First Quarter 2021 Financial Results

May 5, 2021

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains forward-looking statements that reflect the Company's current views with respect to, among other things, its operations; its financial performance; 2021 financial guidance and related assumptions; the impact of COVID-19; post-COVID-19 recovery of the elective healthcare business and the elective healthcare industry; funding capacity and liquidity profile; and new products. You generally can identify these statements by the use of words such as "outlook," "potential," "continue," "may," "seek," "approximately," "predict," "believe," "expect," "plan," "intend," "estimate" or "anticipate" and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as "will," "should," "would," "likely" and "could." These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. These risks and uncertainties include those risks described in GreenSky's filings with the Securities and Exchange Commission and include, but are not limited to, risks related to the extent and duration of the COVID-19 pandemic and its impact on the Company, its bank partners and merchants, GreenSky program borrowers, loan demand (including, in particular, for elective healthcare procedures), the capital markets (including the Company's ability to obtain additional funding or close new institutional financings) and the economy in general; the Company's ability to retain existing, and attract new, merchants and bank partners or other funding partners, including the risk that one or more bank partners do not renew their funding commitments or reduce existing commitments; lifetime cost of funds associated with loan and loan participation sales; its future financial performance, including trends in revenue, cost of revenue, gross profit or gross margin, operating expenses, and free cash flow; changes in market interest rates; increases in loan delinquencies; its ability to operate successfully in a highly regulated industry; the effect of management changes; cyberattacks and security vulnerabilities in its products and services; and the Company's ability to compete successfully in highly competitive markets. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, GreenSky disclaims any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements.

Non-GAAP Financial Measures

This presentation presents information about the Company's Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Pro Forma Net Income, and Adjusted Pro Forma Diluted Earnings Per Share, which are non-GAAP financial measures provided as supplements to the results provided in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We believe that Adjusted EBITDA and Adjusted EBITDA Margin are key financial indicators of our business performance over the long term and provide useful information regarding whether cash provided by operating activities is sufficient to maintain and grow our business. We believe that this methodology for determining Adjusted EBITDA and Adjusted EBITDA Margin can provide useful supplemental information to help investors better understand the economics of our platform. We believe that Adjusted Pro Forma Net Income is a useful measure because it makes our results more directly comparable to public companies that have the vast majority of their earnings subject to corporate income taxation.

We are presenting these non-GAAP measures to assist investors in evaluating our financial performance and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

These non-GAAP measures are presented for supplemental informational purposes only. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, the analysis of other GAAP financial measures, such as net income. The non-GAAP measures GreenSky uses may differ from the non-GAAP measures used by other companies. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure is provided below for each of the fiscal periods indicated.

Note: Due to rounding, numbers presented throughout this presentation may not add precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

GreenSky

Q1 Volume, Key Metrics and Financial Performance

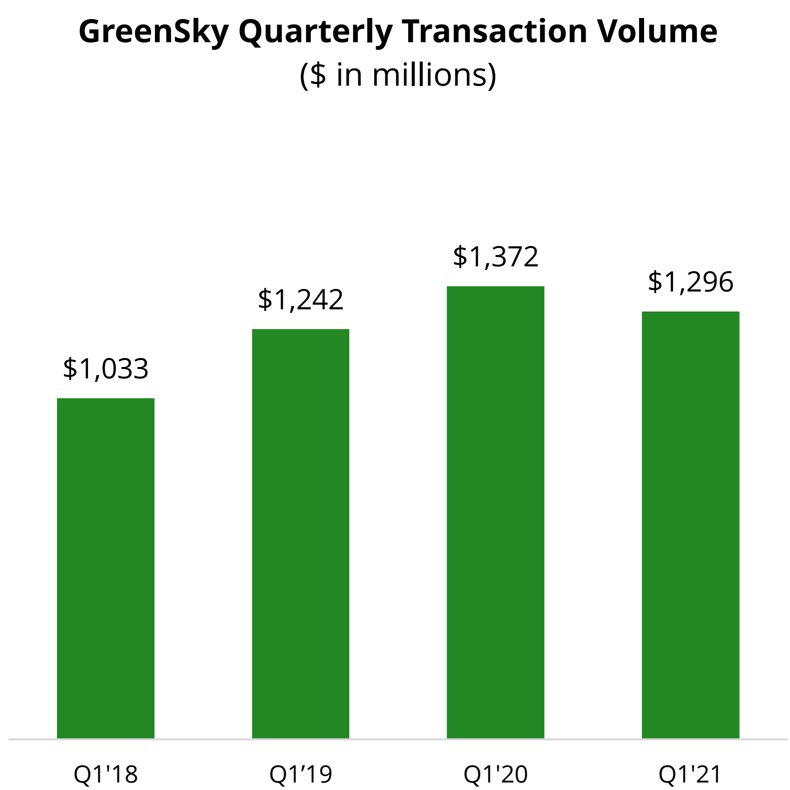
Loan Servicing Portfolio **$9.3B** +1% YoY	Transaction Volume **$1.3B** -6% YoY April Transaction Volume +38% YoY	Revenue **$125M** +3% YoY
30+ Day Delinquency % **0.76%** -47bps YoY -23bps since 12/31/20	Transaction Fee Rate **6.61%** +6bps YoY	Net Income **$12M**; +$23M YoY Adjusted EBITDA[1] **$35M**; +105% YoY

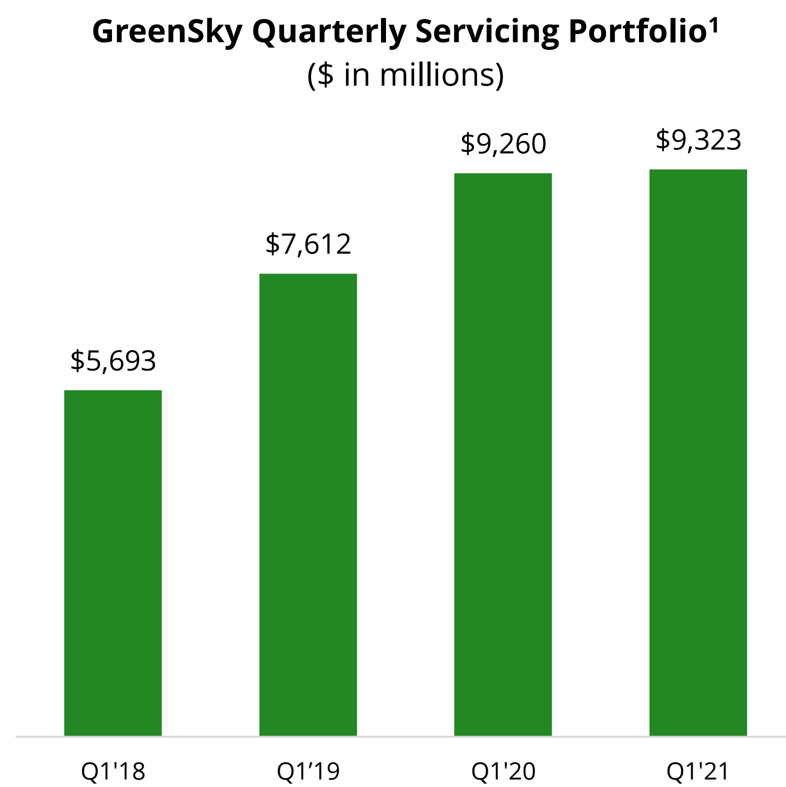
Figures are as of the quarter ended March 31, 2021, unless otherwise indicated. Change is relative to figures as of the quarter ended March 31, 2020, unless otherwise indicated.

[1] Adjusted EBITDA is a non-GAAP measure. See Appendix for reconciliations to GAAP.

