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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the quarterly period ended June 30, 2022**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the transition period from to**

Commission file number  
**001-36129 (OneMain Holdings, Inc.)**  
**001-06155 (OneMain Finance Corporation)**

**ONEMAIN HOLDINGS, INC.  
ONEMAIN FINANCE CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware (OneMain Holdings, Inc.)**  
**Indiana (OneMain Finance Corporation)**  
(State of incorporation)

**27-3379612**  
**35-0416090**  
(I.R.S. Employer Identification No.)

**601 N.W. Second Street, Evansville, IN 47708**  
(Address of principal executive offices) (Zip code)

**(812) 424-8031**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

**OneMain Holdings, Inc.:**

Title of each class	Trading Symbol	Name of each exchange on which registered
<b>Common Stock, par value \$0.01 per share</b>	<b>OMF</b>	<b>New York Stock Exchange</b>
<b>OneMain Finance Corporation: None</b>		

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

OneMain Holdings, Inc. Yes ☒ No ☐  
OneMain Finance Corporation Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

OneMain Holdings, Inc. Yes ☒ No ☐  
OneMain Finance Corporation Yes ☒ No ☐

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

OneMain Holdings, Inc.:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

OneMain Finance Corporation:

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

OneMain Holdings, Inc. ☐

OneMain Finance Corporation ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

OneMain Holdings, Inc. Yes ☐ No ☒

OneMain Finance Corporation Yes ☐ No ☒

At July 21, 2022, there were 123,667,435 shares of OneMain Holdings, Inc.’s common stock, \$0.01 par value, outstanding.

At July 21, 2022, there were 10,160,021 shares of OneMain Finance Corporation’s common stock, \$0.50 par value, outstanding.

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## GLOSSARY

Terms and abbreviations used in this report are defined below.

Term or Abbreviation	Definition
30-89 Delinquency ratio	net finance receivables 30-89 days past due as a percentage of net finance receivables
ABS	asset-backed securities
Adjusted pretax income (loss)	a non-GAAP financial measure used by management as a key performance measure of our segment
AETR	annual effective tax rate
AHL	American Health and Life Insurance Company, an insurance subsidiary of OneMain Financial Holdings, LLC
Annual Report	the Annual Report on Form 10-K of OMH and OMFC for the fiscal year ended December 31, 2021, filed with the SEC on February 11, 2022
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Average daily debt balance	average of debt for each day in the period
Average net receivables	average of monthly average net finance receivables (net finance receivables at the beginning and end of each month divided by two) in the period
Base Indenture	indenture, dated as of December 3, 2014, by and between OMFC and Wilmington Trust, National Association, as trustee, and guaranteed by OMH
Board	the OMH Board of Directors
C&I	Consumer and Insurance
CDO	collateralized debt obligations
CFPB	Consumer Financial Protection Bureau
CMBS	commercial mortgage-backed securities
COVID-19	the global outbreak of a novel strain of coronavirus, including variants thereof
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FICO	a credit score created by Fair Isaac Corporation
GAAP	generally accepted accounting principles in the United States of America
GAP	guaranteed asset protection
Gross charge-off ratio	annualized gross charge-offs as a percentage of average net receivables
Gross finance receivables	the unpaid principal balance of our personal loans. For precompute personal loans, unpaid principal balance is the gross contractual payments less the unaccrued balance of unearned finance charges. Credit card gross finance receivables equal the principal balance and billed interest and fees
Indenture	the Base Indenture, together with all subsequent Supplemental Indentures
Junior Subordinated Debenture	\$350 million aggregate principal amount of 60-year junior subordinated debt issued by OMFC under an indenture dated January 22, 2007, by and between OMFC and Deutsche Bank Trust Company, as trustee, and guaranteed by OMH
Managed receivables	consist of our C&I net finance receivables and finance receivables serviced for our whole loan sale partners
Net charge-off ratio	annualized net charge-offs as a percentage of average net receivables
Net interest income	interest income less interest expense
NORA	Notice and Opportunity to Respond and Advise
ODART	OneMain Direct Auto Receivables Trust
OMFC	OneMain Finance Corporation
OMFIT	OneMain Financial Issuance Trust
OMH	OneMain Holdings, Inc.

Term or Abbreviation	Definition
OneMain	OneMain Holdings, Inc. and OneMain Finance Corporation, collectively with their subsidiaries
Open accounts	consist of open credit card accounts as of period end
Other securities	primarily consist of equity securities and those securities for which the fair value option was elected. Other securities recognize unrealized gains and losses in investment revenues
Pretax capital generation	a non-GAAP financial measure used by management as a key performance measure of our segment, defined as C&I adjusted pretax income (loss) excluding the change in C&I allowance for finance receivable losses
Private Secured Term Funding	\$350 million aggregate principal amount collateralized by our personal loans issued on April 25, 2022
Purchase volume	consist of credit card purchase transactions in the period, including cash advances, net of returns
Recovery ratio	annualized recoveries on net charge-offs as a percentage of average net receivables
RMBS	residential mortgage-backed securities
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Segment Accounting Basis	a basis used to report the operating results of our C&I segment and our Other components, which reflects our allocation methodologies for certain costs and excludes the impact of applying purchase accounting
SpringCastle Portfolio	loans the Company previously owned and now services on behalf of a third party
Supplemental Indentures	collectively, the following supplements to the Base Indenture: Fourth Supplemental Indenture, dated as of December 8, 2017; Fifth Supplemental Indenture, dated as of March 12, 2018; Sixth Supplemental Indenture, dated as of May 11, 2018; Seventh Supplemental Indenture, dated as of February 22, 2019; Eighth Supplemental Indenture, dated as of May 9, 2019; Ninth Supplemental Indenture, dated as of November 7, 2019; Eleventh Supplemental Indenture, dated as of December 17, 2020; Twelfth Supplemental Indenture, dated as of June 22, 2021; and Thirteenth Supplemental Indenture, dated as of August 11, 2021
Tax Act	Public Law 115-97 amending the Internal Revenue Code of 1986
TDR finance receivables	troubled debt restructured finance receivables. Debt restructuring in which a concession is granted to the borrower as a result of economic or legal reasons related to the borrower's financial difficulties
Triton	Triton Insurance Company, an insurance subsidiary of OneMain Financial Holdings, LLC
Unearned finance charges	the amount of interest that is capitalized at time of origination on a precompute loan that will be earned over the remaining contractual life of the loan
Unencumbered loans	unencumbered gross finance receivables excluding credit cards
Unsecured corporate revolver	unsecured revolver with a maximum borrowing capacity of \$1.25 billion, payable and due on October 25, 2026
Unsecured Notes	the notes, on a senior unsecured basis, issued by OMFC and guaranteed by OMH
VIEs	variable interest entities
Weighted average interest rate	annualized interest expense as a percentage of average debt
XBRL	eXtensible Business Reporting Language
Yield	annualized finance charges as a percentage of average net receivables

**PART I - FINANCIAL INFORMATION**
**Item 1. Financial Statements.**
**ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets (Unaudited)**

(dollars in millions, except par value amount)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 526	\$ 541
Investment securities (includes available-for-sale securities with a fair value and an amortized cost basis of \$1.7 billion and \$1.8 billion in 2022, respectively, and \$1.9 billion and \$1.8 billion in 2021, respectively)	1,773	1,992
Net finance receivables (includes loans of consolidated VIEs of \$9.6 billion in 2022 and \$8.8 billion in 2021)	19,448	19,212
Unearned insurance premium and claim reserves	(754)	(761)
Allowance for finance receivable losses (includes allowance of consolidated VIEs of \$984 million in 2022 and \$910 million in 2021)	(2,127)	(2,095)
Net finance receivables, less unearned insurance premium and claim reserves and allowance for finance receivable losses	16,567	16,356
Restricted cash and restricted cash equivalents (includes restricted cash and restricted cash equivalents of consolidated VIEs of \$522 million in 2022 and \$466 million in 2021)	534	476
Goodwill	1,437	1,437
Other intangible assets	273	274
Other assets	1,085	1,003
<b>Total assets</b>	<b>\$ 22,195</b>	<b>\$ 22,079</b>
<b>Liabilities and Shareholders' Equity</b>		
Long-term debt (includes debt of consolidated VIEs of \$8.7 billion in 2022 and \$8.0 billion in 2021)	\$ 17,922	\$ 17,750
Insurance claims and policyholder liabilities	612	621
Deferred and accrued taxes	1	1
Other liabilities (includes other liabilities of consolidated VIEs of \$15 million in 2022 and \$13 million in 2021)	627	614
<b>Total liabilities</b>	<b>19,162</b>	<b>18,986</b>
Contingencies (Note 12)		
Shareholders' equity:		
Common stock, par value \$0.01 per share; 2,000,000,000 shares authorized, 123,726,559 and 127,809,640 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	1	1
Additional paid-in capital	1,679	1,672
Accumulated other comprehensive income (loss)	(70)	61
Retained earnings	1,994	1,727
Treasury stock, at cost; 11,062,276 and 6,712,923 shares at June 30, 2022 and December 31, 2021, respectively	(571)	(368)
<b>Total shareholders' equity</b>	<b>3,033</b>	<b>3,093</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 22,195</b>	<b>\$ 22,079</b>

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations (Unaudited)**

(dollars in millions, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest income	\$ 1,106	\$ 1,071	\$ 2,195	\$ 2,130
Interest expense	219	231	438	465
<b>Net interest income</b>	<b>887</b>	<b>840</b>	<b>1,757</b>	<b>1,665</b>
Provision for finance receivable losses	339	132	577	130
<b>Net interest income after provision for finance receivable losses</b>	<b>548</b>	<b>708</b>	<b>1,180</b>	<b>1,535</b>
Other revenues:				
Insurance	111	107	222	214
Investment	9	17	24	34
Gain on sales of finance receivables	16	11	33	15
Net loss on repurchases and repayments of debt	(28)	(1)	(28)	(48)
Other	20	16	39	26
<b>Total other revenues</b>	<b>128</b>	<b>150</b>	<b>290</b>	<b>241</b>
Other expenses:				
Salaries and benefits	205	194	409	383
Other operating expenses	151	153	300	302
Insurance policy benefits and claims	40	48	85	81
<b>Total other expenses</b>	<b>396</b>	<b>395</b>	<b>794</b>	<b>766</b>
<b>Income before income taxes</b>	<b>280</b>	<b>463</b>	<b>676</b>	<b>1,010</b>
Income taxes	71	113	166	247
<b>Net income</b>	<b>\$ 209</b>	<b>\$ 350</b>	<b>\$ 510</b>	<b>\$ 763</b>
<b>Share Data:</b>				
Weighted average number of shares outstanding:				
Basic	124,539,551	134,255,916	125,807,633	134,330,229
Diluted	124,697,971	134,644,350	126,080,499	134,723,124
Earnings per share:				
Basic	\$ 1.68	\$ 2.61	\$ 4.05	\$ 5.68
Diluted	\$ 1.68	\$ 2.60	\$ 4.04	\$ 5.67

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Comprehensive Income (Unaudited)**

(dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Net income</b>	<b>\$ 209</b>	<b>\$ 350</b>	<b>\$ 510</b>	<b>\$ 763</b>
<b>Other comprehensive income (loss):</b>				
Net change in unrealized gains (losses) on non-credit impaired available-for-sale securities	(79)	17	(183)	(25)
Foreign currency translation adjustments	(4)	1	(3)	3
Other	7	(12)	20	11
Income tax effect:				
Net change in unrealized gains (losses) on non-credit impaired available-for-sale securities	18	(4)	42	6
Foreign currency translation adjustments	1	—	1	—
Other	(2)	3	(5)	(3)
Other comprehensive income (loss), net of tax, before reclassification adjustments	(59)	5	(128)	(8)
Reclassification adjustments included in net income, net of tax:				
Net realized losses on available-for-sale securities, net of tax	—	—	(3)	(1)
Reclassification adjustments included in net income, net of tax	—	—	(3)	(1)
Other comprehensive income (loss), net of tax	(59)	5	(131)	(9)
<b>Comprehensive income</b>	<b>\$ 150</b>	<b>\$ 355</b>	<b>\$ 379</b>	<b>\$ 754</b>

See Notes to the Condensed Consolidated Financial Statements (Unaudited).



**ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Shareholders' Equity (Unaudited)**

(dollars in millions)	OneMain Holdings, Inc. Shareholders' Equity					
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Shareholders' Equity
<b>Three Months Ended June 30, 2022</b>						
<b>Balance, April 1, 2022</b>	\$ 1	\$ 1,672	\$ (11)	\$ 1,905	\$ (478)	\$ 3,089
Common stock repurchased	—	—	—	—	(94)	(94)
Treasury stock issued	—	—	—	—	1	1
Share-based compensation expense, net of forfeitures	—	7	—	—	—	7
Other comprehensive loss	—	—	(59)	—	—	(59)
Cash dividends *	—	—	—	(120)	—	(120)
Net income	—	—	—	209	—	209
<b>Balance, June 30, 2022</b>	<u>\$ 1</u>	<u>\$ 1,679</u>	<u>\$ (70)</u>	<u>\$ 1,994</u>	<u>\$ (571)</u>	<u>\$ 3,033</u>
<b>Three Months Ended June 30, 2021</b>						
<b>Balance, April 1, 2021</b>	\$ 1	\$ 1,657	\$ 80	\$ 1,570	\$ —	\$ 3,308
Common stock repurchased	—	—	—	—	(35)	(35)
Share-based compensation expense, net of forfeitures	—	4	—	—	—	4
Other comprehensive income	—	—	5	—	—	5
Cash dividends *	—	—	—	(95)	—	(95)
Net income	—	—	—	350	—	350
<b>Balance, June 30, 2021</b>	<u>\$ 1</u>	<u>\$ 1,661</u>	<u>\$ 85</u>	<u>\$ 1,825</u>	<u>\$ (35)</u>	<u>\$ 3,537</u>

\* Cash dividends declared were \$0.95 per share and \$0.70 per share during the three months ended June 30, 2022 and 2021, respectively.

**ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES**
**Condensed Consolidated Statements of Shareholders' Equity (Unaudited) (Continued)**

(dollars in millions)	OneMain Holdings, Inc. Shareholders' Equity					
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Shareholders' Equity
<b>Six Months Ended June 30, 2022</b>						
<b>Balance, January 1, 2022</b>	\$ 1	\$ 1,672	\$ 61	\$ 1,727	\$ (368)	\$ 3,093
Common stock repurchased	—	—	—	—	(204)	(204)
Treasury stock issued	—	—	—	—	1	1
Share-based compensation expense, net of forfeitures	—	19	—	—	—	19
Withholding tax on share-based compensation	—	(12)	—	—	—	(12)
Other comprehensive loss	—	—	(131)	—	—	(131)
Cash dividends *	—	—	—	(243)	—	(243)
Net income	—	—	—	510	—	510
<b>Balance, June 30, 2022</b>	<u>\$ 1</u>	<u>\$ 1,679</u>	<u>\$ (70)</u>	<u>\$ 1,994</u>	<u>\$ (571)</u>	<u>\$ 3,033</u>
<b>Six Months Ended June 30, 2021</b>						
<b>Balance, January 1, 2021</b>	\$ 1	\$ 1,655	\$ 94	\$ 1,691	\$ —	\$ 3,441
Common stock repurchased	—	—	—	—	(35)	(35)
Share-based compensation expense, net of forfeitures	—	11	—	—	—	11
Withholding tax on share-based compensation	—	(5)	—	—	—	(5)
Other comprehensive loss	—	—	(9)	—	—	(9)
Cash dividends *	—	—	—	(629)	—	(629)
Net income	—	—	—	763	—	763
<b>Balance, June 30, 2021</b>	<u>\$ 1</u>	<u>\$ 1,661</u>	<u>\$ 85</u>	<u>\$ 1,825</u>	<u>\$ (35)</u>	<u>\$ 3,537</u>

\* Cash dividends declared were \$1.90 per share and \$4.65 per share during the six months ended June 30, 2022 and 2021, respectively.

