



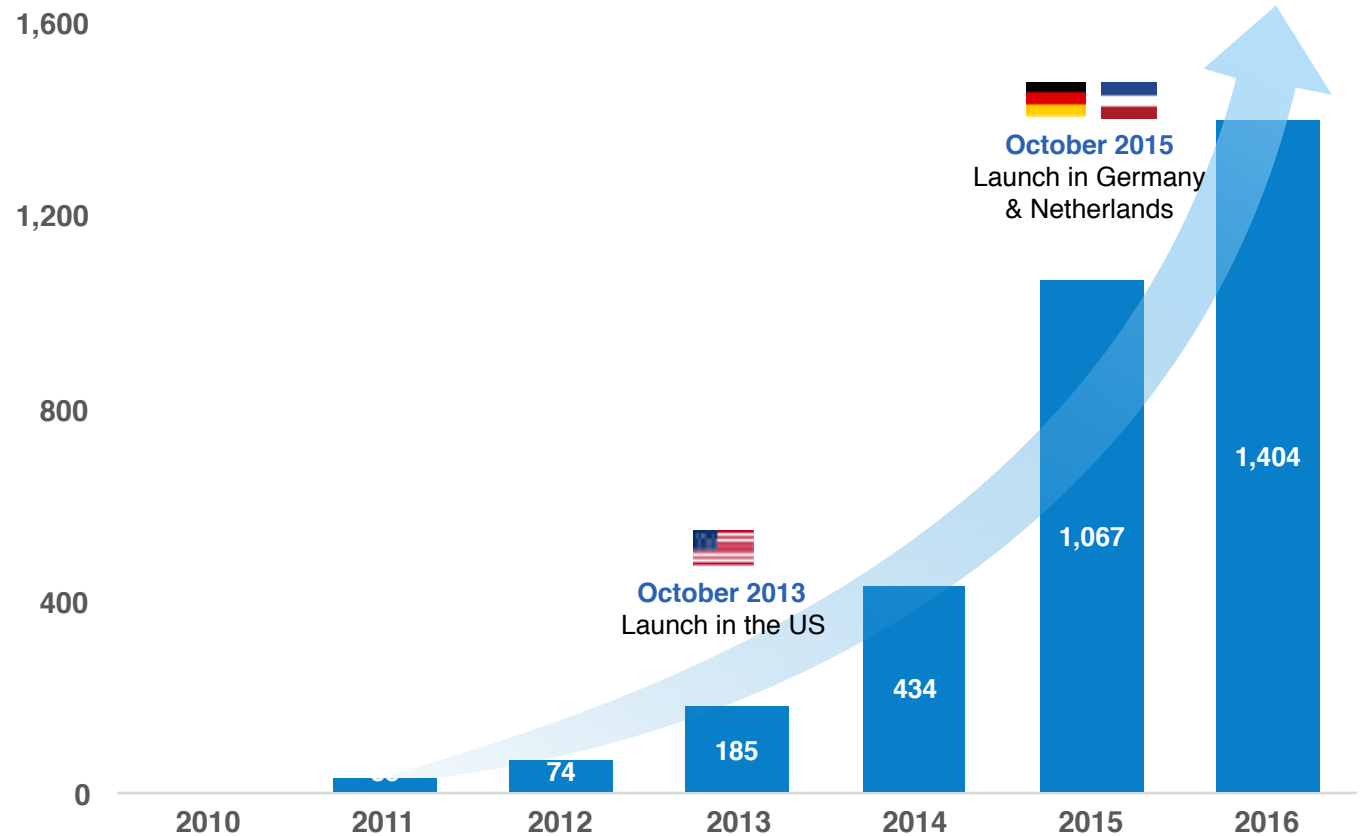
Small Business Lending After the Shakeout

