

4Q23

Financial Results

NYSE: OMF | February 7, 2024

OneMain Financial.

Important Information

The following slides are part of a presentation by OneMain 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 slides 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 an exhibit to the Company's Current Report on Form 8-K filed on February 7, 2024, and available in the Investor Relations section on the Company's website (www.omf.com) and the SEC's website (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. Statements preceded by, followed by or that otherwise include the words "anticipates," "appears," "assumes," "believes," "can," "continues," "could," "estimates," "expects," "forecasts," "foresees," "goals," "intends," "likely," "objective," "plans," "projects," "target," "trend," "remains," and similar expressions or future or conditional verbs such as "could," "may," "might," "should," "will" or "would" are intended to identify forward-looking statements, but these words are not the exclusive means of identifying forward-looking statements.

Forward-looking statements are not statements of historical fact but instead represent only management's current beliefs regarding future events, objectives, goals, projections, strategies, performance, and future plans, and underlying assumptions and other statements related thereto. You should not place undue reliance on these forward-looking statements. 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. 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 and volatility in general economic conditions, including the interest rate environment and the financial markets; the sufficiency of our allowance for finance receivable losses; increased levels of unemployment and personal bankruptcies; the current inflationary environment and related trends affecting customers; natural or accidental events such as earthquakes, hurricanes, pandemics, floods or wildfires affecting our customers, collateral, or our facilities; a failure in or breach of our information, operational or security systems or infrastructure or those of third parties, including as a result of cyber incidents, war or other disruptions; the adequacy of our credit risk scoring models; geopolitical risks, including recent geopolitical actions outside the U.S.; adverse changes in our ability to attract and retain employees or key executives; increased competition or adverse changes in customer responsiveness to our distribution channels or products; changes in federal, state, or local laws, regulations, or regulatory policies and practices or increased regulatory scrutiny of our business or industry; risks associated with our insurance operations; the costs and effects of any actual or alleged violations of any federal, state, or local laws, rules or regulations; 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; our substantial indebtedness and our continued ability to access the capital markets and maintain adequate current sources of funds to satisfy our cash flow requirements; our ability to comply with all of our covenants; the effects of any downgrade of our debt ratings by credit rating agencies; 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 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 securities. 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.

Forward looking statements included in this presentation speak only as of the date on which they were made. We undertake no obligation to update or revise any forward-looking statements, whether written or oral, to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events or the non-occurrence of anticipated events, whether as a result of new information, future developments or otherwise, except as required by law.

Use of Non-GAAP Financial Measures

We report the operating results of Consumer and Insurance using the Segment Accounting Basis, which (i) reflects our allocation methodologies for interest expense and operating 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), and Consumer and Insurance adjusted earnings (loss) per diluted share are key performance measures used to evaluate the performance of our business. Consumer and Insurance adjusted pretax income (loss) represents income (loss) before income taxes on a Segment Accounting Basis and excludes regulatory settlements, net gain or loss resulting from repurchases and repayments of debt, and other items and strategic activities, which include direct costs associated with COVID-19, restructuring charges and the expense associated with cash-settled stock-based awards. We believe these non-GAAP financial measures are useful in assessing the profitability of our segment.

Management also uses pretax capital generation and capital generation, non-GAAP financial measures, as a key performance measure of our segment. Pretax capital generation represents Consumer & Insurance adjusted pretax income, as discussed above, and excludes the change in our Consumer & Insurance allowance for finance receivable losses in the period while still considering the Consumer & Insurance net charge-offs incurred during the period. Capital generation represents the after-tax effect of pretax capital generation.

Management believes that these non-GAAP measures are useful in assessing the capital created in the period impacting the overall capital adequacy of the Company. Management believes that the Company's reserves, combined with its equity, represent the Company's loss absorption capacity.

Management utilizes these non-GAAP measures in evaluating our performance. Additionally, these non-GAAP measures are consistent with the performance goals established in OMH's executive compensation program. 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.

Our Vision is to be the Lender of Choice for the Nonprime Consumer

Meet their needs today

Unsecured loans

Secured loans

Auto finance

Credit cards

**OneMain
Customers**

Progress to a better future

Financial wellness

Insurance

Bill negotiation

Secured card

2023 Highlights

Advancing our mission to improve the financial well-being of hardworking Americans



7%
Managed
Receivables Growth*



15%
Customer Account Growth



\$330 million
Credit Card Receivables



\$745 million
Auto Finance Receivables*



\$12.9 billion
Originations



\$794 million
Capital Generated*



\$551 million
Capital Returned



\$4.6 billion
Funding Raised
\$1.6 billion unsecured bonds

- ✓ Best Practice Institute Most Loved Workplace® for 2nd year in a row



- ✓ Named as a Morningstar Sustainalytics ESG Industry Top Rated Company



- ✓ Provided free financial education to more than **3,400** high schools and **275,000** students nationwide since inception

CreditWorthy
by OneMain Financial

2023 Financial Results

(\$ in millions, except Average Assets and Average Net Receivables in billions, and per share statistics)

Earnings Summary

	2023	2022
Consumer & Insurance*	\$874	\$1,206
Other	(6)	0
Reconciling Items*	(28)	(51)
Pretax Income	\$840	\$1,155
Taxes	(199)	(283)
Net Income	\$641	\$872
Effective Tax Rate	23.6%	24.5%
Diluted EPS	\$5.32	\$7.01
Average Assets*	\$23.5	\$22.2
Return on Assets*	2.7%	3.9%

