



Update (March 20, 2018)

**IEGH Holdings Corp
(OTCQB: IEGH, Target Price: \$2.00)**

IEG Holdings Corporation (OTCQB: IEGH) provides online unsecured consumer loans under the brand name "Mr. Amazing Loans" via its website, www.mramazingloans.com, in 20 US states. The company offers \$5,000 and \$10,000 personal loans over a five-year term at rates ranging from 19.9% to 29.9% APR. IEG Holdings plans future expansion to a total of 25 US states, which would cover 240mn people and represent approximately 75% of the US population.

Since 2013, IEGH has obtained additional state lending licenses, and they are licensed and originating direct consumer loans in 20 states including: Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia, and Wisconsin. The Company was founded in 2010 and is headquartered in Las Vegas, Nevada.

Investment Highlights

IEGH updates cryptocurrency plans

On March 14, 2018, IEGH announced that, after considering the potential risks and benefits, it would not pursue a cryptocurrency offering or related cryptocurrency strategy at this time. IEGH stated that it would continue to follow the evolving regulatory landscape of cryptocurrency and may opt consider cryptocurrency strategies in the future. The company will continue to explore the potential adoption of blockchain technology in its core consumer lending business.

Investment Evolution Coin Ltd. of Singapore to explore new cryptocurrency

As part of the same announcement, IEGH CEO, Chairman and majority shareholder Paul Mathieson stated that **Investment Evolution Coin Ltd.** ("IEC Ltd"), a Singapore-incorporated public unlisted company which is also majority-owned by Paul Mathieson, was exploring the launch of a new cryptocurrency in Singapore, as well as select other jurisdictions, to be called **Investment Evolution Coin ("IEC")**. According to the release, IEC will initially be intended to facilitate the payment of remittances to the Philippines by Filipino Overseas Foreign Workers located in Singapore, USA and Australia. IEC Ltd. stated that it has engaged California-based Blockchain company HashCash Consultants to implement and launch its new IEC cryptocurrency. Founded in 2015, Hascash Consultants enable enterprises to move assets and settle payments across borders in real-time using Blockchain Technology through its network HC NET.

Mathieson intends to distribute IEC Ltd shares to IEGH shareholders

Mathieson stated that he intends to provide each IEGH shareholder of record as of April 30, 2018, with the opportunity to receive the same number and percentage (on a fully diluted basis) of ordinary fully paid up shares in the issued share capital of IEC Ltd, as the number and percentage of shares of IEGH common stock held by such shareholder. We understand the announcement to mean that for every share of IEGH owned and fully settled as of April 30, 2018, shareholders will have the option to receive one share of IEC Ltd, and that the total number of fully diluted shares in IEC Ltd. will equal that of IEGH.

No change to price target

Our price target is unchanged at this time for IEGH. IEGH is a high-risk, high potential reward company in the consumer finance sector. We are intrigued by the announcement that IEGH shareholders as of April 30, 2018, will have the option to participate in a contemplated offer by CEO Paul Mathieson to receive shares of IEC Ltd, as this potentially offers upside to the existing consumer loan business, if the company is successful in creating value with Investment Evolution Coin.

Stock Details (3/18/18)

OTCQB:	IEGH
Sector / Industry	FinTech / Blockchain
Price target	\$2.00
Recent share price	\$0.27
Shares o/s (mn)	17.4
Market cap (in \$mn)	\$4.6
Dividend Yield %	7.5%
52-week high/low	\$4.19 / 0.14

Source: Thomson Reuters, SeeThruEquity Research

Key Financial (\$mn, unless specified)

	FY16	FY17E	FY18E
Revenues	2.1	1.7	2.0
EBITDA	(4.6)	(3.5)	(3.9)
EBIT	(4.7)	(3.6)	(4.0)
GAAP Net Inc. to common	(4.8)	(4.2)	(4.0)
GAAP EPS (\$)	(0.60)	(0.40)	(0.25)

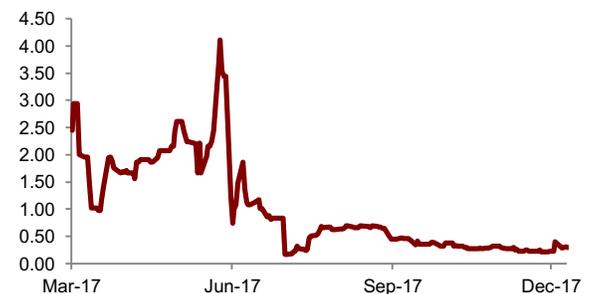
Source: SeeThruEquity Research

Key Ratios

	FY16	FY17E	FY18E
Gross margin (%)	100.0	100.0	100.0
Operating Margin (%)	(223.8)	(215.2)	(198.7)
EBITDA margin (%)	(219.0)	(212.8)	(195.7)
Net margin (%)	(228.6)	(254.5)	(198.7)
P/Revenue (x)	2.2	2.8	2.3
EV/Revenue (x)	1.4	1.7	1.4

Source: SeeThruEquity Research

Stock Performance (LTM)



Source: Thomson Reuters

IEGH provides update with respect to cryptocurrency strategy

- On March 14, 2018, IEGH announced that, after considering the potential risks and benefits, it would not pursue a cryptocurrency offering or related cryptocurrency strategy at this time.
- The company stated that it would continue to follow the evolving regulatory landscape of cryptocurrency and may consider cryptocurrency strategies in the future. The company will continue to explore the potential adoption of blockchain technology in its core consumer lending business.

