

OneMain Financial[®]

OneMain Holdings, Inc.
(NYSE: OMF)

4Q 2018 Earnings Presentation
February 12, 2019

Important Information

This document contains summarized information concerning OneMain Holdings, Inc. (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 related information see the Company's most recent Annual Report on Form 10-K ("Form 10-K") and Quarterly Reports on Form 10-Q ("Form 10-Qs") 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 in the Investor Relations section of the Company's website (<https://www.omf.com>) and the SEC's website (<http://www.sec.gov>).

Cautionary Note Regarding Forward-Looking Statements

This document contains "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 only management's current beliefs regarding future events. By their nature, forward-looking statements are subject to risks, uncertainties, assumptions and other important factors that may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements. We caution you not to place undue reliance on these forward-looking statements that speak only as of the date they were made. We do not undertake any obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events or the non-occurrence of anticipated events. Forward-looking statements include, without limitation, statements concerning future plans, objectives, goals, projections, strategies, events or performance, and underlying assumptions and other statements related thereto. Statements preceded by, followed by or that otherwise include the words "anticipates," "appears," "are likely," "believes," "estimates," "expects," "foresees," "intends," "plans," "projects" and similar expressions or future or conditional verbs such as "would," "should," "could," "may," or "will," are intended to identify forward-looking statements. Important factors that could cause actual results, performance or achievements to differ materially from those expressed in or implied by forward-looking statements include, without limitation, the following: adverse changes in general economic conditions, including the interest rate environment and the financial markets; risks related to the acquisition or sale of assets or businesses or the formation, termination or operation of joint ventures or other strategic alliances, including increased loan delinquencies or net charge-offs, integration or migration issues, increased costs of servicing, incomplete records, and retention of customers; our estimates of the allowance for finance receivable losses may not be adequate to absorb actual losses, causing our provision for finance receivable losses to increase, which would adversely affect our results of operations; increased levels of unemployment and personal bankruptcies; our strategy of increasing the proportion of secured loans may lead to declines in or slower growth in our personal loan receivables and portfolio yield; adverse changes in the rate at which we can collect or potentially sell our finance receivables portfolio; our decentralized branch loan approval process could expose us to greater than historical delinquencies and charge-offs; natural or accidental events such as earthquakes, hurricanes, tornadoes, fires, or floods affecting our customers, collateral, or branches or other operating facilities; war, acts of terrorism, riots, civil disruption, pandemics, disruptions in the operation of our information systems, or other events disrupting business or commerce; a failure in or breach of our operational or security systems or infrastructure or those of third parties, including as a result of cyber-attacks; or other cyber-related incidents involving the loss, theft or unauthorized disclosure of personally identifiable information, or "PII," of our present or former customers; our credit risk scoring models may be inadequate to properly assess the risk of customer unwillingness or lack of capacity to repay; adverse changes in our ability to attract and retain employees or key executives to support our businesses; increased competition, lack of customer responsiveness to our distribution channels, an inability to make technological improvements, and the ability of our competitors to offer a more attractive range of personal loan products than we offer; changes in federal, state or local laws, regulations, or regulatory policies and practices that adversely affect our ability to conduct business or the manner in which we are permitted to conduct business, such as licensing requirements, pricing limitations or restrictions on the method of offering products, as well as changes that may result from increased regulatory scrutiny of the sub-prime lending industry, our use of third-party vendors and real estate loan servicing, or changes in corporate or individual income tax laws or regulations, including effects of the Tax Cuts and Jobs Act; risks associated with our insurance operations, including insurance claims that exceed our expectations or insurance losses that exceed our reserves; our ability to be unable to successfully implement our growth strategy for our consumer lending business or successfully acquire portfolios of personal loans; declines in collateral values or increases in actual or projected delinquencies or net charge-offs; potential liability relating to finance receivables which we have sold or securitized or may sell or securitize in the future if it is determined that there was a non-curable breach of a representation or warranty made in connection with such transactions; the costs and effects of any actual or alleged violations of any federal, state or local laws, rules or regulations, including any litigation associated therewith; the costs and effects of any fines, penalties, judgments, decrees, orders, inquiries, investigations, subpoenas, or enforcement or other proceedings of any governmental or quasi-governmental agency or authority and any litigation associated therewith; our continued ability to access the capital markets or the sufficiency of our current sources of funds to satisfy our cash flow requirements; our ability to comply with our debt covenants; our ability to generate sufficient cash to service all of our indebtedness; any material impairment or write-down of the value of our assets; the ownership of our common stock continues to be highly concentrated, which may prevent minority stockholders from influencing significant corporate decisions and may result in conflicts of interest; the effects of any downgrade of our debt ratings by credit rating agencies, which could have a negative impact on our cost of and/or access to capital; our substantial indebtedness, which could prevent us from meeting our obligations under our debt instruments and limit our ability to react to changes in the economy or our industry or our ability to incur additional borrowings; our ability to maintain sufficient capital levels in our regulated and unregulated subsidiaries; changes in accounting standards or tax policies and practices and the application of such new standards, policies and practices; management estimates and assumptions, including estimates and assumptions about future events, may prove to be incorrect; any failure to achieve the SpringCastle Portfolio performance requirements, which could, among other things, cause us to lose our loan servicing rights over the SpringCastle Portfolio; various risks relating to continued compliance with the Settlement Agreement with the U.S. Department of Justice; and other risks and uncertainties described in the "Risk Factors" and "Management's Discussion and Analysis" sections of the Company's most recent Form 10-K and Form 10-Qs filed with the SEC and in the Company's other filings with the SEC from time to time.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. You should specifically consider the factors identified in this document that could cause actual results to differ before making an investment decision to purchase our common stock and should not place undue reliance on any of our forward-looking statements. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