C&I* Adjusted Earnings Summary

	2023	2022
Interest Income	\$4,559	\$4,429
Other Net Revenue	538	486
Provision for Loan Losses	(1,721)	(1,399)
Operating Expenses	(1,487)	(1,424)
Interest Expense	(1,015)	(886)
Adjusted Pretax Income	\$874	\$1,206
Adjusted Net Income¹	\$655	\$904
Adjusted Diluted EPS	\$5.43	\$7.27
Avg. Net Receivables (ANR)	\$20.5	\$19.4
Capital Generation¹	\$794	\$1,064
Capital Generation RoR	3.9%	5.5%

Note: On January 1, 2023, the Company adopted Accounting Standards Update 2018-12, "Financial Services - Insurance: Targeted Improvements to the Accounting for Long-Duration Contracts". In accordance with this standard, the Company has recast its prior period financial information to reflect the effects of the adoption. Figures may not add due to rounding.

*See appendix for Non-GAAP Financial Measures reconciliations along with defined terms.

1. Assumes a tax rate of 25% for all periods shown.

4Q23 Financial Highlights



\$3.0 billion

Originations

With conservative credit posture



\$22.2 billion

Managed Receivables*

Up 7% YoY



\$330 million

Credit Card Receivables

~431,000 cards



3.0 million

Customer Accounts

Up 15% YoY



\$191 million

Capital Generation*

C&I Adj. Net Income \$167 million*



17.1%

Net Interest Margin*

Loan portfolio yield of 22.1%*



7.7%

Loan Net Charge-offs*

30-89 Loan DQ: 3.28%*



6.8%

OpEx Ratio*

Down 21bps YoY



\$7.7 billion

Undrawn Bank Facilities

Up \$300 million QoQ



\$1.1 billion

Funding Raised

Two unsecured issuances



5.3x

Net leverage

Down 0.1x QoQ



\$1.00 per share

Dividend Declared

~8% dividend yield¹

4Q23 Financial Results

(\$ in millions, except Average Assets and Average Net Receivables in billions, and per share statistics)

Earnings Summary

	4Q23	3Q23	4Q22
Consumer & Insurance*	\$223	\$252	\$249
Other	(1)	(4)	(1)
Reconciling Items*	(2)	(2)	(15)
Pretax Income	\$220	\$246	\$233
Taxes	(55)	(52)	(57)
Net Income	\$165	\$194	\$176
Effective Tax Rate	24.9%	21.0%	24.2%
Diluted EPS	\$1.38	\$1.61	\$1.44
Average Assets*	\$24.1	\$24.1	\$22.4
Return on Assets*	2.7%	3.2%	3.1%

C&I* Adjusted Earnings Summary

	4Q23	3Q23	4Q22
Interest Income	\$1,186	\$1,166	\$1,121
Other Net Revenue	136	134	129
Provision for Loan Losses	(446)	(410)	(404)
Operating Expenses	(382)	(373)	(367)
Interest Expense	(271)	(265)	(230)
Adjusted Pretax Income	\$223	\$252	\$249
Adjusted Net Income¹	\$167	\$189	\$186
Adjusted Diluted EPS	\$1.39	\$1.57	\$1.53
Avg. Net Receivables (ANR)	\$21.3	\$20.8	\$19.9
Capital Generation¹	\$191	\$232	\$229
Capital Generation RoR	3.6%	4.4%	4.6%

Note: On January 1, 2023, the Company adopted Accounting Standards Update 2018-12, "Financial Services - Insurance: Targeted Improvements to the Accounting for Long-Duration Contracts". In accordance with this standard, the Company has recast its prior period financial information to reflect the effects of the adoption. Figures may not add due to rounding.

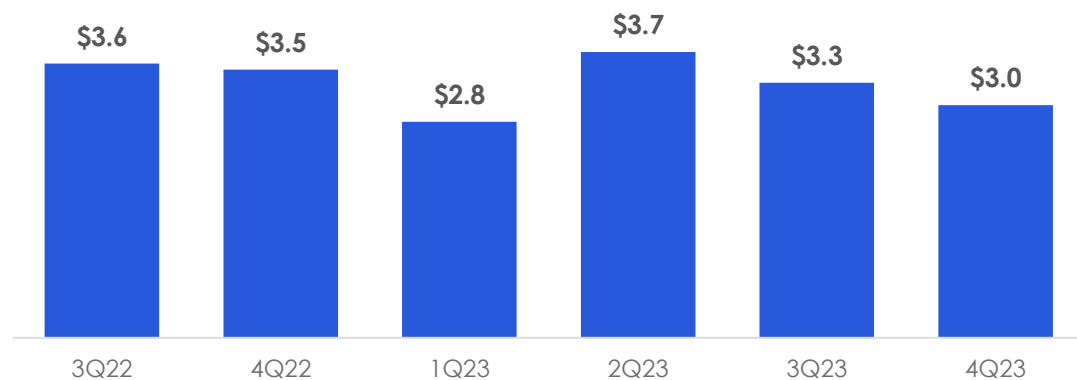
*See appendix for Non-GAAP Financial Measures reconciliations along with defined terms.

