

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, 2023

Commission File Number: 001-36771

LendingClub Corporation

(Exact name of registrant as specified in its charter)

Delaware

51-0605731

(State or other jurisdiction of
incorporation or organization)

(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:

Title of each class:

Trading Symbol:

Name of each exchange on which registered:

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
ý 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 ý

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 ý 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 ý 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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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. o

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.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was \$ 894,810,579 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 January 31, 2024, there were 110,410,602 shares of the registrant's common stock outstanding.

Documents Incorporated by Reference

Portions of the registrant's Definitive Proxy Statement for the Registrant's 2024 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, 2023.

LENDINGCLUB CORPORATION

Annual Report On Form 10-K
For Fiscal Year Ended December 31, 2023

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LENDINGCLUB CORPORATION

Glossary

The following is a list of common acronyms and terms LendingClub Corporation regularly uses in its financial reporting:

ACL	Allowance for Credit Losses (includes both the allowance for loan and lease losses and the reserve for unfunded lending commitments)
Acquisition	Acquisition of Radius Bancorp, Inc.
AFS	Available for Sale
ALLL	Allowance for Loan and Lease Losses
Annual Report	Annual Report on Form 10-K for the year ended December 31, 2023
ASU	Accounting Standards Update
AUM	Assets Under Management (outstanding balances of Loan Originations serviced by the Company including loans sold to investors as well as loans held for investment and held for sale by the Company)
Balance Sheet	Consolidated Balance Sheets
CECL	Current Expected Credit Losses (Accounting Standards Update 2016-13, Financial Instruments —Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments)
CET1	Common Equity Tier 1
CET1 Capital Ratio	Common Equity Tier 1 capital divided by total risk-weighted assets as defined under the Basel III capital framework
DCF	Discounted Cash Flow
EPS	Earnings Per Share
Exchange Act	Securities Exchange Act of 1934, as amended
FRB or Federal Reserve	Board of Governors of the Federal Reserve System and, as applicable, Federal Reserve Bank(s)
GAAP	Accounting Principles Generally Accepted in the United States of America
HFI	Loans which are retained by the Company and held for investment
HFS	Held for sale loans expected to be sold to investors, including Marketplace Loans
Income Statement	Consolidated Statements of Income
LC Bank or LendingClub Bank	LendingClub Bank, National Association
LendingClub, LC, the Company, we, us, or our	LendingClub Corporation and its subsidiaries
Loan Originations	Unsecured personal loans and auto refinance loans originated by the Company or facilitated by third-party issuing banks
Marketplace Loans	Loan Originations designated as HFS and subsequently sold to investors
N/M	Not meaningful
Parent	LendingClub Corporation (the Parent Company of LendingClub Bank, National Association and other subsidiaries)
PPNR or Pre-Provision Net Revenue	PPNR, or Pre-Provision Net Revenue, is a non-GAAP financial measure calculated by subtracting the provision for credit losses and income tax benefit/expense from net income.
PPP loans	Loans originated pursuant to the U.S. Small Business Administration's Paycheck Protection Program
Radius	Radius Bancorp, Inc.
SEC	United States Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Structured Certificates	Asset-backed securitization transaction where the Company retains the senior note security and sells the residual certificate on a pool of loans to a marketplace investor at a predetermined price.

LENDINGCLUB CORPORATION

Structured Program transactions	Asset-backed securitization transactions, including Structured Certificate transactions, where certain accredited investors and qualified institutional buyers have the opportunity to invest in securities backed by a pool of unsecured personal whole loans.
Tier 1 Capital Ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by total risk-weighted assets as defined under the Basel III capital framework.
Tier 1 Leverage Ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by quarterly adjusted average assets as defined under the Basel III capital framework.
Total Capital Ratio	Total capital, which includes Common Equity Tier 1 capital, Tier 1 capital and allowance for credit losses and qualifying subordinated debt that qualifies as Tier 2 capital, divided by total risk-weighted assets as defined under the Basel III capital framework.
Unsecured personal loans	Unsecured personal loans originated on the Company's platforms, including an online direct to consumer platform and a platform connected with a network of education and patient finance providers.
VIE	Variable Interest Entity

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 (LC Bank), and various entities established to facilitate loan sale transactions under LendingClub's Structured Program.

Forward-looking Statements

This Annual Report on Form 10-K for the year ended December 31, 2023 (Annual Report) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). Forward-looking statements in this Annual 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:

- The impact of, and our ability to successfully navigate, the current interest rate and economic climate, a potential recession and the resumption of Federal student loan payments;
- our ability to sustain the business under adverse circumstances;
- our ability to attract and retain new members, to expand our product offerings and services, to improve revenue and generate recurring earnings, to capture expense benefits, to increase resiliency, and to enhance regulatory clarity;
- our compliance, and that of third-party partners or providers, with applicable local, state and federal laws, regulations and regulatory developments or court decisions affecting our business;
- the effects of natural disasters, public health crisis, acts of war or terrorism and other external events on our customers and business, including the Ukrainian-Russian and Gaza Strip conflicts;
- 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;
- the impact of accounting standards or policies, including the Current Expected Credit Losses (CECL) standard;
- the results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, require us to 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, and that of third-party partners or providers, to maintain an enterprise risk management framework that is effective in mitigating risk;
- 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 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;
- our expectations on the interplay among origination volume, underwriting standards and interest rates;
- the ability and willingness of borrowers to repay loans;
- our belief that certain loans and leases in our commercial loan portfolio will be fully repaid in accordance with the contractual loan terms;
- our ability to maintain investor confidence in the operation of our platform;

- our ability to retain existing sources and secure new or additional sources of investor commitments for our platform;
- our expectation that marketplace investor demand for our loans will remain depressed until interest rates and the macro environment stabilize;
- our expectation of pressure on net interest margin;
- 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 and 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 and the impact of holding loans on and our ability to sell loans off our balance sheet;
- our intention not to sell our available for sale (AFS) investment portfolio;
- our financial condition and performance, including the impact that management's estimates have on our financial performance and the relationship between interim period and full year results;
- our ability, and that of third-party partners and providers, to maintain service and quality expectations;
- the fair value estimates used in the valuation of our financial instruments;
- our estimate of our interest rate sensitivity;
- our calculation of expected credit losses for our collateral-dependent loans;
- our estimated maximum exposure to losses;
- our expectation of loan servicing fee revenue based on forecasted prepayments and estimated market rate of servicing at the time of loan sale;
- capital expenditures;
- our compliance with contractual obligations or restrictions;
- the potential impact of macro-economic developments, including recessions, inflation 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;
- our ability to continue to realize the financial and strategic benefits of our digital marketplace bank business model;
- 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 Annual 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 Annual Report, as well as in our consolidated financial statements, related notes, and other information appearing elsewhere in this Annual Report and our other filings with the SEC that could, among other things, cause actual results or events to differ materially from forward-looking statements contained in this Annual 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 Annual 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 and brought a traditional credit product – the installment loan – into the digital age by leveraging technology, data science, and a unique marketplace model. LendingClub now operates a leading digital marketplace bank and is one of a small number of fintech companies with a national bank charter. We are building a new kind of bank, one that aims to advantage our members with the information, tools, and guidance they need to achieve their own version of financial success. We do this by leveraging data and technology to increase access to credit, lower borrowing costs, and improve the return on savings – all through a smart, simple, and rewarding digital experience. Since 2007, more than 4.8 million individuals have become members of the Club.

Our business model and competitive advantages

As a digital marketplace bank, we offer key business model and competitive advantages over both traditional banks and fintech marketplaces. These include:

- *Financially attractive and resilient business model.* As a bank, we save on fees from third-party issuing banks, which compares favorably to nonbank fintechs. We benefit from two distinct revenue streams: (i) marketplace revenue in the form of origination fees from borrowers and servicing fees on loans sold to investors, which provides attractive in-period income, and (ii) net interest income earned from retaining a portion of our prime loan originations or other loans acquired for investment and from retaining senior securities related to Structured Program transactions, which provide a recurring and resilient revenue source. We are able to adjust the relative percentage of loans held for investment and loans sold through the marketplace depending on market conditions. In addition to improving our loan-level economics, our banking capabilities also substantially increase the long-term resiliency of our business by providing access to deposit funding, instead of higher-cost and more volatile third-party warehouse funding. Finally, as a digital-first marketplace bank without the legacy branches and related infrastructure of traditional banks, we are better able to leverage technology to meet customers where they are and provide them with efficient and effective solutions.
- *Unmatched data and analytics, which power our customer experience and underwriting results.* We believe that lending is essentially a data problem and that we have the technology and expertise to solve it. We serve members across a wide band of the credit spectrum and have facilitated more than \$90 billion of loans to more than 4.8 million members since the Company was founded. Through our interactions with applicants and members, we have collected more than 150 billion cells of performance and behavioral data across thousands of attributes and various economic cycles. That data informs our activities across the customer lifecycle in both lending and savings – from marketing to underwriting, pricing, and servicing – and informs our proprietary credit decisioning and machine learning models to rapidly adapt and adjust to changing environments. As a result of our data advantage and iterative credit modeling, third-party data shows that we are able to assess credit risk more effectively than traditional scoring models and our peer set, which allows us to expand access to credit and generate savings for members while also generating competitive risk-adjusted returns. We also believe those advantages promote lower customer acquisition costs and give us a deep understanding of our members, which helps us anticipate their needs, informs future product offerings, and enables us to effectively customize offers.
- *Strong, growing, and engaged customer base.* Our scalable technology marketplace, customer-focused culture, and use of data and analytics has enabled us to provide loans and savings to our millions of members. Our typical member is among the industry's most sought-after consumers: borrowers who have relatively high incomes (\$100,000+ annual income on average), high FICO scores (above 700 on average) and between mid-30s to mid-50s in age. Many of them have accumulated higher-cost debt as a result of relying on a limited set of available credit options to bridge cash flow gaps or disruptions and they want better, lower-cost solutions. We are able to help members refinance their higher-cost, adjustable rate debt

into a lower-cost, fixed rate product, thereby providing our members both savings and a pathway toward an improved financial position. Our high net promoter score reflects the strong affinity our members have for our brand and the value we provide. In fact many of our members return to us for a subsequent personal loan and/or to increase their savings through other loan products, like auto refinance, and/or checking and deposit products. These “repeat members” have very low acquisition costs, demonstrate better loan performance, and are avid proponents of LendingClub, which serves as a powerful foundation for extension into future products.

Our marketplace not only allows us to serve a broad spectrum of members, it also enables a broad range of institutions ranging from banks to institutional funds and asset managers to invest in our asset class. Our marketplace products primarily compete with other investment vehicles and asset classes, such as equities, bonds, and short-term fixed income securities. LendingClub's key competitive advantages for marketplace investors include:

- *Competitive risk-adjusted returns and short duration.* We have over a decade-and-a-half track record of generating competitive risk-adjusted returns for marketplace investors. Our loans compare favorably to other alternative investment options due to their higher yield and shorter duration. We dynamically price loans based on a variety of inputs, such as competitive insights, supply and demand, and prevailing interest rates.
- *Portfolio diversification.* Loans we sell through our marketplace can offer duration, geographic, and/or asset diversification to investors.
- *Innovative and easy-to-use technology platform.* The investor marketplace brings the traditional loan trading model into the digital age with faster, more efficient transactions that enable borrowers and investors alike to achieve better outcomes. The marketplace supports same-day automated settlements, flexible real-time market-based pricing, the ability to customize investor portfolios and trading activity and passive or active loan selection strategies.
- *Regulated and resilient counterparty.* As a national bank subject to regulatory oversight and an investor in our own loans, LendingClub is a trusted partner, which is especially important for banks participating on our marketplace.

LendingClub's key competitive advantages also extend to our members, including:

- *Easy access to affordable credit.* We allow members to easily apply for a loan from a desktop or mobile device, presenting a variety of rate and term options with no impact to their credit score. Once an offer is selected, we run credit and identity verifications, relying on automation when possible to reduce friction, and typically deposit funds (less any fees due to us) to approved applicants within a matter of days.
- *Improvements in their financial position.* Members who use a LendingClub personal loan to pay off their existing debt not only reduce their cost of debt but also may increase their credit score.
- *Access to other LendingClub products and services.* Members have access to a growing set of financial products and services that are designed to work well together to deliver value in new and rewarding ways.

Our loan origination and deposit gathering model

Our sales and marketing efforts are designed to efficiently attract and retain members and build brand awareness. We use an array of marketing channels and constantly seek to improve and optimize the member experience, both online and offline, to achieve efficiency and high levels of member satisfaction.

We attract and retain members directly through our website and through targeted online advertising, online aggregation partners, direct mail, and other channels, including search engines, online display advertising, email, social media and strategic relationship referrals. Our growing member base often returns directly to LendingClub if they need another loan or deposit product – at very low acquisition cost for us – which increases the lifetime value of our members while providing them additional avenues to improve their financial position.

Our primary loan products include unsecured personal loans, secured auto refinance loans, and patient and education finance loans (Consumer Loans). Once a loan application is received, our multivariable and automated processes enable us to assess risk and present approved applicants with various loan options, including the term, rate, and amount for which the applicant qualifies. Although approval of the vast majority of our loans is automated, we may perform additional applicant verifications. Once any verifications are completed, the loan is originated and proceeds of the loan are issued to the borrower, net of any origination or transaction fee retained by us.

We currently offer borrowers multiple features to lower their cost of debt and enhance their financial position, including balance transfers (where a borrower's existing credit card debt is directly 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). These loan products are underpinned by a scalable technology platform and capabilities targeted directly at our members' core needs to either lower the cost of their debt and/or improve the returns on their savings.

Our commercial lending business is primarily focused on small businesses, and we participate in the U.S. Small Business Administration (SBA) lending programs. Commercial loans are sourced through relationship managers who maintain and build relationships with businesses across the country. We underwrite loans based on the creditworthiness of businesses, including an assessment of cash flows, and on the underlying value of any collateral. In the first quarter of 2023, we ceased originating commercial real estate loans and equipment leases and currently intend to retain the existing loan portfolios to maturity.

Our deposit business includes sourcing deposits directly from consumer and commercial customers and from third-party marketing channels and deposit brokers. For consumer depositors, we offer high-yield savings accounts, checking accounts and certificates of deposit (CDs). With our FDIC-insured high-yield savings account, members can enhance their savings by earning competitive interest on their entire balance. Our checking accounts deliver an award-winning digital experience and member-friendly features, such as ATM fee rebates, no overdraft fees and early direct deposits.

Our marketplace

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

Loan Sales (Marketplace Activity): We sell whole loans to institutional investors, such as banks, asset managers, insurance companies, investment funds, credit unions and other large non-bank investors, through our innovative and proprietary marketplace. Our marketplace loan sales are executed as either: (i) whole loan sales to investors or (ii) Structured Program transactions.

In the second quarter of 2023, we launched Structured Certificates – a new type of Structured Program transaction where we retain the senior security and sell the residual certificate on a pool of loans to a marketplace investor at a predetermined price. This structure, developed by LendingClub and enabled by our marketplace bank model, delivers a transaction that benefits both marketplace investors and LendingClub. Marketplace investors earn compelling levered returns on the residual certificate without the need for the financing typically required for a whole loan purchase and LendingClub earns an attractive yield with remote credit risk. We sold over \$1.5 billion of loans under this program during its first year in 2023.

We also facilitate loans through LCX, our real-time electronic platform and settlement technology. This proprietary investor platform can easily be customized to meet the needs of individual investors, making transactions on our marketplace fast, easy, and repeatable. This platform has a variety of benefits derived from its unique features:

- *A diverse, multifaceted investor market*, which enables LendingClub to offer loans to a greater number of customers across a wider credit spectrum than what LC Bank retains on its balance sheet.

- *A competitive, dynamically priced market* that allows a broad array of investors to instantly buy loans at variable prices (at, below, or above par). It also provides us with real-time information on current market prices and demand for certain types of loans, which helps inform our credit models.
- *A flexible and adaptable platform* that enables LendingClub to test and launch new products, including structured products, or potential underwriting expansions with limited credit or market risk to LC Bank.
- *Quick and efficient trading at scale*, that allows investors to quickly deploy their strategies and change their approaches as conditions warrant.

LendingClub Bank: LC Bank holds high-quality prime loans and funds those loans directly with its own capital and deposits, which are typically stable and low cost. We retain these loans for investment on LC Bank's balance sheet and recognize this source of recurring revenue over the life of the loans.

Loan Purchases: From time to time, we may opportunistically purchase loans. For example, in the fourth quarter of 2022, we acquired a \$1.05 billion outstanding principal personal loan portfolio we previously facilitated and have since held those loans on our balance sheet to earn net interest income.

Retail Notes. Investors had historically been able to purchase LendingClub Member Payment Dependent Notes (Retail Notes), which are 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, and in anticipation of the closing of the Acquisition, LendingClub ceased offering and selling Retail Notes. The total balance of outstanding Retail Notes and related loans 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.

Seasonality

Historically, personal loan volume on our marketplace is generally lower in the first and fourth quarters of the year, primarily due to seasonality of borrower behavior, which can impact volume. These seasonal trends contribute to fluctuations in our operating results. Additionally, the current market environment could result in continued reduction in loan origination volume, which may impact our operating results in the near term.

Revenue

We originate Consumer Loans through the Company's marketplace by selling them directly to investors, which generates a majority of related revenue immediately, or by using our own capital to hold the loans for investment, which generates revenue over the life of the loan.

Revenue from loans held for sale (HFS) is recorded in "Marketplace revenue" and "Interest income" on our Consolidated Statements of Income (Income Statement). Marketplace revenue includes origination fees recorded at the time of loan origination and is monetized as cash from loan investor sale proceeds. Marketplace revenue also includes the gain on sales of loans (recognition of servicing asset), servicing fees received from investors over the life of the loan, and net fair value adjustments (gains or losses from sale prices in excess of or less than the loan principal amount). We also earn interest income on loans HFS between the time of origination and the settlement date of the loan sales to investors.

Revenue from loans held for investment (HFI) at amortized cost is recorded in "Interest income" on our Income Statement. Origination fees and applicable costs on loans HFI are deferred and are accreted through interest income, over the life of the loans and are accelerated when loans are paid in full before their maturity date. The CECL allowance for HFI loans at amortized cost is calculated using a discounted cash flow (DCF) approach and is an estimate of the net present value of lifetime expected credit losses, which is initially recognized through earnings (as "Provision for credit losses") at the time of origination, while the loan interest received and the accretion of deferred fees and costs are recognized according to the loan's contractual payment terms. Due to the timing difference caused by origination fee deferrals and upfront credit loss provisioning, earnings are disproportionately impacted

from the strong expected organic growth in our HFI loan portfolio at amortized cost before benefiting from higher levels of interest income in later periods.

HFI loans are measured at fair value if the Company elects the fair value option. We may elect the fair value option for certain HFI loans. Interest income is recorded under the effective interest method, which considers any purchase premium or discounts. In addition, purchase-related discounts absorb credit losses. We record fair value adjustments on loans that are recorded at fair value in "Marketplace revenue" on our Income Statement.

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, credit unions, and finance 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 have 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 (DIF) of the Federal Deposit Insurance Corporation (FDIC), rather than our stockholders or creditors.

The legal and regulatory regime affects virtually all aspects of our operations. Statutes, regulations and regulatory and supervisory 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, strategic initiatives and transactions between LC Bank and its affiliates. 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 Annual Report, are not intended to summarize all laws and regulations applicable to us and our subsidiaries, and are based upon the statutes, regulations, policies, interpretive letters and other written guidance that are in effect as of the date of this Annual 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 acts as the supervisor of the consolidated operations of bank holding companies.

As a national bank, LC 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 LC Bank, in connection with its supervisory activities.

LC Bank's deposits are insured by the DIF of the FDIC up to applicable legal limits. As an FDIC-insured depository institution, LC 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 LC Bank, to fund and support the DIF. The rate of these deposit insurance assessments is based on, among other things, the risk characteristics of LC Bank. The FDIC has the power to terminate LC Bank's deposit insurance if it determines LC Bank is engaging in unsafe or unsound practices. Federal banking laws provide for the appointment of the FDIC as receiver in the event LC 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 receiver for administrative expenses and the claims of LC Bank's depositors (and those of the FDIC as subrogee of LC Bank) would have priority over other general unsecured claims against LC Bank.

We are subject to the disclosure and regulatory requirements of the Securities Act and the Exchange Act, both as administered by the SEC. Our common stock is listed on the New York Stock Exchange (NYSE) under the trading symbol "LC" and therefore we are 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 LC Bank, LC Bank entered into an Operating Agreement with the OCC (the Operating Agreement). The Operating Agreement set forth key parameters which LC Bank was required to operate within, such as with respect to its business plan, minimum capital, directors and senior executive officers, risk management and compliance. Per its original terms, the Operating Agreement expired on February 2, 2024.

The banking 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;
- set forth parameters, obligations and/or limitations with respect to the operation of our business;
- 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 a broad variety of sanctions or remedies, including those described above.

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 requires that we obtain prior approval of one or more regulators for various initiatives or corporate actions, including acquisitions or minority investments, the establishment, relocation or closure of branches, certain dividends or capital distributions. 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. LC 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 result in negative regulatory consequences for LC Bank. The federal banking regulators have recently finalized reforms to the regulations implementing the CRA that, subject to the outcome of related litigation, may impact how certain activities may be considered, and how regulators may assess performance, under the CRA.

Company as Source of Strength for LC 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 LC Bank were to be in financial distress or to otherwise be viewed by the regulators as in an unsatisfactory condition, then the Federal Reserve has the authority to require the Company to act as a source of strength for LC Bank, which could include providing additional capital or liquidity support, or take other action, in support of LC Bank, even if doing so is not otherwise in the best interest of the Company.

Capital and Liquidity Requirements and Prompt Corrective Action

The Company and LC Bank are expected to have established policies and practices for identifying, measuring, monitoring and controlling their funding and liquidity risks. 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 LC 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. The U.S. capital requirements generally are modeled off the Capital Accords of the Basel Committee on Banking Supervision (BCBS). Specifically, the capital thresholds in order to be regarded as a well-capitalized institution under the BCBS 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.

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 LC Bank to pay dividends, repurchase 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 LC Bank are also limited by the regulatory regimes. Because substantially all of our business activities, income and cash flow are expected to be generated by LC Bank, an inability of LC Bank to pay dividends or distribute capital to the Company would adversely affect the Company's liquidity.

See "Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21. Regulatory Requirements" and "Item 1A. Risk Factors – Risks Related to Regulation, Supervision and Compliance" for additional information.

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, availability of funds 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. LC Bank has assets less than \$10 billion; therefore, we are not currently subject to the examination and 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 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), anti-corruption, anti-bribery, 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 or reject 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 federal and state regulatory and enforcement 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 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, LC Bank must obtain a consumer's consent before sharing information with an unaffiliated third party, and LC Bank must allow a consumer to opt out of LC 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. The federal banking regulators have also implemented rules to require banks and their service providers to provide certain notification when certain cybersecurity incidents occur.

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 Privacy Rights Act of 2020 became fully operative on January 1, 2023. 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

LC Bank is subject to restrictions on its ability to conduct transactions with affiliates and other related parties. 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 must 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 stockholders (including the Company) and their related interests. In addition, extensions of credit between an insured depository institution and its executive officers, directors, principal stockholders, and their related interests are also limited by federal law. 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 LC 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 LC 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.

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. Although we conduct stress tests to measure and prepare for the impact of potential changes in monetary policy, we cannot predict with certainty the nature of future monetary policies and the effect of such policies on our business and earnings.

Issuing Bank Model

Prior to acquiring Radius and establishing LC Bank, our issuing bank for unsecured personal and auto refinance loans was WebBank, a Utah-chartered industrial bank. Our partner banks for education and patient finance loans were NBT Bank and Comenity Capital Bank, which originate and service such loans. NBT Bank is subject to oversight by the OCC and was phased out as a partner in 2021. Comenity Capital Bank is subject to oversight by the FDIC and the Utah Department of Financial Institutions, and continues to be a partner. These authorities impose obligations and restrictions on our activities and the loans facilitated through our lending marketplace through issuing and partner banks.

There have been challenges to the ability of a bank to “export” interest rates permitted by the laws of the state where the bank is located. For example, the Second Circuit’s 2015 decision in *Madden v. Midland Funding, LLC* led to an

increase in inquiries, regulatory proceedings and litigation 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 2020, the OCC issued a final 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 OCC Rule). The FDIC issued a similar final rule in 2020 applicable to FDIC insured state-chartered banks (the FDIC Rule). Since these final rules, several federal district courts have declined to follow the Madden decision, including in Colorado, Massachusetts and New York. On February 8, 2022, a federal district court granted summary judgment in favor of the OCC and FDIC in lawsuits brought by multiple states seeking to invalidate the OCC Rule and FDIC Rule (*California, et al. v. The Office of the Comptroller of the Currency, et al.*, No. 4:20-cv-05200-JSW (N.D. Cal.); *California, et al. v. Federal Deposit Insurance Corporation*, No. 4:20-cv-05860-JSW (N.D. Cal.)).

Regulatory Examinations and Actions Relating to the Company's Pre-Acquisition Business

The Company is routinely subject to examination for compliance with applicable laws and regulations in the states in which it is licensed. Prior to the Acquisition, the Company conducted its business through nonbank entities, some of which maintain or maintained various financial services licenses in numerous jurisdictions. Since the Acquisition, the vast majority of the Company's business is conducted through LC Bank pursuant to the laws applicable to national banks. Accordingly, many state level regulations and licensing requirements no longer apply to the Company post-Acquisition in part because: (i) it is a bank holding company operating a national bank and therefore subject to the purview of the federal banking regulations and regulators, and (ii) post-Acquisition, the Company has ceased certain types of operations that were unique to its pre-Acquisition business model, such as the Retail Notes program.

Therefore the Company's nonbank entities have returned, and may continue to return, certain state financial services licenses that were used for pre-Acquisition business activities that have since been discontinued. Nevertheless, even after state financial services licenses are returned, the Company may continue to be subject to the regulation, supervision and enforcement of various state regulatory authorities with respect to legacy or residual activities. Furthermore, the Company's nonbank entities continue to maintain certain state licenses, which continue to subject the Company to the regulation, supervision and enforcement of some state regulatory authorities.

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, 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 1,025 employees as of December 31, 2023, all of whom were located in the United States. On October 12, 2023, we announced a cost reduction plan to align our cost structure to our financial profile given the continued adverse impact of the evolving macroeconomic environment on our

business. The plan reduced our workforce by 172 employees (the Workforce Reduction). For employees impacted by the Workforce Reduction, we offered severance, extended benefits coverage and outplacement assistance.

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 participate 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 financial health of Americans in an innovative technology-oriented environment. We also offer competitive compensation and benefits. Our compensation programs consist primarily of base salary, annual corporate bonus opportunity, and long-term equity and cash 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 standalone mental health coverage.

We strive to create a welcoming and empowering environment where our employees feel that they are reaching their full potential, are highly engaged and are doing what they do best every day to accomplish our mission and vision. We support our employees professionally through onboarding programs, on-the-job training, career development sessions and performance check-ins. We monitor employee satisfaction and engagement through semi-annual engagement surveys. Our employee experience has earned a number of external recognitions, including being named to Newsweek's list of the top 100 most loved workplaces.

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 was guided by a core principle: keeping our employees safe. With that principle in mind, in 2020, we rapidly and effectively implemented a work from home program. In 2022, we reopened our physical offices and have since adopted a hybrid work model for our employees.

Diversity and inclusion are core to our corporate culture and we continue to strive to improve the diversity of talent within the financial services industry. Diversity and inclusion is an important consideration in hiring decisions and we strive for a 50% diverse candidate slate and interview panel for open roles. In addition to anti-racism, inclusive hiring, and breaking bias trainings for all of our employees, we have executive-sponsored programs designed to provide women and under-represented individuals with leadership training and growth opportunities. Further, we have employee resource groups and allyship programs designed to empower our employees to advocate for the growth of minorities and build a more diverse and inclusive workplace. As of December 31, 2023, our full-time workforce was 44% female and 50% non-white.

Available Information

Our website address is www.lendingclub.com. At our investor relations website, 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.

LENDINGCLUB CORPORATION

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>) and X (formerly Twitter) handles (@LendingClub and @LendingClubIR) 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.

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, 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 adequacy and effectiveness of our risk management framework; and
- the impact of any changes to the legal and regulatory regime.

Risks Related to Operating Our Business

- holding loans on our balance sheet and associated credit, default and liquidity risks;
- selling loans through our marketplace bank platform;
- maintaining and increasing loan originations;
- maintaining our deposit base;
- our ability to develop and commercialize products and services;
- maintaining adequate liquidity;
- the impact of litigation and government and regulatory investigations, inquiries and requests;
- disruptions in our technology systems or failures in our technology initiatives;
- maintaining, protecting and promoting our brand;
- managing, and the impact of, fraudulent activity;
- forecasting demand for loans;
- M&A and related integration activity;
- offering a breadth and volume of loan purchase and investment opportunities for marketplace investors;
- our use of the issuing bank partnership model (where it is still used in our business);
- 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 the current economic environment, including a potential recession;
- fluctuations in interest rates;
- a decline in overall social and economic conditions;
- the political environment and governmental fiscal/monetary policies;
- negative publicity and media coverage; and
- the impact of geopolitical events, natural disasters, infrastructure failures and other business interruptions.

Risks Related to Credit and Collections

- the accuracy and effectiveness of our credit decisioning models;
- the effectiveness of our collection efforts; and
- the accuracy of credit and other information received from borrowers or third parties.

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;
- our reliance on, and relationship with, third parties; and
- the failure or circumvention of our controls and procedures.

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

- changes in tax laws and our ability to use our deferred tax asset;
- our net gain (loss) position; and
- changes in accounting standards and incorrect estimates and assumptions.

Risks Related to the Ownership of Our Common Stock

- the volatility of our stock price and fluctuations in quarterly results;
- the availability and content of research and reports by analysts;
- future equity dilution;
- our anti-takeover provisions and restrictions in accumulating a position in the Company; 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 Deposit Insurance Fund and the overall financial stability of the United States, not our stockholders or creditors. See "Item 1. Business – Regulation and Supervision" for information on the regulation and supervision framework which governs our Company and its activities.

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 LC 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;
- LC Bank's commitment to helping meet the credit needs of low- and moderate-income neighborhoods under the Community Reinvestment Act of 1977;
- their willingness to approve applications, such as the establishment, relocation or closure 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.

We continue to devote substantial time and resources to compliance and meeting our regulators' supervisory expectations, which will adversely affect our profitability and may adversely affect our ability 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 LC 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 CECL model, the Financial Accounting Standards Board (FASB) implemented an accounting model to measure credit losses for financial assets measured at amortized cost, which includes the vast majority of our loan portfolio. Under this model, the allowance is established to reserve for management's best estimate of expected lifetime losses inherent in our finance receivables and loan portfolio.

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 borrowers to repay their loans. Changes in economic conditions affecting borrowers, revisions to accounting rules and related guidance, 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. We may also underestimate expected lifetime losses and therefore take additional allowance to account for such losses and/or fail to hold a sufficient allowance for such losses.

A decline in the national economy or the local economies of any 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 LC Bank. Legal entity liquidity is an important consideration as there are legal, regulatory 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 LC Bank. In particular, LC 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 affiliates. Applicable laws and regulations, including capital and liquidity requirements, could restrict our ability to transfer funds between LC 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. 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.

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, including risks attributable to third parties. 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 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 has in the past required, and may in the future require, that we invest additional resources into remediating any deficiencies and adversely impacted our ability to operate our business until the revised framework is deemed sufficient and adequate by our regulators.

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, the stability of the banking system 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.

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

From time to time, non-U.S. residents invest in loans directly through our marketplace bank platform. 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

Holding loans on our balance sheet exposes us to credit, default and liquidity risks, which may adversely affect our financial performance.

We hold loans purchased and/or issued by the Company or LC Bank. 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 and/or delinquency rates of these borrowers, the value of these held loans may decline. For example, increasing inflation and interest rates may cause borrowers to allocate more of their income to necessities such as housing and food, thereby potentially increasing their risk of default by reducing their ability to make loan payments.

From time to time, we also sponsor the sale of loans through Structured Program transactions, and we may be required to and/or otherwise decide to retain a portion of the interests in these securitization transactions (Securitization Interests).

Volatility or a decline in the value of the loans and/or Securitization Interests held on our balance sheet may adversely impact the liquidity of these loans/interests, which could produce losses if we are unable to realize their fair value or manage declines in their value, each of which may adversely affect our financial performance. Further, increases in delinquency rates may require that we take additional allowances for losses, which may adversely affect our financial performance and our ability to allocate sufficient financial resources for other purposes, such as advancing our products and services, which could impact our results of operations.

In addition to the discussion in this section, see the risk factor *"The current economic environment, including a potential recession and the resumption of Federal student loan payments, could negatively affect our business and operating results."*

If investors on our marketplace bank platform 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 third party investors purchasing loans through our marketplace bank platform. Investors may have financial conditions or limitations that adversely impact their ability to continue to participate on our platform. Further, investors may choose to deploy their capital elsewhere for any reason, including if financial returns on loans we offer prove to be unsatisfactory. For example, elevated inflation and interest rates may cause borrowers to allocate their income to necessities, such as housing and food, thereby potentially increasing their risk of default by reducing their ability to make loan payments. This may increase default rates, which could adversely affect marketplace investor returns. Additionally, in an elevated interest rate environment the return expectations of our marketplace investors will likely be elevated, and we may be unable to meet those expectations, which could prompt certain marketplace investors to reduce or cease their loan purchases or investments. 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. For example, following the historic increases in interest rates by the FRB in 2022 and 2023, a number of our largest marketplace investors ceased or significantly reduced their purchases of our products, which resulted in a material reduction in our marketplace origination volume and revenue.

From time to time, we may provide incentives to investors to purchase loans from us or we may sell loans at a price that is less than par, which typically adversely impacts the economics of our business. Even in the event that an incentive or difference to par is partially or wholly offset by other factors, such as interest earned on the loan prior to its sale, selling loans with incentives or at prices less than par may: (i) discourage investors from purchasing loans on our platform without incentives or at par value, (ii) cause us to realize less revenue than expected with respect to such loans or (iii) prompt dissatisfaction and complaints from investors unable to purchase incentivized or discounted loans.

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 alternative structures or terms to attract investor capital to the platform, such as our recently launched Structured Certificates. Any new arrangements or programs may: (i) increase the complexity of our business, (ii) require allocation of personnel and other resources to create and operate, and/or (iii) have new and/or different structures and terms, including alternative fee arrangements, purchase price rebates or other incentives. There is also no assurance that we will be able to enter into any of these arrangements or programs with interest parties, 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.

We may also experience significant concentration on our marketplace bank platform, where a limited number of investors purchase a large volume of loans from our platform. Such concentration exposes us disproportionately to any of those investors choosing to cease participation on our platform or choosing to deploy their capital elsewhere, to the economic performance of those investors or to any events, circumstances or risks affecting such investors.

Any material reduction in loan purchases or investments by marketplace investors, or the economics of those purchases or investments for the Company, may have a material adverse impact on our business, financial condition and results of operations. In addition to the discussion in this section, see the risk factor *"The current economic environment, including a potential recession and the resumption of Federal student loan payments, could negatively affect our business and operating results."*

If we do not maintain or continue to increase loan originations, 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.

