



---

# 4Q20 Earnings Presentation

February 18, 2021

# Forward-Looking Statements

This presentation and the accompanying oral presentation contain forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements concerning our business, future results of operations and financial position, planned products and services, business strategy and plans and objectives of management for future operations of Oportun Financial Corporation (“Oportun” or the “Company”) are forward-looking statements. These statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company’s actual results and financial position, as well as our plans, objectives and expectations for our performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include those risks described in Oportun’s filings with the Securities and Exchange Commission under the caption “Risk Factors”, including the Company’s most recent quarterly report on Form 10-Q and the Company’s annual report on Form 10-K for the year ended December 31, 2020, that will be filed with the Securities and Exchange Commission and include, but are not limited to: the extent and duration of the COVID-19 pandemic; market and economic disruptions stemming from the COVID-19 pandemic; Oportun’s future financial performance, including trends in revenue, net revenue, operating expenses, and net income; changes in market interest rates; increases in loan delinquencies and charge-offs; Oportun’s ability to operate successfully in a highly regulated industry; the effect of management changes; the effect of the consolidation of a portion of our retail locations; Oportun’s ability to increase the volume of loans it makes; Oportun’s ability to successfully offer loans in additional states; the successful development and execution of strategic partnerships; the success of Oportun’s Emergency Hardship Deferral program; and Oportun’s ability to compete successfully with companies that are currently in, or may in the future enter, the business of providing consumer loans to low- and moderate-income customers underserved by traditional, mainstream financial institutions.

In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” or the negative of these terms or other similar words. These forward-looking statements are subject to the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are only predictions. Oportun has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. Also, these forward-looking statements represent the Company’s estimates and assumptions only as of the date of this presentation. The Company assumes no obligation to update any forward-looking statements after the date of this presentation.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the industries in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by Oportun.

You should view this presentation and the accompanying oral presentation with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect, particularly given the uncertainties caused by the COVID-19 pandemic.

This presentation includes certain non-GAAP financial measures. Non-GAAP financial measures are presented in addition to, and not as a substitute for, and are not superior to, financial measures calculated in accordance with GAAP. The Company believes these Non-GAAP measures can be useful measures for period-to-period comparisons of our core business and provide useful information to investors and others in understanding and evaluating our operating results. Non-GAAP financial measures are provided in addition to, and not as a substitute for, and are not superior to, financial measures calculated in accordance with GAAP. In addition, the non-GAAP measures we use, as presented, may not be comparable to similar measures used by other companies. See the Appendix for a reconciliation of non-GAAP financial measures to the most comparable measure, calculated in accordance with GAAP.

# Fourth Quarter 2020 Results and 2021 Key Initiatives

## Returning to Growth

- 48% sequential growth in aggregate originations and 57% sequential growth in the number of loans originated
    - 65% of applications from new applicants were online
  - Partnerships creating new growth opportunities
    - DoIEx launched in Florida in December and planned expansion to 150 locations in 2021
    - MetaBank, N.A. on track for mid-2021 launch and anticipate nearly doubling addressable market
- 

## Expense Management

- Total OpEx was \$100.0 million down from \$101.6 million in the third quarter
  - Customer acquisition cost was \$155, down from \$207 in the third quarter
  - Network optimization resulting in the planned closure of 136 retail locations, generating projected operating expense savings of approximately \$19 million per year, after one-time charges
  - Prioritizing 2021 investment dollars in A.I. and digital platform
- 

## Normalizing Credit Trends

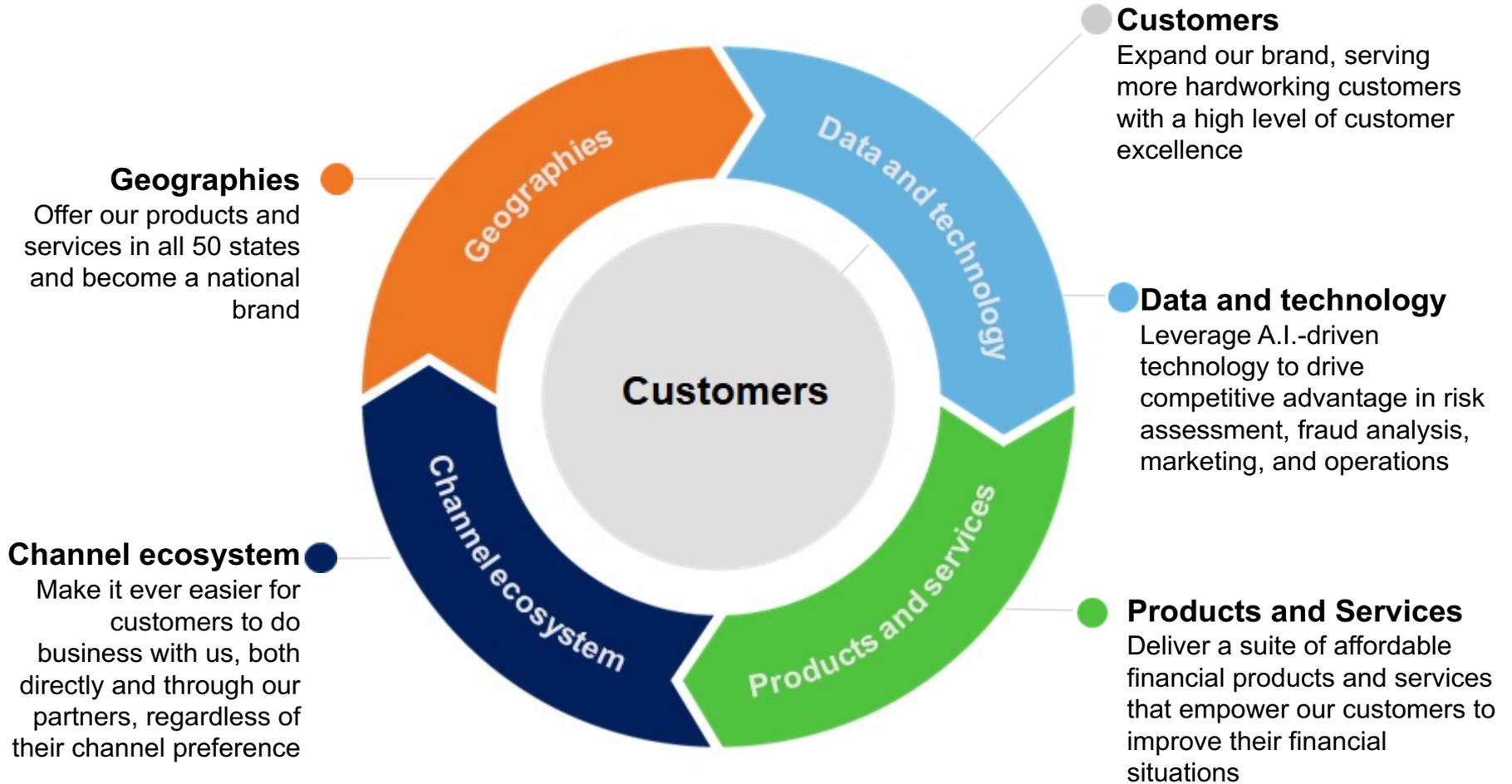
- 4Q20 Annualized Net Charge-Off Rate was 9.4% as compared to 10.4% for 3Q20 and 9.0% for 4Q19
  - 30+ Day Delinquency Rate was 3.7% at Dec 31 as compared to 3.5% at Sep 30 and 4.0% at Dec 19
  - First Payment Defaults on new originations below 2019 and pre-pandemic levels
  - Emergency Hardship Deferrals were 1.4% at Dec 31 compared to 1.5% at Sep 30
- 

## Continued Strong Capital and Liquidity

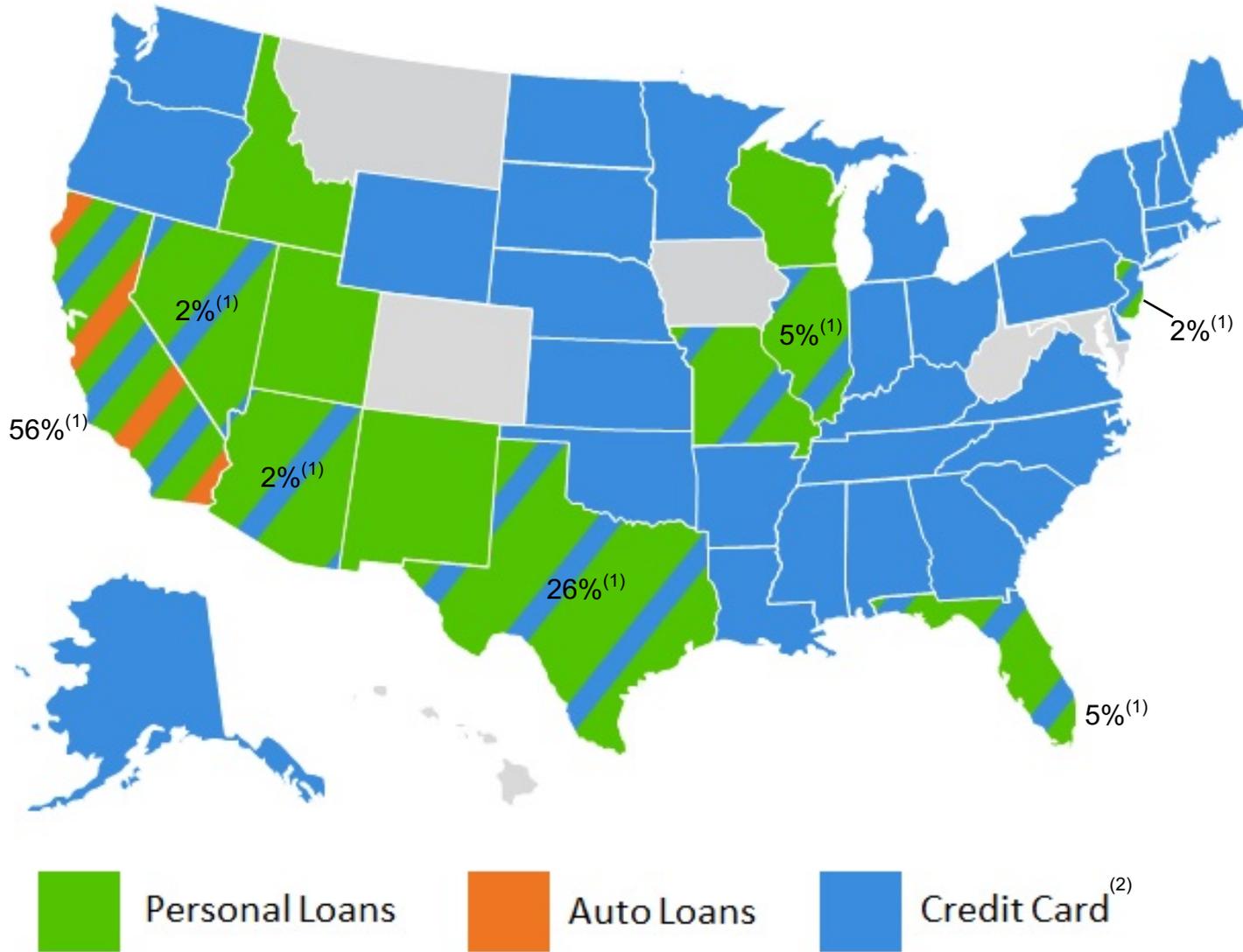
- \$168.6 million of cash and restricted cash at December 31
- Debt-to-Equity ratio was 3.0x, a reduction from 3.2x the prior year
- \$400 million warehouse line with \$153 million undrawn capacity at December 31
- Extended our whole loan sale agreement through February 26, 2021 and will continue to sell 10% of our loans

# Our Growth Strategy

Grow revenue and profitability in our existing addressable market by deepening existing capabilities, and expand addressable market by adding new geographies, capabilities, products, and channels



# Expanding Across the Nation



(1) Represents Owned Principal Balance at End of Period by State as a percentage of total Owned Principal Balance at End of Period. All other states combined represent less than 1% of Owned Principal Balance at End of Period as of December 31, 2020.  
 (2) The Credit Card states highlighted on the map above are as of February 17, 2021. For any percentages listed, refer to footnote (1).