Historical Trend

GreenSky's First Quarter Transaction Volume and Servicing Portfolio

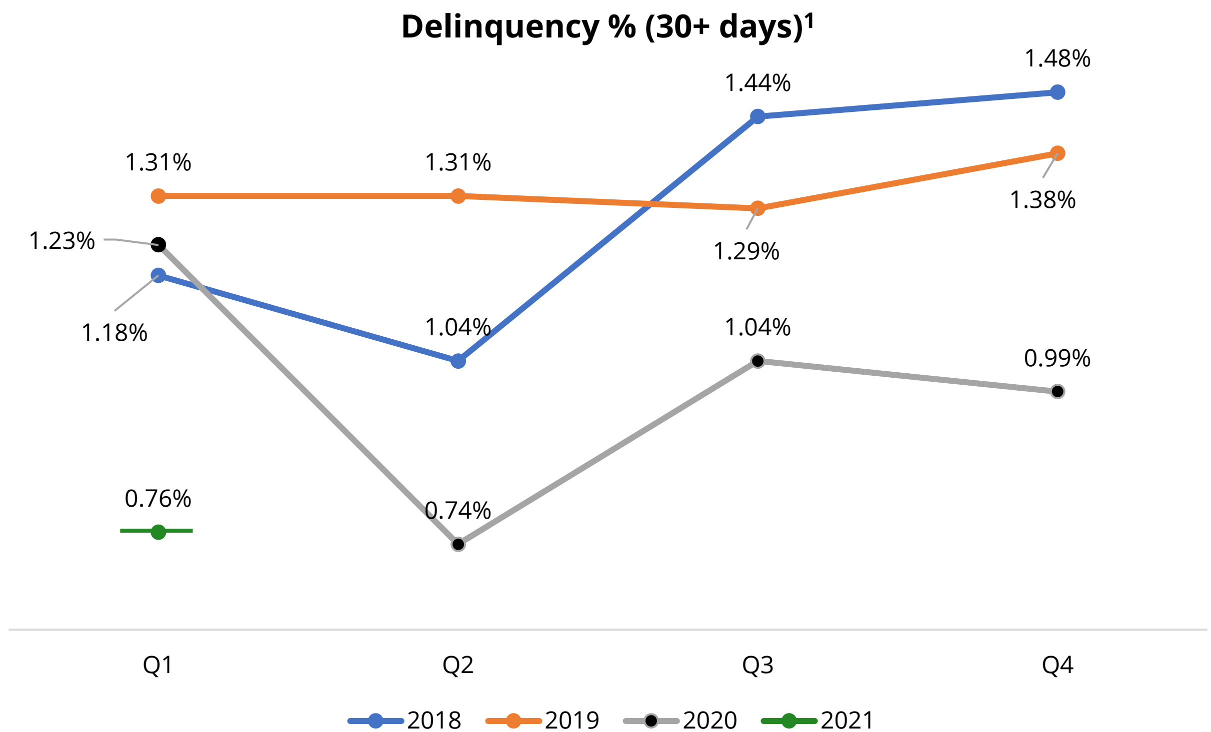




[1] Servicing portfolio at March 31, 2021

Strong Credit Performance

- Continuing the ongoing positive trend in strong credit performance, 30+ day delinquencies improved 47bps when compared to the first quarter of 2020 and 23bps when compared to the fourth quarter of 2020
- At quarter end, loans in COVID-19 payment deferral status represented 0.2% of the portfolio, or less than $20 million
- For the first quarter of 2021, the weighted average FICO at time of origination was 782



[1]Represents delinquencies of 30+ days as a percentage of balance with payment due; delinquency percentages do not include any accounts in payment deferral.

Large and Growing Addressable Target Market

Addressable Market

- **GSKY leads the industry with the largest fintech platform for home improvement consumer loan originations in the market**
- $600 billion[1] target addressable market enables GreenSky to grow

Home Improvement

- Record first quarter approved credit lines, up 17% YoY. March approved credit lines was an all time monthly high
- Expanded contract with our largest sponsor
- Finalized contract amendment with a top-3 Windows and Doors merchant to materially increase volume

Patient Solutions

- Top-tier competitor and strong disrupter in elective healthcare financing
- Signed strategic contract with Clear Blue Smiles
- Completed integration work for our Universal Credit Application for Patient Solutions

Home Improvement

- Maintained position as market leader in Home Improvement
- Expanded our position as leader in Windows and Doors industry, evidenced by 8% YoY growth

Home Improvement
(% of Transaction Volume [2])

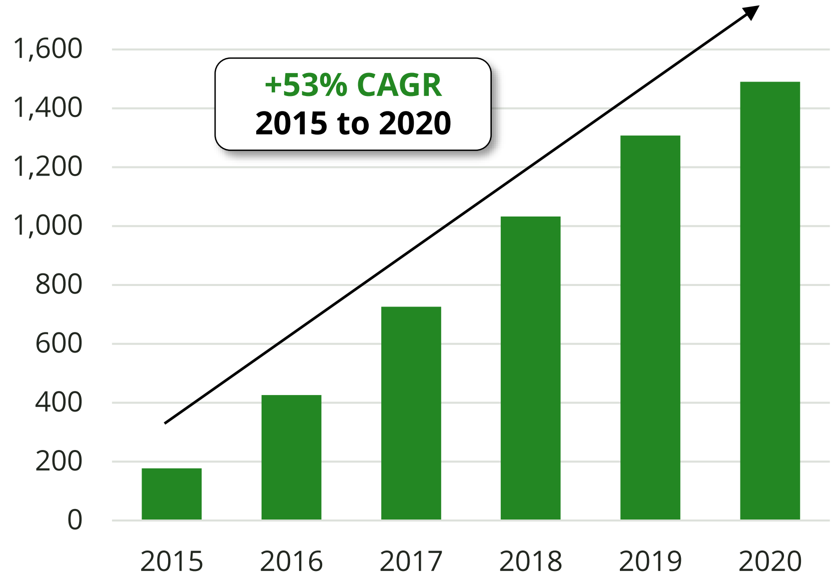
Category	Q4'20	Q1'21
Windows and Doors	51%	51%
HVAC	13%	14%
Other	7%	6%
Remodeling	6%	7%
Roofing	5%	4%
Construction	4%	4%
Basements	4%	4%
Kitchens and Bathrooms	3%	3%
Plumbing	3%	3%
Awnings, Sunrooms	2%	2%
Pools	1%	1%
Solar	1%	1%

[1] Sources: Joint Center for Housing Studies of Harvard University, IBIS Worldwide, Future Market Insight-US Vision Correction Market, VCA 2017 Annual Report, Grandview Research.
[2] Excludes The Home Depot

High Volume Merchants & Strong Recurring Revenues

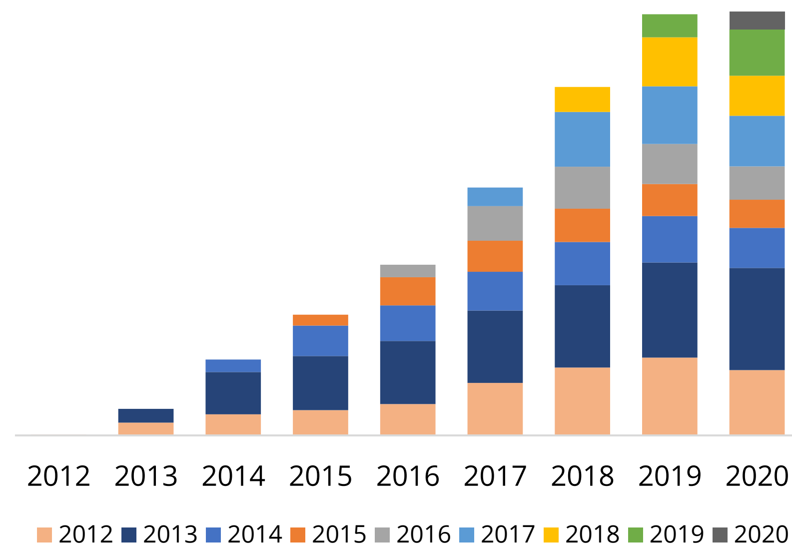
Emphasis on high volume merchants whose revenue is built on repeated usage

Cumulative merchants with $10M in annual GreenSky transaction volume



Transaction Volume by Merchant Cohorts[1]

Home Improvement



- Dedicating GreenSky customer support and customized marketing services to attracting and growing high volume merchants continues to pay dividends

- Loyal merchant base is highlighted by the continued growth GreenSky sees as our merchant base matures in tenure

[1] Excludes Solar and The Home Depot.

