UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-55463

IEG Holdings Corporation

(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	**90-1069184** (I.R.S. Employer Identification No.)
3960 Howard Hughes Parkway **Suite 490** **Las Vegas, Nevada** (Address of principal executive offices)	**89169** (Zip Code)

(702) 227-5626
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Act: **None**

Securities registered under Section 12(g) of the Act: **Common Stock, par value $0.001 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

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 [X]

[X] Indicate by check mark whether the issuer (1) 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.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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 [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]
	Emerging growth company [X]

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. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

As of June 30, 2017, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was $6,437,272.60 based on the last reported sale price of our common stock on the OTCQB, which was $1.10 per share on June 30, 2017.

As of March 28, 2018, there were 17,463,449 shares of the registrant's common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Securities and Exchange Commission (the "SEC") encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This annual report on Form 10-K and other written and oral statements that we make from time to time contain such forward-looking statements that set out anticipated results based on management's plans and assumptions regarding future events or performance. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated sales efforts, expenses, the outcome of contingencies, such as legal proceedings, and financial results. Factors that could cause our actual results of operations and financial condition to differ materially are discussed in greater detail under Item 1A - "Risk Factors" of this annual report on Form 10-K.

We caution that the factors described herein and other factors could cause our actual results of operations and financial condition to differ materially from those expressed in any forward-looking statements we make and that investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for us to predict all of such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

PART I

ITEM 1. BUSINESS

Business Overview

IEG Holdings Corporation ("IEG Holdings," the "Company," "we," "us," or "our") is a fintech company that provides unsecured online consumer loans under the brand name "Mr. Amazing Loans" via our website and online application portal at www.mramazingloans.com. Fintech companies, such as IEG Holdings, apply technology to improve financial services. We started our business and opened our first office in Las Vegas, Nevada in 2010. We currently offer $5,000 and $10,000 unsecured consumer loans that mature in five years. We are currently licensed and/or hold certificates of authority and originating direct consumer loans in 20 states – Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin. We provide loans to residents of these states through our online application portal, with all loans originated, processed and serviced out of our centralized Las Vegas head office, which eliminates the need for physical offices in all of these states.

Our strategy is to address the market needs of underbanked consumers that tend to be ignored by mainstream institutional credit providers such as banks and credit unions, and charged excessive fees and interest by fringe lenders such as payday lenders. In the current global environment, we believe there is a substantial need and opportunity for the small personal loans we offer.

All of our personal loans are offered at prevailing statutory rates with fixed affordable repayments and no prepayment penalties. We conduct full underwriting on all applications including credit checks and review of bank statements to ensure customers have capacity to repay their loans, and have designed our loans to help customers reach a stronger financial position.

OneMain Tender Offer

On January 5, 2017, we launched a tender offer for shares of OneMain Holdings, Inc. ("OneMain") common stock (the "OneMain Tender Offer"). In our tender offer materials relating to the OneMain Tender Offer, we indicated that we intended to use our OneMain stockholdings to become an activist investor, to pressure OneMain to transform its "brick and mortar" business model to our online-only distribution business model. The OneMain Tender Offer was undersubscribed, with stockholders representing approximately 0.1% of OneMain's outstanding shares tendering their shares. On June 16, 2017, IEG Holdings closed the OneMain Tender Offer, with 151,994 OneMain shares of common stock acquired (valued at an aggregate of $3.6 million based on the closing price of shares of OneMain common stock of $23.38 on June 15, 2017) in exchange for 3,039,880 shares of IEG Holdings' common stock.

On June 16, 2017, we sent a letter to OneMain's Chief Executive Officer and board of directors with the following activist stockholder demands:

- Appoint Mr. Mathieson as an IEG Holdings representative on OneMain's board of directors,
- Appoint Mr. Mathieson as an IEG Holdings representative on OneMain's management team,
- Implement substantial cost cuts, and
- Implement a new and improved online strategy.

We indicated in our letter that we intended, in our role as an activist investor, to:

- Encourage OneMain to transform the OneMain "brick and mortar" business model to IEG Holdings' 100% online-only distribution business model, which IEG Holdings believes could result in estimated cost savings of at least $700 million per year by closing over 1,700 OneMain offices, terminating over 10,000 employees, and achieving substantial cuts in advertising/marketing costs and other significant cost-cutting measures, including a significant reduction in aggregate annual executive compensation, and
- Encourage OneMain to improve its business from termination of low margin OneMain business segments with a new focus on high margin unsecured loans to near prime clients, a focus on refinancing of existing high quality OneMain customers and termination of lending to subprime OneMain customers with FICO scores of less than 600 to reduce OneMain's loss levels.

This was the only contact that IEG Holdings had with OneMain following expiration of the OneMain Tender Offer. On June 22, 2017, the fifth business day following termination of the OneMain Tender Offer, IEG Holdings sold 100% of its OneMain shares (an aggregate of 151,994 shares, which represented approximately 0.1% of OneMain's outstanding shares) in exchange for approximately $3.4 million in cash due to lack of response from OneMain's management, an undersubscribed tender offer and what management believed, based on the low level of tendering stockholders, to be a lack of OneMain stockholder support for the proposed business changes. Had management perceived greater OneMain stockholder support for the proposed business changes or OneMain management demonstrated a willingness to enter into discussions, IEG Holdings likely would have considered retaining its stake in OneMain for a longer period of time or indefinitely. The sale of the tendered OneMain shares by IEG Holdings significantly increased IEG Holdings' capital and net asset value and resulted in a substantial increase in lending in the third and fourth quarters ending December 31, 2017. Despite IEG Holdings' desire to effect changes in OneMain's management, IEG Holdings did not include a minimum tender condition in its offer because IEG Holdings determined that the acquisition of any OneMain shares under the OneMain Tender Offer could add stockholder value by increasing IEG Holdings' capital and net asset value.

On July 1, 2017, we and our Chief Executive Officer, Mr. Paul Mathieson who is also the sole member of our Board of Directors, agreed to terminate, effective July 1, 2017, the consulting contract dated January 1, 2017 between our Chief Executive Officer and the Company pursuant to which the Company was required to pay Mr. Mathieson $1 annually in exchange for certain consulting services. Concurrently with the termination of that consulting contract, IEC, and Mr. Mathieson entered into a new professional consulting contract, effective as of July 1, 2017 (the "Professional Consulting Contract"). Pursuant to the terms of the Professional Consulting Contract, Mr. Mathieson agreed to provide regulatory and management consulting services as requested by the Company and/or IEC. The Professional Consulting Contract has a term of 1.5 years and renews automatically for successive one-year periods unless notice of termination is provided 30 days prior to the automatic renewal date. In exchange for the services provided to the Company and/or IEC by our Chief Executive Officer, IEC agreed to pay him $1,200,000 annually in quarterly payments of $300,000 due in advance each quarter and to provide health insurance benefits as well as a discretionary bonus to be determined by the Company's Board of Directors, which consists solely of Mr. Mathieson.

Following the sale of the OneMain shares acquired in the OneMain Tender Offer, we have started to use, and expect to continue to use, the proceeds from the sale to fund increased new loan volumes and to pay Mr. Mathieson, our Chief Executive Officer and the sole member of our board of directors, amounts owed pursuant to the terms of his Professional Consulting Contract. The Professional Consulting Contract obligates us to pay Mr. Mathieson $1.2 million annually, plus health insurance and a discretionary bonus to be determined by our sole director. Beginning on July 1, 2018, the July 2017 Consulting Contract will be replaced with a new consulting contract. See "—Recent Developments—Professional Consulting Contract."

Recent Developments

<u>July 2017 Lending Club Tender Offer</u>

On July 12, 2017, the Company filed with the SEC a registration statement on Form S-4 (the "S-4 Registration Statement") and a Schedule TO relating to the Company's offer to exchange four shares of the Company's common stock for each share of the common stock of LendingClub Corporation ("Lending Club"), par value $0.01 per share, up to an aggregate of 40,345,603 shares of Lending Club's common stock, representing approximately 9.99% of the outstanding shares of Lending Club's common stock as of April 28, 2017, validly tendered and not properly withdrawn in the offer (the "2017 Lending Club Tender Offer"). The 2017 Lending Club Tender Offer and the withdrawal rights were set to expire at 5:00 p.m., Eastern time, on August 10, 2017, unless extended.

Following the launch of the 2017 Lending Club Tender Offer, the price per share of the Company's common stock, as quoted on the OTCQB, dropped significantly. On August 1, 2017, due to the drop in the Company's stock price, the Company determined that the 2017 Lending Club Tender Offer no longer had a reasonable chance of success and accordingly, the Company determined that it would terminate the 2017 Lending Club Tender Offer and withdraw the S-4 Registration Statement. Any shares that were tendered by Lending Club stockholders were not accepted and were returned to the relevant stockholders. From time to time, the Company may consider a future tender offer where it identifies either business or investment opportunities.

<u>2016 Reverse and Forward Stock Splits</u>

IEG Holdings has executed and initiated reverse stock splits that have resulted in a reduction in the number of stockholders of IEG Holdings and certain stockholders were involuntarily cashed out. In April 2016 and October 2016, we effected reverse and forward stock splits. In each case, stockholders who would otherwise have received fractional shares received cash in exchange for shares of IEG Holdings. These stockholders were involuntarily cashed out, and the splits were approved by Mr. Mathieson in his capacity as our sole director. The stockholders that were involuntarily cashed out were cashed out at a higher per share price than the current per share price. Accordingly, the effects of changes in our stock price were positive for such stockholders, as they could choose to repurchase shares at a lower cost per share. As our largest stockholder, sole officer and director, Mr. Mathieson can exercise sole authority over any future reverse stock splits, including the existence of and terms of any reverse stock splits, that could result in stockholders being involuntarily cashed out. Our stockholders should be willing to entrust all aspects of our management to Mr. Mathieson.

<u>Abandonment of Reverse-Forward Stock Split and Cash-Out</u>

On June 21, 2017, the Company filed with the SEC a preliminary information statement on Schedule 14C (the "Preliminary Information Statement"). The Preliminary Information Statement, though not in definitive form, related to a vote by the Company's sole director and holder of a majority of the voting power of the issued and outstanding capital stock of the Company to effect a reverse 1-for-1,000 stock split (the "Reverse Split"), followed immediately by a forward 1,000-for-1 stock split (the "Forward Split") of the Company's common stock. The Company's intention was that registered stockholders whose shares of the Company's common stock were converted into less than one share in the Reverse Split would receive cash payments equal to the fair value of those fractional interests. The Reverse Split and Forward Split, together with the related cash payments to stockholders with less than 1,000 shares of the Company's common stock prior to the Reverse Split are referred to herein as the "Reverse/Forward Split."

The primary goal of the Reverse/Forward Split was cost savings from reducing administrative costs associated with stockholder accounts, and the Company believes that previously completed reverse/forward stock splits have achieved substantial administrative cost savings. Neither the Reverse/Forward Split nor any reverse/forward stock split previously completed by the Company were designed for the purposes of or in connection with a “going private” transaction. The board of directors and controlling stockholder approved the Reverse/Forward Split on June 14, 2017, which was the day before the expiration of the tender offer for shares of OneMain common stock. The board did not believe the decision to take corporate action to effect the split was a material change to the OneMain Tender Offer as it would have only potentially impacted up to eight of the OneMain stockholders who had accepted the offer who held less than 1,000 IEG Holdings shares if they still owned their shares on July 25, 2017. Even if they did still own their shares on July 25, 2017, they would have been provided notice from the Information Statement and could have purchased a small number of extra shares to avoid being repurchased if they did not want to sell or they could have sold on the market at a higher price in the days after the OneMain Tender Offer closed and the Information Statement was filed. The total amount of the repurchase would have been approximately $100,000, would have impacted almost exclusively non-OneMain tendering stockholders and represents a non-material amount of IEG Holdings’ total assets. The total amount of less than $8,000 for the eight affected OneMain tendering stockholders compared to the approximately $3.55 million worth of OneMain shares acquired in the OneMain Tender Offer is not material. The board believes that the cost savings from the proposed Reverse/Forward Split, though not material, would have been a positive for the OneMain tendering stockholders if it had been effected.

On July 21, 2017, the Company announced that it would not effect the Reverse/Forward Split and instructed holders of the Company’s common stock to disregard the Preliminary Information Statement that was filed with the SEC in its entirety. The Company’s determination to abandon the Reverse/Forward Split was based on the Company’s launch, on July 12, 2017, of the 2017 Lending Club Tender Offer subsequent to the filing of the Preliminary Information Statement with the SEC on June 21, 2017. The Company expected that a significant number of individual new stockholders could acquire less than 1,000 shares of the Company’s common stock in connection with the 2017 Lending Club Tender Offer which could have significantly increased the cost of completing the Reverse/Forward Split. For the avoidance of doubt, no reverse and/or forward split occurred on July 25, 2017 and no stockholders were cashed out on July 25, 2017. The Company has no intention of effecting the Reverse/Forward Split or any other reverse and/or forward split in the near future.

Stock Repurchase Program

In January 2017, our Board of Directors approved a stock repurchase program authorizing the open market repurchase of up to $2,000,000 of our common stock for the following reasons:

- The stock repurchase program permits the Company to purchase shares of its common stock from time to time at prices that are below what the Board believes to be the true value of the shares.
- The Company’s common stock is trading at close to record low prices.
- The stock repurchase program reflects the commitment of our Board of Directors to enhance stockholder value and its confidence in our long-term growth prospects.
- The Board believes the stock repurchase program is a strategic investment and an appropriate use of corporate funds.
- Any repurchases will only be effected to the extent that they do not impair the Company’s capital or the Company’s ability to pay its debts.
- The Company has available liquidity from existing customer loan repayments to be able to both reinvest in new customer loans and also to strategically invest back into our company via stock repurchases.
- The stock repurchase program will assist in improving stock liquidity and ensuring a more orderly and less volatile market for a relatively small outlay of cash.
- No purchases are required.

Purchases under the program are authorized through December 31, 2018. As at the close of business on March 28, 2018, 458,973 shares have been repurchased to date under this program.

Declaration of Dividends

In May 2017, our sole director declared a cash dividend of $0.005 per common share for the first quarter of 2017. The dividend was paid on August 21, 2017 to stockholders of record at the close of business on June 5, 2017. On August 1, 2017, our sole director declared a cash dividend of $0.005 per common share for the second quarter of 2017. The dividend was paid on August 21, 2017 to stockholders of record at the close of business on August 11, 2017. On October 30, 2017, we declared a cash dividend of $0.005 per common share for the third quarter of 2017. The dividend was paid on November 20, 2017 to stockholders of record at the close of business on November 11, 2017.

Notes Offering Terminated

In December 2016, we launched a private offering of up to $10 million aggregate principal amount of our 12% senior unsecured notes due December 31, 2026 (the "Notes"), on a self-underwritten basis. The Notes offering was terminated in May 2017. No Notes were sold in the offering.

OneMain Holdings, Inc. Tender Offer Closed

On June 16, 2017, we closed the OneMain Tender Offer, pursuant to which we acquired 151,994 shares of the common stock of OneMain (valued at an aggregate of approximately $3.55 million based on the closing price of the shares of OneMain's common stock of $23.38 on June 15, 2017) in exchange for 3,039,880 shares of the Company's common stock. The per share valuation of the Company's common stock used as consideration in the OneMain Tender Offer was $1.169 per share at the closing date of the OneMain Tender Offer. On June 22, 2017, we sold 100% of the 151,994 shares of the common stock of OneMain, which we obtained in the OneMain Tender Offer, on the open market in exchange for $3.4 million in cash. We have begun to use and expect to continue to use the proceeds from the sale of those shares of the common stock of OneMain to fund increased new loan volumes in the second half of 2017 and to pay our Chief Executive Officer and the sole member of our Board of Directors amounts owed pursuant to the terms of the professional consulting contract, effective as of July 1, 2017, between IEC and our Chief Executive Officer.

Amendment of Series H Preferred Stock

On June 20, 2017, we filed articles of amendment (the "June 20 Amendment") to our amended and restated articles of incorporation, as amended (the "Articles") with the Florida Secretary of State. The June 20 Amendment has the effect of revising the terms of our Series H preferred stock, par value $0.001 per share (the "Series H Preferred Stock") to:

(1) remove rights to receive dividends on our Series H preferred stock;

(2) increase the conversion ratio of the Series H preferred stock from 0.2 shares of Common Stock per share of Series H preferred stock to 1 share of Common Stock per share of Series H preferred stock;

(3) remove our right to redeem or call our Series H preferred stock;

(4) provide for automatic conversion of Series H preferred stock into shares of our Common Stock on December 31, 2017; and

(5) remove the voting rights for Series H preferred stock.

The Amendment was approved by our board of directors on June 19, 2017.

In addition, on July 26, 2017, we filed additional articles of amendment (the "July 26 Amendment") to our Articles that had the effect of further revising the terms of the Series H Preferred Stock to increase the conversion ratio of the Series H Preferred Stock from one share of our common stock per share of the Series H Preferred Stock to four shares of our common stock per share of the Series H Preferred Stock, which may dilute the value of our common stock.

The June 20 Amendment and the July 26 Amendment were approved by our Board of Directors on June 19, 2017 and July 26, 2017, respectively.

Resale Registration Statement Filing

On August 31, 2017, the SEC declared effective the resale registration statement (the "Resale Registration Statement") filed by the Company on Form S-1 relating to the sale by certain selling stockholders of an aggregate of 9,089,220 shares of the Company's common stock at a fixed price set by the Company of $3.00 per share. The shares of our common stock registered pursuant to the Resale Registration Statement represent approximately 52% of our outstanding shares of common stock as of March 28, 2018. All 6,900,000 shares of our common stock held by our Chief Executive Officer who is also the sole member of our Board of Directors and holds 39.5% of the issued and outstanding shares of our common stock, were registered for resale under the Resale Registration Statement. The actual value of shares of our common stock may be significantly less than the offering price of $3.00 per share. If the selling stockholders, including our Chief Executive Officer and sole director, sell the shares of our common stock registered under the Resale Registration Statement on the open market, the market price of the Company's common stock may decline significantly.

Professional Consulting Contract

On July 1, 2017, we and our Chief Executive Officer, Mr. Paul Mathieson who is also the sole member of our Board of Directors, agreed to terminate, effective July 1, 2017, the consulting contract dated January 1, 2017 between our Chief Executive Officer and the Company pursuant to which the Company was required to pay Mr. Mathieson $1 annually in exchange for certain consulting services. Concurrently with the termination of that consulting contract, IEC and Mr. Mathieson entered into a new Professional Consulting Contract, effective as of July 1, 2017. Pursuant to the terms of the Professional Consulting Contract, our Chief Executive Officer agreed to provide regulatory and management consulting services as requested by the Company and/or IEC. The Professional Consulting Contract has a term of 1.5 years and renews automatically for successive one-year periods unless notice of termination is provided 30 days prior to the automatic renewal date. In exchange for the services provided to the Company and/or IEC by our Chief Executive Officer, IEC agreed to pay him $1,200,000 annually in quarterly payments of $300,000 due in advance each quarter and to provide health insurance benefits as well as a discretionary bonus to be determined by the Company's Board of Directors, which consists solely of Mr. Mathieson.

On March 22, 2018, we entered into a new professional consulting contract with Mr. Mathieson (the "2018 Consulting Contract") and terminated the July 2017 Consulting Contract, effective July 1, 2018. Pursuant to the terms of the 2018 Consulting Contract, Mr. Mathieson agreed to provide regulatory and management consulting services as requested by IEG Holdings and/or IEC, including the hiring and compensation of IEC personnel, interaction with third party service providers and vendors and, as requested by IEG Holdings, other activities that are designed to assist IEC in conducting business. The term of the 2018 Consulting Contract begins as of July 1, 2018 continues indefinitely unless three months' written notice of termination is provided by either party.

In exchange for Mr. Mathieson's services, IEG Holdings agreed to pay Mr. Mathieson an annual base salary of $600,000, which represents a 50% reduction in Mr. Mathieson's annual salary, as compared to his current annual salary of $1,200,000 payable under Mr. Mathieson's consulting contract currently in effect (the "2017 Consulting Contract"). Pursuant to the terms of the 2018 Consulting Contract, no bonus is to be paid to Mr. Mathieson by IEG Holdings. Pursuant to the terms of the 2018 Consulting Contract, fees are to be paid quarterly in advance on July 1st, October 1st, January 1st and April 1st beginning on July 1, 2018. Unlike in prior years, IEG Holdings will not pay Mr. Mathieson's health insurance premiums or any bonuses. Mr. Mathieson will also receive reimbursement for all reasonable expenses incurred for the benefit of IEC, including but not limited to travel expenses for him and his entourage, hotel expenses, communication, security and entertainment expenses.

IEG Holdings expects that, beginning in the third quarter of 2018, its salary and compensation operating expense will be substantially reduced as a result of entry into the 2018 Consulting Contract.

Series H Preferred Stock Issuances & Conversions

On October 30, 2017, the Company completed a private placement of 934,589 shares of the Series H Preferred Stock to four non-U.S. persons. The Company received an aggregate purchase price of $934,589 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 15, 2017, the Company completed a private placement of 305,000 shares of Series H Preferred Stock to three non-U.S. persons. The Company received an aggregate purchase price of $305,000 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 28, 2017, the Company completed a private placement of 52,500 shares of Series H Preferred Stock to two non-U.S. persons. The Company received an aggregate purchase price of $52,500 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 31, 2017, the holders of an aggregate of 1,292,089 shares of Series H preferred stock, representing all of the outstanding Series H Preferred Shares, pursuant to the terms of the Series H Preferred Shares, converted their shares of Series H Preferred Shares, effective December 31, 2017. In accordance with the terms of the Series H Preferred Shares, upon the conversion of such Series H Preferred Shares, the Company issued to the converting holders of Series H Preferred Shares an aggregate of 5,168,356 shares of the Company's common stock. As a result of the conversion, no Series H Preferred Shares are outstanding. In addition, as a result of the conversion and subsequent issuance of common stock, 17,463,449 shares of the Company's common stock are issued and outstanding. Due solely to the issuance of common stock, and not as the result of any stock disposition, Paul Mathieson, the Company's Chairman and Chief Executive Officer, is no longer a majority stockholder. Following the issuance of common stock, Mr. Mathieson owns approximately 39.5% of the Company's outstanding common stock.

2018 Lending Club Tender Offer

On January 5, 2018, we launched an offer to exchange 13 shares of IEG Holdings' common stock for each share of common stock of Lending Club, up to an aggregate of 20,701,999 shares of Lending Club common stock, representing approximately 4.99% of Lending Club's outstanding shares as of October 31, 2017, validly tendered and not properly withdrawn in the offer (the "2018 Lending Club Tender

Offer”). On February 20, 2018, we terminated and withdrew the 2018 Lending Club Tender Offer due to a comment that we received from the SEC raising a concern that the 2018 Lending Club Tender Offer was improperly commenced. Any shares that were tendered by Lending Club stockholders were not accepted by us and were promptly returned to the relevant stockholders.

Corporate Name Change to Mr. Amazing Loans Corporation

On March 26, 2018, we filed articles of amendment (the “Amendment”) to our amended and restated articles of incorporation, as amended (the “Articles”) with the Florida Secretary of State. The Amendment has the effect of changing our corporate name from IEG Holdings Corporation to Mr. Amazing Loans Corporation, in order to align our consumer brand (Mr. Amazing Loans) with our corporate name. The Amendment was approved by Mr. Mathieson, our Chief Executive Officer and sole director, and by holders of a majority of the voting power of our voting stock. In connection with the approval of the Amendment by holders of a majority of the voting power of our voting stock, we filed a preliminary information statement on Schedule 14C with the SEC on March 21, 2018. The Amendment and the corporate name change will become effective on the later of (a) the date on which the Financial Industry Regulatory Authority approves the corporate name change, and (b) April 30, 2018; provided, however, that prior to effectiveness of the corporate name change, we must first (i) file a definitive information statement on Schedule 14C with the SEC, which we expect will occur on or about April 2, 2018, (ii) mail copies of the information statement to our stockholders, and (iii) wait at least 20 days from the mailing of the information statement to our stockholders.

Control of IEG Holdings Rests with Mr. Mathieson

As our largest stockholder, sole officer and director, Mr. Mathieson will have the right to make all decisions with respect to our management. Mr. Mathieson can exercise sole authority over the direction of IEG Holdings, and any future reverse stock splits that could result in stockholders being involuntarily cashed out.

Investment Company Act of 1940

If we were deemed to be an investment company under the 1940 Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business. Under Sections 3(a)(1)(A) and (C) of the 1940 Act, an issuer of securities will generally fit the definition of an "investment company" for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) is engaged or proposes to engage in the business of issuing face-amount installment certificates or has any of this type of certificate outstanding. In addition, issuers who do not otherwise fit the definition of an investment company are sometimes deemed to be investment companies, under Section 3(a)(1)(C) of the 1940 Act, if the value of their investment securities exceeds 40% of their total assets.

Although an issuer may fall within the definition of an "investment company" under Section 3(a)(1)(C) of the 1940 Act, the issuer may qualify for an exemption from the definition. Rule 3a-1 under the 1940 Act provides an exemption from the definition of investment company if, on a consolidated basis with its wholly owned subsidiaries, nor more than 45% of its net income after taxes for the last four quarters is derived from securities other than government securities and securities of majority owned subsidiaries and companies primarily controlled by it. As of December 31, 2017, we calculated both our percentage of investment security assets (securities other than government securities, employee companies and certain subsidiaries and affiliates) to total assets and our total percentage of investment income (income from investment securities) as compared to total income to be below the Rule 3a-1 45% thresholds.

We were able to maintain our compliance with the 1940 Act because we regularly monitor our status under the 1940 Act and conduct prudential analyses in accordance with the 1940 Act and the SEC's interpretations thereof. We conduct such analyses on a consolidated basis with our wholly owned subsidiaries to determine whether the thresholds set out in Rule 3a-1 are exceeded. As a result, we do not believe that we should be regulated as an "investment company," as such term is defined in the 1940 Act, and we intend to conduct our operations to maintain this status. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could have a material adverse effect on our business.

Market

We operate in the consumer finance industry serving the growing population of consumers who have limited access to credit from banks, credit card companies and other lenders. According to the Federal Deposit Insurance Corporation, 7.7% (1 in 13) of households in the United States were unbanked in 2013. This proportion represented nearly 9.6 million households. According to the Center for Financial Services December 2015 report, the rapid rise of short-term credit, which grew 37% from 2012 to 2014, while single payment credit grew only 0.1% over the same period, is starkly apparent. With anticipated regulatory changes likely to alter the feasibility of offering loans due in one lump sum, many companies are investing more heavily in installment-based credit products, while new players are seeking to upend the economics of small-dollar loans through online channels and alternative underwriting. The strong marketing and new account approval rates of subprime credit cards have also provided consumers with increased access to funds available on a short-term basis. Together, these shifts in the consumer lending industry suggest that total revenue for short-term credit products, estimated at $29 billion in 2014, may outpace that of single payment credit products, estimated at $38 billion for the same year. Short-term credit products generate nearly twice as much annual revenue as single payment credit products.

Installment lending to non-prime consumers is one of the most highly fragmented sectors of the consumer finance industry. We are a state-licensed Internet-based personal loan company serving in the consumer installment lending industry. Our online lending platform provides the distribution network to efficiently address this growing market of consumers without the significant costs and overhead associated with an extensive branch network. We believe we are well positioned to capitalize on the significant growth and expansion opportunity created by the continued shift of consumers to online services, such as online banking and in our case online personal loans.

We are currently licensed and/or hold certificates of authority to provide loans online to residents of Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin, with plans to continue to expand across the United States by acquiring additional state lending licenses. The following is a breakdown of our cumulative loan origination amounts in each licensed state for our current active loan portfolio as at December 31, 2017:

State	Origination Volume ($)	Current Principal ($)	Number of Loans
Alabama	120,000	104,150	22
Arizona	439,000	244,990	81
California	1,255,000	1,111,125	217
Florida	1,035,000	611,830	197
Georgia	732,009	500,919	135
Illinois	1,070,000	806,159	198
Kentucky	75,000	71,821	14
Louisiana	10,000	8,529	2
Maryland (1)	10,000	9,657	2
Missouri	316,000	249,405	57
Nevada	818,000	594,064	156
New Jersey	932,000	678,809	171
New Mexico	25,000	20,110	4
Ohio (2)	0	0	0
Oregon	180,000	139,282	35
Pennsylvania	655,000	532,446	119
Texas	435,565	276,190	90
Utah	45,000	38,400	8
Virginia	477,000	162,995	88
Wisconsin (3)	0	0	0

(1) Maryland was added as a licensed state in October 2016.
(2) Ohio was added as a licensed state in December 2016.
(3) Wisconsin was added as a licensed state in June 2017.

Business Strategy

Our business strategy is to lower the cost of providing consumer loans by leveraging our online lending platform and distribution network to enable further loan book growth and portfolio diversification. Our strategy includes a number of key elements:

- *State-Licensed Model:* Our state-licensed business model is a key element of our business strategy. We are currently licensed in Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin.

- *Online Distribution:* We launched online lending in March 2013 and commenced online advertising in July 2013. Upon fulfillment of state regulatory requirements, we received approval from regulators in Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin to operate solely online in these states. This allows us to fully service all 20 states from our centralized Las Vegas headquarters, which we believe is a key competitive advantage over brick and mortar lenders.

- *Cost-Effective Customer Acquisition:* Our customer acquisition costs have been reduced since we launched online lending and marketing.

- *Continue to Grow Loan Book:* Total cumulative loan originations as of December 31, 2017 have increased 192% to $16,209,023 since our January 1, 2015 total of $5,549,023. We believe this growth in lending is attributable to launching online lending and joint venturing with a number of new marketing partners, however, such past growth is not necessarily indicative or predictive of our future results of operation.

- *Strategic Acquisitions:* We have reviewed, and continue to review, opportunities to expand our business through acquisition or merger in the consumer finance sector. We are pursuing opportunities that provide synergies with our existing business and specifically target potential acquisitions that are significantly accretive to stockholder equity and/or provide significant revenue growth opportunities via a minority or majority shareholding.

