IEG HOLDINGS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of IEG Holdings Corporation

We have audited the accompanying consolidated financial statements of IEG Holdings Corporation and subsidiaries (collectively the "Company") which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board (United States) and in accordance with auditing standards of 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of IEG Holdings Corporation and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-matter Regarding Going Concern

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 consolidated financial statements, the Company has incurred significant operating losses and negative cash flow from operations since inception. These conditions raise substantial doubt about its 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. Our opinion is not modified with respect to that matter.

Rose, Snyder & Jacobs LLP

Rose, Snyder & Jacobs LLP

Encino, California
April 11, 2014

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IEG HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2013 AND DECEMBER 31, 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	$ 281,879	$ 178,601
Loans receivable - current, net, note 2	64,719	18,482
Advances to officer, note 8	-	203,119
TOTAL CURRENT ASSETS	346,598	400,202
PROPERTY AND EQUIPMENT, net, note 3	43,349	80,235
LOANS RECEIVABLE - LONG TERM, net, note 2	361,394	112,004
OTHER ASSETS		
Security deposits	39,329	34,454
Loan costs, net	131,470	164,301
TOTAL OTHER ASSETS	170,799	198,755
TOTAL ASSETS	$ 922,140	$ 791,196

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	2013	2012
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 323,978	$ 157,504
Deferred salary, note 8	-	1,401,763
Deferred rent	48,844	48,844
Working capital loans, note 5	140,000	-
Current portion of senior debt, note 4	114,562	-
TOTAL CURRENT LIABILITIES	627,384	1,608,111
LONG-TERM LIABILITIES		
Senior debt, note 4	385,438	250,000
Deposit on preferred stock to be issued	1,910,774	-
TOTAL LIABILITIES	2,923,596	1,858,111
COMMITMENTS AND CONTINGENCIES, note 10		
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.001 par value; 50,000,000 shares authorized, no shares issued and outstanding, note 6	-	-
Common stock, $0.001 par value; 1,000,000,000 shares authorized, 956,722,830 and 272,447,137 shares issued and outstanding, note 6	956,723	272,447
Additional paid-in capital	6,323,319	3,464,161
Accumulated deficit	(9,281,498)	(4,803,523)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(2,001,456)	(1,066,915)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 922,140	$ 791,196

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, 2013 AND 2012

	2013	2012
REVENUES		
Interest revenue	$ 56,585	$ 28,950
Other revenue	6,364	8,829
TOTAL REVENUES	62,949	37,779
OPERATING EXPENSES		
Salaries and wages	1,345,243	1,680,264
Consulting fees	462,771	64,923
Rent	290,985	215,856
General and administrative	277,165	114,455
Utilites	129,225	76,202
Professional fees	100,924	21,687
Travel and marketing	79,964	127,906
Provision for credit losses	63,492	20,340
Depreciation and amortization	36,885	81,664
Insurance	24,823	51,364
Office and miscellaneous	15,350	17,790
Licenses and taxes	13,066	11,542
Repairs	5,646	10,327
Start up costs, note 8	1,500,000	-
TOTAL OPERATING EXPENSES	4,345,539	2,494,321
LOSS FROM OPERATIONS	(4,282,590)	(2,456,542)
OTHER INCOME (EXPENSE)		
Miscellaneous income	510	129
Interest expense	(195,895)	(51,109)
TOTAL OTHER INCOME (EXPENSE)	(195,385)	(50,980)
NET LOSS	$ (4,477,975)	$ (2,507,522)
Net loss per share, basic and diluted	$ (0.01)	$ (0.01)
Weighted average number of shares, basic and diluted	618,849,992	272,447,137

See report of independent registered public accounting firm
and notes to consolidated financial statements.

