

Oportun Financial Corp.  
Nasdaq: OPRT

September 20, 2024

Price (as of close Sep 19, 2024)  
**\$2.90**

Rating  
**Buy**

12- Month Target Price  
**\$5.50**

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**AI Driven Lending and Savings Platform for Underserved Consumers, Initiate with a Buy rating.** OPRT prioritizes financial inclusion by striving to offer responsible and cost-effective credit options to individuals with limited to no credit background using its AI-powered algorithms. After a challenging last few years, we see potential for a turnaround as improving credit metrics and return to loan expansion gives us confidence in the future growth trajectory. **We initiate with a Buy rating and a \$5.50 price target.**

|                       |                 |                       |               |
|-----------------------|-----------------|-----------------------|---------------|
| 52-Week Range         | \$2.05 – \$7.71 | Total Debt            | \$2.8 billion |
| Shares Outstanding    | 35.7 million    | Debt/Equity           | 7.9x          |
| Insider/Institutional | 10.1% / 81.7%   | ROE (LTM)             | 3.5%          |
| Public Float          | 31.9 million    | Book Value/Share      | \$8.9         |
| Market Cap            | \$100.0 million | Daily Volume (90-day) | 126,732       |

| FYE Dec<br>Adj EPS (\$) | FY 2023A<br>CURRENT | FY 2024E<br>CURRENT PREVIOUS | FY 2025E<br>CURRENT PREVIOUS |
|-------------------------|---------------------|------------------------------|------------------------------|
| Q3 Mar                  | \$(1.70)A           | \$0.09A                      | \$0.08E                      |
| Q4 Jun                  | \$0.17A             | \$0.08A                      | \$0.08E                      |
| Q1 Sep                  | \$(0.31)A           | \$(0.04)E                    | \$0.10E                      |
| Q2 Dec                  | \$(0.21)A           | \$0.09E                      | \$0.16E                      |
| <b>Year*</b>            | <b>\$(1.93)A</b>    | <b>\$0.22E</b>               | <b>\$0.42E</b>               |
| P/E Ratio               | NM                  | 12.5x                        | 6.7x                         |
| Change                  | NM                  | NM                           | 87.6%                        |

| FYE Dec<br>Rev (\$ mn) | FY 2023A<br>CURRENT | FY 2024E<br>CURRENT PREVIOUS | FY 2025E<br>CURRENT PREVIOUS |
|------------------------|---------------------|------------------------------|------------------------------|
| Q3 Mar                 | \$259.5A            | \$250.4A                     | \$248.9E                     |
| Q4 Jun                 | \$266.5A            | \$250.4A                     | \$247.2E                     |
| Q1 Sep                 | \$268.2A            | \$247.8E                     | \$251.0E                     |
| Q2 Dec                 | \$262.6A            | \$251.4E                     | \$257.4E                     |
| <b>Year*</b>           | <b>\$1,056.9A</b>   | <b>\$1,000.1E</b>            | <b>\$1,004.5E</b>            |
| Change                 | 11.0%               | (5.4)%                       | 0.4%                         |

\* Numbers may not add due to rounding and changes in diluted shares outstanding.

#### Company Description

Oportun Financial Corp is a financial services Company focused on providing credit to thin-file or no file borrowers who are underserved by traditional financial institutions. The primary offerings of the Company comprise unsecured personal loans, secured personal loans, and their Set & Save savings product, intended for low-to-moderate-income (LMI) individuals who have limited or no credit history and may not meet the requirements for standard financial products.

#### Investment Thesis

- Oportun Financial Corp is a financial services Company focused on providing credit to thin-file or no file borrowers who are underserved by traditional financial institutions.
- The potential market is large, with millions of low to moderate income (LMI) individuals in the United States who do not have access to conventional financial services. This particular demographic represents a substantial opportunity for growth, as Oportun has the ability to address the void left by traditional banking institutions.
- Oportun's AI-driven technology and proprietary algorithms gives it a competitive edge in evaluating the creditworthiness of individuals with minimal or nonexistent credit backgrounds, enabling it to efficiently handle risk.
- The decreasing volume of loans in the back book and strong performance of the front book gives us confidence in OPRT's credit quality. Moreover, after experiencing several quarters of declining loan growth, the Company has indicated that it will return to the typical seasonal patterns of loan expansion.
- We are impressed by the attractive unit economic model which targets a long-term ROE in the range of 20%-28%. We believe this result is achievable once the back book shrinks and operating expenses as a percent of sales come down further.
- We initiate coverage with a Buy rating and target price of \$5.50, implying a capital appreciation potential of 90%.

#### Primary Risks

- Inability to accurately assess the credit risk profile of the borrower could result in higher delinquencies and charge-offs which may result in higher losses.

Business Overview

Oportun Financial Corp is a financial services Company focused on providing credit to thin-file or no file borrowers who are underserved by traditional financial institutions. The primary offerings of the Company comprise unsecured personal loans, secured personal loans, and their Set & Save savings product, intended for low-to-moderate-income (LMI) individuals who have limited or no credit history and may not meet the requirements for standard financial products. The Company uses AI driven models built using 15 years of proprietary customer insights and billions of unique data points to offer credit to consumers.

**Credit Products:** The Company offers secured personal loans and unsecured personal loans. Since inception in 2005, the Company has extended more than \$18.7 billion in credit through more than 7.1 million loans and credit cards. Oportun has been certified as a Community Development Financial Institution (CDFI) by the U.S. Department of the Treasury since 2009. In June 2024, the Company announced plans to sell its credit card receivable portfolio. The sale is expected to close in Q3:24. The Company expects a favorable impact of \$11 million to 2025 adjusted EBITDA from this sale.

*Unsecured Personal Loans:* The loans are not secured by any collateral. They are fully amortizing installment loans with fixed payments throughout the life of the loan. OPRT charges fixed interest rates on these loans with a cap of 36% annual percentage rate (APR). As of the end of Q2:24, the weighted average term and APR was 41 months and 33.5% respectively. The average loan size as of Q2:24 was \$3,252.

*Secured Personal Loans:* These loans are secured by an automobile. The typical secured loan ranges from \$2,525 to \$18,500 with a duration of 24 to 64 months. The average loan size as of Q2:24 was \$6,789 with an average term of 51 months and APR of 29.9%. The secured loans are currently offered in six states in the U.S.

Exhibit 1: Credit Products – Unsecured vs. Secured Personal Loans

| Member Solution | Personal Loans                                                                                      | Secured Personal Loans                                                                                   |
|-----------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Use Case        | Simple-to-understand, affordable, unsecured, fully-amortizing installment loans with fixed payments | Personal installment loan product secured by an automobile, allowing members to access larger loan sizes |
| Avg Loan Size   | \$3,252                                                                                             | \$6,789                                                                                                  |
| Avg Term        | 41 months                                                                                           | 51 months                                                                                                |
| Avg \$ APR      | 33.5%                                                                                               | 29.9%                                                                                                    |

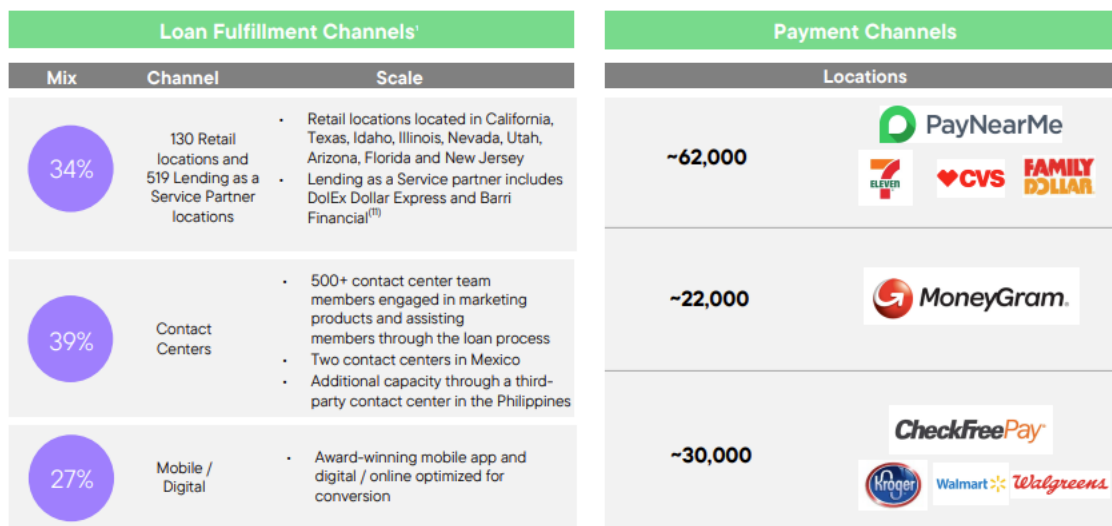
Source: Oportun Financial Corp

**Set & Save:** The product encourages consumers to save on a regular basis and achieve their savings goals. OPRT uses its proprietary machine learning algorithms to analyze customers’ transaction activity and forecast their future cash flows. Based on this process, the Company helps automate savings for customers. Since 2015, the savings product has helped members save \$10.8 billion, equating to an average annual savings of more than \$1,800.

