



# 2Q14 Earnings Presentation

*Three months ended June 30, 2014*

## Springleaf Holdings, Inc. (LEAF)

August 7, 2014

# Important Information

*The following pages are part of a presentation by Springleaf Holdings, Inc. (the "Company") in connection with reporting quarterly financial results and are intended to be viewed as part of that presentation. No representation is made that the information in these pages is complete. For additional financial, statistical and business related information, as well as information regarding business and segment trends, see the earnings release and financial supplement included as exhibits to the Company's Current Report on Form 8-K, which was filed today and the Company's 2013 Annual Report on Form 10-K, which was filed on April 15, 2014 with the Securities and Exchange Commission and are available on the Company's website ([www.springleaf.com](http://www.springleaf.com)) and the SEC's website ([www.sec.gov](http://www.sec.gov)).*

## **Forward Looking Statements**

*This presentation contains "forward-looking statements" within the meaning of the U.S. federal securities laws. Forward-looking statements include, without limitation, statements concerning plans, objectives, goals, projections, strategies, future events or performance, our 2014 guidance ranges and underlying assumptions and other statements, which are not statements of historical facts. Statements preceded by, followed by or that otherwise include the words "anticipate," "appears," "believe," "foresee," "intend," "should," "expect," "estimate," "project," "plan," "may," "could," "will," "are likely" and similar expressions are intended to identify forward-looking statements. These statements involve predictions of our future financial condition, performance, plans and strategies, and are thus dependent on a number of factors including, without limitation, assumptions and data that may be imprecise or incorrect. Specific factors that may impact performance or other predictions of future actions include, but are not limited to: changes in general economic conditions, including the interest rate environment and the financial markets; levels of unemployment and personal bankruptcies; shifts in residential real estate values; shifts in collateral values, delinquencies, or credit losses; natural or accidental events such as earthquakes, hurricanes, tornadoes, fires, or floods; war, acts of terrorism, riots, civil disruption, pandemics, or other events disrupting business or commerce; our ability to successfully realize the benefits of the SpringCastle Portfolio; the effectiveness of our credit risk scoring models; changes in our ability to attract and retain employees or key executives; changes in the competitive environment in which we operate; changes in federal, state and local laws, regulations, or regulatory policies and practices; potential liability relating to real estate and personal loans which we have sold or may sell in the future, or relating to securitized loans; the costs and effects of any litigation or governmental inquiries or investigations; 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 generate sufficient cash to service all of our indebtedness; the potential for downgrade of our debt by rating agencies; and other risks described in the "Risk Factors" section of the Company's Form 10-K filed with the SEC on April 15, 2014. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed 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 publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. You should not rely on forward looking statements as the sole basis upon which to make any investment decision.*

# Non-GAAP Financial Measure

*We present core earnings as a “non-GAAP financial measure” in this presentation. This measure is derived on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Please refer to the Financial Supplement hereto for a quantitative reconciliation from historical pretax income to pretax core earnings.*

*We also present our segment financial information on a historical accounting basis (which is a basis of accounting other than U.S. GAAP) in this presentation. This information represents a “non-GAAP measure” which uses the same accounting basis that we employed prior to the Fortress Acquisition. This presentation provides a consistent basis to better understand our operating results. Please refer to the Financial Supplement hereto for quantitative reconciliations from our push-down accounting pretax income to our historical pretax income (loss) for the first and second quarter 2014 and the second quarter 2013.*

# Highlights

(\$ in thousands)	2Q14	1Q14	2Q13
Consumer & Insurance <sup>(1)</sup>	\$60,034	\$48,822	\$79,171 <sup>(5)</sup>
Acquisitions & Servicing <sup>(2)</sup>	33,957	30,658	46,776
<b>Pretax Core Earnings<sup>(3)</sup></b>	<b>\$93,991</b>	<b>\$79,480</b>	<b>\$125,947</b>
Estimated Income Taxes <sup>(4)</sup>	(34,777)	(29,408)	(46,600)
<b>Estimated Core Earnings<sup>(3)</sup></b>	<b>\$59,214</b>	<b>\$50,072</b>	<b>\$79,347</b>
Net Income Attributable to Springleaf	\$72,389	\$52,324	\$56,178
<i>Per Share Data</i>			
Core Earnings per Share - Diluted	\$0.52	\$0.43	\$0.79
GAAP Earnings per Share - Diluted	\$0.63	\$0.45	\$0.56

- **2Q14 pretax earnings from Core business of \$94 million<sup>(3)</sup>**
- **Launched direct auto finance product in June 2014**
- **Sale of \$7.2 billion of real estate loans, including \$0.5 billion sold in 2Q14<sup>(6)</sup>**
  - Total pretax net gain of approximately \$575 to \$625 million

(1) Excludes impact of charges related to accelerated repayment/repurchase of debt.

(2) Excludes impact of charges related to fair value adjustments on debt and earnings attributable to non-controlling interests.

(3) Pretax Core Earnings and Core Earnings (Historical) are non-GAAP measures. See page 21 for a reconciliation of Push-Down Accounting Pretax Income to Pretax Core Earnings.

(4) Core Earnings estimated income taxes assumes 37% statutory tax rate.

