REGIONAL® MANAGEMENT

RM
LISTED
NYSE



SFVegas Presentation

February 2024

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 evolving underwriting models and processes, including as to the effectiveness of Regional Management's 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; any future public health crises (including the resurgence of COVID-19), including the impact of such crisis on our operations and financial condition; 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; the impact of changes in tax laws and guidance, 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 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.

Company Overview

Company Overview

Diversified consumer finance company operating under the name “Regional Finance”

Provide installment loan products primarily to customers with limited access to consumer credit from banks, thrifts, credit card companies, and other lenders

Goal to consistently grow finance receivables and soundly manage portfolio risk, while providing customers with attractive, safe, easy-to-understand loan products serving their varied financial needs

Founded 1987

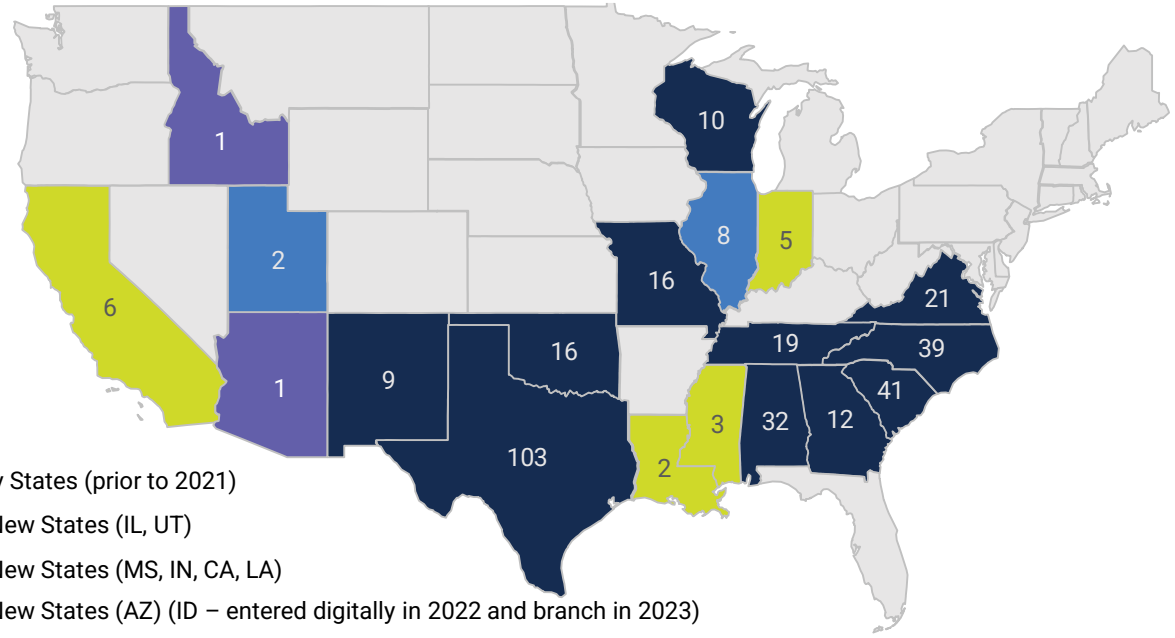
NYSE Listed: RM

346 branches

19 states

Total receivables of $1.77 billion

Multi-channel marketing: branches, digital, and direct mail



- Legacy States (prior to 2021)
- 2021 New States (IL, UT)
- 2022 New States (MS, IN, CA, LA)
- 2023 New States (AZ) (ID – entered digitally in 2022 and branch in 2023)
- Potential Future State Expansion

Geographic footprint and net finance receivables as of 12/31/2023



Growth Strategy





Geographic Expansion

Identified states with favorable economics for expansion

Continue to identify opportunities to optimize branch network within existing footprint

Continue to drive scale using centralized originations and servicing



Accelerated Innovation

Deploy new technology to further omni-channel experience

Leverage data and analytics to improve credit underwriting, customer acquisition and retention, and back-office capabilities



Product and Channel Expansion

Execute on distribution of larger auto-secured loans and E2E originations

Assess new product offerings in the marketplace

National scale should enable additional strategic partnerships

Investment Highlights



Strong balance sheet supports capital returns



Controlled growth with stable credit using advanced credit tools



Geographic, product, and channel expansion drive growth



Modern infrastructure and digital capabilities



High customer satisfaction and loyalty



Scale, digital capabilities, and lighter footprint will drive operating leverage



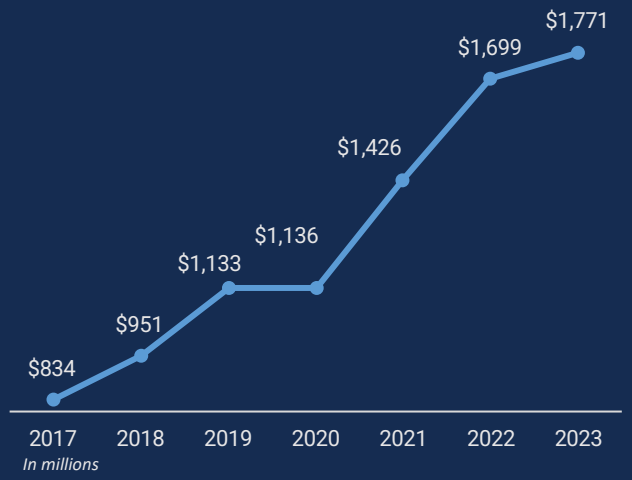
Omni-channel growth strategy with abundant market opportunity



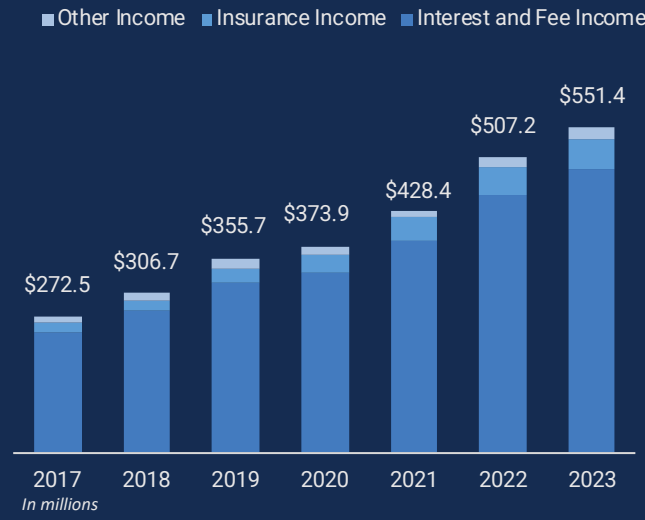
Deep management experience through credit cycles

