

Higher Returns in Fixed-Income Investments

Investing in Consumer Notes

Renaud Laplanche

Founder and CEO

Lending Club



What We'll Cover Today

- **Investing in Consumer Notes**
- **How Lending Club Works**
- **How You Can Start Investing**
- **Your Questions**

Underserved Market: Prime Consumer Credit

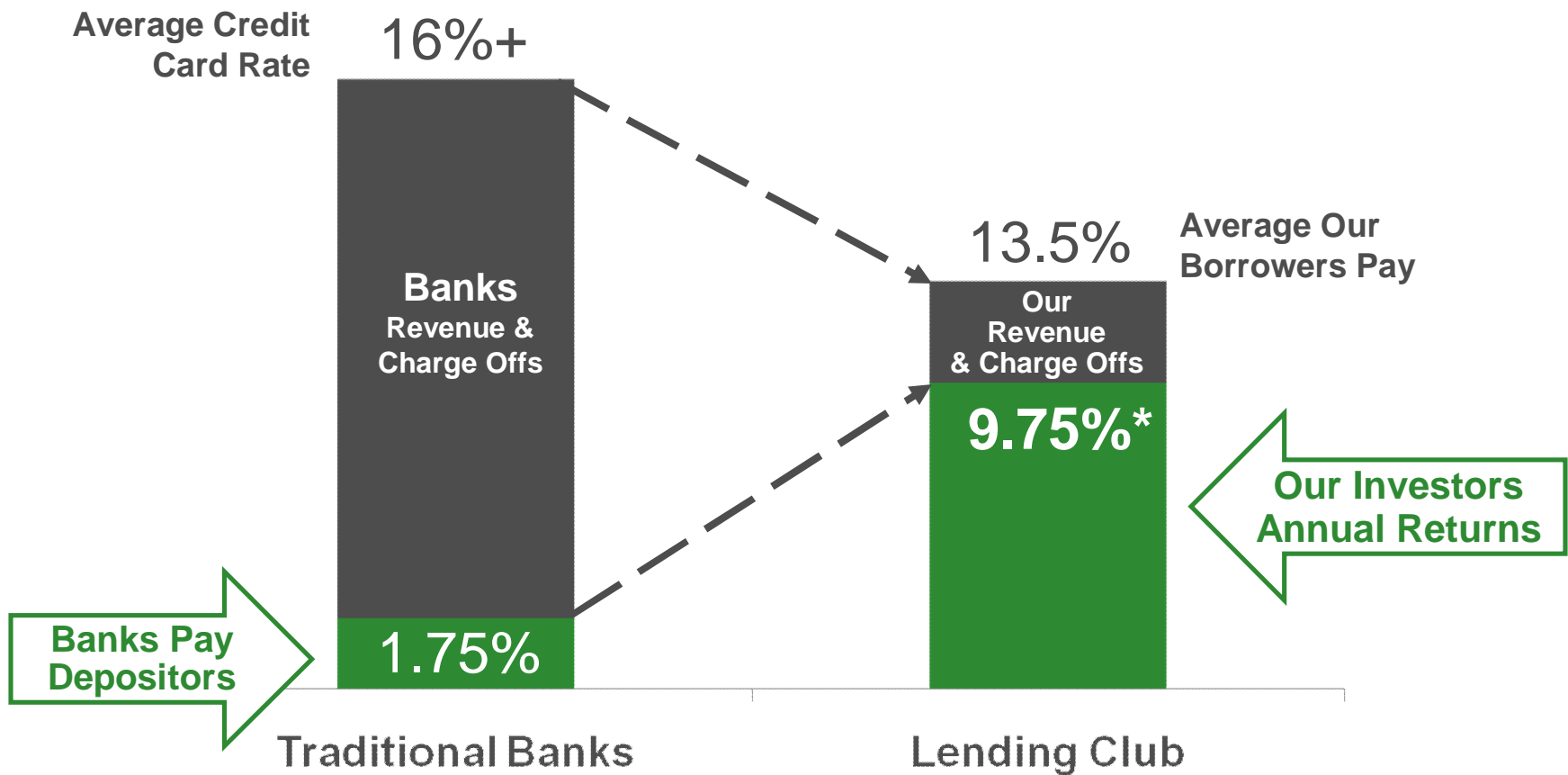
- **The Credit Crunch Creates a Significant Opportunity**
 - Credit cards companies raised rates on all cardholders, including the most creditworthy. Many **prime borrowers are getting hit by rates up to 24%**
 - Creates **inefficiencies in the marketplace, attractive opportunities for investors and borrowers**



Lending Club eliminates the *high cost* and *complexity* of traditional banks.



