IEG HOLDINGS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014 and 2013

Rose, Snyder & Jacobs LLP
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of IEG Holdings Corporation and Subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards established by the Public Company Accounting Oversight Board (United States). 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of IEG Holdings Corporation and Subsidiaries as of December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred recurring operating losses and negative cash flows from operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters also are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Rose, Snyder & Jacobs LLP

Rose, Snyder & Jacobs LLP

Encino, California

March 25, 2015

15821 Ventura Boulevard, Suite 490, Encino, California 91436
Phone: (818) 461-0600 • Fax: (818) 461-0610

IEG HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND DECEMBER 31, 2013

ASSETS

	December 31, 2014	December 31, 2013
CURRENT ASSETS		
Cash and cash equivalents	$ 433,712	$ 281,879
Loans receivable - current, net, note 2	567,164	64,719
Other receivables	25,882	-
TOTAL CURRENT ASSETS	1,026,758	346,598
PROPERTY AND EQUIPMENT, net, note 3	36,100	43,349
LOANS RECEIVABLE - LONG TERM, net, note 2	3,749,152	361,394
OTHER ASSETS		
Security deposits	39,329	39,329
Loan costs, net	77,781	131,470
TOTAL OTHER ASSETS	117,110	170,799
TOTAL ASSETS	$ 4,929,120	$ 922,140

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 172,139	$ 323,978
Deferred rent	28,429	48,844
CEO accrued wages, note 10	106,588	-
Working capital loans, note 5	-	140,000
Current portion of senior debt, note 4	-	114,562
TOTAL CURRENT LIABILITIES	307,156	627,384
LONG-TERM LIABILITIES		
Senior debt, note 4	2,230,000	385,438
Deposit on preferred shares	-	1,910,774
TOTAL LIABILITIES	2,537,156	2,923,596
COMMITMENTS AND CONTINGENCIES, note 9		
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.001 par value; 50,000,000 shares authorized, 2,400,000 shares issued and outstanding, note 6	2,400	-
Common stock, $0.001 par value; 2,500,000,000 shares authorized, 2,158,110,323 and 956,722,830 shares issued and outstanding at December 31, 2014 and 2013 respectively, note 6	2,158,111	956,723
Additional paid-in capital	14,914,705	6,323,319
Accumulated deficit	(14,683,252)	(9,281,498)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	2,391,964	(2,001,456)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 4,929,120	$ 922,140

IEG HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
REVENUES		
Interest revenue	$ 521,018	$ 56,585
Other revenue	8,207	6,364
TOTAL REVENUES	529,225	62,949
OPERATING EXPENSES		
Salaries and wages	1,889,136	1,345,243
Other operating expenses	1,074,409	513,197
Consulting	871,228	422,771
Provision for credit losses	614,684	63,573
Advertising	290,315	77,380
Rent	250,744	290,985
Travel, meals and entertainment	376,101	95,505
Depreciation and amortization	15,054	36,885
Start up costs, note 10	-	1,500,000
TOTAL OPERATING EXPENSES	5,381,671	4,345,539
LOSS FROM OPERATIONS	(4,852,446)	(4,282,590)
OTHER INCOME (EXPENSE)		
Miscellaneous Income	8,949	510
Interest expense	(558,257)	(195,895)
TOTAL OTHER INCOME (EXPENSE)	(549,308)	(195,385)
NET LOSS	$ (5,401,754)	$ (4,477,975)
Net loss per share, basic and diluted	$ (0.00)	$ (0.01)
Weighted average number of shares, basic and diluted	1,334,514,156	618,849,992