Financial Results

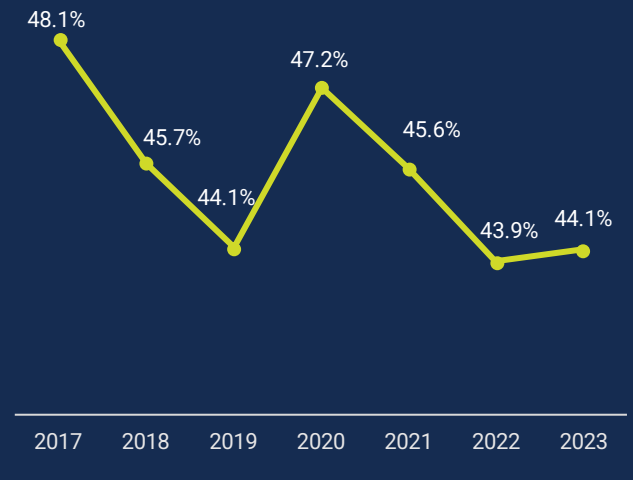
Net Finance Receivables



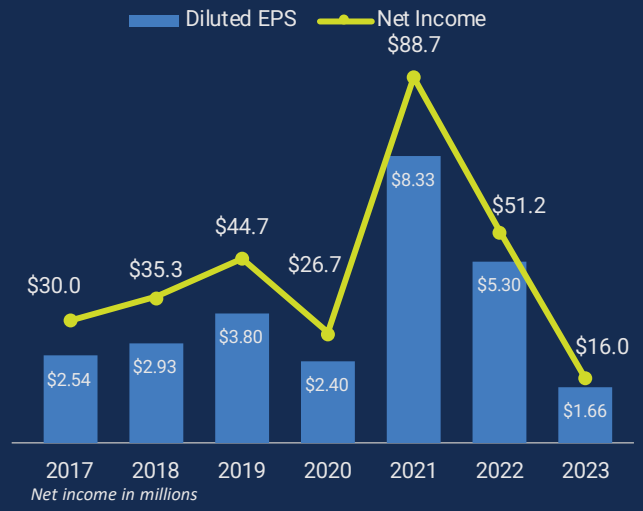
Revenue



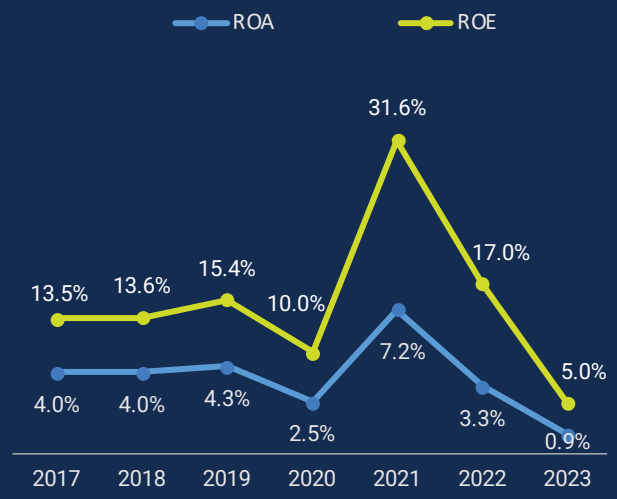
Efficiency Ratio



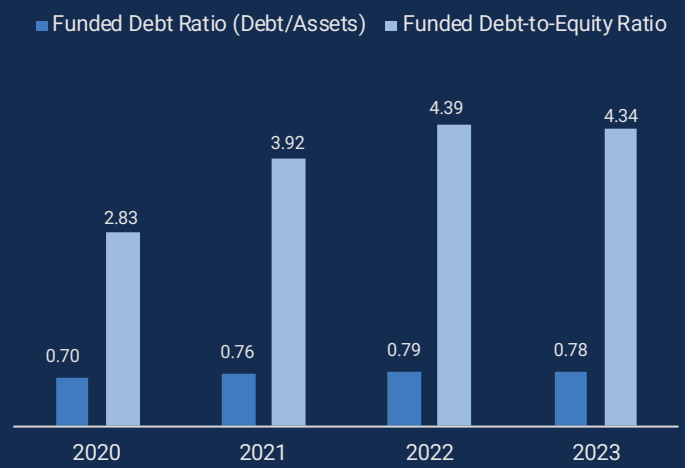
Net Income and Diluted EPS



ROA and ROE



Funded Debt Ratios



- Continued growth in account base and portfolio in controlled and profitable manner
- Digital initiatives, new state expansion, and new product development have driven strong growth
- Enhanced prequalification capabilities and tighter integration with digital affiliate partners drive better digital leads
- Branch consolidations and our new-state, lighter-footprint strategy with larger branches are driving better efficiencies through higher ENR per branch

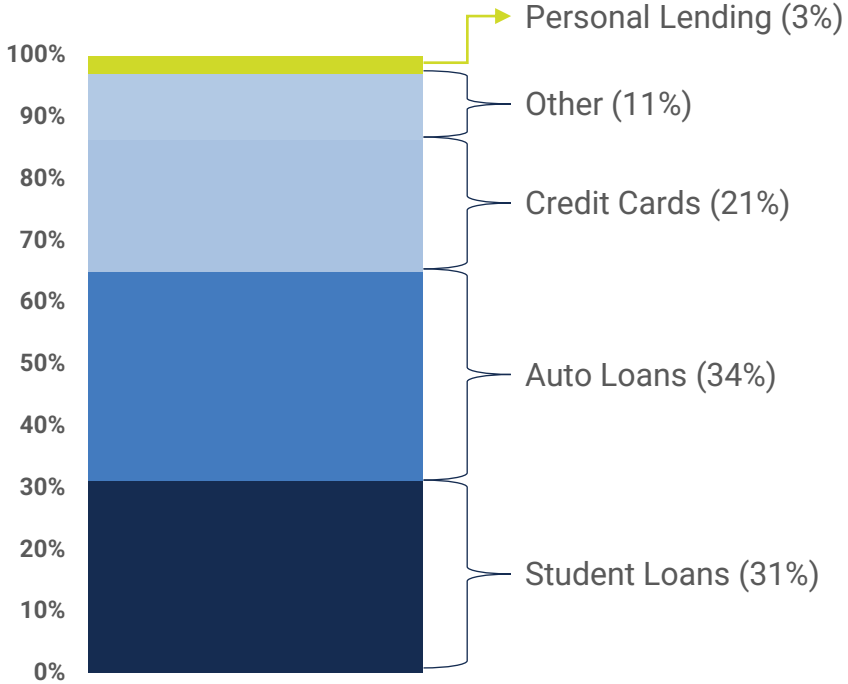
Abundant Total Addressable Market

Approximately **72 million** Americans generally align with Regional's customer base[1][3]

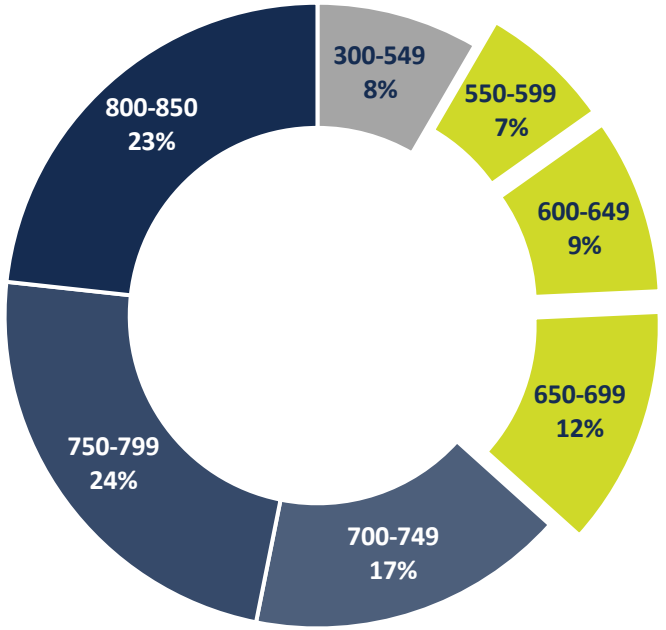
$91 billion market opportunity – RM has less than 2% market share and increased our addressable market by over 80% since 2020; still significant runway for growth

$4.7 Trillion Consumer Finance Market [2]

Personal Installment Loans Account for ~$91 billion [1]



28% of US Population with FICO Between 550 & 700 [3]





(1) Adult US Population sourced from US Census Bureau www.census.gov/library/stories/2021/08/united-states-adult-population-grew-faster-than-nations-total-population-from-2010-to-2020.html
(2) Sourced from Equifax US National Consumer Credit Trends Report; June 2023
(3) Sourced from Arkali, Can. "Average U.S. FICO® Score Stays Steady at 716" *FICO.com*, 30 Aug. 2022, www.fico.com/blogs/average-us-fico-score-stays-steady-716-missed-payments-and-consumer-debt-rises

Our Customer

Top-Notch Customer Service

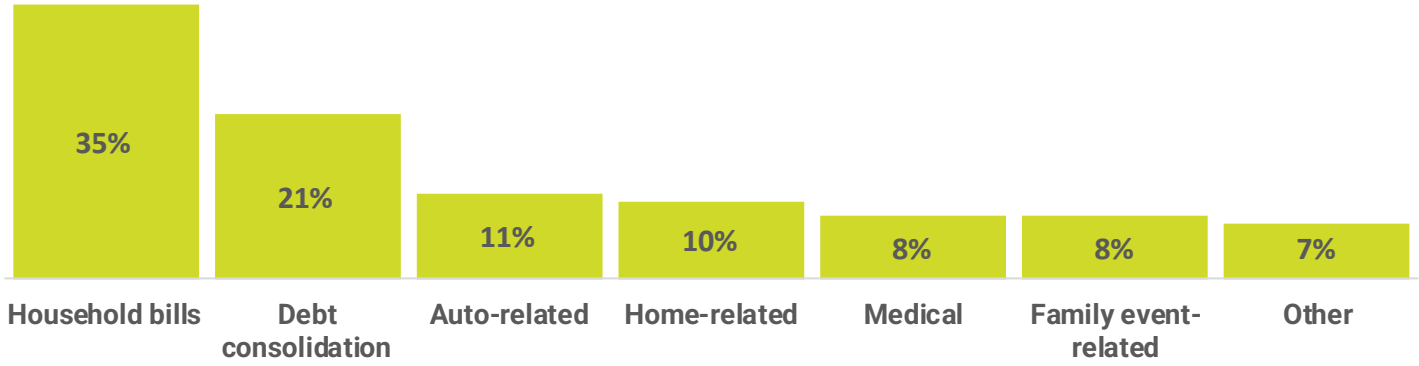
90%+ favorable ratings for key attributes [1]:

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

- Continued investment in digital channels, remote servicing options, and laser focus on delivering a positive customer experience has allowed us to maintain strong metrics
- 89% of customers would apply to Regional Finance first the next time they need a loan

