



**Jefferies Consumer Finance Summit**  
**December 8, 2016**

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## Safe Harbor Statement

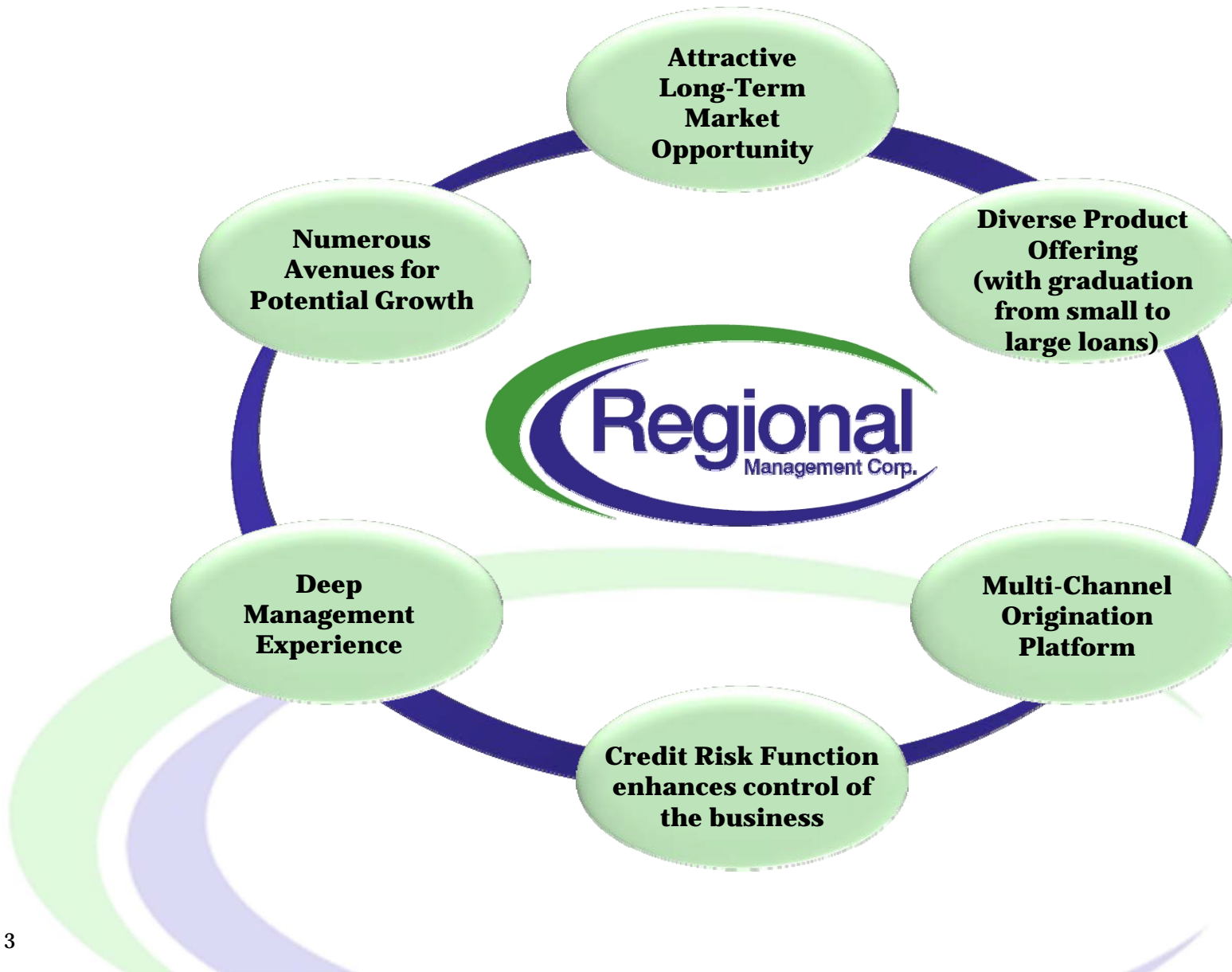
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# Investment Highlights



