

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

**FORM 10-K**

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
or  
 **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2020**

**Commission File Number: 001-36771**

**LendingClub Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**51-0605731**  
(I.R.S. Employer  
Identification No.)

**595 Market Street, Suite 200,  
San Francisco, CA 94105**  
(Address of principal executive offices and zip code)

**(415) 632-5600**  
(Registrant's telephone number, including area code)

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

<u>Title of each class:</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered:</u>
Common Stock, par value \$0.01 per share	LC	New York Stock Exchange

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2020, the last business day of the registrant's most recently completed second fiscal quarter, was \$278,428,673 based on the closing price reported for such date on the New York Stock Exchange. Shares of the registrant's common stock held by each executive officer, director and holder of 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

As of February 26, 2021, there were 93,550,219 shares of the registrant's common stock outstanding.

### **Documents Incorporated by Reference**

Portions of the registrant's Definitive Proxy Statement for the Registrant's 2021 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein. Such Definitive Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended December 31, 2020.

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LENDINGCLUB CORPORATION

Annual Report On Form 10-K  
For Fiscal Year Ended December 31, 2020

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## LENDINGCLUB CORPORATION

Except as the context requires otherwise, as used herein, “LendingClub,” “Company,” “we,” “us,” and “our,” refer to LendingClub Corporation, a Delaware corporation, and, where appropriate, its consolidated subsidiaries and consolidated variable interest entities (VIEs), including:

- LendingClub Bank, National Association (the Bank)
- Various entities established to facilitate loan sale transactions under LendingClub’s Structured Program, including sponsoring asset-backed securities transactions and Certificate Program transactions, where certain accredited investors and qualified institutional buyers have the opportunity to invest in senior and subordinated securities backed by a pool of unsecured personal whole loans.
- LC Trust I (the LC Trust), an independent Delaware business trust that acquires loans from LendingClub and holds them for the sole benefit of certain investors that have purchased trust certificates issued by the LC Trust and that are related to specific underlying loans for the benefit of the investor.

### Forward-Looking Statements

This Annual Report on Form 10-K (Report) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this Report include, without limitation, statements regarding borrowers, credit scoring, our strategy, future operations, expected losses, future financial position, future revenue, projected costs, prospects, plans, objectives of management, expected market growth and the impact on our business. You can identify these forward-looking statements by words such as “anticipate,” “appear,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “intend,” “may,” “opportunity,” “plan,” “predict,” “project,” “should,” “strategy,” “target,” “will,” “would,” or similar expressions.

These forward-looking statements include, among other things, statements about:

- our ability to integrate the Bank and the timing and ability to realize the expected financial and strategic benefits of the acquisition;
- our ability, following our acquisition of the Bank, to attract new members, to expand our product offerings, to improve revenue and generate recurring earnings, to capture expense benefits, to increase resiliency, and to enhance regulatory clarity;
- our ability to address stricter or heightened regulatory or supervisory requirements and expectations;
- our compliance with applicable local, state and Federal laws, regulations and regulatory developments or court decisions affecting our business;
- the impact of COVID-19 and our ability to effectuate and the effectiveness of certain operational and strategy initiatives in light of COVID-19;
- our ability to successfully navigate the current economic climate;
- our ability to sustain the business under adverse circumstances;
- the effects of natural disasters, public health crises, acts of war or terrorism and other external events on our customers and business;
- the impact of changes in laws or the regulatory or supervisory environment, including as a result of legislation, regulation, policies or changes in government officials or other personnel;
- the impact of changes in monetary, fiscal, or trade laws or policies, including as a result of actions by governmental agencies, central banks, or supranational authorities;
- the impact of new accounting standards or policies, including the Current Expected Credit Loss (CECL) standard;
- results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, limit our business activities, increase our allowance for loan losses, increase our capital levels, or affect our ability to borrow funds or maintain or increase deposits;
- our ability to maintain an enterprise risk management framework that is effective in mitigating risk;

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- our ability to effectively manage capital or liquidity to support our evolving business or operational needs, while remaining compliant with regulatory or supervisory requirements and appropriate risk-management standards;
- our ability to attract and retain loan borrowers;
- our ability to develop and maintain a strong core deposit base or other low cost funding sources necessary to fund our activities;
- the impact of changes in consumer spending, borrowing and saving habits;
- the impact of the continuation of or changes in the short-term and long-term interest rate environment;
- the ability of borrowers to repay loans and the plans of borrowers;
- our ability to maintain investor confidence in the operation of our platform;
- our ability to retain existing and secure new or additional sources of investor commitments for our platform;
- the performance of our loan products and expected rates of return for investors;
- platform volume, pricing and balance;
- the effectiveness of our platform’s credit scoring models;
- our ability to innovate and the adoption and success of new products and services;
- the adequacy of our corporate governance, risk-management framework, compliance programs;
- the impact of and our ability to resolve pending litigation and governmental inquiries and investigations;
- the use of our own capital to purchase loans, the impact of holding loans on and our ability to sell loans off our balance sheet;
- our financial condition and performance, including the impact that management’s estimates have on our financial performance and the relationship between the interim period and full year results;
- our ability, and that of third-party vendors, to maintain service and quality expectations;
- capital expenditures;
- our compliance with contractual obligations or restrictions;
- the potential impact of macro-economic developments, including recessions or other adverse circumstances;
- our ability to develop and maintain effective internal controls;
- our ability to recruit and retain quality employees to support current operations and future growth;
- changes in the effectiveness and reliability of our information technology and computer systems, including the impact of any security or privacy breach; the impact of expense initiatives and our ability to control our cost structure;
- our ability to manage and repay our indebtedness; and
- other risk factors listed from time to time in reports we file with the SEC.

We caution you that the foregoing list may not contain all of the forward-looking statements in this Report. 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. We have included important factors in the “Risk Factors” section of this Report, as well as in our consolidated financial statements, related notes, and other information appearing elsewhere in this Report and our other filings with the Securities and Exchange Commission, that could, among other things, cause actual results or events to differ materially from forward-looking statements contained in this Report. Forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

You should read this Report carefully and completely and with the understanding that actual future results may be materially different from what we expect. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, actual results, future events or otherwise, other than as required by law.

PART I

**Item 1. Business**

**Introduction**

LendingClub was founded in 2006 to transform the banking industry by leveraging technology, data science and a marketplace model. We started by bringing a traditional credit product, the installment loan, into the digital age and became the largest provider of unsecured personal loans in the United States. On February 1, 2021, LendingClub completed the acquisition of Radius Bancorp, Inc. (Radius), whereby LendingClub became a bank holding company and formed LendingClub Bank, National Association (the Bank) as its wholly-owned subsidiary, through which we will now operate the vast majority of our business. With the acquisition, we combined the complementary strengths of the Company's digital lending capabilities with an award-winning digital bank. LendingClub's customers, or our "members", can gain access to a broader range of financial products and services designed to help them digitally manage their lending, spending and savings. Since 2007, more than 3 million individuals have become members, and thereby joined the Club, to help reach their financial goals. With the capabilities Radius possesses, the Company intends to enhance consumer engagement by offering a broader range of products and services aimed at supporting our members and further improving their financial health. In addition to serving our members, the acquisition of Radius enables us to offer products and services to commercial customers, as well as to continue to serve the broad range of institutional investors for our unsecured personal loans and auto loans (Consumer Loans), and for our patient and education finance loans.

We anticipate that additional strategic and financial benefits of the Radius acquisition will include:

- **Increased resiliency** with access to stable, low-cost deposit funding replacing higher-cost and more volatile third-party warehouse funding;
- **Increased and more stable revenue** driven by increased net interest income from Consumer Loans held for investment;
- **Expense benefits** by capturing the fees that were historically paid to our third-party issuing banks; and
- **Ability to attract new members and deepen relationships with existing members** through the addition of banking services that leverage LendingClub's marketing and brand strengths.

**Our business model and competitive advantages**

LendingClub Bank offers key business model and competitive advantages over both traditional banks and fintech marketplaces, which include:

- *Data analytics that drive a superior customer experience and underwriting results.* We serve members across the credit spectrum and have facilitated more than \$60 billion of loans to over 3 million members since the Company was founded. Our interactions with members have allowed us to capture billions of cells of performance and behavioral data across thousands of attributes, which we use to continually refine our pricing and underwriting algorithms. By leveraging vast amounts of data and continually refining our underwriting models, we believe we are able to assess credit risk more effectively compared to traditional scoring models, allowing us to generate savings for members and also enabling us to approve more members for loans. In addition, we believe our access to data and robust marketing analytics promote efficiency when we generate and convert demand, driving lower customer acquisition costs.
- *Strong customer loyalty and engagement.* Our efficient marketplace model enables us to generate savings for a broad range of borrowers across the credit spectrum by matching them with the lowest available cost of funding provided by our platform investors. Our scalable technology platform, customer service culture and effective use of data and analytics enables us to efficiently originate loans. Our high net promoter score reflects the strong affinity our members have for our brand. With the acquisition of Radius, we are able to offer additional banking services designed to deliver even more savings, driving increased customer loyalty and engagement.

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- *Operating and funding efficiency.* With LendingClub as the originating bank, we save on fees that we historically paid third-party issuing banks. With access to low-cost deposits and by retaining a portion of our loan originations for investment, we expect to generate an attractive stream of recurring revenue. In addition to improving our loan-level economics, we expect our banking capabilities will also substantially increase the resiliency of our business with access to more stable deposit funding.

With respect to investors, we primarily compete with other investment vehicles and asset classes, such as equities, bonds and short-term fixed income securities. LendingClub's key competitive advantages include:

- *Portfolio diversification.* Unsecured personal and auto loans can offer duration, geographic and/or asset diversification to investors.
- *Generating competitive risk-adjusted returns.* The data analytics and underwriting results of our marketplace platform enable us to generate competitive risk-adjusted returns for investors. We believe that the risk-adjusted returns generated by our loans compare favorably to alternative investment options.

### **Our loan origination and deposit gathering model**

Our sales and marketing efforts are designed to attract and retain customers and build brand awareness. We use an array of marketing channels and constantly seek to improve and optimize the borrower experience, both on- and offline, to achieve efficiency and high levels of customer satisfaction.

We attract and retain members through online advertising, online aggregation partners, direct mail and other channels (including search engines, social media, and strategic relationship referrals) and this continues to drive growth in our customer base. Our growing member base often returns directly to LendingClub if they need another loan, which increases the lifetime value of our members while helping them improve their financial health.

Once a loan application is received, our efficient and automated processes enable us to present the applicant with various loan options, including the term, rate and amount for which the applicant qualifies. After the applicant selects their personalized financing option and completes the application process, we may perform additional verifications on the applicant. Once any verifications are completed and a loan has been funded, the Bank originates and issues proceeds of the loan to the borrower, net of the origination fee charged and retained by us.

Through the acquisition of Radius, we obtained commercial and consumer lending and deposit relationships as well as Banking-as-a-Service (BaaS) capabilities, through which we can offer certain of our products and services to third-parties. For depositors, we offer an award-winning digital experience, customer friendly features such as ATM fee rebates, rewards and competitive interest rates. Our commercial lending business includes commercial and industrial loans, commercial real estate loans, small business loans and equipment loans and leases. Commercial loans are originated through relationship managers who maintain and build relationships with businesses across the country. We underwrite loans based on the credit worthiness of commercial clients, including an assessment of cash flows, or underlying value of collateral such as equipment or real estate. Consumer loans acquired from Radius included residential mortgage loans and yacht loans.

Prior to acquiring Radius and establishing the Bank, our issuing bank for Consumer Loans was WebBank, a Utah-chartered industrial bank, member Federal Deposit Insurance Corporation (FDIC). Our issuing banks for education and patient finance loans will remain NBT Bank and Comenity Capital Bank, which originate and service such loans. For our role in facilitating loan originations, we recognize transaction fees paid by the issuing banks and education and patient service providers once the loan is issued and the proceeds are delivered to the borrower.

## **Our marketplace and our members**

### **Borrowers**

Our marketplace originates unsecured personal loans that are primarily used to refinance credit card balances, make major purchases (including home improvement, education and healthcare costs) or for other purposes. We also originate secured loans that are primarily used to refinance auto loans.

Borrowers applying for loans through our programs must meet certain minimum credit requirements, including a minimum FICO score, satisfactory debt-to-income ratios, satisfactory credit history and a limited number of credit inquiries in the previous six months. After an automated credit scoring and decisioning process, we offer loans to approved applicants. Our personal loans generally have loan amounts between \$1,000 to \$40,000, with maturities of three or five years, fixed interest rates, monthly amortizing payments, and no prepayment penalties. For auto loans, loan amounts are between \$4,000 to \$55,000, with maturities ranging between two to seven years, monthly amortizing payments, and no prepayment penalties. Loans originated through our platform do not have interest rates or annual percentage rates in excess of 36%, which is often regarded as a benchmark for responsible lending.

We offer borrowers multiple features to lower their cost of debt and enhance their financial health, including balance transfers where a borrower's existing credit card debt is paid down and the loan is consolidated into a fixed-rate term loan, and joint applications where borrowers may receive a better rate when they jointly apply for a personal loan.

### **Loan Investors**

Our Consumer Loans are either: (i) sold to investors or (ii) retained by the Bank. Our commercial loans are retained by the Bank.

*Loan Sales (Marketplace Activity):* Certain institutional investors, such as banks, asset managers, insurance companies, hedge funds and other large non-bank investors, seek to invest in our Consumer Loans. To meet this need, we sell loans to these investors through loan purchase and sale agreements.

*LendingClub Bank:* The Bank funds loans directly with its own capital and deposits and retains the loans for investment.

Prior to the acquisition of Radius, our loan investors also purchased loans through:

*Retail Notes.* Investors were able to purchase LendingClub Member Payment Dependent Notes (Retail Notes), which were securities for which cash flows to investors were dependent upon principal and interest payments made by borrowers of certain unsecured personal loans. As of December 31, 2020, LendingClub ceased offering and selling Retail Notes. The total balance of outstanding Retail Notes will continue to decline as underlying borrower payments are made. The Company does not share in any interest rate or credit risk on the related loans.

*Structured Program Transactions.* Prior to the first quarter of 2020, we also sold loans through Structured Programs, which included asset-backed securitization transactions and Certificate Program transactions. The Company continues to be required to retain a portion of the securities from these transactions.

### **Seasonality**

Historically, personal loan volume on our platform is generally lower in the first quarter of the year, primarily due to seasonality of borrower behavior. Additionally, in the fourth quarter of the year, we typically observe fluctuations in marketing effectiveness and borrower behavior due to the holidays, which can impact volume. These seasonal



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trends contribute to fluctuations in our operating results and operating cash flow. However, we may not observe such trends due to the impact of COVID-19.

### **Revenue**

Prior to the acquisition, we facilitated loan originations by connecting borrowers with investors through our online lending marketplace platform. However, we relied on third-party issuing banks to originate and fund loans initiated by borrowers, which were then sold to investors. Following the acquisition, the Bank became the originator and lender for our Consumer Loans. As discussed above, we fund our Consumer Loan originations through the Company's marketplace by either selling loans directly to third-party purchasers or investing our own capital in originated loans and holding those loans for investment.

As the originator of Consumer Loans, origination fees from loans held for sale (HFS) will be recorded as a component of marketplace lending revenue. Marketplace lending revenue will also include servicing revenue associated with loan sales. Origination fees and costs from loans held for investment (HFI) will be amortized through interest income over the life of the loans, and the expected credit losses reflected as a charge through earnings. The lifetime estimated credit losses on HFI loans will be initially recognized through earnings when such loans are originated or otherwise acquired, while the interest received will be recognized according to the loan's contractual payment terms. Due to this timing difference between credit losses taken through earnings and actual charge-offs, we expect earnings to be disproportionately impacted in the near term from the expected organic growth in our HFI loan portfolio before benefiting from higher levels of interest income in later periods.

Prior to the acquisition of Radius, our primary sources of revenue consisted of transaction fees that were paid to us by issuing banks to facilitate loan originations, net interest income and fair value adjustments on loans invested in by the Company, investor fees that compensated us for the costs we incurred in servicing loans, and a gain or loss on sales of loans.

See "*Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*" for further discussion of our revenue streams prior to the acquisition of Radius.

### **Competition**

The financial services industry is highly competitive, rapidly changing, highly innovative and subject to regulatory scrutiny and oversight. We compete with financial services providers such as banks, savings and loan associations, credit unions, finance companies, mortgage banking companies, insurance companies, investment banks and mutual fund companies. We also face increased competition from non-bank institutions such as online and marketplace lending companies, as well as from financial services subsidiaries of commercial and manufacturing companies. Many of these competitors enjoy fewer regulatory constraints and some may have lower cost structures. The financial services industry is also likely to become more competitive as further technological advances enable more companies to provide financial services.

See "*Item 1A. Risk Factors – Substantial and increasing competition in our industry may harm our business*" for further discussion of the potential impact of competition on our business.

### **Regulation and Supervision**

#### **General**

The U.S. financial services and banking industry is highly regulated. The bank regulatory regime is intended primarily for the protection of customers, the public, the financial system and the Deposit Insurance Fund of the Federal Deposit Insurance Corporation (FDIC), rather than our shareholders or creditors.

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The legal and regulatory regime affects virtually all aspects of our operations. Statutes, regulations and policies govern, among other things, the scope of activities that we may conduct and the manner in which we may conduct them; our business plan and growth; our board, management, and risk management infrastructure; the type, terms, and pricing of our products and services; our loan and investment portfolio; our capital and liquidity levels; our reserves against deposits; our ability to pay dividends, buy-back stock or distribute capital; and our ability to engage in mergers, acquisitions and other strategic initiatives. The legal and regulatory regime is continually under review by legislatures, regulators and other governmental bodies, and changes regularly occur through the enactment or amendment of laws and regulations or through shifts in policy, implementation or enforcement. Changes are difficult to predict and could have significant effects on our business.

The material regulatory requirements that are applicable to us and our subsidiaries are summarized below. The description below, as well as other descriptions of laws and regulations in this Report, is not intended to summarize all laws and regulations applicable to us and our subsidiaries, and is based upon the statutes, regulations, policies, interpretive letters and other written guidance that are in effect as of the date of this Report.

### **Regulatory Framework**

We are subject to regulation and supervision by multiple regulatory bodies. As a bank holding company, the Company is subject to the Bank Holding Company Act of 1956 (BHCA) and is subject to ongoing and comprehensive supervision, regulation, examination and enforcement by the Board of Governors of the Federal Reserve System (FRB). The FRB's jurisdiction also extends to any company that is directly or indirectly controlled by a bank holding company.

As a national bank, the Bank is subject to ongoing and comprehensive supervision, regulation, examination and enforcement by the Office of the Comptroller of the Currency (OCC). The OCC charges fees to national banks, including the Bank, in connection with its supervisory activities.

The Bank's deposits are insured by the Deposit Insurance Fund (DIF) of the FDIC up to applicable legal limits. As an FDIC-insured depository institution, the Bank is subject under certain circumstances to supervision, regulation and examination by the FDIC. The FDIC charges deposit insurance assessments to FDIC-insured institutions, including the Bank, to fund and support the DIF. The rate of these deposit insurance assessments is based on, among other things, the risk characteristics of the Bank. The FDIC has the power to terminate the Bank's deposit insurance if it determines the Bank is engaging in unsafe or unsound practices. Federal banking laws provide for the appointment of the FDIC as receiver in the event the Bank were to fail, such as in connection with undercapitalization, insolvency, unsafe or unsound condition or other financial distress. In a receivership, the claims of the Bank's depositors (and those of the FDIC as subrogee of the Bank) would have priority over other general unsecured claims against the Bank.

The Company is subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, both as administered by the SEC. The Company's common stock is listed on the New York Stock Exchange (NYSE) under the trading symbol "LC" and therefore the Company is also subject to the rules of the NYSE for listed companies.

### **Broad Powers to Ensure Safety and Soundness**

A principal objective of the U.S. bank regulatory system is to ensure the safety and soundness of banking organizations. Safety and soundness is a broad concept that includes financial, operational, compliance, and reputational considerations, including matters such as capital, asset quality, quality of board and management oversight, earnings, liquidity, and sensitivity to market and interest rate risk. As part of its commitment to maintain safety and soundness, at the time the Company acquired the Bank, the Bank entered into an Operating Agreement with the OCC (the Operating Agreement). The Operating Agreement sets forth key parameters within which the

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Bank must operate, such as with respect to its business plan, minimum capital, directors and senior executive officers, risk management and compliance.

The banking and financial regulators have broad examination and enforcement authority. The regulators require banking organizations to file detailed periodic reports and regularly examine the operations of banking organizations. Banking organizations that do not meet the regulators' supervisory expectations can be subjected to increased scrutiny and supervisory criticism. The regulators have various remedies available, which may be public or of a confidential supervisory nature, if they determine that an institution's condition, management, operations or risk profile is unsatisfactory. The regulators may also take action if they determine that the banking organization or its management is violating or has violated any law or regulation. The regulators have the power to, among other things:

- require affirmative actions to correct any violation or practice;
- issue administrative orders that can be judicially enforced;
- direct increases in capital;
- direct the sale of subsidiaries or other assets;
- limit dividends and distributions;
- restrict growth and activities;
- assess civil monetary penalties;
- remove officers and directors; and
- terminate deposit insurance.

Engaging in unsafe or unsound practices or failing to comply with applicable laws, regulations and supervisory agreements could subject us and our subsidiaries or their officers, directors and institution-affiliated parties to the remedies described above and other sanctions.

### ***Limits on Activities and Approval Requirements***

The BHCA generally restricts the Company's ability, directly or indirectly, to engage in, or acquire more than 5% of any class of voting securities of a company engaged in, activities other than those determined by the FRB to be so closely related to banking as to be a proper incident thereto. The Gramm-Leach-Bliley Act expanded the scope of permissible activities to include those that are financial in nature or incidental or complementary to a financial activity for a bank holding company that elects to be a financial holding company, which requires the satisfaction of certain conditions. We have not elected financial holding company status.

The bank regulatory regime, including through the Operating Agreement, requires that we obtain prior approval of one or more regulators for various initiatives or corporate actions, including acquisitions or minority investments, the establishment of branches, certain changes to our board or senior management, certain dividends or capital distributions, and significant deviations from the Bank's previously approved business plan. Regulators take into account a range of factors in determining whether to grant a requested approval, including the supervisory status of the applicant and its affiliates. Thus, there is no guarantee that a particular proposal by us would receive the required regulatory approvals.

The Community Reinvestment Act (CRA) requires federal banking regulators, in their review of certain applications by banking organizations, to take into account the applicant's record in helping meet the credit needs of its community, including low- and moderate-income neighborhoods. The Bank is subject to periodic examination under the CRA by the OCC, which will assign ratings based on the methodologies set forth in its regulations and guidance. Less favorable CRA ratings, or concerns raised under the CRA, may adversely affect the Bank's ability to obtain approval for certain types of applications.

**Company as Source of Strength for the Bank**

Federal law and FRB policy require that a bank holding company serve as a source of financial and managerial strength for any FDIC-insured depository institution that it controls. Thus, if the Bank were to be in financial distress or to otherwise be viewed by the regulators as in an unsatisfactory condition, then the regulators could require the Company to provide additional capital or liquidity support, or take other action, in support of the Bank, even if doing so is not otherwise in the best interest of the Company.

**Regulatory Capital Requirements and Prompt Corrective Action**

The banking regulators view capital levels as important indicators of an institution's financial soundness. As a general matter, FDIC-insured depository institutions and their holding companies are required to maintain a specified level of capital relative to the amount and types of assets they hold. While capital can serve as an important cushion against losses, higher capital requirements can also adversely affect an institution's ability to grow and/or increase leverage through deposit-gathering or other sources of funding.

The Company and the Bank are each subject to generally similar capital requirements adopted by the FRB and the OCC, respectively. These requirements establish required minimum ratios for common equity Tier 1 (CET1) risk-based capital, Tier 1 risk-based capital, total risk-based capital and a Tier 1 leverage ratio; set risk-weighting for assets and certain other items for purposes of the risk-based capital ratios; require an additional capital conservation buffer over the minimum required capital ratios in order to avoid certain limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses; and define what qualifies as capital for purposes of meeting the capital requirements. Specifically, the capital thresholds in order to be regarded as a well-capitalized institution under the Basel Committee on Banking Supervision standardized approach for U.S. banking organizations are as follows: a CET1 risk-based capital ratio of 6.5%, a Tier 1 risk-based capital ratio of 8.0%, a total risk-based capital ratio of 10.0% and a Tier 1 leverage ratio of 5.0%.

The regulators assess any particular institution's capital adequacy based on numerous factors and may require a particular banking organization to maintain capital at levels higher than the generally applicable minimums. In this regard, and unless otherwise directed by the OCC, we have made commitments for the Bank to maintain a common equity Tier 1 risk-based capital ratio of 11%, a Tier 1 risk-based capital ratio above 11%, a total risk-based capital ratio above 13% and a Tier 1 leverage ratio of 11% for a minimum of three years following its formation.

The Federal Deposit Insurance Act provides for a system of "prompt corrective action" (PCA). The PCA regime provides for capitalization categories ranging from "well-capitalized" to "critically undercapitalized." An institution's PCA category is determined primarily by its regulatory capital ratios. The PCA requires remedial actions and imposes limitations that become increasingly stringent as an institution's condition deteriorates and its PCA capitalization category declines. Among other things, institutions that are less than well-capitalized become subject to increasingly stringent restrictions on their ability to accept and/or rollover brokered deposits.

In addition to capital requirements, depository institutions are required to maintain non-interest bearing reserves at specified levels against their transaction accounts and certain non-personal time deposits.

**Regulatory Limits on Dividends and Distributions**

The ability of the Company or the Bank to pay dividends, buy back stock and make other capital distributions is limited by regulatory capital rules and other aspects of the regulatory regime. For example, a policy statement of the FRB provides that, among other things, a bank holding company generally should not pay dividends if its net income for the past year is not sufficient to cover both the cash dividends and a rate of earnings retention that is consistent with the company's capital needs, asset quality, and overall financial condition.

Dividends and capital distributions by the Bank are also limited by the regulatory regimes. For example, the Operating Agreement requires the Bank to obtain a prior written determination of non-objection from the OCC

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before declaring any dividend. Taking into account a wide range of factors, the OCC may object and therefore prevent the Bank from paying dividends to the Company. Other laws and regulations generally applicable to national banks also limit the amount of dividends and capital distributions that may be made by a national bank and/or require prior approval of the OCC. Because substantially all of our business activities, income and cash flow are expected to be generated by the Bank, an inability of the Bank to pay dividends or distribute capital to the Company would adversely affect the Company's liquidity.

### **Consumer Protection**

We are subject to a broad array of federal, state and local laws and regulations that govern almost every aspect of our business relationships with consumers. These laws relate to, among other things, the content and adequacy of disclosures, pricing and fees, fair lending, anti-discrimination, privacy, cybersecurity, usury, mortgages and housing finance, lending to service members, escheatment, debt collection, loan servicing, collateral secured lending, and unfair, deceptive or abusive acts or practices.

The Consumer Financial Protection Bureau (CFPB) is generally responsible for rulemaking with respect to certain federal laws related to the provision of financial products and services to consumers. In addition, the CFPB has examination and primary enforcement authority with respect to federal consumer financial protection laws with respect to banking organizations with assets of \$10 billion or more. The Bank has assets less than \$10 billion; therefore, we are not currently subject to the examination and primary enforcement jurisdiction of the CFPB. However, many consumer protection rules adopted or amended by the CFPB do apply to us and are the subject of examination and enforcement with respect to us by the FRB and OCC.

If we fail to comply with these laws and regulations, we may be subject to significant penalties, judgments, other monetary or injunctive remedies, lawsuits (including putative class action lawsuits and actions by state and local attorneys general or other officials), customer rescission rights, supervisory or enforcement actions, and civil or criminal liability.

### **Anti-Money Laundering, Sanctions and Financial Crime**

We are subject to a wide range of laws related to anti-money laundering (AML), economic sanctions and prevention of financial crime, including the Bank Secrecy Act, the USA PATRIOT Act and economic sanctions programs. We are required to, among other things, maintain an effective anti-money laundering and counter-terrorist compliance program, identify and file suspicious activity and currency transaction reports, and block transactions with sanctioned persons or jurisdictions. Compliance with these laws requires significant investment of management attention and resources. These laws are enforced by a number of regulatory authorities, including the FRB, OCC, Office of Foreign Assets Control, the Financial Crimes Enforcement Network, the U.S. Department of Justice, Drug Enforcement Administration, and Internal Revenue Service. Failure to comply with these laws, or to meet our regulators' supervisory expectations in connection with these laws, could subject us to supervisory or enforcement action, significant financial penalties, criminal liability and/or reputational harm.

### **Third-Party Relationship Risk Management**

We utilize third-party service providers to perform a wide range of operations and other functions, which may present various risks. Our regulators will expect us to maintain an effective program for managing risk arising from third-party relationships, which should be commensurate with the level of risk and complexity of our business and our third-party relationships. If not managed effectively, the use of third-party service providers may expose us to risks that could result in regulatory action, financial loss, litigation, and reputational harm.

### **Privacy, Information Technology and Cybersecurity**

We are subject to various laws related to the privacy of consumer information. For example, the Company and its subsidiaries are required under federal law periodically to disclose to their retail clients the Company's policies and

practices with respect to the sharing of nonpublic client information with their affiliates and others, and the confidentiality and security of that information. In some cases, the Bank must obtain a consumer's consent before sharing information with an unaffiliated third party, and the Bank must allow a consumer to opt out of the Bank's sharing of information with its affiliates for marketing and certain other purposes. We are also subject to laws and regulatory requirements related to information technology and cybersecurity. For example, the Federal Financial Institutions Examination Council (FFIEC), which is a council comprised of the primary federal banking regulators, has issued guidance and supervisory expectations for banking organizations with respect to information technology and cybersecurity. Our regulators regularly examine us for compliance with applicable laws, and adherence to industry best practices, with respect to these topics. For example, they will evaluate our security of user and customer credentials, business continuity planning, and the ability to identify and thwart cyber-attacks.

State regulators have also been increasingly active in implementing privacy and cybersecurity standards and regulations. Recently, several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and providing detailed requirements with respect to these programs, including data encryption requirements. Many states have also recently implemented or modified their data breach notification and data privacy requirements. For example, the California Consumer Privacy Act became effective on January 1, 2020. We expect this trend of state-level activity in those areas to continue, and are continually monitoring developments in the states in which our clients are located.

#### **Limitations on Transactions with Affiliates and Loans to Insiders**

Banks are subject to restrictions on their ability to conduct transactions with affiliates and other related parties under federal banking laws. For example, federal banking laws impose quantitative limits, qualitative requirements, and collateral standards on certain extensions of credit and other transactions by an insured depository institution with, or for the benefit of, its affiliates. In addition, most types of transactions by an insured depository institution with, or for the benefit of, an affiliate be on terms substantially the same or at least as favorable to the insured depository institution as if the transaction were conducted with an unaffiliated third party. Federal banking laws also impose restrictions and procedural requirements in connection with the extension of credit by an insured depository institution to directors, executive officers, principal shareholders (including the Company) and their related interests. In addition, purchases and sales of assets between an insured depository institution and its executive officers, directors, and principal shareholders may also be limited under such laws. The Sarbanes-Oxley Act generally prohibits loans by public companies to their executive officers and directors. However, there is a specific exception for loans by financial institutions, such as the Bank, to its executive officers and directors that are made in compliance with federal banking laws.

#### **Acquisition of a Significant Interest in the Company**

Banking laws impose various regulatory requirements on parties that may seek to acquire a significant interest in the Company. For example, the Change in Bank Control Act of 1978 would generally require that any party file a formal notice with, and obtain non-objection of, the FRB prior to acquiring (directly or indirectly, whether alone or acting in concert with any other party) 10% or more of any class of voting securities of the Company. Further approval requirements and significant ongoing regulatory consequences would apply to any company that (directly or indirectly, whether alone or as part of an association with another company) seeks to acquire "control" of the Company or the Bank for purposes of the BHCA. The determination whether a party "controls" a depository institution or its holding company for purposes of these laws is based on applicable regulations and all of the facts and circumstances surrounding the investment.

#### **Certain Regulatory Developments Relating to the COVID-19 Pandemic CARES Act**

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was passed by Congress and signed into law by the President. Below is a brief overview of some of the provisions of the CARES Act and other regulations and supervisory guidance related to the COVID-19 pandemic that are applicable to the operations and activities of the Company and the Bank.

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*Paycheck Protection Program (PPP).* A principal provision of the CARES Act amended the Small Business Administration's (SBA) loan program to create a guaranteed, unsecured loan program, the PPP, to fund operational costs of eligible businesses, organizations, and self-employed persons during the COVID-19 pandemic. On June 5, 2020, the Paycheck Protection Program Flexibility Act (PPPFA) was signed into law, which among other things, gave borrowers additional time and flexibility to use PPP loan proceeds. Shortly thereafter, and due to the evolving impact of the COVID-19 pandemic, additional legislation authorizing the SBA to resume accepting PPP applications on July 6, 2020 and extending the PPP application deadline to August 8, 2020 was signed. It is anticipated that additional revisions to the SBA's interim final rules on forgiveness and loan review procedures will be forthcoming to address these and related changes. As a participating lender in the PPP, the Bank continues to monitor legislative, regulatory, and supervisory developments related thereto.

*Temporary Regulatory Capital Relief related to Impact of Current Expected Credit Loss (CECL).* Concurrent with enactment of the CARES Act, federal bank regulatory authorities issued an interim final rule that delays the estimated impact on regulatory capital resulting from the adoption of CECL. The interim final rule provides banking organizations that implement CECL before the end of 2020 the option to delay for two years the estimated impact of CECL on regulatory capital relative to regulatory capital determined under the prior incurred loss methodology, followed by a three-year transition period to phase out the aggregate amount of capital benefit provided during the initial two-year delay.

### **Effect on Economic Environment**

The policies of regulatory authorities, including the monetary policy of the FRB, have a significant effect on the operating results of bank holding companies and their subsidiaries. Among the means available to the FRB to affect the money supply are open market operations in U.S. government securities, changes in the discount rate on borrowings and changes in reserve requirements with respect to deposits. These means are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may affect interest rates charged on loans or paid for deposits. The FRB monetary policies have materially affected the operating results of commercial banks in the past and are expected to continue to do so in the future. We cannot predict the nature of future monetary policies and the effect of such policies on its business and earnings.

### **Issuing Bank Model**

As disclosed above, prior to acquiring Radius and establishing the Bank, our issuing bank for unsecured personal and auto loans was WebBank, a Utah-chartered industrial bank. Our issuing banks for education and patient finance loans will remain NBT Bank and Comenity Capital Bank, which originate and service such loans. NBT Bank is subject to oversight by the OCC and Comenity Capital Bank is subject to oversight by the FDIC and the Utah Department of Financial Institutions. These authorities impose obligations and restrictions on our activities and the loans facilitated through our lending marketplace through issuing banks, and there has been challenges to the ability of an FDIC-insured depository institution to "export" interest rates permitted by the laws of the state where the bank is located, regardless of the usury limitations imposed by the laws of the state of the borrower's residence.

The Second Circuit's 2015 decision in *Madden v. Midland Funding, LLC* has led to an increase in inquiries, regulatory proceedings and litigation challenging or raising issues relating to the application of state usury restrictions and limitations and lending arrangements where a bank or other third party has made a loan and then sells and assigns it. In May 2020, the OCC issued a rule clarifying that interest on a loan that is lawful under federal law for national banks and federal savings associations remains lawful upon the sale, assignment or other transfer of the loan. The FDIC issued a similar rule in June 2020 applicable to FDIC insured state-chartered banks. Additionally, in October 2020, the OCC issued a rule clarifying that when a national bank or federal savings association makes a loan it is the "true lender" in the context of a partnership between the bank and a third party if, as of the date of origination, it is named as the lender in the loan agreement or funds the loan. It is unclear what impact the position of the OCC or FDIC, or the rules they have promulgated, will have on existing or future litigation or regulatory proceedings involving arguments of federal preemption of state usury laws.

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For more information on how the regulatory environment, enforcement actions, findings and ratings could also have an impact on our strategies, the value of our assets, or otherwise adversely affect our business see “*Item 1A. Risk Factors – Risks Related to Regulation, Supervision and Compliance.*”

### **Intellectual Property**

To establish and protect our technology and intellectual property rights, we rely on a combination of copyright, trade secret and other rights, as well as confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights. We are not dependent on any one patent or related group of patents or any other single right to use intellectual property. Despite our efforts to protect our proprietary rights, third parties may, in an authorized or unauthorized manner, attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop a product with the same functionality as our solution. In addition, our competitors may develop products that are similar to our technology. Policing all unauthorized use of our intellectual property rights is nearly impossible, and we cannot be certain that the steps we have taken or will take in the future will prevent misappropriations of our technology or intellectual property rights.

### **Human Capital**

The Company and its consolidated subsidiaries had 1,030 employees and contract employees as of December 31, 2020, all of whom were located in the United States. Our workforce is reduced from 1,538 employees and contract employees as of December 31, 2019, with much of the reduction coming from a restructuring plan in April 2020 to address the impact of COVID-19 on the Company’s business by repositioning the Company’s expense base to better reflect the reduction in loan volume and better position the Company for profitability and achieving its strategic goals. The restructuring plan included workforce reductions affecting approximately 460 employees. More recently, on February 1, 2021, we added 195 employees through our acquisition of Radius.

Our success depends, in large part, on our ability to recruit, develop, motivate and retain employees with the skills to execute our long-term strategy. We compete in a competitive market for talent and aim to distinguish ourselves by offering our employees the opportunity to make a meaningful positive impact on the finances of Americans in an innovative technology oriented environment, while offering competitive compensation and benefits. Our compensation programs consist primarily of base salary, corporate bonus and equity awards. We periodically conduct pay equity surveys to ensure our compensation programs are applied equitably across our workforce. Our benefits programs consist of comprehensive health, dental and welfare benefits, including a 401(k) matching program and online mental health tools. In connection with our COVID-19 restructuring plan, we temporarily reduced the base salaries of many of our employees (including our entire executive team). This reduction in base salaries was reverted on January 1, 2021, as our business stabilized and began to recover.

We are committed to advancing a safe work environment for our employees. We adhere, and expect all of our employees to adhere, to our Code of Business Conduct and Ethics, which, among other things, sets forth numerous policies designed to provide for a safe, ethical, respectful and compliant work environment. During the COVID-19 pandemic, our commitment to our employees has been put into action. One of the principles that has guided and continues to guide our decision-making during the COVID-19 pandemic is keeping our employees safe. With that principle in mind, in March 2020, we rapidly and effectively implemented a work from home program and nearly our entire workforce continues to work exclusively from home. We have continued to keep our physical offices closed as we monitor national and local conditions and guidelines.

Diversity and inclusion are core to our corporate culture and we continue to make efforts and strides to improve the diversity of talent within the financial services industry. We treat diversity and inclusion as an important consideration when making hiring decisions and appointments to our Board of Directors. We offer anti-racism, inclusive hiring and breaking bias trainings. Further, we have a program specifically designed to provide female employees leadership tools and opportunities and development program for under-represented individuals that



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focuses on both professional and personal growth. We continue to undertake measures to enhance our efforts with respect to diversity and inclusion. As of December 31, 2020, our workforce was 42% female and 49% non-white.

### Available Information

Our website address is [www.lendingclub.com](http://www.lendingclub.com). At our investor relations website, [ir.lendingclub.com](http://ir.lendingclub.com), we make available free of charge the following information and capabilities:

- Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to these reports as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC;
- Press releases, including with respect to our quarterly earnings;
- Announcements of public conference calls and webcasts;
- Corporate governance information, including our certificate of incorporation, bylaws, governance guidelines, committee charters, business conduct and ethics policy, and other governance-related policies;
- Other news and market data that we may post from time to time that investors might find useful or interesting; and
- Opportunity to sign up for email notifications.

In addition to announcing material financial information through our investor relations website, press releases, SEC filings, and public conference calls and webcasts, we also intend to use other online and social media channels, including our Blog (<http://blog.lendingclub.com>), Twitter handles (@LendingClub and @LendingClubIR) and Facebook page (<https://www.facebook.com/LendingClubTeam>) to disclose material non-public information and to comply with our disclosure obligations under Regulation FD.

The contents of the websites referred to above are not incorporated into this filing or in any other report or document on file with the SEC. Further, our references to the URLs for these websites are intended to be inactive textual references only.

The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at [www.sec.gov](http://www.sec.gov).

## Item 1A. Risk Factors

*You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K (Report), including the section titled “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes. While we believe the risks and uncertainties described below include all material risks currently known by us, it is possible that these may not be the only ones we face. If any of the risks actually occur, our business, financial condition, operating results and prospects could be materially and adversely affected.*

### **Risk Factors Summary**

Our business is subject to a number of risks that may adversely affect our business, financial condition and results of operations. These risks are discussed more fully below and include, but are not limited to:

#### ***Risks Related to Regulation, Supervision and Compliance***

- operating within the bank regulatory regime and to the satisfaction of the banking regulators;
- our compliance with applicable laws and regulations (including foreign laws);
- the adequacy of our allowance for loan losses;
- operating within capital and liquidity regulations and requirements;
- the impact of any changes to the legal and regulatory regime;
- our participation in the Federal Paycheck Protection Program; and
- the adequacy and effectiveness of our risk management framework.

#### ***Risks Related to Operating Our Business***

- M&A activity, including our recent acquisition of Radius Bancorp;
- the impact of litigation and regulatory investigations;
- holding loans on our balance sheet and associated credit, liquidity and interest rate risk;
- our ability to develop and commercialize products and services;
- maintaining our deposit base;
- maintaining adequate liquidity;
- offering a breadth and volume of investment opportunities for platform investors;
- managing and the impact of fraudulent activity;
- forecasting demand for loans;
- maintaining and increasing loan originations;
- the ability of platform investors to exert influence over us;
- disruptions to the technology that powers our marketplace;
- maintaining, protecting and promoting our brand;
- our use of the issuing bank partnership model;
- breaches of certain representations and warranties made to others; and
- our ability to manage indebtedness.

#### ***Risks Related to Macroeconomic Conditions or Other External Factors***

- the impact of COVID-19 and our ability to navigate the current economic environment;
- fluctuations in interest rates;
- the political environment and fiscal/monetary policies;
- a decline in overall social and economic conditions;
- the impact of natural disasters, infrastructure failures and other business interruptions; and
- negative publicity and media coverage.

***Risks Related to Credit and Collections***

- the accuracy and effectiveness of our credit decisioning models; and
- the effectiveness of our collections efforts.

***Risks Related to Our Industry***

- our ability to compete; and
- the soundness of other financial institutions.

***Risks Related to Personnel and Third-Parties***

- attracting and retaining employees;
- the impact of any misconduct or errors; and
- our reliance on and relationship with third-parties.

***Risks Related to Data, Intellectual Property and Privacy***

- security incidents, failures and bugs in our systems;
- the impact of cyber-attacks suffered by third parties;
- the collection, storage and use of personal data;
- protecting our intellectual property rights; and
- our use of open source software.

***Risks Related to Tax and Accounting***

- our ability to use our deferred tax asset; and
- our net loss position.

***Risks Related to the Ownership of Our Common Stock***

- the volatility of our stock price and fluctuations in quarterly results;
- future equity dilution;
- our anti-takeover provisions and restrictions in accumulating a position in the Company;
- the availability and content of research and reports by analysis; and
- our intention to not pay dividends in the foreseeable future.

**RISKS RELATED TO REGULATION, SUPERVISION AND COMPLIANCE**

***We operate in a highly regulated environment that affects virtually all aspects of our operations, and the need to comply with applicable laws, regulations and supervisory expectations can materially impact our business, financial condition and results of operations***

We are subject to extensive regulation, supervision and legal requirements that affect virtually all aspects of our operations. The regulatory regime governing banking organizations is generally intended to protect customers, depositors, the DIF, and the overall financial stability of the United States, not our shareholders or creditors. See “*Item 1. Business – Regulation and Supervision*” for information on the regulation and supervision framework which governs our Company and its activities.

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We are regularly examined and inspected by our regulators, including the FRB and OCC. Our regulators have extensive authority and discretion in their interpretation, implementation, supervision and enforcement of the regulatory regime, including on matters related to:

- dividends or capital distributions by the Bank or the Company;
- capital and liquidity requirements applicable to us, including the imposition of requirements more stringent than those required under generally applicable laws;
- the types and terms of products we offer, activities we may conduct or investments we may make;
- the composition, risk characteristics, potential adverse classification, allowance and risk reserves in connection with our loans or other assets;
- our deposit-gathering and other funding sources;
- the quality of our board and management oversight;
- the effectiveness of our risk management and compliance programs, including with respect to consumer protection, information technology, cybersecurity, third-party risk management, anti-money laundering and sanctions;
- the Bank's commitment to helping meet the credit needs of low- and moderate-income neighborhoods under the Community Reinvestment Act of 1967;
- their willingness to approve applications, such as for changes in our business plan, the establishment of new branches, the commencement of new activities, or the conduct of mergers and acquisitions; and
- our rate of growth and other expansionary or strategic initiatives.

The Company became a bank holding company on February 1, 2021, with its acquisition of the Bank, and therefore has only recently become subject to the bank regulatory regime. We must devote substantial time and resources to compliance and meeting our regulators' supervisory expectations, which may adversely affect our ability to operate profitably or to pursue advantageous business opportunities.

***Failure to comply with applicable laws, regulations or commitments, or to satisfy our regulators' supervisory expectations, could subject us to, among other things, supervisory or enforcement action, which could adversely affect our business, financial condition and results of operations.***

If we do not comply with applicable laws, regulations or commitments, if we are deemed to have engaged in unsafe or unsound conduct, or if we do not satisfy our regulators' supervisory expectations, then we may be subject to increased scrutiny, supervisory criticism, governmental or private litigation and/or a wide range of potential monetary penalties or consequences, enforcement actions, criminal liability and/or reputational harm. Such actions could be public or of a confidential nature, and arise even if we are acting in good faith or operating under a reasonable interpretation of the law and could include, for example, monetary penalties, payment of damages or other monetary relief, restitution or disgorgement of profits, directives to take remedial action or to cease or modify practices, restrictions on growth or expansionary proposals, denial or refusal to accept applications, removal of officers or directors, prohibition on dividends or capital distributions, increases in capital or liquidity requirements and/or termination of the Bank's deposit insurance. Additionally, compliance with applicable laws, regulations and commitments requires significant investment of management attention and resources. Any failure to comply with applicable laws, regulations or commitments could have an adverse effect on our business, financial condition and results of operations.

***Our allowance for loan losses may not be adequate to cover actual losses.***

We maintain an allowance for loan losses to provide for loan defaults and non-performance. We reserve for loan losses by establishing an allowance that is based on our assessment of loan losses in our loan portfolio. Further, through its adoption of the Current Expected Credit Loss (CECL) model, the FASB has implemented a new accounting model to measure credit losses for financial assets measured at amortized cost, which includes the vast majority of our loan portfolio. Under this new model, the allowance is established to reserve for management's best estimate of expected lifetime losses inherent in our finance receivables and loan portfolio.

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The process for determining the amount of the allowance requires subjective and complex judgments about the future, including forecasts of economic or market conditions that might impair the ability of our borrowers to repay their loans. Changes in economic conditions affecting borrowers, revisions to accounting rules and related guidance, the implementation of CECL, new qualitative or quantitative information about existing loans, identification of additional problem loans, changes in the size or composition of our finance receivables and loan portfolio, changes to our loss estimation techniques including consideration of forecasted economic assumptions, and other factors, both within and outside of our control, may require an increase in the allowance for loan losses.

A decline in the national economy and the local economies of the areas in which the loans are concentrated could result in an increase in loan delinquencies, foreclosures or repossessions resulting in increased charge-off amounts and the need for additional loan loss allowances in future periods. In addition, our regulators may require us to make a provision for loan losses or otherwise recognize further loan charge-offs following their periodic review of our loan portfolio, our underwriting procedures, and our loan loss allowance.

***We are subject to stringent capital and liquidity regulations and requirements.***

LendingClub Corporation is the parent company of and a separate and distinct legal entity from the Bank. Legal entity liquidity is an important consideration as there are legal, regulatory, contractual and other limitations on our ability to utilize liquidity from one legal entity to satisfy the liquidity requirements of another, which could result in adverse liquidity events at either LendingClub Corporation and/or the Bank. In particular, the Bank is subject to laws that restrict dividend payments, or authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to the parent company or other subsidiaries. Applicable laws and regulations, including capital and liquidity requirements, could restrict our ability to transfer funds between the Bank and LendingClub Corporation, which could adversely affect our cash flow and financial condition. Additionally, applicable laws and regulations may restrict what LendingClub Corporation is able to do with the liquidity it does possess, which may adversely affect our business and results of operations.

Bank holding companies, including the Company, are subject to capital and liquidity standards. Further, we have made certain commitments to the banking regulators which require us to hold capital incremental to the minimum required under the applicable standards, which could thereby impact the Company's ability to invest in assets. From time to time, regulators may implement changes to these capital adequacy and liquidity requirements. If the Company fails to meet these minimum capital adequacy and liquidity guidelines and other regulatory requirements, its business activities, including lending, and its ability to expand could be limited. It could also result in the Company being required to take steps to increase its regulatory capital that may be dilutive or adverse to stockholders, including limiting the Company's ability to pay dividends to stockholders or limiting the Company's ability to invest in assets even if deemed more desirable from a financial and business perspective.

***Changes in the legal and regulatory regime could adversely affect our business, financial condition, and results of operations.***

Laws, regulations and supervisory expectations, and the manner in which they are interpreted and enforced, are constantly changing. For example, governments could pass legislation or adopt policies based on changes in leadership, shifting priorities or in response to current financial conditions. We cannot predict what changes, if any, will be made to the legal and regulatory regime or the effect that such changes may have on our future business and earnings prospects. Changes to the legal and regulatory regime may require material modifications to our products, services and operations, require significant investments of management attention and resources, or expose us to potential liability for past practices. Changes to the legal and regulatory regime, such as through amendments to laws and regulations, imposition of supervisory action, or shifts in governmental or regulatory policies, practices or priorities may have a material adverse impact on our operations, including the cost to conduct business, our results of operations and what products and services we can offer.

***We have participated as a lender in the Federal Paycheck Protection Program (PPP) and have certain risks attributable to lenders under PPP.***

The PPP loans made by the Bank (which in this risk factor includes its predecessor entity Radius Bank) under the federal CARES Act are guaranteed by the Small Business Administration (SBA). If PPP loan funds are used by the borrower for specific purposes as provided under the PPP, the loan may be fully or partially forgiven by the SBA and the Bank will receive funds directly from the SBA. If, however, the PPP borrower fails to qualify for loan forgiveness then we may end up holding these loans at unfavorable interest rates as compared to the interest rate that we otherwise would have applied.

There was and continues to be uncertainty regarding some of the laws, rules and guidance relating to the PPP. If the SBA or other regulators determine that the Bank has not complied with all PPP laws, rules and guidance, we could be required to refund some or all of the fees related to PPP loans that we have earned or be subject to other regulatory enforcement action. Furthermore, in the event of a loss resulting from a default on a PPP loan and a determination by the SBA that there was a deficiency in the manner in which the PPP loan was originated, funded or serviced by the Bank, the SBA may deny its liability under the guaranty, reduce the amount of the guaranty or, if it has already made payment under the guaranty, seek recovery of any loss related to the deficiency from the Bank. PPP lenders, including the Bank, may also be subject to the risk of litigation in connection with other aspects of the PPP, including but not limited to borrowers seeking forgiveness of their loans. Any financial liability or litigation related to the Bank's participation in PPP could adversely impact our business, financial condition, and results of operations.

***Our business may be adversely affected if our risk management framework does not effectively identify, assess and mitigate risk.***

Our risk management framework seeks to appropriately balance risk and return and mitigate our risks. We have established policies intended to regularly identify and assess our risk profile, including credit risk, pricing risk, liquidity risk, strategic risk and operational risk, and then implement appropriate processes and controls to mitigate the risk.

If our risk management framework does not effectively identify, assess and/or mitigate our risk profile, we could suffer unexpected losses or be adversely affected, which could have a material adverse effect on our business. For example, assessment of our risk profile depends, in part, upon the use of forecasting models. If these models are ineffective at predicting future losses or are otherwise inadequate, we may incur unexpected losses or otherwise be adversely affected. In addition, the information we use may be inaccurate or incomplete, both of which may be difficult to detect and avoid. Additionally, there may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated.

Finally, our risk management framework may be deemed insufficient or inadequate by our regulators, which may require that we invest additional resources into remediating any deficiencies and adversely impact our ability to operate our business until such time as the revised framework is deemed sufficient and adequate by our regulators.

***Participation by non-U.S. residents on our marketplace bank may result in non-compliance with foreign laws.***

From time to time, non-U.S. residents invest in loans directly through our marketplace bank. We are not experts with respect to all applicable laws in the various foreign jurisdictions from which an investor may be located, and we cannot be sure that we are complying with all applicable foreign laws. Failure to comply with such laws could result in fines and penalties payable by us, which could reduce our profitability or cause us to modify or delay planned expansions and expenditures, including investments in our growth. In addition, any such fines and penalties could create negative publicity, result in additional regulatory oversight that could limit our operations and ability to succeed, or otherwise hinder our plans to expand our business internationally.

## RISKS RELATED TO OPERATING OUR BUSINESS

*Our acquisitions and other strategic transactions, including our recent acquisition of Radius Bancorp, may not yield the intended benefits.*

We have historically and may continue to evaluate and consider strategic transactions, combinations, acquisitions, dispositions or alliances. These transactions could be material to our financial condition and results of operations if consummated. If we are able to identify an appropriate business opportunity, we may not be successful in negotiating favorable terms and/or consummating the transaction and, even if we do consummate such a transaction, we may be unable to obtain the benefits or avoid the difficulties and risks of such transaction.

In particular, on February 1, 2021, we acquired Radius Bancorp, Inc. (Radius) and thereby its wholly-owned subsidiary, Radius Bank. The Company anticipates that this acquisition may be transformational for the Company from both a financial and strategic perspective. However, any acquisition (including our acquisition of Radius), disposition or other strategic transactions involves risks, including:

- difficulties in assimilating and integrating the operations, personnel, systems, data, technologies, products and services of the acquired business, which may require ongoing investment in development and enhancement of additional operational and reporting processes and controls;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits;
- difficulties in retaining, training, motivating and integrating key personnel;
- diversion of management's time and resources from our normal daily operations;
- difficulties in successfully incorporating licensed or acquired technology and rights into our platform;
- difficulties in maintaining uniform standards, controls, procedures and policies within the combined organizations;
- difficulties in retaining relationships with customers, employees and suppliers of the acquired business;
- risks of entering markets in which we have no or limited direct prior experience;
- regulatory risks, including remaining in good standing with existing regulatory bodies or receiving any necessary pre-closing or post-closing approvals, as well as being subject to new regulators with oversight over an acquired business;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights or increase our risk for liability;
- failure to successfully further develop the acquired technology;
- liability for activities of the acquired or disposed of business before the acquisition or disposition, including patent and trademark infringement claims, violations of laws, regulatory actions, commercial disputes, tax liabilities and other known and unknown liabilities;
- difficulty in separating assets and replacing shared services;
- assumption of exposure to performance of any acquired loan portfolios;
- potential disruptions to our ongoing businesses; and
- unexpected costs and unknown risks and liabilities associated with the acquisition.

Accordingly, any acquisition, disposition or other strategic transaction may not be successful, may not benefit our business strategy, may not generate sufficient revenue to offset the associated costs or may not otherwise result in the intended benefits. Additionally, it may take us longer than expected to fully realize the anticipated benefits and synergies of these transactions (including the acquisition of Radius), and those benefits and synergies may ultimately be smaller than anticipated or may not be realized at all, which could adversely affect our business and operating results.

The acquisition of Radius represents a significant transformation for the Company. While the Company is optimistic in its ability to integrate the Radius business and the strategic and financial opportunities the acquisition will enable, there is significant risk in the execution of the transformation and integration. For example, the Company is now subject to extensive regulation by the federal banking regulators and accordingly the Company needs to rapidly

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evolve its compliance programs and ensure it has adequate processes and staffing to satisfy the applicable regulations and our regulators. Similarly in connection with the acquisition, the Company now offers a broader suite of products and services and there is a risk that there will be interruptions in the operation and support of these products and services while the Company completes the integration of the Radius business and personnel. Any failure, delay or interruptions related to this transformation and integration could adversely impact our business, financial condition, and results of operations. Finally, while the Company is undergoing this transformation and integration, certain of the other risks described in “*Item 1A. Risk Factors*” and elsewhere in our Report, such as our attrition risk, compliance with the bank regulatory regime, and resolution of regulatory and compliance matters associated with our prior regulatory regime, may be heightened during this inflection point for the Company. Further, the Company is transitioning from an issuing bank partnership model to one in which it directly originates the vast majority of its loans.