# Fourth Quarter 2020 Financial Highlights

## Growth

- Total revenue<sup>(1)</sup> of \$140.8M  
up 3% Q/Q, down 15% Y/Y
- Aggregate Originations of \$448.6M  
up 48% Q/Q, down 28% Y/Y
- EOP Managed Principal Balance of \$1.90B  
up 3% Q/Q, down 14% Y/Y
- 652K Active Customers at EOP  
up 4% Q/Q, down 18% Y/Y

## Credit

- Annualized Net Charge-Off Rate of 9.4%  
vs. 10.4% in 3Q20 and 9.0% in 4Q19,
- 30+ Day Delinquency Rate of 3.7%  
vs. 3.5% in 3Q20 and 4.0% in 4Q19

## Capital & Liquidity

- Total Cash of \$168.6M, consisting of cash and cash equivalents of \$136.2M and restricted cash of \$32.4M
- FVPF Debt-to-Equity of 3.0x down from 3.2x in 4Q19
- FVPF Cost of Debt of 3.9% down from 4.1% in 4Q19

## Profitability

- Net income of \$8.5M vs. \$23.2M in 4Q19
- Adjusted Net Income of \$17.5M vs. \$26.9M in 4Q19
  - \$(6.4)M after-tax impact related to new products
  - Excluding new products, Adj. Net Income of \$23.9M
- Adjusted EBITDA of \$0.0M vs. \$17.0M in 4Q19
  - \$(8.5)M pre-tax impact related to new products
  - Excluding new products, Adj. EBITDA of \$8.4M
- GAAP earnings per share, basic and diluted, of \$0.31 and \$0.29, respectively, vs. \$0.86 and \$0.81, respectively, in 4Q19
- Adjusted EPS of \$0.60 vs. \$0.94 in 4Q19
- Adjusted ROE of 15.2% vs. 22.8% in 4Q19
- Adjusted Operating Efficiency of 64.3% vs. 57.8% in 4Q19

<sup>(1)</sup> GAAP and FVPF Total Revenue are the same for 2020.

Note: See appendix for a reconciliation to the most comparable GAAP measure. Numbers may not foot or cross-foot due to rounding.

# Full Year 2020 Financial Highlights

## Growth

- Total revenue of \$583.7M, down 3% Y/Y
- FVPP Total Revenue of \$583.7M, down 2% Y/Y
- Aggregate Originations of \$1,348.0M, down 34% Y/Y
- EOP Managed Principal Balance of \$1.90B, down 14% Y/Y
- 652K Active Customers at EOP, down 18% Y/Y

## Credit

- Annualized Net Charge-Off Rate of 9.8% vs. 8.3% in FY19
- 30+ Day Delinquency Rate of 3.7% vs. 4.0% in FY19

## Capital & Liquidity

- Total Cash of \$168.6M, consisting of cash and cash equivalents of \$136.2M and restricted cash of \$32.4M
- FVPP Debt-to-Equity of 3.0x down from 3.2x in FY19
- FVPP Cost of Debt of 3.9% down from 4.1% in FY19

## Profitability

- Net income (loss) of \$(45.1)M vs. \$61.6M in FY19
- Adjusted Net Income (Loss) of \$(14.2)M vs. \$62.8M in FY19
  - \$(14.2)M after-tax impact related to new products
  - Excluding new products, Adj. Net Loss of \$(0.1)M
- Adjusted EBITDA of \$22.1M vs. \$74.3M in FY19
  - \$(18.2)M pre-tax impact related to new products
  - Excluding new products, Adj. EBITDA of \$40.3M
- GAAP earnings (loss) per share, basic and diluted, of \$(1.65), vs. \$0.46 and \$0.40, respectively, in FY19
- Adjusted EPS of \$(0.52) vs. \$2.53 in FY19
- Adjusted ROE of (3.0)% vs. 14.9% in FY19
- Adjusted Operating Efficiency of 61.1% vs. 57.2% in FY19

Note: See appendix for a reconciliation to the most comparable GAAP measure. Numbers may not foot or cross-foot due to rounding.

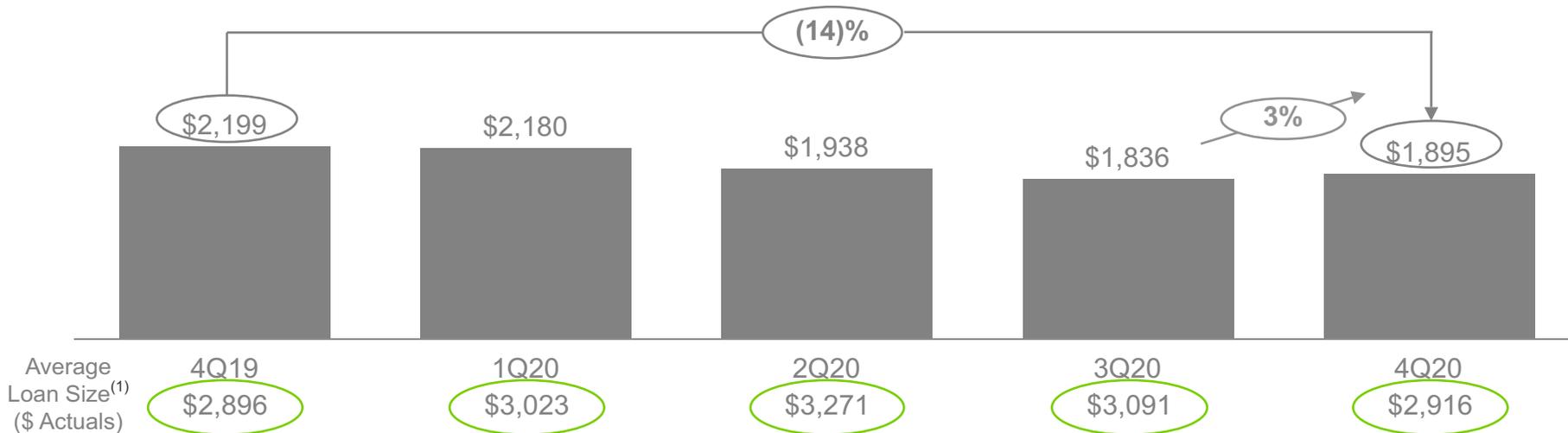
# Originations Up 48% in 4Q20 relative to 3Q20

(\$ Millions)

## Aggregate Originations



## Managed Principal Balance at End of Period

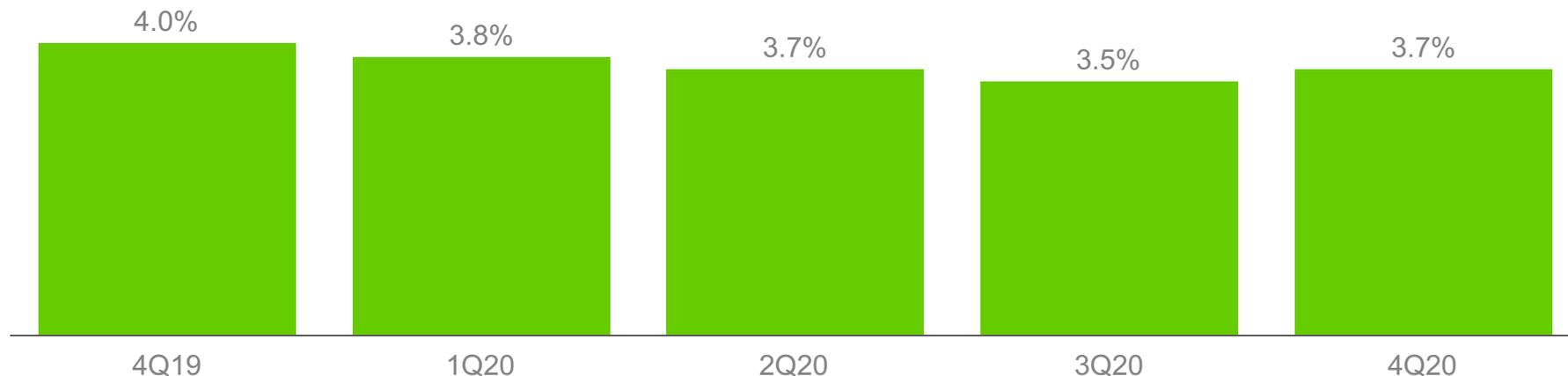


(1) Calculated as Aggregate Originations for the period divided by number of loans originated for the period.

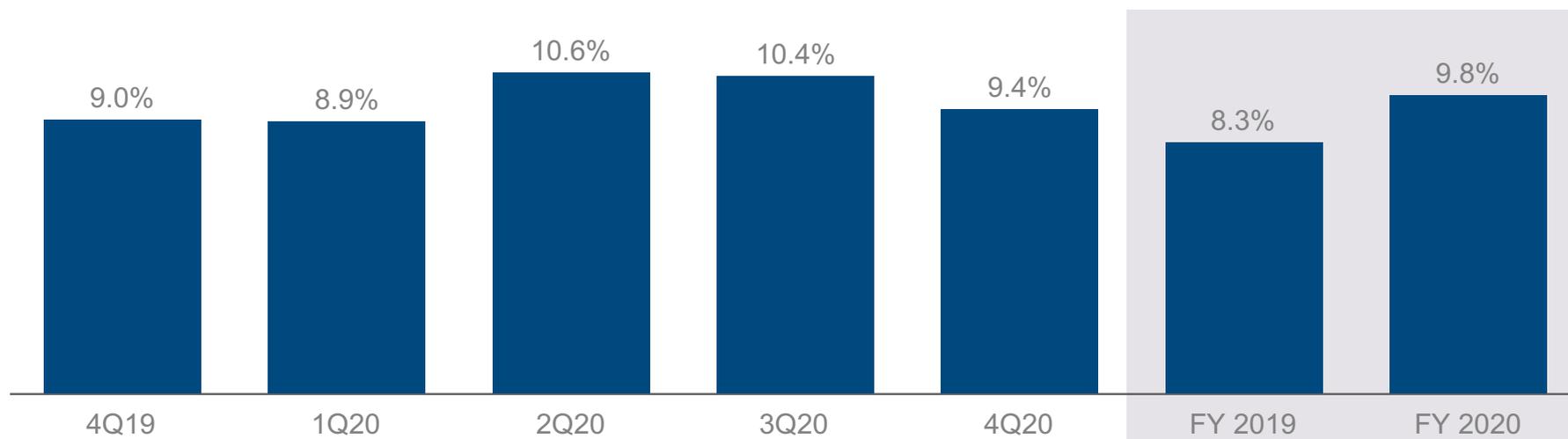
Note: Numbers may not foot or cross-foot due to rounding.

# 30+ Day Delinquency Rate in 4Q20 34 bps below 4Q19

## 30+ Day Delinquency Rate (%)



## Annualized Net Charge-off Rate<sup>(1)(2)</sup> (%)



(1) Calculated as net charge-offs divided by Average Daily Principal Balance..

(2) \$6.3M and \$21.6M of additional charge-offs in 4Q20 and FY 2020, respectively.

# Detailed Delinquencies and Deferrals

## Percentage of Outstanding Principal Balance of Owned Receivables

Days Delinquent	As of 3/31/2020	As of 4/30/2020	As of 5/31/2020	As of 6/30/2020	As of 7/31/2020	As of 8/31/2020	As of 9/30/2020	As of 10/31/2020	As of 11/30/2020	As of 12/31/2020
0	88.9%	90.2%	87.8%	89.5%	90.8%	90.0%	90.3%	91.3%	90.0%	90.7%
1-7	3.3	2.6	3.5	3.2	2.6	3.2	2.9	2.4	3.3	2.6
8-14	2.2	1.6	1.9	1.8	1.5	1.5	1.6	1.2	1.6	1.5
15-29	1.8	1.6	2.8	1.9	1.8	1.8	1.7	1.5	1.6	1.6
30-59	1.7	1.8	1.7	1.7	1.6	1.8	1.7	1.7	1.5	1.6
60-89	1.2	1.3	1.3	1.0	1.0	1.0	1.1	1.1	1.1	1.1
90-119	0.9	1.0	1.0	1.0	0.8	0.7	0.7	0.8	0.9	0.9
120+ <sup>(1)</sup>	—	—	—	—	—	—	—	—	—	—
30+	3.8	4.0	4.0	3.7	3.4	3.5	3.5	3.6	3.5	3.7
Emergency Hardship Deferrals <sup>(2)</sup>	6.1	14.6	7.6	5.0	3.9	2.8	1.5	1.0	0.9	1.4