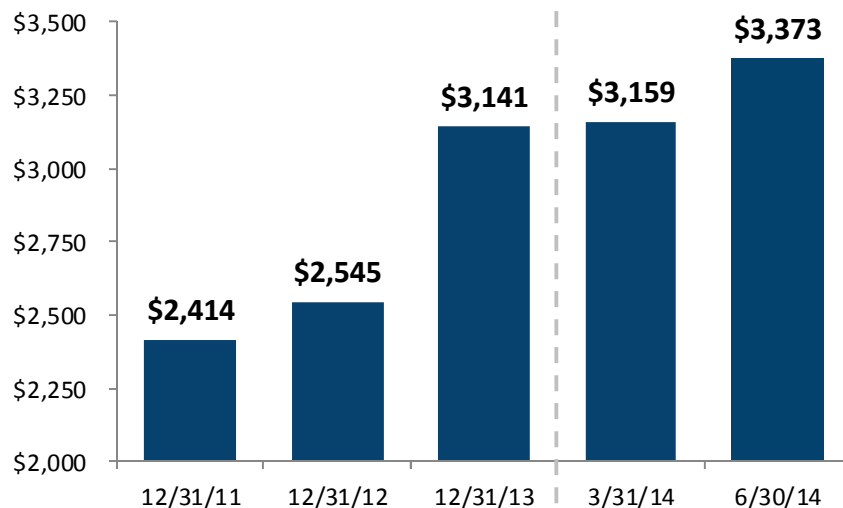
(5) Consumer & Insurance Earnings for 2Q13 includes one time benefit from sale of previously charged-off finance receivables.

(6) Reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP)

# Branch Receivables Growth and Scalability

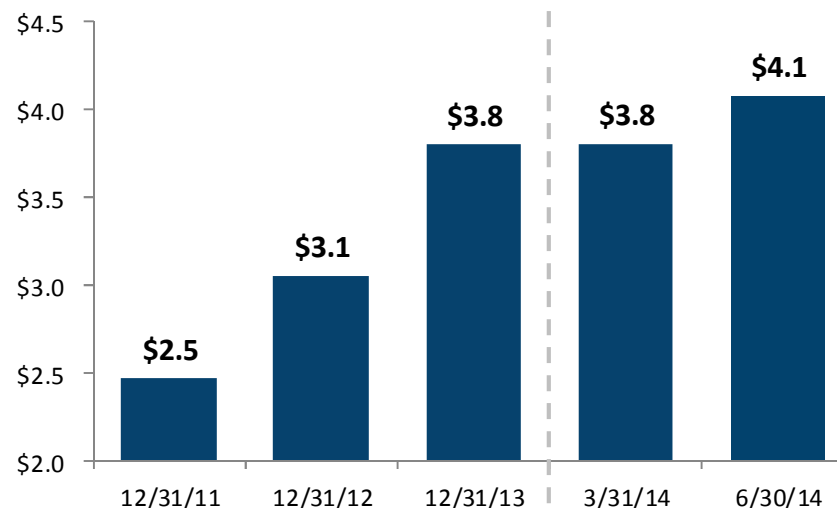
## Strong Consumer Receivables Growth

Consumer Receivables (\$ mm)<sup>(1)</sup>



## Proven History of Scalability

Consumer Receivables Per Branch (\$ mm)<sup>(1)</sup>



## Key Performance Metrics

	2012	2013	1Q14	2Q14
Avg. Annual Apps / Branch <sup>(2)</sup>	2,882	4,908	4,596	6,628
Avg. Annual Closed Loans / Branch <sup>(2)</sup>	760	949	776	1,023
Outstanding Loans per Branch Employee <sup>(3)</sup>	226	259	264	276
Total Origination Volume / Branch (\$ mm) <sup>(2)</sup>	\$3.0	\$3.9	\$3.5	\$4.6

(1) Consumer segment reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP).

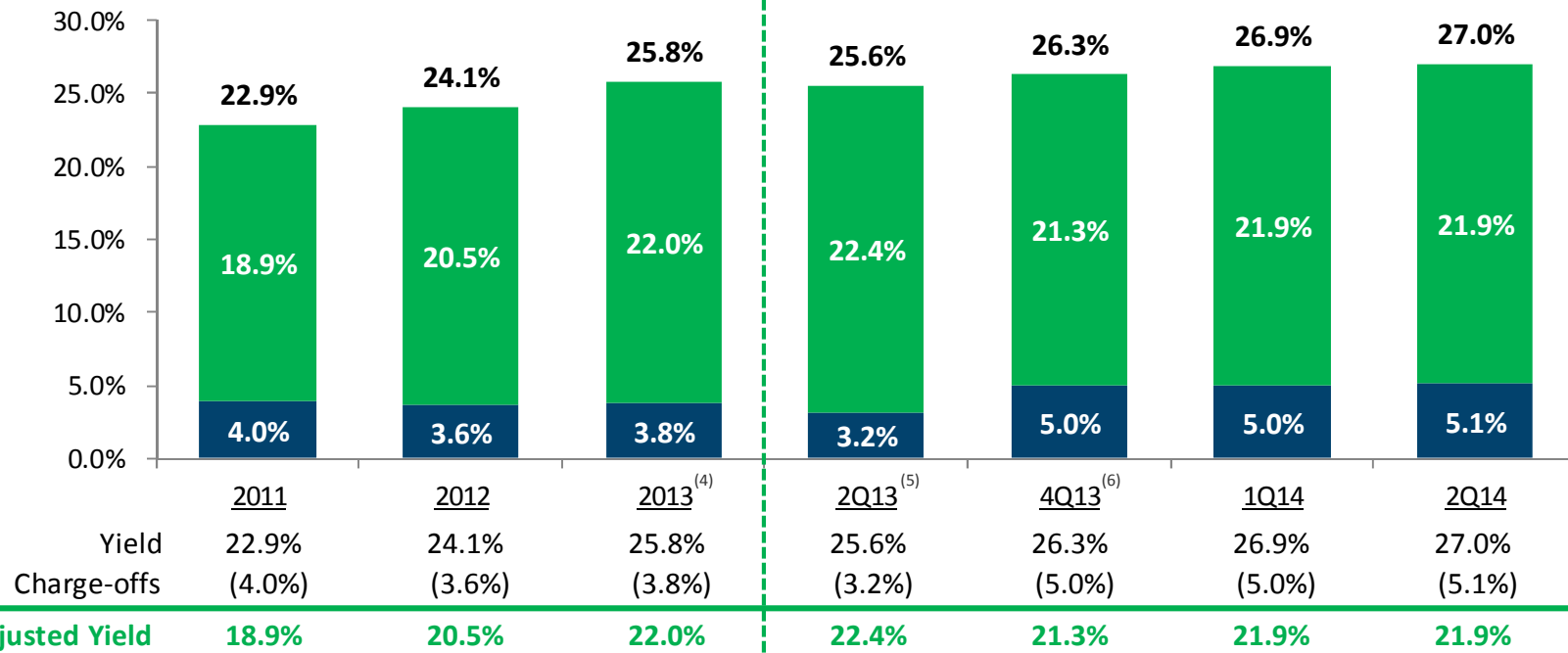
(2) Quarterly data annualized.

