

Peer-To-Peer (P2P) Lending: A New Way To Borrow Money

Empowering Individuals Through Direct and Accessible Financial Support.

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Presentation Agenda

- Introduction to Peer-to-Peer.
- How Does P2P Lending Work?
- Features of Peer-to-Peer Platforms.
- Top Peer-to-Peer Platforms in India.
- Analysis of the Platforms.
- Industry Outlook & Growth Factor.
- Risk Factors & Challenges.
- Conclusion.



Introduction to Peer-to-Peer.

- A financial transaction in which individuals or businesses lend money to each other directly, without the involvement of a financial institution.
- P2P lending works as the much-needed mechanism through which people who want to give loans connect with those who require money.
- The borrowers pay interest, and the investors/lenders earn interest.



How Does P2P Lending Work?

- P2P lending is done through a website that connects borrowers and lenders directly.
- Those who want to lend money, open an account with a P2P platform as a lender.
- And those who require a loan register themselves as a borrower.
- To make sure that the platforms don't do anything fishy or fraudulent, like holding on to money invested by the lenders or money paid back by borrowers, RBI regulates these platforms.

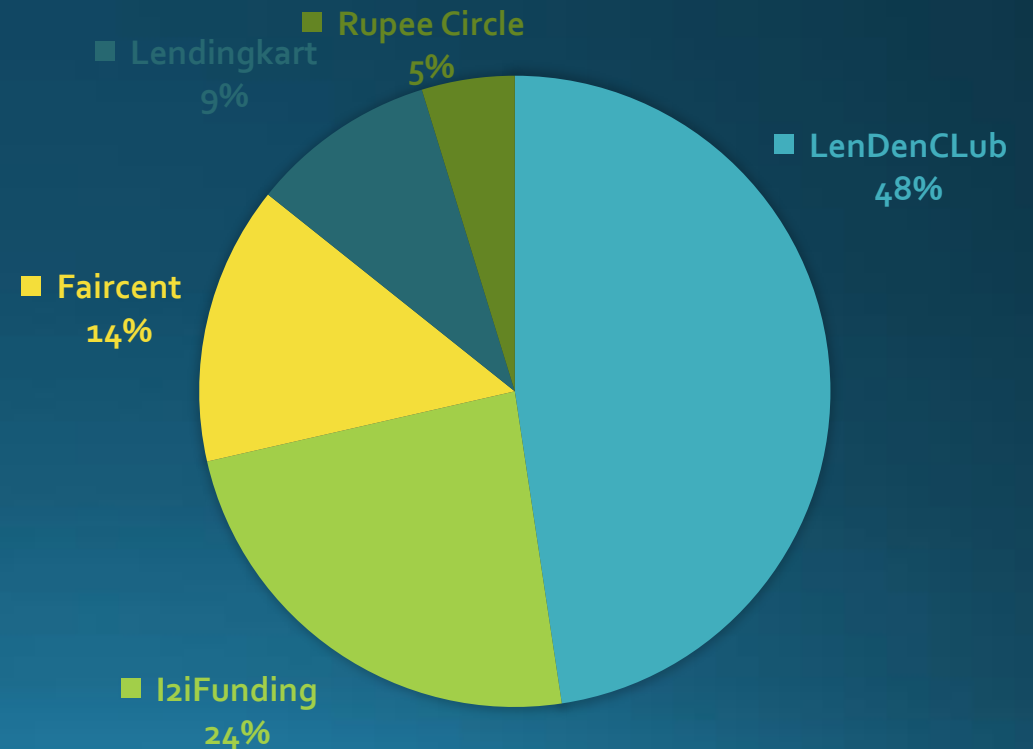
Features of Peer-to-Peer Platforms.

- Loan diversification: This allows lenders to invest in multiple loans, which can help to reduce their risk.
- Automated investing: This allows lenders to invest in loans automatically, based on their investment criteria.
- Peer-to-peer lending marketplace: This allows borrowers and lenders to interact directly with each other.
- Loan analytics: This provides borrowers and lenders with data and insights about the P2P lending market.
- Social lending: This allows borrowers and lenders to connect with each other and build relationships.

Top P2P Platforms in India.

- Over the last year, peer-to-peer lending has seen a large number of new entrants in the market
- Here are some of the most popular P2P lending platforms based on their market share and popularity:

1. LenDenClub
2. IziFunding
3. Faircent
4. Lendingkart
5. Rupee Circle



Analysis of the Platforms.

Platform	Total loan amount disbursed	Number of loans disbursed	Average interest rate	Average loan term	Default rate
LenDenClub	10,000 cr.	100,000 loans	10%	3 years	2%
IziFunding	5,000 cr.	50,000 loans	9%	2 years	3%
Faircent	3,000 cr.	30,000 loans	8%	1 year	4%
Lendingkart	2,000 cr.	20,000 loans	7%	6 months	5%
Rupee Circle	1,000 cr.	10,000 loans	6%	3 months	6%

Industry Outlook & Growth Factors

- According to Precedence Research, the global P2P lending market size is projected to reach US\$ 705.81 billion by 2030, growing at a CAGR of 25.2% during the forecast period.
- There are several factors driving the growth of the P2P lending industry. These include:
 - The rise of digital lending platforms
 - The increasing demand for alternative lending options
 - The growing popularity of crowd funding.

Risk Factors & Challenges.

- Despite the growth potential of the P2P lending industry, there are also some challenges that the industry will need to address.
- These factors can impact both lenders (investors) and borrowers, as well as the overall stability and growth of the industry
- These challenges include:
 - The risk of fraud.
 - The lack of regulation.
 - The lack of transparency.

Conclusion

- The P2P lending industry is still in its early stages, but it has the potential to revolutionize the way people borrow and lend money.
- The industry is expected to continue growing in the coming years, and it will be interesting to see how it evolves.
- Overall, the P2P lending industry is a promising new sector of the financial industry.
- However, it is important to be aware of the risks involved before investing or borrowing money through a P2P platform.

THANK YOU