Third Quarter 2020 Financial Results
November 10, 2020

Today's Speakers

Tom Morabito
Vice President,
Investor Relations

David Zalik
Chairman &
Chief Executive Officer

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Vice Chairman &
Chief Administrative Officer

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Executive Vice President &
Chief Financial Officer

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; 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 lifetime cost of funds associated with future loan sale transactions. 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; 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®

Powering Commerce at the Point of Sale®

Nasdaq: GSKY

Our Mission:

To help businesses grow and delight their customers.

Our Vision:

To lead the future of payments, enabling accelerated commerce and transparency for all.

Our Company:

Founded in 2006, and publicly-traded since May 2018, GreenSky is a technology company providing point of sale financing and payment solutions to a growing ecosystem of merchants, consumers, bank partners and investors.

Go-to-market via approximately 16,000 active home improvement merchants and elective healthcare providers located throughout the U.S.

Approximately 3.6 million consumers have financed over $26 billion of transactions through the GreenSky Platform.

All figures as of 9/30/2020

3Q'20 Highlights

GreenSky Ecosystem	Volume, Scale and Profitability	
16K Active Merchants and Providers	**$1.5B** Transaction Volume (10%) YoY	**7.3%** Average Transaction Fee Rate +40 bps YoY
~3.6M Cumulative Consumers	**$9.5B** Loan Servicing Portfolio +9% YoY	**1.04%** 30+ Day Delinquency % 25bps improvement YoY
$26B Cumulative Originations	**$142M** Revenue (7%) YoY	**$39M** Adjusted EBITDA[1] +17% YoY

Figures are as of, or for the quarter ended September 30, 2020. Change is relative to figures as of, or for the quarter ended September 30, 2020.

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

3Q'20 Highlights

COVID-19 Update

- Sustained effort to enhance our technology infrastructure so that we can continue to serve our merchants and consumers
- GreenSky's workforce continues the effective work-at-home program implemented in mid-March

Funding Diversification

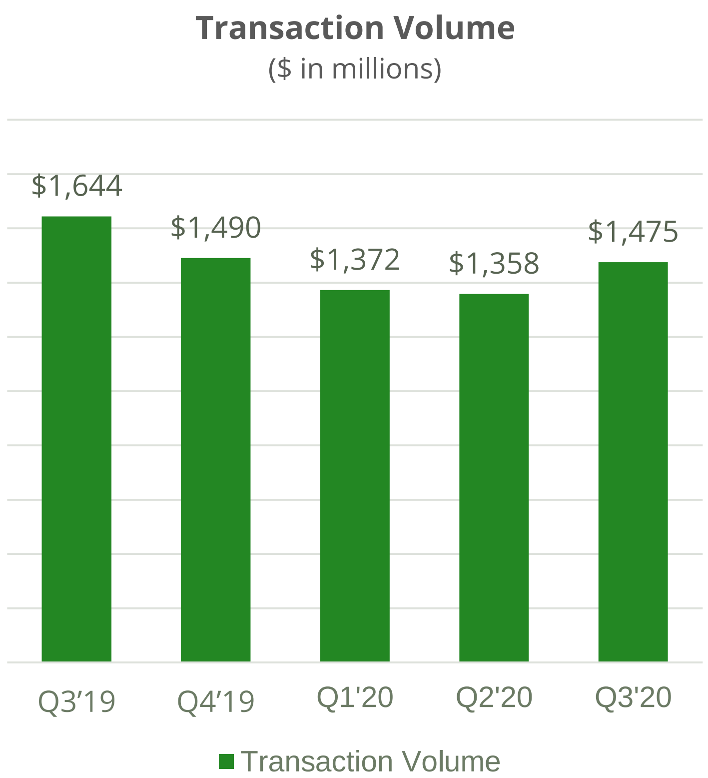
- Over $2.5B in funding initiatives completed
  - $1.8B strategic bank alliance
  - $775M in loan portfolio sales
  - Additional $100M expansion in existing bank commitment

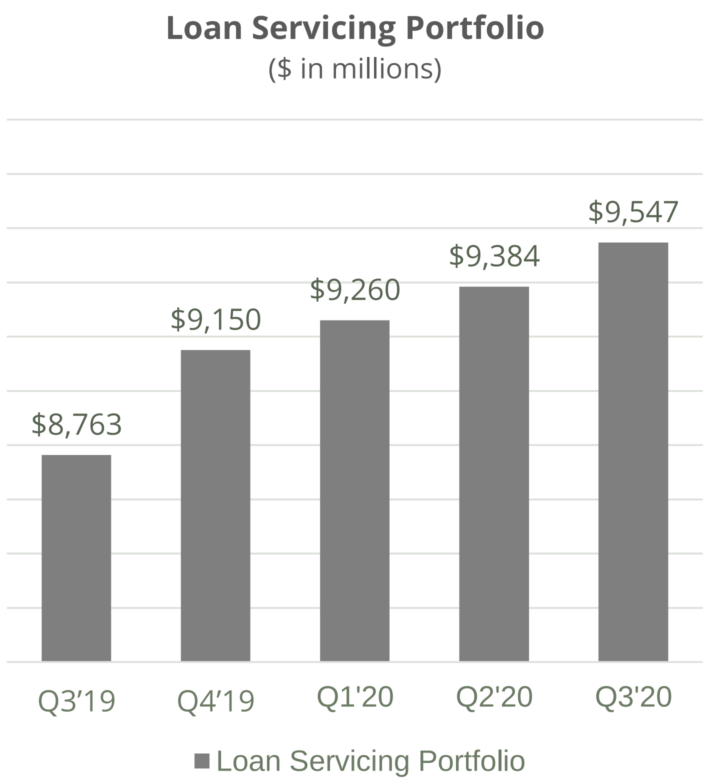
Looking Forward

- Expected full year 2020 transaction volume of ~$5.4B
- Forecasted full year 2021 transaction volume targeting mid-teens growth
- As the impacts of the COVID-related recession dissipate, long term and sustainable annualized Adjusted EBITDA Margins of approximately 25%

Strong Transaction Volume and Growing Servicing Portfolio

- Q3 transaction volume of $1.5B was down year over year, but grew compared to 2Q'20
- $9.5B loan servicing portfolio increased 9% from the third quarter of 2019 and reflects a record portfolio size for GreenSky



