OUR VISION

We will positively impact the financial lives of our customers and become the nation's "best-in-class" traditional installment lender.

Regional Management Corp. • 509 W. Butler Road • Greenville, SC 29607

Fiscal Year 2014 Annual Report on Form 10-K

Proxy Statement for the 2015 Annual Meeting of Stockholders

509 West Butler Road, Greenville, South Carolina 29607
Phone (864) 422-8011, Fax (864) 422-8035

March 2015

Dear Valued Stockholders:

2014 was a very difficult year for our company. We entered the year with considerable momentum coming off of a strong 2013, but that momentum was soon interrupted with delinquency problems in the first quarter caused by inadequate staffing, followed by two quarters of poor quality solicitations that resulted in increased credit losses. Both problems impacted our earnings and challenged the confidence that our investors had in our abilities to effectively run the company. However, we tackled our challenges head-on, significantly boosted our senior management depth, and by the end of the year, had made significant progress toward turning around the company and placing us back on the path to both top- and bottom-line growth.

For 2014, we recorded revenue of $204.7 million, up 20% from the prior year, and our finance receivables were $546 million at the end of the year, essentially flat to year-end 2013. Net income was $14.8 million, and diluted earnings per share were $1.14, both off of our expectations and our growth trajectory.

To that end, upon my taking over the CEO role in October, we set out specific near-term objectives in order to fix our issues and reposition Regional for stability and growth. Among our objectives, we were determined to get our credit quality under control, focus our top-line efforts on our small and large installment loans—our most important categories—and further add to our management depth. As of the end of 2014, we were well on our way—our delinquencies had been reduced considerably from the prior quarter-end, and we saw solid growth in both our small and large installment loan categories in the fourth quarter. Further, in the past six months, we substantially strengthened our management team with the additions of Jody Anderson as President and Chief Operating Officer and Dan Taggart as Chief Risk Officer. Both have a strong track record and extensive experience in the industry.

We still have work remaining in 2015, most notably continuing the growth and improvement in the credit quality of our portfolios, while constructively repositioning our expense structure to better align with the profit model for our company. Our 2015 de novo plans also call for us to open 25 to 30 branches, and with a return to our original methods of sourcing and with improved controls around the process, we will continue to operate our direct mail campaigns that help drive both loan and account growth. Overall, we're pleased with our recent progress, the entire Regional team has come together and worked hard to resolve these challenges, and we are positioning ourselves to return to the profit trajectory that was delivered in the years prior to 2014.

As always, we appreciate the support of our stockholders and are committed to rebuilding your confidence in our ability to manage the company and to generate long-term value. We look forward to seeing you at our annual stockholders meeting.

Best regards,

Michael R. Dunn
Chief Executive Officer

This annual report to stockholders may contain forward-looking statements. Please refer to our Annual Report on Form 10-K, which accompanies this annual report to stockholders, for additional information regarding forward-looking statements.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2014

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: 001-35477

Regional Management Corp.
(Exact name of registrant as specified in its charter)

Delaware	**57-0847115**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
509 West Butler Road Greenville, South Carolina	**29607**
(Address of principal executive offices)	**(Zip Code)**

(864) 422-8011

(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.10 par value	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K. ☒

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

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2014 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the common stock held by non-affiliates of the registrant was $181,021,880 based upon the closing sale price as reported on the New York Stock Exchange. See Part II, Item 5 of this Annual Report on Form 10-K for additional information.

As of March 9, 2015, there were 12,853,743 shares of the registrant's common stock outstanding.

Documents Incorporated by Reference

Certain information required by Part III of this Annual Report on Form 10-K is incorporated herein by reference to the Proxy Statement for the registrant's 2015 Annual Meeting of Stockholders, which is expected to be filed pursuant to Regulation 14A within 120 days after the end of the registrant's fiscal year ended December 31, 2014.

REGIONAL MANAGEMENT CORP.

ANNUAL REPORT ON FORM 10-K
Fiscal Year Ended December 31, 2014

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, certain statements and disclosures contained in Item 1, "Business," Item 1A, "Risk Factors," and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." These forward-looking statements include, but are not limited to, statements about our strategies, future operations, future financial position, future revenues, projected costs, expectations regarding demand and acceptance for our financial products, growth opportunities and trends in the market in which we operate, prospects, plans and objectives of management, representations, and contentions, and are not historical facts. Forward-looking statements typically are identified by the use of terms such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," and similar words, although some forward-looking statements are expressed differently. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Forward-looking statements included herein represent management's current judgment and expectations, but our actual results, events, and performance could differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including without limitation, the risks set forth in Item 1A, "Risk Factors" in this Annual Report on Form 10-K. We do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as is required under the federal securities laws.

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements, including the notes thereto.

PART I

ITEM 1. *BUSINESS.*

Overview

Regional Management Corp. (together with its subsidiaries, "Regional," the "Company," "we," "us," and "our") was incorporated in South Carolina on March 25, 1987, and converted into a Delaware corporation on August 23, 2011. We are a diversified specialty consumer finance company providing a broad array of loan products primarily to customers with limited access to consumer credit from banks, thrifts, credit card companies, and other traditional lenders. We began operations in 1987 with four branches in South Carolina and have expanded our branch network to 300 locations with approximately 345,500 active accounts primarily across Alabama, Georgia, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas as of December 31, 2014. Most of our loan products are secured and each is structured on a fixed rate, fixed term basis with fully amortizing equal monthly installment payments, repayable at any time without penalty. Our loans are sourced through our multiple channel platform, including in our branches, through direct mail campaigns, independent and franchise automobile dealerships, online credit application networks, retailers, and our consumer website. We operate an integrated branch model in which nearly all loans, regardless of origination channel, are serviced and collected through our branch network, providing us with frequent in-person contact with our customers, which we believe improves our credit performance and customer loyalty. Our goal is to consistently and soundly grow our finance receivables and manage our portfolio risk while providing our customers with attractive and easy-to-understand loan products that serve their varied financial needs.

Our diversified product offerings include:

- *Small Loans* – We offer standardized small installment loans ranging from $500 to $2,500, with terms of up to 36 months, which are typically secured by non-essential household goods. We originate these loans through our branches, via our consumer website, by customer referrals, and through direct mail campaigns, including by mailing convenience checks to pre-screened individuals who are able to enter into a loan by depositing these checks. As of December 31, 2014, we had approximately 289,700 small loans outstanding representing $319.5 million in finance receivables or an average of approximately $1,100 per loan. In 2014, 2013, and 2012, interest and fee income from small loans contributed $134.7 million, $98.0 million, and $65.9 million, respectively, to our total revenue.

- *Large Loans* – We offer large installment loans through our branches ranging from $2,501 to $20,000, with terms of between 18 and 60 months. Our large loans are secured by either a vehicle, which may be an automobile, motorcycle, boat, or all-terrain vehicle, and/or non-essential household goods. As of December 31, 2014, we had approximately 12,600 large loans outstanding representing $46.1 million in finance receivables or an average of approximately $3,700 per loan. In 2014, 2013, and 2012, interest and fee income from large loans contributed $11.5 million, $12.5 million, and $16.3 million, respectively, to our total revenue.
- *Automobile Loans* – We offer automobile loans of up to $27,500, generally with terms of between 36 and 72 months, which are secured by the purchased vehicle. Our automobile loans are offered through a network of dealers in our geographic footprint. Our automobile loans include both direct loans, which are sourced through a dealership and closed at one of our branches, and indirect loans, which are originated and closed at a dealership in our network without the need for the customer to visit one of our branches. As of December 31, 2014, we had approximately 17,300 automobile loans outstanding representing $154.4 million in finance receivables or an average of approximately $8,900 per loan. In 2014, 2013, and 2012, interest and fee income from automobile loans contributed $33.4 million, $36.2 million, and $32.7 million, respectively, to our total revenue.
- *Retail Loans* – We offer indirect retail loans of up to $7,500, with terms of between 6 and 48 months, which are secured by the purchased item. These loans are offered through a network of retailers within and, to a limited extent, outside of our geographic footprint. As of December 31, 2014, we had approximately 25,900 retail loans outstanding representing $26.1 million in finance receivables or an average of approximately $1,000 per loan. In 2014, 2013, and 2012, interest and fee income from retail loans contributed $5.2 million, $5.6 million, and $4.2 million, respectively, to our total revenue.
- *Optional Insurance Products* – We offer our customers optional payment protection insurance relating to many of our loan products. In 2014, insurance income, net, was $10.7 million, or 5.2% of our total revenue.

We report operating segments in accordance with generally accepted accounting principles in the United States of America ("GAAP"). We have one reportable segment, which is the consumer finance segment. Our other revenue generating activities, including insurance operations, are performed in the existing branch network in conjunction with or as a complement to the lending operations. For financial information regarding the results of our only reportable segment, the consumer finance segment, for each of the last three fiscal years, refer to Item 6, "Selected Financial Data" and Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Our Industry

We operate in the consumer finance industry serving the large population of non-prime and underbanked consumers who have limited access to credit from banks, thrifts, credit card companies, and other traditional lenders. According to the Federal Deposit Insurance Corporation ("FDIC"), there were approximately 51 million adults living in underbanked households in the United States in 2013, up from 43 million in 2009. While the number of non-prime consumers in the United States has grown, the supply of consumer credit to this demographic has contracted. Following deregulation of the U.S. banking industry in the 1980s, many banks and finance companies that traditionally provided small denomination consumer credit refocused their businesses on larger loans with lower comparative origination costs and lower charge-off rates. Tightened credit requirements imposed by banks, thrifts, credit card companies, and other traditional lenders that began during the recession in

2008 and 2009 have further reduced the supply of consumer credit for the growing number of non-prime and underbanked individuals. We believe the large number of potential customers in our target market, combined with the decline in available consumer credit, provides an attractive market opportunity for our diversified product offerings—installment lending, automobile lending, and retail lending.

Installment Lending. Installment lending to underbanked and other non-prime consumers is one of the most highly fragmented sectors of the consumer finance industry. Providers of installment loans, such as Regional, generally offer loans with longer terms and lower interest rates than other alternatives available to underbanked consumers, such as title, payday, and pawn lenders.

Automobile Lending. Automobile finance comprises one of the largest consumer finance markets in the United States. The automobile loan sector is generally segmented by the credit characteristics of the borrower. Automobile loans are typically initiated or arranged through automobile dealers nationwide who rely on financing to drive their automobile sales.

Retail Lending. The retail industry represents a large consumer market in which retailers often do not provide their own financing, but instead partner with large banks and credit card companies that generally limit their lending activities to prime borrowers. As a result, non-prime customers often do not qualify for financing from these traditional lenders. Continued consumer demand from non-prime consumers presents a growth opportunity for retail loans.

Our Business Model and Operations

Integrated Branch Model. Our branch network, with 300 locations across eight states as of December 31, 2014, serves as the foundation of our multiple channel platform and the primary point of contact with our approximately 345,500 active accounts. By integrating underwriting, servicing, and collections at the branch level, our employees are able to maintain a relationship with our customers throughout the life of a loan. For loans originated at a branch, underwriting decisions are typically made by our local branch manager. Our branch managers combine our company-wide underwriting standards and flexibility within our guidelines to consider each customer's unique circumstances. This tailored branch-level underwriting approach allows us to both reject certain marginal loans that would otherwise be approved solely based on a credit report or automated loan approval system, as well as to selectively extend loans to customers with prior credit challenges who might otherwise be denied credit. In addition, nearly all loans, regardless of origination channel, are serviced and collected through our branches, which allows us to maintain frequent, in-person contact with our customers. We believe this frequent-contact, relationship-driven lending model provides greater insight into potential payment difficulties and allows us to more effectively pursue payment solutions, which improves our overall credit performance. It also provides us with frequent opportunities to assess the borrowing needs of our customers and to offer new loan products as their credit profiles evolve.

Multiple Channel Platform. We offer a diversified range of loan products through our multiple channel platform, which enables us to efficiently reach existing and new customers throughout our markets. We began building our strategically located branch network over 25 years ago and have expanded to 300 branches as of December 31, 2014. Our automobile loans are offered through a network of dealers in our geographic footprint. We offer direct automobile loans, which are sourced through a dealership and closed at one of our branches, and indirect automobile loans, which are closed at the dealership without the need for the customer to visit a branch. In addition, we have relationships with retailers that offer our retail loans in their stores at the point of sale. Our direct mail campaigns include pre-screened convenience check mailings and mailings of preapproved offers, prequalified offers, and invitations to apply, which enable us to market our products to hundreds of thousands of customers on a cost-effective basis. Finally, we have developed our consumer website to promote our products and facilitate loan applications. We believe that our multiple channel platform provides us with a competitive advantage by giving us broad access to our existing customers and multiple avenues for attracting new customers.

Attractive Products for Customers with Limited Access to Credit. Our flexible loan products, ranging from $500 to $27,500 with terms of up to 72 months, are competitively priced, easy to understand, and incorporate features designed to meet the varied financial needs and credit profiles of a broad array of consumers. This product diversity distinguishes us from monoline competitors and provides us with the ability to offer our customers new loan products as their credit profiles evolve, building customer loyalty.

We believe that the rates on our products are significantly more attractive than many other credit options available to our customers, such as payday, pawn, or title loans. We also differentiate ourselves from such alternative financial service providers by reporting our customers' payment performance to credit bureaus. This practice provides our customers with the opportunity to improve their credit score by establishing a responsible payment history with us and ultimately to gain access to a wider range of credit options, including our own. We believe this opportunity for our customers to improve their credit history, combined with our diversity of products and competitive pricing and terms, distinguishes us in the consumer finance market and provides us with a competitive advantage.

Demonstrated Organic Growth. We have grown our finance receivables by 120% from $247.7 million at December 31, 2010 to $546.2 million at December 31, 2014. Our growth has come from both expanding our branch network and developing new channels and products. From 2010 to 2014, we grew our year-end branch count from 134 branches to 300 branches, a compound annual growth rate ("CAGR") of 22.3%. We opened or acquired 36 net new branches in 2014, and we have also grown our existing branch revenues. Historically, our branches have rapidly increased their outstanding finance receivables during the early years of operations and generally have quickly achieved profitability.

We have also grown by adding new channels and products, which are serviced at the local branch level. We introduced direct automobile purchase loans in 1998, and in late 2010, we expanded our product offerings to include indirect automobile purchase loans. Indirect automobile purchase loans allow customers to obtain a loan at a dealership without visiting one of our branches. Net loan originations from our convenience check program have grown from $34.3 million in 2010 to $134.5 million in 2014, a CAGR of 40.8%, as we have increased the volume of our convenience check marketing campaigns. We also introduced a consumer website enabling customers to complete a loan application online. Since the launch of our website in late 2008, we have received more than 117,000 web applications resulting in $26.0 million of gross finance receivables.

Established Portfolio Performance. Despite the challenges posed by the sharp economic downturn beginning in 2008, our annual net charge-off rates between 2008 and 2013 remained consistent, ranging from 6.3% to 8.6% of our average finance receivables. In 2014, due to branch staffing issues in the first half of the year and convenience check credit quality deterioration in our mail campaigns between April and September, we experienced an uncharacteristically high annual net charge-off rate of 11.1% of our average finance receivables. In 2015, we seek to return to and improve upon our historical portfolio performance. In late 2014 and early 2015, we hired a Chief Risk Officer and other personnel focused on credit risk management, established a Credit Committee to oversee direct mail campaign underwriting and origination processes, implemented additional policies and internal control procedures related to the audit of direct mail campaign files, and improved upon early-stage delinquency reporting and communication. Through these initiatives and others, we plan to carefully manage our credit exposure in 2015 and beyond as we grow our business, develop new products, and enter new markets.

We generally do not make loans to customers with limited stability as represented by length of time at their current employer and at their current residence, although we consider numerous other factors in evaluating a potential customer's creditworthiness, such as unencumbered income, debt-to-income ratios, and a credit report detailing the applicant's credit history. Our underwriting standards focus on our customers' ability to affordably make loan payments out of their discretionary income, with the value of pledged collateral serving as a credit enhancement rather than the primary underwriting criterion. Portfolio performance is improved by our regular in-person contact with customers at our branches, which helps us to anticipate repayment problems before they occur and allows us to work with customers to develop solutions prior to default, using repossession only as a last option. In addition, our centralized management information system enables regular monitoring of branch portfolio metrics. Our state operations vice presidents and district supervisors monitor loan underwriting, delinquencies, and charge-offs of each branch in their respective regions. In addition, the compensation received by our branch managers and assistant managers has a significant performance component and is closely tied to credit quality, among other defined performance targets. We believe our frequent-contact, relationship-driven lending model, combined with regular monitoring and alignment of employee incentives, improves our overall credit performance.

Experienced Management Team. Our executive and senior operations management teams consist of individuals highly experienced in installment lending and other consumer finance services. In 2014, we appointed a new Chief Executive Officer and a new President and Chief Operating Officer with more than 30 years and 25 years, respectively, of consumer finance experience. Also in 2015, we appointed a Chief Risk Officer with nearly 20 years of financial and consumer lending experience, including significant expertise in credit risk management. As of December 31, 2014, our state operations vice presidents averaged more than 24 years of industry experience and more than 10 years of service at Regional, while our district supervisors averaged 25 years of industry experience and more than four years of service with Regional. Our executive and senior operations management team members intend to leverage their experience and expertise in consumer lending to grow our business, deliver high-quality service to our customers, and carefully manage our credit risk.

Our Strategies

Grow Our Branch Network. We intend to continue growing the revenue and profitability of our branch network by increasing volume at our existing branches, opening new branches within our existing geographic footprint, and expanding our operations into new states. Establishing local contact with our customers through the expansion of our branch network is key to our frequent-contact, relationship-driven lending model and is embodied in our marketing tagline: "Your Hometown Credit Source."

- *Existing Branches* – We intend to continue increasing same-store revenues by further building relationships in the communities in which we operate and capitalizing on opportunities to offer our customers new loan products as their credit profiles evolve. From 2010 to 2014, we opened or acquired 183 new branches, and we expect revenues at these branches will grow faster than our overall same-store revenue growth rate as they mature.
- *New Branches* – We believe there is sufficient demand for consumer finance services to continue our pattern of new branch openings and branch acquisitions in the states where we currently operate, allowing us to capitalize on our existing infrastructure and experience in these markets. We also analyze detailed demographic and market data to identify favorable locations for new branches. Opening new branches allows us to generate both direct lending at the branches, as well as to create new origination opportunities by establishing relationships with automobile dealerships and retailers in the community.
- *New States* – We intend to explore opportunities for growth in several states outside of our existing geographic footprint that enjoy favorable operating environments, such as Kentucky, Louisiana, Mississippi, Missouri, and Virginia. We do not expect to expand into states with unfavorable operating environments even if those states are demographically attractive for our business. In 2011, we opened our first branch in Oklahoma; in 2012, we opened our first branch in New Mexico; and in 2013, we opened our first branch in Georgia.

We also believe that the highly fragmented nature of the consumer finance industry and the evolving competitive, regulatory, and economic environment provide attractive opportunities for growth through branch acquisitions.

Expand and Capitalize on Our Diverse Channels and Products. We intend to continue to expand and capitalize on our multiple channel platform and broad array of offerings as follows:

- *Direct Mail Programs* – We plan to continue to improve our screening criteria and tracking for direct mail campaigns, which we believe will enable us to improve response rates and credit performance. Since 2007, we have more than tripled the annual number of convenience checks that we have mailed, and we have diversified our direct mail campaign efforts. In 2014, we mailed over 3.1 million convenience checks, 2.0 million prequalified loan offers, and 1.7 million invitations to apply. We intend to continue increasing the size of our direct mail campaigns to grow our loan portfolio. This effort will add new customers, increase volume at our branches, and create opportunities to offer new loan products to our existing customers. In addition, we mail convenience checks in new markets as soon as new branches are open, which we believe helps our new branches more quickly develop a customer base and build finance receivables.
- *Automobile Loans* – We source our automobile loans through a network of dealers in our geographic footprint. We have hired dedicated marketing personnel to develop relationships with these dealers and to expand our automobile financing network. We will also seek to capture a larger percentage of the financing activity of dealers in our existing network by continuing to improve our relationships with dealers, maintaining the competitiveness of the products we offer, and reducing our response time to loan applications.
- *Retail Loans* – Our retail loans are offered through a network of retailers. We intend to continue to grow our network of retailers by having our dedicated marketing personnel continue to solicit new retailers, obtain referrals through relationships with our existing retail partners, and to a lesser extent, reach retailers through trade shows and industry associations.
- *Online Sourcing* – To serve customers who want to reach us over the Internet, we developed a new channel in late 2008 by making an online loan application available on our consumer website. We intend to continue to develop and expand our online marketing efforts and increase traffic to our consumer website through the use of tools such as search engine optimization and paid online advertising.

We believe the expansion of our channels and products, supported by the growth of our branch network, will provide us with opportunities to reach new customers as well as to offer new loan products to our existing customers as their credit profiles evolve. We plan to continue to develop and introduce new products that are responsive to the needs of our customers in the future.

Focus on Sound Underwriting and Credit Control. In response to the credit quality deterioration in our convenience check mail campaigns in 2014, we have renewed our focus on sound underwriting and credit control. In late 2014 and early 2015, we hired a Chief Risk Officer and other personnel focused on credit risk management, established a Credit Committee to oversee direct mail campaign underwriting and origination processes, implemented additional policies and internal control procedures related to the audit of direct mail campaigns, and improved upon early-stage delinquency reporting and communication. We expect that, once fully implemented, these and other efforts will improve our delinquency and charge-off experience in 2015 and beyond.

Our philosophy is to emphasize sound underwriting standards focused on a customer's prior credit payment history and ability to affordably make loan payments, to work with customers experiencing payment difficulties, and to use repossession only as a last option. For example, we permit customers to defer payments or refinance delinquent loans under limited circumstances, although we generally do not offer customers experiencing payment difficulties the opportunity to modify their loans to reduce the amount of principal that they owe. A deferral extends the due date of the loan by one month and allows the customer to maintain his or her credit rating in good standing. In addition to deferrals, we also allow customers to refinance loans. We limit the refinancing of delinquent loans to those customers who otherwise satisfy our credit standards (other than with respect to the delinquency). We believe that refinancing delinquent loans for certain deserving customers who have made periodic payments allows us to help customers resolve temporary financial setbacks and repair or sustain their credit. During 2014, we refinanced only $6.6 million of loans that were 60 days or more contractually past due, representing approximately 0.7% of our total loan volume for fiscal 2014. As of December 31, 2014, the outstanding gross balance of such refinancings was only $3.7 million, or less than 0.6% of gross finance receivables as of such date.

In accordance with this philosophy, we intend to continue to refine our underwriting standards to assess an individual's creditworthiness and ability to repay a loan. In recent years, we have implemented several new programs to continue to improve our underwriting standards and loan collection rates, including those initiatives described above. Our management information system enables us to regularly review loan volumes, collections, and delinquencies. We believe this central oversight, combined with our branch-level servicing and collections, improves credit performance. We plan to continue to develop strategies and custom credit models utilizing our historical loan performance data and credit bureau attributes to further improve our underwriting standards and loan collection rates as we expand.

Our Products

Small Loans. We originate small loans ranging from $500 to $2,500 through our branches, which we refer to as our branch small loans, and through our convenience check program, which we refer to as our convenience checks. Our small loans are standardized by amount, rate, and maturity to reduce documentation and related processing costs and to comply with federal and state lending laws. They are payable in fixed rate, fully amortizing equal monthly installments with terms of up to 36 months, and are repayable at any time without penalty. In 2014, the average originated net loan size and term for our small installment loans were $1,143 and 14 months, respectively. The weighted-average yield we earned on our portfolio of small loans was 46.7% in 2014. The interest rates, fees and other charges, maximum principal amounts, and maturities for our small loans vary from state to state, depending upon relevant laws and regulations.

Branch Small Loans. Our branch small loans are made to customers who visit one of our branches and complete a standardized credit application. Customers may also complete and submit a loan application by phone or on our consumer website before closing the loan in one of our branches. We carefully evaluate each potential customer's creditworthiness by examining the individual's unencumbered income, length of current employment, duration of residence, and a credit report detailing the applicant's credit history. Our branch small loan approval process is based on the customer's creditworthiness rather than the value of collateral pledged. Loan amounts are established based on underwriting standards designed to allow customers to affordably make their loan payments out of their discretionary income. We require our customers to submit a list of non-essential household goods and pledge these goods as collateral. We do not perfect our security interests by filing UCC financing statements with respect to these goods and instead typically collect a non-file insurance fee and obtain non-file insurance.

Each of our branches is equipped to perform immediate background, employment, and credit checks, and approve loan applications promptly while the customer waits. Our employees verify the applicant's employment and credit histories through telephone checks with employers, other employment references, supporting documentation, such as paychecks and earnings summaries, and a variety of third-party credit reporting agencies.

Convenience Checks. Our convenience check loans are originated through direct mail campaigns to pre-screened individuals. These campaigns are often timed to coincide with seasonal demand for loans to finance vacations, back-to-school needs, and holiday spending. We also launch convenience check campaigns in conjunction with opening new branches to help build an initial customer base. Customers can cash or deposit convenience checks at their convenience, thereby agreeing to the terms of the loan as prominently set forth on the check and accompanying disclosures. Each individual we solicit for a convenience check loan has been pre-screened through a major credit bureau or data aggregator against our underwriting criteria. In addition to screening each potential convenience check recipient's credit score and bankruptcy history, we also use a proprietary model that assesses approximately 25 to 30 different attributes of potential recipients. When a customer enters into a loan by cashing or depositing the convenience check, our personnel gather additional contact and other information on the borrower to assist us in servicing the loan and offering other products to meet the customer's financing needs.

The following table sets forth the composition of our finance receivables for small loans by state at December 31st of each year from 2010 through 2014:

	At December 31,				
	2010	2011	2012	2013	2014
South Carolina	43%	40%	31%	26%	25%
Texas	29%	29%	31%	29%	29%
North Carolina	20%	21%	21%	16%	15%
Alabama	3%	4%	9%	14%	13%
Tennessee	5%	6%	7%	8%	8%
Oklahoma	—	—	1%	5%	7%
New Mexico	—	—	—	2%	3%
Georgia	—	—	—	—	—
Total	100%	100%	100%	100%	100%

The following table sets forth the total number of small loans, finance receivables, and average per loan for our small loans by state at December 31, 2014:

	Total Number of Loans	Finance Receivables	Average Per Loan
		(In thousands)	
South Carolina	70,734	$ 78,553	$1,111
Texas	90,351	90,716	1,004
North Carolina	36,337	48,225	1,327
Alabama	40,399	42,583	1,054
Tennessee	22,584	24,374	1,079
Oklahoma	18,829	23,778	1,263
New Mexico	8,161	9,858	1,208
Georgia	2,257	1,446	641
Total	289,652	$319,533	$1,103

Large Loans. We also offer large loans through our branches in amounts ranging from $2,501 to $20,000. Our large loans are payable in fixed rate, fully amortizing equal monthly installments with terms of 18 to 60 months, and are repayable at any time without penalty. We require our large loans to be secured by a vehicle, which may be an automobile, motorcycle, boat, or all-terrain vehicle, or non-essential household goods. In 2014, our average originated net loan size and term for large loans were $3,915 and 29 months, respectively. The weighted-average yield we earned on our portfolio of large loans was 26.9% for 2014.

A potential customer applies for a large loan by visiting one of our branches, where he or she is interviewed by one of our employees who evaluates the customer's creditworthiness, including a review of a credit bureau report, before extending a loan. As with our branch small loans, large loans are made based on the customer's gross income, debt-to-income ratios, length of current employment, duration of residence, and prior credit experience and credit report history. Loan amounts are established based on underwriting standards designed to allow customers to affordably make their loan payments out of their discretionary income. Our branches perform the same immediate verifications that we perform for branch small loans in order to approve large loan applications promptly.

Our branch employees will perform an in-person appraisal of any vehicle collateral pledged for a large loan using our multipoint checklist and will use one or more third-party valuation sources, such as the National Automobile Dealers Association Appraisal Guides, to determine an estimate of the collateral's value. Regardless of the value of the vehicle or other collateral, we will not lend in excess of our assessment of the borrower's ability to repay.

We perfect all first-lien security interests in each pledged vehicle by retaining the title to the collateral in our files until the loan is fully repaid. In certain states, we offer large loans secured by second-lien security interests on vehicles, in which case we instead seek to perfect our security interest by recording our lien on the title. We work with customers experiencing payment difficulties to help them find a solution and view repossession only as a last option. In the event we do elect to repossess a vehicle, we use third-party vendors in the vast majority of circumstances. We then sell our repossessed vehicle inventory through public sales conducted by independent automobile auction organizations or, to a lesser extent, private sales after the required post-repossession waiting period. Any excess proceeds from the sale of the collateral are returned to the customer.

The following table sets forth the composition of our finance receivables for large loans by state at December 31st of each year from 2010 through 2014:

	At December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
South Carolina	57%	49%	30%	28%	25%
Texas	9%	9%	6%	4%	10%
North Carolina	26%	27%	22%	28%	27%
Alabama	4%	7%	35%	30%	26%
Tennessee	4%	8%	7%	9%	8%
Oklahoma	—	—	—	1%	2%
New Mexico	—	—	—	—	2%
Georgia	—	—	—	—	—
Total	100%	100%	100%	100%	100%

The following table sets forth the total number of large loans, finance receivables, and average per loan for our large loans by state at December 31, 2014:

	Total Number of Loans	Finance Receivables	Average Per Loan
		(In thousands)	
South Carolina	2,757	$11,731	$4,255
Texas	1,425	4,402	3,089
North Carolina	4,118	12,237	2,972
Alabama	2,975	12,088	4,063
Tennessee	882	3,783	4,289
Oklahoma	266	1,102	4,143
New Mexico	197	804	4,081
Georgia	—	—	—
Total	12,620	$46,147	$3,657

Automobile Loans. Our automobile loans are offered through a network of dealers in our geographic footprint. These loans are offered in amounts up to $27,500 and are secured by the purchased vehicle. They are payable in fixed rate, fully amortizing equal monthly installments with terms generally of 36 to 72 months, and are repayable at any time without penalty. In 2014, our average originated net loan size and term for automobile loans were $11,567 and 53 months, respectively. The weighted-average yield we earned on our portfolio of automobile loans was 19.7% for 2014.

Direct Automobile Loans. We have business relationships with dealerships throughout our geographic footprint that offer our loans to their customers in need of financing. These dealers will contact one of our local branches to initiate a loan application when they have identified a customer who meets our written underwriting standards. Applications for direct automobile loans may also be received through one of the online credit application networks in which we participate, such as DealerTrack and RouteOne. We will review the application and requested loan terms and propose modifications, if necessary, before providing initial approval and inviting the dealer and the customer to come to a local branch to close the loan. Our branch employees interview the customer to verify information in the dealer's credit application, obtain a credit bureau report on the customer, and inspect the vehicle to confirm that the customer's order accurately describes the vehicle before closing the loan. Our branch employees will perform the same in-person appraisal of the pledged vehicle that they would perform for a vehicle securing a large loan.

Indirect Automobile Loans. Since late 2010, we have also offered indirect automobile loans, which allow customers and dealers to complete a loan at the dealership without the need to visit one of our branches. We typically offer indirect loans through larger franchise and independent dealers within our geographic footprint. These larger dealers collect credit applications from their customers and either forward the applications to us specifically or, more commonly, submit the applications to numerous potential lenders through online credit application networks, such as DealerTrack and RouteOne. After receiving an indirect automobile loan application, it is processed by our centralized underwriting department or, to a lesser extent, our branches and supervisors. Once the loan is approved, the dealer closes the loan on a standardized retail installment sales contract at the point of sale. Subsequently, we purchase the loan and then service and collect on it locally through our nearest branch.

Automobile loans are made to individuals based on the customer's gross income, debt-to-income ratios, length of current employment, duration of residence, prior credit experience and credit report history, and the loan-to-value ratio. Loan amounts are established based on underwriting standards designed to allow customers to affordably make their loan payments out of their discretionary income. We perfect our collateral by recording our lien and retaining the vehicle's title. Our underwriting standards, however, are primarily based on the creditworthiness of the borrower, and we view repossession only as a last option.

The following table sets forth the composition of our finance receivables for automobile loans by state at December 31st of each year from 2010 through 2014:

	At December 31,				
	2010	2011	2012	2013	2014
South Carolina	64%	55%	48%	42%	42%
Texas	5%	13%	19%	22%	23%
North Carolina	27%	26%	26%	26%	24%
Alabama	1%	2%	4%	5%	5%
Tennessee	3%	4%	3%	3%	2%
Oklahoma	—	—	—	1%	2%
New Mexico	—	—	—	—	—
Georgia	—	—	—	1%	2%
Total	100%	100%	100%	100%	100%

The following table sets forth the total number of automobile loans, finance receivables, and average per loan for our automobile loans by state at December 31, 2014:

	Total Number of Loans	Finance Receivables	Average Per Loan
		(In thousands)	
South Carolina	7,933	$ 63,874	$ 8,052
Texas	3,167	35,627	11,249
North Carolina	4,324	37,552	8,685
Alabama	856	7,886	9,213
Tennessee	457	3,533	7,731
Oklahoma	316	2,598	8,222
New Mexico	13	111	8,538
Georgia	277	3,201	11,556
Total	17,343	$154,382	$ 8,902

Retail Loans. We began offering loans to finance the purchase of furniture, appliances, and other retail products in late 2009. Our retail loans are indirect installment loans structured as retail installment sales contracts that are offered in amounts of up to $7,500. They are payable in fixed rate, fully amortizing equal monthly installments with terms of between six and 48 months, and are repayable at any time without penalty. In 2014, our average originated net loan size and term for retail loans were $1,398 and 21 months, respectively. The weighted-average yield we earned on our portfolio of retail loans was 18.3% for 2014.

Our retail loans provide financing to customers who may not qualify for prime financing from traditional lenders. As compared to other sources of non-prime financing, our retail loans often offer more attractive interest rates and terms to customers. Our retail loans are indirect loans made through a retailer at the point of sale without the need for the customer to visit one of our branches, similar to our indirect automobile loans. We partner with retailers who offer our retail loans directly to their customers. In recent years, in an effort to expand our relationship with existing retailer partners, we began offering retail loans in states outside of our eight-state brick-and-mortar footprint that are serviced centrally from our headquarters in Greenville, South Carolina. By providing a source of non-prime financing, we are often able to help our retail partners complete sales to customers who otherwise may not have been able to finance their purchase.

Our retail partners typically submit applications to us online while the customer waits. If a customer is not accepted by a retailer's prime financing provider, we will evaluate the customer's credit based on the same application data, without the need for the customer to complete an additional application. Underwriting for our retail loans is conducted through RMC Retail, a centralized underwriting team.

We individually evaluate the creditworthiness of potential retail loan customers using the same information and resources used for our other loan products, including a credit bureau report, before providing a credit decision to the retailer within ten minutes. If we approve the loan, the retailer completes our standardized retail installment sales contract, which includes a security interest in the purchased item. Loan amounts are established based on underwriting standards designed to allow customers to affordably make their loan payments out of their discretionary income. The servicing of nearly all such loans are performed within our branches, with only out-of-footprint retail loans being serviced centrally from our headquarters in Greenville, South Carolina. We work with customers experiencing payment difficulties to help them find a solution and view repossession of the collateral only as a last option.

The following table sets forth the composition of our finance receivables for retail loans by state at December 31st of each year from 2010 through 2014:

	At December 31,				
	2010	2011	2012	2013	2014
South Carolina	15%	10%	8%	6%	6%
Texas	29%	59%	63%	61%	62%
North Carolina	56%	25%	15%	15%	14%
Alabama	—	3%	5%	5%	3%
Tennessee	—	1%	4%	4%	2%
Oklahoma	—	—	—	3%	7%
New Mexico	—	—	—	1%	1%
Georgia	—	—	—	—	—
Other	—	2%	5%	5%	5%
Total	100%	100%	100%	100%	100%

The following table sets forth the total number of retail loans, the finance receivables, and average per loan for our retail loans by state at December 31, 2014:

	Total Number of Loans	Finance Receivables	Average Per Loan
		(In thousands)	
South Carolina	1,143	$ 1,271	$1,112
Texas	16,255	16,288	1,002
North Carolina	3,535	3,560	1,007
Alabama	928	870	938
Tennessee	688	530	770
Oklahoma	1,628	1,897	1,165
New Mexico	333	329	988
Georgia	—	—	—
Other States	1,360	1,385	1,018
Total	25,870	$26,130	$1,010

Optional Credit Insurance Products. We offer our customers a number of different optional insurance products in connection with our loans. The insurance products we offer customers are voluntary and not a condition of the loan. Our insurance products, including the types of products offered and their terms and conditions, vary from state to state in compliance with applicable laws and regulations. Premiums and other charges for credit insurance and similar payment protection products are set at authorized statutory rates and are stated separately in our disclosure to customers, as required by the federal Truth in Lending Act and by various applicable state laws. We do not sell insurance to non-borrowers. In 2014, insurance income, net, was $10.7 million, or 5.2% of our total revenue.

We market and sell insurance policies as an agent for an unaffiliated third-party insurance company. The policies are then ceded to our wholly-owned reinsurance subsidiary, RMC Reinsurance, Ltd., which then bears the full risk of the policy. For the sale of insurance policies, we, as agent, write policies only within the limitations established by our agency contracts with the unaffiliated third-party insurance company.

Credit Life Insurance, Credit Accident and Health Insurance, and Involuntary Unemployment Insurance. We market and sell optional credit life insurance, credit accident and health insurance, and involuntary unemployment insurance in connection with our loans in selected markets. Credit life insurance provides for the payment in full of the borrower's credit obligation to the lender in the event of the borrower's death. Credit accident and health insurance, which is only offered in conjunction with credit life insurance, provides for the repayment of loan installments to the lender that come due during an insured's period of income interruption resulting from disability from illness or injury. Involuntary unemployment insurance provides for repayment of loan installments in the event the borrower is no longer employed as the result of a layoff or reduction in workforce. All customers purchasing these types of insurance from us sign a statement affirming that they understand that their purchase of insurance is not a condition of our granting the loan. In addition, customers may cancel purchased insurance within 30 days of the date of purchase and receive a full refund of the insurance premium. Customers are paid a partial refund in the event of an early payoff or loan refinancing.

Collateral Protection Collision Insurance. Before we originate an automobile loan, we require the borrower to provide proof of acceptable liability and collision insurance on the vehicle securing the loan. While we do not offer automobile insurance to our customers, we will obtain collateral protection collision insurance ("CPI") on behalf of customers who permit their other insurance coverage to lapse. If we obtain CPI for a vehicle, the customer has the opportunity to provide proof of insurance to cancel the CPI and receive a refund of all unearned premiums.

Property Insurance. We also require that our customers provide proof of acceptable insurance for any personal property securing a loan. Customers can provide proof of such insurance purchased from a third party (such as homeowners or renters insurance) or can purchase the property insurance that we offer.

Our Branches

Our branches are generally conveniently located in visible, high traffic locations, such as shopping centers. We do not need to keep large amounts of cash at our branches because we disburse loan proceeds over $200 by check, rather than by cash payment. As a result, our branches have an open, welcoming, and hospitable layout.

The following table sets forth the number of branches as of the dates indicated:

	At December 31,				
	2010	2011	2012	2013	2014
South Carolina	61	69	69	70	70
Texas	35	44	56	67	83
North Carolina	19	24	26	29	34
Alabama	9	14	42	49	49
Tennessee	10	18	20	21	21
Oklahoma	—	1	6	21	27
New Mexico	—	—	2	4	13
Georgia	—	—	—	3	3
Total	134	170	221	264	300

During the period presented in the table above, we grew by 166 net branches. In 2014, we opened or acquired 36 new branches. In evaluating whether to locate a branch in a particular community, we examine several factors, including the demographic profile of the community, demonstrated demand for consumer finance, the regulatory and political climate, and the availability of suitable employees to staff, manage, and supervise the new branch. We also look for a concentration of automobile dealers and retailers to build our sales finance business.

The following table sets forth the average finance receivables per branch based on maturity, excluding acquired branches:

Age of Branch (As of December 31, 2014)	Average Finance Receivables Per Branch as of December 31, 2014	Percentage Increase From Prior Age Category	Number of Branches
	(In thousands)		
Branches open less than one year	$ 925	—	36
Branches open one to three years	$1,458	57.6%	95
Branches open three to five years	$1,903	30.5%	52
Branches open five years or more	$2,284	20.0%	117

The average contribution to operating income from our branches has historically increased as our branches mature. The following table sets forth the average operating income contribution per branch for the twelve months ended December 31, 2014, based on maturity of the branch, excluding acquired branches.

Age of Branch (As of December 31, 2014)	Average Branch Operating Income Contribution	Percentage Increase From Prior Age Category	Number of Branches
	(In thousands)		
Branches open less than one year	$ 78	—	36
Branches open one to three years	$167	114.1%	95
Branches open three to five years	$262	56.9%	52
Branches open five years or more	$455	73.7%	117

We calculate the average branch contribution as total revenues generated by the branch less the expenses directly attributable to the branch, including the provision for losses and operating expenses such as personnel, lease, and interest expenses. General corporate overhead, including management salaries, are not attributable to any individual branch. Accordingly, the sum of branch contributions from all of our branches is greater than our income before taxes.

Payment and Loan Collections

We have implemented company-wide payment and loan collection policies and practices, which are designed to maintain consistent portfolio performance and to facilitate regulatory compliance. Our district supervisors and state vice presidents oversee the training of each branch employee in these policies and practices, which include standard procedures for communicating with customers in person, over the telephone, and by mail. Our corporate procedures require the maintenance of a log of collection activity for each account. Our state vice presidents, district supervisors, and internal audit teams regularly review these records to ensure compliance with our company procedures, which are designed to comply with applicable regulatory requirements.

Our corporate policies also include encouraging customers to visit our branches to make payments. Encouraging payment at the branch allows us to maintain regular contact with our customers and further develop our overall relationship with them. We believe that the development and continual reinforcement of personal relationships with customers improves our ability to monitor their creditworthiness, reduces credit risk, and generates opportunities to offer them new loan products as their credit profiles evolve. To reduce late payment risk, branch employees encourage customers to inform us in advance of expected payment problems.

Branch employees also promptly contact customers following the first missed payment and thereafter remain in close contact with such customers, including through phone calls and letters. Our branch employees also contact a delinquent customer at his or her home and contact other references listed on the customer's loan application. We use third-party skip tracing services to locate delinquent customers in the event that our branch employees are unable to do so. In certain cases, we seek a legal judgment against delinquent customers.

We obtain security interests for most of our loans, and we perfect the security interests in vehicles securing large loans and automobile loans. Our district supervisors and internal audit teams regularly review collateral documentation to confirm compliance with our guidelines. We perfect all first-lien security interests in each pledged vehicle by retaining the title to the collateral in our files until the loan is fully repaid. In certain states, we offer large loans secured by second-lien security interests on vehicles, in which case we instead seek to perfect our security interest by recording our lien on the title. We only initiate repossession efforts when an account is seriously delinquent, we have exhausted other means of collection, and in the opinion of management, the customer is unlikely to make further payments. Since 2010, we have sold substantially all repossessed vehicles through public sales conducted by independent automobile auction organizations, after the required post-repossession waiting period. Losses on the sale of repossessed collateral are charged to the allowance for credit losses.

In certain cases, we permit our existing customers to refinance their loans. Our refinancings of existing loans are divided into three categories: refinancings of loans in an amount greater than the original loan amount, renewals of existing loans at or below the original loan amount, and renewals of existing loans that are 60 or more days contractually past due, which represented 21.1%, 35.8%, and 0.7%, respectively, of our loan originations in 2014. Any refinancing of a loan in an amount greater than the original amount generally requires an underwriting review to determine a customer's qualification for the increased loan amount. Furthermore, we obtain a new credit report and may complete a new application on renewals of existing loans if they have not completed one within the prior two years. We allow customers to refinance delinquent loans on a limited basis if those customers otherwise satisfy our credit standards (other than with respect to the delinquency). We believe that refinancing delinquent loans for certain deserving customers who have made periodic payments allows us to help customers resolve temporary financial setbacks and repair or sustain their credit. During 2014, we refinanced only $6.6 million of loans that were 60 or more days contractually past due, and as of December 31, 2014, the outstanding balance of such refinancings was only $3.7 million, or less than 0.6% of gross finance receivables as of such date.

Accounts are charged off at 180 days contractually delinquent. We continue to attempt to collect on charged-off loans centrally, and historically, we have not sold any of our charged-off accounts to third-party debt purchasers, nor have we placed any debt with third-party collection agencies. We updated our charge-off policy during the fourth quarter of 2014, and we will continue to review our practices relating to our handling of charged-off accounts.

Information Technology

Since 1999, we have used a data processing software package developed and owned by ParaData Financial Systems and have invested in customizing the ParaData software to improve the management of our specific processes and product types. The ParaData software is also used by many of our competitors. With this software package, we are able to fully automate all of our loan account processing and servicing. The system provides thorough management information and control capabilities, including monitoring of all loans made, collections, delinquencies, and other functions. While we believe that the ParaData loan management system is adequate for our current business needs, we determined in 2013 to transition to a competing loan management and data processing software platform offered by DHI Computing Service, Inc. d/b/a GOLDPoint Systems. We anticipate that the transition to the GOLDPoint Systems platform will be complete in 2015. With the GOLDPoint Systems platform, we expect enhanced functionality and efficiency in the processing and servicing of our diverse product portfolio and growing loan account base.

Competition

The consumer finance industry is highly fragmented, with numerous competitors. The competition we face for each of our loan products is distinct.

Small and Large Loans. The installment loan industry is highly fragmented in the eight states in which we operate. Our largest installment loan competitors in most of the markets in which we operate are World Acceptance Corp., Security Finance Corporation, OneMain Financial, and Springleaf Financial Services, each of which has greater than 800 branch locations. We also compete with a handful of private competitors, such as Lendmark Financial Services and Mariner Finance, with between 100 and 250 branches in certain of the states in which we operate. We believe that the majority of our competitors are independent operators with generally less than 100 branches. We believe that competition between installment consumer loan companies occurs primarily on the basis of price, breadth of loan product offerings, flexibility of loan terms offered, and the quality of customer service provided. While underbanked customers may also use alternative financial services providers, such as title lenders, payday lenders, and pawn shops, their products offer different terms and typically carry substantially higher interest rates and fees than our installment loans. Accordingly, we believe alternative financial services providers are not an attractive alternative for customers who meet our underwriting standards, which are generally stricter than the underwriting standards of alternative financial services providers. Our small and large loans also compete with online or peer-to-peer lenders and issuers of non-prime credit cards.

Automobile Loans. In the automobile loan industry, we compete with numerous financial service companies, including non-prime auto lenders, dealers that provide financing, captive finance companies owned by automobile manufacturers, banks, and credit unions. Competition among automobile lenders is fierce and is largely on the basis of interest rates charged, the quality of credit accepted, the flexibility of loan terms offered, the speed of approval, and the quality of customer service provided. Much of the automobile loan marketplace has evolved to processing loan applications generated at dealers through online credit application networks such as DealerTrack or RouteOne where prompt service and response times to dealers and their customers are essential to compete in this market.

Retail Loans. In recent years, the retail loan industry has seen an increasing number of lenders dedicated to serving non-prime retail loans enter the market. We also face competition from rent-to-own financing providers and credit card companies. Our retail loans are typically made at competitive rates, and competition is largely on the same basis as automobile loans. Point-of-sale financing decisions must be made rapidly while the customer is on the sales floor. We endeavor to provide responses to customers in less than ten minutes, and we staff RMC Retail, our centralized retail loan underwriting team, with multiple shifts seven days per week during peak retail shopping hours to ensure rapid response times.

Seasonality

Our loan volume and corresponding finance receivables balances follow seasonal trends. Demand for our loans is typically highest during the third and fourth quarters, largely due to customers borrowing money for back-to-school and holiday spending. With the exception of automobile loans, loan demand has generally been the lowest during the first quarter, largely due to the timing of income tax refunds. During the remainder of the year, we typically experience loan growth from general operations. In addition, we typically generate higher loan volumes in the second half of the year from our direct mail campaigns, which are timed to coincide with seasonal consumer demand. Consequently, we experience significant seasonal fluctuations in our operating results and cash needs.

Employees

As of December 31, 2014, we had 1,443 employees, none of whom were represented by labor unions. We consider our relations with our personnel to be good. We experience a high level of turnover among our entry-level employees, which we believe is typical of the consumer finance industry.

Staff and Training. Local branches are generally staffed with three to four employees. The branch manager oversees operations of the branch and is responsible for approving loan applications. Each branch has one or two assistant managers who contact delinquent customers, review loan applications, and prepare operational reports. Generally, each branch also has a customer service representative who takes loan applications, processes loan applications, processes payments, and assists in the preparation of operational reports, collection efforts, and marketing activities. Larger volume branches may employ additional assistant managers and customer service representatives. New employees train on an operating manual that outlines our operating policies and procedures during the first year of employment. In addition, each employee is required to complete a curriculum of compliance training modules within the first 180 days of employment. Beginning in July 2015, employees are also required to re-certify on certain compliance modules each year. Our training of assistant managers focuses on developing the skills necessary to allow for the future promotion of the assistant managers to branch managers.

Monitoring and Supervision. We have oversight structures and procedures in place to ensure compliance with our operational standards and policies and the applicable regulatory requirements in each state. All of our loans, other than indirect automobile and retail loans, are prepared using our loan management software, which is programmed to compute fees, interest rates, and other loan terms in compliance with our underwriting standards and applicable regulations. We work with our regulatory counsel to develop standardized forms and agreements for each state, ensuring consistency and compliance.

Our loan operations are organized by geography. As of March 2015, we have two state vice presidents to oversee Texas; one state vice president to oversee North Carolina and Tennessee; one state vice president to oversee South Carolina and Georgia; one state vice president to oversee New Mexico and Oklahoma; and one state vice president to oversee Alabama. Several levels of management monitor and supervise the operations of each of our branches. Branch managers are directly responsible for the performance of their respective branches. District supervisors are responsible for the performance of between 8 and 13 branches in their districts, communicating with the branch managers of each of their branches at least weekly, and visiting each branch at least monthly. Our state vice presidents monitor the performance of all of the branches in their respective states, primarily through communications with district supervisors. These state vice presidents communicate with the district supervisors of each of their districts at least weekly and visit each of their branches at least annually, or more often as necessary. Our information technology platform enables us to monitor our portfolio regularly, which we believe improves our credit performance.

The majority of our branches undergo an internal audit every year, and every branch undergoes an internal audit at least every two years. These audits include a review of compliance with state and federal laws and regulations, as well as a review of operations. The review of operations includes a review of adherence to policies and procedures concerning cash management, loan approval processes, and all other policies and procedures concerning branch operations, such as collection procedures. Branches are rated at four different levels, and the timing of audits is impacted by the rating received. Other factors impacting the timing of branch audits include, but are not limited to, the date the branch opened, the timing of new managers commencing employment at the branch, and the results of branch examinations conducted by state regulators. Our branch employees’ compensation is directly impacted by the internal audit rating assigned to the branch.

We have a “scorecard” program to systematically monitor a range of operating metrics at each branch. Our scorecard system currently tracks different dimensions of operations, including the performance and compliance of each branch on a series of credit metrics. Senior management receives daily delinquency, loan volume, charge-off, and other statistical reports consolidated by state and has access to these daily reports for each branch. On at least a quarterly basis, district supervisors audit the operations of each branch in their geographic area and submit standardized reports detailing their findings to senior management. State vice presidents meet with the executive management team once per quarter to review branch scorecard results as well as to discuss other operational and financial performance results against our targets and historical standards. Remedial plans are put in place to correct any underperformance.

Government Regulation

Consumer finance companies are subject to extensive regulation, supervision, and licensing under various state and federal statutes, ordinances, and regulations. Many of these regulations impose detailed constraints on the terms of our loans and the retail installment sales contracts that we purchase, lending forms, and operations. The software that we use to originate loans is designed to ensure compliance with all applicable lending regulations.

State Lending Regulation. In general, state statutes establish maximum loan amounts and interest rates and the types and maximum amounts of fees and insurance premiums that may be charged for both direct and indirect lending. Specific allowable charges vary by state. For example, statutes in Texas allow for indexing the maximum small loan amounts to the Consumer Price Index and set maximum rates for automobile loans based on the age of the vehicle. Except in the states of North Carolina and New Mexico, our direct loan products are pre-computed loans in which the finance charge is determined at the time of the loan origination and is a combination of origination or acquisition fees, account maintenance fees, monthly account handling fees, and other charges permitted by the relevant state laws. Direct loans in North Carolina and New Mexico are structured as simple interest loans as prescribed by state law.

In addition, state laws regulate the keeping of books and records and other aspects of the operation of consumer finance companies, and state and federal laws regulate account collection practices. Generally, state regulations also establish minimum capital requirements for each local branch. State agency approval is required to open new branches, and each of our branches is separately licensed under the laws of the state in which the branch is located. Licenses granted by the regulatory agencies in these states are subject to renewal every year and may be revoked for failure to comply with applicable state and federal laws and regulations. In the states in which we currently operate, licenses may be revoked only after an administrative hearing. We believe we are in compliance with state law and regulations applicable to our lending operations in each state.

We and our operations are regulated by several state agencies, including the Consumer Finance Division of the South Carolina State Board of Financial Institutions, the South Carolina Department of Consumer Affairs, the North Carolina Office of the Commissioner of Banks, the Texas Office of the Consumer Credit Commissioner, the Tennessee Department of Financial Institutions, the Alabama State Banking Department, the Oklahoma Department of Consumer Credit, the New Mexico Regulation and Licensing Department, Financial Institutions Division, and the Georgia Industrial Loan Division of the Office of Insurance and Safety Fire Commissioner. These state regulatory agencies audit our branches and operations from time to time.

Insurance Regulation. Premiums and charges for credit insurance and similar payment protection products are set at authorized statutory rates and are stated separately in our disclosure to customers, as required by the federal Truth in Lending Act and by various applicable state laws.

We are also subject to state regulations governing insurance agents in the states in which we sell insurance. State insurance regulations require that insurance agents be licensed and limit the premium amount charged for such insurance. Our captive insurance subsidiary is regulated by the insurance authorities of the Turks and Caicos Islands of the British West Indies, where the subsidiary is organized and domiciled.

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"). At the federal level, Congress enacted comprehensive financial regulatory reform legislation on July 21, 2010. A significant focus of the new law, known as the Dodd-Frank Act, is heightened consumer protection. The Dodd-Frank Act established a new body, called the Consumer Financial Protection Bureau (the "CFPB"), which has regulatory, supervisory, and enforcement powers over providers of consumer financial products and services, including explicit supervisory authority to examine and require registration of non-depository lenders and promulgate rules that can affect the practices and activities of lenders.

Although the Dodd-Frank Act expressly provides that the CFPB has no authority to establish usury limits, some consumer advocacy groups have suggested that various forms of alternative financial services or specific features of consumer loan products should be a regulatory priority, and it is possible that at some time in the future the CFPB could propose and adopt rules making such lending services materially less profitable or impractical, which may include installment finance loans or other products that we offer.

The Dodd-Frank Act also gives the CFPB the authority to examine and regulate large nondepository financial companies and gives the CFPB authority over anyone deemed by rule to be a "larger participant of a market for other consumer financial products or services." The CFPB contemplates regulating the installment lending industry as part of the "consumer credit and related activities" market. However, this so-called "larger participant rule" will not impose substantive consumer protection requirements, but rather will provide to the CFPB the authority to supervise larger participants in certain markets, including by requiring reports and conducting examinations to ensure, among other things, that they are complying with existing federal consumer financial law. While the CFPB has defined a "larger participant" standard for certain markets, such as the "debt collection" and "consumer reporting" markets, it has not yet acted to define "larger participant" in the "consumer credit and related activities" market. The rule will likely cover only the largest installment lenders, and we do not yet know whether the definition of larger participant will cover us.

In addition to the grant of certain regulatory powers to the CFPB, the Dodd-Frank Act gives the CFPB authority to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties.

Other Federal Laws and Regulations. In addition to the Dodd-Frank Act and state and local laws and regulations, numerous other federal laws and regulations affect our lending operations. These laws include the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, and in each case the regulations thereunder, and the Federal Trade Commission's Credit Practices Rule. These laws require us to provide complete disclosure of the principal terms of each loan to the borrower, prior to the consummation of the loan transaction, prohibit misleading advertising, protect against discriminatory lending practices, and proscribe unfair credit practices.

Under the Truth in Lending Act and Regulation Z promulgated thereunder, we must disclose certain material terms related to a credit transaction, including, but not limited to, the annual percentage rate, finance charge, amount financed, total of payments, the number and amount of payments, and payment due dates to repay the indebtedness. Under the Equal Credit Opportunity Act and Regulation B promulgated thereunder, we cannot discriminate against any credit applicant on the basis of any protected category, such as race, color, religion, national origin, sex, marital status, or age. We are also required to make certain disclosures regarding consumer rights and advise customers whose credit applications are not approved of the reasons for the rejection. Under the Fair Credit Reporting Act, we must provide certain information to customers whose credit applications are not approved on the basis of a report obtained from a consumer reporting agency, promptly update any credit information reported to a credit reporting agency about a customer, and have a process by which customers may inquire about credit information furnished by us to a consumer reporting agency. Under the Gramm-Leach-Bliley Act, we must protect the confidentiality of our customers' nonpublic personal information and disclose information on our privacy policy and practices, including with regard to the sharing of customers' nonpublic personal information with third parties. This disclosure must be made to customers at the time the customer relationship is established and, in some cases, at least annually thereafter. The Federal Trade Commission's Credit Practices Rule limits the types of property we may accept as collateral to secure a consumer loan. Violations of these statutes and regulations may result in actions for damages, claims for refund of payments made, certain fines and penalties, injunctions against certain practices, and the potential forfeiture of rights to repayment of loans.

Additional Information

The Company's principal internet address is *www.regionalmanagement.com*. The information contained on, or that can be accessed through, the Company's website is not incorporated by reference into this Annual Report on Form 10-K. The Company has included its website address as a factual reference and does not intend it as an active link to its website. The Company provides its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and all amendments to those reports, free of charge on *www.regionalmanagement.com*, as soon as reasonably practicable after they are electronically filed, or furnished to, the Securities and Exchange Commission.

ITEM 1A. *RISK FACTORS.*

We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. This discussion highlights some of the risks which may affect future operating results. These are the risks and uncertainties we believe are most important for you to consider, but the risks described below are not the only risks facing our company. Additional risks and uncertainties not presently known to us, which we currently deem immaterial, or which are similar to those faced by other companies in our industry or business in general, may also impair our business operations. If any of the following risks or uncertainties occurs, continues, or worsens, our business, financial condition, and operating results would likely suffer. You should carefully consider the risks described below together with the other information set forth in this Annual Report on Form 10-K.

Risks Related to Our Business

We have grown significantly in recent years and our delinquency and charge-off rates and overall results of operations may be adversely affected if we do not manage our growth effectively.

We have experienced substantial growth in recent years, opening or acquiring a net 51 branches in 2012, 43 in 2013, and 36 in 2014, and we intend to continue our growth strategy in the future. As we increase the number of branches we operate, we will be required to find new, or relocate existing, employees to operate our branches and allocate resources to train and supervise those employees. The success of a branch depends significantly on the manager overseeing its operations and on our ability to enforce our underwriting standards and implement controls over branch operations. Recruiting suitable managers for new branches can be challenging, particularly in remote areas and areas where we face significant competition. Furthermore, the annual turnover among our branch managers was approximately 21% in 2013 and 26% in 2014, and turnover rates of managers in our new branches may be similar or higher. Increasing the number of branches that we operate may divide the attention of our senior management or strain our ability to adapt our infrastructure and systems to accommodate our growth. If we are unable to promote, relocate, or recruit suitable managers, oversee their activities effectively, and otherwise appropriately and effectively staff our branches, our delinquency and charge-off rates may increase and our overall results of operations may be adversely impacted.

We face significant risks in implementing our growth strategy, some of which are outside our control.

We intend to continue our growth strategy, which is based on opening and acquiring branches in existing and new markets and introducing new products and channels. Our ability to execute this growth strategy is subject to significant risks, some of which are beyond our control, including:

- the prevailing laws and regulatory environment of each state in which we operate or seek to operate and, to the extent applicable, federal laws and regulations, which are subject to change at any time;
- the degree of competition in new markets and its effect on our ability to attract new customers;
- our ability to identify attractive locations for new branches;
- our ability to recruit qualified personnel, in particular in remote areas and areas where we face a great deal of competition; and
- our ability to obtain adequate financing for our expansion plans.

For example, North Carolina requires a “needs and convenience” assessment of a new lending license and location prior to the granting of the license, which adds time and expense to opening new locations. In addition, certain states into which we may expand limit the number of lending licenses granted. There can be no assurance that if we apply for a license for a new branch, whether in one of the states where we currently operate or in a state into which we would like to expand, we would be granted a license to operate. We also cannot be certain that any such license, even if granted, would be obtained in a timely manner or without burdensome conditions or limitations. In addition, we may not be able to obtain and maintain any regulatory approvals, government permits, or licenses that may be required.

We face strong direct and indirect competition.

The consumer finance industry is highly competitive, and the barriers to entry for new competitors are relatively low in the markets in which we operate. We compete for customers, locations, employees, and other important aspects of our business with many other local, regional, national, and international financial institutions, many of which have greater financial resources than we do.

Our installment loan operations compete with other installment lenders as well as with alternative financial services providers (such as payday and title lenders, check advance companies, and pawnshops), online or peer-to-peer lenders, issuers of non-prime credit cards, and other competitors. We believe that future regulatory developments in the consumer finance industry may cause lenders that currently focus on alternative financial services to begin to offer installment loans. In addition, if companies in the installment loan business attempt to provide more attractive loan terms than is standard across the industry, we may lose customers to those competitors. In installment loans, we compete primarily on the basis of price, breadth of loan product offerings, flexibility of loan terms offered, and the quality of customer service provided.

Our automobile purchase loan operations compete with numerous financial services providers, including non-prime auto lenders, dealers that provide financing, captive finance companies owned by automobile manufacturers, banks, and credit unions. Our retail purchase loan operations compete with non-prime retail lenders, store and third-party credit cards, prime lending sources, rent-to-own finance providers, and other competitors. For automobile purchase loans and retail purchase loans, we compete primarily on the basis of interest rates charged, the quality of credit accepted, the flexibility of loan terms offered, the speed of approval, and the quality of customer service provided.

If we fail to compete successfully, we could face lower sales and may decide or be compelled to materially alter our lending terms to our customers, which could result in decreased profitability.

Our business could suffer if we are unsuccessful in making, continuing, and growing relationships with automobile dealers and retailers.

Our automobile purchase loans and retail purchase loans are reliant on our relationships with automobile dealers and retailers. In particular, our automobile purchase loan operations depend in large part upon our ability to establish and maintain relationships with reputable dealers who direct customers to our branches or originate loans at the point of sale, which we subsequently purchase. Although we have relationships with certain automobile dealers, none of our relationships are exclusive, some of them are newly established, and they may be terminated at any time. If, due to economic reasons, competition, or otherwise, we are unable to establish and maintain relationships with reputable dealers, our business, results of operations, and financial condition may be adversely affected.

Our retail purchase loan business model is based on our ability to enter into agreements with individual retailers to provide financing to customers in their stores. Although our relationships with independent licensees of a major U.S. furniture retailer are currently a significant source of our retail purchase loans, we do not have a relationship with the retailer itself or its manufacturing affiliate and instead depend on non-exclusive relationships with individual licensees of the retailer, each of which may be terminated at any time. If a competitor were to offer better service or more attractive loan products to our retailer partners, it is possible that our retail partners would terminate their relationships with us. If we are unable to continue to grow our existing relationships and develop new relationships, our results of operations, financial condition, and ability to continue to expand could be adversely affected.

A substantial majority of our revenue is generated by our branches in South Carolina, Texas, and North Carolina.

Our branches in South Carolina, Texas, and North Carolina accounted for 31.1%, 29.4%, and 13.1%, respectively, of our revenue in 2014. Furthermore, all of our operations are in five Southeastern and three

Southwestern states. As a result, we are highly susceptible to adverse economic conditions in those areas. The unemployment rates in some states in our footprint are among the highest in the country. High unemployment rates may reduce the number of qualified borrowers to whom we will extend loans, which would result in reduced loan originations. Adverse economic conditions may increase delinquencies and charge-offs and decrease our overall loan portfolio quality. If any of the adverse regulatory or legislative events described in this "Risk Factors" section were to occur in South Carolina, Texas, or North Carolina, it could materially adversely affect our business, results of operations, and financial condition. For example, if interest rates in South Carolina, which are currently not capped, were to be capped, our business, results of operations, and financial condition would be materially and adversely affected.

Regular turnover among our managers and other employees at our branches makes it more difficult for us to operate our branches and increases our costs of operations, which could have an adverse effect on our business, results of operations, and financial condition.

Our workforce is comprised primarily of employees who work on an hourly basis. In certain areas where we operate, there is significant competition for employees. In the past, we have lost employees and candidates to competitors who have been willing to pay higher compensation than we pay. Our ability to continue to expand our operations depends on our ability to attract, train, and retain a large and growing number of qualified employees. The turnover among all of our branch employees was approximately 38% in 2012, 38% in 2013, and 44% in 2014. This turnover increases our cost of operations and makes it more difficult to operate our branches. Our customer service representative and assistant manager roles have historically experienced high turnover. We may not be able to retain and cultivate personnel at these ranks for future promotion to branch manager. If our employee turnover rates increase above historical levels or if unanticipated problems arise from our high employee turnover and we are unable to readily replace such employees, our business, results of operations, financial condition, and ability to continue to expand could be adversely affected.

We are subject to government regulations concerning our hourly and our other employees, including minimum wage, overtime, and health care laws.

We are subject to applicable rules and regulations relating to our relationship with our employees, including minimum wage and break requirements, health benefits, unemployment and sales taxes, overtime, and working conditions and immigration status. Legislated increases in the federal minimum wage and increases in additional labor cost components, such as employee benefit costs, workers' compensation insurance rates, compliance costs and fines, as well as the cost of litigation in connection with these regulations, would increase our labor costs. Unionizing and collective bargaining efforts have received increased attention nationwide in recent periods. Should our employees become represented by unions, we would be obligated to bargain with those unions with respect to wages, hours, and other terms and conditions of employment, which is likely to increase our labor costs. Moreover, as part of the process of union organizing and collective bargaining, strikes and other work stoppages may occur, which would cause disruption to our business. Similarly, many employers nationally in similar retail environments have been subject to actions brought by governmental agencies and private individuals under wage-hour laws on a variety of claims, such as improper classification of workers as exempt from overtime pay requirements and failure to pay overtime wages properly, with such actions sometimes brought as class actions, and these actions can result in material liabilities and expenses. Should we be subject to employment litigation, such as actions involving wage-hour, overtime, break, and working time, it may distract our management from business matters and result in increased labor costs. In addition, we currently sponsor employer-subsidized premiums for major medical programs for eligible personnel who elect health care coverage through our insurance programs. As a result of regulatory changes, we may not be able to continue to offer health care coverage to our employees on affordable terms or at all and subsequently may face increased difficulty in hiring and retaining employees. If we are unable to locate, attract, train, or retain qualified personnel, or if our costs of labor increase significantly, our business, results of operations, and financial condition may be adversely affected.

The departure, transition, or replacement of key personnel could significantly impact the results of our operations. If we cannot continue to hire and retain high quality employees, our business and financial results may be negatively affected.

In September 2014, we announced the appointment of Jody L. Anderson as our President and Chief Operating Officer, succeeding C. Glynn Quattlebaum, who was a co-founder and served as President and Chief Operating Officer since 2007. In October 2014, we announced that Thomas F. Fortin resigned as our Chief Executive Officer and from our Board of Directors. Our Board of Directors appointed Michael R. Dunn to serve as our interim Chief Executive Officer, effective as of October 30, 2014, and on November 20, 2014, we announced that Mr. Dunn would serve as the permanent Chief Executive Officer. Mr. Fortin and Mr. Quattlebaum had been with the Company for over seven years and 27 years, respectively, and made valuable contributions to our Company's growth and emergence as a publicly traded company. We cannot be certain what impact the loss of Mr. Fortin and Mr. Quattlebaum or the transition to Mr. Dunn and Mr. Anderson will have on our business or that additional changes in senior management will not occur.

Our future success significantly depends on the continued service and performance of our key management personnel. Competition for these employees is intense. Our operating results could be adversely affected by higher employee turnover or increased salary and benefit costs. Like most businesses, our employees are important to our success and we are dependent in part on our ability to retain the services of our key management, operational, finance, and administrative personnel. We have built our business on a set of core values, and we attempt to hire employees who are committed to these values. We want to hire and retain employees who will fit our culture of providing exceptional service to our customers. In order to compete and to continue to grow, we must attract, retain, and motivate employees, including those in executive, senior management, and operational positions. As our employees gain experience and develop their knowledge and skills, they become highly desired by other businesses. Therefore, to retain our employees, we must provide a satisfying work environment and competitive compensation and benefits. If our costs to retain our skilled employees increase, then our business and financial results may be negatively affected.

Our continued growth is also dependent, in part, on the skills, experience, and efforts of our senior management, including but not limited to, Mr. Dunn, our Chief Executive Officer, and Mr. Anderson, our President and Chief Operating Officer. We may not be successful in retaining the members of our senior management team or our other key employees. While we have entered into employment agreements with Mr. Dunn and Mr. Anderson, the loss of the services of Mr. Dunn, Mr. Anderson, or any member of our senior management or key team members, including state vice presidents, or the inability to attract additional qualified personnel as needed, could have an adverse effect on our business, financial condition, and results of operations. We also depend on our district supervisors to supervise, train, and motivate our branch employees. These supervisors have significant experience with our company and would be difficult to replace. If we lose a district supervisor to a competitor, we could also be at risk of losing other employees and customers. In addition, the process of identifying management successors creates uncertainty and could become a distraction to our senior management and our Board of Directors, and we may not be successful in attracting qualified candidates to replace key positions when necessary. The identification and recruitment of candidates to fill senior management positions, when necessary, and the resulting transition process may be disruptive to our business and operations.

Our convenience check direct mail strategy exposes us to certain risks.

A significant portion of our growth in our small installment loans has been achieved through our direct mail campaigns, which involve mailing to pre-screened recipients "convenience checks," which customers can sign and cash or deposit, thereby agreeing to the terms of the loan, which are disclosed on the front and back of the check and in the accompanying disclosures. We use convenience checks to seed new branch openings and attract new customers and those with higher credit in our geographic footprint. In 2013 and 2014, loans initiated through convenience checks represented 22.1% and 18.8%, respectively, of the value of our originated loans. We expect that convenience checks will represent a greater percentage of our small installment loans in the future. There are several risks associated with the use of convenience checks, including the following:

- it is more difficult to maintain sound underwriting standards with convenience check customers, and these customers have historically presented a higher risk of default than customers that originate loans in our branches, as we do not meet a convenience check customer prior to soliciting them and extending a loan to them, and we may not be able to verify certain elements of their financial condition, including their current employment status or life circumstances;
- we rely on credit information from a third-party credit bureau that is more limited than a full credit report to pre-screen potential convenience check recipients, which may not be as effective or may be inaccurate or outdated;
- we face limitations on the number of potential borrowers who meet our lending criteria within proximity to our branches;
- we may not be able to continue to access the demographic and credit file information that we use to generate our mailing lists due to expanded regulatory or privacy restrictions;
- convenience checks pose a greater risk of fraud;
- we depend on one bank to issue and clear our convenience checks and any failure by that bank to properly process the convenience checks could limit the ability of a recipient to cash the check and enter into a loan with us;
- customers may opt out of direct mail solicitations and solicitations based on their credit file or may otherwise prohibit us from soliciting them; and
- postal rates and piece printing rates may continue to rise.

Our expected increase in the use of convenience checks will further increase our exposure to, and the magnitude of, these risks.

A reduction in demand for our products and failure by us to adapt to such reduction could adversely affect our business and results of operations.

The demand for the products we offer may be reduced due to a variety of factors, such as demographic patterns, changes in customer preferences or financial conditions, regulatory restrictions that decrease customer access to particular products, or the availability of competing products. For example, we are highly dependent upon selecting and maintaining attractive branch locations. These locations are subject to local market conditions, including the employment available in the area, housing costs, traffic patterns, crime, and other demographic influences, any of which may quickly change. Should we fail to adapt to significant changes in our customers' demand for, or access to, our products, our revenues could decrease significantly and our operations could be harmed. Even if we do make changes to existing products or introduce new products to fulfill customer demand, customers may resist or may reject such products. Moreover, the effect of any product change on the results of our business may not be fully ascertainable until the change has been in effect for some time, and by that time it may be too late to make further modifications to such product without causing further harm to our business, results of operations, and financial condition.

We may attempt to pursue acquisitions or strategic alliances which may be unsuccessful.