1. Assumes a tax rate of 25% for all periods shown.

Originations & Receivables (C&I)*

(\$ in billions, unless noted)

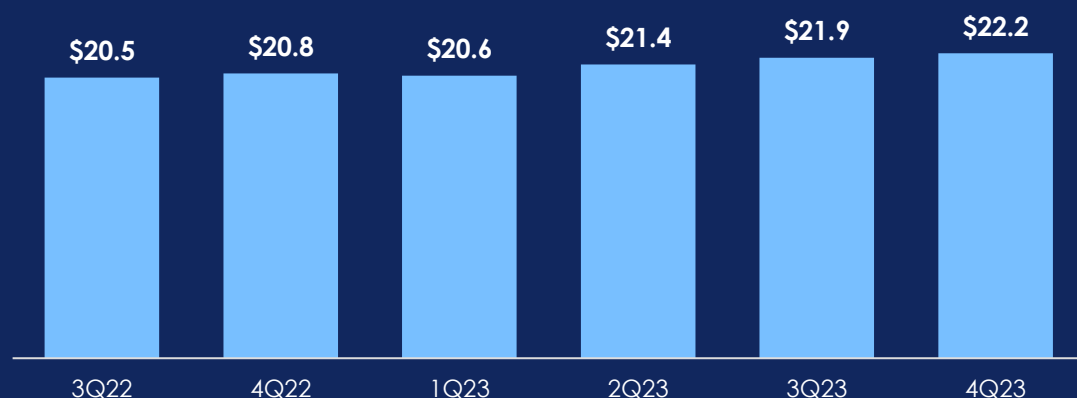
Loan Originations



Highlights

- Continued credit box tightening and pricing actions resulting in 4Q23 originations down 13% vs 4Q22
- Includes auto finance originations of \$144 million in 4Q23 and \$555 million in 2023
- Loan originations APR was 26.9% in 4Q23, up 112bps vs 4Q22

Managed Receivables



Highlights

- Managed Receivables reflect contributions from auto finance and credit cards
- 4Q23 includes \$882 million of receivables sold through our loan sale partnerships
- Loan portfolio yield of 22.1%, reflecting continued impacts from the current macroeconomic environment and growth in auto finance business

Targeted & Disciplined BrightWay® Credit Card Rollout

~431 thousand
Credit Cards
up ~91 thousand QoQ

\$330 million
Receivables
up \$98 million QoQ

~90% customers
Use mobile app

4.5+ stars
App store ratings

Top spending categories




Retail



Restaurants



Gas stations

Great job! You turned your payments into progress. 

Now that you've made 6 consecutive on-time payments you are eligible to redeem a reward.

[Claim reward](#)



Cards expected to be a significant driver of receivables and capital generation growth in the future

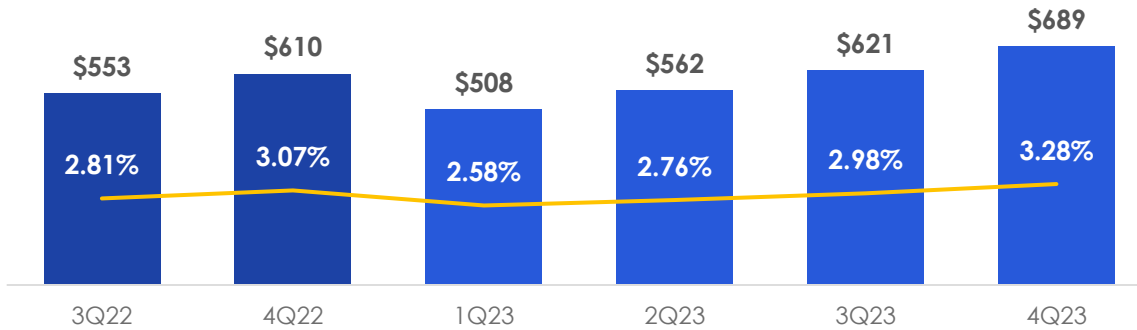
Loan Delinquency & Net Charge-off Trends (C&I)*

(\$ in millions)

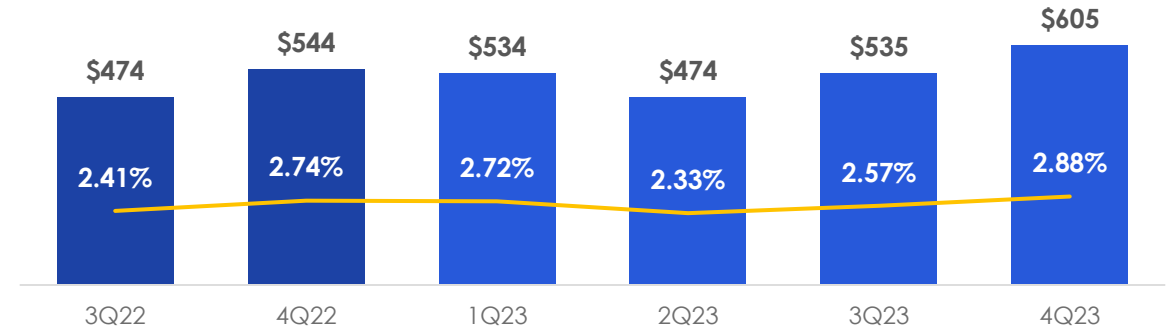
Highlights

- 30-89 delinquency of 3.28%, reflects back book performance and portfolio growth dynamics from credit tightening
- Front book¹ continues to perform in line with expectations
- FY23 net charge-offs of 7.4%; charge-offs continue to be supported by strong back-end collections and recoveries

