LendingClub

Second Quarter 2020 Results

August 4, 2020

Disclaimer

Some of the statements in this presentation, including statements regarding the ability and timing to satisfy the closing conditions for the Radius acquisition (including obtaining regulatory approval), our ability to effectuate and the effectiveness of certain strategy initiatives, borrower and investor demand, platform returns, anticipated future financial performance, the impact of the coronavirus and our ability to navigate the current economic environment are “forward-looking statements.” The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “predict,” “project,” “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; the impact of management changes and the ability to continue to retain key personnel; our ability to achieve cost savings from restructurings; our ability to continue to attract and retain new and existing borrowers and investors; our ability to obtain or add bank functionality and a bank charter; 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 as filed with the Securities and Exchange Commission, as well as our subsequent reports on Form 10-Q and 10-K each as filed with the Securities and Exchange Commission. 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. We have included certain pro forma adjustments in our presentation of non-GAAP Operating Expenses, non-GAAP Sales and Marketing expense, non-GAAP Origination and Servicing expense, non-GAAP Engineering and Product Development expense, non-GAAP Other General and Administrative expense, non-GAAP Adjusted Net Income (Loss), non-GAAP Adjusted Earnings Per Diluted Share, non-GAAP Contribution, non-GAAP Contribution Margin, non-GAAP Adjusted EBITDA, non-GAAP Adjusted EBITDA Margin, and non-GAAP Net cash and other financial assets, and non-GAAP Adjusted Investor Fee Revenue. We believe these non-GAAP measures provide management and investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and enable comparison of our financial results with other public companies, many of which present similar non-GAAP financial measures.

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.

2020 Updates & Approach

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Macroeconomic Backdrop

COVID-19 has continued its impact on the US economy

- Continued macroeconomic uncertainty driven by resurgence of cases across the US, and resulting effects on state re-openings
- Unemployment is down from its peak, but job losses continue to remain high
  - Peak job losses to date in areas that are underrepresented in the LC customer base
- Consumers are proving to be better prepared to manage through this challenging environment in comparison to 2008, and have been further supported by government stimulus
  - Many consumer spending patterns have shifted due to the pandemic and average household savings rates are going up
  - Level and timing of additional government support to be determined
- Liquidity returning to the markets; spreads have narrowed significantly but still elevated above historical levels

Executing well against 5 guiding principles

1 Keep Our Employees Safe

- Employees continue to work from home productively and will have the option to remain at home at least through the end of the year

2 Preserve Liquidity

- Successfully maintained Estimated Net liquidity balance of $554M as of 6/30 compared to $550M as of 3/31 *(see next page for detail)*
- Increased Cash & Cash equivalents at 6/30 to $338M vs. $294M as of 3/31, while reducing outstanding borrowings from $621M to $480M, respectively in order to maximize flexibility and to prepare for a streamlined acquisition and capitalization of Radius bank

3 Protect Investor Returns

- Pre-COVID-19 vintages demonstrating resilience, with expected 3% returns for the most recent vintages
- Credit actions delivering attractive profiles on new issuance, featuring avg. FICO of 721, avg. income of $107K, and targeted returns of approximately 5%
- 5 of top 10 loan investors have resumed purchasing, albeit at lower levels

4 Support Our Members

- Dramatically increased our servicing capacity
- Payment deferral requests declining, now below 5% of total loans from a peak of 12% in May. Upon completion of the first hardship plan, 66% of customers resumed full payment and 28% have enrolled in another payment plan

5 Stay On Track for the Radius Acquisition

- Completing the Radius acquisition remains our number one strategic priority and we remain in close contact with the regulators to accomplish this objective

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Strong liquidity position

Maintaining strong cash and liquidity to maximize flexibility and prepare for bank capitalization

	LendingClub Exposure & Liquidity as of : 6/30/20 vs. 3/31/20					
Assets & Liabilities ($MM)[6]	**Cash & Cash Equivalents[1]**	**AFS – Securities[2]**	**AFS – Retained Interest[2]**	**Loans Held for Sale[3]**	**Loans Held for Investment[4]**	**Total**
Fair Value (on balance sheet)	$338 vs. $294	$32 vs. $53	$190[5] vs. $203	$469[5] vs. $614	$5[5] vs. $6	$1,034 vs. $1,170
Outstanding Principal Balance	n/a	n/a	$205 vs. $235	$541 vs. $695	$8 vs. $10	
Fair Value Carrying Amount	n/a	n/a	*92.6% vs. 86.5%*	*86.7% vs. 88.3%*	*64.9% vs. 59.5%*	
Related Debt Facilities	($70) vs. ($110)	$ -	($116) vs. ($121)	($295) vs. ($390)	$ -	($480) vs. ($621)
Type of Debt Facilities (see next pg.)	*Revolver*		*2 Repo Lines/1 Term Loan*	*4 Warehouse Lines*		
Estimated Net Liquidity (at FV)	**$268 vs. $184**	**$32 vs. $53**	**$75 vs. $82**	**$174 vs. $224**	**$5 vs. $6**	**$554 vs. $550**

Asset Detail	Definition
Cash & Cash Equivalents[1]	Institutional money market funds, interest-bearing deposit accounts at investment grade financial institutions, certificates of deposit, and commercial paper
AFS – Securities[2]	Corporate debt securities, commercial paper, other ABS, and certificates of deposit; subset of Securities available for sale on the balance sheet of $221.9M as of 6/30/20
AFS – Retained Interest[2]	Asset-backed securities related to our Structured Program transactions; subset of Securities available for sale on the balance sheet of $221.9M as of 6/30/20
Loans Held for Sale[3]	Subset of Loans held for sale by the Company at fair value on the balance sheet of $587.1M as of 6/30/20; $118.3M of loans held for sale were held in consolidated Structured Program transactions with the risk of any losses held by third parties; please refer to page 15 of the earnings release for more detail.
Loans Held for Investment[4]	Subset of Loans held for investment by the Company on the balance sheet of $65.6M as of 6/30/20; $60.4M of loans held for investment were held in consolidated Structured Program transactions with the risk of any losses held by third parties; please refer to page 15 of the earnings release for more detail

5) Fair value of level 3 assets determined using internal loan valuation models using estimates of future credit and prepayment estimates and liquidity premiums as of the balance sheet date
6) There may be differences between the sum of the quarterly results due to rounding.

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Executed previously announced $70M[1] cost reductions

Ongoing cash operating expenses resized to be in-line with cash revenue to minimize impact on liquidity

Variable Expense Savings ($50M)[1]

- Eliminated most marketing expenses
- Reduced or paused vendor and contractor spend
- Reduced discretionary spend
- Rescoped real estate plans

Restructuring Savings ($20M)[1]

- Reduced staff by approximately 460 employees (preserving areas that position us for a recovery when the economy stabilizes)
- Base salary reductions for senior leadership through the remainder of the year
- CEO salary and board of director base retainer reduced by 30%

Proactively managing cash and liquidity to navigate challenging operating environment and prepare for the acquisition of Radius bank.