We may attempt to achieve our business objectives through acquisitions and strategic alliances. We compete with other companies for these opportunities, including companies with greater financial resources, and we cannot be certain that we will be able to effect acquisitions or strategic alliances on commercially reasonable terms, or at all. Furthermore, most acquisitions that we have pursued previously have been significantly smaller than us. We do not have extensive experience with integrating larger acquisitions. In pursuing these transactions, we may experience, among other things:

- overvaluing potential targets;
- difficulties in integrating any acquired companies, branches, or products into our existing business, including integration of account data into our information systems;
- inability to realize the benefits we anticipate in a timely fashion, or at all;
- attrition of key personnel from acquired businesses;
- unexpected losses due to the acquisition of loan portfolios with loans originated using less stringent underwriting criteria;
- significant costs, charges, or writedowns; or
- unforeseen operating difficulties that require significant financial and managerial resources that would otherwise be available for the ongoing development and expansion of our existing operations.

We are exposed to credit risk in our lending activities.

Our ability to collect on loans depends on the willingness and repayment ability of our borrowers. Any material adverse change in the ability or willingness of a significant portion of our borrowers to meet their obligations to us, whether due to changes in economic conditions, the cost of consumer goods, interest rates, natural disasters, acts of war or terrorism, or other causes over which we have no control, would have a material adverse impact on our earnings and financial condition. Further, a substantial majority of our borrowers are non-prime borrowers, who are more likely to be affected, and more severely affected, by adverse macroeconomic conditions. We generally consider customers with a FICO score below 645 to be non-prime borrowers, although we also consider factors other than FICO scores in evaluating a potential customer's credit, such as length of employment and duration of current residence. There is no industry standard definition of non-prime and, consequently, other lenders may use different criteria to identify non-prime customers. We cannot be certain that our credit administration personnel, policies, and procedures will adequately adapt to changes in economic or any other conditions affecting customers and the quality of the loan portfolio.

We may be limited in our ability to collect on our loan portfolio, and the security interests securing a significant portion of our loan portfolio are not perfected, which may increase our credit losses.

Legal and practical limitations may limit our ability to collect on our loan portfolio, resulting in increased credit losses, decreased revenues, and decreased earnings. State and federal laws and regulations restrict our collection efforts. Most of our loan portfolio is secured, but a significant portion of such security interests have not been and will not be perfected. The amounts that we are able to recover from the repossession and sale of collateral typically does not cover the outstanding loan balance and costs of recovery. In cases where we repossess a vehicle securing a loan, we generally sell our repossessed automobile inventory through public sales conducted by independent automobile auction organizations after the required post-repossession waiting period. There is approximately a 30-day period between the time we repossess a vehicle or other property and the time it is sold at auction. In certain instances, we may sell repossessed collateral other than vehicles through our branches after the required post-repossession waiting period and appropriate receipt of valid bids. The proceeds we receive from such sales depend upon various factors, including the supply of, and demand for, used vehicles and other property at the time of sale. During periods of economic slowdown or recession, such as have existed in the United States for much of the past several years, there may be less demand for used vehicles and other property that we desire to resell.

Further, a significant portion of our loan portfolio is not secured by perfected security interests, including small installment loans and retail purchase loans. The lack of perfected security interests is one of several factors that may make it more difficult for us to collect on our loan portfolio. During 2014, net charge-offs as a percentage of average finance receivables on our small installment loans, which are typically secured by unperfected interests in personal property, were 14.4%, while net charge-offs as a percentage of average finance receivables for our large installment loans and automobile purchase loans, which are typically secured by perfected interests in an automobile or other vehicle, for the same periods were 5.2% and 7.8%, respectively. Additionally, for those of our loans which are unsecured, borrowers may choose to repay obligations under other indebtedness before repaying loans to us because such borrowers have no collateral at risk. Lastly, given the relatively small size of our loans, the costs of collecting loans may be high relative to the amount of the loan. As a result, many collection practices that are legally available, such as litigation, may be financially impracticable. These factors may increase our credit losses, which would have a material adverse effect on our results of operations and financial condition.

In addition, there is an inherent risk that a portion of the retail installment contracts that we hold will be in default or be subject to certain claims or defenses that the borrower may assert against the originator of the contract, or us as the holder of the contract. We face the risk that if high unemployment or adverse economic developments occur or continue in one or more of our markets, a large number of retail installment contracts will become defaulted. In addition, most of the borrowers under these contracts have some negative credit history. There can be no assurance that our allowance for credit losses will prove sufficient to cover actual losses in the future on these contracts.

Our policies and procedures for underwriting, processing, and servicing loans are subject to potential failure or circumvention, which may adversely affect our results of operations.

A substantial portion of our underwriting activities and our credit extension decisions are made at our local branches. We train our employees individually onsite in the branch to make loans that conform to our underwriting standards. Such training includes critical aspects of state and federal regulatory compliance, cash handling, account management, and customer relations. Although we have standardized employee manuals, we primarily rely on our district supervisors, with oversight by our state vice presidents, branch auditors, and headquarters personnel, to train and supervise our branch employees, rather than centralized or standardized training programs. Therefore, the quality of training and supervision may vary from district to district and branch to branch depending upon the amount of time apportioned to training and supervision and individual interpretations of our operations policies and procedures. In addition, we sometimes rely on third-party service providers in connection with loan underwriting and origination. Any error or failure by a third-party service provider in providing loan underwriting and origination services may cause us to originate loans to borrowers that do not meet our underwriting standards. We cannot be certain that every loan is made in accordance with our underwriting standards and rules. We have in the past experienced some instances of loans extended that varied from our underwriting standards. Variances in underwriting standards and lack of supervision could expose us to greater delinquencies and charge-offs than we have historically experienced.

In addition, underwriting decisions are based on information provided by customers, counterparties, and other third parties, including credit bureaus and data aggregators, the inaccuracy or incompleteness of which may adversely affect our results of operations. In deciding whether to extend credit or enter into other transactions with customers and counterparties, we rely on information furnished to us by or on behalf of customers, counterparties, and other third parties, including financial information. We also rely on representations of customers and counterparties as to the accuracy and completeness of that information. Our earnings and our financial condition could be negatively impacted to the extent the information furnished to us by and on behalf of customers, counterparties, and other third parties is not correct or complete.

Employee misconduct could harm us by subjecting us to significant legal liability, regulatory scrutiny, and reputational harm.

Our reputation is critical to maintaining and developing relationships with our existing and potential customers and third parties with whom we do business. There is a risk that our employees could engage in misconduct that adversely affects our business. For example, if an employee were to engage—or be accused of engaging—in illegal or suspicious activities, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial condition, customer relationships, and ability to attract future customers. Employee misconduct could prompt regulators to allege or to determine, based upon such misconduct, that we have not established adequate supervisory systems and procedures to inform employees of applicable rules or to detect and deter violations of such rules. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent misconduct may not be effective in all cases. Misconduct by our employees, or even unsubstantiated allegations, could result in a material adverse effect on our reputation and our business.

Our risk management efforts may not be effective.

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, and other market-related risks, as well as operational risks related to our business, assets, and liabilities. Our risk management policies, procedures, and techniques may not be sufficient to identify all of the risks we are exposed to, mitigate the risks we have identified, or identify additional risks to which we may become subject in the future.

We may be unsuccessful in maintaining effective internal controls over financial reporting.

Controls and procedures are particularly important for consumer finance companies. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud or material error. Any system of controls, however well-designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurance that the objectives of the system are met. Section 404 of the Sarbanes-Oxley Act of 2002 requires management of public companies to develop and implement internal controls over financial reporting and evaluate the effectiveness thereof. Under standards established by the Public Company Accounting Oversight Board, a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting. Any failure to implement current internal controls or required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations.

In November 2014, we identified a material weakness in our internal control over financial reporting related to controls over the credit risk associated with the origination of direct mail loans. In addition, we have in the past identified significant deficiencies in our internal control over financial reporting. We remediated the material weakness identified in November 2014 effective as of December 31, 2014.

If additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future or if our controls and procedures fail or are circumvented, our consolidated financial statements may contain material misstatements, we could be required to restate our financial results, we may be unable to produce accurate and timely financial statements, and we may be unable to maintain compliance with applicable stock exchange listing requirements, any of which could have a material adverse effect on our business, results of operations, financial condition, and stock price. The discovery of a material weakness and the disclosure of that fact, even if quickly remediated, could reduce the market value of shares of our common stock. Additionally, the existence of any material weakness or significant deficiency requires management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiency, and management may not be able to remediate any such material weaknesses or significant deficiency in a timely manner. Undetected material weaknesses in our internal controls could lead to financial statement restatements, which could have a material adverse effect on our business, financial condition, and results of operation.

If our estimates of reserves for credit losses are not adequate to absorb actual losses, our provision for credit losses would increase, which would adversely affect our results of operations.

We maintain an allowance for credit losses for all loans we make. To estimate the appropriate level of credit loss reserves, we consider known and relevant internal and external factors that affect loan collectability, including the total amount of loans outstanding, historical loan charge-offs, delinquency rates and trends, our current collection patterns, and economic trends. Our methodology for establishing our reserves for credit losses is based in large part on our historic loss experience. If customer behavior changes as a result of economic or other conditions and if we are unable to predict how the unemployment rate, housing foreclosures, and general economic uncertainty may affect our credit loss reserves, our provision may be inadequate. During fiscal 2014, our provision for credit losses was $69.1 million, and we had net charge-offs of $58.6 million related to losses on our loans. As of December 31, 2014, our finance receivables were $546.2 million. Maintaining the adequacy of our allowance for credit losses may require that we make significant and unanticipated increases in our provisions for credit losses, which would materially affect our results of operations. Our credit loss reserves, however, are estimates, and if actual credit losses are materially greater than our credit loss reserves, our financial condition and results of operations could be adversely affected. Neither state regulators nor federal regulators regulate our allowance for credit losses.

If assumptions or estimates we use in preparing our financial statements are incorrect or are required to change, our reported results of operations and financial condition may be adversely affected.

We are required to use certain assumptions and estimates in preparing our financial statements under U.S. Generally Accepted Accounting Principles ("GAAP"), including in determining allowances for loan losses, fair value of financial instruments, asset impairment, reserves related to litigation and other legal matters, valuation of income and other taxes and regulatory exposures. In addition, significant assumptions and estimates are involved in determining certain disclosures required under GAAP, including those involving the fair value of our financial instruments. If the assumptions or estimates underlying our financial statements are incorrect, the actual amounts realized on transactions and balances subject to those estimates will be different, and this could have a material adverse effect on our results of operations and financial condition.

In addition, the Financial Accounting Standards Board ("FASB") is currently reviewing or proposing changes to several financial accounting and reporting standards that govern key aspects of our financial statements, including areas where assumptions or estimates are required. As a result of changes to financial accounting or reporting standards, whether promulgated or required by the FASB or other regulators, we could be required to change certain of the assumptions or estimates we previously used in preparing our financial statements, which could negatively impact how we record and report our results of operations and financial condition generally. For additional information on the key areas for which assumptions and estimates are used in preparing our financial statements, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" and Note 1 (Nature of Business and Significant Accounting Policies) of our audited Consolidated Financial Statements.

Our use of derivatives exposes us to credit and market risk.

From time to time, we may use derivatives to manage our exposure to interest rate risk. By using derivative instruments, we are exposed to credit and market risk.

Interest rates on automobile purchase and retail purchase loans are determined at competitive market interest rates, and we may fail to adequately set interest rates, which may adversely affect our business.

In recent years, we have expanded our automobile purchase loan business and our retail purchase loan business, and we plan to continue to expand those businesses in the future. Unlike installment loans, which in certain states are typically made at or near the maximum interest rates permitted by law, automobile purchase loans and retail purchase loans are often made at competitive market interest rates, which are governed by laws for installment sales contracts. We have limited experience in determining interest rates in these markets. If we fail to set interest rates at a level that adequately reflects the credit risks of our customers, or if we set interest rates at a level too low to sustain our profitability, our business, results of operations, and financial condition could be adversely affected.

Failure of third-party service providers upon which we rely could adversely affect our business.

We rely on certain third-party service providers. In particular, we currently rely on one key vendor to print and mail our convenience checks for our direct mail marketing campaigns, and we rely on certain other third-party service providers in connection with loan underwriting and origination. Our reliance on third parties such as these can expose us to risks. For example, an error by our former convenience check vendor during 2010 resulted in checks being misdirected, requiring us in some cases to notify state regulators and to refund certain interest and fee amounts, and exposing us to increased credit risk. If any of our third-party service providers, including our convenience check vendors and those third parties providing services in connection with loan underwriting and origination, are unable to provide their services timely, accurately, and effectively, or at all, it could have a material adverse effect on our business, financial condition, and results of operations and cash flows.

We depend to a substantial extent on borrowings under our senior revolving credit facility to fund our liquidity needs.

We have a senior revolving credit facility committed through May 2016 that allows us to borrow up to $500.0 million, assuming we are in compliance with a number of covenants and conditions. As of December 31, 2014, the amount outstanding under our senior revolving credit facility was $341.4 million and we had $158.6 million of unused capacity on the credit facility, subject to the borrowing base of 85% of eligible finance receivables. During fiscal 2014, the maximum amount of borrowings outstanding under the facility at one time was $362.8 million. We use our senior revolving credit facility as a source of liquidity, including for working capital and to fund the loans we make to our customers. If our existing sources of liquidity become insufficient to satisfy our financial needs or our access to these sources becomes unexpectedly restricted, we may need to try to raise additional debt or equity in the future. If such an event were to occur, we can give no assurance that such alternate sources of liquidity would be available to us on favorable terms or at all. In addition, we cannot be certain that we will be able to replace the amended and restated senior revolving credit facility when it matures on favorable terms or at all. If any of these events occur, our business, results of operations, and financial condition could be adversely affected.

Macroeconomic conditions could have a material adverse effect on our business, financial position, results of operations, and cash flows, and may increase loan defaults and affect the value and liquidity of your investment.

We are not insulated from the pressures and potentially negative consequences of the recent financial crisis and similar risks beyond our control that have and may continue to affect the capital and credit markets, the broader economy, the financial services industry, or the segment of that industry in which we operate.

Over the past several years, the global economy experienced a significant recession, as well as a severe, ongoing disruption in the credit markets and a material and adverse effect on the jobs market and individual borrowers. While the United States economy may technically have come out of the recession, the recovery is fragile and may not be sustainable for any specific period of time, and could slip back into an even more significant recession. Our financial performance generally, and in particular the ability of our borrowers to make payments on outstanding loans, is highly dependent upon the business and economic environments in the markets where we operate and in the United States as a whole.

During an economic downturn or recession, credit losses in the financial services industry generally increase and demand for credit products often decreases. Declining asset values, defaults on consumer loans, and the lack of market and investor confidence, as well as other factors, all combine to decrease liquidity during an economic downturn. As a result of these factors, some banks and other lenders have suffered significant losses during economic downturns, and the strength and liquidity of many financial institutions worldwide has weakened due to the most recent economic crisis. Additionally, during an economic downturn, our loan servicing costs and collection costs may increase as we may have to expend greater time and resources on these activities. Our underwriting criteria, policies and procedures, and product offerings may not sufficiently protect our growth and profitability during a sustained period of economic downturn or recession. Any renewed economic downturn will adversely affect the financial resources of our customers and may result in the inability of our customers to make principal and interest payments on, or refinance, the outstanding debt when due.

Economic conditions remain historically weak, and there can be no assurance that they will improve in the near term. Should such conditions worsen or continue to remain weak, they may adversely affect the credit quality of our loans. In the event of increased default by borrowers under the loans, our business, results of operations, and financial condition could be adversely affected.

We are subject to interest rate risk resulting from general economic conditions and policies of various governmental and regulatory agencies.

Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and policies of various governmental and regulatory agencies, in particular, the Federal Reserve Board. Changes in monetary policy, including changes in interest rates, could influence the amount of interest we pay on our senior revolving credit facility or any other floating interest rate obligations we may incur, which would increase our operating costs and decrease our operating margins. Interest payable on our senior revolving credit facility is variable, based on LIBOR with a LIBOR floor of 1.00%, and could increase in the future. Furthermore, market conditions or regulatory restrictions on interest rates we charge may prevent us from passing any increases in interest rates along to our customers.

Our revolving credit agreement contains restrictions and limitations that could affect our ability to operate our business.

The credit agreement governing our senior revolving credit facility contains a number of covenants that could adversely affect our business and the flexibility to respond to changing business and economic conditions or opportunities. Among other things, these covenants limit our ability to:

- incur or guarantee additional indebtedness;
- purchase large loan portfolios in bulk;
- pay dividends or make distributions on our capital stock or make certain other restricted payments;
- sell assets, including our loan portfolio or the capital stock of our subsidiaries;
- enter into transactions with our affiliates;
- offer certain loan products;
- create or incur liens; and
- consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets.

In addition, the credit agreement imposes certain obligations on us relating to our underwriting standards, recordkeeping and servicing of our loans, and our loss reserves and charge-off policies. It also requires us to maintain certain financial ratios, including an interest coverage ratio and a borrowing base ratio. If we were to breach any covenants or obligations under the credit agreement and such breaches were to result in an event of default, our lenders could cause all amounts outstanding to become due and payable, subject to applicable grace periods. This could trigger cross-defaults under any future debt instruments and materially and adversely affect our financial condition and ability to continue operating our business as a going concern.

We rely on information technology products developed, owned, and supported by third parties, including our competitors. Our ability to manage our business and monitor results is highly dependent upon these information technology products. A failure of these products and systems or of the implementation of new information technology products and systems could disrupt our business.

In the operation of our business, we are highly dependent upon a variety of information technology products, including our loan management system, which allows us to record, document, and manage our loan portfolio. We currently use a loan management software package developed and owned by ParaData Financial Systems ("ParaData"), a wholly owned subsidiary of World Acceptance Corporation, one of our primary competitors. In October 2013, we entered into a ten-year agreement with DHI Computing Service, Inc. d/b/a GOLDPoint Systems ("GOLDPoint") pursuant to which GOLDPoint will provide us with loan management software and related data processing services. We expect that the full transition from the ParaData software to the GOLDPoint platform will occur in 2015, following which we expect that we will no longer use the ParaData software.

Over the years, we have tailored the ParaData software to meet certain of our specific needs. Prior to the conversion to the GOLDPoint platform, we will continue to depend on the willingness and ability of ParaData to provide customized solutions and support for our evolving products and business model. In the future, ParaData may not be willing or able to modify the loan management software to meet our needs, or it could alter the program without notice to us or cease to adequately support it. ParaData could also decide in the future to refuse to provide support for its software to us on commercially reasonable terms, or at all. If any of these events were to occur, we would be forced to transition to the GOLDPoint platform more quickly than originally contemplated, which could materially affect our business, results of operations, and financial condition.

Our transition to the GOLDPoint platform has been a lengthy and expensive process that has resulted in a diversion of resources from other operations. Continued execution of a transition project plan, or a divergence from it, may result in further cost overruns, project delays, or business interruptions. In addition, further divergence from our project plan could further impact the timing and/or extent of benefits we expect to achieve from the GOLDPoint system and process efficiencies. Any further disruptions, delays, or deficiencies in the design and/or implementation of the GOLDPoint system, or in the performance of our legacy ParaData software, particularly any disruptions, delays, or deficiencies that impact our operations, could adversely affect our ability to effectively run and manage our business. Further, following the transition, the GOLDPoint platform may not perform in a manner consistent with our current expectations and may be inadequate for our needs. As we are dependent upon our ability to gather and promptly transmit accurate information to key decision makers, our business, results of operations, and financial condition may be adversely affected if our loan management systems do not allow us to transmit accurate information, even for a short period of time. Failure to properly or adequately address these issues could impact our ability to perform necessary business operations, which could adversely affect our competitive position, business, results of operations, and financial condition. In addition, we have capitalized certain costs associated with our licensing of and transition to the GOLDPoint system. If we are unable to accomplish a transition to the GOLDPoint platform, we will be required immediately to expense some or all of those capitalized costs, which could adversely affect our results of operations and financial condition.

We rely on DealerTrack, Route One, Teledata Communications Inc., and other third-party software vendors to provide access to loan applications and/or screen applications. There can be no assurance that these third party providers will continue to provide us information in accordance with our lending guidelines or that they will continue to provide us lending leads at all. If this occurs, our credit losses, business, results of operations, and financial condition may be adversely affected.

Security breaches in our branches or acts of theft, fraud, or violence could adversely affect our financial condition and results of operations.

Nearly all of our account payments occur at our branches, either in person or by mail, and frequently consist of cash payments, which we deposit at local banks throughout the day. This business practice exposes us daily to the potential for employee theft of funds or, alternatively, to theft and burglary due to the cash we maintain in the branch. Despite controls and procedures to prevent such losses, we have in the past sustained losses due to employee fraud and theft. In addition, our employees "field call" delinquent accounts by visiting the home of a delinquent borrower. Such visits may subject our employees to a variety of dangers, including violence, vehicle accidents, and other perils. We are also susceptible to break-ins at our branches, where money and/or customer records could be taken. A breach in the security of our branches or in the safety of our employees could result in employee injury, loss of funds or records, and adverse publicity, and could result in a loss of customer business or expose us to civil litigation and possible financial liability, any of which could have a material adverse effect on our financial condition and results of operations.

Security breaches, cyber-attacks, failures in our information systems, or fraudulent activity could result in damage to our operations or lead to reputational damage.

We also rely heavily on communications and information systems to conduct our business. Each branch is part of an information network that is designed to permit us to maintain adequate cash inventory, reconcile cash balances on a daily basis, and report revenues and expenses to our headquarters. Any failure, interruption, or breach in security of these systems, including any failure of our back-up systems, hardware failures, or an inability to access data maintained offsite, could result in failures or disruptions in our customer relationship management, general ledger, loan, and other systems and could result in a loss of customer business, subject us to additional regulatory scrutiny, or expose us to civil litigation, possible financial liability, and other adverse consequences, any of which could have a material adverse effect on our financial condition and results of operations. Furthermore, we may not be able to detect immediately any such breach, which may increase the losses that we would suffer. In addition, our existing insurance policies would not reimburse us for all of the damages that we might incur as a result of a breach.

A security breach or cyber-attack of our computer systems could interrupt or damage our operations or harm our reputation. Despite the implementation of security measures, our systems may still be vulnerable to data theft, computer viruses, programming errors, attacks by third parties, or similar disruptive problems. If we were to experience a security breach or cyber-attack, we could be required to incur substantial costs and liabilities, including, among other things, the following:

- expenses to rectify the consequences of the security breach or cyber-attack;
- liability for stolen assets or information;
- costs of repairing damage to our systems;
- lost revenue and income resulting from any system downtime caused by such breach or attack;
- increased costs of cyber security protection;
- costs of incentives we may be required to offer to our customers or business partners to retain their business; and
- damage to our reputation causing customers and investors to lose confidence in our company.

In addition, any compromise of security or a cyber-attack could deter consumers from entering into transactions that require them to provide confidential information to us. Further, if confidential customer information or information belonging to our business partners is misappropriated from our computer systems, we could be sued by those who assert that we did not take adequate precautions to safeguard our systems and confidential data belonging to our customers or business partners, which could subject us to liability and result in significant legal fees and expenses of defending these claims. As a result, any compromise of security of our computer systems or cyber-attack could have a material adverse effect on our business, prospects, results of operations, and financial condition.

Our centralized headquarters' functions are susceptible to disruption by catastrophic events, which could have a material adverse effect on our business, results of operations, and financial condition.

Our headquarters buildings are located in Greenville, South Carolina. Our information systems and administrative and management processes are primarily provided to our branches from this centralized location, and our separate data management facility is located in the same city. These processes could be disrupted if a catastrophic event, such as a tornado, power outage, or act of terror, affected Greenville. Any such catastrophic event or other unexpected disruption of our headquarters or data management facility could have a material adverse effect on our business, results of operations, and financial condition.

Risks Related to Regulation and Legal Proceedings

Our business products and activities are strictly and comprehensively regulated at the local, state, and federal level. Changes in current laws and regulations or in the interpretation of such laws and regulations, or our failure to comply with such laws and regulations, could have a material adverse effect on our business, results of operations, and financial condition.

Our business is subject to numerous local, state, and federal laws and regulations. These regulations impose significant costs and limitations on the way we conduct and expand our business, and these costs and limitations may increase in the future if such laws and regulations are changed. These laws and regulations govern or affect, among other things:

- the interest rates that we may charge customers;
- terms of loans, including fees, maximum amounts, and minimum durations;
- the number of simultaneous or consecutive loans and required waiting periods between loans;
- disclosure practices, including posting of fees;
- currency and suspicious activity reporting;
- recording and reporting of certain financial transactions;
- privacy of personal customer information;
- the types of products and services that we may offer;
- collection practices;
- approval of licenses; and
- locations of our branches.

Changes to statutes, regulations, or regulatory policies, including the interpretation, implementation, and enforcement of statutes, regulations, or policies, could affect us in substantial and unpredictable ways, including limiting the types of financial services and products that we may offer and increasing the ability of competitors to offer competing financial services and products. Compliance with these regulations is expensive and requires the time and attention of management. These costs divert capital and focus away from efforts intended to grow our business. Because these laws and regulations are complex and often subject to interpretation, or because of a result of unintended errors, we may, from time to time, inadvertently violate these laws, regulations, and policies, as each is interpreted by our regulators. If we do not successfully comply with laws, regulations, or policies, our compliance costs could increase, our operations could be limited, and we may suffer damage to our reputation. If more restrictive laws, rules, and regulations are enacted or more restrictive judicial and administrative interpretations of those laws are issued, compliance with the laws could become more expensive or difficult. Furthermore, changes in these laws and regulations could require changes in the way we conduct our business, and we cannot predict the impact such changes would have on our profitability.

Our primary regulators are the state regulators for the states in which we operate: South Carolina, Texas, North Carolina, Tennessee, Alabama, Oklahoma, New Mexico, and Georgia. We operate each of our branches under licenses granted to us by these state regulators. State regulators may enter our branches and conduct audits of our records and practices at any time, with or without notice. If we fail to observe, or are not able to comply with, applicable legal requirements, we may be forced to discontinue certain product offerings, which could adversely impact our business, results of operations, and financial condition. In addition, violation of these laws and regulations could result in fines and other civil and/or criminal penalties, including the suspension or revocation of our branch licenses, rendering us unable to operate in one or more locations. All the states in which we operate have laws governing the interest rate and fees that we can charge and required disclosure statements, among other restrictions. Violation of these laws could involve penalties requiring the forfeiture of principal and/or interest and fees that we have charged. Depending on the nature and scope of a violation, fines and other penalties for noncompliance of applicable requirements could be significant and could have a material adverse effect on our business, results of operation, and financial condition.

Licenses to open new branches are granted in the discretion of state regulators. Accordingly, licenses may be denied unexpectedly or for reasons outside our control. This could hinder our ability to implement our business plans in a timely manner or at all.

As we enter new markets and develop new products, we may become subject to additional state and federal regulations. For example, although we intend to expand into new states, we may encounter unexpected regulatory or other difficulties in these new states or markets, which may prevent us from growing in new states or markets. Similarly, while we intend to grow our retail purchase and indirect automobile purchase loan operations, we may encounter unexpected regulatory or other difficulties. As a result, we may not be able to successfully execute our strategies to grow our revenue and earnings.

Changes in laws and regulations or interpretations of laws and regulations could negatively impact our business, results of operations, and financial condition.

Although many of the laws and regulations applicable to our business have remained substantially unchanged for many years, the laws and regulations directly affecting our lending activities are under review and are subject to change, especially as a result of current economic conditions, changes in the make-up of the current executive and legislative branches, and the political focus on issues of consumer and borrower protection. In addition, consumer advocacy groups and various other media sources continue to advocate for governmental and regulatory action to prohibit or severely restrict various financial products, including the loan products we offer.

Any changes in such laws and regulations, or the implementation, interpretation, or enforcement of such laws and regulations, could force us to modify, suspend, or cease part or, in the worst case, all of our existing operations. It is also possible that the scope of federal regulations could change or expand in such a way as to preempt what has traditionally been state law regulation of our business activities. The enactment of one or more of such regulatory changes could materially and adversely affect our business, results of operations, and prospects.

States may also seek to impose new requirements or interpret or enforce existing requirements in new ways. Changes in current laws or regulations or the implementation of new laws or regulations in the future may restrict our ability to continue our current methods of operation or expand our operations. Additionally, these laws and regulations could subject us to liability for prior operating activities or lower or eliminate the profitability of operations going forward by, among other things, reducing the amount of interest and fees we charge in connection with our loans. If these or other factors lead us to close our branches in a state, in addition to the loss of net revenues attributable to that closing, we would incur closing costs such as lease cancellation payments and we would have to write off assets that we could no longer use. If we were to suspend rather than permanently cease our operations in a state, we would also have continuing costs associated with maintaining our branches and our employees in that state, with little or no revenues to offset those costs.

In addition to state and federal laws and regulations, our business is subject to various local rules and regulations, such as local zoning regulations. Local zoning boards and other local governing bodies have been increasingly restricting the permitted locations of consumer finance companies. Any future actions taken to require special use permits for, or impose other restrictions on, our ability to provide products could adversely affect our ability to expand our operations or force us to attempt to relocate existing branches. If we were forced to relocate any of our branches, in addition to the costs associated with the relocation, we may be required to hire new employees in the new areas, which may adversely impact the operations of those branches. Relocation of an existing branch may also hinder our collection abilities, as our business model relies on the location of our branches being close to where our customers live in order to successfully collect on outstanding loans.

Changes in laws or regulations may have a material adverse effect on all aspects of our business in a particular state and on our overall business, results of operations, and financial condition.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") authorizes the Consumer Financial Protection Bureau (the "CFPB") to adopt rules that could potentially have a serious impact on our ability to offer short-term consumer loans and have a material adverse effect on our operations and financial performance.

Title X of the Dodd-Frank Act establishes the CFPB, which became operational on July 21, 2011. Under the Dodd-Frank Act, the CFPB has regulatory, supervisory, and enforcement powers over providers of consumer financial products that we offer, including explicit supervisory authority to examine and require registration of installment lenders such as ourselves. Included in the powers afforded to the CFPB is the authority to adopt rules describing specified acts and practices as being "unfair," "deceptive," or "abusive," and hence unlawful. Specifically, the CFPB has the authority to declare an act or practice abusive if it, among other things, materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service or takes unreasonable advantage of a lack of understanding on the part of the consumer of the product or service. Although the Dodd-Frank Act expressly provides that the CFPB has no authority to establish usury limits, some consumer advocacy groups have suggested that certain forms of alternative consumer finance products, such as installment loans, should be a regulatory priority, and it is possible that at some time in the future, the CFPB could propose and adopt rules making such lending or other products that we may offer materially less profitable or impractical. Further, the CFPB may target specific features of loans or loan practices, such as refinancings, by rulemaking that could cause us to cease offering certain products or engaging in certain practices. It is possible that the CFPB will adopt rules that specifically restrict refinancings of existing loans. Our refinancings of existing loans are divided into three categories: refinancings of loans in an amount greater than the original loan amount, renewals of existing loans at or below the original loan amount, and renewals of existing loans that are 60 or more days past due, which represented 21.1%, 35.8%, and 0.7%, respectively, of our loan originations in 2014. Any such rules could have a material adverse effect on our business, results of operation, and financial condition. The CFPB could also adopt rules imposing new and potentially burdensome requirements and limitations with respect to any of our current or future lines of business, which could have a material adverse effect on our operations and financial performance. The Dodd-Frank Act also gives the CFPB the authority to examine and regulate entities it classifies as a "larger participant of a market for other consumer financial products or services." The rule will likely cover only the largest installment lenders. We do not yet know whether the definition of larger participant will cover us.

In addition to the Dodd-Frank Act's grant of regulatory powers to the CFPB, the Dodd-Frank Act gives the CFPB authority to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties ranging from a maximum of $5,000 per day for minor violations of federal consumer financial laws (including the CFPB's own rules) to $25,000 per day for reckless violations and $1 million per day for knowing violations. If we are subject to such administrative proceedings, litigation, orders, or monetary penalties in the future, this could have a material adverse effect on our operations and financial performance. Also, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions for the kind of cease and desist orders available to the CFPB (but not for civil penalties). If the CFPB or one or more state officials find that we have violated the foregoing laws, they could exercise their enforcement powers in ways that would have a material adverse effect on us.

In January 2012, President Obama appointed Richard Cordray as director of the CFPB, and in July 2013, he was confirmed by the United States Senate. On January 5, 2012, the CFPB launched a federal supervision program for nonbanks that offer or provide consumer financial products or services. Under the CFPB's nonbank supervision program, the CFPB will conduct individual examinations and may also require reports from businesses to determine what businesses require greater focus by the CFPB. The frequency and scope of any such examinations will depend on the CFPB's analysis of risks posed to consumers based on factors such as a particular nonbank's volume of business, types of products or services, and the extent of state oversight. In conducting an investigation, the CFPB may issue a civil investigative demand (a "CID") requiring a target company to prepare and submit, among other items, documents, written reports, answers to interrogatories, and deposition testimony. If the CFPB issues a CID to us or otherwise commences an investigation of our company, the required response could result in substantial costs and a diversion of our management's attention and resources. In addition, the market price of our common stock could decline as a result of the initiation of a CFPB investigation of our company or even the perception that such an investigation could occur, even in the absence of any finding by the CFPB that we have violated any state or federal law.

In the future, we may sell loans, including charged off loans and loans where the borrower is in default. This practice could subject us to heightened regulatory scrutiny, which may expose us to legal action, cause us to incur losses, and/or limit or impede our collection activity.

We may in the future sell loans, including those that may have been charged off as uncollectible. The CFPB and other regulators recently have significantly increased their scrutiny of debt sales, especially delinquent and charged-off debt. The CFPB has criticized sellers of debt for insufficient documentation to support and verify the validity or amount of the debt. It has also criticized debt collectors for, among other things, collection tactics, attempting to collect debts that are no longer valid, misrepresenting the amount of the debt, and not having sufficient documentation to verify the validity or amount of the debt. Future loan sales could expose us to lawsuits or fines by regulators if we do not have sufficient documentation to support and verify the validity and amount of the loans underlying the transactions, or if we or purchasers of our loans use collection methods that are viewed as unfair or abusive. In addition, our collections could suffer and we may incur additional expenses if we are required to change collection practices or stop collecting on certain debts as a result of a lawsuit or action on the part of regulators.

Rising health care costs and continuing uncertainties concerning the effect of implementation of the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act of 2010 and similar laws may have a material adverse effect on our business and financial performance.

Despite our efforts to control costs while still providing competitive health care benefits to our employees, significant increases in health care costs continue to occur, and we can provide no assurance that our cost containment efforts in this area will be effective. In March 2010, the federal Patient Protection and Affordable Care Act ("PPACA") and the Health Care and Education Affordability Reconciliation Act of 2010 became law. While we have performed an analysis regarding the anticipated impact of these laws on our cost structure, we may be unable to accurately predict the impact of this federal health care legislation on our health care benefit costs due to continued uncertainty with respect to implementation of such legislation. Significant increases in costs due either to the PPACA or general health care cost increases are likely and could adversely impact our operating results, as there is no assurance that we will be able to absorb, pass through, and/or offset the costs of such legislation.

Our stock price or results of operations could be adversely affected by media and public perception of installment loans and of legislative and regulatory developments affecting activities within the installment lending sector.

Consumer advocacy groups and various media sources continue to criticize alternative financial services providers (such as payday and title lenders, check advance companies, and pawnshops). These critics frequently characterize such alternative financial services providers as predatory or abusive toward consumers. If these persons were to criticize the products that we offer, it could result in further regulation of our business. Furthermore, our industry is highly regulated, and announcements regarding new or expected governmental and regulatory action in the alternative financial services sector may adversely impact our stock price and perceptions of our business even if such actions are not targeted at our operations and do not directly impact us.

Legal proceedings to which we are subject or may become subject may have a material adverse impact on our financial position and results of operations.

Like many companies in our industry, we are from time to time involved in various legal proceedings and subject to claims and other actions related to our business activities brought by borrowers and others, including, for example, the securities class action lawsuit described in Item 3, "Legal Proceedings" of this Annual Report on Form 10-K. All such legal proceedings are inherently unpredictable and, regardless of the merits of the claims, litigation is often expensive, time-consuming, disruptive to our operations and resources, and distracting to management. If resolved against us, such legal proceedings could result in excessive verdicts and judgments, injunctive relief, equitable relief, and other adverse consequences that may affect our financial condition and how we operate our business. Similarly, if we settle such legal proceedings, it may affect our financial condition and how we operate our business. Future court decisions, alternative dispute resolution awards, business expansion, or legislative activity may increase our exposure to litigation and regulatory investigations. In some cases, substantial non-economic remedies or punitive damages may be sought. Although we maintain liability insurance coverage, there can be no assurance that such coverage will cover any particular verdict, judgment, or settlement that may be entered against us, that such coverage will prove to be adequate, or that such coverage will continue to remain available on acceptable terms, if at all. We and our primary insurance carrier are in the process of negotiating an allocation between denied and acknowledged claims in the securities class action lawsuit. If in the securities class action lawsuit or any other legal proceeding we incur liability that exceeds our insurance coverage or that is not within the scope of the coverage in legal proceedings brought against us, it could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to the Ownership of Our Common Stock

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our common stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us downgrades our common stock or publishes inaccurate or unfavorable research about our business, our common stock price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our common stock price or trading volume to decline and our common stock to be less liquid.

The market price of shares of our common stock may continue to be volatile, which could cause the value of your investment to decline.

The market price of our common stock has been highly volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market, or political conditions, could reduce the market price of shares of our common stock in spite of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly operating results, additions or departures of key management personnel, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures, or capital commitments, adverse publicity about the industries we participate in, or individual scandals, and in response the market price of shares of our common stock could decrease significantly.

In the past several years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company's securities, Securities and Exchange Commission investigations and securities class action litigation is sometimes instituted against these companies. We currently are subject to a securities class action lawsuit described in Item 3, "Legal Proceedings" of this Annual Report on Form 10-K. The securities class action lawsuit and any further legal proceedings of this nature that may be instituted against us could result in substantial costs and a diversion of our management's attention and resources.

We have no current plans to pay cash dividends on our common stock for the foreseeable future.

We intend to retain future earnings, if any, for future operation, expansion, and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. The declaration, amount, and payment of any future dividends on shares of common stock will be at the sole discretion of our Board of Directors. Our Board of Directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our Board of Directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur, including our senior revolving credit facility. As a result, investors may need to rely on sales of their common stock after price appreciation, which may not occur, as the only way to realize future gains on their investment.

You may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions, or otherwise.

We have approximately 987 million shares of common stock authorized but unissued. Our amended and restated certificate of incorporation authorizes us to issue these shares of common stock and options, rights, warrants, and appreciation rights relating to common stock for the consideration and on the terms and conditions established by our Board of Directors in its sole discretion, whether in connection with acquisitions or otherwise. We have reserved 950,000 shares for issuance under the Regional Management Corp. 2011 Stock Incentive Plan (the "2011 Stock Plan"), and we have 101,034 shares available for issuance under the 2011 Stock Plan, as of March 13, 2015. In addition, our Board may recommend in the future that our stockholders approve new stock plans. Any common stock that we issue, including under our 2011 Stock Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by our stockholders. In addition, the market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to issue equity securities in the future at a time and at a price that we deem appropriate.

We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result of these exemptions, our stockholders may not have access to certain information that they may deem important.

We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds $700 million as of any June 30th before that time, in which case we would no longer be an emerging growth company as of the following December 31st. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

The requirements of being a public company may strain our resources and distract our management.

As a public company, we are subject to the reporting requirements of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and requirements of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly, and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, we will need to commit significant resources, hire additional staff, and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In addition, sustaining our growth also will require us to commit additional management, operational, and financial resources to identify new professionals to join our firm and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. We expect to incur significant annual expenses related to these steps and, among other things, additional directors and officers liability insurance, director fees, reporting requirements, transfer agent fees, hiring additional accounting, legal, and administrative personnel, increased auditing and legal fees, and similar expenses.

Anti-takeover provisions in our charter documents and applicable state law might discourage or delay acquisition attempts for us that you might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult without the approval of our Board of Directors. Among other things, these provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;

- prohibit stockholder action by written consent, which will require all stockholder actions to be taken at a meeting of our stockholders;
- provide that the Board of Directors is expressly authorized to make, alter, or repeal our bylaws and that our stockholders may only amend our bylaws with the approval of 80% or more of all of the outstanding shares of our capital stock entitled to vote; and
- establish advance notice requirements for nominations for elections to our Board of Directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, a Texas regulation requires the approval of the Texas Consumer Credit Commissioner for the acquisition, directly or indirectly, of 10% or more of the voting or common stock of a consumer finance company. The overall effect of this law, and similar laws in other states, is to make it more difficult to acquire a consumer finance company than it might be to acquire control of a nonregulated corporation.

Furthermore, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay, or prevent a transaction involving a change in control of our company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

Our amended and restated certificate of incorporation contains a provision renouncing our interest and expectancy in certain corporate opportunities identified by our affiliates.

Certain of our stockholders, directors, and their affiliates are in the business of providing buyout capital and growth capital to developing companies and may acquire interests in businesses that directly or indirectly compete with certain portions of our business. Our amended and restated certificate of incorporation provides for the allocation of certain corporate opportunities between us, on the one hand, and certain of our stockholders, on the other hand. As set forth in our amended and restated certificate of incorporation, neither such stockholders, nor any director, officer, stockholder, member, manager, or employee of such stockholders, will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Therefore, a director or officer of our company who also serves as a director, officer, member, manager, or employee of such stockholders may pursue certain acquisition opportunities that may be complementary to our business and, as a result, such acquisition opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations, or prospects if attractive corporate opportunities are allocated by such stockholders to themselves or their other affiliates instead of to us.

ITEM 1B. *UNRESOLVED STAFF COMMENTS.*

None.

ITEM 2. *PROPERTIES.*

Our home office buildings are located in Greenville, South Carolina. Of the approximately 24,500 total square feet comprising our home office buildings, we own approximately 8,100 square feet and we lease approximately 16,400 square feet. Each of our 301 branches, as of March 5, 2015, is leased under fixed term lease agreements. As of March 5, 2015, our branches are located throughout South Carolina, Texas, North Carolina, Tennessee, Alabama, Oklahoma, New Mexico, and Georgia, and the average branch size is approximately 1,500 square feet.

In the opinion of management, our properties have been well-maintained, are in sound operating condition, and contain all equipment and facilities necessary to operate at present levels. We believe all of our facilities are suitable and adequate for our present purposes. Our only reportable segment, which is our consumer finance segment, uses the properties described in this Item 2, "Properties."

ITEM 3. *LEGAL PROCEEDINGS.*

On May 30, 2014, a securities class action lawsuit was filed in the United States District Court for the Southern District of New York against the Company and certain of its current and former directors, executive officers, and shareholders (collectively, the "Defendants"). The complaint alleged violations of the Securities Act of 1933 ("1933 Act Claims") and sought unspecified compensatory damages and other relief on behalf of a purported class of purchasers of the Company's common stock in the September 2013 and December 2013 secondary public offerings. On August 25, 2014, Waterford Township Police & Fire Retirement System and City of Roseville Employees' Retirement System were appointed as lead plaintiffs (collectively, the "Plaintiffs"). An amended complaint was filed on November 24, 2014. In addition to the 1933 Act Claims, the amended complaint also added claims for violations of the Securities Exchange Act of 1934 ("1934 Act Claims") seeking unspecified compensatory damages on behalf of a purported class of purchasers of the Company's common stock between May 2, 2013 and October 30, 2014, inclusive. On January 26, 2015, Defendants filed motions to dismiss the amended complaint in its entirety. In response, Plaintiffs sought and were granted leave to file an amended complaint. On February 27, 2015, Plaintiffs filed a second amended complaint. Like the prior amended complaint, the second amended complaint asserts 1933 Act Claims and 1934 Act claims and seeks unspecified compensatory damages. Defendants' motion to dismiss is due on or about April 28, 2015. The Company believes that the claims against it are without merit and intends to defend against the litigation vigorously.

The Company's primary insurance carrier during the applicable time period has (i) denied coverage for the 1933 Act Claims and (ii) acknowledged coverage of the Company and other insureds for the 1934 Act Claims under a reservation of rights and subject to the terms and conditions of the applicable insurance policy. The parties are in the process of negotiating an allocation between denied and acknowledged claims.

We are also involved in various legal proceedings and related actions that have arisen in the ordinary course of our business that have not been fully adjudicated. Our management does not believe that these matters, when ultimately concluded and determined, will have a material adverse effect on our financial condition, liquidity, or results of operations.

ITEM 4. *MINE SAFETY DISCLOSURES.*

Not applicable.

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.*

Market Information

Our common stock has been listed on the New York Stock Exchange (the "NYSE") under the symbol "RM" since March 28, 2012. Prior to that time, there was no public market for our common stock. The following table sets forth for the periods indicated the high and low intra-day sale prices of our common stock on the NYSE. The last reported sale price of our common stock on the NYSE on March 13, 2015, was $15.55 per share.

	High	Low
Fiscal Year Ended December 31, 2014		
First Quarter	$36.23	$23.77
Second Quarter	25.07	13.93
Third Quarter	19.60	14.75
Fourth Quarter	18.37	11.16
Fiscal Year Ended December 31, 2013		
First Quarter	$20.88	$15.54
Second Quarter	25.99	19.23
Third Quarter	32.74	24.58
Fourth Quarter	34.83	29.38

Holders

As of March 9, 2015, there were 12 registered holders of our common stock. As of March 9, 2015, there were approximately 1,594 beneficial holders of our common stock.

Non-Affiliate Ownership

For purposes of calculating the aggregate market value of shares of our common stock held by non-affiliates as set forth on the cover page of this Annual Report on Form 10-K, we have assumed that all outstanding shares are held by non-affiliates, except for shares held by each of our executive officers, directors, and 5% or greater stockholders as of June 30, 2014. In the case of 5% or greater stockholders, we have not deemed such stockholders to be affiliates unless there are facts and circumstances which would indicate that such stockholders exercise any control over our company or unless they hold 10% or more of our outstanding common stock. These assumptions should not be deemed to constitute an admission that all executive officers, directors, and 5% or greater stockholders are, in fact, affiliates of our company, or that there are not other persons who may be deemed to be affiliates of our company. Further information concerning shareholdings of our officers, directors, and principal stockholders is included or incorporated by reference in Part III, Item 12 of this Annual Report on Form 10-K.

Dividend Policy

We did not pay any dividends in fiscal 2014, 2013, or 2012. We have no current plans to pay any dividends on our common stock for the foreseeable future and instead currently intend to retain earnings, if any, for future operations and expansion and debt repayment.

The declaration, amount, and payment of any future dividends on shares of common stock will be at the sole discretion of our Board of Directors. Our Board of Directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our Board of Directors may deem relevant. In addition, our amended and restated senior revolving credit facility includes a restricted payment covenant, which restricts our ability to pay dividends on our common stock.

Equity Compensation Plan Information

The following table gives information about the common stock that may be issued upon the exercise of options, warrants, and rights under all of our existing equity compensation plans as of December 31, 2014.

Plan Category	(a) Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights ($)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Security Holders			
2007 Management Incentive Plan(1)	417,527	5.46	447,790
2011 Management Incentive Plan(2)	531,264(3)	17.02(4)	296,483
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total:	948,791	11.63	744,273

(1) Regional Management Corp. 2007 Management Incentive Plan, as amended. We no longer intend to grant awards under the Regional Management Corp. 2007 Management Incentive Plan.

(2) Regional Management Corp. 2011 Stock Incentive Plan, as amended. At March 13, 2015, 101,034 shares remain available for issuance under the Regional Management Corp. 2011 Stock Incentive Plan, which allows for grants of incentive stock options, non-qualified stock options, stock appreciation rights, unrestricted shares, restricted shares, restricted stock units, and awards that are valued in whole or in part by reference to, or otherwise based on the fair market value of shares, including performance-based awards.

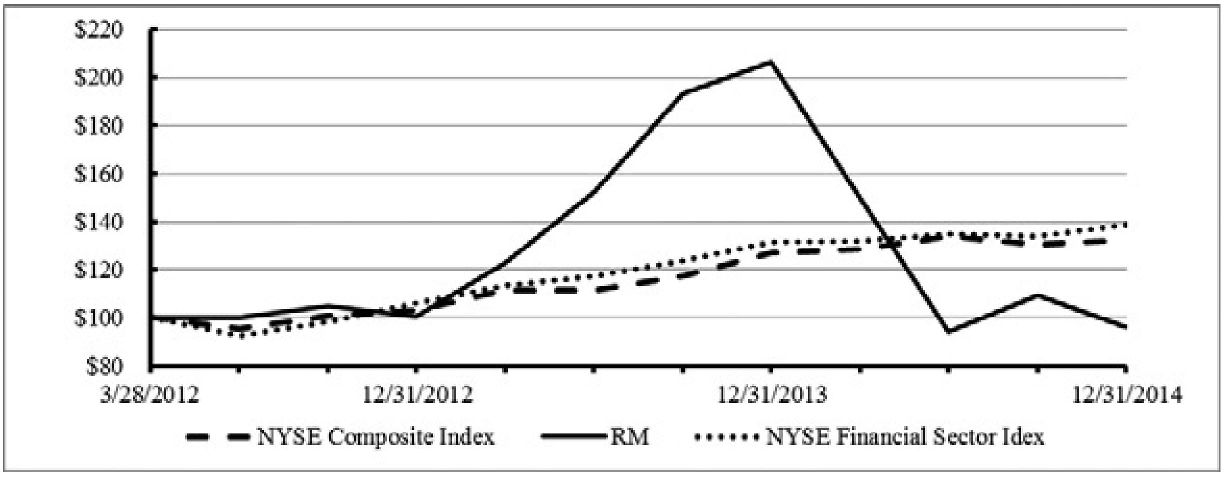
(3) Includes 53,133 restricted stock units outstanding under the Regional Management Corp. 2011 Stock Incentive Plan. There is no exercise price associated with these restricted stock units.

(4) Calculation excludes shares subject to restricted stock unit awards.

Stock Performance Graph

This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended (the "Securities Act").

The following graph shows a comparison from March 28, 2012 (the date our common stock commenced trading on the NYSE) through December 31, 2014, of the cumulative total return for our common stock, the NYSE Composite Index, and the NYSE Financial Sector Index. The graph assumes that $100 was invested at the market close on March 28, 2012, in the common stock of the Company, the NYSE Composite Index, and the NYSE Financial Sector Index, and data for the NYSE Composite Index and the NYSE Financial Sector Index assumes reinvestments of dividends. The stock price performance of the following graph is not necessarily indicative of future stock price performance.



ITEM 6. *SELECTED FINANCIAL DATA.*

The selected consolidated historical financial data set forth below for the years ended December 31, 2010, 2011, 2012, 2013, and 2014 are derived from audited consolidated financial statements. We derived the selected historical consolidated statement of income data for each of the years ended December 31, 2012, 2013, and 2014 and the selected historical consolidated balance sheet data as of December 31, 2013 and 2014 from our audited consolidated financial statements, which appear in Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K. We have derived the selected historical consolidated statement of income data for the years ended December 31, 2010 and 2011 and the selected historical consolidated balance sheet data as of December 31, 2010, 2011, and 2012 from our audited financial statements, which do not appear elsewhere in this Annual Report on Form 10-K.

The following selected consolidated financial data should be read in conjunction with our consolidated financial statements, the related notes, and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report on Form 10-K. The historical results are not necessarily indicative of the results to be expected for any future period.

	Year Ended December 31,				
	2014	2013	2012	2011	2010
	(in thousands, except per share data)				
Consolidated Statements of Income Data:					
Revenue					
Interest and fee income	$ 184,786	$ 152,343	$ 119,025	$ 91,513	$ 74,218
Insurance income, net, and other income	19,933	18,286	16,672	13,824	12,297
Total revenue	204,719	170,629	135,697	105,337	86,515
Expenses					
Provision for credit losses	69,057	39,192	27,765	17,854	16,568
General and administrative expenses	96,776	71,039	55,558	40,835	33,881
Consulting and advisory fees(1)	—	—	1,451	975	1,233
Interest expense					
Senior and other debt	14,947	14,144	10,580	8,306	5,720
Mezzanine debt(1)	—	—	1,030	4,037	4,342
Total interest expense	14,947	14,144	11,610	12,343	10,062
Total expenses	180,780	124,375	96,384	72,007	61,744
Income before income taxes	23,939	46,254	39,313	33,330	24,771
Income taxes	9,137	17,460	14,561	12,290	8,873
Net income	$ 14,802	$ 28,794	$ 24,752	$ 21,040	$ 15,898
Earnings per Share Data:					
Basic earnings per share	$ 1.17	$ 2.29	$ 2.12	$ 2.25	$ 1.70
Diluted earnings per share	$ 1.14	$ 2.23	$ 2.07	$ 2.19	$ 1.64
Weighted-average shares used in computing basic earnings per share	12,701,083	12,572,298	11,694,924	9,336,727	9,336,727
Weighted-average shares used in computing diluted earnings per share	12,951,441	12,893,693	11,980,748	9,620,967	9,669,618
Consolidated Balance Sheet Data (at period end):					
Finance receivables(2)	$ 546,192	$ 544,684	$ 439,474	$ 307,373	$ 247,728
Allowance for credit losses	(40,511)	(30,089)	(23,616)	(19,300)	(18,000)
Net finance receivables(3)	$ 505,681	$ 514,595	$ 415,858	$ 288,073	$ 229,728
Total assets	530,270	533,888	434,517	303,988	241,048
Long-term debt	341,419	362,750	292,380	231,823	189,115
Total liabilities	351,947	372,715	305,313	239,859	198,150
Temporary equity(4)	—	—	—	12,000	12,000
Total stockholders' equity	178,323	161,173	129,204	52,129	30,898

(1) On March 21, 2007, Palladium Equity Partners III, L.P. and Parallel 2005 Equity Fund, LP (which we sometimes refer to herein as our "sponsors") acquired the majority of our outstanding common stock. In connection with the acquisition transaction, we issued $25.0 million of mezzanine debt at an interest rate of 18.375%, plus related fees, which we refinanced in 2007 and again in 2010 with Palladium Equity Partners III, L.P. and certain of our individual owners. Additionally, we paid the sponsors annual advisory fees of $675,000 in the aggregate and paid certain individual owners annual consulting fees of $450,000 in the aggregate, in each case, plus certain expenses. Following the closing of our initial public offering on April 2, 2012, we repaid the mezzanine debt in full with proceeds from the initial public offering and we terminated the consulting and advisory agreements following the payment of certain termination fees.

(2) Finance receivables equal the total amount due from the customer, net of unearned finance charges and insurance premiums and commissions.

(3) Net finance receivables equal the total amount due from the customer, net of unearned finance charges, insurance premiums and commissions, and allowance for credit losses.

(4) That certain Shareholders Agreement, among us and certain of our stockholders, dated March 21, 2007, as amended on March 12, 2012, provided that the individual owners had the right to put their stock back to us if an initial public offering did not occur by May 21, 2012. We valued the put option at the original purchase price of $12.0 million. The put option terminated upon the consummation of our initial public offering.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.*

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes that appear elsewhere in this Annual Report on Form 10-K. These discussions contain forward-looking statements reflecting our current expectations that involve risks and uncertainties. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, expectations regarding demand and acceptance for our financial products, growth opportunities and trends in the market in which we operate, prospects, and plans and objectives of management. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including without limitation, the risks set forth elsewhere in this Annual Report on Form 10-K. The forward-looking information we have provided in this Annual Report on Form 10-K pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 should be evaluated in the context of these factors. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update or revise such statements, except as required by the federal securities laws.

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements, including the notes thereto.

Overview

We are a diversified specialty consumer finance company providing a broad array of loan products primarily to customers with limited access to consumer credit from banks, thrifts, credit card companies, and other traditional lenders. We began operations in 1987 with four branches in South Carolina and have expanded our branch network to 300 locations in the states of Alabama, Georgia, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas as of December 31, 2014. Most of our loan products are secured, and each is structured on a fixed rate, fixed term basis with fully amortizing equal monthly installment payments, repayable at any time without penalty. Our loans are sourced through our multiple channel platform, including in our branches, through direct mail campaigns, independent and franchise automobile dealerships, online credit application networks, retailers, and our consumer website. We operate an integrated branch model in which nearly all loans, regardless of origination channel, are serviced through our branch network, providing us with frequent in-person contact with our customers, which we believe improves our credit performance and customer loyalty. Our goal is to consistently and soundly grow our finance receivables and manage our portfolio risk while providing our customers with attractive and easy-to-understand loan products that serve their varied financial needs.

Our diversified product offerings include:

- *Small Loans* – Our small loan portfolio is comprised of branch small loan receivables and convenience check receivables. As of December 31, 2014, we had approximately 289,700 small loans outstanding, representing $319.5 million in finance receivables. This includes 115,000 branch small installment loans and 174,700 convenience check loans, representing $128.2 million and $191.3 million in finance receivables, respectively.
- *Large Loans* – As of December 31, 2014, we had approximately 12,600 large installment loans outstanding, representing $46.1 million in finance receivables.

- *Automobile Loans* – As of December 31, 2014, we had approximately 17,300 automobile purchase loans outstanding, representing $154.4 million in finance receivables. This includes 9,200 indirect automobile loans and 8,100 direct automobile loans, representing $93.2 million and $61.2 million in finance receivables, respectively.
- *Retail Loans* – As of December 31, 2014, we had approximately 25,900 retail purchase loans outstanding, representing $26.1 million in finance receivables.
- *Insurance Products* – We offer our customers optional payment protection insurance options relating to many of our loan products.

Branch small loans, convenience checks, and large loans are our core products and will be the drivers of our future growth. Our primary sources of revenue are interest and fee income from our loan products, of which interest and fees relating to branch small loans, convenience checks, and automobile loans have historically been the largest component. We also offer automobile loans and retail loans through online credit application networks. In addition to interest and fee income from loans, we derive revenue from optional insurance products purchased by customers of our direct loan products.

Factors Affecting Our Results of Operations

Our business is driven by several factors affecting our revenues, costs, and results of operations, including the following:

Growth in Loan Portfolio. The revenue that we derive from interest and fees from our loan products is largely driven by the amount of loans that we originate. We originated or purchased approximately 143,500, 172,900, and 120,900 new loan accounts during 2014, 2013, and 2012, respectively. Average finance receivables grew 36.5% from $264.5 million in 2011 to $361.1 million in 2012, grew 32.2% to $477.4 million in 2013, and grew 10.9% to $529.5 million in 2014. We source our loans through our branches and our direct mail program, as well as through automobile dealerships and retailers that partner with us. Our loans are made almost exclusively in geographic markets served by our network of branches. Increasing the number of branches we operate allows us to increase the number of loans that we are able to service. We opened or acquired 36, 43, and 51 new branches in 2014, 2013, and 2012, respectively. We believe we have the opportunity to add as many as 700 additional branches over time in the states where it is currently favorable for us to conduct business, and we have plans to continue to grow our branch network.

Product Mix. We offer a number of different loan products, including small loans (comprised of branch small loans and convenience checks), large loans, automobile loans, and retail loans. We charge different interest rates and fees and are exposed to different credit risks with respect to the various types of loans we offer. Our product mix also varies to some extent by state, and we expect to continue to diversify our product mix in the future.

Asset Quality. Our results of operations are highly dependent upon the quality of our asset portfolio. We recorded a $69.1 million provision for credit losses during 2014 (or 13.0% as a percentage of average finance receivables), a $39.2 million provision for credit losses during 2013 (or 8.2% of average finance receivables), and a $27.8 million provision for credit losses during 2012 (or 7.7% of average finance receivables). The quality of our asset portfolio is the result of our ability to enforce sound underwriting standards, maintain diligent service and collection of the portfolio, and respond to changing economic conditions as we grow our loan portfolio.

Allowance for Credit Losses. We evaluate losses in each of our categories of loans in establishing the allowance for credit losses. The following table sets forth our allowance for credit losses compared to the related finance receivables (in thousands):

	As of December 31, 2014			As of December 31, 2013		
	Finance Receivables	Allowance for Credit Losses	Allowance as Percentage of Related Finance Receivables	Finance Receivables	Allowance for Credit Losses	Allowance as Percentage of Related Finance Receivables
			(Dollars in thousands)			
Branch small loans	$128,217	$ 6,960	5.4%	$109,776	$ 5,166	4.7%
Convenience checks	191,316	18,320	9.6%	179,203	10,204	5.7%
Large loans	46,147	1,980	4.3%	43,311	2,233	5.2%
Automobile loans	154,382	11,776	7.6%	181,126	10,827	6.0%
Retail loans	26,130	1,475	5.6%	31,268	1,659	5.3%
Total	$546,192	$40,511	7.4%	$544,684	$30,089	5.5%

The allowance for credit losses uses the net charge-off rate for the most recent six months (branch small loans and convenience checks), ten months (large and retail loans), and twelve months (automobile loans) as a percentage of the most recent month-end balance of loans as a key data point in estimating the allowance. Based on our 2014 annual evaluation of the effective lives of our loan categories, retail loans have been updated to use a ten month effective life rather than eleven. This had a negligible impact on the allowance due to the relative size of the retail loan portfolio. We believe that the primary underlying factors driving the provision for credit losses for each of these loan types are our underwriting standards, the general economic conditions in the areas in which we conduct business, and the effectiveness of our collection efforts. In addition, gasoline prices and the market for repossessed automobiles at auction are additional underlying factors that we believe influence the provision for credit losses for automobile purchase loans and, to a lesser extent, large loans. We monitor these factors, the amount and past due status of delinquencies, and the slow file (which consists of all loans one or more days past due) to identify trends that might require us to modify the allowance for credit losses accordingly.

The allowance as a percentage of finance receivables increased from December 31, 2013 to December 31, 2014 for convenience checks due to increased delinquency and net charge-offs that resulted from a higher-than-normal proportion of lower credit quality loans originated during the summer direct mail campaigns.

Interest Rates. Our costs of funds are affected by changes in interest rates, and the interest rate that we pay on our senior revolving credit facility is a floating rate. Our interest rate cap matured unused on March 4, 2014. We are evaluating interest rate management options and intend to enter into another interest rate management transaction or arrangement to replace the matured interest rate cap.

Operating Costs. Our financial results are impacted by the costs of operating our branch offices and corporate functions. Those costs are included in general and administrative expenses on our consolidated statements of income. One of our key operating metrics is our efficiency ratio, which is calculated by dividing the sum of general and administrative expenses by total revenue or average finance receivables. Our revenue efficiency ratio was 47.3% in 2014, compared to 41.6% in 2013, and our receivable efficiency ratio was 18.3% in 2014, compared to 14.9% in 2013.

Components of Results of Operations

Interest and Fee Income. Our interest and fee income consists primarily of interest earned on outstanding loans. We cease accruing interest on a loan when the customer is contractually past due 90 days. Interest accrual resumes when the customer makes at least one full payment and the account is less than 90 days contractually past due. If the account is charged off, the interest accrual is reversed as a reduction of interest and fee income.

Loan fees are additional charges to the customer, such as loan origination fees, acquisition fees, and maintenance fees, as permitted by state law. The fees may or may not be refundable to the customer in the event of an early payoff, depending on state law. Fees are accrued to income over the life of the loan on the constant yield method and are included in the truth in lending disclosure we make to our customers.

Insurance Income. Our insurance income consists of revenue from the sale of various optional credit insurance products and other payment protection options offered to customers who obtain loans directly from us. We do not sell insurance to non-borrowers. The type and terms of our optional credit insurance products vary from state to state based on applicable laws and regulations. We offer optional credit life insurance, credit accident and health insurance, and involuntary unemployment insurance. We require property insurance on any personal property securing loans and offer customers the option of providing proof of such insurance purchased from a third party in lieu of purchasing property insurance from us. We also require proof of liability and collision insurance for any vehicles securing loans, and we obtain automobile collision insurance on behalf of customers who permit their other insurance coverage to lapse.

We issue insurance certificates as agents on behalf of an unaffiliated insurance company and then remit to the unaffiliated insurance company the premiums we collect (net of refunds on prepaid loans and net of commission on new business). The unaffiliated insurance company cedes life insurance premiums to our wholly-owned insurance subsidiary, RMC Reinsurance, Ltd. ("RMC Reinsurance"), as written and non-life premiums as earned. As of December 31, 2014, we had pledged a $1.9 million letter of credit to the unaffiliated insurance company to secure payment of life insurance claims. We maintain a cash reserve for life insurance claims in an amount determined by the unaffiliated insurance company. The unaffiliated insurance company maintains the reserves for non-life claims.

Other Income. Our other income consists primarily of late charges assessed on customers who fail to make a payment within a specified number of days following the due date of the payment, fees for extending the due date of a loan, and returned check charges. Due date extensions are only available to a customer once every thirteen months, are available only to customers who are current on their loans, and must be approved by personnel at our headquarters.

Provision for Credit Losses. Provisions for credit losses are charged to income in amounts that we judge as sufficient to maintain an allowance for credit losses at an adequate level to provide for losses on the related finance receivables portfolio. Credit loss experience, delinquency of finance receivables, the value of underlying collateral, and management's judgment are factors used in assessing the overall adequacy of the allowance and the resulting provision for credit losses. Our provision for credit losses fluctuates so that we maintain an adequate credit loss allowance that reflects our estimate of losses in our loan portfolio. Therefore, changes in our charge-off rates may result in changes to our provision for credit losses. Future adjustments to the allowance may be necessary if there are significant changes in economic conditions or portfolio performance.

In September 2014, the Company changed the time-based element of the charge-off policy from 365 days contractually delinquent to 180 days. The updated policy improves consistency and creates better alignment with industry practice. The policy change generated a one-time charge-off of $2.1 million as of September 2014. The amount was charged against the allowance for credit losses which included a full specific valuation allowance for these delinquent accounts and, therefore, did not impact the provision for loan losses.

The charge-off policy change modified our historic loss rate and the resulting general reserve. In addition, we converted bankrupt accounts with confirmed plans from the bankruptcy court from delinquent to current status. The bankrupt accounts continue to be accounted for as troubled debt restructurings and considered impaired finance receivables. As a net result of these changes, the provision for credit losses increased by $318,000 in September 2014.

In addition to the time-based element, we previously charged credit losses against the allowance when management believed the finance receivable was no longer collectible. The factors used to determine whether a finance receivable is uncollectible were the age of the account, supervisory review of collection efforts, and other factors such as customers relocating to an area where collection is not practical. This discretionary element was eliminated from the policy in December 2014, subject to certain exceptions.

General and Administrative Expenses. Our general and administrative expenses are comprised of four categories: personnel, occupancy, marketing, and other. We measure our general and administrative expenses as a percentage of total revenue, which we refer to as our efficiency ratio, and as a percentage of average finance receivables.

Our personnel expenses are the largest component of our general and administrative expenses and consist primarily of the salaries, bonuses, benefits, and related payroll taxes associated with all of our branch, field, and headquarters employees.

Our occupancy expenses consist primarily of the cost of renting our branches, all of which are leased, as well as the utility, telecommunication, software, data processing, and other non-personnel costs associated with operating our branches.

Our marketing expenses consist primarily of costs associated with our direct mail campaigns (including postage and costs associated with selecting recipients) and maintaining our web site, as well as telephone directory advertisements and some local marketing by branches. These costs are expensed as incurred.

Other expenses consist primarily of legal, audit, consulting, office supplies, credit bureau charges, and postage.

Our general and administrative expenses have increased as a result of the additional legal, accounting, insurance, and other expenses associated with being a public company. We expect compliance costs to increase due to the regulatory environment in the consumer finance industry, and we expect legal costs to increase as a result of the securities class action lawsuit. For a discussion regarding how risks and uncertainties associated with the legal proceedings and current regulatory environment may impact our future expenses, net income, and overall financial condition, see Item 1A, "Risk Factors."

Consulting and Advisory Fees. Consulting and advisory fees consisted of amounts payable to Palladium Equity Partners III, L.P. and Parallel 2005 Equity Fund, LP (which we sometimes refer to herein as our "sponsors") and certain former major stockholders, who were members of our management before our acquisition by the sponsors, pursuant to certain agreements that were terminated in connection with our initial public offering that closed in April 2012.

Interest Expense. Our interest expense consists primarily of interest payable, unused line fees, and amortization of debt issuance costs in respect of borrowings under our senior revolving credit facility and our mezzanine debt, which was repaid with the proceeds of our initial public offering. Interest expense also includes costs attributable to the interest rate cap we entered into to manage our interest rate risk. Changes in the fair value of the interest rate cap are reflected in interest expense for the senior revolving credit facility and other debt.

Income Taxes. Income taxes consist primarily of state and federal income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effects of future tax rate changes are recognized in the period when the enactment of new rates occurs.