On December 22, 2017, we announced that we had formed a wholly owned subsidiary to explore the legalities and economic risks and benefits of entering into a joint venture with IEC to accept repayment of customer loans in the form of existing crypto/blockchain currencies, provide the crypto equivalent of $5,000 and $10,000 loans to customers, and also potentially create and issue an IEC cryptocurrency. The company did not begin operations and was in the development planning stages. On March 14, 2018, we announced that, after considering the potential risks and benefits, we will not pursue a cryptocurrency offering or any other cryptocurrency-related ventures at this time. We will continue to monitor the developing regulatory landscape surrounding this new technology and may consider cryptocurrency opportunities in the future. In addition, we will continue to explore the potential application of blockchain technology to our core consumer lending business.

Competitive Strengths

We believe our competitive strengths are:

- *Market and Scope for Growth:* Large personal and payday loan market in the United States presents opportunity for growth and expansion.

- *Regulation:* We are materially compliant with state lending licenses in Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin, and are well positioned for current and future regulatory changes due to ongoing compliance and conservative business model.

- *Customer Proposition:* Our unsecured $5,000 and $10,000 installment loans are all offered over five years and feature affordable weekly repayments. Rates range from 12.0% - 29.9% APR which make us a low-cost alternative to payday loans which have an average APR of over 400%.

- *Online Distribution:* Special approval has been granted by the Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin regulators to operate our business without a physical office location in each state. As a result, we have closed offices in Arizona, Illinois and Florida and moved to full online loan distribution, enabling us to offer loans to residents in all 20 of our licensed states from our Las Vegas headquarters.

- *Customer Acquisition:* We launched online advertising in July 2013 with positive results from search engine cost per click advertising and online lead generation. In addition, we engaged a number of new marketing partners in 2014, 2015 and 2016, including online lead generators and direct mail. All of these avenues provide opportunities for strong growth at low customer acquisition costs.

- *Barriers to Entry:* We believe that state licensure acts as a barrier to entry into our segment of the consumer loan market. We are strongly positioned with approval to operate under 20 state licenses from one centralized head office.

Products

We currently provide $5,000 and $10,000 online consumer loans unsecured over a five-year term with rates ranging from 12.0% to 29.9% annual percentage rate. Our current loan portfolio also includes loans remaining from our previous product offerings which were $2,000 to $10,000 loans unsecured over a three- to five-year term at 12.0% to 29.9%.

Our personal loan products are fully amortizing, fixed rate, unsecured installment loans and all loans are offered at prevailing statutory rates, with our standard loan product being a 29.9% interest rate and annual percentage rate, fully amortizing, five-year unsecured personal loan. The variations from this standard loan product in certain states is due to individual state requirements and to comply with our state lending licenses; for example, Florida requires a blended rate which caps the maximum rate on a $5,000 loan at 24%.

The following is a breakdown of loan terms and interest rates for each currently licensed state:

State	IEG Holdings' APR for $5,000 Loans	Maximum Permitted Rate for $5,000 Loans	IEG Holdings' APR for $10,000 Loans	Maximum Permitted Rate for $10,000 Loans
Alabama	29.90%	36.00%(1)	29.90%	36.00%(1)
Arizona	24.90%	24.90%	23.90%	23.90%
California	29.90%	36.00%	29.90%	36.00%
Florida	23.90%	24.00%	19.90%	21.00%
Georgia	29.90%	30.00%	29.90%	30.00%
Illinois	29.90%	36.00%	29.90%	36.00%
Kentucky	23.90%	24.00%	23.90%	24.00%
Louisiana	28.90%	28.90%	25.50%	25.50%
Maryland	24.00%	24.00%	24.00%	24.00%
Missouri	29.90%	30.00%	29.90%	29.90%
Nevada	29.90%	36.00%(1)	29.90%	36.00%(1)
New Jersey	29.90%	30.00%	29.90%	30.00%
New Mexico	29.90%	36.00%(1)	29.90%	36.00%(1)
Ohio	25.00%	25.00%	—(2)	—(2)
Oregon	29.90%	36.00%	29.90%	36.00%
Pennsylvania	29.90%	30.00%	29.90%	30.00%
Texas	28.86%	28.86%	25.84%	25.84%
Utah	29.90%	36.00%(1)	29.90%	36.00%(1)
Virginia	12.00%	12.00%	12.00%	12.00%
Wisconsin	29.90%	36.00%	29.90%	36.00%

(1) There is no rate limit in this jurisdiction. However, in order to comply with the Servicemembers Civil Relief Act, the maximum APR is 36.0%.

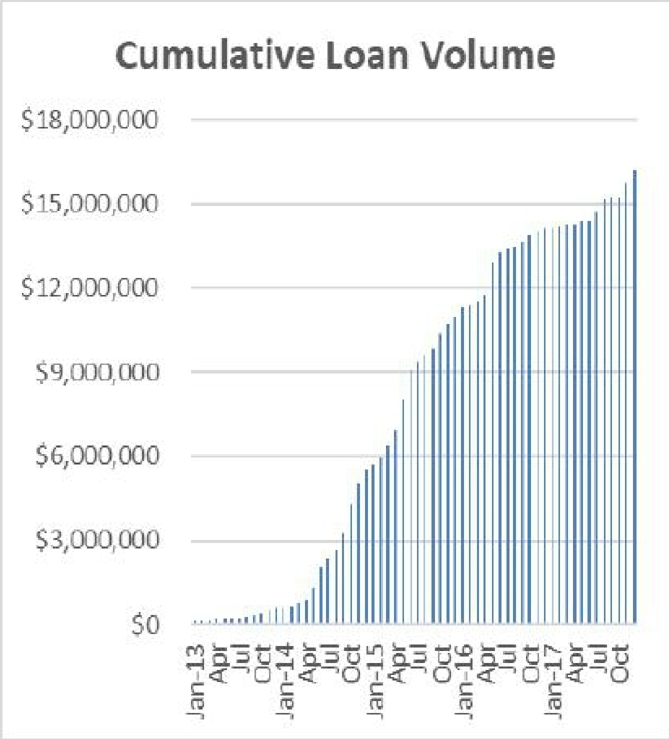
(2) We do not offer $10,000 loans in Ohio.

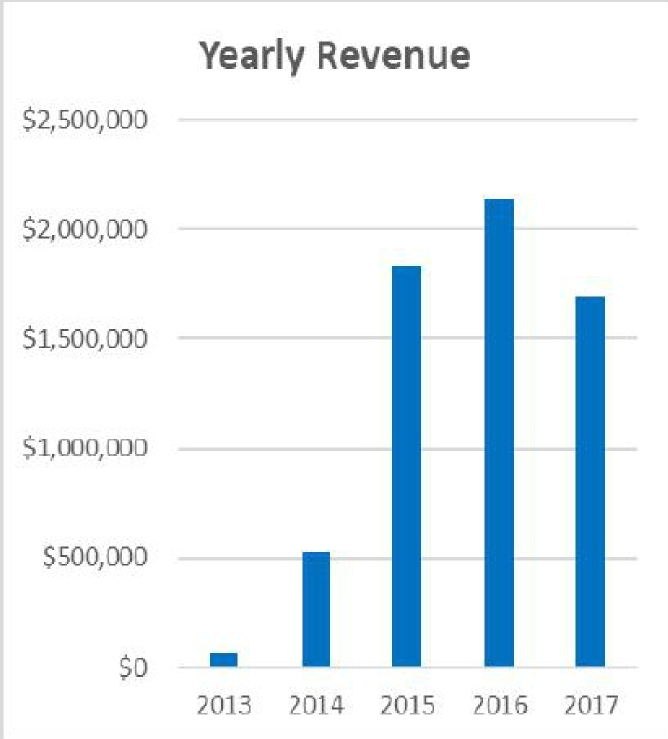
The following is an illustrative profile of our personal loans:

Loan Product	- $5,000 and $10,000 loans - 5 years - 28.9% average APR - Fixed rate, fully amortizing - No hidden or additional fees - No prepayment penalties
Loan Purpose	Loans available for any purpose. Common uses include: - Debt consolidation - Medical expenses - Home improvements - Auto repairs - Major purchase - Discretionary spending
Average Borrower Demographic	- 600 - 750 credit score - $40,000 - $100,000 income - 25 - 60 years old

We commenced originating personal loans online in July 2013. Prior to that, we provided loans to customers via our office network, which comprised one office in each state as required by state licensing regulations. Our online loan origination platform now means that a qualifying customer can obtain a loan from us without having to come into an office location. We have maintained our full underwriting processes, identity verifications and fraud checks to ensure that online customers are verified to the same degree that customers were when they obtained a loan in an office. We expect our website and application portal, www.mramazingloans.com, to be a key driver of customer conversions and loan book growth.

The following graphs depict our monthly loan origination values from January 2013 through December 2017 and our yearly revenue for 2013 through 2017:





The following table sets forth the minimum, maximum and average credit score, income and age of our current borrowers as of December 31, 2017:

Average Borrower Demographic of Current Loan Portfolio as at December 31, 2017

Demographic	Minimum	Maximum	Average
Credit Score	559	886	667
Income	$ 24,372	273,396	63,867
Age	23	86	45

Customer Acquisition

Since launching online lending in July 2013, our marketing efforts have been focused on online customer acquisition. We saw increases in loan applications and inquiries as a result of search engine advertising and commenced banner advertising, remarketing and search engine optimization in 2014. We commenced online video advertising in 2015. We have also engaged numerous online lead generators who provide personal loan leads on a daily basis with a combination of cost per funded loan and cost per application expense. We are continuing to develop relationships with additional lead generation partners to drive further growth. We also supplement our online marketing efforts with traditional direct mail advertising.

Additional Information Regarding Our Loan Portfolio

This section provides additional quantitative information and qualitative discussion related to our loan portfolio and related credit metrics and trends including key loan and credit metrics.

Loans Receivable Roll-Forward

The table below documents the activity in the loan receivable accounts for the period indicated. Specifically, it shows a roll-forward of our loans receivable balance, detail of new loan originations, principal reductions from cash collections and loan charge-offs. The data encompasses changes during each quarter of 2017 and also changes during the full year 2017 compared to 2016.

	New Loans	Principal Reductions	Loan Charge-Offs	Quarter-end Balance
Q1 2017 Activity				
Balance 12-31-16 $7,587,349	$ 140,000	$ 482,391	$ 330,637	$ 6,914,321
Q2 2017 Activity				
Balance 3-31-17 $6,914,321	$ 145,000	$ 503,130	$ 538,259	$ 6,017,932
Q3 2017 Activity				
Balance 06-30-17 $6,017,932	$ 855,000	$ 634,088	$ 315,308	$ 5,923,536
Q4 2017 Activity				
Balance 09-30-17 $5,923,536	$ 965,000	$ 436,752	$ 290,903	$ 6,160,881
2017 Activity Summary				
Bal 12-31-16 $7,587,349	$ 2,105,000	$ 2,056,361	$ 1,475,107	$ 6,160,881

New loan volume slowed in the first half of 2017 due to Company capital constraints and reduced advertising. New loan volume increased in the second half of 2017 due to increased available Company capital and increased advertising. However, the increased level of principal reductions from cash collections and once-off Virginia loan principal reductions due to legal settlements resulted in a reduction in the loans receivable balance to $6,160,881 as at December 31, 2017 compared to $7,587,349 at December 31, 2016.

The table below documents the activity in the loan receivable accounts for the periods indicated. Specifically, it shows a roll-forward of our loans receivable balance, detail of new loan originations, principal reductions from cash collections and loan charge-offs. The data encompasses changes during each quarter of 2016 and also changes during the full year 2016 compared to 2015.

	New Loans	Principal Reductions	Loan Charge-Offs	Quarter-end Balance
Q1 2016 Activity				
Balance 12-31-15 $8,110,077	$ 535,000	$ 541,082	$ 441,956	$ 7,662,039
Q2 2016 Activity				
Balance 3-31-16 $7,662,039	$ 1,785,000	$ 459,806	$ 220,725	$ 8,766,508
Q3 2016 Activity				
Balance 6-30-16 $8,766,508	$ 375,000	$ 567,779	$ 320,239	$ 8,253,490
Q4 2016 Activity				
Balance 9-30-16 $8,253,490	$ 425,000	$ 435,766	$ 655,375	$ 7,587,349
2016 Activity Summary				
Bal 12-31-15 $8,110,077	$ 3,120,000	$ 2,004,433	$ 1,638,295	$ 7,587,349

New loan volume slowed in the second half of 2016 due to Company capital constraints and reduced advertising. The level of principal reductions from cash collections, combined with reduced new 2016 loan volumes (compared to 2015) and an increase in loan charge-offs, resulted in a reduction in the loans receivable balance to $7,587,349 as at December 31, 2016 compared to $8,110,077 at December 31, 2015.

Portfolio Yield

The following table shows, as of December 31, 2017, the aggregate loan principal outstanding and the average portfolio yield by state. In addition, to show indicative duration of the portfolio yield, the table shows the average loan amount, average current principal outstanding and the average years to maturity of the loans in each state.

State	Total Current Principal ($)	Average Yield (%)	Average Loan Amount ($)	Average Current Principal ($)	Average Years to Maturity
Alabama	104,150	29.90	5,455	4734	3.7
Arizona	244,990	24.89	5,420	3,025	2.0
California	1,111,125	29.90	5,783	5,120	3.9
Florida	611,830	23.40	5,242	3,106	2.2
Georgia	500,919	29.90	5,422	3,711	2.2
Illinois	806,159	29.90	5,404	4,072	3.0
Kentucky	71,821	29.90	5,357	5,130	4.5
Louisiana	8,529	28.90	5,000	4,264	4.6
Missouri	249,405	29.90	5,544	4,376	3.2
Maryland (1)	9,657	24.00	5,000	4,828	4.5
Nevada	594,064	29.86	5,244	3,808	2.8
New Jersey	678,809	29.90	5,450	3,970	2.9
New Mexico	20,110	29.90	6,250	5,027	3.1
Ohio (2)	0				
Oregon	139,794	29.90	5,143	3,979	3.0
Pennsylvania	532,446	29.90	5,504	4,474	3.3
Texas	276,190	24.00	4,473	3,571	2.4
Utah	38,400	29.90	5,625	4,800	3.5
Virginia	162,995	12.00	5,420	1,852	2.5
Wisconsin (3)	0				

(1) Maryland was added as a licensed state in October 2016.
(2) Ohio was added as a licensed state in December 2016.
(3) Wisconsin was added as a licensed state in June 2017.

We undertook an advertising strategy during the first half of 2017 that focused on refinancing customers in the states with an average yield of 29.9% only to maximize our portfolio yield while we were capital constrained. In the third and fourth quarters of 2017 we focused on providing new loans to customers in the states with an average yield of 29.9% to maximize our portfolio yield. The advertising strategy resulted in an increase in the average portfolio yield in 2017 compared to 2016.

The following table shows, as of December 31, 2016, the aggregate loan principal outstanding and the average portfolio yield by state. In addition, to show indicative duration of the portfolio yield, the table shows the average loan amount, average current principal outstanding and the average years to maturity of the loans in each state.

State	Total Current Principal ($)	Average Yield (%)	Average Loan Amount ($)	Average Current Principal ($)	Average Years to Maturity
Alabama	89,203	29.90	5,278	4,956	4.3
Arizona	370,766	24.90	5,152	3,745	2.8
California	779,210	29.90	5,215	4,780	4.2
Florida	1,073,758	23.93	5,162	3,863	3.1
Georgia	800,394	29.90	5,379	4,522	3.6
Illinois	936,025	29.90	5,260	4,415	3.6
Kentucky	14,426	29.90	5,000	4,809	4.5
Louisiana	12,839	28.90	5,000	4,280	4.0
Maryland (1)	0				
Missouri	254,103	29.90	5,068	4,307	3.6
Nevada	663,594	29.90	4,932	3,770	3.2
New Jersey	843,708	29.90	5,240	4,305	3.4
New Mexico	27,056	29.90	5,000	4,509	3.9
Ohio (2)	0				
Oregon	163,429	29.90	5,000	4,417	3.9
Pennsylvania	562,074	29.90	5,427	4,804	3.9
Texas	347,538	17.80	4,820	3,764	3.4
Utah	49,829	29.90	5,000	4,530	4.0
Virginia	599,398	29.89	5,339	4,375	3.5
Wisconsin (3)	0				

(1) Maryland was added as a licensed state in October 2016.

(2) Ohio was added as a licensed state in December 2016.

(3) Wisconsin was added as a licensed state in June 2017.

We undertook an advertising strategy during 2016 that focused on seeking new customers in the states with an average yield of 29.9% only to maximize our portfolio yield while we were capital constrained. The advertising strategy resulted in an increase in the average portfolio yield in 2016 compared to 2015.

Customer Acquisition Costs

Since launching online lending in 2013, our marketing efforts have been focused on online customer acquisition. We experienced increases in loan applications and inquiries as a result of search engine advertising and commenced banner advertising, remarketing and search engine optimization in 2014. We commenced online video advertising in 2015. We have also engaged numerous online lead generators who provide personal loan leads on a daily basis with a combination of cost per funded loan and cost per application expense. We are continuing to develop relationships with additional lead generation partners to drive further growth. We also supplement our online marketing efforts with traditional direct mail advertising.

The following table shows the level of advertising cost versus the level of loan volume in 2016 and 2017 as both a dollar amount and as a percentage of loan volume for the relevant year. The advertising cost represents both general advertising/brand awareness costs as well as direct fees paid to lead generators and direct mail costs. Although it potentially overstates the direct cost of customer acquisition in a particular year it provides a guide to the general cost and trends in customer acquisition costs. In addition, the customer cost of acquisition is upfront, whereas the revenue from the customer is typically realized 5 years later and for repeat customers, even later.

Origination Year	**Loan Volume**	**Advertising Cost**	**Cost of Acquisition**
2016	$ 3,120,000	$ 373,350	12.0%
2017	$ 2,105,000	$ 407,760	19.4%

In 2017 there was a substantial increase in advertising expenses as a percentage of new loans funded in the year as a significant direct mail campaign targeting new customers was conducted with more competition from competitors for new loans. However, enhancements have been made to the Company's internal underwriting procedures and process in early 2018 that management believe should result in a reduction in the cost of customer acquisition in 2018 to substantially less than 2017 levels.

Gross Charge-off Ratio and Recovery Ratio

The credit quality of our loans is driven by our underwriting criteria, which takes into account income, money management, credit history, employment history and willingness and capacity to repay the proposed loan. The profitability of our loan portfolio is directly connected to net credit losses; therefore, we closely analyze credit performance. We also monitor recovery rates because of their contribution to the reduction in the severity of our charge-offs. Additionally, because delinquencies are an early indicator of future net credit losses, we analyze delinquency trends, adjusting for seasonality, to determine whether or not our loans are performing in line with our original estimates. Because loan volume and portfolio size determine the magnitude of the impact of each of the above factors on our earnings, we also closely monitor origination volume and annual percentage rate.

The table below sets forth information regarding the gross charge-off ratio and the recovery ratio in both dollar amounts and in terms of a ratio versus outstanding loans receivable balance. The data is presented for each quarter in 2016 and 2017, for each of the full years for 2016 and 2017.

Date	**Loans Receivable Balance ($)**	**Average Balance ($) Quarterly**	**Charge-Offs ($) Quarterly**	**Ratio (%) Quarterly**	**Average Balance ($) Annual**	**Charge-Offs ($) Annual**	**Ratio (%) Annual**	**Recovery ($) Annual**	**Recovery (%) Annual**
12-31-15	8,110,077								
3-31-16	7,662,039	7,886,058	441,956	5.60					
6-30-16	8,766,508	8,214,273	220,725	2.69					
9-30-16	8,253,490	8,509,999	320,239	3.76					
12-31-16	7,587,349	7,920,419	655,375	8.27	7,848,713	1,638,295	20.87	27,149	1.66
03-31-17	6,914,321	7,250,835	330,637	4.56	-	-	-	-	-
06-30-17	6,017,932	6,466,127	538,259	8.32	-	-	-	-	-
09-30-17	5,923,536	5,970,734	315,308	5.28	-	-	-	-	-
12-31-17	6,160,881	6,042,208	290,903	4.81	6,874,115	1,475,107	21.46	57,308	3.89

We saw a slight increase in charge-off ratio in 2017 versus 2016 as we saw an increasing trend in customer hardship and more customers utilizing external debt management services. We significantly increased our level of loss recoveries in both dollar amount and percentage of loans receivable balance due to more internal resources being allocated to the task, combined with a larger pool of losses to recover funds from.

Delinquency Ratio

The tables below set forth, for the period indicated, information concerning the delinquency ratio measured in buckets of days delinquent in both dollar amounts and also as a percentage of total principal.

Delinquency Summary

Total Principal 2017	1-30 Days Principal	1-30 Days Percentage	31-60 Days Principal	31-60 Days Percentage	61-90 Days Principal	61-90 Days Percentage	91-120 Days Principal	91-120 Days Percentage	Over 120 Days Principal	Over 120 Days Percentage	Past Due	Past Due Percentage
$6,160,881	$491,371	7.98	$157,988	2.56	$ 84,640	1.37	$ 90,945	1.48	$236,761	3.84	$570,334	9.26
(1590 Loans)	(135 Loans)		(41 Loans)		(23 Loans)		(24 Loans)		(62 Loans)		(150 Loans)	

At December 31, 2017, we had 86 loans delinquent or in default (defined as 91+ days past due), representing 5.32% of the number of loans in our active portfolio. Loans become eligible for the lender to take legal action at 60 days past due. At December 31, 2017, our delinquency percentage rate for past due loans was 9.26% (31+ days) with an allowance for loan loss at 20.00%.

Delinquency Summary

Total Principal 2016	1-30 Days Principal	1-30 Days Percentage	31-60 Days Principal	31-60 Days Percentage	61-90 Days Principal	61-90 Days Percentage	91-120 Days Principal	91-120 Days Percentage	Over 120 Days Principal	Over 120 Days Percentage	Past Due	Delinquent Percentage
$7,587,349	$669,570	8.83	$257,299	3.39	$163,590	2.16	$210,790	2.78	$156,308	2.06	$787,987	10.39
(1782 Loans)	(156 Loans)		(58 Loans)		(40 Loans)		(48 Loans)		(35 Loans)		(181 Loans)	

At December 31, 2016, we had 83 loans delinquent or in default (defined as 91+ days past due), representing 4.84% of the number of loans in our active portfolio. Loans become eligible for the lender to take legal action at 60 days past due. At December 31, 2016, our delinquency percentage rate for past due loans was 10.39% (31+ days) with an allowance for loan loss at 16.00%. There was an increase in the delinquency ratio from December 31, 2015 to December 31, 2016 due to an increasing trend in customer hardship, combined with a fall in loans receivables principal outstanding.

Allowance for Credit Losses Ratio

Management exercises its judgment, based on quantitative analyses, qualitative factors, such as recent delinquency and other credit trends, and experience in the consumer finance industry, when determining the amount of the allowance for loan receivable losses. We adjust the amounts for management’s estimate of the effects of events and conditions such as changes to underwriting criteria, portfolio seasoning, and current economic conditions, including levels of unemployment, and personal bankruptcies.

The allowance for credit losses ratio (reserve level) was increased from 16% for 2016 to 20% for 2017. The net loan balance decreased from $6,374,908 at December 31, 2016 to $4,928,704 at December 31, 2017. The net loan balance at the current reserve level of 20% is $4,928,704 at December 31, 2017.

There was no change in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices not considered elsewhere in estimating credit losses in the twelve months of 2017 compared to the year ended December 31, 2016. There were no material changes in international, national, regional, and local economic and business conditions and developments in the twelve months of 2017 compared to the year ended December 31, 2016 that affected the collectability of the portfolio, including the condition of various market segments other than increased customer hardship. During 2017 there was no significant change in the nature of the loan portfolio and was a decrease in the average size of the loan portfolio. There were no changes in the experience, ability, and depth of lending management and other relevant staff in the twelve months ended December 31, 2017. There was a decrease in the volume and severity of past due loans and the volume of non-accrual loans due to a smaller loan portfolio for the twelve months ended December 31, 2017, as compared to the year ended December 31, 2016. No changes were made to the quality of our loan review system in the twelve months ended December 2017. There was no significant effect of other external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in our loan portfolio in the twelve months ended December 31, 2017.

Contractual Loan Maturity

The following table shows, as of December 31, 2017, the aggregate principal amount of loans by maturity date.

Loans Maturing	Current Principal		Maturing
Within 1 year	$	31,482	0.51%
Within 2 years	$	805,358	13.07%
Within 3 years	$	1,661,511	26.97%
Within 4 years	$	1,694,940	27.51%
Within 5 years	$	1,967,589	31.94%
TOTAL	$	6,160,881	

The following table shows, as of December 31, 2016, the aggregate principal amount of loans by maturity date.

Loans Maturing	Current Principal		Maturing
Within 1 year	$	8,356	0.11%
Within 2 years	$	101,140	1.33%
Within 3 years	$	1,685,971	22.22%
Within 4 years	$	3,131,799	41.28%
Within 5 years	$	2,660,083	35.06%
TOTAL	$	7,587,349	

All loans are written with a fixed 5-year term (closed end) with no exceptions, providing an affordable repayment either weekly or monthly. However, loans can be repaid early without any penalty. As the tables above show, the Company has a substantial long duration loan book with over 86% of current loans maturing in more than two years' time and the majority mature in the 3 to 5 year range, which is expected to continue in the future.

Loan Underwriting

Applicants apply online providing income, employment and banking information in the pre-approval process. The pre-approval process utilizes a soft credit pull, electronic review of 60-90 day banking history and if the applicant successfully meets the minimum pre-approval criteria they are invited to proceed. Upon accepting the conditional pre-approval, the applicant authorizes a full credit report from Experian and verification of employment. Applicants are provided disclosures and privacy statements during this process.

Once the application has been transmitted, a full credit report is obtained and the automated preliminary underwriting is completed based on stated income and expense data obtained from the credit report. The automated preliminary underwriting includes, but is not limited to, credit score, number of credit inquiries, outstanding unpaid collections, length of credit history, length of employment, debt to income ratio and internet protocol, or "IP," address to verify location of applicant.

The second step in the underwriting process for those applicants that are conditionally approved based on stated income, credit score, number of credit inquires, outstanding unpaid collections, length of credit history and length of employments, debt to income ratio, IP address, is to validate the actual income (current pay invoices and prior year W-2) and a review of the 60-90 day read-only statements from the applicant's primary bank for satisfactory money management. During this process the pay invoices are reviewed for garnishments, hardship loans and other legal liens allowed on wages. Bank statements are transmitted electronically directly to underwriting to ensure the integrity of the information. This process allows the underwriter to review the money management of every applicant and to assess the ability to take on additional expense. It also provides the underwriter with additional debt not found on traditional credit reports such as payday loans, title loans and IRS payments that could affect the ability of the applicant to assume additional debt. If all conditions are met as it relates to money management, maximum debt to income, minimum length of employment, and satisfactory credit history the underwriter recommends final approval and request to draw documents.

The final step in the underwriting process is to present the completed file to the Chief Credit Officer for final approval and order to draw documents. The file is then reviewed for any exceptions to policy, compliance with the underwriting policies and to ensure the loan system is reflective of what has been presented by the underwriter. The applicant is then approved for a $5,000 or $10,000 loan based on income, ability to repay and credit strength. Rate and loan terms are fixed (fixed rate and fixed term can vary based on regulatory state maximums) as we do not utilize risk based variable pricing models eliminating the risk of discrimination and other compliance related issues.

The closing process is completed by contacting the applicant, communicating the lending decision and reviewing loan terms and conditions. Upon acceptance an identity check using Experian's Precise Identity Screening is completed and if successful loan documents are emailed for electronic signature, and returned to us for final verifications, document review and funding.

Servicing

All of our loan servicing is handled in our centralized Las Vegas head office. All servicing and collection activity is conducted and documented using an industry standard loan service software system which handles and records all records and transactions of loan originations, loan servicing, collections and reporting.

Our primary third-party servicing arrangement is with CyberRidge, LLC, a company that licenses its consumer loan software to us. We use this software for our loan management system. We have a servicing agreement with CyberRidge, LLC which renews automatically unless either party notifies the other, at least 60 days prior to the end of the renewal term. We believe the risk of termination is low as we are a paying customer of CyberRidge, LLC and have maintained a positive working relationship since 2012. In the unlikely event that the agreement was terminated, we believe 60 days' notice would be sufficient to find a suitable replacement with minimal disruption to our business.

Portfolio Ledger Stratification as at December 31, 2017

	Current Unpaid Principal Balance	%
0 - 30 days	$ 5,590,547	90.75%
31 - 60 days	157,988	2.56%
61 - 90 days	84,640	1.37%
91 - 120 days	90,945	1.48%
121 - 184 days	236,761	3.84%
Total	$ 6,160,881	100%

At December 31, 2017 we also had 86 loans delinquent or in default (defined as 91+ days past due) representing 5.32% of the number of loans in our active portfolio. Loans become eligible for lender to take legal action at 60 days past due.

Cryptocurrency/Blockchain

On December 22, 2017, we announced that we had formed a wholly owned subsidiary to explore the legalities and economic risks and benefits of entering into a joint venture with IEC to accept repayment of customer loans in the form of existing crypto/blockchain currencies, provide the crypto equivalent of $5,000 and $10,000 loans to customers, and also potentially create and issue an IEC cryptocurrency. The company did not begin operations and was in the development planning stages. On March 14, 2018, we announced that, after considering the potential risks and benefits, we will not pursue a cryptocurrency offering or any other cryptocurrency-related ventures at this time. We will continue to monitor the developing regulatory landscape surrounding this new technology and may consider cryptocurrency opportunities in the future. In addition, we will continue to explore the potential application of blockchain technology to our core consumer lending business.

Regulation

Consumer loans in the United States are regulated at both the federal and state level. National oversight is provided by the Federal Trade Commission, which enforces the following credit laws that protect consumers' rights to get, use and maintain credit:

- The Truth in Lending Act promotes the informed use of consumer credit, by requiring disclosures about its terms and cost to standardize the manner in which costs associated with borrowing are calculated and disclosed.