Important Information

Use of Non-GAAP Financial Measures

We report the operating results of Consumer and Insurance, Acquisitions and Servicing, and Other using the Segment Accounting Basis, which (i) reflects our allocation methodologies for certain costs, primarily interest expense, loan loss reserves, and acquisition costs, to reflect the manner in which we assess our business results and (ii) excludes the impact of applying purchase accounting (eliminates premiums/discounts on our finance receivables and long-term debt at acquisition, as well as the amortization/accretion in future periods). Consumer and Insurance adjusted pretax income (loss), Consumer and Insurance adjusted net income (loss), Consumer and Insurance adjusted earnings (loss) per diluted share, Acquisitions and Servicing adjusted pretax income (loss), and Other adjusted pretax income (loss) are key performance measures used by management in evaluating the performance of our business. Consumer and Insurance adjusted pretax income (loss), Acquisitions and Servicing adjusted pretax income (loss), and Other adjusted pretax income (loss) represent income (loss) before income taxes on a Segment Accounting Basis and excludes acquisition-related transaction and integration expenses, net gain (loss) on sale of personal and real estate loans, net gain on sale of SpringCastle interests, SpringCastle transaction costs, losses resulting from repurchases and repayments of debt, debt refinance costs, net loss on liquidation of our United Kingdom subsidiary, non-cash incentive compensation, and income attributable to non-controlling interests. Management believes these non-GAAP financial measures are useful in assessing the profitability of our segments and uses these non-GAAP financial measures in evaluating our operating performance and as a performance goal under the Company's executive compensation programs. These non-GAAP financial measures should be considered supplemental to, but not as a substitute for or superior to, income (loss) before income taxes, net income, or other measures of financial performance prepared in accordance with GAAP. Please refer to the reconciliations in the appendix to this presentation for quantitative reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures. Reconciliations of forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures are not included in this presentation because the most directly comparable GAAP financial measures are not available on a forward-looking basis without unreasonable effort.

4Q18 Executive Summary

Financial Performance

- Net income of \$168MM and diluted EPS of \$1.24
- C&I adjusted net income* of \$189MM and adjusted diluted EPS* of \$1.39

Receivables

- C&I ending net receivables* of \$16.2B, up 9% vs. 4Q17
- C&I yield* of 23.8%, flat to 4Q17

Credit

- C&I net charge-off ratio* of 6.3%, down from 6.4% in 4Q17
- C&I 30-89 delinquency ratio* of 2.4%, flat to 4Q17

Capital & Liquidity

- Tangible leverage* of 6.9x, down from 7.8x in 3Q18
- Liquidity runway of 24+ months⁽¹⁾ assuming no access to capital markets
- Initiating quarterly dividend of \$0.25 per share in 1Q19

**See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.*

(1) Includes covering all future debt maturities and business expenses and receivables held flat to December 31, 2018.

4Q18 Financial Performance

(\$ in millions, except per share statistics)

Consistently generating superior returns

Earnings Summary

	4Q18	3Q18	4Q17
Consumer & Insurance*	\$248	\$235	\$229
Acquisitions & Servicing*	0	0	0
Other*	(3)	(4)	(7)
Reconciling items*	(31)	(32)	(35)
Pretax Income	214	199	187
Taxes ⁽¹⁾	(46)	(51)	(148)
Net Income	\$168	\$148	\$39
Diluted EPS	\$1.24	\$1.09	\$0.29
Book value per basic share	\$27.97	\$26.80	\$24.22

C&I Adjusted Earnings Summary*

	4Q18	3Q18	4Q17
Interest Income	\$959	\$935	\$875
Other Net Revenue	96	91	93
Provision for Loan Losses	(275)	(253)	(245)
Operating Expense	(312)	(320)	(299)
Interest Expense	(220)	(218)	(195)
Adjusted Pretax Income	\$248	\$235	\$229
Adjusted Net Income⁽²⁾	\$189	\$179	\$144
Adjusted Diluted EPS	\$1.39	\$1.31	\$1.06
Avg. Net Receivables (\$B)	\$16.0	\$15.6	\$14.6
Yield	23.8%	23.7%	23.8%
Return on Receivables	4.7%	4.6%	4.0%

*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

(1) 4Q17 includes one-time impact associated with tax reform. See slide 13 of the 4Q17 Earnings presentation for more details.

(2) 4Q18 and 3Q18 assume a statutory tax rate of 24%, 4Q17 assumes a statutory tax rate of 37%.

FY 2018 Financial Performance

(\$ in millions, except per share statistics)

Consistently generating superior returns

Earnings Summary

	2018	2017
Consumer & Insurance*	\$905	\$760
Acquisitions & Servicing*	1	1
Other*	(20)	(35)
Reconciling items*	(262)	(295)
Pretax Income	624	431
Taxes ⁽¹⁾	(177)	(248)
Net Income	\$447	\$183
Diluted EPS	\$3.29	\$1.35
Book value per basic share	\$27.97	\$24.22

C&I Adjusted Earnings Summary*

	2018	2017
Interest Income	\$3,677	\$3,305
Other Net Revenue	366	380
Provision for Loan Losses	(1,047)	(963)
Operating Expense	(1,247)	(1,197)
Interest Expense	(844)	(765)
Adjusted Pretax Income	\$905	\$760
Adjusted Net Income⁽²⁾	\$688	\$480
Adjusted Diluted EPS	\$5.06	\$3.54
Avg. Net Receivables (\$B)	\$15.4	\$13.9
Yield	23.9%	23.8%
Return on Receivables	4.5%	3.5%

*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

(1) 2017 includes one-time impact associated with tax reform. See slide 13 of the 4Q17 Earnings presentation for more details.

(2) 2018 assumes a statutory tax rate of 24%, 2017 assumes a statutory tax rate of 37%.

