FINANCEPEER
GROW TOGETHER

BUSINESS MODEL

FINANCEPEER BUSINESS MODEL

1. BACKGROUND

1.1. Visionary Financepeer Private Limited ("**Company"**) carries on business under the brand name of "Financepeer".

1.2. The Company has an online platform, www.impactp2p.com ("**Platform**") that serves to connect individual borrowers to lenders digitally. It eases each individual's access to capital and in-turn improve his/her standard of living. It uses an algorithm that quantifies risk from credit and non-credit bureau channels by leveraging artificial intelligence (AI). This analysis helps individuals and institutions to understand and invest in people. The Company looks forward to spearheading a truly revolutionary impact for millions of people. It's a step to reduce economic disparity in the long run. The Platform helps borrowers in need gain access to personal loans.

2. BUSINESS ACTIVITIES

2.1. The Platform facilitates the following:

2.1.1. Verification of Participants' details supported by KYC documents of the respective party.

2.1.2. Analysis of the credit information for the borrowers and assignment of a suitable Financepeer Score on that basis.

2.1.3. Matching of borrowers and lenders, based on return expectations and risk appetite.

2.1.4. Diversification of lender's investment across multiple loans.

2.1.5. Documentation and execution of loan agreement and any ancillary documentation.

2.1.6. Disbursement of loans to borrowers through a stringent escrow mechanism.

2.1.7. Automated EMI collection and transfer to lenders on a monthly basis.

2.1.8. Providing updated information to Lender on loan performance and portfolio returns.

2.1.9. Providing recovery services on best effort basis.

2.2. The Company does not at any point of time carry out or intends to carry out any of the following activities:

2.2.1. Lending activities by the Company, i.e., invest its own funds in loans on the Platform.

2.2.2. Provide any form of credit enhancement or credit guarantee to Participants.

2.2.3. Commit any rate of return to lenders.

2.2.4. Take any security from borrowers.

2.2.5. Cross sell any other product.

2.2.6. Earn any differential in interest rate between lenders and borrowers.

2.2.7. Raise deposits as defined under Section 45 I (bb) of the Reserve Bank of India Act, 1934 or the Act.

2.2.8. Hold on its own balance sheet, funds received from Lenders for lending, or funds received from Borrowers for servicing loans.

2.2.9. Permit international flow of funds.

3. BUSINESS MODEL

3.1. Financepeer connects a borrower looking for a loan with investors (lenders) on the platform who wants to give money to him/her

3.2. The Platform allows a borrower to take a loan upto Rs. 10 Lakhs based on borrowers' risk profiling. Any investor on the platform can invest up to Rs 10,000 of the loan amount to give a loan to a borrower through our auto investment algorithm.

3.3. The Auto Investment algorithm allows the investor/lender to automatically invest his/her money into borrowers of the bucket/criteria chosen by him/her.

3.4. The platform also provides services to borrowers. The borrowers can apply for a loan on the platform. The Platform does Credit and risk assessment of the borrower through CIBIL checks and bank account analysis. If the borrower is selected through the risk and eligibility criteria of the platform, he/she will be connected with the investors/lenders on the platform.

3.5. By providing services of onboarding, risk, and credit assessment, connecting with investors/lenders on the platform, agreement support, disbursement, and repayment facilitation, etc., the platform charges fees varying between 0% to 7% or any other amount depending the borrowing rate.

3.6. The platform charges fees only when the borrowers makes his/her first EMI payment.

3.7. All transactions on the platform are done from escrow bank accounts maintained with IDBI Bank Limited via IDBI Trusteeship Services Private Limited.

3.8. The platform earns fee-based income from either or both investors/lenders and borrowers

4. Credit Underwriting Policy

Sr. No.	Parameters	Norms
1.	Type of Loan	Unsecured Personal Loan for Education, farming requirements
2.	Target segment	Salaried & Self-employed segment seeking loans for education for themselves or their dependents (Spouse or Children)
3.	Nationality	Resident Indians only
4.	Location	All locations
5.	Age	Minimum: 18 years (at the time of application) Maximum: 65 years (at the time of loan maturity)
6.	Tenure	Minimum – 3 months Maximum – 36 months
7.	Loan amount	Maximum: INR 10,00,000
8.	KYC and AML	KYC shall be as per RBI Approved KYC and AML Policy
9.	Income Norms	**Salaried Segment:** • Salaried individuals with salary credit in bank account – Minimum Net Salary of INR 15000 p.m. **Self Employed Segment:** • Bank Account to be in individual or Firm's name • Individual applicant- It could be a Savings account or Current Account with business proof. • Bank account to be more than 6 calendar months old • Minimum 6 transactions in last 3 month and every month to have one transaction. • No minimum balance charges should have been debited in last 3 months
10.	Eligibility	**Salaried** – Max FOIR of 75% post offered loan **Self Employed** – Monthly Obligations / ABB to be Max 75% CIBIL Score – Min 650 Tele Verification and physical verification as feel needed by Internal Credit team
11.	Average bank Balance Calculation	ABB to be calculated as average of day 1, 5, 10, 15, 20, 25, 30
12.	Loan Disbursement	Loan amount will be disbursed to the Institute
13.	Repayment	Through e-NACH or any valid repayment method

Note: Final underwriting decision will be at discretion internal credit team