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**

(dollars in millions)	Six Months Ended June 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net income	\$ 510	\$ 763
Reconciling adjustments:		
Provision for finance receivable losses	577	130
Depreciation and amortization	125	127
Deferred income tax charge	1	76
Net loss on repurchases and repayments of debt	28	48
Share-based compensation expense, net of forfeitures	19	11
Gain on sales of finance receivables	(33)	(15)
Other	3	(4)
Cash flows due to changes in other assets and other liabilities	(52)	(6)
Net cash provided by operating activities	1,178	1,130
<b>Cash flows from investing activities</b>		
Net principal originations and purchases of finance receivables	(1,195)	(717)
Proceeds from sales of finance receivables	399	183
Available-for-sale securities purchased	(267)	(257)
Available-for-sale securities called, sold, and matured	293	213
Other securities purchased	(4)	(698)
Other securities called, sold, and matured	9	685
Other, net	(37)	(39)
Net cash used for investing activities	(802)	(630)
<b>Cash flows from financing activities</b>		
Proceeds from issuance and borrowings of long-term debt, net of issuance costs	2,589	1,578
Repayment of long-term debt	(2,461)	(1,839)
Cash dividends	(246)	(628)
Common stock repurchased	(204)	(35)
Treasury stock issued	1	—
Withholding tax on share-based compensation	(12)	(5)
Net cash used for financing activities	(333)	(929)
Net change in cash and cash equivalents and restricted cash and restricted cash equivalents	43	(429)
Cash and cash equivalents and restricted cash and restricted cash equivalents at beginning of period	1,017	2,723
Cash and cash equivalents and restricted cash and restricted cash equivalents at end of period	\$ 1,060	\$ 2,294
<b>Supplemental cash flow information</b>		
Cash and cash equivalents	\$ 526	\$ 1,787
Restricted cash and restricted cash equivalents	534	507
Total cash and cash equivalents and restricted cash and restricted cash equivalents	\$ 1,060	\$ 2,294

Restricted cash and restricted cash equivalents primarily represent funds required to be used for future debt payments relating to our secured transactions.

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN FINANCE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets (Unaudited)**

(dollars in millions, except par value amount)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 519	\$ 510
Investment securities (includes available-for-sale securities with a fair value and an amortized cost basis of \$1.7 billion and \$1.8 billion in 2022, respectively, and \$1.9 billion and \$1.8 billion in 2021, respectively)	1,773	1,992
Net finance receivables (includes loans of consolidated VIEs of \$9.6 billion in 2022 and \$8.8 billion in 2021)	19,448	19,212
Unearned insurance premium and claim reserves	(754)	(761)
Allowance for finance receivable losses (includes allowance of consolidated VIEs of \$984 million in 2022 and \$910 million in 2021)	(2,127)	(2,095)
Net finance receivables, less unearned insurance premium and claim reserves and allowance for finance receivable losses	16,567	16,356
Restricted cash and restricted cash equivalents (includes restricted cash and restricted cash equivalents of consolidated VIEs of \$522 million in 2022 and \$466 million in 2021)	534	476
Goodwill	1,437	1,437
Other intangible assets	273	274
Other assets	1,084	1,001
<b>Total assets</b>	<b>\$ 22,187</b>	<b>\$ 22,046</b>
<b>Liabilities and Shareholder's Equity</b>		
Long-term debt (includes debt of consolidated VIEs of \$8.7 billion in 2022 and \$8.0 billion in 2021)	\$ 17,922	\$ 17,750
Insurance claims and policyholder liabilities	612	621
Deferred and accrued taxes	1	1
Other liabilities (includes other liabilities of consolidated VIEs of \$15 million in 2022 and \$13 million in 2021)	629	614
<b>Total liabilities</b>	<b>19,164</b>	<b>18,986</b>
Contingencies (Note 12)		
Shareholder's equity:		
Common stock, par value \$0.50 per share; 25,000,000 shares authorized, 10,160,021 shares issued and outstanding at June 30, 2022 and December 31, 2021	5	5
Additional paid-in capital	1,923	1,916
Accumulated other comprehensive income (loss)	(70)	61
Retained earnings	1,165	1,078
<b>Total shareholder's equity</b>	<b>3,023</b>	<b>3,060</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$ 22,187</b>	<b>\$ 22,046</b>

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN FINANCE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations (Unaudited)**

(dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest income	\$ 1,106	\$ 1,071	\$ 2,195	\$ 2,130
Interest expense	219	231	438	465
<b>Net interest income</b>	<b>887</b>	<b>840</b>	<b>1,757</b>	<b>1,665</b>
Provision for finance receivable losses	339	132	577	130
<b>Net interest income after provision for finance receivable losses</b>	<b>548</b>	<b>708</b>	<b>1,180</b>	<b>1,535</b>
Other revenues:				
Insurance	111	107	222	214
Investment	9	17	24	34
Gain on sales of finance receivables	16	11	33	15
Net loss on repurchases and repayments of debt	(28)	(1)	(28)	(48)
Other	20	16	39	26
<b>Total other revenues</b>	<b>128</b>	<b>150</b>	<b>290</b>	<b>241</b>
Other expenses:				
Salaries and benefits	205	194	409	383
Other operating expenses	151	153	300	302
Insurance policy benefits and claims	40	48	85	81
<b>Total other expenses</b>	<b>396</b>	<b>395</b>	<b>794</b>	<b>766</b>
<b>Income before income taxes</b>	<b>280</b>	<b>463</b>	<b>676</b>	<b>1,010</b>
Income taxes	71	113	166	247
<b>Net income</b>	<b>\$ 209</b>	<b>\$ 350</b>	<b>\$ 510</b>	<b>\$ 763</b>

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN FINANCE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Comprehensive Income (Unaudited)**

(dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Net income</b>	<b>\$ 209</b>	<b>\$ 350</b>	<b>\$ 510</b>	<b>\$ 763</b>
<b>Other comprehensive income (loss):</b>				
Net change in unrealized gains (losses) on non-credit impaired available-for-sale securities	(79)	17	(183)	(25)
Foreign currency translation adjustments	(4)	1	(3)	3
Other	7	(12)	20	11
Income tax effect:				
Net change in unrealized gains (losses) on non-credit impaired available-for-sale securities	18	(4)	42	6
Foreign currency translation adjustments	1	—	1	—
Other	(2)	3	(5)	(3)
Other comprehensive income (loss), net of tax, before reclassification adjustments	(59)	5	(128)	(8)
Reclassification adjustments included in net income, net of tax:				
Net realized losses on available-for-sale securities, net of tax	—	—	(3)	(1)
Reclassification adjustments included in net income, net of tax	—	—	(3)	(1)
Other comprehensive income (loss), net of tax	(59)	5	(131)	(9)
<b>Comprehensive income</b>	<b>\$ 150</b>	<b>\$ 355</b>	<b>\$ 379</b>	<b>\$ 754</b>

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN FINANCE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Shareholder's Equity (Unaudited)**

(dollars in millions)	OneMain Finance Corporation Shareholder's Equity				
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholder's Equity
<b>Three Months Ended June 30, 2022</b>					
<b>Balance, April 1, 2022</b>	\$ 5	\$ 1,916	\$ (11)	\$ 1,156	\$ 3,066
Share-based compensation expense, net of forfeitures	—	7	—	—	7
Other comprehensive loss	—	—	(59)	—	(59)
Cash dividends	—	—	—	(200)	(200)
Net income	—	—	—	209	209
<b>Balance, June 30, 2022</b>	<u>\$ 5</u>	<u>\$ 1,923</u>	<u>\$ (70)</u>	<u>\$ 1,165</u>	<u>\$ 3,023</u>
<b>Three Months Ended June 30, 2021</b>					
<b>Balance, April 1, 2021</b>	\$ 5	\$ 1,901	\$ 80	\$ 1,320	\$ 3,306
Share-based compensation expense, net of forfeitures	—	4	—	—	4
Other comprehensive income	—	—	5	—	5
Cash dividends	—	—	—	(135)	(135)
Net income	—	—	—	350	350
<b>Balance, June 30, 2021</b>	<u>\$ 5</u>	<u>\$ 1,905</u>	<u>\$ 85</u>	<u>\$ 1,535</u>	<u>\$ 3,530</u>
<b>Six Months Ended June 30, 2022</b>					
<b>Balance, January 1, 2022</b>	\$ 5	\$ 1,916	\$ 61	\$ 1,078	\$ 3,060
Share-based compensation expense, net of forfeitures	—	19	—	—	19
Withholding tax on share-based compensation	—	(12)	—	—	(12)
Other comprehensive loss	—	—	(131)	—	(131)
Cash dividends	—	—	—	(423)	(423)
Net income	—	—	—	510	510
<b>Balance, June 30, 2022</b>	<u>\$ 5</u>	<u>\$ 1,923</u>	<u>\$ (70)</u>	<u>\$ 1,165</u>	<u>\$ 3,023</u>
<b>Six Months Ended June 30, 2021</b>					
<b>Balance, January 1, 2021</b>	\$ 5	\$ 1,899	\$ 94	\$ 1,442	\$ 3,440
Share-based compensation expense, net of forfeitures	—	11	—	—	11
Withholding tax on share-based compensation	—	(5)	—	—	(5)
Other comprehensive loss	—	—	(9)	—	(9)
Cash dividends	—	—	—	(670)	(670)
Net income	—	—	—	763	763
<b>Balance, June 30, 2021</b>	<u>\$ 5</u>	<u>\$ 1,905</u>	<u>\$ 85</u>	<u>\$ 1,535</u>	<u>\$ 3,530</u>

See Notes to the Condensed Consolidated Financial Statements (Unaudited).

**ONEMAIN FINANCE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**

(dollars in millions)	Six Months Ended June 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net income	\$ 510	\$ 763
Reconciling adjustments:		
Provision for finance receivable losses	577	130
Depreciation and amortization	125	127
Deferred income tax charge	1	76
Net loss on repurchases and repayments of debt	28	48
Share-based compensation expense, net of forfeitures	19	11
Gain on sales of finance receivables	(33)	(15)
Other	3	(4)
Cash flows due to changes in other assets and other liabilities	(51)	(4)
Net cash provided by operating activities	1,179	1,132
<b>Cash flows from investing activities</b>		
Net principal originations and purchases of finance receivables	(1,195)	(717)
Proceeds from sales of finance receivables	399	183
Available-for-sale securities purchased	(267)	(257)
Available-for-sale securities called, sold, and matured	293	213
Other securities purchased	(4)	(698)
Other securities called, sold, and matured	9	685
Other, net	(37)	(39)
Net cash used for investing activities	(802)	(630)
<b>Cash flows from financing activities</b>		
Proceeds from issuance and borrowings of long-term debt, net of issuance costs	2,589	1,578
Repayment of long-term debt	(2,461)	(1,839)
Cash dividends	(426)	(670)
Withholding tax on share-based compensation	(12)	(5)
Net cash used for financing activities	(310)	(936)
Net change in cash and cash equivalents and restricted cash and restricted cash equivalents	67	(434)
Cash and cash equivalents and restricted cash and restricted cash equivalents at beginning of period	986	2,723
Cash and cash equivalents and restricted cash and restricted cash equivalents at end of period	\$ 1,053	\$ 2,289
<b>Supplemental cash flow information</b>		
Cash and cash equivalents	\$ 519	\$ 1,782
Restricted cash and restricted cash equivalents	534	507
Total cash and cash equivalents and restricted cash and restricted cash equivalents	\$ 1,053	\$ 2,289

Restricted cash and restricted cash equivalents primarily represent funds required to be used for future debt payments relating to our secured transactions.

See Notes to the Condensed Consolidated Financial Statements (Unaudited).



## **ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES**

### **Notes to the Condensed Consolidated Financial Statements**

**June 30, 2022**

#### **1. Business and Basis of Presentation**

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OneMain Holdings, Inc. (“OMH”), and its wholly owned direct subsidiary, OneMain Finance Corporation (“OMFC”) are financial services holding companies whose subsidiaries engage in the consumer finance and insurance businesses.

The results of OMFC are consolidated into the results of OMH. Due to the nominal differences between OMFC and OMH, content throughout this filing relates to both OMH and OMFC, except where otherwise indicated. OMH and OMFC are referred to in this report, collectively with their subsidiaries, whether directly or indirectly owned, as “the Company,” “OneMain,” “we,” “us,” or “our.”

#### **BASIS OF PRESENTATION**

We prepared our condensed consolidated financial statements using generally accepted accounting principles in the United States of America (“GAAP”). These statements are unaudited. The year-end condensed balance sheet data was derived from our audited financial statements but does not include all disclosures required by GAAP. The statements include the accounts of OMH, its subsidiaries (all of which are wholly owned), and variable interest entities (“VIEs”) in which we hold a controlling financial interest and for which we are considered to be the primary beneficiary as of the financial statement date.

We eliminated all material intercompany accounts and transactions. We made judgments, estimates, and assumptions that affect amounts reported in our condensed consolidated financial statements and disclosures of contingent assets and liabilities. In management’s opinion, the condensed consolidated financial statements include the normal, recurring adjustments necessary for a fair statement of results. Actual results could differ from our estimates. We evaluated the effects of and the need to disclose events that occurred subsequent to the balance sheet date.

The condensed consolidated financial statements in this report should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report. We follow the same significant accounting policies for our interim reporting. To conform to the 2022 presentation, we reclassified certain items in prior periods of our condensed consolidated financial statements.

## 2. Recent Accounting Pronouncements

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### ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED

#### *Insurance*

In August of 2018, the FASB issued ASU 2018-12, *Financial Services - Insurance: Targeted Improvements to the Accounting for Long-Duration Contracts*, which provides targeted improvements to Topic 944 for the assumptions used to measure the liability for future policy benefits for nonparticipating traditional and limited-payment contracts; measurement of market risk benefits; amortization of deferred acquisition costs; and enhanced disclosures. Upon adoption, our assumptions used to measure the liability for future policy benefits will be updated at least annually. The guidance requires the discount rate used to measure the liability to be an upper-medium grade fixed-income instrument yield and updated at each reporting date with changes in the liability due to the discount rate recognized in other comprehensive income. The amendments in this ASU become effective for the Company beginning January 1, 2023 and we have selected the modified retrospective transition method.

The Company's cross-functional implementation team continues to make progress in line with the established project plan to ensure we comply with all the amendments in this ASU at the time of adoption. The Company's long-duration contracts include term life, accidental death and dismemberment, and disability income protection. We will utilize an actuarial software solution to meet the new accounting and disclosure requirements, and we continue to refine the development of the actuarial model and assumptions. After the model has been subject to a parallel testing phase in 2022, the Company will provide further disclosure regarding the estimated impact of the adoption of the ASU on our consolidated financial statements.

#### *Financial Instruments*

In March of 2022, the FASB issued ASU 2022-02, *Financial Instruments - Credit Losses: Troubled Debt Restructurings and Vintage Disclosures*, which eliminates the accounting for troubled debt restructurings by creditors while enhancing the disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The amendment also requires disclosure of gross charge-offs by year of origination for finance receivables. The amendments in this ASU are effective for the Company for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating whether adoption of this ASU will have a material impact on our consolidated financial statements.

We do not believe that any other accounting pronouncements issued, but not yet effective, would have a material impact on our consolidated financial statements or disclosures, if adopted.

### 3. Finance Receivables

Our finance receivables consist of personal loans and credit cards. Personal loans are non-revolving, with a fixed rate, fixed terms generally between three and six years, and are secured by automobiles, other titled collateral, or are unsecured. During the third quarter of 2021, we began offering credit cards. Credit cards are open-ended, revolving, with a fixed rate, and are unsecured.

