

2022 Social Bond Annual Report



June 2021 - June 2022

About OneMain Financial

As the country's [largest nonprime installment lender](#), OneMain's mission is to improve the financial well-being of hardworking Americans. [Our diverse and growing product suite](#), designed to enhance access to healthy, affordable credit, includes secured and unsecured loans, credit cards, insurance and other optional products.



11MM
Customers Served Since 2010



~50%
Of Customers Do Business With Us At Least Twice



~63%
Of Customers Enrolled in Paperless Billing



1,400
Locations Across U.S.

1. Data as of December 31, 2021 unless otherwise noted.

OneMain's Mission & Values

Customers

- Provide responsible lending and optional products with affordable rates and ability-to-pay underwriting
- Offer financial education and other financial wellness products and solutions

Communities

- Contribute to our communities through philanthropic grants
- Build community partnerships with local, state, and national organizations
- Facilitate employee volunteer opportunities

Company

- Build a great place to work and advance diversity and inclusion

OneMain's Leadership in Social Bond Issuance

OneMain Wins Social Project Bond of the Year

In addition to being named **Social Project Bond of the Year by Environmental Finance**, our social bond drew great interest from the investor community

- **First-ever Social High Yield deal by a U.S. issuer**
- Positive investor response generated ~6x oversubscription and orders from over 90 investors



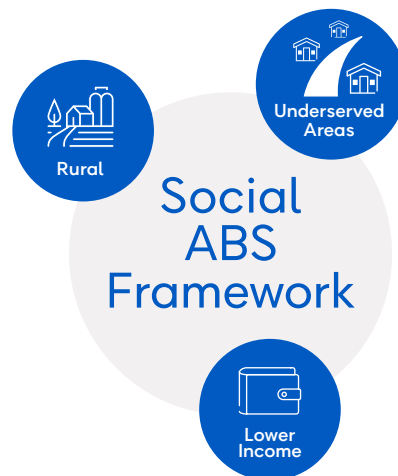
Continued Leadership with First-Ever Social ABS Deal

OneMain executed OMFIT 2022-S1 on April 21, 2022

- **First-ever Social ABS deal by a U.S. ABS issuer**
- \$600MM in notes sold

Broadens OneMain's Social Bond program to ABS

Rationale
Promoting financial inclusion in rural communities to lower income borrowers by providing equitable access to credit



41% of adults in non-metro areas could not cover a \$400 emergency expense using cash or its equivalent

OneMain's Social Bond Framework

Eligibility Criteria

- The Loan Portfolio will be comprised of loans (“Eligible Loans”) to individuals residing with mailing addresses in those counties identified as ‘Credit-At-Risk’ or ‘Credit Insecure’ counties (“Credit Insecure Areas”) as defined by the Federal Reserve Bank of New York²
- Update to: Furthermore, at least 75% of Eligible Loans will be determined to be from racial minorities per the Federal protected classes definition of race, and/or women
- OneMain will use a probability of at least 80% for its determination of race and/or gender

Aligns with ICMA Principles³ and UN Goals⁴

ICMA Social Bond Principles (SBP) Alignment



Category
Financial Inclusion



Target Population
<input checked="" type="checkbox"/> Excluded and/or marginalized communities
<input checked="" type="checkbox"/> Underserved communities

In line with SBPs, by offering access to the general public in these areas where we serve these populations



NO POVERTY

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, **have equal rights to economic resources, as well as access to** basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance



DECENT WORK AND ECONOMIC GROWTH

8.10 Strengthen the capacity of domestic financial institutions to encourage and **expand access** to banking, insurance and **financial services for all**



REDUCED INEQUALITIES

10.2 By 2030, empower and promote the social, economic and political **inclusion of all**, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

2. Federal Reserve Bank of New York, *Unequal Access to Credit: The Hidden Impact of Credit Constraints*, September 24, 2019

3. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf>

4. <https://sdgs.un.org/goals>

OneMain's Social Bond Annual Reporting

OneMain Finance Corporation Issued \$750MM Social Bond in 2021, first-ever by a U.S. High Yield Issuer