IEG HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Common Stock		Preferred Stock															
			Series A		Series B		Series C		Series D		Series E		Series F		Additional	Subscription	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Receivable	Deficit	Total
Balance, January 1, 2013	272,447,137	$ 272,447	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ 3,464,161	$ -	$ (4,803,523)	$ (1,066,915)
Shares issued for pre-merger shares of shell	7,484,650	7,485	-	-	-	-	-	-	-	-	-	-	-	-	(7,485)	-	-	-
Issuance of shares at $0.02 and $0.03	12,491,916	12,492	-	-	-	-	-	-	-	-	-	-	-	-	287,265	-	-	299,757
Issuance of shares at $0.005	664,299,127	664,299	-	-	-	-	-	-	-	-	-	-	-	-	2,579,378	-		3,243,677
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,477,975)	(4,477,975)
Balance, December 31, 2013	956,722,830	956,723	-	-	-	-	-	-	-	-	-	-	-	-	6,323,319	-	(9,281,498)	(2,001,456)
Issuance of shares at $0.005	611,991,383	611,991													2,447,966	-	-	3,059,957
Issuance of shares at $0.01, $0.015 and $0.02	303,884,449	303,885													2,791,833	-	-	3,095,718
Issuance of Preferred Shares	-	-	1,000,000	1,000	-	-	-	-	-	-	-	-	-	-	999,000	-	-	1,000,000
Issuance of Preferred Shares	-	-	-	-	410,000	410	-	-	-	-	-	-	-	-	409,590	-	-	410,000
Issuance of Preferred Shares	-	-	-	-	-	-	400,025	400	-	-	-	-	-	-	399,625	-	-	400,025
Issuance of Preferred Shares	-	-	-	-	-	-	-	-	173,000	173					172,827	-	-	173,000
Issuance of Preferred Shares	-	-	-	-	-	-	-	-	-	-	461,000	461	-	-	460,539	-	-	461,000
Issuance of Preferred Shares	-	-	-	-	-	-	-	-	-	-	-	-	1,400,000	1,400	1,398,600	-	-	1,400,000
Conversion of Preferred Shares to Common Shares	285,511,661	285,512	-	-	(410,000)	(410)	(400,025)	(400)	(173,000)	(173)	(461,000)	(461)	-	-	(284,068)	-	-	-
Preferred Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(204,526)	-	-	(204,526)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,401,754)	(5,401,754)
Balance, December 31, 2014	2,158,110,323	$ 2,158,111	1,000,000	$ 1,000	-	$ -	-	$ -	-	$ -	-	$ -	1,400,000	$ 1,400	$ 14,914,705	$ -	$ (14,683,252)	$ 2,391,964

See the accompanying notes to consolidated financial statements.

IEG HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	December 31, 2014	December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,401,754)	$ (4,477,975)
Adjustments to reconcile net loss		
to net cash used in operating activities:		
Provision for credit losses	614,684	63,462
Depreciation and amortization	15,054	36,885
Amortization of loan costs	53,689	48,281
Changes in assets - (increase) decrease:		
Other receivables	(25,882)	-
Deposits	-	(4,875)
Loan costs	-	(15,450)
Changes in liabilities - increase (decrease):		
Accounts payable and accrued expenses	554,867	373,964
Deferred salary	907,598	952,903
Deferred rent	(20,415)	-
Payable for Rights Sales Agreement	-	1,500,000
NET CASH USED IN OPERATING ACTIVITIES	(3,302,159)	(1,522,805)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans receivable originated	(4,781,022)	(403,000)
Loans receivable repaid	276,077	43,911
Purchases of property and equipment	(9,009)	-
Advances to officer	-	(267,832)
Advances to IEG Holdings Limited ACN 131 987 838	-	(966,620)
NET CASH USED IN INVESTING ACTIVITIES	(4,513,954)	(1,593,541)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	1,730,000	250,000
Proceeds from short-term loan	669,980	500,000
Payments on short-term loan	(419,980)	(360,000)
Proceeds from issuance of common stock	4,267,949	1,892,861
Deposits on preferred stock	1,834,112	936,763
Preferred dividends paid	(114,115)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	7,967,946	3,219,624
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	151,833	103,278
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	281,879	178,601
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 433,712	$ 281,879
Supplemental disclosures:		
Interest paid in cash	$ 477,157	$ 94,125
Income taxes paid in cash	$ -	$ -
Deposit on preferred stock in lieu of accrued compensation	$ 85,989	$ 914,011
Issuance of common stock in lieu of payment of deferred salary	$ 1,000,000	$ 1,172,823
Issuance of common stock in lieu of payment of dividend on preferred shares	$ 90,411	$ -

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The principal business activity of the Company is providing unsecured consumer loans ranging from $5,000 - $10,000 over a five year term. The loans are offered under the consumer brand "Mr. Amazing Loans". The Company is headquartered in Las Vegas, Nevada and originates consumer loans in the states of Arizona, Florida, Georgia, Illinois, Missouri, Nevada, New Jersey, Oregon, Pennsylvania, Texas, Utah, and Virginia via its online platform and distribution network. The Company is a licensed direct lender with state licenses and/or certificates of authority to lend in these 12 states and offers all loans within the prevailing statutory rates.

