


# *Springleaf Funding Trust*

## *Personal Loan ABS Investor Presentation*

*June 2014*

# Qualification and Safe Harbor Disclaimer

*This presentation does not constitute an offer or invitation to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever.*

# Important Information

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*Forward Looking Statements*

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# Non-GAAP Financial Measures

*We present Core Earnings (Historical) and Pretax Core Earnings as "non-GAAP financial measures" in this presentation. These measures are 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 Appendix hereto for the quantitative reconciliations from loss before provision for income taxes on a historical accounting basis to adjusted pretax earnings and to pretax core earnings.*

*We also present our segment financial information on a historical accounting basis 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 Appendix hereto for quantitative reconciliations from our push-down accounting pretax earnings (loss) to our historical pretax earnings (loss) for each quarter in 2013 and the first quarter 2014.*

# Springleaf Today

**Consumer Lending**

- Business focused exclusively on consumer lending
- Proven relationship-based lending model with localized originations, servicing and centralized risk management
- Consistent underwriting and loan performance
- Creating new unit focused on direct auto lending

**Liquidity**

- Diversified funding sources
- S&P, Moody's, Fitch upgraded counterparty ratings to B-/B3/B-
- Added $1 billion committed back-up liquidity lines (currently undrawn)
- Paid down $7.5 billion of long term debt since 1/1/2012

**Earnings**

- Springleaf Holdings (parent company) full year pretax core earnings of $314 million versus $88 million in 2012; Q1 2014 pretax core earnings $79 million
- Continued expansion in risk adjusted yield in Q1 2014

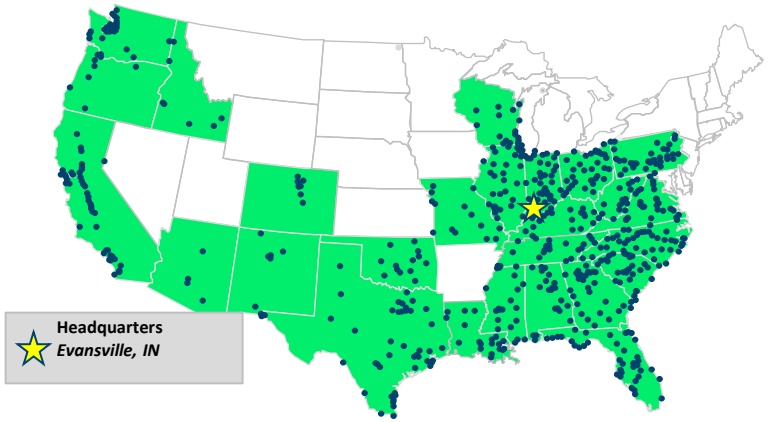
**Recent IPO**

- Springleaf Holdings completed IPO in October 2013
- $230.8 million net proceeds
- NYSE Ticker "LEAF"
- ~$3 billion market capitalization

# Springleaf Overview

- For over 90 years Springleaf has offered responsible alternatives for borrowers seeking affordable personal loans
  - Fixed rate and fully amortizing loans with level monthly payments and no balloons or prepayment penalties
  - Over 830 branches across 26 states; 72% have been open since 1991

## Nationwide Footprint




## Legacy Mortgage

- Ceased originating mortgages in 2011
- $8 billion run-off portfolio(1)
- Continuing to invest in servicing platform during wind-down
- Transition to fully centralized servicing to be completed by 2Q14
- Continued strong performance: net losses 2.30% in 2013

## Core Personal Loan Business

| | 2012 | 2013 | 1Q13 | 1Q14 |
|---|---|---|---|---|
| Avg. Annual Apps / Branch(2) | 2,882 | 4,908 | 2,888 | 4,596 |
| Avg. Annual Closed Loans / Branch(2) | 760 | 949 | 768 | 776 |
| Avg. Outstanding Loans / Branch Employee | 226 | 259 | 220 | 264 |
| Total Origination Volume ($ mm) | $2,465 | $3,253 | $660 | $722 |
| Consumer Net Finance Receivables ($ mm) | $2,545 | $3,141 | $2,559 | $3,159 |

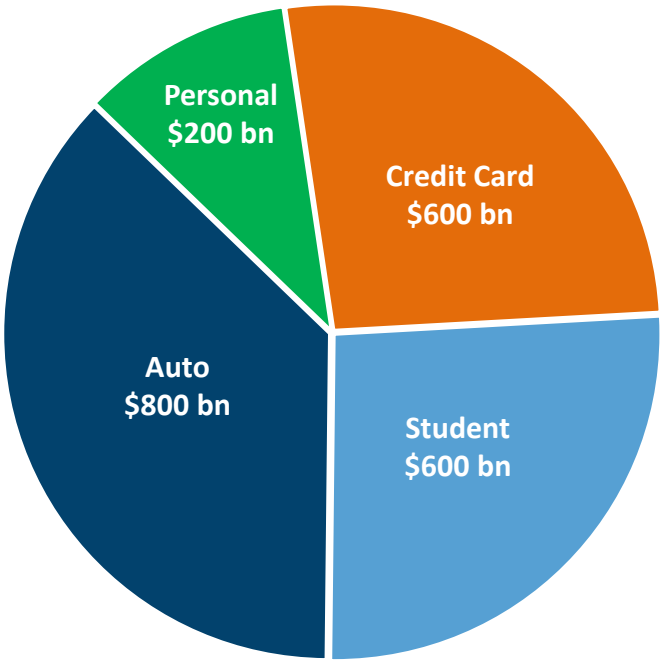
(1) *Reflects historical accounting basis as of March 31, 2014.*
(2) *Quarterly data annualized.*

# Large Non-prime Borrower Demand, Limited Lender Supply

- Uniquely positioned to capitalize on supply-demand imbalance within the non-prime lending space
  - Large and Growing Non-Prime Population: 122 million Americans earn less than $72,000[(1)]
  - Limited Liquidity: 40% of Americans do not believe they could raise $2,000 in 30 days[(2)]
  - Reduced Supply: Few non-prime players remain; lending down materially since 2008 peak

## $2.2 trillion of U.S. Consumer Debt[(3)]

***$750 billion is Non-Prime, 34% of Total[(3)]***




## Few Large Scale Players Remain[(4)]

| | | Operating Today? |
|---|---|---|
| | Springleaf Financial | ✓ |
| Personal Loans | *OneMain* | ✓ |
| Personal Loans | *Beneficial* | X |
| Personal Loans | *Wells Fargo Financial* | X |
| Personal Loans | *Household* | X |
| Credit Cards | *NextCard* | X |
| Credit Cards | *Providian* | X |
| Credit Cards | *Metris* | X |

(1) *US Census Bureau, "Income, Poverty, and Health Insurance Coverage in the United States: 2012", September 2013.*
(2) *FINRA Investor Education Foundation, "Financial Capability in the United States", May 2013.*
(3) *Data as of September 2013 from Experian's national credit database. Excludes mortgage debt and home equity. "Personal" includes personal plus retail debt.*
(4) *Based on other large, national companies Springleaf deems comparable.*

# Few Lending Alternatives in Non-prime / Near-prime Market

- Of those institutions still lending today:
  - Banks mainly lending to prime borrowers
  - Payday lenders under intense regulatory scrutiny
- Springleaf offers a responsible alternative for borrowers seeking convenient and affordable personal loans
  - Level fixed payment, closed end and fully amortizing
  - Underwriting focus: free cash flow after household expenses (ability to pay)

***Deep Sub-Prime*** ***Non-Prime/Near-Prime*** ***Prime/Super-Prime***



## Payday / Pawn

- *Low credit quality*
- *High regulatory scrutiny*
- *High credit risk*

| | |
|---|---|
| ***Rate*** | *100% to 500%+* |
| ***FICO*** | *< 600* |
| ***Size*** | *< $500* |
| ***Term*** | *Very Short* |

## Springleaf Financial

- *Focus on broad range of borrowers*
- *Results in-line with higher credit quality portfolios*

| | |
|---|---|
| ***APR*** | *18% to 36%* |
| ***FICO*** | *< 650* |
| ***Size*** | *Typically up to $10,000* |
| ***Term*** | *2-4 years typical* |

## Banks

- *High credit quality*
- *High regulatory scrutiny*
- *Low credit risk*

| | |
|---|---|
| ***Rate*** | *10% to 20%* |
| ***FICO*** | *> 700* |
| ***Size*** | *Up to $80,000* |
| ***Term*** | *Up to 10 years* |

*Note: Rate, FICO, Size, and Term based on Springleaf estimates.*

# Customer Profile

- Borrowers typically have consistent income and solid job history, but are often credit or liquidity constrained
  - Borrowers rely on our loans for:
    - Loan Consolidations
    - Home/Auto Repair
    - Medical Bills
    - Unexpected Life Events
- Borrowers are under-banked not un-banked [(1)]
  - 95% have bank accounts
  - 75% have credit cards or auto loans



- Borrowers technologically adept [(1)]
  - 93% bank online
  - 81% have smartphones
  - Increased use of Springleaf smart-phone App



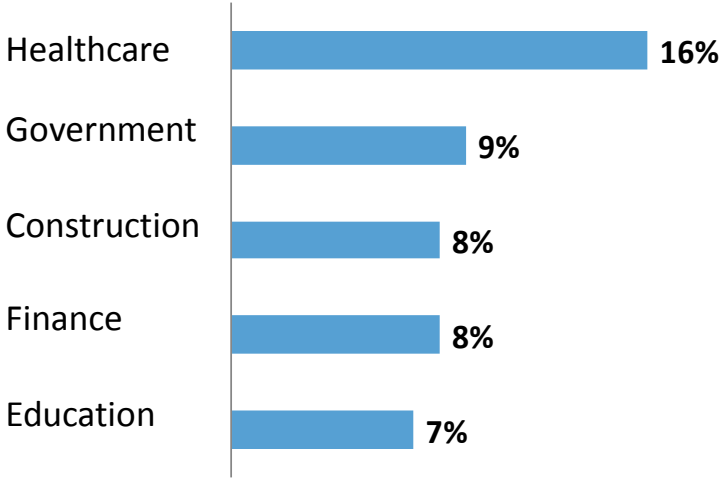

## Borrower Demographics[(1)]

- Age: 49
- Income: $47,000
- FICO: 600
- Homeowners: 56%

## Borrower Stability[(1)]

- Average Time in Residence: 13 years
- Average Time in Current Employment: 11 years