Lack of savings is a key problem area for Americans. Based on a January 2024 survey conducted by Bankrate, it was revealed that over 50% of Americans do not possess sufficient savings to address an unforeseen expense amounting to \$1,000. Additionally, in 2023, the Financial Health Network (FHN) disclosed in its Financial Health Pulse™ 2023 U.S. Trends Report that more than two-thirds of U.S. households encounter challenges related to spending, saving, borrowing, and planning. When individuals are confronted with unanticipated expenses that cannot be postponed, the majority are unable to rely on their savings and typically turn to credit as a recourse to meet their immediate financial needs.

**Multi-channel loan fulfillment and servicing.** Consumers can access OPRT's products and services via varied channels including their mobile app, the Oportun.com website, contact centers, and through retail locations. The Company has a physical presence through 130 retail locations and 519 lending-as-a-service partner locations. Retail locations are present in California, Texas, Idaho, Illinois, Nevada, Utah, Arizona, Florida, and New Jersey. Lending as a Service partners include DolEx Dollar Express and Barri Financial. In addition, the Company has three contact centers (two in Mexico and one in the Philippines) staffing 500+ employees which can assist members through the loan process. Besides loan fulfillment centers, OPRT also provides access to approximately 114,000 payment centers which makes it easy for customers to make loan payments in person.

## Exhibit 2: Multi-channel Loan Fulfillment and Servicing



Source: Oportun Financial Corp

**New growth opportunities.** The Company has announced a new lending collaboration with Western Union, a leader in cross border money transfers. This relationship provides OPRT with a significant lead generation opportunity by targeting Western Union's large customer base. The Company pays origination fees to Western Union only for the funded loans.

**Access to capital markets.** Since the end of Q2:24, the Company has raised nearly \$468.25 million to support unsecured and secured personal loan activities until 2027. This amount includes: 1), \$223.25 million raised in August 2024 via the issuance of fixed-rate asset-backed notes, and 2), a new warehouse agreement worth \$245 million. Since June of last year, Oportun has successfully raised over \$1.8 billion through a variety of financial activities, including whole loan sales, securitizations, and warehouse agreements from fixed income investors and banks. The ability to raise money highlights investor confidence in the business model and the performance of recent vintages.

## Exhibit 3: Funding Raised Since June 2023

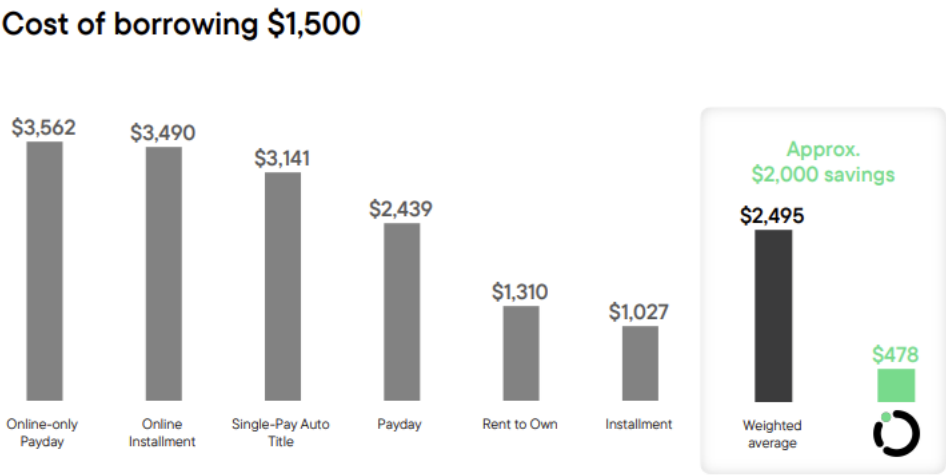
| Date          | Type                     | Amount (\$M)    |
|---------------|--------------------------|-----------------|
| June 2023     | Whole Sale Loan          | \$ 300          |
| August 2023   | Whole Sale Loan          | \$ 400          |
| October 2023  | Pvt Structured Financing | \$ 197          |
| November 2023 | Whole Sale Loan          | \$ 70           |
| December 2023 | Whole Sale Loan          | \$ 50           |
| February 2024 | Securitization           | \$ 200          |
| April 2024    | Whole Sale Loan          | \$ 150          |
| August 2024   | Warehouse Facility       | \$ 245          |
| August 2024   | ABS Notes                | \$ 223          |
| <b>Total</b>  |                          | <b>\$ 1,835</b> |

Source: Oportun Financial Corp

**AI-Driven Business Model – A Key Competitive Advantage:** The Company leverages AI and machine learning to assess the creditworthiness of individuals. Unlike traditional credit scoring methods, which heavily rely on credit history, Oportun's AI-driven models consider a wider range of data points, including customers' payment behavior, income patterns, and other alternative financial information. These results allow the Company to evaluate the creditworthiness of individuals with limited or no credit profiles with high accuracy, thereby minimizing credit risk. OPRT's fully automated and AI-powered digital underwriting platform can pre-approve borrowers in seconds which is a key competitive advantage versus other fintech platforms that do not have the ability to accurately evaluate the creditworthiness of low-to-moderate income consumers.

The ability to better assess the risk profile of borrowers is reflected in the Company's reduced fees compared to other alternative methods of financing. Oportun's loans are, on average, seven times less expensive than other options and up to 16 times less expensive as compared to online-only installment products. OPRT estimates that a consumer borrowing \$1,500 could save \$2,000 on OPRT's platform when compared to other options such as online-only payday, online installment, and others.

**Exhibit 4: Oportun Delivers Significant Cost Savings Compared to Alternatives**



Source: Oportun Financial Corp

**Investment Thesis**

Oportun Financial Corporation offers personal loans and various financial services mainly to low-to-moderate-income (LMI) individuals who frequently encounter difficulties in accessing traditional banking services. OPRT prioritizes financial inclusion by striving to offer responsible and cost-effective credit options to individuals with limited to no credit backgrounds and assisting them in establishing a credit history.

The potential market is large, with millions of low-to-moderate-income (LMI) individuals in the United States who do not have access to conventional financial services. This particular demographic represents a substantial opportunity for growth, as Oportun has the ability to address the void left by traditional banking institutions. Oportun's AI-driven technology and proprietary algorithms give the Company a competitive edge in evaluating the creditworthiness of individuals with minimal or nonexistent credit backgrounds, enabling OPRT to efficiently handle risk.

This technology not only ensures accuracy in credit evaluations but also provides improved operational efficiency and scalability. Consequently, Oportun is able to provide cost-effective financial products that are more accessible and affordable for consumers with limited financial options. Moreover, OPRT continuously updates these models with the latest financial data, further strengthening its competitive position.