The vast majority of our revenue currently comes from origination fees, servicing fees on loans sold to marketplace investors and net interest income earned from retaining loans on our balance sheet for investment. Growing these revenue streams may require that we increase loan originations over time. Doing so requires that we attract a large number of new borrowers who meet our platform's lending standards and those of new and existing marketplace investors, including investors in any securitizations of our loans. Our ability to attract qualified borrowers depends in large part on the success of our marketing efforts, the visibility, placement and customer reviews on third-party platforms and the quality and competitive advantage of our products and services. For example, 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.

Further, every loan we originate is either held on our balance sheet or sold to marketplace investors. Our ability to hold or sell loans is dependent on a number of factors, including the economic and interest rate environment, the performance of our loans and the conditions of capital markets. If any of these factors is volatile or adverse, then we may be unable to hold or sell as many loans as we could potentially originate and therefore would need to reduce our origination volume.

If loan originations through our platform stagnate or decrease, for any reason, our business and financial results may be adversely affected. For example, following the historic increases in interest rates by the FRB in 2022 and 2023, a number of our largest marketplace investors ceased or significantly reduced their purchases of our loans, which resulted in a material reduction in our marketplace origination volume and revenue.

In addition to the discussion in this section, see the risk factor '*The current economic environment, including a potential recession and the resumption of Federal student loan payments, could negatively affect our business and operating results.*'

We may not be able to maintain our deposit base.

We rely on deposits as a principal source of funding for our lending activities. As of December 31, 2023, we had approximately \$7.3 billion in deposits. Our future growth and strategy will largely depend on our ability to maintain deposits to provide a less costly and stable source of funding. The deposit markets are competitive, and therefore it may prove difficult and/or costly to grow our deposit base. For example, as the FRB has increased interest rates, we have made corresponding increases to the rates we offer depositors, which increases our cost of capital and may reduce the net interest margin on loans held for investment.

Changes we make to the rates offered on our deposit products may affect our finances and liquidity. We have brokered deposits, which may be more price sensitive than other types of deposits and may become less available if alternative investments offer higher returns. Further, a significant portion of our deposits is sourced from depositors referred to the Company through third party platforms, and any change in the way such third-party platforms operate, including our participation or the placement of our products on such third-party platforms, may have a materially adverse impact on our ability to maintain and/or grow our deposit base. In addition, our ability to maintain existing or obtain additional deposits may be impacted by factors, including factors beyond our control, including perceptions about the stability of the banking industry, our reputation or financial strength, or branchless banking generally, which could reduce the number of consumers choosing to place deposits with us. In particular, sudden and substantial withdrawals could cause the banking regulators to close our institution and seize our assets. For example, in 2023, Silicon Valley Bank, Signature Bank, and First Republic Bank each failed shortly after substantial reductions in their deposit bases over the course of a few days/weeks.

Our ability to obtain deposit funding and offer competitive interest rates on deposits is also dependent on capital levels of LC Bank 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 and the amount of brokered deposits we can accept. 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.

In addition to the discussion in this section, see the risk factor "*The current economic environment, including a potential recession and the resumption of Federal student loan payments, could negatively affect our business and operating 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 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 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.

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 to stringent capital and liquidity regulations and requirements and need to manage our liquidity position at both LendingClub Corporation and LC Bank within the parameters and terms set forth by applicable regulations and regulators. LC Bank is subject to various legal, regulatory and other restrictions on its ability to make distributions and payments to the Company. 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, governmental activities, and 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.

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, cybersecurity, anti-money laundering, securities, tax, commercial disputes, record retention and other matters. The number and/or 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. For example, since our acquisition of Radius, we are subject to supervision, regulation, examination and enforcement by multiple federal banking regulatory bodies. Specifically, as a bank holding company, the Company is subject to ongoing and comprehensive supervision, regulation, examination and enforcement by the FRB. Further, as a national bank, LC Bank is subject to ongoing and comprehensive supervision, regulation, examination and enforcement by the OCC. Accordingly, we have been and continue to invest in regulatory compliance and to be subject to certain parameters, obligations and/or limitations set forth by the banking regulations and regulators with respect to the operation of our business. 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 20. Commitments and Contingencies,”* below.

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, 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 our access to credit, (iii) result in a modification or suspension of our business practices, (iv) require certain parameters, obligations and/or limitations with respect to the operation of our business, (v) require us to develop non-infringing or otherwise altered products or technologies, (vi) prompt ancillary claims, lawsuits, proceedings, investigations, inquiries and requests, (vii) consume financial and other resources which may otherwise be utilized for other purposes, such as advancing our products and services, (viii) cause a breach or cancellation of certain contracts, or (ix) 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 us, 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.

Any significant disruption in our technology systems, including events beyond our control, or failure in our technology initiatives 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 marketplace investors, 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 underlying network infrastructure may impair our ability to attract new and retain existing customers or marketplace investors, 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 reputation and relationships with our customers and marketplace investors. 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 loans, processing loan purchases or investments, damage our brand and reputation, divert our employees' attention, reduce our revenue, subject us to liability, and cause customers to abandon our marketplace bank platform, any of which could adversely affect our business, financial condition and results of operations.

We depend on our technology infrastructure to conduct and grow our business and operations and accordingly we invest in system upgrades, new solutions and other technology initiatives. Many of these initiatives take a significant amount of time to develop and implement, are tied to critical systems and require significant human and financial resources. While we take steps to mitigate the risks and uncertainties associated with these initiatives, these initiatives may not be implemented on time (or at all), within budget or without negative financial, operational or customer impact. Further if and when implemented, these initiatives may not perform as we or our customers, marketplace investors and other stakeholders expect. We also may not succeed in anticipating or keeping pace with future technology needs, technology demands of our customers or the competitive landscape for technology. The failure to implement new and maintain existing technologies 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.

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.

Many of our stakeholders are becoming increasingly interested in our environmental, social, governance and other sustainability responsibilities, strategy and related disclosures. For example, certain of our marketplace investors and equity investors have inquired about our progress and disclosures on this topic. Further, this area of disclosure is subject to state legislation and proposed rules from the SEC, which the Company continues to monitor and will comply with as applicable. For example, in October 2023, California adopted the Climate Corporate Data Accountability Act and the Climate-Related Financial Risk Act, which, among other things, will require certain companies doing business in California to disclose their direct and indirect greenhouse gas emissions and their climate-related financial risks and measures being taken to reduce such risks. As regulations regarding these reporting obligations are still in development, we cannot yet predict the full impact of these laws and their corresponding regulations and future enforcement activity on our business, financial condition, results of operations, brand or reputation. Our absolute and relative progress and disclosures, or lack thereof, on environmental, social, governance and other sustainability matters could impact our reputation, brand and the willingness of certain platform and equity investors to hold our loans or common stock, respectively. If we do not successfully maintain, protect and promote our brand we may be unable to maintain and/or expand our base of customers and investors, which may materially harm our business.

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, depositors, 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 representing 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 platform 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 loan purchase and investment opportunities across a range of risk-adjusted returns. Investor demand on our platform is sensitive to a variety of factors including loan performance, alternative investment opportunities and macroeconomic conditions. To aid our ability to forecast investor demand, from time to time, we may enter into agreements with marketplace investors that outline expected purchases. However, these order agreements are generally non-binding or contain provisions that allow for modification and/or cancellation of the order. Therefore, it is challenging to precisely forecast investor demand. 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. See the risk factor *“Holding loans on our balance sheet exposes us to credit, default and liquidity risks, 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.

Our acquisitions and other strategic transactions 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.

However, any acquisition, 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 organization;
- 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 any 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, 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.

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 us to ongoing obligations and liabilities.

If we are unable to offer marketplace 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 marketplace 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.

If marketplace 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.

Any challenge to or adverse consequence from our use of the issuing bank partnership model (or litigation or legislation aimed at thwarting certain transactions based on this model) may harm our business.

Prior to acquiring Radius, we utilized an issuing bank model. Since acquiring Radius, we have transitioned from an issuing bank partnership model to one in which we directly originate the vast majority of our loans. We believe that our historical use and current limited use of the issuing bank partnership model was and remains 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 a bank to “export” interest rates permitted by the laws of the state where the bank is located.

For example, 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 and held that a nonbank assignee of a loan originated by a national bank may not be 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. However, in 2020, the OCC issued a final 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 OCC Rule). The FDIC issued a similar final rule in 2020 applicable to FDIC-insured state-chartered banks (the FDIC Rule). Since these final rules, several federal district courts have declined to follow the decision of the U.S. Court of Appeals for the Second Circuit in *Madden v. Midland Funding, LLC*, including in Colorado, Massachusetts and New York. On February 8, 2022, a federal district court granted summary judgment in favor of the OCC and FDIC in lawsuits brought by multiple states seeking to invalidate the OCC Rule and FDIC Rule (California, et al. v. The Office of the Comptroller of the Currency, et al., No. 4:20-cv-05200-JSW (N.D. Cal.); California, et al. v. Federal Deposit Insurance Corporation, No. 4:20-cv-05860-JSW (N.D. Cal.)). While we believe that our use of the issuing bank model is appropriate and factually distinguishable from the decision of the U.S. Court of Appeals for the Second Circuit in *Madden v. Midland Funding, LLC*, the case could create potential liability under state statutes such as usury statutes. Further, state legislatures may enact new laws or amend existing laws aimed at undermining the ability of non-bank purchasers of loans to realize the outcome of a bank’s ability to export interest rates.

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

If we breach representations or warranties in connection with our marketplace investor transactions, including whole loan sales, structured products or securitization transactions, or if we suffer a direct or indirect loss in our retained interests in these transactions, our financial condition could be harmed.

We make customary representations, warranties and covenants to marketplace investors about the loans we sell and service. We have sponsored, and expect to sponsor in the future, the sale of unsecured personal whole loans through

asset-backed securitizations. In connection with these securitizations, as well as other structured products or Structured Certificate transactions, we make customary representations, warranties and covenants. If there is a breach of those representations, warranties and covenants that materially and adversely affects the subject loans, then we will be required to either cure the breach, repurchase the affected loans from the purchasing entity or investor or reimburse the purchasing entity or investor for incurred losses and expenses, as the case may be. These repurchase or reimbursement obligations 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 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 LC Bank, where substantially all of our operations are being conducted. Any such guarantee may require approval of the banking regulators and there can be no assurance that we would be able to obtain such a guarantee. To the extent that we are not able to obtain a guarantee from LC 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, 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

The current economic environment, including a potential recession and the resumption of Federal student loan payments, could negatively affect our business and operating results.

The U.S. economy is undergoing a period of rapid change and significant uncertainty. A number of factors are causing this change and uncertainty, including elevated inflation, increasing interest rates, evolving government policies and changing U.S. consumer spending patterns. Inflation reached a 40-year high of 9.1% in June 2022, and the annual inflation rate for the U.S. was 6.5% for the twelve months ended December 31, 2022. In response to elevated inflation, the FRB increased interest rates eleven times since early 2022, from a federal funds rate range of 0.00% to 0.25% in early 2022 to 5.25% to 5.50% as of December 2023, and has indicated a willingness to keep rates elevated as it deems necessary to combat inflation. The elevated inflation and interest rates, and uncertainty with respect to when the rates will decrease, are changing lending and spending patterns, and thereby prompting fears that the U.S. is currently experiencing or will soon experience an economic downturn or prolonged period of slow economic growth.

Our business is sensitive to, and may be adversely impacted by, the current inflation and interest rate environment. Among other things, as inflation and interest rates are elevated: (i) existing borrowers may allocate more of their income to necessities such as housing and food, thereby potentially increasing their risk of default by reducing their ability to make loan payments, (ii) the rate we offer on our deposit products will increase to remain competitive, thereby increasing our cost of funding and reducing our net interest margin, (iii) the return our loan products generate may be less attractive relative to other investment options, thereby reducing marketplace investor demand in our loan products, and (iv) we may need to increase interest rates and/or tighten credit standards for new originations, thereby potentially making it more challenging to source enough interested and qualified borrowers to enable sufficient origination volume. Further, the pace of recent increases in inflation and interest rates creates unique challenges in our ability to operate our business. For example, the rapid increase in interest rates has quickly increased the cost of capital for our non-bank marketplace investors and thereby increased their return expectations. However, because our consumer loans are fixed interest rate products, we are unable to re-price existing loans, and with respect to new originations, we need to re-price methodically to remain competitive and mitigate the adverse impacts of doing so. Therefore, until the interest rate environment stabilizes, we may be challenged to fully meet the return expectations for certain of our marketplace investors which may adversely impact our marketplace volume and related revenue.

In addition, changes in, and uncertainty with respect to, government policies in response to the current economic climate may adversely impact our business. For example, in response to the COVID-19 pandemic, in March 2020 the U.S. Department of Education implemented a student loan relief program which included a suspension of: (i) federal loan payments, (ii) interest rate accrual and (iii) collections on defaulted loans (collectively, the Student Loan Forbearance Program). However, in connection with an agreement to raise the borrowing capacity of the Federal government, the Student Loan Forbearance Program lapsed and interest accruals resumed in September 2023 and payments resumed in October 2023 (collectively, the Student Loan Payment Resumption).

We are monitoring the Student Loan Payment Resumption and currently believe that its impact on our loan performance should be muted because of: (i) the 12-month "on ramp" period announced by the U.S. Department of Education over which federal student loan borrowers can resume their student loan payments without being considered delinquent, reported to credit bureaus, placed in default or referred to debt collection agencies, (ii) hardship programs from the government and LendingClub, (iii) initiatives to proactively inform our borrowers impacted by the Student Loan Payment Resumption of their payment obligations and available hardship programs, and (iv) our expectation that certain borrowers may prioritize other debt payments, including personal loans, over the repayment of student loans. Further, in anticipation of the potential impact of the Student Loan Payment Resumption, we began undertaking certain changes to our underwriting standards in 2022 that were intended to proactively incorporate the potential impact of the Federal Student Loan Resumption on the credit profile of loan applicants. However, the Student Loan Payment Resumption is unprecedented and therefore its impact is inherently uncertain and there can be no assurance that the factors listed above will materialize or mute the impact of the Student Loan Payment Resumption on our loan performance. We estimate that approximately 20% of the current outstanding unpaid principal balance on LendingClub loans is held by borrowers that have federal student loan payments that resumed pursuant to the Student Loan Payment Resumption. It is possible that the Federal Student Loan Resumption may reduce the ability of these borrowers to make other payments and thereby potentially increase their risk of default on their LendingClub loan(s). It is also possible that the Federal government may implement or leverage another program to mitigate the impact of the Student Loan Payment Resumption.

Finally, an economic downturn or recession could increase the risk of borrower default, reduce investor participation on our marketplace bank platform, cause us to change, postpone or cancel our strategic initiatives, or otherwise negatively affect our business, financial condition and results of operations.

The current economic environment, 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 Annual Report, such as our exposure to the credit and default risk of borrowers, maintaining and increasing loan originations, maintaining our deposit base and retaining our marketplace investors.

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 marketplace investors. Further, we are exposed to interest rate risk because our interest-earning assets and interest-bearing sources of funding do not react uniformly or concurrently to changes in interest rates, as the two have different time periods for adjustment and can be tied to different measures of rates. Fluctuations in the interest rate environment may impact our net interest income, net interest margin and/or discourage investors and borrowers from participating on our marketplace bank platform and may reduce our loan originations, any of 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.

Additionally, we use, and may in the future use, financial instruments for hedging and risk management purposes in order to protect against possible fluctuations in interest rates, or for other reasons that we may deem appropriate. However, any current and future hedges we enter into will not completely eliminate the risk associated with fluctuating interest rates and our hedging activities may prove to be ineffective. Any failure to manage our hedging positions properly or inability to enter into hedging instruments under acceptable terms, or any other unintended or unanticipated economic consequences of our hedging activities, could negatively affect our financial condition and results of operations.

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, abroad and the regional areas where our customers reside. 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. For example, increasing inflation and interest rates may

cause borrowers to allocate more of their income to necessities, such as housing and food, thereby potentially increasing their risk of default by reducing their ability to make loan payments.

In some circumstances, economic and/or social factors could lead a borrower to pre-pay their loan obligations. 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 its amortization schedule. There is no penalty to borrowers if they choose to pay their loan early.

Similarly, any adverse impact on the ability of borrowers to make loan payments and/or material increase in pre-payment rates may also have a material impact on the net interest income we earn for loans held on our balance sheet.

We strive to maintain a marketplace bank platform in which annual percentage rates are attractive to borrowers and returns, including the impact of credit losses and prepayments, are attractive to marketplace investors and the Company. These external economic and social conditions and resulting trends or uncertainties could adversely impact the ability or desire of our borrowers or marketplace investors to participate on our platform, 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 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.

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 FRB, 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 FRB 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. For example, in response to elevated inflation, the FRB increased interest rates eight times since early 2022, from a federal funds rate range of 0.00% to 0.25% in early 2022 to 5.25% to 5.50% as of December 2023, and has indicated a willingness to conduct rate increases as it deems necessary to combat inflation.

Additionally, tax and other fiscal policies 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.

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 our marketplace bank platform, 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, products or services, even if

inaccurate, could adversely affect our reputation and the confidence in, and the use of, our bank, products and services, 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.

Our business operations may be adversely impacted by political events, terrorism, military conflict or acts of war, 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, military conflict or acts of war (including the conflicts in Ukraine and the Gaza Strip), cyber-attacks, public health issues (such as the COVID-19 pandemic), natural disasters, severe weather, climate change (including longer-term shifts in climate patterns, such as extreme heat, sea level rise and more frequent and prolonged drought), infrastructure failure or outages (including power outages), labor disputes and other events which could: (i) decrease demand for our products and services, (ii) adversely affect the macroeconomy and/or our customers, or (iii) make it difficult or impossible for us to deliver a satisfactory experience to our customers. Any such events could also affect the Company by impacting the stability of our deposit base, impairing the ability of our borrowers to repay their outstanding loans, causing significant property damage or otherwise impair the value of collateral securing our loans, and/or resulting in loss of revenue and/or cause us to incur additional expenses. While we may undertake measures indicated to mitigate the adverse impacts of such events, there are no assurances that any of the measures we take will be sufficient or successful.

Furthermore, in the event of any disruption to our operations or those of the companies with whom we do business with, we could experience delays in product development, marketing, operations and customer service efforts, 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.

For example, the Ukrainian-Russian conflict, the responses thereto (such as sanctions imposed by the United States and other countries) and any expansion thereof have had, and may continue to have, unpredictable and/or adverse effects on the domestic and global economy and financial markets. Although we have not yet experienced any material direct impact from the Ukrainian-Russian conflict, in part because our business is conducted exclusively in the United States, our business, financial condition or results of operations may be impacted if the conflict prolongs and/or its impact exacerbates. Further, the geopolitical conflicts such as the Ukrainian-Russian conflict and the conflict in the Gaza Strip, and their impacts, have had, and may continue to have, the effect of heightening many of the other risks described in “*Item 1A. Risk Factors*” and elsewhere in our Annual Report, such as escalating inflation, elevating the possibility of a decline in economic conditions and increasing cybersecurity risk.

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 platform 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 through our marketplace bank platform 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 marketplace 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 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 macroeconomic 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, marketplace investors may try to rescind their affected purchases or investments or decide not to purchase or 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 platform for loans.

Additionally, we have entered, and may continue to enter, into credit support agreements where we may be obligated to make payments to certain marketplace investors if the losses on their loan portfolios exceed certain agreed-upon thresholds. If we are unable to accurately predict and manage losses, credit losses may exceed these agreed-upon thresholds and we may be obligated to make payments to these marketplace investors, which could negatively impact our results of operations.

Further, the use of these models, algorithms and artificial intelligence for determining loan grades and corresponding interest rates may also heighten the risk of legal or regulatory scrutiny. We may be required to alter our models for compliance purposes, which could impact the interest rates offered to borrowers, the risk-adjusted returns offered to investors, result in higher losses or otherwise impact our results of operations.

If collection efforts on 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 platform 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 or backed by any governmental authority in any way. We are the loan servicer for all loans supporting notes and certificates 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 willingness to make loan payments, and consequently, collections can be adversely affected by a number of factors, including job loss, divorce, death, illness, bankruptcy or the economic and/or social factors referenced above in the risk factor "*A decline in social and economic conditions may adversely affect our customers, which may negatively impact our business and results of operations.*" 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 marketplace investors depend on us or our third-party servicers and collection agents to pursue collection on delinquent borrower loans. Collections are remitted to marketplace investors only to the extent we receive borrower payments on the corresponding loans. If we, or third parties on our behalf, cannot adequately perform collection services on the loans, the marketplace investor will not be entitled to any remittances 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 competitive risk-adjusted returns for marketplace investors, they may seek alternative investments and our business may suffer.

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

Further, we use internet-based processes to obtain application information and distribute certain legally required notices to applicants and borrowers of our loans and to obtain electronically signed loan documents. These processes may result in greater risks than paper-based loan originations, including risks regarding the sufficiency of notice for consumer protection laws, risks that borrowers may challenge the authenticity of loan documents or the validity of the borrower's electronic signature on loan documents and risks that unauthorized changes are made to electronic loan documents. Any of these factors could cause our loans or certain terms of our loans to be unenforceable against a borrower or impair our ability to service the loans, which could adversely affect the value of our loans and our business, financial condition and results of operations.

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 through our marketplace bank platform.

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. We assign loan grades to loan requests based on our 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 or loan grade may be based on outdated, incomplete or inaccurate data, including consumer reporting data, and we do not verify the information obtained from a 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, including information that is included in the loan listings on our marketplace bank platform, and this information 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 human resources department of the borrower's stated employer, or request pay stubs. However, we often do not verify a borrower's stated income, 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 competitive 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. Additionally, competition may drive us to take actions that we might otherwise avoid, such as lowering interest rates or fees on loans or raising interest rates on deposits, and that may adversely affect our business and results of operations.

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.

In addition, events or perceptions with respect liquidity, defaults and other markers of stability, performance and/or strength within the financial services industry have, and may in the future, lead to market-wide liquidity concerns, erosion of confidence in the banking system, the closure of financial services institutions and other adverse consequences. For example, in 2023, Silicon Valley Bank, Signature Bank, and First Republic Bank each failed shortly after substantial reductions in their deposit bases over the course of a few days/weeks. Any such events of perceptions may make our members reluctant to use our products and services or 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 our values is also critical to attracting and retaining employees.

We have previously experienced a high attrition rate from employees and while attrition rates have materially reduced recently, they may again become elevated. We periodically make adjustments to our compensation levels and structures as our business and the competitive market for talent evolves. Further, 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. While we strive to create a fulfilling workplace with competitive compensation, certain existing and prospective employees may find our workplace and/or compensation levels and structures to be unattractive, which may adversely impact our business by compromising our ability to retain and recruit an appropriately skilled workforce. 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, senior management team and other key personnel, all of whom would be difficult to replace. In 2023, our total headcount decreased by 560 employees compared to the prior year, primarily due to the workforce reduction plans we implemented during the year. These reductions in workforce resulted in the termination of a number of highly contributing employees as well as material reductions in the size and capabilities of a number of our functions, such as recruiting. Further, the reductions in workforce may negatively impact employee morale and our culture, which may increase attrition rates and negatively impact future recruiting efforts.

The loss of the services of our executive officers, members of our senior management team or key employees and functions, and the process to replace and/or rebuild any of them, 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), make an error, 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 us 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 of, perform ongoing monitoring of and exercise certain controls 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 business 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 business 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, 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.

Our controls and procedures may be inadequate, fail or be circumvented and our business, operating results and financial condition may be adversely affected.

We are required to maintain effective controls and procedures, including internal controls over our operations, financial reporting, disclosure controls and procedures, compliance monitoring and corporate governance policies and procedures. Designing and implementing effective controls and procedures is a continuous effort that requires us to anticipate and react to changes in our business, industry and the economic and regulatory environment and to expend significant resources to maintain a system of controls that is adequate to satisfy our public company and bank regulatory obligations.

If we are unable to establish and maintain appropriate controls and procedures, or if our employees, contractors or third-party service providers fail to abide by or circumvent such controls and procedures, it could cause us to fail to meet our regulatory or financial reporting obligations, cause us to fail to timely detect errors, result in misstatements or omissions in our consolidated financial statements, harm our operating results and financial condition or otherwise adversely affect our business operations. We could also become subject to investigations by the NYSE, the SEC or our banking regulators, which could require additional financial and management resources.

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 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 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 their financial information. 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 and may target our systems or facilities or those of our partners, vendors, or customers. For example, outside parties have attempted to fraudulently induce employees, vendors, customers, and 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 in 2023, we did not suffer material costs or disruption to our business from 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, lead to interruptions or delays or make it difficult or impossible for us to deliver a satisfactory experience to our 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, affected individuals and/or stockholders about any actual or perceived data breach involving personal information or material cybersecurity incident within strict time periods. This 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, disclosures regarding a security breach may be 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. Certain efforts may be state-sponsored or from other sophisticated organizations, 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, 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 loans, impact our bank operations, damage our brand and reputation, divert our employees' attention, reduce our revenue, subject us to liability and cause customers to abandon our marketplace bank platform, 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 California, the California Consumer Privacy Act (CCPA) became effective on January 1, 2020 and was modified by the California Privacy Rights Act (CPRA) on January 1, 2023. The CCPA and CPRA, 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 CPRA also established the California Privacy Protection Agency to implement and enforce the CCPA and CPRA, as well as to impose administrative fines. 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 laws which we likely would be subject to if enacted.

We cannot yet predict the full impact of the CCPA, CPRA or any other proposed or enacted state, U.S. or 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, privacy advocacy groups, 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 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

Changes in tax laws and our ability to use our deferred tax assets to offset future taxable income could have a material adverse effect on our business, financial condition and results of operations.

We are subject to taxes in the United States under federal, state and local jurisdictions in which we operate. The governing tax laws and applicable tax rates vary by jurisdiction and are subject to interpretation and changes. We may be subject to examination by the tax authorities and such authorities may disagree with our tax positions, which could adversely affect our financial condition.

Further, the amount of tax payable in a given financial statement period may be impacted by sudden or unforeseen changes in tax laws, changes in the mix and level of earnings by taxing jurisdictions, or changes to existing accounting rules or regulations. For example, the Tax Cuts and Jobs Act (the Tax Act) enacted on December 22, 2017, made broad and complex changes to the U.S. tax code and 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 also adversely impact our ability to utilize our NOLs.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, 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 Internal Revenue Code, as amended. Our NOLs may also be impaired under similar provisions of state law. Further, additional changes to 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, 2023 may expire unutilized or underutilized, which could prevent us from offsetting future taxable income.

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

Our ability to accurately forecast net income (loss) is in part a function of our ability to use our NOLs and, more generally, forecast our tax liability. Fluctuations in our tax obligations may differ materially from amounts recorded in our financial statements and could adversely affect our business, financial condition and results of operations in the periods for which such determination is made.

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

Although we were profitable for the years ended December 31, 2023 and 2022, and expect to remain profitable for the year ending December 31, 2024, we have incurred net losses in the past. Our operating expenses may continue to be elevated as we resolve regulatory investigations and examinations, enhance our compliance and technology systems, continue the growth of our business, attract customers and partners, 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 losses in the future and may not maintain profitability on a quarterly or annual basis.

If accounting standards change or if our estimates or assumptions relating to our critical accounting policies prove to be incorrect, our results of operations and financial condition could be adversely affected.

Our financial statements are subject to the application of accounting principles generally accepted in the United States of America (GAAP). The application of GAAP is also subject to varying interpretations over time. We are required to adopt new or revised accounting standards or comply with revised interpretations that are issued from time to time by various parties, including accounting standard setters and those who interpret the standards, such as the FASB, the SEC, and bank regulatory authorities. Those changes are beyond our control but could adversely affect our results of operations and financial condition. See "Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 1. Summary of Significant Accounting Policies – Adoption of New Accounting Standards" below for information on new financial accounting standards issued by the FASB. Additionally, the preparation of our financial statements in conformity with GAAP requires estimates and assumptions that affect the amounts reported and disclosed in our financial statements. While we base our estimates and assumptions on historical experience and other assumptions that we believe to be reasonable under the circumstances, our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions.

RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK

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

Our stock price 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 of our loans; the public's reaction to our press releases, other public announcements and filings with the SEC; progress and resolution with respect to litigation and regulatory inquiries; our operation of LC Bank; significant transactions or acquisitions; new features, products or services offered 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 stockholders may deem comparable to us; trends in our industry; any significant change in our management; and general economic conditions.

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 price of any repurchase of 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 or 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 stockholder confidence and employee retention.

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 the Company 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 the 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.

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 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 a 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, as amended (Certificate of Incorporation), and our amended and restated Bylaws (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 of all outstanding shares of our capital stock vote to amend some provisions in our Certificate of Incorporation and Bylaws;
- 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 requires 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 stockholder or other party that seeks to acquire direct or indirect “control” of an FDIC-insured depository institution and bank holding company. 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.

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, a stockholder 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 LC Bank’s ability to make distributions and payments to the Company as our principal source of funds to pay such dividends. LC 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 our ability to pay dividends. As a consequence of these various limitations and restrictions, we may not be able to pay 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 1C. Cybersecurity

Cybersecurity represents a critical component of our overall approach to risk management. Accordingly, cybersecurity risks are subject to oversight by the Company’s Board of Directors (the Board), primary responsibility for which has been delegated by the Board to its Operational Risk Committee (the Board Operational Risk Committee).

Our cybersecurity policies, processes and practices are informed by the cybersecurity framework established by the National Institute of Standards and Technology. We are able to leverage a cross-functional team that includes senior personnel from our technology, operations, legal, risk management and internal audit functions as and when warranted by the particular cybersecurity matter. In managing cybersecurity risks, we strive to: (i) identify, prevent and mitigate cybersecurity threats; (ii) preserve the confidentiality, security and availability of proprietary or

confidential information; (iii) protect the Company's intellectual property; (iv) maintain the confidence of our members, marketplace investors and business partners; and (v) provide appropriate and required disclosure of cybersecurity risks and incidents.

Risk Management and Strategy

Our processes for assessing, identifying, and managing material risks from cybersecurity threats are fully integrated into our enterprise risk management (ERM) program and include the following areas of focus:

- **Systems Safeguards:** Preventing and mitigating cybersecurity threats, including through the use of firewalls, intrusion prevention and detection systems, anti-malware software, access controls and other system safeguards.
- **Incident Response:** Identifying and responding to cybersecurity incidents in accordance with our information security incident response plan.
- **Collaboration:** Collaborating internally and with public and private entities, including intelligence and enforcement agencies, industry groups and third-party service providers, to identify, assess and respond to cybersecurity risks.
- **Third-Party Risk Management:** Maintaining a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems.
- **Training:** Reinforcing our information security policies, processes and practices through periodic mandatory training for Company personnel.
- **Governance:** Designing a comprehensive framework for the oversight of cybersecurity risk, with regular interaction between the Board Operational Risk Committee and the Company's ERM function, our Chief Information Security Officer (CISO) and members of Company management and relevant management committees, including the Company's Management Operational Risk Committee (the Management Operational Risk Committee).

A key part of our strategy for managing risks from cybersecurity threats is the assessment and testing of our processes and practices through auditing, assessments, tabletop exercises, threat modeling, vulnerability scanning and other exercises focused on evaluating the effectiveness of our cybersecurity measures. We engage third parties to perform assessments on our cybersecurity measures, including information security penetration tests, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to the Board Operational Risk Committee and are used to adjust our cybersecurity policies, standards, processes and practices, as necessary.

Governance

The Board Operational Risk Committee oversees the management of risks from cybersecurity threats, including policies, processes and practices implemented by Company management to address such risks. The Board Operational Risk Committee receives presentations and reports on cybersecurity risks and information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates until such incident has been addressed. At least once each year, the Board Operational Risk Committee discusses the Company's approach to cybersecurity risk management with our CISO. Further, the Board periodically, as warranted, receives reports with respect to and engages in discussions with Company management on cybersecurity matters.

Our CISO is principally responsible for overseeing our cybersecurity risk management program, in partnership with other senior personnel across the Company. Our CISO works in coordination with the other members of the Company's Management Operational Risk Committee, which includes our Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Risk Officer and General Counsel. Our CISO has served in that role for over 5 years and in various roles in information technology and information security for over 20 years. Our CISO

holds an undergraduate degree in computer information systems and has attained the professional certification of Certified Information Systems Security Professional. The other members of the Management Operational Risk Committee each have relevant qualifications and over 10 years of experience managing risk in the technology and/or financial services industry.

Our CISO, in coordination with the Management Operational Risk Committee, works collaboratively across the Company to implement a program designed to protect our information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents. To facilitate the success of this program, cross-functional teams are deployed to address cybersecurity threats and to respond to cybersecurity incidents in accordance with our information security incident response plan. Our CISO, through his team and use of accompanying technology, monitor the prevention, detection, mitigation and remediation of cybersecurity incidents, and report such incidents to the Management Operational Risk Committee and/or the Board Operational Risk Committee, as and when appropriate.

In 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, we cannot eliminate all risks from cybersecurity threats or provide assurances that we have not experienced undetected cybersecurity incidents of a material nature. For additional information about the risks from cybersecurity threats, see "*Item 1A. Risk Factors*" in this Annual Report.

Item 2. Properties

We lease space for our headquarters in San Francisco, California. Further, we lease additional office space in other parts of the United States, including in the Salt Lake City, Utah and Boston, Massachusetts areas. We believe our current leased properties are adequate for our immediate business needs. For more information regarding our leases, see "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19. Leases*" of this Annual Report.

Item 3. Legal Proceedings

The information set forth under "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 20. Commitments and Contingencies*" of this Annual Report 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 January 31, 2024, there were 34 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*" and "*Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21. Regulatory Requirements*" for a summary of certain rules and regulations that limit the ability of the Company or LC Bank to pay dividends.

