Consumer Portfolio Services, Inc.

Nasdaq: CPSS

Investor Presentation
As of December 31, 2022

Company Overview

- Consumer finance company focused on sub-prime auto market
- Established in 1991. IPO in 1992
- Through December 31, 2022, approximately $20.0 billion in contracts originated
- Headquarters in Las Vegas, Nevada. Branches in California, Nevada, Illinois, Virginia and Florida
- Approximately 784 employees as of December 31, 2022
- $1.9 billion contract originations in 2022; $1.1 billion contract originations in 2021;
- $2.8 billion outstanding managed portfolio as of December 31, 2022
- (excludes third party receivables)

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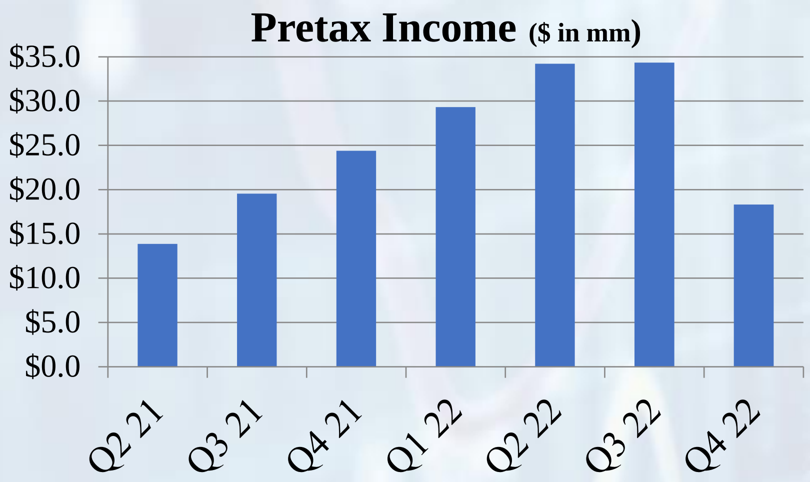
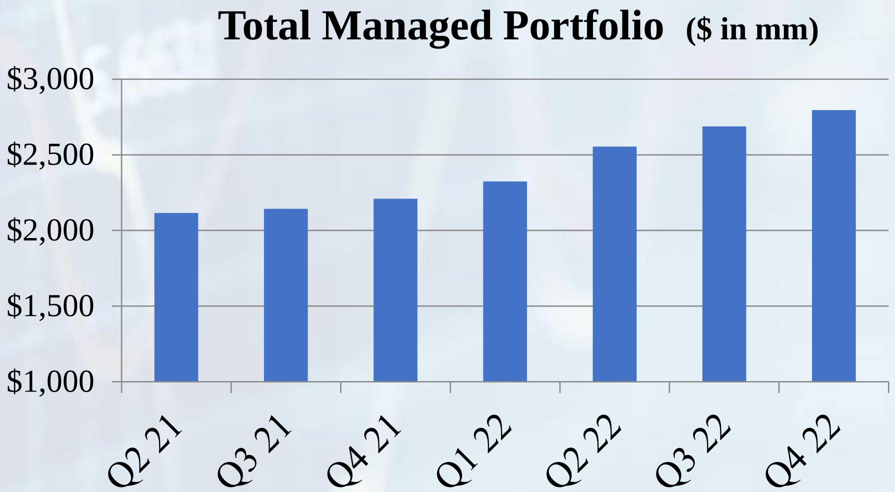
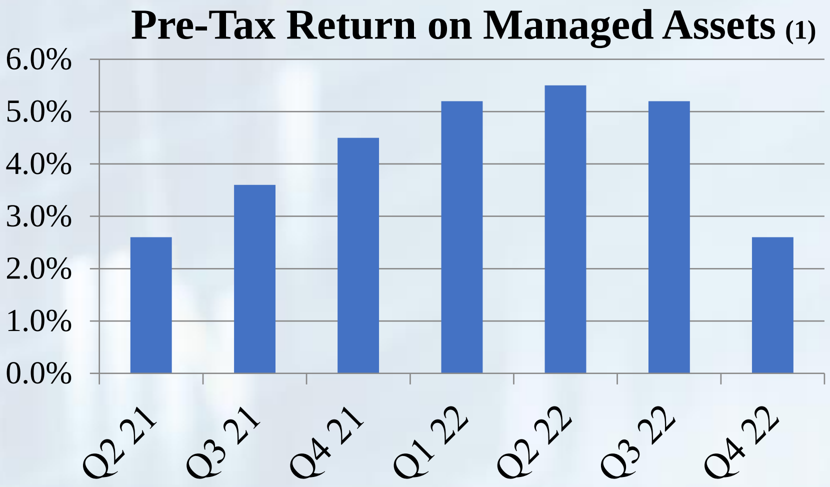
Recent Financial and Operating Performance







(1) Pre-tax income as a percentage of average managed portfolio for the period.

