LendingClub

First Quarter 2019 Results

May 7, 2019

Disclaimer

Some of the statements in this presentation are “forward-looking statements.” The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “predict,” “project,” “will,” “would” and similar expressions may identify forward-looking statements, although not all forward-looking statements contain these identifying words. Factors that could cause actual results to differ materially from those contemplated by these forward-looking statements include: the outcomes of pending governmental investigations and pending or threatened litigation, which are inherently uncertain; the impact of management changes and the ability to continue to retain key personnel; our ability to achieve cost savings from restructurings; our ability to continue to attract and retain new and existing retail and institutional investors; competition; overall economic conditions; demand for the types of loans facilitated by us; default rates and those factors set forth in the section titled “Risk Factors” in our most recent Annual Report on Form 10-K, as filed with the SEC. We may not actually achieve the plans, intentions or expectations disclosed in forward-looking statements, and you should not place undue reliance on forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in forward-looking statements. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This presentation contains non-GAAP measures relating to our performance. We have included certain pro forma adjustments in our presentation of non-GAAP Operating Expenses, non-GAAP Sales and Marketing expense, non-GAAP Origination and Servicing expense, non-GAAP Engineering and Product Development expense, non-GAAP Other General and Administrative expense, non-GAAP Adjusted Net Income (Loss), non-GAAP Adjusted Earnings Per Diluted Share, non-GAAP Contribution, non-GAAP Contribution Margin, non-GAAP Adjusted EBITDA, non-GAAP Adjusted EBITDA Margin, non-GAAP Net cash and other financial assets and non-GAAP Adjusted Investor Fees. We believe these non-GAAP 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, many of which present similar non-GAAP financial measures.

These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with generally accepted accounting principles. You can find the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures in the Appendix at the end of this presentation.

Information in this presentation is not an offer to sell securities or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Additional information about LendingClub is available in the prospectus for LendingClub’s notes, which can be obtained on LendingClub’s website at https://www.lendingclub.com/info/prospectus.action.

1Q19 Highlights

First quarter results exceeded expectations.

- Loan originations of $2.7B, up 18% year-over-year
- Revenue of $174.4M, up 15% year-over-year
- Adjusted EBITDA of $22.6M, up 47% year-over-year
- Record loans under management with loan service portfolio of $14.1B, up 18% year-over-year

Innovation, simplification program and partnerships are transforming LendingClub.

- Data driven innovation is growing applications (up 31%), accelerating application to approval times (73% in 24 hours in Q1, up 16pts) and boosting critical conversion rates
- Almost 40% of loans purchased by investors in Q1 through structured program channels developed over the last 18 months
- Leveraging our world class demand generation and conversion capabilities, strong credit assessment credentials, and very high customer satisfaction rates
- Partnership with Opportunity Fund and Funding Circle enabling LendingClub to better serve small businesses

Simplification program on-track.

- 76 FTE in new Lehi, UT facility at quarter end; growing to fill most of 550 capacity by year end
- 400+ Business Process Outsourcing FTE employees, improving our capabilities and swapping fixed cost for variable cost
- San Francisco footprint reduced by about 90,000 sq ft by quarter end and by 123,000 sq ft by year end
- Further initiatives underway to leverage LendingClub's scale

On track for the full year.

- Targeting Adjusted Net Income profitability over H2 2019

1Q19 Results – Ahead of Expectations

	1Q19 Guidance Range	1Q19 Results	YoY
Net Revenue	$162M – $172M	$174.4M	+15%
GAAP Consolidated Net Loss	($20M) – ($15M)	$(19.9)	+$11.3M
Adjusted EBITDA	$13M – $18M	$22.6M	+47%
Adjusted EBITDA Margin	8% – 11%	13.0%	+2.9pts
Adjusted Net Loss	($20M) – ($15M)	$(11.5M)[1]	+$2.7M

1) Excludes certain expenses that are either non-recurring or unusual in nature, such as $4.1 million of legal, regulatory and other expense related to legacy issues and $4.3 million of expenses related to our cost structure simplification.

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Second Quarter and Full Year Guidance – On Track

	Q2 2019 ($ in millions)	**FY 2019** ($ in millions)	**Notes**
Total Net Revenue	**$185 – $195**	**$765 – $795**	
GAAP Consolidated Net Loss[1]	**$(11) – $(6)**	**$(37) – $(17)**	Actual results for GAAP Consolidated Net Income (Loss) and Adjusted Net Income (Loss) will differ as expenses related to our legacy legal issues and cost structure simplification become available. Such items will not impact Adjusted Net Income (Loss) but will impact GAAP Consolidated Net Income (Loss).
Adjusted Net Loss[1,2]	**$(11) – $(6)**	**$(29) – $(9)**	
Adjusted EBITDA[1]	**$25 – $30**	**$115 – $135**	

1) Guidance excludes certain expenses that are either non-recurring or unusual in nature. Full year guidance now reflects such expenses that have been recognized during the first quarter of 2019. See Appendix for a reconciliation of these non-GAAP measures.

2) In the fourth quarter of 2018, we revised the calculation of Adjusted Net Income (Loss) and Adjusted EPS to adjust for certain expenses that are either non-recurring or unusual in nature, such as expenses related to our cost structure simplification, goodwill impairment and legacy issues that have resulted in elevated legal costs.

LendingClub’s Business Model

An Online Marketplace

Borrowers
earn savings and financial control

Investors
earn solid returns

All loans originated and issued by our federally regulated issuing bank partners.

Our Competitive Advantage

LendingClub provides tools that help Americans on their path to financial health through lower borrowing costs and a seamless user experience.

The company is the market leader in personal loans, a $130 billion+ industry and the fastest growing segment of consumer credit in the United States, and has an estimated addressable revolving debt market opportunity of more than $1 trillion.