Results of Operations

The following tables summarize key components of our results of operations for the periods indicated, both in dollars and as a percentage of total revenue:

	Year Ended December 31,					
	2014		2013		2012	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Revenue						
Interest and fee income	$184,786	90.3%	$152,343	89.3%	$119,025	87.7%
Insurance income, net	10,673	5.2%	11,470	6.7%	10,681	7.9%
Other income	9,260	4.5%	6,816	4.0%	5,991	4.4%
Total revenue	204,719	100.0%	170,629	100.0%	135,697	100.0%
Expenses						
Provision for credit losses	69,057	33.7%	39,192	23.0%	27,765	20.5%
General and administrative expenses						
Personnel	55,383	27.1%	39,868	23.4%	33,492	24.7%
Occupancy	15,427	7.5%	11,640	6.8%	8,655	6.4%
Marketing	6,330	3.1%	3,980	2.3%	2,767	2.0%
Other	19,636	9.6%	15,551	9.1%	10,644	7.8%
Total general and administrative	96,776	47.3%	71,039	41.6%	55,558	40.9%
Consulting and advisory fees	—	0.0%	—	0.0%	1,451	1.1%
Interest expense						
Senior revolving credit facility and other debt	14,947	7.3%	14,144	8.3%	10,580	7.8%
Mezzanine debt-related parties	—	0.0%	—	0.0%	1,030	0.7%
Total interest expense	14,947	7.3%	14,144	8.3%	11,610	8.5%
Total expenses	180,780	88.3%	124,375	72.9%	96,384	71.0%
Income before income taxes	23,939	11.7%	46,254	27.1%	39,313	29.0%
Income taxes	9,137	4.5%	17,460	10.2%	14,561	10.8%
Net income	$ 14,802	7.2%	$ 28,794	16.9%	$ 24,752	18.2%

The following tables summarize key components of our results of operations for the periods indicated, both in dollars and as a percentage of average receivables:

	Year Ended December 31,					
	2014		2013		2012	
	Amount	% of Average Receivables	Amount	% of Average Receivables	Amount	% of Average Receivables
Revenue						
Interest and fee income	$184,786	34.9%	$152,343	31.9%	$119,025	33.0%
Insurance income, net	10,673	2.0%	11,470	2.4%	10,681	3.0%
Other income	9,260	1.8%	6,816	1.4%	5,991	1.6%
Total revenue	204,719	38.7%	170,629	35.7%	135,697	37.6%
Expenses						
Provision for credit losses	69,057	13.0%	39,192	8.2%	27,765	7.7%
General and administrative expenses						
Personnel	55,383	10.5%	39,868	8.4%	33,492	9.3%
Occupancy	15,427	2.9%	11,640	2.4%	8,655	2.4%
Marketing	6,330	1.2%	3,980	0.8%	2,767	0.8%
Other	19,636	3.7%	15,551	3.3%	10,644	2.9%
Total general and administrative	96,776	18.3%	71,039	14.9%	55,558	15.4%
Consulting and advisory fees	—	0.0%	—	0.0%	1,451	0.4%
Interest expense						
Senior revolving credit facility and other debt	14,947	2.8%	14,144	3.0%	10,580	2.9%
Mezzanine debt-related parties	—	0.0%	—	0.0%	1,030	0.3%
Total interest expense	14,947	2.8%	14,144	3.0%	11,610	3.2%
Total expenses	180,780	34.1%	124,375	26.1%	96,384	26.7%
Income before income taxes	23,939	4.5%	46,254	9.7%	39,313	10.9%
Income taxes	9,137	1.7%	17,460	3.7%	14,561	4.0%
Net income	$ 14,802	2.8%	$ 28,794	6.0%	$ 24,752	6.9%

Regional Management Corp.
Selected Financial Data
Years Ended December 31, 2014 and 2013
(Unaudited)
(in thousands)

	Components of Increase in Interest and Fee Income Year Ended December 31, 2014 Compared to Year Ended December 31, 2013 Increase (Decrease)		
	Volume	Rate	Net
Branch small loans	$10,361	$ (830)	$ 9,531
Convenience checks	19,753	7,453	27,206
Large loans	(700)	(311)	(1,011)
Automobile loans	(1,789)	(1,064)	(2,853)
Retail loans	(490)	60	(430)
Total increase in interest and fee income	$27,135	$ 5,308	$32,443

	Components of Increase in Interest and Fee Income Year Ended December 31, 2013 Compared to Year Ended December 31, 2012 Increase (Decrease)		
	Volume	Rate	Net
Branch small loans	$11,795	$(2,560)	$ 9,235
Convenience checks	25,190	(2,357)	22,833
Large loans	(2,305)	(1,431)	(3,736)
Automobile loans	5,712	(2,164)	3,548
Retail loans	1,896	(458)	1,438
Total increase in interest and fee income	$42,288	$(8,970)	$33,318

	Net Loans Originated(1) Years Ended December 31,		
	2014	2013	2012
Branch small loans	$248,872	$216,677	$160,468
Convenience checks	343,982	297,259	168,079
Large loans	52,418	48,454	62,818
Automobile loans	67,422	100,622	107,687
Retail loans	31,236	34,228	37,489
Total finance receivables originated	$743,930	$697,240	$536,541

(1) Represents balance of loan origination and refinancing net of unearned finance charges

	Years Ended December 31,					
	2014		2013		2012	
	Amount	Percentage of Average Finance Receivables	Amount	Percentage of Average Finance Receivables	Amount	Percentage of Average Finance Receivables
Net charge-offs	$56,529	10.7%	$32,719	6.9%	$23,449	6.5%
Net charge-offs (180+ policy change)	2,106	0.4%	—	0.0%	—	0.0%
Total net charge-offs	$58,635	11.1%	$32,719	6.9%	$23,449	6.5%
Provision for credit losses	$69,057	13.0%	$39,192	8.2%	$27,765	7.7%

	Amount	Percentage of Total Revenue	Amount	Percentage of Total Revenue	Amount	Percentage of Total Revenue
Provision for credit losses	$69,057	33.7%	$39,192	23.0%	$27,765	20.5%
General and administrative expenses	$96,776	47.3%	$71,039	41.6%	$55,558	40.9%

	Finance Receivables As of December 31,					
	2014		2013		2012	
	Finance Receivables	Percentage of Total	Finance Receivables	Percentage of Total	Finance Receivables	Percentage of Total
Branch small loans	$128,217	23.5%	$109,776	20.1%	$ 78,366	17.8%
Convenience checks	191,316	35.0%	179,203	32.9%	110,196	25.1%
Large loans	46,147	8.4%	43,311	8.0%	52,001	11.8%
Automobile loans	154,382	28.3%	181,126	33.3%	168,604	38.4%
Retail loans	26,130	4.8%	31,268	5.7%	30,307	6.9%
Total finance receivables	$546,192	100.0%	$544,684	100.0%	$439,474	100.0%
Number of branches at period end	300		264		221	
Average finance receivables per branch	$ 1,821		$ 2,063		$ 1,989	

	Contractual Delinquency As of					
	December 31, 2014		December 31, 2013		December 31, 2012	
	Amount	Percentage of Total Finance Receivables	Amount	Percentage of Total Finance Receivables	Amount	Percentage of Total Finance Receivables
Allowance for credit losses	$ 40,511	7.4%	$ 30,089	5.5%	$ 23,616	5.4%
Current	422,342	77.4%	407,571	74.9%	329,715	75.0%
1 to 29 days delinquent	82,714	15.1%	93,303	17.1%	80,224	18.3%
Delinquent accounts:						
30 to 59 days	15,951	2.9%	17,088	3.1%	12,387	2.8%
60 to 89 days	9,624	1.8%	9,267	1.7%	6,048	1.4%
90 to 119 days	6,899	1.2%	6,843	1.3%	4,501	1.0%
120 to 149 days	4,988	0.9%	5,108	0.9%	2,836	0.6%
150 to 179 days	3,674	0.7%	3,409	0.6%	1,767	0.4%
180 days and over	—	0.0%	2,095	0.4%	1,996	0.5%
Total contractual delinquency	$ 41,136	7.5%	$ 43,810	8.0%	$ 29,535	6.7%
Total finance receivables	$546,192	100.0%	$544,684	100.0%	$439,474	100.0%
1 day and over delinquent	$123,850	22.6%	$137,113	25.1%	$109,759	25.0%

	Subset of Convenience Checks December 31, 2014(1)
Current	$20,717
1 to 29 days contractually delinquent	4,965
30 days and over contractually delinquent	7,534
Total finance receivables	$33,216
Allowance for credit losses	$ 9,337
Allowance as a % of 30 days and over contractually delinquent	124%
Allowance as a % of 1 day and over contractually delinquent	75%

(1) Remaining balance of convenience checks originated in the summer of 2014 that contained a higher percentage of lower credit quality customers

Comparison of the Year Ended December 31, 2014, Versus the Year Ended December 31, 2013

The following is a discussion of the changes in finance receivables by product type:

- *Branch Small Loans* – Branch small loans outstanding increased by $18.4 million, or 16.8%, to $128.2 million at December 31, 2014, from $109.8 million at December 31, 2013. The growth in receivables at the branches opened in 2014 contributed to the growth in overall branch small loans outstanding.
- *Convenience Checks* – Convenience checks outstanding increased by $12.1 million, or 6.8%, to $191.3 million at December 31, 2014, from $179.2 million at December 31, 2013. Our direct mail campaigns drove loan growth in existing and new branches.
- *Large Loans* – Large loans outstanding increased by $2.8 million, or 6.5%, to $46.1 million at December 31, 2014, from $43.3 million at December 31, 2013. The increase was primarily due to the addition of expertise in this product type and increased marketing of it.
- *Automobile Loans* – Automobile loans outstanding decreased by $26.7 million, or 14.8%, to $154.4 million at December 31, 2014, from $181.1 million at December 31, 2013. This decrease is due to our strategic decision to constrain capital in the highly competitive automobile category. In August 2014, our AutoCredit Source branches were re-branded as Regional Finance branches, and we now offer all loan products in these branches with less focus on indirect automobile purchase loans.
- *Retail Loans* – Retail loans outstanding decreased $5.1 million, or 16.4%, to $26.1 million at December 31, 2014, from $31.3 million at December 31, 2013. The decrease in retail loans outstanding resulted from our inability to provide promotional financing products, such as 90 days same as cash, from our current loan management system. Upon full implementation of a new loan management system, we expect to be able to offer promotional financing products.

Net Income and Revenue. Net income decreased $14.0 million, or 48.6%, to $14.8 million in 2014, from $28.8 million in 2013. The decrease in net income in 2014 is primarily due to increased provision for credit losses. Total revenues increased $34.1 million during 2014, a 20.0% increase over 2013. The increase in 2014 revenues is attributable to the opening or acquisition of 36 additional branches and statutory increases in allowable interest and fees in North Carolina and Texas.

Interest and Fee Income. Interest and fee income increased $32.4 million, or 21.3%, to $184.8 million in 2014, from $152.3 million in 2013. The increase in interest and fee income was due primarily to a 10.9% increase in average finance receivables during the year coupled with an increase in the average yield on loans from 31.9% to 34.9%. The yield increase is due to statutory increases in allowable interest and fees in North

Carolina and Texas. The following table sets forth the average finance receivables balance and average yield for each of our loan product categories for 2014 compared to 2013 (dollars in thousands):

	2014		2013	
	Average Finance Receivables	Average Yield	Average Finance Receivables	Average Yield
Branch small loans	$110,531	48.0%	$ 88,979	48.9%
Convenience checks	178,181	45.8%	133,723	40.7%
Large loans	42,887	26.9%	45,374	27.6%
Automobile loans	169,607	19.7%	178,247	20.3%
Retail loans	28,295	18.3%	31,031	18.1%
Total finance receivables	$529,501	34.9%	$477,354	31.9%

Insurance Income. Insurance income decreased $797,000, or 6.9%, to $10.7 million in 2014 from $11.5 million in 2013. Insurance income as a percentage of average finance receivables decreased from 2.4% in 2013 to 2.0% in 2014. The decline is primarily attributable to the increase in loans originated through our mail campaigns where we do not have the opportunity to discuss our insurance offerings with the customer and from increased claims expense.

Other Income. Other income increased $2.4 million, or 35.9%, to $9.3 million in 2014 from $6.8 million in 2013. The largest component of other income is late charges, which increased $2.5 million in 2014. The increase in late charges was due primarily to the implementation of a late fee as part of the modernization of North Carolina's consumer finance law, a 10.9% increase in average finance receivables, and an increase in average delinquent accounts.

Provision for Credit Losses. Our provision for credit losses increased $29.9 million, or 76.2%, to $69.1 million in 2014 from $39.2 million in 2013. Net loans charged-off were 11.1% and 6.9% of average finance receivables for the years ended December 31, 2014 and 2013, respectively. The increase in net charge-offs included a $2.1 million one-time charge-off resulting from the change in our charge-off policy.

The higher delinquency level and resulting higher net charge-offs in the first half of 2014 were the result of elevated accounts per employee which caused challenges in servicing the growth in accounts. Additionally, our provision was impacted in the third quarter of 2014 by a charge to augment our allowance for credit losses, necessitated by a higher-than-normal proportion of lower credit quality loans originated in our summer convenience check mailing campaigns. These lower credit quality loans led to higher delinquencies, higher subsequent charge-offs, and increased provisions for credit losses. Delinquencies for all other loan categories were consistent with expectations and historic trends.

The convenience check mailing campaigns for the fourth quarter of 2014 were adjusted to prevent a similar issue from occurring in the future. We returned to what had worked in the past, which should substantially reduce the volatility of our convenience check delinquency rates.

General and Administrative Expenses. Our general and administrative expenses, comprising expenses for personnel, occupancy, marketing, and other expenses, increased $25.7 million, or 36.2%, to $96.8 million during 2014 from $71.0 million in 2013. Our revenue efficiency ratio (general and administrative expenses as a percentage of revenue) increased to 47.3% in 2014 from 41.6% in 2013. Our receivable efficiency ratio (general and administrative expense as a percentage of average finance receivables) increased to 18.3% in 2014 from 14.9% in 2013. This increase was the result of 2013 and 2014 branch growth, additional corporate office headcount, $1.8 million of costs related to implementation of a new loan management system, $1.2 million of executive separation costs, $1.2 million in increased health care costs, and $3.1 million in consulting and legal (compliance, compensation, class action, and other) costs.

We are transitioning to a new loan management system. With this new systems platform, we expect enhanced functionality and efficiency in the processing and servicing of our diverse product portfolio and growing loan account base. The transition created one-time implementation costs of $1.8 million for the year ended December 31, 2014.

In October 2014, we accepted the resignation of our Chief Executive Officer ("executive"). The resignation was treated as a termination without cause pursuant to the executive's Employment Agreement, dated March 18, 2013. We entered into a Separation Agreement with the executive, dated December 11, 2014. The Employment Agreement and the Separation Agreement are attached as Exhibits 10.1 to the Current Reports on Form 8-K, filed with the SEC on March 21, 2013 and December 17, 2014, respectively. In the three months ended December 31, 2014, we recorded $1.2 million for the cost of the separation agreement, which is included in personnel expense on the consolidated income statement.

We modernized our PTO policy effective February 1, 2014. The new policy terms are more consistent with industry practices on the amount of PTO, eligible service requirements, cashout policy, and the use of partial PTO days. The policy change had accounting implications. Under the legacy policy, employees earned PTO in one year and then were able to use the PTO in the following year. That type of policy created a PTO liability under compensated absences accounting literature. Under the new policy, PTO is earned and used in the same calendar year, eliminating a PTO liability at the end of each year (with the exception of carryover PTO granted in extenuating circumstances). In the transition to the new policy, employees were given the opportunity to forfeit earned and unused PTO days under the legacy policy in exchange for additional PTO days and other benefits under the new policy or to remain on the old policy. As a result, effective January 31, 2014, based upon employee elections in January 2014, the PTO liability for certain employees was eliminated, and beginning February 1, 2014, such employees began accruing PTO under the new policy. The effect of the policy change was reflected in the period the change was implemented. Thus, in the first quarter of 2014, this change in policy resulted in a reversal of $1.4 million of personnel expense. The policy was amended in December 2014 to allow employees to carry-over up to 40 hours of PTO into the following calendar year. Any carried over time must be used during the first quarter of the following year or it will be forfeited.

Personnel. The largest component of general and administrative expenses is personnel expense, which increased $15.5 million, or 38.9%, to $55.4 million in 2014 from $39.9 million for 2013. This increase is primarily due to $4.0 million in additional costs related to the 79 branches opened in 2013 and 2014, $1.9 million to increase personnel and $1.2 million for overtime to improve collections, $0.8 million for increased operations car expense allowances, $1.2 million for increased insurance costs primarily due to the Affordable Care Act requirements, and $0.5 million for increased branch bonuses. In addition, we added approximately $2.0 million in corporate functions to handle growth and reduce outsourced providers in 2015 and had $1.2 million in executive separation costs. The Compensation Committee also revised our short-term incentive plan and implemented a long-term incentive plan. These changes added approximately $0.7 million in costs to 2014 and we expect about $0.5 million of incremental quarterly run rate going forward.

Occupancy. Occupancy expenses increased $3.8 million, or 32.5%, to $15.4 million in 2014 from $11.6 million in 2013. The increase in occupancy expenses is the result of 36 branches opened in 2014, telecommunications upgrades, and increased data processing needs. Additionally, we frequently experience increases in rent as we renew existing leases.

Marketing. Marketing expenses increased $2.4 million, or 59.0%, to $6.3 million in 2014 from $4.0 million in 2013. The increase was due to the increases in the volume of our mail campaigns, invitations to apply and pre-qualified offers to support our 36 new branches and grow our loan portfolio.

Other Expenses. Other expenses increased $4.1 million, or 26.3%, to $19.6 million in 2014 from $15.6 million in 2013. The increase was primarily due to $1.8 million of non-operating expenses related to the implementation of a new loan management system, the addition of 36 new branches, and other legal, compliance and human resources consulting costs associated with being a growing public company. The increase was offset by prior year non-operating expenses of $2.0 million related to director compensation and the secondary offerings.

Interest Expense. Interest expense on the senior revolving credit facility and other debt increased $803,000, or 5.7%, to $14.9 million in 2014 from $14.1 million in 2013. This increase was due primarily to the increase in the average balance of our senior revolving credit facility. The average cost of our senior revolving credit facility decreased by 3 basis points from 4.51% for the year ended December 31, 2013 to 4.48% for the year ended December 31, 2014. The difference was due primarily to the mix between our LIBOR-based portion and the prime interest rate portion of the loan.

Income Taxes. Income taxes decreased $8.3 million, or 47.7%, to $9.1 million in 2014 from $17.5 million in 2013. The decrease in income taxes was due to a decrease in our net income before taxes. The effective tax rate increased 40 basis points to 38.2% in 2014 from 37.8% in 2013. The slight increase in the effective tax rate was primarily due to the state mix of taxable income.

Comparison of the Year Ended December 31, 2013, Versus the Year Ended December 31, 2012

The following is a discussion of the changes in finance receivables by product type:

- *Branch Small Loans* – Branch small loans outstanding increased by $31.4 million, or 40.1%, to $109.8 million at December 31, 2013, from $78.4 million at December 31, 2012. The growth in receivables at the branches opened in 2013 contributed to the growth in overall branch small loans outstanding.
- *Convenience Checks* – Convenience checks outstanding increased by $69.0 million, or 62.6%, to $179.2 million at December 31, 2013, from $110.2 million at December 31, 2012. Our direct mail campaigns drove significant loan growth in existing and new branches.
- *Large Loans* – Large loans outstanding decreased by $8.7 million, or 16.7%, to $43.3 million at December 31, 2013, from $52.0 million at December 31, 2012. The decrease was primarily due to the application of the Company's underwriting standards on large loans purchased in 2012 resulting in smaller renewals and originations than those loans originally purchased. In addition, we increased our internal small loan limit from $2,000 to $2,500 in some states in order to achieve consistency with our enterprise-wide limit, which caused a shift of some loans in those states from the large loan category to the small loan category.
- *Automobile Loans* – Automobile loans outstanding increased by $12.5 million, or 7.4%, to $181.1 million at December 31, 2013, from $168.6 million at December 31, 2012. The increase in automobile loans outstanding was principally due to our emphasis on such loans, including our initiatives relating to indirect lending. The indirect lending emphasis ended half way through 2013 due to competition and the market environment. The increase of indirect lending at a lower interest rate slightly lowered the overall yield of our automobile loan category.
- *Retail Loans* – Retail loans outstanding increased $1.0 million, or 3.2%, to $31.3 million at December 31, 2013, from $30.3 million at December 31, 2012. The increase in retail loans outstanding resulted from the additional relationships we established with new retailers, as well as an expansion of volume through our existing relationships.

Net Income and Revenue. Net income increased $4.0 million, or 16.3%, to $28.8 million in 2013, from $24.8 million in 2012. Total revenues increased $34.9 million during 2013, a 25.7% increase over 2012. The increase in 2013 revenues and net income is attributable to strong loan growth in existing branches, combined with the opening or acquisition of 43 additional branches in 2013.

Interest and Fee Income. Interest and fee income increased $33.3 million, or 28.0%, to $152.3 million in 2013, from $119.0 million in 2012. The increase in interest and fee income was due primarily to a 32.2% increase in average finance receivables during the year, offset by a decrease in the average yield on loans from 33.0% to 31.9%. The following table sets forth the average finance receivables balance and average yield for each of our loan product categories for 2013 compared to 2012 (dollars in thousands):

	2013		2012	
	Average Finance Receivables	Average Yield	Average Finance Receivables	Average Yield
Branch small loans	$ 88,979	48.9%	$ 65,163	52.6%
Convenience checks	133,723	40.7%	72,213	43.8%
Large loans	45,374	27.6%	52,372	31.1%
Automobile loans	178,247	20.3%	150,610	21.7%
Retail loans	31,031	18.1%	20,749	20.1%
Total finance receivables	$477,354	31.9%	$361,107	33.0%

Insurance Income. Insurance income increased $789,000, or 7.4%, to $11.5 million in 2013 from $10.7 million in 2012. The increase in insurance income was due primarily to a 32.2% increase in average finance receivables. However, insurance income as a percentage of average finance receivables decreased from 3.0% to 2.4%. The decline is primarily attributable to the increase in indirect automobile loans, retail loans, and convenience checks where we do not have the opportunity to discuss our insurance offerings with the customer.

Other Income. Other income increased $825,000, or 13.8%, to $6.8 million in 2013 from $6.0 million in 2012. The largest component of other income is late charges, which increased $1.3 million in 2013. The increase in late charges was due primarily to a 32.2% increase in average finance receivables. In addition, in 2012, we recognized $345,000 of revenue from the preparation of income tax returns. The Company no longer provides these services.

Provision for Credit Losses. Our provision for credit losses increased $11.4 million, or 41.2%, to $39.2 million in 2013 from $27.8 million in 2012. The increase in the provision occurred because of growth in the loan portfolio and an increase in the amount of delinquent accounts, for which an additional reserve of $3.7 million was provided at December 31, 2013. This increase was offset by a $3.9 million decrease in the provision due to the reduction of the effective lives of our finance receivable portfolios. Net loans charged-off were 6.9% and 6.5% of average finance receivables for 2013 and 2012, respectively.

General and Administrative Expenses. Our general and administrative expenses, comprising expenses for personnel, occupancy, marketing, and other expenses, increased $15.5 million, or 27.9%, to $71.0 million during 2013 from $55.6 million in 2012. This increase was primarily the result of adding 43 branches to our network. In addition, we had $0.8 million of costs related to the secondary offerings and $1.2 million of board compensation. Our efficiency ratio (general and administrative expenses as a percentage of revenue) increased to 41.6% in 2013 from 40.9% in 2012.

In October 2013, the Board revised its standard compensation arrangement for its non-employee directors, and it awarded the Company's directors stock with a cash election for tax obligations for annual service commencing in 2013. The award was fully vested at the time of the grant, and the Company incurred $1.2 million of incremental director compensation expense in 2013.

In September and December of 2013, the Company incurred $0.75 million in expenses related to the secondary offerings of 6,348,074 shares of our common stock, at prices of $27.50 and $31.00 per share, by (i) Palladium Equity Partners III, L.P., an existing stockholder of Regional Management and an affiliate of Palladium Equity Partners; (ii) Parallel 2005 Equity Fund, LP, an existing stockholder of Regional Management and an affiliate of Parallel Investment Partners; (iii) entities affiliated with Richard A. Godley, a director, existing stockholder, and founder of Regional Management; and (iv) C. Glynn Quattlebaum, then President and Chief Operating Officer of Regional Management and an existing stockholder and founder of Regional Management (which we sometimes refer to herein as the "secondary offering"). We did not receive any proceeds from the secondary offerings and the cost of the offerings was not deductible for tax purposes.

Personnel. The largest component of general and administrative expenses is personnel expense, which increased $6.4 million, or 19.0%, to $39.9 million in 2013 from $33.5 million for 2012. This increase is primarily attributable to the number of new branches opened. At December 31, 2012, we had 221 branches; whereas, at December 31, 2013 we had 264 branches. However, personnel costs as a percentage of average finance receivables declined to 8.4% for 2013 from 9.3% in 2012. We have leveraged existing personnel as average finance receivables have increased.

Occupancy. Occupancy expenses increased $3.0 million, or 34.5%, to $11.6 million in 2013 from $8.7 million in 2012. The increase in occupancy expenses is the result of 43 additional branches at December 31, 2013 compared to December 31, 2012, phone system costs, and upgraded communication lines. Additionally, we frequently experience increases in rent as we renew existing leases.

Marketing. Marketing expenses increased $1.2 million, or 43.8%, to $4.0 million in 2013 from $2.8 million in 2012. The increase in marketing was due to the increase in the volume of our mail campaigns to support our 43 new branches and grow our loan portfolio.

Other Expenses. Other expenses increased $4.9 million, or 46.1%, to $15.6 million in 2013 from $10.6 million in 2012. The increase was primarily due to the $2.0 million of non-operating expenses related to director compensation and the secondary offerings, costs associated with the addition of 43 new branches since 2012, and other costs associated with being a public company.

Interest Expense. Interest expense on the senior revolving credit facility and other debt increased $3.6 million, or 33.7%, to $14.1 million in 2013 from $10.6 million in 2012. This increase was due primarily to the increase in the average balance of our senior revolving credit facility. The average cost of our senior revolving credit facility decreased by 3 basis points from 4.54% for the year ended December 31, 2012 to 4.51% for the year ended December 31, 2013. The difference was due primarily to the mix between our LIBOR-based portion of the loan and the prime interest rate portion of the loan. This was offset by an increase due to a rise in our unused line fees.

Consulting and Advisory Fees. The consulting and advisory fees paid to related parties terminated with the closing of the initial public offering in 2012.

Income Taxes. Income taxes increased $2.9 million, or 19.9%, to $17.5 million in 2013 from $14.6 million in 2012. The increase in income taxes was due to an increase in our net income before taxes. The effective tax rate increased 80 basis points to 37.8% in 2013 from 37.0% in 2012. The increase in the effective tax rate was primarily due to a reduction in the small insurance company income exclusion.

Quarterly Information and Seasonality

Our loan volume and corresponding finance receivables follow seasonal trends. Demand for our loans is typically highest during the third and fourth quarter, largely due to customers borrowing money for back-to-school and holiday spending. With the exception of automobile loans, loan demand has generally been the lowest during the first quarter, largely due to the timing of income tax refunds. During the remainder of the year, we typically experience loan growth from general operations. In addition, we typically generate higher loan volumes in the second half of the year from our direct mail campaigns, which are timed to coincide with seasonal consumer demand. Consequently, we experience significant seasonal fluctuations in our operating results and cash needs.

Liquidity and Capital Resources

Our primary cash needs relate to the funding of our lending activities and, to a lesser extent, capital expenditures relating to expanding and maintaining our branch locations. In connection with our plans to expand our branch network in future years, we will incur approximately $3.0 million to $6.0 million of capital expenditures annually. We have historically financed, and plan to continue to finance, our short-term and long-term operating liquidity and capital needs through a combination of cash flows from operations and borrowings under our senior revolving credit facility.

As a holding company, almost all of the funds generated from our operations are earned by our operating subsidiaries. In addition, our wholly-owned subsidiary, RMC Reinsurance Ltd., is required to maintain cash reserves against life insurance policies ceded to it, as determined by the ceding company, and has also purchased a cash-collateralized letter of credit in favor of the ceding company. As of December 31, 2014, these reserve requirements totaled $1.9 million. Additionally, we had a reserve for life insurance claims on our balance sheet of $215,000, as determined by the third party, unrelated ceding company.

Cash Flow.

Operating Activities. Net cash provided by operating activities increased by $12.9 million, or 17.8%, to $85.5 million in 2014 from $72.6 million in 2013. The increase was primarily due to higher net income, before provision for credit losses, due to growth in the business.

Net cash provided by operating activities increased by $14.9 million, or 25.8%, to $72.6 million in 2013 from $57.7 million in 2012. The increase was primarily due to higher profitability due to growth in the business.

Investing Activities. Investing activities consist of finance receivables originated and purchased, net change in restricted cash, and the purchase of furniture and equipment for new and existing branches. Net cash used in investing activities for 2014 was $64.5 million compared to $142.7 million in 2013, a net decrease of $78.1 million. The decrease was primarily due to lower growth in finance receivables during 2014 versus higher growth in finance receivables in the prior year. We issued lower yielding, higher acceptance rate direct mailings during 2013 driving convenience check growth. In addition, we constrained capital in the highly competitive automobile category in the second half of 2013 and all of 2014 and deployed a greater proportion of capital to the higher yielding branch small loan and convenience check loan categories.

Net cash used in investing activities for 2013 was $142.7 million compared to $159.0 million in 2012, a net decrease of $16.3 million. The decrease is due primarily to the 2012 payment for a business combination of $28.4 million.

Financing Activities. Financing activities consist of borrowings and payments on our outstanding indebtedness and issuance of common stock. During 2014, net cash used in financing activities was $21.1 million, a change of $92.0 million compared to the $70.9 million net cash provided by financing activities in 2013. The increase in net cash used in financing activities was primarily a result of an increase in net payments on the senior revolving credit facility due to increased cash available from repayments of finance receivables.

Net cash provided by financing activities during 2013 was $70.9 million, a net decrease of $28.8 million compared to $99.7 million in 2012. The decrease in net cash provided by financing activities was primarily the result of a decrease in proceeds from the issuance of common stock, net of repayment of mezzanine debt.

Financing Arrangements.

Senior Revolving Credit Facility. We entered into an amended and restated senior revolving credit facility with a syndicate of banks in January 2012, which was subsequently amended in July 2012, March 2013, May 2013, and November 2013. The amended and restated senior revolving credit facility provides for up to $500.0 million in availability, with a borrowing base of 85% of eligible finance receivables subject to adjustment at certain credit quality levels (81.0% as of December 31, 2014), and matures in May 2016. The facility has an accordion provision that allows for the expansion of the facility to $600.0 million. Borrowings under the facility bear interest, payable monthly, at rates equal to LIBOR of a maturity we elect between one and six months, with a LIBOR floor of 1.00%, plus a margin of 3.00%. Alternatively, we may pay interest at a rate based on the prime rate (which was 3.25% as of December 31, 2014) plus a margin of 2.00%. We also pay an unused line fee of 0.50% per annum, payable monthly. This fee decreases to 0.375% when the average outstanding balance exceeds $375.0 million. The senior revolving credit facility is collateralized by certain of our assets, including substantially all of our finance receivables and equity interests of substantially all of our subsidiaries. The credit agreement contains certain restrictive covenants, including maintenance of specified interest coverage and debt ratios, restrictions on distributions, limitations on other indebtedness, maintenance of a minimum allowance for credit losses, and certain other restrictions.

Our outstanding debt under the senior revolving credit facility was $341.4 million at December 31, 2014. At December 31, 2014, we were in compliance with our debt covenants. In 2015, we intend to extend its maturity date or take other appropriate action to address repayment upon maturity. See Part I, Item 1A. “Risk Factors” for a discussion of risks related to our amended and restated senior revolving credit facility, including refinancing risk.

We believe that cash flow from operations and borrowings under our senior revolving credit facility will be adequate to fund the expected cost of opening or acquiring new branches, including funding initial operating losses of new branches and funding finance receivables originated by those branches and our other branches for the next twelve months and for the foreseeable future. From time to time, we have needed an increase in the borrowing limits under our senior revolving credit facility. We have successfully obtained such increases in the past; however, there can be no assurance that this additional funding will be available (or available on reasonable terms) if and when needed.

We previously entered into an interest rate cap to manage interest rate risk associated with a notional amount of $150.0 million of our LIBOR-based borrowings. The interest rate cap matured unused on March 4, 2014. We are evaluating interest rate management options and intend to enter into an interest rate management transaction or arrangement to replace the matured unused interest rate cap.

Mezzanine Debt. In August 2010, we entered into a $25.8 million mezzanine loan from a sponsor and three individual stockholders. Our mezzanine debt was repaid in full from the proceeds of our initial public offering, which closed in April 2012.

Other Financing Arrangements. We had a $1.5 million line of credit with a commercial bank that provided end-of-day cash management flexibility and was secured by a mortgage on our headquarters. The interest rate was prime plus 0.25%, with a minimum of 5.00%, and interest was payable monthly. There were no significant restrictive covenants associated with this line of credit. There was no amount outstanding under this line of credit at December 31, 2014. The line of credit matured in January 2015 and was replaced by a $3.0 million commercial overdraft capability that assists with our cash management needs for intra-day temporary funding.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2014, and the effect such obligations are expected to have on our liquidity and cash flows in future periods (dollars in thousands).

	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years
Principal payments on long-term debt obligations	$341,419	$ —	$341,419	$ —	$—
Interest payments on long-term debt obligations	19,556	14,251	5,305	—	—
Operating lease obligations	12,441	5,065	5,795	1,527	54
	$373,416	$19,316	$352,519	$1,527	$ 54

Impact of Inflation

Our results of operations and financial condition are presented based on historical cost, except for the interest rate cap which was carried at fair value. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we believe the effects of inflation, if any, on our results of operations and financial condition have been immaterial.

Related Party Transactions

For a description of our related party transactions, see "Part III. Financial Statements, Note 15, Related Party Transactions."

Critical Accounting Policies

Management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and conform to general practices within the consumer finance industry. The preparation of these financial statements requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities for the periods indicated in the financial statements. Management bases estimates on historical experience and other assumptions it believes to be reasonable under the circumstances and evaluates these estimates on an on-going basis. Actual results may differ from these estimates under different assumptions or conditions.

We set forth below those material accounting policies that we believe are the most critical to an investor's understanding of our financial results and condition and that involve a higher degree of complexity and management judgment.

Credit Losses.

Finance receivables are equal to the total amount due from the customer, net of unearned finance charges and insurance premiums and commissions. Net finance receivables are equal to the total amount due from the customer, net of unearned finance charges, insurance premiums and commissions, and the allowance for credit losses.

Provisions for credit losses are charged to income in amounts sufficient to maintain an adequate allowance for credit losses on our related finance receivables portfolio. Credit loss experience, contractual delinquency of finance receivables, the value of underlying collateral, and management's judgment are factors used in assessing the overall adequacy of the allowance and the resulting provision for credit losses.

Our loans within each loan product are homogenous and it is not possible to evaluate individual loans. We evaluate losses in each of the categories of loans in establishing the allowance for credit losses.

In making an evaluation about the portfolio, we consider the trend of delinquencies and other factors. We evaluate delinquencies by each state and by supervision district within states to identify trends requiring investigation. Historically, loss rates have been affected by several factors, including the general economic condition in the areas in which we conduct business, the number of customers filing for bankruptcy protection, the prices paid for vehicles at automobile auctions, and the effectiveness of our collection efforts. Management considers each of these factors in establishing the allowance for credit losses.

We evaluate the loans of customers in Chapter 13 bankruptcy for impairment as troubled debt restructurings. We have adopted the policy of aggregating loans with similar risk characteristics for purposes of computing the amount of impairment. In connection with the adoption of this practice, we compute the estimated impairment on our Chapter 13 bankrupt loans in the aggregate by discounting the projected cash flows at the original contract rates on the loan using the terms imposed by the bankruptcy court. We applied this method in the aggregate to each of our categories of loans.

For customers in a Chapter 13 bankruptcy plan, the bankruptcy court reduces the post-petition interest rate we can charge, as it does for most creditors. Once the customer is in a confirmed Chapter 13 bankruptcy plan, we receive payments with respect to the remaining amount of the loan at the reduced interest rate from the bankruptcy trustee. If a customer fails to comply with the terms of the bankruptcy order, we will petition the trustee to have the customer dismissed from bankruptcy. Upon dismissal, we restore the account to the original terms and pursue collection through our normal collection activities.

We charge-off loans at the date that the loan is contractually delinquent 180 days. Non-titled accounts in a confirmed Chapter 7 or 13 bankruptcy are charged off at 60 days contractually delinquent, subject to certain exceptions. Deceased borrower accounts are charged off in the month following the proper notification of passing, with the exception of borrowers with credit life insurance. We initiate repossession proceedings on certain loans when we have exhausted other means of collection and, in the opinion of management, the customer is unlikely to make further payments. We sell substantially all repossessed vehicles through public sales conducted by independent automobile auction organizations, after the required post-possession waiting period. Losses on the sale of repossessed collateral are charged to the allowance for credit losses.

Income Recognition.

Interest income is recognized using the interest method, or constant yield method. Therefore, we recognize revenue from interest at an equal rate over the term of the loan. Unearned finance charges on pre-compute contracts are rebated to customers utilizing statutory methods, which in many cases is the sum-of-the-years' digits method. The difference between income recognized under the constant yield method and the statutory method is recognized as an adjustment to interest income at the time of rebate. Accrual of interest income on finance receivables is suspended when no payment has been received for 90 days or more on a contractual basis. The accrual of income is not resumed until one or more full contractual monthly payments are received and the account is less than 90 days contractually delinquent. Interest income is suspended on finance receivables for which collateral has been repossessed. If the account is charged off, the interest income is reversed as a reduction of interest and fee income.

We recognize income on credit life insurance using the sum-of-the-years' digits method over the terms of the policies. We recognize income on credit accident and health insurance using the average of the sum-of-the-years' digits and the straight-line methods over the terms of the policies. We recognize income on credit-related property and automobile insurance, and on credit involuntary unemployment insurance using the straight-line method over the terms of the policies. Rebates are computed using statutory methods, which in many cases is the sum-of-the-years-digits method, and any difference between the GAAP method and the statutory method is recognized in income at the time of rebate.

We defer fees charged to automobile dealers and recognize income using the constant yield method for indirect loans and the straight-line method for direct loans over the lives of the respective loans.

Charges for late fees are recognized as income when collected.

Insurance Operations.

Insurance operations include revenue and expense from the sale of optional insurance products to our customers. These optional products include credit life insurance, credit accident and health insurance, property insurance, automobile insurance, and involuntary unemployment insurance.

Share-Based Compensation.

Our stock compensation plans are detailed in "Part III. Financial Statements, Note 16, Share-Based Compensation." We measure compensation cost for share-based awards at estimated fair value and recognize compensation expense over the service period for awards expected to vest. All grants are made at 100% of fair value at the date of the grant. We use the closing stock price on the date of grant as the fair value of restricted stock and common stock awards. The fair value of stock options is determined using the Black-Scholes valuation model. The Black-Scholes model requires the input of highly subjective assumptions, including expected volatility, risk-free interest rate, and expected life, changes to which can materially affect the fair value estimate. In addition, the estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from current estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised.

The expected volatility is based on the Company's historical stock price volatility beginning in 2014. Prior to 2014, we used the performance of the common stock of a publicly traded company whose business is comparable to ours to estimate the volatility of our stock due to a lack of historical data of our own stock price. The risk-free rate is based on the zero coupon U.S. Treasury bond rate for the expected term of the award on the grant date. The expected term is calculated by using the simplified method due to insufficient historical data.

Income Taxes.

We file income tax returns in the U.S. federal jurisdiction and various states. We are generally no longer subject to federal, state, or local income tax examinations by taxing authorities before 2011, though we remain subject to examination in Texas for the 2010 tax year.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of December 31, 2014, we had not taken any tax position that exceeds the amount described above.

Interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the consolidated statements of income.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effects of future tax rate changes are recognized in the period when the enactment of new rates occurs.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.*

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect our results of operations and financial condition. We originate finance receivables at either prevailing market rates or at statutory limits. Subject to statutory limits, our ability to react to changes in prevailing market rates is dependent upon the speed at which our customers pay off or renew loans in our existing loan portfolio, which allows us to originate new loans at prevailing market rates. Our loan portfolio turns over approximately 1.6 times per year from cash payments, renewals, and charge-offs of loans. Because our automobile loans have longer maturities and typically are not refinanced prior to maturity, the rate of turnover of the loan portfolio may change as these loans change as a percentage of our portfolio.

We also are exposed to changes in interest rates as a result of our borrowing activities, which include a senior revolving credit facility with a group of banks used to maintain liquidity and fund the Company's business operations. The nature and amount of our debt may vary as a result of future business requirements, market conditions, and other factors. At December 31, 2014, our outstanding debt under our senior revolving credit facility was $341.4 million and interest on borrowings under this facility was approximately 4.5% for the year ended December 31, 2014, including amortization of debt issuance costs and an unused line fee. Because the LIBOR interest rates are currently below the 1.00% floor provided for in our senior revolving credit facility, an increase of 100 basis points in the LIBOR interest rate would result in an increase of less than 100 basis points to our borrowing costs. Based on a LIBOR rate of 25 basis points and the outstanding balance at December 31, 2014, an increase of 100 basis points in the LIBOR would result in an increase of 25 basis points to our borrowing costs and would result in $854,000 of increased interest expense on an annual basis.

We entered into an interest rate cap to manage interest rate risk associated with a notional $150.0 million of our LIBOR-based borrowings. The interest rate cap matured unused on March 4, 2014. We are evaluating interest rate management options and intend to enter into an interest rate management transaction or arrangement to replace the matured unused interest rate cap.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.*

REGIONAL MANAGEMENT CORP.

INDEX TO CONSOLIDATED AUDITED FINANCIAL STATEMENTS

Fiscal Year Ended December 31, 2014

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
Regional Management Corp. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Regional Management Corp. and Subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Regional Management Corp. and Subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years ended December 31, 2014, in conformity with U.S. generally accepted accounting principles.

/s/ McGladrey LLP

Raleigh, North Carolina
March 16, 2015

Regional Management Corp. and Subsidiaries
Consolidated Balance Sheets
December 31, 2014 and 2013
(in thousands, except per share amounts)

	2014	2013
Assets		
Cash	$ 4,012	$ 4,121
Gross finance receivables	663,432	658,176
Less unearned finance charges, insurance premiums, and commissions	(117,240)	(113,492)
Finance receivables	546,192	544,684
Allowance for credit losses	(40,511)	(30,089)
Net finance receivables	505,681	514,595
Property and equipment, net of accumulated depreciation	8,905	7,100
Deferred tax asset, net	1,870	—
Repossessed assets at net realizable value	556	548
Goodwill	716	716
Intangible assets, net	847	1,386
Other assets	7,683	5,422
Total assets	$ 530,270	$ 533,888
Liabilities and Stockholders' Equity		
Liabilities:		
Senior revolving credit facility	$ 341,419	$ 362,750
Accounts payable and accrued expenses	10,528	7,312
Deferred tax liability, net	—	2,653
Total liabilities	351,947	372,715
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, $0.10 par value, 100,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, $0.10 par value, 1,000,000,000 shares authorized, 12,747,767 and 12,652,197 shares issued and outstanding at December 31, 2014 and 2013, respectively	1,275	1,265
Additional paid-in-capital	85,655	83,317
Retained earnings	91,393	76,591
Total stockholders' equity	178,323	161,173
Total liabilities and stockholders' equity	$ 530,270	$ 533,888

See accompanying notes to consolidated financial statements.

Regional Management Corp. and Subsidiaries
Consolidated Statements of Income
Years Ended December 31, 2014, 2013, and 2012
(in thousands, except per share amounts)

	2014	2013	2012
Revenue			
Interest and fee income	$ 184,786	$ 152,343	$ 119,025
Insurance income, net	10,673	11,470	10,681
Other income	9,260	6,816	5,991
Total revenue	204,719	170,629	135,697
Expenses			
Provision for credit losses	69,057	39,192	27,765
General and administrative expenses			
Personnel	55,383	39,868	33,492
Occupancy	15,427	11,640	8,655
Marketing	6,330	3,980	2,767
Other	19,636	15,551	10,644
Consulting and advisory fees	—	—	1,451
Interest expense			
Senior revolving credit facility and other debt	14,947	14,144	10,580
Mezzanine debt-related parties	—	—	1,030
Total interest expense	14,947	14,144	11,610
Total expenses	180,780	124,375	96,384
Income before income taxes	23,939	46,254	39,313
Income taxes	9,137	17,460	14,561
Net income	$ 14,802	$ 28,794	$ 24,752
Net income per common share:			
Basic	$ 1.17	$ 2.29	$ 2.12
Diluted	$ 1.14	$ 2.23	$ 2.07
Weighted-average common shares outstanding:			
Basic	12,701,083	12,572,298	11,694,924
Diluted	12,951,441	12,893,693	11,980,748

See accompanying notes to consolidated financial statements.

Regional Management Corp. and Subsidiaries
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2014, 2013, and 2012
(in thousands)

	Common Stock	Additional Paid-in-Capital	Retained Earnings	Total
Balance, December 31, 2011	$ 934	$28,150	$23,045	$ 52,129
Sale of common stock	315	46,935	—	47,250
Underwriting discount and offering expense	—	(7,469)	—	(7,469)
Reclassification of temporary equity	—	12,000	—	12,000
Share-based compensation	—	542	—	542
Net income	—	—	24,752	24,752
Balance, December 31, 2012	1,249	80,158	47,797	129,204
Issuance of stock awards	2	867	—	869
Proceeds from exercise of stock options	14	859	—	873
Excess tax benefit from exercise of stock options	—	731	—	731
Share-based compensation	—	702	—	702
Net income	—	—	28,794	28,794
Balance, December 31, 2013	$1,265	$83,317	$76,591	$161,173
Issuance of restricted stock awards	7	—	—	7
Exercise of stock options	5	118	—	123
Excess tax benefit from exercise of stock options	—	161	—	161
Shares withheld related to net share settlement	(2)	(194)	—	(196)
Share-based compensation	—	2,253	—	2,253
Net income	—	—	14,802	14,802
Balance, December 31, 2014	$1,275	$85,655	$91,393	$178,323

See accompanying notes to consolidated financial statements.

Regional Management Corp. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2014, 2013, and 2012
(in thousands)

	2014	2013	2012
Cash flows from operating activities:			
Net income	$ 14,802	$ 28,794	$ 24,752
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	69,057	39,192	27,765
Depreciation and amortization	3,790	3,459	2,598
Accretion of discounts on purchased receivables	(85)	(434)	(1,581)
Amortization of share-based compensation	2,312	1,571	542
Fair value adjustment on interest rate caps	—	1	27
Deferred income taxes, net	(4,523)	(3,294)	5,962
Changes in operating assets and liabilities:			
(Increase) decrease in other assets	(2,799)	2,977	(1,295)
Increase (decrease) in other liabilities	2,966	324	(1,048)
Net cash provided by operating activities	85,520	72,590	57,722
Cash flows from investing activities:			
Net origination of finance receivables	(59,962)	(137,031)	(127,652)
Purchase of property and equipment	(4,442)	(4,152)	(1,996)
Payment for business combination, net of cash	(128)	(575)	(28,388)
Increase in restricted cash	—	(562)	—
Purchase of finance receivables	—	(357)	(975)
Net cash used in investing activities	(64,532)	(142,677)	(159,011)
Cash flows from financing activities:			
Net advances (payments) on senior revolving credit facility	(21,331)	70,371	86,370
Payments for debt issuance costs	(52)	(1,065)	(598)
Proceeds from exercise of stock options	119	873	—
Excess tax benefits from exercise of stock options	167	731	—
Net proceeds from issuance of common stock	—	—	39,781
Repayment of mezzanine debt	—	—	(25,814)
Decrease in cash overdraft	—	—	(1)
Net cash provided by (used in) financing activities	(21,097)	70,910	99,738
Net change in cash	(109)	823	(1,551)
Cash:			
Beginning	4,121	3,298	4,849
Ending	$ 4,012	$ 4,121	$ 3,298
Supplemental Disclosure of Cash Flow Information			
Cash payments for interest			
Paid to third parties	$ 14,367	$ 13,468	$ 10,281
Paid to related parties	$ —	$ —	$ 1,085
Cash payments for income taxes	$ 15,237	$ 16,205	$ 14,273

See accompanying notes to consolidated financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: Regional Management Corp. (the "Company") was incorporated and began operations in 1987. The Company is engaged in the consumer finance business, offering small loans (branch small loans and convenience checks), large loans, automobile loans, retail loans, and related credit insurance. As of December 31, 2014, the Company operated offices in 300 locations in the states of Alabama (49 offices), Georgia (3 offices), New Mexico (13 offices), North Carolina (34 offices), Oklahoma (27 offices), South Carolina (70 offices), Tennessee (21 offices), and Texas (83 offices) under the names Regional Finance, RMC Financial Services, Anchor Finance, Superior Financial Services, First Community Credit, and Sun Finance. The Company opened or acquired 36, 43, and 51 net new offices during the years ended December 31, 2014, 2013, and 2012, respectively.

The Company's loan volume and corresponding finance receivables follow seasonal trends. Demand for the Company's loans is typically highest during the third and fourth quarter, largely due to customers borrowing money for back-to-school and holiday spending. Loan demand has generally been the lowest during the first quarter, largely due to the timing of income tax refunds. In addition, the Company typically generates higher loan volumes in the second half of the year from direct mail campaigns, which are timed to coincide with seasonal consumer demand. Consequently, we experience significant seasonal fluctuations in our operating results and cash needs.

Significant accounting policies: The following is a description of significant accounting policies used in preparing the financial statements. The accounting and reporting policies of the Company are in accordance with GAAP and conform to general practices within the consumer finance industry.

***Business segments*:** The Company has one reportable segment, which is the consumer finance segment. The other revenue generating activities of the Company, including insurance operations, are performed in the existing branch network in conjunction with or as a complement to the lending operations.

***Principles of consolidation*:** The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The Company operates through a separate wholly-owned subsidiary in each state.

***Use of estimates*:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities for the periods indicated in the financial statements. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to change relate to the determination of the allowance for credit losses, fair value of stock based compensation, the valuation of deferred tax assets and liabilities, and the allocation of the purchase price to assets acquired in business combinations.

Reclassifications: Certain prior period amounts have been reclassified to conform to the current presentation. Such reclassifications had no impact on previously reported net income or stockholders' equity.

***Statement of cash flows*:** Cash flows from finance receivables and the Company's senior revolving credit facility are reported on a net basis.

***Finance receivables*:** The Company's small loan portfolio is comprised of branch small loan receivables and convenience check receivables. Branch small loan receivables are direct loans to customers closed in the branch and are secured by non-essential household goods and, in some instances, an automobile. Convenience checks are direct loans originated by mailing checks to customers based on a pre-screening process that includes a review of the prospective customer's credit profile provided by national credit reporting bureaus or data aggregators. A recipient of a convenience check is able to enter into a loan by endorsing and depositing the check. Large loan receivables are direct loans to customers and are typically secured by automobiles, other vehicles, and non-essential household goods. Automobile loan receivables consist of direct automobile purchase loans, which are originated at the dealership and closed in one of the Company's branches, and indirect automobile purchase loans, which are originated and closed at a dealership in the Company's network without the need for the customer to visit one of the Company's branches. In each case, these automobile loans are collateralized primarily by used and new automobiles and, in the case of indirect loans, are initiated by and purchased from automobile dealerships, subject to the Company's credit approval. Retail loan receivables consist principally of retail installment sales contracts collateralized by the purchase of furniture, appliances, and other retail items, and are initiated by and purchased from retailers, subject to the Company's credit approval.

Credit losses**:** Provisions for credit losses are charged to income as losses are estimated to have occurred and in amounts sufficient to maintain an allowance for credit losses at an adequate level to provide for losses on the finance receivables. In the past, the Company charged credit losses against the allowance when management believed the finance receivable was no longer collectible (discretionary element) or when the account was 365 days contractually delinquent (time-based element). The factors used to determine whether a finance receivable is uncollectible were the age of the account, supervisory review of collection efforts, and other factors such as customers relocating to an area where collection is not practical. In September 2014, the Company changed the time-based element of the charge-off policy from 365 days contractually delinquent to 180 days. In December 2014, the Company eliminated the discretionary element of the charge-off policy, subject to certain exceptions. The Company's policy for non-titled accounts in a confirmed bankruptcy is to charge them off at 60 days contractually delinquent, subject to certain exceptions. Deceased borrower accounts are charged off in the month following the proper notification of passing, with the exception of borrowers with credit life insurance. The updated policy improves consistency and creates better alignment with industry practice. Subsequent recoveries, if any, are credited to the allowance. Loss experience, effective loan life, contractual delinquency of finance receivables by loan type, the value of underlying collateral, and management's judgment are factors used in assessing the overall adequacy of the allowance and the resulting provision for credit losses. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions or portfolio performance. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revisions as more information becomes available.

The Company initiates repossession proceedings when the customer is unlikely to make further payments in the opinion of management. The Company sells substantially all repossessed vehicle inventory through public sales conducted by independent automobile auction organizations after the required post-repossession waiting period. Losses on the sale of repossessed collateral are charged to the allowance for credit losses.

The allowance for credit losses consists of general and specific components. The general component of the allowance estimates credit losses for groups of finance receivables on a collective basis and is based on historic loss rates. The Company's general component of the allowance for credit losses relates to probable incurred losses of unimpaired finance receivables. The historical loss rate for the most recent six months (branch small loans and convenience checks), ten months (large and retail loans), and twelve months (automobile loans) as a percentage of average finance receivables is used to estimate the general allowance.

The Company adjusts the computed historical loss percentages as described above for qualitative factors based on an assessment of internal and external influences on credit quality that are not fully reflected in the historical loss data. Those qualitative factors include trends in growth in the loan portfolio, delinquency, unemployment, bankruptcy, and other economic trends.

***Impaired finance receivables*:** The specific component of the allowance for credit losses relates to impaired finance receivables. Finance receivables that have been modified by bankruptcy proceedings are considered impaired and are accounted for in the aggregate as troubled debt restructurings. At the time of restructuring, a specific valuation allowance is established for such finance receivables within the allowance for credit losses. The Company computes the estimated impairment on its bankrupt loans by discounting the projected cash flows at the original contract rates on the loan using the terms imposed by the bankruptcy court. This method is applied in the aggregate to each of the Company's five classes of loans. In making the computations of the present value of cash payments to be received on bankrupt accounts in each product category, the Company used the weighted-average interest rates and weighted-average remaining term based on data as of each balance sheet date.

For customers in a confirmed Chapter 13 bankruptcy plan, the Company reduces the interest rate to that specified in the bankruptcy order and the Company receives payments with respect to the remaining amount of the loan from the bankruptcy trustee. For customers who recently filed for Chapter 13 bankruptcy, the Company generally does not receive any payments until their bankruptcy plan is confirmed by the court. If the customers have made payments to the trustee in advance of plan confirmation, the Company may receive a lump sum payment from the trustee once the plan is confirmed. This lump sum payment represents the Company's pro-rata share of the amount paid by the customer. If a customer fails to comply with the terms of the bankruptcy order, the Company will petition the trustee to have the customer dismissed from bankruptcy. Upon dismissal, the Company restores the account to the original terms and pursues collection through its normal collection activities.

If a customer files for bankruptcy under Chapter 7 of the bankruptcy code, the bankruptcy court has the authority to cancel the customer's debt. If a vehicle secures a Chapter 7 bankruptcy account, the customer has the option of buying the vehicle at fair value or reaffirming the loan and continuing to pay the loan.

Prior to the charge-off policy change in September 2014, the specific component of the allowance for credit losses included a full valuation allowance for finance receivables that were contractually delinquent 180 days and over. The charge-offs from the policy change were charged against this allowance as of September 2014.

***Delinquency*:** The Company determines past due status using the contractual terms of the finance receivable. This is one of the primary credit quality indicators used to evaluate the allowance for credit losses for each class of finance receivables.

***Repossessed assets*:** Repossessed collateral is valued at the lower of the receivable balance on the finance receivable prior to repossession or the estimated net realizable value. Management estimates net realizable value at the projected cash value upon liquidation, less costs to sell the related collateral.

***Property and equipment*:** The Company owns certain of its headquarters buildings and leases certain of its headquarters buildings. Office buildings owned are depreciated on the straight-line method for financial reporting purposes over their estimated useful lives of thirty-nine years. Branch offices are leased under non-cancellable leases of one to five years with renewal options. Leasehold improvements are depreciated over the shorter of their useful lives or the remaining term of the lease. Furniture and equipment are depreciated on the straight-line method over their estimated useful lives, generally three to five years. Maintenance and repairs are charged to expense as incurred.

***Income recognition*:** Interest income is recognized using the interest method, also known as the constant yield method. Therefore, the Company recognizes revenue from interest at an equal rate over the term of the loan. Unearned finance charges on pre-compute contracts are rebated to customers utilizing statutory methods, which in many cases is the sum-of-the-years' digits method. The difference between income recognized under the constant yield method and the statutory method is recognized as an adjustment to interest income at the time of rebate. Accrual of interest income on finance receivables is suspended when no payment has been received for 90 days or more on a contractual basis. The accrual of income is not resumed until one or more full contractual monthly payments are received and the finance receivable is less than 90 days contractually delinquent. Interest income is suspended on finance receivables for which collateral has been repossessed. Payments received on loans in nonaccrual status are first applied to interest, then to any late charges or other fees, with any remaining amount applied to principal.

The Company recognizes income on credit life insurance using the sum-of-the-years' digits method over the terms of the policies. The Company recognizes income on credit accident and health insurance using the average of the sum-of-the-years' digits and the straight-line methods over the terms of the policies. The Company recognizes income on credit-related property and automobile insurance and on credit involuntary unemployment insurance using the straight-line method over the terms of the policies. Rebates are computed using statutory methods, which in many cases is the sum-of-the-years-digits method, and any difference between the GAAP method and the statutory method is recognized in income at the time of rebate.

The Company defers fees charged to automobile dealers and recognizes income using the constant yield method for indirect loans and the straight-line method for direct loans over the lives of the respective loans.

Charges for late fees are recognized as income when collected.

***Finance receivable origination fees and costs*:** Non-refundable fees received and direct costs incurred for the origination of finance receivables are deferred and recognized to interest income over their contractual lives using the constant yield method. Unamortized amounts are recognized in income at the time that finance receivables are paid in full.

***Share-based compensation*:** The Company has several share-based compensation plans. The stock option and other equity based awards are recognized at the grant date fair value. Awards classified as liabilities are re-measured at fair value for each reporting period. The costs are recognized on the income statement over the service period for awards expected to vest. All grants are made at 100% of the fair value on the date of the grant. The fair value of stock options is determined using the Black-Scholes valuation model. The Black-Scholes model requires the input of highly subjective assumptions, including expected volatility, risk-free interest rate, and expected life, changes to which can materially affect the fair value estimate. In addition, the estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from current estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised. Prior to the initial public offering, there was no published market value for the Company's stock; therefore, the performance of the common stock of a publicly traded company whose business is comparable to the Company was used to estimate the volatility of the Company's stock. Beginning in 2014, the Company began using the value of its own stock to estimate volatility for options granted.

***Marketing costs*:** Marketing costs are expensed as incurred.

***Income taxes*:** The Company files federal and various state income tax returns. The Company is generally no longer subject to federal, state, or local income tax examinations by taxing authorities before 2011, with the exception of Texas, which is 2010.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the consolidated statements of income.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effects of future tax rate changes are recognized in the period when the enactment of new rates occurs.

***Earnings per share*:** Earnings per share have been computed based on the weighted-average number of common shares outstanding during each reporting period presented. Common shares issuable upon the exercise of share-based compensation, which are computed using the treasury stock method, are included in the computation of diluted earnings per share.

***Government regulation*:** The Company is subject to various state and federal laws and regulations that require certain qualifications, initial and annual licensing, and impose limits on interest rates, other charges, and insurance premiums.

In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act. Among other provisions, the bill created the Consumer Financial Protection Bureau ("CFPB"). The CFPB has the authority to promulgate regulations that could affect the Company's business.

Note 2. Concentrations of Credit Risk

The Company's portfolio of finance receivables is with customers living in five southeastern states (Alabama, Georgia, North Carolina, South Carolina, and Tennessee) and three southwestern states (Oklahoma, New Mexico, and Texas); consequently, such customers' ability to honor their installment contracts may be affected by economic conditions in these areas. Additionally, the Company is exposed to a concentration of credit risk inherent in providing consumer finance products to borrowers who cannot obtain traditional bank financing.

The Company also has a risk that its customers will seek protection from creditors by filing under the bankruptcy laws. When a customer files for bankruptcy protection, the Company must cease collection efforts and petition the bankruptcy court to obtain its collateral or work out a court approved bankruptcy plan involving the Company and all other creditors of the customer. It is the Company's experience that such plans can take an extended period of time to conclude and usually involve a reduction in the interest rate from the rate in the contract to a court-approved rate.

The Company maintains amounts in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced losses in such accounts, which are maintained with large domestic banks. Management believes the Company's exposure to credit risk is minimal for these accounts.

Note 3. Finance Receivables, Allowance for Credit Losses, and Credit Quality Information

Finance receivables at December 31, 2014 and 2013 consisted of the following:

	2014	2013
Branch small loans	$128,217	$109,776
Convenience checks	191,316	179,203
Large loans	46,147	43,311
Automobile loans	154,382	181,126
Retail loans	26,130	31,268
Finance receivables	$546,192	$544,684

Changes in the allowance for credit losses for the years ended December 31, 2014, 2013, and 2012 are as follows:

	2014	2013	2012
Balance at beginning of year	$ 30,089	$ 23,616	$ 19,300
Provision for credit losses	69,057	39,192	27,765
Charge-offs	(58,236)	(33,750)	(24,275)
Charge-offs (180+ policy change)	(2,106)	—	—
Recoveries	1,707	1,031	826
Balance at end of year	$ 40,511	$ 30,089	$ 23,616

During the three months ended December 31, 2013, the Company changed its estimate for the allowance for credit losses based on analysis of the effective lives for all finance receivable portfolios. The methodology for estimating the allowance for credit losses changed from the trailing eight to trailing six month losses on branch small loans and convenience checks, trailing twelve to trailing ten month losses on large loans, and trailing twelve to trailing eleven month losses on retail loans. As a result, the Company decreased the allowance for credit losses by $3,901, which increased net income for the year ended December 31, 2013 by $2,428, or $0.19 diluted earnings per share. The Company recorded an offsetting $3,700 pre-tax increase to the allowance for credit losses for qualitative factors on finance receivable growth and delinquency and loss trends, which decreased net income for the year ended December 31, 2013 by $2,303, or $0.18 diluted earnings per share.

In September 2014, the Company changed the time-based element of the charge-off policy from 365 days contractually delinquent to 180 days. The updated policy improves consistency and creates better alignment with industry practice. The policy change generated a one-time charge-off of $2,106 as of September 2014.

The allowance for credit losses consists of general and specific components. Prior to the charge-off policy change in September 2014, the specific component included a full valuation allowance for finance receivables that were contractually delinquent 180 days or over. The $2,106 in charge-offs from the policy change were charged against this allowance as of September 2014 and, therefore, did not impact the provision for loan losses.

The general component of the allowance estimates credit losses for groups of finance receivables on a collective basis and is based on historic loss rates (adjusted for qualitative factors). The charge-off policy change modifies this historic loss rate and the resulting general reserve. In addition, the Company converted bankrupt accounts with confirmed plans from the bankruptcy court from delinquent to current status. The bankrupt accounts continue to be accounted for as troubled debt restructurings and considered impaired finance receivables. As a net result of these changes, the Company increased the provision for credit losses by $318 during the three months ended September 30, 2014, which decreased net income for the year ended December 31, 2014 by $199, or $0.02 diluted earnings per share.

The following is a reconciliation of the allowance for credit losses by product for the years ended December 31, 2014, 2013, and 2012:

	Balance January 1, 2014	Provision	Charge-offs	Charge-offs (180+ Policy Change)	Recoveries	Balance December 31, 2014	Finance Receivables December 31, 2014	Allowance as Percentage of Finance Receivable December 31, 2014
Branch small loans	$ 5,166	$13,760	$(11,915)	$ (505)	$ 454	$ 6,960	$128,217	5.4%
Convenience checks	10,204	36,995	(28,782)	(627)	530	18,320	191,316	9.6%
Large loans	2,233	1,985	(2,334)	(203)	299	1,980	46,147	4.3%
Automobile loans	10,827	14,259	(12,939)	(688)	317	11,776	154,382	7.6%
Retail loans	1,659	2,058	(2,266)	(83)	107	1,475	26,130	5.6%
Total	$30,089	$69,057	$(58,236)	$(2,106)	$1,707	$40,511	$546,192	7.4%

The Company disaggregated "small loans" into "branch small loans" and "convenience checks" during the three months ended December 31, 2014 due to a change in the risk characteristics of the convenience check portfolio in that period.

	Balance January 1, 2013	Provision	Charge-offs	Recoveries	Balance December 31, 2013	Finance Receivables December 31, 2013	Allowance as Percentage of Finance Receivable December 31, 2013
Small loans	$11,369	$22,620	$(19,108)	$ 489	$15,370	$288,979	5.3%
Large loans	2,753	1,788	(2,630)	322	2,233	43,311	5.2%
Automobile loans	8,424	12,094	(9,875)	184	10,827	181,126	6.0%
Retail loans	1,070	2,690	(2,137)	36	1,659	31,268	5.3%
Total	$23,616	$39,192	$(33,750)	$1,031	$30,089	$544,684	5.5%

	Balance January 1, 2012	Provision	Charge-offs	Recoveries	Balance December 31, 2012	Finance Receivables December 31, 2012	Allowance as Percentage of Finance Receivable December 31, 2012
Small loans	$ 8,838	$15,225	$(13,125)	$431	$11,369	$188,562	6.0%
Large loans	2,448	3,288	(3,252)	269	2,753	52,001	5.3%
Automobile loans	7,618	7,888	(7,202)	120	8,424	168,604	5.0%
Retail loans	396	1,364	(696)	6	1,070	30,307	3.5%
Total	$19,300	$27,765	$(24,275)	$826	$23,616	$439,474	5.4%

Finance receivables associated with customers in bankruptcy as a percentage of total finance receivables were 1.1% and 1.3% for the years ended December 31, 2014 and 2013, respectively. The following is a summary of the finance receivables associated with customers in bankruptcy as of December 31, 2014 and 2013:

	2014	2013
Branch small loans	$ 582	$ 714
Convenience checks	544	784
Large loans	1,260	1,677
Automobile loans	3,698	3,706
Retail loans	119	143
Total	$6,203	$7,024

The contractual delinquency of the finance receivable portfolio by component at December 31, 2014 and 2013 was:

	December 31, 2014											
	Branch Small		Convenience Check		Large		Automobile		Retail		Total	
	$	%	$	%	$	%	$	%	$	%	$	%
Current	$104,003	81.1%	$154,833	80.9%	$36,658	79.4%	$105,424	68.3%	$21,424	82.0%	$422,342	77.4%
1 to 29 days delinquent	13,967	10.9%	19,318	10.1%	7,383	16.0%	38,656	25.0%	3,390	13.0%	82,714	15.1%
Delinquent accounts												
30 to 59 days	3,647	2.8%	5,134	2.7%	1,036	2.3%	5,651	3.7%	483	1.8%	15,951	2.9%
60 to 89 days	2,275	1.8%	4,442	2.3%	483	1.0%	2,114	1.4%	310	1.2%	9,624	1.8%
90 to 119 days	1,857	1.4%	3,312	1.8%	263	0.6%	1,266	0.8%	201	0.8%	6,899	1.2%
120 to 149 days	1,478	1.2%	2,343	1.2%	204	0.4%	758	0.5%	205	0.8%	4,988	0.9%
150 to 179 days	990	0.8%	1,934	1.0%	120	0.3%	513	0.3%	117	0.4%	3,674	0.7%
180 days and over	—	0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Total delinquency	$ 10,247	8.0%	$ 17,165	9.0%	$ 2,106	4.6%	$ 10,302	6.7%	$ 1,316	5.0%	$ 41,136	7.5%
Total finance receivables	$128,217	100.0%	$191,316	100.0%	$46,147	100.0%	$154,382	100.0%	$26,130	100.0%	$546,192	100.0%
Finance receivables in nonaccrual status	$ 4,325	3.4%	$ 7,589	4.0%	$ 587	1.3%	$ 2,537	1.6%	$ 523	2.0%	$ 15,561	2.8%

	December 31, 2013											
	Branch Small		Convenience Check		Large		Automobile		Retail		Total	
	$	%	$	%	$	%	$	%	$	%	$	%
Current	$ 84,196	76.7%	$143,720	80.2%	$32,513	75.1%	$122,313	67.5%	$24,829	79.4%	$407,571	74.9%
1 to 29 days delinquent	15,369	14.0%	20,056	11.2%	7,788	18.0%	45,841	25.3%	4,249	13.6%	93,303	17.1%
Delinquent accounts												
30 to 59 days	3,515	3.2%	4,515	2.5%	1,220	2.8%	7,089	4.0%	749	2.4%	17,088	3.1%
60 to 89 days	2,268	2.1%	3,332	1.9%	530	1.2%	2,721	1.5%	416	1.3%	9,267	1.7%
90 to 119 days	1,755	1.5%	3,172	1.7%	364	0.8%	1,195	0.6%	357	1.2%	6,843	1.3%
120 to 149 days	1,275	1.2%	2,490	1.4%	245	0.6%	807	0.4%	291	0.9%	5,108	0.9%
150 to 179 days	984	0.9%	1,425	0.8%	259	0.6%	525	0.3%	216	0.7%	3,409	0.6%
180 days and over	414	0.4%	493	0.3%	392	0.9%	635	0.4%	161	0.5%	2,095	0.4%
Total delinquency	$ 10,211	9.3%	$ 15,427	8.6%	$ 3,010	6.9%	$ 12,972	7.2%	$ 2,190	7.0%	$ 43,810	8.0%
Total finance receivables	$109,776	100.0%	$179,203	100.0%	$43,311	100.0%	$181,126	100.0%	$31,268	100.0%	$544,684	100.0%
Finance receivables in nonaccrual status	$ 4,428	4.0%	$ 7,580	4.2%	$ 1,260	2.9%	$ 3,162	1.7%	$ 1,025	3.3%	$ 17,455	3.2%

Following is a summary of finance receivables evaluated for impairment at December 31, 2014 and 2013:

	December 31, 2014					
	Branch Small	Convenience Check	Large	Automobile	Retail	Total
Accounts 180 or more days past due, excluding accounts of customers in bankruptcy	$ —	$ —	$ —	$ —	$ —	$ —
Customers in Chapter 13 bankruptcy	582	544	1,260	3,698	119	6,203
Total impaired accounts specifically evaluated	$ 582	$ 544	$ 1,260	$ 3,698	$ 119	$ 6,203
Finance receivables evaluated collectively	127,635	190,772	44,887	150,684	26,011	539,989
Finance receivables outstanding	$128,217	$191,316	$46,147	$154,382	$26,130	$546,192
Accounts in bankruptcy in nonaccrual status	$ 140	$ 159	$ 133	$ 559	$ 16	$ 1,007
Amount of the specific reserve for impaired accounts	$ 143	$ 165	$ 309	$ 981	$ 18	$ 1,616
Average impaired accounts	$ 1,097	$ 1,266	$ 1,616	$ 4,134	$ 235	$ 8,348
Amount of the general component of the allowance	$ 6,817	$ 18,155	$ 1,671	$ 10,795	$ 1,457	$ 38,895

	December 31, 2013					
	Branch Small	Convenience Check	Large	Automobile	Retail	Total
Accounts 180 or more days past due, excluding accounts of customers in bankruptcy	$ 379	$ 467	$ 173	$ 398	$ 146	$ 1,563
Customers in Chapter 13 bankruptcy	714	784	1,677	3,706	143	7,024
Total impaired accounts specifically evaluated	$ 1,093	$ 1,251	$ 1,850	$ 4,104	$ 289	$ 8,587
Finance receivables evaluated collectively	108,683	177,952	41,461	177,022	30,979	536,097
Finance receivables outstanding	$109,776	$179,203	$43,311	$181,126	$31,268	$544,684
Accounts in bankruptcy in nonaccrual status	$ 308	$ 359	$ 426	$ 804	$ 58	$ 1,955
Amount of the specific reserve for impaired accounts	$ 574	$ 672	$ 756	$ 1,565	$ 180	$ 3,747
Average impaired accounts	$ 994	$ 1,085	$ 1,935	$ 3,831	$ 273	$ 8,118
Amount of the general component of the allowance	$ 4,592	$ 9,532	$ 1,477	$ 9,262	$ 1,479	$ 26,342

It is not practical to compute the amount of interest earned on impaired loans.

Note 4. Property and Equipment

At December 31, 2014 and 2013, property and equipment consisted of the following:

	2014	2013
Land and building	$ 922	$ 847
Furniture, fixtures, and equipment	16,942	15,163
Leasehold improvements	3,212	2,410
	21,076	18,420
Less accumulated depreciation	12,171	11,320
	$ 8,905	$ 7,100

Depreciation expense for the years ended December 31, 2014, 2013, and 2012 totaled $2,620, $2,174, and $1,492, respectively.

Note 5. Leases

Future minimum rent commitments under non-cancellable operating leases in effect as of December 31, 2014 are as follows:

Year Ending December 31,	Amount
2015	$ 5,065
2016	3,702
2017	2,093
2018	1,048
2019	479
Thereafter	54
	$12,441

Leases generally contain options to extend for periods from 1 to 10 years; the cost of such extensions is not included above. Rent expense for the years ended December 31, 2014, 2013, and 2012 equaled $5,153, $4,339, and $3,539, respectively. In addition to rent, the Company typically pays for all operating expenses, property taxes, and repairs and maintenance on properties that it leases.

Note 6. Goodwill

The following summarizes the changes in the carrying amount of goodwill for the year ended December 31, 2014 and 2013:

	2014	2013
Balance at beginning of year:		
Goodwill	$716	$363
Accumulated goodwill impairment losses	—	—
Goodwill acquired during the year	—	353
Impairment losses	—	—
Balance at end of year:		
Goodwill	716	716
Accumulated goodwill impairment losses	—	—
	$716	$716

The Company performed an annual impairment test during the fourth quarter of fiscal 2014 and 2013 and determined that none of the recorded goodwill was impaired.

Note 7. Intangibles

The following table provides the gross carrying amount and related accumulated amortization of definite-lived intangible assets:

	December 31, 2014		December 31, 2013	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer list	$2,516	$1,669	$2,589	$1,203

Intangible amortization expense for the years ended December 31, 2014, 2013, and 2012 totaled $573, $676, and $779, respectively.

The following table sets forth the future amortization of intangible assets:

Year Ending December 31,	Amount
2015	$374
2016	264
2017	164
2018	45
	$847

Note 8. Other Assets

Other assets include the following at December 31, 2014 and 2013:

	2014	2013
Restricted cash	$1,900	$1,900
Prepaid expenses	1,896	1,478
Income tax receivable	1,611	—
Debt issuance costs, net of accumulated amortization	599	1,127
Credit insurance receivable	873	688
Other	804	229
	$7,683	$5,422

Note 9. Debt

Following is a summary of the Company's debt as of December 31, 2014 and 2013:

	2014	2013
Senior revolving credit facility	$341,419	$362,750
Secured line of credit	—	—
	$341,419	$362,750
Unused amount of senior revolving credit facility, subject to borrowing base	$158,581	$137,250

The Company's senior revolving credit facility contains restrictive covenants. At December 31, 2014, the Company was in compliance with all debt covenants. In May 2013, the senior revolving credit facility was amended to increase the senior secured maximum available borrowings from $325,000 to $500,000. The accordion feature that allows for expansion was also increased from $75,000 to $100,000. Borrowings under the facility bear interest, payable monthly, at rates equal to LIBOR of a maturity the Company elects between one and six months, with a LIBOR floor of 1.00%, plus a margin of 3.00%. Alternatively, the Company may pay interest at a rate based on the prime rate plus a margin of 2.00%. The Company also pays an unused line fee of 50 basis points per annum, which declines to 37.5 basis points at certain usage levels. The current agreement is set to expire in May 2016. Advances on this agreement are at 85% of eligible finance receivables and are subject to adjustment at certain credit quality levels (80% as of December 31, 2014). The senior revolving credit facility is secured by substantially all of the Company's finance receivables and equity interests of substantially all of its subsidiaries.

The Company's mezzanine debt was repaid in full from the proceeds of the Company's initial public offering, which closed on April 2, 2012. The mezzanine debt was a $25,814 loan from one of the Company's sponsors and three individual owners maturing October 25, 2013, secured by a junior lien on substantially all of the Company's finance receivables. The agreement was subordinated to the senior bank debt. The interest rate was 15.25% per annum, of which 2% was payable in kind at the Company's option.

The Company had a $1,500 line of credit, which was secured by a mortgage on the Company's headquarters, with a commercial bank to facilitate its cash management program. The interest rate was prime plus 0.25% with a minimum of 5.00%, and interest was payable monthly. The line of credit matured on January 18, 2015 and was replaced by a $3.0 million overdraft provision.

The one-month LIBOR was 0.25% at December 31, 2014 and 2013, although under the senior revolving credit facility the minimum LIBOR rate is 1.0%. The prime rate was 3.25% at December 31, 2014 and 2013.