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

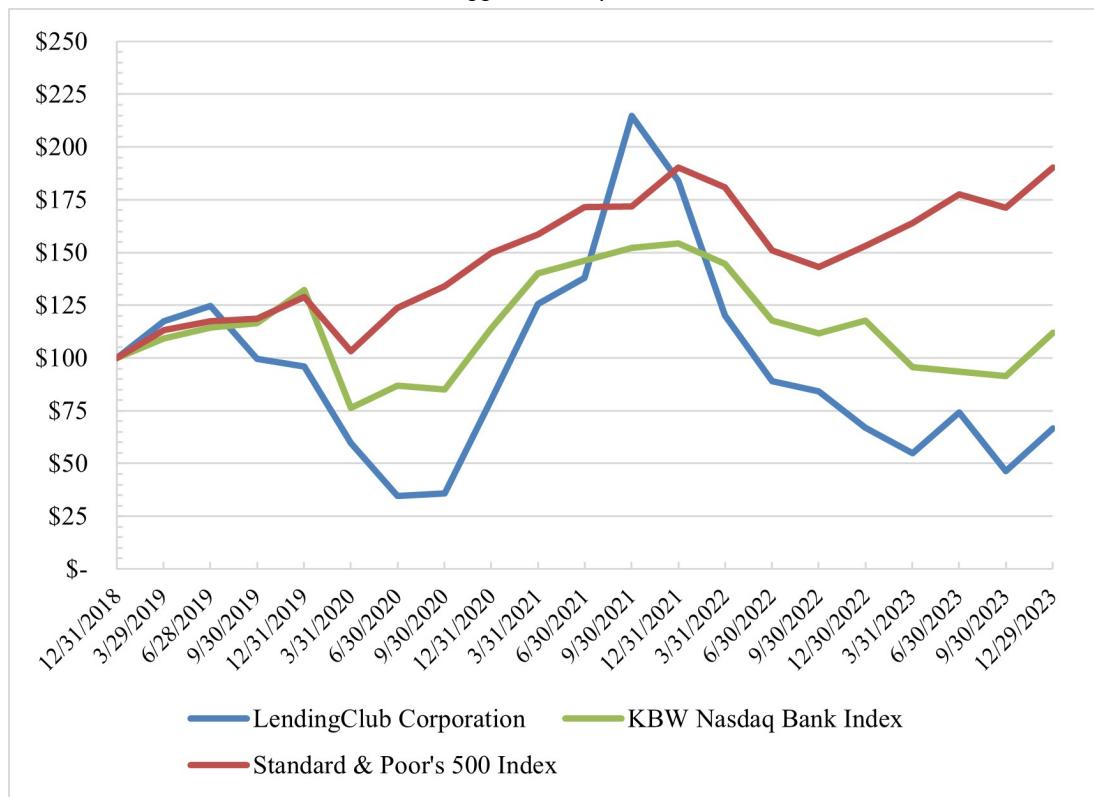
None.

LENDINGCLUB CORPORATION

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 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, 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 KBW Nasdaq Bank Index and Standard & Poor's 500 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, 2018 and its relative performance is tracked through December 29, 2023. The returns shown are based on historical results and are not intended to suggest future performance.



	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 30, 2022	December 29, 2023
LendingClub Corporation	\$ 100	\$ 95.97	\$ 80.30	\$ 183.88	\$ 66.92	\$ 66.46
KBW Nasdaq Bank Index	\$ 100	\$ 132.14	\$ 114.13	\$ 154.12	\$ 117.55	\$ 111.92
Standard & Poor's 500 Index	\$ 100	\$ 128.88	\$ 149.83	\$ 190.13	\$ 153.16	\$ 190.27

Item 6. [Reserved]

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Management's Discussion and Analysis of Financial Condition and Results of Operations
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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. 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 Annual Report, particularly in "Part I – Item 1A. Risk Factors."

Overview

LendingClub was founded in 2006 and brought a traditional credit product – the installment loan – into the digital age by leveraging technology, data science, and a unique marketplace model. In February 2021, LendingClub completed the acquisition of Radius, becoming a bank holding company and forming LC Bank as its wholly-owned subsidiary. LendingClub now operates a leading digital marketplace bank and is one of a small number of fintech companies with a national bank charter. We are building a new kind of bank, one that aims to advantage our members with the information, tools, and guidance they need to achieve their own version of financial success. We do this by leveraging data and technology to increase access to credit, lower borrowing costs, and improve the return on savings – all through a smart, simple, and rewarding digital experience.

Executive Summary

Despite the interest rate environment and broader economic volatility adversely impacting our business, predominantly through investor demand and pricing for marketplace loans, we have been able to sustain GAAP profitability as a result of our differentiated business model, strong execution, data advantage, and ongoing innovation. While we expect these headwinds to persist, we're leveraging our Structured Certificates program to drive marketplace originations and managing the business prudently by aligning our expense base to current market conditions. Furthermore, we maintained strong liquidity and capital levels and delivered the following results, despite a challenging economic environment.

In 2023, our total headcount decreased by 560 employees, or 35%, compared to the prior year, primarily due to the workforce reduction plans we implemented during the year to align our cost structure to our financial profile given the continued adverse impact of the evolving macroeconomic environment on our business.

- **Loan originations:** Loan originations decreased \$5.7 billion, or 43%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily driven by a decrease in unsecured personal loan origination volume. We attribute the decrease in volume and investor demand to the rising interest rate environment.
 - Loan originations held for investment (HFI) at amortized cost decreased \$1.5 billion, or 41%, for the year ended December 31, 2023 compared to the prior year.
 - Loan originations HFI at amortized cost as a percentage of loan originations was 29% and 28% for the years ended December 31, 2023 and 2022, respectively. The percentage of loan originations HFI in any period is dependent on many factors, including quarterly loan origination volume, risk-adjusted returns, liquidity and general regulatory capital considerations. We expect this percentage to decrease in the near-term due to a shift in the mix toward retaining lower-risk securities associated with our Structured Certificates.
- **Total net revenue:** Total net revenue decreased \$322.6 million, or 27%, for the year ended December 31, 2023 compared to the same period in 2022.

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- **Marketplace revenue:** Marketplace revenue decreased \$392.1 million, or 57%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily due to a decrease in loan origination volume and lower loan sales prices resulting from a shift in investor demand from banks to asset managers.
- **Net interest income:** Net interest income increased \$87.0 million, or 18%, for the year ended December 31, 2023 compared to the same period in 2022. The increase was primarily driven by higher interest income due to a higher average balance of loans retained as HFI in the current period, a higher average balance of securities retained associated with our Structured Certificates and higher interest rates earned on cash and cash equivalents, partially offset by higher interest rates paid on a higher average balance of deposits.
- **Net interest margin:** Net interest margin for the year ended December 31, 2023 was 7.0%, decreasing from 8.2% in the prior year.
- **Provision for credit losses:** Provision for credit losses decreased \$23.8 million, or 9%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily due to lower volume of originated loans retained as HFI at amortized cost and the related initial provision for credit losses, partially offset by an increase in quantitative and qualitative allowance due to an increase in expected losses and a less favorable economic outlook.
- **Total non-interest expense:** Total non-interest expense decreased \$200.4 million, or 26%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily driven by a decrease in variable marketing expenses based on lower origination volume and prudent management of expenses and a decrease in compensation expense due to a decrease in headcount as a result of the workforce reduction plans we implemented in January and October 2023.
- **Net income:** Net income decreased \$250.7 million, or 87%, for the year ended December 31, 2023 compared to the same period in 2022. Net income for the year ended December 31, 2022 included a \$143.5 million income tax benefit related to the reversal of our valuation allowance against our deferred tax assets.
- **Diluted Earnings Per Share (EPS):** Diluted EPS was \$0.36 for the year ended December 31, 2023, compared to \$2.79 in the prior year. Diluted EPS for the year ended December 31, 2022 included a \$1.38 per share benefit from the deferred tax valuation allowance reversal.
- **Pre-provision net revenue (PPNR):** PPNR for the year ended December 31, 2023 decreased \$122.2 million, or 29%, compared to the same period in 2022.
- **Cash and cash equivalents:** Total cash and cash equivalents as of December 31, 2023 increased \$195.5 million, or 18%, compared to the same period in 2022. The increase is primarily due to an increase in deposits.
- **Total assets:** Total assets as of December 31, 2023 increased \$847.7 million, or 11%, compared to the prior year, primarily reflecting growth in securities related to our Structured Certificates, growth in loans held for sale (HFS) related to our extended seasoning program and an increase in cash and cash equivalents due to the growth in deposits. This increase was partially offset by a decrease in loans retained as HFI.
- **Total deposits:** Total deposits as of December 31, 2023 increased \$940.9 million, or 15%, compared to the same period in 2022, primarily due to an increase in customer certificates of deposit. Federal Deposit Insurance Corporation (FDIC)-insured deposits represented approximately 87% of total deposits as of December 31, 2023.

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- **Total equity:** Total equity as of December 31, 2023 increased \$87.5 million, or 8%, compared to the same period in 2022, primarily reflecting an increase in Additional Paid-In Capital resulting from Stock-Based Compensation expense and net income generated over the period.

The above summary should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations in its entirety. For additional discussion related to our operating segments, see "*Segment Information*."

Financial Highlights

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 select financial metrics for the periods presented:

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As Of and For The Year Ended December 31,	2023	2022	2021
Non-interest income	\$ 302,781	\$ 712,391	\$ 605,799
Net interest income	561,838	474,825	212,831
Total net revenue	864,619	1,187,216	818,630
Non-interest expense	566,437	766,853	661,386
Pre-provision net revenue ⁽¹⁾	298,182	420,363	157,244
Provision for credit losses	243,565	267,326	138,800
Income before income tax benefit (expense)	54,617	153,037	18,444
Income tax benefit (expense)	(15,678)	136,648	136
Net income	\$ 38,939	\$ 289,685	\$ 18,580
Income tax benefit from release of tax valuation allowance	—	143,495	—
Net income excluding income tax benefit ⁽¹⁾⁽²⁾	\$ 38,939	\$ 146,190	\$ 18,580
Basic EPS – common stockholders	\$ 0.36	\$ 2.80	\$ 0.19
Diluted EPS – common stockholders	\$ 0.36	\$ 2.79	\$ 0.18
Diluted EPS excluding income tax benefit ⁽¹⁾⁽²⁾	\$ 0.36	\$ 1.41	\$ 0.18
LendingClub Corporation Performance Metrics:			
Net interest margin	7.0 %	8.2 %	5.6 %
Efficiency ratio ⁽³⁾	65.5 %	64.6 %	80.8 %
Return on average equity (ROE)	3.2 %	28.4 %	2.4 %
Return on average total assets (ROA)	0.5 %	4.7 %	0.4 %
Marketing as a % of loan originations	1.3 %	1.5 %	1.5 %
LendingClub Corporation Capital Metrics:			
Common equity tier 1 capital ratio	17.9 %	15.8 %	21.3 %
Tier 1 leverage ratio	12.9 %	14.1 %	16.5 %
Book value per common share	\$ 11.34	\$ 10.93	\$ 8.41
Tangible book value per common share ⁽¹⁾	\$ 10.54	\$ 10.06	\$ 7.46
Loan Originations (in millions) ⁽⁴⁾:			
Marketplace loans	\$ 5,253	\$ 9,389	\$ 8,099
Loan originations held for investment	2,184	3,731	2,282
Total loan originations	\$ 7,437	\$ 13,121	\$ 10,381
Loan originations held for investment as a % of total loan originations	29 %	28 %	22 %
Servicing Portfolio AUM (in millions) ⁽⁵⁾:			
Total servicing portfolio	\$ 14,122	\$ 16,157	\$ 12,463
Loans serviced for others	\$ 9,336	\$ 10,819	\$ 10,124

⁽¹⁾ Represents a non-GAAP financial measure. See "Non-GAAP Financial Measures" for additional information.

⁽²⁾ The year ended December 31, 2022 excludes an income tax benefit of \$143.5 million due to the release of our deferred tax asset valuation allowance.

⁽³⁾ Calculated as the ratio of non-interest expense to total net revenue.

⁽⁴⁾ Includes unsecured personal loans and auto loans only.

⁽⁵⁾ Assets under management (AUM) reflects loans serviced on our platform, which includes outstanding balances of unsecured personal loans, auto refinance loans and education and patient finance loans serviced for others and retained for investment by the Company.

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as of December 31,	2023	2022
Balance Sheet Data:		
Securities available for sale	\$ 1,620,262	345,702
Loans held for sale at fair value	\$ 407,773	110,400
Loans and leases held for investment at amortized cost, net, excluding PPP loans	\$ 4,533,523	4,638,331
PPP loans	\$ 6,392	66,971
Total loans and leases held for investment at amortized cost, net ⁽¹⁾	\$ 4,539,915	4,705,302
Loans held for investment at fair value	\$ 262,196	925,938
Total loans and leases held for investment	\$ 4,802,105	5,631,240
Total assets	\$ 8,827,463	7,979,747
Total deposits	\$ 7,333,486	6,392,553
Total liabilities	\$ 7,575,641	6,815,453
Total equity	\$ 1,251,822	1,164,294
Allowance Ratios ⁽¹⁾:		
LL to total loans and leases held for investment	6.4%	6.5%
LL to consumer loans and leases held for investment	7.2%	7.9%
LL to commercial loans and leases held for investment	1.8%	2.0%
Net charge-offs	\$ 261,035	83,216
Net charge-off ratio ⁽²⁾	5.0%	2.4%

⁽¹⁾ Excludes loans held for investment at fair value, which primarily consists of a loan portfolio that was acquired at the end of 2022.

⁽²⁾ Calculated as net charge-offs divided by average outstanding loans and leases HFI at amortized cost during the period, excluding PPP loans.

Results of Operations

This section of this Form 10-K generally discusses 2023 and 2022 items and year-over-year comparisons between 2023 and 2022. For discussion related to 2021 items and year-over-year comparisons between 2022 and 2021, 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, 2022.

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The following table sets forth the Income Statement data for each of the periods presented:

Year Ended December 31,	2023	2022	2021
Non-interest income:			
Marketplace revenue	\$ 291,484	\$ 683,626	\$ 578,580
Other non-interest income	11,297	28,765	27,219
Total non-interest income	302,781	712,391	605,799
Interest income:			
Interest on loans held for sale	35,655	26,183	29,540
Interest and fees on loans and leases held for investment	616,735	465,450	188,977
Interest on loans held for investment at fair value	69,866	12,877	4,436
Interest on retail and certificate loans held for investment at fair value	4,222	18,135	57,684
Interest on securities available for sale	40,235	16,116	11,025
Other interest income	65,917	18,579	1,170
Total interest income	832,630	557,340	292,832
Interest expense:			
Interest on deposits	265,556	60,451	7,228
Interest on retail notes and certificates	4,222	18,135	57,684
Other interest expense	1,014	3,929	15,089
Total interest expense	270,792	82,515	80,001
Net interest income	561,838	474,825	212,831
Total net revenue	864,619	1,187,216	818,630
Provision for credit losses	243,565	267,326	138,800
Non-interest expense:			
Compensation and benefits	261,948	339,397	288,390
Marketing	93,840	197,747	156,142
Equipment and software	53,485	49,198	39,490
Depreciation and amortization	47,195	43,831	44,285
Professional services	35,173	50,516	47,572
Occupancy	17,532	21,977	24,249
Other non-interest expense	57,264	64,187	61,258
Total non-interest expense	566,437	766,853	661,386
Income before income tax benefit (expense)	54,617	153,037	18,444
Income tax benefit (expense)	(15,678)	136,648	136
Net income	\$ 38,939	\$ 289,685	\$ 18,580

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Marketplace Revenue

Marketplace revenue consists of the following:

Year Ended December 31,	2023	2022	Change (\$)	Change (%)
Origination fees	\$ 279,146	\$ 499,179	\$ (220,033)	(44) %
Servicing fees	98,613	80,609	18,004	22 %
Gain on sales of loans	47,839	95,335	(47,496)	(50) %
Net fair value adjustments	(134,114)	8,503	(142,617)	N/M
Total marketplace revenue	\$ 291,484	\$ 683,626	\$ (392,142)	(57) %

Year Ended December 31,	2022	2021	Change (\$)	Change (%)
Origination fees	\$ 499,179	\$ 416,839	\$ 82,340	20 %
Servicing fees	80,609	87,639	(7,030)	(8) %
Gain on sales of loans	95,335	70,116	25,219	36 %
Net fair value adjustments	8,503	3,986	4,517	113 %
Total marketplace revenue	\$ 683,626	\$ 578,580	\$ 105,046	18 %

We elected to account for HFS loans under the fair value option. With the election of the fair value option, origination fees, net fair value adjustments prior to sale of the loans, and servicing asset gains on the sales of the loans, are reported as separate components of "Marketplace revenue."

Origination Fees

Origination fees recorded as a component of marketplace revenue are primarily fees earned related to originating and issuing unsecured personal loans that are held for sale.

The following table presents loan origination volume during each of the periods set forth below:

Year Ended December 31,	2023	2022	2021	2023	2022
				vs. 2022	vs. 2021
Marketplace loans	\$ 5,252,668	\$ 9,389,445	\$ 8,099,109	(44) %	16 %
Loan originations held for investment	2,184,095	3,731,057	2,282,206	(41) %	63 %
Total loan originations ⁽¹⁾	\$ 7,436,763	\$ 13,120,502	\$ 10,381,315	(43) %	26 %

⁽¹⁾ Includes unsecured personal loans and auto loans only.

Origination fees were \$279.1 million and \$499.2 million for the years ended December 31, 2023 and 2022, respectively, a decrease of 44%. The decrease was due to lower origination volume of marketplace loans. Loan origination volume of marketplace loans decreased to \$5.3 billion for the year ended December 31, 2023 compared to \$9.4 billion for the same period in 2022, a decrease of 44%, resulting from lower investor demand due to the rising interest rate environment.

Servicing Fees

We receive servicing fees to compensate us for servicing loans on behalf of investors, including managing payments from borrowers, collections and payments to those investors. Servicing fee revenue related to loans sold also includes the change in fair value of servicing assets associated with the loans.

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The table below illustrates AUM serviced on our platform by the method in which the loans were financed as of the periods presented. Loans sold and subsequently serviced on behalf of the investor represent a key driver of our servicing fee revenue.

As of December 31,	2023	2022	Change (\$)	Change (%)
AUM (in millions):				
Loans sold	\$ 9,336	\$ 10,819	\$ (1,483)	(14) %
Loans held by LendingClub Bank	4,767	5,263	(496)	(9) %
Retail notes and certificates	11	59	(48)	(81) %
Other loans invested in by the Company	8	16	(8)	(50) %
Total	\$ 14,122	\$ 16,157	\$ (2,035)	(13) %
 As of December 31,				
AUM (in millions):				
Loans sold	\$ 10,819	\$ 10,124	\$ 695	7 %
Loans held by LendingClub Bank	5,263	2,026	3,237	160 %
Retail notes and certificates	59	238	(179)	(75) %
Other loans invested in by the Company	16	75	(59)	(79) %
Total	\$ 16,157	\$ 12,463	\$ 3,694	30 %

In addition to the loans serviced on our marketplace platform, we serviced \$133.2 million, \$167.0 million and \$214.0 million in outstanding principal balance of commercial loans sold as of December 31, 2023, 2022 and 2021, respectively.

Servicing fees were \$98.6 million and \$80.6 million for the years ended December 31, 2023 and 2022, respectively, an increase of 22%. This was primarily due to a one-time benefit related to recouping volume-based purchase incentives and an increase in the fair value of the servicing asset based on higher expected servicing fee revenue, partially offset by a decrease in loan balances serviced for others.

Gain on Sales of Loans

In connection with loan sales, we recognize a gain or loss on the sale of loans based on the level to which the contractual servicing fee is above or below an estimated market rate of servicing at the time of sale. Additionally, we recognize transaction costs, if any, as a loss on sale of loans.

Gain on sales of loans was \$47.8 million and \$95.3 million for the years ended December 31, 2023 and 2022, respectively, a decrease of 50%. The decrease was primarily due to a decrease in the volume of marketplace loans sold.

Net Fair Value Adjustments

We record fair value adjustments on loans that are recorded at fair value, including gains or losses from sale prices in excess of or less than the loan principal amount sold.

Net fair value adjustments were \$(134.1) million and \$8.5 million for the years ended December 31, 2023 and 2022, respectively, an increased loss of \$142.6 million. The change to a loss from a gain was primarily due to lower loan sale prices.

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Other Non-interest Income

Other non-interest income primarily consists of 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 tables below illustrate the composition of other non-interest income for each period presented:

Year Ended December 31,	2023	2022	Change (\$)	Change (%)
Referral revenue	\$ 4,574	\$ 12,942	\$ (8,368)	(65) %
Other	6,723	15,823	(9,100)	(58) %
Other non-interest income	\$ 11,297	\$ 28,765	\$ (17,468)	(61) %

Year Ended December 31,	2022	2021	Change (\$)	Change (%)
Referral revenue	\$ 12,942	\$ 14,234	\$ (1,292)	(9) %
Realized losses on sales of securities available for sale and other investments	—	(93)	93	N/M
Other	15,823	13,078	2,745	21 %
Other non-interest income	\$ 28,765	\$ 27,219	\$ 1,546	6 %

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Net Interest Income

The table below presents net interest income information corresponding to interest-earning assets and interest-bearing funding sources. The average yield/rate is calculated by dividing the period-end interest income/expense by the average balance.

	Year Ended December 31,								
	2023			2022			2021		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Interest-earning assets⁽¹⁾									
Cash, cash equivalents, restricted cash and other	\$ 1,293,047	\$ 65,917	5.10 %	\$ 987,833	\$ 18,579	1.88 %	\$ 754,920	\$ 1,170	0.16 %
Securities available for sale at fair value	652,047	40,235	6.17 %	370,277	16,116	4.35 %	288,545	11,025	3.82 %
Loans held for sale at fair value	252,519	35,655	14.12 %	162,760	26,183	16.09 %	218,349	29,540	13.53 %
Loans and leases held for investment at amortized cost:									
Unsecured personal loans ⁽²⁾	4,143,482	549,256	13.26 %	2,967,410	410,222	13.82 %	863,266	122,807	15.52 %
Secured consumer loans	402,668	16,963	4.21 %	301,023	11,093	3.69 %	485,195	17,105	3.85 %
Commercial loans and leases	722,419	48,307	6.69 %	669,907	36,167	5.40 %	617,483	30,731	5.43 %
PPP loans	26,114	2,209	8.46 %	138,575	7,968	5.75 %	487,435	18,334	4.10 %
Loans and leases held for investment at amortized cost	5,294,683	616,735	11.65 %	4,076,915	465,450	11.42 %	2,453,379	188,977	8.40 %
Loans held for investment at fair value	538,577	69,866	12.97 %	91,057	12,877	14.14 %	34,938	4,436	12.70 %
Total loans and leases held for investment	5,833,260	686,601	11.77 %	4,167,972	478,327	11.48 %	2,488,317	193,413	7.77 %
Retail and certificate loans held for investment at fair value	28,927	4,222	14.60 %	128,047	18,135	14.16 %	406,406	57,684	14.19 %
Total interest-earning assets	8,059,800	832,630	10.33 %	5,816,889	557,340	9.58 %	4,156,537	292,832	7.46 %
 Cash and due from banks and restricted cash									
Cash and due from banks and restricted cash	70,653			72,764			112,012		
Allowance for loan and lease losses	(345,434)			(234,532)			(77,223)		
Other non-interest earning assets	676,335			547,388			426,323		
Total assets	\$ 8,461,354			\$ 6,202,509			\$ 4,617,649		
 Interest-bearing liabilities									
Interest-bearing deposits:									
Checking and money market accounts	1,344,431	34,462	2.56 %	\$ 2,205,691	\$ 16,464	0.75 %	\$ 2,071,640	\$ 5,954	0.31 %
Savings accounts and certificates of deposit	5,345,734	231,094	4.32 %	2,123,037	43,987	2.07 %	383,447	1,274	0.36 %
Interest-bearing deposits ⁽²⁾	6,690,165	265,556	3.97 %	4,328,728	60,451	1.40 %	2,455,087	7,228	0.32 %
Retail notes and certificates	28,927	4,222	14.60 %	128,047	18,135	14.16 %	407,471	57,684	14.16 %
Other interest-bearing liabilities	40,193	1,014	2.52 %	188,146	3,929	2.09 %	560,942	15,089	2.69 %
Total interest-bearing liabilities	6,759,285	270,792	4.01 %	4,644,921	82,515	1.78 %	3,423,500	80,001	2.36 %

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Year Ended December 31,								
2023			2022			2021		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense
Non-interest bearing deposits	236,618			264,099			126,982	
Other liabilities	261,401			274,209			289,163	
Total liabilities	\$ 7,257,304			\$ 5,183,229			\$ 3,839,645	
Total equity	\$ 1,204,050			\$ 1,019,280			\$ 778,004	
Total liabilities and equity	\$ 8,461,354			\$ 6,202,509			\$ 4,617,649	
Interest rate spread		6.32 %			7.80 %			5.10 %
Net interest income and net interest margin	\$ 561,838	6.97 %		\$ 474,825	8.16 %		\$ 212,831	5.56 %

(1) Nonaccrual loans and any related income are included in their respective loan categories.
(2) The average yield/rate for unsecured consumer loans decreased in 2023 compared to 2022 due to a shift in the mix toward higher credit quality loans, which generally have lower interest rates. The average yield/rate for interest-bearing deposits increased due to a higher federal funds rate and an increasing concentration of online deposits. We expect pressure on net interest margin to continue during 2024.

An analysis of the year-over-year changes in the categories of interest income and interest expense resulting from changes in volume and rate is as follows:

	2023 Compared to 2022			2022 Compared to 2021		
	Increase (Decrease) Due to Change in:			Increase (Decrease) Due to Change in:		
	Average Volume (¹)	Average Rate (¹)	Total	Average Volume (¹)	Average Rate (¹)	Total
Interest-earning assets						
Cash, cash equivalents, restricted cash and other	\$ 7,253	40.095	47,338	\$ 490	16.989	17,409
Securities available for sale at fair value	15,571	8,548	24,119	3,414	1,677	5,091
Loans held for sale at fair value	12,994	(3,522)	9,472	(8,336)	4,979	(3,357)
Loans and leases held for investment at amortized cost	155,258	(3,973)	151,285	286,205	(9,732)	276,473
Loans held for investment at fair value	58,140	(1,151)	56,989	7,883	558	8,441
Retail and certificate loans held for investment at fair value	(14,452)	539	(13,913)	(39,422)	(127)	(39,549)
Total increase in interest income on interest-earning assets	\$ 234,754	40.586	275,295	\$ 250,254	14.294	264,508
Interest-bearing liabilities						
Checking and money market accounts	\$ (8,592)	26.590	17,998	\$ 492	10.088	10,510
Savings accounts and certificates of deposit	109,053	78,054	187,107	20,965	21,748	42,713
Interest-bearing deposits	100,461	104,644	205,105	21,437	31,786	53,223
Retail notes and certificates	(14,452)	539	(13,913)	(39,573)	24	(39,549)
Other interest-bearing liabilities	(3,598)	683	(2,915)	(11,798)	638	(11,160)
Total increase (decrease) in interest expense on interest-bearing liabilities	\$ 82,451	105.866	188,277	(29,934)	32,448	2,514
Increase (decrease) in net interest income	\$ 152,303	(65,380)	87,018	280,188	(18,154)	261,994

(1) Volume and rate changes have been allocated on a consistent basis using the respective percentage changes in average balances and average rates.

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Provision for Credit Losses

The allowance for loan and lease losses (ALLL) for lifetime expected losses under CECL on HFI loans and leases at amortized cost is initially recognized as “Provision for credit losses” at the time of origination. The ALLL is estimated using a discounted cash flow (DCF) approach, where effective interest rates are used to calculate the net present value (NPV) of expected cash flows. The effective interest rates are calculated based on the periodic interest income received from the loan’s contractual cash flows and the net investment in the loan, which includes deferred origination fees and costs, to provide a constant rate of return over the loan term. The NPV from the DCF approach is then compared to the amortized cost basis of the loans and leases to derive expected credit losses. Under the DCF approach, the provision for credit losses in subsequent periods includes a credit loss expense relating to the discounting effect due to the passage of time after the initial recognition of ALLL on originated HFI loans at amortized cost.

The provision for credit losses includes the credit loss expense for HFI loans and leases at amortized cost, available for sale (AFS) securities and unfunded lending commitments. The table below illustrates the composition of the provision for credit losses for each period presented, as well as the loan originations held for investment in each period, which is a key driver for credit loss expense:

Year Ended December 31,	2023	2022	2021
Credit loss expense for Radius loans at acquisition	\$ —	\$ —	\$ 6,929
Credit loss expense for loans and leases held for investment	243,570	266,679	134,022
Credit loss expense for unfunded lending commitments	(5)	647	1,231
Total credit loss expense	243,565	267,326	142,182
Reversal of impairment on securities available for sale	—	—	(3,382)
Total provision for credit losses	\$ 243,565	\$ 267,326	\$ 138,800
Loan originations held for investment	\$ 2,184,095	\$ 3,731,057	\$ 2,282,206

The provision for credit losses was \$243.6 million and \$267.3 million for the year ended December 31, 2023 and 2022, respectively, a decrease of 9%. The decrease was primarily due to the lower volume of originated loans retained as HFI at amortized cost and the related initial provision for credit losses, partially offset by an increase in quantitative and qualitative allowance due to an increase in expected losses and a less favorable economic outlook.

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The activity in the allowance for credit losses (ACL) was as follows:

Year Ended December 31,	2023	2022	2021
Allowance for loan and lease losses, beginning of period	\$ 327,852	\$ 144,389	\$ —
Credit loss expense for loans and leases held for investment	243,570	266,679	140,951
Initial allowance for purchased credit deteriorated (PCD) loans acquired during the period	—	—	12,440
Charge-offs	(281,107)	(87,473)	(10,452)
Recoveries	20,072	4,257	1,450
Allowance for loan and lease losses, end of period ⁽¹⁾	\$ 310,387	\$ 327,852	\$ 144,389
Reserve for unfunded lending commitments, beginning of period	\$ 1,878	\$ 1,231	\$ —
Credit loss expense for unfunded lending commitments	(5)	647	1,231
Reserve for unfunded lending commitments, end of period ⁽²⁾	\$ 1,873	\$ 1,878	\$ 1,231

⁽¹⁾ Comprised of \$355.8 million, \$340.4 million and \$145.2 million in allowance for future estimated net charge-offs on existing portfolio balances, net of a negative allowance of \$45.4 million, \$12.5 million and \$0.8 million for expected recoveries of amounts previously charged-off as of December 31, 2023, 2022 and 2021, respectively.

⁽²⁾ Relates to \$78.1 million, \$138.0 million and \$110.8 million of unfunded commitments as of December 31, 2023, 2022 and 2021, respectively.

Year Ended December 31,	2023	2022	2021
Ratio of allowance for loan and lease losses to total loans and leases held for investment at amortized cost	6.4 %	6.5 %	5.0 %
Average loans and leases held for investment at amortized cost, excluding PPP loans	\$ 5,268,569	\$ 3,938,340	\$ 1,965,944
Net charge-off ratio ⁽¹⁾	5.0 %	2.1 %	0.5 %

⁽¹⁾ Calculated as net charge-offs divided by average outstanding loans and leases held for investment during the period, excluding PPP loans.

Loans and leases are generally placed on nonaccrual status when contractually past due 90 days or more, or earlier if management believes that the probability of collection does not warrant further accrual. Unsecured personal loans are charged-off no later than 120 days past due. The following table presents nonaccrual loans and leases⁽¹⁾:

	December 31, 2023	December 31, 2022
Total nonaccrual loans and leases held for investment at amortized cost	\$ 44,382	\$ 34,827
Ratio of total nonaccrual loans and leases held for investment to total loans and leases held for investment	0.9 %	0.7 %

⁽¹⁾ Excluding PPP loans, there were no loans that were 90 days or more past due and accruing as of both December 31, 2023 and 2022.

For additional information on the ACL and nonaccrual loans and leases, see "Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 1. Summary of Significant Accounting Policies" and "Note 6. Loans and Leases Held for Investment at Amortized Cost, Net of Allowance For Loan and Lease Losses."

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Non-interest Expense

Non-interest expense primarily consists of (i) compensation and benefits, which include salaries and wages, benefits and stock-based compensation expense, (ii) marketing, which includes costs attributable to borrower and deposit customer acquisition efforts and building general brand awareness, (iii) equipment and software, (iv) depreciation and amortization, (v) professional services, which primarily consist of consulting fees and (vi) occupancy, which includes rent expense and all other costs related to occupying our office spaces.

Year Ended December 31,	2023	2022	Change (\$)	Change (%)
Non-interest expense:				
Compensation and benefits	\$ 261,948	\$ 339,398	(\$77,449)	(23) %
Marketing	93,840	197,747	(103,907)	(53) %
Equipment and software	53,485	49,198	4,287	9 %
Depreciation and amortization	47,195	43,831	3,364	8 %
Professional services	35,173	50,516	(15,343)	(30) %
Occupancy	17,532	21,977	(4,445)	(20) %
Other non-interest expense	57,264	64,187	(6,923)	(11) %
Total non-interest expense	\$ 566,438	\$ 766,858	(200,416)	(26) %
Year Ended December 31,	2022	2021	Change (\$)	Change (%)
Non-interest expense:				
Compensation and benefits	\$ 339,398	\$ 288,398	51,007	18 %
Marketing	197,747	156,142	41,605	27 %
Equipment and software	49,198	39,490	9,708	25 %
Depreciation and amortization	43,831	44,285	(454)	(1) %
Professional services	50,516	47,572	2,944	6 %
Occupancy	21,977	24,249	(2,272)	(9) %
Other non-interest expense	64,187	61,258	2,929	5 %
Total non-interest expense	\$ 766,858	\$ 661,388	105,467	16 %

Compensation and benefits expense decreased \$77.4 million, or 23%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily due to a decrease in headcount as a result of the workforce reduction plans we implemented in January and October of 2023.

Marketing expense decreased \$103.9 million, or 53%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily due to a decrease in variable marketing expenses based on lower origination volume.

Equipment and software expense increased \$4.3 million, or 9%, for the year ended December 31, 2023 compared to the same period in 2022. The increase was primarily due to an increase in subscription costs and hosting fees, partially offset by a decrease in support and maintenance expense.

Depreciation and amortization expense increased \$3.4 million, or 8%, for the year ended December 31, 2023 compared to the same period in 2022. The increase was primarily due to an increase in the amortization of internally-developed software and purchased software.

Professional services expense decreased \$15.3 million, or 30%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily due to a decrease in consulting fees.

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Occupancy expense decreased \$4.4 million, or 20%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily due to a decrease in rent expense.

Other non-interest expense decreased \$6.9 million, or 11%, for the year ended December 31, 2023 compared to the same period in 2022. The decrease was primarily due to a decrease in consumer credit services.

Income Taxes

For the year ended December 31, 2023, we recorded an income tax expense of \$15.7 million. The effective tax rate differs from the statutory rate due to the impact of state taxes, the favorable impact of recurring items such as tax credits, the unfavorable impact of the non-deductible portions of executive compensation and stock-based compensation, and the change in unrecognized tax benefits. For the year ended December 31, 2022, we recorded an income tax benefit of \$136.6 million primarily due to the release of a \$175.6 million valuation allowance against our deferred tax assets, of which \$143.5 million was primarily based on our reassessment of the future realizability of our deferred tax assets. For the year ended December 31, 2021, we recorded an income tax benefit of \$136 thousand primarily related to a tax benefit associated with the Acquisition, partially offset by income tax expense for state jurisdictions that limit net operating loss carryforward utilization.

In 2022, we evaluated both positive and negative evidence when assessing the recoverability of our net deferred tax assets. Several factors were considered, which primarily included our business model transition and the resulting increase in profitability and the expectation of continued profitability. These factors resulted in the release of the majority of our valuation allowance against our deferred tax assets in 2022.

As of December 31, 2023, we maintained a valuation allowance of \$46.1 million related to certain state net operating loss carryforwards (NOLs) and state tax credit carryforwards. The realization and timing of any remaining state NOLs and state tax credit carryforwards is uncertain and may expire before being utilized, based primarily on the allocation of taxable income constraints to the Parent and not related to the earnings of the Company. Changes to deferred tax asset valuation allowances and liabilities related to uncertain tax positions are recorded as current period income tax expense or benefit.