The company's marketplace gives it unique strengths which enable it to expand its market opportunity, competitive advantage, and growth potential:

- Our marketplace model generates savings for borrowers by finding and matching the lowest cost of capital with the right borrower and attracts investors with the lowest cost of capital by efficiently generating targeted returns and duration diversification;
- Our broad spectrum of borrowers and lenders enables us to serve more customers and to enhance our marketing efficiency; and
- Scale, data and innovation enable us to generate and convert demand efficiently while managing price and credit risk effectively (3M+ customers)

The company is enhancing its operating leverage and capacity to generate cash with efficiency initiatives.

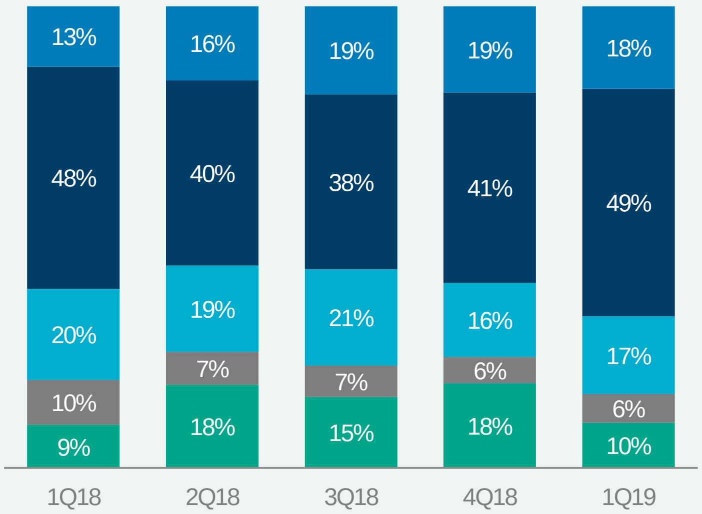
Financial Metrics

LendingClub Platform Investors

Diverse investor channels provide breadth of credit appetite and flexibility to adapt to various market conditions.

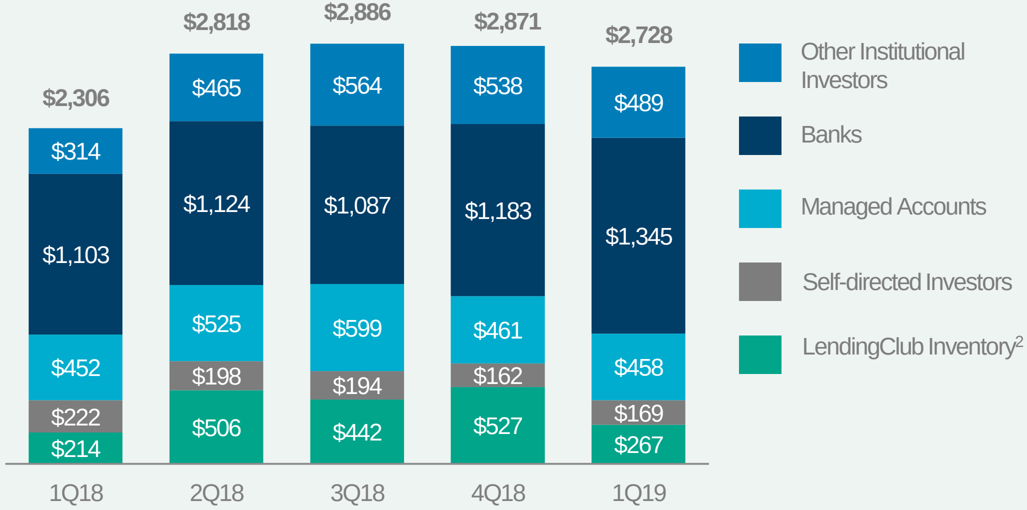
Originations Mix by Funding Source

(as a % of total platform originations)



Platform Originations by Funding Source[1]

($ in millions)



(1) There may be differences between the sum of the quarterly results due to rounding.
(2) Represents the percentage of loan originations in the period that were purchased or pending purchase by the Company and not yet sold as of the period end. It is the Company's expectation that most of these loans will be included in future structured program transactions or sold in whole loan format in subsequent periods.

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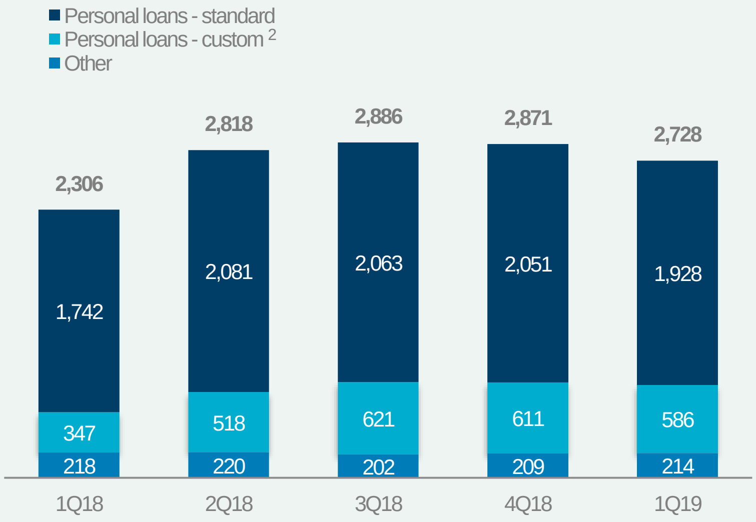
Originations & Revenue

Grew quarterly originations by 18% and net revenue by 15% year-over-year – driven by 31% application growth and conversion initiatives.