Any transactions, combinations, acquisitions, dispositions or alliances may also require us to issue additional equity securities, spend our cash, or incur debt (and increased interest expense), liabilities, and amortization expenses related to intangible assets or write-offs of goodwill, which could adversely affect our results of operations and dilute the economic and voting rights of our stockholders and the interests of holders of our indebtedness.

In addition, we cannot assure you that any acquisition of new businesses or technology will lead to the successful development of new or enhanced products and services or that any new or enhanced products and services, if developed, will achieve market acceptance or prove to be profitable.

Finally, we may also choose to divest certain businesses or product lines that no longer fit with our strategic objectives. If we decide to sell assets or a business, we may have difficulty obtaining terms acceptable to us in a timely manner, or at all. Additionally, the terms of such potential transactions may expose the Company to ongoing obligations and liabilities.

### ***We are regularly subject to litigation, and government and regulatory investigations, inquiries and requests.***

We are regularly subject to claims, individual and class action lawsuits, lawsuits alleging regulatory violations such as the Telephone Consumer Protection Act (TCPA), Fair Credit Reporting Act (FCRA), Unfair and Deceptive Acts and Practices (UDAP) or Unfair, Deceptive or Abusive Acts or Practices (UDAAP) violations, government and regulatory exams, investigations, inquiries or requests, and other proceedings involving consumer protection, privacy, labor and employment, intellectual property, privacy, data protection, cyber security, securities, tax, commercial disputes, record retention and other matters. The number and significance of these claims, lawsuits, exams, investigations, inquiries and requests have increased as our business has expanded in scope and geographic reach, and our products and services have increased in complexity. We are also subject to significant litigation and regulatory inquiries, as discussed more fully in “*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19. Commitments and Contingencies*,” below. In particular, note that on April 25, 2018, the Federal Trade Commission (FTC) filed a complaint in the Northern District of California (*FTC v. LendingClub Corporation*, No. 3:18-cv-02454) alleging causes of action for violations of the Federal Trade Commission Act of 1914, as amended, including claims of deception in connection with disclosures related to the origination fee associated with loans available through the Company’s platform, and in connection with communications relating to the likelihood of loan approval during the application process, and a claim of unfairness relating to certain unauthorized charges to borrowers’ bank accounts. The FTC’s complaint also alleged a violation of the Gramm-Leach-Bliley Act regarding the Company’s practices in delivering its privacy notice.

The scope, timing, outcome, consequences and impact of claims, lawsuits, proceedings, investigations, inquiries and requests that we are subject to cannot be predicted with certainty. Determining reserves for our pending litigation is a complex, fact-intensive process that requires significant judgment. Furthermore, resolution of such claims, lawsuits, proceedings, investigations, inquiries and requests could result in substantial fines, penalties or other monetary, injunctive or declaratory relief, which may materially and adversely affect our business. These claims, lawsuits, proceedings, exams, investigations, inquiries and requests could also: (i) result in reputational harm, criminal sanctions, consent decrees, orders preventing us from offering certain features, functionalities, products or



services, (ii) limit the Company's access to credit, (iii) result in a modification or suspension of our business practices, (iv) require us to develop non-infringing or otherwise altered products or technologies, (v) prompt ancillary claims, lawsuits, proceedings, investigations, inquiries and requests, (vi) consume financial and other resources which may otherwise be utilized for other purposes, such as advancing the Company's products and services, (vii) cause a breach or cancellation of certain contracts, or (viii) result in a loss of customers, investors and/or ecosystem partners, any of which may adversely affect our business and operations. Furthermore, even following the resolution of any claims, lawsuits, proceedings, exams, investigations, inquiries and requests against the Company, a regulatory enforcement agency could take action against one or more individuals or entities, which may require us to continue to incur significant expense for indemnification for any such individual or entity until such matters may be resolved. Any of these consequences could materially and adversely affect our business.

***Holding loans on our balance sheet exposes us to credit, liquidity and interest rate risk, which may adversely affect our financial performance.***

We may hold loans purchased by the Company or issued by the Bank for a short period or for a longer term. While these loans are on our balance sheet we earn interest on the loans, but we have exposure to the credit risk of the borrowers. In the event of a decline or volatility in the credit profile of these borrowers the value of these held loans may decline. This may adversely impact the liquidity of these loans, which could produce losses if the Company is unable to realize their fair value or manage declines in their value, each of which may adversely affect our financial performance. Further, utilizing our balance sheet to purchase loans at greater than forecasted amounts may impair our ability to allocate sufficient financial resources for other purposes, such as advancing the Company's products and services, which could impact our results of operations.

From time to time, we may provide incentives to investors to purchase such loans from the Company or we may sell the loans at a price that is less than par. Any incentive or difference to par may be partially or wholly offset by other factors, such as interest earned on the loan prior to its sale. However, selling loans with incentives or at prices less than par may discourage investors from purchasing loans on our platform without incentives or at par value, cause the Company to realize less revenue than expected with respect to such loans or prompt dissatisfaction and complaints from investors unable to purchase incentivized or discounted loans, each of which may adversely affect our business and financial results.

***If we are unable to develop and commercialize new products and services and enhancements to existing products and services, our business may suffer.***

The financial services and banking industry is evolving rapidly and changing with disruptive technologies and the introduction of new products and services. We derive a significant portion of our revenue from transaction-based fees we collect in connection with facilitating the origination of unsecured personal loans. To enhance customer engagement and diversify our revenue streams, we are undertaking a strategy to broaden the scope of our products and services we offer. Failure to broaden the scope of our products and services leaves us dependent on a single revenue stream and vulnerable to competitors offering a suite of products and services. Accordingly, a key part of our success depends on our ability to develop and commercialize new products and services and enhancements to existing products and services.

We incur expenses and expend resources to develop and commercialize new products and services and enhancements to existing products and services. However, we may not assign the appropriate level of resources, priority or expertise to the development and commercialization of these new products, services or enhancements. We also could utilize and invest in technologies, products and services that ultimately do not achieve widespread adoption and, therefore, are not as attractive or useful to our customers as we anticipate. Moreover, we may not realize the benefit of new technologies, products, services or enhancements for many years, and competitors may introduce more compelling products, services or enhancements in the meantime. Competitors also may develop or adopt technologies or introduce innovations that make our marketplace bank platform less attractive to our borrowers and/or investors.

If we are unable to develop and commercialize timely and attractive products and services, our growth may be limited and our business may be materially and adversely affected.

***We may not be able to maintain our deposit base.***

Following the acquisition of Radius, we intend to rely on deposits as a principal source of funding for our lending activities. Upon the closing of the acquisition, we had approximately \$2.0 billion in deposits. Our future growth and strategy will largely depend on our ability to maintain core deposits to provide a less costly and stable source of funding. The deposit markets are competitive, and therefore it may prove difficult to grow our core deposit base. Changes we make to the rates offered on our deposit products may affect our finances and liquidity. In addition, our ability to maintain existing or obtain additional deposits may be impacted by factors, including factors beyond our control, including perceptions about our reputation, financial strength or branchless banking generally, which could reduce the number of consumers choosing to place deposits with us.

Our ability to obtain deposit funding and offer competitive interest rates on deposits is also dependent on capital levels of our bank subsidiary and being considered “well-capitalized” by the banking regulators. Our regulators can adjust the requirements to be “well-capitalized” at any time and have authority to place limitations on our deposit businesses, including the interest rate we pay on deposits. An inability to develop and maintain a strong deposit base could have a material adverse impact on our business, financial condition and results of operations.

***An inability to maintain adequate liquidity could jeopardize our business and financial condition.***

Liquidity is essential to our business. Although we believe that we currently have an adequate amount of liquidity to support our business, there are a number of factors that could reduce and/or deplete our existing liquidity position, including results of operations that are reduced relative to our projections, costs related to existing or future litigation or regulatory matters, the pursuit of strategic business opportunities (whether through acquisition or organic) and unanticipated liabilities. Additionally, as noted above, we are subject stringent capital and liquidity regulations and requirements and need to manage our liquidity position at both LendingClub Corporation and the Bank within the parameters and terms set forth by applicable regulations and regulators. Any inability to maintain an adequate liquidity position could adversely affect our operations, our compliance with applicable regulations and the performance of our business.

Further, our ability to raise additional capital, should that be deemed beneficial and/or necessary, depends on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the financial services and banking industry, market conditions and governmental activities, and on our financial condition and performance. Accordingly, we may be unable to raise additional capital if needed or on acceptable terms, which may adversely affect our liquidity, business, financial condition and results of operations.

***If we are unable to offer platform investors a satisfactory breadth and volume of investment opportunities, our business and results of operations may be materially harmed.***

We invest in our marketplace bank platform and regularly iterate our processes to provide improved and more efficient investment opportunities, which includes efforts to provide platform investors the opportunity to invest in a broad selection of loans. However, various factors may contribute to certain loans being available only in a limited quantity or being entirely unavailable.

Some of our agreements with platform investors contain provisions regarding the manner in which our marketplace bank platform product operates that could constrain the manner in which our marketplace bank platform product can develop, particularly with respect to how loans are selected for investment. These agreements could constrain the development of our marketplace bank, including efforts to offer a breadth of investment opportunities for and among a variety of investors, and/or result in significant damages that could impact our results in a given period.

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If platform investors are unable to invest in certain categories of loans, are unable to invest at the volume they desire, perceive that they are not offered the same investment opportunities as other investors and/or are dissatisfied with the risk-adjusted return they receive from investing on our platform, they may seek alternative investments from ours which may materially harm our business and results of operations.

***Fraudulent activity associated with our marketplace bank could negatively impact our operating results, brand and reputation and cause the use of our products and services to decrease and our fraud losses to increase.***

We are subject to the risk of fraudulent activity associated with our marketplace bank, borrowers, investors and third parties handling borrower and investor information. We have taken measures to detect and reduce the risk of fraud, but these measures need to be continually improved and may not be effective against new and continually evolving forms of fraud or in connection with new product offerings. Under our agreements with investors, we are obligated to repurchase loans in cases of confirmed identity theft. The level of our fraud charge-offs and our results of operations could be materially and adversely affected if fraudulent activity were to significantly increase. High profile fraudulent activity or significant increases in fraudulent activity could lead to regulatory intervention, negatively impact our operating results, brand and reputation and lead us to take steps to reduce fraud risk, which could increase our costs.

In addition, in the past, third parties have attempted to defraud individuals, some of whom may be potential customers of ours, by misappropriating our logos and represented themselves as LendingClub in e-mail campaigns to e-mail addresses that have been obtained outside of LendingClub. In one particular scheme, third parties represented to individuals that they might obtain a loan if they paid an “advance fee.” Individuals who believe that the campaigns are genuine may make payments to these unaffiliated third parties. Although we take commercially reasonable steps to prevent third-party fraud, we cannot always be successful in preventing individuals from suffering losses as a result of these schemes. Individuals who suffer damages due to the actions of these unaffiliated third parties may negatively view LendingClub, causing damage to our brand and reputation and reducing our business.

***If we are unable to accurately forecast demand for loans, our business could be harmed.***

We operate a marketplace bank for consumer credit, balancing borrower demand for loans against investor demand for risk-adjusted returns. We offer credit to borrowers across a range of credit profiles and rates and we offer investment opportunities across a range of risk-adjusted returns. In the event that borrower demand at a given credit rate exceeds investor demand for that product for a given period, we may fund the loans and hold them on our balance sheet, which carries certain risks. The vast majority of investor funding on our platform is non-committed and therefore it is challenging to precisely forecast investor demand. In addition to the discussion in this section, see “*Holding loans on our balance sheet exposes us to credit, liquidity and interest rate risk, which may adversely affect our financial performance.*”

Alternatively, in the event that investor demand at a given return exceeds borrower demand for that product for a given period, there may be insufficient inventory to satisfy investor demand. If investors do not believe their demand can be met on our platform, they may seek alternative investments from ours and our business may suffer.

***If we do not maintain or continue to increase loan originations through our marketplace bank, or expand our marketplace bank to new markets, we may not succeed in maintaining and/or growing our business, and as a result our business and results of operations could be adversely affected.***

To maintain and continue to grow our business, we must continue to increase loan originations through our marketplace bank by attracting a large number of new borrowers who meet our platform’s lending standards and new and existing investors to invest in these loans. Our ability to attract qualified borrowers and attract new and retain existing investors each depends in large part on the success of our marketing efforts, our visibility, placement and customer reviews on third-party platforms, and the competitive advantage of our products, particularly as we continue to grow our marketplace bank and introduce new products. If any of our marketing channels become less

effective, or the cost of these channels were to significantly increase, we may not be able to attract new and retain existing customers in a cost-effective manner or convert potential customers into active customers in our marketplace bank. Additionally, changes in the way third-party platforms operate, including changes in our participation on such platforms, could make the maintenance and promotion of our products and services, and thereby maintaining and growing loan originations, more expensive or more difficult. If loan originations through our platform stagnate or decrease, for any reason, our business and financial results may be adversely affected.

***If investors on our marketplace bank pause or cease their participation or exert influence over us, our business, financial condition and results of operations may be harmed.***

Our success depends in significant part on the financial strength of investors participating on our marketplace bank. Investors could, for any reason, experience financial difficulties and cease participating on our marketplace bank or fail to pay fees when due. Further, the financial returns on loans we offer on our platform may prove to be unsatisfactory to certain platform investors and, therefore, such investors may choose to deploy their capital elsewhere. The occurrence of one or more of these events with a significant number of investors could, alone or in combination, have a material and adverse effect on our business, financial condition and results of operation.

Additionally, investors may exert significant influence over us, our management and operations. For example, if investors pause or discontinue their investment activity, we may need to provide incentives or discounts and/or enter into unique structures or terms to attract investor capital to the platform. These arrangements may have a number of different structures and terms, including alternative fee arrangements or other incentives. There is also no assurance that we will be able to enter into any of these transactions if necessary, or if we do, what the final terms will be. Failure to attract investor capital on reasonable terms may result in a reduction in origination volume. For example, a number of our largest platform investors ceased or significantly reduced their purchases of our products in the Spring of 2020, which resulted in a material reduction in our origination volume and revenue. Such actions may have a material impact on our business, financial condition and results of operations.

***Any significant disruption in service on our platform or in our technology systems, including events beyond our control, could have a material adverse effect on our operations.***

We believe the technology platform that powers our marketplace bank enables us to deliver solutions to customers and provides a significant time and cost advantage over traditional banks. The satisfactory performance, reliability and availability of our technology and our underlying network infrastructure are critical to our operations, customer service and reputation. Our failure to maintain satisfactory performance, reliability and availability of our technology and our underlying network infrastructure may impair our ability to attract new and retain existing customers, which could have a material adverse effect on our operations.

Any interruptions or delays in our technology systems or service, whether as a result of third-party error, our error, natural disasters, terrorism, other man-made problems, or security breaches, whether accidental or willful, could harm our relationships with our customers and our reputation. Additionally, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage. These factors could prevent us from processing or posting payments on the loans, damage our brand and reputation, divert our employees' attention, reduce our revenue, subject us to liability and cause customers to abandon our marketplace bank, any of which could adversely affect our business, financial condition and results of operations.

***Failure to maintain, protect and promote our brand may harm our business.***

Maintaining, protecting and promoting our brand is critical to achieving widespread acceptance of our products and services and expanding our base of customers. Maintaining, protecting and promoting our brand depends on many factors, including our ability to continue to provide useful, reliable, secure and innovative products and services, as well as our ability to maintain trust.

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Our brand can be harmed in many ways, including failure by us or our partners to satisfy expectations of service and quality, inadequate protection of sensitive information, failure to maintain or provide adequate or accurate documentation and/or disclosures, compliance failures, failure to comply with contractual obligations, regulatory requests, inquiries or proceedings, litigation and other claims, employee misconduct and misconduct by our partners. We have also been, and may in the future be, the target of incomplete, inaccurate and/or misleading statements about our company, our business, and/or our products and services. Furthermore, our ability to maintain, protect and promote our brand is partially dependent on visibility and customer reviews on third-party platforms. Changes in the way these platforms operate could make the maintenance, protection and promotion of our products and services and our brand more expensive or more difficult. If we do not successfully maintain, protect and promote our brand we may be unable to maintain and/or expand our base of customers, which may materially harm our business.

***Any challenge to or adverse consequence from our use of the issuing bank partnership model may harm our business.***

We believe that our use of the issuing bank partnership model is appropriate for all the jurisdictions in which we operate and we have worked with federal, state and local regulatory agencies to help them understand the model. However, we operate in a complex and evolving regulatory environment at the federal and state level and some enforcement authorities and private parties have challenged the ability to rely on legislative and judicial authority that permits an FDIC-insured depository institution to "export" interest rates permitted by the laws of the state where the bank is located, regardless of the usury limitations imposed by the laws of the state of the borrower's residence.

Specifically, in May 2015, the U.S. Court of Appeals for the Second Circuit issued its decision in *Madden v. Midland Funding, LLC* that interpreted the scope of federal preemption under the National Bank Act (NBA) and held that a nonbank assignee of a loan originated by a national bank was not entitled to the benefits of federal preemption of claims of usury. The Second Circuit's decision is binding on federal courts located in Connecticut, New York, and Vermont, but the decision could also be adopted by other courts. While we believe that our use of the issuing bank model is factually distinguishable from such case, the decision of the U.S. Court of Appeals for the Second Circuit in *Madden v. Midland Funding, LLC* could create potential liability under state statutes such as usury and consumer protection statutes.

Any challenge to or adverse consequence of our use of the issuing bank partnership model could adversely affect our business (including requiring that we alter our business model for certain of our products), financial condition and results of operations.

***If we breach representations or warranties that we made in our securitization, whole loan or CLUB Certificate transactions, or if either we suffer a direct or indirect loss in our retained interests in these transactions, our financial condition could be harmed.***

We have sponsored a number of sales of unsecured personal whole loans through asset-backed securitizations. In connection with these securitizations, as well as our whole loan and CLUB Certificate transactions, we make certain customary representations, warranties and covenants. If there is a breach of those representations and warranties that materially and adversely affects the value of the subject loans, then we will be required to either cure the breach, repurchase the affected loans from the purchasing entity, replace the affected loans with other loans or make a loss of value payment, as the case may be. Any losses that result could be material and have an adverse effect on our financial condition.

In the event that we suffer losses on all or a portion of the interests in any securitization transaction that we have retained (whether to comply with applicable risk retention rules or otherwise), our financial condition could be harmed. We may enter into similar transactions in the future and those transactions are likely to entail similar and other substantial risks.

***Indebtedness could adversely affect our business and financial results.***

In the past, we have had a significant amount of indebtedness. While our indebtedness has recently materially decreased, if our debt service obligations increase, whether due to the increased cost of existing indebtedness or the incurrence of additional indebtedness, more of our cash flow from operations would need to be allocated to the payment of principal of, and interest on, our indebtedness, which would reduce the funds available for other purposes. Our indebtedness also could limit our ability to execute our strategic plan and withstand competitive pressures and could reduce our flexibility in responding to changing business and economic conditions.

Should we desire to obtain additional indebtedness we may require a guarantee by the Bank, where substantially all of our operations are being conducted. Any such guarantee would require approval of the banking regulators and there can be no assurance that we would be able to obtain such a guarantee. To extent that we are not able to obtain a guarantee from the Bank, it may be more difficult or expensive for us to borrow money.

Our ability to make payments on our debt, to repay our existing indebtedness when due, and to fund our business and operations and significant planned capital expenditures will depend on our ability to pay with available cash or generate cash in the future. This, to a certain extent, is subject to financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, if we cannot service our indebtedness, we may have to take actions such as utilizing available capital, limiting the facilitation of additional loans, selling assets, selling equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, any of which could impede the implementation of our business strategy, prevent us from entering into transactions that would otherwise benefit our business and/or adversely affect our business and financial results. We also may not be able to refinance our indebtedness or take such other actions, if necessary, on commercially reasonable terms, or at all.

**RISKS RELATED TO MACROECONOMIC CONDITIONS OR OTHER EXTERNAL FACTORS**

***Our business has been and will likely continue to be negatively impacted by the COVID-19 pandemic.***

The COVID-19 pandemic and the mitigation efforts by governments to attempt to control its spread, including the closure of non-essential businesses and shelter in place orders, resulted in an unprecedented reduction in economic activity and significant dislocation on consumers, businesses, capital markets and the broader economy. In particular, the impact of COVID-19 on the finances of our borrowers has been profound as many have been, and will likely continue to be, impacted by unemployment, reduced earnings and/or elevated economic disruption and insecurity.

In response to the impact of COVID-19, the Company has undertaken a number of initiatives to support its borrowers, protect investor returns, and preserve capital and liquidity. For example, we have added customer support capacity and instituted new payment and hardship plans, adjusted our credit and underwriting processes and standards, and undertaken a number of measures that aim to balance the platform without further use of the Company's balance sheet. We will continue to actively monitor the situation, assess possible implications to our business and take appropriate actions in an effort to mitigate the adverse consequences of COVID-19. However, there can be no assurances that the initiatives taken by the Company will be sufficient or successful.

There are no comparable recent events to accurately predict the effect COVID-19 may have, and, as a result, its ultimate impact is highly uncertain and subject to change. As of the date of this Report, COVID-19 has had, and may continue to have, a number of adverse effects on our business and results of operations, including materially decreased demand for our products and negative pressure on overall platform returns, including as a result of increased credit risk of borrowers (including elevated delinquencies and charge-off rates) and the implementation of forbearance plans.

Further, our compliance with measures to contain the spread of or otherwise related to COVID-19 has impacted our day-to-day operations and could disrupt our business and operations, as well as that of our key vendors and

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counterparties, for an indefinite period of time. To keep our employees safe and secure, we have temporarily closed our physical work spaces, instituted additional paid leave policies and leveraged technology to enable remote working. The disruptions caused by COVID-19 may result in inefficiencies and delays in product development, marketing, operations and customer service efforts that we cannot fully mitigate.

The extent to which COVID-19 will continue to negatively impact our business and results of operations will depend on future developments which are highly uncertain and cannot be accurately predicted, including the duration of the pandemic, actions taken to treat or control the spread of COVID-19, future strains or mutations of COVID-19, any re-emergence of COVID-19 or related diseases, and the intermediate and longer-term impact on consumers, businesses and the broader economy. For example, COVID-19 raises the possibility of a prolonged global economic downturn, which could further affect the performance of and demand for our products and services and adversely impact our business and results of operations even after the pandemic is contained.

The COVID-19 pandemic, and its impact, may also have the effect of heightening many of the other risks described in “*Item 1A. Risk Factors*” and elsewhere in our Report, such as managing our liquidity, growing platform volume and our exposure to litigation, and government and regulatory investigations, inquiries and requests.

Any one or a combination of the factors identified above could have a material adverse impact on our business, financial condition and results of operations.

### ***Fluctuations in interest rates could negatively affect transaction volume and our net interest income.***

We offer loan products with both fixed and variable interest rates, depending on the type of loan. If interest rates rise, potential borrowers could seek to defer taking new loans as they wait for interest rates to decrease and/or settle, and borrowers of variable rate loans may be subject to increased interest rates, which could increase default risk. If interest rates decrease after a loan is made, existing borrowers may prepay their loans to take advantage of the lower rates. Furthermore, investors would lose the opportunity to collect the higher interest rate payable on the corresponding loan and may delay or reduce future loan investments.

Our net interest income is the interest we earn on loans and investments less the interest we pay on our deposits and borrowings. Our net interest margin is the difference between the yield we earn on our assets and the interest rate we pay for deposits and our other sources of funding. Changes in interest rates will cause our net interest income and margin to increase or decrease. To the extent that we hold loans for sale on our balance sheet, we will be at risk to rising interest rates between origination and sale. In order to sell such loans, we may need to reduce the sale price in order to satisfy the yield expectations of our investors. Fluctuations in the interest rate environment may impact our net interest income and/or discourage investors and borrowers from participating in our marketplace bank and may reduce our loan originations, any which may adversely affect our business.

Notwithstanding the above, we monitor interest rates and have certain avenues to manage our interest rate risk exposure, including changing the interest rate offered on deposits and the interest rate on our loan products. If our interest rate risk management strategies are not appropriately monitored or executed, these activities may not effectively mitigate our interest rate sensitivity or have the desired impact on our results of operations or financial condition.

### ***Our business and operating results could be adversely affected by the political environment and governmental fiscal and monetary policies.***

An unpredictable or volatile political environment in the United States, including any related social unrest, could negatively impact business and market conditions, economic growth, financial stability, and business, consumer, investor, and regulatory sentiments, any one or more of which in turn could cause our business and financial results to suffer.

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Our business and financial results are also significantly affected by the fiscal and monetary policies of the U.S. government and its agencies. We are particularly affected by the policies of the Federal Reserve Bank, which regulates the supply of money and credit in the United States in pursuit of maximum employment, stable prices, and moderate long-term interest rates. The Federal Reserve Bank and its policies influence the availability and demand for loans and deposits, the rates and other terms for loans and deposits, the conditions in equity, fixed-income, currency, and other markets, and the value of securities and other financial instruments. Additionally, tax and other fiscal policies, moreover, impact not only general economic and market conditions but also give rise to incentives or disincentives that affect how we and our customers prioritize objectives, deploy resources, and run households or operate businesses. Both the timing and the nature of any changes in monetary or fiscal policies, as well as their consequences for the economy and the markets in which we operate, are beyond our control and difficult to predict but could adversely affect our business and operating results.

***A decline in social and economic conditions may adversely affect our customers, which may negatively impact our business and results of operations.***

As a marketplace bank, we believe our customers are highly susceptible to uncertainties and negative trends in the markets driven by, among other factors, general social and economic conditions in the United States and abroad. Economic factors include interest rates, unemployment levels, the impact of a federal government shutdown, natural disasters, public health emergencies, pandemics, gasoline prices, adjustments in monthly payments, adjustable-rate mortgages and other debt payments, the rate of inflation, relative returns available from competing investment products and consumer perceptions of economic conditions. Social factors include changes in consumer confidence levels and changes in attitudes with respect to incurring debt and the stigma of personal bankruptcy.

These social and economic factors may affect the ability or willingness of borrowers to make payments on their loans. Because we pass through collected borrower payments to investors or we make payments to investors ratably only to the extent we receive the borrower's payments on the corresponding loan, if we do not receive payment(s) on the corresponding loan, the investor will not be entitled to the corresponding amount(s) or payment(s) under the terms of the investment or whole loan purchase agreement. In some circumstances, economic and/or social factors could lead to a borrower deciding to pre-pay his or her loan obligation. In the event of a prepayment, while the investor would receive the return of principal, interest would no longer accrue on the loan. Accordingly, the return for the investor would decline as compared to a loan that was timely paid in accordance with the amortization schedule. There is no penalty to borrowers if they choose to pay their loan early.

We strive to establish a marketplace bank in which annual percentage rates are attractive to borrowers and returns, including the impact of credit losses and prepayments, are attractive to investors. These external economic and social conditions and resulting trends or uncertainties could also adversely impact our customers' ability or desire to participate on our platform as borrowers or investors, which could negatively affect our business and results of operations. In addition to the discussion in this section, see "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview."

***Our business operations may be adversely impacted by political events, terrorism, cyber-attacks, public health issues, natural disasters, severe weather, climate change, infrastructure failure or outages, labor disputes and other business interruptions.***

Our business operations are subject to interruption by, among other things, political events, terrorism, cyber-attacks, public health issues, natural disasters, severe weather, climate change, infrastructure failure or outages, labor disputes and other events which could decrease demand for our products and services or make it difficult or impossible for us to deliver a satisfactory experience to our customers. Such events could affect the stability of our deposit base, impair the ability of our borrowers to repay their outstanding loans, cause significant property damage or otherwise impair the value of collateral securing our loans, and result in loss of revenue and/or cause us to incur additional expenses. Although we have established disaster recovery plans and procedures, and we monitor the effects of any such events on our loans, properties and investments, the occurrence of any such event could have a material adverse impact on our business, financial condition and results of operations.



Furthermore, in the event of any disruption to our operations or those of the companies with whom we do business with, we could incur significant losses, require substantial recovery time and experience significant expenditures in order to resume or maintain operations, any of which could have a material adverse impact on our business, financial condition and results of operations.

***Negative publicity and unfavorable media coverage could negatively affect our business.***

Negative publicity about our industry or our company, including with respect to the quality and reliability of our marketplace bank, effectiveness of the credit decisioning or scoring models used in the marketplace bank, the effectiveness of our collection efforts, statements regarding investment returns, changes to our marketplace bank, our ability to grow our borrower and investor base at a rate expected by the market, our ability to effectively manage and resolve borrower and investor complaints, our ability to manage borrower and investor accounts in compliance with regulatory requirements which may not be clear, privacy and security practices, use of loan proceeds by certain borrowers of ours or other companies in our industry for illegal purposes, litigation, regulatory activity and the experience of borrowers and investors with our marketplace bank or services, even if inaccurate, could adversely affect our reputation and the confidence in, and the use of, our marketplace bank, which could harm our business and operating results. Harm to our reputation can arise from many sources, including employee misconduct, misconduct by our partners or partners of partners, other online marketplace banks, outsourced service providers or other counterparties, failure by us or our partners to meet minimum standards of service and quality, inadequate protection of borrower and investor information and compliance failures and claims.

**RISKS RELATED TO CREDIT AND COLLECTIONS**

***If the credit decisioning, pricing, loss forecasting and scoring models we use contain errors, do not adequately assess risk, or are otherwise ineffective, our reputation and relationships with customers could be harmed, our market share could decline and the value of loans held on our balance sheet may be adversely affected.***

Our ability to attract customers to, and build trust in, our marketplace bank is significantly dependent on our ability to effectively evaluate a borrower's credit profile and likelihood of default. To conduct this evaluation, we utilize credit decisioning, pricing, loss forecasting and scoring models that assign each loan offered on our marketplace bank a grade and a corresponding interest rate. Our models are based on algorithms that evaluate a number of factors, including behavioral data, transactional data, bank data and employment information, which may not effectively predict future loan losses. If we are unable to effectively segment borrowers into relative risk profiles, we may be unable to offer attractive interest rates for borrowers and risk-adjusted returns for investors. Additionally, if these models fail to adequately assess the creditworthiness of our borrowers, we may experience higher than forecasted losses. Furthermore, as stated above, we hold loans on our balance sheet. We periodically assess the value of these loans and in doing so we review and incorporate a number of factors including forecasted losses. Accordingly, if we fail to adequately assess the creditworthiness of our borrowers such that we experience higher than forecasted losses, the value of the loans held on our balance sheet may be adversely affected.

We continually refine these algorithms based on new data and changing macro-economic conditions. However, there is no guarantee that the credit decisioning, pricing, loss forecasting and scoring models that we use have accurately assessed the creditworthiness of our borrowers, or will be effective in assessing creditworthiness in the future.

Similarly, if any of these models contain programming or other errors, are ineffective or the data provided by borrowers or third parties is incorrect or stale, our loan pricing and approval process could be negatively affected, resulting in mispriced or misclassified loans or incorrect approvals or denials of loans. If these errors were to occur, we may be obligated to repurchase the affected loans, investors may try to rescind their affected investments or decide not to invest in loans in the future or borrowers may seek to revise the terms of their loans or reduce the use of our marketplace bank for loans.

***If collection efforts on delinquent loans are ineffective or unsuccessful, the return on investment for investors in those loans would be adversely affected and investors may not find investing through our marketplace bank desirable.***

Many of our loan products, including all of our personal loans, are unsecured obligations of borrowers, and they are not secured by any collateral. None of the loans facilitated on our platform are guaranteed or insured by any third party nor backed by any governmental authority in any way. We are the loan servicer for all loans supporting notes, all certificates and certain secured borrowings, and we are the loan servicer for most, though not all, loans sold as whole loans. The ability to collect on the loans is dependent on the borrower's continuing financial stability, and consequently, collections can be adversely affected by a number of factors, including job loss, divorce, death, illness, personal bankruptcy or the economic and/or social factors referenced above. Furthermore, the application of various federal and state laws, including federal and state bankruptcy and insolvency laws, may limit the amount that can be recovered on these loans. Accordingly, we and our designated third-party servicers and collection agencies are limited in our ability to collect loans.

In addition, most investors must depend on LendingClub or our third-party servicers and collection agents to pursue collection on delinquent borrower loans. Because we make payments ratably on an investor's investment only if we receive the borrower's payments on the corresponding loan, if we, or third parties on our behalf, cannot adequately perform collection services, the investor will not be entitled to any payments under the terms of the investment. Further, if collection action must be taken in respect of a loan, we or the collection agency may charge a collection fee on any amounts that are obtained (excluding litigation). These fees will correspondingly reduce the amounts of any payments received by an investor. Similarly, the returns to investors may be impacted by declines in market rates for sales of charged-off loans to third party purchasers. Ultimately, if delinquencies impair our ability to offer attractive risk-adjusted returns for investors, they may seek alternative investments from ours and our business may suffer.

In addition, because our servicing fees depend on the collectability of the loans, if we experience a significant increase in the number of delinquent or charged-off loans we will be unable to collect our entire servicing fee for such loans and our revenue could be adversely affected.

***Credit and other information that we receive from borrowers or third parties about a borrower may be inaccurate or may not accurately reflect the borrower's creditworthiness, which may cause us to inaccurately price loans made by our marketplace bank.***

Our ability to review and select qualified borrowers depends on obtaining borrower credit information from consumer reporting agencies, such as TransUnion, Experian or Equifax, and other third parties and we assign loan grades to loan requests based on our marketplace bank's credit decisioning and scoring models that take into account reported credit score, other information reported by the consumer reporting agencies and the requested loan amount, in addition to a variety of other factors. A credit score or loan grade assigned to a borrower may not reflect that borrower's actual creditworthiness because the credit score may be based on outdated, incomplete or inaccurate consumer reporting data, and we do not verify the information obtained from the borrower's credit report.

Additionally, there is a risk that, following the date of the credit report or other third-party data that we obtain and review, a borrower may have:

- become delinquent in the payment of an outstanding obligation;
- defaulted on a pre-existing debt obligation;
- taken on additional debt; or
- sustained other adverse financial events.

In addition, borrowers supply a variety of information that is included in the loan listings on our marketplace bank, and it may be inaccurate or incomplete. To verify a borrower's identity, income or employment, our verification process and teams connect to various data sources, directly or through third-party service providers, contact the

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human resources department of the borrower's stated employer, or request pay stubs. However, we often do not verify a borrower's stated tenure, job title, home ownership status or intention for the use of loan proceeds.

The factors above may result in loans being issued to otherwise non-qualified borrowers and/or impact our ability to effectively segment borrowers into relative risk profiles, each of which may impair our ability to offer attractive risk-adjusted returns for investors, which may cause investors to seek alternative investments from ours and our business may suffer. Additionally, if borrowers default on loans that are not priced correctly because the information provided by the borrowers or third parties is inaccurate, investors may try to rescind their affected investments in these loans or the loans may not perform as expected and our reputation may be harmed.

### RISKS RELATED TO OUR INDUSTRY

#### *Substantial and increasing competition in our industry may harm our business.*

The financial services and banking industry is increasingly competitive. We compete with financial products and companies that attract borrowers, investors or both, as described in "Item 1. Business – Competition."

Many of our competitors have significantly greater financial resources and may have access to less expensive capital than we do, and may offer a broader range of products, services or features, assume a greater level of risk, have lower operating or financing costs, or have different profitability expectations than us. Certain competitors may be able to offer lower rates to borrowers than we are able to offer and/or structure their products in a manner that is more attractive to potential customers. Additionally, some of our competitors may also be subject to less burdensome licensing and other regulatory requirements.

If we do not offer, price and develop attractive products and services for our customers, we may not be able to compete effectively against our competitors and our business and results of operations may be materially harmed.

#### *We could be adversely affected by the soundness of other financial institutions.*

Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We have exposure to many different industries and counterparties, and routinely execute transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks and other institutional clients. Many of these transactions expose us to credit risk in the event of a default by a counterparty or client. In addition, our credit risk may be exacerbated when our collateral cannot be foreclosed upon or is liquidated at prices not sufficient to recover the full amount of the credit or derivative exposure due. Any such losses could adversely affect our business, financial condition and results of operations.

### RISKS RELATED TO PERSONNEL AND THIRD-PARTIES

#### *If we fail to attract and retain our highly skilled employees needed to support our business, we may not be able to achieve our anticipated level of growth and our business could suffer.*

We believe our success depends on the efforts and talents of our employees, including software engineers, financial, banking, credit and risk personnel and marketing professionals. Our future success depends on our continued ability to attract, develop, motivate and retain highly qualified and skilled employees. Competition for highly skilled technical and financial personnel, particularly in the San Francisco Bay Area, is extremely intense. Building and maintaining a positive culture and work environment that reinforces the Company's values is also critical to attracting and retaining employees.

We have had a high attrition rate from employees and expect our attrition rate to remain elevated. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Many of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. Additionally, changes in U.S. immigration

policy may make it difficult to renew or obtain visas for certain highly skilled employees that we have hired or are recruiting.

In addition to attracting and retaining highly skilled employees in general, our future performance depends, in part, on our ability to attract and retain key personnel, including our executive officers, the personnel we onboarded as a result of our acquisition of Radius, senior management team and other key personnel, all of whom would be difficult to replace. The loss of the services of our executive officers or members of our senior management team, and the process to replace any of them, would involve significant time and expense and distraction that may significantly delay or prevent the achievement of our business objectives or impair our operations or results.

***Misconduct and errors by our employees, contractors and third-party service providers could harm our business and reputation.***

We are exposed to many types of operational risk, including the risk of misconduct and errors by our employees and other third-party service providers. Our business depends on our employees, contractors and third-party service providers to facilitate the operation of our business and process a large number of increasingly complex transactions, and if any of our employees, contractors or third-party service providers provide unsatisfactory service or take, convert or misuse funds, documents or data (including customer and/or internal documents or data), or fail to follow protocol when interacting with customers, we could lose customers, harm our reputation, be liable for damages, be subject to repurchase obligations and be subject to complaints, regulatory actions and penalties.

While we have internal procedures and oversight functions to protect the Company against these risks, we could also be perceived to have facilitated or participated in the illegal misappropriation of funds, documents or data, or the failure to follow protocol, and therefore be subject to civil or criminal liability.

Additionally, our use of third party vendors is subject to increasingly demanding regulatory requirements and attention by our regulators. Regulations require us to perform due diligence, ongoing monitoring and control over our third party vendors and other ongoing third party business relationships. We expect that our regulators will hold us responsible for deficiencies in our oversight and control of our third-party relationships and in the performance of the parties with which we have these relationships.

Any of these occurrences could result in our diminished ability to operate our business, potential liability to customers, inability to attract future customers, reputational damage, regulatory intervention, enforcement action and financial harm, which could negatively impact our business, financial condition and results of operations.

***Our growth depends in part on the success of our strategic relationships with third parties.***

In order to grow our business and effectuate our product to platform strategy, we anticipate that we will depend in part on our ability to develop and expand our strategic relationship with third parties to offer additional products and services on our platform.

Identifying suitable partners, and negotiating and documenting relationships with them, requires significant time and resources. In some cases, we also compete directly with our partners' product offerings, and if these partners cease their strategic relationship with us it could result in fewer product and service offerings on our platform, which may impede our ability to execute on our product to platform strategy. Further, if we are unsuccessful in establishing or maintaining our relationships with third parties, or realizing the anticipated benefits from such partnerships, our ability to compete and to grow our revenue could be impaired and our operating results may suffer.

***A disruption or failure in services provided by third parties could materially and adversely affect our business.***

We increasingly rely on third parties to provide and/or assist with certain critical aspects of our business, including: (i) customer support, (ii) collections, (iii) loan origination, (iv) data verification and (v) cloud computing. These third parties may be subject to cybersecurity incidents, privacy breaches, service disruptions and/or financial, legal,

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regulatory, labor or operational issues; any of which may result in the third party providing inadequate service levels to us or our customers. In addition, these third parties may breach their agreements with us and/or refuse to continue or renew these agreements on commercially reasonable terms. If any third party provides inadequate service levels or fails to provide services at all, we may face business disruptions, customer dissatisfaction, reputational damage and/or financial and legal exposure; any of which may harm our business.

### **RISKS RELATED TO DATA, INTELLECTUAL PROPERTY AND PRIVACY**

***Security incidents, system failures, bugs in our system, and similar disruptions could impair our operations, compromise the confidential information of our borrowers and our investors, damage our reputation, and harm our business and financial performance.***

We believe the technology platform that powers our marketplace bank enables us to deliver solutions to customers and provides a significant time and cost advantage over traditional banks. The satisfactory performance, reliability and availability of our technology and our underlying network infrastructure are critical to our operations, customer service and reputation. Like all information systems and technology, our systems may contain or develop material errors, failures, vulnerabilities or bugs, particularly when new features or capabilities are released, and may be subject to computer viruses or other malicious code, break-ins, phishing impersonation attacks, attempts to overload our servers with denial-of-service or other attacks, ransomware and similar incidents or disruptions from unauthorized use of our computer systems, as well as unintentional incidents causing data leakage, any of which could lead to interruptions, delays or make it difficult or impossible for us to deliver a satisfactory experience to our customers. Our failure to maintain satisfactory performance, reliability and availability of our technology and our underlying network infrastructure may impair our ability to attract new customers and retain existing customers, which could have a material adverse effect on our business.

Our business involves the collection, storage, processing and transmission of customers' personal information, including financial information of customers. The highly automated nature of our marketplace bank, our reliance on digital technologies and the types and amount of data collected, stored and processed on our systems make us an attractive target and subject to cyber-attacks, computer viruses, ransomware, physical or electronic break-ins and similar disruptions. While we have taken steps to protect confidential information that we collect, create, or have access to, our security measures or those of our third-party vendors and business partners are subject to breach. Unauthorized access to our proprietary business information or customer data may be obtained through, among other things, break-ins, sabotage, computer malware, viruses, social engineering, ransomware attacks, hacking into the systems or facilities of us or our partners, vendors, or customers, exposing and exploiting design flaws in our software, or other misconduct, including by state-sponsored and other sophisticated organizations. Such incidents have become more prevalent in recent years. For example, outside parties have attempted to fraudulently induce employees, vendors, customers, or others to disclose sensitive or confidential information in order to gain access to our systems. Our security measures could also be compromised by our personnel, theft, or errors, or be insufficient to prevent exploitation of security vulnerabilities in software or systems on which we rely.

Cyber-attacks have occurred on our systems in the past and may occur on our systems in the future. Although to date the Company has not suffered material costs or disruption to our business caused by any such incident, unauthorized access to our marketplace bank and servicing systems can result in confidential borrower and investor information being stolen and potentially used for criminal purposes. Breaches of our security measures could negatively impact our relationships with customers and expose us to liability related to the loss of the information, time-consuming expensive litigation and negative publicity. Moreover, any future security breach may also result in the theft of our intellectual property, proprietary data, or trade secrets, which could have a material adverse impact on our reputation, business operations and financial performance.

We also may be required to notify regulators and affected individuals about any actual or perceived data breach involving personal information within strict time periods. The notice may be difficult to provide in a timely fashion for many reasons, including due to the complexity of gathering, verifying and analyzing relevant information. Furthermore, these mandatory disclosures regarding a security breach are costly to implement and often lead to

widespread negative publicity, which may cause customers to lose confidence in the effectiveness of our data security measures. Any security breach, whether actual or perceived, would harm our reputation, we could lose borrowers, investors and ecosystem partners and our business and operations could be adversely affected.

Because there are many different cybercrime and hacking techniques and such techniques continue to evolve, we may be unable to anticipate attempted security breaches, react in a timely manner or implement adequate preventative measures. Cyber-attacks may take advantage of weaknesses in third-party technology or standards of which we are unaware or that we do not control and may not be recognized until long after they have been launched against a target. Certain efforts may be state-sponsored and supported by significant financial and technological resources, making them even more difficult to detect. Efforts to prevent hackers from disrupting our services or otherwise accessing our systems are expensive to develop, implement, and maintain. Such efforts require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated and may limit the functionality of, or otherwise adversely impact, our service offerings and systems.

The systems we rely upon also remain vulnerable to damage or interruption from a number of other factors, including the failure of our network or software systems, natural disasters, terrorism, telecommunication failures, computer viruses, human error, third-party error, other-man made problems, and similar events or disruptions. Any interruptions or delays in our technology systems or service, whether accidental or willful, could harm our relationships with our customers and our reputation. Additionally, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage. These factors could prevent us from processing or posting payments on the loans, damage our brand and reputation, divert our employees' attention, reduce our revenue, subject us to liability and cause customers to abandon our marketplace bank, any of which could adversely affect our business, financial condition and results of operations.

***Cyber-attacks suffered by third parties upon which we rely could negatively affect our business.***

We rely on third-party service providers to provide critical services that help us deliver our solutions and operate our business. These providers may store or otherwise process the same sensitive, proprietary, and confidential information that we handle. For example, in certain circumstances we utilize third-party vendors, including cloud applications and services, to facilitate the servicing of customer accounts. Under these arrangements, third-party vendors require access to certain customer data for the purpose of servicing the accounts. These service providers may not have adequate security measures and could experience a security incident that compromises the confidentiality, integrity, or availability of the systems they operate for us or the information they process on our behalf. Such occurrences could adversely affect our business to the same degree as if we had experienced these occurrences directly, and we may not have recourse to the responsible third-party service providers for the resulting liability we incur.

We also utilize certain information provided by third parties to facilitate the marketing, distribution, servicing and collection of loans. A cyber-attack suffered by a third-party that provides data to us could impact our ability to market, distribute, service or collect for borrowers or investors. For example, Equifax announced a significant cyber breach that impacted millions of consumers. We utilize certain information from Equifax to allow us to market our products through pre-screened offers to qualified borrowers. If a consumer elects to "freeze" their credit data, we would not be able to access their information to make these pre-screened offers. Further, as a result of the release of personal information from a third-party platform, we could experience an increase in fraudulent loan applications or investor accounts. Under our policies, we reimburse investors for any loan obtained as a result of a verified identity fraud and any increase in identity theft could result in increased reimbursement costs.

*The collection, processing, storage, use, and disclosure of personal information could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing views of personal privacy rights.*

We receive, transmit, store and process a large volume of personal information and other user data. There are federal, state and foreign laws regarding privacy and the storing, sharing, use, disclosure, protection and other processing of personal information and other user data. Specifically, personal information is increasingly subject to legislation and regulations in numerous U.S. and international jurisdictions, the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction.

Governments, regulators, the plaintiffs' bar, privacy advocates and customers have increased their focus on how companies collect, process, use, store, share and transmit personal information. This regulatory framework for privacy issues worldwide is evolving and is likely to continue to evolve for the foreseeable future, which creates uncertainty. For example, in June 2018, California enacted the California Consumer Privacy Act (CCPA), which became effective January 1, 2020. The CCPA, among other things, gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how certain personal information is used and shared. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches, which is expected to increase the volume, cost and success of class action data breach litigation. The CCPA excludes information covered by the GLBA, the Driver's Privacy Protection Act, the FCRA, or the California Financial Information Privacy Act from the CCPA's scope, but the CCPA's definition of "personal information" is broad and may encompass other information that we maintain. The California Attorney General issued, and subsequently updated, proposed regulations to further define and clarify the CCPA. The full impact of this law and its corresponding regulations, future enforcement activity and potential liability is unknown. Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the U.S., and multiple states have enacted or proposed similar laws. There is also discussion in Congress of new comprehensive federal data protection and privacy law to which we likely would be subject if it is enacted.

In addition, California voters approved the November 2020 ballot measure which will enact the California Privacy Rights Act (CPRA), which modifies the CCPA and has many provisions that will go into effect on January 1, 2023. Effective as of this year, the CPRA establishes the California Privacy Protection Agency to implement and enforce the CCPA and CPRA, as well as to impose administrative fines.

We cannot yet predict the full impact of the CCPA, CPRA or proposed U.S. and international data privacy legislation on our business or operations, but such laws may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. We could also be adversely affected if other legislation or regulations are expanded to require changes in business practices or privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition and results of operations. Any actual or perceived failure to comply with data privacy laws or regulations, or related contractual or other obligations, or any perceived privacy rights violation, could lead to investigations, claims, and proceedings by governmental entities and private parties, damages for contract breach, and other significant costs, penalties, and other liabilities, as well as harm to our reputation and market position.

We post on our website our privacy policies and practices concerning the collection, use, disclosure and processing of personal information. We also obtain consent from our borrowers to share personal information under certain conditions. We are subject to the terms of our privacy policies, privacy-related disclosures, and contractual and other privacy-related obligations to our customers and other third parties. Our failure, real or perceived, to comply with applicable privacy policies or federal, state or foreign laws and regulations or any compromise of security that results in the unauthorized release of personal information or other user data could damage our reputation, discourage potential borrowers or investors from using our marketplace bank or result in fines or proceedings brought against us, our issuing banks or other third parties by governmental agencies, borrowers, investors or other third parties, one or all of which could materially adversely affect our business, financial condition and results of operations. In addition to laws, regulations and other applicable common law rules regarding privacy and privacy advocacy, industry groups or other private parties may propose new and different privacy standards. We could also

be subject to liability for the inappropriate use of information made available by us. Because the interpretation and application of privacy and data protection laws and privacy standards are still uncertain, it is possible that these laws or privacy standards may be interpreted and applied in a manner that is inconsistent with our practices. Any inability to adequately address privacy concerns, even if unfounded, or to comply with applicable privacy or data protection laws, regulations and privacy standards, could result in additional cost and liability for us, damage our reputation, inhibit use of our marketplace bank and harm our business.

***Any failure to protect our own intellectual property rights could impair our brand, or subject us to claims for alleged infringement by third parties, which could harm our business.***

We rely on a combination of copyright, trade secret, trademark, patent and other rights, as well as confidentiality procedures and contractual provisions to protect our proprietary technology, underwriting and credit decisioning data, processes and other intellectual property. However, the steps we take to protect our intellectual property rights may be inadequate. Third parties may seek to challenge, invalidate or circumvent our copyright, trade secret, trademark, patent and other rights or applications for any of the foregoing. Further, as our business continues to expand we may increase our dependence on third parties to provide additional products and services. Third parties who are contractually obligated to protect our intellectual property may be the target of data breaches or may breach their obligations and disseminate, misappropriate or otherwise misuse our proprietary technology, underwriting and data, processes and other intellectual property. Additionally, our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to our industry. From time to time, third parties may claim that we are infringing on their intellectual property rights, and we may be found to be infringing on such rights. We may, however, be unaware of the intellectual property rights that others may claim cover some or all of our technology or services.

In order to protect our intellectual property rights, we may be required to spend significant resources. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. In addition, any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our products or operating our platform or require that we comply with other unfavorable terms. Our failure to secure, protect and enforce our intellectual property rights could seriously adversely affect our brand and adversely impact our business.

***Some aspects of our platform include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.***

Aspects of our platform include software covered by open source licenses, which may include, by way of example, GNU General Public License and the Apache License. Open source license terms are often ambiguous, and there is little or no legal precedent governing the interpretation of many of the terms of certain of these licenses. Therefore, the potential impact of such terms on our business is somewhat unknown. If portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release and grant royalty-free licenses under the affected portions of our proprietary source code, re-engineer all or a portion of our technologies or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and products. There can be no assurance that efforts we take to monitor the use of open source software to avoid uses in a manner that would require us to disclose or grant licenses under our proprietary source code will be successful, and such use could inadvertently occur. This could harm our intellectual property position and have a material adverse effect on our business, results of operations, cash flow, and financial condition. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with use of open source software cannot be eliminated, and could adversely affect our business.



## RISKS RELATED TO TAX AND ACCOUNTING

***Our ability to use our deferred tax assets to offset future taxable income may be subject to certain limitations that could subject our business to higher tax liabilities.***

We may be limited in the portion of net operating loss carryforwards that we can use in the future to offset taxable income for U.S. federal and state income tax purposes. The Tax Cuts and Jobs Act (the Tax Act) enacted on December 22, 2017, makes broad and complex changes to the U.S. tax code. While future interpretative guidance of the Tax Act and how many U.S. states will incorporate these federal law changes may have an impact on our business, the Tax Act's reduction of the federal corporate income tax rate from 35% to 21%, effective January 1, 2018, has reduced our deferred tax asset associated with net operating loss carryforwards (NOLs). A lack of future taxable income would adversely affect our ability to utilize our NOLs.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (Code), a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its NOLs to offset future taxable income. Future changes in our stock ownership as well as other changes that may be outside of our control, could result in additional ownership changes under Section 382 of the Code. Our NOLs may also be impaired under similar provisions of state law.

We assess the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. On the basis of this evaluation, a full valuation allowance has historically been recorded to recognize only deferred tax assets that are more likely than not to be realized.

Finally, further changes to the federal or state tax laws or technical guidance relating to the Tax Act that would further reduce the corporate tax rate could operate to effectively reduce or eliminate the value of any deferred tax asset. Our tax attributes as of December 31, 2020 may expire unutilized or underutilized, which could prevent us from offsetting future taxable income.

***We have incurred net losses in the past and may incur net losses in the future.***

As of December 31, 2020, our accumulated deficit was \$786.2 million. Our operating expenses may continue to be elevated as we resolve additional matters that arose from legacy management, settle regulatory investigations and examinations, enhance our compliance systems, reestablish the growth of our business, attract borrowers, investors and partners, integrate Radius Bank, and further enhance and develop our products and services. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. We may incur additional net losses in the future and may not maintain profitability on a quarterly or annual basis.

## RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK

***Our stock price has been and may continue to be volatile.***

Our stock price has declined significantly since the end of the first quarter of 2016 and has exhibited substantial volatility. Our stock price may continue to fluctuate in response to a number of events and factors, such as quarterly operating results; changes in our financial projections provided to the public or our failure to meet those projections; changes in the credit performance on our platform; the public's reaction to our press releases, other public announcements and filings with the SEC; progress and resolution with respect to existing litigation and regulatory inquiries; our acquisition of the Bank, significant transactions, or new features, products or services by us or our competitors; changes in financial estimates and recommendations by securities analysts; media coverage of our business and financial performance; the operating and stock price performance of, or other developments involving, other companies that investors may deem comparable to us; trends in our industry; any significant change in our management; and general economic conditions.

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In addition, the stock market in general, and the market prices for companies in our industry, have experienced volatility. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance. Price volatility over a given period may cause the average price at which we repurchase our own stock to exceed the stock's price at a given point in time. Volatility in our stock price also impacts the value of our equity compensation, which affects our ability to recruit and retain employees. In addition, some companies that have experienced volatility in the market price of their stock, including us, have been subject to securities class action litigation. We have been the target of this type of litigation and may continue to be a target in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

Further, our stock could be the target of short sellers who may seek to drive down the price of shares they have sold short by disseminating negative reports or information about the Company. Such negative publicity may lead to additional public scrutiny, may cause further volatility in our stock price, a decline in the value of a stockholder's investment in us or reputational harm.

Any stock price decline could have a material adverse impact on investor confidence and employee retention.

***Future issuances and/or sales of common stock may result in significant dilution to our stockholders and may place downward pressure on our stock price.***

We may issue additional equity securities to raise capital, support acquisitions, or for a variety of other purposes. We also utilize equity-based compensation as an important tool in recruiting and retaining employees and other service providers. Additional issuances of our stock may be made pursuant to the exercise or vesting of new or existing stock options or restricted stock units, respectively. Dilution to existing holders of our common stock from equity-based compensation and other additional issuances could be substantial and may place downward pressure on our stock price.

***Our quarterly results may fluctuate significantly and may not fully reflect the longer term underlying performance of our business.***

Our operating and financial results have varied on a quarterly basis during our operating history and may continue to fluctuate significantly. These fluctuations may be due to a variety of factors, some of which are outside of our control and may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include our ability to attract and retain new customers, seasonality in our business, the costs associated with and outcomes of legal and regulatory matters, volatility related to fraud and credit performance, the timing of capital markets transactions, variability in the valuation of loans held on our balance sheet, changes in business or macroeconomic conditions and variety of other factors, including as a result of the risks set forth in this "Risk Factors" section. Fluctuation in quarterly results and how we perform relative to guidance may adversely affect the price of our common stock.

***Anti-takeover provisions in our charter documents and Delaware law may delay or prevent an acquisition of our company.***

Our restated Certificate of Incorporation and restated Bylaws contain provisions that can have the effect of delaying or preventing a change in control of us or changes in our management. The provisions, among other things:

- establish a classified board of directors so that not all members of our board of directors are elected at one time;
- permit only our board of directors to establish the number of directors and fill vacancies on the board;
- provide that directors may only be removed "for cause" and only with the approval of two-thirds of our stockholders;
- require two-thirds vote to amend some provisions in our restated Certificate of Incorporation and restated Bylaws;

## LENDINGCLUB CORPORATION

- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan (also known as a “poison pill”);
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which will require that all stockholder actions must be taken at a stockholder meeting;
- do not provide for cumulative voting; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. In addition to these provisions, banking laws impose notice, approval, and ongoing regulatory requirements on any shareholder or other party that seeks to acquire direct or indirect “control” of an FDIC-insured depository institution. These laws include the BHCA and the Change in Bank Control Act. These laws could delay or prevent an acquisition. See “*Item 1. Business – Regulation and Supervision – Acquisition of a Significant Interest in the Company*” for additional information.