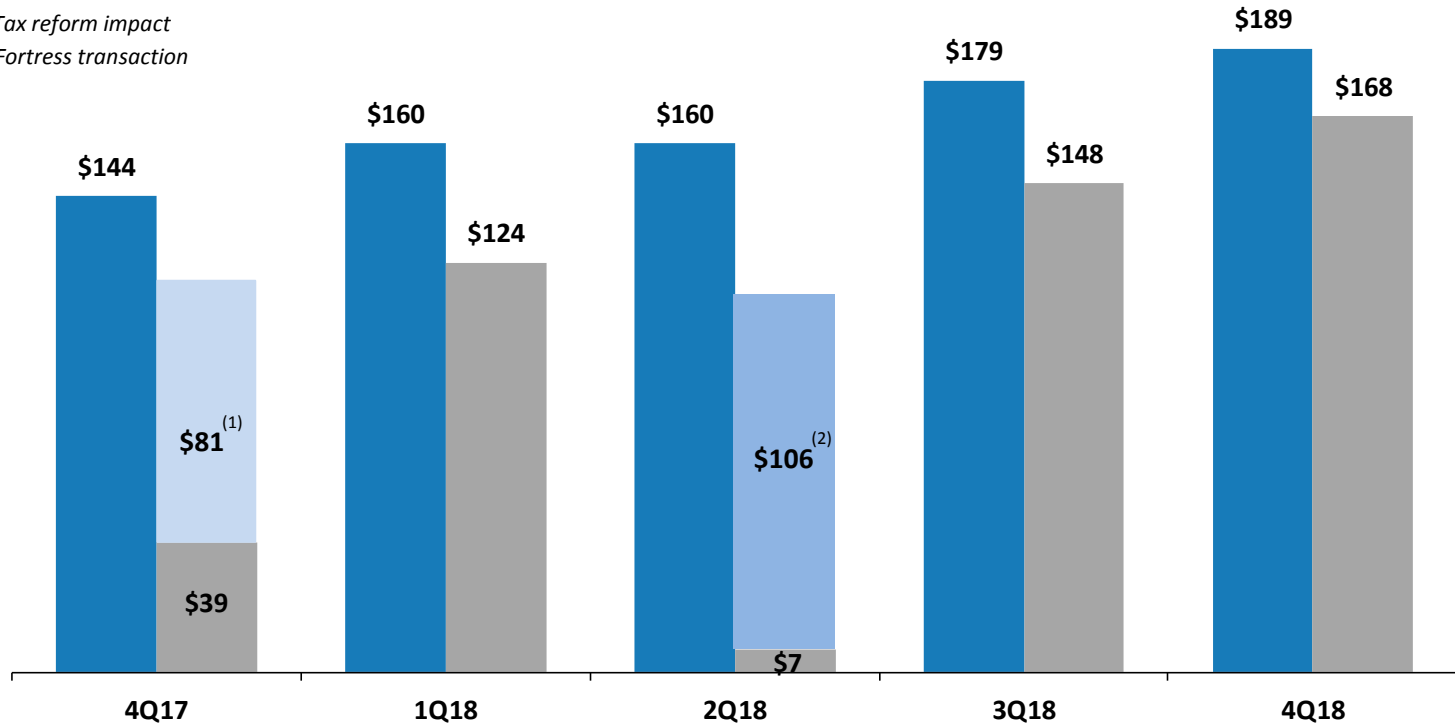
Net Income Trends

(\$ in millions)

Continued improvement in GAAP and C&I adjusted net income

Net Income

- C&I Adjusted Net Income*
- GAAP Net Income
- Tax reform impact
- Fortress transaction



*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

(1) Reflects one-time impact associated with tax reform. See slide 13 of the 4Q17 Earnings presentation for more details.

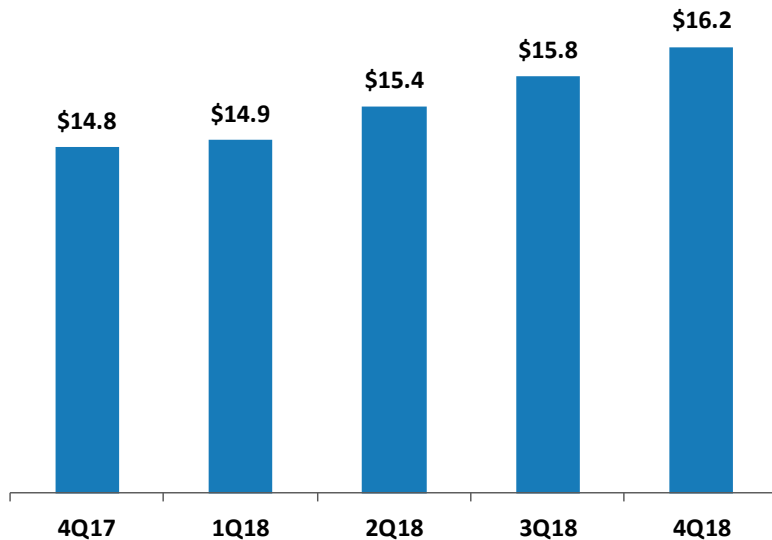
(2) Incentive compensation expense associated with the Fortress transaction, this expense was non-cash, equity neutral and not tax deductible. See slide 13 of the 2Q18 Earnings presentation for more information.

Receivables (C&I)*

(\$ in billions)

Consistent and disciplined receivables growth

Ending Net Receivables (“ENR”)



4Q18 Key Highlights

- **Originations of \$3.3, up from \$3.1 in 4Q17**
 - Secured originations 53% of total, up from 44% in 4Q17
- **Secured ENR 47% of total, up from 43% in 4Q17**
 - Direct Auto ENR 23%, up from 20% in 4Q17
- **Yield of 23.8%, flat to 4Q17**

ANR ⁽¹⁾	\$14.6	\$14.9	\$15.1	\$15.6	\$16.0
Secured % (ENR)	43%	43%	44%	46%	47%

*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

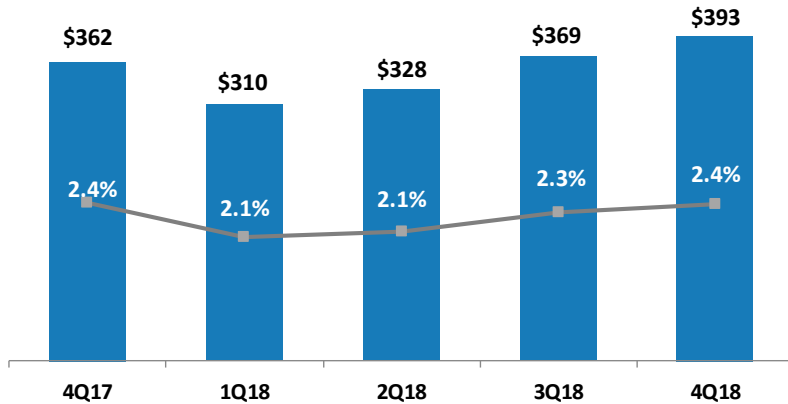
(1) C&I Average Net Receivables (ANR).

Credit Metrics (C&I)*

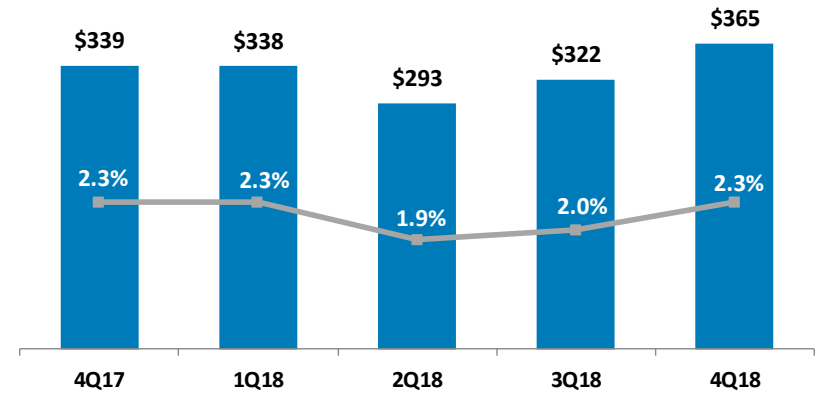
(\$ in millions)