- Net promoter score of 64 representing our customers' strong loyalty and willingness to recommend our products to others [1]

Origination Needs [1]



Demographics

Average Age [2]
55 Years

Annual Income [2]
$51,000

Some College or Advanced Degree [1]
54%



(1) Fall 2023 Customer Satisfaction Survey (performed by third-party and commissioned by RM)
(2) Data as of 12/31/2023

Product Offering

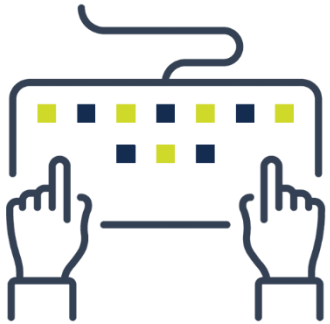
Multi-Channel Acquisition

In Branch
$947.8MM Originated
68% Large/32% Small

Direct Mail
$418.9MM Originated
Convenience Check Loans

Digital
$168.3MM Originated
Digital Lead Generation
Partnership Affiliates





Small Loans

Customer Need	Characteristics	Portfolio
Short-term cash needs	Size: $500 to $2,500	Outstanding Balance: $493.5MM
Bill payment	Average Origination: ~$2,100	# of Loans: 289,300
Back-to-school expenses	Average Origination APR: 45.2%	
Auto repair		

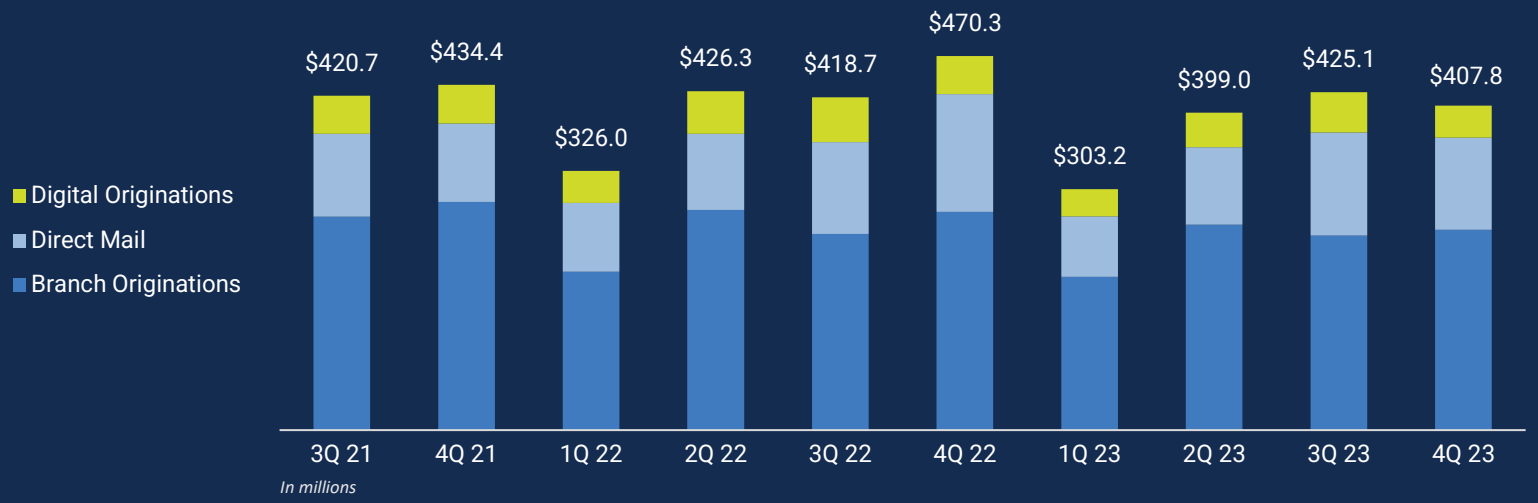
Large Loans

Customer Need	Characteristics	Portfolio
Debt consolidation	Size: $2,501 to $25,000	Outstanding Balance: $1,274.1MM
Medical expenses	Average Origination: ~$5,800	# of Loans: 246,600
Home repairs	Average Origination APR: 29.7%	

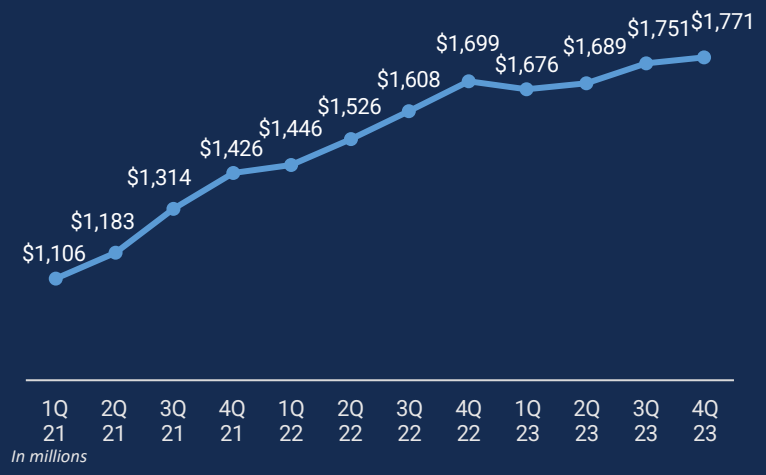
Originations and portfolio metrics YTD and as of 12/31/2023

Originations

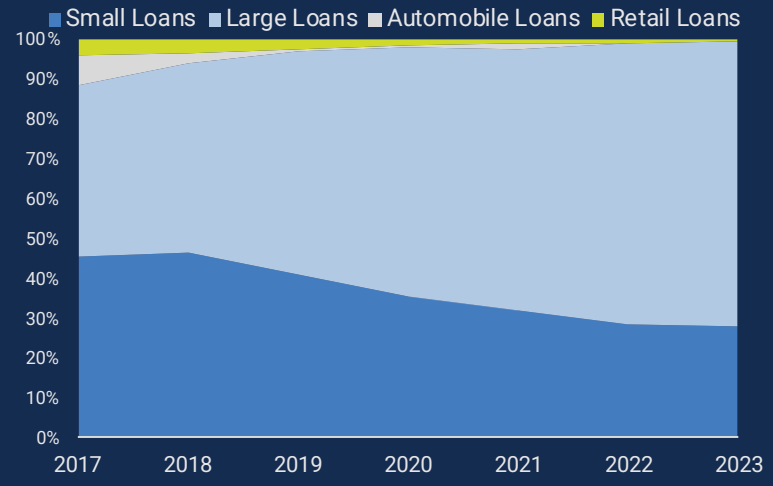
Originations by Acquisition Channel



Net Finance Receivables



Portfolio Mix % of ENR



Originations Lower from Credit Tightening

Year-over-year growth rate reduced from credit tightening actions; originations were more concentrated on programs to present and former borrowers, which perform better than new borrowers

4Q 23 direct mail, digital and branch originations were down year-over-year 21.8%, 16.4%, and 8.1%, respectively, from tightened credit and focus on present and former borrowers

Controlled Portfolio Growth

Record ENR of $1.8 billion, including highest level of small loans at $493 million

Generated sequential portfolio growth of $20 million (inclusive of $16 million reduction from loan sale), or 1.2%, in 4Q 23