Sam Hodges
Co-founder & U.S. Managing
Director
March 6, 2017

Funding Circle is the global leader in marketplace lending to small businesses

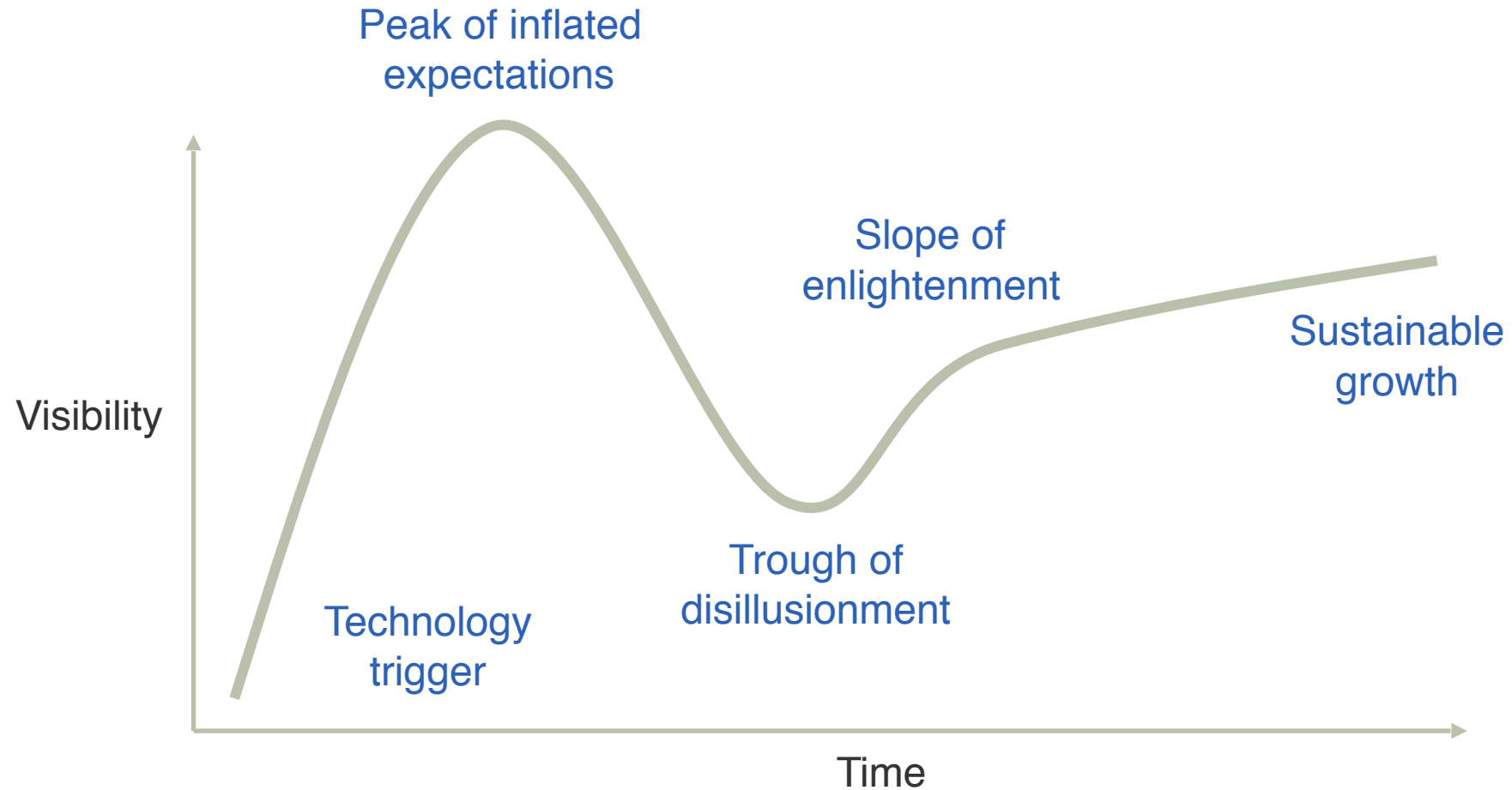
Originated over \$3B to tens of thousands of small businesses since 2010

FUNDING CIRCLE GROUP ORIGINATIONS
(\$ Millions / year)