Income taxes are recorded on a separate entity basis whereby each operating segment determines income tax expense or benefit as if it filed a separate tax return. Differences between separate entity and consolidated tax returns are eliminated upon consolidation.

Segment Information

The Company defines operating segments to be components of the Company for which discrete financial information is evaluated regularly by the Company's Chief Executive Officer and Chief Financial Officer to allocate resources and evaluate financial performance. This information is reviewed according to the legal organizational structure of the Company's operations with products and services presented separately for the parent bank holding company and its wholly-owned subsidiary, LC Bank.

LendingClub Bank

The LC Bank operating segment represents the national bank legal entity and reflects post-Acquisition operating activities. This segment provides a full complement of financial products and solutions, including loans, leases and deposits. It originates loans to individuals and businesses, retains loans for investment, sells loans to investors and manages relationships with deposit holders.

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LendingClub Corporation (Parent Only)

The LendingClub Corporation (Parent only) operating segment represents the holding company legal entity and predominately reflects the operations of the Company prior to the Acquisition. This activity includes, but is not limited to, servicing fee revenue for loans serviced prior to the Acquisition, and interest income and interest expense related to the Retail Program and Structured Program transactions entered into prior to the Acquisition.

Financial information for the segments is presented in the following table:

LendingClub				LendingClub				Intercompany						
Bank		Corporation (Parent only)		Eliminations					Consolidated Total					
Year Ended December 31,		Ended December 31,		Year Ended December 31,		Year Ended December 31,		Ended December 31,		Year Ended December 31,				
2023	2022	2021 ⁽¹⁾	2023	2022	2021	2023	2022	2021 ⁽¹⁾	2023	2022	2021	2023	2022	2021
Non-interest income:														
Marketplace revenue	\$ 206,381	\$ 610,536	\$ 462,821	\$ 41,817	\$ 48,231	\$ 115,759	\$ 43,286	\$ 24,859	\$ —	\$ 291,484	\$ 683,626	\$ 578,580		
Other non-interest income	74,684	85,208	94,953	9,503	15,628	16,718	(72,890)	(72,071)	(84,452)	11,297	28,765	27,219		
Total non-interest income	281,065	695,744	557,774	51,320	63,859	132,477	(29,604)	(47,212)	(84,452)	302,781	712,391	605,799		
Interest income:														
Interest income	818,206	526,471	210,739	14,424	30,869	82,093	—	—	—	832,630	557,340	292,832		
Interest expense	(266,218)	(60,954)	(8,412)	(4,574)	(21,561)	(71,589)	—	—	—	(270,792)	(82,515)	(80,001)		
Net interest income	551,988	465,517	202,327	9,850	9,308	10,504	—	—	—	561,838	474,825	212,831		
Total net revenue	833,053	1,161,261	760,101	61,170	73,167	142,981	(29,604)	(47,212)	(84,452)	864,619	1,187,216	818,630		
(Provision for) reversal of credit losses														
	(243,565)	(267,326)	(142,182)	—	—	3,382	—	—	—	(243,565)	(267,326)	(138,800)		
Non-interest expense	(537,026)	(724,304)	(547,799)	(59,015)	(89,761)	(198,039)	29,604	47,212	84,452	(566,437)	(766,853)	(661,386)		
Income (Loss) before income tax benefit (expense)	52,462	169,631	70,120	2,155	(16,594)	(51,676)	—	—	—	54,617	153,037	18,444		
Income tax benefit (expense)	(17,881)	(42,354)	9,171	2,203	125,954	44,013	—	53,048	(53,048)	(15,678)	136,648	136		
Net income (loss)	\$ 34,581	\$ 127,277	\$ 79,291	\$ 4,358	\$ 109,360	\$ (7,663)	\$ —	\$ 53,048	\$ (53,048)	\$ 38,939	\$ 289,685	\$ 18,580		
Capital expenditures	\$ 59,509	\$ 69,481	\$ 32,602	\$ —	\$ —	\$ 1,811	\$ —	\$ —	\$ —	\$ 59,509	\$ 69,481	\$ 34,413		
Depreciation and amortization	\$ 30,216	\$ 16,489	\$ 4,569	\$ 16,979	\$ 27,342	\$ 39,716	\$ —	\$ —	\$ —	\$ 47,195	\$ 43,831	\$ 44,285		

(1) Because the LendingClub Bank reportable segment was formed upon the Acquisition on February 1, 2021, the associated results are presented for the eleven month period ended December 31, 2021.

An analysis of the Company's results of operations and material trends for the year ended December 31, 2023 compared to the year ended December 31, 2022 is provided on a consolidated basis in "Results of Operations."

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Non-GAAP Financial Measures

To supplement our financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: Pre-Provision Net Revenue (PPNR), Net Income Excluding Income Tax Benefit, Diluted EPS Excluding Income Tax Benefit, and Tangible Book Value (TBV) Per Common Share. Our non-GAAP financial measures do have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of our results under GAAP.

We believe these non-GAAP financial measures provide management and investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and enable comparison of our financial results with other public companies.

We believe PPNR, Net Income Excluding Income Tax Benefit and Diluted EPS Excluding Income Tax Benefit are important measures because they reflect the underlying financial performance of our business operations. PPNR is a non-GAAP financial measure calculated by subtracting the provision for credit losses and income tax benefit/expense from net income. Net Income Excluding Income Tax Benefit adjusts for the release of a deferred tax asset valuation allowance in 2022. Diluted EPS Excluding Income Tax Benefit is a non-GAAP financial measure calculated by dividing Net Income Excluding Income Tax Benefit by the weighted-average diluted common shares outstanding.

We believe TBV Per Common Share is an important measure used to evaluate the Company's use of equity. TBV Per Common Share is a non-GAAP financial measure representing the book value of common equity reduced by goodwill and intangible assets, divided by ending number of common shares issued and outstanding.

The following tables provide a reconciliation of Pre-Provision Net Revenue to the nearest GAAP measure:

For the year ended December 31,	2023	2022	2021
GAAP Net income	\$ 38,939	\$ 289,685	\$ 18,580
Less: Provision for credit losses	(243,565)	(267,326)	(138,800)
Less: Income tax benefit (expense)	(15,678)	136,648	136
Pre-provision net revenue	\$ 298,182	\$ 420,363	\$ 157,244

For the year ended December 31,	2023	2022	2021
Non-interest income	\$ 302,781	\$ 712,391	\$ 605,799
Net interest income	561,838	474,825	212,831
Total net revenue	864,619	1,187,216	818,630
Non-interest expense	(566,437)	(766,853)	(661,386)
Pre-provision net revenue	298,182	420,363	157,244
Provision for credit losses	(243,565)	(267,326)	(138,800)
Income before income tax benefit (expense)	54,617	153,037	18,444
Income tax benefit (expense)	(15,678)	136,648	136
GAAP Net income	\$ 38,939	\$ 289,685	\$ 18,580

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The following table provides a reconciliation of Net Income Excluding Income Tax Benefit and Diluted EPS Excluding Income Tax Benefit to the nearest GAAP measures:

As of and For The Year Ended December 31,	2023	2022	2021
GAAP Net income	\$ 38,939	\$ 289,685	\$ 18,580
Income tax benefit from release of tax valuation allowance	—	143,495	—
Net income excluding income tax benefit	\$ 38,939	\$ 146,190	\$ 18,580
GAAP Diluted EPS – common stockholders	\$ 0.36	\$ 2.79	\$ 0.18
(A) Income tax benefit from release of tax valuation allowance	N/A	\$ 143,495	N/A
(B) Weighted-average common shares – Diluted	N/A	104,001,288	N/A
(A/B) Diluted EPS impact of income tax benefit	N/A	\$ 1.38	N/A
Diluted EPS excluding income tax benefit	\$ 0.36	\$ 1.41	\$ 0.18

N/A – Not applicable

The following table provides a reconciliation of TBV Per Common Share to the nearest GAAP measure:

As of December 31,	2023	2022	2021
GAAP common equity	\$ 1,251,822	\$ 1,164,294	\$ 850,242
Less: Goodwill	(75,717)	(75,717)	(75,717)
Less: Intangible assets	(12,135)	(16,334)	(21,181)
Tangible common equity	\$ 1,163,970	\$ 1,072,243	\$ 753,344
Book value per common share			
GAAP common equity	\$ 1,251,822	\$ 1,164,294	\$ 850,242
Common shares issued and outstanding	110,410,602	106,546,995	101,043,924
Book value per common share	\$ 11.34	\$ 10.93	\$ 8.41
Tangible book value per common share			
Tangible common equity	\$ 1,163,970	\$ 1,072,243	\$ 753,344
Common shares issued and outstanding	110,410,602	106,546,995	101,043,924
Tangible book value per common share	\$ 10.54	\$ 10.06	\$ 7.46

Supervision and Regulatory Environment

We are subject to periodic exams, investigations, inquiries or requests, enforcement actions and other proceedings from federal and state regulatory and/or law enforcement agencies, including the federal banking regulators that directly regulate the Company and/or LC Bank. Further, we are subject to claims, individual and class action lawsuits, and lawsuits alleging regulatory violations. The number and/or significance of these exams, investigations, inquiries, requests, proceedings, claims and lawsuits have been increasing since the Acquisition in part because our products and services increased in scope and in part because we became a bank holding company operating a national bank. Although historically the Company has generally resolved these matters in a manner that was not materially adverse to its financial results or business operations, no assurance can be given as to the timing, outcome or consequences of any of these matters in the future.

Since the Acquisition, we are subject to supervision, regulation, examination and enforcement by multiple federal banking regulatory bodies. Specifically, as a bank holding company, the Company is subject to ongoing and comprehensive supervision, regulation, examination and enforcement by the Board of Governors of the Federal Reserve System (FRB). Further, as a national bank, LC Bank is subject to ongoing and comprehensive supervision, regulation, examination and enforcement by the OCC. Accordingly, we have been and continue to invest in

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regulatory compliance and be subject to certain parameters, obligations and/or limitations set forth by the banking regulations and regulators with respect to the operation of our business.

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, or be required to obtain a new license or authorization, (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 and/or (vi) be unable to execute on certain Company initiatives, 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*" of this Annual Report for further discussion regarding our supervision and regulatory environment.

Capital Management

The prudent management of capital is fundamental to the successful achievement of our business initiatives. We actively review 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 LC 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 the 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 (Basel III). As a Basel III standardized approach institution, we selected the one-time election to opt-out of the requirements to include all the components of accumulated other comprehensive income included in common stockholder's equity. The minimum capital requirements under the Basel III capital framework are: a Common Equity Tier 1 (CET1) risk-based capital ratio of 4.5%, a Tier 1 risk-based capital ratio of 6.0%, a total risk-based capital ratio of 8.0%, and a Tier 1 leverage ratio of 4.0%. Additionally, a Capital Conservation Buffer (CCB) of 2.5% must be maintained above the minimum risk-based capital requirements in order to avoid certain limitations on capital distributions, stock repurchases, and certain discretionary bonus payments. 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 Basel III capital framework. In this regard, and unless otherwise directed by the FRB and the OCC, the Company and LC Bank made commitments (until February 2024) to maintain a CET1 risk-based capital ratio of 11.0%, a Tier 1 risk-based capital ratio above 11.0%, a total risk-based capital ratio above 13.0%, and a Tier 1 leverage ratio of 11.0%. On February 2, 2024, the Operating Agreement with the OCC expired and LC Bank and the Company are no longer subject to these ratio commitments. See "*Part I – Item 1. Business – Regulation and Supervision – Capital and Liquidity Requirements and Prompt Corrective Action*" of this Annual Report for additional information regarding regulatory capital requirements.

LENDINGCLUB CORPORATION
Management's Discussion and Analysis of Financial Condition and Results of Operations
(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The following table summarizes the Company's and LC Bank's regulatory capital amounts (in millions) and ratios:

	December 31, 2023		December 31, 2022		Required Minimum plus Required CCB for Non-Leverage Ratios
	Amount	Ratio	Amount	Ratio	
LendingClub Corporation:					
CET1 capital ⁽¹⁾	\$ 1,090.2	17.9 %	\$ 1,005.8	15.8 %	7.0 %
Tier 1 capital	\$ 1,090.2	17.9 %	\$ 1,005.8	15.8 %	8.5 %
Total capital	\$ 1,169.2	19.2 %	\$ 1,088.1	17.1 %	10.5 %
Tier 1 leverage	\$ 1,090.2	12.9 %	\$ 1,005.8	14.1 %	4.0 %
Risk-weighted assets	\$ 6,104.5	N/A	\$ 6,360.7	N/A	N/A
Quarterly adjusted average assets	\$ 8,476.1	N/A	\$ 7,119.0	N/A	N/A
LendingClub Bank:					
CET1 capital ⁽¹⁾	\$ 949.4	15.8 %	\$ 852.2	13.8 %	7.0 %
Tier 1 capital	\$ 949.4	15.8 %	\$ 852.2	13.8 %	8.5 %
Total capital	\$ 1,027.4	17.1 %	\$ 932.4	15.1 %	10.5 %
Tier 1 leverage	\$ 949.4	11.4 %	\$ 852.2	12.5 %	4.0 %
Risk-weighted assets	\$ 6,022.2	N/A	\$ 6,194.0	N/A	N/A
Quarterly adjusted average assets	\$ 8,337.4	N/A	\$ 6,795.2	N/A	N/A

N/A – Not applicable

⁽¹⁾ Consists of common stockholders' equity as defined under U.S. GAAP and certain adjustments made in accordance with regulatory capital guidelines, including the addition of the CECL transitional benefit and deductions for goodwill and other intangible assets.

The higher risk-based capital ratios for the Company reflect generally lower risk-weights for assets held by LendingClub Corporation as compared with LC Bank.

In response to the COVID-19 pandemic, the FRB, OCC, and FDIC adopted a final rule related to the regulatory capital treatment of the allowance for credit losses under CECL. As permitted by the rule, the Company elected to delay the estimated impact of CECL on regulatory capital resulting in a capital benefit of \$35 million at December 31, 2021. This benefit is phased out over a three-year transition period that commenced on January 1, 2022 at a rate of 25% each year through January 1, 2025.

Liquidity

We manage liquidity to meet our cash flow and collateral obligations in a timely manner at a reasonable cost. We must maintain operating liquidity to meet our expected daily and forecasted cash flow requirements, as well as contingent liquidity to meet unexpected funding requirements.

As our primary business at LC Bank involves taking deposits and originating loans, a key role of liquidity management is to ensure that customers have timely access to funds from deposits and for loans. Liquidity management also involves maintaining sufficient liquidity to repay borrowings, pay operating expenses and support extraordinary funding requirements when necessary.

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Management's Discussion and Analysis of Financial Condition and Results of Operations
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LendingClub Bank Liquidity

The following table summarizes LC Bank's primary sources of short-term liquidity as of the periods presented:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 1,230,206	\$ 1,020,874
Securities available for sale ⁽¹⁾	\$ 370,466	\$ 329,287
Deposits	\$ 7,426,445	\$ 6,420,827
Available borrowing capacity:		
FHLB of Des Moines borrowing capacity ⁽²⁾	\$ 661,337	\$ 414,528
FRB Discount Window borrowing capacity ⁽³⁾	\$ 2,816,501	\$ 191,021
Total available borrowing capacity	\$ 3,477,838	\$ 605,549

(1) Excludes illiquid securities available for sale.

(2) Includes both loans and securities available for sale pledged as collateral.

(3) LC Bank's available borrowing capacity under the FRB Discount Window increased upon including its unsecured personal loan portfolio among the loans pledged as collateral beginning in the second quarter of 2023.

The primary uses of LC Bank liquidity include the funding/acquisition of loans and securities purchases; withdrawals, maturities and the payment of interest on deposits; compensation and benefits expense; taxes; capital expenditures, including internally developed software, leasehold improvements and computer equipment; and costs associated with the continued development and support of our online lending marketplace platform.

Net capital expenditures were \$59.5 million, or 7% of total net revenue and \$69.5 million, or 6% of total net revenue, for the years ended December 31, 2023 and 2022, respectively. Capital expenditures in 2024 are expected to be approximately \$50 million, primarily related to costs associated with the continued development and support of our online lending marketplace platform, including regulatory compliance costs.

LendingClub Holding Company Liquidity

The primary source of liquidity at the holding company is \$110.3 million and \$56.5 million in cash and cash equivalents as of December 31, 2023 and 2022, respectively. Additionally, the holding company has the ability to access the capital markets through additional registrations and public equity offerings.

Uses of cash at the holding company include the routine cash flow requirements as a bank holding company, such as interest and expenses (including those associated with our office leases), the needs of LC Bank for additional equity and, as required, its need for debt financing and support for extraordinary funding requirements when necessary.

Factors Impacting Liquidity

The Company's liquidity could be adversely impacted by deteriorating financial and market conditions, the inability or unwillingness of a creditor to provide funding, an idiosyncratic event (e.g., a major loss, causing a perceived or actual deterioration in its financial condition), an adverse systemic event (e.g., default or bankruptcy of a significant capital markets participant), or others.

We believe, based on our projections, that our cash on hand, liquid AFS securities, available borrowing capacity, and net cash flows from operating, investing and financing activities are sufficient to meet our liquidity needs for

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the next twelve months, as well as beyond the next twelve months. See *'Item 8. Financial Statements and Supplementary Data – Consolidated Statements of Cash Flows'* for additional detail regarding our cash flows.

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, all entered into for purposes other than trading.

Interest Rate Sensitivity

LendingClub Bank

Our net interest income is affected by changes in the level of interest rates, the impact of interest rate fluctuations on asset prepayments, and the level and composition of deposits and liabilities, among other factors.

Loans HFI at LC Bank are funded primarily through our deposit base. The majority of loans HFI are fixed-rate instruments over the term of the loans. As a result, the primary component of interest rate risk on our financial instruments at LC Bank arises from the impact of fluctuations in loan and deposit rates on our net interest income. Therefore, we use a sensitivity analysis to assess the impact of hypothetical changes in interest rates on our net interest income results. The outcome of the analysis is influenced by a variety of assumptions, including the maturity profile and prepayment level of our unsecured consumer loans and expected consumer responses to changes in rates paid on non-maturity deposit products. Our assumptions are periodically calibrated to observed data and/or expected outcomes. We actively monitor the level of exposure to movements in interest rates and have entered into interest rate swaps, which qualify for hedge accounting treatment, to manage such risk. See *"Item 8. Financial Statements and Supplementary Data – Note 9. Derivative Instruments and Hedging Activities"* for additional information.

The following table presents the change in projected net interest income for the next twelve months due to a hypothetical instantaneous parallel change in interest rates relative to current rates:

	December 31, 2023	December 31, 2022
Instantaneous Change in Interest Rates:		
+ 200 basis points	(4.8) %	(6.9) %
+ 100 basis points	(2.2) %	(3.3) %
- 100 basis points	0.0 %	1.9 %
- 200 basis points	(0.4) %	3.5 %

As illustrated in the table above, net interest income is projected to decrease over the next twelve months during hypothetical rising interest rate environments primarily as a result of higher rates paid on interest-bearing deposits, partially offset by higher rates earned on new loans, investment purchases, and cash and cash equivalents as well as by the impact of our hedging activity. During hypothetical declining interest rate environments net interest income is projected to remain relatively flat. The decrease in sensitivity as of December 31, 2023 relative to the prior year is primarily due to the composition of our loans and deposits, and recent hedging activity. Furthermore, during fluctuating interest rate environments, the increased sensitivity of repricing interest-bearing deposits is more impactful than that of repricing fixed rate loans.

Although we believe that these measurements provide an estimate of our interest rate sensitivity, they do not account for potential changes in credit quality, balance sheet mix, size of our balance sheet, or other business

LENDINGCLUB CORPORATION
Management's Discussion and Analysis of Financial Condition and Results of Operations
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developments that could affect net income. Actual results could differ materially from the estimated outcomes of our simulations.

Maturities

The following table presents the maturities of loans and leases held for investment at amortized cost and at fair value as of December 31, 2023:

	Due in 1 Year or Less	Due After 1 Year Through 5 Years		Due After 5 Years Through 15 Years		December 31, 2023
		1 Year Through 5 Years	5 Years Through 15 Years			
Unsecured personal	\$ 221,032	\$ 3,578,646	\$ 189,342	\$ 3,989,020		
Residential mortgages	2,833	5,453	174,764		183,050	
Secured consumer	455	172,231	77,353		250,039	
Total consumer loans held for investment	224,320	3,756,330	441,459		4,422,109	
Equipment finance	7,674	81,939	21,379		110,992	
Commercial real estate	23,949	93,242	263,131		380,322	
Commercial and industrial	5,798	30,321	162,950		199,069	
Total commercial loans and leases held for investment	37,421	205,502	447,460		690,383	
Total loans and leases held for investment	\$ 261,741	\$ 3,961,832	\$ 888,919		\$ 5,112,492	
Loans and leases due after one year at fixed interest rates	\$ —	\$ 3,898,311	\$ 442,870		\$ 4,341,181	
Loans and leases due after one year at variable interest rates	\$ —	\$ 63,521	\$ 446,049		\$ 509,570	

For the contractual maturities and weighted-average yields on the Company's AFS securities portfolio, see *'Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 5. Securities Available for Sale.'*

LendingClub Holding Company

At the holding company level, we continue to measure interest rate sensitivity by evaluating the change in fair value of certain assets and liabilities due to a hypothetical change in interest rates. Principal payments on our loans HFI continue to reduce the outstanding balance of this portfolio, and, as a result, the fair value impact from changes in interest rates continues to diminish.

Contingencies

For a comprehensive discussion of contingencies as of December 31, 2023, see *'Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 20. Commitments and Contingencies.'*

Critical Accounting Estimates

Our significant accounting policies are described in *"Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 1. Summary of Significant Accounting Policies."* We consider certain of these policies to be critical accounting policies as they require significant management 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 materially differ from these estimates and assumptions.

LENDINGCLUB CORPORATION
Management's Discussion and Analysis of Financial Condition and Results of Operations
(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Allowance for Loan and Lease Losses

Under the CECL model, we reserve for expected credit losses on our loan and lease portfolio when loans are initially recorded as HFI at amortized cost through the ALLL by using a DCF approach to calculate the NPV of expected cash flows. Loans accounted for under the fair value option do not have an ALLL. Changes in the credit risk profile of our loans and leases result in changes in "Provision for credit losses," on the Income Statement with a resulting change, net of charge-offs and recoveries, in the ACL balance. The majority of our ALLL relates to unsecured personal loans.

The ALLL represents our estimate of expected lifetime credit losses over the contractual life of the loan portfolio. Our determination of the ALLL is based on regular and periodic evaluation of the loan portfolio considering a number of relevant underlying factors, including key assumptions and evaluation of quantitative and qualitative information from internal and external sources. Estimates of expected future loan losses are determined by using statistical models and management's judgement. The models are designed to forecast probability and timing of default, loss rate exposure at default, recovery expectations, and timing and amount of estimated prepayments by correlating certain macroeconomic unemployment forecast data to historical experience. Our statistical models, applied at the portfolio level to pools of loans with similar risk characteristics, produce expected cash flows, which are then discounted at the effective interest rate to derive the NPV. The difference between the NPV and the amortized cost determines the ALLL. The effective interest rate is calculated based on the periodic interest income received from the loan's contractual cash flows, which includes deferred origination fees and costs, to provide a constant rate of return over the contractual loan term. Under the DCF approach, the provision for credit losses includes credit loss expense in subsequent periods relating to the discounting effect due to the passage of time after the initial recognition of ALLL on originated HFI loans at amortized cost.

Our qualitative allowance is primarily based on macroeconomic unemployment forecast information provided by an external third-party economist, incorporating management's judgement, and is included in the estimation of expected future expected credit losses. In addition, the qualitative allowance includes adjustments in circumstances where the statistical model output is inconsistent with management's expectations relating to economic conditions and expected credit losses. Management may make adjustments as the assumptions in the underlying analyses change to reflect an estimate of expected lifetime loan losses and prepayments at the reporting date, based on the best information available at that time.

LENDINGCLUB CORPORATION

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

For a comprehensive discussion regarding quantitative and qualitative disclosures about market risk, see 'Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk.'

Item 8. Financial Statements and Supplementary Data

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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, 2023 and 2022, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, 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, 2023, 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 February 16, 2024, 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 Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

1) Allowance for loan and lease losses – Consumer Loans – Refer to "Note 6. Loans and Leases Held for Investment at Amortized Cost, Net of Allowance for Loan and Lease Losses" to the consolidated financial statements

Critical Audit Matter Description

The allowance for loan and lease losses (ALLL) on consumer loans represents the Company's estimate of expected lifetime credit losses over the contractual life of the loan portfolio. The majority of the ALLL relates to the unsecured personal loans class of financing receivables within the consumer loan portfolio. The determination of the ALLL is based on the Company's periodic evaluation of performance of the consumer loan portfolio considering a number of underlying factors, including key assumptions and quantitative and qualitative information. The estimate of expected future loan losses is determined using statistical models and management's judgement.

The quantitative component of the ALLL is primarily based on statistical models using a discounted cash flow approach and known and estimated data based on current probability and timing of defaults, loss rate and recovery exposure at default, timing and amount of estimated prepayments, and relevant risk characteristics to estimate the shortfall in contractual cash flows for each loan pool over the remaining life of the loans.

Qualitative adjustments to the modeled estimate of expected credit losses are also considered to address certain identified elements that are not directly captured by the statistical model. The qualitative allowance is primarily based on a macroeconomic unemployment forecast provided by an external third-party economist, and also incorporates management's judgement. In addition, the qualitative allowance includes adjustments in circumstances where the statistical model output is inconsistent with management's expectations related to economic conditions and expected credit losses.

Given the size of the unsecured personal loan portfolio and the subjective nature of estimating the ALLL, including management's expectations related to macroeconomic conditions and expected losses, auditing the ALLL involved a high degree of auditor judgment and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the models and assumptions used by management to estimate the allowance for loan losses relating to the unsecured personal loan portfolio, included the following, among others:

- We tested the effectiveness of the controls over the (i) selection of the statistical model methodology, (ii) development, execution, and monitoring of the statistical models, (iii) accuracy and completeness of the significant data inputs, (iv) determination of the qualitative adjustment, and (v) overall calculation and disclosure of the ALLL.
- We evaluated the reasonableness of aggregation and segmentation of the current loan data and historical loan data established by the Company and its appropriateness in supporting the Company's estimate.
- We assessed the reasonableness of qualitative adjustments as considered by the Company based on loan portfolio, market conditions and significant assumptions including macroeconomic overlays, in the context of applicable financial reporting framework.
- We evaluated the appropriateness of the Company's accounting policies and methodologies involved in the application of the applicable accounting standards.
- We involved our credit specialists to assist us in evaluating the selection of the statistical model methodology utilized by the Company in estimation for loan losses, including key assumptions, the execution of the statistical models, and the reasonableness of judgments related to the qualitative adjustments.

/s/ DELOITTE & TOUCHE LLP

San Francisco, California
February 16, 2024

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

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

December 31,	2023	2022
Assets		
Cash and due from banks	\$ 14,993	\$ 23,125
Interest-bearing deposits in banks	1,237,511	1,033,905
Total cash and cash equivalents	1,252,504	1,057,030
Restricted cash ⁽¹⁾	41,644	67,454
Securities available for sale at fair value (\$ 1,663,990 and \$ 399,668 at amortized cost, respectively)	1,620,262	345,702
Loans held for sale at fair value	407,773	110,400
Loans and leases held for investment	4,850,302	5,033,154
Allowance for loan and lease losses	(310,387)	(327,852)
Loans and leases held for investment, net	4,539,915	4,705,302
Loans held for investment at fair value ⁽¹⁾	262,190	925,938
Retail and certificate loans held for investment at fair value ⁽¹⁾	10,488	55,425
Property, equipment and software, net	161,517	136,473
Goodwill	75,717	75,717
Other assets ⁽¹⁾	455,453	500,306
Total assets	\$ 8,827,463	\$ 7,979,747
Liabilities and Equity		
Deposits:		
Interest-bearing	\$ 7,001,680	\$ 6,158,560
Noninterest-bearing	331,806	233,993
Total deposits	7,333,486	6,392,553
Borrowings ⁽¹⁾	8,866	74,858
Retail notes and certificates at fair value ⁽¹⁾	10,488	55,425
Other liabilities ⁽¹⁾	222,801	292,617
Total liabilities	7,575,641	6,815,453
Equity		
Common stock, \$ 0.01 par value; 180,000,000 shares authorized; 110,410,602 and 106,546,995 shares issued and outstanding, respectively	1,104	1,065
Additional paid-in capital	1,669,828	1,628,590
Accumulated deficit	(388,806)	(427,745)
Accumulated other comprehensive loss	(30,304)	(37,616)
Total equity	1,251,822	1,164,294
Total liabilities and equity	\$ 8,827,463	\$ 7,979,747

⁽¹⁾ Includes amounts in consolidated variable interest entities (VIEs). See "Notes to Consolidated Financial Statements – Note 7. Securitizations and Variable Interest Entities."

See Notes to Consolidated Financial Statements.

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

Year Ended December 31,	2023	2022	2021
Non-interest income:			
Marketplace revenue	\$ 291,484	\$ 683,626	\$ 578,580
Other non-interest income	11,297	28,765	27,219
Total non-interest income	302,781	712,391	605,799
Interest income:			
Interest on loans held for sale	35,655	26,183	29,540
Interest and fees on loans and leases held for investment	616,735	465,450	188,977
Interest on loans held for investment at fair value	69,866	12,877	4,436
Interest on retail and certificate loans held for investment at fair value	4,222	18,135	57,684
Interest on securities available for sale	40,235	16,116	11,025
Other interest income	65,917	18,579	1,170
Total interest income	832,630	557,340	292,832
Interest expense:			
Interest on deposits	265,556	60,451	7,228
Interest on retail notes and certificates at fair value	4,222	18,135	57,684
Other interest expense	1,014	3,929	15,089
Total interest expense	270,792	82,515	80,001
Net interest income	561,838	474,825	212,831
Total net revenue	864,619	1,187,216	818,630
Provision for credit losses	243,565	267,326	138,800
Non-interest expense:			
Compensation and benefits	261,948	339,397	288,390
Marketing	93,840	197,747	156,142
Equipment and software	53,485	49,198	39,490
Depreciation and amortization	47,195	43,831	44,285
Professional services	35,173	50,516	47,572
Occupancy	17,532	21,977	24,249
Other non-interest expense	57,264	64,187	61,258
Total non-interest expense	566,437	766,853	661,386
Income before income tax benefit (expense)	54,617	153,037	18,444
Income tax benefit (expense)	(15,678)	136,648	136
Net income	\$ 38,939	\$ 289,685	\$ 18,580

LENDINGCLUB CORPORATION
Consolidated Statements of Income (Continued)
 (In Thousands, Except Share and Per Share Amounts)

Year Ended December 31,	2023	2022	2021
Earnings per share: ⁽¹⁾			
Net income	\$ 38,939	\$ 289,685	\$ 18,580
Basic EPS – common stockholders	\$ 0.36	\$ 2.80	\$ 0.19
Diluted EPS – common stockholders	\$ 0.36	\$ 2.79	\$ 0.18
Weighted-average common shares – Basic	108,466,179	103,547,305	97,486,754
Weighted-average common shares – Diluted	108,468,857	104,001,288	102,147,353
Basic EPS – preferred stockholders	\$ 0.00	\$ 0.00	\$ 0.19
Diluted EPS – preferred stockholders	\$ 0.00	\$ 0.00	\$ 0.00
Weighted-average common shares, as converted – Basic	—	—	653,118
Weighted-average common shares, as converted – Diluted	—	—	—

⁽¹⁾ See " *Notes to Consolidated Financial Statements – Note 4. Earnings Per Share*" for additional information.

See *Notes to Consolidated Financial Statements*.

LENDINGCLUB CORPORATION
Consolidated Statements of Comprehensive Income
(In Thousands)

Year Ended December 31,	2023	2022	2021
Net income	\$ 38,939	\$ 289,685	\$ 18,580
Other comprehensive income (loss):			
Change in net unrealized gain (loss) on securities available for sale	10,238	(61,326)	5,562
Other comprehensive income (loss), before tax	10,238	(61,326)	5,562
Income tax effect	(2,926)	16,664	—
Other comprehensive income (loss), net of tax	7,312	(44,662)	5,562
Total comprehensive income	\$ 46,251	\$ 245,023	\$ 24,142

See Notes to Consolidated Financial Statements.

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

	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock ⁽¹⁾		Accumulated Other			Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount	Comprehensive Income (Loss)	Accumulated Deficit		
Balance at December 31, 2020	43,000	\$ —	88,149,510	\$ 881	\$ 1,457,816	—	\$ —	\$ 1,484	\$ (736,010)	\$ 724,171	
Stock-based compensation	—	—	—	—	69,762	—	—	—	—	69,762	
Net issuances under equity incentive plans	—	—	4,833,300	48	(9,343)	4,251	(92)	—	—	(9,387)	
Net issuances of stock related to acquisition ⁽²⁾	—	—	3,761,114	38	41,424	—	—	—	—	41,462	
Exchange of preferred stock for common stock	(43,000)	—	4,300,000	43	(43)	—	—	—	—	—	
Retirement of treasury stock	—	—	—	—	—	(4,251)	92	—	—	92	
Net unrealized gain on securities available for sale, net of tax	—	—	—	—	—	—	—	5,562	—	5,562	
Net income	—	—	—	—	—	—	—	—	18,580	18,580	
Balance at December 31, 2021	—	\$ —	101,043,924	\$ 1,010	\$ 1,559,616	—	\$ —	\$ 7,046	\$ (717,430)	\$ 850,242	
Stock-based compensation	—	—	—	—	73,717	—	—	—	—	73,717	
Net issuances under equity incentive plans	—	—	5,503,071	55	(4,645)	7,751	(98)	—	—	(4,688)	
Retirement of treasury stock	—	—	—	—	(98)	(7,751)	98	—	—	—	
Net unrealized loss on securities available for sale, net of tax	—	—	—	—	—	—	—	(44,662)	—	(44,662)	
Net income	—	—	—	—	—	—	—	—	289,685	289,685	
Balance at December 31, 2022	—	\$ —	106,546,995	\$ 1,065	\$ 1,628,590	—	\$ —	\$ (37,616)	\$ (427,745)	\$ 1,164,294	
Stock-based compensation	—	—	—	—	61,619	—	—	—	—	61,619	
Net issuances under equity incentive plans	—	—	3,863,607	39	(20,381)	—	—	—	—	(20,342)	
Net unrealized gain on securities available for sale, net of tax	—	—	—	—	—	—	—	7,312	—	7,312	
Net income	—	—	—	—	—	—	—	—	38,939	38,939	
Balance at December 31, 2023	—	\$ —	110,410,602	\$ 1,104	\$ 1,669,828	—	\$ —	\$ (30,304)	\$ (388,806)	\$ 1,251,822	

(1) 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.

(2) Stock issued as part of the consideration paid related to the Acquisition. See “Notes to Consolidated Financial Statements – Note 2. Business Acquisition.”

See Notes to Consolidated Financial Statements.