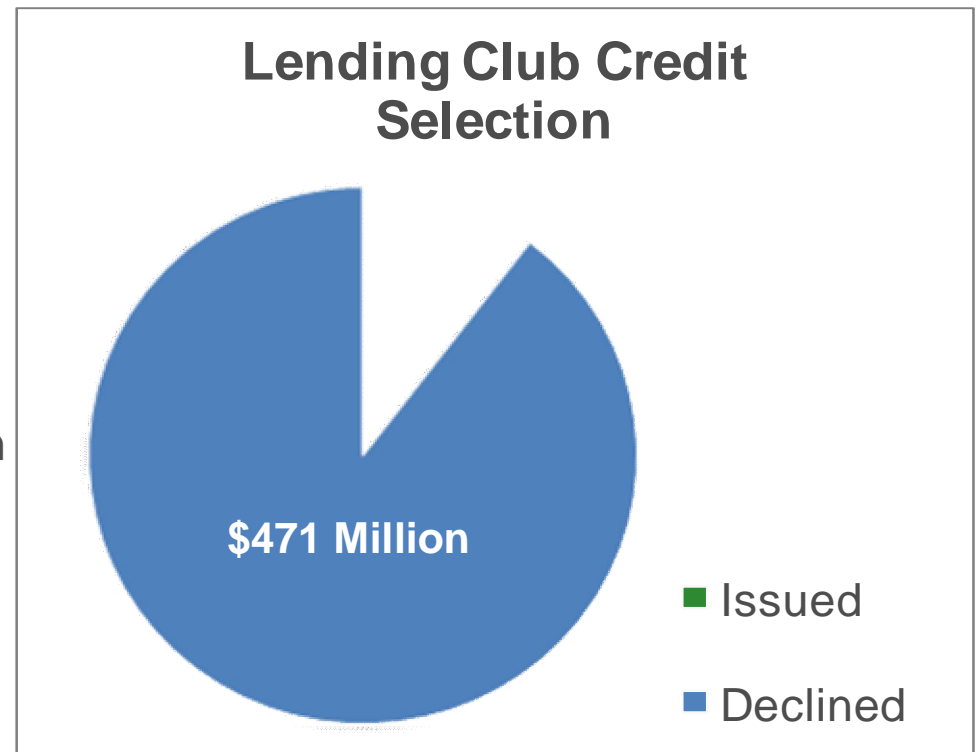
Lending Club Rates: **Better Than a Bank**



Only Prime Borrowers

- **Rigorous Standards Approve Less than 1 out of 10**

- Average 713 FICO
- Average 10% Debt -to-Income
- No Current Delinquencies
- No More than 10 Inquiries
- Three Years of Credit History
- Knowledge-based Authentication
- Fraud -risk Scoring
- Income Verification