The decreasing volume of loans in the back book and strong performance of the front book gives us confidence in OPRT's credit quality. Moreover, after experiencing several quarters of declining loan growth, the Company has indicated that it will return to the typical seasonal patterns of loan expansion. The Company anticipates that loan originations in Q3:24 will be flat from the previous year. This forecast is particularly encouraging following a 17% year-on-year decrease in Q1:24 and a 10% year-on-year decrease in Q2:24. A combination of improved loan quality and growth in originations is expected to enhance future profitability and is evident in the Company's guidance which indicates a 70% increase in adjusted EBITDA in H2:24, compared to H1:24, and higher profitability on an adjusted net income basis.

We are impressed by the attractive unit economic model which targets a long-term ROE in the range of 20%-28%. We believe this outcome is achievable once the back book shrinks and operating expenses come down further.

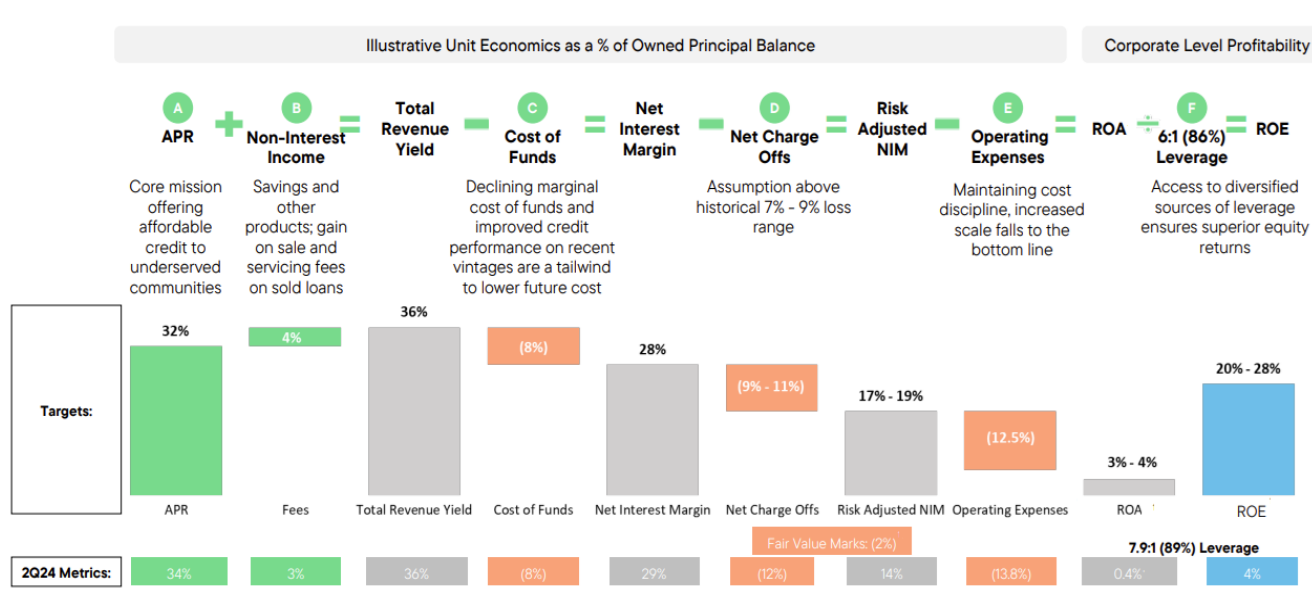
**We initiate coverage with a Buy rating and a \$5.50 price target.**

## Attractive unit economic model

The Company has exceptionally attractive unit economics (the direct revenues and costs of a business model on a per-unit basis). For Q2:24, the Company delivered an APR of 34% on its loan portfolio. Add to that the non-interest income (approximately 3% APR) from the savings product, the total revenue yield becomes 36%. The Company expects this level to be sustainable over the long term. In its unit economics model, OPRT is targeting a long-term average cost of funds at 8% and a 9-11% annualized net charge-off rate. This target implies a risk adjusted yield in the range of 17%-19%. For Q2:24, the risk adjusted yield was lower at 14% mainly on account of higher net-charge offs. Excluding the back book charge-offs, the yield could have been higher at 18.4%, which is within the Company's targeted range.

Furthermore, based on the assumption of target operating expenses amounting to 12.5% of the owned principal balance over the long term, the Company anticipates delivering a return on assets (ROA) ranging from 3% to 4%. During Q2:24, OPRT made strides toward this objective by achieving a 13.8% adjusted operating expense ratio and has guided for further cost reductions in the latter part of the year. Finally, assuming a 6:1 debt-to-equity ratio, we see a return on equity in the range of 20%-28%.

### Exhibit 5: Business Model Structured to Deliver Strong ROE



Source: Oportun Financial Corp

## Credit quality driving improved performance

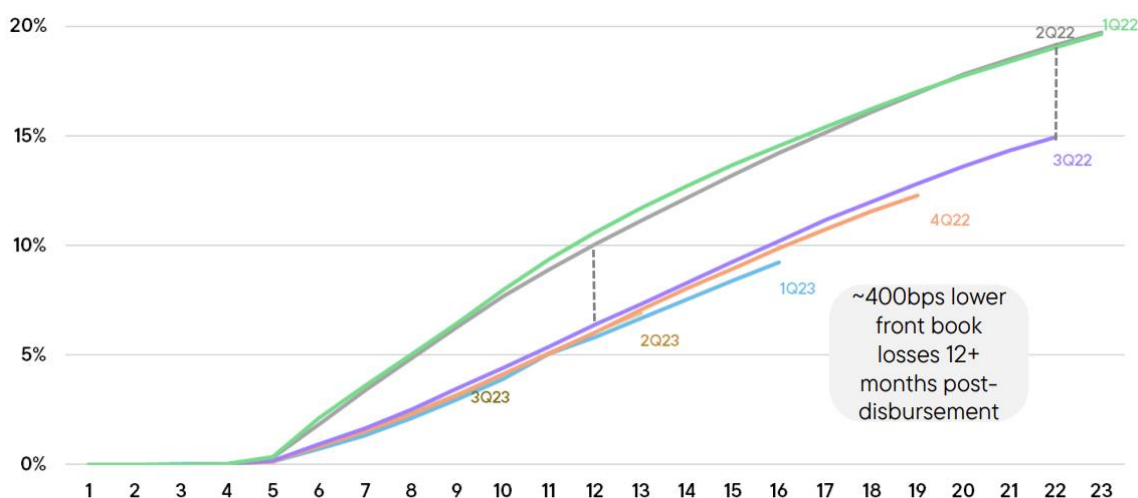
The annualized net charge-off rate in Q2:24 was 12.3%, which was 23 basis points better than last year's level. On a dollar basis, the quarterly net charge-offs decreased by 10% year-over-year in Q2:24, the third consecutive quarter of decline. During Q2:24, the delinquency rate for 30-plus days decreased by 30 basis points compared to last year and by 28 basis points sequentially, reaching 4.96%. As of the end of July 2024, 30-plus delinquencies remained lower than 2023. Furthermore, the dollar amount of 30-plus day delinquencies decreased by 13% year-over-year, from \$156 million to \$135 million.

More importantly, in Q2:24, the back book had an annualized net charge-off rate of 21.2% while the front book was at 10.6%, which is within the Company's targeted range of 9%-11%. OPRT refers to the post-July 2022 loan originations as front book. While the originations made prior to the significant credit-tightening in July 2022 are referred to as the back book.

In July 2022, OPRT implemented a series of measures to enhance the credit performance of freshly issued loans. This operation involved a significant tightening of its underwriting criteria for all borrowers, with a particular focus on higher-risk digital marketing channels. Additionally, adjustments to the loan amounts were made based on the available cash flow of the members.