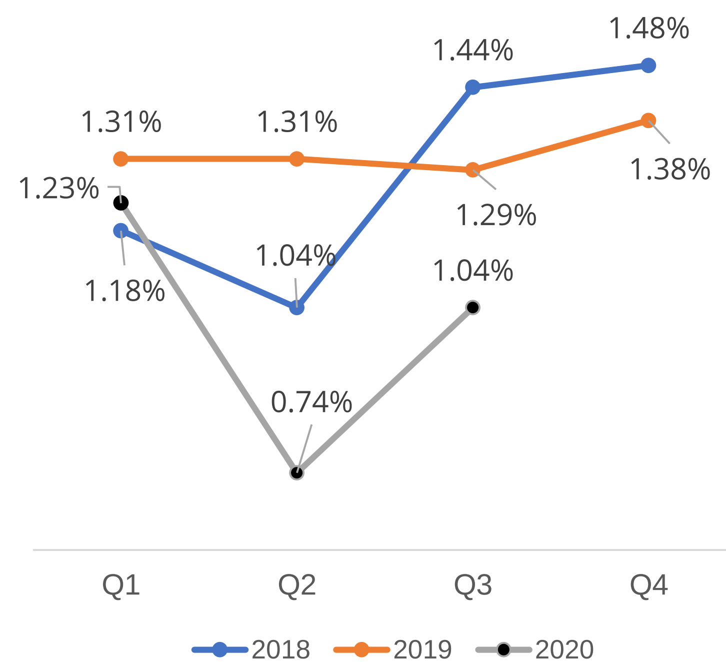


Strong Credit Performance

- Weighted average FICO scores of loans originated in Q3 and of the overall servicing portfolio remain at all time highs
- 30+ day delinquencies improved 25 bps compared to the same quarter in 2019, demonstrating continued positive credit performance, despite the impact of COVID-19

Weighted Average FICO Scores

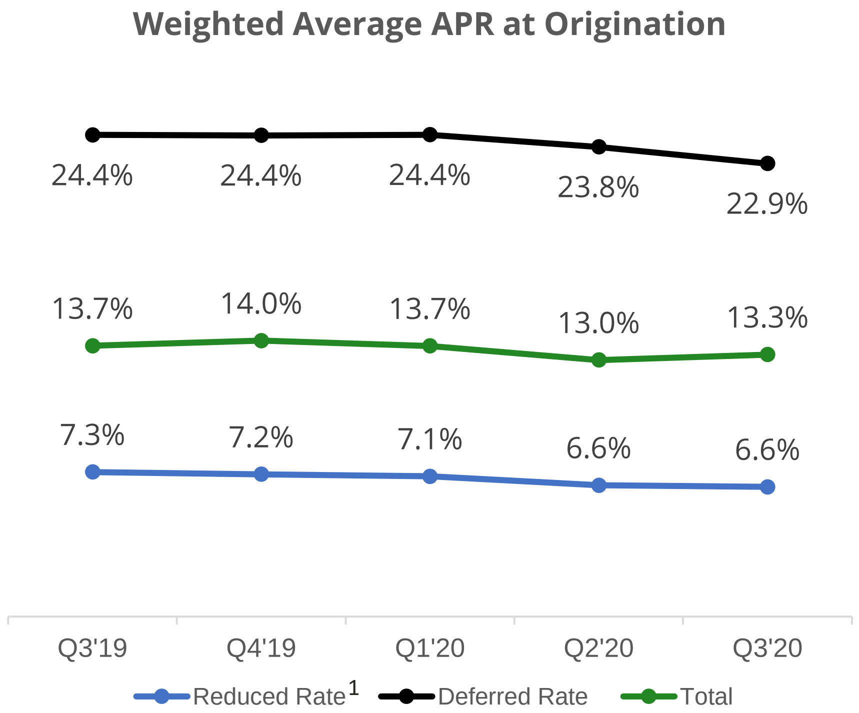
Delinquency %[1] (30+ days)

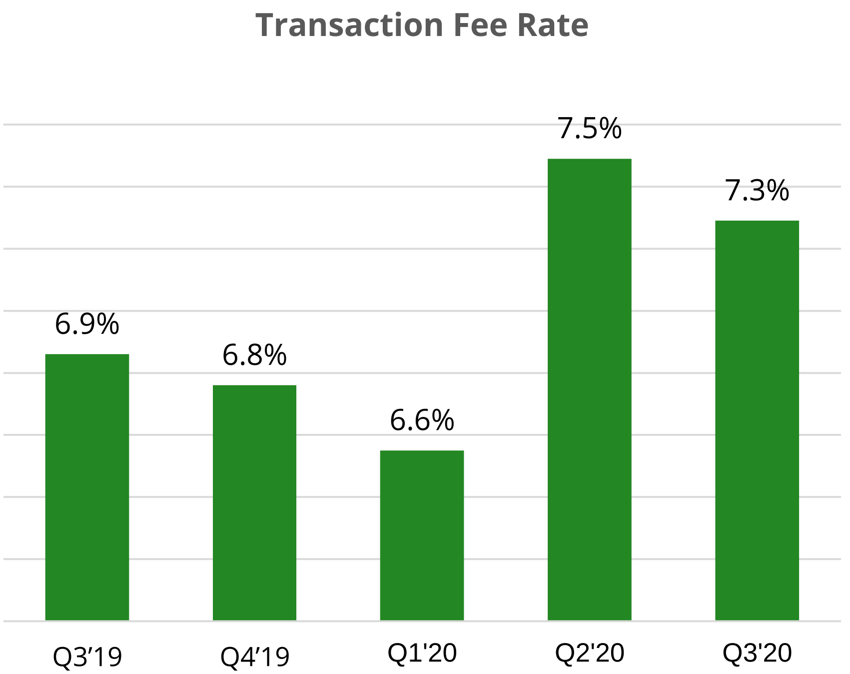


[1]Represents delinquencies of 30+ days as a percentage of balance with payment due; delinquency percentages do not include any accounts in payment deferral.

Yield & Transaction Fee Rate

- Overall weighted average APR for new originations in Q3 increased to 13.3%
- Transaction fee rate of 7.3% continues to be elevated compared to 2019
- Solar remains approximately 1% of total originations

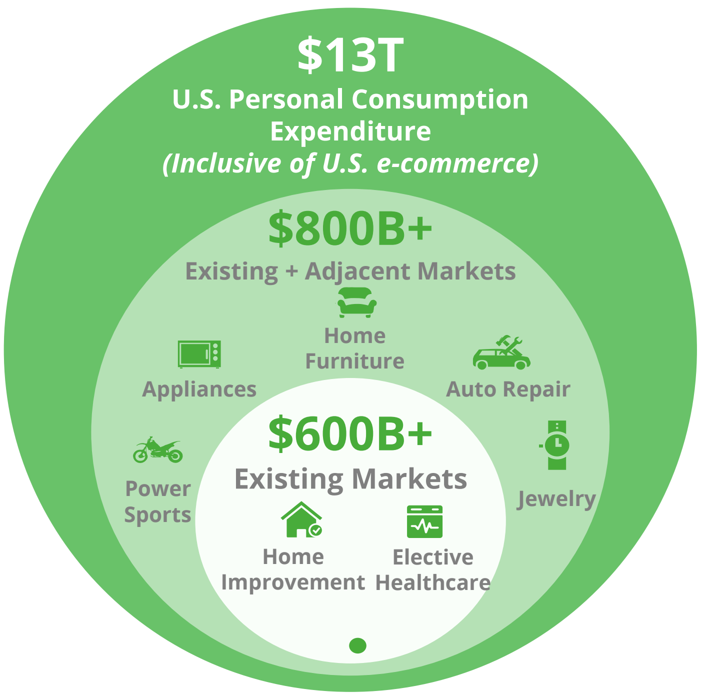




[1] Reduced Rate category includes zero interest loans.