Following is a summary of principal payments required on outstanding debt during each of the next five years:

Year Ending December 31,	Amount
2015	$ —
2016	341,419
2017	—
2018	—
2019	—
Total	$341,419

Note 10. Interest Rate Cap

The Company had an interest rate cap with a notional amount of $150,000 and a strike rate of 6.0% that expired unused on March 4, 2014. There was no change in the value of the interest rate cap during 2014. The following is a summary of changes in the rate cap for 2013:

	2013
Balance at end of prior year	$ 1
Purchases	—
Fair value adjustment included as an (increase) in interest expense	(1)
Balance sheet at December 31, 2013, included in other assets	$—

Note 11. Disclosure About Fair Value of Financial Instruments: The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Finance receivables: Finance receivables are originated at prevailing market rates. The Company's finance receivable portfolio turns approximately 1.6 times per year. The portfolio turnover is calculated by dividing cash payments and renewals by the average finance receivables. Management believes that the carrying value approximates the fair value of its finance receivable portfolio.

Repossessed assets: Repossessed assets are valued at the lower of the receivable balance on the finance receivable prior to repossession or the estimated net realizable value. The Company estimates net realizable value at the projected cash value upon liquidation, less costs to sell the related collateral.

Debt: The Company refinanced its senior revolving credit facility in January 2012, and further amended the senior revolving credit facility in July 2012, March 2013, May 2013, and November 2013. As a result of the refinancing, the Company believes that the fair value of this variable rate debt approximates its carrying value at December 31, 2014. The Company also considered its creditworthiness in its determination of fair value.

The carrying amount and estimated fair values of the Company's financial instruments summarized by level are as follows:

	December 31, 2014		December 31, 2013	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Level 1 inputs				
Cash	$ 4,012	$ 4,012	$ 4,121	$ 4,121
Restricted cash	1,900	1,900	1,900	1,900
Level 3 inputs				
Net finance receivables	505,681	505,681	514,595	514,595
Repossessed assets	556	556	548	548
Liabilities				
Level 3 inputs				
Senior revolving credit facility	341,419	341,419	362,750	362,750

Certain of the Company's assets carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Company performs an analysis of the assets and liabilities that are carried at fair value. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). The following table presents the assets carried on the balance sheet by level within the hierarchy as of December 31, 2014 and 2013 for which a nonrecurring change in fair value has been recorded during the years ended December 31, 2014 and 2013:

	Repossessed Assets				
December 31,	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total Losses**
2014	$556	$—	$—	$556	$566
2013	$548	$—	$—	$548	$492

Note 12. Income Taxes

The Company and its subsidiaries file a consolidated federal income tax return. The Company files consolidated or separate state income tax returns as permitted by individual states in which it operates.

Income tax expense was $9,137, $17,460, and $14,561 for the years ended December 31, 2014, 2013, and 2012, respectively, which differed from the amount computed by applying the federal income tax rate of 35% for the years ended December 31, 2014, 2013, and 2012 to total income before income taxes as a result of the following:

	2014	2013	2012
Federal tax expense at statutory rate	$8,379	$16,189	$13,760
Increase (reduction) in income taxes resulting from:			
Small insurance company income exclusion	—	—	(451)
State tax, net of federal benefit	603	1,112	1,026
Other	155	159	226
	$9,137	$17,460	$14,561

Income tax expense attributable to total income before income taxes consists of the following for the years ended December 31, 2014, 2013, and 2012:

	2014	2013	2012
Current:			
Federal	$11,827	$18,297	$ 7,467
State and local	1,859	2,457	1,132
	13,686	20,754	8,599
Deferred:			
Federal	(3,958)	(2,549)	5,516
State and local	(591)	(745)	446
	(4,549)	(3,294)	5,962
Total	$ 9,137	$17,460	$14,561

Net deferred tax assets and liabilities consist of the following as of December 31, 2014 and 2013:

	2014	2013
Deferred tax assets:		
Allowance for credit losses	$15,620	$10,769
Unearned insurance commissions	1,490	1,461
Deferred loan fees	134	3,601
Share-based compensation	1,694	988
Amortization of intangible assets	609	501
State net operating loss carryforward	69	—
Accrued expenses	828	694
Other	189	12
Gross deferred tax assets	20,633	18,026
Deferred tax liabilities:		
Fair market value adjustment of finance receivables	14,403	16,753
Deferred loan costs	2,283	2,226
Tax over book depreciation	1,403	1,182
Prepaid expenses	518	510
Other	156	8
Gross deferred tax liabilities	18,763	20,679
Net deferred tax asset (liability)	$ 1,870	$ (2,653)

The Company's determination of the realization of the net deferred tax asset is based on its assessment of all available positive and negative evidence. At December 31, 2014, positive evidence supporting the realization of the deferred tax assets includes generation of taxable income for the two prior tax years and reversal of taxable temporary differences. At December 31, 2014, the Company has not identified significant negative evidence related to the realization of its deferred tax assets. At both December 31, 2014, and December 31, 2013, the Company is in a three-year cumulative pre-tax book income position. As noted below, the Company has certain state net operating loss carryforwards at December 31, 2014, and the Company expects to fully utilize these deferred tax assets within the state carryforward periods based on available evidence existing as of the balance sheet date.

As of December 31, 2014 and 2013, the Company has state net operating loss carryforwards of approximately $2.5 million and $0, respectively, which will be available to offset future taxable income. If not used, these carryforwards will expire between 2029 and 2034.

At December 31, 2014, the Company did not have any material uncertain tax positions.

Note 13. Earnings Per Share

The following schedule reconciles the computation of basic and diluted earnings per share for the years ended December 31, 2014, 2013, and 2012:

	2014		
	Net Income	Shares	Per Share
Basic earnings per share			
Income available to common stockholders	$14,802	12,701,083	$1.17
Effect of dilutive securities			
Options to purchase common stock	—	250,358	—
Diluted earnings per share			
Income available to common stockholders plus assumed exercise of options to purchase common stock	$14,802	12,951,441	$1.14

Options to purchase 478,131 shares of common stock between $15.00 and $33.93 per share were outstanding during the year ended December 31, 2014, but were not included in the computation of diluted earnings per share because they were anti-dilutive.

	2013		
	Net Income	Shares	Per Share
Basic earnings per share			
Income available to common stockholders	$28,794	12,572,298	$2.29
Effect of dilutive securities			
Options to purchase common stock	—	321,395	—
Diluted earnings per share			
Income available to common stockholders plus assumed exercise of options to purchase common stock	$28,794	12,893,693	$2.23

Options to purchase 26,500 shares of common stock at $33.93 per share were outstanding during the year ended December 31, 2013, but were not included in the computation of diluted earnings per share because they were anti-dilutive.

	2012		
	Net Income	Shares	Per Share
Basic earnings per share			
Income available to common stockholders	$24,752	11,694,924	$2.12
Effect of dilutive securities			
Options to purchase common stock	—	285,824	—
Diluted earnings per share			
Income available to common stockholders plus assumed exercise of options to purchase common stock	$24,752	11,980,748	$2.07

Options to purchase 310,000 shares of common stock at $15.00 per share were outstanding during the year ended December 31, 2012, but were not included in the computation of diluted earnings per share because they were anti-dilutive.

Note 14. Related Party Transactions

Prior to the initial public offering in March 2012, the Company was majority owned by two sponsors and its former founding stockholders. The Company had consulting agreements with three of its individual owners that ended after the closing of the Company's initial public offering in April 2012. Following is a summary of transactions during the years ended December 31, 2012 with the sponsors and the individual owners who retain an interest in the Company.

	Individual Owners	Sponsors
2012:		
Interest paid on mezzanine debt	$195	$812
Financing fees	3	12
Consulting/Advisory fees expense	563	888

Note 15. Employee Benefit Plans

Retirement savings plan: The Company has a defined contribution employee benefit plan (401(k) plan) covering full-time employees who have at least one year of service. The Company made a matching contribution equal to 100 percent of the first three percent of an employee's gross income and 50 percent of the next two percent of gross income in 2014, 2013, and 2012. For the years ended December 31, 2014, 2013, and 2012, the Company recorded expense for the Company's match of $451, $416, and $367, respectively.

Health insurance plan: The Company has a fully insured health insurance plan where the per-employee cost is fixed for the plan year. Employees pay a portion of the cost and the Company pays the balance. The Company's expense for the years ended December 31, 2014, 2013, and 2012 was $3,938, $2,724, and $1,907, respectively.

Annual incentive plan: The Company maintains an annual incentive plan for executive officers and other management team members. The plan establishes 5 performance metrics with specific weighting factors. Amounts charged to operating expense under the annual incentive plan were $820, $597, and $545 for the years ended December 31, 2014, 2013, and 2012, respectively. These annual incentive plan payments are subject to approval by the compensation committee.

Employment agreements: The Company has employment contracts or letter agreements with certain members of senior management. These contracts and agreements stipulate the payment of salary, bonus, perquisites, and share-based compensation to the affected individuals.

In October 2014, the Company accepted the resignation of the Company's Chief Executive Officer ("executive"). The resignation was treated as a termination without cause pursuant to the executive's Employment Agreement, dated March 18, 2013. The Company entered into a Separation Agreement with the executive, dated December 11, 2014. The Employment Agreement and the Separation Agreement are attached as Exhibits 10.1 to the Current Reports on Form 8-K, filed with the SEC on March 21, 2013 and December 17, 2014, respectively. The expense related to the Separation Agreement was $1,153 for the three months ended December 31, 2014, which is included in personnel expense on the consolidated income statement.

Note 16. Share-Based Compensation

The Company previously adopted the 2007 Management Incentive Plan (the "2007 Stock Plan") and the 2011 Stock Incentive Plan (the "2011 Stock Plan"). Under these plans, 1,987,412 shares of authorized common stock were reserved for issuance pursuant to grants approved by the Company's Board of Directors (the "Board"). All grants are made at 100% of the fair value at the date of grant. As of December 31, 2014, there were 296,483 and 447,790 shares available for grant under the 2011 Stock Plan and 2007 Stock Plan, respectively. The 2007 Stock Plan is frozen with respect to future awards.

For the years ended December 31, 2014, 2013, and 2012, the Company recorded share-based compensation expense in the amount of $2,312, $1,572, and $542, respectively. As of December 31, 2014, unrecognized share-based compensation expense to be recognized over future periods approximated $3,418. This amount will be recognized as expense over a weighted-average period of 2.4 years. Share-based compensation expenses are recognized on a straight-line basis over the requisite service period of the agreement. The total income tax benefit recognized in the income statement for the share-based compensation arrangements was $891, $258, and $211 for the years ended December 31, 2014, 2013, and 2012, respectively. All share-based compensation is classified as equity except where otherwise noted.

Long-term incentive plan ("LTIP"): In October 2014, following consultation with its independent compensations consultants, the Compensation Committee of the Board approved certain compensation arrangements for certain of its employees. These arrangements, which were made pursuant to the terms of the 2011 Stock Plan, include the grant of nonqualified stock options, performance-contingent restricted stock units ("RSU"), and cash-settled performance shares ("PS"). The 2014 grants cliff vest on December 31, 2016 (subject to continued employment or as otherwise provided in the agreements). The actual value of the RSU and PS that may be earned can range from 0% to 150% of target based on the achievement of EBITDA (RSU) and EPS (PS) performance targets over a period of January 1, 2014 through December 31, 2016 for the 2014 grants.

The Company had not acted to provide certain executives an LTIP for 2013. For that reason, in October 2014, the Company granted restricted stock awards that cliff vest at the end of the service period in February 2017 (subject to continued employment or as otherwise provided in the agreement).

Board compensation plan: In October 2013, the Board revised its standard compensation arrangement for its non-employee directors. Effective for annual service years beginning in 2014, the Company will award its non-employee directors a cash retainer and shares of restricted common stock. The restricted stock awards will occur five days following the Company's annual meeting of stockholders and will be fully vested upon the earlier of the first anniversary of the grant date or the completion of the directors' annual service to the Company. Also, due to the fact that the Company had not yet acted to award its non-employee directors equity compensation for annual service commencing in 2013, the Company awarded each of its non-employee directors 4,484 shares of its common stock, effective October 2013. For the purpose of satisfying income tax obligations, each director was entitled, at his election, to forego up to 40% of the 4,484 shares subject to his award in order to receive a cash payment equivalent to the value of the foregone shares. The awards, which were made pursuant to the terms of the 2011 Stock Plan, were fully vested at the time of the grant and the Company incurred $1,200 of incremental director compensation expense for 2013.

Stock options: Options granted under the 2007 Stock Plan vest 20% at the date of grant and 20% on the anniversary date of the grant each year thereafter for four years. Options granted under the 2011 Stock Plan prior to the LTIP grant in 2014 vest at 20% on the anniversary date of the grant each year for five years. In addition, all stock options vest and become exercisable in full under certain circumstances following the occurrence of a Change of Control (as defined in the option award agreements). Participants who are awarded options must exercise their options within a maximum of ten years of the grant date.

The fair value of option grants are estimated on the grant date using the Black-Scholes option-pricing model with the following weighted-average assumptions for option grants during the years ended December 31, 2014, 2013, and 2012.

	2014	2013	2012
Expected volatility	42.68%	47.74%	48.49%
Expected dividends	0.00%	0.00%	0.00%
Expected term (in years)	6.21	10.00	10.00
Risk-free rate	1.94%	2.03%	2.20%

Expected volatility is based on the Company's historical stock price volatility beginning in 2014. Prior years were based on the historic volatility of a publicly traded company in the same industry. The expected term is calculated by using the simplified method due to insufficient historical data. The risk-free rate is based on the zero coupon U.S. Treasury bond rate over the expected term of the awards.

The following table summarizes the stock option activity for the year ended December 31, 2014 (shares in thousands):

	Number of Shares	Weighted-Average Price Per Share	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding at January 1, 2014	866	$10.70		
Granted	155	17.76		
Exercised	(46)	5.88		
Forfeited	(72)	16.90		
Expired	(7)	15.00		
Options outstanding at December 31, 2014	896	$11.63	4.5	$4,520
Options exercisable at December 31, 2014	621	$ 8.81	2.8	$4,465
Available for grant at December 31, 2014	744			

The following table provides additional stock option information.

	Year Ended December 31,		
	2014	2013	2012
Weighted-average grant date fair value per award	$ 7.83	$12.09	$9.07
Intrinsic value of options exercised	$ 584	$2,448	$ —
Fair value of stock options that vested	$1,484	$ 517	$ 245

Restricted stock units: Compensation expense for restricted stock units is based on the Company's closing stock price on the date of grant and the probability that certain financial goals are achieved over the performance period. Compensation cost is estimated based on expected performance and is adjusted at each reporting period.

The following table summarizes restricted stock unit activity during the year ended December 31, 2014 (shares in thousands):

	2014	
	Shares	Weighted-Average Grant Date Fair Value
Non-vested shares, beginning of the year	—	$ —
Granted	57	17.76
Vested	—	—
Forfeited	(22)	17.76
Non-vested shares, end of the year	35	$17.76

Cash-settled performance shares: Cash-settled performance shares will be settled in cash at the end of the performance measurement period and are classified as a liability. Compensation cost is estimated based on expected performance and is adjusted at each reporting period.

The following table summarizes cash settled performance share activity during the year ended December 31, 2014 (shares in thousands):

	2014	
	Shares	Weighted-Average Grant Date Fair Value
Non-vested shares, beginning of the year	—	$ —
Granted	1,016	1.00
Vested	—	—
Forfeited	(387)	1.00
Non-vested shares, end of the year	629	$1.00

Restricted stock awards: The fair value and compensation cost of restricted stock is calculated using the Company's closing stock price on the date of grant.

The following table summarizes restricted stock activity during the year ended December 31, 2014 (shares in thousands):

	2014	
	Shares	Weighted-Average Grant Date Fair Value
Non-vested shares, beginning of the year	—	$ —
Granted	73	16.23
Vested	(13)	17.76
Forfeited	—	—
Non-vested shares, end of the year	60	$15.91

The following table provides additional restricted stock information.

	Year Ended December 31,		
	2014	2013	2012
Weighted-average grant date fair value per award	$16.23	$33.74	$—
Fair value of restricted stock that vested	$ 224	$ 870	$—

Note 17. Commitments and Contingencies

On May 30, 2014, a securities class action lawsuit was filed in the United States District Court for the Southern District of New York against the Company and certain of its current and former directors, executive officers, and shareholders (collectively, the "Defendants"). The complaint alleged violations of the Securities Act of 1933 ("1933 Act Claims") and sought unspecified compensatory damages and other relief on behalf of a purported class of purchasers of the Company's common stock in the September 2013 and December 2013 secondary public offerings. On August 25, 2014, Waterford Township Police & Fire Retirement System and City of Roseville Employees' Retirement System were appointed as lead plaintiffs (collectively, the "Plaintiffs"). An amended complaint was filed on November 24, 2014. In addition to the 1933 Act Claims, the amended complaint also added claims for violations of the Securities Exchange Act of 1934 ("1934 Act Claims") seeking unspecified compensatory damages on behalf of a purported class of purchasers of the Company's common stock between May 2, 2013 and October 30, 2014, inclusive. On January 26, 2015, the Defendants filed motions to dismiss the amended complaint in its entirety. In response, the Plaintiffs sought and were granted leave to file an amended complaint. On February 27, 2015, the Plaintiffs filed a second amended complaint. Like the prior amended complaint, the second amended complaint asserts 1933 Act Claims and 1934 Act Claims and seeks unspecified compensatory damages. The Defendants' motion to dismiss is due on or about April 28, 2015. The Company believes that the claims against it are without merit and intends to defend against the litigation vigorously.

The Company's primary insurance carrier during the applicable time period has (i) denied coverage for the 1933 Act Claims and (ii) acknowledged coverage of the Company and other insureds for the 1934 Act Claims under a reservation of rights and subject to the terms and conditions of the applicable insurance policy. The parties are in the process of negotiating an allocation between denied and acknowledged claims.

In the normal course of business, the Company has been named as a defendant in legal actions, including arbitrations, class actions, and other litigation arising in connection with its activities. Some of the actual or threatened legal actions include claims for compensatory and punitive damages or claims for indeterminate amounts of damages. While the Company will continue to identify legal actions where the Company believes a material loss to be reasonably possible and reasonably estimable, there can be no assurance that material losses will not be incurred from claims that the Company has not yet been notified of or are not yet determined to be probable or reasonably possible and reasonable to estimate.

The Company contests liability and the amount of damages, as appropriate, in each pending matter. Where available information indicates that it is probable that a liability has been incurred and the Company can reasonably estimate the amount of that loss, the Company accrues the estimated loss by a charge to net income. As of December 31, 2014, the Company has accrued $497 for these matters. 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 loss. In addition, even where a loss is reasonably possible or an exposure to loss exists in excess of the liability already accrued, it is not always possible to reasonably estimate the size of the possible loss or range of loss.

For certain legal actions, the Company cannot reasonably estimate such losses, particularly for actions that are in their early stages of development or where plaintiffs seek indeterminate damages. Numerous issues may need to be resolved, including through 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, the Company can estimate reasonably possible losses, additional losses, ranges of loss, or ranges of additional loss in excess of amounts accrued, but the Company does not believe, based on current knowledge and after consultation with counsel, that such losses will have a material adverse effect on the consolidated financial statements.

The Company expenses legal costs as they are incurred.

Note 18. Credit Insurance Products

RMC Reinsurance, Ltd. is a wholly-owned insurance subsidiary of the Company. The Company sells optional insurance products to its customers in connection with its lending operations. These optional products include credit life, credit accident and health, property insurance, and involuntary unemployment insurance. The Company also collects a fee for collateral protection and purchases non-file insurance in lieu of recording and perfecting the Company's security interest in the assets pledged on certain loans. Insurance premiums are remitted to an unaffiliated company that issues the policy to the customer. This unaffiliated company cedes the premiums to the Company's wholly-owned insurance subsidiary, RMC Reinsurance, Ltd. Life insurance premiums are ceded to the Company as written and non-life products are ceded as earned.

The Company maintains a cash reserve for life insurance claims in an amount determined by the ceding company. The cash reserve secures a letter of credit issued by a commercial bank in favor of the ceding company. The ceding company maintains the reserves for non-life claims.

Reinsurance is accounted for over the period of the underlying reinsured policies using assumptions consistent with the policy terms. Following are total net premiums written and reinsured and total earned premiums for the years ended December 31, 2014, 2013, and 2012:

Year Ending December 31,	Net Written Premiums	Earned Premiums
2014	$17,831	$17,385
2013	17,260	16,057
2012	15,718	14,473

RMC Reinsurance, Ltd. is required to maintain cash reserves for a letter of credit against life insurance policies ceded to it, as determined by the ceding company. In April 2013, the letter of credit was increased to $1,900 in favor of the ceding company. The letter of credit is secured by a cash deposit of $1,900. The cash securing the letter of credit is presented as restricted cash in the other asset category in the accompanying balance sheets, which totaled $1,900 and $1,900 at December 31, 2014 and 2013, respectively.

The Company has a collateral protection collision insurance ("CPI") program. CPI is added to a loan when a customer fails to provide the Company with proof of collision insurance on an automobile securing a loan. The CPI program is administered by an independent third party, which tracks insurance lapses and cancellations and issues a policy when the customer does not provide proof of insurance. The insurance is added to the loan and increases the customers' monthly loan payment. The third party and its insurance partner retain a percentage of the premium and pay all claims. The Company earns a commission for policies issued prior to July 1, 2014. Income is recognized on the constant yield method over the life of the insurance policy, which is generally one year. The Company does not earn a commission on policies issued on and after July 1, 2014.

The Company offers a self-insured Guaranteed Auto Protection ("GAP") coverage to customers in North Carolina and Alabama. A GAP program is a contractual arrangement whereby the Company forgives the remaining balance of the insured customer's automobile purchase loan if the automobile is determined to be a total loss by the primary insurance carrier and insurance proceeds are not sufficient to pay off the customer's loan. The Company recognized $185, $242, and $251 of net GAP revenue for the years ended December 31, 2014, 2013, and 2012, respectively. This revenue is recognized over the life of the loan. Losses are recognized in the period in which they occur.

Note 19. Business Combination

The following table sets forth the business combination activity for the year ended December 31, 2014 and 2013:

	2014	2013
Branches purchased	1	2
Branches merged into existing offices	—	—
Net new offices	1	2
Tangible assets:		
Net finance receivables	$ 96	$211
Property and equipment	—	11
Other	—	—
Intangible assets:		
Customer list	32	—
Goodwill	—	353
Total purchase price	$128	$575

The Company evaluates each acquisition to determine if it meets the definition of a business combination. The Company accounts for a transaction as a business combination if it meets the definition, which typically occurs when it assumes the lease, retains the location as a new branch, and offers employment to the existing employees. All other transactions are accounted for as a purchase of assets.

For transactions accounted for as a business combination, the purchase price for assets acquired is allocated to the estimated fair value of the tangible and intangible assets acquired. The remainder is allocated to goodwill.

The Company records acquired finance receivables at fair value, which is determined using discounted cash flow methodologies. Property and equipment are valued at the mutually agreed upon purchase price, which management believes approximates fair value.

On August 18, 2014, the Company purchased the assets of one branch in a business combination with a consumer loan company in the state of Texas for a cash purchase price of $128. The Company offered employment to the existing employees of the location. This acquisition was completed to expand the Company's operations in the state of Texas. On April 5, 2013, the Company purchased the assets of two branches in a business combination with a consumer loan company in the state of Georgia for a cash purchase price of $575. The Company offered employment to the existing employees of such locations. This acquisition was completed to expand the Company's operations in the state of Georgia.

The results of all business combinations have been included in the Company's Consolidated Financial Statements since the respective acquisition dates. The pro forma impact of these purchases as though they had been acquired at the beginning of the periods presented would not have a material effect on the results of operations as reported.

Note 20: Quarterly Information (unaudited)

The following tables summarize the Company's quarterly financial information for each of the four quarters of 2014 and 2013:

	2014			
	First	Second	Third	Fourth
Total revenue	$49,581	$47,437	$53,909	$53,792
Provision for credit losses	16,945	13,620	22,542	15,950
General and administrative expenses	19,898	23,198	25,284	28,396
Interest expense	3,763	3,556	3,848	3,780
Income tax	3,365	2,649	838	2,285
Net income	$ 5,610	$ 4,414	$ 1,397	$ 3,381
Net income per common share:				
Basic	$ 0.44	$ 0.35	$ 0.11	$ 0.27
Diluted	$ 0.43	$ 0.34	$ 0.11	$ 0.26

	2013			
	First	Second	Third	Fourth
Total revenue	$38,600	$39,182	$44,305	$48,542
Provision for credit losses	8,071	8,405	11,078	11,638
General and administrative expenses	16,686	17,339	17,534	19,480
Interest expense	3,081	3,241	3,913	3,909
Income tax	3,998	3,793	4,539	5,130
Net income	$ 6,764	$ 6,404	$ 7,241	$ 8,385
Net income per common share:				
Basic	$ 0.54	$ 0.51	$ 0.58	$ 0.66
Diluted	$ 0.53	$ 0.50	$ 0.56	$ 0.65

Note 21: Subsequent Events

In January 2015, the Company entered into an Employment Agreement with its Chief Executive Officer. The Employment Agreement is attached as Exhibit 10.1 to the Current Report on Form 8-K, filed with the SEC on January 14, 2015. Pursuant to the Employment Agreement, the Company granted the executive common stock and recognized $1.5 million of expense in the first quarter of 2015.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.*

Not applicable.

ITEM 9A. *CONTROLS AND PROCEDURES.*

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2014. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation of our disclosure controls and procedures as of December 31, 2014, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for the preparation, integrity, accuracy, and fair presentation of the Consolidated Financial Statements appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. The financial statements were prepared in conformity with generally accepted accounting principles in the United States ("GAAP") and include amounts based on judgments and estimates by management.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated Financial Statements in accordance with GAAP. Our internal control over financial reporting is supported by internal audits, appropriate reviews by management, policies and guidelines, careful selection and training of qualified personnel, and codes of ethics adopted by our company's Board of Directors that are applicable to all directors, officers, and employees of our company.

Because of its inherent limitations, no matter how well designed, internal control over financial reporting may not prevent or detect all misstatements. Internal controls can only provide reasonable assurance with respect to financial statement preparation and presentation. Further, the evaluation of the effectiveness of internal control over financial reporting was made as of a specific date, and continued effectiveness in future periods is subject to the risks that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may decline.

Management assessed the effectiveness of the Company's internal control over financial reporting, with the participation of the Company's chief executive officer and chief financial officer, as of December 31, 2014. In conducting this assessment, management used the criteria set forth by the Committee of Sponsoring

Organizations of the Treadway Commission in *Internal Control—Integrated Framework* (2013). Based on our assessment, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2014.

As an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012, we are exempt from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002. As a result, McGladrey LLP, our independent registered public accounting firm, has not audited or issued an attestation report with respect to the effectiveness of our internal control over financial reporting as of December 31, 2014.

Changes in Internal Control

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. During the fourth quarter of fiscal 2014, our management identified a material weakness in our internal control over financial reporting, which was reported in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014. Specifically, management concluded that we did not design and maintain effective controls over the credit risk associated with the origination of direct mail loans, resulting in a reasonable possibility that a material misstatement of our allowance for credit losses would not be prevented or detected on a timely basis. Controls were not effectively designed to apply sufficient scrutiny to the credit quality criteria used to identify direct mail recipients and to audit the resulting recipient list. This material weakness did not result in any adjustments to our prior-period interim or annual consolidated financial statements.

In response to the material weakness described above, management developed and implemented the following remediation measures to address the material weakness and to enhance the Company’s internal control over financial reporting. The following actions, which the Company believes have remediated the deficiencies in internal control over financial reporting related to the administration of our direct mail loan originations, were completed prior to December 31, 2014 and were tested and effective as of December 31, 2014:

- Established a Credit Committee to oversee direct mail campaign underwriting and origination processes;
- Implemented additional policies and internal control procedures related to the audit of direct mail campaigns;
- Enhanced communication between the Company’s credit risk and accounting functions regarding changes in underwriting criteria for all loan products; and
- Improved upon early-stage delinquency reporting and communication to management and the accounting function.

As a result of the completed remediation efforts noted above, there were improvements in internal control over financial reporting during the fourth quarter of fiscal 2014 materially affecting, or reasonably likely to materially affect, the Company’s internal control over financial reporting. Management has identified and has implemented the necessary corrections to its internal control structure to fully remediate the material weakness described above and has certified in this Annual Report on Form 10-K that the Company maintained effective internal control over financial reporting as of December 31, 2014. Other than as described above, there were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Annual Report on Form 10-K that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. *OTHER INFORMATION.*

Not applicable.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.*

The information required under this item is incorporated herein by reference to the information presented under the headings "Proposal One: Election of Directors," "Corporate Governance Matters," "Section 16(a) Beneficial Ownership Reporting Compliance," and "Compensation and Other Information Concerning Our Executive Officers and Directors" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of the Company's fiscal year ended December 31, 2014.

Our Board has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") and reviews it at least annually. The Code of Ethics applies to all of our directors, officers, and employees and is posted on the Company's Investor Relations website under the "Corporate Governance" tab at *www.regionalmanagement.com*. A stockholder may request a copy of the Code of Ethics by contacting our Corporate Secretary at 509 West Butler Road, Greenville, South Carolina 29607. To the extent permissible under applicable law, the rules of the SEC, and NYSE listing standards, we intend to disclose on our website any amendment to our Code of Ethics, or any grant of a waiver from a provision of our Code of Ethics, that requires disclosure under applicable law, the rules of the SEC, or NYSE listing standards.

ITEM 11. *EXECUTIVE COMPENSATION.*

The information required under this item is incorporated herein by reference to the information presented under the headings "Corporate Governance Matters" and "Compensation and Other Information Concerning Our Executive Officers and Directors" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of the Company's fiscal year ended December 31, 2014.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.*

The information required under this item is incorporated herein by reference to the information presented under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Compensation and Other Information Concerning Our Executive Officers and Directors" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of the Company's fiscal year ended December 31, 2014.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.*

The information required under this item is incorporated herein by reference to the information presented under the headings "Certain Relationships and Related Person Transactions" and "Corporate Governance Matters" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of the Company's fiscal year ended December 31, 2014.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES.*

The information required under this item is incorporated herein by reference to the information presented under the heading "Proposal Two: Ratification of the Appointment of Our Independent Registered Public Accounting Firm" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of the Company's fiscal year ended December 31, 2014.

PART IV

ITEM 15. ***EXHIBITS, FINANCIAL STATEMENT SCHEDULES.***

(a) The following documents are filed as part of this report:

(1) Financial Statements:

(i) Report of Independent Registered Public Accounting Firm

(ii) Consolidated Balance Sheets at December 31, 2014 and December 31, 2013

(iii) Consolidated Statements of Income for the Years Ended December 31, 2014, December 31, 2013, and December 31, 2012

(iv) Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2014, December 31, 2013, and December 31, 2012

(v) Consolidated Statements of Cash Flows for the Years Ended December 31, 2014, December 31, 2013, and December 31, 2012

(vi) Notes to Consolidated Financial Statements

(2) Financial Statement Schedules: None. Financial statement schedules have been omitted since the required information is included in our consolidated financial statements contained elsewhere in this Annual Report on Form 10-K.

(3) Exhibits: The exhibits listed in the accompanying Exhibit Index are filed as a part of this Annual Report on Form 10-K.

(b) Exhibits: The exhibits listed in the accompanying Exhibit Index are filed as a part of this Annual Report on Form 10-K.

(c) Separate Financial Statements and Schedules: None. Financial statement schedules have been omitted since the required information is included in our consolidated financial statements contained elsewhere in this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

	Regional Management Corp.
Date: March 16, 2015	/s/ Michael R. Dunn
	By: Michael R. Dunn Its: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael R. Dunn and Donald E. Thomas, and each of them, jointly and severally, as true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all which said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 16, 2015.

/s/ Michael R. Dunn	Name:	Michael R. Dunn
	Title:	Chief Executive Officer and Director (principal executive officer)
/s/ Donald E. Thomas	Name:	Donald E. Thomas
	Title:	Executive Vice President and Chief Financial Officer (principal financial officer and principal accounting officer)
/s/ Alvaro G. de Molina	Name:	Alvaro G. de Molina
	Title:	Chairman of the Board of Directors
/s/ Roel C. Campos	Name:	Roel C. Campos
	Title:	Director
/s/ Steven J. Freiberg	Name:	Steven J. Freiberg
	Title:	Director
/s/ Richard A. Godley	Name:	Richard A. Godley
	Title:	Director
/s/ Carlos Palomares	Name:	Carlos Palomares
	Title:	Director
/s/ C. Glynn Quattlebaum	Name:	C. Glynn Quattlebaum
	Title:	Director

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	File Number	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of Regional Management Corp.		8-K	001-35477	3.1	4/2/2012
3.2	Amended and Restated Bylaws of Regional Management Corp.		8-K	001-35477	3.2	4/2/2012
10.1	Amended and Restated Shareholders Agreement, dated as of March 27, 2012, among Regional Management Corp., Parallel 2005 Equity Fund, LP, Palladium Equity Partners III, L.P., and the other stockholders party thereto		8-K	001-35477	10.1	4/2/2012
10.2.1	Fourth Amended and Restated Loan and Security Agreement, dated as of January 18, 2012, among the lenders named therein, Bank of America, N.A., as the agent, and Regional Management Corp., Regional Finance Corporation of South Carolina, Regional Finance Corporation of Georgia, Regional Finance Corporation of Texas, Regional Finance Corporation of North Carolina, Regional Finance Corporation of Alabama, and Regional Finance Corporation of Tennessee, as borrowers		S-1/A	333-174245	10.2	3/2/2012
10.2.2	Extension, Joinder and First Amendment to Fourth Amended and Restated Loan and Security Agreement, dated as of July 31, 2012, among the lenders named therein, Bank of America, N.A., as the agent, and Regional Management Corp., Regional Finance Corporation of South Carolina, Regional Finance Corporation of Georgia, Regional Finance Corporation of Texas, Regional Finance Corporation of North Carolina, Regional Finance Corporation of Alabama, Regional Finance Corporation of Tennessee, Regional Finance Company of New Mexico, LLC, Regional Finance Company of Oklahoma, LLC, and Regional Finance Company of Missouri, LLC, as borrowers		8-K	001-35477	10.1	8/1/2012

10.2.3	Joinder and Second Amendment to the Fourth Amended and Restated Loan and Security Agreement, dated as of March 29, 2013, by and among the lenders named therein, Bank of America, N.A., as the agent, and Regional Management Corp., Regional Finance Corporation of South Carolina, Regional Finance Corporation of Georgia, Regional Finance Corporation of Texas, Regional Finance Corporation of North Carolina, Regional Finance Corporation of Alabama, Regional Finance Corporation of Tennessee, Regional Finance Company of New Mexico, LLC, Regional Finance Company of Oklahoma, LLC, Regional Finance Company of Missouri, LLC, Regional Finance Company of Georgia, LLC, RMC Financial Services of Florida, LLC, Regional Finance Company of Louisiana, LLC, and Regional Finance Company of Mississippi, LLC, as borrowers.	8-K	001-35477	10.1	4/4/2013
10.2.4	Joinder, Extension and Third Amendment to the Fourth Amended and Restated Loan and Security Agreement, dated as of May 13, 2013, by and among the lenders named therein, Bank of America, N.A., as the agent, and Regional Management Corp., Regional Finance Corporation of South Carolina, Regional Finance Corporation of Georgia, Regional Finance Corporation of Texas, Regional Finance Corporation of North Carolina, Regional Finance Corporation of Alabama, Regional Finance Corporation of Tennessee, Regional Finance Company of New Mexico, LLC, Regional Finance Company of Oklahoma, LLC, Regional Finance Company of Missouri, LLC, Regional Finance Company of Georgia, LLC, RMC Financial Services of Florida, LLC, Regional Finance Company of Louisiana, LLC, Regional Finance Company of Mississippi, LLC, Regional Finance Company of Kentucky, LLC, and Regional Finance Company of Virginia, LLC as borrowers.	8-K	001-35477	10.1	5/14/2013

10.2.5	Fourth Amendment to the Fourth Amended and Restated Loan and Security Agreement, dated as of November 13, 2013, by and among the lenders named therein, Bank of America, N.A., as the agent, and Regional Management Corp., Regional Finance Corporation of South Carolina, Regional Finance Corporation of Georgia, Regional Finance Corporation of Texas, Regional Finance Corporation of North Carolina, Regional Finance Corporation of Alabama, Regional Finance Corporation of Tennessee, Regional Finance Company of New Mexico, LLC, Regional Finance Company of Oklahoma, LLC, Regional Finance Company of Missouri, LLC, Regional Finance Company of Georgia, LLC, RMC Financial Services of Florida, LLC, Regional Finance Company of Louisiana, LLC, Regional Finance Company of Mississippi, LLC, Regional Finance Company of Kentucky, LLC, and Regional Finance Company of Virginia, LLC as borrowers.	8-K	001-35477	10.1	11/18/2013
10.3†	Regional Management Corp. 2007 Management Incentive Plan	S-1/A	333-174245	10.4	6/23/2011
10.4.1†	Regional Management Corp. 2011 Stock Incentive Plan and Forms of Nonqualified Stock Option Agreement	S-1/A	333-174245	10.5	8/4/2011
10.4.2†	Form of Stock Award Agreement under the 2011 Stock Incentive Plan	10-K	001-35477	10.4.2	3/17/2014
10.4.3†	Form of Restricted Stock Award Agreement under the 2011 Stock Incentive Plan (form for director grants)	10-K	001-35477	10.4.3	3/17/2014
10.4.4†	Form of Nonqualified Stock Option Agreement under the 2011 Stock Incentive Plan (form for grants on or after October 1, 2014)	8-K	001-35477	10.1	10/7/2014
10.4.5†	Form of Performance-Contingent Restricted Stock Unit Award Agreement under the 2011 Stock Incentive Plan	8-K	001-35477	10.2	10/7/2014
10.4.6†	Form of Cash-Settled Performance Share Award Agreement under the 2011 Stock Incentive Plan	8-K	001-35477	10.3	10/7/2014
10.4.7†	Form of Restricted Stock Award Agreement under the 2011 Stock Incentive Plan (form for employee grants)	8-K	001-35477	10.4	10/7/2014

10.5†	Regional Management Corp. Annual Incentive Plan		S-1/A	333-174245	10.6	8/4/2011
10.6†	Description of Non-Employee Director Compensation Program	X				
10.7.1†	Employment Agreement, dated as of March 21, 2007, between C. Glynn Quattlebaum and Regional Management Corp.; First Amendment, dated as of July 18, 2008; Second Amendment, dated effective as of January 1, 2009; Third Amendment, dated as of April 13, 2010; and Fourth Amendment, dated as of May 17, 2011		S-1/A	333-174245	10.11	6/23/2011
10.7.2†	Amendment 1 to Employment Agreement, dated as of March 8, 2012, between Regional Management Corp. and C. Glynn Quattlebaum		S-1/A	333-174245	10.14	3/12/2012
10.7.3†#	Fifth Amendment to Employment Agreement, dated as of October 8, 2012, between Regional Management Corp. and C. Glynn Quattlebaum		10-K	001-35477	10.7.3	3/18/2013
10.7.4†	Sixth Amendment to Employment Agreement, dated as of July 2, 2014, between Regional Management Corp. and C. Glynn Quattlebaum		8-K	001-35477	10.1	7/2/2014
10.8.1†	Employment Agreement, dated as of March 18, 2013, between Thomas F. Fortin and Regional Management Corp.		8-K	001-35477	10.1	3/21/2013
10.8.2†	Separation Agreement, dated as of December 11, 2014, between Thomas F. Fortin and Regional Management Corp.		8-K	001-35477	10.1	12/17/2014
10.9†	Employment Agreement, dated as of January 12, 2015, between Michael R. Dunn and Regional Management Corp.		8-K	001-35477	10.1	1/14/2015
10.10†	Employment Agreement, dated as of September 19, 2014, between Jody L. Anderson and Regional Management Corp.		8-K	001-35477	10.1	9/25/2014
10.11.1†	Letter Agreement, dated as of December 12, 2012, between Regional Management Corp. and Donald E. Thomas		8-K	001-35477	10.1	12/18/2012
10.11.2†	Amendment to Employment Offer Letter, dated as of October 1, 2014, between Regional Management Corp. and Donald E. Thomas		8-K	001-35477	10.5	10/7/2014

10.12†	Letter Agreement, dated as of January 5, 2015, between Regional Management Corp. and Daniel J. Taggart	X				
10.13†	Letter Agreement, dated as of December 12, 2012, between Regional Management Corp. and Brian J. Fisher		10-K	001-35477	10.11	3/18/2013
10.14†	Option Award Agreement, dated as of October 11, 2007, between Regional Management Corp. and C. Glynn Quattlebaum		S-1/A	333-174245	10.10	6/23/2011
10.15†	Option Award Agreement, dated as of February 26, 2008, between Regional Management Corp. and Thomas F. Fortin		S-1/A	333-174245	10.8	6/23/2011
10.16#	On-Line Computer Service Agreement, dated October 25, 2013, by and between DHI Computing Service, Inc. d/b/a GOLDPoint Systems and Regional Management Corp.		8-K	001-35477	10.1	10/30/2013
21.1	Subsidiaries of Regional Management Corp.	X				
23.1	Consent of McGladrey LLP	X				
31.1	Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Executive Officer	X				
31.2	Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Financial Officer	X				
32.1	Section 1350 Certifications	X				
101	The following materials from our Annual Report on Form 10-K for the year ended December 31, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets as of December 31, 2014 and December 31, 2013, (ii) the Consolidated Statements of Income for the years ended December 31, 2014, December 31, 2013, and December 31, 2012, (iii) the Consolidated Statements of Stockholders' Equity for the years ended December 31, 2014, December 31, 2013, and December 31, 2012, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2014, December 31, 2013, and December 31, 2012, and (v) the Notes to the Consolidated Financial Statements, tagged as blocks of text	X				

† Indicates a management contract or a compensatory plan, contract, or arrangement.
# Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

Notice of 2015 Annual Meeting and Proxy Statement

March 23, 2015

Dear Stockholders:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders (the "Annual Meeting") of Regional Management Corp. ("Regional" or the "Company"), which will be held on Wednesday, April 22, 2015, at 8:00 a.m. local time, at the Hyatt Regency Greenville, 220 N. Main Street, Greenville, SC 29601.

During the Annual Meeting, we will discuss each item of business described in the Notice of Annual Meeting of Stockholders and Proxy Statement, which we will begin mailing to stockholders on or about March 27, 2015. At the Annual Meeting, stockholders will be asked to:

(i) Elect six nominees for director to serve until the next annual meeting of stockholders;

(ii) Ratify the appointment of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015;

(iii) Approve the Regional Management Corp. 2015 Long-Term Incentive Plan; and

(iv) Re-approve the Regional Management Corp. Annual Incentive Plan (as amended and restated effective March 23, 2015), pursuant to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Company's Board of Directors unanimously recommends that you vote FOR the election of the director nominees and FOR each of the other stockholder proposals.

Your vote is important to us. If you do not intend to be present at the Annual Meeting, we ask that you vote your shares by signing, dating, and returning the accompanying proxy card promptly so that your shares of common stock may be represented and voted at the Annual Meeting. Additional instructions regarding the different voting options that we provide are contained on the accompanying proxy card and on page 5 of the accompanying proxy statement. It is important that your shares of common stock be represented at the Annual Meeting so that a quorum may be established. Even if you plan to attend the Annual Meeting in person, please read the proxy materials carefully and then vote your shares by signing, dating, and returning the accompanying proxy card. If you attend the Annual Meeting, you may revoke your proxy and vote your shares in person.

We make available free of charge at our Investor Relations website, *www.regionalmanagement.com*, a variety of information for investors. Our goal is to maintain the Investor Relations website as a portal through which investors can easily find or navigate to pertinent information about us.

On behalf of the Board of Directors of the Company, thank you for your continued support and ownership of Regional Management Corp. common stock.

Sincerely,

Michael R. Dunn

Michael R. Dunn
Chief Executive Officer, Director

REGIONAL MANAGEMENT CORP.
509 West Butler Road
Greenville, South Carolina 29607
(864) 422-8011

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on April 22, 2015

To the Stockholders of Regional Management Corp.:

We hereby give notice that the Annual Meeting of Stockholders (the "Annual Meeting") of Regional Management Corp. ("Regional" or the "Company") will be held on Wednesday, April 22, 2015, at 8:00 a.m. local time, at the Hyatt Regency Greenville, 220 N. Main Street, Greenville, SC 29601, for the following purposes:

(1) To elect the six nominees named in the accompanying Proxy Statement to serve as members of our Board of Directors until the next annual meeting of stockholders or until their successors are elected and qualified;

(2) To ratify the appointment of McGladrey LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;

(3) To approve the Regional Management Corp. 2015 Long-Term Incentive Plan;

(4) To re-approve the Regional Management Corp. Annual Incentive Plan (as amended and restated effective March 23, 2015), pursuant to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended; and

(5) To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Only stockholders whose names appear of record on our books at the close of business on March 9, 2015, will be entitled to notice of and to vote at the Annual Meeting or at any adjournments thereof.

You are cordially invited to attend the Annual Meeting. Your vote is important. Whether or not you plan to attend the Annual Meeting in person, you are urged to cast your vote promptly. If you attend the Annual Meeting, you may revoke your proxy and vote your shares in person. For specific instructions regarding how to vote, please see the accompanying proxy materials.

By Order of the Board of Directors

Brian J. Fisher
Vice President, General Counsel, and Secretary

Greenville, South Carolina
March 23, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON APRIL 22, 2015: THE PROXY STATEMENT AND THE COMPANY'S ANNUAL REPORT ON FORM 10-K ARE AVAILABLE AT *https://materials.proxyvote.com/75902K*.

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE, AND SIGN THE ENCLOSED PROXY CARD, AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES.

IN ACCORDANCE WITH OUR SECURITY PROCEDURES, ALL PERSONS ATTENDING THE ANNUAL MEETING WILL BE REQUIRED TO PRESENT PICTURE IDENTIFICATION.

REGIONAL MANAGEMENT CORP.

PROXY STATEMENT ON SCHEDULE 14A
2015 Annual Meeting of Stockholders

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REGIONAL MANAGEMENT CORP.
509 West Butler Road
Greenville, South Carolina 29607
(864) 422-8011

PROXY STATEMENT

For the Annual Meeting of Stockholders to Be Held on April 22, 2015

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on April 22, 2015:

The Notice of Annual Meeting of Stockholders, Proxy Statement, and Annual Report on Form 10-K are available at *https://materials.proxyvote.com/75902K* and on the Investor Relations website of Regional Management Corp. at *www.regionalmanagement.com*.

March 23, 2015

2015 PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

Annual Meeting of Stockholders

Date:	Wednesday, April 22, 2015
Time:	8:00 a.m. local time
Place:	Hyatt Regency Greenville, 220 N. Main Street, Greenville, SC 29601
Record Date:	March 9, 2015
Voting:	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on. Stockholders may vote in person or by proxy. Instructions as to how you may cast your vote by proxy are found on the accompanying proxy card and are set forth in the Proxy Statement under "General Information – How do I vote?".
Proxy Materials:	The Proxy Statement and the accompanying proxy card are first being sent on or about March 27, 2015, to the stockholders of Regional Management Corp.

Meeting Agenda

Proposal	Board Vote Recommendation	Page Reference (for more detail)
Election of six directors	FOR	7
Ratification of McGladrey LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015	FOR	16
Approval of the Regional Management Corp. 2015 Long-Term Incentive Plan	FOR	45
Re-approval of the Regional Management Corp. Annual Incentive Plan	FOR	55
Transact other business as may properly come before the meeting		

Election of Director Nominees

The following table provides summary information about each director nominee. The nominees receiving a plurality of the votes cast at the meeting will be elected as directors.

Name	Age	Director Since	Experience/Qualification	Independent	Committees AC	CC	CGN
Alvaro G. de Molina	57	2012	Leadership, Corporate Finance, Accounting Expertise, Credit Risk	X	X	X	X
Roel C. Campos	66	2012	Leadership, Corporate Governance, Securities Compliance, Regulatory	X	X	X	C
Michael R. Dunn	63	2014	Leadership, Industry, Corporate Finance, Accounting Expertise, Credit Risk				
Steven J. Freiberg	58	2014	Leadership, Industry, Corporate Finance, Accounting Expertise, Credit Risk	X	X	X	
Richard A. Godley	66	1987	Leadership, Industry				
Carlos Palomares	70	2012	Leadership, Industry, Corporate Finance, Accounting Expertise, Credit Risk	X	C*	C*	X

AC = Audit Committee CC = Compensation Committee CGN = Corporate Governance and Nominating Committee C = Committee Chairman

** Note: Following the Annual Meeting, the Board of Directors intends to split the Audit Committee and Compensation Committee chairmanship duties between Mr. Palomares and Mr. Freiberg.*

Ratification of Independent Registered Public Accounting Firm

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of McGladrey LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

Approval of Long-Term Incentive Plan

We are asking our stockholders to approve the Regional Management Corp. 2015 Long-Term Incentive Plan (the "2015 Plan") in order (i) to comply with the New York Stock Exchange (the "NYSE") rules requiring stockholder approval of equity compensation plans; (ii) to allow the grant of incentive stock options to employee participants in the 2015 Plan; and (iii) to allow the Compensation Committee the ability to grant awards that may be intended to qualify as "performance-based compensation," thereby potentially preserving our tax deduction under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). See "Proposal Three: Approval of Regional Management Corp. 2015 Long-Term Incentive Plan," below.

The Board believes that our long-term incentive compensation program allows us to remain competitive with comparable companies in our industry in order to attract and retain talented individuals to contribute to our long-term success. The Board also believes that the 2015 Plan effectively provides substantial incentive to achieve our business objectives and build stockholder value, thereby aligning the interests of our executives with the interests of our stockholders. Approval of the 2015 Plan should provide us with the flexibility we need to use equity compensation and other incentive awards to attract, retain, and motivate talented employees, directors, and consultants who are important to our long-term growth and success.

Re-Approval of Annual Incentive Plan

We are asking our stockholders to re-approve the Regional Management Corp. Annual Incentive Plan (as amended and restated effective March 23, 2015) (the "Annual Incentive Plan") in order to attempt to preserve, to the extent practicable, our federal income tax deduction under Code Section 162(m) for any compensation paid under the Annual Incentive Plan to certain officers and employees that is intended to satisfy the performance-based compensation exception under Code Section 162(m). Our Annual Incentive Plan was first approved by our board of directors and stockholders on August 23, 2011. In addition to other requirements for the performance-based compensation exception, stockholders must be advised of, and must approve, the material terms of the performance goals under which compensation is to be paid no less often than every five years, or sooner under certain circumstances. See "Proposal Four: Re-Approval of Regional Management Corp. Annual Incentive Plan," below.

2014 Compensation-Related Highlights

- ✓ **Improved the alignment of executive pay with company performance**:
  - o **2014 incentives are largely performance-contingent**, with long-term incentive awards roughly two-thirds performance-contingent and short-term incentive awards entirely performance-contingent.
  - o **Performance goals are rigorous** and are based on objective, quantitative criteria.
- ✓ **Adjusted our short-term incentive payout opportunities** to provide higher upside if performance goals are achieved, while maintaining low downside if goals are not achieved.
- ✓ **Adopted more competitive target opportunities** to bring executives in line with the competitive market.
- ✓ **Granted long-term incentives** to named executive officers ("NEOs") and other key contributors, which include a significant portion that is contingent upon the achievement of rigorous and clearly-defined performance measures.
- ✓ **Adopted a Stock Ownership and Retention Policy** for NEOs and other key executives, as well as directors.
- ✓ **Implemented a formalized Compensation Recoupment Policy, or "clawback policy,"** for NEOs and other key employees.

Compensation Program "Best Practices" Summary

- ✓ Compensation program designed to closely align pay with performance
- ✓ Significant share ownership guidelines for executives (5x base salary for CEO, 2x for other NEOs)
- ✓ Significant share ownership guidelines for directors (3x annual cash retainer)
- ✓ Significant portion of compensation is variable and/or performance-based
- ✓ Formalized clawback policy
- ✓ Double-trigger change-in-control provisions
- ✓ Prohibition against hedging and pledging
- ✓ No excessive perquisites
- ✓ No re-pricing of equity incentive awards
- ✓ Independent Compensation Committee
- ✓ Independent compensation consultant

Fiscal 2014 Compensation Summary

The following table sets forth the cash and other compensation that we paid to our executive officers or that was otherwise earned by our executive officers for their services in all employment capacities during 2014. See the Summary Compensation Table of the Proxy Statement for additional information.

Name and Principal Position	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Michael R. Dunn, Chief Executive Officer	86,301	—	—	—	19,323	—	105,624
Thomas F. Fortin, Former Chief Executive Officer	348,658	—	610,234	386,666	—	117,717	1,463,275
Jody L. Anderson, President and Chief Operating Officer	81,918	—	—	199,994	18,341	11,287	311,540
C. Glynn Quattlebaum, Vice Chairman; Former President and Chief Operating Officer	465,800	—	341,241	155,264	78,219	35,275	1,075,799
Donald E. Thomas, Executive Vice President and Chief Financial Officer	309,000	—	154,494	154,494	69,185	24,200	711,373
A. Michelle Masters, Senior Vice President of Strategic Operations and Initiatives and Assistant Secretary	150,000	—	91,517	49,994	15,113	11,037	317,661
Brian J. Fisher, Vice President, General Counsel, and Secretary	180,000	—	119,685	74,996	24,181	—	398,862

2016 Annual Meeting of Stockholders

- Stockholder proposals submitted pursuant to SEC Rule 14a-8 must be received by us no later than November 24, 2015.
- Notice of stockholder proposals outside of SEC Rule 14a-8 must be delivered to us not earlier than December 24, 2015 and not later than January 23, 2016.

GENERAL INFORMATION

This proxy statement (the "Proxy Statement") and the accompanying proxy card are first being sent on or about March 27, 2015, to the stockholders of Regional Management Corp., a Delaware corporation ("Regional," the "Company," "we," "us," and "our"), in connection with the solicitation of proxies by our Board of Directors (the "Board") for use at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on April 22, 2015, at the Hyatt Regency Greenville, 220 N. Main Street, Greenville, SC 29601, at 8:00 a.m. local time and any postponement or adjournment thereof. An Annual Report on Form 10-K, containing financial statements for the fiscal year ended December 31, 2014, is being mailed together with this Proxy Statement to all stockholders entitled to vote at the Annual Meeting.

Why did I receive a proxy card?

As a stockholder of record on March 9, 2015, you are entitled to vote at our Annual Meeting. The accompanying proxy card is for use at the Annual Meeting if a stockholder either will be unable to attend in person or will attend but wishes to vote by proxy in advance of the Annual Meeting. Instructions as to how you may cast your vote by proxy are found on the proxy card.

The proxy card is solicited by mail by and on behalf of the Company's Board, and the cost of soliciting proxies will be borne by the Company. In addition to use of the mails, proxies may be solicited in person, by telephone, or via the Internet by the Company's directors and officers who will not receive additional compensation for such services. The Company will request banks, brokerage houses, and other institutions, nominees, and fiduciaries to forward the soliciting material to beneficial owners and to obtain authorization for the execution of proxies. The Company will, upon request, reimburse these parties for their reasonable expenses in forwarding proxy materials to our beneficial owners.

What is the purpose of the Annual Meeting?

The purposes of the Annual Meeting are:

(i) to elect the six nominees named in the Proxy Statement to serve as members of the Board until the next annual meeting of stockholders or until their successors are elected and qualified ("Proposal One");

(ii) to ratify the appointment of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015 ("Proposal Two");

(iii) to approve the Regional Management Corp. 2015 Long-Term Incentive Plan ("Proposal Three");

(iv) to re-approve the Regional Management Corp. Annual Incentive Plan (as amended and restated effective March 23, 2015), pursuant to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended ("Proposal Four"); and

(v) to transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Who is entitled to vote?

Only stockholders of record at the close of business on March 9, 2015 (the "Record Date"), will be entitled to receive notice of and to vote at the Annual Meeting. As of the Record Date, 12,853,743 shares of common stock, $0.10 par value per share, of the Company were issued and outstanding. The holders of common stock are entitled to one vote per share on any proposal presented at the Annual Meeting.

Brokers that are members of certain securities exchanges and that hold shares of the Company's common stock in "street name" on behalf of beneficial owners have authority to vote on certain items when they have not received instructions from beneficial owners. Under the NYSE rules and regulations governing such brokers, the proposal to ratify the appointment of McGladrey LLP as the Company's independent registered public accounting firm is considered a "discretionary" item. This means that brokers may vote in their discretion on this proposal on behalf of beneficial owners who have not furnished voting instructions. In contrast, certain items are considered "non-discretionary," and a "broker non-vote" occurs when a broker or other nominee holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, with respect to such other proposal, the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Proposal One regarding the election of directors, Proposal Three regarding the approval of the Regional Management Corp. 2015 Long-Term Incentive Plan, and Proposal Four regarding the re-approval of the Regional Management Corp. Annual Incentive Plan are considered "non-discretionary" and, therefore, for these proposals brokers cannot vote your shares when they do not receive voting instructions from you.

What constitutes a quorum?

On March 9, 2015, there were 12,853,743 shares of common stock, $0.10 par value per share, of the Company issued and outstanding, with each share entitled to one vote. The representation in person or by proxy of at least a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum for the transaction of business. Votes withheld from any nominee, abstentions, and "broker non-votes" are counted as present or represented for purposes of determining the presence or absence of a quorum for the Annual Meeting.

How do I vote?

Stockholders may vote in person or by proxy. Instructions as to how you may cast your vote by proxy are set forth below and are found on the accompanying proxy card.

- ✓ **Vote in Person:** If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card.
- ✓ **Vote by Internet (www.proxyvote.com):** Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.
- ✓ **Vote by Mail:** Mark, sign, and date your proxy card and promptly return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Will other matters be voted on at the Annual Meeting?

Aside from the election of directors, the ratification of the appointment of the independent registered public accounting firm, the approval of the Regional Management Corp. 2015 Long-Term Incentive Plan, and the re-approval of the Regional Management Corp. Annual Incentive Plan (as amended and restated effective March 23, 2015), the Board knows of no other matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote properly may be taken, shares represented by all proxies received by the Board will be voted with respect thereto in accordance with the best judgment of the persons named as proxy holders and attorneys-in-fact in the proxies.

May I revoke my proxy instructions?

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (i) filing with the Corporate Secretary of the Company, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy; (ii) duly completing a later-dated proxy card relating to the same shares and delivering it to the Corporate Secretary of the Company before the taking of the vote at the Annual Meeting; or (iii) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Any written notice of revocation or subsequent proxy should be sent so as to be delivered to Regional Management Corp., 509 West Butler Road, Greenville, SC 29607, Attention: Corporate Secretary, before the taking of the vote at the Annual Meeting.

How many votes are required to approve each proposal?

For Proposal One, the election of the six nominees named in the Proxy Statement to serve as members of the Board until the next annual meeting of stockholders or until their successors are elected and qualified, the six nominees receiving the highest number of affirmative votes of the shares present or represented and entitled to vote at the Annual Meeting shall be elected as directors. For Proposal Two, the ratification of the appointment of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015, an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for approval. For Proposal Three, the approval of the Regional Management Corp. 2015 Long-Term Incentive Plan, an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for approval. For Proposal Four, re-approval of the Regional Management Corp. Annual Incentive Plan (as amended and restated effective March 23, 2015), pursuant to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended, an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for re-approval. Abstentions are included in the number of shares present or represented and voting on each matter. "Broker non-votes" are not considered voted for the particular matter and have the effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

The persons named as proxy holders and attorneys-in-fact in the proxy card, Michael R. Dunn and Brian J. Fisher, were selected by the Board and are officers of the Company. All properly executed proxies returned in time to be counted at the Annual Meeting will be voted by such persons at the Annual Meeting. Where a choice has been specified on the proxy with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. If no such specifications are indicated, such proxies will be voted FOR the election of the director nominees; FOR the ratification of the appointment of our independent registered public accounting firm; FOR the approval of the Regional Management Corp. 2015 Long-Term Incentive Plan; and FOR the re-approval of the Regional Management Corp. Annual Incentive Plan (as amended and restated effective March 23, 2015).

How can I correspond directly with Regional Management Corp.?

The address of our principal executive office is 509 West Butler Road, Greenville, South Carolina 29607, and our telephone number is (864) 422-8011.

PROPOSAL ONE
—
ELECTION OF DIRECTORS

Our Amended and Restated Bylaws (the "Bylaws") currently provide that the number of directors of the Company shall be fixed from time to time by resolution adopted by the Board. There are presently seven directors. The Board, by resolution, has determined that immediately following the Annual Meeting, the number of directors of the Company shall be fixed at six.

The Corporate Governance and Nominating Committee (the "Nominating Committee") of our Board evaluates the size and composition of the Board on at least an annual basis. In connection therewith, the Nominating Committee has nominated and recommends for election as directors the six nominees set forth below. Each nominee presently serves as a director. Directors shall be elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified or until their earlier resignation, removal, or death.

A candidate for election as a director is nominated to stand for election based on his or her professional experience, recognized achievements in his or her respective fields, an ability to contribute to some aspect of our business, and the willingness to make the commitment of time and effort required of a director. Each of the below-listed nominees has been identified as possessing an appropriate diversity of background and experience, good judgment, deep knowledge of our industry, strength of character, and an independent mind, as well as a reputation for integrity and high personal and professional ethics. Each nominee also brings a strong and unique background and set of skills to the Board, giving the Board, as a whole, competence and experience in a wide variety of areas.

In selecting this slate of nominees for 2015, the Nominating Committee specifically considered the background, business experience, and certain other information with respect to each of the nominees as set forth below, along with the familiarity of the nominees with our business and prospects, which has been developed as a result of their service on our Board. The Nominating Committee believes that such familiarity will be helpful in addressing the opportunities and challenges that we face in the current business environment.

Each of the six nominees has consented to being named in this Proxy Statement and to serve as a director, if elected. In the event that any nominee withdraws, or for any reason is unable to serve as a director, the proxies will be voted for such other person as may be designated by the Nominating Committee as a substitute nominee, but in no event will proxies be voted for more than six nominees. The Nominating Committee has no reason to believe that any nominee will not continue to be a candidate or will not serve if elected.

The following is a brief description of the background, business experience, skills, qualifications, attributes, and certain other information with respect to each of the nominees for election to the Board:

Alvaro G. de Molina

Mr. de Molina (age 57) has been a director of Regional since March 2012. Until 2009, Mr. de Molina was the Chief Executive Officer of GMAC LLC, which he originally joined as Chief Operating Officer in 2007. Since departing GMAC LLC, Mr. de Molina has been a private investor. He joined Cerberus Capital Management for a period during 2007 where he worked with the operations group, following a 17-year career at Bank of America, where he most recently served as its Chief Financial Officer from 2005 until 2007. During his tenure at Bank of America, Mr. de Molina also served as Chief Executive Officer of Banc of America Securities, President of Global Capital Markets and Investment Banking, head of Market Risk Management, and Corporate Treasurer. Previously, he also served in key roles at JPMorgan Chase Bank, N.A., Becton, Dickinson and Company, and PriceWaterhouse LLP (now PricewaterhouseCoopers LLP). In September 2012, Mr. de Molina was appointed to the board of directors of Walter Investment Management Corp., a publicly-held entity which is an asset manager, mortgage servicer, and mortgage portfolio owner specializing in less-than-prime, non-conforming, and other credit-challenged mortgage assets. Mr. de Molina is a member of the Board of Visitors of Duke University's Fuqua School of Business. He holds a B.S. degree in Accounting from Fairleigh Dickinson University and an M.B.A. degree from Rutgers Business School and is a graduate of the Duke University Advanced Management Program.

Mr. de Molina brings to the Board his extensive financial background and his significant experience with public and private financial services companies.

Roel C. Campos

Mr. Campos (age 66) has served as a director of Regional since March 2012. Mr. Campos is a partner with the law firm of Locke Lord LLP, which he joined in April 2011. He practices in the areas of securities regulation, corporate governance, and securities enforcement. He had previously been a partner in the law firm of Cooley LLP from September 2007 to April 2011. Prior to that, he received a presidential appointment and served as a Commissioner of the Securities and Exchange Commission ("SEC") from 2002 to 2007. Prior to serving with the SEC, Mr. Campos was a founding partner of a Houston-based radio broadcaster. Earlier in his career, he practiced corporate law and served as a federal prosecutor in Los Angeles, California. In January 2013, Mr. Campos was appointed to the board of directors of WellCare Health Plans, Inc., a publicly-held entity which provides managed care services targeted to government-sponsored health care programs. Mr. Campos also is a trustee for Managed Portfolio Series, an open-end mutual fund registered with the SEC under the Investment Company Act. He is also a director of Paulson International Ltd., a privately-held, Cayman-based hedge fund, and a director of a private registered broker-dealer, Liquidnet Holdings, Inc. Mr. Campos was selected by President Barack Obama to serve on his citizen Presidential Intelligence Advisory Board. Mr. Campos also serves on the Advisory Board for the Public Company Accounting Oversight Board and serves on various non-profit boards. Mr. Campos earned a B.S. degree from the United States Air Force Academy, an M.B.A. degree from the University of California, Los Angeles, and a J.D. degree from Harvard Law School.

Mr. Campos brings to the Board his extensive financial background and experience in working with financial services companies, his experience with the SEC, and his significant experience with public companies across a variety of industries.

Michael R. Dunn

Mr. Dunn (age 63) was appointed Chief Executive Officer of Regional in October 2014 and has been a director of Regional since July 2014. Prior to joining Regional, Mr. Dunn was a partner at the private equity firm of Brysam Global Partners, a specialized firm focusing on investment in international banking and consumer lending companies, from 2007 through 2013. Mr. Dunn served as a board or alternate board member for all of Brysam's portfolio companies. Prior to that, Mr. Dunn was with Citigroup for over 30 years, where he was the Chief Financial Officer of the Global Consumer Group from 1996 through 2007, adding the title of Chief Operating Officer of the Group in 2005. He was also a member of the Citigroup Management and Operating Committees. Mr. Dunn previously served on the boards of Banamex, a wholly-owned Mexican bank subsidiary of Citigroup, and on the U.S.-based Student Loan Corporation, of which Citigroup owned a majority interest. He holds a Bachelor of Science degree from New York University and attended the University of Michigan Executive Program. He is a Certified Public Accountant in New York State.

Mr. Dunn brings to the Board his extensive financial background and his significant experience in leadership roles with public and private financial services companies.

Steven J. Freiberg

Mr. Freiberg (age 58) has been a director of Regional since July 2014, and has been a Senior Advisor to The Boston Consulting Group since December 2012. Previously, Mr. Freiberg served as a director and the Chief Executive Officer of E*TRADE Financial Corporation from April 2010 until August 2012. Prior to joining E*TRADE, Mr. Freiberg spent 30 years at Citigroup and its predecessor companies and affiliates. Among his notable roles at Citigroup, Mr. Freiberg served as Co-Chairman/Chief Executive Officer of Citigroup's Global Consumer Group, Chairman and Chief Executive Officer of Citi Cards—Citigroup's leading global credit card business—and Chairman and Chief Executive Officer of Citigroup's North American Investment Products Division. Additionally, he was a member of Citigroup's Executive, Management, and Operating Committees, and he served on the board of directors of several of Citigroup's affiliates, including Citibank N.A., Citicorp Credit Services Inc., Citicorp Investment Services, Citicorp Insurance Group, Citibank Trust N.A., Citibank FSB, and the Citigroup Foundation. Mr. Freiberg has served on the board of directors of MasterCard Incorporated, a publicly-traded multinational financial services corporation, since September 2006 and currently chairs its audit committee. He also served on the former U.S. region board of MasterCard from January 2001 until May 2006 and served as Chairman of MasterCard's

	United States region board from 2004 until May 2006.
	Mr. Freiberg brings to the Board his extensive financial background and his significant experience in leadership roles with public financial services companies.
Richard A. Godley	Mr. Godley (age 66) has been a director of Regional since its inception in 1987 and is its founder. He previously served as President and Chief Executive Officer of Regional from 1987 until January 2006 and served as Chairman of the Board from January 2006 until March 2007. Prior to founding Regional, Mr. Godley served as Senior Vice President of World Acceptance Corporation. Mr. Godley is a veteran of the U.S. Army and served in Vietnam from 1968 to 1969.
	Mr. Godley brings to the Board his long standing experience with the Company as its founder and his significant continuing equity ownership.
Carlos Palomares	Mr. Palomares (age 70) has been a director of Regional since March 2012. Since 2007, Mr. Palomares has been President and Chief Executive Officer of SMC Resources, a consulting practice that advises senior executives on business and marketing strategy. From 2001 to 2007, Mr. Palomares was Senior Vice President at Capital One Financial Corp. ("Capital One"), and he was Chief Operating Officer of Capital One Federal Savings Bank banking unit from 2004 to 2007. Prior to joining Capital One, Mr. Palomares held a number of senior positions with Citigroup Inc. and its affiliates, including Chief Operating Officer of Citibank Latin America Consumer Bank from 1998 to 2001, Chief Financial Officer of Citibank North America Consumer Bank from 1997 to 1998, Chairman and CEO of Citibank Italia from 1990 to 1992, and President and CEO of Citibank FSB Florida from 1992 to 1997. Mr. Palomares serves on the Boards of Directors of Pan American Life Insurance Group, Inc. and the Coral Gables Trust Company. Mr. Palomares earned a B.S. degree in Quantitative Analysis from New York University.
	Mr. Palomares brings to the Board his extensive financial background and his significant experience in leadership roles with public financial services companies.

There are no family relationships among any of our directors or executive officers.

The Board of Directors unanimously recommends a vote "FOR" the election of each of the nominees listed above.

CORPORATE GOVERNANCE MATTERS

The Company's Board is responsible for directing and overseeing the management of the business and affairs of the Company in a manner consistent with the best interests of the Company and its stockholders. The Board has implemented written Corporate Governance Guidelines designed to assist the Board in fulfilling its duties and responsibilities. The Corporate Governance Guidelines address a number of matters applicable to directors, including Board composition, structure, and policies; director qualification standards; Board meetings; committees of the Board; roles and expectations of the Board and its directors; director compensation; management succession planning; and other matters. These Corporate Governance Guidelines are available on the Company's Investor Relations website under the "Corporate Governance" tab at *www.regionalmanagement.com*. A stockholder may request a copy of the Corporate Governance Guidelines by contacting our Corporate Secretary at 509 West Butler Road, Greenville, South Carolina 29607.

Composition of the Board

The Company's Board has the discretion to determine the size of the Board, the members of which are elected at each year's annual meeting of stockholders. Our Board currently consists of seven directors: Messrs. Alvaro G. de Molina, C. Glynn Quattlebaum, Roel C. Campos, Michael R. Dunn, Steven J. Freiberg, Richard A. Godley, and Carlos Palomares, with Mr. de Molina serving as Chairman of the Board. The Board, by resolution, has determined that immediately following the Annual Meeting, the number of directors of the Company shall be fixed at six.

The biographical information of Messrs. de Molina, Campos, Dunn, Freiberg, Godley, and Palomares is set forth above under "Proposal One: Election of Directors." The following is a brief description of the background, business experience, and certain other information with respect to Mr. Quattlebaum:

C. Glynn Quattlebaum	Mr. Quattlebaum (age 68) has served as Vice Chairman and a director of Regional's Board since July 2014. Previously, he served Regional as its President and Chief Operating Officer from 2007 to 2014, and Senior Vice President, Operations from 1998 to 2007. He is a co-founder of Regional and has been employed by Regional since its founding in 1987. Prior to joining Regional, Mr. Quattlebaum was a Supervisor with World Acceptance Corporation, where he began his career in consumer finance in 1974.

Mr. Quattlebaum will not be standing for reelection at the Annual Meeting.

Board Independence

Messrs. Campos, Freiberg, de Molina, and Palomares are each independent in accordance with the criteria established by the NYSE for independent board members. The Board performed a review to determine the independence of its members and made a subjective determination as to each of these independent directors that no transactions, relationships, or arrangements exist that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of the Company. In making these determinations, the Board reviewed the information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and its management.

Executive Officers

The following is a brief description of the background, business experience, and certain other information with respect to each of our executive officers:

Michael R. Dunn (age 63) was appointed Chief Executive Officer of Regional in October 2014 and has been a director of Regional since July 2014. Mr. Dunn's full biographical information is set forth above under "Proposal One: Election of Directors."

Jody L. Anderson (age 49) was appointed President and Chief Operating Officer of Regional effective October 1, 2014. Prior to joining Regional, Mr. Anderson served since 2007 as Director of North America Operations at OneMain Financial (formerly CitiFinancial), the consumer finance division of Citigroup. He also previously served as CitiFinancial's Vice President of North America Compliance from 2001 through 2007, Managing Director at Chesapeake Appraisal & Settlement Services (a division of CitiFinancial) from 1999 to 2001, and as a District and Branch Manager at CitiFinancial from 1987 through 1999. Mr. Anderson received his MBA from the University of Indianapolis and his BBA from Roanoke College.

