



About LendingCrowd

LendingCrowd is a dynamic peer-to-peer (P2P) lender offering small business loans and investment opportunities across an easy-to-use online platform.

Providing an attractive alternative to the banks, P2P lending is the fastest-growing segment of the vibrant alternative finance market.

Our growing team of experts in tech, risk, marketing, business development and customer service are building an exciting Scottish fintech company.



European alternative finance market

The UK makes up 73% of the European alternative finance market, which grew by 41% to almost €7.7 billion in 2016.

Figure 1: European Online Alternative Finance Market Volumes 2013-2016 in € (Excluding the UK)

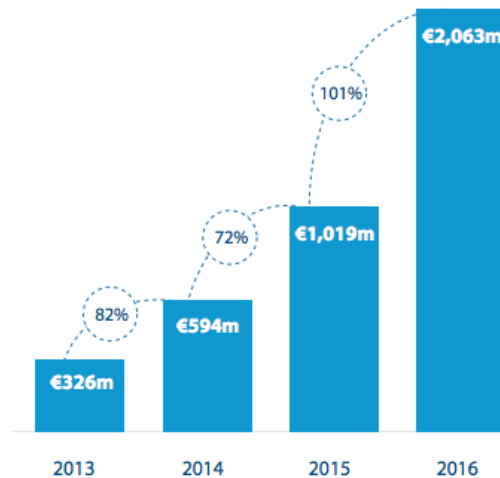
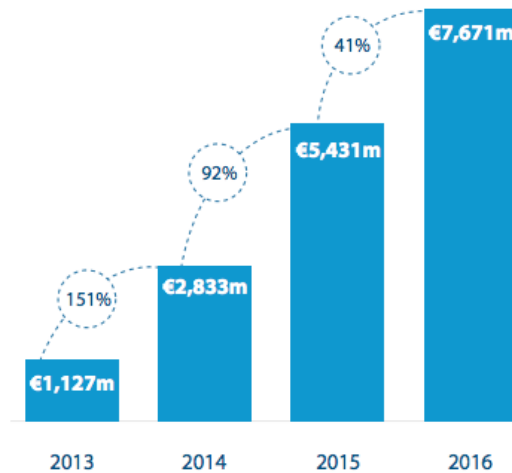
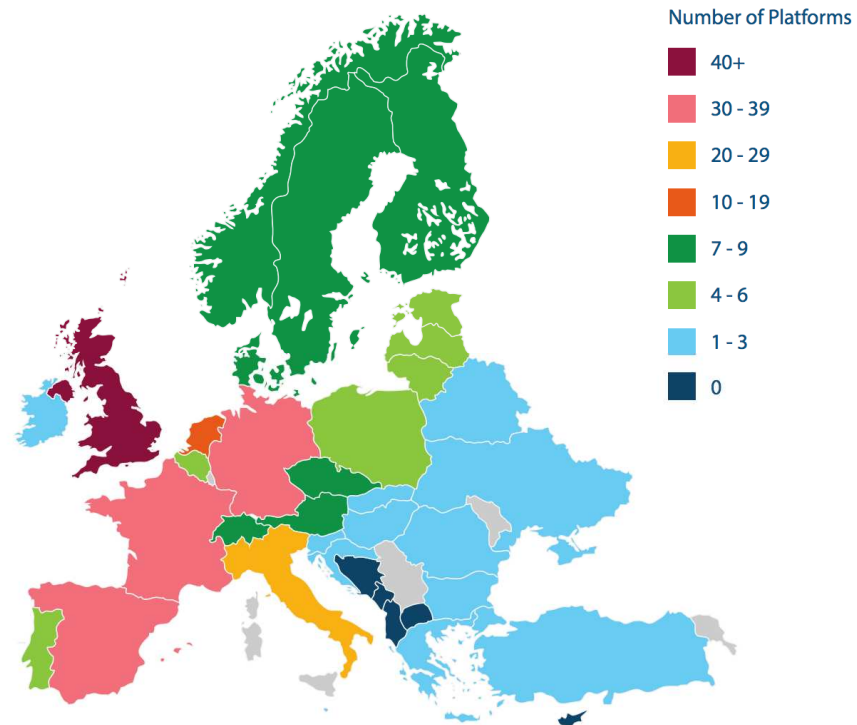