- The Fair Credit Reporting Act promotes the accuracy and privacy of information in the files of the nation's credit reporting companies. If a company denies an application, under the Fair Credit Reporting Act consumers have the right to the name and address of the credit reporting company they contacted, provided the denial was based on information given by the credit reporting company.

- The Equal Opportunity Credit Act prohibits credit discrimination on the basis of sex, race, marital status, religion, national origin, age, or receipt of public assistance. Creditors may ask for this information (except religion) in certain situations, but they may not use it to discriminate against consumers when deciding whether to grant you credit.

- The Fair Credit Billing Act and Electronic Fund Transfer Act establish procedures for resolving mistakes on credit billing and electronic fund transfer account statements.

- The Fair Debt Collection Practices Act (the "FDCPA") applies to personal, family, and household debts. The FDCPA prohibits debt collectors from engaging in unfair, deceptive, or abusive practices while collecting these debts.

In addition, the CFPB, a federal oversight body organized in connection with the Dodd-Frank Act has broad authority over our business. The CFPB is a new agency which commenced operations in 2011, and there continues to be uncertainty as to how the agency's actions or the actions of any other new agency could impact our business or that of our issuing banks. The CFPB has the authority to write regulations under federal consumer financial protection laws, such as the Truth in Lending Act and the Equal Credit Opportunity Act, and to enforce those laws against and examine financial institutions for compliance. The CFPB is authorized to prevent "unfair, deceptive or abusive acts or practices" through its regulatory, supervisory and enforcement authority. To assist in its enforcement, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including the loan products we facilitate. This system could inform future CFPB decisions with respect to its regulatory, enforcement or examination focus.

We are subject to the CFPB's jurisdiction, including its enforcement authority, as a servicer and acquirer of consumer credit. The CFPB may request reports concerning our organization, business conduct, markets and activities. The CFPB may also conduct on-site examinations of our business on a periodic basis if the CFPB were to determine, through its complaint system, that we were engaging in activities that pose risks to consumers.

There continues to be uncertainty as to how the CFPB's strategies and priorities, including in both its examination and enforcement processes, will impact our businesses and our results of operations going forward. Actions by the CFPB could result in requirements to alter or cease offering affected loan products and services, making them less attractive and restricting our ability to offer them.

Consumer loans are also regulated at the state level, and the regulatory requirements vary between states. We are licensed in the following states:

- Alabama (Consumer Credit License, No. MC 22125, which commenced on August 13, 2015)

- Arizona (Consumer Lender License, No. CL0918180, which commenced on May 20, 2011)

- California (Finance Lender License, No. 60 DBO 35873, which commenced on July 7, 2015)

- Florida (Consumer Finance Company License, No. CF9900865, which commenced on August 29, 2011)

- Georgia (Certificate of Authority, No. 14021183, which commenced on March 4, 2014)

- Illinois (Consumer Installment Loan License, No. CI3095, which commenced on April 13, 2011)

- Kentucky (Consumer Finance License, No. CL327249, which commenced on December 17, 2015)

- Louisiana (License No. 1226052-980840, which was issued on October 2, 2015)

- Maryland (License No. 2307, which commenced on October 25, 2016)

- Missouri (Consumer Installment Loan License, No. ###-##-####, which commenced on April 7, 2014)
- Nevada (Installment Loan License, No. II22748, which commenced on June 15, 2010)
- New Jersey (Consumer Lender License, No. L066960, which commenced on April 24, 2014)
- New Mexico (Certificate of Authority, No. 5012554, which commenced on January 29, 2015)
- Ohio (License No. SL 400243, which commenced on December 21, 2016)
- Oregon (Consumer Finance License, No. 0407-001-C, which commenced on January 8, 2015)
- Pennsylvania (Consumer Lender License, No. 49269, which commenced on December 23, 2014)
- Texas (Regulated Lender License, No. 1400031843-150319, which commenced on November 14, 2014)
- Utah (Consumer Lender License, which commenced on February 5, 2015)
- Virginia (Certificate of Authority, No. CIS0368, which commenced on March 5, 2014)
- Wisconsin (Loan Company License, No. 3051, which commenced on June 19, 2017)

State licensing statutes impose a variety of requirements and restrictions on us, including:

- record-keeping requirements;
- restrictions on servicing practices, including limits on finance charges and fees;
- disclosure requirements;
- examination requirements;
- surety bond and minimum net worth requirements;
- financial reporting requirements;
- notification requirements for changes in principal officers, stock ownership or corporate control;
- restrictions on advertising; and
- review requirements for loan forms.

The statutes also subject us to the supervisory and examination authority of state regulators in certain cases.

We did not incur any costs in connection with the compliance with any federal, state, or local environmental laws.

Competition

We operate in a highly competitive environment. Several personal consumer loan companies operate in the United States. Our competitors include:

- large, publicly-traded, state-licensed personal loan companies,
- peer-to-peer lending companies, such as Lending Club and Prosper,
- online personal loan companies, such as Avant,
- “brick and mortar” personal loan companies, including those that have implemented websites to facilitate online lending, and
- payday lenders, tribal lenders and other online consumer loan companies.

We believe we compete based on affordable repayment terms, favorable interest rates and low overhead due to on-line distribution. We believe that in the future we will face increased competition from these companies as we expand our operations. Most of the entities against which we compete, or may compete, are larger and have greater financial resources than us. No assurance can be given that increased competition will not have an adverse effect on our company.

Office Location

Our executive office, which also serves as our centralized operational headquarters and Nevada branch, is located at 3960 Howard Hughes Parkway, Suite 490, Las Vegas, Nevada 89169. This facility occupies a total of approximately 1,906 square feet under a lease that expires on September 30, 2020. Our annual rental cost for this facility is approximately $69,531, plus a proportionate share of operating expenses which are expected to be minimal as the space is 1.32% of the total building rentable space. We believe this facility is adequate for our current and near term future needs due to our online strategy and our ability to operate 7 days a week with unrestricted hours of operation from this location.

Employees

As of March 28, 2018, we had five full-time employees. None of our employees is represented by a union. We consider our relations with our employees to be good.

Corporate History

We were organized as a Florida corporation on January 21, 1999, under the name Interact Technologies, Inc. (“Interact”). Interact was formed for the purpose of acquiring certain medical technology. On February 18, 1999, we changed our name to Fairhaven Technologies, Inc. (“Fairhaven”). Fairhaven’s business plan continued to involve the acquisition of certain medical technology. By June 1999, Fairhaven abandoned its business plan and had no operations until December 2001. On December 14, 2001, we changed our name to Ideal Accents, Inc. Ideal Accents, Inc. was engaged primarily in the business of accessorizing cars and trucks at the new vehicle dealer level. Ideal Accents, Inc. ceased operations in 2005. IEC, our wholly owned subsidiary, commenced operations in 2010 and in February 2013, we changed our name to IEG Holdings Corporation.

In 2005, Mr. Mathieson, our Chief Executive Officer and sole director, founded IEG in Sydney, Australia. IEG launched the Amazing Loans business in Australia in 2005 and the Mr. Amazing Loans business in the United States via IEGC in 2010. From 2005 until 2012, Mr. Mathieson operated the Amazing Loans business through IEG in Australia. In 2012 following an extensive cost/benefit analysis, IEG’s management made a strategic decision to focus on its U.S. operations and cease its Australian operations. Management concluded that it should cease Australian operations due to the following:

- a lack of funding opportunities for non-U.S. loan receivables,
- the difficulties of operating in the Australian time zone compared to the Las Vegas time zone of its principal executive offices,
- the Australian requirement to maintain a specific Australian lending license for Australian operations or to utilize expensive outsourcing for licensing,
- the small size of the Australian consumer finance market as compared to the U.S. market (approximately 1/100th of the size),
- the lack of automation opportunities in Australia due to the absence of instant access to FICO credit score information and other significant data only available for U.S. residents,
- the significant extra cost and time requirements to provide audited accounts for any non-Australian operations,
- significantly different/expensive website and documentation requirements for Australia, and
- the perceived reticence of U.S. investors to invest in Australian operations (mainly due to an unwillingness to travel to Australia for due diligence purposes).

Accordingly, IEG ceased doing business in Australia in 2012.

On January 28, 2013, IEGC entered into a stock exchange agreement (the “Stock Exchange Agreement”) among IEGC, its sole stockholder, IEG, and our company. Under the terms of the Stock Exchange Agreement, we agreed to acquire a 100% interest in IEGC for 272,447 shares of our common stock after giving effect to a 1-for-6 reverse stock split (also adjusted for the 1-for-100 reverse stock split that took effect June 17, 2015 and the net 1-for-10 reverse stock split that was effective on October 27, 2016). On February 14, 2013, we filed an amendment to our articles of incorporation, as amended, with the Secretary of State of Florida which had the effect of:

- changing our name from Ideal Accents, Inc. to IEG Holdings Corporation,
- increasing the number of shares of our authorized common stock to 1,000,000,000, $0.001 par value,
- creating 50,000,000 shares of "blank-check" preferred stock, and
- effecting the Reverse Stock Split pursuant to the terms of the Stock Exchange Agreement.

FINRA approved the amendment to our articles of incorporation, as amended, on March 11, 2013.

On March 13, 2013, we completed the acquisition of IEGC under the terms of the Stock Exchange Agreement and issued to IEG 272,447 shares of our common stock after giving effect to the Reverse Stock Split whereby we acquired a 100% interest in IEGC. The stock exchange agreement between IEGC, IEG and IEG Holdings resulted in a reverse acquisition with a public shell, with IEGC being the accounting acquirer. IEG Holdings issued 90 shares of its common stock to the stockholders of IEG (IEG transferred its ownership in IEGC to its stockholders, which is why the shares were issued to the ultimate stockholders of IEG rather than to IEG itself) for each share of IEGC, in exchange for 100% ownership interest in IEGC. We determined that IEGC was the accounting acquirer because of the following facts and circumstances:

1. After consummation of the transaction, the ultimate stockholders of IEGC own 99.1% of the outstanding shares of IEG Holdings;
2. The board of directors of IEG Holdings immediately after the transaction is comprised exclusively of former directors of IEGC; and
3. The operations of IEG Holdings immediately after the transaction are those of IEGC.

After completing the Stock Exchange Agreement and terminating all Australian operations via the sale of the remaining loan book, IEG entered into voluntary liquidation on June 25, 2014. In August 2015, IEGC assigned all of its tangible and intangible assets to IEG Holdings and IEGC was dissolved.

On May 1, 2015, we filed articles of amendment to our amended and restated articles of incorporation, as amended, with the Secretary of State of Florida. The amendment was approved by FINRA, and became effective, on June 17, 2015. The articles of amendment effected (i) a 1-for-100 reverse stock split, and (ii) an increase in our authorized capital stock from 2,550,000,000 shares to 3,050,000,000 shares, of which 3,000,000,000 shares are common stock and 50,000,000 are preferred stock.

On September 10, 2015, we filed articles of amendment to our amended and restated articles of incorporation, as amended, with the Secretary of State of Florida. The articles of amendment had the effect, among other things, of adjusting the conversion ratio of the Series H preferred stock, from 1,333/100,000 (0.01333) to 2,666/100,000 (0.02666) shares of common stock for each Series H preferred share, to account for the Company's offering to existing stockholders of the Company commenced August 3, 2015.

On December 1, 2015, we filed articles of amendment to our amended and restated articles of incorporation, as amended, with the Secretary of State of Florida. The articles of amendment had the effect, among other things, of adjusting the conversion ratio of the Series H preferred stock, from 2,666/100,000 (0.02666) to 5,332/100,000 (0.05332) shares of common stock for each Series H preferred share, to account for the Company's offering to existing stockholders of the Company commenced December 1, 2015.

On January 8, 2016, we filed articles of amendment to our amended and restated articles of incorporation, as amended, with the Secretary of State of Florida. The articles of amendment had the effect, among other things, of adjusting the conversion ratio of the Series H preferred stock, from 5,332/100,000 (0.05332) to 0.1 shares of common stock for each Series H preferred share, to account for the Company's offering to existing stockholders of the Company commenced January 8, 2016.

On March 22, 2016, we filed articles of amendment to our amended and restated articles of incorporation, as amended. The amendment had the effect, among other things, of adjusting the conversion ratio of the Series H preferred stock from 0.1 shares to 0.2 shares of common stock for each Series H preferred share, to account for our offering to existing stockholders commenced March 16, 2016.

Effective April 1, 2016, we amended our amended and restated articles of incorporation, as amended, in order to effect a 1-for-100 reverse stock split. No fractional shares were issued. Rather, we paid stockholders who would have received a fractional share an amount equal to the average closing price per share of our common stock on the OTCQB, averaged over the period of 30 consecutive calendar days ending on (and including) April 1, 2016. In April 2016, we purchased 1,793 shares of the common stock of IEG Holdings in exchange for an aggregate purchase price of $130,769, equivalent to $72.93 per share. As a result, there was a reduction in the number of record holders with 676 record holders of the Company receiving cash in exchange for their shares of IEG Holdings in connection with this forward stock split and reverse stock split transaction. In addition, after the reverse stock split was effected on April 1, 2016, we amended our amended and restated articles of incorporation, as amended, to effect (i) a 100-for-1 forward stock split, and (ii) a reduction in the number of authorized shares of common stock from 3 billion to 200 million.

On May 16, 2016, we filed articles of amendment to our amended and restated articles of incorporation, as amended, with the Secretary of State of Florida. The articles of amendment had the effect, among other things, of:

(i) Reducing the dividend rate on our Series H preferred stock from 10% per annum to 8% per annum,

(ii) Extending the date after which we may redeem the unconverted outstanding shares of Series H preferred stock from June 30, 2016 to December 31, 2016,

(iii) Extending the date on which the holders of our Series H preferred stock may convert their shares into shares of our common stock from June 30, 2016 to December 31, 2016, and

(iv) Removing the requirement to adjust the Series H preferred stock conversion ratio when we conduct a rights offering to our existing stockholders.

On October 12, 2016, we filed articles of amendment to our amended and restated articles of incorporation, as amended, with the Secretary of State of Florida. The articles of amendment had the effect of:

(i) Adjusting the conversion ratio of the Series H preferred stock, from two to 0.2 shares of common stock for each Series H preferred share, to account for Company's reverse/forward split effective October 27, 2016, and

(ii) Amending the redemption date of the Series H preferred stock from "[a]ny time after the December 31, 2016" to "[a]ny time after 6:00 p.m. Eastern time on December 31, 2016."

Effective October 27, 2016, we effected a reverse stock split of our outstanding shares of common stock, at the ratio of 1-for-1,000. No fractional shares were issued. Rather, we paid stockholders who would have received a fractional share an amount equal to the average closing price per share of our common stock on the OTCQX, averaged over the period of 30 consecutive calendar days preceding the reverse stock split. We purchased 12,957 shares of IEG Holdings common stock in exchange for an aggregate purchase price of $78,330 equivalent to $6.04 per share. As a result, there was a reduction in the number of record holders with 309 record holders of the Company receiving cash in exchange for their IEG Holdings shares in connection with this reverse stock split and forward stock split transaction. Immediately following the completion of the reverse stock split, we effected a forward stock split of our common stock on a 100-for-1 share basis and a reduction of the number of authorized shares of common stock from 200,000,000 to 40,000,000.

Effective December 5, 2016, we increased our number of authorized shares of common stock from 40,000,000 to 300,000,000.

On June 20, 2017, we filed articles of amendment (the "June 20 Amendment") to our amended and restated articles of incorporation, as amended. The June 20 Amendment has the effect of revising the terms of the Series H preferred stock to:

(1) remove rights to receive dividends on our Series H preferred stock;
(2) increase the conversion ratio of our Series H preferred stock from 0.2 shares of our common stock per share of Series H preferred stock to one share of our common stock per share of Series H preferred stock;
(3) remove our right to redeem or call the Series H preferred stock;
(4) provide for automatic conversion of Series H preferred stock into shares of our common stock on December 31, 2017; and
(5) remove the voting rights for Series H preferred stock except with respect to changes to our articles which would amend, alter, change or repeal any of the powers, designations, preferences and rights of holders of the Series H preferred stock.

In addition, on July 26, 2017, we filed articles of amended (the "July 26 Amendment") to our articles that had the effect of further revising the terms of the Series H preferred stock to increase the conversion ratio of the Series H preferred stock from one share of our common stock per share of Series H preferred stock to four shares of our common stock per share of Series H preferred stock.

The Amendment was approved by the Company's board of directors on June 19, 2017 and July 26, 2017, respectively.

On October 30, 2017, the Company completed a private placement of 934,589 shares of the Series H Preferred Stock to four non-U.S. persons. The Company received an aggregate purchase price of $934,589 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 15, 2017, the Company completed a private placement of 305,000 shares of Series H Preferred Stock to three non-U.S. persons. The Company received an aggregate purchase price of $305,000 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 28, 2017, the Company completed a private placement of 52,500 shares of Series H Preferred Stock to two non-U.S. persons. The Company received an aggregate purchase price of $52,500 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 31, 2017, the holders of an aggregate of 1,292,089 shares of Series H preferred stock, representing all of the outstanding Series H Preferred Shares, pursuant to the terms of the Series H Preferred Shares, converted their shares of Series H Preferred Shares, effective December 31, 2017. In accordance with the terms of the Series H Preferred Shares, upon the conversion of such Series H Preferred Shares, the Company issued to the converting holders of Series H Preferred Shares an aggregate of 5,168,356 shares of the Company's common stock. As a result of the conversion, no Series H Preferred Shares are outstanding. In addition, as a result of the conversion and subsequent issuance of common stock, 17,463,449 shares of the Company's common stock are issued and outstanding. Due solely to the issuance of common stock, and not as the result of any stock disposition, Paul Mathieson, the Company's Chairman and Chief Executive Officer, is no longer a majority stockholder. Following the issuance of common stock, Mr. Mathieson owns approximately 39.5% of the Company's outstanding common stock.

Legal Proceedings

We are not a party to any pending or threatened litigation.

Emerging Growth Company Status

We are an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We intend to take advantage of all of these exemptions.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards, and delay compliance with new or revised accounting standards until those standards are applicable to private companies. We have elected to take advantage of the benefits of this extended transition period.

We could be an emerging growth company until the last day of the first fiscal year following the fifth anniversary of our first common equity offering, although circumstances could cause us to lose that status earlier if our annual revenues exceed $1.0 billion, if we issue more than $1.0 billion in non-convertible debt in any three-year period or if we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act.

ITEM 1A. RISK FACTORS

The risk factors in this section describe the material risks to our business, prospects, results of operations, financial condition or cash flows, and should be considered carefully. In addition, these factors constitute our cautionary statements under the Private Securities Litigation Reform Act of 1995 and could cause our actual results to differ materially from those projected in any forward-looking statements (as defined in such act) made in this annual report on Form 10-K. Investors should not place undue reliance on any such forward-looking statements. Any statements that are not historical facts and that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intends," "plans," "believes" and "projects") may be forward-looking and may involve estimates and uncertainties which could cause actual results to differ materially from those expressed in the forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for us to predict all of such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Risks Related to Our Business and Industry

Our limited operating history and our failure since inception to achieve an operating profit makes our future prospects and financial performance unpredictable.

We commenced operations in 2010 and as a result, we have a limited operating history upon which a potential investor can evaluate our prospects and the potential value of an investment in our company. In addition, we have not made an operating profit since our incorporation. We remain subject to the risks inherently associated with new business enterprises in general and, more specifically, the risks of a new financial institution and, in particular, a new Internet-based financial institution. Our prospects are subject to the risks and uncertainties frequently encountered by companies in their early stages of development, including the risk that we will not be able to implement our business strategy. If we are unable to implement our business strategy and grow our business, our business will be materially adversely affected.

We may not be able to implement our plans for growth successfully, which could adversely affect our future operations.

Since January 2015, the amount we have loaned to borrowers (our loan book) has increased by 192.1% from $5,549,023 to $16,209,023 as of December 31, 2017. We expect to continue to grow our loan book and number of customers at an accelerated rate in the future. Our future success will depend in part on our continued ability to manage our growth. We may not be able to achieve our growth plans, or sustain our historical growth rates or grow at all. Various factors, such as economic conditions, regulatory and legislative considerations and competition, may also impede our ability to expand our market presence. If we are unable to grow as planned, our business and prospects could be adversely affected.

IEG Holdings has executed and initiated reverse stock splits that have resulted in a reduction in the number of stockholders of IEG Holdings. Stockholders may be involuntarily cashed out in the future.

In April 2016, we effected a reverse stock split at a ratio of one share of the common stock of IEG Holdings for every 100 such shares. In October 2016, we effected a reverse stock split at a ratio of one share of the common stock of IEG Holdings for every 1,000 such shares. In each case, stockholders who would otherwise have received fractional shares received cash in exchange for shares of IEG Holdings and as a result, in April 2016, we purchased 1,793 shares of the common stock of IEG Holdings in exchange for an aggregate purchase price of $130,769, and in October 2016, we purchased 12,957 shares of the common stock of IEG Holdings in exchange for an aggregate purchase price of $78,330. If we decide to execute a reverse stock split in the future, IEG Holdings stockholders could be required to accept cash in exchange for their shares of IEG Holdings.

As our largest stockholder, sole officer and director, Mr. Mathieson can exercise sole authority over any future reverse stock splits, including the existence of and terms of any reverse stock splits, that could result in stockholders being involuntarily cashed out. Our stockholders should be willing to entrust all aspects of our management to Mr. Mathieson.

Our inability to manage our growth could harm our business.

We anticipate that our loan book and customer base will continue to grow significantly over time. To manage the expected growth of our operations and personnel, we will be required to, among other things:

- improve existing and implement new transaction processing, operational and financial systems, procedures and controls;
- maintain effective credit scoring and underwriting guidelines; and
- increase our employee base and train and manage this growing employee base.

If we are unable to manage growth effectively, our business, prospects, financial condition and results of operations could be adversely affected.

We may need to raise additional capital that may not be available, which could harm our business.

Our growth will require that we generate additional capital either through retained earnings or the issuance of additional debt or equity securities. Additional capital may not be available on terms acceptable to us, if at all. Any equity financings could result in dilution to our stockholders or reduction in the earnings available to our common stockholders. In July 2017, we received approximately $3.4 million in cash in exchange for shares of OneMain common stock. We acquired those shares of OneMain's common stock pursuant to the OneMain Tender Offer in exchange for shares of the Company's common stock. The cash received in connection with the OneMain Tender Offer was a significant portion of the cash raised by the Company during the year ended December 31, 2017 and resulted in dilution of the Company's then-existing stockholders. In addition, if adequate capital is not available or the terms of such capital are not attractive, we may have to curtail our growth and our business, and our business, prospects, financial condition and results of operations could be adversely affected.

As an online consumer loan company whose principal means of delivering personal loans is the Internet, we are subject to risks particular to that method of delivery.

We are predominantly an online consumer loan company and there are a number of unique factors that Internet-based loan companies face. These include concerns for the security of personal information, the absence of personal relationships between lenders and customers, the absence of loyalty to a conventional hometown branch, our customers' difficulty in understanding and assessing the substance and financial strength of an online loan company, a lack of confidence in the likelihood of success and permanence of online loan companies and many individuals' unwillingness to trust their personal details and financial future to a relatively new technological medium such as the Internet. As a result, some potential customers may be unwilling to establish a relationship with us.

Conventional "brick and mortar" consumer loan companies, in growing numbers, are offering the option of Internet-based lending to their existing and prospective customers. The public may perceive conventional established loan companies as being safer, more responsive, more comfortable to deal with and more accountable as providers of their lending needs. We may not be able to offer Internet-based lending that has sufficient advantages over the Internet-based lending services and other characteristics of conventional "brick and mortar" consumer loan companies to enable us to compete successfully.

We may not be able to make technological improvements as quickly as some of our competitors, which could harm our ability to compete with our competitors and adversely affect our results of operations, financial condition and liquidity.

Both the Internet and the financial services industry are undergoing rapid technological changes, with frequent introductions of new technology-driven products and services. In addition to improving the ability to serve customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. Our future success will depend in part upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in our operations. We may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or emerging industry standards, our business, prospects, financial condition and results of operations could be adversely affected.

A significant disruption in our computer systems or a cybersecurity breach could adversely affect our operations.

We rely extensively on our computer systems to manage our loan origination and other processes. Our systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber security breaches, vandalism, severe weather conditions, catastrophic events and human error, and our disaster recovery planning cannot account for all eventualities. If our systems are damaged, fail to function properly or otherwise become unavailable, we may incur substantial costs to repair or replace them, and may experience loss of critical data and interruptions or delays in our ability to perform critical functions, which could adversely affect our business and results of operations. Any compromise of our security could also result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, loss or misuse of the information and a loss of confidence in our security measures, which could harm our business.

Our ability to protect the confidential information of our borrowers and investors may be adversely affected by cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions.

We process certain sensitive data from our borrowers and investors. While we have taken steps to protect confidential information that we receive or have access to, our security measures could be breached. Any accidental or willful security breaches or other unauthorized access to our systems could cause confidential borrower and investor information to be stolen and used for criminal purposes. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, our relationships with borrowers and investors could be severely damaged, and we could incur significant liability.

Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, federal regulators and many federal and state laws and regulations require companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause borrowers and investors 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 and investors and our business and operations could be adversely affected.

Any significant disruption in service on our platform or in our computer systems, including events beyond our control, could prevent us from processing or posting payments on loans, reduce the attractiveness of our marketplace and result in a loss of borrowers or investors.

In the event of a system outage and physical data loss, our ability to perform our servicing obligations, process applications or make loans available would be materially and adversely affected. The satisfactory performance, reliability and availability of our technology are critical to our operations, customer service, reputation and our ability to attract new and retain existing borrowers and investors.

Any interruptions or delays in our service, whether as a result of third-party error, our error, natural disasters or security breaches, whether accidental or willful, could harm our relationships with our borrowers and investors 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 the loans, damage our brand and reputation, divert our employees' attention, reduce our revenue, subject us to liability and cause borrowers and investors to abandon our marketplace, any of which could adversely affect our business, financial condition and results of operations.

We contract with third parties to provide services related to our online web lending and marketing, as well as systems that automate the servicing of our loan portfolios. See "—We depend on third-party service providers for our core operations including online lending and loan servicing and interruptions in or terminations of their services could materially impair the quality of our services." While there are material cybersecurity risks associated with these services, we require that our vendors provide industry-leading encryption, strong access control policies, Statement on Standards for Attestation Engagements (SSAE) 16 audited data centers, systematic methods for testing risks and uncovering vulnerabilities, and industry compliance audits to ensure data and assets are protected. To date, we have not experienced any cyber incidents that were material, either individually or in the aggregate.

Our unsecured loans generally have delinquency and default rates higher than prime and secured loans, which could result in higher loan losses.

We are in the business of originating unsecured personal loans. As of December 31, 2017, approximately 1.89% of our customers are subprime borrowers, which we define as borrowers having credit scores below 600 on the Vantage model 1.0 credit risk scale developed by VantageScore Solutions, LLC. Unsecured personal loans and subprime loans generally have higher delinquency and default rates than secured loans and prime loans. Subprime borrowers are associated with lower collection rates and are subject to higher loss rates than prime borrowers. Subprime borrowers have historically been, and may in the future become, more likely to be affected, or more severely affected, by adverse macroeconomic conditions, particularly unemployment. If our borrowers default under an unsecured loan, we will bear a risk of loss of principal, which could adversely affect our cash flow from operations. Delinquency interrupts the flow of projected interest income from a loan, and default can ultimately lead to a loss. We attempt to manage these risks with risk-based loan pricing and appropriate management policies. However, we cannot assure you that such management policies will prevent delinquencies or defaults and, if such policies and methods are insufficient to control our delinquency and default risks and do not result in appropriate loan pricing, our business, financial condition, liquidity and results of operations could be harmed. If aspects of our business, including the quality of our borrowers, are significantly affected by economic changes or any other conditions in the future, we cannot be certain that our policies and procedures for underwriting, processing and servicing loans will adequately adapt to such changes. If we fail to adapt to changing economic conditions or other factors, or if such changes affect our borrowers' capacity to repay their loans, our results of operations, financial condition and liquidity could be materially adversely affected. At December 31, 2017 we had 150 loans considered past due at 31+ days past due, representing 9.26% of the number of loans in our active portfolio. At December 31, 2017, we had 86 loans delinquent or in default (defined as 91+ days past due) representing 5.32% of the number of loans in our active portfolio. Loans become eligible for a lender to take legal action at 60 days past due.

If our estimates of loan receivable losses are not adequate to absorb actual losses, our provision for loan receivable losses would increase, which would adversely affect our results of operations.

We maintain an allowance for loans receivable losses. To estimate the appropriate level of allowance for loan receivable losses, we consider known and relevant internal and external factors that affect loan receivable collectability, including the total amount of loan receivables outstanding, historical loan receivable charge-offs, our current collection patterns, and economic trends. If customer behavior changes as a result of economic conditions and if we are unable to predict how the unemployment rate, housing foreclosures, and general economic uncertainty may affect our allowance for loan receivable losses, our provision may be inadequate. Our allowance for loan receivable losses is an estimate, and if actual loan receivable losses are materially greater than our allowance for loan receivable losses, our financial position, liquidity, and results of operations could be adversely affected.

Our risk management efforts may not be effective which could result in unforeseen losses.

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, and other market-related risks, as well as operational risks related to our business, assets and liabilities. Our risk management policies, procedures, and techniques, including our scoring methodology, may not be sufficient to identify all of the risks we are exposed to, mitigate the risks we have identified or identify additional risks to which we may become subject in the future.

We face strong competition for customers and may not succeed in implementing our business strategy.

Our business strategy depends on our ability to remain competitive. There is strong competition for customers from personal loan companies and other types of consumer lenders, including those that use the Internet as a medium for lending or as an advertising platform. Our competitors include:

- large, publicly-traded, state-licensed personal loan companies such as OneMain Holdings, Inc.;
- peer-to-peer lending companies such as LendingClub Corporation and Prosper Marketplace Inc.;
- online personal loan companies such as Avant;
- "brick and mortar" personal loan companies, including those that have implemented websites to facilitate online lending; and
- payday lenders, tribal lenders and other online consumer loan companies.