## Company Overview

- 29-year old consumer finance company focused on installment lending based primarily in the Southeast
- Branch-based with 338 storefronts in 9 states as of September 30, 2016
- Loan products include small and large personal loans, auto loans and retail loans
  - Large loans have been key point of focus since late 2014
- Channels include direct mail, branches, internet, lead sources, auto dealers and retail dealers



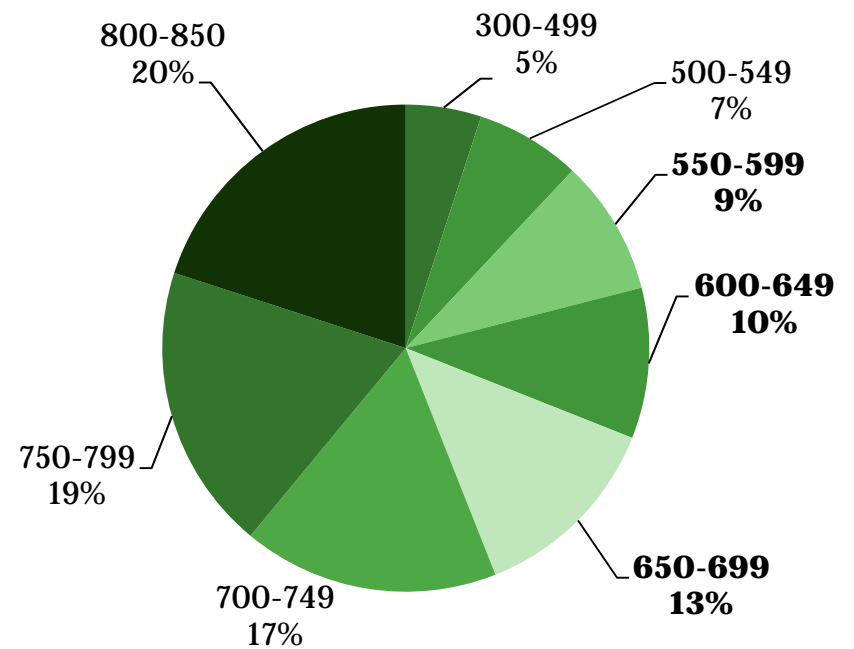
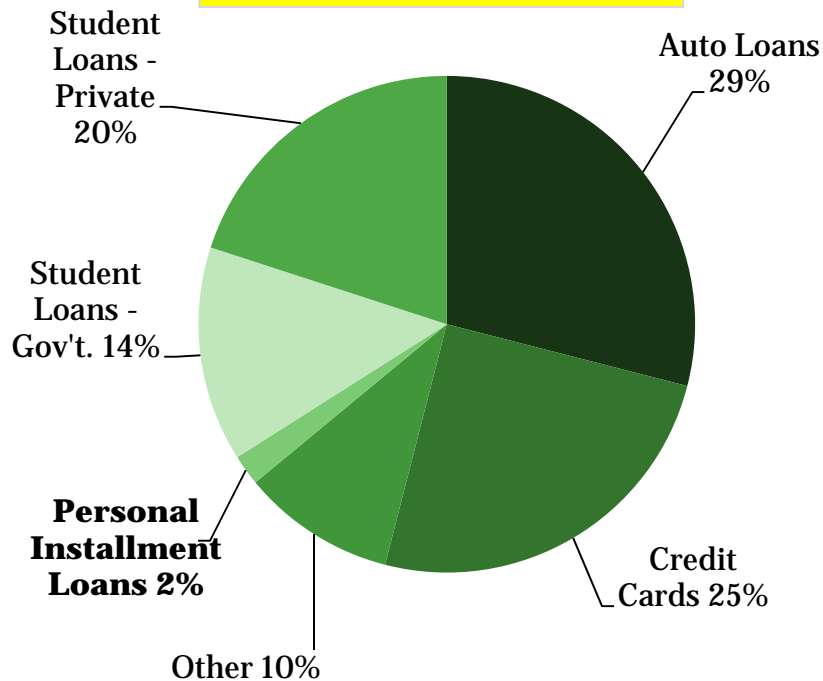
# Significant Market Opportunity

- Regional's 350,000 customer accounts represent minimal fraction of the approximately 115 million Americans that generally align with the Company's customer base.
- Believe most of this population is underserved, providing attractive market opportunity for Regional.

