

Paresh Patel: Building a Life in the Context of Global Business - October 2007

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**What are we going to discuss today?**

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- Why has this concept emerged?
- What is p2p lending and how does it work?
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**Why has this concept emerged?**

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- 1. Accessible
- 2. Affordable
- 3. Available
- 4. Available
- 5. Available
- 6. Available
- 7. Available
- 8. Available
- 9. Available
- 10. Available

**What is p2p lending and how does it work?**

**Risk**

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- 1. Credit risk
- 2. Platform risk
- 3. Liquidity risk
- 4. Regulatory risk
- 5. Operational risk
- 6. Reputational risk
- 7. Systemic risk
- 8. Market risk
- 9. Interest rate risk
- 10. Foreign exchange risk

**Commercial bank vs p2p portal**

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- 1. Peer-to-peer lending
- 2. Peer-to-peer investment
- 3. Peer-to-peer marketplace
- 4. Peer-to-peer business
- 5. Peer-to-peer education
- 6. Peer-to-peer healthcare
- 7. Peer-to-peer travel
- 8. Peer-to-peer real estate
- 9. Peer-to-peer energy
- 10. Peer-to-peer food and drink

**What if something goes wrong?**

The contract is written in the spirit of the law. Most differences are resolved between the lender and the borrower. The platform is not responsible for the outcome of the loan. The platform is not responsible for the outcome of the loan. The platform is not responsible for the outcome of the loan.

**What is safe fund?**

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**peer 2 peer market in Slovakia**

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**How to P2P it?**

**Business**

1. Creating account
2. Registering
3. Creating account
4. Registering
5. Creating account
6. Registering
7. Creating account
8. Registering
9. Creating account
10. Registering

**Investor**

1. Creating account
2. Registering
3. Creating account
4. Registering
5. Creating account
6. Registering
7. Creating account
8. Registering
9. Creating account
10. Registering

# Question & Answers

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# What are we going to discuss today?

## **TheCaseSolutions.com**

- why has this concept emerged?
- what is p2p lending and how it works?
- history
- commercial bank vs. p2p portal
- what if something goes wrong
- p2p market on Slovakia
  
- Q&A and discussion



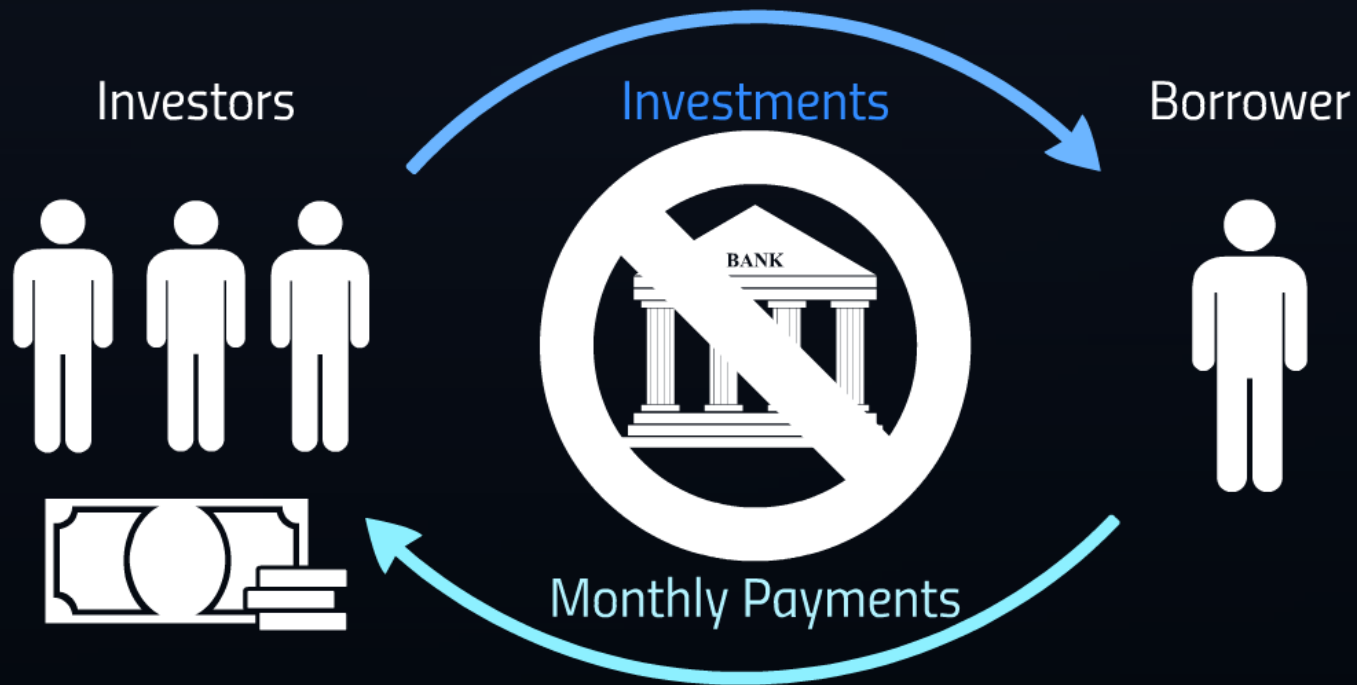
# Why has this concept emerged?

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- financial crisis
- online commerce trend
- investors want to **choose** their portfolio and define the risk by **themselves**
- *bypassing* the banking industry
- demand for refinancing of existing loans & credit cards
  
- **Win - Win** situation

# What is p2p lending and how does it work?

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# History

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- 📍 United Kingdom
  - Zoppa (520m GBP)
  - Funding Circle (267.5m GBP)
  - RateSetter (220.8m GBP)
- 📍 United States
  - Lending Club (4,034m USD)
  - Prosper (1,000m USD)

Commercial  
bank



vs p2p portal



## TheCaseSolutions.com

- usually low interest rates for investors
- high interest rates for borrowers
- high fees
- bureaucracy
- lack of flexibility

- + regulated sector
- + traditional approach (personal contact)
- + complex services (bank account, etc.)

- investors choose the interest rate
- lower rates for borrowers (in average)
- clear and fixed fees
- mostly online process
- easy access and control
- clear payment breakdown



# What is safe fund?

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- p2p portals make most of the profit from charging borrowers(4-7% from a loan principal)
- one part of this fee is "risk payment" directly sent to the safe fund
- this fund is then used to refund investors facing default of the borrower they invested in





peer 2 peer market in Slovakia

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4 p2p portals:

- ① Plán B
- ② Investuj - Požičaj
- ③ IsePankur
- ④ Žltý Melón