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Overland Park, Kansas 66210  
OTC PINK Symbol: QCCO

## **NEWS RELEASE**

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Chief Financial Officer

### **QC Holdings, Inc. Reports First Quarter Results**

OVERLAND PARK, KS (May 25, 2016) – QC Holdings, Inc. (OTC PINK: QCCO) reported income from continuing operations of \$1.2 million and revenues of \$31.7 million for the three months ended March 31, 2016. For the three months ended March 31, 2015, income from continuing operations totaled \$1.1 million and revenues were \$34.5 million.

The revenue decline in first quarter 2016 compared to 2015 reflects lower interest and fees from the company's consumer loan products, indicative of competitive pressures as customers explore alternative loan products and distribution channels. Loan loss rates were slightly lower in first quarter 2016 versus first quarter 2015, indicative of improvements in installment loan performance. The reduction in revenues exceeded the improved losses, resulting in a gross profit decline of \$1.2 million quarter-to-quarter.

During 2016, QC will continue its efforts to introduce competitive products and services across its network, as well as to develop a dynamic online capability that will provide customers greater flexibility in interacting with the company.

#### **About QC Holdings, Inc.**

Headquartered in Overland Park, Kansas, QC Holdings, Inc. is a leading provider of consumer loans in the United States and Canada. In the United States, QC offers various products, including single-pay, installment and title loans, check cashing, debit cards and money transfer services, through 389 branches in 22 states at March 31, 2016. In Canada,

the company, through its subsidiary Direct Credit Holdings Inc., is engaged in short-term, consumer Internet lending in various provinces.

*Forward Looking Statement Disclaimer: This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the company's current expectations and are subject to a number of risks and uncertainties, which could cause actual results to differ materially from those forward-looking statements. These risks include (1) changes in laws or regulations or governmental interpretations of existing laws and regulations governing consumer protection or short-term lending practices, (2) uncertainties relating to the interpretation, application and promulgation of regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act, including the impact of proposed rulemaking by the Consumer Financial Protection Bureau (CFPB), (3) ballot referendum initiatives by industry opponents to cap the rates and fees that can be charged to customers, (4) uncertainties related to the examination process by the CFPB and indirect rulemaking through the examination process, (5) litigation or regulatory action directed towards us or the short-term consumer loan industry, (6) volatility in our earnings, primarily as a result of fluctuations in loan loss experience and closures of branches, (7) risks associated with our dependence on cash management banking services and the Automated Clearing House for loan collections, (8) negative media reports and public perception of the short-term consumer loan industry and the impact on federal and state legislatures and federal and state regulators, (9) changes in our key management personnel, (10) risks associated with owning and managing non-U.S. businesses, and (11) other various risks. QC will not update any forward-looking statements made in this press release to reflect future events or developments.*

***(Financial and Statistical Information Follows)***

**QC Holdings, Inc.**  
**Consolidated Condensed Statements of Income**  
*(in thousands, except per share amounts)*  
*(Unaudited)*

	<u>Quarter Ended</u>	
	<u>March 31,</u>	
	<u>2015</u>	<u>2016</u>
<b>Revenues</b>		
Consumer loan interest and fees	\$ 32,078	\$ 29,209
Other	<u>2,437</u>	<u>2,464</u>
Total revenues	34,515	31,673
Provision for losses	8,062	7,242
Operating expenses	<u>16,615</u>	<u>15,873</u>
<b>Gross profit</b>	9,838	8,558
Corporate and Regional expenses	7,119	6,530
Other expense, net	<u>956</u>	<u>113</u>
Income from continuing operations before income taxes	1,763	1,915
Provision for income taxes	<u>676</u>	<u>693</u>
<b>Net income</b>	<u>\$ 1,087</u>	<u>\$ 1,222</u>
 <b>Earnings per share:</b>		
<i>Basic</i>		
Net income	<u>\$ 0.06</u>	<u>\$ 0.07</u>
<i>Diluted</i>		
Net income	<u>\$ 0.06</u>	<u>\$ 0.07</u>
 <b>Weighted average number of common shares outstanding:</b>		
Basic	17,363	17,333
Diluted	17,363	17,333

**QC Holdings, Inc.**  
**Consolidated Condensed Balance Sheets**  
*(in thousands)*

	<b>December 31,</b> <b><u>2015</u></b>	<b>March 31,</b> <b><u>2016</u></b>
<b>ASSETS</b>		
<i>(Unaudited)</i>		
Current assets		
Cash and cash equivalents	\$ 16,115	\$ 16,678
Restricted cash	950	950
Loans receivable, less allowance for losses of \$6,395 at December 31, 2015 and \$5,496 at March 31, 2016	50,555	42,751
Other current assets	<u>6,286</u>	<u>5,639</u>
Total current assets	73,906	66,018
Non-current loans receivable, less allowance for losses of \$1,556 at December 31, 2015 and \$1,053 at March 31, 2016	3,802	3,337
Property and equipment, net	4,797	4,727
Other assets, net	<u>11,486</u>	<u>10,785</u>
Total assets	<b><u>\$ 93,991</u></b>	<b><u>\$ 84,867</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and other current liabilities	\$ 11,407	\$ 9,914
Revolving credit facility	6,250	
Subordinated debt	<u>3,553</u>	<u>3,589</u>
Total current liabilities	21,210	13,503
Non-current liabilities	4,967	3,545
Subordinated debt	<u>        </u>	<u>        </u>
Total liabilities	26,177	17,048
Stockholders' equity	<u>67,814</u>	<u>67,819</u>
Total liabilities and stockholders' equity	<b><u>\$ 93,991</u></b>	<b><u>\$ 84,867</u></b>

**QC Holdings, Inc.**  
**Consolidated Condensed Statements of Cash Flows**  
*(in thousands)*  
*(Unaudited)*

	<b>March 31,</b> <b><u>2015</u></b>	<b>March 31,</b> <b><u>2016</u></b>
Operating activities:		
Net income	\$ 1,087	\$ 1,222
Adjustments to reconcile net income to net cash	9,791	9,514
Changes in assets and liabilities	<u>2,772</u>	<u>(3,695)</u>
Net operating	<u>13,650</u>	<u>7,041</u>
Investing activities:		
Capital expenditures	(121)	(466)
Other	<u>1,183</u>	<u>30</u>
Net investing	<u>1,062</u>	<u>(436)</u>
Financing activities:		
Net repayment of borrowings	(12,000)	(6,250)
Other	<u>(73)</u>	<u>—</u>
Net financing	<u>(12,073)</u>	<u>(6,250)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(186)</u>	<u>208</u>
Net increase in cash and cash equivalents	2,453	563
Cash and cash equivalents at beginning of year	<u>14,220</u>	<u>16,115</u>
Cash and cash equivalents at end of period	<u>\$ 16,673</u>	<u>\$ 16,678</u>