Organization and Basis of Accounting

Investment Evolution Global Corporation ("IEGC") was incorporated in the state of Delaware on February 20, 2008. On March 14, 2013, IEGC consummated a reverse merger transaction with IEG Holdings Corporation ("IEG Holdings") (f/k/a Ideal Accents, Inc.). As a result of the reverse merger, the shareholders of IEGC received 90,815.71 shares of common stock in IEG Holdings for each share of IEGC, so that they own approximately 99.1% of the issued and outstanding common shares of IEG Holdings immediately after the transaction. For accounting purposes, the reverse merger has been treated as an acquisition of IEG Holdings by IEGC (the accounting acquirer) and a recapitalization of IEGC. Immediately prior to the reverse merger, IEG Holdings effected a 1-for-6 reverse stock split. The stockholders' equity has been restated to retroactively reflect the number of shares of IEGC, using the capital structure of IEG Holdings and to present the accumulated deficit of IEGC as of the date of the merger.

These consolidated financial statements include the operations of IEG Holdings Corporation and its wholly-owned subsidiaries Investment Evolution Global Corporation, 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.

Going Concern

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has reported recurring losses and has not generated positive net cash flows from operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management intends to raise capital funding sufficient to continue operations through January 2017 via a public offering of equity consisting of common stock and/or preferred stock. This additional working capital will enable the Company to increase loan volume utilizing its existing $10 million credit facility. If the Company is not successful in raising sufficient capital, it may have to delay or reduce expenses, or curtail operations. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that could result should the Company not continue as a going concern.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans Receivable and Interest Income

The Company is licensed to originate consumer loans in the states of Arizona, Florida, Georgia, Illinois, Missouri, Nevada, New Jersey, Oregon, Pennsylvania, Texas, Utah, and Virginia. During fiscal 2014 and 2013, the Company originated $2,000, $3,000, $5,000 and $10,000 loans with terms ranging from three to five years, and in 2014 streamlined its product offering to $5,000 and $10,000 loans over a five year term. 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 60 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, 2014, 49 loans with a total balance of $200,596 were delinquent.

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 and industry index. 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 factors, including the customer's transaction history, specifically the timeliness of customer payments, the remaining contractual term of the loan, and the outstanding balance of the loan.

Impaired Loans

The Company assesses loans for impairment individually when a loan is 90 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 uncollectable due to consumer specific circumstances.

The Company does not accrue interest on impaired loans and any recoveries of impaired loans are recorded to the allowance for credit losses. 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	3-5 years
Furniture and fixtures	8 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Leases

The Company's office leases typically have a lease term of three to five years and contain lessee renewal options and cancellation clauses in the event of regulatory changes.

Loan Costs

Loan costs consist of the cost of acquiring the $3 million credit facility and the cost of increasing the facility from $3 million to $10 million, including broker success fees and legal fees. These costs are amortized over four years, the period of the credit facility. Accumulated amortization of loan costs amounted to $127,704 and $74,105 at December 31, 2014 and 2013, respectively.

Income Taxes

We account for income taxes using the liability method in accordance with 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 $290,315 and $77,380 at December 31, 2014 and 2013, 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) 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.

Reclassifications

Certain numbers from 2013 have been reclassified to conform with 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 generally accepted accounting principles, 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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

At December 31, 2014 and 2013, the only financial instruments that are subject to these classifications are cash and cash equivalents, which are considered Level I assets.

Carrying amounts reported in the consolidated balance sheets for 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.

2. LOANS RECEIVABLE

Loans receivable consisted of the following at December 31:

	2014	2013
Loans receivable	$ 4,913,279	$ 487,432
Allowance for credit losses	(596,963)	(61,319)
Loans receivable, net	4,316,316	426,113
Loan receivables, current	567,164	64,719
Loan receivables, non current	$ 3,749,152	$ 361,394

A reconciliation of the allowance for credit losses consist of the following at December 31:

	2014	2013
Beginning balance	$ 61,319	$ 17,777
Provision for credit losses	614,684	63,492
Loans charged off	(79,040)	(19,950)
Ending balance	$ 596,963	$ 61,319
Basis of Assessment:		
Individually	$ -	$ -
Collectively	$ 596,963	$ 61,319