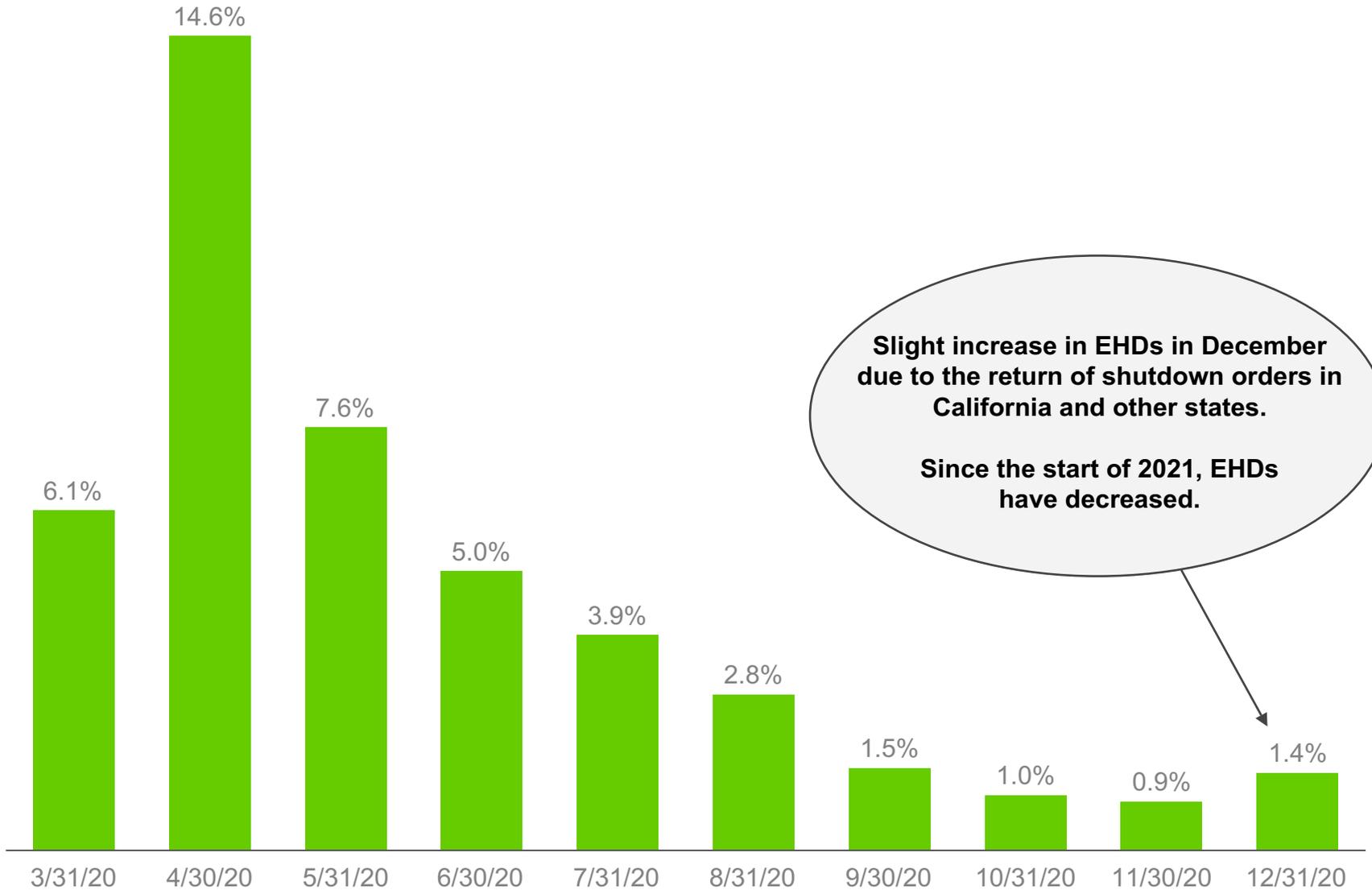
(1) The 120+ delinquent balances are excluded from the 30+ delinquency rate and percent current rate calculations because these balances are charged off on the last day of a given month.

(2) Emergency hardship deferrals excluded from delinquent balances.

Note: Numbers may not foot or cross-foot due to rounding.

# Emergency Hardship Deferrals Have Declined

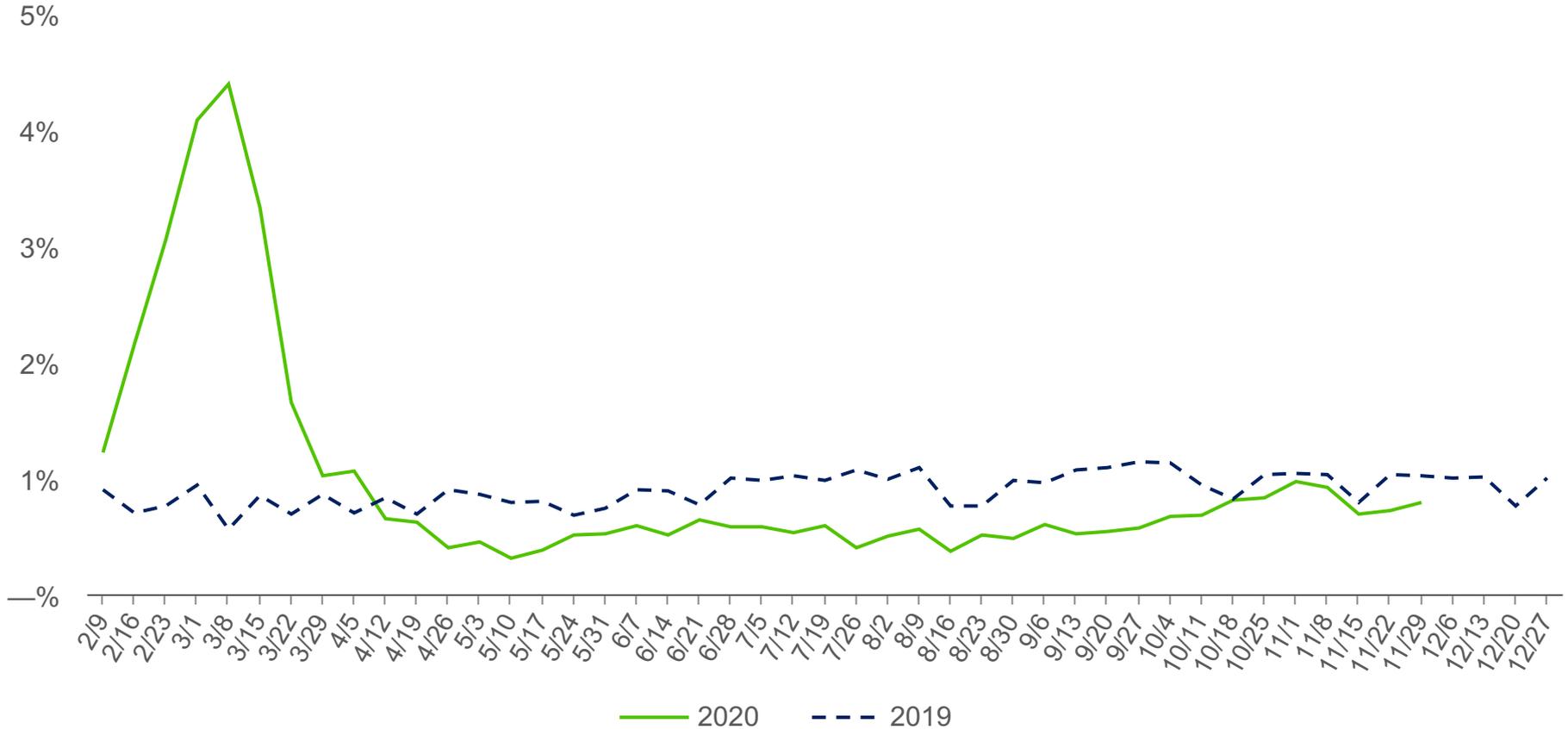
Percentage of owned principal balance in emergency hardship deferral status



# Credit Trends of New Originations

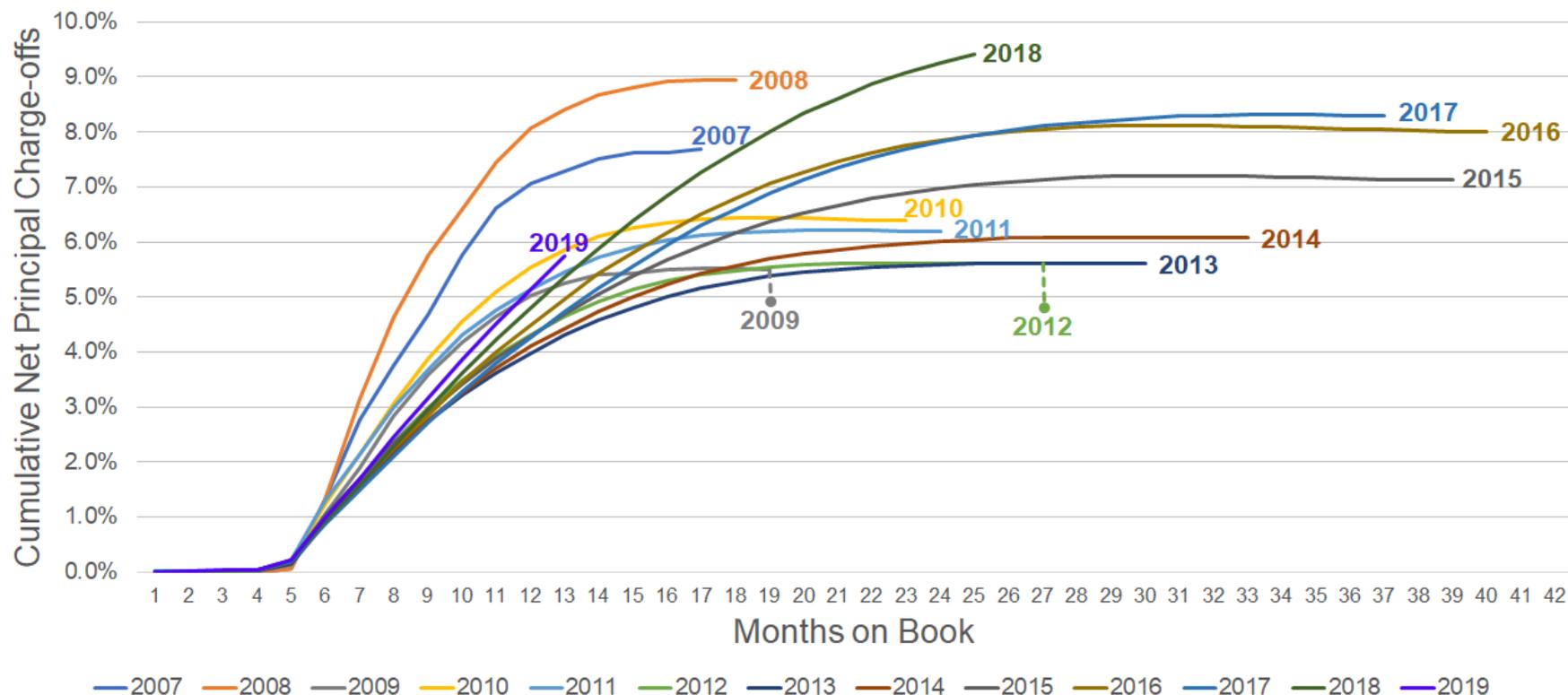
First Payment Defaults normalizing to 2019 levels

## First Payment Defaults



# Credit Quality

## Net Lifetime Loan Loss Rates by Vintage



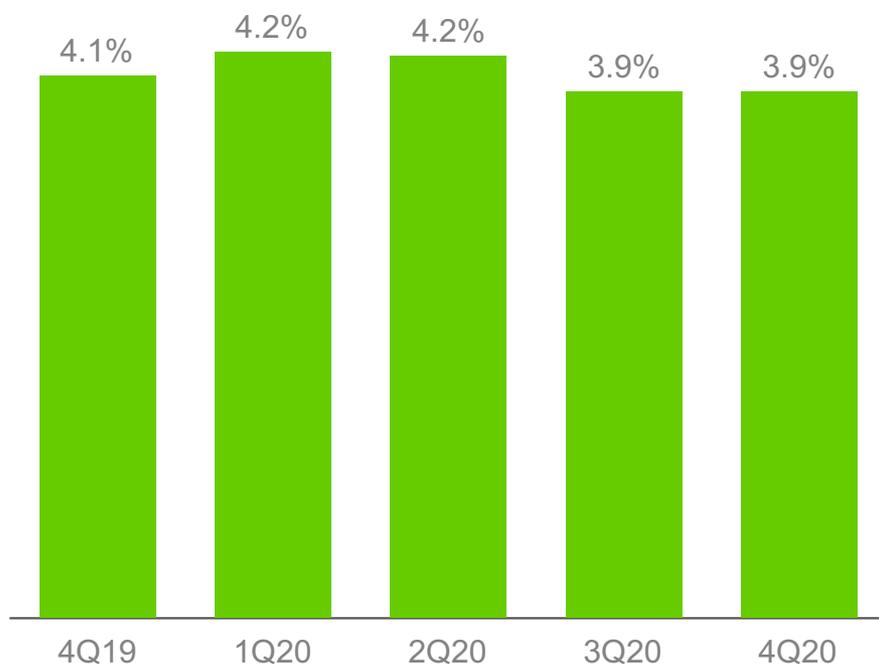
Year of Origination	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Lifetime Loan Losses as % of Original Principal Balance	7.7%	8.9%	5.5%	6.4%	6.2%	5.6%	5.6%	6.1%	7.1%	8.0%	8.3%	9.4% <sup>(1)</sup>	5.7% <sup>(1)</sup>
Outstanding Principal Balance as % of Original Amount Disbursed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	11.5%	50.5%
Dollar Weighted Average Original Term for Vintage (Months)	9.3	9.9	10.2	11.7	12.3	14.5	16.4	19.1	22.3	24.2	26.3	29.0	30.0

(1) Vintage is not fully mature from a loss perspective, and does not show the impact of the COVID-19 pandemic

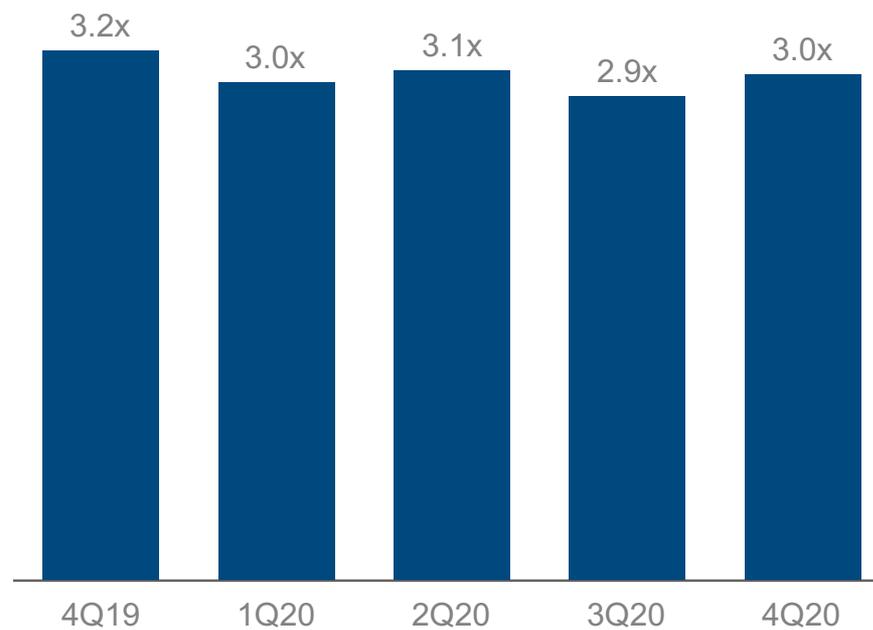
# Capital and Liquidity

- Maintained 12+ month liquidity runway <sup>(1)</sup>
- \$1.2 billion term asset-backed notes fund future originations at fixed cost of debt
- \$400 million secured line of credit committed through October 2021
- In 4Q'20, sold retained subordinate notes, raising \$39.8 million, net, and co-sponsored \$188.0 million securitization of Oportun collateral by whole loan purchaser
- Continue to sell 10% of core loan originations under whole loan sale agreement at a fixed price, and extended our current whole loan sale agreement through February 26, 2021

## FVPF Cost of Debt



## FVPF Debt to Equity



(1) As of December 31, 2020, assumes maintaining operations and covering all upcoming debt obligations.