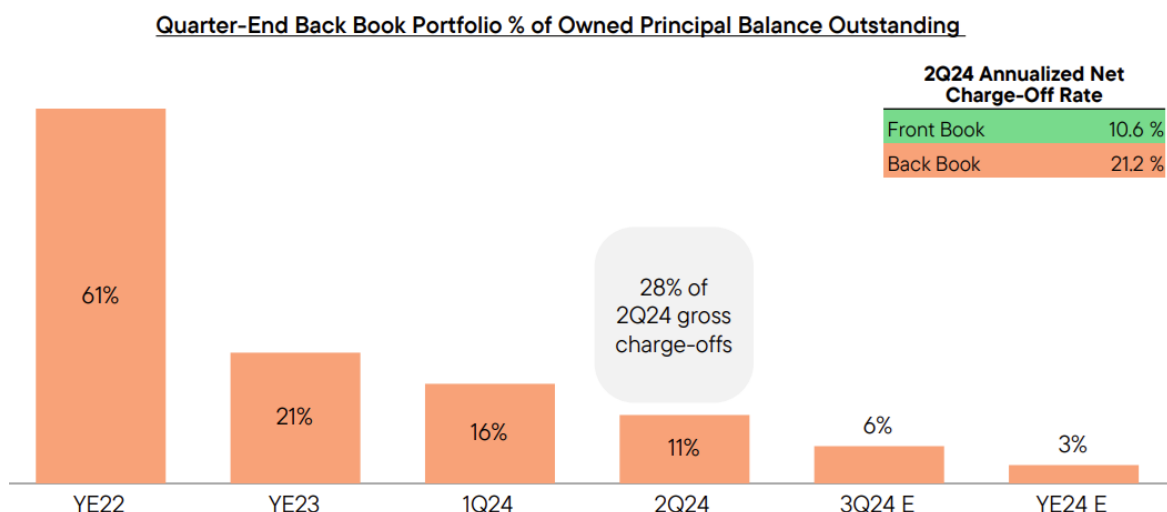
As the average life of the loans is only one year, we expect the back book to have a much lower impact on the overall losses going forward. This result is already evident as the losses on the front-book in Q2:24, were 400 basis points lower, twelve-plus months after disbursement, than the losses on the back-book.

**Exhibit 6: Net Lifetime Loss Rate by Month on Book**



Source: Oportun Financial Corp

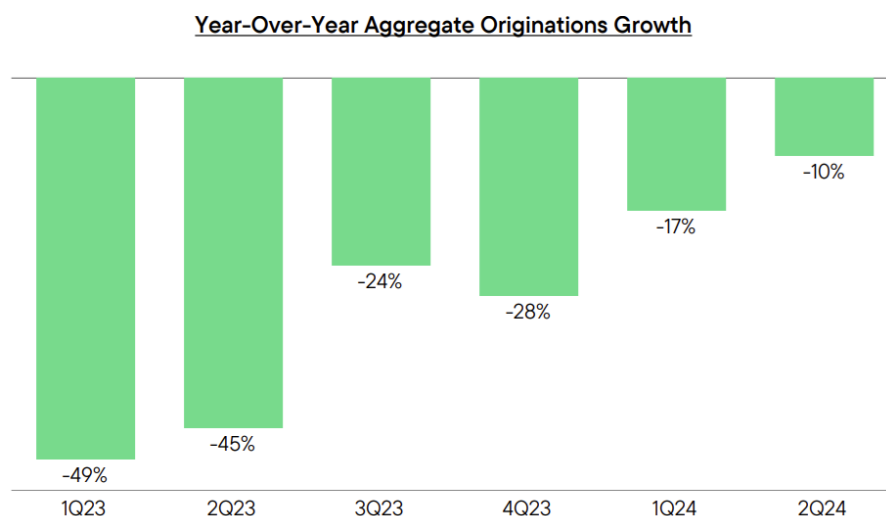
## Exhibit 7: Back Book Continues to Shrink



Source: Oportun Financial Corp

The decline in loan volume in the existing portfolio and the strong performance of new loans provides confidence in the credit quality of OPRT. Additionally, following several quarters of decreasing loan growth, the Company has indicated a return to normal seasonal patterns of loan growth. Q3 loan originations are expected to remain steady compared to the previous year. This result is a positive development, especially considering the 17% year-over-year decline in Q1:24 and the 10% year-over-year decline in Q2:24. Overall, a combination of improved loan quality and increased loan originations is anticipated to enhance profitability in the future.

## Exhibit 8: Loan Growth Steadily Improving



Source: Oportun Financial Corp

## Management and Shareholders

The management team has a proven track record in the consumer finance industry. The team's expertise spans across areas such as capital markets, risk management, operations, consumer lending and strategic planning, which has helped Oportun to grow its operations. Raul Vazquez, the CEO of Oportun, has been serving in this position since 2012. Under his leadership, Oportun's average daily principal balance grew from \$725 million in 2016 to \$2,993 million in 2023. The addition of new independent Board Members, Carlos Minetti, Mohit Daswani, Scott Parker, and Richard Tambor, earlier this year, further strengthens the team. Mr. Minetti has over 35 years of experience in consumer lending and risk assessment. Mr. Daswani has extensive experience in investment banking and private equity, with specialized knowledge in financial services, healthcare, and IT.

The insiders hold around a 10.1% stake in the Company, while 81.7% is held by institutional investors. Neuberger Berman Investment Advisers holds a 10.5% stake in the Company (a beneficial ownership from warrants).

In its latest filing, the Company reported 35.7 million shares outstanding. Large shareholders and holdings of officers and directors are summarized in the table below (see Exhibit 9).

### Exhibit 9: Key Shareholdings

|                                           | Shares     | % Ownership |
|-------------------------------------------|------------|-------------|
| Raul Vazquez                              | 1,493,424  | 4.2%        |
| Jonathan Coblentz                         | 508,968    | 1.4%        |
| Patrick Kirscht                           | 355,350    | 1.0%        |
| Others                                    | 1,255,087  | 3.5%        |
| Total Insiders                            | 3,612,829  | 10.1%       |
| Neuberger Berman LLC                      | 3,761,139  | 10.5%       |
| Findell Capital Management LLC            | 3,469,600  | 9.7%        |
| Over 5% ownership Institutional           | 7,230,739  | 20.2%       |
| Total Insider and 5%+ Institutional Owned | 10,843,568 | 30.4%       |

Source: Company Filings and Refinitiv

## Latest Quarterly Results

The Company delivered solid Q2:24 results, meeting or exceeding each of its guidance metrics. Total originations for the second quarter were \$435 million, a decrease of 10% compared to the prior year's quarter of \$485 million. This decline was predominantly influenced by a reduction in average loan size, which decreased from \$4,113 to \$3,261 due to a more conservative credit posture. The yield on the loan portfolio increased by 167 basis points YOY to 33.9% in Q2:24.

Total revenue for the second quarter was \$250 million, marking a 6% decline from the \$267 million recorded in the preceding year's quarter. The decrease was predominantly due to a 6% reduction in the Average Daily Principal Balance, partially offset by an uptick in portfolio yield (up 167 basis points to 33.9%). Net revenue was \$60 million, down 49% YOY, primarily due to the one-time \$36 million unfavorable fair value mark to credit card portfolio along with higher interest expense. Interest expense was \$54 million, up 31% YOY as the cost of debt rose to 7.7% versus 5.6% in the year-ago period.

During the quarter, the Company entered into a non-binding agreement to sell its credit card portfolio for a price equating to 70% of the receivables outstanding. The sale is expected to close in Q3:24. The total operating expenses during the quarter were \$109 million, a decrease of 20% YOY driven by cost-saving initiatives. Adjusted operating expenses were \$94 million, down 23% YOY. Adjusted operating expense as a percent of sales was 13.8% in Q2:24, a 50-basis point improvement sequentially and a 270 basis point improvement YOY. Management expects a further reduction in operating expenses during H2:24 and noted that they remain on track to deliver \$97.5 million in GAAP operating expenses by Q4:24.

Adjusted EBITDA, excluding the impact of fair value mark-to-market adjustments on the loan portfolio, totaled \$30 million in the second quarter, an increase of 109% YOY led by a significantly reduced cost structure and lower net charge-offs on a dollar basis. The annualized net charge-off rate was 12.3%, down 20 basis points YOY, while dollar net charge-offs were down by 10% YOY to \$84 million.

Adjusted net income was \$3.2 million or \$0.08 per share, compared to \$6.2 million or \$0.17 per share in Q2:23.