Issuance Overview	
Offering Terms	\$750MM bond with 2027 maturity at 3.500% coupon
Use of Proceeds	Proceeds financing a portfolio of OneMain loans with customers residing in Credit Insecure Areas Furthermore, at least 75% of Eligible Loans will be determined to be from racial minorities and/or women
Underwriters	Long-standing D&I broker partners Academy Securities, Ramirez, Seelaus, and Siebert Williams served prominent roles
Second Party Opinion	S&P Global Ratings provided a Framework Alignment Opinion confirming our Framework aligns with ICMA's 2020 Social Bond Principles
CUSIP	682691AB6

Social Bond	
Net Proceeds from Issuance	\$740,625,000
Proceeds Allocated to Eligible Loans ⁶	\$750,009,730
Unallocated Proceeds	\$0
% of Proceeds Allocated to Eligible Portfolio	100%
Women/Minority ⁶	\$562,509,777
% Women/Minority	75%

Credit Insecure Areas	
% of UPB in Credit Insecure Areas ⁷	23%
% of loans in Credit Insecure Areas ⁷	23%
Avg. Loan Balance of Credit Insecure Borrowers	\$8,157
Avg. Loan Balance of all OneMain borrowers	\$8,180
Avg. Net Annual Income of Borrowers in Credit Insecure Areas	~\$44,000

5. Annual reporting as of March 31, 2022; Federal Reserve Bank of New York, *Unequal Access to Credit: The Hidden Impact of Credit Constraints*, September 24, 2019

6. Dollars shown on UPB basis

7. As a percentage of OneMain borrowers

Management Assertion

OneMain Holdings, Inc. is responsible for the completeness, accuracy and validity of this management assertion.

Management asserts that, as of March 31, 2022, the total net proceeds of \$740,625,000 from the June 22, 2021 issuance of the \$750,000,000 3.500% Senior Notes due 2027 issued by OneMain Finance Corporation were used to finance or refinance, in part or in full, a portfolio of new or existing personal loans (“Eligible Portfolio”) that meet the eligibility criteria described below.

For purposes of this assertion, the Eligible Portfolio is comprised of new or existing personal loans (“Eligible Loans”) made within 12 months before the offering and through March 31, 2022, to individuals residing with a mailing address in the loan servicing system as of March 31, 2022 in a county identified as ‘Credit-At-Risk’ or ‘Credit-Insecure’ in the Federal Reserve Bank of New York’s (FRBNY) “Unequal Access to Credit: The Hidden Impact of Credit Constraints” report published on September 24, 2019.

Furthermore, at least 75% of Eligible Loans were determined to be from racial minorities and/or women. The determination as to race is consistent with applicable internal reporting guidelines that utilize Bayesian Improved Surname Geocoding (BISG) methodology to calculate probable race. The BISG methodology uses publicly available Social Security Administration and U.S. Census Bureau data as an input to derive a protected class probability based upon the borrower’s last name and zip code as stated in the credit application. The BISG determination of race was based on a probability of at least 80%, in the aggregate, that the individual is from a racial minority per the federal protected class definition of race. The determination as to gender utilizes a proxy method to calculate probable gender. The proxy method uses publicly available Social Security Administration and U.S. Census Bureau data as an input to derive a gender probability based upon the borrower’s first name as stated in the credit application. A probability of at least 80% was used in the determination of gender.

External Review



Report of Independent Accountants

To Management of OneMain Holdings, Inc.

We have examined the management assertion of OneMain Holdings, Inc. on page 7 of this 2022 Social Bond Annual Report that, as of March 31, 2022, the total net proceeds of \$740,625,000 from the June 22, 2021 issuance of the \$750,000,000 3.500% Senior Notes due 2027 issued by OneMain Finance Corporation were used to finance or refinance, in part or in full, a portfolio of new or existing personal loans that meet the eligibility criteria described in management's assertion. OneMain Holdings, Inc.'s management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Only the information included in the management assertion of OneMain Holdings, Inc. on page 7 is part of our examination engagement. The other information in this 2022 Social Bond Annual Report has not been subjected to the procedures applied in our examination engagement, and accordingly, we make no comment as to its completeness and accuracy and do not express an opinion or provide any assurance on such information.

In our opinion, management's assertion that, as of March 31, 2022, the total net proceeds of \$740,625,000 from the June 22, 2021 issuance of the \$750,000,000 3.500% Senior Notes due 2027 issued by OneMain Finance Corporation were used to finance or refinance, in part or in full, a portfolio of new or existing personal loans that meet the eligibility criteria described in management's assertion is fairly stated, in all material respects.

PricewaterhouseCoopers LLP

Dallas, Texas
June 15, 2022