Quarterly Originations[1]

($ in millions)

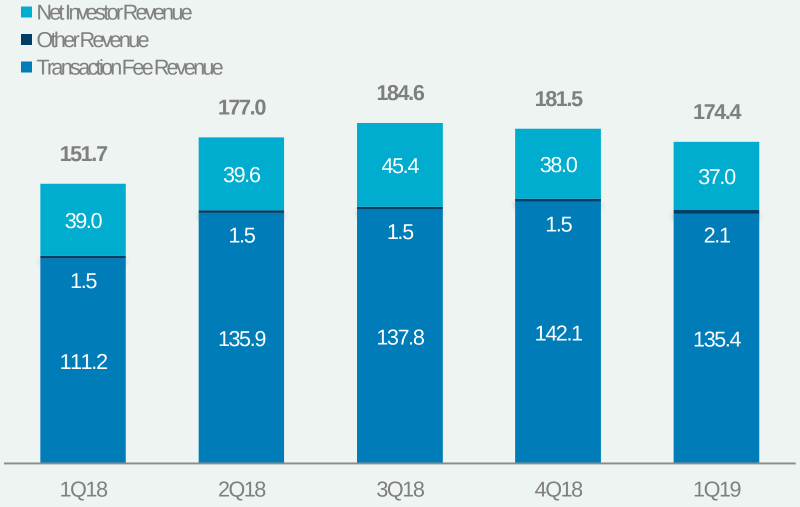


Growth (%)

YoY	18%	31%	18%	18%	18%

Quarterly Total Net Revenue[1]

($ in millions)



Growth (%)

YoY	22%	27%	20%	16%	15%
Yield	6.58%	6.28%	6.40%	6.32%	6.39%

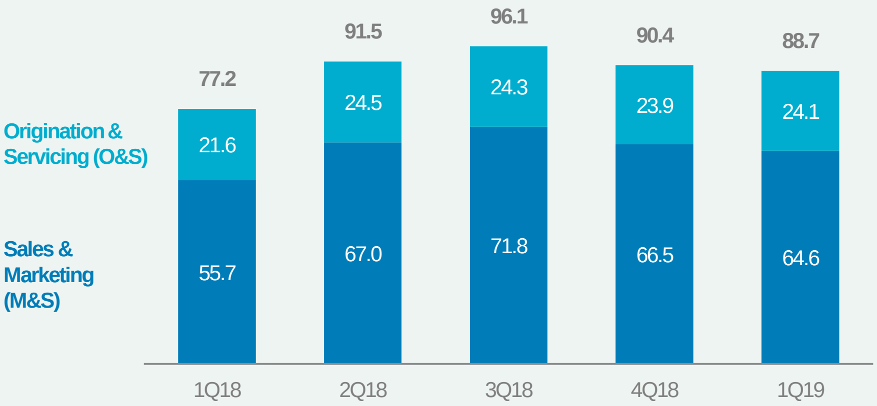
(1) There may be differences between the sum of the quarterly results due to rounding.
(2) Personal loans - custom includes loans made to near-prime and super-prime borrowers, as well as testing program originations.

Contribution Margin[2]

Achieved quarterly Contribution of $85.7M, or 49.1% of net revenue – driven by strong borrower demand and marketing and operations efficiency.

Quarterly expenses impacting Contribution Margin[1]

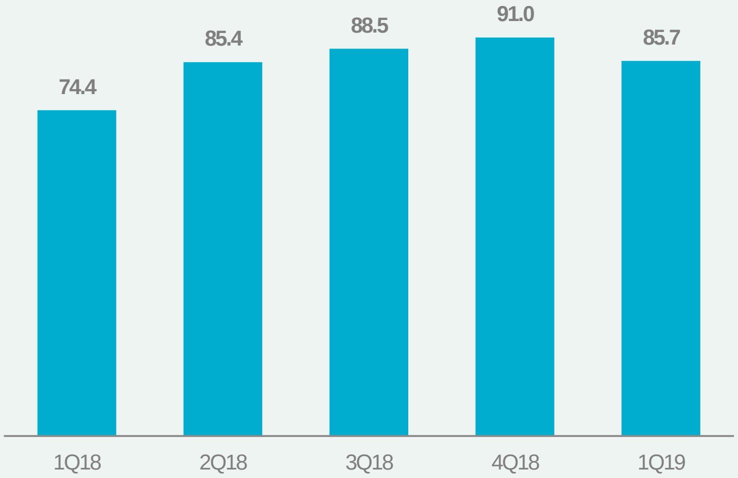
($ in millions)



	1Q18	2Q18	3Q18	4Q18	1Q19
O&S % of Originations	0.94%	0.87%	0.84%	0.83%	0.88%
M&S % of Originations	2.41%	2.38%	2.49%	2.32%	2.37%
Total % of Originations	3.35%	3.25%	3.33%	3.15%	3.25%
Total % of Revenues	50.9%	51.7%	52.1%	49.8%	50.9%

Quarterly Contribution Margin[1,2]

($ in millions)



	1Q18	2Q18	3Q18	4Q18	1Q19
Margin % of Revenue	49.1%	48.3%	47.9%	50.1%	49.1%

(1) There may be differences between the sum of the quarterly results due to rounding.

(2) Contribution is calculated as net revenue less "sales and marketing" and "origination and servicing" expenses on the Company's Statements of Operations, adjusted to exclude cost structure simplification and non-cash stock-based compensation expenses within these captions and income or loss attributable to noncontrolling interests. Contribution Margin is a non-GAAP financial measure calculated by dividing Contribution by total net revenue. See Appendix for a reconciliation of this non-GAAP measure.