Figure 2: European Online Alternative Finance Market Volumes 2013-2016 in € (Including the UK)



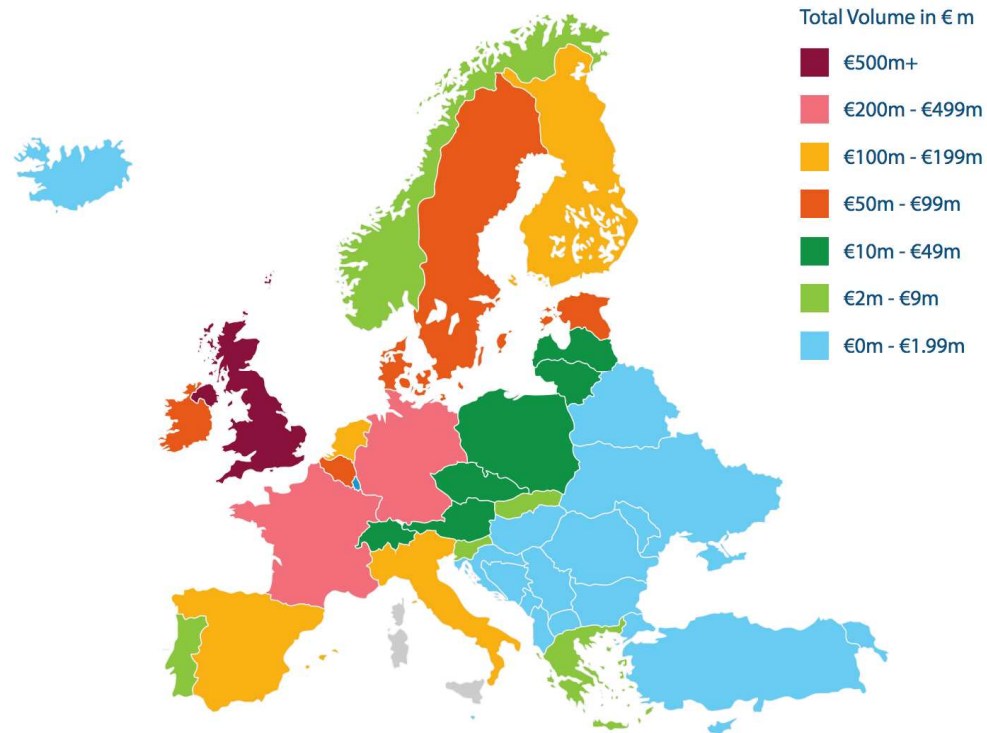
Source: Cambridge Centre for Alternative Finance

Geographic distribution of platforms



Source: Cambridge Centre for Alternative Finance

Comparative market volumes



Source: Cambridge Centre for Alternative Finance

Diversity of European alternative finance models

Alternative Finance Model	Definition	2016	Market Share
P2P Consumer Lending	Individuals or institutional funders provide a loan to a consumer borrower.	€ 696.81m	33.8%
P2P Business Lending	Individuals or institutional funders provide a loan to a business borrower.	€ 349.96m	17.0%
Invoice Trading	Individuals or institutional funders purchase invoices or receivable notes from a business at a discount.	€ 251.87m	12.2%
Equity-based Crowdfunding	Individuals or institutional funders purchase equity issued by a company.	€ 218.64m	10.6%
Reward-based Crowdfunding	Backers provide finance to individuals, projects or companies in exchange for non-monetary rewards or products.	€ 190.76m	9.2%
Real Estate Crowdfunding	Individuals or institutional funders provide equity or subordinated-debt financing for real estate.	€ 109.45m	5.3%
P2P Property Lending	Individuals or institutional funders provide a loan secured against a property to a consumer or business borrower.	€ 95.15m	4.6%
Balance Sheet Business Lending	The platform entity provides a loan directly to a business borrower.	€ 59.13m	2.9%
Donation-based Crowdfunding	Donors provide funding to individuals, projects or companies based on philanthropic or civic motivations with no expectation of monetary or material return.	€ 32.40m	1.6%
Debt-based Securities	Individuals or institutional funders purchase debt-based securities, typically a bond or debenture at a fixed interest rate.	€ 22.85m	1.1%
Balance Sheet Consumer Lending	The platform entity provides a loan directly to a consumer borrower.	€ 16.74m	0.8%
Mini-Bonds	Individuals or institutions purchase securities from companies in the form of an unsecured retail bonds.	€ 10.16m	0.5%
Profit Sharing	Individuals or institutions purchase securities from a company, such as shares or bonds, and share in the profits or royalties of the business.	€ 8.36m	0.4%
Balance Sheet Property Lending	The platform entity provides a loan secured against a property directly to a consumer or business borrower.	€ 1.00m	0.05%