LENDINGCLUB CORPORATION
Consolidated Statements of Cash Flows
(In Thousands)

Year Ended December 31,	2023	2022	2021
Cash Flows from Operating Activities:			
Net income	\$ 38,939	\$ 289,685	\$ 18,580
Adjustments to reconcile net income to net cash (used for) provided by operating activities:			
Net fair value adjustments	134,114	(8,503)	(3,986)
Change in fair value of loan servicing assets	62,581	73,229	54,108
Gain on sales of loans	(47,839)	(95,335)	(70,116)
Provision for credit losses	243,565	267,326	138,800
Accretion of loan deferred fees and costs	(90,723)	(86,138)	(41,319)
Stock-based compensation, net	52,389	66,362	66,759
Depreciation and amortization	47,195	43,831	44,285
Income tax benefit from release of tax valuation allowance	—	(143,495)	—
Other, net	(8,932)	(1,828)	11,263
Net change to loans held for sale	(1,535,037)	8,032	4,856
Net change in operating assets and liabilities:			
Other assets	54,894	(16,762)	(9,733)
Other liabilities	(87,746)	(20,836)	26,372
Net cash (used for) provided by operating activities	(1,136,600)	375,568	239,869
Cash Flows from Investing Activities:			
Acquisition of company	—	—	(145,344)
Cash received from acquisition	—	—	668,236
Net change in loans and leases	497,276	(2,771,293)	(1,517,132)
Net decrease in retail and certificate loans	47,545	171,853	437,870
Purchases of securities available for sale	(61,648)	(222,534)	(100,474)
Proceeds from sales of securities available for sale	—	—	106,192
Proceeds from maturities and paydowns of securities available for sale	97,709	86,078	143,402
Purchases of property, equipment and software, net	(59,509)	(69,481)	(34,413)
Other investing activities	(4,676)	(4,423)	(12,747)
Net cash provided by (used for) investing activities	516,697	(2,809,800)	(454,410)
Cash Flows from Financing Activities:			
Net change in deposits	921,393	3,256,501	1,126,659
Principal payments on borrowings	(64,448)	(270,083)	(329,690)
Principal payments on retail notes and certificates	(47,545)	(182,260)	(438,032)
Other financing activities	(19,833)	(9,028)	(9,295)
Net cash provided by financing activities	789,567	2,795,130	349,642
Net Increase in Cash, Cash Equivalents and Restricted Cash	169,664	360,898	135,101
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	1,124,484	763,586	628,485
Cash, Cash Equivalents and Restricted Cash, End of Period	\$ 1,294,148	\$ 1,124,484	\$ 763,586

LENDINGCLUB CORPORATION
Consolidated Statements of Cash Flows (Continued)
(In Thousands)

Year Ended December 31,	2023	2022	2021
Supplemental Cash Flow Information:			
Cash paid for interest	\$ 258,626	\$ 79,732	\$ 77,334
Cash paid for taxes	\$ 6,631	\$ 14,462	\$ 4,799
Cash paid for operating leases included in the measurement of lease liabilities	\$ 12,797	\$ 15,540	\$ 20,546
Non-cash investing activity:			
Loans and leases held for investment transferred to loans held for sale	\$ —	\$ —	\$ 402,960
Net securities retained from Structured Program transactions	\$ 1,299,313	\$ —	\$ —
Non-cash investing and financing activity:			
Net issuances of stock related to acquisition	\$ —	\$ —	\$ 41,462
Non-cash financing activity:			
Derecognition of payable to securitization note and residual certificate holders held in consolidated VIE	\$ —	\$ 36,072	\$ —

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

	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 1,252,504	\$ 1,057,030
Restricted cash	41,644	67,454
Total cash, cash equivalents and restricted cash	\$ 1,294,148	\$ 1,124,484

See Notes to Consolidated Financial Statements.

LENDINGCLUB CORPORATION
Notes to Consolidated Financial Statements
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

1. Summary of Significant Accounting Policies

Basis of Presentation

On February 1, 2021, LendingClub Corporation (LendingClub) completed the acquisition (the Acquisition) of Radius Bancorp, Inc. (Radius), whereby LendingClub became a bank holding company and formed LendingClub Bank, National Association (LC Bank) as its wholly-owned subsidiary. The Company operates the vast majority of its business through LC Bank, as a lender and originator of loans and as a regulated bank in the United States.

All intercompany balances and transactions have been eliminated in consolidation. These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and, in the opinion of management, contain all adjustments, including 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. Certain prior period amounts in the consolidated financial statements and accompanying notes have been reclassified to conform to the current period presentation.

Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents have original maturities of three months or less and include cash on hand, cash items in transit, and amounts due from or held with other depository institutions, primarily with the Board of Governors of the Federal Reserve System (FRB).

Restricted Cash

Cash items held with other depository institutions in which the ability to withdraw funds is restricted by contractual provisions is classified as restricted cash. Such amounts include: (i) cash pledged as security related to LendingClub's issuing bank activities and transactions with certain investors; and (ii) cash received from borrowers on loans owned and not yet distributed to investors.

Securities

Debt securities purchased and asset-backed securities retained from the sale of loans are classified as available for sale (AFS) securities. AFS securities represent investment securities with readily determinable fair values that the Company: (i) does not hold for trading purposes and (ii) does not have the positive intent and ability to hold to maturity. AFS securities are measured at fair value, with unrealized gains and losses reported in "Accumulated other comprehensive income (loss)" within the equity section of the Balance Sheet. The amount reported in "Accumulated other comprehensive income (loss)" is net of any valuation allowance and applicable income taxes.

Management evaluates whether debt AFS securities with unrealized losses are impaired on a quarterly basis. For any security that has declined in fair value below its amortized cost basis, the Company recognizes an impairment loss in current period earnings if management has the intent to sell the security or if it is more likely than not it will be required to sell the security before recovery of its amortized cost basis. The assessment of impairment also considers whether the decline in fair value below the security's amortized cost basis is attributable to credit-related factors. If credit-related factors exist, credit-related impairment has occurred regardless of the Company's intent to hold the security until it recovers. The credit-related portion of impairment is recognized as provision for credit loss expense in earnings with a corresponding valuation allowance for AFS securities on the Balance Sheet, to the extent the allowance does not reduce the value of the security below its fair value.

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Equity securities that do not have readily determinable fair values are generally recorded at cost adjusted for impairment, if any. These securities include FRB stock and Federal Home Loan Bank (FHLB) stock and are reported as "Nonmarketable equity investments" in "Other assets" on the Balance Sheet.

Loans and Leases

The Company initially classifies loans and leases as either held for sale (HFS) or held for investment (HFI) based on management's assessment of its intent and ability to hold the loans for the foreseeable future or until maturity. Management's intent and ability with respect to certain loans may change from time to time. In order to reclassify loans to HFS, management must have the intent to sell the loans and the ability to reasonably identify the specific loans to be sold.

HFI loans at amortized cost

HFI loans, with the exception of HFI loans accounted for under the fair value option, are measured at historical cost and reported at their outstanding principal balances net of any charge-offs, unamortized deferred fees and costs on originated loans, and for purchased loans, net of any unamortized premiums and discounts. Leases are recorded at the discounted amounts of lease payments receivable plus the estimated residual value of the leased asset, net of unearned income and unamortized deferred fees and costs. Lease payments receivable reflect contractual lease payments adjusted for renewal or termination options that the Company believes the customer is reasonably certain to exercise. Unearned income, deferred fees and costs, and discounts and premiums are accreted and amortized to interest income over the contractual life of the loan using its effective interest rate. In certain circumstances, the Company may transfer loans from HFI to HFS. At the time of transfer, these loans are valued at the lower of amortized cost or fair value.

HFI loans at fair value

HFI loans are measured at fair value if the Company elects the fair value option. The Company may elect the fair value option for certain HFI loans, which could include loans purchased by the Company. Interest income is recorded under the effective interest method which considers any purchase premium or discounts. In addition, purchase related discounts absorb credit losses. Retail and certificate loans and the related notes and certificates are measured at fair value. 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.

HFS loans at fair value

Loans initially classified as HFS are reported at their fair value with the Company's election of the fair value option. Origination fees and costs for HFS loans are recognized in earnings at the time of loan origination and are not deferred. Origination fees are recognized in earnings within "Marketplace revenue" on the Consolidated Statements of Income (Income Statement). Changes in the fair value are recorded in "Net fair value adjustments" included in "Marketplace revenue" on the Income Statement.

Accrued Interest Income and Non-Accrual Policy

Interest income is accrued as earned. The accrual of interest income is discontinued, and the loan or lease is placed on nonaccrual status at 90 days past due or when reasonable doubt exists as to timely collection. Past due status is based on the contractual terms of the loan or lease. When a loan or lease is placed on nonaccrual status, all income previously accrued but not collected is reversed against the current period's interest income. The Company has a nonaccrual policy which results in the timely reversal of past-due accrued interest, and it does not record an allowance for credit losses (ACL) on accrued interest receivable. However, we record an ACL on accrued interest receivable for past due unsecured personal loans that are less than 90 days past due. Interest collections on

LENDINGCLUB CORPORATION
Notes to Consolidated Financial Statements

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nonaccrual loans and leases for which the ultimate collectability of principal is uncertain are applied as principal reductions; otherwise, such collections are credited to income when received. Nonaccrual loans and leases are returned to accrual status when there no longer exists concern over collectability, the borrower has demonstrated, over time, both the intent and ability to repay and the loan or lease has been brought current and future payments are reasonably assured. For loans held for investment measured at fair value, we record interest income over the term of the underlying loans using the effective interest method which considers any purchase discount or premiums.

Allowance for Credit Losses

The ACL represents management's estimate of expected credit losses in the loan and lease portfolio, excluding loans accounted for under the fair value option. The ACL is measured based on a lifetime expected loss model, which does not require a loss event to occur before a credit loss is recognized. Under the lifetime expected credit loss model, the Company estimates the allowance based on relevant available information related to past events, current conditions, and reasonable and supportable forecasts of future economic conditions. The ACL is estimated using a discounted cash flow (DCF) approach where effective interest rates are used to calculate the net present value of expected cash flows. The effective interest rate is calculated based on the periodic interest income received from the loan's contractual cash flows and the net investment in the loan, which includes deferred origination fees and costs, to provide a constant rate of return over the term.

The Company evaluates its estimate of expected credit losses each reporting period and records any additions or reductions to the allowance on the Income Statement as "Provision for credit losses." Amounts determined to be uncollectible are charged-off to the allowance. Estimates of expected credit losses include expected recoveries of amounts previously charged-off and amounts expected to be charged-off. If amounts previously charged off are subsequently expected to be collected, the Company may recognize a negative allowance, which is limited to the amount that was previously charged off.

Under applicable accounting guidance, for reporting purposes, the loan and lease portfolio is categorized by portfolio segment. A portfolio segment is defined as the level at which an entity develops and documents a systematic methodology to determine the ACL. The Company's two portfolio segments are consumer and commercial. The Company further disaggregates its portfolio segments into various classes of financing receivables based on their underlying risk characteristics. The classes within the consumer portfolio segment are unsecured consumer, secured consumer and residential mortgages. The classes within the commercial portfolio segment are commercial and industrial, commercial real estate, and equipment finance.

The ACL is measured on a collective basis when loans share similar risk characteristics. Relevant risk characteristics for the consumer portfolio include product type, risk rating, loan term, and monthly vintage. Relevant risk characteristics for the commercial portfolio include product type, risk rating and PCD status. Loans measured on a collective basis generally have an ACL comprised of a quantitative, or modeled, component that is supplemented by a framework of qualitative factors, as discussed below.

The Company will continue to monitor its loan pools on an ongoing basis and adjust accordingly as the risk characteristics of the financial assets may change over time. If a given financial asset does not share similar risk characteristics with other financial assets, the Company shall measure expected credit losses on an individual, rather than on a collective basis. Loans evaluated on an individual basis generally have an ACL that is measured in reference to any collateral securing the loan and/or expected cash flows which are specific to the borrower.

Allowance Calculation Methodology

The Company generally estimates expected credit losses over the contractual term of its loans. The contractual term is adjusted for estimated prepayments when appropriate. The quantitative, or modeled, component of the ACL is primarily based on statistical models that use known or estimated data as of the balance sheet date and forecasted data over the reasonable and supportable period. Known and estimated data include current probability and timing

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of default, loss rate and recovery exposure at default, timing and amount of estimated prepayments, timing and amount of expected draws (for unfunded lending commitments), and relevant risk characteristics. Certain of the Company's commercial portfolios have limited internal historical loss data and use external credit loss information, including historical charge-off and balance data for peer banking institutions.

The Company obtains historical and forecast macroeconomic information to inform its view of the long-term condition of the economy. Forward-looking macroeconomic factors considered in the Company's consumer model include, unemployment rate, unemployment insurance claims, gross domestic product (GDP), housing prices, and retail sales. Forward-looking macroeconomic factors are incorporated into the Company's commercial model for a two-year reasonable and supportable economic forecast period followed by a one-year reversion period during which expected credit losses are expected to revert back on a straight-line basis to historical losses unadjusted for economic conditions. The reasonable and supportable economic forecast period and reversion methodology are accounting estimates which may change in future periods as a result of changes to the current macroeconomic environment.

The quantitative, or modeled, portion of ACL is estimated using a DCF approach. The Company's statistical models produce expected cash flows, which are then discounted at the effective interest rate to derive net present value. The effective interest rate is calculated based on the periodic interest income received from the loan's contractual cash flows and the net investment in the loan, which includes deferred origination fees and costs, to provide a constant rate of return over the contractual loan term. This net present value is then compared to the amortized cost basis to derive the initial expected credit losses. Under the DCF approach, the provision for credit losses includes credit loss expense in subsequent periods relating to the discounting effect due to the passage of time after the initial recognition of ACL on originated HFI loans at amortized cost.

The Company also considers the need for qualitative adjustments to the modeled estimate of expected credit losses. For this purpose, the Company established a qualitative factor framework to periodically assess qualitative adjustments to address certain identified elements that are not directly captured by the statistically modeled expected credit loss. The Company also obtains forecast macroeconomic information to inform its view of the long-term condition of the economy. These factors may include the impact of the non-modeled macroeconomic outlook, forecast unemployment rate and insurance claims, risk rating downgrades, changes in credit policies, problem loan trends, identification of new risks not incorporated into the modeling framework, credit concentrations, changes in underwriting and other external factors.

Zero Credit Loss Expectation Exception

The Company has a zero loss expectation when the loans and securities available for sale, or portions thereof, are issued or guaranteed by certain U.S. government entities or agencies, as those entities or agencies have a long history of no defaults and the highest credit ratings issued by rating agencies. Loans held for investment and securities available for sale, or portions thereof, which meet this criterion do not have an ACL.

Reserve for Unfunded Lending Commitments

The ACL includes an estimate for expected credit losses on off-balance sheet commitments to extend credit and unused lines of credit. The Company estimates these expected credit losses for the unfunded portion of the commitments that are not unconditionally cancellable depending on the likelihood that funding will occur. The reserve for unfunded lending commitments is reported in "Other liabilities" on the Balance Sheet.

Individually Assessed Loans

Loans that do not share similar risk characteristics with other financial assets, including collateral-dependent loans, are individually assessed for purposes of measuring expected credit losses using the DCF approach.

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For loans that are determined to be collateral dependent, the ACL is determined based on the fair value of the collateral. Loans are considered collateral dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be substantially satisfied through sale or operation of the collateral. For such loans, the ACL is calculated as the difference between the amortized cost basis and the fair value of the underlying collateral less costs to sell, if applicable.

Purchased Credit Deteriorated Assets

PCD assets are acquired financial assets (or groups of financial assets with similar risk characteristics) that as of the date of acquisition have experienced a more-than-insignificant deterioration in credit quality since origination, as determined by an acquirer's assessment. The Company considers indicators such as loan rating, FICO score, days past due status, nonaccrual status, charge-off status, bankruptcy, modifications or risk rating to determine whether an acquired asset meets the definition of PCD.

PCD assets are recorded on the acquisition date at their purchase price plus any related initial ACL, which results in a "gross-up" of the asset's initial amortized cost basis. Recognition of the initial ACL upon the acquisition of PCD assets does not impact net income. Changes in estimates of expected credit losses after acquisition are recognized through the provision for credit losses. Acquired non-PCD assets are accounted for in a manner similar to originated financial assets, whereby any initial ACL is recorded through the "Provision for credit losses" on the Income Statement.

Charge-Offs

Charge-offs are recorded when the Company determines that a loan balance is uncollectible or a loss-confirming event has occurred. Loss confirming events usually involve the receipt of specific adverse information about the borrower and may include borrower delinquency status, bankruptcy, foreclosure, or receipt of an asset valuation indicating a shortfall between the value of the collateral and the book value of the loan when that collateral asset is the sole source of repayment. A full or partial charge-off reduces the amortized cost basis of the loan and the related ACL. Unsecured personal loans are charged-off when a borrower is (i) contractually 120 days past due or (ii) two payments past due and has filed for bankruptcy or is deceased.

Servicing Assets

Servicing assets are capitalized as separate assets when loans are sold and servicing is retained. The Company records servicing assets at their estimated fair values. Servicing asset fair value is based on the excess of the contractual servicing fee over an estimated market servicing rate. When servicing assets are recognized from the sale of loans originated by the Company, the fair value of the servicing asset is included as a component of the gain or loss on the loan sale and reported within "Marketplace revenue" on the Income Statement. Subsequent changes in fair value are reported within "Servicing fees" in "Marketplace revenue" during the period in which the changes occur. Servicing assets are reported in "Other assets" on the Balance Sheet.

Fair Value of Assets and Liabilities

Fair value is defined as 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. Fair value is based on an exit price notion that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Certain of the Company's assets and liabilities are recorded at fair value and measured on either a recurring or nonrecurring basis. Assets and liabilities that are recorded at fair value on a recurring basis require a fair value measurement at each reporting period.

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The fair value hierarchy includes a three-level hierarchy that assigns the highest priority to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs.

- 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.

Unobservable inputs require 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.

Derivative Instruments and Hedging Activities

The Company recognizes all derivative instruments at fair value, on a gross basis, as either "Other assets" or "Other liabilities" on the Balance Sheet. Changes in fair value of the derivative instruments are recognized in current period earnings.

For derivative instruments that qualify as hedges, the Company designates the hedging instrument based on the exposure being hedged. The Company's existing hedging instruments are designated as fair value hedges under the portfolio layer method, whereby changes in the fair value of the hedging instrument are substantially offset by changes in the fair value of the hedged item, both of which are recognized in "Interest and fees on loans held for investment" on the Income Statement. Interest payments made and/or received related to these derivative instruments are presented within the "Operating activities" section on the Statements of Cash Flows.

To qualify for hedge accounting, the derivatives and related hedged items must be designated as a hedge at inception of the hedge relationship. In addition, a derivative must be highly effective at reducing the risk associated with the exposure being hedged. For accounting hedge relationships, the Company formally assesses, both at the inception of the hedge and on an ongoing basis, if the derivatives are highly effective in offsetting designated changes in the fair value of the hedged item. The Company assesses effectiveness using a statistical regression analysis. Effectiveness may be assessed qualitatively where the critical terms of the derivative and hedged item match.

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,

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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 Other Intangible Assets

Goodwill is recorded when the purchase price of an acquired business exceeds the fair value of the net assets acquired. Goodwill is assigned to the Company's reporting units at the acquisition date according to the expected economic benefits that the acquired business will provide to the reporting unit. A reporting unit is a business operating segment or a component of a business operating segment. The Company identifies its reporting units based on how the operating segments and reporting units are managed. Accordingly, the Company allocated goodwill to the LC Bank operating segment.

The goodwill of each reporting unit is tested for impairment annually or more frequently in certain circumstances. The Company's annual impairment testing is performed in the fourth quarter of each calendar year. Impairment exists when the carrying value of goodwill exceeds its estimated fair value. Adverse changes in impairment indicators such as lower than forecast financial performance, increased competition, increased regulatory oversight, or unplanned changes in operations could result in impairment.

The Company can elect to either qualitatively assess goodwill for impairment, or bypass the qualitative test and proceed directly to a quantitative test. If the Company performs a qualitative assessment of goodwill to test for impairment and concludes it is more likely than not that the estimated fair value of a reporting unit is greater than its carrying value, a quantitative test is not required. However, if we determine it is more likely than not that a reporting unit's fair value is less than its carrying amount, a quantitative assessment is performed to determine if goodwill impairment exists. Under the quantitative impairment assessment, the fair values of the Company's reporting units are determined using a combination of income and market-based approaches.

Other intangible assets with determinable lives are recorded at their fair value upon completion of a business acquisition or certain other transactions, and generally represent the value of customer contracts or relationships. Such 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. Other intangible assets are reviewed for impairment quarterly and when events or changes in circumstances indicate that their carrying amount may not be recoverable. The Company does not have indefinite-lived intangible assets other than goodwill. Intangible assets are reported in "Other assets" on the Balance Sheet.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities in "Other liabilities" on the Balance Sheet. Associated legal expense is recorded in "Other non-interest expense" on the Income Statement. 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 can be estimated and are reasonably possible to occur in future periods. 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 "Professional services" expense on the Income Statement.

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Stock-based Compensation

Stock-based compensation includes expense primarily associated with restricted stock units (RSUs) and performance-based restricted stock units (PBRSUs), 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 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 the Company believes 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 benefit (expense)" on the Income Statement.

Earnings Per Share

Basic earnings per share (Basic EPS) attributable to common stockholders is computed by dividing net income attributable to LendingClub by the weighted-average number of common shares outstanding during the period. Diluted earnings per share (Diluted EPS) is computed by dividing net income 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 predominantly 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 among the holders of each class of common shares.

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

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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 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 would be reported as secured borrowings. Accordingly, the related assets would remain on the Company's Balance Sheet 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 new accounting standards during the year ended December 31, 2023:

The FASB issued Accounting Standards Update (ASU) 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*, which eliminates the accounting guidance on troubled debt restructurings (TDRs) for creditors that have adopted the Current Expected Credit Losses (CECL) model and adds a requirement to disclose current period gross charge-offs by year of origination. The Company adopted ASU 2022-02 as of January 1, 2023 on a prospective basis. The ASU updates the requirements related to accounting for credit losses under Accounting Standards Codification 326, including removing anticipatory TDRs and requiring the use of the post-modified effective interest rate when a discounted cash flow method is used in the CECL calculation. The ASU updates disclosures for creditors with respect to loan refinancings and restructurings for borrowers experiencing financial difficulty.

The FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, and ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which, if certain criteria are met, provide optional expedients and exceptions for applying GAAP to transactions affected by reference rate reform. The provisions of this topic are elective and may be applied prospectively as of the beginning of the reporting period when the election is made through December 31, 2024. The Company adopted this standard as of April 1, 2023. The adoption of this standard did not have a material impact on the Company's financial position, results of operations, cash flows, and disclosures.

New Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures*, which improves reportable segment disclosure requirements, primarily through enhanced

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disclosures about significant segment expenses. The new standard is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024. The amendments of this standard should be applied retrospectively, with early adoption permitted. The Company is evaluating the impact of this ASU but does not expect it to be material.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*, which improves income tax disclosure requirements, primarily through enhanced disclosures surrounding rate reconciliation and income taxes paid. The new standard is effective for annual periods beginning after December 15, 2024. The amendments of this standard should be applied prospectively, with retrospective application permitted. Early adoption is also permitted. The Company is evaluating the impact of this ASU but does not expect it to be material.

2. Business Acquisition

On February 1, 2021, the Company completed the Acquisition. Upon closing, LendingClub acquired all outstanding voting equity interests of Radius in exchange for total consideration as follows:

Cash paid	\$ 140,256
Fair value of common stock issued ⁽¹⁾	40,808
Consideration related to share-based payments ⁽²⁾	5,742
Total consideration paid	\$ 186,806

(1) Calculated using the closing stock price of \$ 10.85 on January 29, 2021, the most recent trading day preceding the Acquisition, multiplied by 3,761,114 shares issued pursuant to the Plan of Merger.

(2) In connection with the Acquisition, LendingClub agreed to convert equity awards held by Radius employees into cash and LendingClub awards pursuant to the Plan of Merger.

The Acquisition was accounted for as a purchase business combination. Accordingly, the assets acquired and liabilities assumed are presented at their fair values determined as of the Acquisition date. Determining fair value of identifiable assets, particularly intangibles, loans (including PCD loans), and liabilities acquired and assumed based on DCF analysis or other valuation techniques required management to make estimates that are highly subjective in nature based on available information.

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The following table presents an allocation of the total consideration paid to the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed:

Assets acquired:		
Cash and due from banks	\$	18,184
Interest-bearing deposits in banks		650,052
Total cash and cash equivalents		668,236
Securities available for sale at fair value		259,037
Loans and leases held for investment		1,589,054
Allowance for loan and lease losses		(12,440)
Loans and leases held for investment, net		1,576,614
Property, equipment and software		1,926
Goodwill		75,717
Other assets		86,482
Total assets		2,668,012
Liabilities assumed:		
Non-interest bearing deposits		146,187
Interest-bearing deposits		1,862,272
Total deposits		2,008,459
Short-term borrowings		9,870
Advances from PPPLF		420,962
Other long-term debt		18,630
Other liabilities		23,285
Total liabilities		2,481,206
Total consideration paid	\$	186,806

The table below presents certain unaudited pro forma financial information for illustrative purposes only, for the year ended December 31, 2021, as if the Acquisition took place on the first day of the preceding year. The pro forma information combines the historical results of Radius with the Company's, adjusting for the estimated impact of certain fair value adjustments for the respective periods. The pro forma information does not reflect changes to the provision for credit losses resulting from recording loan assets as fair value, cost savings, or business synergies. As a result, actual amounts would have differed from the unaudited pro forma information presented and the differences could be significant.

Year Ended December 31,	2021
Total net revenue	\$ 825,701
Net income	\$ 11,644

For the year ended December 31, 2021, total net revenue of \$ 73.6 million from the Acquisition is included on the Income Statement.

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3. Marketplace Revenue

Marketplace revenue consists of (i) origination fees, (ii) servicing fees, (iii) gain on sales of loans and (iv) net fair value adjustments, as described below.

Origination Fees: The Company receives fees from borrowers for the origination of unsecured personal loans that are held for sale.

Servicing Fees: The Company receives servicing fees to compensate it for servicing loans on behalf of investors, including managing payments and collections from borrowers and payments to those investors. The amount of servicing fee revenue earned is predominantly affected by the servicing rates paid by investors and the outstanding principal balance of loans serviced for investors. Servicing fee revenue related to loans sold also includes the associated change in the fair value of servicing assets.

Gain on Sales of Loans: In connection with loan sales the Company recognizes a gain or loss on the sale of loans based on the level to which the contractual servicing fee is above or below an estimated market rate of servicing. Additionally, the Company recognizes transaction costs, if any, as a loss on sale of loans.

Net Fair Value Adjustments: The Company records fair value adjustments on loans that are recorded at fair value, including gains or losses from sale prices in excess of or less than the loan principal amount sold.

The following table presents components of marketplace revenue for the periods presented:

Year Ended December 31,	2023	2022	2021
Origination fees	\$ 279,146	\$ 499,179	\$ 416,839
Servicing fees	98,613	80,609	87,639
Gain on sales of loans	47,839	95,335	70,116
Net fair value adjustments	(134,114)	8,503	3,986
Total marketplace revenue	\$ 291,484	\$ 683,626	\$ 578,580

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4. Earnings Per Share

The following table details the computation of the Company's Basic and Diluted EPS of common stock and Series A Preferred Stock:

Year Ended December 31,	2023	2022	2021	
	Common Stock	Common Stock	Common Stock	Preferred Stock ⁽¹⁾
Basic EPS:				
Net income attributable to stockholders	\$ 38,939	\$ 289,685	\$ 18,456	\$ 124
Weighted-average common shares – Basic	108,466,179	103,547,305	97,486,754	653,118
Basic EPS	\$ 0.36	\$ 2.80	\$ 0.19	\$ 0.19
Diluted EPS:				
Net income attributable to stockholders	\$ 38,939	\$ 289,685	\$ 18,580	\$ —
Weighted-average common shares – Diluted	108,468,857	104,001,288	102,147,353	—
Diluted EPS	\$ 0.36	\$ 2.79	\$ 0.18	\$ 0.00

⁽¹⁾ Presented on an as-converted basis.

In March 2020, the Company issued 195,628 shares of mandatorily convertible, non-voting, Series A Preferred Stock, par value of \$ 0.01 per share. The Series A Preferred Stock was considered a separate class of common shares for purposes of calculating EPS because it participated in earnings similar to common stock and did not receive any significant preferences over common stock. As a result of the preferred stock outstanding during the first quarter of 2021, Basic and Diluted EPS were computed using the two-class method, which is a net income allocation that determines EPS for each class of common stock according to dividends declared and participation rights in undistributed income (loss). The remaining preferred stock was sold during the first quarter of 2021 and, therefore, there were no shares of preferred stock outstanding as of March 31, 2021.

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5. Securities Available for Sale

The amortized cost, gross unrealized gains and losses, and fair value of AFS securities were as follows:

December 31, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Senior asset-backed securities related to Structured Program transactions	\$ 1,165,513	\$ 10,932	\$ (42)	\$ 1,176,403
U.S. agency residential mortgage-backed securities	261,885	208	(37,497)	224,596
U.S. agency securities	93,452	—	(13,348)	80,104
Other asset-backed securities related to Structured Program transactions ⁽¹⁾	70,662	2,731	—	73,393
Mortgage-backed securities	42,511	—	(5,435)	37,076
Other asset-backed securities	26,710	25	(634)	26,101
Municipal securities	3,257	—	(668)	2,589
Total securities available for sale ⁽²⁾	\$ 1,663,990	\$ 13,896	\$ (57,624)	\$ 1,620,262

December 31, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. agency residential mortgage-backed securities	\$ 255,675	\$ —	\$ (41,248)	\$ 214,427
U.S. agency securities	90,447	—	(16,053)	74,394
Mortgage-backed securities	26,988	—	(4,470)	22,518
Asset-backed securities related to Structured Program transactions	8,322	9,395	—	17,717
Other asset-backed securities	14,959	29	(785)	14,203
Municipal securities	3,277	—	(834)	2,443
Total securities available for sale ⁽²⁾	\$ 399,668	\$ 9,424	\$ (63,390)	\$ 345,702

⁽¹⁾ As of December 31, 2023, \$ 70.1 million of the other 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.

⁽²⁾ As of December 31, 2023 and 2022, includes \$ 359.5 million and \$ 319.0 million, respectively, of securities pledged as collateral at fair value.

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A summary of AFS securities with unrealized losses for which a credit valuation allowance has not been recorded, 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
December 31, 2023						
Senior asset-backed securities related to Structured Program transactions	\$ 38,359	\$ (42)	\$ —	\$ —	\$ 38,359	\$ (42)
U.S. agency residential mortgage-backed securities	6,497	(149)	201,426	(37,348)	207,923	(37,497)
U.S. agency securities	—	—	80,104	(13,348)	80,104	(13,348)
Mortgage-backed securities	13,973	(740)	23,103	(4,695)	37,076	(5,435)
Other asset-backed securities	12,911	(50)	8,538	(584)	21,449	(634)
Municipal securities	—	—	2,589	(668)	2,589	(668)
Total securities with unrealized losses	\$ 71,740	\$ (981)	\$ 315,760	\$ (56,643)	\$ 387,500	\$ (57,624)

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2022						
U.S. agency residential mortgage-backed securities	\$ 111,843	\$ (15,831)	\$ 102,584	\$ (25,417)	\$ 214,427	\$ (41,248)
U.S. agency securities	50,352	(7,213)	24,042	(8,840)	74,394	(16,053)
Mortgage-backed securities	2,441	(229)	20,077	(4,241)	22,518	(4,470)
Other asset-backed securities	4,086	(73)	6,945	(712)	11,031	(785)
Municipal securities	—	—	2,443	(834)	2,443	(834)
Total securities with unrealized losses	\$ 168,722	\$ (23,346)	\$ 156,091	\$ (40,044)	\$ 324,813	\$ (63,390)

At December 31, 2023, the majority of the Company's AFS investment portfolio was comprised of senior asset-backed securities related to Structured Program transactions and U.S. agency-backed securities. Management considers U.S. agency-backed securities to be of the highest credit quality and rating given the guarantee of principal and interest by certain U.S. government agencies. Most of the remaining securities in an unrealized loss position in the Company's AFS investment portfolio at December 31, 2023, were rated investment grade. Substantially all of these unrealized losses in the AFS investment portfolio were caused by interest rate increases. The Company does not intend to sell the investment portfolio, and it is not more likely than not that it will be required to sell any investment before recovery of its amortized cost basis. For a description of management's quarterly evaluation of AFS securities in an unrealized loss position, see "Note 1. Summary of Significant Accounting Policies."

There was no activity in the allowance for AFS securities during 2023 and 2022. The following table presents the activity in the credit valuation allowance for AFS securities, by major security type, during 2021:

Credit Valuation Allowance	Asset-backed securities related to Structured Program transactions
Beginning balance as of December 31, 2020	\$ (18,736)
Reversal of credit loss expense	3,382
Reversal of allowance arising from PCD financial assets	15,354
Ending balance as of December 31, 2021	\$ —

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The contractual maturities of AFS securities were as follows:

December 31, 2023	Amortized Cost	Fair Value	Weighted-average Yield ⁽¹⁾
Due after 1 year through 5 years:			
Senior asset-backed securities related to Structured Program transactions	\$ 1,165,513	\$ 1,176,403	
Other asset-backed securities related to Structured Program transactions	70,662	73,393	
U.S. agency securities	9,000	8,746	
Mortgage-backed securities	1,760	1,596	
Other asset-backed securities	421	423	
Municipal securities	154	139	
U.S. agency residential mortgage-backed securities	3	3	
Total due after 1 year through 5 years	1,247,513	1,260,703	7.57 %
Due after 5 years through 10 years:			
U.S. agency securities	18,848	17,545	
Other asset-backed securities	14,873	14,842	
U.S. agency residential mortgage-backed securities	4,869	4,623	
Mortgage-backed securities	2,024	1,713	
Municipal securities	466	410	
Total due after 5 years through 10 years	41,080	39,133	2.36 %
Due after 10 years:			
U.S. agency residential mortgage-backed securities	257,013	219,970	
U.S. agency securities	65,604	53,813	
Mortgage-backed securities	38,727	33,767	
Other asset-backed securities	11,416	10,836	
Municipal securities	2,637	2,040	
Total due after 10 years	375,397	320,426	2.91 %
Total securities available for sale	\$ 1,663,990	\$ 1,620,262	5.10 %

⁽¹⁾ The weighted-average yield is computed using the average quarter end amortized cost during the year ended December 31, 2023.

There were no sales of AFS securities during 2023 and 2022. Proceeds and gross realized gains and losses from AFS securities during 2021 were as follows:

Year Ended December 31,	2021
Proceeds	\$ 106,192
Gross realized gains	\$ 708
Gross realized losses	\$ (952)

6. Loans and Leases Held for Investment at Amortized Cost, Net of Allowance for Loan and Lease Losses

LendingClub records certain loans and leases HFI at amortized cost. Other HFI and all HFS loans are recorded at fair value with the Company's election of the fair value option. Accrued interest receivable is excluded from the amortized cost basis of loans and leases HFI and is reported within "Other assets" on the Balance Sheet. Net accrued interest receivable related to loans and leases HFI at amortized cost was \$ 32.2 million and \$ 27.9 million as of December 31, 2023 and 2022, respectively.