1) Reflects a comparison to 4Q19 operating expenses

Our shift to higher quality credit has improved the average borrower profile

Prime Portfolio	2019	Q2 2020
Avg. FICO	708	721
Avg. Income[1]	$93,221	$107,589
Avg. Payment-to-Income	7.2%[2]	6.3%
Joint Application %	17%	21%

1) Represents income of the average borrower, which could include more than one individual
2) There was a methodology change in the 2019 average payment-to-income calculation, which resulted in the figure going up to 7.2%

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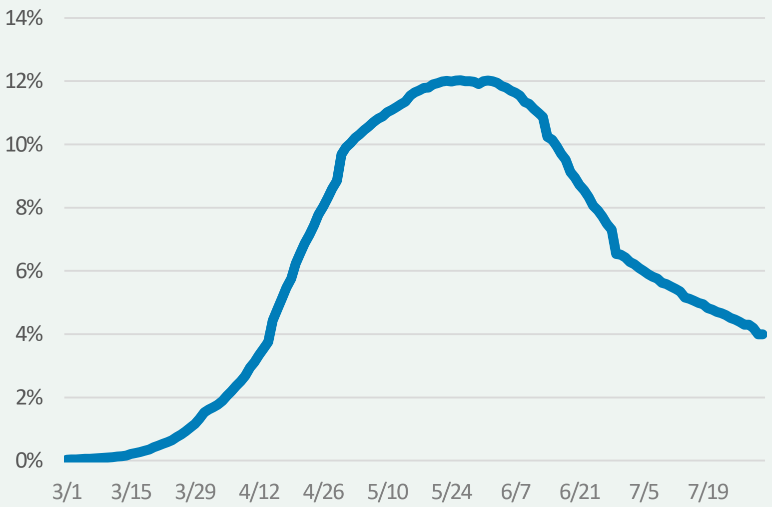
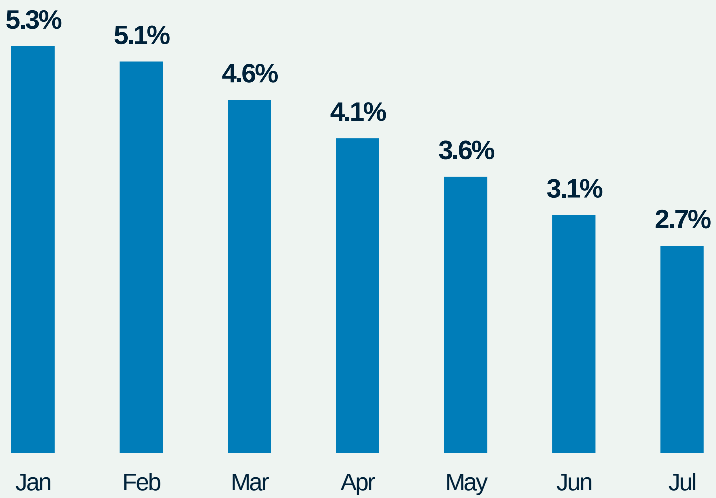
Loan performance continues to improve

% of Loan Portfolio[1] on Hardship Plans has come down from 12% to below 5%



Delinquency Rates[2] for Non-Hardship Portfolio has improved beyond Pre-COVID-19 levels from 5.3% to 2.7%



- Payment deferral requests declining, now below 5% of total loans at the end of July from a peak of 12% in May (or 16% of total balances down to 5%, respectively)
  - Approximately two-thirds of borrowers have "graduated" back to full payment upon expiration of their first hardship plan
  - Of the borrowers who are re-enrolling in a second hardship plan, most are electing interest-only payments instead of full payment deferral, demonstrating their intent to pay
- Non-hardship plan portfolio performing better than it was prior to COVID-19

1) Chart represents number of personal loan units for loans under a hardship plan as a percentage of total active personal loan units serviced by LendingClub.
2) Chart represents number of personal loan units for loans which are one or more days past due as a percentage of total active personal loan units serviced by LendingClub. Loans that have ever been in a hardship plan have been excluded.

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Near-Term Outlook

We expect our near-term financial results to reflect the following trends:

- Loan volumes remain modest but are recovering from the bottom as 5 of the top 10 investors have returned
- Selling assets on the balance sheet to maintain strong cash and liquidity to maximize flexibility and prepare for bank capitalization
- Cash flow from servicing book and current loans held for sale offset operating expenses
- No use of balance sheet through structured product offerings
- Reduced operating costs reflecting April expense actions
- Active monitoring of credit and liquidity markets and impacts on loan portfolio valuation
- Active liquidity and debt facility management

2Q 2020 Results & Financial Metrics

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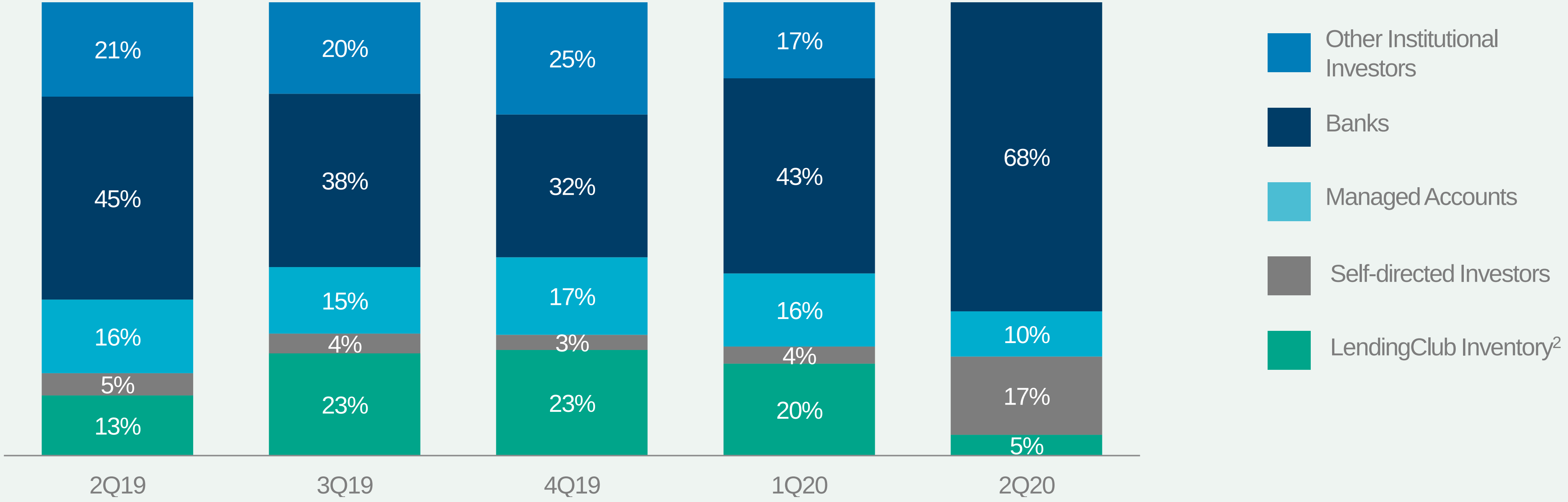
LendingClub Platform Investors

Move away from capital markets activities drove investor mix shift

Platform Originations by Funding Source[1]

(As a % of total platform originations)



1) There may be differences between the sum of the quarterly results due to rounding.
2) LendingClub inventory reflects loans purchased or pending purchase by the Company during the period, excluding loans held by the Company through consolidated trusts, if applicable, and not yet sold as of the period end.

