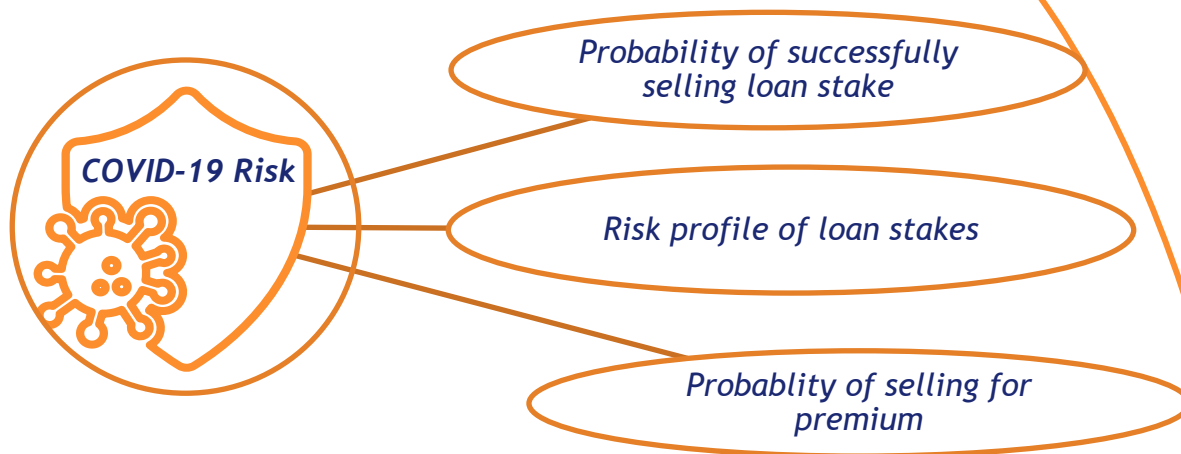


Liquidity Risk in FinTech Lending: Early Impact of COVID-19 Pandemic on P2P Lending Market

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✉ Methodology and Data

- The dataset is based on loan-book of Bondora Platform based in Estonia
- COVID-19 risk proxies in conjunction with the borrower- and country-specific factors are used in regression estimations
- Variables of interest: SUCCESSFUL LISTING; OVERDUE LOAN; OVERDUE DAYS; PREMIUM; TIME TO FAIL

✉ Results

- Probability of successful listing increased during the period of the pandemic
- Loan overdue days and probability of overdue loans among successfully liquidated loans decreased during the pandemic period compared with the pre-pandemic period
- Probability of 'cashing out' the loan stake for premium considerably decreased with an increase in COVID-19 pandemic risk
- Listing time required for the liquidation of loan stakes increased during the pandemic
- Investor sentiment changed at different stages of the pandemic

✉ Implications

- Evaluates the early impact of the pandemic effect among FinTech lending practices
- Reveals how investors and borrowers behave during the pandemic period
- Creates a unique database of loan listings because of the combination of multiple databases
- Provides a comprehensive view of the influence of COVID-19 risk on liquidity risk