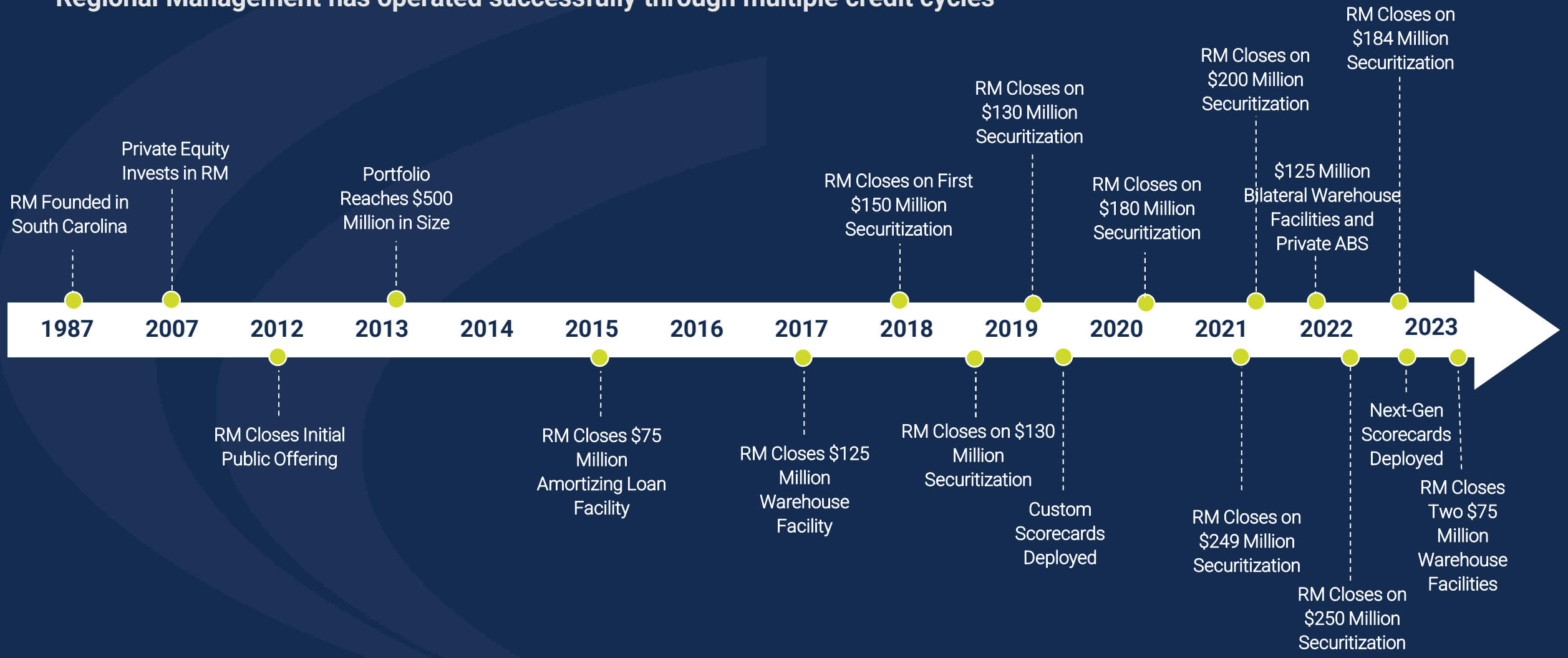
Achieved year-over-year loan growth of $72 million, or 4.2%, in 4Q 23, down from 19.2% in 4Q 22 due to credit tightening for disciplined growth

As of December 31, 2023, 84% of our portfolio carried an APR at or below 36%, down from 86% as of the prior year-end, as we grew our small loan portfolio by $49 million over the last two quarters

Funding

Evolution of Regional Management Funding

Regional Management has operated successfully through multiple credit cycles



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 [1]	Warehouse Facilities	Private Securitization	Securitizations
Size	$355 million	$375 million	$125 million	$1.0 billion
Interest Type	Floating	Floating	Fixed	Fixed
Maturity	Sep 2025	$100 million, Nov 2025 $125 million, May 2026 $75 million, Feb 2026 $75 million, Oct 2025	Oct 2033	2020-1, $145 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, 2023)	8.44% (one-month SOFR plus a 3.00% margin and a 0.10% SOFR spread adjustment with a SOFR floor of 0.50%)	$100 million, 8.34% (the commercial paper rate plus a margin of 2.75%) $125 million, 8.24% (one-month SOFR plus a margin of 2.80% and a 0.10% SOFR spread adjustment) $75 million, 7.94% (one-month SOFR plus a margin of 2.50% and a 0.10% SOFR spread adjustment) $75 million, 8.44% (one-month SOFR plus a margin of 3.00% and a 0.10% SOFR spread adjustment)	3.88%	2020-1, $145 million, 2.97% 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 Horizon, Texas Capital	JPMorgan Chase Bank - $100 million Wells Fargo Bank - $125 million Regions Bank - $75 million BMO Capital Markets Corp. - $75 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)

(1) Based on the February 2024 senior revolver renewal

ABS Program Highlights

Strength of Sponsor	▪ Regional has been in business since 1987 and has effectively managed multiple economic and business cycles ▪ Deep management and board experience in consumer finance industry ▪ Profitable every year since IPO in 2012
Seasoned Program	▪ Regional has successfully completed 9 securitizations (one private and eight 144A) totaling $1.6 billion ▪ Regional has called 3 of the 144A securitizations since program inception
Revolving Period	▪ Revolving period allows for reinvestment and extended duration ▪ Historical issuances of 2–5-year revolving periods
'AAA' Rating from S&P	▪ The Class A Notes issued in the last ABS transaction were 'AAA' rated by S&P ▪ In November 2023, S&P raised ratings on nine classes of notes and affirmed ratings on the other ten classes of Regional Management Issuance Trust Transactions
Credit Enhancement	▪ Structuring revolver to worst case pool provides additional credit enhancement versus actual pool
Rapid Deleveraging	▪ Rapid deleveraging through fixed dollar overcollateralization once amortization begins
Use of Proceeds	▪ Create capacity within warehouses and senior revolver to fund growth

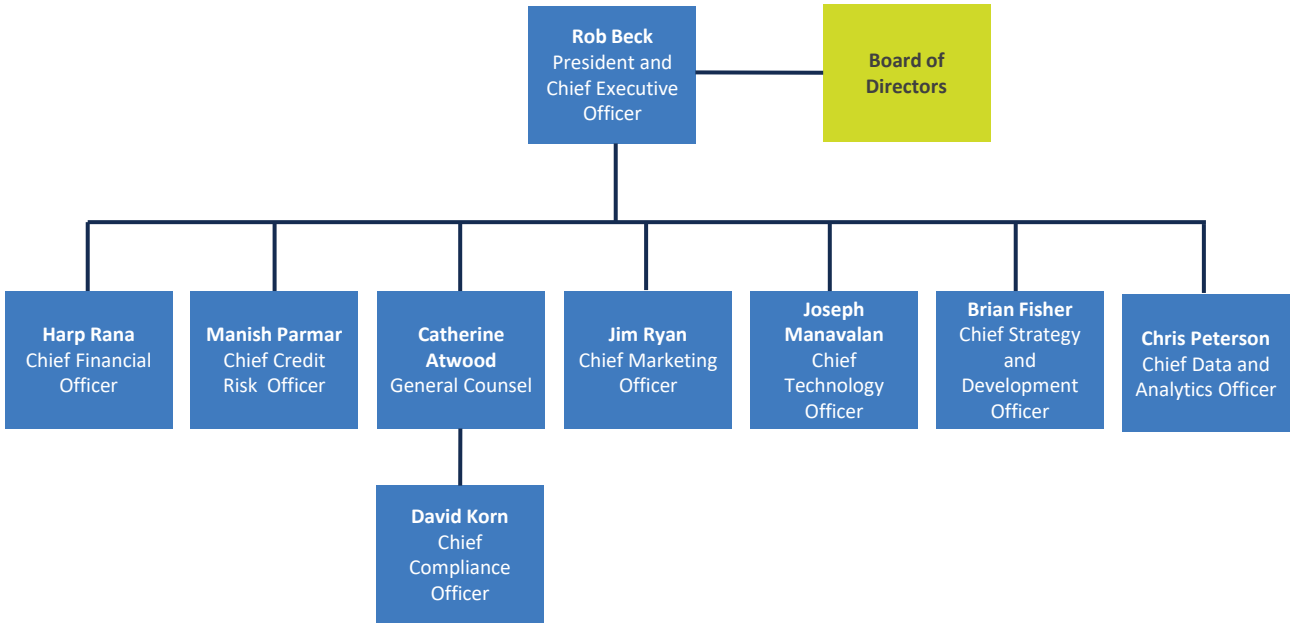
Governance & Controls

Public Company Discipline and Transparency

- **Full Transparency** – Public SEC Filings and Disclosures
- **Internal Audit** – Covers corporate office functions and branch activities
- **Internal Controls** – SOX controls in place since 2013
- **Compliance** – Team of 20 FTE led by Chief Compliance Officer
- **External Audits** – Deloitte & Touche LLP
- **Enterprise Risk Management** – Identifies and manages significant company risks
- **Cybersecurity** – Guided by National Institute of Standards and Technology (NIST) framework, coupled with 3rd party assessments

Deep Management Experience

Accomplished team with extensive backgrounds in consumer finance



Bios of Executive Officers

Rob Beck
President and CEO

- 30+ years of finance, business management and M&A experience in financial services
- Spent 29 years at Citi in various roles, including COO for the US Retail bank and Co-head of Citigroup M&A
- Prior to joining Regional, was EVP and COO for the Leukemia and Lymphoma Society, the second largest cancer non-profit in the US

Harp Rana
CFO

- 20+ years of financial services experience
- Prior to joining Regional, was Managing Director, North America Retail at Citigroup
- Held additional roles in business and finance at Citi, including Head of US Retail Deposit and Lending Products

Manish Parmar
Chief Credit Risk Officer

- 20 years of credit and financial experience in credit risk, analytics, financial partnerships, database marketing, and modeling
- Prior to joining Regional, was Chief Credit and Analytics Officer at Conn's
- Also held several senior management roles at Discover Financial Services, including the Head of Consumer Risk Management