2. LOANS RECEIVABLE (Continued)

The following is an age analysis of past due receivables as of December 31, 2014 and 2013:

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Financing Receivables	Recorded Investment > 90 Days and Accruing
2014	$ 65,684	$ 76,198	$ 124,397	$ 266,279	$ 4,647,000	$ 4,913,279	$ 124,397
2013	$ 17,760	$ 7,056	$ 4,469	$ 29,285	$ 458,147	$ 487,432	$ 4,469

The Company's primary credit quality indicator is the customer's Vantage 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, 2014 and 2013 by credit quality indicator:

Credit Score	**2014**	**2013**
Below 550	$ -	$ -
551-600	299,040	3,948
601-650	2,180,507	157,886
651-700	1,737,587	192,561
701-750	558,305	108,630
751-800	113,581	14,859
801-850	24,259	9,549
	$ 4,913,279	$ 487,432

3. PROPERTY AND EQUIPMENT

At December 31, 2014 and 2013, property and equipment consists of the following:

	2014	2013
Computer equipment	$ 120,513	$ 120,513
Furniture and fixtures	22,323	13,314
Leasehold improvements	55,102	57,980
	197,938	191,807
Less accumulated depreciation and amortization	161,838	148,458
Total	$ 36,100	$ 43,349

Depreciation of property and equipment amounted to $15,054 and $36,885 during the years ended December 31, 2014 and 2013, respectively, are included in the accompanying statements of operations in operating expenses.

4. LONG TERM DEBT

The Company has a credit facility that provides for borrowings of up to $10 million with $2,230,000 and $500,000 outstanding at December 31, 2014, and December 31, 2013, respectively, subject to a borrowing base formula. The Company may borrow, at its option, at the rate of 18% with a minimum advance of $25,000. As of December 31, 2014 the Company's effective interest rate was 18% and the unused amount available under the credit line was $7.77 million. Proceeds from this credit facility are used to fund loans to consumers. The credit facility revolving period, during which interest only payments are due, was extended to June 2016 under an amendment to the loan agreement. Upon conversion to a term loan, monthly principal and interest payments equal to 100% of the consumer loan proceeds will be due. This note matures on June 1, 2016.

Substantially all of the Company's assets are pledged as collateral for borrowings under the revolving credit agreement.

Future minimum payments on the credit facility at December 31, 2014 are as follows:

Years ending December 31	
2015	-
2016	2,230,000
	$ 2,230,000

5. WORKING CAPITAL LOANS

On March 19, 2013, the Company secured a $220,000 working capital loan to expand from Clem Tacca. The Company repaid $264,000 to Clem Tacca on June 10, 2013 which comprised full repayment of $220,000 loan principal and a $44,000 facility fee recorded as interest expense.

On September 6, 2013, the Company secured a $180,000 working capital loan from Clem Tacca. The Company repaid $90,000 on November 6, 2013, $50,000 on December 16, 2013, and $62,000 on March 31, 2014 which comprised full repayment of $180,000 loan principal advanced and a $22,000 facility fee recorded as interest expense.

On October 15, 2013, the Company secured a $100,000 loan from Domenic Tacca Pty Ltd. The company repaid $132,500 on May 1, 2014 which comprised full repayment of $100,000 loan principal advanced and a $32,500 facility fee recorded as interest expense.

On January 29 2014, the Company received $60,000 of a $265,000 loan from Willoughby Family Trust, an investor in the Company. The Company received an additional $140,000 on February 11 and an additional $65,000 on March 10, 2014. The Company repaid $110,000 in cash on June 30, 2014, and $200,000 was an offset of balance due for subscription receivable, which comprised full repayment of $265,000 loan principal and a $45,000 facility fee recorded as interest expense.

On February 26, 2014, the Company received $85,000 of a working capital loan of up to $245,000 from Dr. L. Prasad, an investor in the Company. The Company received an additional $25,000 on March 27, 2014, repaid $25,000 on April 2, 2014 and received an additional $30,000 on April 22, 2014. The Company repaid $139,500 on May 1, 2014 which comprised full repayment of $115,000 outstanding loan principal and a $24,500 facility fee recorded as interest expense.