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Loans and Leases Held for Investment at Amortized Cost

The Company defines its loans and leases HFI portfolio segments as (i) consumer and (ii) commercial. The following table presents the components of each portfolio segment by class of financing receivable:

	December 31, 2023	December 31, 2022
Unsecured personal	\$ 3,726,830	\$ 3,866,373
Residential mortgages	183,050	199,601
Secured consumer	250,039	194,634
Total consumer loans held for investment	4,159,919	4,260,608
Equipment finance ⁽¹⁾	110,992	160,319
Commercial real estate	380,322	373,501
Commercial and industrial ⁽²⁾	199,069	238,726
Total commercial loans and leases held for investment	690,383	772,546
Total loans and leases held for investment	4,850,302	5,033,154
Allowance for loan and lease losses ⁽³⁾	(310,387)	(327,852)
Loans and leases held for investment, net ⁽⁴⁾	\$ 4,539,915	\$ 4,705,302

⁽¹⁾ Comprised of sales-type leases for equipment. See "Note 19. Leases" for additional information.

⁽²⁾ Includes \$ 6.4 million and \$ 67.0 million of pledged loans under the Paycheck Protection Program (PPP), as of December 31, 2023 and 2022, respectively.

⁽³⁾ Comprised of \$ 355.8 million and \$ 340.4 million in allowance for future estimated net charge-offs on existing portfolio balances, net of a negative allowance of \$ 45.4 million and \$ 12.5 million for expected recoveries of amounts previously charged-off as of December 31, 2023 and 2022, respectively.

⁽⁴⁾ As of December 31, 2023 and 2022, the Company had \$ 3.5 billion and \$ 283.6 million in loans pledged as collateral under the FRB Discount Window, respectively. In addition, as of December 31, 2023 and 2022, the Company had \$ 479.0 million and \$ 156.2 million in loans pledged to the FHLB of Des Moines, respectively.

December 31, 2023	Gross	ALLL	Net	Allowance Ratios	
				(1)	%
Total consumer loans held for investment	\$ 4,159,919	\$ 298,061	\$ 3,861,858	7.2	%
Total commercial loans and leases held for investment	690,383	12,326	678,057	1.8	%
Total loans and leases held for investment	\$ 4,850,302	\$ 310,387	\$ 4,539,915	6.4	%

December 31, 2022	Gross	ALLL	Net	Allowance Ratios	
				(1)	%
Total consumer loans held for investment	\$ 4,260,608	\$ 312,489	\$ 3,948,119	7.3	%
Total commercial loans and leases held for investment	772,546	15,363	757,183	2.0	%
Total loans and leases held for investment	\$ 5,033,154	\$ 327,852	\$ 4,705,302	6.5	%

⁽¹⁾ Calculated as the ratio of ALLL to loans and leases HFI at amortized cost.

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The activity in the ACL by portfolio segment was as follows:

Year Ended December									
31,	2023			2022			2021		
	Consumer	Commercial	Total	Consumer	Commercial	Total	Consumer	Commercial	Total
Allowance for loan and lease losses, beginning of period									
	\$ 312,489	\$ 15,363	\$ 327,852	\$ 128,812	\$ 15,577	\$ 144,389	\$ —	\$ —	\$ —
Credit loss expense for loans and leases held for investment ⁽¹⁾	244,518	(948)	243,570	265,359	1,320	266,679	136,789	4,162	140,951
Initial allowance for PCD loans acquired during the period									
	—	—	—	—	—	—	603	11,837	12,440
Charge-offs ⁽²⁾	(278,105)	(3,002)	(281,107)	(85,247)	(2,226)	(87,473)	(8,789)	(1,663)	(10,452)
Recoveries	19,159	913	20,072	3,565	692	4,257	209	1,241	1,450
Allowance for loan and lease losses, end of period									
	\$ 298,061	\$ 12,326	\$ 310,387	\$ 312,489	\$ 15,363	\$ 327,852	\$ 128,812	\$ 15,577	\$ 144,389
Reserve for unfunded lending commitments, beginning of period									
	\$ 18	\$ 1,860	\$ 1,878	\$ —	\$ 1,231	\$ 1,231	\$ —	\$ —	\$ —
Credit loss expense for unfunded lending commitments	(18)	13	(5)	18	629	647	—	1,231	1,231
Reserve for unfunded lending commitments, end of period ⁽³⁾									
	\$ —	\$ 1,873	\$ 1,873	\$ 18	\$ 1,860	\$ 1,878	\$ —	\$ 1,231	\$ 1,231

(1) For the year ended December 31, 2021, includes \$ 6.9 million of credit loss expense for acquired loans.

(2) Unsecured personal loans are charged-off when a borrower is (i) contractually 120 days past due or (ii) two payments past due and has filed for bankruptcy or is deceased.

(3) Relates to \$ 78.1 million, \$ 138.0 million and \$ 110.8 million of unfunded commitments as of December 31, 2023, 2022 and 2021, respectively.

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The following table presents charge-offs by origination year for the year ended December 31, 2023:

	Gross Charge-Offs by Origination Year							Total
	2023	2022	2021	2020	2019	Prior		
Unsecured personal	\$ 23,348	\$ 157,508	\$ 94,148	\$ —	\$ —	\$ —	\$ —	274,989
Residential mortgages	—	—	—	—	—	—	—	—
Secured consumer	202	2,233	681	—	—	—	—	3,116
Total consumer loans held for investment	23,542	159,735	94,828	—	—	—	—	278,105
Equipment finance	—	—	—	—	—	—	—	—
Commercial real estate	—	—	—	—	—	—	—	—
Commercial and industrial	—	—	1,369	82	318	1,233	—	3,002
Total commercial loans and leases held for investment	—	—	1,369	82	318	1,233	—	3,002
Total loans and leases held for investment	23,548	159,735	96,198	88	318	1,233	—	281,107

Consumer Lending Credit Quality Indicators

The Company evaluates the credit quality of its consumer loan portfolio based on the aging status of the loan and by payment activity. Loan delinquency reporting is based upon borrower payment activity relative to the contractual terms of the loan. The following tables present the classes of financing receivables within the consumer portfolio segment by credit quality indicator based on delinquency status and origination year:

December 31, 2023	Term Loans and Leases by Origination Year							Total
	2023	2022	2021	2020	2019	Prior		
Unsecured personal								
Current	\$ 1,498,737	\$ 1,688,512	\$ 438,296	\$ —	\$ —	\$ —	\$ —	3,625,545
30-59 days past due	9,034	17,017	6,665	—	—	—	—	32,716
60-89 days past due	7,767	15,538	6,251	—	—	—	—	29,556
90 or more days past due	6,924	16,564	6,644	—	—	—	—	30,132
Total unsecured personal ⁽¹⁾	1,522,462	1,737,631	457,856	—	—	—	—	3,717,949
Residential mortgages								
Current	53	48,473	54,855	29,960	18,917	29,041	181,299	
30-59 days past due	—	—	—	—	1,331	420	1,751	
60-89 days past due	—	—	—	—	—	—	—	
90 or more days past due	—	—	—	—	—	—	—	
Total residential mortgages	53	48,473	54,855	29,960	20,248	29,461	183,050	
Secured consumer								
Current	125,618	97,084	21,949	—	2,460	—	247,111	
30-59 days past due	364	1,295	417	—	—	—	2,076	
60-89 days past due	94	373	168	—	—	—	635	
90 or more days past due	—	153	64	—	—	—	217	
Total secured consumer	126,076	98,905	22,598	—	2,460	—	250,039	
Total consumer loans held for investment	\$ 1,648,591	\$ 1,885,009	\$ 535,309	\$ 29,960	\$ 22,708	\$ 29,461	\$ 4,151,038	

⁽¹⁾ Excludes cumulative basis adjustment for loans designated in fair value hedges under the portfolio layer method. As of December 31, 2023, the basis adjustment totaled \$ 8.9 million and represents a reduction to the amortized cost of the hedged loans. See "Note 9. Derivative Instruments and Hedging Activities" for additional information.

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December 31, 2022	Term Loans and Leases by Origination Year							Prior	Total	
	2022	2021	2020	2019	2018					
Unsecured personal										
Current	\$ 2,835,460	\$ 977,224	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,812,684	
30-59 days past due	11,149	9,867	—	—	—	—	—	—	21,016	
60-89 days past due	7,785	8,633	—	—	—	—	—	—	16,418	
90 or more days past due	6,813	9,442	—	—	—	—	—	—	16,255	
Total unsecured personal	2,861,207	1,005,166	—	—	—	—	—	—	3,866,373	
Residential mortgages										
Current	49,721	58,353	31,465	21,683	4,546	33,248	199,016	—	—	
30-59 days past due	—	—	—	—	—	—	—	—	—	
60-89 days past due	—	—	—	—	—	254	254	—	—	
90 or more days past due	—	—	—	—	—	331	331	—	—	
Total residential mortgages	49,721	58,353	31,465	21,683	4,546	33,833	199,601	—	—	
Secured consumer										
Current	151,725	38,076	—	2,543	—	—	—	—	192,344	
30-59 days past due	1,017	703	—	—	—	—	—	—	1,720	
60-89 days past due	235	147	—	—	—	—	—	—	382	
90 or more days past due	116	72	—	—	—	—	—	—	188	
Total secured consumer	153,093	38,998	—	2,543	—	—	—	—	194,634	
Total consumer loans held for investment	\$ 3,064,021	\$ 1,102,517	\$ 31,465	\$ 24,226	\$ 4,546	\$ 33,833	\$ 4,260,608			

Commercial Lending Credit Quality Indicators

The Company evaluates the credit quality of its commercial loan portfolio based on regulatory risk ratings. The Company categorizes loans and leases into risk ratings based on relevant information about the quality and realizable value of collateral, if any, and the ability of borrowers to service their debts, such as current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans and leases individually by classifying the loans and leases based on their associated credit risk and performs this analysis whenever credit is extended, renewed or modified, or when an observable event occurs indicating a potential decline in credit quality, and no less than annually for large balance loans. Risk rating classifications consist of the following:

Pass – Loans and leases that the Company believes will fully repay in accordance with the contractual loan terms.

Special Mention – Loans and leases with a potential weakness that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or the Company's credit position at some future date.

Substandard – Loans and leases that are inadequately protected by the current sound worth and paying capacity of the obligator or of the collateral pledged, if any. Loans and leases so classified have a well-defined weakness or weaknesses that jeopardize the repayment and liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. Normal payment from the borrower is in jeopardy, although loss of principal, while still possible, is not imminent.

Doubtful – Loans and leases that have all the weaknesses inherent in those classified as Substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions, and values, highly questionable and improbable.

Loss – Loans and leases that are considered uncollectible and of little value.

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The following tables present the classes of financing receivables within the commercial portfolio segment by risk rating and origination year:

	Term Loans and Leases by Origination Year							Guaranteed Amount ⁽¹⁾
	2023	2022	2021	2020	2019	Prior	Total	
Equipment finance								
Pass	\$ 2,945	\$ 33,430	\$ 26,311	\$ 7,754	\$ 9,411	\$ 6,288	\$ 86,139	\$ —
Special mention	—	15,235	1,962	5,873	1,335	—	24,405	—
Substandard	—	—	—	448	—	—	448	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total equipment finance	2,945	48,665	28,273	14,075	10,746	6,288	110,992	—
Commercial real estate								
Pass	49,067	94,247	34,535	43,058	52,160	78,062	351,129	33,423
Special mention	—	—	—	—	—	13,706	13,706	—
Substandard	—	3,598	7,716	—	—	2,139	13,453	9,425
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	1,515	—	—	519	2,034	1,471
Total commercial real estate	49,067	97,845	43,766	43,058	52,160	94,426	380,322	44,319
Commercial and industrial								
Pass	40,636	60,352	39,304	9,525	10,282	11,626	171,725	104,928
Special mention	—	10,881	1,532	729	137	444	13,723	9,384
Substandard	—	2,304	5,426	673	1,045	1,434	10,882	6,908
Doubtful	—	649	—	548	—	286	1,483	1,214
Loss	—	—	—	—	—	1,256	1,256	1,229
Total commercial and industrial	40,636	74,186	46,262	11,475	11,464	15,046	199,069	123,663
Total commercial loans and leases held for investment	\$ 92,648	\$ 220,696	\$ 118,301	\$ 68,608	\$ 74,370	\$ 115,760	\$ 690,383	\$ 167,982

⁽¹⁾ Represents loan balances guaranteed by the Small Business Association (SBA).

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December 31, 2022		Term Loans and Leases by Origination Year								
		2022	2021	2020	2019	2018	Prior	Total	Guaranteed Amount ⁽¹⁾	
Equipment finance										
Pass	\$ 59,227	\$ 38,218	\$ 25,014	\$ 15,785	\$ 11,880	\$ 3,444	\$ 153,568	\$ —	\$ —	
Special mention	—	2,094	—	3,759	—	—	—	5,853	—	
Substandard	—	—	859	—	39	—	—	898	—	
Doubtful	—	—	—	—	—	—	—	—	—	
Loss	—	—	—	—	—	—	—	—	—	
Total equipment finance	59,227	40,312	25,873	19,544	11,919	3,444	160,319	—	—	
Commercial real estate										
Pass	100,602	53,445	47,497	52,834	35,992	60,976	351,346	40,693	40,693	
Special mention	—	—	8,415	260	1,237	405	10,317	—	—	
Substandard	—	—	—	643	2,404	8,215	11,262	—	—	
Doubtful	—	—	—	—	—	—	—	—	—	
Loss	—	—	—	—	—	576	576	—	—	
Total commercial real estate	100,602	53,445	55,912	53,737	39,633	70,172	373,501	40,693	40,693	
Commercial and industrial										
Pass	61,076	99,264	24,726	13,866	5,174	10,831	214,937	141,858	141,858	
Special mention	—	—	—	483	163	455	1,101	44	44	
Substandard	—	9,361	4,529	3,623	797	2,820	21,130	5,716	5,716	
Doubtful	—	—	—	—	—	286	286	216	216	
Loss	—	—	—	—	1	1,271	1,272	1,229	1,229	
Total commercial and industrial	61,076	108,625	29,255	17,972	6,135	15,663	238,726	149,063	149,063	
Total commercial loans and leases held for investment										
held for investment	\$ 220,905	\$ 202,382	\$ 111,040	\$ 91,253	\$ 57,687	\$ 89,279	\$ 772,546	\$ 189,756	\$ 189,756	

(1) Represents loan balances guaranteed by the SBA.

The following tables present an analysis of the past due loans and leases HFI at amortized cost within the commercial portfolio segment:

December 31, 2023		30-59 Days	60-89 Days	90 or More Days	Total Days Past Due
Equipment finance	\$ 1,265	\$ —	\$ —	\$ 1,265	\$ 1,265
Commercial real estate	—	3,566	1,618	—	5,184
Commercial and industrial ⁽¹⁾	12,261	1,632	1,515	—	15,408
Total commercial loans and leases held for investment	\$ 13,526	\$ 5,198	\$ 3,133	\$ 21,857	\$ 21,857
December 31, 2022		30-59 Days	60-89 Days	90 or More Days	Total Days Past Due
Equipment finance	\$ 3,172	\$ —	\$ 859	\$ 4,031	\$ 4,031
Commercial real estate	—	102	—	—	102
Commercial and industrial ⁽¹⁾	—	—	1,643	—	1,643
Total commercial loans and leases held for investment	\$ 3,172	\$ 102	\$ 2,502	\$ 5,776	\$ 5,776

(1) Past due PPP loans are excluded from the tables.

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Loan Modifications

The Company has the following programs to modify loans for borrowers experiencing financial difficulty. The table below presents the amortized cost of loans that were modified during the year ended December 31, 2023, by modification type and delinquency status:

	Combination – Interest Payment Reduction and Term Extension			Debt Settlement
	\$	\$	\$	\$
Unsecured personal				
Current	\$	7,741	\$	70
30-59 days		348		85
60-89 days		172		669
90 or more days		265		6,526
Total loan modifications	\$	8,526	\$	7,350
Percentage of total unsecured personal loans at amortized cost as of end of period		0.2 %		0.2 %

The Company's Combination modifications primarily provide borrowers with a short-term reduction in monthly payments, resulting in a term extension of approximately six months or greater compared to the original maturity date of the loan. In addition, the Company's Debt Settlement modifications, which include engaging with third-party debt settlement companies, reduce the principal and interest amounts owed by borrowers. The Company typically charges-off such Debt Settlement loans within a few months following the modification, as payments under the modified agreement are less than the original contractual amounts.

In the event of a borrower defaulting at 120 days past due, the modified loan is charged-off at the time of default. The total amount of charge-offs subsequent to modification related to Combination and Debt Settlement modifications was \$ 0.5 million and \$ 53.1 million, respectively, during the year ended December 31, 2023.

Nonaccrual Assets

Nonaccrual loans and leases are those for which accrual of interest has been suspended. Loans and leases are generally placed on nonaccrual status when contractually past due 90 days or more, or earlier if management believes that the probability of collection does not warrant further accrual, and are charged-off no later than 120 days past due.

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The following table presents nonaccrual loans and leases:

Year Ended December 31,	2023		2022	
	Nonaccrual ⁽¹⁾	Nonaccrual with no related ACL ⁽²⁾	Nonaccrual ⁽¹⁾	Nonaccrual with no related ACL ⁽²⁾
Unsecured personal	\$ 30,132	\$ —	\$ 16,255	\$ —
Residential mortgages	312	312	331	331
Secured consumer	217	—	188	—
Total nonaccrual consumer loans held for investment	30,661	312	16,774	331
Equipment finance	—	—	898	39
Commercial real estate	9,663	2,187	1,018	1,018
Commercial and industrial	4,058	1,590	16,137	1,229
Total nonaccrual commercial loans and leases held for investment ⁽³⁾	13,721	3,777	18,053	2,286
Total nonaccrual loans and leases held for investment	\$ 44,382	\$ 4,089	\$ 34,827	\$ 2,617

(1) Excluding PPP loans, there were no loans and leases that were 90 days or more past due and accruing as of both December 31, 2023 and 2022.

(2) Subset of total nonaccrual loans and leases.

(3) Includes \$ 10.4 million and \$ 4.9 million in loan balances guaranteed by the SBA as of December 31, 2023 and 2022, respectively.

Year Ended December 31,	2023			2022		
	Nonaccrual	Nonaccrual Ratios ⁽¹⁾	Nonaccrual	Nonaccrual Ratios ⁽¹⁾	Nonaccrual	Nonaccrual Ratios ⁽¹⁾
Total nonaccrual consumer loans held for investment	\$ 30,661	0.7 %	\$ 16,774	0.4 %		
Total nonaccrual commercial loans and leases held for investment	13,721	2.0 %	18,053	2.3 %		
Total nonaccrual loans and leases held for investment	\$ 44,382	0.9 %	\$ 34,827	0.7 %		

(1) Calculated as the ratio of nonaccruing loans and leases to loans and leases HFI at amortized cost.

Collateral-Dependent Assets

Certain loans on non-accrual status may be considered collateral-dependent loans if the borrower is experiencing financial difficulty and repayment of the loan is expected to be substantially through sale or operation of the collateral. Expected credit losses for the Company's collateral-dependent loans are calculated as the difference between the amortized cost basis and the fair value of the underlying collateral less costs to sell, if applicable.

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7. Securitizations and Variable Interest Entities

For additional information regarding the consolidation of VIEs, see "Note 1. Summary of Significant Accounting Policies."

VIE Assets and Liabilities

The following table presents the classifications of assets and liabilities on the Company's Balance Sheet for its transactions with consolidated and unconsolidated VIEs. The Company's transactions with VIEs include Structured Program transactions. The Company also has various forms of involvement with VIEs, including servicing loans and holding senior asset-backed securities or subordinated interests in the VIEs. Additionally, the carrying amount of assets and liabilities in the tables below exclude intercompany balances that were eliminated in consolidation.

	December 31, 2023			December 31, 2022		
	Consolidated	Unconsolidated	Total	Consolidated	Unconsolidated	Total
Assets						
Restricted cash	\$ 3,454	\$ —	\$ 3,454	\$ 8,048	\$ —	\$ 8,048
Securities available for sale at fair value	—	1,249,796	1,249,796	—	17,717	17,717
Loans held for investment at fair value	550	—	550	3,994	—	3,994
Retail and certificate loans held for investment at fair value	420	—	420	1,946	—	1,946
Other assets	14	31,531	31,545	206	10,464	10,670
Total assets	\$ 4,438	\$ 1,281,327	\$ 1,285,765	\$ 14,194	\$ 28,181	\$ 42,375
Liabilities						
Borrowings	\$ 2,468	\$ —	\$ 2,468	\$ 8,085	\$ —	\$ 8,085
Retail notes and certificates	420	—	420	1,946	—	1,946
Other liabilities	4	3,301	3,305	29	—	29
Total liabilities	2,892	3,301	6,193	10,060	—	10,060
Total net assets (maximum loss exposure)	\$ 1,546	\$ 1,278,026	\$ 1,279,572	\$ 4,134	\$ 28,181	\$ 32,315

Maximum loss exposure 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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Unconsolidated VIEs

The following table summarizes activity related to unconsolidated VIEs where the transfers were accounted for as a sale on the Company's financial statements:

December 31,	2023	2022	2021
Fair value of consideration received:			
Cash	\$ 172,397	\$ 5,320	\$ —
Asset-backed securities retained	1,299,313	2,180	—
Other assets (liabilities)	16,740	(3,794)	—
Total consideration	1,488,450	3,706	—
Deconsolidation of debt	—	36,072	—
Fair value of loans sold	(1,474,077)	(39,519)	—
Gain on sales of loans ⁽¹⁾	\$ 14,373	\$ 259	\$ —
Cash proceeds from continuing involvement:			
Servicing and other administrative fees	\$ 5,475	\$ 8,618	\$ 23,586
Interest received on asset-backed securities retained	\$ 22,786	\$ 7,285	\$ 9,136

⁽¹⁾ Consists primarily of servicing assets recognized at the time of sale, less any transaction costs, and excludes origination fees and fair value adjustments recognized prior to the sale. Prior period amounts have been reclassified to conform to the current period presentation.

Beginning in the second quarter of 2023, the Company resumed its Structured Program transactions with its newly launched Structured Certificates, where it retains the senior securities at a fixed rate, in addition to the amount required pursuant to the U.S. Risk Retention Rules, and sells the residual certificates. See "Note 5. Securities Available for Sale" for the securities retained in the Company's investment portfolio related to such transactions.

There is no direct recourse to the Company's assets, and holders of the securities can look only to those assets of the VIEs that issued their securities for payment. The residual certificates are subject principally to the credit and prepayment risk stemming from the underlying unsecured personal loans.

As of December 31, 2023, the aggregate unpaid principal balance held by unconsolidated VIEs was \$ 1.6 billion, of which \$ 9.5 million was attributable to off-balance sheet loans that were 30 days or more past due. As of December 31, 2022, the aggregate unpaid principal balance held by unconsolidated VIEs was \$ 433.5 million, of which \$ 14.9 million was attributable to off-balance sheet loans that were 30 days or more past due. For such loans, 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.

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8. Fair Value Measurements

For a description of the fair value hierarchy and the Company's fair value methodologies, see "Note 1. *Summary of Significant Accounting Policies*." The Company records certain assets and liabilities at fair value as listed in the following tables.

Recurring Fair Value Measurements

The following tables present, by level within the fair value hierarchy, the Company's assets and liabilities measured at fair value on a recurring basis:

December 31, 2023	Level 1	Level 2	Level 3	Balance at Fair Value
Assets:				
Loans held for sale at fair value	\$ —	\$ —	\$ 407,773	\$ 407,773
Loans held for investment at fair value	—	—	262,190	262,190
Retail and certificate loans held for investment at fair value	—	—	10,488	10,488
Securities available for sale:				
Senior asset-backed securities related to Structured Program transactions	—	—	1,176,403	1,176,403
U.S. agency residential mortgage-backed securities	—	224,596	—	224,596
U.S. agency securities	—	80,104	—	80,104
Other asset-backed securities related to Structured Program transactions	—	—	73,393	73,393
Mortgage-backed securities	—	37,076	—	37,076
Other asset-backed securities	—	26,101	—	26,101
Municipal securities	—	2,589	—	2,589
Total securities available for sale	—	370,466	1,249,796	1,620,262
Servicing assets	—	—	77,680	77,680
Other assets	—	3,525	—	3,525
Total assets	\$ —	\$ 373,991	\$ 2,007,927	\$ 2,381,918
Liabilities:				
Borrowings	\$ —	\$ —	\$ 2,468	\$ 2,468
Retail notes and certificates	—	—	10,488	10,488
Other liabilities	—	12,072	7,655	19,727
Total liabilities	\$ —	\$ 12,072	\$ 20,611	\$ 32,683

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December 31, 2022				Balance at Fair Value	
	Level 1	Level 2	Level 3		
Assets:					
Loans held for sale at fair value	\$ —	\$ —	\$ 110,400	\$ 110,400	\$ 110,400
Loans held for investment at fair value	—	—	925,938	925,938	925,938
Retail and certificate loans held for investment at fair value	—	—	55,425	55,425	55,425
Securities available for sale:					
U.S. agency residential mortgage-backed securities	—	214,427	—	214,427	214,427
U.S. agency securities	—	74,394	—	74,394	74,394
Mortgage-backed securities	—	22,518	—	22,518	22,518
Other asset-backed securities	—	14,203	—	14,203	14,203
Asset-backed securities related to Structured Program transactions	—	5,248	12,469	17,717	17,717
Municipal securities	—	2,443	—	2,443	2,443
Total securities available for sale	—	333,233	12,469	345,702	345,702
Servicing assets	—	—	84,308	84,308	84,308
Other assets	—	—	5,099	5,099	5,099
Total assets	\$ —	\$ 333,233	\$ 1,193,639	\$ 1,526,872	\$ 1,526,872
Liabilities:					
Borrowings	\$ —	\$ —	\$ 8,085	\$ 8,085	\$ 8,085
Retail notes and certificates	—	—	55,425	55,425	55,425
Other liabilities	—	—	8,583	8,583	8,583
Total liabilities	\$ —	\$ —	\$ 72,093	\$ 72,093	\$ 72,093

Financial instruments are categorized in the valuation hierarchy based on the significance of observable or unobservable factors in the overall fair value measurement. For the financial instruments listed in the tables above that 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 DCF 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 the Company's best estimates of the assumptions a market participant would use to calculate fair value. The Company did not transfer any assets or liabilities in or out of Level 3 during the years ended December 31, 2023 and 2022.

As of December 31, 2023, the Company updated the significant unobservable inputs used in the fair value measurement of its Level 3 assets from a cumulative credit loss rate and cumulative prepayment rate to an annualized net charge-off rate and annualized prepayment rate, respectively. The Company believes the updated inputs are more comparable to those used by other companies in the financial services industry. As such, the prior period comparative disclosures below have been conformed to the current period presentation.

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The following significant unobservable inputs were used in the fair value measurement of the Company's Level 3 assets:

- *Discount rate* – The weighted-average rate at which the expected cash flows are discounted to arrive at the net present value of the loan. The discount rate is primarily determined based on marketplace investor return expectations.
- *Annualized net charge-off rate* – The annualized rate of average charge-offs, net of recoveries, expressed as a percentage of the average principal balance of loan pools with similar risk characteristics. The calculation of this annualized rate also incorporates a qualitative estimate of credit losses based on the Company's current macroeconomic outlook.
- *Annualized prepayment rate* – The annualized rate of prepayments expressed as a percentage of the average principal balance of loan pools with similar risk characteristics.

An increase in each of the inputs above, in isolation, would result in a decrease in the fair value measurement.

The sensitivity calculations are hypothetical and should not be considered to be predictive of future performance. The effect on fair value of a variation in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Changes in one factor may lead to changes in other factors, which could impact the hypothetical results.

Loans Held for Sale at Fair Value

In the third quarter of 2023, the Company established an extended seasoning program for which it began accumulating loans into the HFS portfolio to meet investor demand for seasoned loans. As a result, the balance of the HFS portfolio increased significantly compared to the same period in the prior year.

Significant Unobservable Inputs

The following significant unobservable inputs were used in the fair value measurement of loans HFS:

	December 31, 2023			December 31, 2022			Weighted-Average
	Minimum	Maximum	Weighted-Average	Minimum	Maximum	Weighted-Average	
Discount rate	8.1 %	10.3 %	9.0 %	5.0 %	12.6 %	9.1 %	
Annualized net charge-off rate							
(¹)	2.7 %	12.9 %	6.5 %	1.9 %	23.2 %	11.6 %	
Annualized prepayment rate (¹)	15.7 %	22.5 %	19.9 %	18.5 %	27.7 %	22.9 %	

⁽¹⁾ The weighted-average rate is calculated using the original principal balance of each loan pool.

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Fair Value Sensitivity

The sensitivity of loans HFS at fair value to adverse changes in key assumptions was as follows:

	December 31, 2023	December 31, 2022
Loans held for sale at fair value	\$ 407,773	\$ 110,400
Expected remaining weighted-average life (in years)	1.5	1.4
Discount rate:		
100 basis point increase	\$ (5,093)	\$ (1,334)
200 basis point increase	\$ (10,051)	\$ (2,643)
Annualized net charge-off rate:		
10% increase	\$ (5,102)	\$ (2,289)
20% increase	\$ (10,184)	\$ (4,505)
Annualized prepayment rate:		
10% increase	\$ (851)	\$ (529)
20% increase	\$ (1,628)	\$ (1,008)

Fair Value Reconciliation

The following table presents loans HFS at fair value activity:

Balance at December 31, 2021	\$ 142,370
Originations and purchases	9,045,701
Sales	(9,039,892)
Principal payments	(31,253)
Transfers	(11,907)
Fair value adjustments recorded in earnings	5,381
Balance at December 31, 2022	\$ 110,400
Originations and purchases	4,942,457
Sales	(4,634,155)
Principal payments	(70,350)
Transfers	195,106
Fair value adjustments recorded in earnings	(135,685)
Balance at December 31, 2023	\$ 407,773

The following table summarizes the aggregate fair value of the Company's HFS loans, as well as the amount that was 90 days or more past due:

	December 31, 2023		December 31, 2022	
	Total	90 or more days past due	Total	90 or more days past due
Aggregate unpaid principal balance	\$ 431,955	\$ 1,395	\$ 114,920	\$ 188
Cumulative fair value adjustments	(24,182)	(1,102)	(4,520)	(153)
Fair value of loans held for sale	\$ 407,773	\$ 293	\$ 110,400	\$ 35

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Loans Held for Investment at Fair Value

Significant Unobservable Inputs

The following significant unobservable inputs were used in the fair value measurement of loans HFI held at fair value:

	December 31, 2023			December 31, 2022		
	Minimum	Maximum	Weighted-Average	Minimum	Maximum	Weighted-Average
Discount rate	8.4 %	16.2 %	12.8 %	8.8 %	17.1 %	12.7 %
Annualized net charge-off rate ⁽¹⁾	1.9 %	5.9 %	3.7 %	1.6 %	5.3 %	3.2 %
Annualized prepayment rate ⁽¹⁾	18.6 %	27.7 %	22.6 %	19.5 %	31.0 %	24.0 %

⁽¹⁾ The weighted-average rate is calculated using the original principal balance of each loan pool.

Fair Value Sensitivity

The sensitivity of loans HFI at fair value to adverse changes in key assumptions was as follows:

	December 31,	
	December 31, 2023	2022
Loans held for investment at fair value	\$ 262,190	\$ 925,938
Expected remaining weighted-average life (in years)	0.9	0.9
Discount rate:		
100 basis point increase	\$ (1,957)	\$ (7,471)
200 basis point increase	\$ (3,888)	\$ (14,830)
Annualized net charge-off rate:		
10% increase	\$ (1,753)	\$ (5,574)
20% increase	\$ (3,595)	\$ (11,307)
Annualized prepayment rate:		
10% increase	\$ (857)	\$ (4,311)
20% increase	\$ (1,675)	\$ (7,480)

Fair Value Reconciliation

The following table presents loans HFI at fair value activity:

Balance at December 31, 2021	\$ 21,240
Purchases	954,086
Principal payments	(74,393)
Transfers	22,294
Interest income accretion and fair value adjustments recorded in earnings	2,711
Balance at December 31, 2022	\$ 925,938
Purchases	4,243
Principal payments	(485,043)
Transfers	(195,106)
Interest income accretion and fair value adjustments recorded in earnings	12,158
Balance at December 31, 2023	\$ 262,190

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The following table summarizes the aggregate fair value of the Company's HFI loans held at fair value, as well as the amount that was 90 days or more past due:

	December 31, 2023			December 31, 2022		
	Total	90 or more days past due		Total	90 or more days past due	
Aggregate unpaid principal balance	\$ 281,031	\$ 3,774		\$ 1,002,465	\$ 6,345	
Cumulative fair value adjustments	(18,841)	(3,037)		(76,527)	(5,158)	
Fair value of loans held for investment	\$ 262,190	\$ 737		\$ 925,938	\$ 1,187	

Retail and Certificate Loans and Related Notes and Certificates

The Company does not assume principal or interest rate risk on loans that were funded by its member payment-dependent self-directed retail program (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. At December 31, 2023 and 2022, the DCF methodology used to estimate the retail note and certificate's fair values used the same projected net cash flows as their related loans. Therefore, the fair value adjustments for retail loans held for investment were largely offset by the corresponding fair value adjustments due to the payment-dependent design of the retail notes and certificates.

Asset-Backed Securities Related to Structured Program Transactions

Prior year comparative disclosures related to significant unobservable inputs, fair value sensitivities and fair value rollforwards for asset-backed securities related to Structured Program transactions are not presented below as the comparability between periods would not be meaningful given that the current period consists primarily of its newly launched Structured Certificates that the Company began entering into in the second quarter of 2023. See "Note 7. Securitizations and Variable Interest Entities" for more information.

Senior Asset-Backed Securities Related to Structured Program Transactions

As of December 31, 2023, the fair value of the senior asset-backed securities related to Structured Program transactions was \$ 1.2 billion with an expected remaining weighted-average life of 1.5 years. Discount rate, which includes credit spreads, was the significant unobservable input used to measure the fair value of this Level 3 asset. The minimum, maximum and weighted-average discount rate assumptions were 7.0 % as of December 31, 2023. A hypothetical 100 and 200 basis point increase in the discount rate would decrease the fair value by \$ 18.0 million and \$ 36.0 million, respectively.

The following table presents senior asset-backed securities related to Structured Program transactions activity:

	December 31, 2023
Fair value at beginning of period	\$ —
Additions	1,225,796
Cash received	(60,283)
Change in unrealized gain	10,890
Fair value at end of period	\$ 1,176,403

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Other Asset-Backed Securities Related to Structured Program Transactions

Significant Unobservable Inputs

The following significant unobservable inputs were used in the fair value measurement of other asset-backed securities related to Structured Program transactions:

	December 31, 2023		
	Minimum	Maximum	Weighted-Average
Discount rate	8.1 %	10.3 %	9.0 %
Annualized net charge-off rate ⁽¹⁾	4.9 %	5.9 %	5.5 %
Annualized prepayment rate ⁽¹⁾	19.2 %	21.0 %	20.1 %

⁽¹⁾ The weighted-average rate is calculated using the original principal balance of each security.