GreenSky

Diverse and Ample Funding to Support Growth

Bank Waterfall[1] Funding

- In April, we increased a long-standing bank partner commitment by $500 million for a total of $2.0 billion and extended out to the fourth quarter of 2023
- $9.7 billion of aggregate funding commitments from our ongoing bank partners, most of which are revolving commitments that replenish as outstanding loans are paid down
- $1.9 billion in unused commitments at quarter-end and an estimated additional $2.4 billion in revolving capacity will become available over the next 12 months through the paydown of existing balances

Loan Sales and Forward Flow

- In Q1 2021, we executed a $1 billion, forward flow sale agreement with a leading insurance company for loan participation sales over the next 12 months
  - In April, the same leading insurance company increased its commitment by $500 million for a total of $1.5 billion and added additional loan types to the arrangement
- GreenSky completed approximately $315 million in asset sales in the first quarter of 2021 and reduced outstanding borrowings under Warehouse facility by $207 million
  - Since the third quarter of 2020, GreenSky has completed over $1.3 billion in asset sales
- The cost of funds on our loan sales and forward flow are approximately equivalent to our cost of bank partner funding over the life of the loans

Corporate Liquidity

- $196 million of unrestricted cash at March 31, 2021; which represents a $49 million increase compared to December 31, 2020
- $100 million corporate revolver remains fully undrawn

[1] Figures are current commitments as of 3/31/2021

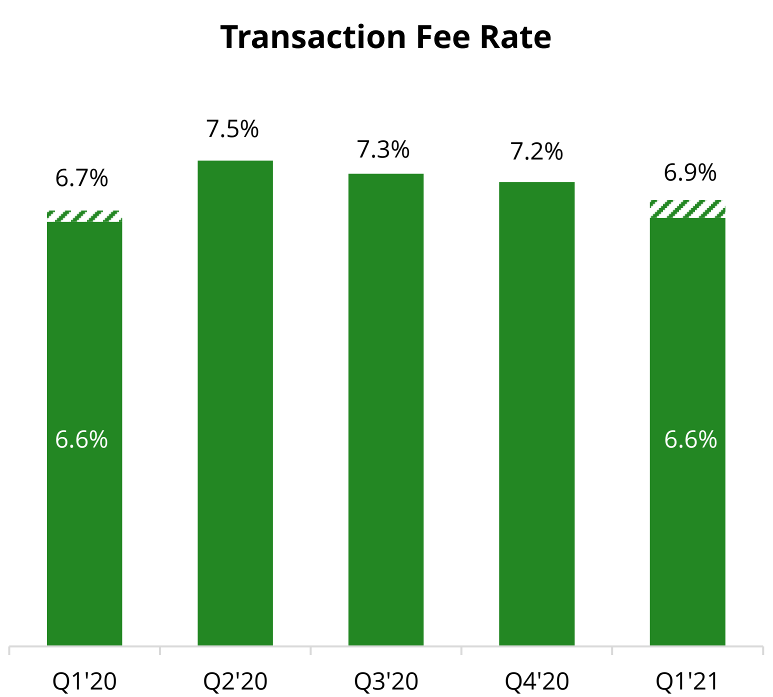
Q1’21 Financial Results

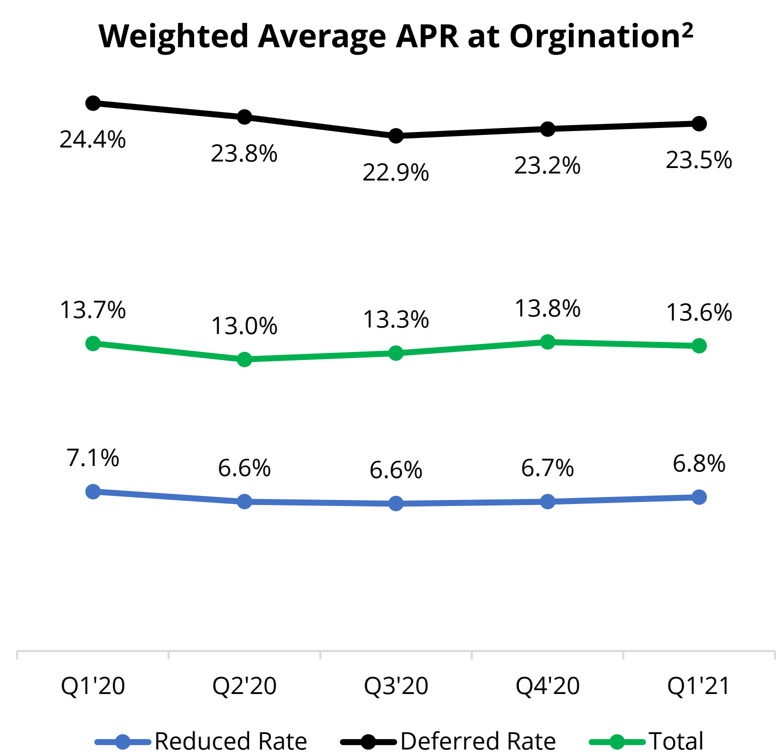
($ in thousands, except per share data)	Three months ended 3/31/2021	Three months ended 3/31/2020
Transaction Fees	$85,657	$89,884
Servicing	34,667	31,283
Interest Income	4,848	690
Total revenue	**125,172**	121,857
Cost of revenue	63,997	72,305
Financial Guarantee Expense	(3,883)	18,408
Operating Expenses*	45,342	38,936
Total Costs and Expenses	**105,456**	129,649
Operating Profit	**19,716**	(7,792)
Other Income (expense)	(5,719)	(4,022)
Income Tax Expense (benefit)	1,872	(895)
Net income (loss)	**$12,125**	($10,919)
Adjusted EBITDA	**$35,082**	$17,085
Adjusted EBITDA Margin	**28.0%**	14.0%
GAAP Diluted EPS	**$0.05**	($0.05)
Weighted avg. shares outstanding, diluted (millions)	179.5	63.7

*Inclusive of $6.3 million worth of non-recurring litigation expenses
Columns may not add due to rounding.
Adjusted EBITDA is a non-GAAP measure. See Appendix for reconciliation to U.S. GAAP.