Source: Cambridge Centre for Alternative Finance

The vitality of European alternative funding

Figure 12: Total Online Alternative Business Volumes
2012-2016 (Excluding the UK) (€ EUR)

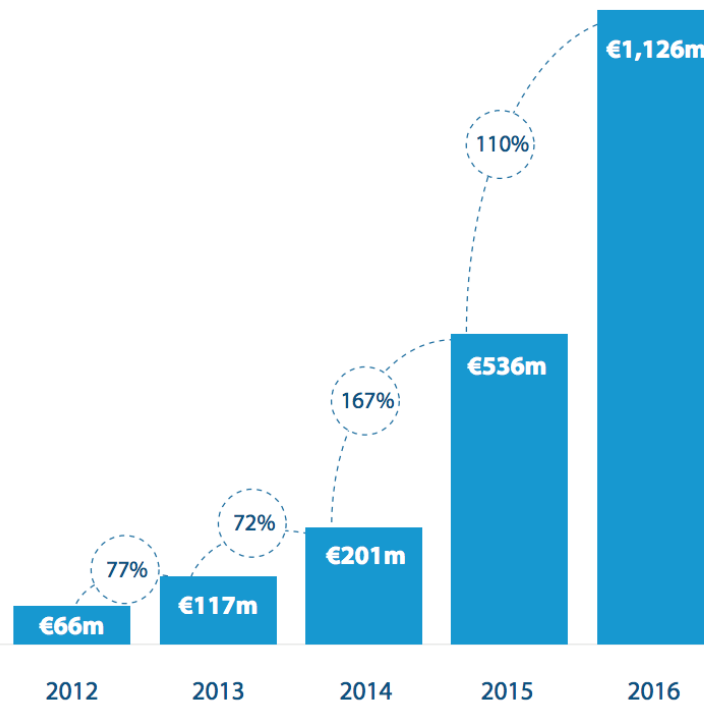
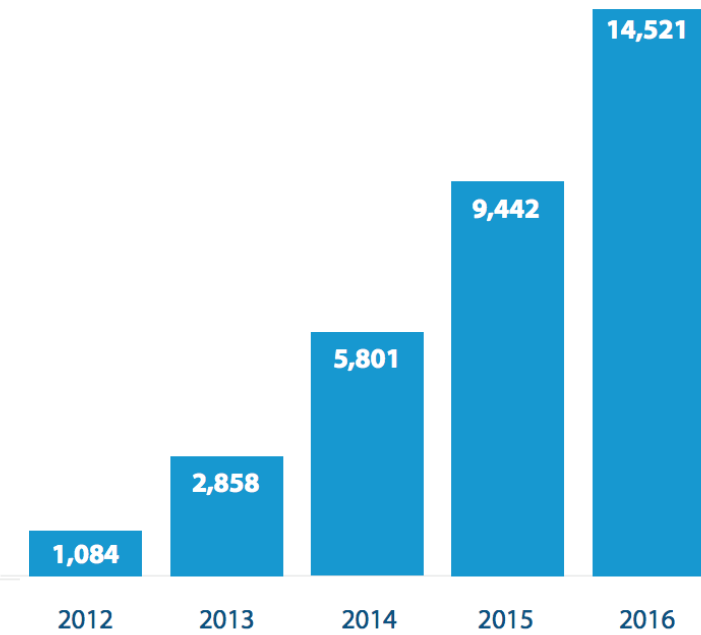
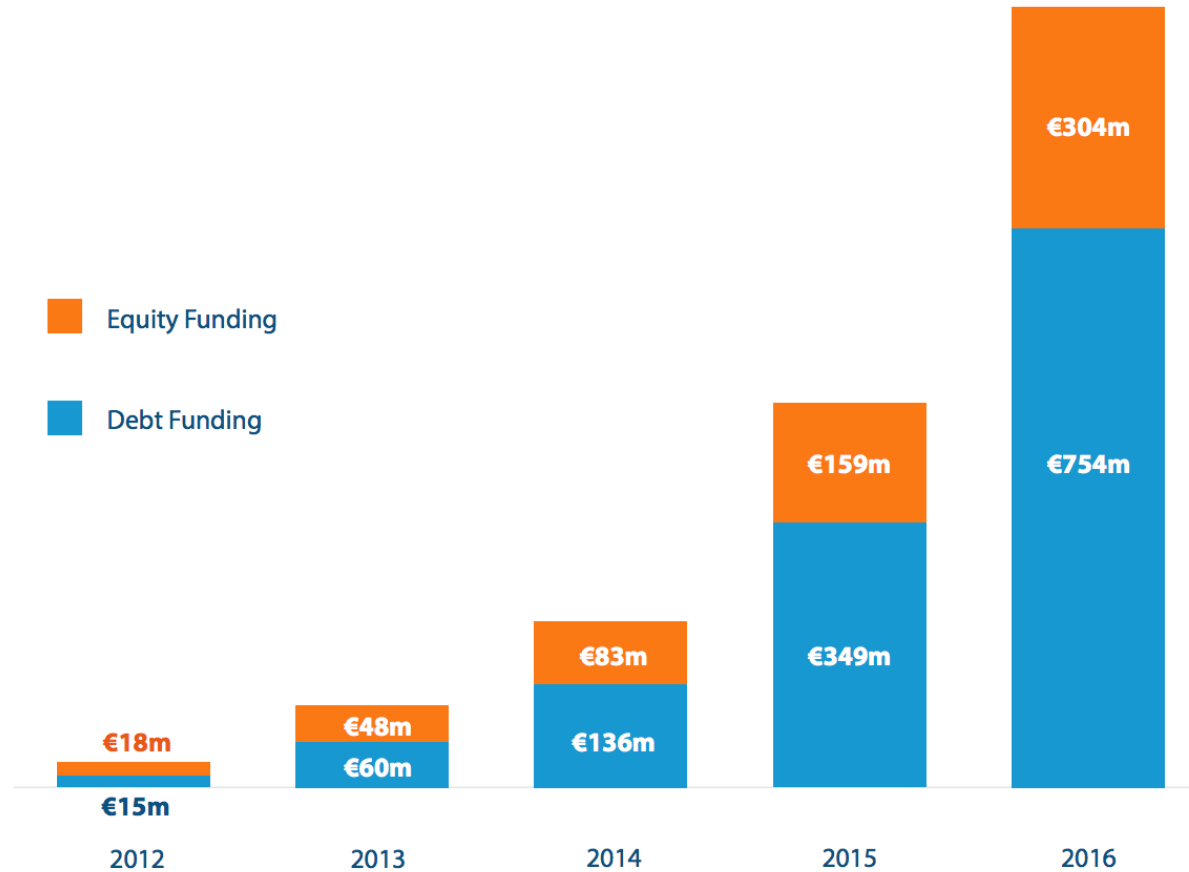


Figure 13: Number of European Businesses raising Alternative
Finance (excl. UK) 2013-2016