Some of these competitors have been in business for a long time and have name recognition and an established customer base. Most of our competitors are larger and have greater financial and personnel resources. In order to compete profitably, we may need to reduce the rates we offer on loans, which may adversely affect our business, prospects, financial condition and results of operations. To remain competitive, we believe we must successfully implement our business strategy. Our success depends on, among other things:

- having a large and increasing number of customers who use our loans for financing needs;
- our ability to attract, hire and retain key personnel as our business grows;
- our ability to secure additional capital as needed;
- our ability to offer products and services with fewer employees than competitors;
- the satisfaction of our customers with our customer service;
- ease of use of our websites; and
- our ability to provide a secure and stable technology platform for providing personal loans that provides us with reliable and effective operational, financial and information systems.

If we are unable to implement our business strategy, our business, prospects, financial condition and results of operations could be adversely affected.

We depend on third-party service providers for our core operations including online lending and loan servicing, and interruptions in or terminations of their services could materially impair the quality of our services.

We rely substantially upon third-party service providers for our core operations, including online web lending and marketing and vendors that provide systems that automate the servicing of our loan portfolios which allow us to increase the efficiency and accuracy of our operations. These systems include tracking and accounting of our loan portfolio as well as customer relationship management, collections, funds disbursement, security and reporting. This reliance may mean that we will not be able to resolve operational problems internally or on a timely basis, which could lead to customer dissatisfaction or long-term disruption of our operations. If these service arrangements are terminated for any reason without an immediately available substitute arrangement, our operations may be severely interrupted or delayed. If such interruption or delay were to continue for a substantial period of time, our business, prospects, financial condition and results of operations could be adversely affected.

If we lose the services of any of our key management personnel, our business could suffer.

Our future success significantly depends on the continued service and performance of our Chief Executive Officer, Paul Mathieson and our Chief Operating Officer, Carla Cholewinski. Competition for these employees is intense and we may not be able to attract and retain key personnel. We do not maintain any “key man” or other related insurance. The loss of the service of our Chief Executive Officer or our Chief Operating Officer, or the inability to attract additional qualified personnel as needed, could materially harm our business.

If we were deemed to be an investment company under the 1940 Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, an issuer of securities will generally fit the definition of an “investment company” for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) is engaged or proposes to engage in the business of issuing face-amount installment certificates or has any of this type of certificate outstanding. In addition, issuers who do not otherwise fit the definition of an investment company are sometimes deemed to be investment companies, under Section 3(a)(1)(C) of the 1940 Act, if the value of their investment securities exceeds 40% of their total assets.

Although an issuer may fall within the definition of an “investment company” under Section 3(a)(1)(C) of the 1940 Act, the issuer may qualify for an exemption from the definition. Rule 3a-1 under the 1940 Act provides an exemption from the definition of investment company if, on a consolidated basis with its wholly owned subsidiaries, nor more than 45% of its net income after taxes for the last four quarters is derived from securities other than government securities and securities of majority owned subsidiaries and companies primarily controlled by it. As of December 31, 2017, we calculated both our percentage of investment security assets (securities other than government securities, employee companies and certain subsidiaries and affiliates) to total assets and our total percentage of investment income (income from investment securities) as compared to total income to be below the Rule 3a-1 45% thresholds.

We were able to maintain our compliance with the 1940 Act because we regularly monitor our status under the 1940 Act and conduct prudential analyses in accordance with the 1940 Act and the SEC’s interpretations thereof. We conduct such analyses on a consolidated basis with our wholly owned subsidiaries to determine whether the thresholds set out in Rule 3a-1 are exceeded. As a result, we do not believe that we should be regulated as an “investment company,” as such term is defined in the 1940 Act, and we intend to conduct our operations to maintain this status. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could have a material adverse effect on our business.

We have incurred, and will continue to incur, increased costs as a result of being a public reporting company.

In April 2015, we became a public reporting company. As a public reporting company, we incur significant legal, accounting and other expenses that we did not incur as a non-reporting company, including costs associated with our SEC reporting requirements. We expect that the additional reporting and other obligations imposed on us under the Exchange Act, will increase our legal and financial compliance costs and the costs of our related legal, accounting and administrative activities significantly. Management estimates that compliance with the Exchange Act reporting requirements as a reporting company will cost in excess of $200,000 annually. Given our current financial resources, these additional compliance costs could have a material adverse impact on our financial position and ability to achieve profitable results. These increased costs will require us to divert money that we could otherwise use to expand our business and achieve our strategic objectives.

We operate in a highly competitive market, and we cannot ensure that the competitive pressures we face will not have a material adverse effect on our results of operations, financial condition and liquidity.

The consumer finance industry is highly competitive. Our success depends, in large part, on our ability to originate consumer loan receivables. We compete with other consumer finance companies as well as other types of financial institutions that offer similar products and services in originating loan receivables. Some of these competitors may have greater financial, technical and marketing resources than we possess. Some competitors may also have a lower cost of funds and access to funding sources that may not be available to us. While banks and credit card companies have decreased their lending to non-prime customers in recent years, there is no assurance that such lenders will not resume those lending activities. Further, because of increased regulatory pressure on payday lenders, many of those lenders are starting to make more traditional installment consumer loans in order to reduce regulatory scrutiny of their practices, which could increase competition in markets in which we operate.

Negative publicity could adversely affect our business and operating results.

Negative publicity about our industry or our company, including the quality and reliability of our marketplace, effectiveness of the credit decisioning and scoring models used in the marketplace, changes to our marketplace, our ability to effectively manage and resolve borrower and investor complaints, privacy and security practices, litigation, regulatory activity and the experience of borrowers and investors with our marketplace or services, even if inaccurate, could adversely affect our reputation and the confidence in, and the use of, our marketplace, which could harm our business and operating results. Harm to our reputation can arise from many sources, including employee misconduct, misconduct by our partners, 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 is subject to extensive regulation in the jurisdictions in which we conduct our business.

Our operations are subject to regulation, supervision and licensing under various federal, state and local statutes, ordinances and regulations. In most states in which we operate, a consumer credit regulatory agency regulates and enforces laws relating to consumer lenders such as us. These rules and regulations generally provide for licensing as a consumer lender, limitations on the amount, duration and charges, including interest rates, for various categories of loans, requirements as to the form and content of finance contracts and other documentation, and restrictions on collection practices and creditors' rights. In certain states, we are subject to periodic examination by state regulatory authorities. Some states in which we operate do not require special licensing or provide extensive regulation of our business.

We are also subject to extensive federal regulation, including the Truth in Lending Act, the Equal Credit Opportunity Act and the Fair Credit Reporting Act. These laws require us to provide certain disclosures to prospective borrowers and protect against discriminatory lending and leasing practices and unfair credit practices. The principal disclosures required under the Truth in Lending Act include the terms of repayment, the total finance charge and the annual percentage rate charged on each contract or loan. The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, age or marital status. According to Regulation B promulgated under the Equal Credit Opportunity Act, creditors are required to make certain disclosures regarding consumer rights and advise consumers whose credit applications are not approved of the reasons for the rejection. In addition, the credit scoring system used by us must comply with the requirements for such a system as set forth in the Equal Credit Opportunity Act and Regulation B. The Fair Credit Reporting Act requires us to provide certain information to consumers whose credit applications are not approved on the basis of a report obtained from a consumer reporting agency and to respond to consumers who inquire regarding any adverse reporting submitted by us to the consumer reporting agencies. Additionally, we are subject to the Gramm-Leach-Bliley Act, which requires us to maintain the privacy of certain consumer data in our possession and to periodically communicate with consumers on privacy matters. We are also subject to the Servicemembers Civil Relief Act, which requires us, in most circumstances, to reduce the interest rate charged to customers who have subsequently joined, enlisted, been inducted or called to active military duty.

A material failure to comply with applicable laws and regulations could result in regulatory actions, lawsuits and damage to our reputation, which could have a material adverse effect on our results of operations, financial condition and liquidity.

The Consumer Financial Protection Bureau (the "CFPB") is a new federal agency formed pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), and there continues to be uncertainty as to how the agency's actions or the actions of any other new agency could impact our business.

The CFPB, constituted pursuant to the Dodd-Frank Act, which commenced operations in 2011, has broad authority over the business in which we engage. This includes authority to write regulations under federal consumer financial protection laws, such as the Truth in Lending Act and the Equal Credit Opportunity Act, and to enforce those laws against and examine financial institutions for compliance. The CFPB is authorized to prevent "unfair, deceptive or abusive acts or practices" through its regulatory, supervisory and enforcement authority. To assist in its enforcement, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including the loan products we facilitate. This system could inform future CFPB decisions with respect to its regulatory, enforcement or examination focus.

We are subject to the CFPB's jurisdiction, including its enforcement authority, as a servicer and acquirer of consumer credit. The CFPB may request reports concerning our organization, business conduct, markets and activities. The CFPB may also conduct on-site examinations of our business on a periodic basis if the CFPB were to determine, through its complaint system, that we were engaging in activities that pose risks to consumers.

There continues to be uncertainty as to how the CFPB's strategies and priorities, including in both its examination and enforcement processes, will impact our businesses and our results of operations going forward. Actions by the CFPB could result in requirements to alter or cease offering affected loan products and services, making them less attractive and restricting our ability to offer them.

Actions by the CFPB or other regulators against us or our competitors that discourage the use of the marketplace model or suggest to consumers the desirability of other loan products or services could result in reputational harm and a loss of borrowers or investors. Our compliance costs and litigation exposure could increase materially if the CFPB or other regulators enact new regulations, change regulations that were previously adopted, modify, through supervision or enforcement, past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted.

We are required to pay a prior lender interest on our net profit until 2025, which may have a material adverse effect on our results of operations.

We previously had a credit facility in the form of a line of credit with BFG Investment Holdings, LLC ("BFG") in the amount of $10,000,000 pursuant to a Loan and Security Agreement, as amended (the "Loan Agreement"), among BFG and certain of our wholly-owned subsidiaries. In connection with the Loan Agreement, IEC SPV and certain of our other wholly-owned subsidiaries entered into a profit sharing agreement with BFG pursuant to which IEC SPV is required to pay BFG 20% of its net profit ("Net Profit") for a period beginning on June 11, 2012 and ending 10 years from the date the Loan Agreement is repaid in full. Net Profit is defined in the profit sharing agreement as gross revenue less (i) interest paid on the loan, (ii) payments on any other debt incurred as a result of refinancing the loan through a third party, as provided in the Loan Agreement, (iii) any costs, fees or commissions paid on account of the loan (including loan servicing fees of 0.5% on eligible consumer loans receivable), and (iv) charge-offs to bad debt resulting from consumer loans. All of IEC SPV's loans receivable as of December 31, 2017 were pledged as collateral for fulfillment of the Net Profit interest due.

Effective as of July 15, 2015, BFG converted the credit facility from a revolving facility to a term loan and on August 21, 2015, we, through certain of our wholly-owned subsidiaries, repaid the entire balance of principal and accrued interest under the Loan Agreement. There is currently no outstanding balance under the Loan Agreement, but IEC SPV will be required to pay 20% of its Net Profit to BFG until August 21, 2025 (10 years from August 21, 2015) or until we pay BFG $3,000,000 to terminate the profit sharing agreement. Net Profit for the year ended December 31, 2017 and 2016 was calculated at $0 and $57,094, respectively.

Risks Relating to Our Common Stock

Trading on the OTC Markets is volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their common stock.

Our common stock is quoted on the OTCQB tier of the OTC Markets. Trading in securities quoted on the OTC Markets is often thin and characterized by wide fluctuations in trading prices, due to many factors, some of which may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTC Markets is not a stock exchange, and trading of securities on the OTC Markets is often more sporadic than the trading of securities listed on a stock exchange like NASDAQ or the NYSE. These factors may result in investors having difficulty reselling any shares of our common stock.

Our common stock price is likely to be highly volatile because of several factors, including a limited public float.

The market price of our common stock has been volatile in the past. For example, as of March 28, 2018, our common stock has had a 52-week high sale price of $4.19 and a low sale price of $0.14. The market price of our common stock is likely to be highly volatile in the future, as well. You may not be able to resell shares of our common stock following periods of volatility because of the market's adverse reaction to volatility.

Other factors that could cause such volatility may include, among other things:

- actual or anticipated fluctuations in our operating results;
- the absence of securities analysts covering us and distributing research and recommendations about us;
- we may have a low trading volume for a number of reasons, including that a large portion of our stock is closely held;
- overall stock market fluctuations;
- announcements concerning our business or those of our competitors;
- actual or perceived limitations on our ability to raise capital when we require it, and to raise such capital on favorable terms;
- conditions or trends in the industry;
- litigation;
- changes in market valuations of other similar companies;
- future sales of common stock;
- departure of key personnel or failure to hire key personnel; and
- general market conditions.

Any of these factors could have a significant and adverse impact on the market price of our common stock. In addition, the stock market in general has at times experienced extreme volatility and rapid decline that has often been unrelated or disproportionate to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock, regardless of our actual operating performance.

Because Mr. Mathieson, our largest stockholder, Chief Executive Officer and sole director, will make all management decisions, including with respect to any future reverse stock splits that could result in stockholders being involuntarily cashed out, you should only invest in IEG Holdings shares if you are comfortable entrusting Mr. Mathieson to make all decisions.

As our largest stockholder, sole officer and director, Mr. Mathieson will have the right to make all decisions with respect to our management. Mr. Mathieson can exercise sole authority over the direction of IEG Holdings, and any future reverse stock splits that could result in stockholders being involuntarily cashed out. Investors will not have an opportunity to evaluate specific projects that will be financed with future operating income. Our stockholders should be willing to entrust all aspects of our management to Mr. Mathieson.

Future stock issuances would dilute stockholders' ownership, and may reduce our share value.

If, in the future, we authorize an increase in our authorized common stock and issue additional shares, the future issuance of common stock or preferred stock may result in substantial dilution in the percentage of our common stock held by our then existing shareholders. We may value any common stock issued in the future on an arbitrary basis. The issuance of common stock for future services or acquisitions or other corporate actions may have the effect of diluting the value of the shares held by our investors, and might have an adverse effect on any trading market for our common stock.

An increase in our authorized shares would need to be authorized by our stockholders. However, Mr. Mathieson, our largest stockholder, sole officer and director, beneficially owns 6,900,000 shares of our common stock, which represents 39.5% of our outstanding common stock. As a result, Mr. Mathieson controls a substantial percentage of our voting power and therefore has substantial influence over all matters submitted to our stockholders for approval. In addition, we can issue additional shares of common stock without consulting stockholders and without offering shares to existing stockholders, which would result in dilution of stockholders' interests in our company and could depress our stock price.

We face corporate governance risks and negative investor perceptions because we have only one officer and director and have not adopted a written policy for the review, approval or ratification of transactions with related parties or conflicted parties.

Mr. Mathieson is our sole officer and director. As such, he has significant control over our business direction. Additionally, because he is our sole director, there are no other board members available to second and/or approve related party transactions involving Mr. Mathieson, including the compensation Mr. Mathieson may be paid and any consulting or other agreements we may enter into with Mr. Mathieson. Additionally, there is no segregation of duties between officers because Mr. Mathieson is our sole officer, and as such, he is solely responsible for the oversight of our accounting functions. Because no other directors are approving related party transactions involving Mr. Mathieson and no other officers are approving our financial statements, investors may question the fairness of related party transactions or the accuracy of financial statements. The price of our common stock may be adversely affected and/or devalued compared to similarly sized companies with multiple officers and directors due to the investing public's perception of limitations facing our Company due to the fact that we only have one officer and director.

Although Mr. Mathieson intends to enter into any related party transactions on an arms' length basis, we do not have a written policy for the review, approval or ratification of transactions with related parties or conflicted parties. As our sole officer and director, Mr. Mathieson makes decisions such as the approval of related party transactions, Mr. Mathieson's compensation, and oversight of the accounting function. Mr. Mathieson exercises full control over all matters that typically require board approval. Accordingly, Mr. Mathieson's actions are not subject to the review and approval of a board of directors and, as such, the Company may be at risk for a conflict of interest arising between Mr. Mathieson's duties in his role as Chief Executive Officer and his own personal financial and business interests in other business ventures distinct and separate from the interests of the Company. His personal interests may not coincide with the interests of the stockholders and, in the absence of the effective segregation of such duties, there is a risk of a conflict of interest.

Our common stock is currently, has been in the past, and may be in the future, a "penny stock" under SEC rules. It may be more difficult to resell securities classified as "penny stock."

Our common stock is a "penny stock" under applicable SEC rules (generally defined as non-exchange traded stock with a per-share price below $5.00). Unless we obtain a per-share price above $5.00, these rules impose additional sales practice requirements on broker-dealers that recommend the purchase or sale of penny stocks to persons other than those who qualify as "established customers" or "accredited investors." For example, broker-dealers must determine the appropriateness for non-qualifying persons of investments in penny stocks. Broker-dealers must also provide, prior to a transaction in a penny stock not otherwise exempt from the rules, a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, disclose the compensation of the broker-dealer and its salesperson in the transaction, furnish monthly account statements showing the market value of each penny stock held in the customer's account, provide a special written determination that the penny stock is a suitable investment for the purchaser, and receive the purchaser's written agreement to the transaction.

Legal remedies available to an investor in "penny stocks" may include the following:

- If a "penny stock" is sold to the investor in violation of the requirements listed above, or other federal or states securities laws, the investor may be able to cancel the purchase and receive a refund of the investment.

- If a "penny stock" is sold to the investor in a fraudulent manner, the investor may be able to sue the persons and firms that committed the fraud for damages.

However, investors who have signed arbitration agreements may have to pursue their claims through arbitration.

These requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security that becomes subject to the penny stock rules. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit the market price and liquidity of our securities. These requirements may restrict the ability of broker-dealers to sell our common stock and may affect your ability to resell our common stock.

Many brokerage firms will discourage or refrain from recommending investments in penny stocks. Most institutional investors will not invest in penny stocks. In addition, many individual investors will not invest in penny stocks due, among other reasons, to the increased financial risk generally associated with these investments.

For these reasons, penny stocks may have a limited market and, consequently, limited liquidity. We can give no assurance that our common stock will not remain classified as a "penny stock" in the future.

If we fail to maintain effective internal control over financial reporting, the price of our securities may be adversely affected.

Our internal control over financial reporting may have weaknesses and conditions that could require correction or remediation, the disclosure of which may have an adverse impact on the price of our common stock. We are required to establish and maintain appropriate internal control over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely affect our public disclosures regarding our business, prospects, financial condition or results of operations. In addition, management's assessment of internal control over financial reporting may identify weaknesses and conditions that need to be addressed in our internal control over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting or disclosure of management's assessment of our internal control over financial reporting may have an adverse impact on the price of our common stock.

We are required to comply with certain provisions of Section 404 of the Sarbanes-Oxley Act and if we fail to continue to comply, our business could be harmed and the price of our securities could decline.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act require an annual assessment of internal control over financial reporting, and for certain issuers (but not us) an attestation of this assessment by the issuer's independent registered public accounting firm. The standards that must be met for management to assess the internal control over financial reporting as effective are evolving and complex, and require significant documentation, testing, and possible remediation to meet the detailed standards. We expect to incur significant expenses and to devote resources to Section 404 compliance on an ongoing basis. It is difficult for us to predict how long it will take or costly it will be to complete the assessment of the effectiveness of our internal control over financial reporting for each year and to remediate any deficiencies in our internal control over financial reporting. As a result, we may not be able to complete the assessment and remediation process on a timely basis. In the event that our Chief Executive Officer or Chief Financial Officer determines that our internal control over financial reporting is not effective as defined under Section 404, we cannot predict how regulators will react or how the market prices of our securities will be affected; however, we believe that there is a risk that investor confidence and the market value of our securities may be negatively affected.

Our Chief Executive Officer is the largest, but not a majority, stockholder. This concentration of stock could limit your ability to influence the outcome of important transactions, including a change in control.

As of March 28, 2018, Mr. Mathieson beneficially owned 6,900,000 shares of our common stock, which represents 39.5% of our outstanding common stock. As a result, Mr. Mathieson controls a substantial percentage of our voting power and therefore has substantial influence over all matters submitted to our stockholders for approval. Mr. Mathieson may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated voting power may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company and might ultimately affect the market price of our common stock.

As a board member, Mr. Mathieson owes a fiduciary duty to our stockholders and must act in good faith and in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, Mr. Mathieson is entitled to vote his shares in his own interest, which may not always be in the interests of our stockholders generally.

Shares eligible for future sale may adversely affect the market.

From time to time, certain of our stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144 promulgated under the Securities Act, subject to certain limitations. In general, pursuant to Rule 144, non-affiliate stockholders may sell freely after six months, subject only to the current public information requirement. Affiliates may sell after six months, subject to the Rule 144 volume, manner of sale (for equity securities), current public information, and notice requirements. Of the approximately 17,463,449 shares of our common stock outstanding as of March 28, 2018, approximately 5,393,093 shares are tradable without restriction. Given the limited trading of our common stock, resale of even a small number of shares of our common stock pursuant to Rule 144 or an effective registration statement may adversely affect the market price of our common stock.

Shares registered in our resale registration statement on Form S-1 may adversely affect the market for our shares.

The market price of IEG Holdings' common stock may decline as a result of the registration for resale by us of 9,089,220 shares of our common stock, equal to approximately 52% of our outstanding common stock as of March 28, 2018. Of the shares registered for resale, Mr. Mathieson, our Chairman and Chief Executive Officer, beneficially owns 6,900,000 of such shares. Mr. Mathieson's shares are not tradable without restriction, however, as they remain subject to certain restrictions, including volume restrictions, as a result of his status as an affiliate of IEG Holdings.

Provisions of our amended and restated articles of incorporation and amended and restated bylaws may delay or prevent a takeover which may not be in the best interests of our stockholders.

Provisions of our amended and restated articles of incorporation, as amended, and our amended and restated bylaws may be deemed to have anti-takeover effects, which include when and by whom special meetings of our stockholders may be called, and may delay, defer or prevent a takeover attempt. In addition, certain provisions of the Florida Business Corporations Act also may be deemed to have certain anti-takeover effects which include that control of shares acquired in excess of certain specified thresholds will not possess any voting rights unless these voting rights are approved by a majority of a corporation's disinterested stockholders. Further, our amended and restated articles of incorporation, as amended, authorize the issuance of up to 50,000,000 shares of preferred stock with such rights and preferences as may be determined from time to time by our board of directors in their sole discretion. Our board of directors may, without stockholder approval, issue series of preferred stock with dividends, liquidation, conversion, voting or other rights that could adversely affect the voting power or other rights of the holders of our common stock.

As an "emerging growth company" under the JOBS Act, we are permitted to rely on exemptions from certain disclosure requirements.

We qualify as an "emerging growth company" under the JOBS Act. As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements. For so long as we are an emerging growth company, we will not be required to:

- have an auditor report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the consolidated financial statements (i.e., an auditor discussion and analysis);
- submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay" and "say-on-frequency"; and
- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

In addition, Section 102 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our consolidated financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We will remain an "emerging growth company" for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our total annual gross revenues exceed $1 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ordinary shares that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

Until such time, however, we cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the price of our securities may be more volatile.

GENERAL RISK STATEMENT

Based on all of the foregoing, we believe it is possible for future revenue, expenses and operating results to vary significantly from quarter to quarter and year to year. As a result, quarter-to-quarter and year-to-year comparisons of operating results are not necessarily meaningful or indicative of future performance. Furthermore, we believe that it is possible that in any given quarter or fiscal year our operating results could differ from the expectations of public market analysts or investors.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Because we are a smaller reporting company, this Item is not applicable.

ITEM 2. PROPERTIES

Description of Property

Our executive office, which also serves as our centralized operational headquarters and Nevada branch, is located at 3960 Howard Hughes Parkway, Suite 490, Las Vegas, Nevada 89169. This facility occupies a total of approximately 1,906 square feet under a lease that expires on September 30, 2020. Our annual rental cost for this facility is approximately $69,531, plus a proportionate share of operating expenses which are expected to be minimal as the space is 1.32% of the total building rentable space. We believe this facility is adequate for our current and near term future needs due to our online strategy and our ability to operate 7 days a week with unrestricted hours of operation from this location.

ITEM 3. LEGAL PROCEEDINGS

We are not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against us that may materially affect us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

Market Information

Our common stock is quoted on the OTCQB market tier of the OTC Markets Group under the symbol “IEGH.” Securities quoted on the OTCQB trade via a dealer network, as opposed to trading on a centralized stock exchange, such as the NYSE. In order to have securities quoted on the OTCQB, a company must be current in its financial reporting, but it is not subject to any minimum financial requirements and listing standards, as is the case with the NYSE. Trading in OTCQB stocks can be volatile, sporadic and risky, as thinly traded stocks tend to move more rapidly in price than more liquid securities. Such trading may also depress the market price of our common stock and make it difficult for our stockholders to resell their common stock.

The following table sets forth, as reported by the OTCQB, the per share high and low bid quotations for our common stock for each of the periods indicated. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. The data in the table below presents historical information only and is not intended to predict future sale prices of our common stock. Trading in securities, such as our common stock, on the OTC Markets may be volatile and thin and characterized by wide fluctuations in trading prices. See “Risk Factors—Trading on the OTC Markets is volatile and sporadic, which could depress the market price of our common stock and make it difficult for our security holders to resell their common stock.”

	High	Low
2016		
Quarter Ended March 31, 2016	$ 99.00	$ 49.50
Quarter Ended June 30, 2016	65.00	17.50
Quarter Ended September 30, 2016	24.00	16.60
Quarter Ended December 31, 2016	7.50	2.01
2017		
Quarter Ended March 31, 2017	8.60	1.00
Quarter Ended June 30, 2017	4.19	0.56
Quarter Ended September 30, 2017	1.20	0.14
Quarter Ended December 31, 2017	0.56	0.18

On March 28, 2018, the closing price per share of our common stock as quoted on the OTCQB was $0.253.

Dividends

Prior to May 2017, we had not paid any cash dividends on our common stock. In May 2017, we announced the declaration of a cash dividend of $0.005 per common share for the first quarter of 2017. The dividend was paid on August 21, 2017 to stockholders of record at the close of business on June 5, 2017. In August 2017, we announced the declaration of a cash dividend of $0.005 per common share for the second quarter of 2017. The dividend was paid on August 21, 2017 to stockholders of record at the close of business on August 11, 2017. On October 30, 2017, we declared a cash dividend of $0.005 per common share for the third quarter of 2017. The dividend was paid on November 20, 2017 to stockholders of record at the close of business on November 11, 2017. Payment of future dividends on our common stock, if any, will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that our board of directors may deem relevant. We may determine to retain future earnings, if any, for reinvestment in the development and expansion of our business.

Holders of Common Stock

As of March 28, 2018, there were approximately 633 record holders of our common stock. The number of record holders does not include beneficial owners of common stock whose shares are held in the names of banks, brokers, nominees or other fiduciaries.

We have no securities authorized for issuance under equity compensation plans.

Recent Sales of Unregistered Securities

On December 31, 2017, the holders of an aggregate of 1,292,089 shares of Series H preferred stock, representing all of the outstanding Series H Preferred Shares, pursuant to the terms of the Series H Preferred Shares, converted their shares of Series H Preferred Shares, effective December 31, 2017. In accordance with the terms of the Series H Preferred Shares, upon the conversion of such Series H Preferred Shares, the Company issued to the converting holders of Series H Preferred Shares an aggregate of 5,168,356 shares of the Company's common stock. As a result of the conversion, no Series H Preferred Shares are outstanding. In addition, as a result of the conversion and subsequent issuance of common stock, 17,463,449 shares of the Company's common stock are issued and outstanding. Due solely to the issuance of common stock, and not as the result of any stock disposition, Paul Mathieson, the Company's Chairman and Chief Executive Officer, is no longer a majority stockholder. Following the issuance of common stock, Mr. Mathieson owns approximately 39.5% of the Company's outstanding common stock.

Stock Repurchases

The following table summarizes the information relating to our purchase of shares of our common stock in the three months ended December 31, 2017.

Period	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
October 1 – October 31, 2017	—	—	—	$ 1,723,120
November 1 – November 30, 2017	18,100	$ 0.3019	18,100	$ 1,717,656
December 1 – December 31, 2017	22,100	$ 0.2290	22,100	$ 1,712,596
Total	40,200	$ 0.2618	40,200	$ 1,712,596

(1) On January 9, 2017, the Company announced that its Board of Directors approved a stock repurchase program authorizing the open market repurchase of up to $2,000,000 of its common stock. This share repurchase program expires on December 31, 2018.

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data set forth below have been derived from the Company's financial statements referred to under "Item 15. Exhibits and Financial Statement Schedules" of this annual report on Form 10-K, and previously published historical financial statements not included in this annual report on Form 10-K. The selected financial data set forth below should be read in connection with

"Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's financial statements, including the footnotes. Basic and diluted loss per share has been adjusted retroactively for the 1-for-100 reverse split that occurred on June 17, 2015 and for the net 1-for-10 reverse split that occurred on October 27, 2016.

