

19 October 2018

**Funding Circle Holdings plc**  
**Q3 2018 Update**

Funding Circle Holdings plc ("Funding Circle" or the "Company"), the leading small and medium enterprise ("SME") loans platform in the UK, US, Germany and the Netherlands, today announces updates to its statistics pages for the three months ending 30 September 2018 (the "Quarter") and selected highlights from the quarter.

The data by country included in this announcement is also available on the Company's website at [corporate.fundingcircle.com/investors/loan-performance-statistics](http://corporate.fundingcircle.com/investors/loan-performance-statistics).

**Group performance<sup>1</sup>**

		Q3 2018	Q3 2017	%	2018 YTD	2017 YTD	%
Loans under Management (excluding property <sup>1</sup> )	£m	2,777	1,726	61%	N/A	N/A	N/A
Originations (excluding property <sup>1</sup> )	£m	564	388	45%	1,603	1,109	45%

**Highlights:**

- Loans under Management (excluding property) of ~£2.8 billion as at 30 September 2018, up 61% compared to the same period last year
- Originations (excluding property) of £564 million for Q3 2018 vs £388 million in Q3 2017, up 45%; total of £1.6 billion loans originated in the year to 30 September 2018
- On 7 September 2018, Alcentra Group, an alternative fixed income specialist for BNY Mellon Investment Management, agreed to lend up to \$1 billion to SMEs through Funding Circle's platform in the US over the next three years
- On 18 September 2018 the Company announced Geeta Gopalan will join the Funding Circle Board on 1 November as a Non-Executive Director and Chair the Audit Committee
- On 3 October 2018, the Company was admitted to trading on the Premium Listing segment of the London Stock Exchange. As part of the IPO, the Company raised gross proceeds of £300 million

Samir Desai CBE, CEO and co-founder said: "Funding Circle delivered a strong quarter of growth with loans under management of £2.8 billion and a record quarter for originations. The business continues to deliver our growth strategy and we remain focused on building Funding Circle for the long term."

**Outlook for full year 2018**

The Board confirms growth expectations remain unchanged for the full year.

**Our statistics - Q3 2018**

The following information is reproduced from each country's statistics pages, which can be found at [corporate.fundingcircle.com/investors/loan-performance-statistics](http://corporate.fundingcircle.com/investors/loan-performance-statistics).

**Loans under Management (million)**

	2012	2013	2014	2015	2016	2017	2018 YTD
<b>Group<sup>2</sup> (£)</b>	52	145	366	860	1,362	2,107	2,809
<b>UK<sup>2</sup> (£)</b>	52	144	332	653	1,027	1,583	2,013
<b>US (\$)</b>	N/A		54	261	354	577	810
<b>DE (€)</b>	N/A			27	30	65	117
<b>NL (€)</b>	N/A				16	40	78

**Originations (million)**

	2012	2013	2014	2015	2016	2017	2018 YTD
<b>Group<sup>3</sup> (£)</b>	49	130	311	721	1,065	1,738	1,608
<b>UK<sup>3</sup> (£)</b>	49	129	279	531	823	1,264	1,089
<b>US (\$)</b>	N/A		334		281	514	540
<b>DE (€)</b>	N/A		33		19	55	78
<b>NL (€)</b>	N/A			21		34	56

## Gross Yield

	2012	2013	2014	2015	2016	2017	2018 YTD
UK	9.2%	8.4%	10.0%	9.7%	9.7%	9.8%	9.8%
US	N/A		14.2%		13.2%	12.5%	13.0%
DE	N/A		7.2%		9.5%	9.5%	10.0%
NL	N/A			9.3%		10.9%	11.9%