## High Percentage Employed In Professional Industries[(1)]




(1) *Demographic data represents a rounded average for the quarter ended June 30, 2013 based on a Company profile survey for loans booked January through May 2013.*

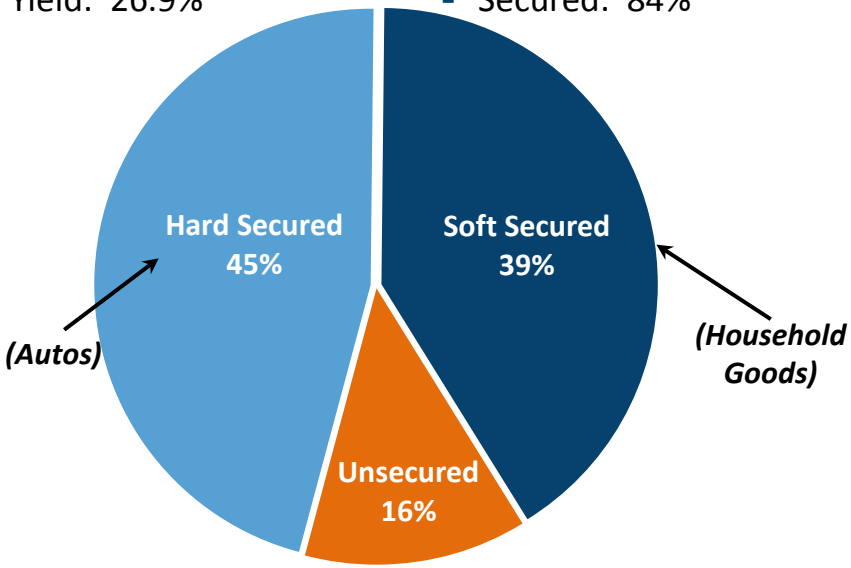
# Personal Loan Profile

- Springleaf makes 3 types of personal loans
  - **Hard Secured**: collateralized predominantly by automobiles (first lien)
  - **Soft Secured**: collateralized by untitled consumer assets (e.g. household goods)
  - **Unsecured:** generally higher credit quality customers

- Customer distribution[1]
  - 59% Present Customers (renewals)
  - 32% New Customers
  - 9% Former Customers
- "Renewal" is a new, fully re-underwritten loan to an existing customer
  - Loan terms based on customer's *current* qualifications and *updated* collateral values (where applicable)

## Typical Loan Profile[1]

- Size: $4,200
- Term: 2 to 4 years
- Yield: 26.9%
- Secured: 84%




## Typical Loan Economics[2]

| | |
|---|---|
| ***Loan Balance*** | *$4,200* |
| ***Yield*** | *26.9%* |
| ***Average Term (months)*** | *38* |
| ***Level Monthly Payments*** | *$165* |
| Loan Proceeds to Borrower | ($4,200) |
| Total Payments | $6,270 |
| Net Charge-Offs *(1Q '14: 5.0%)* | ($387) |
| **Risk-Adjusted Revenue** | **$1,683** |

(1) *Data represents the quarter ending March 31, 2014.*

(2) *Assumes no application fees, no insurance, all payments are received on time and simple interest.*

# Personal Loan Underwriting

**Capacity**
*Income/ability to repay*

**Character**
*Willingness to repay*

**Collateral**
*Additional loan support*

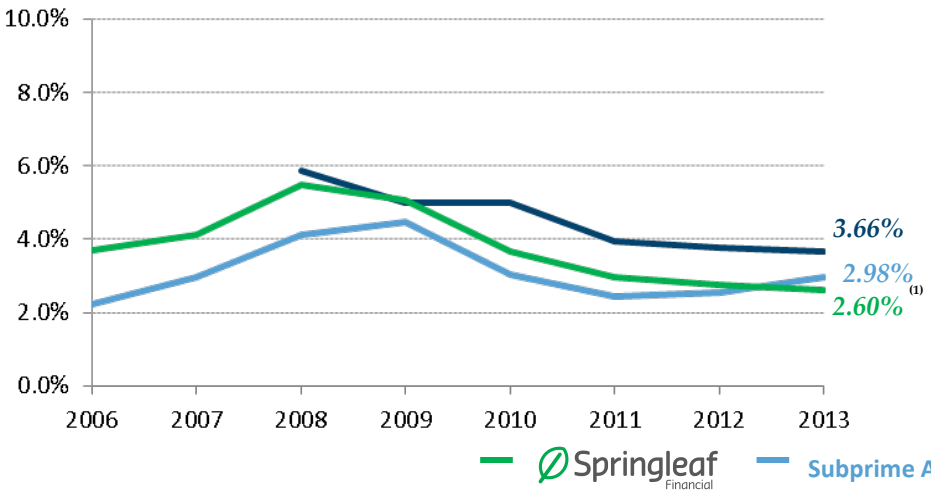
- Time tested underwriting principles produce consistently strong performance
  - Enhanced by proprietary data and active user of alternative data (e.g. utility and rent payment data)
  - Internally developed proprietary risk models outperform traditional scorecards
  - Renewals underwritten through identical process as initial loan
  - Conservative charge-off policy at 180 days (limited exceptions e.g. BK13 confirmed plan, repossessed collateral on hand)
- Springleaf's rigorous underwriting risk scoring and pricing centrally managed to maintain consistency
- Face to face branch-based lending enhances servicing effectiveness
  - Deep local market knowledge by Branch teams
  - Establishes initial connection with the borrower, building an ongoing customer relationship
  - Minimizes fraud risk



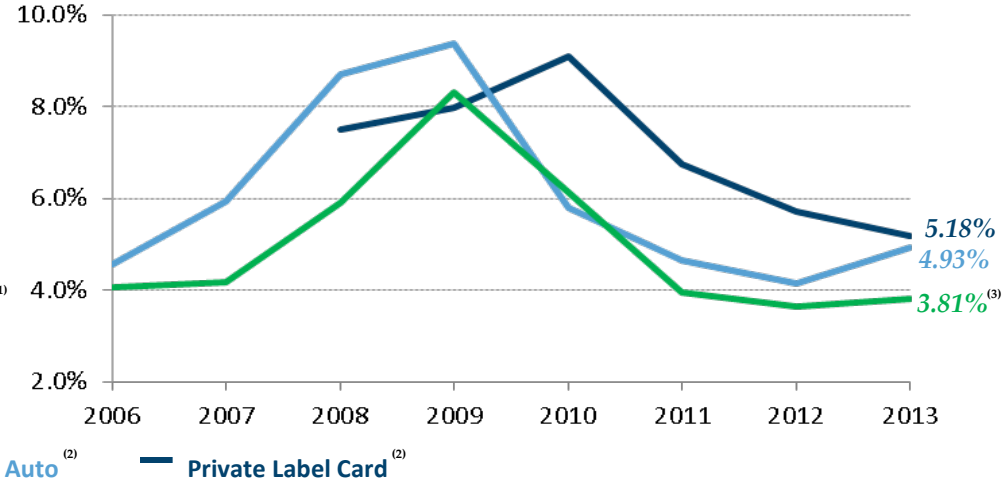

| | | |
|---|---|---|
| 1 | Take Application | ✓ |
| 2 | Review Credit Bureau | ✓ |
| 3 | Budget Review | ✓ |
| 4 | Collateral Check | ✓ |
| 5 | Approve/Decline | ✓ |
| 6 | Sign Documents | ✓ |
| 7 | Disburse Funds | ✓ |

# Consistent Performance Through Multiple Economic Cycles

## Portfolio Delinquencies Compare Favorably…

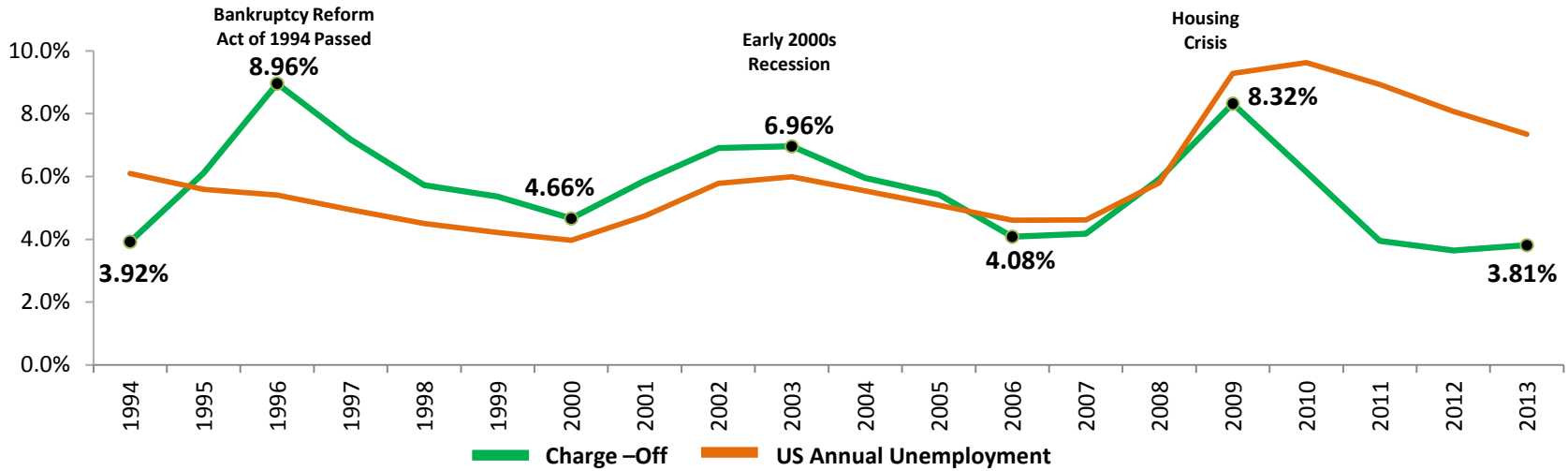



## …And So Do Portfolio Losses




Springleaf Financial — Subprime Auto (2) — Private Label Card (2)

## Springleaf charge-off rates have been consistent through multiple economic cycles (4)




(1) *Reflects Springleaf's 60+ day delinquency ratio (reflects three missed payments or more) for the core consumer lending portfolio.*

(2) *Private Label Credit Card data (based on GE Master Trust) : Securities and Exchange Commission; Subprime Auto data: S&P monthly tracking. Data represents 60+ delinquency.*