On July 13, 2014, the Company secured a $100,000 working capital loan to expand from Dr. L Prasad, an investor in the Company. The Company repaid $115,000 on September 30, 2014 which comprised full repayment of $100,000 loan principal and a $15,000 facility fee recorded as interest expense.

5. WORKING CAPITAL LOANS (Continued)

On July 14, 2014, the Company secured a $90,000 working capital loan to expand from Willoughby Family Trust, an investor in the Company. The Company repaid $9,000 cash on September 8, 2014, and $90,000 was an offset of balance due for subscription receivable, which comprised full repayment of $90,000 loan principal and a $9,000 facility fee recorded as interest expense.

On July 28, 2014, the Company secured a $100,000 working capital loan to expand from Domenic Tacca, an investor in the Company. The Company repaid $115,000 on September 30, 2014 which comprised full repayment of $100,000 loan principal and a $15,000 facility fee recorded as interest expense.

The effective interest rate on these notes is 43.7% and 35.6% for the years ended December 31, 2014 and 2013 respectively.

6. STOCKHOLDERS' EQUITY

The aggregate number of shares which the Company has the authority to issue is 2,550,000,000 shares, of which 2,500,000,000 shares are common stock, par value $0.001 per share, and 50,000,000 shares are preferred stock , par value $0.001 per shares. 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 stockholders' equity has been restated to retroactively reflect the number of shares of Investment Evolution Global Corporation, using the capital structure of IEG Holdings Corporation and to present the accumulated deficit of Investment Evolution Global Corporation as of the date of the merger.

During the years ended December 31, 2014, and 2013 the Company issued 915,875,832 shares at a price of $0.005, $0.01, $0.015, and $0.02 per share and 676,791,043 shares at a price of $0.005, $0.02 and $0.03 per share, respectively, in accordance with rights offerings to existing stockholders of the Company.

On March 31, 2014 the Board of Directors resolved to increase the authorized number of common stock from 1,000,000,000 to 2,500,000,000. In addition, the Board of Directors authorized to issue Series A, B, C and D of Preferred Stock, par value $0.001 per share.

On March 31, 2014 the Company issued 1,983,025 shares of convertible preferred stock ("Preferred Stock"), which is allocated as follows:
Series A: 1,000,000 shares, Series B: 410,000 shares, Series C: 400,025 shares and Series D: 173,000 shares. 1,000,000 shares of Series A Preferred Stock were issued to the Company's President and Chief Executive Officer, Mr. Paul Mathieson, in consideration for $1,000,000 owed to him.

On November 19, 2014 the Company issued 1,861,000 shares of Preferred Stock, which is allocated as follows:
Series E: 461,000 shares and Series F: 1,400,000 shares.

On December 31, all holders of Series B, Series C, Series D, and Series E Preferred Stock elected to convert their shares to Common Stock, which was distributed as follows:
Series B: 410,000 shares of preferred stock converted to 164,000,000 shares of common stock
Series C: 400,025 shares of preferred stock converted to 80,005,000 shares of common stock
Series D: 173,000 shares of preferred stock converted to 23,066,661 shares of common stock
Series E: 461,000 shares of preferred stock converted to 18,440,000 shares of common stock.

The Preferred Stock accrues dividends at the rate of 12% per annum paid monthly. Each series of preferred stock ranks 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 Corporation, holders of the Preferred Stock shall be entitled to receive the Stated Value of $1 per share.

6. STOCKHOLDERS' EQUITY (Continued)

Series A Preferred Stock
During the years ended December 31, 2014 and 2013, the Company issued 1,000,000 and 0 shares of Series A convertible preferred stock, respectively, with a par value of $0.001 per share. Each share is convertible into 400 shares of common stock at the option of the holder any time after December 31, 2014. The holder of the shares is also entitled to vote at a ratio of 1001 votes for each share of preferred stock.

Series B Preferred Stock
During the years ended December 31, 2014 and 2013, the Company issued 410,000 and 0 shares of Series B convertible preferred stock, respectively, with a par value of $0.001 per share. Each share was converted into 400 shares of common stock at the option of the holder on December 31, 2014, for a total issuance of 164,000,000 shares on December 31, 2014.

Series C Preferred Stock
During the years ended December 31, 2014 and 2013, the Company issued 400,025 and 0 shares of Series C convertible preferred stock, respectively, with a par value of $0.001 per share. Each share was converted into 200 shares of common stock at the option of the holder on December 31, 2014, for a total issuance of 80,005,000 shares on December 31, 2014.