# Net Change in Fair Value

## 4Q20 FVPF Net Change in Fair Value

(\$ Millions)	Quarter Ended				Change	
	4Q20	3Q20	4Q19	3Q19	Q / Q	Y / Y
<b>Loan Portfolio Drivers</b>						
Discount rate	6.9%	7.8%	7.8%	7.9%	(1.0)%	(0.9)%
Remaining cumulative charge-offs as a % of principal balance	10.0%	10.6%	9.5%	9.8%	(0.6)%	0.5%
Average life in years	0.80	0.78	0.80	0.77	0.02	-0.01
<b>Loans Receivable at Fair Value<sup>(1)</sup></b>						
Fair value loan portfolio - principal balance	\$1,639.5	\$1,575.0	\$1,843.0	\$1,691.8	\$64.4	\$(203.5)
Cumulative fair value mark-to-market adjustment	57.1	vs. 30.4	82.6	vs. 64.5	26.7	(25.5)
<b>Fair value loan portfolio - end of period</b>	<b>\$1,696.5</b>	<b>\$1,605.4</b>	<b>\$1,925.6</b>	<b>\$1,756.3</b>	<b>\$91.1</b>	<b>\$(229.0)</b>
Price	103.5%	101.9%	104.5%	103.8%	1.6%	(1.0)%
<b>Asset-Backed Notes at Fair Value</b>						
Carrying value of asset-backed notes	\$1,154.4	\$1,113.1	\$1,473.1	\$1,473.1	\$41.3	\$(318.7)
Cumulative fair value mark-to-market adjustment	12.9	vs. 12.3	16.8	vs. 20.8	0.6	(3.9)
<b>Fair value asset-backed notes - end of period</b>	<b>\$1,167.3</b>	<b>\$1,125.4</b>	<b>\$1,489.9</b>	<b>\$1,493.9</b>	<b>\$41.9</b>	<b>\$(322.6)</b>
Price	101.1%	101.1%	101.1%	101.4%	—%	—%
<b>Net Change in Fair Value Summary</b>						
<b>A</b> Mark-to-market adjustment on loans	\$26.7	\$39.8	\$18.1	\$7.9	\$(13.1)	\$8.6
<b>B</b> Mark-to-market adjustment on asset-backed notes	\$(1.6) <sup>(2)</sup>	\$(29.1)	\$4.1	\$(1.8)	\$27.5	\$(5.7)
Total fair value mark-to-market adjustment	\$25.1	\$10.7	\$22.2	\$6.1	\$14.3	\$2.9
Net charge-offs	\$(37.8)	\$(41.9)	\$(40.2)	\$(33.7)	\$4.2	\$2.4
<b>Total Net Change in Fair Value</b>	<b>\$(12.7)</b>	<b>\$(31.2)</b>	<b>\$(18.0)</b>	<b>\$(27.6)</b>	<b>\$18.5</b>	<b>\$5.3</b>

(1) Refer to page 35 for estimate methodology to calculate fair value premium on loans receivable by quarter.

(2) \$1.0M of this adjustment represents the difference between the principal amount of the notes and the proceeds from the sale of the retained bonds related to our 2019-A and 2018-B asset-backed notes.

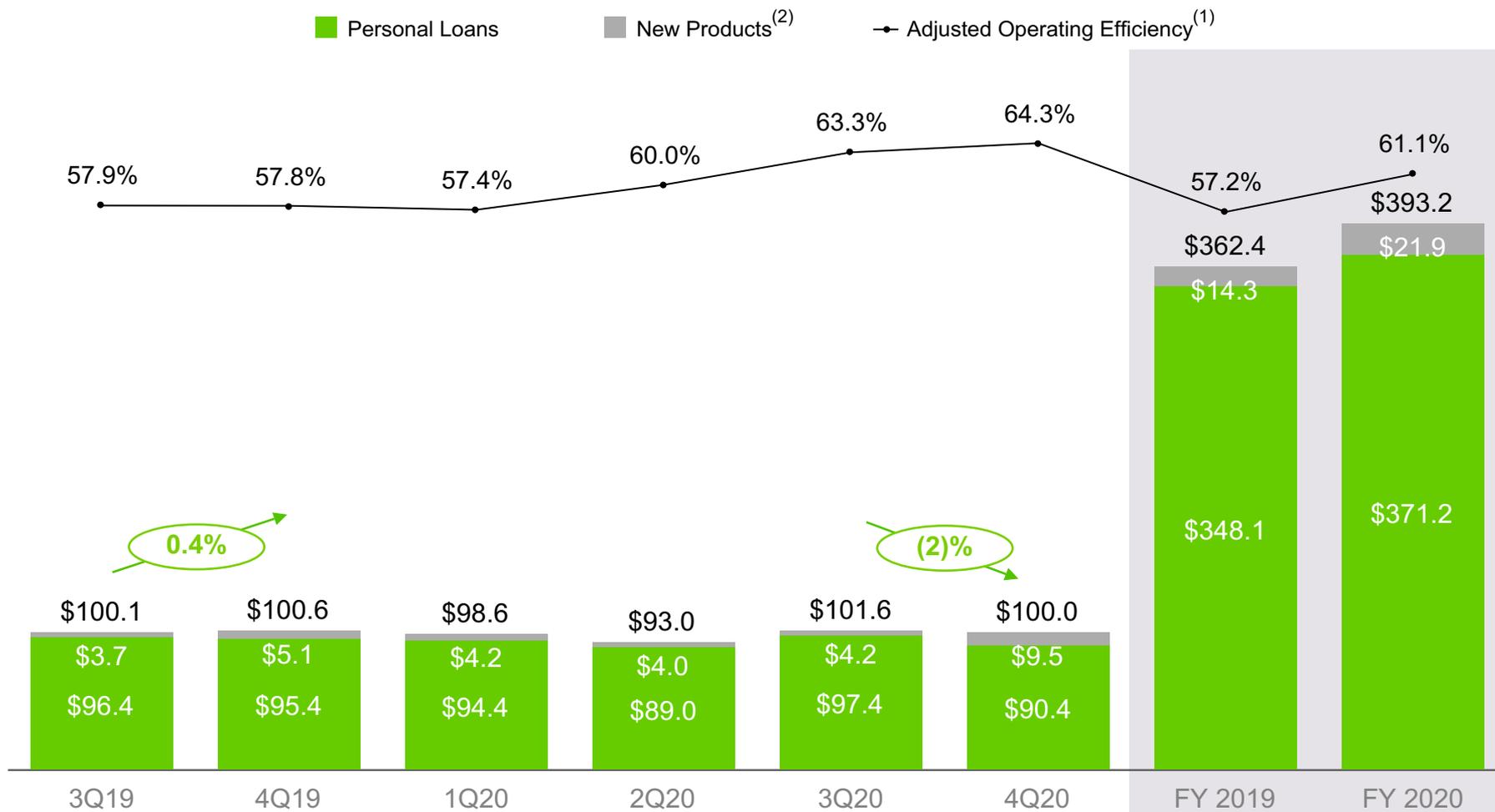
Note: Numbers may not foot or cross-foot due to rounding.

— Increase in FV of Loans will increase Net Revenue  
— Increase in FV of Notes will decrease Net Revenue

# Prudently Managing Operating Expenses

(\$ Millions)

## Operating Expenses & Adjusted Operating Efficiency<sup>(1)</sup>(%)

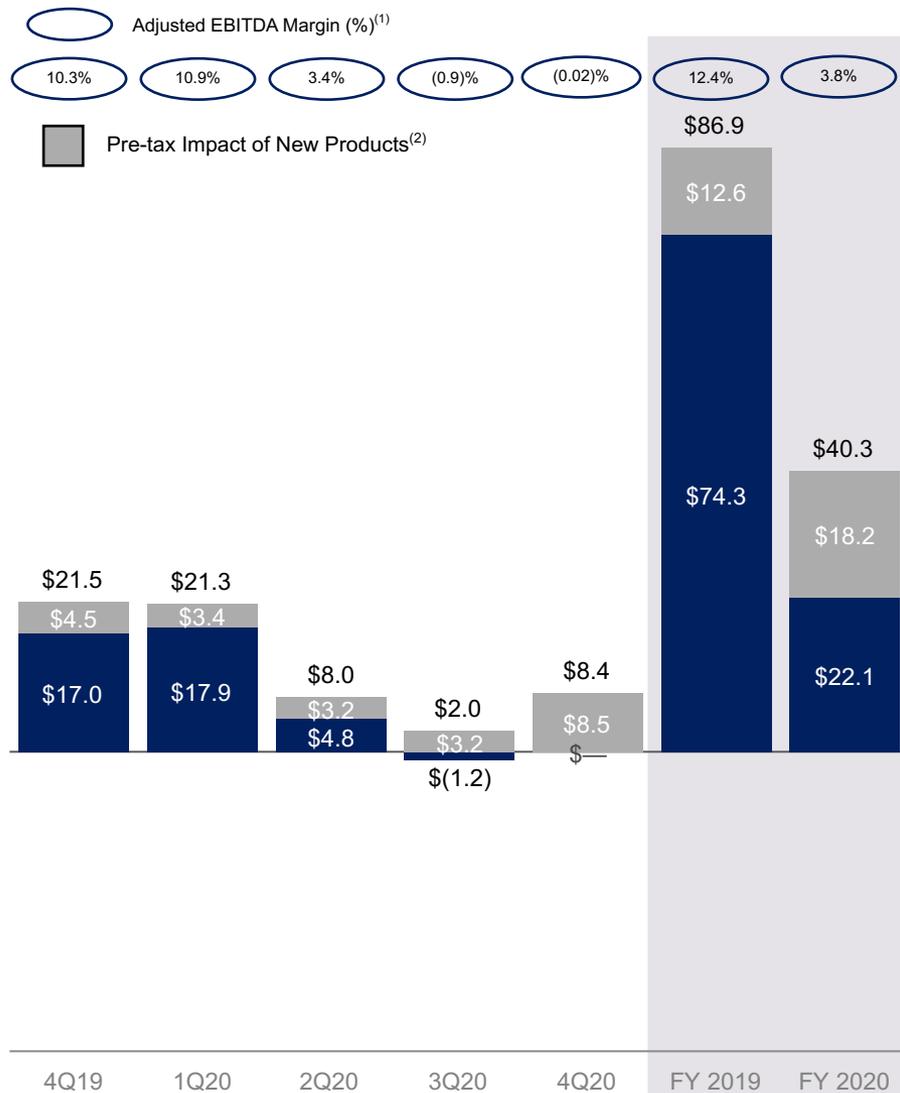


(1) See Appendix for 'Key Definitions' and/or a reconciliation to the comparable GAAP measure; numbers may not foot or cross-foot due to rounding.