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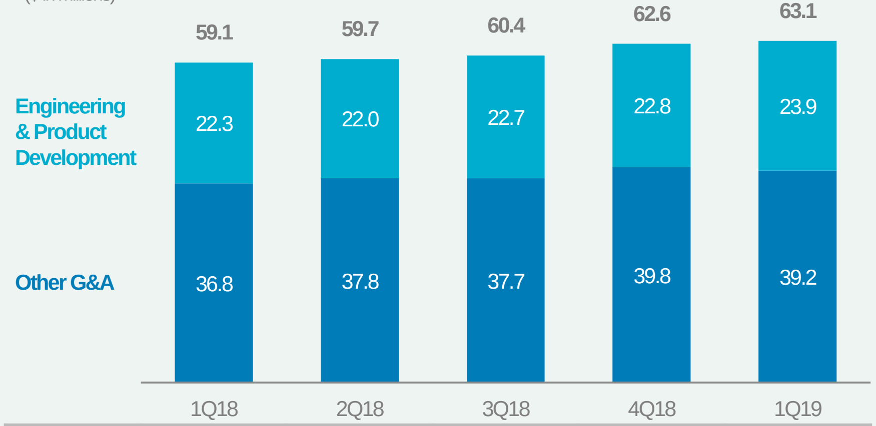
Adjusted EBITDA Margin[2]

Delivered 2.9pts of margin improvement year-over-year through operating leverage –technology and G&A costs growing slower than revenue.

Quarterly Expenses impacting Adjusted EBITDA Margin[1]

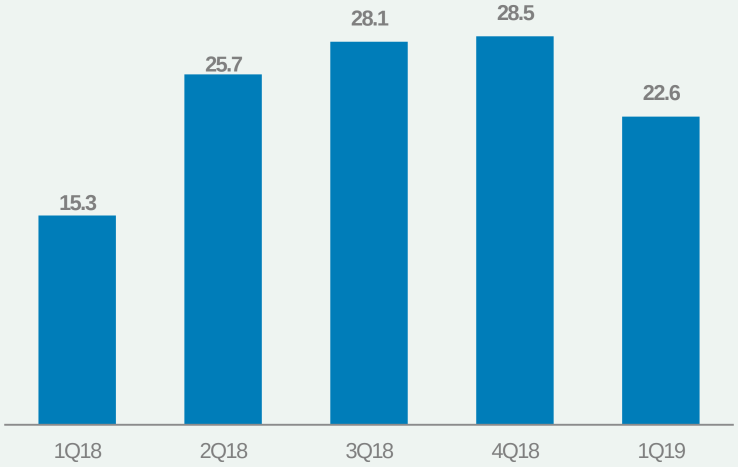
($ in millions)



	1Q18	2Q18	3Q18	4Q18	1Q19
Eng. & PD (% of Rev.)	14.7%	12.4%	12.3%	12.5%	13.7%
Other G&A (% of Rev.)	24.3%	21.3%	20.4%	21.9%	22.5%
Total % of Revenue	39.0%	33.8%	32.7%	34.5%	36.2%

Quarterly Adjusted EBITDA Margin[1]

($ in millions)



	1Q18	2Q18	3Q18	4Q18	1Q19
Margin % of Revenue	10.1%	14.5%	15.2%	15.7%	13.0%

(1) There may be differences between the sum of the quarterly results due to rounding.

(2) Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss), excluding depreciation and impairment expense, amortization of intangible assets, stock-based compensation expense, income tax expense (benefit), acquisition related expenses, legal, regulatory and other expense related to legacy issues, cost structure simplification, goodwill impairment, and income or loss attributable to noncontrolling interests. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by total net revenue. See Appendix for a reconciliation of this non-GAAP measure.

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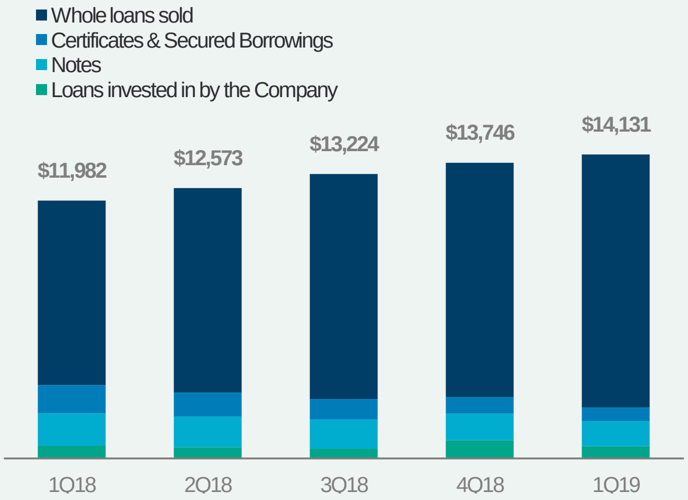
Servicing Portfolio Recurring Revenue

Growth in Adjusted Investor Fee Revenue driven by increase in Servicing Portfolio Balance.

Servicing Portfolio Balance[1]

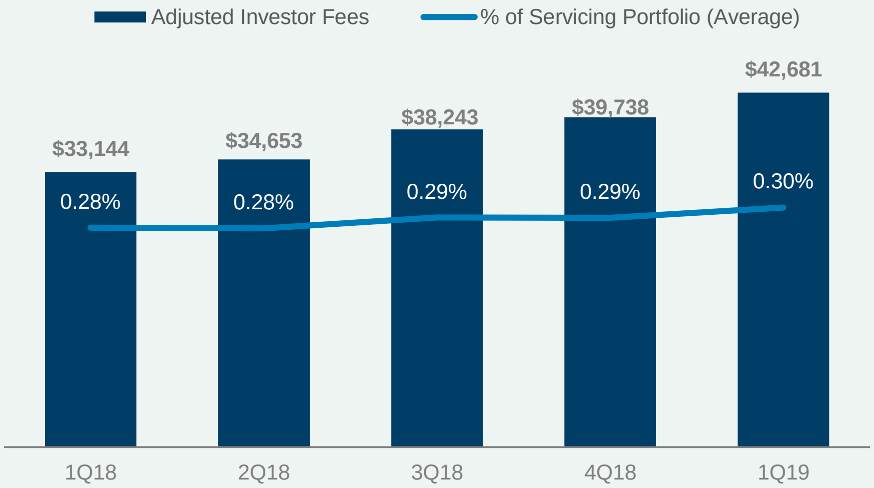
($ in millions)