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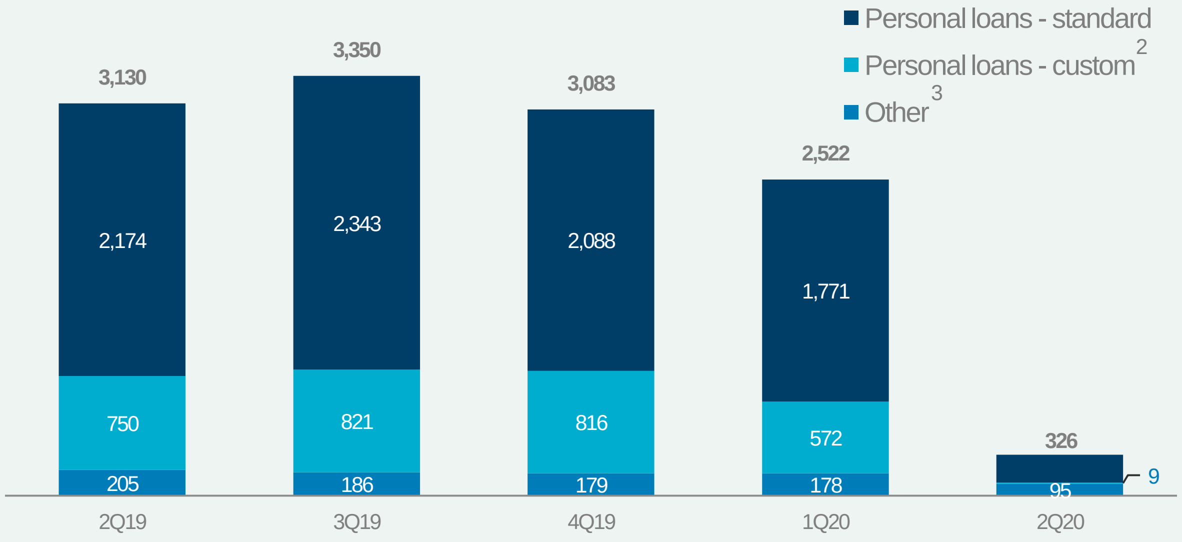
Loan Originations & Revenue

Lower revenue driven by lower originations, partially offset by servicing and interest income

Quarterly Loan Originations[1]

($ in millions)

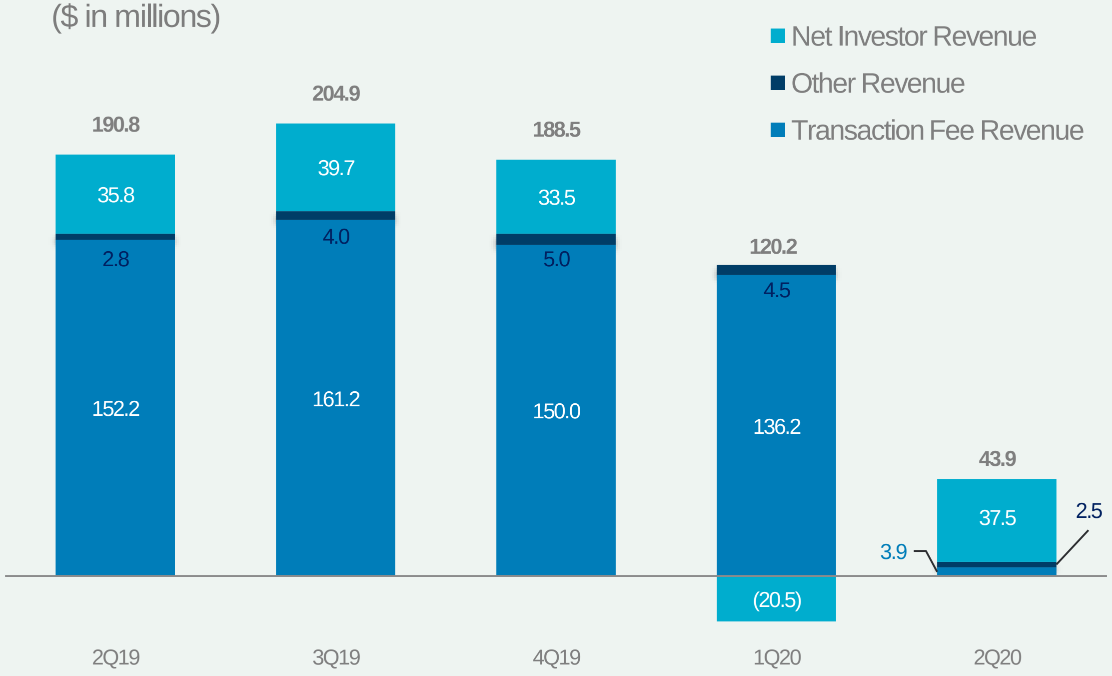


Growth (%)

YoY	11%	16%	7%	(8%)	(90%)

Quarterly Total Net Revenue[1]

($ in millions)



Growth (%)

YoY	8%	11%	4%	(31%)	(77%)
Yield	6.10%	6.12%	6.11%	4.77%	13.47%

1) There may be differences between the sum of the quarterly results due to rounding.
2) Includes loans made to near-prime and super-prime borrowers, as well as testing program originations.
3) In the second quarter of 2019, the Company sold certain assets related to its small business operating segment and announced that it will connect applicants looking for a small business loan with strategic partners and earn referral fees instead of facilitating these loans on its platform. As a result, beginning in the third quarter of 2019 the "Other loans" category presented in the chart above no longer includes small business loans.

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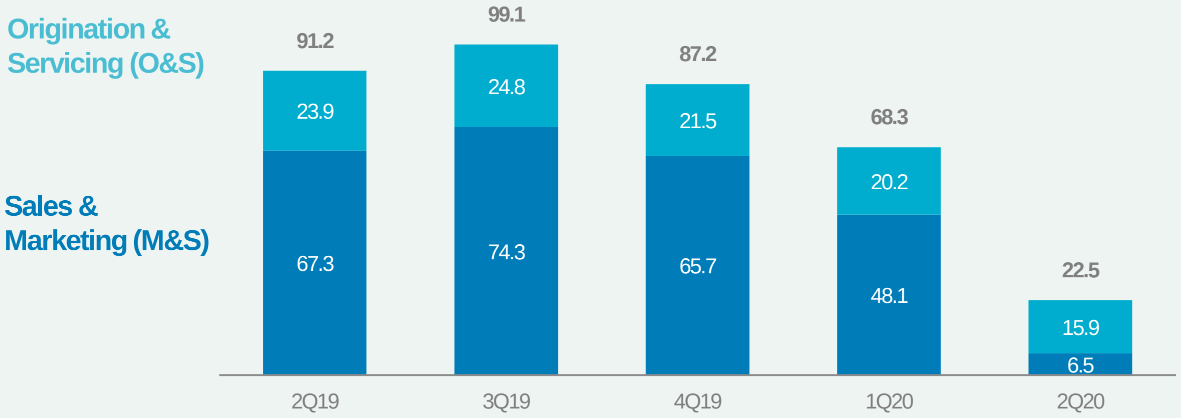
Contribution[2]

Contribution dollars impacted by lower revenue; Contribution Margin remained at historical levels due to significant reduction of variable expenses

Quarterly expenses impacting Contribution Margin[1]

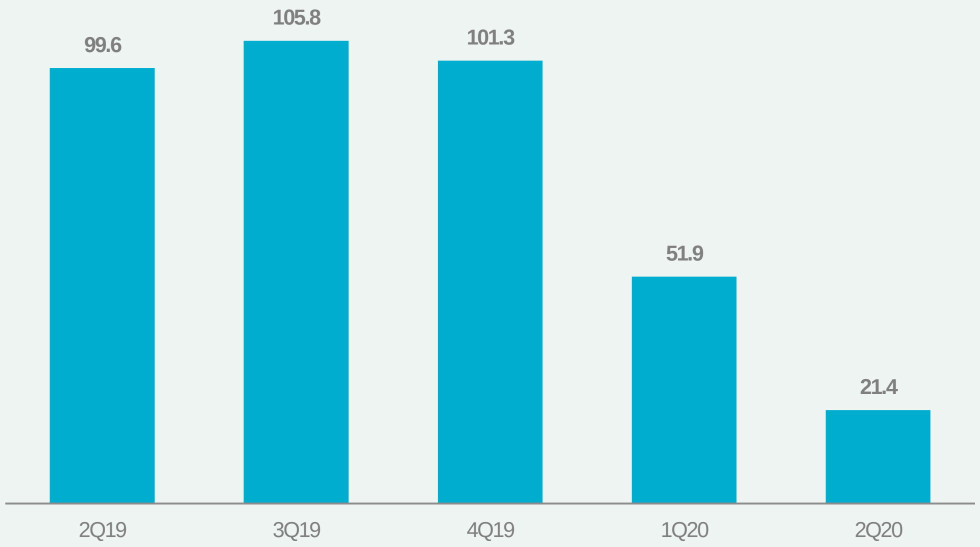
($ in millions)