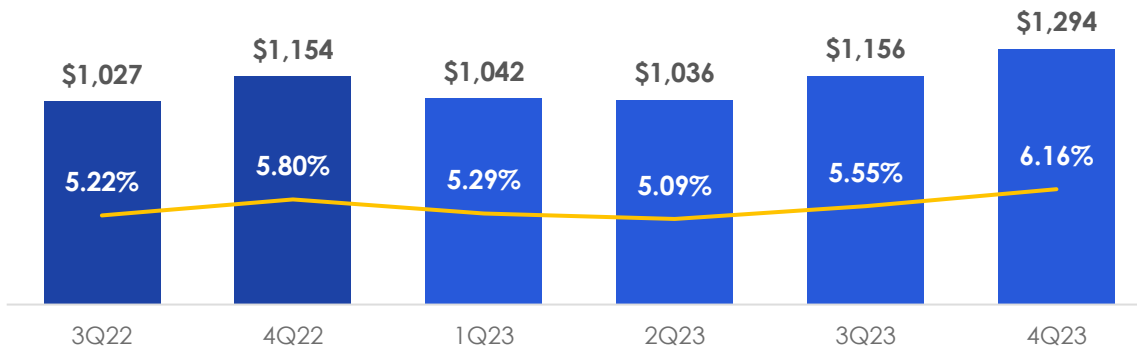
30-89 Days Delinquent



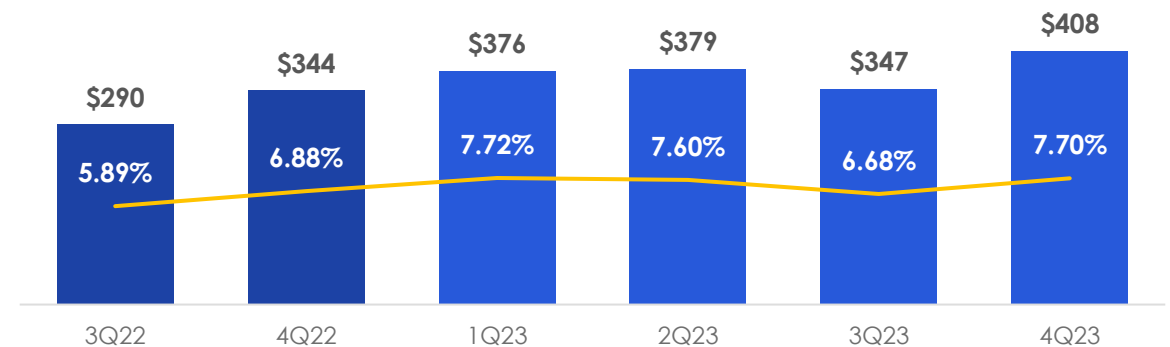
90+ Days Delinquent



30+ Days Delinquent



Net Charge-offs

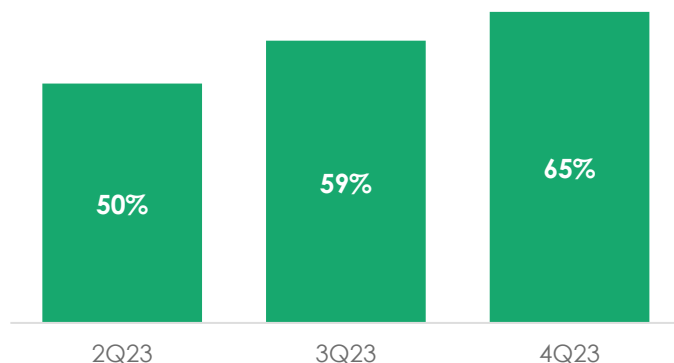


Portfolio Performance is Supported by Credit Tightening

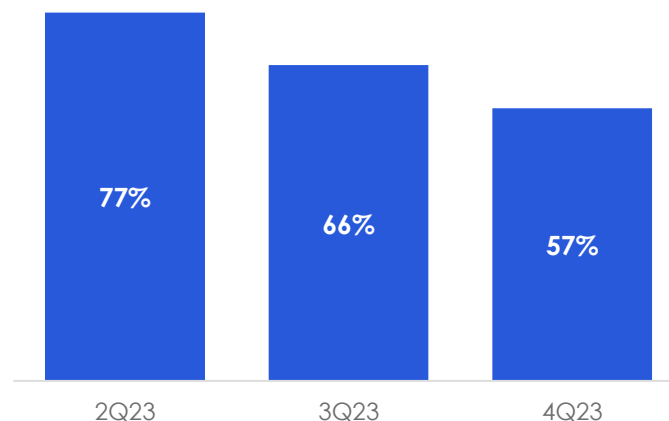
Highlights

- Front book¹ is growing and continues to perform in line with expectations
- Back book delinquency remains elevated and is the primary driver of overall portfolio delinquency
- OneMain's unique business model results in superior credit outcomes vs peers