(3) Reflects period end data.

# Consumer Loan Performance

- Yield and net losses stable in the quarter
- Delinquency ratio has improved to 2.28%, down 17 bps q-o-q<sup>(1)</sup>

## Yield Continues to Trend Up<sup>(2,3)</sup>



■ Net Charge-off Ratio ■ Risk Adjusted Yield

(1) Delinquency ratio represents UPB 60 days or more past due (greater than three payments unpaid) as a percentage of UPB.

(2) Risk Adjusted Yield = Yield less Net Charge-off Rate.

(3) Consumer segment reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP).

(4) Charge-off rate excludes impact of \$14.5 million of additional charge-offs recorded in March 2013 related to our change in charge-off policy, \$25.4 million of recoveries on charged-off personal loans resulting from a sale of our previously charged-off finance receivables in June 2013, and \$2.7 million of recovery sale buybacks during the last half of 2013.

(5) Charge-off rate excludes impact from the sale of charged-off accounts in June 2013.

(6) Charge-off rate excludes impact from recovery sale buybacks in 4Q13.

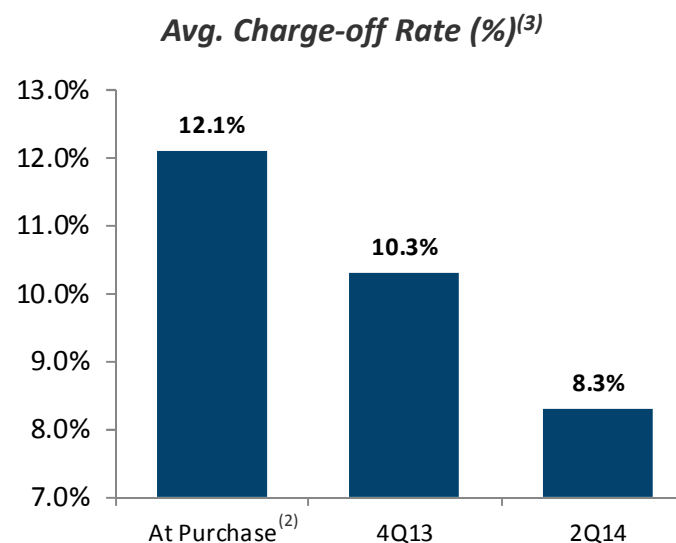
# Acquisitions and Servicing

- Pretax income for 2Q14 of \$34 million<sup>(1)</sup>; includes servicing fee income
- Charge-offs continue to decline
- Current and previous customer base offers new growth opportunities

## Collateral & Funding Structure

	At Purchase <sup>(2)</sup>	12/31/13	6/30/14
Principal Balance	\$3.8bn	\$3.2bn	\$2.9bn
Wtd. Avg. Coupon	18.3%	18.3%	18.2%
Accounts	415,000	344,000	306,000
Avg. Balance <sup>(3)</sup>	\$9,200	\$9,300	\$9,300
Avg. Charge-off Rate <sup>(4)</sup>	12.1%	10.3%	8.3%
Outstanding Debt (Class A&B)	\$2.6bn	\$2.0bn	\$1.6bn

## SpringCastle Credit Performance



(1) Excludes impact of charges related to fair value adjustments on debt and earnings attributable to non-controlling interests.

(2) At purchase represents data at time of settlement on April 1, 2013.

(3) Average balances based on Principal Balance.

(4) Charge-off Rate reflects Gross Charge-off calculated as a percentage of Principal Balance.

# RE Transaction Overview

- **The mortgage sales essentially complete our mortgage liquidation plans**
  - Significantly reduces long term funding and credit risk
  - Deleverages the balance sheet (pro forma net leverage of 2.0x at 6/30/14 versus 6.2x at 3/31/14)<sup>(1)</sup>
  - Removes majority of earnings volatility caused by real estate losses
  - Enhances financial flexibility; frees up resources

## Key Transaction Terms<sup>(2)</sup>

Transaction	■ <b>Total Receivables Sold</b>	<b>\$7.2 billion</b>
	■ <b>Securitized Loans Sold<sup>(3)</sup></b>	<b>\$5.5 billion</b>
	■ <b>Non-securitized Loans Sold</b>	<b>\$1.7 billion</b>
	■ <b>Estimated Net Cash Proceeds</b>	<b>\$3.0 billion (RMBS Debt of \$3.6 billion)<sup>(4)</sup></b>
	■ <b>Projected GAAP Gain</b>	<b>\$575 to \$625 million (pre-tax, before one-time expenses)</b>
Closing	■ <b>On or before September 30, 2014</b>	

(1) Net leverage reflects Total Debt, net of Cash to Total Equity ratio.