Credit trends remain stable

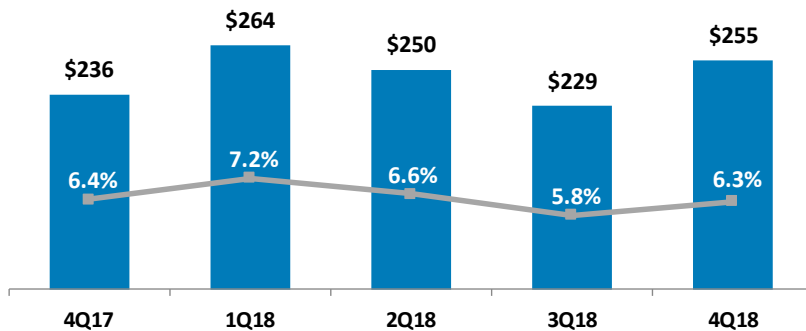
30-89 Days Delinquent



90+ Days Delinquent



Net Charge-offs



GCO % ⁽¹⁾	7.2%	8.1%	7.6%	6.6%	7.1%
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4Q18 Key Highlights

- Net charge-offs improved YoY to 6.3%
- 30-89 delinquency of 2.4%, flat YoY
- 90+ delinquency of 2.3%, flat YoY
- Loan loss reserve ratio remained stable at 4.8%

*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

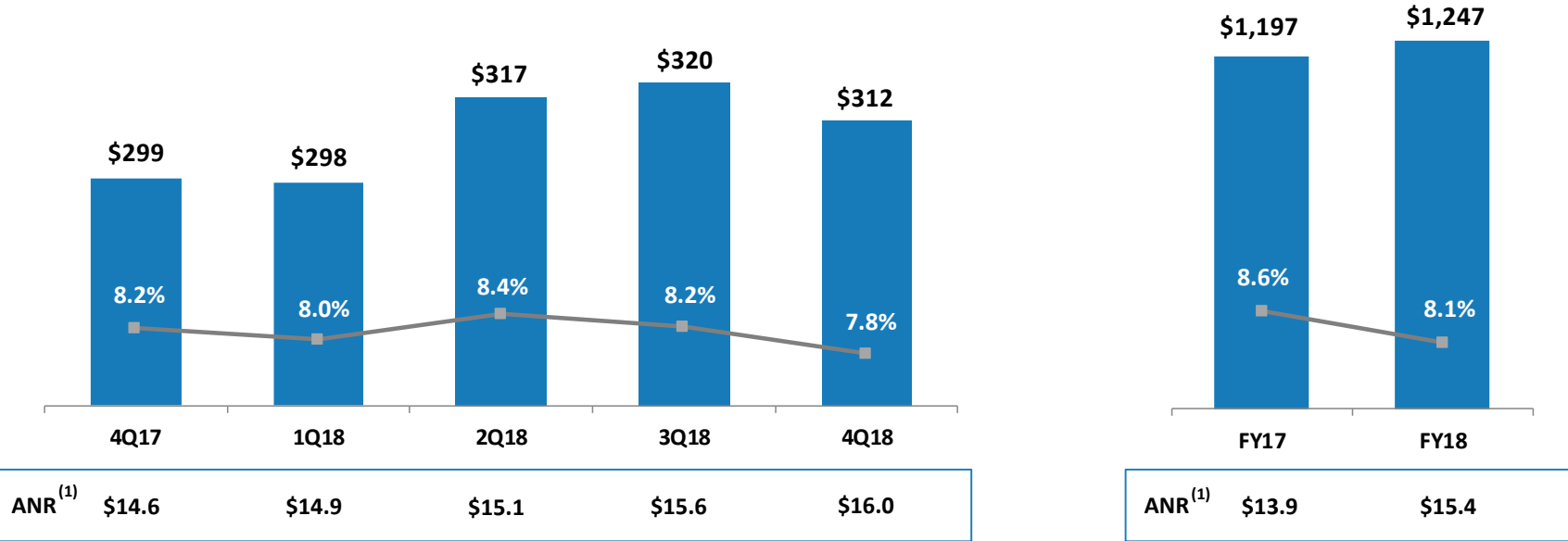
(1) Gross Charge-offs (GCO).

Operating Expense (C&I)*

(\$ in millions, ANR \$ in billions)

Achieving operating leverage while reinvesting in our business

Operating Expense & OpEx Ratio



*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.
 (1) C&I Average Net Receivables (ANR).

Funding & Capital

Diverse funding with strong capital and liquidity

4Q18 Funding & Capital

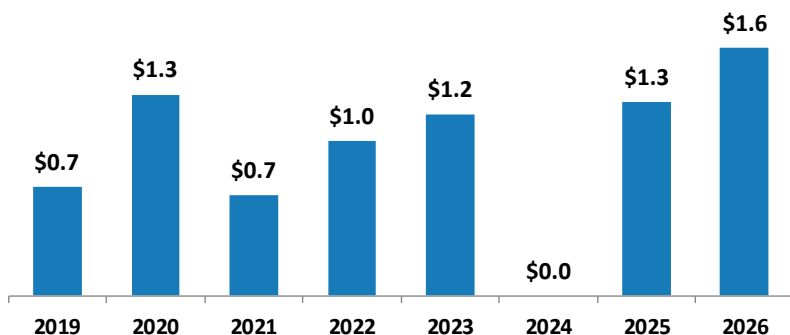
- Tangible leverage* improved to 6.9x
- Secured funding mix of 48%⁽¹⁾
- \$100MM proceeds on sale of real estate loans

4Q18 Liquidity

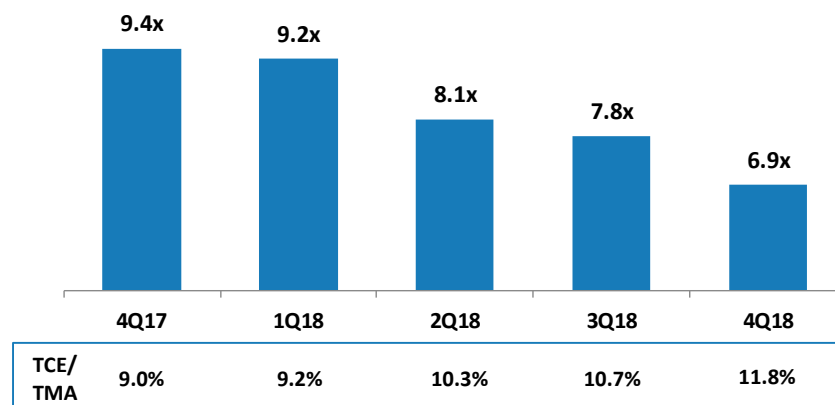
- Liquidity runway of 24+ months⁽²⁾
- Undrawn conduit capacity increased to ~\$6.0B
- \$7.6B of unencumbered receivables

Balanced Unsecured Debt Maturities⁽¹⁾

Target \$1.0 - \$1.6B per year



Tangible Leverage*



*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

(1) Reflects principal maturities.