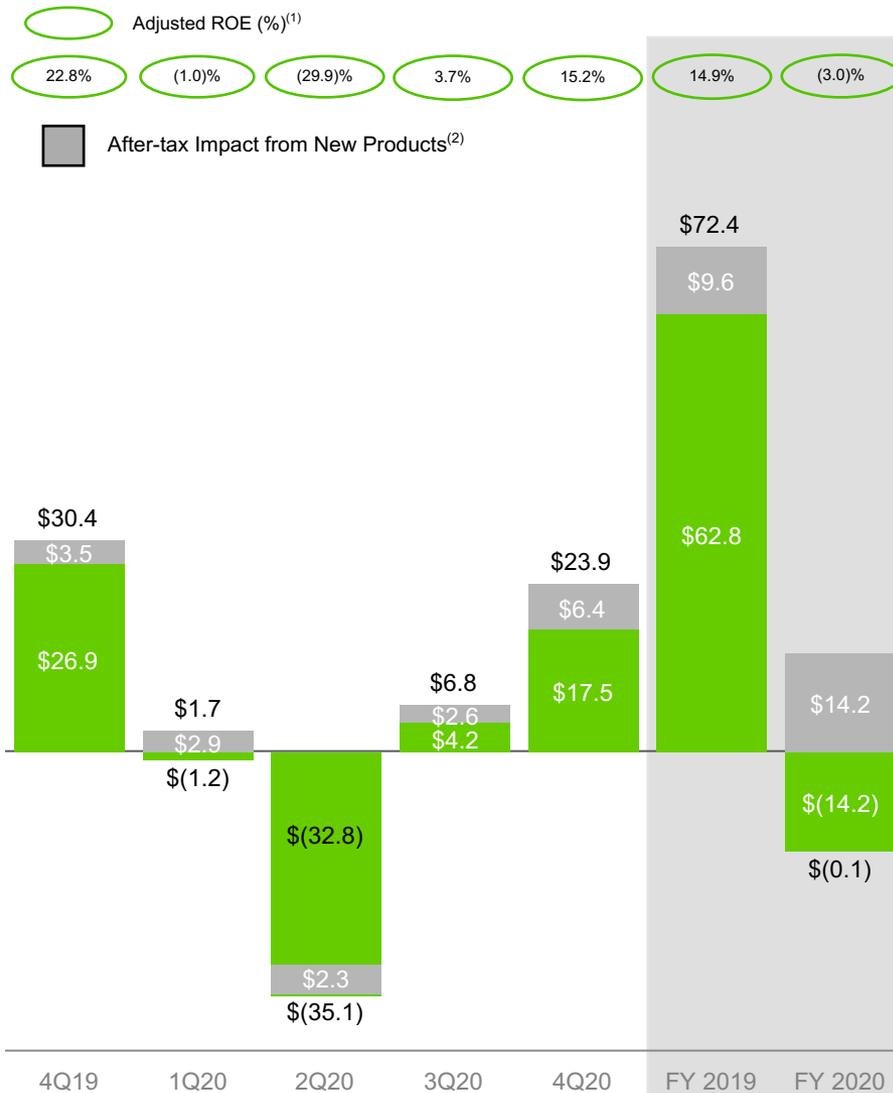
(2) Includes the impact from new products and services such as auto and credit card.

# Adj. Net Income Up 320% in 4Q20 relative to 3Q20

## Adjusted EBITDA (\$M)<sup>(1)</sup>



## Adjusted Net Income (\$M)<sup>(1)</sup>



(1) See Appendix for 'Key Definitions' and/or a reconciliation to the comparable GAAP measure; numbers may not foot or cross-foot due to rounding.

(2) Includes the impact from new products and services such as auto and credit card. Prior periods were updated to exclude the impact of expense associated with stock compensation and depreciation and amortization (Adjusted EBITDA) and stock compensation and tax adjustment (Adjusted Net Income).



**Appendix**

---

# Key Definitions

- **30+ Day Delinquency Rate** is the unpaid principal balance for our owned loans and credit card receivables that are 30 or more calendar days contractually past due as of the end of the period divided by Owned Principal Balance as of such date
- **Active Customers** is the number with an outstanding loan or an active credit card serviced by us at the end of a period. Active Customers includes customers whose loans are owned by us and loans that have been sold that we continue to service. Customers with charged-off accounts are excluded from Active Customers
- **Adjusted EBITDA** is a non-GAAP financial measure calculated as net income (loss), adjusted for the impact of our election of the fair value option and further adjusted to eliminate the effect of the following items: income tax expense (benefit), COVID-19 expenses, stock-based compensation expense, depreciation and amortization, litigation reserve, impairment charges, origination fees for Fair Value loans, net and fair value mark-to-market adjustment
- **Adjusted EBITDA Margin** is calculated as Adjusted EBITDA divided by Fair Value Pro Forma Total Revenue
- **Adjusted Earnings Per Share (EPS)** is a non-GAAP financial measure calculated by dividing Adjusted Net Income by adjusted weighted-average diluted common shares outstanding. Weighted-average diluted common shares outstanding have been adjusted to reflect the conversion of all preferred shares as of the beginning of each annual period
- **Adjusted Net Income** is a non-GAAP financial measure calculated by adjusting our net income (loss), for the impact of our election of the fair value option, and further adjusted to exclude income tax expense (benefit), COVID-19 expenses, stock-based compensation expense, impairment charges and litigation reserve, net of tax
- **Adjusted Operating Efficiency** is a non-GAAP financial measure calculated by dividing total operating expenses (excluding COVID-19 expenses, stock-based compensation expense, impairment charges and litigation reserve) by Fair Value Pro Forma Total Revenue
- **Adjusted Return on Equity ("ROE")** is a non-GAAP financial measure calculated by dividing annualized Adjusted Net Income by Average Fair Value Pro Forma total stockholders' equity
- **Adjusted Tangible Book Value** is Fair Value Pro Forma total stockholders' equity, excluding intangible assets and system development costs
- **Adjusted Tangible Book Value per Share** is Adjusted Tangible Book Value divided by common shares outstanding at period end. Common shares outstanding at period end have been adjusted to reflect the conversion of all preferred shares as of the beginning of each annual period.
- **Aggregate Originations** is the aggregate amount disbursed to borrowers and purchases and cash advances, net of returns, on credit cards during a specific period. Aggregate Originations excludes any fees in connection with the origination of a loan
- **Annualized Net Charge-Off Rate** is calculated as annualized loan and credit card principal losses (net of recoveries) divided by the Average Daily Principal Balance of owned loans and credit card receivables for the period
- **APR** is the Annual Percentage Rate
- **Asset-Backed Notes at Fair Value (or "Fair Value Notes")** are all asset-backed notes issued by Oportun on or after January 1, 2018
- **Average Daily Principal Balance** is the average of outstanding principal balance of owned loans and credit card receivables at the end of each calendar day during the period
- **Book Value** is total assets less total liabilities or equal to total stockholders' equity
- **Book Value Per Share** is Book Value divided by common shares outstanding at period end
- **Customer Acquisition Cost (or "CAC")** is calculated as sales and marketing expenses, which include the costs associated with various paid marketing channels, including direct mail, digital marketing and brand marketing and the costs associated with our telesales and retail operations divided by number of loans originated and new credit cards activated to new and returning customers during a period

## Key Definitions, Continued

- **Emergency Hardship Deferral** is any receivable that currently has one or more payments deferred and added at the end of the loan payment schedule in connection with a local or wide-spread emergency declared by local, state or federal government such as a natural disaster, government shutdown or pandemic
- **Fair Value Loans (or "Loans Receivable at Fair Value")** are all loans receivable held for investment that were originated on or after January 1, 2018. Upon the adoption of ASU 2019-05 as of January 1, 2020 all loans receivable held for investment are reported in this line item for all prospective reporting periods
- **Fair Value Notes (or "Asset-Backed Notes at Fair Value")** are all asset-backed notes issued by Oportun on or after January 1, 2018
- **Fair Value Pro Forma** in order to facilitate comparisons to periods prior to January 1, 2018, certain metrics included in this presentation have been shown on a pro forma basis, or the Fair Value Pro Forma, as if we had elected the fair value option since our inception for all loans originated and held for investment and all asset-backed notes issued
- **Fair Value Pro Forma Cost of Debt** is calculated as Fair Value Pro Forma interest expense divided by average Fair Value Pro Forma balance sheet value of debt
- **Fair Value Pro Forma Debt-to-Equity** is calculated as Fair Value Pro Forma total debt divided by Fair Value Pro Forma total equity
- **Fair Value Pro Forma Total Revenue** is calculated as the sum of Fair Value Pro Forma interest income and non-interest income. Fair Value Pro Forma interest income includes interest on loans and fees; origination fees are recognized upon disbursement. Non-interest income includes gain on sales, servicing fees and other income. We adopted ASU 2019-05 as of January 1, 2020 and as a result Fair Value Pro Forma Total Revenue and GAAP Total Revenue are equal for all prospective reporting periods
- **First Payment Defaults** are calculated as the principal balance of any loan whose first payment becomes 30 days past due, divided by the aggregate principal balance of all loans originated during that same period
- **GAAP** Generally Accepted Accounting Principles
- **Leverage** is Average Daily Debt Balance divided by Average Daily Principal Balance
- **Loans Receivable at Amortized Cost** are loans held for investment that were originated prior to January 1, 2018. Upon the adoption of ASU 2019-05 as of January 1, 2020 this line item has been eliminated for all prospective reporting periods
- **Loans Receivable at Fair Value (or "Fair Value Loans")** are all loans receivable held for investment that were originated on or after January 1, 2018
- **Managed Principal Balance at End of Period** is the total amount of outstanding principal balance for all loans and credit card receivables, including loans sold, which we continue to service, at the end of the period
- **Net Revenue** is calculated by subtracting interest expense and provision (release) for loan losses from total revenue and adding the net increase (decrease) in fair value
- **Operating Efficiency** is calculated as total operating expenses divided by total revenue
- **Owned Principal Balance at End of Period** is the total amount of outstanding principal balance for all loans and credit card receivables, excluding loans sold, at the end of the period
- **Return on Equity** is calculated as annualized net income divided by average stockholders' equity for a period
- **Secured Financing** is the asset-backed revolving debt facility

# Key Financial and Operating Metrics

	Quarter Ended						Year Ended December 31		
	4Q20	3Q20	2Q20	1Q20	4Q19	Change Y / Y	2020	2019	Change Y / Y
Aggregate Originations (Millions)	\$ 448.6	\$ 302.4	\$ 157.6	\$ 432.8	\$ 619.3	(27.6)%	\$ 1,348.0	\$ 2,051.8	(34.3)%
Number of Loans Originated	153,847	97,826	48,193	143,150	213,840	(28.1)%	449,362	726,964	(38.2)%
Active Customers	651,600	624,205	676,830	777,194	793,254	(17.9)%	651,600	793,254	(17.9)%
Customer Acquisition Cost <sup>(1)</sup>	\$ 155.1	\$ 206.7	\$ 413.2	\$ 170.5	\$ 131.3	18.1 %	\$ 199.0	\$ 133.6	48.9 %
Owned Principal Balance EOP (Millions)	\$ 1,639.6	\$ 1,572.0	\$ 1,642.6	\$ 1,831.0	\$ 1,842.9	(11.0)%	\$ 1,639.6	\$ 1,842.9	(11.0)%
Managed Principal Balance EOP (Millions)	\$ 1,895.4	\$ 1,835.8	\$ 1,938.4	\$ 2,180.4	\$ 2,199.0	(13.8)%	\$ 1,895.4	\$ 2,199.0	(13.8)%
Average Daily Principal Balance (Millions)	\$ 1,605.5	\$ 1,598.1	\$ 1,736.5	\$ 1,862.1	\$ 1,769.2	(9.3)%	\$ 1,701.7	\$ 1,624.3	4.8 %
Charge-offs, Net of Recoveries (Millions)	\$ 37.8	\$ 41.9	\$ 45.7	\$ 41.4	\$ 40.2	(6.0)%	\$ 166.9	\$ 134.8	23.8 %
30+ Delinquent Balance EOP (Millions)	\$ 60.1	\$ 54.9	\$ 60.3	\$ 69.9	\$ 73.9	(18.7)%	\$ 60.1	\$ 73.9	(18.7)%
30+ Day Delinquency Rate (%)	3.7 %	3.5 %	3.7 %	3.8 %	4.0 %		3.7 %	4.0 %	
Annualized Net Charge-Off Rate (%)	9.4 %	10.4 %	10.6 %	8.9 %	9.0 %		9.8 %	8.3 %	
Operating Efficiency (%)	71.0 %	74.3 %	65.2 %	60.3 %	60.8 %		67.4 %	60.4 %	
Adjusted Operating Efficiency (%)	64.3 %	63.3 %	60.0 %	57.4 %	57.8 %		61.1 %	57.2 %	
Return on Equity (%)	7.4 %	(5.3)%	(29.4)%	(11.0)%	19.5 %		(9.4)%	14.7 %	
Adjusted Return on Equity (%)	15.2 %	3.7 %	(29.9)%	(1.0)%	22.8 %		(3.0)%	14.9 %	

(1) Sales and marketing expenses divided by the number of new and returning customer loans originated in the respective periods.

