



**First Quarter 2021 Results**

April 28, 2021

# 1Q 2021 Results & Financial Metrics



# Disclaimer

Some of the statements in this presentation, including statements regarding anticipated future financial results, 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.

# Member-Focused Digital Marketplace Bank

Customers<sup>1</sup>  
**3+ Million**

Lifetime Originations<sup>1</sup>  
**\$60+ Billion**

Vision  
**Become America's Financial Health Club.**

Promise  
**To champion the financial success of our members with fairness, simplicity, and heart.**



# Best of Both Worlds




Positioned well against competitive set

	 LendingClub	Fintechs	Banks	
<b>Economics</b>	Ability to efficiently serve a broad range of customers	✓	✓	✗
	Capital-light, high-ROE marketplace earnings stream	✓	✓	✗
	Highly profitable earnings via loan portfolio	✓	✗	✓
	Lower cost deposit funding	✓	✗	✓
	Fully integrated originations and deposit model	✓	✗	✓
<b>Scale &amp; Scalability</b>	National digital first consumer footprint	✓	✓	✗
	Vast data advantage from serving millions of personal loan customers	✓	✗	✗
	Unencumbered by high-cost branch network and legacy systems	✓	✓	✗
	Strong growth trajectory	✓	✓	✗
<b>Resiliency</b>	Recurring revenue stream	✓	✗	✓
	Stability of funding	✓	✗	✓
	Clear and consistent regulatory framework	✓	✗	✓

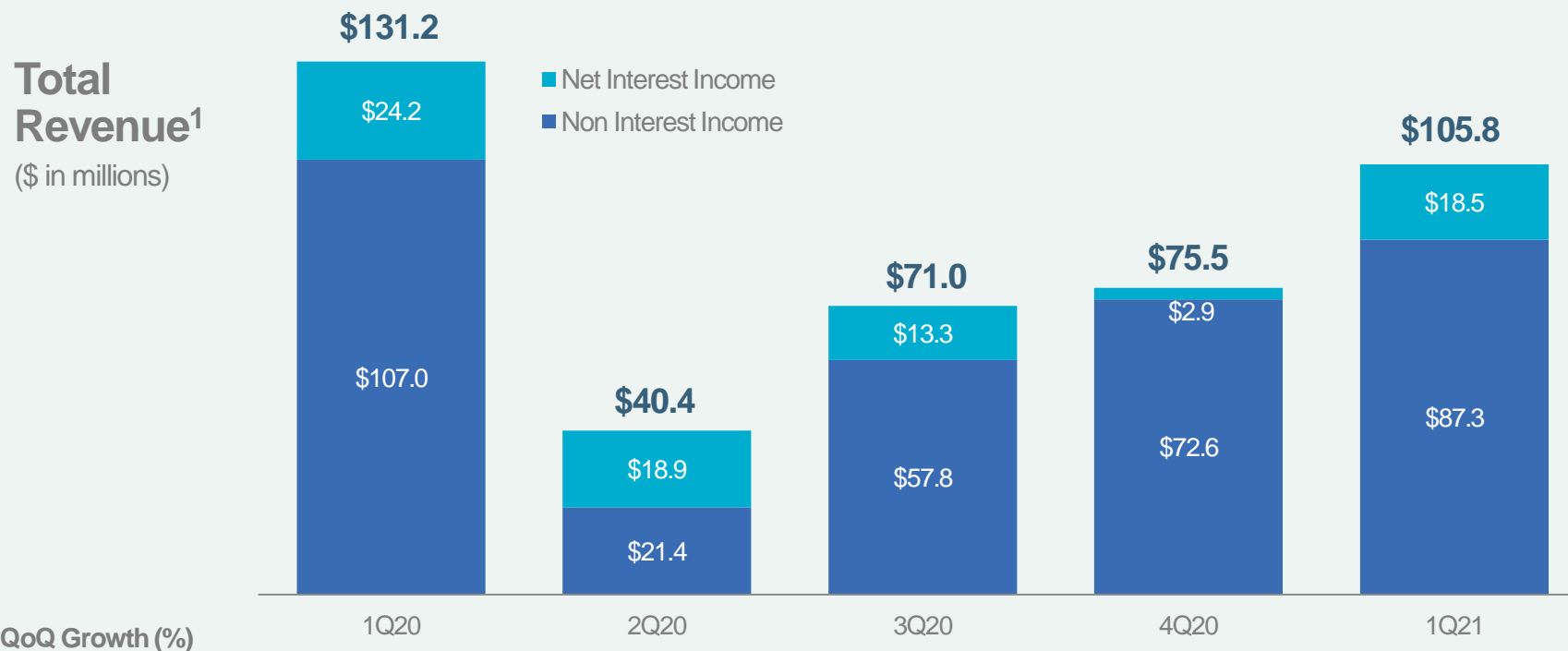
# 1Q21 Highlights: Exceeded Financial Targets & Completed Radius Bank Acquisition Ahead of Schedule