***If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research reports about our business, our stock price and trading volume could decline.***

Research and reports that securities or industry analysts publish about us or our business may be consumed by equity investors and influence their opinion of our business and/or investment in our common stock. For example, if one or more of the analysts who cover us downgrades our stock, our stock price may decline. Additionally, if one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

***We do not intend to pay dividends for the foreseeable future.***

We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. As a result, an investor may only receive a return on their investment in our common stock if the trading price of our common stock increases.

Also, as a bank holding company, our ability to pay dividends is affected by the policies and enforcement powers of the FRB and any future payment of dividends will depend on the Bank’s ability to make distributions and payments to the Company as our principal source of funds to pay such dividends. The Bank is also subject to various legal, regulatory and other restrictions on its ability to make distributions and payments to the Company. In addition, in the future, we may enter into borrowing or other contractual arrangements that restrict its ability to pay dividends. As a consequence of these various limitations and restrictions, we may not be able to make the payment of dividends on our common stock. See “*Item 1. Business – Regulation and Supervision – Regulatory Limits on Dividends and Distributions*” for additional information.

### **Item 1B. Unresolved Staff Comments**

None.

### **Item 2. Properties**

The information set forth under “*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18. Leases*” of this Form 10-K is incorporated herein by reference.

**Item 3. Legal Proceedings**

The information set forth under “*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19. Commitments and Contingencies*” of this Form 10-K is incorporated herein by reference.

**Item 4. Mine Safety Disclosures**

Not applicable.

PART II

**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

**Market Information for Common Stock**

LendingClub’s common stock is listed on the New York Stock Exchange (NYSE) under the ticker symbol “LC.”

**Holders of Record**

As of February 26, 2021, there were 76 holders of record of LendingClub’s common stock. Because many of LendingClub’s shares of common stock are held by brokers and other institutions on behalf of stockholders, the Company is unable to estimate the total number of stockholders represented by these record holders.

**Dividend Policy**

LendingClub has not paid cash or other dividends since its inception, and does not anticipate paying cash or other dividends in the foreseeable future. Further, see “*Part I – Item 1. Business – Regulation and Supervision – Regulatory Limits on Dividends and Distributions*” for a summary of certain rules and regulations that limit the ability of the Company or the Bank to pay dividends.

**Sales of Unregistered Securities**

None.

**Issuer Purchases of Equity Securities**

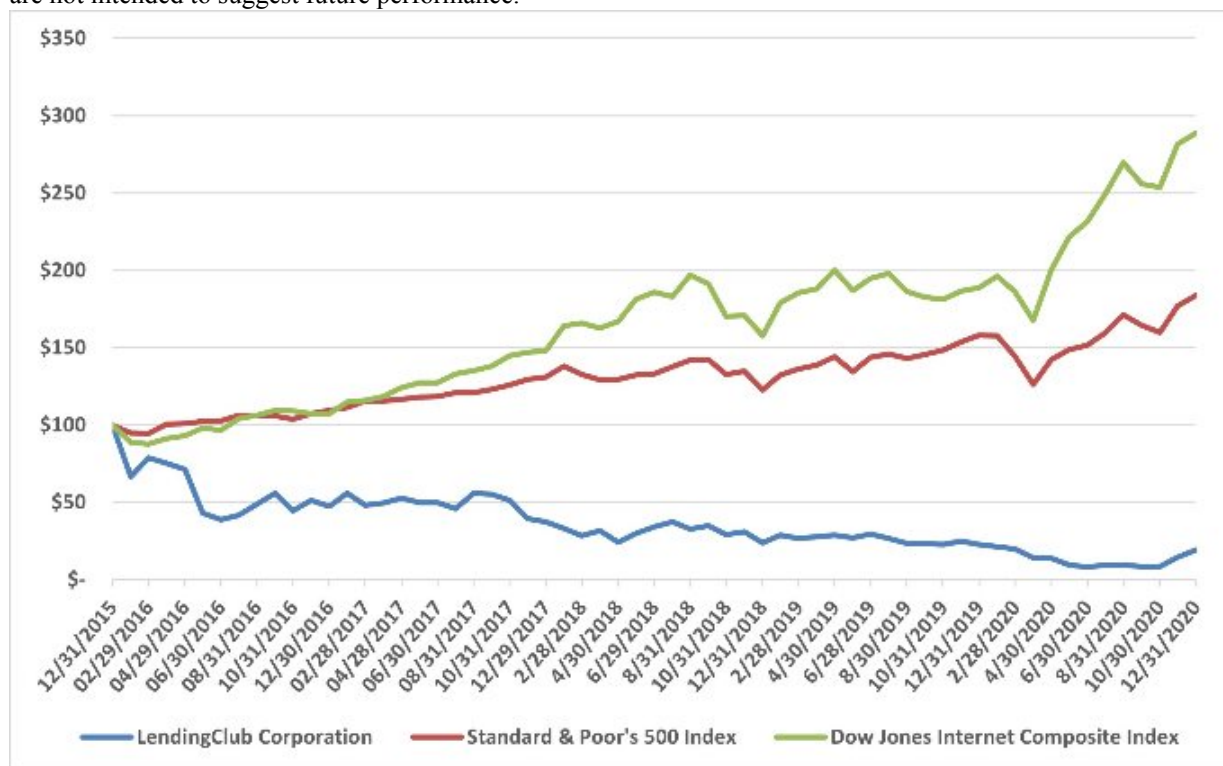
None.

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### Performance Graph

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

The following graph and table compare the cumulative total return to stockholders of LendingClub’s common stock relative to the cumulative total returns of the Standard & Poor’s 500 Index and the Dow Jones Internet Composite Index. An investment of \$100 (with reinvestment of all dividends, when applicable) is assumed to have been made in LendingClub’s common stock and in each index at market close on December 31, 2015 and its relative performance is tracked through December 31, 2020. The returns shown are based on historical results and are not intended to suggest future performance.



	December 31, 2015	December 30, 2016	December 29, 2017	December 31, 2018	December 31, 2019	December 31, 2020
LendingClub Corporation	\$ 100	\$ 47.51	\$ 37.38	\$ 23.80	\$ 22.84	\$ 19.11
Standard & Poor's 500 Index	\$ 100	\$ 109.54	\$ 130.81	\$ 122.65	\$ 158.07	\$ 183.77
Dow Jones Internet Composite Index	\$ 100	\$ 107.27	\$ 148.12	\$ 157.76	\$ 188.76	\$ 288.80

### Item 6. Selected Financial Data

Not applicable.

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**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes that appear in this Annual Report on Form 10-K (Report). In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and in this Report, particularly in "Part I – Item 1A. Risk Factors."*

**Overview**

LendingClub was founded in 2006 to transform the banking industry by leveraging technology, data science and a marketplace model. We started by bringing a traditional credit product, the installment loan, into the digital age and became the largest provider of unsecured personal loans in the United States. On February 1, 2021, LendingClub completed the acquisition of Radius Bancorp, Inc. (Radius), whereby LendingClub became a bank holding company and formed LendingClub Bank, National Association (the Bank) as its wholly-owned subsidiary, through which we will now operate the vast majority of our business. With the acquisition, we combined the complementary strengths of the Company's digital lending capabilities with an award-winning digital bank.

Prior to the acquisition, we facilitated loan originations by connecting borrowers with investors through our online lending marketplace platform. However, we relied on third-party issuing banks to originate and fund loans initiated by borrowers, which were then sold to investors. Following the acquisition, the Bank became the originator and lender for our unsecured personal loans and auto loans (Consumer Loans).

As the acquisition occurred after December 31, 2020, the following discussion begins with a historical business model summary and financial review of 2020, followed by a discussion of the implications to our new business model in 2021 as a bank holding company.

**Historical Business Model and 2020 Financial Review**

Our primary sources of revenue consisted of transaction fees that were paid to us by issuing banks to facilitate loan originations, net interest income and fair value adjustments on loans invested in by the Company, investor fees that compensated us for the costs we incurred in servicing loans, and a gain or loss on sales of loans.

Loans facilitated through our lending marketplace were funded by the sale of whole loans to banks and other institutional investors, the sale of whole loans facilitated through Structured Programs, the issuance of notes to our self-directed retail investors, or funded directly by the Company with its own capital. The Company's Structured Program transactions included asset-backed securitization transactions and Certificate Program transactions (which consisted of CLUB Certificate and Levered Certificate transactions). The Company continues to be required to retain a portion of the securities from these transactions.

In response to the impact of COVID-19, we quickly initiated a number of measures intended to help both sides of our marketplace navigate the economic environment by providing flexibility for our members and protecting returns for our investors. To provide flexibility to our members, we rapidly launched a number of new hardship/forbearance plans (Payment Plans), including Skip-a-Pay and interest-only plans, and waived late fees for an extended period of time. To help protect investor returns for new loans, we tightened underwriting including increased income verification requirements and increased interest rates on new loans, added capacity to help borrowers over the phone and launched self-service options online for borrowers looking for help.

*Investor.* When COVID-19's economic effects were apparent in the latter portion of the first quarter of 2020, there was a reduction in investor demand on our platform reflecting market dislocation for unsecured personal loans,

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driven in part by uncertainty around consumer credit performance and increased liquidity constraints for certain of our investors. In response, since the second quarter of 2020, the Company has structured incentives to secure the funding commitments of our investors. With the origination volume since increasing, we are beginning to see more platform investors return with reductions in structured incentives. Origination volume for the fourth quarter of 2020 was \$912 million, an increase from \$584 million in the third quarter of 2020 and an increase from \$326 million in the second quarter of 2020.

*Borrower.* With respect to existing borrowers, the Company is offering Payment Plans to provide relief to those impacted by COVID-19 through deferrals of loan payments. As previously disclosed, we offer eligible borrowers the opportunity to skip monthly payments in two-month increments through our Skip-a-Pay program. We also launched an interest-only hardship plan and continue to launch or plan to launch additional Payment Plans. Borrowers participating in Skip-a-Pay have the terms of their existing loan extended for a commensurate period, which impacts the duration and payment date for loans. As the current regulatory environment for loan forgiveness or waivers of missed payments evolves, our programs, which address these topics, may evolve over time as well.

Borrower behavior in the aggregate has been strong, and among those enrolled in Payment Plans has been encouraging and reflects the desire for borrowers to remain current on their loan payments:

- Total loan borrower performance is strong as of December 31, 2020. Repayment rates remain at pre-COVID-19 levels, and delinquency and roll rates (the percentage of borrowers who progress into later delinquency stages) are lower than historical averages. Newer vintages are displaying better credit performance compared to pre-COVID-19 vintages and lower enrollment rates into our Skip-a-Pay program.
- Performance among those borrowers enrolled in hardship plans is encouraging. Approximately 13% of borrowers have enrolled in a Payment Plan at some point during the life of their loan. As of December 31, 2020, approximately 1% of total borrowers were enrolled in a Payment Plan.

*Loan Origination Update*

The following table shows the loan origination volume issued, loans purchased or pending purchase by the Company, and the available loan inventory as of the end of each period set forth below (in millions):

	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>June 30, 2020</b>
Loan originations	\$ 912.0	\$ 584.1	\$ 325.8
Loans purchased or pending purchase by the Company during the quarter	\$ 140.6	\$ 27.6	\$ 18.9
LendingClub inventory <sup>(1)</sup>	\$ 12.4	\$ 9.0	\$ 15.0
LendingClub inventory as a percentage of loan originations <sup>(1)</sup>	1 %	2 %	5 %

<sup>(1)</sup> 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.

In the fourth quarter of 2020, our marketplace facilitated \$912.0 million of loan originations, of which \$696.3 million was issued through whole loan sales and \$140.6 million was purchased or pending purchase by the Company.

Loan inventory purchased by the Company was 1% of total loan originations during the fourth quarter of 2020. This decrease since the second quarter of 2020 was due to lower volumes of loans purchased by the Company due to the strategic decisions we made as a result of COVID-19.



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*Restructuring*

On April 21, 2020, the Company disclosed a restructuring plan to address the impact of COVID-19 on the Company's business by repositioning the Company's expense base to better reflect the reduction in loan volume and better position the Company for profitability and achieving its strategic goals when the economy and business stabilizes. The restructuring plan included workforce reductions affecting approximately 460 employees. The Company recorded restructuring costs of approximately \$17 million and \$0.8 million in the second and third quarters of 2020, respectively, which included severance and other personnel-related expenses, lease-related expenses and software impairment. The impact of the reduction in workforce is estimated to lower our ongoing quarterly cash compensation expense by approximately \$17 million and stock-based compensation expense by approximately \$4 million.

**2021 Business Model and Implications**

We anticipate that additional strategic and financial benefits of the Radius acquisition will include:

- **Increased resiliency** with access to stable, low-cost deposit funding replacing higher-cost and more volatile third-party warehouse funding;
- **Increased and more stable revenue** driven by increased net interest income from Consumer Loans held for investment;
- **Expense benefits** by capturing the fees that were historically paid to our third-party issuing banks; and
- **Ability to attract new members and deepen relationships with existing members** through the addition of banking services that leverage LendingClub's marketing and brand strengths.

We fund our Consumer Loan originations through the Company's marketplace by either selling loans directly to third-party purchasers or investing our own capital in originated loans and holding those loans for investment. The mix of loans held for investment and originated for sale will depend on a number of factors, including origination volumes, bank capital availability and demand from third-party loan investors.

As the originator of Consumer Loans, origination fees from loans held for sale (HFS) will be recorded as a component of marketplace lending revenue. Marketplace lending revenue will also include servicing revenue associated with loan sales. Origination fees and costs from loans held for investment (HFI) will be amortized through interest income over the life of the loans, and the expected credit losses reflected as a charge through earnings. The lifetime estimated credit losses on HFI loans will be initially recognized through earnings when such loans are originated or otherwise acquired, while the interest received will be recognized according to the loan's contractual payment terms. Due to this timing difference between credit losses taken through earnings and actual charge-offs, we expect earnings to be disproportionately impacted in the near term from the expected organic growth in our HFI loan portfolio before benefiting from higher levels of interest income in later periods.

The change in our business model to being an originating lender with a stable deposit base will also diversify our funding strategy. As we expand our product offerings and grow our loan originations and HFI loan portfolio, we will increasingly rely on funding from customer deposits to prudently manage reliance on wholesale funding sources that tend to be more susceptible to market dislocations during periods of economic stress. We did not share in any interest rate or credit risk on the loans facilitated through our lending marketplace that were funded by Member Payment Dependent Notes (Retail Notes), certificates and certain secured borrowings because loan balances, interest rates and maturities were matched and offset by an equal balance of notes, certificates or secured borrowings with the exact same interest rates and maturities. As of December 31, 2020, LendingClub ceased offering and selling Retail Notes. The total balance of outstanding Retail Notes will continue to decline as underlying borrower payments are made.

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The formation of the Bank as a nationally chartered association and the organization of our Parent as a bank holding company subjects us to various capital adequacy guidelines issued by the OCC and FRB, including the requirement to maintain minimum regulatory capital ratios in accordance with the Basel Committee on Banking Supervision standardized approach for U.S. banking organizations (U.S. Basel III). In addition to these guidelines and as part of our regulatory approvals, we have made various commitments to the regulators in order to demonstrate that we will operate the bank in a safe and sound manner. See “*Liquidity and Capital Management*” for additional information.

The acquisition of Radius will be accounted for as a purchase business combination, with the purchase price allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on February 1, 2021, with the residual difference recorded as goodwill. These estimates, along with our estimate of the acquisition date allowance for Radius HFI loan losses, required under ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to be charged through earnings, will be provided in our March 31, 2021 Quarterly Report on Form 10-Q.

The acquisition will also significantly change the presentation of our financial statements in future periods. Going forward, our financial statements will be structured according to the presentation requirements for bank holding companies under Article 9 of the SEC’s Regulation S-X.

As our transition to a bank holding company occurred after year-end, the following discussion, unless otherwise stated, discusses our Results of Operations under our historical business model.

**Key Operating and Financial Metrics**

We regularly review several metrics to evaluate our business, measure our performance, identify trends, formulate financial projections and make strategic decisions. The following presents our key operating and financial metrics:

<b>Year Ended December 31,</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Loan originations	\$	4,343,411	\$	12,290,093	\$	10,881,815
Sales and marketing expense as a percent of loan originations		1.82 %		2.27 %		2.47 %
Net revenue	\$	314,702	\$	758,607	\$	694,812
Consolidated net loss	\$	(187,538)	\$	(30,690)	\$	(128,153)
Diluted EPS attributable to common stockholders <sup>(1)</sup>	\$	(2.63)	\$	(0.35)	\$	(1.52)
Contribution <sup>(2)</sup>	\$	173,859	\$	392,294	\$	339,328
Contribution margin <sup>(2)</sup>		55.2 %		51.7 %		48.8 %
Adjusted EBITDA <sup>(2)</sup>	\$	(27,247)	\$	134,772	\$	97,519
Adjusted EBITDA margin <sup>(2)</sup>		(8.7)%		17.8 %		14.0 %
Adjusted net income (loss) <sup>(2)</sup>	\$	(138,567)	\$	2,182	\$	(32,375)
Adjusted EPS <sup>(1)(2)</sup>	\$	(1.53)	\$	0.02	\$	(0.38)

<sup>(1)</sup> See “*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 4. Net Income (Loss) Per Share*” and “*Note 15. Stockholders’ Equity*” for additional information.

<sup>(2)</sup> Represents non-GAAP financial measures. For more information regarding these measures and a reconciliation of these measures to the most comparable GAAP measures, see “*Non-GAAP Financial Measures*” below.

**Loan Originations**

We classified the loans facilitated by our platform into three major loan products: standard program personal loans, custom program personal loans and other loans. During 2020, the majority of the loans facilitated through our platform were standard program personal loans that represent loans made to prime borrowers that are available to

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institutional investors, private investors and public investors (in the form of Retail Notes). Custom program personal loans include all other personal loans to borrowers who are not eligible for our standard program, including loans primarily made to near-prime and super-prime borrowers, and are available only to private investors. Other loans are comprised of education and patient finance loans, auto refinance loans, and small business loans. In 2019, the Company 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. Because we ceased offering and selling Retail Notes as of December 31, 2020, the distinction between our standard program and custom program personal loans will no longer be relevant for future periods.

Loan origination volume and weighted-average transaction fees (as a percent of origination balance) by major loan products are as follows:

Year Ended December 31,	2020		2019		2018	
(in millions, except percentages)	Origination Volume	Weighted-Average Transaction Fee	Origination Volume	Weighted-Average Transaction Fee	Origination Volume	Weighted-Average Transaction Fee
Personal loans – standard program	\$ 3,007.3	5.01 %	\$ 8,533.4	5.03 %	\$ 7,936.3	4.87 %
Personal loans – custom program	782.5	4.98	2,972.6	4.80	2,096.3	4.98
Total personal loans	3,789.8	5.00	11,506.0	4.97	10,032.6	4.89
Other loans	553.6	3.28	784.1	3.44	849.2	4.29
Total	\$ 4,343.4	4.78 %	\$ 12,290.1	4.87 %	\$ 10,881.8	4.84 %

Personal loan origination volume for our standard loan program by loan grade was as follows (in millions):

Year Ended December 31,	2020		2019		2018	
Personal loan originations by loan grade – standard loan program:	Amount	% of Total	Amount	% of Total	Amount	% of Total
A	\$ 1,263.6	42 %	\$ 2,725.4	32 %	\$ 2,132.5	27 %
B	916.2	30 %	2,608.3	31 %	2,289.6	29 %
C	575.4	19 %	1,964.6	23 %	2,052.2	26 %
D	252.1	9 %	1,184.9	14 %	1,098.3	14 %
E	—	— %	50.0	— %	290.1	3 %
F	—	— %	0.2	— %	60.4	1 %
G	—	— %	—	— %	13.2	N/M
Total	\$ 3,007.3	100 %	\$ 8,533.4	100 %	\$ 7,936.3	100 %

N/M – Not meaningful

Credit and pricing policy changes made by the Company during 2019 and into 2020 resulted in a change in the mix of personal loan origination volume from higher risk grades D through F to lower risk A through C grades. These changes broadly focused on tightening credit to shift overall platform mix towards lower risk and higher credit quality borrowers.

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**Results of Operations**

This section of this Form 10-K generally discusses 2020 and 2019 items and year-to-year comparisons between 2020 and 2019. For discussion related to 2018 items and year-over-year comparisons between 2019 and 2018, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Annual Report on Form 10-K for the year ended December 31, 2019.

The following table sets forth the Consolidated Statements of Operations data for each of the periods presented:

Year Ended December 31,	2020	2019	2018
<b>Net revenue:</b>			
Transaction fees	\$ 207,640	\$ 598,760	\$ 526,942
Interest income	209,694	345,345	487,462
Interest expense	(141,503)	(246,587)	(385,605)
Net fair value adjustments	(117,247)	(144,990)	(100,688)
Net interest income and fair value adjustments	(49,056)	(46,232)	1,169
Investor fees	111,864	124,532	114,883
Gain on sales of loans	30,812	67,716	45,979
Net investor revenue	93,620	146,016	162,031
Other revenue	13,442	13,831	5,839
<b>Total net revenue</b>	<b>314,702</b>	<b>758,607</b>	<b>694,812</b>
<b>Operating expenses: <sup>(1)</sup></b>			
Sales and marketing	79,055	279,423	268,517
Origination and servicing	71,193	103,403	99,376
Engineering and product development	139,050	168,380	155,255
Other general and administrative	213,021	238,292	228,641
Goodwill impairment	—	—	35,633
Class action and regulatory litigation expense	—	—	35,500
<b>Total operating expenses</b>	<b>502,319</b>	<b>789,498</b>	<b>822,922</b>
<b>Loss before income tax expense (benefit)</b>	<b>(187,617)</b>	<b>(30,891)</b>	<b>(128,110)</b>
Income tax expense (benefit)	(79)	(201)	43
<b>Consolidated net loss</b>	<b>(187,538)</b>	<b>(30,690)</b>	<b>(128,153)</b>
Less: Income attributable to noncontrolling interests	—	55	155
<b>LendingClub net loss</b>	<b>\$ (187,538)</b>	<b>\$ (30,745)</b>	<b>\$ (128,308)</b>

<sup>(1)</sup> Includes stock-based compensation expense as follows:

Year Ended December 31,	2020	2019	2018
Sales and marketing	\$ 4,104	\$ 6,095	\$ 7,362
Origination and servicing	2,689	3,155	4,322
Engineering and product development	13,411	19,860	20,478
Other general and administrative	41,329	44,529	42,925
Total stock-based compensation expense	\$ 61,533	\$ 73,639	\$ 75,087

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***Total Net Revenue***

Year Ended December 31,	2020	2019	Change (\$)	Change (%)
<b>Net revenue:</b>				
Transaction fees	\$ 207,640	\$ 598,760	\$ (391,120)	(65) %
Interest income	209,694	345,345	(135,651)	(39) %
Interest expense	(141,503)	(246,587)	105,084	(43) %
Net fair value adjustments	(117,247)	(144,990)	27,743	(19) %
Net interest income and fair value adjustments	(49,056)	(46,232)	(2,824)	(6) %
Investor fees	111,864	124,532	(12,668)	(10) %
Gain on sales of loans	30,812	67,716	(36,904)	(54) %
Net investor revenue	93,620	146,016	(52,396)	(36) %
Other revenue	13,442	13,831	(389)	(3) %
<b>Total net revenue</b>	<b>\$ 314,702</b>	<b>\$ 758,607</b>	<b>\$ (443,905)</b>	<b>(59) %</b>

Year Ended December 31,	2019	2018	Change (\$)	Change (%)
<b>Net revenue:</b>				
Transaction fees	\$ 598,760	\$ 526,942	\$ 71,818	14 %
Interest income	345,345	487,462	(142,117)	(29) %
Interest expense	(246,587)	(385,605)	139,018	(36) %
Net fair value adjustments	(144,990)	(100,688)	(44,302)	44 %
Net interest income and fair value adjustments	(46,232)	1,169	(47,401)	N/M
Investor fees	124,532	114,883	9,649	8 %
Gain on sales of loans	67,716	45,979	21,737	47 %
Net investor revenue	146,016	162,031	(16,015)	(10) %
Other revenue	13,831	5,839	7,992	137 %
<b>Total net revenue</b>	<b>\$ 758,607</b>	<b>\$ 694,812</b>	<b>\$ 63,795</b>	<b>9 %</b>

N/M – Not meaningful

***Transaction Fees***

Transaction fees are fees paid by issuing banks or education and patient service providers to us for the work we performed in facilitating the origination of loans by our issuing bank partners. With respect to all unsecured personal loans and auto refinance loans for which WebBank acted as the issuing bank, we recorded transaction fee revenue net of program fees paid to WebBank. The fees on these loans are based upon the terms of the loan, including grade, rate, term, channel and other factors. As of December 31, 2020, these fees ranged from 0% to 6% of the initial principal amount of a loan. In connection with the acquisition of Radius, the Bank originates loans and the origination fee paid by borrowers is provided directly to, and retained by, us.

Transaction fees were \$207.6 million and \$598.8 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 65%. The decrease was due to lower origination volume, primarily due to the impact of

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COVID-19. Loans facilitated through our lending marketplace decreased to \$4.3 billion for the year ended December 31, 2020 compared to \$12.3 billion for the year ended December 31, 2019, a decrease of 65%. The average transaction fee as a percentage of the initial principal balance of the loan was 4.78% in 2020 compared to 4.87% in 2019.

In January 2021, we recognized approximately \$1.8 million in transaction fee revenue associated with the issuance of loans for which the loan application process had commenced prior to the end of 2020. In January 2020, we recognized approximately \$3.6 million in transaction fee revenue associated with the issuance of loans for which the loan application process had commenced prior to the end of 2019.

#### *Net Interest Income and Fair Value Adjustments*

*Loans Invested in by the Company:* In light of COVID-19 and our acquisition of Radius, the Company ceased purchasing loans to support Structured Program transactions. We earn interest income and assume principal and interest rate risk on loans during the period we own the loans. We previously financed a portion of loan purchases with draws on our credit facilities and the associated interest expense reduced net interest income. In the fourth quarter of 2020, we fully repaid and terminated our credit facilities.

Fair value adjustments on loans invested in by the Company are generally negative due to interest cash flow receipts and if there are expected increases and any acceleration in the timing of expected charge-offs and prepayments. As the portfolio of loans invested in by the Company prior to the acquisition of Radius runs off, the Company expects the net negative fair value adjustments on those loans to decrease over the remaining holding period of those loans, absent any significant market price volatility.

*Loans, Notes, Certificates and Secured Borrowings:* We do not assume principal or interest rate risk on loans facilitated through our lending marketplace that were funded by notes, certificates and certain secured borrowings because loan balances, interest rates and maturities are matched and offset by an equal balance of notes, certificates or secured borrowings with the exact same interest rates and maturities. The changes in fair value of loans, notes, certificates and secured borrowings are shown on our Consolidated Statements of Operations on a net basis. Due to the payment dependent feature of the notes, certificates and secured borrowings, fair value adjustments on loans funded with notes, certificates and secured borrowings resulted in no net effect on our earnings, except for changes in fair value of any applicable credit support agreements related to secured borrowings.

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The following tables provide additional detail related to net interest income and fair value adjustments for assets invested in by the Company, assets with equal and offsetting liabilities, and total interest income, interest expense and net fair value adjustments:

Year Ended December 31,	2020	2019	Change (\$)	Change (%)
<b>Loans invested in by the Company, securities available for sale, cash, cash equivalents and restricted cash, and debt:</b>				
Interest income:				
Loans held for investment and held for sale by the Company at fair value	\$ 80,564	\$ 110,597	\$ (30,033)	(27) %
Securities available for sale	12,125	14,351	(2,226)	(16) %
Cash, cash equivalents and restricted cash	1,053	6,002	(4,949)	(82) %
Total	93,742	130,950	(37,208)	(28) %
Interest expense:				
Credit facilities and securities sold under repurchase agreements	(18,210)	(27,839)	9,629	(35) %
Securitization notes and certificates	(7,341)	(4,353)	(2,988)	69 %
Total	(25,551)	(32,192)	6,641	(21) %
Net interest income	68,191	98,758	\$ (30,567)	(31) %
Net fair value adjustments	(117,247)	(144,990)	27,743	(19) %
Net interest income and fair value adjustments	\$ (49,056)	\$ (46,232)	\$ (2,824)	6 %
<b>Loans, notes, certificates and secured borrowings:</b>				
Interest income:				
Loans held for investment at fair value	\$ 115,952	\$ 214,395	\$ (98,443)	(46) %
Interest expense:				
Notes, certificates and secured borrowings	(115,952)	(214,395)	98,443	(46) %
Net interest income	\$ —	\$ —	\$ —	— %
<b>Total net interest income and fair value adjustments:</b>				
Interest income	\$ 209,694	\$ 345,345	\$ (135,651)	(39) %
Interest expense	(141,503)	(246,587)	105,084	(43) %
Net fair value adjustments	(117,247)	(144,990)	27,743	(19) %
Net interest income and fair value adjustments	\$ (49,056)	\$ (46,232)	\$ (2,824)	6 %

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Year Ended December 31,	2019	2018	Change (\$)	Change (%)
<b>Loans invested in by the Company, securities available for sale, cash, cash equivalents and restricted cash, and debt:</b>				
Interest income:				
Loans held for investment and held for sale by the Company at fair value	\$ 110,597	\$ 113,644	\$ (3,047)	(3) %
Securities available for sale	14,351	7,602	6,749	89 %
Cash, cash equivalents and restricted cash	6,002	4,056	1,946	48 %
Total	130,950	125,302	5,648	5 %
Interest expense:				
Credit facilities and securities sold under repurchase agreements	(27,839)	(19,714)	(8,125)	41 %
Securitization notes and certificates	(4,353)	(3,731)	(622)	17 %
Total	(32,192)	(23,445)	(8,747)	37 %
Net interest income	98,758	101,857	\$ (3,099)	(3) %
Net fair value adjustments	(144,990)	(100,688)	(44,302)	44 %
Net interest income and fair value adjustments	\$ (46,232)	\$ 1,169	\$ (47,401)	N/M
<b>Loans, notes, certificates and secured borrowings:</b>				
Interest income:				
Loans held for investment at fair value	\$ 214,395	\$ 362,160	\$ (147,765)	(41) %
Interest expense:				
Notes, certificates and secured borrowings	(214,395)	(362,160)	147,765	(41) %
Net interest income	\$ —	\$ —	\$ —	— %
<b>Total net interest income and fair value adjustments:</b>				
Interest income	\$ 345,345	\$ 487,462	\$ (142,117)	(29) %
Interest expense	(246,587)	(385,605)	139,018	(36) %
Net fair value adjustments	(144,990)	(100,688)	(44,302)	44 %
Net interest income and fair value adjustments	\$ (46,232)	\$ 1,169	\$ (47,401)	N/M

N/M – Not meaningful

The following tables provide the outstanding average balances, which are key drivers of interest income and interest expense in the periods presented:

Year Ended December 31,	Outstanding Average Balances			
	2020	2019	Change (\$)	Change (%)
Cash, cash equivalents and restricted cash	\$ 509,839	\$ 508,962	\$ 877	— %
Loans held for investment by the Company	\$ 68,055	\$ 12,474	\$ 55,581	N/M
Loans held for sale by the Company	\$ 537,105	\$ 754,693	\$ (217,588)	(29) %
Securities available for sale	\$ 217,189	\$ 221,166	\$ (3,977)	(2) %
Credit facilities and securities sold under repurchase agreements	\$ 394,782	\$ 481,960	\$ (87,178)	(18) %
Securitization notes and certificates	\$ 162,688	\$ 100,747	\$ 61,941	61 %
Loans held for investment	\$ 879,223	\$ 1,574,271	\$ (695,048)	(44) %
Notes, certificates and secured borrowings	\$ 879,236	\$ 1,576,877	\$ (697,641)	(44) %

N/M – Not meaningful



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Year Ended December 31,	Outstanding Average Balances			
	2019	2018	Change (\$)	Change (%)
Cash, cash equivalents and restricted cash	\$ 508,962	\$ 599,832	\$ (90,870)	(15) %
Loans held for investment by the Company	\$ 12,474	\$ 140,551	\$ (128,077)	(91) %
Loans held for sale by the Company	\$ 754,693	\$ 546,959	\$ 207,734	38 %
Securities available for sale	\$ 221,166	\$ 144,046	\$ 77,120	54 %
Credit facilities and securities sold under repurchase agreements	\$ 481,960	\$ 299,419	\$ 182,541	61 %
Securitization notes and certificates	\$ 100,747	\$ 131,894	\$ (31,147)	(24) %
Loans held for investment	\$ 1,574,271	\$ 2,557,575	\$ (983,304)	(38) %
Notes, certificates and secured borrowings	\$ 1,576,877	\$ 2,599,676	\$ (1,022,799)	(39) %

Interest income associated with loans invested in by the Company, securities available for sale, and cash, cash equivalents and restricted cash was \$93.7 million and \$131.0 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 28%. The decrease was primarily due to a decrease in the average outstanding balance of loans invested in by the Company and a decrease in interest rates for cash and cash equivalents.

Interest expense associated with credit facilities, securities sold under repurchase agreements and securitization notes and certificates was \$25.6 million and \$32.2 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 21%. The decrease was primarily due to a reduction in interest rates and a decrease in the average outstanding balance of credit facilities and securities sold under repurchase agreements.

Net fair value adjustments were \$(117.2) million and \$(145.0) million for the years ended December 31, 2020 and 2019, respectively, a decrease of 19%. The decrease was primarily due to a decrease in loans purchased by the Company, partially offset by fair value adjustments recorded in the first quarter of 2020 due to COVID-19, which included an increase in estimated expected credit losses.

Interest income from loans held for investment and the offsetting interest expense from notes, certificates and secured borrowings were both \$116.0 million and \$214.4 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 46%. The decrease was primarily due to a decrease in the average outstanding balances of loans held for investment and notes, certificates and secured borrowings.

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**Investor Fees**

The tables below illustrate the composition of investor fees and the outstanding principal balance of loans serviced, which is a key driver of investor fees, by the method in which the loans were financed for each period presented:

Year Ended December 31,	2020	2019	Change (\$)	Change (%)
<b>Investors Fees:</b>				
Whole loans sold	\$ 96,518	\$ 100,123	\$ (3,605)	(4) %
Notes, certificates and secured borrowings	15,346	24,409	(9,063)	(37) %
Total	\$ 111,864	\$ 124,532	\$ (12,668)	(10) %
<b>Outstanding Principal Balance of Loans Serviced On Our Platform (in millions) <sup>(1)</sup>:</b>				
Whole loans sold	\$ 10,139	\$ 14,118	\$ (3,979)	(28) %
Notes, certificates and secured borrowings	680	1,149	(469)	(41) %
Total excluding loans invested in by the Company	\$ 10,819	\$ 15,267	\$ (4,448)	(29) %
Loans invested in by the Company	183	744	(561)	(75) %
Total	\$ 11,002	\$ 16,011	\$ (5,009)	(31) %

<sup>(1)</sup> As of the end of each respective period.

Year Ended December 31,	2019	2018	Change (\$)	Change (%)
<b>Investor Fees:</b>				
Whole loans sold	\$ 100,123	\$ 82,824	\$ 17,299	21 %
Notes, certificates and secured borrowings	24,409	31,955	(7,546)	(24) %
Funds and separately managed accounts <sup>(1)</sup>	—	104	(104)	(100) %
Total	\$ 124,532	\$ 114,883	\$ 9,649	8 %
<b>Outstanding Principal Balance of Loans Serviced On Our Platform (in millions) <sup>(2)</sup>:</b>				
Whole loans sold	\$ 14,118	\$ 10,890	\$ 3,228	30 %
Notes, certificates and secured borrowings	1,149	2,013	(864)	(43) %
Total excluding loans invested in by the Company	\$ 15,267	\$ 12,903	\$ 2,364	18 %
Loans invested in by the Company	744	843	(99)	(12) %
Total	\$ 16,011	\$ 13,746	\$ 2,265	16 %

<sup>(1)</sup> Funds are the private funds for which LendingClub Asset Management, LLC (LCAM, a previously held wholly-owned subsidiary of LendingClub), or its subsidiaries acted as general partner. In March 2019, we completed the dissolution of those funds.

<sup>(2)</sup> As of the end of each respective period.

The Company receives fees to compensate us for the costs we incur in servicing a loan, including managing payments from borrowers, collections, payments to investors, maintaining investors' account portfolios, providing information, and issuing monthly statements. The amount of investor fee revenue earned is predominantly affected by the servicing rates paid by investors, the outstanding principal balance of loans and the amount of principal and interest collected from borrowers and remitted to investors.

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Investor fee revenue related to whole loans sold also includes the change in fair value of our servicing assets and liabilities associated with the loans. Servicing rights are recorded as either an asset or liability in “Gain on sales of loans” in the Company’s Consolidated Statements of Operations.

*Investor fees – whole loans sold:* Investor fee revenue related to the servicing of whole loans sold was \$96.5 million and \$100.1 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 4%. The decrease in revenue resulting from a lower principal balance of loans serviced was substantially offset by an increase from higher average contractual servicing fees and delinquent loan collections.

*Investor fees – notes, certificates and secured borrowings:* Investor fee revenue related to the servicing of loans underlying notes, certificates and secured borrowings was \$15.3 million and \$24.4 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 37%. The decrease was primarily due to a lower principal balance of loans serviced and a decrease in delinquent loan collections and charged-off loan sales.

***Gain (Loss) on Sales of Loans***

In connection with loan sales and Structured Program transactions, in addition to investor fees earned with respect to the corresponding loan, we recognize a gain or loss on the sale of that loan based on the level to which the contractual loan servicing fee is above or below an estimated market rate loan servicing fee. Additionally, we recognize transactions costs as a loss on sale of loans.

Gain on sales of loans was \$30.8 million and \$67.7 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 54%. The decrease was due to a decrease in the volume of loans sold that resulted in lower gains on sales of loans.

***Other Revenue***

Other revenue primarily consists of sublease revenue from our sublet office space in San Francisco, California, and referral revenue that relates to fees earned from third-party companies when customers referred by us consider or purchase products or services from such third-party companies. The table below illustrates the composition of other revenue for each period presented:

<b>Year Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Sublease revenue	\$ 6,146	\$ 4,637	\$ 1,509	33 %
Referral revenue	5,011	5,474	(463)	(8) %
Other	2,285	3,720	(1,435)	(39) %
Other revenue	\$ 13,442	\$ 13,831	\$ (389)	(3) %

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Sublease revenue	\$ 4,637	\$ 397	\$ 4,240	N/M
Referral revenue	5,474	3,645	1,829	50 %
Other	3,720	1,797	1,923	107 %
Other revenue	\$ 13,831	\$ 5,839	\$ 7,992	137 %

N/M – Not meaningful

***Operating Expenses***

Our operating expenses consist of sales and marketing, origination and servicing, engineering and product development and other general and administrative expenses, as described below.

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*Sales and Marketing:* Sales and marketing expense consists primarily of borrower and investor acquisition efforts, including costs attributable to marketing and selling the loans facilitated through the platform we operate. This includes costs of building general brand awareness, and salaries, benefits and stock-based compensation expense related to our sales and marketing team.

*Origination and Servicing:* Origination and servicing expense consists primarily of salaries, benefits and stock-based compensation expense and vendor costs attributable to activities that most directly relate to facilitating the origination of loans and servicing loans for borrowers and investors. These costs relate to the credit, collections, customer support and payment processing teams and related vendors.

*Engineering and Product Development:* Engineering and product development expense consists primarily of salaries, benefits and stock-based compensation expense for our engineering and product management teams, information security and technology risk teams, and the cost of contractors who work on the development and maintenance of our platform. Engineering and product development expense also includes non-capitalized hardware and software costs and depreciation, amortization and impairment of technology assets.

*Other General and Administrative:* Other general and administrative expense consists primarily of salaries, benefits and stock-based compensation expense for our accounting, finance, legal, risk, compliance, human resources and facilities teams, professional services fees and facilities expense.

Year Ended December 31,	2020	2019	Change (\$)	Change (%)
Sales and marketing	\$ 79,055	\$ 279,423	\$ (200,368)	(72) %
Origination and servicing	71,193	103,403	(32,210)	(31) %
Engineering and product development	139,050	168,380	(29,330)	(17) %
Other general and administrative	213,021	238,292	(25,271)	(11) %
<b>Total operating expenses</b>	<b>\$ 502,319</b>	<b>\$ 789,498</b>	<b>\$ (287,179)</b>	<b>(36) %</b>

Year Ended December 31,	2019	2018	Change (\$)	Change (%)
Sales and marketing	\$ 279,423	\$ 268,517	\$ 10,906	4 %
Origination and servicing	103,403	99,376	4,027	4 %
Engineering and product development	168,380	155,255	13,125	8 %
Other general and administrative	238,292	228,641	9,651	4 %
Goodwill impairment	—	35,633	(35,633)	(100) %
Class action and regulatory litigation expense	—	35,500	(35,500)	(100) %
<b>Total operating expenses</b>	<b>\$ 789,498</b>	<b>\$ 822,922</b>	<b>\$ (33,424)</b>	<b>(4) %</b>

*Sales and marketing:* Sales and marketing expense was \$79.1 million and \$279.4 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 72%. The decrease was primarily due to a decrease in variable marketing expenses based on lower origination volume and a decrease in personnel-related expenses for full-time employees due to lower headcount as a result of a workforce reduction in the second quarter of 2020. Sales and marketing expense as a percent of loan originations decreased to 1.82% in 2020 from 2.27% in 2019 as a result of a decrease in loan origination volume in our higher-cost marketing channels.

*Origination and servicing:* Origination and servicing expense was \$71.2 million and \$103.4 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 31%. The decrease was primarily due to a decrease in personnel-related expenses for full-time employees due to lower headcount as a result of a workforce reduction in

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the second quarter of 2020, reduction in outsourced workforce in the second half of 2020, and lower third-party origination credit expenses as a result of lower origination volume.

*Engineering and product development:* Engineering and product development expense was \$139.1 million and \$168.4 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 17%. The decrease was primarily due to a decrease in personnel-related expenses for full-time employees due to lower headcount as a result of a workforce reduction in the second quarter of 2020 and lower depreciation expense, partially offset by an increase in restructuring costs relating to the workforce reduction.

We capitalized \$28.2 million and \$36.1 million in software development costs for the years ended December 31, 2020 and 2019, respectively.

*Other general and administrative expense:* Other general and administrative expense was \$213.0 million and \$238.3 million for the years ended December 31, 2020 and 2019, respectively, a decrease of 11%. The decrease was primarily due to decreases in personnel-related expenses for full-time employees due to lower headcount as a result of a workforce reduction in the second quarter of 2020 and lower professional services and facilities expense, partially offset by increases in expenses related to the acquisition of Radius and restructuring costs related to the workforce reduction.

### ***Income Taxes***

For the years ended December 31, 2020 and 2019, the Company recorded an income tax benefit of \$79 thousand and \$201 thousand, respectively. Income tax benefit for the year ended December 31, 2020 was primarily attributable to current state income taxes. Income tax benefit for the year ended December 31, 2019 was primarily attributable to the tax effects of other comprehensive income associated with the Company's available for sale portfolio.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law to provide certain relief as a result of COVID-19. As of December 31, 2020, the Company has determined that neither the CARES Act nor changes to income tax laws or regulations in other jurisdictions have a significant impact on our effective tax rate. On December 27, 2020, the Consolidated Appropriations Act, 2021 was signed into law and extends several provisions of the CARES Act. As of December 31, 2020, the Company has determined that neither this Act nor changes to income tax laws or regulations in other jurisdictions have a significant impact on our effective tax rate.

We continue to recognize a full valuation allowance against net deferred tax assets. This determination was based on the assessment of the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. We intend to continue maintaining a full valuation allowance on our deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances.

### **Non-GAAP Financial Measures and Supplemental Financial Information**

We use certain non-GAAP financial measures in evaluating our operating results. We believe that Contribution, Contribution Margin, Adjusted Net Income (Loss), Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Earnings (Loss) Per Share (Adjusted EPS) and Net Cash and Other Financial Assets help identify trends in our core business results and allow for greater transparency with respect to key metrics used by our management in its decision making.

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Our non-GAAP measures have limitations as analytical tools and you should not consider them in isolation. These non-GAAP measures should not be viewed as substitutes for, or superior to, net income (loss) as prepared in accordance with GAAP. In evaluating these non-GAAP measures, you should be aware that in the future we will incur expenses similar to the adjustments in this presentation. There are a number of limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP measures, which include the following:

- Other companies, including companies in our industry, may calculate these measures differently, which may reduce their usefulness as a comparative measure.
- Although depreciation, impairment and amortization are non-cash charges, the assets being depreciated, impaired and amortized may have to be replaced in the future and Adjusted EBITDA and Adjusted EBITDA Margin do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements.
- These measures do not reflect tax payments that may represent a reduction in cash available to us.

#### ***Contribution and Contribution Margin***

Contribution is a non-GAAP financial measure that is calculated as net revenue less “Sales and marketing” and “Origination and servicing” expenses on the Company’s Consolidated 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. These costs represent the costs that are most directly related to generating such revenue. The adjustment for cost structure simplification expense relates to a review of our cost structure and a number of expense initiatives underway, including the establishment of a site in the Salt Lake City area. The expense includes incremental and excess personnel-related expenses associated with establishing our Salt Lake City area site and external advisory fees. The adjustment for restructuring costs included severance and other personnel-related expenses, lease-related expenses and software impairment related to the impact of COVID-19 on the Company’s business. Contribution margin is a non-GAAP financial measure calculated by dividing Contribution by total net revenue.

Contribution and Contribution Margin are measures of overall direct product profitability that our management and board of directors find useful, and believe investors may find useful, in understanding the relationship between costs most directly associated with revenue generating activities and the related revenue, and remaining amount available to support our costs of engineering and product development and other general and administrative expense to evaluate our operating performance and trends. While we believe Contribution and Contribution Margin are useful for the reasons above, they are not an overall measure of our profitability, as they exclude engineering and product development and other general and administrative expenses that are required to run our business. Factors that affect our Contribution and Contribution Margin include revenue mix, variable marketing expenses and origination and servicing expenses.

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The following table shows the calculation of Contribution and Contribution Margin:

Year Ended December 31,	2020	2019	2018
Total net revenue	\$ 314,702	\$ 758,607	\$ 694,812
Sales and marketing expense	(79,055)	(279,423)	(268,517)
Origination and servicing expense	(71,193)	(103,403)	(99,376)
Total direct expenses	(150,248)	(382,826)	(367,893)
Cost structure simplification expense <sup>(1)</sup>	175	7,318	880
Restructuring costs <sup>(2)</sup>	2,064	—	—
Other items <sup>(2)</sup>	373	—	—
Stock-based compensation <sup>(2)</sup>	6,793	9,250	11,684
Income attributable to noncontrolling interests	—	(55)	(155)
Contribution	\$ 173,859	\$ 392,294	\$ 339,328
Contribution margin	55.2 %	51.7 %	48.8 %

<sup>(1)</sup> Contribution excludes the portion of personnel-related expense associated with establishing a site in the Salt Lake City area that is included in the "Sales and marketing" and "Origination and servicing" expense categories.

<sup>(2)</sup> Contribution excludes the portion of expenses included in the "Sales and marketing" and "Origination and servicing" expense categories.

The following table presents a reconciliation of LendingClub net loss to Contribution for each of the periods indicated:

Year Ended December 31,	2020	2019	2018
LendingClub net loss	\$ (187,538)	\$ (30,745)	\$ (128,308)
Engineering and product development expense	139,050	168,380	155,255
Other general and administrative expense	213,021	238,292	228,641
Cost structure simplification expense <sup>(1)</sup>	175	7,318	880
Restructuring costs <sup>(2)</sup>	2,064	—	—
Other items <sup>(2)</sup>	373	—	—
Goodwill impairment expense	—	—	35,633
Class action and regulatory litigation expense	—	—	35,500
Stock-based compensation expense <sup>(2)</sup>	6,793	9,250	11,684
Income tax expense (benefit)	(79)	(201)	43
Contribution	\$ 173,859	\$ 392,294	\$ 339,328
Total net revenue	\$ 314,702	\$ 758,607	\$ 694,812
Contribution margin	55.2 %	51.7 %	48.8 %

<sup>(1)</sup> Contribution excludes the portion of personnel-related expenses 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.

<sup>(2)</sup> Contribution excludes the portion of expenses included in the "Sales and marketing" and "Origination and servicing" expense categories.

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

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, as discussed above, (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 (consisting of certain non-legacy litigation and/or regulatory settlement expenses, gains on disposal of certain assets, and expenses resulting from COVID-19), net of tax. Legacy items are generally those expenses that arose from the decisions of legacy management prior to the board review initiated in 2016 and resulted in the resignation of our former CEO, including legal and other costs associated with ongoing regulatory and government investigations, indemnification obligations, litigation, and termination of certain legacy contracts. In the second quarter of 2020, we added an adjustment to Adjusted Net Income (Loss) for "Restructuring costs" to adjust for severance and other personnel-related expenses, lease-related expenses and software impairment related to the impact of COVID-19 on the Company's business. In the fourth quarter of 2019, we added an adjustment to Adjusted Net Income (Loss) for "Acquisition and related expenses" to adjust for costs related to the acquisition of Radius. In the second quarter of 2019, we added an adjustment to Adjusted Net Income (Loss) and Adjusted EBITDA for "Other items" to adjust for expenses or gains that are not part of our core operating results. We believe Adjusted Net Income (Loss) is an important measure because it directly reflects the financial performance of our business.

Adjusted EBITDA 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) 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, as discussed above, (7) depreciation, impairment and amortization expense, (8) stock-based compensation expense and (9) income tax expense (benefit). We believe that Adjusted EBITDA is an important measure of operating performance because it allows management, investors and our board to evaluate and compare our core operating results, including our return on capital and operating efficiencies, from period to period. Additionally, we utilize Adjusted EBITDA as an input into the Company's calculation of the annual bonus plan. Adjusted EBITDA Margin is a non-GAAP financial measure calculated by dividing Adjusted EBITDA by total net revenue.



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The following table presents a reconciliation of LendingClub net loss to Adjusted Net Income (Loss) and Adjusted EBITDA for each of the periods indicated:

<b>Year Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
LendingClub net loss	\$ (187,538)	\$ (30,745)	\$ (128,308)
Cost structure simplification expense <sup>(1)</sup>	228	9,933	6,782
Goodwill impairment	—	—	35,633
Legal, regulatory and other expense related to legacy issues <sup>(2)</sup>	15,133	19,609	53,518
Acquisition and related expenses <sup>(3)</sup>	13,184	932	—
Restructuring costs <sup>(4)</sup>	17,789	—	—
Other items <sup>(5)</sup>	2,637	2,453	—
Adjusted net income (loss)	\$ (138,567)	\$ 2,182	\$ (32,375)
Depreciation and impairment expense:			
Engineering and product development	40,897	49,207	45,037
Other general and administrative	5,847	6,446	5,852
Amortization of intangible assets	3,122	3,499	3,875
Stock-based compensation expense	61,533	73,639	75,087
Income tax expense (benefit)	(79)	(201)	43
Adjusted EBITDA	\$ (27,247)	\$ 134,772	\$ 97,519
Total net revenue	\$ 314,702	\$ 758,607	\$ 694,812
Adjusted EBITDA margin	(8.7)%	17.8 %	14.0 %

- (1) Includes personnel-related expenses associated with establishing a site in the Salt Lake City area. These expenses are included in “Sales and marketing,” “Origination and servicing,” “Engineering and product development” and “Other general and administrative” expense on the Company’s Consolidated Statements of Operations. In 2019 and 2018, also includes external advisory fees which are included in “Other general and administrative” expense on the Company’s Consolidated Statements of Operations.
- (2) In 2020 and 2019, includes legacy legal expenses, which are included in “Other general and administrative” expense on the Company’s Consolidated Statements of Operations. In 2019, also includes expense related to the dissolution of certain private funds previously managed by LCAM and expense related to the termination of a legacy contract, which are included in “Net fair value adjustments” and “Other general and administrative” expense on the Company’s Consolidated Statements of Operations, respectively. Includes class action and regulatory litigation expense of \$35.5 million for the year ended December 31, 2018, which is included in “Class action and regulatory litigation expense” on the Company’s Consolidated Statements of Operations. In 2018, also includes legacy legal expenses which are included in “Other general and administrative” expense on the Company’s Consolidated Statements of Operations.
- (3) Represents costs related to the acquisition of Radius.
- (4) Includes severance and other personnel-related expenses, lease-related expenses and software impairment related to the impact of COVID-19 on the Company’s business.
- (5) In 2020, includes expenses related to certain non-legacy litigation and regulatory matters, which are included in “Other general and administrative” expense on the Company’s Consolidated Statements of Operations, and one-time expenses resulting from COVID-19, which are included in “Sales and marketing,” “Origination and servicing,” “Engineering and product development” and “Other general and administrative” expense on the Company’s Consolidated Statements of Operations. In 2019, consists of expenses related to certain non-legacy litigation and regulatory matters, which are included in “Other general and administrative” expense on the Company’s Consolidated Statements of Operations. Also includes a gain on the sale of our small business operating segment.

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**Adjusted EPS**

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. We believe that Adjusted EPS is an important measure because it directly reflects the core operating results of our business on a per share basis, which analysts have informed us provides a useful comparison from period to period without unusual or non-recurring items.

The following table presents a calculation of Adjusted EPS for each of the periods indicated:

Year Ended December 31,	2020	2019	2018
	Common and Preferred Stock <sup>(1)</sup>	Common Stock	Common Stock
Adjusted net income (loss) attributable to stockholders	\$ (138,567)	\$ 2,182	\$ (32,375)
Weighted-average shares – diluted <sup>(3)</sup>	90,439,695	87,278,596	84,583,461
Weighted-average other dilutive equity awards	—	515,439	—
Non-GAAP diluted shares <sup>(3)</sup>	90,439,695	87,794,035	84,583,461
Adjusted EPS – diluted <sup>(3)</sup>	\$ (1.53)	\$ 0.02	\$ (0.38)

- (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) See “Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 4. Net Income (Loss) Per Share” and “Note 15. Stockholders' Equity” for additional information.
- (3) 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.

**Supplemental Financial Information**

The following table is provided to delineate between the assets and liabilities belonging to our member payment dependent self-directed retail program (Retail Program) note holders and certain VIEs that we are required to consolidate in accordance with GAAP. Such assets are not legally ours and the associated liabilities are payable only from the cash flows generated by those assets (i.e. Pass-throughs). As such, these debt holders do not have a secured interest in any other assets of LendingClub. We believe this is a useful measure because it illustrates the overall financial stability and operating leverage of the Company.