(2) Includes covering all future debt maturities and business expenses, with no access to capital markets and receivables held flat to December 31, 2018.

2018 Strategic Priorities

Building shareholder value while reinvesting in our business

		2017	2018E	2018A
C&I Segment *	Ending Net Receivables	\$14.8B	+8 to 10%	+9%
	Yield	23.8%	Stable	23.9%
	Net Charge-offs	7.0%	6.5 to 6.7%	6.5%
	Operating Expense	\$1.2B	+5%	+4%
Balance Sheet	Secured Funding mix ⁽¹⁾	~ 60% ⁽²⁾	50 to 55%	48%
	Tangible Leverage*	9.4x	~ 7.0x	6.9x

*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

(1) Reflects principal maturities.

(2) Data as of 1/31/18.

2019 Strategic Priorities

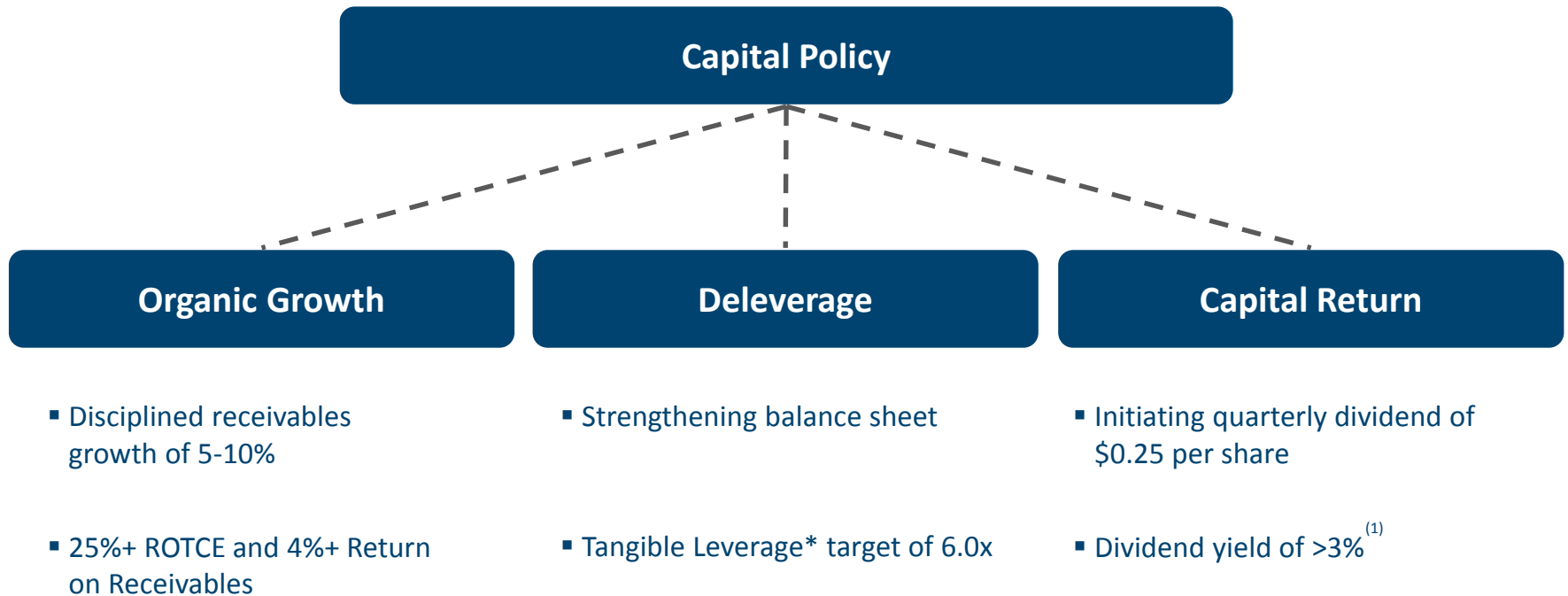
Building shareholder value while reinvesting in our business

		2018A	2019E
C&I Segment Metrics*	Yield	23.9%	Stable
	Net Charge-offs	6.5%	< 6.5%
	Operating Expense	\$1.2B	+3%
Balance Sheet	C&I Ending Net Receivables*	\$16.2B	+5 to 10%
	Tangible Leverage*	6.9x	6.0x

*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

2019 Capital Policy

Investing in organic growth, strengthening our balance sheet, and providing capital returns to shareholders



*See appendix for reconciliations and disclosures required by Regulation G for Non-GAAP Financial Measures along with glossary of select calculations.

(1) Reflects February 8, 2019 closing share price of \$30.06.

Appendix

Consolidated Income Statements

(unaudited, \$ in millions, except per share statistics)	4Q18	3Q18	2Q18	1Q18	4Q17	FY18	FY17
Finance Charges	\$954	\$930	\$902	\$859	\$854	\$3,645	\$3,183
Finance Receivables Held for Sale Originated as Held for Investment	4	3	3	3	3	13	13
Total Interest Income	958	933	905	862	857	3,658	3,196
Interest Expense	(229)	(227)	(220)	(200)	(204)	(875)	(816)
Provision for Finance Receivables Losses	(278)	(256)	(260)	(254)	(231)	(1,048)	(955)
Net Interest Income after Provision	451	450	425	408	422	1,735	1,425
Insurance	111	106	107	105	106	429	420
Investment	16	18	19	13	15	66	73
Portfolio Servicing Fees from SpringCastle	7	8	8	9	10	33	40
Net Loss on Repurchases and Repayments of Debt	0	0	(7)	(1)	0	(9)	(29)
Net Gain on Sale of Real Estate Loans	18	0	0	0	0	18	0
Other ⁽¹⁾	1	12	13	11	15	37	56
Total Other Revenues	153	144	140	137	146	574	560
Operating Expenses ⁽²⁾	(337)	(338)	(443)	(322)	(326)	(1,439)	(1,301)
Acquisition-Related Transaction and Integration Expenses	(6)	(9)	(28)	(10)	(10)	(54)	(69)
Insurance Policy Benefits and Claims	(47)	(48)	(51)	(45)	(45)	(192)	(184)
Total Other Expenses	(390)	(395)	(522)	(377)	(381)	(1,685)	(1,554)
Pretax Income (Loss)	214	199	43	168	187	624	431
Income Taxes ⁽³⁾	(46)	(51)	(36)	(44)	(148)	(177)	(248)
Net Income (Loss) Attributable to OneMain Holdings, Inc.	\$168	\$148	\$7	\$124	\$39	\$447	\$183
Weighted Average Diluted Shares	136.2	136.1	136.0	135.9	135.9	136.0	135.7
Diluted EPS	\$1.24	\$1.09	\$0.05	\$0.91	\$0.29	\$3.29	\$1.35
Book value per basic share	\$27.97	\$26.80	\$25.69	\$24.93	\$24.22	\$27.97	\$24.22

Note: Full year may not sum due to rounding.