Fair Value Sensitivity

The sensitivity in the fair value of other asset-backed securities related to Structured Program transactions to changes in key assumptions was as follows:

	December 31, 2023	
Fair value of interests held	\$	73,393
Expected remaining weighted-average life (in years)		1.5
Discount rate		
100 basis point increase	\$	(927)
200 basis point increase	\$	(1,836)
Annualized net charge-off rate		
10% increase	\$	(882)
20% increase	\$	(1,771)
Annualized prepayment rate		
10% increase	\$	(203)
20% increase	\$	(430)

Fair Value Reconciliation

The following table presents additional information about Level 3 other asset-backed securities related to Structured Program transactions measured at fair value:

	December 31, 2023	
Fair value at beginning of period	\$	12,469
Additions		73,516
Cash received		(12,634)
Change in unrealized gain		42
Fair value at end of period	\$	73,393

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Servicing Assets

Significant Unobservable Inputs

The following significant unobservable inputs were used in the fair value measurement for servicing assets related to loans sold to investors:

	December 31, 2023			December 31, 2022		
	Minimum	Maximum	Weighted-Average	Minimum	Maximum	Weighted-Average
Discount rate	8.7 %	17.3 %	11.3 %	7.5 %	16.4 %	10.1 %
Annualized net charge-off rate ⁽¹⁾	1.9 %	24.0 %	8.7 %	1.3 %	23.7 %	9.3 %
Annualized prepayment rate ⁽¹⁾	15.6 %	25.7 %	20.3 %	16.3 %	30.9 %	24.4 %
Market servicing rate ⁽²⁾	0.62 %	0.62 %	0.62 %	0.62 %	0.62 %	0.62 %

(1) The weighted-average rate is calculated using the original principal balance of each loan pool.

(2) The fees a willing market participant would require for the servicing of loans with similar characteristics as those in the Company's serviced portfolio.

Fair Value Sensitivity

The sensitivity of the fair value of servicing assets to adverse changes in key assumptions was as follows:

	December 31, 2023	December 31, 2022
Fair value of servicing assets	\$ 77,680	\$ 84,308
Expected remaining weighted-average life (in years)	1.2	1.2
Discount rate:		
100 basis point increase	\$ (675)	\$ (726)
200 basis point increase	\$ (1,349)	\$ (1,451)
Annualized net charge-off rate:		
10% increase	\$ (878)	\$ (1,037)
20% increase	\$ (1,756)	\$ (2,074)
Annualized prepayment rate:		
10% increase	\$ (1,550)	\$ (1,994)
20% increase	\$ (3,100)	\$ (3,989)

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:

	December 31, 2023	December 31, 2022
Weighted-average market servicing rate assumptions	0.62 %	0.62 %
Change in fair value from:		
Market servicing rate increase by 0.10 %	\$ (8,719)	\$ (10,505)
Market servicing rate decrease by 0.10 %	\$ 8,719	\$ 10,505

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Fair Value Reconciliation

The following table presents servicing assets measured at fair value activity:

Fair value at December 31, 2021	\$ 67,726
Issuances ⁽¹⁾	93,352
Change in fair value, included in Marketplace Revenue	(73,229)
Other net changes	(3,541)
Fair value at December 31, 2022	\$ 84,308
Issuances ⁽¹⁾	56,032
Change in fair value, included in Marketplace Revenue	(62,581)
Other net changes	(79)
Fair value at December 31, 2023	\$ 77,680

⁽¹⁾ Represents the servicing assets recorded when loans are sold. Included in "Gain on sales of loans" within "Marketplace revenue" on the Income Statement.

Financial Instruments Not Recorded at Fair Value

The following tables present the carrying amount and estimated fair values, by level within the fair value hierarchy, of the Company's assets and liabilities that are not recorded at fair value on a recurring basis:

December 31, 2023	Carrying Amount	Balance at Fair Value		
		Level 1	Level 2	Level 3
Assets:				
Loans and leases held for investment, net	\$ 4,539,915	\$ —	\$ 4,675,354	\$ 4,675,354
Other assets	37,605	—	36,884	1,017
Total assets	\$ 4,577,520	\$ —	\$ 4,676,371	\$ 4,713,255
Liabilities:				
Deposits ⁽¹⁾	\$ 1,714,889	\$ —	\$ 1,714,203	\$ 1,714,203
Borrowings	6,398	—	—	6,398
Other liabilities	59,015	—	36,823	22,192
Total liabilities	\$ 1,780,302	\$ —	\$ 1,742,793	\$ 1,779,616

December 31, 2022	Carrying Amount	Balance at Fair Value		
		Level 1	Level 2	Level 3
Assets:				
Loans and leases held for investment, net	\$ 4,705,302	\$ —	\$ 4,941,825	\$ 4,941,825
Other assets	36,646	—	35,300	1,397
Total assets	\$ 4,741,948	\$ —	\$ 4,943,222	\$ 4,978,522
Liabilities:				
Deposits ⁽¹⁾	\$ 860,808	\$ —	\$ 860,808	\$ 860,808
Borrowings	66,773	—	2,619	64,154
Other liabilities	62,247	—	30,311	31,936
Total liabilities	\$ 989,828	\$ —	\$ 956,898	\$ 989,828

⁽¹⁾ Excludes deposit liabilities with no defined or contractual maturities.

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9. Derivative Instruments and Hedging Activities

Credit Derivatives

Beginning in the second quarter of 2023, the Company entered into credit support agreements related to loan sales, whereby it is obligated to make payments to a limited number of strategic investors approximately 18 months after sale if credit losses exceed certain initial agreed-upon thresholds, subject to a maximum dollar amount. Accordingly, these are accounted for as credit derivative liabilities, measured at fair value, and recorded in "Other liabilities" on the Balance Sheet. The initial fair value of the derivative liabilities is recorded in "Gain on sales of loans" with changes in the fair value recorded in "Net fair value adjustments," both within "Marketplace revenue" on the Income Statement.

As of December 31, 2023, the total notional amount, or maximum dollar exposure, of the credit derivative liabilities was \$ 7.3 million with a fair value of \$ 6.4 million, which was based on the combined impact of both the quantitative and qualitative credit loss forecast. For the year ended December 31, 2023, the Company recognized a loss of \$ 6.4 million in earnings.

Hedging

The Company is exposed to changes in the fair value of its fixed-rate loans due to changes in benchmark interest rates. Beginning in the third quarter of 2023, the Company entered into interest rate swaps to manage its exposure to changes in fair value of these loans attributable to changes in the Secured Overnight Financing Rate (SOFR). The interest rate swaps qualify as fair value hedges and involve the payment of fixed-rate amounts to a counterparty in exchange for the receipt of variable-rate payments over the life of the agreements, ranging from approximately one to three years .

The table below presents the notional and gross fair value amounts of the Company's derivatives used for hedging as of December 31, 2023:

	Notional	Gross Derivative Liability	
		Fair Value ⁽¹⁾	
Derivatives used for hedging:			
Interest rate swaps	\$ 1,500,000	\$ (8,547)	

⁽¹⁾ Recorded in "Other liabilities" on the Balance Sheet.

The following table summarizes the gains (losses) recognized on the Company's fair value hedges for year ended December 31, 2023:

Gains (losses) recognized on:		
Hedged item	\$ 8,881	
Derivatives used for hedging	(8,547)	
Interest settlement on derivative ⁽¹⁾	2,514	
Total gains on fair value hedges ⁽²⁾	\$ 2,848	

⁽¹⁾ Includes accrued interest receivable and accrued interest payable.

⁽²⁾ Recorded in "Interest and fees on loans held for investment" on the Income Statement.

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The following table presents the cumulative basis adjustments for fair value hedges as of December 31, 2023:

Balance Sheet Line Item	Carrying Amount of Closed Portfolio ⁽¹⁾	Cumulative Fair Value Adjustment to Hedged Item ⁽²⁾
Loans and leases held for investment at amortized cost	\$ 3,109,854	\$ 8,881

⁽¹⁾ Represents the amortized cost of the total closed portfolio of loans designated in a portfolio method hedge relationship in which the hedged item is a stated layer that is expected to be remaining at the end of the hedging relationship. At December 31, 2023, the amortized cost of loans designated as the hedged item in the portfolio layer hedging relationship was \$ 1.5 billion.

⁽²⁾ Included in the carrying amount of the closed portfolio of loans.

10. Property, Equipment and Software, Net

Property, equipment and software, net, consist of the following:

December 31,	2023	2022
Software ⁽¹⁾	\$ 209,260	\$ 174,360
Leasehold improvements	30,764	31,214
Computer equipment	21,654	27,410
Furniture and fixtures	5,845	6,088
Total property, equipment and software	267,523	239,072
Accumulated depreciation and amortization	(106,006)	(102,599)
Total property, equipment and software, net	\$ 161,517	\$ 136,473

⁽¹⁾ Includes \$ 66.9 million and \$ 43.7 million of development in progress for internally-developed software and \$ 4.6 million and \$ 3.0 million of development in progress to customize purchased software as of December 31, 2023 and 2022, respectively.

Depreciation and amortization expense on property, equipment and software was \$ 43.0 million, \$ 39.0 million and \$ 38.2 million for the years ended December 31, 2023, 2022 and 2021, respectively.

11. Goodwill and Intangible Assets

Goodwill

The Company's Goodwill balance was \$ 75.7 million as of both December 31, 2023 and 2022. The Company did not record any goodwill impairment expense during the years ended December 31, 2023, 2022 and 2021. Goodwill is not amortized, but is subject to annual impairment tests that are performed in the fourth quarter of each calendar year. For additional detail, see "Note 1. Summary of Significant Accounting Policies."

Intangible Assets

Intangible assets consist of customer relationships. Intangible assets, net of accumulated amortization, are included in "Other assets" on the Balance Sheet. The gross and net carrying values and accumulated amortization were as follows:

December 31,	2023	2022
Gross carrying value	\$ 54,500	\$ 54,500
Accumulated amortization	(42,365)	(38,166)
Net carrying value	\$ 12,135	\$ 16,334

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The customer relationship intangible assets are amortized on an accelerated basis from ten to fourteen years. Amortization expense associated with intangible assets for the years ended December 31, 2023, 2022 and 2021 was \$ 4.2 million, \$ 4.8 million and \$ 5.2 million, respectively. There was no impairment loss for the years ended December 31, 2023, 2022 and 2021.

The expected future amortization expense for intangible assets as of December 31, 2023, is as follows:

2024	\$ 3,549
2025	2,901
2026	2,252
2027	1,603
2028	945
Thereafter	885
Total	\$ 12,135

12. Other Assets

Other assets consist of the following:

December 31,	2023	2022
Deferred tax assets, net ⁽¹⁾	\$ 151,411	\$ 173,687
Servicing assets ⁽²⁾	78,401	85,654
Nonmarketable equity investments	42,891	38,320
Accrued interest receivable	35,793	30,901
Operating lease assets	26,611	63,872
Intangible assets, net ⁽³⁾	12,135	16,334
Other	108,211	91,538
Total other assets	\$ 455,453	\$ 500,306

⁽¹⁾ See "Note 18. Income Taxes" for additional detail.

⁽²⁾ Loans underlying servicing assets had a total outstanding principal balance of \$ 9.5 billion and \$ 11.0 billion as of December 31, 2023 and 2022, respectively.

⁽³⁾ See "Note 11. Goodwill and Intangible Assets" for additional detail.

13. Deposits

Deposits consist of the following:

December 31,	2023	2022
Interest-bearing deposits:		
Savings and money market accounts	\$ 4,349,239	\$ 3,616,657
Certificates of deposit	1,714,889	860,808
Checking accounts	937,552	1,681,095
Total	\$ 7,001,680	\$ 6,158,560
Noninterest-bearing deposits	331,806	233,993
Total deposits	\$ 7,333,486	\$ 6,392,553

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Total certificates of deposit at December 31, 2023 are scheduled to mature as follows:

2024	\$ 1,559,553
2025	142,515
2026	1,593
2027	9,226
2028	2,002
Total certificates of deposit	\$ 1,714,889

The following table presents the amount of certificates of deposit with denominations exceeding the Federal Deposit Insurance Corporation (FDIC) limit of \$250 thousand, segregated by time remaining until maturity, as of December 31, 2023:

	Three months or less	Over 3 months through 6 months		Over 6 months through 12 months		Over 12 months	Total
		Over 3 months through 6 months	Over 6 months through 12 months				
Certificates of deposit	\$ 5,673	\$ 8,139	\$ 132,912	\$ 3,403	\$ 150,127		

14. Borrowings

Short-term Borrowings

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. There was no debt outstanding under the Company's repurchase agreements at December 31, 2023. The aggregate debt outstanding under the Company's repurchase agreements was \$ 2.6 million at December 31, 2022.

In addition, the Company has available borrowing capacity with the FRB and FHLB of Des Moines totaling \$ 3.5 billion and \$ 605.5 million, with pledged collateral totaling \$ 6.4 million and \$ 754.0 million, at December 31, 2023 and 2022, respectively.

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Long-term Debt

The following table summarizes the Company's long-term debt, as of the dates indicated:

December 31,	2023	2022
Advances from PPPLF⁽¹⁾:		
Aggregate debt outstanding (fixed interest rate of 0.35 %)	\$ 6,398	\$ 64,154
Pledged collateral	\$ 6,392	\$ 66,971
Retail notes and certificates⁽²⁾:		
Aggregate debt outstanding	\$ 10,488	\$ 55,425
Payable on Structured Program borrowings⁽³⁾:		
Aggregate debt outstanding	\$ 2,468	\$ 8,085
Pledged collateral	\$ 3,930	\$ 9,708

⁽¹⁾ Collateralized by SBA PPP loans originated by the Company. The maturity date of the PPPLF borrowings matches the maturity date of the pledged SBA PPP loans. When loans are forgiven by the SBA, the corresponding PPPLF advance is paid by the Company.

⁽²⁾ The Company does not assume principal or interest rate risk on loans that were funded by Retail Notes because loan balances, interest rates and maturities were matched and offset by an equal balance of notes 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.

⁽³⁾ Consists of certificate participations and securities of certain consolidated VIEs held by third-party investors and secured by "Loans held for investment at fair value" totaling \$ 0.5 million and \$ 4.0 million and "Restricted cash" of \$ 3.4 million and \$ 5.7 million as of December 31, 2023 and 2022, respectively.

15. Other Liabilities

Other liabilities consist of the following:

December 31,	2023	2022
Accounts payable and accrued expenses	\$ 54,619	\$ 98,173
Operating lease liabilities	37,869	77,291
Payable to investors ⁽¹⁾	36,823	30,311
Other	93,490	86,842
Total other liabilities	\$ 222,801	\$ 292,617

⁽¹⁾ Represents principal and interest on loans collected by the Company and pending disbursement to investors.

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16. 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:

Year Ended December 31,	2023		
	Before Tax	Tax Effect	Net of Tax
Change in net unrealized gain on securities available for sale	\$ 10,238	\$ (2,926)	\$ 7,312
Other comprehensive income	\$ 10,238	\$ (2,926)	\$ 7,312

Year Ended December 31,	2022		
	Before Tax	Tax Effect	Net of Tax
Change in net unrealized loss on securities available for sale	\$ (61,326)	\$ 16,664	\$ (44,662)
Other comprehensive loss	\$ (61,326)	\$ 16,664	\$ (44,662)

Year Ended December 31,	2021		
	Before Tax	Tax Effect	Net of Tax
Change in net unrealized gain on securities available for sale	\$ 5,562	\$ —	\$ 5,562
Other comprehensive income	\$ 5,562	\$ —	\$ 5,562

Accumulated other comprehensive income (loss) balances were as follows:

	Total	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2021	\$ 7,046	
Net unrealized loss on securities available for sale		(44,662)
Balance at December 31, 2022	\$ (37,616)	
Net unrealized gain on securities available for sale		7,312
Balance at December 31, 2023	\$ (30,304)	

17. Employee Incentive Plans

The Company's equity incentive plans provide for granting awards, including RSUs, PBRSSUs, cash awards and stock options to employees, officers and directors.

Common Stock Reserved for Future Issuance

Shares of common stock reserved for future issuance was as follows:

December 31,	2023	2022
Available for future RSU, PBRSSU and stock option grants	22,732,012	17,473,925
Unvested RSUs, PBRSSUs and stock options outstanding	9,338,246	11,676,962
Available for ESPP	7,484,043	6,302,187
Total reserved for future issuance	39,554,301	35,453,074

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Stock-based Compensation

Stock-based compensation expense, included in "Compensation and benefits" expense on the Income Statement, was as follows for the periods presented:

Year Ended December 31,	2023	2022	2021
RSUs and PBRUS	\$ 61,619	\$ 74,334	\$ 70,935
Stock options	—	46	599
Stock-based compensation expense, gross	61,619	74,380	71,534
Less: Capitalized stock-based compensation expense	9,230	8,018	4,383
Stock-based compensation expense, net	\$ 52,389	\$ 66,362	\$ 67,151

Restricted Stock Units

The following table summarizes the activities for the Company's RSUs:

	Number of Units	Weighted- Average Grant Date Fair Value
Unvested at December 31, 2022	8,672,626	\$ 12.94
Granted	7,138,085	\$ 7.57
Vested	(5,575,341)	\$ 11.44
Forfeited/expired	(3,235,539)	\$ 11.28
Unvested at December 31, 2023	6,999,831	\$ 9.42

During the year ended December 31, 2023, the Company granted 7,138,085 RSUs with an aggregate fair value of \$ 54.0 million.

As of December 31, 2023, there was \$ 59.4 million of unrecognized compensation cost related to unvested RSUs, which is expected to be recognized over a weighted-average period of approximately 1.8 years, subject to any forfeitures.

Performance-based Restricted Stock Units

The Company's outstanding PBRSU awards each have a market-based performance metric with a three-year performance period, following which any earned portion is immediately vested. For these PBRSU awards, the compensation expense of the award is fixed at the time of grant (incorporating the probability of achieving the market-based metrics) and expensed over the performance period.

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The following table summarizes the activities for the Company's PBRSUs:

	Number of Units	Weighted- Average Grant Date Fair Value
Unvested at December 31, 2022	1,754,898	\$ 11.19
Granted	807,499	\$ 7.15
Vested	(870,766)	\$ 4.22
Forfeited/expired	(221,818)	\$ 12.37
Unvested at December 31, 2023	1,469,813	\$ 12.60

During the year ended December 31, 2023, the Company granted 807,499 PBRSUs with an aggregate fair value of \$ 5.8 million.

As of December 31, 2023, there was \$ 5.9 million of unrecognized compensation cost related to unvested PBRSUs, which is expected to be recognized over a weighted-average period of approximately 1.4 years, subject to any forfeitures.

Stock Options

The following table summarizes the activities for the Company's stock options:

	Number of Options	Weighted- Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value ⁽¹⁾ (in thousands)
Outstanding at December 31, 2022	1,249,451	\$ 37.11		
Exercised	(35,473)	\$ 5.30		
Forfeited/Expired	(345,376)	\$ 35.57		
Outstanding at December 31, 2023	868,602	\$ 39.02	1.2	\$ 15
Exercisable at December 31, 2023	868,602	\$ 39.02	1.2	\$ 15

⁽¹⁾ 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 \$ 8.74 as reported on the New York Stock Exchange on December 29, 2023.

The aggregate intrinsic value of options exercised was \$ 0.1 million, \$ 1.7 million and \$ 5.1 million for the years ended December 31, 2023, 2022 and 2021, respectively. The total fair value of stock options vested for both the years ended December 31, 2022 and 2021 was \$ 0.3 million. As of December 31, 2022, all stock options were fully vested and there was no unrecognized compensation cost remaining. In addition, there were no stock options granted during the years ended December 31, 2023, 2022 and 2021.

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18. Income Taxes

Income tax benefit (expense) consisted of the following:

Year Ended December 31,	2023	2022	2021
Current:			
Federal	\$ (3,180)	\$ —	\$ —
State	5,060	(20,812)	(3,541)
Total current tax benefit (expense)	\$ 1,880	\$ (20,812)	\$ (3,541)
Deferred:			
Federal	\$ (11,427)	\$ 121,520	\$ 2,066
State	(6,131)	35,940	1,611
Total deferred benefit (expense)	\$ (17,558)	\$ 157,460	\$ 3,677
Income tax benefit (expense)	\$ (15,678)	\$ 136,648	\$ 136

Income tax expense for the year ended December 31, 2023 was \$ 15.7 million. The effective tax rate differs from the statutory rate due to the impact of state taxes, the favorable impact of recurring items such as tax credits, the unfavorable impact of the non-deductible portions of executive compensation and stock-based compensation, and the change in unrecognized tax benefits. Income tax benefit for the year ended December 31, 2022 was \$ 136.6 million, primarily due to the release of a \$ 175.6 million valuation allowance against the Company's deferred tax assets, of which \$ 143.5 million was primarily based on the Company's reassessment of the future realizability of its deferred tax assets. Income tax benefit for the year ended December 31, 2021 was \$ 136 thousand, primarily related to a tax benefit associated with the Acquisition, partially offset by income tax expense for state jurisdictions that limit net operating loss carryforward utilization.

The table below presents a reconciliation of the income tax benefit (expense) at the statutory federal income tax rate to the income tax benefit (expense) at the effective income tax rate:

Year Ended December 31,	2023	2022	2021
Statutory federal tax expense	\$ (11,470)	\$ (32,140)	\$ (3,873)
State tax, net of federal tax benefit	(903)	11,951	(1,524)
Stock-based compensation tax benefit (expense)	(4,392)	271	11,839
Research and development tax credits	4,600	10,907	4,354
Change in valuation allowance	—	154,081	(7,867)
Change in unrecognized tax benefit	(1,380)	(3,438)	(2,177)
Non-deductible expenses	(2,351)	(4,737)	(742)
Other	218	(247)	126
Income tax benefit (expense)	\$ (15,678)	\$ 136,648	\$ 136

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The significant components of the Company's net deferred tax asset were as follows:

December 31,	2023	2022
Deferred tax assets:		
Net operating loss carryforwards	\$ 60,432	\$ 64,288
Allowance for loan and lease losses	84,119	89,718
Stock-based compensation	7,399	10,121
Unrealized loss on AFS securities	12,484	17,214
Deferred compensation	6,574	12,690
Reserves and accruals	12,651	13,474
Operating lease liabilities	10,185	20,999
Goodwill	10,203	12,267
Tax credit carryforwards	27,924	26,913
Other	3,926	4,249
Gross deferred tax assets	235,897	271,933
Valuation allowance	(46,108)	(47,721)
Total deferred tax assets	\$ 189,789	\$ 224,212
Deferred tax liabilities:		
Internally developed software	\$ (9,934)	\$ (11,687)
Servicing assets	(2,171)	(2,634)
Operating lease assets	(7,157)	(17,353)
Leases	(13,121)	(15,694)
Other	(5,995)	(3,157)
Total deferred tax liabilities	\$ (38,378)	\$ (50,525)
Deferred tax assets, net	\$ 151,411	\$ 173,687

In 2022, the Company evaluated both positive and negative evidence when assessing the recoverability of its net deferred tax assets. Several factors were considered, which primarily included the Company's business model transition and resulting increase in profitability and the expectation of continued profitability. These factors resulted in the release of the majority of the Company's valuation allowance against its deferred tax assets during 2022. As of December 31, 2023, the Company maintained a valuation allowance of \$ 46.1 million solely related to certain state net operating loss carryforwards (NOLs) and state tax credit carryforwards.

As of December 31, 2023, the Company had federal and state NOLs (prior to the application of statutory tax rates) of approximately \$ 88.8 million and \$ 534.5 million, respectively. Federal and state NOLs of approximately \$ 88.8 million and \$ 28.9 million, respectively, carry forward indefinitely while the remaining state NOLs primarily start expiring in 2030. The carryforwards, net of the valuation allowance for certain states, are expected to be fully utilized prior to expiration. Additionally, as of December 31, 2023, the Company had federal and state research and development credit carryforwards of \$ 31.8 million and \$ 24.9 million, respectively. The federal research credit carryforwards will expire beginning in 2036 and the state research credits may be carried forward indefinitely.

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A reconciliation of the beginning and ending balance of total unrecognized tax benefits was as follows:

Year Ended December 31,	2023	2022	2021
Beginning balance	\$ 27,850	\$ 22,512	\$ 17,626
Gross increase for tax positions related to prior years	(161)	2,488	1,272
Gross increase for tax positions related to the current year	2,373	2,850	3,614
Ending balance	\$ 30,062	\$ 27,850	\$ 22,512

As of December 31, 2023, \$ 19.5 million of unrecognized tax benefits, if recognized, would impact the Company's effective tax rate. The Company had approximately \$ 0.4 million and \$ 0.2 million accrued for the payment of interest and penalties related to unrecognized tax benefits as of December 31, 2023 and 2022, respectively. 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, 2023, the Company's federal tax returns for 2019 and earlier, and state tax returns for 2018 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.

19. Leases

Lessor Arrangements

The Company has lessor arrangements which consist of sales-type leases for equipment (Equipment Finance). Such arrangements may include options to renew or to purchase the leased equipment at the end of the lease term. For the years ended December 31, 2023, 2022 and 2021, interest earned on Equipment Finance was \$ 8.9 million, \$ 10.2 million and \$ 10.8 million, respectively, and is included in "Interest and fees on loans and leases held for investment" on the Income Statement.

The components of Equipment Finance assets are as follows:

December 31,	2023	2022
Lease receivables	\$ 92,546	\$ 137,969
Unguaranteed residual asset values	28,913	39,262
Unearned income	(11,072)	(17,786)
Deferred fees	605	874
Total	\$ 110,992	\$ 160,319

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Future minimum lease payments based on maturity of the Company's lessor arrangements as of December 31, 2023 were as follows:

2024	\$ 38,583
2025	27,289
2026	16,411
2027	7,845
2028	4,053
Thereafter	1,545
Total lease payments	\$ 95,726
Discount effect	(3,180)
Present value of future minimum lease payments	\$ 92,546

Lessee Arrangements

The Company has various operating leases, including with respect to its headquarters in San Francisco, California, and office spaces in the Salt Lake City, Utah, and Boston, Massachusetts areas. As of December 31, 2023, the lease agreements have remaining lease terms ranging from approximately two years to five years. Some of the lease agreements include options to extend the lease term for up to an additional fifteen years. As of December 31, 2023, the Company pledged \$ 0.4 million of cash and \$ 1.1 million in letters of credit as security deposits in connection with its lease agreements.

Balance sheet information related to leases was as follows:

ROU Assets and Lease Liabilities	Balance Sheet Classification	December 31, 2023	December 31, 2022
Operating lease assets	Other assets	\$ 26,611	\$ 63,872
Operating lease liabilities	Other liabilities	\$ 37,869	\$ 77,291

Components of net lease costs were as follows:

Net Lease Costs	Income Statement Classification	Year Ended December 31,		
		2023	2022	2021
Operating lease costs	Occupancy	\$ (11,963)	\$ (15,189)	\$ (18,773)
Sublease revenue	Other non-interest income	—	2,847	6,149
Net lease costs		\$ (11,963)	\$ (12,342)	\$ (12,624)

Supplemental cash flow information related to the Company's operating leases was as follows:

Year Ended December 31,	2023	2022	2021
Non-cash operating activity:			
Leased assets obtained or adjusted in exchange for new, amended, and modified operating lease liabilities ⁽¹⁾	\$ (29,745)	\$ (3,650)	\$ 12,914

⁽¹⁾ Amounts include noncash remeasurements of the operating lease ROU asset.

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The Company's future minimum undiscounted lease payments under operating leases as of December 31, 2023 were as follows:

	Operating Lease Payments
2024	\$ 12,798
2025	13,129
2026	7,228
2027	4,265
2028	3,922
Thereafter	909
Total lease payments	\$ 42,251
Discount effect	4,382
Present value of future minimum lease payments	\$ 37,869

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, 2023
Weighted-average remaining lease term (in years)	3.72
Weighted-average discount rate	5.04 %

20. Commitments and Contingencies

Operating Lease Commitments

For discussion regarding the Company's operating lease commitments, see "Note 19. Leases."

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 loan sales, the Company agreed to repurchase loans if representations and warranties made with respect to such loans were breached under certain circumstances. The Company believes such provisions are customary and consistent with institutional loan and securitization market standards.

Unfunded Loan Commitments

As of December 31, 2023 and 2022, the contractual amount of unfunded loan commitments was \$ 78.1 million and \$ 138.0 million, respectively. See "Note 6. Loans and Leases Held for Investment at Amortized Cost, Net of Allowance For Loan and Lease Losses" for additional detail related to the reserve for unfunded lending commitments.

Legal

The Company is subject to various claims brought in a litigation or regulatory context. These matters include lawsuits, including but not limited to, putative class action lawsuits and routine litigation matters arising in the ordinary course of business. In addition, the Company, and its business practices and compliance with licensing and other regulatory requirements, is subject to periodic exams, investigations, inquiries or requests, enforcement

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actions and other proceedings from federal and state regulatory and/or law enforcement agencies, including from the federal banking regulators that directly regulate the Company and/or LC Bank. 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.

Regulatory Examinations and Actions Relating to the Company's Business Practices, Licensing and Compliance with Applicable Laws

The Company is and has been subject to periodic inquiries, exams 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 operating in compliance with applicable laws, including the requirements of its licenses and the regulatory framework applicable to its business.

In the past, the Company has successfully resolved such matters 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. However, no assurances can be given as to the timing, outcome or consequences of these matters or other similar matters if or as they arise.

21. Regulatory Requirements

LendingClub and LC Bank are subject to comprehensive supervision, examination and enforcement, and regulation by the FRB and the Office of the Comptroller of the Currency (OCC), including generally similar capital adequacy 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; and define what qualifies as capital for purposes of meeting the capital requirements. Failure to meet minimum capital requirements can result in certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company.

The minimum capital requirements under the Basel Committee on Banking Supervision standardized approach for U.S. banking organizations (Basel III) capital framework are: a CET1 risk-based capital ratio of 4.5%, a Tier 1 risk-based capital ratio of 6.0%, a total risk-based capital ratio of 8.0%, and a Tier 1 leverage ratio of 4.0%. Additionally, a Capital Conservation Buffer (CCB) of 2.5% must be maintained above the minimum risk-based capital requirements in order to avoid certain limitations on capital distributions, stock repurchases, and certain discretionary bonus payments. In addition to these guidelines, 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 prescribed under the Basel III capital framework. In this regard, and unless otherwise directed by the FRB and the OCC, the Company and LC Bank made commitments (until February 2024) to maintain a CET1 risk-based capital ratio of 11.0 %, a Tier 1 risk-based capital ratio above 11.0 %, a total risk-based capital ratio above 13.0 %, and a Tier 1 leverage ratio of 11.0 %. On February 2, 2024, the Operating Agreement with the OCC expired and LC Bank and the Company are no longer subject to these ratio commitments.

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The following table summarizes the Company's and LC Bank's regulatory capital amounts (in millions) and ratios:

	December 31, 2023		December 31, 2022		Required Minimum plus Required CCB for Non-Leverage Ratios
	Amount	Ratio	Amount	Ratio	
LendingClub Corporation:					
CET1 capital ⁽¹⁾	\$ 1,090.2	17.9 %	\$ 1,005.8	15.8 %	7.0 %
Tier 1 capital	\$ 1,090.2	17.9 %	\$ 1,005.8	15.8 %	8.5 %
Total capital	\$ 1,169.2	19.2 %	\$ 1,088.1	17.1 %	10.5 %
Tier 1 leverage	\$ 1,090.2	12.9 %	\$ 1,005.8	14.1 %	4.0 %
Risk-weighted assets	\$ 6,104.5	N/A	\$ 6,360.7	N/A	N/A
Quarterly adjusted average assets	\$ 8,476.1	N/A	\$ 7,119.0	N/A	N/A
LendingClub Bank:					
CET1 capital ⁽¹⁾	\$ 949.4	15.8 %	\$ 852.2	13.8 %	7.0 %
Tier 1 capital	\$ 949.4	15.8 %	\$ 852.2	13.8 %	8.5 %
Total capital	\$ 1,027.4	17.1 %	\$ 932.4	15.1 %	10.5 %
Tier 1 leverage	\$ 949.4	11.4 %	\$ 852.2	12.5 %	4.0 %
Risk-weighted assets	\$ 6,022.2	N/A	\$ 6,194.0	N/A	N/A
Quarterly adjusted average assets	\$ 8,337.4	N/A	\$ 6,795.2	N/A	N/A

N/A – Not applicable

⁽¹⁾ Consists of common stockholders' equity as defined under U.S. GAAP and certain adjustments made in accordance with regulatory capital guidelines, including the addition of the CECL transitional benefit and deductions for goodwill and other intangible assets.

In response to the COVID-19 pandemic, the FRB, OCC, and FDIC adopted a final rule related to the regulatory capital treatment of the allowance for credit losses under CECL. As permitted by the rule, the Company elected to delay the estimated impact of CECL on regulatory capital resulting in a CET1 capital benefit of \$ 35 million at December 31, 2021. This benefit is phased out over a three-year transition period that commenced on January 1, 2022 at a rate of 25% each year through January 1, 2025.

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 its PCA capitalization category declines, including the ability to accept and/or rollover brokered deposits. At December 31, 2023 and 2022, the Company's and LC Bank's regulatory capital ratios exceeded the thresholds required to be regarded as well-capitalized institutions and met all capital adequacy requirements to which they are subject. There have been no events or conditions since December 31, 2023 that management believes would change the Company's categorization.

Federal laws and regulations limit the dividends that a national bank may pay. Dividends that may be paid by a national bank without the express approval of the OCC are limited to that bank's retained net profits for the preceding two calendar years plus retained net profits up to the date of any dividend declaration in the current calendar year. Retained net profits, as defined by the OCC, consist of net income less dividends declared during the period. No dividends were declared by LC Bank in 2023 or 2022.

Federal law restricts the amount and the terms of both credit and non-credit transactions between a bank and its nonbank affiliates. These covered transactions may not exceed 10% of the bank's capital and surplus (which for this purpose represents tier 1 and tier 2 capital, as calculated under the risk-based capital rules, plus the balance of the

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ACL excluded from tier 2 capital) with any single nonbank affiliate and 20% of the bank's capital and surplus with all its nonbank affiliates. Covered transactions that are extensions of credit may require collateral to be pledged to provide added security to the bank.

22. Segment Reporting

The Company defines operating segments to be components of the Company for which discrete financial information is evaluated regularly by the Company's Chief Executive Officer and Chief Financial Officer to allocate resources and evaluate financial performance. This information is reviewed according to the legal organizational structure of the Company's operations with products and services presented separately for the parent bank holding company and its wholly-owned subsidiary, LC Bank. Income taxes are recorded on a separate entity basis whereby each operating segment determines income tax expense or benefit as if it filed a separate tax return.

All of the Company's revenue is generated in the United States. The Company has experienced reductions in marketplace investor demand in connection with increases in interest rates and volatility in the macro economy. However, no individual borrower or marketplace investor accounted for 10% or more of total net revenue during the year ended December 31, 2023.