**\$3.1 Trillion Consumer Finance Market <sup>(1)</sup>**

**32% of US Population with FICO Between 550 & 700 <sup>(2)</sup>**

**Personal Installment Loans account for ~\$70 billion**



5 <sup>1</sup> Federal Reserve Bank of New York; Federal Student Aid/U.S. Department of Education (as of March 2014)  
<sup>2</sup> FICOTM Banking Analytics Blog © Fair Issac Corporation (as of April 2016)

# Significant Market Opportunity

Competition	Customers	Products	Delivery
<ul style="list-style-type: none"><li>• Consolidation in consumer finance industry</li><li>• Numerous smaller competitors</li><li>• Online lending</li><li>• Regional branch footprint in only nine states represents strong expansion opportunities</li><li>• Well-positioned and compliant within evolving regulatory landscape</li></ul>	<ul style="list-style-type: none"><li>• Considerable underserved addressable market</li><li>• Sustained credit need</li></ul>	<ul style="list-style-type: none"><li>• Easy to understand</li><li>• Amortizing</li><li>• Based on credit underwriting and ability to repay</li></ul>	<ul style="list-style-type: none"><li>• Centralized operations and relationship-driven model drives higher portfolio performance</li><li>• Community-based network and expertise hard to replicate</li><li>• Piloting online capabilities to provide optionality for consumers</li></ul>

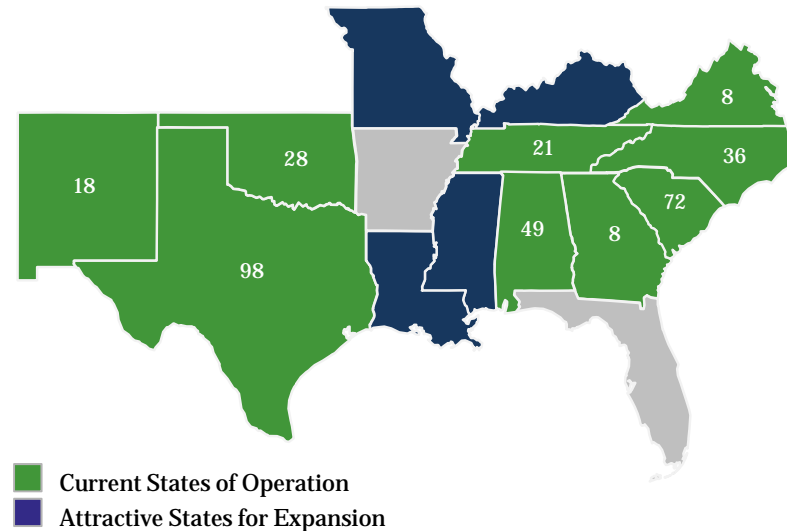


# Branch Network – Growing Organically

## Branch Overview

- Approximately 356,000 individual borrower accounts through network of 338 branches as of 09/30/16
  - Today, most loan proceeds distributed as checks
  - Nearly all loans serviced and collected through branches
- Branch personnel establish and develop customer relationships throughout life of loan
- Multiple channels and multiple products provide attractive market opportunities while diversifying risk
- **Most branches have significant room to increase the size of their portfolios**
- Opportunity for over 700 additional branches within existing state footprint and potential for state expansion

## Geographic Footprint



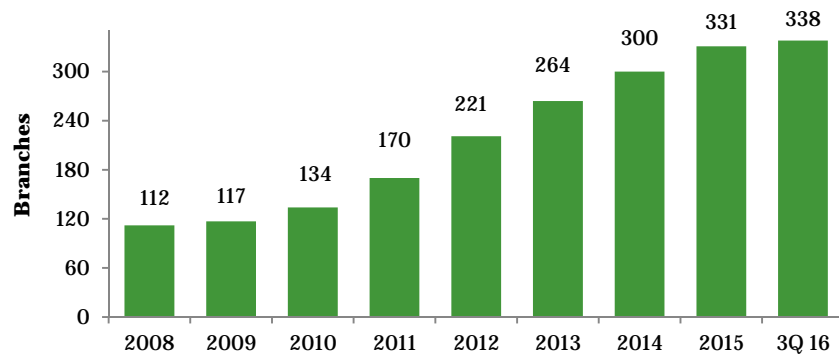
### Date of Entry:

- SC: 1987
- TX: 2001
- NC: 2004
- TN: 2007
- AL: 2009
- OK: 2011
- NM: 2012
- GA: 2013
- VA: 2015

■ Current States of Operation  
■ Attractive States for Expansion

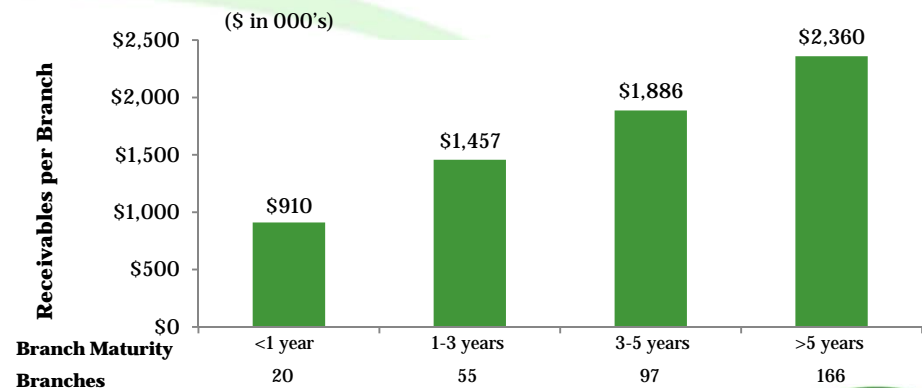
Note: As of 9/30/16

## Branch Count



Note: Branch count as of December 31 of each year

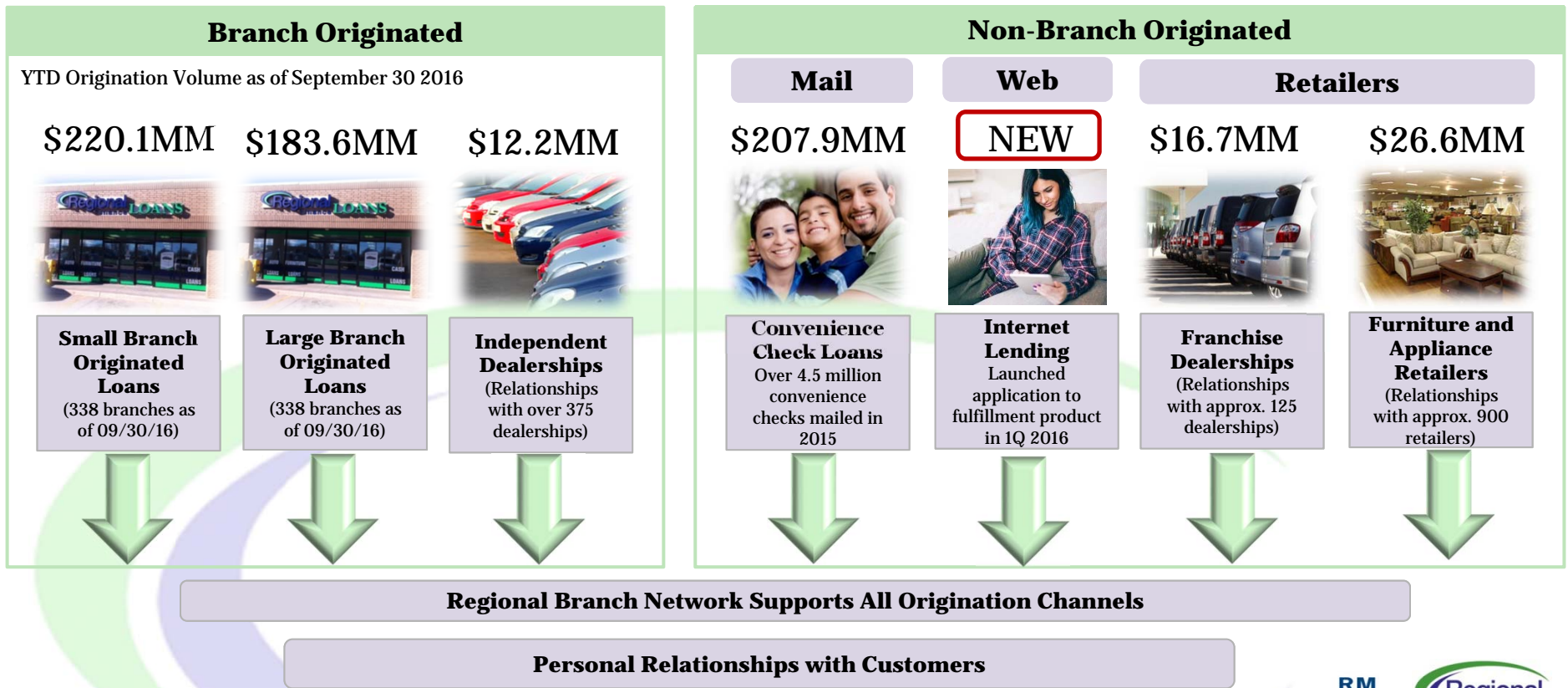
## Expected Growth as Branches Mature





# Multi-Channel Origination Platform Provides Broad Reach

- Branches are foundation of Regional's multi-channel strategy
  - Primary point of customer contact
- Mail campaigns attract ~100,000 new customers per year to Regional
- Dealership and retailers serve as “virtual” branches
- Online lending pilot launched in January 2016





## Multi-Product Offering Fulfills Broad Range of Customer Needs

- Product diversity allows Regional to offer customers different products as credit needs change
- Diverse product offering provides competitive advantage versus monoline lenders

	Small	Large	Auto	Retail
<b>Customer Need</b>	<ul style="list-style-type: none"> <li>▪ Short-term cash needs</li> <li>▪ Bill payment</li> <li>▪ Back-to-school expenses</li> <li>▪ Auto repair</li> </ul>	<ul style="list-style-type: none"> <li>▪ Education expenses</li> <li>▪ Loan consolidation</li> <li>▪ Medical expenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ New and used car purchases</li> </ul>	<ul style="list-style-type: none"> <li>▪ Home furnishings</li> <li>▪ Appliances</li> <li>▪ Televisions and electronics</li> </ul>
<b>Size (a)</b>	Range: \$500 to \$2,500 Average: \$1,550	Range: \$2,501 to \$20,000 Average: \$4,661	Range: Up to \$27,500 Average: \$13,651	Range: Up to \$7,500 Average: \$2,076
<b>Term (b)</b>	Up to 36 months	18 to 60 months	36 to 72 months	6 to 48 months
<b>Security</b>	Non-essential household goods	Title to a vehicle or non-essential household goods	Title to a vehicle	Purchased goods (i.e. Furniture)
<b>Net Receivables (c)</b>	\$349.4 million	\$217.1 million	\$97.1 million	\$32.5 million
<b># of Loans (b)</b>	~269,000	~53,000	~11,000	~23,000
<b>Average APR (d)</b>	49%	30%	20%	22%

(a) Represents the average origination loan size (new and renewal) for quarter ended September 30, 2016

(b) Fixed installment loans with equal monthly payments

(c) Represents the portfolio balances at September 30, 2016

(d) Fixed interest rates; represents average portfolio APR for the quarter ended September 30, 2016