Y/Y %	8%	13%	15%	15%	18%

Adjusted Investor Fee Revenue[2]

($ in thousands)



36%	36%	42%	28%	29%

(1) Servicing Portfolio Balance represents outstanding principal balance of loans that we serviced at the end of the periods indicated, and financed with notes, certificates & secured borrowings, and whole loans sold (including loans invested in by the Company).
(2) Adjusted Investor Fee Revenue is a non-GAAP financial measure that excludes the impact of changes in fair value of our servicing asset/liability over the life of the loan.

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Appendix:
Financial Reconciliations

GAAP to Non-GAAP Reconciliation: **Operating Expenses**

	Year Ended Dec. 31,			Three Months Ended							
(in thousands, except percentages) (unaudited)	2016	2017	2018	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Total net revenue	**$ 500,812**	**$ 574,540**	**$ 694,812**	**$ 139,573**	**$ 154,030**	**$ 156,455**	**$ 151,667**	**$ 176,979**	**$ 184,645**	**$ 181,521**	**$ 174,418**
GAAP sales and marketing	$ 216,670	$ 229,865	$ 268,517	$ 55,582	$ 59,570	$ 60,130	$ 57,517	$ 69,046	$ 73,601	$ 68,353	$ 66,623
Stock-based compensation expense	7,546	7,654	7,362	1,967	1,591	1,797	1,860	2,023	1,791	1,688	1,571
Cost structure simplification expense (1)	—	—	131	—	—	—	—	—	—	131	468
Non-GAAP sales and marketing	**$ 209,124**	**$ 222,211**	**$ 261,024**	**$ 53,615**	**$ 57,979**	**$ 58,333**	**$ 55,657**	**$ 67,023**	**$ 71,810**	**$ 66,534**	**$ 64,584**
% Total net revenue	*41.8%*	*38.7%*	*37.6%*	*38.4%*	*37.6%*	*37.3%*	*36.7%*	*37.9%*	*38.9%*	*36.7%*	*37.0%*
GAAP origination and servicing	$ 74,760	$ 86,891	$ 99,376	$ 21,274	$ 21,321	$ 23,847	$ 22,645	$ 25,593	$ 25,431	$ 25,707	$ 28,273
Stock-based compensation expense	4,159	4,804	4,322	1,354	1,049	985	1,072	1,102	1,104	1,044	924
Cost structure simplification expense (1)	—	—	749	—	—	—	—	—	—	749	3,238
Non-GAAP origination and servicing	**$ 70,601**	**$ 82,087**	**$ 94,305**	**$ 19,920**	**$ 20,272**	**$ 22,862**	**$ 21,573**	**$ 24,491**	**$ 24,327**	**$ 23,914**	**$ 24,111**
% Total net revenue	*14.1%*	*14.3%*	*13.6%*	*14.3%*	*13.2%*	*14.6%*	*14.2%*	*13.8%*	*13.2%*	*13.2%*	*13.8%*
GAAP engineering and product development	$ 115,357	$ 142,264	$ 155,255	$ 35,718	$ 32,860	$ 37,926	$ 36,837	$ 37,650	$ 41,216	$ 39,552	$ 42,546
Stock-based compensation expense	19,858	22,047	20,478	5,773	4,640	5,046	5,279	5,464	5,332	4,403	5,231
Depreciation and amortization	20,906	36,790	45,037	8,483	9,026	11,487	9,247	10,197	13,221	12,372	13,373
Cost structure simplification expense (1)	—	—	—	—	—	—	—	—	—	—	7
Non-GAAP engineering and product development	**$ 74,953**	**$ 83,427**	**$ 89,740**	**$ 21,462**	**$ 19,194**	**$ 21,393**	**$ 22,311**	**$ 21,989**	**$ 22,663**	**$ 22,777**	**$ 23,935**
% Total net revenue	*15.0%*	*14.5%*	*12.9%*	*15.4%*	*12.5%*	*13.7%*	*14.7%*	*12.4%*	*12.3%*	*12.5%*	*13.7%*
GAAP other general and administrative, legal, regulatory and other expense related to legacy issues and goodwill impairment	$ 244,222	$ 268,933	$ 299,774	$ 52,495	$ 46,925	$ 125,939	$ 65,809	$ 105,478	$ 67,184	$ 61,303	$ 56,876
Stock-based compensation expense	37,638	36,478	42,925	9,994	8,826	8,463	9,590	11,208	11,544	10,583	10,526
Depreciation	4,216	5,130	5,852	1,305	1,246	1,281	1,419	1,420	1,488	1,525	1,542
Acquisition and related expenses	1,174	349	—	56	—	—	—	—	—	—	—
Amortization of intangibles	4,760	4,288	3,875	1,057	1,034	1,035	1,035	959	940	941	940
Cost structure simplification expense (1)	—	—	5,902	—	—	—	—	—	—	5,902	559
Goodwill impairment	37,050	—	35,633	—	—	—	—	35,633	—	—	—
Legal, regulatory and other expense related to legacy issues (2)	—	80,250	53,518	—	—	80,250	16,973	18,501	15,474	2,570	4,145
Non-GAAP other general and administrative	**$ 159,384**	**$ 142,438**	**$ 152,069**	**$ 40,083**	**$ 35,819**	**$ 34,910**	**$ 36,792**	**$ 37,757**	**$ 37,738**	**$ 39,782**	**$ 39,164**
% Total net revenue	*31.8%*	*24.8%*	*21.9%*	*28.7%*	*23.3%*	*22.3%*	*24.3%*	*21.3%*	*20.4%*	*21.9%*	*22.5%*

(1) Includes personnel-related expense associated with establishing a site in the Salt Lake City area and external advisory fees.

