LenDen Club

THE EDGE

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WHAT'S NEW AT LDC !

Recently your investment experience received an upgrade with an all-new user interface and features. The recent revamp in the web interface as well as the IOS and Android applications will give investors easy access to portfolio performance.

Investor App 2.0

- Brand New UI

We always wanted to have you access our platform in the most **efficient and elegant way**. So we have revamped the dashboards, portfolio and invest pages to reflect a simpler interface.

- Bulk Invest

The much-awaited feature of **investing in multiple loan profiles at once**, is here. For example, you want to invest in 10 loan profiles out of all the live loans, just select your choice of filters and loans to invest on a single click rather than going to each profile.

- Additional Income

Every penny counts! You've always wanted to know your **earnings from delayed payments.** Simply go to the portfolio page for more details.

- XIRR

XIRR or Extended Internal Rate of Return is a measure of return used when multiple investments at different times are made. It gives you a more **accurate broad level and time-based view of your returns.**

We are now UPI enabled !

Tired of logging to your internet or mobile banking to transfer funds in your LenDen escrow account?

The much-awaited **UPI (Unified Payments Interface) fund transfer** feature is now LIVE. Just tap **ADD FUNDS** on the dashboard to transfer funds through UPI.

With instant fund transfer, do not miss the chance to invest in live loan listings of your choice before they get fully funded. To get access to this feature, update the latest version of the investor app now.

New Simplified Fee structure

- Revision in Borrower Interest Rate

We have **revised the interest rate** for borrowers to a Flat Rate basis between **6.5-40%** p.a. for the loans **listed from 1st April, 2020**.

- Revision in Facilitation Fee (FF)

The Facilitation Fee calculation method will also follow the **flat rate method**. In the **new method**, the EMI amount will be credited after the deduction of facilitation fee, unlike the previous method. Your account statement will be more crisp.

Revised Slabs
ROI Up To 14% - 1.5% FF
ROI 14 - 19.99% - 2% FF
ROI 20% and above - 3% FF

Topics

- **What's New at LDC !**
- **Buzz**
  Does the falling equity market make sense to invest in?
- **Expanding Horizons**
  A Global Outlook on P2P Lending Sector
- **Unlocking the Potential of Credit**
  The Emergence of Unsecured Borrowings in India.

BUZZ

Does the falling equity market make sense to invest in?

The COVID-19 pandemic has sparked some serious repercussions on the global economic landscape. While the global financial markets have undergone a major corrective phase, the Indian indices have fallen significantly from its recent peak in just a matter of a few days. Since such a drastic fall has made the prices of stocks look attractive, it's easy for an investor to get tempted into making fresh equity investments.

However, such haste in taking investment decisions can be risky for two reasons:

First, as the technical indicators suggest, a drop of such magnitude has forced the Indian markets to enter into a bearish phase. Further, analyzing data from the past 20 years suggest that whenever the markets have witnessed a double-digit drop from its peak in a month or less, a prolonged weakness has followed, contrary to the market-wide expectations of a temporary bounce-back or turnaround in the market outlook.

While the drop in the benchmark indices is a part of the global sell-off owing to the concerns of the global economic slowdown, the pandemic environment created by COVID-19 is still evolving and even the governments of the most developed countries are struggling to contain the situation. Such long-drawn weakness in the markets could cause investments to underperform and eventually diminish investors' returns.

The risk of global economic slowdown has and will continue to force the central banks across the world to announce stimulus packages and lift global growth, thereby necessitating the diversification of the financial structure. With a comparatively young average age of 28 years, the youth of India is poised to become the driver of economic growth substantially.

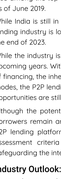
In our view, times like these would require the society at large to borrow sums of money to fulfil their needs and with a comparatively young average age, Indians could form a substantial percentage in driving the informal borrowing sector. With futuristic vision and great promise, P2P lending platforms are perceived to offer simplified lending solutions with quick disbursal processes. Amidst the NBFC and bad loans crisis, P2P lending is poised to become one of the biggest sources of alternative funding, thus generating wealth-creation opportunities for our investors despite a grim economic outlook.

Keeping in view the aforementioned factors, we encourage our investors to be wise about their investment choices and continue to leverage P2P lending platforms that hold the potential to outperform its peer asset-classes.

Fact About Us !

- 12% of investors are women! Both men and women are now driving these choices jointly.

EXPANDING HORIZONS



A Global Outlook on P2P Lending Sector

Capitalizing on Technology, Peer-to-Peer lending platforms create a virtual marketplace that connects the investors with borrowers, making borrowings a digital and seamless experience. With the massive adoption of Financial Technology, the P2P lending platforms are making waves in the financial industry with an average annual growth of 32.5% in the USA between 2014-2019. The UK, on the other hand, is also among the top five players with a total loan book value amounting to $11,223.98 million as of June 2019.

