



Team: **ProLending**

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PROLENDING

P2P PLATFORM



Outline

- Introduction
- Problem
- Solution
- Market
- Product/Service
- Traction
- Team
- Competition
- Financial
- Amount being raised



Introduction

- Peer to peer lending continues to expand alongside small businesses.
- Our company ProLending is an easy-to-use peer to peer platform offering competitive rates and a wider range of loan options for small businesses.
- Specializing in loans we have observed and analyzed competitors to identify potential issues in this market.
- Offering loans as low as \$1,000, we include a population which is not typically targeted, while keeping our rates on par with our competition.
- ProLending appeals to all populations including:
 1. Pharma
 2. Finances
 3. Energy and Technology

Problem

- MSME's (Micro, Small, Medium Enterprises) and SME's (Small/Medium Enterprises) have limited access to loans through traditional sources (Tambunan et al, 2021).
- The reasons for the lack of accessibility are due to the following:
 1. SME's and MSME's do not own enough collateral assets required for loans.
 2. High-interest rates hinder the advancement and growth of SME's.
 3. Credit Constraints on SME's and MSME's (do not have established credit/credit score is too low).
 4. Large Banks and Credit Unions take potential growth and longevity into account harshly (either denying the loan or having high-interest rates) (Tambunan et al, 2021).
- Research by Ward (2020) identifies and confirms the reasons listed above.

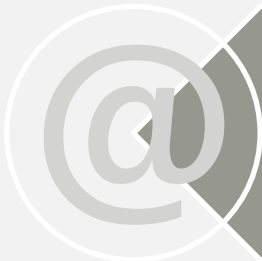
Additional Information on the Problem



Big Banks approved only 13.6% of small business loan applications in August of 2020 (Ward, 2020).



In addition, small banks are fared slightly better with approval rates at 18.5% in August of 2020 (Ward, 2020). (These numbers can be slightly skewed due to the Coronavirus pandemic).



Upon further research big banks in 2021 only had an approval rate of 27.7% and Credit Unions approved loans for SME's and MSME's at a rate of 39.9% (Shepard, 2020).

Examples of Successful peer to peer lending companies

- Currently, alternative lenders have a loan acceptance rate of 55%.
- According to the United States Bureau of Labor (2016) SME's have a failure rate of up to 50% within the first five years of establishment.
- The primary reason is the lack of capital and funding provided by banks.
- However, the BLS (2016) states new business establishments make an important contribution to the economy.
- Examples of successful peer to peer lending platforms:

1. Funding Circle

2. Kabbage

3. OnDeck

(Bethel, Figat, Murry (2022))

Solution

- ProLending is a peer-to-peer lending platform that offers lower rates and is geared towards a more inclusive approach.
- According to Haughn (2022), the average loan approved for alternative lending platforms is \$5,000 to \$200,000.
- Our platform's goal is to build strong relationships with our product users by offering loans from \$1,000 to \$250,000 for MSME's and SME's (loan increases will be considered as our company starts to stabilize and grow).
- In addition, our platform will provide higher acceptance rates on par with other alternative lending competitors.



Market

- Our P2P lending platform specifically targets SME's and MSME's .
- ProLending works with these enterprises to provide an efficient and easy-to-use platform for necessary loans.
- Involved industries include Finance, Healthcare, pharma, energy, and technology.
- MSME's and SME's according to Mohsin (2022) and the Small Business Administration (SBA, 2021) are defined as firms that have fewer than 500 employees.
- In the United States according to Mohsin (2022) and the SBA (2021) SME's account for 99.9% of all businesses.
- Formal SME's contribute up to 40% of national income (GDP) in emerging economies (The World Bank).
- Tambunan et al (2021) cited research conducted by Claessans et al in 2018.
- Stated was in the People's Republic of China (PRC) and the United States (US), new fintech credit in the amounts of \$100 billion and \$34 billion (in US dollars) were issued.

Product/Service



ProLending

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While more difficult to obtain than from other sources, it is possible to get a business loan or line of credit for your startup via your bank, credit union, the SBA, or an alternative (non-bank) lender.

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Often, the easiest source of startup business loans is via a nonprofit. These institutions seek to strengthen communities by helping local businesses, and are often able to offer loans with relatively inexpensive rates and fees.