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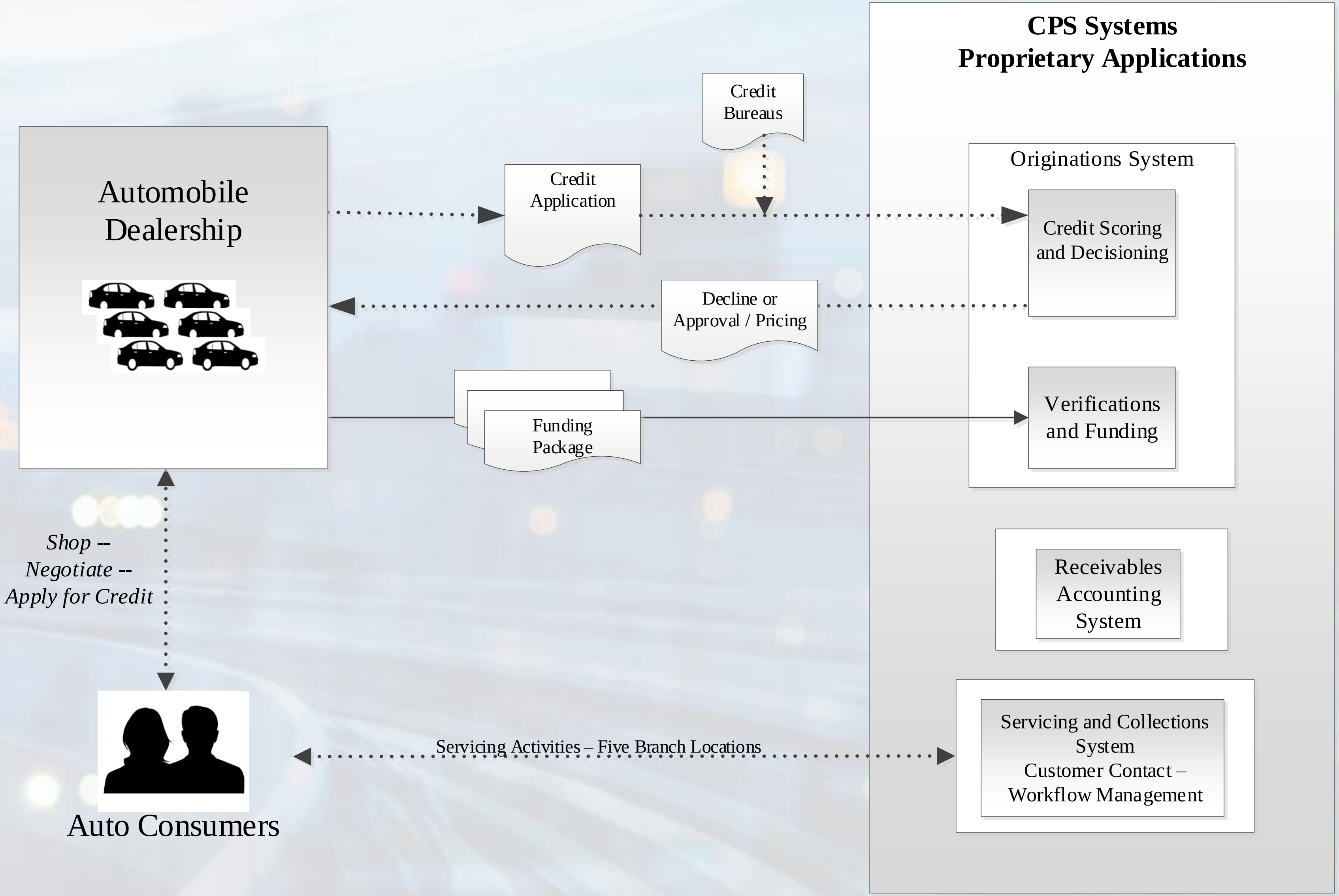
Operational Flow



Economic Model

	Quarter Ended		Twelve Months Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Interest Income	11.5%	12.4%	12.0%	12.4%
Mark to Fin. Recs. at FV	0.0%	--	0.6%	(0.2%)
Servicing and Other Income	0.5%	0.3%	0.4%	0.3%
Interest Expense	(4.2%)	(3.1%)	(3.4%)	(3.5%)
Net Interest Margin	7.8%	9.6%	9.5%	9.0%
Provision for Credit Losses	0.7%	2.4%	1.1%	0.7%
Core Operating Expenses	(5.9%)	(7.5%)	(6.1%)	(6.6%)
Pretax Return on Assets	2.6%	4.5%	4.6%	3.1%

(1) As a percentage of the average managed portfolio. Percentages may not add due to rounding.

