



Company Overview

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ABOUT US

Lendmark Financial Services provides personal and household credit and loan solutions to consumers. Founded in 1996, Lendmark strives to be the lender, employer, and partner of choice by protecting household wealth, offering stability and helping consumers meet both planned and unplanned life events through affordable loan offerings.

Lendmark provides personalized services with every interaction to customers and local business partners through its omni-channel, **'Brick & Click'** retail approach – a wide-reaching retail network, coupled with best in class digital and online capabilities – allowing us to reach our customers wherever they are.

Lendmark is headquartered in Lawrenceville, GA.



Our branch network and continued growth expands our ability to help protect household wealth, and offer stability to consumers facing financial challenges

BOBBY AIKEN

President, Chief Executive Officer and Founder



Quick Facts:

- Founded 1996
- 420+ Branches
- 19 States Coast to Coast
- Serve 400K Customers per Year
- Branch Managers Average 18 Years Experience
- Financing Solutions for 11,000 + Local Businesses

COMPANY HISTORY

● **Founded**

- Lendmark was founded in 1996
- Bank-owned by First Liberty Bank, then acquired by BB&T in 2000
- Grew company from 4 to 96 branches

● **Expansion**

- In 2014, opened 32 de novo* branches and acquired 6 branches
- In 2015, opened 60 de novo branches and expanded footprint into PA, AL, MS
- In 2016, acquired 127 Springleaf branches and expanded into 7 new states
- Diversified funding strategy with first ABS transaction and warehouse facility
- Deployed proprietary customer risk scorecard
- Enhanced direct mail marketing platform
- Became programmatic ABS issuer; executed 8 transactions totaling \$2.4B in 2016 through 2019

*new

● **Next Phase Growth**

- Opened 35 de novo branches in 2020
- Digital expansion: In 2020, introduced mobile wallet pass, various e-signature capabilities, eLockbox & secure upload for verification documents
- Celebrating 25th Anniversary in August 2021