(2) Includes class action and regulatory litigation expense and legal and other expenses related to legacy issues, which are included in “Class action and regulatory litigation expense” and “Other general and administrative” expense, respectively, on the Company’s Condensed Consolidated Statements of Operations. For the first quarter of 2019, also includes expense related to the dissolution of certain private funds managed by LCAM, which is included in “Net fair value adjustments” on the Company’s Condensed Consolidated Statements of Operations. Amounts prior to the fourth quarter of 2017 have not been reclassified because legacy legal expenses incurred in 2017 and prior were generally offset by insurance proceeds, resulting in no net material cumulative impact to 2017 earnings.

Adjusted Net Income (Loss) Reconciliation

Adjusted Net Income (Loss) is a non-GAAP financial measure that we calculate as LendingClub Net Income (Loss) adjusted to exclude certain expenses that are either non-recurring or unusual in nature, such as expenses related to our cost structure simplification, goodwill impairment and legacy issues that have resulted in elevated legal costs, net of tax.

	Year Ended Dec. 31,			Three Months Ended							
(in thousands, except per share data) (unaudited)	2016	2017	2018	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
GAAP LendingClub net loss	$ (145,969)	$ (153,835)	$ (128,308)	$ (25,454)	$ (6,530)	$ (92,007)	$ (31,181)	$ (60,861)	$ (22,804)	$ (13,462)	$ (19,935)
Cost structure simplification expense [1]	—	—	6,782	—	—	—	—	—	—	6,782	4,272
Goodwill impairment	37,050	—	35,633	—	—	—	—	35,633	—	—	—
Legal, regulatory and other expense related to legacy issues [2]	—	80,250	53,518	—	—	80,250	16,973	18,501	15,474	2,570	4,145
Income tax (benefit) expense	(4,118)	—	—	—	—	—	—	—	—	—	—
Adjusted net loss [3]	**$ (113,037)**	**$ (73,585)**	**$ (32,375)**	**$ (25,454)**	**$ (6,530)**	**$ (11,757)**	**$ (14,208)**	**$ (6,727)**	**$ (7,330)**	**$ (4,110)**	**$ (11,518)**
Weighted-average GAAP diluted shares	387,762	408,996	422,917	406,677	412,779	416,005	418,299	421,194	424,359	427,697	430,544
Weighted-average other dilutive equity awards	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP diluted shares [4]	**387,762**	**408,996**	**422,917**	**406,677**	**412,779**	**416,005**	**418,299**	**421,194**	**424,359**	**427,697**	**430,544**
Adjusted EPS - diluted [3]	**$ (0.29)**	**$ (0.18)**	**$ (0.08)**	**$ (0.06)**	**$ (0.02)**	**$ (0.03)**	**$ (0.03)**	**$ (0.02)**	**$ (0.02)**	**$ (0.01)**	**$ (0.03)**

(1) Includes personnel-related expense associated with establishing a site in the Salt Lake City area and external advisory fees. These expenses are included in "Sales and marketing," "Origination and servicing," "Engineering and product development" and "Other general and administrative" expense on the Company's Condensed Consolidated Statements of Operations.

(2) Includes class action and regulatory litigation expense and legal and other expenses related to legacy issues, which are included in "Class action and regulatory litigation expense" and "Other general and administrative" expense, respectively, on the Company's Condensed Consolidated Statements of Operations. For the first quarter of 2019, also includes expense related to the dissolution of certain private funds managed by LCAM, which is included in "Net fair value adjustments" on the Company's Condensed Consolidated Statements of Operations. Amounts prior to the fourth quarter of 2017 have not been reclassified because legacy legal expenses incurred in 2017 and prior were generally offset by insurance proceeds, resulting in no net material cumulative impact to 2017 earnings.

(3) In the fourth quarter of 2018, we revised the calculation of Adjusted Net Income (Loss) and Adjusted EPS to adjust for certain expenses that are either non-recurring or unusual in nature, such as expenses related to our cost structure simplification, goodwill impairment and legacy issues that have resulted in elevated legal costs, net of tax. Prior period amounts have been reclassified to conform to the current period presentation.

(4) Net of shares repurchased in the first quarter of 2016 under the Company's share repurchase program.

Contribution Reconciliation & Definition

Contribution is a non-GAAP financial measure that we calculate as net revenue less "sales and marketing" and "origination and servicing" expenses on the Company's Statements of Operations, adjusted to exclude cost structure simplification and non-cash stock-based compensation expenses within these captions and income or loss attributable to noncontrolling interests. Contribution Margin is a non-GAAP financial measure calculated by dividing contribution by total net revenue.