## EPS Guidance and Estimates

The Company is on track for lower net charge-offs led by a declining back book as a percent of the overall portfolio. The Company expects the annualized net charge-off rate to be 12.1% (plus or minus 30 basis points) for FY:24. This outcome is still higher than the long-term target range of 9-11%. We expect the Company to return to the typical seasonal patterns of loan expansion. The Company anticipates that loan originations in Q3:24 will be flat from the previous year. This result is particularly encouraging following a 17% year-on-year decrease in Q1:24 and a 10% year-on-year decrease in Q2:24.

We forecast revenue of \$1.0 million, which is in-line with the Company's guidance range of \$995-\$1,010 million. We model adjusted EBITDA of \$83.2 million for FY:24, which is at the lower end of the Company's guidance range of \$84-\$92 million. For fiscal 2025, we expect a ramp up in loan growth to drive revenue. For FY:25, we forecast revenue of \$1,104.5 million, an increase of 0.4% YOY. The yield on the loan portfolio is 33% in FY:25. We assume the cost of debt to be 8%. Adjusted operating expense as a percent of sales is projected at 12.8% in FY:25, a 120-basis points improvement YOY. We model adjusted EBITDA at \$116.4 million for 2025. Adjusted net income is projected at \$14.9 million or \$0.42 per diluted share.

## Exhibit 10: Key Performance Metrics

| in \$ millions               | Fiscal<br>2023A | 1QA<br>Mar-24 | 2QA<br>Jun-24 | 3QE<br>Sep-24 | 4QE<br>Dec-24 | Fiscal<br>2024E | 1QE<br>Mar-25 | 2QE<br>Jun-25 | 3QE<br>Sep-25 | 4QE<br>Dec-25 | Fiscal<br>2025E |
|------------------------------|-----------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|-----------------|
| Beginning Principal balance  | \$ 3,098.61     | \$ 2,904.68   | \$ 2,752.39   | \$ 2,718.99   | \$ 2,789.15   | \$ 2,904.68     | \$ 2,829.98   | \$ 2,732.92   | \$ 2,760.91   | \$ 2,848.72   | \$ 2,829.98     |
| Disbursements                | \$ 1,972.66     | \$ 380.83     | \$ 483.36     | \$ 555.13     | \$ 527.99     | \$ 1,947.30     | \$ 427.84     | \$ 549.98     | \$ 610.64     | \$ 580.79     | \$ 2,169.25     |
| Payments                     | \$ (1,783.53)   | \$ (442.68)   | \$ (427.51)   | \$ (400.00)   | \$ (400.00)   | \$ (1,670.19)   | \$ (440.00)   | \$ (440.00)   | \$ (440.00)   | \$ (440.00)   | \$ (1,760.00)   |
| Gross charge-offs            | \$ (383.05)     | \$ (90.44)    | \$ (89.25)    | \$ (84.97)    | \$ (87.16)    | \$ (351.82)     | \$ (84.90)    | \$ (81.99)    | \$ (82.83)    | \$ (85.46)    | \$ (335.18)     |
| Ending Principal balance     | \$ 2,904.68     | \$ 2,752.39   | \$ 2,718.99   | \$ 2,789.15   | \$ 2,829.98   | \$ 2,829.98     | \$ 2,732.92   | \$ 2,760.91   | \$ 2,848.72   | \$ 2,904.05   | \$ 2,904.05     |
| Aggregate Originations (\$M) | \$ 1,813.06     | \$ 338.22     | \$ 434.77     | \$ 482.72     | \$ 459.12     | \$ 1,714.82     | \$ 372.04     | \$ 478.24     | \$ 530.99     | \$ 505.03     | \$ 1,886.31     |
| APR                          | 32.2%           | 32.5%         | 33.9%         | 33.2%         | 33.0%         | 33.1%           | 33.0%         | 33.2%         | 33.0%         | 33.0%         | 33.0%           |
| Annualized Net charge-offs   | 12.2%           | 12.0%         | 12.3%         | 12.5%         | 12.5%         | 12.1%           | 12.0%         | 12.0%         | 12.0%         | 12.0%         | 12.0%           |

Source: Company Filings and Singular Research Estimates

## Investment Risks

- Interest rate spread may decline if rates continue to remain high. OPRT has capped APR on newly originated loans to 36%, while cost of funds may increase if interest rates remain elevated. This result may cause the spread to decline and adversely impact profitability.
- Inability to accurately assess the credit risk profile of the borrower could result in higher delinquencies and charge-off rate. This result may lead to higher losses.
- The unsecured personal loans of the Company, which constitute a substantial part of its total portfolio, lack collateral, guarantee, or insurance from any third party. Additionally, they are not supported by any governmental authority in any manner. If the Company is unable to collect payment on these loans, the net charge-off rates will increase causing harm to profitability.
- Oportun operates in a highly competitive market. Many of its competitors are large in size with access to greater financial resources. Failure to differentiate itself from competitors could result in loss of market share.

## Valuation

We value OPRT using industry peer companies (Price/Book and Price/Earnings multiples). We compare the Company to a group of other consumer finance lending businesses which are focused on providing credit to non-prime borrowers. We use a P/B multiple of 0.75x our 2025 book value per share of \$10.5 and a P/E multiple of 7.7x our 2025E adjusted EPS of \$0.42. We average the two price targets. The average of the two multiple based targets is \$5.55, which we round down to \$5.50.

The exhibit below summarizes our peer group multiples.

### Exhibit 11: OPRT Peer Group Multiples and Price Targets

| Company Name                               | Ticker      | Last Price     | Shares o/stand (MM) | Market Cap (\$MM) | 2025E P/B       | 2025E P/E      |
|--------------------------------------------|-------------|----------------|---------------------|-------------------|-----------------|----------------|
| OneMain Holdings                           | OMF         | \$ 47.54       | 120.42              | \$ 5,724.77       | 1.62            | 6.42           |
| LendingClub Corp                           | LC          | \$ 11.34       | 111.82              | \$ 1,268          | 0.91            | 13.24          |
| Upstart Holdings Inc.*                     | UPST        | \$ 35.72       | 89.5                | \$ 3,197          | 5.60            | 253.26         |
| Enova International Inc.                   | ENVA        | \$ 80.84       | 26.4                | \$ 2,134.2        | NM              | 7.77           |
| OppFi Inc.                                 | OPFI        | \$ 4.22        | 86.25               | \$ 364            | NM              | 5.41           |
| Regional Management Corp                   | RM          | \$ 31.91       | 10.16               | \$ 324            | 0.77            | 5.69           |
| <b>Average (excl outliers)</b>             |             |                |                     |                   | <b>1.10</b>     | <b>7.71</b>    |
| <b>Oportun Financial Corp</b>              | <b>OPRT</b> | <b>\$ 2.80</b> | <b>35.72</b>        | <b>\$ 100.0</b>   | <b>0.28</b>     | <b>3.77</b>    |
| Target Multiple                            |             |                |                     |                   | 0.75            | 7.71           |
| <b>FY 2025 (Book value/share, Adj EPS)</b> |             |                |                     |                   | <b>\$ 10.51</b> | <b>\$ 0.42</b> |
| <b>Target Price</b>                        |             |                |                     |                   | <b>\$ 7.88</b>  | <b>\$ 3.22</b> |
| <b>Average Target Price (US\$)</b>         |             | <b>\$ 5.55</b> |                     |                   |                 |                |

Source: Singular Research and Refinitiv.

\* outlier

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## **Rating Definitions**

**BUY**, 30% or greater increase in the next 12 months.

**BUY-Long-Term**, near-term EPS horizon is challenging, attractive long-term appreciation potential.

**BUY-Venture**, initial stages with little to no revenue and the potential for outsized returns with higher amounts of risk and volatility.

