



Investor Day Presentation  
December 7, 2017

## Legal Disclosure

Some of the statements in this presentation, including statements regarding investor demand and anticipated future product offerings and financial results are "forward-looking statements." The words "anticipate," "appear," "believe," "continue," "could," "estimate," "expect," "intend," "may," "outlook," "plan," "predict," "project," "target," "will," "would" and similar expressions may identify forward-looking statements, although not all forward-looking statements contain these identifying words. Factors that could cause actual results to differ materially from those contemplated by these forward-looking statements include: the outcomes of pending governmental investigations and pending or threatened litigation, which are inherently uncertain; developments in the state and federal regulatory environment impacting our business, the impact of recent management changes and the ability to continue to retain key personnel; ability to achieve cost savings from recent restructurings; our ability to continue to attract and retain new and existing retail and institutional investors; competition; overall economic conditions; demand for the types of loans facilitated by us; default rates and those factors set forth in the section titled "Risk Factors" in our most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K, each filed with the SEC. We may not actually achieve the plans, intentions or expectations disclosed in forward-looking statements, and you should not place undue reliance on forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in forward-looking statements. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This presentation contains non-GAAP measures relating to our performance. In addition, we have included certain pro forma adjustments in our presentation of operating expenses, contribution margin, adjusted EBITDA and adjusted EBITDA margin. We have chosen to present non-GAAP measures because we believe that these measures provide investors a consistent basis for assessing our performance, and help to facilitate comparisons of our operating results, across different periods. We believe these non-GAAP measures provide useful information as to the effectiveness of our marketing initiatives in driving revenue as well as the effectiveness of originating and servicing loans in driving revenue. The amounts used to arrive at these non-GAAP measures all appear on the face of our consolidated statements of operations or in the notes to the financial statements (for stock-based compensation) and do not otherwise eliminate or accelerate any amounts in contravention of GAAP.

These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with generally accepted accounting principles. You can find the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures in the Appendix at the end of this presentation.

Information in this presentation is not an offer to sell securities or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Additional information about LendingClub is available in the prospectus for our notes, which can be obtained on our website at <https://www.lendingclub.com/legal/prospectus>.

# Scott Sanborn

Chief Executive Officer



# Today's agenda

Company Overview	<b>Scott Sanborn</b> , Chief Executive Officer
Our Borrowers	<b>Steve Allocca</b> , President
Credit	<b>Sid Jajodia</b> , Chief Investment Officer <b>Sammy Soohoo</b> , SVP, Credit Risk
Our Investors	<b>Patrick Dunne</b> , Chief Capital Officer
Investor Panel	<b>Andrew Deringer</b> , VP, Financial Institutions <b>Philip Bartow</b> , Portfolio Manager, RiverNorth <b>Brian Graham</b> , CEO, Alliance Partners <b>Amanda Magliaro</b> , MD, Head of Global Structured Finance Distribution, Citi
Marketplace & Technology/Product	<b>Sameer Gulati</b> , COO
Financials	<b>Tom Casey</b> , Chief Financial Officer





Founded in 2007 and  
headquartered in San Francisco, CA

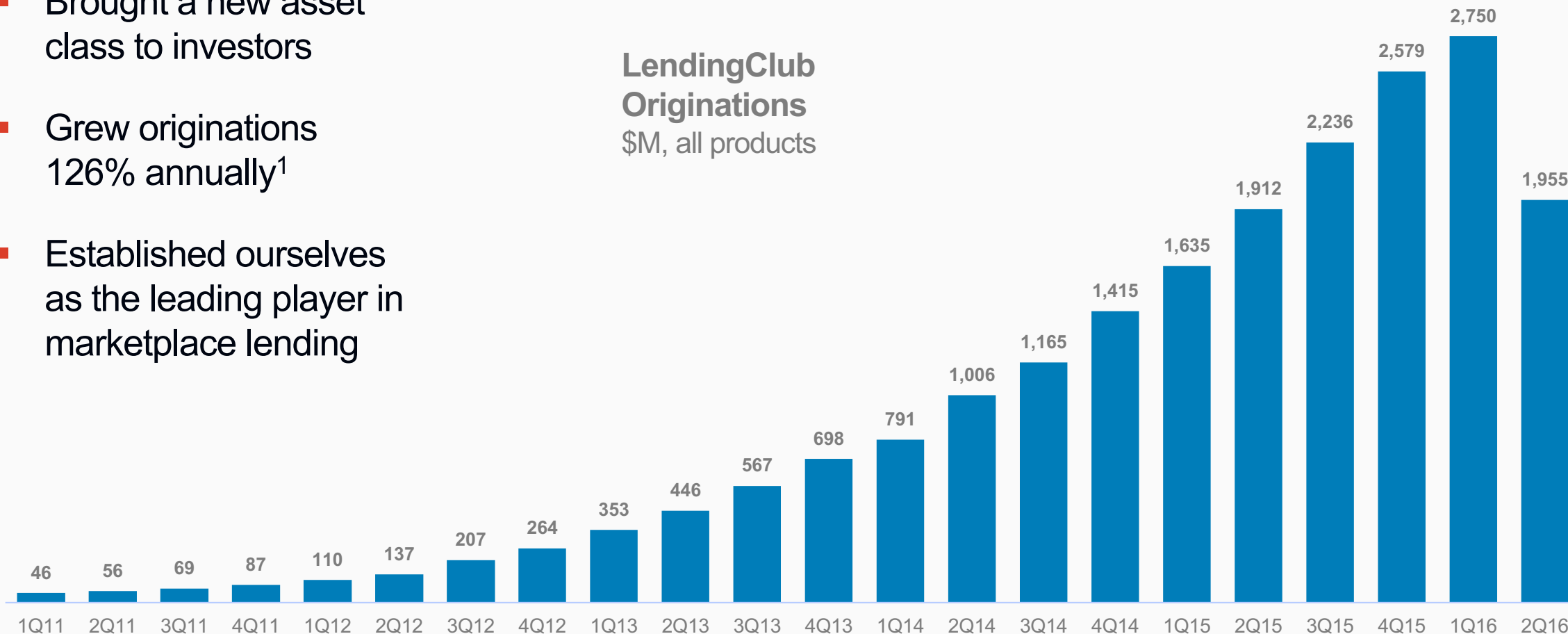


1) Across all products. 2) Personal loan borrowers in Q3 2017. FICO range reflects LendingClub's personal loans credit policy.

# Our Journey to 2016

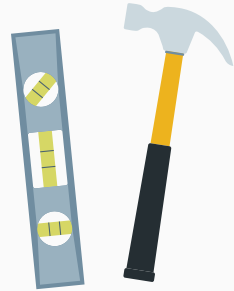
- Brought a new asset class to investors
- Grew originations 126% annually<sup>1</sup>
- Established ourselves as the leading player in marketplace lending

**LendingClub  
Originations**  
\$M, all products

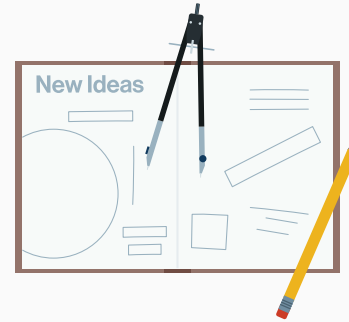


1) Q1 2011 to Q1 2016.

# We've come a long way since Q2 2016



**Stabilized and  
transformed the  
Investor business**



**Rebuilt the  
management  
team**



**Scott Sanborn**

Chief Executive Officer

**Previous:** eHealth Insurance,  
RedEnvelope, Home Shopping Network



**Steve Allocca**

President

**Previous:** PayPal,  
Wells Fargo, Loan Science



**Sameer Gulati**

COO  
Strategy, M&A, Product

**Previous:** McKinsey & Company,  
Cambridge Technology Partners



**Sammy Soohoo**

SVP, Credit Risk

**Previous:** Citigroup, Barclays,  
Sears, Chase



**Russ Elmer**

General Counsel

**Previous:** PayPal, eBay,  
Pricelock, E\*TRADE Financial



**Tim Bogan**

Chief Risk Officer

**Previous:** PricewaterhouseCoopers,  
Charles Schwab, Levi Strauss,  
Freddie Mac



**Tom Casey**

Chief Financial Officer

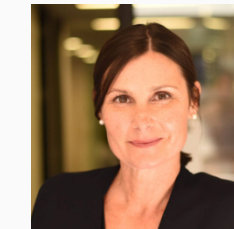
**Previous:** Acelity,  
Clear Channel, GE Capital,  
Washington Mutual



**Richard Southwick**

SVP, Technology

**Previous:** LiveOps, Contactual,  
Clarus Systems



**Angela Loeffler**

Chief People Officer

**Previous:** Ask.com, Openwave,  
William M. Mercer Human Resources  
Consulting



**Patrick Dunne**

Chief Capital Officer

**Previous:** iShares, Blackrock

## **John C. (Hans) Morris**

Chairman, LendingClub  
Managing Partner, Nyca Partners  
Former President, Visa  
Former CFO, Citi Markets & Banking

## **Scott Sanborn**

CEO, Lending Club

## **Dan Ciporin**

Partner, Canaan Partners  
Former EVP, MasterCard

## **Ken Denman**

Former President & CEO, Emotient  
Former CEO, Openwave Systems

## **John Mack**

Senior Advisor, Morgan Stanley  
Senior Advisor, KKR  
Former CEO, Morgan Stanley  
Former CEO, Credit Suisse

## **Timothy J. Mayopoulos**

President & CEO, Fannie Mae  
General Counsel, Bank of America

## **Mary Meeker**

General Partner, Kleiner Perkins  
Former Managing Director, Morgan Stanley

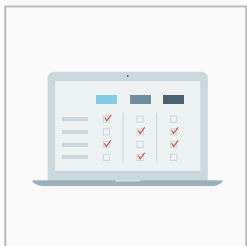
## **Larry Summers**

President Emeritus, Harvard University  
71<sup>st</sup> U.S. Secretary of Treasury

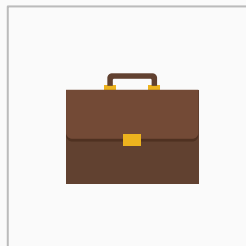
## **Simon Williams**

Former Group General Manager, HSBC  
Former Management Committee, Citigroup

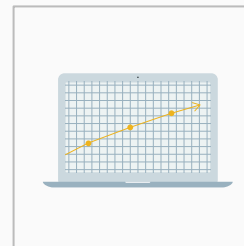
# Where we are today



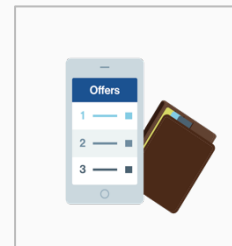
**Evolved investor business:** securitization, investor platform, use of balance sheet



Relaunched **asset management business**



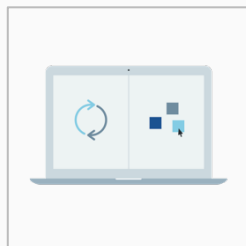
**Improved borrower product** with new features, and more in testing



**Tightened credit** in response to changing environment



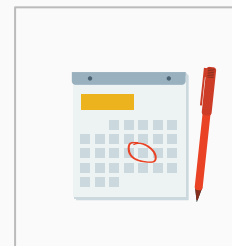
Launched **Auto Refinance**



**Expanded technology infrastructure**, including enterprise risk platform



**New credit model** with significantly improved risk discernment

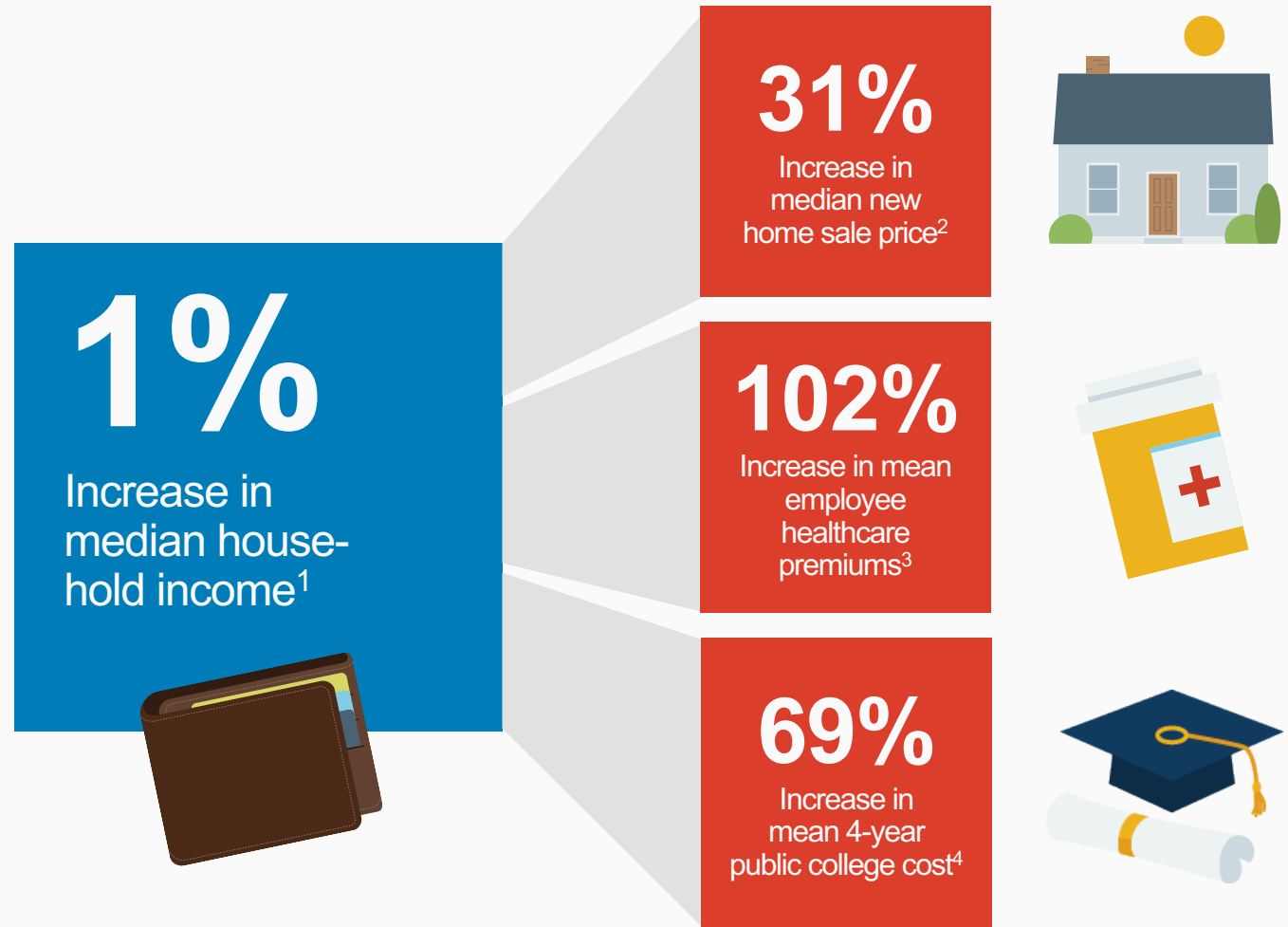


**May 2016 legacy issues**

## Achieved highest-revenue quarter in company history

# The challenge facing many Americans

Real change since 2000 (%)



1) Federal Reserve Bank of St. Louis, "Real Median Household Income in the United States," not seasonally adjusted, 2017. 2) US Census, "Median and Average Sales Price of Houses Sold," adjusted from nominal to real data using CPI, 2017. 3) The Henry J. Kaiser Family Foundation, "2017 Employer Health Benefits Survey," 2017. 4) CollegeBoard, "Trends in Higher Education," 2017.



# Limited savings against volatile income and expenses



**34%**

U.S. households with income change of 25% or greater (2014-15)<sup>2</sup>

**60%**

U.S. households reporting a major recent expense or pay cut (2015)<sup>3</sup>

1) Federal Reserve Bank of St. Louis, "Personal Saving Rate," seasonally adjusted, 2017. 2017 average of 3.7% reflects January through September. 2) The Pew Charitable Trusts, "How Income Volatility Interacts with American Families' Financial Security," 2017. 3) The Pew Charitable Trusts, "How do Families Cope with Financial Shocks?", 2015. Refers to respondents who experience major car repair, medical bill, major home repair, divorce or widowing, other large expense, or pay cut.

## Credit cards often bridge the gap



**44%** of American families hold credit card debt<sup>1</sup>

**\$9,600** Average household credit card balance<sup>2</sup>


1) Federal Reserve, "Changes in U.S. Family Finances from 2013 to 2016: Evidence from the Survey of Consumer Finances," 2017.

2) Federal Reserve Bank of New York, "Do We Know What We Owe? Consumer debt as reported by borrowers and lenders," 2015.

Referenced Consumer Credit Panel data includes carried outstanding balances as well as some share of monthly "convenience use" balances.

# We offer a better alternative

3-year loan comparison: LendingClub personal loan vs. credit card  
\$10K starting balance

	Credit Card		
	Minimum Payments Only <sup>2</sup>	3-Year Pay Down <sup>3</sup>	
Interest and Fees <sup>1</sup>	~\$5,900	~\$4,000	~\$3,100
Ending Balance	~\$7,000	\$0	\$0
Interest and fee savings with LendingClub	~\$2,800	~\$900	

1) Based on responses from 2,862 borrowers in a survey of randomly selected borrowers conducted from 1/1/17 – 9/30/17. Borrowers who received a loan via LendingClub to consolidate existing debt or pay off their credit card balance received an average interest rate of 15.8% and reported an average interest rate on outstanding debt or credit cards of 20.4%. Transaction fees range from 1% to 6%, assumed to be 5.03% in this scenario, reflecting average fee during 2017 Q1-Q3 for LendingClub personal loan borrowers. Best APR is available to borrowers with excellent credit. Assumed 3% annual fees for cards as percentage of cycle-ending balances (CFPB, “The Consumer Credit Card Market,” 2015). 2) Credit card minimum monthly payments schedule assumes interest payment on existing balance in period plus 1% of outstanding balance plus fees. 3) 3-year paydown scenarios imply eliminated loan balance at end of period.

# Large opportunity and a track record of growing into it

## Addressable Market Opportunity

Credit card refinance and debt consolidation<sup>1</sup>

**\$300-350B**

## Track Record in Personal Loans

LendingClub share of U.S. personal loan outstanding balances<sup>2</sup>

**1% → 10%**  
2012 2017

1) See page 31.

2) See page 30.

# A compelling asset for vast pools of capital

Prime **6.7%**

Near  
Prime **10.9%**

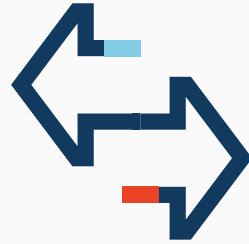
**Historical Program Returns**  
Adjusted Net Annualized Return<sup>1</sup>

**\$38T**

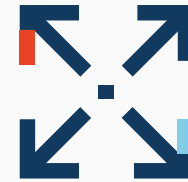
**Addressable Capital<sup>2</sup>**

1) See page 55.

2) See page 58.



Marketplace  
Model



Virtuous  
Cycle of  
Scale



Data &  
Analytics



Technology  
& Product  
Development

# Our Marketplace Model

- Scalable and capital light
- Efficient marketing due to wide credit box
- Flexible and resilient in response to environment



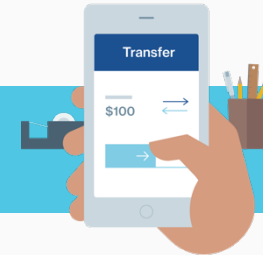
# Our scale creates a virtuous cycle

**Over \$31B  
originated to more  
than 2M borrowers**

Give competitive offers to  
borrowers drawn from millions  
of applicants each quarter



**LendingClub**



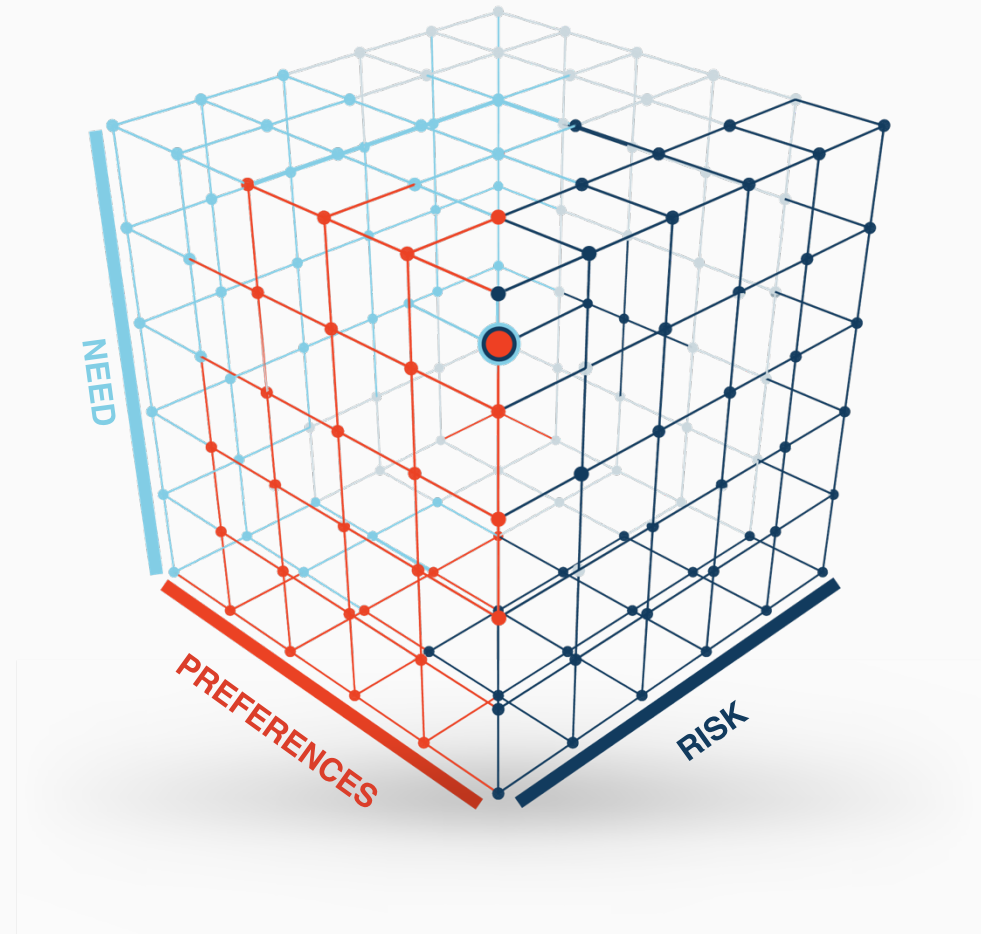
Provide ~\$10B annual  
investment assets reflecting  
broad risk appetite

**Have served more than  
180 institutions  
and more than  
180,000 individual investors**



# Proprietary data and analytics provide a granular view of each customer

- Enterprise data platform supports our 150+ data analysts and scientists
- 10 years of credit performance, marketing, and behavioral data
- Two-sided marketplace produces data from both investor and borrowers





## Better experience through technology

- ~25% of staff in product and engineering
- Product innovation culture
- Code releases every two weeks
- \$350M+ spent on development since inception<sup>1</sup>

1) Through Q3 2017.