Traction

ProLending is committed to providing extraordinary customer service by making our customers' satisfaction the top priority.

ProLending is also dedicated to delivering loan solutions that support you in Opening Doors to Business startups or owning a business.

ProLending is committed to taking a leadership role in the lending community, by supporting loan programs that benefit us and contribute towards helping people finance their business ownership dreams.

Growth

Finance Of America Companies In...



NYSE - NYSE Delayed Price. Currency in USD

3.6500 +0.1100 (+3.11%)

At close: February 18 04:00PM EST

3.6500 0.00 (0.00%)

After hours: Feb 18, 04:02PM EST

Technical Events

All 11 Events

Short Term

Bullish



Mid Term

Bearish



Long Term

Neutral



SupportResistance

0

0

Stop loss

3.16

Indicators Comparison Events Date Range 1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max Interval 1D Line Draw

FOA 3.3300

Open 3.3000
High 3.3890
Low 3.2600
Close 3.3300
Volume 121.20k
% Change -37.76%

yahoo!finance

3.6500

3.5000

3.3300

3.0000

257.10K

0

VISITOR TREND



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2/14/2022

Earnings

Finance Of America Companies Inc. (FOA)

NYSE - NYSE Delayed Price. Currency in USD

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👤 Visitors trend 2W ↓ 10W ↑ 9M ↑

3.6500 **+0.1100 (+3.11%)** **3.6500** **0.00 (0.00%)**

At close: February 18 04:00PM EST

After hours: Feb 18, 04:02PM EST

[Summary](#) [Company Outlook](#) [Chart](#) [Conversations](#) [Statistics](#) [Historical Data](#) [Profile](#) [Financials](#) [Analysis](#) [Options](#)

Currency in USD

Earnings Estimate	Current Qtr. (Dec 2021)	Next Qtr. (Mar 2022)	Current Year (2021)	Next Year (2022)
No. of Analysts	4	4	1	4
Avg. Estimate	0.3	0.29	1.04	1.3
Low Estimate	0.22	0.24	1.04	1.21
High Estimate	0.33	0.32	1.04	1.4
Year Ago EPS	N/A	0.63	N/A	1.04