	Year Ended Dec. 31,			Three Months Ended							
(in thousands, except percentages) (unaudited)	2016	2017	2018	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
GAAP consolidated net income (loss)	$ (145,969)	$ (154,045)	$ (128,153)	$ (25,444)	$ (6,659)	$ (92,098)	$ (31,180)	$ (60,812)	$ (22,749)	$ (13,412)	$ (19,900)
GAAP general and administrative expense:											
Engineering and product development	115,357	142,264	155,255	35,718	32,860	37,926	36,837	37,650	41,216	39,552	42,546
Other general and administrative	207,172	191,683	228,641	52,495	46,925	48,689	52,309	57,583	57,446	61,303	56,876
Cost structure simplification expense [1]	—	—	880	—	—	—	—	—	—	880	3,706
Goodwill impairment	37,050	—	35,633	—	—	—	—	35,633	—	—	—
Class action and regulatory litigation expense	—	77,250	35,500	—	—	77,250	13,500	12,262	9,738	—	—
Stock-based compensation expense: [2]											
Sales and marketing	7,546	7,654	7,362	1,967	1,591	1,797	1,860	2,023	1,791	1,688	1,571
Origination and servicing	4,159	4,804	4,322	1,354	1,049	985	1,072	1,102	1,104	1,044	924
Income tax expense (benefit)	(4,228)	632	43	(52)	13	711	39	24	(38)	18	—
(Income) Loss attributable to noncontrolling interests	—	210	(155)	(10)	129	91	(1)	(49)	(55)	(50)	(35)
Contribution	**$ 221,087**	**$ 270,452**	**$ 339,328**	**$ 66,028**	**$ 75,908**	**$ 75,351**	**$ 74,436**	**$ 85,416**	**$ 88,453**	**$ 91,023**	**$ 85,688**
Total net revenue	$ 500,812	$ 574,540	$ 694,812	$ 139,573	$ 154,030	$ 156,455	$ 151,667	$ 176,979	$ 184,645	$ 181,521	$ 174,418
Contribution margin	**44.1%**	**47.1%**	**48.8%**	**47.3%**	**49.3%**	**48.2%**	**49.1%**	**48.3%**	**47.9%**	**50.1%**	**49.1%**

[1] Excludes the portion of personnel-related expense associated with establishing a site in the Salt Lake City area that are included in the "Sales and marketing" and "Origination and servicing" expense categories.
[2] Excludes stock-based compensation expense included in the "Sales and marketing" and "Origination and servicing" expense categories.

Contribution as a Percent of Originations

Contribution is a non-GAAP financial measure that we calculate as net revenue less “sales and marketing” and “origination and servicing” expenses on the Company’s Statements of Operations, adjusted to exclude cost structure simplification and non-cash stock-based compensation expenses within these captions and income or loss attributable to noncontrolling interests. Contribution Margin is a non-GAAP financial measure calculated by dividing contribution by total net revenue.

	Year Ended Dec. 31,			Three Months Ended							
(in thousands, except percentages or as noted) (unaudited) [1]	2016	2017	2018	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Loan originations ($ mm)	**$ 8,665**	**$ 8,987**	**$ 10,882**	**$ 2,147**	**$ 2,443**	**$ 2,438**	**$ 2,306**	**$ 2,818**	**$ 2,886**	**$ 2,871**	**$ 2,728**
Total net revenue	**$ 500,812**	**$ 574,540**	**$ 694,812**	**$ 139,573**	**$ 154,030**	**$ 156,455**	**$ 151,667**	**$ 176,979**	**$ 184,645**	**$ 181,521**	**$ 174,418**
% of loan originations	*5.78%*	*6.39%*	*6.38%*	*6.50%*	*6.31%*	*6.42%*	*6.58%*	*6.28%*	*6.40%*	*6.32%*	*6.39%*
Non-GAAP sales and marketing	$ 209,124	$ 222,211	$ 261,024	$ 53,615	$ 57,979	$ 58,333	$ 55,657	$ 67,023	$ 71,810	$ 66,534	$ 64,584
Non-GAAP origination and servicing	$ 70,601	$ 82,087	$ 94,305	$ 19,920	$ 20,272	$ 22,862	$ 21,573	$ 24,491	$ 24,327	$ 23,914	$ 24,111
Total non-GAAP sales and marketing & origination and servicing [1]	**$ 279,725**	**$ 304,298**	**$ 355,329**	**$ 73,535**	**$ 78,251**	**$ 81,195**	**$ 77,230**	**$ 91,514**	**$ 96,137**	**$ 90,448**	**$ 88,695**
% of loan originations	*3.23%*	*3.39%*	*3.27%*	*3.43%*	*3.20%*	*3.33%*	*3.35%*	*3.25%*	*3.33%*	*3.15%*	*3.25%*
(Income) Loss attributable to noncontrolling interests	$ —	$ 210	$ (155)	$ (10)	$ 129	$ 91	$ (1)	$ (49)	$ (55)	$ (50)	$ (35)
Contribution	**$ 221,087**	**$ 270,452**	**$ 339,328**	**$ 66,028**	**$ 75,908**	**$ 75,351**	**$ 74,436**	**$ 85,416**	**$ 88,453**	**$ 91,023**	**$ 85,688**
% of loan originations	*2.55%*	*3.01%*	*3.12%*	*3.08%*	*3.11%*	*3.09%*	*3.23%*	*3.03%*	*3.06%*	*3.17%*	*3.14%*

[1] There may be differences between the sum of the quarterly results and the total annual results due to rounding.

Adjusted EBITDA Definition and Reconciliation

Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss) before depreciation, impairment and amortization expense, stock-based compensation expense, income tax expense (benefit), acquisition related expenses, cost structure simplification expense, goodwill impairment, legal, regulatory and other expense related to legacy issues and income or loss attributable to noncontrolling interests. Adjusted EBITDA Margin is a non-GAAP financial measure calculated by dividing Adjusted EBITDA by total net revenue.