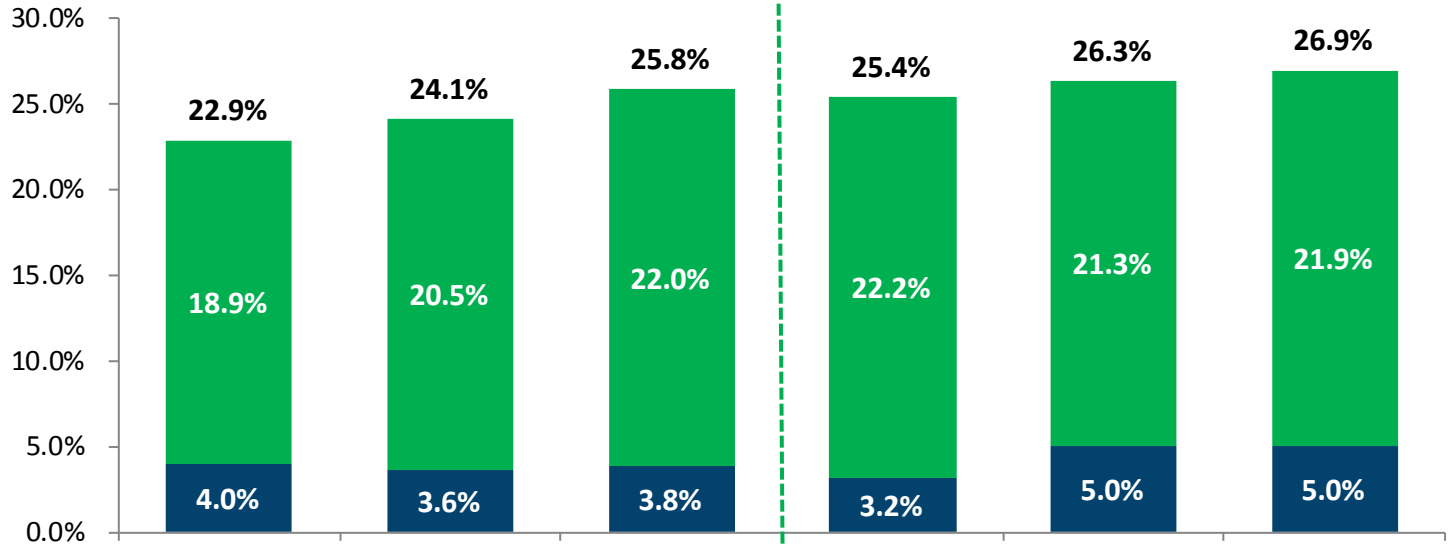
(3) *Excludes $14.5 million of charge-offs recorded in March 2013 related to change in personal loan charge-off policy and $25.4 million in recoveries from June 2013 sale of charge-off finance receivables.*

(4) *Annual charge-off data prior to 2010 based on Springleaf Finance Inc.'s filings.*

# Personal Loan Performance

- **Risk adjusted yield has grown almost 1000 bps over the last 5 years, including an increase of 60 bps q-o-q[(1)]**
- **Enhanced analytics driving real time risk-adjusted pricing**

## Gross Yield Continues to Trend Up [(1,2)]




| | 2011 | 2012 | 2013 [(3)] | 1Q13 [(4)] | 4Q13 [(3)] | 1Q14 |
|---|---|---|---|---|---|---|
| Yield | 22.9% | 24.1% | 25.8% | 25.4% | 26.3% | 26.9% |
| Charge-offs | (4.0%) | (3.6%) | (3.8%) | (3.2%) | (5.0%) | (5.0%) |
| **Risk-Adjusted Yield [(1)]** | **18.9%** | **20.5%** | **22.0%** | **22.2%** | **21.3%** | **21.9%** |

■ Net Charge-off Ratio ■ Risk Adjusted Yield

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

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

*(3) Charge-off rate excludes impact from sale of charged-off accounts in June 2013, change in charge-off policy in March 2013 and recovery sale buybacks in 3Q13 and 4Q13.*

*(4) Charge-off rate excludes impact from change in charge-off policy in March 2013.*

# Servicing and Loss Mitigation Tools

- Springleaf responsibly employs several tools to meet customer needs during periods of financial stress (if appropriate)
- The goal of all programs is to provide solutions to meet a customer's needs, while not masking any inevitable losses
- *Cure program being tested in 2014; 100% review and approval by centralized resources in Risk*

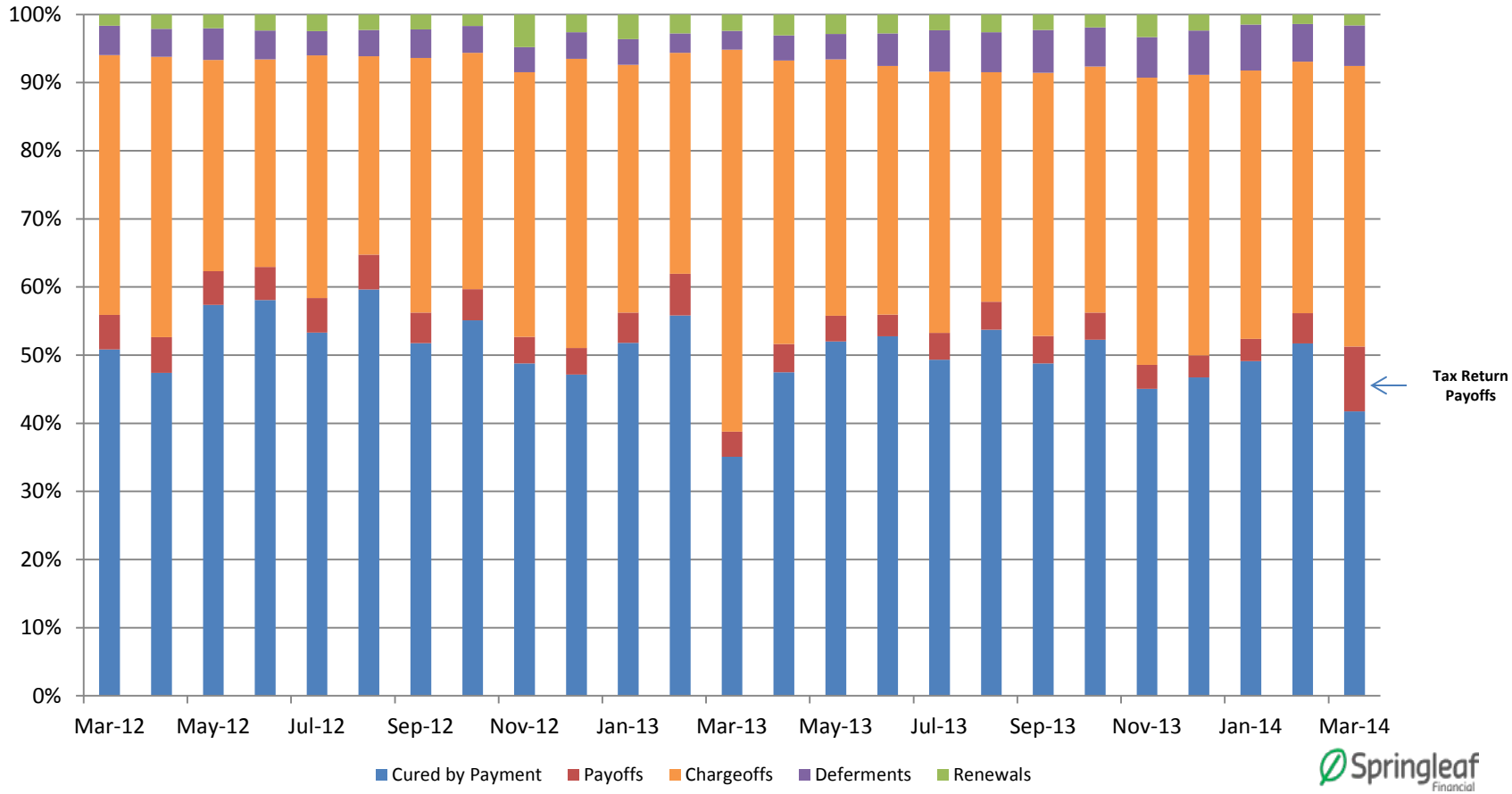
| Program | Renewal | Renewal Balance Only | Deferral | Settlement |
|---|---|---|---|---|
| **Decription / Customer Benefit** | Loan rewritten applying full underwriting process<br><br>Existing loan paid in full | Loan rewritten applying full underwriting process with less than $300 or 10% new money offered. Existing loan paid in full | Customer pays the greater of ½ payment or currently assessed finance charges<br><br>Remaining portion of payment added to end of the loan | Lump-sum payment accepted to satisfy the loan for less than the full balance due |
| **Target** | Up-to-date and performing customers<br><br>Drives customer loyalty and expanded relationship | Up-to-date or early-stage delinquency customers<br><br>Customer requires lower payment to address permanent change in financial circumstance | Up-to-date or early-stage delinquency customers<br><br>Temporary hardship which prevents customer from paying current amount in full | Severely delinquent customers who have access to a one-time lump sum<br><br>Mutually beneficial solution to exit the loan relationship |
| **Strategic Value** | Relationship Expansion | Customer Service / Loss Mitigation | Customer Service / Loss Mitigation | Loss Minimization |
| **Frequency** | As appropriate | No more than one RBO in six months* | No more than two in a rolling 12 months* | Once in the life of the loan* |

*Additional treatments subject to higher level authorization

# Delinquency Resolution Outcomes

- "Renewals" of delinquent accounts are not common practice - 2.3% of 30+ delinquent loans are cured through renewal (average for past 12 months)
  - Approval criteria: full re-underwriting and evidence that past delinquency was due to a temporary circumstance that will not affect customer's ability to pay new loan
  - Focus is on collecting payments and resolving temporary hardships, not "kicking the can" down the road