	1Q21 Guidance Targets	Actuals	Commentary
Originations	+32 to +43% QoQ	 <b>+63%, \$1.5B</b>	<ul style="list-style-type: none"> <li>Leveraged existing member base and opened additional paid marketing channels</li> </ul>
Revenue	15% to 25% QoQ	 <b>+40%, \$106M</b>	<ul style="list-style-type: none"> <li>Growth in marketplace revenue and net interest income</li> <li>Growth of 64% QoQ when adjusted for \$17.7M of revenue deferrals related to retained consumer loans</li> </ul>
GAAP Net Income (Loss)	(\$75M) to (\$85M)	 <b>(\$47M)</b>	<ul style="list-style-type: none"> <li>Impacted by \$44M in notable items, including provision for credit losses (CECL) of \$21M, revenue deferrals net of amortization of \$14M, and non-recurring expenses of \$9M</li> </ul>

# Immediate Financial Advantages of Digital Marketplace Bank

Advantage	Status	Benefit
Reduce cost of funds		Cost of funds down approximately <b>300 basis points</b> compared to 2020 levels.
Build recurring revenue stream		Added \$344 million of consumer loans which will generate a future revenue stream of approximately <b>\$70M.</b>
Recapture issuing bank economics		<b>Significant savings</b> on fees previously paid to a third-party issuing bank partner.

# Growth Driven by Accelerating Marketplace Revenues & New Recurring Net Interest Income Stream



**Net Interest Income:** driven by recurring revenues from the size and asset mix of the existing loan portfolio over the period

**Non-Interest Income:** driven by new loan originations in the period and the corresponding origination and servicing fees from the marketplace

**QoQ Growth (%)**

	1Q20	2Q20	3Q20	4Q20	1Q21
Total Revenue	(30%)	(69%)	76%	6%	<b>40%</b>
Net interest Income	(3%)	(22%)	(30%)	(78%)	<b>538%</b>
Non-interest Income	(35%)	(80%)	170%	26%	<b>20%</b>



# Membership & Data Advantages Driving Originations Growth & Marketplace Revenues

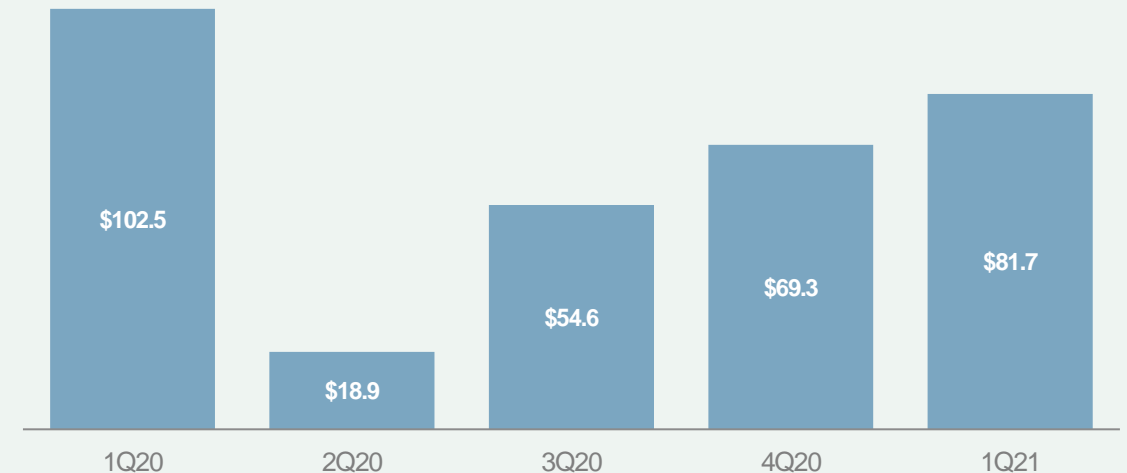
**Quarterly Loan Originations<sup>1,2</sup>**  
(\$ in millions)



**Loan Origination Growth (% QoQ)**

(18%)	(87%)	79%	56%	63%
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**Quarterly Marketplace Revenue<sup>1</sup>**  
(\$ in millions)