(2) Reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP)

(3) Securitization interests sold include 2006-1, 2010-1, 2011-1, 2012-1, 2012-2, 2012-3, 2013-1, 2013-2, 2013-3. 2010-1 securitization transaction closed on June 30, 2014.

(4) Debt balance includes unamortized discount and fair value adjustments.



# Mortgage Portfolio Overview at 6/30/14

- Agreement to sell approximately \$7.2 billion of real estate mortgage receivables, including \$0.5 billion sold on 6/30/14<sup>(1)</sup>; projected net gain of approximately \$575 to 625 million

Total RE at 3/31/14	—	Real Estate Sales	=	Pro Forma 6/30/14 <sup>(2)</sup>																														
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(1) Reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP). Historical receivables includes REO.

(2) Pro forma for \$5.5bn of securitized loans (2006-1, 2010-1, 2011-1, 2012-1, 2012-2, 2012-3, 2013-1, 2013-2, 2013-3) and for the sale of \$1.7bn of non-securitized loans.

(3) Basis % is PGAAP net finance receivables, net of allowance plus the carrying value of REO, as a percentage of historical net finance receivables plus the carrying value of REO.

(4) Sales price based on June 30, 2014 balances as a percentage of gross receivables.

(5) Delinquency calculated using OTS 90+ method (excluding REO); as a percentage of gross receivables.

(6) Real Estate segment debt represents only Securitized Debt.

# Liquidity and Funding at 6/30/14

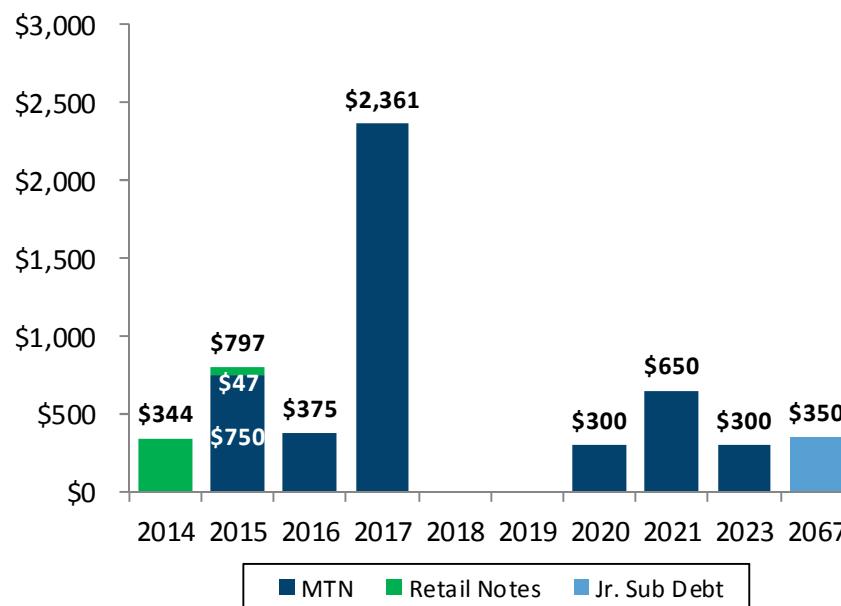
- Strong and stable liquidity position
  - \$891 million cash and \$1.2 billion committed undrawn funding capacity
- Weighted average cost of funds down to 5.13% in 2Q14, down 25 bps q-o-q <sup>(1,2)</sup>
- Sale of \$7.2 billion of real estate loans, including \$0.5 billion closed on 6/30/14<sup>(1)</sup>
  - Pro forma 6/30/14 real estate net finance receivables of \$0.8 billion, down from \$8.1 billion at 3/31/14

## Historical Balance Sheet Before & After Snapshot<sup>(1)</sup>

(\$ in billions)

	3/31/14	6/30/14 Pro Forma <sup>(3)</sup>	
<b>Historical Net Fin. Rec.</b>	Consumer	\$3.2	\$3.4
	Acquisitions & Servicing	2.3	2.2
	Real Estate	8.1	0.8
	Other	0.1	0.1
	<b>Total</b>	<b>\$13.7</b>	<b>\$6.5</b>
<b>Historical Balance Sheet</b>	Cash	\$0.8	\$3.9
	Total Debt	12.3	8.5
	Total Equity	1.8	2.3
	D/E	6.7x	3.7x
	<b>Net Leverage<sup>(4)</sup></b>	<b>6.2x</b>	<b>2.0x</b>

## Unsecured Debt Maturity (\$ mm)



(1) Reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP).

(2) Includes SpringCastle debt.

(3) Pro forma for the sale of \$7.2 billion of real estate loans, including \$0.5 billion which closed on 6/30/14. Expected after-tax gain from transaction included as part of pro forma Total Equity.

(4) Net leverage reflects Total Debt, net of Cash to Total Equity ratio.