**HOLD**, perform in line with the market.

**SELL**, 30% or more declines in the next 12 months.

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## Technical Analysis



| Opportun Financial Corp       |  | TTMQ3 |  | TTMQ3 |  |  |  |  | TTMQ3 |  |  |  |  |
|-------------------------------|--|-------|--|-------|--|--|--|--|-------|--|--|--|--|
| Quarterly Results & Estimates |  | TTMQ4 |  | TTMQ4 |  |  |  |  | TTMQ4 |  |  |  |  |
| \$ in millions                |  |       |  |       |  |  |  |  |       |  |  |  |  |
| InputBSI                      |  |       |  |       |  |  |  |  |       |  |  |  |  |
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| Oportun Financial Corp                                           |        | TTMQ3           |                 |                |               |               |               |                 | TTMQ3          |               |               |               |                 |  |  | TTMQ3 |  |
|------------------------------------------------------------------|--------|-----------------|-----------------|----------------|---------------|---------------|---------------|-----------------|----------------|---------------|---------------|---------------|-----------------|--|--|-------|--|
| Quarterly Results & Estimates                                    |        | TTMQ4           |                 |                |               |               |               |                 | TTMQ4          |               |               |               |                 |  |  | TTMQ4 |  |
| \$ in millions except per share                                  |        |                 |                 |                |               |               |               |                 |                |               |               |               |                 |  |  |       |  |
| InputBSI                                                         |        | 2022 Actual     | 2023 Actual     | 2024 Estimated |               |               |               |                 | 2025 Estimated |               |               |               |                 |  |  |       |  |
|                                                                  | 43,008 | Fiscal<br>2022A | Fiscal<br>2023A | 1QA<br>Mar-24  | 2QA<br>Jun-24 | 3QE<br>Sep-24 | 4QE<br>Dec-24 | Fiscal<br>2024E | 1QE<br>Mar-25  | 2QE<br>Jun-25 | 3QE<br>Sep-25 | 4QE<br>Dec-25 | Fiscal<br>2025E |  |  |       |  |
| Adjusted EBITDA                                                  |        |                 |                 |                |               |               |               |                 |                |               |               |               |                 |  |  |       |  |
| Net income (loss)                                                |        | \$ (77.74)      | \$ (179.95)     | \$ (26.44)     | \$ (31.03)    | \$ (5.00)     | \$ 0.31       | \$ (62.15)      | \$ 0.15        | \$ 0.23       | \$ 1.13       | \$ 3.21       | \$ 4.71         |  |  |       |  |
| Adjustments:                                                     |        |                 |                 |                |               |               |               |                 |                |               |               |               |                 |  |  |       |  |
| Income tax expense (benefit)                                     |        | \$ 2.46         | \$ (73.70)      | \$ (4.04)      | \$ (18.12)    | \$ (1.85)     | \$ 0.12       | \$ (23.89)      | \$ 0.05        | \$ 0.08       | \$ 0.42       | \$ 1.19       | \$ 1.74         |  |  |       |  |
| Interest on corporate financing                                  |        | \$ 17.63        | \$ 51.78        | \$ 13.89       | \$ 13.23      | \$ 12.00      | \$ 12.00      | \$ 51.12        | \$ 12.00       | \$ 12.00      | \$ 12.00      | \$ 12.00      | \$ 48.00        |  |  |       |  |
| Depreciation and amortization                                    |        | \$ 47.38        | \$ 54.88        | \$ 13.20       | \$ 13.01      | \$ 12.70      | \$ 12.00      | \$ 50.90        | \$ 12.00       | \$ 12.00      | \$ 12.00      | \$ 12.00      | \$ 48.00        |  |  |       |  |
| Stock-based compensation expense                                 |        | \$ 27.62        | \$ 18.00        | \$ 3.98        | \$ 3.00       | \$ 3.70       | \$ 3.50       | \$ 14.19        | \$ 3.50        | \$ 3.50       | \$ 3.50       | \$ 3.50       | \$ 14.00        |  |  |       |  |
| Acquisition and integration related expenses                     |        | \$ 5.85         | \$ -            | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Workforce optimization expenses                                  |        | \$ 1.88         | \$ 22.49        | \$ 0.80        | \$ 2.21       | \$ -          | \$ -          | \$ 3.01         | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Other non-recurring charges                                      |        | \$ 111.22       | \$ 15.52        | \$ 3.53        | \$ 10.27      | \$ 1.10       | \$ 0.50       | \$ 15.40        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Origination fees for fair value loans, net                       |        | \$ -            | \$ -            | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Fair value mark-to-market adjustment                             |        | \$ (119.71)     | \$ 109.55       | \$ (2.99)      | \$ 37.65      | \$ -          | \$ -          | \$ 34.66        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Adjusted EBITDA                                                  |        | \$ 16.58        | \$ 18.56        | \$ 1.94        | \$ 30.22      | \$ 22.65      | \$ 28.43      | \$ 83.24        | \$ 27.70       | \$ 27.81      | \$ 29.04      | \$ 31.89      | \$ 116.45       |  |  |       |  |
| Adjusted Net Income                                              |        |                 |                 |                |               |               |               |                 |                |               |               |               |                 |  |  |       |  |
| Net Income                                                       |        | \$ (77.74)      | \$ (179.95)     | \$ (26.44)     | \$ (31.03)    | \$ (5.00)     | \$ 0.31       | \$ (62.15)      | \$ 0.15        | \$ 0.23       | \$ 1.13       | \$ 3.21       | \$ 4.71         |  |  |       |  |
| Adjustments:                                                     |        |                 |                 |                |               |               |               |                 |                |               |               |               |                 |  |  |       |  |
| Income tax expense (benefit)                                     |        | \$ 2.46         | \$ (73.70)      | \$ (4.04)      | \$ (18.12)    | \$ (1.85)     | \$ 0.12       | \$ (23.89)      | \$ 0.05        | \$ 0.08       | \$ 0.42       | \$ 1.19       | \$ 1.74         |  |  |       |  |
| Stock-based compensation expense                                 |        | \$ 27.62        | \$ 18.00        | \$ 3.98        | \$ 3.00       | \$ 3.70       | \$ 3.50       | \$ 14.19        | \$ 3.50        | \$ 3.50       | \$ 3.50       | \$ 3.50       | \$ 14.00        |  |  |       |  |
| Acquisition and integration related expenses                     |        | \$ 29.68        | \$ 27.64        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Workforce optimization expenses                                  |        | \$ 1.88         | \$ 22.49        | \$ 0.80        | \$ 2.21       | \$ -          | \$ -          | \$ 3.01         | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Other non-recurring charges                                      |        | \$ 111.22       | \$ 15.52        | \$ 3.53        | \$ 10.27      | \$ 1.10       | \$ 0.50       | \$ 15.40        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Net decrease (increase) in fair value of credit cards receivable |        | \$ -            | \$ -            | \$ -           | \$ 36.18      | \$ -          | \$ -          | \$ 36.18        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Mark-to-market adjustment on ABS notes                           |        | \$ -            | \$ -            | \$ 27.12       | \$ 1.91       | \$ -          | \$ -          | \$ 29.03        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -            |  |  |       |  |
| Adjusted income (loss) before taxes                              |        | \$ 95.12        | \$ (170.01)     | \$ 4.96        | \$ 4.42       | \$ (2.05)     | \$ 4.43       | \$ 11.76        | \$ 3.70        | \$ 3.81       | \$ 5.04       | \$ 7.89       | \$ 20.45        |  |  |       |  |
| Normalized income tax expense (benefit)                          |        | \$ 25.68        | \$ (45.90)      | \$ 1.34        | \$ 1.19       | \$ (0.55)     | \$ 1.20       | \$ 3.18         | \$ 1.00        | \$ 1.03       | \$ 1.36       | \$ 2.13       | \$ 5.52         |  |  |       |  |
| Adjusted Net Income (loss)                                       |        | \$ 69.44        | \$ (124.11)     | \$ 3.62        | \$ 3.23       | \$ (1.49)     | \$ 3.23       | \$ 8.59         | \$ 2.70        | \$ 2.78       | \$ 3.68       | \$ 5.76       | \$ 14.93        |  |  |       |  |
| Adj EPS (\$)                                                     |        | \$ (2.49)       | \$ (1.93)       | \$ 0.09        | \$ 0.08       | \$ (0.04)     | \$ 0.09       | \$ 0.22         | \$ 0.08        | \$ 0.08       | \$ 0.10       | \$ 0.16       | \$ 0.42         |  |  |       |  |