Components of our net finance receivables were as follows:

(dollars in millions)	Personal Loans	Credit Cards	Total
<b>June 30, 2022</b>			
Gross finance receivables (a)	\$ 19,133	\$ 63	\$ 19,196
Unearned fees	(221)	—	(221)
Accrued finance charges and fees	288	—	288
Deferred origination costs	184	1	185
Total	<u>\$ 19,384</u>	<u>\$ 64</u>	<u>\$ 19,448</u>
<b>December 31, 2021</b>			
Gross finance receivables (a)	\$ 18,944	\$ 24	\$ 18,968
Unearned fees	(225)	(1)	(226)
Accrued finance charges and fees	289	—	289
Deferred origination costs	179	2	181
Total	<u>\$ 19,187</u>	<u>\$ 25</u>	<u>\$ 19,212</u>

(a) Personal loan gross finance receivables equal the unpaid principal balance. For precompute personal loans, unpaid principal balance is the gross contractual payments less the unaccrued balance of unearned finance charges. Credit card gross finance receivables equal the principal balance and billed interest and fees.

### WHOLE LOAN SALE TRANSACTIONS

As of June 30, 2022, we have whole loan sale flow agreements with third parties, with remaining terms of less than two years, in which we agreed to sell a combined total of \$180 million gross receivables per quarter of newly originated unsecured personal loans along with any associated accrued interest. These unsecured personal loans are derecognized from our balance sheet at the time of sale. We service the personal loans sold and are entitled to a servicing fee and other fees commensurate with the services performed as part of the agreements. The gain on sales and servicing fees are recorded in other revenue. We sold \$180 million and \$360 million of gross finance receivables during the three and six months ended June 30, 2022, respectively, and \$120 million and \$165 million of gross finance receivables during the three and six months ended June 30, 2021, respectively. The gain on the sales were \$16 million and \$33 million during the three and six months ended June 30, 2022, respectively, and \$11 million and \$15 million during the three and six months ended June 30, 2021, respectively.

### CREDIT QUALITY INDICATOR

We consider the delinquency status of our finance receivables as our key credit quality indicator. We monitor the delinquency of our finance receivable portfolio, including the migration between the delinquency buckets and changes in the delinquency trends to manage our exposure to credit risk in the portfolio.

When personal loans are 60 days contractually past due, we consider these accounts to be at an increased risk for loss and collection of these accounts is managed by our centralized operations. We consider our personal loans to be nonperforming at 90 days or more contractually past due, at which point we stop accruing finance charges and reverse finance charges previously accrued. For our personal loans, we reversed net accrued finance charges of \$27 million and \$54 million during the three and six months ended June 30, 2022, respectively, and \$14 million and \$34 million during the three and six months ended June 30, 2021, respectively.

Finance charges recognized from the contractual interest portion of payments received on nonaccrual personal loans totaled \$4 million and \$8 million during the three and six months ended June 30, 2022, respectively, and \$3 million and \$8 million during the three and six months ended June 30, 2021, respectively. All personal loans in nonaccrual status are considered in our estimate of allowance for finance receivable losses.

We accrue finance charges and fees on credit cards until charge-off at approximately 180 days past due, at which point we reverse finance charges and fees previously accrued. For credit cards, net accrued finance charges and fees reversed for the three and six months ended June 30, 2022 were immaterial.

The following tables below are a summary of our personal loans by the year of origination and number of days delinquent:

(dollars in millions)	2022	2021	2020	2019	2018	Prior	Total
<b>June 30, 2022</b>							
<i>Performing</i>							
Current	\$ 6,105	\$ 7,357	\$ 2,630	\$ 1,714	\$ 460	\$ 173	\$ 18,439
30-59 days past due	34	171	59	39	13	7	323
60-89 days past due	16	116	40	23	7	4	206
Total performing	6,155	7,644	2,729	1,776	480	184	18,968
<i>Nonperforming (Nonaccrual)</i>							
90+ days past due	9	236	92	54	16	9	416
Total	\$ 6,164	\$ 7,880	\$ 2,821	\$ 1,830	\$ 496	\$ 193	\$ 19,384

(dollars in millions)	2021	2020	2019	2018	2017	Prior	Total
<b>December 31, 2021</b>							
<i>Performing</i>							
Current	\$ 10,645	\$ 3,935	\$ 2,641	\$ 814	\$ 193	\$ 109	\$ 18,337
30-59 days past due	125	74	53	19	6	5	282
60-89 days past due	81	53	33	11	4	3	185
Total performing	10,851	4,062	2,727	844	203	117	18,804
<i>Nonperforming (Nonaccrual)</i>							
90+ days past due	125	130	85	28	9	6	383
Total	\$ 10,976	\$ 4,192	\$ 2,812	\$ 872	\$ 212	\$ 123	\$ 19,187

The following is a summary of credit cards by number of days delinquent:

(dollars in millions)	June 30, 2022	December 31, 2021
Current	\$ 56	\$ 25
30-59 days past due	2	—
60-89 days past due	2	—
90+ days past due	4	—
Total	\$ 64	\$ 25

There were no credit cards that were converted to term loans at June 30, 2022 or December 31, 2021.

## TROUBLED DEBT RESTRUCTURED FINANCE RECEIVABLES

Information regarding TDR finance receivables were as follows:

(dollars in millions)	June 30, 2022	December 31, 2021
TDR gross finance receivables	\$ 670	\$ 646
TDR net finance receivables *	675	650
Allowance for TDR finance receivable losses	272	270

\* TDR net finance receivables are TDR gross finance receivables net of unearned fees, accrued finance charges, and deferred origination costs.

There were no credit cards classified as TDR finance receivables at June 30, 2022 or December 31, 2021.

Information regarding the new volume of the TDR finance receivables were as follows:

(dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Pre-modification TDR net finance receivables	\$ 143	\$ 112	\$ 276	\$ 228
Post-modification TDR net finance receivables:				
Rate reduction	84	79	170	156
Other *	59	33	106	71
Total post-modification TDR net finance receivables	\$ 143	\$ 112	\$ 276	\$ 227
Number of TDR accounts	17,516	13,691	33,681	28,199

\* "Other" modifications primarily consist of loans with both rate reductions and the potential of principal forgiveness contingent on future payment performance by the borrower under the modified terms.

Finance receivables that were modified as TDR finance receivables within the previous 12 months and for which there was a default during the period to cause the TDR finance receivables to be considered nonperforming (90 days or more past due) are reflected in the following table:

(dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
TDR net finance receivables *	\$ 30	\$ 27	\$ 59	\$ 56
Number of TDR accounts	3,762	3,743	7,558	7,926

\* Represents the corresponding balance of TDR net finance receivables at the end of the month in which they defaulted.

## UNFUNDED LENDING COMMITMENTS

Our unfunded lending commitments consist of the unused credit card lines, which are unconditionally cancellable. We do not anticipate that all of our customers will access their entire available line at any given point in time. The unused credit card lines totaled \$39 million at June 30, 2022 and \$54 million at December 31, 2021.

#### 4. Allowance for Finance Receivable Losses

We establish an allowance for finance receivable losses through the provision for finance receivable losses. We evaluate our finance receivable portfolio by the level of contractual delinquency in the portfolio, specifically in the late-stage delinquency buckets and inclusive of the migration of the finance receivables through the delinquency buckets. We estimate and record an allowance for finance receivable losses to cover the estimated lifetime expected credit losses on our finance receivables. Our allowance for finance receivable losses may fluctuate based upon changes in portfolio growth, credit quality, and economic conditions.

Our current methodology to estimate expected credit losses used the most recent macroeconomic forecasts, which incorporated the overall unemployment rate. We also considered inflationary pressures, supply chain concerns, geopolitical risks, along with the persistent labor supply shortages. Our forecast leveraged economic projections from industry leading forecast providers. At June 30, 2022, our economic forecast used a reasonable and supportable period of 12 months. The increase in our allowance for finance receivable losses for the three and six months ended June 30, 2022 was primarily due to the growth in our loan portfolio. We may experience further changes to the macroeconomic assumptions within our forecast, as well as changes to our loan loss performance outlook, both of which could lead to further changes in our allowance for finance receivable losses, allowance ratio, and provision for finance receivable losses.

Changes in the allowance for finance receivable losses were as follows:

(dollars in millions)	Personal Loans	Credit Cards	Total
<b>Three Months Ended June 30, 2022</b>			
Balance at beginning of period	\$ 2,061	\$ 10	\$ 2,071
Provision for finance receivable losses	337	2	339
Charge-offs	(351)	—	(351)
Recoveries	68	—	68
Balance at end of period	<u>\$ 2,115</u>	<u>\$ 12</u>	<u>\$ 2,127</u>
<b>Three Months Ended June 30, 2021*</b>			
Balance at beginning of period	\$ 2,062	\$ —	\$ 2,062
Provision for finance receivable losses	132	—	132
Charge-offs	(252)	—	(252)
Recoveries	58	—	58
Balance at end of period	<u>\$ 2,000</u>	<u>\$ —</u>	<u>\$ 2,000</u>
<b>Six Months Ended June 30, 2022</b>			
Balance at beginning of period	\$ 2,090	\$ 5	\$ 2,095
Provision for finance receivable losses	570	7	577
Charge-offs	(680)	—	(680)
Recoveries	135	—	135
Balance at end of period	<u>\$ 2,115</u>	<u>\$ 12</u>	<u>\$ 2,127</u>
<b>Six Months Ended June 30, 2021*</b>			
Balance at beginning of period	\$ 2,269	\$ —	\$ 2,269
Provision for finance receivable losses	130	—	130
Charge-offs	(507)	—	(507)
Recoveries	108	—	108
Balance at end of period	<u>\$ 2,000</u>	<u>\$ —</u>	<u>\$ 2,000</u>

\* There were no credit cards for the three and six months ended June 30, 2021 as the product offering began in the third quarter of 2021.

The allowance for finance receivable losses and net finance receivables by impairment method were as follows:

(dollars in millions)	Personal Loans	Credit Cards	Total
<b>June 30, 2022</b>			
<i>Allowance for finance receivable losses:</i>			
Collectively evaluated for impairment	\$ 1,843	\$ 12	\$ 1,855
TDR finance receivables	272	—	272
<b>Total</b>	<b>\$ 2,115</b>	<b>\$ 12</b>	<b>\$ 2,127</b>
<i>Finance receivables:</i>			
Collectively evaluated for impairment	\$ 18,709	\$ 64	\$ 18,773
TDR finance receivables	675	—	675
<b>Total</b>	<b>\$ 19,384</b>	<b>\$ 64</b>	<b>\$ 19,448</b>
<i>Allowance for finance receivable losses as a percentage of finance receivables</i>	<b>10.91 %</b>	<b>19.13 %</b>	<b>10.94 %</b>
<b>December 31, 2021</b>			
<i>Allowance for finance receivable losses:</i>			
Collectively evaluated for impairment	\$ 1,820	\$ 5	\$ 1,825
TDR finance receivables	270	—	270
<b>Total</b>	<b>\$ 2,090</b>	<b>\$ 5</b>	<b>\$ 2,095</b>
<i>Finance receivables:</i>			
Collectively evaluated for impairment	\$ 18,537	\$ 25	\$ 18,562
TDR finance receivables	650	—	650
<b>Total</b>	<b>\$ 19,187</b>	<b>\$ 25</b>	<b>\$ 19,212</b>
<i>Allowance for finance receivable losses as a percentage of finance receivables</i>	<b>10.89 %</b>	<b>19.91 %</b>	<b>10.90 %</b>

## 5. Investment Securities

### AVAILABLE-FOR-SALE SECURITIES

Cost/amortized cost, allowance for credit losses, unrealized gains and losses, and fair value of fixed maturity available-for-sale securities by type were as follows:

(dollars in millions)	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>June 30, 2022*</b>				
Fixed maturity available-for-sale securities:				
U.S. government and government sponsored entities	\$ 13	\$ —	\$ —	\$ 13
Obligations of states, municipalities, and political subdivisions	74	—	(5)	69
Commercial paper	58	—	—	58
Non-U.S. government and government sponsored entities	144	—	(7)	137
Corporate debt	1,212	1	(91)	1,122
Mortgage-backed, asset-backed, and collateralized:				
RMBS	190	—	(15)	175
CMBS	41	—	(2)	39
CDO/ABS	92	—	(5)	87
Total	<u>\$ 1,824</u>	<u>\$ 1</u>	<u>\$ (125)</u>	<u>\$ 1,700</u>
<b>December 31, 2021*</b>				
Fixed maturity available-for-sale securities:				
U.S. government and government sponsored entities	\$ 16	\$ —	\$ —	\$ 16
Obligations of states, municipalities, and political subdivisions	76	3	—	79
Commercial paper	50	—	—	50
Non-U.S. government and government sponsored entities	151	4	—	155
Corporate debt	1,246	61	(5)	1,302
Mortgage-backed, asset-backed, and collateralized:				
RMBS	169	3	(2)	170
CMBS	44	1	—	45
CDO/ABS	90	1	(1)	90
Total	<u>\$ 1,842</u>	<u>\$ 73</u>	<u>\$ (8)</u>	<u>\$ 1,907</u>

\* The allowance for credit losses related to our investment securities as of June 30, 2022 and December 31, 2021 were immaterial.

Interest receivables reported in “Other assets” totaled \$13 million as of June 30, 2022 and December 31, 2021. There were no material amounts reversed from investment revenue for available-for-sale securities for the three and six months ended June 30, 2022 and 2021.



Fair value and unrealized losses on available-for-sale securities by type and length of time in a continuous unrealized loss position without an allowance for credit losses were as follows:

(dollars in millions)	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>June 30, 2022</b>						
U.S. government and government sponsored entities	\$ 13	\$ —	\$ —	\$ —	\$ 13	\$ —
Obligations of states, municipalities, and political subdivisions	56	(5)	2	—	58	(5)
Commercial paper	53	—	—	—	53	—
Non-U.S. government and government sponsored entities	107	(6)	5	(1)	112	(7)
Corporate debt	938	(79)	47	(12)	985	(91)
Mortgage-backed, asset-backed, and collateralized:						
RMBS	131	(11)	26	(4)	157	(15)
CMBS	39	(2)	—	—	39	(2)
CDO/ABS	72	(5)	6	—	78	(5)
Total	<u>\$ 1,409</u>	<u>\$ (108)</u>	<u>\$ 86</u>	<u>\$ (17)</u>	<u>\$ 1,495</u>	<u>\$ (125)</u>
<b>December 31, 2021</b>						
U.S. government and government sponsored entities	\$ 6	\$ —	\$ —	\$ —	\$ 6	\$ —
Obligations of states, municipalities, and political subdivisions	10	—	—	—	10	—
Commercial paper	46	—	—	—	46	—
Non-U.S. government and government sponsored entities	19	—	5	—	24	—
Corporate debt	208	(3)	38	(2)	246	(5)
Mortgage-backed, asset-backed, and collateralized:						
RMBS	81	(1)	15	(1)	96	(2)
CMBS	7	—	—	—	7	—
CDO/ABS	41	(1)	3	—	44	(1)
Total	<u>\$ 418</u>	<u>\$ (5)</u>	<u>\$ 61</u>	<u>\$ (3)</u>	<u>\$ 479</u>	<u>\$ (8)</u>

On a lot basis, we had 2,062 and 570 investment securities in an unrealized loss position at June 30, 2022 and December 31, 2021, respectively. We do not consider the unrealized losses to be credit-related, as these unrealized losses primarily relate to changes in interest rates and market spreads subsequent to purchase. Additionally, as of June 30, 2022, there were no credit impairments on investment securities that we intend to sell. We do not have plans to sell any of the remaining investment securities with unrealized losses as of June 30, 2022, and we believe it is more likely than not that we would not be required to sell such investment securities before recovery of their amortized cost.