	2Q19	3Q19	4Q19	1Q20	2Q20
O&S % of Originations	0.76%	0.74%	0.70%	0.80%	4.89%
M&S % of Originations	2.15%	2.22%	2.13%	1.91%	2.01%
Total % of Originations	2.91%	2.96%	2.83%	2.71%	6.90%
Total % of Revenues	47.8%	48.4%	46.3%	56.8%	51.2%

Quarterly Contribution Margin[1,2]

($ in millions)



	2Q19	3Q19	4Q19	1Q20	2Q20
Margin % of Revenue	52.2%	51.6%	53.7%	43.2%	**48.8%**

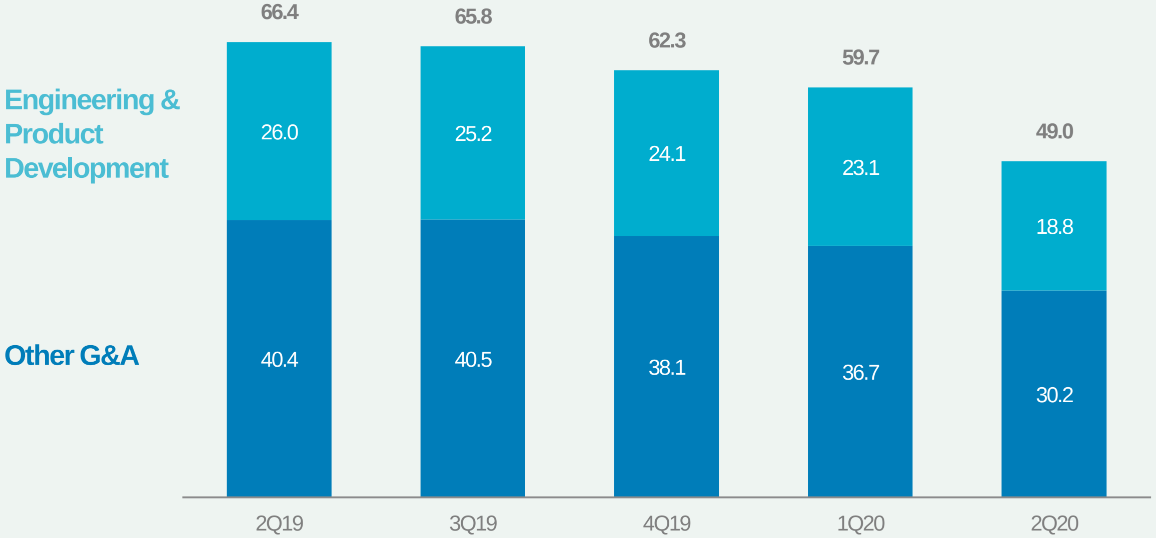
1) There may be differences between the sum of the quarterly results due to rounding.
2) Contribution is calculated as net revenue less "Sales and marketing" and "Origination and servicing" expenses on the Company's Statements of Operations, adjusted to exclude cost structure simplification, restructuring costs, other items (related to one-time expenses resulting from COVID-19) and non-cash stock-based compensation expenses within these captions and income or loss attributable to noncontrolling interests. Contribution Margin is a non-GAAP financial measure calculated by dividing Contribution by total net revenue. See Appendix for a reconciliation of this non-GAAP measure.

Adjusted EBITDA Margin[2]

Adjusted EBITDA impacted by lower revenue, partially offset by lower operating expenses

Quarterly Expenses impacting Adjusted EBITDA Margin[1]

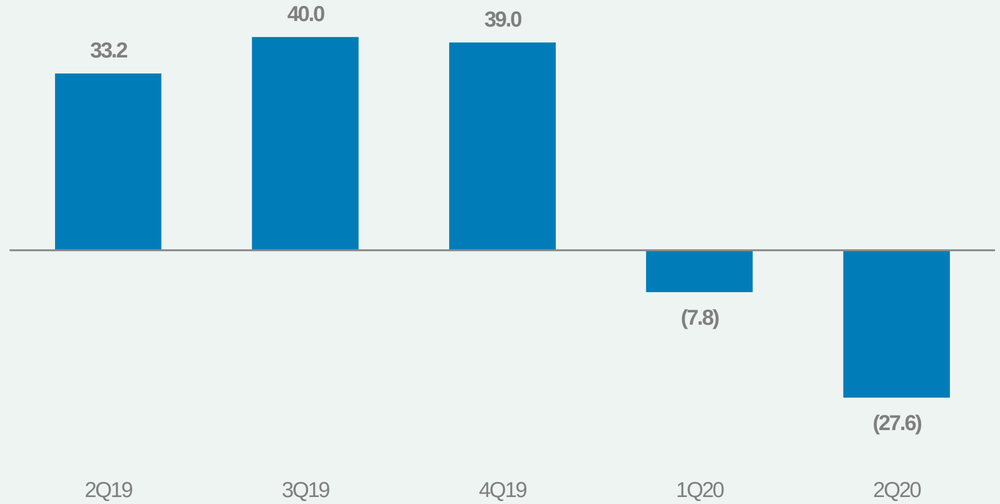
($ in millions)



	2Q19	3Q19	4Q19	1Q20	2Q20
Eng. & PD (% of Rev.)	13.6%	12.3%	12.8%	19.2%	43.0%
Other G&A (% of Rev.)	21.2%	19.8%	20.2%	30.5%	68.7%
Total % of Revenue	34.8%	32.1%	33.0%	49.7%	111.7%

Quarterly Adjusted EBITDA[1, 2]

($ in millions)



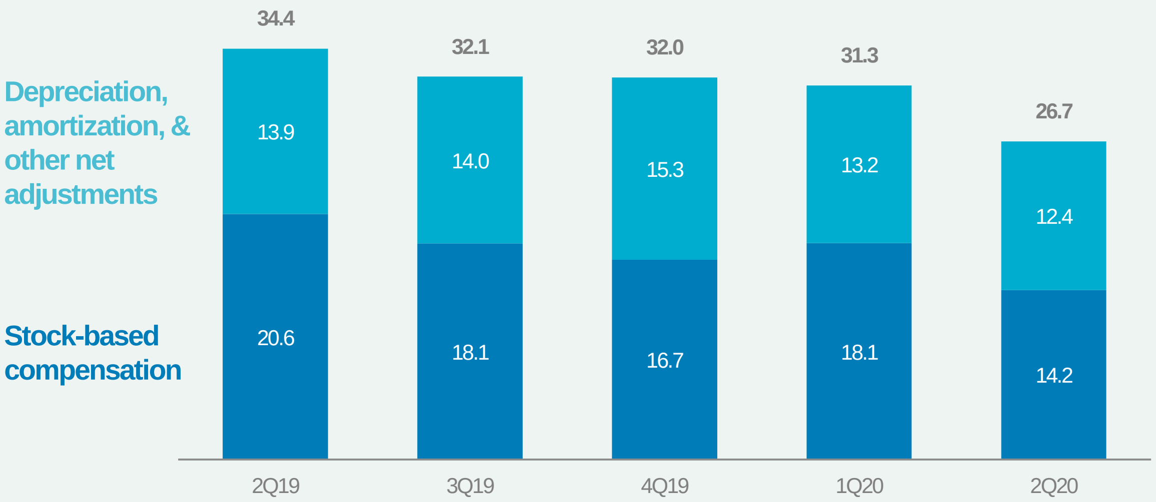
	2Q19	3Q19	4Q19	1Q20	2Q20
Margin % of Revenue	17.4%	19.5%	20.7%	(6.5%)	(63.0%)

1) There may be differences between the sum of the quarterly results due to rounding.
2) Adjusted EBITDA is a non-GAAP financial measure defined as net income (loss) attributable to LendingClub adjusted to exclude (1) cost structure simplification expense, (2) goodwill impairment, (3) legal, regulatory and other expense related to legacy issues, (4) acquisition and related expenses, (5) restructuring costs, (6) other items, (7) depreciation, impairment and amortization expense, (8) stock-based compensation expense, and (9) income tax expense (benefit). Adjusted EBITDA Margin is a non-GAAP financial measure calculated by dividing Adjusted EBITDA by total net revenue.