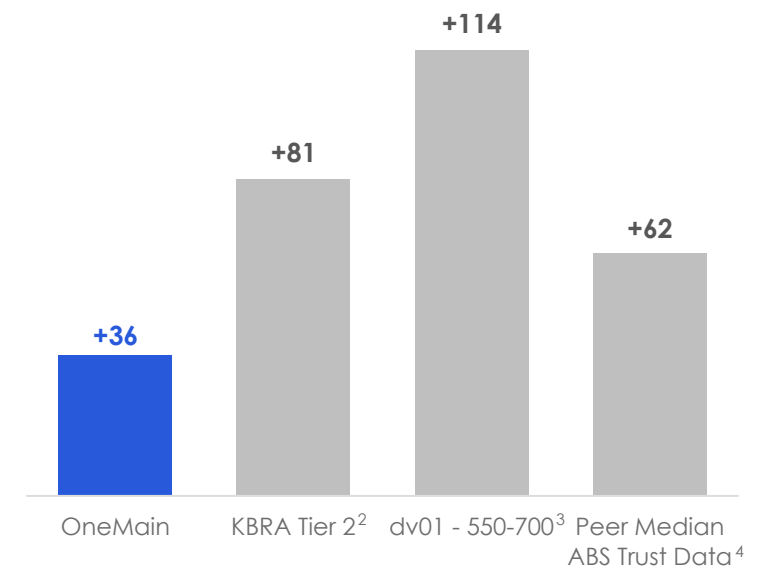
Front Book¹ % of Portfolio



Back Book % of 30+ Delinquent Receivables



OMF vs Peers 30+ Delinquency Change YoY (bps)



Note: OneMain data represents C&I as of December 31, 2023. See slide 10.

1. Front book represents all loan originations post August 2022 credit tightening.

2. Represents KBRA's Tier 2 Marketplace Consumer Loan Index as of December 31, 2023. The Tier 2 Index comprises ABS loan pools issued through the LendingClub-Prime, Prosper, Upgrade, Upstart, Freedom (F+ Loans), LendingPoint, Pagaya, and Theorem ABS shelves and generally have weighted average FICOs between 660 and 710. Only deals with 6+ months of seasoning are included.

3. Represents dv01's Consumer Unsecured Benchmark as of December 31, 2023, filtered for original FICO score of 550 to 700. The Unsecured Consumer Benchmark aggregates origination and performance history across the largest FinTech originators in the space. The Benchmark includes data from 2014 and beyond, spanning over \$180 billion in originations.

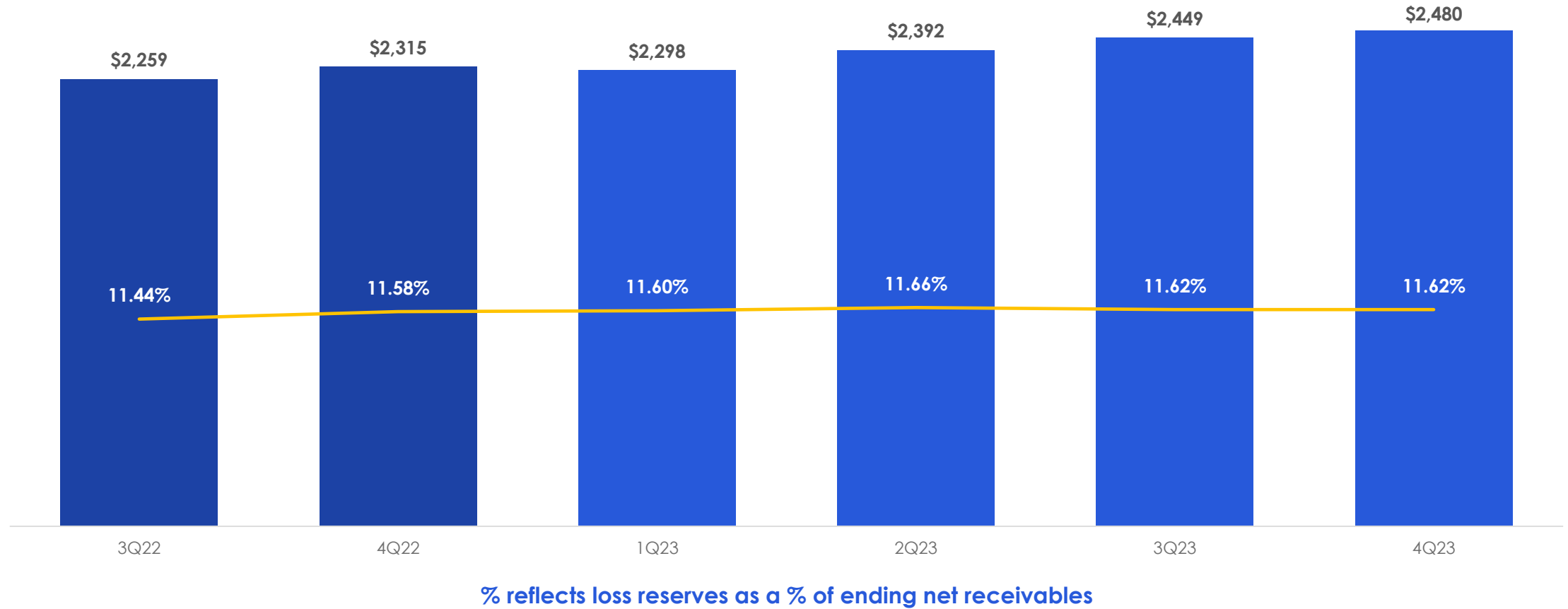
4. Peer median ABS Trust data as of December 31, 2023, includes Upstart, Marlette, Avant, Mariner, Lendmark, Pagaya, Oportun, Regional, Affirm, LendingPoint and Theorem.