Donald E. Thomas (age 56) was appointed Executive Vice President and Chief Financial Officer of Regional in January 2013. Mr. Thomas has over 30 years of finance and accounting experience in public and private companies, having previously served since

April 2010 as Chief Financial Officer of TMX Finance LLC, a title lending company. Prior to joining TMX Finance LLC, Mr. Thomas spent 17 years with 7-Eleven, an operator of convenience stores, where he served in various capacities, including Chief Accounting Officer and Controller, acting Chief Financial Officer, Vice President of Operations, and Vice President of Human Resources. Prior to 7-Eleven, Mr. Thomas spent 11 years in the audit function of Deloitte & Touche LLP and one year with the Trane Company as a financial manager. Mr. Thomas earned accounting and finance degrees from Tarleton State University and is a certified public accountant, certified global management accountant, and certified treasury professional.

Daniel J. Taggart (age 42) was appointed Senior Vice President and Chief Risk Officer of Regional in January 2015. Prior to joining Regional, Mr. Taggart was Executive Vice President of Agility 360, a financial services consultancy. Prior to that, he was Senior Vice President at Wingspan Portfolio Advisors, a specialty mortgage service provider and also served as Executive Vice President of REDC Default Solutions LLC, a startup division of Auction.com, LLC, a mortgage loss mitigation subservicing company. Before joining REDC Default Solutions LLC, Mr. Taggart spent 11 years at Citigroup, where he held a variety of positions, including Senior Vice President and Senior Credit Officer of CitiMortgage Default Risk Management, Senior Vice President and Senior Credit Officer of Retail Distribution Risk Management, and Senior Vice President and Chief Credit Officer of CitiFinancial (now known as OneMain Financial). Mr. Taggart has also worked for The Associates (prior to its acquisition by Citigroup), FirstPlus Financial, and Fleet Bank in risk management and loan servicing functions. Mr. Taggart received his Bachelor of Science in Finance from Canisius College.

A. Michelle Masters (age 40) currently serves as Regional's Senior Vice President of Strategic Operations and Initiatives and Assistant Secretary. Ms. Masters joined Regional in December 1999 as Senior Financial Analyst and was promoted to Controller and Treasurer in January 2006. Ms. Masters was subsequently promoted to Senior Vice President of Finance in May 2008. Ms. Masters holds a B.A. degree in Accounting and Business Administration from Furman University and an M.B.A. degree from Clemson University.

Brian J. Fisher (age 31) was appointed as Vice President, General Counsel, and Secretary in January 2013. Prior to joining Regional, Mr. Fisher was an attorney in the Corporate and Securities practice group of Womble Carlyle Sandridge and Rice, LLP from 2009 to 2013. Mr. Fisher holds a B.A. degree in Economics from Furman University and a J.D. degree from the University of South Carolina School of Law.

There are no family relationships among any of our directors or executive officers.

Leadership Structure

As described in the Corporate Governance Guidelines, the Board may select its Chairman and the Company's Chief Executive Officer in any way that it considers to be in the best interests of the Company. Therefore, the Board does not have a policy on whether the role of Chairman and Chief Executive Officer should be separate or combined and, if it is to be separate, whether the Chairman should be selected from the independent directors.

Mr. de Molina currently serves as Chairman of our Board. At this time, the Board believes the separation of the roles of Chairman and Chief Executive Officer promotes communication between the Board, the Chief Executive Officer, and other senior management, and enhances the Board's oversight of management. We believe our leadership structure provides increased accountability of our Chief Executive Officer to the Board and encourages balanced decision-making. We also separate the roles in recognition of the differences in the roles. While the Chief Executive Officer is responsible for day-to-day leadership of the Company and the setting of strategic direction, the Chairman of the Board provides guidance to the Chief Executive Officer and coordinates and manages the operation of the Board and its committees.

At this time, the Board believes our current leadership structure, with a non-employee Chairman of the Board, is appropriate for the Company and provides many advantages to the effective operation of the Board. The Board will periodically evaluate and reassess the effectiveness of this leadership structure.

Director Qualifications

The Company's Nominating Committee is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board. The Nominating Committee considers (i) minimum individual qualifications, including relevant career experience, strength of character, mature judgment, familiarity with the Company's business and industry, independence of thought, and an ability to work collegially with the other members of the Board, and (ii) all other factors it considers appropriate, which may include age, diversity of background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations (such as antitrust issues), corporate governance background, financial and accounting background, executive compensation background, and the size, composition, and combined expertise of the existing Board. The Board and the Nominating Committee monitor the mix of specific experience, qualifications, and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure. Stockholders may also nominate directors for election at the Company's annual stockholders meeting by following the provisions set forth in the Company's Bylaws, and in such a case, the Nominating Committee will consider the qualifications of directors proposed by stockholders.

Mr. Godley, a member of our Board, is designated by certain of our stockholders in accordance with the Amended and Restated Shareholders Agreement, dated March 27, 2012, by and among the Company and certain other stockholders party thereto (the "Shareholders Agreement"). Such stockholders with director designation rights have sought to ensure that the Board is composed of members whose particular experience, qualifications, attributes, and professional and functional skills, when taken together, will allow the Board to effectively satisfy its oversight responsibilities, and in identifying Mr. Godley for designation to the Board, have considered those factors described in the foregoing paragraph.

When determining whether the Company's director nominees have the experience, qualifications, attributes, and professional and functional skills, taken as a whole, to enable our Board to satisfy its oversight responsibilities effectively in light of our business and structure, the Company's Nominating Committee focused primarily on their valuable contributions to our success in recent years and on the information discussed in the biographical descriptions set forth above.

Meetings

The Board held 17 meetings during the fiscal year ended December 31, 2014. During fiscal 2014, each incumbent director attended more than 75% of the total number of meetings of the Board and committees on which he served. In addition to formal Board meetings, our Board communicates regularly via telephone, electronic mail, and informal meetings, and our Board and its committees from time to time act by written consent in lieu of a formal meeting. Our non-employee directors met in executive session following each of our regular, quarterly Board meetings in 2014, and the independent members of our Board also periodically met in executive session in 2014. Mr. de Molina presides over each executive session of our non-employee directors and independent directors.

Other than an expectation set forth in our Corporate Governance Guidelines that each director will make every effort to attend the annual meeting of stockholders, we do not have a formal policy regarding the directors' attendance at annual meetings. Five of our eight then-current directors attended our last annual meeting of stockholders held on April 23, 2014, including each of our incumbent directors who were serving as directors at the time of our last annual meeting of stockholders. Messrs. David Perez, Erik A. Scott, and Richard T. Dell'Aquila were the directors who did not attend our last annual meeting of stockholders, and none of them stood for re-election as directors at that annual meeting.

Committees of the Board

Our Board has three standing committees: the Corporate Governance and Nominating Committee, the Audit Committee, and the Compensation Committee. The composition and responsibilities of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our Board.

	Audit	Compensation	Corporate Governance and Nominating
Roel C. Campos	✓	✓	Chair
Steven J. Freiberg	✓	✓	
Alvaro G. de Molina	✓	✓	✓
Carlos Palomares	Chair*	Chair*	✓
Number of Meetings Held in 2014:	**11**	**10**	**2**

** Note: Following the Annual Meeting, the Board intends to split the Audit Committee and Compensation Committee chairmanship duties between Mr. Palomares and Mr. Freiberg.*

Audit Committee

The Audit Committee is a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee consists of Messrs. Palomares, Campos, Freiberg, and de Molina, with Mr. Palomares serving as Chairman. In accordance with SEC rules and NYSE rules, each of the members of our Audit Committee is an independent director in accordance with the criteria established by the NYSE for the purpose of audit committee membership independence. In addition, the Board has examined the SEC's definition of "audit committee financial expert" and has determined that Messrs. Palomares, Freiberg, and de Molina satisfy this definition.

Pursuant to the Audit Committee's written charter, our Audit Committee is responsible for, among other things:

- selecting and hiring our independent registered public accounting firm, and pre-approving the audit and non-audit services to be performed by our independent auditors;

- assisting the Board in evaluating the qualifications, performance, and independence of our independent auditors;
- assisting the Board in monitoring the quality and integrity of our financial statements and our accounting and financial reporting processes;
- assisting the Board in monitoring our compliance with legal and regulatory requirements;
- assisting the Board in reviewing the adequacy and effectiveness of our internal control over financial reporting processes;
- assisting the Board in monitoring the performance of our internal audit function;
- discussing the scope and results of the audit with the independent registered public accounting firm;
- reviewing with management and our independent auditors our annual and quarterly financial statements;
- establishing procedures for the receipt, retention, and treatment of complaints received by us regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters; and
- preparing the audit committee report that the SEC requires in our annual proxy statement.

The Audit Committee Charter, which contains a more complete explanation of the roles and responsibilities of the Audit Committee, is posted on the Company's Investor Relations website under the "Corporate Governance" tab at *www.regionalmanagement.com*. A stockholder may request a copy of the Audit Committee Charter by contacting our Corporate Secretary at 509 West Butler Road, Greenville, South Carolina 29607. The Audit Committee held 11 meetings during the fiscal year ended December 31, 2014. In addition to formal Audit Committee meetings, our Audit Committee communicates regularly via telephone, electronic mail, and informal meetings.

Compensation Committee

Our Compensation Committee consists of Messrs. Palomares, Campos, Freiberg, and de Molina, with Mr. Palomares serving as Chairman. In accordance with NYSE rules, each of the members of our Compensation Committee is an independent director in accordance with the criteria established by the NYSE for the purpose of compensation committee membership independence.

Pursuant to the Compensation Committee's written charter, our Compensation Committee is responsible for, among other things:

- reviewing and approving, or making recommendations to the Board with respect to, corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluating our Chief Executive Officer's performance in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by the Board), determining and approving our Chief Executive Officer's compensation level based on such evaluation;
- reviewing and approving the compensation of our executive officers, including annual base salary, annual incentive bonuses, specific goals, equity compensation, employment agreements, severance and change in control arrangements, and any other benefits, compensation, or arrangements;
- reviewing and recommending the compensation of our directors;
- reviewing and discussing annually with management our "Compensation Discussion and Analysis";
- preparing the Report of the Compensation Committee; and
- reviewing and making recommendations with respect to our equity compensation plans.

The Compensation Committee Charter, which contains a more complete explanation of the roles and responsibilities of the Compensation Committee, is posted on the Company's Investor Relations website under the "Corporate Governance" tab at *www.regionalmanagement.com*. A stockholder may request a copy of the Compensation Committee Charter by contacting our Corporate Secretary at 509 West Butler Road, Greenville, South Carolina 29607. The Compensation Committee held 10 meetings during the fiscal year ended December 31, 2014. In addition to formal Compensation Committee meetings, our Compensation Committee communicates regularly via telephone, electronic mail, and informal meetings.

Corporate Governance and Nominating Committee

Our Nominating Committee consists of Messrs. Campos, Palomares, and de Molina, with Mr. Campos serving as Chairman. In accordance with NYSE rules, each of the members of our Nominating Committee is an independent director in accordance with the criteria established by the NYSE for the purpose of corporate governance and nominating committee membership independence. Pursuant to the Nominating Committee's written charter, the Nominating Committee is responsible for, among other things:

- assisting our Board in identifying prospective director nominees and recommending nominees to the Board;

- overseeing the evaluation of the Board and management;
- reviewing developments in corporate governance practices and developing, recommending, and maintaining a set of corporate governance guidelines; and
- recommending members for each committee of our Board.

The Nominating Committee will consider a candidate for director proposed by a stockholder. A candidate must be highly qualified and be both willing to serve and expressly interested in serving on the Board. A stockholder wishing to propose a candidate for the Nominating Committee's consideration should forward the candidate's name and information about the candidate's qualifications to Regional Management Corp., 509 West Butler Road, Greenville, South Carolina 29607, Attn: Corporate Secretary, no later than November 24, 2015 if the stockholder chooses to use the process described in Rule 14a-8 of the Exchange Act, and if the stockholder submits such nomination outside the process described in Rule 14a-8 of the Exchange Act, not earlier than December 24, 2015 nor later than January 23, 2016. If, following the filing and delivery of these proxy materials, the date of the 2016 annual meeting of stockholders is advanced or delayed by more than 30 calendar days from the one-year anniversary date of the 2015 annual meeting of stockholders, the Company will, in a timely manner, provide notice to the Company's stockholders of the new date of the 2016 annual meeting of stockholders and the new dates by which stockholder proposals submitted both pursuant to and outside of SEC Rule 14a-8 must be received by the Company. Such notice will be included in the earliest possible Quarterly Report on Form 10-Q under Part II, Item 5.

The Nominating Committee shall select individuals, including candidates proposed by stockholders, as director nominees who shall have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment, and who shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the stockholders. In evaluating nominees, the Nominating Committee will consider the director qualifications described above. We do not have a formal policy with regard to the consideration of diversity in identifying director nominees, but the Nominating Committee strives to nominate directors with a variety of complementary skills so that the Board, as a whole, will possess the appropriate talent, skills, and expertise to oversee our business.

The Nominating Committee Charter, which contains a more complete explanation of the roles and responsibilities of the Nominating Committee, is posted on the Company's Investor Relations website under the "Corporate Governance" tab at *www.regionalmanagement.com*. A stockholder may request a copy of the Nominating Committee Charter by contacting our Corporate Secretary at 509 West Butler Road, Greenville, South Carolina 29607. The Nominating Committee held two meetings during the fiscal year ended December 31, 2014. In addition to formal Nominating Committee meetings, our Nominating Committee communicates regularly via telephone, electronic mail, and informal meetings.

Role in Risk Oversight

As part of its role in risk oversight for the Company, our Audit Committee is responsible for reviewing the Company's risk assessment and risk management policies, and for discussing its findings with both management and the Company's independent registered public accounting firm. The Board receives an annual, in depth review of risks that may potentially affect us, as identified and presented by management, including all such risks reflected in our periodic filings. Additionally, the Board receives regular, quarterly updates on all such elements of risk. The Board may request supplemental information and disclosure about any other specific area of interest and concern relevant to risks it believes are faced by us and our business. The Board believes our current leadership structure enhances its oversight of risk management because our Chief Executive Officer, who is ultimately responsible for our risk management process, is in the best position to discuss with the Board these key risks and management's response to them by also serving as a director of the Company.

Code of Business Conduct and Ethics

Our Board has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") and reviews it at least annually. The Code of Ethics applies to all of our directors, officers, and employees and must be acknowledged in writing by our Chief Executive Officer and Chief Financial Officer. The Code of Ethics is posted on the Company's Investor Relations website under the "Corporate Governance" tab at *www.regionalmanagement.com*. A stockholder may request a copy of the Code of Ethics by contacting our Corporate Secretary at 509 West Butler Road, Greenville, South Carolina 29607. To the extent permissible under applicable law, the rules of the SEC, and NYSE listing standards, we intend to disclose on our website any amendment to our Code of Ethics, or any grant of a waiver from a provision of our Code of Ethics, that requires disclosure under applicable laws, the rules of the SEC, or NYSE listing standards.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended December 31, 2014, Messrs. Campos, Palomares, de Molina, Freiberg, Godley, Dunn, and Richard T. Dell'Aquila (a former director of the Company) served on our Compensation Committee. Mr. Dunn joined our Board in July 2014 and was, at that time, an independent director in accordance with the criteria established by the NYSE for the purpose of compensation committee membership independence. Mr. Dunn served as a member of our Compensation Committee until the Board appointed him as the Company's Chief Executive Officer in October 2014, at which time Mr. Dunn resigned as a member of the Compensation Committee. Other than Mr. Dunn, no member of the Compensation Committee was an officer or employee of the Company or any of its subsidiaries during the fiscal year ended December 31, 2014. During the fiscal year ended December 31, 2014, no executive officers of the Company served on the compensation committee (or equivalent) or the board of directors of another entity whose executive officer(s) served on our Board or Compensation Committee.

Mr. Godley, who previously served as a member of our Compensation Committee in 2014, is a founder of Regional, a significant stockholder, and a party to our Shareholders Agreement. Prior to March 2007, Mr. Godley served as our President and Chief Executive Officer. Since March 2007, Mr. Godley served as a consultant to Regional pursuant to a consulting agreement, which was terminated in March 2012 pursuant to its terms upon the consummation of our initial public offering and the payment by us of a $150,000 one-time termination fee to Mr. Godley. Mr. Godley was also a lender under our mezzanine debt arrangements, which we repaid with a portion of the proceeds of our initial public offering. Other than Mr. Godley and Mr. Dunn, none of the directors who served as members of our Compensation Committee in 2014 is a current or former officer or employee of Regional.

PROPOSAL TWO

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RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

McGladrey LLP has served as our independent registered public accounting firm since 2007. Upon the recommendation of the Audit Committee of the Board (the "Audit Committee"), the Board has selected McGladrey LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. The Audit Committee and the Board recommend that the stockholders ratify the appointment of McGladrey LLP as our independent registered public accounting firm for fiscal 2015.

A representative of McGladrey LLP plans to be present at the Annual Meeting, shall have the opportunity to make a statement, and will be available to respond to appropriate questions. Although ratification is not required, the Board is submitting the appointment of McGladrey LLP to the stockholders for ratification as a matter of good corporate governance. In the event the stockholders fail to ratify the appointment, the Audit Committee will consider whether to appoint another independent registered public accounting firm.

The following table sets forth the aggregate fees billed to us by our independent registered public accounting firm, McGladrey LLP, during the fiscal years ended December 31, 2014 and 2013.

	Year Ended December 31, 2014	Year Ended December 31, 2013
Audit Fees	$ 351,455	$ 592,640
Audit-Related Fees	$ 38,249	$ 30,000
Tax Fees	$ 169,300	$ 126,620
All Other Fees	$ 10,113	$ —
Total	$ 569,117	$ 749,260

In the above table, in accordance with applicable SEC rules:

- "Audit Fees" are fees billed for professional services rendered by the independent registered public accounting firm for the audit of our annual consolidated financial statements, review of consolidated financial statements included in our Forms 10-Q, and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements. The 2013 fees also include fees billed for services performed by the independent registered public accounting firm in relation to our Registration Statement on Form S-3 for our secondary public offerings, which closed in September 2013 and December 2013.
- "Audit-Related Fees" are fees billed for assurance and related services performed by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements that are not reported above under "Audit Fees."
- "Tax Fees" are fees billed for professional services rendered by the independent registered public accounting firm for tax compliance, tax advice, and tax planning. In 2013, these fees were for services performed for the filing of our 2012 tax returns and estimated payments for 2013. In 2014, these fees were for services performed for the filing of our 2013 tax returns and estimated payments for 2014.
- "All Other Fees" represent fees billed for ancillary professional services that are not reported above under "Audit Fees" or "Audit Related Fees," such as information technology vendor internal control evaluation, review of earnings per share calculations, and other professional advice.

It is the policy of the Audit Committee to pre-approve all audit and permitted non-audit services proposed to be performed by our independent registered public accounting firm. The Audit Committee reviewed and pre-approved all the services performed by McGladrey LLP. The process for such pre-approval is typically as follows: Audit Committee pre-approval is sought at one of the Audit Committee's regularly scheduled meetings following the presentation of information at such meeting detailing the particular services proposed to be performed. The authority to pre-approve non-audit services may be delegated by the Audit Committee to the Chairman of the Audit Committee, who shall present any decision to pre-approve an activity to the full Audit Committee at the first regular meeting following such decision. None of the services described above were approved by the Audit Committee pursuant to the exception provided by Rule 2-01(c)(7)(i)(C) under Regulation S-X.

The Audit Committee has reviewed the non-audit services provided by McGladrey LLP and has determined that the provision of such services is compatible with maintaining McGladrey LLP's independence.

The Board of Directors unanimously recommends a vote "FOR" the ratification of the appointment of McGladrey LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

AUDIT COMMITTEE REPORT

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. The Audit Committee operates under a written charter, a copy of which is available on our website, *www.regionalmanagement.com*, under the "Corporate Governance" tab. This report reviews the actions taken by the Audit Committee with regard to our financial reporting process during the fiscal year ended December 31, 2014, and particularly with regard to the audited consolidated financial statements as of December 31, 2014 and December 31, 2013 and for the three years ended December 31, 2014.

The Audit Committee is composed solely of independent directors under existing New York Stock Exchange listing standards and Securities and Exchange Commission requirements. None of the committee members is or has been an officer or employee of the Company or any of our subsidiaries or has engaged in any business transaction or has any business or family relationship with the Company or any of our subsidiaries or affiliates. In addition, the Board of Directors has determined that Messrs. Alvaro G. de Molina, Carlos Palomares, and Steven J. Freiberg are "audit committee financial experts," as defined by Securities and Exchange Commission rules.

Our management has the primary responsibility for our financial statements and reporting process, including the systems of internal controls. The independent auditors are responsible for performing an independent audit of our consolidated financial statements in accordance with auditing standards generally accepted in the United States and issuing a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes and to select annually the accountants to serve as our independent auditors for the coming year.

The Audit Committee has implemented procedures to ensure that during the course of each fiscal year it devotes the attention that it deems necessary or appropriate to fulfill its oversight responsibilities under the Audit Committee's charter. To carry out its responsibilities, the Audit Committee met 11 times during the fiscal year ended December 31, 2014, communicated regularly via telephone, electronic mail, and informal meetings, and from time to time acted by written consent.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, including a discussion of the quality, rather than just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee also discussed our audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited consolidated financial statements with accounting principles generally accepted in the United States, their judgments as to the quality, rather than just the acceptability, of our accounting principles, and such other matters as are required to be discussed with the Audit Committee under the applicable Public Company Accounting Oversight Board ("PCAOB") Standards and SEC Rule 2-07 of Regulation S-X. In addition, the Audit Committee discussed with the auditors their independence from management and the Company, including the matters in the written disclosures and the letter required by the PCAOB regarding the independent auditors' communications with the Audit Committee regarding independence. The Audit Committee also considered whether the provision of services during the fiscal year ended December 31, 2014, by the auditors that were unrelated to their audit of the consolidated financial statements referred to above and to their reviews of our interim consolidated financial statements during the fiscal year is compatible with maintaining their independence.

Additionally, the Audit Committee discussed with the independent auditors the overall scope and plan for their audit. The Audit Committee met with the independent auditors, with and without management present, to discuss the results of their examination, their evaluation of our internal controls, and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, for filing with the SEC. This report of the Audit Committee has been prepared by members of the Audit Committee. Current members of the Audit Committee are:

Members of the Audit Committee:

Carlos Palomares (Chairman)
Roel C. Campos
Steven J. Freiberg
Alvaro G. de Molina

COMPENSATION AND OTHER INFORMATION CONCERNING OUR EXECUTIVE OFFICERS AND DIRECTORS

As an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012, we are not required to include a Compensation Discussion and Analysis section in our proxy statement. However, for the benefit of our stockholders, we have elected to provide, pursuant to this "Compensation and Other Information Concerning Our Executive Officers and Directors" section (our compensation discussion and analysis), an explanation of our compensation program and decisions, going beyond the scaled disclosure requirements applicable to emerging growth companies. The following discussion of the compensation arrangements of our executive officers should be read together with the compensation tables and related disclosures regarding our current plans, considerations, and expectations with respect to future executive compensation programs. Actual compensation programs that we adopt following the date of this proxy statement may differ materially from the existing and currently planned programs summarized in this discussion.

Compensation-Related Highlights

In 2014, our Compensation Committee, with the assistance of Veritas Executive Compensation Consultants ("Veritas"), an independent compensation consultant, significantly enhanced our executive compensation program in the following ways:

- ✓ **Improved the alignment of executive pay with company performance**:
  - **2014 incentives are largely performance-contingent**, with long-term incentive awards roughly two-thirds performance-contingent and short-term incentive awards entirely performance-contingent.
  - **Performance goals are rigorous** and are based on objective, quantitative criteria.
- ✓ **Adjusted our short-term incentive payout opportunities** to provide higher upside if performance goals are achieved, while maintaining low downside if goals are not achieved.
- ✓ **Adopted more competitive target opportunities** for long- and short-term incentive compensation to bring executives in line with the competitive market.
- ✓ **Granted long-term incentives** to NEOs and other key contributors, which include a significant portion that is contingent upon the achievement of rigorous and clearly-defined performance measures.
- ✓ **Amended the employment offer letter agreement of our Chief Financial Officer** to bring his compensation opportunities in line with other executives, replacing annual time-vesting stock option grants with performance-based long-term incentive opportunities.
- ✓ **Adopted a Stock Ownership and Retention Policy** for NEOs and other key executives, as well as directors.
- ✓ **Implemented a formalized Compensation Recoupment Policy, or "clawback policy,"** for NEOs and other key employees.

Executive Summary

Fiscal 2014 Company Performance

Overall, our performance in fiscal 2014 fell well short of our expectations. While our total revenue of $204.7 million was up 20.0% from the prior year, our net income fell from $28.8 million in 2013 to $14.8 million in 2014, and diluted earnings per share fell from $2.23 in 2013 to $1.14 in 2014. The decrease in net income and EPS was due to an increased provision for credit losses in 2014, resulting primarily from delinquency and charge-off challenges associated with inadequate branch staffing in the first quarter of 2014 and poor quality convenience check loan solicitations in the second and third quarters of 2014.

Consequently, consistent with our pay-for-performance philosophy, our executive officers were paid only 22.39% of their target annual bonuses under our Annual Incentive Plan, which ties our executive officers' compensation directly to our financial and operational performance based upon objective performance measures. In addition, the three-year long-term incentive performance goals associated with the performance-contingent restricted stock units and cash-settled performance shares awarded to certain of our executive officers in 2014 are less likely to be achieved due to the poor performance of our company in 2014.

At the end of 2014 and beginning of 2015, under new executive leadership, we set out specific near-term objectives in an effort to reposition Regional for stability and growth. Among our objectives, we were determined to regain control of the credit quality of our portfolio, focus our top-line efforts on our small and large installment loans—our most important categories—and further add to our management depth. We are also working to constructively reposition our expense structure to better align with the profit model for our company. Through these efforts, we believe we are repositioning ourselves for a return to the profit trajectory that we experienced in the years prior to 2014.

New Executive Officers

In October 2014, we announced that Thomas F. Fortin resigned as our Chief Executive Officer and from our Board. Our Board appointed Michael R. Dunn, a director of the Company, to serve as our interim Chief Executive Officer, effective as of October 30, 2014, and on November 20, 2014, we announced that Mr. Dunn would serve as our permanent Chief Executive Officer. In December 2014, Mr. Fortin and the Company entered into a Separation Agreement, which is described in detail below. In September 2014, we announced the appointment of Jody L. Anderson as our President and Chief Operating Officer, succeeding C. Glynn Quattlebaum, who was a co-founder of Regional and served as President and Chief Operating Officer since 2007. Following the transition to Mr. Anderson, Mr. Quattlebaum remained employed by the Company in 2014 as its Vice Chairman until his retirement as Vice Chairman in March 2015, when we entered into a Retirement Agreement with Mr. Quattlebaum, which is described in detail below. Finally, in January 2015, we announced the appointment of Daniel J. Taggart as our Senior Vice President and Chief Risk Officer.

Program Updates in 2014

In 2014, we made several significant changes to our executive compensation program, which were designed to more closely tie the interests of our key executives with those of our stockholders. We believe that with these changes, our executive compensation program now embodies our pay-for-performance philosophy more strongly than before. The following table describes certain of the changes that we made to our executive compensation program in 2014.

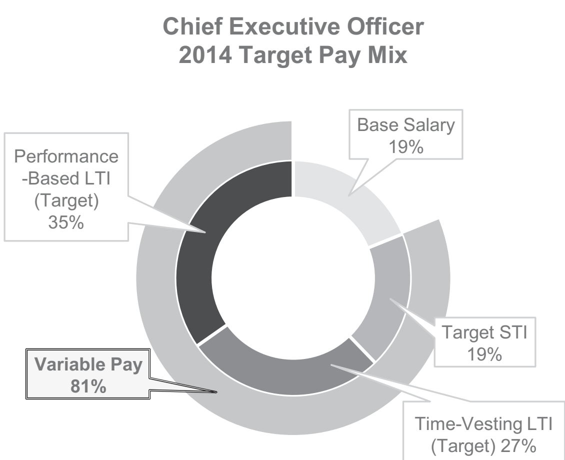
Pay Elements	2013 Program Design	2014 Program Design
Short-Term Incentive Plan	• **Included performance-based award based on the following metrics:** ○ Net operating income ○ Total debt/adjusted EBITDA ○ Net finance receivables ○ Net loans charged off as a percentage of average monthly net finance receivables ○ Total general and administrative expense percentage • **Included discretionary component, not based on formulas.**	• **Consisted entirely of performance-based award:** ○ Based on same metrics as in 2013. • **Increased targets for NEOs:** ○ Intended to increase motivational impact of awards and bring total cash opportunities to competitive levels. • **Increased upside opportunity, but kept challenging threshold:** ○ Higher payout is possible for high performance, but threshold performance must be met to receive any award.
Long-Term Incentive Plan	• **Compensation Committee considered, but did not implement, a formal plan to pay executives equity compensation:** ○ Only grant made to NEO in 2013 was in connection with CFO employment offer letter agreement.	• **NEOs were granted performance-contingent restricted stock units (“RSUs”), cash-settled performance shares, and stock options:** ○ Performance-contingent RSUs and performance shares were based on three-year EBITDA and net income per share goals, respectively. ○ For most NEOs, over 50% of grant date fair value was in the form of performance-contingent awards. • **Certain NEOs were granted time-based “catch-up” grants:** ○ Awards were intended to compensate for lack of 2013 grants.

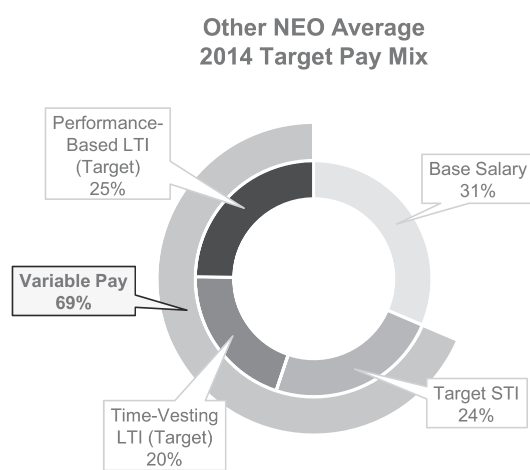
In 2014, we also adopted a Stock Ownership and Retention Policy and a Compensation Recoupment Policy. We believe that the adoption of these policies is consistent with "best practices" and better aligns the interests of our executive officers with the interests of our stockholders.

Program	2013 Program Design	2014 Program Design
Stock Ownership Guidelines	• None	• **Adopted Stock Ownership and Retention Policy:** ○ CEO is required to hold 5x salary. ○ Other executives are required to hold 2x salary. ○ Directors are required to hold 3x annual cash retainer. ○ Retention requirement mandates holding of at least 50% of net shares from vesting or exercise until reaching ownership requirement.
Formalized Clawback Policy	• None	• **Implemented Compensation Recoupment Policy:** ○ NEOs and other key employees are subject to having incentive payouts clawed back. ○ Clawback applies in the event of material financial restatement that would reduce award value and wrongdoing by executive. Clawback also possible if executive violates a non-competition, non-solicitation, confidentiality, or other restrictive covenant.

Aligning Pay with Performance in 2014

Based on the changes to the short- and long-term incentive programs for 2014, pay for our former CEO and our other NEOs was closely aligned with performance. The majority of compensation is variable and performance-based:





Note: The CEO 2014 target pay mix set forth above is for Thomas F. Fortin, who resigned on October 30, 2014. The pay mix of Michael R. Dunn, our current CEO, was not set until January 2015. The NEO 2014 target pay mix set forth above is for Messrs. Quattlebaum, Thomas, Fisher, and Ms. Masters.

Compensation Program "Best Practices" Summary

- ✓ Compensation program designed to closely align pay with performance
- ✓ Significant share ownership guidelines for executives (5x base salary for CEO, 2x for other NEOs)
- ✓ Significant share ownership guidelines for directors (3x annual cash retainer)
- ✓ Significant portion of compensation is variable and/or performance-based
- ✓ Formalized clawback policy
- ✓ Double-trigger change-in-control provisions
- ✓ Prohibition against hedging and pledging
- ✓ No excessive perquisites
- ✓ No re-pricing of equity incentive awards
- ✓ Independent Compensation Committee
- ✓ Independent compensation consultant

Executive Compensation Objectives and Approaches

Compensation Program Objectives

The primary objectives of our executive compensation program are to attract and retain talented executives to effectively manage and lead the Company and create value for our stockholders. The compensation packages for our executive officers for 2014 generally include a base salary, performance-based annual cash awards, time- and performance-based equity awards, and other benefits. Our current compensation program for our executive officers has been designed based on our view that each component of executive compensation should be set at levels that are necessary, within reasonable parameters, to successfully attract and retain skilled executives and that are fair and equitable in light of market practices.

Base salaries are intended to provide a minimum, fixed level of cash compensation sufficient to attract and retain an effective management team when considered in combination with other components of our executive compensation program. The base salary element is meant to provide our executive officers with a stable income stream that is commensurate with their responsibilities and to compensate them for services rendered during the fiscal year.

Consistent with our pay-for-performance strategy, our performance-based annual cash incentive program is customized to achieve specific objectives, reward increased levels of operational success, and place emphasis on appropriate levels of performance measurement. The key goals addressed by our short-term incentive program include (1) achievement of short-term financial and operational objectives, (2) increased stakeholder/stockholder value, (3) motivation and attraction of key management talent, (4) rewarding key contributors for performance against established criteria, and (5) focus on our pay-for-performance compensation strategy. Benefits earned under our short-term incentive program are paid under our Annual Incentive Plan. See "Proposal Four: Re-Approval of Regional Management Corp. Annual Incentive Plan," below.

Our long-term incentive program operates in tandem with our short-term incentive program and is consistent with our pay-for-performance strategy. We have historically granted service-based stock options, but our current long-term incentive program, approved in 2014, includes, in addition to stock options, performance-contingent restricted stock units ("RSUs") and cash-settled performance shares. Performance-based long-term incentives and time-based option awards can provide significant benefits to both our employees and stockholders. These long-term incentives generally are intended to create (1) a strong sense of ownership, (2) focus on achievement of long-term, strategic business objectives, (3) an enhanced linkage between the interests of our executives and stockholders, (4) an enhanced relationship between pay and performance, and (5) an incentive to attract and retain superior employees. Long-term incentive program benefits will be issued under our 2011 Stock Incentive Plan (the "2011 Plan") or, subject to stockholder approval, the 2015 Long-Term Incentive Plan (the "2015 Plan"). See "Proposal Three: Approval of Regional Management Corp. 2015 Long-Term Incentive Plan," below.

The discussion below includes a review of our compensation decisions with respect to fiscal 2014. Our executive officers for fiscal 2014 were:

Michael R. Dunn	Chief Executive Officer
Jody L. Anderson	President and Chief Operating Officer
Donald E. Thomas	Executive Vice President and Chief Financial Officer
A. Michelle Masters	Senior Vice President of Strategic Operations and Initiatives and Assistant Secretary
Brian J. Fisher	Vice President, General Counsel, and Secretary
Thomas F. Fortin	Former Chief Executive Officer
C. Glynn Quattlebaum	Vice Chairman; Former President and Chief Operating Officer

Daniel J. Taggart, our new Senior Vice President and Chief Risk Officer, will join Mr. Dunn, Mr. Anderson, Mr. Thomas, Ms. Masters, and Mr. Fisher as our executive officers for fiscal 2015.

Compensation Determination Process

The Compensation Committee reviews and approves the compensation determinations for all of our executive officers. In setting an executive officer's compensation package and the relative allocation among different types of compensation, we consider the nature of the position, the scope of associated responsibilities, the individual's prior experience and skills, and the individual's compensation expectations, as well as the compensation of existing executive officers at the Company and our general impressions of prevailing conditions in the market for executive talent.

We generally monitor compensation practices in the market where we compete for executive talent to obtain an overview of market practices and to ensure that we make informed decisions on executive pay packages. For 2014 compensation decisions, to obtain a sense of the market and a general understanding of current compensation practices, we reviewed the compensation awarded by a peer group of publicly-traded companies. The following companies were selected, with assistance from Veritas, using a scorecard-based approach that involved applying several filters (e.g., strong financial health, positive shareholder standing, similar in size, similar in industry classification, presence of overlapping peers, etc.), and selecting the most qualified peer companies from a broader list of candidates:

- Aaron's, Inc.
- America's Car-Mart, Inc.
- Cash America International, Inc.
- Consumer Portfolio Services, Inc
- Credit Acceptance Corp.
- Dollar Financial Corp.
- Encore Capital Group, Inc.
- EZCORP, Inc.
- First Cash Financial Services, Inc.
- Green Dot Corporation
- ICG Group, Inc.
- JMP Group Inc.
- Marlin Business Services Corp.
- NewStar Financial, Inc.
- Nicholas Financial, Inc.
- Portfolio Recovery Associates, Inc.
- Rent-A-Center, Inc.
- Springleaf Holdings, Inc.
- World Acceptance Corp.

These companies are largely within the consumer finance industry, are similar in size and/or scope to Regional, and/or are companies that Regional competes against for products, services, and human capital.

Consistent with our compensation objectives of attracting and retaining top executive talent, we believe that the base salaries and performance-based short- and long-term incentive compensation of our executive officers should be set at levels which are competitive with our peer group companies of comparable size, although we do not target any specific pay percentile for our executive officers. The peer group is used more as a general guide, being mindful of the following:

- Appropriate base salaries for our executive officers should generally be in line with those paid by peer group companies of comparable size.
- Performance-based short- and long-term incentive awards should reward exceptional performance, which can result in overall compensation that can exceed those of peer group companies of comparable size.

- Total compensation for executive officers may approach the higher end of the compensation at such peer group companies of comparable size, but only if high levels of short- and long-term performance are reached.

The Compensation Committee has the authority to hire outside advisors and experts, including compensation consultants, to assist it with director and executive officer compensation determinations. The Compensation Committee retained the services of Veritas Executive Compensation Consultants, an independent compensation consultant, in fiscal 2014 to help ensure that our compensation practices were appropriate for our industry, review and make recommendations with respect to executive officer and director cash and equity compensation, and update our peer group, in each case for the Compensation Committee's use in setting fiscal 2014 compensation.

Veritas' recommendations to the Compensation Committee were generally in the form of suggested ranges for compensation or descriptions of policies that Veritas currently considers "best practices" in our industry. The Compensation Committee used Veritas' reports to further its understanding of executive officer cash and equity compensation practices in the market, and redesigned the Company's executive officer long-term and short-term incentive programs and director compensation program for fiscal 2014 based, in part, on Veritas' recommendations.

During fiscal 2014, Veritas worked only for the Compensation Committee and performed no additional services for the Company or any of its executive officers. The Compensation Committee Chairman approved all work performed by Veritas and received and approved copies of all invoices for services submitted by Veritas. During fiscal 2014, the Compensation Committee and the Company did not use the services of any other compensation consultant. The Compensation Committee has also engaged Veritas in 2015 to provide similar services.

Our Compensation Committee has assessed the independence of Veritas, taking into account, among other things, the factors set forth in Exchange Act Rule 10C-1 and NYSE listing standards, and has concluded that no conflict of interest exists with respect to the work Veritas performed or performs for our Compensation Committee and that Veritas is independent under Exchange Act Rule 10C-1 and NYSE listing standards.

Elements of Compensation

Each executive officer is eligible to receive a balance of variable and fixed compensation. The following table describes the various forms of compensation:

Pay Elements	Components	Rationale for Form of Compensation
Base Salary	• Cash	• To attract and retain executive talent. • To provide a fixed base of compensation generally aligned to peer group levels.
Short-Term Incentive	• Annual cash bonus	• To drive the achievement of key business results on an annual basis. • To recognize individual executives based on their specific and measurable contributions. • To structure a meaningful amount of annual compensation as performance-based and not guaranteed.
Long-Term Incentive	• Performance-based long-term incentives: ○ Performance-contingent RSUs. ○ Cash-settled performance shares. • Time-based long-term incentives: ○ Non-qualified stock options. ○ One-time restricted stock awards (i.e., "catch up grants").	• To drive the sustainable achievement of key long-term business results. • To align the interests of executives with stockholders. • To structure a meaningful amount of long-term compensation as performance-based and not guaranteed.

Base Salaries

Annual base salaries are established on the basis of market conditions at the time we hire an executive, as well as by taking into account the particular executive's level of qualifications and experience. The Compensation Committee reviews the base salaries of our executive officers annually, and any subsequent modifications to annual base salaries are made in consideration of the appropriateness of each executive officer's compensation, both individually and relative to the other executive officers, the individual performance of each executive officer, and any significant changes in market conditions. We do not apply specific formulas to determine increases.

The Compensation Committee approved executive officer base salaries for 2014 as follows:

Name	2013 Salary	2014 Salary
Michael R. Dunn	N/A	$500,000
Jody L. Anderson	N/A	$325,000
Donald E. Thomas	$300,000	$309,000
A. Michelle Masters	$130,000	$150,000
Brian J. Fisher	$140,000	$180,000
Thomas F. Fortin	$420,000	$420,000
C. Glynn Quattlebaum	$465,800	$465,800

Note: Mr. Dunn began serving as CEO on October 30, 2014, and did not have his 2014 salary definitively set until entering into an employment agreement on January 12, 2015. The Company paid Mr. Dunn $86,301 in base salary on account of service in 2014. Mr. Anderson began serving as President and COO on October 1, 2014. The Company paid Mr. Anderson $81,918 in base salary on account of service in 2014.

The Compensation Committee approved executive officer base salaries for 2015 as follows:

Name	2014 Salary	2015 Salary
Michael R. Dunn	$500,000	$500,000
Jody L. Anderson	$325,000	$325,000
Donald E. Thomas	$309,000	$321,391
Daniel J. Taggart	N/A	$300,000
A. Michelle Masters	$150,000	$153,000
Brian J. Fisher	$180,000	$220,000

Performance-Based Annual Cash Awards

Our annual incentive program is designed to drive achievement of annual corporate goals, including key financial and operating results and strategic goals that create value for stockholders. Our executive officers are eligible for performance-based annual cash awards linked to our performance in relation to performance targets set by our Compensation Committee.

The awards for fiscal 2014 were based on our performance with respect to the metrics in the following table. We will also use these metrics to determine the performance-based annual cash awards for our executive officers in fiscal 2015. These metrics drive the overall performance of our business from year to year and are elements of our historical financial success.

Performance Metric	What it Measures	Rationale for Metric
Net Income from Operations	• Profitability	• Measures the effectiveness of our management team's execution of our strategic and operational plans. • Reflects business variables and factors that are within management's control or influenced by decisions made by executives.
Total Debt / Adjusted EBITDA	• Leverage ratio	• Measures reliance on our credit facilities to produce cash flow. • We intend to attempt, over time, to reduce our reliance upon borrowings and to fund proportionately more of our loan originations from operating cash flow as we grow. • Holds management accountable for de-leveraging our balance sheet over time.
Average Monthly Net Finance Receivables	• Loan growth	• We seek to continually grow our business on a consistent and sound basis. • We establish annual growth objectives for our management team for loans that we originate and service.
Net Loans Charged Off as a Percentage of Average Monthly Net Finance Receivables	• Charge-off control	• Measures the control our management team exerts on loans. • Is ultimately a measure of the quality of underwriting policies and decisions. • We guide our management team to specific aggregate net charge-off goals each year that, combined with our average finance receivables measure, attempt to balance attractive growth with effective portfolio control.
Total General and Administrative Expense Percentage	• Expense control	• Measures the effectiveness with which our management team utilizes our corporate resources and minimizes our corporate expenses.

Target annual incentive levels and actual performance-based annual cash awards for each of our executive officers for fiscal 2014 are detailed below. Based on fiscal 2014 financial performance, actual short-term incentive payouts were 22.39% of target.

Name	2014 Eligible Base Salary	2014 Target Incentive as Percentage of Salary	Target Award	Actual Award
Michael R. Dunn	$86,301	100%	$86,301	$19,323
Jody L. Anderson	$81,918	100%	$81,918	$18,341
Donald E. Thomas	$309,000	100%	$309,000	$69,185
A. Michelle Masters	$150,000	45%	$67,500	$15,113
Brian J. Fisher	$180,000	60%	$108,000	$24,181
Thomas F. Fortin	$348,658	100%	$348,658	$0
C. Glynn Quattlebaum	$465,800	75%	$349,350	$78,219

Note: Mr. Dunn began serving as CEO on October 30, 2014, and Mr. Anderson began serving as President and COO on October 1, 2104. Following Mr. Fortin's resignation on October 30, 2014, pursuant to his Separation Agreement, Mr. Fortin waived any right to a performance-based annual cash award for fiscal 2014.

The percentages described in the table were determined by the Compensation Committee, and are not reflected in the employment agreements of Messrs. Fortin and Quattlebaum or the employment offer letter agreement of Mr. Fisher. They are calibrated so that the total compensation opportunity for each executive officer is commensurate with that executive's role and responsibilities with us. An executive must be employed by us on the last day of the performance year in order to be eligible to receive payment in respect of a performance-based annual cash award.

Target fiscal 2015 incentive levels for each of our executive officers, as established by our Compensation Committee, are described in the table below. A threshold level of performance must be exceeded in order to earn any award, and each executive is eligible to earn up to 150% of his or her target award based upon the achievement of the performance goals established by the Compensation Committee.

Name	2015 Base Salary	2015 Target Incentive as Percentage of Salary	Target Award
Michael R. Dunn	$500,000	100%	$500,000
Jody L. Anderson	$325,000	100%	$325,000
Donald E. Thomas	$321,391	100%	$321,391
Daniel J. Taggart	$300,000	100%	$300,000
A. Michelle Masters	$153,000	45%	$68,850
Brian J. Fisher	$220,000	60%	$132,000

Discretionary Cash Bonuses

Our Compensation Committee has the discretion to make periodic cash payments to executive officers in recognition of various specific projects and exceptional achievements. There is no formula or schedule for such discretionary payments. No discretionary payments were made to our executive officers for performance in fiscal 2014.

As noted in our previous proxy statement, and included under fiscal 2013 compensation, in March 2014, the Compensation Committee elected to pay our executive officers the following discretionary bonuses for services performed in 2013. The Compensation Committee awarded the discretionary bonuses based on the Compensation Committee's qualitative assessment of each executive officer's performance during 2013 and the executive officers' leadership during 2013 with respect to the creation of stockholder value, the opening of 41 de novo branches, the increase in the average loans per branch, the increase in portfolio yield, support with respect to the exit of the Company's prior private equity sponsors through two secondary public offerings, implementation of compliance with the Sarbanes-Oxley Act of 2002, and expansion of the Company's credit facility.

Name	Discretionary Bonus for 2013 Performance	Discretionary Bonus for 2014 Performance
Michael R. Dunn	N/A	$0
Jody L. Anderson	N/A	$0
Donald E. Thomas	$35,677	$0
A. Michelle Masters	$11,042	$0
Brian J. Fisher	$11,425	$0
Thomas F. Fortin	$63,258	$0
C. Glynn Quattlebaum	$62,063	$0

Long-Term Incentive Awards

In recent years, Regional has not consistently granted long-term incentives:

- In 2007 and 2008, our Board granted options to Messrs. Fortin and Quattlebaum pursuant to our 2007 Management Incentive Plan (the "2007 Plan").
- Our Board did not grant any equity awards during 2009, 2010, or 2011.

- On March 27, 2012, pursuant to our 2011 Plan and in connection with our initial public offering, the Compensation Committee granted to Mr. Fortin a nonqualified stock option for 125,000 shares and granted to Mr. Quattlebaum and to Ms. Masters nonqualified stock options for 25,000 shares each.
- On January 2, 2013 and December 31, 2013, pursuant to our 2011 Plan and consistent with his employment offer letter agreement, the Compensation Committee granted to Mr. Thomas nonqualified stock options for 100,000 shares and 26,500 shares, respectively.

These grants were intended to directly align the interests of such executive officers with those of our stockholders, to give such executive officers a strong incentive to maximize stockholder returns on a long-term basis, and to aid in our recruitment and retention of key executive talent necessary to ensure our continued success.

As described above, the Compensation Committee engaged Veritas to provide a review and recommendation with respect to executive officer equity compensation. In 2014, with assistance from Veritas, the Company developed a comprehensive long-term incentive program, and granted the following awards to executive officers and other key employees:

LTI Vehicle	Performance Metric	Performance Period	Weighting	Recipients
Non-Qualified Stock Options	• Built-in metric of stock price growth	• N/A – 100% of options vest on December 31, 2016, subject to continued employment.	• One-third of total target award (excluding "catch-up" grants).	• All NEOs (with exception of Dunn), several key non-NEO employees.
Performance-Contingent Restricted Stock Units	• Cumulative EBITDA	• Three years, from January 1, 2014 through December 31, 2016.	• One-third of total target award (excluding "catch-up" grants).	• All NEOs (with exception of Dunn), several key non-NEO employees.
Cash-Settled Performance Shares	• Cumulative net income per share	• Three years, from January 1, 2014 through December 31, 2016.	• One-third of total target award (excluding "catch-up" grants).	• All NEOs (with exception of Dunn), several key non-NEO employees.
Time-Vesting Restricted Stock Awards ("Catch-Up" Grants)	• N/A – Granted to compensate for lack of 2013 grants	• N/A – 100% vest on February 15, 2017, subject to continued employment.	• Varies by individual, mostly weighted less than other awards.	• Granted to Messrs. Fortin, Quattlebaum and Fisher, and Ms. Masters.

For 2014, the grant date targets are detailed in the following table. For the performance-contingent RSUs and performance shares, a threshold level of performance must be exceeded for the awards to have any value, and participants are eligible to earn up to 150% of their target award based upon the achievement of the performance goals established by the Compensation Committee. For the non-qualified stock options, the Company stock price must exceed the grant price for the options to have any value.

	2014 Target Grant Date Fair Value				
Name	Total	Performance-Contingent RSUs	Performance Shares	Non-Qualified Stock Options	"Catch-Up" RSAs
Michael R. Dunn	**N/A**	N/A	N/A	N/A	N/A
Jody L. Anderson	**$199,994**	N/A	N/A	$199,994	N/A
Donald E. Thomas	**$463,488**	$154,494	$154,500	$154,494	N/A
A. Michelle Masters	**$191,511**	$49,994	$50,000	$49,994	$41,523
Brian J. Fisher	**$269,681**	$74,983	$75,000	$74,996	$44,702
Thomas F. Fortin	**$1,383,566**	$386,653	$386,666	$386,666	$223,581
C. Glynn Quattlebaum	**$651,771**	$155,258	$155,266	$155,264	$185,983

Note: Mr. Dunn's employment agreement, executed January 12, 2015, provides for a one-time $1,500,000 stock award, and makes Mr. Dunn eligible to receive grants of non-qualified stock options, performance-contingent RSUs, and performance shares in 2015, with a target opportunity of $500,000 for each vehicle. Pursuant to his employment agreement, executed September 19, 2014, Mr. Anderson is eligible to receive grants of performance-contingent RSUs and performance shares in 2015, with a target opportunity of $200,000 for each vehicle. In his Separation Agreement, Mr. Fortin agreed to forfeit his 2014 non-qualified stock option, performance-contingent RSU, and performance share awards.

Additionally, the employment offer letter agreement with Mr. Thomas was amended to cancel the annual grants of options for 26,500 shares of common stock. Instead, Mr. Thomas received grants of non-qualified stock options, performance-contingent RSUs, and performance shares in 2014, and will continue to participate in the same long-term incentive compensation program as other executives.

Upon signing his new employment agreement on January 12, 2015, Mr. Dunn was granted a stock award for 99,337 restricted shares with a fair value of approximately $1,500,000. These shares vested on the grant date but are subject to a holding period until December 31, 2016, regardless of whether Mr. Dunn remains employed with the Company until such date. Additionally, he will be eligible to receive grants of non-qualified stock options, performance-contingent RSUs, and performance shares in 2015, with a target opportunity of $500,000 for each vehicle.

Upon commencing employment on October 1, 2014, Mr. Anderson was granted non-qualified stock options with a fair value of approximately $200,000. Additionally, he will be eligible to receive grants of performance-contingent RSUs and performance shares in 2015, with a target opportunity of $200,000 for each vehicle. Upon commencing employment on January 5, 2015, Mr. Taggart was granted non-qualified stock options with a fair value of approximately $100,000. Additionally, he will be eligible to receive grants of performance-contingent RSUs and performance shares in 2015, with a target opportunity of $100,000 for each vehicle.

2015 Executive Retention Program

In 2014, even when including the increased target value of the short- and long-term incentive awards, total compensation levels for our executive officers were below the median of our peer group. Further, because the 2014 short-term incentive paid out substantially below target and the 2014 three-year long-term incentive performance goals are less likely to be achieved due to poor company performance in 2014, there may be a significant deficit in terms of realized compensation. As a result, in 2015, our Compensation Committee, in consultation with Veritas, determined to implement a retention program pursuant to which it granted the following awards as an incentive and retention vehicle for certain Company executives: (i) nonqualified stock options, which are subject to the terms of the 2011 Plan, and (ii) a cash retention award. The Compensation Committee granted Messrs. Dunn, Anderson, Thomas, and Fisher and Ms. Masters nonqualified stock options to purchase 10,000 shares; 8,700 shares; 32,500 shares; 11,500 shares; and 2,500 shares, respectively, of the Company's common stock. The options vest in three equal installments or as otherwise provided in the applicable award agreement on each of December 31, 2015, December 31, 2016, and December 31, 2017, subject to the executive's continued employment. In addition, the Compensation Committee granted Mr. Fisher a cash retention award of $25,000, which is payable as follows: 25% on or about 180 days following the date of the retention award; 25% on or about 360 days following the date of the retention award; and 50% on or about 540 days following the date of the retention award, subject to Mr. Fisher's continued employment.

Perquisites

We also provide various other limited perquisites and other personal benefits to our executive officers that are intended to be part of a competitive compensation program. For 2014, these benefits included:

- 401(k) plan matching contributions for each of our executive officers.
- Payment of monthly country club membership dues for Mr. Quattlebaum.
- Monthly automobile allowances of $1,150 for Messrs. Anderson, Thomas, and Fortin, and $1,650 for Mr. Quattlebaum.

The Board believes that these benefits are comparable to those offered by other companies that compete with us for executive talent and are consistent with our overall compensation program. Perquisites are not a material part of our compensation program. We also provide our executive officers with benefits that are generally available to all of our employees, including health insurance, disability insurance, dental insurance, vision insurance, life insurance, and paid time off.

Deductibility of Executive Compensation

Code Section 162(m) limits the ability of the Company to deduct for tax purposes compensation over $1,000,000 to our principal executive officer or any one of our three highest paid executive officers, other than our principal executive officer or principal financial officer, who are employed by us on the last day of our taxable year, unless, in general, the compensation is paid pursuant to a plan that is performance related, non-discretionary, and has been approved by our stockholders. The Compensation Committee will review and consider the deductibility of executive compensation under Code Section 162(m) and may authorize certain payments that will be in excess of the $1,000,000 limitation. The Compensation Committee believes that it needs to balance the benefits of designing awards that are tax-deductible with the need to design awards that attract, retain, and reward executives responsible for the success of the Company. While mindful of the benefit to us of the full deductibility of compensation, the Compensation Committee believes that it should not be constrained by the requirements of Code Section 162(m) where those requirements would impair flexibility in compensating our executive officers in a manner that can best promote our corporate objectives, which the Compensation Committee believes aligns our executive officers' interests with our stockholders' interests, and thus is in the best interests of our stockholders. The Compensation Committee has elected to submit the Annual Incentive Plan and the 2015 Plan to our stockholders for approval to qualify certain amounts payable under the Annual Incentive Plan and certain awards under the 2015 Plan under the "performance-based compensation" exception to Code Section 162(m). These proposals are included as "Proposal Three: Approval of Regional Management Corp. 2015 Long-Term Incentive Plan" and "Proposal Four: Re-Approval of Regional Management Corp. Annual Incentive Plan," below.

Payments Upon Termination and Change in Control

Pursuant to the terms of each of their employment agreements, Messrs. Dunn and Anderson are entitled to certain benefits upon the termination of their employment with us, the terms of which are described below under "Agreements with Current Executive Officers." In addition, pursuant to the terms of nonqualified stock option agreements associated with option awards to Messrs. Fortin, Quattlebaum, and Thomas and Ms. Masters in 2012 and 2013, and pursuant to the terms of nonqualified stock option agreements associated with option awards to our executive officers in 2014, in the event of a termination of their employment by the Company without cause or by them with good reason during the six month period following a change in control, the option awards shall become fully vested and exercisable effective as of the termination date. Pursuant to the terms of performance-contingent restricted stock unit award agreements, cash-settled performance share award agreements, and restricted stock award agreements associated with long-term incentive awards to our executive officers in 2014, in the event of a termination of their employment by the Company without cause or by them with good reason during the six month period following a change in control, the awards shall be deemed earned at target and/or fully vested, effective as of the termination date. Finally, the award agreements associated with long-term incentive awards to our executive officers in 2014 provide for continued or pro-rata vesting in the event of certain qualifying terminations of employment. See "2011 Stock Incentive Plan" below. These benefits are intended to alleviate concerns that may arise in the event of an executive's separation from service with us and enable executives to focus fully on their duties to us while employed by us.

As described above, Mr. Fortin resigned as our company's Chief Executive Officer and as a member of our company's Board, effective October 30, 2014. Mr. Fortin and the Company subsequently entered into a Separation Agreement, effective December 11, 2014, the terms of which are described below under "Agreements with Former Executive Officers". Also as described above, Mr. Quattlebaum resigned as our company's President and Chief Operating Officer, effective October 1, 2014, though he remained employed thereafter by Regional on a full-time basis as our Vice Chairman. In March 2015, Mr. Quattlebaum elected to retire from full-time employment with the Company and entered into a Retirement Agreement, effective March 23, 2015, pursuant to which he will provide certain consulting services to the Company for a one-year transition period. The Retirement Agreement is described below under "Agreements with Former Executive Officers".

Stock Ownership and Retention Policy

In 2014, Regional adopted a Stock Ownership and Retention Policy. The Compensation Committee believes that significant ownership of common stock by our executives and directors directly aligns their interests with those of our stockholders and also helps balance the incentives for risk-taking inherent in equity-based awards made to executives. Under the policy, executives and directors are subject to the following ownership guidelines:

Covered Person	Ownership Guideline
Chief Executive Officer	5x annual salary
Other covered employees (including NEOs)	2x annual salary
Directors	3x annual cash retainer

Persons covered by the policy are expected to utilize grants under equity compensation plans to reach the levels of ownership expected by the policy. The policy also incorporates a retention element requiring such persons to retain 50% of the net shares resulting from the vesting or exercise of equity awards to obtain the required ownership under the policy.

Clawback Policy

In 2014, Regional also adopted a Compensation Recoupment Policy, or "clawback policy." Under the clawback policy, the Chief Executive Officer, the Chief Financial Officer, any other person who is an executive officer, the Corporate Controller, and such other persons (each, a "Covered Person") as may be determined by the Board of Directors or the Compensation Committee (the "Administrator") may be required to return to the Company and/or forfeit all or a portion of any cash-based incentive compensation and/or equity-based incentive compensation received by such Covered Person.

Such a return or forfeit is required, unless the Administrator determines otherwise, if (i) compensation is received based on financial statements that are subsequently restated in a way that would decrease the amount of the award to which such person was entitled and the restatement is based in whole or in part on the misconduct of the Covered Person, (ii) such compensation was received by the Covered Person and the Administrator determines that such person has violated a non-competition, non-solicitation, confidentiality, or other restrictive covenant applicable to such person, or (iii) recoupment is otherwise required under applicable law.

Prohibition Against Hedging and Pledging

As stated in our Code of Conduct, directors, officers, and employees may not engage in activities that are designed to profit from trading activity or hedge against decreases in the value of our securities. This includes purchasing any financial instrument or contract, including prepaid variable forward contracts, equity swaps, collars, and exchange traded funds, which is designed to hedge or offset any risk of decrease in the market value of our common stock. These prohibitions apply regardless of whether the equity securities have been granted to the directors, executive officers, or other employees by the Company as part of their compensation or are held, directly or indirectly, by such persons.

No Excise Tax Gross-Ups

We did not provide any of our executive officers with a "gross-up" or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Code Sections 280G, 4999, or 409A during 2014, and we have not agreed and are not otherwise obligated to provide any named executive officer with such a "gross-up" or other reimbursement.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the foregoing section entitled "Compensation and Other Information Concerning Our Executive Officers and Directors" (our compensation discussion and analysis) with management. Based on this review and discussion, the Compensation Committee has recommended to the Board of Directors that the foregoing section entitled "Compensation and Other Information Concerning Our Executive Officers and Directors" (our compensation discussion and analysis) be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and this Proxy Statement for filing with the Securities and Exchange Commission.

Members of the Compensation Committee:

Carlos Palomares (Chairman)
Roel C. Campos
Steven J. Freiberg
Alvaro G. de Molina

This report shall not be deemed to be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and shall not otherwise be deemed filed under such acts.

2014 Summary Compensation Table

The following table sets forth the cash and other compensation that we paid to our named executive officers or that was otherwise earned by our named executive officers for their services in all employment capacities during the fiscal years ended December 31, 2014, December 31, 2013, and December 31, 2012.

Name and Principal Position[1]	Year	Salary ($)[2]	Bonus ($)[3]	Stock Awards ($)[4]	Option Awards ($)[5]	Non-Equity Incentive Plan Compensation ($)[6]	All Other Compensation ($)	Total ($)
Michael R. Dunn,	2014	86,301	—	—	—	19,323	—	105,624
Chief Executive Officer	2013	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—
Thomas F. Fortin,	2014	348,658	—	610,234	386,666	—	117,717[7]	1,463,275
Former Chief Executive Officer	2013	408,685	63,258	—	—	148,931	24,000[8]	644,874
	2012	350,000	—	—	1,133,325	122,207	23,800[9]	1,629,332
Jody L. Anderson,	2014	81,918	—	—	199,994	18,341	11,287[7]	311,540
President and Chief Operating Officer	2013	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—
C. Glynn Quattlebaum,	2014	465,800	—	341,241	155,264	78,219	35,275[7]	1,075,799
Vice Chairman; Former President and	2013	461,640	62,063	—	—	120,793	42,701[8]	687,197
Chief Operating Officer	2012	435,750	—	—	226,665	109,246	34,983[9]	806,644
Donald E. Thomas,	2014	309,000	—	154,494	154,494	69,185	24,200[7]	711,373
Executive Vice President and	2013	299,178	110,677	—	1,528,902	83,995	13,800[8]	2,036,552
Chief Financial Officer	2012	—	—	—	—	—	—	—
A. Michelle Masters,	2014	150,000	—	91,517	49,994	15,113	11,037[7]	317,661
Senior Vice President of Strategic Operations	2013	127,575	11,042	—	—	21,490	10,303[8]	170,410
and Inititives and Assistant Secretary	2012	112,300	—	—	226,665	15,104	10,110[9]	364,179
Brian J. Fisher,	2014	180,000	—	119,685	74,996	24,181	—	398,862
Vice President, General Counsel, and	2013	135,014	11,425	—	—	18,953	—	165,392
Secretary	2012	—	—	—	—	—	—	—

(1) Mr. Dunn was appointed as a non-employee director, effective July 2, 2014, and as our Chief Executive Officer, effective October 30, 2014. The table above reflects the compensation paid to Mr. Dunn in his capacity as our Chief Executive Officer from October 30, 2014 through year-end. The compensation that we paid to Mr. Dunn in his capacity as a non-employee director for the period commencing July 2, 2014 and ending October 30, 2014 is set forth in the Director Compensation table below. Mr. Fortin resigned as our Chief Executive Officer, effective October 30, 2014. Mr. Anderson was appointed as our President and Chief Operating Officer, effective October 1, 2014. Mr. Quattlebaum resigned as our President and Chief Operating Officer, effective October 1, 2014, but remained employed on a full-time basis through 2014 as our Vice Chairman. Mr. Thomas, Ms. Masters, and Mr. Fisher each served in their respective positions for all of 2014.

(2) Represents annual base salaries, prorated for any partial year. For additional information, see "Compensation and Other Information Concerning Our Executive Officers and Directors – Elements of Compensation – Base Salaries."

(3) Represents discretionary bonuses awarded in 2013. For additional information, see "Compensation and Other Information Concerning Our Executive Officers and Directors – Elements of Compensation – Discretionary Cash Bonuses."

(4) Amounts shown are the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. For a discussion of the assumptions made in such valuation, see note 16 to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. Messrs. Fortin, Quattlebaum, and Fisher, and Ms. Masters were granted performance-contingent restricted stock units ("RSUs") and time-vesting restricted stock awards ("RSAs") having the following grant date fair values: Mr. Fortin, $386,653 of RSUs and $223,581 of RSAs; Mr. Quattlebaum, $155,258 of RSUs and $185,983 of RSAs; Mr. Fisher, $74,983 of RSUs and $44,702 of RSAs; and Ms. Masters, $49,994 of RSUs and $41,523 of RSAs. Mr. Thomas was granted RSUs having a grant date fair value of $154,494. The target number of RSUs was calculated by dividing the target value of the grant (the target value is disclosed in the table above) by the closing price of the Company's common stock on the grant date. The actual number of RSUs, if any, that may be earned may range from 0% to 150% of the target number of units, based on achievement of cumulative EBITDA over the performance period, January 1, 2014 through December 31, 2016. The RSAs vest on February 17, 2017, or as otherwise provided in the applicable award agreement. In his Separation Agreement, Mr. Fortin agreed to forfeit his RSU award.

(5) Amounts shown are the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. For a discussion of the assumptions made in such valuation, see note 16 to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. The option awards granted in 2014 to Messrs. Fortin, Quattlebaum, Thomas, and Fisher, and Ms. Masters vest on December 31, 2016. The option award granted in 2014 to Mr. Anderson vests on December 31, 2017. Each of the option awards granted in 2012 and 2013 vests in five equal annual installments beginning on the first anniversary of the grant date. In his Separation Agreement, Mr. Fortin agreed to forfeit his 2014 option award.

(6) Represents performance-based annual cash awards earned in 2014 and paid in March 2015. For additional information, see "Compensation and Other Information Concerning Our Executive Officers and Directors – Elements of Compensation – Performance-Based Annual Cash Awards."

(7) Represents aggregate automobile allowance payments of $11,500 to Mr. Fortin (paid prior to his resignation), $3,450 to Mr. Anderson, $19,800 to Mr. Quattlebaum, and $13,800 to Mr. Thomas; a 401(k) plan matching contribution of $10,400 to Messrs. Fortin, Quattlebaum, and Thomas, and $5,927 to Ms. Masters; monthly country club membership dues of $5,075 for Mr. Quattlebaum; a cash payment of $2,885 to Ms. Masters in lieu of accrued and unused vacation time as provided by company policy; a cash payment of $2,225 to Ms. Masters in recognition of her 15-year anniversary with the Company pursuant to company practice applicable to all employees; relocation expense benefits of $6,007 to Mr. Anderson in accordance with the Company's standard relocation policy; and reimbursement of attorney fees to Mr. Anderson in the amount of $1,830 in connection with the negotiation of his employment agreement. For his service as a non-employee director between July 2, 2014 and October 30, 2014, Mr. Dunn also received compensation as a non-employee director, as reflected in the Director Compensation table below. Following his resignation, Mr. Fortin received the following severance benefits in 2014, which amounts are reflected in the table above: base salary continuation, $71,342; reimbursement of COBRA premiums, $2,967; automobile allowance payment continuation, $2,300; reimbursement of attorney fees, $3,054; and payment of unused paid time off, $16,154.

(8) Represents aggregate automobile allowance payments of $13,800 to Messrs. Fortin and Thomas, and $19,800 to Mr. Quattlebaum; a 401(k) plan matching contribution of $10,200, $10,200, and $5,303 to Mr. Fortin, Mr. Quattlebaum, and Ms. Masters, respectively; monthly country club membership dues of $4,816 for Mr. Quattlebaum; a cash payment of $5,000 to Ms. Masters in lieu of accrued and unused vacation time as provided by company policy; and a cash payment of $7,885 to Mr. Quattlebaum in recognition of his 25-year anniversary with the Company pursuant to company practice applicable to all employees.

(9) Represents aggregate automobile allowance payments of $13,800 to Mr. Fortin and $19,800 to Mr. Quattlebaum; a 401(k) plan matching contribution of $10,000, $10,000, and $5,791 to Mr. Fortin, Mr. Quattlebaum, and Ms. Masters, respectively; monthly country club membership dues of $5,183 for Mr. Quattlebaum; and a cash payment of $4,319 to Ms. Masters in lieu of accrued and unused vacation time as provided by company policy.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information concerning equity awards that were outstanding as of December 31, 2014, for each of our named executive officers.

	Option Awards				Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock that Have Not Vested (#)**	**Market Value of Shares or Units of Stock that Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)**
Michael R. Dunn, Chief Executive Officer	—	—	—	—	5,876(9)	92,900(5)	—	—
Thomas F. Fortin, Former Chief Executive Officer	152,683 125,000	— —	5.4623 15.00	03/21/17 03/21/17	—	—	—	—
Jody L. Anderson, President and Chief Operating Officer	—	24,566(1)	17.76	10/01/24	—	—	—	—
C. Glynn Quattlebaum, Vice Chairman; Former President and Chief Operating Officer	264,844 10,000 —	— 15,000(2) 19,966(3)	5.4623 15.00 17.76	03/21/17 03/27/22 10/01/24	10,472(4)	165,562(5)	8,742(6)	138,211(5)
Donald E. Thomas, Executive Vice President and Chief Financial Officer	20,000 5,300 —	80,000(7) 21,200(8) 19,867(3)	16.73 33.93 17.76	01/02/23 12/31/23 10/01/24	—	—	8,699(6)	137,531(5)
A. Michelle Masters, Senior Vice President of Strategic Operations and Initiatives and Assistant Secretary	10,000 —	15,000(2) 6,429(3)	15.00 17.76	03/27/22 10/01/24	2,338(4)	36,964(5)	2,815(6)	44,505(5)
Brian J. Fisher, Vice President, General Counsel, and Secretary	—	9,644(3)	17.76	10/01/24	2,517(4)	39,794(5)	4,222(6)	66,750(5)

(1) This option vests December 31, 2017.

(2) This option vests in five equal annual installments beginning on the first anniversary of the grant date of March 27, 2012.

(3) This option vests on December 31, 2016.

(4) This award of restricted stock vests on February 17, 2017.

(5) Calculated based on the closing price of our common stock of $15.81 on December 31, 2014.

(6) This amount represents a performance-contingent restricted stock unit award (an "RSU"). The actual number of RSUs, if any, that may be earned may range from 0% to 150% of the target number of units set forth in the table above, based on achievement of cumulative EBITDA over the performance period, January 1, 2014 through December 31, 2016, and the continued employment of the executive through December 31, 2016, or as otherwise provided in the applicable award agreement.

(7) This option vests in five equal annual installments beginning on the first anniversary of the grant date of January 2, 2013.

(8) This option vests in five equal annual installments beginning on the first anniversary of the grant date of December 31, 2013.

(9) This award of restricted stock vests on the earlier of April 23, 2015 or the date of the Company's next annual stockholders meeting.

Equity Compensation Plan Information

The following table provides information about the common stock that may be issued upon the exercise of options, warrants, and rights under all of our existing equity compensation plans as of December 31, 2014.

Plan Category	(a) Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights ($)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Security Holders			
2007 Management Incentive Plan(1)	417,527	5.46	447,790
2011 Management Incentive Plan(2)	531,264(3)	17.02(4)	296,483
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total:	948,791	11.63	744,273

(1) Regional Management Corp. 2007 Management Incentive Plan, as amended. We no longer intend to grant awards under the Regional Management Corp. 2007 Management Incentive Plan. Any shares that remain available for grant will be rolled over to the 2015 Plan, if the 2015 Plan is approved by our stockholders.

(2) Regional Management Corp. 2011 Stock Incentive Plan, as amended. At March 20, 2015, 101,034 shares remain available for issuance under the Regional Management Corp. 2011 Stock Incentive Plan, which allows for grants of incentive stock options, non-qualified stock options, stock appreciation rights, unrestricted shares, restricted shares, restricted stock units, and awards that are valued in whole or in part by reference to, or otherwise based on the fair market value of shares, including performance-based awards. Any shares that remain available for grant will be rolled over to the 2015 Plan, if the 2015 Plan is approved by our stockholders.

(3) Includes 53,133 restricted stock units outstanding under the Regional Management Corp. 2011 Stock Incentive Plan. There is no exercise price associated with these restricted stock units.

(4) Calculation excludes shares subject to restricted stock unit awards.

