



P2P & Online Lending Global Market Overview

PETER RENTON

Founder | Lend Academy

Co-founder | LendIt Conference



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Real Returns by Investing in Real People

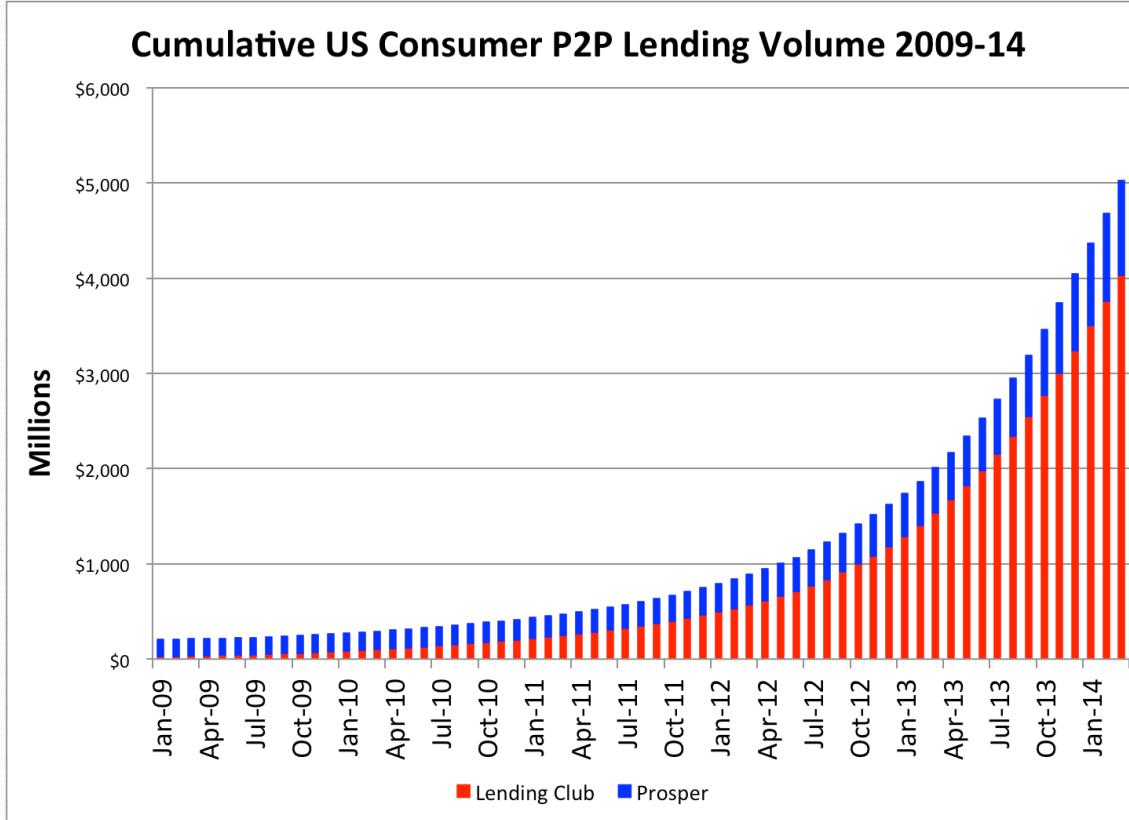


Major Milestones of the Past Year

- Eaglewood Capital/Lending Club securitization
- Funding Circle Endurance Lending Network
- CommonBond raises \$100 million
- Prosper gets BlackRock as equity and platform investor
- Banks partner with both Lending Club and Prosper
- SoFi completes first rated securitization
- Lending Club expands into small business loans
- Lending Club acquisition of Springstone Financial



Dramatic Growth



SOURCE: Lend Academy

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State of the Industry in USA in 2014

 **LendingClub**

PROSPER®

 **DARIC**

 **CircleBackLending**

 **peerform**

 **Upstart**

Borrowers **First™**

freedomplus 

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Estimated Loan Volumes 2014

- Lending Club: \$4.7 billion
- Prosper: \$1.3 billion
- Others < \$250m total
- 2015?





Small Business Lending is Booming



Funding Circle



CAN CAPITAL

Biz2Credit®

LendingClub

Dealstruck

IOU Central
an IOU Financial Company

Kabbage®

MERCHANT
CASH & CAPITAL

quarterspot

SWIFT CAPITAL

Raiseworks

OnDeck>

FUNDATION

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Small Business Lending is Booming

Long term loans (3-5 years) – just getting started

Shorter term loans – already in the billions

- CAN Capital – Market leader
- OnDeck – Announced OnDeck 24
- Alternative data sources
- New ways of underwriting
- Movement towards marketplace lending
- Many different business models



Student Loans

CommonBond



PAVE

 Upstart

 Prodigy
Finance

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- \$1 Trillion market
- Focused on building community
- Lower yield for investors
- Securitization