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated GAAP Income Statement

(\$ Millions, except per share data. Shares in Millions)

	Quarter Ended					Year Ended December 31					
	4Q20	3Q20	2Q20	1Q20	4Q19	\$ Change % Change		2020	2019	\$ Change % Change	
						Y / Y	Y / Y			Y / Y	Y / Y
Interest income	\$ 129.9	\$ 128.7	\$ 136.1	\$ 150.7	\$ 148.3	\$ (18.4)	(12.4)%	\$ 545.5	\$ 544.1	\$ 1.3	0.2%
Non-interest income	10.9	8.0	6.6	12.7	17.0	(6.1)	(35.9)%	38.3	56.0	(17.8)	(31.7)%
<b>Total revenue</b>	<b>\$ 140.8</b>	<b>\$ 136.8</b>	<b>\$ 142.7</b>	<b>\$ 163.4</b>	<b>\$ 165.3</b>	<b>\$ (24.5)</b>	<b>(14.8)%</b>	<b>\$ 583.7</b>	<b>\$ 600.1</b>	<b>\$ (16.4)</b>	<b>(2.7)%</b>
Less:											
Interest expense	\$ 13.5	\$ 13.4	\$ 15.1	\$ 16.4	\$ 15.8	\$ (2.3)	(14.6)%	\$ 58.4	\$ 60.5	\$ (2.2)	(3.6)%
Provision (release) for loan losses	—	—	—	—	(0.7)	0.7	NM	—	(4.5)	4.5	NM
Net increase (decrease) in fair value	(12.7)	(29.6)	(81.5)	(66.5)	(18.7)	5.9	(31.9)%	(190.3)	(97.2)	(93.1)	NM
<b>Net revenue</b>	<b>\$ 114.6</b>	<b>\$ 93.7</b>	<b>\$ 46.1</b>	<b>\$ 80.6</b>	<b>\$ 131.6</b>	<b>\$ (17.0)</b>	<b>(12.9)%</b>	<b>\$ 335.1</b>	<b>\$ 446.8</b>	<b>\$ (111.8)</b>	<b>(25.0)%</b>
Operating expenses:											
Sales and marketing	\$ 23.9	\$ 20.6	\$ 20.1	\$ 24.8	\$ 28.1	\$ (4.2)	(15.0)%	\$ 89.4	\$ 97.2	\$ (7.8)	(8.0)%
Other operating expenses	76.1	80.9	73.0	73.8	72.4	3.7	5.1%	303.8	265.3	38.5	14.5%
<b>Total operating expenses</b>	<b>\$ 100.0</b>	<b>\$ 101.6</b>	<b>\$ 93.0</b>	<b>\$ 98.6</b>	<b>\$ 100.5</b>	<b>\$ (0.5)</b>	<b>(0.5)%</b>	<b>\$ 393.2</b>	<b>\$ 362.4</b>	<b>\$ 30.7</b>	<b>8.5%</b>
<b>Income before taxes</b>	<b>\$ 14.7</b>	<b>\$ (7.8)</b>	<b>\$ (46.9)</b>	<b>\$ (18.0)</b>	<b>\$ 31.2</b>	<b>\$ (16.5)</b>	<b>(52.9)%</b>	<b>\$ (58.1)</b>	<b>\$ 84.4</b>	<b>\$ (142.5)</b>	<b>(168.8)%</b>
Income tax provision	6.2	(1.8)	(12.7)	(4.7)	8.0	(1.8)	(23.0)%	(13.0)	22.8	(35.8)	(157.0)%
<b>Net income</b>	<b>\$ 8.5</b>	<b>\$ (6.0)</b>	<b>\$ (34.2)</b>	<b>\$ (13.3)</b>	<b>\$ 23.2</b>	<b>\$ (14.7)</b>	<b>(63.2)%</b>	<b>\$ (45.1)</b>	<b>\$ 61.6</b>	<b>\$ (106.7)</b>	<b>(173.2)%</b>
<b>Memo:</b>											
<b>Earnings (loss) per share</b>	<b>\$ 0.31</b>	<b>\$ (0.22)</b>	<b>\$ (1.26)</b>	<b>\$ (0.49)</b>	<b>\$ 0.86</b>	<b>\$ (0.55)</b>	<b>(64.0)%</b>	<b>\$ (1.65)</b>	<b>\$ 0.46</b>	<b>\$ (2.11)</b>	<b>*</b>
Diluted earnings (loss) per share	\$ 0.29	\$ (0.22)	\$ (1.26)	\$ (0.49)	\$ 0.81	\$ (0.52)	(64.2)%	\$ (1.65)	\$ 0.40	\$ (2.05)	*
<b>Weighted average common shares outstanding - basic</b>	<b>27.6</b>	<b>27.5</b>	<b>27.2</b>	<b>27.0</b>	<b>27.0</b>	<b>0.6</b>	<b>2.3%</b>	<b>27.3</b>	<b>9.3</b>	<b>18.0</b>	<b>192.4%</b>
Weighted average common shares outstanding - diluted	29.2	27.5	27.2	27.0	28.5	0.7	2.4%	27.3	10.8	16.6	154.0%

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated Fair Value Pro Forma Income Statement

(\$ Millions, except per share data. Shares in Millions)

	Quarter Ended							Year Ended December 31			
	4Q20	3Q20	2Q20	1Q20	4Q19	\$ Change	% Change	2020	2019	\$ Change	% Change
						Y / Y	Y / Y			Y / Y	Y / Y
Interest income	\$ 129.9	\$ 128.7	\$ 136.1	\$ 150.7	\$ 148.2	\$ (18.2)	(12.3)%	\$ 545.5	\$ 542.4	\$ 3.1	0.6 %
Non-interest income	10.9	8.0	6.6	12.7	17.0	(6.1)	(35.9)%	38.3	56.0	(17.8)	(31.7)%
<b>Total revenue</b>	<b>\$ 140.8</b>	<b>\$ 136.8</b>	<b>\$ 142.7</b>	<b>\$ 163.4</b>	<b>\$ 165.2</b>	<b>\$ (24.4)</b>	<b>(14.7)%</b>	<b>\$ 583.7</b>	<b>\$ 598.4</b>	<b>\$ (14.7)</b>	<b>(2.4)%</b>
Less:											
Interest expense	\$ 13.5	\$ 13.2	\$ 14.9	\$ 15.9	\$ 15.4	\$ (1.9)	(12.6)%	\$ 57.5	\$ 59.1	\$ (1.7)	(2.8)%
Net increase (decrease) in FV	(12.7)	(31.2)	(90.9)	(54.8)	(18.0)	5.3	(29.2)%	(189.6)	(110.6)	(79.0)	71.5 %
<b>Net revenue</b>	<b>\$ 114.6</b>	<b>\$ 92.4</b>	<b>\$ 36.9</b>	<b>\$ 92.7</b>	<b>\$ 131.8</b>	<b>\$ (17.1)</b>	<b>(13.0)%</b>	<b>\$ 336.6</b>	<b>\$ 428.7</b>	<b>\$ (92.0)</b>	<b>(21.5)%</b>
Operating expenses:											
Sales and marketing	\$ 23.9	\$ 20.6	\$ 20.1	\$ 24.8	\$ 28.1	\$ (4.2)	(15.0)%	\$ 89.4	\$ 97.2	\$ (7.8)	(8.0)%
Other operating expenses	76.1	80.9	73.0	73.8	72.4	3.7	5.1 %	303.8	265.3	38.5	14.5 %
<b>Total operating expenses</b>	<b>\$ 100.0</b>	<b>\$ 101.6</b>	<b>\$ 93.0</b>	<b>\$ 98.6</b>	<b>\$ 100.5</b>	<b>\$ (0.5)</b>	<b>(0.5)%</b>	<b>\$ 393.2</b>	<b>\$ 362.4</b>	<b>\$ 30.7</b>	<b>8.5 %</b>
<b>Income before taxes</b>	<b>\$ 14.7</b>	<b>\$ (9.2)</b>	<b>\$ (56.1)</b>	<b>\$ (5.9)</b>	<b>\$ 31.3</b>	<b>\$ (16.7)</b>	<b>(53.2)%</b>	<b>\$ (56.5)</b>	<b>\$ 66.2</b>	<b>\$ (122.8)</b>	<b>(185.3)%</b>
Income tax provision	6.2	(2.2)	(15.2)	(1.1)	8.0	(1.9)	(23.4)%	(12.3)	17.8	(30.1)	(169.2)%
<b>Net income</b>	<b>\$ 8.5</b>	<b>\$ (7.0)</b>	<b>\$ (40.9)</b>	<b>\$ (4.8)</b>	<b>\$ 23.3</b>	<b>\$ (14.8)</b>	<b>(63.4)%</b>	<b>\$ (44.2)</b>	<b>\$ 48.4</b>	<b>\$ (92.6)</b>	<b>(191.3)%</b>
<b>Memo:</b>											
<b>Adjusted EBITDA</b>	<b>\$ —</b>	<b>\$ (1.2)</b>	<b>\$ 4.8</b>	<b>\$ 18.5</b>	<b>\$ 17.0</b>	<b>\$ (17.0)</b>	<b>(100.2)%</b>	<b>\$ 22.1</b>	<b>\$ 74.3</b>	<b>\$ (52.2)</b>	<b>(70.3)%</b>
Adjusted net income	\$ 17.5	\$ 4.2	\$ (35.1)	\$ (0.8)	\$ 26.9	\$ (9.4)	(35.0)%	\$ (14.2)	\$ 62.8	\$ (77.0)	(122.7)%
<b>Adjusted EPS</b>	<b>\$ 0.60</b>	<b>\$ 0.15</b>	<b>\$ (1.29)</b>	<b>\$ (0.04)</b>	<b>\$ 0.94</b>	<b>\$ (0.34)</b>	<b>(36.2)%</b>	<b>\$ (0.52)</b>	<b>\$ 2.53</b>	<b>\$ (3.05)</b>	<b>(120.6)%</b>
Basic weighted-average common shares outstanding	27.6	27.5	27.2	27.0	27.0	0.6	2.3 %	27.3	9.3	18.0	192.4 %
<b>Diluted adjusted weighted-average common shares outstanding</b>	<b>29.2</b>	<b>28.7</b>	<b>27.2</b>	<b>27.0</b>	<b>28.5</b>	<b>0.7</b>	<b>2.4 %</b>	<b>27.3</b>	<b>24.8</b>	<b>2.6</b>	<b>10.4 %</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated Fair Value Pro Forma Income Statement Reconciliation

(\$ Millions)

	Three Months Ended December 31, 2020			Three Months Ended December 31, 2019			\$ Change Y / Y	% Change Y / Y
	As Reported	FV Adjustment	FV Pro Forma	As Reported	FV Adjustment	FV Pro Forma		
Interest income	\$ 129.9	\$ —	\$ 129.9	\$ 148.3	\$ (0.2)	\$ 148.2	\$ (18.2)	(12.3)%
Non-interest income	10.9	—	10.9	17.0	—	17.0	(6.1)	(35.9)%
<b>Total revenue</b>	<b>\$ 140.8</b>	<b>\$ —</b>	<b>\$ 140.8</b>	<b>\$ 165.3</b>	<b>\$ (0.2)</b>	<b>\$ 165.2</b>	<b>\$ (24.4)</b>	<b>(14.7)%</b>
Less:								
Interest expense	\$ 13.5	\$ —	\$ 13.5	\$ 15.8	\$ (0.4)	\$ 15.4	\$ (1.9)	(12.6)%
Provision (release) for loan losses	—	—	—	(0.7)	0.7	—	—	NM
Net increase (decrease) in FV	(12.7)	—	(12.7)	(18.7)	0.7	(18.0)	5.3	(29.2)%
<b>Net revenue</b>	<b>\$ 114.6</b>	<b>\$ —</b>	<b>\$ 114.6</b>	<b>\$ 131.6</b>	<b>\$ 0.2</b>	<b>\$ 131.8</b>	<b>\$ (17.1)</b>	<b>(13.0)%</b>
Operating expenses:								
Technology and facilities	\$ 35.9	\$ —	\$ 35.9	\$ 29.1	\$ —	\$ 29.1	\$ 6.7	23.1 %
Sales and marketing	23.9	—	23.9	28.1	—	28.1	(4.2)	(15.0)%
Personnel	26.5	—	26.5	24.2	—	24.2	2.3	9.4 %
Outsourcing and professional fees	10.8	—	10.8	14.4	—	14.4	(3.6)	(25.0)%
General, administrative, and other	2.9	—	2.9	4.6	—	4.6	(1.7)	(37.1)%
<b>Total operating expenses</b>	<b>\$ 100.0</b>	<b>\$ —</b>	<b>\$ 100.0</b>	<b>\$ 100.5</b>	<b>\$ —</b>	<b>\$ 100.5</b>	<b>\$ (0.5)</b>	<b>(0.5)%</b>
<b>Income before taxes</b>	<b>\$ 14.7</b>	<b>\$ —</b>	<b>\$ 14.7</b>	<b>\$ 31.2</b>	<b>\$ 0.2</b>	<b>\$ 31.3</b>	<b>\$ (16.7)</b>	<b>(53.2)%</b>
Income tax provision	6.2	—	6.2	8.0	—	8.0	(1.9)	(23.4)%
<b>Net income</b>	<b>\$ 8.5</b>	<b>\$ —</b>	<b>\$ 8.5</b>	<b>\$ 23.2</b>	<b>\$ 0.1</b>	<b>\$ 23.3</b>	<b>\$ (14.8)</b>	<b>(63.4)%</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated Fair Value Pro Forma Income Statement Reconciliation