(1) 4Q18 and FY18 include the fair value impairment of the remaining loans in held for sale after the 4Q18 real estate loan sale.

(2) 2Q18 and FY18 include \$106 of incentive compensation expense associated with the Fortress transaction, this expense was non-cash, equity neutral and not tax deductible. See slide 13 of the 2Q18 Earnings presentation for more information.

(3) 4Q17 and FY17 include a one-time impact of tax reform. See slide 13 of the 4Q17 Earnings presentation for more information.

Consolidated Balance Sheets

(unaudited, \$ in millions)	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Cash and Cash Equivalents	\$679	\$1,243	\$556	\$1,807	\$987
Investment Securities	1,694	1,707	1,720	1,706	1,697
Personal Loans	16,164	15,750	15,384	14,858	14,823
Other Receivables ^{(1), (2)}	0	0	124	129	134
Net Finance Receivables	16,164	15,750	15,508	14,987	14,957
Unearned Insurance Premium and Claim Reserves	(662)	(631)	(611)	(585)	(590)
Allowance for Finance Receivable Losses	(731)	(706)	(702)	(689)	(697)
Net Finance Receivables, Less Unearned Insurance and Allowance	14,771	14,413	14,195	13,713	13,670
Finance Receivables Held for Sale ⁽²⁾	103	207	123	126	132
Restricted Cash and Cash Equivalents	499	495	587	679	498
Goodwill	1,422	1,422	1,422	1,422	1,422
Intangible Assets	388	398	409	428	440
Other Assets	534	583	628	586	587
Total Assets	\$20,090	\$20,468	\$19,640	\$20,467	\$19,433
Long-Term Debt	\$15,178	\$15,731	\$15,054	\$15,898	\$15,050
Insurance Claims and Policyholder Liabilities	685	689	690	728	737
Deferred and Accrued Taxes	45	24	3	72	45
Other Liabilities	383	384	404	387	323
Total Liabilities	16,291	16,828	16,151	17,085	16,155
Common Stock	1	1	1	1	1
Additional Paid-In Capital	1,681	1,678	1,674	1,563	1,560
Accumulated Other Comprehensive Income (Loss)	(34)	(22)	(21)	(12)	11
Retained Earnings	2,151	1,983	1,835	1,830	1,706
Total Shareholders' Equity	3,799	3,640	3,489	3,382	3,278
Total Liabilities and Shareholders' Equity	\$20,090	\$20,468	\$19,640	\$20,467	\$19,433

(1) In 1Q18, Retail Sales Finance and Real Estate Loans were combined in Other Receivables. Prior periods have been revised to conform to the new presentation.

(2) In 3Q18, Real Estate Loans were transferred from Other Receivables to Finance Receivables Held for Sale.

Balance Sheet Metrics

(unaudited, \$ in millions)	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Total Assets	\$20,090	\$20,468	\$19,640	\$20,467	\$19,433
Less: Goodwill	(1,422)	(1,422)	(1,422)	(1,422)	(1,422)
Less: Other Intangible Assets	(388)	(398)	(409)	(428)	(440)
Tangible Managed Assets	\$18,280	\$18,648	\$17,809	\$18,617	\$17,571
Long-Term Debt	\$15,178	\$15,731	\$15,054	\$15,898	\$15,050
Less: Junior Subordinated Debt	(172)	(172)	(172)	(172)	(172)
Adjusted Debt	\$15,006	\$15,559	\$14,882	\$15,726	\$14,878
Total Shareholders' Equity	\$3,799	\$3,640	\$3,489	\$3,382	\$3,278
Less: Goodwill	(1,422)	(1,422)	(1,422)	(1,422)	(1,422)
Less: Other Intangible Assets	(388)	(398)	(409)	(428)	(440)
Plus: Junior Subordinated Debt	172	172	172	172	172
Adjusted Tangible Common Equity	\$2,161	\$1,992	\$1,830	\$1,704	\$1,588
Adjusted Debt to Adjusted Tangible Common Equity (Tangible Leverage)	6.9x	7.8x	8.1x	9.2x	9.4x
Adjusted Tangible Common Equity to Tangible Managed Assets	11.8%	10.7%	10.3%	9.2%	9.0%

Reconciliation of Non-GAAP Measures

(unaudited, \$ in millions)	4Q18	3Q18	2Q18	1Q18	4Q17	FY18	FY17
Consumer & Insurance	\$234	\$226	\$154	\$174	\$219	\$787	\$676
Acquisition & Servicing	0	0	0	1	0	1	1
Other	(9)	(4)	(109)	(10)	(7)	(132)	(41)
Segment to GAAP Adjustment	(11)	(23)	(2)	3	(25)	(32)	(205)
Income Before Income Taxes - GAAP basis	\$214	\$199	\$43	\$168	\$187	\$624	\$431
Pretax Income (Loss) - Segment Accounting Basis	\$234	\$226	\$154	\$174	\$219	\$787	\$676
Net Loss on Repurchases, Repayments and Refinancing of Debt ⁽¹⁾	0	0	35	27	0	63	18
Acquisition-Related Transaction and Integration Expenses ⁽¹⁾	6	9	22	10	10	47	66
Restructuring Charges	8	0	0	0	0	8	0
Consumer & Insurance Adjusted Pretax Income (non-GAAP)	\$248	\$235	\$211	\$211	\$229	\$905	\$760
Pretax Income (Loss) - Segment Accounting Basis	\$0	\$0	\$0	\$1	\$0	\$1	\$1
Acquisitions & Servicing Adjusted Pretax Income (non-GAAP)	\$0	\$0	\$0	\$1	\$0	\$1	\$1
Pretax Income (Loss) - Segment Accounting Basis	(\$9)	(\$4)	(\$109)	(\$10)	(\$7)	(\$132)	(\$41)
Net Loss on Sale of Real Estate Loans ⁽²⁾	6	0	0	0	0	6	0
Acquisition-Related Transaction and Integration Expenses ⁽¹⁾	0	0	0	0	0	0	6
Fortress Transaction ⁽³⁾	0	0	106	0	0	106	0
Other Adjusted Pretax Income (Loss) (non-GAAP)	(\$3)	(\$4)	(\$3)	(\$10)	(\$7)	(\$20)	(\$35)
Springleaf Debt Discount Accretion	(\$6)	(\$6)	(\$6)	(\$6)	(\$11)	(\$24)	(\$69)
OMFH LLR Provision Catch-up	(4)	(4)	(3)	(4)	(3)	(15)	(35)
OMFH Receivable Premium Amortization	(8)	(10)	(14)	(19)	(24)	(50)	(142)
OMFH Receivable Discount Accretion	4	4	4	10	16	22	56
Other	3	(7)	17	22	(3)	35	(15)
Total Segment to GAAP Adjustment	(\$11)	(\$23)	(\$2)	\$3	(\$25)	(\$32)	(\$205)
Reconciling Items ⁽⁴⁾	(\$31)	(\$32)	(\$165)	(\$34)	(\$35)	(\$262)	(\$295)