Adjusted Net Income (Loss)[2]

Quarterly Expenses impacting Adjusted Net Income (Loss)[1]

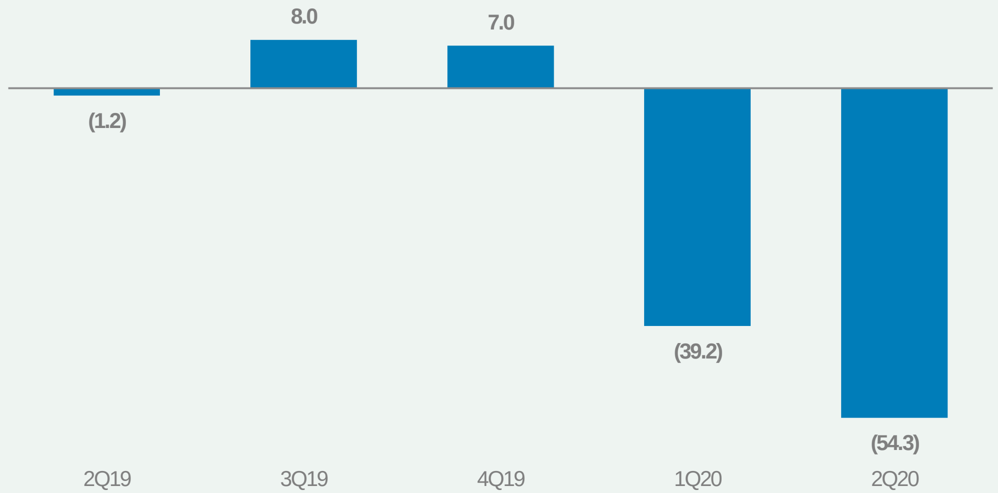
($ in millions)



	2Q19	3Q19	4Q19	1Q20	2Q20
D&A + other (% of Rev.)	7.3%	6.8%	8.0%	11.0%	28.4%
SBC (% of Rev.)	10.8%	8.8%	8.9%	15.1%	32.4%
Total % of Revenue	18.0%	15.7%	17.0%	26.1%	60.8%

Quarterly Adjusted Net Income (Loss)[1, 2]

($ in millions)



Margin % of Revenue	(0.6%)	3.9%	3.7%	(32.6%)	(123.7%)

1) There may be differences between the sum of the quarterly results due to rounding.
2) Adjusted Net Income (Loss) is a non-GAAP financial measure defined as net income (loss) attributable to LendingClub adjusted to exclude certain items that are either non-recurring, do not contribute directly to management's evaluation of its operating results, or non-cash items, such as (1) expenses related to our cost structure simplification, (2) goodwill impairment, (3) legal, regulatory and other expense related to legacy issues, and (4) acquisition and related expenses, (5) restructuring costs and (6) other items, net of tax.

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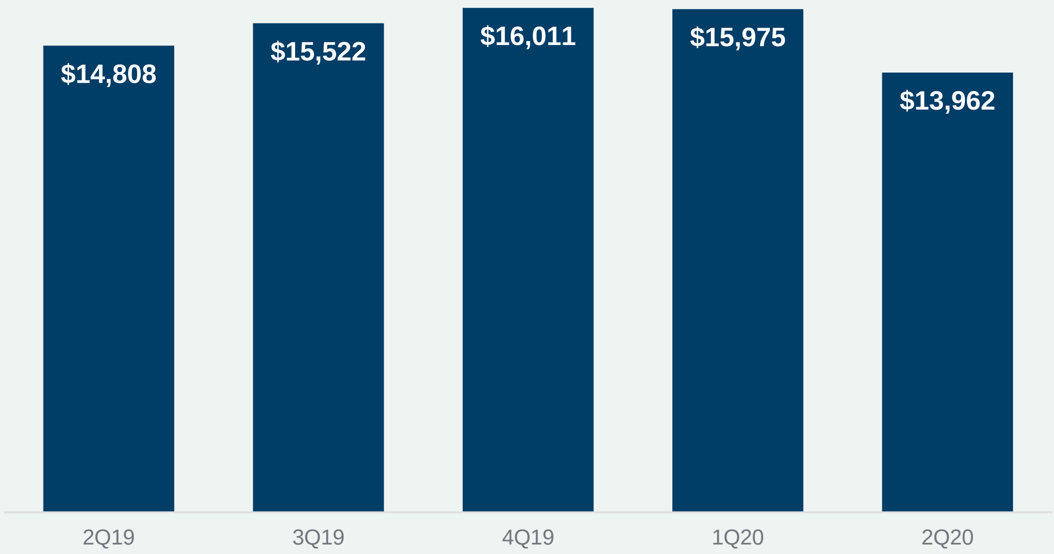
$14B servicing portfolio drove +$44M in cash from investor fees in 2Q20

Servicing Portfolio Balance[1]

($ in millions)

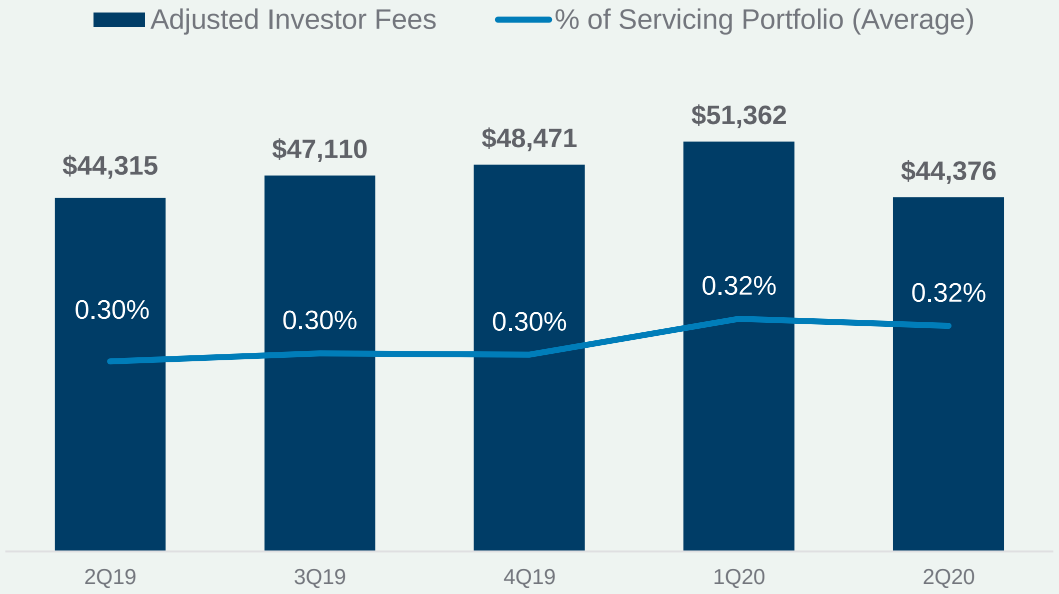


Growth (%)

YoY	18%	17%	16%	13%	(6%)

Adjusted Investor Fee Revenue[2]

($ in thousands)



YoY	28%	23%	22%	20%	0%

1) Servicing Portfolio Balance represents outstanding principal balance of loans that we serviced at the end of the periods indicated, and financed with notes, certificates & secured borrowings, and whole loans sold (including loans invested in by the Company).
2) Adjusted Investor Fee Revenue is a non-GAAP financial measure that excludes the impact of changes in fair value of our servicing asset/liability over the life of the loan.