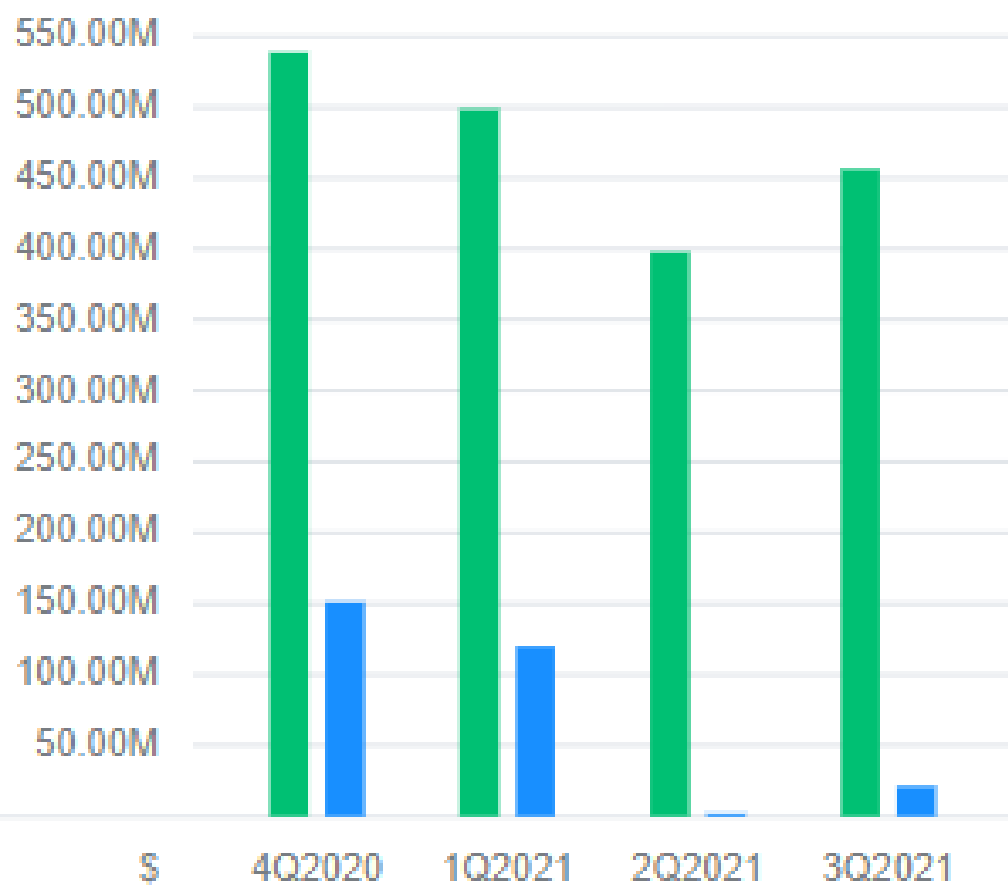
Revenue

Revenue Estimate	Current Qtr. (Dec 2021)	Next Qtr. (Mar 2022)	Current Year (2021)	Next Year (2022)
No. of Analysts	3	3	4	4
Avg. Estimate	443.89M	420.75M	1.81B	1.77B
Low Estimate	423.4M	411.38M	1.78B	1.7B
High Estimate	478.72M	426.2M	1.84B	1.86B
Year Ago Sales	N/A	498.8M	N/A	1.81B
Sales Growth (year/est)	N/A	-15.60%	N/A	-1.80%

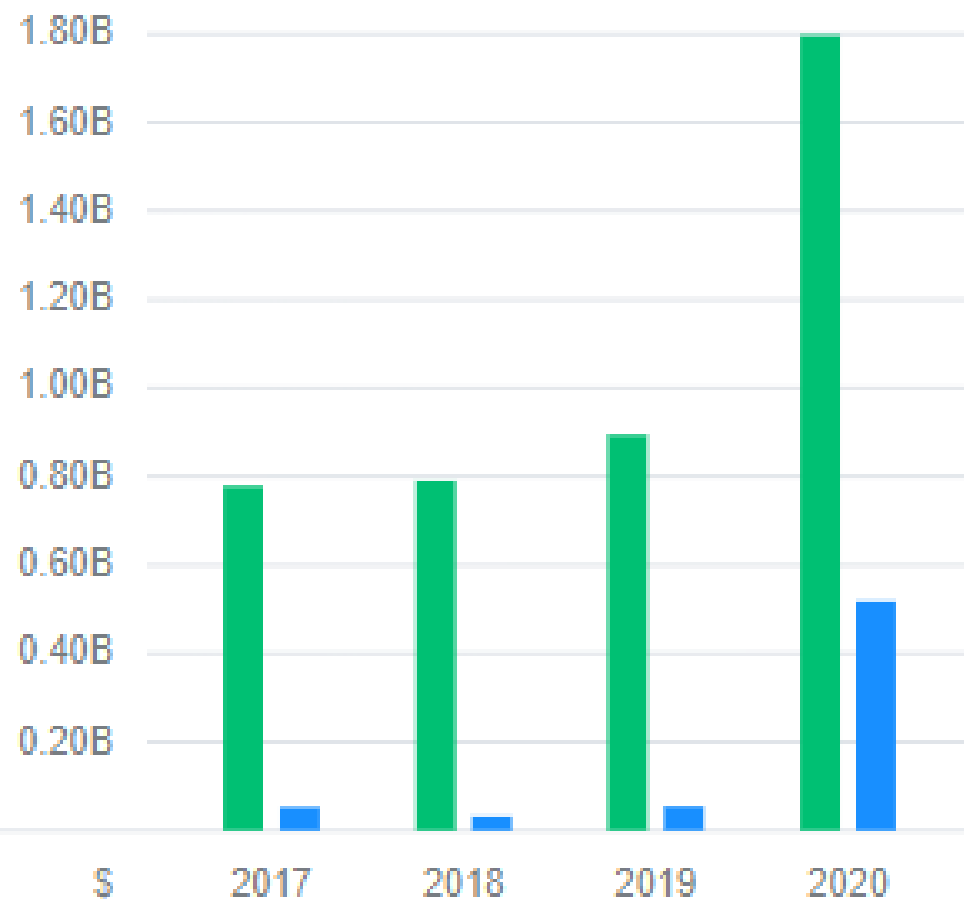
Earnings History	Invalid Date	3/30/2021	6/29/2021	9/29/2021
EPS Est.	N/A	0.56	0.38	0.23
EPS Actual	N/A	0.63	-0.05	0.22
Difference	N/A	0.07	-0.43	-0.01
Surprise %	N/A	12.50%	-113.20%	-4.30%

