

ATTRACTING THE NEXT GENERATION OF BORROWERS

80 MILLION
AMERICANS

1981 BORN BETWEEN 2005
MILLENNIALS

BY THE MILLIONS

MILLENNIALS 80

BABY BOOMERS 77

BABY BOOMERS

WERE THE PREVIOUS MOST SOUGHT AFTER CONSUMER FOR THE PAST 3-4 DECADES



THE OLDEST
MILLENNIAL
WILL TURN

36
THIS YEAR

THEY WILL START TO HIT
PEAK EARNING YEARS IN

2020

IT IS NOT TOO EARLY TO START MARKETING

MILLENNIALS
WILL CONTROL

\$7 TRILLION

IN LIQUID ASSETS
BY 2020

AND ACCOUNT FOR

46%

OF US EARNINGS
BY 2025

LARGEST
GENERATION
EVER

Sources: First Data

WHAT IS OVERLOOKED?



MILLENNIALS
ARE SET TO INHERIT OVER

\$30 TRILLION

OVER THE NEXT 30-40 YEARS

RE-URBANIZATION

MILLENNIALS
ARE MOVING BACK TO
URBAN AREAS



OPPORTUNITY FOR SOME BRANDS
BUT SHIFT IN MORTGAGE DEMAND



HIGHLY EDUCATED

IN 2016

46% & 36%

WOMEN & MEN

HAD A COLLEGE EDUCATION

25% HIGHER THAN THE
PREVIOUS GENERATION

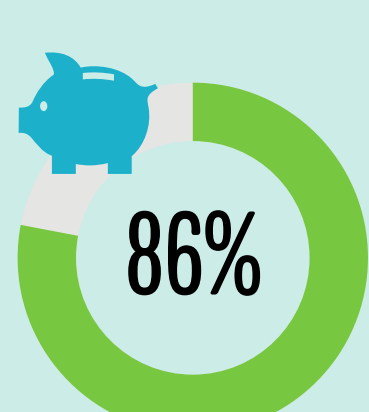
Sources: Accenture, NPR, Pew Research

MILLENNIALS ATTITUDES TOWARDS MONEY

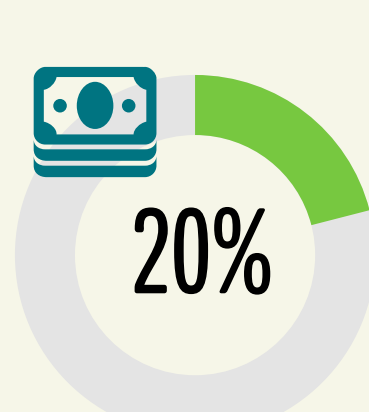
Sometimes referred to as the "Underbanked Generation", millennials may bank differently but they still save money. They are also often criticized for how they spend, yet they are just now starting families and thinking about the future.



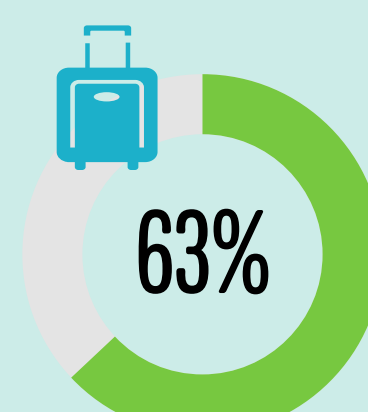
HAVE NEVER WRITTEN A
PHYSICAL CHECK
TO PAY A BILL



PUT MONEY INTO
SAVINGS
EACH MONTH



HAVE A 401K, YET
80% BELIEVE
SAVING MONEY
IS IMPORTANT



ARE SAVING MORE FOR
LIFESTYLE
EXPERIENCES,
NOT RETIREMENT

Sources: First Data, Facebook Insights

WHERE DO THEY BANK?