# 2Q14 Summary Financial Results

(\$ in thousands)	2Q14	1Q14	2Q13
Consumer & Insurance <sup>(1)</sup>	\$60,034	\$48,822	\$79,171 <sup>(5)</sup>
Acquisitions & Servicing <sup>(2)</sup>	33,957	30,658	46,776
<b>Pretax Core Earnings<sup>(3)</sup></b>	<b>\$93,991</b>	<b>\$79,480</b>	<b>\$125,947</b>
Estimated Income Taxes <sup>(4)</sup>	(34,777)	(29,408)	(46,600)
<b>Estimated Core Earnings<sup>(3)</sup></b>	<b>\$59,214</b>	<b>\$50,072</b>	<b>\$79,347</b>
Net Income Attributable to Springleaf	\$72,389	\$52,324	\$56,178
<i>Per Share Data</i>			
Core Earnings per Share - Diluted	\$0.52	\$0.43	\$0.79
GAAP Earnings per Share - Diluted	\$0.63	\$0.45	\$0.56

- **Growth in consumer net finance receivables per branch continues to drive Core Earnings**
- **Launched direct auto finance product in June 2014**
- **Net Income Attributable to Springleaf up from prior quarter and prior year quarter due to:**
  - Strength of Core earnings
  - Reduced losses from Non-Core real estate portfolio
  - Sale of approximately \$500 million of real estate unpaid principal balance; pretax net gain of \$35 million

(1) Excludes impact of charges related to accelerated repayment/repurchase of debt.

(2) Excludes impact of charges related to fair value adjustments on debt and earnings attributable to non-controlling interests.

(3) Pretax Core Earnings and Core Earnings (Historical) are non-GAAP measures. See page 21 for a reconciliation of Push-Down Accounting Pretax Income to Pretax Core Earnings.

(4) Core Earnings estimated income taxes assumes 37% statutory tax rate.

(5) Consumer & Insurance Earnings for 2Q13 includes one time benefit from sale of previously charged-off finance receivables.

# 2014 Updated Guidance

## Core Consumer Operations<sup>(1)</sup>

### FY 2014E Range

	<u>Guidance as of 12/31/13</u>	<u>Guidance as of 3/31/14</u>	<u>Guidance as of 6/30/14</u>
<b>Consumer Net Finance Receivables</b>	\$3.60bn — \$3.75bn	\$3.60bn — \$3.75bn	\$3.70bn — \$3.85bn
<b>Consumer Yield</b>	26.75% — 27.25%	27.00% — 27.50%	26.85% — 27.35%
<b>Consumer Risk Adjusted Yield<sup>(2)</sup></b>	22.00% — 23.00%	22.00% — 22.50%	21.85% — 22.35%
<b>Acquisitions &amp; Servicing Pretax Income</b>	\$85mm — \$105mm	\$95mm — \$115mm	\$100mm — \$120mm

(1) Net Finance Receivables represents targeted range at 2014 year end; all other metrics represent targeted ranges for the full year 2014.

(2) Risk Adjusted Yield = Yield less Net Charge-off Rate.



# Financial Supplement

# Consolidated Balance Sheet (Push Down Accounting)

	<u>6/30/14</u>	<u>12/31/13</u>
1 Cash and Cash Equivalents	\$891,341	\$431,409
2 Investment Securities	657,483	582,090
3 Net Finance Receivables:		
4 Personal Loans & Retail Sales Finance	3,475,754	3,270,615
5 SpringCastle Portfolio	2,202,380	2,505,349
6 Real Estate Loans	6,341,257	7,982,349
7 Total Net Finance Receivables	12,019,391	13,758,313
8 Allowance for Finance Rec. Losses	(368,272)	(333,325)
9 <b>Net Finance Receivables, Less Allowance</b>	<b>11,651,119</b>	<b>13,424,988</b>
10 Restricted Cash	487,160	536,005
11 Other Assets	396,255	428,194
12 <b>Total Assets</b>	<b>\$14,083,358</b>	<b>\$15,402,686</b>
13 Long-Term Debt	\$11,261,023	\$12,769,036
14 Insurance Claims and Policyholder Liabilities	412,492	394,168
15 Deferred and Accrued Taxes	142,174	145,520
16 Other Liabilities	202,041	207,334
17 <b>Total Liabilities</b>	<b>12,017,730</b>	<b>13,516,058</b>
18 Springleaf Holdings, Inc. Shareholders' Equity	1,678,078	1,540,020
19 Non-Controlling Interests	387,550	346,608
20 <b>Total Shareholders' Equity</b>	<b>2,065,628</b>	<b>1,886,628</b>
21 <b>Total Liabilities and Shareholders' Equity</b>	<b>\$14,083,358</b>	<b>\$15,402,686</b>
22 Net Finance Receivables <sup>1</sup>	\$13,016,571	\$15,130,140
23 Allowance for Receivable Losses <sup>1</sup>	(\$977,619)	(\$1,073,838)
24 Debt <sup>1</sup>	\$11,913,120	\$13,494,350
25 Quarterly Interest Rate <sup>1</sup>	5.13%	5.19%

(1) Reflects historical accounting basis (a non-GAAP measure).