	For the Fiscal Years Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
Statements of Income Data:					
Revenues	**$** 1,696,128	$ 2,135,046	$ 1,835,165	**$** 529,225	**$** 62,949
Operating expenses	6,420,388	6,876,194	7,012,609	5,381,671	4,345,539
Loss from operations	(4,724,260)	(4,741,147)	(5,177,444)	(4,852,446)	(4,282,590)
Loss on sale of marketable securities	**$** (153,514)	$ -	$ -	$ -	$ -
Legal settlements and related fees	**$** (628,376)	$ -	$ -	$ -	$ -
Other income (expense)	**$** 431	$ 12,278	$ (520,754)	$ (549,308)	$ (195,385)
Net loss	**$** (5,505,719)	$ (4,728,869)	$ (5,698,198)	$ (5,401,754)	$ (4,477,975)
Dividends on preferred shares	-	(35,517)	(311,056)	(204,526)	-
Net loss attributable to common stockholders	**$** (5,505,719)	$ (4,764,386)	$ (6,009,254)	$ (5,606,280)	$ (4,477,975)
Net loss attributable to common stock per share, basic and diluted	**$** (0.49)	$ (0.60)	$ (2.52)	$ (4.20)	$ (7.24)

	December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
Cash	$ 704,006	$ 322,441	$ 485,559	$ 433,712	$ 281,879
Current Assets	$ 2,086,636	$ 1,710,370	$ 1,689,063	$ 1,026,758	$ 346,598
Total Assets	$ 5,750,922	$ 6,821,947	$ 7,758,149	$ 4,929,120	$ 922,140
Current Liabilities	$ 51,053	$ 1,060	$ 107,963	$ 307,156	$ 627,384
Long-Term Liabilities	$ -	$ -	$ -	$ 2,230,000	$ 2,296,212
Accumulated Deficit	$ (30,616,038)	$ (25,110,319)	$ (20,381,450)	$ (14,683,252)	$ (9,281,498)
Stockholders' Equity	$ 5,699,869	$ 6,820,887	$ 7,650,186	$ 2,391,964	$ (2,001,456)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the notes to those financial statements that are included elsewhere in this annual report on Form 10-K. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under the Risk Factors, Forward-Looking Statements and Business sections in this annual report on Form 10-K. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.

Overview

We are a consumer finance company providing responsible online personal loan products under the brand name "Mr. Amazing Loans" to customers in 20 states via our website and online application portal. We provide unsecured personal consumer loans to individuals in amounts of $5,000 and $10,000. Each of our online personal loans carries a fixed APR in the range of 12.0% to 29.9%, is unsecured, and has a non-revolving term of five-years. We originate, process and service all of our personal loans centrally from our Las Vegas head office and have a 7-year track record of origination, underwriting and servicing personal loans to underbanked consumers. Our customers are primarily non-prime consumers who we believe have limited access to credit from banks and credit card companies. We leverage our experience and knowledge in the consumer finance industry to generate revenue from the interest earned on our portfolio of personal loans.

We have a history of reporting recurring losses and have not generated positive net cash flows from operations. During 2016 and in 2017, we completed private placements of our common stock and our preferred stock in exchange for which we received an aggregate of approximately $4.76 million, which we used to finance our operations and offer personal loans to our customers. We also received $3.4 million in connection with selling the shares of OneMain we acquired as a result of the OneMain Tender Offer.

As of December 31, 2017, we had 1,590 loans issued and outstanding to our customers, with an aggregate amount of $6,160,881. The table below sets forth the payment status of the loans in our portfolio as of December 31, 2017.

Portfolio Ledger Stratification as at December 31, 2017

	Current Unpaid Principal Balance	%
0 - 30 days	$ 5,590,547	90.75%
31 - 60 days	157,988	2.57%
61 - 90 days	84,640	1.37%
91 - 120 days	90,945	1.48%
121 - 184 days	236,761	3.84%
Total	$ 6,160,881	100%

At December 31, 2017 we also had 86 loans delinquent or in default (defined as 91+ days past due) representing 5.32% of the number of loans in our active portfolio. Loans become eligible for lender to take legal action at 60 days past due.

We operate in the consumer loans business segment.

Recent Developments

2017 Lending Club Tender Offer

On July 12, 2017, the Company filed with the SEC a registration statement on Form S-4 (the “S-4 Registration Statement”) and a Schedule TO relating to the Company’s offer to exchange four shares of the Company’s common stock for each share of the common stock of LendingClub Corporation (“Lending Club”), par value $0.01 per share, up to an aggregate of 40,345,603 shares of Lending Club’s common stock, representing approximately 9.99% of the outstanding shares of Lending Club’s common stock as of April 28, 2017, validly tendered and not properly withdrawn in the offer (the “2017 Lending Club Tender Offer”). The 2017 Lending Club Tender Offer and the withdrawal rights were set to expire at 5:00 p.m., Eastern time, on August 10, 2017, unless extended.

Following the launch of the 2017 Lending Club Tender Offer, the price per share of the Company’s common stock, as quoted on the OTCQB, dropped significantly. On August 1, 2017, due to the drop in the Company’s stock price, the Company determined that the 2017 Lending Club Tender Offer no longer had a reasonable chance of success and accordingly, the Company determined that it would terminate the 2017 Lending Club Tender Offer and withdraw the S-4 Registration Statement. Any shares that were tendered by Lending Club stockholders were not accepted and were returned to the relevant stockholders. From time to time, the Company may consider a future tender offer where it identifies either business or investment opportunities.

Abandonment of Reverse-Forward Stock Split and Cash-Out

On June 21, 2017, the Company filed with the SEC a preliminary information statement on Schedule 14C (the “Preliminary Information Statement”). The Preliminary Information Statement, though not in definitive form, related to a vote by the Company’s sole director and holder of a majority of the voting power of the issued and outstanding capital stock of the Company to effect a reverse 1-for-1,000 stock split (the “Reverse Split”), followed immediately by a forward 1,000-for-1 stock split (the “Forward Split”) of the Company’s common stock. The Company’s intention was that registered stockholders whose shares of the Company’s common stock were converted into less than one share in the Reverse Split would receive cash payments equal to the fair value of those fractional interests. The Reverse Split and Forward Split, together with the related cash payments to stockholders with less than 1,000 shares of the Company’s common stock prior to the Reverse Split are referred to herein as the “Reverse/Forward Split.”

The primary goal of the Reverse/Forward Split was cost savings from reducing administrative costs associated with stockholder accounts, and the Company believes that previously completed reverse/forward stock splits have achieved substantial administrative cost savings. Neither the Reverse/Forward Split nor any reverse/forward stock split previously completed by the Company were designed for the purposes of or in connection with a "going private" transaction. The board of directors and controlling stockholder approved the Reverse/Forward Split on June 14, 2017, which was the day before the expiration of the OneMain Tender Offer. The board did not believe the decision to take corporate action to effect the split was a material change to the OneMain Tender Offer as it would have only potentially impacted up to eight of the OneMain stockholders who had accepted the offer who held less than 1,000 IEG Holdings shares if they still owned their shares on July 25, 2017. Even if they did still own their shares on July 25, 2017, they would have been provided notice from the Information Statement and could have purchased a small number of extra shares to avoid being repurchased if they did not want to sell or they could have sold on the market at a higher price in the days after the OneMain Tender Offer closed and the Information Statement was filed. The total amount of the repurchase would have been approximately $100,000, would have impacted almost exclusively non-OneMain tendering stockholders and represents a non-material amount of IEG Holdings' total assets. The total amount of less than $8,000 for the eight affected OneMain tendering stockholders compared to the approximately $3.55 million worth of OneMain shares acquired in the OneMain Tender Offer is not material. The board believes that the cost savings from the proposed Reverse/Forward Split, though not material, would have been a positive for the OneMain tendering stockholders if it had been effected.

On July 21, 2017, the Company announced that it would not effect the Reverse/Forward Split and instructed holders of the Company's common stock to disregard the Preliminary Information Statement that was filed with the SEC in its entirety. The Company's determination to abandon the Reverse/Forward Split was based on the Company's launch, on July 12, 2017, of the 2017 Lending Club Tender Offer subsequent to the filing of the Preliminary Information Statement with the SEC on June 21, 2017. The Company expected that a significant number of individual new stockholders could acquire less than 1,000 shares of the Company's common stock in connection with the 2017 Lending Club Tender Offer which could have significantly increased the cost of completing the Reverse/Forward Split. For the avoidance of doubt, no reverse and/or forward split occurred on July 25, 2017 and no stockholders were cashed out on July 25, 2017. The Company has no intention of effecting the Reverse/Forward Split or any other reverse and/or forward split in the near future.

Stock Repurchase Program

In January 2017, the Company's Board of Directors approved a stock repurchase program pursuant to which the Company may purchase on the open market and at prevailing prices outstanding shares of the Company's common stock with an aggregate value of up to $2,000,000. On October 30, 2017, our Board of Directors authorized the extension of the stock repurchase program from December 31, 2017 to December 31, 2018 under the same terms. As of December 31, 2017, the Company had purchased an aggregate of 458,973 shares under the stock repurchase program for an aggregate purchase price of $287,404. The Company subsequently cancelled all 458,973 shares purchased in connection with the stock repurchase program.

OneMain Holdings, Inc. Tender Offer

On June 16, 2017, we closed the OneMain Tender Offer, pursuant to which we acquired 151,994 shares of the common stock of OneMain (valued at an aggregate of approximately $3.55 million based on the closing price of the shares of OneMain's common stock of $23.38 on June 15, 2017) in exchange for 3,039,880 shares of the Company's common stock. The per share valuation of the Company's common stock used as consideration in the OneMain Tender Offer was $1.169 per share at the closing date of the OneMain Tender Offer. On June 22, 2017, we sold 100% of the 151,994 shares of the common stock of OneMain, which we obtained in the OneMain Tender Offer, on the open market in exchange for $3.4 million in cash. We have begun to use and expect to continue to use the proceeds from the sale of those shares of the common stock of OneMain to fund increased new loan volumes in the second half of 2017 and to pay our Chief Executive Officer and the sole member of our Board of Directors amounts owed pursuant to the terms of the professional consulting contract, effective as of July 1, 2017, between IEC and our Chief Executive Officer.

Amendment of Series H Preferred Stock

On June 20, 2017, we filed articles of amendment (the "June 20 Amendment") to our amended and restated articles of incorporation, as amended (the "Articles") with the Florida Secretary of State. The June 20 Amendment has the effect of revising the terms of our Series H preferred stock, par value $0.001 per share (the "Series H Preferred Stock") to:

(1) remove rights to receive dividends on our Series H Preferred Stock;

(2) increase the conversion ratio of our Series H Preferred Stock from 0.2 shares of our common stock per share of the Series H Preferred Stock to 1 share of our common stock per share of the Series H Preferred Stock;

(3) remove our right to redeem or call the Series H Preferred Stock;

(4) provide for automatic conversion of the Series H Preferred Stock into shares of our common stock on December 31, 2017; and

(5) remove the voting rights for the Series H Preferred Stock except with respect to changes to our Articles which would amend, alter, change or repeal any of the powers, designations, preferences and rights of holders of the Series H Preferred Stock.

In addition, on July 26, 2017, we filed additional articles of amendment (the "July 26 Amendment") to our Articles that had the effect of further revising the terms of the Series H Preferred Stock to increase the conversion ratio of the Series H Preferred Stock from one share of our common stock per share of the Series H Preferred Stock to four shares of our common stock per share of the Series H Preferred Stock, which may dilute the value of our common stock.

The June 20 Amendment and the July 26 Amendment were approved by our Board of Directors on June 19, 2017 and July 26, 2017, respectively.

Resale Registration Statement

On August 31, 2017, the SEC declared effective the resale registration statement (the "Resale Registration Statement") filed by the Company on Form S-1 relating to the sale by certain selling stockholders of an aggregate of 9,089,220 shares of the Company's common stock at a fixed price set by the Company of $3.00 per share. The shares of our common stock registered pursuant to the Resale Registration Statement represent approximately 52.0% of our outstanding shares of common stock as of March 28, 2018. All 6,900,000 shares of our common stock held by our Chief Executive Officer who is also the sole member of our Board of Directors and holds 39.5% of the issued and outstanding shares of our common stock, were registered for resale under the Resale Registration Statement. The actual value of shares of our common stock may be significantly less than the offering price of $3.00 per share. If the selling stockholders, including our Chief Executive Officer and sole director, sell the shares of our common stock registered under the Resale Registration Statement on the open market, the market price of the Company's common stock may decline significantly.

Professional Consulting Contract

On July 1, 2017, we and our Chief Executive Officer, Mr. Paul Mathieson who is also the sole member of our Board of Directors, agreed to terminate, effective July 1, 2017, the consulting contract dated January 1, 2017 between our Chief Executive Officer and the Company pursuant to which the Company was required to pay Mr. Mathieson $1.00 annually in exchange for certain consulting services. Concurrently with the termination of that consulting contract, IEC and Mr. Mathieson entered into a new professional consulting contract, effective as of July 1, 2017 (the "Professional Consulting Contract"). Pursuant to the terms of the Professional Consulting Contract, our Chief Executive Officer agreed to provide regulatory and management consulting services as requested by the Company and/or IEC. The Professional Consulting Contract has a term of 1.5 years and renews automatically for successive one-year periods unless notice of termination is provided 30 days prior to the automatic renewal date. In exchange for the services provided to the Company and/or IEC by our Chief Executive Officer, IEC agreed to pay him $1,200,000 annually in quarterly payments of $300,000 due in advance each quarter and to provide health insurance benefits as well as a discretionary bonus to be determined by the Company's Board of Directors, which consists solely of Mr. Mathieson.

On March 22, 2018, we entered into a new professional consulting contract with Mr. Mathieson (the "2018 Consulting Contract") and terminated the July 2017 Consulting Contract, effective July 1, 2018. Pursuant to the terms of the 2018 Consulting Contract, Mr. Mathieson agreed to provide regulatory and management consulting services as requested by IEG Holdings and/or IEC, including the hiring and compensation of IEC personnel, interaction with third party service providers and vendors and, as requested by IEG Holdings, other activities that are designed to assist IEC in conducting business. The term of the 2018 Consulting Contract begins as of July 1, 2018 continues indefinitely unless three months' written notice of termination is provided by either party.

In exchange for Mr. Mathieson's services, IEG Holdings agreed to pay Mr. Mathieson an annual base salary of $600,000, which represents a 50% reduction in Mr. Mathieson's annual salary, as compared to his current annual salary of $1,200,000 payable under Mr. Mathieson's consulting contract currently in effect (the "2017 Consulting Contract"). Pursuant to the terms of the 2018 Consulting Contract, no bonus is to be paid to Mr. Mathieson by IEG Holdings. Pursuant to the terms of the 2018 Consulting Contract, fees are to be paid quarterly in advance on July 1st, October 1st, January 1st and April 1st beginning on July 1, 2018. Unlike in prior years, IEG Holdings will not pay Mr. Mathieson's health insurance premiums or any bonuses. Mr. Mathieson will also receive reimbursement for all reasonable expenses incurred for the benefit of IEC, including but not limited to travel expenses for him and his entourage, hotel expenses, communication, security and entertainment expenses.

IEG Holdings expects that, beginning in the third quarter of 2018, its salary and compensation operating expense will be substantially reduced as a result of entry into the 2018 Consulting Contract.

Series H Preferred Stock Issuances & Conversions

On October 30, 2017, the Company completed a private placement of 934,589 shares of the Series H Preferred Stock to four non-U.S. persons. The Company received an aggregate purchase price of $934,589 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 15, 2017, the Company completed a private placement of 305,000 shares of Series H Preferred Stock to three non-

U.S. persons. The Company received an aggregate purchase price of $305,000 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 28, 2017, the Company completed a private placement of 52,500 shares of Series H Preferred Stock to two non-U.S. persons. The Company received an aggregate purchase price of $52,500 for the sale of the shares of Series H Preferred Stock and intends to use the proceeds from that sale to expand its operations, including through increased advertising designed to increase the amount and number of loans entered into with customers and to fund operations of the Company. The issuance of shares of Series H Preferred Stock was exempt from the registration requirements of the Securities Act in reliance upon Regulation S promulgated pursuant to the Securities Act.

On December 31, 2017, the holders of an aggregate of 1,292,089 shares of Series H preferred stock, representing all of the outstanding Series H Preferred Shares, pursuant to the terms of the Series H Preferred Shares, converted their shares of Series H Preferred Shares, effective December 31, 2017. In accordance with the terms of the Series H Preferred Shares, upon the conversion of such Series H Preferred Shares, the Company issued to the converting holders of Series H Preferred Shares an aggregate of 5,168,356 shares of the Company's common stock. As a result of the conversion, no Series H Preferred Shares are outstanding. In addition, as a result of the conversion 17,463,449 shares of the Company's common stock are issued and outstanding. Due solely to the issuance of common stock, and not as the result of any stock disposition, Paul Mathieson, the Company's Chairman and Chief Executive Officer, is no longer a majority stockholder. Following the issuance of common stock, Mr. Mathieson owns approximately 39.5% of the Company's outstanding common stock.

2018 Lending Club Tender Offer

On January 5, 2018, we launched an offer to exchange 13 shares of IEG Holdings' common stock for each share of common stock of Lending Club, up to an aggregate of 20,701,999 shares of Lending Club common stock, representing approximately 4.99% of Lending Club's outstanding shares as of October 31, 2017, validly tendered and not properly withdrawn in the offer (the "2018 Lending Club Tender Offer"). On February 20, 2018, we terminated and withdrew the 2018 Lending Club Tender Offer due to a comment that we received from the SEC raising a concern that the 2018 Lending Club Tender Offer was improperly commenced. Any shares that were tendered by Lending Club stockholders were not accepted by us and were promptly returned to the relevant stockholders.

Corporate Name Change to Mr. Amazing Loans Corporation

On March 26, 2018, we filed articles of amendment (the "Amendment") to our amended and restated articles of incorporation, as amended (the "Articles") with the Florida Secretary of State. The Amendment has the effect of changing our corporate name from IEG Holdings Corporation to Mr. Amazing Loans Corporation, in order to align our consumer brand (Mr. Amazing Loans) with our corporate name. The Amendment was approved by Mr. Mathieson, our Chief Executive Officer and sole director, and by holders of a majority of the voting power of our voting stock. In connection with the approval of the Amendment by holders of a majority of the voting power of our voting stock, we filed a preliminary information statement on Schedule 14C with the SEC on March 21, 2018. The Amendment and the corporate name change will become effective on the later of (a) the date on which the Financial Industry Regulatory Authority approves the corporate name change, and (b) April 30, 2018; provided, however, that prior to effectiveness of the corporate name change, we must first (i) file a definitive information statement on Schedule 14C with the SEC, which we expect will occur on or about April 2, 2018, (ii) mail copies of the information statement to our stockholders, and (iii) wait at least 20 days from the mailing of the information statement to our stockholders.

Results of Operations

For the year ended December 31, 2017 compared to December 31, 2016

The following table illustrates key results of operations for the year ended December 31, 2017 and 2016, respectively.

	Year Ended December 31, 2017	Year Ended December 31, 2016
REVENUES		
Interest revenue	$ 1,617,494	$ 2,086,976
Other revenue	78,634	48,070
TOTAL REVENUES	1,696,128	2,135,046
OPERATING EXPENSES		
Salaries and compensation	1,494,637	1,592,990
Other operating expenses	395,352	628,642
Provision for credit losses	1,494,843	1,865,362
Advertising	407,760	373,350
Rent	66,331	178,678
Public company and corporate finance expenses	2,555,519	2,228,554
Depreciation and amortization	5,946	8,618
TOTAL OPERATING EXPENSES	6,420,388	6,876,194
LOSS FROM OPERATIONS	(4,724,260)	(4,741,147)
OTHER INCOME (EXPENSE)		
Loss on sale of marketable securities	(153,514)	-
Legal settlements and related fees	(628,376)	-
Miscellaneous income (expense)	431	12,278
TOTAL OTHER INCOME (EXPENSE)	(781,459)	12,278
NET LOSS	$ (5,505,719)	$ (4,728,869)

Interest Revenue

For the year ended December 31, 2017, interest revenue decreased to $1,617,494, compared to $2,086,976 for the year ended December 31, 2016. This decrease was due to the decreased average interest-earning loan book size of consumer receivables during the period.

Other Revenue

For the year ended December 31, 2017, other revenue increased to \$78,634, compared to \$48,070 for the year ended December 31, 2016. Other revenue consisted of declined lead revenue, consisting of revenue from the sale of leads regarding potential customers whose loan applications did not meet our lending standards, and loan loss recovery. The increase was attributable to an increase in loan loss recovery during the year ended December 31, 2017.

Salaries and Compensation

For the year ended December 31, 2017, salaries and compensation expenses decreased to $1,494,637, compared to $1,592,990 for the year ended December 31, 2016. The decrease was primarily attributable to the lower number of total staff employed in 2017 compared to 2016 and no director fees during 2017.

Other Operating Expenses

For the year ended December 31, 2017, other operating expenses decreased to $395,352, compared to $628,642 for the year ended December 31, 2016. The decrease was attributable to utility expense decrease, decreased loan collection ACH fees and the lower loan underwriting costs and client service costs due to reduced new loan volume in the current period.

Provision for Credit Losses

For the year ended December 31, 2017, the provision for credit losses expense decreased to $1,494,843, compared to $1,865,362 for the year ended December 31, 2016. We carry a provision for credit losses which is estimated collectively based on our loan portfolio and general economic conditions. The decrease in provision for credit losses from year ended December 31, 2016 was due to the smaller loan portfolio in the current period.

Advertising

For the year ended December 31, 2017, advertising expenses increased to $407,760, compared to $373,350 for the year ended December 31, 2016. This increase is attributable to an increase in customer acquisition costs incurred, including online advertising, direct mail, and lead generation costs in the current period.

Rent

For the year ended December 31, 2017, rent expense decreased to $66,331, compared to $178,678 for the year ended December 31, 2016. The decrease was due to the termination of our Florida, Illinois and Arizona leases in 2016.

Public Company and Corporate Finance Expenses

For the year ended December 31, 2017, public company and corporate finance expenses increased to $2,555,519, compared to $2,228,554 for the year ended December 31, 2016. The increase was due to significant one-off costs incurred related to the OneMain tender offer and the Lending Club Tender Offer.

Depreciation and Amortization

For the year ended December 31, 2017, depreciation and amortization decreased to $5,946, compared to $8,618 for the year ended December 31, 2016. The minimal movement was in line with expectations.

Loss on Sale of Marketable Securities

For the year ended December 31, 2017, loss on sale of marketable securities increased to $153,514, compared to $0 for the year ended December 31, 2016. The increase was due to the loss on sale of OneMain shares acquired in the OneMain tender offer and subsequently sold.

Legal Settlements and Related Fees

For the year ended December 31, 2017, legal settlements and related fees increased to $628,376, compared to $0 for the year ended December 31, 2016. The increase was due to the Virginia legal settlements and related fees.

Financial Position

Cash and Cash Equivalents

We had cash and cash equivalents of $704,006 as of December 31, 2017, compared to $322,441 as of December 31, 2016. The increase resulted from lower loans receivable originated during the period and higher net cash provided by investing activities due to the sale of common shares of OneMain received in connection with the OneMain tender offer.

Loans Receivable

We had net loan receivables of $4,928,704 as of December 31, 2017, compared to $6,374,908 as of December 31, 2016. Net loan receivables are calculated by reducing our outstanding loans receivable balance by an allowance for credit losses. The decrease was due to lower loan originations in the current period versus repayment of loan principal by customers, and Virginia legal settlement principal reductions. In addition, there was an increase in the percentage allowance for credit losses at December 31, 2017 versus 2016.

Other Receivables

We had other receivables of $75,364 as of December 31, 2017, as compared to $84,851 as of December 31, 2016. Other receivables is comprised of outstanding invoices for declined lead revenue due from marketing partners and accrued interest receivable on our consumer loans at December 31, 2017. The decrease in other receivables is primarily due to the decrease in accrued interest receivable for the current period.

Property and Equipment

We had net property and equipment of $13,376 as of December 31, 2017, as compared to $19,322 as of December 31, 2016. The minimal movement was in line with expectations and a direct result of recording depreciation expense for the current period.

Security Deposits

We had security deposits of $11,234 as of December 31, 2017, as compared to $7,470 as of December 31, 2016. The increase was due primarily to an increase in the security deposit requirement from our new Las Vegas office lease.

Accounts Payable and Accrued Expenses

We had accounts payable and accrued expenses of $51,053 as of December 31, 2017, compared to $1,060 as of December 31, 2016. The increase was due to management's decision to delay payment of some December expenses in full in the current period which meant that accrual was required for those expenses.

Financial Condition, Liquidity and Capital Resources

In 2017 and 2016, we incurred operating expenses in excess of net revenue. However, anticipated cash flow from our existing loan receivable repayments plus net revenue, combined with current cash on hand, is expected to meet the needs of our budgeted cash operating expenses through March 2019. To expand operations, we will require capital infusions until operating results improve. We may not be able to obtain such capital in a timely manner and as a result may incur liquidity imbalances.

Liquidity and Capital Resources

We used cash in operations of $3,621,758 during the year ended December 31, 2017, compared to $2,777,621 during the year ended December 31, 2016, and this increase is in line with expectations due to the reduction of our revenue. The company also incurred $687,844 of costs in connection with the OneMain tender offer and the Company incurred $465,147 of costs in connection with the Lending Club tender offer. In addition, the Company incurred one-off legal settlements and related fees of $628,376, relating to an action by the State of Virginia under the Virginia consumer lending program and a separate legal action by an individual customer. Of this amount, $178,982 was a non-cash item in the form of reductions to outstanding loan principal.

The Company has historically financed its operations and loans made to its customers through placements of shares of the Company's common stock and preferred stock, private credit facilities, and working capital loans. We also received $3.4 million in connection with terminating our tender offer to purchase shares of the common stock of OneMain in June 2016 and selling the shares of OneMain we acquired as a result of that tender offer. The Company intends to continue to finance its operations and the planned expansion of its business through placements of shares of the Company's common stock and preferred stock.

The Company received net cash from investing activities of $3,172,485 during the year ended December 31, 2017, compared to $1,115,567 used in investing activities during the year ended December 31, 2016. The increase in cash provided by investing activities is primarily due to the sale of shares of common stock of OneMain acquired in the OneMain tender offer and a reduction of $1,015,000 in loans originated in 2017 compared to 2016.

We were provided $830,838 of net cash from financing activities during the year ended December 31, 2017, compared to $3,730,070 of net cash from financing activities during the year ended December 31, 2016. The decrease was attributable to the absence of any common stock equity capital raising proceeds compared to the significant proceeds from a common stock capital raising received in the corresponding period in 2016.

At December 31, 2017, we had cash on hand of $704,006, which when added to budgeted cash inflows from loans receivable repaid and budgeted cash inflows from revenues, is sufficient to meet our operating needs for the next 12 months.

The principal conditions and events that raise substantial doubt about the Company's ability to meet its obligations as they come due are:

(i) the Company has reported recurring losses and
(ii) the Company has not yet generated positive net cash flows from operations.

Management has evaluated the result of their plans for the next 12 months and as a result of the plans, the Company can meet all its obligations at least through March 2019. Management's plans include a reduction of advertising costs to reduce loan originations and related loan processing costs. There is also a significant reduction in consulting and professional fees due to minimized efforts and strategy for raising capital over the next 12 months and a significant reduction in tender offer costs due to no planned future tender offers in 2018. In addition, significant core operating costs have been cut from the Company starting in 2016 including reducing the number of employees from 12 to 5 due to increased automation of loan origination processes and reducing the number of office leases from 4 to 1 as old leases expired. Should the Company need, management will continue to reduce loan originations and now plans to utilize the cash flow from loan repayments for working capital needs. This will provide sufficient cash flow through at least March 2019. However, the Company intends, over the next 12 months, to seek additional capital via common shares, preference shares and/or debt financing to expand operations and the Company. The Board of Directors approved a stock repurchase program in 2016 that expires at the end of 2018. However, management has no intention to repurchase a significant number of shares unless additional capital has been secured.

We previously had a credit facility in the form of a line of credit with BFG Investment Holdings, LLC ("BFG") in the amount of $10,000,000 pursuant to a Loan and Security Agreement, as amended (the "Loan Agreement"), among BFG and certain of our wholly-owned subsidiaries. In connection with the Loan Agreement, IEC SPV and certain of our other wholly-owned subsidiaries entered into a profit sharing agreement with BFG pursuant to which IEC SPV is required to pay BFG 20% of its net profit ("Net Profit") for a period beginning on June 11, 2012 and ending 10 years from the date the Loan Agreement is repaid in full. Net Profit is defined in the profit sharing agreement as gross revenue less (i) interest paid on the loan, (ii) payments on any other debt incurred as a result of refinancing the loan through a third party, as provided in the Loan Agreement, (iii) any costs, fees or commissions paid on account of the loan (including loan servicing fees of 0.5% on eligible consumer loans receivable), and (iv) charge-offs to bad debt resulting from consumer loans. All of IEC SPV's loans receivable as of December 31, 2017 were pledged as collateral for fulfillment of the Net Profit interest due.

Effective as of July 15, 2015, BFG converted the credit facility from a revolving facility to a term loan and on August 21, 2015, we, through certain of our wholly-owned subsidiaries, repaid the entire balance of principal and accrued interest under the Loan Agreement. There is currently no outstanding balance under the Loan Agreement, but IEC SPV will be required to pay 20% of its Net Profit to BFG until August 21, 2025 (10 years from August 21, 2015) or until we pay BFG $3,000,000 to terminate the profit sharing agreement. Net Profit for the twelve months ended December 31, 2017 and 2016 was calculated at $0 and $57,094, respectively.

Off-Balance Sheet Arrangements

As of December 31, 2017, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term "off-balance sheet arrangement" generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with us is a party, under which we have any obligation arising under a guarantee contract, derivative instrument or variable interest or a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

Basis of Accounting

These consolidated financial statements include the operations of IEG Holdings Corporation and its wholly-owned subsidiaries, Investment Evolution Corporation and IEC SPV, LLC (collectively, the "Company"). All inter-company transactions and balances have been eliminated in consolidation.

The Company's accounting and reporting policies are in accordance with U.S. generally accepted accounting principles and conform to general practices within the consumer finance industry.

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The accompanying consolidated financial statements do not include any adjustments to reflect any possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities.

The principal conditions and events that raise substantial doubt about the Company's ability to meet its obligations as they come due are:

(i) the Company has reported recurring losses and
(ii) the Company has not yet generated positive net cash flows from operations.