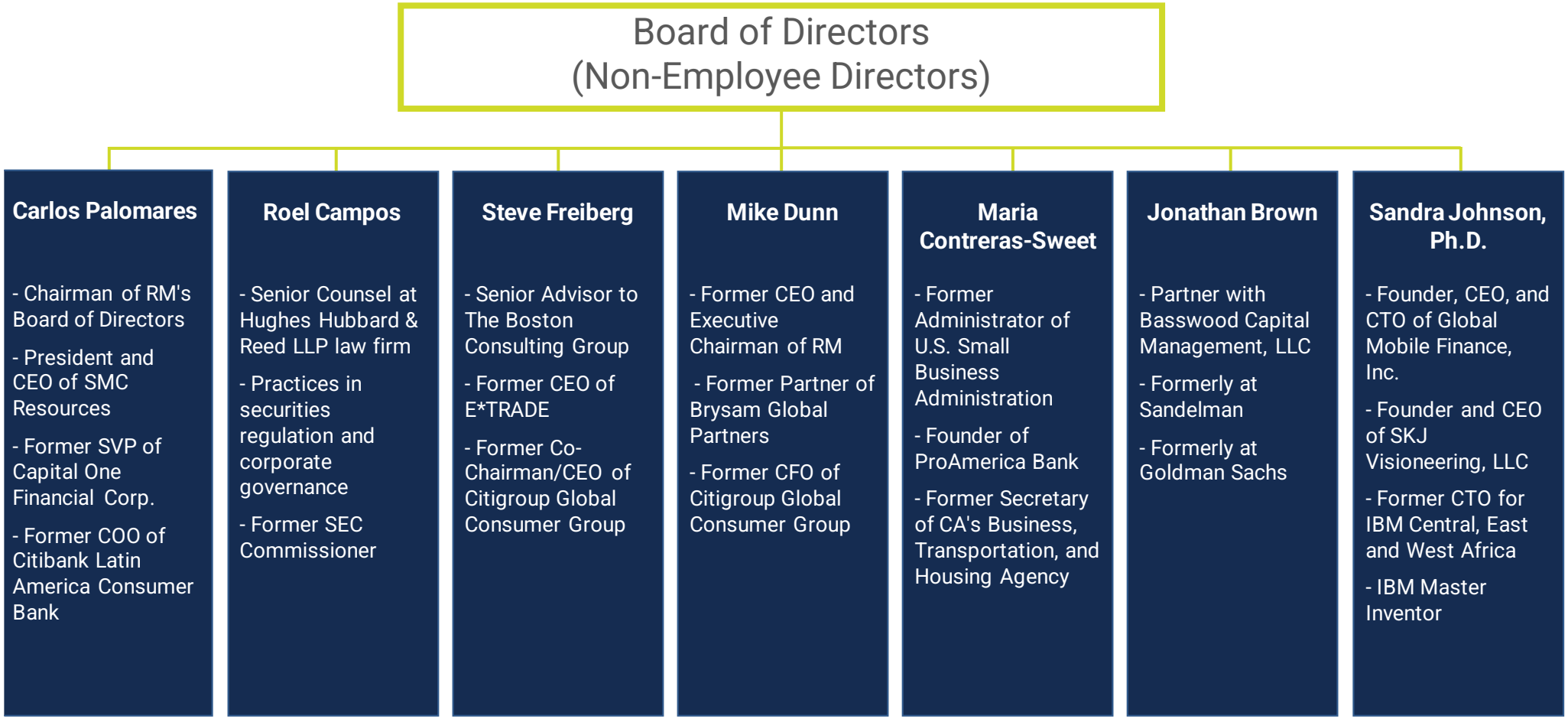
Brian Fisher
Chief Strategy and Development Officer

- 10+ years of consumer finance services experience
- Previously served as General Counsel and Secretary for Regional
- Prior to joining Regional, was a corporate and securities attorney for Womble Bond Dickinson, LLP

Catherine Atwood
General Counsel

- 10+ years of consumer finance services experience
- Previously served as VP, Deputy General Counsel, and Chief Compliance Officer for Regional
- Prior to joining Regional, was a business litigation attorney for Womble Bond Dickinson, LLP

Strong Corporate Governance and Diverse Board of Directors



- Awarded the **Latino Corporate Directors Association 2019 Corporate Visionary Award**, recognizing RM's commitment to an inclusive and diverse Board of Directors.
- Nominated for **NACD NXT™ recognition in 2019 by the National Association of Corporate Directors (NACD)**. This recognition, part of the NACD NXT initiative, applauds exemplary board leadership practices that promote greater diversity and inclusion.

Robust Procedures and Controls Oversight



- Risk-Based Audits by Internal Audit Department
- Yearly Required Training Program
- Detailed Policy and Procedure Manuals for Branch Consistency
- Incentive Program Based on Delinquency, Profitability, & Growth
- Detailed Supervisory Visits and Oversight
- Monitoring of Critical Analytics
- Monthly Branch Self-Assessments

Compliance and Audit

Internal Audit

- Operates under a board approved plan
- Regularly review servicing and collection records
- Review internal policies and procedures to ensure compliance

Branch and Central Employees

- Annual compliance trainings and re-certification
- Strong culture of compliance
- Detailed policies and procedures manuals
- Monthly branch self-assessments
- Detailed supervisory visits

Compliance Across Home Office Departments

- Monthly monitoring of critical analytics
- Establish standards and provide guidance for risk management and controls
- Well documented and controlled reporting framework
- Oversees external state regulatory audits and internal branch audits
- Alerts senior management and board to emerging risks



Strong Servicing Capabilities and Loss Mitigation

Regional employs a hybrid strategy of localized collection efforts through the branches and centralized support for late-stage collections



In-Branch Servicing & Central Support

Early-stage collection efforts primarily performed in the branches

High-touch relationship allows branches to quickly anticipate and proactively resolve repayment problems

Combination of payment options available

Centralized Collections

Late-stage co-collection support for the branches by centralized collectors located in servicing centers in Dallas and Greenville

Bankruptcy and post-charge-off collections handled centrally

Qualifying charged-off accounts are sold to a third-party

- **Tools are designed to lower overall loss in the portfolio by helping qualified customers**
- **These programs are targeted toward helping customers navigate through short-term cash flow issues**

Deferral

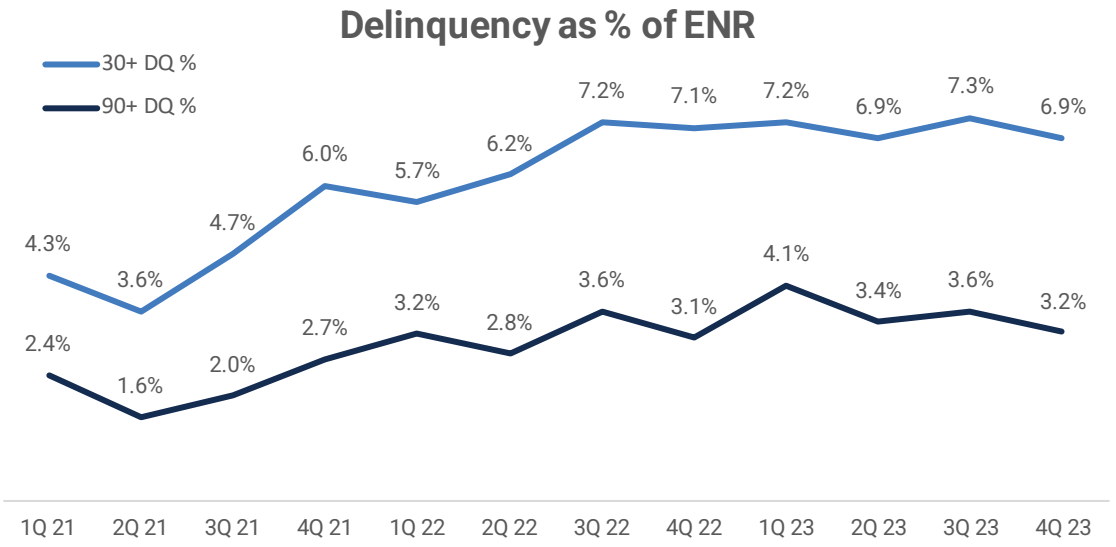
- Utilized for customers with short-term / temporary hardships
- Allows customer to defer their monthly payment which solves immediate cash flow concerns

