

P2P Lending Business Model Evolution

Pure P2P

2007-2014

- * Individual investors
- * Retail focus
- * True marketplace
- * Manual selection

Hybrid Model

2014-2018

- * Institutional + retail
- * Auto-invest
- * Whole loan sales
- * Securitization

Bank/Balance Sheet

2018+

- * Bank charter
- * Deposit funding
- * Hold loans on B/S
- * Full banking services



TIME / MATURITY

Drivers of Evolution

- * Regulatory pressure for capital/licensing
- * Lower cost of capital (deposits vs marketplace)
- * Need for stable funding sources
- * Unit economics favor scale and bank model