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Market Dynamics

U.S Market for Auto Finance

- $1.5 trillion auto loans outstanding at Q4 2022 (1)
- Approximately 34% of auto financings in Q4 2022 were below prime (FICO < 661) (1)
- Historically fragmented market
- Few dominant players
- Significant barriers to entry

(1) According to Experian Automotive

Other National Industry Players

- Santander Consumer USA
- Exeter Finance Corp
- Global Lending Services
- Westlake Financial
- Credit Acceptance Corp.
- GM Financial – Americredit
- Capital One
- Wells Fargo

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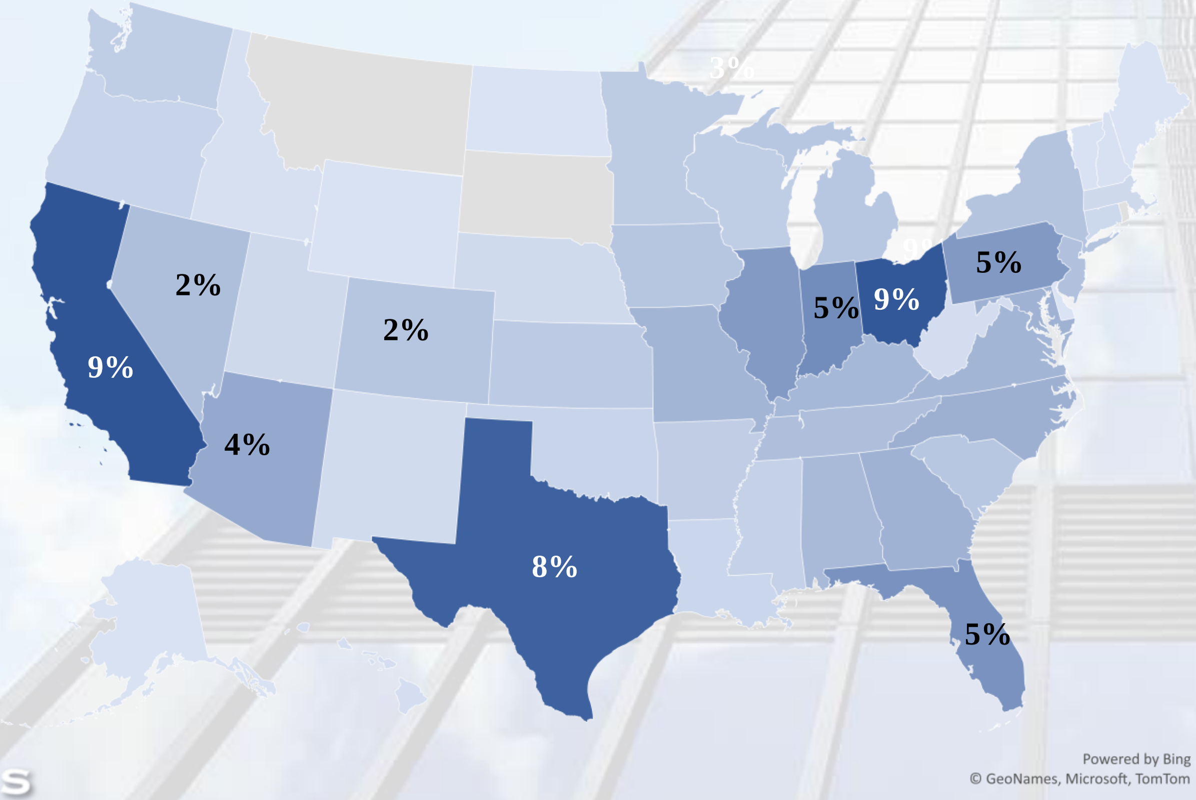
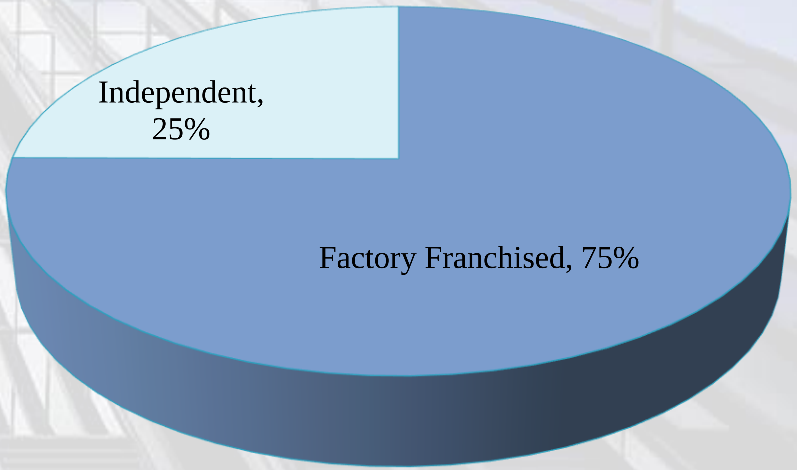
Market Footprint

- Contracts purchased in the year ended December 31, 2022 - $1,854.4 million
- Contracts purchased from dealers in 47 states
- Diverse geographic market penetration