# Consolidated Income Statement (Push Down Accounting)

(unaudited, in thousands, except per share statistics)	<b>2Q14</b>	<b>1Q14</b>	<b>2Q13</b>
1 Interest Income	\$532,750	\$552,637	\$580,597
2 Interest Expense	(191,301)	(205,420)	(240,418)
3 Provision for Finance Receivable Losses	(115,347)	(160,878)	(82,311)
4 Net Interest Income after Provision	226,102	186,339	257,868
5 Insurance	42,687	38,419	35,967
6 Investment	10,622	9,461	10,598
7 Net Loss on Repurchases and Repayments of Debt	0	(6,615)	(237)
8 Net Gain (Loss) on Fair Value Adjustments on Debt	482	(16,867)	752
9 Net Gain on Sales of Real Estate Loans and Related Trust Assets	34,800	55,186	0
10 Other	2,752	1,820	4,510
11 Total Other Revenues	91,343	81,404	51,590
12 Operating Expenses	(151,346)	(150,228)	(149,231)
13 Insurance Losses and Loss Adjustment Expenses	(18,667)	(18,365)	(16,346)
14 Total Other Expenses	(170,013)	(168,593)	(165,577)
15 <b>Pretax Income</b>	<b>147,432</b>	<b>99,150</b>	<b>143,881</b>
16 Less: Non Controlling Interests	(30,289)	(16,308)	(54,740)
17 <b>Pretax Income Attributable to Springleaf</b>	<b>117,143</b>	<b>82,842</b>	<b>89,141</b>
18 Income Taxes	(44,754)	(30,518)	(32,963)
19 <b>Net Income Attributable to Springleaf</b>	<b>\$72,389</b>	<b>\$52,324</b>	<b>\$56,178</b>
20 Average Shares Outstanding - Diluted	115,176	115,145	100,000
21 Earnings per Share - Diluted	\$0.63	\$0.45	\$0.56
22 Estimated Core Earnings per Share - Diluted <sup>1</sup>	\$0.52	\$0.43	\$0.79

Note: Core Earnings is a non-GAAP measure. Refer to page 21 for reconciliations to U.S. GAAP.

(1) Core earnings include Consumer, Insurance (which are reported on a historical basis), and Acquisition & Servicing segments. Core earnings per share assumes 37% statutory tax rate.

# Core Earnings (Non-GAAP)

(unaudited, in thousands)	2Q14	1Q14	2Q13
1 Interest Income	\$357,440	\$355,622	\$338,974
2 Interest Expense	(59,012)	(62,920)	(60,716)
3 Provision for Finance Receivable Losses	(88,275)	(98,225)	(11,850)
4 Net Interest Income after Provision	210,153	194,477	266,408
5 Insurance	42,672	38,406	35,956
6 Investment	11,661	10,268	13,093
7 Intersegment - Insurance Commissions	(155)	(58)	(2)
8 Portfolio Servicing Fees from SpringCastle	17,079	18,189	2,380
9 Other <sup>1</sup>	3,148	(6,413)	3,010
10 Total Other Revenues	74,405	60,392	54,437
11 Operating Expenses	(124,338)	(122,281)	(121,222)
12 Portfolio Servicing Fees to Springleaf	(17,079)	(18,189)	(2,380)
13 Insurance Losses and Loss Adjustment Expenses	(18,861)	(18,611)	(16,556)
14 Total Other Expenses	(160,278)	(159,081)	(140,158)
15 <b>Pretax Core Earnings</b>	<b>124,280</b>	<b>95,788</b>	<b>180,687</b>
16 Less: Non Controlling Interests	(30,289)	(16,308)	(54,740)
17 <b>Pretax Core Earnings Attributable to Springleaf</b>	<b>93,991</b>	<b>79,480</b>	<b>125,947</b>
18 Estimated Income Taxes <sup>2</sup>	(34,777)	(29,408)	(46,600)
19 <b>Estimated Core Earnings Attributable to Springleaf</b>	<b>\$59,214</b>	<b>\$50,072</b>	<b>\$79,347</b>

Note: Core Earnings is a non-GAAP measure. Refer to page 21 for reconciliations to U.S. GAAP.

(1) Includes the non-controlling interests of the net gain (loss) on fair value adjustments on debt.

(2) Core earnings estimated income taxes assumes 37% statutory tax rate.



# Core: Consumer & Insurance Segments

(unaudited, in thousands)	2Q14	1Q14	2Q13
1 Interest Income	\$220,396	\$209,695	\$170,604
2 Interest Expense	(40,905)	(40,726)	(36,125)
3 Provision for Finance Receivable Losses	(47,876)	(45,275)	5,947
4 Net Interest Income after Provision	131,615	123,694	140,426
5 Insurance	42,672	38,406	35,956
6 Investment	11,661	10,268	13,093
7 Intersegment - Insurance Commissions	(155)	(58)	(2)
8 Net Loss on Repurchases and Repayments of Debt	0	(1,429)	(1,500)
9 Other	2,581	2,218	2,929
10 Total Other Revenues	56,759	49,405	50,476
11 Operating Expenses	(109,479)	(107,095)	(96,675)
12 Insurance Losses and Loss Adjustment Expenses	(18,861)	(18,611)	(16,556)
13 Total Other Expenses	(128,340)	(125,706)	(113,231)
14 <b>Pretax Operating Income</b>	<b>\$60,034</b>	<b>\$47,393</b>	<b>\$77,671</b>
15 Net Finance Receivables	\$3,373,151	\$3,159,163	\$2,807,908
16 Average Net Receivables	\$3,266,701	\$3,138,022	\$2,676,283
17 Yield	27.03%	26.93%	25.57%
18 Gross Charge-Off Ratio	5.80%	5.56%	4.36%
19 Recovery Ratio <sup>1</sup>	-0.68%	-0.55%	-1.19%
20 Charge-Off Ratio <sup>1</sup>	5.12%	5.01%	3.17%
21 Delinquency Ratio	2.28%	2.45%	1.92%
22 Origination Volume	\$948,511	\$721,816	\$900,350

Note: Consumer & Insurance segments reflect historical accounting basis (which is a basis of accounting other than U.S. GAAP).

(1) The charge-off ratios for 2Q13 exclude \$25.4 million of recoveries on charged-off personal loans resulting from a sale of our previously charged-off finance receivables in June 2013.