68%
NATIONAL
BANK

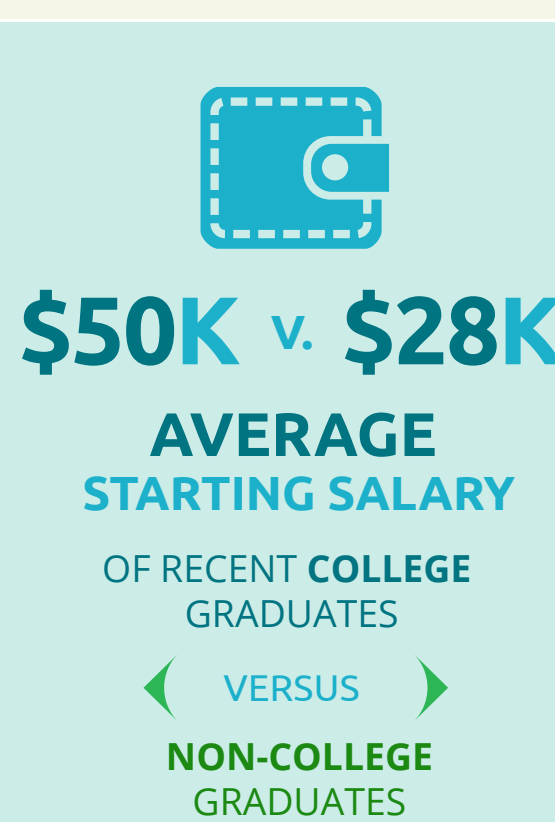
9%
REGIONAL
BANK

15%
CREDIT
UNION

Sources: MX

MILLENNIALS IN THE WORKFORCE

Misconceptions of this generation have led to a negative impression regarding employment and education. The numbers would say otherwise and underwritten correctly, millennials are a good credit risk.

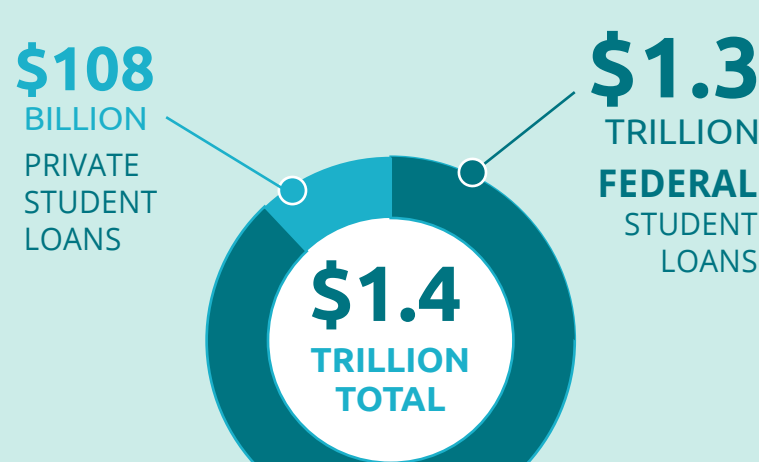


Sources: Pew Social Trends, Korn Ferry

STUDENT LENDING

Student lending is the bridge to building relationships with this generation and becoming their trusted partner as they continue on their credit journey.

STUDENT LOAN BALANCES



Because these loans are underwritten by banks and credit unions they represent a very strong performing asset on the balance sheet with:

PRIVATE STUDENT LOANS

6.8%¹

GROSS YIELD

750

WA FICO

94%

COSIGNED

STUDENT LOAN REFINANCING

5.8%¹

GROSS YIELD

758

WA FICO

47%

COSIGNED

Sources: Federal Reserve of New York, Student Loan Hero

¹ Indicative of LendKey client portfolio to-date

**IN-SCHOOL
PRIVATE
STUDENT LOANS**

The average cost of higher-education continues to outpace inflation, creating a funding gap for families trying to attend school.

\$10
BILLION
OPPORTUNITY

EACH YEAR, MORE THAN

ONE MILLION
STUDENTS

RELY ON

**PRIVATE
STUDENT
LOANS**

90%+
COSIGNED



OVER 90% OF THESE

LOANS COSIGNED BY

**A PARENT OR
CLOSE RELATIVE**

40%
RETURNING
BORROWER
RATE

40% OF PRIVATE

STUDENT

LOANS

COME FROM

**SERIALIZED
(RETURNING)
BORROWERS**

**IN-SCHOOL
REFINANCING &
CONSOLIDATION**

As the cost to attend school has increased, each year a new group of graduates are candidates to refinance and consolidate their student loans.

\$200
BILLION
OPPORTUNITY

THE OPPORTUNITY

CONTINUES TO

GROW

FOR LENDERS TO

HELP A GENERATION

FACED WITH

HIGHER COSTS

TO ATTEND SCHOOL

\$37,172
AVERAGE
DEBT



THE CLASS OF 2016

CARRIED AN AVERAGE

DEBT OF **\$37,172**,

MOSTLY FINANCED

AT **HIGHER**

RATES THAN WHAT

IS AVAILABLE TODAY

2.2%
AVERAGE
RATE
DROP

BORROWERS WHO

HAVE REFINANCED

THEIR STUDENT

LOANS HAVE SAVED

2.2%

OVER THEIR

PREVIOUS RATES