Transaction Fee Rate & Yield

- Q1 2021 transaction fee rate of 6.6%, or 6.9% when excluding first quarter sponsor rebates
- YoY first quarter growth in transaction fee rate of 6bps, or 17bps when excluding first quarter sponsor rebates
- Faster than anticipated return to pre-pandemic product mix driving lower transaction fee rate. Second quarter transaction fee rate is estimated to be approximately 6.8%, consistent with recent trends
- Transaction fee rate is closely related to the billed yield (APR) of the associated loan





[1] For comparability purposes, normalized for first quarter sponsor rebate
[2] Reduced Rate category includes zero interest loans

Cost of Revenue

- Origination related expenses as a percentage of transaction volume decreased YoY by 7bps while servicing related expenses as a percentage of our average servicing portfolio was flat YoY
- Bank waterfall costs in Q1 improved 50% YoY, which was a byproduct of:
  - Strong incentive payments (improved credit performance) and lower bank margin (faster prepayments)
  - FCR expense in Q1 2021 was lower by $20 million when compared to Q1 2020
- Total sales costs in Q1 reflects improved pricing. $8.6M in off-balance sheet mark-to-market commitments are adjusted as a non-cash item in our Adjusted EBITDA

($ in millions)	Q1'21	Q1'20
Transaction volume	$1,296	$1,372
Average loan servicing portfolio	9,434	9,214

($ in thousands)		
Cost of revenue		
Origination related	$5,304	$6,642
% of transaction volume	*0.4%*	*0.5%*
Servicing related	13,542	13,159
% of avg. serviced portfolio (annualized)	*0.6%*	*0.6%*
Operational Cost of Revenue	**18,846**	**19,801**
% of avg. serviced portfolio (annualized)	0.8%	0.9%
Bank waterfall costs	26,417	52,504
% of avg. serviced portfolio (annualized)	*1.1%*	*2.3%*
Loan and loan participation sales costs	10,126	-
% of avg. serviced portfolio (annualized)	*0.4%*	*0.0%*
MTM on sales facilitation obligations*	8,608	-
% of avg. serviced portfolio (annualized)	*0.4%*	*0.0%*
Cost of Funds	**45,151**	**52,504**
% of avg. serviced portfolio (annualized)	1.9%	2.3%
Total cost of revenue	**63,997**	**72,305**
% of avg. serviced portfolio (annualized)	2.7%	3.1%

($ in thousands)	Q1'21	Q1'20
FCR liability roll-forward (excluding receipts)		
Beginning balance	185,134	206,035
Settlements	(95,381)	(90,089)
Expense for FCR (excluding receipts)	77,683	97,212
FCR liability ending balance	**167,436**	**213,158**
Receipts		
Incentive payments	44,078	42,453
Proceeds from charged-off receivables	-	-
Recoveries on previously charged-off loans (unsold)	7,188	2,255
Total Receipts	**51,266**	**44,708**
Fair value change in FCR liability	**$26,417**	**$52,504**

*Represents a non-cash expense that is adjusted in Adjusted EBITDA

Financial Guarantee Expense

	Three months ended	
($ in thousands, except per share data)	**3/31/2021**	**3/31/2020**
Cost of revenue	63,997	72,305
Financial Guarantee Expense (Benefit)	(3,883)	18,408
Operating Expenses*	45,342	38,936
Total Costs and Expenses	**105,456**	129,649

- Financial guarantee expense is primarily related to escrow that we provide to bank waterfall partners to serve as limited downside protection for portfolio performance. No originating bank partner used escrow in either period and historically, our originating bank partners have used little to no escrow and financial guarantee expense is largely a non-cash expense or benefit each period.
- The 2021 financial guarantee benefit reflects the 23bps improvement in delinquency rate and portfolio credit loss since year-end, which reduces the likelihood of use of escrow by our bank partners.
- The 2021 financial guarantee expense was largely impacted by the onset of the COVID-19 pandemic and uncertainty around portfolio performance.

*Inclusive of $6.3 million worth of non-recurring litigation expenses

GreenSky

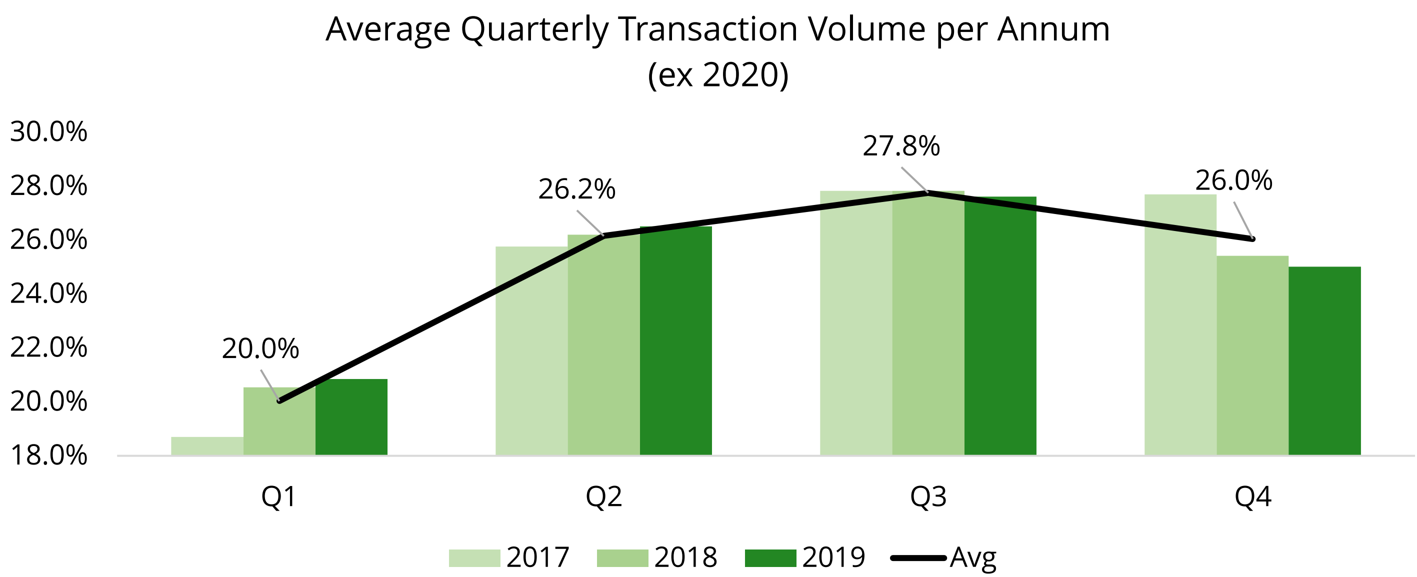
Revised Full Year 2021 Guidance

	Current 2021 Estimate	Previous 2021 Estimate
Transaction Volume	$6.2B to $6.5B	$6.2B to $6.5B
Revenue	$560M to $570M	~ $584M
Net Income (Loss)	$35M to $45M	+/- $0M
Adjusted EBITDA	$95M to $105M	$45M to $55M
Adjusted EBITDA Margin	17% to 19%	8% to10%

- 2021 Net Income and Adjusted EBITDA guidance includes upfront loan sale costs and potential impacts on reduced incentive payments in the second half of 2021 due to ongoing uncertainty of credit related to the pandemic
- Approximately $40M higher 2021 Net Income estimate is due to improving consumer credit trends and lower estimated loan sales costs in 2021
- Adjusted EBITDA Margins of approximately 30% are expected by mid-2022

Transaction Volume and Fee Rate Seasonality

Transaction Volume Seasonality: Quarterly volume trends are expected to more closely resemble pre-2020 levels



Transaction Fee Rate Seasonality: Sponsor rebates have impacted first quarter transaction fee rates

Transaction Fee %	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Average Transaction Fee %	6.9%	6.8%	6.9%	7.1%	6.8%	6.9%	6.9%	6.8%	6.6%	7.5%	7.3%	7.2%	6.6%
Avg. TF %, excluding Sponsor Rebates	7.1%	6.8%	6.9%	7.1%	7.1%	6.9%	6.9%	6.8%	6.7%	7.5%	7.3%	7.2%	6.9%

Modeling GreenSky's Revenue and Cost of Revenue

- Transaction fee revenue is calculated by multiplying transaction volume and transaction fee rate
- Servicing revenue is calculated by multiplying loan servicing portfolio and servicing fee rate
- Interest & other revenue is calculated by multiplying loan receivables held for sale and average APR

Revenue Inputs	Driver	2021 Assumptions
Transaction Fees	Origination Volume	~ 6.80%
Servicing Fees	Servicing Portfolio	1.05% to 1.20%
Interest and Other	Loan Receivables Held for Sale Portfolio and APR	$10M to $15M