# Our plan: Top-line growth of 15-20% while driving expanding EBITDA margins

## 2018: Focus and Invest

1. Accelerate **personal loans** growth while prudently managing credit
2. Invest in auto and **leverage secured capabilities for personal loans**
3. Strengthen our **Investor franchise** by expanding securitization and growing new structures
4. Address **legacy issues**

## 2019 – 2020: Expand and Deepen

1. Expand **lead in personal loans** through further data, analytics, and product and testing efforts
2. Expand role in the borrower journey through **new products and services**
3. Expand **investor universe** to lower cost of funds, improve resiliency, capture more value

# Key takeaways

1. Unsecured online lending is a **large and growing market**, serving a critical customer need
2. LendingClub as the leader is uniquely positioned to go after this market
  - a) The **marketplace model** is the right one with broad consumer demand and investor appetite
  - b) We have strong **credit, tech and product capabilities** that are difficult to replicate at this scale
  - c) We have the right blend of **team and culture** to win
3. **Solid plan to deliver growth**, while investing for the future

# Steve Allocca

President







## Many Americans want to do better

**175M**

Are not highly satisfied with present financial condition<sup>1</sup>

**156M**

Have a current or recent financial goal<sup>2</sup>

1) CFSI, "Understanding and Improving Financial Health in America," 2014.

2) CFPB "National Financial Well-Being Survey," 2017; assuming 249M adults Americans, of which 63% have a current or recent financial goal.

Many have  
already  
come to  
LendingClub



## Mainstream & Creditworthy

Average **684 FICO**<sup>1</sup>  
(700 U.S. average)<sup>2</sup>



## Financially Stable

Median **\$62K income**<sup>1</sup>  
(\$31K U.S. median)<sup>3</sup>



## Often Want To Do Better<sup>4</sup>

**63% not satisfied** with  
present financial condition  
**81% sought and received**  
**financial advice** or info  
in the last year

1) Refers to Personal Loan borrowers in Q3 2017. 2) FICO, "US Average FICO Score Hits 700: A Milestone for Consumers," 2017. 3) Federal Reserve Bank of St. Louis, "Real Median Personal Income in the United States," 2017, not seasonally adjusted. 4) Estimated share of LC Personal Loan applicants; survey of LC applicants, March 2017, N = 3,409.



# By saving our customers money...

## Benefits for Our Customers

**\$900-  
\$2,800**  
Potential Savings  
on a 3-year Loan<sup>1</sup>

**28 pts.**  
Avg. FICO  
Improvement<sup>2</sup>

## Benefits for LendingClub<sup>3</sup>

**\$850**  
LC Revenue  
per Loan

**47%**  
Contribution  
Margin

1) All scenarios assume \$10,000 starting balance. Based on responses from 2,862 borrowers in a survey of randomly selected borrowers conducted from 1/1/17 – 9/30/17. Borrowers who received a loan via LendingClub to consolidate existing debt or pay off their credit card balance received an average interest rate of 15.8% and reported an average interest rate on outstanding debt or credit cards of 20.4%. Transaction fees range from 1% to 6%, assumed to be 5.03% in this scenario, reflecting average fee during 2017 Q1-Q3 for LendingClub personal loan borrowers. Best APR is available to borrowers with excellent credit. Assumed 3% annual fees for cards as percentage of cycle-ending balances (CFPB, "The Consumer Credit Card Market," 2015). Credit card minimum monthly payments schedule assumes interest payment on existing balance in period plus 1% of outstanding balance plus fees. 3-year paydown scenarios imply eliminated loan balance at end of period. 2) Average credit score change of all borrowers who took out a loan via LendingClub between January 1, 2013 and December 31, 2016 with a stated loan purpose of debt consolidation or pay off credit cards, observed three months post-issuance. 3) Reflects 2017 Q1 through Q3 revenue and expense associated with personal loans including transaction, investor, and other fees compared to number of loans issued in this period.



# We have built a successful business at scale

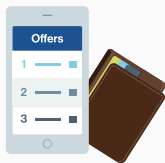
## Serving borrowers at scale



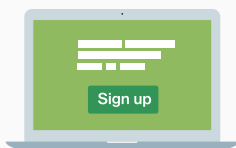
**National**  
Reach



**2M+**  
Customers



**\$31B+**  
Originated



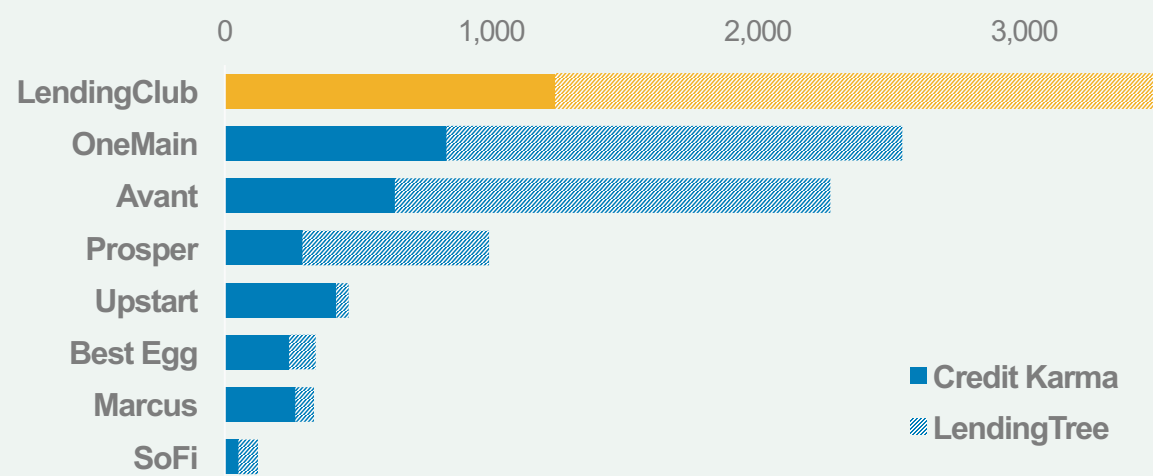
**10M**  
Applicants Annually

## Leader in customer satisfaction

### Net Promoter Score of 71

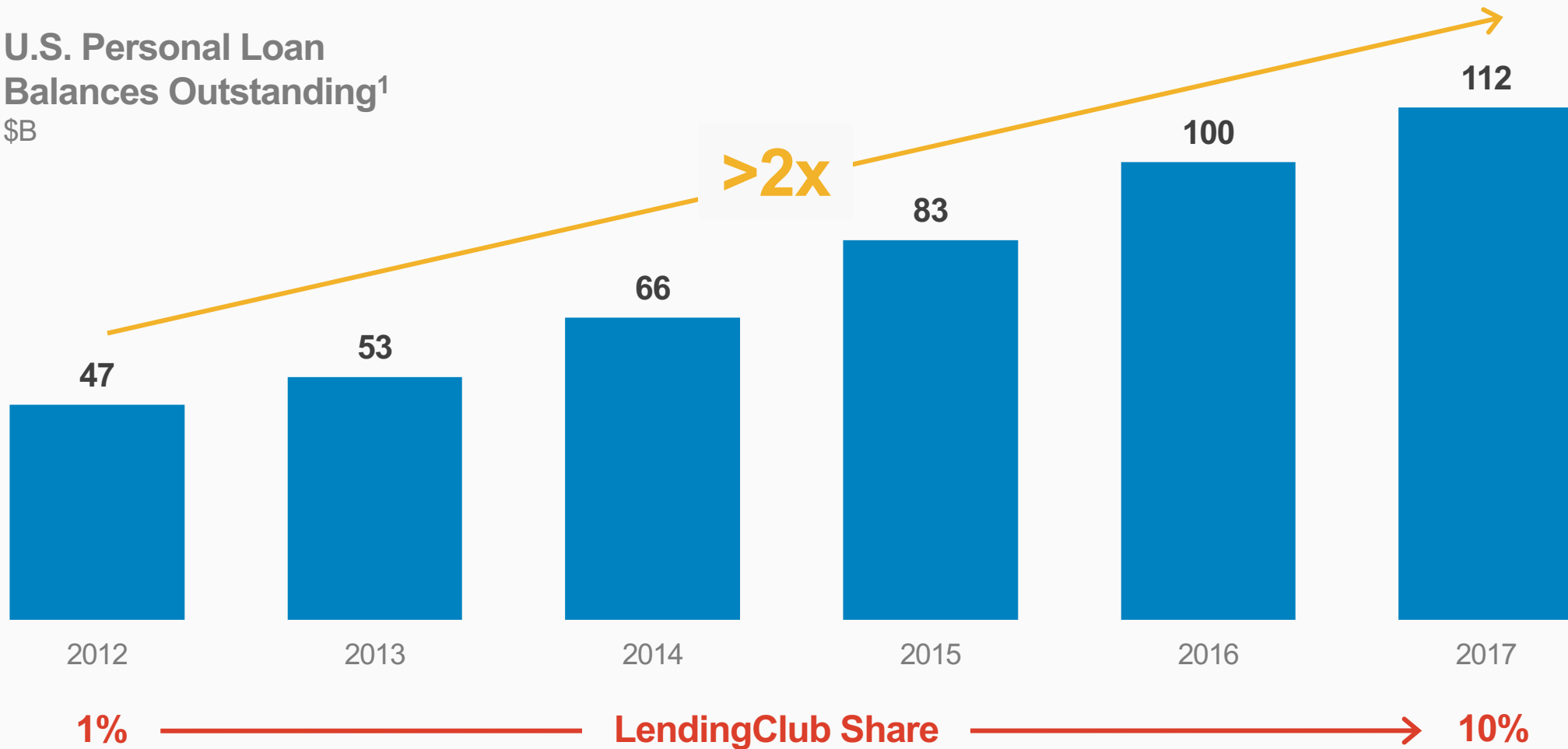
Compared to 20-30 NPS for regional and national banks<sup>1</sup>

### 5-star reviews on aggregator sites<sup>2</sup>



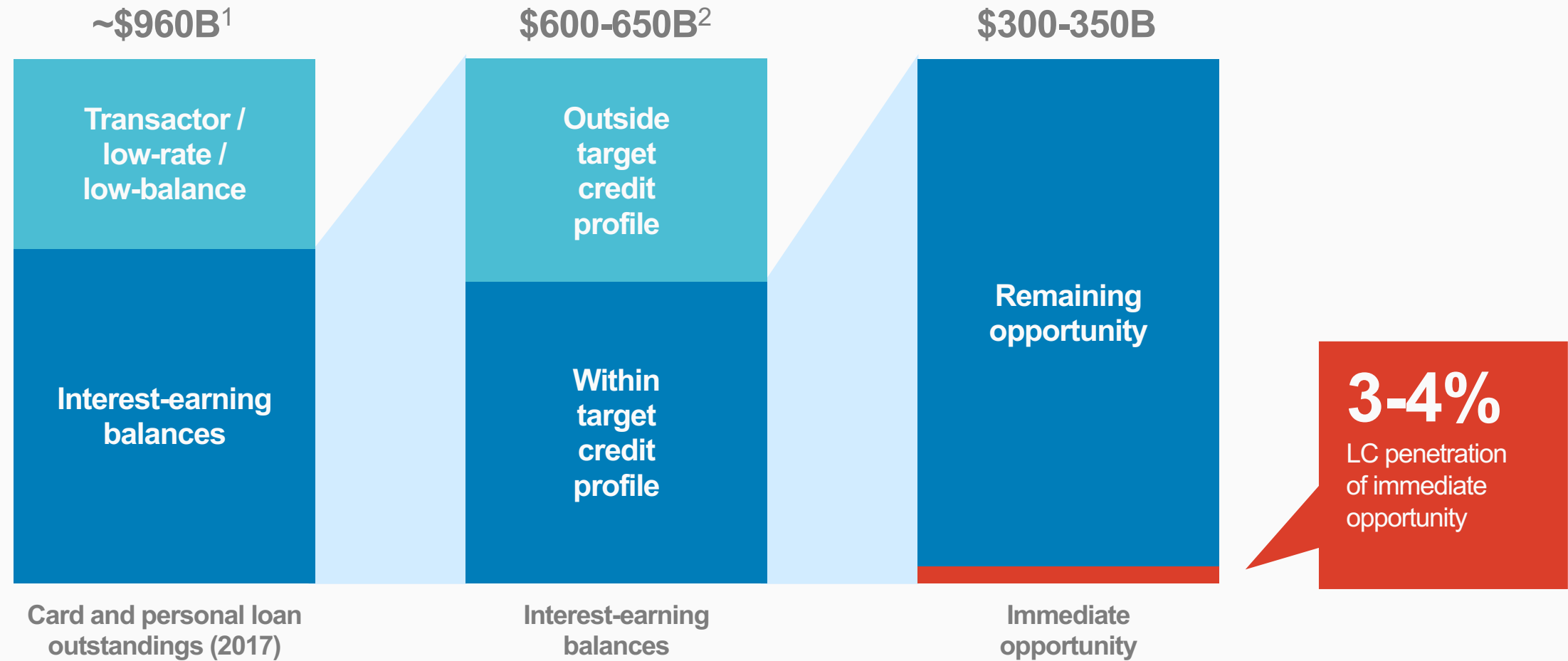
1) Bain & Company, "Customer Loyalty in Retail Banking," 2016. 2) As of November 28, 2017.

U.S. Personal Loan  
Balances Outstanding<sup>1</sup>  
\$B



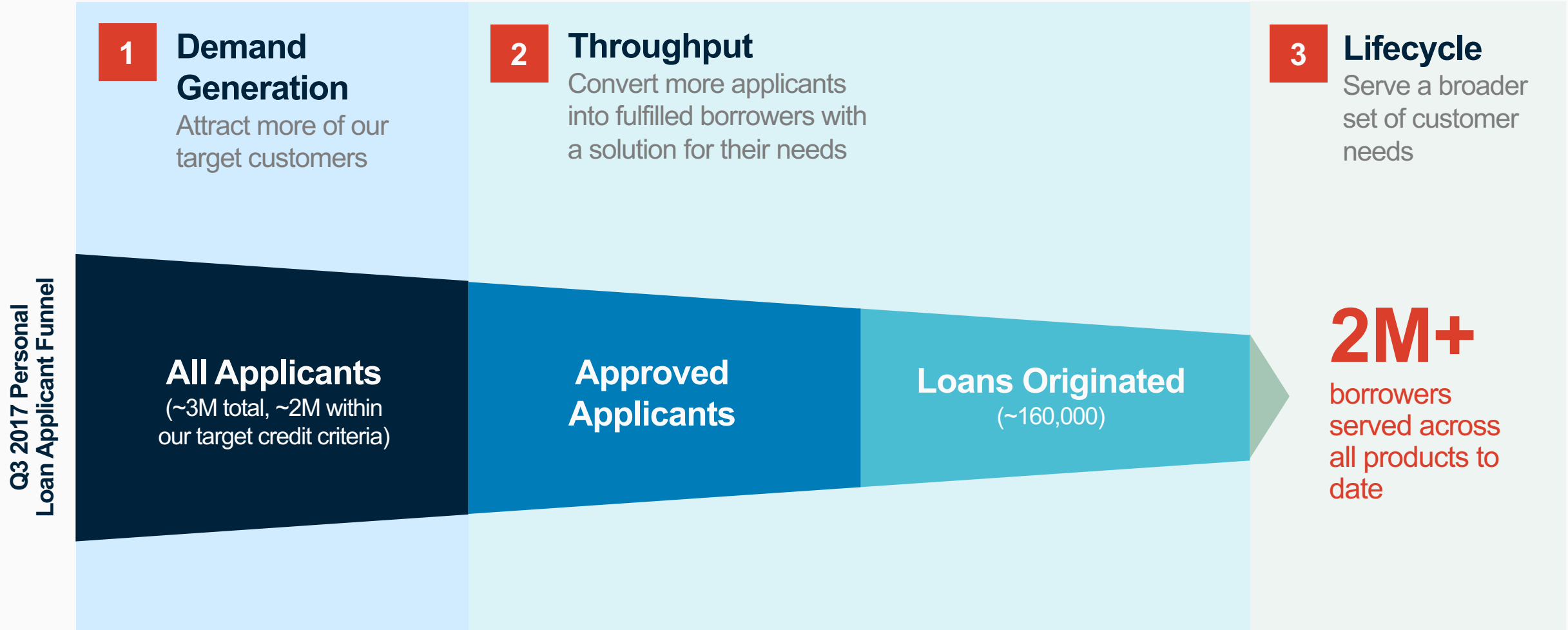
1) "TransUnion Industry Insights Report," TransUnion, Q3 2017.

# Market Opportunity



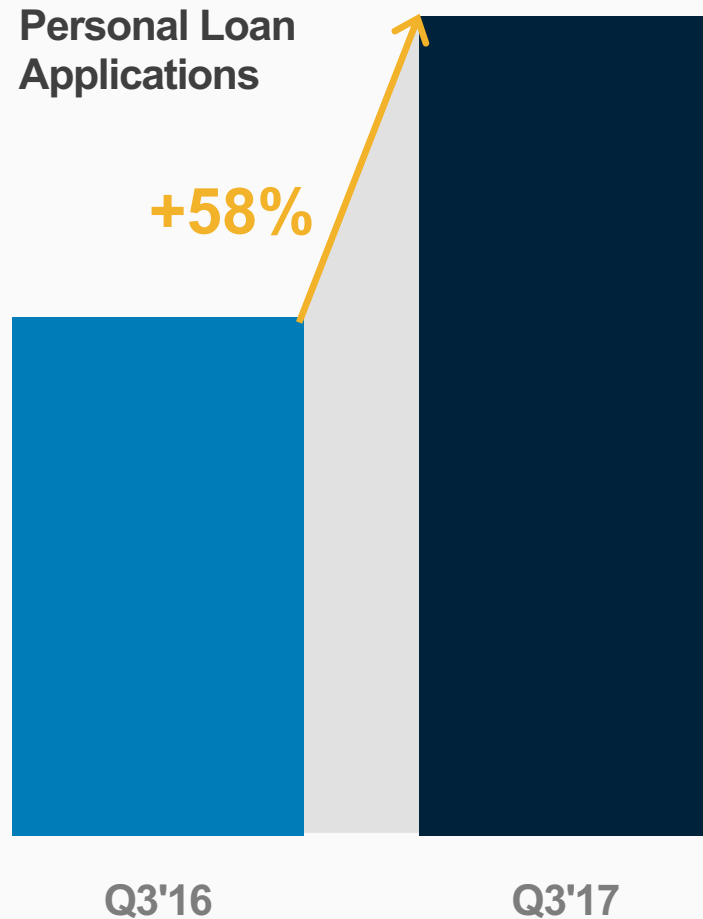
1) "TransUnion Industry Insights Report," TransUnion, Q3 2017. 2) TransUnion custom analysis and LendingClub analysis.

# Three areas of focus to drive growth



1

## Demand Generation



## A proven accelerating acquisition machine

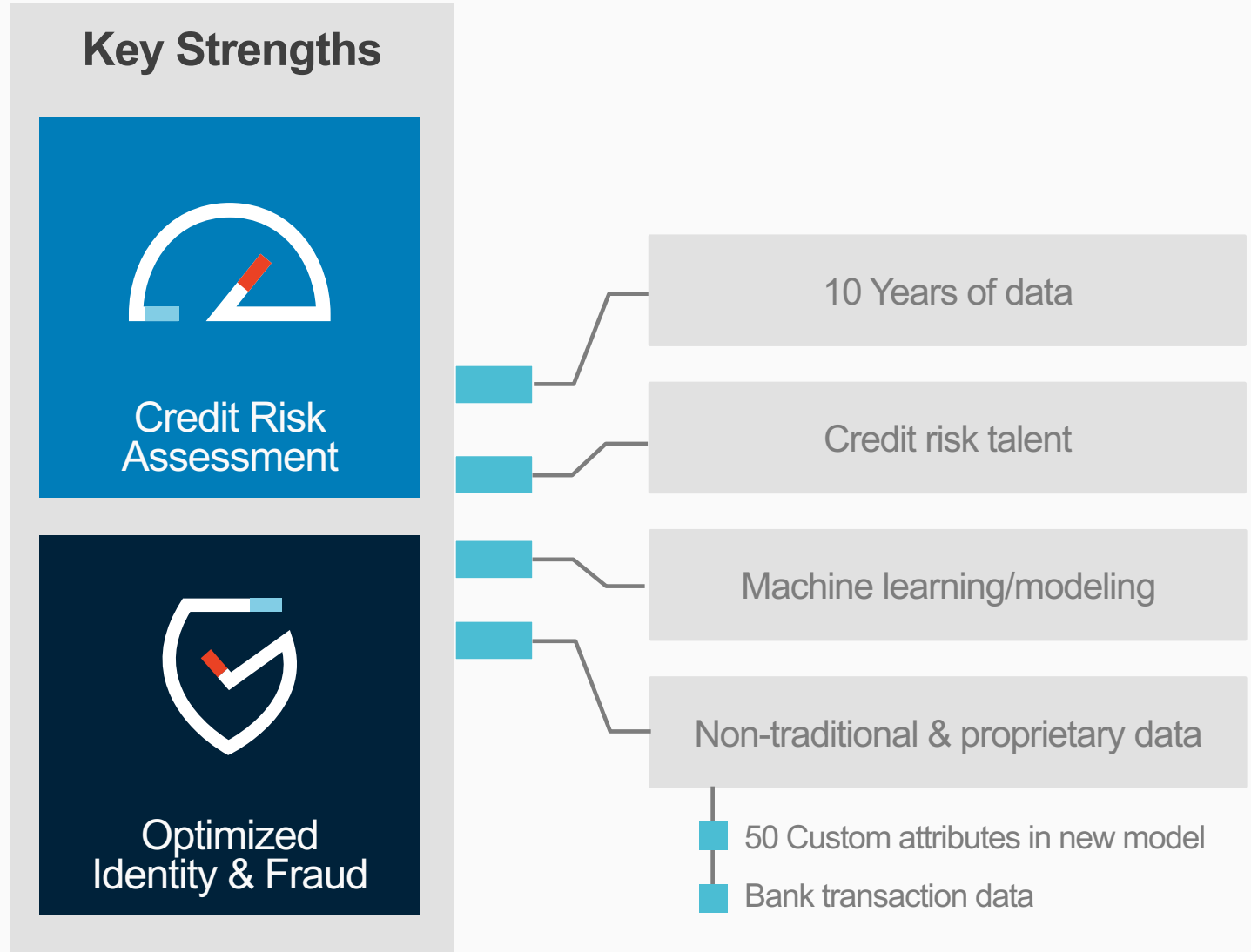
**Leader in direct response marketing optimized for online and mobile, operating at scale and focused on:**

- Leveraging our 10 years of experience and data
- New digital and social marketing channels
- Creating and distributing compelling content

**We continue to drive consumer awareness of an alternative to credit card debt**

**We have served over 2M customers to date**

## Enabling “yes” to more customers – Data and modeling



## 2

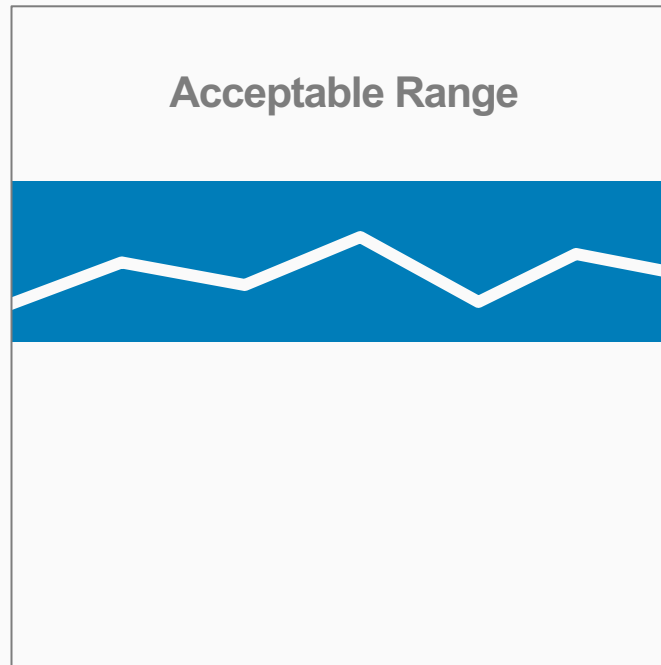
## Throughput

## Example: Use transaction data to verify income

## 1 Identify payroll transactions

Transaction Name	Transaction Amount	Transaction Date
APPLE, IN PAYROLL PPD ID: 1234567	\$1084.62	2/18/17
Online transfer transaction #4345002086	\$30	2/13/17
DEPOSIT ID NUMBER 953256	\$1435.53	2/13/17
CAP TOYOTA BURLINGAME CA 02/09	\$460	2/9/17
APPLE, IN PAYROLL PPD ID: 1234567	\$1194.3	2/4/17