**Marketplace Revenue Growth (% QoQ)**

(36%)	(82%)	189%	27%	18%
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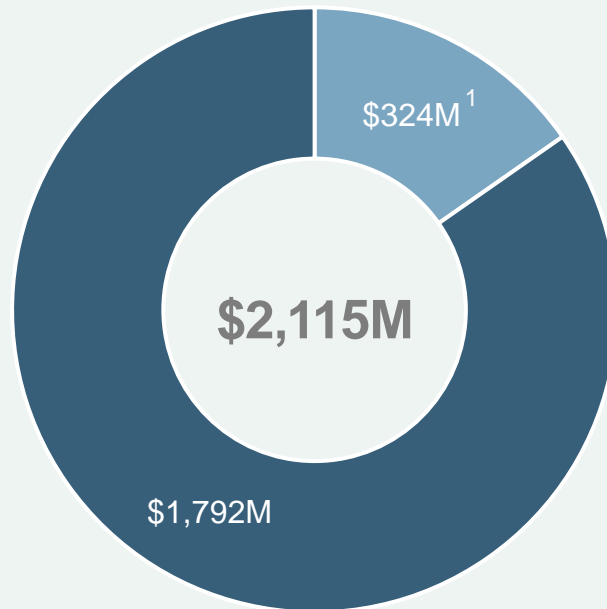
1) There may be differences between the sum of the quarterly results due to rounding.

2) Quarterly Loan Originations include Personal Loans, Education and Patient Finance Loans, and Auto Loans (excluding loan originations from Radius)

# Net Interest Income: Increased Mix of LC Consumer Loans Will Drive Higher Interest Income

## Loans Held for Investment on Bank Balance Sheet<sup>2</sup>

(\$ in millions)

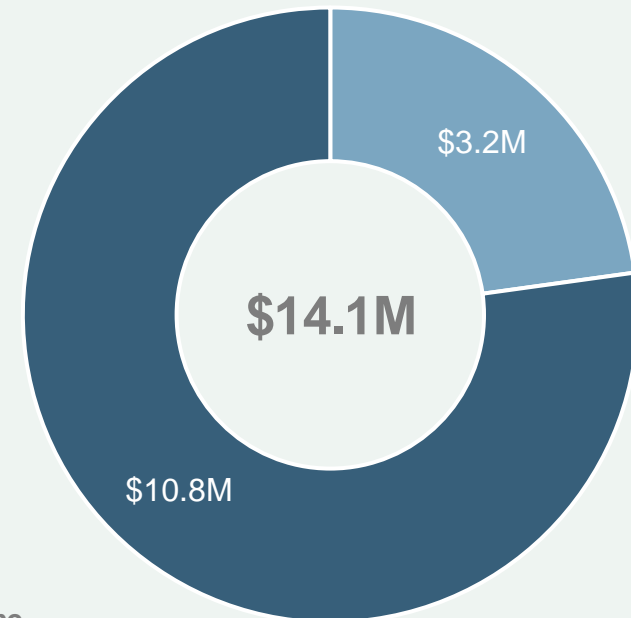


% loan composition

LC Consumer Loans	15%
Acquired Radius Loans	85%

## Net Interest Income from Bank Loans Held for Investment<sup>2</sup>

(\$ in millions)



% interest income

LC Consumer Loans	23%
Acquired Radius Loans	77%

# Growing Consumer Loan Portfolio Will Drive Margin Expansion

1Q21 (\$ in millions)	Bank	Effective Rate <sup>4</sup>	
LC Consumer <sup>2</sup>	324	14%	<ul style="list-style-type: none"> <li>Fastest-growing portfolio with targeted retention of 15% to 25% of quarterly originations</li> </ul>
Residential and Other Consumer	548	3.7%	
Commercial	582	5.0%	
PPP	661	3.5%	
<b>Weighted-Average Held for Investment<sup>1</sup></b>	<b>2,115</b>	<b>4.8%</b>	
Deposits	2,410	0.28%	<ul style="list-style-type: none"> <li>Benefited from low cost of deposits at 28bps to fund the loans, generating an attractive Net Interest Margin</li> </ul>
Long-term Debt <sup>3</sup>	370	0.35%	
<b>Weighted-Average Cost of Funds</b>		<b>0.30%</b>	
<b>Net Interest Margin</b>		<b>4.5%</b>	<ul style="list-style-type: none"> <li>Net Interest Margins will grow over time as the LC Consumer portfolio grows</li> </ul>

1) Bank balances are 1Q 2021 ending balances, while rates are calculated on average balances of what was held during the quarter

2) Net of deferred fees and amortization

3) Pledged loans as part of the PPP program

4) The effective rate includes the recognition of deferred fees through interest income

# Raising Full Year Outlook

	2Q21 Guidance	FY21 Guidance	Prior Guidance
Originations	<b>\$1.7B to \$1.9B</b> +15% to +28% QoQ	<b>\$6.8B to \$7.3B</b> +57% to +68% YoY	\$6.3B
Revenue	<b>\$130M to \$140M</b> +23% to +32% QoQ	<b>\$500M to \$530M</b> +59% to +68% YoY	\$488M
GAAP Net Income (Loss)	<b>(\$40M) to (\$30M)</b>	<b>(\$167M) to (\$142M)</b>	(\$175M) to (\$200M)