Director Compensation

The following table provides information regarding the compensation paid to each of our non-employee directors for the fiscal year ended December 31, 2014.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Current Directors:			
Roel C. Campos	76,000	129,991	205,991
Michael R. Dunn(2)	22,440	88,904	111,344
Steven J. Freiberg	30,864	88,904	119,768
Richard A. Godley	35,054	99,986	135,040
Alvaro G. de Molina	79,791	139,993	219,784
Carlos Palomares	82,896	139,993	222,889
Former Directors(3):			
David Perez	15,659	—	15,659
Richard T. Dell'Aquila	12,527	—	12,527
Erik A. Scott	12,527	—	12,527

(1) On April 30, 2014, following the Company's annual stockholders meeting and in accordance with the non-employee director compensation program outlined below, the Company awarded Messrs. Campos, Godley, de Molina, and Palomares shares of restricted common stock in the following amounts: Mr. Campos, 8,474 shares; Mr. Godley, 6,518 shares; Mr. de Molina, 9,126 shares; and Mr. Palomares, 9,126 shares. On July 10, 2014, following their appointment to the Board and in accordance with the non-employee director compensation program outlined below, the Company awarded each of Messrs. Dunn and Freiberg 5,876 shares of restricted common stock. Amounts shown are the aggregate grant date fair value of stock awards computed in accordance with FASB ASC Topic 718. The total number of shares subject to stock options held by each of the non-employee directors as of December 31, 2014 was: Mr. Campos, 10,000; Mr. Dunn, none; Mr. Freiberg, none; Mr. Godley, 6,000; Mr. de Molina, 10,000; Mr. Palomares, 10,000; Mr. Perez, none; Mr. Dell'Aquila, none; and Mr. Scott, none. The total number of shares subject to restricted stock awards held by each of the non-employee directors as of December 31, 2014 was: Mr. Campos, 8,474; Mr. Dunn, 5,876; Mr. Freiberg, 5,876; Mr. Godley, 6,518; Mr. de Molina, 9,126; Mr. Palomares, 9,126; Mr. Perez, none; Mr. Dell'Aquila, none; and Mr. Scott, none.

(2) Mr. Dunn joined our Board in July 2014 and was, at that time, a non-employee, independent director in accordance with the criteria established by the NYSE for board independence. The Board appointed Mr. Dunn as the Company's Chief Executive Officer in October 2014, after which Mr. Dunn was no longer entitled to receive separate compensation for his service on the Board. The compensation reflected in this Director Compensation table is not also reflected in the 2014 Summary Compensation Table above.

(3) Messrs. Perez, Dell'Aquila, and Scott did not stand for re-election to the Board in April 2014.

Our employees who serve as directors receive no separate compensation for service on the Board or on committees of the Board. The Company maintains a non-employee director compensation program pursuant to which:

- each non-employee director receives an annual cash retainer of $30,000 payable in quarterly installments ($50,000 in the case of the chairman of the Board);
- each member of the Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee receives an additional annual cash retainer of $10,000 payable in quarterly installments ($20,000 in the case of the chairman of each committee);
- each member of the Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee receives a $1,500 meeting fee for each committee meeting attended (on and after September 20, 2014);
- each non-employee director receives on an annual basis shares of restricted common stock of the Company in an amount equal to $90,000 ($110,000 in the case of the chairman of the Board), divided by the fair market value per share of common stock on the date of grant; and
- each member of the Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee receives on an annual basis additional shares of restricted common stock of the Company in an amount equal to $10,000 ($20,000 in the case of the chairman of each committee), divided by the fair market value per share of common stock on the date of grant.

The restricted stock awards are granted on the fifth business day after the date of the annual stockholders meeting at which directors are elected. Each award vests and becomes non-forfeitable as to 100% of the shares subject to the award on the earlier of the first anniversary of the date of grant or the date of the next annual stockholders meeting, subject to the director's continued service from the date of grant until the vesting date, or upon the earlier occurrence of the director's termination of service as a director by reason of death or disability or upon a change in control of the Company. In the event of the director's termination of service for any other reason, the director forfeits the award as of the date of termination. Each award is subject to the terms and conditions of the 2011 Plan and a restricted stock award agreement.

In the event that the service of a director as a director, committee member, or Board or committee chair commences or terminates during his annual service to the Company, his cash compensation will be adjusted on a pro-rata basis. Annual service relates to the approximate 12-month period between annual meetings of the Company's stockholders. Each director is also reimbursed for reasonable out-of-pocket expenses incurred in connection with his service on our Board.

Agreements with Current Executive Officers

Michael R. Dunn – Chief Executive Officer and Director

We entered into an employment agreement with Mr. Dunn, our Chief Executive Officer, on January 12, 2015 (the "Dunn Agreement"), pursuant to which Mr. Dunn will continue to serve as our Chief Executive Officer following his appointment as the Company's Interim Chief Executive Officer on October 30, 2014. The Dunn Agreement provides for an approximate two-year term that began on January 12, 2015, and will end on December 31, 2016.

Pursuant to the Dunn Agreement, Mr. Dunn will receive an annual base salary of $500,000, which is subject to increases as may be determined by the Board or Compensation Committee from time to time. For each calendar year during the employment term, Mr. Dunn is also eligible to earn an annual bonus award under the Annual Incentive Plan based upon the achievement of performance targets established by the Compensation Committee, with a target bonus equal to no less than 100% of his base salary. The Dunn Agreement provides that Mr. Dunn will be eligible for a prorated annual bonus award during calendar year 2014, in addition to any other partial year. In addition, Mr. Dunn will be eligible to earn a cash bonus in the amount of up to $500,000, subject to his continued employment with the Company as its Chief Executive Officer through December 31, 2016 (the "Completion Bonus"). The Completion Bonus is payable solely at the discretion of the Compensation Committee based upon a review of Mr. Dunn's performance, taking into account such factors as the Compensation Committee may establish or otherwise deem relevant, including but not limited to Mr. Dunn's contributions to the Company's financial performance and the accomplishment of the Company's short-term and long-term strategic objectives.

Mr. Dunn will also receive equity compensation opportunities in the following forms: an initial stock award, a nonqualified stock option award, a performance-contingent restricted stock unit award, and a cash-settled performance share award.

Pursuant to the Dunn Agreement, Mr. Dunn received an initial stock award for 99,337 fully vested shares of Company common stock on January 12, 2015. The net shares (as defined below) subject to the stock award are subject to a holding period ending December 31, 2016, regardless of whether Mr. Dunn remains employed with the Company until such date. During the holding period, Mr. Dunn may not transfer the net shares subject to the stock award. The "net shares" means the total number of shares of the Company's common stock subject to the stock award less such number of shares as may be withheld to satisfy applicable withholding taxes as determined at minimum statutory withholding rates.

Subject to Mr. Dunn's continued employment from the effective date of the Dunn Agreement until the grant date, the Company will grant Mr. Dunn a nonqualified stock option at the time it makes its long-term incentive awards for fiscal 2015 to other members of senior management. The option will represent the right to purchase such number of shares of the Company's common stock as may be determined by dividing $500,000 by the fair value of each option share (calculated on or as close in time as practicable to the grant date in accordance with GAAP using the Black-Scholes option pricing model), at an exercise price per share equal to the fair market value per share on the grant date. The option will vest on December 31, 2017, subject to Mr. Dunn's continued employment with the Company through the vesting date or as otherwise provided in the applicable award agreement. The option will have a ten-year term.

Subject to Mr. Dunn's continued employment from the effective date of the Dunn Agreement until the grant date, the Company will grant Mr. Dunn a performance-contingent restricted stock unit award at the time the Company makes its long-term incentive awards for fiscal 2015 to other members of senior management. The number of shares subject to the performance-contingent restricted stock unit award will be calculated by dividing $500,000 by the closing price of the Company's common stock on or as close in time as practicable to the grant date. The performance-contingent restricted stock unit award will be eligible for vesting on December 31, 2017, based on the achievement, if at all, of performance criteria established by the Compensation Committee and Mr. Dunn's continued employment from the grant date until the vesting date or as otherwise provided in the applicable award agreement.

Subject to Mr. Dunn's continued employment from the effective date of the Dunn Agreement until the grant date, the Company will grant Mr. Dunn a cash-settled performance share award at the time the Company makes its annual long-term incentive awards for fiscal 2015 to other members of senior management. The performance share award will be eligible for vesting on December 31, 2017, if and to the extent the performance criteria established by the Compensation Committee are met and subject to Mr. Dunn's continued employment from the grant date until the vesting date or as otherwise provided in the applicable award agreement. The target cash settlement value of the performance share award at vesting will be equal to $500,000.

Each of the stock award, the option, the performance-contingent restricted stock unit award, and the cash-settled performance share award will be subject to the terms of the 2011 Plan, or any successor plan, and each applicable award agreement. For fiscal 2016, and subject to his continued employment from the effective date of the Dunn Agreement until the applicable grant date, Mr.

Dunn is eligible to receive one or more long-term incentive awards valued in the aggregate at $1,500,000, subject to the terms of the 2011 Plan, or any successor plan, and applicable equity award agreements, at the discretion of the Board or Compensation Committee.

The Company will also provide Mr. Dunn with benefits generally available to its other employees, including medical and retirement plans, in addition to the use of a cell phone and reasonable attorneys' fees and expenses not to exceed $7,500 in connection with the negotiation of the Dunn Agreement.

If Mr. Dunn's employment is terminated by the Company without "cause" or by Mr. Dunn as a result of "involuntary termination," Mr. Dunn will be entitled to receive: (1) accrued but unpaid salary through his termination date; (2) continued payment of his annual base salary for a period of 12 months following his termination date (unless Mr. Dunn is eligible to receive the Completion Bonus and/or his employment terminates after December 31, 2016); (3) the pro-rata portion of any annual bonus for the year in which termination occurs, to the extent earned, plus, if his termination occurs after year-end but before the annual bonus for the preceding year is paid, the annual bonus for the preceding year; (4) reimbursement of COBRA premiums for continuation coverage under the Company's group medical plan for 12 months following his termination date, so long as he is not entitled to obtain insurance from a subsequent employer; and (5) reimbursement of expenses incurred prior to termination.

If Mr. Dunn's employment terminates due to his death or "disability" (as defined by the Dunn Agreement), Mr. Dunn will be entitled to receive: (1) accrued but unpaid salary prior to his death or disability; (2) reimbursement of expenses incurred prior to his death or disability; and (3) the pro-rata portion of any annual bonus for the year in which his death or termination due to disability occurs, to the extent earned, plus, if his death or termination due to disability occurs after year-end but before the annual bonus for the preceding year is paid, the annual bonus for the preceding year. In addition, in the event Mr. Dunn's employment is terminated due to disability, he is entitled to continued payment of his annual base salary until 12 months after his termination date, reduced by the amounts payable under any disability insurance, plan or policy maintained by the Company. However, Mr. Dunn is not entitled to the severance payment in the preceding sentence if he is eligible to be paid the Completion Bonus and/or his employment terminates after December 31, 2016.

If the Company terminates Mr. Dunn's employment with "cause" or if Mr. Dunn voluntarily terminates his employment, he is entitled to accrued but unpaid salary and expense reimbursements through his termination date. In the case of voluntary termination of employment, if termination occurs after year-end but before the annual bonus for the preceding year is paid, Mr. Dunn is also entitled to payment of the annual bonus for the preceding year.

For purposes of the Dunn Agreement, "cause" includes: (1) the willful or grossly negligent material failure to perform duties; (2) conviction or entering into a plea bargain or plea of nolo contendere of any felony or certain other crimes; (3) certain acts of fraud, embezzlement or misappropriation; (4) certain failures to comply with any Company written policy or certain other actions that materially interfere with Mr. Dunn's ability to discharge his duties, responsibilities or obligations; (5) the knowing misstatement of Company financial records; (6) the material breach by Mr. Dunn of any of the terms of the Agreement; (7) habitual drunkenness or substance abuse; (8) the failure to disclose material financial or other information to the Board; or (9) engagement in conduct that results in Mr. Dunn's obligation to reimburse the Company for the amount of any bonus or other compensation under the Sarbanes-Oxley Act of 2002 or the Dodd-Frank Wall Street Reform and Consumer Protection Act.

For purposes of the Dunn Agreement, "involuntary termination" means termination of Mr. Dunn's employment which is due to a material diminution of his responsibilities, position, authority or duties or a material adverse change in the terms or status of the Dunn Agreement or a material reduction in Mr. Dunn's compensation package, in each case without Mr. Dunn's written consent.

Mr. Dunn is also subject to a covenant not to disclose the Company's confidential information during his employment term and at all times thereafter, a covenant not to compete during his employment and for a period of two years following his termination of employment, a covenant not to solicit competitive consumer finance loans through "loan sources" (as defined in the Dunn Agreement) during his employment and for a period of two years following his termination of employment, a covenant not to solicit or hire Company employees during his employment and for a period of two years following his termination of employment, and a non-disparagement covenant effective during the employment term and at all times thereafter. Mr. Dunn's non-compete is limited to an area within twenty-five miles of any Company office.

Jody L. Anderson – President and Chief Operating Officer

We entered into an employment agreement with Mr. Anderson, our President and Chief Operating Officer, on September 19, 2014 (the "Anderson Agreement"), pursuant to which Mr. Anderson will serve as our President and Chief Operating Officer. The Anderson Agreement provides for a three-year term.

Pursuant to the Anderson Agreement, Mr. Anderson will receive an annual base salary of $325,000, which is subject to increases as may be determined by the Board or Compensation Committee from time to time. For each calendar year during the employment term, Mr. Anderson is also eligible to earn an annual bonus award under the Annual Incentive Plan based upon the achievement of performance targets established by the Compensation Committee, with a target bonus equal to no less than 100% of his base salary. The Anderson Agreement provides that Mr. Anderson will be eligible for a prorated annual bonus award during calendar year 2014, in addition to any other partial year.

Mr. Anderson will also receive equity compensation opportunities in the following forms: a nonqualified stock option award, a performance-contingent restricted stock unit award, and a cash-settled performance share award.

Pursuant to the Anderson Agreement, Mr. Anderson received a nonqualified stock option to purchase 24,566 shares of Company common stock on October 1, 2014 at an exercise price per share equal to $17.76. The option will vest on December 31, 2017, subject to Mr. Anderson's continued employment with the Company through the vesting date or as otherwise provided in the applicable award agreement. The option has a ten-year term.

Subject to Mr. Anderson's continued employment from the effective date of the Anderson Agreement until the grant date, the Company will grant Mr. Anderson a performance-contingent restricted stock unit award at the time the Company makes its long-term incentive awards for fiscal 2015 to other members of senior management. The number of shares subject to the performance-contingent restricted stock unit award will be calculated by dividing $200,000 by the closing price of the Company's common stock on or as close in time as practicable to the grant date. The performance-contingent restricted stock unit award will be eligible for vesting on December 31, 2017, based on the achievement, if at all, of performance criteria established by the Compensation Committee and Mr. Anderson's continued employment from the grant date until the vesting date or as otherwise provided in the applicable award agreement.

Subject to Mr. Anderson's continued employment from the effective date of the Anderson Agreement until the grant date, the Company will grant Mr. Anderson a performance share award at the time the Company makes its annual long-term incentive awards for fiscal 2015 to other members of senior management. The performance share award will be eligible for vesting on December 31, 2017, if and to the extent the performance criteria established by the Compensation Committee are met and subject to Mr. Anderson's continued employment from the grant date until the vesting date or as otherwise provided in the applicable award agreement. The target cash settlement value of the performance share award at vesting will be equal to $200,000.

Each of the option, the performance-contingent restricted stock unit award and the performance share award will be subject to the terms of the 2011 Plan, or any successor plan, and each applicable award agreement. For fiscal 2016, and subject to his continued employment from the effective date of the Anderson Agreement until the applicable grant date, Mr. Anderson is eligible to receive one or more long-term incentive awards, subject to the terms of the 2011 Plan or any successor plan and applicable equity award agreements at the discretion of the Board or Compensation Committee.

The Company will also provide Mr. Anderson with benefits generally available to its other employees, including medical and retirement plans, in addition to a car allowance of $1,150 per month, the use of a cell phone, reasonable relocation expenses, and reasonable attorneys' fees and expenses not to exceed $7,500 in connection with the negotiation of the Anderson Agreement.

If Mr. Anderson's employment is terminated by the Company without "cause" or by Mr. Anderson as a result of "involuntary termination," Mr. Anderson will be entitled to receive: (1) accrued but unpaid salary through his termination date; (2) continued payment of his annual base salary for a period of 12 months following his termination date; (3) the pro-rata portion of any annual bonus for the year in which termination occurs, to the extent earned, plus, if his termination occurs after year-end but before the annual bonus for the preceding year is paid, the annual bonus for the preceding year; (4) reimbursement of COBRA premiums for continuation coverage under the Company's group medical plan for 12 months following his termination date, so long as he is not entitled to obtain insurance from a subsequent employer; and (5) reimbursement of expenses incurred prior to termination.

If Mr. Anderson's employment terminates due to his death or "disability" (as defined by the Anderson Agreement), Mr. Anderson will be entitled to receive: (1) accrued but unpaid salary prior to his death or disability; (2) reimbursement of expenses incurred prior to his death or disability; and (3) the pro-rata portion of any annual bonus for the year in which his death or termination due to disability occurs, to the extent earned, plus, if his death or termination due to disability occurs after year-end but before the annual bonus for the preceding year is paid, the annual bonus for the preceding year. In addition, in the event Mr. Anderson's employment is terminated due to disability, he is entitled to continued payment of his annual base salary until 12 months after his termination date, reduced by the amounts payable under any disability insurance, plan or policy maintained by the Company.

If the Company terminates Mr. Anderson's employment with "cause" or if Mr. Anderson voluntarily terminates his employment, he is entitled to accrued but unpaid salary and expense reimbursements through his termination date. In the case of voluntary termination of employment, if termination occurs after year-end but before the annual bonus for the preceding year is paid, Mr. Anderson is also entitled to payment of the annual bonus for the preceding year.

For purposes of the Anderson Agreement, "cause" includes: (1) the willful or grossly negligent material failure to perform duties; (2) conviction or entering into a plea bargain or plea of nolo contendere of any felony or certain other crimes; (3) certain acts of fraud, embezzlement or misappropriation; (4) certain failures to comply with any Company written policy or certain other actions that materially interfere with Mr. Anderson's ability to discharge his duties, responsibilities or obligations; (5) the knowing misstatement of Company financial records; (6) the material breach by Mr. Anderson of any of the terms of the Agreement; (7) habitual drunkenness or substance abuse; (8) the failure to disclose material financial or other information to the Board; or (9) engagement in conduct that results in Mr. Anderson's obligation to reimburse the Company for the amount of any bonus or other compensation under the Sarbanes-Oxley Act of 2002 or the Dodd-Frank Wall Street Reform and Consumer Protection Act.

For purposes of the Anderson Agreement, "involuntary termination" means termination of Mr. Anderson's employment which is due to a material diminution of his responsibilities, position, authority, duties or in the terms or status of the Anderson Agreement or a reduction in Mr. Anderson's compensation package, in each case without Mr. Anderson's written consent.

Mr. Anderson is also subject to a covenant not to disclose the Company's confidential information during his employment term and at all times thereafter, a covenant not to compete during his employment and for a period of two years following his termination of employment, a covenant not to solicit competitive consumer finance loans through "loan sources" (as defined in the Anderson Agreement) during his employment and for a period of two years following his termination of employment, a covenant not to solicit or hire Company employees during his employment and for a period of two years following his termination of employment and a non-disparagement covenant effective during the employment term and at all times thereafter. Mr. Anderson's non-compete is limited to an area within twenty-five miles of any Company office.

Employment Letter Agreement with Mr. Thomas

Effective January 2, 2013, Mr. Thomas was appointed as our Executive Vice President and Chief Financial Officer. We entered into a letter agreement with Mr. Thomas, effective as of December 12, 2012, as amended on October 1, 2014. Mr. Thomas is currently entitled to receive an annual base salary of $321,391, subject to annual review. With respect to each calendar year during the employment term, the letter agreement provides that Mr. Thomas is also eligible for a performance-based annual cash award pursuant to our Annual Incentive Plan, with a target bonus equal to 100% of his base salary, based upon the achievement of our performance targets for Mr. Thomas, as established by our Compensation Committee.

Mr. Thomas was paid a sign-on bonus of $75,000 in one lump sum within three days of the commencement of his employment, and we granted Mr. Thomas a stock option award (the "Initial Equity Grant") for the purchase of 100,000 shares of our common stock, with the grant occurring on January 2, 2013, the date that Mr. Thomas began his employment. The exercise price of the Initial Equity Grant is $16.73, which is equal to the closing price of our common stock on the grant date. The Initial Equity Grant is subject to the terms and conditions described in the applicable award agreement and will vest in five tranches, one-fifth on each of the anniversaries of the grant date, as long as Mr. Thomas has been continuously employed by us through the vesting dates.

On October 1, 2014, the letter agreement was amended in an effort to more effectively link Mr. Thomas's compensation to the successful achievement of our strategic business objectives. The amendment provided that Mr. Thomas would forego certain rights to annual stock option grants under the letter agreement and would instead, consistent with the incentive compensation structure applicable to certain other executives, in 2014 be granted a combination of stock options, performance-contingent restricted stock units, and performance shares with an aggregate target value of 1.5 times his base salary, and that in 2015, Mr. Thomas will be eligible to participate in the Company's long-term incentive program in the sole discretion of the Compensation Committee or the Board.

We will also provide Mr. Thomas with health insurance, short- and long-term disability insurance, life insurance, access to our 401(k) plan, 25 days of paid time off, and a car allowance of $1,150 per month. Mr. Thomas's employment is at-will.

Employment Letter Agreement with Mr. Taggart

Effective January 5, 2015, Mr. Taggart was appointed as our Senior Vice President and Chief Risk Officer. We entered into a letter agreement with Mr. Taggart, effective as of January 5, 2015. Mr. Taggart will receive an annual base salary of $300,000 and will be eligible to earn an annual cash incentive award with a target opportunity equal to 100% of his base salary, based upon achievement of certain performance targets. Mr. Taggart will also receive compensation in the following forms: a nonqualified stock option award; a performance-contingent restricted stock unit award; and a cash-settled performance share award.

Pursuant to his letter agreement, Mr. Taggart received a nonqualified stock option to purchase 13,194 shares of Company common stock on January 5, 2015 at an exercise price per share equal to $15.24. The option will vest on December 31, 2017, subject to Mr. Taggart's continued employment with the Company through the vesting date or as otherwise provided in the award agreement. The option has a ten-year term.

Subject to Mr. Taggart's continued employment, the Company will grant Mr. Taggart a performance-contingent restricted stock unit award at the time it makes its long-term incentive awards for 2015 to other members of senior management. The number of shares subject to the performance-contingent restricted stock unit award will be calculated by dividing $100,000 by the closing price of the Company's common stock on or as close in time as practicable to the date of grant. The performance-contingent restricted stock unit award may vest on December 31, 2017, based upon the achievement of performance criteria established by the Compensation Committee and his continued employment with the Company.

Subject to Mr. Taggart's continued employment, the Company will grant Mr. Taggart the cash-settled performance share award at the time the Company makes 2015 long-term incentive awards for 2015 to other members of senior management. The cash-settled performance share award may vest on December 31, 2017, based upon the achievement of performance criteria established by the Compensation Committee and his continued employment with the Company. At vesting, the target cash settlement of the cash-settled performance share award will equal $100,000.

Each of the option award, the performance-contingent restricted stock unit award, and the cash-settled performance share award will be subject to the terms of the 2011 Plan, or any successor plan, and each applicable award agreement. Commencing in 2016, Mr. Taggart will be eligible to participate in long-term incentive awards under the 2011 Plan or any successor plan as determined by the Compensation Committee. The Company will also provide Mr. Taggart with benefits generally available to its other employees, including medical and retirement plans, in addition to the use of a cell phone.

Employment Letter Agreement with Mr. Fisher

Effective January 14, 2013, Mr. Fisher was appointed as our Vice President, General Counsel, and Secretary. We entered into a letter agreement with Mr. Fisher, effective as of December 12, 2012.

Mr. Fisher is currently entitled to receive an annual base salary of $220,000, subject to annual review. With respect to each calendar year during the employment term, the letter agreement provides that Mr. Fisher is also eligible for a performance-based annual cash award pursuant to our Annual Incentive Plan, with a target bonus equal to a minimum of 25% of his base salary, based upon the achievement of our performance targets for Mr. Fisher, as established by our Compensation Committee. We will also provide Mr. Fisher with health insurance, short- and long-term disability insurance, life insurance, and access to our 401(k) plan. Mr. Fisher's employment is at-will.

Agreements with Former Executive Officers

Thomas F. Fortin – Former Chief Executive Officer and Director

On October 30, 2014, Mr. Fortin resigned as Chief Executive Officer of the Company and from the Board of Directors of the Company. In connection with his resignation, on December 11, 2014, Mr. Fortin and the Company entered into a separation agreement (the "Fortin Separation Agreement").

Pursuant to the Fortin Separation Agreement, Mr. Fortin agreed to provide, at the request of the Company, reasonable assistance for a six-month period following his resignation, not to exceed 20 hours per month, to the Company's chief executive officer in connection with the transition of Mr. Fortin's duties to a new chief executive officer, and Mr. Fortin will be entitled to be reimbursed for reasonable business expenses incurred in connection with the performance of such services. In addition, subject to his execution and non-revocation of a release of claims, Mr. Fortin is entitled to receive the following payments and benefits under the Separation Agreement: (i) payment equal to thirty (30) days of his annual base salary of $420,000 in lieu of the requirement that the Company provide him with thirty (30) days' notice of a decision to terminate his employment without cause; (ii) continued payment of his base salary for a period of twelve (12) months following his resignation, paid in accordance with the Company's ordinary payroll practices; (iii) reimbursement of reasonable attorney's fees incurred in connection with the negotiation of the Separation Agreement, not to exceed $5,000; (iv) reimbursement of the cost of COBRA continuation premiums for continued health insurance coverage for Mr. Fortin and his dependents for a period of twelve (12) months following his resignation (or until Mr. Fortin becomes eligible for coverage from a subsequent employer); (v) the option to purchase 196,563 shares of the Company's common stock granted to Mr. Fortin on February 28, 2008 will continue to be exercisable until March 21, 2017 (instead of expiring ninety (90) days following his resignation); (vi) the option to purchase 125,000 shares of the Company's common stock granted to Mr. Fortin on March 27, 2012 will vest in full and continue to be exercisable until March 21, 2017 (instead of expiring ninety (90) days following his resignation);

and (vii) all of the 12,589 shares of restricted stock granted to Mr. Fortin on October 1, 2014 will vest in full as of the effective date of the release of claims.

Mr. Fortin waived his rights to any pro-rata bonus otherwise earned in fiscal 2014 and agreed to forfeit all of the restricted stock units, stock options, and cash-settled performance share awards granted to him on October 1, 2014. Mr. Fortin agreed to release the Company from all claims and liabilities under federal and state laws arising prior to his resignation date, and reaffirmed his obligations under the restrictive covenants in his employment agreement with the Company dated March 18, 2013.

C. Glynn Quattlebaum – Former President and Chief Operating Officer

We entered into an employment agreement with Mr. Quattlebaum dated March 21, 2007, as amended (the "Quattlebaum Employment Agreement"), pursuant to which Mr. Quattlebaum agreed to serve as our President and Chief Operating Officer. The employment term was a five-year term that began on March 21, 2007, and was extended to March 21, 2017. On July 2, 2014, the employment agreement was further amended to provide that the Board of Directors would appoint Mr. Quattlebaum to serve as a member of the Board and would nominate Mr. Quattlebaum for election as a director at each annual meeting of the Company's stockholders at which directors are elected for the term of his employment agreement. The amendment further provided that Mr. Quattlebaum would serve as Vice Chairman of the Company and would continue to serve as President and Chief Operating Officer of the Company until a successor or successors were named to such positions. No new compensatory arrangements were entered into with Mr. Quattlebaum as a result of the amendment or in connection with his appointment as a director and Vice Chairman.

On October 1, 2014, Mr. Quattlebaum resigned as President and Chief Operating Officer of the Company, and in March 2015, Mr. Quattlebaum determined to retire from full-time employment with the Company. Pursuant to the terms of the Quattlebaum Employment Agreement, Mr. Quattlebaum is entitled to accrued but unpaid salary and expense reimbursements through his retirement date and any bonus for 2014 to the extent earned but not yet paid. Mr. Quattlebaum is also subject to a covenant not to disclose confidential information during his employment term and at all times thereafter and covenants not to solicit our employees or customers during his employment term and for three years following termination of his employment for any reason.

On March 23, 2015, Mr. Quattlebaum and the Company entered into a retirement agreement (the "Quattlebaum Retirement Agreement"). Pursuant to the Quattlebaum Retirement Agreement, Mr. Quattlebaum agreed to provide consulting services and other reasonable assistance for a twelve-month period to the Board and the Chief Executive Officer and is entitled to receive reimbursement for reasonable expenses incurred in connection with those services. In addition, Mr. Quattlebaum is entitled to receive a salary continuation benefit equal to $465,800. Mr. Quattlebaum is furthermore entitled to receive payment for COBRA medical insurance premiums on Mr. Quattlebaum and his dependents' behalf for up to 12 months, reimbursement of reasonable attorneys' fees, not to exceed $5,000, incurred in connection with the negotiation of the Quattlebaum Retirement Agreement, accrued benefits under the Company's 401(k) retirement plan, and the right to continue life insurance coverage at Mr. Quattlebaum's cost. Also, as of the effective date of the release of claims signed by Mr. Quattlebaum, (i) 10,000 shares of common stock subject to an option to purchase 25,000 shares of common stock granted to Mr. Quattlebaum on March 27, 2012 (the "2012 Option") became fully vested and exercisable (of the 15,000 shares subject to the portion of the 2012 Option that had not vested as of Mr. Quattlebaum's resignation date), and (ii) the exercise period for the 2012 Option and an option to purchase 294,844 shares of common stock granted to Mr. Quattlebaum on October 11, 2007 was extended to March 21, 2017.

Mr. Quattlebaum agreed to release the Company from all claims and liabilities that Mr. Quattlebaum may have through the date of the release and reaffirmed his obligations under the restrictive covenants in the Quattlebaum Employment Agreement. In addition, the Company and Mr. Quattlebaum are subject to a mutual non-disparagement covenant during the term of the Quattlebaum Retirement Agreement and at all times thereafter.

Pursuant to the Quattlebaum Retirement Agreement, Mr. Quattlebaum shall continue to hold his position as a member of the Board until the expiration of his term as a director at the Annual Meeting. Mr. Quattlebaum and the Company further agreed that the Board would not nominate Mr. Quattlebaum for reelection as a director at the Annual Meeting or be required to (or be in breach of Mr. Quattlebaum's Employment Agreement for failure to) nominate Mr. Quattlebaum for election as a director in any Board elections that occur in the future.

Stock Incentive Plans

The discussion that follows describes the material terms of our existing stock incentive plans in which our executive officers participate, the 2011 Stock Incentive Plan (the "2011 Plan") and the 2007 Management Incentive Plan ("2007 Plan"). We propose to adopt a new stock incentive plan, the 2015 Long-Term Incentive Plan (the "2015 Plan"), that would replace our older plans if the 2015 Plan is approved by our stockholders. See "Proposal Three: Approval of Regional Management Corp. 2015 Long-Term Incentive Plan," below.

2011 Stock Incentive Plan

Purpose. Our Board has adopted, and our stockholders have approved, the 2011 Plan. The purpose of the 2011 Plan is to aid us and our affiliates in recruiting and retaining key employees, directors and other service providers of outstanding ability and to motivate those employees, directors, consultants and other service providers to exert their best efforts on our behalf and on behalf of our affiliates by providing incentives through the granting of stock options, stock appreciation rights ("SARs"), other stock-based awards and other performance-based awards.

Shares Subject to the 2011 Plan. The 2011 Plan provides that the total number of shares of common stock that may be issued under the 2011 Plan is 950,000, and the maximum number of shares for which incentive stock options may be granted to any participant in one fiscal year is 475,000. Shares of our common stock covered by awards that terminate or lapse without the payment of consideration may be granted again under the 2011 Plan. Awards may be made under the 2011 Plan in substitution for outstanding awards previously granted by a company that is acquired by us, but the shares subject to such substituted awards will not be counted against the aggregate number of shares otherwise available for awards under the 2011 Plan.

Administration. The 2011 Plan is administered by the Compensation Committee. The Compensation Committee is authorized to interpret the 2011 Plan; to establish, amend, and rescind any rules and regulations relating to the 2011 Plan; and to make any other determinations that it deems necessary or desirable for the administration of the 2011 Plan, and the Compensation Committee may further delegate such authority. The Compensation Committee may correct any defect or supply any omission or reconcile any inconsistency in the 2011 Plan in the manner and to the extent the Compensation Committee deems necessary or desirable. The Compensation Committee will have the full power and authority to establish the terms and conditions of any award consistent with the provisions of the 2011 Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Determinations made by the Compensation Committee need not be uniform and may be made selectively among participants in the 2011 Plan.

Limitations. No award may be granted under the 2011 Plan after the tenth anniversary of the effective date (as defined therein), but awards theretofore granted may extend beyond that date.

Options. The Compensation Committee may grant non-qualified stock options and incentive stock options, which are subject to the terms and conditions as set forth in the 2011 Plan, the related award agreement, and any other terms, not inconsistent therewith, as determined by the Compensation Committee; provided that all stock options granted under the 2011 Plan are required to have a per share exercise price that is not less than 100% of the fair market value of our common stock underlying such stock options on the date an option is granted (other than in the case of options granted in substitution of previously granted awards), and all stock options that are intended to qualify as incentive stock options will be subject to terms and conditions that comply with the rules as may be prescribed by Code Section 422. The maximum term for stock options granted under the 2011 Plan will be 10 years from the initial date of grant. The "repricing" of stock options is prohibited without prior approval of our stockholders.

Stock Appreciation Rights. The Compensation Committee may grant SARs independent of or in connection with a stock option. The exercise price per share of a SAR will be an amount determined by the Compensation Committee but in no event will such amount be less than 100% of the fair market value of a share on the date the SAR is granted (other than in the case of SARs granted in substitution of previously granted awards). Generally, each SAR will entitle the participant upon exercise to an amount equal to the product of (i) the excess of (A) the fair market value on the exercise date of one share of common stock, over (B) the exercise price per share, times (ii) the numbers of shares of common stock covered by the SAR. As discussed above with respect to options, the "repricing" of SARs is prohibited under the 2011 Plan without prior approval of our stockholders.

Other Stock-Based Awards (Including Performance-Based Awards). In addition to stock options and SARs, the Compensation Committee may grant or sell awards of shares, restricted shares, restricted stock units and awards that are valued in whole or in part by reference to, or otherwise based on, the fair market value of shares, including performance-based awards. The Compensation Committee, in its sole discretion, may grant awards which are denominated in shares or cash (such awards, "Performance-Based Awards"), which awards may, but are not required to, be granted in a manner which is intended to be deductible by us under Code Section 162(m). Such Performance-Based Awards will be in such form, and dependent on such conditions, as the Compensation Committee will determine, including, without limitation, the right to receive, or vest with respect to, one or more shares or the cash value of the award upon the completion of a specified period of service, the occurrence of an event, and/or the attainment of performance objectives. The maximum amount of a Performance-Based Award that may be earned during each fiscal year during a performance period by any participant will be: (1) with respect to Performance-Based Awards that are denominated in shares, 475,000 shares, and (2) with respect to Performance-Based Awards that are denominated in cash, $2,500,000. The amount of the Performance-Based Award actually paid to a participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Compensation Committee.

Effect of Certain Events on 2011 Plan and Awards. In the event of any stock dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate exchange, any equity restructuring (as defined under FASB Accounting Standard Codification 718), or any distribution to stockholders of common stock other than regular cash dividends or any similar event, the Compensation Committee in its sole discretion and without liability to any person will make such substitution or adjustment, if any, as it deems to be reasonably necessary to address, on an equitable basis, the effect of such event, as to (1) the number or kind of common stock or other securities that may be issued as set forth in the 2011 Plan or pursuant to outstanding awards; (2) the maximum number of shares for which options or SARs may be granted during a fiscal year to any participant; (3) the maximum amount of a Performance-Based Award that may be granted during a fiscal year to any participant; (4) the exercise price of any award; and/or (5) any other affected terms of such awards.

Except as otherwise provided in an award agreement or otherwise determined by the Compensation Committee, in the event of a Change in Control (as defined in the 2011 Plan), with respect to any outstanding awards then held by participants which are unexercisable or otherwise unvested or subject to lapse restrictions, the Compensation Committee may, but will not be obligated to, in a manner intended to comply with the requirements of Code Section 409A, (1) accelerate, vest, or cause the restrictions to lapse with all or any portion of an award; (2) cancel awards for cash payment of fair value (as determined by the Compensation Committee), which, in the case of stock options and SARs, may equal the excess, if any, of the value of the consideration to be paid in the Change in Control transaction to holders of the same number of shares subject to such stock options or SARs over the aggregate exercise price of such stock options or SARs; (3) provide for the issuance of substitute awards; or (4) provide that the stock options will be exercisable for all shares subject thereto for a period of at least 30 days prior to the Change in Control and that upon the occurrence of the Change in Control, the stock options will terminate and be of no further force or effect. The Compensation Committee may cancel stock options and SARs for no consideration if the fair market value of the shares subject to such options or SARs is less than or equal to the aggregate exercise price of such stock options or SARs.

In addition, pursuant to the terms of nonqualified stock option agreements associated with option awards to Messrs. Fortin, Quattlebaum, and Thomas and Ms. Masters in 2012 and 2013, and pursuant to the terms of nonqualified stock option agreements associated with option awards to the named executive officers in 2014, in the event of a termination of their employment by the Company without Cause (as defined in the nonqualified stock option agreements) or by them with Good Reason (as defined in the nonqualified stock option agreements), during the six month period following a Change in Control, the option awards shall, to the extent not then vested or previously forfeited or cancelled, become fully vested and exercisable effective as of such termination date. Pursuant to the terms of performance-contingent restricted stock unit award agreements, cash-settled performance share award agreements and restricted stock award agreements associated with long-term incentive awards to the named executive officers in 2014, in the event of a termination of their employment by the Company without Cause (as defined in the applicable award agreements) or by them with Good Reason (as defined in the applicable award agreements), during the six month period following a Change in Control, the long-term incentive awards shall, to the extent not then vested or previously forfeited or cancelled, be deemed earned at target and/or fully vested effective as of such termination date. In addition, pursuant to the terms of nonqualified stock option agreements, performance-contingent restricted stock unit award agreements, cash-settled performance share award agreements and restricted stock award agreements associated with long-term incentive awards to the named executive officers in 2014, under certain circumstances following Retirement (as defined in the applicable award agreements) or a Qualifying Termination (as defined in the applicable award agreements), such award agreements provide for pro-rata vesting or continued vesting following the termination date.

Forfeiture and Clawback. The Compensation Committee may in its sole discretion specify in an award or a policy that is incorporated into an award by reference that the participant's rights, payments, and benefits with respect to such award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions contained in such award. Such events may include, but are not limited to, termination of employment for cause, termination of the participant's provision of services to us, breach of noncompetition, confidentiality, or other restrictive covenants that may apply to the participant, or adverse restatement of our previously released financial statements as a consequence of errors, omissions, fraud, or misconduct. As noted above, we have implemented a compensation recoupment or "clawback" policy allowing us to require forfeiture of, recovery of, and/or make retroactive adjustments to awards that may be granted under the 2011 Plan to our executive officers and other selected officers or employees of the Company where such compensation was predicated upon achieving certain financial results that were substantially the subject of a restatement and other conditions are met, such covered individual violates certain non-compete, non-solicit, confidentiality or other restrictive covenants or recoupment is otherwise required under applicable laws, rules or regulations.

Nontransferability of Awards. Unless otherwise determined by the Compensation Committee, an award will not be transferable or assignable by a participant otherwise than by will or by the laws of descent and distribution.

Amendment and Termination. The Compensation Committee may generally amend, alter, or discontinue the 2011 Plan, but no amendment, alteration, or discontinuation will be made (i) without the approval of our stockholders to the extent such approval is (A) required by or (B) desirable to satisfy the requirements of any applicable law, including the listing standards of the securities exchange, which is, at the applicable time, the principal market for the shares of our common stock, or (ii) without the consent of a participant, if such amendment, alteration, or discontinuation would materially adversely impair any of the rights or obligations under any award theretofore granted to the participant under the 2011 Plan; provided, however, that the Compensation Committee may amend the

2011 Plan in such manner as it deems necessary to permit the granting of awards meeting the requirements of the Code or other applicable laws, including, without limitation, to avoid adverse tax consequences or accounting consequences to us or any participant.

Section 409A of the Code. The 2011 Plan and awards issued thereunder will be interpreted in accordance with Code Section 409A and Department of Treasury regulations, and no award will be granted, deferred, accelerated, paid out, or modified under the 2011 Plan in a manner that would result in the imposition of an additional tax under Code Section 409A upon a participant.

Section 162(m) of the Code. In general, Code Section 162(m) denies a publicly-held corporation a deduction for United States federal income tax purposes for compensation in excess of $1 million per year per person to its principal executive officer and the three other officers (other than the principal executive officer and principal financial officer) whose compensation is disclosed in its prospectus or proxy statement as a result of their total compensation, subject to certain exceptions. The 2011 Plan is intended to satisfy an exception with respect to grants of options to covered employees. The 2011 Plan is designed to permit certain awards of restricted stock, restricted stock units, cash bonus awards, and other awards to be awarded as performance compensation awards intended to qualify under the "performance-based compensation" exception to Code Section 162(m). In addition, under a special Section 162(m) exception, any compensation paid pursuant to a compensation plan in existence before the effective date of our initial public offering will not be subject to the $1,000,000 limitation until the earliest of: (1) the expiration of the compensation plan; (2) a material modification of the compensation plan (as determined under Section 162(m)); (3) the issuance of all the employer stock and other compensation allocated under the compensation plan; or (4) the first meeting of stockholders at which directors are elected after the close of the third calendar year following 2012, the year in which our initial public offering occurred.

We are proposing that our stockholders approve a new stock incentive plan, the 2015 Plan. If our stockholders approve the 2015 Plan, no further grants will be made under the 2011 Plan after April 22, 2015, and the shares that remain available for grant under the 2011 Plan will be rolled over to the 2015 Plan. See "Proposal Three: Approval of Regional Management Corp. 2015 Long-Term Incentive Plan," below, for proposed actions relating to the 2015 Plan.

2007 Management Incentive Plan

The 2007 Management Incentive Plan, effective as of March 21, 2007, provides for the issuance of a maximum of 1,037,412 shares of common stock (as adjusted to reflect stock splits) pursuant to awards granted under the plan. Awards may include non-qualified stock options and incentive stock options to our and our subsidiaries' key employees, executive officers, non-employee directors, consultants, or other independent advisors. The number of shares reserved for issuance under the plan and the terms of awards may be adjusted upon certain events affecting our capitalization. The 2007 Plan is also administered by the Compensation Committee and was replaced by the 2011 Plan. Awards may no longer be granted under the 2007 Plan, and any shares that remain available for grant will be rolled over to the 2015 Plan, if the 2015 Plan is approved by our stockholders.

PROPOSAL THREE

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APPROVAL OF REGIONAL MANAGEMENT CORP. 2015 LONG-TERM INCENTIVE PLAN

General Information

The Compensation Committee and the Board of Directors have approved the adoption of the Regional Management Corp. 2015 Long-Term Incentive Plan (the "2015 Plan"), subject to stockholder approval. If the stockholders approve the 2015 Plan, no further grants will be made under our current stock incentive plan, the Regional Management Corp. 2011 Stock Incentive Plan (the "2011 Plan"), or its predecessor plan, the Regional Management Corp. 2007 Management Incentive Plan (the "2007 Plan"), after April 22, 2015. If the stockholders do not approve the 2015 Plan, we may continue to make awards under a prior plan, subject to the limits thereunder.

Stockholder approval of the 2015 Plan is required, among other things, in order to: (i) comply with NYSE rules requiring stockholder approval of equity compensation plans; (ii) allow the grant of incentive options to employee participants in the 2015 Plan; and (iii) allow the Compensation Committee the ability to grant awards that may be intended to qualify as "performance-based" compensation, thereby potentially preserving our tax deduction under Code Section 162(m).

The discussion that follows is qualified in all respects by reference to the terms of the 2015 Plan, which is attached as Appendix A to this Proxy Statement. We will promptly provide, upon request and without charge, a copy of the full text of the 2015 Plan to each person to whom a copy of this Proxy Statement is delivered. Requests should be directed to our Investor Relations Department at 509 West Butler Road, Greenville, South Carolina 29607. An electronic copy of the 2015 Plan is also available free of charge as Appendix A to the electronic version of this Proxy Statement on the SEC's website at www.sec.gov. Stockholders should refer to the 2015 Plan for more complete and detailed information about the 2015 Plan.

The Board believes that our employee equity compensation program, as implemented under the 2011 Plan and furthered under the 2015 Plan, allows us to remain competitive with comparable companies in our industry in order to attract and retain talented individuals to contribute to our long-term success. The Board also believes that the 2015 Plan effectively provides substantial incentive to achieve our business objectives and build stockholder value, thereby aligning the interests of our executives with the interests of our stockholders. Approval of the 2015 Plan should provide us with the flexibility we need to use equity compensation and other incentive awards to attract, retain and motivate talented employees, directors and consultants who are important to our long-term growth and success.

"Best Practices" Integrated Into Regional's Equity Compensation Program and the 2015 Plan

Our compensation practices include a number of features that the Board believes reflect responsible compensation and governance practices and promote the interests of stockholders. Approval of the 2015 Plan will position Regional to continue and to expand these "best practices," including the following:

- ✓ ***Limitation on Shares Issued.*** Assuming the approval of the 2015 Plan, no more than 350,000 shares will be authorized for issuance under the 2015 Plan, plus any shares (i) remaining available for the grant of awards as of the effective date of the 2015 Plan under the 2011 Plan or the 2007 Plan (each a "Prior Plan") and/or (ii) subject to an award granted under a Prior Plan that is forfeited (and further subject to adjustment for anti-dilution purposes). Our stockholders previously approved the shares that are authorized for issuance under the Prior Plans. If the 2015 Plan is adopted by our stockholders, no further grants will be made under a Prior Plan. The 2015 Plan also imposes limitations on the amount of participant awards. See "Share Limitations," below.

- ✓ ***No Discounted Stock Options or SARs and Limit on Option and SAR Terms.*** Under the 2015 Plan, stock options and stock appreciation rights, or SARs, must have an exercise price or base price, as applicable, equal to or greater than the fair market value of our common stock on the date of grant, consistent with current practices under the 2011 Plan. In addition, the term of an option or SAR is limited to 10 years.

- ✓ ***No "Evergreen" Provision.*** The 2015 Plan requires stockholder approval of any additional authorization of shares (other than adjustments for anti-dilution purposes), rather than permitting an annual "replenishment" of shares under a plan "evergreen" provision.

- ✓ ***No Stock Option or SAR Repricings.*** The 2015 Plan, like the 2011 Plan, prohibits the repricing of stock options or SARs without the approval of stockholders. This 2015 Plan provision applies to (i) direct repricings (lowering the exercise price of an option or the base price of an SAR), (ii) indirect repricings (exchanging an outstanding option or SAR that is underwater in exchange for cash, for options or SARs with an option price or base price less than that applicable to the original option or SAR, or for another equity award), and (iii) any other action that would be treated as a repricing under applicable stock exchange rules (subject to anti-dilution adjustments).

- ✓ ***Robust Minimum Vesting and Award Practices.*** The 2015 Plan generally imposes minimum vesting periods of one year. In the past, equity awards under the 2011 Plan consisted of service-based stock options with five-year vesting. However, in 2014, Regional granted performance-contingent restricted stock units, cash-settled performance shares and service-based restricted stock awards, in addition to service-based stock options, each with vesting periods ranging from two to three years.

- ✓ ***Prudent Change of Control Provisions.*** The 2015 Plan includes prudent "change of control" triggers such as requiring a change in beneficial ownership of more than 50% of our voting stock, consummation (rather than stockholder approval) of a significant merger or other transaction or a change in a majority of our Board within a 12-month period in order for a "change of control" to be deemed to have occurred. In addition, the 2015 Plan generally provides that awards will vest upon a change of control only if (i) awards are not assumed, substituted or continued, or (ii) even if such awards are assumed, substituted or continued, a participant's employment is terminated without cause or for good reason within specified time periods related to the change of control.

- ✓ ***Forfeiture and Recoupment Policies.*** The 2015 Plan authorizes the Compensation Committee or the Board to require forfeiture and/or recoupment of plan benefits if a participant engages in certain types of detrimental conduct and to require that a participant be subject to any compensation recovery policy or similar policies that may apply to the participant or be imposed under applicable laws. Regional maintains a compensation recoupment policy administered by the Compensation Committee that generally applies to our executive officers, the corporate controller and such other officers or employees as may be determined from time to time by the Compensation Committee. The recoupment policy provides for recovery of certain incentive compensation paid to a covered person in the event that he or she was awarded incentive compensation based on financial results that are subsequently re-stated due to the misconduct of such person, such person breaches certain restrictive covenants applicable to him or her or such recovery is otherwise required by applicable laws, rules or regulations.

- ✓ ***Stock Ownership Guidelines/Equity Retention Policy.*** Regional's executive officers, other selected officers and employees and members of our Board are subject to minimum stock ownership and stock retention requirements pursuant to our Stock Ownership and Retention Policy.

- ✓ ***Administered by Independent Committee.*** Like the 2011 Plan, the 2015 Plan will be administered by the Compensation Committee. All members of the Compensation Committee are intended to qualify as "independent directors" under NYSE listing standards, "non-employee directors" under Rule 16b-3 adopted under the Exchange Act and "outside directors" under Code Section 162(m) to the extent required.

- ✓ ***No Dividends or Dividend Equivalents on Unearned Performance Awards.*** Dividends and dividend equivalents on performance-based awards issued under the 2015 Plan may only be paid if and to the extent the award has vested or been earned.

- ✓ ***Efficient Use of Equity.*** We are committed to the efficient use of equity awards and are mindful of ensuring that our equity compensation program does not overly dilute our existing stockholders.

- ✓ ***Prohibition Against Hedging and Pledging.*** Our Code of Conduct prohibits directors, officers and employees from engaging in activities designed to (i) profit from trading (versus investing) activity or (ii) profit from or hedge against decreases in the value of Regional securities. As noted above, we also maintain a stock ownership and retention policy, which prohibits the pledging of any shares subject to the retention requirements thereunder.

- ✓ ***Reasonable Plan Duration.*** If stockholders approve the 2015 Plan, we currently anticipate that the shares available under the 2015 Plan will meet our expected needs for the next three to five years. This assumption is based upon our historical grant practices; however, future circumstances and business needs may dictate a different result and the Compensation Committee retains the discretion to change its grant practices subject to the limits set forth in the 2015 Plan. By its terms, no awards may be granted under the 2015 Plan after April 21, 2025.

Historical Annual Share Usage

Burn Rate. Burn rate provides a measure of the potential dilutive impact of our annual equity award program. Our burn rate for fiscal 2014 was 3.27%. Following the ISS methodology, our three-year average burn rate is 2.55%, which is well below our applicable ISS burn rate cap of 8.99%.

Overhang. Our overhang (a measure of shares subject to stock-based awards outstanding or reserved for future grants as a percentage of shares issued and outstanding) as of March 20, 2015 was 10.86%. This percentage is in the 43rd percentile of our 2014 peer group. If the 350,000 shares proposed to be authorized for grant under the 2015 Plan are included in the calculation, our overhang would be 12.97%, which is in the 54th percentile of our 2014 peer group.

Description of 2015 Plan

Share Limitations

The maximum aggregate number of shares of common stock that we may issue pursuant to awards granted under the 2015 Plan may not exceed the sum of (i) 350,000 shares, plus (ii) any shares (A) remaining available for grant as of the effective date of the 2015 Plan under any Prior Plan and/or (B) subject to an award granted under a Prior Plan, which award is forfeited, canceled, terminated, expires or lapses for any reason. As of the effective date of the 2015 Plan, no further awards will be granted under the Prior Plans, although Prior Plan awards that are outstanding will continue in accordance with their terms. The maximum aggregate number of shares of common stock that may be issued under the 2015 Plan pursuant to the grant of incentive options may not exceed 350,000 shares.

As of March 20, 2015, the maximum aggregate number of shares available under the Prior Plans was 548,824 shares (101,034 shares under the 2011 Plan and 447,790 shares under the 2007 Plan). In addition, at that time, the aggregate number of shares subject to unvested outstanding full value awards was 117,518 shares and the aggregate number of shares subject to outstanding options was 969,452 shares. The weighted average exercise price of these options was $12.09 and the weighted average remaining term was 5.0 years.

Under the 2015 Plan, in any 12-month period, (i) no participant may be granted options and SARs that are not related to an option for more than 450,000 shares of common stock (or the equivalent value thereof based on the fair market value per share of the common stock on the date of grant of an award); (ii) no participant may be granted awards other than options or SARs that are settled in shares of common stock for more than 450,000 shares of common stock; and (iii) the maximum amount of awards that are settled in cash that can be granted to any one participant will be $2,500,000. With respect to the 2015 Plan, share award limits have decreased and the maximum cash settled award amount remains unchanged when compared to those limits found in the 2011 Plan, except that the 2011 Plan limits pertain only to options, SARs and performance-based awards and are measured on a fiscal-year basis.

The following are not included in calculating the 2015 Plan share limitations described above: (i) shares subject to an award, or any portion thereof, that is canceled, terminates, expires, is forfeited or lapses for any reason; (ii) awards settled in cash; (iii) dividends, including dividends paid in shares; and (iv) any shares subject to an award other than an option or SAR that are not issued for any reason, including by reason of failure to achieve maximum performance goals. The following shares of common stock may not again be made available for issuance as awards under the 2015 Plan: (i) shares withheld from an award or delivered by a participant to satisfy minimum tax withholding requirements for awards; (ii) shares not issued or delivered as a result of the net settlement of an outstanding award; (iii) shares used to pay the exercise price related to an outstanding award; or (iv) shares repurchased on the open market with the proceeds of an option price. In addition, (i) shares issued under the 2015 Plan through the settlement, assumption or substitution of outstanding awards granted by another entity or obligations to grant future awards as a condition of or in connection with a merger, acquisition or similar transaction involving Regional acquiring another entity will not reduce the maximum number of shares available for delivery under the 2015 Plan, and (ii) available shares under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for awards under the 2015 Plan and will not reduce the maximum number of shares available under the 2015 Plan, subject to applicable stock exchange listing requirements.

The number of shares reserved for issuance under the 2015 Plan, the participant award limitations and the terms of awards may be adjusted in the event of an adjustment in the capital structure of Regional (due to a merger, recapitalization, stock split, stock dividend or similar event). On March 20, 2015, the closing sales price of the common stock as reported on NYSE was $15.43 per share.

Purpose and Eligibility; Term

The purposes of the 2015 Plan are to encourage and enable selected employees, directors and consultants of Regional and its affiliates to acquire or increase their holdings of our common stock and other equity-based interests in Regional and/or to provide other incentive awards in order to promote a closer identification of their interests with those of Regional and our stockholders, and to provide flexibility to Regional in its ability to motivate, attract and retain the services of participants upon whose judgment, interest and special effort the successful conduct of its operation largely depends. If approved by the stockholders, the effective date of the 2015 Plan will be April 22, 2015, and awards can be granted under the 2015 Plan until April 21, 2025 or the Plan's earlier termination by the Board. Awards may be granted to selected employees, directors and consultants of Regional or our affiliates in the discretion of the Administrator (as defined below under "Administration; Amendment and Termination"). As of March 20, 2015, approximately 1,400 employees, seven directors, and certain of the Company's consultants (who have not yet been identified) were eligible to be selected to participate in the 2015 Plan. However, we expect that awards will be made to up to approximately 30 employees annually, including approximately six executive officers of the Company, and the directors of the Company.

The 2015 Plan's purpose will be carried out by the granting of awards to selected participants. The types of awards authorized under the 2015 Plan include: options in the form of incentive options and/or nonqualified options; SARs in the form of freestanding SARs and/or related SARs; restricted awards in the form of restricted stock awards and/or restricted stock units; performance awards in the form of performance shares and/or performance units; phantom stock awards; other stock-based awards; and/or dividend equivalent awards. We discuss the material terms of each type of award below.

Administration; Amendment and Termination

The 2015 Plan provides that the plan will be administered by the Board or, upon its delegation, by the Compensation Committee. As a matter of practice, the Compensation Committee will administer the 2015 Plan, following Board delegation, subject to Board oversight. Each member of the Compensation Committee is intended to be independent under applicable Code Section 162(m), SEC Rule 16b-3 and NYSE listing standards. The Board and the Compensation Committee are referred to in this discussion collectively as the "Administrator."

Subject to the terms of the 2015 Plan, the Administrator's authority includes but is not limited to the authority to: (i) determine all matters relating to awards, including selection of individuals to be granted awards, the types of awards, the number of shares of common stock, if any, subject to an award, and all terms, conditions, restrictions and limitations of an award; (ii) prescribe the form or forms of agreements evidencing awards granted under the 2015 Plan; (iii) establish, amend and rescind rules and regulations for the administration of the 2015 Plan; (iv) correct any defect, supply any omission or reconcile any inconsistency in the 2015 Plan or in any award or award agreement; and (v) construe and interpret the 2015 Plan, awards and award agreements made under the 2015 Plan, interpret rules and regulations for administering the 2015 Plan and make all other determinations deemed necessary or advisable for administering the 2015 Plan.

Awards (other than other-stock based awards) granted to employees under the 2015 Plan will be subject to a minimum vesting period of one year (which may include installment vesting within such one-year period). Notwithstanding the foregoing, the Administrator may provide for (i) acceleration of vesting of all or a portion of an award in the event of the participant's death, disability, retirement or qualifying termination or, in certain circumstances, upon a change of control of Regional; (ii) the grant of an award without a minimum vesting period or may accelerate the vesting of all or a portion of an award for any reason, but only with respect to awards for no more than an aggregate of 5% of the total number of authorized shares under the 2015 Plan; and (iii) the grant of (A) awards to participants that have different vesting terms in the case of other stock based awards under the 2015 Plan or awards that are substituted for other equity awards in connection with mergers or similar transactions, (B) awards as an inducement to be employed by Regional or to replace forfeited awards from a former employer or (C) awards in exchange for foregone cash compensation. The Administrator will have the unilateral right, in its absolute discretion, to reduce or eliminate the amount of an award granted to any participant, including an award otherwise earned and payable pursuant to the terms of the 2015 Plan. In certain circumstances, the Board may expressly delegate to one or more officers of Regional or a special committee consisting of one or more directors who are also officers of Regional the authority, within specified parameters, to grant awards, and to make other determinations under the 2015 Plan with respect to such awards, to persons who are not directors or officers subject to Section 16 under the Exchange Act or covered employees under Code Section 162(m).

The 2015 Plan and awards may be amended or terminated at any time by the Board, subject to the following: (i) stockholder approval is required of any 2015 Plan amendment if stockholder approval is required by applicable laws, rules or regulations and (ii) an amendment or termination of an award may not materially adversely affect the rights of a participant without the participant's consent. In addition, stockholder approval is required to (i) amend the terms of outstanding options or SARs to reduce the option price or base price of such outstanding options or SARs; (ii) exchange outstanding options or SARs for cash, for options or SARs with an option price or base price that is less than the option price or base price of the original option or SAR, or for other equity awards at a time when the original option or SAR has an option price or base price, as the case may be, above the fair market value of the common stock; or (iii) take other action with respect to options or SARs that would be treated as a repricing under the rules of the principal stock exchange on which shares of our common stock are listed. The Administrator has unilateral authority to amend the 2015 Plan and any award to the extent necessary to comply with applicable laws, rules or regulations, or changes thereto. The Administrator may also adjust awards upon the occurrence of certain unusual or nonrecurring events, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2015 Plan or necessary or appropriate to comply with applicable laws, rules or regulations.

Types of Awards

A summary of the material terms of the types of awards authorized under the 2015 Plan is provided below.

Options. The 2015 Plan authorizes the grant of both incentive options and nonqualified options, both of which are exercisable for shares of our common stock, although incentive options may only be granted to our employees. The Administrator will determine the option price at which a participant may exercise an option. The option price must be no less than 100% of the fair market value per share of our common stock on the date of grant, or 110% of the fair market value with respect to incentive options granted to an employee who owns stock representing more than 10% of the total combined voting power of all classes of our stock or stock of our parent or subsidiary corporation, if any (except for certain options assumed or substituted in a merger or other transaction where the option price is adjusted in accordance with applicable tax regulations). Unless an individual award agreement provides otherwise, the option price may be paid in the form of cash or cash equivalent; in addition, except where prohibited by the Administrator or applicable laws, rules and regulations, payment may also be made by: (i) delivery of shares of common stock owned by the participant; (ii) shares of common stock withheld upon exercise; (iii) delivery of written notice of exercise to Regional and delivery to a broker of written notice of exercise and irrevocable instructions to promptly deliver to Regional the amount of sale or loan proceeds to pay the option price; (iv) such other payment methods as may be approved by the Administrator and which are acceptable under applicable law; or (v) any combination of these methods. The Administrator will determine the term and conditions of an option and the period or periods during which, and conditions pursuant to which, a participant may exercise an option. The option term may not exceed 10 years, or five years with respect to incentive options granted to an employee who possesses more than 10% of the total combined voting power of all classes of our stock or stock of our parent or subsidiary corporation, if any. Options are generally subject to certain restrictions on exercise if the participant terminates employment or service unless an award agreement provides otherwise.

Stock Appreciation Rights. Under the terms of the 2015 Plan, SARs may be granted to the holder of an option (a "related option") with respect to all or a portion of the shares of common stock subject to the related option (a "related SAR") or may be granted separately (a "freestanding SAR"). The consideration to be received by the holder of an SAR may be paid in cash, shares of common stock (valued at fair market value on the date of the SAR exercise) or a combination of cash and shares of common stock, as determined by the Administrator. The holder of an SAR is entitled to receive from us, for each share of common stock with respect to which the SAR is being exercised, consideration equal in value to the excess, if any, of the fair market value of a share of common stock on the date of exercise over the base price per share of such SAR. The base price may be no less than 100% of the fair market value per share of our common stock on the date the SAR is granted (except for certain SARs assumed or substituted in a merger or other transaction where the base price is adjusted in accordance with applicable tax regulations).

SARs are exercisable according to the terms established by the Administrator and stated in the applicable award agreement. Upon the exercise of a related SAR, the related option is deemed to be canceled to the extent of the number of shares of common stock for which the related SAR is exercised. Likewise, a related SAR will be canceled to the extent of the number of shares as to which a related option is exercised or surrendered. An SAR may not be exercised more than 10 years after it was granted, or such shorter period as may apply to related options in the case of related SARs. The Administrator will determine the extent, if any, to which a participant may exercise an SAR following termination of employment or service, which rights, if any, will be stated in an award agreement.

Restricted Awards. Under the terms of the 2015 Plan, the Administrator may grant restricted awards to participants for such numbers, upon such terms and at such times as the Administrator determines. Restricted awards may be in the form of restricted stock awards and/or restricted stock units that are subject to certain conditions, which conditions must be met in order for such award to vest and be earned, in whole or in part, and no longer subject to forfeiture. Restricted stock awards are payable in shares of common stock. Restricted stock units may be payable in cash or shares of common stock, or partly in cash and partly in shares of common stock, in accordance with the terms of the 2015 Plan and the discretion of the Administrator.

The Administrator will determine the restriction period for each restricted award and will determine the conditions that must be met in order for a restricted award to be granted or to vest or be earned (in whole or in part). These conditions may include (but are not limited to) payment of a stipulated purchase price, attainment of performance objectives, continued service or employment for a certain period of time (or a combination of attainment of performance objectives and continued service), retirement, disability, death or any combination of conditions. In the case of restricted awards based upon performance factors or criteria, or a combination of performance factors or criteria and continued service, the Administrator will determine the performance factors or criteria to be used in valuing restricted awards, and these performance measures may vary from participant to participant and between groups of participants and will be based upon such corporate, business unit or division and/or individual performance factors or criteria as the Administrator determines. However, with respect to restricted awards payable to "covered employees" (generally the chief executive officer or one of the three next highest compensated named executive officers other than the chief financial officer) that are intended to qualify for the compensation deduction limitation exception available under Code Section 162(m), to the extent required under Code Section 162(m), the performance measures are limited to one or more of the performance factors or criteria described below under "Performance-Based Compensation – Code Section 162(m) Requirements." In addition, with respect to compensation that is not intended to qualify for the performance-based compensation exception under Code Section 162(m), the Administrator may apply other performance factors and criteria, which may or may not be objective. The Administrator has authority to determine whether and to what degree restricted awards have vested and been earned and are payable, as well as to establish and interpret the terms and conditions of restricted awards. If a participant's employment or service is terminated for any reason and all or any part of a restricted award has not vested or been earned pursuant to the terms of the 2015 Plan and the individual award agreement, the award will be forfeited, unless an award agreement or the Administrator provides otherwise.

Performance Awards. Under the terms of the 2015 Plan, the Administrator may grant performance awards to participants upon such terms and conditions and at such times as the Administrator determines. Performance awards may be in the form of performance shares and/or performance units. An award of a performance share is a grant of a right to receive shares of common stock or the cash value thereof (or a combination of both) that is contingent upon the achievement of performance or other objectives during a specified period and that has a value on the date of grant equal to the fair market value (as determined in accordance with the 2015 Plan) of a share of common stock. An award of a performance unit is a grant in an amount determined by the Administrator that gives the holder the opportunity to receive shares of common stock, a cash payment or combination of common stock and cash (as determined by the Administrator), which is contingent upon the achievement of performance or other objectives during a specified period and which has an initial value determined in a dollar amount established by the Administrator at the time of grant.

The Administrator will determine the performance period for each performance award and will determine the conditions that must be met in order for a performance award to be granted or to vest or be earned (in whole or in part). These conditions may include (but are not limited to) payment of a stipulated purchase price, attainment of performance objectives, continued service or employment for a certain period of time or a combination of such conditions. In the case of performance awards based upon specified performance objectives, the Administrator will determine the performance factors or criteria to be used in valuing performance awards, and these performance factors or criteria may vary from participant to participant and between groups of participants and will be based upon such corporate, business unit or division and/or individual performance factors or criteria as the Administrator determines. However, with respect to performance awards payable to covered employees that are intended to qualify as performance-based compensation under Code Section 162(m), to the extent required under Code Section 162(m), the performance factors or criteria are limited to one or more of the performance factors or criteria described below under "Performance-Based Compensation – Code Section 162(m) Requirements." In addition, with respect to compensation that is not intended to qualify for the performance-based compensation exception under Code Section 162(m), the Administrator may apply other performance factors and criteria, which may or may not be objective. The Administrator has authority to determine whether and to what degree performance awards have been earned and are payable, as well as to interpret the terms and conditions of performance awards. If a participant's employment or service is terminated for any reason and all or any part of a performance award has not been earned pursuant to the terms of the 2015 Plan and the individual award agreement, the award will be forfeited, unless an award agreement or the Administrator provides otherwise.

Phantom Stock Awards. Under the terms of the 2015 Plan, the Administrator may grant phantom stock awards to participants in such numbers, upon such terms and at such times as the Administrator may determine. An award of phantom stock is an award of a number of hypothetical share units with respect to shares of our common stock, with a value based on the fair market value of a share of common stock.

Subject to the terms of the 2015 Plan, the Administrator has authority to determine whether and to what degree phantom stock awards have vested and are payable and to interpret the terms and conditions of phantom stock awards. Upon vesting of all or part of a phantom stock award and satisfaction of other terms and conditions that the Administrator establishes, the holder of a phantom stock award will be entitled to a payment of an amount equal to the fair market value of one share of our common stock with respect to each such phantom stock unit that has vested and is payable. We may make payment in cash, shares of common stock or a combination of cash and stock, as determined by the Administrator. If a participant's employment or service is terminated for any reason and all or any part of a phantom stock award has not vested and become payable pursuant to the terms of the 2015 Plan and the individual award agreement, the participant will forfeit the award unless an award agreement or the Administrator provides otherwise.

Other Stock-Based Awards. The Administrator may grant other stock-based awards, which may be valued in whole or in part by reference to, or otherwise based on or related to, shares of common stock or awards for shares of common stock. Such other stock-based awards include, but are not limited to, awards granted in lieu of bonus, salary or other compensation, awards granted with vesting or performance conditions and/or awards granted without being subject to vesting or performance conditions. Subject to the provisions of the 2015 Plan, the Administrator will determine the number of shares of common stock to be awarded to a participant under (or otherwise related to) such other stock-based awards, whether such awards may be settled in cash or shares of common stock (or a combination of both), and the other terms and conditions of such awards.

Dividends and Dividend Equivalents. The Administrator may provide that awards (other than options and SARs) earn dividends or dividend equivalents; however, dividends and dividend equivalents, if any, on unearned or unvested performance-based awards may not be paid (even if accrued) unless and until the underlying award (or portion thereof) has vested and/or been earned. We may pay such dividends or dividend equivalents currently or credit such dividends or dividend equivalents to a participant's account, subject to such additional restrictions and conditions as the Administrator may establish. Any dividends or dividend equivalent rights related to an award will be structured with the intent so as to avoid causing the award and related dividends or dividend equivalent rights to be subject to Code Section 409A or will otherwise be structured with the intent that the award and dividends and dividend equivalent rights are in compliance with Code Section 409A.

Change of Control

Under the terms of the 2015 Plan, the following provisions will apply in the event of a change of control (except to the extent, if any, otherwise required under Code Section 409A):

- To the extent that the successor or surviving company in the change of control event does not assume or substitute for an award (or in which Regional is the ultimate parent corporation and does not continue the award) on substantially similar terms or with substantially equivalent economic benefits as awards outstanding under the Plan (as determined by the Administrator), (i) all outstanding options and SARs will become fully vested and exercisable, whether or not then otherwise vested and exercisable; and (ii) any restrictions, including but not limited to the restriction period, performance period and/or performance factors or criteria applicable to any award other than options or SARs will be deemed to have been met, and such awards will become fully vested, earned and payable to the fullest extent of the original grant of the applicable award (or, in the case of performance-based awards, the earning of which is based on attaining a target level of performance, such awards will be deemed earned at target).

- In addition, in the event that an award is substituted, assumed or continued, the award will become vested (and, in the case of options and SARs, exercisable) in full and any restrictions, including but not limited to the restriction period, performance period and/or performance factors or criteria applicable to any outstanding award other than options or SARs will be deemed to have been met and such awards will become fully vested, earned and payable to the fullest extent of the original award (or, in the case of performance-based awards, the earning of which is based on attaining a target level of performance, such awards will be deemed earned at target), if the employment or service of the participant is terminated within six months before (in which case vesting will not occur until the effective date of the change of control) or one year (or such other period after a change of control as may be stated in a participant's employment agreement or similar agreement) after the effective date of a change of control if such termination of employment or service (i) is by Regional not for cause or (ii) is by the participant for good reason.

Transferability

Incentive options are not transferable other than by will or the laws of intestate succession or, in the Administrator's discretion, as may otherwise be permitted in accordance with Code Section 422 and related regulations. Nonqualified options and SARs generally are not transferable other than by will or the laws of intestate succession, except for transfers if and to the extent permitted by the Administrator in a manner consistent with the registration provisions of the Securities Act. Restricted awards, performance awards, phantom stock awards and other stock-based awards that have not vested and/or been earned generally are not transferable other than transfers by will or the laws of intestate succession, and participants may not sell, transfer, assign, pledge or otherwise encumber shares subject to an award until the award has vested and/or been earned and all other conditions established by the Administrator have been met.

Forfeiture, Recoupment and Stock Retention

As noted above, the 2015 Plan authorizes the Administrator to require forfeiture and/or recoupment of plan benefits if a participant engages in certain types of detrimental conduct and to require that a participant comply with Regional's Compensation

Recovery Policy and Stock Ownership and Retention Policy and/or other similar policies that may apply to the participant or be imposed under applicable laws.

Performance-Based Compensation – Code Section 162(m) Requirements

The 2015 Plan is structured with the intent of allowing the Compensation Committee to pay compensation to "covered employees" (as described above, the chief executive officer and the three next highest compensated named executive officers other than the chief financial officer) that may be exempt from Code Section 162(m). The Compensation Committee has the discretion to grant performance awards that are not intended to satisfy the requirements for "performance-based" compensation under Code Section 162(m). Code Section 162(m) generally denies a public corporation a deduction for compensation in excess of $1,000,000 paid to any covered employee unless the compensation is exempt from the $1,000,000 limitation because it qualifies as performance-based compensation. In order to qualify as performance-based compensation, the compensation paid under a plan to covered employees must be paid under pre-established objective performance goals determined and certified by a committee comprised of outside directors. All of the members of our Compensation Committee are intended to qualify as outside directors under Code Section 162(m) standards.

In addition to other requirements for the performance-based compensation exception under Code Section 162(m) to apply, stockholders must be advised of, and must approve, the material terms (or changes in material terms) of the performance goals under which compensation is to be paid. The material terms subject to stockholder approval include: (i) the employees eligible to receive compensation; (ii) a description of the business criteria on which the performance goal is based; and (iii) either the maximum amount of the compensation to be paid if the performance goal is met or the formula used to calculate the amount of compensation if the performance goal is met. The eligibility and participant award limitations are described above under "Purpose and Eligibility; Term" and "Share Limitations." With respect to awards payable to covered employees that are intended to qualify for the compensation deduction limitation exception under Code Section 162(m), to the extent required under Code Section 162(m), the performance measures are limited to one or more of the following: (i) consolidated income before or after taxes (including income before interest, taxes, depreciation and amortization); (ii) EBITDA; (iii) adjusted EBITDA; (iv) operating income; (v) net income; (vi) adjusted cash net income; (vii) adjusted cash net income per share; (viii) net income per share and/or earnings per share (in each case, on a basic and/or diluted basis); (ix) book value per share; (x) return on members' or stockholders' equity; (xi) expense management (including, without limitation, total general and administrative expense percentages); (xii) return on investment; (xiii) improvements in capital structure; (xiv) profitability of an identifiable business unit or product; (xv) maintenance or improvement of profit margins; (xvi) stock price; (xvii) market share; (xviii) revenue or sales (including, without limitation, net loans charged off, average finance receivables, net loans charged off as percent of average net finance receivables, and net finance receivables); (xix) costs (including, without limitation, total general and administrative expense percentage); (xx) cash flow; (xxi) working capital; (xxii) multiple of invested capital; (xxiii) total debt (including, without limitation, total debt as a multiple of EBITDA); and (xxiv) total return.