	December 31, 2020				December 31, 2019			
	Retail Program <sup>(1)</sup>	Consolidated VIEs <sup>(2)(4)</sup>	All Other LendingClub <sup>(3)</sup>	Consolidated Balance Sheet	Retail Program <sup>(1)</sup>	Consolidated VIEs <sup>(2)</sup>	All Other LendingClub <sup>(3)</sup>	Consolidated Balance Sheet
<b>Assets</b>								
Cash and cash equivalents	\$ —	\$ —	\$ 524,963	\$ 524,963	\$ —	\$ —	\$ 243,779	\$ 243,779
Restricted cash	—	13,473	90,049	103,522	—	2,894	240,449	243,343
Securities available for sale	—	—	142,226	142,226	—	—	270,927	270,927
Loans held for investment at fair value	584,066	52,620	—	636,686	881,473	197,842	—	1,079,315
Loans held for investment by the Company at fair value <sup>(4)</sup>	—	46,120	3,834	49,954	—	37,638	6,055	43,693
Loans held for sale by the Company at fair value <sup>(4)</sup>	—	92,802	29,100	121,902	—	—	722,355	722,355
Accrued interest receivable	3,797	1,134	274	5,205	5,930	1,815	5,112	12,857
Property, equipment and software, net	—	—	96,641	96,641	—	—	114,370	114,370
Operating lease assets	—	—	74,037	74,037	—	—	93,485	93,485
Intangible assets, net	—	—	11,427	11,427	—	—	14,549	14,549
Other assets	—	—	96,730	96,730	—	—	143,668	143,668
<b>Total assets</b>	<b>\$ 587,863</b>	<b>\$ 206,149</b>	<b>\$ 1,069,281</b>	<b>\$ 1,863,293</b>	<b>\$ 887,403</b>	<b>\$ 240,189</b>	<b>\$ 1,854,749</b>	<b>\$ 2,982,341</b>
<b>Liabilities and Equity</b>								
Accounts payable	\$ —	\$ —	\$ 3,698	\$ 3,698	\$ —	\$ —	\$ 10,855	\$ 10,855
Accrued interest payable	3,797	721	54	4,572	5,930	1,737	1,593	9,260
Operating lease liabilities	—	—	94,538	94,538	—	—	112,344	112,344
Accrued expenses and other liabilities	—	—	101,457	101,457	—	—	142,636	142,636
Payable to investors	—	—	40,286	40,286	—	—	97,530	97,530
Notes, certificates and secured borrowings at fair value	584,066	52,620	88	636,774	881,473	197,842	2,151	1,081,466

Payable to Structured Program note and certificate holders at fair value	—	152,808	—	152,808	—	40,610	—	40,610
Credit facilities and securities sold under repurchase agreements	—	—	104,989	104,989	—	—	587,453	587,453
Total liabilities	587,863	206,149	345,110	1,139,122	887,403	240,189	954,562	2,082,154
Total equity	—	—	724,171	724,171	—	—	900,187	900,187
<b>Total liabilities and equity</b>	<b>\$ 587,863</b>	<b>\$ 206,149</b>	<b>\$ 1,069,281</b>	<b>\$ 1,863,293</b>	<b>\$ 887,403</b>	<b>\$ 240,189</b>	<b>\$ 1,854,749</b>	<b>\$ 2,982,341</b>

- (1) Represents loans held for investment at fair value that were funded directly by our Retail Program notes. The liabilities are only payable from the cash flows generated by the associated assets. We do not assume principal or interest rate risk on loans facilitated through our lending marketplace that were funded by our Retail Program because loan balances, interest rates and maturities are matched and offset by an equal balance of notes with the exact same interest rates and maturities. We do not retain any economic interests from our Retail Program. Interest expense on Retail Program notes of \$98.3 million and \$148.0 million was equally matched and offset by interest income from the related loans of \$98.3 million and \$148.0 million in 2020 and 2019, respectively, resulting in no net effect on our Net interest income and fair value adjustments.
- (2) Represents assets and equal and offsetting liabilities of certain VIEs that we are required to consolidate in accordance with GAAP, but which are not legally ours. The liabilities are only payable from the cash flows generated by the associated

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assets. The creditors of the VIEs have no recourse to the general credit of the Company. Interest expense on these liabilities owned by third parties of \$123.2 million and net fair value adjustments of \$9.4 million in 2020 were equally matched and offset by interest income on the loans of \$134.6 million, resulting in no net effect on our Net interest income and fair value adjustments. Interest expense on these liabilities owned by third parties of \$70.8 million and net fair value adjustments of \$13.5 million in 2019 were equally matched and offset by interest income on the loans of \$84.3 million, resulting in no net effect on our Net interest income and fair value adjustments. Economic interests held by LendingClub, including retained interests, residuals and equity of the VIEs, are reflected in "Loans held for sale by the Company at fair value," "Loans held for investment by the Company at fair value" and "Restricted cash," respectively, within the "All Other LendingClub" column.

- (3) Represents all other assets and liabilities of LendingClub, other than those related to our Retail Program and certain consolidated VIEs, but includes any economic interests held by LendingClub, including retained interests, residuals and equity of those consolidated VIEs.
- (4) The Company has sponsored Structured Program transactions that have been consolidated, resulting in an increase to "Loans held for investment by the Company at fair value," "Loans held for sale by the Company at fair value" and the related "Payable to Structured Program note and certificate holders at fair value." See "Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 14. Debt" for additional information.

#### Net Cash and Other Financial Assets

The following table provides additional detail related to components of our Net Cash and Other Financial Assets. We believe Net Cash and Other Financial Assets is a useful measure because it illustrates the overall financial stability and operating leverage of the Company. This measure 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.

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Cash and cash equivalents <sup>(1)</sup>	\$ 524,963	\$ 445,180	\$ 338,394	\$ 294,345	\$ 243,779
Restricted cash committed for loan purchases <sup>(2)</sup>	2,692	308	290	4,572	68,001
Securities available for sale	142,226	187,375	221,930	256,554	270,927
Loans held for investment by the Company at fair value <sup>(3)</sup>	49,954	59,099	65,557	71,003	43,693
Loans held for sale by the Company at fair value <sup>(3)</sup>	121,902	180,801	587,093	741,704	722,355
Payable to Structured Program note and certificate holders at fair value <sup>(3)</sup>	(152,808)	(173,410)	(193,034)	(206,092)	(40,610)
Credit facilities and securities sold under repurchase agreements	(104,989)	(120,159)	(480,079)	(621,020)	(587,453)
Other assets and liabilities <sup>(4)</sup>	(7,792)	363	23,916	61,107	(6,226)
<b>Net cash and other financial assets <sup>(5)</sup></b>	<b>\$ 576,148</b>	<b>\$ 579,557</b>	<b>\$ 564,067</b>	<b>\$ 602,173</b>	<b>\$ 714,466</b>

- (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 and the corresponding loan sales.
- (2) Represents cash and cash equivalents that are transferred to restricted cash for loans that are pending purchase by the Company.
- (3) The Company has sponsored Structured Program transactions that have been 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 at fair value." See "Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 14. Debt" for additional information.

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- (4) “Other assets and liabilities” is a total of “Accrued interest receivable,” “Other assets,” “Accounts payable,” “Accrued interest payable” and “Accrued expenses and other liabilities,” included on our 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.
- (5) Comparable GAAP measure cannot be provided as not practicable.

**Segment Information**

The Company defines its operating segments by the loan product types of personal, education and patient finance, and auto. While each of these product types are considered operating segments, they are aggregated to represent one reportable segment as the education and patient finance and auto loan operating segments are immaterial both individually and in the aggregate. With the acquisition of Radius, the Company is in the process of reorganizing its management structure and defining its operating segments.

**Investments in Quarterly Originations by Investment Channel and Investor Concentration**

During 2020, our investment channels consisted of (1) Managed accounts and Other institutional investors, which primarily include other non-bank investors, dedicated third-party funds, and public and private funds managed by third-party asset managers, (2) Banks, which are deposit taking institutions or their affiliates, (3) self-directed retail investors, and (4) LendingClub inventory, which includes loan originations purchased by the Company during the period and not yet sold as of the period end.

The following table shows the percentage of loan origination volume issued in the period and purchased or pending purchase by each investment channel as of the end of each period presented:

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
<b>Investor Type:</b>					
Managed accounts	51 %	44 %	10 %	16 %	17 %
Banks	33 %	41 %	68 %	43 %	32 %
Self-directed retail investors	8 %	13 %	17 %	4 %	3 %
Other institutional investors	7 %	— %	— %	17 %	25 %
LendingClub inventory <sup>(1)</sup>	1 %	2 %	5 %	20 %	23 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

- (1) 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.

The loan origination volume decrease in the fourth quarter of 2020 compared to fourth quarter of 2019 was driven by tighter underwriting criteria due to the impact of COVID-19. This reduction in investor demand resulted in mix changes across our investment channels. In addition, in response to COVID-19 and the related capital market dislocation and planning for the acquisition of Radius, the Company significantly reduced using its own capital to fund the purchase of loans.

Now that LendingClub has become a full-spectrum marketplace bank, we have started development of new products aimed to better serve our customers. As part of this strategic initiative, as previously disclosed in the Current Report on Form 8-K filed on October 7, 2020, LendingClub ceased offering and selling Retail Notes to self-directed retail investors as of December 31, 2020.

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The following table provides the percentage of loans invested in by the ten largest external investors and by the largest single investor during each of the previous five quarters (by dollars invested):

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Percentage of loans invested in by ten largest investors	82 %	83 %	77 %	56 %	51 %
Percentage of loans invested in by largest single investor	26 %	23 %	22 %	21 %	19 %

The composition of the top ten investors may vary from period to period. During the fourth quarter of 2020, the percentage of loans invested in by the Company's ten largest investors increased compared to the prior year, as a result of a decrease in loan origination volume and an increase in the mix of loans purchased on our platform by bank and managed account investors. A reduction in investor demand furthered investor concentration to a limited number of purchasers that are continuing to purchase loans but are currently doing so at lower volumes relative to historical purchasing activity.

### **Effectiveness of Scoring Models**

Our ability to attract borrowers and investors to our lending marketplace is significantly dependent on our platform's ability to effectively evaluate a borrower's credit profile.

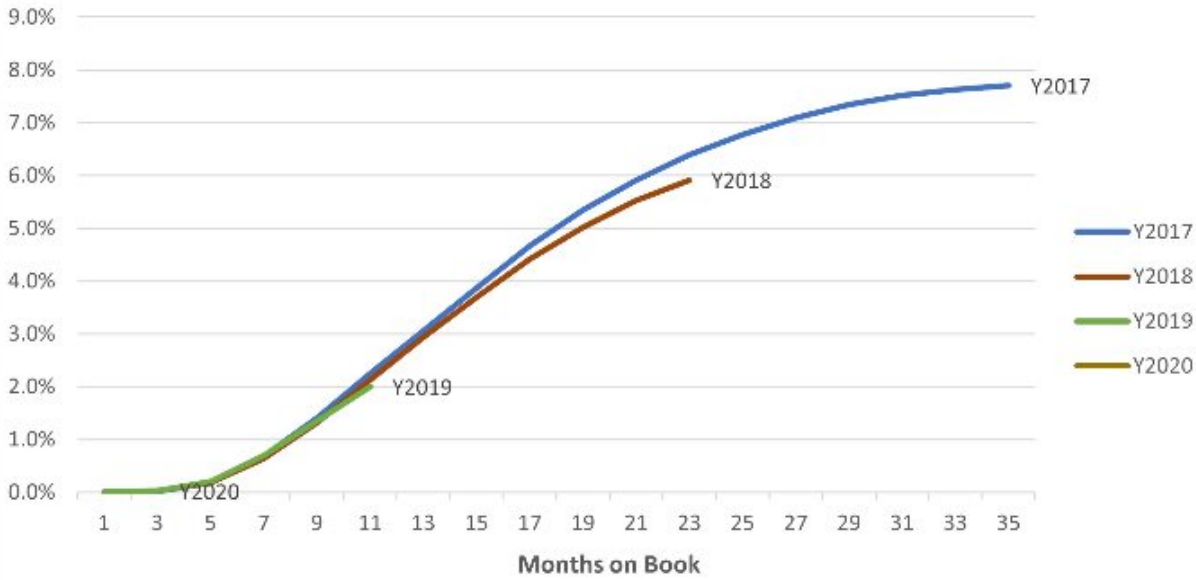
Our online lending marketplace platform's credit decisioning and scoring models are evaluated on a regular basis and the additional data on loan history experience, borrower behavior and prepayment trends that we accumulate are leveraged to continually improve our underwriting models. We believe we have the experience to effectively evaluate a borrower's creditworthiness and likelihood of default. If our lending marketplace's credit decisioning and scoring models ultimately prove to be ineffective or fail to appropriately account for a decline in future macroeconomic environment, investors may experience higher than expected losses.

Our current underwriting model leverages a number of custom attributes developed by LendingClub. We modify our credit and pricing policies, leveraging insights on current market conditions and recent vintage performance.

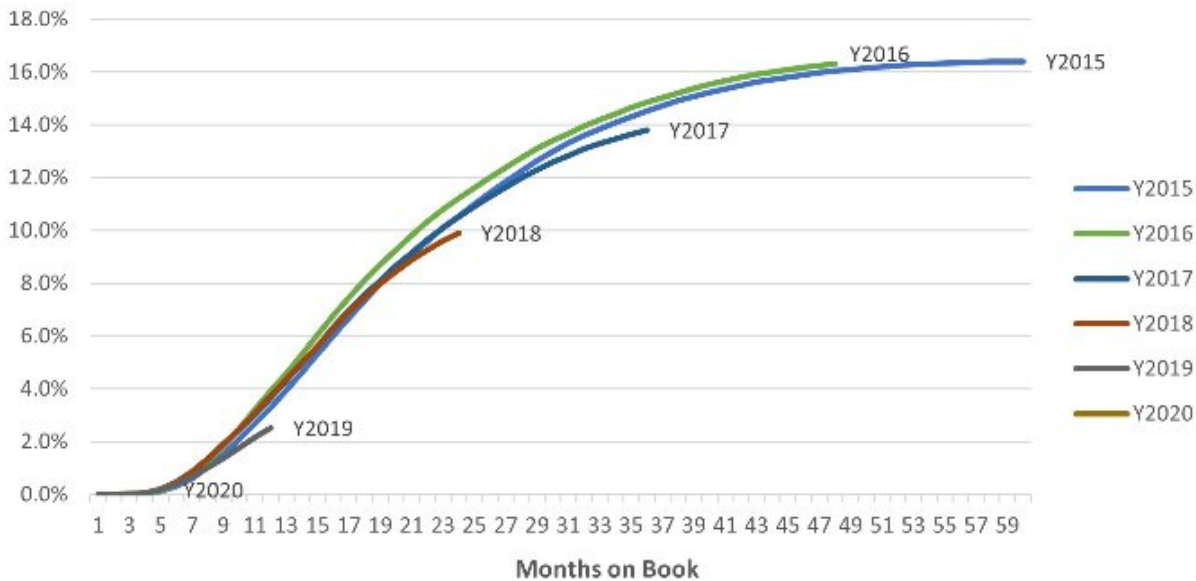
The charts provided below display the historical lifetime cumulative net charge-off rates (expressed as a percent of original loan balances) through December 31, 2020, by booking year, for all standard program loans and 36-month or 60-month terms for each of the years shown. The charts display lifetime cumulative net charge-off rates using months on book for each annual vintage presented. Each annual vintage's lifetime cumulative net charge-offs vary based on the maturity of each loan's month on book. In the fourth quarter and year ended December 31, 2020, standard program loans accounted for 68% and 69%, respectively, of all loan origination volume.

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**Net Cumulative Lifetime Charge-off Rates  
All 36 Month Standard Program Personal Loans**



**Net Cumulative Lifetime Charge-off Rates  
All 60 Month Standard Program Personal Loans**





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**Loan Portfolio Information and Credit Metrics**

***Fair Value and Delinquencies***

For loans held for investment that are backed by notes, certificates and secured borrowings on our Consolidated Balance Sheets, the outstanding principal balance, fair value and percentage of loans that are delinquent, by loan product, are as follows:

(in millions, except percentages)	December 31, 2020			December 31, 2019		
	Outstanding Principal Balance	Fair Value <sup>(1)</sup>	Delinquent Loans <sup>(1)</sup>	Outstanding Principal Balance	Fair Value <sup>(1)</sup>	Delinquent Loans <sup>(1)</sup>
Personal loans – standard program	\$ 679.6	93.6 %	1.9 %	\$ 1,144.8	93.9 %	3.1 %
Personal loans – custom program	0.3	93.7	9.8	4.1	94.8	5.7
<b>Total</b>	<b>\$ 679.9</b>	<b>93.6 %</b>	<b>1.9 %</b>	<b>\$ 1,148.9</b>	<b>93.9 %</b>	<b>3.1 %</b>

<sup>(1)</sup> Expressed as a percent of outstanding principal balance.

For loans invested in directly by the Company for which there were no associated notes, certificates or secured borrowings, the outstanding principal balance, fair value and percentage of loans that are delinquent, by loan product, are as follows:

(in millions, except percentages)	December 31, 2020			December 31, 2019		
	Outstanding Principal Balance <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Delinquent Loans <sup>(3)</sup>	Outstanding Principal Balance <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Delinquent Loans <sup>(3)</sup>
Personal loans – standard program	\$ 171.3	91.2 %	2.4 %	\$ 597.9	96.5 %	0.8 %
Personal loans – custom program	5.7	92.6	4.0	92.8	98.1	0.4
Other loans <sup>(1)</sup>	12.0	85.9	12.7	103.7	94.7	3.9
<b>Total</b>	<b>\$ 189.0</b>	<b>90.9 %</b>	<b>3.1 %</b>	<b>\$ 794.4</b>	<b>96.4 %</b>	<b>1.2 %</b>

<sup>(1)</sup> Components of other loans are less than 10% of the outstanding principal balance if presented individually.

<sup>(2)</sup> Includes both loans held for investment and loans held for sale.

<sup>(3)</sup> Expressed as a percent of outstanding principal balance.

Decreases in the fair value of total loans invested in by the Company as a percent of outstanding principal balance from December 31, 2019 to December 31, 2020 were primarily due to changes in market conditions, including an increase in estimated expected credit losses and an increase in liquidity premium due to market dislocation relating to COVID-19. In addition, loans to eligible borrowers participating in Skip-a-Pay are not considered delinquent during the commensurate period the loan is extended.

***Net Annualized Charge-Off Rates***

The following tables show annualized net charge-off rates, which are a measure of the performance of the loans facilitated by our platform. In contrast to the graphs above, these tables show the annualized charged-off balance of loans in a specific period as a percentage of the average outstanding balance for such period.

Net annualized charge-off rates are affected by the average age and grade distribution of the loans outstanding for a given quarter and the credit performance of those loans. Additionally, in any particular quarter the portfolios include loans from past vintages that were originated under prior credit underwriting parameters, and thus do not reflect the current credit underwriting parameters used to originate new loans.



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The annualized net charge-off rates for personal loans for both standard and custom programs in total for the last five quarters were as follows:

<b>Total Platform <sup>(1)</sup></b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>June 30, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Personal loans – standard program:</b>					
Annualized net charge-off rate	6.2 %	3.9 %	6.5 %	6.4 %	7.0 %
Weighted-average age in months	18.1	16.8	15.0	12.9	12.5
<b>Personal loans – custom program:</b>					
Annualized net charge-off rate	10.9 %	6.4 %	11.4 %	10.6 %	11.5 %
Weighted-average age in months	16.3	14.8	12.5	10.1	9.4

<sup>(1)</sup> Total platform comprises all loans facilitated through our lending marketplace, including whole loans sold and loans financed by notes, certificates and secured borrowings, but excluding education and patient finance loans, auto refinance loans and small business loans.

The annualized net charge-off rate in the fourth quarter of 2020 compared to the fourth quarter of 2019 decreased for both the standard and custom personal loan programs. The decrease was primarily due to improved performance from customers who have never taken a hardship plan, partially offset by a higher charge-off rate from customers who have enrolled in a hardship plan.

The increase in the weighted-average age in months in the fourth quarter of 2020 compared to the fourth quarter of 2019 for both the standard and custom personal loan programs is primarily due to lower origination volume and the aging of the existing platform portfolio.

The annualized net charge-off rates for personal loans for both standard and custom programs for loans retained on our Consolidated Balance Sheets for the last five quarters were as follows:

<b>Loans Retained on Balance Sheet <sup>(1)</sup></b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>June 30, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Personal loans – standard program:</b>					
Annualized net charge-off rate	5.0 %	1.5 %	4.3 %	4.7 %	7.1 %
Weighted-average age in months	16.3	15.6	12.8	11.0	12.4
<b>Personal loans – custom program:</b>					
Annualized net charge-off rate	18.8 %	3.4 %	5.6 %	(2.6)%	1.6 %
Weighted-average age in months	10.0	8.6	6.4	4.7	3.9

<sup>(1)</sup> Loans retained on balance sheet include loans invested in by the Company as well as loans held for investment that are funded directly by member payment dependent notes related to our Retail Program and certificates.

The decrease in annualized net charge-off rates for the standard personal loan program in the fourth quarter of 2020 compared to the fourth quarter of 2019 for the loans retained on our Consolidated Balance Sheets primarily reflects a greater decrease in actual net charge-offs proportionate to the decrease in outstanding loan balances. The decrease in actual net charge-offs primarily reflects the effect of Payment Plans to provide relief to those impacted by COVID-19 and improved performance from customers who have never taken a hardship plan.

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**Regulatory Environment**

We are regularly subject to claims, individual and class action lawsuits, lawsuits alleging regulatory violations, government (including state agencies) and regulatory exams, investigations, inquiries or requests, and other proceedings. The number and significance of these claims, lawsuits, exams, investigations, inquiries, requests and proceedings have been increasing in part because our business expanded in scope and geographic reach, and our products and services increased in complexity. At this time, the Company is not able to project the impact of becoming a bank holding company operating a national bank on the number or significance of such matters.

*State Inquiries and Licensing*

We have historically conducted business through nonbank entities, some of which maintain or maintained various financial services licenses in numerous jurisdictions. Much of our business activity is now conducted through the Bank pursuant to the laws applicable to national banks. Nevertheless, our nonbank entities continue to maintain certain state licenses and may continue to be subject to the regulation, supervision and enforcement of various state regulatory authorities with respect to the legacy or residual activities.

We are subject to examination by the New York Department of Financial Services (NYDFS) and regulators in other states with respect to the period prior to our acquisition of Radius and becoming a bank holding company operating a national bank. These exams have included the application of state usury rates and lending arrangements where a bank or other third party has made a loan and then sells and assigns it to an entity that is engaged in assisting with the origination or servicing of a loan. For example, in July 2018, the NYDFS issued an Online Lending Report (Lending Report). The Lending Report included, among other things, an analysis of the online lenders operating in New York including their methods of operations, lending practices, interest rates and costs, products offered and complaints and investigations relating to online lenders. The Lending Report also included information and recommendations regarding protecting New York's markets and consumers. Although the Lending Report noted that the rapid growth of online lending demonstrates there is value to new technologies that allow financial institutions to connect with borrowers in new ways, it noted that in many cases an online lender is the "true lender" and that lending in New York, whether through banks, credit unions or online lenders, should be subject to applicable usury limits. We have periodically had discussions with various regulatory agencies regarding our historical business model and engaged in similar discussions with the NYDFS and other regulators. During the course of such discussions, we decided to voluntarily comply with certain rules and regulations.

Prior to discontinuing the offer and sale of Retail Notes in December 2020, the Company undertook a review of its portfolio of licenses and had discussions with regulators in Texas, Arizona, New York, Florida and North Dakota concerning the registrations required for the Company's issuance of Retail Notes to investors in these states and applied for registrations in these states to facilitate these operations. The Company had discussions with certain of these regulators to resolve concerns regarding the Company's historical licensing/registration status in connection with Retail Notes issued and reached resolutions with Texas, Arizona and North Dakota to resolve their concerns, the outcome of which is not material to the Company's operations or financial position. The Company is not able to predict with certainty the timing, outcome, or consequence of discussions, with the remaining states, including in relation to whether and how any concerns those states have will be resolved. Discussions with these remaining states could result in fines or other penalties, which are not expected to have a material adverse impact on the Company's operations or results of operations.

*Regulatory Actions Taken in Relation to COVID-19*

Regulators and government officials at the federal government level and in states across the country have issued orders, passed laws or otherwise issued guidance in connection with COVID-19. Some of these orders and laws have placed restrictions on debt collection activity, all or certain types of communications with delinquent borrowers or others, required that borrowers be allowed to defer payments on outstanding debt, govern credit

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reporting and the use of credit reporting, and placed certain restrictions and requirements on operations in the workplace. We have taken steps to monitor regulatory developments relating to COVID-19 and to comply with orders and laws applicable to our business. Given the ongoing nature of the pandemic, it is possible that additional orders, laws, or regulatory guidance may still be issued. The Company is not able to predict the extent of the impact on its business from any regulatory activity relating to or resulting from COVID-19.

#### *Consequences*

If we are found to not have complied with applicable laws, regulations or requirements, we could: (i) lose one or more of our licenses or authorizations, (ii) become subject to a consent order or administrative enforcement action, (iii) face lawsuits (including class action lawsuits), sanctions, penalties, or other monetary losses due to judgments, orders, or settlements, (iv) be in breach of certain contracts, which may void or cancel such contracts, (v) decide or be compelled to modify or suspend certain of our business practices, (vi) be unable to execute on certain Company initiatives, or (vii) be required to obtain a license in such jurisdiction, which may have an adverse effect on our ability to operate and/or evolve our lending marketplace and other products and/or services; any of which may harm our business or financial results.

See “Part I – Item 1. Business – Regulation and Supervision,” “Part I – Item 1A. Risk Factors – Risks Related to Regulation, Supervision and Compliance,” and “Part I – Item 1A. Risk Factors – Risks Related to Operating Our Business” for further discussion regarding our regulatory environment.

#### **Liquidity and Capital Management**

##### *Liquidity*

Our short-term liquidity needs historically have been satisfied through cash generated from the operations of facilitating loan originations, servicing fee revenue, proceeds from the sales of loans (both as whole loan sales and through Structured Program transactions), principal and interest received on loans invested in by the Company, use of existing cash and cash equivalents, and draws on our credit facilities. Market dislocations from COVID-19 throughout 2020 resulted in a significant reduction in loan origination volume, which impacted transaction fee revenue.

We prepared for the acquisition of Radius in part by selling approximately \$470 million of HFS loans in the second half of 2020 and reducing leverage through eliminating the Company's use of credit facilities, with the objective of realizing the significant value we believe this acquisition creates for the Company. Funding activities were reduced to prioritize excess cash for the completion of the Radius transaction and to inject additional capital to the Bank at the close of the acquisition to facilitate future growth. Further, to prepare for the transition to a bank-based liquidity management framework and the migration of operations into the Bank, the Company ceased the purchase of loans for Structured Program transactions.

The acquisition will enhance our liquidity management strategy by diversifying our funding sources and providing greater stability to our earnings. The stable and lower-cost deposit base will be leveraged to enable marketplace loan origination growth and the opportunity to retain loans for investment. We believe this will strengthen the resiliency of our business model by limiting our reliance on higher-cost and more volatile liquidity sources, including wholesale funding and Structured Program transactions, and reduce our balance sheet's exposure to fluctuations in fair values during periods of market disruptions. Additionally, fee revenue from our marketplace lending activities and net interest income from loans retained on the balance sheet will generate additional liquidity and capital to facilitate loan growth. These activities will become our principal source of cash flows generated from operations. The acquisition also provides access to conduct secured borrowings through the Federal Home Loan Bank system and the Federal Reserve's discount window.

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See “*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 14. Debt*” for further information.

We may use our cash, cash equivalents and securities available for sale as additional sources of liquidity. Our cash and cash equivalents of \$525.0 million as of December 31, 2020 are primarily held in interest-bearing deposit accounts at investment-grade financial institutions. We used approximately \$395 million of our cash on hand to complete the Radius acquisition, including a \$250 million infusion to further capitalize the Bank. Consistent with the bank holding company serving as a source of strength for the Bank, the remaining cash balance, excluding restricted cash, will be available to maintain liquidity and capital at the bank holding company.

Principal and interest payments due on our legacy notes and certificates are paid only when received from borrowers on the corresponding retained loans, resulting in no material impact to our liquidity.

Future cash requirements include certain contingent liabilities, including litigations and ongoing regulatory and government investigations primarily related to outstanding legacy issues. As of December 31, 2020 and 2019, we had \$21.6 million and \$16.0 million in accrued contingent liabilities, respectively, but actual cash payments may vary if outcomes of legal actions or settlements are different. See “*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19. Commitments and Contingencies*” for further information.

We believe, based on our projections, that our cash flow from operations are sufficient to meet our liquidity needs for the next twelve months. See “*Item 8. Financial Statements and Supplementary Data – Consolidated Statements of Cash Flows*” for additional detail regarding our cash flows.

#### **Capital Management**

Net capital expenditures were \$31.1 million, or 10% of total net revenue, \$50.7 million, or 7% of total net revenue, and \$53.0 million, or 8% of total net revenue, for the years ended December 31, 2020, 2019 and 2018, respectively. Capital expenditures generally consist of internally developed software, leasehold improvements and computer equipment. Capital expenditures in 2021 are expected to be approximately \$40 million, primarily related to costs associated with the continued development and support of our online lending marketplace platform.

With the Radius acquisition and the ensuing shift in our business model to holding more loans on the balance sheet of the Bank, the prudent management of capital is fundamental to the successful achievement of our business initiatives. We actively manage capital through a process that continuously assesses and monitors the Company's overall capital adequacy. Our objective is to maintain capital at an amount commensurate with our risk profile and risk tolerance objectives, and to meet both regulatory and market expectations.

The formation of the Bank as a nationally chartered association and the organization of the Company as a bank holding company subjects us to various capital adequacy guidelines issued by the OCC and FRB, including the requirement to maintain regulatory capital ratios in accordance with the Basel Committee on Banking Supervision standardized approach for U.S. banking organizations (U.S. Basel III). The capital requirements in order to be regarded as a well-capitalized institution under the U.S. Basel III capital framework are as follows: a common equity Tier 1 risk-based capital ratio of 6.5%, a Tier 1 risk-based capital ratio of 8.0%, a total risk-based capital ratio of 10.0%, and a Tier 1 leverage ratio of 5.0%. In addition to these guidelines, the banking regulators may require a banking organization to maintain capital at levels higher than the minimum ratios prescribed under the U.S. Basel III capital framework. In this regard, and unless otherwise directed by the OCC, we have made commitments for the Bank to maintain a common equity Tier 1 risk-based capital ratio of 11%, a Tier 1 risk-based capital ratio above 11%, a total risk-based capital ratio above 13% and a Tier 1 leverage ratio of 11% for a minimum of three years following its formation.

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For further information on the U.S. Basel III framework, see “*Part I – Item 1. Business – Regulation and Supervision – Regulatory Capital Requirements and Prompt Corrective Action.*”

### **Contingencies**

For a comprehensive discussion of contingencies as of December 31, 2020, see “*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19. Commitments and Contingencies.*”

### **Off-Balance Sheet Arrangements**

At both December 31, 2020 and 2019, a total of \$5.5 million in standby letters of credit were outstanding related to certain financial covenants required for our leased facilities. To date, no amounts have been drawn against the letters of credit, which renew annually and expire at various dates through July 2026.

In the ordinary course of business, we engage in other activities that are not reflected on our Consolidated Balance Sheets, generally referred to as off-balance sheet arrangements. These activities involve our Structured Program transactions with unconsolidated variable interest entities including Company-sponsored securitizations and Certificate Program transactions. These transactions are used by the Company to provide a source of liquidity to finance our business and to diversify our investor base. The Company retains at least 5% of securities and residual interests from these transactions and enters into a servicing arrangement with the unconsolidated variable interest entity. We are exposed to market risk in the securitization market. We provide additional information regarding transactions with unconsolidated variable interest entities in “*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 7. Securitizations and Variable Interest Entities.*”

### **Critical Accounting Estimates**

Our significant accounting policies are described in “*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 2. Summary of Significant Accounting Policies*” of the consolidated financial statements. We consider certain of these policies to be critical accounting policies as they require significant judgments, assumptions and estimates which we believe are critical in understanding and evaluating our reported financial results. These judgments, estimates and assumptions are inherently subjective and actual results may differ from these estimates and assumptions, and the differences could be material.

### ***Fair Value of Loans Held for Investment, Loans Invested in by the Company, Notes and Certificates***

We have elected the fair value option for loans held for investment and related notes and certificates, as well as loans invested in by the Company. We primarily use a discounted cash flow model to estimate fair value based on the present value of estimated future cash flows. This model uses both observable and unobservable inputs and reflects our best estimates of the assumptions a market participant would use to calculate fair value. The following describes the primary inputs that require significant judgment:

Expected loss rates – Expected loss rates are estimates of the principal payments that will not be repaid over the life of a loan held for investment, loan invested in by the Company, note or certificate. Expected loss rates are adjusted to reflect the expected principal recoveries on charged-off loans. Expected loss rates are primarily based on the historical performance of the loans facilitated on our platform but also incorporate discretionary adjustments based on our expectations of future credit performance.

Prepayments – Prepayments are estimates of the amount of principal payments that will occur before they are contractually required during the life of a loan held for investment, loan invested in by the Company, note or certificate. Prepayments reduce the projected principal balances, interest payments and expected time loans are

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outstanding. Prepayment expectations are primarily based on the historical performance of the loans facilitated on our platform but also incorporate discretionary adjustments based on our expectations of future loan performance.

**Discount rates** – The discount rates applied to the expected cash flows of loans held for investment and related notes and certificates, as well as loans invested in by the Company, reflect our estimates of the rates of return that investors would require when investing in financial instruments with similar risk and return characteristics.

#### ***Fair Value of Asset-backed Securities related to Structured Program Transactions***

We classify asset-backed securities related to Structured Program transactions as securities available for sale. These securities are recorded at fair value and unrealized gains and losses are reported, net of taxes, in “Accumulated other comprehensive income (loss)” in the Company’s Consolidated Balance Sheets unless management determines that a security is impaired due to a deterioration in expected cash flows, in which case the unrealized loss is recognized in earnings as a valuation allowance for credit losses.

We estimate fair value based on the price of transactions for similar instruments if available. If market observable prices are not available, we use a discounted cash flow model to estimate fair value based on the present value of estimated future cash flows. This model uses inputs that are both observable and not observable and reflect our best estimates of the assumptions a market participant would use to calculate fair value. The following describes the primary inputs that require significant judgment:

**Expected loss rates** – Expected loss rates are estimates of the principal payments that will not be repaid over the life of loans backing the security. Expected loss rates are adjusted to reflect the expected principal recoveries on charged-off loans. Expected loss rates are primarily based on the historical performance of the loans facilitated on our platform but also incorporate discretionary adjustments based on our expectations of future credit performance.

**Prepayments** – Prepayments are estimates of the amount of principal payments that will occur before they are contractually required during the life of loans backing the security. Prepayments reduce the projected principal balances, interest payments and expected time loans are outstanding. Prepayment expectations are primarily based on the historical performance of the loans facilitated on our platform but also incorporate discretionary adjustments based on our expectations of future loan performance.

**Discount rates** – The discount rates for asset-backed securities reflect our estimates of the rates of return that investors would require when investing in financial instruments with similar risk and return characteristics. The primary source of discount rate observations is the rate of return implied by sales of comparable asset-backed securities.

#### ***Fair Value of Servicing Assets***

We record servicing assets at their estimated fair values when we sell loans or we assume or acquire a servicing obligation whereby the underlying loans are not included in our financial statements. The gain or loss on a loan sale is recorded separately in “Gain on sales of loans” in our Consolidated Statements of Operations while the component of the gain or loss that is based on the degree to which the contractual servicing fee is above or below an estimated market servicing rate is recorded as a servicing asset. Servicing assets are reported in “Other assets” on our Consolidated Balance Sheets. Changes in the fair value of servicing assets are reported in “Investor fees” on our Consolidated Statements of Operations in the period in which the changes occur.

We use a discounted cash flow model to estimate the fair values of loan servicing assets. The cash flows in the valuation model represent the difference between the servicing fees charged and an estimated market servicing rate. Since servicing fees are generally based on the monthly unpaid principal balance of the underlying loans, the

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expected cash flows in the model incorporate estimated net expected losses and expected prepayments. The significant assumptions used in valuing our servicing assets are:

Market servicing rates – We consider market servicing rates as those rates which a market participant would require to service the loans that we sell. We estimate these market servicing rates based on our review of available observable market servicing rates.

Discount rates – The discount rates for loan servicing rights reflect our estimates of the rates of return that investors in servicing rights for unsecured consumer credit obligations would require when investing in similar servicing rights.

We also incorporate estimates of net losses and prepayments in our estimation of fair value of servicing assets. These inputs are consistent with the assumptions used in the valuation of loans held for investment and related notes and certificates, as well as loans invested in by the Company.

***Loss Contingencies***

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities in “Accrued expenses and other liabilities” in the Company’s Consolidated Balance Sheets. Associated legal expense is recorded in “Other general and administrative” expense or in “Class action and regulatory litigation expense” for the losses associated with the securities class action lawsuits, as described in “*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19. Commitments and Contingencies,*” in the Company’s Consolidated Statements of Operations. Such liabilities and associated expenses are recorded when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. The Company will also disclose a range of exposure to incremental loss when such amounts are reasonably possible and can be estimated. In estimating the Company’s exposure to loss contingencies, if an amount within the estimated range of loss is the best estimate, that amount will be accrued. However, if there is no amount within the estimated range of loss that is the best estimate, the Company will accrue the minimum amount within the range, and disclose the amount up to the high end of the range as an exposure to incremental loss, if such amount is considered reasonably possible. Such estimates are based on the best information available at the time. As additional information becomes available, we reassess the potential liability and record an adjustment to our estimate in the period in which the adjustment is probable and an amount or range can be reasonably estimated. The determination of an expected contingent liability and associated litigation expense requires the Company to make assumptions related to the outcome of these matters. Due to the inherent uncertainties of loss contingencies, our estimates may be different than the actual outcomes.

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**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

Market risk represents the risk of potential losses arising from changes in interest rates, foreign exchange rates, equity prices, commodity prices and/or other relevant market rates or prices. The primary market risk to which we are exposed is interest rate risk. Interest rate risk arises from financial instruments including loans, securities and borrowings, as well as servicing assets, all entered into for purposes other than trading. We have experienced significant dislocation in the capital markets due to COVID-19. See “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Overview” for additional information.

The acquisition of Radius has significantly changed our interest rate risk profile. Loans held for investment will be funded primarily through the Radius deposit base, and the majority of loans on the balance sheet, at any point in time, will be retained in the held-for-investment portfolio and be accounted for at amortized cost. As a result, the primary component of interest rate risk on our financial instruments will arise from the impact of fluctuations in loan and deposit rates on our net interest income. We will measure this sensitivity by assessing the impact of hypothetical changes in interest rates on our net interest income results. Our legacy portfolio of Loans Invested in by the Company at fair value will decline over time. Consequently, the impact of interest rate changes on the fair value of the legacy portfolio will decrease as the portfolio runs off.

As the Radius acquisition was completed in the first quarter of 2021, the following interest rate sensitivity simulations at December 31, 2020 and 2019 do not include Radius financial instruments.

**Interest Rate Sensitivity**

*Loans Invested in by the Company.* As of December 31, 2020 and 2019, we were exposed to interest rate risk on \$171.9 million and \$766.0 million of loans invested in by the Company at fair value, respectively, which have fixed interest rates. Any realized or unrealized losses from interest rate changes are recorded in earnings. The following table presents the impact to the fair value of loans invested in by the Company due to a hypothetical change in interest rates as of December 31, 2020 and 2019:

<b>December 31,</b>	<b>Loans Invested in by the Company</b>	
	<b>2020</b>	<b>2019</b>
Fair value	\$ 171,856	\$ 766,048
Interest rates		
100 basis point increase	\$ (1,692)	\$ (9,806)
100 basis point decrease	\$ 1,721	\$ 10,014

*Securities Available for Sale.* As of December 31, 2020 and 2019, we were exposed to interest rate risk on \$142.2 million and \$270.9 million of securities available for sale, respectively, including \$142.0 million and \$220.1 million, respectively, of asset-backed securities related to Structured Program transactions. To manage this risk, we limit and monitor maturities, credit ratings, performance of loans underlying Structured Program transactions and concentrations within the investment portfolio.

The following table presents the impact to the fair value of securities available for sale due to a hypothetical change in interest rates as of December 31, 2020 and 2019:

<b>December 31,</b>	<b>Securities Available for Sale</b>	
	<b>2020</b>	<b>2019</b>
Fair value	\$ 142,226	\$ 270,927
Interest rates		
100 basis point increase	\$ (1,145)	\$ (2,313)
100 basis point decrease	\$ 1,145	\$ 2,301



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*Servicing Assets.* As of December 31, 2020 and 2019, we were exposed to interest rate risk from our servicing assets of \$56.3 million and \$89.7 million, respectively. The following table presents the impact to the fair value of servicing assets due to a hypothetical change in the expected prepayment rates as of December 31, 2020 and 2019:

<b>December 31,</b>	<b>Servicing Assets</b>	
	<b>2020</b>	<b>2019</b>
Fair value	\$ 56,347	\$ 89,680
Expected prepayment rates		
10 percent increase	\$ (1,596)	\$ (2,962)
10 percent decrease	\$ 1,596	\$ 2,962

The fair values of certain of our assets and liabilities are sensitive to changes in interest rates. Fixed rate assets may decline in value due to a rise in interest rates, while floating rate assets may produce less income than expected if interest rates fall. The impact of changes in interest rates would be reduced by the fact that increases or decreases in fair values of assets would be partially offset by corresponding changes in fair values of liabilities.

*Credit Facilities and Securities Sold Under Repurchase Agreements.* As of December 31, 2020, all previously existing credit facilities were fully repaid and terminated and the securities sold under repurchase agreements bore fixed interest rates, therefore, we were not exposed to any interest rate risk. As of December 31, 2019, we were exposed to interest rate risk on \$387.3 million of funding under the Personal Loan and Auto Loan Warehouse Credit Facilities, \$60.0 million of funding under the Revolving Facility and \$140.2 million of funding under our securities sold under repurchase agreements.

As described above, because we were not exposed to any interest rate risk related to our credit facilities and securities sold under repurchase agreements at December 31, 2020, the following table presents the impact to the annualized interest expense due to a hypothetical change in the one-month LIBOR rate as of December 31, 2019:

<b>December 31,</b>	<b>Credit Facilities and Securities Sold Under Repurchase Agreements</b>	
	<b>2019</b>	
Carrying value	\$	587,453
One-month LIBOR		
100 basis point increase	\$	5,875
100 basis point decrease	\$	(5,875)

*Cash and Cash Equivalents.* As of December 31, 2020 and 2019, we had cash and cash equivalents of \$525.0 million and \$243.8 million, respectively. These amounts were held primarily in interest-bearing deposits at investment grade financial institutions, institutional money market funds, certificates of deposit, and commercial paper, which are short-term. Due to their short-term nature, we do not believe we have material exposure to changes in the fair value of these liquid investments as a result of changes in interest rates.

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### Item 8. Financial Statements and Supplementary Data

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# LENDINGCLUB CORPORATION

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of LendingClub Corporation:

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of LendingClub Corporation and subsidiaries (the “Company”) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders’ equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 11, 2021, expressed an unqualified opinion on the Company’s internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### Valuation of Level 3 Financial Assets including Unobservable Inputs therein

- Securities Available for Sale – See *Note 5. Securities Available for Sale*
- Fair Value of Assets and Liabilities – See *Note 8. Fair Value of Assets and Liabilities*
- Other Assets – Loan Servicing Assets at Fair Value – See *Note 10. Other Assets*

### Critical Audit Matter Description

In structured program transactions that meet the applicable criteria to be accounted for as a sale, the Company retains certain asset-backed securities including subordinated residual interests and CLUB Certificates, which are classified as securities available for sale. Additionally, the Company has servicing assets related to the ongoing servicing of whole loans previously sold. The fair value of each of these Level 3 assets are estimated using discounted cash flow models and include unobservable inputs.

Auditing the models and unobservable inputs used by management to estimate the fair value of these Level 3 assets involves subjective and complex judgments.

### How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the models and unobservable inputs used by management to estimate the fair value of these Level 3 assets included the following key procedures:

- We tested the effectiveness of controls over the valuation of asset-backed securities including subordinated residual interests and CLUB Certificates, and the valuation of servicing assets, including controls related to price calibration, discount rate, loss curves and prepayment curves.
- We gained an understanding of the significance of inputs and assumptions using sensitivity analysis, identifying relevant inputs and assumptions for further testing.
- We gained an understanding of the relevant assumptions used in valuation of servicing rights and evaluated management's study on market rate of servicing and their expectation of ancillary fees based on historical averages and other estimates.
- We attended the quarterly valuation committee meetings and observed if members of the committee challenge the estimates and assumptions made by the credit risk and loss forecasting teams. We obtained and reviewed management's written policies and procedures to derive the fair value of these assets and determined if valuations were appropriately approved by management.
- We compared management's assumptions to external sources, including the Company's comparable market transaction data, where available.
- With the assistance of our fair value specialists, we developed independent estimates of fair values and compared our estimates to the Company's estimates.

### **Valuation and Disclosure of Litigation and Regulatory Matters**

- Commitments and Contingencies – See *Note 19. Commitments and Contingencies*

#### Critical Audit Matter Description

The accrued contingent liability and associated litigation expense related to certain ongoing litigation and regulatory matters is estimated, recorded and disclosed based on the Company's expectations regarding the probability and magnitude of any expected losses. These estimates are refined as information becomes available over the course of the associated matters. The determination of an expected contingent liability and associated litigation expense, and evaluation of disclosure with respect to any incremental range of reasonably possible loss, require management to make assumptions and estimates related to the outcome of these matters. Due to the inherent uncertainty involved in the assessment of the outcomes, the actual loss may be different than the Company's estimate of expected loss. The Company's accrued contingent liability as of December 31, 2020 was \$21.6 million, with contingent liability expense for the year ended December 31, 2020 of \$7.4 million. The Company has further concluded there is no range of incremental reasonably possible loss.

Auditing the probability of an unfavorable outcome and the estimate of the associated exposure involves subjective and complex judgement and careful evaluation of the facts in coordination with the Company's legal counsel as information becomes available.

#### How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to assessing the probability of outcome related to these matters, including the estimated probable loss and management's conclusion that there is no incremental reasonably possible loss, included the following key procedures:

- We tested the effectiveness of controls over the valuation of contingent liabilities related to outstanding and anticipated litigation and regulatory matters, including the evaluation of whether such exposures are probable or reasonably possible.
- We tested the effectiveness of controls over the presentation and disclosure of litigation and regulatory matters.
- We inspected board and committee meeting materials and minutes and attended meetings with General Counsel, Executives and the Audit Committee for updates on litigation and regulatory matters.
- We sent independent third-party confirmations to external counsel and ascertained completeness of the litigation matters brought to our attention by internal counsel.
- We evaluated the reasonableness of management's estimates of loss contingencies by holding meetings with management and the Company's internal counsel, reviewing the Company's responses to regulators where applicable.
- We evaluated management's ability to estimate loss contingencies by comparing actual settlements for matters existing at the end of prior periods with their historical forecasts.
- We obtained a legal letter from the Company's internal counsel detailing the status of all material current litigation and regulatory matters commensurate with the date of our reports.

### **Valuation and Classification of Series A Preferred Stock issued in exchange for Common Stock**

- Deemed Dividend – See *Note 4. Net Income (Loss) Per Share*
- Preferred Stock – See *Note 15. Stockholders' Equity*

#### Critical Audit Matter Description

In February 2020, the Company entered into an exchange agreement with its largest stockholder, Shanda Asset Management Holdings Limited and its affiliates (Shanda), pursuant to which, on March 20, 2020, Shanda exchanged all of its 19.56 million shares of common stock for 195,628 newly issued shares of mandatorily convertible non-voting LendingClub preferred stock, series A (Series A Preferred Stock) and

a one-time cash payment of \$50.2 million.

The Company further evaluated the disclosure requirements, concluding that the Series A Preferred Stock is considered a separate class of common shares for purposes of calculating net income (loss) per share, and that basic and diluted net income (loss) per share should be computed using the two-class method.

The Company engaged a valuation expert to value the Series A Preferred Stock on the date of the exchange agreement and determined that the effective conversion price for the Series A Preferred Stock was less than the fair value of the common stock. Based on the assessment performed, the Company concluded that the value differential between the shares exchanged approximated the amount paid in cash and as such identified a beneficial conversion feature, recognized as a deemed dividend of \$50.2 million within accumulated deficit. The deemed dividend is an adjustment to net loss to arrive at net loss attributable to common stockholders.

Auditing the Company's valuation of Series A Preferred Stock and technical accounting conclusions related to the share exchange transaction required significant judgement given the complexity involved in applying the relevant accounting standards.

#### How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to assessing the valuation and accounting conclusions related to share exchange transaction included the following key procedures:

- We tested the effectiveness of controls over management's technical accounting analysis for the share exchange transaction, including analysis of related disclosures.
- We inspected the relevant share exchange agreement and obtained evidence for the related cash payment.
- With the assistance of our valuation specialists, we evaluated the reasonableness of the valuation model and assumptions used by management in estimating the fair value of Series A Preferred Stock
- We consulted with our National Office and utilized individuals with specialized skill and knowledge in technical accounting with respect to application of accounting literature to the share exchange transaction, and evaluated the related accounting conclusions, identification of the beneficial conversion feature, the classification of the transaction in equity, and presentation with respect to net income (loss) per share under the two-class method.
- We inspected the board and committee meeting materials and minutes and attended meetings with General Counsel, Executives and the Audit Committee for updates on share exchange transaction.

*/s/ DELOITTE & TOUCHE LLP*

San Francisco, California  
March 11, 2021

We have served as the Company's auditor since 2013.

December 31,	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 524,963	\$ 243,779
Restricted cash <sup>(1)</sup>	103,522	243,343
Securities available for sale at fair value	142,226	270,927
Loans held for investment at fair value <sup>(1)</sup>	636,686	1,079,315
Loans held for investment by the Company at fair value <sup>(1)</sup>	49,954	43,693
Loans held for sale by the Company at fair value <sup>(1)</sup>	121,902	722,355
Accrued interest receivable <sup>(1)</sup>	5,205	12,857
Property, equipment and software, net	96,641	114,370
Operating lease assets	74,037	93,485
Intangible assets, net	11,427	14,549
Other assets <sup>(1)</sup>	96,730	143,668
<b>Total assets</b>	<b>\$ 1,863,293</b>	<b>\$ 2,982,341</b>
<b>Liabilities and Equity</b>		
Accounts payable	\$ 3,698	\$ 10,855
Accrued interest payable <sup>(1)</sup>	4,572	9,260
Operating lease liabilities	94,538	112,344
Accrued expenses and other liabilities <sup>(1)</sup>	101,457	142,636
Payable to investors	40,286	97,530
Notes, certificates and secured borrowings at fair value <sup>(1)</sup>	636,774	1,081,466
Payable to Structured Program note and certificate holders at fair value <sup>(1)</sup>	152,808	40,610
Credit facilities and securities sold under repurchase agreements <sup>(1)</sup>	104,989	587,453
<b>Total liabilities</b>	<b>1,139,122</b>	<b>2,082,154</b>
<b>Equity</b>		
Series A Preferred stock, \$0.01 par value; 1,200,000 shares authorized; 43,000 and 0 shares issued and outstanding, respectively	—	—
Common stock, \$0.01 par value; 180,000,000 shares authorized; 88,149,510 and 89,218,797 shares issued, respectively; 88,149,510 and 88,757,406 shares outstanding, respectively	881	892
Additional paid-in capital	1,508,020	1,467,882
Accumulated deficit	(786,214)	(548,472)
Treasury stock, at cost; 0 and 461,391 shares, respectively	—	(19,550)
Accumulated other comprehensive income (loss)	1,484	(565)
<b>Total equity</b>	<b>724,171</b>	<b>900,187</b>
<b>Total liabilities and equity</b>	<b>\$ 1,863,293</b>	<b>\$ 2,982,341</b>

<sup>(1)</sup> Includes amounts in consolidated variable interest entities (VIEs) presented separately in the table below.

**LENDINGCLUB CORPORATION**  
**Consolidated Balance Sheets**  
(In Thousands, Except Share and Per Share Amounts)

The following table presents the assets and liabilities of consolidated VIEs, which are included in the Consolidated Balance Sheets above. The assets in the table below may only be used to settle obligations of consolidated VIEs and are in excess of those obligations. Additionally, the assets and liabilities in the table below include third-party assets and liabilities of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation.

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
<b>Assets of consolidated VIEs, included in total assets above</b>		
Restricted cash	\$ 15,983	\$ 30,046
Loans held for investment at fair value	52,620	197,842
Loans held for investment by the Company at fair value	50,102	40,251
Loans held for sale by the Company at fair value	98,190	551,455
Accrued interest receivable	1,134	4,431
Other assets	136	1,359
<b>Total assets of consolidated variable interest entities</b>	<b>\$ 218,165</b>	<b>\$ 825,384</b>
<b>Liabilities of consolidated VIEs, included in total liabilities above</b>		
Accrued interest payable	\$ 721	\$ 3,185
Accrued expenses and other liabilities	8	244
Notes, certificates and secured borrowings at fair value	52,620	197,842
Payable to Structured Program note and certificate holders at fair value	152,808	40,610
Credit facilities and securities sold under repurchase agreements	—	387,251
<b>Total liabilities of consolidated variable interest entities</b>	<b>\$ 206,157</b>	<b>\$ 629,132</b>

*See Notes to Consolidated Financial Statements.*

**LENDINGCLUB CORPORATION**  
**Consolidated Balance Sheets**  
(In Thousands, Except Share and Per Share Amounts)

Year Ended December 31,	2020	2019	2018
<b>Net revenue:</b>			
Transaction fees	\$ 207,640	\$ 598,760	\$ 526,942
Interest income	209,694	345,345	487,462
Interest expense	(141,503)	(246,587)	(385,605)
Net fair value adjustments	(117,247)	(144,990)	(100,688)
Net interest income and fair value adjustments	(49,056)	(46,232)	1,169
Investor fees	111,864	124,532	114,883
Gain on sales of loans	30,812	67,716	45,979
Net investor revenue	93,620	146,016	162,031
Other revenue	13,442	13,831	5,839
<b>Total net revenue</b>	<b>314,702</b>	<b>758,607</b>	<b>694,812</b>
<b>Operating expenses:</b>			
Sales and marketing	79,055	279,423	268,517
Origination and servicing	71,193	103,403	99,376
Engineering and product development	139,050	168,380	155,255
Other general and administrative	213,021	238,292	228,641
Goodwill impairment	—	—	35,633
Class action and regulatory litigation expense	—	—	35,500
<b>Total operating expenses</b>	<b>502,319</b>	<b>789,498</b>	<b>822,922</b>
<b>Loss before income tax expense (benefit)</b>	<b>(187,617)</b>	<b>(30,891)</b>	<b>(128,110)</b>
Income tax expense (benefit)	(79)	(201)	43
<b>Consolidated net loss</b>	<b>(187,538)</b>	<b>(30,690)</b>	<b>(128,153)</b>
Less: Income attributable to noncontrolling interests	—	55	155
<b>LendingClub net loss</b>	<b>\$ (187,538)</b>	<b>\$ (30,745)</b>	<b>\$ (128,308)</b>
Net loss per share attributable to common stockholders – Basic and Diluted <sup>(1)</sup>	\$ (2.63)	\$ (0.35)	\$ (1.52)
Weighted-average common shares – Basic and Diluted <sup>(1)</sup>	77,934,302	87,278,596	84,583,461
Net income (loss) per share attributable to preferred stockholders – Basic and Diluted	\$ 1.39	\$ 0.00	\$ 0.00
Weighted-average common shares, as converted – Basic and Diluted <sup>(1)</sup>	12,505,393	—	—

<sup>(1)</sup> See “Notes to Consolidated Financial Statements – Note 4. Net Income (Loss) Per Share” and “Note 15. Stockholders' Equity” for additional information.

See Notes to Consolidated Financial Statements.