While India is still in its nascent stage with market size of about 200 crores, the Indian P2P lending industry is looking forward with high hopes projecting a $4-5 billion industry size by the end of 2023.

While the industry is yet to mature, it has the potential to grow by leaps and bounds in the upcoming years. With growing interest among the borrowers' seeking out alternative modes of financing, the inherent gaps and a rigorous application procedure for traditional financing modes, the P2P lending platforms have already created high volumes of investment and the opportunities are still growing.

Although the potential for fraud and inability to confirm the non-financial information of borrowers remain arguably the biggest weakness and hamper growth in P2P finance, the P2P lending platforms have kept their default rates in check. Upholding stringent credit assessment criteria allows such platforms to maintain a low default rate eventually safeguarding the interests of their investors.

Industry Outlook:

As per the report by the European Banking Authority, the increased penetration of the internet, globally, is the biggest driver fuelling the industry's growth. Further, the P2P Lending in Asia-Pacific region or more specifically, the emerging economies such as India and Indonesia are expected to grow at a significant rate with a number of small start-ups and individuals seeking alternative financing modes for funding their requirements. Globally, the Peer-to-Peer Lending market is poised to grow at a CAGR of over 25.4% surpassing a market size of USD 820.70 bn by 2025.

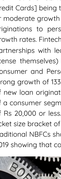
The domestic factors such as the ongoing COVID-19 pandemic, NBFC defaults, and the bad loan crisis in the Indian financial system has created a widespread lack of credit in the system. This has put the Indian P2P lending institutions in a favourable spot paving a roadmap for the rapid growth of P2P lending industry in India.

In all, a growing interest in social investing has allowed the P2P lending platforms to evolve and show great promise of growth in future. Safeguarding the inherent risks involved and continuous innovation can possibly alter the fundamentals for the way credit is accessed, eventually disrupting the traditional ways of financing.

Fact About Us !

- 63% of borrowers on our platform need loans for emergency purposes such as Medical Emergency, Advance salary etc.

UNLOCK THE POTENTIAL OF CREDIT



The Emergence of Unsecured Borrowings in India

India's credit industry has gone through a rapid evolution over the last decade. It has experienced a transformation of the consumer mindset from a savings-focused and debt-averse country to a more leveraged and consumption-focused economy. A detailed analysis reveals the sheer scale of India's growing credit economy and the rising number of consumers with over 22 million Indian consumers applying for new credit opportunities each month. Some of the emerging trends that we are observing are paving the way for the next evolution of the credit industry in India.

The Future of Unsecured Lending: Small Ticket Size Loans & Quick Disbursals

TransUnion CIBIL Market Insights show that enquiry and new loan origination volumes have grown at over 32.1% in Q3 2019, with unsecured loans [Personal Loans, Consumer Loans, Credit Cards] being the primary drivers of this growth. Secured loans have shown stagnation or moderate growth in 2019 over 2018. The growth rate for unsecured lending, including loan originations to personal loans, finance and consumer durable goods, recorded strong growth rates. Fintech lenders (either by mode of partnerships with leading NBFCs or by acquiring an NBFC license themselves) have begun lending operations in the Consumer and Personal Loans segment which recorded a strong growth of 135.9% YoY in Q3 2019. This growth in count of new loan originations is accompanied by the emergence of a consumer segment picking up an average loan amount of Rs 20,000 or less. Banks continue to play in the average ticket size bracket of Rs 300,000-400,000 & above while traditional NBFCs showed a drop in their ticket sizes from 1.93 million to 1.20 million YoY in Q3 2019 showing that consumers are increasingly applying for small-ticket loans.

Fact About Us !

- What is the preferred time for borrowing?
  12 PM to 1 PM, so you know the best time to check our dashboard to invest and diversify.

2020 & Beyond: The Emergence of Unsecured Lending in India

Proliferating the market, the trigger to the next phase of evolution is the emergence of diverse types of FinTech's that are carving a niche by targeting young consumers in highly urbanized areas and smaller loan products. India's FinTech lending market is showing interesting growth with a remarkable average of 57.9% FinTech users. While China leads this figure with an average of 83.5%, we're way ahead of the developed countries that lag at 34.2%.

According to the World Bank estimates, the credit demand and supply gap in India alone is $380 billion. The reason behind this gap is loan denial based on a low CIBIL score or a lack of borrowing history. P2P platforms are striving to fill this gap by providing eligible individuals to borrow loans. As per Statista, the total transaction value of the alternative lending segment in India will be $125.1m by the end of 2020.