# Historical Financial Performance

▪ Rebounded net income performance after very difficult 2014

▪ Receivables and revenue have grown in parallel

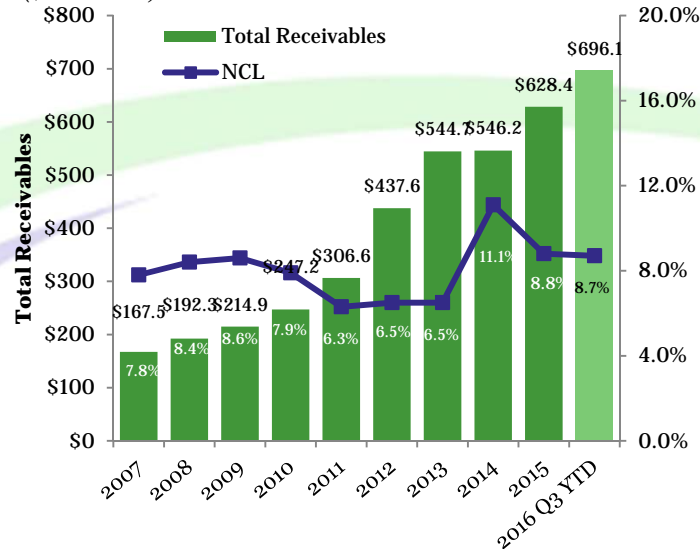
## Net Income

(\$ in millions)



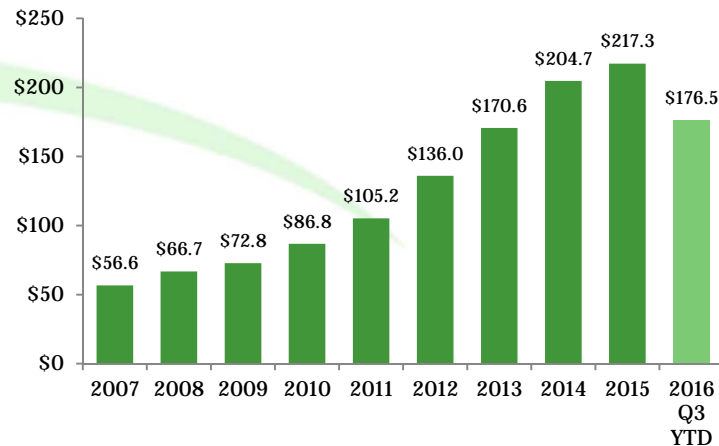
## Total Receivables and Net Charge-Offs % of Average Receivables

(\$ in millions)



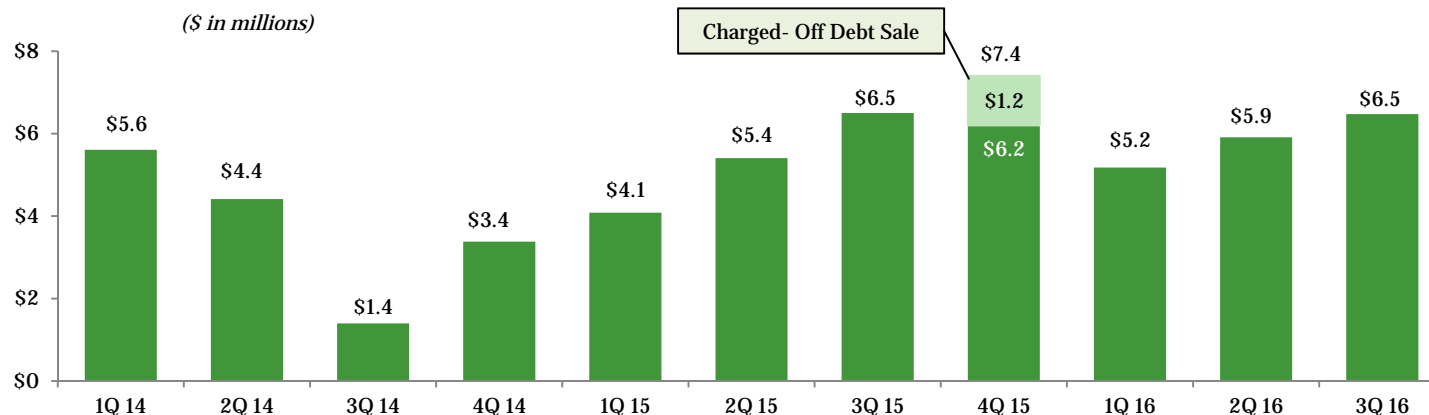
## Total Revenue

(\$ in millions)