1996-2012

2013

2014-2016

2017-2019

2020+

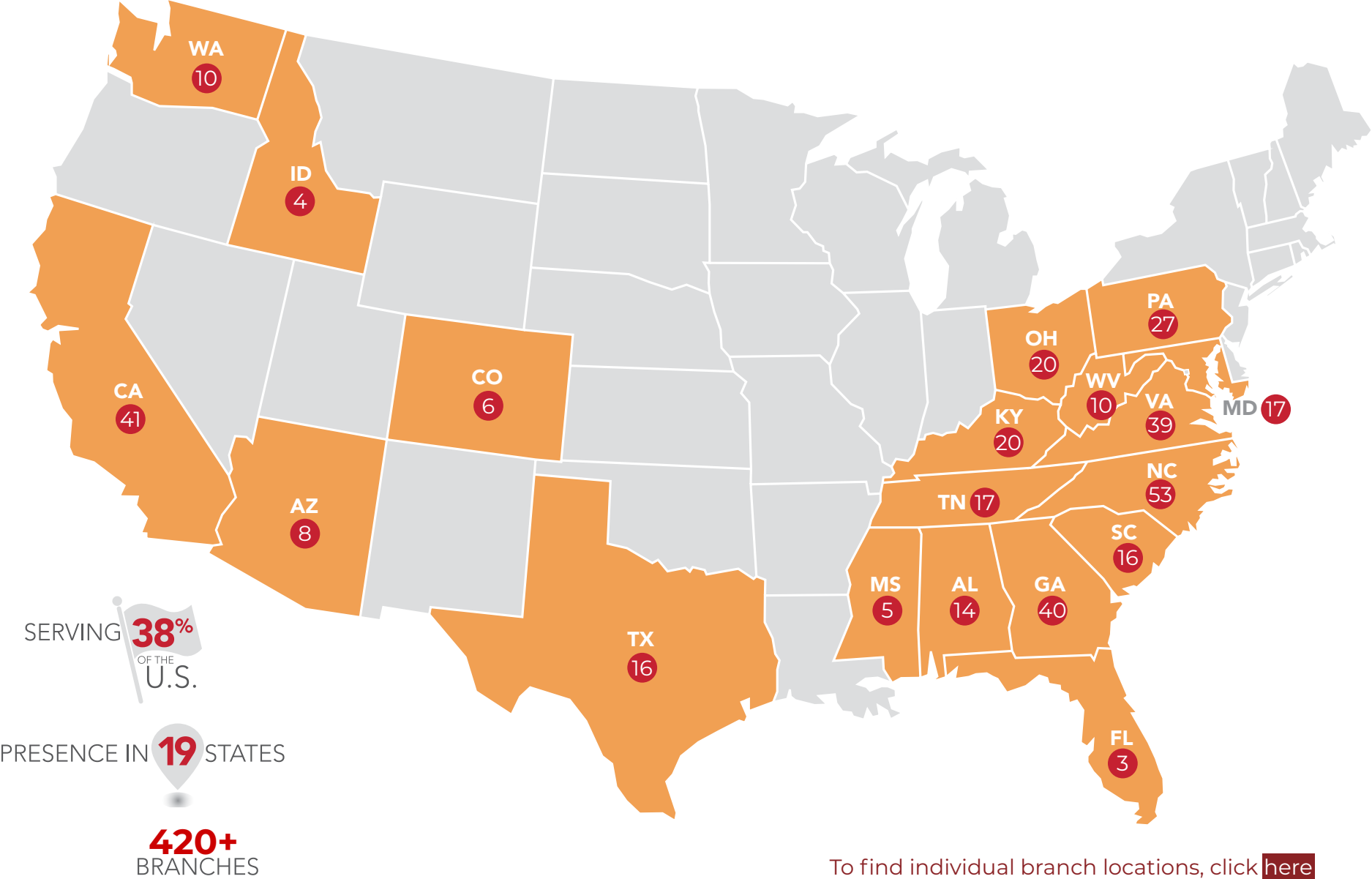
● **Investment**

- Blackstone acquired Lendmark in Oct. 2013
- Expanded management team with 5 C-Level hires and invested in capabilities

● **Infrastructure Modernization**

- Migrated to CALMS loan origination system with enhanced decision engine; retained Goldpoint servicing system
- Launched Lendmark Mobile
- Built “plug-in” capabilities with lead source partners
- Optimized prospect direct mail programs
- Continued branch openings with 15 through 2019
- Sale of Lendmark to Ontario Teachers Pension Plan and Lightyear Capital in Sep-2019

BRANCH NETWORK



ECONOMIC VALUE: IT ADDS UP

A Lendmark Branch

Lendmark’s community-based approach and branch network create local economic value in the communities we serve in a variety of ways. Among other benefits, a typical branch employs four people on average, leases local storefront space and supports local businesses and service providers through financing consumer purchases.

Lendmark’s Local Economic Contribution:

State & Local Impact

- **Job creation:** 1,700+ local jobs, wages & benefits in the communities we serve
- Generates **tax revenue**
- Utilizes **local utilities & services** to support 420+ branches
- Retail **leasing**

Small Business & Community Support

- Provides **financing solutions** for 11,000+ retailers and independent auto dealerships
- Empowers local **household wealth** – in 2019, we provided more than **\$1.6B** in credit to help consumers meet financial challenges

A Lendmark Loan

Our solutions provide a safe and affordable credit solution to a planned or unplanned life event.

For example – a \$2,600 loan to replace a transmission in a nurse’s car:

- Gets the vehicle back in operation
- Enables the nurse to get back to work
- Employs the local repair shop

A Lendmark loan provides a solution and adds to the economic stability of the local economy.

Lendmark Loans are Used to Purchase Local Goods and Services

- Large item purchases
- Car & home repairs
- Medical care
- Debt consolidation
- Household goods

➤ **Lendmark branches create economic value in local communities**

➤ **Long-term success for the customer and Lendmark occurs only through responsible underwriting and a straightforward product**

BUSINESS APPROACH

► **Lendmark Financial is relationship-focused and community-based.**

Our local branches are staffed by local professionals who live in the community and go the extra mile to provide responsible household credit and personal loan solutions.