Certain U.S. Federal Income Tax Consequences

The following summary generally describes the principal U.S. federal (and not foreign, state or local) income tax consequences of awards granted under the 2015 Plan as of the date of this proxy statement. The summary is general in nature and is not intended to cover all tax consequences that may apply to a particular employee or to Regional. The provisions of the Code and related regulations concerning these matters are complicated and their impact in any one case may depend upon the particular circumstances.

Incentive Options. Incentive options granted under the 2015 Plan are intended to qualify as incentive stock options under Code Section 422. Pursuant to Code Section 422, the grant and exercise of an incentive option generally will not result in taxable income to the participant (with the possible exception of alternative minimum tax liability) if the participant does not dispose of shares received upon exercise of such option less than one year after the date of exercise and two years after the date of grant, and if the participant has continuously been our employee from the date of grant to three months before the date of exercise (or 12 months in the event of death or disability). However, the excess of the fair market value of the shares received upon exercise of the incentive option over the option price for such shares generally will constitute an item of adjustment in computing the participant's alternative minimum taxable income for the year of exercise. Thus, certain participants may increase their federal income tax liability as a result of the exercise of an incentive option under the alternative minimum tax rules of the Code.

We generally will not be entitled to a deduction for income tax purposes in connection with the exercise of an incentive option. Upon the disposition of shares acquired upon exercise of an incentive option, the participant will be taxed on the amount by which the amount realized upon such disposition exceeds the option price, and such amount will be treated as capital gain or loss.

If the holding period requirements for incentive option treatment described above are not met, the participant will be taxed as if he or she received compensation in the year of the disposition. The participant must treat gain realized in the premature disposition as ordinary income to the extent of the lesser of: (i) the fair market value of the stock on the date of exercise minus the option price or (ii) the amount realized on disposition of the stock minus the option price. Any gain in excess of these amounts may be treated as capital gain. We generally will be entitled to a corresponding income tax deduction to the extent that the amount represents reasonable compensation and an ordinary and necessary business expense, subject to any required income tax reporting.

Pursuant to the Code and the terms of the 2015 Plan, in no event can there first become exercisable by a participant in any one calendar year incentive options granted by Regional with respect to shares having an aggregate fair market value (determined at the time an option is granted) greater than $100,000. To the extent an incentive option granted under the 2015 Plan exceeds this limitation, it will be treated as a nonqualified option. In addition, no incentive option may be granted to an individual who owns, immediately before the time that the option is granted, stock possessing more than 10% of the total combined voting power of all classes of stock of Regional, unless the option price is equal to or exceeds 110% of the fair market value of the stock and the option period does not exceed five years.

Nonqualified Options. The grant of a nonqualified option should not result in taxable income to a participant or a tax deduction to Regional. The difference between the fair market value of the stock on the date of exercise and the option price will constitute taxable ordinary income to the participant on the date of exercise. We generally will be entitled to a corresponding income tax deduction to the extent that the amount represents reasonable compensation and an ordinary and necessary business expense, subject to any required income tax reporting. The participant's basis in shares of common stock acquired upon exercise of an option will equal the option price plus the amount of income taxable at the time of exercise. Any subsequent disposition of the stock by the participant will be taxed as a capital gain or loss to the participant, and will be long-term capital gain or loss if the participant has held the stock for more than one year at the time of sale.

Stock Appreciation Rights. For federal income tax purposes, the grant of an SAR should not result in taxable income to a participant or a tax deduction to Regional. Upon exercise, the amount of cash and fair market value of shares received by the participant, less cash or other consideration paid (if any), is taxed to the participant as ordinary income, and Regional will generally be entitled to a corresponding income tax deduction to the extent the amount represents reasonable compensation and an ordinary and necessary business expense, subject to any required income tax reporting.

Restricted Stock Awards. The grant of a restricted stock award will not result in taxable income to the participant or a tax deduction to Regional for federal income tax purposes, unless the restrictions on the stock do not present a substantial risk of forfeiture or the award is transferable, as defined under Code Section 83. In the year that the restricted stock is no longer subject to a substantial risk of forfeiture, or the award is transferable, the fair market value of such shares at such date and any cash amount awarded, less cash or other consideration paid (if any), will be included in the participant's ordinary income as compensation, except that, in the case of restricted stock issued at the beginning of the restriction period, the participant may elect to include in his or her ordinary income as compensation at the time the restricted stock is awarded, the fair market value of such shares at such time, less any amount paid for the shares. We generally will be entitled to a corresponding income tax deduction to the extent that the amount represents reasonable compensation and an ordinary and necessary business expense, subject to any required income tax reporting.

Restricted Stock Units, Performance Awards, Phantom Stock Awards, Other Stock-Based Awards and Dividend Equivalents. The grant of a restricted stock unit, performance award, phantom stock award, other stock-based awards or a dividend equivalent award generally should not result in taxable income to the participant or a tax deduction to Regional for federal income tax purposes. However, the participant will recognize income on account of the settlement of such award. The income recognized by the participant at that time will be equal to any cash that is received and the fair market value of any stock that is received in settlement of the award. We generally will be entitled to a corresponding income tax deduction upon the settlement of such an award equal to the ordinary income recognized by the participant to the extent that the amount represents reasonable compensation and an ordinary and necessary business expense, subject to any required income tax reporting.

Code Section 409A. Awards granted under the 2015 Plan may be subject to Code Section 409A and related regulations and other guidance. Code Section 409A imposes certain requirements on compensation that is deemed under Code Section 409A to involve deferred compensation. If Code Section 409A applies to the 2015 Plan or any award, and the 2015 Plan and award do not, when considered together, satisfy the requirements of Code Section 409A during a taxable year, the participant will have ordinary income in the year of non-compliance in the amount of all deferrals subject to Code Section 409A to the extent that the award is not subject to a substantial risk of forfeiture. The participant will be subject to an additional tax of 20% on all amounts includable in income and may also be subject to interest charges under Code Section 409A. We do not have any responsibility to take, or to refrain from taking, any actions in order to achieve a certain tax result for any participant.

Performance-based Compensation – Section 162(m) Requirements. The 2015 Plan is structured with the intent of allowing the Compensation Committee to pay compensation exempt from Code Section 162(m) in order to preserve, to the extent practicable, Regional's ability to claim a tax deduction for such awards under the 2015 Plan to covered employees, although the Compensation

Committee reserves the discretion to award compensation under the 2015 Plan that does not comply with the Code Section 162(m) exemption. Code Section 162(m) generally denies an employer a deduction for compensation paid to covered employees of a publicly held corporation in excess of $1,000,000 unless the compensation is exempt from the $1,000,000 limitation because it is performance-based compensation. Subject to Code Section 162(m) and certain reporting requirements, we may be entitled to an income tax deduction with respect to the amount of compensation includable as income to the participant.

New Plan Benefits

No awards will be granted under the 2015 Plan unless it is approved by the stockholders. The selection of individuals who will receive awards under the 2015 Plan, if stockholders approve the 2015 Plan, and the amount of any such awards is not yet determinable due to vesting, performance and other requirements. Therefore, it is not possible to predict the benefits or amounts that will be received by, or allocated to, particular individuals or groups of participants.

In 2014, we granted awards under the 2011 Plan to our named executive officers and outside directors and to other eligible employees. Our equity grant program is described under the "Compensation and Other Information Concerning Our Executive Officers and Directors" section in this proxy statement.

The Board believes that approval of the 2015 Plan is in the best interests of Regional in order to continue the purposes of our equity compensation program and serve as an important recruitment and retention tool. The Board believes that substantial equity-based ownership encourages management to take actions favorable to the long-term interests of Regional and its stockholders. Accordingly, equity-based compensation makes up a significant portion of the overall compensation of our executive management team. The Board believes that the adoption of the 2015 Plan will allow us to continue the use of equity compensation as a component of a competitive, but measured, overall compensation program.

The Board of Directors unanimously recommends a vote "FOR" approval of the Regional Management Corp. 2015 Long-Term Incentive Plan.

PROPOSAL FOUR
—
RE-APPROVAL OF REGIONAL MANAGEMENT CORP.
ANNUAL INCENTIVE PLAN

General Information

Annual incentive compensation is a key component of our pay-for-performance strategy and is implemented through our Annual Incentive Plan, which was first approved by the Board and our stockholders in August 23, 2011. As discussed in more detail below, we are asking our stockholders to re-approve the Annual Incentive Plan, as amended and restated effective March 23, 2015 (the "Annual Incentive Plan"), in order to attempt to preserve, to the extent practicable, Regional's federal income tax deduction under Code Section 162(m) for compensation paid under the Annual Incentive Plan to certain officers and employees that is intended to satisfy the performance-based compensation exception under Code Section 162(m). In addition to other requirements for the performance-based compensation exception, stockholders must be advised of, and must approve, the material terms of the performance goals under which compensation is to be paid no less often than every five years, or sooner under certain circumstances.

The discussion that follows is qualified in its entirety by reference to the Annual Incentive Plan, which is attached as Appendix B to this Proxy Statement. An electronic copy of the Annual Incentive Plan is available free of charge as Appendix B to the electronic version of this Proxy Statement on the SEC's website at www.sec.gov. Stockholders should refer to the Annual Incentive Plan for more complete and detailed information about the Annual Incentive Plan. Stockholders may also receive a copy of the form of the Annual Incentive Plan prior to its amendment and restatement by referring to the exhibit index of our most recent Annual Report on Form 10-K, accessible on the SEC's website at www.sec.gov. In the event that the Annual Incentive Plan is not re-approved by the stockholders, payments made to certain of our executive officers may not be deductible for federal income tax purposes under Code Section 162(m). If stockholders do not re-approve the Annual Incentive Plan, the Compensation Committee will re-evaluate the appropriate means to provide annual incentive compensation opportunities to our executives and other employees.

"Best Practices" Integrated Into Regional's Annual Incentive Plan

Key features of the Annual Incentive Plan and our compensation practices that the Board believes reflect responsible compensation and governance practices while promoting stockholder interests include the following:

- ✓ ***Attainment of Performance Objectives.*** Bonus amounts payable to covered employees (as defined below) that are intended to qualify under Code Section 162(m) are paid only upon attainment of specified, pre-established performance goals.

- ✓ ***Maximum Bonus Amounts.*** The maximum bonus any participant may be granted during any fiscal year under the Annual Incentive Plan is $2,500,000 (which limit is not proposed to be increased).

- ✓ ***Short-Term Incentive Program.*** In 2014, Regional approved a short-term incentive program for the grant of certain awards under the Annual Incentive Plan. Our short-term incentive program generally creates wealth accumulation opportunities with a focus on a performance-based compensation program customized to achieve specific objectives, rewards based on increased levels of success and emphasis on appropriate levels of performance measurement. The key goals addressed by our short-term incentive program include (1) achievement of short-term financial and operational objectives, (2) increased stakeholder/stockholder value, (3) motivation and attraction of key talent, (4) rewarding key contributors for performance against established criteria and (5) focus on our pay-for-performance compensation strategy.

- ✓ ***Forfeiture and Recoupment Policies.*** As described above under "Proposal Three: Approval of Regional Management Corp. 2015 Long-Term Incentive Plan – Best Practices Integrated into Regional's Equity Compensation Program and the 2015 Plan," the Annual Incentive Plan authorizes the Compensation Committee or the Board to require forfeiture and/or recoupment of plan benefits if a participant engages in certain types of detrimental conduct and to require that a participant be subject to any compensation recovery policy or similar policies that may apply to the participant or be imposed under applicable laws. Regional maintains a compensation recoupment policy administered by the Compensation Committee that generally applies to our executive officers, the corporate controller and such other officers or employees as may be determined from time to time by the Compensation Committee. The recoupment policy provides for recovery of certain incentive compensation paid to a covered person in the event that he or she was awarded incentive compensation based on financial results that are subsequently re-stated due to the misconduct of such person, such person breaches certain restrictive covenants applicable to him or her or such recovery is otherwise required by applicable laws, rules or regulations.

- ✓ ***Stock Ownership Guidelines/Equity Retention Policy.*** Regional's executive officers, other selected officers and employees and members of our Board are subject to minimum stock ownership and stock retention requirements pursuant to our Stock Ownership and Retention Policy.

- ✓ ***Administered by Independent Committee.*** The Annual Incentive Plan is administered by the Compensation Committee. All members of the Compensation Committee are intended to qualify as "independent directors" under NYSE listing standards, "non-employee directors" under Rule 16b-3 adopted under the Exchange Act and "outside directors" under Code Section 162(m) to the extent required.

- ✓ ***Prohibition Against Hedging and Pledging.*** Our Code of Conduct prohibits directors, officers and employees from engaging in activities designed to (i) profit from trading (versus investing) activity or (ii) profit from or hedge against decreases in the value of Regional securities. As noted above, we also maintain a stock ownership and retention policy, which prohibits the pledging of any shares subject to the retention requirements thereunder.

Recent Annual Incentive Plan Amendments

The Board, upon the recommendation of the Compensation Committee, approved the amendment and restatement of the Annual Incentive Plan effective March 23, 2015, subject to stockholder re-approval of the Annual Incentive Plan. The amendments include the following:

- Making certain clarifications regarding operation of the Annual Incentive Plan, including clarifying that the Compensation Committee has the authority to reduce or eliminate awards, including awards that would otherwise be deemed earned.

- Slightly modifying the performance objectives that may apply with respect to awards granted under the Annual Incentive Plan in order to better align such objectives with Regional's operations and goals. See "Performance Objectives," below.

- Expanding eligibility under the plan from executive officers and key employees to officers and other employees selected by the Compensation Committee.

- Making adjustments to bring certain plan terms, including certain definitions, into closer alignment with the language of the 2015 Plan where appropriate.

Code Section 162(m) Requirements

As noted above, the Annual Incentive Plan is structured with the intent of allowing the Compensation Committee to pay compensation to "covered employees" (as described above, the chief executive officer and the three next highest compensated named executive officers other than the chief financial officer) that may be exempt from Code Section 162(m). The Compensation Committee has the discretion to grant awards that are not intended to satisfy the requirements for "performance-based" compensation under Code Section 162(m). Code Section 162(m) generally denies a public corporation a deduction for compensation in excess of $1,000,000 paid to any covered employee unless the compensation is exempt from the $1,000,000 limitation because it qualifies as performance-based compensation. In order to qualify as performance-based compensation, the compensation paid under a plan to covered employees must be paid under pre-established objective performance goals determined and certified by a committee comprised of outside directors. All of the members of our Compensation Committee are intended to qualify as outside directors under Code Section 162(m) standards.

In addition to other requirements for the performance-based compensation exception under Code Section 162(m) to apply, stockholders must be advised of, and must approve, the material terms (or changes in material terms) of the performance goals under which compensation is to be paid. In an attempt to preserve, to the extent practicable, Regional's ability to deduct compensation payable under the Annual Incentive Plan to covered employees that is intended to satisfy the performance-based compensation exception, we are proposing that stockholders re-approve the Annual Incentive Plan. The material terms subject to stockholder approval include: (i) the employees eligible to receive compensation; (ii) a description of the business criteria upon which the performance goal is based; and (iii) either the maximum dollar amount of compensation to be paid if the performance goal is met or the formula used to calculate the amount of compensation if the performance goal is met. Each of the material terms is described below. The participant award limitation provision is not proposed to be changed; minor modifications to the eligibility provision and performance objectives are discussed under "Eligibility; Awards" and "Performance Objectives," below.

Purpose

The purpose of the Annual Incentive Plan is to enable Regional to attract, retain, motivate and reward selected officers and other employees of Regional and its affiliates by providing them with the opportunity to earn annual incentive compensation awards based on attainment of performance objectives.

Administration

The Annual Incentive Plan is administered by the Compensation Committee of our Board or such other committee of our Board to which it has delegated power. Subject to the terms of the Annual Incentive Plan, the Compensation Committee has the authority to take any action with respect to the Annual Incentive Plan, including but not limited to the authority to: (i) determine all matters related to awards, including selection of individuals to be granted awards and all other terms, conditions, restrictions and limitations of an award; and (ii) construe and interpret the Annual Incentive Plan, establish and interpret rules and regulations for administration of the Annual Incentive Plan and make all other determinations necessary or advisable for administering the Annual Incentive Plan. In certain circumstances, the Compensation Committee may delegate the authority to grant awards (to persons other than covered employees) and make other determinations with respect to such awards (subject to any restrictions imposed by applicable laws, rules and regulations and such terms and conditions as may be established under the Annual Incentive Plan or by the Compensation Committee).

Eligibility; Awards

Participants in the Annual Incentive Plan are those officers and employees of Regional and its affiliates who are selected by the Compensation Committee to participate. As of March 20, 2015, approximately 1,400 employees were eligible to be selected to participate in the Annual Incentive Plan. However, we expect that awards will be made to up to approximately 40 employees annually, including approximately six executive officers of the Company. The Annual Incentive Plan provides for the payment of incentive bonuses in the form of cash, or, at the discretion of the Compensation Committee, in awards of shares under the 2015 Plan or the 2011 Plan. For performance-based bonuses intended to comply with the performance-based compensation exception under Code Section 162(m), the Compensation Committee will establish such target incentive bonuses for each individual participant in the Annual Incentive Plan as may be required or permitted by Code Section 162(m). However, the Compensation Committee may in its sole discretion grant such bonuses, if any, to such participants as the Compensation Committee may choose, in respect of any given performance period, that are not intended to comply with the performance-based compensation exception under Code Section 162(m). No participant may receive a bonus under the Annual Incentive Plan, with respect of any fiscal year of Regional, in excess of $2,500,000. As noted above, this limit is not proposed to be changed from the current plan.

Amendment and Termination

The Board or the Compensation Committee may at any time amend, suspend, discontinue or terminate the Annual Incentive Plan and any awards granted under the Annual Incentive Plan, subject to stockholder approval of any amendments if required by applicable laws, rules or regulations. The Compensation Committee has unilateral authority to amend the Annual Incentive Plan and any award (without participant consent) to the extent necessary to comply with applicable laws, rules or regulations or changes to applicable laws, rules and regulations and to reduce or eliminate an award. The Compensation Committee also has the authority to make adjustments to awards and performance objectives upon the occurrence of certain unusual or infrequent events, changes in applicable law or other similar circumstances, as described in the Annual Incentive Plan. In addition, the Compensation Committee's authority to grant awards and authorize payments under the Annual Incentive Plan does not restrict its authority to grant compensation to employees under other Regional compensation plans or programs.

Performance Objectives

The Compensation Committee will establish the performance periods over which performance objectives will be measured. A performance period may be for a fiscal year or a shorter period, as determined by the Compensation Committee, and performance periods may overlap. For a given performance period, the Compensation Committee will establish (i) the performance objective or objectives that must be achieved for a participant to receive a bonus for such performance period, and (ii) the target incentive bonus for each participant. The performance objectives may be based on individual, business unit/function and/or corporate performance measures. With respect to awards granted to covered employees that are intended to qualify for the performance-based compensation exception under Code Section 162(m), the performance goals must be objective and must be based upon one or more of the following criteria, as determined by the Compensation Committee: (i) consolidated income before or after taxes (including income before interest, taxes, depreciation and amortization); (ii) EBITDA; (iii) adjusted EBITDA; (iv) operating income; (v) net income; (vi) adjusted cash net income; (vii) adjusted cash net income per share; (viii) net income per share and/or earnings per share (in each case, on a basic and/or diluted basis); (ix) book value per share; (x) return on members' or stockholders' equity; (xi) expense management (including, without limitation, total general and administrative expense percentages); (xii) return on investment; (xiii) improvements in capital structure; (xiv) profitability of an identifiable business unit or product; (xv) maintenance or improvement of profit margins;

(xvi) stock price; (xvii) market share; (xviii) revenue or sales (including, without limitation, net loans charged off, average finance receivables, net loans charged off as percent of average net finance receivables, and net finance receivables); (xix) costs (including, without limitation, total general and administrative expense percentage); (xx) cash flow; (xxi) working capital; (xxii) multiple of invested capital (xxiii) total debt (including, without limitation, total debt as a multiple of EBITDA), and (xxiv) total return. The foregoing criteria may relate to us, one or more of our subsidiaries or other affiliates or one or more of our divisions, departments or units, or any combination of the foregoing, and may be applied on an absolute basis, in relation to performance in a prior period and/or in relation to one or more peer group companies or indices, or any combination thereof, all as the Compensation Committee will determine. The performance objectives established by the Compensation Committee may be different for different performance periods and different objectives may be applicable to different officers and employees. The Compensation Committee may apply other performance criteria for participants who are not covered employees, which may or may not be objective. Also, the Compensation Committee may adjust awards as appropriate for partial achievement of goals or other factors, and may interpret and make necessary and appropriate adjustments to performance goals and the manner in which goals are evaluated, although generally no such adjustment may be made with respect to an award granted to a covered employee if the award would not comply with Code Section 162(m) except in the event of a change of control or as otherwise permitted under Code Section 162(m).

Earning and Payment of Awards

As soon as practicable after the applicable performance period ends, the Compensation Committee will (i) determine (A) whether and to what extent any of the performance objective(s) established for such performance period have been satisfied and certify to such determination, and (B) for each participant employed as of the last day of the applicable performance period, unless otherwise determined by the Compensation Committee, the actual bonus to which such participant will be entitled, taking into consideration the extent to which the performance objective(s) have been met and such other factors as the Compensation Committee may deem appropriate and (ii) cause such bonus to be paid to such participant.

The Compensation Committee has absolute discretion to reduce or eliminate the amount of an award granted to a participant, including an award otherwise earned and payable under the Annual Incentive Plan, and to establish rules or procedures that have the effect of limiting the amount payable to each participant to an amount that is less than the maximum amount otherwise authorized as that participant's target incentive bonus. The Compensation Committee does not have the discretion to increase the amount of an award payable under the Annual Incentive Plan to any participant who is a covered employee to the extent that the award is intended to comply with the qualified performance-based compensation exception under Code Section 162(m) (except as otherwise provided in the Annual Incentive Plan in the event of a change of control or as otherwise permitted under Code Section 162(m)).

Effect of Termination and Other Events

If a participant dies or becomes disabled prior to the date on which bonuses under the Annual Incentive Plan for the applicable performance period are payable, the participant may, in the Compensation Committee's discretion, receive an annual bonus equal to the bonus otherwise payable to the participant based on actual company performance for the applicable performance period or, if determined by the Compensation Committee, based upon achieving targeted performance objectives, pro-rated for the days of employment during the performance period. Unless otherwise determined by the Compensation Committee, if a participant's employment terminates for any other reason, such participant will not receive a bonus.

Change of Control

Upon a change of control (as defined in the Annual Incentive Plan), the Compensation Committee, as constituted immediately prior to the change of control, will determine whether and to what extent the performance criteria have been met or will be deemed to have been met for the year in which the change of control occurs and for any completed performance period for which a determination under the Plan has not been made.

Forfeiture and Recoupment

The Compensation Committee may in its discretion at any time provide that an award or benefits related to an award shall be forfeited and/or recouped if the participant, during employment or service or following termination of employment or service for any reason, engages in certain specified conduct, including but not limited to violation of our policies, breach of non-solicitation, noncompetition, confidentiality or other restrictive covenants, or other conduct by the participant that is determined by the Compensation Committee to be detrimental to the business or reputation of Regional. In addition, the Compensation Committee may at any time require that a participant agree to abide by any equity retention policy, stock ownership guidelines, compensation recovery policy, recoupment, forfeiture and/or other policies adopted by Regional. As noted above, Regional maintains a Compensation Recoupment Policy administered by the Compensation Committee that provides for the recovery of certain incentive compensation paid to a covered person in the event that he or she was awarded incentive compensation based on financial results that are subsequently re-stated due to the misconduct of such person, such person breaches certain restrictive covenants applicable to him or her or such recovery is otherwise required by applicable laws, rules or regulations.

Certain Federal Income Tax Consequences

The following summary generally describes the principal U.S. federal (and not foreign, state or local) income tax consequences of awards granted under the Annual Incentive Plan as of the date of this proxy statement. The summary is general in nature and is not intended to cover all tax consequences that may apply to a particular employee or to Regional. The provisions of the Code and regulations thereunder relating to these matters are complicated and their impact in any one case may depend upon the particular circumstances.

In general, a participant in the Annual Incentive Plan will be taxed at ordinary income rates on any cash bonus in the year received. Generally, Regional may receive a federal income tax deduction corresponding to the amount included in the participant's income (subject to compliance with the Code Section 162(m) requirements described herein).

Code Section 409A

Code Section 409A imposes certain requirements on compensation that is deemed under Code Section 409A to involve deferred compensation. Awards granted under the Annual Incentive Plan are designed to be exempt from (or comply with) Code Section 409A. However, if Code Section 409A is deemed to apply to the Annual Incentive Plan or any award, and the Annual Incentive Plan and award do not, when considered together, satisfy the requirements of Code Section 409A during a taxable year, the participant will have ordinary income in the year of non-compliance in the amount of all deferrals subject to Code Section 409A to the extent that the award is not subject to a substantial risk of forfeiture. The participant will be subject to an additional tax of 20% on all amounts includable in income and may also be subject to interest charges under Code Section 409A. Subject to Code Section 162(m) and certain reporting requirements, we may be entitled to a federal income tax deduction with respect to the amount of compensation includable as income to the participant. Regional does not undertake to have any responsibility to take, or to refrain from taking, any actions in order to achieve a certain tax result for any participant.

Performance-based Compensation – Section 162(m) Requirements

As noted above, the Annual Incentive Plan is intended to comply with the requirements imposed by Code Section 162(m) and related regulations in order to attempt to preserve, to the extent practicable, Regional's federal income tax deduction for awards made under the Annual Incentive Plan to covered employees that are intended to satisfy the performance-based compensation exception under Code Section 162(m). Accordingly, there can be no guarantee that all compensation will qualify for the performance-based compensation exception under Code Section 162(m). The Compensation Committee may decide, in its discretion, to pay incentive-based compensation or grant awards that are not intended to qualify for the performance-based compensation exception under Code Section 162(m) if it determines that this is in Regional's and its stockholders' best interests.

Plan Benefits

As noted above, awards made under the Annual Incentive Plan are made at the Compensation Committee's discretion and are based on attainment of performance objectives. Accordingly, it is not possible to determine at this time the amount of the awards that will be paid for the current fiscal year or the amount of future awards under the Annual Incentive Plan. However, the cash bonuses that were earned by the named executive officers for fiscal year 2014 under the Annual Incentive Plan are described below in the Summary Compensation Table and 2014 Grants of Plan-Based Awards Table. The Annual Incentive Plan prior to amendment and restatement is also described in further detail under "Compensation and Other Information Concerning Our Executive Officers and Directors – Elements of Compensation – Performance-Based Annual Cash Awards," above.

The Board of Directors unanimously recommends a vote "FOR" re-approval of the Regional Management Corp. Annual Incentive Plan.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common stock as of the close of trading on March 9, 2015, of: (i) each person known by us to beneficially own more than five percent of our common stock; (ii) each of our directors; (iii) each of our executive officers and named executive officers; and (iv) all of our directors and executive officers, as a group.

	Shares Beneficially Owned[1]	
Name	Number	Percentage
Shareholders Agreement Group[2]	1,239,246	9.4%
Wellington Management Company LLP[3]	1,261,605	9.8%
Nantahala Capital Management, LLC[4]	653,996	5.1%
Second Curve Capital, LLC[5]	1,266,683	9.9%
Glen Capital Partners LLC[6]	853,962	6.6%
Basswood Capital Management, L.L.C.[7]	994,601	7.7%
Prescott Group Capital Management, L.L.C. [8]	952,162	7.4%
Roel C. Campos[9]	17,837	*
Michael R. Dunn	180,213	1.4%
Steven J. Freiberg	20,465	*
Richard A. Godley[10]	136,507	1.1%
Alvaro G. de Molina[11]	27,817	*
Carlos Palomares[12]	20,610	*
C. Glynn Quattlebaum[13]	372,447	2.8%
Jody L. Anderson	—	—
Donald E. Thomas[14]	53,300	*
Daniel J. Taggart	—	—
A. Michelle Masters[15]	17,783	*
Brian J. Fisher	2,517	*
Thomas F. Fortin[16]	271,432	2.1%
All directors and executive officers, as a group (12 persons)	849,496	6.4%

* Amount represents less than 1.0%

(1) Applicable percentage of ownership is based upon 12,853,743 shares of our common stock outstanding on March 9, 2015. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to shares shown as beneficially owned. Shares of common stock subject to options currently exercisable or exercisable within 60 days are deemed outstanding for computing the shares and percentage ownership of the person holding such options, but are not deemed outstanding for computing the percentage ownership of any other person or entity. Except as otherwise indicated, the persons or entities listed in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them. The address for all directors and officers listed in the table above is c/o Regional Management Corp., 509 West Butler Road, Greenville, South Carolina 29607.

(2) The "Shareholders Agreement Group" is comprised of those parties to the Amended and Restated Shareholders Agreement described under "Certain Relationships and Related Person Transactions" below. Parallel 2005 Equity Fund, LP (with its affiliates, "Parallel"); Palladium Equity Partners III, L.P. (with its affiliates, "Palladium"); the Richard A. Godley, Sr. Revocable Trust dated August 29, 2005; Vanessa Bailey Godley; William T. "Tyler" Godley; the Tyler Godley 2011 Irrevocable Trust dated March 28, 2011; the Pamela Denise Godley Revocable Trust dated November 3, 2011; the Haylei D. Tucker Family 2012 Irrevocable Trust dated December 17, 2012; the Tyler Godley Children 2012 Irrevocable Trust dated December 17, 2012; Jerry L. Shirley; Brenda F. Kinlaw; C. Glynn Quattlebaum; Sherri Quattlebaum; and Jesse W. Geddings are parties to the Shareholders Agreement. The information reported is based in part on a Schedule 13G/A filed with the SEC on February 13, 2015. The address of Parallel is 2525 McKinnon Street, Suite 330, Dallas, Texas 75201. The address of Palladium is Rockefeller Center, 1270 Avenue of the Americas, Suite 2200, New York, New York 10020. The address of all other members of the Shareholders Agreement Group is c/o Regional Management Corp., 509 West Butler Road, Greenville, South Carolina 29607. The amount stated includes (i) 2,000 shares subject to options beneficially owned by Mr. Godley (see footnote 10 below); (ii) 279,844 shares subject to options beneficially owned by Mr. Quattlebaum (see footnote 13 below); and (v) 5,510 shares subject to options beneficially owned by Mr. Geddings. All such options are either currently exercisable or exercisable within 60 days of March 9, 2015, and no party beneficially owning such options will have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by the Shareholders Agreement Group, but not for the purpose of computing the percentage ownership of any other person, except as stated elsewhere in these footnotes.

(3) The information reported is based on a Schedule 13G/A filed with the SEC on February 12, 2015, reporting shared power of Wellington Management Company LLP ("Wellington") to vote or direct the vote of 818,383 shares and shared power to dispose or direct the disposition of 1,261,605 shares. The business address of Wellington is 280 Congress Street, Boston, MA 02210.
(4) The information reported is based on a Schedule 13G filed with the SEC on February 17, 2015, reporting sole power of Nantahala Capital Management, LLC ("Nantahala") to vote or direct the vote and to dispose or direct the disposition of 653,996 shares. The business address of Nantahala is 19 Old Kings Highway South, Suite 200, Darien, CT 06820.
(5) The information reported is based on a Form 4 filed with the SEC on February 17, 2015, reporting shared ownership of 1,266,683 shares by Second Curve Capital, LLC ("Second Curve") and Thomas K. Brown. Mr. Brown is the Managing Member of Second Curve. The business address of Second Curve and Mr. Brown is 237 Park Avenue, 9th Floor, New York, New York 10017.
(6) The information reported is based on a Schedule 13G filed with the SEC on December 22, 2014, reporting shared power of Glen Capital Partners LLC and certain of its affiliates (collectively, "Glen Capital") to vote or direct the vote and to dispose or direct the disposition of 853,962 shares. Gregory L. Summe is the sole member of Glen Capital. The business address of Glen Capital and Mr. Summe is 800 South Street, Suite 160, Waltham, MA 02453.
(7) The information reported is based on a Schedule 13G filed with the SEC on February 17, 2015, reporting shared power of Basswood Capital Management, L.L.C., Matthew Lindenbaum, and Bennett Lindenbaum (collectively, "Basswood") to vote or direct the vote and to dispose or direct the disposition of 994,601 shares. The business address of Basswood is 645 Madison Avenue, 10th Floor, New York NY 10022.
(8) The information reported is based on a Schedule 13G filed with the SEC on February 17, 2015, reporting shared power of Prescott Group Capital Management, L.L.C. and certain of its affiliates (collectively, "Prescott") to vote or direct the vote and to dispose or direct the disposition of 952,162 shares. Phil Frohlich is a managing member of Prescott. The business address of Prescott and Mr. Frohlich is 1924 South Utica, Suite 1120, Tulsa, OK 74104.
(9) The amount stated consists of 6,000 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Mr. Campos will not have voting or investment power until the options are exercised. The shares described in this footnote are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Mr. Campos and by directors and executive officers as a group, but not for the purpose of computing the percentage ownership of any other person.
(10) Mr. Godley holds 13,002 shares directly. Additional shares stated are owned by (i) the Pamela Denise Godley Revocable Trust dated November 3, 2011, of which Pamela Denise Godley is trustee (Mrs. Godley is Mr. Godley's wife) (61,505 shares), and (ii) the Haylei D. Tucker Family 2012 Irrevocable Trust dated December 17, 2012, of which Mrs. Godley is trustee (60,000 shares). Mr. Godley disclaims beneficial ownership of the shares held by trusts for which his wife is trustee. The amount stated also consists of 2,000 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Mr. Godley will not have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Mr. Godley and by directors and executive officers as a group, but not for the purpose of computing the percentage ownership of any other person, except as stated elsewhere in these footnotes. Mr. Godley is a director of the Company and is a party to the Amended and Restated Shareholders Agreement described under "Certain Relationships and Related Person Transactions" below.
(11) The amount stated consists of 6,000 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Mr. de Molina will not have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Mr. de Molina and by directors and executive officers as a group, but not for the purpose of computing the percentage ownership of any other person.
(12) The amount stated consists of 6,000 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Mr. Palomares will not have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Mr. Palomares and by directors and executive officers as a group, but not for the purpose of computing the percentage ownership of any other person.
(13) The amount stated consists of 279,844 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Mr. Quattlebaum will not have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Mr. Quattlebaum and by directors and executive officers as a group, but not for the purpose of computing the percentage ownership of any other person, except as stated elsewhere in these footnotes. Mr. Quattlebaum and his wife, Sherri Quattlebaum, hold 80,131 of the shares stated above jointly. Mr. Quattlebaum is a director, and Mr. and Mrs. Quattlebaum are parties to the Shareholders Agreement described under "Certain Relationships and Related Person Transactions" above.
(14) The amount stated consists of 45,300 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Mr. Thomas will not have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Mr. Thomas and by directors and executive officers as a group, but not for the purpose of computing the percentage ownership of any other person. The remaining shares of common stock are held by The Donald Eugene Thomas and Jeanine Leigh Thomas Joint Revocable Living Trust. Mr. Thomas and his wife, Jeanine Leigh Thomas, are the trustees of The Donald Eugene Thomas and Jeanine Leigh Thomas Joint Revocable Living Trust.

(15) The amount stated consists of 15,000 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Ms. Masters will not have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Ms. Masters and by directors and executive officers as a group, but not for the purpose of computing the percentage ownership of any other person.

(16) The amount stated consists of 262,683 shares subject to options either currently exercisable or exercisable within 60 days of March 9, 2015, over which Mr. Fortin will not have voting or investment power until the options are exercised. Such shares are considered outstanding for the purpose of computing the percentage of outstanding stock owned by Mr. Fortin, but not for the purpose of computing the percentage ownership of any other person. The shares beneficially owned by Mr. Fortin are not included in the calculation of the shares held by our directors and executive officers as a group, as Mr. Fortin is no longer an executive officer of the Company.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than ten percent of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and our other equity securities. Our directors, executive officers, and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2014, all Section 16(a) filing requirements applicable to directors, executive officers, and greater than ten percent beneficial owners were timely complied with by such persons.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Shareholders Agreement

In March 2007, we entered into a shareholders agreement, which was amended and restated on March 27, 2012, by that certain Amended and Restated Shareholders Agreement (the "Shareholders Agreement"), by and among the Company, Parallel 2005 Equity Fund, LP (collectively with its affiliates, "Parallel"), Palladium Equity Partners III, L.P. (collectively with its affiliates, "Palladium"), and certain other stockholders party thereto (such stockholders referred to in this "Certain Relationships and Related Person Transactions" section as the "individual owners"). In fiscal 2014, the stockholders party to the Shareholders Agreement were related persons due to their greater than five percent equity ownership in the Company, in the aggregate, and their participation in the Shareholders Agreement, which qualifies them as a "group" under Section 13(d) of the Exchange Act. The Shareholders Agreement includes the following voting agreement:

- if the parties to the Shareholders Agreement hold more than 50% of our outstanding stock entitled to vote for the election of directors, then such parties will collectively have the right to designate the smallest whole number of directors that constitutes a majority of the Board;
- if the parties to the Shareholders Agreement hold 50% or less, but more than 25%, of our outstanding stock entitled to vote for the election of directors, then such parties will collectively have the right to designate the number of directors that is one fewer than the smallest whole number of directors that constitutes a majority of the Board; and
- if the parties to the Shareholders Agreement hold 25% or less of our outstanding stock entitled to vote for the election of directors, such parties will have no right to designate directors except that each of (1) Palladium, (2) Parallel, and (3) a representative of the individual owners party to the Shareholders Agreement will have the right to designate one director if such stockholder or group of stockholders holds at least 5% of the outstanding stock entitled to vote for the election of directors.

Mr. Godley has served on the Board as a director designee of the individual owners and is a director nominee standing for reelection at the Annual Meeting. As of March 9, 2015, the individual owners retain the right to designate one director for election to the Company's Board pursuant to the terms of the Shareholders Agreement. In September 2013 and December 2013, Palladium and Parallel closed secondary public offerings pursuant to which each sold its equity ownership in the Company, and as a result, neither Palladium nor Parallel retains any right to designate directors of the Company in the future pursuant to the terms of the Shareholders Agreement.

The Shareholders Agreement further provides that, in certain circumstances, parties to the Shareholders Agreement that have designated a director who is then serving on our Board may not make a significant investment in one of our competitors unless such party has first presented the investment opportunity to us. The Shareholders Agreement is filed as an exhibit to our Annual Report on Form 10-K, and the foregoing description is qualified by reference thereto.

Statement of Policy Regarding Transactions with Related Persons

Our Board has adopted a written statement of policy regarding transactions with related persons, which we refer to as our "related person policy." Our related person policy requires that a "related person" (as defined in paragraph (a) of Item 404 of

Regulation S-K) must promptly disclose to our general counsel, or other person designated by our Board, any "related person transaction" (defined as any transaction that is anticipated and would be reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. The general counsel, or such other person, will then promptly communicate that information to our Board. No related person transaction will be executed without the approval or ratification of our Board or a committee of the Board. It is our policy that directors interested in a related person transaction will recuse themselves from any vote of a related person transaction in which they have an interest. Our policy does not specify the standards to be applied by directors in determining whether or not to approve or ratify a related person transaction, and we accordingly anticipate that these determinations will be made in accordance with principles of Delaware law generally applicable to directors of a Delaware corporation.

Indemnification of Directors, Officers, and Certain Current and Former Stockholders

Our Bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by the Delaware General Corporation Law, which we refer to as the DGCL. In addition, our Amended and Restated Certificate of Incorporation provides that our directors will not be liable for monetary damages for breach of fiduciary duty to the fullest extent permitted by the DGCL. Further, in connection with the September 2013 and December 2013 secondary public offerings described above, we agreed to indemnify Palladium, Parallel, and certain other selling stockholders for certain losses, claims, damages, liabilities, and expenses arising out of such secondary public offerings.

On May 30, 2014, a securities class action lawsuit was filed in the United States District Court for the Southern District of New York against the Company and certain of its current and former directors, executive officers, and stockholders (collectively, the "Defendants"). The complaint alleged violations of the Securities Act of 1933 ("1933 Act Claims") and sought unspecified compensatory damages and other relief on behalf of a purported class of purchasers of the Company's common stock in the September 2013 and December 2013 secondary public offerings. On August 25, 2014, Waterford Township Police & Fire Retirement System and City of Roseville Employees' Retirement System were appointed as lead plaintiffs (collectively, the "Plaintiffs"). An amended complaint was filed on November 24, 2014. In addition to the 1933 Act Claims, the amended complaint also added claims for violations of the Securities Exchange Act of 1934 ("1934 Act Claims") seeking unspecified compensatory damages on behalf of a purported class of purchasers of the Company's common stock between May 2, 2013 and October 30, 2014, inclusive. On January 26, 2015, Defendants filed motions to dismiss the amended complaint in its entirety. In response, Plaintiffs sought and were granted leave to file an amended complaint. On February 27, 2015, Plaintiffs filed a second amended complaint. Like the prior amended complaint, the second amended complaint asserts 1933 Act Claims and 1934 Act claims and seeks unspecified compensatory damages. Defendants' motion to dismiss is due on or about April 28, 2015. The Company believes that the claims against it are without merit and intends to defend against the litigation vigorously.

Pursuant to the Company's indemnification obligations, the Company is bearing, and expects to continue to bear, the costs associated with defending the following current and former directors, executive officers, and stockholders against the claims asserted in the securities class action lawsuit: Palladium, Parallel, Thomas F. Fortin, C. Glynn Quattlebaum, Donald E. Thomas, David Perez, Roel C. Campos, Richard T. Dell'Aquila, Richard A. Godley, Jared L. Johnson, Alvaro G. de Molina, Carlos Palomares, and Erik Scott. As of the date of this Proxy Statement, defense counsel for the Company also represents such current and former directors, executive officers, and stockholders, and as a result, the Company believes that any incremental cost that it has incurred in providing a defense to them has been immaterial.

Quattlebaum Retirement Agreement

As described above, Mr. Quattlebaum resigned as our company's President and Chief Operating Officer, effective October 1, 2014, though he remained employed thereafter by Regional on a full-time basis as our Vice Chairman. In March 2015, Mr. Quattlebaum elected to retire from full-time employment with the Company and entered into a Retirement Agreement, effective March 23, 2015, pursuant to which he will provide certain consulting services to the Company for a one-year transition period. The Retirement Agreement is described above under "Agreements with Former Executive Officers".

STOCKHOLDER COMMUNICATIONS WITH THE BOARD

Each member of the Board is receptive to and welcomes communications from our stockholders. Stockholders and other interested parties may contact any member (or all members) of the Board, including, without limitation, the Chairman of the Board or the independent directors as a group, by addressing such communications or concerns to the Corporate Secretary of the Company, 509 West Butler Road, Greenville, SC 29607, who will forward such communications to the appropriate party.

If a complaint or concern involves accounting, internal accounting controls, or auditing matters, the correspondence will be forwarded to the chair of the Audit Committee. If no particular director is named, such communication will be forwarded, depending on the subject matter, to the chair of the Audit Committee, Compensation Committee, or Nominating Committee, as appropriate.

Anyone who has concerns regarding (i) questionable accounting, internal accounting controls, and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Company's accounting policies, (ii) compliance with legal and regulatory requirements, or (iii) retaliation against employees who voice such concerns, may communicate these concerns by writing to the attention of the Audit Committee as set forth above, or by calling (800) 224-2330 at any time.

PROPOSALS BY STOCKHOLDERS

Under certain conditions, stockholders may request that we include a proposal at a forthcoming meeting of the stockholders of the Company in the proxy materials of the Company for such meeting. Under SEC Rule 14a-8, any stockholders desiring to present such a proposal to be acted upon at the 2016 annual meeting of stockholders and included in the proxy materials must ensure that we receive the proposal at our principal executive office in Greenville, South Carolina by November 24, 2015 in order for the proposal to be eligible for inclusion in our proxy statement and proxy card relating to such meeting.

If a stockholder desires to propose any business at an annual meeting of stockholders, even if the proposal or proposed director candidate is not to be included in our proxy statement, our Bylaws provide that the stockholder must deliver or mail timely advance written notice of such business to our principal executive office. Under our Bylaws, to be timely, a stockholder's notice generally must be delivered to our Corporate Secretary at the principal executive offices of the Company not later than the 90th day before the first anniversary of the date of the preceding year's annual meeting and no earlier than the 120th day prior to such date. However, in the event that the date of the annual meeting is advanced by more than twenty (20) days, or delayed by more than seventy (70) days, from such anniversary date, notice by the stockholder to be timely must be delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Each item of business must be made in accordance with, and must include the information required by, our Bylaws, our Corporate Governance Guidelines, and any other applicable law, rule, or regulation. Assuming that the date of the 2016 annual meeting of stockholders is not advanced or delayed in the manner described above, the required notice for the 2016 annual meeting of stockholders would need to be provided to us not earlier than December 24, 2015 and not later than January 23, 2016.

If, following the filing and delivery of these proxy materials, the date of the 2016 annual meeting of stockholders is advanced or delayed by more than 30 calendar days from the one-year anniversary date of the 2015 annual meeting of stockholders, the Company will, in a timely manner, provide notice to the Company's stockholders of the new date of the 2016 annual meeting of stockholders and the new dates by which stockholder proposals submitted both pursuant to and outside of SEC Rule 14a-8 must be received by the Company. Such notice will be included in the earliest possible Quarterly Report on Form 10-Q under Part II, Item 5.

HOUSEHOLDING OF ANNUAL MEETING MATERIALS

Some banks, brokers, and other nominee record holders may be participating in the practice of "householding" annual reports and proxy statements. This means that only one copy of our Annual Report on Form 10-K and Proxy Statement, as applicable, may have been sent to multiple stockholders in the same household. We will promptly deliver a separate copy of our Annual Report on Form 10-K and Proxy Statement, as applicable, to any stockholder upon request submitted in writing to the Company at the following address: Regional Management Corp., 509 West Butler Road, Greenville, South Carolina 29607, Attention: Corporate Secretary, or by calling (864) 422-8011. Any stockholder who wants to receive separate copies of our Annual Report on Form 10-K and Proxy Statement in the future, or who is currently receiving multiple copies and would like to receive only one copy for his or her household, should contact his or her bank, broker, or other nominee record holder, or contact the Company at the above address and telephone number.

OTHER BUSINESS

The Board is not aware of any matters, other than those specified above, to come before the Annual Meeting for action by the stockholders. However, if any matter requiring a vote of the stockholders should be duly presented for a vote at the Annual Meeting, then the persons named in the form of proxy intend to vote such proxy in accordance with their best judgment.

APPENDIX A

REGIONAL MANAGEMENT CORP.

2015 LONG-TERM INCENTIVE PLAN

1. Definitions

In addition to other terms defined herein or in an Award Agreement, the following terms shall have the meanings given below:

(a) Administrator means the Board and, upon its delegation of all or part of its authority to administer the Plan to the Committee, the Committee.

(b) Affiliate means any Parent or Subsidiary of the Company, and also includes any other business entity which is controlled by, under common control with or controls the Company; provided, however, that the term "Affiliate" shall be construed in a manner in accordance with the registration provisions of applicable federal securities laws if and to the extent required.

(c) Applicable Law means any applicable laws, rules or regulations (or similar guidance), including but not limited to the General Corporation Law of the State of Delaware, the Securities Act, the Exchange Act, the Code and the listing or other rules of any applicable stock exchange.

(d) Award means, individually or collectively, a grant under the Plan of an Option (including an Incentive Option or a Nonqualified Option); a Stock Appreciation Right (including a Related SAR or a Freestanding SAR); a Restricted Award (including a Restricted Stock Award or a Restricted Stock Unit Award); a Performance Award (including a Performance Share Award or a Performance Unit Award); a Phantom Stock Award; an Other Stock-Based Award; a Dividend Equivalent Award; and/or any other award granted under the Plan.

(e) Award Agreement means an award agreement (which may be in written or electronic form, in the Administrator's discretion, and which includes any amendment or supplement thereto) between the Company and a Participant specifying the terms, conditions and restrictions of an Award granted to the Participant. An Award Agreement may also state such other terms, conditions and restrictions, including but not limited to terms, conditions and restrictions applicable to shares of Common Stock or any other benefit underlying an Award, as may be established by the Administrator.

(f) Base Price means, with respect to a SAR, the initial price assigned to the SAR.

(g) Board or Board of Directors means the Board of Directors of the Company.

(h) Cause means, unless the Administrator determines otherwise, a Participant's termination of employment or service resulting from the Participant's (i) termination for "Cause" as defined under the Participant's employment, change in control, consulting or other similar agreement with the Company or an Affiliate, if any, or (ii) if the Participant has not entered into any such agreement (or, if any such agreement does not define "Cause"), then "Cause" shall mean: (A) the Participant's engagement in misconduct which is materially injurious to the Company or its Affiliates, (B) the Participant's continued refusal to substantially perform his duties to the Company, (C) the Participant's repeated dishonesty in the performance of his duties to the Company, (D) the Participant's commission of an act or acts constituting any (x) fraud against, or misappropriation or embezzlement from, the Company or any of its Affiliates, (y) crime involving moral turpitude, or (z) offense that could result in a jail sentence of at least one year or (E) the Participant's material breach of any confidentiality, non-solicitation or non-competition covenant entered into between the Participant and the Company. The determination of "Cause" shall be made by the Administrator and its determination shall be final and conclusive. Without in any way limiting the effect of the foregoing, for purposes of the Plan and an Award, a Participant's employment or service shall also be deemed to have terminated for Cause if, after the Participant's employment or service has terminated, facts and circumstances are discovered that would have justified, in the opinion of the Administrator, a termination for Cause.

(i) A Change of Control shall (except as may be otherwise required, if at all, under Code Section 409A) be deemed to have occurred on the earliest of the following dates:

(i) The date any entity or person shall have become the beneficial owner of, or shall have obtained voting control over, more than fifty percent (50%) of the total voting power of the Company's then outstanding voting stock;

(ii) The date of the consummation of (A) a merger, consolidation, recapitalization or reorganization of the Company (or similar transaction involving the Company), in which the holders of the Common Stock immediately prior to the transaction have voting control over less than fifty percent (50%) of the voting securities of the surviving corporation immediately after such transaction, or (B) the sale or disposition of all or substantially all the assets of the Company; or

(iii) The date there shall have been a change in a majority of the Board within a 12-month period unless the nomination for election by the Company's stockholders or the appointment of each new Director was approved by the vote of two-thirds of the members of the Board (or a committee of the Board, if nominations are approved by a Board committee rather than the Board) then still in office who were in office at the beginning of the 12-month period.

(For the purposes herein, the term "person" shall mean any individual, corporation, partnership, group, association or other person, as such term is defined in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, other than the Company, a Subsidiary of the Company or any employee benefit plan(s) sponsored or maintained by the Company or any Subsidiary thereof, and the term "beneficial owner" shall have the meaning given the term in Rule 13d-3 under the Exchange Act.)

For the purposes of clarity, a transaction shall not constitute a Change of Control if its principal purpose is to change the state of the Company's incorporation, create a holding company that would be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction or is another transaction of other similar effect.

Notwithstanding the preceding provisions of Section 1(i), in the event that any Awards granted under the Plan are deemed to be deferred compensation subject to (and not exempt from) the provisions of Code Section 409A, then distributions related to such Awards to be made upon a Change of Control may be permitted, in the Administrator's discretion, upon the occurrence of one or more of the following events (as they are defined and interpreted under Code Section 409A): (A) a change in the ownership of the Company; (B) a change in effective control of the Company; or (C) a change in the ownership of a substantial portion of the assets of the Company.

(j) Code means the Internal Revenue Code of 1986, as amended, or any successor thereto. Any reference herein to a specific Code section shall be deemed to include all related regulations or other guidance with respect to such Code section.

(k) Committee means the Compensation Committee of the Board (or a subcommittee thereof), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan. For clarity, the term "Committee" includes the Board (or subcommittee of the Committee or other committee of the Board) if exercising the authority of the Committee under the Plan.

(l) Common Stock means the common stock of Regional Management Corp., $0.10 par value, or any successor securities thereto.

(m) Company means Regional Management Corp., a Delaware corporation, together with any successor thereto. In the Administrator's discretion, the term "Company" may also refer to the Company and any or all of its Affiliates.

(n) Consultant means an independent contractor, consultant or advisor providing services (other than capital-raising services) to the Company or an Affiliate.

(o) Covered Employee shall have the meaning given the term in Code Section 162(m).

(p) Director means a member of the Board or of the board of directors of an Affiliate.

(q) Disability shall, except as may be otherwise determined by the Administrator (taking into account any Code Section 409A considerations), as applied to any Participant, have the meaning given in any employment, change in control, consulting or other similar agreement, if any, to which the Participant is a party, or, if there is no such agreement (or if such agreement does not define "Disability"), "Disability" shall mean the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Administrator shall have authority to determine if a Disability has occurred.

(r) Dividend Equivalent Awards shall mean a right granted to a Participant pursuant to Section 13 to receive the equivalent value (in cash or shares of Common Stock) of dividends paid on Common Stock.

(s) Effective Date means the effective date of the Plan, as provided in Section 4.

(t) Employee means any person who is an employee of the Company or any Affiliate (including entities which become Affiliates after the Effective Date of the Plan). For this purpose, an individual shall be considered to be an Employee only if there exists between the individual and the Company or an Affiliate the legal and bona fide relationship of employer and employee (taking into account Code Section 409A considerations if and to the extent applicable); provided, however, that with respect to Incentive Options, "Employee" means any person who is considered an employee of the Company or any Parent or Subsidiary for purposes of Treasury Regulation Section 1.421-1(h) (or any successor provision related thereto).

(u) Exchange Act means the Securities Exchange Act of 1934, as amended, or any successor thereto.

(v) Fair Market Value per share of the Common Stock shall be established in good faith by the Administrator and, unless otherwise determined by the Administrator, the Fair Market Value shall be determined in accordance with the following provisions: (A) if the shares of Common Stock are listed for trading on the New York Stock Exchange, Inc. (the "NYSE") or another national or regional stock exchange, the Fair Market Value shall be the closing sales price per share of the shares on the NYSE or other principal stock exchange on which such securities are listed on the date an Award is granted or other determination is made (such date of determination being referred to herein as a "valuation date"), or, if there is no transaction on such date, then on the trading date nearest preceding the valuation date for which closing price information is available, and, provided further, if the shares are not listed for trading on the NYSE or another stock exchange but are regularly quoted on an automated quotation system (including the OTC Bulletin Board and the quotations published by the OTC Markets Group) or by a recognized securities dealer, the Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the valuation date, but if selling prices are not reported, the Fair Market Value of a share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the valuation date (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or (B) if the shares of Common Stock are not listed or reported in any of the foregoing, then the Fair Market Value shall be determined by the Administrator based on such valuation measures or other factors as it deems appropriate. Notwithstanding the foregoing, (i) with respect to the grant of Incentive Options, the Fair Market Value shall be determined by the Administrator in accordance with the applicable provisions of Section 20.2031-2 of the Federal Estate Tax Regulations, or in any other manner consistent with the Code Section 422; and (ii) Fair Market Value shall be determined in accordance with Code Section 409A if and to the extent required.

(w) Freestanding SAR means a SAR that is granted without relation to an Option, as provided in Section 8.

(x) Full Value Award means an Award, other than in the form of an Option, SAR or Other Stock-Based Award, which is settled by the issuance of Common Stock.

(y) Good Reason means, unless the Administrator determines otherwise, (i) "Good Reason" as defined under the Participant's employment, change in control, consulting or other similar agreement with the Company or an Affiliate, if any, or (ii) if the Participant has not entered into any agreement (or, if any such agreement does not define "Good Reason"), then, a "Good Reason" shall mean any of the following without the Participant's consent: (A) with respect to Employees or Consultants, a change caused by the Company in the Participant's duties and responsibilities which is materially inconsistent with the Participant's position at the Company, or a material reduction in the Participant's annual base salary (excluding any reduction in the Participant's salary that is part of a plan to reduce salaries of comparably situated employees of the Company generally); and (B) with respect to Directors, the Participant's ceasing to serve as a Director, or, if the Company is not the surviving Company in a Change of Control event, a member of the board of directors of the surviving entity, in either case, due to the Participant's failure to be nominated to serve as a director of such entity or the Participant's failure to be elected to serve as a director of such entity, but not due to the Participant's decision not to continue service on the Board of Directors of the Company or the board of directors of the surviving entity, as the case may be; provided that, in any case, notwithstanding anything to the contrary in the foregoing subparts (i) or (ii), the Participant shall only have "Good Reason" to terminate employment or service following the applicable entity's failure to remedy the act which is alleged to constitute "Good Reason" within thirty (30) days following such entity's receipt of written notice from the Participant specifying such act, so long as such notice is provided within sixty (60) days after such event has first occurred. The determination of "Good Reason" shall be made by the Administrator and its determination shall be final and conclusive.

(z) Incentive Option means an Option that is designated by the Administrator as an Incentive Option pursuant to Section 7 and intended to meet the requirements of incentive stock options under Code Section 422.

(aa) Nonqualified Option means an Option granted under Section 7 that is not intended to qualify as an incentive stock option under Code Section 422.

(bb) Option means a stock option granted under Section 7 that entitles the holder to purchase from the Company a stated number of shares of Common Stock at the Option Price, and subject to such terms and conditions, as may be set forth in the Plan or an Award Agreement or established by the Administrator.

(cc) Option Period means the term of an Option, as provided in Section 7(d).

(dd) Option Price means the price at which an Option may be exercised, as provided in Section 7(b).

(ee) Other Stock-Based Award means a right, granted to a Participant under Section 12, that relates to or is valued by reference to shares of Common Stock or other Awards relating to shares of Common Stock.

(ff) Parent shall mean a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

(gg) Participant means an individual who is an Employee employed by, or a Director or Consultant providing services to, the Company or an Affiliate who satisfies the requirements of Section 6 and is selected by the Administrator to receive an Award under the Plan.

(hh) Performance Award means a Performance Share Award and/or a Performance Unit Award, as provided in Section 10.

(ii) Performance Measures mean one or more performance factors or criteria which may be established by the Administrator with respect to an Award. Performance Measures may be based on such corporate, business unit or division and/or individual performance factors or criteria as the Administrator in its discretion may deem appropriate; provided, however, that, if and to the extent required under Code Section 162(m) with respect to Awards granted to Covered Employees that are intended to qualify as "performance-based compensation" under Code Section 162(m), such Performance Measures shall be objective and shall be based upon one or more of the following criteria (as determined by the Administrator in its discretion): (i) consolidated income before or after taxes (including income before interest, taxes, depreciation and amortization); (ii) EBITDA; (iii) adjusted EBITDA; (iv) operating income; (v) net income; (vi) adjusted cash net income; (vii) adjusted cash net income per share; (viii) net income per share and/or earnings per share (in each case, on a basic and/or diluted basis); (ix) book value per share; (x) return on members' or stockholders' equity; (xi) expense management (including, without limitation, total general and administrative expense percentages); (xii) return on investment; (xiii) improvements in capital structure; (xiv) profitability of an identifiable business unit or product; (xv) maintenance or improvement of profit margins; (xvi) stock price; (xvii) market share; (xviii) revenue or sales (including, without limitation, net loans charged off, average finance receivables, net loans charged off as percent of average net finance receivables, and net finance receivables); (xix) costs (including, without limitation, total general and administrative expense percentage); (xx) cash flow; (xxi) working capital; (xxii) multiple of invested capital (xxiii) total debt (including, without limitation, total debt as a multiple of EBITDA), and (xxiv) total return. The Administrator may apply other performance factors and criteria, which need not be objective, with respect to Awards that are not intended to comply with the Code Section 162(m) qualified performance-based compensation exception. To the extent that Code Section 162(m) is applicable, the Administrator shall, within the time and in the manner prescribed by Code Section 162(m), select eligible Participants and define in an objective fashion the manner of calculating the Performance Measures it selects to use for Covered Employees during any specific performance period. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or other Affiliates or one or more of its divisions, departments, units, segments, partnerships, joint ventures or minority investments, facilities, product lines or products or any combination of the foregoing. The targeted level or levels of performance with respect to such business criteria may be established at such levels and on such terms as the Administrator may determine, in its discretion, including but not limited to on an absolute basis, in relation to performance in a prior performance period, relative to one or more peer group companies or indices, on a per share and/or share per capita basis, on a pre-tax or after tax basis, and/or any combination thereof.

(jj) Performance Share means an Award granted under Section 10, in an amount determined by the Administrator and specified in an Award Agreement, stated with reference to a specified number of shares of Common Stock, that entitles the holder to receive shares of Common Stock, a cash payment or a combination of Common Stock and cash (as determined by the Administrator), subject to the terms of the Plan and the terms and conditions established by the Administrator.

(kk) Performance Unit means an Award granted under Section 10, in an amount determined by the Administrator and specified in an Award Agreement, that entitles the holder to receive shares of Common Stock, a cash payment or a combination of Common Stock and cash (as determined by the Administrator), subject to the terms of the Plan and the terms and conditions established by the Administrator.

(ll) Phantom Stock Award means an Award granted under Section 11, entitling a Participant to a payment in cash, shares of Common Stock or a combination of cash and Common Stock (as determined by the Administrator), following the completion of the applicable vesting period and compliance with the terms of the Plan and other terms and conditions established by the Administrator. The unit value of a Phantom Stock Award shall be based on the Fair Market Value of a share of Common Stock.

(mm) Plan means the Regional Management Corp. 2015 Long-Term Incentive Plan, as it may be hereafter amended and/or restated.

(nn) Prior Plan or Prior Plans means the Regional Management Corp. 2011 Stock Incentive Plan (the "2011 Plan") and the Regional Management Corp. 2007 Management Incentive Plan (the "2007 Plan"), in each case, as amended and/or restated.

(oo) Qualifying Termination means, unless the Administrator determines otherwise, termination of employment or service of a Participant (i) as a result of the Participant's death or Disability, (ii) by the Company and/or its Affiliates without Cause or (iii) by the Participant for Good Reason.

(pp) Related SAR means a SAR granted under Section 8 that is granted in relation to a particular Option and that can be exercised only upon the surrender to the Company, unexercised, of that portion of the Option to which the SAR relates.

(qq) Restricted Award means a Restricted Stock Award and/or a Restricted Stock Unit Award, as provided in Section 9.

(rr) Restricted Stock Award means shares of Common Stock granted to a Participant under Section 9. Shares of Common Stock subject to a Restricted Stock Award shall cease to be restricted when, in accordance with the terms of the Plan and the terms and conditions established by the Administrator, the shares vest and become transferable and free of substantial risks of forfeiture.

(ss) Restricted Stock Unit means a Restricted Award granted to a Participant pursuant to Section 9 which is settled, if at all, (i) by the delivery of one share of Common Stock for each Restricted Stock Unit, (ii) in cash in an amount equal to the Fair Market Value of one share of Common Stock for each Restricted Stock Unit, or (iii) in a combination of cash and shares equal to the Fair Market Value of one share of Common Stock for each Restricted Stock Unit, as determined by the Administrator. A Restricted Stock Unit represents the promise of the Company to deliver shares of Common Stock, cash or a combination thereof, as applicable, at the end of the applicable restriction period if and only to the extent the Award vests and ceases to be subject to forfeiture, subject to compliance with the terms of the Plan and Award Agreement and any performance or other terms and conditions established by the Administrator.

(tt) Retirement shall, except as may be otherwise determined by the Administrator (taking into account any Code Section 409A considerations), as applied to any Participant, have the meaning given in an employment, change in control, consulting or other similar agreement, if any, to which the Participant is a party, or, if there is no such agreement (or if such agreement does not define “Retirement”), then, unless the Administrator determines otherwise, “Retirement” shall mean the termination of employment by the Participant on or after (i) the Participant’s attainment of age 65, or (ii) the Participant’s attainment of age 55 and completion of ten (10) years of service. The Administrator shall have authority to determine if a Retirement has occurred.

(uu) SAR means a stock appreciation right granted under Section 8 entitling the Participant to receive, with respect to each share of Common Stock encompassed by the exercise of such SAR, the excess of the Fair Market Value on the date of exercise over the Base Price, subject to the terms of the Plan and Award Agreement and any other terms and conditions established by the Administrator. References to “SARs” include both Related SARs and Freestanding SARs, unless the context requires otherwise.

(vv) Securities Act means the Securities Act of 1933, as amended, or any successor thereto.

(ww) Subsidiary shall mean a “subsidiary corporation,” whether now or hereafter existing, as defined in Code Section 424(f) (or any successor section thereto).

(xx) Termination Date means the date of termination of a Participant’s employment or service for any reason, as determined by the Administrator (taking into account any Code Section 409A considerations).

2. Purpose

The purposes of the Plan are to encourage and enable selected Employees, Directors and Consultants of the Company and its Affiliates to acquire or increase their holdings of Common Stock and other equity-based interests in the Company and/or to provide other incentive awards in order to promote a closer identification of their interests with those of the Company and its stockholders, and to provide flexibility to the Company in its ability to motivate, attract and retain the services of Participants upon whose judgment, interest and special effort the successful conduct of its operation largely depends. These purposes may be carried out through the granting of Awards to selected Participants, including the granting of Options in the form of Incentive Stock Options and/or Nonqualified Options; SARs in the form of Freestanding SARs and/or Related SARs; Restricted Awards in the form of Restricted Stock Awards and/or Restricted Stock Units; Performance Awards in the form of Performance Shares and/or

Performance Units; Phantom Stock Awards; Other Stock-Based Awards; and/or Dividend Equivalent Awards.

3. Administration of the Plan

(a) The Plan shall be administered by the Board or, upon its delegation, by the Committee (or a subcommittee thereof). To the extent required under Rule 16b-3 adopted under the Exchange Act, the Committee shall be comprised solely of two or more "non-employee directors," as such term is defined in Rule 16b-3, or as may otherwise be permitted under Rule 16b-3. Further, to the extent required by Code Section 162(m), the Plan shall be administered by a committee comprised of two or more "outside directors" (as such term is defined in Code Section 162(m)) or as may otherwise be permitted under Code Section 162(m). In addition, Committee members shall qualify as "independent directors" under applicable stock exchange rules if and to the extent required.

(b) Subject to the provisions of the Plan, the Administrator shall have full and final authority in its discretion to take any action with respect to the Plan including, without limitation, the authority to (i) determine all matters relating to Awards, including selection of individuals to be granted Awards, the types of Awards, the number of shares of Common Stock, if any, subject to an Award, and all terms, conditions, restrictions and limitations of an Award; (ii) prescribe the form or forms of Award Agreements evidencing any Awards granted under the Plan; (iii) establish, amend and rescind rules and regulations for the administration of the Plan; (iv) correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement; and (v) construe and interpret the Plan, Awards and Award Agreements made under the Plan, interpret rules and regulations for administering the Plan and make all other determinations deemed necessary or advisable for administering the Plan. In addition, (i) the Administrator shall have the authority, subject to the restrictions contained in Section 3(c) herein, to accelerate the date that any Award which was not otherwise exercisable, vested or earned shall become exercisable, vested or earned in whole or in part without any obligation to accelerate such date with respect to any other Award granted to any recipient; and (ii) the Administrator may in its sole discretion modify or extend the terms and conditions for exercise, vesting or earning of an Award (in each case, taking into account any Code Section 409A considerations). The Committee's authority to grant Awards and authorize payments under the Plan shall not in any way restrict the authority of the Company to grant compensation to Employees, Directors or Consultants under any other compensation plan, program or arrangement of the Company or an Affiliate. The Administrator may determine that a Participant's rights, payments and/or benefits with respect to an Award (including but not limited to any shares issued or issuable and/or cash paid or payable with respect to an Award) shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of employment for Cause, violation of policies of the Company or an Affiliate, breach of non-solicitation, non-competition, confidentiality or other restrictive covenants that may apply to the Participant, other conduct by the Participant that is determined by the Administrator to be detrimental to the business or reputation of the Company or any Affiliate, and/or other circumstances where such reduction, cancellation, forfeiture or recoupment is required by Applicable Law. Notwithstanding any other provision in the Plan, the Administrator shall have the unilateral right, in its absolute discretion, to reduce or eliminate the amount of an Award granted to any Participant, including an award otherwise earned and payable pursuant to the terms of the Plan. In addition, the Administrator shall have the authority and discretion to establish terms and conditions of Awards (including but not limited to the establishment of subplans) as the Administrator determines to be necessary or appropriate to conform to the applicable requirements or practices of jurisdictions outside of the United States. In addition to action by meeting in accordance with Applicable Law, any action of the Administrator with respect to the Plan may be taken by a written instrument signed by all of the members of the Board or Committee, as appropriate, and any such action so taken by written consent shall be as fully effective as if it had been taken by a majority of the members at a meeting duly held and called. All determinations of the Administrator with respect to the Plan and any Award or Award Agreement will be final and binding on the Company and all persons having or claiming an interest in any Award granted under the Plan. No member of the Board or Committee, as applicable, shall be liable while acting as Administrator for any action or determination made in good faith with respect to the Plan, an Award or an Award Agreement. The members of the Board or Committee, as applicable, shall be entitled to indemnification and reimbursement in the manner and to the fullest extent provided in the Company's certificate of incorporation and/or bylaws and/or pursuant to Applicable Law.

(c) Notwithstanding the provisions of Section 3(b), Awards (other than Other Stock-Based Awards) granted to an Employee under the Plan shall be subject to a minimum vesting period of one year (which may include installment vesting within such one-year period as determined by the Administrator); provided, however, that (i) the Administrator may provide for acceleration of vesting of all or a portion of an Award in the event of a Participant's death, Disability, Retirement or Qualifying Termination, or (to the extent provided in Section 14 herein) upon the occurrence of a Change of Control of the Company; (ii) the Administrator may provide for the grant of an Award to any Participant without a minimum vesting period or may accelerate the vesting of all or a portion of an Award for any reason, but only with respect to Awards for no more than an aggregate of five percent (5%) of the total number of Shares authorized for issuance under the Plan pursuant to Section 5(a) herein, upon such terms and conditions as the Administrator shall determine; and (iii) the Administrator also may provide for the grant of Awards to Participants that have different vesting terms in the case of Other Stock-Based Awards or Awards that are substituted for other equity awards in connection with mergers, consolidations or other similar transactions, Awards that are granted as an inducement to be employed by the Company or an Affiliate or to replace forfeited awards from a former employer, or Awards that are granted in exchange for foregone cash compensation.

(d) The Administrator may adjust or modify Performance Measures or other performance factors or criteria due to extraordinary items, transactions, events or developments, or in recognition of any other unusual or infrequent events affecting the Company or the financial statements of the Company, or in response to changes in Applicable Law, accounting principles or business conditions, in each case as determined by the Administrator (provided that any adjustment or modification involving Covered Employees for compensation that is intended to qualify as "performance-based compensation" under Code Section 162(m) shall be subject to any applicable Code Section 162(m) restrictions). By way of example but not limitation, the Administrator may provide with respect to any Award that any evaluation of performance shall exclude or otherwise objectively adjust for any specified circumstance or event that occurs during a performance period, including circumstances or events such as the following: (i) asset write-downs or impairment charges; (ii) significant litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting standards or principles or other laws or regulatory rules; (iv) any reorganization and restructuring programs; (v) extraordinary nonrecurring items as described in then-current accounting principles; (vi) extraordinary nonrecurring items as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to stockholders; (vii) acquisitions or divestitures; (viii) a change in the Company's fiscal year; (ix) any other specific unusual or infrequent events or objectively determinable category thereof; and/or (x) foreign exchange gains and losses.

(e) Notwithstanding the other provisions of Section 3, the Board may expressly delegate to one or more officers of the Company or a special committee consisting of one or more directors who are also officers of the Company the authority, within specified parameters, to grant Awards to eligible Participants, and to make any or all of the determinations reserved for the Administrator in the Plan and summarized in Section 3(b) with respect to such Awards (subject to any restrictions imposed by

Applicable Law and such terms and conditions as may be established by the Administrator); provided, however, that, if and to the extent required by Section 16 of the Exchange Act or Code Section 162(m), the Participant, at the time of said grant or other determination, (i) is not deemed to be an officer or director of the Company within the meaning of Section 16 of the Exchange Act; and (ii) is not deemed to be a Covered Employee as defined under Code Section 162(m). To the extent that the Administrator has delegated authority to grant Awards pursuant to this Section 3(e) to an officer and/or a special committee, references to the "Administrator" shall include references to such officer(s) and/or special committee, subject, however, to the requirements of the Plan, Rule 16b-3, Code Section 162(m) and other Applicable Law.