Using student loans as a launchpad

- SoFi
- Upstart



Real Estate

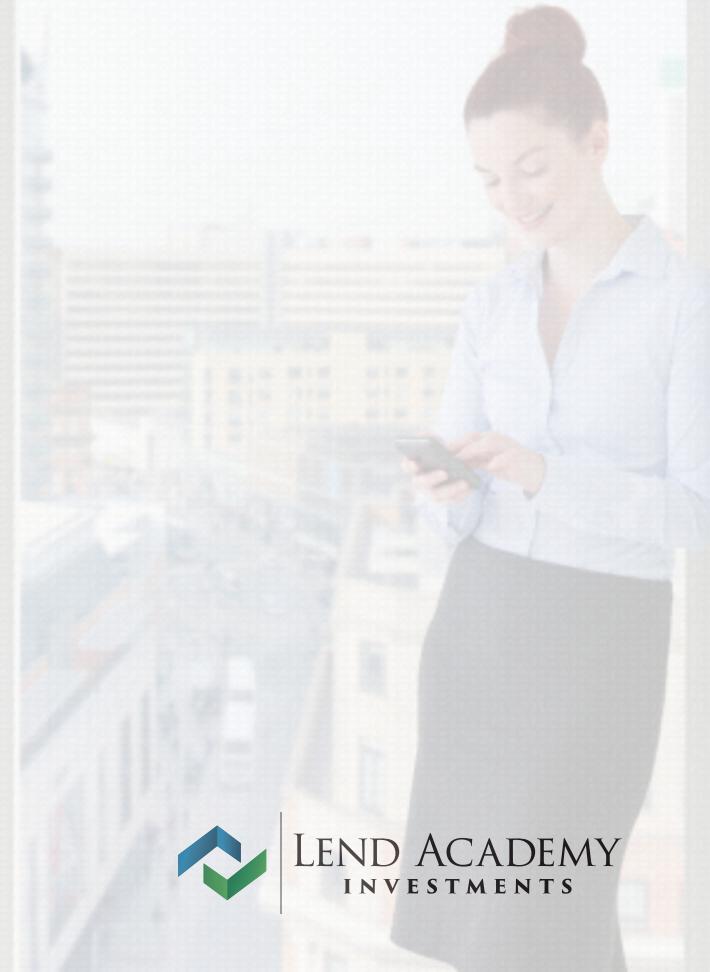


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- Largest market opportunity: \$13 trillion
- Tiny industry now, but could be bigger than consumer lending
- Easy to understand
- Secured loans (debt and equity)
- Move from REITs to online lenders
- Crowdfunding a project
- Vanity projects - Hard Rock Hotel, office building
- Invest in flips with none of the work





UK has A Dynamic Market



FOLK 2 FOLK

Lend^{uparrow}invest®

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UK has A Dynamic Market

Still dominated by the big three

- Zopa, Ratesetter, Funding Circle

Now, nearly 30 platforms

<http://www.p2pmoney.co.uk/companies.htm>

New players making a splash

- LendInvest
- Assetz Capital
- Savings model: Lend to save
- Robust secondary markets



Europe



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CreditEase

- Largest p2p platform in the world, \$9.6 billion originated
- Huge offline sales force for borrower acquisition

China Rapid Finance

- Huge established credit card business
- \$250 million issued

Lufax

- Grew from \$24M in 2012 to \$528M in 2013
- All loans are guaranteed for investors

Dianrong

- Started by Lending Club co-founder Soul Htite



Rest of the World



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Expanding into New Areas

- Auto loans
- Equipment finance
- Mining Projects
- Medical loans
- Solar Energy



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Industry is booming

- Over 100 platforms attending LendIt

Huge investor demand

Companies expanding across borders

- Funding Circle in UK/US
- Ratesetter in UK/Australia
- Lendico operating in Europe/South Africa

Banks are becoming more involved

- Barclays/Rainfin
- Westpac/SocietyOne



Securitization

- Eaglewood, SoFi, Insikt, OnDeck

Expanding beyond Prime borrowers

- Lending Club Policy Code 2/Banco Santander
- BorrowersFirst, Peerform down to 600 FICO
- Freedom Financial

Building out the online lending ecosystem

- Orchard/Notex360/NickelSteamroller
- P2P-Picks/LendingRobot/PeerCube/PeerTrader & others
- Big Data



Refocusing on the individual investor

- Recent changes at Lending Club, Prosper

Growth by acquisition: taking over traditional lending

- Lending Club to Springstone – *the first of many*

The Lending Club IPO

Refocusing on borrowers

- Creating new borrower channels



The Development of this Asset Class

- Consumer Lending
- Small business
- Student loans
- Real Estate
- Single products to multiple products
- Multiple products to wealth management
- Investors are ready





We are just getting started!