- Cost of funds is comprised of bank waterfall and loan sale costs
  - **2021 cost of funds guidance has improved 50bps since our previous estimate**
- Servicing costs are call center and collection expenses associated with servicing loans
- Origination costs are call center, credit and processing fees, merchant management, and customer protection expenses

Cost of Revenue Inputs	Driver	2021 Assumptions
Cost of Funds	Servicing Portfolio	2.00% to 2.50%
Servicing Costs	Servicing Portfolio	0.55% to 0.65%
Origination Costs	Transaction Volume	0.45% to 0.55%

Q & A

Non-GAAP Reconciliation

- Reconciliation of Adjusted EBITDA
- Reconciliation of Adjusted Pro Forma Net Income
- Reconciliation of Adjusted Pro Forma Diluted EPS

GreenSky

Reconciliation of Adjusted EBITDA

($ in thousands)	Three months ended 3/31/2021	Three months ended 3/31/2020
Net income (loss)	$12,125	($10,919)
Interest expense [1]	6,614	5,620
Tax expense (benefit)	1,872	(895)
Depreciation and amortization	3,316	2,445
Share-based compensation expense [2]	3,712	3,499
Financial guarantee liability - Escrow [3]	—	18,408
Servicing asset and liability changes [4]	(7,505)	(2,306)
MTM on sales facilitation obligation [5]	8,608	—
Transaction and non-recurring expenses [6]	6,340	1,233
Adjusted EBITDA	**$35,082**	**$17,085**
Revenue	125,172	121,857
Adjusted EBITDA margin	**28%**	**14%**

[1] Interest expense on the Warehouse Facility and interest income on the loan receivables held for sale are not included in the adjustment above as amounts are components of cost of revenue and revenue, respectively.

[2] See Note 12 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 of the Form 10-Q for the quarter ended March 31, 2021 (the "Form 10-Q") for additional discussion of share-based compensation.

[3] Includes non-cash charges related to our financial guarantee arrangements with our ongoing Bank Partners, which are primarily a function of new loans facilitated on our platform during the period increasing the contractual escrow balance and the associated financial guarantee liability. In the fourth quarter of 2020, due to expectations that some of these financial guarantees may require cash settlement, the Company discontinued adjusting EBITDA for financial guarantees.

[4] Includes the non-cash changes in the fair value of servicing assets and liabilities related to our servicing arrangements with Bank Partners and other contractual arrangements.

[5] Mark-to-market on sales facilitation obligations reflects changes in the fair value in the embedded derivative for sales facilitation obligations. The changes in fair value are recognized as a mark-to-market expense in cost of revenue for the period. See Note 3 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 of the Form 10-Q for additional discussion.

[6] The three months ended March 31, 2021 primarily includes legal fees associated with IPO litigation and regulatory matter. The three months ended March 31, 2020, includes legal fees associated with IPO litigation and professional fees associated with our strategic alternatives review process.

GreenSky

Reconciliation of Adjusted Pro Forma Net Income

($ in thousands)	Three months ended 3/31/2021	Three months ended 3/31/2020
Net income	$12,125	($10,919)
Transaction and non-recurring expenses [1]	6,340	1,233
Incremental pro forma tax expense [2]	(3,263)	1,283
Adjusted Pro Forma Net Income	**$15,202**	**($8,403)**

[1] The three months ended March 31, 2021 primarily includes legal fees associated with IPO litigation and regulatory matter. The three months ended March 31, 2020, includes legal fees associated with IPO litigation and professional fees associated with our strategic alternatives review process.

[2] Represents the incremental tax effect on net income, adjusted for transaction and non-recurring expenses, assuming that all consolidated net income was subject to corporate taxation at a full year effective tax rate of 25.25% and 20.58% for the three months ended March 31, 2021 and 2020, respectively.

Reconciliation of Adjusted Pro Forma Diluted EPS

	Three months ended 3/31/2021	Three months ended 3/31/2020
GAAP Diluted EPS	$0.05	$(0.05)
Transaction and non-recurring expenses	0.04	0.01
Incremental pro forma tax expense(1)	(0.01)	(0.01)
Adjusted Pro Forma Diluted EPS(2)	**$0.08**	**$(0.05)**
Weighted average shares of Class A common stock outstanding – diluted	179,532,425	63,650,697

[1] Represents the incremental tax effect on net income, adjusted for transaction and non-recurring expenses, assuming that all consolidated net income was subject to corporate taxation at a full year effective tax rate of 25.25% and 20.58% for the three months ended March 31, 2021 and 2020, respectively.

[2] Adjusted Pro Forma Diluted EPS represents Adjusted Pro Forma Net Income divided by GAAP weighted average diluted shares outstanding.

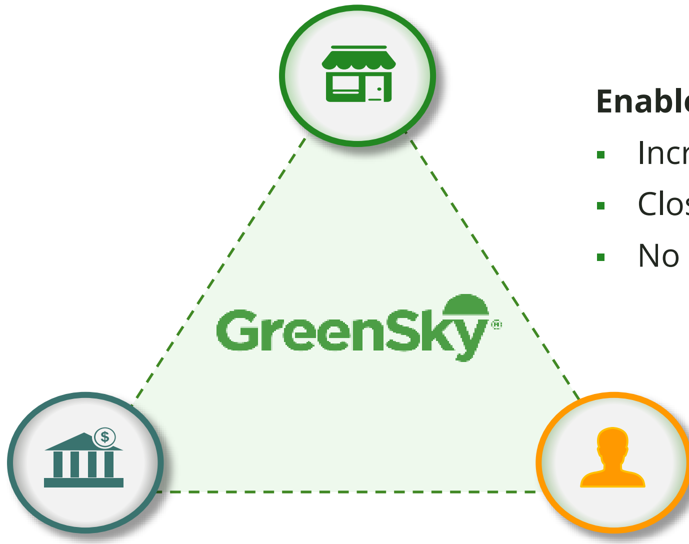
Appendix

GreenSky

GreenSky's Ecosystem

Our B2B2C technology platform helps businesses increase their revenue and accelerate their cash flow by eliminating friction historically associated with point-of-sale financing

Merchants



Enables sales and commerce

- Increase ticket sizes
- Close more sales
- No upfront capex or integration cost

Financing Partners

Access to prime and super prime consumers

- Better consumer credit exposure with attractive risk-adjusted yields
- National diversification with no customer acquisition costs
- Robust compliance framework

Consumers

Attractive payment and financing solutions

- "Apply and buy" in < minute at the POS
- Promotional terms are attractive relative to alternative payment options
- Intuitive interface for consumers

Key Differentiators and Strong Competitive Position

Proprietary State of the Art, Patented, Technology-Driven Platform

- Market-leading competitive advantage within lifecycle of loan, including originating, funding and servicing
- Deep domain expertise and ability to manage business at scale

Attractive Financial Model and Collateral Credit

- Highly recurring transactional model
- Market-leading funding sources: $9B+ in bank commitments, whole loans sales and capital markets
- Excellent super-prime/prime consumer credit profile

Attractive, Large and Growing Market

- More than $600 billion[1] estimated spend by consumers in currently targeted verticals
- Substantial demand for credit for purchases at the point-of-sale

Multi-Faceted Growth Drivers Propelling Long- Term Upside

- Merchants originating loans in all 50 states
- "Point-of-Search" as future opportunity
- Further penetrate existing merchants and expand into new verticals to introduce additional products and services

Positioned as Market Leader with Multiple Tailwinds

- Difficult-to-replicate business model and vast merchant network drives success
- Unrivaled consumer and merchant experience
- Profitable, scalable, technology-driven recurring model

1. Sources: Joint Center for Housing Studies of Harvard University, IBIS Worldwide, Future Market Insight-US Vision Correction Market, VCA 2017 Annual Report, Grandview Research.