## 2 Verify consistency and stability



## 3 Estimate annual income

State	CA	
Income	\$30,600	
Lower Bound	Upper Bound	Net to Gross Ratio
\$29,351	\$30,172	0.75
<b>\$30,172</b>	<b>\$30,861</b>	<b>0.74</b>
\$30,861	\$34,418	0.73
Annual Gross Inc.	\$41,591	

# Enabling “yes” to more customers – Innovation

	Risk Reduction	Borrower Savings	Volume Lift	Pipeline of Product Innovation
<b>Joint App</b>		~\$850 <sup>1</sup>	➤ 12% <sup>2</sup> (realized)	<ul style="list-style-type: none"><li>▪ Secured personal loans</li><li>▪ Smaller loans</li><li>▪ Shorter duration loans</li><li>▪ Various fee, pricing and payment structures</li></ul>
<b>Direct Payoff</b>		~\$650 <sup>3</sup>	➤ 5% <sup>4</sup> (anticipated)	

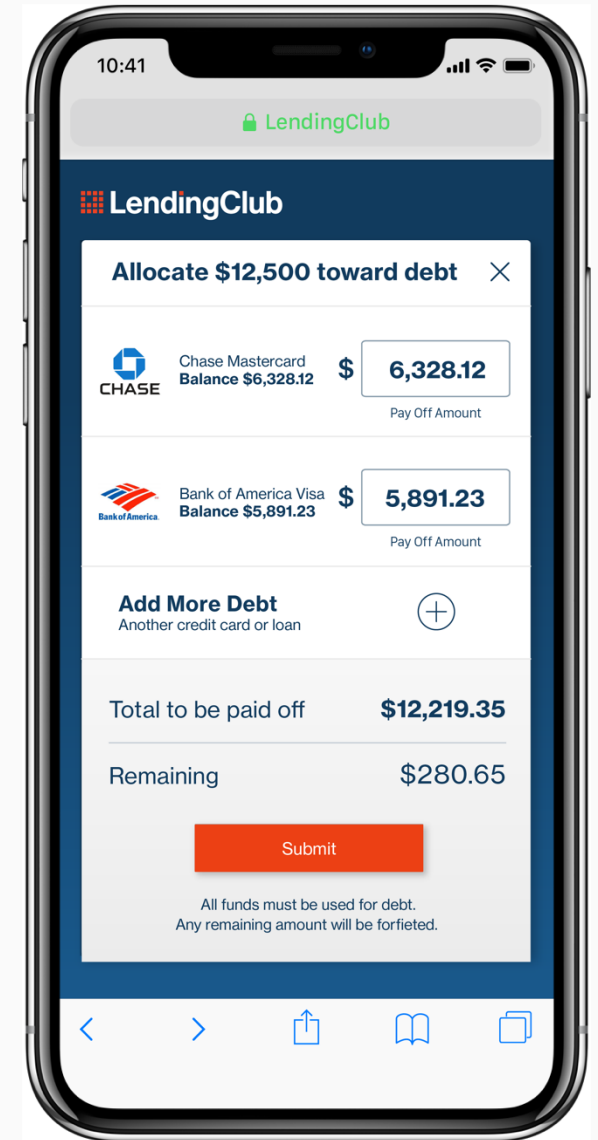
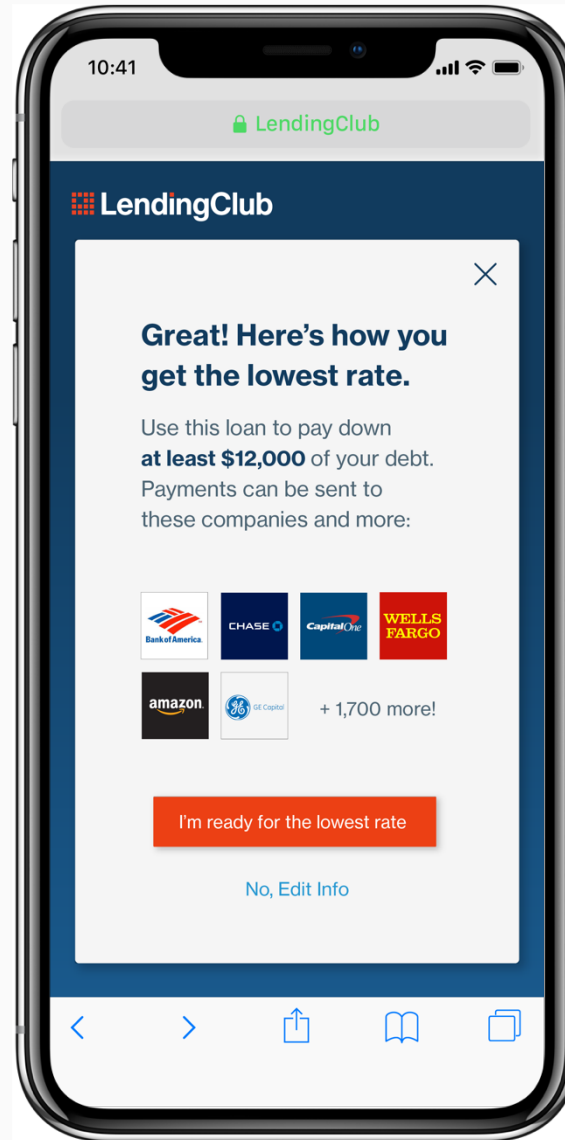
1) JointApp borrower savings based on actual JointApp applications received in Q2 2017, compared to simulated individual pricing if the first applicant were to apply individually.

2) Volume lift is actual realized lift in September 2017.

3) Direct Payoff savings based on October-November 2017 test results. 4) Volume lift is estimated based on current test results applied to 100% of volume in partner channel.



- LendingClub pays debt directly to credit provider and offers lower price to borrower
- Announcing today after two years in testing



## 2

## Throughput

## Testing and experience to remove friction

## Pricing



Transaction  
Fee



Interest  
Rate

## Experience and Speed

Get a custom rate for your \$3,425 loan in 1 click

Who's Applying? ☒ Just Me ☐ Two of Us

First Name

Last Name

Street Address

City

State

Zip Code

Date of Birth

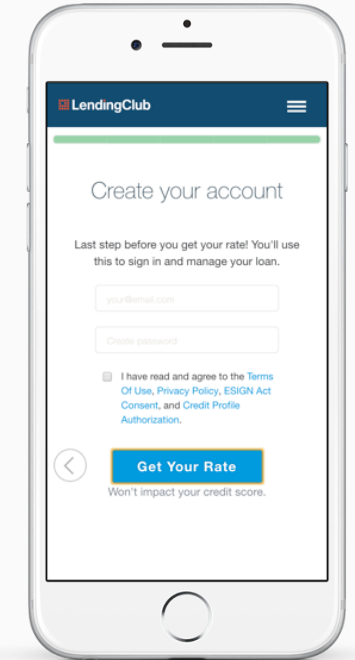
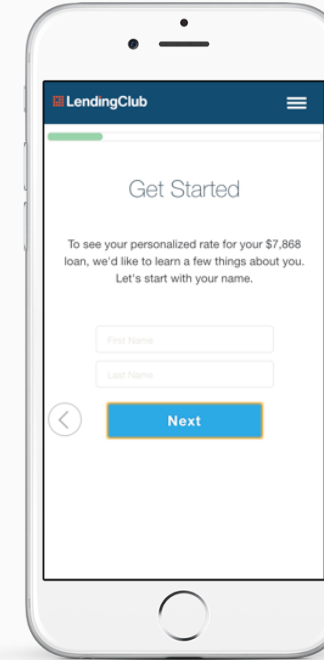
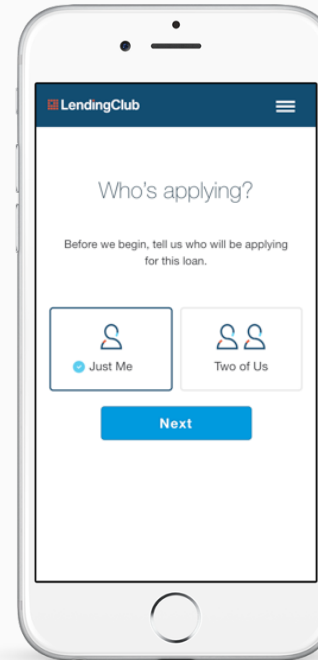
Yearly Individual Income

Yearly Additional Income (Optional)

☒ I have read and agree to the [Terms Of Use, Privacy Policy, ESIGN Act Consent, and Credit Profile Authorization.](#)

[Get Your Rate ▶](#)

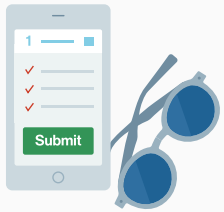
*won't impact your credit score!*



Est. \$75M per quarter origination volume lift<sup>1</sup>

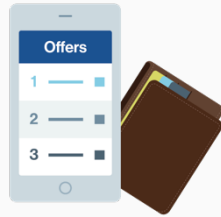
1) Estimated by taking the originations lift observed during the product testing phase and applying the lift to our quarterly originations.

## Serving broader customer needs



### Repeat Borrowers

Past borrowers come back to LendingClub for a subsequent personal loan



### Additional Loan Products

Serve additional credit needs of current and past borrowers through other loan products



### Non-Lending Products

Serve non-lending financial empowerment needs of current and past borrowers

## Auto Refinance



**\$2,000**

Average Savings<sup>1</sup>

**66%**

LC Personal Loan  
Customers Have an  
Auto Loan

First secured lending product

1) Includes Oct 2016 – Nov 2017 Auto Refinance loans. Savings calculated by: (previous monthly payment \* previous term length) – (new monthly payment \* new term length).

# When our customers win, we also win

Feel financially **out of control** and **motivated to take action** on \$15,000 in credit card debt at average 22% APR

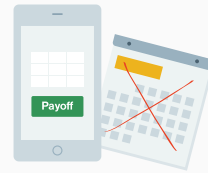


**Directly payoff** \$5,000 of highest-rate 27% credit card debt to 17% personal loan, enabled by **bank data**

## Striver

**Recognize & reinforce progress** of eliminating credit card debt by making on-time payments

Demonstrate on-time payments and **reduction in overall debt**, shift the next \$10,000 to a **2<sup>nd</sup> personal loan at 12%**



## Thrivers

**Refi auto loan** of \$15,000 from 14% to 8%, saving >\$1,500 in interest



Pay it forward and earn more on savings as a **retail investor**



Begin accumulating **savings**

Illustrative journey of an LC customer.

# Sid Jajodia

SVP, Chief Investment Officer

# Sammy Soohoo

SVP, Credit Risk



# Credit is fundamental

**Say yes more.  
Better rates.**

**Borrower**

**Investor**

**Attractive,  
predictable  
returns.**

**Credit**





## We have a strong and deep credit culture



75

People  
dedicated to  
credit with...



15

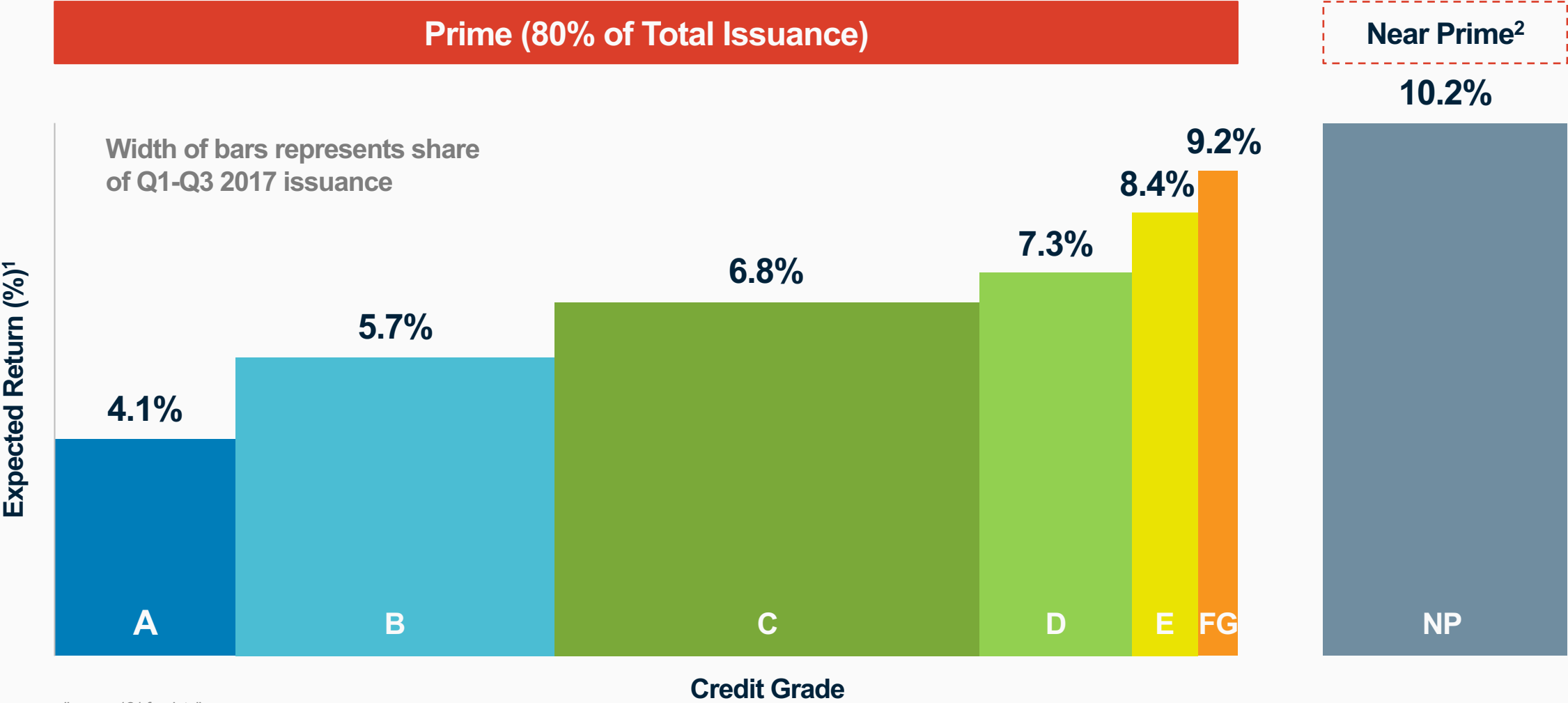
years on average  
of direct  
experience at...



Top

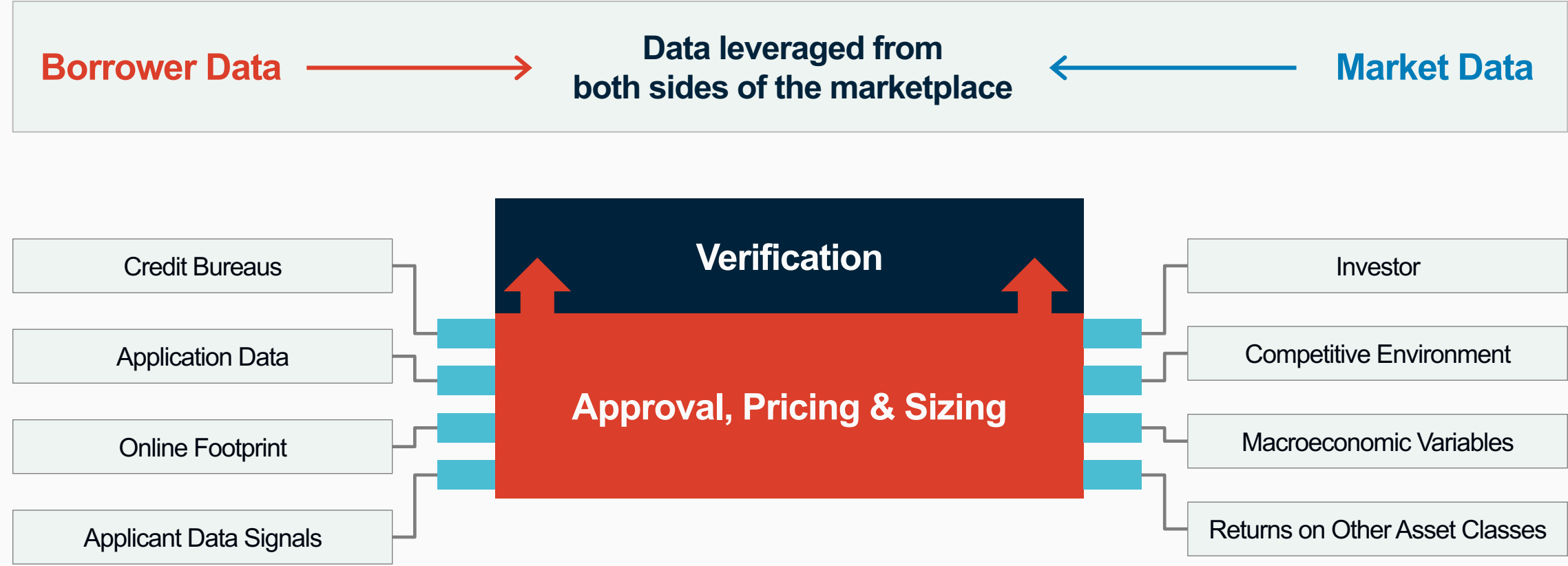
companies, including  
Capital One, Wells  
Fargo, PayPal, Chase,  
and Discover

# Our Credit Spectrum

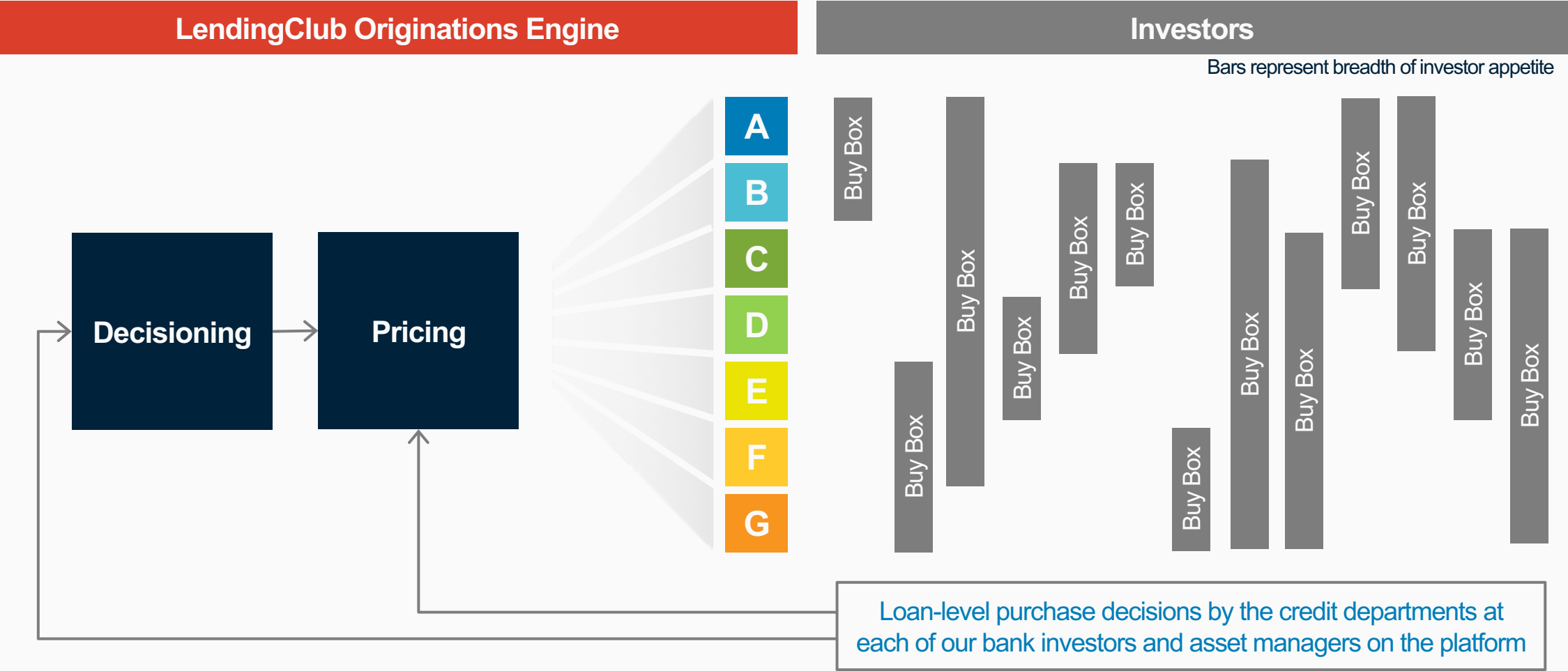


1) See appendix page 121 for detail.  
2) Institutional investors only.