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Appendix:
Financial Reconciliations

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GAAP to Non-GAAP Reconciliation: Operating Expenses

	Year Ended Dec. 31,		Three Months Ended								Six Months Ended	
(in thousands, except percentages) (unaudited)	2018	2019	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q19	2Q20
Total net revenue	**$ 694,812**	**$ 758,607**	**$ 184,645**	**$ 181,521**	**$ 174,418**	**$ 190,807**	**$ 204,896**	**$ 188,486**	**$ 120,206**	**$ 43,869**	**$ 365,225**	**$ 164,075**
GAAP sales and marketing	$ 268,517	$ 279,423	$ 73,601	$ 68,353	$ 66,623	$ 69,323	$ 76,255	$ 67,222	$ 49,784	$ 8,723	$ 135,946	$ 58,507
Stock-based compensation expense	7,362	6,095	1,791	1,688	1,571	1,540	1,505	1,479	1,663	731	3,111	2,394
Cost structure simplification expense (1)	131	1,410	—	131	468	445	454	43	31	—	913	31
Restructuring costs (2)	—	—	—	—	—	—	—	—	—	1,379	—	1,379
Other items (3)	—	—	—	—	—	—	—	—	—	80	—	80
Non-GAAP sales and marketing	**$ 261,024**	**$ 271,918**	**$ 71,810**	**$ 66,534**	**$ 64,584**	**$ 67,338**	**$ 74,296**	**$ 65,700**	**$ 48,090**	**$ 6,533**	**$ 131,922**	**$ 54,623**
% Total net revenue	*37.6%*	*35.8%*	*38.9%*	*36.7%*	*37.0%*	*35.3%*	*36.3%*	*34.9%*	*40.0%*	*14.9%*	*36.1%*	*33.3%*
GAAP origination and servicing	$ 99,376	$ 103,403	$ 25,431	$ 25,707	$ 28,273	$ 24,931	$ 27,996	$ 22,203	$ 20,994	$ 17,830	$ 53,204	$ 38,824
Stock-based compensation expense	4,322	3,155	1,104	1,044	924	846	852	533	636	722	1,770	1,358
Cost structure simplification expense (1)	749	5,908	—	749	3,238	201	2,324	145	144	—	3,439	144
Restructuring costs (2)	—	—	—	—	—	—	—	—	—	906	—	906
Other items (3)	—	—	—	—	—	—	—	—	—	261	—	261
Non-GAAP origination and servicing	**$ 94,305**	**$ 94,340**	**$ 24,327**	**$ 23,914**	**$ 24,111**	**$ 23,884**	**$ 24,820**	**$ 21,525**	**$ 20,214**	**$ 15,941**	**$ 47,995**	**$ 36,155**
% Total net revenue	*13.6%*	*12.4%*	*13.2%*	*13.2%*	*13.8%*	*12.5%*	*12.1%*	*11.4%*	*16.8%*	*36.3%*	*13.1%*	*22.0%*
GAAP engineering and product development	$ 155,255	$ 168,380	$ 41,216	$ 39,552	$ 42,546	$ 43,299	$ 41,455	$ 41,080	$ 38,710	$ 39,167	$ 85,845	$ 77,877
Stock-based compensation expense	20,478	19,860	5,332	4,403	5,231	5,475	4,737	4,417	4,615	2,668	10,706	7,283
Depreciation and amortization	45,037	49,207	13,221	12,372	13,373	11,838	11,464	12,532	10,423	10,177	25,211	20,600
Cost structure simplification expense (1)	—	15	—	—	7	8	10	(10)	—	—	15	—
Restructuring costs (2)	—	—	—	—	—	—	—	—	—	7,472	—	7,472
Other items (3)	—	—	—	—	—	—	—	—	615	8	—	623
Non-GAAP engineering and product development	**$ 89,740**	**$ 99,298**	**$ 22,663**	**$ 22,777**	**$ 23,935**	**$ 25,978**	**$ 25,244**	**$ 24,141**	**$ 23,057**	**$ 18,842**	**$ 49,913**	**$ 41,899**
% Total net revenue	*12.9%*	*13.1%*	*12.3%*	*12.5%*	*13.7%*	*13.6%*	*12.3%*	*12.8%*	*19.2%*	*43.0%*	*13.7%*	*25.5%*
GAAP other general and administrative, legal, regulatory and other expense related to legacy issues and goodwill impairment	$ 299,774	$ 238,292	$ 67,184	$ 61,303	$ 56,876	$ 64,324	$ 59,485	$ 57,607	$ 58,486	$ 56,620	$ 121,200	$ 115,106
Stock-based compensation expense	42,925	44,529	11,544	10,583	10,526	12,690	11,001	10,312	11,215	10,083	23,216	21,298
Depreciation	5,852	6,446	1,488	1,525	1,542	1,596	1,569	1,739	1,603	1,480	3,138	3,083
Acquisition and related expenses (4)	—	932	—	—	—	—	—	932	3,611	456	—	4,067
Amortization of intangibles	3,875	3,499	940	941	940	866	845	848	846	772	1,806	1,618
Cost structure simplification expense (1)	5,902	2,600	—	5,902	559	1,280	655	106	53	—	1,839	53
Restructuring costs (2)	—	—	—	—	—	—	—	—	—	7,279	—	7,279
Goodwill impairment	35,633	—	—	—	—	—	—	—	—	—	—	—
Legal, regulatory and other expense related to legacy issues (5)	53,518	19,609	15,474	2,570	4,145	6,791	4,142	4,531	4,476	4,354	10,936	8,830
Other items (3)	—	2,453	—	—	—	704	749	1,000	6	2,024	704	2,030
Non-GAAP other general and administrative	**$ 152,069**	**$ 158,224**	**$ 37,738**	**$ 39,782**	**$ 39,164**	**$ 40,397**	**$ 40,524**	**$ 38,139**	**$ 36,676**	**$ 30,172**	**$ 79,561**	**$ 66,848**
% Total net revenue	*21.9%*	*20.9%*	*20.4%*	*21.9%*	*22.5%*	*21.2%*	*19.8%*	*20.2%*	*30.5%*	*68.8%*	*21.8%*	*40.7%*

(1) Includes personnel-related expenses associated with establishing a site in the Salt Lake City area. In the fourth quarter of 2018 and first quarter of 2019, also includes external advisory fees.
(2) Includes severance and other personnel-related expenses, lease-related expense and software impairment related to the impact of COVID-19 on the Company’s business.
(3) In the second quarter and first half of 2020, includes expenses related to non-legacy litigation and regulatory matters and one-time expenses resulting from COVID-19. In the first quarter of 2020, includes one-time expenses resulting from COVID-19. In 2019, includes expenses related to certain non-legacy litigation and regulatory matters. For the second quarter of 2019, also includes a gain on the sale of our small business operating segment.
(4) Includes costs related to the acquisition of Radius.
(5) Includes class action and regulatory litigation expense and legal and other expenses related to legacy issues. For the second quarter and full year 2019, includes expense related to the termination of a legacy contract. For the each of the quarters in 2019, also includes expense related to the dissolution of certain private funds managed by LCAM.