Lending and Customer Service Approach

Lendmark offers consumer credit in the form of traditional consumer lending to help customers meet both planned and unplanned life events. We understand what it is like to be on the other side of the table when life events strike – compassion matters.

That is why Lendmark strives to act in the best interest of the customer by providing consumers with one-on-one, individualized assessments with empathetic lending professionals who determine the safest solution for each customer. Our fixed rates, fixed terms and fixed payments allow customers to plan their monthly budgets with confidence.



- Branches AND online options deliver a better customer experience
- Branches maintain established, trusted & personal relationships with consumers in our communities
- Online options offer convenience for consumers on-the-go

Compliance/Audit

Lendmark is unwavering in its commitment to doing business fairly, consistently, and transparently. We maintain robust internal Audit and Compliance processes and teams to ensure a thorough, independent review of all underwriting and servicing processes and practices.

This ensures that we can continue to operate without issue in a complex, State-licensed and regulated environment involving hundreds of State exams annually, as well as oversight from the Consumer Financial Protection Bureau. Our approach also ensures that we remain at the forefront of an evolving regulatory landscape.

The Lendmark Difference

Many companies lend money. Our distinction in the industry is our hybrid 'high-tech' and 'personal approach' to consumer finance, or Brick & Click. We have found in our nearly 25 years in business that having both physical locations and online capabilities delivers a better overall customer experience.

Our branch staff are highly-trained and individually walk applicants through the application and qualification processes, and proactively look for ways to help strengthen their household budgets by not only meeting their immediate financial need, but also opportunities to consolidate and payoff other existing debts.

CREDIT PHILOSOPHY

Our philosophy and approach to lending begins with the fundamental premise that lending solutions must be in the best interest of both the customer and the lender – no one wins unless both parties win. Therefore, with every loan solution offered, Lendmark helps ensure that our customers have simple and affordable terms, and a payment that works within their household budget.

Advanced Analytics, Equitable and Transparent

With nearly two and a half decades of experience, we're able to leverage the unique Lendmark performance history – spanning multiple economic cycles – and combine it with advanced analytics and best in class scoring methodologies to assess and classify each applicant, based on their credit history and utilization. Our **scoring** solutions accurately assess the unique risk factors for the Near-Prime target market we serve.

Our robust **verification** process individually validates all key information, such as customer identity, income, employment, and residence. We evaluate **repayment capacity** using several sources, including credit bureau information, verified income, and multiple means tests that consider total debt burden and residual income.

All credit grading, policy and pricing parameters, and product eligibility are **systemically controlled**, providing consistent treatment for all applicants and predictable credit risk.

Credit and Risk Management Culture

An enhanced underwriting approach that extends beyond credit score is used to ensure quality loan decisions. Verification of income documents, a review of additional debt obligations and calculation of discretionary income are part of the credit decision.

Pricing, loan sizes and credit decisions are centrally controlled but locally implemented. Lendmark's executive management regularly reviews product pricing to adequately address market conditions, competitive forces, credit risks and servicing costs.

➤ **Determining the customer's ability to repay is key to a successful loan experience**

LENDING SOLUTIONS

Lendmark offers **traditional household credit** through personal loans – with fixed rates, terms and payments – to help consumers address life events – planned and unplanned. Lenders have served American households by offering this simple and straightforward form of credit for over 100 years.

Lendmark also provides **financing solutions** for 11,000+ retailers and independent auto dealerships. Lendmark extends credit to customers of these local businesses for their large purchases.

Characteristics of a Lendmark Loan:

- Fully amortizing (no balloon balances due) with fixed rates, fixed terms and fixed monthly payments
- Upfront credit underwriting and income verification to evaluate a consumer's ability to repay their loan
- Monthly payments that fit individual & household budgets
- Regulatory oversight at both State and Federal levels
- Full upfront disclosure on all loan documents

➤ **Lendmark provides safe, affordable, and accessible lending**



CUSTOMER PROFILE: AT A GLANCE

Typical customers are everyday Main Street citizens – employed, middle class borrowers who have sudden “event-driven” needs - such as home and auto repairs, life events and medical expenses – that cause cash flow gaps.