## Monthly Delinquency Outcomes (based on $)



# Centralized Servicing Operations

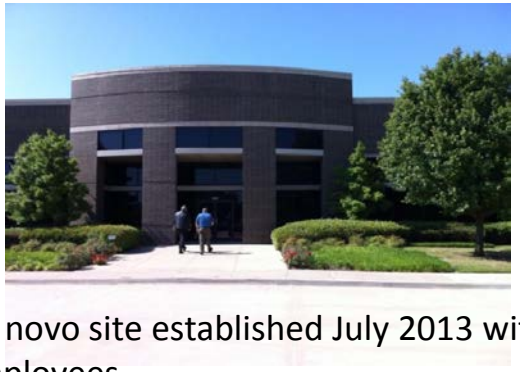
- Springleaf has three state-of-the-art centralized servicing facilities with nearly 500 agents servicing both consumer and mortgage loans
- Springleaf currently services over $5 billion consumer and mortgage receivables in its three Centralized Servicing facilities
- All sites share a common servicing platform and are expandable beyond current capacity by 20% (Evansville, Dallas) to 100% (London)

**London, Kentucky**




- Acquired Sept 2013 from HSBC with 267 employees
- Currently services $3B+ in SpringCastle and Springleaf receivables
- Performs customer care, collections and full back-office functions

**Dallas, Texas**



- De novo site established July 2013 with 137 employees
- Currently services $500MM in mortgage receivables
- Performs late collections, foreclose demand and default, SPOC and quality control functions

**Evansville, Indiana**

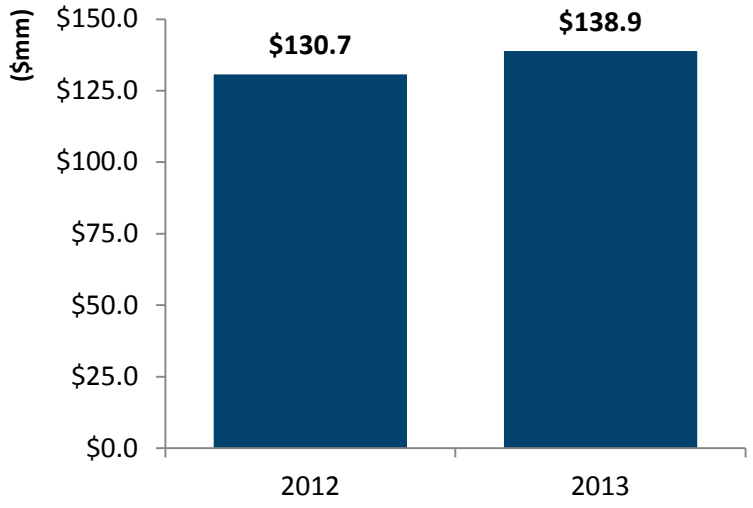



- De novo site established in 2008 with 155 employees
- Servicing $3B+ in mortgage receivables
- Performs customer care, early collections, SPOC, REO and mortgage asset desk functions

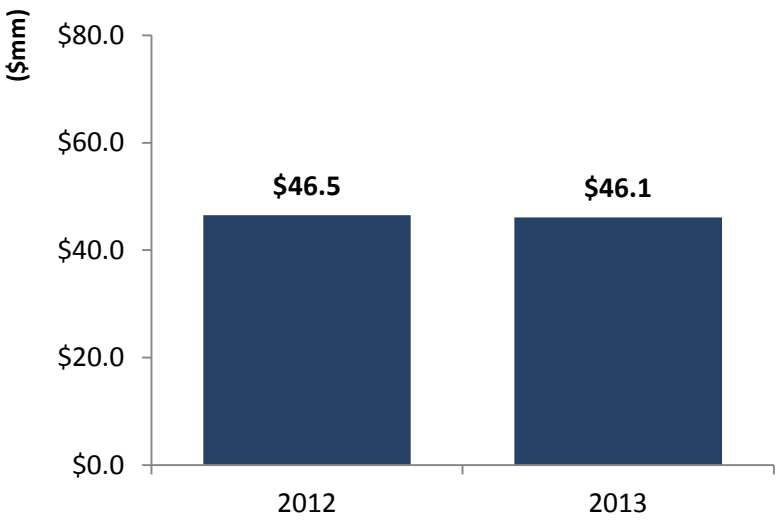
# Profitable Core Insurance Operations

- Springleaf's insurance operations have been consistently profitable
  - Insurance revenues increased $9.3 million from FY'12 to $137.9 million for FY'13
  - Pre-tax income of $45.1 million for FY'13
- Springleaf's insurance subsidiaries have also been a source of liquidity for the Company
  - Springleaf received $345.0 million of dividends from its insurance subsidiaries since Q2'11
- **Springleaf's securitizations benefit from credit insurance proceeds in waterfall**

**Insurance Revenues**




**Insurance Pre-tax Income**




*Note: Unaudited*

# Regulatory

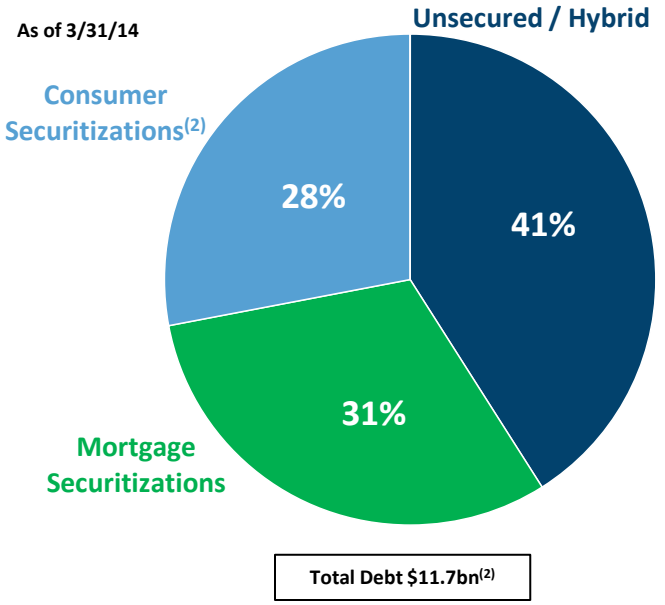
- **State Regulation**
  - Subject to supervision by state financial regulators and the Indiana Department of Insurance
  - Over 800 state exams conducted each year
  - Licensed in all 50 states
  - Positive exam results with no material findings
- **Federal Regulation**
  - CFPB will be Springleaf's primary federal regulator once "larger participant" rules for installment loans are adopted by the CFPB. Timing of rule adoption is uncertain




Springleaf has been pro-actively managing as though currently regulated by the CFPB

- ☑ Established a well-developed compliance function
- ☑ Nationally recognized CFPB consultant hired to review all processes
- ☑ Mortgage servicing processes modified to comply with new CFPB regulations effective January 2014
- ☑ Board and management-led compliance culture

# Liquidity and Funding

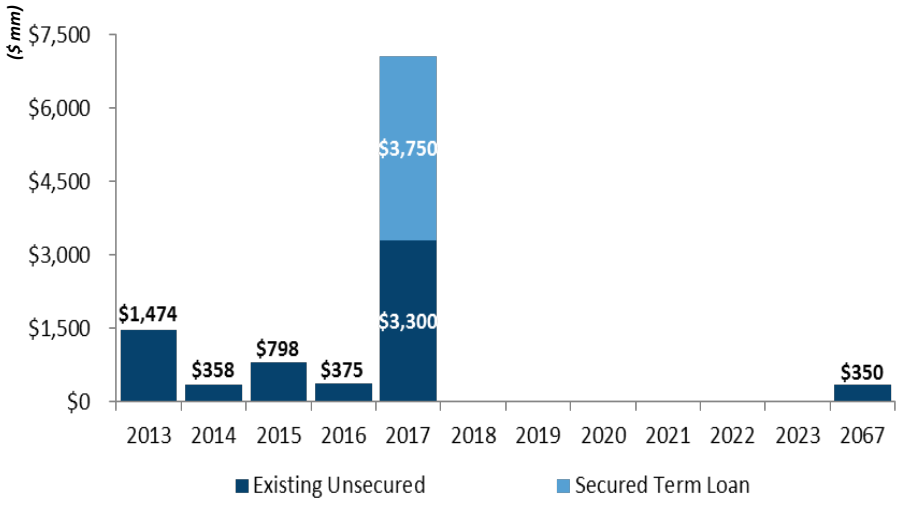



- **Strong and stable liquidity position**
  - $760 million cash on hand as of 3/31/14
  - $1bn committed undrawn funding capacity from 3 money-center banks
  - $350mm annual net cash flow from run-off real estate portfolio
  - $800+mm net from real estate sales in Q1; firming market provides add'l options
- **Driving down weighted average COF**
  - 5.38% in 1Q14 (1,2), down 10 bps from YE2013 and 55 bps from 1Q13

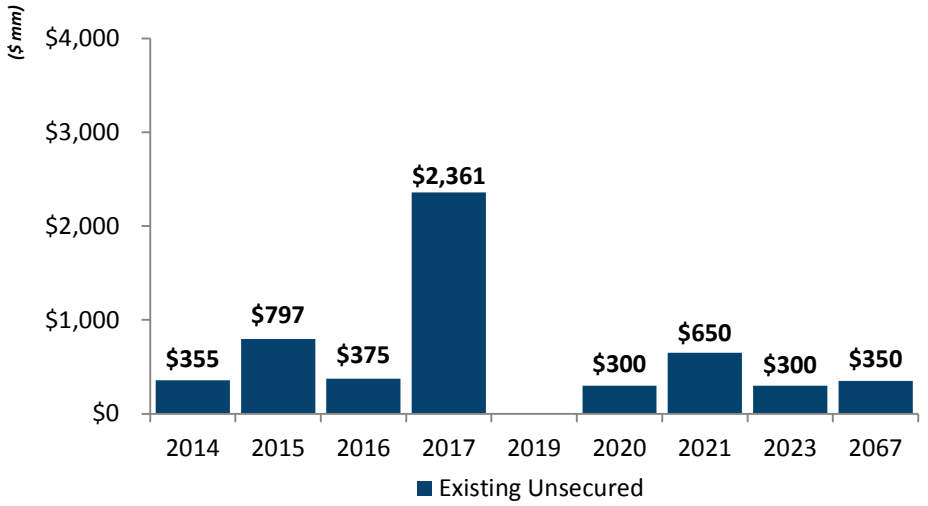
## Diversified Funding Sources

- ABS
- RMBS
- Committed Bank Revolvers
- Unsecured Debt
- Operating Cash Flow
- RE Portfolio Sales
- Equity Markets
- Institutional Term Loans (inactive)