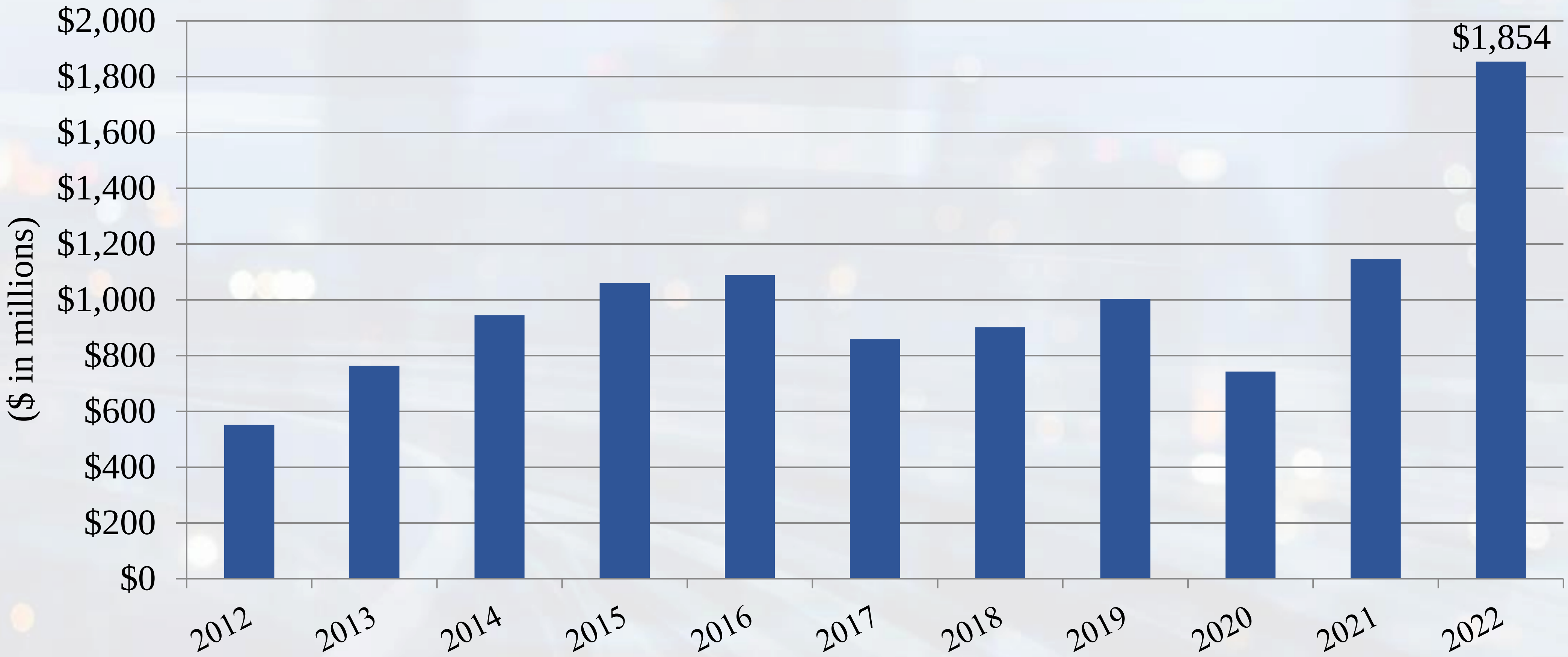


Originating Dealer Type



Historical Origination Volume

- Since inception through December 31, 2022, the Company has originated approximately $20.0 billion in contracts
- 2022 Q4 volume was 30.5% greater than the volume from the fourth quarter of 2021