Management has evaluated the result of their plans for the next 12 months and as a result of the plans, the Company can meet all its obligations at least through March 2019. Management's plans include a reduction of advertising costs to reduce loan originations and related loan processing costs. There is also a significant reduction in consulting and professional fees due to minimized efforts and strategy for raising capital over the next 12 months and a significant reduction in tender offer costs due to no planned future tender offers in 2018. In addition, significant core operating costs have been cut from the Company starting in 2016 including reducing the number of employees from 12 to 5 due to increased automation of loan origination processes and reducing the number of office leases from 4 to 1 as old leases expired. Should the Company need, management will continue to reduce loan originations and now plans to utilize the cash flow from loan repayments for working capital needs. This will provide sufficient cash flow through at least March 2019. However, the Company intends, over the next 12 months, to seek additional capital via common shares, preference shares and/or debt financing to expand operations and the Company. The Board of Directors approved a stock repurchase program in 2016 that expires at the end of 2018. However, management has no intention to repurchase a significant number of shares unless additional capital has been secured.

Critical Accounting Policies

We have identified the following policies below as critical to our business and results of operations. Our reported results are impacted by the application of the following accounting policies, certain of which require management to make subjective or complex judgments. These judgments involve making estimates about the effect of matters that are inherently uncertain and may significantly impact quarterly or annual results of operations. For all of these policies, management cautions that future events rarely develop exactly as expected, and the best estimates routinely require adjustment. Specific risks associated with these critical accounting policies are described in the following paragraphs.

<u>Use of Estimates</u>

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Management uses its historical records and knowledge of its business in making these estimates. Accordingly, actual results may differ from these estimates.

<u>Loans Receivable and Interest Income</u>

The Company offers its loans at or below the prevailing statutory rates. Loans are carried at the unpaid principal amount outstanding, net of an allowance for credit losses.

The Company calculates interest revenue using the interest yield method. Charges for late payments are credited to income when collected.

Accrual of interest income on loans receivable is suspended when no payment has been received on account for 91 days or more on a contractual basis, at which time a loan is considered delinquent. Payments received on nonaccrual financing loans are first applied to the unpaid accrued interest and then principal. Loans are returned to active status and accrual of interest income is resumed when all of the principal and interest amounts contractually due are brought current; at which time management believes future payments are reasonably assured. At December 31, 2017, 86 loans, with a total balance of $327,706 were delinquent or in default.

<u>Allowance for Credit Losses</u>

The Company maintains an allowance for credit losses due to the fact that it is probable that a portion of the loans receivable will not be collected. The allowance is estimated by management based on various factors, including specific circumstances of the individual loans, management's knowledge of the industry, and the experience and trends of other companies in the same industry.

Our portfolio of loans receivable consists of a large number of relatively small, homogenous accounts. The allowance for credit losses is determined using a systematic methodology, based on a combination of historical bad debt of comparable companies. Impaired loans are considered separately and 100% charged off.

The allowance for credit losses is primarily based upon models that analyze specific portfolio statistics and also reflect, management's judgment regarding overall accuracy. We take into account several relevant internal and external factors that affect loan receivable collectability, including the customer's transaction history, specifically the timeliness of customer payments, the remaining contractual term of the loan, the outstanding balance of the loan, historical loan receivable charge-offs, our current collection patterns and economic trends.

Impaired Loans

The Company assesses loans for impairment individually when a loan is 91 days past due. The Company defines impaired loans as bankrupt accounts and accounts that are 184 days or more past due. In accordance with the Company's charge-off policy, once a loan is deemed uncollectible, 100% of the remaining balance is charged-off. Loans can also be charged off when deemed uncollectible due to consumer specific circumstances.

The Company does not accrue interest on impaired loans and any recoveries of impaired loans are recorded to other revenue. Changes in the allowance for credit losses are recorded as operating expenses in the accompanying statement of operations.

Income Taxes

We account for income taxes using the liability method in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740 "Income Taxes". To date, no current income tax liability has been recorded due to our accumulated net losses. Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of assets and liabilities and the amounts that are reported in the income tax returns. Our net deferred income tax assets have been fully reserved by a valuation allowance due to the uncertainty of our ability to realize future taxable income and to recover our net deferred income tax assets.

Earnings and Loss per Share

The Company computes net earnings (loss) per share in accordance with ASC 260-10 that establishes standards for computing and presenting net earnings (loss) per shares. Basic earnings (loss) per share are computed by dividing net income (loss) attributed to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares, if any, had been issued and if the additional common shares were dilutive. Basic and diluted loss per share has been adjusted retroactively for the net 1-for-10 reverse split that occurred on October 27, 2016.

Fair Value of Financial Instruments

The Company has adopted guidance issued by the FASB that defines fair value, establishes a framework for measuring fair value in accordance with existing GAAP, and expands disclosures about fair value measurements. Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The categories are as follows:

- Level I – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level II – Inputs, other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level III – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2017 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Cash	$ 704,006			$ 704,006
Loans receivable, net	$		4,928,704	$ 4,928,704

The following table summarizes fair value measurements by level at December 31, 2016 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Cash	$ 322,441			$ 322,441
Loans receivable, net	$		6,374,908	$ 6,374,908

Loans receivable are carried net of the allowance for credit losses, which is estimated by applying historical loss rates of our portfolio and of other companies' portfolios in the same industry with recent default trends to the gross loans receivable balance. The unobservable inputs used to calculate the fair value of these loans include historical loss rates, recent default trends and estimated remaining loan terms. Therefore, the carrying value of the loans receivable approximates the fair value.

Carrying amounts reported in the consolidated balance sheets for other receivables, accounts payable, and accrued expenses approximate fair value because of their immediate or short-term nature. The fair value of borrowings is not considered to be significantly different than its carrying amount because the stated rates for such debt reflect current market rates and conditions.

Recently Issued or Newly Adopted Accounting Standards

In May 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*. The standard will eliminate the transaction and industry specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 is effective for annual and interim periods beginning after December 15, 2017. Early adoption is not permitted. The revenue recognition standard is required to be applied retrospectively, including any combination of practical expedients as allowed in the standard.

In April 2016, the FASB issued ASU 2016-10, *Revenue from Contracts with Customers (Topic 606)*, which amends certain aspects of the Board's new revenue standard, ASU 2014-09, Revenue from Contracts with Customers. The standard should be adopted concurrently with adoption of ASU 2014-09 which is effective for annual and interim periods beginning after December 15, 2017. Early adoption is permitted. Adoption of these changes have no material impact on the consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. ASU 2014-15 changes to the disclosure of uncertainties about an entity's ability to continue as a going concern. These changes require an entity's management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that financial statements are issued. Substantial doubt is defined as an indication that it is probable that an entity will be unable to meet its obligations as they become due within one year after the date that financial statements are issued. If management has concluded that substantial doubt exists, then the following disclosures should be made in the financial statements: (i) principal conditions or events that raised the substantial doubt, (ii) management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations, (iii) management's plans that alleviated the initial substantial doubt or, if substantial doubt was not alleviated, management's plans that are intended to at least mitigate the conditions or events that raise substantial doubt, and (iv) if the latter in (iii) is disclosed, an explicit statement that there is substantial doubt about the entity's ability to continue as a going concern. These changes became effective for the Company for the 2016 annual period. Our adoption of these changes have no material impact on the consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes* (Topic 740). The amendments in ASU 2015-17 change the requirements for the classification of deferred taxes on the balance sheet. Currently, GAAP requires an entity to separate deferred income tax liabilities and assets into current and noncurrent amounts in a classified statement of financial position. To simplify the presentation of deferred income taxes, the amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The pronouncement became effective for the 2017 fiscal year. Adoption of these changes have no material impact on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall* (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The update intends to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information and addresses certain aspects of the recognition, measurement, presentation, and disclosure of financial instruments. The new standard affects all entities that hold financial assets or owe financial liabilities. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Management is evaluating the impact of the adoption of these changes will have on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* which supersedes existing guidance on accounting for leases in "Leases (Topic 840)" and generally requires all leases to be recognized in the consolidated balance sheet. ASU 2016-02 is effective for annual and interim reporting periods beginning after December 15, 2018; early adoption is permitted. The provisions of ASU 2016-02 are to be applied using a modified retrospective approach. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not have any financial instruments that are exposed to significant market risk. We maintain our cash and cash equivalents in bank deposits and short-term, highly liquid money market investments. A hypothetical 100-basis point increase or decrease in market interest rates would not have a material impact on the fair value of our cash equivalents securities, or our earnings on such cash equivalents.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Index to Financial Statements and Financial Statement Schedules appearing on pages F-1 through F-7 of this annual report on Form 10-K.

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

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act that are designed to ensure that information required to be disclosed in our reports filed or submitted to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of disclosure controls and procedures as of December 31, 2017 pursuant to Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to ensure that information required to be included in our periodic SEC filings is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for the preparation of our consolidated financial statements and related information. Management uses its best judgment to ensure that the consolidated financial statements present fairly, in material respects, our financial position and results of operations in conformity with generally accepted accounting principles. Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act of 1934. These internal controls are designed to provide reasonable assurance that the reported financial information is presented fairly, that disclosures are adequate and that the judgments inherent in the preparation of financial statements are reasonable. There are inherent limitations in the effectiveness of any system of internal controls including the possibility of human error and overriding of controls. Consequently, an effective internal control system can only provide reasonable, not absolute, assurance with respect to reporting financial information.

Our internal control over financial reporting includes policies and procedures that: (i) pertain to maintaining records that, in reasonable detail, accurately and fairly reflect our transactions; (ii) provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements in accordance with generally accepted accounting principles and that the receipts and expenditures of company assets are made in accordance with our management and directors authorization; and (iii) provide reasonable assurance regarding the prevention of or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Under the supervision of management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission and subsequent guidance prepared by the Commission specifically for smaller public companies. Based on that evaluation, our management concluded that our internal control over financial reporting was not effective as of December 31, 2017.

In the evaluation as of December 31, 2017, our management, including our Chief Executive Officer and our Chief Financial Officer, noted that there was no audit committee during 2017. The lack of an audit committee was a material weakness due to limited approval on related party transactions. As of the date of this annual report on Form 10-K, this material weakness has not been corrected and we do not anticipate that we will have an audit committee in the near future. Our sole director has discussed the material weakness with our independent registered public accounting firm.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

There were no changes made to our internal control over financial reporting during the quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On March 26, 2018, we filed articles of amendment (the "Amendment") to our amended and restated articles of incorporation, as amended (the "Articles") with the Florida Secretary of State. The Amendment has the effect of changing our corporate name from IEG Holdings Corporation to Mr. Amazing Loans Corporation, in order to align our consumer brand (Mr. Amazing Loans) with our corporate name. The Amendment was approved by Mr. Mathieson, our Chief Executive Officer and sole director, and by holders of a majority of the voting power of our voting stock on March 21, 2018. The Amendment and the corporate name change will become effective on the later of (a) the date on which the Financial Industry Regulatory Authority approves the corporate name change, and (b) April 30, 2018; provided, however, that prior to effectiveness of the corporate name change, we must first (i) file a definitive information statement on Schedule 14C with the SEC, which we expect will occur on or about April 2, 2018, (ii) mail copies of the information statement to our stockholders, and (iii) wait at least 20 days from the mailing of the information statement to our stockholders.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the names, positions and ages of our directors and executive officers as of the date of this annual report on Form 10-K. Our directors are elected by our stockholders at each annual meeting and serve for one year and until their successors are elected and qualified. Officers are elected by our board of directors and their terms of office are at the discretion of our board.

Name	Age	Position(s)
Paul Mathieson	43	Chief Executive Officer & Director
Carla Cholewinski	64	Chief Operating Officer and Chief Credit Officer

Biographical information concerning our director and executive officers listed above is set forth below.

Paul Mathieson. Mr. Mathieson has served as the Chief Executive Officer and member of our board of directors since 2012. 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 through a subsidiary 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 Stockbrokers from 1995 to 2000, 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 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. Ms. Cholewinski has served as our Chief Operating Officer since 2008 and has over 40 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 WestStar 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.

There are no family relationships between any of the executive officers and directors.

Director Qualifications

Mr. Mathieson was appointed to our board in March 2013 following the reverse merger with IEGC described in this annual report on Form 10-K. Given his role in the founding and/or operations of IEGC, we believe he remains a good fit for our current needs. Mr. Mathieson has significant operational experience in our industry and brings both a practical understanding of the industry and as well as hands-on experience in our business sector to our board and a greater understanding of certain of the challenges we face in executing our growth strategy.

Code of Ethics and Business Conduct

We have adopted a Code of Ethics and Business Conduct that applies to our board of directors, our executive officers and our employees. A copy of the Code of Ethics and Business Conduct is available on our corporate website at *www.investmentevolution.com*, and any amendments to the Code of Ethics and Business Conduct or any waivers of its requirement related to certain matters, will be disclosed on our website and reported to the SEC, as may be required.

Director Compensation

Mr. Mathieson does not receive any additional compensation for his services as a director.

Compensation Committee Interlocks and Insider Participation

We did not have a compensation committee during the year ended December 31, 2017. During the year ended December 31, 2017, Mr. Mathieson participated in deliberations of our board of directors concerning executive officer compensation. No member of our board is, or was during the fiscal year ended December 31, 2017, an officer, former officer or employee of the Company or any of its subsidiaries, or a person having a relationship requiring disclosure by the Company pursuant to Item 404 of Regulation S-K. No executive officer of the Company served as a member of (i) the compensation committee of another entity of which one of the executive officers of such entity served on the Company's compensation committee or (ii) the board of directors of another entity of which one of the executive officers of such entity served on the Company's Board, during the fiscal year ended December 31, 2017.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than 10% of a registered class of our equity securities to file with the SEC initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common shares and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% stockholders are required by the SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based on our review of the copies of such forms received by us, or written representations that no other reports were required, and to the best of our knowledge, we believe that all of our officers, directors, and owners of 10% or more of our common stock filed all required Forms 3, 4, and 5.

Limitation on Liability

The Florida Business Corporation Act permits the indemnification of directors, employees, officers and agents of Florida corporations. Our amended and restated articles of incorporation, as amended, and our amended and restated bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by the Florida Business Corporation Act.

The provisions of the Florida Business Corporation Act that authorize indemnification do not eliminate the duty of care of a director, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Florida law. In addition, each director will continue to be subject to liability for:

- violations of criminal laws, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful,

- deriving an improper personal benefit from a transaction,

- voting for or assenting to an unlawful distribution, and

- willful misconduct or conscious disregard for our best interests in a proceeding by or in the right of a stockholder.

The statute does not affect a director's responsibilities under any other law, such as the Federal securities laws. The effect of the foregoing is to require our company to indemnify our officers and directors for any claim arising against such persons in their official capacities if such person acted in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Insofar as the limitation of, or indemnification for, liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling us pursuant to the foregoing, or otherwise, we have been advised that, in the opinion of the SEC, such limitation or indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

ITEM 11. EXECUTIVE COMPENSATION

The following table summarizes all compensation recorded by us in the past two fiscal years for each of our executive officers. For definitional purposes, these individuals are sometimes referred to as the "named executive officers."

2017 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Paul Mathieson, Chief Executive Officer	2017	600,000	400,000(1)	—	—	—	—	—	1,000,000
	2016	1,000,000	—	—	—	—	—	—	1,000,000
Carla Cholewinski, Chief Operating Officer and Chief Credit Officer	2017	230,000	13,000	—	—	—	—	—	243,000
	2016	230,000	13,000	—	—	—	—	—	243,000

(1) The material factors considered by our board in awarding the bonus to Mr. Mathieson were the increase in new equity capital and core operational cost cuts in the relevant period.

Employment Agreements

We are not currently a party to any employment agreements with any of our executive officers. However, on November 2, 2016, Investment Evolution Corporation, a wholly owned subsidiary of the Company ("IEC"), and Mr. Mathieson entered into a professional consulting contract, effective January 1, 2017 (the "January 2017 Consulting Contract"). Pursuant to the terms of the January 2017 Consulting Contract, Mr. Mathieson agreed to provide regulatory and management consulting services as requested by the Company and/or IEC. The January 2017 Consulting Contract has a term of one year and renews automatically for one year periods unless notice of termination is provided 30 days prior to the automatic renewal date. In exchange for Mr. Mathieson's services, the Company agreed to pay Mr. Mathieson $1.00 annually and a discretionary bonus to be determined by the Company's board of directors.

On July 1, 2017, we and our Chief Executive Officer agreed to terminate, effective July 1, 2017, the January 2017 Consulting Contract Concurrently with the termination of the January 2017 Consulting Contract, IEC and our Chief Executive Officer entered into a new professional consulting contract, effective as of July 1, 2017 (the "July 2017 Consulting Contract"). Pursuant to the terms of the July 2017 Consulting Contract, our Chief Executive Officer agreed to provide regulatory and management consulting services as requested by the Company and/or IEC. The July 2017 Consulting Contract has a term of 1.5 years and renews automatically for successive one-year periods unless notice of termination is provided 30 days prior to the automatic renewal date. In exchange for the services provided to the Company and/or IEC by our Chief Executive Officer, IEC agreed to pay him $1,200,000 annually in quarterly payments of $300,000 due in advance each quarter and to provide health insurance benefits, reimbursement for all reasonable expenses, including but not limited to travel expenses for him and his entourage, hotel expenses, communication, security, relocation and entertainment expenses, as well as a discretionary bonus to be determined by the Company's Board of Directors, which consists solely of Mr. Mathieson. A bonus of $400,000 was approved by the Board and paid for the year ended December 31, 2017.

On March 22, 2018, we entered into a new professional consulting contract with Mr. Mathieson (the "2018 Consulting Contract") and terminated the July 2017 Consulting Contract, effective July 1, 2018. Pursuant to the terms of the 2018 Consulting Contract, Mr. Mathieson agreed to provide regulatory and management consulting services as requested by IEG Holdings and/or IEC, including the hiring and compensation of IEC personnel, interaction with third party service providers and vendors and, as requested by IEG Holdings, other activities that are designed to assist IEC in conducting business. The term of the 2018 Consulting Contract begins as of July 1, 2018 continues indefinitely unless three months' written notice of termination is provided by either party.

In exchange for Mr. Mathieson's services, IEG Holdings agreed to pay Mr. Mathieson an annual base salary of $600,000, which represents a 50% reduction in Mr. Mathieson's annual salary, as compared to his current annual salary of $1,200,000 payable under the July 2017 Consulting Contract. Pursuant to the terms of the 2018 Consulting Contract, no bonus is to be paid to Mr. Mathieson by IEG Holdings. Pursuant to the terms of the 2018 Consulting Contract, fees are to be paid quarterly in advance on July 1st, October 1st, January 1st and April 1st beginning on July 1, 2018. Unlike in prior years, IEG Holdings will not pay Mr. Mathieson's health insurance premiums or any bonuses. Mr. Mathieson will also receive reimbursement for all reasonable expenses incurred for the benefit of IEC, including but not limited to travel expenses for him and his entourage, hotel expenses, communication, security and entertainment expenses.

IEG Holdings expects that, beginning in the third quarter of 2018, its salary and compensation operating expense will be substantially reduced as a result of entry into the 2018 Consulting Contract.

Outstanding Equity Awards at 2017 Fiscal Year-End

The following table provides information concerning unexercised options, stock that has not vested and equity incentive plan awards for each named executive officer outstanding as of December 31, 2017:

	OPTION AWARDS					STOCK AWARDS			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)**
Paul Mathieson	0	0	0	0	0	0	0	0	0
Carla Cholewinski	0	0	0	0	0	0	0	0	0

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

At March 28, 2018, we had 17,463,449 shares of our common stock issued and outstanding. The following table sets forth information regarding the beneficial ownership of our common stock as of March 28, 2018, and reflects:

- each of our executive officers,
- each of our directors,
- all of our directors and executive officers as a group, and
- each stockholder known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock.

Information on beneficial ownership of securities is based upon a record list of our stockholders and we have determined beneficial ownership in accordance with the rules of the SEC. We believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws, except as otherwise provided below.

Unless otherwise indicated, the business address of each person listed is in care of IEG Holdings Corporation, 3960 Howard Hughes Parkway, Suite 490, Las Vegas, NV 89169.

Name	Position	Amount and Nature of Beneficial Ownership	Percent of Class
Named Executive Officers and Directors:			
Paul Mathieson	Chief Executive Officer and Director	6,900,000	39.5%
Carla Cholewinski	Chief Operating Officer and Chief Credit Officer	2,000	*
All executive officers and directors as a group (2 persons)		6,902,000	39.5%

* Less than 1%.

DESCRIPTION OF SECURITIES

The following description of our capital stock is based upon our amended and restated articles of incorporation, as amended, our amended and restated bylaws and applicable provisions of law, in each case as currently in effect. This discussion does not purport to be complete and is qualified in its entirety by reference to our amended and restated articles of incorporation, as amended, and our amended and restated bylaws, copies of which are filed with the SEC as exhibits to the annual report on Form 10-K.

Authorized Capital Stock

As of March 28, 2018, our authorized capital stock consists of (i) 300,000,000 shares of common stock, par value $0.001 per share, and (ii) 50,000,000 shares of preferred stock, par value $0.001 per share. At March 28, 2018, we had 17,463,449 shares of common stock issued and outstanding. As of March 28, 2018, we had no shares of Series H preferred stock issued and outstanding. Effective June 17, 2015, the Series B, Series C, Series D and Series E preferred stock were cancelled. Effective January 1, 2016, the Series F and Series G preferred stock were entirely converted and/or redeemed. Effective March 31, 2016, the Series A preferred stock was entirely converted. Effective May 16, 2016, the Series A, Series F and Series G preferred stock were cancelled. As of December 31, 2017, all shares of Series H preferred stock have been converted.

Common Stock

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders, including the election of directors. There is no right to cumulate votes in the election of directors. The holders of common stock are entitled to any dividends that may be declared by the board of directors out of funds legally available for payment of dividends subject to the prior rights of holders of preferred stock and any contractual restrictions we have against the payment of dividends on common stock. In the event of our liquidation or dissolution, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of any outstanding shares of preferred stock. Holders of common stock have no preemptive rights and have no right to convert their common stock into any other securities.

Preferred Stock

The preferred stock is issuable in one or more series with such designations, voting powers, if any, preferences and relative, participating, optional or other special rights, and such qualifications, limitations and restrictions, as are determined by resolution of our board of directors. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by stockholders and could adversely affect the rights and powers, including voting rights, of the holders of common stock.

Amendment of Series H Preferred Stock

On June 20, 2017, we filed articles of amendment (the "June 20 Amendment") to our amended and restated articles of incorporation, as amended (the "Articles") with the Florida Secretary of State. The June 20 Amendment has the effect of revising the terms of our Series H preferred stock, par value $0.001 per share (the "Series H Preferred Stock") to:

Description of Series H Preferred Stock

Our amended and restated articles of incorporation, as amended, authorize 10,000,000 shares of Series H preferred stock, of which no shares are outstanding as of March 28, 2018. There are no sinking fund provisions applicable to our Series H preferred stock.

Ranking. The Series H preferred stock ranks *pari passu* with any other series of preferred stock designated by IEG Holdings and not designated as senior securities or subordinate to the Series H preferred stock.

Liquidation Preference. In the event of a liquidation or winding up of IEG Holdings, a holder of Series H preferred stock will be entitled to receive $1.00 per share of Series H preferred stock.

Dividends. The Series H preferred stock is not entitled to receive dividends.

Conversion. At 5:00 p.m., Eastern time, on December 31, 2017, each issued and outstanding share of Series H preferred stock will automatically convert into shares of common stock on the basis of four shares of common stock for each share of Series H preferred stock.

Voting. The Series H preferred stock has no right to vote on any matter to come before our stockholders; *provided, however,* that the affirmative vote at least 50% of the then outstanding Series H preferred shares is required for any change to our articles of incorporation, as amended, which would amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series H preferred stock.

Anti-Takeover Effects of Certain Provisions of Our Amended and Restated Articles of Incorporation, as Amended, and Our Amended and Restated Bylaws

Provisions of our amended and restated articles of incorporation, as amended, and our amended and restated bylaws could make it more difficult to acquire us by means of a merger, tender offer, proxy contest, open market purchases, removal of incumbent directors and otherwise. These provisions, which are summarized below, are expected to discourage types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because negotiation of these proposals could result in an improvement of their terms.

Calling of Special Meetings of Stockholders. Our amended and restated bylaws provide that special meetings of the stockholders may be called only by the board of directors or by the president, and shall be called by the president or the secretary at the request in writing of record stockholders owning at least 10% of shares outstanding and entitled to vote.

Removal of Directors; Vacancies. Our amended and restated bylaws provide that a director may be removed from office with or without cause, at any time, by the affirmative vote of a plurality of the votes of the issued and outstanding stock entitled to vote for the election of directors, at a special meeting of the stockholders called and held for that purpose. A vacancy on the board of directors may be filled only by stockholders at such meeting, or if the stockholders fail to fill such vacancy, by a majority of the directors then in office.

Amendment of Bylaws. Our amended and restated bylaws provide that our board of directors may amend or repeal the amended and restated bylaws, or new bylaws may be adopted by the board of directors, at any time without stockholder approval. Allowing the board to amend our amended and restated bylaws without stockholder approval enhances board control over our bylaws.

Preferred Stock. Our amended and restated articles of incorporation, as amended, authorize the issuance of up to 50,000,000 shares of preferred stock with such rights and preferences as may be determined from time to time by our board of directors in their sole discretion. Our board of directors may, without stockholder approval, issue series of preferred stock with dividends, liquidation, conversion, voting or other rights that could adversely affect the voting power or other rights of the holders of our common stock.

Transfer Agent

The transfer agent and registrar for our common stock is VStock Transfer, LLC, 18 Lafayette Place, Woodmere, NY 11598.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth securities authorized for issuance under any equity compensation plans approved by our stockholders as well as any equity compensation plans not approved by our stockholders as of December 31, 2017.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plans approved by our stockholders	-	-	-
Plans not approved by stockholders	-	-	-

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

We do not have a written policy for the review, approval or ratification of transactions with related parties or conflicted transactions. When such transactions arise, they are referred to our board of directors for its consideration.

The Company has a professional consulting contract with Mr. Mathieson, the Company's Chief Executive Officer and the sole member of the Board of Directors, according to which the Company paid the Chief Executive Officer a total of $1,000,000 in cash and $0 in health insurance premiums and costs for the year ended December 31, 2017. On July 1, 2017, we and our Chief Executive Officer agreed to terminate, effective July 1, 2017, the consulting contract dated January 1, 2017 between our Chief Executive Officer and the Company pursuant to which the Company was required to pay Mr. Mathieson $1.00 annually in exchange for certain consulting services. Concurrently with the termination of that consulting contract, IEC and our Chief Executive Officer entered into a new professional consulting contract, effective as of July 1, 2017 (the "July 2017 Consulting Contract"). Pursuant to the terms of the July 2017 Consulting Contract, our Chief Executive Officer agreed to provide regulatory and management consulting services as requested by the Company and/or IEC. The July 2017 Consulting Contract has a term of 1.5 years and renews automatically for successive one-year periods unless notice of termination is provided 30 days prior to the automatic renewal date. In exchange for the services provided to the Company and/or IEC by our Chief Executive Officer, IEC agreed to pay him $1,200,000 annually in quarterly payments of $300,000 due in advance each quarter and to provide health insurance benefits, reimbursement for all reasonable expenses, including but not limited to travel expenses for him and his entourage, hotel expenses, communication, security, relocation and entertainment expenses, as well as a discretionary bonus to be determined by the Company's Board of Directors, which consists solely of Mr. Mathieson. A bonus of $400,000 was approved by the Board and paid for the year ended December 31, 2017.

On March 22, 2018, we entered into a new professional consulting contract with Mr. Mathieson (the "2018 Consulting Contract") and terminated the July 2017 Consulting Contract, effective July 1, 2018. Pursuant to the terms of the 2018 Consulting Contract, Mr. Mathieson agreed to provide regulatory and management consulting services as requested by IEG Holdings and/or IEC, including the hiring and compensation of IEC personnel, interaction with third party service providers and vendors and, as requested by IEG Holdings, other activities that are designed to assist IEC in conducting business. The term of the 2018 Consulting Contract begins as of July 1, 2018 continues indefinitely unless three months' written notice of termination is provided by either party.

In exchange for Mr. Mathieson's services, IEG Holdings agreed to pay Mr. Mathieson an annual base salary of $600,000, which represents a 50% reduction in Mr. Mathieson's annual salary, as compared to his current annual salary of $1,200,000 payable under the July 2017 Consulting Contract. Pursuant to the terms of the 2018 Consulting Contract, no bonus is to be paid to Mr. Mathieson by IEG Holdings. Pursuant to the terms of the 2018 Consulting Contract, fees are to be paid quarterly in advance on July 1st, October 1st, January 1st and April 1st beginning on July 1, 2018. Unlike in prior years, IEG Holdings will not pay Mr. Mathieson's health insurance premiums or any bonuses. Mr. Mathieson will also receive reimbursement for all reasonable expenses incurred for the benefit of IEC, including but not limited to travel expenses for him and his entourage, hotel expenses, communication, security and entertainment expenses.

Chief Executive Officer

During the year ended December 31, 2017, the Company incurred compensation expense to our Chief Executive Officer under the Professional Consulting Contract and previously-terminated consulting contract between the Company and the Chief Executive Officer of $1,000,000. During the year ended December 31, 2017, the Company also paid in cash common share dividends in the amount of $103,500 to our Chief Executive Officer.

Chief Operating Officer

Compensation to our Chief Operating Officer totaled $243,000 for the year ended December 31, 2017. During the year ended December 31, 2017, the Company also paid in cash common share dividends in the amount of $30 to our Chief Operating Officer.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table shows the fees that were billed for the audit and other services provided by Rose, Snyder & Jacobs LLP for the fiscal years ended December 31, 2017 and 2016.

	2017	2016
Audit Fees	$ 147,000	$ 105,250
Audit-Related Fees	38,075	37,000
Tax Fees	25,190	14,000
All Other Fees	0	0
Total	$ 210,265	$ 156,250

Audit Fees - This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Audit-Related Fees - This category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees." The services for the fees disclosed under this category include consultation regarding our correspondence with the SEC, other accounting consulting and other audit services.