Note: Full year may not sum due to rounding.

(1) Amounts differ from those presented on "Consolidated Income Statements" slide as a result of purchase accounting adjustments that are not applicable on a Segment Accounting Basis.

(2) In 4Q18, the gain on the sale of the real estate loans sold has been combined with the resulting fair value impairment of the remaining loans in held for sale.

(3) Incentive compensation expense associated with the Fortress transaction, this expense was non-cash, equity neutral and not tax deductible. See slide 13 of the 2Q18 Earnings presentation for more information.

(4) Reconciling Items consist of Total Segment to GAAP Adjustment less the adjustments to Pretax Income (Loss) - Segment Accounting Basis as detailed above.

Reconciliation of Non-GAAP Measures (continued)

(unaudited, \$ in millions)	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
Consumer & Insurance	\$16,195	\$15,777	\$15,406	\$14,870	\$14,820
Acquisition & Servicing	0	0	0	0	0
Other ⁽¹⁾	0	0	131	136	142
Segment to GAAP Adjustment	(31)	(27)	(29)	(19)	(5)
Net Finance Receivables - GAAP basis	\$16,164	\$15,750	\$15,508	\$14,987	\$14,957
Consumer & Insurance	\$773	\$753	\$729	\$718	\$724
Acquisition & Servicing	0	0	0	0	0
Other ⁽¹⁾	0	0	30	32	35
Segment to GAAP Adjustment	(42)	(47)	(57)	(61)	(62)
Allowance for Finance Receivable Losses - GAAP basis	\$731	\$706	\$702	\$689	\$697

(1) In 3Q18, Real Estate Loans were transferred to Finance Receivables Held for Sale.

Consumer & Insurance Segment (Non-GAAP)

(unaudited, \$ in millions, except per share statistics)

	4Q18	3Q18	2Q18	1Q18	4Q17	FY18	FY17
Interest Income	\$959	\$935	\$911	\$873	\$875	\$3,677	\$3,305
Interest Expense	(220)	(218)	(212)	(194)	(195)	(844)	(765)
Provision for Finance Receivables Losses	(275)	(253)	(261)	(258)	(245)	(1,047)	(963)
Net Interest Income after Provision	464	464	438	421	435	1,786	1,577
Insurance	111	106	107	105	106	429	420
Investment	16	21	20	14	18	71	88
Other	16	13	14	14	14	58	57
Total Other Revenues	143	140	141	133	138	558	565
Operating Expenses	(312)	(320)	(317)	(298)	(299)	(1,247)	(1,197)
Insurance Policy Benefits and Claims	(47)	(49)	(51)	(45)	(45)	(192)	(185)
Total Other Expenses	(359)	(369)	(368)	(343)	(344)	(1,439)	(1,382)
Adjusted Pretax Income (non-GAAP)	248	235	211	211	229	905	760
Income Taxes ⁽¹⁾	(59)	(56)	(51)	(51)	(85)	(217)	(280)
Adjusted Net Income (non-GAAP)	\$189	\$179	\$160	\$160	\$144	\$688	\$480
Weighted Average Diluted Shares	136.2	136.1	136.0	135.9	135.9	136.2	135.7
C&I Adjusted Diluted EPS	\$1.39	\$1.31	\$1.18	\$1.18	\$1.06	\$5.06	\$3.54
Net Finance Receivables	\$16,195	\$15,777	\$15,406	\$14,870	\$14,820	\$16,195	\$14,820
Average Net Receivables	\$15,994	\$15,619	\$15,130	\$14,860	\$14,589	\$15,401	\$13,860
Yield	23.8%	23.7%	24.1%	23.8%	23.8%	23.9%	23.8%
Origination Volume	\$3,268	\$2,899	\$3,216	\$2,540	\$3,133	\$11,923	\$10,537

Note: Consumer & Insurance is presented on an adjusted Segment Accounting Basis. See "Important Information" slide regarding Use of Non-GAAP Financial Measures. Full year may not sum due to rounding.

(1) Income taxes assume a 37% statutory tax rate for 2017 and 24% for 2018.

Consumer & Insurance Segment Metrics (Non-GAAP)

(unaudited)	4Q18	3Q18	2Q18	1Q18	4Q17	FY18	FY17
Revenue ⁽¹⁾	26.4%	26.3%	26.4%	25.9%	26.5%	26.2%	26.6%
Net Charge-Off	(6.3%)	(5.8%)	(6.6%)	(7.2%)	(6.4%)	(6.5%)	(7.0%)
Risk Adjusted Margin	20.1%	20.5%	19.8%	18.7%	20.1%	19.8%	19.6%
Operating Expenses	(7.8%)	(8.2%)	(8.4%)	(8.0%)	(8.2%)	(8.1%)	(8.6%)
Unlevered Return on Receivables	12.3%	12.3%	11.4%	10.7%	11.9%	11.7%	10.9%
Interest Expense	(5.5%)	(5.6%)	(5.6%)	(5.2%)	(5.3%)	(5.5%)	(5.5%)
Change in Allowance	(0.5%)	(0.7%)	(0.3%)	0.2%	(0.2%)	(0.3%)	0.1%
Provision for Income Taxes ⁽²⁾	(1.5%)	(1.4%)	(1.3%)	(1.4%)	(2.4%)	(1.4%)	(2.0%)
Return on Receivables	4.7%	4.6%	4.2%	4.3%	4.0%	4.5%	3.5%

Note: All income statement ratios are shown as a percentage of C&I average net finance receivables. See "Important Information" slide regarding Use of Non-GAAP Financial Measures. Ratios may not sum due to rounding.