4. Effective Date

The Effective Date of the Plan shall be April 22, 2015 (the "Effective Date"). Awards may be granted on or after the Effective Date, but no Awards may be granted after April 21, 2025. Awards that are outstanding at the end of the Plan term (or such earlier termination date as may be established by the Board pursuant to Section 16(a)) shall continue in accordance with their terms, unless otherwise provided in the Plan or an Award Agreement.

5. Shares of Stock Subject to the Plan; Award Limitations

(a) *Shares of Stock Subject to the Plan*: Subject to adjustments as provided in Section 5(d), the maximum aggregate number of shares of Common Stock that may be issued pursuant to Awards granted under the Plan shall not exceed the sum of (i) 350,000 shares, plus (ii) any shares (A) remaining available for the grant of awards as of the Effective Date under any Prior Plan, and/or (B) subject to an award granted under a Prior Plan, which award is forfeited, cancelled, terminated, expires or lapses for any reason. Shares delivered under the Plan shall be authorized but unissued shares, treasury shares or shares purchased on the open market or by private purchase. The Company hereby reserves sufficient authorized shares of Common Stock to meet the grant of Awards hereunder. As of the Effective Date, no further awards shall be granted under the Prior Plans, although Prior Plan awards that are outstanding as of such date shall continue in accordance with their terms.

(b) *Award Limitations*: Notwithstanding any provision in the Plan to the contrary, the following limitations shall apply to Awards granted under the Plan, in each case subject to adjustments pursuant to Section 5(d):

(i) The maximum aggregate number of shares of Common Stock that may be issued under the Plan pursuant to the grant of Incentive Options shall not exceed 350,000 shares of Common Stock;

(ii) In any 12-month period, no Participant may be granted Options and SARs that are not related to an Option for more than 450,000 shares of Common Stock (or the equivalent value thereof based on the Fair Market Value per share of the Common Stock on the date of grant of an Award);

(iii) In any 12-month period, no Participant may be granted Awards other than Options or SARs that are settled in shares of Common Stock for more than 450,000 shares of Common Stock; and

(iv) In any 12-month period, the maximum amount of Awards that are settled in cash that can be granted to any one Participant shall be $2,500,000.

(For purposes of Section 5(b)(ii), (iii), and (iv), an Option and Related SAR shall be treated as a single Award.)

(c) *Additional Share Counting Provisions*. The following provisions shall apply with respect to the share limitations of Section 5(a):

(i) To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason, any such unissued or forfeited shares subject to the Award will again be available for issuance pursuant to Awards granted under the Plan.

(ii) Awards settled in cash shall not be counted against the share limitations stated in Section 5(a) herein.

(iii) Dividends, including dividends paid in shares, or dividend equivalents paid in cash in connection with outstanding Awards, will not be counted towards the share limitations in Section 5(a).

(iv) To the extent that the full number of shares subject to an Award other than an Option or SAR is not issued for any reason, including by reason of failure to achieve maximum performance factors or criteria, only the number of shares issued and delivered shall be considered for purposes of determining the number of shares remaining available for issuance pursuant to Awards granted under the Plan.

(v) The following shares of Common Stock may not again be made available for issuance as Awards under the Plan: (A) shares withheld from an Award or delivered by a Participant to satisfy minimum tax withholding requirements for Awards; (B) shares not issued or delivered as a result of the net settlement of an outstanding Award; (C) shares used to pay the exercise price related to an outstanding Award; or (D) shares repurchased on the open market with the proceeds of the Option Price.

(vi) Further, (A) shares issued under the Plan through the settlement, assumption or substitution of outstanding awards granted by another entity or obligations to grant future awards as a condition of or in connection with a merger, acquisition or similar transaction involving the Company acquiring another entity shall not reduce the maximum number of shares available for delivery under the Plan, and (B) available shares under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for Awards under the Plan and will not reduce the maximum number of shares available under the Plan, subject, in the case of both (A) and (B) herein, to applicable stock exchange listing requirements.

(d) *Adjustments; Right to Issue Additional Securities*: If there is any change in the outstanding shares of Common Stock because of a merger, consolidation, recapitalization or reorganization involving the Company, or if the Board declares a stock dividend, stock split distributable in shares of Common Stock or reverse stock split, other distribution (other than an ordinary or regular cash dividend) or combination or reclassification of the Common Stock, or if there is a similar change in the capital stock structure of the Company affecting the Common Stock (excluding conversion of convertible securities by the Company and/or the exercise of warrants by their holders), then the number of shares of Common Stock reserved for issuance under the Plan shall be correspondingly adjusted, and the Administrator shall make such adjustments to Awards or to any provisions of this Plan as the Administrator deems equitable to prevent dilution or enlargement of Awards or as may otherwise be advisable. Nothing in the Plan, an Award or an Award Agreement shall limit the ability of the Company to issue additional securities (including but not limited to the issuance of other options or other derivative securities, warrants, additional shares or classes of Common Stock, preferred stock and/or other convertible securities).

6. Eligibility

An Award may be granted only to an individual who satisfies all of the following eligibility requirements on the date the Award is granted:

(a) The individual is either (i) an Employee, (ii) a Director or (iii) a Consultant.

(b) With respect to the grant of Incentive Options, the individual is otherwise eligible to participate under Section 6, is an Employee of the Company or a Parent or Subsidiary and does not own, immediately before the time that the Incentive Option is granted, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or a Parent or Subsidiary. Notwithstanding the foregoing, an Employee who owns more than 10% of the total combined voting power of all classes of stock of the Company or a Parent or Subsidiary may be granted an Incentive Option if the Option Price is at least 110% of the Fair Market Value of the Common Stock, and the Option Period does not exceed five years. For this purpose, an individual will be deemed to own stock which is attributable to him under Code Section 424(d).

(c) With respect to the grant of substitute awards or assumption of awards in connection with a merger, consolidation, acquisition, reorganization or similar transaction involving the Company or an Affiliate, the recipient is otherwise eligible to receive the Award and the terms of the award are consistent with the Plan and Applicable Law (including, to the extent necessary, the federal securities laws registration provisions, Code Section 409A and Code Section 424(a)).

(d) The individual, being otherwise eligible under this Section 6, is selected by the Administrator as an individual to whom an Award shall be granted (as defined above, a "Participant").

7. Options

(a) *Grant of Options*: Subject to the limitations of the Plan, the Administrator may in its discretion grant Options to such eligible Participants in such numbers, subject to such terms and conditions, and at such times as the Administrator shall determine. Both Incentive Options and Nonqualified Options may be granted under the Plan, as determined by the Administrator; provided, however, that Incentive Options may only be granted to Employees of the Company or a Parent or Subsidiary. To the extent that an Option is designated as an Incentive Option but does not qualify as such under Code Section 422, the Option (or portion thereof) shall be treated as a Nonqualified Option. An Option may be granted with or without a Related SAR.

(b) *Option Price*: The Option Price per share at which an Option may be exercised shall be established by the Administrator and stated in the Award Agreement evidencing the grant of the Option; provided, that (i) the Option Price of an Option shall be no less than 100% of the Fair Market Value per share of the Common Stock as determined on the date the Option is granted (or 110% of the Fair Market Value with respect to Incentive Options granted to an Employee who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or a Parent or Subsidiary, as provided in Section 6(b)); and (ii) in no event shall the Option Price per share of any Option be less than the par value per share of the Common Stock. Notwithstanding the foregoing, the Administrator may in its discretion authorize the grant of substitute or assumed options of an acquired entity with an Option Price not equal to 100% of the Fair Market Value of the stock on the date of grant, if the terms of such substitution or assumption otherwise comply, to the extent deemed applicable, with Code Section 409A and/or Code Section 424(a).

(c) *Date of Grant*: An Option shall be considered to be granted on the date that the Administrator acts to grant the Option, or on such later date as may be established by the Administrator in accordance with Applicable Law.

(d) *Option Period and Limitations on the Right to Exercise Options:*

(i) The Option Period shall be determined by the Administrator at the time the Option is granted and shall be stated in the Award Agreement. The Option Period shall not extend more than 10 years from the date on which the Option is granted (or five years with respect to Incentive Options granted to an Employee who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or a Parent or Subsidiary, as provided in Section 6(b)). Any Option or portion thereof not exercised before expiration of the Option Period shall terminate. The period or periods during which, and the terms and conditions pursuant to which, an Option may vest and become exercisable shall be determined by the Administrator in its discretion, subject to the terms of the Plan (including but not limited to the provisions of Section 3(c) herein). Notwithstanding the foregoing, unless the Administrator determines otherwise, in the event that any portion of an exercisable Option is scheduled to expire on the last day of the Option Period or otherwise scheduled to expire pursuant to the applicable Award Agreement and both (A) the date on which such portion of the Option is scheduled to expire falls during a Company blackout trading period applicable to the Participant (whether such period is imposed at the election of the Company or is required by Applicable Law to be imposed) and (B) the Option Price per share of such portion of the Option is less than the Fair Market Value, then on the date that such portion of the Option is scheduled to expire, such portion of the Option (to the extent not previously exercised by the Participant) shall be automatically exercised on behalf of the Participant through a net settlement of both the Option Price and the minimum withholding taxes due (if any) upon such automatic exercise (as described in Section 7(d)(ii)(B), below), and the net number of shares of Common Stock resulting from such automatic exercise shall be delivered to the Participant as soon as practicable thereafter.

(ii) An Option may be exercised by giving written notice to the Company in form acceptable to the Administrator at such place and subject to such conditions as may be established by the Administrator or its designee. Such notice shall specify the number of shares to be purchased pursuant to an Option and the aggregate purchase price to be paid therefor and shall be accompanied by payment of such purchase price. Unless an Award Agreement provides otherwise, such payment shall be in the form of cash or cash equivalent; provided that, except where prohibited by the Administrator or Applicable Law (and subject to such terms and conditions as may be established by the Administrator), payment may also be made:

(A) By delivery (by either actual delivery or attestation) of shares of Common Stock owned by the Participant for such time period, if any, as may be determined by the Administrator;

(B) By shares of Common Stock withheld upon exercise;

(C) By delivery of written notice of exercise to the Company and delivery to a broker of written notice of exercise and irrevocable instructions to promptly deliver to the Company the amount of sale or loan proceeds to pay the Option Price;

(D) By such other payment methods as may be approved by the Administrator and which are acceptable under Applicable Law; or

(E) By any combination of the foregoing methods.

Shares delivered or withheld in payment on the exercise of an Option shall be valued at their Fair Market Value on the date of exercise, as determined by the Administrator or its designee.

(iii) The Administrator shall determine the extent, if any, to which a Participant may have the right to exercise an Option following termination of the Participant's employment or service with the Company. Such rights, if any, shall be subject to the sole discretion of the Administrator, shall be stated in the individual Award Agreement, need not be uniform among all Options issued pursuant to this Section 7, and may reflect distinctions based on the reasons for termination of employment or service.

(e) *Notice of Disposition*: If shares of Common Stock acquired upon exercise of an Incentive Option are disposed of within two years following the date of grant or one year following the transfer of such shares to a Participant upon exercise, the Participant shall, promptly following such disposition, notify the Company in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Administrator may reasonably require.

(f) *Limitation on Incentive Options*: In no event shall there first become exercisable by an Employee in any one calendar year Incentive Options granted by the Company or any Parent or Subsidiary with respect to shares having an aggregate Fair Market Value (determined at the time an Incentive Option is granted) greater than $100,000; provided that, if such limit is exceeded, then the first $100,000 of shares to become exercisable in such calendar year will be Incentive Options and the Options (or portion thereof) for shares with a value in excess of $100,000 that first became exercisable in that calendar year will be Nonqualified Options. In the event the Code is amended after the Effective Date of the Plan to provide for a different limitation on the Fair Market Value of shares permitted to be subject to Incentive Options, then such different limit shall be automatically incorporated herein. To the extent that any Incentive Options are first exercisable by a Participant in excess of the limitation described herein, the excess shall be considered a Nonqualified Option.

(g) *Nontransferability of Options*: Incentive Options shall not be transferable (including by sale, assignment, pledge or hypothecation) other than transfers by will or the laws of intestate succession or, in the Administrator's discretion, such transfers as may otherwise be permitted in accordance with Treasury Regulation Section 1.421-1(b)(2) or Treasury Regulation Section 1.421-2(c) or any successor provisions thereto. Nonqualified Options shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession, except for transfers if and to the extent permitted by the Administrator in a manner consistent with the registration provisions of the Securities Act. Except as may be permitted by the preceding, an Option shall be exercisable during the Participant's lifetime only by him or by his guardian or legal representative. The designation of a beneficiary in accordance with the Plan does not constitute a transfer.

8. Stock Appreciation Rights

(a) *Grant of SARs*: Subject to the limitations of the Plan, the Administrator may in its discretion grant SARs to such eligible Participants, in such numbers, upon such terms and at such times as the Administrator shall determine. SARs may be granted to the holder of an Option (a "Related Option") with respect to all or a portion of the shares of Common Stock subject to the Related Option (a "Related SAR") or may be granted separately to an eligible individual (a "Freestanding SAR"). The Base Price per share of a SAR shall be no less than 100% of the Fair Market Value per share of the Common Stock on the date the SAR is granted. Notwithstanding the foregoing, the Administrator may in its discretion authorize the grant of substitute or assumed SARs of an acquired entity with a Base Price per share not equal to at least 100% of the Fair Market Value of the stock on the date of grant, if the terms of such substitution or assumption otherwise comply, to the extent deemed applicable, with Code Section 409A and/or Code Section 424(a). A SAR shall be considered to be granted on the date that the Administrator acts to grant the SAR, or on such other date as may be established by the Administrator in accordance with Applicable Law.

(b) *Related SARs*: A Related SAR may be granted either concurrently with the grant of the Related Option or (if the Related Option is a Nonqualified Option) at any time thereafter prior to the complete exercise, termination, expiration or cancellation of such Related Option. The Base Price of a Related SAR shall be equal to the Option Price of the Related Option. Related SARs shall be exercisable only at the time and to the extent that the Related Option is exercisable (and may be subject to such additional limitations on exercisability as the Administrator may provide in an Award Agreement), and in no event after the complete termination or full exercise of the Related Option. Notwithstanding the foregoing, a Related SAR that is related to an Incentive Option may be exercised only to the extent that the Related Option is exercisable and only when the Fair Market Value exceeds the Option Price of the Related Option. Upon the exercise of a Related SAR granted in connection with a Related Option, the Option shall be canceled to the extent of the number of shares as to which the SAR is exercised, and upon the exercise of a Related Option, the Related SAR shall be canceled to the extent of the number of shares as to which the Related Option is exercised or surrendered.

(c) *Freestanding SARs*: A SAR may be granted without relationship to an Option (as defined above, a "Freestanding SAR") and, in such case, will be exercisable upon such terms and subject to such conditions as may be determined by the Administrator, subject to the terms of the Plan.

(d) *Exercise of SARs*:

(i) Subject to the terms of the Plan (including but not limited to Section 3(c) herein), SARs shall be vested and exercisable in whole or in part upon such terms and conditions as may be established by the Administrator. The period during which a SAR may be exercisable shall not exceed 10 years from the date of grant or, in the case of Related SARs, such shorter Option Period as may apply to the Related Option. Any SAR or portion thereof not exercised before expiration of the period established by the Administrator shall terminate.

(ii) SARs may be exercised by giving written notice to the Company in form acceptable to the Administrator at such place and subject to such terms and conditions as may be established by the Administrator or its designee. Unless the Administrator determines otherwise, the date of exercise of a SAR shall mean the date on which the Company shall have received proper notice from the Participant of the exercise of such SAR.

(iii) The Administrator shall determine the extent, if any, to which a Participant may have the right to exercise a SAR following termination of the Participant's employment or service with the Company. Such rights, if any, shall be determined in the sole discretion of the Administrator, shall be stated in the individual Award Agreement, need not be uniform among all SARs issued pursuant to this Section 8, and may reflect distinctions based on the reasons for termination of employment or service.

(e) *Payment Upon Exercise*: Subject to the limitations of the Plan, upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the excess, if any, of the Fair Market Value of a share of Common Stock on the date of exercise of the SAR over the Base Price of the SAR by (ii) the number of shares of Common Stock with respect to which the SAR is being exercised. The consideration payable upon exercise of a SAR shall be paid in cash, shares of Common Stock (valued at Fair Market Value on the date of exercise of the SAR) or a combination of cash and shares of Common Stock, as determined by the Administrator.

(f) *Nontransferability*: Unless the Administrator determines otherwise, SARs shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession, except for transfers if and to the extent permitted by the Administrator in a manner consistent with the registration provisions of the Securities Act. Except as may be permitted by the preceding sentence, SARs may be exercised during the Participant's lifetime only by him or by his guardian or legal representative. The designation of a beneficiary in accordance with the Plan does not constitute a transfer.

9. Restricted Awards

(a) *Grant of Restricted Awards*: Subject to the limitations of the Plan, the Administrator may in its discretion grant Restricted Awards to such Participants, for such numbers of shares of Common Stock, upon such terms and at such times as the Administrator shall determine. Such Restricted Awards may be in the form of Restricted Stock Awards and/or Restricted Stock Units that are subject to certain conditions, which conditions must be met in order for the Restricted Award to vest and be earned (in whole or in part) and no longer subject to forfeiture. Restricted Stock Awards shall be payable in shares of Common Stock. Restricted Stock Units shall be payable in cash or shares of Common Stock, or partly in cash and partly in shares of Common Stock, in accordance with the terms of the Plan and the discretion of the Administrator. Subject to the provisions of Section 3(c) herein, the Administrator shall determine the nature, length and starting date of the period, if any, during which a Restricted Award may be earned (the "Restriction Period"), and shall determine the conditions which must be met in order for a Restricted Award to be granted or to vest or be earned (in whole or in part), which conditions may include, but are not limited to, payment of a stipulated purchase price, attainment of performance objectives, continued service or employment for a certain period of time, a combination of attainment of performance objectives and continued service, Retirement, Disability, death or any combination of such conditions. In the case of Restricted Awards based upon performance factors or criteria, or a combination of performance factors or criteria and continued service, the Administrator shall determine the Performance Measures applicable to such Restricted Awards (subject to Section 1(ii)).

(b) *Vesting of Restricted Awards*: Subject to the terms of the Plan (and taking into account any Code Section 409A considerations), the Administrator shall have sole authority to determine whether and to what degree Restricted Awards have vested and been earned and are payable and to establish and interpret the terms and conditions of Restricted Awards.

(c) *Termination of Employment or Service; Forfeiture*: Unless the Administrator determines otherwise, if the employment or service of a Participant shall be terminated for any reason (whether by the Company or the Participant and whether voluntary or involuntary) and all or any part of a Restricted Award has not vested or been earned pursuant to the terms of the Plan and related Award Agreement, such Award, to the extent not then vested or earned, shall be forfeited immediately upon such termination and the Participant shall have no further rights with respect thereto.

(d) *Share Certificates; Escrow*: Unless the Administrator determines otherwise, a certificate or certificates representing the shares of Common Stock subject to a Restricted Stock Award shall be issued in the name of the Participant (or, in the case of uncertificated shares, other written evidence of ownership in accordance with Applicable Law shall be provided) after the Award has been granted.

Notwithstanding the foregoing, the Administrator may require that (i) a Participant deliver the certificate(s) (or other instruments) for such shares to the Administrator or its designee to be held in escrow until the Restricted Stock Award vests and is no longer subject to a substantial risk of forfeiture (in which case the shares will be promptly released to the Participant) or is forfeited (in which case the shares shall be returned to the Company); and/or (ii) a Participant deliver to the Company a stock power, endorsed in blank (or similar instrument), relating to the shares subject to the Restricted Stock Award which are subject to forfeiture. Unless the Administrator determines otherwise, a certificate or certificate representing shares of Common Stock issuable pursuant to a Restricted Stock Unit shall be issued in the name of the Participant (or, in the case of uncertificated shares, other written evidence of ownership in accordance with Applicable Law shall be provided) promptly after the Award (or portion thereof) has vested and been earned and is distributable.

(e) *Nontransferability*: Unless the Administrator determines otherwise, Restricted Awards that have not vested shall not be transferable (including by sale, assignment, pledge or hypothecation) other than transfers by will or the laws of intestate succession, and the recipient of a Restricted Award shall not sell, transfer, assign, pledge or otherwise encumber shares subject to the Award until the Restriction Period has expired and until all conditions to vesting have been met. The designation of a beneficiary in accordance with the Plan does not constitute a transfer.

10. Performance Awards

(a) *Grant of Performance Awards*: Subject to the terms of the Plan, the Administrator may in its discretion grant Performance Awards to such eligible Participants upon such terms and conditions and at such times as the Administrator shall determine. Performance Awards may be in the form of Performance Shares and/or Performance Units. An Award of a Performance Share is a grant of a right to receive shares of Common Stock, the cash value thereof, or a combination thereof (in the Administrator's discretion), which is contingent upon the achievement of performance or other objectives during a specified period and which has a value on the date of grant equal to the Fair Market Value of a share of Common Stock. An Award of a Performance Unit is a grant in an amount determined by the Administrator that gives the holder the opportunity to receive shares of Common Stock, a cash payment or a combination of Common Stock and cash (as determined by the Administrator), which is contingent upon the achievement of performance or other objectives during a specified period and which has an initial value determined in a dollar amount established by the Administrator at the time of grant. Subject to Section 5(b), the Administrator shall have discretion to determine the number of Performance Units and/or Performance Shares granted to any Participant. Subject to the provisions of Section 3(c) herein, the Administrator shall determine the nature, length and starting date of the period during which a Performance Award may be earned (the "Performance Period"), and shall determine the conditions which must be met in order for a Performance Award to be granted or to vest or be earned (in whole or in part), which conditions may include but are not limited to payment of a stipulated purchase price, attainment of performance objectives, continued service or employment for a certain period of time or a combination of any such conditions. Subject to Section 1(ii), the Administrator shall determine the Performance Measures to be used in valuing Performance Awards.

(b) *Earning of Performance Awards*: Subject to the terms of the Plan (and taking into account any Code Section 409A considerations), the Administrator shall have sole authority to determine whether and to what degree Performance Awards have been earned and are payable and to interpret the terms and conditions of Performance Awards and the provisions of this Section 10.

(c) *Form of Payment*: Payment of the amount to which a Participant shall be entitled upon earning a Performance Award shall be made in cash, shares of Common Stock or a combination of cash and shares of Common Stock, as determined by the Administrator in its sole discretion. Payment may be made in a lump sum or upon such terms as may be established by the Administrator (taking into account any Code Section 409A considerations).

(d) *Termination of Employment or Service; Forfeiture*: Unless the Administrator determines otherwise (taking into account any Code Section 409A considerations), if the employment or service of a Participant shall terminate for any reason (whether by the Company or the Participant and whether voluntary or involuntary) and the Participant has not earned all or part of a Performance Award pursuant to the terms of the Plan and related Award Agreement, such Award, to the extent not then earned, shall be forfeited immediately upon such termination and the Participant shall have no further rights with respect thereto.

(e) *Nontransferability:* Unless the Administrator determines otherwise, Performance Awards which have not been earned shall not be transferable (including by sale, assignment, pledge or hypothecation) other than transfers by will or the laws of intestate succession, and the recipient of a Performance Award shall not sell, transfer, assign, pledge or otherwise encumber any shares or any other benefit subject to the Award until the Performance Period has expired and the conditions to earning the Award have been met. The designation of a beneficiary in accordance with the Plan does not constitute a transfer.

11. Phantom Stock Awards

(a) *Grant of Phantom Stock Awards*: Subject to the terms of the Plan, the Administrator may in its discretion grant Phantom Stock Awards to such eligible Participants, in such numbers, upon such terms and at such times as the Administrator shall determine. A Phantom Stock Award is an Award to a Participant of a number of hypothetical share units with respect to shares of Common Stock, with a value based on the Fair Market Value of a share of Common Stock.

(b) *Vesting of Phantom Stock Awards*: Subject to the terms of the Plan (and taking into account any Code Section 409A considerations), the Administrator shall have sole authority to determine whether and to what degree Phantom Stock Awards have vested and are payable and to interpret the terms and conditions of Phantom Stock Awards.

(c) *Termination of Employment or Service; Forfeiture*: Unless the Administrator determines otherwise (taking into account any Code Section 409A considerations), if the employment or service of a Participant shall be terminated for any reason (whether by the Company or the Participant and whether voluntary or involuntary) and all or any part of a Phantom Stock Award has not vested and become payable pursuant to the terms of the Plan and related Award Agreement, such Award, to the extent not then vested or earned, shall be forfeited immediately upon such termination and the Participant shall have no further rights with respect thereto.

(d) *Payment of Phantom Stock Awards*: Upon vesting of all or a part of a Phantom Stock Award and satisfaction of such other terms and conditions as may be established by the Administrator, the Participant shall be entitled to a payment of an amount equal to the Fair Market Value of one share of Common Stock with respect to each such Phantom Stock unit which has vested and is payable. Payment may be made, in the discretion of the Administrator, in cash or in shares of Common Stock valued at their Fair Market Value on the applicable vesting date or dates (or other date or dates determined by the Administrator), or in a combination thereof. Payment may be made in a lump sum or upon such terms as may be established by the Administrator (taking into account any Code Section 409A considerations).

(e) *Nontransferability*: Unless the Administrator determines otherwise, (i) Phantom Stock Awards shall not be transferable (including by sale, assignment, pledge or hypothecation) other than transfers by will or the laws of intestate succession and (ii) shares of Common Stock (if any) subject to a Phantom Stock Award may not be sold, transferred, assigned, pledged or otherwise encumbered until the Phantom Stock Award has vested and all other conditions established by the Administrator have been met. The designation of a beneficiary in accordance with the Plan does not constitute a transfer.

12. Other Stock-Based Awards

The Administrator shall have the authority to grant Other Stock-Based Awards to one or more eligible Participants. Such Other Stock-Based Awards may be valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock or Awards for shares of Common Stock, including but not limited to Other Stock-Based Awards granted in lieu of bonus, salary or other compensation, Other Stock-Based Awards granted with vesting or performance conditions, and/or Other Stock-Based Awards granted without being subject to vesting or performance conditions. Subject to the provisions of the Plan, the Administrator shall determine the number of shares of Common Stock to be awarded to a Participant under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, shares of Common Stock or a combination of cash and shares of Common Stock; and the other terms and conditions of such Awards. Unless the Administrator determines otherwise, (i) Other Stock-Based Awards shall not be transferable (including by sale, assignment, pledge or hypothecation) other than transfers by will or the laws of intestate succession, and (ii) shares of Common Stock (if any) subject to an Other Stock-Based Award may not be sold, transferred, assigned, pledged or otherwise encumbered until the Other Stock-Based Award has vested and all other conditions established by the Administrator have been met. The designation of a beneficiary in accordance with the Plan does not constitute a transfer.

13. Dividends and Dividend Equivalents

The Administrator may, in its sole discretion, provide that Awards other than Options and SARs earn dividends or dividend equivalents; provided, however, that dividends and dividend equivalents, if any, on unearned or unvested performance-based Awards shall not be paid (even if accrued) unless and until the underlying Award (or portion thereof) has vested and/or been earned. Such dividends or dividend equivalents may be paid currently or may be credited to a Participant's account. Any crediting of dividends or dividend equivalents may be subject to such additional restrictions and conditions as the Administrator may establish, including reinvestment in additional shares of Common Stock or share equivalents. Notwithstanding the other provisions herein, any dividends or dividend equivalent rights related to an Award shall be structured in a manner so as to avoid causing the Award and related dividends or dividend equivalent rights to be subject to Code Section 409A or shall otherwise be structured so that the Award and dividends or dividend equivalent rights are in compliance with Code Section 409A.

14. Change of Control

Notwithstanding any other provision in the Plan to the contrary, the following provisions shall apply in the event of a Change of Control (except to the extent, if any, otherwise required under Code Section 409A):

(a) To the extent that the successor or surviving company in the Change of Control event does not assume or substitute for an Award (or in which the Company is the ultimate parent corporation and does not continue the Award) on substantially similar terms or with substantially equivalent economic benefits (as determined by the Administrator) as Awards outstanding under the Plan immediately prior to the Change of Control event, (i) all outstanding Options and SARs shall become fully vested and exercisable, whether or not then otherwise vested and exercisable; and (ii) any restrictions, including but not limited to the Restriction Period, Performance Period and/or performance factors or criteria applicable to any outstanding Awards other than Options or SARs shall be deemed to have been met, and such Awards shall become fully vested, earned and payable to the fullest extent of the original grant of the applicable Award (or, in the case of performance-based Awards the earning of which is based on attaining a target level of performance, such Awards shall be deemed earned at target).

(b) Further, in the event that an Award is substituted, assumed or continued as provided in Section 14(a) herein, the Award will nonetheless become vested (and, in the case of Options and SARs, exercisable) in full and any restrictions, including but not limited to the Restriction Period, Performance Period and/or performance factors or criteria applicable to any outstanding Award other than Options or SARs shall be deemed to have been met, and such Awards shall become fully vested, earned and payable to the fullest extent of the original award (or, in the case of performance-based Awards the earning of which is based on attaining a target level of performance, such Awards shall be deemed earned as target), if the employment or service of the Participant is terminated within six months before (in which case vesting shall not occur until the effective date of the Change of Control) or one year (or such other period after a Change of Control as may be stated in a Participant's employment, change in control, consulting or other similar agreement, if applicable) after the effective date of a Change of Control if such termination of employment or service (i) is by the Company not for Cause or (ii) is by the Participant for Good Reason. For clarification, for the purposes of this Section 14, the "Company" shall include any successor to the Company.

15. Withholding

The Company shall withhold all required local, state, federal, foreign and other taxes and any other amount required to be withheld by any governmental authority or law from any amount payable in cash with respect to an Award. Prior to the delivery or transfer of any certificate for shares or any other benefit conferred under the Plan, the Company shall require any Participant or other person to pay to the Company in cash the amount of any tax or other amount required by any governmental authority to be withheld and paid over by the Company to such authority for the account of such recipient. Notwithstanding the foregoing, the Administrator may in its discretion establish procedures to permit a recipient to satisfy such obligation in whole or in part, and any local, state, federal, foreign or other income tax obligations relating to such an Award, by electing (the "election") to deliver to the Company shares of Common Stock held by the Participant (which are fully vested and not subject to any pledge or other security interest) or to have the Company withhold shares of Common Stock from the shares to which the recipient is otherwise entitled. The number of shares to be withheld or delivered shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to (but not exceeding) the amount of such obligations being satisfied. Each election must be made in writing to the Administrator in accordance with election procedures established by the Administrator.

16. Amendment and Termination of the Plan and Awards

(a) *Amendment and Termination of Plan*: The Plan may be amended, altered, suspended and/or terminated at any time by the Board; provided, that (i) approval of an amendment to the Plan by the stockholders of the Company shall be required to the extent, if any, that stockholder approval of such amendment is required by Applicable Law; and (ii) except for adjustments made pursuant to Section 5(d) the Company may not, without obtaining stockholder approval, (A) amend the terms of outstanding Options or SARs to reduce the Option Price or Base Price of such outstanding Options or SARs; (B) exchange outstanding Options or SARs for cash, for Options or SARs with an Option Price or Base Price that is less than the Option Price or Base Price of the original Option or SAR, or for other equity awards at a time when the original Option or SAR has an Option Price or Base Price, as the case may be, above the Fair Market Value of the Common Stock; or (C) take other action with respect to Options or SARs that would be treated as a repricing under the rules of the principal stock exchange on which shares of the Common Stock are listed.

(b) *Amendment and Termination of Awards*: The Administrator may amend, alter, suspend and/or terminate any Award granted under the Plan, prospectively or retroactively, but (except as otherwise provided in Section 3(b) or Section 16(c)) such amendment, alteration, suspension or termination of an Award shall not, without the written consent of the recipient of an outstanding Award, materially adversely affect the rights of the recipient with respect to the Award.

(c) *Amendments to Comply with Applicable Law*: Notwithstanding Section 16(a) and Section 16(b) herein, the following provisions shall apply:

(i) The Administrator shall have unilateral authority to amend the Plan and any Award (without Participant consent) to the extent necessary to comply with Applicable Law or changes to Applicable Law (including but in no way limited to Code Section 409A, Code Section 422 and federal securities laws).

(ii) The Administrator shall have unilateral authority to make adjustments to the terms and conditions of Awards in recognition of unusual or nonrecurring events affecting the Company or any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in Applicable Law, or accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable accounting principles or Applicable Law.

17. Restrictions on Awards and Shares; Compliance with Applicable Law

(a) *General*: As a condition to the issuance and delivery of Common Stock hereunder, or the grant of any benefit pursuant to the Plan, the Company may require a Participant or other person at any time and from time to time to become a party to an Award Agreement, other agreement(s) restricting the transfer, purchase, repurchase and/or voting of shares of Common Stock of the Company, and any employment agreements, consulting agreements, non-competition agreements, confidentiality agreements, non-solicitation agreements, non-disparagement agreements or other agreements imposing such restrictions as may be required by the Company. In addition, without in any way limiting the effect of the foregoing, each Participant or other holder of shares issued under the Plan shall be permitted to transfer such shares only if such transfer is in accordance with the Plan, the Award Agreement, any other applicable agreements and Applicable Law. The acquisition of shares of Common Stock under the Plan by a Participant or any other holder of shares shall be subject to, and conditioned upon, the agreement of the Participant or other holder of such shares to the restrictions described in the Plan, the Award Agreement and any other applicable agreements and Applicable Law.

(b) *Compliance with Applicable Laws, Rules and* Regulations: The Company may impose such restrictions on Awards, shares of Common Stock and any other benefits underlying Awards hereunder as it may deem advisable, including without limitation restrictions under the federal securities laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities or other laws applicable to such securities. Notwithstanding any other Plan provision to the contrary, the Company shall not be obligated to issue, deliver or transfer shares of Common Stock under the Plan, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with Applicable Law (including but not limited to the requirements of the Securities Act). The Company will be under no obligation to register shares of

Common Stock or other securities with the Securities and Exchange Commission or to effect compliance with the exemption, registration, qualification or listing requirements of any state securities laws, stock exchange or similar organization, and the Company will have no liability for any inability or failure to do so. The Company may cause a restrictive legend or legends to be placed on any certificate issued pursuant to an Award hereunder in such form as may be prescribed from time to time by Applicable Law or as may be advised by legal counsel.

18. No Right or Obligation of Continued Employment or Service or to Awards; Compliance with the Plan

Neither the Plan, an Award, an Award Agreement nor any other action related to the Plan shall confer upon a Participant any right to continue in the employ or service of the Company or an Affiliate as an Employee, Director or Consultant, or interfere in any way with the right of the Company or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise provided in the Plan, an Award Agreement or as may be determined by the Administrator, all rights of a Participant with respect to an Award shall terminate upon the termination of the Participant's employment or service. In addition, no person shall have any right to be granted an Award, and the Company shall have no obligation to treat Participants or Awards uniformly. By participating in the Plan, each Participant shall be deemed to have accepted all of the conditions of the Plan and the terms and conditions of any rules and regulations adopted by the Administrator and shall be fully bound thereby. Any Award granted hereunder is not intended to be compensation of a continuing or recurring nature, or part of a Participant's normal or expected compensation, and in no way represents any portion of a Participant's salary, compensation or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.

19. General Provisions

(a) *Stockholder Rights*: Except as otherwise determined by the Administrator (and subject to the provisions of Section 9(d) regarding Restricted Awards), a Participant and his legal representative, legatees or distributees shall not be deemed to be the holder of any shares of Common Stock subject to an Award and shall not have any rights of a stockholder unless and until certificates for such shares have been issued and delivered to him or them under the Plan. A certificate or certificates for shares of Common Stock acquired upon exercise of an Option or SAR shall be issued in the name of the Participant or his beneficiary and distributed to the Participant or his beneficiary (or, in the case of uncertificated shares, other written notice of ownership in accordance with Applicable Law shall be provided) as soon as practicable following receipt of notice of exercise and, with respect to Options, payment of the Option Price (except as may otherwise be determined by the Company in the event of payment of the Option Price pursuant to Section 7(d)(ii)(C)). Except as otherwise provided in Section 9(d) regarding Restricted Stock Awards or otherwise determined by the Administrator, a certificate for any shares of Common Stock issuable pursuant to a Restricted Award, Performance Award, Phantom Stock Award or Other Stock-Based Award shall be issued in the name of the Participant or his beneficiary and distributed to the Participant or his beneficiary (or, in the case of uncertificated shares, other written notice of ownership in accordance with Applicable Law shall be provided) after the Award (or portion thereof) has vested and been earned.

(b) *Section 16(b) Compliance*: To the extent that any Participants in the Plan are subject to Section 16(b) of the Exchange Act, it is the general intention of the Company that transactions under the Plan shall comply with Rule 16b-3 under the Exchange Act and that the Plan shall be construed in favor of such Plan transactions meeting the requirements of Rule 16b-3 or any successor rules thereto. Notwithstanding anything in the Plan to the contrary, the Administrator, in its sole and absolute discretion, may bifurcate the Plan so as to restrict, limit or condition the use of any provision of the Plan to Participants who are officers or directors subject to Section 16 of the Exchange Act without so restricting, limiting or conditioning the Plan with respect to other Participants.

(c) *Code Section 162(m) Performance-Based Compensation*. To the extent to which Code Section 162(m) is applicable, the Company intends that compensation payable under the Plan to Covered Employees will, to the extent practicable, constitute "qualified performance-based compensation" within the meaning of Code Section 162(m), unless otherwise determined by the Administrator. Accordingly, Awards granted to Covered Employees which are intended to qualify for the performance-based exception under Code Section 162(m) shall be deemed to include any such additional terms, conditions, limitations and provisions as are necessary to comply with the performance-based compensation exemption of Code Section 162(m), unless the Administrator, in its discretion, determines otherwise.

(d) *Unfunded Plan; No Effect on Other Plans*:

(i) The Plan shall be unfunded, and the Company shall not be required to create a trust or segregate any assets that may at any time be represented by Awards under the Plan. The Plan shall not establish any fiduciary relationship between the Company and any Participant or other person. Neither a Participant nor any other person shall, by reason of the Plan, acquire any right in or title to any assets, funds or property of the Company or any Affiliate, including, without limitation, any specific funds, assets or other property which the Company or any Affiliate, in their discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to shares of Common Stock or other amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Affiliate. Nothing contained in the Plan shall constitute a guarantee that the assets of such entities shall be sufficient to pay any benefits to any person.

(ii) The amount of any compensation deemed to be received by a Participant pursuant to an Award shall not constitute compensation with respect to which any other employee benefits of such Participant are determined, including, without limitation, benefits under any bonus, pension, profit sharing, life insurance or salary continuation plan, except as otherwise specifically provided by the terms of such plan or as may be determined by the Administrator.

(iii) Except as otherwise provided in the Plan, the adoption of the Plan shall not affect any other stock incentive or other compensation plans in effect for the Company or any Affiliate, nor shall the Plan preclude the Company from establishing any other forms of stock incentive or other compensation for employees or service providers of the Company or any Affiliate.

(e) *Governing Law*: The Plan and Awards shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws provisions of any state, and in accordance with applicable federal laws of the United States. Any and all disputes between a Participant or person claiming through him and the Company or any Affiliate relating to the Plan or an Award shall be brought only in the state courts of Greenville, South Carolina, or the United States District Court for the District of South Carolina, Greenville division, as appropriate.

(f) *Beneficiary Designation*: The Administrator may, in its discretion, permit a Participant to designate in writing a person or persons as beneficiary, which beneficiary shall be entitled to receive settlement of Awards (if any) to which the Participant is otherwise entitled in the event of death. In the absence of such designation by a Participant, and in the event of the Participant's death, the estate of the Participant shall be treated as beneficiary for purposes of the Plan, unless the Administrator determines otherwise. The Administrator shall have discretion to approve and interpret the form or forms of such beneficiary designation. A beneficiary, legal guardian, legal representative or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent that the Plan and/or Award Agreement provide otherwise, and to any additional restrictions deemed necessary or appropriate by the Administrator.

(g) *Gender and Number*: Except where otherwise indicated by the context, words in any gender shall include any other gender, words in the singular shall include the plural and words in the plural shall include the singular.

(h) *Severability*: If any provision of the Plan or an Award Agreement shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan or the Award Agreement, and the Plan or Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

(i) *Rules of Construction*: Headings are given to the sections of the Plan solely as a convenience to facilitate reference. The reference to any statute, regulation or other provision of law shall (unless the Administrator determines otherwise) be construed to refer to any amendment to or successor of such provision of law.

(j) *Successors and Assigns*: The Plan shall be binding upon the Company, its successors and assigns, and Participants, their executors, administrators and permitted transferees and beneficiaries.

(k) *Award Agreement:* The grant of any Award under the Plan shall be evidenced by an Award Agreement between the Company and the Participant. Such Award Agreement may state terms, conditions and restrictions applicable to the Award and any may state such other terms, conditions and restrictions, including but not limited to terms, conditions and restrictions applicable to shares of Common Stock (or other benefits) subject to an Award, as may be established by the Administrator.

(l) *Right of Offset:* Notwithstanding any other provision of the Plan or an Award Agreement, the Company may at any time (subject to any Code Section 409A considerations) reduce the amount of any payment or benefit otherwise payable to or on behalf of a Participant by the amount of any obligation of the Participant to or on behalf of the Company or an Affiliate that is or becomes due and payable.

(m) *Uncertified Shares*: Notwithstanding anything in the Plan to the contrary, to the extent the Plan provides for the issuance of stock certificates to reflect the issuance of shares of Common Stock, the issuance may, in the Company's discretion, be effected on a non-certificated basis, to the extent not prohibited by the Company's certificate of incorporation or bylaws or by Applicable Law (including but not limited to applicable state corporate law and the applicable rules of any stock exchange on which the Common Stock may be traded).

(n) *Income and Other Taxes:* Participants are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with Awards (including but not limited to any taxes arising under Code Section 409A), and the Company shall not have any obligation to indemnify or otherwise hold any Participant harmless from any or all of such taxes. The Company shall have no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for a Participant or any other person.

(o) *Effect of Certain Changes in Status:* Notwithstanding the other terms of the Plan or an Award Agreement, the Administrator has sole discretion to determine (taking into account any Code Section 409A considerations), at the time of grant of an Award or at any time thereafter, the effect, if any, on Awards (including but not limited to modifying the vesting, exercisability and/or earning of Awards) granted to a Participant if the Participant's status as an Employee, Director or Consultant changes, including but not limited to a change from full-time to part-time, or vice versa, or if other similar changes in the nature or scope of the Participant's employment or service occur.

(p) *Stockholder Approval:* The Plan is subject to approval by the stockholders of the Company, which approval must occur, if at all, within 12 months of the Effective Date of the Plan. Awards granted prior to such stockholder approval shall be conditioned upon and shall be effective only upon approval of the Plan by such stockholders on or before such date.

(q) *Deferrals:* Subject to the provisions of this Section 19(q) and Section 20, the Administrator may permit or require a Participant to defer such Participant's receipt of the payment of cash or the delivery of shares of Common Stock that would otherwise be payable with respect to an Award. Any such deferral shall be subject to such terms and conditions as may be established by the Administrator and to any applicable Code Section 409A requirements.

(r) *Fractional Shares:* Except as otherwise provided in an Award Agreement or determined by the Administrator, (i) the total number of shares issuable pursuant to the exercise, vesting or earning of an Award shall be rounded down to the nearest whole share, and (ii) no fractional shares shall be issued. The Administrator may, in its discretion, determine that a fractional share shall be settled in cash.

(s) *Compliance with Recoupment, Ownership and Other Policies or Agreements:* Notwithstanding anything in the Plan to the contrary, the Administrator may, at any time, consistent with, but without limiting, the authority granted in Section 3(b) herein, in its discretion provide that an Award or benefits related to an Award shall be forfeited and/or recouped if the Participant, during employment or service or following termination of employment or service for any reason, engages in certain specified conduct, including but not limited to violation of policies of the Company or an Affiliate, breach of non-solicitation, non-competition, confidentiality or other restrictive covenants, or other conduct by the Participant that is determined by the Administrator to be detrimental to the business or reputation of the Company or any Affiliate. In addition, without limiting the effect of the foregoing, as a condition to the grant of an Award or receipt or retention of shares of Common Stock, cash or any other benefit under the Plan, the Administrator may, at any time, require that a Participant comply with the Company's Compensation Recovery Policy and Stock Ownership and Retention Policy (including but not limited to such policy's stock retention requirements) and/or other policies adopted by the Company or an Affiliate, each as in effect from time to time and to the extent applicable to the Participant. Further, each Participant shall be subject to such compensation recovery, recoupment, forfeiture or other similar provisions as may apply under Applicable Law.

(t) *Attestation:* Wherever in the Plan or any Award Agreement a Participant is permitted to pay the Option Price of an Option or taxes relating to the exercise, vesting or earning of an Award by delivering shares of Common Stock, the Participant may, unless the Committee determines otherwise and subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such shares, in which case the Company shall treat the Award as exercised, vested or earned without further payment and/or shall withhold such number of shares from the shares acquired by the exercise, vesting or earning of the Award, as appropriate.

(u) *Plan Controls:* Unless the Administrator determines otherwise, (i) in the event of a conflict between any term or provision contained in the Plan and an express term contained in any Award Agreement, the applicable terms and provisions of the Plan will govern and prevail, and (ii) the terms of an Award Agreement shall not be deemed to be in conflict or inconsistent with the Plan merely because they impose greater or additional restrictions, obligations or duties, or if the Award Agreement provides that such Award Agreement terms apply notwithstanding the provisions to the contrary in the Plan.

20. Compliance with Code Section 409A

Notwithstanding any other provision in the Plan or an Award Agreement to the contrary, if and to the extent that Code Section 409A is deemed to apply to the Plan or any Award, it is the general intention of the Company that the Plan and all such Awards shall, to the extent practicable, comply with, or be exempt from, Code Section 409A, and the Plan and any such Award Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of shares or any other benefit issuable pursuant to an Award otherwise exempt from Code Section 409A in a manner that would cause Code Section 409A to apply shall not be permitted unless such deferrals are in compliance with, or exempt from, Code Section 409A. In the event that the Company (or a successor thereto) has any stock which is publicly traded on an established securities market or otherwise, distributions that are subject to Code Section 409A to any Participant who is a "specified employee" (as defined under Code Section 409A) upon a separation from service may only be made following the expiration of the six-month period after the date of separation from service (with such distributions to be made during the seventh month following separation of service), or, if earlier than the end of the six-month period, the date of death of the specified employee, or as otherwise permitted under Code Section 409A. For purposes of Code Section 409A, each installment payment provided under the Plan or an Award Agreement shall be treated as a separate payment. Without in any way limiting the effect of any of the foregoing, (i) in the event that Code Section 409A requires that any special terms, provisions or conditions be included in the Plan or any Award Agreement, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Plan or Award Agreement, as applicable, and (ii) terms used in the Plan or an Award Agreement shall be construed in accordance with Code Section 409A if and to the extent required. Further, in the event that the Plan or any Award shall be deemed not to comply with Code Section 409A, then neither the Company, the Administrator nor its or their designees or agents shall be liable to any Participant or other person for actions, decisions or determinations made in good faith.

[Signature Page To Follow]

IN WITNESS WHEREOF, this Regional Management Corp. 2015 Long-Term Incentive Plan is, by the authority of the Board of Directors of the Company, executed in behalf of the Company, the ______day of ______, 2015.

REGIONAL MANAGEMENT CORP.

By:____________________________________
Name:
Title:

ATTEST:

By:____________________________________
Name:
Title:

APPENDIX B

REGIONAL MANAGEMENT CORP.
ANNUAL INCENTIVE PLAN

(As Amended and Restated Effective March 23, 2015)

1. Purpose of the Plan; Eligibility

The purpose of the Plan is to enable the Company to attract, retain, motivate and reward selected officers and other employees of the Company and its Affiliates by providing them with the opportunity to earn incentive compensation awards (each, an "award" or "bonus") based on attainment of performance objectives. Officers and other employees of the Company and its Affiliates who are selected by the Committee shall be eligible to participate in the Plan.

2. Definitions

In addition to other terms defined herein, the following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) "Affiliate" means any Parent or Subsidiary of the Company, and also includes any other business entity which is controlled by, under common control with or controls the Company.

(b) "Applicable Law" means any applicable laws, rules and regulations (or similar guidance), including but not limited to the Code.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Change of Control" shall (except as may be otherwise required, if at all, under Code Section 409A) be deemed to have occurred on the earliest of the following dates:

(i) The date any entity or person shall have become the beneficial owner of, or shall have obtained voting control over, more than fifty percent (50%) of the total voting power of the Company's then outstanding voting stock;

(ii) The date of the consummation of (A) a merger, consolidation, recapitalization or reorganization of the Company (or similar transaction involving the Company), in which the holders of the Company's common stock immediately prior to the transaction have voting control over less than fifty percent (50%) of the voting securities of the surviving corporation immediately after such transaction, or (B) the sale or disposition of all or substantially all the assets of the Company; or

(iii) The date there shall have been a change in a majority of the Board within a 12-month period unless the nomination for election by the Company's stockholders or the appointment of each new director was approved by the vote of two-thirds of the members of the Board (or a committee of the Board, if nominations are approved by a Board committee rather than the Board) then still in office who were in office at the beginning of the 12-month period.

(For the purposes herein, the term "person" shall mean any individual, corporation, partnership, group, association or other person, as such term is defined in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, other than the Company, a Subsidiary of the Company or any employee benefit plan(s) sponsored or maintained by the Company or any Subsidiary thereof, and the term "beneficial owner" shall have the meaning given the term in Rule 13d-3 under the Exchange Act.)

For the purposes of clarity, a transaction shall not constitute a Change of Control if its principal purpose is to change the state of the Company's incorporation, create a holding company that would be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction or is another transaction of other similar effect.

Notwithstanding the preceding provisions of Section 2(d), in the event that any awards granted under the Plan are deemed to be deferred compensation subject to (and not exempt from) the provisions of Code Section 409A, then distributions related to such awards to be made upon a Change of Control may be permitted, in the Committee's discretion, upon the occurrence of one or more of the following events (as they are defined and interpreted under Code Section 409A): (A) a change in the ownership of the Company; (B) a change in effective control of the Company; or (C) a change in the ownership of a substantial portion of the assets of the Company.

(e) "Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto. Any reference herein to a specific Code section shall be deemed to include all related regulations or other guidance with respect to such Code section.

(f) "Committee" shall mean the Compensation Committee of the Board (or a subcommittee thereof), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan. For clarity, the term "Committee" includes the Board (or subcommittee of the Committee or other committee of the Board) if exercising the authority of the Committee under the Plan.

(g) "Company" means Regional Management Corp., a Delaware corporation, together with any successor thereto. In the Committee's discretion, the term "Company" may also refer to the Company and any or all of its Affiliates.

(h) "Covered Employee" shall have the meaning given the term in Code Section 162(m).

(i) "Determination Date" means, with respect to compensation payable to a Covered Employee that is intended to qualify for the qualified performance-based compensation exception under Code Section 162(m), the earlier of (i) the 90^{th} day of the Performance Period or (ii) the date on which 25% of the Performance Period has elapsed; provided that, in any event, the Determination Date shall be a date on which the outcome of any performance objectives is substantially uncertain. For clarity, with respect to compensation that is not intended to so qualify, the Determination Date shall be established by the Committee in its discretion.

(j) "Disability" or "Disabled" shall, except as may be otherwise determined by the Committee (taking into account any Code Section 409A considerations), as applied to any Participant, have the meaning given in any employment agreement, change in control agreement, consulting agreement or other similar agreement, if any, to which the Participant is a party, or, if there is no such agreement (or if such agreement does not define "Disability" or "Disabled"), "Disability" or "Disabled" shall mean the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Committee shall have authority to determine if a Disability has occurred.

(k) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any successor thereto.

(l) "Parent" shall mean a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

(m) "Participant" shall mean each officer and other employee of the Company or any of its Affiliates whom the Committee designates as a participant under the Plan.

(n) "Person" shall mean "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(o) "Performance Period" shall mean a period established by the Committee during which performance shall be measured to determine if any payment will be made under the Plan. A Performance Period may be coincident with one or more fiscal years or fiscal quarters of the Company, or any portion thereof, and performance periods may be overlapping.

(p) "Plan" shall mean the Regional Management Corp. Annual Incentive Plan, as amended and restated effective March 23, 2015, and as it may be further amended and/or restated.

(q) "Share" shall mean a share of common stock of the Company, or any successor securities thereto.

(r) "Subsidiary" shall mean a "subsidiary corporation," whether now or hereafter existing, as defined in Code Section 424(f) (or any successor section thereto).

3. Administration

(a) The Plan shall be administered and interpreted by the Committee; provided, however, that the Board may, in its sole discretion, take any action delegated to the Committee under this Plan as it may deem necessary; and, provided further, that, to the extent Code Section 162(m) is applicable, the Plan shall, to the extent reasonably possible, be administered and interpreted by the Committee in a manner which would be expected to cause any award intended to be qualified as performance-based compensation under Code Section 162(m) to so qualify. Without limiting the effect of the foregoing, (i) to the extent required by Code Section 162(m), the Committee shall be comprised of at least two members and each member of the Committee (or subcommittee of the Committee) shall be an "outside director" as defined in Code Section 162(m), and (ii) the members of the Committee shall be deemed independent if and to the extent required under applicable rules of any applicable stock exchange or national securities association. The Committee shall select Participants, establish the performance objective(s) for any Performance Period in accordance with Section 4 and certify whether and to what extent such performance objective(s) have been obtained. Any determination made by the Committee under the Plan shall be final, conclusive and binding on the Company, any of its Subsidiaries or other Affiliates, any Participant and any other person dealing with the Plan. The Committee's authority to grant awards and authorize payments under the Plan shall not in any way restrict the authority of the Company to grant compensation to employees or other service providers under any other compensation plan, program or arrangement of the Company.

(b) The Committee may employ such legal counsel, consultants and agents (including counsel or agents who are employees of the Company or any of its Subsidiaries) as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant or agent and any computation received from such consultant or agent. All expenses incurred in the administration of the Plan, including, without limitation, for the engagement of any counsel, consultant or agent, shall be paid by the Company. No member or former member of the Board or the Committee shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan other than as a result of such individual's willful misconduct.

(c) The Committee may delegate its authority under this Plan, subject to the requirements of Applicable Law and such terms and conditions as may be established by the Committee; provided that, to the extent Code Section 162(m) is applicable, the Committee shall not delegate its authority with respect to the compensation of the Chief Executive Officer of the Company or any other individual whom the Board or Committee reasonably believes is or may become a Covered Employee subject to Code Section 162(m). The Committee also shall have the authority and discretion to establish terms and conditions of awards (including but not limited to the establishment of subplans) as the Committee determines to be necessary or appropriate to conform to the applicable requirements or practices of jurisdictions outside of the United States.

4. Bonuses

(a) Performance Objectives. The Committee shall select those persons who shall be eligible to participate in the Plan and shall establish the performance objective or objectives that must be satisfied during a Performance Period in order for a Participant to be eligible to receive a bonus for such Performance Period. The Committee shall make such determinations no later than the Determination Date (or such other date as may be required or permitted under Code Section 162(m)) with respect to awards granted to Covered Employees that are intended to qualify for the qualified performance-based compensation exception under Code Section 162(m) and on such date as may be determined by the Committee with respect to awards not intended to so qualify. The performance objective(s) established by the Committee may be based on individual, business unit/function and/or corporate performance measures. With respect to awards granted to Covered Employees that are intended to qualify for the performance-based compensation exception under Code Section 162(m), any such performance objective(s) must be established in writing and must be objective and based upon the relative or comparative achievement of one or more of the following criteria, as determined by the Committee: (i) consolidated income before or after taxes (including income before interest, taxes, depreciation and amortization); (ii) EBITDA; (iii) adjusted EBITDA; (iv) operating income; (v) net income; (vi) adjusted cash net income; (vii) adjusted cash net income per Share; (viii) net income per Share and/or earnings per Share (in each case, on a basic and/or diluted basis); (ix) book value per Share; (x) return on members' or stockholders' equity; (xi) expense management (including, without limitation, total general and administrative expense percentages); (xii) return on investment; (xiii) improvements in capital structure; (xiv) profitability of an identifiable business unit or product; (xv) maintenance or improvement of profit margins; (xvi) stock price; (xvii) market share; (xviii) revenue or sales (including, without limitation, net loans charged off, average finance receivables, net loans charged off as percent of average net finance receivables, and net finance receivables); (xix) costs (including, without limitation, total general and administrative expense percentage); (xx) cash flow; (xxi) working capital; (xxii) multiple of invested capital (xxiii) total debt (including, without limitation, total debt as a multiple of EBITDA), and (xxiv) total return. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or other Affiliates or one or more of its divisions, departments or units, or any combination of the foregoing, and may be applied on an absolute basis, in relation to performance in a prior period and/or in relation to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, with respect to awards that are not intended to qualify for the performance-based compensation exception under Code Section 162(m), the Committee may approve performance objectives based on other criteria, which may or may not be objective.

(b) Target Incentive Bonuses; Discretionary Bonuses.

(i) The Committee shall establish target incentive bonuses for each individual Participant. The Committee shall make such determinations no later than the Determination Date of a given Performance Period (or such other date as may be required or permitted under Code Section 162(m) to the extent applicable) with respect to awards that are intended to qualify for the qualified performance-based compensation exception under Code Section 162(m) and on such date as may be determined by the Committee with respect to awards that are not intended to so qualify.

(ii) Bonuses paid to persons who are "Covered Employees" as determined under Code Section 162(m) are intended to comply with the qualified performance-based compensation exception under Code Section 162(m) if and to the extent practicable, although the Committee may determine to award bonuses under the Plan that do not so qualify. As such, the Committee may, in its discretion, grant such bonuses, if any, to such Participants, if any, as the Committee may determine, in respect of a given Performance Period, that are based on such performance objectives as may be established by the Committee (subject, in any event, to the Participant award limitation stated in Section 4(c) herein).

(c) Determination of Bonuses; Maximum Amount Payable. As soon as practicable after the applicable Performance Period ends, the Committee shall (i) determine (A) whether and to what extent any of the performance objective(s) established for the relevant Performance Period have been satisfied and certify to such determination, and (B) for each Participant who is employed by the Company or one of its Subsidiaries or other Affiliates on the last day of the applicable Performance Period, unless otherwise determined by the Committee, the actual bonus to which such Participant shall be entitled, taking into consideration the extent to which the performance objective(s) have been met and such other factors as the Committee may deem appropriate, and (ii) cause such bonus to be paid to such Participant in accordance with Section 5. Any provision of this Plan notwithstanding, in no event shall any Participant receive a bonus under this Plan in respect of any fiscal year of the Company in excess of $2,500,000.

(d) Negative Discretion. Notwithstanding any other provision in the Plan, the Committee shall have the unilateral right, in its absolute discretion, to (i) reduce or eliminate the amount of an award granted to any Participant, including an award otherwise earned and payable pursuant to the terms of the Plan; and (ii) establish rules and procedures that have the effect of limiting the amount payable to each Participant to an amount that is less than the maximum amount otherwise authorized under Section 4(c). The Committee shall not have any discretion to increase the amount of an award payable to a Participant who is a Covered Employee to the extent that the award is intended to comply with the qualified performance-based compensation exception under Code Section 162(m) (except in the event of a change of control or as otherwise permitted under Code Section 162(m)).

(e) Death or Disability. If a Participant dies or becomes Disabled prior to the date on which bonuses under the Plan for the applicable Performance Period are payable, such Participant may, in the Committee's discretion, receive an annual bonus equal to the bonus otherwise payable to such Participant based upon actual Company performance for the applicable Performance Period or, if determined by the Committee, based upon achieving targeted performance objectives, multiplied by a fraction, the numerator of which is the number of days that have elapsed during the Performance Period in which the Participant's death or Disability occurs prior to and including the date of the Participant's death or Disability and the denominator of which is the total number of days in the Performance Period or such other amount as the Committee may deem appropriate.

(f) Other Termination of Employment. Unless otherwise determined by the Committee and except as may otherwise be provided in Section 4(e) above, no bonuses shall be payable under this Plan in respect of any Performance Period to any Participant whose employment terminates prior to the last day of such Performance Period. Any such determination by the Committee shall be made in a manner consistent with Code Section 162(m) if and to the extent required with respect to awards that are intended to qualify for the performance-based compensation exception under Code Section 162(m).

(g) Partial Performance Period. To the extent permitted under Code Section 162(m), unless otherwise determined by the Committee, if a Participant is hired or rehired by the Company (or any of its Subsidiaries or other Affiliates) after the beginning of a Performance Period for which a bonus is payable hereunder, such Participant may, if determined by the Committee, receive a bonus equal to the bonus otherwise payable to such Participant based upon actual Company performance for the applicable Performance Period or, if determined by the Committee, based upon achieving targeted performance objectives, multiplied by a fraction, the numerator of which is the number of days of active employment with the Company (or any of its Subsidiaries or other Affiliates) during the Performance Period and the denominator of which is the total number of days in the Performance Period or such other amount as the Committee may deem appropriate.

(h) Change of Control. In the event of a Change of Control, the Committee (as constituted immediately prior to the Change of Control) shall, in its sole discretion, determine whether and to what extent the performance criteria have been met or shall be deemed to have been met for the year in which the Change of Control occurs and for any completed Performance Period for which a determination has not yet been made under Section 4(c).

(i) Forfeiture/Clawback. Notwithstanding anything in the Plan to the contrary, the Committee may in its discretion at any time provide that an award or benefits related to an award shall be forfeited and/or recouped if the Participant, during employment or service or following termination of employment or service for any reason, engages in certain specified conduct, including but not limited to violation of policies of the Company or an Affiliate, breach of non-solicitation, noncompetition, confidentiality or other restrictive covenants, or other conduct by the Participant that is determined by the Committee to be detrimental to the business or reputation of the Company or any Affiliate. In addition, without limiting the effect of the foregoing, as a condition to the grant of an award or receipt of any benefit under the Plan, the Committee may at any time require that a Participant agree to abide by any equity retention policy, stock ownership guidelines, compensation recovery policy and/or other policies adopted by the Company or an Affiliate, each as in effect from time to time and to the extent applicable to the Participant. Further, each Participant shall be subject to such compensation recovery, recoupment, forfeiture or other similar provisions as may apply under Applicable Law.

(j) Adjustments. The Committee may provide with respect to any award that any evaluation of performance shall exclude or otherwise objectively adjust for any specified circumstance or event that occurs during a Performance Period, including by way of example but without limitation the following: (i) asset write-downs or impairment charges; (ii) significant litigation or claim judgments or settlements; (iii) the effect of change in tax laws, accounting standards or principles or other laws or regulatory rules; (iv) any reorganization and restructuring programs; (v) extraordinary nonrecurring items as described in then-current accounting principles; (vi) extraordinary nonrecurring items as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to stockholders; (vii) acquisitions or divestitures; (viii) a change in the Company's fiscal year; (ix) any other specific unusual or infrequent events or objectively determinable category thereof; (x) foreign exchange gains and losses. The Committee shall make provisions for any such adjustments if and as required under Code Section 162(m) to the extent that Code Section 162(m) is intended to apply with respect to an award.

5. Payment

(a) In General. Except as otherwise provided hereunder, payment of any bonus amount determined under Section 4 shall be made to each Participant as soon as practicable after the Committee certifies in writing that one or more of the applicable performance objectives have been attained or, in the case of any bonus payable under the provisions of Section 4(d), after the Committee determines the amount of any such bonus; provided, however, that in any event all payments made hereunder shall be structured in a manner intended to be in accordance with or exempt from the requirements of Code Section 409A. Without limiting the effect of the foregoing, awards payable under the Plan shall be paid no later than the later of (i) the 15th day of the third month following the end of the Participant's first taxable year in which the right to payment is no longer subject to a substantial risk of forfeiture, or (ii) the 15th day of the third month following the end of the Company's first taxable year in which the right to payment is no longer subject to a substantial risk of forfeiture, or shall otherwise be structured in a manner intended to be exempt from or in compliance with Code Section 409A.

(b) Form of Payment. All bonuses payable under this Plan shall be payable in cash or, at the discretion of the Committee, in awards or shares under the Company's 2015 Long-Term Incentive Plan, 2011 Stock Incentive Plan or any successor plan, in each case as such plan may be amended from time to time.

6. General Provisions

(a) Effectiveness of the Plan. The Plan became effective on the date on which it was adopted by the Board (August 23, 2011, the "Effective Date"), subject to the approval of the stockholders of the Company, which approval was obtained. The Plan was amended and restated effective March 23, 2015, subject to the approval of the stockholders of the Company. The Plan shall be subject to further stockholder approval if and to the extent required under Code Section 162(m) or other Applicable Law.

(b) Amendment and Termination. The Board or the Committee may at any time amend, suspend, discontinue or terminate the Plan and any awards granted under the Plan; provided, however, that approval of an amendment to the Plan by the stockholders of the Company shall be required to the extent, if any, that stockholder approval is required under Applicable Law. Further, the Committee shall have unilateral authority to amend the Plan and any award (without Participant consent) to the extent necessary to comply with Applicable Law or changes to Applicable Law.

(c) No Right to Continued Employment or Awards. Nothing in this Plan shall be construed as conferring upon any Participant any right to continue in the employment of or service to the Company or any of its Subsidiaries. Except as may be otherwise provided in the Plan or determined by the Board or the Committee, all rights of a Participant with respect to an award shall terminate upon the Participant's termination of employment or service. No Participant shall have any claim to be granted any award, and there is no obligation for uniformity of treatment of Participants or beneficiaries. The terms and conditions of awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not the Participants are similarly situated).

(d) No Limitation on Corporate Actions. Nothing contained in the Plan shall be construed to prevent the Company or any of its Affiliates from taking any corporate action which is deemed by it to be appropriate or in its best interest, whether or not such action would have an adverse effect on any awards made under the Plan. No employee, beneficiary or other person shall have any claim against the Company or any of its Affiliates as a result of any such action. Further, notwithstanding any other Plan provision to the contrary, the Company shall not be obligated to make any distribution of benefits under the Plan, or take any other action, unless such distribution or action is in compliance with Applicable Law.

(e) Successors and Assigns; Nonalienation of Benefits. The Plan shall be binding upon the Company, its successors and assigns, and Participants, their legal representatives, executors, administrators and beneficiaries. No Participant or beneficiary shall have the power or right to transfer, anticipate or otherwise encumber the Participant's interest under the Plan, without the Company's consent. The Company's obligations under this Plan are not assignable or transferable except to (i) a corporation which acquires all or substantially all of the Company's assets or (ii) any corporation into which the Company may be merged or consolidated.

(f) Withholding; Other Tax Matters. A Participant shall be required to pay to the Company or any of its Affiliates and the Company or any of its Affiliates shall have the right and is hereby authorized to withhold from any payment due under this Plan or from any compensation or other amount owing to the Participant, applicable withholding taxes with respect to any payment under this Plan and to take such action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding taxes. The Company has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for a Participant or any other person, or to indemnify any person with respect to any tax obligations.

(g) Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

(h) Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws, and any and all disputes by a Participant relating to the Plan shall be brought only in the state courts of Greenville, South Carolina, or the United States District Court for the District of South Carolina, Greenville division, as appropriate.

(i) Headings. Headings are inserted in this Plan for convenience of reference only and are to be ignored in a construction of the provisions of the Plan.

(j) Compliance with Section 409A. Notwithstanding any other provision in the Plan or an award to the contrary, if and to the extent that Code Section 409A is deemed to apply to the Plan or any award, it is the general intention of the Company that the Plan and all such awards shall, to the extent practicable, comply with, or be exempt from, Code Section 409A, and the Plan and any such awards shall, to the extent practicable, be construed in accordance therewith. Deferrals of any benefit distributable under the Plan otherwise exempt from Code Section 409A in a manner that would cause Code Section 409A to apply shall not be permitted unless such deferrals are in compliance with, or exempt from, Code Section 409A. In the event that the Company (or a successor thereto) has any stock which is publicly traded on an established securities market or otherwise, distributions that are subject to Code Section 409A to any Participant who is a "specified employee" (as defined under Code Section 409A) upon a separation from service may only be made following the expiration of the six-month period after the date of separation from service (with such distributions to be made during the seventh month following separation of service), or, if earlier than the end of the six-month period, the date of death of the specified employee, or as otherwise permitted under Code Section 409A. For purposes of Code Section 409A, each installment payment provided under the Plan or an award shall be treated as a separate payment. Without in any way limiting the effect of any of the foregoing, (i) in the event that Code Section 409A requires that any special terms, provisions or conditions be included in the Plan or any award, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Plan or award, as applicable, and (ii) terms used in the Plan or an award shall be construed in accordance with Code Section 409A if and to the extent required. Further, in the event that the Plan or any award shall be deemed not to comply with Code Section 409A, then neither the Company, the Board, the Committee, nor its or their designees or agents shall be liable to any Participant or other person for actions, decisions or determinations made in good faith.

(k) No Trust; Unfunded Plan. The Company shall not be required to establish or maintain a special fund or segregate assets with respect to any obligations under the Plan, and neither a Participant nor any other person shall have any interest in any particular assets of the Company. Nothing contained in the Plan shall be construed as creating a trust of any kind or any other fiduciary relationship between the Company and the Participants or any other person or constitute a guarantee that the assets of the Company shall be sufficient to pay any benefits. To the extent that any person acquires a right to receive payments under the Plan, such right shall be no greater than the right of an unsecured creditor of the Company.

(l) Code Section 162(m) Matters. The Company intends that compensation under the Plan payable to Covered Employees will, to the extent practicable and unless the Board or the Committee determines otherwise, constitute qualified performance-based compensation within the meaning of Code Section 162(m). Accordingly, the provisions of the Plan shall, to the extent practicable, be administered and interpreted in a manner consistent with Code Section 162(m) (including by way of illustration the timing of actions taken and any requirement that certifications be in writing), unless the Board or the Committee determines otherwise.

Regional Management Corp.

NYSE: RM

"Your Hometown Credit Source"

QUICK FACTS
(as of December 31, 2014)

Branches: 300

Geography: 8 states

- South Carolina
- Texas
- North Carolina
- Tennessee
- Alabama
- Oklahoma
- New Mexico
- Georgia

Year Founded: 1987

MANAGEMENT TEAM:

Michael R. Dunn
Chief Executive Officer

Jody L. Anderson
President and Chief Operating Officer

Donald E. Thomas
Executive Vice President and Chief Financial Officer

Daniel J. Taggart
Senior Vice President and Chief Risk Officer

A. Michelle Masters
Senior Vice President of Strategic Operations and Initiatives

Brian J. Fisher
Vice President, General Counsel, and Secretary

CONTACT INFORMATION:

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(203) 682-8331
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COMPANY OVERVIEW

Regional Management Corp. is a diversified, specialty consumer finance company focused on high-touch, relationship-based lending offering flexible and affordable loan products to customers with limited access to traditional credit. Our goal is to consistently and soundly grow our finance receivables and manage our portfolio risk while providing our customers with attractive and easy-to-understand loan products that serve their varied financial needs. As of December 31, 2014, we had approximately 345,500 accounts and $546.2 million in finance receivables.

BRANCH NETWORK / ORIGINATION CHANNELS

Our loans are sourced through our multiple channel platform, including in our branches, through direct mail campaigns, independent and franchise automobile dealerships, online credit application networks, retailers, and our consumer website. Our integrated branch model is the foundation of our multi-channel origination strategy, with nearly all loans serviced at branches, creating strong customer relationships from frequent in-person contact, which we believe improves our credit performance and enhances customer loyalty. As of December 31, 2014, we operated 300 branches in eight states.

LOAN PRODUCTS & FEATURES

Our loans provide a more affordable, flexible solution than alternative financial service products, and we offer monthly credit reporting to help our customers establish or potentially repair their credit history. Most of our loan products are secured and each is structured on a fixed rate, fixed term basis with fully amortizing equal monthly installment payments, repayable at any time without penalty. We take pride in underwriting the story behind each customer, not just their credit score. Our loans are sized to allow customers to affordably make payments from disposable income.

Loan Features

- Fixed Rate
- Fixed Term
- Equal Monthly Payments
- Fully-Amortizing
- Flexible Loan Sizes & Maturities
- No Pre-Payment Penalties

Loan Products	Size	Term
Small Loans	Range: $500 – $2,500 Average: $1,100	Up to 36 months
Large Loans	Range: $2,501 – $20,000 Average: $3,700	18 to 60 months
Automobile Loans	Range: Up to $27,500 Average: $8,900	36 to 72 months
Retail Loans	Range: Up to $7,500 Average: $1,000	6 to 48 months

OPPORTUNITY FOR GROWTH

We serve a large, addressable market of underbanked and non-prime consumers. We plan to continue expanding our reach in current and nearby states, focus on growing our small and large installment loan categories, and expand our relationships with automobile dealerships and retailers. We believe there is an opportunity to open as many as 700 additional retail branches.

KEY BUSINESS & FINANCIAL HIGHLIGHTS

- Revenue: CAGR of 24.0% from $86.5 million in 2010 to $204.7 million in 2014
- 2014 Net Income: $14.8 million, diluted earnings per share of $1.14
- Aggregate receivables have grown at a CAGR of 21.9% from $247.7 million in 2010 to $546.2 million in 2014
- Fourth quarter 2014 same-store revenue growth of 4.8%

Regional
Management Corp.