Revenue

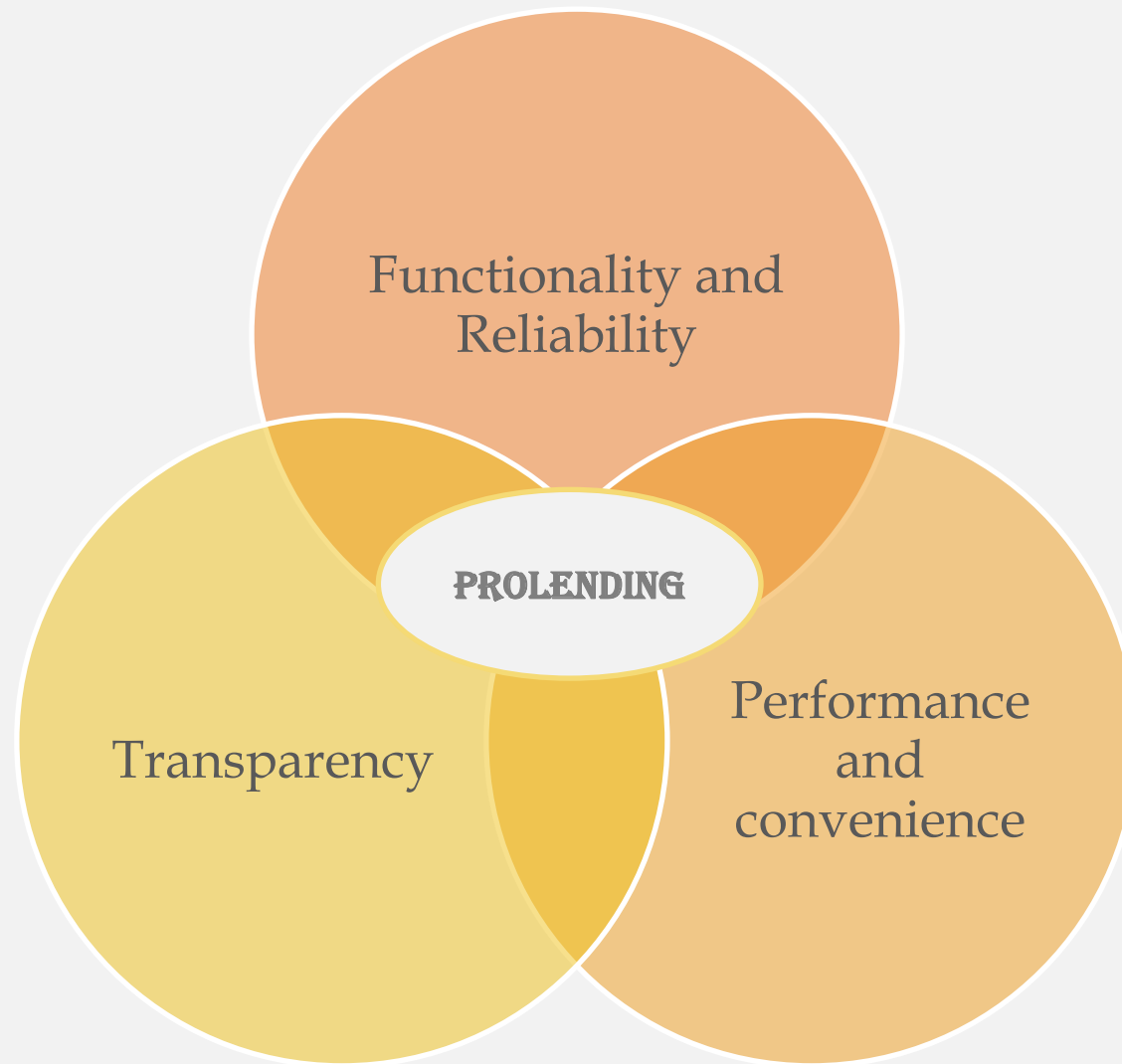
Annual Quarterly ■ Revenue ■ Earnings



Annual Quarterly ■ Revenue ■ Earnings



Mission/Vision



Team



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We are master students in Business Analytics and Data Science at NJCU – School of Business