# Rigorous credit approval process



# Data-driven decisioning and pricing



Investor insight provides additional feedback, which we use to make better risk and pricing decisions

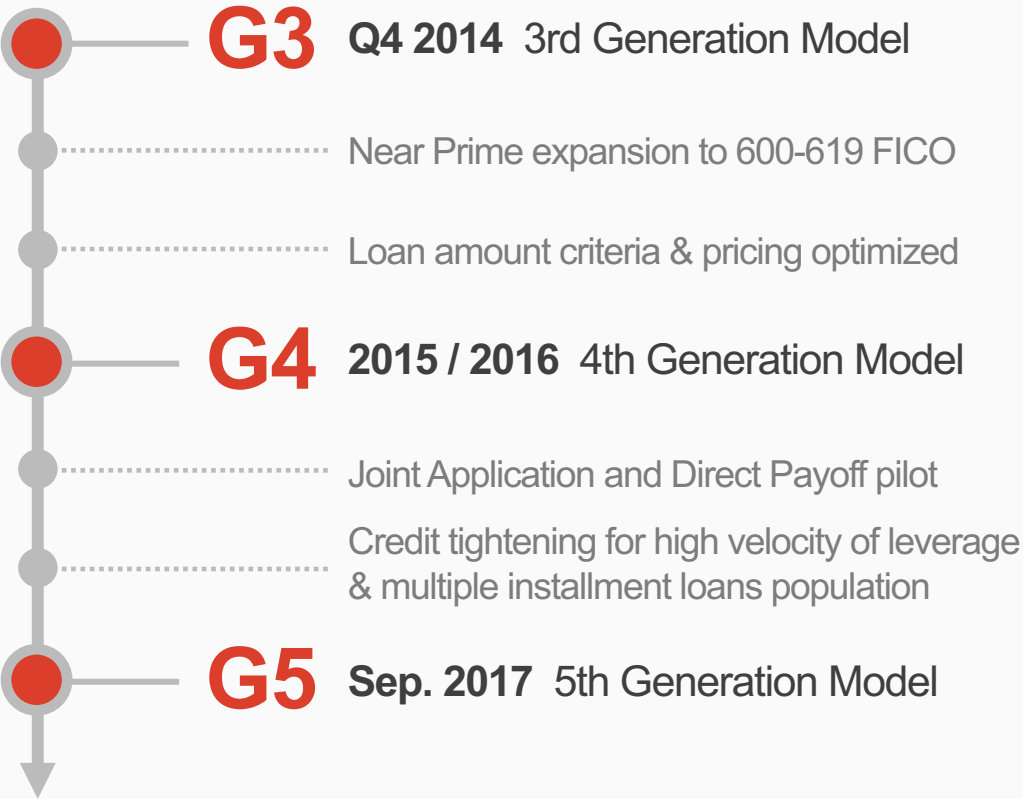
# Industry leading fraud detection platform



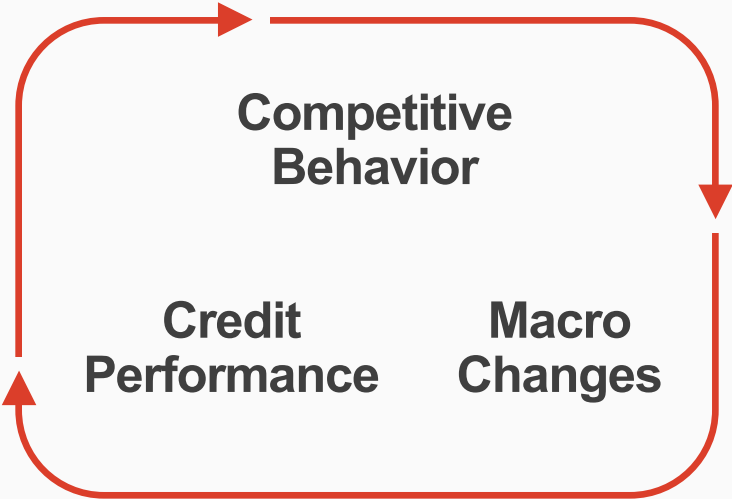
Tools work to **seamlessly authenticate** borrowers and drive **industry-leading identity fraud loss rates at <3 bps** of issued loans

# Our model dynamically evolves over time and will continue to do so

## Historical Credit Evolution



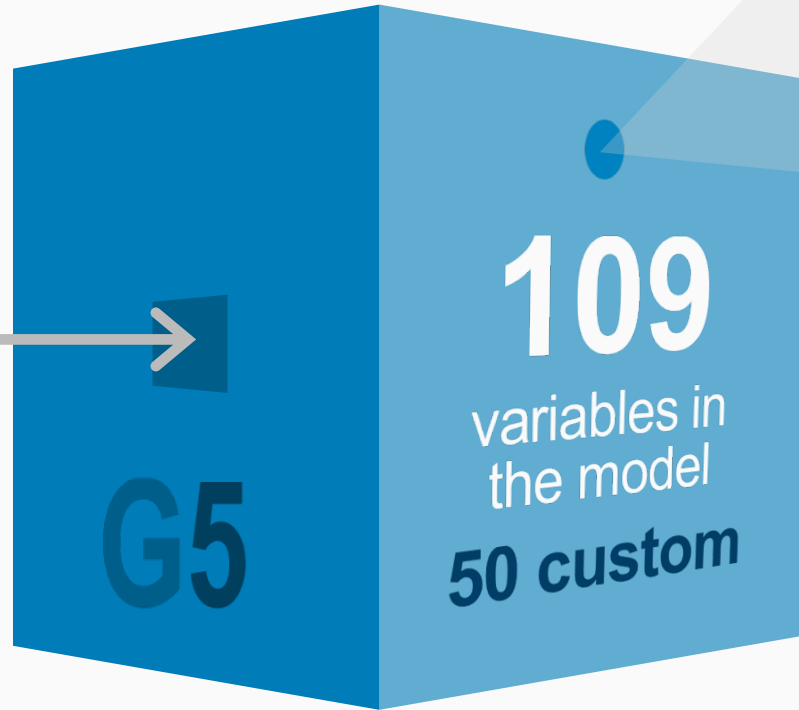
## Credit Model Approach



## G5 applies sophisticated machine learning to our extensive data

**10K+**

attributes  
reviewed per  
borrower



**109**

variables in  
the model  
**50 custom**



**24%**

improvement in  
ability to differentiate  
risk relative to G4  
credit model<sup>1</sup>

**Machine  
Learning**

1) As measured by the Kolmogorov–Smirnov test. The Kolmogorov–Smirnov 2 sample test measures the ability of a model to differentiate risk based on difference between the cumulative distribution function of good accounts vs. that of bad accounts.

# G5 allows us to discern between borrowers better than ever

- Improves risk differentiation across all borrowers
- Captures greater risk of default in the population we decline
- The remaining population benefits from more attractive pricing

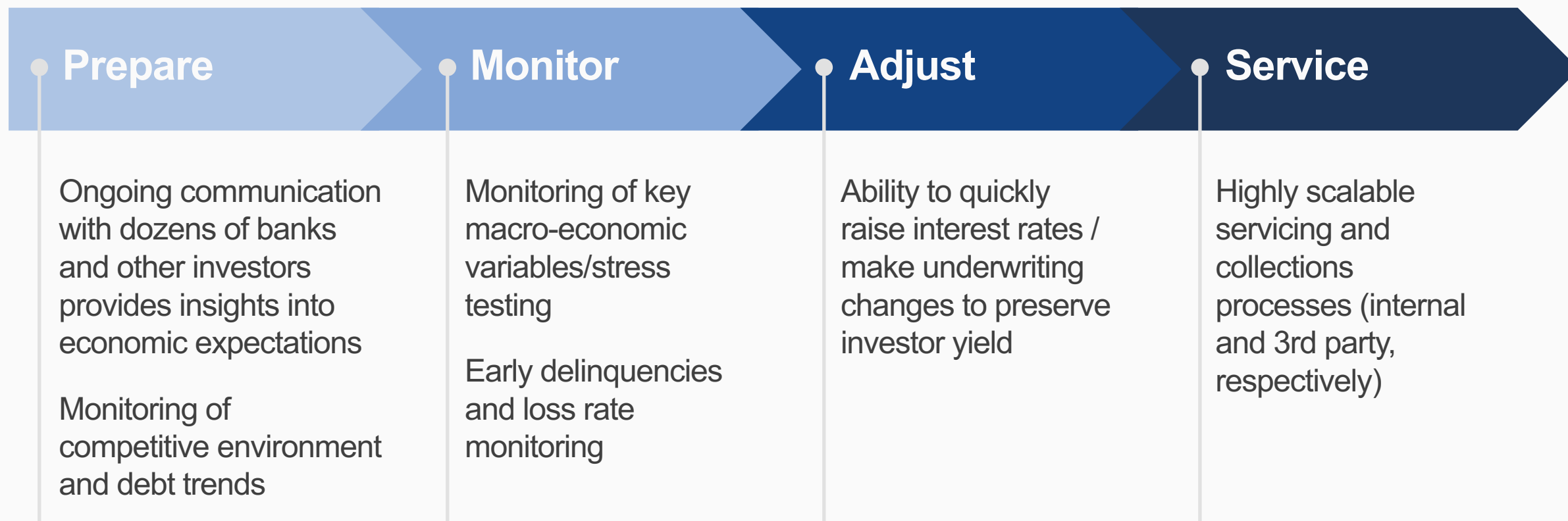
## 60+ Day Delinquency, Bankruptcy, or Charge-Off Rate<sup>1</sup>



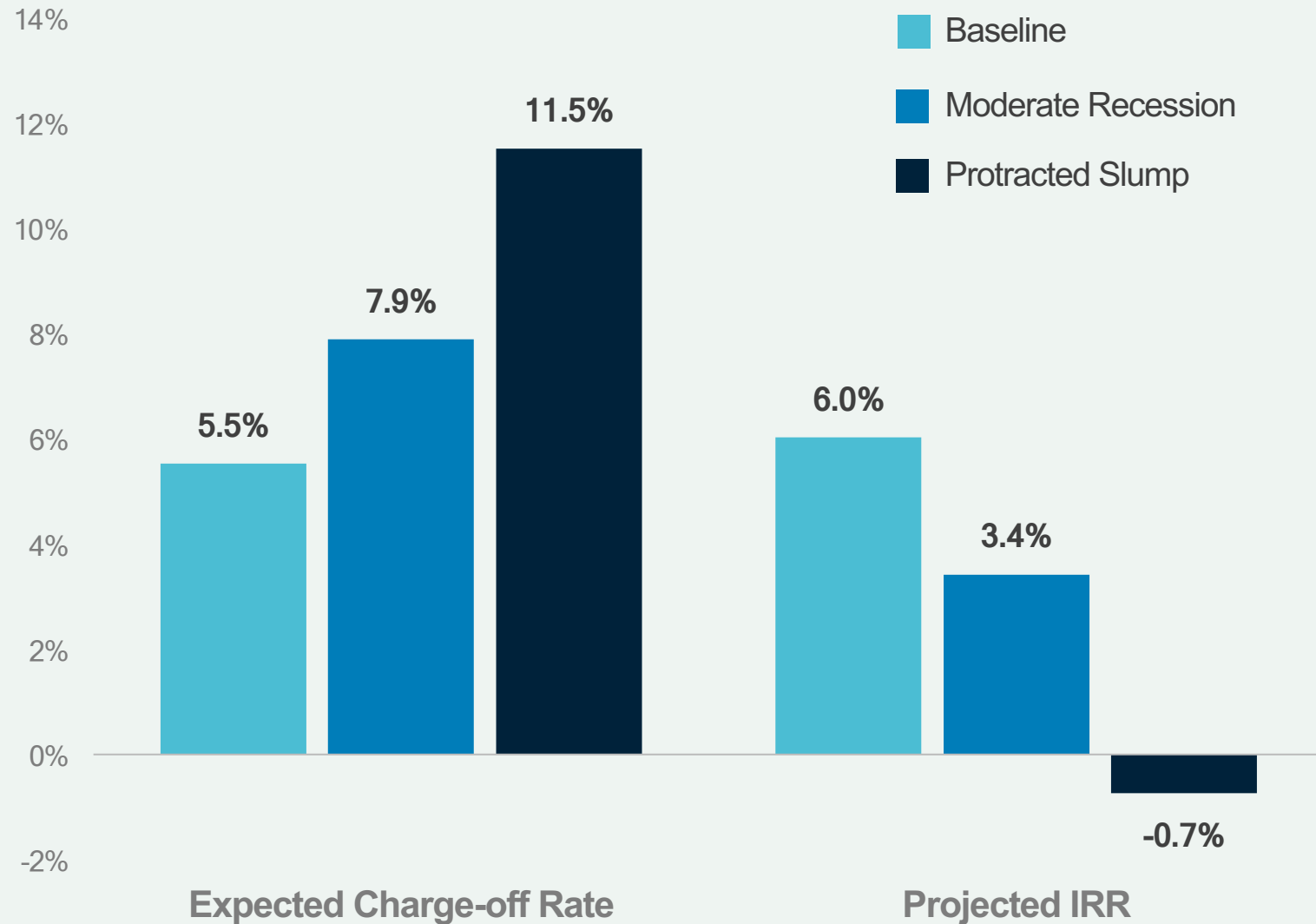
1) As of February 2017. "60+ Day Delinquency, Bankruptcy, or Charge-Off Rate" is estimated using the credit bureau data (includes information on all credit lines including LendingClub loans) for Q4'15 and Q1'16 prime loan applications received by LendingClub. It is defined as percentage of accounts that have gone 60+ days delinquent, entered bankruptcy, or charged-off. Backtested data is hypothetical and is provided for information purposes only. Backtested data does not represent actual results and is not a prediction of future results. Actual results may vary. Backtested data has inherent limitations, including that historical borrower populations are not necessarily indicative of future borrower populations. Individual results may vary and projections can change. Past performance is no guarantee of future results.



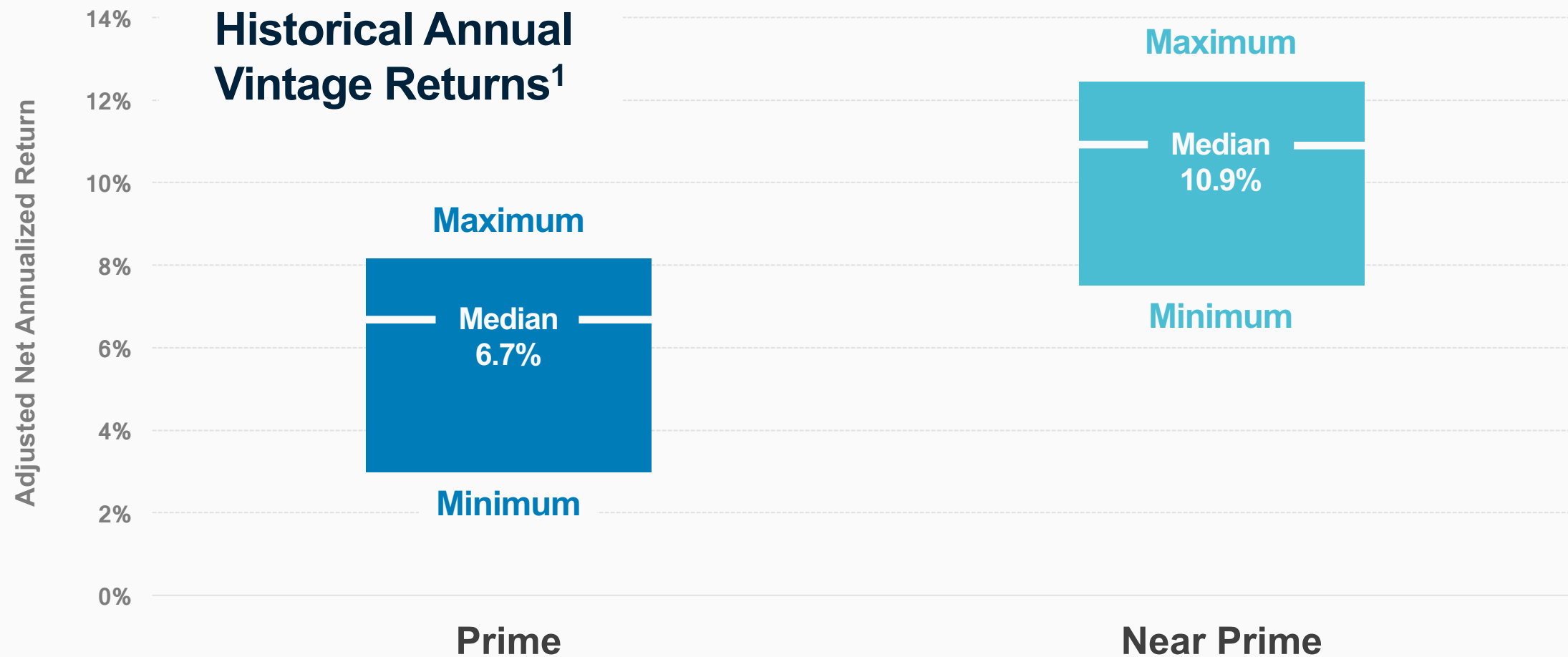
# Resiliency: We are prepared for the situation to become more challenging, as it eventually will



# Stress tests project attractive relative returns even in a downturn<sup>1</sup>



1) Results for Prime program stress test. See appendix page 122 for detail.



1) Data reflects the weighted average performance of each annual vintage of all Prime loans issued from Q1 2009 through Q4 2016 and all Near Prime loans issued from Q3 2013 – Q4 2016 (i.e. since program inception), as of October 2017. “Adjusted Net Annualized Return” is based on actual borrower payments received each month, net of fees, actual charge offs, recoveries, and estimated future losses. To estimate future losses, we apply a charge-off rate estimate to the outstanding principal of any loans that are past-due but not charged off. The charge-off rate estimate is based on historical charge-off rates by loan status over a 9-month period. Historical performance is not a guarantee of future results. Loans and LendingClub Notes are not insured or guaranteed and investors may have negative returns. Individual portfolio results may be impacted by, among other things, the size and diversity of the portfolio, the exposure to any single loan, Note, borrower or group of Notes, loans, or borrowers, as well as macroeconomic conditions. Notes are offered by prospectus.

# Patrick Dunne

Chief Capital Officer



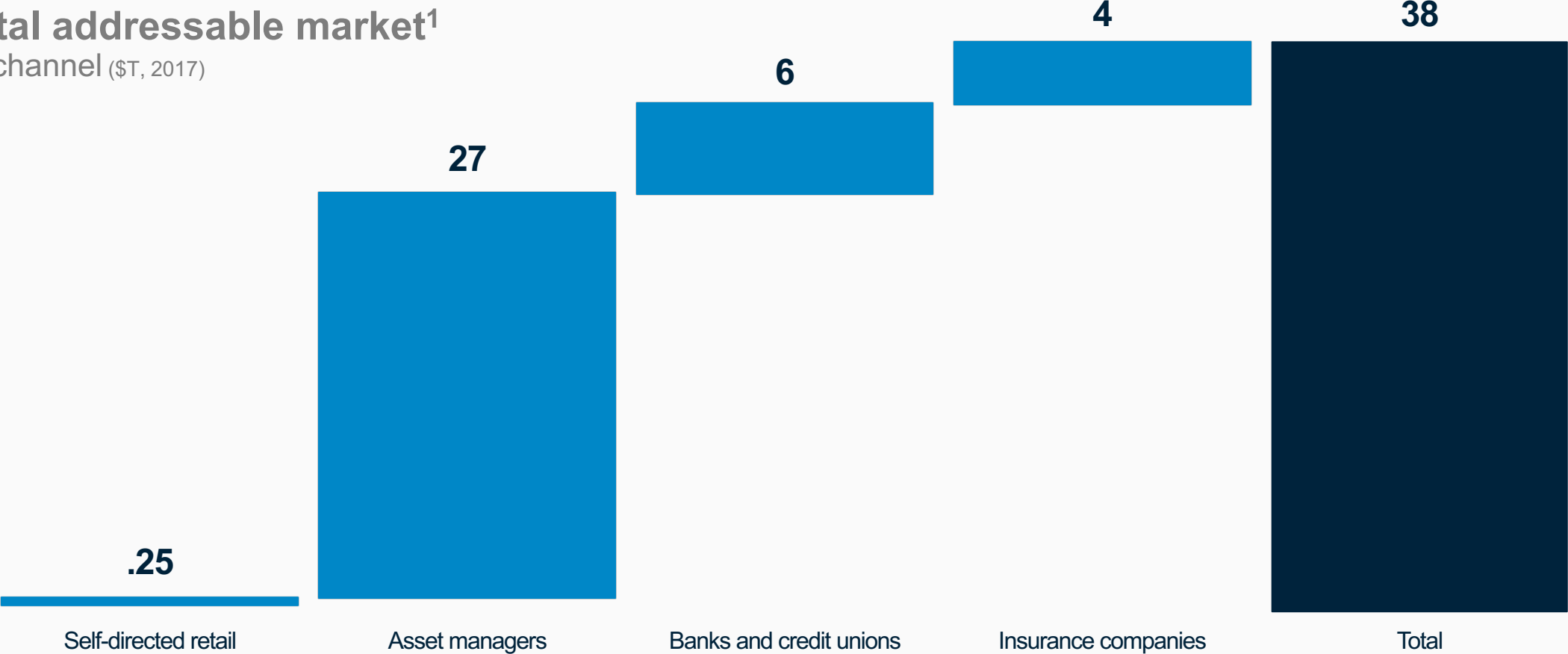
# Continuing to deliver innovative investor products and expand our investor base



All loans originated and issued by our federally regulated issuing bank partners.

# The pools of capital are very large...

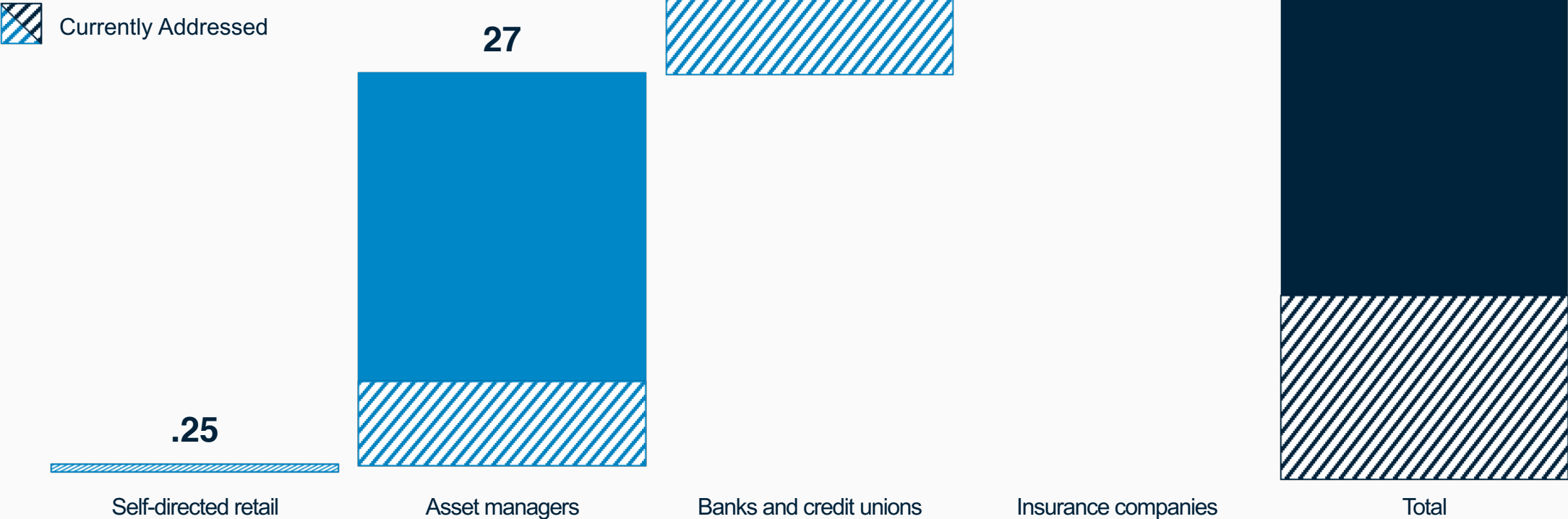
Total addressable market<sup>1</sup>  
by channel (\$T, 2017)



1) Self-directed retail based on LendingClub internal sizing; “Assets of World’s Largest Fund Managers Passes US\$80 Trillion for the First Time,” Willis Towers Watson; “Statistics on Depository Institutions (SDI)” as of 06/30/17, FDIC; Credit Union Report, CUNA Mutual; “US Insurance Industry Cash and Invested Assets Year-End 2016,” National Association of Insurance Commissions. Asset managers includes RIA and wealth advisory.

# But market penetration is in its early stages

Total addressable market<sup>1</sup>  
by channel (\$T, 2017)

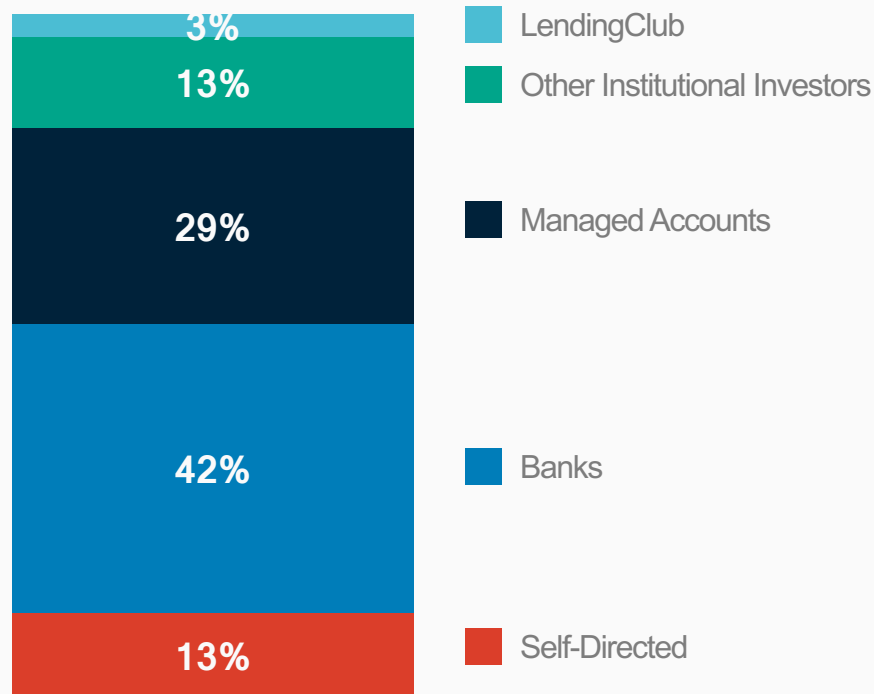


1) Self-directed retail based on LendingClub internal sizing; “Assets of World’s Largest Fund Managers Passes US\$80 Trillion for the First Time,” Willis Towers Watson; “Statistics on Depository Institutions (SDI)” as of 06/30/17, FDIC; Credit Union Report, CUNA Mutual; “US Insurance Industry Cash and Invested Assets Year-End 2016,” National Association of Insurance Commissions. Asset managers includes RIA and wealth advisory.