Loss Reserve Trends (C&I)*

(\$ in millions)

Highlights

- Coverage ratio flat to 3Q23 at 11.62%; \$31 increase reflects portfolio growth



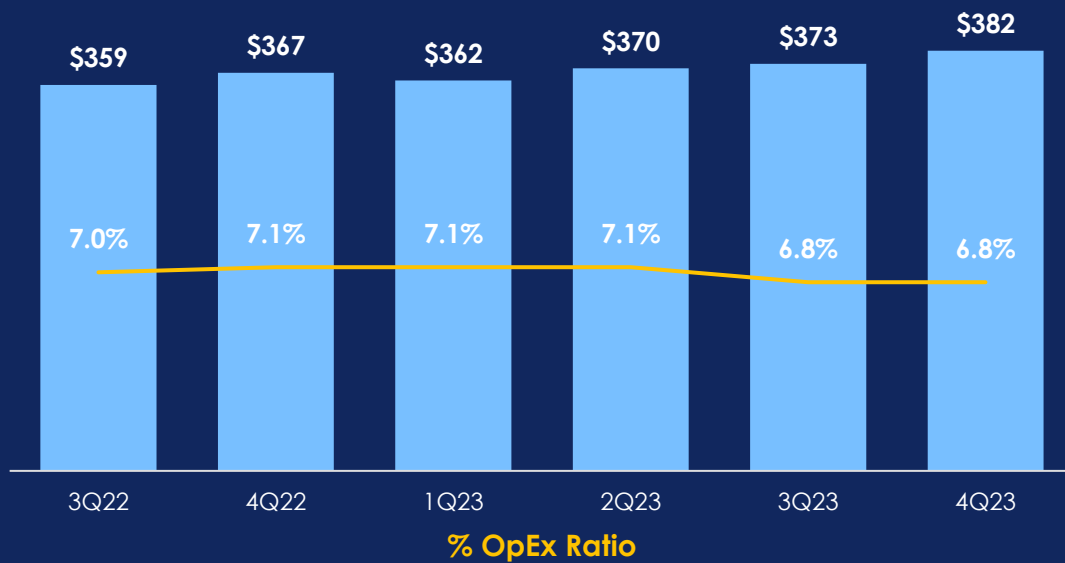
Operating Expenses (C&I)*

(\$ in millions)

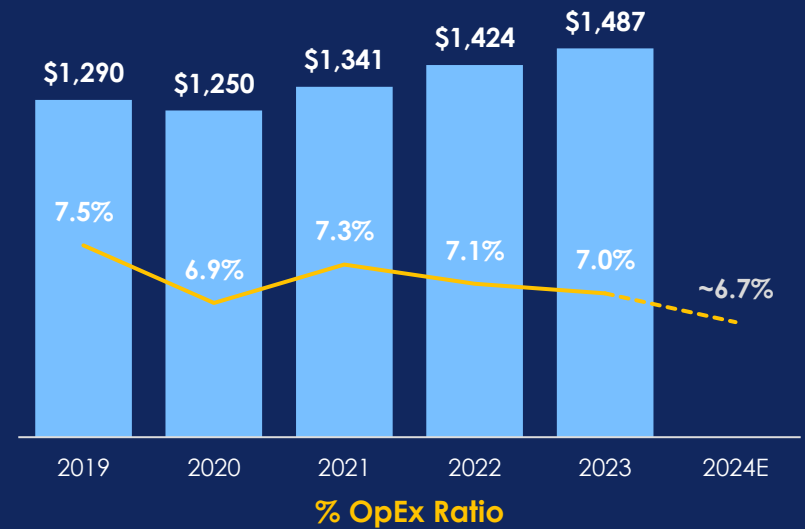
Highlights

- 4Q23 OpEx Ratio of 6.8%, down from 7.1% in 4Q22, driven by improved efficiencies across the organization and focused expense management
- FY23 OpEx Ratio of 7.0%, reflecting continued cost management and expense discipline; FY24 OpEx Ratio expected to improve to ~6.7%

Quarterly Operating Expenses



FY Operating Expenses



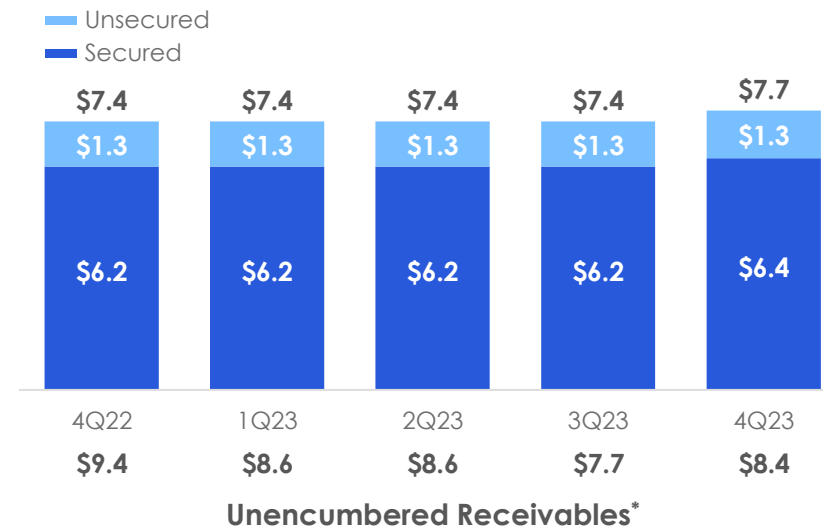
Balance Sheet & Funding

(\$ in billions, unless noted)