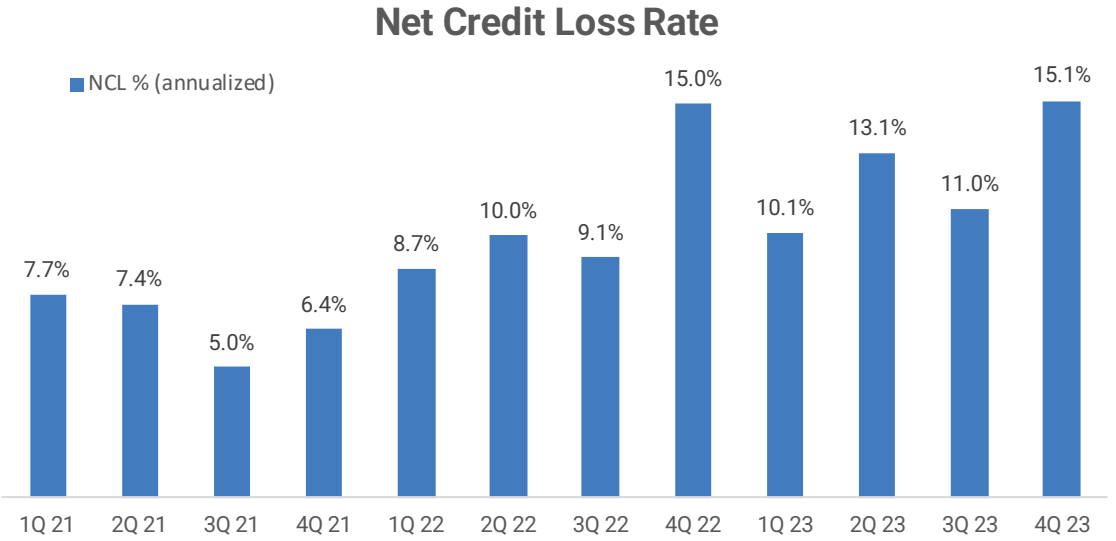
Delinquent Renewal

- Refinance of previous loan similar to a renewal, with a recent payment and verified current employment generally required
- Provides assistance to customers that are experiencing short-term financial hardships and cash flow issues but requires employment

Credit Performance

Credit





4Q 23 delinquency of 6.9% decreased 40 basis points sequentially and decreased 20 basis points versus prior year (inclusive of a 90 basis point reduction in 4Q 23 and 4Q 22 from the loan sale that occurred in each quarter)

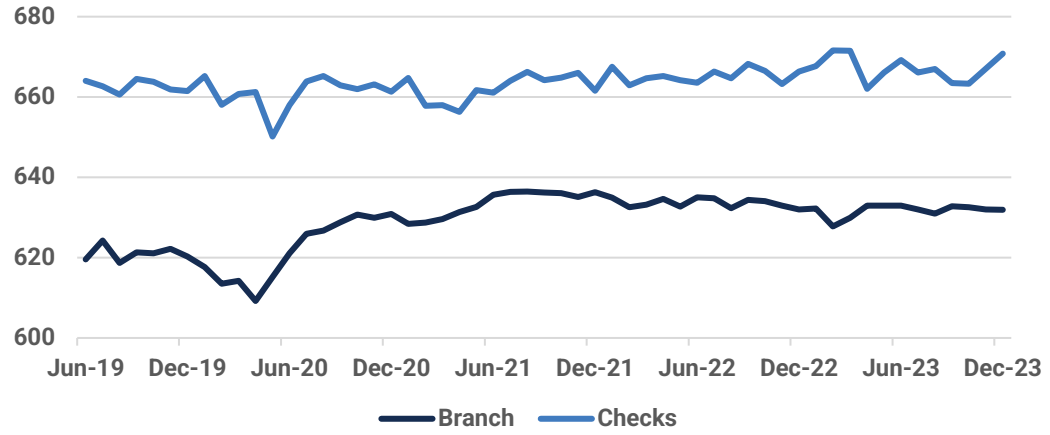
30+ days past due of $122.9 million compares favorably to loan loss reserves of $187.4 million as of 4Q 23

4Q 23 net credit loss rate of 15.1% included 320 basis points related to accelerated charge-offs from the 4Q 23 loan sale

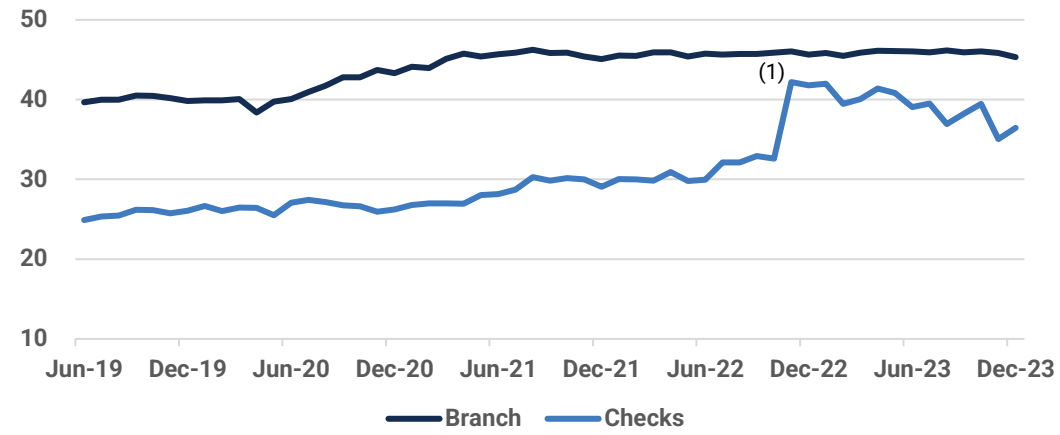
4Q 22 net credit loss rate of 15.0% included 320 basis points related to accelerated charge-offs from the 4Q 22 loan sale; 1Q 23 rate of 10.1% was inclusive of an estimated benefit of 280 basis points related to the loan sale

Origination Metrics by Product (Less than or equal to 36% APR loans)

