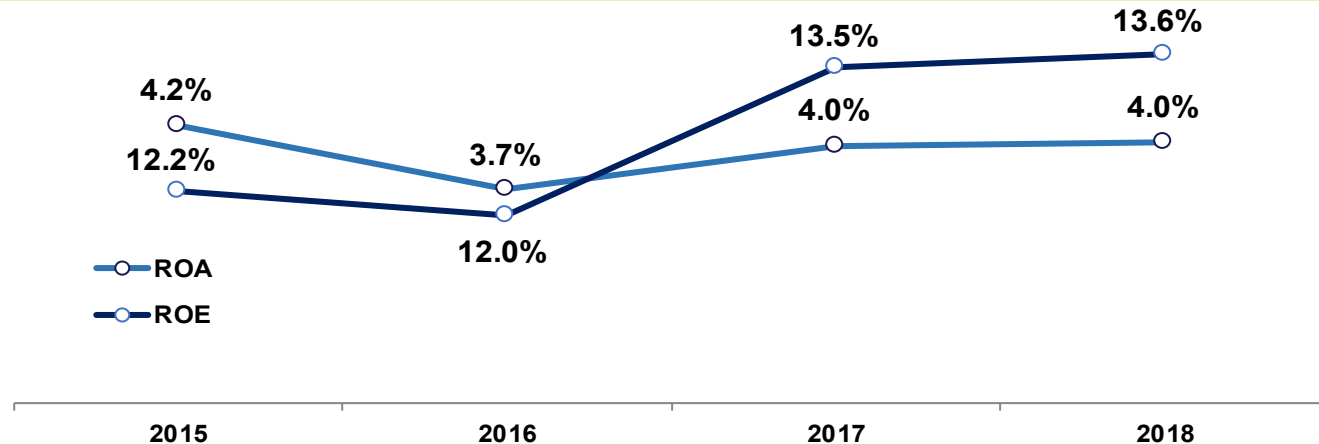
Expansion of net income and EPS follow receivable growth, coupled with consistent returns

Net Income & Diluted Earnings Per Share

(\$ in millions)



Return on Assets & Return on Equity



Diversified Liquidity Profile



- Long history of liquidity support from a strong group of banking partners
- Diversified funding platform with a senior revolving facility, warehouse facility, amortizing loan, and securitizations

Senior Revolver

- **Size:** \$638 million
- **Interest Type:** Floating
- **Maturity:** June 2020
- **Lenders:** Bank of America, Wells Fargo Bank, BMO Harris, First Tennessee, Texas Capital, Synovus, Bank United
- **Collateral:** Allows for the funding of Small, Large, Retail, and Auto Loans
- Facility has been upsized and renewed multiple times over the last 30 years

Warehouse Facility

- **Size:** Up to \$150 million
- **Interest Type:** Floating
- **Maturity:** February 2021
- **Administrative Agent:** Wells Fargo Bank
- **Structuring Agent:** Credit Suisse
- **Collateral:** Allows for the funding of Large Loans

Amortizing Loan

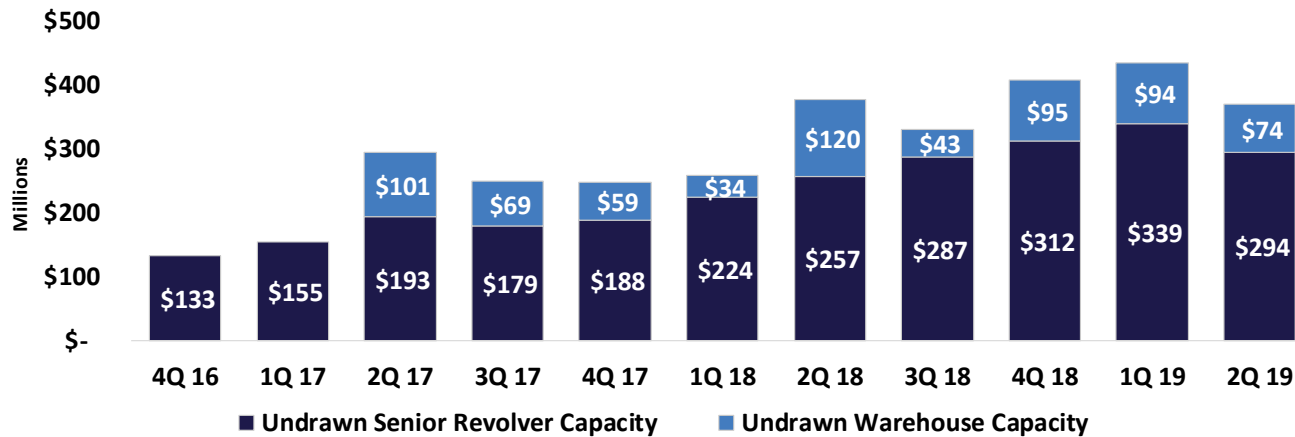
- **Original Size:** \$76 million
- **Interest Type:** Fixed
- **Maturity:** December 2024
- **Administrative Agent:** Wells Fargo Securities
- **Collateral:** Allowed for the funding of Auto Loans
- Upsized the transaction by \$38 million in November 2017