Contribution Reconciliation & Definition

Contribution is a non-GAAP financial measure that we calculate as net revenue less “Sales and marketing” and “Origination and servicing” expenses on the Company’s Statements of Operations, adjusted to exclude cost structure simplification, restructuring costs, other items (related to one-time expenses resulting from COVID-19) and non-cash stock-based compensation expenses within these captions and income or loss attributable to noncontrolling interests. Contribution Margin is a non-GAAP financial measure calculated by dividing contribution by total net revenue.

	Year Ended Dec. 31,		Three Months Ended								Six Months Ended	
(in thousands, except percentages) (unaudited)	2018	2019	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q19	2Q20
GAAP LendingClub net income (loss)	$ (128,308)	$ (30,745)	$ (22,804)	$ (13,462)	$ (19,935)	$ (10,661)	$ (383)	$ 234	$ (48,087)	$ (78,471)	$ (30,596)	$ (126,558)
GAAP general and administrative expense:												
Engineering and product development	155,255	168,380	41,216	39,552	42,546	43,299	41,455	41,080	38,710	39,167	85,845	77,877
Other general and administrative	228,641	238,292	57,446	61,303	56,876	64,324	59,485	57,607	58,486	56,620	121,200	115,106
Cost structure simplification expense (1)	880	7,318	—	880	3,706	646	2,778	188	175	—	4,352	175
Restructuring costs (2)	—	—	—	—	—	—	—	—	—	2,285	—	2,285
Other items (2)	—	—	—	—	—	—	—	—	—	341	—	341
Goodwill impairment	35,633	—	—	—	—	—	—	—	—	—	—	—
Class action and regulatory litigation expense	35,500	—	9,738	—	—	—	—	—	—	—	—	—
Stock-based compensation expense: (2)												
Sales and marketing	7,362	6,095	1,791	1,688	1,571	1,540	1,505	1,479	1,663	731	3,111	2,394
Origination and servicing	4,322	3,155	1,104	1,044	924	846	852	533	636	722	1,770	1,358
Income tax expense (benefit)	43	(201)	(38)	18	—	(438)	97	140	319	—	(438)	319
Contribution	**$ 339,328**	**$ 392,294**	**$ 88,453**	**$ 91,023**	**$ 85,688**	**$ 99,556**	**$ 105,789**	**$ 101,261**	**$ 51,902**	**$ 21,395**	**$ 185,244**	**$ 73,297**
Total net revenue	$ 694,812	$ 758,607	$ 184,645	$ 181,521	$ 174,418	$ 190,807	$ 204,896	$ 188,486	$ 120,206	$ 43,869	$ 365,225	$ 164,075
Contribution margin	**48.8%**	**51.7%**	**47.9%**	**50.1%**	**49.1%**	**52.2%**	**51.6%**	**53.7%**	**43.2%**	**48.8%**	**50.7%**	**44.7%**

(1) Excludes the portion of personnel-related expense associated with establishing a site in the Salt Lake City area that are included in the “Sales and marketing” and “Origination and servicing” expense categories.
(2) Excludes the portion of expenses included in the “Sales and marketing” and “Origination and servicing” expense categories.

Contribution as a Percent of Originations

(in thousands, except percentages or as noted) (unaudited) [1]	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2019	Three Months Ended 3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	Six Months Ended 2Q19	Six Months Ended 2Q20
Loan originations ($ mm)	**$ 10,882**	**$ 12,290**	**$ 2,886**	**$ 2,871**	**$ 2,728**	**$ 3,130**	**$ 3,350**	**$ 3,083**	**$ 2,521**	**$ 326**	**$ 5,858**	**$ 2,847**
Total net revenue	**$ 694,812**	**$ 758,607**	**$ 184,645**	**$ 181,521**	**$ 174,418**	**$ 190,807**	**$ 204,896**	**$ 188,486**	**$ 120,206**	**$ 43,869**	**$ 365,225**	**$ 164,075**
% of loan originations	*6.38%*	*6.17%*	*6.40%*	*6.32%*	*6.39%*	*6.10%*	*6.12%*	*6.11%*	*4.77%*	*13.47%*	*6.23%*	*5.76%*
Non-GAAP sales and marketing	$ 261,024	$ 271,918	$ 71,810	$ 66,534	$ 64,584	$ 67,338	$ 74,296	$ 65,700	$ 48,090	$ 6,533	$ 131,922	$ 54,623
Non-GAAP origination and servicing	$ 94,305	$ 94,340	$ 24,327	$ 23,914	$ 24,111	$ 23,884	$ 24,820	$ 21,525	$ 20,214	$ 15,941	$ 47,995	$ 36,155
Total non-GAAP sales and marketing & origination and servicing [1]	**$ 355,329**	**$ 366,258**	**$ 96,137**	**$ 90,448**	**$ 88,695**	**$ 91,222**	**$ 99,116**	**$ 87,225**	**$ 68,304**	**$ 22,474**	**$ 179,917**	**$ 90,778**
% of loan originations	*3.27%*	*2.98%*	*3.33%*	*3.15%*	*3.25%*	*2.91%*	*2.96%*	*2.83%*	*2.71%*	*6.89%*	*3.07%*	*3.19%*
(Income) Loss attributable to noncontrolling interests	$ (155)	$ (55)	$ (55)	$ (50)	$ (35)	$ (29)	$ 9	$ —	$ —	$ —	$ (64)	$ —
Contribution	**$ 339,328**	**$ 392,294**	**$ 88,453**	**$ 91,023**	**$ 85,688**	**$ 99,556**	**$ 105,789**	**$ 101,261**	**$ 51,902**	**$ 21,395**	**$ 185,244**	**$ 73,297**
% of loan originations	*3.12%*	*3.19%*	*3.06%*	*3.17%*	*3.14%*	*3.18%*	*3.16%*	*3.28%*	*2.06%*	*6.56%*	*3.16%*	*2.57%*

[1] There may be differences between the sum of the quarterly results and the total annual results due to rounding.

Adjusted Net Income (Loss), Adjusted EBITDA, and Adjusted EBITDA Margin Reconciliation

Adjusted Net Income (Loss) is a non-GAAP financial measure defined as net income (loss) attributable to LendingClub adjusted to exclude certain items that are either non-recurring, do not contribute directly to management's evaluation of its operating results, or non-cash items, such as (1) expenses related to our cost structure simplification, (2) goodwill impairment, (3) legal, regulatory and other expense related to legacy issues, (4) acquisition and related expenses, (5) restructuring costs and (6) other items, net of tax. Adjusted EBITDA is a non-GAAP financial measure defined as net income (loss) attributable to LendingClub adjusted to exclude (1) cost structure simplification expense, (2) goodwill impairment, (3) legal, regulatory and other expense related to legacy issues, (4) acquisition and related expenses, (5) restructuring expense, (6) other items, (7) depreciation, impairment and amortization expense, (8) stock-based compensation expense and (9) income tax expense (benefit). Adjusted EBITDA Margin is a non-GAAP financial measure calculated by dividing Adjusted EBITDA by total net revenue.

