



Affordable Credit for Business Owners

New York Federal Reserve Small Business Summit

SMALL BUSINESS IS AMERICA'S POWERHOUSE



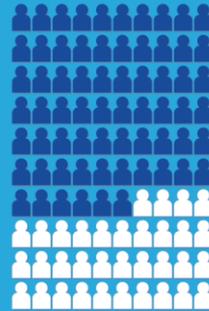
Small businesses employ 76 million people in the U.S.¹

The 23 million small businesses in America account for



of all U.S. sales²

Since the 1970s



small businesses have provided 66% of new jobs²

The small business sector occupies

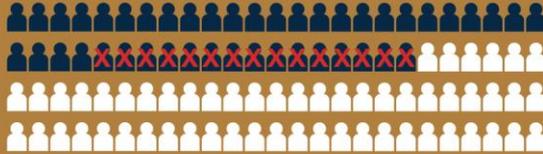


of all commercial space
~ 20-34 billion square feet,
about the size of Rhode Island²

1. Total non-farm employment: <http://www.bls.gov/news.release/empsit.t17.htm>
% of jobs from small business: <http://www.sba.gov/content/small-business-trends>
2. <http://www.sba.gov/content/small-business-trends>



SMALL BUSINESSES NEED CAPITAL TO GROW



The number of small-businesses with a business loan fell between 2008 and 2011, from **44%** to **29%**³



Out of every 100 small businesses, **56** wanted credit



Of those 56, **18** were too discouraged to apply



Of the 38 that applied for credit, only **16** received the amount they wanted⁴

Small businesses borrow for **4** main reasons:⁵



Starting a business



Purchasing inventory



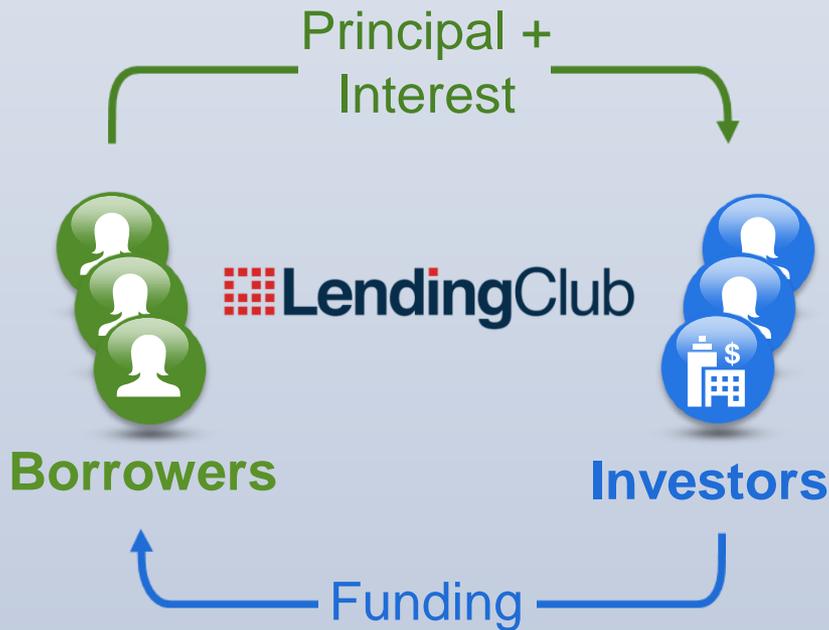
Expanding a business



Strengthening the firm

3. <http://www.nfib.com/surveys/credit-study-2012/>
4. <http://www.newyorkfed.org/smallbusiness/2013/pdf/full-report.pdf>
5. http://www.sba.gov/sites/default/files/2014_Finance_FAQ.pdf

LENDING CLUB: AFFORDABLE CREDIT FOR BUSINESS OWNERS



Efficient

425 bps lower operating cost¹,
no asset-liability mismatch

✓ **Borrowers save 29%**²

Customer-friendly

Transparent, fair, responsible
products, convenient process

✓ **Net Promoter Score 79**³

\$4B+ in loans to date⁴

All Loans originated and issued by WebBank, a FDIC insured Utah state bank.

1. Source: McKinsey;

2. Lending Club borrower surveys, 2013-2014;

3. As of April 2014 for borrowers that were approved for loans;

4. 3/31/2014

Privileged and Confidential

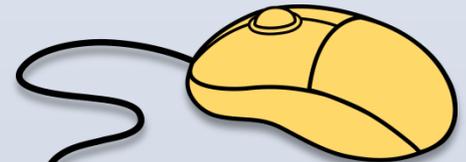
 **LendingClub**

LENDING CLUB IS BEST OF BOTH WORLDS



- Complicated, lengthy process
- Low rates

- Simple online process
- High rates

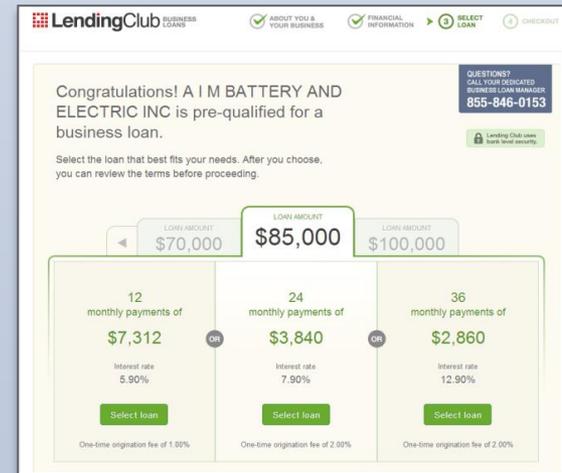


ALTERNATIVE LENDER

 **LendingClub**

- ✓ Fixed rates from 5.9%
- ✓ Highly transparent
- ✓ Terms from 1 to 5 years
- ✓ Pay interest, not an up-front factor

AND



LOAN AMOUNT	LOAN AMOUNT	LOAN AMOUNT
\$70,000	\$85,000	\$100,000
12 monthly payments of \$7,312	24 monthly payments of \$3,840	36 monthly payments of \$2,860
Interest rate 5.90%	Interest rate 7.90%	Interest rate 12.90%
Select loan	Select loan	Select loan
One-time origination fee of 1.90%	One-time origination fee of 2.00%	One-time origination fee of 2.00%

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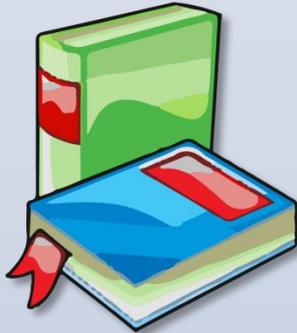
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 **LendingClub**

LENDING CLUB LOANS HELP A WIDE RANGE OF BUSINESS OWNERS

Tutoring Center New York



Access to capital

The owner wanted to replace high interest merchant cash advances with a more affordable small business loan. Despite rapid growth, the bank told her their revenue needed to be double what it was to qualify for their business loan products. Lending Club provided a 2 year SMB loan for working capital.

Trucking Business Georgia



Better experience

The owner came to Lending Club for a loan to replace fuel advances and add 3 new employees. Afterwards, he told us: "A business loan facilitated through Lending Club was so much better than the traditional way". Specifically, he cited straightforwardness, simplicity, speed, and rate.

Businesses across almost all industries¹

Sole proprietors, Corporations & Partnerships

2 years of operating history, minimum \$75,000 annual sales

Credit evaluation based on both business and proprietor information

1. Certain industries excluded, e.g. casinos, finance companies, adult entertainment