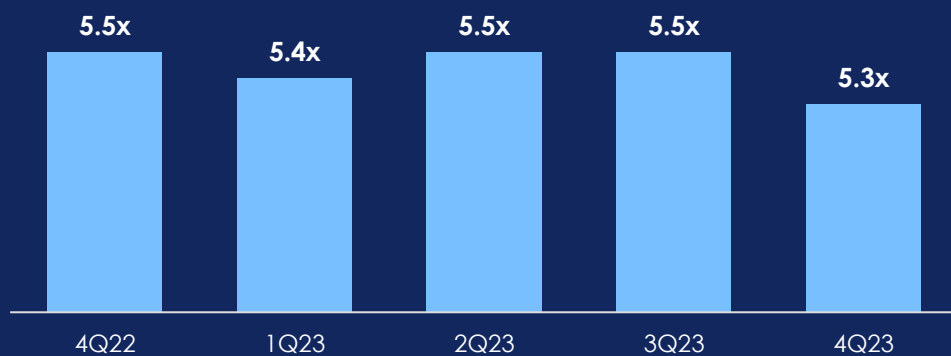
Highlights

- \$7.7 of committed bank facilities, up from \$7.4 in 3Q23
- Well-positioned funding profile with balanced debt mix and staggered maturities
- Issued \$400 million add-on unsecured bond due 2029, callable 2025
- Issued \$700 million unsecured bond at 7.9% due 2030, callable 2026
- Next unsecured maturity not until March 2025

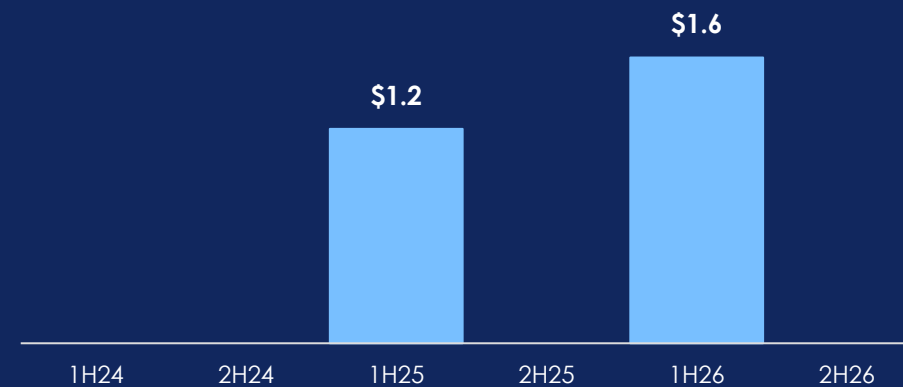
Bank Facilities



Net Leverage*



Unsecured Maturities (2024 – 2026)



Capital Allocation Framework

1

Business Investment

- Balance sheet growth
- Continue to invest in new products and channels, data science, technology and digital capabilities
- Maintain net leverage of 4-6x

2

Regular Dividend

- Board declared regular quarterly dividend of \$1.00 per share payable February 23rd
- Dividend yield of ~8%¹ at current share price

3

Share Repurchases

- Repurchased ~1.7 million shares in 2023 for \$65 million
- \$660 million remaining repurchase authorization

Generated a 63% Total Shareholder Return in 2023²

2024 Strategic Priorities (C&I)*

Continue to exercise disciplined credit risk management across products

Drive operating efficiency and execute cost saving initiatives

Complete the acquisition and integration of Foursight, further develop auto finance

Continue to invest in data science, digital and technology capabilities

Originate cards in high-conviction segments and focus on unit economics

Maintain best-in-class funding capabilities and liquidity profile

Key Metrics	2023	2024E ¹	Assumptions and Commentary
Managed Receivables	\$22.2B	~\$24.0B	<ul style="list-style-type: none"> Conservative underwriting posture; prepared to adjust should environment change Reflects organic growth of 3 – 5% plus ~\$1B of acquired receivables from Foursight
Revenue Growth	4.2%	6.0 – 8.0%	<ul style="list-style-type: none"> Interest income and total other revenue Reflects receivables growth and modest improvement in yield
Interest Expense	4.9%	~5.2%	<ul style="list-style-type: none"> Gradual impact from increase in benchmark rates 90% of average debt in 2024 already on books at fixed rate
Consolidated Net Charge-offs²	7.5%	7.7 – 8.3%	<ul style="list-style-type: none"> Seasonally higher in 1H24 Anticipate peak losses in 2024, assuming stable macro environment
Operating Expense Ratio	7.0%	~6.7%	<ul style="list-style-type: none"> Executing expense initiatives; maintaining cost discipline Sustaining strategic investment for future growth and profitability

**Confident in Investor Day medium term³ strategic priorities:
~\$30B Managed Receivables | 6 – 7% Net Charge-offs | ~5% Capital Generation RoR**

*See appendix for Non-GAAP Financial Measures reconciliations along with defined terms.

1. Includes the acquisition of Foursight; assumes acquisition closes in the first quarter of 2024.

2. Includes personal loan, auto finance, and credit card.

3. Reflects three to five years and assumes a return to a stable macroeconomic and credit environment during that period.