# We have a growing and diversified investor base

## Investor Channels<sup>1</sup>

% of loan originations funded by channel (Q1-Q3 2017)

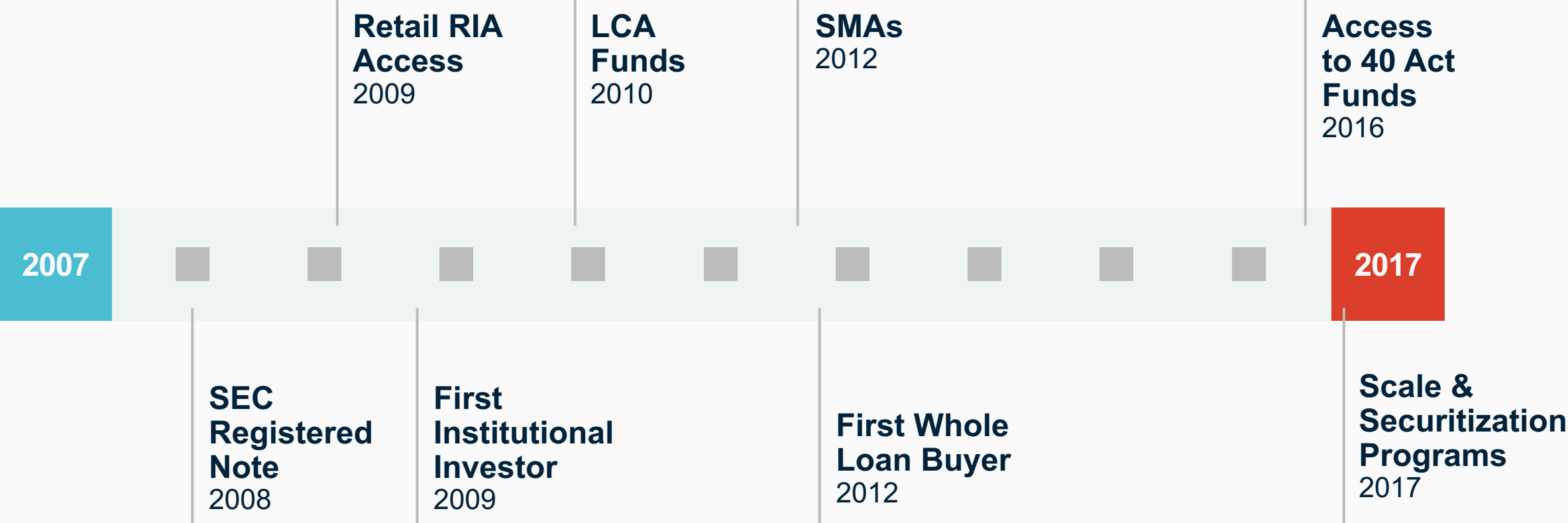


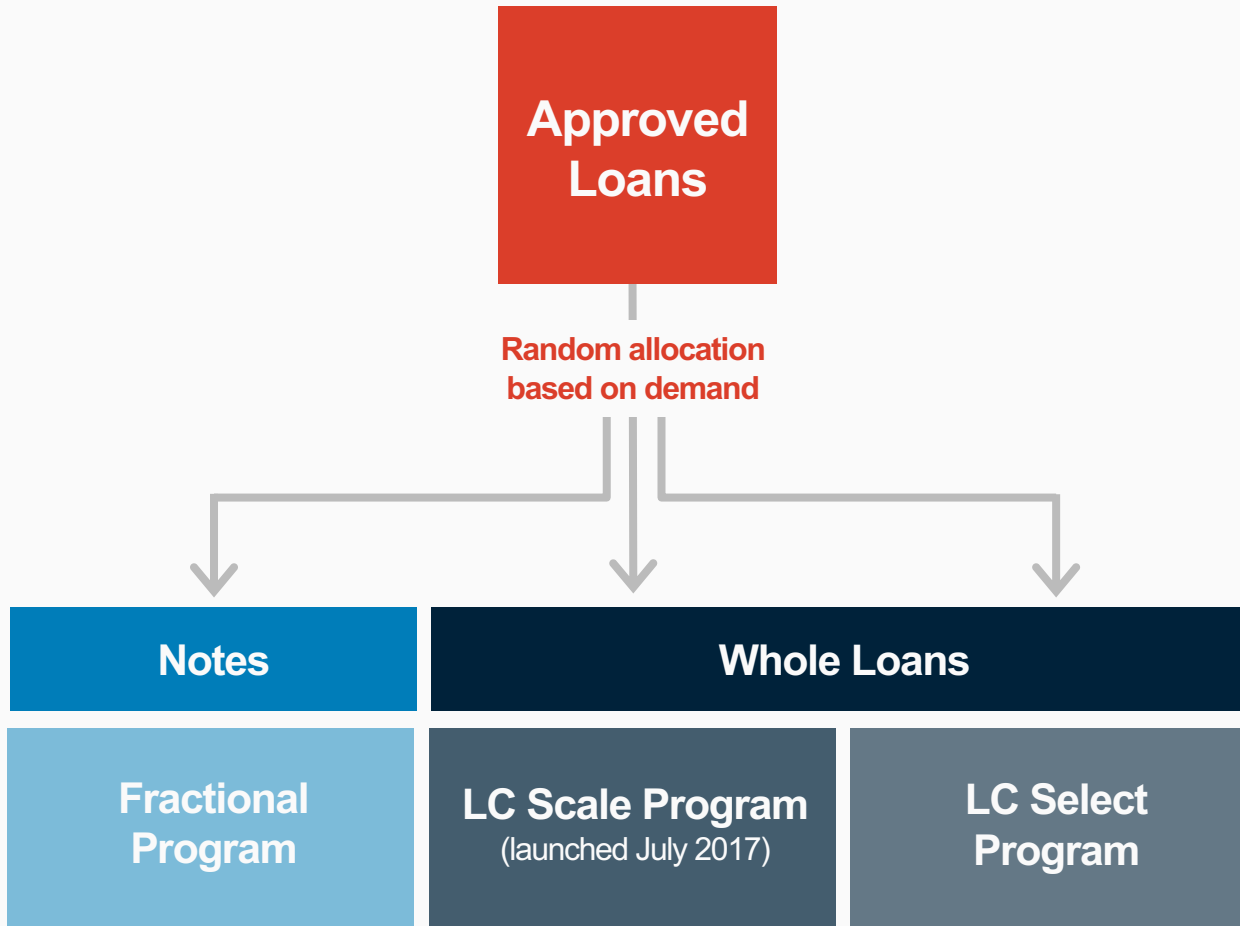
- Increasing access to large pools of capital
- Deep and diverse investor base
- Large buyers with stable funding

1) Managed accounts include the private funds managed by LCAM, dedicated third-party funds and separately managed accounts. Self-directed investors include our self-directed retail investor base. Banks are deposit-taking institutions, while other institutional investors include asset managers, insurance companies, hedge funds and other large non-bank investors.



# Building on 10 years of investor innovation





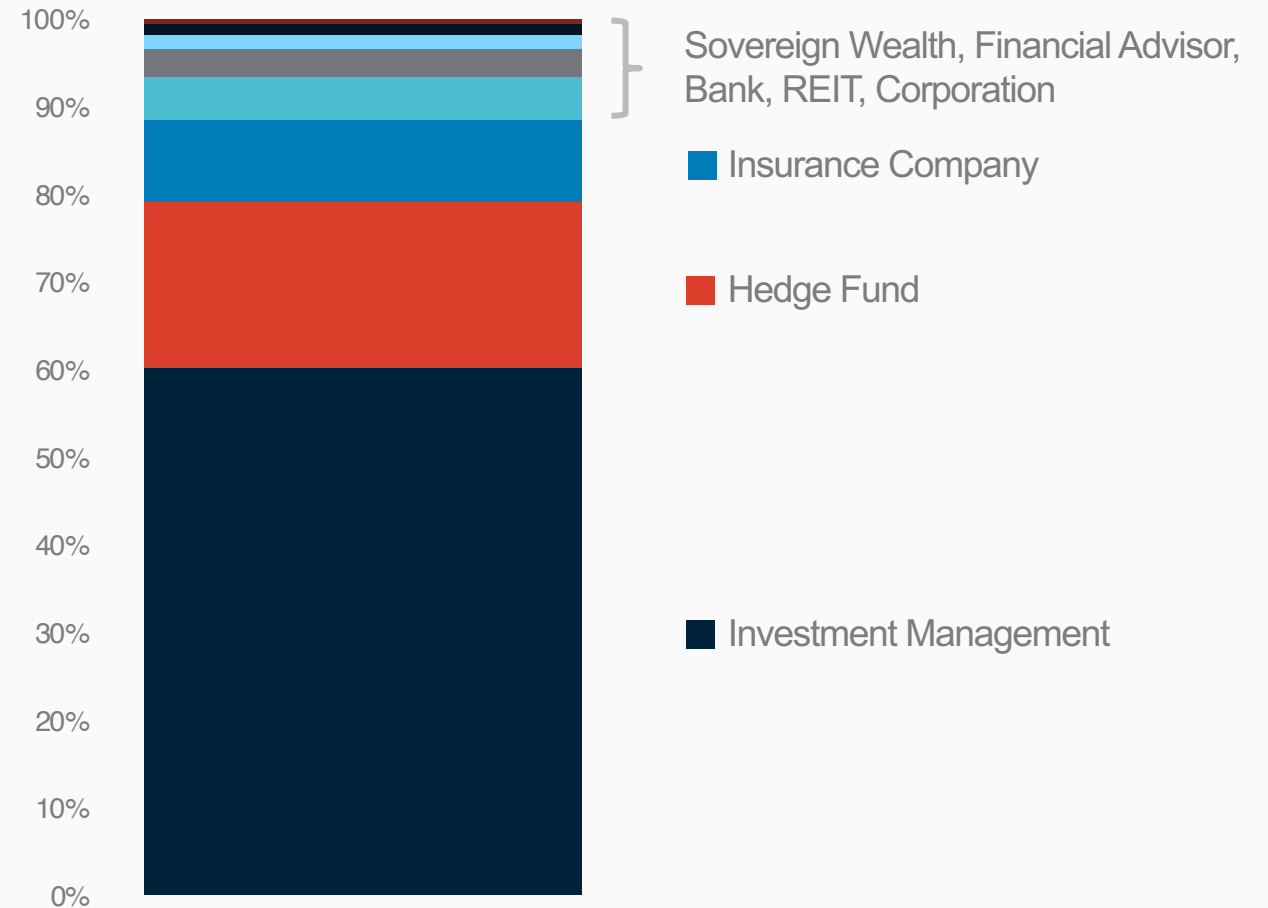
## Scale Program

- Investors purchase based on term and grade
- Facilitates consistent and predictable volume
- Enables existing and future product innovation

# Securitization Program

- Developed 30+ new investor relationships
- Created new revenue streams
- Provided liquidity for existing investors

## 2017 Securitization Investor Mix

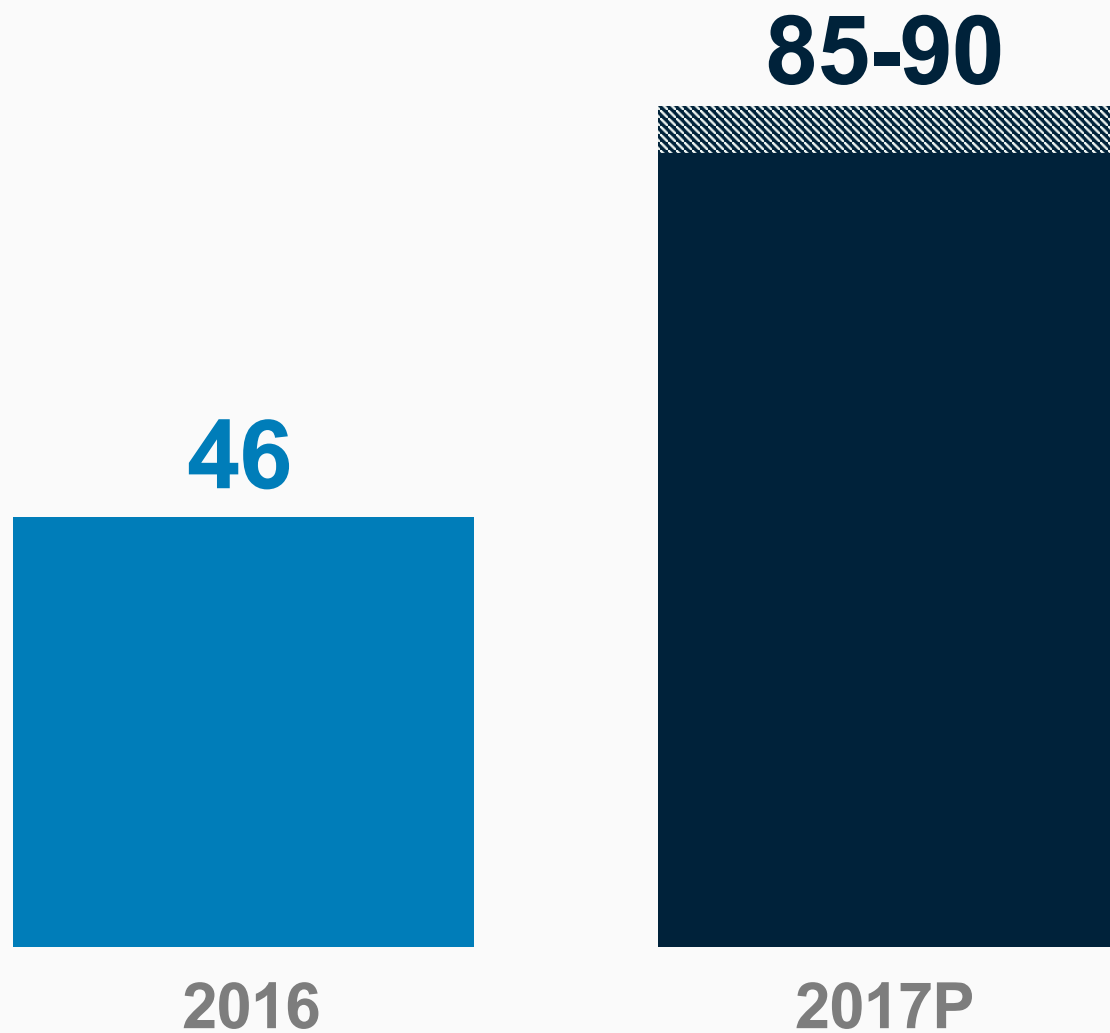


# Increased investor breadth and depth

							Investors served	
Banks	A	B	C	D	E		>40	
Retail	A	B	C	D	E	FG	>180,000	
Managed	A	B	C	D	E	FG	NP	>60
Institutional	A	B	C	D	E	FG	NP	>70

LendingClub continues to facilitate the issuance of F and G grade borrower loans, but they are temporarily unavailable for sale to external investors.

## Investor-Related Revenue (\$M)







A pass-through security  
holding a basket of loans

## CLUB Certificates

- A fixed income security with a CUSIP
- Works within existing bond market infrastructure
- Eligible in existing asset manager portfolios

A new,  
independent,  
U.S. public  
company, to be  
listed on a major  
stock exchange

▲	4.303	NA
▲	0.010	0
▼	0.130	0
▲	0.007	600
▼	1.003	3400
▼	0.865	0
▼	1.374	NA
▲	0.056	NA
▲	1.554	0
▼	2.565	0
▲	0.102	200

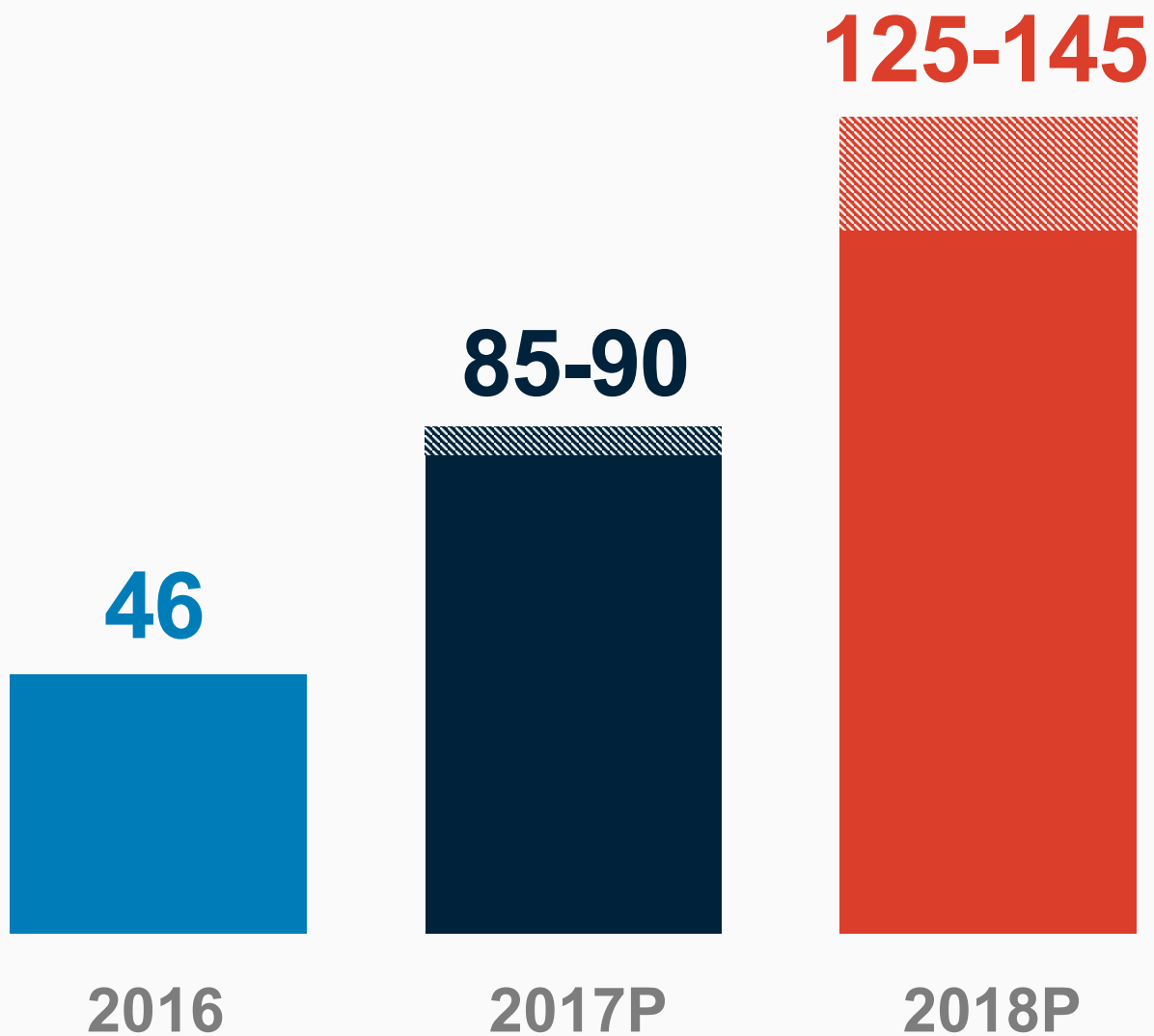
In Development

## Exchange-Traded Partnership

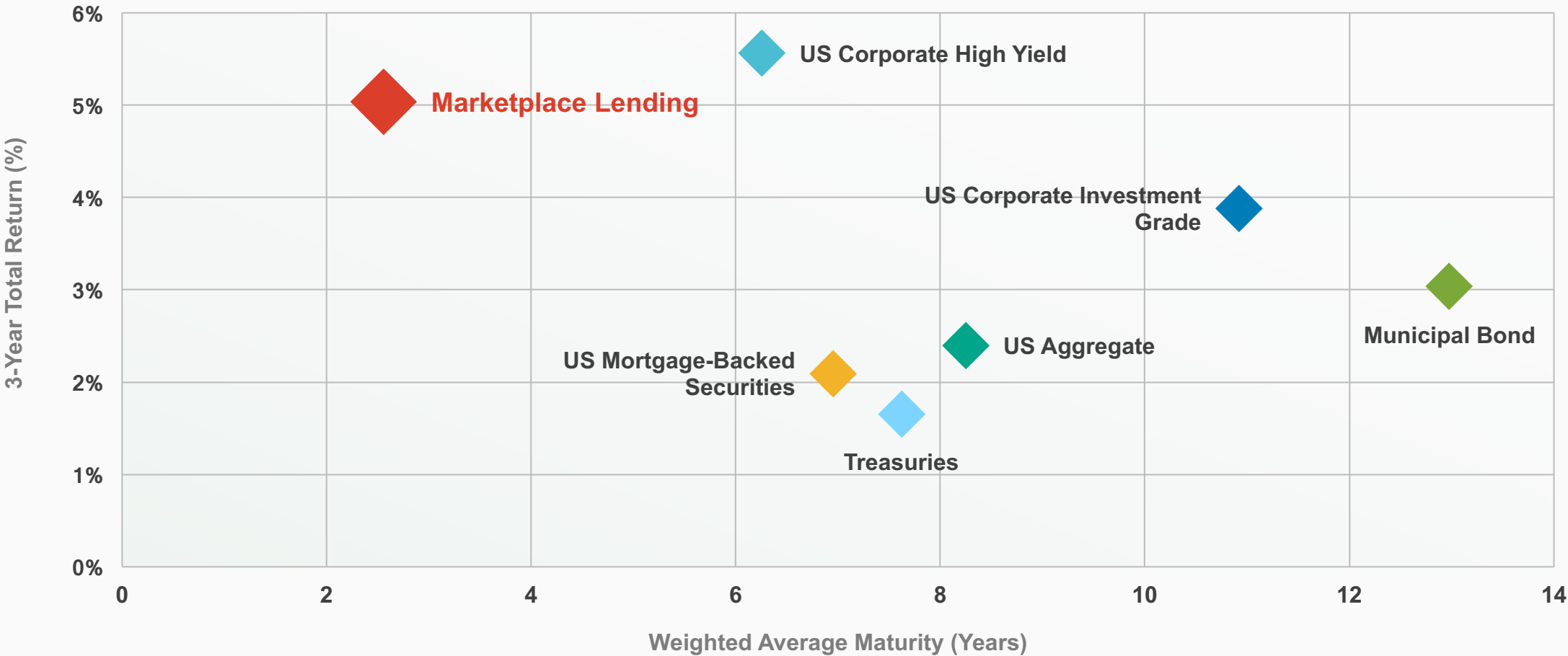
- Listed and trades on a stock exchange
- Available to all investors
- Liquid and transparent



## Investor-Related Revenue (\$M)



# An attractive investment



Source: Bloomberg, as of 9/30/2017. "Marketplace Lending"=Orchard Index; "US Corporate High Yield"= Bloomberg Barclays US Corporate High Yield Index; "US Corporate Investment Grade"=Bloomberg Barclays Corporate Investment Grade Index; "Municipal Bond"=Bloomberg Barclays Municipal Bond Index; "US Mortgage Backed Securities"=Bloomberg Barclays US Mortgage Backed Securities Index; "Treasuries"=Bloomberg Barclays US Treasury Index; "US Aggregate"=Bloomberg Barclays Aggregate Index. Historical performance is not a guarantee of future results. Actual returns experienced by any individual portfolio may be impacted by, among other things, the size and diversity of the portfolio, the exposure to any single loan, borrower or group of loans or borrowers, as well as macroeconomic conditions.