GreenSky's Merchant Ecosystem

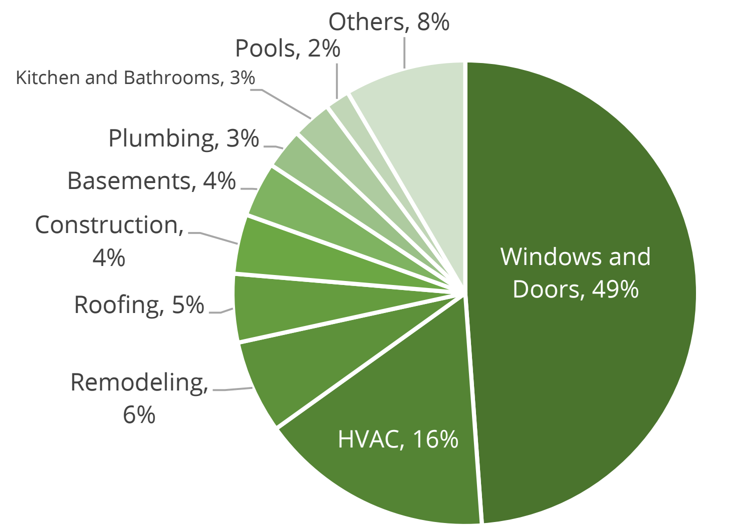
Robust network of approximately 16,000 active merchants



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

Home Improvement

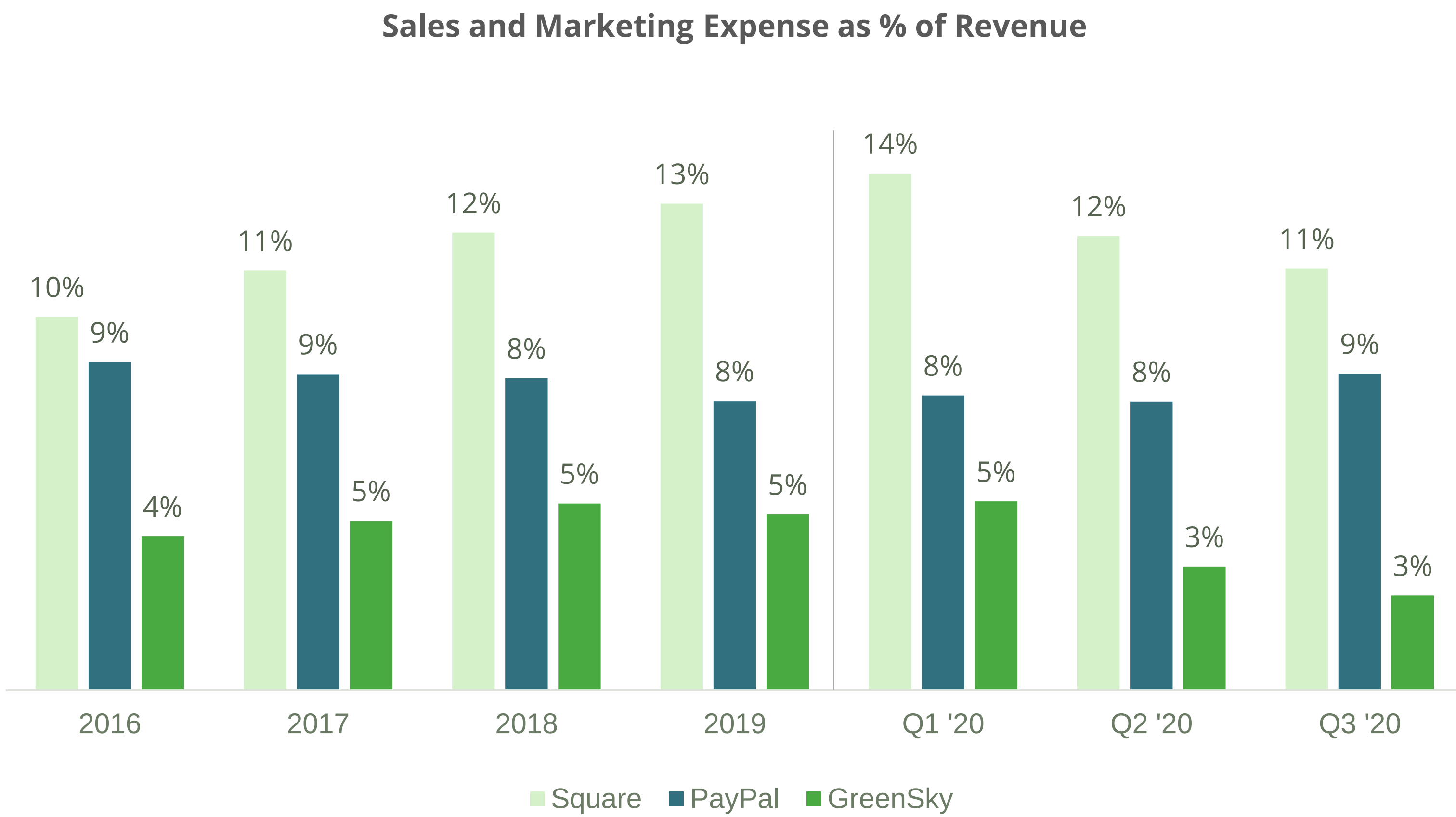
Q3'20 Home Improvement Categories (% of Transaction Volume)



Elective Healthcare

- Doctors
- Dentists
- Vision Correction
- Non-invasive cosmetics
- Reproductive medicine
- Veterinary Clinics