**LENDINGCLUB CORPORATION**  
**Consolidated Statements of Operations**  
(In Thousands, Except Share and Per Share Amounts)

<b>Year Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
LendingClub net loss	\$ (187,538)	\$ (30,745)	\$ (128,308)
Other comprehensive income (loss), before tax:			
Net unrealized gain (loss) on securities available for sale	2,044	(526)	252
<b>Other comprehensive income (loss), before tax</b>	<b>2,044</b>	<b>(526)</b>	<b>252</b>
Income tax effect	(5)	216	83
<b>Other comprehensive income (loss), net of tax</b>	<b>2,049</b>	<b>(742)</b>	<b>169</b>
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	(20)	7
<b>LendingClub other comprehensive income (loss), net of tax</b>	<b>2,049</b>	<b>(722)</b>	<b>162</b>
<b>LendingClub comprehensive income (loss)</b>	<b>(185,489)</b>	<b>(31,467)</b>	<b>(128,146)</b>
Comprehensive income (loss) attributable to noncontrolling interests	—	(20)	7
<b>Total comprehensive income (loss)</b>	<b>\$ (185,489)</b>	<b>\$ (31,487)</b>	<b>\$ (128,139)</b>

*See Notes to Consolidated Financial Statements.*

**LENDINGCLUB CORPORATION**  
**Consolidated Statements of Comprehensive Income (Loss)**  
(In Thousands)

LendingClub Corporation Stockholders												
	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total LendingClub Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount					
<b>Balance at December 31, 2017</b>	—	\$ —	83,494,769	\$ 840	\$ 1,330,564	456,540	\$ (19,485)	\$ (5)	\$ (389,419)	\$ 922,495	\$ 5,262	\$ 927,757
Stock-based compensation	—	—	—	—	84,150	—	—	—	—	84,150	—	84,150
Net issuances under equity incentive plans, net of tax	—	—	2,071,518	21	(14,552)	—	—	—	—	(14,531)	—	(14,531)
ESPP purchase shares	—	—	361,840	3	5,230	—	—	—	—	5,233	—	5,233
Net unrealized gain on securities available for sale, net of tax	—	—	—	—	—	—	—	162	—	162	7	169
Dividends paid and return of capital to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(3,644)	(3,644)
Net loss	—	—	—	—	—	—	—	—	(128,308)	(128,308)	155	(128,153)
<b>Balance at December 31, 2018</b>	—	\$ —	85,928,127	\$ 864	\$ 1,405,392	456,540	\$ (19,485)	\$ 157	\$ (517,727)	\$ 869,201	\$ 1,780	\$ 870,981
Stock-based compensation	—	—	—	—	79,944	—	—	—	—	79,944	—	79,944
Net issuances under equity incentive plans, net of tax <sup>(1)</sup>	—	—	2,665,309	26	(19,864)	4,851	(65)	—	—	(19,903)	—	(19,903)
ESPP purchase shares	—	—	163,970	2	2,410	—	—	—	—	2,412	—	2,412
Net unrealized loss on securities available for sale, net of tax	—	—	—	—	—	—	—	(722)	—	(722)	(20)	(742)
Dividends paid and return of capital to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(1,815)	(1,815)
Net loss	—	—	—	—	—	—	—	—	(30,745)	(30,745)	55	(30,690)
<b>Balance at December 31, 2019</b>	—	\$ —	88,757,406	\$ 892	\$ 1,467,882	461,391	\$ (19,550)	\$ (565)	\$ (548,472)	\$ 900,187	\$ —	\$ 900,187
Stock-based compensation	—	—	—	—	66,626	—	—	—	—	66,626	—	66,626
Net issuances under equity incentive plans, net of tax <sup>(2)</sup>	—	—	3,692,185	36	(6,914)	5,658	(71)	—	—	(6,949)	—	(6,949)
Net issuances of preferred stock in exchange for common stock <sup>(3)</sup>	43,000	—	(4,300,081)	(43)	43	—	—	—	(50,204)	(50,204)	—	(50,204)
Retirement of treasury stock	—	—	—	(4)	(19,617)	(467,049)	19,621	—	—	—	—	—
Net unrealized gain on securities available for sale, net of tax	—	—	—	—	—	—	—	2,049	—	2,049	—	2,049
Net loss	—	—	—	—	—	—	—	—	(187,538)	(187,538)	—	(187,538)
<b>Balance at December 31, 2020</b>	43,000	\$ —	88,149,510	\$ 881	\$ 1,508,020	—	\$ —	\$ 1,484	\$ (786,214)	\$ 724,171	\$ —	\$ 724,171

<sup>(1)</sup> Includes shares purchased by the Company in lieu of issuing fractional shares in connection with a 1-for-5 reverse stock split effective on July 5, 2019 and shares that were transferred to the Company to satisfy payment of all or a portion of the exercise price in connection with the exercise of stock options.

<sup>(2)</sup> Includes shares that were transferred to the Company to satisfy payment of all or a portion of the exercise price in connection with the exercise of stock options.

<sup>(3)</sup> Includes a payment of \$50.2 million that was recorded as a deemed dividend within accumulated deficit related to the beneficial conversion feature of the Series A Preferred Stock issued on March 20, 2020, which would convert into common stock upon a sale by the preferred stockholder to a third party. See "Note 15. Stockholders' Equity" for additional information.

See Notes to Consolidated Financial Statements.

**LENDINGCLUB CORPORATION**  
**Consolidated Statements of Changes in Stockholders' Equity**  
(In Thousands, Except Share Data)

Year Ended December 31,	2020	2019	2018
<b>Cash Flows from Operating Activities:</b>			
Consolidated net loss	\$ (187,538)	\$ (30,690)	\$ (128,153)
Adjustments to reconcile consolidated net loss to net cash used for operating activities:			
Net fair value adjustments	117,247	144,990	100,688
Change in fair value of loan servicing assets and liabilities	58,730	58,095	30,482
Stock-based compensation, net	61,533	73,639	75,087
Goodwill impairment charge	—	—	35,633
Depreciation and amortization	54,029	59,152	54,764
Gain on sales of loans	(30,812)	(67,716)	(50,421)
Other, net	8,922	7,483	5,471
Purchase of loans held for sale	(2,779,493)	(7,643,996)	(7,397,886)
Principal payments received on loans held for sale	233,310	265,820	210,831
Proceeds from whole loan sales and Structured Program transactions, net of underwriting fees and costs	2,981,428	6,937,984	6,485,432
Net change in operating assets and liabilities:			
Accrued interest receivable, net	(5,048)	(16,298)	(3,785)
Other assets	19,728	6,609	52,708
Accounts payable	(6,922)	4,158	(3,005)
Accrued interest payable	(4,688)	(9,843)	(13,372)
Accrued expenses and other liabilities	(41,824)	326	(93,424)
Payable to investors	(60,571)	(60,357)	(791)
Net cash provided by (used for) operating activities	418,031	(270,644)	(639,741)
<b>Cash Flows from Investing Activities:</b>			
Purchase of loans	(315,135)	(633,632)	(960,881)
Principal payments received on loans	691,536	1,191,428	1,763,348
Proceeds from recoveries and sales of charged-off loans	42,178	54,032	63,240
Purchases of securities available for sale	(53,736)	(144,481)	(136,445)
Proceeds from sales, maturities, redemptions and paydowns of securities available for sale	99,630	145,880	153,468
Proceeds from paydowns of asset-backed securities related to Structured Program transactions	132,045	90,648	47,235
Purchases of property, equipment and software, net	(31,147)	(50,668)	(52,976)
Other investing activities	400	561	1,747
Net cash provided by investing activities	565,771	653,768	878,736
<b>Cash Flows from Financing Activities:</b>			
Proceeds from issuance of notes and certificates	314,995	632,962	953,904
Repayments of secured borrowings	(16,867)	(56,884)	(139,206)
Principal payments on and retirements of notes and certificates	(671,359)	(1,147,297)	(1,615,800)
Payments on notes and certificates from recoveries/sales of related charged-off loans	(41,179)	(55,022)	(62,494)
Principal payments on securitization notes	(73,710)	(58,025)	(45,709)
Proceeds from issuance of securitization notes and certificates	186,190	42,500	258,767
Proceeds from credit facilities and securities sold under repurchase agreements	1,195,261	2,943,948	2,125,488
Principal payments on credit facilities and securities sold under repurchase agreements	(1,676,618)	(2,815,475)	(1,698,214)

**LENDINGCLUB CORPORATION**  
**Consolidated Statements of Cash Flows**  
(in Thousands)

Year Ended December 31,	2020	2019	2018
Payment for debt issuance costs	(1,852)	(1,419)	(4,494)
Net cash inflow (outflow) from consolidation (deconsolidation) of VIE	—	(5,951)	(15,013)
Dividends paid on preferred stock	(50,204)	—	—
Other financing activities	(7,096)	(19,397)	3,545
Net cash used for financing activities	(842,439)	(540,060)	(239,226)
<b>Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash</b>	<b>141,363</b>	<b>(156,936)</b>	<b>(231)</b>
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Period</b>	<b>487,122</b>	<b>644,058</b>	<b>644,289</b>
<b>Cash, Cash Equivalents and Restricted Cash, End of Period</b>	<b>\$ 628,485</b>	<b>\$ 487,122</b>	<b>\$ 644,058</b>
<b>Supplemental Cash Flow Information:</b>			
Cash paid for interest	\$ 143,840	\$ 254,585	\$ 394,459
Cash paid for operating leases included in the measurement of lease liabilities	\$ 16,679	\$ 16,816	\$ —
Non-cash investing activity:			
Accruals for property, equipment and software	\$ 686	\$ 1,745	\$ 2,256
Securities retained from Structured Program transactions	\$ 43,458	\$ 197,267	\$ 106,609
Non-cash investing and financing activity:			
Transfer of whole loans to redeem certificates	\$ 17,414	\$ 122,330	\$ 1,095
Non-cash financing activity:			
Exchange of common stock for preferred stock	\$ 207,244	\$ —	\$ —
Derecognition of payable to securitization note and residual certificate holders held in consolidated VIE	\$ —	\$ 200,881	\$ 269,151

The following presents cash, cash equivalents and restricted cash by category within the Consolidated Balance Sheets:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 524,963	\$ 243,779
Restricted cash	103,522	243,343
Total cash, cash equivalents and restricted cash	\$ 628,485	\$ 487,122

See Notes to Consolidated Financial Statements.

**LENDINGCLUB CORPORATION**  
**Consolidated Statements of Cash Flows**  
(in Thousands)

**1. Basis of Presentation**

LendingClub Corporation (LendingClub) operates an online lending marketplace platform that connects borrowers and investors. On February 1, 2021, LendingClub completed the acquisition of Radius Bancorp, Inc. (Radius), through which LendingClub became a bank holding company and formed LendingClub Bank, N.A. (the Bank) as its wholly-owned subsidiary. Additionally, LendingClub has established various entities to facilitate loan sale transactions, including sponsoring asset-backed securitization transactions and Certificate Program transactions (collectively referred to as Structured Program transactions), where certain accredited investors and qualified institutional buyers have the opportunity to invest in senior and subordinated securities backed by a pool of unsecured personal whole loans. Certificate Program transactions include CLUB Certificate and Levered Certificate transactions. LC Trust I (the LC Trust) is an independent Delaware business trust that acquires loans from LendingClub and holds them for the sole benefit of certain investors that have purchased trust certificates issued by the LC Trust that are related to specific underlying loans for the benefit of the investor.

The accompanying consolidated financial statements include LendingClub, its subsidiaries (collectively referred to as the Company, we, or us) and consolidated variable interest entities (VIEs). Noncontrolling interests are reported as a separate component of consolidated equity from the equity attributable to LendingClub's stockholders for all periods presented. All intercompany balances and transactions have been eliminated. These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for financial information and, in the opinion of management, contain all adjustments, consisting of only normal recurring adjustments, necessary for the fair statement of the results and financial position for the periods presented. These accounting principles require management to make certain estimates and assumptions that affect the amounts in the accompanying financial statements. These estimates and assumptions are inherently subjective in nature and actual results may differ from these estimates and assumptions, and the differences could be material.

The Company presents loans under a number of different captions to align the assets to their associated liabilities, if any. "Loans held for investment at fair value" are loans which are related to the Company's Member Payment Dependent Notes (Retail Notes), certificates and secured borrowings program. The Company is not exposed to market risk, interest rate risk or credit risk on these loans and all loan cash flows flow directly to the retail note, certificate and secured borrowing owners. The associated liability for this loan category is included in the caption "Notes, certificates and secured borrowings at fair value." Loans included in "Loans held for investment by the Company at fair value" and "Loans held for sale by the Company at fair value" are loans which the Company has purchased and from which the Company earns interest income and records net fair value adjustments in earnings for changes in the valuation of loans.

**2. Summary of Significant Accounting Policies**

***Cash and Cash Equivalents***

Cash and cash equivalents include the Company's unrestricted deposits with investment-grade financial institutions, institutional money market funds, certificates of deposit, and commercial paper. The Company considers all highly liquid investments with stated maturity dates of three months or less from the date of purchase to be cash equivalents.

***Restricted Cash***

Restricted cash consists primarily of bank deposits and money market funds that are: (i) pledged as security for transactions processed on or related to LendingClub's platform or activities by certain investors; and (ii) received from the borrower and applied to the loan, but not yet distributed to the investor's internal platform account or sent to their external account.

**LENDINGCLUB CORPORATION**  
**Notes to Consolidated Financial Statements**

(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

Investor cash balances (excluding transactions-in-process) are held in segregated bank or custodial accounts and are not commingled with the Company's monies or held on the Company's Consolidated Balance Sheets.

***Securities Available for Sale***

Debt securities that the Company might not hold until maturity are classified as securities available for sale. In structured program transactions that meet the applicable criteria to be accounted for as a sale, the Company retains certain asset-backed securities including subordinated residual interests and CLUB Certificates, which are classified as securities available for sale. On January 1, 2020, the entity adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (CECL) for securities available for sale. Asset-backed securities where the expected cash flows are significantly lower than that of the contractual future cash flows are considered to be purchased with credit deterioration (PCD). The discounted differential in expected and contractual cash flows is included with the purchase price of the asset to determine amortized cost of the security with an equal and offsetting valuation allowance for credit losses. Securities available for sale are recorded at fair value and unrealized gains and losses are reported, net of taxes, in "Accumulated other comprehensive income (loss)" included in Equity in the Company's Consolidated Balance Sheets unless management determines that the security is impaired due to a deterioration in expected cash flows, in which case the unrealized loss is recognized in earnings within "Net fair value adjustments" as a valuation allowance for credit losses (with the implementation of CECL) or other-than-temporary impairment (prior to the implementation of CECL) in the Company's Consolidated Statements of Operations.

Management evaluates whether debt securities available for sale with unrealized losses are impaired on a quarterly basis. If the Company intends to sell the security, or if it is more likely than not that it will be required to sell the security before recovery, an impairment is recognized in earnings equal to the entire difference between the amortized cost basis and fair value of the debt security. However, even if the Company does not expect to sell a debt security it must evaluate if a deterioration in cash flows exists.

***Loans Held for Investment by the Company and Loans Held for Sale by the Company***

The Company has elected the fair value option for loans held for investment by the Company and loans held for sale by the Company. Changes in the fair value of loans held by the Company are recorded in "Net fair value adjustments" in the Consolidated Statements of Operations in the period of the fair value changes. The Company places loans held by the Company on non-accrual status at 90 days past due. Accrued interest income on loans held by the Company is calculated based on the contractual interest rate of the loan held by the Company and recorded as interest income as earned. When a loan held by the Company is placed on non-accrual status, the Company stops accruing interest and reverses all accrued but unpaid interest as of such date. The Company charges-off loans held by the Company no later than 120 days past due. The Company does not record an allowance for credit losses on accrued interest receivable. The Company accrues interest income on loans on short term hardship programs using the effective interest rate method.

***Loans Held for Investment and Related Notes and Certificates***

The Company has elected the fair value option for loans held for investment and related notes and certificates. Due to the payment dependent feature of the notes and certificates, changes in the fair value of the notes and certificates are offset by changes in the fair values of related loans, resulting in no net effect on the Company's earnings. The Company places loans held for investment on non-accrual status at 90 days past due. Interest receivable on loans held for investment and accrued interest payable on notes and certificates are reduced when the corresponding loan held for investment is placed on non-accrual status due to the payment dependent nature of the loans held for investment and related notes and certificates. The Company charges-off loans held for investment and related notes

## LENDINGCLUB CORPORATION

### Notes to Consolidated Financial Statements

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and certificates no later than 120 days past due. The Company does not record an allowance for credit losses on accrued interest receivable.

#### *Servicing Assets*

The Company records servicing assets at their estimated fair values when it sells loans or when the Company assumes or acquires a servicing obligation whereby the underlying loans are not included in its financial statements. The gain or loss on a loan sale is recorded separately in “Gain on sales of loans” in the Company’s Consolidated Statements of Operations while the component of the gain or loss that is based on the degree to which the contractual servicing fee is above or below an estimated market servicing rate is recorded as a servicing asset. Servicing assets are reported in “Other assets” on the Company’s Consolidated Balance Sheets. Changes in the fair value of servicing assets are reported in “Investor fees” in the Company’s Consolidated Statements of Operations in the period in which the changes occur.

#### *Fair Value of Assets and Liabilities*

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date (an exit price). The Company uses fair value measurements in its fair value disclosures and to record securities available for sale, loans held for investment and loans held for sale, notes and certificates, and servicing assets and liabilities at fair value on a recurring basis.

The fair value hierarchy includes a three-level classification, which is based on whether the inputs to the valuation methodology used for measurement are observable:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 — Unobservable inputs.

When developing fair value measurements, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. However, for certain instruments the Company must utilize unobservable inputs in determining fair value due to the lack of observable inputs in the market, which requires greater judgment in measuring fair value. In instances where there is limited or no observable market data, fair value measurements for assets and liabilities are based primarily upon the Company’s own estimates, and the measurements reflect information and assumptions that management believes a market participant would use in pricing the asset or liability.

Loans held for investment, loans held for sale and related notes, certificates and secured borrowings, are measured at estimated fair value using a discounted cash flow model. The fair valuation methodology considers projected prepayments, underwriting changes and the historical actual defaults, losses and recoveries on the Company’s loans to project future losses and net cash flows on loans. Net cash flows on loans are discounted using an estimate of market rates of return.

Loan servicing assets are measured at estimated fair value using a discounted cash flow model. The cash flows in the valuation model represent the difference between the contractual servicing fees charged to investors and an estimated market servicing rate. Since contractual servicing fees are generally based on the monthly unpaid principal balance of the underlying loans, the expected cash flows in the model incorporate estimates of net expected losses and prepayments.

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The Company uses prices obtained from third-party pricing services to measure the fair value of securities available for sale when available. The Company compares the prices obtained from its primary independent pricing service to the prices obtained from the additional independent pricing services to determine if the price obtained from the primary independent pricing service is reasonable. When third-party pricing services are not available for a security, such as subordinated residual certificates and CLUB Certificates, the Company measures the fair value of these securities using a discounted cash flow model incorporating inputs consistent with loans held for investment, loans held for sale and related notes, certificates, secured borrowings, and payable to securitization note and certificate holders.

***Property, Equipment and Software, net***

Property, equipment and software are carried at cost less accumulated depreciation and amortization. The Company uses the straight-line method of depreciation and amortization. Estimated useful lives range from three years to five years for furniture and fixtures, computer equipment, and software. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life.

Internally developed software is capitalized when preliminary development efforts are successfully completed and it is probable that the project will be completed, and the software will be used as intended. Capitalized costs consist of salaries and compensation costs for employees, fees paid to third-party consultants who are directly involved in development efforts, and costs incurred for upgrades and enhancements to add functionality of the software. Other costs are expensed as incurred.

The Company evaluates impairments of its property, equipment and software whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the asset is not recoverable, measurement of an impairment loss is based on the fair value of the asset. When an impairment loss is recognized, the carrying amount of the asset is reduced to its estimated fair value.

***Goodwill and Intangible Assets***

Goodwill represents the fair value of an acquired business in excess of the aggregate fair value of the identified net assets acquired. Goodwill is not amortized but is tested for impairment annually or more frequently whenever events or circumstances indicate that it is more likely than not that the estimated fair value of a reporting unit is below its carrying value. The Company's annual impairment testing date is April 1. Impairment exists whenever the carrying value of goodwill exceeds its estimated fair value. Adverse changes in impairment indicators such as loss of key personnel, lower than forecast financial performance, increased competition, increased regulatory oversight, or unplanned changes in operations could result in impairment.

The Company can elect to qualitatively assess goodwill for impairment if it is more likely than not that the estimated fair value of a reporting unit (generally defined as an operating segment or one level below an operating segment for which financial information is available and reviewed regularly by management) exceeds its carrying value. A qualitative assessment may consider macroeconomic and other industry-specific factors, such as trends in short-term and long-term interest rates and the ability to access capital or company-specific factors, such as market capitalization in excess of net assets, trends in revenue-generating activities and merger or acquisition activity.

If the Company does not qualitatively assess goodwill it compares a reporting unit's estimated fair value to its carrying value. The Company estimates the fair value of a reporting unit using either an income approach (discounted cash flow model) or the income approach corroborated by a market approach. Goodwill impairment loss is measured as the amount by which the carrying amount of a reporting unit exceeds its fair value.

When applying the income approach, the Company uses a discounted cash flow model, which requires the estimation of cash flows and an appropriate discount rate. The Company projects cash flows expected to be



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generated by a reporting unit inclusive of an estimated terminal value. The discount rate assumption contemplates a weighted-average cost of capital based on both market observable and company-specific factors. The discount rate is risk-adjusted to include any premiums related to equity price volatility, size, and projected capital structure of publicly traded companies in similar lines of business.

The Company relies on several assumptions when estimating the fair value of a reporting unit using the discounted cash flow method. These assumptions include the current discount rate discussed above, as well as transaction fee revenue based on projected loan origination growth and revenue growth, projected operating expenses and Contribution Margin, direct and allocated general and administrative and technology expenses, capital expenditures and income taxes. The Company believes these assumptions to be representative of assumptions that a market participant would use in valuing a reporting unit, but these assumptions involve the use of estimates and judgments, particularly related to future cash flows, which are inherently uncertain. There can be no assurances that estimates and assumptions made for purposes of goodwill impairment testing will prove accurate predictions of the future.

The market approach estimates the fair value of a reporting unit based on certain market value multiples of publicly traded companies in similar lines of business, such as total enterprise value to revenue, or to EBITDA. Under the market approach, the Company also considers fair value implied from any relevant and comparable market transactions.

Goodwill impairment loss is measured as the amount by which the carrying amount of a reporting unit exceeds its fair value. See “*Note 11. Intangible Assets and Goodwill*” for additional information.

Intangible assets are amortized over their useful lives in a manner that best reflects their economic benefit, which may include straight-line or accelerated methods of amortization. Intangible assets are reviewed for impairment quarterly and whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company does not have indefinite-lived intangible assets.

#### ***Loss Contingencies***

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities in “Accrued expenses and other liabilities” in the Company’s Consolidated Balance Sheets. Associated legal expense is recorded in “Other general and administrative” expense or in “Class action and regulatory litigation expense” for the losses associated with the securities class action lawsuits, as described in “*Note 19. Commitments and Contingencies*,” in the Company’s Consolidated Statements of Operations. Such liabilities and associated expenses are recorded when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. The Company will also disclose a range of exposure to incremental loss when such amounts are reasonably possible and can be estimated. In estimating the Company’s exposure to loss contingencies, if an amount within the estimated range of loss is the best estimate, that amount will be accrued. However, if there is no amount within the estimated range of loss that is the best estimate, the Company will accrue the minimum amount within the range, and disclose the amount up to the high end of the range as an exposure to incremental loss, if such amount is considered reasonably possible. Such estimates are based on the best information available at the time. As additional information becomes available, the Company reassesses the potential liability and records an adjustment to its estimate in the period in which the adjustment is probable and an amount or range can be reasonably estimated. The determination of an expected contingent liability and associated litigation expense requires the Company to make assumptions related to the outcome of these matters. Due to the inherent uncertainties of loss contingencies, the Company’s estimates may be different than the actual outcomes. Legal fees, including legal fees associated with loss contingencies, are recognized as incurred and included in “Other general and administrative” expense in the Company’s Consolidated Statements of Operations.

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#### ***Revenue Recognition***

***Transaction Fees:*** The Company has a single performance obligation to provide customers access to the Company's platform. Transaction fees are considered revenue from contracts with customers, including issuing banks and education and patient service providers. The Company recognizes transaction fee revenue each time a loan is facilitated by the Company, who provides loan application processing and loan facilitation services, resulting in a loan issued by the customers.

Transaction fees are based on the initial principal amount of the loans facilitated by the Company and paid by the issuing banks and education and patient service providers each time a loan is issued by the issuing banks. Transaction fees to which the Company expects to be entitled are variable consideration because loan volume originated over the contractual term is not known at the contract's inception. The transaction fee is determined each time a loan is issued based on that loan's initial principal amount.

The Company pays WebBank a loan trailing fee to give WebBank an ongoing financial interest in the performance of the loans it originates and sells to the Company. The Loan Trailing Fee is paid over time based on the amount and timing of principal and interest payments made by borrowers of the underlying loans. The Loan Trailing Fee is consideration payable to WebBank and the loan trailing fee liability is recorded at fair value. Additionally, the Company assumes the issuing bank's obligation under Utah law to refund the pro-rated amount of the transaction fee in excess of 5% in the event the borrower prepays the loan in full before maturity. Both the loan trailing fees and transaction fee refunds are recorded as a reduction of transaction fee revenue in the Company's Consolidated Statements of Operations and are included in "Accrued expenses and other liabilities" on the Company's Consolidated Balance Sheets.

***Other Revenue:*** Other revenue primarily consists of referral fee revenue and sublease revenue from our sublet office space in San Francisco, California. The Company is entitled to receive referral fees from third-party companies when customers referred by the Company consider or purchase products or services from such third-party companies. Referral contracts contain a single performance obligation. The Company recognizes referral fees for each distinct instance when the criteria for receiving the referral fee has been satisfied. Sublease revenue is recognized on a straight-line basis over the term of the lease.

#### ***Stock-based Compensation***

Stock-based compensation includes expense associated with restricted stock units (RSUs) and performance-based restricted stock units (PBRsUs), stock options, and the Company's employee stock purchase plan (ESPP), as well as expense associated with stock issued related to acquisitions. Stock-based compensation expense is based on the grant date fair value of the award. The cost is generally recognized over the vesting period on a straight-line basis. Forfeitures are recognized as incurred.

#### ***Income Taxes***

The Company accounts for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes these assets are more likely than not to be realized. In making such a determination, the Company considers the available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. Valuation allowances are established when necessary to reduce deferred

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tax assets to the amounts that are more likely than not expected to be realized. If the Company determines that it is able to realize its deferred tax assets in the future in excess of the net recorded amount, the Company decreases the deferred tax asset valuation allowance, which reduces the provision for income taxes.

Uncertain tax positions are recognized only when we believe it is more likely than not that the tax position will be upheld on examination by the taxing authorities based on the merits of the position. The Company recognizes interest and penalties, if any, related to uncertain tax positions in “Income tax expense (benefit)” in the Consolidated Statements of Operations.

#### ***Net Income (Loss) Per Share***

Basic net income (loss) per share (Basic EPS) attributable to common stockholders is computed by dividing net income (loss) attributable to LendingClub by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share (Diluted EPS) is computed by dividing net income (loss) attributable to LendingClub by the weighted-average number of common shares outstanding during the period, adjusted for the effects of dilutive issuances of shares of common stock, which include incremental shares issued for outstanding RSUs, PBRsUs, and stock options. PBRsUs are included in dilutive shares to the extent the pre-established performance targets have been or are estimated to be satisfied as of the reporting date. The dilutive potential common shares are computed using the treasury stock method. The effects of outstanding RSUs, PBRsUs, and stock options are excluded from the computation of Diluted EPS in periods in which the effect would be antidilutive. For periods with more than one class of common shares, the Company computes Basic and Diluted EPS using the two-class method, which is an allocation of net income (loss) among the holders of each class of common shares. The Series A Preferred Stock is considered a separate class of common share for purposes of calculating net income (loss) per share because it participates in earnings similar to common stock and does not receive any significant preferences over the common stock.

#### ***Beneficial Conversion Feature***

The Company accounts for the beneficial conversion feature (BCF) on its Series A Preferred Stock in accordance with ASC 470-20, *Debt with Conversion and Other Options*. The Company accretes the BCF discount from the date of issuance to the earliest conversion date, which was March 20, 2020. All of the BCF discount was accreted and recognized as a deemed dividend in “Accumulated deficit” on the Company’s Condensed Consolidated Balance Sheets. See “*Note 15. Stockholders’ Equity*” for additional information.

#### ***Consolidation of Variable Interest Entities***

A variable interest entity (VIE) is a legal entity that has either a total equity investment that is insufficient to finance its activities without additional subordinated financial support or whose equity investors lack the characteristics of a controlling financial interest. The Company’s variable interest arises from contractual, ownership or other monetary interests in the entity, which change with fluctuations in the fair value of the entity’s net assets. A VIE is consolidated by its primary beneficiary, the party that has both the power to direct the activities that most significantly impact the VIE’s economic performance, and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The Company consolidates a VIE when it is deemed to be the primary beneficiary. The Company assesses whether or not it is the primary beneficiary of a VIE on an ongoing basis.

#### ***Transfers of Financial Assets***

The Company accounts for transfers of financial assets as sales when it has surrendered control over the transferred assets. Control is generally considered to have been surrendered when the transferred assets have been legally isolated from the Company, the transferee has the right to pledge or exchange the assets without any significant

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constraints, and the Company has not entered into a repurchase agreement, does not hold unconditional call options and has not written put options on the transferred assets. In assessing whether control has been surrendered, the Company considers whether the transferee would be a consolidated affiliate and the impact of all arrangements or agreements made contemporaneously with, or in contemplation of the transfer, even if they were not entered into at the time of transfer. The Company measures gain or loss on sale of financial assets as the net proceeds received on the sale less the carrying amount of the loans sold. The net proceeds of the sale represent the fair value of any assets obtained or liabilities incurred as part of the transaction, including, but not limited to servicing assets, retained securities, and recourse obligations.

Transfers of financial assets that do not qualify for sale accounting are reported as secured borrowings. Accordingly, the related assets remain on the Company's Consolidated Balance Sheets and continue to be reported and accounted for as if the transfer had not occurred. Cash proceeds from these transfers are reported as liabilities, with related interest expense recognized over the life of the related assets.

***Adoption of New Accounting Standards***

The Company adopted the following accounting standards during the year ended December 31, 2020:

On January 1, 2020, the entity adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. For loans accounted for at amortized cost, the guidance replaces the incurred loss impairment methodology with an expected credit loss model for which a company recognizes an allowance based on the estimate of expected credit loss. As the Company has elected the fair value option for loans and loans accounted for at fair value through net income are outside the scope of Topic 326, there is no impact on the Company's loan portfolios.

For debt securities available for sale, Topic 326 requires recognition of expected credit losses by recognizing an allowance for credit losses when the fair value of the security is below amortized cost and the recognition of this allowance is limited to the difference between the security's amortized cost basis and fair value. Upon adoption, the amendments in Topic 326 are recognized through a cumulative-effect adjustment to retained earnings, except for debt securities with prior other-than-temporary impairment whereby Topic 326 is applied prospectively.

The Company adopted ASC 326 using the prospective transition approach for debt securities for which other-than-temporary impairment had been recognized prior to January 1, 2020. As a result, the amortized cost basis remains the same before and after the effective date of ASC 326. The effective interest rate on these debt securities was not changed. Amounts previously recognized in accumulated other comprehensive income as of January 1, 2020 relating to improvements in cashflows expected to be collected are accreted into income over the remaining life of the asset. Recoveries of amounts previously written off relating to improvements in cash flows after January 1, 2020 are recorded in earnings when received.

Additionally, the Company adopted ASC 326 using the prospective transition approach for PCD financial assets. The Company did not have any previously classified assets as purchased credit impaired (PCI) under ASC 310-30. In accordance with this standard, management did not reevaluate for PCD upon transition.

Adoption of Topic 326 did not have an impact on the Company's financial position, results of operations, and cash flows. The Company did not record a cumulative effect adjustment to retained earnings. The Company included the disclosures required by ASU 2016-13 in "Note 5. Securities Available for Sale."

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements by removing, modifying, or adding certain disclosures. The ASU eliminates such disclosures as the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and

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valuation processes for Level 3 fair value measurements. The ASU adds new disclosure requirements for Level 3 measurements. The new guidance became effective on January 1, 2020 and did not have a material impact on the Company's related disclosures.

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software – (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which requires a customer in a hosting arrangement that is a service contract to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets or expense as incurred. The standard became effective on January 1, 2020 and the Company adopted the standard using the prospective approach. The Company has reviewed existing cloud computing arrangements and determined which ones are service contracts. Implementation costs that are not from internal developers related to service contracts that satisfy the criteria for capitalization under ASC 350-40 will be presented with "Other assets" on the Company's Consolidated Balance Sheets, amortization expense will be presented in the same line on the income statement as the fees for the associated hosted service on the Company's Consolidated Statements of Operations, and the cash flows will be presented consistent with the presentation of cash flows for the fees related to the hosted service, generally as cash flows from operations, on the Company's Consolidated Statements of Cash Flows. Adoption of the standard did not have a material impact on the Company's financial position, results of operations, cash flows, or disclosures.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is part of the FASB's initiative to reduce complexity in accounting standards. The ASU eliminates certain exceptions to the general principles of ASC 740, *Income Taxes*, and simplifies income tax accounting in several areas. The standard is effective for fiscal periods beginning after December 15, 2020 with early adoption permitted. The Company early adopted this ASU as of January 1, 2020, and did not have a material impact on its financial position, results of operations, cash flows, and disclosures.

***New Accounting Standards Not Yet Adopted***

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which, if certain criteria are met, provides optional expedients and exceptions for applying generally accepted accounting principles to transactions affected by reference rate reform. These transactions include contract modifications, hedging relationships, and sale or transfer of debt securities classified as held-to-maturity. The provisions of the new standard may be adopted as of the beginning of the reporting period when the election is made until December 31, 2022. The Company is evaluating the impact this ASU will have on its financial position, results of operations, cash flows, and disclosures. The Company has not elected an adoption date.

In August 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity including convertible instruments and contracts on an entity's own equity. The guidance allows for either full or modified retrospective adoption for fiscal periods beginning after December 15, 2021 with early adoption permitted for fiscal periods beginning after December 15, 2020. The Company is evaluating the impact this ASU will have on its financial position, results of operations, cash flows, and disclosures.

**3. Revenue from Contracts with Customers**

The Company's revenue from contracts with customers includes transaction fees and referral fees. Referral fees are presented as a component of "Other revenue" in the Consolidated Statements of Operations.

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The following table presents the Company's revenue from contracts with customers, disaggregated by revenue source for services transferred over time, for the years ended December 31, 2020 and 2019:

Year Ended December 31,	2020		2019		2018	
Transaction fees	\$	207,640	\$	598,760	\$	526,942
Referral fees		5,011		5,474		3,645
Total revenue from contracts with customers	\$	212,651	\$	604,234	\$	530,587

The Company recognizes transaction and referral fees at each distinct instance after the Company satisfies its performance obligations. The Company had no bad debt expense for the years ended December 31, 2020 and 2019. Because revenue is recognized at the same time that payments are received, the Company had no contract assets, contract liabilities, or deferred contract costs recorded as of December 31, 2020 and 2019. Additionally, the Company did not recognize any revenue from performance obligations related to prior periods (for example, due to changes in transaction price) for the years ended December 31, 2020 and 2019. For additional detail on the Company's accounting policy regarding revenue recognition, see "Note 2. Summary of Significant Accounting Policies" above.

#### 4. Net Income (Loss) Per Share

The following table details the computation of the Company's basic and diluted net loss per share of common stock and Series A Preferred Stock:

Year Ended December 31,	2020		2019		2018	
	Common Stock	Preferred Stock <sup>(1)(2)</sup>	Common Stock	Common Stock	Common Stock	Common Stock
Allocation of undistributed LendingClub net loss	\$ (154,664)	\$ (32,874)	\$ (30,745)	\$ (128,308)	\$ (128,308)	\$ (128,308)
Deemed dividend	(50,204)	50,204	—	—	—	—
Net loss attributable to stockholders	\$ (204,868)	\$ 17,330	\$ (30,745)	\$ (128,308)	\$ (128,308)	\$ (128,308)
Weighted-average common shares – Basic and Diluted <sup>(2)</sup>	77,934,302	12,505,393	87,278,596	84,583,461	84,583,461	84,583,461
Net loss per share attributable to stockholders – Basic and Diluted <sup>(2)</sup>	\$ (2.63)	\$ 1.39	\$ (0.35)	\$ (1.52)	\$ (1.52)	\$ (1.52)

<sup>(1)</sup> Presented on an as-converted basis.

<sup>(2)</sup> See "Note 2. Summary of Significant Accounting Policies" and "Note 15. Stockholders' Equity" for additional information.

In February 2020, the Company entered into an exchange agreement with its largest stockholder, Shanda Asset Management Holdings Limited and its affiliates (Shanda), pursuant to which, on March 20, 2020, Shanda exchanged all of 19,562,881 shares of LendingClub common stock, par value of \$0.01 per share, held by it for (i) 195,628 newly issued shares of mandatorily convertible, non-voting, LendingClub preferred stock, series A (Series A Preferred Stock), par value of \$0.01 per share, and (ii) a one-time cash payment of \$50.2 million. The Series A Preferred Stock is considered a separate class of common shares for purposes of calculating net income (loss) per share because it participates in earnings similar to common stock and does not receive any significant preferences over the common stock. See "Note 15. Stockholders' Equity" for additional information. During the period that included the Company's preferred stock, Basic and Diluted EPS were computed using the two-class method, which is a net income (loss) allocation that determines EPS for each class of common stock according to dividends declared and participation rights in undistributed income (loss).

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The following table summarizes the weighted-average common shares that were excluded from the Company's diluted net loss per share computation because their effect would have been anti-dilutive for the periods presented:

<b>Year Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Preferred stock	12,505,393	—	—
Stock options	221,949	455,627	893,425
RSUs and PBRsUs	299,747	59,812	63,959
Total	13,027,089	515,439	957,384

**5. Securities Available for Sale**

The Company's Structured Program transactions include (i) asset-backed securitization transactions and (ii) Certificate Program transactions. Certificate Program transactions include CLUB Certificate and Levered Certificate transactions.

In connection with asset-backed securitizations, the Company is the sponsor and establishes trusts to ultimately purchase the unsecured personal loans from the Company and/or third-party whole loan investors. Securities issued from our asset-backed securitizations are senior or subordinated based on the waterfall criteria of loan payments to each security class. The subordinated residual interests issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. The assets are transferred into a trust such that the assets are legally isolated from the creditors of the Company and are not available to satisfy obligations of the Company. These assets can only be used to settle obligations of the underlying trusts. The asset-backed securitization senior securities and subordinated residual interests retained by the Company are presented as "Asset-backed senior securities" and "Asset-backed subordinated securities," respectively, in the securities available for sale tables below.

In addition, the Company sponsors the sale of unsecured personal loans through the issuance of certificate securities under our Certificate Program. The certificate securities are collateralized by loans transferred to a series of a master trust and trade in the over-the-counter market with a CUSIP. The assets are transferred into a trust such that the assets are legally isolated from the creditors of the Company and are not available to satisfy obligations of the Company. These assets can only be used to settle obligations of the underlying Certificate Program trusts. The CLUB Certificate issued securities are pass-through securities of which each owner has an undivided and equal interest in the underlying loans of each transaction. The Levered Certificate issued securities include senior and subordinated securities based on the waterfall criteria of loan payments to each security class. The subordinated securities issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. The CLUB Certificate issued securities retained by the Company are presented as "CLUB Certificate asset-backed securities" in the securities available for sale tables below.

The Levered Certificate issued senior and subordinated securities retained by the Company are presented in aggregate with securities from asset-backed securitizations as "Asset-backed senior securities" and "Asset-backed subordinated securities," respectively, in the tables below. The "Other asset-backed securities" caption in the tables below primarily includes investment-grade rated bonds that are collateralized by automobile loan receivables. In the fourth quarter of 2020, the Company liquidated a portion of its investment portfolio, which included commercial paper, corporate debt securities, asset-backed securities, and certificates of deposit.

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The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of securities available for sale as of December 31, 2020 and 2019, were as follows:

<b>December 31, 2020</b>	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Allowance for Credit Losses</b>	<b>Fair Value</b>
Asset-backed senior securities <sup>(1)(2)</sup>	\$ 75,332	\$ 67	\$ (27)	\$ —	\$ 75,372
CLUB Certificate asset-backed securities <sup>(1)(2)</sup>	54,525	576	(772)	(4,190)	50,139
Asset-backed subordinated securities <sup>(1)(2)</sup>	29,107	2,128	(174)	(14,546)	16,515
Other securities <sup>(2)</sup>	200	—	—	—	200
<b>Total securities available for sale</b>	<b>\$ 159,164</b>	<b>\$ 2,771</b>	<b>\$ (973)</b>	<b>\$ (18,736)</b>	<b>\$ 142,226</b>

<b>December 31, 2019</b>	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
Asset-backed senior securities <sup>(1)(2)</sup>	\$ 108,788	59	(3)	109,339
CLUB Certificate asset-backed securities <sup>(1)(2)</sup>	90,728	41	(1,063)	89,706
Asset-backed subordinated securities <sup>(1)(2)</sup>	20,888	423	(221)	21,090
Corporate debt securities	14,333	11	(1)	14,343
Certificates of deposit	13,100	—	—	13,100
Other asset-backed securities	12,075	6	(1)	12,080
Commercial paper	9,274	—	—	9,274
U.S. agency securities	1,995	—	—	1,995
<b>Total securities available for sale</b>	<b>\$ 271,178</b>	<b>\$ 1,076</b>	<b>\$ (1,324)</b>	<b>\$ 270,927</b>

<sup>(1)</sup> As of December 31, 2020 and 2019, \$119.3 million and \$219.0 million, respectively, of the asset-backed securities related to Structured Program transactions at fair value are subject to restrictions on transfer pursuant to the Company's obligations as a "sponsor" under the U.S. Risk Retention Rules (as more fully described in "Part I – Item 1A. Risk Factors – Risk retention rules may increase our compliance costs, impair our liquidity and otherwise adversely affect our operating results.")

<sup>(2)</sup> As of December 31, 2020 and 2019, includes \$133.5 million and \$174.8 million, respectively, of securities pledged as collateral at fair value.



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A summary of securities available for sale with unrealized losses for which an allowance for credit losses has not been recorded as of December 31, 2020 and 2019, aggregated by period of continuous unrealized loss, is as follows:

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>December 31, 2020</b>						
Asset-backed securities related to Structured Program transactions	\$ 26,678	\$ (855)	\$ 6,052	\$ (118)	\$ 32,730	\$ (973)
Total securities with unrealized losses <sup>(1)</sup>	\$ 26,678	\$ (855)	\$ 6,052	\$ (118)	\$ 32,730	\$ (973)

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>December 31, 2019</b>						
Asset-backed securities related to Structured Program transactions	\$ 91,350	\$ (1,287)	\$ 1,875	\$ (35)	\$ 93,225	\$ (1,322)
Corporate debt securities	4,613	(1)	—	—	4,613	(1)
Other asset-backed securities	3,062	(1)	—	—	3,062	(1)
Total securities with unrealized losses <sup>(1)</sup>	\$ 99,025	\$ (1,289)	\$ 1,875	\$ (35)	\$ 100,900	\$ (1,324)

<sup>(1)</sup> The number of investment positions with unrealized losses at December 31, 2020 and 2019 totaled 55 and 70, respectively.

The Company recorded an allowance for credit loss on those securities where there was a deterioration in future estimated cash flows. The Company also recorded unrealized losses on securities with fair value price reductions due to higher liquidity premiums observed due to the market dislocation related to COVID-19. The Company deemed it not necessary to record unrealized losses as an allowance for credit loss for certain securities due to the nature of those securities and their investment grade quality.

During the year ended December 31, 2020, the Company recognized \$3.4 million in credit recovery and loss expense. During the years ended December 31, 2019 and 2018, the Company recognized \$3.6 million and \$3.0 million, respectively, in other-than-temporary impairment charges on its asset-backed securities related to Structured Program transactions. There were no credit losses recognized into earnings for other-than-temporarily impaired securities held by the Company during the years ended December 31, 2020, 2019 and 2018 for which a portion of the impairment was previously recognized in other comprehensive income.

The following table presents the activity in the allowance for credit losses for securities available for sale, by major security type, for the year ended December 31, 2020:

Allowance for Credit Losses	CLUB Certificate asset-backed securities		Asset-backed subordinated securities		Total	
Beginning balance as of January 1, 2020	\$	—	\$	—	\$	—
Provision for credit loss expense		(236)		(3,146)		(3,382)
Allowance arising from PCD financial assets		(3,954)		(11,400)		(15,354)
Ending balance as of December 31, 2020	\$	(4,190)	\$	(14,546)	\$	(18,736)

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Securities available for sale purchased with credit deterioration during the year ended December 31, 2020 were as follows:

	<b>Year Ended December 31, 2020</b>	
Purchase price of PCD securities at acquisition	\$	27,034
Allowance for credit losses on PCD securities at acquisition		15,353
Par value of acquired PCD securities at acquisition	\$	42,387

The contractual maturities of securities available for sale at December 31, 2020, were as follows:

	<b>Amortized Cost</b>		<b>Fair Value</b>	
Within 1 year:				
Other securities	\$	200	\$	200
Total		200		200
Asset-backed securities related to Structured Program transactions		158,964		142,026
Total securities available for sale	\$	159,164	\$	142,226

During the years ended December 31, 2020, 2019 and 2018, the Company and Consumer Loan Underlying Bond Depositor LLC (Depositor), a subsidiary of the Company, sold a combined \$1.3 billion, \$4.5 billion and \$2.0 billion, respectively, in asset-backed securities related to Structured Program transactions. There were no realized gains or losses related to such sales. For further information see “*Note 7. Securitizations and Variable Interest Entities.*” Proceeds and gross realized gains and losses from other sales of securities available for sale were as follows:

<b>Year Ended December 31,</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Proceeds	\$	6,217	\$	12,548	\$	497
Gross realized gains	\$	14	\$	9	\$	1
Gross realized losses	\$	(3)	\$	(1)	\$	(3)

**6. Loans Held for Investment, Loans Held for Sale, Notes, Certificates and Secured Borrowings**

***Loans Held for Investment, Notes, Certificates and Secured Borrowings***

The Company issued member payment dependent notes and the LC Trust issued certificates as a means to allow investors to invest in the corresponding loans. At December 31, 2020 and 2019, loans held for investment, notes, certificates and secured borrowings measured at fair value on a recurring basis were as follows:

<b>December 31,</b>	<b>Loans Held for Investment</b>		<b>Notes, Certificates and Secured Borrowings</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Aggregate principal balance outstanding	\$ 679,903	\$ 1,148,888	\$ 679,903	\$ 1,148,888
Net fair value adjustments	(43,217)	(69,573)	(43,129)	(67,422)
Fair value	\$ 636,686	\$ 1,079,315	\$ 636,774	\$ 1,081,466

At December 31, 2020 and 2019, a fair value of \$0.8 million and \$18.0 million included in “Loans held for investment at fair value” was pledged as collateral for secured borrowings, respectively.

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The following table provides the balances of notes, certificates and secured borrowings at fair value at the end of the periods indicated:

<b>December 31,</b>	<b>2020</b>		<b>2019</b>	
Notes	\$	583,219	\$	863,488
Certificates		52,620		197,842
Secured borrowings		935		20,136
Total notes, certificates and secured borrowings	\$	636,774	\$	1,081,466

**Loans Invested in by the Company**

At December 31, 2020 and 2019, loans invested in by the Company for which there were no associated notes, certificates or secured borrowings (with the exception of \$148.3 million and \$40.3 million in loans at fair value in consolidated trusts as of December 31, 2020 and 2019, respectively) were as follows:

<b>December 31,</b>	<b>Loans Invested in by the Company</b>					
	<b>Loans Held for Investment</b>		<b>Loans Held for Sale</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Aggregate principal balance outstanding	\$ 56,388	\$ 47,042	\$ 132,600	\$ 747,394	\$ 188,988	\$ 794,436
Net fair value adjustments	(6,434)	(3,349)	(10,698)	(25,039)	(17,132)	(28,388)
Fair value	\$ 49,954	\$ 43,693	\$ 121,902	\$ 722,355	\$ 171,856	\$ 766,048

The net fair value adjustments of \$(17.1) million, \$(28.4) million and \$(30.6) million represent net unrealized losses recorded in earnings on loans invested in by the Company at December 31, 2020, 2019 and 2018, respectively. Total fair value adjustments recorded in earnings on loans invested in by the Company of \$(101.7) million, \$(141.0) million and \$(102.0) million during the years ended December 31, 2020, 2019 and 2018, respectively, include net realized losses and changes in net unrealized losses. Net interest income earned on loans invested in by the Company during the years ended December 31, 2020, 2019 and 2018 was \$59.0 million, \$80.9 million and \$90.9 million, respectively.

The Company used its own capital to purchase \$1.6 billion in loans and sold \$1.9 billion in loans during the year ended December 31, 2020, which were securitized or sold to series trusts in connection with the Company's Certificate Program or sold to whole loan investors. The fair value of loans invested in by the Company was \$171.9 million at December 31, 2020, which included \$148.3 million related to Structured Program transactions that were consolidated and a related payable to Structured Program note and certificate holders at fair value of \$152.8 million as of December 31, 2020. See "Note 7. Securitizations and Variable Interest Entities" and "Note 14. Debt" for further discussion on the Company's consolidated trusts and "Note 8. Fair Value of Assets and Liabilities" for a fair value rollforward of loans invested in by the Company for the years ended December 31, 2020 and 2019.

At December 31, 2019, loans with a fair value of \$551.5 million included in "Loans held for sale by the Company at fair value" were pledged as collateral for the Company's warehouse credit facilities, respectively. See "Note 14. Debt" for additional information related to these debt obligations. There were no such loans pledged as collateral at December 31, 2020.

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Loans that were 90 days or more past due (including non-accrual loans) were as follows:

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
<b>Loans held for investment:</b>		
Outstanding principal balance	\$ 4,690	\$ 10,755
Net fair value adjustments	(3,883)	(9,663)
Fair value	\$ 807	\$ 1,092
Number of loans (not in thousands)	769	1,428
<b>Loans invested in by the Company:</b>		
Outstanding principal balance	\$ 1,090	\$ 2,315
Net fair value adjustments	(921)	(2,016)
Fair value	\$ 169	\$ 299
Number of loans (not in thousands)	129	338

**7. Securitizations and Variable Interest Entities**

*VIE Assets and Liabilities*

The following tables provide the classifications of assets and liabilities on the Company's Consolidated Balance Sheets for its transactions with consolidated and unconsolidated VIEs at December 31, 2020 and 2019. Additionally, the assets and liabilities in the tables below exclude intercompany balances that eliminate in consolidation:

<b>December 31, 2020</b>	<b>Consolidated VIEs</b>	<b>Unconsolidated VIEs</b>	<b>Total</b>
<b>Assets</b>			
Restricted cash	\$ 15,983	\$ —	\$ 15,983
Securities available for sale at fair value	—	142,026	142,026
Loans held for investment at fair value	52,620	—	52,620
Loans held for investment by the Company at fair value	50,102	—	50,102
Loans held for sale by the Company at fair value	98,190	—	98,190
Accrued interest receivable	1,134	87	1,221
Other assets	136	32,778	32,914
<b>Total assets</b>	<b>\$ 218,165</b>	<b>\$ 174,891</b>	<b>\$ 393,056</b>
<b>Liabilities</b>			
Accrued interest payable	\$ 721	\$ —	\$ 721
Accrued expenses and other liabilities	8	—	8
Notes, certificates and secured borrowings at fair value	52,620	—	52,620
Payable to Structured Program note and certificate holders at fair value	152,808	—	152,808
<b>Total liabilities</b>	<b>206,157</b>	<b>—</b>	<b>206,157</b>
<b>Total net assets</b>	<b>\$ 12,008</b>	<b>\$ 174,891</b>	<b>\$ 186,899</b>

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December 31, 2019	Consolidated VIEs		Unconsolidated VIEs		Total
<b>Assets</b>					
Restricted cash	\$	30,046	\$	—	\$ 30,046
Securities available for sale at fair value		—		220,135	220,135
Loans held for investment at fair value		197,842		—	197,842
Loans held for investment by the Company at fair value		40,251		—	40,251
Loans held for sale by the Company at fair value		551,455		—	551,455
Accrued interest receivable		4,431		877	5,308
Other assets		1,359		52,098	53,457
<b>Total assets</b>	<b>\$</b>	<b>825,384</b>	<b>\$</b>	<b>273,110</b>	<b>\$ 1,098,494</b>
<b>Liabilities</b>					
Accrued interest payable	\$	3,185	\$	—	\$ 3,185
Accrued expenses and other liabilities		244		—	244
Notes, certificates and secured borrowings at fair value		197,842		—	197,842
Payable to Structured Program note and certificate holders at fair value		40,610		—	40,610
Credit facilities and securities sold under repurchase agreements		387,251		—	387,251
<b>Total liabilities</b>		<b>629,132</b>		<b>—</b>	<b>629,132</b>
<b>Total net assets</b>	<b>\$</b>	<b>196,252</b>	<b>\$</b>	<b>273,110</b>	<b>\$ 469,362</b>

**Consolidated VIEs**

The Company consolidates VIEs when it is deemed to be the primary beneficiary. See “*Note 2. Summary of Significant Accounting Policies*” for additional information.

*LC Trust*

The Company established the LC Trust for the purpose of acquiring and holding loans for the sole benefit of certain investors that have purchased trust certificates issued by the LC Trust. The Company is obligated to ensure that the LC Trust meets minimum capital requirements with respect to funding the administrative activities and maintaining the operations of the LC Trust.

*Consolidated Trusts*

The Company establishes trusts to facilitate the sale of loans and issuance of senior and subordinated securities. If the Company is the primary beneficiary of the trust, it is a consolidated VIE and will reflect senior and subordinated securities held by third parties as a “Payable to Structured Program note and certificate holders at fair value” in the Company’s Consolidated Balance Sheets. If subsequently the Company is not the primary beneficiary of the trust, the Company will deconsolidate the VIE. See “*Note 2. Summary of Significant Accounting Policies*” and “*Note 14. Debt*” for additional information.

*Warehouse Credit Facilities*

The Company established certain entities (deemed to be VIEs) to enter into warehouse credit facilities for the purpose of purchasing loans from LendingClub. See “*Note 14. Debt*” for additional information.

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The following tables present a summary of financial assets and liabilities from the Company's involvement with consolidated VIEs at December 31, 2020 and 2019:

<b>December 31, 2020</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>
LC Trust	\$ 55,447	\$ (53,068)	\$ 2,379
Consolidated trusts	162,460	(153,089)	9,371
Warehouse credit facility	258	—	258
<b>Total consolidated VIEs</b>	<b>\$ 218,165</b>	<b>\$ (206,157)</b>	<b>\$ 12,008</b>

<b>December 31, 2019</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>
LC Trust	\$ 201,696	\$ (199,520)	\$ 2,176
Consolidated trusts	43,300	(40,687)	2,613
Warehouse credit facilities	580,388	(388,925)	191,463
<b>Total consolidated VIEs</b>	<b>\$ 825,384</b>	<b>\$ (629,132)</b>	<b>\$ 196,252</b>

The creditors of the VIEs above have no recourse to the general credit of the Company as the primary beneficiary of the VIEs and the liabilities of the VIEs can only be settled by the respective VIE's assets.

***Unconsolidated VIEs***

The Company's transactions with unconsolidated VIEs include asset-backed securitizations, Certificate Program transactions and loan sale transactions of unsecured personal loans. The Company has various forms of involvement with VIEs, including servicing of loans and holding senior or subordinated residual interests in the VIEs. The accounting for these transactions is based on a primary beneficiary analysis to determine whether the underlying VIEs should be consolidated. If the VIEs are not consolidated and the transfer of the loans from the Company to the VIE meets sale accounting criteria, then the Company will recognize a gain or loss on sales of loans. The Company considers continued involvement in an unconsolidated VIE insignificant if it is the sponsor and servicer and does not hold other significant variable interests. In these instances, the Company's involvement with the VIE is in the role as an agent and without significant participation in the economics of the VIE. The Company enters into separate servicing agreements with the VIEs and holds at least 5% of the beneficial interests issued by the VIEs to comply with regulatory risk retention rules. The beneficial interests retained by the Company consist of senior securities and subordinated securities and are accounted for as securities available for sale. In connection with these transactions, we make certain customary representations, warranties and covenants. See "Note 2. Summary of Significant Accounting Policies" for additional information.

***Investment Fund***

The Company has an equity investment in a private fund (Investment Fund) that participates in a family of funds with other unrelated third parties. This family of funds purchases assets from third parties unrelated to the Company and historically purchased whole loans and interests in loans from the Company. As of December 31, 2020, the Company had an ownership interest of approximately 22% in the Investment Fund. The Company's investment is deemed to be a variable interest in the Investment Fund because the Company shares in the expected returns and losses of the Investment Fund. The Company has requested a full redemption of its investment in the Investment Fund. The Investment Fund provides audited financial statements annually and periodic investment statements throughout each calendar year on a delayed basis, which are used by the Company to evaluate performance and recoverability of our investment. At December 31, 2020, the Company's investment was \$7.8 million, which is recognized in "Other assets" on the Company's Consolidated Balance Sheets.