High Standards Lead to Solid Returns

- **3%** - Annual Charge Off Rate
- **75%** - Late Payment Recovery

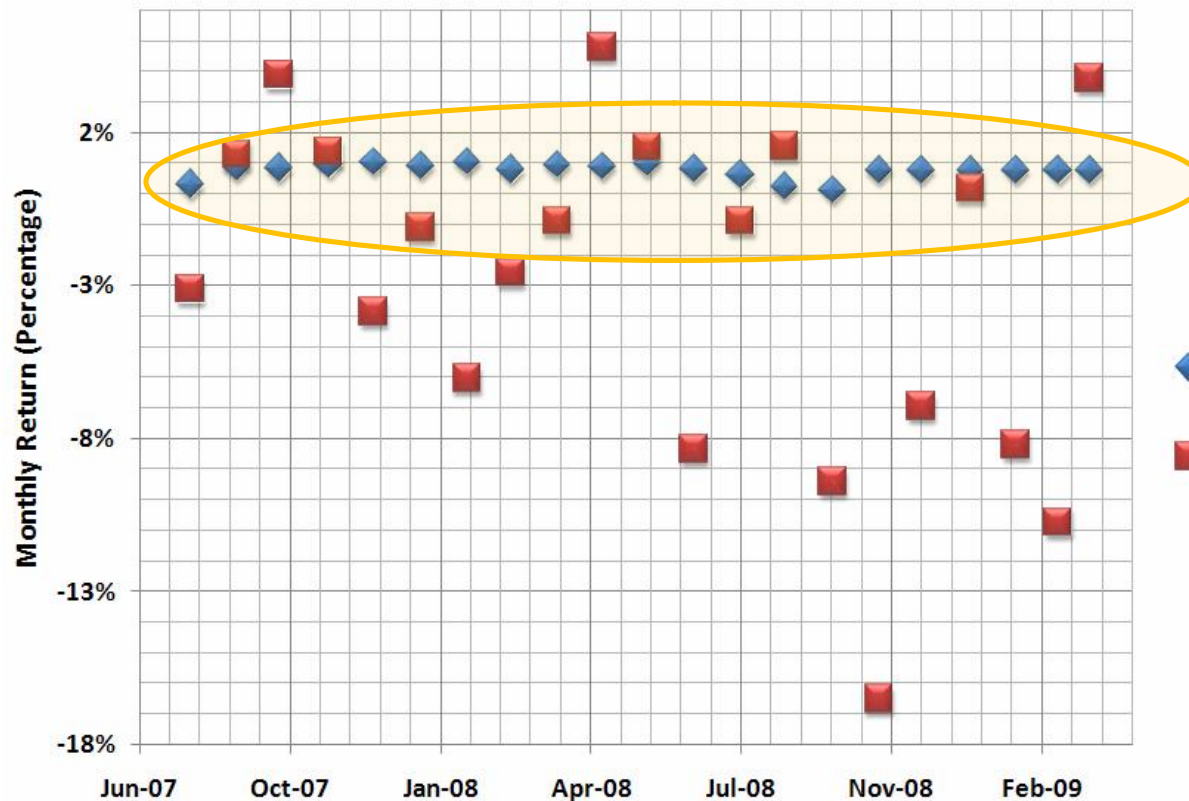
In addition,

- Investors receive **monthly payments of principal and interest** over a 3-year term
- Trading platform provides **liquidity and flexibility** after notes are issued



New Asset Class with a Strong Track Record

Monthly Returns: S&P 500 vs. Lending Club
June 2007 to March 2009



Investment	Average Monthly Return
Lending Club	0.75%
Bond Market (BND)	0.52%
S&P500	-2.88%

- ◆ Lending Club
- S&P 500

LC BETA

0.000410

Investing Offers Control and Ease of Use

The screenshot shows the LendingClub 'Invest' page. At the top, there is a navigation bar with 'Home', 'Invest', 'Borrow', 'Trade', 'My Account', and 'Invite'. Below this is a secondary navigation bar with 'About Investing', 'Rates & Returns', 'Invest', 'Browse Notes', and 'Reinvest'. The main content area is titled 'Invest' and includes a 'Feedback' link. A sub-header asks 'How do I use this page?' and explains the LendingMatch™ feature. Below this, the 'Account Balance' is shown as \$43,606.75. An 'Investment Amount' input field is set to 40000, with a '\$25 minimum' note and a 'Run LendingMatch™' button. The 'Investment Distribution' section features a pie chart and a legend with categories A through G and their respective percentages. Below the chart, it shows 'Number of Loans 106' and 'Average Interest Rate 13.54%' with a 'Risk 0.39/1' indicator. A slider is positioned between 8.87% and 17.33%. A 'Next' button is located at the bottom of the main content area. Three blue callout boxes with arrows point to the investment amount field, the risk slider, and the 'Next' button, labeled 1, 2, and 3 respectively.

Welcome, Renaud! | My Profile | Sign Out | FAQ

LendingClub Home Invest Borrow Trade My Account Invite

About Investing Rates & Returns Invest Browse Notes Reinvest

Invest

Feedback

How do I use this page?

Use LendingMatch™ to select multiple Notes at once and build a portfolio, or browse and select Notes one at a time.