# Investor Panel

**Andrew  
Deringer**

**LendingClub**

VP, Head of Financial  
Institutions Group

**Philip  
Bartow**

**RiverNorth**

Portfolio Manager

**Brian  
Graham**

**Alliance Partners**

Chief Executive Officer

**Amanda  
Magliaro**

**Citi**

Managing Director and  
Head of Global Structured  
Finance Distribution

# Sameer Gulati

COO



# Recap: today's agenda

Company Overview	<b>Scott Sanborn</b> , Chief Executive Officer
Our Borrowers	<b>Steve Allocca</b> , President
Credit	<b>Sid Jajodia</b> , Chief Investment Officer <b>Sammy Soohoo</b> , SVP, Credit Risk
Our Investors	<b>Patrick Dunne</b> , Chief Capital Officer
Investor Panel	<b>Andrew Deringer</b> , VP, Financial Institutions <b>Philip Bartow</b> , Portfolio Manager, RiverNorth <b>Brian Graham</b> , CEO, Alliance Partners <b>Amanda Magliaro</b> , MD, Head of Global Structured Finance Distribution, Citi
Marketplace & Technology/Product	<b>Sameer Gulati</b> , COO
Financials	<b>Tom Casey</b> , Chief Financial Officer

# Marketplace Power

1

**Attractive  
Economics**

2

**Scalability**

3

**Resiliency**

4

**Extensibility**

1

# Attractive Economics

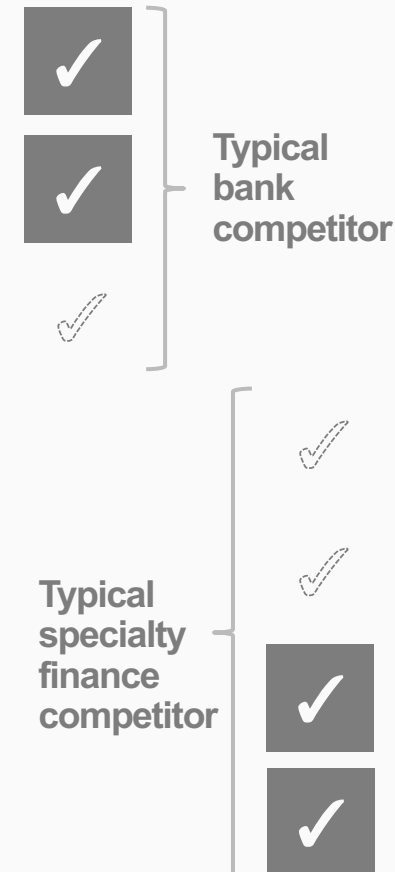
Efficiently reaching a broad population of borrowers

Banks	Retail	Managed	Institutional
A	A	A	A
B	B	B	B
C	C	C	C
D	D	D	D
E	E	E	E
	FG	FG	FG
		NP	NP



**Broad, Leading Credit Box**

## Competitors



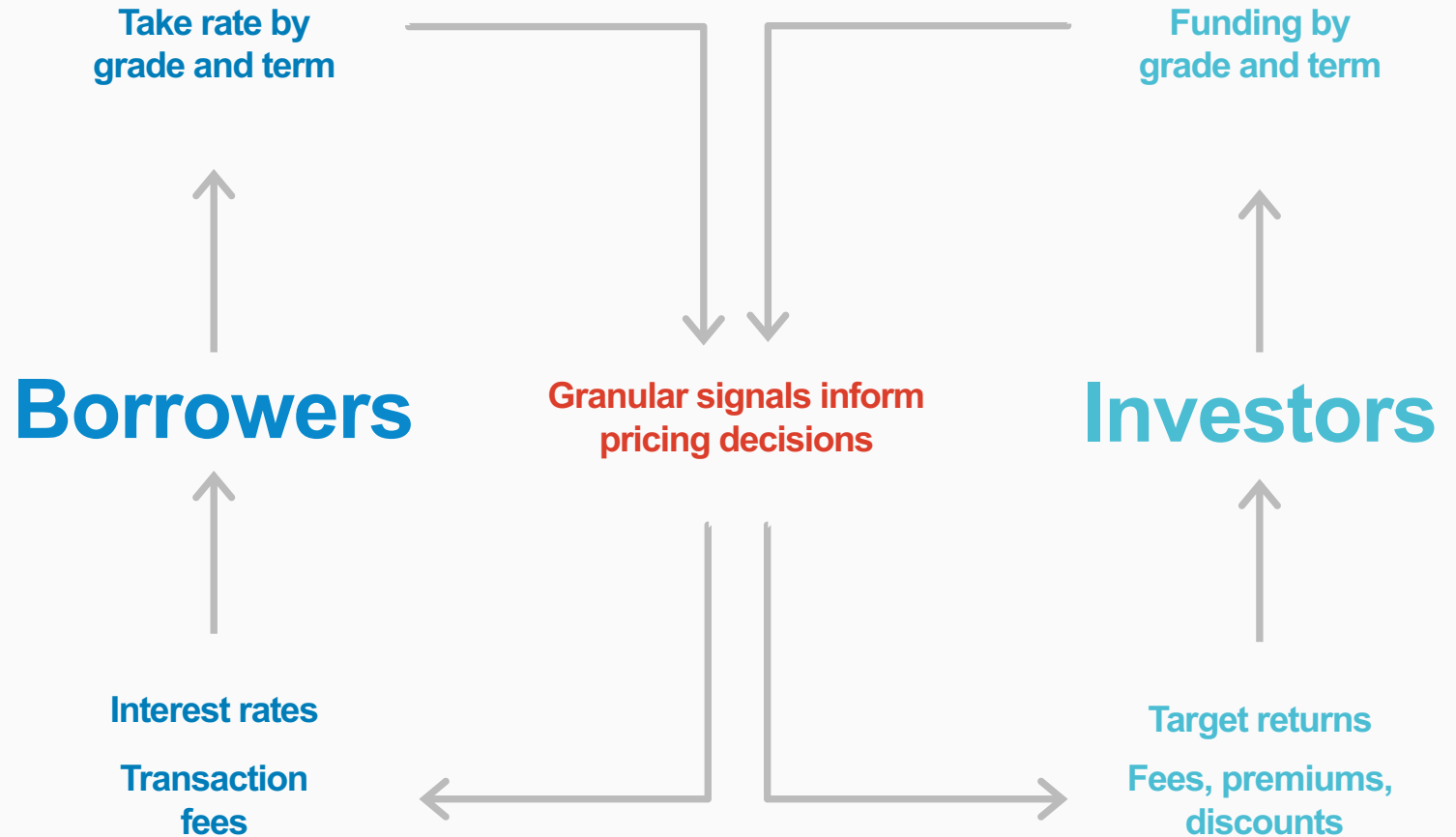
**Limited Credit Box**

LendingClub continues to facilitate the issuance of F and G grade borrower loans, but they are temporarily unavailable for sale to external investors.

1

## Attractive Economics

Unparalleled pricing flexibility

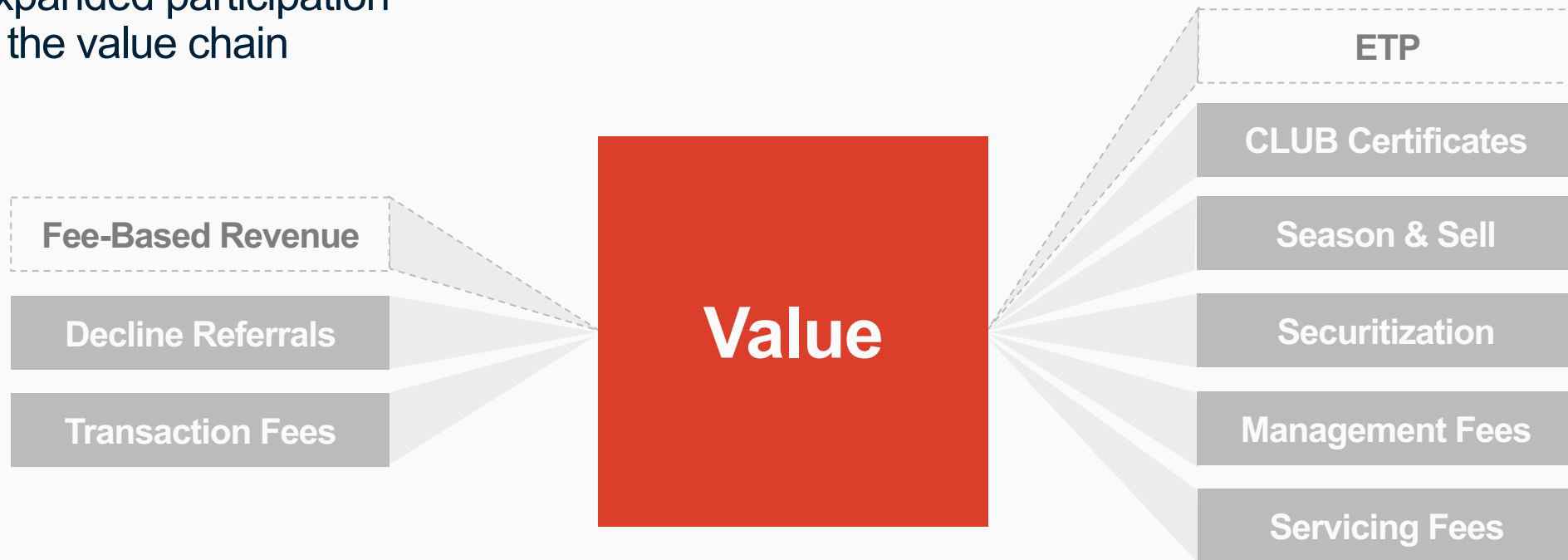




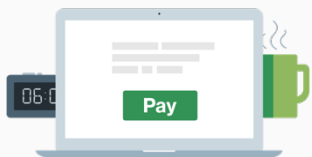
1

# Attractive Economics

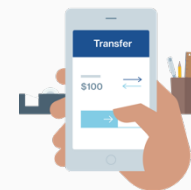
Expanded participation  
in the value chain



## Borrowers



## Investors



## 2 Scalability



### Flexible Architecture

Cloud and micro-services architecture allow expansion of scale and scope



### Broad Credit Appetite

Fulfilling not one investor credit box but many



### Capital Light

Growth is not limited by our own balance sheet

### 3 Resiliency



**Flexible  
Funding Mix**



**Shock  
Absorber  
Balance  
Sheet**

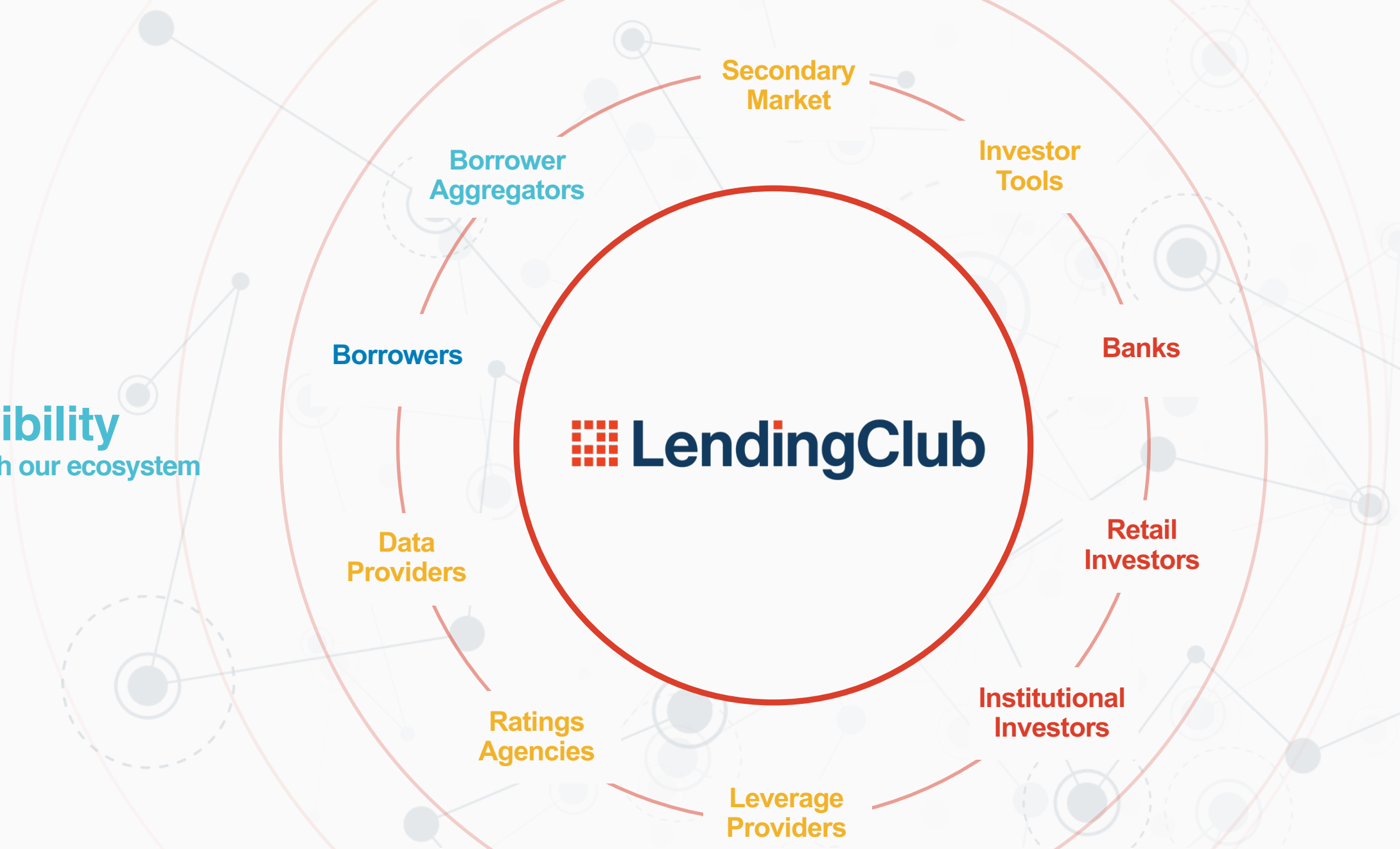


**Control Over  
Short-term  
Pricing Tools**

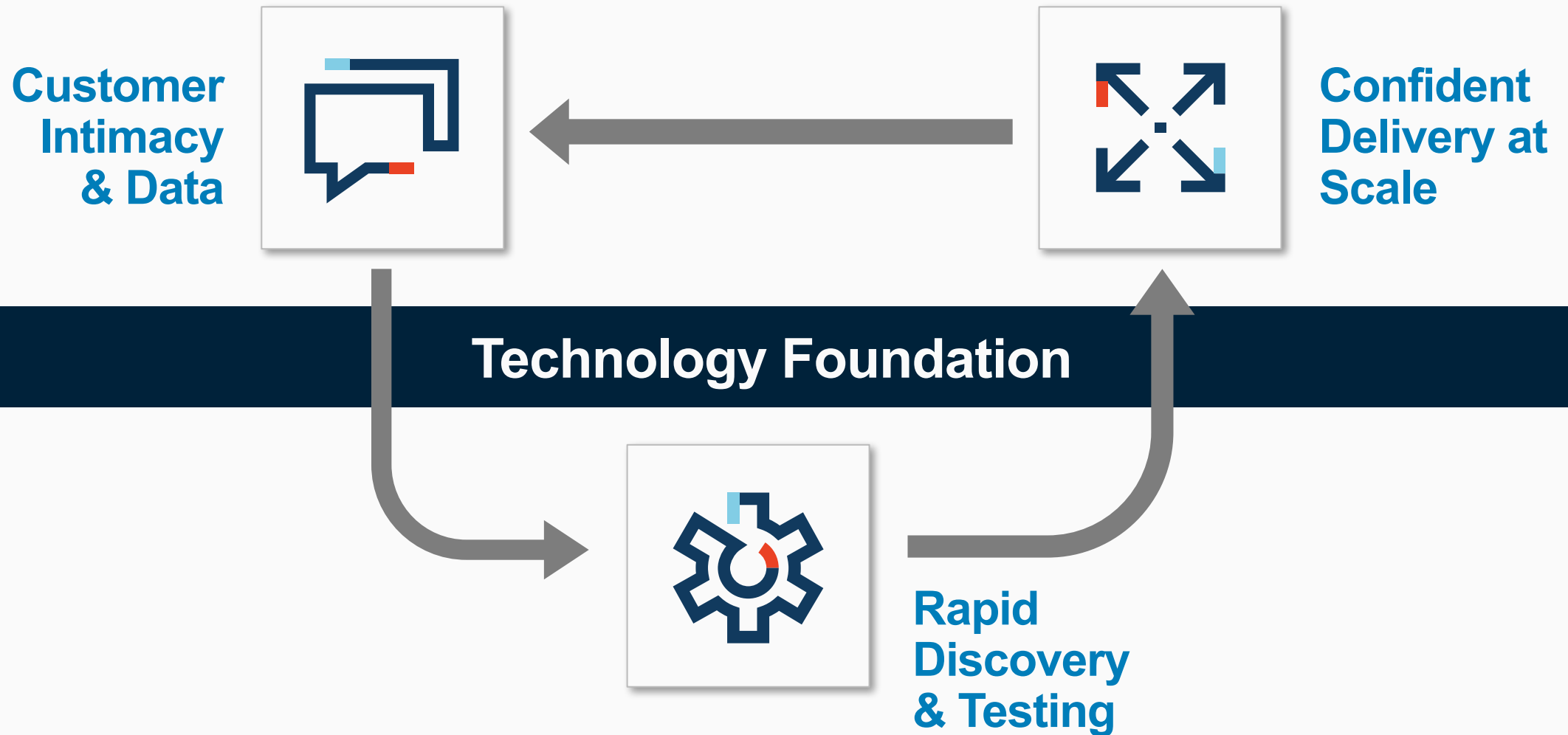
4

## Extensibility

Growing with our ecosystem



# Technology and product development model





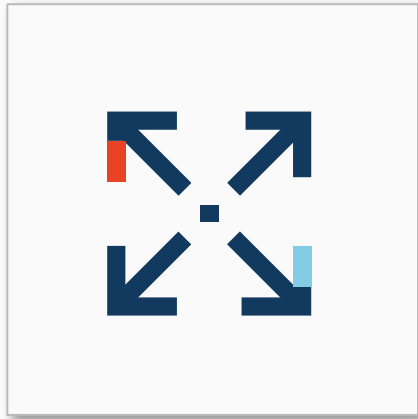
## **Customer Intimacy & Data**

- Real-time user experience observation
- Cross-company customer research teams
- Constant feasibility, usability, NPS studies



## **Rapid Discovery & Testing**

- Dozens of tests running at any given time
- Lean startup test methodology
- Faster insights driven by significant customer volume
- Fast paths for compliance and legal review



## Confident Delivery at Scale

- Two week release cycle
- Flexible, modularized technology architecture



# Technology foundation powers our growth

## Technology Foundation



Cloud



Microservices



Data Lake



Cyber Security

The industry relies on tedious forms that take as long as **30 minutes** to complete, which results in significant abandonment rates

Loan/Finance Form

Getting Started

Loan/Finance Type:

New or Used Auto (Dealer)

Application Type:

Individual (just myself)

Joint

Personal and Residential Information

First Name:

Last Name:

Date of Birth:

(mm/dd/yyyy)

Social Security #:

Primary Phone:

Email Address:

Confirm Email Address:

Street Address:

(no P.O. box)

City:

State:

(Select state)

Zip Code:

Time at Residence:

years

months

Status of Residence:

(Please select)

Monthly Housing Payment:

\$

Employment Information

Employment Status:

(Select a status)

Occupation:

Employer:

Work Phone:

Time at Employer:

years

months

Gross Monthly Income:

\$

(i.e. 2000, no commas or periods)

Allimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

Loan/Finance Information

Total Sales Price:

\$

(Includes tax, title, license & all fees)  
(i.e. 12000, no commas or periods; this can be estimated)

Requested Term:

(Select a term)  
(this can be estimated)

Cash Down Payment:

\$

0

(i.e. 500, no commas or periods)

Vehicle Information

Vehicle Type:

New

Used

Year:

(Select a year)

Make:

(Select a make)

Model:

(Select a model)

Trim:

(Select a trim)

Trading in Current Car:

Yes

No

Create Account Password

Create Password

(8 to 20 characters with at least one upper case, lower case, number, and symbol)

Show password

Confirm Password

Show password

AUTHORIZATION

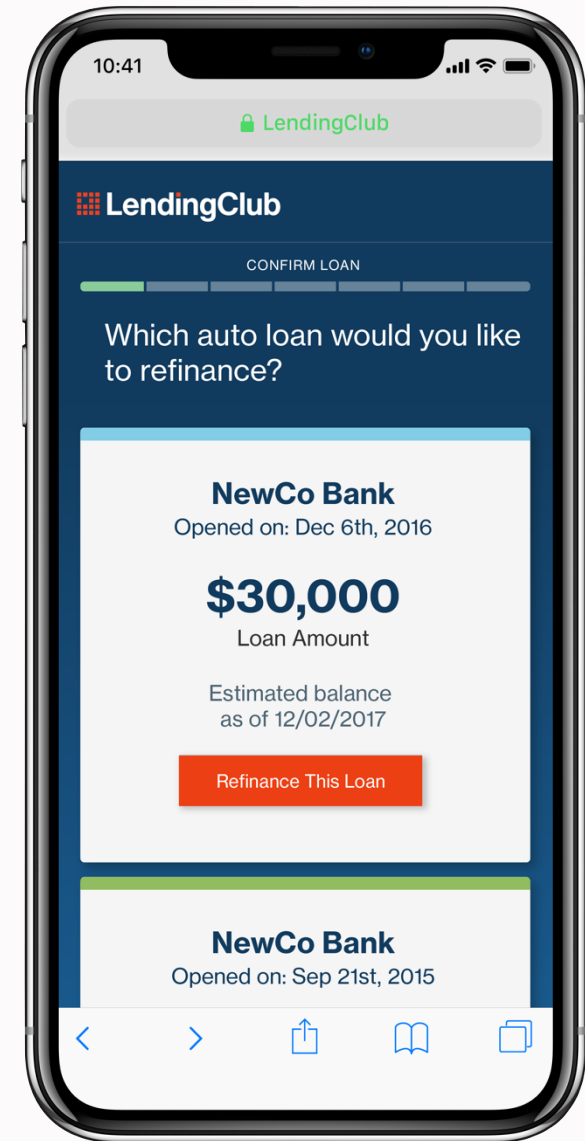
☐ I ("We" if applying for a Joint loan/financing offer request) acknowledge that I/We have received, reviewed, and consent to this [Electronic Records Disclosure](#) via this link.

☐ I ("We" if applying for a Joint loan/financing offer request) acknowledge that I/We have received, reviewed, and consent to the [Pre-Qualification and Loan Offer Related Disclosure](#), [Consent And Authorization For a Credit Bureau Report](#) and [Security and Privacy Policy](#) allowing us to share the information you provide with Lenders and Credit Providers via these links.