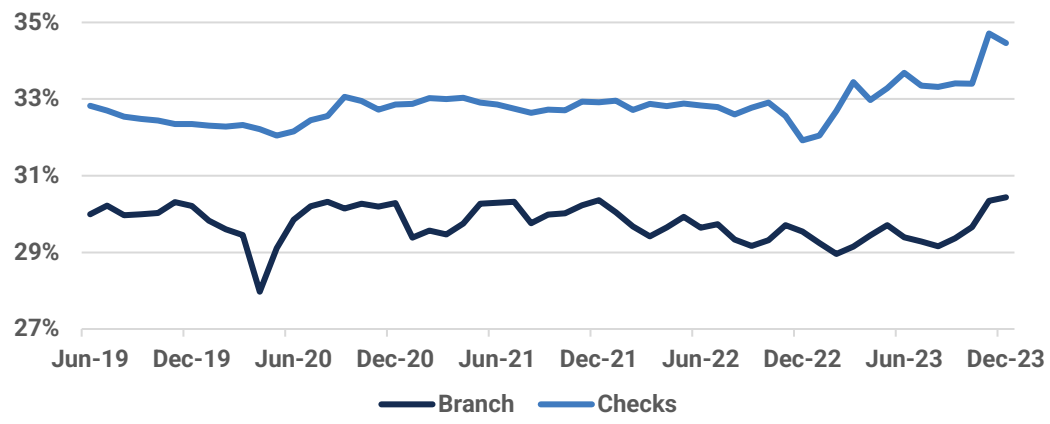
FICO



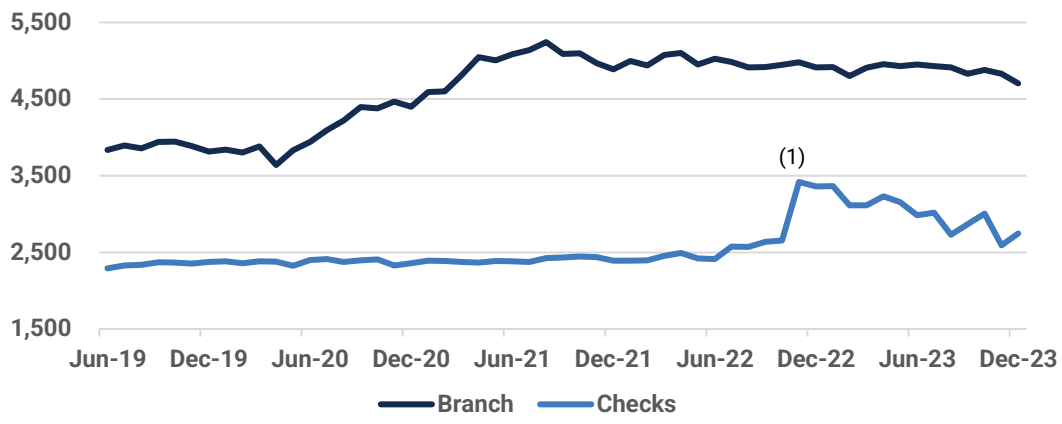
Original Term



APR

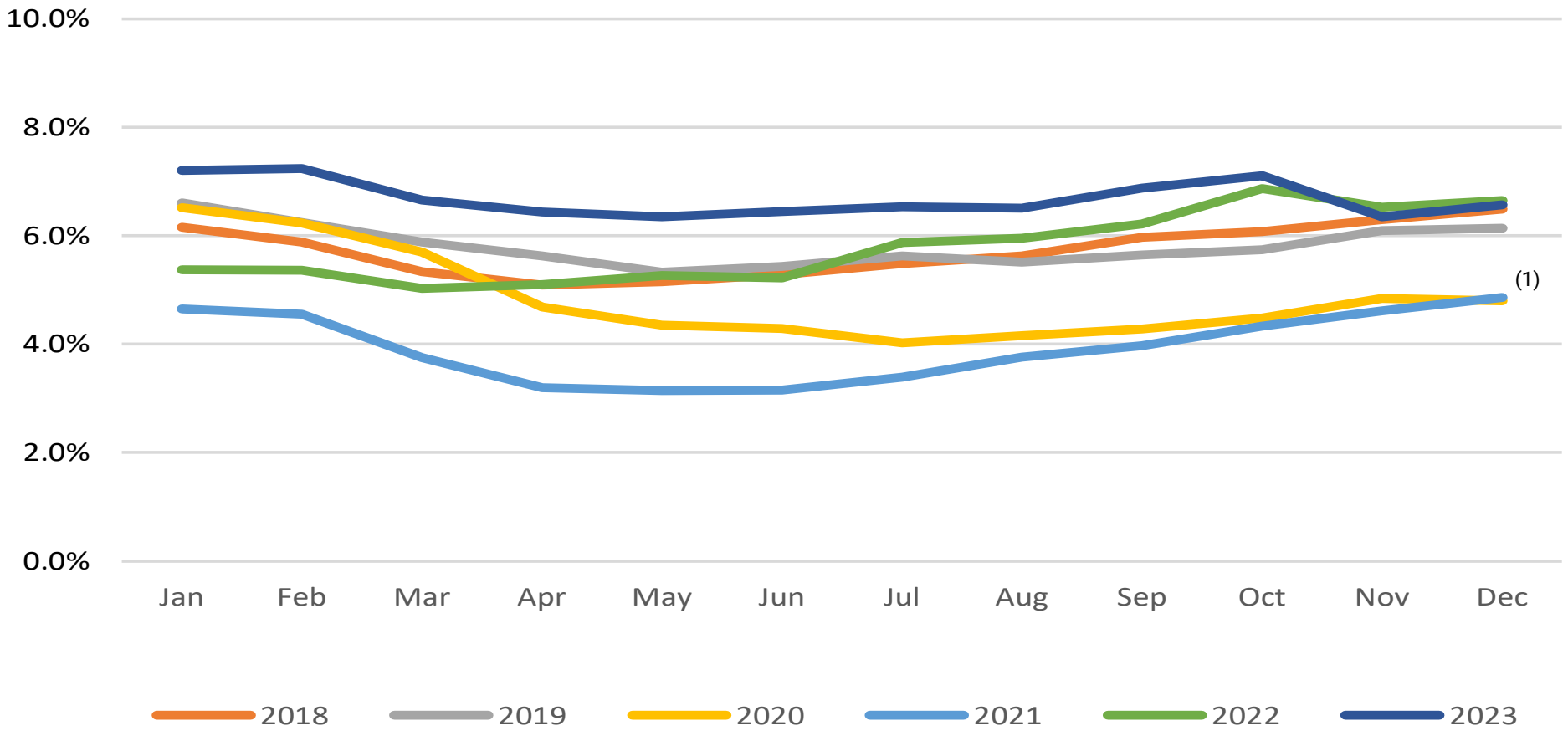


Original Loan Balance



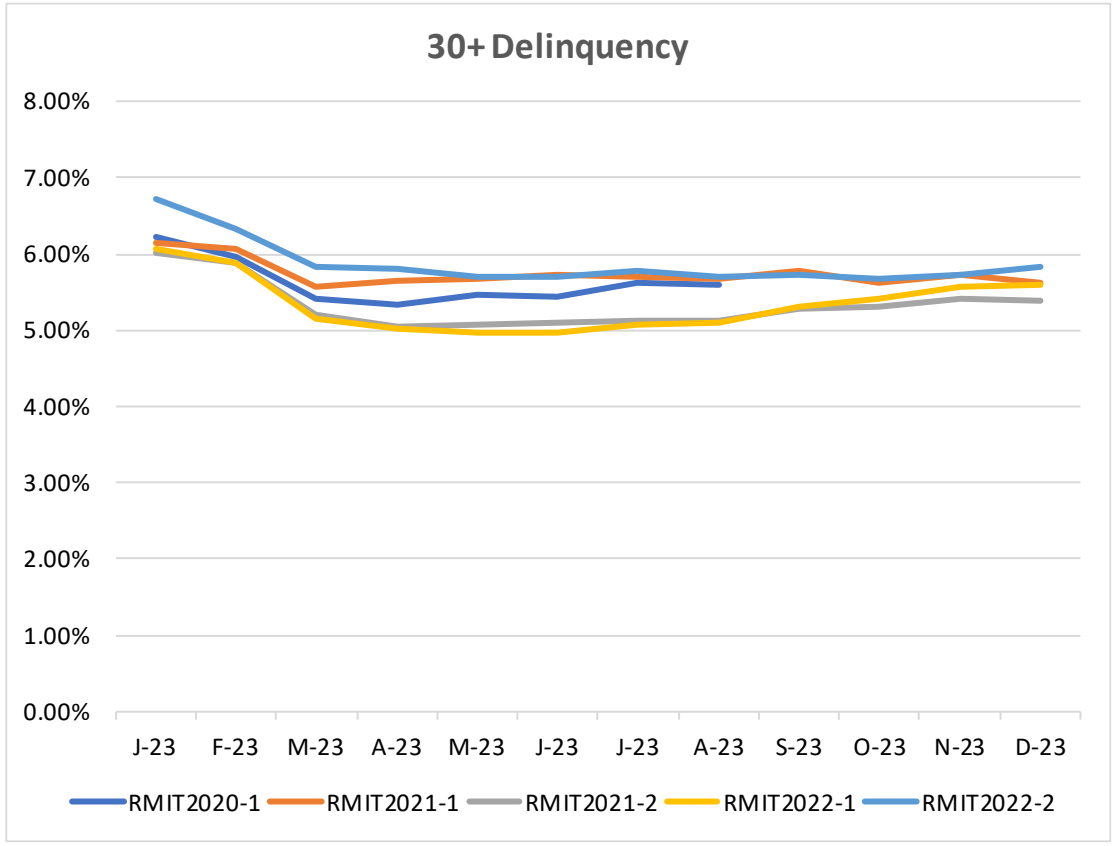
(1) The 4Q 22 increases in original term and original balance in the convenience check portfolio were due to targeted campaigns of large checks to former borrowers

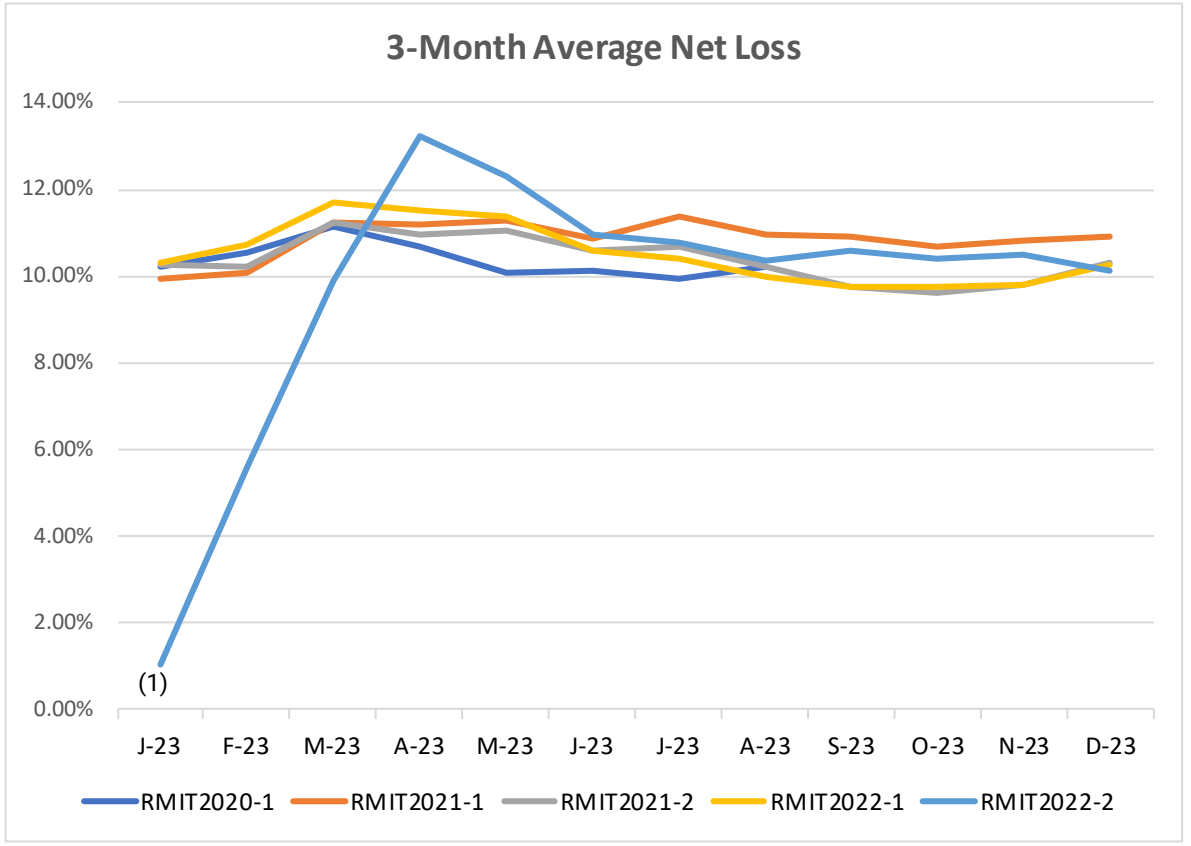
30+ Delinquency Trend – Managed Portfolio (Less than or equal to 36% APR loans)