Account Balance \$43,606.75

* Investment Amount \$25 minimum Run LendingMatch™

Investment Distribution

This chart shows a sample search result that matches your target interest rate.

A (14.37%)	E (17.94%)
B (22%)	F (4.38%)
C (20%)	G (2.56%)
D (18.75%)	

Number of Loans 106
Average Interest Rate **13.54%** Risk 0.39/1

Use the slider to indicate your target average interest rate.

8.87% 17.33%

Next

1 Enter Investment Amount

2 Select Risk Sensitivity

3 Review & Confirm Order

Home | About Us | FAQ | Blog | Privacy Policy | Terms of Use | Legal Agreements | Contact Us | Prospectus
Copyright © 2006-2009. All rights reserved. Lending Club, 440 North Wolfe Road, Sunnyvale, CA 94085 USA

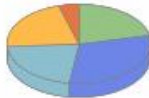
You Can Review Details on Each Loan

Welcome, Tobin! | [My Profile](#) | [Sign Out](#) | [FAQ](#)
LendingClub

[About Investing](#) | [Rates](#)

Order

My Order Summary



23 loans
Risk Level Average
A (22%)

Start Over

Investment Amount

\$25	Insurance Age
\$25	Car Loan
\$25	Graduate Stu
\$25	Family Affair
\$25	Built up debt
\$25	Student Loan
\$25	DEBT CONSOLIDATION
\$25	Military Helping Out a Family I
\$25	Surgery Expenses

Military Helping Out a Family In Need

Borrower Member Loan 402012 | Prospectus

[Return to Order](#)

[How do I use this page?](#)

Amount Requested	\$14,000	Credit Review Status	Under Review
Loan Purpose	Other	Funding Received	\$6,650 (47.50% funded)
Loan Grade	B2	Lenders	106 people funded this loan
Interest Rate	11.26%	Listing Expires in	5d 12h (5/19/09 7:13 PM)
Loan Length	3 years (36 payments)	Loan Status	In Funding
Monthly Payment	\$460.09 / month	Loan Submitted on	5/5/09 7:13 PM

akaleluika's Profile *(all information not verified unless noted with an "**")*

Home Ownership	RENT	Gross Income	\$4,366 / month
Current Employer	USAF	Debt-to-Income (DTI)	18.16%
Length of Employment	9 years	Location	Suisun City, CA

akaleluika's Credit History *(as reported by credit bureau on 5/5/09)*

\$25	DEBT CONSOLIDATION	\$13,000	B3: 11.58%				\$6,750	3 days	
\$25	Military Helping Out a Family I								
\$25	Surgery Expenses	\$5,500	B5: 12.21%				\$4,525	11 days	

Review each loan's details

Transparency & Security

- **Investors Buy Registered Securities**
 - Registered with the SEC
 - Prospectus and sales reports available on Lending Club's Web site
- **Monthly Notes Payments Are Automated**
 - 3-Year Term, Fully Amortized
 - Automated monthly debit from borrowers' accounts, credit to investors accounts
- **Efficient Collections**
 - Fewer than average delinquency due to high borrower quality
 - In case of late payments, internal collections team make daily contact
 - Work with multiple collections agencies for 75% recovery
 - Late fees applied to delinquent borrowers
- **Secondary Market offers Liquidity**
 - Investors can sell Notes at any time on the secondary market

Lending Club's Been Making News



Privileged & Confidential

More About Lending Club

- > **Established** in 2006, located in Silicon Valley, California
- > Over **\$45 million** in loans, with over 180,000 members
- > Only platform to be **registered with the SEC** and to feature a **secondary market**, providing liquidity to investors
- > **Best performing platform** in our industry, 9.6% avg. return
- > **Experienced executive leadership**



Lending Club AAll Special Offer

Sign-up at lendingclub.com/aall

- If you invest \$5k or more by July 31 (**extended to August 30**), you receive a 2% bonus into your Lending Club account
- Same offer if you sign up for a Lending Club PRIME Investment Account

▪ **Investor Hotline** 1-866-811-

Lending Club
0225

Privileged & Confidential

Time for Your Questions

Q&A

LendingClub

investing@lendingclub.com

www.lendingclub.com/aaii

1-866-811-

9225

LendingClub