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The following tables summarize unconsolidated VIEs with which the Company has significant continuing involvement, but is not the primary beneficiary at December 31, 2020 and 2019:

<b>December 31, 2020</b>	<b>Carrying Value</b>				
	<b>Total VIE Assets</b>	<b>Securities Available for Sale</b>	<b>Accrued Interest Receivable</b>	<b>Other Assets</b>	<b>Net Assets</b>
Unconsolidated Trusts	\$ 1,267,611	\$ 57,511	\$ 48	\$ 9,606	\$ 67,165
Certificate Program	1,931,429	84,515	39	15,397	99,951
Investment Fund	34,376	—	—	7,775	7,775
<b>Total unconsolidated VIEs</b>	<b>\$ 3,233,416</b>	<b>\$ 142,026</b>	<b>\$ 87</b>	<b>\$ 32,778</b>	<b>\$ 174,891</b>

<b>December 31, 2020</b>	<b>Maximum Exposure to Loss</b>				
	<b>Securities Available for Sale</b>	<b>Accrued Interest Receivable</b>	<b>Other Assets</b>	<b>Total Exposure</b>	
Unconsolidated Trusts	\$ 57,511	\$ 48	\$ 9,606	\$ 67,165	\$ 67,165
Certificate Program	84,515	39	15,397	99,951	99,951
Investment Fund	—	—	7,775	7,775	7,775
<b>Total unconsolidated VIEs</b>	<b>\$ 142,026</b>	<b>\$ 87</b>	<b>\$ 32,778</b>	<b>\$ 174,891</b>	<b>\$ 174,891</b>

<b>December 31, 2019</b>	<b>Carrying Value</b>				
	<b>Total VIE Assets</b>	<b>Securities Available for Sale</b>	<b>Accrued Interest Receivable</b>	<b>Other Assets</b>	<b>Net Assets</b>
Unconsolidated Trusts	\$ 1,909,219	\$ 93,881	\$ 362	\$ 18,768	\$ 113,011
Certificate Program	2,585,957	126,254	515	25,588	152,357
Investment Fund	34,170	—	—	7,742	7,742
<b>Total unconsolidated VIEs</b>	<b>\$ 4,529,346</b>	<b>\$ 220,135</b>	<b>\$ 877</b>	<b>\$ 52,098</b>	<b>\$ 273,110</b>

<b>December 31, 2019</b>	<b>Maximum Exposure to Loss</b>				
	<b>Securities Available for Sale</b>	<b>Accrued Interest Receivable</b>	<b>Other Assets</b>	<b>Total Exposure</b>	
Unconsolidated Trusts	\$ 93,881	\$ 362	\$ 18,768	\$ 113,011	\$ 113,011
Certificate Program	126,254	515	25,588	152,357	152,357
Investment Fund	—	—	7,742	7,742	7,742
<b>Total unconsolidated VIEs</b>	<b>\$ 220,135</b>	<b>\$ 877</b>	<b>\$ 52,098</b>	<b>\$ 273,110</b>	<b>\$ 273,110</b>

“Total VIE Assets” represents the remaining principal balance of loans held by unconsolidated VIEs with respect to Unconsolidated Trusts, Certificate Program transactions, and the net assets held by the Investment Fund using the most current information available. “Securities Available for Sale,” “Accrued Interest Receivable,” and “Other Assets” are the balances in the Company’s Consolidated Balance Sheets related to its involvement with the unconsolidated VIEs. “Other Assets” includes the Company’s servicing assets and servicing receivables and the Company’s equity investment with respect to the Investment Fund. “Total Exposure” refers to the Company’s maximum exposure to loss from its involvement with unconsolidated VIEs. It represents estimated loss that would be incurred under severe, hypothetical circumstances, for which the Company believes the possibility is extremely remote, such as where the value of interests and any associated collateral declines to zero. Accordingly, this required disclosure is not an indication of expected losses.

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The following table summarizes activity related to the Unconsolidated Trusts and Certificate Program trusts, with the transfers accounted for as a sale on the Company's consolidated financial statements for the years ended December 31, 2020 and 2019:

Year Ended December 31,	2020		2019	
	Unconsolidated Trusts	Unconsolidated Certificate Program Trusts	Unconsolidated Trusts	Unconsolidated Certificate Program Trusts
Principal derecognized from loans securitized or sold <sup>(1)</sup>	\$ 255,203	\$ 971,738	\$ 1,553,847	\$ 2,868,709
Net gains (losses) recognized from loans securitized or sold	\$ (20)	\$ 7,897	\$ 4,809	\$ 32,417
Fair value of asset-backed senior and subordinated securities, and CLUB Certificate asset-backed securities retained upon settlement <sup>(2)</sup>	\$ 12,707	\$ 35,836	\$ 75,924	\$ 140,825
Cash proceeds from loans securitized or sold	\$ 237,764	\$ 598,694	\$ 1,212,521	\$ 2,555,713
Cash proceeds from servicing and other administrative fees on loans securitized or sold	\$ 17,684	\$ 26,822	\$ 16,961	\$ 17,071
Cash proceeds for interest received on senior securities and subordinated securities	\$ 4,559	\$ 8,251	\$ 5,022	\$ 7,717

<sup>(1)</sup> Included non-cash purchase and sale of loans requested by investors to facilitate a Structured Program transaction during the third quarter of 2020.

<sup>(2)</sup> For Structured Program transactions, the Company retained asset-backed senior securities of \$26.3 million and \$98.7 million, CLUB Certificate asset-backed securities of \$18.3 million and \$101.3 million, and asset-backed subordinated securities of \$4.0 million and \$16.8 million for the years ended December 31, 2020 and 2019, respectively.

**Off-Balance Sheet Loans**

Off-balance sheet loans primarily relate to Structured Program transactions for which the Company has some form of continuing involvement, including as servicer. Delinquent loans are comprised of loans 31 days or more past due, including non-accrual loans. Loans to eligible borrowers participating in Skip-a-Pay are not considered delinquent during the commensurate period the loan is extended. For loans related to Structured Program transactions where servicing is the only form of continuing involvement, the Company would only experience a loss if it was required to repurchase a loan due to a breach in representations and warranties associated with its loan sale or servicing contracts.

As of December 31, 2020, the aggregate unpaid principal balance of the off-balance sheet loans pursuant to Structured Program transactions was \$3.2 billion, of which \$94.8 million was attributable to off-balance sheet loans that were 31 days or more past due. As of December 31, 2019, the aggregate unpaid principal balance of the off-balance sheet loans pursuant to Structured Program transactions was \$4.4 billion, of which \$145.6 million was attributable to off-balance sheet loans that were 31 days or more past due.



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***Retained Interests from Unconsolidated VIEs***

The Company and other investors in the subordinated interests issued by trusts and Certificate Program trusts have rights to cash flows only after the investors holding the senior securities issued by the trusts have first received their contractual cash flows. The investors and the trusts have no direct recourse to the Company's assets, and holders of the securities issued by the trusts can look only to the assets of the securitization trusts that issued their securities for payment. The beneficial interests held by the Company are subject principally to the credit and prepayment risk stemming from the underlying unsecured personal whole loans.

See "Note 8. Fair Value of Assets and Liabilities" for additional information on the fair value sensitivity of asset-backed securities related to Structured Program transactions.

**8. Fair Value of Assets and Liabilities**

For a description of the fair value hierarchy and the Company's fair value methodologies, see "Note 2. Summary of Significant Accounting Policies." The Company records certain assets and liabilities at fair value as listed in the following tables.

***Financial Instruments, Assets and Liabilities Recorded at Fair Value***

The following tables present the fair value hierarchy for assets and liabilities measured at fair value at December 31, 2020 and 2019:

December 31, 2020	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
<b>Assets:</b>				
Loans held for investment	\$ —	\$ —	\$ 636,686	\$ 636,686
Loans held for investment by the Company	—	—	49,954	49,954
Loans held for sale by the Company	—	—	121,902	121,902
Securities available for sale:				
Asset-backed senior securities and subordinated securities	—	75,372	16,515	91,887
CLUB Certificate asset-backed securities	—	—	50,139	50,139
Other securities	—	200	—	200
Total securities available for sale	—	75,572	66,654	142,226
Servicing assets	—	—	56,347	56,347
<b>Total assets</b>	<b>\$ —</b>	<b>\$ 75,572</b>	<b>\$ 931,543</b>	<b>\$ 1,007,115</b>
<b>Liabilities:</b>				
Notes, certificates and secured borrowings	\$ —	\$ —	\$ 636,774	\$ 636,774
Payable to Structured Program note and certificate holders	—	—	152,808	152,808
Deferred revenue	—	—	4,776	4,776
Loan trailing fee liability	—	—	7,494	7,494
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 801,852</b>	<b>\$ 801,852</b>

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December 31, 2019	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
<b>Assets:</b>				
Loans held for investment	\$ —	\$ —	\$ 1,079,315	\$ 1,079,315
Loans held for investment by the Company	—	—	43,693	43,693
Loans held for sale by the Company	—	—	722,355	722,355
Securities available for sale:				
Asset-backed senior securities and subordinated securities	—	109,339	21,090	130,429
CLUB Certificate asset-backed securities	—	—	89,706	89,706
Corporate debt securities	—	14,343	—	14,343
Certificates of deposit	—	13,100	—	13,100
Other asset-backed securities	—	12,080	—	12,080
Commercial paper	—	9,274	—	9,274
U.S. agency securities	—	1,995	—	1,995
Total securities available for sale	—	160,131	110,796	270,927
Servicing assets	—	—	89,680	89,680
<b>Total assets</b>	<b>\$ —</b>	<b>\$ 160,131</b>	<b>\$ 2,045,839</b>	<b>\$ 2,205,970</b>
<b>Liabilities:</b>				
Note, certificates and secured borrowings	\$ —	\$ —	\$ 1,081,466	\$ 1,081,466
Payable to Structured Program note and certificate holders	—	—	40,610	40,610
Loan trailing fee liability	—	—	11,099	11,099
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,133,175</b>	<b>\$ 1,133,175</b>

As presented in the tables above, the Company has elected the fair value option for certain liabilities. Changes in the fair value of these financial liabilities caused by a change in the Company's risk are reported in other comprehensive income (OCI). For the year ended December 31, 2020, the amount reported in OCI is zero because these financial liabilities are either payable only upon receipt of cash flows from underlying loans or secured by cash collateral.

Financial instruments are categorized in the valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement. Since the Company's loans held for investment and related notes, certificates, and secured borrowings, loans held for sale, loan servicing rights, asset-backed securities related to Structured Program transactions, and loan trailing fee liability do not trade in an active market with readily observable prices, the Company uses significant unobservable inputs to measure the fair value of these assets and liabilities. These fair value estimates may also include observable, actively quoted components derived from external sources. As a result, changes in fair value for assets and liabilities within the Level 2 or Level 3 categories may include changes in fair value that were attributable to observable and unobservable inputs, respectively. The Company primarily uses a discounted cash flow model to estimate the fair value of Level 3 instruments based on the present value of estimated future cash flows. This model uses inputs that are inherently judgmental and reflect our best estimates of the assumptions a market participant would use to calculate fair value. Due to changes in the availability of market observable inputs, the Company transferred \$517 thousand of asset-backed securities related to Structured Program transactions out of Level 3 during the year ended December 31, 2020. The Company did not transfer any other assets or liabilities in or out of Level 3 during the years ended December 31, 2020 or 2019.

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Fair valuation adjustments are recorded through earnings related to Level 3 instruments for the years ended December 31, 2020 and 2019. Certain unobservable inputs may (in isolation) have either a directionally consistent or opposite impact on the fair value of the financial instrument for a given change in that input. When multiple inputs are used within the valuation techniques, a change in one input in a certain direction may be offset by an opposite change from another input.

***Loans Held for Investment, Notes, Certificates and Secured Borrowings***

**Significant Unobservable Inputs**

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for loans held for investment, notes, certificates and secured borrowings at December 31, 2020 and 2019:

	<b>Loans Held for Investment, Notes, Certificates and Secured Borrowings</b>					
	<b>December 31, 2020</b>			<b>December 31, 2019</b>		
	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>
Discount rates	7.6 %	15.0 %	9.4 %	6.0 %	12.0 %	7.9 %
Net cumulative expected loss rates <sup>(1)</sup>	4.3 %	28.1 %	11.2 %	3.6 %	34.9 %	11.9 %
Cumulative expected prepayment rates <sup>(1)</sup>	27.3 %	35.7 %	30.4 %	28.7 %	38.6 %	31.7 %

<sup>(1)</sup> Expressed as a percentage of the original principal balance of the loan, note, certificate or secured borrowing.

**Significant Recurring Level 3 Fair Value Input Sensitivity**

At December 31, 2020 and 2019, the discounted cash flow methodology used to estimate the note, certificate and secured borrowings' fair values used the same projected net cash flows as their related loans. As demonstrated by the following tables, the fair value adjustments for loans held for investment and loans held for sale were largely offset by the corresponding fair value adjustments due to the payment dependent design of the notes, certificates and secured borrowings.

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**Fair Value Reconciliation**

The following table presents additional information about Level 3 loans held for investment, loans held for sale, and notes, certificates and secured borrowings measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Loans Held for Investment			Loans Held for Sale			Notes, Certificates and Secured Borrowings		
	Outstanding Principal Balance	Valuation Adjustment	Fair Value	Outstanding Principal Balance	Valuation Adjustment	Fair Value	Outstanding Principal Balance	Valuation Adjustment	Fair Value
<b>Balance at December 31, 2018</b>	\$ 2,013,438	\$ (130,187)	\$ 1,883,251	\$ —	\$ —	\$ —	\$ 2,033,258	\$ (127,383)	\$ 1,905,875
Purchases	632,962	(21)	632,941	2,490,734	(26,560)	2,464,174	—	—	—
Transfers (to) from loans held for investment and/or loans held for sale	(123,036)	—	(123,036)	122,330	—	122,330	—	—	—
Issuances	—	—	—	—	—	—	632,962	—	632,962
Sales	—	—	—	(2,613,064)	24,789	(2,588,275)	—	—	—
Principal payments and retirements	(1,183,670)	—	(1,183,670)	—	—	—	(1,326,526)	14	(1,326,512)
Charge-offs, net of recoveries	(190,806)	138,857	(51,949)	—	—	—	(190,806)	135,785	(55,021)
Change in fair value recorded in earnings	—	(78,222)	(78,222)	—	1,771	1,771	—	(75,838)	(75,838)
<b>Balance at December 31, 2019</b>	\$ 1,148,888	\$ (69,573)	\$ 1,079,315	\$ —	\$ —	\$ —	\$ 1,148,888	\$ (67,422)	\$ 1,081,466
Purchases	314,995	—	314,995	1,564,081	(40,167)	1,523,914	—	—	—
Transfers (to) from loans held for investment and/or loans held for sale	(17,916)	—	(17,916)	17,413	—	17,413	—	—	—
Issuances	—	—	—	—	—	—	314,995	—	314,995
Sales	—	—	—	(1,581,494)	52,010	(1,529,484)	—	—	—
Principal payments and retirements	(687,723)	—	(687,723)	—	—	—	(705,639)	—	(705,639)
Charge-offs, net of recoveries	(78,341)	39,641	(38,700)	—	—	—	(78,341)	37,161	(41,180)
Change in fair value recorded in earnings	—	(13,285)	(13,285)	—	(11,843)	(11,843)	—	(12,868)	(12,868)
<b>Balance at December 31, 2020</b>	\$ 679,903	\$ (43,217)	\$ 636,686	\$ —	\$ —	\$ —	\$ 679,903	\$ (43,129)	\$ 636,774

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***Loans Invested in by the Company***

**Significant Unobservable Inputs**

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for loans invested in by the Company at December 31, 2020 and 2019:

	<b>Loans Invested in by the Company</b>					
	<b>December 31, 2020</b>			<b>December 31, 2019</b>		
	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>
Discount rates	8.7 %	16.2 %	9.6 %	6.0 %	11.5 %	7.8 %
Net cumulative expected loss rates <sup>(1)</sup>	5.0 %	28.0 %	8.9 %	3.6 %	36.6 %	10.9 %
Cumulative expected prepayment rates <sup>(1)</sup>	26.8 %	41.0 %	30.5 %	27.3 %	41.0 %	31.6 %

<sup>(1)</sup> Expressed as a percentage of the original principal balance of the loan.

**Significant Recurring Level 3 Fair Value Input Sensitivity**

The fair value sensitivity of loans invested in by the Company to adverse changes in key assumptions as of December 31, 2020 and 2019, are as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Fair value of loans invested in by the Company	\$ 171,856	\$ 766,048
Expected weighted-average life (in years)	1.2	1.5
Discount rates		
100 basis point increase	\$ (1,692)	\$ (9,806)
200 basis point increase	\$ (3,355)	\$ (19,410)
Expected credit loss rates on underlying loans		
10% adverse change	\$ (1,739)	\$ (9,558)
20% adverse change	\$ (3,514)	\$ (19,136)
Expected prepayment rates		
10% adverse change	\$ (454)	\$ (2,429)
20% adverse change	\$ (924)	\$ (4,740)

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**Fair Value Reconciliation**

The following table presents additional information about Level 3 loans invested in by the Company measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Loans Held For Investment by the Company			Loans Held For Sale by the Company			Total Loans Invested in by the Company		
	Outstanding Principal Balance	Valuation Adjustment	Fair Value	Outstanding Principal Balance	Valuation Adjustment	Fair Value	Outstanding Principal Balance	Valuation Adjustment	Fair Value
<b>Balance at December 31, 2018</b>	\$ 3,518	\$ (935)	\$ 2,583	\$ 869,715	\$ (29,694)	\$ 840,021	\$ 873,233	\$ (30,629)	\$ 842,604
Purchases	2,993	(2,303)	690	5,343,146	1	5,343,147	5,346,139	(2,302)	5,343,837
Transfers (to) from loans held for investment and/or loans held for sale	49,996	(1,471)	48,525	(49,290)	1,471	(47,819)	706	—	706
Sales	—	—	—	(5,122,450)	119,369	(5,003,081)	(5,122,450)	119,369	(5,003,081)
Principal payments and retirements	(5,214)	—	(5,214)	(268,366)	—	(268,366)	(273,580)	—	(273,580)
Charge-offs, net of recoveries	(4,251)	2,169	(2,082)	(25,361)	23,973	(1,388)	(29,612)	26,142	(3,470)
Change in fair value recorded in earnings	—	(809)	(809)	—	(140,159)	(140,159)	—	(140,968)	(140,968)
<b>Balance at December 31, 2019</b>	\$ 47,042	\$ (3,349)	\$ 43,693	\$ 747,394	\$ (25,039)	\$ 722,355	\$ 794,436	\$ (28,388)	\$ 766,048
Purchases	1,435	(1,296)	139	1,568,844	(6)	1,568,838	1,570,279	(1,302)	1,568,977
Transfers (to) from loans held for investment and/or loans held for sale	41,934	—	41,934	(41,431)	—	(41,431)	503	—	503
Sales	—	—	—	(1,907,446)	87,723	(1,819,723)	(1,907,446)	87,723	(1,819,723)
Principal payments and retirements	(29,640)	—	(29,640)	(207,483)	—	(207,483)	(237,123)	—	(237,123)
Charge-offs, net of recoveries	(4,383)	906	(3,477)	(27,278)	25,627	(1,651)	(31,661)	26,533	(5,128)
Change in fair value recorded in earnings	—	(2,695)	(2,695)	—	(99,003)	(99,003)	—	(101,698)	(101,698)
<b>Balance at December 31, 2020</b>	\$ 56,388	\$ (6,434)	\$ 49,954	\$ 132,600	\$ (10,698)	\$ 121,902	\$ 188,988	\$ (17,132)	\$ 171,856

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***Asset-Backed Securities Related to Structured Program Transactions***

**Significant Unobservable Inputs**

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for asset-backed securities related to Structured Program transactions at December 31, 2020 and 2019:

	<b>Asset-Backed Securities Related to Structured Program Transactions</b>					
	<b>December 31, 2020</b>			<b>December 31, 2019</b>		
	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>
Discount rates	2.2 %	25.1 %	8.4 %	3.4 %	20.7 %	8.8 %
Net cumulative expected loss rates <sup>(1)</sup>	5.4 %	28.9 %	18.8 %	4.5 %	37.9 %	19.2 %
Cumulative expected prepayment rates <sup>(1)</sup>	6.3 %	30.5 %	24.8 %	17.3 %	35.1 %	29.4 %

<sup>(1)</sup> Expressed as a percentage of the outstanding collateral balance.

**Significant Recurring Fair Value Input Sensitivity**

The following tables present adverse changes to the fair value sensitivity of Level 2 and Level 3 asset-backed securities related to Structured Program transactions to changes in key assumptions at December 31, 2020 and 2019:

	<b>December 31, 2020</b>		
	<b>Asset-Backed Securities Related to Structured Program Transactions</b>		
	<b>Senior Securities</b>	<b>Subordinated Securities</b>	<b>CLUB Certificates</b>
<b>Fair value of interests held</b>	\$ 75,372	\$ 16,515	\$ 50,139
Expected weighted-average life (in years)	0.9	1.4	0.9
<b>Discount rates</b>			
100 basis point increase	\$ (579)	\$ (161)	\$ (405)
200 basis point increase	\$ (1,145)	\$ (343)	\$ (800)
<b>Expected credit loss rates on underlying loans</b>			
10% adverse change	\$ —	\$ (1,831)	\$ (1,528)
20% adverse change	\$ —	\$ (3,718)	\$ (3,095)
<b>Expected prepayment rates</b>			
10% adverse change	\$ —	\$ (791)	\$ (659)
20% adverse change	\$ —	\$ (1,736)	\$ (1,343)

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	<b>December 31, 2019</b>		
	<b>Asset-Backed Securities Related to Structured Program Transactions</b>		
	<b>Senior Securities</b>	<b>Subordinated Securities</b>	<b>CLUB Certificates</b>
<b>Fair value of interests held</b>	\$ 109,339	\$ 21,090	\$ 89,706
Expected weighted-average life (in years)	1.1	1.4	1.1
<b>Discount rates</b>			
100 basis point increase	\$ (1,050)	\$ (300)	\$ (823)
200 basis point increase	\$ (2,076)	\$ (513)	\$ (1,627)
<b>Expected credit loss rates on underlying loans</b>			
10% adverse change	\$ —	\$ (2,162)	\$ (2,163)
20% adverse change	\$ —	\$ (4,273)	\$ (4,311)
<b>Expected prepayment rates</b>			
10% adverse change	\$ —	\$ (814)	\$ (654)
20% adverse change	\$ —	\$ (1,495)	\$ (1,279)

Fair Value Reconciliation

The following table presents additional information about Level 3 asset-backed securities related to Structured Program transactions measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Fair value at beginning of period</b>	\$ 110,796	\$ 60,279
Additions	27,578	118,721
Redemptions	(5,215)	(17,900)
Transfers	(517)	—
Cash received	(72,258)	(45,701)
Change in unrealized gain (loss)	2,578	(992)
Accrued interest	7,075	—
Provision for credit loss expense	(3,383)	—
Other-than-temporary impairment	—	(3,611)
<b>Fair value at end of period</b>	\$ 66,654	\$ 110,796



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***Servicing Assets***

**Significant Unobservable Inputs**

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for servicing assets at December 31, 2020 and 2019:

	<b>Servicing Assets</b>					
	<b>December 31, 2020</b>			<b>December 31, 2019</b>		
	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted-Average</b>
Discount rates	4.8 %	16.4 %	9.9 %	2.9 %	14.8 %	8.6 %
Net cumulative expected loss rates <sup>(1)</sup>	4.5 %	26.3 %	12.5 %	3.7 %	36.1 %	12.4 %
Cumulative expected prepayment rates <sup>(1)</sup>	27.0 %	38.9 %	31.2 %	27.5 %	41.8 %	32.5 %
Total market servicing rates (% per annum on outstanding principal balance) <sup>(2)</sup>	0.62 %	0.62 %	0.62 %	0.66 %	0.66 %	0.66 %

<sup>(1)</sup> Expressed as a percentage of the original principal balance of the loan.

<sup>(2)</sup> Includes collection fees estimated to be paid to a hypothetical third-party servicer.

**Significant Recurring Level 3 Fair Value Input Sensitivity**

The Company's selection of the most representative market servicing rates for servicing assets is inherently judgmental. The Company reviews third-party servicing rates for its loans, loans in similar credit sectors, and market servicing benchmarking analyses provided by third-party valuation firms, when available. The table below shows the impact on the estimated fair value of servicing assets, calculated using different market servicing rate assumptions as of December 31, 2020 and 2019:

	<b>Servicing Assets</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Weighted-average market servicing rate assumptions</b>	0.62 %	0.66 %
Change in fair value from:		
Servicing rate increase by 0.10%	\$ (7,379)	\$ (13,978)
Servicing rate decrease by 0.10%	\$ 7,379	\$ 13,979

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The following table presents the fair value of servicing assets to adverse changes in key assumptions as of December 31, 2020 and 2019:

	<b>Servicing Assets</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Fair value of Servicing Assets</b>	\$ 56,347	\$ 89,680
Discount rates		
100 basis point increase	\$ (455)	\$ (680)
200 basis point increase	\$ (911)	\$ (1,360)
Expected loss rates		
10% adverse change	\$ (346)	\$ (582)
20% adverse change	\$ (691)	\$ (1,165)
Expected prepayment rates		
10% adverse change	\$ (1,596)	\$ (2,962)
20% adverse change	\$ (3,192)	\$ (5,924)

Fair Value Reconciliation

The following table presents additional information about Level 3 servicing assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	<b>Servicing Assets</b>
<b>Fair value at December 31, 2018</b>	\$ 64,006
Issuances <sup>(1)</sup>	79,692
Change in fair value, included in investor fees	(58,172)
Other net changes included in deferred revenue	4,154
<b>Fair value at December 31, 2019</b>	\$ 89,680
Issuances <sup>(1)</sup>	33,990
Change in fair value, included in investor fees	(58,730)
Other net changes included in deferred revenue	(8,593)
<b>Fair value at December 31, 2020</b>	\$ 56,347

<sup>(1)</sup> Represents the gains or losses on sales of the related loans.

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***Loan Trailing Fee Liability***

**Significant Unobservable Inputs**

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for loan trailing fee liability at December 31, 2020 and 2019:

	<b>Loan Trailing Fee Liability</b>					
	<b>December 31, 2020</b>			<b>December 31, 2019</b>		
	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted Average-</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Weighted Average-</b>
Discount rates	4.8 %	16.4 %	10.5 %	2.9 %	14.8 %	9.3 %
Net cumulative expected loss rates <sup>(1)</sup>	4.5 %	26.3 %	14.3 %	3.7 %	36.0 %	14.4 %
Cumulative expected prepayment rates <sup>(1)</sup>	27.1 %	39.0 %	31.6 %	28.5 %	41.7 %	33.0 %

<sup>(1)</sup> Expressed as a percentage of the original principal balance of the loan.

**Significant Recurring Level 3 Fair Value Input Sensitivity**

The fair value sensitivity of the loan trailing fee liability to adverse changes in key assumptions would not result in a material impact on the Company's financial position.

**Fair Value Reconciliation**

The following table presents additional information about the Level 3 loan trailing fee liability measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

<b>Year Ended December 31,</b>	<b>2020</b>	<b>2019</b>
<b>Fair value at beginning of period</b>	\$ 11,099	10,010
Disposals	2,978	7,815
Cash payment of Loan Trailing Fee	(7,402)	(7,908)
Change in fair value, included in Origination and Servicing	819	1,182
<b>Fair value at end of period</b>	<b>\$ 7,498</b>	<b>11,099</b>

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**Financial Instruments, Assets, and Liabilities Not Recorded at Fair Value**

The following tables present the fair value hierarchy for financial instruments, assets, and liabilities not recorded at fair value:

December 31, 2020	Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
<b>Assets:</b>					
Cash and cash equivalents <sup>(1)</sup>	\$ 524,963	\$ —	\$ 524,963	\$ —	\$ 524,963
Restricted cash <sup>(1)</sup>	103,522	—	103,522	—	103,522
Servicer reserve receivable	22	—	22	—	22
Deposits	892	—	892	—	892
<b>Total assets</b>	<b>\$ 629,399</b>	<b>\$ —</b>	<b>\$ 629,399</b>	<b>\$ —</b>	<b>\$ 629,399</b>
<b>Liabilities:</b>					
Accrued expenses and other liabilities	\$ 13,552	\$ —	\$ —	\$ 13,552	\$ 13,552
Accounts payable	3,698	—	3,698	—	3,698
Payable to investors	40,286	—	40,286	—	40,286
Credit facilities and securities sold under repurchase agreements	104,989	—	65,121	39,868	104,989
<b>Total liabilities</b>	<b>\$ 162,525</b>	<b>\$ —</b>	<b>\$ 109,105</b>	<b>\$ 53,420</b>	<b>\$ 162,525</b>

<sup>(1)</sup> Carrying amount approximates fair value due to the short maturity of these financial instruments.

December 31, 2019	Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
<b>Assets:</b>					
Cash and cash equivalents <sup>(1)</sup>	\$ 243,779	\$ —	\$ 243,779	\$ —	\$ 243,779
Restricted cash <sup>(1)</sup>	243,343	—	243,343	—	243,343
Servicer reserve receivable	73	—	73	—	73
Deposits	953	—	953	—	953
<b>Total assets</b>	<b>\$ 488,148</b>	<b>\$ —</b>	<b>\$ 488,148</b>	<b>\$ —</b>	<b>\$ 488,148</b>
<b>Liabilities:</b>					
Accrued expenses and other liabilities	\$ 24,899	\$ —	\$ —	\$ 24,899	\$ 24,899
Accounts payable	10,855	—	10,855	—	10,855
Payable to investors	97,530	—	97,530	—	97,530
Credit facilities and securities sold under repurchase agreements	587,453	—	77,143	510,310	587,453
<b>Total liabilities</b>	<b>\$ 720,737</b>	<b>\$ —</b>	<b>\$ 185,528</b>	<b>\$ 535,209</b>	<b>\$ 720,737</b>

<sup>(1)</sup> Carrying amount approximates fair value due to the short maturity of these financial instruments.

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**9. Property, Equipment and Software, Net**

Property, equipment and software, net, consist of the following:

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
Internally developed software <sup>(1)</sup>	\$ 101,953	\$ 117,510
Leasehold improvements	35,140	39,315
Computer equipment	27,030	26,669
Purchased software	19,004	11,846
Furniture and fixtures	8,203	9,406
Construction in progress	2,761	4,937
<b>Total property, equipment and software</b>	<b>194,091</b>	<b>209,683</b>
Accumulated depreciation and amortization	(97,450)	(95,313)
<b>Total property, equipment and software, net</b>	<b>\$ 96,641</b>	<b>\$ 114,370</b>

<sup>(1)</sup> Includes \$13.9 million and \$21.3 million in development in progress as of December 31, 2020 and 2019, respectively.

Depreciation and amortization expense on property, equipment and software was \$45.2 million, \$51.6 million and \$47.0 million for the years ended December 31, 2020, 2019 and 2018, respectively. The Company recorded impairment expense on its internally developed software of \$5.7 million, \$3.9 million and \$3.8 million for the years ended December 31, 2020, 2019 and 2018, respectively. The Company records impairment expense on its leasehold improvements and furniture and fixtures and its internally developed software in “Other general and administrative” and “Engineering and product development” expense, respectively, in the Consolidated Statements of Operations.

**10. Other Assets**

Other assets consist of the following:

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
Loan servicing assets, at fair value <sup>(1)</sup>	\$ 56,347	\$ 89,680
Prepaid expenses	16,455	14,862
Accounts receivable	10,243	19,017
Other investments	8,275	8,242
Other	5,410	11,867
<b>Total other assets</b>	<b>\$ 96,730</b>	<b>\$ 143,668</b>

<sup>(1)</sup> Loans underlying loan servicing rights had a total outstanding principal balance of \$10.1 billion and \$14.1 billion as of December 31, 2020 and 2019, respectively.

**11. Intangible Assets**

Intangible assets consist of customer relationships. The gross and net carrying values and accumulated amortization as of December 31, 2020 and 2019, were as follows:

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
Gross Carrying Value	\$ 39,500	\$ 39,500
Accumulated Amortization	(28,073)	(24,951)
<b>Net Carrying Value</b>	<b>\$ 11,427</b>	<b>\$ 14,549</b>

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The customer relationship intangible assets are amortized on an accelerated basis over a 14 year period. Amortization expense associated with intangible assets for the years ended December 31, 2020, 2019 and 2018 was \$3.1 million, \$3.5 million and \$3.9 million, respectively.

The expected future amortization expense for intangible assets as of December 31, 2020, is as follows:

<b>Year Ending December 31,</b>		
2021	\$	2,746
2022		2,370
2023		1,994
2024		1,618
2025		1,241
Thereafter		1,458
Total	\$	11,427

**12. Accrued Expenses and Other Liabilities**

Accrued expenses and other liabilities consist of the following:

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
Accrued compensation	\$ 28,805	\$ 30,484
Contingent liabilities <sup>(1)</sup>	21,592	16,000
Accrued expenses	14,382	36,797
Transaction fee refund reserve	14,119	25,541
Loan trailing fee liability, at fair value	7,494	11,099
Deferred revenue	4,923	13,688
Other	10,142	9,027
Total accrued expenses and other liabilities	\$ 101,457	\$ 142,636

<sup>(1)</sup> See "Note 19. Commitments and Contingencies" for further information.

**13. Accumulated Other Comprehensive Income (Loss)**

Accumulated other comprehensive income (loss) represents other cumulative gains and losses that are not reflected in earnings. The components of other comprehensive income (loss) were as follows:

<b>Year Ended December 31,</b>	<b>2020</b>		
	<b>Before Tax</b>	<b>Tax Effect</b>	<b>Net of Tax</b>
Change in net unrealized gain (loss) on securities available for sale	\$ 2,044	\$ (5)	\$ 2,049
Other comprehensive income (loss)	\$ 2,044	\$ (5)	\$ 2,049

<b>Year Ended December 31,</b>	<b>2019</b>		
	<b>Before Tax</b>	<b>Tax Effect</b>	<b>Net of Tax</b>
Change in net unrealized gain (loss) on securities available for sale	\$ (526)	\$ 216	\$ (742)
Other comprehensive income (loss)	\$ (526)	\$ 216	\$ (742)

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Year Ended December 31,	2018		
	Before Tax	Tax Effect	Net of Tax
Change in net unrealized gain (loss) on securities available for sale	\$ 252	\$ 83	\$ 169
Other comprehensive income (loss)	\$ 252	\$ 83	\$ 169

Accumulated other comprehensive income (loss) balances were as follows:

	Total Accumulated Other Comprehensive Income (Loss)
<b>Balance at December 31, 2018</b>	<b>\$ 157</b>
Change in net unrealized gain (loss) on securities available for sale	(742)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(20)
<b>Balance at December 31, 2019</b>	<b>\$ (565)</b>
Change in net unrealized gain (loss) on securities available for sale	2,049
<b>Balance at December 31, 2020</b>	<b>\$ 1,484</b>

#### 14. Debt

##### *Credit Facilities and Securities Sold Under Repurchase Agreements*

The Company may enter into arrangements in the ordinary course of business pursuant to which the Company can incur indebtedness. Below is a description of certain of these arrangements:

##### *Warehouse Credit Facilities*

Through wholly-owned subsidiaries, the Company entered into secured warehouse credit facilities (Warehouse Facility or Facilities), to finance the Company's personal loans and auto refinance loans and to pay fees and expenses related to the applicable facilities. Each subsidiary entered into a credit agreement and security agreement with a commercial bank as administrative agent and a national banking association as collateral trustee and paying agent. The creditors of the Warehouse Facilities had no recourse to the general credit of the Company.

All previously existing Warehouse Facilities were fully repaid and terminated as of December 31, 2020. As of December 31, 2019, the Company had \$387.3 million in aggregate debt outstanding under the Warehouse Facilities, with collateral consisting of loans at fair value of \$551.5 million included in "Loans held for sale by the Company at fair value," and restricted cash of \$25.1 million included in the Consolidated Balance Sheets.

At December 31, 2019, borrowings under these facilities bore weighted-average interest rates ranging from 3.76% to 4.42%. The Company paid monthly unused commitment fees ranging from 0.375% to 1.250% per annum on the average undrawn portion available.

##### *Revolving Credit Facility*

In December 2015, the Company entered into a credit and guaranty agreement and a pledge and security agreement with several lenders and a financial services company, as collateral agent, for an aggregate \$120.0 million secured revolving credit facility (Revolving Facility).

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The Company had the ability to borrow under the Revolving Facility until December 17, 2020. This facility matured and was repaid in the fourth quarter of 2020. The Company had \$60.0 million in debt outstanding under the Revolving Facility as of December 31, 2019. At December 31, 2019, borrowings under the Revolving Facility bore a weighted-average interest rate of 4.46%. The Company paid a quarterly commitment fee ranging from 0.25% to 0.375% per annum, depending on the Company's total net leverage ratio, on the average undrawn portion available under the Revolving Facility.

*Repurchase Agreements*

The Company entered into repurchase agreements pursuant to which the Company sold securities (subject to an obligation to repurchase such securities at a specified future date and price) in exchange for cash, primarily to finance securities retained from the Company's Structured Program transactions. As of December 31, 2020 and 2019, the Company had \$105.0 million and \$140.2 million in aggregate debt outstanding under its repurchase agreements, respectively, which is amortized over time through regular principal and interest payments collected from the pledged securities, and at December 31, 2020, have contractual repurchase dates ranging from September 2022 to March 2028. The contractual repurchase dates correspond to either a set repurchase schedule or to the maturity dates of the underlying securities, which have a remaining weighted-average estimated life from 0.9 to 1.4 years. At December 31, 2020 and 2019, the repurchase agreements bear interest rates ranging from 3.05% to 4.00% and 3.41% to 4.40%, respectively, which are either fixed or based on a benchmark of the three-month LIBOR rate or the weighted-average interest rate of the securities sold plus a spread. Securities sold are included in "Credit facilities and securities sold under repurchase agreements" on the Consolidated Balance Sheets. Underlying securities retained and pledged as collateral under repurchase agreements were \$133.5 million and \$174.8 million, respectively, at December 31, 2020 and 2019.

*Payable to Structured Program Note and Certificate Holders*

The Company consolidates certain sponsored Structured Program transactions through master trusts comprised of unsecured personal whole loans. The trusts sold certificate participations and securities to third-party investors in an amount equal to approximately 95% of the loans. The remaining certificate participations, securities, and residual interests were retained by the Company. The Company is the primary beneficiary of the trusts, which are consolidated. As of December 31, 2020 and 2019, the certificate participations and securities held by third-party investors of \$152.8 million and \$40.6 million, respectively, are included in "Payable to Structured Program note and certificate holders at fair value" in the Consolidated Balance Sheets and were secured by loans held for investment and loans held for sale by the Company at fair value of \$148.3 million and \$40.3 million and restricted cash of \$13.5 million and \$2.9 million included in the Consolidated Balance Sheets at December 31, 2020 and 2019, respectively.

**15. Stockholders' Equity**

*Preferred Stock*

The Company authorized 10,000,000 shares of preferred stock with a par value of \$0.01 per share. In February 2020, the Company filed Certificates of Designations with the Secretary of State of Delaware to designate, of the total authorized shares of preferred stock, 1,200,000 shares of Series A Preferred Stock and 600,000 shares of Series B Preferred Stock. As of December 31, 2020, there were 43,000 shares of Series A Preferred Stock outstanding and no shares of Series B Preferred Stock outstanding.

Each share of Series A Preferred Stock will automatically convert into 100 shares of LendingClub common stock upon a permissible transfer to an unaffiliated third party (subject to adjustment and the other terms described in its respective Certificate of Designations), provided that upon such conversion, the holder, together with its affiliates, will not own or control, in the aggregate, more than 9.9% of the Company's outstanding common stock. A



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permissible transfer is a transfer (a) to the Company; (b) in a widespread public distribution; (c) in which no one transferee (or group of associated transferees) would receive 2% or more of any class of the Company's voting securities then outstanding (including pursuant to a related series of such transfers); or (d) to a transferee that would control more than 50% of the Company voting securities (not including voting securities such person is acquiring from the transferor). The shares of Series A Preferred Stock have no voting rights, except as otherwise required by the General Corporation Law of the State of Delaware.

The Series A Preferred Stock ranks *pari passu* with the common stock, and junior to any other series of preferred stock that is issued by the Company with respect to rights upon liquidation, winding up and dissolution and as to rights to dividends, provided, however, that in case of a liquidation, winding up or dissolution the Series A Preferred Stock has a right to receive \$0.01 per share before any payment is made to the holders of LendingClub common stock, and will thereafter participate on a *pari passu* basis with the common stock.

The Series B Preferred Stock, if issued, will (a) be nonredeemable; (b) have a minimum preferential quarterly dividend of \$0.001 per share or any higher per share dividend declared on LendingClub common stock; (c) in the event of a liquidation be entitled to receive a preferred liquidation payment equal to \$0.001 per share plus the per share amount paid in respect of a share of LendingClub common stock; (d) will have one vote, voting together with LendingClub common stock; and (e) in the event of any merger, consolidation or other transaction in which shares of LendingClub common stock are exchanged, will be entitled to receive the per share amount paid in respect of each share of LendingClub common stock. The rights of holders of the Series B Preferred Stock with respect to dividends, liquidation and voting, and in the event of mergers and consolidations, are protected by customary antidilution provisions. There are no issued Series B Preferred Stock.

*Issuance of Series A Preferred Stock in Exchange for Common Stock*

In February 2020, the Company and Radius Bancorp, Inc. (Radius) entered into an Agreement and Plan of Merger (Merger Agreement), by and among the Company, a wholly owned-subsiary of the Company, and Radius, pursuant to which the Company will acquire Radius and thereby acquire its wholly-owned subsidiary, Radius Bank (the Merger). In connection with the Merger and in order to facilitate compliance with federal banking regulations by Shanda, in February 2020, the Company also entered into a Share Exchange Agreement (the Exchange Agreement) pursuant to which Shanda exchanged all of its shares of the Company's common stock (with voting rights), or 19,562,881 shares, for Series A Preferred Stock, or 195,628 shares, and a one-time cash payment of \$50.2 million.

On the date of the Exchange Agreement, the effective conversion price for the Series A Preferred Stock was less than the fair value of the common stock, resulting in a beneficial conversion feature that the Company recognized as a deemed dividend to the preferred stockholders and, accordingly, an adjustment to net loss to arrive at net loss attributable to common stockholders. As a result, the Company recorded the deemed dividend of \$50.2 million within accumulated deficit for the quarter ended March 31, 2020. There were no other deemed dividends recorded during 2020.

*Shareholder Protection Agreement*

In February 2020, the board of directors of the Company adopted a Temporary Bank Charter Protection Agreement (Protection Agreement) and simultaneously declared a dividend of one right for each outstanding share of LendingClub common stock (each such right, a Common Right) and one right for each outstanding share of Series A Preferred Stock (each such right, a Series A Preferred Right and, together with the Common Rights, the Rights) to stockholders of record at the close of business on March 19, 2020. The Protection Agreement provides for the dilution of any person or group of persons that acquires: (i) 25% or more equity interest in the Company, or (ii) 10.0% or more of any class of the Company's voting securities. In accordance with its terms, the Protection Agreement expired upon the closing of the Merger on February 1, 2021.

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*Retirement of treasury stock*

In the first quarter 2020, we retired 467,049 shares, or \$19.6 million, of common stock previously held as treasury shares. The Company also retired the 19,562,881 shares of common stock acquired from Shanda as part of the Exchange Agreement. These retirements reduced the number of issued shares of common stock by that same amount. Under the applicable state law, these shares resume the status of authorized and unissued shares upon retirement. Since the repurchase price was lower than the original issuance price, the excess of share repurchase price over par value was recorded to additional paid-in capital.

**16. Employee Incentive Plans**

The Company's 2014 Equity Incentive Plan (EIP) provides for granting awards, including RSUs, PBRsUs and stock options to employees, officers and directors.

***Common Stock Reserved for Future Issuance***

As of December 31, 2020 and 2019, the Company had shares of common stock reserved for future issuance as follows:

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
Available for future RSU, PBRsUs and stock option grants	12,552,761	12,861,058
Unvested RSUs, PBRsUs and stock options outstanding	14,631,526	12,323,868
Available for ESPP <sup>(1)</sup>	4,134,033	3,123,203
Total reserved for future issuance	31,318,320	28,308,129

<sup>(1)</sup> In connection with the Company's cost structure simplification efforts, future purchases through the Company's employee stock purchase plan (ESPP) were suspended effective upon the completion of the offering period on May 10, 2019.

***Stock-based Compensation***

Stock-based compensation expense was as follows for the periods presented:

<b>Year Ended December 31,</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
RSUs and PBRsUs	\$	60,745	\$	70,772	\$	66,005
Stock options		788		2,383		7,387
ESPP		—		484		1,695
Total stock-based compensation expense	\$	61,533	\$	73,639	\$	75,087

The following table presents the Company's stock-based compensation expense recorded in the Consolidated Statements of Operations:

<b>Year Ended December 31,</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Sales and marketing	\$	4,104	\$	6,095	\$	7,362
Origination and servicing		2,689		3,155		4,322
Engineering and product development		13,411		19,860		20,478
Other general and administrative		41,329		44,529		42,925
Total stock-based compensation expense	\$	61,533	\$	73,639	\$	75,087

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The Company capitalized \$5.1 million, \$6.3 million and \$9.1 million of stock-based compensation expense associated with developing software for internal use during the years ended December 31, 2020, 2019 and 2018, respectively.

***Restricted Stock Units***

The following table summarizes the activities for the Company's RSUs during the year ended December 31, 2020:

	<b>Number of Units</b>	<b>Weighted- Average Grant Date Fair Value</b>
Unvested at December 31, 2019	9,597,404	\$ 16.78
Granted	11,247,846	\$ 9.27
Vested	(4,139,425)	\$ 15.66
Forfeited/expired	(5,310,713)	\$ 13.61
Unvested at December 31, 2020	11,395,112	\$ 11.26

During the year ended December 31, 2020, the Company granted 11,247,846 RSUs with an aggregate fair value of \$104.3 million.

As of December 31, 2020, there was \$120.0 million of unrecognized compensation cost related to unvested RSUs, which is expected to be recognized over the next 2.8 years.

***Performance-based Restricted Stock Units***

PBRSUs are restricted stock unit awards that are earned and eligible for vesting (if applicable) based upon the achievement of certain pre-established performance metrics over a specific performance period. Our PBRSU awards have a separate market-based component and a performance-based component. Certain of our PBRSU awards have additional time-based vesting for any earned shares. With respect to PBRSU awards with market-based metrics, the compensation expense of the award is fixed at the time of grant (incorporating the probability of achieving the market-based metrics), not adjusted for actual performance and expensed over the performance and vesting period. With respect to PBRSU awards with performance-based metrics, the compensation expense of the award is set at the time of grant (assuming a target level of achievement), adjusted for actual performance during the performance period and expensed over the performance and vesting period.

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The following table summarizes the activities for the Company's PBRsUs during the year ended December 31, 2020:

	Number of Units	Weighted- Average Grant Date Fair Value
Unvested at December 31, 2019	471,589	\$ 16.94
Granted	1,424,438	\$ 4.67
Vested	(181,956)	\$ 17.34
Forfeited/expired <sup>(1)</sup>	(272,760)	\$ 13.85
Unvested at December 31, 2020	1,441,311	\$ 5.31

<sup>(1)</sup> Primarily relates to the portion of PBRsUs granted in 2019 that were unearned as a result of not achieving certain pre-established performance metrics during the performance period.

For the years ended December 31, 2020, 2019 and 2018, the Company recognized \$2.8 million, \$3.9 million and \$2.8 million in stock-based compensation expense related to PBRsUs, respectively.

As of December 31, 2020, there was \$3.8 million of unrecognized compensation cost related to unvested PBRsUs, which is expected to be recognized over the next 2.1 years.

**Stock Options**

The following table summarizes the activities for the Company's stock options during 2020:

	Number of Options	Weighted- Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value <sup>(1)</sup> (in thousands)
Outstanding at December 31, 2019	2,254,888	\$ 29.27		
Exercised	(150,473)	\$ 0.75		
Forfeited/Expired	(309,299)	\$ 38.92		
Outstanding at December 31, 2020	1,795,116	\$ 29.99	3.66	\$ 2,882
Exercisable at December 31, 2020	1,795,116	\$ 29.99	3.66	\$ 2,882

<sup>(1)</sup> The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the Company's closing stock price of \$10.56 as reported on the New York Stock Exchange on December 31, 2020.

The aggregate intrinsic value of options exercised was \$1.8 million, \$5.9 million and \$1.9 million for the years ended December 31, 2020, 2019 and 2018, respectively. The total fair value of stock options vested for the years ended December 31, 2020, 2019 and 2018 was \$1.0 million, \$2.8 million and \$9.8 million, respectively.

As of December 31, 2020, there was no unrecognized compensation cost related to outstanding stock options.

There were no stock options granted during the years ended December 31, 2020, 2019 and 2018.

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**17. Income Taxes**

Loss before income tax expense (benefit) less income (loss) attributable to noncontrolling interests was \$(187.6) million, \$(30.9) million and \$(128.3) million for the years ended December 31, 2020, 2019 and 2018, respectively. Income tax expense (benefit) consisted of the following for the periods shown below:

Year Ended December 31,	2020	2019	2018
<b>Current:</b>			
Federal	\$ (1)	\$ (141)	\$ (57)
State	(78)	(60)	100
<b>Total current tax expense (benefit)</b>	<b>\$ (79)</b>	<b>\$ (201)</b>	<b>\$ 43</b>
<b>Deferred:</b>			
Federal	\$ —	\$ —	\$ —
State	—	—	—
<b>Total deferred tax expense (benefit)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Income tax expense (benefit)</b>	<b>\$ (79)</b>	<b>\$ (201)</b>	<b>\$ 43</b>

Income tax benefit for the year ended December 31, 2020 was primarily attributable to current state income taxes. Income tax benefit for the year ended December 31, 2019 was primarily attributable to the tax effects of unrealized gains recorded to other comprehensive income associated with the Company's available for sale portfolio. Income tax expense for the year ended December 31, 2018 was primarily attributable to current state income taxes, partially offset by the tax effects of unrealized gains recorded to other comprehensive income associated with the Company's available for sale portfolio.

A reconciliation of the income taxes expected at the statutory federal income tax rate and income tax expense (benefit) for the years ended December 31, 2020, 2019 and 2018, is as follows:

Year Ended December 31,	2020	2019	2018
Tax at federal statutory rate	\$ (39,399)	\$ (6,499)	\$ (26,936)
State tax, net of federal tax benefit	(81)	(60)	100
Stock-based compensation expense	8,044	4,773	6,559
Research and development tax credits	(994)	(2,336)	(7,839)
Change in valuation allowance	29,728	(802)	19,140
Change in unrecognized tax benefit	497	1,168	3,920
Non-deductible expenses	2,278	3,250	5,143
Other	(152)	305	(44)
<b>Income tax expense (benefit)</b>	<b>\$ (79)</b>	<b>\$ (201)</b>	<b>\$ 43</b>

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The significant components of the Company's deferred tax assets and liabilities as of December 31, 2020 and 2019 were:

<b>December 31,</b>	<b>2020</b>	<b>2019</b>
<b>Deferred tax assets:</b>		
Net operating loss carryforwards	\$ 163,381	\$ 118,090
Stock-based compensation	10,218	11,480
Reserves and accruals	15,652	23,008
Operating lease liabilities	28,032	33,824
Goodwill	17,375	19,818
Intangible assets	3,151	3,074
Tax credit carryforwards	18,215	16,679
Other	868	498
Total deferred tax assets	256,892	226,471
Valuation allowance	(211,228)	(169,526)
Deferred tax assets – net of valuation allowance	\$ 45,664	\$ 56,945
<b>Deferred tax liabilities:</b>		
Internally developed software	\$ (16,956)	\$ (20,225)
Servicing fees	(2,780)	(4,389)
Operating lease assets	(22,048)	(28,224)
Change in tax method	(1,769)	(3,988)
Other	(2,111)	(119)
Total deferred tax liabilities	\$ (45,664)	\$ (56,945)
Deferred tax asset (liability) – net	\$ —	\$ —

The Company continues to recognize a full valuation allowance against net deferred tax assets. This determination was based on the assessment of the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. As of December 31, 2020 and 2019, the valuation allowance was \$211.2 million and \$169.5 million, respectively.

As of December 31, 2020, the Company had federal and state net operating loss (NOL) carryforwards of approximately \$551.5 million and \$642.2 million, respectively, to offset future taxable income. The federal and majority of state NOL carryforwards start expiring in 2026 and 2028, respectively. Federal and certain state NOL carryforwards generated after 2017 carryforward indefinitely. Additionally, as of December 31, 2020, the Company had federal and state research and development credit carryforwards of \$17.3 million and \$18.6 million, respectively. The federal research credit carryforwards will expire beginning in 2026 and the state research credits may be carried forward indefinitely. As of December 31, 2020, the Company also had other state tax credit carryforwards of \$2.2 million, which will expire beginning in 2021.

In general, a corporation's ability to utilize its NOL and research and development credit carryforwards may be substantially limited due to the ownership change limitations as required by Section 382 and 383 of the Internal Revenue Code of 1986, as amended (Code), as well as similar state provisions. The federal and state Section 382 and 383 limitations may limit the use of a portion of the Company's domestic NOL and tax credit carryforwards. Further, a portion of the carryforwards may expire before being applied to reduce future income tax liabilities.

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A reconciliation of the beginning and ending balance of total unrecognized tax benefits for the years ended December 31, 2020, 2019 and 2018, is as follows:

<b>Year Ended December 31,</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Beginning balance	\$	15,998	\$	13,377	\$	7,784
Gross increase for tax positions related to prior years		—		—		2,744
Gross increase for tax positions related to the current year		1,628		2,621		2,849
Ending balance	\$	17,626	\$	15,998	\$	13,377

If the unrecognized tax benefit as of December 31, 2020 is recognized, there will be no effect on the Company's effective tax rate as the tax benefit would increase a deferred tax asset, which is currently offset with a full valuation allowance. As of December 31, 2020, the Company had no accrued interest and penalties related to unrecognized tax benefits. The Company does not expect any significant increases or decreases to its unrecognized benefits within the next twelve months.

The Company files income tax returns in the United States and various state jurisdictions. As of December 31, 2020, the Company's federal tax returns for 2016 and earlier, and the state tax returns for 2015 and earlier were no longer subject to examination by the taxing authorities. However, tax periods closed in a prior period may be subject to audit and re-examination by tax authorities for which tax carryforwards are utilized in subsequent years.

### 18. Leases

The Company has operating leases for its headquarters in San Francisco, California, as well as additional office space for its origination and servicing operations in the Salt Lake City area, Utah, and Westborough, Massachusetts. As of December 31, 2020, the lease agreements have remaining lease terms ranging from approximately one year to eight years. Some of the lease agreements include options to extend the lease term for up to an additional fifteen years. In addition, the Company is the sublessor of a portion of its office space in San Francisco, with lease terms of one year to two years. As of December 31, 2020, the Company pledged \$0.8 million of cash and \$5.5 million in letters of credit as security deposits in connection with its lease agreements.

The Company entered into lease amendments during the second quarter of 2020 due to COVID-19. The Company elected to remeasure the lease liability using the original discount rate with an adjustment to the ROU asset by the amount of the remeasurement. This accounting policy election did not have a material impact to the Company's financial position, results of operations, cash flows, or disclosures.

The Company reviewed operating lease ROU assets for impairment. In June 2020, the Company terminated one of its operating leases resulting in a reduction in the operating lease liability of \$6.1 million and a corresponding reduction in the operating lease asset of \$5.3 million. For the year ending December 31, 2020, the Company recognized impairment expense of \$3.6 million, net, for several of its operating lease assets, included in "Other general and administrative expense" on the Company's Consolidated Statement of Operations. No impairment expense was recorded during the year ended December 31, 2019.

Balance sheet information as of December 31, 2020 and 2019 related to leases was as follows:

<b>ROU Assets and Lease Liabilities</b>	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
Operating lease assets	\$	74,037	\$	93,485
Operating lease liabilities <sup>(1)</sup>	\$	94,538	\$	112,344

<sup>(1)</sup> The difference between operating lease assets and operating lease liabilities is the unamortized balance of deferred rent.

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Components of net lease costs for the years ended December 31, 2020, 2019 and 2018, were as follows:

Net Lease Costs	Income Statement Classification	Year Ended December 31,		
		2020	2019	2018
Operating lease costs <sup>(1)</sup>	Other general and administrative expense	\$ (17,346)	\$ (19,502)	\$ (17,183)
Sublease revenue	Other revenue	6,146	4,637	397
Net lease costs		\$ (11,200)	\$ (14,865)	\$ (16,786)

<sup>(1)</sup> Includes variable lease costs of \$1.5 million, \$1.6 million and \$0.6 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Supplemental cash flow information related to the Company's operating leases for the year ended December 31, 2020 was as follows:

Year Ended December 31,	2020	2019
Non-cash operating activity:		
Leased assets obtained in exchange for new and amended operating lease liabilities <sup>(1)</sup>	\$ 84	\$ 15,277

<sup>(1)</sup> Represents non-cash activity and, accordingly, is not reflected in the Consolidated Statements of Cash Flows. Amount includes noncash remeasurements of the operating lease right-of-use asset.

The Company's future minimum undiscounted lease payments under operating leases and anticipated sublease revenue as of December 31, 2020 were as follows:

	Operating Lease Payments	Sublease Revenue	Net
2021	\$ 19,271	\$ (6,767)	\$ 12,504
2022	14,134	(2,918)	11,216
2023	10,761	—	10,761
2024	11,072	—	11,072
2025	11,393	—	11,393
Thereafter	56,990	—	56,990
Total lease payments <sup>(1)</sup>	\$ 123,621	\$ (9,685)	\$ 113,936
Discount effect	29,083		
Present value of future minimum lease payments	\$ 94,538		

<sup>(1)</sup> As of December 31, 2020, the Company entered into an additional operating lease which had not yet commenced and is therefore not part of the table above nor included in the lease right-of-use asset and liability. This lease commenced when the Company obtained possession of the underlying asset, which was on January 1, 2021. The lease term is 8.25 years and has an undiscounted future rent payment of approximately \$8.6 million.