IEG HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-in Capital	Deficit	Total
Balance, January 1, 2012	272,447,137	$ 272,447	$ 1,720,746	$ (2,296,001)	$ (302,808)
Capital contributions from parent	-	-	1,743,415	-	1,743,415
Net loss	-	-	-	(2,507,522)	(2,507,522)
Balance, December 31, 2012	272,447,137	272,447	3,464,161	(4,803,523)	(1,066,915)
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
Shares issued for pre-merger shares of shell	7,484,650	7,485	(7,485)	-	-
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)

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, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (4,477,975)	$ (2,507,522)
Adjustments to reconcile net loss		
to net cash used in operating activities:		
Provision for credit losses	63,462	20,340
Depreciation and amortization	36,885	81,664
Amortization of loan costs	48,281	25,734
Changes in assets - (increase) decrease:		
Deposits	(4,875)	1,473
Loan Costs	(15,450)	(20,000)
Changes in liabilities - increase (decrease):		
Accounts payable and accrued expenses	373,964	(12,833)
Deferred salary	952,903	803,847
Deferred rent	-	15,984
Charge for Rights Sales Agreement	1,500,000	-
NET CASH USED IN OPERATING ACTIVITIES	(1,522,805)	(1,591,313)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans receivable originated	(403,000)	(126,000)
Loans receivable repaid	43,911	25,384
Purchases of property and equipment	-	(12,982)
Advance to officer	(267,832)	(203,119)
Advances to IEG Holdings Limited ACN 131 987 838	(966,620)	-
NET CASH USED IN INVESTING ACTIVITIES	(1,593,541)	(316,717)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	250,000	199,965
Proceeds from short-term loans	500,000	-
Payments on short-term loans	(360,000)	-
Deposit on preferred shares to be issued	936,763	-
Proceeds from issuance of common stock	1,892,861	-
Capital contributions	-	1,743,415
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,219,624	1,943,380
NET INCREASE IN CASH AND CASH EQUIVALENTS	103,278	35,350
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	178,601	143,251
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 281,879	$ 178,601
Supplemental disclosures:		
Interest paid in cash	$ 94,125	$ 21,525
Income taxes paid in cash	$ -	$ -
Deposit on preferred shares in lieu of deferred salary	$ 914,011	$ -
Issurance of common stock in lieu of payment of defered salary	$ 1,172,823	$ -

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 consumer loans ranging from $2,000 - $10,000 under the consumer brand "Mr. Amazing Loans". The Company is headquartered in Las Vegas, Nevada and originates direct consumer loans in the states of Nevada, Florida, Illinois and Arizona via its online platform and distribution network. The Company is a fully licensed consumer installment loan provider in the four states in which it operates 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 financial statements have 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, IEC SPV, LLC, and Investment Evolution Australia Corporation (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 2015 via a public offering of equity and unsecured notes. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Loans Receivable and Interest Income

The Company is licensed to originate consumer loans in the states of Nevada, Florida, Illinois and Arizona. During fiscal 2013 and 2012, the Company originated $2,000, $3,000, $5,000 and $10,000 loans with terms ranging from three to five years. 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. Application fees are insignificant.

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. 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, 2013, three loans with a total balance of $11,526 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.

Impaired Loans

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.

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)

Property and Equipment (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 statements 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 $74,015 and $25,734 at December 31, 2013 and 2012, 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 and are included in general administrative expenses. Advertising costs amounted to $77,380 and $63,030 at December 31, 2013 and 2012, respectively.

Earnings and loss per Share

The Company computes net earnings (loss) per share in accordance with ASC 260-10. Basic earnings (loss) per share is 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. The number of shares have been restated retroactively to reflect the number of shares using the capital structure of IEG Holdings.

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)

Fair Value of Financial Instruments (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, 2013 and 2012, 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 advances to officer, and 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:

	2013	2012
Loans receivable	$ 487,432	$ 148,263
Allowance for credit losses	(61,319)	(17,777)
Loans receivable, net	426,113	130,486
Loan receivables, current	64,719	18,482
Loan receivables, non current	$ 361,394	$ 112,004

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

	2013	2012
Beginning balance	$ 17,777	$ 6,840
Provision for credit losses	63,492	20,340
Loans charged off	(19,950)	(9,403)
Ending balance	$ 61,319	$ 17,777

3. PROPERTY AND EQUIPMENT

At December 31, 2013 and 2012, property and equipment consists of the following:

	2013	2012
Computer equipment	$ 120,513	$ 120,513
Furniture and fixtures	13,314	13,314
Leasehold improvements	57,980	57,980
	191,807	191,807
Less accumulated depreciation and amortization	148,458	111,572
Total	$ 43,349	$ 80,235

Depreciation of property and equipment amounted to $36,885 and $81,664 during the years ended December 31, 2013 and 2012, 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 $500,000 outstanding at December 31, 2013, 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, 2013 the Company's effective interest rate was 18% and the unused amount available under the credit line was $9.5 million. Proceeds from this credit facility are used to fund loans to consumers. The credit facility features a 24 month revolving period commencing July 1, 2012 during which interest only payments are due. Commencing July 1, 2014, the facility converts to a term loan with monthly interest and principal payments, and a maturity date of June 1, 2016. The payment amounts are equal to 100% of the consumer loan proceeds.

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, 2013 are as follows:

Years ending December 31, 2013	
2014	$ 114,562
2015	245,326
2016	140,112
	$ 500,000

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 an additional $180,000 working capital loan from Clem Tacca. The Company repaid $90,000 on November 6, 2013 and $50,000 on December 16, 2013. As at December 31, 2013, a balance of $40,000 remains outstanding. This amount is due March 31, 2014, at which time the facility fee of $22,000 is also due.

On October 15, 2013, the Company secured a $100,000 loan from Domenic Tacca Pty Ltd. The balance of $100,000 remains outstanding at year end. This amount is due April 14, 2014. Facility fee totaling $30,000 will also be paid in 2014.

The effective interest rate on these notes is 35.6% for the year ended December 31, 2013.

6. STOCKHOLDERS' EQUITY

The aggregate number of shares which the Company has the authority to issue is 1,050,000,000 shares, of which 1,000,000,000 shares are common stock, par value $0.001 per share, and 50,000,000 shares are preferred stock, par value $0.001 per share. 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 year ended December 31, 2013, the Company issued 12,491,916 shares at a price of $0.02 and $0.03 per share, and 664,299,127 shares at $0.005 per share in accordance with a rights offering to the pre-merger existing stockholders of the Company.

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, 2013, the Company is in the process of determining the amount of loss carryforwards that may potentially be used to offset future Federal taxable income, which will expire through 2033. In the event of statutory ownership changes, the amount of net operating loss carryforwards 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, 2013 and 2012. The Company files income tax returns with the Internal Revenue Service ("IRS") and the states of Nevada, Florida, Illinois and Arizona. 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.

8. RELATED PARTY TRANSACTIONS

At December 31, 2013 the Company no longer had advances due from its Chief Executive Officer, which aggregated $203,119 at December 31, 2012. At December 31, 2013, the Company also no longer had deferred salary owed to its Chief Executive Officer, which aggregated $1,401,763 at December 31 2012. The deferred salary, net of the advances were treated as consideration for shares of common stock issued, and deposit on preferred stock to be issued.

Rights Sales 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 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 costs in the statements of operations in accordance with ASC 720-15-25.

9. CONCENTRATION OF CREDIT RISK

The Company's portfolio of finance receivables is with consumers living throughout Nevada, Florida, Arizona and Illinois 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.

10. 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, 2013 and 2012 was $290,985 and $207,856, 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, 2013:

Years ending December 31,		
2014	$	180,556
2015	$	169,067
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 is currently looking to sublease these properties which would reduce future required rental payments. The Company is now able to fully service all four states using its online platform and distribution network and operates solely out of its centralized Las Vegas operational headquarters.

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.

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.

11. REVERSE MERGER

On January 25, 2013, 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.

11. REVERSE MERGER (Continued)

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 merger with a public shell, with the Company being the accounting acquirer.

12. SUBSEQUENT EVENTS

On March 31, 2014 the Company issued 1,983,025 of preferred shares at a price of $1 per share with an annual dividend payable of 12%.

The Company has evaluated events occurring after the date of the accompanying balance sheet through April 11, 2014, the date the consolidated financial statements were available to be issued.