STATE SPECIFIC DISCLOSURE

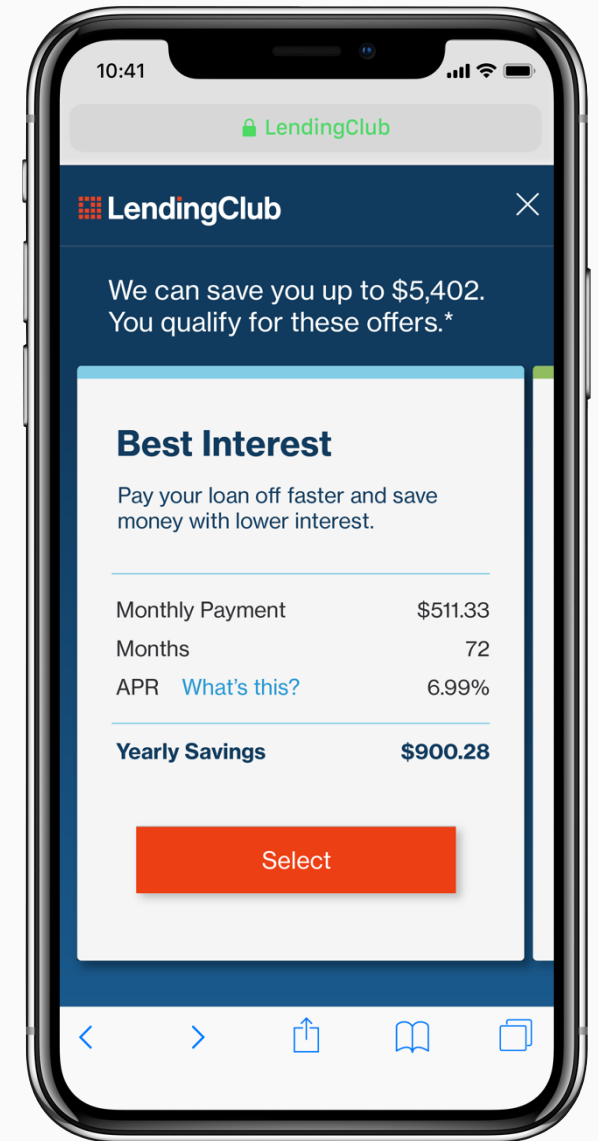
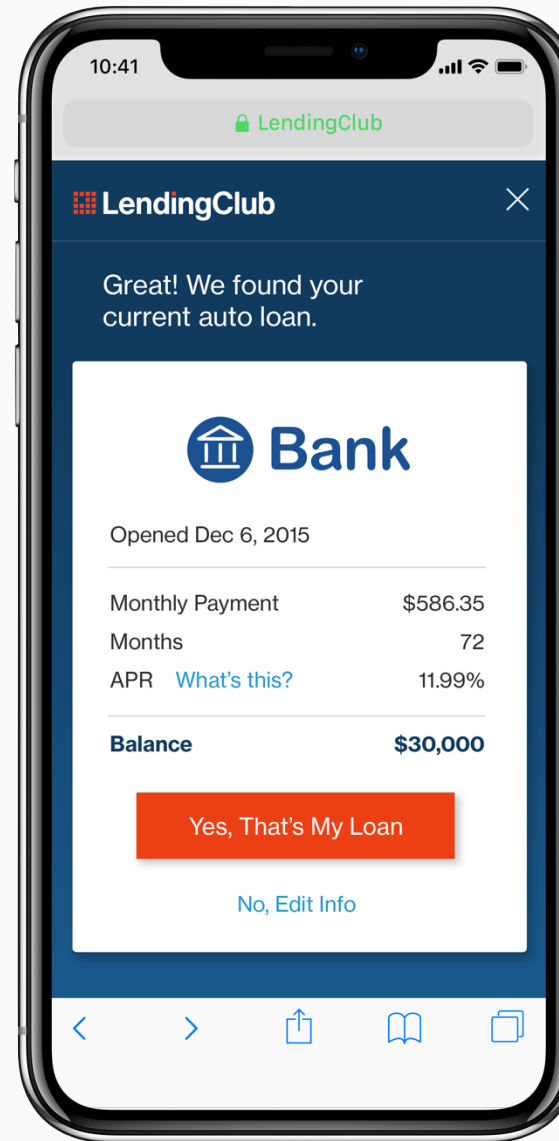
Print All

**We use various  
data sources to  
shorten application  
time – especially  
on mobile devices**





...to make the  
process even  
faster



# Well positioned against our competitors

		 <b>LendingClub</b>	Other Fintechs	Banks	Specialty Finance
<b>Economics</b>	Serving full credit spectrum	✓	✗	✗	✗
	Real-time two-sided pricing signals	✓	Varies	✗	✗
<b>Scale &amp; Scalability</b>	Hybrid, capital-efficient model	✓	Varies	✗	✗
	Millions of satisfied personal loan customers	✓	✗	Varies	Varies
<b>Resiliency</b>	Highly diversified funding model	✓	✗	✓	✗
	Significant balance sheet capital	✓	✗	✓	Varies
<b>Product &amp; Technology</b>	Personal loans for tailored use cases	✓	Varies	Varies	Varies
	Transparent and fair pricing	✓	Varies	Varies	Varies
	Natively digital experience	✓	✓	Varies	✗

None or very limited ✗

# Tom Casey

Chief Financial Officer



**Building  
Scale**

**Expanding  
Margins**

**Capital Light  
Model**

**Significant  
Growth**



**\$350M+**<sup>1</sup>

Spent on  
development

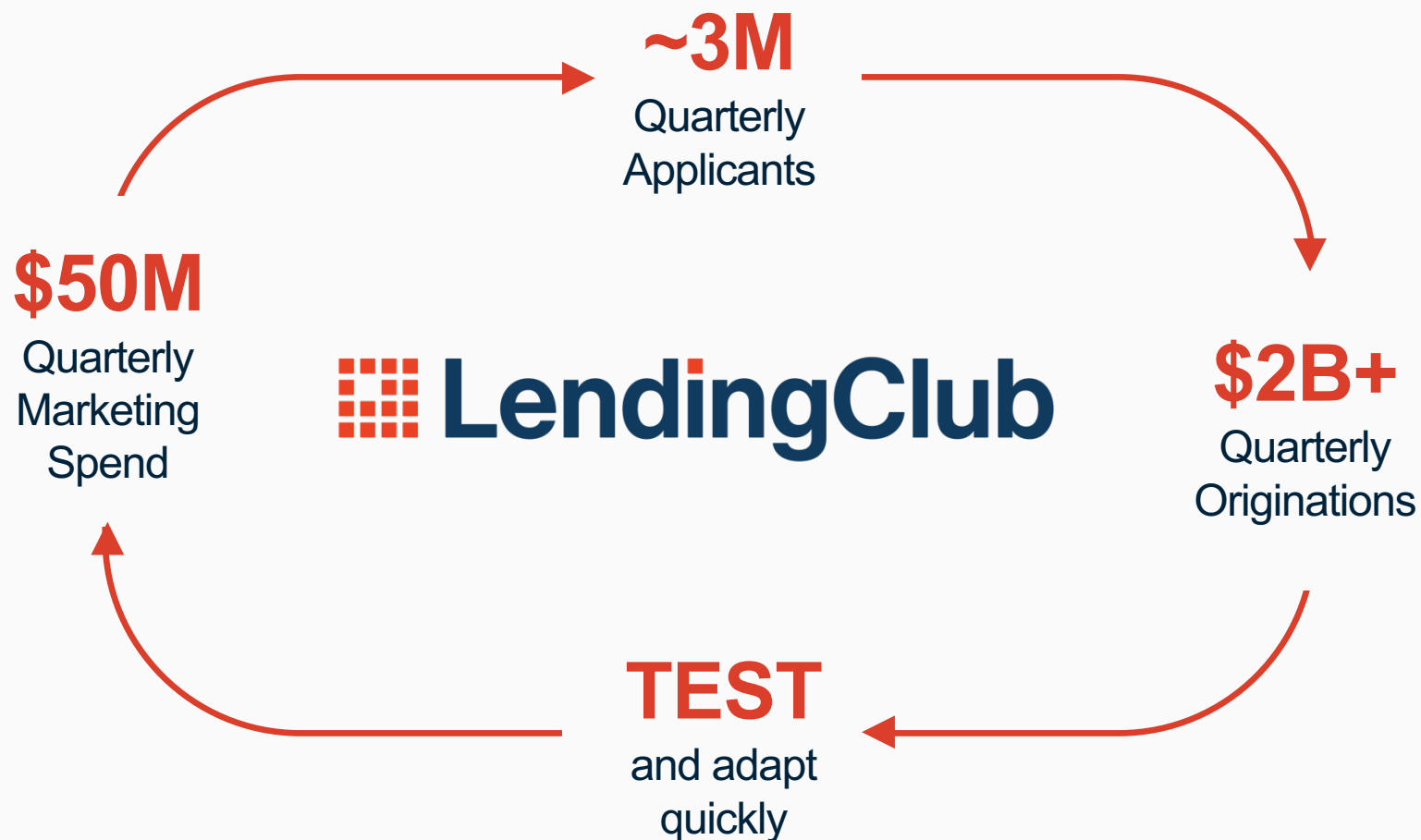
**2M+**

Borrowers to date

**A-G**<sup>2</sup>

Serving a large  
market (600+ FICO)

## Scale provides a competitive advantage

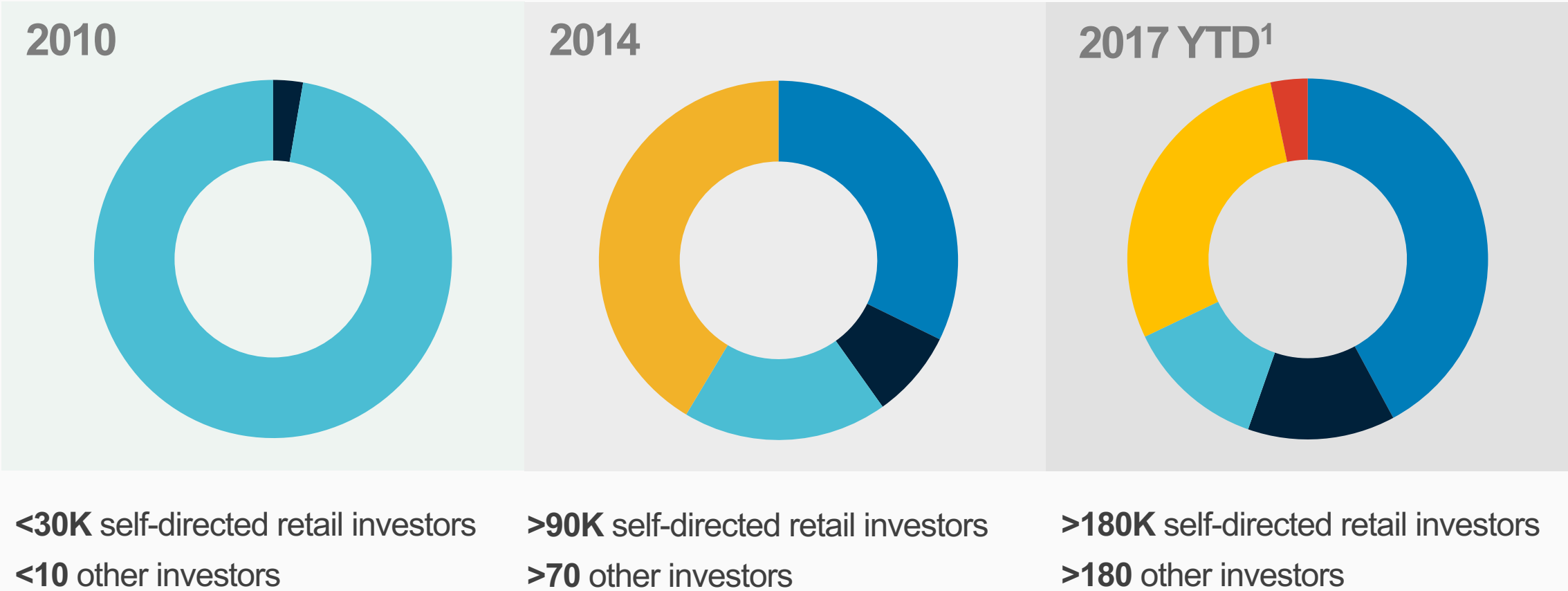


1) Amount shown through 9/30/2017.

2) FICO range reflects LendingClub's personal loans credit policy.

# Evolution of our funding model

\$31B+ funded since 2007



1) Investor counts reflect cumulative investors as of end of each period. 2017 YTD refers to period ended September 30, 2017.

Bank Institutional Retail Managed Accounts Structured Products

# We have invested heavily in Enterprise Risk Management, Compliance, and Internal Audit

Credit Risk	Model Risk Management
Underwriting Risk	SOC1
Regulatory Risk	SOC1
Operational Risk	SOC1
Physical Security Risk	SOC1
BSA/AML Risk	BSA/AML Audit
Compliance Risk	Compliance Management Program
Info Security Risk	System Penetration Testing

## 35 Models

across underwriting, pricing, valuation, and marketing activities – all models are subject to risk governance processes

## 10M+ Applications

validated in 2017 alone through Enterprise Risk QC program

## Quarterly Reporting

for loan investors regarding performance of our critical models

# Scale allows us to deliver significant value to stakeholders...

## Borrower Profile

2017 Annualized	
Avg. FICO	684
Avg. Loan Size	\$13K
<b>Avg. Savings Per Borrower</b>	<b>460<sup>1</sup> bps</b>
<b>Principal Outstanding</b>	<b>&gt;\$11B</b>
<b>Interest Payment Savings</b>	<b>~\$345M-500M<sup>2</sup></b>

## LendingClub

2017 Annualized	
Originations	~\$8B
Rev. Yield	~6.5%
Variable Costs	~3.5%
<b>CM% Target</b>	<b>~45-50%</b>
<b>CM\$</b>	<b>\$250M</b>

## Investor Return

2017 Annualized	
Targeted Return	4-10%
<b>Principal Outstanding</b>	<b>&gt;\$11B</b>
<b>Returns Paid to Investors<sup>3</sup></b>	<b>&gt;\$800M</b>

1) Based on responses from 2,862 borrowers in a survey of randomly selected borrowers conducted from 1/1/17 – 9/30/17. These borrowers reported an average interest rate on outstanding debt or credit cards of 20.4%. Using a loan via LendingClub these borrowers consolidated existing debt or paid off their credit card balance at an average interest rate of 15.8%, exclusive of transaction and other fees (late fees, etc.).

2) Outstanding personal loan savings calculated for a borrower universe ranging from the percentage who reported using LendingClub loans to refinance or payoff their credit card to the full population, by taking average personal loans monthly servicing portfolio balance in 2017, multiplying by a savings rate of 4.6%, and annualizing the savings for the full year.

3) Returns paid to personal loan investors calculated using annualized Q3 2017 distributions, reduced by weighted-average loss rates on total serviced loans.

## ..and creates efficiencies in our cost base...

	Q1 17	Q2 17	Q3 17	Q3 vs. Q1
<b>Originations</b>	<b>\$2.0B</b>	<b>\$2.1B</b>	<b>\$2.4B</b>	<b>+\$0.4B</b>
<b>Revenue</b>	<b>\$124.5M</b>	<b>\$139.6M</b>	<b>\$154.0M</b>	<b>+\$29.5M</b>
<b>M&amp;S + O&amp;S as a % of Revenue<sup>1</sup></b>	<b>56.5%</b>	<b>52.3%</b>	<b>50.7%</b>	<b>-5.8pts</b>
<b>Tech + G&amp;A as a % of Revenue<sup>1</sup></b>	<b>42.5%</b>	<b>40.2%</b>	<b>36.3%</b>	<b>-6.2pts</b>

1) These are non-GAAP financial measures. Please see "GAAP to non-GAAP Reconciliation: Normalized Operating Expenses" in the appendices at the end of this presentation.

## ...as we continue to drive margin expansion

	2016 <sup>1</sup>	2017 Guidance Mid	2018 Guidance Mid	Delta
<b>Contribution Margin<sup>2</sup></b>	<b>44.1%</b>	<b>47.0%</b>	<b>47.5%</b>	<b>+0.5pts</b>
<b>Tech + G&amp;A as a % of Revenue<sup>3</sup></b>	<b>46.7%</b>	<b>39.4%</b>	<b>35.6%</b>	<b>-3.8pts</b>
<b>Adjusted EBITDA Margin<sup>4</sup></b>	<b>(2.6%)</b>	<b>7.6% Mid</b>	<b>11.9% Mid</b>	<b>+4.3pts</b>

1) These are non-GAAP financial measures. Please see "GAAP to non-GAAP Reconciliation" tables in the appendices at the end of this presentation.

2) Contribution Margin is a non-GAAP financial measure. Non-GAAP reconciling items consist of tech and general and administrative expense of \$144M and \$157M and stock-based compensation expense of approx. \$70M and \$77M for the twelve months ended December 31, 2017 and 2018, respectively.

3) Tech and G&A as a percent of Revenue is a non-GAAP financial measure. Non-GAAP reconciling items consist of \$44M and \$51M of depreciation and amortization and other net adjustments for the twelve months ended December 31, 2017 and 2018, respectively.

4) Adjusted EBITDA Margin is a non-GAAP financial measure. Non-GAAP reconciling items consist of stock-based compensation expense of approx. \$70M and \$77M, and approx. \$44M and \$51M of depreciation and amortization and other net adjustments for the twelve months ended December 31, 2017 and 2018, respectively.

# Capital Management Strategy

1

## Resiliency

Extending the investor base

2

## Skin in the Game

5% minimum risk retention requirement, aligning our interest with investors

3

## Strong Liquidity

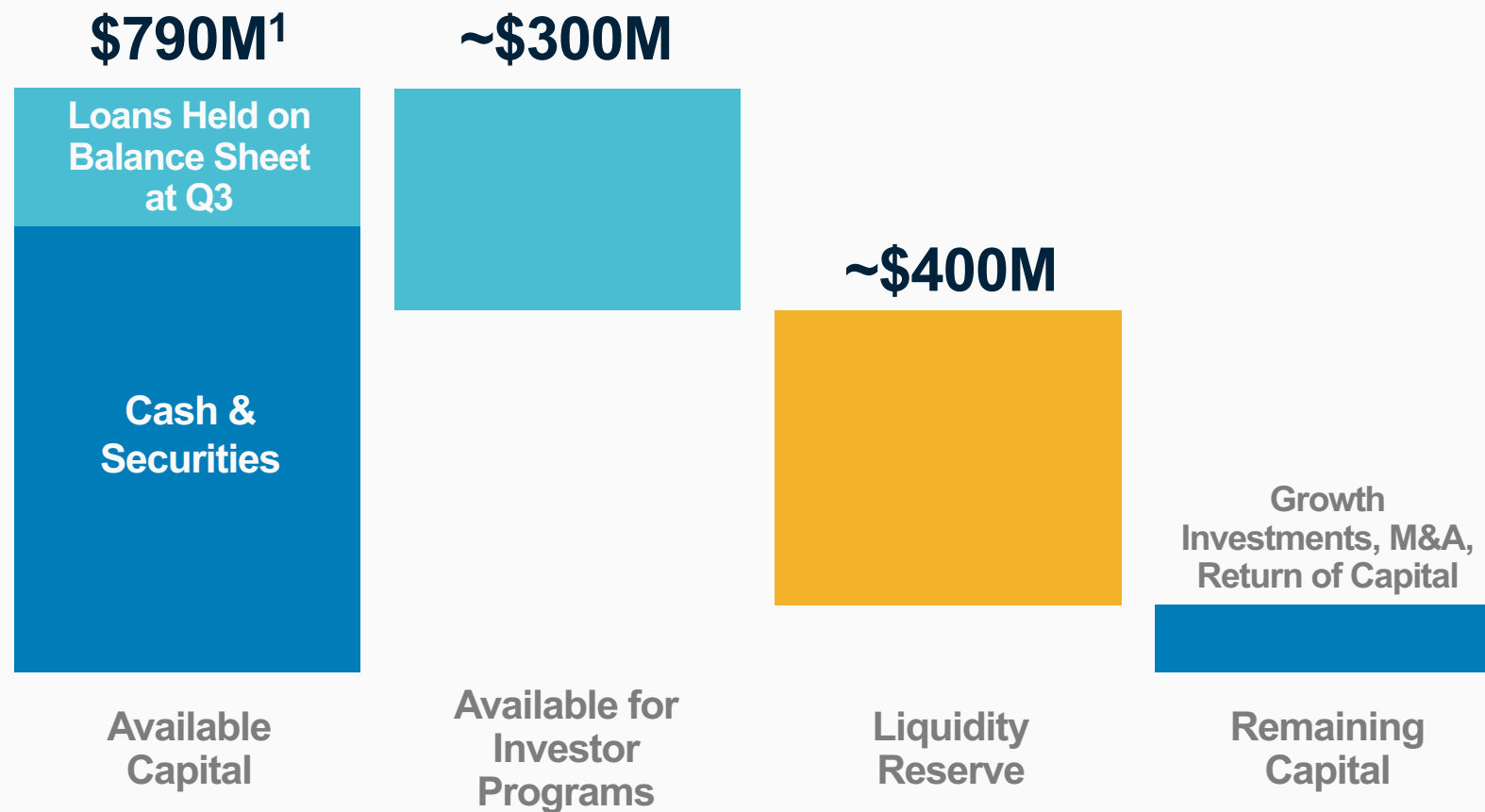
Structured products provide liquidity and a targeted investment profile in multiple market environments

4

## Supports Growth

Value added capital markets capability provides value to the borrower and revenue expansion

## Strong and resilient capital management framework



1) For the period ended September 30, 2017.