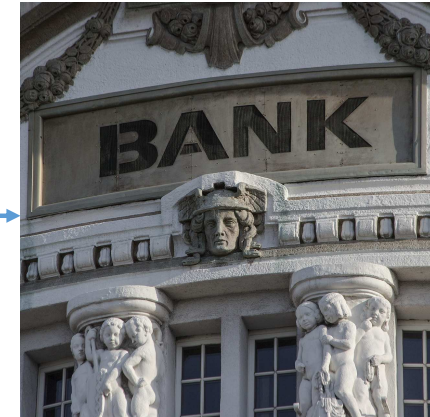
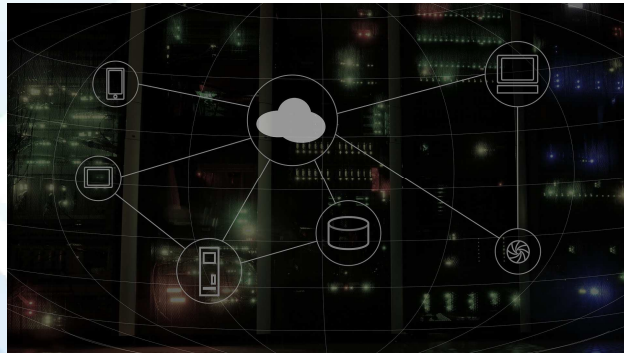
Source: Cambridge Centre for Alternative Finance

Online alternative finance – debt versus equity



Source: Cambridge Centre for Alternative Finance

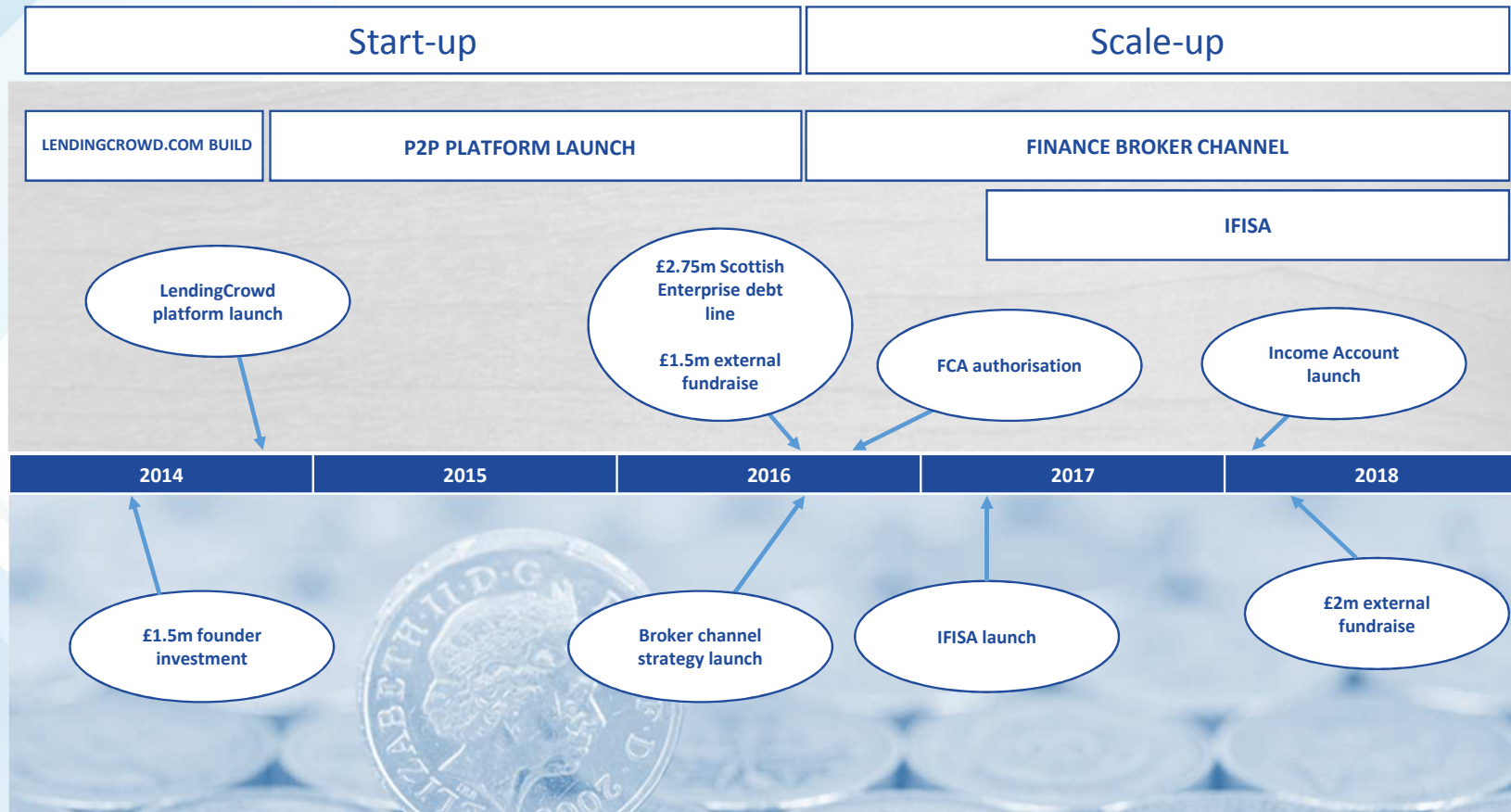
Combining modern technology with prudent banking tradition