**Oportun Financial Corp**  
**Balance Sheet**  
*\$ in millions*

Q3Sep-30-2017  
*InputBS!*

|                                            | 2022 Actual        | 2023 Actual        | 2024 Estimated     |                    |                    |                    |                    | 2025 Estimated     |                    |                    |                    |                    |
|--------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                            | Fiscal<br>2022A    | Fiscal<br>2023A    | 1QA<br>Mar-24      | 2QA<br>Jun-24      | 3QE<br>Sep-24      | 4QE<br>Dec-24      | Fiscal<br>2024E    | 1QE<br>Mar-25      | 2QE<br>Jun-25      | 3QE<br>Sep-25      | 4QE<br>Dec-25      | Fiscal<br>2025E    |
| 43,008                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Cash and cash equivalents                  | \$ 98.82           | \$ 91.19           | \$ 69.20           | \$ 72.87           | \$ 469.44          | \$ 340.08          | \$ 340.08          | \$ 317.49          | \$ 294.59          | \$ 272.49          | \$ 252.53          | \$ 252.53          |
| Restricted cash                            | \$ 105.00          | \$ 114.83          | \$ 127.35          | \$ 163.77          | \$ 163.77          | \$ 163.77          | \$ 163.77          | \$ 163.77          | \$ 163.77          | \$ 163.77          | \$ 163.77          | \$ 163.77          |
| Loans receivable at fair value             | \$ 3,175.45        | \$ 2,962.35        | \$ 2,841.53        | \$ 2,714.41        | \$ 2,850.13        | \$ 2,992.64        | \$ 2,992.64        | \$ 3,022.56        | \$ 3,052.79        | \$ 3,083.32        | \$ 3,114.15        | \$ 3,114.15        |
| Credit cards receivable held for sale      | \$ -               | \$ -               | \$ -               | \$ 55.72           | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               |
| Capitalized software and other intangibles | \$ 139.80          | \$ 114.74          | \$ 106.37          | \$ 99.69           | \$ 90.07           | \$ 80.74           | \$ 80.74           | \$ 77.05           | \$ 73.45           | \$ 69.65           | \$ 65.49           | \$ 65.49           |
| Right of use assets - operating            | \$ 30.45           | \$ 21.11           | \$ 18.92           | \$ 9.95            | \$ 9.95            | \$ 9.95            | \$ 9.95            | \$ 9.95            | \$ 9.95            | \$ 9.95            | \$ 9.95            | \$ 9.95            |
| Other assets                               | \$ 64.18           | \$ 107.68          | \$ 114.14          | \$ 133.96          | \$ 133.96          | \$ 133.96          | \$ 133.96          | \$ 133.96          | \$ 133.96          | \$ 133.96          | \$ 133.96          | \$ 133.96          |
| <b>TOTAL ASSETS</b>                        | <b>\$ 3,613.70</b> | <b>\$ 3,411.89</b> | <b>\$ 3,277.50</b> | <b>\$ 3,250.36</b> | <b>\$ 3,717.31</b> | <b>\$ 3,721.13</b> | <b>\$ 3,721.13</b> | <b>\$ 3,724.77</b> | <b>\$ 3,728.50</b> | <b>\$ 3,733.13</b> | <b>\$ 3,739.84</b> | <b>\$ 3,739.84</b> |
| Secured financing                          | \$ 317.57          | \$ 289.95          | \$ 72.11           | \$ 156.44          | \$ 156.44          | \$ 156.44          | \$ 156.44          | \$ 156.44          | \$ 156.44          | \$ 156.44          | \$ 156.44          | \$ 156.44          |
| Asset-backed notes at fair value           | \$ 2,387.67        | \$ 1,780.01        | \$ 1,701.85        | \$ 1,583.09        | \$ 2,051.34        | \$ 2,051.34        | \$ 2,051.34        | \$ 2,051.34        | \$ 2,051.34        | \$ 2,051.34        | \$ 2,051.34        | \$ 2,051.34        |
| Asset-backed borrowings at amortized cost  | \$ -               | \$ 581.47          | \$ 787.52          | \$ 836.89          | \$ 836.89          | \$ 836.89          | \$ 836.89          | \$ 836.89          | \$ 836.89          | \$ 836.89          | \$ 836.89          | \$ 836.89          |
| Acquisition and corporate financing        | \$ 222.88          | \$ 258.75          | \$ 243.41          | \$ 230.38          | \$ 230.38          | \$ 230.38          | \$ 230.38          | \$ 230.38          | \$ 230.38          | \$ 230.38          | \$ 230.38          | \$ 230.38          |
| Lease liabilities                          | \$ 37.95           | \$ 28.38           | \$ 25.47           | \$ 21.73           | \$ 21.73           | \$ 21.73           | \$ 21.73           | \$ 21.73           | \$ 21.73           | \$ 21.73           | \$ 21.73           | \$ 21.73           |
| Other liabilities                          | \$ 100.03          | \$ 68.94           | \$ 65.16           | \$ 67.71           | \$ 67.71           | \$ 67.71           | \$ 67.71           | \$ 67.71           | \$ 67.71           | \$ 67.71           | \$ 67.71           | \$ 67.71           |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ 3,066.10</b> | <b>\$ 3,007.48</b> | <b>\$ 2,895.53</b> | <b>\$ 2,896.25</b> | <b>\$ 3,364.50</b> | <b>\$ 3,364.50</b> | <b>\$ 3,364.50</b> | <b>\$ 3,364.50</b> | <b>\$ 3,364.50</b> | <b>\$ 3,364.50</b> | <b>\$ 3,364.50</b> | <b>\$ 3,364.50</b> |
| Common Stock                               | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            | \$ 0.01            |
| Additional paid-in capital                 | \$ 547.80          | \$ 584.56          | \$ 588.56          | \$ 591.73          | \$ 595.43          | \$ 598.93          | \$ 598.93          | \$ 602.43          | \$ 605.93          | \$ 609.43          | \$ 612.93          | \$ 612.93          |
| Accumulated deficit                        | \$ 6.10            | \$ (173.85)        | \$ (200.29)        | \$ (231.31)        | \$ (236.31)        | \$ (236.00)        | \$ (236.00)        | \$ (235.85)        | \$ (235.62)        | \$ (234.50)        | \$ (231.29)        | \$ (231.29)        |
| Treasury stock                             | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          | \$ (6.31)          |
| <b>TOTAL EQUITY</b>                        | <b>\$ 547.60</b>   | <b>\$ 404.40</b>   | <b>\$ 381.97</b>   | <b>\$ 354.12</b>   | <b>\$ 352.82</b>   | <b>\$ 356.63</b>   | <b>\$ 356.63</b>   | <b>\$ 360.28</b>   | <b>\$ 364.01</b>   | <b>\$ 368.63</b>   | <b>\$ 375.34</b>   | <b>\$ 375.34</b>   |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>      | <b>\$ 3,613.70</b> | <b>\$ 3,411.89</b> | <b>\$ 3,277.50</b> | <b>\$ 3,250.36</b> | <b>\$ 3,717.31</b> | <b>\$ 3,721.13</b> | <b>\$ 3,721.13</b> | <b>\$ 3,724.77</b> | <b>\$ 3,728.50</b> | <b>\$ 3,733.13</b> | <b>\$ 3,739.84</b> | <b>\$ 3,739.84</b> |