## Corporate Debt Maturities @ YE 2012(1)




## Corporate Debt Maturity @ 3/31/14(1)




*(1) Reflects historical accounting basis (which is a basis of accounting other than U.S. GAAP)*
*(2) Includes SpringCastle debt.*

# 1Q14 Summary Financial Results

| *($ in thousands)* | 1Q14 | 4Q13 | 1Q13 |
|---|---|---|---|
| Consumer & Insurance[1] | $48,822 | $41,015 | $40,231 |
| Acquisitions & Servicing[2] | 30,658 | 35,831 | 0 |
| **Pretax Core Earnings[3]** | **$79,480** | **$76,846** | **$40,231** |
| Estimated Income Taxes[4] | (29,408) | (28,433) | (14,885) |
| **Core Earnings** | **$50,072** | **$48,413** | **$25,346** |
| Net Income (Loss) Attributable to Springleaf | $52,324 | $26,729 | ($9,614) |
| *Per Share Data* | | | |
| Core Earnings per Share - Diluted | $0.43 | $0.43 | $0.25 |
| GAAP Earnings per Share - Diluted | $0.45 | $0.24 | ($0.10) |

**Pretax Core Earnings up from prior quarter and year over year due to:**

- **Growth in consumer net finance receivables and strong earnings contribution from SpringCastle**

**Net Income Attributable to Springleaf up from prior quarter and year over year due to:**

- **Strength of Core Earnings**
- **Decreased losses from Non-Core real estate portfolio**
- **Gain from sale of $1 billion of real estate unpaid principal balance in March 2014; pretax net gain of $55 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 31 for a reconciliation of Push-Down Accounting Pretax Income (Loss) to Pretax Core Earnings.*

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

# Overview of Securitization Programs

**ABS Program ("SLFT")**

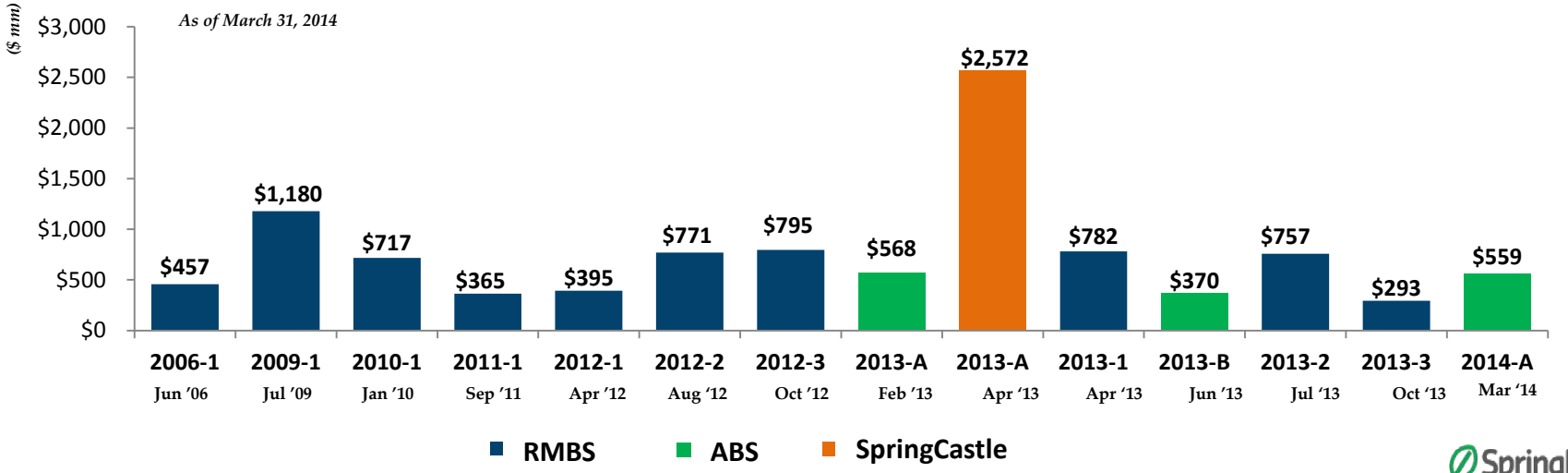
- 3 personal loan ABS transactions since 2013
  - $568 million inaugural securitization February 2013, $370 million transaction June 2013, $559 transaction March 2014
  - Programmatic issuance planned

**SpringCastle Securitization ("SCFT")**

- Springleaf acquired a 47% interest in the $3.9 billion HSBC portfolio in April 2013
  - Concurrent closing of portfolio acquisition and ABS financing
  - Servicing transferred to Springleaf as scheduled September 2013
  - Acquisition of world-class centralized servicing center in London, KY

**RMBS Program ("SLFMT")**

- 7 RMBS transactions completed since 2011
  - Gross Proceeds of $4.2 billion raised in programmatic issuance since 2011
  - Sold equity in 2009-1 transaction March 2014, raising $700+ million net funding



# ABS Program ("SLFT") Overview

## SLFT 2013-A

| | |
|---|---|
| Revolving Period: | 2 years |
| Initial Collateral: | $662mm |
| Count: | 190,627 |
| Avg. Balance: | $3,474 |
| WA FICO: | 602 |
| WA Coupon: | 25.26% |
| WA Original Term: | 38 months |
| WA Remaining Term: | 29 months |

**Class A Notes**
$500 million
*75.50%*
*Rating 'A' (S&P)*
*Coupon: 2.58%*
*Spread: +210*
*WAL: 2.47*

**Class B Notes**
$46.35 million
*7.00%*
*Rating 'BBB' (S&P)*
*Coupon: 3.57%*
*Spread: +300*
*WAL: 3.16*

**Class C Notes**
$21.53 million
*3.00%*
*Rating 'BB' (S&P)*
*Coupon: 5.00%*
*WAL: 3.31*

## SLFT 2013-B

| | |
|---|---|
| Revolving Period: | 3 years |
| Initial Collateral: | $441mm |
| Count: | 120,605 |
| Avg. Balance: | $3,664 |
| WA FICO: | 603 |
| WA Coupon: | 25.48% |
| WA Original Term: | 39 months |
| WA Remaining Term: | 31 months |

**Class A Notes**
$342.55 million
*77.50%*
*Rating 'A' (S&P)*
*Coupon: 3.92%*
*Spread: +321*
*WAL: 3.52*

**Class B Notes**
$27.62 million
*6.25%*
*Rating 'BBB' (S&P)*
*Coupon: 4.82%*
*Spread: +424*
*WAL: 4.29*

## SLFT 2014-A

| | |
|---|---|
| Revolving Period: | 2 years |
| Initial Collateral: | $644mm |
| Count: | 167,615 |
| Avg. Balance: | $3,844 |
| WA FICO: | 605 |
| WA Coupon: | 27.50% |
| WA Original Term: | 37 months |
| WA Remaining Term: | 32 months |

**Class A Notes**
$500 million
*77.60%*
*Rating 'A' (S&P)*
*'AA' (KBRA)*
*Coupon: 2.41%*
*Spread: +175*
*WAL: 2.51*

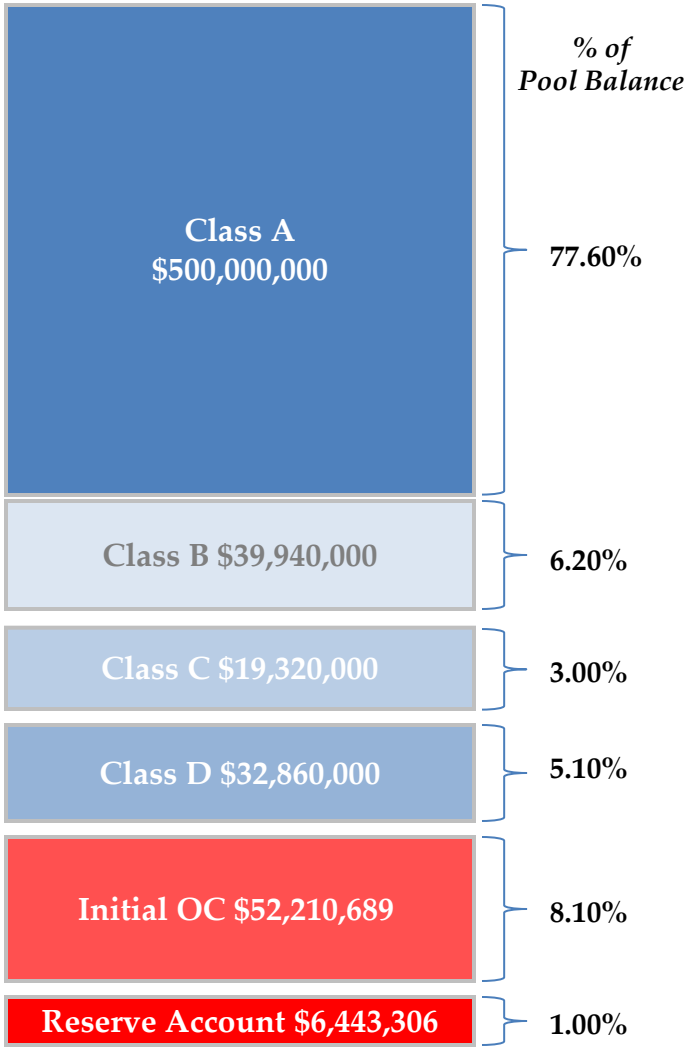
**Class B Notes**
$39.94 million
*6.20%*
*Rating 'BBB' (S&P)*
*'A' (KBRA)*
*Coupon: 3.45%*
*Spread: +250*
*WAL: 3.29*