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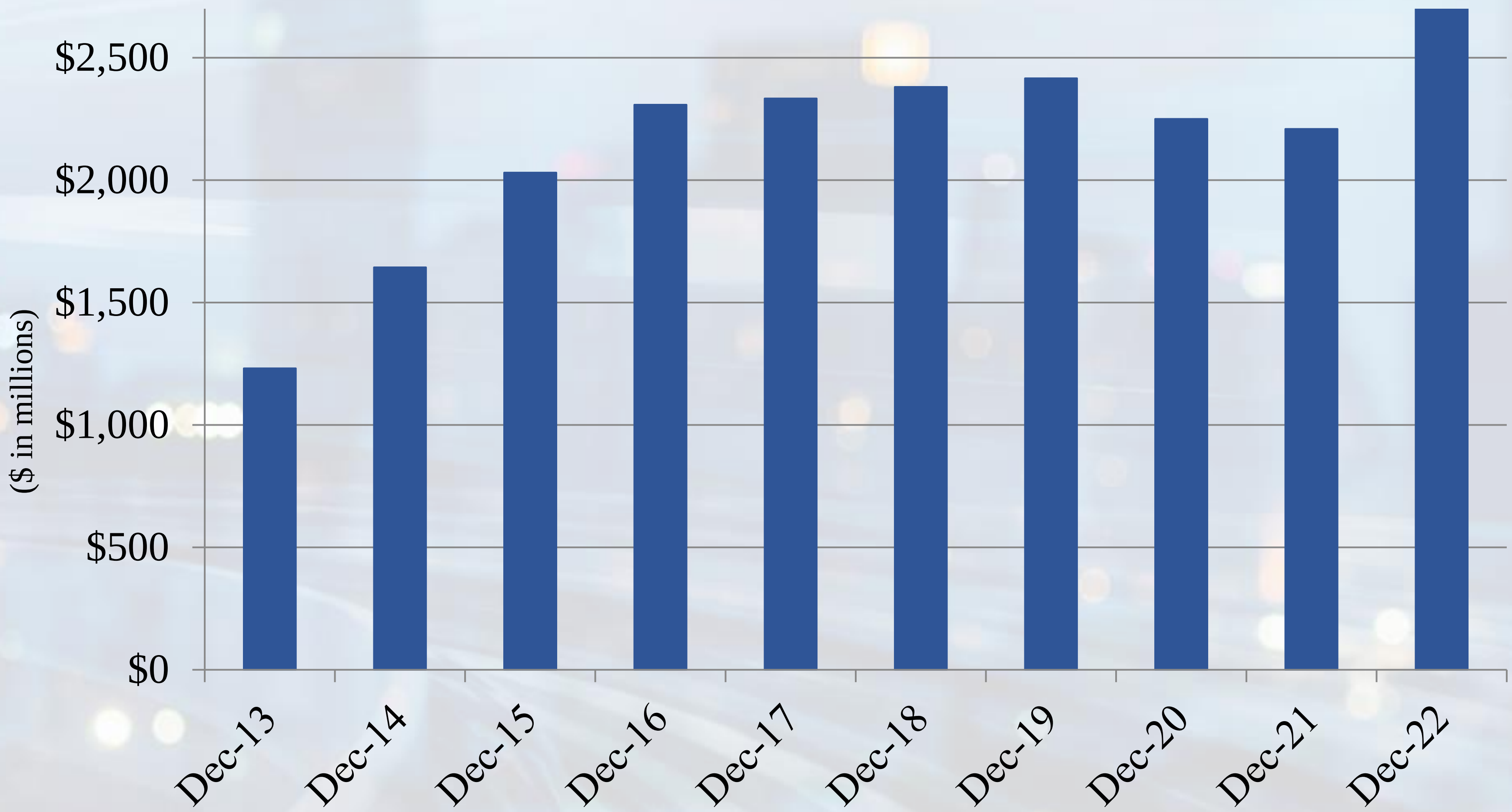
Total Managed Portfolio



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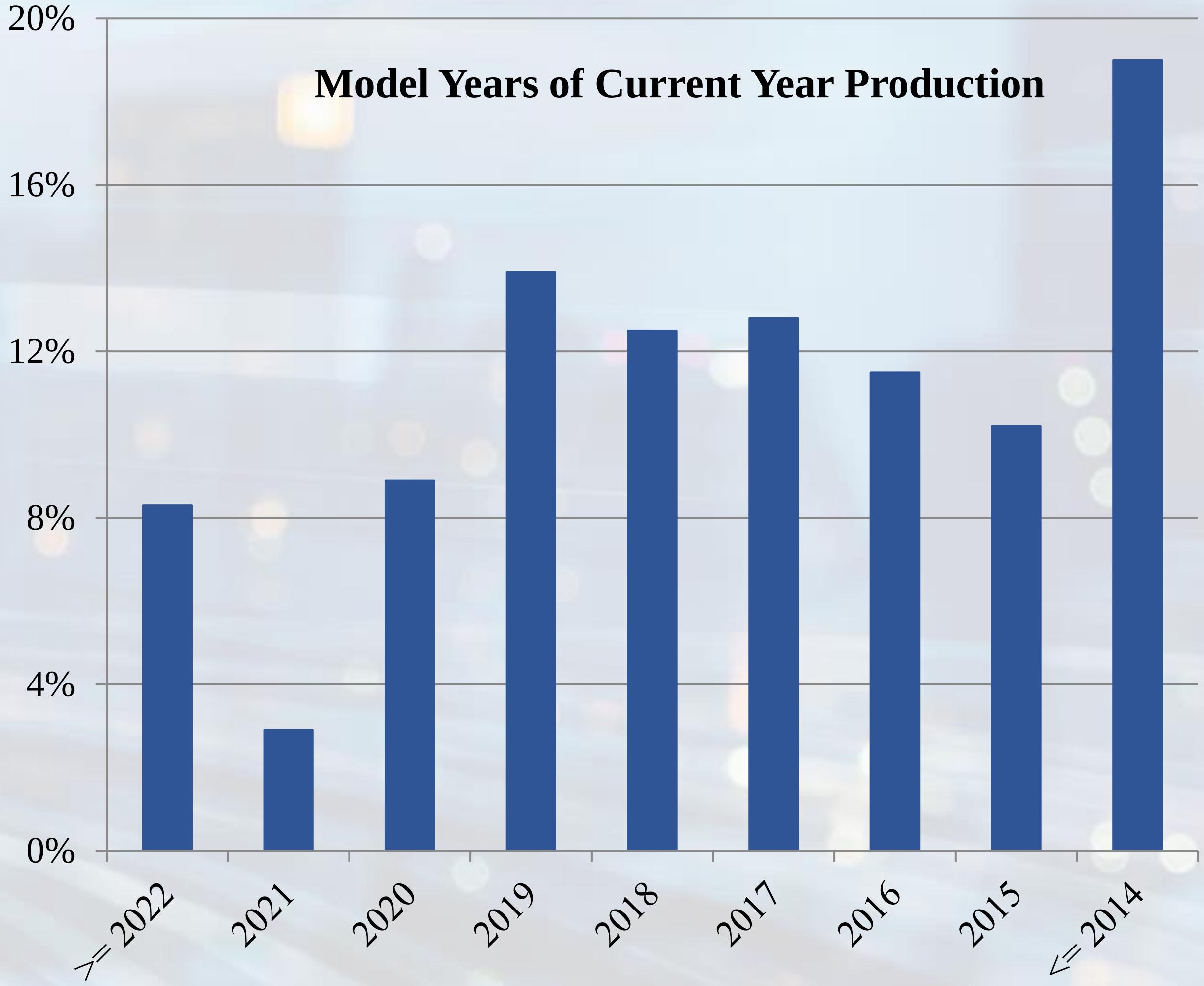
Collateral Description (1)