**Oportun Financial Corp**  
**Cash Flow Statement**  
*\$ in millions*

| Inputs                                                     | 2022 Actual          | 2023 Actual        | 2024 Estimated     |                   |                   |                    |                   | 2025 Estimated    |                   |                   |                   |                   |
|------------------------------------------------------------|----------------------|--------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                            | Fiscal 2022A         | Fiscal 2023A       | 1QA Mar-24         | 2QA Jun-24        | 3QE Sep-24        | 4QE Dec-24         | Fiscal 2024E      | 1QE Mar-25        | 2QE Jun-25        | 3QE Sep-25        | 4QE Dec-25        | Fiscal 2025E      |
| Net Income                                                 | \$ (77.74)           | \$ (179.95)        | \$ (26.44)         | \$ (31.03)        | \$ (5.00)         | \$ 0.31            | \$ (62.15)        | \$ 0.15           | \$ 0.23           | \$ 1.13           | \$ 3.21           | \$ 4.71           |
| Depreciation and amortization                              | \$ 47.53             | \$ 54.89           | \$ 13.20           | \$ 13.01          | \$ 14.87          | \$ 14.58           | \$ 55.66          | \$ 13.69          | \$ 13.60          | \$ 13.81          | \$ 14.16          | \$ 55.25          |
| Goodwill impairment                                        | \$ 108.47            | \$ -               | \$ -               | \$ -              | \$ -              | \$ -               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Fair value adjustment, net                                 | \$ 218.84            | \$ 596.84          | \$ 116.85          | \$ 136.12         | \$ -              | \$ -               | \$ 252.97         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Origination fees for loans receivable at fair value, net   | \$ (26.85)           | \$ (23.36)         | \$ (1.60)          | \$ (8.54)         | \$ -              | \$ -               | \$ (10.14)        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Gain on loan sales                                         | \$ (5.70)            | \$ (8.48)          | \$ (1.50)          | \$ (2.11)         | \$ -              | \$ -               | \$ (3.61)         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Stock-based compensation                                   | \$ 27.62             | \$ 18.59           | \$ 3.98            | \$ 2.94           | \$ 3.70           | \$ 3.50            | \$ 14.12          | \$ 3.50           | \$ 3.50           | \$ 3.50           | \$ 3.50           | \$ 14.00          |
| Other, net                                                 | \$ 30.34             | \$ (53.20)         | \$ (2.69)          | \$ 16.88          | \$ -              | \$ -               | \$ 14.19          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Originations of loans sold and held for sale               | \$ (52.74)           | \$ (56.60)         | \$ (22.24)         | \$ (28.43)        | \$ -              | \$ -               | \$ (50.66)        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Proceeds from sale of loans                                | \$ 58.84             | \$ 65.09           | \$ 23.36           | \$ 30.46          | \$ -              | \$ -               | \$ 53.82          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Changes in operating assets and liabilities                | \$ (80.74)           | \$ (21.05)         | \$ (17.04)         | \$ 6.80           | \$ (80.00)        | \$ (142.51)        | \$ (232.74)       | \$ (29.93)        | \$ (30.23)        | \$ (30.53)        | \$ (30.83)        | \$ (121.51)       |
| <b>Operating Activities - Net Cash Flow</b>                | <b>\$ 247.88</b>     | <b>\$ 392.77</b>   | <b>\$ 85.88</b>    | <b>\$ 107.73</b>  | <b>\$ (66.43)</b> | <b>\$ (124.11)</b> | <b>\$ 3.07</b>    | <b>\$ (12.59)</b> | <b>\$ (12.90)</b> | <b>\$ (12.09)</b> | <b>\$ (9.97)</b>  | <b>\$ (47.55)</b> |
| Originations and purchases of loans held for investment    | \$ (2,762.83)        | \$ (1,580.13)      | \$ (298.14)        | \$ (381.60)       | \$ -              | \$ -               | \$ (679.74)       | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Proceeds from loan sales originated as held for investment | \$ 249.27            | \$ 4.06            | \$ 1.39            | \$ 0.85           | \$ -              | \$ -               | \$ 2.24           | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Repayments of loan principal                               | \$ 1,396.90          | \$ 1,322.60        | \$ 336.43          | \$ 322.80         | \$ -              | \$ -               | \$ 659.23         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Capitalization of system development costs                 | \$ (48.89)           | \$ (31.26)         | \$ (3.10)          | \$ (5.25)         | \$ (5.25)         | \$ (5.25)          | \$ (18.86)        | \$ (10.00)        | \$ (10.00)        | \$ (10.00)        | \$ (10.00)        | \$ (40.00)        |
| Other                                                      | \$ (6.00)            | \$ (1.44)          | \$ (0.12)          | \$ (0.24)         | \$ -              | \$ -               | \$ (0.36)         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| <b>Investing Activities - Net Cash Flow</b>                | <b>\$ (1,171.55)</b> | <b>\$ (286.18)</b> | <b>\$ 36.46</b>    | <b>\$ (63.44)</b> | <b>\$ (5.25)</b>  | <b>\$ (5.25)</b>   | <b>\$ (37.49)</b> | <b>\$ (10.00)</b> | <b>\$ (10.00)</b> | <b>\$ (10.00)</b> | <b>\$ (10.00)</b> | <b>\$ (40.00)</b> |
| Borrowings under secured financing                         | \$ 1,972.00          | \$ 245.70          | \$ -               | \$ 89.94          | \$ -              | \$ -               | \$ 89.94          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Repayments of secured financing                            | \$ (2,050.00)        | \$ (274.75)        | \$ (218.25)        | \$ (5.95)         | \$ -              | \$ -               | \$ (224.19)       | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Borrowings under asset-backed notes at fair value          | \$ 1,262.06          | \$ -               | \$ 260.27          | \$ 137.64         | \$ 468.25         | \$ -               | \$ 866.16         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Repayments of asset-backed notes at fair value             | \$ (232.68)          | \$ (707.62)        | \$ (105.27)        | \$ (120.68)       | \$ -              | \$ -               | \$ (225.95)       | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Borrowings under asset-backed borrowings at amortized cost | \$ -                 | \$ 626.41          | \$ -               | \$ -              | \$ -              | \$ -               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Repayments of asset-backed borrowings at amortized cost    | \$ -                 | \$ (33.62)         | \$ (48.75)         | \$ (88.04)        | \$ -              | \$ -               | \$ (136.79)       | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Borrowings under acquisition and corporate financing       | \$ -                 | \$ 73.36           | \$ -               | \$ -              | \$ -              | \$ -               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Repayments of acquisition and corporate financing          | \$ -                 | \$ (28.44)         | \$ (17.15)         | \$ (17.12)        | \$ -              | \$ -               | \$ (34.27)        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Payments of deferred financing costs                       | \$ (8.19)            | \$ (2.72)          | \$ (2.43)          | \$ -              | \$ -              | \$ -               | \$ (2.43)         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Net payments related to stock-based activities             | \$ (8.67)            | \$ (2.70)          | \$ (0.23)          | \$ -              | \$ -              | \$ -               | \$ (0.23)         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| <b>Financing Activities - Net Cash Flow</b>                | <b>\$ 934.53</b>     | <b>\$ (104.39)</b> | <b>\$ (131.81)</b> | <b>\$ (4.20)</b>  | <b>\$ 468.25</b>  | <b>\$ -</b>        | <b>\$ 332.24</b>  | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |
| Exchange Rate Effect                                       | \$ -                 | \$ -               | \$ -               | \$ -              | \$ -              | \$ -               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Cash and Equivalents - Change                              | \$ 10.86             | \$ 2.20            | \$ (9.46)          | \$ 40.08          | \$ 396.57         | \$ (129.36)        | \$ 297.83         | \$ (22.59)        | \$ (22.90)        | \$ (22.09)        | \$ (19.97)        | \$ (87.55)        |
| Cash Beginning                                             | \$ 192.96            | \$ 203.82          | \$ 206.02          | \$ 196.55         | \$ 236.64         | \$ 633.21          | \$ 206.02         | \$ 503.84         | \$ 481.25         | \$ 458.35         | \$ 436.26         | \$ 503.84         |
| Cash End                                                   | \$ 203.82            | \$ 206.02          | \$ 196.55          | \$ 236.64         | \$ 633.21         | \$ 503.84          | \$ 503.84         | \$ 481.25         | \$ 458.35         | \$ 436.26         | \$ 416.29         | \$ 416.29         |