Large Loan Securitizations

- **Size:** Successfully completed two transactions totaling \$280 million
- **Interest Type:** Fixed
- **Maturities:** \$150 million, July 2027
\$130 million, January 2028
- **Lenders:** Qualified institutional investors
- **Collateral:** Allows for the funding of Large Loans

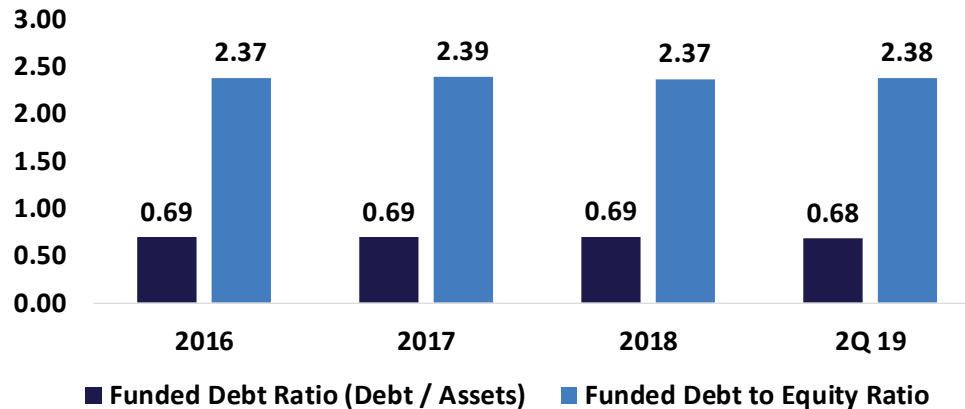
Significant Capacity to Fund Growth

Debt Capacity

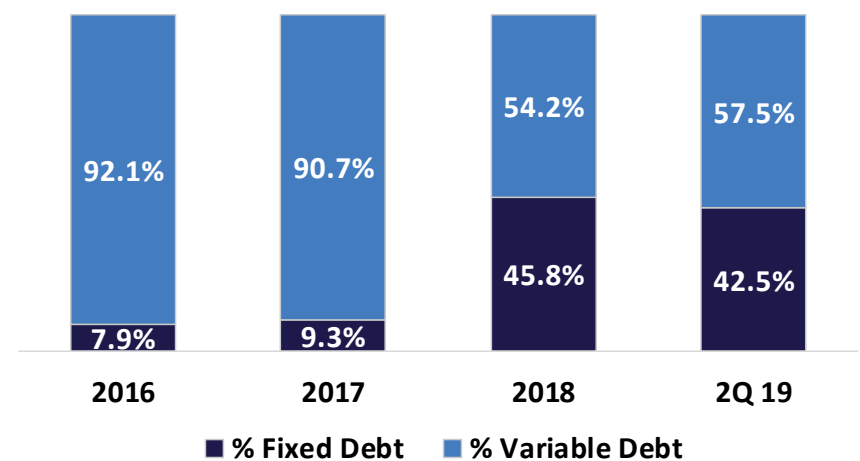


- As of June 30, 2019, total undrawn capacity was \$368 million (subject to borrowing base)
- Fixed rate debt represents 42% of total debt

Funded Debt Ratio



Fixed vs Variable Debt



Interest Expense % ⁽¹⁾	2016	2017	2018	2Q 19
	3.1%	3.2%	3.9%	4.2%

(1) Annualized interest expense as a percentage of average finance receivables

Investment Highlights



Appendix

Deep and Tested Management Experience

Peter Knitzer
President
and CEO

- 30+ years of consumer financial services experience
- Spent 14 years at Citi in various senior roles, including Chairman & CEO of Citibank North America
- Prior to joining Regional, was EVP and Head of Payments at CIBC, and President and Director at E*TRADE Bank

John Schachtel
COO

- 30+ years of consumer financial services experience
- Prior to joining Regional, was COO at OneMain Financial
- Extensive operations experience at CitiFinancial (now OneMain)

Rob Beck
CFO

- 30+ years of finance and accounting experience
- Also spent 29 years at Citi, including service as COO of the US Retail Bank
- Prior to joining Regional, was EVP and COO for the Leukemia and Lymphoma Society

Dan Taggart
Chief Credit
Risk Officer

- 20+ years of financial services and credit experience
- Prior to joining Regional, was SVP at Wingspan Portfolio Advisors, managing servicing and loss mitigation
- Also spent 11 years at Citi, including service as SVP and Chief Credit Officer at CitiFinancial

Jim Ryan
Chief
Marketing
Officer

- 20+ years of consumer financial services experience
- Prior to joining Regional, was Chief Marketing Officer at OneMain Financial for 10 years
- Also held additional senior positions at CitiFinancial, including SVP of Operations and Vice President of Credit Risk

Strong Corporate Governance and Board of Directors



Board of Directors (Non-Employee Directors)