# Core: Acquisitions & Servicing Segment

(unaudited, in thousands)	2Q14	1Q14	2Q13
1 Interest Income	\$137,044	\$145,927	\$168,370
2 Interest Expense	(18,107)	(22,194)	(24,591)
3 Provision for Finance Receivable Losses	(40,399)	(52,950)	(17,797)
4 Net Interest Income after Provision	78,538	70,783	125,982
5 Portfolio Servicing Fees from SpringCastle	17,079	18,189	2,380
6 Net Gain (Loss) on Fair Value Adjustments on Debt	535	(16,867)	0
7 Other	283	309	81
8 Total Other Revenues	17,897	1,631	2,461
9 Operating Expenses	(14,859)	(15,186)	(24,547)
10 Portfolio Servicing Fees to Springleaf <sup>1</sup>	(17,079)	(18,189)	(2,380)
11 Total Other Expenses	(31,938)	(33,375)	(26,927)
12 <b>Pretax Operating Income</b>	<b>64,497</b>	<b>39,039</b>	<b>101,516</b>
13 Less: Non Controlling Interests <sup>1</sup>	(30,289)	(16,308)	(54,740)
14 <b>Pretax Operating Income Attributable to Springleaf</b>	<b>\$34,208</b>	<b>\$22,731</b>	<b>\$46,776</b>
15 Net Finance Receivables	\$2,202,381	\$2,342,576	\$2,819,072
16 Average Net Receivables	\$2,269,859	\$2,425,968	\$2,881,989
17 Principal Balance <sup>2</sup>	\$2,850,771	\$3,013,781	\$3,567,035
18 Yield	24.22%	24.40%	23.43%

(1) Springleaf incurs 47% of servicing expenses. The remaining 53% is netted through non-controlling interests.

(2) Principal Balance is a non-GAAP measure.

# Non-Core: Real Estate Segment

(unaudited, in thousands)	2Q14	1Q14	2Q13
1 Interest Income	\$136,639	\$155,044	\$177,477
2 Interest Expense	(95,492)	(111,797)	(141,530)
3 Provision - TDR	(21,087)	(45,141)	(55,779)
4 <u>Provision - Non-TDR</u>	615	(16,187)	(10,231)
5 Net Interest Income (Loss) after Provision	20,675	(18,081)	(30,063)
6 Intersegment - Insurance Commissions	152	70	30
7 Net Loss on Repurchases and Repayments of Debt	0	(10,023)	(19,600)
8 Net Gain on Fair Value Adjustments on Debt	0	8,298	18,247
9 Net Loss on Sales of Real Estate Loans and Related Trust Assets	(22,819)	(62,176)	0
10 <u>Other</u>	(78)	(1,351)	1,551
11 Total Other Revenues	(22,745)	(65,182)	228
12 <u>Operating Expenses</u>	(20,386)	(21,619)	(19,938)
13 Total Other Expenses	(20,386)	(21,619)	(19,938)
14 <b>Pretax Operating Loss</b>	<b>(\$22,456)</b>	<b>(\$104,882)</b>	<b>(\$49,773)</b>
15 Net Finance Receivables	\$7,322,660	\$8,083,432	\$9,924,957
16 Average Net Receivables	\$7,880,857	\$9,048,824	\$10,086,897
17 TDR Finance Receivables	\$2,972,335	\$3,048,969	\$3,066,686
18 Loss Ratio <sup>1,2</sup>	1.94%	1.72%	2.76%
19 Delinquency Ratio	8.80%	8.32%	7.47%

Note: Real Estate segment reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP).

(1) The loss ratio for 1Q14 excludes \$2.2 million of recoveries on charged-off real estate loans resulting from a sale of our previously charged-off real estate loans in March 2014, net of a \$0.2 million reserve for subsequent buybacks.

(2) The loss ratio for 2Q13 excludes \$9.9 million of recoveries on charged-off real estate loans resulting from a sale of our previously charged-off finance receivables in June 2013.

# Non-Core: Other Segment

(unaudited, in thousands)	<u>2Q14</u>	<u>1Q14</u>	<u>2Q13</u>
1 Interest Income	\$4,311	\$5,104	\$12,287
2 Interest Expense	(1,830)	(2,143)	(4,007)
3 <u>Provision for Finance Receivable Losses</u>	(4,302)	(965)	6,739
4 Net Interest (Loss) Income after Provision	(1,821)	1,996	15,019
5 Insurance	16	16	20
6 Investment	(5)	29	111
7 Intersegment - Insurance Commissions	3	(12)	(28)
8 Net Loss on Repurchases and Repayments of Debt	0	(47)	(271)
9 <u>Other</u>	(34)	644	(163)
10 Total Other Revenues	(20)	630	(331)
11 <u>Operating Expenses</u>	(5,716)	(5,377)	(6,966)
12 Total Other Expenses	(5,716)	(5,377)	(6,966)
13 <b>Pretax Operating (Loss) Income</b>	<b>(\$7,557)</b>	<b>(\$2,751)</b>	<b>\$7,722</b>
14 Net Finance Receivables	\$118,379	\$123,055	\$244,442

Note: Other segment reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP).