Tax Fees - This category consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

All Other Fees - This category consists of fees for other miscellaneous items.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The consolidated financial statements and Report of Independent Registered Public Accounting Firm are listed in the "Index to Financial Statements and Schedules on page F-1 and included on pages F-2 through F-7.

(2) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the SEC are either not required under the related instructions, are not applicable (and therefore have been omitted), or the required disclosures are contained in the financial statements included herein.

(3) Exhibits.

2.1 Stock Exchange Agreement among Investment Evolution Global Corporation, IEG Holdings Limited and Ideal Accents, Inc. dated as of January 28, 2013 (incorporated by reference to Exhibit 2.1 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).

3.1 Amended and Restated Articles of Incorporation of IEG Holdings Corporation dated February 22, 2013 (incorporated by reference to Exhibit 3.1 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).

3.2 Articles of Amendment to Amended and Restated Articles of Incorporation of IEG Holdings Corporation dated March 20, 2014 (incorporated by reference to Exhibit 3.2 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).

3.3 Articles of Amendment to Amended and Restated Articles of Incorporation of IEG Holdings Corporation dated October 27, 2014 (incorporated by reference to Exhibit 3.3 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).

3.4 Articles of Amendment to Amended and Restated Articles of Incorporation of IEG Holdings Corporation dated April 30, 2015 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on May 8, 2015).

3.5 Articles of Amendment to Amended and Restated Articles of Incorporation of IEG Holdings Corporation dated June 17, 2015 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on June 18, 2015).

3.6	Articles of Amendment effective September 10, 2015 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on September 15, 2015).
3.7	Articles of Amendment effective December 1, 2015 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on December 4, 2015).
3.8	Articles of Amendment effective January 8, 2016 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on January 14, 2016).
3.9	Articles of Amendment effective March 22, 2016 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on March 28, 2016).
3.10	Articles of Amendment effective April 1, 2016 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on February 23, 2016).
3.11	Articles of Amendment effective April 1, 2016 (incorporated by reference to Exhibit 3.2 to the registrant's current report on Form 8-K filed with the Commission on February 23, 2016).
3.12	Articles of Amendment effective May 16, 2016 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on May 20, 2016).
3.13	Articles of Amendment effective October 27, 2016 (incorporated by reference to Exhibit 3.1 to the registrant's quarterly report on Form 10-Q filed with the Commission on October 27, 2016).
3.14	Articles of Amendment effective October 27, 2016 (incorporated by reference to Exhibit 3.2 to the registrant's quarterly report on Form 10-Q filed with the Commission on October 27, 2016).
3.15	Articles of Amendment effective December 5, 2016 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on December 5, 2016).
3.16	Articles of Amendment of IEG Holdings Corporation, filed with the Secretary of State of the State of Florida on June 20, 2017 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Commission on June 21, 2017).
3.17*	Articles of Amendment of IEG Holdings Corporation, filed with the Secretary of State of the State of Florida on March 26, 2018.
3.17	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 to Amendment No. 2 to the registrant's registration statement on Form S-1 filed with the Commission on April 9, 2015).
4.1	Form of Stock Certificate (incorporated by reference to Exhibit 2.1 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).
10.1	Loan and Security Agreement between IEC SPV, LLC and BFG Loan Holdings, LLC dated June 11, 2012 (incorporated by reference to Exhibit 10.1 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).
10.2	Promissory Note by IEC SPV, LLC in favor of BFG Loan Holdings, LLC dated June 11, 2012 (incorporated by reference to Exhibit 10.2 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).
10.3	Amended and Restated Promissory Note by IEC SPV, LLC in favor of BFG Loan Holdings, LLC dated as of November 12, 2013 (incorporated by reference to Exhibit 10.3 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).
10.4	First Amendment to Loan and Security Agreement between IEC SPV, LLC and BFG Loan Holdings, LLC dated November 12, 2013 (incorporated by reference to Exhibit 10.4 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).
10.5	Second Amendment to Loan and Security Agreement by and between BFG Investment Holdings, LLC, IEC SPV, LLC, Investment Evolution Global Corporation, Investment Evolution Corporation and Paul J. Mathieson dated as of June 30, 2014 (incorporated by reference to Exhibit 10.5 to the registrant's registration statement on Form S-1 filed with the Commission on December 12, 2014).

10.6	Services Agreement between CyberRidge, LLC and Investment Evolution Corporation dated as of March 28, 2012 (incorporated by reference to Exhibit 10.7 to Amendment No. 2 to the registrant's registration statement on Form S-1 filed with the Commission on April 9, 2015).
10.7+	Professional Consulting Contract effective January 1, 2017 between Investment Evolution Corporation and Paul Mathieson (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Commission on November 3, 2016).
10.8+	Professional Consulting Contract effective July 1, 2017 between Investment Evolution Corporation and Paul Mathieson (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Commission on July 3, 2017).
10.9+	Professional Consulting Contract effective July 1, 2018 between Investment Evolution Corporation and Paul Mathieson (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Commission on March 26, 2018).
21.1*	List of Subsidiaries.
31.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation
101.DEF*	XBRL Taxonomy Extension Definition
101.LAB*	XBRL Taxonomy Extension Labels
101.PRE*	XBRL Taxonomy Extension Presentation

+ Management contract or compensatory plan or arrangement.
* Filed herewith.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IEG HOLDINGS CORPORATION

Date: March 29, 2018	By: */s/ Paul Mathieson* Paul Mathieson President, Chief Executive Officer and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this 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/ Paul Mathieson Paul Mathieson	President, Chief Executive Officer, Chief Financial Officer, and Director (principal executive officer and principal financial officer)	March 29, 2018

INDEX TO FINANCIAL STATEMENTS

ROSE, SNYDER & JACOBS LLP
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of IEG Holdings Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of IEG Holdings Corporation (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2017, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Rose, Snyder & Jacobs LLP

Rose, Snyder & Jacobs LLP

We have served as the Company's auditor since 2011.

Encino, California

March 28, 2018

15821 VENTURA BOULEVARD, SUITE 490, ENCINO, CALIFORNIA 91436 PHONE: (818) 461 - 0600 ● FAX: (818) 461 - 0610

IEG HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND DECEMBER 31, 2016

	December 31, 2017	December 31, 2016
ASSETS		
ASSETS		
Cash and cash equivalents	$ 704,006	$ 322,441
Loans receivable, net, note 2	4,928,704	6,374,908
Other receivables	75,364	84,851
Prepaid expenses	18,238	12,955
Property and equipment, net, note 3	13,376	19,322
Security deposits	11,234	7,470
TOTAL ASSETS	$ 5,750,922	$ 6,821,947
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	$ 51,053	$ 1,060
TOTAL LIABILITIES	$ 51,053	$ 1,060
COMMITMENTS AND CONTINGENCIES, note 8		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.001 par value; 50,000,000 shares authorized, 0 and 0 shares issued and outstanding at December 31, 2017 and December 31, 2016 respectively, note 5	-	-
Common stock, $0.001 par value; 300,000,000 shares authorized, 17,463,449 and 9,714,186 shares issued and outstanding at December 31, 2017 and December 31, 2016 respectively, note 5	2,240,931	2,233,182
Additional paid-in capital	34,074,976	29,698,025
Accumulated deficit	(30,616,038)	(25,110,319)
TOTAL STOCKHOLDERS' EQUITY	5,699,869	6,820,887
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,750,922	$ 6,821,947

See report of independent registered public accounting firm and notes to consolidated Financial Statements

IEG HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
REVENUES		
Interest revenue	$ 1,617,494	$ 2,086,976
Other revenue	78,634	48,070
TOTAL REVENUES	1,696,128	2,135,046
OPERATING EXPENSES		
Salaries and compensation	1,494,637	1,592,990
Other operating expenses	395,352	628,642
Provision for credit losses	1,494,843	1,865,362
Advertising	407,760	373,350
Rent	66,331	178,678
Public company and corporate finance expenses	2,555,519	2,228,554
Depreciation and amortization	5,946	8,618
TOTAL OPERATING EXPENSES	6,420,388	6,876,194
LOSS FROM OPERATIONS	(4,724,260)	(4,741,147)
OTHER INCOME (EXPENSE)		
Loss on sale of marketable securities	(153,514)	-
Legal settlements and related fees	(628,376)	-
Miscellaneous income (expense)	431	12,278
TOTAL OTHER INCOME (EXPENSE)	(781,459)	12,278
NET LOSS	$ (5,505,719)	$ (4,728,869)
Dividends on preferred shares	-	(35,517)
Net loss attributable to common stockholders	(5,505,719)	(4,764,386)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (LOSS)		
Unrealized loss on marketable securities	(153,514)	-
Less: Reclassified adjustment for losses included in net loss	153,514	-
Comprehensive loss attributable to common stockholders	(5,505,719)	(4,764,386)
Net loss attributable to common stock per share, basic and diluted	$ (0.49)	$ (0.60)
Weighted average number of common shares outstanding, basic and diluted	11,276,456	7,918,922

See report of independent registered public accounting firm and notes to consolidated Financial Statements

IEG HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Common Stock		Preferred Stock Series A		Preferred Stock Series G		Preferred Stock Series H		Additional Paid-in	Prepaid Preferred Share	Subscription	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Redemption	Receivable	Deficit	Income	Total
Balance, January 1, 2016	2,887,428	$2,165,405	1,000,000	$ 1,000	160,000	$ 160	-	$ -	$26,025,071	$ (160,000)	$ -	$(20,381,450)	$ -	$ 7,650,186
Prepaid Preferred Share Redemption					(160,000)	(160)			(159,840)	160,000				-
Issuance of shares at $50.00	370	4							18,496					18,500
Issuance of Preferred Shares	-	-					3,071,000	3,071	3,067,929		(2,825,000)	-		246,000
Conversion of Preferred Shares to Common Shares	6,400,000	64,000	(1,000,000)	(1,000)					(63,000)	-		-		-
Issuance of shares at $10.00	386,718	3,867							3,863,321					3,867,188
Buyback of shares	(14,750)	(148)							(208,952)					(209,099)
Issuance of shares for reverse split rounding	218	0							-					-
Issuance of shares for consulting fee offset	5,000	5							12,495					12,500
Conversion of Preferred Shares to Common Shares	49,200	49					(246,000)	(246)	197					-
Preferred Share Cancellation							(2,825,000)	(2,825)	(2,822,175)		2,825,000			-
Preferred Dividends									(35,517)					(35,517)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(4,728,869)	-	(4,728,869)
Balance, December 31, 2016	9,714,186	$2,233,182	-	$ -	-	$ -	-	$ -	$29,698,025	$ -	$ -	$(25,110,319)	$ -	$ 6,820,887
Issuance of shares for OneMain tender offer	3,039,880	3,040							3,550,580					3,553,620
Unrealized loss on marketable securities													(153,514)	(153,514)
Reclassified adjustment for loss on marketable securities to net loss													153,514	153,514
Buyback of shares	(458,973)	(459)							(286,945)					(287,404)
Issuance of Preferred Shares	-	-					1,292,089	1,292	1,290,797					1,292,089
Conversion of Preferred Shares to Common Shares	5,168,356	5,168					(1,292,089)	(1,292)	(3,876)					-
Common Stock														

Dividends									(173,605)					(173,605)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(5,505,719)	-	(5,505,719)
Balance, December 31, 2017	17,463,449	$2,240,931	-	$ -	-	$ -	-	$ -	$34,074,976	$ -	$ -	$(30,616,038)	$ -	$ 5,699,869

See report of independent registered public accounting firm and notes to consolidated Financial Statements

IEG HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	December 31, 2017	December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,505,719)	$ (4,728,869)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for credit losses	1,494,843	1,865,362
Depreciation and amortization	5,946	8,618
Loss on disposal of assets	-	571
Loss on marketable securities sold	153,514	-
Legal settlements and related fees	178,982	-
Changes in assets - (increase) decrease:		
Other receivables	9,487	(8,589)
Prepaid expenses	(5,283)	(5,679)
Deposits	(3,764)	28,369
Changes in liabilities - increase (decrease):		
Accounts payable and accrued expenses	50,236	74,118
Deferred rent	-	(11,522)
NET CASH USED IN OPERATING ACTIVITIES	(3,621,758)	(2,777,621)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of marketable securities	3,400,106	-
Loans receivable originated	(2,105,000)	(3,120,000)
Loans receivable repaid	1,877,379	2,004,433
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	3,172,485	(1,115,567)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Preferred dividends paid	-	(35,517)
Common stock dividends paid	(173,605)	-
Payments for buyback of common stock	(287,404)	(209,099)
Proceeds from issuance of preferred stock	1,291,847	246,000
Proceeds from issuance of common stock	-	3,728,686
NET CASH PROVIDED BY FINANCING ACTIVITIES	830,838	3,730,070
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	381,565	(163,118)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	322,441	485,559
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 704,006	$ 322,441
Supplemental disclosures:		
Interest paid in cash	$ -	$ -
Income taxes paid in cash	$ -	$ 2,134
Issuance of common stock for tender offer	$ 3,553,620	$ -
Issuance of common stock in lieu of consulting fees	$ -	$ 169,500

See report of independent registered public accounting firm and notes to consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The principal business activity of the Company is providing unsecured online consumer loans under the brand name "Mr. Amazing Loans" via the Company's website and online application portal at www.mramazingloans.com. The Company started its business and opened its first office in Las Vegas, Nevada in 2010. The Company currently offers $5,000 and $10,000 unsecured consumer loans that mature, unless prepaid, five years from the date they are issued. The Company is a direct lender with state licenses and/or certificates of authority in 20 states – 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 originates direct consumer loans to residents of these states through its online application portal, with all loans originated, processed and serviced out of its centralized Las Vegas head office.

Basis of Accounting

These consolidated financial statements include the operations of IEG Holdings Corporation and its wholly-owned subsidiaries, Investment Evolution Corporation ("IEC") and IEC SPV, LLC ("IEC SPV" and collectively with IEG Holdings Corporation and IEC, the "Company"). All inter-company transactions and balances have been eliminated in consolidation.

The Company's accounting and reporting policies are in accordance with U.S. generally accepted accounting principles ("GAAP"), and conform to general practices within the consumer finance industry.

The consolidated financial statements have been prepared in conformity with GAAP. The accompanying consolidated financial statements do not include any adjustments to reflect any possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities.

Liquidity

The principal conditions and events that raise substantial doubt about the Company's ability to meet its obligations as they come due are:

(i) the Company has reported recurring losses and
(ii) the Company has not yet generated positive net cash flows from operations.

Management has evaluated the result of their plans for the next 12 months and as a result of the plans, the Company can meet all its obligations at least through March 2019. Management's plans include a reduction of advertising costs to reduce loan originations and related loan processing costs. There is also a significant reduction in consulting and professional fees due to minimized efforts and strategy for raising capital over the next 12 months and a significant reduction in tender offer costs due to no planned future tender offers in 2018. In addition, significant core operating costs have been cut from the Company starting in 2016 including reducing the number of employees from 12 to 5 due to increased automation of loan origination processes and reducing the number of office leases from 4 to 1 as old leases expired. The Company has also entered into a new 2018 consulting agreement with the CEO that significantly reduces the CEO annual consulting expense by more than 50 percent beginning July 1, 2018. Should the Company need, management will continue to reduce loan originations and now plans to utilize the cash flow from loan repayments for working capital needs. This will provide sufficient cash flow through at least March 2019. However, the Company intends, over the next 12 months, to seek additional capital via common shares, preference shares and/or debt financing to expand operations and the Company. The Board of Directors approved a stock repurchase program in 2016 that expires at the end of 2018. However, management has no intention to repurchase a significant number of shares unless additional capital has been secured.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Management uses its historical records and knowledge of its business in making these estimates. Accordingly, actual results may differ from these estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers cash equivalents to include short-term, highly liquid investments with an original maturity of three months or less.

Loans Receivable and Interest Income

The Company offers its loans at or below the prevailing statutory rates. Loans are carried at the unpaid principal amount outstanding, net of an allowance for credit losses.

The Company calculates interest revenue using the interest yield method. Charges for late payments are credited to income when collected.

Accrual of interest income on loans receivable is suspended when no payment has been received on account for 91 days or more on a contractual basis, at which time a loan is considered delinquent. Payments received on nonaccrual financing loans are first applied to the unpaid accrued interest and then principal. Loans are returned to active status and accrual of interest income is resumed when all of the principal and interest amounts contractually due are brought current; at which time management believes future payments are reasonably assured. At December 31, 2017, 86 loans, with a total balance of $327,705 were delinquent or in default.

Allowance for Credit Losses

The Company maintains an allowance for credit losses due to the fact that it is probable that a portion of the loans receivable will not be collected. The allowance is estimated by management based on various factors, including specific circumstances of the individual loans, management's knowledge of the industry, and the experience and trends of other companies in the same industry.

Our portfolio of loans receivable consists of a large number of relatively small, homogenous accounts. The allowance for credit losses is determined using a systematic methodology, based on a combination of historical bad debt of comparable companies. Impaired loans are considered separately and 100% charged off.

The allowance for credit losses is primarily based upon models that analyze specific portfolio statistics and also reflect, management's judgment regarding overall accuracy. We take into account several relevant internal and external factors that affect loan receivable collectability, including the customer's transaction history, specifically the timeliness of customer payments, the remaining contractual term of the loan, the outstanding balance of the loan, historical loan receivable charge-offs, our current collection patterns and economic trends.

Impaired Loans

The Company assesses loans for impairment individually when a loan is 91 days past due. The Company defines impaired loans as bankrupt accounts and accounts that are 184 days or more past due. In accordance with the Company's charge-off policy, once a loan is deemed uncollectible, 100% of the remaining balance is charged-off. Loans can also be charged off when deemed uncollectible due to consumer specific circumstances.

The Company does not accrue interest on impaired loans and any recoveries of impaired loans are recorded to other revenue. Changes in the allowance for credit losses are recorded as operating expenses in the accompanying statement of operations.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are being provided using the straight-line method over the estimated useful lives of the assets as follows:

Classification	Life
Computer equipment	5 years
Furniture and fixtures	5-8 years

The Company amortizes its leasehold improvements over the shorter of their economic lives, which are generally five years, or the lease term that considers renewal periods that are reasonably assured. Expenses for repairs and maintenance are charged to expense as incurred, while renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statement of operations.

Operating Lease

The Company's office lease for 3960 Howard Hughes Parkway, Suite 490, Las Vegas, NV 89169 expires (unless renewed) on September 30, 2020.

Income Taxes

We account for income taxes using the liability method in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740 "Income Taxes". To date, no current income tax liability has been recorded due to our accumulated net losses. Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of assets and liabilities and the amounts that are reported in the income tax returns. Our net deferred income tax assets have been fully reserved by a valuation allowance due to the uncertainty of our ability to realize future taxable income and to recover our net deferred income tax assets.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs amounted to $407,760 and $373,350 for the twelve months ended December 31, 2017 and 2016, respectively.

Earnings and Loss per Share

The Company computes net earnings (loss) per share in accordance with ASC 260-10 that establishes standards for computing and presenting net earnings (loss) per shares. Basic earnings (loss) per share are computed by dividing net income (loss) attributed to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares, if any, had been issued and if the additional common shares were dilutive. Basic and diluted loss per share has been adjusted retroactively for the net 1-for-10 reverse split that occurred on October 27, 2016.

Reclassifications

Certain numbers from the prior period have been reclassified to conform to the current year presentation.

Fair Value of Financial Instruments

The Company has adopted guidance issued by the FASB that defines fair value, establishes a framework for measuring fair value in accordance with existing GAAP, and expands disclosures about fair value measurements. Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The categories are as follows:

- Level I – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level II – Inputs, other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level III – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2017 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Cash	$ 704,006			$ 704,006
Loans receivable, net	$		4,928,704	$ 4,928,704

The following table summarizes fair value measurements by level at December 31, 2016 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Cash	$ 322,441			$ 322,441
Loans receivable, net	$		6,374,908	$ 6,374,908

Loans receivable are carried net of the allowance for credit losses, which is estimated by applying historical loss rates of our portfolio and of other companies' portfolios in the same industry with recent default trends to the gross loans receivable balance. The unobservable inputs used to calculate the fair value of these loans include historical loss rates, recent default trends and estimated remaining loan terms. Therefore, the carrying value of the loans receivable approximates the fair value.

Carrying amounts reported in the consolidated balance sheets for other receivables, accounts payable, and accrued expenses approximate fair value because of their immediate or short-term nature. The fair value of borrowings is not considered to be significantly different than its carrying amount because the stated rates for such debt reflect current market rates and conditions.

Marketable Securities

On June 16, 2017, we closed our tender offer to purchase shares of the common stock of OneMain Holdings, Inc. (“OneMain”), pursuant to which we acquired 151,994 shares of the common stock of OneMain (the cost of which was valued at an aggregate of $3.55 million based on the closing price of the shares of OneMain’s common stock of $23.38 on June 15, 2017) in exchange for 3,039,880 shares of the Company’s common stock. The security was classified as available-for-sale and had an unrealized loss of $153,514 prior to the sale. On June 22, 2017, we sold 100% of the 151,994 shares of OneMain’s common stock in exchange for $3.4 million in cash. At December 31, 2017 the marketable securities balance was $0.

Loss on Sale of Marketable Securities

The Company sold securities classified as available for sale for net proceeds of $3,400,106 resulting in a loss on sale totaling $153,514 during the twelve months ended December 31, 2017.

Legal Settlement and Related Fees

From time to time, the Company may be involved in legal proceedings in the normal course of its business. The Company incurred one-off legal settlements and related fees of $628,376 during the year ended December 31, 2017. Of this amount, $178,982 was in the form of reductions to outstanding loan principal. These settlements related to an action by the State of Virginia under the Virginia consumer lending program and a separate action by an individual customer. In addition, as part of the settlements, the annual interest rate on all loans originated in Virginia have been reduced to 12% APR. As of December 31, 2017, there are $162,995 in outstanding loans that originated in Virginia, which mature between June 2019 and February 2022. The Company is not involved in any material legal proceedings at the present time.

Other Comprehensive Income

The Company’s other comprehensive income consists of unrealized gains (losses) on securities classified as available for sale that are recorded as an element of shareholder’s equity but are excluded from net income.

Recent Accounting Pronouncements

Recently Issued or Newly Adopted Accounting Standards

In May 2014, FASB issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*. The standard will eliminate the transaction and industry specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 is effective for annual and interim periods beginning after December 15, 2017. Early adoption is not permitted. The revenue recognition standard is required to be applied retrospectively, including any combination of practical expedients as allowed in the standard.

In April 2016, the FASB issued ASU 2016-10, *Revenue from Contracts with Customers (Topic 606)*, which amends certain aspects of the Board’s new revenue standard, ASU 2014-09, Revenue from Contracts with Customers. The standard should be adopted concurrently with adoption of ASU 2014-09 which is effective for annual and interim periods beginning after December 15, 2017. Early adoption is permitted. Adoption of these changes have no material impact on the consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern*. ASU 2014-15 changes to the disclosure of uncertainties about an entity’s ability to continue as a going concern. These changes require an entity’s management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that financial statements are issued. Substantial doubt is defined as an indication that it is probable that an entity will be unable to meet its obligations as they become due within one year after the date that financial statements are issued. If management has concluded that substantial doubt exists, then the following disclosures should be made in the financial statements: (i) principal conditions or events that raised the substantial doubt, (ii) management’s evaluation of the significance of those conditions or events in relation to the entity’s ability to meet its obligations, (iii) management’s plans that alleviated the initial substantial doubt or, if substantial doubt was not alleviated, management’s plans that are intended to at least mitigate the conditions or events that raise substantial doubt, and (iv) if the latter in (iii) is disclosed, an explicit statement that there is substantial doubt about the entity’s ability to continue as a going concern. These changes became effective for the Company for the 2016 annual period. Our adoption of these changes have no material impact on the consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes* (Topic 740). The amendments in ASU 2015-17 change the requirements for the classification of deferred taxes on the balance sheet. Currently, GAAP requires an entity to separate deferred income tax liabilities and assets into current and noncurrent amounts in a classified statement of financial position. To simplify the presentation of deferred income taxes, the amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The pronouncement became effective for the 2017 fiscal year. Adoption of these changes have no material impact on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall* (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The update intends to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information and addresses certain aspects of the recognition, measurement, presentation, and disclosure of financial instruments. The new standard affects all entities that hold financial assets or owe financial liabilities. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Management is evaluating the impact of the adoption of these changes will have on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* which supersedes existing guidance on accounting for leases in "Leases (Topic 840)" and generally requires all leases to be recognized in the consolidated balance sheet. ASU 2016-02 is effective for annual and interim reporting periods beginning after December 15, 2018; early adoption is permitted. The provisions of ASU 2016-02 are to be applied using a modified retrospective approach. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

2. LOANS RECEIVABLE

Loans receivable consisted of the following at December 31, 2017 and December 31, 2016:

	December 31, 2017		December 31, 2016	
Loans receivable	$	6,160,881	$	7,587,349
Allowance for credit losses	$	(1,232,177)	$	(1,212,441)
Loans receivable, net	$	4,928,704	$	6,374,908

A reconciliation of the allowance for credit losses consist of the following at December 31, 2017 and December 31, 2016:

	December 31, 2017		December 31, 2016	
Beginning balance, January 1	$	1,212,441	$	985,375
Provision for credit losses	$	1,494,843	$	1,865,362
Loans charged off	$	(1,475,107)	$	(1,638,296)
Ending balance	$	1,232,176	$	1,212,441
Basis of assessment:				
Individually	$	-	$	-
Collectively	$	1,232,177	$	1,212,441

The following is an age analysis of past due receivables as of December 31, 2017 and December 31, 2016:

	31-60 Days Past Due		61-90 Days Past Due		Greater than 90 Days		Total Past Due		Current		Total Financing Receivables		Recorded Investment > 90 Days and not Accruing	
December 31, 2017	$	157,988	$	84,640	$	327,705	$	570,334	$	5,590,547	$	6,160,881	$	327,705
December 31, 2016	$	257,299	$	163,590	$	367,098	$	787,987	$	6,799,362	$	7,587,349	$	367,098

The Company's primary credit quality indicator is the customer's Vantage model 1.0 credit score as determined by Experian on the date of loan origination. The Company does not update the customer's credit profile during the contractual term of the loan.

The following is a summary of the loan receivable balance as of December 31, 2017 and December 31, 2016 by credit quality indicator:

Credit Score	2017	2016
550-575	$ 12,911	$ 16,264
576-600	86,883	183,701
601-650	2,992,076	3,332,371
651-700	2,326,006	2,946,944
701-750	543,433	874,408
751-800	152,042	166,811
801-850	34,607	46,368
851-900	12,923	20,482
	$ 6,160,881	$ 7,587,349

3. PROPERTY AND EQUIPMENT

At December 31, 2017 and December 31, 2016, property and equipment consists of the following:

	December 31, 2017	December 31, 2016
Computer equipment	$ 99,556	$ 99,556
Furniture and fixtures	21,303	21,303
Leasehold improvements	2,000	7,112
	$ 122,859	$ 127,971
Less accumulated depreciation and amortization	109,834	108,649
Total	$ 13,025	$ 19,322

Depreciation of property and equipment amounted to $5,946 and $8,618 during the twelve months ended December 31, 2017 and 2016, respectively. Depreciation costs are included in the accompanying statements of operations in operating expenses.

4. SENIOR DEBT

We previously had a credit facility in the form of a line of credit with BFG Investment Holdings, LLC ("BFG") in the amount of $10,000,000 pursuant to a Loan and Security Agreement, as amended (the "Loan Agreement"), among BFG and certain of our wholly-owned subsidiaries. In connection with the Loan Agreement, IEC SPV and certain of our other wholly-owned subsidiaries entered into a profit sharing agreement with BFG pursuant to which IEC SPV is required to pay BFG 20% of its net profit ("Net Profit") for a period beginning on June 11, 2012 and ending 10 years from the date the Loan Agreement is repaid in full. Net Profit is defined in the profit sharing agreement as gross revenue less (i) interest paid on the loan, (ii) payments on any other debt incurred as a result of refinancing the loan through a third party, as provided in the Loan Agreement, (iii) any costs, fees or commissions paid on account of the loan (including loan servicing fees of 0.5% on eligible consumer loans receivable), and (iv) charge-offs to bad debt resulting from consumer loans. All of IEC SPV's loans receivable as of December 31, 2017 were pledged as collateral for fulfillment of the Net Profit interest due.

Effective as of July 15, 2015, BFG converted the credit facility from a revolving facility to a term loan and on August 21, 2015, we, through certain of our wholly-owned subsidiaries, repaid the entire balance of principal and accrued interest under the Loan Agreement. There is currently no outstanding balance under the Loan Agreement, but IEC SPV will be required to pay 20% of its Net Profit to BFG until August 21, 2025 (10 years from August 21, 2015) or until we pay BFG $3,000,000 to terminate the profit sharing agreement. Net Profit for the twelve months ended December 31, 2017 and 2016 was calculated at $0 and $57,094, respectively.

5. STOCKHOLDERS' EQUITY

On January 1, 2016, pursuant to the terms of the Company's Series G preferred stock, the Company exercised its right to redeem all of the unconverted outstanding shares of Series G preferred stock. On December 24, 2015, the Company early paid the holders of the 160,000 unconverted shares of Series G preferred stock an aggregate of $160,000. Following the redemption of the unconverted shares of Series G preferred stock, no shares of Series G preferred stock were outstanding.

On January 22, 2016, the Company issued an aggregate of 370 shares of the Company's common stock at a price of $50.00 per share to a total of two existing stockholders, each of whom resided in Australia, for receipt of an aggregate of $18,500. These securities were issued in reliance upon the exemptions provided by Regulation S promulgated pursuant to the Securities Act. The issuances involved offers and sales of securities outside the United States. The offers and sales were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf. An offering circular was used in connection with this offering.