Appendix

OneMain Financial®



Reconciliation of Non-GAAP Measures

(unaudited, \$ in millions)	4Q23	3Q23	2Q23	1Q23	4Q22	FY23	FY22
Consumer & Insurance	\$220	\$250	\$138	\$236	\$244	\$845	\$1,169
Other	(1)	(4)	-	(1)	(1)	(6)	-
Segment to GAAP adjustment	1	-	-	-	(10)	1	(14)
Income before income taxes - GAAP basis	\$220	\$246	\$138	\$235	\$233	\$840	\$1,155
Consumer & Insurance pretax income	\$220	\$250	\$138	\$236	\$244	\$845	\$1,169
Regulatory settlements	2	-	24	-	-	26	-
Net loss on repurchases and repayments of debt	-	-	-	-	-	-	26
Other ¹	1	2	-	-	5	3	11
Consumer & Insurance adjusted pretax income (non-GAAP)	\$223	\$252	\$162	\$236	\$249	\$874	\$1,206
Reconciling items²	(\$2)	(\$2)	(\$24)	\$0	(\$15)	(\$28)	(\$51)
Consumer & Insurance adjusted pretax income (non-GAAP)	\$223	\$252	\$162	\$236	\$249	\$874	\$1,206
Provision for finance receivable losses	446	410	479	385	404	1,721	1,399
Net charge-offs	(415)	(353)	(385)	(382)	(348)	(1,536)	(1,186)
Pretax capital generation (non-GAAP)	\$254	\$309	\$256	\$239	\$305	\$1,059	\$1,419
Capital generation, net of tax³ (non-GAAP)	\$191	\$232	\$192	\$179	\$229	\$794	\$1,064

Note: Quarters may not sum to fiscal year due to rounding.

Note: On January 1, 2023, the Company adopted ASU 2018-12, Financial Services – Insurance: Targeted Improvements to the Accounting for Long-Duration Contracts. In accordance with this standard, the Company has recast its prior period financial information to reflect the effects of the adoption.

1. Other adjustments includes strategic activities and other items.

2. Reconciling Items consist of Total Segment to GAAP Adjustment and the adjustments to Pretax Income (Loss) – Segment Accounting Basis.

3. Income taxes assume a 25% tax rate.

Reconciliation of Non-GAAP Measures (cont'd)

(unaudited, \$ in millions)	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Consumer & Insurance	\$21,349	\$21,068	\$20,511	\$19,810	\$19,987
Segment to GAAP adjustment	-	(1)	(1)	(1)	(1)
Net finance receivables - GAAP basis	\$21,349	\$21,067	\$20,510	\$19,809	\$19,986
Consumer & Insurance	\$2,480	\$2,449	\$2,392	\$2,298	\$2,315
Segment to GAAP adjustment	-	-	-	-	(4)
Allowance for finance receivable losses - GAAP basis	\$2,480	\$2,449	\$2,392	\$2,298	\$2,311

Note: For additional schedules and disclosures, see the earnings release and financial supplements included as an exhibit to the Company's Current Report on Form 8-K filed February 7, 2024, and available in the Investor Relations section on the Company's website (www.omf.com) and the SEC's website (www.sec.gov).

Slide 8, 10, and 12: For 3Q22 loan originations, managed receivables, loan delinquency, loan net charge-offs and loss reserve figures, refer to the Company's fourth quarter 2022 earnings presentation on our IR website. Slide 13: For 3Q22, 2019, 2020 and 2021 operating expenses refer to the Company's fourth quarter 2022 earnings presentation on our IR website.

Defined Terms

- Adjusted capital = adjusted tangible common equity + allowance for finance receivable losses (ALLL), net of tax
- Auto finance = financing at the point of purchase through a network of auto dealerships
- Available cash and cash equivalents = cash and cash equivalents – cash and cash equivalents held at our regulated insurance subsidiaries or is unavailable for general corporate purposes
- Average assets = average of monthly average assets (assets at the beginning and end of each month divided by two) in the period
- Average managed receivables = C&I average net receivables + average receivables serviced for our whole loan sale partners
- C&I adjusted diluted EPS = C&I adjusted net income (non-GAAP) / weighted average diluted shares
- Capital generation = C&I adjusted net income – change in C&I allowance for finance receivable losses, net of tax
- Capital generation return on receivables = annualized capital generation / C&I average net receivables
- Finance receivables serviced for our whole loan sale partners = unpaid principal balance plus accrued interest of loans sold as part of our whole loan sale program
- Managed receivables = C&I net finance receivables + finance receivables serviced for our whole loan sale partners
- Net adjusted debt = long-term debt – junior subordinated debt – available cash and cash equivalents
- Net interest margin = annualized C&I net interest income / C&I average net receivables
- Net leverage = net adjusted debt / adjusted capital
- Opex ratio = annualized C&I operating expenses / average managed receivables
- Other net revenue = other revenues – insurance policy benefits and claims expense
- Return on assets (ROA) = annualized net income / average total assets
- Return on receivables (C&I ROR) = annualized C&I adjusted net income / C&I average net receivables
- Unencumbered receivables = unencumbered unpaid principal balance of our personal loans and credit cards. For precompute personal loans, unpaid principal balance is the gross contractual payments less the unaccreted balance of unearned finance charges. Credit cards exclude billed interest, fees, and closed accounts with balances