Best-in-Class Merchant and Customer Acquisition Model



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

Q3 2020 Financial Results

($ in thousands, except per share data)	Three months ended 9/30/2020	Three months ended 9/30/2019	Nine months ended 9/30/2020	Nine months ended 9/30/2019
Transaction Fees	107,538	112,782	299,199	305,195
Servicing	27,446	40,626	87,210	90,577
Interest Income	7,039	121	10,433	907
Total revenue	**$142,023**	$153,529	**$396,842**	$396,679
Cost of revenue	92,346	65,278	229,442	180,099
Financial Guarantee Expense	(302)	1,117	28,354	4,035
Other Operating Expenses	40,763	36,990	117,952	104,294
Total Costs and Expenses	**$132,807**	$103,385	**$375,748**	$288,428
Operating Profit	**$9,216**	$50,144	**$21,094**	$108,251
Other Income (expense)	(6,208)	(4,536)	(15,048)	(21,110)
Income Tax Expense (benefit)	197	1,533	799	(3,528)
Net income	**$2,811**	$44,075	**$5,247**	$90,669
Adjusted EBITDA	$38,709	$33,112	$95,624	$81,306
Adjusted EBITDA Margin	27.3%	21.6%	24.1%	20.5%
GAAP Diluted EPS	$0.01	$0.23	$0.02	$0.46
Weighted avg. shares outstanding, diluted (millions)	178.1	177.1	177.5	180.3

Columns may not add due to rounding.
Adjusted EBITDA is a non-GAAP measure. See Appendix for reconciliation to U.S. GAAP.

Strong Recurring Revenues

Built Upon Repeat Usage by Merchants

Transaction Fees

- 75% of 9 Mo’20 total revenue
- Average transaction fee of 7.12% for 9 Mo’20

Servicing Fees

- 22% of 9 Mo‘20 total revenue
- Average servicing fee rate increased to 1.25% for 9 Mo‘20 from 1.09% for 9 Mo‘19
- Adjusting for the non-cash servicing asset in 2019, servicing fee revenue was up 33% for 9 Mo‘20

Interest Income

- 3% of 9 Mo‘20 total revenue
- Attributable to interest income earned from loan receivables held for sale on-balance sheet

Percentage of Total Revenue may not add due to rounding.

Cost of Revenue

- Originations and servicing related costs are stable YoY
- Fair value change in FCR liability improved significantly in the third quarter due to strong incentive payments received, up 68% YoY, and stable FCR expense
- Gross cost of revenue, as a % of the average servicing portfolio, including the mark-to-market ("MTM") on receivables held for sale on-balance sheet, was stable YoY at 3.1%
- MTM on purchase commitments of off-balance sheet obligations were $18M in Q3 and reflected as a non-cash item in our Adjusted EBITDA

($ in millions)	Q3'20	Q3'19
Transaction volume	1,475	1,644
Average loan servicing portfolio	9,475	8,488

($ in thousands)		
Cost of revenue		
Origination related	$7,271	$9,828
% of transaction volume	*0.5%*	*0.6%*
Servicing related	13,158	11,834
% of avg. servicing portfolio (annualized)	*0.6%*	*0.6%*
Fair value change in FCR liability	21,832	43,616
% of avg. servicing portfolio (annualized)	*0.9%*	*2.1%*
Loan and loan participation sales costs	31,823	-
% of avg. servicing portfolio (annualized)	*1.3%*	*0.0%*
Gross cost of revenue before MTM on sales facilitation obligations	**74,084**	**65,278**
% of avg. servicing portfolio (annualized)	*3.1%*	*3.1%*
MTM on sales facilitation obligations	18,262	-
% of avg. servicing portfolio (annualized)	*0.8%*	-
Total cost of revenue	**92,346**	**65,278**
% of avg. serviced portfolio (annualized)	*3.9%*	-

($ in thousands)	Q3'20	Q3'19
FCR liability roll-forward (excluding receipts)		
Beginning balance	198,755	164,979
Settlements	(95,706)	(68,838)
Expense for FCR (excluding receipts)	84,463	86,849
FCR liability ending balance	**187,512**	**182,990**
Receipts		
Incentive payments	$57,525	34,167
Proceeds from charged-off receivables	-	7,921
Recoveries on previously charged-off loans (unsold)	5,106	1,145
Total Receipts	**$62,631**	**$43,233**
Fair value change in FCR liability	**$21,832**	**$43,616**

GreenSky

Diverse Funding to Support Growth

Bank Waterfall

As of September 30, 2020

Bank	Maximum Commitment ($M)	% of Max. Commitment
Partner 1	$2,000	25%
Partner 2	$2,000	25%
Partner 3	$1,500	19%
Partner 4	$1,000	12%
Partner 5	$800	10%
Partner 6	$500	6%
Partner 7	$200	2%
Partner 8	$100	1%
Total	**$8,100**	**100%**

- **$1.5B** of aggregate existing funding commitments are unused as of 9/30/20
- **$2.1B** of additional revolving capacity expected to become available through the Q3 2021
- **$3.8B** of bank partner renewals since June 30
- **$100M** commitment increase by existing bank partner in Q3
- **$600M[1]** per year of new bank partner commitment completed in October 2020
  - Up to total of $1.8 billion over 3 years
  - Focused on Elective Healthcare

Asset Sales

- SPV functioning as planned for loan participations held for sale
- First sale from SPV successfully completed in Q3
- Approximately $775M sales in September and October
- Capital markets transactions are estimated to represent approximately 20% of FY 2021 originations

[1] Bank partner commitment is not revolving

Q & A

Non-GAAP Reconciliation

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

Reconciliation of Adjusted EBITDA

($ in thousands)	Three months ended 9/30/2020	Three months ended 9/30/2019	Nine months ended 9/30/2020	Nine months ended 9/30/2019
Net income	$2,811	$44,075	$5,247	$90,669
Interest expense [1]	6,775	5,634	18,289	18,200
Tax expense (benefit)	197	1,533	799	(3,528)
Depreciation and amortization	2,973	1,955	8,180	5,117
Equity-based compensation expense [2]	4,338	3,781	11,318	9,724
Change in financial guarantee liability [3]	(2,382)	(320)	26,274	(36)
Servicing asset and liability changes [4]	368	(16,174)	(1,370)	(24,809)
MTM on SPV purchase commitments [5]	18,262	-	18,262	-
Discontinued charged-off receivables programs [6]	-	(7,921)	-	(22,703)
Transaction and non-recurring expenses [7]	5,367	549	8,625	8,672
Adjusted EBITDA	**$38,709**	**$33,112**	**$95,624**	**$81,306**
Revenue	142,023	153,529	396,842	396,679
Adjusted EBITDA margin	**27%**	**22%**	**24%**	**20%**

[1] Includes interest expense on our term loan. Interest expense on the SPV Facility and its related loans receivables held for sale are excluded from the adjustment above as such amounts are a component of cost of revenue in our on-going business.