On March 22, 2016, the Company issued an aggregate of 3,071,000 shares of the Company's Series H preferred stock to a total of 12 existing stockholders, nine of whom resided in Australia and three of whom resided in the United Kingdom, in exchange for the receipt of $1.00 per share, representing an aggregate purchase price of $3,071,000. These securities were issued in reliance upon the exemptions provided by Regulation S promulgated pursuant to the Securities Act. The issuances involved offers and sales of securities outside the United States. The offers and sales were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf. No offering circular was used in connection with this issuance. In connection with this, the Company had a subscription receivable for $2,825,000.

On March 31, 2016, Paul Mathieson, the Company's Chief Executive Officer and the sole holder of the Company's Series A preferred stock notified the Company of his intention to convert all of his Series A preferred stock into Company common stock pursuant to the terms of the Series A preferred stock. The Company issued an aggregate of 6,400,000 shares of Company common stock pursuant to the conversion notice. These securities were issued in reliance upon the exemptions provided by Regulation S promulgated pursuant to the Securities Act. The issuance involved offers and sales of securities outside the United States. The offers and sales were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf. No offering circular was used in connection with this issuance. Following the conversion, no shares of Series A preferred stock were outstanding.

On April 1, 2016, the Company effected a 1-for-100 reverse stock split of its outstanding shares of the common stock. Stockholders whose shares were converted into less than one share in the reverse stock split received cash payments equal to the fair value of those fractional interests. As a result, the Company repurchased a total of 1,793 shares of common stock from those stockholders whose shares of stock were converted into less than one share, for an aggregate purchase price of $130,769. Immediately after the reverse stock split, on April 1, 2016, the Company effected a 100-for-1 forward stock split and reduced the number of authorized shares of common stock from 3,000,000,000 to 200,000,000. The Company effected the reverse stock split followed immediately by the forward stock split in order to eliminate the administrative burden and costs associated with small stockholder accounts, and to provide stockholders with fewer than 100 shares of common stock with a cost-effective way to cash out their investments.

On April 12, 2016, the Company issued an aggregate of 2,000 shares of the Company's common stock to MZ Group for investor relations consulting services. The securities issuance was exempt from registration under the Securities Act, in reliance on the exemptions provided by Section 4(a)(2) and Section 2(a)(3), as applicable under the Securities Act.

On May 2, 2016, Company issued an aggregate of 243,967 shares of the Company's common stock at a price of $10.00 per share to a total of 98 existing stockholders, all of whom resided in Australia, for an aggregate of $2,439,673 of which $87,000 was paid for in consulting services provided to the company. The securities issuances were exempt from registration under the Securities Act, in reliance on an exemption provided by Regulation S promulgated pursuant to the Securities Act. The issuances involved offers and sales of securities outside the United States. The offers and sales were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf. An offering circular was used in connection with this offering.

On May 16, 2016, the Company filed articles of amendment (the "May 2016 Amendment") to its amended and restated articles of incorporation, as amended. The May 2016 Amendment has the effect of:

(i) Eliminating the Company's Series A preferred stock, Series F preferred stock and Series G preferred stock, and

(ii) Revising the terms of the Series H preferred stock to:

- (a) reduce the dividend rate on the Company's Series H preferred stock from 10% per annum to 8% per annum,
- (b) extend the date after which the Company may redeem the unconverted outstanding shares of Series H preferred stock from June 30, 2016 to December 31, 2016,
- (c) extend the date on which the holders of Series H preferred stock may convert their shares into shares of the Company's common stock from June 30, 2016 to December 31, 2016, and
- (d) remove the requirement to adjust the Series H preferred stock conversion ratio when the Company conducts a rights offering to its existing stockholders.

As of September 30, 2016, the aggregate number of shares which the Company had the authority to issue was 250,000,000 shares, of which 200,000,000 shares were common stock, par value $0.001 per share, and 50,000,000 shares were preferred stock, par value $0.001 per shares. At September 30, 2016, the Company had 9,672,723 shares of common stock issued and outstanding. At September 30, 2016, the Company also had 3,071,000 shares of Series H preferred stock issued and outstanding. The Board of Directors is authorized at any time, and from time to time, to provide for the issuance of preferred stock in one or more series, and to determine the designations, preferences, limitations and relative or other rights of the preferred stock or any series thereof.

The Series H preferred stock accrued dividends at the rate of 8% per annum. Each series of preferred stock ranked pari passu with each other series of preferred stock, and senior to the common stock of the Company, as to dividends, and upon liquidation, dissolution or a winding up of the Company. In the event of a liquidation or winding up of the Company, holders of the preferred stock shall be entitled to receive the stated value of $1 per share.

On September 6, 2016, the Company issued an aggregate of 5,000 shares of the Company's common stock to MZ Group for investor relations consulting services. The securities issuance was exempt from registration under the Securities Act, in reliance on the exemptions provided by Section 4(a)(2) and Section 2(a)(3), as applicable under the Securities Act.

On September 6, 2016, Company issued an aggregate of 135,751 shares of the Company's common stock at a price of $10.00 per share to a total of 84 existing stockholders, 48 of whom resided in Australia and 36 of whom resided in United States, for an aggregate of $1,357,515. The securities issuances were registered pursuant to a registration statement on Form S-1 that was declared effective by the Securities and Exchange Commission on August 8, 2016.

On August 26, 2016, the Company's board of directors and a stockholder holding a majority of the voting power of the Company's issued and outstanding shares of common stock approved the following corporate actions:

1. Effect a reverse stock split of the outstanding shares of the Company's common stock, at the ratio of 1-for-1,000 (the "Reverse Split").

2. Immediately following the completion of the Reverse Split, effect a forward stock split on a 100-for-1 share basis (the "Forward Split") and reduce the number of authorized shares of common stock from 200,000,000 to 40,000,000 (the "Authorized Share Reduction").

The Reverse Split and Forward Split were effective on October 27, 2016 when they were approved by FINRA, as required. As a result, the Company repurchased a total of 129,571 shares of common stock from those stockholders whose shares of stock were converted into less than one share, for an aggregate purchase price of $78,330. Any fractional shares held after the Forward Split were rounded up to the next whole share. As a result of the rounding up of fractional shares, the Company issued an additional 218 shares on October 27, 2016. The Company's 2015 Financial Statements have been retroactively restated to reflect this net 1-for-10 reverse split. The Company effected the reverse stock split followed immediately by the forward stock split in order to eliminate the administrative burden and costs associated with small stockholder accounts, and to provide stockholders with fewer than 1,000 shares of common stock with a cost-effective way to cash out their investments.

On December 5, 2016, the Company increased its authorized shares of common stock from 40,000,000 to 300,000,000.

On December 31, 2016, the Company issued an aggregate of 5,000 shares of the Company's common stock to Worldwide Holdings, LLC for investor relations consulting services. The securities issuance was exempt from registration under the Securities Act, in reliance on the exemptions provided by Section 4(a)(2) and Section 2(a)(3), as applicable under the Securities Act.

On December 31, 2016, pursuant to the terms of the Company's Series H preferred stock, holders of an aggregate of 246,000 Series H preferred shares exercised their rights to convert their Series H preferred shares into 49,200 shares of the Company's common stock. Also on December 31, 2016, following such conversions, the Company exercised its right to redeem all of the unconverted outstanding shares of Series H preferred stock and cancelled the 2,825,000 shares of Series H preferred stock for an aggregate amount of $2,825,000 which were subscribed to during 2016, but remained unpaid for. These securities were issued in reliance upon the exemptions provided by Regulation S promulgated pursuant to the Securities Act. The issuance involved offers and sales of securities outside the United States. The offers and sales were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf. No offering circular was used in connection with this issuance. Following the conversion, no shares of Series H preferred stock were outstanding. Following the redemption of the unconverted shares of Series H preferred stock, no shares of Series H preferred stock were outstanding.

On June 16, 2017, we closed our tender offer to purchase shares of the common stock of OneMain, pursuant to which we acquired 151,994 shares of the common stock of OneMain (valued at an aggregate of $3.55 million based on the closing price of the shares of OneMain's common stock of $23.38 on June 15, 2017) in exchange for 3,039,880 shares of the Company's common stock.

As of December 31, 2017, the aggregate number of shares which the Company had the authority to issue is 350,000,000 shares, of which 300,000,000 shares are common stock, par value $0.001 per share, and 50,000,000 shares are preferred stock, par value $0.001 per shares. At December 31, 2017, the Company had 17,463,449 shares of common stock issued and outstanding. The Company's Board of Directors is authorized at any time, and from time to time, to provide for the issuance of preferred stock in one or more series, and to determine the designations, preferences, limitations and relative or other rights of the preferred stock or any series thereof.

In January 2017, the Company's Board of Directors approved a stock repurchase program pursuant to which the Company may purchase on the open market and at prevailing prices outstanding shares of the Company's common stock with an aggregate value of up to $2,000,000. During the year ended December 31, 2017, the Company purchased an aggregate of 458,973 shares under the stock repurchase program for an aggregate purchase price of $287,404 and cancelled the 458,973 shares. On October 30, 2017, our Board of Directors authorized the extension of the stock repurchase program from December 31, 2017 to December 31, 2018 under the same terms.

Common Stock Dividends

Historically, prior to 2017, we have not paid any cash dividends on our common stock. In May 2017, we announced the declaration of a cash dividend of $0.005 per common share for the first quarter of 2017. The dividend was paid on August 21, 2017 to stockholders of record at the close of business on June 5, 2017. In August 2017, we announced the declaration of a cash dividend of $0.005 per common share for the second quarter of 2017. The dividend was paid on August 21, 2017 to stockholders of record at the close of business on August 11, 2017. In October 2017, our Board of Directors declared a cash dividend of $0.005 per common share for the third quarter of 2017 payable on November 20, 2017 to stockholders of record at the close of business on November 11, 2017. We expect to pay ongoing dividends, however we will pay annual instead of quarterly dividends going forward which will be determined and paid in November each year as the administrative and transfer agent costs and banking currency conversion fees for our predominately international shareholders results in quarterly dividend costs being prohibitive. Payment of future dividends on our common stock, if any, will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that our board of directors may deem relevant. We may determine to retain future earnings, if any, for reinvestment in the development and expansion of our business.

Series H Preferred Stock

On June 20, 2017, we filed articles of amendment (the "June 20 Amendment") to our amended and restated articles of incorporation, as amended (the "Articles") with the Florida Secretary of State. The June 20 Amendment has the effect of revising the terms of our Series H preferred stock, par value $0.001 per share (the "Series H Preferred Stock") to:

(1) remove rights to receive dividends on our Series H preferred stock;

(2) increase the conversion ratio of the Series H preferred stock from 0.2 shares of Common Stock per share of Series H preferred stock to 1 share of Common Stock per share of Series H preferred stock;

(3) remove our right to redeem or call our Series H preferred stock;

(4) provide for automatic conversion of Series H preferred stock into shares of our Common Stock on December 31, 2017; and

(5) remove the voting rights for Series H preferred stock.

In addition, on July 26, 2017, we filed additional articles of amendment (the "July 26 Amendment") to our Articles that had the effect of further revising the terms of the Series H Preferred Stock to increase the conversion ratio of the Series H Preferred Stock from one share of our common stock per share of the Series H Preferred Stock to four shares of our common stock per share of the Series H Preferred Stock, which may dilute the value of our common stock.

The June 20 Amendment and the July 26 Amendment were approved by our Board of Directors on June 19, 2017 and July 26, 2017, respectively.

As a result of the June 20 Amendment, beginning on June 20, 2017, the Series H preferred stock no longer accrued dividends.

During the year ended December 31, 2017 and year ended December 31, 2016, the Company issued 1,292,089 and 3,071,000 of Series H convertible preferred stock, respectively, with a par value of $0.001 per share. At December 31, 2017, no shares of Series H convertible preferred stock were outstanding. At December 31, 2017, 1,292,089 Series H preferred shares on issue converted into common stock.

Description of Series H Preferred Stock

Our amended and restated articles of incorporation, as amended, authorize 10,000,000 shares of Series H preferred stock, par value $0.001 per share, of which no shares are outstanding as of December 31, 2017. There are no sinking fund provisions applicable to our Series H preferred stock.

Ranking. The Series H preferred stock ranks *pari passu* with any other series of preferred stock subsequently designated by IEG Holdings and not designated as senior securities or subordinate to the Series H preferred stock.

Liquidation Preference. In the event of a liquidation or winding up of IEG Holdings, a holder of Series H preferred stock will be entitled to receive $1.00 per share of Series H preferred stock.

Dividends. The Series H Preferred Stock is not entitled to receive dividends.

Conversion. Holders of Series H preferred shares have the following rights with respect to the conversion of Series H preferred shares into shares of our common stock:

- At 5:00 pm Eastern time on December 31, 2017, each and every share of Series H Preferred Stock issued and outstanding at such time shall automatically and without further action of any holder thereof, convert into shares of the Corporation's Common Stock on the bases of four (4) shares of Common Stock for each share of Series H Preferred Stock.

- Promptly after December 31, 2017, the Corporation shall deliver to each prior holder of Series H Preferred Stock whose shares have been converted into shares of Common Stock as set forth in Section 6(A), a certificate representing the number of the Corporation's shares of Common Stock into which such Series H Preferred Stock has been converted.

- In the event that, prior to 5:00 p.m. on December 31, 2017, IEG Holdings completes any consolidation, merger, combination, statutory share exchange or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, money and/or any other property, then in any such case the Series H Preferred Stock shall at the same time be similarly exchanged or changed into preferred shares of the surviving entity providing the holders of such preferred shares with (to the extent possible) the same relative rights and preferences as the Series H Preferred Stock. For the avoidance of doubt, in the event that any such consolidation, merger, combination, statutory share exchange or other transaction is completed after 5:00 p.m. on December 31, 2017, the shares of Series H Preferred Stock shall have been converted into shares of Common Stock and as such shall be exchanged for or changed into other stock or securities, money and/or any other property, as any other shares of Common Stock.

Voting. Except as provided in the immediately following sentence, Series H Preferred Stock shall have no right to vote on any matter to come before the shareholders of IEG Holdings. The affirmative vote at a meeting duly called for such purpose or the written consent without a meeting, of the holders of not less than fifty percent (50%) of the then outstanding Series H Preferred Stock, shall be required for any change to IEG Holdings' Articles of Incorporation which would amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series H Preferred Stock.

Redemption and Call Rights. The Series H Preferred Stock have no redemption or call rights.

6. INCOME TAXES

The difference between income tax expense attributable to continuing operations and the amount of income tax expense that would result from applying domestic federal statutory rates to pre-tax income (loss) is mainly related to an increase in the valuation allowance. Valuation allowances are established, when necessary, to reduce deferred income tax assets to the amount expected to be realized. Deferred income tax assets are mainly related to net operating loss carryforwards.

Management has chosen to take a 100% valuation allowance against the deferred income tax asset until such time as management believes that its projections of future profits make the realization of the deferred income tax assets more likely than not. Significant judgment is required in the evaluation of deferred income tax benefits and differences in future results from management's estimates could result in material differences.

As of December 31, 2017, the Company has a net loss carryforward of approximately $24 million that may potentially be used to offset future Federal taxable income. This net loss carryforward will expire through 2037. In the event of statutory ownership changes, the amount of net operating loss carryforward that may be utilized in future years is subject to significant limitations.

The Company has adopted guidance issued by the FASB that clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold of more likely than not and a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the technical merits of the position and must assume that the tax position will be examined by taxing authorities. The Company's policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled $0 for the years ended December 31, 2017 and 2016. The Company files income tax returns with the Internal Revenue Service ("IRS") and the states of Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, and Virginia. All of the Company's tax filings are still subject to examination. The Company's net operating loss carryforwards are subject to IRS examination until they are fully utilized and such tax years are closed.

We utilize FASB ASC 740-10, "Income Taxes" which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns.

Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

The components of the income tax provision for fiscal year 2017 and 2016 were as follows:

	2017	2016
Current		
Federal	$ 0	$ 0
State	0	0
	0	0
Deferred		
Federal	0	0
State	0	0
	0	0
Total	$ 0	$ 0

A reconciliation of the expected income tax (benefit) computed using the federal statutory income tax rate to the Company's effective income tax rate is as follows for fiscal year 2017 and 2016:

	2017	2016
Income tax computed at federal statutory tax rate	-34.0%	-34.0%
State taxes, net	-5.5%	-
Non-deductible expenses	2.0%	5.7%
Change in Valuation allowance	37.5%	28.3%
Total	0%	0%

Significant components of the Company's deferred tax assets relate primarily to net operating loss carryforward, which has been fully reserved. Net operating loss carryforward at December 31, 2017 is approximately $24 million.

On December 22, 2017, the U.S. President signed the Tax Cuts and Jobs Act of 2017 (the "2017 Tax Act). Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 740, Income Taxes ("ASC 740") requires that the company recognize the effects of changes in tax laws or tax rates in the financial statements for the period in which such changes were enacted. Among other things, changes in tax laws or tax rates can affect the amount of taxes payable for the current period, as well as the amount and timing of deferred tax liabilities and deferred tax assets. The Company has elected to take advantage of the extended measurement period provided by SEC Staff Accounting Bulletin No. 118, and will report the effect of the changes from the 2017 Tax Act when the calculations are complete, or reasonable estimates can be determined. The Company has begun the process of analysis of the 2017 Tax Act and will recognize the effect of the changes in tax laws or rates in the period that the process has been completed.

7. CONCENTRATION OF CREDIT RISK

The Company's portfolio of finance receivables is with consumers living throughout Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin and consequently, such consumers' ability to honor their installment contracts may be affected by economic conditions in these areas.

The Company maintains cash at financial institutions which may, at times, exceed federally insured limits.

At December 31, 2017, the Company had cash and cash equivalents exceeding insured limits by $151,034.

8. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company entered into a new non-cancelable operating lease on August 1, 2017, with a term commencing on September 19, 2017 and expiring on September 30, 2020, for an office property located at 3960 Howard Hughes Parkway, Las Vegas. The Company relocated its principal offices from the property located at 6160 West Tropicana Avenue, Las Vegas office in September 2017. Monthly rental payments under the new operating lease are $5,794, and the Company is responsible for its pro rata shares of operating expenses and property taxes. In addition to the 6160 West Tropicana Avenue, Las Vegas office lease that expired on September 30, 2017, the Company previously had leases for operating facilities in Florida, Illinois and Arizona all of which terminated during 2016. Total rent expense for the year ended December 31, 2017 and 2016 was $66,331 and $178,678, respectively. The Company is responsible for certain operating expenses in connection with these leases.

Set forth below is information regarding the Company's future minimum rental payments as of December 31, 2017. Such payments relate to the Company's Las Vegas, NV lease.

12 Months Ending December 31, 2018	**12 Months Ending December 31, 2019**	**12 Months Ending December 31, 2020**	**Thereafter**	**Total**
$ 69,528	$ 69,528	$ 52,146	$ --	$ 191,202

Legal Matters

From time to time, the Company may be involved in legal proceedings in the normal course of its business. The Company incurred one-off legal settlements and related fees of $628,376 during the year ended December 31, 2017. Of this amount, $178,982 was in the form of reductions to outstanding loan principal. These settlements related to an action by the State of Virginia under the Virginia consumer lending program and a separate action by an individual customer. In addition, as part of the settlements, the annual interest rate on all loans originated in Virginia have been reduced to 12% APR. As of December 31, 2017, there are $162,995 in outstanding loans that originated in Virginia, which mature between June 2019 and February 2022. The Company is not involved in any other material legal proceedings at the present time.

Professional Consulting Contract

The Company has a professional consulting contract with Mr. Mathieson, the Company's Chief Executive Officer (our "Chief Executive Officer") and the sole member of the Board of Directors, according to which the Company paid the Chief Executive Officer $1,000,000 in cash and $0 in health insurance premiums and costs for the twelve months ended December 31, 2017. On July 1, 2017, we and our Chief Executive Officer agreed to terminate, effective July 1, 2017, the consulting contract dated January 1, 2017 between our Chief Executive Officer and the Company pursuant to which the Company was required to pay Mr. Mathieson $1.00 annually in exchange for certain consulting services. Concurrently with the termination of that consulting contract, IEC and our Chief Executive Officer entered into a new professional consulting contract, effective as of July 1, 2017 (the "Professional Consulting Contract"). Pursuant to the terms of the Professional Consulting Contract, our Chief Executive Officer agreed to provide regulatory and management consulting services as requested by the Company and/or IEC. The Professional Consulting Contract has a term of 1.5 years and renews automatically for successive one-year periods unless notice of termination is provided 30 days prior to the automatic renewal date. In exchange for the services provided to the Company and/or IEC by our Chief Executive Officer, IEC agreed to pay him $1,200,000 annually in quarterly payments of $300,000 due in advance each quarter and to provide health insurance benefits as well as a discretionary bonus to be determined by the Company's Board of Directors, which consists solely of Mr. Mathieson. There was no bonus approved or paid for the year ended December 31, 2016 and $400,000 approved and paid for the twelve months ended December 31, 2017.

Regulatory Requirements

State statutes authorizing the Company's products and services typically provide state agencies that regulate banks and financial institutions with significant regulatory powers to administer and enforce the law. Under statutory authority, state regulators have broad discretionary power and may impose new licensing requirements, interpret or enforce existing regulatory requirements in different ways, or issue new administrative rules. In addition, when the staff of state regulatory bodies change, it is possible that the interpretations of applicable laws and regulations may also change.

Net Profit Interest

The Company has a net profit interest agreement with a third party lender, under which the Company pays 20% of its subsidiary IEC SPV LLC's net profit to the lender (see note 4).

9. RELATED PARTY TRANSACTIONS

Chief Executive Officer

During the year ended December 31, 2017 and year ended December 31, 2016, the Company incurred compensation expense to our Chief Executive Officer under the Professional Consulting Contract and previously-terminated consulting contract between the Company and the Chief Executive Officer of $1,000,000. During the year ended December 31, 2017 the company paid in cash common share dividends in the amount of $103,500 to our Chief Executive Officer and preferred share dividends in the amount of $29,917 were paid in cash to our Chief Executive Officer during the year ended December 31, 2016.

Chief Operating Officer

Compensation to our Chief Operating Officer totaled $243,000 for the year ended December 31, 2017 and year ended December 31, 2016. During the year ended December 31, 2017 the company also paid in cash common share dividends in the amount of $30 to our Chief Operating Officer.

Consulting Fees

During the year ended December 31, 2017, the Company incurred consulting fees totaling $100,000 to Frank Wilkie and related entities. In addition, during the year ended December 31, 2017, the Company issued 334,589 Series H preferred shares to Frank Wilkie and related entities for $334,589, of which 75,000 shares were acquired for himself, and the remaining 259,589 shares were purchased on behalf of others, and transferred to other third parties. During the year ended December 31, 2016, the Company incurred consulting fees totaling $120,404 to Frank Wilkie. Frank Wilkie is a shareholder of IEG Holdings Corporation.

During the year ended December 31, 2017, the Company incurred consulting fees totaling $200,000, to Clem Tacca and related entities. In addition, during the year ended December 31, 2017, the Company issued 500,000 Series H preferred shares to Clem Tacca for $500,000, of which 204,000 shares were acquired for themselves and their related entities, and the remaining 296,000 shares were purchased on behalf of others, and transferred to other third parties. During the year ended December 31, 2016, the Company incurred consulting fees totaling $40,000 to Clem Tacca. Clem Tacca is a shareholder of IEG Holdings Corporation.

During the year ended December 31, 2017, the Company incurred consulting fees totaling $130,000, to Judith Willoughby and related entities. In addition, during the year ended December 31, 2017, the Company issued 100,000 Series H preferred shares to a related entity of Judith Willoughby for $100,000. During the year ended December 31, 2016, the Company incurred consulting fees totaling $50,700 to Judith Willoughby Judith Willoughby is a shareholder of IEG Holdings Corporation.

During the year ended December 31, 2017, the Company incurred consulting fees totaling $50,000, to Worldwide Holdings LLC. During the year ended December 31, 2016, the Company incurred consulting fees totaling $162,500, to Worldwide Holdings LLC. $150,000 was paid and remaining $12,500 was consideration for common shares. Worldwide Holdings LLC is a shareholder of IEG Holdings Corporation. During the year ended December 31, 2017, the Company incurred consulting fees totaling $30,000, to Sam Prasad and related entities. In addition, during the year ended December 31, 2017, the Company issued 30,000 Series H preferred shares to Sam Prasad for $30,000. Sam Prasad is a shareholder of IEG Holdings Corporation.

During the years ended December 31, 2017 and December 31, 2016, the Company incurred director fees totaling $0 and $29,800, respectively, to Matthew Banks, who is a former director of IEG Holdings Corporation.

During the years ended December 31, 2017 and December 31, 2016, the Company incurred director fees totaling $0 and $29,800, respectively to R & H Nominees Pty Ltd which is owned by Harold Hansen, who is a former director of IEG Holdings Corporation.

During the years ended December 31, 2017 and December 31, 2016, the Company incurred consulting fees totaling $0 and $82,886, respectively, to Ascendant SC Pty Ltd, which is a shareholder of IEG Holdings Corporation. $35,000 of the consulting fees incurred in 2016 were offset as consideration for Common Stock on May 2, 2016.

During the years ended December 31, 2017 and December 31, 2016, the Company incurred consulting fees totaling $0 and $218,524, respectively to three related parties. $122,000 of the consulting fees incurred during the year ended December 31, 2016 were offset as consideration for common stock subscriptions. The related parties are shareholders of IEG Holdings Corporation.

10. SUBSEQUENT EVENTS

2018 Lending Club Tender Offer

On January 5, 2018, we launched an offer to exchange 13 shares of IEG Holdings' common stock for each share of common stock of Lending Club, up to an aggregate of 20,701,999 shares of Lending Club common stock, representing approximately 4.99% of Lending Club's outstanding shares as of October 31, 2017, validly tendered and not properly withdrawn in the offer (the "2018 Lending Club Tender Offer"). On February 20, 2018, we terminated and withdrew the 2018 Lending Club Tender Offer due to a comment that we received from the SEC raising a concern that the 2018 Lending Club Tender Offer was improperly commenced. Any shares that were tendered by Lending Club stockholders were not accepted by us and were promptly returned to the relevant stockholders.

Corporate Name Change to Mr. Amazing Loans Corporation

On March 26, 2018, we filed articles of amendment (the "Amendment") to our amended and restated articles of incorporation, as amended (the "Articles") with the Florida Secretary of State. The Amendment has the effect of changing our corporate name from IEG Holdings Corporation to Mr. Amazing Loans Corporation, in order to align our consumer brand (Mr. Amazing Loans) with our corporate name. The Amendment was approved by Mr. Mathieson, our Chief Executive Officer and sole director, and by holders of a majority of the voting power of our voting stock. In connection with the approval of the Amendment by holders of a majority of the voting power of our voting stock, we filed a preliminary information statement on Schedule 14C with the SEC on March 21, 2018. The Amendment and the corporate name change will become effective on the later of (a) the date on which the Financial Industry Regulatory Authority approves the corporate name change, and (b) April 30, 2018; provided, however, that prior to effectiveness of the corporate name change, we must first (i) file a definitive information statement on Schedule 14C with the SEC, which we expect will occur on or about April 2, 2018, (ii) mail copies of the information statement to our stockholders, and (iii) wait at least 20 days from the mailing of the information statement to our stockholders.

Mathieson 2018 Consulting Contract

On March 22, 2018, we entered into a new professional consulting contract with Mr. Mathieson (the "2018 Consulting Contract") and terminated the Professional Consulting Contract dated July 1, 2017 between Mr. Mathieson and the Company. Pursuant to the terms of the 2018 Consulting Contract, Mr. Mathieson agreed to provide regulatory and management consulting services as requested by IEG Holdings and/or IEC, including the hiring and compensation of IEC personnel, interaction with third party service providers and vendors and, as requested by IEG Holdings, other activities that are designed to assist IEC in conducting business. The term of the 2018 Consulting Contract begins as of July 1, 2018 continues indefinitely unless three months' written notice of termination is provided by either party.

Exhibit 3.17

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
IEG Holdings Corporation

Pursuant to Section 607.1006 of the Florida Business Corporation Act, IEG HOLDINGS CORPORATION, a Florida corporation (the "Corporation"), hereby amends its amended and restated articles of incorporation, as amended ("Articles"), as follows:

1. "Article I – NAME" is hereby replaced in its entirety to read as follows:

   "Article I – NAME

   The name of the corporation is Mr. Amazing Loans Corporation (the "Corporation")

2. This amendment of the Articles of Incorporation has been duly adopted by the written consent of the Corporation's sole director as of March 21, 2018 in accordance with the provisions of Section 607.0821 of the Florida Business Corporation Act, and has been duly approved by the shareholders of the Corporation on March 21, 2018, and the number of votes cast for the amendment by the shareholders was sufficient for approval.

3. The foregoing amendment of the Articles of Incorporation shall become effective on the later of (a) the date on which Financial Industry Regulatory Authority approves the Corporation's name change to Mr. Amazing Loans Corporation (the "Name Change"), and (c) April 30, 2018.

IN WITNESS WHEREOF, the undersigned has caused these Articles of Amendment to Articles of Incorporation to be signed on the date indicated below.

IEG HOLDINGS CORPORATION

By: ______________________________
Paul Mathieson
Chief Executive Officer

Date: March _____, 2018

Exhibit 21.1

IEG Holdings Corporation

Subsidiaries

Name	Jurisdiction of Incorporation
Investment Evolution Corporation	Delaware
IEC SPV, LLC	Delaware
MRAL Blockchain, LLC	Nevada

Exhibit 31.1

CERTIFICATIONS

I, Paul Mathieson, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended December 31, 2017 of IEG Holdings 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(s) 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(s) 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: March 29, 2018

/s/ Paul Mathieson
Paul Mathieson
President, Chief Executive Officer and Chief Financial Officer
(principal executive officer and principal financial officer)

Exhibit 32.1

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 on Form 10-K of IEG Holdings Corporation (the "Company") for the fiscal year ended December 31, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Paul Mathieson, President, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my 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 result of operations of the Company.

Date: March 29, 2018

/s/ Paul Mathieson

Paul Mathieson, President, Chief Executive Officer and Chief Financial Officer
(principal executive officer and principal financial officer)

This certification accompanies this Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.