# Reconciliation – Push-Down Accounting to Historical / Pretax Core Earnings

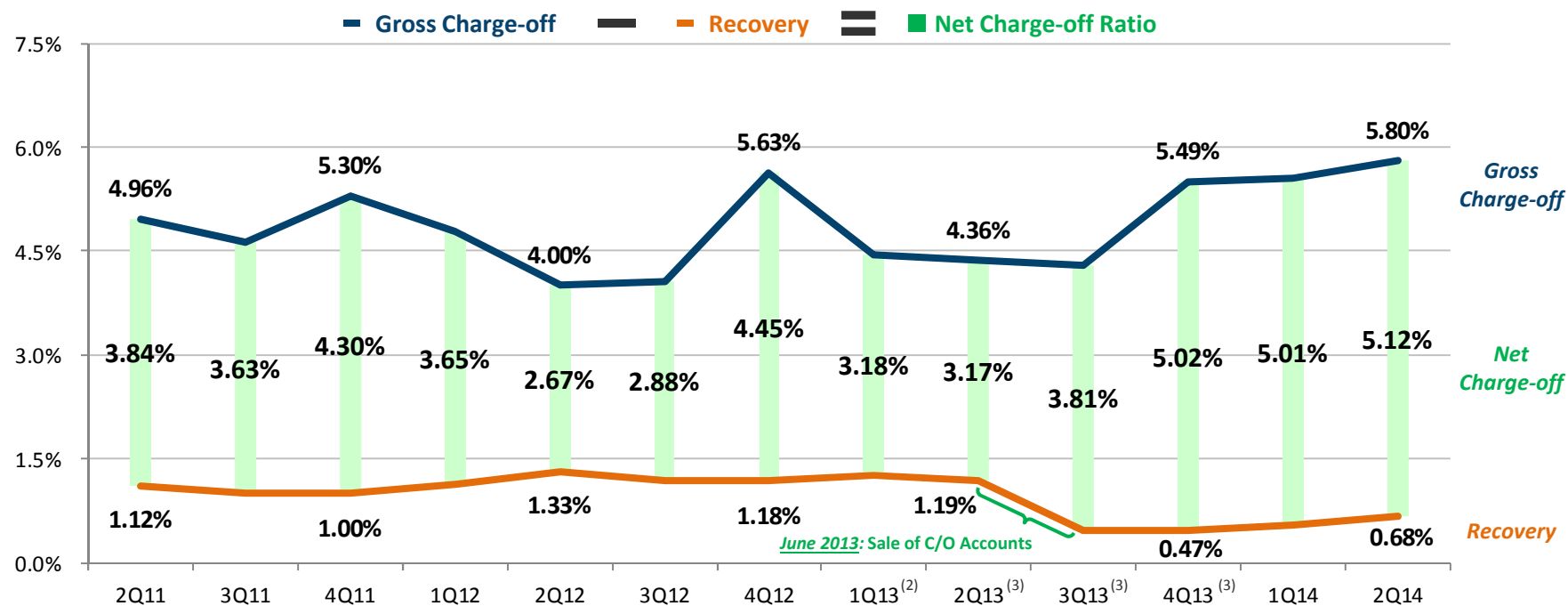
(unaudited, in thousands)

	2Q14	1Q14	2Q13
1 <b>Push-Down Accounting Pretax Income Attributable to Springleaf<sup>1</sup></b>	<b>\$117,143</b>	<b>\$82,842</b>	<b>\$89,141</b>
2 Interest Income	(34,360)	(36,867)	(51,859)
3 Interest Expense	34,967	28,560	34,165
4 <u>Provision for Finance Receivable Losses</u>	<u>2,298</u>	<u>360</u>	<u>11,190</u>
5 Net Interest Income (Loss) after Provision	2,905	(7,947)	(6,504)
6 Insurance	1	3	9
7 Investment	1,034	836	2,606
8 Repurchases and Repayments of Debt	0	(4,884)	(21,134)
9 Fair Value Adjustments on Debt	53	8,298	17,495
10 Sales of Real Estate Loans and Related Trust Assets	(57,619)	(117,362)	0
11 <u>Other</u>	<u>0</u>	<u>0</u>	<u>(112)</u>
12 Total Other Revenues	(56,531)	(113,109)	(1,136)
13 Operating Expenses	906	951	1,105
14 <u>Insurance Losses and Loss Adjustment Expenses</u>	<u>(194)</u>	<u>(246)</u>	<u>(210)</u>
15 Total Other Expenses	712	705	895
16 <b>Historical Pretax Income (Loss) Attributable to Springleaf<sup>1</sup></b>	<b>\$64,229</b>	<b>(\$37,509)</b>	<b>\$82,396</b>
Adjustments:			
17 Pretax Operating Loss - Non-Core Portfolio Operations	22,456	104,882	49,773
18 Pretax Operating Loss (Income) - Other / Non-Originating Legacy Operations	7,557	2,751	(7,722)
19 Net Loss from Accelerated Repayment / Repurchase of Debt - Consumer	0	1,429	1,500
20 Net (Gain) Loss on Fair Value Adjustments on Debt - Core Consumer Operations (attributable to Springleaf)	(251)	7,927	0
21 Total Adjustments	29,762	116,989	43,551
22 <b>Pretax Core Earnings Attributable to Springleaf<sup>1</sup></b>	<b>\$93,991</b>	<b>\$79,480</b>	<b>\$125,947</b>

(1) Pretax earnings attributable to Springleaf Holdings, Inc. (SHI), which excludes non-controlling interests.

# Appendix: Consumer Loan Credit Performance

## Charge-off Trends<sup>(1)</sup>



(1) Consumer segment reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP).

(2) The net charge-off ratio for 1Q13 excludes \$14.5 million of additional charge-offs recorded in March 2013 related to our change in charge-off policy for personal loans.

(3) The net charge-off ratio for 2013 excludes \$22.7 million of recoveries on charged-off personal loans resulting from a sale of our charged-off finance receivables in June 2013, net of a \$2.7 million adjustment for the subsequent buyback of certain personal loans.