[2] Includes equity-based compensation to employees and directors, as well as equity-based payments to non-employees.

[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.

[4] Includes the non-cash changes in the fair value of servicing assets and servicing liabilities related to our servicing assets associated with Bank Partner agreements and other contractual arrangements. 2019 amounts have been updated to be consistent with the Company's 2020 presentation in accordance with our Non-GAAP policy.

[5] MTM 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.

[6] Includes the amounts related to the now discontinued program of transferring our rights to charged-off receivables to third parties. 2019 amounts have been updated to be consistent with the Company's 2020 presentation in accordance with our Non-GAAP policy.

[7] For the three and nine months ended September 30, 2020, includes professional fees and other costs associated with our strategic alternatives review process and IPO related litigation, as well as increased costs resulting from the COVID-19 pandemic. For the three months ended September 30, 2019, includes legal fees associated with IPO related litigation. For the nine months ended September 30, 2019, includes the following: (i) legal fees associated with IPO related litigation of $959 thousand, (ii) one-time tax compliance fees related to filing the final tax return for the Former Corporate Investors associated with the Reorganization Transactions of $160 thousand, and (iii) lien filing expenses related to certain Bank Partner solar loans of $621 thousand.

Reconciliation of Adjusted Pro Forma Net Income

	Three months ended		Nine months ended	
($ in thousands)	**9/30/2020**	**9/30/2019**	**9/30/2020**	**9/30/2019**
Net income	$2,811	$44,075	$5,247	$90,669
Discontinued charged-off receivables program(1)	-	($7,921)	-	(22,703)
Transaction and non-recurring expenses(2)	5,367	549	8,625	8,672
Incremental pro forma tax expense(3)	(1,929)	(1,229)	(3,307)	(10,071)
Adjusted Pro Forma Net Income	**$6,249**	**$35,474**	**$10,565**	**$66,567**

[1] Includes the amounts related to the now discontinued program of transferring our rights to charged-off receivables to third parties. 2019 amounts have been updated to be consistent with the Company's 2020 presentation in accordance with our Non-GAAP policy.

[2] For the three and nine months ended September 30, 2020, includes professional fees and other costs associated with our strategic alternatives review process and IPO related litigation, as well as increased costs resulting from the COVID-19 pandemic. For the three months ended September 30, 2019, includes legal fees associated with IPO related litigation. For the nine months ended September 30, 2019, includes the following: (i) legal fees associated with IPO related litigation of $959 thousand, (ii) one-time tax compliance fees related to filing the final tax return for the Former Corporate Investors associated with the Reorganization Transactions of $160 thousand, and (iii) lien filing expenses related to certain Bank Partner solar loans of $621 thousand.

[3] Represents the incremental tax effect on net income, adjusted for the discontinued charged-off receivables program and transaction and non-recurring expenses, assuming that all consolidated net income was subject to corporate taxation at a full year effective tax rate of 25.39% and 27.93% for the three and nine months ended September 30, 2020, respectively, and effective tax rates of 7.23% and 8.95% for the three and nine months ended September 30, 2019, respectively.

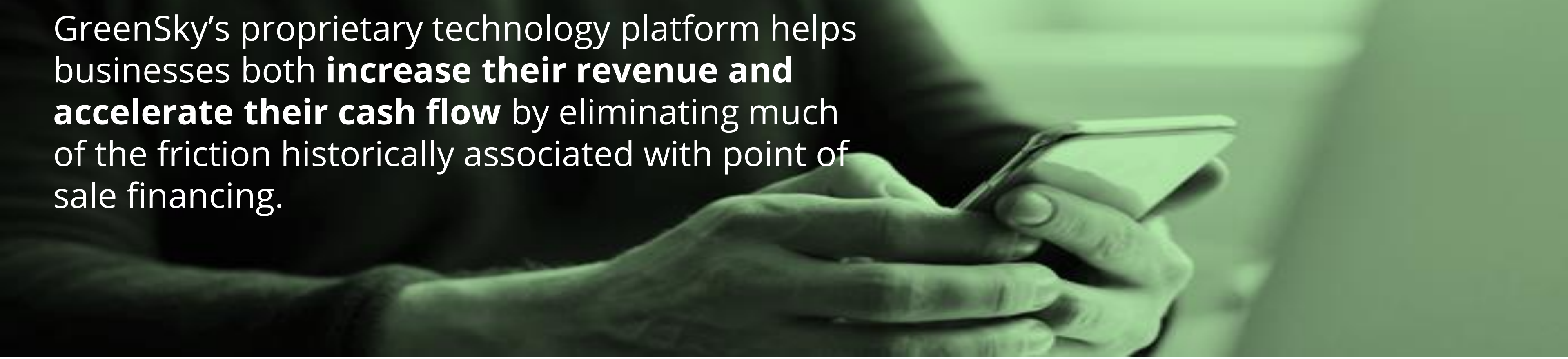
Reconciliation of Adjusted Pro Forma Diluted EPS

($ in thousands)	Three months ended 9/30/2020	Three months ended 9/30/2019	Nine months ended 9/30/2020	Nine months ended 9/30/2019
GAAP Diluted EPS	$0.01	$0.23	$0.02	$0.46
Discontinued charged-off receivables program	-	(0.04)	-	(0.14)
Transaction and non-recurring expenses	0.03	-	0.05	0.05
Incremental pro forma tax expense(1)	(0.01)	0.01	(0.01)	-
Adjusted Pro Forma Diluted EPS(2)	**$0.03**	**$0.20**	**$0.06**	**$0.37**
Weighted average shares of Class A common stock outstanding – diluted	178,057,682	177,054,114	177,536,866	180,330,109

[1] Represents the incremental tax effect on GAAP diluted EPS of the items noted above, and assuming that all consolidated net income was subject to corporate taxation for the periods presented, assuming that all consolidated net income was subject to corporate taxation at a full year effective tax rate of 25.39% and 27.93% for the three and nine months ended September 30, 2020, respectively, and effective tax rates of 7.23% and 8.95% for the three and nine months ended September 30, 2019, respectively.

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

Appendix



GreenSky's proprietary technology platform helps businesses both **increase their revenue and accelerate their cash flow** by eliminating much of the friction historically associated with point of sale financing.