We continue to monitor unrealized loss positions for potential credit impairments. During the three and six months ended June 30, 2022 and 2021, there were no material credit impairments related to our investment securities. Therefore, there were no material additions or reductions in the allowance for credit losses (impairments recognized or reversed in earnings) on credit impaired available-for-sale securities for the three and six months ended June 30, 2022 and 2021.

The proceeds of available-for-sale securities sold or redeemed during the three and six months ended June 30, 2022 totaled \$38 million and \$201 million, respectively. The proceeds of available-for-sale securities sold or redeemed during the three and six months ended June 30, 2021 totaled \$72 million and \$139 million, respectively. The net realized gains and losses were immaterial during the three and six months ended June 30, 2022 and 2021.

Contractual maturities of fixed-maturity available-for-sale securities at June 30, 2022 were as follows:

(dollars in millions)	Fair Value	Amortized Cost
Fixed maturities, excluding mortgage-backed, asset-backed, and collateralized securities:		
Due in 1 year or less	\$ 193	\$ 193
Due after 1 year through 5 years	496	513
Due after 5 years through 10 years	561	624
Due after 10 years	149	171
Mortgage-backed, asset-backed, and collateralized securities	301	323
Total	\$ 1,700	\$ 1,824

Actual maturities may differ from contractual maturities since issuers and borrowers may have the right to call or prepay obligations. We may sell investment securities before maturity for general corporate and working capital purposes and to achieve certain investment strategies.

The fair value of securities on deposit with third parties totaled \$564 million and \$587 million at June 30, 2022 and December 31, 2021, respectively.

## OTHER SECURITIES

The fair value of other securities by type was as follows:

(dollars in millions)	June 30, 2022	December 31, 2021
Fixed maturity other securities:		
Bonds	\$ 25	\$ 30
Preferred stock *	17	22
Common stock *	31	33
Total	\$ 73	\$ 85

\* We employ an income equity strategy targeting investments in stocks with strong current dividend yields. Stocks included have a history of stable or increasing dividend payments.

Net unrealized losses on other securities held were \$6 million and \$9 million for the three and six months ended June 30, 2022, respectively. Net unrealized gains and losses on other securities held were immaterial for the three and six months ended June 30, 2021. Net realized gains and losses on other securities sold or redeemed were immaterial for the three and six months ended June 30, 2022 and 2021.

Other securities primarily consist of equity securities and those securities for which the fair value option was elected. We report net unrealized and realized gains and losses on other securities held, sold, or redeemed in investment revenue.

## 6. Long-term Debt

Principal maturities of long-term debt by type of debt at June 30, 2022 were as follows:

(dollars in millions)	Senior Debt				Junior Subordinated Debt (a)	Total
	Securitizations	Private Secured Term Funding	Revolving Conduit Facilities	Unsecured Notes (a)		
Interest rates (b)	0.87%-6.94%	2.06%	1.82%-1.97%	3.50%-8.25%	2.79 %	
Remainder of 2022	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2023	—	—	—	1,175	—	1,175
2024	—	—	—	1,300	—	1,300
2025	—	—	—	1,250	—	1,250
2026	—	—	—	1,600	—	1,600
2027-2067	—	—	—	3,750	350	4,100
Secured (c)	7,932	350	500	—	—	8,782
Total principal maturities	<u>\$ 7,932</u>	<u>\$ 350</u>	<u>\$ 500</u>	<u>\$ 9,075</u>	<u>\$ 350</u>	<u>\$ 18,207</u>
Total carrying amount	\$ 7,896	\$ 349	\$ 500	\$ 9,005	\$ 172	\$ 17,922
Debt issuance costs (d)	(34)	(1)	—	(72)	—	(107)

(a) Pursuant to the Base Indenture, the Supplemental Indentures, and the Guaranty Agreements, OMH agreed to fully and unconditionally guarantee, on a senior unsecured basis, payments of principal, premium and interest on the Unsecured Notes and Junior Subordinated Debenture. The OMH guarantees of OMFC's long-term debt are subject to customary release provisions.

(b) The interest rates shown are the range of contractual rates in effect at June 30, 2022.

(c) Securitizations, private secured term funding, and borrowings under the revolving conduit facilities are not included in the above maturities by period due to their variable monthly repayments, which may result in pay-off prior to the stated maturity date. See Note 7 for further information on our long-term debt associated with securitizations, private secured term funding, and revolving conduit facilities.

(d) Debt issuance costs are reported as a direct deduction from long-term debt, with the exception of debt issuance costs associated with our revolving conduit facilities and unsecured corporate revolver, which totaled \$29 million at June 30, 2022 and are reported in "Other assets."

### Redemption of 8.875% Senior Notes Due 2025

On April 26, 2022, OMFC issued a notice to fully redeem its 8.875% Senior Notes due 2025. On June 1, 2022, OMFC paid a net aggregate amount of \$637 million, inclusive of accrued interest and premiums, to complete the redemption. In connection with the redemption, we recognized \$26 million of net loss on repurchases and repayments of debt during the second quarter of 2022.

### Unsecured Corporate Revolver

On June 15, 2022, OMFC increased the total maximum borrowing capacity of its unsecured corporate revolver to \$1.25 billion. The corporate revolver has a five-year term beginning October 25, 2021, during which draws and repayments may occur. Any outstanding principal balance is due and payable on October 25, 2026. At June 30, 2022, no amounts were drawn under this facility.

## 7. Variable Interest Entities

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### CONSOLIDATED VIES

We have transferred finance receivables to VIEs for asset-backed financing transactions and include the assets and liabilities in our condensed consolidated financial statements because we are the primary beneficiary of each VIE. We account for these asset-backed debt obligations as securitized borrowings.

See Note 2 and Note 9 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report for more detail regarding VIEs.

We parenthetically disclose on our consolidated balance sheets the VIE's assets that can only be used to settle the VIE's obligations and liabilities when its creditors have no recourse against the primary beneficiary's general credit. The carrying amounts of consolidated VIE assets and liabilities associated with our securitization trusts, private secured term funding, and revolving conduit facilities were as follows:

(dollars in millions)	June 30, 2022	December 31, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 2	\$ 2
Net finance receivables	9,617	8,821
Allowance for finance receivable losses	984	910
Restricted cash and restricted cash equivalents	522	466
Other assets	25	26
<b>Liabilities</b>		
Long-term debt	\$ 8,745	\$ 7,999
Other liabilities	15	13

Other than the retained subordinate and residual interests in our consolidated VIEs, we are under no further obligation than is otherwise noted herein, either contractually or implicitly, to provide financial support to these entities. Consolidated interest expense related to our VIEs totaled \$68 million and \$133 million during the three and six months ended June 30, 2022, respectively, compared to \$75 million and \$153 million during the three and six months ended June 30, 2021, respectively.

### SECURITIZED BORROWINGS

Each of our outstanding securitizations contain a revolving period ranging from two to seven years during which no principal payments are required to be made on the related asset-backed notes. The indentures governing our securitized borrowings contain early amortization events and events of default, that, if triggered, may result in the acceleration of the obligation to pay principal and interest on the related asset-backed notes.

### PRIVATE SECURED TERM FUNDING

At June 30, 2022, an aggregate amount of \$350 million was outstanding under the private secured term funding collateralized by our personal loans. No principal payments are required to be made until after April 25, 2025, followed by a subsequent one-year amortization period, at the expiration of which the outstanding principal amount is due and payable.

## REVOLVING CONDUIT FACILITIES

We had access to 14 revolving conduit facilities with a total maximum borrowing capacity of \$5.8 billion as of June 30, 2022. Our conduit facilities contain revolving periods during which time no principal payments are required, but may be made without penalty, followed by a subsequent amortization period. Principal balances of outstanding loans, if any, are due and payable in full over periods ranging up to nine years as of June 30, 2022. Amounts drawn on these facilities are collateralized by our personal loans.

At June 30, 2022, an aggregate amount of \$500 million was drawn under these facilities and the remaining borrowing capacity was \$5.3 billion.

## 8. Insurance

Changes in the reserve for unpaid claims and loss adjustment expenses (net of reinsurance recoverables):

(dollars in millions)	At or for the Six Months Ended June 30,	
	2022	2021
Balance at beginning of period	\$ 118	\$ 148
Less reinsurance recoverables	(3)	(3)
Net balance at beginning of period	115	145
Additions for losses and loss adjustment expenses incurred to:		
Current year	103	109
Prior years *	(10)	(18)
Total	93	91
Reductions for losses and loss adjustment expenses paid related to:		
Current year	(44)	(53)
Prior years	(50)	(67)
Total	(94)	(120)
Net balance at end of period	114	116
Plus reinsurance recoverables	3	3
Balance at end of period	\$ 117	\$ 119

\* At June 30, 2022, \$10 million reflected a redundancy in the prior years' net reserves, primarily due to favorable development of credit life, credit disability, and term life claims during the period. At June 30, 2021, \$18 million reflected a redundancy in the prior years' net reserves, primarily due to favorable development of credit disability and unemployment claims during the period.

## 9. Capital Stock and Earnings Per Share (OMH Only)

### CAPITAL STOCK

OMH has two classes of authorized capital stock: preferred stock and common stock. OMFC has two classes of authorized capital stock: special stock and common stock. OMH and OMFC may issue preferred stock and special stock, respectively, in one or more series. The OMH Board of Directors and the OMFC Board of Directors determine the dividend, liquidation, redemption, conversion, voting, and other rights prior to issuance.

Changes in OMH shares of common stock issued and outstanding were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Balance at beginning of period	125,793,836	134,477,096	127,809,640	134,341,724
Common stock issued	13,995	19,302	266,272	154,674
Common stock repurchased	(2,096,397)	(612,355)	(4,378,949)	(612,355)
Treasury stock issued	15,125	—	29,596	—
Balance at end of period	123,726,559	133,884,043	123,726,559	133,884,043

### EARNINGS PER SHARE (OMH ONLY)

The computation of earnings per share was as follows:

(dollars in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Numerator (basic and diluted):</b>				
Net income	\$ 209	\$ 350	\$ 510	\$ 763
<b>Denominator:</b>				
Weighted average number of shares outstanding (basic)	124,539,551	134,255,916	125,807,633	134,330,229
Effect of dilutive securities *	158,420	388,434	272,866	392,895
Weighted average number of shares outstanding (diluted)	124,697,971	134,644,350	126,080,499	134,723,124
<b>Earnings per share:</b>				
Basic	\$ 1.68	\$ 2.61	\$ 4.05	\$ 5.68
Diluted	\$ 1.68	\$ 2.60	\$ 4.04	\$ 5.67

\* We have excluded weighted-average unvested restricted stock units totaling 1,389,727 and 11,068 for the three months ended June 30, 2022 and 2021, respectively, and 1,333,338 and 49,506 for the six months ended June 30, 2022 and 2021, respectively, from the fully-diluted earnings per share calculations as these shares would be anti-dilutive, which could impact the earnings per share calculation in the future.

Basic earnings per share is computed by dividing net income by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed based on the weighted-average number of shares outstanding plus the effect of potentially dilutive shares outstanding during the period using the treasury stock method. The potentially dilutive shares represent outstanding unvested restricted stock units.

## 10. Accumulated Other Comprehensive Income (Loss)

Changes, net of tax, in accumulated other comprehensive income (loss) were as follows:

(dollars in millions)	Unrealized Gains (Losses) Available-for-Sale Securities (a)	Retirement Plan Liabilities Adjustments	Foreign Currency Translation Adjustments	Other (b)	Total Accumulated Other Comprehensive Income (Loss)
<b>Three Months Ended June 30, 2022</b>					
Balance at beginning of period	\$ (34)	\$ 1	\$ 4	\$ 18	\$ (11)
Other comprehensive income (loss) before reclassifications	(61)	—	(3)	5	(59)
Balance at end of period	<u>\$ (95)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 23</u>	<u>\$ (70)</u>
<b>Three Months Ended June 30, 2021</b>					
Balance at beginning of period	\$ 58	\$ 1	\$ 4	\$ 17	\$ 80
Other comprehensive income (loss) before reclassifications	13	—	1	(9)	5
Balance at end of period	<u>\$ 71</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 85</u>
<b>Six Months Ended June 30, 2022</b>					
Balance at beginning of period	\$ 49	\$ 1	\$ 3	\$ 8	\$ 61
Other comprehensive income (loss) before reclassifications	(141)	—	(2)	15	(128)
Reclassification adjustments from accumulated other comprehensive income	(3)	—	—	—	(3)
Balance at end of period	<u>\$ (95)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 23</u>	<u>\$ (70)</u>
<b>Six Months Ended June 30, 2021</b>					
Balance at beginning of period	\$ 91	\$ 1	\$ 2	\$ —	\$ 94
Other comprehensive income (loss) before reclassifications	(19)	—	3	8	(8)
Reclassification adjustments from accumulated other comprehensive income	(1)	—	—	—	(1)
Balance at end of period	<u>\$ 71</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 85</u>

(a) There were no material amounts related to available-for-sale debt securities for which an allowance for credit losses was recorded during the three and six months ended June 30, 2022 and 2021.

(b) Other primarily includes changes in the fair value of our mark-to-market derivative instruments that have been designated as cash flow hedges.

Reclassification adjustments from accumulated other comprehensive income (loss) to the applicable line item on our consolidated statements of operations were immaterial for the three and six months ended June 30, 2022 and 2021.

## 11. Income Taxes

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We had a net deferred tax asset of \$377 million and \$339 million at June 30, 2022 and December 31, 2021, respectively. The increase in our net deferred tax asset of \$38 million was primarily related to the change in fair value of investment securities.

We follow the guidance of ASC 740, *Income Taxes*, for interim reporting of income taxes under which we calculate an estimated annual effective tax rate (“AETR”) and apply the AETR to our year-to-date income (loss) before income taxes. In addition, we recognize any discrete items as they occur.

The effective tax rate for the six months ended June 30, 2022 was 24.6%, compared to 24.4% for the same period in 2021. The effective tax rate for the six months ended June 30, 2022 and 2021 differed from the federal statutory rate of 21% primarily due to the effect of state income taxes.

We are under examination by various states for the years 2017 to 2019. Management believes it has adequately provided for taxes for such years.

Our gross unrecognized tax benefits, including related interest and penalties, totaled \$8 million at June 30, 2022 and December 31, 2021. We accrue interest related to uncertain tax positions in income tax expense. The amount of any change in the balance of uncertain tax liabilities over the next 12 months is not expected to be material to our consolidated financial statements.



## 12. Contingencies

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### LEGAL CONTINGENCIES

In the normal course of business, we have been named, from time to time, as defendants in various legal actions, including arbitrations, class actions, and other litigation arising in connection with our activities. Some of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. Additionally, we are, from time to time, in the normal course of business, subject to inquiries and investigations by federal, state and local governmental authorities regarding our products and our operations. These inquiries and investigations may result in fines, restitution or other penalties, including injunctive relief that may result in restrictions on our business. While we will continue to evaluate legal actions to determine whether a loss is reasonably possible or probable and is reasonably estimable, there can be no assurance that material losses will not be incurred from pending, threatened or future litigation, investigations, examinations, or other claims.

We contest liability and/or the amount of damages, as appropriate, in each pending matter. Where available information indicates that it is probable that a liability had been incurred at the date of the consolidated financial statements and we can reasonably estimate the amount of that loss, we accrue the estimated loss by a charge to income. In many actions, however, it is inherently difficult to determine whether any loss is probable or even reasonably possible, or to estimate the amount of any loss. In addition, even where loss is reasonably possible or an exposure to loss exists in excess of the liability already accrued with respect to a previously recognized loss contingency, it is not always possible to reasonably estimate the size of the possible loss or range of loss.

For certain legal actions, we cannot reasonably estimate such losses, particularly for actions that are in their early stages of development or where plaintiffs seek substantial or indeterminate damages. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters, and by addressing novel or unsettled legal questions relevant to the actions in question, before a loss or additional loss or range of loss or range of additional loss can be reasonably estimated for any given action.

