



# EUROPEAN MARKETPLACE LENDING IN 2014—2015 REGIONAL VOLUMES AND TRAFFIC

## SUMMARY

This article provides an overview of European marketplaces' origination volumes since 2014Q1 to 2015Q4. UK market was the largest market throughout this period and its share in total originations remained unchanged. German marketplace lending grew significantly and outperformed French market despite having the same level as at beginning of 2014.

In addition to origination volumes the distribution of web-traffic is analyzed. This analysis revealed that less matured markets in continental Europe attract far more traffic per unit of originations as compared with the UK market.

## IMPORTANT NOTICE

This research is based on several data sources believed to be reliable. However Blackmoon does not make any representation as to its accuracy or completeness. Any opinions herein reflect personal judgment. For origination volumes we referred to [p2p-banking.com](http://p2p-banking.com) and company's websites. Website traffic was estimated via [similarweb.com](http://similarweb.com). All good credit for these data goes to respective owners.

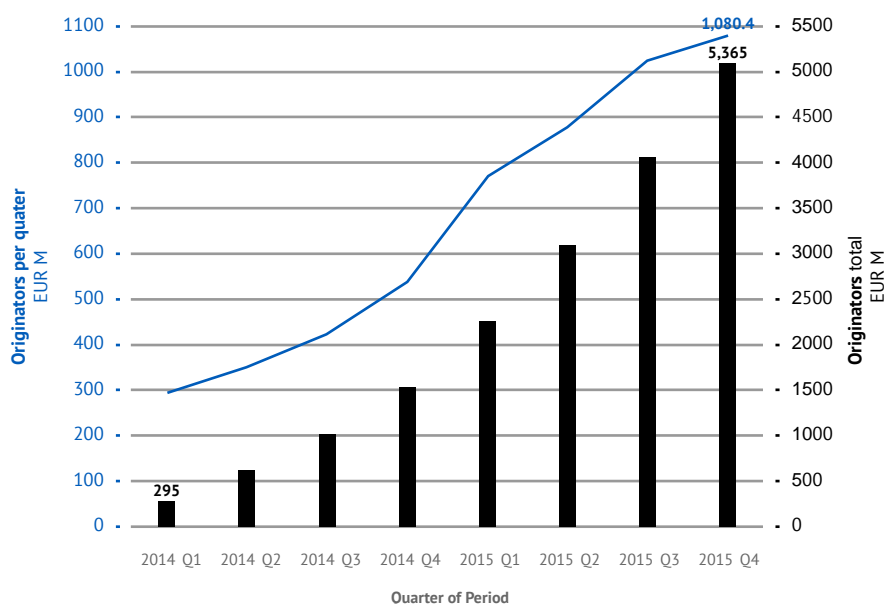
## ORIGINATION VOLUMES BY COUNTRY

European P2P industry experienced a significant growth in 2014-2015. The origination volume increased 3.6x in these 2 years from EUR 295.1M in 2014Q1 to EUR 1B in 2015Q4.

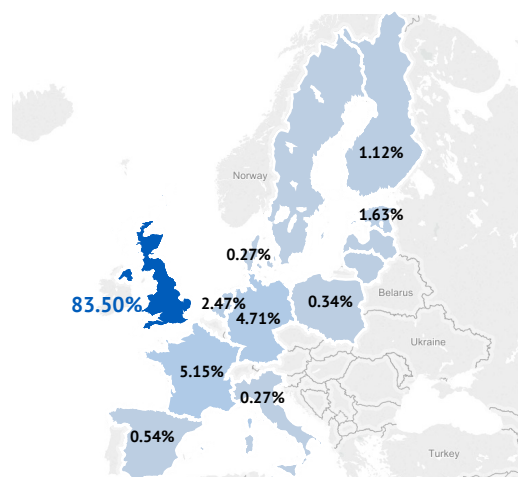
In 2014-2015 cumulative volume of originations reached EUR 5.4B

Nevertheless this buoyant growth was not evenly distributed over the European countries. The main driver and contributor to European originations in these years was UK market. And the share of this market remained roughly unchanged: 83.5% in 2014Q1 and 83.9% in 2015Q4.

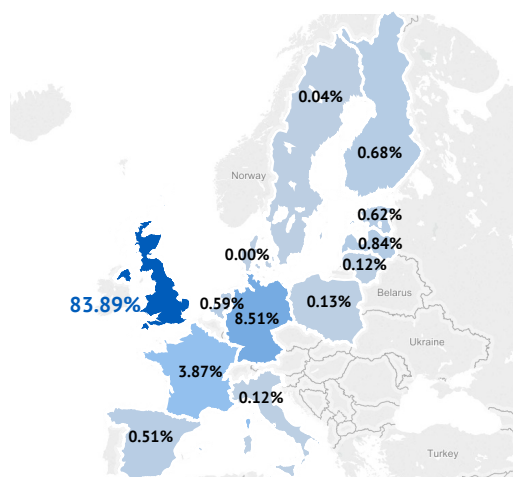
### ORIGINATIONS, ALL PLATFORMS, 2014-2015