Large, Entrenched Ecosystem

Merchants:
- Facilitates flexibility in the financing they offer their consumers
- Increases close rates
- Accelerates cash flow

Consumers:
- Provides superior experience
- Offers promotional interest rates and terms
- Enables larger purchases
- Preserves revolving credit availability

Banks:
- Enables access to a nationally diversified portfolio of high credit quality, unsecured loans with no origination costs

Proprietary Technology Platform

Instant, Paperless and Mobile Origination

Instant Funding / Payment

Servicing & Back Office Functionality

Scalable Business Model

Technology-led distribution

Combination of off balance sheet funding through strong bank partners and new SPV to facilitate additional volume

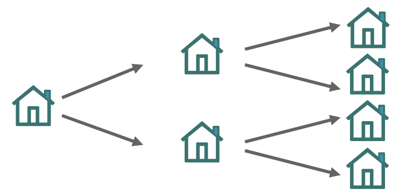
We Deploy a B2B2C Approach to Amplify the Reach of Our Technology

Direct to Merchant

- No intermediary between GreenSky and the merchant
- Majority of merchants have annual sales revenue between $1 million and $10 million.

Optimized for High-Value Customers

Organic Referral



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

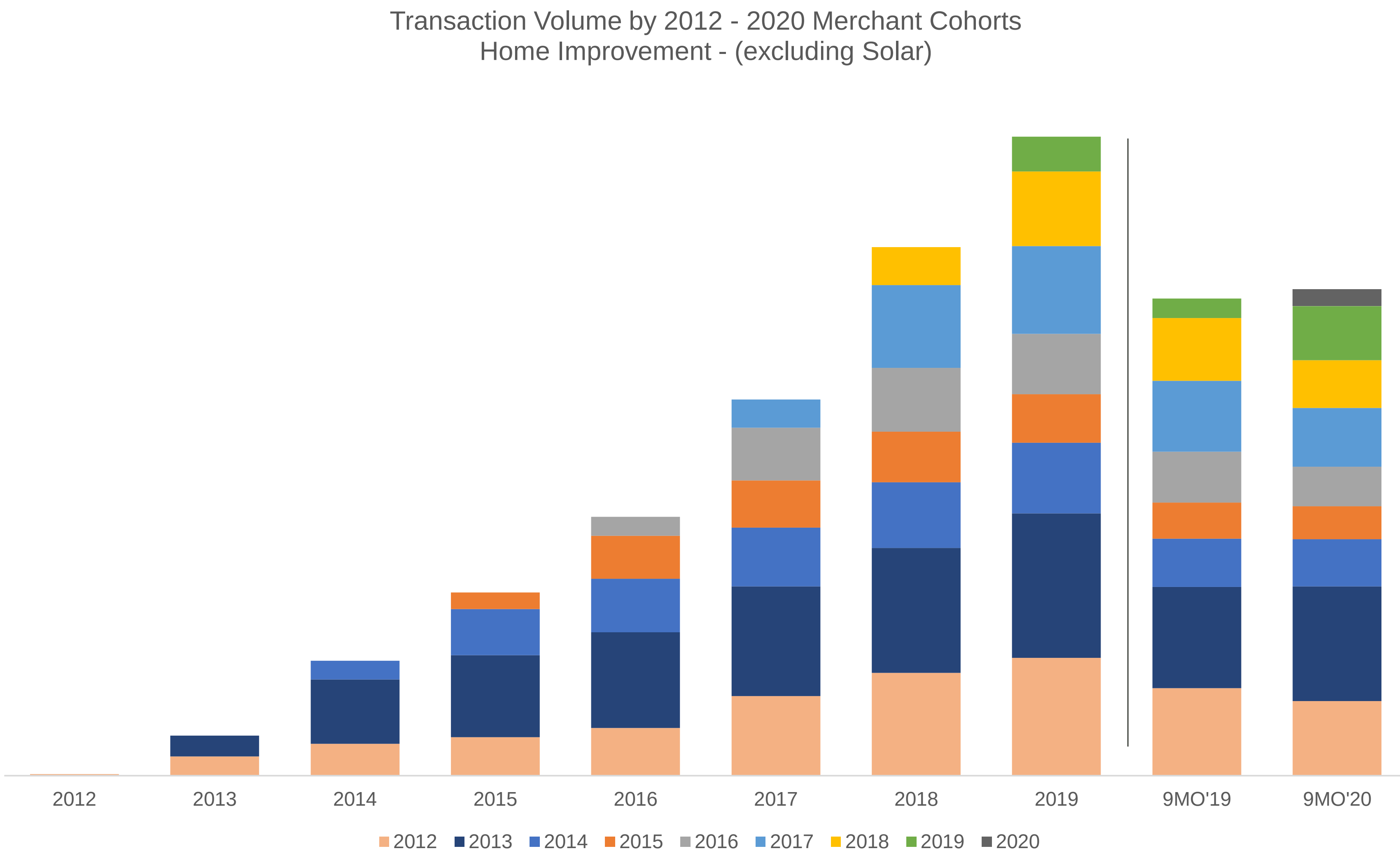
Driven by Low-Cost Word of Mouth

Sponsors

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

Driven by Aligned Incentives (2/3 of Originations)

Strong Recurring Revenues
Built Upon Repeat Usage by Merchants



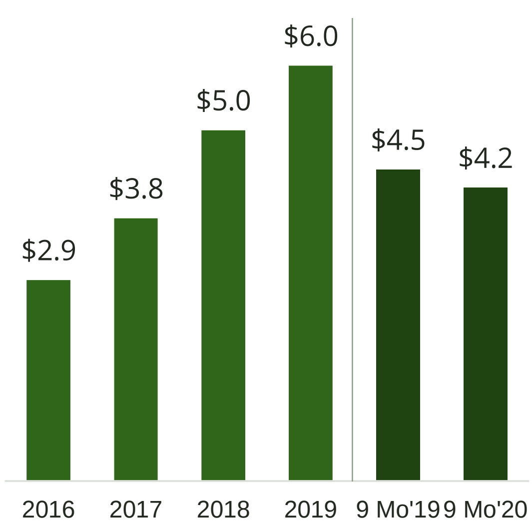
[1] Excludes Solar and The Home Depot.