**Class C Notes**
$19.32 million
*3.00%*
*Rating 'BB' (S&P)*
*'BBB' (KBRA)*
*Coupon: 4.45%*
*WAL: 3.44*

**Consistent Structure & Collateral**

# SLFT 2014-A Key Terms

## *Capital Structure*




## *Concentration Limits*

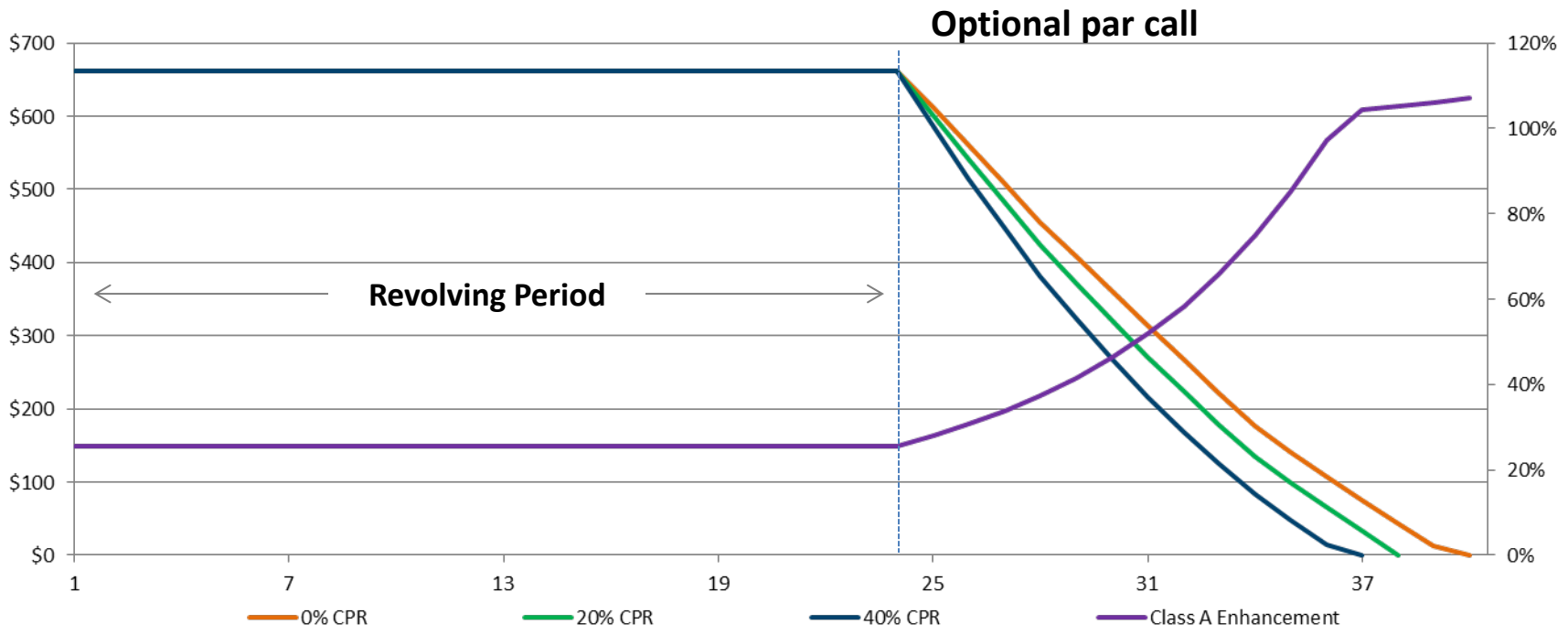
| Cumulative Concentration Limits | SLFT 2014-A | SLFT 2013-B | SLFT 2013-A |
|---|---|---|---|
| **Product Type** | | | |
| Unsecured | 20% | 20% | 20% |
| Unsecured or Other Secured | 60% | 60% | 60% |
| **Risk Level** | | | |
| E | 6% | 6% | 6% |
| E or D | 15% | 15% | 15% |
| E to (and including) C | 50% | 50% | 50% |
| E to (and including) B | 75% | 75% | 75% |
| E to (and including) A | 90% | 90% | 90% |
| E to (and including) P | 95% | 95% | 95% |

| Other Concentration Limits | SLFT 2014-A | SLFT 2013-B | SLFT 2013-A |
|---|---|---|---|
| **Risk Level** | | | |
| No Score | 10% | 4% | 4% |
| **Original Balance** | | | |
| Original Balance > $25,000 | 4% | 4% | 4% |
| **Original Term** | | | |
| Original Term > 60 months | 6% | 6% | 4% |
| **Remaining Term** | | | |
| WA Remaining Term | 36 months | 36 months | 36 months |
| **Loan Rate** | | | |
| Minimum WA Rate | 19% | 19% | 19% |
| Loan Rate < 10.0% | 7% | 7.5% | 7.5% |
| **Customer State** | | | |
| Top 3 State Concentrations | 40% | 40% | 40% |
| Any Other State | 15% | 15% | 15% |

# Conservative Amortization Profile

- With non-declining overcollateralization and locked-out subordinate tranches, credit enhancement builds rapidly during the amortization period (1)
  - The amortization profile and WAL for the notes are similar under a variety of CPR assumptions
  - Over 55% of the Class A Notes are retired within 6 months and 90% within 12 months after the end of the revolving period (40% CPR case)

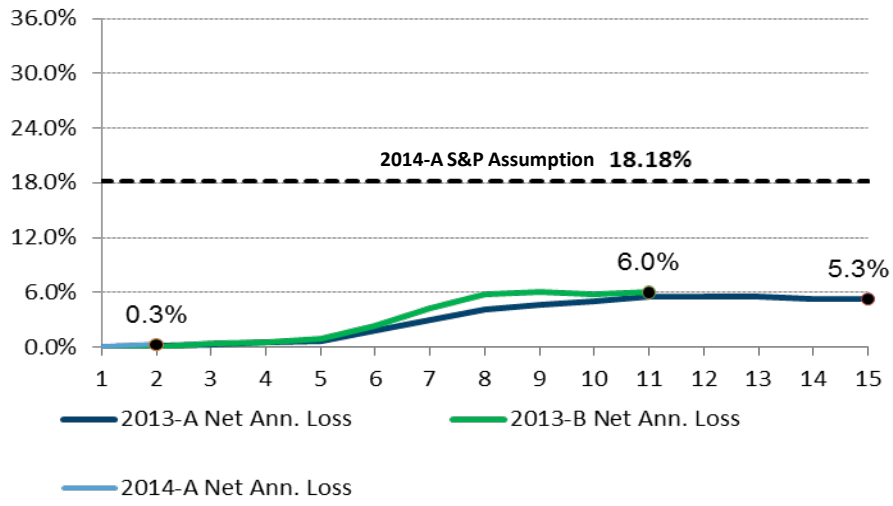
## SLFT 2014-A Class A Amortization Profile (1)



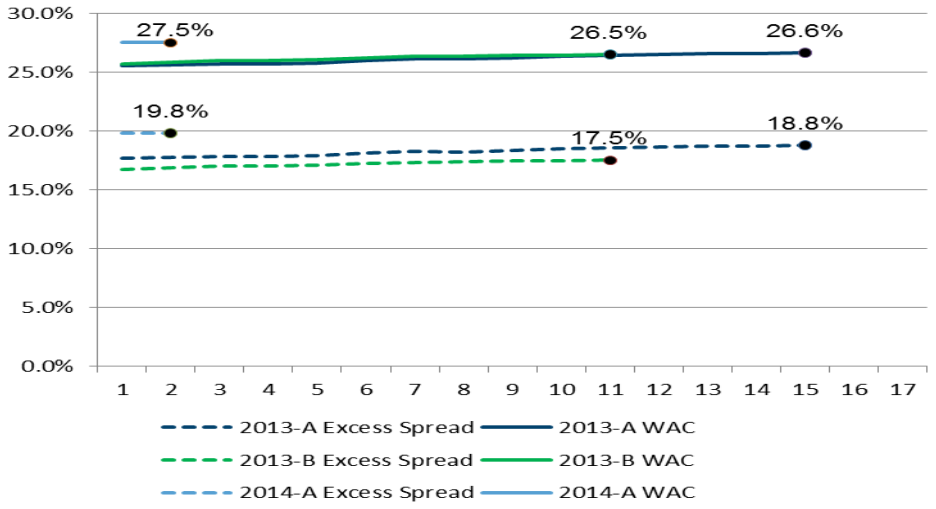

(1) *Assumes 40% CPR, and that issuer optional redemption is not exercised at the Payment Date occurring in March 2016 or any subsequent Payment Date, or at 20% of initial note balance remaining.*

# SLFT Losses Are A Fraction Of Rating Agency Base Case

## 3 Month Net Annualized

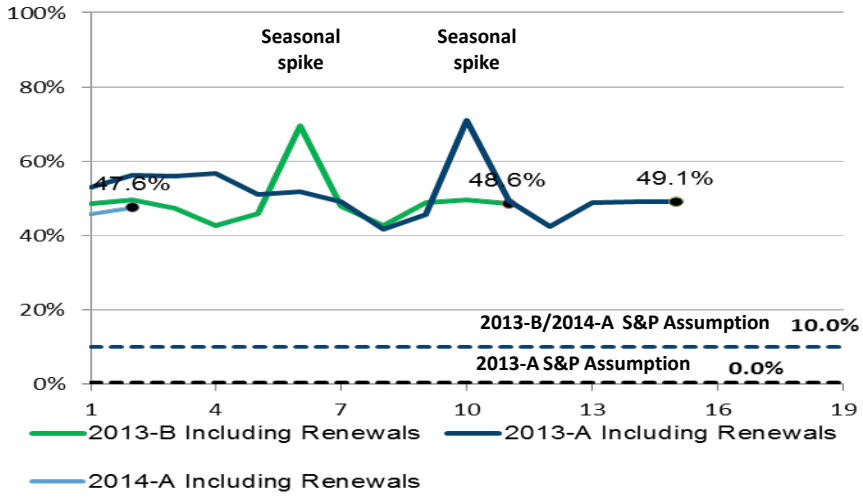



## WAC and Excess Spread (1)

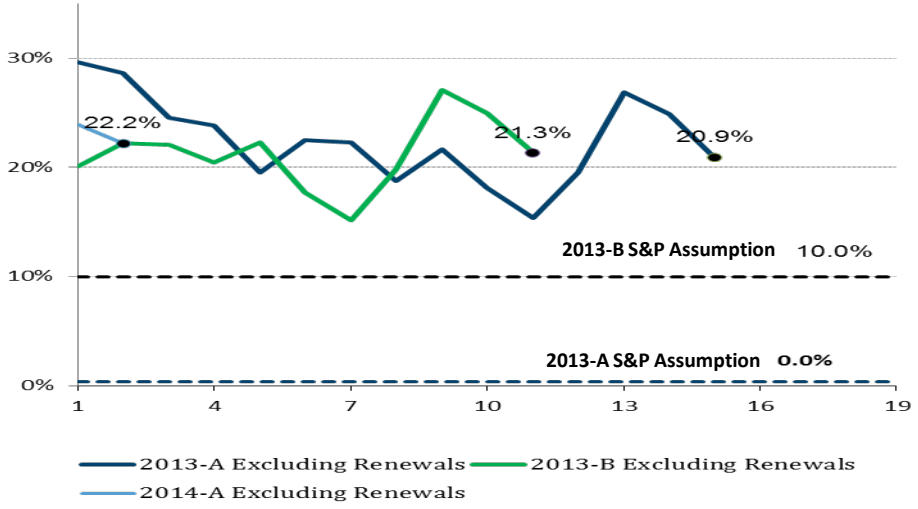



(1) Excess Spread: coupon minus servicing fee rate minus duration weighted coupon