For certain other legal actions, we can estimate reasonably possible losses, additional losses, ranges of loss or ranges of additional loss in excess of amounts accrued, but do not believe, based on current knowledge and after consultation with counsel, that such losses will have a material adverse effect on our consolidated financial statements as a whole.

In March 2022, the staff of the United States Consumer Financial Protection Bureau (“CFPB”) notified us that, in accordance with the CFPB’s discretionary Notice and Opportunity to Respond and Advise (“NORA”) process, it is considering recommending that the CFPB take legal action against the Company in connection with alleged violations of the Consumer Financial Protection Act, 12 U.S.C. §§ 5531, 5536. The staff’s investigation is focused on certain refunding practices for optional insurance and membership plan products that were subsequently canceled by the consumer after purchase. We are cooperating with the CFPB in this matter and expect ongoing interactions. Although the Company believes it has not violated the Consumer Financial Protection Act, we are unable to estimate how long this investigation will continue, whether and in what manner the CFPB may commence legal action, or what the ultimate outcome of this matter will be. Should the CFPB opt to commence legal proceedings, it may seek civil monetary penalties, restitution, injunctive relief, or other damages. The Company does not currently believe that the outcome of this matter will have a material adverse effect on our business, financial condition, or results of operation.

### 13. Segment Information

At June 30, 2022, Consumer and Insurance (“C&I”) is our only reportable segment. The remaining components (which we refer to as “Other”) consist of our liquidating SpringCastle Portfolio servicing activity and our non-originating legacy operations, which primarily include our liquidating real estate loans.

The accounting policies of the C&I segment are the same as those disclosed in Note 2 and Note 17 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report.

The following tables present information about C&I and Other, as well as reconciliations to the consolidated financial statement amounts.

(dollars in millions)	Consumer and Insurance	Other	Segment to GAAP Adjustment	Consolidated Total
<b>Three Months Ended June 30, 2022</b>				
Interest income	\$ 1,104	\$ 1	\$ 1	\$ 1,106
Interest expense	218	—	1	219
Provision for finance receivable losses	338	—	1	339
Net interest income after provision for finance receivable losses	548	1	(1)	548
Other revenues	125	3	—	128
Other expenses	392	4	—	396
Income before income tax expense	\$ 281	\$ —	\$ (1)	\$ 280
<b>Three Months Ended June 30, 2021</b>				
Interest income	\$ 1,069	\$ 1	\$ 1	\$ 1,071
Interest expense	230	1	—	231
Provision for finance receivable losses	130	—	2	132
Net interest income after provision for finance receivable losses	709	—	(1)	708
Other revenues	147	4	(1)	150
Other expenses	382	6	7	395
Income (loss) before income tax expense (benefit)	\$ 474	\$ (2)	\$ (9)	\$ 463
<b>Six Months Ended June 30, 2022</b>				
Interest income	\$ 2,192	\$ 2	\$ 1	\$ 2,195
Interest expense	435	1	2	438
Provision for finance receivable losses	575	—	2	577
Net interest income after provision for finance receivable losses	1,182	1	(3)	1,180
Other revenues	283	7	—	290
Other expenses	788	8	(2)	794
Income before income tax expense	\$ 677	\$ —	\$ (1)	\$ 676
Assets	\$ 20,137	\$ 38	\$ 2,020	\$ 22,195
<b>Six Months Ended June 30, 2021</b>				
Interest income	\$ 2,125	\$ 3	\$ 2	\$ 2,130
Interest expense	462	2	1	465
Provision for finance receivable losses	127	—	3	130
Net interest income after provision for finance receivable losses	1,536	1	(2)	1,535
Other revenues	244	7	(10)	241
Other expenses	739	12	15	766
Income (loss) before income tax expense (benefit)	\$ 1,041	\$ (4)	\$ (27)	\$ 1,010
Assets	\$ 20,301	\$ 48	\$ 2,028	\$ 22,377

## 14. Fair Value Measurements

The accounting policies of our fair value measurements are the same as those disclosed in Note 2 and Note 18 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report.

The following table presents the carrying amounts and estimated fair values of our financial instruments and indicates the level in the fair value hierarchy of the estimated fair value measurement based on the observability of the inputs used:

	Fair Value Measurements Using			Total Fair Value	Total Carrying Value
(dollars in millions)	Level 1	Level 2	Level 3		
<b>June 30, 2022</b>					
<i>Assets</i>					
Cash and cash equivalents	\$ 526	\$ —	\$ —	\$ 526	\$ 526
Investment securities	51	1,718	4	1,773	1,773
Net finance receivables, less allowance for finance receivable losses	—	—	19,666	19,666	17,321
Restricted cash and restricted cash equivalents	534	—	—	534	534
Other assets *	—	—	47	47	40
<i>Liabilities</i>					
Long-term debt	\$ —	\$ 16,607	\$ —	\$ 16,607	\$ 17,922
<b>December 31, 2021</b>					
<i>Assets</i>					
Cash and cash equivalents	\$ 535	\$ 6	\$ —	\$ 541	\$ 541
Investment securities	59	1,927	6	1,992	1,992
Net finance receivables, less allowance for finance receivable losses	—	—	20,083	20,083	17,117
Restricted cash and restricted cash equivalents	476	—	—	476	476
Other assets *	—	—	52	52	46
<i>Liabilities</i>					
Long-term debt	\$ —	\$ 18,781	\$ —	\$ 18,781	\$ 17,750

\* Other assets at June 30, 2022 and December 31, 2021 primarily consists of finance receivables held for sale.

## FAIR VALUE MEASUREMENTS — RECURRING BASIS

The following tables present information about our assets measured at fair value on a recurring basis and indicates the fair value hierarchy based on the levels of inputs we utilized to determine such fair value:

(dollars in millions)	Fair Value Measurements Using			Total Carried At Fair Value
	Level 1	Level 2	Level 3	
<b>June 30, 2022</b>				
<i>Assets</i>				
Cash equivalents in mutual funds	\$ 34	\$ —	\$ —	\$ 34
Investment securities:				
<i>Available-for-sale securities</i>				
U.S. government and government sponsored entities	—	13	—	13
Obligations of states, municipalities, and political subdivisions	—	69	—	69
Commercial paper	—	58	—	58
Non-U.S. government and government sponsored entities	—	137	—	137
Corporate debt	4	1,115	3	1,122
RMBS	—	175	—	175
CMBS	—	39	—	39
CDO/ABS	—	87	—	87
Total available-for-sale securities	4	1,693	3	1,700
<i>Other securities</i>				
Bonds:				
Corporate debt	—	8	—	8
RMBS	—	1	—	1
CDO/ABS	—	16	—	16
Total bonds	—	25	—	25
Preferred stock	17	—	—	17
Common stock	30	—	1	31
Total other securities	47	25	1	73
Total investment securities	51	1,718	4	1,773
Restricted cash equivalents in mutual funds	525	—	—	525
Total	\$ 610	\$ 1,718	\$ 4	\$ 2,332

(dollars in millions)	Fair Value Measurements Using			Total Carried At Fair Value
	Level 1	Level 2	Level 3	
<b>December 31, 2021</b>				
<i>Assets</i>				
Cash equivalents in mutual funds	\$ 41	\$ —	\$ —	\$ 41
Cash equivalents in securities	—	6	—	6
Investment securities:				
<i>Available-for-sale securities</i>				
U.S. government and government sponsored entities	—	16	—	16
Obligations of states, municipalities, and political subdivisions	—	79	—	79
Commercial paper	—	50	—	50
Non-U.S. government and government sponsored entities	—	155	—	155
Corporate debt	5	1,292	5	1,302
RMBS	—	170	—	170
CMBS	—	45	—	45
CDO/ABS	—	90	—	90
Total available-for-sale securities	5	1,897	5	1,907
<i>Other securities</i>				
Bonds:				
Corporate debt	—	9	—	9
RMBS	—	1	—	1
CDO/ABS	—	20	—	20
Total bonds	—	30	—	30
Preferred stock	22	—	—	22
Common stock	32	—	1	33
Total other securities	54	30	1	85
Total investment securities	59	1,927	6	1,992
Restricted cash equivalents in mutual funds	468	—	—	468
Total	\$ 568	\$ 1,933	\$ 6	\$ 2,507

Due to the insignificant activity within the Level 3 assets during the three and six months ended June 30, 2022 and 2021, we have omitted the additional disclosures relating to the changes in Level 3 assets measured at fair value on a recurring basis and the quantitative information about Level 3 unobservable inputs.

#### FAIR VALUE MEASUREMENTS — NON-RECURRING BASIS

We measure the fair value of certain assets on a non-recurring basis when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Net impairment charges recorded on assets measured at fair value on a non-recurring basis were immaterial during the three and six months ended June 30, 2022 and 2021.

#### FAIR VALUE MEASUREMENTS — VALUATION METHODOLOGIES AND ASSUMPTIONS

See Note 18 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report for information regarding our methods and assumptions used to estimate fair value.

***Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.***

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An index to our management's discussion and analysis follows:

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## Forward-Looking Statements

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This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, but instead represent only management’s current beliefs regarding future events. By their nature, forward-looking statements are subject to risks, uncertainties, assumptions, and other important factors that may cause actual results, performance, or achievements to differ materially from those expressed in or implied by such forward-looking statements. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. We do not undertake any obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events or the non-occurrence of anticipated events, whether as a result of new information, future developments, or otherwise, except as required by law. Forward-looking statements include, without limitation, statements concerning future plans, objectives, goals, projections, strategies, events, or performance, and underlying assumptions and other statements related thereto. Statements preceded by, followed by or that otherwise include the words “anticipates,” “appears,” “are likely,” “assumes,” “believes,” “can,” “continues,” “could,” “estimates,” “expects,” “forecasts,” “foresees,” “goals,” “intends,” “likely,” “objective,” “plans,” “projects,” “target,” “trend,” “remains,” and similar expressions or future or conditional verbs such as “could,” “may,” “might,” “should,” “will,” or “would” are intended to identify forward-looking statements, but these words are not the exclusive means of identifying forward-looking statements. Important factors that could cause actual results, performance, or achievements to differ materially from those expressed in or implied by forward-looking statements include, without limitation, the following:

- adverse changes in general economic conditions, including the interest rate environment and the financial markets;
- risks associated with the coronavirus (“COVID-19”) pandemic and the measures taken in response thereto;
- geopolitical risks, including recent geopolitical actions outside the U.S.;
- the sufficiency of our allowance for finance receivable losses;
- increased levels of unemployment and personal bankruptcies;
- natural or accidental events such as earthquakes, hurricanes, pandemics, floods, or wildfires affecting our customers, collateral, or our facilities;
- a failure in or breach of our information, operational or security systems, or infrastructure or those of third parties, including as a result of cyber-attacks, war, or other disruptions;
- the adequacy of our credit risk scoring models;
- adverse changes in our ability to attract and retain employees or key executives;
- increased competition or adverse changes in customer responsiveness to our distribution channels or products;
- changes in federal, state, or local laws, regulations, or regulatory policies and practices or increased regulatory scrutiny of our industry;
- risks associated with our insurance operations;
- the costs and effects of any actual or alleged violations of any federal, state, or local laws, rules or regulations;
- the costs and effects of any fines, penalties, judgments, decrees, orders, inquiries, investigations, subpoenas, or enforcement or other proceedings of any governmental or quasi-governmental agency or authority;
- our substantial indebtedness and our continued ability to access the capital markets and maintain adequate current sources of funds to satisfy our cash flow requirements;
- our ability to comply with all of our covenants; and
- the effects of any downgrade of our debt ratings by credit rating agencies.

We also direct readers to the other risks and uncertainties discussed in other documents we file with the SEC.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. You should specifically consider the factors identified in this report and in the documents we file with the SEC that could cause actual results to differ before making an investment decision to purchase our securities and should not place undue reliance on any of our forward-looking statements. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

## Overview

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We are the leader in offering nonprime customers responsible access to credit. Our customers are hardworking Americans who have been largely underserved by traditional lenders such as banks and credit unions. We believe our customers deserve fair and responsible access to credit, and we empower them to solve today's problems and reach a better financial future through our personalized solutions.

We operate in the United States and market our personal loans in 44 states. In the third quarter of 2021, we began offering two credit cards, BrightWay and BrightWay+, which are designed to reward customers for responsible credit activity such as consistent on-time payments. We continue to expand BrightWay and BrightWay+ credit cards across our branch network, through direct mail, and through our digital affiliates. In connection with our offerings, our insurance subsidiaries offer our personal loan customers optional credit and non-credit insurance, and other insurance-related products. We strive to meet our customers at their preferred channel and to deliver a seamless customer experience through our digital platforms or working with our expert team members at our approximately 1,400 locations. Our personal loans, credit cards, and other products help customers meet everyday needs and take steps to improve their financial well-being.

In addition to our loan originations, insurance, and other product sales activities, we also service the loans that we originate and retain on our balance sheet, as well as loans owned by third parties on their behalf in connection with our whole loan sale program and legacy businesses. We also pursue strategic acquisitions and dispositions of assets and businesses, including loan portfolios or other financial assets, and may establish joint ventures or enter into other strategic alliances.

## OUR PRODUCTS

Our product offerings include:

- **Personal Loans** — We offer personal loans through our branch network, centralized operations, and our website, [www.omf.com](http://www.omf.com), to customers who need timely access to cash. Our personal loans are non-revolving, with a fixed rate, fixed terms generally between three and six years, and are secured by automobiles, other titled collateral, or are unsecured. At June 30, 2022, we had approximately 2.32 million personal loans totaling \$19.4 billion of net finance receivables, of which 52% were secured by titled property, compared to approximately 2.34 million personal loans totaling \$19.2 billion of net finance receivables, of which 52% were secured by titled property at December 31, 2021. We also service personal loans for our whole loan sale partners.
- **Credit Cards** — In the third quarter of 2021, we began offering credit cards through a third-party bank partner from which we purchase the receivable balances. The credit cards are offered through our branch network, direct mail marketing, and direct-to-consumer via our affiliates. Credit cards are open-ended, revolving, with a fixed rate, and are unsecured. At June 30, 2022, we had approximately 79 thousand open credit card customer accounts, totaling \$64 million of net finance receivables, compared to approximately 66 thousand open credit card customer accounts, totaling \$25 million of net finance receivables at December 31, 2021.
- **Insurance Products** — We offer our customers optional credit insurance products (life, disability, and involuntary unemployment insurance) and optional non-credit insurance products through both our branch network and our centralized operations. Credit insurance and non-credit insurance products are provided by our affiliated insurance companies. We offer GAP coverage as a waiver product or insurance. We also offer optional membership plans from an unaffiliated company.

Our non-originating legacy products include:

- **Other Receivables** — We ceased originating real estate loans in 2012 and we continue to service or sub-service liquidating real estate loans. Our real estate loans held for sale are reported in "Other assets" of our consolidated balance sheets.



## OUR SEGMENT

At June 30, 2022, Consumer and Insurance (“C&I”) is our only reportable segment, which includes personal loans, credit cards, and insurance products. At June 30, 2022, we managed a combined total of 2.47 million customer accounts and \$20.1 billion of managed receivables, compared to 2.45 million customer accounts and \$19.6 billion of managed receivables at December 31, 2021.

The remaining components (which we refer to as “Other”) consist of our liquidating SpringCastle Portfolio servicing activity and our non-originating legacy operations, which primarily include our liquidating real estate loans. See Note 13 of the Notes to the Condensed Consolidated Financial Statements included in this report for more information about our segment.

## Recent Developments and Outlook

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### RECENT DEVELOPMENTS

#### *Stock Repurchase Program*

On February 2, 2022, the Board authorized a stock repurchase program, which allows us to repurchase up to \$1.0 billion of OMH’s outstanding common stock, excluding fees, commissions, and other expenses related to the repurchases. The authorization expires on December 31, 2024. As of June 30, 2022, we had \$825 million of authorized share repurchase capacity, excluding fees and commissions, remaining under the program.