Key Growth Strategies

Continued Organic Growth – Increase Market Share

- **Continue building merchant relationships** with Sponsor groups and large volume partners
- **Home Improvement** remains highly fragmented with great opportunity for additional penetration
- **Patient Solutions** recovery and growth

Complementary Products – Cross Sell

- Leverage **affinity** relationships to offer new and existing customers desired products (Mortgage Refinance, etc.)
- Drive net **new product** offerings to customers (Credit Card, Secured, other)

New industry Verticals

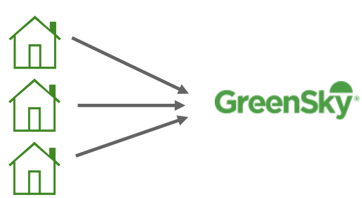
- **Expand offerings** into homeowner-focused markets which align to GreenSky customer base
- Continue focusing on industry-leading, **high quality e-Commerce**

Widen Spectrum of Constituents

- Develop credit products for customers throughout the **entire credit spectrum**
- Further expand bank partners and **funding** sources

GreenSky leverages a multi-channel strategy to acquire and onboard home improvement merchants

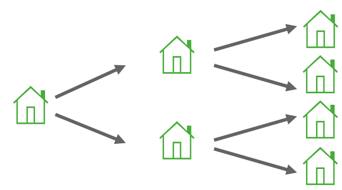
Inbound/Self-serve



- GreenSky's marketing and market awareness drive merchants to enroll online or via inbound calls
- Majority of merchants have annual transaction volume <$2mm

Driven by informed need

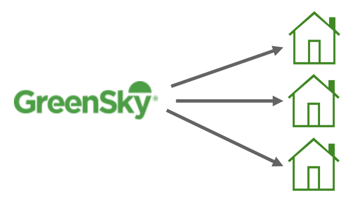
Organic referral



- Referrals from existing merchants and/or their salespeople
- Formalized merchant referral program as part of larger merchant channel strategy

Driven by low-cost word of mouth

Direct to merchant



- No intermediary between GreenSky and the merchant
- Majority of merchants have annual transaction volume between $1mm-$10mm

Optimized for high-value merchants

Sponsors

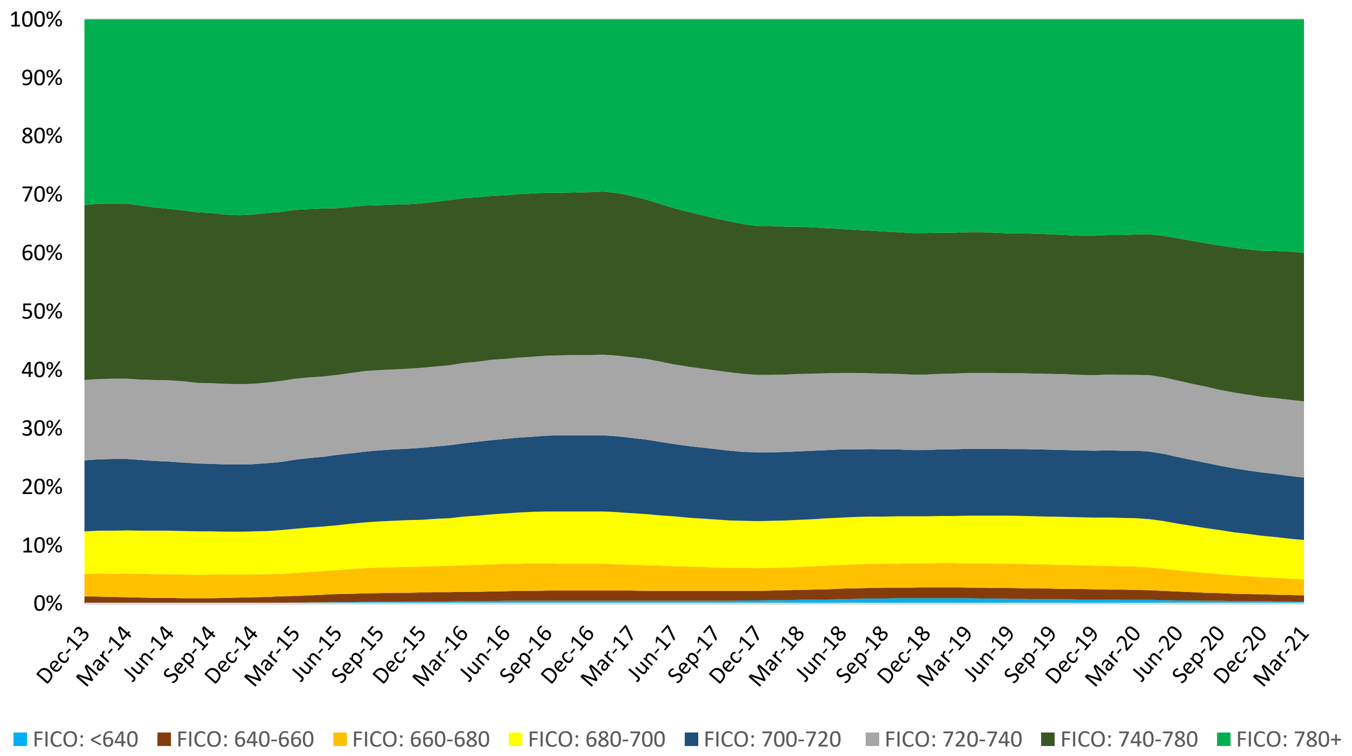
- Manufacturers and trade associations with vast networks of merchants in a particular product sphere

Driven by aligned incentives

Total Loan Servicing Portfolio FICO Distribution

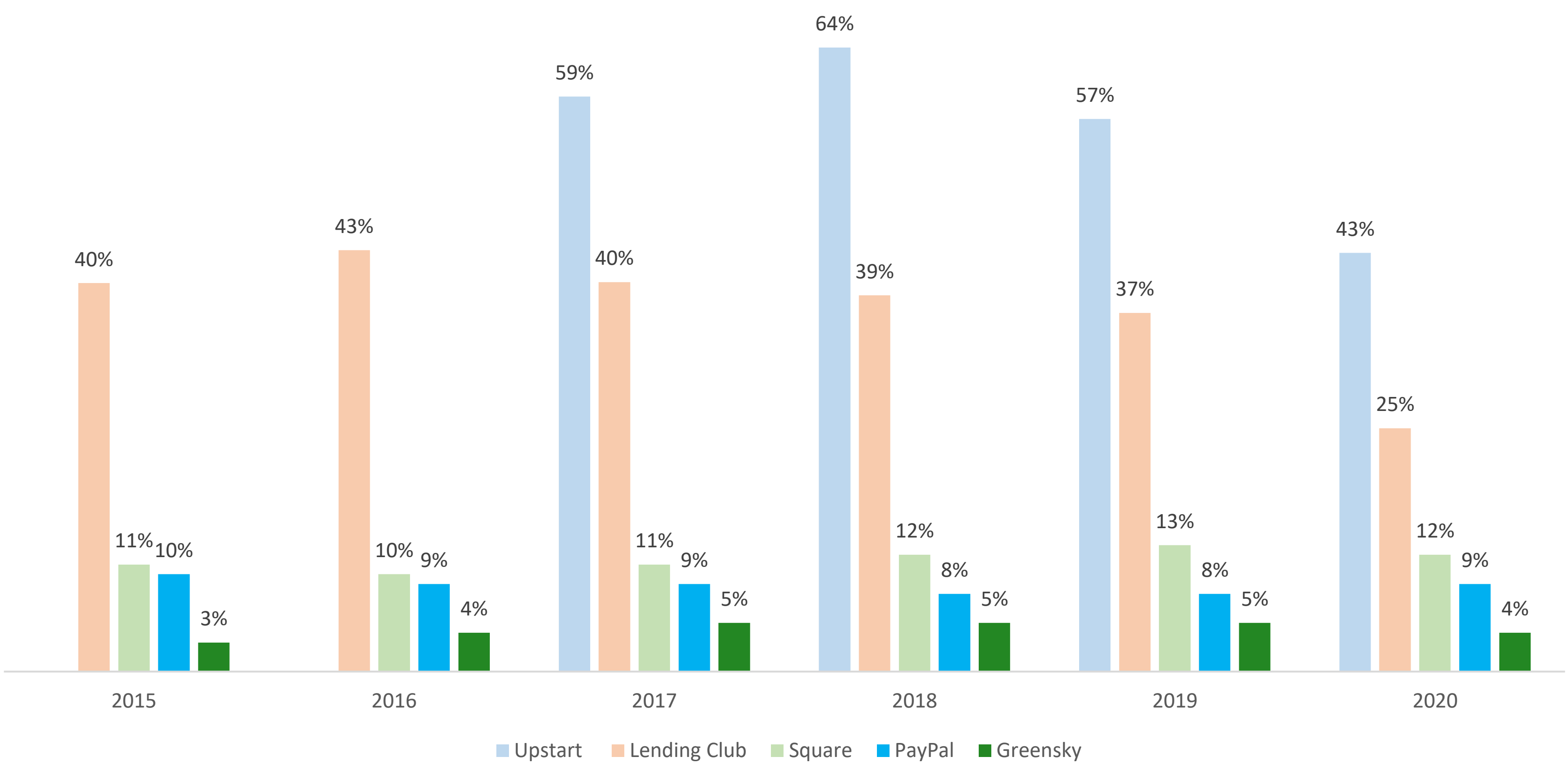
- Long, historical track record of high credit quality prime and superprime consumers
- High credit quality benefits GSKY with strong incentive payment performance and is a value differentiator to our bank funding partners and institutional investors