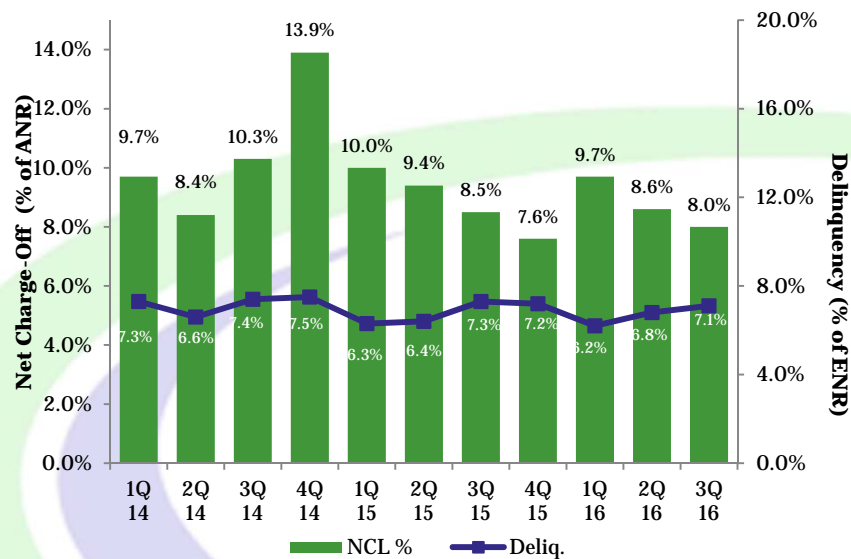


# Recent Quarterly Historical Performance

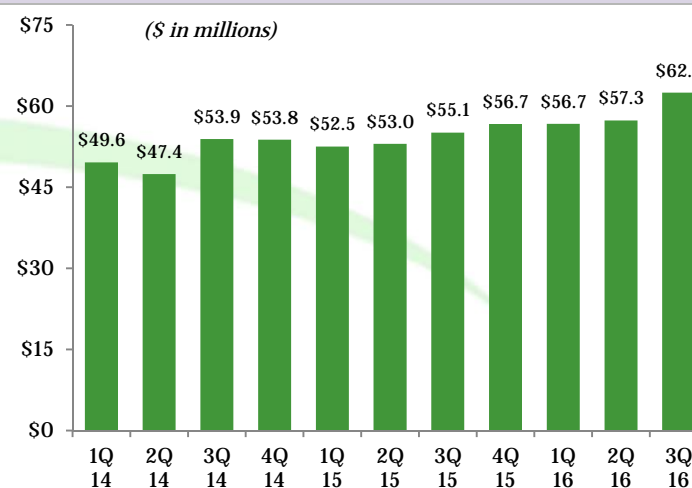
## Net Income



## Net Charge-Offs % of Average Receivables & 30+ Delinquency Rates



## Total Revenue



## Strategic Initiative – Implementation of NLS

- **Implementing NLS loan origination and servicing platform – currently operating in three states**
- **System features and improvements**
  - Significant movement toward paperless environment
  - Electronic applications start the flow of data
  - Automated credit bureau and decision engine
  - New data elements add significantly to MIS capabilities
  - Customer portal being programmed to handle their information needs and support customer-initiated electronic payments
  - Document management system under development to support digital environment
  - Texting capabilities will be available soon in branches with the new system
  - E-signature and tablets are part of future enhancements

**Positions Company to handle future portfolio growth over the long-term**

**Provides valuable information to further improve robust marketing and credit functions**

**Significant workflow efficiency opportunities to be realized**

## Strategic Initiative – Online Lending

- **Developing digital channel to add to current multi-channel platform**
- **Launched online module; currently testing in South Carolina**
  - Module extends from application to funding in one 20 minute online session with e-signature and ACH capabilities
  - Software enhancements planned in 2017 to improve current offering
  - Test will be expanded to other states
  - Current and potential new products will continue to be tested throughout 2017
  - Expect first significant originations in 2018

# Investment Highlights