(1) 2020 and 2021 delinquency levels were favorably impacted by government stimulus
Data as of 12/31/2023

Consistent Credit Performance for ABS Transactions

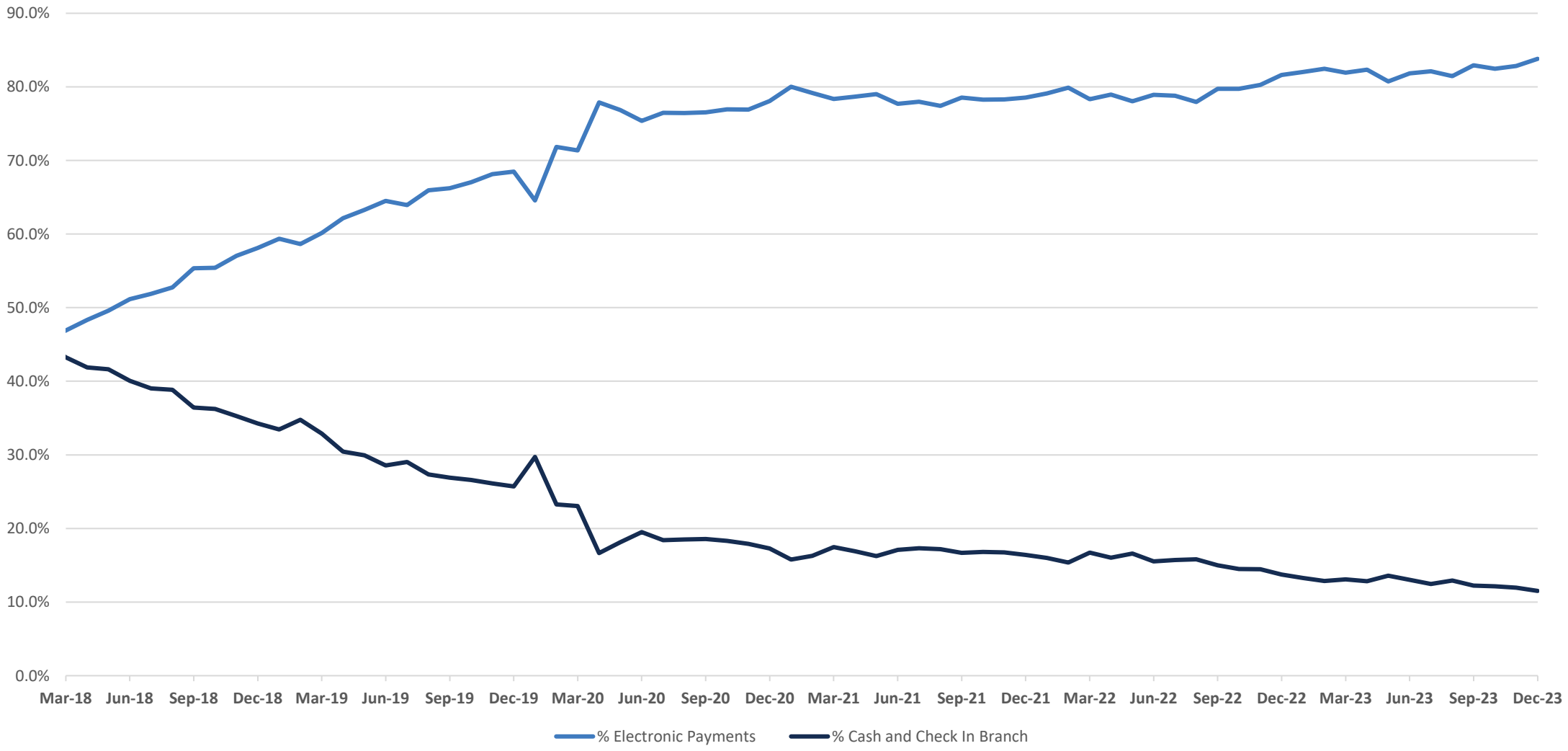




(1) RMIT 2022-2 closed in October of 2022 – minimal losses are normal during the early months of a new facility
Credit performance for ABS transactions includes their revolving periods

Payment Channel Mix (Less than or equal to 36% APR loans)

- Significant reduction in cash and check payments in branch
- 83% of payments received by RM are currently made electronically (ACH and Debit)







Appendix



Consolidated Income Statements

$ in thousands	4Q 23	4Q 22	2023	2022	2021	2020
Revenue						
Interest and fee income	$ 126,190	$ 117,432	$ 489,698	$ 450,854	$ 382,544	$ 335,215
Insurance income, net	10,985	10,751	44,529	43,502	35,482	28,349
Other income	4,484	3,833	17,172	12,831	10,325	10,342
Total revenue	141,659	132,016	551,399	507,187	428,351	373,906
Expenses						
Provision for credit losses	68,885	60,786	220,034	185,115	89,015	123,810
Personnel	42,024	34,669	156,872	141,243	119,833	109,560
Occupancy	6,268	5,997	25,029	23,809	24,126	22,629
Marketing	4,474	4,239	15,774	15,378	14,405	10,357
Other	12,030	10,238	45,444	42,098	37,150	33,770
Total general and administrative	64,796	55,143	243,119	222,528	195,514	176,316
Interest expense	17,510	14,855	67,463	34,223	31,349	37,852
Income (loss) before income taxes	(9,532)	1,232	20,783	65,321	112,473	35,928
Income taxes	(1,958)	(1,159)	4,825	14,097	23,786	9,198
Net income (loss)	**$ (7,574)**	**$ 2,391**	**$ 15,958**	**$ 51,224**	**$ 88,687**	**$ 26,730**

Consolidated Balance Sheets

$ in thousands	2023	2022	2021	2020
Cash	$ 4,509	$ 3,873	$ 10,507	$ 8,052
Net finance receivables	1,771,410	1,699,393	1,426,257	1,136,259
Unearned insurance premiums	(47,892)	(51,008)	(47,837)	(34,545)
Allowance for credit losses	(187,400)	(178,800)	(159,300)	(150,000)
Net finance receivables, less unearned insurance premiums and allowance for credit losses	1,536,118	1,469,585	1,219,120	951,714
Restricted cash	124,164	127,926	138,682	63,824
Lease assets	34,303	34,521	28,721	27,116
Restricted available-for-sale investments	22,740	20,416	-	-
Intangible assets	15,846	12,122	9,517	8,689
Property and equipment	13,787	14,526	12,938	14,008
Deferred tax assets, net	13,641	13,810	18,420	14,121
Other assets	29,419	28,208	21,757	16,332
Total assets	**$ 1,794,527**	**$ 1,724,987**	**$ 1,459,662**	**$ 1,103,856**
Debt	$ 1,399,814	$ 1,355,359	$ 1,107,953	$ 768,909
Unamortized debt issuance costs	(4,578)	(9,512)	(11,010)	(6,661)
Net debt	1,395,236	1,345,847	1,096,943	762,248
Accounts payable and accrued expenses	40,442	33,795	49,283	40,284
Lease liabilities	36,576	36,712	30,700	29,201
Total liabilities	**1,472,254**	**1,416,354**	**1,176,926**	**831,733**
Common stock	1,457	1,433	1,416	1,385
Additional paid-in capital	121,752	112,384	104,745	105,483
Retained earnings	349,579	345,545	306,105	227,343
Accumulated other comprehensive loss	(372)	(586)	-	-
Treasury stock	(150,143)	(150,143)	(129,530)	(62,088)
Total stockholders' equity	**322,273**	**308,633**	**282,736**	**272,123**
Total liabilities and stockholders' equity	**$ 1,794,527**	**$ 1,724,987**	**$ 1,459,662**	**$ 1,103,856**


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