Origination Volume and Profitability

(9M 2019 – 9M 2020)

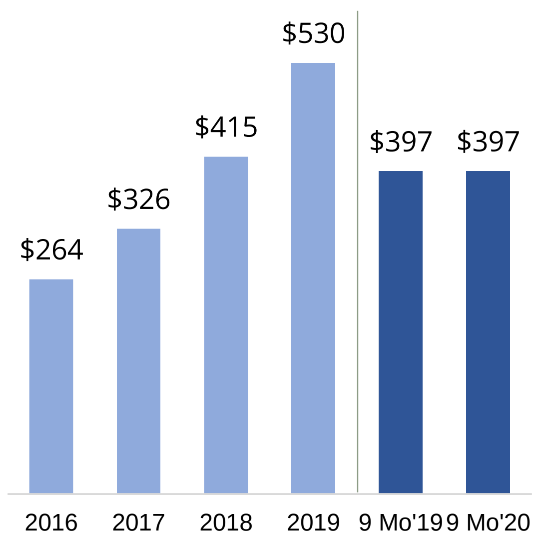
Transaction Volume ($B)

6% decline YoY



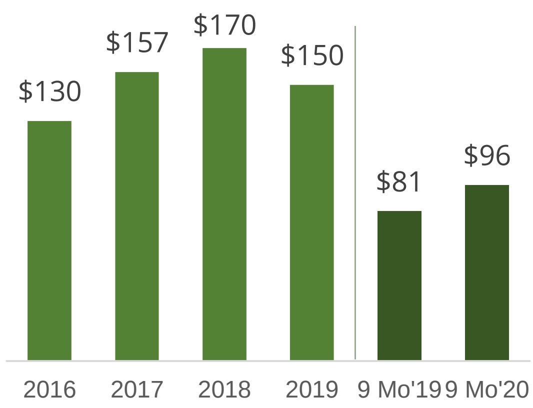
Total Revenues ($M)

Flat YoY



Adjusted EBITDA[1] ($M)

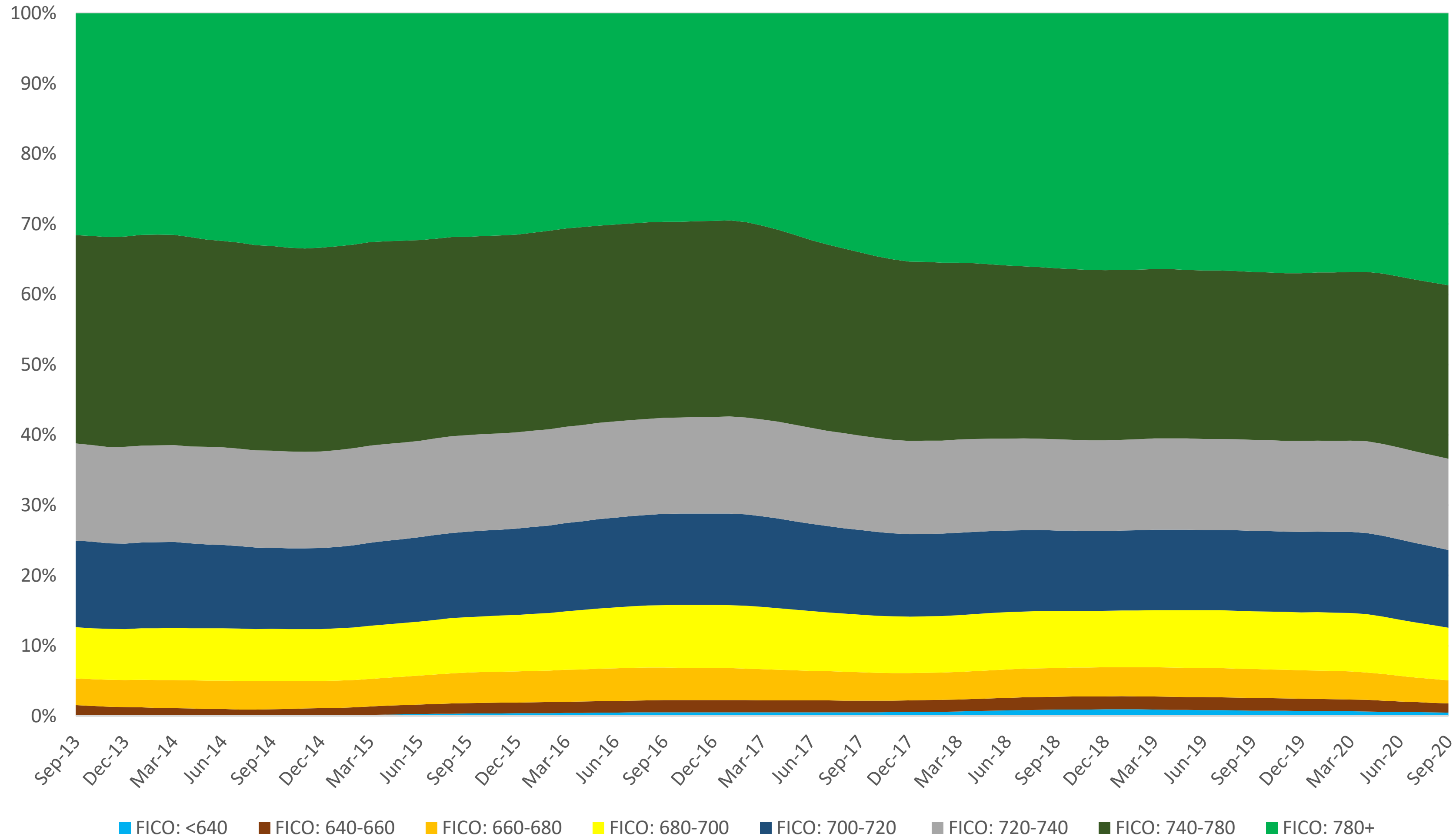
17% Growth YoY



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

Loan Servicing Portfolio FICO Distribution

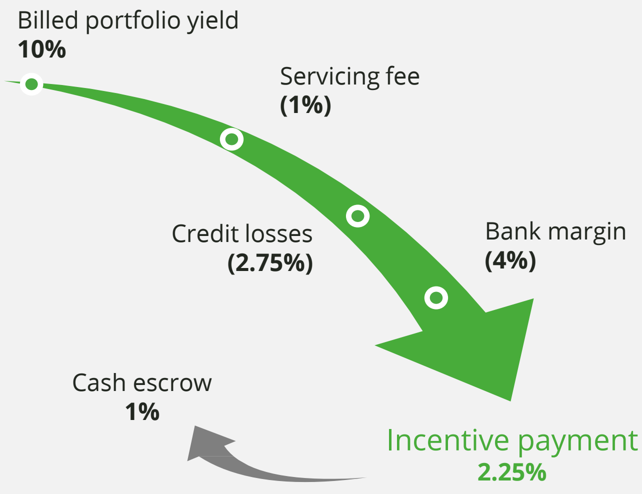
Consistently High Credit Standards



- ✓ **39% over 780 FICO**
- ✓ **63% over 740 FICO**
- ✓ **87% over 700 FICO**
- ✓ **2% less than 660 FICO**

Illustrative Bank Waterfall Structure
Incentive Payments

GreenSky may collect Incentive Payments from its Bank Partners



Cost of Revenue

($ in millions)	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
Transaction Volume	$1,644	$1,490	$1,372	$1,358	$1,475
Average Loan Servicing Portfolio	8,488	8,984	9,214	9,286	9,475