## Prepays – Including Renewals




## Prepays – Without Renewals



# Collateral Consistency

| | SLFT 2014-A | | SLFT 2013-B | | SLFT 2013-A | |
|---|---|---|---|---|---|---|
| Current Aggregate Principal Balance | | $644,330,689 | | $441,989,251 | | $662,247,048 |
| Number of Loans | | 167,615 | | 120,605 | | 190,627 |
| Average Principal Balance | | $3,844 | | $3,664 | | $3,474 |
| Weighted Average Coupon | | 27.502% | | 25.475% | | 25.259% |
| Weighted Average Original Term | | 37 months | | 39 months | | 38 months |
| Weighted Average Remaining Term | | 32 months | | 31 months | | 29 months |
| Weighted Average FICO | | 605 | | 603 | | 602 |
| Asset Type | Hard Secured | 44.84% | Hard Secured | 46.28% | Hard Secured | 48.32% |
| | Other Secured | 38.34% | Other Secured | 40.30% | Other Secured | 41.25% |
| | Unsecured | 16.82% | Unsecured | 13.42% | Unsecured | 10.43% |
| Springleaf Risk Level | S | 6.74% | S | 5.66% | S | 5.06% |
| | P | 7.72% | P | 7.32% | P | 6.73% |
| | A | 19.40% | A | 18.71% | A | 18.38% |
| | B | 27.62% | B | 29.07% | B | 29.41% |
| | C | 28.45% | C | 29.94% | C | 31.10% |
| | D | 8.13% | D | 7.29% | D | 7.12% |
| | E | 1.55% | E | 1.59% | E | 1.77% |
| | Unscored | 0.38% | Unscored | 0.40% | Unscored | 0.44% |
| Customer State (Top 5) | CA | 11.08% | NC | 11.82% | NC | 11.85% |
| | NC | 10.77% | CA | 11.07% | CA | 11.62% |
| | VA | 7.42% | VA | 6.94% | IN | 6.99% |
| | IN | 6.80% | IN | 6.68% | VA | 6.87% |
| | OH | 6.67% | OH | 6.45% | OH | 6.55% |

# SpringCastle ABS Securitization ("SCFT") Overview

- In April 2013, Springleaf acquired a 47% interest in a $3.9 billion HSBC consumer portfolio
  - Collateral consists of both closed end and revolving, mortgage and non-mortgage receivables
- Credit enhancement for Class A consists of subordinate notes, overcollateralization, reserve account, and excess spread
  - Total initial Class A hard credit enhancement equaled 44.3% of total assets
- Acquired a servicing center in London, KY with over 200 employees with an average tenure of 8 years
  - Servicing transferred to Springleaf in September 2013 from HSBC with back-up servicing by Wells Fargo

## SCFT 2013-A

| | |
|---|---|
| **Initial UPB:** | **$3.9 bn[1]** |
| **Current UPB:** | **$3.1 bn[2]** |
| **Purchase Price:** | **75%** |
| **WAC:** | **18.1%** |
| **Count:** | **324k** |
| **Cum. Net Loss:** | **8.1%** |
| **Avg. FICO Score:** | **636** |
| **30+ Delinquency:** | **11.8%** |

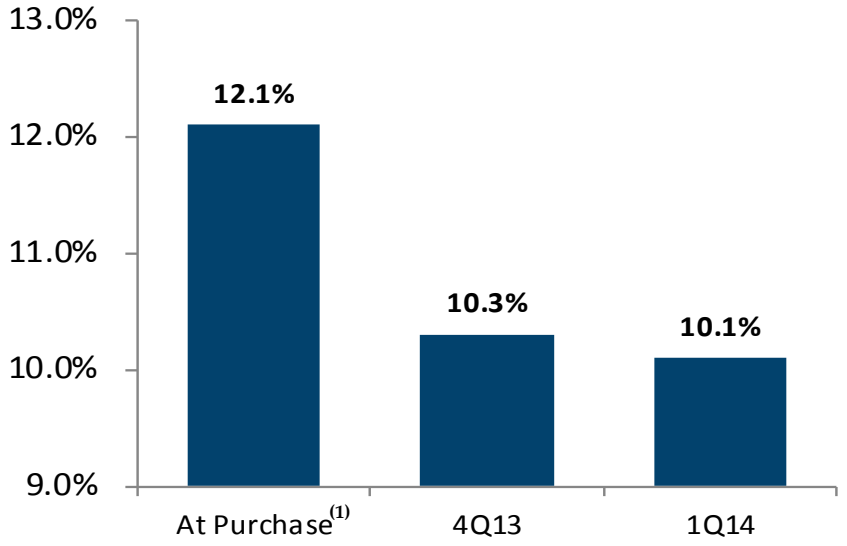
**Class A Notes[3]**
**Initial: $2.2 billion[1]**
**Current: $1.4 billion**
***Coupon: 3.75%***
***Original WAL: 1.8yrs***
***Not Rated***

**Class B Notes[3]**
**Initial: $372 million**
**Current: $368 million**
***Coupon: 4.00%***
***Original WAL: 3.3yrs***

| Co-Investors | Springleaf |
|---|---|
| *$317 mm* | *$281 mm* |
| *53%* | *47%* |

## SpringCastle Portfolio Performance

***Avg. Charge-off Rate (%)[4]***



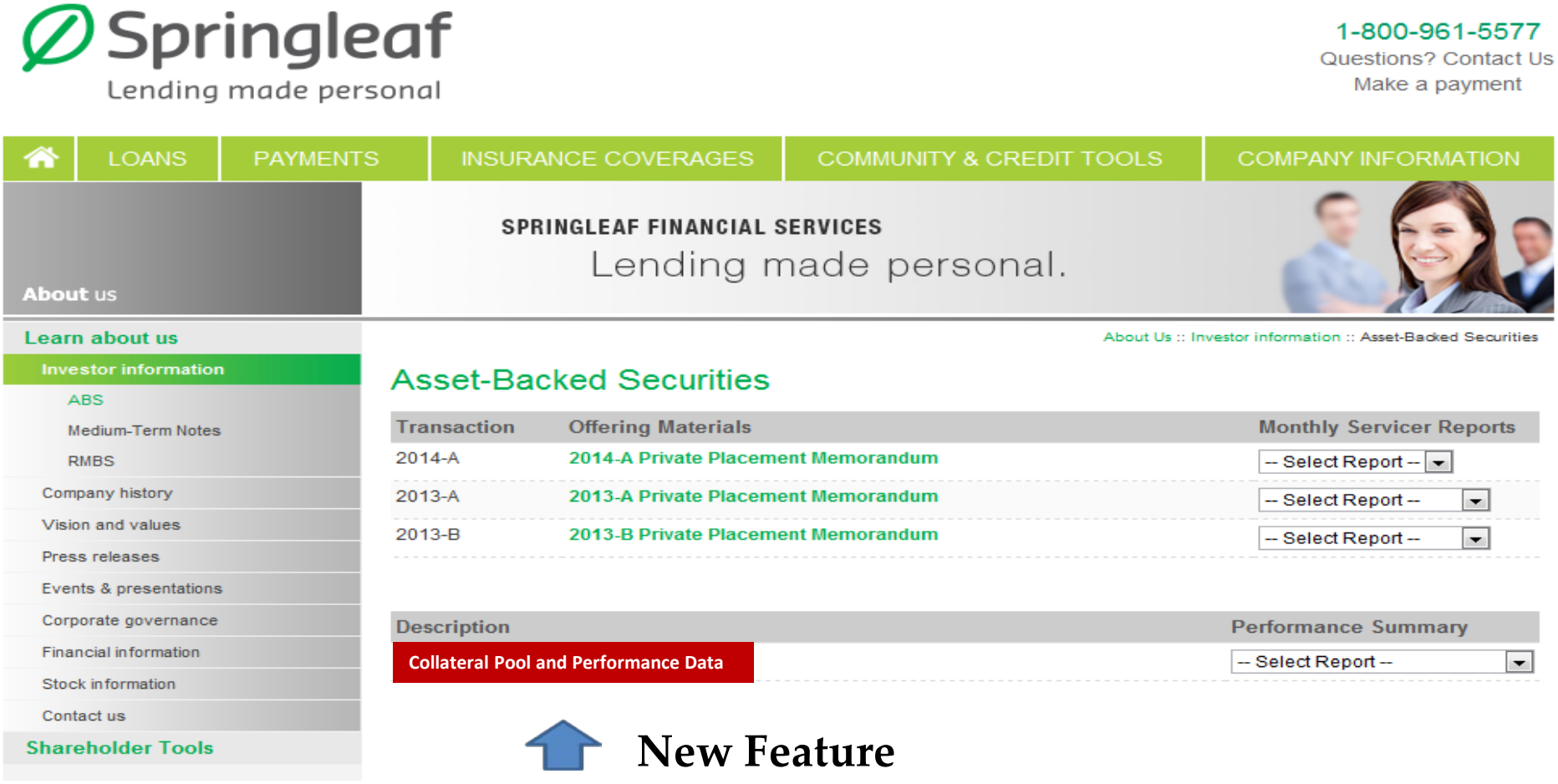

(1) *As of April 1, 2013.*
(2) *UPB at March 31, 2014.*
(3) *Debt provides for up to 30% cash distribution, after senior interest costs, to subordinate interests based on certain tests.*
(4) *Gross Charge-off Rate calculated based on Principal Balance*