	Year Ended Dec. 31,		Three Months Ended								Six Months Ended	
(in thousands, except per share data) (unaudited)	2018	2019	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q19	2Q20
GAAP LendingClub net income (loss)	$ (128,308)	$ (30,745)	$ (22,804)	$ (13,462)	$ (19,935)	$ (10,661)	$ (383)	$ 234	$ (48,087)	$ (78,471)	$ (30,596)	$ (126,558)
Cost structure simplification expense [1]	6,782	9,933	—	6,782	4,272	1,934	3,443	284	228	—	6,206	228
Goodwill impairment	35,633	—	—	—	—	—	—	—	—	—	—	—
Legal, regulatory and other expense related to legacy issues [2]	53,518	19,609	15,474	2,570	4,145	6,791	4,142	4,531	4,476	4,354	10,936	8,830
Acquisition and related expense [3]	—	932	—	—	—	—	—	932	3,611	456	—	4,067
Restructuring costs [4]	—	—	—	—	—	—	—	—	—	17,036	—	17,036
Other items [5]	—	2,453	—	—	—	704	749	1,000	621	2,373	704	2,994
Adjusted net income (loss)	**$ (32,375)**	**$ 2,182**	**$ (7,330)**	**$ (4,110)**	**$ (11,518)**	**$ (1,232)**	**$ 7,951**	**$ 6,981**	**$ (39,151)**	**$ (54,252)**	**$ (12,750)**	**$ (93,403)**
Depreciation and impairment expense:												
Engineering and product development	45,037	49,207	13,221	12,372	13,373	11,838	11,464	12,532	10,423	10,177	25,211	20,600
Other general and administrative	5,852	6,446	1,488	1,525	1,542	1,596	1,569	1,739	1,603	1,480	3,138	3,083
Amortization of intangible assets	3,875	3,499	940	941	940	866	845	848	846	772	1,806	1,618
Stock-based compensation expense	75,087	73,639	19,771	17,718	18,252	20,551	18,095	16,741	18,129	14,204	38,803	32,333
Income tax expense (benefit)	43	(201)	(38)	18	—	(438)	97	140	319	—	(438)	319
Adjusted EBITDA	**$ 97,519**	**$ 134,772**	**$ 28,052**	**$ 28,464**	**$ 22,589**	**$ 33,181**	**$ 40,021**	**$ 38,981**	**$ (7,831)**	**$ (27,619)**	**$ 55,770**	**$ (35,450)**
Total net revenue	$ 694,812	$ 758,607	$ 184,645	$ 181,521	$ 174,418	$ 190,807	$ 204,896	$ 188,486	$ 120,206	$ 43,869	$ 365,225	$ 164,075
Adjusted EBITDA Margin	**14.0%**	**17.8%**	**15.2%**	**15.7%**	**13.0%**	**17.4%**	**19.5%**	**20.7%**	**(6.5)%**	**(63.0)%**	**15.3%**	**(21.6)%**

(1) Includes personnel-related expenses associated with establishing a site in the Salt Lake City area. In the fourth quarter of 2018 and first quarter of 2019, also includes external advisory fees.
(2) Includes class action and regulatory litigation expense and legal and other expenses related to legacy issues. For the second quarter and year ended 2019, includes expense related to the termination of a legacy contract and legacy legal expenses. For each of the quarters in 2019, also includes expense related to the dissolution of certain private funds managed by LCAM.
(3) Includes costs related to the acquisition of Radius.
(4) Includes severance and other personnel-related expenses, lease-related expense and software impairment related to the impact of COVID-19 on the Company's business.
(5) In the second quarter and first half of 2020, includes expenses related to non-legacy litigation and regulatory matters and one-time expenses resulting from COVID-19. In the first quarter of 2020, includes one-time expenses resulting from COVID-19. In 2019, includes expenses related to certain non-legacy litigation and regulatory matters. For the second quarter of 2019, also includes a gain on the sale of our small business operating segment.

Adjusted EPS Reconciliation

Adjusted EPS is a non-GAAP financial measure calculated by dividing Adjusted Net Income (Loss) attributable to both common and preferred stockholders by the weighted-average diluted common and preferred shares outstanding.

	Year Ended Dec. 31,		Three Months Ended								Six Months Ended	
(in thousands, except per share data) (unaudited)	2018	2019	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q19	2Q20
	Common Stock	Common Stock	Common Stock	Common Stock	Common Stock	Common Stock	Common Stock	Common Stock	Common and Preferred Stock [1]	Common and Preferred Stock [1]	Common Stock	Common and Preferred Stock [1]
Adjusted net income (loss) attributable to stockholders	$ (32,375)	$ 2,182	$ (7,330)	$ (4,110)	$ (11,518)	$ (1,232)	$ 7,951	$ 6,981	$ (39,151)	$ (54,252)	$ (12,750)	$ (93,403)
Weighted average GAAP diluted shares [2][3]	84,583,461	87,278,596	84,871,828	85,539,436	86,108,871	86,719,049	87,588,495	88,912,677	89,085,270	89,866,880	86,429,892	89,477,374
Non-GAAP diluted shares [2][3]	84,583,461	87,794,035	84,871,828	85,539,436	86,108,871	86,719,049	87,588,495	88,912,677	89,085,270	89,866,880	86,429,892	89,477,374
Adjusted EPS - diluted [3]	$ (0.38)	$ 0.02	$ (0.09)	$ (0.05)	$ (0.13)	$ (0.01)	$ 0.09	$ 0.08	$ (0.44)	$ (0.60)	$ (0.15)	$ (1.04)

[1] Presented on an as-converted basis, as the preferred stock is considered common shares because it participates in earnings similar to common stock and does not receive any significant preferences over the common stock.
[2] Beginning in the first quarter of 2020, includes the total weighted-average shares outstanding of both common and preferred stock on an as-converted basis.
[3] Share information and balances have been retroactively adjusted, as applicable, to reflect a 1-for-5 reverse stock split effective as of July 5, 2019.

Net Cash and Other Financial Assets

Net cash and other financial assets is calculated as cash and certain other assets and liabilities, including loans and securities available for sale, which are partially secured and offset by related credit facilities, and working capital.

	Three Months Ended							
(in thousands) (unaudited)	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Cash and cash equivalents [(1)]	$ 348,018	$ 372,974	$ 402,311	$ 334,713	$ 199,950	$ 243,779	$ 294,345	$ 338,394
Restricted cash committed for loan purchases [(2)]	27,778	31,118	24,632	31,945	84,536	68,001	4,572	290
Securities available for sale	165,442	170,469	197,509	220,449	246,559	270,927	256,554	221,930
Loans held for investment by the Company at fair value [(3)]	12,198	2,583	8,757	5,027	4,211	43,693	71,003	65,557
Loans held for sale by the Company at fair value	459,283	840,021	552,166	435,083	710,170	722,355	741,704	587,093
Payable to Structured Program note and certificate holders [(3)]	—	(256,354)	(233,269)	—	—	(40,610)	(206,092)	(193,034)
Credit facilities and securities sold under repurchase agreements	(305,336)	(458,802)	(263,863)	(324,426)	(509,107)	(587,453)	(621,020)	(480,079)
Other assets and liabilities [(2)]	(29,015)	(31,241)	(8,541)	(12,089)	(31,795)	(6,226)	61,107	23,916
Net cash and other financial assets [(4)]	**$ 678,368**	**$ 670,768**	**$ 679,702**	**$ 690,702**	**$ 704,524**	**$ 714,466**	**$ 602,173**	**$ 564,067**

(1) Variations in cash and cash equivalents are primarily due to variations in the amount and timing of loan purchases invested in by the Company.

(2) In the fourth quarter of 2019, we added a new line item called “Other assets and liabilities” which is a total of “Accrued interest receivable,” “Other assets,” “Accounts payable,” “Accrued interest payable” and “Accrued expenses and other liabilities,” included on our Condensed Consolidated Balance Sheets. This line item represents certain assets and liabilities that impact working capital and are affected by timing differences between revenue and expense recognition and related cash activity. In the third quarter of 2019, we added a new line item called “Restricted cash committed for loan purchases,” which represents cash and cash equivalents that are transferred to restricted cash for loans that are pending purchase by the Company. We believe this is a more complete representation of the Company’s net cash and other financial assets position as of each period presented in the table above. Prior period amounts have been reclassified to conform to the current period presentation.

(3) Beginning in the fourth quarter of 2019, the Company sponsored a new Structured Program transaction that was consolidated, resulting in an increase to “Loans held for investment by the Company at fair value” and the related “Payable to Structured Program note and certificate holders.”

(4) Comparable GAAP measure cannot be provided as not practicable.

LendingClub