Crowdfunding and Marketplace Finance Index (CAMFI)

Index Summary

The Crowdfunding and Marketplace Finance Index (CAMFI) shows the crowdfunding industry followed last month's trend, with index moving from 94.28 to 91.28, marking the fourth consecutive month with a sub-100 score.

Key points

■ Global crowdfunding and marketplace finance industry continued to show sluggishness, with CAMFI below 100 again, as in the previous three months.

■ Segment-wise, the Debt Sub-Index was the main driver of CAMFI's value in September.

■ Attribute-wise, the decline of CAMFI was mainly due to the shrinking Scale.

■ Industry Scale decreased, in particular the Scale of the Chinese Debt segment contracted

■ Industry Efficiency continued to show divergence among different sectors, with a significant boost seen in the Reward segment.

■ Industry Transparency witnessed an evident drop, mainly because one major P2P platform withdrew membership from a self-regulatory industry association.
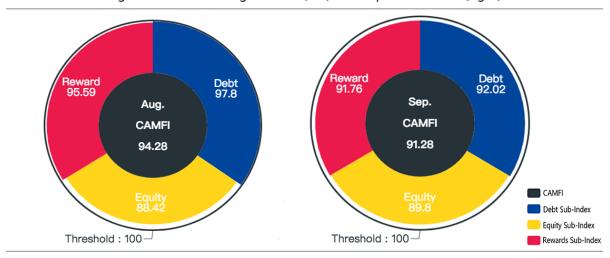
Fig. 1. CAMFI as at August 2017 (left) and September 2017 (right)

Data source: JZTDATA, TAB, AIF

As a composite index, CAMFI tracks each of the major industry segments' development. **Overall, September CAMFI's three sub-indices followed the previous months' sub-100 trend, with Debt Sub-Index being a major driver behind the sluggishness.** More specifically, from August to September, the Debt Sub-Index decreased from 97.80 to 92.02, the Reward Sub-Index decreased from 95.59 to 91.76, while the Equity Sub-Index slightly climbed from 88.42 to 89.80. All sub-indices remained below 100, suggesting continued contraction across all three sectors. Detailed analysis on each sub-index follows:

Debt Sub-Index: The decline of Debt Sub-Index mainly stems from the further shrinking of market Scale. In

particular, the trend was especially pronounced for the Chinese Debt sector (Scale metric down from 101.15 to 92.25), but the financing Efficiency did rise above 100, indicating some promising improvement. However, Efficiency and Transparency both declined for the rest of the world, where the decline in Transparency was driven by the withdrawal of UK debt platform, Ratesetter, from the UK Peer-to-Peer Finance Association (P2PFA).

Reward Sub-Index: The decline of the Reward Sub-Index was primarily due to shrinking Scale. Nevertheless, Efficiency measures surged, jumping from August's 83.47 to September's 133.54 — marking a qualitative transition from shrinking to vigorous expanding after the vacation season.

Equity Sub-Index: As the only increasing sub-index from last month, Equity sector climbed a little thanks to the moderate increases in its Scale measures. Yet with the overall index score still below 100, the market hasn't yet recovered from its previous sluggishness.

CAMFI's multi-attribute composition naturally uncovers the reasons behind index changes. **From the three dimensions of Scale, Efficiency and Transparency, September CAMFI's decline was primarily due to the decreasing Scale measures.** Specifically, the platform Scales showed only minor fluctuations across all three segments; Trading Scales continued to decrease overall, aside from some increase in the Equity segment; User Scales witnessed a further decline. Efficiency measures again varied across sectors: Debt and Equity both saw a certain degree of reduction, while the Reward sector saw an substantial increase, showing a substantial health increase. Transparency was notably reduced in the Debt segment, while remaining approximately unchanged for Equity and Reward sectors.

Editors' Notes

Crowdfunding and Marketplace Finance Index (CAMFI) is a composite index consisting of Debt Sub-Index, Reward Sub-Index, and Equity Sub-Index. To track the health of crowdfunding platforms worldwide, we use Scale, Efficiency, and Transparency of the crowdfunding industry as three primary dimensions, and Platform Scale, Trading Scale, User Scale, Funding Efficiency, and Industry-Related Organization & Association as five secondary dimensions. Utilizing big data to conduct quantitative meta-analysis in all dimensions, we build a stable, comprehensive and highly representative indexing system for the global crowdfunding and marketplace finance industry. CAMFI always fluctuates around 100. An index score above 100 indicates improving health of the industry, while one that's below 100 implies a contracting trend for the month being measured. The larger the index score, the greater the health improvement. The creation of CAMFI offers a measure of the crowdfunding industry for all stakeholders in the ecosystem, including both personal and institutional investors, as well as policy makers and governments.

About AIF

Academy of Internet Finance (AIF), Zhejiang University is headquartered in Hangzhou, one of the foremost FinTech hubs in China and the world. The first, and broadest, interdisciplinary research institute of its kind in China, AIF boasts the unrivaled connectivity with industry and government authorities. It has served as the founding presidency of Zhejiang Association of Internet Finance, alongside Ant Financial, a global FinTech leader. Since its inception in 2015, AIF has taken a global perspective with its academic boards as among the most international of its kind with members hailing from leading institutions in China and abroad. **AIF Sinai Lab** specializes in research and development of index products across a wide range of sectors, providing valuable insights for industry, government and academia. **AIF Marketplace Lending Lab** aims to take full advantage of its interdisciplinary nature to focus on the Marketplace

lending industry worldwide, and provides fundamental data and decision reference for players, supervisors and consumers.

About Hangzhou JZTDATA Co., Ltd.

Hangzhou JZTDATA Co., Ltd. is a high-tech company based on large financial data and artificial intelligence. Since 2014, JZTDATA has collected information from more than 10000 financial platforms, 35000 related business, 1 million financial products and 10 millions related news. Based on big data and artificial intelligence algorithms, JZTDATA aim to help financial regulators on in-depth industry analysis and risk management, to give financial investors advices with one-stop services, to mine potential users for new financial management platforms, and to provide data services for financial agencies.

About TAB U.K.

TAB U.K. interprets billions of financial data points from thousands of crowdfunding and P2P platforms globally every day – allowing you to identify new opportunities and make better decisions within a disruptive asset class. We cover high growth debt, equity, rewards and other platform types across all geographies. Our service delivers powerful deal-level granularity and micro-to-macro analytics capabilities, with best-in-class data visualisation, personalisation, search and filter functionality built in.

About BBD UK

BBD UK is a China-rooted big data FinTech company headquartered in Chengdu, China. BBD's UK operation was established in April 2016 with a front office in London and a R&D center in Cambridge. BBD is leading the tendency of real time based analytics for economic development and risk management. In 2016, BBD was included in KPMG's list of "China Leading Fintech 50" and was awarded as the local rising star among start-up companies by Deloitte. BBD was also rated as one of the top 50 valuable companies for investment in China.

For further information, please contact

AIF

Luo Dan

Tel. +86-571-88208901

Email zjuaif@zju.edu.cn

Hangzhou JZTDATA Co., Ltd.

Mao Qingqing

Tel. +86-571-87209876

Email service@jztdata.com

TAB U.K.

Tom Farthing

Tel. +44(0)207 580 6502

Email tom@toplinecomms.com

BBD UK

Helen Wang

Tel. +44(0)750 261 8881

Email helenwang@bbdservice.com

CNFIN，Xinhua News Agency

Jiangnan

Tel. +86-10-88051563

Email jiangnan@xinhua08.com.cn

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