## Projected annualised return range (after fees and bad debt)<sup>4</sup>

	2012	2013	2014	2015	2016	2017	2018 YTD
UK	7.1%-7.2%	5.6%-5.8%	7.3%-7.4%	6.8%-7.2%	5.4%-6.3%	5.2%-6.2%	5.5%-6.5%
US	N/A		1.8%-2.2%		4.0%-4.8%	5.5%-7.1%	5.8%-7.8%
DE	N/A		-0.1%-0.9%		2.3%-4.1%	4.8%-6.7%	5.3%-7.3%
NL	N/A			3.8%-4.8%		5.6%-7.5%	6.4%-8.4%

## Projected bad debt rate range<sup>5</sup>

	2012	2013	2014	2015	2016	2017	2018 YTD
UK	1.3%-1.3%	1.8%-2.0%	1.9%-2.0%	1.7%-2.1%	2.5%-3.3%	2.8%-3.8%	2.5%-3.5%
US	N/A		11.0%-11.4%		7.5%-8.3%	4.6%-6.1%	4.4%-6.4%
DE	N/A		4.7%-5.7%		4.4%-6.2%	1.7%-3.6%	1.7%-3.7%
NL	N/A			2.8%-4.0%		2.2%-4.2%	2.2%-4.2%

## ENDS

### Media Enquiries:

#### Funding Circle

David de Koning - Director of Group Communications ([press@fundingcircle.com](mailto:press@fundingcircle.com) / 0203 667 2245)

#### TB Cardew

Ed Orlebar (020 79300 777)

Tom Allison (020 79300 777)

### About Funding Circle:

Funding Circle ([corporate.fundingcircle.com](http://corporate.fundingcircle.com)) is a global SME loans platform, connecting SMEs who want to borrow with investors who want to lend in the UK, US, Germany and the Netherlands. Since launching in 2010, investors across Funding Circle's geographies - including more than 85,000 retail investors, banks, asset management companies, insurance companies, government-backed entities and funds - have lent more than £5.5 billion to over 55,000 businesses globally.

### Forward looking statements and other important information

This document contains forward looking statements, which are statements that are not historical facts and that reflect Funding Circle's beliefs and expectations with respect to future events and financial and operational performance. These forward looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond the control of Funding Circle and which may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. Nothing contained within this document is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of Funding Circle or its business. Any historical information contained in this statistical information is not indicative of future performance.

The information contained in this document is provided as of the dates shown. Nothing in this document should be construed as legal, tax, investment, financial, or accounting advice, or solicitation for or an offer to invest in Funding Circle.

### Definitions and notes to the editor:

1. In 2017, Funding Circle took the decision to no longer lend to property developers in the United Kingdom, the one market in which it had previously expanded its product set beyond amortising SME loans. As a result, the Board excludes property lending when measuring ongoing business performance.
2. Group and UK Loans under Management by year include property lending. Loans under Management related solely to property were, by year: 2012/2013: £0; 2014: £26 million; 2015: £115 million; 2016: £163 million; 2017: £95 million; September 2018: £32 million.
3. Group and UK originations by year include property lending. Group originations related solely to property lending were, by year: 2012/2013: £0; 2014: £23 million; 2015: £114 million; 2016: £171 million; 2017: £107 million; 2018 year to date: £5 million.
4. The projected annual return shows how loans are estimated to perform. Loans are shown by the year they were taken out, and are after fees and bad debt. Returns equal gross yield minus net losses minus servicing fee and is estimated, using an internally managed model, by cohort of origination incorporating actual returns received for each cohort and adding future expected returns which are determined using the same aforementioned model. Net yield is compounded to recognise re-investment. These expectations may be revised, for example if macroeconomic conditions change, and the projected return, projected gross yield and the projected bad debt rate may be adjusted to reflect this.

5. The projected bad debt rate shows the projected annualised percentage of loans, by loan amount, that will not be repaid. Loans are shown by the year they were taken out and include recoveries. It can take up to five years for loans to be fully repaid, so the projected return, projected gross yield and projected bad debt rate take into account how each year of loans are performing and how Funding Circle expects them to perform in future. These expectations may be revised, for example if macroeconomic conditions change, and the projected return, projected gross yield and the projected bad debt rate may be adjusted to reflect this.

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