(\$ Millions)

	Year Ended			Year Ended			\$ Change	% Change
	December 31, 2020			December 31, 2019				
	As Reported	FV Adjustment	FV Pro Forma	As Reported	FV Adjustment	FV Pro Forma		
Interest income	\$ 545.5	\$ —	\$ 545.5	\$ 544.1	\$ (1.8)	\$ 542.4	\$ 3.1	0.6 %
Non-interest income	38.3	—	38.3	56.0	—	56.0	(17.8)	(31.7)%
<b>Total revenue</b>	<b>\$ 583.7</b>	<b>\$ —</b>	<b>\$ 583.7</b>	<b>\$ 600.1</b>	<b>\$ (1.8)</b>	<b>\$ 598.4</b>	<b>\$ (14.7)</b>	<b>(2.4)%</b>
Less:								
Interest expense	\$ 58.4	\$ (0.9)	\$ 57.5	\$ 60.5	\$ (1.4)	\$ 59.1	\$ (1.7)	(2.8)%
Provision (release) for loan losses	—	—	—	(4.5)	4.5	—	—	*
Net increase (decrease) in FV	(190.3)	0.7	(189.6)	(97.2)	(13.4)	(110.6)	(79.0)	71.5 %
<b>Net revenue</b>	<b>\$ 335.1</b>	<b>\$ 1.6</b>	<b>\$ 336.6</b>	<b>\$ 446.8</b>	<b>\$ (18.2)</b>	<b>\$ 428.7</b>	<b>\$ (92.0)</b>	<b>(21.5)%</b>
Operating expenses:								
Technology and facilities	\$ 129.8	\$ —	\$ 129.8	\$ 102.0	\$ —	\$ 102.0	\$ 27.8	27.3 %
Sales and marketing	89.4	—	89.4	97.2	—	97.2	(7.8)	(8.0)%
Personnel	106.4	—	106.4	90.6	—	90.6	15.8	17.4 %
Outsourcing and professional fees	47.1	—	47.1	57.2	—	57.2	(10.2)	(17.8)%
General, administrative, and other	20.5	—	20.5	15.4	—	15.4	5.1	33.0 %
<b>Total operating expenses</b>	<b>\$ 393.2</b>	<b>\$ —</b>	<b>\$ 393.2</b>	<b>\$ 362.4</b>	<b>\$ —</b>	<b>\$ 362.4</b>	<b>\$ 30.7</b>	<b>8.5 %</b>
<b>Income before taxes</b>	<b>\$ (58.1)</b>	<b>\$ 1.6</b>	<b>\$ (56.5)</b>	<b>\$ 84.4</b>	<b>\$ (18.2)</b>	<b>\$ 66.2</b>	<b>\$ (122.8)</b>	<b>(185.3)%</b>
Income tax provision	(13.0)	0.7	(12.3)	22.8	(5.0)	17.8	(30.1)	(169.2)%
<b>Net income</b>	<b>\$ (45.1)</b>	<b>\$ 0.9</b>	<b>\$ (44.2)</b>	<b>\$ 61.6</b>	<b>\$ (13.2)</b>	<b>\$ 48.4</b>	<b>\$ (92.6)</b>	<b>(191.3)%</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Condensed GAAP Balance Sheet

(\$ Millions)

	Quarter Ended					Change	
	4Q20	3Q20	2Q20	1Q20	4Q19	Q / Q	Y / Y
Cash and cash equivalents	\$ 136.2	\$ 109.7	\$ 139.2	\$ 144.8	\$ 72.2	24.2 %	88.7 %
Restricted cash	32.4	53.8	58.7	61.3	64.0	(39.8)%	(49.3)%
Loans receivable at fair value	1,696.5	1,605.4	1,635.7	1,760.5	1,882.1	5.7 %	(9.9)%
Loans receivable at amortized cost, net	—	—	—	—	38.5	NM	(100.0)%
Other assets	143.9	148.7	141.0	150.7	145.2	(3.2)%	(0.9)%
<b>Total assets</b>	<b>\$ 2,009.1</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,201.9</b>	<b>4.8 %</b>	<b>(8.8)%</b>
Total debt	1,413.7	1,316.6	1,393.9	1,477.8	1,549.2	7.4 %	(8.7)%
Other liabilities	129.0	147.9	126.4	156.0	163.9	(12.8)%	(21.3)%
<b>Total liabilities</b>	<b>\$ 1,542.7</b>	<b>\$ 1,464.5</b>	<b>\$ 1,520.3</b>	<b>\$ 1,633.8</b>	<b>\$ 1,713.1</b>	<b>5.3 %</b>	<b>(9.9)%</b>
<b>Total stockholders' equity</b>	<b>\$ 466.4</b>	<b>\$ 453.0</b>	<b>\$ 454.3</b>	<b>\$ 483.5</b>	<b>\$ 488.8</b>	<b>2.9 %</b>	<b>(4.6)%</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,009.1</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,201.9</b>	<b>4.8 %</b>	<b>(8.8)%</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Condensed Fair Value Pro Forma Balance Sheet

(\$ Millions)

	Quarter Ended					Change	
	4Q20	3Q20	2Q20	1Q20	4Q19	Q / Q	Y / Y
Cash and cash equivalents	\$ 136.2	\$ 109.7	\$ 139.2	\$ 144.8	\$ 72.2	24.2 %	88.7 %
Restricted cash	32.4	53.8	58.7	61.3	64.0	(39.8)%	(49.3)%
Loans receivable at fair value	1,696.5	1,605.4	1,635.7	1,760.5	1,925.6	5.7 %	(11.9)%
Other assets	143.9	148.7	141.0	150.7	138.6	(3.2)%	3.9 %
<b>Total assets</b>	<b>\$ 2,009.1</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,200.3</b>	<b>4.8 %</b>	<b>(8.7)%</b>
Total debt	1,413.7	1,316.6	1,392.5	1,467.2	1,550.8	7.4 %	(8.8)%
Other liabilities	129.7	148.6	127.5	159.6	162.3	(12.7)%	(20.1)%
<b>Total liabilities</b>	<b>\$ 1,543.4</b>	<b>\$ 1,465.2</b>	<b>\$ 1,520.0</b>	<b>\$ 1,626.8</b>	<b>\$ 1,713.0</b>	<b>5.3 %</b>	<b>(9.9)%</b>
<b>Total stockholders' equity</b>	<b>\$ 465.7</b>	<b>\$ 452.3</b>	<b>\$ 454.6</b>	<b>\$ 490.5</b>	<b>\$ 487.3</b>	<b>3.0 %</b>	<b>(4.4)%</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,009.1</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,200.3</b>	<b>4.8 %</b>	<b>(8.7)%</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Condensed Fair Value Pro Forma Balance Sheet Reconciliation

(\$ Millions)

	Quarter Ended December 31, 2020			Quarter Ended December 31, 2019		
	As Reported	FV Adjustment	FV Pro Forma	As Reported	FV Adjustment	FV Pro Forma
Cash and cash equivalents	\$ 136.2	\$ —	\$ 136.2	\$ 72.2	\$ —	\$ 72.2
Restricted cash	32.4	—	32.4	64.0	—	64.0
Loans receivable at fair value	1,696.5	—	1,696.5	1,882.1	43.5	1,925.6
Loans receivable at amortized cost, net	—	—	—	38.5	(38.5)	—
Other assets	143.9	—	143.9	145.2	(6.6)	138.6
<b>Total assets</b>	<b>\$ 2,009.1</b>	<b>\$ —</b>	<b>\$ 2,009.1</b>	<b>\$ 2,201.9</b>	<b>\$ (1.6)</b>	<b>\$ 2,200.3</b>
Total debt	1,413.7	—	1,413.7	1,549.2	1.6	1,550.8
Other liabilities	129.0	0.7	129.7	163.9	(1.6)	162.3
<b>Total liabilities</b>	<b>\$ 1,542.7</b>	<b>\$ 0.7</b>	<b>\$ 1,543.4</b>	<b>\$ 1,713.1</b>	<b>\$ (0.1)</b>	<b>\$ 1,713.0</b>
<b>Total stockholders' equity</b>	<b>\$ 466.4</b>	<b>\$ (0.7)</b>	<b>\$ 465.7</b>	<b>\$ 488.8</b>	<b>\$ (1.5)</b>	<b>\$ 487.3</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,009.1</b>	<b>\$ —</b>	<b>\$ 2,009.1</b>	<b>\$ 2,201.9</b>	<b>\$ (1.6)</b>	<b>\$ 2,200.3</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Adjusted EBITDA Reconciliation

(\$ Millions)

	Quarter Ended						Year Ended December 31		
	4Q20	3Q20	2Q20	1Q20	4Q19	Change Y / Y	2020	2019	Change Y / Y
Net income	\$ 8.5	\$ (6.0)	\$ (34.2)	\$ (13.3)	\$ 23.2	(63.2)%	\$ (45.1)	\$ 61.6	(173.2)%
Adjustments:									
Fair Value Pro Forma net income adjustment	\$ —	\$ (1.0)	\$ (6.6)	\$ 8.5	\$ 0.1	(100.0)%	\$ 0.9	\$ (13.2)	(106.6)%
Income tax expense (benefit)	6.2	(2.2)	(15.2)	(1.1)	8.0	(23.4)%	(12.3)	17.8	(169.2)%
COVID-19 expenses	0.6	1.0	2.4	0.6	—	100.0 %	4.6	—	NM
Depreciation and amortization	5.3	5.1	5.1	4.7	4.4	20.2 %	20.2	14.1	43.4 %
Impairment	3.7	—	—	—	—	100.0 %	3.7	—	100.0 %
Stock-based compensation expense	5.2	5.2	5.0	4.2	4.0	29.1 %	19.5	19.2	1.6 %
Litigation reserve	—	8.8	—	—	0.9	(100.0)%	8.8	0.9	NM
Origination fees for Fair Value Loans, net	(4.4)	(1.3)	3.3	1.5	(1.5)	201.1 %	(0.9)	(1.9)	(52.8)%
Fair value mark-to-market adjustment	(25.1)	(10.7)	45.2	13.4	(22.2)	13.0 %	22.7	(24.2)	(194.0)%
<b>Adjusted EBITDA</b>	<b>\$ —</b>	<b>\$ (1.2)</b>	<b>\$ 4.8</b>	<b>\$ 18.5</b>	<b>\$ 17.0</b>	<b>(100.2)%</b>	<b>\$ 22.1</b>	<b>\$ 74.3</b>	<b>(70.3)%</b>
<b>Memo:</b>									
Fair Value Pro Forma Total Revenue	140.8	136.8	142.7	163.4	165.2	(14.7)%	583.7	598.4	(2.4)%
<b>Adjusted EBITDA Margin (%)<sup>(1)</sup></b>	<b>— %</b>	<b>(0.9)%</b>	<b>3.4 %</b>	<b>11.3 %</b>	<b>10.3 %</b>		<b>3.8 %</b>	<b>12.4 %</b>	

(1) Calculated as Adjusted EBITDA divided by Fair Value Pro Forma Total Revenue.

Note: Numbers may not foot or cross-foot due to rounding.

# Adjusted Net Income Reconciliation

(\$ Millions)

	Quarter Ended						Year Ended December 31		
	4Q20	3Q20	2Q20	1Q20	4Q19	Change Y / Y	2020	2019	Change Y / Y
Net income	\$ 8.5	\$ (6.0)	\$ (34.2)	\$ (13.3)	\$ 23.2	(63.2)%	\$ (45.1)	\$ 61.6	(173.2)%
Adjustments:									
Fair Value Pro Forma net income adjustment	—	(1.0)	(6.6)	8.5	0.1	(100.0)%	0.9	(13.2)	(106.6)%
Income tax expense	6.2	(2.2)	(15.2)	(1.1)	8.0	(23.4)%	(12.3)	17.8	(169.2)%
COVID-19 expenses	0.6	1.0	2.4	0.6	—	100.0 %	4.6	—	100.0 %
Impairment	3.7	—	—	—	—	100.0 %	3.7	—	100.0 %
Stock-based compensation expense	5.2	5.2	5.0	4.2	4.0	29.1 %	19.5	19.2	1.6 %
Litigation reserve	—	8.8	—	—	0.9	NM	8.8	0.9	*
<b>Adjusted income before taxes</b>	<b>\$ 24.1</b>	<b>\$ 5.7</b>	<b>\$ (48.7)</b>	<b>\$ (1.1)</b>	<b>\$ 36.2</b>	<b>(33.4)%</b>	<b>\$ (20.0)</b>	<b>\$ 86.3</b>	<b>(123.1)%</b>
Normalized income tax benefit (expense)	(6.6)	(1.6)	13.6	0.5	(9.3)	(28.8)%	5.7	(23.5)	(124.4)%
Income tax rate (%)	27.4 %	27.4 %	27.9 %	29.9 %	25.6 %		28.7 %	27.0 %	6.3 %
<b>Adjusted Net Income</b>	<b>\$ 17.5</b>	<b>\$ 4.2</b>	<b>\$ (35.1)</b>	<b>\$ (0.6)</b>	<b>\$ 26.9</b>	<b>(35.0)%</b>	<b>\$ (14.2)</b>	<b>62.8</b>	<b>(122.7)%</b>
<b>Memo:</b>									
Fair Value Pro Forma stockholders' equity	\$ 465.7	\$ 452.3	\$ 454.6	\$ 490.5	\$ 487.3	(4.4)%	\$ 465.7	487.3	(4.4)%
<b>Adjusted ROE (%)<sup>(1)</sup></b>	<b>15.2 %</b>	<b>3.7 %</b>	<b>(29.9)%</b>	<b>(1.0)%</b>	<b>22.8 %</b>		<b>(3.0)%</b>	<b>14.9 %</b>	

(1) Calculated as Fair Value Pro Forma Adjusted Net Income divided by Average Fair Value Pro Forma Stockholders' Equity. ROE has been annualized.