($ in thousands)					
Cost of revenue					
Origination related	$9,828	$8,267	$6,457	$5,958	$7,271
% of transaction volume	*0.6%*	*0.6%*	*0.5%*	*0.4%*	*0.5%*
Servicing related	11,834	11,886	12,814	12,073	13,158
% of avg. loan servicing portfolio (annualized)	*0.6%*	*0.5%*	*0.6%*	*0.5%*	*0.6%*
Fair value change in FCR liability	43,616	49,205	52,504	36,050	21,832
% of avg. loan servicing portfolio (annualized)	*2.1%*	*2.2%*	*2.3%*	*1.6%*	*0.9%*
Loan and loan participation sales costs	-	-	-	10,849	31,823
% of avg. loan servicing portfolio (annualized)	*0.0%*	*0.0%*	*0.0%*	*0.5%*	*1.3%*
Cost of revenue before MTM on sales facilitation	65,278	69,358	71,775	64,930	74,084
% of avg. loan servicing portfolio (annualized)	*3.1%*	*3.1%*	*3.1%*	*2.8%*	*3.1%*
MTM on sales facilitation obligations	-	-	-	-	18,262
% of avg. loan servicing portfolio (annualized)	-	-	-	-	*0.8%*
Total Cost of revenue	**$65,278**	**$69,358**	**$71,775**	**$64,930**	**$92,346**
% of avg. loan servicing portfolio (annualized)	*3.1%*	*3.1%*	*3.1%*	*2.8%*	*3.9%*

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 and loan Participation Sales Costs

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

Fair Value Change in FCR Liability

Component Analysis

($ in millions)		Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
Average bank partner loan servicing portfolio		**$8,488**	**$8,984**	**$9,214**	**$9,099**	**$8,796**
Quarterly Run-Off Rate (change in AUM less originations)		*13%*	*12%*	*13%*	*14%*	*14%*

($ in thousands)

FCR liability roll-forward (excluding receipts)						
Beginning balance		$164,979	$182,990	$206,035	$213,158	$198,755
Settlements		(68,838)	(71,400)	(90,089)	(110,053)	(95,706)
Expense for FCR (excluding Receipts)	**A**	86,849	94,445	97,212	95,650	84,463
Ending balance		**$182,990**	**$206,035**	**$213,158**	**$198,755**	**$187,512**

Receipts						
Incentive payments		$34,167	$37,202	$42,453	$55,759	$57,525
Proceeds from charged-off receivables transfers		7,921	6,487	-	-	-
Recoveries on previously charged-off loans (unsold)		1,145	1,551	2,255	3,841	5,106
Total Receipts	**B**	**$43,233**	**$45,240**	**$44,708**	**$59,600**	**$62,631**
Fair value change in FCR Liability	**=A - B**	**$43,616**	**$49,205**	**$52,504**	**$36,050**	**$21,832**

% of average bank partner loan servicing portfolio:

FCR liability roll-forward (excluding receipts)						
Settlements (annualized)		(3.24%)	(3.18%)	(3.91%)	(4.84%)	(4.35%)
Expense for future Finance Charge Reversals / "FCR rate" (annualized)	**C**	4.09%	4.21%	4.22%	4.20%	3.84%
Ending balance of FCR Liability		2.16%	2.29%	2.31%	2.18%	2.13%

Receipts (annualized)						
Incentive payments		1.61%	1.66%	1.84%	2.45%	2.62%
Proceeds from charged-off receivables transfers		0.37%	0.29%	0.00%	0.00%	0.00%
Recoveries on previously charged-off loans		0.05%	0.07%	0.10%	0.17%	0.23%
Total Receipts (annualized)	**D**	**2.04%**	**2.01%**	**1.94%**	**2.62%**	**2.85%**
Fair value change in FCR Liability (annualized)	**= C - D**	2.06%	2.19%	2.28%	1.58%	0.99%

FCR Liability

($ in millions)	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
Average Bank Partner Loan Servicing Portfolio	$8,488	$8,984	$9,214	$9,099	$8,796
($ in thousands)					
Beginning balance	$164,979	$182,990	$206,035	$213,158	$198,755
Receipts	43,233	45,240	44,708	59,600	62,631
% of avg. bank partner loan servicing portfolio (annualized)	*2.0%*	*2.0%*	*1.9%*	*2.6%*	*2.8%*
Settlements	(68,838)	(71,400)	(90,089)	(110,053)	(95,706)
% of avg. bank partner loan servicing portfolio (annualized)	*(3.2%)*	*(3.2%)*	*(3.9%)*	*(4.8%)*	*(4.4%)*
Fair value change in FCR liability	43,616	49,205	52,504	36,050	21,832
% of avg. bank partner loan servicing portfolio (annualized)	*2.1%*	*2.2%*	*2.3%*	*1.6%*	*1.0%*
Ending balance	$182,990	$206,035	$213,158	$198,755	$187,512
% of avg. bank partner loan servicing portfolio	*2.2%*	*2.3%*	*2.3%*	*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 87.3% as of September 30, 2020.

Current Expected Credit Loss (“CECL”)

CECL Overview:

- New accounting standard adopted January 1, 2020 changes requirements for estimating credit losses.
- Our primary financial instruments in scope include off-balance sheet credit exposures under financial guarantee arrangements with our Bank Partners and trade receivables.
- CECL does not allow the inclusion of future loan originations by our Bank Partners. Thus, the modeling of loan losses for any consumer loan portfolio is assumed to go into “run-off” with no new originations in the portfolio.
- Historically, our actual cash payments required under the financial guarantee arrangements have been immaterial for our ongoing Bank Partners and we anticipate this to continue to be the case.

January 1, 2020 Cumulative impact of CECL implementation

- Financial guarantee liability:
  - As anticipated, adoption impact of $118.0 million represented a significant portion of our $150.4 million escrow on our $9.2 billion loan servicing portfolio as of December 31, 2019.
  - Cumulative-effect adjustment to equity, including $32.2 million to retained earnings and $75.4 million to noncontrolling interest. Related deferred tax asset of $10.4 million.
- Trade receivables: Adoption had no impact on our allowance for uncollectible accounts.
- No impact to Statement of Operations on January 1, 2020.

Q3 and YTD 2020 Financial Guarantee Expense

- Financial guarantee expense:
  - Q3 2020 benefit of $302 thousand and Q3 YTD 2020 expense of $28.4 million primarily related to CECL.
  - Recorded as a financial guarantee expense in Statement of Operations.
  - Primarily attributable to new Bank Partner loans facilitated on our platform, increasing contractual escrow balances for certain bank partners and to COVID-19 impacts on credit models.
  - Less than $1 million of escrow has been used under our financial guarantee arrangements in the first nine months of 2020