

16 January 2020

Funding Circle Holdings plc

Q4 2019 loan performance statistics

Funding Circle Holdings plc (“Funding Circle”), 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 31 December 2019 (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.

Gross Yield

	2012	2013	2014	2015	2016	2017	2018	2019
UK	9.2%	8.4%	9.9%	9.6%	9.5%	9.6%	9.7%	9.9%
US	N/A		14.5%		13.2%	12.3%	12.8%	13.0%
DE	N/A		7.1%		9.4%	9.4%	10.1%	10.6%
NL	N/A			9.3%		10.7%	11.7%	11.2%

Projected annualised return range (after fees and bad debt)¹

	2012	2013	2014	2015	2016	2017	2018	2019
UK	7.1 - 7.2%	6.0 - 6.2%	7.2 - 7.4%	6.6 - 6.8%	5.0 - 5.5%	4.0 - 4.6%	4.1 - 5.1%	5.0 - 7.0%
US	N/A		2.6 - 2.8%		4.1 - 4.9%	5.3 - 6.2%	5.0 - 6.3%	5.7 - 7.8%
DE	N/A		0.1 - 1.0%		2.3 - 4.1%	4.6 - 6.5%	4.4 - 6.4%	4.7 - 6.7%
NL	N/A			3.9 - 4.7%		5.6 - 7.6%	6.0 - 8.0%	6.0 - 8.0%

Projected bad debt rate range²

	2012	2013	2014	2015	2016	2017	2018	2019
UK	1.3 - 1.3%	1.5 - 1.6%	1.7 - 1.9%	1.9 - 2.2%	3.1 - 3.7%	4.1 - 4.7%	3.7 - 4.6%	2.1 - 4.0%
US	N/A		10.7 - 10.9%		7.5 - 8.3%	5.5 - 6.4%	6.1 - 7.3%	4.8 - 6.8%
DE	N/A		5.1 - 6.0%		4.3 - 6.1%	2.0 - 3.9%	2.9 - 4.8%	3.1 - 4.9%
NL	N/A			3.7 - 4.5%		2.4 - 4.3%	3.0 - 4.8%	2.5 - 4.3%

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About Funding Circle:

Funding Circle (LSE: FCH) 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 retail investors, banks, asset management companies, insurance companies, government-backed entities and funds - have lent more than £8 billion to 77,000 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. 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.
2. 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.