Series D Preferred Stock
During the years ended December 31, 2014 and 2013, the Company issued 173,000 and 0 shares of Series D convertible preferred stock, respectively, with a par value of $0.001 per share. Each share was converted into 133.3333 shares of common stock at the option of the holder on December 31, 2014, for a total issuance of 23,066,661 shares on December 31, 2014.

Series E Preferred Stock
During the years ended December 31, 2014 and 2013, the Company issued 461,000 and 0 shares of Series E convertible preferred stock, respectively, with a par value of $0.001 per share. Each share was converted into 40 shares of common stock at the option of the holder on December 31, 2014, for a total issuance of 18,440,000 shares on December 31, 2014.

Series F Preferred Stock
During the years ended December 31, 2014 and 2013, the Company issued 1,400,000 and 0 shares of Series F convertible preferred stock, respectively, with a par value of $0.001 per share. Each share is convertible into 33.3333 shares of common stock at the option of the holder on December 31, 2015. The holder of the shares is also entitled to vote at a ratio of 33.3333 votes for each share of preferred stock. Any time after December 31, 2015, the Company also has the right to redeem the shares at a redemption value of $1 per share.

7. 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, 2014, the Company is in the process of determining the exact amount of loss carryforwards that may potentially be used to offset future Federal taxable income, which will expire through 2034. 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.

7. INCOME TAXES (Continued)

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, 2014 and 2013. The Company files income tax returns with the Internal Revenue Service ("IRS") and the states of Arizona, Florida, Georgia, Illinois, Missouri, Nevada, New Jersey, 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 2014 and 2013 were as follows:

	2014	2013
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 2014 and 2013:

	2014	2013
Income tax computed at federal statutory tax rate	-34.0%	-34.0%
Non-deductible expenses	0.6	11.4
Change in Valuation allowance	33.4	22.6
Total	0%	0%

7. INCOME TAXES (Continued)

Significant components of the Company's deferred tax assets and liabilities for income taxes for the fiscal years ended December 31, 2014 and 2013 are as follows:

	2014	2013
Deferred tax assets		
Provision for credit losses	$200,000	$20,000
Deferred rent	10,000	16,000
Deferred expenses	600,000	600,000
Net Operating loss carryforwards	3,450,000	1,850,000
Total deferred tax assets	4,260,000	2,486,000
Less: Valuation allowance	(4,260,000)	(2,486,000)
Net deferred tax assets	$ 0	$ 0

8. CONCENTRATION OF CREDIT RISK

The Company's portfolio of finance receivables is with consumers living throughout Arizona, Florida, Georgia, Illinois, Missouri, Nevada, New Jersey, Oregon, Pennsylvania, Texas, Utah, and Virginia 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.

9. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases its operating facilities under non-cancelable operating leases that expire through August 2016. Total rent expense for the years ended December 31, 2014 and 2013 was $250,744 and $290,985, respectively. The Company is responsible for certain operating expenses in connection with these leases. The following is a schedule, by year, of future minimum rental payments required under non-cancelable operating leases in excess of one year as of December 31, 2014:

Years ending December 31,	
2015	$ 171,767
2016	$ 83,755

The Chicago, Phoenix and West Palm Beach offices were vacated in 2013 after obtaining special approval from the Illinois, Arizona and Florida Commissioners to operate the state licenses without having a physical office location in each state. The Company subleased the Chicago office in September 2014 and is currently looking to sublease the remaining two unused offices which could reduce future required rental payments.

Legal Matters

From time to time, the Company may get involved in legal proceedings in the normal course of its business. The Company is not involved in any legal proceedings at the present time.

Professional Employment Contract

The Company has a professional employment contract with its Chief Executive Officer ("CEO"), according to which, the Company paid $300,000 salary plus health insurance and $1,000,000 bonus for year ended December 31, 2014. Commencing January 1, 2015 the Company is obligated to pay its CEO $1,000,000 salary annually plus health insurance, with a discretionary bonus to be determined by the IEG Holdings Corporation Board on December 31, 2015.

9. COMMITMENTS AND CONTINGENCIES (Continued)

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.