The weighted-average remaining lease term and discount rate used in the calculation of the Company's operating lease assets and liabilities were as follows:

Lease Term and Discount Rate	December 31, 2020
Weighted-average remaining lease term (in years)	8.96
Weighted-average discount rate	5.76 %



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## 19. Commitments and Contingencies

### *Operating Lease Commitments*

For discussion regarding the Company's operating lease commitments, see "Note 18. Leases."

### *Loan Purchase Obligation*

Under the Company's loan account program with WebBank, which served as the Company's primary issuing bank for loans facilitated through the Company's platform, WebBank retained ownership of the loans it originated for two business days after origination. As part of this arrangement, the Company is committed to purchase any loans that have been fully approved at par plus accrued interest, at the conclusion of the two business days. As of December 31, 2020 and 2019, the Company was committed to purchase loans with an outstanding principal balance of \$13.8 million and \$91.3 million at par, respectively.

### *Loan Repurchase Obligations*

The Company is generally required to repurchase loans or interests therein in the event of identity theft or certain other types of fraud on the part of the borrower or education and patient service providers. The Company may also repurchase loans or interests therein in connection with certain customer accommodations. In connection with certain whole loan and Certificate Program sales, as well as to facilitate access to securitization markets, the Company has agreed to repurchase loans if representations and warranties made with respect to such loans are breached under certain circumstances. In the case of certain securitization transactions, the Company has also agreed to repurchase or substitute loans for which a borrower fails to make the first payment due under a loan. The Company believes such provisions are customary and consistent with institutional loan and securitization market standards.

In addition to and distinct from the repurchase obligations described in the preceding paragraph, the Company performs certain administrative functions for a variety of retail and institutional investors, including executing, without discretion, loan investments as directed by the investor. To the extent loans do not meet the investor's investment criteria at the time of issuance, or are transferred to the investor as a result of a system error by the Company, the Company repurchases such loans or interests therein at par.

As a result of the loan repurchase obligations described above, the Company repurchased \$3.3 million, \$5.5 million and \$4.0 million in loans or interests therein during 2020, 2019 and 2018 respectively.

### *Purchase Commitments*

As required by applicable regulations, the Company must make firm offers of credit with respect to prescreened direct mail it sends out to prospective applicants provided such applicants continue to meet the credit worthiness criteria which were used to screen them at the time of their application and the application is completed prior to the offer's stated expiration date. If such loans are accepted by the applicants but not otherwise funded by investors on the platform, the Company is required to facilitate funding for the loans directly with its issuing bank partners at minimum amounts, which are generally below the requested loan amount. The Company was required to purchase approximately \$1.1 million of such loans during 2020. During the month of January 2021, \$0.1 million of these loans were required to be purchased by the Company.

In addition, if the Company could not arrange for other investors to invest in or purchase loans that the Company facilitated and that were originated by an issuing bank partner but did not meet the credit criteria for purchase by the issuing bank partner, the Company was contractually committed to purchase those loans. As of both December 31, 2020 and 2019, the Company had a \$9.0 million deposit in a bank account to secure potential future purchases of

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these loans, if necessary. The funds are recorded as restricted cash on the Company's Consolidated Balance Sheets. During the year ended December 31, 2020, the Company was required to purchase \$36.1 million of loans facilitated by the Company or Springstone Financial, LLC (a previously held wholly-owned subsidiary of LendingClub). These purchased loans are held on the Company's Consolidated Balance Sheets and have a fair value of \$4.5 million and \$45.7 million as of December 31, 2020 and 2019, respectively.

***Acquisition-related Commitments***

In connection with the Company's acquisition of Radius, the Company entered into acquisition-related agreements that provide for the payment of certain contingent fees estimated at approximately \$3 million as of December 31, 2020, due upon closing of the transaction. See "Note 23. Subsequent Events" for further information.

***Legal***

The Company is subject to various claims brought in a litigation or regulatory context. These matters include lawsuits and federal regulatory litigation, including but not limited to putative class action lawsuits, derivative lawsuits, and litigation with the FTC. In addition, the Company is subject to federal or state regulatory examinations, investigations, or actions relating to the Company's business practices or licensing. It is also party to a number of routine litigation matters arising in the ordinary course of business. The majority of these claims and proceedings relate to or arise from alleged state or federal law and regulatory violations, or are alleged commercial disputes or consumer complaints. The Company accrues for costs related to contingencies when a loss from such claims is probable and the amount of loss can be reasonably estimated. In determining whether a loss from a claim is probable and the loss can be reasonably estimated, the Company reviews and evaluates its litigation and regulatory matters on at least a quarterly basis in light of potentially relevant factual and legal developments. If the Company determines an unfavorable outcome is not probable or the amount of loss cannot be reasonably estimated, the Company does not accrue for a potential litigation loss. In those situations, the Company discloses an estimate or range of the reasonably possible losses, if such estimates can be made. Except as otherwise specifically noted below, at this time, the Company does not believe that it is possible to estimate the reasonably possible losses or a range of reasonably possible losses related to the matters described below.

***FTC Lawsuit***

In 2016, the Company received a formal request for information from the Federal Trade Commission (FTC). The FTC commenced an investigation concerning certain of the Company's policies and practices and related legal compliance.

On April 25, 2018, the FTC filed a complaint in the Northern District of California (*FTC v. LendingClub Corporation*, No. 3:18-cv-02454) alleging causes of action for violations of the FTC Act, including claims of deception in connection with disclosures related to the origination fee associated with loans available through the Company's platform, and in connection with communications relating to the likelihood of loan approval during the application process, and a claim of unfairness relating to certain unauthorized charges to borrowers' bank accounts. The FTC's complaint also alleged a violation of the Gramm-Leach-Bliley Act regarding the Company's practices in delivering its privacy notice. Following the Court's ruling on a motion to dismiss filed by the Company, the FTC filed an amended complaint on October 22, 2018, which reasserted the same causes of action from the original complaint. On November 13, 2018, the Company filed an answer to the amended complaint. Following a motion by the FTC to strike certain affirmative defenses in the answer, the Company filed an amended answer in the case on May 29, 2019. The discovery period in the case is closed.

On February 27, 2020, both the Company and the FTC filed various motions with the Court, including motions to exclude expert testimony and motions for summary judgment as to some or all of the claims in the case. The FTC also filed a motion for partial judgment on the pleadings in the case. These motions were heard by the Court on

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April 27, 2020. On June 1, 2020, the Court issued an order granting in part and denying in part both the Company's and the FTC's motions for summary judgment. The Court also denied the motions to exclude expert testimony and granted in part and denied in part the FTC's motion for partial judgment on the pleadings. The FTC's Gramm-Leach-Bliley Act claim has been dismissed from the case, but issues relating to the FTC's three other claims will need to be tried. On July 30, 2020, the Company filed a motion to stay the litigation pending the U.S. Supreme Court's decisions in two cases (*F.T.C. v. Credit Bureau Center* and *AMG Capital Management, LLC v. F.T.C.*) that raise the issue whether the FTC is entitled to seek monetary relief under Section 13(b) of the FTC Act. On August 20, 2020, the Court issued an order granting the Company's motion to stay proceedings in the case until the U.S. Supreme Court issues its decision in the *Credit Bureau Center* and *AMG Capital Management* cases. As a result of this order, the trial that was scheduled for October 19, 2020 will need to be rescheduled at a later date following the Supreme Court's ruling. The Supreme Court has vacated its prior grant of review in the *Credit Bureau Center* case but heard oral argument in the *AMG Capital Management* case on January 13, 2021. The exact timing of a ruling by the Supreme Court in that case is uncertain but is anticipated to be issued no later than June 2021. The impact of the Supreme Court decision could impact our case which is why the trial was stayed pending the Supreme Court decision. The Company denies, and will continue to vigorously defend against, the claims remaining in this case. Notwithstanding the Company's vigorous defense, the Company and the FTC have participated in voluntary settlement conferences and may engage in additional settlement discussions. No assurances can be given as to the timing, outcome or consequences of this matter.

*Class Action Lawsuits Following Announcement of FTC Litigation*

In May 2018, following the announcement of the FTC's litigation against the Company, putative shareholder class action litigation was filed in the U.S. District Court of the Northern District of California (*Veal v. LendingClub Corporation et.al.*, No. 5:18-cv-02599) against the Company and certain of its current and former officers and directors alleging violations of federal securities laws in connection with the Company's description of fees and compliance with federal privacy law in securities filings. On January 7, 2019, the lead plaintiffs filed a consolidated amended class action complaint which asserts the same causes of action as the original complaint and adds additional allegations. That complaint was subsequently dismissed by the Court with leave to amend. Plaintiff filed a Second Amended Complaint on December 19, 2019, which modified and added certain allegations and dropped one of the former officer defendants as a defendant in the case, but otherwise advanced the same causes of action. On June 12, 2020, the Court issued an order granting a motion to dismiss by defendants without leave to amend, in part, and with leave to amend, in part. On July 27, 2020, the lead plaintiffs filed a notice with the Court indicating their intention not to file a Third Amended Complaint in this case and requesting that the Court enter judgment. The Court entered judgment and dismissed all claims in the case the same day. The lead plaintiffs have appealed the judgment to the U.S. Court of Appeals for the Ninth Circuit. The timing of a ruling in the appeal is uncertain. The Company denies and will vigorously defend against the allegations in the case. No assurances can be given as to the timing, outcome or consequences of this matter.

In July 2019, a putative class action lawsuit was filed against the Company in federal court in the State of New York (*Shron v. LendingClub Corp.*, 1:19-cv-06718) alleging various claims including fraud, unjust enrichment, breach of contract, and violations of the federal Truth-in-Lending Act and New York General Business Law sections 349 and 350, et seq., based on allegations, among others, that the Company made misleading or inadequate statements or omissions in relation to the total cost and origination fee associated with loans available through the Company's platform. The plaintiff sought to represent classes of similarly situated individuals in the lawsuit. The Company filed a motion to compel arbitration of plaintiff's claims on an individual basis. The Court denied that motion on July 13, 2020. The Company filed a notice of appeal with respect to the Court's decision. The parties have finalized a settlement to resolve this litigation, the terms of which are not material to the Company's financial position or results of operations, the Court has vacated its prior order denying the Company's motion to compel arbitration, and the case has been dismissed with prejudice.

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*Derivative Litigation Following FTC Lawsuit*

In August 2019, a putative shareholder derivative action was filed in the Court of Chancery for the State of Delaware (*Fisher v. Sanborn, et al.*, Case No. 2019-0631) against certain of the Company's current and former officers and directors and naming the Company as a nominal defendant. This lawsuit accuses the individual defendants of breaching their fiduciary duties by failing to adequately monitor the Company and prevent it from engaging in the purported regulatory violations alleged by the FTC and by causing the Company to make allegedly false and misleading public statements (as alleged in the *Veal* action). The lawsuit also alleges that certain of the individual defendants breached their fiduciary duties by selling Company shares while in possession of material, non-public information. The defendants have filed a motion to dismiss the operative complaint in the case, which was heard by the Court on July 2, 2020. It is unclear when the Court will issue a ruling on the motion. No assurances can be given as to the timing, outcome or consequences of this matter.

*Regulatory Investigation by the State of Massachusetts*

In June 2018, the Company received a civil investigative demand from the office of the Attorney General of the State of Massachusetts. The investigation related to the advertisement, provision and servicing of personal loans to Massachusetts' consumers facilitated by the Company, including the Company's compliance with the Massachusetts Small Loan Law and the Small Loan Rate Order promulgated under it. The Company cooperated with the investigation and finalized an Assurance of Discontinuance in January 2020 with the Attorney General's Office to resolve the investigation, the terms of which are not material to the Company's financial position or results of operations.

In December 2019, the Massachusetts Division of Banks raised concerns pertaining to the Company's compliance with the Massachusetts Small Loan Law similar to those the Massachusetts Attorney General's Office raised during its investigation of the Company. The Company has agreed to resolve the Division's concerns on terms that are not material to the Company's financial position or results of operations.

*Regulatory Examinations and Actions Relating to the Company's Business Practices and Licensing*

The Company has been subject to periodic inquiries and enforcement actions brought by federal and state regulatory agencies relating to the Company's business practices, the required licenses to operate its business, and its manner of operating in accordance with the requirements of its licenses. In the past, the Company has successfully resolved inquiries in a manner that was not material to its results of financial operations in any period and that did not materially limit the Company's ability to conduct its business.

The Company is routinely subject to examination for compliance with applicable laws and regulations in the states in which it is licensed. As of the date of this Report, the Company is subject to examination by the New York Department of Financial Services (NYDFS) and other regulators. The Company periodically has discussions with various regulatory agencies regarding its business model and has engaged in similar discussions with the NYDFS. During the course of such discussions with the NYDFS, which remain ongoing, the Company decided to voluntarily comply with certain rules and regulations of the NYDFS. No assurances can be given as to the timing, outcome or consequences of this matter or others if or as they arise.

*Putative Class Actions*

In February 2020, a putative class action lawsuit was filed against the Company in the U.S. District Court for the Northern District of California (*Erceg v. LendingClub Corporation*, No. 3:20-cv-01153). The lawsuit alleges violations of California and Massachusetts law based on allegations that LendingClub recorded a call with plaintiff without notifying him that it would be recorded. Plaintiff seeks to represent a purported class of similarly situated individuals who had phone calls recorded by LendingClub without their knowledge and consent. LendingClub filed

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a motion to dismiss certain of plaintiff's claims, strike nationwide class allegations, and, alternatively, to stay the litigation. Rather than oppose that motion, plaintiff filed an amended complaint. The Company again filed a motion to stay, or alternatively to dismiss certain of the claims in the amended complaint and to strike nationwide class allegations. That motion was heard by the Court on July 9, 2020. On July 28, 2020, the Court entered an order granting the Company's motion to stay Plaintiff's California claims pending a decision by the California Supreme Court in a case involving the California Invasion of Privacy Act, dismissing with prejudice Plaintiff's claim under Massachusetts law, and denying the Company's motion to strike Plaintiff's nationwide class allegations. No assurances can be given as to the timing, outcome or consequences of this matter.

In July 2020, a putative class action lawsuit was filed against the Company in the U.S. District Court for the Southern District of New York (*Sosa v. LendingClub Corporation*, No. 1:20-cv-05256). The lawsuit alleges violations of the Americans with Disabilities Act and various state law claims based on allegations that the plaintiff, who alleges he is visually-impaired, encountered access barriers in visiting LendingClub's website that denied the plaintiff the full enjoyment of the services of the website. The plaintiff sought to represent a class of similarly situated individuals in the lawsuit and sought monetary, injunctive, and declaratory relief, among other relief. In September 2020, LendingClub filed an answer to plaintiff's complaint denying liability in the case. The parties have reached agreement to resolve the matter, the terms of which are not material to the Company's financial position or results of operations and the plaintiff has filed a notice of voluntary dismissal of the case with prejudice. This case is now concluded.

In February 2021, a putative class action lawsuit was filed against the Company in the U.S. District Court for the Southern District of Texas (*Bradford v. Lending Club Corporation*, No. 4:21-cv-00588). The lawsuit asserts a cause of action under the Fair Credit Reporting Act (FCRA) based on allegations that the Company obtained Plaintiff's credit report without his consent or authorization and without a permissible purpose under the FCRA. Plaintiff seeks to represent a class of allegedly similarly situated persons in the case and seeks monetary, injunctive, and declaratory relief, among other relief. No assurances can be given as to the timing, outcome or consequences of this matter.

*California Private Attorneys General Lawsuit*

In September 2018, a putative action under the California Private Attorney General Act was brought against the Company in the California Superior Court (*Brott v. LendingClub Corporation, et al.*, CGC-18-570047) alleging violations of the California Labor Code. The complaint by a former employee alleges that the Company improperly failed to pay certain hourly employees for all wages owed, pay the correct rate of pay including overtime, and provide accurate wage statements. The lawsuit alleges that the plaintiff and aggrieved employees are entitled to recover civil penalties under the California Labor Code. The parties have reached a resolution of this matter, the terms of which are not material to the Company's financial position or results of operations. The resolution will require court approval. The parties have finalized a written settlement agreement and will seek the Court's approval of the negotiated resolution. It remains unclear when the Court will consider approving the settlement or issuing a ruling in connection with the same.

*Certain Financial Considerations Relating to Litigation and Investigations*

With respect to the matters discussed above, the Company had \$21.6 million and \$16.0 million in accrued contingent liabilities as of December 31, 2020 and 2019, respectively. The increase in accrued contingent liabilities as of December 31, 2020 compared to December 31, 2019 was primarily related to legal expenses for legacy litigation and regulatory matters during 2020, which is included in "Other general and administrative" expense on the Company's Consolidated Statements of Operations.

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In addition to the foregoing, the Company is subject to, and may continue to be subject to, legal proceedings and regulatory actions in the ordinary course of business. No assurance can be given as to the timing, outcome or consequences of any of these matters.

## 20. Restructuring Costs

On April 20, 2020, the Company approved a restructuring plan to address the impact of COVID-19 on the Company's business. The restructuring plan was completed on April 21, 2020 and resulted in a reduction of approximately 30% of the Company's workforce. During the year ended December 31, 2020, the Company recorded \$17.8 million in restructuring costs within operating expenses, which was comprised of \$8.0 million in compensation costs, \$5.6 million in related non-cash lease expenses and impairment, and \$4.2 million in impairment of internally developed software. All of the \$8.0 million in compensation costs expensed were paid out during the year, resulting in no restructuring liability as of December 31, 2020. No such restructuring costs were recorded during the year ended December 31, 2019.

The following table presents the restructuring costs for the year ended December 31, 2020, recorded in the Company's Consolidated Statements of Operations:

<b>Year Ended December 31,</b>	<b>2020</b>
Sales and marketing	\$ 1,271
Origination and servicing	793
Engineering and product development	7,245
Other general and administrative	8,480
Total	\$ 17,789

## 21. Segment Reporting

The Company defines its operating segments by the loan product types of personal, education and patient finance, and auto. While each of these product types are considered operating segments, they are aggregated to represent one reportable segment as the education and patient finance and auto loan operating segments are immaterial both individually and in the aggregate. In the second quarter of 2019, the Company sold certain assets relating 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.

All of the Company's revenue is generated in the United States. No individual borrower or investor accounted for 10% or more of consolidated net revenue for any of the periods presented.

## 22. Related Party Transactions

Related party transactions must be reviewed and approved by the Audit Committee of the Company's board of directors when not conducted in the ordinary course of business subject to the standard terms of the Company's lending marketplace or certificate investment program. Any material amendment or modification to an existing related party transaction is also subject to the review and approval of the Audit Committee. Related party transactions may include any transaction between entities under common control or with a related person that has occurred since the beginning of the Company's latest fiscal year or is currently proposed. The Company has defined related persons as members of the board of directors, executive officers, principal owners of the Company's outstanding stock and any immediate family members of each such related person, as well as any other person or entity with significant influence over the Company's management or operations.

**LENDINGCLUB CORPORATION**  
**Notes to Consolidated Financial Statements**

(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

Several of the Company's executive officers and directors (including immediate family members) have made deposits and withdrawals to their investor accounts and purchased loans or interests therein. The Company believes all such transactions by related persons were made in the ordinary course of business and were transacted on terms and conditions that were not more favorable than those obtained by similarly situated third-party investors.

In February 2020, the Company entered into an exchange agreement with its largest stockholder, Shanda, pursuant to which, in March 2020, Shanda exchanged all of 19,562,881 shares of LendingClub common stock held by it for (i) 195,628 newly issued shares of mandatorily convertible, non-voting, LendingClub preferred stock, series A, both with a par value of \$0.01 per share, and (ii) a one-time cash payment of \$50.2 million. See "Note 15. Stockholders' Equity," for additional information.

As of December 31, 2020, the Company had a \$7.8 million investment and an approximate 22% ownership interest in an Investment Fund, a private fund that participates in a family of funds with other unrelated third parties. This family of funds purchases assets from third parties unrelated to the Company and, prior to 2020, purchased whole loans and interests in loans from the Company. The Company has requested a full redemption of our investment in the Investment Fund. The Company's investment in the Investment Fund is recorded in "Other assets" on the Company's Consolidated Balance Sheets. The Company believes all arrangements were on terms and conditions that were not more favorable than those obtained by other third-party investors. The Investment Fund provides audited financial statements annually and periodic investment statements throughout each calendar year on a delayed basis, which are used by the Company to evaluate performance and recoverability of our investment.

### **23. Subsequent Events**

The Company has evaluated the impact of events that have occurred subsequent to December 31, 2020, through the date the consolidated financial statements were filed with the SEC. Based on this evaluation, other than as recorded or disclosed within these consolidated financial statements and related notes, including as disclosed below, the Company has determined no additional subsequent events were required to be recognized or disclosed.

#### *Radius Bancorp, Inc. Acquisition*

On February 1, 2021, the Company completed the acquisition of Radius Bancorp, Inc. (Radius), in accordance with the Plan of Merger previously disclosed, for total consideration of approximately \$145 million in cash and \$40.8 million in LendingClub common stock (3,761,114 shares). The acquisition combines the Company's complementary digital lending capabilities with those of a digital bank. The acquisition will be accounted for as a purchase business combination with the purchase price allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their fair values at the acquisition date. The residual difference will be recorded as goodwill. The Company is in the process of completing its initial fair value estimates, which will be included in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

The acquisition of Radius will significantly change the presentation of our financial statements in future periods. Going forward, the Company's financial statements will be structured according to the presentation requirements for bank holding companies under Article 9 of the SEC's Regulation S-X.

## LENDINGCLUB CORPORATION

### Notes to Consolidated Financial Statements

(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

#### Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

#### Item 9A. Controls and Procedures

##### *Evaluation of Disclosure Controls and Procedures*

The Company's management evaluated, with the participation of the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2020. In designing and evaluating its disclosure controls and procedures, the Company's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance, not absolute assurance, of achieving the desired control objectives, and is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures as of December 31, 2020, were designed and functioned effectively to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities and Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including the principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

##### *Management's Annual Report on Internal Control over Financial Reporting*

The Company's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting, as defined in Rule 13a-15(f) of the 1934 Act. Under the supervision and with the participation of the Company's CEO and CFO, management conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2020, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of this assessment, management concluded that, as of December 31, 2020, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Deloitte & Touche LLP, has independently audited the effectiveness of our internal control over financial reporting and its report is included below.

All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention or overriding of controls. Further, because of changes in conditions, the effectiveness of internal controls may vary over time. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

##### *Changes in Internal Control Over Financial Reporting*

No change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during the fiscal quarter ended December 31, 2020, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.



# LENDINGCLUB CORPORATION

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of LendingClub Corporation

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of LendingClub Corporation and subsidiaries (the “Company”) as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated March 11, 2021, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management’s Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

San Francisco, California  
March 11, 2021

**Item 9B. Other Information**

Not Applicable.

**PART III****Item 10. Directors, Executive Officers and Corporate Governance**

The information required by Item 10 will be included in our definitive proxy statement with respect to our 2021 Annual Meeting of Stockholders (Proxy Statement) and is incorporated herein by reference. The Proxy Statement will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days of the end of the 2020 fiscal year.

**Item 11. Executive Compensation**

The information required by Item 11 will be included in the Proxy Statement under the headings “Board of Directors and Corporate Governance – Director Compensation,” “Executive Compensation” and “Report of the Compensation Committee,” and is incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by Item 12 will be included in the Proxy Statement under the headings “Security Ownership of Certain Beneficial Owners and Management” and “Executive Compensation – Securities Authorized for Issuance Under Equity Compensation Plans,” and is incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by Item 13 will be included in the Proxy Statement under the headings “Related Party Transactions” and “Board of Directors and Corporate Governance – Director Independence,” and is incorporated herein by reference.

**Item 14. Principal Accountant Fees and Services**

The information required by Item 14 will be included in the Proxy Statement under the heading “Ratification of Appointment of Independent Registered Public Accounting Firm,” and is incorporated herein by reference.

# LENDINGCLUB CORPORATION

## PART IV

### Item 15. Exhibits and Financial Statement Schedule

(a) Documents filed as part of this Annual Report on Form 10-K:

1. Financial Statements

The following consolidated financial statements are included in Part II, Item 8 of this Annual Report on Form 10-K:

<a href="#">Report of Independent Registered Public Accounting Firm</a>	<a href="#">80</a>
<a href="#">Consolidated Balance Sheets</a>	<a href="#">81</a>
<a href="#">Consolidated Statements of Operations</a>	<a href="#">83</a>
<a href="#">Consolidated Statements of Comprehensive Income (Loss)</a>	<a href="#">84</a>
<a href="#">Consolidated Statements of Changes in Stockholders' Equity</a>	<a href="#">85</a>
<a href="#">Consolidated Statements of Cash Flows</a>	<a href="#">86</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">87</a>

2. Financial Statement Schedule

Financial statement schedules have been omitted because they are not required, not applicable, not present in amounts sufficient to require submission of the schedule, or the required information is shown in the Consolidated Financial Statements or Notes thereto.

3. Exhibits

The documents listed in the Exhibit index of this Annual Report on Form 10-K are incorporated by reference or are filed with this Annual Report on Form 10-K, in each case as indicated therein on the Exhibit Index immediately following the signature page of this Annual Report on Form 10-K.

### Item 16. Form 10-K Summary

None.

**LENDINGCLUB CORPORATION**

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 11, 2021

LENDINGCLUB CORPORATION

By:     /s/ Scott Sanborn    

Scott Sanborn

*Chief Executive Officer*

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Scott Sanborn and Thomas Casey, jointly and severally, his or her attorney-in-fact, with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

## LENDINGCLUB CORPORATION

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Scott Sanborn</u> Scott Sanborn	Chief Executive Officer and Director	March 11, 2021
<u>/s/ Thomas W. Casey</u> Thomas W. Casey	Chief Financial Officer and Director	March 11, 2021
<u>/s/ Fergal Stack</u> Fergal Stack	Principal Accounting Officer	March 11, 2021
<u>/s/ Susan Athey</u> Susan Athey	Director	March 11, 2021
<u>/s/ Allan Landon</u> Allan Landon	Director	March 11, 2021
<u>/s/ Timothy J. Mayopoulos</u> Timothy J. Mayopoulos	Director	March 11, 2021
<u>/s/ Patricia McCord</u> Patricia McCord	Director	March 11, 2021
<u>/s/ John C. Morris</u> John C. Morris	Director	March 11, 2021
<u>/s/ Erin Selleck</u> Erin Selleck	Director	March 11, 2021
<u>/s/ Simon Williams</u> Simon Williams	Director	March 11, 2021
<u>/s/ Michael Zeisser</u> Michael Zeisser	Director	March 11, 2021

# LENDINGCLUB CORPORATION

## EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
<a href="#">3.1</a>	<a href="#">Restated Certificate of Incorporation of LendingClub Corporation</a>	<a href="#">8-K</a>	<a href="#">000-54752</a>	<a href="#">3.1</a>	<a href="#">December 16, 2014</a>	
<a href="#">3.2</a>	<a href="#">Certificate of Amendment of Restated Certificate of Incorporation of LendingClub Corporation, effective July 5, 2019</a>	<a href="#">10-Q</a>	<a href="#">001-36771</a>	<a href="#">3.1</a>	<a href="#">August 7, 2019</a>	
<a href="#">3.3</a>	<a href="#">Amended and Restated Bylaws of the Company, effective March 22, 2018</a>	<a href="#">8-K/A</a>	<a href="#">001-36771</a>	<a href="#">3.1</a>	<a href="#">June 22, 2018</a>	
<a href="#">3.4</a>	<a href="#">Certificate of Designations of the Series A Preferred Stock, as filed with the Secretary of State of Delaware on February 18, 2020</a>	<a href="#">8-K</a>	<a href="#">001-36771</a>	<a href="#">3.1</a>	<a href="#">February 19, 2020</a>	
<a href="#">4.1</a>	<a href="#">Form of Common Stock Certificate of LendingClub Corporation</a>	<a href="#">10-Q</a>	<a href="#">001-36771</a>	<a href="#">4.1</a>	<a href="#">November 6, 2019</a>	
<a href="#">4.2</a>	<a href="#">Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934</a>	<a href="#">10-K</a>	<a href="#">001-36771</a>	<a href="#">4.8</a>	<a href="#">February 19, 2020</a>	
<a href="#">4.3</a>	<a href="#">Form of Series A Preferred Stock Certificate of LendingClub Corporation</a>	<a href="#">10-Q</a>	<a href="#">001-36771</a>	<a href="#">4.2</a>	<a href="#">May 6, 2020</a>	
<a href="#">10.1</a>	<a href="#">Form of Indemnity Agreement</a>	<a href="#">S-1, Amendment No. 3</a>	<a href="#">333-198393</a>	<a href="#">10.1</a>	<a href="#">December 1, 2014</a>	
<a href="#">10.2</a>	<a href="#">LendingClub Corporation 2007 Stock Incentive Plan, as amended, and form of award agreement thereunder</a>	<a href="#">10-K</a>	<a href="#">001-36771</a>	<a href="#">10.2</a>	<a href="#">February 19, 2020</a>	
<a href="#">10.3</a>	<a href="#">2014 Equity Incentive Plan, and forms of award agreements thereunder</a>					<a href="#">X</a>
<a href="#">10.4</a>	<a href="#">Form of Employment Agreement for Chief Executive Officer</a>	<a href="#">S-1, Amendment No. 3</a>	<a href="#">333-198393</a>	<a href="#">10.15</a>	<a href="#">December 1, 2014</a>	
<a href="#">10.5</a>	<a href="#">Form of Employment Agreement for Executive Officers other than Chief Executive Officer</a>	<a href="#">S-1, Amendment No. 3</a>	<a href="#">333-198393</a>	<a href="#">10.16</a>	<a href="#">December 1, 2014</a>	
<a href="#">10.6</a>	<a href="#">Lease Agreement, dated as of April 16, 2015, by and between LendingClub Corporation and 595 Market Street, Inc.</a>	<a href="#">10-Q</a>	<a href="#">001-36771</a>	<a href="#">10.31</a>	<a href="#">May 5, 2015</a>	
<a href="#">10.7</a>	<a href="#">Share Exchange Agreement, dated as of February 18, 2020, by and among LendingClub Corporation and Shanda Asset Management Holdings Limited</a>	<a href="#">8-K</a>	<a href="#">001-36771</a>	<a href="#">10.1</a>	<a href="#">February 19, 2020</a>	
<a href="#">10.8</a>	<a href="#">Amendment to Share Exchange Agreement</a>	<a href="#">8-K</a>	<a href="#">001-36771</a>	<a href="#">10.1</a>	<a href="#">March 23, 2020</a>	
<a href="#">10.9</a>	<a href="#">Registration Rights Agreement, dated as of February 18, 2020, by and among LendingClub Corporation and Shanda Asset Management Holdings, Limited</a>	<a href="#">8-K</a>	<a href="#">001-36771</a>	<a href="#">10.2</a>	<a href="#">February 19, 2020</a>	
<a href="#">21.1</a>	<a href="#">List of Subsidiaries</a>					<a href="#">X</a>
<a href="#">23.1</a>	<a href="#">Consent of Deloitte &amp; Touche LLP</a>					<a href="#">X</a>
<a href="#">31.1</a>	<a href="#">Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					<a href="#">X</a>
<a href="#">31.2</a>	<a href="#">Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					<a href="#">X</a>
<a href="#">32.1</a>	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					<a href="#">X</a>

**LENDINGCLUB CORPORATION**

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	File No.	Exhibit	
101	The following financial information from LendingClub Corporation's Annual Report on Form 10-K for the year ended December 31, 2020 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Changes in Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements.				X
104	Cover Page Interactive Data File (as formatted as Inline XBRL and contained in Exhibit 101)				

\* Confidential treatment has been requested for certain portions of this Exhibit. The omitted material has been filed separately with the SEC.

\*\* Certain information in the exhibit was omitted pursuant to Item 601(b)(2) of Regulation S-K because it is both not material and would be competitively harmful if publicly disclosed. The Company undertakes to furnish, supplementally, a copy of the unredacted exhibit to the SEC upon request.

† Schedules have been omitted as they are not material, not applicable or not required. They will be furnished supplementally to the SEC upon request.

## LENDINGCLUB CORPORATION

## 2014 EQUITY INCENTIVE PLAN

**1. PURPOSE.** The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents and Subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined elsewhere in the text are defined in Section 28.

**2. SHARES SUBJECT TO THE PLAN.**

**2.1. Number of Shares Available.** Subject to Sections 2.6 and 21 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan as of the date of adoption of the Plan by the Board, is thirty-five million (35,000,000) Shares, plus (i) any reserved shares not issued or subject to outstanding grants under the Company's 2007 Stock Incentive Plan (the "Prior Plan") on the Effective Date (as defined below), (ii) shares that are subject to stock options or other awards granted under the Prior Plan that cease to be subject to such stock options or other awards by forfeiture or otherwise after the Effective Date, (iii) shares issued under the Prior Plan before or after the Effective Date pursuant to the exercise of stock options that are, after the Effective Date, forfeited, (iv) shares issued under the Prior Plan that are repurchased by the Company at the original issue price and (v) shares that are subject to stock options or other awards under the Prior Plan that are used to pay the exercise price of an option or withheld to satisfy the tax withholding obligations related to any award.

**2.2. Lapsed, Returned Awards.** Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (a) are subject to issuance upon exercise of an Option or SAR granted under this Plan but which cease to be subject to the Option or SAR for any reason other than exercise of the Option or SAR; (b) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; (c) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued; or (d) are surrendered pursuant to an Exchange Program. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used to pay the exercise price of an Award or withheld to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. For the avoidance of doubt, Shares that otherwise become available for grant and issuance because of the provisions of this Section 2.2 shall not include Shares subject to Awards that initially became available because of the substitution clause in Section 21.2 hereof.

**2.3. Minimum Share Reserve.** At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

**2.4. Automatic Share Reserve Increase.** The number of Shares available for grant and issuance under the Plan shall be automatically increased January 1 of each of the calendar years 2015 through 2024, by the lesser of (i) five percent (5%) of the number of shares of Common Stock and Common Stock equivalents (including options, RSUs, warrants and the pool of available Shares under the Plan) issued and outstanding on each December 31 immediately prior to the date of increase or (ii) such number of Shares determined by the Board.

**2.5. Limitations.** No more than three hundred fifty million (350,000,000) Shares shall be issued pursuant to the exercise of ISOs.

**2.6. Adjustment of Shares.** If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, then (a) the number of Shares reserved for issuance and future grant under the Plan set forth in Section



2.1, (b) the Exercise Prices of and number of Shares subject to outstanding Options and SARs, (c) the number of Shares subject to other outstanding Awards, (d) the maximum number of shares that may be issued as ISOs set forth in Section 2.5, and (e) the maximum number of Shares that may be issued to an individual or to a new Employee in any one calendar year set forth in Section 3 or to a Non-Employee Director in Section 12 shall be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities laws; provided that fractions of a Share will not be issued.

**3. ELIGIBILITY.** ISOs may be granted only to eligible Employees. All other Awards may be granted to Employees, Consultants, Directors and Non-Employee Directors; provided such Consultants, Directors and Non-Employee Directors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. No Participant will be eligible to be granted more than Four Million (4,000,000) Shares in any calendar year under this Plan pursuant to the grant of Awards except that new Employees (including new Employees who are also officers and directors of the Company or any Parent, Subsidiary or Affiliate) are eligible to be granted up to a maximum of Six Million (6,000,000) Shares in the calendar year in which they commence their employment.

#### **4. ADMINISTRATION.**

**4.1. Committee Composition; Authority.** This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan, except, however, the Board shall establish the terms for the grant of an Award to Non-Employee Directors. The Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;

(c) select persons to receive Awards;

(d) determine the form and terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may vest and be exercised (which may be based on performance criteria) or settled, any vesting acceleration or waiver of forfeiture restrictions, the method to satisfy tax withholding obligations or any other tax liability legally due, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Committee will determine;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine the Fair Market Value and interpret the applicable provisions of this Plan and the definition of Fair Market Value in connection with circumstances that impact the Fair Market Value, if necessary;

(g) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

(h) grant waivers of Plan or Award conditions;

(i) determine the vesting, exercisability and payment of Awards;

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(j) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(k) determine whether an Award has been earned;

(l) determine the terms and conditions of any, and to institute any Exchange Program;

(m) reduce or waive any criteria with respect to Performance Factors;

(n) adjust Performance Factors to take into account changes in law and accounting or tax rules as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships provided that such adjustments are consistent with the regulations promulgated under Section 162(m) of the Code with respect to persons whose compensation is subject to Section 162(m) of the Code;

(o) adopt terms and conditions, rules and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States;

(p) make all other determinations necessary or advisable for the administration of this Plan; and

(q) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation as permitted by applicable law, including Section 157(c) of the Delaware General Corporation Law.

**4.2. Committee Interpretation and Discretion.** Any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and the Participant. The Committee may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

**4.3. Section 162(m) of the Code and Section 16 of the Exchange Act.** When necessary or desirable for an Award to qualify as “performance-based compensation” under Section 162(m) of the Code the Committee shall include at least two persons who are “outside directors” (as defined under Section 162(m) of the Code) and at least two (or a majority if more than two then serve on the Committee) such “outside directors” shall approve the grant of such Award and timely determine (as applicable) the Performance Period and any Performance Factors upon which vesting or settlement of any portion of such Award is to be subject. When required by Section 162(m) of the Code, prior to settlement of any such Award at least two (or a majority if more than two then serve on the Committee) such “outside directors” then serving on the Committee shall determine and certify in writing the extent to which such Performance Factors have been timely achieved and the extent to which the Shares subject to such Award have thereby been earned. Awards granted to Participants who are subject to Section 16 of the Exchange Act must be approved by a committee consisting solely of two or more “non-employee directors” (as defined in the regulations promulgated under Section 16 of the Exchange Act). With respect to Participants whose compensation is subject to Section 162(m) of the Code, and provided that such adjustments are consistent with the regulations promulgated under Section 162(m) of the Code, the Committee may adjust the performance goals to account for changes in law and accounting and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships, including without limitation (i) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges, (ii) an

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event either not directly related to the operations of the Company or not within the reasonable control of the Company's management, or (iii) a change in accounting standards required by generally accepted accounting principles.

**4.4. Documentation.** The Award Agreement for a given Award, the Plan and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

**4.5. Foreign Award Recipients.** Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws and practices in other countries in which the Company and its Subsidiaries and Affiliates operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries and Affiliates shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan which may include individuals who provide services to the Company, Subsidiary or Affiliate under an agreement with a foreign nation or agency; (iii) modify the terms and conditions of any Award granted to individuals outside the United States or foreign nationals to comply with applicable foreign laws, policies, customs and practices; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 2.1 hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, or any other applicable law.

**5. OPTIONS.** An Option is the right but not the obligation to purchase a Share, subject to certain conditions, if applicable. The Committee may grant Options to eligible Employees, Consultants and Directors and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("**ISOs**") or Nonqualified Stock Options ("**NSOs**"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following:

**5.1. Option Grant.** Each Option granted under this Plan will identify the Option as an ISO or an NSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each Option; and (y) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

**5.2. Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, or a specified future date. The Award Agreement will be delivered to the Participant within a reasonable time after the granting of the Option.

**5.3. Exercise Period.** Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who, at the time the ISO is granted, directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company ("**Ten Percent Stockholder**") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

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**5.4. Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted; provided that: (i) the Exercise Price of an Option will be not less than one hundred percent (100%) of the Fair Market Value of the Shares on the date of grant and (ii) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased may be made in accordance with Section 11 and the Award Agreement and in accordance with any procedures established by the Company.

**5.5. Method of Exercise.** Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Committee may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.6 of the Plan. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

**(a) Termination of Service.** If the Participant's Service terminates for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates no later than ninety (90) days after the date Participant's Service terminates (or such shorter or longer time period as may be determined by the Committee, with any exercise beyond three (3) months after the date Participant's Service terminates deemed to be the exercise of an NSO), but in any event no later than the expiration date of the Options.

**(b) Death.** If the Participant's Service terminates because of the Participant's death (or the Participant dies within ninety (90) days after Participant's Service terminates other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the date Participant's Service terminates (or such shorter or longer time period as may be determined by the Committee), but in any event no later than the expiration date of the Options.

**(c) Disability.** If the Participant's Service terminates because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the date Participant's Service terminates (with any exercise beyond (a) three (3) months after the date Participant's employment terminates when the termination of Service is for a Disability that is not a "permanent and total disability" as defined in Section 22(e)(3) of the Code, or (b) twelve (12) months after the date Participant's employment terminates when the termination of Service is for a Disability that is a "permanent and total disability" as defined in Section 22(e)(3) of the Code, deemed to be exercise of an NSO), but in any event no later than the expiration date of the Options.

**(d) Cause.** If the Participant is terminated for Cause, then Participant's Options shall expire on such Participant's date of termination of Service, or at such later time and on such conditions as are determined by the Committee, but in any

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event no later than the expiration date of the Options. Unless otherwise provided in the Award Agreement, Cause shall have the meaning set forth in the Plan.

**5.6. Limitations on Exercise.** The Committee may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

**5.7. Limitations on ISOs.** With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NSOs. For purposes of this Section 5.7, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

**5.8. Modification, Extension or Renewal.** The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 18 of this Plan, by written notice to affected Participants, the Committee may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided, however, that the Exercise Price may not be reduced below the Fair Market Value on the date the action is taken to reduce the Exercise Price.

**5.9. No Disqualification.** Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

**6. RESTRICTED STOCK AWARDS.** A Restricted Stock Award is an offer by the Company to sell to an eligible Employee, Consultant, or Director Shares that are subject to restrictions ("*Restricted Stock*"). The Committee will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price, the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

**6.1. Restricted Stock Purchase Agreement.** All purchases under a Restricted Stock Award will be evidenced by an Award Agreement. Except as may otherwise be provided in an Award Agreement, a Participant accepts a Restricted Stock Award by signing and delivering to the Company an Award Agreement with full payment of the Purchase Price, within thirty (30) days from the date the Award Agreement was delivered to the Participant. If the Participant does not accept such Award within thirty (30) days, then the offer of such Restricted Stock Award will terminate, unless the Committee determines otherwise.

**6.2. Purchase Price.** The Purchase Price for a Restricted Stock Award will be determined by the Committee and may be less than Fair Market Value on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 11 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.

**6.3. Terms of Restricted Stock Awards.** Restricted Stock Awards will be subject to such restrictions as the Committee may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in advance

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in the Participant's Award Agreement. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

**6.4. Termination of Service.** Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

**7. STOCK BONUS AWARDS.** A Stock Bonus Award is an award to an eligible Employee, Consultant, or Director of Shares for Services to be rendered or for past Services already rendered to the Company or any Parent or Subsidiary. All Stock Bonus Awards shall be made pursuant to an Award Agreement. No payment from the Participant will be required for Shares awarded pursuant to a Stock Bonus Award.

**7.1. Terms of Stock Bonus Awards.** The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant's Stock Bonus Agreement. Prior to the grant of any Stock Bonus Award the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria.

**7.2. Form of Payment to Participant.** Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment, as determined in the sole discretion of the Committee.

**7.3. Termination of Service.** Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

**8. STOCK APPRECIATION RIGHTS.** A Stock Appreciation Right ("**SAR**") is an award to an eligible Employee, Consultant, or Director that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to (a) the difference between the Fair Market Value on the date of exercise over the Exercise Price multiplied by (b) the number of Shares with respect to which the SAR is being settled (subject to any maximum number of Shares that may be issuable as specified in an Award Agreement). All SARs shall be made pursuant to an Award Agreement.

**8.1. Terms of SARs.** The Committee will determine the terms of each SAR including, without limitation: (a) the number of Shares subject to the SAR; (b) the Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the effect of the Participant's termination of Service on each SAR. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted, and may not be less than Fair Market Value. A SAR may be awarded upon satisfaction of Performance Factors, if any, during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the SAR is being earned upon the satisfaction of Performance Factors, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each SAR; and (y) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different Performance Factors and other criteria.

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**8.2. Exercise Period and Expiration Date.** A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Award Agreement governing such SAR. The SAR Agreement shall set forth the expiration date; provided that no SAR will be exercisable after the expiration of ten (10) years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines. Except as may be set forth in the Participant's Award Agreement, vesting ceases on the date Participant's Service terminates (unless determined otherwise by the Committee). Notwithstanding the foregoing, the rules of Section 5.6 also will apply to SARs.

**8.3. Form of Settlement.** Upon exercise of a SAR, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying (i) the difference between the Fair Market Value of a Share on the date of exercise over the Exercise Price; times (ii) the number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment from the Company for the SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines, provided that the terms of the SAR and any deferral satisfy the requirements of Section 409A of the Code.

**8.4. Termination of Service.** Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

**9. RESTRICTED STOCK UNITS.** A Restricted Stock Unit ("**RSU**") is an award to an eligible Employee, Consultant, or Director covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). All RSUs shall be made pursuant to an Award Agreement.

**9.1. Terms of RSUs.** The Committee will determine the terms of an RSU including, without limitation: (a) the number of Shares subject to the RSU; (b) the time or times during which the RSU may be settled; (c) the consideration to be distributed on settlement; and (d) the effect of the Participant's termination of Service on each RSU. An RSU may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's Award Agreement. If the RSU is being earned upon satisfaction of Performance Factors, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed subject to the RSU. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

**9.2. Form and Timing of Settlement.** Payment of earned RSUs shall be made as soon as practicable after the date(s) determined by the Committee and set forth in the Award Agreement. The Committee, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Committee may also permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.

**9.3. Termination of Service.** Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

**10. PERFORMANCE AWARDS.** A Performance Award is an award to an eligible Employee, Consultant, or Director of a cash bonus or an award of Performance Shares denominated in Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). Grants of Performance Awards shall be made pursuant to an Award Agreement solely pursuant to this Section 10.

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**10.1. Terms of Performance Shares.** The Committee will determine, and each Award Agreement shall set forth, the terms of each Performance Award including, without limitation: (a) the amount of any cash bonus, (b) the number of Shares deemed subject to an award of Performance Shares; (c) the Performance Factors and Performance Period that shall determine the time and extent to which each award of Performance Shares shall be settled; (d) the consideration to be distributed on settlement, and (e) the effect of the Participant's termination of Service on each Performance Award. In establishing Performance Factors and the Performance Period the Committee will: (x) determine the nature, length and starting date of any Performance Period; (y) select from among the Performance Factors to be used; and (z) determine the number of Shares deemed subject to the award of Performance Shares. Prior to settlement the Committee shall determine the extent to which Performance Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Awards that are subject to different Performance Periods and different performance goals and other criteria. No Participant will be eligible to receive more than \$10,000,000 in Performance Awards in any calendar year under Section 10 of this Plan.

**10.2. Value, Earning and Timing of Performance Shares.** Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant. After the applicable Performance Period has ended, the holder of Performance Shares will be entitled to receive a payout of the number of Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Factors or other vesting provisions have been achieved. The Committee, in its sole discretion, may pay earned Performance Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Shares at the close of the applicable Performance Period) or in a combination thereof.

**10.3. Termination of Service.** Except as may be set forth in the Participant's Award Agreement, vesting ceases on the date Participant's Service terminates (unless determined otherwise by the Committee).

**11. PAYMENT FOR SHARE PURCHASES.** Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where approved for the Participant by the Committee and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

(a) by cancellation of indebtedness of the Company to the Participant;

(b) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Award will be exercised or settled;

(c) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary of the Company;

(d) by consideration received by the Company pursuant to a broker-assisted or other form of cashless exercise program implemented by the Company in connection with the Plan;

(e) by any combination of the foregoing; or

(f) by any other method of payment as is permitted by applicable law.

**12. GRANTS TO NON-EMPLOYEE DIRECTORS.** Non-Employee Directors are eligible to receive any type of Award offered under this Plan except ISOs. Awards pursuant to this Section 12 may be automatically made pursuant to policy adopted by the Board, or made from time to time as determined in the discretion of the Board. The aggregate number of Shares subject to Awards granted to a Non-Employee Director pursuant to this Section 12 in any calendar year shall not exceed 1,500,000.

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**12.1. Eligibility.** Awards pursuant to this Section 12 shall be granted only to Non-Employee Directors. A Non-Employee Director who is elected or re-elected as a member of the Board will be eligible to receive an Award under this Section 12.

**12.2. Vesting, Exercisability and Settlement.** Except as set forth in Section 21, Awards shall vest, become exercisable and be settled as determined by the Board. With respect to Options and SARs, the exercise price granted to Non-Employee Directors shall not be less than the Fair Market Value of the Shares at the time that such Option or SAR is granted.

**12.3. Election to receive Awards in Lieu of Cash.** A Non-Employee Director may elect to receive his or her annual retainer payments and/or meeting fees from the Company in the form of cash or Awards or a combination thereof, as determined by the Committee. Such Awards shall be issued under the Plan. An election under this Section 12.3 shall be filed with the Company on the form prescribed by the Company.

### **13. WITHHOLDING TAXES.**

**13.1. Withholding Generally.** Whenever Shares are to be issued in satisfaction of Awards granted under this Plan or the applicable tax event occurs, the Company may require the Participant to remit to the Company, or to the Parent, Subsidiary or Affiliate employing the Participant, an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax or social insurance liability legally due from the Participant (as determined without regard to any potential application of Section 83(c)(3) of the Code) prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax and social insurance requirements or any other tax liability legally due from the Participant.

**13.2. Stock Withholding.** The Committee, or its delegate(s), as permitted by applicable law, in its sole discretion and pursuant to such procedures as it may specify from time to time and to limitations of local law, may require or permit a Participant to satisfy such tax withholding obligation or any other tax liability legally due from the Participant, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or, if applicable, such other withholding amount as mutually agreed upon by the Company and the Participant (provided, in the case of an Insider, that such other amount is approved in advance by the Committee), (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or, if applicable, such other withholding amount as mutually agreed upon by the Company and the Participant (provided, in the case of an Insider, that such other amount is approved in advance by the Committee), or (iv) withholding from the proceeds of the sale of otherwise deliverable Shares acquired pursuant to an Award either through a voluntary sale or through a mandatory sale arranged by the Company. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld or, in the sole discretion of the Company (determined, in the case of any Insider, solely by the Committee), the date immediately prior to the date that taxes are required to be withheld.

### **14. TRANSFERABILITY.**

**14.1. Transfer Generally.** Unless determined otherwise by the Committee or pursuant to Section 14.2, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. If the Committee makes an Award transferable, including, without limitation, by instrument to an inter vivos or testamentary trust in which the Awards are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or by domestic relations order to a Permitted Transferee, such Award will contain such additional terms and conditions as the Committee deems appropriate. All Awards shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, or (B) the Participant's guardian or legal representative; (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (iii) in the case of all awards except ISOs, by a Permitted Transferee.

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**14.2. Award Transfer Program.** Notwithstanding any contrary provision of the Plan, the Committee shall have all discretion and authority to determine and implement the terms and conditions of any Award Transfer Program instituted pursuant to this Section 14.2 and shall have the authority to amend the terms of any Award participating, or otherwise eligible to participate in, the Award Transfer Program, including (but not limited to) the authority to (i) amend (including to extend) the expiration date, post-termination exercise period and/or forfeiture conditions of any such Award, (ii) amend or remove any provisions of the Award relating to the Award holder's continued service to the Company or its Parent or any Subsidiary, (iii) amend the permissible payment methods with respect to the exercise or purchase of any such Award, (iv) amend the adjustments to be implemented in the event of changes in the capitalization and other similar events with respect to such Award, and (v) make such other changes to the terms of such Award as the Committee deems necessary or appropriate in its sole discretion.

**15. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.**

**15.1. Voting and Dividends.** No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any dividend equivalent rights permitted by an applicable Award Agreement. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided, further, that the Participant will have no right to retain such stock dividends or stock distributions with respect to Shares that are repurchased at the Participant's Purchase Price or Exercise Price, as the case may be, pursuant to Section 15.2.

**15.2. Restrictions on Shares.** At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "**Right of Repurchase**") a portion of any or all Unvested Shares held by a Participant following such Participant's termination of Service at any time within ninety (90) days (or such longer or shorter time determined by the Committee) after the later of the date Participant's Service terminates and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

**16. CERTIFICATES.** All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable U.S. federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.

**17. ESCROW; PLEDGE OF SHARES.** To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement

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in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

**18. REPRICING; EXCHANGE AND BUYOUT OF AWARDS.** Notwithstanding anything to the Contrary in the Plan, Except in connection with an adjustment in Section 2.6, the Committee will not, without the further approval of the stockholders of the Company, authorize the amendment of any outstanding Option or SAR to reduce the Exercise Price; no Option or SAR will be cancelled and replaced with awards having a lower Exercise Price, or for another award, or for cash, without further approval of the stockholders of the Company, except in connection with an adjustment in Section 2.6; furthermore, no Option or SAR will provide for the payment, at the time of exercise, of a cash bonus or grant of Options, SARs, or other awards, without further approval of the stockholders of the Company. The foregoing sentence is intended to prohibit the repricing of “underwater” Options or SARs without approval of the stockholders of the Company and will not be construed to prohibit the adjustments provided for in Section 2.6.

**19. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE.** An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities and exchange control laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any foreign or state securities laws, exchange control laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

**20. NO OBLIGATION TO EMPLOY.** Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent, Subsidiary or Affiliate or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate Participant’s employment or other relationship at any time.

## **21. CORPORATE TRANSACTIONS.**

**21.1. Assumption or Replacement of Awards by Successor.** In the event that the Company is subject to a Corporate Transaction, outstanding Awards acquired under the Plan shall be subject to the documentation evidencing the Corporate Transaction, which need not treat all outstanding Awards in an identical manner. Such agreement, without the Participant’s consent, shall provide for one or more of the following with respect to all outstanding Awards as of the effective date of such Corporate Transaction.

(a) The continuation of an outstanding Award by the Company (if the Company is the successor entity).

(b) The assumption of an outstanding Award by the successor or acquiring entity (if any) of such Corporate Transaction (or by its parents, if any), which assumption, will be binding on all selected Participants; provided that the exercise price and the number and nature of shares issuable upon exercise of any such option or stock appreciation right, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code.

(c) The substitution by the successor or acquiring entity in such Corporate Transaction (or by its parents, if any) of equivalent awards with substantially the same terms for such outstanding Awards (except that the exercise price

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and the number and nature of shares issuable upon exercise of any such option or stock appreciation right, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code).

**(d)** The full acceleration of exercisability or vesting and accelerated expiration of an outstanding Award and lapse of the Company's right to repurchase or re-acquire shares acquired under an Award or lapse of forfeiture rights with respect to shares acquired under an Award.

**(e)** The settlement of the full value of such outstanding Award (whether or not then vested or exercisable) in cash, cash equivalents, or securities of the successor entity (or its parent, if any) with a Fair Market Value equal to the required amount, followed by the cancellation of such Awards; provided however, that such Award may be cancelled if such Award has no value, as determined by the Committee, in its discretion. Subject to Section 409A of the Code, such payment may be made in installments and may be deferred until the date or dates the Award would have become exercisable or vested. Such payment may be subject to vesting based on the Participant's continued service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which the Award would have become vested or exercisable. For purposes of this Section 21.1(e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

The Board shall have full power and authority to assign the Company's right to repurchase or re-acquire or forfeiture rights to such successor or acquiring corporation. In addition, in the event such successor or acquiring corporation refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, the Committee will notify the Participant in writing or electronically that such Award will be exercisable to the extent exercisable or vested at that time, after giving effect to any acceleration approved by the Board or Committee or pursuant to an agreement governing the Award, for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period. Awards need not be treated similarly in a Corporate Transaction.

**21.2. Assumption of Awards by the Company.** The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the Purchase Price or the Exercise Price, as the case may be, and the number and nature of Shares issuable upon exercise or settlement of any such Award will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option in substitution rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price. Substitute Awards shall not reduce the number of Shares authorized for grant under the Plan or authorized for grant to a Participant in a calendar year.

**21.3. Non-Employee Directors' Awards.** Notwithstanding any provision to the contrary herein, in the event of a Corporate Transaction, the vesting of all Awards granted to Non-Employee Directors shall accelerate and such Awards shall become exercisable (as applicable) in full prior to the consummation of such event at such times and on such conditions as the Committee determines.

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**22. ADOPTION AND STOCKHOLDER APPROVAL.** This Plan shall be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.

**23. TERM OF PLAN/GOVERNING LAW.** Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Board. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware (excluding its conflict of laws rules).