✓ **1% below 660 FICO** ✓ **89% over 700 FICO** ✓ **65% over 740 FICO** ✓ **40% over 780 FICO**



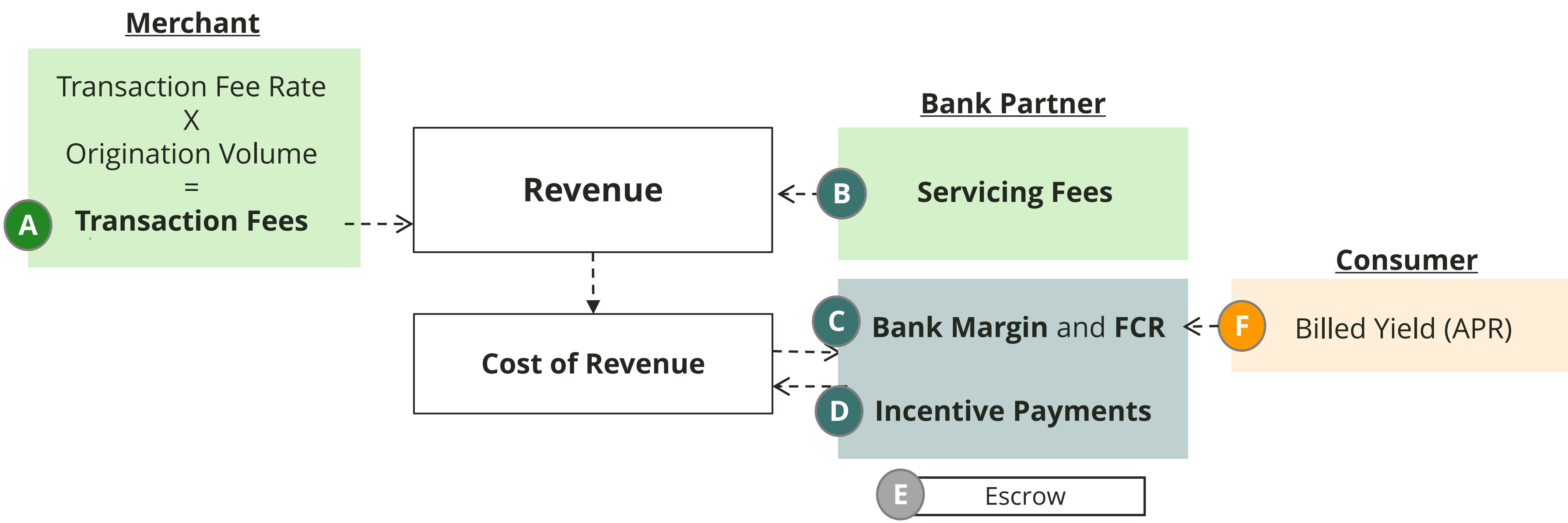
Best-in-Class Merchant and Customer Acquisition Model

Sales and Marketing Expense as % of Revenue



*GreenSky's sales and marketing expense includes salary and benefits expenses as well as all other expenses directly related to sales and marketing departments.

GreenSky's Bank Waterfall Economic Model

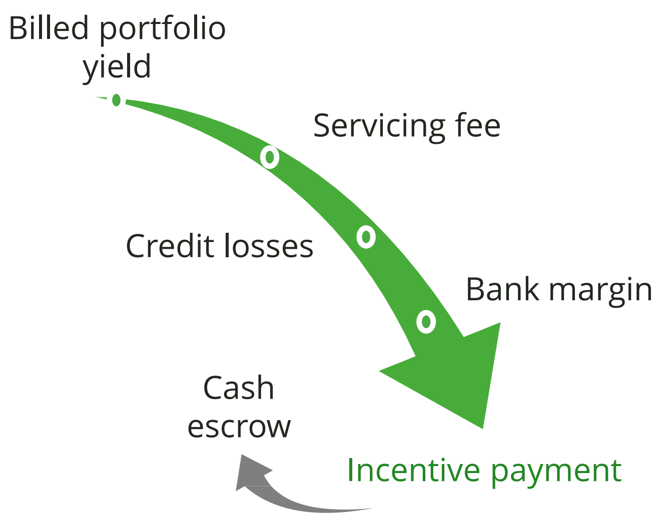


- **A** **Transaction Fees:** Paid by a merchant to GSKY on every dollar transacted on the GSKY platform. Transaction Fee Rate is directly related to the APR of the loan products offered by the merchant to its consumers.
- **B** **Servicing Fees:** Paid by bank partners to GSKY monthly on the loan servicing portfolio.
- **C** **Bank Margin and Finance Charge Reversals ("FCR"):** The contractual agreed upon portfolio yield received by the bank partner and settlements to bank partners for the Finance Charge Reversals on deferred interest loans paid off during the promotional period.
- **D** **Incentive Payments:** Paid by bank partners to GSKY monthly. Our contracts with our bank partners entitle us to incentive payments when billed finance charges to borrowers are greater than the sum of the bank margin, a fixed servicing fee and realized credit losses.
- **E** **Escrow:** Cash held in escrow and distributed to bank partners only if credit losses exceed the agreed-upon threshold. GSKY's financial exposure is limited to the agreed-upon escrow amount.
- **F** **APR:** is the billed rate of interest to consumers. The type of promotional financing is directly related to transaction fees charged to the merchants.