See “Liquidity and Capital Resources” under Management’s Discussion and Analysis of Financial Condition and Results of Operations and Item 2. Unregistered Sales of Equity Securities and Use of Proceeds in Part II of this report for further information on our shares repurchased.

#### *Social Securitization Transaction - OMFIT 2022-S1*

As part of our continued commitment to improve the financial well-being of hardworking Americans, on April 27, 2022, OMFC completed its first social securitization under Rule 144A. We issued \$600 million principal amount of notes backed by personal loans (“OMFIT 2022-S1”) made to the target population identified in the OneMain 2022 ABS Social Framework. OMFIT 2022-S1 has a revolving period of three years, during which no principal payments are required. Generally, the target population is comprised of borrowers residing in rural communities (by zip code), 75% of whom are lower income borrowers in these communities. Through the OneMain 2022 ABS Social Bond Framework we aim to promote financial inclusion to the target population by providing equitable access to fair and transparent credit. The OneMain 2022 ABS Social Bond Framework, which is available on OneMain’s Investor Relations website, aligns to the Social Bond Principles 2021, as administered by the International Capital Market Association.

#### *Private Secured Term Funding*

On April 25, 2022, OMFC entered into a \$350 million private secured term funding collateralized by our personal loans. No principal payments are required to be made during the first three years, followed by a subsequent one-year amortization period at the expiration of which the outstanding principal amount is due and payable.

#### *Securitization Transaction Completed - ODART 2022-1*

For information regarding the issuances of our secured debt, see “Liquidity and Capital Resources” under Management’s Discussion and Analysis of Financial Condition and Results of Operations in this report.

#### *Redemption of 8.875% Senior Notes Due 2025*

On June 1, 2022, OMFC paid a net aggregate amount of \$637 million, inclusive of accrued interest and premiums, to complete the redemption of its 8.875% Senior Notes due 2025.

### ***Unsecured Corporate Revolver***

On June 15, 2022, OMFC increased the total maximum borrowing capacity of its unsecured corporate revolver to \$1.25 billion. At June 30, 2022, no amounts were drawn under this facility.

For further information regarding the redemption of our unsecured debt and our corporate revolver, see Note 6 of the Notes to the Condensed Consolidated Financial Statements included in this report.

### ***Cash Dividends to OMH's Common Stockholders***

For information regarding the quarterly dividends declared by OMH, see “Liquidity and Capital Resources” under Management’s Discussion and Analysis of Financial Condition and Results of Operations in this report.

### ***Election and Resignation of Members of the OMH Board of Directors***

On January 27, 2022, Toos N. Daruvala was elected to the OMH Board of Directors, effective February 14, 2022.

On February 24, 2022, Peter B. Sinensky resigned from the OMH Board of Directors.

### ***Management’s Response to the COVID-19 Pandemic***

In early 2020, COVID-19 evolved into a global pandemic, resulting in widespread volatility and deterioration in economic conditions across the states and regions that we serve. Governmental authorities continue to take steps to combat the spread of COVID-19, including the ongoing distribution of vaccines. Throughout the pandemic, we have maintained our focus on assisting and supporting our customers, while remaining committed to the safety of our employees. We continue to serve our customers by keeping our branch locations open with appropriate protective protocols in place and through our digital platform. This hybrid capability has sustained our operating performance through the pandemic and enabled us to serve and support our customers effectively.

## **OUTLOOK**

We are actively monitoring the current macroeconomic developments, including recent geopolitical actions outside of the U.S., and remain prepared for any additional opportunities or challenges that may impact our business and industry. Our financial condition and results of operations could be affected by the macroeconomic environment including inflationary pressures, unemployment rates, and other macroeconomic conditions. There remains uncertainty regarding the effects of additional variants of COVID-19, recent geopolitical events, and their impacts on economic markets. We will continue to incorporate updates, as necessary, to our macroeconomic assumptions which could lead to further adjustments in our allowance for finance receivable losses, allowance ratio, and provision for finance receivable losses.

Our cumulative investments in our digital capabilities, combined with our proprietary data and advanced analytics, have allowed us to serve our customers through the branch, over the phone, and remotely throughout the pandemic and into the future.

Our experienced management team continues to remain focused on maintaining a solid balance sheet with a strong liquidity runway and capital coverage, upholding a conservative and disciplined underwriting model, and building strong relationships with our customers to ensure that we are serving them well. We believe we are well positioned to serve our customers, invest in our business, and drive long-term growth to create value for our stockholders as we navigate the evolving economic, social, political, and regulatory environment.

## Results of Operations

The results of OMFC are consolidated into the results of OMH. Due to the nominal differences between OMFC and OMH, content throughout this section relates only to OMH. See Note 1 of the Notes to the Condensed Consolidated Financial Statements included in this report for further information.

### OMH'S CONSOLIDATED RESULTS

See the table below for OMH's consolidated operating results and selected financial statistics. A further discussion of OMH's operating results for our operating segment is provided under "Segment Results" below.

(dollars in millions, except per share amounts)	At or for the Three Months Ended June 30,		At or for the Six Months Ended June 30,	
	2022	2021	2022	2021
Interest income	\$ 1,106	\$ 1,071	\$ 2,195	\$ 2,130
Interest expense	219	231	438	465
Provision for finance receivable losses	339	132	577	130
<b>Net interest income after provision for finance receivable losses</b>	<b>548</b>	<b>708</b>	<b>1,180</b>	<b>1,535</b>
Other revenues	128	150	290	241
Other expenses	396	395	794	766
<b>Income before income taxes</b>	<b>280</b>	<b>463</b>	<b>676</b>	<b>1,010</b>
Income taxes	71	113	166	247
<b>Net income</b>	<b>\$ 209</b>	<b>\$ 350</b>	<b>\$ 510</b>	<b>\$ 763</b>

#### Share Data:

Earnings per share:

Diluted	\$ 1.68	\$ 2.60	\$ 4.04	\$ 5.67
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#### Selected Financial Statistics (a)

##### Total finance receivables:

Net finance receivables	\$ 19,448	\$ 18,163	\$ 19,448	\$ 18,163
Average net receivables	\$ 19,160	\$ 17,717	\$ 19,122	\$ 17,770
Yield	23.13 %	24.21 %	23.12 %	24.14 %
Gross charge-off ratio	7.35 %	5.70 %	7.17 %	5.75 %
Recovery ratio	(1.41)%	(1.29)%	(1.41)%	(1.22)%
Net charge-off ratio	5.95 %	4.40 %	5.76 %	4.54 %

##### Personal loans:

Net finance receivables	\$ 19,384	\$ 18,163	\$ 19,384	\$ 18,163
Origination volume	\$ 3,897	\$ 3,835	\$ 6,856	\$ 6,119
Number of accounts	2,320,582	2,270,043	2,320,582	2,270,043
Number of accounts originated	395,902	389,220	682,293	614,322
30-89 Delinquency ratio	2.73 %	1.76 %	2.73 %	1.76 %

##### Credit cards (b):

Net finance receivables	\$ 64	\$ —	\$ 64	\$ —
Purchase volume	\$ 34	\$ —	\$ 79	\$ —
Number of open accounts	78,979	—	78,979	—
30-89 Delinquency ratio	6.07 %	— %	6.07 %	— %

##### Debt balances:

Long-term debt balance	\$ 17,922	\$ 17,605	\$ 17,922	\$ 17,605
Average daily debt balance	\$ 17,693	\$ 16,860	\$ 17,623	\$ 16,947

(a) See "Glossary" at the beginning of this report for formulas and definitions of our key performance ratios.

(b) There were no credit cards for the three and six months ended June 30, 2021 as the product offering began in the third quarter of 2021.

***Comparison of Consolidated Results for the Three and Six Months Ended June 30, 2022 and 2021***

***Interest income*** increased \$35 million or 3% and \$65 million or 3% for the three and six months ended June 30, 2022, respectively, when compared to the same periods in 2021 primarily due to growth in our loan portfolio, partially offset by lower yield.

***Interest expense*** decreased \$12 million or 5% and \$27 million or 6% for the three and six months ended June 30, 2022, respectively, when compared to the same periods in 2021 primarily due to a lower average cost of funds, partially offset by an increase in average debt.

See Notes 6 and 7 of the Notes to the Condensed Consolidated Financial Statements included in this report for further information on our long-term debt, securitization transactions, private secured term funding, and our revolving conduit facilities.

***Provision for finance receivable losses*** increased \$207 million and \$447 million for the three and six months ended June 30, 2022, respectively, when compared to the same periods in 2021 primarily driven by the current period increase in the allowance for finance receivable losses due to the growth in the portfolio and higher net charge-offs along with a release in our allowance reserve in the prior year period as the result of an improved credit environment and historically low net charge-offs.

***Other revenues*** decreased \$22 million or 14% for the three months ended June 30, 2022 when compared to the same period in 2021 primarily due to a net loss on the repurchase and repayment of debt in the current period and a decrease in investment revenue due to declining equity markets, offset by an increase in gains on the sales of finance receivables and an increase in servicing revenue associated with the whole loan sale program as a result of more loans sold in the current period.

Other revenues increased \$49 million or 20% for the six months ended June 30, 2022 when compared to the same period in 2021 primarily due to an increase in gains on the sales of finance receivables and an increase in servicing revenue associated with the whole loan sale program as a result of more loans sold in the current period and lower net losses on the repurchase and repayment of debt in the current period compared to the prior year period, partially offset by a decrease in investment revenue due to declining equity markets.

***Other expenses*** remained relatively consistent for the three months ended June 30, 2022 when compared to the same period in 2021 primarily due to an increase in salaries and benefits driven by an increase in headcount as we continue to invest in our business, offset by a decrease in insurance policy and benefits claims expense due to favorable development of credit life, credit disability, and term life claims.

Other expenses increased \$28 million or 4% for the six months ended June 30, 2022 when compared to the same period in 2021 due to an increase in salaries and benefits driven by an increase in headcount as we continue to invest in our business.

***Income taxes*** totaled \$71 million and \$166 million for the three and six months ended June 30, 2022, respectively compared to \$113 million and \$247 million for the three and six months ended June 30, 2021, respectively, due to higher pre-tax income in the prior year period.

For the three and six months ended June 30, 2022 the effective tax rates were 25.3% and 24.6%, respectively, compared to 24.4% for the three and six months ended June 30, 2021. The effective tax rates differed from the federal statutory rate of 21% primarily due to the effect of state income taxes. See Note 11 of the Notes to the Condensed Consolidated Financial Statements included in this report for further information on effective tax rates.

## NON-GAAP FINANCIAL MEASURES

Management uses C&I adjusted pretax income (loss), a non-GAAP financial measure, as a key performance measure of our segment. C&I adjusted pretax income (loss) represents income (loss) before income taxes on a Segment Accounting Basis and excludes the expense associated with the net loss resulting from repurchases and repayments of debt, the cash-settled stock-based awards, and direct costs associated with COVID-19. Management believes C&I adjusted pretax income (loss) is useful in assessing the profitability of our segment.

Management also uses C&I pretax capital generation, a non-GAAP financial measure, as a key performance measure of our segment. This measure represents C&I adjusted pretax income as discussed above and excludes the change in our C&I allowance for finance receivable losses in the period while still considering the C&I net charge-offs incurred during the period. Management believes that C&I pretax capital generation is useful in assessing the capital created in the period impacting the overall capital adequacy of the Company. Management believes that the Company's reserves, combined with its equity, represent the Company's loss absorption capacity.

Management utilizes both C&I adjusted pretax income (loss) and C&I pretax capital generation in evaluating our performance. Additionally, both of these non-GAAP measures are consistent with the performance goals established in OMH's executive compensation program. C&I adjusted pretax income (loss) and C&I pretax capital generation are non-GAAP financial measures and should be considered supplemental to, but not as a substitute for or superior to, income (loss) before income taxes, net income, or other measures of financial performance prepared in accordance with GAAP.

OMH's reconciliations of income before income tax expense on a Segment Accounting Basis to C&I adjusted pretax income (non-GAAP) and C&I pretax capital generation (non-GAAP) were as follows:

(dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Consumer and Insurance</b>				
Income before income taxes - Segment Accounting Basis	\$ 281	\$ 474	\$ 677	\$ 1,041
Adjustments:				
Net loss on repurchases and repayments of debt	28	1	28	39
Cash-settled stock-based awards	1	—	2	—
Direct costs associated with COVID-19	1	2	2	4
Adjusted pretax income (non-GAAP)	311	477	709	1,084
Provision for finance receivable losses	338	130	575	127
Net charge-offs	(283)	(194)	(545)	(399)
Pretax capital generation (non-GAAP)	\$ 366	\$ 413	\$ 739	\$ 812

## Segment Results

The results of OMFC are consolidated into the results of OMH. Due to the nominal differences between OMFC and OMH, content throughout this section relate only to OMH. See Note 1 of the Notes to the Condensed Consolidated Financial Statements included in this report for further information.

See Note 17 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report for a description of our segment and methodologies used to allocate revenues and expenses to our C&I segment. See Note 13 of the Notes to the Condensed Consolidated Financial Statements included in this report for reconciliations of segment total to condensed consolidated financial statement amounts.

### CONSUMER AND INSURANCE

OMH's adjusted pretax income and selected financial statistics for C&I on an adjusted Segment Accounting Basis were as follows:

(dollars in millions)	At or for the Three Months Ended June 30,		At or for the Six Months Ended June 30,	
	2022	2021	2022	2021
Interest income	\$ 1,104	\$ 1,069	\$ 2,192	\$ 2,125
Interest expense	218	230	435	462
Provision for finance receivable losses	338	130	575	127
<b>Net interest income after provision for finance receivable losses</b>	<b>548</b>	<b>709</b>	<b>1,182</b>	<b>1,536</b>
Other revenues	153	148	311	283
Other expenses	390	380	784	735
<b>Adjusted pretax income (non-GAAP)</b>	<b>\$ 311</b>	<b>\$ 477</b>	<b>\$ 709</b>	<b>\$ 1,084</b>

### Selected Financial Statistics (a)

#### Total finance receivables:

Net finance receivables	\$ 19,449	\$ 18,168	\$ 19,449	\$ 18,168
Average net receivables	\$ 19,162	\$ 17,722	\$ 19,124	\$ 17,776
Yield	23.12 %	24.18 %	23.11 %	24.11 %
Gross charge-off ratio	7.35 %	5.70 %	7.17 %	5.75 %
Recovery ratio	(1.41)%	(1.29)%	(1.41)%	(1.22)%
Net charge-off ratio	5.95 %	4.41 %	5.76 %	4.54 %

#### Personal loans:

Net finance receivables	\$ 19,385	\$ 18,168	\$ 19,385	\$ 18,168
Origination volume	\$ 3,897	\$ 3,835	\$ 6,856	\$ 6,119
Number of accounts	2,320,582	2,270,043	2,320,582	2,270,043
Number of accounts originated	395,902	389,220	682,293	614,322
30-89 Delinquency ratio	2.73 %	1.76 %	2.73 %	1.76 %

#### Credit cards (b):

Net finance receivables	\$ 64	\$ —	\$ 64	\$ —
Purchase volume	\$ 34	\$ —	\$ 79	\$ —
Number of open accounts	78,979	—	78,979	—
30-89 Delinquency ratio	6.07 %	— %	6.07 %	— %

(a) See "Glossary" at the beginning of this report for formulas and definitions of our key performance ratios.

(b) There were no credit cards for the three and six months ended June 30, 2021 as the product offering began in the third quarter of 2021.

***Comparison of Adjusted Pretax Income for the Three and Six Months Ended June 30, 2022 and 2021***

***Interest income*** increased \$35 million or 3% and \$67 million or 3% for the three and six months ended June 30, 2022, respectively, when compared to the same periods in 2021 primarily due to growth in our loan portfolio, partially offset by lower yield.