**24. AMENDMENT OR TERMINATION OF PLAN.** The Board may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval; provided further, that a Participant's Award shall be governed by the version of this Plan then in effect at the time such Award was granted.

**25. NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

**26. INSIDER TRADING POLICY.** Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by Employees, officers and/or directors of the Company.

**27. ALL AWARDS SUBJECT TO COMPANY CLAWBACK OR RECOUPMENT POLICY.** All Awards, subject to applicable law, shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's employment or other service with the Company that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law, may require the cancellation of outstanding Awards and the recoupment of any gains realized with respect to Awards.

**28. DEFINITIONS.** As used in this Plan, and except as elsewhere defined herein, the following terms will have the following meanings:

**28.1. "*Affiliate*"** means (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee, whether now or hereafter existing.

**28.2. "*Award*"** means any award under the Plan, including any Option, Restricted Stock, Stock Bonus, Stock Appreciation Right, Restricted Stock Unit or award of Performance Shares.

**28.3. "*Award Agreement*"** means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award and country-specific appendix thereto for grants to non-U.S. Participants, which shall be in substantially a form (which need not be the same for each Participant) that the Committee (or in the case of Award agreements that are not used for Insiders, the Committee's delegate(s)) has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

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**28.4. “Award Transfer Program”** means any program instituted by the Committee which would permit Participants the opportunity to transfer any outstanding Awards to a financial institution or other person or entity approved by the Committee.

**28.5. “Board”** means the Board of Directors of the Company.

**28.6. “Cause”** means (i) Participant’s willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant’s commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant’s willful breach of any of his or her obligations under any written agreement or covenant with the Company. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time as provided in Section 20 above, and the term “Company” will be interpreted to include any Subsidiary or Parent, as appropriate. Notwithstanding the foregoing, the foregoing definition of “Cause” may, in part or in whole, be modified or replaced in each individual employment agreement or Award Agreement with any Participant, provided that such document supersedes the definition provided in this Section 28.6.

**28.7. “Code”** means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

**28.8. “Committee”** means the Compensation Committee of the Board or those persons to whom administration of the Plan, or part of the Plan, has been delegated as permitted by law.

**28.9. “Common Stock”** means the common stock of the Company.

**28.10. “Company”** means LendingClub Corporation, or any successor corporation.

**28.11. “Consultant”** means any person, including an advisor or independent contractor, engaged by the Company or a Parent, Subsidiary or Affiliate to render services to such entity.

**28.12. “Corporate Transaction”** means the occurrence of any of the following events: (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company’s then-outstanding voting securities; provided, however, that for purposes of this subclause (i) the acquisition of additional securities by any one Person who is considered to own more than fifty percent (50%) of the total voting power of the securities of the Company will not be considered a Corporate Transaction; (ii) the consummation of the sale, transfer or disposition by the Company of all or substantially all of the Company’s assets; (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; (iv) any other transaction which qualifies as a “corporate transaction” under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the Company) or (v) a change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by members of the Board whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purpose of this

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subclause (v), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Corporate Transaction. For purposes of this definition, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, to the extent that any amount constituting deferred compensation (as defined in Section 409A of the Code) would become payable under this Plan by reason of a Corporate Transaction, such amount shall become payable only if the event constituting a Corporate Transaction would also qualify as a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, each as defined within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and IRS guidance that has been promulgated or may be promulgated thereunder from time to time.

**28.13. “Director”** means a member of the Board.

**28.14. “Disability”** means in the case of incentive stock options, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

**28.15. “Effective Date”** means the day immediately prior to the date of the underwritten initial public offering of the Company’s Common Stock pursuant to a registration statement that is declared effective by the SEC.

**28.16. “Employee”** means any person, including officers and Directors, providing services as an employee to the Company or any Parent, Subsidiary or Affiliate. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

**28.17. “Exchange Act”** means the United States Securities Exchange Act of 1934, as amended.

**28.18. “Exchange Program”** means a program pursuant to which (i) outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof) or (ii) the exercise price of an outstanding Award is increased or reduced.

**28.19. “Exercise Price”** means, with respect to an Option, the price at which a holder may purchase the Shares issuable upon exercise of an Option and with respect to a SAR, the price at which the SAR is granted to the holder thereof.

**28.20. “Fair Market Value”** means, as of any date, the value of a share of the Company’s Common Stock determined as follows:

(a) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(b) if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(c) in the case of an Option or SAR grant made on the Effective Date, the price per share at which shares of the Company’s Common Stock are initially offered for sale to the public by the Company’s underwriters in the initial public offering of the Company’s Common Stock pursuant to a registration statement filed with the SEC under the Securities Act; or

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(d) if none of the foregoing is applicable, by the Board or the Committee in good faith.

**28.21. “Insider”** means an officer or director of the Company or any other person whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

**28.22. “IRS”** means the United States Internal Revenue Service.

**28.23. “Non-Employee Director”** means a Director who is not an Employee of the Company or any Parent or Subsidiary.

**28.24. “Option”** means an award of an option to purchase Shares pursuant to Section 5.

**28.25. “Parent”** means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

**28.26. “Participant”** means a person who holds an Award under this Plan.

**28.27. “Performance Award”** means cash or stock granted pursuant to Section 10 or Section 12 of the Plan.

**28.28. “Performance Factors”** means any of the factors selected by the Committee and specified in an Award Agreement, from among the following objective measures, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the performance goals established by the Committee with respect to applicable Awards have been satisfied:

(a) Profit Before Tax;

(b) Billings;

(c) Revenue;

(d) Net revenue;

(e) Earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings, or as otherwise adjusted);

(f) Operating income;

(g) Operating margin;

(h) Operating profit;

(i) Controllable operating profit, or net operating profit;

(j) Net Profit;

(k) Gross margin;

(l) Operating expenses or operating expenses as a percentage of revenue;

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- (m)** Net income;
  - (n)** Earnings per share;
  - (o)** Total stockholder return;
  - (p)** Market share;
  - (q)** Return on assets or net assets;
  - (r)** The Company's stock price;
  - (s)** Growth in stockholder value relative to a pre-determined index;
  - (t)** Return on equity;
  - (u)** Return on invested capital;
  - (v)** Cash Flow (including free cash flow or operating cash flows)
  - (w)** Cash conversion cycle;
  - (x)** Economic value added;
  - (y)** Individual confidential business objectives;
  - (z)** Contract awards or backlog;
  - (aa)** Overhead or other expense reduction;
  - (bb)** Credit rating;
  - (cc)** Strategic plan development and implementation;
  - (dd)** Succession plan development and implementation;
  - (ee)** Improvement in workforce diversity;
  - (ff)** Customer indicators;
  - (gg)** New product invention or innovation;
  - (hh)** Attainment of research and development milestones;
  - (ii)** Improvements in productivity;
  - (jj)** Bookings;
  - (kk)** Attainment of objective operating goals and employee metrics; and
  - (ll)** Any other metric that is capable of measurement as determined by the Committee.
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The Committee may, in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more equitable adjustments (based on objective standards) to the Performance Factors to preserve the Committee's original intent regarding the Performance Factors at the time of the initial award grant. It is within the sole discretion of the Committee to make or not make any such equitable adjustments.

**28.29. "Performance Period"** means the period of service determined by the Committee, not to exceed five (5) years, during which years of service or performance is to be measured for the Award.

**28.30. "Performance Share"** means an Award granted pursuant to Section 10 or Section 12 of the Plan.

**28.31. "Permitted Transferee"** means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Employee, any person sharing the Employee's household (other than a tenant or employee), a trust in which these persons (or the Employee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Employee) control the management of assets, and any other entity in which these persons (or the Employee) own more than 50% of the voting interests.

**28.32. "Person"** shall have the meaning as such term is used in Sections 13(d) and 14(d) of the Exchange Act.

**28.33. "Plan"** means this LendingClub Corporation 2014 Equity Incentive Plan.

**28.34. "Purchase Price"** means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option or SAR.

**28.35. "Restricted Stock Award"** means an award of Shares pursuant to Section 6 or Section 12 of the Plan, or issued pursuant to the early exercise of an Option.

**28.36. "Restricted Stock Unit"** means an Award granted pursuant to Section 9 or Section 12 of the Plan.

**28.37. "SEC"** means the United States Securities and Exchange Commission.

**28.38. "Securities Act"** means the United States Securities Act of 1933, as amended.

**28.39. "Service"** shall mean service as an Employee, Consultant, Director or Non-Employee Director, to the Company or a Parent, Subsidiary or Affiliate of the Company, subject to such further limitations as may be set forth in the Plan or the applicable Award Agreement. An Employee will not be deemed to have ceased to provide Service in the case of (i) medical leave, (ii) military leave, or (iii) any other leave of absence approved by the Company. In the case of any Employee on an approved leave of absence or a reduction in hours worked (for illustrative purposes only, a change in schedule from that of full-time to part-time), the Company may make such provisions respecting suspension of or modification of vesting of the Award while on leave from the employ of the Company or a Parent, Subsidiary or Affiliate or during such change in working hours as it may deem appropriate, pursuant to formal policy adopted from time to time by the Company, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. In the event of military leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave. Except as set forth in this Section 28.39, an employee shall have terminated employment as of the date he or she ceases to provide services (regardless of whether the termination is in breach

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of local employment laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law, *provided however*, that a change in status from an employee to a consultant or advisor shall not terminate the service provider's Service, unless determined by the Committee, in its discretion. The Committee will have sole discretion to determine whether a Participant has ceased to provide Services and the effective date on which the Participant ceased to provide Services.

**28.40.** "*Shares*" means shares of the Common Stock and the common stock of any successor security.

**28.41.** "*Stock Appreciation Right*" means an Award granted pursuant to Section 8 or Section 12 of the Plan.

**28.42.** "*Stock Bonus*" means an Award granted pursuant to Section 7 or Section 12 of the Plan.

**28.43.** "*Subsidiary*" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

**28.44.** "*Treasury Regulations*" means regulations promulgated by the United States Treasury Department.

**28.45.** "*Unvested Shares*" means Shares that have not yet vested or are subject to a right of repurchase in favor of the Company (or any successor thereto).

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NOTICE OF STOCK OPTION GRANT

LENDINGCLUB CORPORATION 2014 EQUITY INCENTIVE PLAN

Unless otherwise defined herein, the terms defined in the LendingClub Corporation (the “*Company*”) 2014 Equity Incentive Plan (the “*Plan*”) shall have the same meanings in this Notice of Stock Option Grant (the “*Notice of Grant*”) and the attached Stock Option Agreement (the “*Option Agreement*”). You, the Optionee, have been granted an Option to purchase shares of Common Stock of the Company under the Plan subject to the terms and conditions of the Plan, this Notice of Grant and the attached Option Agreement.

**Name:**

**Address:**

**Date of Grant:**

**Vesting Commencement Date:**

**Exercise price per Share:**

**Total Number of Shares:**

**Type of Option:** Non-Qualified Stock Option  
Incentive Stock Option

**Expiration Date:** , 20 ; This Option expires earlier if your Service terminates earlier, as described in the Stock Option Agreement.

**Vesting Schedule:** This Option becomes exercisable with respect to the first 25% of the Shares subject to this Option when you complete 12 months of continuous Service from the Vesting Commencement Date. Thereafter, this Option becomes exercisable with respect to an additional 1/48<sup>th</sup> of the Shares subject to this Option when you complete each month of Service.

**Additional Terms:**  If this box is checked, the additional terms and conditions set forth on Attachment 1 hereto (as executed by the Company) are applicable and are incorporated herein by reference. No document need be attached as Attachment 1 if the box is not checked.

By accepting this Option, you and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan, the Notice of Grant and the Option Agreement. By accepting this Option, you consent to electronic delivery as set forth in the Option Agreement.

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**OPTIONEE:**

Signature:

Print Name:

**LENDINGCLUB CORPORATION**

By:

Name:

Its:

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STOCK OPTION AGREEMENT

LENDINGCLUB CORPORATION 2014  
EQUITY INCENTIVE PLAN

You have been granted an Option by LendingClub Corporation (the “*Company*”) under the 2014 Equity Incentive Plan (the “*Plan*”) to purchase Shares (the “*Option*”), subject to the terms, restrictions and conditions of the Plan, the Notice of Stock Option Grant (the “*Notice of Grant*”) and this Stock Option Agreement (the “*Agreement*”).

**1. Grant of Option.** You have been granted an Option for the number of Shares set forth in the Notice of Grant at the exercise price per Share set forth in the Notice of Grant (the “*exercise price*”). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. If designated in the Notice of Grant as an Incentive Stock Option (“*ISO*”), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an ISO, to the extent that it exceeds the \$100,000 rule of Code Section 422(d) it shall be treated as a Nonqualified Stock Option (“*NSO*”).

**2. Termination Period.**

(a) **General Rule.** If your Service terminates for any reason except death or Disability, and other than for Cause, then this Option will expire at the close of business at Company headquarters on the date three months after your termination of Service (subject to the expiration detailed in Section 6). If your Service is terminated for Cause, this Option will expire upon the date of such termination. The Company determines when your Service terminates for all purposes under this Agreement.

(b) **Death; Disability.** If you die before your Service terminates (or you die within three months of your termination of Service other than for Cause), then this Option will expire at the close of business at Company headquarters on the date 12 months after the date of death (subject to the expiration detailed in Section 6). If your Service terminates because of your Disability, then this Option will expire at the close of business at Company headquarters on the date 12 months after your termination date (subject to the expiration detailed in Section 6).

(c) **No Notice.** You are responsible for keeping track of these exercise periods following your termination of Service for any reason. The Company will not provide further notice of such periods. In no event shall this Option be exercised later than the Expiration Date set forth in the Notice of Grant.

**3. Exercise of Option.**

(a) **Right to Exercise.** This Option is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice of Grant and the applicable provisions of the Plan and this Agreement. In the event of your death, Disability, or other cessation of Service, the exercisability of the Option is governed by the applicable provisions of the Plan, the Notice of Grant and this Agreement. This Option may not be exercised for a fraction of a Share.

(b) **Method of Exercise.** This Option is exercisable by delivery of an exercise notice in a form specified by the Company (the “*Exercise Notice*”), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the “*Exercised Shares*”), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be delivered in person, by mail, via electronic mail or facsimile or by other authorized method to the Secretary of the Company or other person designated by the Company. The Exercise Notice shall be accompanied by payment of the aggregate exercise price as to all Exercised Shares. This Option shall be deemed to be exercised upon receipt by the Company of a fully executed Exercise Notice accompanied by the aggregate exercise price and any applicable tax withholding due upon exercise of the Option.

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(c) Exercise by Another. If another person wants to exercise this Option after it has been transferred to him or her in compliance with this Agreement, that person must prove to the Company's satisfaction that he or she is entitled to exercise this Option. That person must also complete the proper Exercise Notice form (as described above) and pay the exercise price (as described below) and any applicable tax withholding due upon exercise of the Option (as described below).

**4. Method of Payment**. Payment of the aggregate exercise price shall be by any of the following, or a combination thereof, at your election:

(a) your personal check, wire transfer, or a cashier's check;

(b) certificates for shares of Company stock that you own, along with any forms needed to effect a transfer of those shares to the Company; the value of the shares, determined as of the effective date of the Option exercise, will be applied to the Option exercise price. Instead of surrendering shares of Company stock, you may attest to the ownership of those shares on a form provided by the Company and have the same number of shares subtracted from the Option shares issued to you. However, you may not surrender, or attest to the ownership of, shares of Company stock in payment of the exercise price of your Option if your action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to this Option for financial reporting purposes;

(c) cashless exercise through irrevocable directions to a securities broker approved by the Company to sell all or part of the Shares covered by this Option and to deliver to the Company from the sale proceeds an amount sufficient to pay the Option exercise price and any withholding taxes. The balance of the sale proceeds, if any, will be delivered to you. The directions must be given by signing a special notice of exercise form provided by the Company; or

(d) other method authorized by the Company.

**5. Non-Transferability of Option**. In general, except as provided below, only you may exercise this Option prior to your death. You may not transfer or assign this Option, except as provided below. For instance, you may not sell this Option or use it as security for a loan. If you attempt to do any of these things, this Option will immediately become invalid. You may, however, dispose of this Option in your will or in a beneficiary designation. However, if this Option is designated as a NSO in the Notice of Grant, then the Committee (as defined in the Plan) may, in its sole discretion, allow you to transfer this Option as a gift to one or more family members. For purposes of this Agreement, "family member" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law (including adoptive relationships), any individual sharing your household (other than a tenant or employee), a trust in which one or more of these individuals have more than 50% of the beneficial interest, a foundation in which you or one or more of these persons control the management of assets, and any entity in which you or one or more of these persons own more than 50% of the voting interest. In addition, if this Option is designated as a NSO in the Notice of Grant, then the Committee may, in its sole discretion, allow you to transfer this Option to your spouse or former spouse pursuant to a domestic relations order in settlement of marital property rights. The Committee will allow you to transfer this Option only if both you and the transferee(s) execute the forms prescribed by the Committee, which include the consent of the transferee(s) to be bound by this Agreement. This Option may not be transferred in any manner other than by will or by the laws of descent or distribution or court order and may be exercised during the lifetime of you only by you, your guardian, or legal representative, as permitted in the Plan. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of you.

**6. Term of Option**. This Option shall in any event expire on the expiration date set forth in the Notice of Grant, which date is 10 years after the grant date (five years after the grant date if this Option is designated as an ISO in the Notice of Grant and Section 5.3 of the Plan applies).

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**7. Tax Consequences.** You should consult a tax adviser for tax consequences relating to this Option in the jurisdiction in which you are subject to tax. YOU SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(a) **Exercising the Option.** You will not be allowed to exercise this Option unless you make arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the Option exercise.

(b) **Notice of Disqualifying Disposition of ISO Shares.** If you sell or otherwise dispose of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, you shall immediately notify the Company in writing of such disposition. You agree that you may be subject to income tax withholding by the Company on the compensation income recognized from such early disposition of ISO Shares by payment in cash or out of the current compensation paid to you.

**8. Withholding Taxes and Stock Withholding.** Regardless of any action the Company or your actual employer (the “*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to exercise of the Option, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable (which, if you are an Insider, shall be determined without regard to any potential application of Section 83(c)(3) of the Code) by you from your wages or other cash compensation paid to you by the Company and/or the Employer. With the Company’s consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to you when you exercise this Option, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (c) your payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company’s Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares, determined as of the effective date of the Option exercise, will be applied as a credit against the withholding taxes. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

**9. Acknowledgement.** The Company and you agree that the Option is granted under and governed by the Notice of Grant, this Agreement and the provisions of the Plan (incorporated herein by reference). You: (i) acknowledge receipt of a copy of the Plan and the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions, and (iii) hereby accept the Option subject to all of the terms and conditions set forth herein and those set forth in the Plan and the

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Notice of Grant. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice of Grant and the Agreement.

**10. Consent to Electronic Delivery of All Plan Documents and Disclosures.** By your acceptance of this Option, you consent to the electronic delivery of the Notice of Grant, this Agreement, the Plan, account statements, Plan prospectuses required by the Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the Option. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at . You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at . Finally, you understand that you are not required to consent to electronic delivery.

**11. Compliance with Laws and Regulations.** The exercise of this Option will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer. The Shares issued pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

**12. Governing Law; Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice of Grant and this Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California in Santa Clara County or the federal courts of the United States for the Northern District of California and no other courts.

**13. No Rights as Employee, Director or Consultant.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

**14. Adjustment.** In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Shares covered by this Option and the exercise price per Share may be adjusted pursuant to the Plan.

**15. Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, you hereby agree not to sell, make any short sale of, loan, grant any Option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the

Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering; provided however that, if during the last seventeen (17) days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this Section shall continue to apply until the end of the third trading day following the expiration of the fifteen (15)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond two hundred sixteen (216) days after the effective date of the registration statement.

**16. Award Subject to Company Clawback or Recoupment.** To the extent permitted by applicable law, the Option shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your Option (whether vested or unvested) and the recoupment of any gains realized with respect to your Option.

**17. Entire Agreement; Enforcement of Rights.** This Agreement, the Plan and the Notice of Grant constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning this Option are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

BY ACCEPTING THIS OPTION, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

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NOTICE OF RESTRICTED STOCK UNIT AWARD

LENDINGCLUB CORPORATION  
2014 EQUITY INCENTIVE PLAN

Unless otherwise defined herein, the terms defined in the LendingClub Corporation (the “*Company*”) 2014 Equity Incentive Plan (the “*Plan*”) shall have the same meanings in this Notice of Restricted Stock Unit Award (the “*Notice*”) and the attached Restricted Stock Unit Agreement (the “*RSU Agreement*”). You have been granted an award of Restricted Stock Units (“*RSUs*”) under the Plan subject to the terms and conditions of the Plan, this Notice and the attached RSU Agreement.

**Name:**

**Address:**

**Number of RSUs:**

**Date of Grant:**

**Vesting Commencement Date:**

**Expiration Date:**

The date on which settlement of all RSUs granted hereunder occurs. This RSU expires earlier if your Service terminates earlier, as described in the RSU Agreement.

**Vesting Schedule:**

**Sample vesting language:** [Subject to the limitations set forth in the Notice, the Plan and the RSU Agreement, % of the total number of RSUs will vest on the three month anniversary of the Vesting Commencement Date and % of the total number of RSUs will vest on each three month anniversary thereafter so long as your Service continues.]

[**Alternate:** Subject to the limitations set forth in the Notice, the Plan, and the RSU Agreement, this RSU will vest contingently, in whole or in part, upon the achievement of the Performance Factors during the Performance Period, as set forth on Exhibit A hereto.]

**Additional Terms:**

⌚ If this box is checked, the additional terms and conditions set forth on Attachment 1 hereto (as executed by the Company) are applicable and are incorporated herein by reference. No document need be attached as Attachment 1 if the box is not checked.

You acknowledge that the vesting of the RSUs pursuant to this Notice is earned only by continuing Service. By accepting this award, you and the Company agree that this award is granted under and governed by the terms and conditions of the Plan, the Notice and the RSU Agreement. By accepting this RSU, you consent to electronic delivery as set forth in the RSU Agreement.

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**PARTICIPANT**

Signature:

Print Name:

**LENDINGCLUB CORPORATION**

By:

Name:

Its:

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## RESTRICTED STOCK UNIT AGREEMENT

### LENDINGCLUB CORPORATION 2014 EQUITY INCENTIVE PLAN

You have been granted Restricted Stock Units (“*RSUs*”) by LendingClub Corporation (the “*Company*”) subject to the terms, restrictions and conditions of the Plan, the Notice of Restricted Stock Unit Award (the “*Notice*”) and this Restricted Stock Unit Agreement (this “*RSU Agreement*”).

- 1. Settlement.** Settlement of RSUs shall be made in the same calendar year as the applicable date of vesting under the vesting schedule set forth in the Notice; provided, however, that if the vesting date under the vesting schedule set forth in the Notice is in December, then settlement of any RSUs that vest in December shall be within 30 days of vesting. Settlement of RSUs shall be in Shares. Settlement means the delivery of the Shares vested under an RSU. No fractional RSUs or rights for fractional Shares shall be created pursuant to this RSU Agreement.
- 2. No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, you shall have no ownership of the Shares allocated to the RSUs and shall have no right to dividends or to vote such Shares.
- 3. Dividend Equivalents.** Dividends, if any (whether in cash or Shares), shall not be credited to you.
- 4. No Transfer.** RSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.
- 5. Termination.** If your Service terminates for any reason, all unvested RSUs shall be forfeited to the Company forthwith, and all rights you have to such RSUs shall immediately terminate. In case of any dispute as to whether your termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.
- 6. Tax Consequences.** You acknowledge that you will recognize tax consequences in connection with the RSUs. You should consult a tax adviser regarding your tax obligations in the jurisdiction where you are subject to tax.
- 7. Withholding Taxes and Stock Withholding.** Regardless of any action the Company or your actual employer (the “*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the award, including the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to structure the terms of the award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the settlement of your RSUs, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable (which, if you are an Insider, shall be determined without regard to any potential application of Section 83(c)(3) of the Code) by you from your wages or other cash compensation paid to you by the Company and/or the Employer. With the Company’s consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to

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you when your RSUs are settled, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (c) your payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares will be applied as a credit against the withholding taxes. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

**8. Acknowledgement.** The Company and you agree that the RSUs are granted under and governed by the Notice, this RSU Agreement and the provisions of the Plan (incorporated herein by reference). You: (i) acknowledge receipt of a copy of the Plan and the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions, and (iii) hereby accept the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this RSU Agreement.

**9. Entire Agreement; Enforcement of Rights.** This RSU Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this RSU Agreement, nor any waiver of any rights under this RSU Agreement, shall be effective unless in writing and signed by the parties to this RSU Agreement. The failure by either party to enforce any rights under this RSU Agreement shall not be construed as a waiver of any rights of such party.

**10. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer. The Shares issued pursuant to this RSU Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

**11. Governing Law; Severability.** If one or more provisions of this RSU Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this RSU Agreement, (ii) the balance of this RSU Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this RSU Agreement shall be enforceable in accordance with its terms. This RSU Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice and this RSU Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California in Santa Clara County or the federal courts of the United States for the Northern District of California and no other courts.

**12. No Rights as Employee, Director or Consultant.** Nothing in this RSU Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

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**13. Consent to Electronic Delivery of All Plan Documents and Disclosures.** By your acceptance of this RSU, you consent to the electronic delivery of the Notice, this RSU Agreement, the Plan, account statements, Plan prospectuses required by the Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the RSU. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at . You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at . Finally, you understand that you are not required to consent to electronic delivery.

**14. Code Section 409A.** For purposes of this RSU Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Internal Revenue Code and the regulations thereunder ("**Section 409A**"). Notwithstanding anything else provided herein, to the extent any payments provided under this RSU Agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the six-month period measured from your separation from service or (ii) the date of your death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this RSU Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

**15. Award Subject to Company Clawback or Recoupment.** To the extent permitted by applicable law, the RSUs shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your RSUs (whether vested or unvested) and the recoupment of any gains realized with respect to your RSUs.

BY ACCEPTING THIS RSU, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

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NOTICE OF STOCK APPRECIATION RIGHT AWARD

LENDINGCLUB CORPORATION  
2014 EQUITY INCENTIVE PLAN

Unless otherwise defined herein, the terms defined in the LendingClub Corporation (the "*Company*") 2014 Equity Incentive Plan (the "*Plan*") shall have the same meanings in this Notice of Stock Appreciation Right Award (the "*Notice of Grant*") and the attached Stock Appreciation Right Agreement (the "*SAR Agreement*"). You have been granted an award of Stock Appreciation Rights (the "*SAR*") of the Company under the Plan subject to the terms, restrictions and conditions of the Plan, this Notice of Grant and the SAR Agreement.

**Name:**

**Address:**

**Date of Grant:**

**Vesting Commencement Date:**

**Fair Market Value on Date of Grant:**

**Total Number of Shares:**

**Expiration Date:**

The SAR becomes exercisable with respect to the first 25% of the Shares subject to the SAR when you complete 12 months of continuous Service from the Vesting Commencement Date. Thereafter, the SAR becomes exercisable with respect to an additional 1/48<sup>th</sup> of the Shares subject to the SAR when you complete each month of Service.

**Vesting Schedule:**

You acknowledge that the vesting of the SAR pursuant to this Notice of Grant is earned only by continuing Service. By accepting the SAR, you and the Company agree that the SAR is granted under and governed by the terms and conditions of the Plan, the Notice of Grant and the SAR Agreement. By accepting the SAR, you consent to electronic delivery as set forth in the SAR Agreement.

**PARTICIPANT:**

LENDINGCLUB CORPORATION

Signature:

By:

Print Name:

Name:

Its:

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STOCK APPRECIATION RIGHT AWARD AGREEMENT

LENDINGCLUB CORPORATION

2014 EQUITY INCENTIVE PLAN

You have been granted an award of Stock Appreciation Rights (the “**SAR**”) by LendingClub Corporation (the “**Company**”) under the 2014 Equity Incentive Plan (the “**Plan**”), subject to the terms and conditions of the Plan, the Notice of Stock Appreciation Right Award (the “**Notice of Grant**”) and this Stock Appreciation Right Agreement (the “**Agreement**”).

**1. Grant of SAR.** You have been granted a SAR for the number of Shares set forth in the Notice of Grant at the fair market value set forth in the Notice of Grant. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail.

**2. Termination Period.**

(a) **General Rule.** If your Service terminates for any reason except death or Disability, and other than for Cause, then this SAR will expire at the close of business at Company headquarters on the date three months after your termination of Service (subject to the expiration detailed in Section 6). In no event shall this SAR be exercised later than the Expiration Date set forth in the Notice of Grant. If your Service is terminated for Cause, this SAR will expire upon the date of such termination. The Company determines when your Service terminates for all purposes under this Agreement.

(b) **Death; Disability.** If you die before your Service terminates (or you die within three months of your termination of Service other than for Cause), then this SAR will expire at the close of business at Company headquarters on the date 12 months after the date of death (subject to the expiration detailed in Section 6). If your Service terminates because of your Disability, then this SAR will expire at the close of business at Company headquarters on the date 12 months after your termination date (subject to the expiration detailed in Section 6).

(c) **No Notice.** You are responsible for keeping track of these exercise periods following your termination of Service for any reason. The Company will not provide further notice of such periods. In no event shall this SAR be exercised later than the Expiration Date set forth in the Notice of Grant.

**3. Vesting Rights.** Subject to the applicable provisions of the Plan and this Agreement, this SAR may be exercised, in whole or in part, in accordance with the schedule set forth in the Notice of Grant.

**4. Exercise of SAR.**

(a) **Right to Exercise.** This SAR is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice of Grant and the applicable provisions of the Plan and this Agreement. In the event of your death, Disability, or other cessation of Service, the exercisability of the SAR is governed by the applicable provisions of the Plan, the Notice of Grant and this Agreement. This SAR may not be exercised for a fraction of a Share.

(b) **Method of Exercise.** This SAR is exercisable by delivery of an exercise notice in a form specified by the Company (the “**Exercise Notice**”), which shall state the election to exercise the SAR, the number of Shares in respect of which the SAR is being exercised, and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be delivered in person, by mail, via electronic mail or facsimile or by other authorized method to the Secretary of the Company or other person designated by the Company. This

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SAR shall be deemed to be exercised upon receipt by the Company of a fully executed Exercise Notice and any applicable tax withholding due upon exercise of the SAR.

(c) No Shares shall be issued pursuant to the exercise of this SAR unless such issuance and exercise complies with all relevant provisions of law and the requirements of any stock exchange or quotation service upon which the Shares are then listed. Assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to you on the date the SAR is exercised with respect to such Exercised Shares.

**5. Non-Transferability of SAR.** This SAR may not be transferred in any manner other than by will or by the laws of descent or distribution or court order and may be exercised during your lifetime only by you unless otherwise permitted by the Committee on a case-by-case basis. The terms of the Plan and this Agreement shall be binding upon your executors, administrators, heirs, successors and assign.

**6. Term of SAR.** This SAR shall in any event expire on the expiration date set forth in the Notice of Grant, which date is not more than 10 years after the Date of Grant.

**7. Tax Consequences.** You should consult a tax adviser for tax consequences relating to this SAR in the jurisdiction in which you are subject to tax. YOU SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS SAR OR DISPOSING OF THE SHARES. If you are an Employee or a former Employee, the Company may be required to withhold from your compensation an amount equal to the minimum amount the Company is required to withhold for income and employment taxes or collect from you and pay to the applicable taxing authorities an amount in cash equal to a percentage of this compensation income at the time of exercise.

**8. Withholding Taxes and Stock Withholding.** Regardless of any action the Company or your actual employer (the “*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the SAR, including the grant, vesting or exercise of the SAR, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the SAR to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to exercise of the SAR, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable (which, if you are an Insider, shall be determined without regard to any potential application of Section 83(c)(3) of the Code) by you from your wages or other cash compensation paid to you by the Company and/or the Employer. With the Company’s consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to you when you exercise this SAR, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (c) your payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company’s Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares, determined as of the effective date of the SAR

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exercise, will be applied as a credit against the withholding taxes. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to honor the exercise or deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

**9. Acknowledgement.** The Company and you agree that the SAR is granted under and governed by the Notice of Grant, this Agreement and the provisions of the Plan (incorporated herein by reference). You: (i) acknowledge receipt of a copy of the Plan and the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions, and (iii) hereby accept the SAR subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice of Grant. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice of Grant and the SAR Agreement.

**10. Entire Agreement; Enforcement of Rights.** This Agreement, the Plan and the Notice of Grant constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

**11. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer. The Shares issued pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

**12. Governing Law; Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice of Grant and this Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California in Santa Clara County or the federal courts of the United States for the Northern District of California and no other courts.

**13. No Rights as Employee, Director or Consultant.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

**14. Consent to Electronic Delivery of All Plan Documents and Disclosures.** By your acceptance of this SAR, you consent to the electronic delivery of the Notice of Grant, this Agreement, the Plan, account statements, Plan prospectuses required by the Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the SAR. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-

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mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at . You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at . Finally, you understand that you are not required to consent to electronic delivery.

**15. Award Subject to Company Clawback or Recoupment.** To the extent permitted by applicable law, the SAR shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your SAR (whether vested or unvested) and the recoupment of any gains realized with respect to your SAR.

BY ACCEPTING THIS SAR, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

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**NOTICE OF STOCK BONUS AWARD**

**LENDINGCLUB CORPORATION  
2014 EQUITY INCENTIVE PLAN**

Unless otherwise defined herein, the terms defined in the LendingClub Corporation (the “*Company*”) 2014 Equity Incentive Plan (the “*Plan*”) shall have the same meanings in this Notice of Stock Bonus Award (the “*Notice*”) and the attached Stock Bonus Award Agreement (the “*Stock Bonus Agreement*”). You have been granted an award of Shares under the Plan (the “*Stock Bonus Award*”) subject to the terms and conditions of the Plan, this Notice and the attached Stock Bonus Agreement.

**Name:**

**Address:**

**Number of Shares:**

**Date of Grant:**

**Vesting Commencement Date:**

[Subject to the limitations set forth in this Notice, the Plan and the Stock Bonus Agreement, 25% of the total number of Shares subject to the Stock Bonus Award will vest on the 12 month anniversary of the Vesting Commencement Date and 12.5% of the total number of Shares will vest on each six month anniversary thereafter so long as your Service continues.]

**Vesting Schedule:**

You acknowledge that the vesting of the Shares pursuant to this Notice is earned only by continuing Service. By accepting this Stock Bonus Award, you and the Company agree that this Stock Bonus Award is granted under and governed by the terms and conditions of the Plan, the Notice and the Stock Bonus Agreement. By accepting this Stock Bonus Award, you consent to electronic delivery as set forth in the Stock Bonus Agreement.

**PARTICIPANT**

Signature:

Print Name:

**LENDINGCLUB CORPORATION**

By:

Name:

Its:

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## STOCK BONUS AWARD AGREEMENT

### LENDINGCLUB CORPORATION 2014 EQUITY INCENTIVE PLAN

You have been granted a Stock Bonus Award (“*Stock Bonus Award*”) by LendingClub Corporation (the “*Company*”), subject to the terms, restrictions and conditions of the Plan, the Notice of Stock Bonus Award (the “*Notice*”) and this Stock Bonus Award Agreement (this “*Agreement*”).

- 1. Issuance.** Your Stock Bonus Award shall be issued in Shares, and the Company’s transfer agent shall record ownership of such Shares in your name as soon as reasonably practicable.
- 2. No Stockholder Rights.** Unless and until you are recorded as the holder of such Shares on the stock records of the Company and its transfer agent, you shall have no right to dividends or to vote Shares.
- 3. No-Transfer.** Unvested Shares subject to your Stock Bonus Award shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by you or any person whose interest derives from your interest. “*Unvested Shares*” are Shares that have not yet vested pursuant to the terms of the vesting schedule set forth in the Notice.
- 4. Termination.** If your Service terminates for any reason, all Unvested Shares shall immediately be forfeited to the Company, and all rights you have to such Unvested Shares shall immediately terminate. In case of any dispute as to whether a termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.
- 5. Tax Consequences.** YOU SHOULD CONSULT A TAX ADVISER BEFORE ACQUIRING THE SHARES IN THE JURISDICTION IN WHICH YOU ARE SUBJECT TO TAX. Shares shall not be issued under this Agreement unless you make arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the acquisition or vesting of Shares.
- 6. Withholding Taxes and Stock Withholding.** Regardless of any action the Company or your actual employer (the “*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the award, including the award or vesting of such Shares, the subsequent sale of Shares under this award and the receipt of any dividends; and (2) do not commit to structure the terms of the award to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

The Company will only recognize you as a record holder of Shares if you have paid or made adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable (which, if you are an Insider, shall be determined without regard to any potential application of Section 83(c)(3) of the Code) by you from your wages or other cash compensation paid to you by the Company and/or the Employer. With the Company’s consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be released when they vest, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (c) your payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with

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the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares will be applied as a credit against the withholding taxes. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

**7. Acknowledgement.** The Company and you agree that the Stock Bonus Award is granted under and governed by the Notice, this Agreement and the provisions of the Plan (incorporated herein by reference). You: (i) acknowledge receipt of a copy of the Plan and the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions, and (iii) hereby accept the Stock Bonus Award subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and the Stock Bonus Award.

**8. Entire Agreement; Enforcement of Rights.** This Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

**9. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer. The Shares issued pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

**10. Governing Law; Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice and this Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California in Santa Clara County or the federal courts of the United States for the Northern District of California and no other courts.

**11. No Rights as Employee, Director or Consultant.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

**12. Consent to Electronic Delivery of All Plan Documents and Disclosures.** By acceptance of this Stock Bonus Award, you consent to the electronic delivery of the Notice, this Agreement, the Plan, account statements, Plan prospectuses required

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by the Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the Stock Bonus Award. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at . You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at . Finally, you understand that you are not required to consent to electronic delivery.

**13. Award Subject to Company Clawback or Recoupment.** To the extent permitted by applicable law, the Stock Bonus Award shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service with the Company that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your Stock Bonus Award (whether vested or unvested) and the recoupment of any gains realized with respect to your Stock Bonus Award.

BY ACCEPTING THE STOCK BONUS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

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**NOTICE OF RESTRICTED STOCK UNIT AWARD  
(Full Career Vesting Eligible)**

**LENDINGCLUB CORPORATION  
2014 EQUITY INCENTIVE PLAN**

Unless otherwise defined herein, the terms defined in the LendingClub Corporation (the “*Company*”) 2014 Equity Incentive Plan (the “*Plan*”) shall have the same meanings in this Notice of Restricted Stock Unit Award (the “*Notice*”) and the attached Restricted Stock Unit Agreement (the “*RSU Agreement*”). You have been granted an award of Restricted Stock Units (“*RSUs*”) under the Plan subject to the terms and conditions of the Plan, this Notice and the attached RSU Agreement.

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Number of RSUs:** \_\_\_\_\_

**Date of Grant:** \_\_\_\_\_

**Vesting Commencement Date:** \_\_\_\_\_

**Expiration Date:** The date on which settlement of all RSUs granted hereunder occurs. This RSU expires earlier if your Service terminates and, if applicable, the expiration date of your Full Career Vesting Period (as such term is defined in Attachment 1 to the RSU Agreement), as described in the RSU Agreement.

**Vesting Schedule:** **Sample vesting language:** [Subject to the limitations set forth in the Notice, the Plan and the RSU Agreement, % of the total number of RSUs will vest on the three month anniversary of the Vesting Commencement Date and % of the total number of RSUs will vest on each three month anniversary thereafter so long as your Service continues or you are in the Full Career Vesting Period.] **[Alternate:** Subject to the limitations set forth in the Notice, the Plan, and the RSU Agreement, this RSU will vest contingently, in whole or in part, upon the achievement of the Performance Factors during the Performance Period, as set forth on Exhibit A hereto.]

**Additional Terms:** The additional terms and conditions set forth on Attachment 1 to the RSU Agreement are applicable and are incorporated herein by reference.

By accepting this award, you and the Company agree that this award is granted under and governed by the terms and conditions of the Plan, the Notice and the RSU Agreement. By accepting this RSU, you consent to electronic delivery as set forth in the RSU Agreement.

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**PARTICIPANT**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**LENDINGCLUB CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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**RESTRICTED STOCK UNIT AGREEMENT**  
**(Full Career Vesting Eligible)**

**LENDINGCLUB CORPORATION**  
2014 EQUITY INCENTIVE PLAN

You have been granted Restricted Stock Units (“*RSUs*”) by LendingClub Corporation (the “*Company*”) subject to the terms, restrictions and conditions of the Plan, the Notice of Restricted Stock Unit Award (the “*Notice*”) and this Restricted Stock Unit Agreement (this “*RSU Agreement*”).

- 1. Settlement.** Settlement of RSUs shall be made in the same calendar year as the applicable date of vesting under the vesting schedule set forth in the Notice; provided, however, that if the vesting date under the vesting schedule set forth in the Notice is in December, then settlement of any RSUs that vest in December shall be within 30 days of vesting. Settlement of RSUs shall be in Shares. Settlement means the delivery of the Shares vested under an RSU. No fractional RSUs or rights for fractional Shares shall be created pursuant to this RSU Agreement.
  - 2. No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, you shall have no ownership of the Shares allocated to the RSUs and shall have no right to dividends or to vote such Shares.
  - 3. Dividend Equivalents.** Dividends, if any (whether in cash or Shares), shall not be credited to you.
  - 4. No Transfer.** RSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.
  - 5. Termination.** All unvested RSUs shall be forfeited to the Company forthwith, and all rights you have to such RSUs shall immediately terminate upon either: (i) the date your Service terminates if you do not qualify for the Full Career Vesting Benefit (as such term is defined in Attachment 1 hereto) or (ii) the expiration date of your Full Career Vesting Period if you do qualify for the Full Career Vesting Benefit. In case of any dispute as to whether your termination of Service has occurred or whether you qualify for the Full Career Vesting Benefit, the Committee shall have sole discretion to determine whether: (i) such termination or qualification has occurred and (ii) the date on which all then unvested RSUs shall be forfeited to the Company and all rights you have to such RSUs shall terminate.
  - 6. Tax Consequences.** You acknowledge that you will recognize tax consequences in connection with the RSUs. You should consult a tax adviser regarding your tax obligations in the jurisdiction where you are subject to tax
  - 7. Withholding Taxes and Stock Withholding.** Regardless of any action the Company or your actual employer (the “*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the award, including the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to structure the terms of the award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
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Prior to the settlement of your RSUs, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable (which, if you are an Insider, shall be determined without regard to any potential application of Section 83(c)(3) of the Code) by you from your wages or other cash compensation paid to you by the Company and/or the Employer. With the Company's consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to you when your RSUs are settled, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (c) your payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares will be applied as a credit against the withholding taxes. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

**8. Acknowledgement.** The Company and you agree that the RSUs are granted under and governed by the Notice, this RSU Agreement and the provisions of the Plan (incorporated herein by reference). You: (i) acknowledge receipt of a copy of the Plan and the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions, and (iii) hereby accept the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this RSU Agreement.

**9. Entire Agreement; Enforcement of Rights.** This RSU Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this RSU Agreement, nor any waiver of any rights under this RSU Agreement, shall be effective unless in writing and signed by the parties to this RSU Agreement. The failure by either party to enforce any rights under this RSU Agreement shall not be construed as a waiver of any rights of such party.

**10. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer. The Shares issued pursuant to this RSU Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

**11. Governing Law; Severability.** If one or more provisions of this RSU Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this RSU Agreement, (ii) the balance of this RSU Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this RSU Agreement shall be enforceable in accordance with its terms. This RSU Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice and this RSU Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such

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litigation shall be conducted only in the courts of California in Santa Clara County or the federal courts of the United States for the Northern District of California and no other courts.

**12. No Rights as Employee, Director or Consultant.** Nothing in this RSU Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

**13. Consent to Electronic Delivery of All Plan Documents and Disclosures.** By your acceptance of this RSU, you consent to the electronic delivery of the Notice, this RSU Agreement, the Plan, account statements, Plan prospectuses required by the Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the RSU. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at . You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at . Finally, you understand that you are not required to consent to electronic delivery.

**14. Code Section 409A.** For purposes of this RSU Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Internal Revenue Code and the regulations thereunder ("**Section 409A**"). Notwithstanding anything else provided herein, to the extent any payments provided under this RSU Agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the six-month period measured from your separation from service or (ii) the date of your death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this RSU Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

**15. Award Subject to Company Clawback or Recoupment.** To the extent permitted by applicable law, the RSUs shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your RSUs (whether vested or unvested) and the recoupment of any gains realized with respect to your RSUs.

BY ACCEPTING THIS RSU, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

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**Attachment 1**  
**RESTRICTED STOCK UNIT AGREEMENT**  
**(Full Career Vesting Eligible)**

The RSUs are granted pursuant to the Plan, the Notice and the RSU Agreement, including this Attachment 1, and will be eligible to vest, pursuant to the Vesting Schedule set forth in the Notice, until the later of: (i) the date your Service terminates or (ii) provided you qualify for the Full Vesting Career Benefit, the expiration date of your Full Career Vesting Period. This Attachment 1 sets forth the definition, terms and conditions of Full Career Vesting Period and Full Career Vesting Benefit.

Notwithstanding anything to the contrary:

1. The Committee shall have the authority to adjust the Full Career Vesting Period and Full Career Vesting Benefit in accordance with the terms of the Plan to take into account any extraordinary or unusual items, event or circumstances to avoid windfalls or hardships.
2. To the extent that earning or vesting in your award is subject to the achievement of any performance factors (a “*Performance Based RSU*”), then the Full Career Vesting Benefit shall apply only after the applicable performance period is completed and the extent of performance achievement is determined and only to any Service based vesting applicable to the earned portion of the Performance Based RSU.

“**Full Career Vesting Period**” means the period starting on the date your Service terminates through the date that is the [#] month anniversary thereof. The expiration date of your Full Career Vesting Period shall be the last day of such period.

“**Full Career Vesting Benefit**” means the right and benefit to have the Full Career Vesting Period apply to this award, such that you continue to vest in the RSUs as though you provided continuous Service through the expiration date of the Full Career Vesting Period. Such right and benefit is qualified and conditioned upon the performance and/or achievement of each of the following criteria:

1. [You provided at least [#] days prior written notice (“*Notice*”) to the Company’s then Chief Executive Officer of your intention to voluntarily terminate Service with the Company due to your good faith intention to cease all full-time employment, with the Company or otherwise, and during which Notice period you provided such services as requested by the Company in a cooperative and professional manner;
2. On the date immediately prior to the termination of your Service, you are at least [#] years of age and have completed at least [#] years of continuous Service with the Company;
3. You have signed and not revoked a release of claims against the Company in a form reasonably acceptable to the Company, in each case, within the time periods specified in such release of claims and such release of claims has become effective; and
4. [ANY ADDITIONAL CRITERIA LISTED HERE]]

This Attachment 1 is subject to the terms and conditions of the Plan, which among other things, provides that any dispute regarding the interpretation of this Attachment 1 shall be submitted by you or Company to the Committee for review and the resolution of such a dispute by the Committee shall be final and binding on the Company and you.

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**NOTICE OF RSU/CASH AWARD**

**LENDINGCLUB CORPORATION  
2014 EQUITY INCENTIVE PLAN**

Unless otherwise defined herein, the terms defined in the LendingClub Corporation (the “*Company*”) 2014 Equity Incentive Plan (the “*Plan*”) shall have the same meanings in this Notice of RSU/Cash Award (the “*Notice*”) and the attached RSU/Cash Award Agreement (the “*Award Agreement*”). You have been granted an award of Restricted Stock Units (“*RSUs*”) under the Plan subject to the terms and conditions of the Plan, this Notice and the attached Award Agreement. If indicated below, you have also been granted a cash award (“*Cash Award*”) subject to the terms and conditions of the Plan, this Notice and the attached Award Agreement. For purposes of this Notice and the attached Award Agreement, the RSUs and the Cash Award are collectively referred to as the “*Award*”.

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_

**Number of RSUs:** \_\_\_\_\_

**Cash Award:** \_\_\_\_\_

**Date of Grant:** \_\_\_\_\_

**Vesting Commencement Date:** \_\_\_\_\_

**Expiration Date:** The date on which settlement of all RSUs (and if applicable payment of the entire Cash Award) granted hereunder occurs. This Award expires earlier if your Service terminates earlier, as described in the Award Agreement.

**Vesting Schedule:** Subject to the limitations set forth in the Notice, the Plan and the Award Agreement:

- a. [##]% of the total number of RSUs will vest on the three month anniversary of the Vesting Commencement Date and [##]% of the total number of RSUs will vest on each three month anniversary thereafter so long as your Service continues; and
- a. if applicable, [##]% of the Cash Award will vest on the three month anniversary of the Vesting Commencement Date and [##]% of the Cash Award will vest on each three month anniversary thereafter so long as your Service continues.

**Additional Terms:**  If this box is checked, the additional terms and conditions set forth on Attachment 1 hereto (as executed by the Company) are applicable and are incorporated herein by reference. No document need be attached as Attachment 1 if the box is not checked

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You acknowledge that the vesting of the Award pursuant to this Notice is earned only by continuing Service. By accepting this award, you and the Company agree that the RSUs are granted under and both the RSUs and the Cash Award are governed by the terms and conditions of the Plan, the Notice and the Award Agreement. By accepting this Award, you consent to electronic delivery as set forth in the Award Agreement.

**PARTICIPANT**

**LENDINGCLUB CORPORATION**

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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## RSU/CASH AWARD AGREEMENT

### LENDINGCLUB CORPORATION 2014 EQUITY INCENTIVE PLAN

You have been granted Restricted Stock Units (“*RSUs*”) by LendingClub Corporation (the “*Company*”) subject to the terms, restrictions and conditions of the Plan, the Notice of RSU/Cash Award (the “*Notice*”) and this RSU/Cash Award Agreement (this “*Award Agreement*”). If indicated in the Notice, you have also been granted a cash award (“*Cash Award*”) subject to the terms and conditions of the Plan, the Notice and this Award Agreement. For purposes of this Notice and this Award Agreement, the RSUs and the Cash Award are collectively referred to as the “*Award*”.

- 1. Settlement/Payment.** Settlement of RSUs shall be made in the same calendar year as the applicable date of vesting under the vesting schedule set forth in the Notice; provided, however, that if the vesting date under the vesting schedule set forth in the Notice is in December, then settlement of any RSUs that vest in December shall be within 30 days of vesting. Settlement of RSUs shall be in Shares. Settlement means the delivery of the Shares vested under an RSU. No fractional RSUs or rights for fractional Shares shall be created pursuant to this Award Agreement. Payment of cash under the Cash Award shall be made in the same calendar year as the applicable date of vesting under the vesting schedule set forth in the Notice; provided, however, that if the vesting date under the vesting schedule set forth in the Notice is in December, then payment of any portion of the Cash Award that vest in December shall be within 30 days of vesting. The Committee has full and absolute discretion to pay any or all of the Cash Award using Shares (rounded to the nearest whole Share for each vesting date) in lieu of cash if it reasonably believes that paying any or all of the Cash Award in cash would be impermissible under applicable laws, including without limitation if the Company (or any of its Subsidiaries or Affiliates) is required or instructed by the federal banking regulations and/or regulators to preserve cash.
  - 2. No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs (or, if applicable, paid for the vested portion of the Cash Award pursuant to the last sentence of Section 1 of this Award Agreement), you shall have no ownership of such Shares and shall have no right to dividends or to vote such Shares.
  - 3. Dividend Equivalents.** Dividends, if any (whether in cash or Shares), shall not be credited to you.
  - 4. No Transfer.** The Award may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.
  - 5. Termination.** If your Service terminates for any reason, all unvested portion of the Award shall be forfeited to the Company forthwith, and all rights you have to such unvested portion of the Award shall immediately terminate. In case of any dispute as to whether your termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.
  - 6. Tax Consequences.** You acknowledge that you will recognize tax consequences in connection with the Award. You should consult a tax adviser regarding your tax obligations in the jurisdiction where you are subject to tax.
  - 7. Withholding Taxes and Stock Withholding.** Regardless of any action the Company or your actual employer (the “*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the
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grant, vesting or settlement of the RSUs or the grant, vesting or payment of the Cash Award, the subsequent sale of Shares acquired pursuant to the Award and the receipt of any dividends; and (ii) do not commit to structure the terms or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the settlement of your RSUs (or, if applicable, payment of Shares for the vested portion of the Cash Award pursuant to the last sentence of Section 1 of this Award Agreement), you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable (which, if you are an Insider, shall be determined without regard to any potential application of Section 83(c)(3) of the Code) by you from your wages or other cash compensation paid to you by the Company and/or the Employer. With the Company's consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to you when your RSUs are settled or payment of Shares is made under the Cash Award pursuant to the last sentence of Section 1 of this Award Agreement, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (c) your payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares will be applied as a credit against the withholding taxes. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. You acknowledge that the Company has no obligation to deliver Shares or cash to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section. With respect to payment of cash under the Cash Award, the Company and/or the Employer will satisfy all withholding obligations from such cash payment.

**8. Acknowledgement.** The Company and you agree that the RSUs is granted under the Plan and that the entire Award is governed by the Notice, this Award Agreement and the provisions of the Plan (incorporated herein by reference). You: (i) acknowledge receipt of a copy of the Plan and the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions, and (iii) hereby accept the Award subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Award Agreement.

**9. Entire Agreement; Enforcement of Rights.** This Award Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this Award Agreement, nor any waiver of any rights under this Award Agreement, shall be effective unless in writing and signed by the parties to this Award Agreement. The failure by either party to enforce any rights under this Award Agreement shall not be construed as a waiver of any rights of such party.

**10. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the

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time of such issuance or transfer. The Shares issued pursuant to this Award Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

**11. Governing Law; Severability.** If one or more provisions of this Award Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Award Agreement, (ii) the balance of this Award Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Award Agreement shall be enforceable in accordance with its terms. This Award Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice and this Award Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California in Santa Clara County or the federal courts of the United States for the Northern District of California and no other courts.

**12. No Rights as Employee, Director or Consultant.** Nothing in this Award Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

**13. Consent to Electronic Delivery of All Plan Documents and Disclosures.** By your acceptance of this Award, you consent to the electronic delivery of the Notice, this Award Agreement, the Plan, account statements, Plan prospectuses required by the Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the Award. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at. You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at. Finally, you understand that you are not required to consent to electronic delivery.

**14. Code Section 409A.** For purposes of this Award Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Internal Revenue Code and the regulations thereunder ("**Section 409A**"). Notwithstanding anything else provided herein, to the extent any payments provided under this Award Agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the six-month period measured from your separation from service or (ii) the date of your death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this Award Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also

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qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

**15. Award Subject to Company Clawback or Recoupment.** To the extent permitted by applicable law, the Award shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your Award (whether vested or unvested) and the recoupment of any gains realized with respect to your Award.

BY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

**SUBSIDIARIES OF LENDINGCLUB CORPORATION**

The following are the direct subsidiaries of LendingClub Corporation as of December 31, 2020, omitting subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary:

<b>Subsidiaries (a wholly owned subsidiary)</b>	<b>State of Incorporation</b>
Consumer Loan Underlying Bond (CLUB) Depositor, LLC	Delaware
Consumer Loan Underlying Bond (CLUB) Certificate Issuer Trust I	Delaware
LC Trust I	Delaware
LendingClub Loan Pool Participation Trust	Delaware
The Lending Club Members Trust	Delaware
LendingClub Receivables Trust	Delaware
LendingClub Warehouse II LLC	Delaware
SC Sub I Inc.	Delaware

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-233190; 333-238044; and 333-252634 on Form S-3 and Nos. 333-197570; 333-200676; 333-213647; 333-217731; 333-226899; 333-232518; and 333-249973 on Form S-8 of our reports dated March 11, 2021, relating to the consolidated financial statements of LendingClub Corporation, and the effectiveness of LendingClub Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended December 31, 2020, and to the reference to us under the heading "Experts" in the Prospectus, which is part of these Registration Statements.

/s/ Deloitte & Touche LLP

San Francisco, California  
March 11, 2021

**CERTIFICATION**

I, Scott Sanborn, certify that:

1. I have reviewed this Annual Report on Form 10-K of LendingClub Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2021

/s/ SCOTT SANBORN

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Scott Sanborn

*Chief Executive Officer*

*(Principal Executive Officer)*

**CERTIFICATION**

I, Thomas W. Casey, certify that:

1. I have reviewed this Annual Report on Form 10-K of LendingClub Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2021

/s/ THOMAS W. CASEY

Thomas W. Casey

*Chief Financial Officer*



**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of LendingClub Corporation (the “Company”) on Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SCOTT SANBORN

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Scott Sanborn  
*Chief Executive Officer*  
*(Principal Executive Officer)*

/s/ THOMAS W. CASEY

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Thomas W. Casey  
*Chief Financial Officer*

Dated: March 11, 2021