Funding Diversification

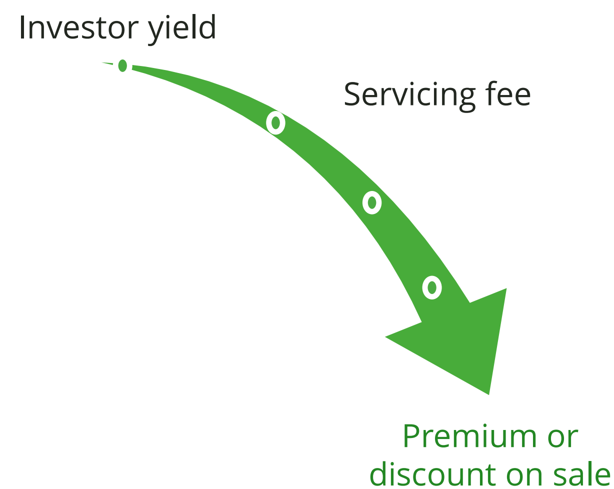
- Our Bank Waterfall continues to be the foundation of GreenSky's robust funding structure
- Loan sales provide diversification to support volume growth and reduce variability of earnings

Bank Waterfall



- *Cost of funds is based on bank margin reduced by incentive payments that are earned through the positive credit performance*

Asset Sales



- *Cost of funds is the discount, if any, anticipated or realized on the sale of the loans*

- GreenSky targets loan-level profitability based on the transaction fees and servicing fees over the life of the loan, in excess of operating costs and cost of funds
- Whether funded through bank waterfall commitments or sold to third parties, GreenSky's profitability is driven by the related cost of funds, and our efficient origination and servicing costs

Cost of Revenue

($ in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Transaction Volume	$1,372	$1,358	$1,475	$1,311	$1,296
Average Loan Servicing Portfolio	9,214	9,286	9,475	9,552	9,434

($ in thousands)					
Cost of revenue					
Origination related	$6,642	$6,115	$7,405	$5,911	$5,304
% of transaction volume	0.5%	0.5%	0.5%	0.5%	0.4%
Servicing related	13,159	12,363	13,406	14,251	13,542
% of avg. loan servicing portfolio (annualized)	0.6%	0.5%	0.6%	0.6%	0.6%
Operational Cost of Revenue	**19,801**	**18,478**	**20,811**	**20,162**	**18,846**
% of avg. serviced portfolio (annualized)	0.9%	0.8%	0.9%	0.8%	0.8%
Bank waterfall costs	52,504	36,050	21,832	36,632	26,417
% of avg. bank loan servicing portfolio (annualized)	2.3%	1.6%	1.0%	1.7%	1.3%
Loan and loan participation sales costs	0	10,849	31,823	29,685	10,126
% of avg. loan servicing portfolio (annualized)	0.0%	0.5%	1.3%	1.2%	0.4%
Mark-to-Market on sales facilitation obligations	0	0	18,262	(7,607)	8,608
% of avg. loan servicing portfolio (annualized)	0.0%	0.0%	0.8%	-0.3%	0.4%
Cost of Funds	**52,504**	**46,899**	**71,917**	**58,710**	**45,151**
% of avg. serviced portfolio (annualized)	2.3%	2.0%	3.0%	2.5%	1.9%
Total Cost of revenue	**$72,305**	**$65,377**	**$92,728**	**$78,872**	**$63,997**
% of avg. serviced portfolio (annualized)	3.1%	2.8%	3.9%	3.3%	2.7%

Origination and Servicing Related

Origination: Call center personnel, credit and processing fees, merchant management, and customer protection expenses related to origination services for Bank Partners.

Servicing: All call center personnel, printing, postage and collection expenses associated with servicing Bank Partner loans.

Fair Value Change in FCR Liability

Fair value changes reflect the increase or decrease in our expected obligation to return billed interest to our Bank Partners in the future, which is positively impacted by incentive payments and receipts from Charged-Off Receivables investors.

Loan & Loan Participation Sales Costs

These amounts primarily include interest expense on the Warehouse Facility, lower of cost or fair value adjustments on our Warehouse Loan Participations, certain fees and the amortization of deferred debt issuance costs incurred in connection with obtaining the Warehouse Facility.

MTM on sales facilitation obligations

MTM on sales facilitation obligations reflects the changes in the fair value in the embedded derivative for SPV loan participation commitments and are recognized as a mark-to-market in cost of revenue for the period.

*Represents a non-cash expense that is adjusted in Adjusted EBITDA

Fair Value Change in Bank Waterfall Finance Charge Reversal Liability

Component Analysis

($ in millions)		Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Average bank partner loan servicing portfolio		**$9,214**	**$9,099**	**$8,796**	**$8,381**	**$8,041**
Quarterly Run-Off Rate (change in AUM less originations)		*13%*	*14%*	*14%*	*13%*	*13%*

($ in thousands)						
FCR liability roll-forward (excluding receipts)						
Beginning balance		$206,035	$213,158	$198,755	$187,512	$185,134
Settlements		(90,089)	(110,053)	(95,706)	(87,120)	(95,381)
Expense for FCR (excluding Receipts)	A	97,212	95,650	84,463	84,742	77,683
Ending balance		**$213,158**	**$198,755**	**$187,512**	**$185,134**	**$167,436**
Receipts						
Incentive payments		$42,453	$55,759	$57,525	$42,833	$44,078
Proceeds from charged-off receivables transfers		0	0	0	0	0
Recoveries on previously charged-off loans (unsold)		2,255	3,841	5,106	5,277	7,188
Total Receipts	**B**	**$44,708**	**$59,600**	**$62,631**	**$48,110**	**$51,266**
Fair value change in FCR Liability	**=A - B**	**$52,504**	**$36,050**	**$21,832**	**$36,632**	**$26,417**

% of average bank partner loan servicing portfolio:

FCR liability roll-forward (excluding receipts)						
Settlements (annualized)		(3.91%)	(4.84%)	(4.35%)	(4.16%)	(4.74%)
Expense for future Finance Charge Reversals / "FCR rate" (annualized)	C	4.22%	4.20%	3.84%	4.04%	3.86%
Ending balance of FCR Liability		2.31%	2.18%	2.13%	2.21%	2.08%
Receipts (annualized)						
Incentive payments		1.84%	2.45%	2.62%	2.04%	2.19%
Proceeds from charged-off receivables transfers		0.00%	0.00%	0.00%	0.00%	0.00%
Recoveries on previously charged-off loans		0.10%	0.17%	0.23%	0.25%	0.36%
Total Receipts (annualized)	**D**	**1.94%**	**2.62%**	**2.85%**	**2.30%**	**2.55%**
Fair value change in FCR Liability (annualized)	**= C - D**	2.28%	1.58%	0.99%	1.75%	1.31%

GreenSky

Bank Waterfall – Finance Charge Reversal Liability

($ in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Average Bank Partner Loan Servicing Portfolio	$9,214	$9,099	$8,796	$8,381	$8,041
($ in thousands)					
Beginning balance	$206,035	$213,158	$198,755	$187,512	$185,134
Receipts	44,708	59,600	62,631	48,110	51,266
% of avg. bank partner loan servicing portfolio (annualized)	*1.9%*	*2.6%*	*2.8%*	*2.3%*	*2.6%*
Settlements	(90,089)	(110,053)	(95,706)	(87,120)	(95,381)
% of avg. bank partner loan servicing portfolio (annualized)	*(3.9%)*	*(4.8%)*	*(4.4%)*	*(4.2%)*	*(4.7%)*
Fair value change in FCR liability	52,504	36,050	21,832	36,632	26,417
% of avg. bank partner loan servicing portfolio (annualized)	*2.3%*	*1.6%*	*1.0%*	*1.7%*	*1.3%*
Ending balance	$213,158	$198,755	$187,512	$185,134	$167,436
% of avg. bank partner loan servicing portfolio	*2.3%*	*2.2%*	*2.1%*	*2.2%*	*2.1%*

FCR related Receipts

- In general, Q2 & Q3 receipts are the high points of the year.
- Seasonal patterns in credit losses create variability quarter to quarter.

FCR related Settlements

- Settlement activity increased primarily as a result of continued growth in billed finance charges on loans in promotional status.

Fair value change in FCR Liability

- A component of Cost of Revenue and represents the amount necessary to build the FCR liability balance to required level based on forecasted FCR settlements.

FCR Liability Ending Balance

- Our weighted average future reversal rate of billed finance charges assumption was 89.9% as of March 31, 2021.