### ORIGINATIONS BY COUNTRY, 2014Q1



### ORIGINATIONS BY COUNTRY, 2015Q4



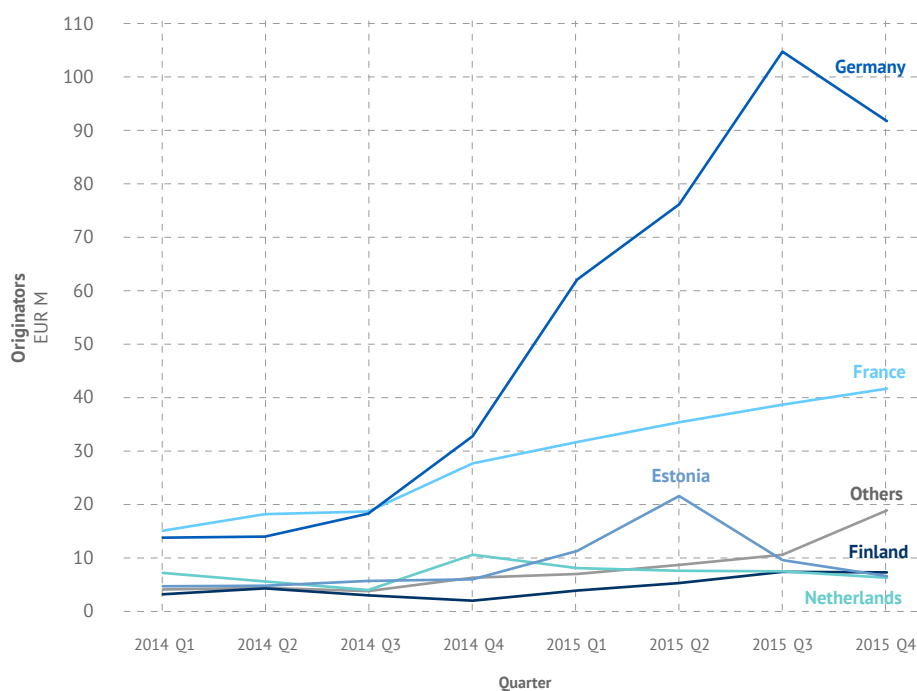
From the charts above one can conclude that European market is quite fragmented and heavily concentrated. Indeed as at 2015Q4 the Herfindahl index (HHI) was 0.71 and implies very high concentration.

Another conclusion from the charts above is that in continental Europe there was a redistribution of relative volumes and German marketplaces increased their share.

Back in 2014Q1 the volume of German marketplaces was comparable with that of France. By the end in 2015Q4 it became 2.2 times higher despite the fact that French market also expanded rapidly.

Another notable fact is that other countries didn't catch up with the trend. Quarterly volumes in other countries fluctuated under EUR 10M per month. With an exception of Estonia that showed strong growth in first half of 2015 and reached EUR 21.7M in 2015Q2 but stagnated back to 2014 levels by the end of the year.

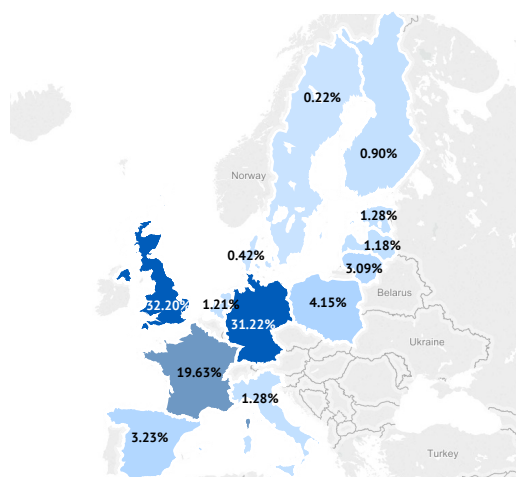
#### ORIGINATIONS, ALL PLATFORMS, 2014-2015



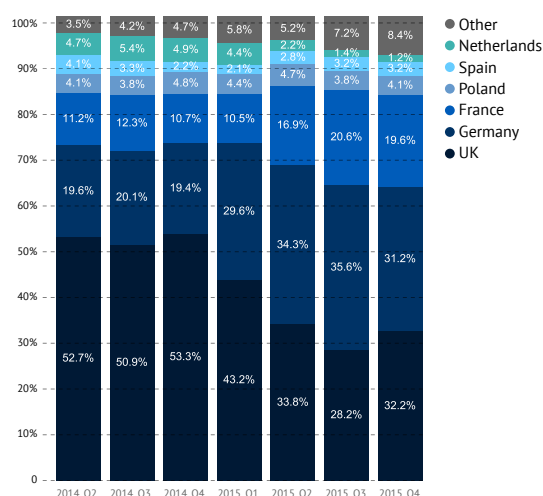
## TRAFFIC PATTERNS

Analysis of traffic to respective websites revealed quite an interesting pattern. Despite the fact that UK dominates originations with an 80% share, by the end of 2015 traffic to German marketplaces leveled up with that of UK at 32%. The HHI of 0.24 confirms the fact of low concentration.

TRAFFIC BY COUNTRY, 2015Q4



TRAFFIC BY COUNTRY, q-o-q



There might be several reasons for such a discrepancy: country web-behavior differences, companies' approve rate policies, presence of affiliates, and maturity of the market. We believe that the later reason has the major contribution.

The UK market is the oldest P2P (former name for the marketplace) market in the world. Zopa the first P2P platform was established in the UK back in 2004. Therefore marketplace lending is quite mainstream in this country and one could expect that the better quality of traffic and higher approve rate per unit of traffic.

On the contrary German and French markets are in the early stage and ramp up volumes. To do so platforms in these countries have to source more traffic and given prudent lending policy have lower approve rates. As the comparative analysis of traffic dynamics and origination volumes shows, boost in originations in 2015 corresponded with growth in total traffic share.

This trend is likely to continue before alternative lending in continental Europe become as common as it is in the UK.