LendingClub Bank

The LC Bank operating segment represents the national bank legal entity and reflects post-Acquisition operating activities. This segment provides a full complement of financial products and solutions, including loans, leases and deposits. It originates loans to individuals and businesses, retains loans for investment, sells loans to investors and manages relationships with deposit holders.

LendingClub Corporation (Parent Only)

The LendingClub Corporation (Parent only) operating segment represents the holding company legal entity and predominately reflects the operations of the Company prior to the Acquisition. This activity includes, but is not limited to, servicing fee revenue for loans serviced prior to the Acquisition, and interest income and interest expense related to the Retail Program and Structured Program transactions entered into prior to the Acquisition.

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Financial information for the segments is presented in the following tables:

	LendingClub				LendingClub				Intercompany			Consolidated Total			
	Bank		Corporation (Parent only)		Eliminations										
	Year Ended December 31,		Eleven Months Ended December 31,		Year Ended December 31,		Eleven Months Ended December 31,		Year Ended December 31,		Year Ended December 31,		Year Ended December 31,		
	2023	2022	2021 ⁽¹⁾	2023	2022	2021	2023	2022	2021 ⁽¹⁾	2023	2022	2021	2023	2022	2021
Non-interest income:															
Marketplace revenue	\$ 206,381	\$ 610,536	\$ 462,821	\$ 41,817	\$ 48,231	\$ 115,759	\$ 43,286	\$ 24,859	\$ —	\$ 291,484	\$ 683,626	\$ 578,580			
Other non-interest income	74,684	85,208	94,953	9,503	15,628	16,718	(72,890)	(72,071)	(84,452)	11,297	28,765	27,219			
Total non-interest income	281,065	695,744	557,774	51,320	63,859	132,477	(29,604)	(47,212)	(84,452)	302,781	712,391	605,799			
Interest income:															
Interest income	818,206	526,471	210,739	14,424	30,869	82,093	—	—	—	832,630	557,340	292,832			
Interest expense	(266,218)	(60,954)	(8,412)	(4,574)	(21,561)	(71,589)	—	—	—	(270,792)	(82,515)	(80,001)			
Net interest income	551,988	465,517	202,327	9,850	9,308	10,504	—	—	—	561,838	474,825	212,831			
Total net revenue	833,053	1,161,261	760,101	61,170	73,167	142,981	(29,604)	(47,212)	(84,452)	864,619	1,187,216	818,630			
(Provision for) reversal of credit losses															
credit losses	(243,565)	(267,326)	(142,182)	—	—	3,382	—	—	—	(243,565)	(267,326)	(138,800)			
Non-interest expense	(537,026)	(724,304)	(547,799)	(59,015)	(89,761)	(198,039)	29,604	47,212	84,452	(566,437)	(766,853)	(661,386)			
Income (Loss) before income tax benefit															
(expense)	52,462	169,631	70,120	2,155	(16,594)	(51,676)	—	—	—	54,617	153,037	18,444			
Income tax benefit															
(expense)	(17,881)	(42,354)	9,171	2,203	125,954	44,013	—	53,048	(53,048)	(15,678)	136,648	136			
Net income (loss)	\$ 34,581	\$ 127,277	\$ 79,291	\$ 4,358	\$ 109,360	\$ (7,663)	\$ —	\$ 53,048	\$ (53,048)	\$ 38,939	\$ 289,685	\$ 18,580			
Capital expenditures	\$ 59,509	\$ 69,481	\$ 32,602	\$ —	\$ —	\$ 1,811	\$ —	\$ —	\$ —	\$ 59,509	\$ 69,481	\$ 34,413			
Depreciation and amortization	\$ 30,216	\$ 16,489	\$ 4,569	\$ 16,979	\$ 27,342	\$ 39,716	\$ —	\$ —	\$ —	\$ 47,195	\$ 43,831	\$ 44,285			

(1) Because the LendingClub Bank reportable segment was formed upon the Acquisition on February 1, 2021, the associated results are presented for the eleven month period ended December 31, 2021.

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	LendingClub Corporation				Intercompany				Consolidated Total			
	LendingClub Bank		(Parent only)		Eliminations							
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Assets												
Total cash and cash equivalents	\$ 1,230,206	\$ 1,020,874	\$ 110,273	\$ 56,475	\$ (87,975)	\$ (20,319)	\$ 1,252,504	\$ 1,057,030				
Restricted cash	—	—	46,628	75,409	(4,984)	(7,955)	41,644	67,454				
Securities available for sale at fair value	1,617,309	329,287	2,953	16,415	—	—	1,620,262	345,702				
Loans held for sale at fair value	407,773	110,400	—	—	—	—	407,773	110,400				
Loans and leases held for investment, net	4,539,915	4,705,302	—	—	—	—	4,539,915	4,705,302				
Loans held for investment at fair value	253,800	906,711	8,390	19,227	—	—	262,190	925,938				
Retail and certificate loans held for investment at fair value	—	—	10,488	55,425	—	—	10,488	55,425				
Property, equipment and software, net	144,439	102,274	17,078	34,199	—	—	161,517	136,473				
Investment in subsidiary	—	—	816,703	755,319	(816,703)	(755,319)	—	—				
Goodwill	75,717	75,717	—	—	—	—	75,717	75,717				
Other assets	341,680	339,341	131,135	173,851	(17,362)	(12,886)	455,453	500,306				
Total assets	8,610,839	7,589,906	1,143,648	1,186,320	(927,024)	(796,479)	8,827,463	7,979,747				
Liabilities and Equity												
Total deposits	7,426,445	6,420,827	—	—	(92,959)	(28,274)	7,333,486	6,392,553				
Borrowings	6,398	64,154	2,468	10,704	—	—	8,866	74,858				
Retail notes and certificates	—	—	10,488	55,425	—	—	10,488	55,425				
Other liabilities	154,077	189,185	86,086	116,318	(17,362)	(12,886)	222,801	292,617				
Total liabilities	7,586,920	6,674,166	99,042	182,447	(110,321)	(41,160)	7,575,641	6,815,453				
Total equity	1,023,919	915,740	1,044,606	1,003,873	(816,703)	(755,319)	1,251,822	1,164,294				
Total liabilities and equity	\$ 8,610,839	\$ 7,589,906	\$ 1,143,648	\$ 1,186,320	\$ (927,024)	\$ (796,479)	\$ 8,827,463	\$ 7,979,747				

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23. LendingClub Corporation – Parent Company-Only Financial Statements

The following tables present standalone condensed financial statements for LendingClub Corporation (Parent Company). These statements are provided in accordance with SEC rules, which require such disclosures when the restricted net assets of a consolidated subsidiary exceed 25% of consolidated net assets, and should be read in conjunction with the Consolidated Financial Statements and the accompanying Notes to the Consolidated Financial Statements. For purposes of these condensed financial statements, the Parent's wholly-owned subsidiary is presented in accordance with the equity method of accounting.

Statements of Income

Year Ended December 31,	2023	2022	2021
Non-interest income:			
Marketplace revenue	\$ 41,817	\$ 48,231	\$ 115,759
Other non-interest income	9,503	15,628	16,718
Total non-interest income	51,320	63,859	132,477
Interest income:			
Interest on loans held for sale	—	1,390	11,025
Interest on loans held for investment at fair value	2,589	2,875	4,436
Interest on retail and certificate loans held for investment at fair value	4,222	18,135	57,684
Interest on securities available for sale	6,802	7,608	8,922
Other interest income	811	861	26
Total interest income	14,424	30,869	82,093
Interest expense:			
Interest on retail notes and certificates at fair value	4,222	18,135	57,684
Other interest expense	352	3,426	13,905
Total interest expense	4,574	21,561	71,589
Net interest income	9,850	9,308	10,504
Total net revenue	61,170	73,167	142,981
Reversal of credit losses	—	—	(3,382)
Non-interest expense:			
Compensation and benefits	6,520	7,770	31,010
Marketing	—	188	5,460
Equipment and software	246	194	2,459
Depreciation and amortization	16,979	27,342	39,716
Professional services	1,210	523	14,666
Occupancy	9,552	13,346	17,751
Other non-interest expense	24,508	40,398	86,977
Total non-interest expense	59,015	89,761	198,039
Income (Loss) before income tax benefit	2,155	(16,594)	(51,676)
Income tax benefit	2,203	125,954	44,013
Income (Loss) before undistributed earnings of subsidiary	4,358	109,360	(7,663)
Equity in undistributed earnings of subsidiary	34,581	127,277	79,291
Net income	\$ 38,939	\$ 236,637	\$ 71,628

LENDINGCLUB CORPORATION
Notes to Consolidated Financial Statements

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

In accordance with federal laws and regulations, dividends paid by LC Bank to the Company are subject to certain restrictions. See "Note 21. Regulatory Requirements" for more information.

Statements of Comprehensive Income

Year Ended December 31,	2023	2022	2021
Net income	\$ 38,939	\$ 236,637	\$ 71,628
Other comprehensive income (loss), net of tax:			
Net unrealized gain (loss) on securities available for sale	6,706	(1,556)	9,153
Equity in other comprehensive loss of subsidiary	(1,282)	(43,528)	(2,619)
Other comprehensive income (loss), net of tax	5,424	(45,084)	6,534
Total comprehensive income	\$ 44,363	\$ 191,553	\$ 78,162

Balance Sheets

December 31,	2023	2022
Assets		
Cash and due from banks	\$ 96,384	\$ 34,119
Interest-bearing deposits in banks	13,889	22,356
Total cash and cash equivalents	110,273	56,475
Restricted cash	46,628	75,409
Securities available for sale at fair value (\$ 264 and \$ 8,322 at amortized cost, respectively)	2,953	16,415
Loans held for investment at fair value	8,390	19,227
Retail and certificate loans held for investment at fair value	10,488	55,425
Property, equipment and software, net	17,078	34,199
Investment in subsidiary	937,987	923,618
Other assets	126,899	165,973
Total assets	\$ 1,260,696	\$ 1,346,741
Liabilities and Equity		
Borrowings	\$ 2,468	\$ 10,704
Retail notes and certificates at fair value	10,488	55,425
Other liabilities	86,086	116,318
Total liabilities	99,042	182,447
Equity		
Common stock, \$ 0.01 par value; 180,000,000 shares authorized; 110,410,602 and 106,546,995 shares issued and outstanding, respectively	1,104	1,065
Additional paid-in capital	1,669,828	1,628,590
Accumulated deficit	(468,097)	(427,745)
Accumulated other comprehensive loss	(41,181)	(37,616)
Total equity	1,161,654	1,164,294
Total liabilities and equity	\$ 1,260,696	\$ 1,346,741

LENDINGCLUB CORPORATION
Notes to Consolidated Financial Statements

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

Statements of Cash Flows

Year Ended December 31,	2023	2022	2021
Cash Flows from Operating Activities:			
Parent company net income	\$ 38,939	\$ 236,637	\$ 71,628
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed earnings of subsidiary	(34,581)	(127,277)	(79,291)
Income tax benefit	(2,203)	(125,954)	(44,013)
Net fair value adjustments	(2,903)	(5,929)	(5,936)
Reversal of credit losses	—	—	(3,382)
Change in fair value of loan servicing assets	50,281	33,840	37,138
Stock-based compensation, net	5,253	6,310	14,506
Depreciation and amortization	16,979	27,342	39,716
Gain on sales of loans	—	—	(3,372)
Other, net	274	16	9,326
Net change to loans held for sale	5,953	31,658	90,609
Net change in operating assets and liabilities:			
Other assets	(30,602)	42,219	(29,556)
Other liabilities	(30,741)	(38,258)	(95,737)
Net cash provided by operating activities	16,649	80,604	1,636
Cash Flows from Investing Activities:			
Acquisition of company	—	—	(145,344)
Payments for investments in and advances to subsidiary	—	(50,000)	(250,001)
Purchase of servicing asset investment	(50,576)	(59,880)	—
Proceeds from servicing asset investment	72,343	24,564	—
Net change in loans and leases	5,066	4,443	1,360
Net decrease in retail and certificate loans	47,545	171,853	437,870
Proceeds from maturities and paydowns of securities available for sale	7,861	46,548	103,258
Purchases of property, equipment and software, net	—	—	(1,811)
Other investing activities	200	2,370	8,804
Net cash provided by investing activities	82,439	139,898	154,136
Cash Flows from Financing Activities:			
Principal payments on retail notes and certificates	(47,545)	(182,260)	(438,032)
Principal payments on Structured Program borrowings	(4,073)	(21,423)	(90,187)
Principal payments on short-term borrowings	(2,619)	(25,415)	(81,935)
Principal payments on long term debt	—	(15,300)	—
Other financing activities	(19,834)	(9,028)	(9,295)
Net cash used for financing activities	(74,071)	(253,426)	(619,449)
Net Change in Cash, Cash Equivalents and Restricted Cash	25,017	(32,924)	(463,677)
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	131,884	164,808	628,485
Cash, Cash Equivalents and Restricted Cash, End of Period	\$ 156,901	\$ 131,884	\$ 164,808

(1) Prior period amounts have been reclassified to conform to the current period presentation.

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 Exchange Act) as of December 31, 2023. 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, 2023, were designed and functioned effectively to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Exchange Act 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 Exchange 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, 2023, 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, 2023, 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 Exchange Act) occurred during the fiscal quarter ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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, 2023, 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, 2023, 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, 2023, of the Company and our report dated February 16, 2024, 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
February 16, 2024

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the fourth quarter of 2023, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

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 2024 Annual Meeting of Stockholders (Proxy Statement) and is incorporated herein by reference. The Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the 2023 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 – Compensation Committee Interlocks and Insider Participation," "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 Schedules

(a) Documents filed as part of this Annual Report:

1. Financial Statements

The following consolidated financial statements are included in *Part II*, Item 8 of this Annual Report:

Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)	77
Consolidated Balance Sheets	78
Consolidated Statements of Income	79
Consolidated Statements of Comprehensive Income	81
Consolidated Statements of Changes in Equity	82
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2. Financial Statement Schedules

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 are incorporated by reference or are filed with this Annual Report, in each case as indicated therein on the Exhibit Index immediately following the signature page of this Annual Report.

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 Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 16, 2024

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 Andrew LaBenne, 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 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 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
/s/ Scott Sanborn Scott Sanborn	Chief Executive Officer and Director	February 16, 2024
/s/ Andrew LaBenne Andrew LaBenne	Chief Financial Officer	February 16, 2024
/s/ Fergal Stack Fergal Stack	Principal Accounting Officer	February 16, 2024
/s/ Faiz Ahmad Faiz Ahmad	Director	February 16, 2024
/s/ Stephen Cutler Stephen Cutler	Director	February 16, 2024
/s/ Allan Landon Allan Landon	Director	February 16, 2024
/s/ Timothy J. Mayopoulos Timothy J. Mayopoulos	Director	February 16, 2024
/s/ John C. Morris John C. Morris	Director	February 16, 2024
/s/ Kathryn S. Reimann Kathryn S. Reimann	Director	February 16, 2024
/s/ Erin Selleck Erin Selleck	Director	February 16, 2024
/s/ Janey Whiteside Janey Whiteside	Director	February 16, 2024
/s/ Michael Zeisser Michael Zeisser	Director	February 16, 2024

LENDINGCLUB CORPORATION

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
<u>3.1</u>	<u>Restated Certificate of Incorporation of LendingClub Corporation</u>	<u>8-K</u>	<u>000-54752</u>	<u>3.1</u>	<u>December 16, 2014</u>	
<u>3.2</u>	<u>Certificate of Amendment of Restated Certificate of Incorporation of LendingClub Corporation, effective July 5, 2019</u>	<u>10-Q</u>	<u>001-36771</u>	<u>3.1</u>	<u>August 7, 2019</u>	
<u>3.3</u>	<u>Second Certificate of Amendment of Restated Certificate of Incorporation of LendingClub Corporation, effective June 7, 2022</u>	<u>8-K</u>	<u>001-36771</u>	<u>3.1</u>	<u>June 7, 2022</u>	
<u>3.4</u>	<u>Amended and Restated Bylaws of the Company, effective March 22, 2018</u>	<u>8-K/A</u>	<u>001-36771</u>	<u>3.1</u>	<u>June 22, 2018</u>	
<u>4.1</u>	<u>Form of Common Stock Certificate of LendingClub Corporation</u>	<u>10-Q</u>	<u>001-36771</u>	<u>4.1</u>	<u>November 6, 2019</u>	
<u>4.2</u>	<u>Description of Registrant's Securities</u> <u>Registered Pursuant to Section 12 of the Securities Exchange Act of 1934</u>	<u>10-K</u>	<u>001-36771</u>	<u>4.2</u>	<u>February 11, 2022</u>	
<u>10.1</u>	<u>Form of Indemnity Agreement</u>	<u>S-1, Amendment No. 3</u>	<u>333-198393</u>	<u>10.1</u>	<u>December 1, 2014</u>	
<u>10.2</u>	<u>LendingClub Corporation 2007 Stock Incentive Plan, as amended, and form of award agreement thereunder</u>	<u>10-K</u>	<u>001-36771</u>	<u>10.2</u>	<u>February 19, 2020</u>	
<u>10.3</u>	<u>2014 Equity Incentive Plan, as amended and restated on June 8, 2023, and forms of award agreements thereunder</u>					<u>X</u>
<u>10.4</u>	<u>Form of Employment Agreement for Chief Executive Officer</u>	<u>S-1, Amendment No. 3</u>	<u>333-198393</u>	<u>10.15</u>	<u>December 1, 2014</u>	
<u>10.5</u>	<u>Form of Employment Agreement for Executive Officers other than Chief Executive Officer</u>	<u>S-1, Amendment No. 3</u>	<u>333-198393</u>	<u>10.16</u>	<u>December 1, 2014</u>	
<u>10.6</u>	<u>Lease Agreement, dated as of April 16, 2015, by and between LendingClub Corporation and 595 Market Street, Inc.</u>	<u>10-Q</u>	<u>001-36771</u>	<u>10.31</u>	<u>May 5, 2015</u>	
<u>10.7</u>	<u>Radius Bancorp, Inc. 2016 Omnibus Incentive Plan</u>	<u>S-8</u>	<u>333-255688</u>	<u>99.3</u>	<u>April 30, 2021</u>	
<u>10.8</u>	<u>Amendment to 2020 Award Agreements Issued Under the 2014 Equity Incentive Plan</u>	<u>10-Q</u>	<u>001-36771</u>	<u>10.1</u>	<u>August 4, 2021</u>	
<u>10.9</u>	<u>Non-Employee Director Compensation Policy, effective October 20, 2022</u>	<u>10-K</u>	<u>001-36771</u>	<u>10.9</u>	<u>February 9, 2023</u>	
<u>21.1</u>	<u>List of Subsidiaries</u>					<u>X</u>
<u>23.1</u>	<u>Consent of Deloitte & Touche LLP</u>					<u>X</u>
<u>31.1</u>	<u>Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					<u>X</u>
<u>31.2</u>	<u>Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					<u>X</u>
<u>32.1</u>	<u>Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>					<u>X</u>

LENDINGCLUB CORPORATION

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
97.1	<u>Clawback Policies</u>					<input checked="" type="checkbox"/>
101	The following financial information from LendingClub Corporation's Annual Report on Form 10-K for the year ended December 31, 2023 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements.					<input checked="" type="checkbox"/>
104	Cover Page Interactive Data File (as formatted as Inline XBRL and contained in Exhibit 101)					

LENDINGCLUB CORPORATION

2014 EQUITY INCENTIVE PLAN

As Amended and Restated on June 8, 2023

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 seven million (7,000,000) 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 2023, 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 seventy million (70,000,000) 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.

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;
- (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 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.

4.6. Acceleration of Vesting. After an Award is granted, the Committee may only accelerate the vesting requirements of the Award pursuant to the terms of or in connection with a Corporate Transaction (as specified in Section 21 of the Plan) or if the Participant's Service terminates for any reason except for Cause.

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.

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 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 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.

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.

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 300,000.

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.

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. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that provides for or includes a right to dividends or dividend equivalents, if dividends are declared during the period that an equity Award is outstanding, such dividends (or dividend equivalents) shall either (i) not be paid or credited with respect to such Award or (ii) be accumulated but remain subject to vesting requirement(s) to the extent as the applicable Award and shall only be paid at the time or times such vesting requirement(s) are satisfied.

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 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 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.

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 fourteen (14) 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.

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 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

(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;
- (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.

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, as amended and restated.

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 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).

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.

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 1/48th of the Shares subject to this Option when you complete each month of Service.

Vesting Schedule:

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.

OPTIONEE:

LENDINGCLUB CORPORATION

Signature:

By:

Print Name:

Name:

Its:

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.

(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).

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 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.

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:

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.

Expiration Date:

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.]

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.

Additional Terms:

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.

PARTICIPANT

Signature:

Print Name:

LENDINGCLUB CORPORATION

By:

Name:

Its:

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 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.

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.

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 1/48th of the Shares subject to the SAR when you complete each month of Service.

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:

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 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 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-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.

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.]

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

LENDINGCLUB CORPORATION

Signature:

By:

Print Name:

Name:

Its:

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 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 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.

**NOTICE OF RESTRICTED STOCK UNIT AWARD
(Post Service 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. These RSUs may expire 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 or you are in the Post Service Vesting Period.] **[Alternate:** Subject to the limitations set forth in the Notice, the Plan, and the RSU Agreement, these RSUs 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 these RSUs, you consent to electronic delivery as set forth in the RSU Agreement.

PARTICIPANT

Signature:

Print Name:

LENDINGCLUB CORPORATION

By:

Name:

Its:

RESTRICTED STOCK UNIT AGREEMENT
(Post Service 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 Post Service Vesting Benefit (as such term is defined in Attachment 1 hereto) or (ii) as set forth in the Vesting Schedule if you do qualify for the Post Service Vesting Benefit (as such term is defined in Attachment 1 hereto). In case of any dispute as to whether your termination of Service has occurred or whether you qualify for the Post Service 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.

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 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 THESE RSUS, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

Attachment 1
RESTRICTED STOCK UNIT AGREEMENT
(Post Service 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 Post Service Vesting Benefit, as set forth in the Vesting Schedule. This Attachment 1 sets forth the definition, terms and conditions of Post Service Vesting Benefit.

Notwithstanding anything to the contrary, 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, events or circumstances to avoid windfalls or hardships.

[**Post Service 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 Post Service Vesting Period shall be the last day of such period.]

"Post Service Vesting Benefit" means the right and benefit to have [the Post Service 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 Post Service Vesting Period / set forth in the Vesting Schedule]. 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, and during which Notice period you provided such services as requested by the Company in a cooperative and professional manner; provided, however, that the Company's then Chief Executive Officer shall be permitted, in his or her discretion, to reduce or waive this Notice requirement;]
2. On the date immediately prior to the termination of your Service, you have provided at least: (i) [#] year(s) of continuous Service with the Company after the Date of Grant set forth in the Notice, and (ii) [#] year(s) of continuous Service with the Company; provided, however, that the Company's then Chief Executive Officer shall be permitted, in his or her discretion, to reduce or waive these service requirements;
3. You have assisted in identifying a successor to your role with the Company and prepared a succession plan, and such successor and succession plan are each acceptable to each of the Company's then Chief Executive Officer and then chair of the Board, in their sole and absolute discretion;
4. 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 further such release of claims shall contain non-solicitation and noncompete provisions, to the extent permissible under applicable law as determined by the Company, lasting for [#] months after the date your Service terminates; and
5. [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 the 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.

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
- b. 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

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

Signature: _____

Print Name: _____

LENDINGCLUB CORPORATION

By: _____

Name: _____

Its: _____

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 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 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 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.

**NOTICE OF RSU/CASH AWARD
(Post Service 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 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 may expire 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 or you are in the Post Service Vesting Period; and
- b. 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 or you are in the Post Service Vesting Period.]
- c. **[Alternate:** Subject to the limitations set forth in the Notice, the Plan, and the Award Agreement, this Award will vest contingently, in whole or in part, upon 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 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

Signature: _____

Print Name: _____

LENDINGCLUB CORPORATION

By: _____

Name: _____

Its: _____

RSU/CASH AWARD AGREEMENT
(Post Service 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 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. The entire unvested portion of this Award shall be forfeited to the Company forthwith, and all rights you have to such RSUs (and, if applicable, such Cash Award) shall immediately terminate upon either: (i) the date your Service terminates if you do not qualify for the Post Service Vesting Benefit (as such term is defined in Attachment 1 hereto) or (ii) as set forth in the Vesting Schedule if you do qualify for the Post Service Vesting Benefit (as such term is defined in Attachment 1 hereto). In case of any dispute as to whether your termination of Service has occurred or whether you qualify for the Post Service Vesting Benefit, the Committee shall have sole discretion to determine whether: (i) such termination or qualification has occurred and (ii) the date on which the unvested portion of this Award shall be forfeited to the Company and all rights you have to such RSUs (and, if applicable, such Cash Award) shall terminate.

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 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 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 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.

Attachment 1
RSU/CASH AWARD AGREEMENT
(Post Service Vesting Eligible)

The Award are granted pursuant to the Plan, the Notice and the Award 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 Post Service Vesting Benefit, as set forth in the Vesting Schedule. This Attachment 1 sets forth the definition, terms and conditions of Post Service Vesting Benefit.

Notwithstanding anything to the contrary, 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, events or circumstances to avoid windfalls or hardships.

[**“Post Service 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 Post Service Vesting Period shall be the last day of such period.]

“Post Service Vesting Benefit” means the right and benefit to have [the Post Service 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 Post Service Vesting Period / set forth in the Vesting Schedule]. 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, and during which Notice period you provided such services as requested by the Company in a cooperative and professional manner; provided, however, that the Company’s then Chief Executive Officer shall be permitted, in his or her discretion, to reduce or waive this Notice requirement;]
2. On the date immediately prior to the termination of your Service, you have provided at least: (i) [#] year(s) of continuous Service with the Company after the Date of Grant set forth in the Notice, and (ii) [#] year(s) of continuous Service with the Company; provided, however, that the Company’s then Chief Executive Officer shall be permitted, in his or her discretion, to reduce or waive these service requirements;
3. You have assisted in identifying a successor to your role with the Company and prepared a succession plan, and such successor and succession plan are each acceptable to each of the Company’s then Chief Executive Officer and then chair of the Board, in their sole and absolute discretion;
4. 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 further such release of claims shall contain non-solicitation and noncompete provisions, to the extent permissible under applicable law as determined by the Company, lasting for [#] months after the date your Service terminates; and
5. [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 the 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.

SUBSIDIARIES OF LENDINGCLUB CORPORATION

The following are the subsidiaries of LendingClub Corporation as of December 31, 2023, omitting subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary:

Subsidiaries	Jurisdiction of Incorporation or Organization
Consumer Loan Underlying Bond (CLUB) Depositor, LLC	Delaware
Consumer Loan Underlying Bond (CLUB) Certificate Issuer Trust I	Delaware
LendingClub Bank, National Association	United States
LendingClub Loan Certificate Issuer Trust	Delaware
LendingClub Structured Loan Certificate Issuer Trust	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-197570; 333-200676; 333-213647; 333-217731; 333-226899; 333-232518; 333-249973; 333-255688; 333-264892 and 333-271576 on Form S-8 of our reports dated February 16, 2024, 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, 2023, 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
February 16, 2024

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: February 16, 2024

/s/ SCOTT SANBORN

Scott Sanborn

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION

I, Andrew LaBenne, 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: February 16, 2024

/s/ ANDREW LABENNE

Andrew LaBenne

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, 2023, 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

Scott Sanborn

Chief Executive Officer

(Principal Executive Officer)

/s/ ANDREW LABENNE

Andrew LaBenne

Chief Financial Officer

Dated: February 16, 2024

LENDINGCLUB CORPORATION

Executive Incentive Compensation Recoupment Policy
&
Supplement to Executive Incentive Compensation Recoupment Policy

OVERVIEW

On October 19, 2023, the board of directors (the “**Board**”) of LendingClub Corporation (the “**Company**”) adopted policies that provide for the Company’s recoupment of certain incentive-based compensation in the event of: (i) an accounting restatement of the Company’s financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws (the “**NYSE Policy**”), and/or (ii) a material act of dishonesty or fraud or willful violation of a material Company policy or law that results in significant reputational harm to the Company (the “**Supplemental Policy**”, and together with the NYSE Policy, the “**Clawback Policies**”). The Clawback Policies replace and supersede the Company’s previous incentive recoupment policy adopted in 2019 (the “**Previous Clawback Policy**”).

The NYSE Policy is intended to comply with Rule 10D-1 adopted under the Securities Exchange Act of 1934, as amended (the “**Rule 10D-1**”), and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the “**Listed Company Manual**” and, together with Rule 10D-1, the “**Requirements**”). The Supplemental Policy provides for recoupment coverage in excess of the Requirements and, together with the NYSE Policy, provides for coverage equal or greater to the coverage provided by the Previous Clawback Policy.

SCOPE

The Clawback Policies provide for the recovery of applicable incentive-based compensation from any Executive Officer (as such term is defined in Rule 10D-1 and Section 303A.14 of the Listed Company Manual). The NYSE Policy provides for the recovery of incentive-based compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure. The Supplemental Policy provides for the recovery, at the discretion of the Board, of any incentive-based compensation, including compensation from performance-based and time-based equity awards.

EFFECTIVE DATE

The Clawback Policies apply to all applicable incentive-based compensation paid or awarded on or after October 2, 2023.

FILING OF NYSE POLICY

In compliance with Rule 10D-1, the NYSE Policy is attached hereto as Exhibit A.

Exhibit A

NYSE Policy

The board of directors (the “**Board**”) of LendingClub Corporation (the “**Company**”) has determined that it is in the best interests of the Company to adopt a policy (the “**Policy**”) providing for the Company’s recoupment of “Erroneously Awarded Incentive-Based Compensation” (as defined below) received by current or former executive officers of the Company.

This Policy is intended to comply with, shall be interpreted to comply with, and shall be deemed automatically amended to comply with, Rule 10D-1 adopted under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and Section 303A.14 of the New York Stock Exchange Listed Company Manual, as such provisions may be amended from time to time, and any related rules, regulations or listing standards promulgated by the Securities and Exchange Commission (the “**SEC**”) or the New York Stock Exchange (the “**NYSE**”), including any additional or new requirements that become effective after the last date that this Policy was amended. Any such amendment shall be effective at such time as is necessary to comply with the applicable listing standards of the NYSE.

EFFECTIVE DATE

This Policy shall apply to all Incentive-Based Compensation (as defined below) paid or awarded on or after October 2, 2023 (the “**Effective Date**”).

DEFINITIONS

For purposes of this Policy, the following terms shall have the meanings set forth below:

“**Covered Officers**” shall mean “Executive Officers” as such term is defined in Rule 10D-1 adopted under the Exchange Act and Section 303A.14 of the NYSE’s Listed Company Manual.

“**Erroneously Awarded Incentive-Based Compensation**” shall mean the amount of Incentive-Based Compensation received by a Covered Officer that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts and must be computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total stockholder return, where the amount is not subject to mathematical recalculation directly from the information in a Restatement, the amount must be based on a reasonable estimate of the effect of the Restatement on the stock price or total stockholder return, as applicable, upon which the Incentive-Based Compensation was received, and the Company must maintain documentation of that reasonable estimate and provide such documentation to the NYSE. For the purposes of this Policy, Incentive-Based Compensation will be deemed to be received in the fiscal period during which the financial reporting measure specified in the applicable Incentive-Based Compensation award is attained, even if the payment or grant occurs after the end of that period.

“**Incentive-Based Compensation**” shall mean any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a “financial reporting measure,” which refers to measures that are determined and presented in accordance with Generally Accepted Accounting Principles which are used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total stockholder return are also financial reporting measures for

this purpose. For avoidance of doubt, a financial reporting measure need not be presented within the Company's financial statements or included in a filing with the SEC.

"Restatement" shall mean any required accounting restatement of the Company's financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

RECOUPMENT OF COMPENSATION

In the event of a Restatement, the Board shall recover reasonably promptly from any Covered Officer the amount of any Erroneously Awarded Incentive-Based Compensation.

In determining the amount of Erroneously Awarded Incentive-Based Compensation to be recovered from a Covered Officer pursuant to the immediately preceding paragraph, this Policy shall apply to all Incentive-Based Compensation received by a Covered Officer: (i) after beginning service as an executive officer; (ii) who served as an executive officer at any time during the performance period for the Incentive-Based Compensation; (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association; and (iv) during the three completed fiscal years immediately preceding the date that the Company is required to prepare a Restatement, including any applicable transition period that results from a change in the Company's fiscal year within or immediately following those three completed fiscal years. For this purpose, the Company is deemed to be required to prepare a Restatement on the earlier of: (i) the date the Board, a committee of the Board, or the Company's officers authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement; or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. The Company's obligation to recover Erroneously Awarded Incentive-Based Compensation is not dependent on if or when the restated financial statements are filed with the SEC.

The Board will determine in its sole discretion, the method for recovery of any Erroneously Awarded Incentive-Based Compensation. To the extent that a Covered Officer does not make reimbursement to the Company under this Policy within a reasonable time following demand by the Company, or any shares of Erroneously Awarded Incentive-Based Compensation have been sold by the Covered Officer, the Company shall have the right to reduce, cancel or withhold against outstanding, unvested, vested or future cash or equity-based compensation, or require a substitute form of reimbursement, in each case to the maximum extent permitted under applicable law. To the extent that a Covered Officer fails to repay all Erroneously Awarded Incentive-Based Compensation to the Company when due, such Covered Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Incentive-Based Compensation.

The Company shall recover the Erroneously Awarded Incentive-Based Compensation from Covered Officers unless the Compensation Committee of the Board (the "**Committee**") (if composed entirely of independent directors) or, in the absence of the Committee, a majority of the independent directors serving on the Board, determines that recovery is impracticable because: (i) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount of Erroneously Awarded Incentive-Based Compensation; provided that the Company must make a reasonable attempt to recover the Erroneously Awarded Incentive-Based Compensation before concluding that recovery is impracticable, document such reasonable attempt to recover the Erroneously Awarded Incentive-Based Compensation and provide such documentation to the NYSE; or (ii) recovery would likely cause an

otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the applicable requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

BINDING EFFECT OF DETERMINATIONS BY BOARD; DELEGATION

The terms of this Policy shall be binding and enforceable against all persons subject to this Policy and their beneficiaries, heirs, executors, administrators or other legal representatives. The Board may delegate to the Committee all determinations to be made and actions to be taken by the Board under this Policy, in which case references herein to the Board shall be deemed references to the Committee. Any determination made by the Board under this Policy shall be final, binding and conclusive on all parties. To the extent permitted by, and in a manner consistent with, applicable SEC and NYSE rules and regulations, the Board reserves the power to terminate, suspend, revise or amend this Policy.

SEVERABILITY

If any provision of this Policy or the application of any such provision to any Covered Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

NO IMPAIRMENT OF OTHER REMEDIES

This Policy does not preclude the Company from taking any other action to enforce a Covered Officer's obligations to the Company, including termination of employment or institution of civil or criminal proceedings against such Covered Officer. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer. Any amounts paid to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 shall be considered in determining any amounts recovered under this Policy. Notwithstanding the terms of the Company's bylaws or charter or any indemnification agreement between the Company and any Covered Officer, in no event will the Company indemnify any Covered Officer for any loss of compensation or amounts that are recovered under this Policy.