Primarily late model, pre-owned vehicles

- 9% New
- 13% Certified Pre-Owned
- 78% Pre-owned

- 48% Domestic
- 52% Imports



(1) Under the CPS programs for contracts purchased for the year ended December 31, 2022

Overview of Lending Programs

- CPS's proprietary scoring models and risk-adjusted pricing result in program offerings covering a wide band of the sub-prime credit spectrum

Program [(1)]	Avg. Yield [(2)]	Avg. Amount Financed	Avg. Annual Household Income	Avg. Time on Job (years)	Avg. FICO	% of Purchases
Meta	9.83%	$26,046	$98,405	9.3	673	3%
Preferred	12.01%	$27,081	$92,450	7.1	606	13%
Super Alpha	14.57%	$26,997	$82,931	5.4	579	24%
Alpha Plus	17.58%	$24,307	$75,120	4.3	573	12%
Alpha	19.97%	$22,034	$63,025	3.4	579	28%
Standard	22.65%	$18,301	$57,713	2.5	578	12%
Mercury / Delta	24.88%	$17,046	$57,965	2.8	564	5%
First Time Buyer	24.52%	$15,901	$48,510	1.8	569	4%
Overall	17.72%	$22,782	$70,812	4.6	583	100%

(1) Under the CPS programs for contracts purchased for the year ended December 31, 2022.
(2) Contract APR as adjusted for fees charged (or paid) to dealer.

Borrower and Contract Profile(1)

Borrower:

• Average age	42 years
• Average time in job	5 years
• Average time in residence	6 years
• Average credit history	10 years
• Average household income	$70,812 per year
• Percentage of homeowners	22%

Contract:

• Average amount financed	$22,782
• Weighted average monthly payment	$572
• Weighted average term	70 months
• Weighted average contract APR	17.7%
• Weighted average LTV	122.8%

(1) Under the CPS programs for contracts purchased for the year ended December 31, 2022.

Operations

Contract Originations

- Centralized contract originations at Irvine HQ
  - Maximizes control and efficiencies
  - Certain functions performed at Florida and Nevada offices
- Proprietary auto-decisioning system
  - Makes initial credit decision on over 99% of incoming applications
  - Decision inputs include deal structure, credit history and proprietary scorecard
- Pre-funding verification of employment, income and residency
  - Protects against potential fraud

Servicing

- Geographically dispersed servicing centers enhance coverage and staffing flexibility and drive portfolio performance
- Early contact on past due accounts; commencing as early as first day after due date; self-cure analytics leverages workforce
- Integrated customer contact system coordinates phone, text, chat, email and IVR activity.
- Workloads allocated based on specialization and behavioral scorecards, for efficiency and focus

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Portfolio Financing

- $400 million in interim funding capacity through two credit facilities
  - $200 million with Citibank; revolves to July 2024, due in July 2025
  - $200 million with Ares; revolves to January 2024, due in January 2028
- Regular issuer of asset-backed securities, providing long-term matched funding
  - $17.8 billion in 96 deals from 1994 through January 2023.
  - Completed 46 senior subordinated securitizations since the beginning of 2011.
  - In the October 2022 transaction, sold five tranches of rated bonds from triple "A" down to double "B" with a blended coupon of 8.48%.
  - In the January 2023 transaction, sold five tranches of rated bonds from triple "A" down to double "B" with a blended coupon of 6.82%.
- As of December 31, 2022, total corporate debt of $25.3 million in subordinated unsecured retail notes.
- Completed $50 million residual financing in June 2021.