***Interest expense*** decreased \$12 million or 5% and \$27 million or 6% for the three and six months ended June 30, 2022, respectively, when compared to the same periods in 2021 primarily due to a lower average cost of funds, partially offset by an increase in average debt.

See Notes 6 and 7 of the Notes to the Condensed Consolidated Financial Statements included in this report for further information on our long-term debt, securitization transactions, private secured term funding, and our revolving conduit facilities.

***Provision for finance receivable losses*** increased \$208 million and \$448 million for the three and six months ended June 30, 2022, respectively, when compared to the same periods in 2021 primarily driven by the current period increase in the allowance for finance receivable losses due to the growth in the portfolio and higher net charge-offs along with a release in our allowance reserve in the prior year period as the result of an improved credit environment and historically low net charge-offs.

***Other revenues*** increased \$5 million or 4% and \$28 million or 10% for the three and six months ended June 30, 2022, respectively when compared to the same periods in 2021 primarily due to an increase in gains on the sales of finance receivables and an increase in servicing revenue associated with the whole loan sale program as a result of more loans sold in the current period, partially offset by a decrease in investment revenue due to declining equity markets.

***Other expenses*** increased \$10 million or 3% for the three months ended June 30, 2022 when compared to the same period in 2021 primarily due to an increase in salaries and benefits driven by an increase in headcount as we continue to invest in our business, offset by a decrease in insurance policy and benefits claims expense due to favorable development of credit life, credit disability, and term life claims.

Other expenses increased \$49 million or 7% for the six months ended June 30, 2022 when compared to the same period in 2021 primarily due to an increase in salaries and benefits driven by an increase in headcount and an increase in general operating expenses due to our strategic investments in the business.

## **Credit Quality**

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### **FINANCE RECEIVABLES**

Our net finance receivables, consisting of personal loans and credit cards, were \$19.4 billion at June 30, 2022 and \$19.2 billion at December 31, 2021. Our personal loans are non-revolving, with a fixed-rate, fixed terms generally between three and six years, and are secured by automobiles, other titled collateral, or are unsecured. During the third quarter of 2021, we began offering credit cards. Credit cards are open-ended, revolving, with a fixed rate, and are unsecured. We consider the delinquency status of our finance receivables as our key credit quality indicator. We monitor the delinquency of our finance receivable portfolio, including the migration between the delinquency buckets and changes in the delinquency trends to manage our exposure to credit risk in the portfolio. Our branch and central operation team members work with customers as necessary and offer a variety of borrower assistance programs to help customers continue to make payments.

### **DELINQUENCY**

We monitor delinquency trends to evaluate the risk of future credit losses and employ advanced analytical tools to manage our exposure. Team members are actively engaged in collection activities throughout the early stages of delinquency. We closely track and report the percentage of receivables that are contractually 30-89 days past due as a benchmark of portfolio quality, collections effectiveness, and as a strong indicator of losses in coming quarters.

When personal loans are contractually 60 days past due, we consider these accounts to be at an increased risk for loss and collection of these accounts is managed by our centralized operations. Use of our centralized operations teams for managing late-stage delinquency allows us to apply more advanced collection technologies and tools and drives operating efficiencies in servicing. We consider our personal loans to be nonperforming at 90 days contractually past due, at which point we stop accruing finance charges and reverse finance charges previously accrued.

We accrue finance charges and fees on credit cards until charge-off at approximately 180 days past due, at which point we reverse finance charges and fees previously accrued.



The delinquency information for net finance receivables on a Segment Accounting Basis was as follows:

(dollars in millions)	Consumer and Insurance	
	Personal Loans	Credit Cards
<b>June 30, 2022</b>		
Current	\$ 18,440	\$ 56
30-59 days past due	323	2
60-89 days past due	206	2
90+ days past due	416	4
Total net finance receivables	<u>\$ 19,385</u>	<u>\$ 64</u>
<i>Delinquency ratio</i>		
30-89 days past due	2.73 %	6.07 %
30+ days past due	4.88 %	12.32 %
60+ days past due	3.21 %	8.87 %
90+ days past due	2.15 %	6.25 %
<b>December 31, 2021</b>		
Current	\$ 18,340	\$ 25
30-59 days past due	282	—
60-89 days past due	185	—
90+ days past due	383	—
Total net finance receivables	<u>\$ 19,190</u>	<u>\$ 25</u>
<i>Delinquency ratio</i>		
30-89 days past due	2.43 %	0.08 %
30+ days past due	4.43 %	0.08 %
60+ days past due	2.96 %	— %
90+ days past due	2.00 %	— %

## ALLOWANCE FOR FINANCE RECEIVABLE LOSSES

We estimate and record an allowance for finance receivable losses to cover the estimated lifetime expected credit losses on our finance receivables. Our allowance for finance receivable losses may fluctuate based upon changes in portfolio growth, credit quality, and economic conditions.

Our current methodology to estimate expected credit losses used the most recent macroeconomic forecasts, which incorporated the overall unemployment rate. We also considered inflationary pressures, supply chain concerns, geopolitical risks, along with persistent labor supply shortages. Our forecast leveraged economic projections from industry leading forecast providers. At June 30, 2022, our economic forecast used a reasonable and supportable period of 12 months. We may experience further changes to the macroeconomic assumptions within our forecast, as well as changes to our loan loss performance outlook, both of which could lead to further changes in our allowance for finance receivable losses, allowance ratio, and provision for finance receivable losses.

Changes in our allowance for finance receivable losses were as follows:

(dollars in millions)	Consumer and Insurance		Segment to GAAP Adjustment	Consolidated Total
	Personal Loans	Credit Cards		
<b>Three Months Ended June 30, 2022</b>				
Balance at beginning of period	\$ 2,067	\$ 10	\$ (6)	\$ 2,071
Provision for finance receivable losses	336	2	1	339
Charge-offs	(351)	—	—	(351)
Recoveries	68	—	—	68
Balance at end of period	<u>\$ 2,120</u>	<u>\$ 12</u>	<u>\$ (5)</u>	<u>\$ 2,127</u>
<b>Three Months Ended June 30, 2021 (a)</b>				
Balance at beginning of period	\$ 2,075	\$ —	\$ (13)	\$ 2,062
Provision for finance receivable losses	130	—	2	132
Charge-offs	(252)	—	—	(252)
Recoveries	58	—	—	58
Balance at end of period	<u>\$ 2,011</u>	<u>\$ —</u>	<u>\$ (11)</u>	<u>\$ 2,000</u>
<b>Six Months Ended June 30, 2022</b>				
Balance at beginning of period	\$ 2,097	\$ 5	\$ (7)	\$ 2,095
Provision for finance receivable losses	568	7	2	577
Charge-offs	(680)	—	—	(680)
Recoveries	135	—	—	135
Balance at end of period	<u>\$ 2,120</u>	<u>\$ 12</u>	<u>\$ (5)</u>	<u>\$ 2,127</u>
Allowance ratio	10.94 %	19.13 %	(b)	10.94 %
<b>Six Months Ended June 30, 2021 (a)</b>				
Balance at beginning of period	\$ 2,283	\$ —	\$ (14)	\$ 2,269
Provision for finance receivable losses	127	—	3	130
Charge-offs	(507)	—	—	(507)
Recoveries	108	—	—	108
Balance at end of period	<u>\$ 2,011</u>	<u>\$ —</u>	<u>\$ (11)</u>	<u>\$ 2,000</u>
Allowance ratio	11.07 %	— %	(b)	11.01 %

(a) There were no credit cards for the three and six months ended June 30, 2021 as the product offering began in the third quarter of 2021.

(b) Not applicable.

The current delinquency status of our finance receivable portfolio, inclusive of recent borrower performance, volume of our TDR activity, level and recoverability of collateral securing our finance receivable portfolio, and the reasonable and supportable forecast of economic conditions are the primary drivers that can cause fluctuations in our allowance ratio from period to period. We monitor the allowance ratio to ensure we have a sufficient level of allowance for finance receivable losses based on the estimated lifetime expected credit losses in our finance receivable portfolio. The allowance for finance receivable losses as a percentage of net finance receivables for personal loans decreased from the prior year period primarily due to improved unemployment outlook. See Note 4 of the Notes to the Condensed Consolidated Financial Statements included in this report for more information about the changes in the allowance for finance receivable losses.

## TDR FINANCE RECEIVABLES

We make modifications to our finance receivables to assist borrowers experiencing financial difficulties. When we modify a loan's contractual terms for economic or other reasons related to the borrower's financial difficulties and grant a concession that we would not otherwise consider, we classify that loan as a TDR finance receivable.

Information regarding TDR net finance receivables for personal loans are as follows:

(dollars in millions)	Personal Loans	Segment to GAAP Adjustment	GAAP Basis
<b>June 30, 2022</b>			
TDR net finance receivables	\$ 690	\$ (15)	\$ 675
Allowance for TDR finance receivable losses	278	(6)	272
<b>December 31, 2021</b>			
TDR net finance receivables	\$ 671	\$ (21)	\$ 650
Allowance for TDR finance receivable losses	279	(9)	270

There were no credit cards classified as TDR finance receivables at June 30, 2022 or December 31, 2021.

## DISTRIBUTION OF FINANCE RECEIVABLES BY FICO SCORE

There are many different categorizations used in the consumer lending industry to describe the creditworthiness of a borrower, including prime, near-prime, and sub-prime. While management does not utilize credit scores to manage credit quality, we group FICO scores into the following categories for comparability purposes across our industry:

- Prime: FICO score of 660 or higher
- Near-prime: FICO score of 620-659
- Sub-prime: FICO score of 619 or below

Our customers' demographics are, in many respects, near the national median but may vary from national norms in terms of credit and repayment histories. Many of our customers have experienced some level of prior financial difficulty or have limited credit experience and require higher levels of servicing and support from our branch network and central servicing operations.

The following table reflects our net finance receivables grouped into the borrower categories described above based on borrower FICO credit scores as of the most recently refreshed date or as of the loan origination or purchase date:

(dollars in millions)	Personal Loans	Credit Cards	Total
<b>June 30, 2022</b>			
<i>FICO scores</i>			
660 or higher	\$ 4,687	\$ 9	\$ 4,696
620-659	5,353	22	5,375
619 or below	9,344	33	9,377
<b>Total</b>	<b>\$ 19,384</b>	<b>\$ 64</b>	<b>\$ 19,448</b>
<b>December 31, 2021</b>			
<i>FICO scores *</i>			
660 or higher	\$ 4,897	\$ 14	\$ 4,911
620-659	5,321	7	5,328
619 or below	8,969	4	8,973
<b>Total</b>	<b>\$ 19,187</b>	<b>\$ 25</b>	<b>\$ 19,212</b>

\* Due to the impact of COVID-19, FICO scores as of December 31, 2021 may have been positively impacted by government stimulus measures, borrower assistance programs, and potentially inconsistent reporting to credit bureaus.

## Liquidity and Capital Resources

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### SOURCES AND USES OF FUNDS

We finance the majority of our operating liquidity and capital needs through a combination of cash flows from operations, secured debt, unsecured debt, borrowings from revolving conduit facilities, whole loan sales, and equity. We may also utilize other sources in the future. As a holding company, all of the funds generated from our operations are earned by our operating subsidiaries. Our operating subsidiaries' primary cash needs relate to funding our lending activities, our debt service obligations, our operating expenses, payment of insurance claims, and expenditures relating to upgrading and monitoring our technology platform, risk systems, and branch locations.

We have previously purchased portions of our unsecured indebtedness, and we may elect to purchase additional portions of our unsecured indebtedness or securitized borrowings in the future. Future purchases may be made through the open market, privately negotiated transactions with third parties, or pursuant to one or more tender or exchange offers, all of which are subject to terms, prices, and consideration we may determine at our discretion.

During the six months ended June 30, 2022, OMH generated net income of \$510 million. OMH's net cash inflow from operating and investing activities totaled \$376 million for the six months ended June 30, 2022. At June 30, 2022, our scheduled interest payments for the remainder of 2022 totaled \$271 million, and there are no scheduled principal payments for the remainder of 2022 on our existing debt (excluding securitizations). As of June 30, 2022, we had \$9.6 billion of unencumbered loans.

Based on our estimates and considering the risks and uncertainties of our plans, we believe that we will have adequate liquidity to finance and operate our businesses and repay our obligations as they become due for at least the next 24 months.

#### ***OMFC's Unsecured Corporate Revolver***

At June 30, 2022, the borrowing capacity of our corporate revolver was \$1.25 billion, and no amounts were drawn.

#### ***OMFC's Redemption of Unsecured Debt***

For information regarding the redemption of OMFC's unsecured debt, see Note 6 of the Notes to the Condensed Consolidated Financial Statements included in this report.

#### ***Securitizations and Borrowings from Revolving Conduit Facilities***

During the six months ended June 30, 2022, we completed two personal loan securitizations (OMFIT 2022-S1 and ODART 2022-1, see "Securitized Borrowings" below) and redeemed one personal loan securitization (ODART 2018-1). At June 30, 2022, an aggregate of \$500 million was drawn under our conduit facilities, and the remaining borrowing capacity was \$5.3 billion. At June 30, 2022, we had \$9.5 billion of gross finance receivables pledged as collateral for our securitizations, conduit facilities, and private secured term funding.

Subsequent to quarter-end, we entered a loan and security agreement with OneMain Financial Funding X, LLC and a third-party lender on July 8, 2022. Under the agreement, we may borrow up to a maximum principal balance of \$400 million.

#### ***Private Secured Term Funding***

On April 25, 2022, OMFC entered into a \$350 million private secured term funding collateralized by our personal loans. No principal payments are required to be made during the first three years, followed by a subsequent one-year amortization period at the expiration of which the outstanding principal amount is due and payable.

See Notes 6 and 7 of the Notes to the Condensed Consolidated Financial Statements included in this report for further information on our long-term debt, securitization transactions, private secured term funding, and revolving conduit facilities.

### Credit Ratings

Our credit ratings impact our ability to access capital markets and our borrowing costs. Rating agencies base their ratings on numerous factors, including liquidity, capital adequacy, asset quality, quality of earnings, and the probability of systemic support. Significant changes in these factors could result in different ratings.

The table below outlines OMFC's long-term corporate debt ratings and outlook by rating agencies:

As of June 30, 2022	Rating	Outlook
S&P	BB	Stable
Moody's	Ba2	Stable
KBRA	BB+	Positive

Currently, no other entity has a corporate debt rating, though they may be rated in the future.

### Stock Repurchased

During the six months ended June 30, 2022, OMH repurchased 4,378,949 shares of its common stock through its stock repurchase program for an aggregate total of \$204 million, including commissions and fees. As of June 30, 2022, OMH held a total of 11,062,276 shares of treasury stock. To provide funding for the OMH stock repurchase, the OMFC Board of Directors authorized dividend payments in the amount of \$180 million.

For additional information regarding the shares repurchased, see Item 2. Unregistered Sales of Equity Securities and Use of Proceeds of Part II included in this report.

### Cash Dividend to OMH's Common Stockholders

As of June 30, 2022, the dividend declarations for the current year by the Board were as follows:

Declaration Date	Record Date	Payment Date	Dividend Per Share	Amount Paid
				(in millions)
February 2, 2022	February 14, 2022	February 18, 2022	\$ 0.95	\$ 121
April 28, 2022	May 9, 2022	May 13, 2022	0.95	118
<b>Total</b>			<b>\$ 1.90</b>	<b>\$ 239</b>

To provide funding for the dividend, OMFC paid dividends of \$239 million to OMH during the six months ended June 30, 2022.

On July 27, 2022, OMH declared a dividend of \$0.95 per share payable on August 12, 2022 to record holders of OMH's common stock as of the close of business on August 8, 2022. To provide funding for the OMH dividend, the OMFC Board of Directors authorized a dividend in the amount of up to \$119 million payable on or after August 9, 2022.