## Growth will be driven by 4 key areas

1

### Market Growth

Consumers will continue going online for their credit needs

2

### Product Improvements

We are well-positioned to take greater share of the market

3

### New Revenue Streams

We are creating brand new revenue streams and growing revenue

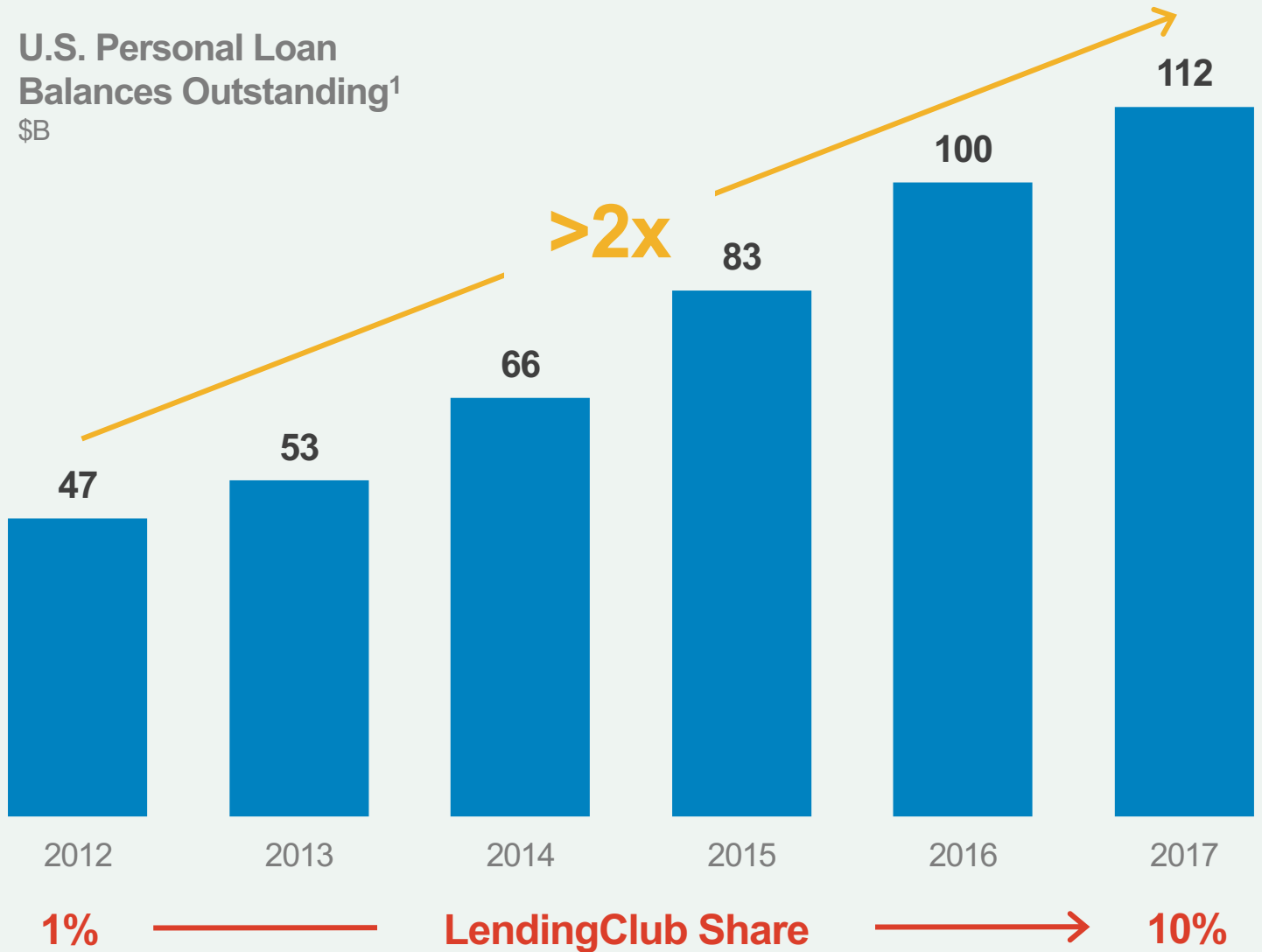
4

### Key Investments

While making key investments to support long-term growth

## The market is growing – and we are taking a greater share by:

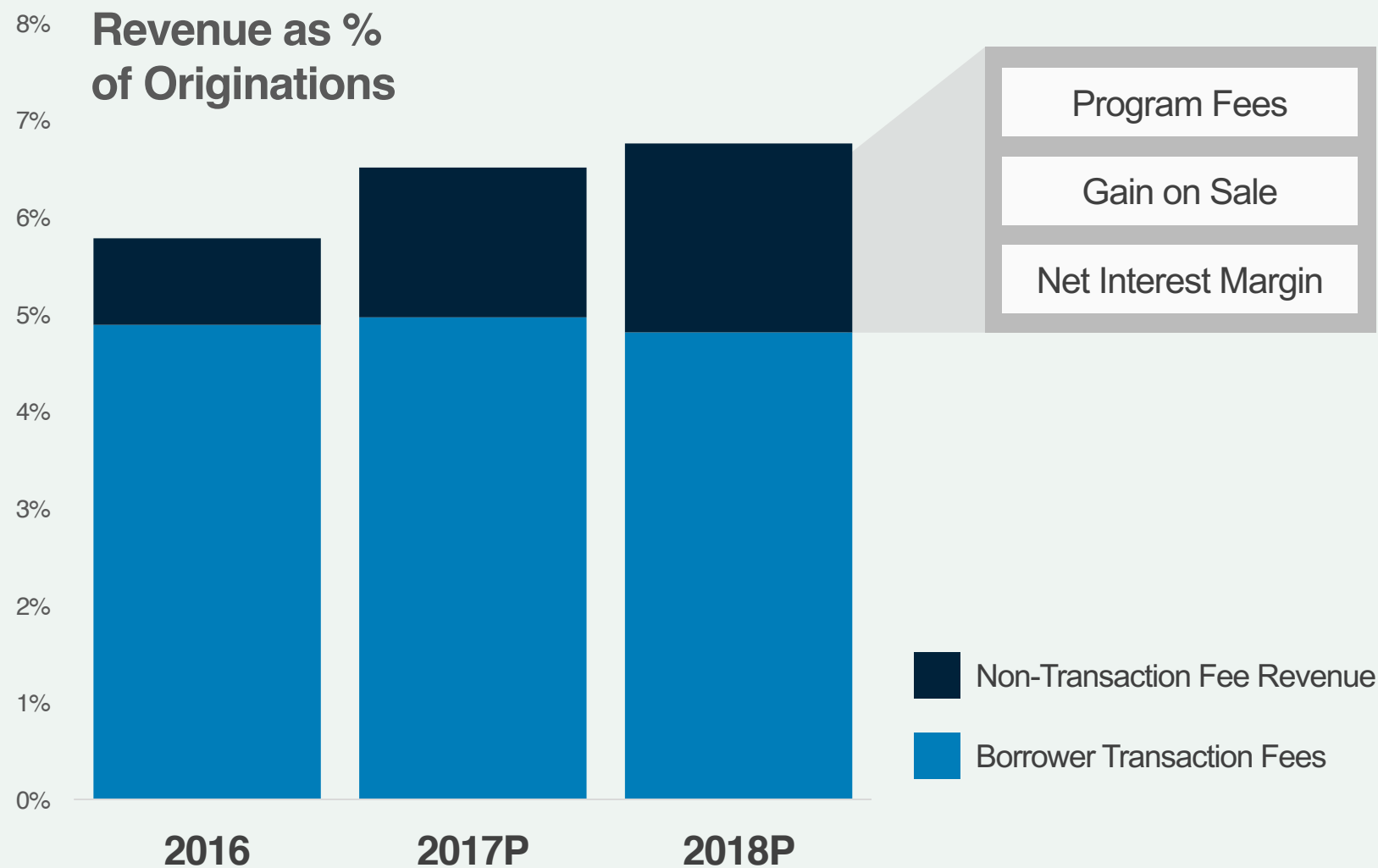
- Attracting target customers
- Converting applicants to borrowers
- Serving a broader set of needs



1) "TransUnion Industry Insights Report," TransUnion, Q3 2017.

# We are expanding the revenue yield:

- Non-transaction fee revenue creating more value
- Increasing revenue yield from Program Fees, Gain on Sale, and Net Interest Margin expanding total revenue yield in 2018



# 2017 Guidance Update

	Q4 17	2017
Net Revenue	\$155M-\$160M	\$573M-\$578M
GAAP Net Income	(\$10M)-(\$6M)	(\$72M)-(\$68M)
Adjusted EBITDA <sup>1</sup>	\$16M-\$20M	\$42M-\$46M

## Why are we updating the range?

- Q4 volumes are in-line with our expectations but...
- ...we now expect a (\$3M) timing impact to both our Revenue & EBITDA from holding the residual from our recent securitization

1) Adjusted EBITDA is a non-GAAP financial measure. Non-GAAP reconciling items consist of stock-based compensation of approx. \$15M and \$70M, and approx. \$11M and \$44M of depreciation and amortization and other net adjustments for the three and twelve months ended December 31, 2017, respectively.

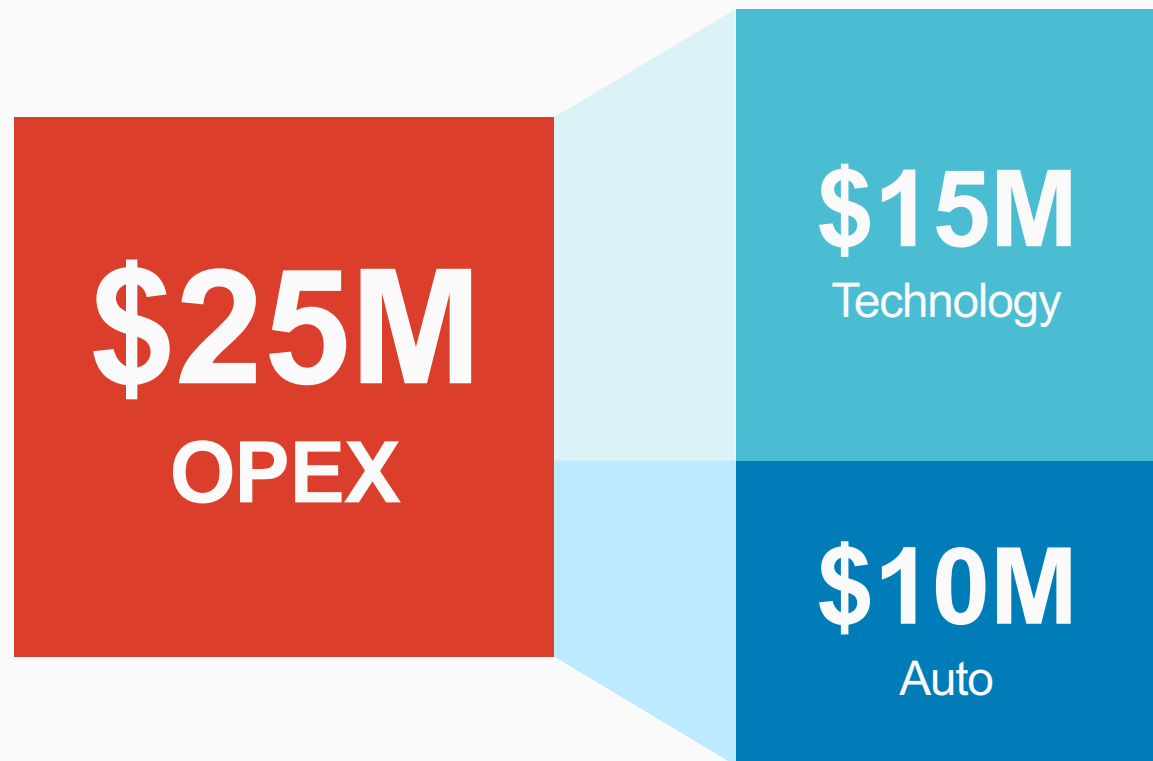
# Core Business

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Growing Market  
Taking Share with  
New Initiatives  
  
Increasing  
Revenue

Legacy Legal Costs

**We continue to  
make bets on  
future growth**



# 2018 Guidance

	2017	2018 Outlook	YoY Growth
<b>Net Revenue</b>	<b>\$573M-\$578M</b>	<b>\$680-\$705M</b>	<b>+20.3% Mid</b>
<b>GAAP Net Income</b>	<b>(\$72M)-(\$68M)</b>	<b>(\$53M)-(\$38M)</b>	<b>+\$19M to +\$30M</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$42M-\$46M</b>	<b>\$75M-\$90M</b>	<b>+87.5% Mid</b>
<b>Adjusted EBITDA Margin %<sup>1</sup></b>	<b>7.6% Mid</b>	<b>11.9% Mid</b>	<b>+4.3pts Mid</b>

## Guidance includes:

- Growth investment
- \$10M Auto
- \$15M Technology

## Guidance excludes:

- Legacy legal costs

1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Non-GAAP reconciling items consist of stock-based compensation of approx. \$70M and \$77M, and approx. \$44M and \$51M of depreciation and amortization and other net adjustments for the twelve months ended December 31, 2017 and 2018, respectively.

# Long-term Guidance

	2018 Outlook	Long Term
Net Revenue	\$680-\$705M	15%-20%
Adjusted EBITDA Margin % <sup>1</sup>	11.9% Mid	~20%

1) Adjusted EBITDA Margin is a non-GAAP financial measure. Non-GAAP reconciling items consist of stock-based compensation of approx. \$77M, and approx. \$51M of depreciation and amortization and other net adjustments for the twelve months ended December 31, 2018.



**Building  
Scale**

**Expanding  
Margins**

**Capital Light  
Model**

**Significant  
Growth**

# Scott Sanborn

Chief Executive Officer



# Key takeaways

1. Unsecured online lending is a **large and growing market**, serving a critical customer need
2. LendingClub as the leader is uniquely positioned to go after this market
  - a) The **marketplace model** is the right one with broad consumer demand and investor appetite
  - b) We have strong **credit, tech and product capabilities** that are difficult to replicate at this scale
  - c) We have the right blend of **team and culture** to win
3. **Solid plan to deliver growth**, while investing for the future

# Q&A



# Appendix

# Financial Recons & Metrics

# GAAP to Non-GAAP Reconciliation: Normalized Operating Expenses

(in thousands, except percentages)  
(unaudited)

Three Months Ended

	1Q17	2Q17	3Q17
Total GAAP net revenue	\$124,482	\$139,573	\$154,030
GAAP sales and marketing	\$54,583	\$55,582	\$59,570
Stock-based compensation expense	2,299	1,967	1,591
One-time non-recurring expense	687	435	143
<b>Non-GAAP normalized sales and marketing (M&amp;S)</b>	<b>\$51,597</b>	<b>\$53,180</b>	<b>\$57,836</b>
<i>% Total non-GAAP net revenue</i>	<i>41.4%</i>	<i>38.1%</i>	<i>37.5%</i>
GAAP origination and servicing	\$20,449	\$21,274	\$21,321
Stock-based compensation expense	1,416	1,354	1,049
One-time non-recurring expense	238	132	—
<b>Non-GAAP normalized origination and servicing (O&amp;S)</b>	<b>\$18,795</b>	<b>\$19,788</b>	<b>\$20,272</b>
<i>% Total non-GAAP net revenue</i>	<i>15.1%</i>	<i>14.2%</i>	<i>13.2%</i>
<b>Non-GAAP normalized M&amp;S and O&amp;S</b>	<b>\$70,392</b>	<b>\$72,968</b>	<b>\$78,108</b>
<i>% Total non-GAAP net revenue</i>	<i>56.5%</i>	<i>52.3%</i>	<i>50.7%</i>



## GAAP to Non-GAAP Reconciliation: Normalized Operating Expenses (cont.)

(in thousands, except percentages) (unaudited)	Three Months Ended		
	1Q17	2Q17	3Q17
Total GAAP net revenue	\$124,482	\$139,573	\$154,030
GAAP engineering and product development	\$35,760	\$35,718	\$32,860
Stock-based compensation expense	6,588	5,773	4,640
Depreciation and amortization	7,794	8,483	9,026
One-time non-recurring expense	1,127	705	—
<b>Non-GAAP normalized engineering and product development</b>	<b>\$20,251</b>	<b>\$20,757</b>	<b>\$19,194</b>
<i>% Total non-GAAP net revenue</i>	<i>16.3%</i>	<i>14.9%</i>	<i>12.5%</i>
GAAP other general and administrative	\$43,574	\$52,495	\$46,925
Stock-based compensation expense	9,195	9,994	8,826
Depreciation	1,298	1,305	1,246
Acquisition and related expenses	293	56	—
Amortization of intangibles	1,162	1,057	1,034
Insurance reimbursement	(9,625)	(2,431)	(7,119)
One-time non-recurring expense	8,573	7,140	6,241
<b>Non-GAAP normalized other general and administrative</b>	<b>\$32,678</b>	<b>\$35,374</b>	<b>\$36,697</b>
<i>% Total non-GAAP net revenue</i>	<i>26.3%</i>	<i>25.3%</i>	<i>23.8%</i>
<b>Non-GAAP normalized engineering and product development and other G&amp;A</b>	<b>\$52,929</b>	<b>\$56,131</b>	<b>\$55,891</b>
<i>% Total non-GAAP net revenue</i>	<i>42.5%</i>	<i>40.2%</i>	<i>36.3%</i>

## GAAP to Non-GAAP Reconciliation: Operating Expenses

	Year Ended December 31,
(in thousands, except percentages) (unaudited)	2016
Total GAAP net revenue	\$500,812
GAAP engineering and product development	\$115,357
Stock-based compensation expense	19,858
Depreciation and amortization	20,906
<b>Non-GAAP engineering and product development</b>	<b>\$74,593</b>
<i>% Total non-GAAP net revenue</i>	<i>14.9%</i>
GAAP other general and administrative & goodwill impairment	\$244,222
Stock-based compensation expense	37,638
Depreciation	4,216
Acquisition and related expenses	1,174
Amortization of intangibles	4,760
Goodwill impairment	37,050
<b>Non-GAAP other general and administrative</b>	<b>\$159,384</b>
<i>% Total non-GAAP net revenue</i>	<i>31.8%</i>
<b>Non-GAAP engineering and product development and other G&amp;A</b>	<b>\$233,977</b>
<i>% Total non-GAAP net revenue</i>	<i>46.7%</i>

## GAAP to Non-GAAP Reconciliation: Contribution Definition and Reconciliation

Contribution is a non-GAAP financial measure that we calculate as consolidated net income (loss), excluding general and administrative expense, stock-based compensation expense, income tax expense (benefit) and (income) loss attributable to noncontrolling interests. Contribution margin is calculated by dividing contribution by total net revenue.

(in thousands, except percentages) (unaudited)	Year Ended December 31,
	2016
GAAP consolidated net income (loss)	\$(145,969)
GAAP general and administrative expense:	
Engineering and product development	115,357
Other general and administrative	207,172
Goodwill impairment	37,050
Stock-based compensation expense:	
Sales and marketing	7,546
Origination and servicing	4,159
Income tax expense (benefit)	(4,228)
(Income) loss attributable to noncontrolling interest	—
<b>Contribution</b>	<b>\$221,087</b>
Total net revenue	\$500,812
<b>Contribution margin</b>	<b>44.1%</b>

## GAAP to Non-GAAP Reconciliation: Adjusted EBITDA Definition and Reconciliation

Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss), excluding acquisition and related expense, depreciation expense, amortization of intangible assets, stock-based compensation expense, income tax expense (benefit) and (income) loss attributable to noncontrolling interests. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by total net revenue.

(in thousands, except percentages) (unaudited)	Year Ended December 31,
	2016
GAAP consolidated net income (loss)	\$(145,969)
Acquisition and related expense	1,174
Depreciation expense:	
Engineering and product development	20,906
Other general and administrative	4,216
Amortization of intangible assets	4,760
Goodwill impairment	37,050
Stock-based compensation expense	69,201
Income tax expense (benefit)	(4,228)
(Income) loss attributable to noncontrolling interest	—
<b>Adjusted EBITDA</b>	<b>\$(12,890)</b>
Total net revenue	\$500,812
<b>Adjusted EBITDA margin</b>	<b>(2.6)%</b>

## Expected Returns

The hypothetical loan grade and term mix used to calculate weighted average projected returns was generated by applying the fifth generation credit model to all actual loans facilitated from October 2, 2017 through October 29, 2107 (Prime) and January 2017 through May 2017 (Near Prime), except for exclusions of certain grades as described below. This hypothetical mix is for illustrative purposes only and is not a guarantee or indication of future inventory distribution. This analysis uses elements of backtesting. Backtesting is hypothetical and is provided for information purposes only. Backtested data has inherent limitations, including that historical borrower populations are not necessarily indicative of future borrower populations.

**Projected Return** is a measure of the estimated annualized return rate on invested principal using an internal rate of return (IRR) methodology using a monthly term. Monthly cash flow projections are calculated as follows: the scheduled principal and interest payments based on the Interest Rate minus the amount of such principal and interest payments lost due to Expected Charge-Off Rate (w/ Prepayment) minus fees. Monthly IRR figures are annualized by multiplying the monthly IRR figure by 12. Projected Return figures are reported on a pre-tax basis. Projected levered returns are based on the latest leverage terms provided by a major leverage provider and assume maximum leverage. Projected levered returns do not include any A grade loans.

Projected return figures are for illustration only, are not a promise of future results, and may not accurately reflect actual returns. Actual returns experienced by any individual portfolio may be impacted by, among other things, the size and diversity of the portfolio, the exposure to any single loan, borrower or group of loans or borrowers, as well as macroeconomic conditions. Individual results may vary and projections are subject to change. The information presented is not intended to be investment advice, guidance, or a guarantee of the performance of any loan. Individual results may vary and projections can change. Past performance is no guarantee of future results.

## Stress Tests

Sources: LendingClub and Moody's Analytics, Inc. ("Moody's"). As of November 2017. These projections were determined using a combination of LendingClub data and analysis by Moody's. Moody's calculated stress multiples which were applied to Lending Club's expected performance. Moody's loss and prepayment model was developed using LendingClub data and macroeconomic variables. These results are presented for illustrative purposes only and are not intended as a projection or guarantee of future results.

The economic data provided by Moody's Analytics, Inc. and its affiliates ("Moody's") that Lending Club Corporation used in part to generate the information contained in this white paper is proprietary to Moody's Analytics, Inc. and its affiliates ("Economic Data"). You recognize and agree that Moody's is not acting as a financial advisor in providing the Economic Data, and the Economic Data is not a recommendation to buy, hold or sell any securities or any other form of investment advice. You agree that neither you nor Moody's intends to create a fiduciary relationship between Moody's and you, and you will make your own decision to extend, call, purchase or sell any loan or security or make any other financial decision. You acknowledge that Moody's does not intend or agree to be named as an "expert" under applicable securities laws

**"Projected Return"** is a measure of the estimated annualized return rate on invested principal using an internal rate of return (IRR) methodology using a monthly term. Monthly cash flow projections are calculated as follows: the scheduled principal and interest payments based on the Interest Rate minus the amount of such principal and interest payments lost due to Expected Charge-Off Rate (w/ Prepayment) minus fees (see "Maximum Expected Fees" for a summary of applicable fees). Monthly IRR figures are annualized by multiplying the monthly IRR figure by 12. Projected Returns are calculated based on grade and maturity mix described in the "Average Interest Rate" section of this disclaimer. Projected Return is not a promise of future results and may not accurately reflect actual returns. Actual returns experienced by any individual portfolio may be impacted by, among other things, the size and diversity of the portfolio, the exposure to any single loan, borrower or group of loans or borrowers, as well as macroeconomic conditions. Individual results may vary and projections are subject to change. The information presented is not intended to be investment advice, guidance, or a guarantee of the performance of any loan. Individual results may vary and projections can change. Past performance is no guarantee of future results.

**"Average Interest Rate"** the hypothetical loan grade and term mix used to calculate weighted average interest rate was generated by applying the fifth generation credit model to all actual loans facilitated from October 2, 2017 through October 29, 2107. This hypothetical mix is for illustrative purposes only and is not a guarantee or indication of future inventory distribution. This analysis uses elements of backtesting. Backtesting is hypothetical and is provided for information purposes only. Backtested data has inherent limitations, including that historical borrower populations are not necessarily indicative of future borrower populations.

**"Expected Charge-Off Rate (w/ Prepayment)"** is LendingClub's projection of the aggregate dollar amount of loan principal charged-off, net of any amounts recovered and accounting for the impact of amounts prepaid, as an annualized percentage of the aggregate dollar amount of loan principal for all loans issued under the Prime Program after November 7, 2017. Expected Charge-Off Rate (w/ Prepayment) is not a promise of future results and may not accurately reflect actual charge-off or prepayment rates. Actual charge-off and prepayment rates experienced by any individual portfolio may be impacted by, among other things, the size and diversity of the portfolio, the exposure to any single loan, borrower or group of loans or borrowers, as well as macroeconomic conditions.

**"Expected Lost Interest Due to Charge-Offs"** is LendingClub's estimate of the impact of estimate of the interest lost due to charge-offs. The estimate for uncollected interest is calculated from Expected Charge-Off Rates (w/Prepayment) and the expected time period prior to charge-off during which borrowers do not make interest and principal payments and is based on the grade and maturity mix described in the "Average Interest Rate" disclaimer. These rates are subject to change. Expected Charge-Off Rates (w/Prepayment) may not reflect actual charge-off rates and individual results are likely to vary. This information is not a promise of future results. See "Expected Charge-Off Rate (w/ Prepayment)" for more information.

**"Maximum Expected Fees"** is the aggregate estimated impact of LendingClub's servicing fee (1%), collection fee (18%), recovery fee (18%), and an administrative fee (0.10%). We estimate the collection fee based on Expected Charge-Off Rates (w/Prepayment) and the expected number of late payments that will be collected on past due loans with a given grade and term.