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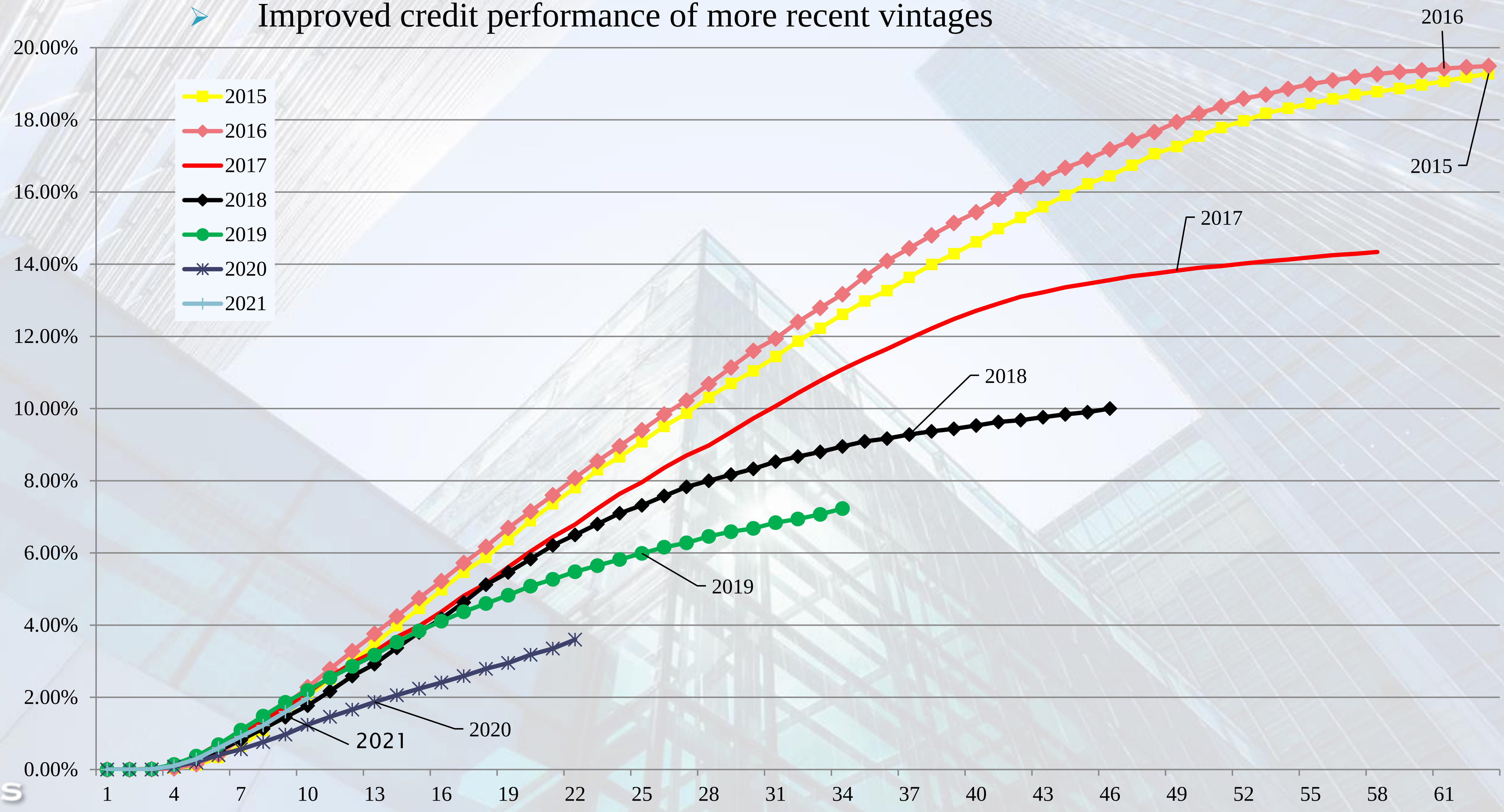
Static Pool Performance

- Average of quarterly vintage cumulative net losses as of December 31, 2022
- Improved credit performance of more recent vintages



Summary Balance Sheets (1)

($ in millions)	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Assets				
Cash	$ 13.5	$ 29.9	$ 13.5	$ 5.3
Restricted cash	149.3	146.6	130.7	135.5
Finance receivables, net of allowance	70.6	176.2	411.3	885.9
Finance receivables, measured at fair value	2,476.6	1,749.1	1,523.7	1,444.0
Deferred tax assets, net	10.2	19.6	28.5	15.5
Other assets	32.6	38.2	38.2	53.0
	$ 2,752.8	$ 2,159.6	$ 2,145.9	$ 2,539.2
Liabilities				
Accounts payable and accrued expenses	$ 55.4	$ 43.6	$ 43.1	$ 47.1
Warehouse lines of credit	285.3	105.6	119.0	134.8
Residual interest financing	49.6	53.7	25.4	39.5
Securitization trust debt	2,108.7	1,760.0	1,803.7	2,097.7
Subordinated renewable notes	25.3	26.5	21.3	17.5
	2,524.4	1,989.4	2,012.5	2,336.6
Shareholders' equity	228.4	170.2	133.4	202.6
	$ 2,752.8	$ 2,159.6	$ 2,145.9	$ 2,539.2

(1) Numbers may not add due to rounding.