# Back-Up Servicing

- Wells Fargo (AA- / Aa3) is a warm back-up servicer for all SLFT and SCFT transactions
- Wells Fargo has duties / obligations based on a multi-stage plan which is divided into 3 periods:
  - **Pre-Centralization Period** (business as usual):
    - Ensure ongoing system compatibility with Springleaf and continue to monitor the transaction through the receipt of monthly loan tapes
    - Receives quarterly fiscal statements from Servicer
    - Meets annually with Servicer to discuss changes to servicing procedures & processes
  - **Servicing Centralization Period** (when Springleaf stops originating/servicing personal loans):
    - Confirm access and control of Central Lockbox is fully vested with the Back-Up Servicer
    - Participate in status meetings with the Servicer and its personnel
    - Hire sufficient personnel and allocate appropriate space to perform its servicing duties
  - **Servicing Transfer Period** (occurrence of a Servicer Default):
    - Upon the occurrence of a servicer termination event, Wells at the direction of a majority of Noteholders, will take over responsibility for servicing, collections, and payment processing, and may seek to engage subservicers and / or centralize certain functions
- Wells Fargo's prior experience with the asset class through its consumer loan business, its scale of servicing operations, and its experience in assuming the role of successor servicer in numerous securitization transactions will minimize transaction disruption from a servicer default

# Enhanced Investor Transparency

- Springleaf continually seeks to augment its investor reporting website for our ABS investors
- Recently added collateral pool and performance data
- http://investor.springleaffinancial.com/




**New Feature**

# Appendix

# Personal Loan Statistics by Product Types

## Hard Secured (45%)

- Secured by automobiles or other titled assets
- Originated and serviced in the branches
- Consistent yields and credit performance

| *$ in millions* | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014Q1 |
|---|---|---|---|---|---|---|---|
| Origination Volume | $1,743 | $965 | $949 | $1,157 | $1,140 | $1,423 | $334 |
| Period end UPB | $2,048 | $1,563 | $1,265 | $1,228 | $1,188 | $1,381 | $1,405 |
| Yield[1] | 19.72% | 20.24% | 21.22% | 22.19% | 23.93% | 25.50% | 25.62% |
| Gross Charge-off[2] | 5.40% | 6.84% | 5.63% | 3.60% | 2.90% | 2.64% | 2.96% |
| Net Charge-off[2,3] | 4.88% | 6.16% | 4.64% | 2.59% | 1.97% | 2.00% | 2.52% |
| Risk Adjusted Yield | 14.84% | 14.08% | 16.58% | 19.59% | 21.96% | 23.50% | 23.10% |

## Other Secured (39%)

- Secured by untitled consumer assets such as furniture, electronic equipment, or other household goods
- Originated and serviced in the branches
- Consistent yields and credit performance

| *$ in millions* | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014Q1 |
|---|---|---|---|---|---|---|---|
| Origination Volume | $993 | $787 | $920 | $1,087 | $1,148 | $1,395 | $284 |
| Period end UPB | $1,016 | $899 | $889 | $981 | $1,048 | $1,235 | $1,220 |
| Yield[1] | 23.67% | 24.03% | 24.64% | 25.00% | 26.11% | 27.73% | 27.95% |
| Gross Charge-off[2] | 9.18% | 10.97% | 8.09% | 6.19% | 6.20% | 6.70% | 8.35% |
| Net Charge-off[2,3] | 7.60% | 9.38% | 6.40% | 4.66% | 4.80% | 5.71% | 7.55% |
| Risk Adjusted Yield | 16.07% | 14.64% | 18.24% | 20.35% | 21.31% | 22.02% | 20.40% |

## Unsecured (16%)

- Unsecured
- Originated and serviced in the branches
- Consistent yields and credit performance

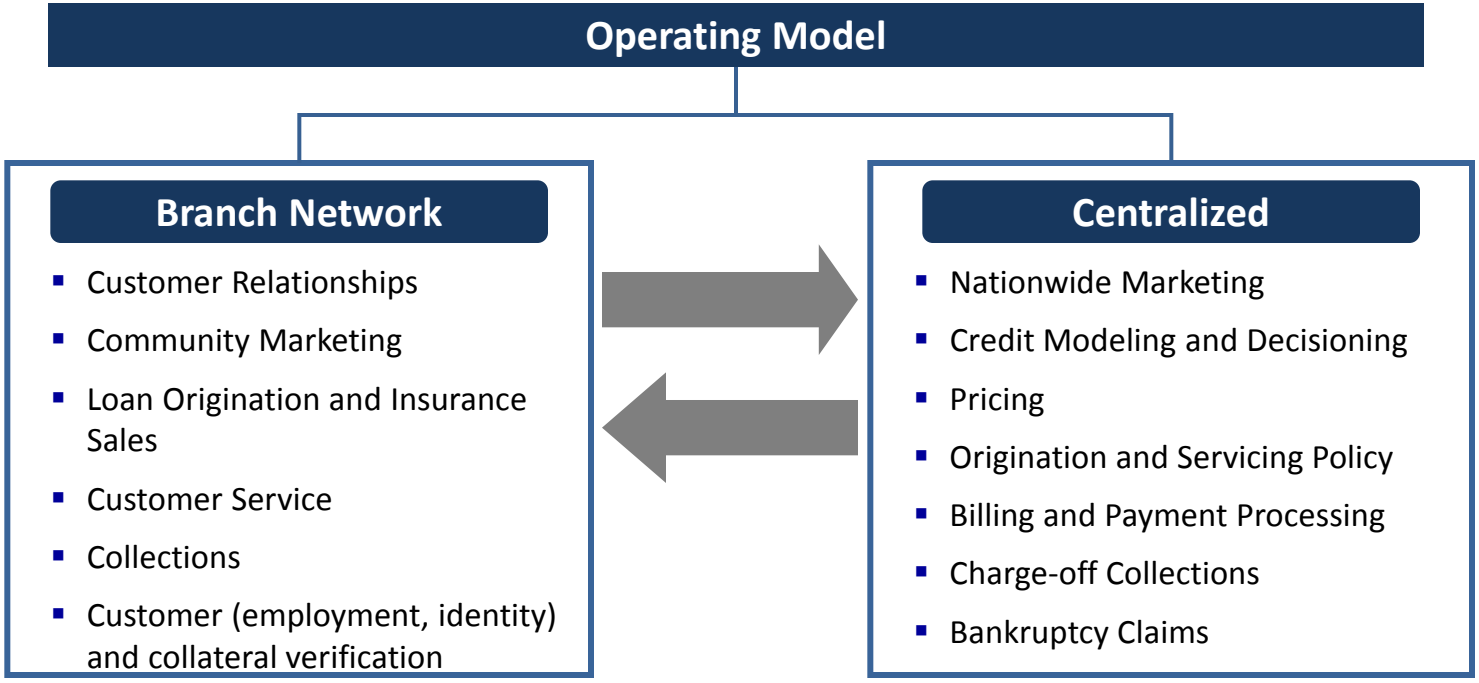
| *$ in millions* | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014Q1 |
|---|---|---|---|---|---|---|---|
| Origination Volume | $463 | $204 | $206 | $243 | $220 | $473 | $112 |
| Period end UPB | $722 | $540 | $428 | $381 | $336 | $484 | $493 |
| Yield[1] | 19.93% | 19.71% | 20.23% | 21.24% | 23.23% | 26.75% | 26.95% |
| Gross Charge-off[2] | 9.66% | 14.22% | 11.64% | 7.73% | 6.51% | 5.62% | 7.08% |
| Net Charge-off[2,3] | 9.18% | 13.26% | 9.98% | 5.64% | 4.37% | 4.43% | 6.50% |
| Risk Adjusted Yield | 10.75% | 6.45% | 10.25% | 15.59% | 18.86% | 22.33% | 20.45% |

*(1) Yield represents WAC for accounts outstanding as of the date shown.*

*(2) 2013 data excludes $14.5 million of additional charge-offs recorded in March 2013 related to our change in charge-off policy and a ~$25.4 million reduction in charge-off due to the sale of charged off accounts for personal loans. Gross charge-off is typically taken after the sale of collateral.*

# Branches Supported by Centralized Functions

- Key centralized functions provide strong controls
  - Originations, servicing and collections performed at branch level with close supervision by highly experienced field management
  - Underwriting & pricing centrally controlled through proprietary credit scoring built upon Springleaf's decades of consumer lending, with all loan documents centrally scanned
  - Branch Operations, Credit Policy, Compliance and Internal Audit teams separately audit branches to ensure adherence to policy



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

| | (unaudited, in thousands) | 1Q14 | 4Q13 | 1Q13 |
|---|---|---|---|---|
| 1 | **Push-Down Accounting Pretax Income (Loss) Attributable to Springleaf [1]** | **$82,842** | **$12,542** | **($13,877)** |
| 2 | Interest Income | (36,867) | (45,976) | (50,180) |
| 3 | Interest Expense | 28,560 | 34,898 | 35,336 |
| 4 | Provision for Finance Receivable Losses | 360 | (646) | 3,450 |
| 5 | Net Interest Income after Provision | (7,947) | (11,724) | (11,394) |
| 6 | Insurance | 3 | 4 | 12 |
| 7 | Investment | 836 | 2,160 | 1,547 |
| 8 | Net Gain on Repurchases and Repayments of Debt | (4,884) | (4,121) | 0 |
| 9 | Net Loss on Fair Value Adjustments on Debt | 8,298 | 11,419 | 15,205 |
| 10 | Net Gain on Sales of Real Estate Loans and Related Trust Assets | (117,362) | 0 | 0 |
| 11 | Other | 0 | 229 | 281 |
| 12 | Total Other Revenues | (113,109) | 9,691 | 17,045 |
| 13 | Operating Expenses | 951 | 747 | 1,103 |
| 14 | Insurance Losses and Loss Adjustment Expenses | (246) | (181) | (214) |
| 15 | Total Other Expenses | 705 | 566 | 889 |
| 16 | **Historical Pretax Income (Loss) Attributable to Springleaf [1]** | **($37,509)** | **$11,075** | **($7,337)** |
| | Adjustments: | | | |
| 17 | Pretax Operating Loss - Non-Core Portfolio Operations | 104,882 | 44,804 | 44,714 |
| 18 | Pretax Operating Loss - Other / Non-Originating Legacy Operations | 2,751 | 19,490 | 2,854 |
| 19 | Net Loss from Accelerated Repayment / Repurchase of Debt - Consumer | 1,429 | 967 | 0 |
| 20 | Net Loss on Fair Value Adjustments on Debt - Core Consumer Operations (attributable to Springleaf) | 7,927 | 510 | 0 |
| 21 | Total Adjustments | 116,989 | 65,771 | 47,568 |
| 22 | **Pretax Core Earnings Attributable to Springleaf [1]** | **$79,480** | **$76,846** | **$40,231** |

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