 **LendingCrowd**
THINK OUTSIDE THE BANK

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The LendingCrowd growth story



The LendingCrowd growth story

We've made great progress since we launched:

- **Over 410 loans to companies and sole traders across Britain**
- **More than 100 loans to businesses in Scotland**
 - **Agriculture accounts for 4% of Scottish lending**
- **Average loan size approximately £90,000**
- **Rates start from 5.95%**
- **Average loan term 47 months**
- **Over £36.5 million loaned through the platform by June 2018**
- **More than 5,700 investors signed up**

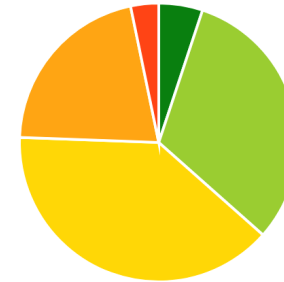
Sector/risk split

Loan book by sector



- Agriculture
- Automotive
- Consumer Services
- E-Commerce
- Education and Training
- Finance
- Healthcare
- I.T and Telecommunications
- Leisure and Hospitality
- Manufacturing and Engineering
- Other
- Professional and Business Support
- Property and Construction
- Retail
- Transport and Logistics
- Wholesale

Loan book by risk band



- A+
- A
- B+
- B
- C+

Typical loan purposes

Working capital, Researching and designing new products, Capitalising on growth opportunities, Refurbishing premises, Expanding to a new office, Recruiting and training new staff, Buying stock, Debt restructuring, Marketing

Application process flow

- 1 Submit application
- 2 Loan decision in 24/48 hours
- 3 Offer issued and accepted
- 4 Loan funded in 48 hours
- 5 Completion of documentation – funds remitted same day

Documentation required

General information

- Amount, term and purpose of loan
 - Nature of business
 - Sector and location

Financial information

- Last 3 months' bank statements
- Last 2 years' full accounts
- Management Information if available
- Statement of assets and liabilities
- Details of current debt (amount, term and repayments)

Case studies



Summerhall Distillery

Loan size: £500,000

“Not only have we been impressed with the speed and standards of customer service from LendingCrowd, it’s also refreshing when you get such a personalised approach to understanding the requirements of your business.”

Matthew Gammell, co-founder



Coffee Merchants UK

Loan size: £53,500

“They were friendly and professional and offered a personal service that is hard to find. I would recommend LendingCrowd to anyone considering non-bank funding as a way to obtain finance for their business.”

Robert Patrick, owner



Umega Lettings

Loan size: £110,000

“For other SMEs looking to finance, I would tell them about [LendingCrowd]. The chances are when you are looking to raise finance, you are very busy and your use of time is critical. That is where LendingCrowd really helped.”

Neil McInnes, co-director

What's next for LendingCrowd?

We've set a target to more than double our lending to about £40 million this year – including £10 million in Scotland.

Across Britain, we expect to work with 400 new borrowers in 2018, which means expanding the platform through:

- Operational efficiency/upgraded mobile apps
- Greater use of APIs (customer acquisition/business information)
- Open Banking
- Account package integration

Challenges and opportunities for fintech

- Blockchain
- Robotic process automation
- Biometric authentication
- AI
- Cryptocurrency
- Cybersecurity
- Data analytics
- Social media



Any questions?

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