Many are homeowners, have tenure on their job and exhibit other stability factors.



Average Age

50



Homeownership

45%



Average Income

\$49,000



Average FICO Score

614

Average Loan: \$5,500

Average Term: 46 months*

Average Payment: \$200

Average Yield: 26%**

Sample Occupations: Machine Operators, Teachers, Nurses

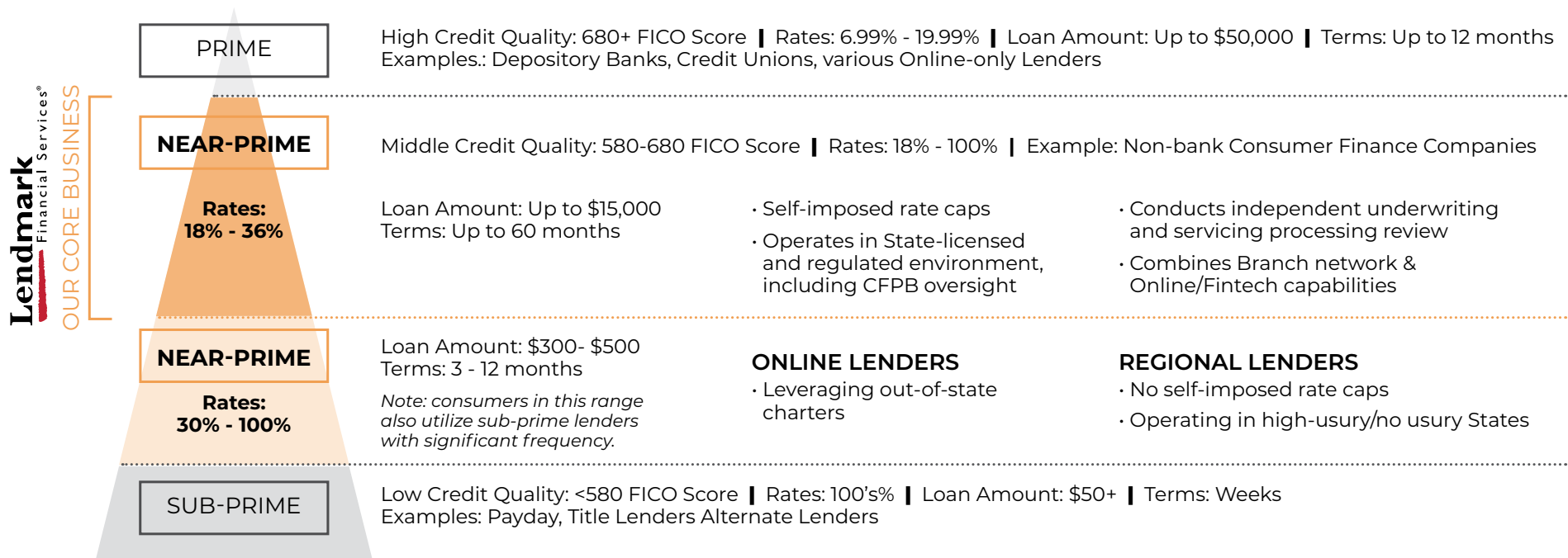
**As of May 2020*

***YTD Yield as of June 2020*

➤ **Mature, stable and regulated industry**

CUSTOMER PROFILE: LENDING SPECTRUM

The lending spectrum, based on common scoring models, ranges from a low of 300 to a high of 850. According to Experian, the average American FICO score was 703 in 2019. **Lendmark Financial's core customer base is the near-prime customer** – typically middle-class, with long-term residency and employment history, and a FICO score typically in the 580-680 range.



CONTACT

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Success in community-based consumer lending is determined by the quality of the relationships that are created – relationships with our customers, our local businesses and the single most important relationship – the one between Lendmark and our employees

JOE BURGAMY
Chief Operating Officer