10. RELATED PARTY TRANSACTIONS

Chief Executive Officer

Compensation to our Chief Executive Officer under the Professional Employment Agreement totaled $1,300,000 for the year ended December 31, 2014. $1,000,000 was offset against common stock subscription and $85,989 was offset against preferred stock subscription. The balance of deferred salary amounted to $106,588 at December 31, 2014.

Compensation to our Chief Executive Officer under the Professional Employment Agreement totaled $1,000,000 for the year ended December 31, 2013. $1,000,000 was offset against common stock subscription, and $1,086,834 of deferred salary from prior periods was offset against common stock subscription and deposits on preferred shares.

Consulting Fees

During the years ended December 31, 2014 and December 31, 2013, the Company paid consulting fees totaling $29,538 and $17,524, respectively, to Gilmour & Company Pty Ltd. Gilmour & Company Pty Ltd is owned by Ian Gilmour, a director of IEG Holdings Corporation.

During the years ended December 31, 2014 and December 31, 2013, the Company paid consulting fees totaling $20,000 and $1,839, respectively, to Comms Watch Pty Ltd. Comms Watch Pty Ltd is owned by Damien Mathieson, the brother of our Chief Executive Officer.

During the years ended December 31, 2014 and December 31, 2013, the Company paid consulting fees totaling $321,951 and $335,000, respectively, to Clem Tacca and related entities. Clem Tacca is a shareholder of IEG Holdings Corporation.

During the years ended December 31, 2014 and December 31, 2013, the Company paid consulting fees totaling $150,473 and $35,258, respectively to Frank Wilkie and related entities. Frank Wilkie is a shareholder of IEG Holdings Corporation.

Rights Sale Agreement

Effective June 30, 2013, the Company entered into a Rights Sales Agreement, under which the Company acquired the Australian rights to conduct business throughout Australia, from IEG Holdings Limited ACN 131 987 838, its parent (until its shares were distributed to the ultimate shareholders of IEG Holdings Limited ACN 131 987 838).

The purchase price for the Rights Sales Agreement was $1,500,000 which was paid as follows:

Paid through advances to (payments to third parties made on behalf of) IEG Holdings Limited ACN 131 987 838	$ 1,074,937
Offset by amounts owed from Company shareholders who are also creditors of IEG Holdings Limited ACN 131 987 838	$ 425,063

The cost of the Rights Sales Agreement was recorded as start-up cost in the statements of operations in accordance with ASC 720-15-25.

11. REVERSE MERGER

On January 28, 2013 the Investment Evolution Global Corporation ("IEGC") entered into a stock exchange agreement (the "Stock Exchange Agreement") among IEGC, its sole shareholder IEG Holdings Limited, an Australian company ("IEG") and IEG Holdings Corporation (f/k/a Ideal Accents, Inc.), a Florida corporation ("IEG Holdings"). Under the terms of the Stock Exchange Agreement, IEG Holdings agreed to acquire a 100% interest in the Company for 272,447,137 shares of IEG Holdings' common stock after giving effect to a 1 for 6 reverse stock split. On February 14, 2013 IEG Holdings filed the Amended Articles with the Secretary of State of Florida changing its name from Ideal Accents, Inc. to IEG Holdings Corporation, increasing the number of shares of its authorized common stock to 1,000,000,000, $.001 par value, creation of 50,000,000 shares of "blank-check" preferred stock and effectuating a 1 for 6 reverse stock split of its issued and outstanding common stock (the "Reverse Stock Split") pursuant to the terms of the Stock Exchange Agreement. FINRA approved the IEG Holdings Amended Articles on March 11, 2013.

On March 13, 2013 IEG Holdings completed the acquisition of IEGC under the terms of the Stock Exchange Agreement and issued to IEG 272,447,137 shares of IEG Holdings common stock after giving effect to the Reverse Stock Split whereby IEG Holdings acquired a 100% interest in the Company. As a result of the ownership interests of IEG in IEG Holdings and its former ownership interest in the Company, for financial statement reporting purposes, the acquisition of the Company by IEG Holdings has been treated as a reverse acquisition with IEGC being the accounting acquirer.

12. SUBSEQUENT EVENTS

Investment Evolution Canada, LLC
On January 2, 2015 the Company formed Investment Evolution Canada, LLC, a 100% owned subsidiary of Investment Evolution Global Corporation which will be used for planned future Canadian operations.