IEGH shareholders of record as of April 30, 2018 have option to receive shares in Investment Evolution Coin Ltd.

- Additionally IEGH CEO, Chairman and majority shareholder Paul Mathieson stated that **Investment Evolution Coin Ltd. ("IEC Ltd")**, a Singapore-incorporated public unlisted company which is also majority-owned by Paul Mathieson, was exploring the launch of a new cryptocurrency in Singapore, as well as select other jurisdictions, to be called **Investment Evolution Coin ("IEC")**.
- According to the release, IEC will initially be intended to facilitate the payment of remittances to the Philippines by Filipino Overseas Foreign Workers located in Singapore, USA and Australia. According to the announcement, the targeted launch of IEC is May 2018, subject to regulatory approval, and the coin is planned to trade on the PayBitto exchange.
- **IEC Ltd. engages HashCash to facilitate cryptocurrency strategy.** Mathieson stated that IEC Ltd. has engaged California-based Blockchain company HashCash Consultants to implement and launch its new IEC cryptocurrency. Founded in 2015, Hashcash Consultants enable enterprises to move assets and settle payments across borders in real-time using Blockchain Technology through its network HC NET. According to the company's release, HashCash has set up an independent blockchain network, HC NET, and has fostered eco-system partnerships with Alfa-Bank, Russia's largest Commercial Bank, as well as Germany's Commerzbank, Singapore's UOB, India's Yes Bank, among others.
- **Mathieson to provide option to receive shares in IEC Ltd. to IEGH shareholders of record as of April 30, 2018.** Mathieson stated that he intends to provide each IEGH shareholder of record as of April 30, 2018, with the opportunity to receive the same number and percentage (on a fully diluted basis) of ordinary fully paid up shares in the issued share capital of IEC Ltd, as the number and percentage of shares of IEGH common stock held by such shareholder. In order to receive shares of IEC Ltd, IEGH shareholder will be required to deliver to Mr. Mathieson certain limited identifying information in order to satisfy anti-money laundering requirements associated with the planned IEC cryptocurrency and any other applicable requirements.
- The announcement stated that there are 17.4mn shares of both IEGH and IEC Ltd., and that IEC Ltd. has no convertible debt, warrants or other dilutive securities outstanding.
- We understand the announcement to mean that for every share of IEGH owned and fully settled as of April 30, 2018, shareholders will have the option to receive one share of IEC Ltd, and that the total number of fully diluted shares in IEC Ltd. will equal that of IEGH.
- We are intrigued by news of Mathieson's decision to offer shares of IEC Ltd to IEGH shareholders, as it presents an additional opportunity beyond the existing consumer loans business to create value.

IEGH withdraws tender offer for LendingClub

- On February 20, 2018, IEGH announced that it had withdrawn its previously announced tender offer for shares of LendingClub Corporation.
- Management attributed the decision to comments received from the SEC that the offer was improperly commenced. Any shares tendered by shareholders of LendingClub were not accepted by IEGH were promptly returned to the relevant stockholders.



Management Team

Paul Mathieson – Founder, Executive Chairman & CEO

Mr. Mathieson has served as the Chief Executive Officer and member of IEGH's Board of Directors since 2012 and a member of the board of directors of our subsidiary since 2009. In 2005, Mr. Mathieson founded IEG Holdings Limited in Sydney, Australia which launched the Amazing Loans business in Australia in 2005 and the Mr. Amazing Loans business in the United States via IEGC in 2010. In recognition of IEG Holdings Limited's success, Mr. Mathieson was awarded Ernst & Young's 2007 Australian Young Entrepreneur of the Year (Eastern Region). Mr. Mathieson has over 22 years finance industry experience in lending, funds management, stock market research and investment banking. His career has included positions as Financial Analyst/Institutional Dealer with Daiwa Securities from 1995 to 1995, Head of Research for Hogan & Partners from 1995 to 2000, and Stockbroker and Investment Banking Associate with ING Barings from 2000 to 2001. In addition, from 2002 to 2010, Mr. Mathieson was the Founder and Managing Director of IE Portfolio Warrants, a funds management business that offered high return and leveraged structured Australian equities products. Mr. Mathieson received a Bachelor of Commerce from Bond University, Queensland, Australia in 1994 and a Master's Degree of Applied Finance from Macquarie University, New South Wales, Australia in 2000.

Carla Cholewinski – Chief Operating Officer

Ms. Cholewinski has served as our Chief Operating Officer since 2008 and has over 37 years' experience in the finance industry including banking, credit union management, regulatory oversight, debt securitization and underwriting. Her career has included positions as Vice President and Branch Manager at Glendale Federal Bank from 1976 to 1986, Vice President and District Sales and Lending Manager with California Federal Bank from 1986 to 1992, Mortgage Banker with First Choice Financial Services from 1992 to 1995, Corporate Vice President of Lending and Collections with WesStar Credit Union from 1995 to 1999, Chief Lending Officer for American Corp & Funding from 1999 to 2000, Chief Credit Officer for Security State Savings Bank from 2000 to 2004, and Chief Credit Officer for Fifth Street Bank from 2004 to 2008. Since 2008, Ms. Cholewinski has served as our Chief Operating Officer and Chief Credit Officer and has utilized her extensive finance, banking and regulatory experience to grow the business from initial launch to our current level of operations.

About IEG Holdings Corporation

IEG Holdings Corporation provides online \$5,000 and \$10,000 unsecured consumer loans under the brand name, "Mr. Amazing Loans," via its website, www.mramazingloans.com. For more information about IEG Holdings, visit www.investmentevolution.com.



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