While OMH intends to pay its minimum quarterly dividend, currently \$0.95 per share, for the foreseeable future, all subsequent dividends will be reviewed and declared at the discretion of the Board and will depend on many factors, including our financial condition, earnings, cash flows, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends, and other considerations that the Board deems relevant. OMH's dividend payments may change from time to time, and the Board may choose not to continue to declare dividends in the future. See our "Dividend Policy" in Part II - Item 5 included in our Annual Report for further information.

### ***Whole Loan Sale Transactions***

As of June 30, 2022, we have whole loan sale flow agreements with third parties, with remaining terms of less than two years, in which we agreed to sell a combined total of \$180 million gross receivables per quarter of newly originated unsecured personal loans along with any associated accrued interest. During the three and six months ended June 30, 2022 we sold \$180 million and \$360 million of gross finance receivables, respectively, compared to \$120 million and \$165 million during the same periods in 2021. See Note 3 of the Notes to the Condensed Consolidated Financial Statements included in this report for further information on the whole loan sale transactions.

## **LIQUIDITY**

### ***OMH's Operating Activities***

Net cash provided by operations of \$1.2 billion for the six months ended June 30, 2022 reflected net income of \$510 million, the impact of non-cash items, and an unfavorable change in working capital of \$52 million. Net cash provided by operations of \$1.1 billion for the six months ended June 30, 2021 reflected net income of \$763 million, the impact of non-cash items, and an unfavorable change in working capital of \$6 million.

### ***OMH's Investing Activities***

Net cash used for investing activities of \$802 million for the six months ended June 30, 2022 was primarily due to net principal originations and purchases of finance receivables and purchases of available-for-sale and other securities, partially offset by the proceeds from sales of finance receivables and calls, sales, and maturities of available-for-sale and other securities. Net cash used for investing activities of \$630 million for the six months ended June 30, 2021 was primarily due to net principal originations of finance receivables and purchases of available-for-sale and other securities, partially offset by calls, sales and maturities of available-for-sale and other securities and proceeds from sales of finance receivables.

### ***OMH's Financing Activities***

Net cash used for financing activities of \$333 million for the six months ended June 30, 2022 was primarily due to debt repayments, cash dividends paid, and the cash paid to repurchase common stock during the period, partially offset by the issuances of OMFIT 2022-S1, ODART 2022-1, and the private secured term funding. Net cash used for financing activities of \$929 million for the six months ended June 30, 2021 was primarily due to debt repayments, cash dividends paid, and the cash paid on the common stock repurchased in the period, partially offset by the issuances of OMFIT 2021-1 securitization and the Social Bond.

### ***OMH's Cash and Investments***

At June 30, 2022, we had \$526 million of cash and cash equivalents, which included \$151 million of cash and cash equivalents held at our regulated insurance subsidiaries or for other operating activities that is unavailable for general corporate purposes.

At June 30, 2022, we had \$1.8 billion of investment securities, which are all held as part of our insurance operations and are unavailable for general corporate purposes.

### ***Liquidity Risks and Strategies***

OMFC's credit ratings are non-investment grade, which has a significant impact on our cost and access to capital. This, in turn, can negatively affect our ability to manage our liquidity and our ability or cost to refinance our indebtedness. There are numerous risks to our financial results, liquidity, capital raising, and debt refinancing plans, some of which may not be quantified in our current liquidity forecasts. These risks are further described in our "Liquidity and Capital Resources" of Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II - Item 7 included in our Annual Report.

The principal factors that could decrease our liquidity are customer delinquencies and defaults, a decline in customer prepayments, and a prolonged inability to adequately access capital market funding. We intend to support our liquidity position by utilizing strategies that are further described in our "Liquidity and Capital Resources" of Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II - Item 7 included in our Annual Report.

However, it is possible that the actual outcome of one or more of our plans could be materially different than expected or that one or more of our significant judgments or estimates could prove to be materially incorrect.

## OUR INSURANCE SUBSIDIARIES

Our insurance subsidiaries are subject to state regulations that limit their ability to pay dividends. Triton paid an ordinary dividend to OneMain Financial Holdings, LLC of \$50 million during the six months ended June 30, 2022. AHL did not pay any dividends during the six months ended June 30, 2022. Triton and AHL did not pay dividends during the six months ended June 30, 2021. See Note 10 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report for further information on these state restrictions and the dividends paid by our insurance subsidiaries in 2021.

## OUR DEBT AGREEMENTS

The debt agreements which OMFC and its subsidiaries are a party to include customary terms and conditions, including covenants and representations and warranties. See Note 8 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report for more information on the restrictive covenants under OMFC's debt agreements, as well as the guarantees of OMFC's long-term debt.

### Securitized Borrowings

We execute private securitizations under Rule 144A of the Securities Act of 1933, as amended. As of June 30, 2022, our structured financings consisted of the following:

(dollars in millions)	Issue Amount (a)	Initial Collateral Balance	Current Note Amounts Outstanding (a)	Current Collateral Balance (b)	Current Weighted Average Interest Rate	Original Revolving Period
OMFIT 2015-3	\$ 293	\$ 329	\$ 42	\$ 68	6.63 %	5 years
OMFIT 2016-3	350	397	70	156	6.08 %	5 years
OMFIT 2018-1	632	650	174	218	4.34 %	3 years
OMFIT 2018-2	368	381	350	400	3.87 %	5 years
OMFIT 2019-1	632	654	159	206	4.59 %	2 years
OMFIT 2019-2	900	947	900	995	3.30 %	7 years
OMFIT 2019-A	789	892	750	892	3.78 %	7 years
OMFIT 2020-1	821	958	737	820	4.15 %	2 years
OMFIT 2020-2	1,000	1,053	1,000	1,053	2.03 %	5 years
OMFIT 2021-1	850	904	850	904	1.74 %	5 years
OMFIT 2022-S1 (c)	600	652	600	652	4.31 %	3 years
ODART 2019-1	737	750	700	750	3.79 %	5 years
ODART 2021-1	1,000	1,053	1,000	1,053	0.98 %	2 years
ODART 2022-1 (d)	600	632	600	632	4.56 %	2 years
<b>Total securitizations</b>	<b>\$ 9,572</b>	<b>\$ 10,252</b>	<b>\$ 7,932</b>	<b>\$ 8,799</b>		

(a) Issue Amount includes the retained interest amounts as applicable and the Current Note Amounts Outstanding balances reflect pay-downs subsequent to note issuance and exclude retained interest amounts.

(b) Inclusive of in-process replenishments of collateral for securitized borrowings in a revolving status as of June 30, 2022.

(c) On April 27, 2022, we issued \$600 million of notes backed by personal loans. The notes mature in 2035.

(d) On June 15, 2022, we issued \$600 million of notes backed by direct auto loans. The notes mature in 2030.



### ***Revolving Conduit Facilities***

In addition to the structured financings, we had access to 14 revolving conduit facilities with a total borrowing capacity of \$5.8 billion as of June 30, 2022:

(dollars in millions)	<b>Advance Maximum Balance</b>	<b>Amount Drawn</b>
OneMain Financial Funding VII, LLC	\$ 600	\$ —
OneMain Financial Funding IX, LLC	600	—
OneMain Financial Auto Funding I, LLC	550	—
Seine River Funding, LLC	550	—
Chicago River Funding, LLC	375	—
Hudson River Funding, LLC	500	—
OneMain Financial Funding VIII, LLC	400	—
Mystic River Funding, LLC	350	—
Thayer Brook Funding, LLC	350	—
Columbia River Funding, LLC	350	—
Hubbard River Funding, LLC	250	—
New River Funding Trust	250	—
River Thames Funding, LLC	400	250
St. Lawrence River Funding, LLC	250	250
<b>Total</b>	<b>\$ 5,775</b>	<b>\$ 500</b>

See “Liquidity and Capital Resources - Sources and Uses of Funds - Securitizations and Borrowings from Revolving Conduit Facilities” above for information on the revolving conduit facility entered into subsequent to June 30, 2022.

### **OFF-BALANCE SHEET ARRANGEMENTS**

We have no material off-balance sheet arrangements as defined by SEC rules, and we had no material off-balance sheet exposure to losses associated with unconsolidated VIEs at June 30, 2022 or December 31, 2021.

## **Critical Accounting Policies and Estimates**

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We describe our significant accounting policies used in the preparation of our consolidated financial statements in Note 2 of the Notes to the Consolidated Financial Statements in Part II - Item 8 included in our Annual Report. We consider the following policies to be our most critical accounting policies because they involve critical accounting estimates and a significant degree of management judgment:

- allowance for finance receivable losses; and
- TDR finance receivables.

There have been no material changes to our critical accounting policies or to our methodologies for deriving critical accounting estimates during the six months ended June 30, 2022.

## **Recent Accounting Pronouncements**

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See Note 2 of the Notes to the Condensed Consolidated Financial Statements included in this report for discussion of recently issued accounting pronouncements.

## **Seasonality**

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Our personal loan volume is generally highest during the second and fourth quarters of the year, primarily due to marketing efforts and seasonality of demand. Demand for our personal loans is usually lower in January and February after the holiday season and as a result of tax refunds. Delinquencies on our personal loans are generally lower in the first and second quarters and tend to rise throughout the remainder of the year. These seasonal trends contribute to fluctuations in our operating results and cash needs throughout the year.

## ***Item 3. Quantitative and Qualitative Disclosures About Market Risk.***

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There have been no material changes to our market risk previously disclosed in Part II - Item 7A included in our Annual Report.

***Item 4. Controls and Procedures.***

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**CONTROLS AND PROCEDURES OF ONEMAIN HOLDINGS, INC.**

***Evaluation of Disclosure Controls and Procedures***

Disclosure controls and procedures are designed to provide reasonable assurance that the information OMH is required to disclose in reports that OMH files or submits under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of June 30, 2022, OMH carried out an evaluation of the effectiveness of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. This evaluation was conducted under the supervision of, and with the participation of OMH's management, including the Chief Executive Officer and the Chief Financial Officer. Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that OMH's disclosure controls and procedures were effective as of June 30, 2022 to provide the reasonable assurance described above.

***Changes in Internal Control over Financial Reporting***

There were no changes in OMH's internal control over financial reporting during the second quarter of 2022 that have materially affected, or are reasonably likely to materially affect, OMH's internal control over financial reporting.

**CONTROLS AND PROCEDURES OF ONEMAIN FINANCE CORPORATION**

***Evaluation of Disclosure Controls and Procedures***

Disclosure controls and procedures are designed to provide reasonable assurance that the information OMFC is required to disclose in reports that OMFC files or submits under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of June 30, 2022, OMFC carried out an evaluation of the effectiveness of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. This evaluation was conducted under the supervision of, and with the participation of OMFC's management, including the Chief Executive Officer and the Chief Financial Officer. Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that OMFC's disclosure controls and procedures were effective as of June 30, 2022 to provide the reasonable assurance described above.

***Changes in Internal Control over Financial Reporting***

There were no changes in OMFC's internal control over financial reporting during the second quarter of 2022 that have materially affected, or are reasonably likely to materially affect, OMFC's internal control over financial reporting.

**PART II — OTHER INFORMATION*****Item 1. Legal Proceedings.***

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See Note 12 of the Notes to the Condensed Consolidated Financial Statements included in this report.

***Item 1A. Risk Factors.***

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In addition to the other information set forth in this report, you should consider the factors discussed in Part I - Item 1A. “Risk Factors” in our Annual Report, which could materially affect our business, financial condition, or future results.

***Item 2. Unregistered Sales of Equity Securities and Use of Proceeds***

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There were no unregistered sales of our common stock during the period covered by this Quarterly Report on Form 10-Q.

***Issuer Purchases of Equity Securities***

The following table presents information regarding repurchases of our common stock, excluding commissions and fees, during the quarter ended June 30, 2022, based on settlement date:

<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)</b>	<b>Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (a)</b>
April 1 - April 30	866,034	\$ 47.15	866,034	\$ 877,491,155
May 1 - May 31	871,367	43.72	871,367	839,396,960
June 1 - June 30	358,996	41.22	358,996	824,597,401
Total	2,096,397	\$ 44.71	2,096,397	

- (a) On February 2, 2022, the Board authorized a \$1 billion stock repurchase program, excluding fees, commissions, and other expenses related to the repurchases. The authorization expires on December 31, 2024. The timing, number and share price of any additional shares repurchased will be determined by OMH based on its evaluation of market conditions and other factors and will be made in accordance with applicable securities laws in either the open market or in privately negotiated transactions. OMH is not obligated to purchase any shares under the program, and may be modified, suspended or discontinued at any time.

***Item 3. Defaults Upon Senior Securities.***

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None.

***Item 4. Mine Safety Disclosures.***

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None.

***Item 5. Other Information.***

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None.

**Item 6. Exhibit Index.**

<b>Exhibit Number</b>	<b>Description</b>
<a href="#">31.1</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications of the President and Chief Executive Officer of OneMain Holdings, Inc.</a>
<a href="#">31.2</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications of the Executive Vice President and Chief Financial Officer of OneMain Holdings, Inc.</a>
<a href="#">31.3</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications of the President and Chief Executive Officer of OneMain Finance Corporation</a>
<a href="#">31.4</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications of the Executive Vice President and Chief Financial Officer of OneMain Finance Corporation</a>
<a href="#">32.1</a>	<a href="#">Section 1350 Certifications of OneMain Holdings, Inc.</a>
<a href="#">32.2</a>	<a href="#">Section 1350 Certifications of OneMain Finance Corporation</a>
101	Interactive data files pursuant to Rule 405 of Regulation S-T, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Shareholder's Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File in Inline XBRL format (Included in Exhibit 101).

\* Management contract or compensatory plan or arrangement.

**OMH Signature**

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ONEMAIN HOLDINGS, INC.  
(Registrant)

Date: July 29, 2022

By: /s/ Micah R. Conrad

Micah R. Conrad  
Executive Vice President and Chief Financial Officer  
(Duly Authorized Officer and Principal Financial Officer)

**OMFC Signature**

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ONEMAIN FINANCE CORPORATION  
(Registrant)

Date: July 29, 2022

By: /s/ Micah R. Conrad

Micah R. Conrad  
Executive Vice President and Chief Financial Officer  
(Duly Authorized Officer and Principal Financial Officer)

## Exhibit 31.1

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### Certifications

I, Douglas H. Shulman, President and Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneMain Holdings, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2022

/s/ Douglas H. Shulman

Douglas H. Shulman

President and Chief Executive Officer



## Exhibit 31.2

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### Certifications

I, Micah R. Conrad, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneMain Holdings, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2022

/s/ Micah R. Conrad

Micah R. Conrad

Executive Vice President and Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

## Exhibit 31.3

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### Certifications

I, Richard N. Tambor, President and Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneMain Finance Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2022

/s/ Richard N. Tambor

Richard N. Tambor

President and Chief Executive Officer

## Exhibit 31.4

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### Certifications

I, Micah R. Conrad, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneMain Finance Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2022

/s/ Micah R. Conrad

Micah R. Conrad

Executive Vice President and Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

## Exhibit 32.1

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### Certifications

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of OneMain Holdings, Inc. (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of Douglas H. Shulman, President and Chief Executive Officer of the Company, and Micah R. Conrad, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Douglas H. Shulman

Douglas H. Shulman

President and Chief Executive Officer

/s/ Micah R. Conrad

Micah R. Conrad

Executive Vice President and Chief Financial Officer

Date: July 29, 2022

## Exhibit 32.2

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### Certifications

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of OneMain Finance Corporation (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of Richard N. Tambor, President and Chief Executive Officer of the Company, and Micah R. Conrad, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard N. Tambor

Richard N. Tambor

President and Chief Executive Officer

/s/ Micah R. Conrad

Micah R. Conrad

Executive Vice President and Chief Financial Officer

Date: July 29, 2022