Competition



Competition (Competitive analysis framework)

Competitive analysis framework				
Category	ProLending	OnDeck	CAN Capital	Kabbage
Product/Service	SME Loans	SME Loans	SME Loans	SME Loans
Loan amount	\$1K-\$250K	\$5K-\$250K	\$2.5K-\$250K	\$1K-\$150K
Minimum annual revenue	\$50K	\$100K	\$150K	\$50K
Fee	2.5%-3.5%	2.5%-4.0%	3.0%-4.0%	2.5%-3.5%
Market share	5.00%	13.46%	0.77%	5.84%
Customers	1000	2338	133	1012
Target audience	Small Business	Small Business	Small Business	Small Business
Marketing strategies	Email/Blog/ Social media/Paid ads	Social media/ Email/Paid ads	Social media/ Email	Social media Email
Customer satisfaction On Trustpilot website	Target ★★★★★	★★★★★	★★★★★	★★★★☆☆
Strengths	Excellent customer service	Easy process Good customer service	Technology-powered	Provide online funds in minutes
Weaknesses	Startup with less resources	Long time approval	High charge fees Guarantee required from owner for loans	Ask for lots docs Hard to connect customer service
Key advantage	Strong values and mission	Leader in online small business lending	The pioneer and leader in alternative small business finance	Pioneered the first financial services data and technology platform

Financial

ProLending										
(in thousand dollars)										
Income Statement										
(in CHF)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total revenue	7,000	8,260	9,747	11,501	13,571	16,014	18,897	22,298	26,312	31,048
Cost of revenue	1,050	1,239	1,462	1,725	2,036	2,402	2,835	3,345	3,947	4,657
Gross profit	5,950	7,021	8,285	9,776	11,536	13,612	16,062	18,954	22,365	26,391
Operational Expenses										
Management	1,050	1,239	1,462	1,725	2,036	2,402	2,835	3,345	3,947	4,657
Research & development	1,470	1,735	2,047	2,415	2,850	3,363	3,968	4,683	5,526	6,520
Total marketing & sales	1,750	2,065	2,437	2,875	3,393	4,004	4,724	5,575	6,578	7,762
Total general & administration	700	826	975	1,150	1,357	1,601	1,890	2,230	2,631	3,105
Total operational expenses	4,970	5,865	6,920	8,166	9,636	11,370	13,417	15,832	18,682	22,044
EBITDA	980	1,156	1,365	1,610	1,900	2,242	2,646	3,122	3,684	4,347
Depreciation	210	248	292	345	407	480	567	669	789	931
EBIT	770	909	1,072	1,265	1,493	1,762	2,079	2,453	2,894	3,415
Interest expenses	35	41	49	58	68	80	94	111	132	155
Interest income	140	165	195	230	271	320	378	446	526	621
EBT	875	1,033	1,218	1,438	1,696	2,002	2,362	2,787	3,289	3,881
Tax rate -23%	201	237	280	331	390	460	543	641	756	893
Net profit	674	795	938	1,107	1,306	1,541	1,819	2,146	2,533	2,988

Amount being raised

In seed

- Free cash flow = sales revenue - (operating costs + taxes) - required investments in operating capital
- Year 1 = \$1.329.000
- Founder will most likely part with 20 percent (~\$200.000) of the company's equity
- Amount being to be raised in the seed round from the external investors: \$1.0 million - \$1.5 million



In series A/B

- Amount being to be raised in the seed round from the external investors from \$4 million to \$7 million

Quotes

"You are an investor, not someone who can predict the future. Base your decisions on real facts and analysis rather than risky, speculative forecasts."



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Questions and Answers

Thank You