Summary Statements of Operations (1)

($ in millions)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Years Ended December 31, 2022	Years Ended December 31, 2021	Years Ended December 31, 2020
Revenues					
Interest income	$ 79.7	$ 67.7	$ 305.2	$ 266.3	$ 295.0
Mark to finance receivables at fair value	-	-	15.3	(4.4)	(29.5)
Other income	3.3	1.7	9.2	6.0	5.7
	83.0	69.4	329.7	267.8	271.2
Expenses					
Employee costs	20.9	22.8	84.3	80.5	80.2
General and administrative	19.7	18.2	69.8	60.9	55.4
Interest	28.9	17.0	87.5	75.2	101.3
Provision for credit losses	(4.7)	(13.0)	(28.1)	(14.6)	14.1
	64.7	45.0	213.5	202.1	251.0
Pretax income	18.3	24.4	116.2	65.7	20.1
Income tax expense (benefit) (2)	4.2	5.4	30.2	18.2	(1.6)
Net income	$ 14.1	$ 19.0	$ 86.0	$ 47.5	$ 21.7
EPS (fully diluted)	$ 0.59	$ 0.71	$ 3.23	$ 1.84	$ 0.90

(1) Numbers may not add due to rounding.
(2) Includes $8.8 million tax benefit in 2020.

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Selected Financial Data

($ in millions)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Years Ended December 31, 2022	Years Ended December 31, 2021	Years Ended December 31, 2020
Auto contract purchases	$ 428.0	$ 328.0	$ 1,854.4	$ 1,146.3	$ 742.6
Total managed portfolio	$ 2,795.4	$ 2,209.4	$ 2,795.4	$ 2,209.4	$ 2,175.0
Risk-adjusted margin (1)	$ 58.9	$ 65.4	$ 270.3	$ 207.2	$ 155.7
Core operating expenses (2)					
$ amount	$ 40.6	$ 41.0	$ 154.1	$ 141.4	$ 135.6
% of avg. managed portfolio	5.9%	7.5%	6.1%	6.6%	5.9%
Pretax return on managed assets (3)	2.6%	4.5%	4.6%	3.1%	0.9%
Total delinquencies and repo inventory (30+ days past due)					
As a % of total owned portfolio	12.6%	10.5%	12.6%	10.5%	12.1%
Annualized net charge-offs					
As a % of total owned portfolio	5.9%	2.6%	4.5%	3.5%	6.5%

(1) Revenues less interest expense and provision for credit losses.
(2) Total expenses less provision for credit losses and interest expense.
(3) Equal to annualized pretax income as a percentage of the average managed portfolio.

Investment Considerations

- CPS has weathered multiple industry cycles to remain one of the few independent public auto finance companies
- Forty-five consecutive quarters of pre-tax profits
- Attractive industry fundamentals with fewer large competitors than last cycle
- Consistent credit performance
- Opportunistic, successful acquisitions
- Stable senior management team averaging 20 years of experience owns significant equity

Reference to Public Reports

- Any person considering an investment in securities issued by CPS is urged to review the materials filed by CPS with the U.S. Securities and Exchange Commission ("Commission"). Such materials may be found by inquiring of the Commission's EDGAR search page www.sec.gov/edgar/searchedgar/companysearch.html using CPS's ticker symbol, which is "CPSS." Risk factors that should be considered are described in Item 1A, "Risk Factors," of CPS's most recent annual report on Form 10-K and subsequent reports on Form 10-Q, which reports are on file with the Commission and available for review at the Commission's website. Such description of risk factors is incorporated herein by reference.

Safe Harbor Statement

- Forward-looking statements in this presentation include the Company's recorded figures representing allowances for remaining expected lifetime credit losses, its markdown of carrying value for the portion of its portfolio accounted for at fair value, its charge to the provision for credit losses for the its legacy portfolio, its estimates of fair value (most significantly for its receivables accounted for at fair value), its entries offsetting the preceding, its anticipated credit facility capacity, and figures derived from any of the preceding. In each case, such figures are forward-looking statements because they are dependent on the Company’s estimates of cash to be received and losses to be incurred in the future. The accuracy of such statements may be adversely affected by various factors, which include (in addition to risks relating to the economy generally) the following: possible increased delinquencies; repossessions and losses on retail installment contracts; incorrect prepayment speed and/or discount rate assumptions; possible unavailability of qualified personnel, which could adversely affect the Company’s ability to service its portfolio; possible increases in the rate of consumer bankruptcy filings, which could adversely affect the Company’s rights to collect payments from its portfolio; other changes in government regulations affecting consumer credit; possible declines in the market price for used vehicles, which could adversely affect the Company’s realization upon repossessed vehicles; economic conditions in geographic areas in which the Company's business is concentrated; the long-term effects of the COVID-19 pandemic and the effects of a resurgence of the COVID-19 pandemic including governmental responses to said pandemic, which have included prohibitions on certain means of enforcement of receivables, and may include additional restrictions, as yet unknown, in the future; and a default under any credit facility debt agreement which, if not waived could result in acceleration of the related indebtedness and impair the Company’s ability to secure additional financing. Any or all of such factors also may affect the Company’s future financial results, as to which there can be no assurance. Any implication that past results or past consecutive earnings are indicative of future results or future earnings is disclaimed, and the reader should draw no such inference. Factors such as those identified above in relation to losses to be incurred in the future may affect future performance.

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