(1) Revenue includes interest income on finance receivables plus other revenues less insurance policy benefits and claims.

(2) Income taxes assume a 37% statutory tax rate for 2017 and 24% for 2018.

Consumer & Insurance Credit Metrics (Non-GAAP)

(unaudited, \$ in millions)	4Q18	3Q18	2Q18	1Q18	4Q17	FY18	FY17
Gross Charge-Off	\$285	\$260	\$285	\$297	\$264	\$1,127	\$1,100
Gross Charge-Off Ratio	7.1%	6.6%	7.6%	8.1%	7.2%	7.3%	7.9%
Recovery	\$30	\$31	\$35	\$33	\$28	\$129	\$129
Recovery Ratio	0.8%	0.8%	0.9%	0.9%	0.8%	0.8%	0.9%
Net Charge-Off	\$255	\$229	\$250	\$264	\$236	\$998	\$971
Net Charge-Off Ratio	6.3%	5.8%	6.6%	7.2%	6.4%	6.5%	7.0%
30-89 Delinquency	\$393	\$369	\$328	\$310	\$362	\$393	\$362
30-89 Delinquency Ratio	2.4%	2.3%	2.1%	2.1%	2.4%	2.4%	2.4%
30+ Delinquency	\$758	\$691	\$621	\$648	\$701	\$758	\$701
30+ Delinquency Ratio	4.7%	4.4%	4.0%	4.4%	4.7%	4.7%	4.7%
60+ Delinquency	\$527	\$475	\$427	\$473	\$496	\$527	\$496
60+ Delinquency Ratio	3.3%	3.0%	2.8%	3.2%	3.4%	3.3%	3.4%
90+ Delinquency	\$365	\$322	\$293	\$338	\$339	\$365	\$339
90+ Delinquency Ratio	2.3%	2.0%	1.9%	2.3%	2.3%	2.3%	2.3%
Non-TDR Allowance	\$563	\$551	\$524	\$514	\$533	\$563	\$533
TDR Allowance	210	202	205	204	191	210	191
Allowance⁽¹⁾	\$773	\$753	\$729	\$718	\$724	\$773	\$724
Non-TDR Net Finance Receivables	\$15,640	\$15,253	\$14,899	\$14,370	\$14,339	\$15,640	\$14,339
TDR Net Finance Receivables	555	524	507	500	481	555	481
Net Finance Receivables⁽¹⁾	\$16,195	\$15,777	\$15,406	\$14,870	\$14,820	\$16,195	\$14,820
Non-TDR Allowance Ratio	3.6%	3.6%	3.5%	3.6%	3.7%	3.6%	3.7%
TDR Allowance Ratio	37.7%	38.6%	40.4%	40.8%	39.7%	37.7%	39.7%
Allowance Ratio	4.8%	4.8%	4.7%	4.8%	4.9%	4.8%	4.9%

Note: Delinquency ratios are calculated as a percentage of C&I ending net finance receivables. Charge-off and Recovery ratios are shown as a percentage of C&I average net finance receivables. See "Important Information" slide regarding Use of Non-GAAP Financial Measures. Income statement ratios may not sum due to rounding.

(1) For reconciliation to GAAP, see "Reconciliation of Non-GAAP Measures (continued)" slide.

Acquisitions and Servicing Segment (Non-GAAP)

(unaudited, \$ in millions)	4Q18	3Q18	2Q18	1Q18	4Q17	FY18	FY17
Portfolio Servicing Fees from SpringCastle	\$7	\$8	\$8	\$9	\$10	\$33	\$40
Other	0	0	0	0	0	0	2
Total Other Revenues	7	8	8	9	10	33	42
Operating Expenses	(7)	(8)	(8)	(8)	(10)	(32)	(41)
Total Other Expenses	(7)	(8)	(8)	(8)	(10)	(32)	(41)
Adjusted Pretax Income (non-GAAP)	\$0	\$0	\$0	\$1	\$0	\$1	\$1

Note: Acquisitions & Servicing is presented on an adjusted Segment Accounting Basis. See "Important Information" slide regarding Use of Non-GAAP Financial Measures. Full year may not sum due to rounding.

Other (Non-GAAP)

(unaudited, \$ in millions)	4Q18	3Q18	2Q18	1Q18	4Q17	FY18	FY17
Finance Charges	\$0	\$2	\$3	\$3	\$3	\$7	\$12
Finance Receivables Held for Sale Originated as Held for Investment	4	2	2	2	2	10	11
Interest Expense	(4)	(4)	(5)	(5)	(5)	(17)	(21)
Provision for Finance Receivable Losses	0	0	3	2	0	5	(7)
Net Interest Income (Loss) after Provision	0	0	3	2	0	5	(5)
Other Revenues	1	1	0	(2)	3	0	3
Operating Expenses	(4)	(5)	(6)	(10)	(10)	(25)	(33)
Adjusted Pretax Loss (Non-GAAP)	(\$3)	(\$4)	(\$3)	(\$10)	(\$7)	(\$20)	(\$35)
Net Finance Receivables Held for Investment	0	0	131	136	142	0	142
Net Finance Receivables Held for Sale ⁽¹⁾	103	215	130	133	138	103	138
Total Net Finance Receivables	\$103	\$215	\$261	\$269	\$280	\$103	\$280

Note: Other is presented on an adjusted Segment Accounting Basis. See "Important Information" slide regarding Use of Non-GAAP Financial Measures. Full year may not sum due to rounding.

(1) In 3Q18, Real Estate Loans were transferred from Finance Receivables Held for Investment to Finance Receivables Held for Sale.

Glossary

Select Calculations:

- **Adjusted Debt** = Long-Term Debt – Junior Subordinated Debt
- **Adjusted Tangible Common Equity (TCE)** = Total Shareholders' Equity – Goodwill – Other Intangible Assets + Junior Subordinated Debt
- **C&I Adjusted Diluted EPS** = C&I Adjusted Net Income (Non-GAAP) / Weighted Average Diluted Shares
- **C&I Operating Expense Ratio** = Annualized C&I Operating Expenses / C&I Average Net Receivables
- **Other Net Revenue** = Other Revenues - Insurance Policy Benefits and Claims Expense
- **Return on Receivables** = Annualized C&I Adjusted Net Income / C&I Average Net Receivables
- **Tangible Leverage** = Adjusted Debt / Adjusted Tangible Common Equity
- **Tangible Managed Assets (TMA)** = Total Assets – Goodwill – Other Intangible Assets
- **TCE/TMA** = Adjusted Tangible Common Equity / Tangible Managed Assets