	Year Ended Dec. 31,			Three Months Ended							
(in thousands, except percentages) (unaudited)	2016	2017	2018	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
GAAP consolidated net income (loss)	$ (145,969)	$ (154,045)	$ (128,153)	$ (25,444)	$ (6,659)	$ (92,098)	$ (31,180)	$ (60,812)	$ (22,749)	$ (13,412)	$ (19,900)
Acquisition and related expense	1,174	349	—	56	—	—	—	—	—	—	—
Depreciation and impairment expense:											
Engineering and product development	20,906	36,790	45,037	8,483	9,026	11,487	9,247	10,197	13,221	12,372	13,373
Other general and administrative	4,216	5,130	5,852	1,305	1,246	1,281	1,419	1,420	1,488	1,525	1,542
Amortization of intangible assets	4,760	4,288	3,875	1,057	1,034	1,035	1,035	959	940	941	940
Cost structure simplification expense (1)	—	—	6,782	—	—	—	—	—	—	6,782	4,272
Goodwill impairment	37,050	—	35,633	—	—	—	—	35,633	—	—	—
Legal, regulatory and other expense related to legacy issues (2)	—	80,250	53,518	—	—	80,250	16,973	18,501	15,474	2,570	4,145
Stock-based compensation expense	69,201	70,983	75,087	19,088	16,106	16,291	17,801	19,797	19,771	17,718	18,252
Income tax expense (benefit)	(4,228)	632	43	(52)	13	711	39	24	(38)	18	—
(Income) Loss attributable to noncontrolling interests	—	210	(155)	(10)	129	91	(1)	(49)	(55)	(50)	(35)
Adjusted EBITDA	**$ (12,890)**	**$ 44,587**	**$ 97,519**	**$ 4,483**	**$ 20,895**	**$ 19,048**	**$ 15,333**	**$ 25,670**	**$ 28,052**	**$ 28,464**	**$ 22,589**
Total net revenue	$ 500,812	$ 574,540	$ 694,812	$ 139,573	$ 154,030	$ 156,455	$ 151,667	$ 176,979	$ 184,645	$ 181,521	$ 174,418
Adjusted EBITDA margin	**(2.6)%**	**7.8%**	**14.0%**	**3.2%**	**13.6%**	**12.2%**	**10.1%**	**14.5%**	**15.2%**	**15.7%**	**13.0%**

(1) Includes personnel-related expense associated with establishing a site in the Salt Lake City area and external advisory fees. These expenses are included in “Sales and marketing,” “Origination and servicing,” "Engineering and product development" and “Other general and administrative” expense on the Company’s Condensed Consolidated Statements of Operations.

(2) Includes class action and regulatory litigation expense and legal and other expenses related to legacy issues, which are included in “Class action and regulatory litigation expense” and “Other general and administrative” expense, respectively, on the Company’s Condensed Consolidated Statements of Operations. For the first quarter of 2019, also includes expense related to the dissolution of certain private funds managed by LCAM, which is included in “Net fair value adjustments” on the Company’s Condensed Consolidated Statements of Operations. Amounts prior to the fourth quarter of 2017 have not been reclassified because legacy legal expenses incurred in 2017 and prior were generally offset by insurance proceeds, resulting in no net material cumulative impact to 2017 earnings.

Net Cash and Other Financial Assets

Net cash and other financial assets is calculated as cash and certain other financial assets, including loans and securities available for sale which are partially secured and offset by the related credit facilities.

	Three Months Ended					
(in thousands) (unaudited)	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Cash and loans held for investment by the Company						
Cash and cash equivalents	$ 401,719	$ 405,078	$ 434,179	$ 348,018	$ 372,974	$ 402,311
Loans held for investment by the Company at fair value	361,230	317,458	9,621	12,198	2,583	8,757
Total	$ 762,949	$ 722,536	$ 443,800	$ 360,216	$ 375,557	$ 411,068
Other financial assets partially secured by credit facilities						
Securities available for sale	$ 117,573	$ 128,424	$ 149,804	$ 165,442	$ 170,469	$ 197,509
Loans held for sale by the Company at fair value	235,825	248,344	515,307	459,283	840,021	552,166
Payable to securitization note and residual certificate holders	(312,123)	(280,915)	—	—	(256,354)	(233,269)
Credit facilities and securities sold under repurchase agreements	(32,100)	(74,000)	(349,232)	(305,336)	(458,802)	(263,863)
Total	$ 9,175	$ 21,853	$ 315,879	$ 319,389	$ 295,334	$ 252,543
Net cash and other financial assets [1]	**$ 772,124**	**$ 744,389**	**$ 759,679**	**$ 679,605**	**$ 670,891**	**$ 663,611**

[1] Comparable GAAP measure cannot be provided as not practicable.

Reconciliation of GAAP to Non-GAAP Financial Guidance (1)

	Year Ended	Three Months Ended
(in millions)	2019	2Q 2019
GAAP Consolidated net loss (2)	$(37) - $(17)	$(11) - $(6)
Cost structure simplification expense (3)	4	—
Legal, regulatory and other expense related to legacy issues (4)	4	—
Adjusted net loss (2)	$(29) - $(9)	$(11) - $(6)
Stock-based compensation expense	81	21
Depreciation, amortization and other net adjustments	63	15
Adjusted EBITDA (2)	$115 - $135	$25 - $30

(1) For the second half of 2019, reconciliation of comparable GAAP Consolidated Net Income (Loss) to Adjusted Net Income (Loss) cannot be provided as not practicable.

(2) Guidance excludes certain expenses that are either non-recurring or unusual in nature, such as expenses related to our cost structure simplification and legal, regulatory and other expense related to legacy issues. Full year guidance now reflects such expenses that have been recognized during the first quarter of 2019.

(3) Includes personnel-related expenses associated with establishing a site in the Salt Lake City area and external advisory fees. These expenses are included in “Sales and marketing,” “Origination and servicing,” “Engineering and product development” and “Other general and administrative” expense on the Company’s Condensed Consolidated Statements of Operations.

(4) Includes class action and regulatory litigation expense and legal and other expenses related to legacy issues, which are included in “Class action and regulatory litigation expense” and “Other general and administrative” expense, respectively, on the Company’s Condensed Consolidated Statements of Operations. For the first quarter of 2019, also includes expense related to the dissolution of certain private funds managed by LCAM, which is included in “Net fair value adjustments” on the Company’s Condensed Consolidated Statements of Operations.

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