Note: Numbers may not foot or cross-foot due to rounding.

# Adjusted Earnings (Loss) Per Share Reconciliation

(\$ Millions, except per share data. Shares in Millions)

	Quarter Ended						Year Ended December 31			
	4Q20	3Q20	2Q20	1Q20	4Q19	Change Y / Y	2020	2019	Change Y / Y	
Diluted earnings (loss) per share	\$ 0.29	\$ (0.22)	\$ (1.26)	\$ (0.49)	\$ 0.81	(64.2)%	\$ (1.65)	\$ 0.40	(512.5)%	
<b>Adjusted EPS</b>										
<b>Adjusted Net Income (Loss)</b>	<b>\$ 17.5</b>	<b>\$ 4.2</b>	<b>\$ (35.1)</b>	<b>\$ (1.2)</b>	<b>\$ 26.9</b>	<b>(35.0)%</b>	<b>\$ (14.2)</b>	<b>\$ 62.8</b>	<b>(122.7)%</b>	
Basic weighted-average common shares outstanding	27.6	27.5	27.2	27.0	27.0	2.3 %	27.3	9.3	192.4 %	
Weighted-average common shares outstanding based on assumed convertible preferred conversion	—	—	—	—	—	NM	—	14.0	(100.0)%	
Weighted average effect of dilutive securities:										
Stock options	1.3	1.2	—	—	1.1	NM	—	1.3	(100.0)%	
Restricted stock units	0.4	0.1	—	—	0.4	NM	—	0.1	*	
Warrants	—	—	—	—	—	(100.0)%	—	—	(100.0)%	
<b>Diluted adjusted weighted-average common shares outstanding</b>	<b>29.2</b>	<b>28.7</b>	<b>27.2</b>	<b>27.0</b>	<b>28.5</b>	<b>2.4 %</b>	<b>27.3</b>	<b>24.8</b>	<b>10.4 %</b>	
<b>Adjusted EPS</b>	<b>\$ 0.60</b>	<b>\$ 0.15</b>	<b>\$ (1.29)</b>	<b>\$ (0.04)</b>	<b>\$ 0.94</b>	<b>(36.6)%</b>	<b>\$ (0.52)</b>	<b>\$ 2.53</b>	<b>(120.5)%</b>	

# GAAP Book Value Per Share Reconciliation

(\$ Millions, except per share data. Shares in Millions)

	Quarter Ended					Change
	4Q20	3Q20	2Q20	1Q20	4Q19	Y / Y
Stockholders' equity	\$ 466.4	\$ 453.0	\$ 454.3	\$ 483.5	\$ 488.8	(4.6)%
<b>Stockholders' equity available to common stockholders</b>	<b>\$ 466.4</b>	<b>\$ 453.0</b>	<b>\$ 454.3</b>	<b>\$ 483.5</b>	<b>\$ 488.8</b>	<b>(4.6)%</b>
Total common shares outstanding at end of period	27.7	27.6	27.3	27.1	27.0	2.5 %
<b>Book Value Per Share</b>	<b>\$ 16.85</b>	<b>\$ 16.42</b>	<b>\$ 16.62</b>	<b>\$ 17.81</b>	<b>\$ 18.10</b>	<b>(6.9)%</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Adjusted Tangible Book Value Per Share Reconciliation

(\$ Millions, except per share data. Shares in Millions)

	Quarter Ended					Change
	4Q20	3Q20	2Q20	1Q20	4Q19	Y /Y
Stockholders' equity	\$ 466.4	\$ 453.0	\$ 454.3	\$ 483.5	\$ 488.8	(4.6)%
Adjustments:						
Fair Value Pro Forma stockholders' equity adjustment	(0.7)	(0.7)	0.3	7.0	(1.5)	(54.7)%
Intangible assets, net <sup>(1)</sup>	(27.5)	(27.2)	(24.8)	(21.7)	(18.5)	48.9 %
<b>Adjusted Tangible Book Value</b>	<b>\$ 438.2</b>	<b>\$ 425.1</b>	<b>\$ 429.8</b>	<b>\$ 468.8</b>	<b>\$ 468.8</b>	<b>(6.5)%</b>
Total common shares outstanding at end of period	27.7	27.6	27.3	27.1	27.0	2.5 %
<b>Adjusted total outstanding shares</b>	<b>27.7</b>	<b>27.6</b>	<b>27.3</b>	<b>27.1</b>	<b>27.0</b>	<b>2.5%</b>
<b>Adjusted Tangible Book Value Per Share</b>	<b>\$ 15.83</b>	<b>\$ 15.41</b>	<b>\$ 15.73</b>	<b>\$ 17.27</b>	<b>\$ 17.36</b>	<b>(8.8)%</b>

(1) Intangible assets, net consists of trademarks and internally developed software, net.

Note: Numbers may not foot or cross-foot due to rounding.

# GAAP Basic and Diluted Earnings (Loss) Per Share Reconciliation

(\$ Millions, except per share data. Shares in Millions)

	Quarter Ended						Year Ended December 31		
	4Q20	3Q20	2Q20	1Q20	4Q19	Change Y / Y	2020	2019	Change Y / Y
Net income (loss)	\$ 8.5	\$ (6.0)	\$ (34.2)	\$ (13.3)	\$ 23.2	(63.2)%	\$ (45.1)	\$ 61.6	(173.2)%
Less: Additional common stock issued to Series G shareholders	—	—	—	—	—	NM	—	(37.5)	*
Less: Net income allocated to participating securities <sup>(1)</sup>	—	—	—	—	—	NM	—	(19.9)	(100.0)%
<b>Net income (loss) attributable to common stockholders</b>	<b>\$ 8.5</b>	<b>\$ (6.0)</b>	<b>\$ (34.2)</b>	<b>\$ (13.3)</b>	<b>\$ 23.2</b>	<b>(63.4)%</b>	<b>\$ (45.1)</b>	<b>\$ 4.3</b>	<b>*</b>
Basic weighted-average common shares outstanding	27.6	27.5	27.2	27.0	27.0	2.3 %	27.3	9.3	192.4 %
Weighted average effect of dilutive securities:									
Stock options	1.3	—	—	—	1.1	NM	—	1.3	*
Restricted stock units	0.4	—	—	—	0.4	NM	—	0.1	*
Warrants	—	—	—	—	—	NM	—	—	*
<b>Diluted weighted-average common shares outstanding</b>	<b>29.2</b>	<b>27.5</b>	<b>27.2</b>	<b>27.0</b>	<b>28.5</b>	<b>2.4 %</b>	<b>27.3</b>	<b>10.8</b>	<b>154.0 %</b>
Earnings (loss) per share:									
<b>Basic</b>	<b>\$ 0.31</b>	<b>\$ (0.22)</b>	<b>\$ (1.26)</b>	<b>\$ (0.49)</b>	<b>\$ 0.86</b>	<b>(64.2)%</b>	<b>\$ (1.65)</b>	<b>\$ 0.46</b>	<b>*</b>
Diluted	\$ 0.29	\$ (0.22)	\$ (1.26)	\$ (0.49)	\$ 0.81	(64.2)%	\$ (1.65)	\$ 0.40	*

(1) In a period of net income, both earnings and dividends (if any) are allocated to participating securities. In a period of net loss, only dividends (if any) are allocated to participating securities.

Note: Numbers may not foot or cross-foot due to rounding.

# Fair Value Pro Forma Fair Value Estimate Methodology

	Quarter Ended							Change
	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	Y / Y
<b>Weighted average portfolio yield over the remaining life of the loans</b>	30.17 %	30.50 %	30.78 %	30.74 %	31.47 %	31.89 %	32.37 %	(1.30)%
Less: Servicing fee	(5.00)%	(5.00)%	(5.00)%	(5.00)%	(5.00)%	(5.00)%	(5.00)%	— %
<b>Net portfolio yield</b>	<b>25.17 %</b>	<b>25.50 %</b>	<b>25.78 %</b>	<b>25.74 %</b>	<b>26.47 %</b>	<b>26.89 %</b>	<b>27.37 %</b>	<b>(1.30)%</b>
Multiplied by: Weighted average life in years	0.796	0.775	0.797	0.903	0.804	0.765	0.764	(0.8)%
<b>Pre-loss cash flow</b>	<b>20.03 %</b>	<b>19.75 %</b>	<b>20.54 %</b>	<b>23.25 %</b>	<b>21.28 %</b>	<b>20.71 %</b>	<b>20.80 %</b>	<b>(1.24)%</b>
Less: Remaining cumulative charge-offs	(10.03)%	(10.61)%	(12.73)%	(14.56)%	(9.51)%	(9.83)%	(9.94)%	(0.52)%
<b>Net cash flow</b>	<b>10.00 %</b>	<b>9.14 %</b>	<b>7.81 %</b>	<b>8.69 %</b>	<b>11.77 %</b>	<b>10.88 %</b>	<b>10.86 %</b>	<b>(1.76)%</b>
Less: Discount rate multiplied by average life	(5.45)%	(6.07)%	(7.04)%	(11.54)%	(6.25)%	(6.11)%	(6.37)%	0.79 %
<b>Gross fair value premium as a percentage of loan principal balance</b>	<b>4.55 %</b>	<b>3.07 %</b>	<b>0.77 %</b>	<b>(2.85)%</b>	<b>5.52 %</b>	<b>4.77 %</b>	<b>4.49 %</b>	<b>(0.97)%</b>
Less: Accrued interest and fees as a percentage of loan principal balance	(1.06)%	(1.15)%	(1.35)%	(1.11)%	(1.04)%	(0.96)%	(0.92)%	(0.02)%
<b>Fair value premium as a percentage of loan principal balance</b>	<b>3.49 %</b>	<b>1.92 %</b>	<b>(0.58)%</b>	<b>(3.96)%</b>	<b>4.48 %</b>	<b>3.81 %</b>	<b>3.57 %</b>	<b>(0.99)%</b>
Discount rate	6.85 %	7.84 %	8.84 %	12.78 %	7.77 %	7.93 %	8.38 %	(0.92)%

# 4Q20 Fair Value Price of Loans Relative to 3Q20

	Fair Value Driver						4Q20
	Shorter Average Life		Lower Remaining Cumulative NCO Rate of 58 bps (10.03% vs. 10.61%)	Lower Discount Rate of 99 bps (6.85% vs. 7.84%)	Lower Accrued Interest and Fees of 9 bps (1.06% vs. 01.15%)	3Q20	
	Lower Yield of 33 bps (30.17% vs. 30.5%)	Shorter Weighted Avg. Life of — bps (0.796 yrs vs. 0.775 yrs)					
Weighted avg. portfolio yield - remaining life of loan	30.50 %	30.17 %	30.17 %	30.17 %	30.17 %	30.17 %	30.17 %
Less: servicing fee	(5.00)%	(5.00)%	(5.00)%	(5.00)%	(5.00)%	(5.00)%	(5.00)%
Net portfolio yield	25.50 %	25.17 %	25.17 %	25.17 %	25.17 %	25.17 %	25.17 %
Multiplied by weighted avg. life in years	0.775	0.775	0.796	0.796	0.796	0.796	0.796
Pre-loss cash flow	19.75 %	19.50 %	20.04 %	20.04 %	20.04 %	20.04 %	20.04 %
Less remaining cumulative charge-offs	(10.61)%	(10.61)%	(10.61)%	(10.03)%	(10.03)%	(10.03)%	(10.03)%
Net cash flow	9.14 %	8.89 %	9.43 %	10.01 %	10.01 %	10.01 %	10.01 %
Less discount rate x avg. life	(6.07)%	(6.07)%	(6.24)%	(6.24)%	(5.45)%	(5.45)%	(5.45)%
FV premium (discount) as a % of loan principal	3.07 %	2.82 %	3.18 %	3.76 %	4.55 %	4.55 %	4.55 %
Less accrued interest and fees as a % of loan principal	(1.15)%	(1.15)%	(1.15)%	(1.15)%	(1.15)%	(1.06)%	(1.06)%
FV premium (discount) as a % of loan principal	1.92 %	1.67 %	2.03 %	2.61 %	3.40 %	3.49 %	3.49 %
Change in fair value premium		(0.25)%	0.36 %	0.58 %	0.79 %	0.09 %	1.57 %
Discount rate	7.84 %						6.85 %