Looking back on 2016

2016 saw the start of the shakeout



Our industry learned a lot in the past 12 months

Controls are critical,
and scrutiny on the
industry is increasing

Risk models take time to get right

Bank partnerships can be
transformative, but most are still very
early

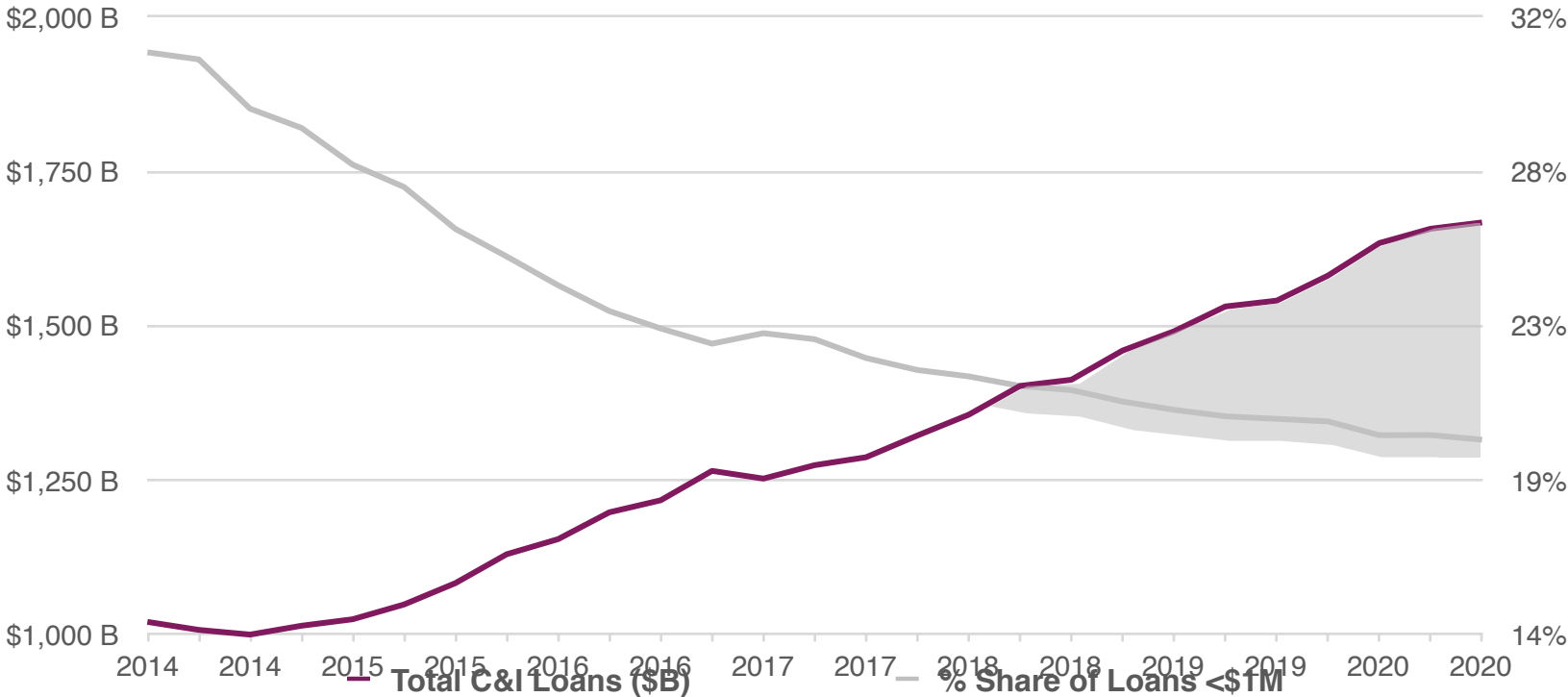
SME lending has unique
challenges

Why?

- 1) Lack of standardized credit information
- 2) Fragmented customer acquisition channels
- 3) Confusing set of credit products offered to borrowers
- 4) Complex regulatory environment

However, there are reasons for optimism

Credit gap for small businesses persists

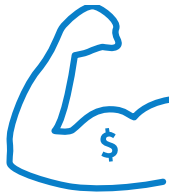


The opportunity to build something better is huge, and the path forward is becoming clearer

- It will take more time to reach scale
- The gap between the haves and have-nots will get wider
- Companies will be more specialized (by product, and by target market)
- Successful companies will be well-capitalized to weather macroeconomic events
- Companies will have more diversified capital sources

Funding Circle's path forward

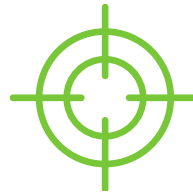
Funding Circle continues to be the world's leading SME lending platform



**Proven
strength with
new funding**



**Achieving
global scale**



**Targeted
investments in
controls and
sustainability**



**Continued
growth of
partnerships**



**Diversity of
capital
sources**

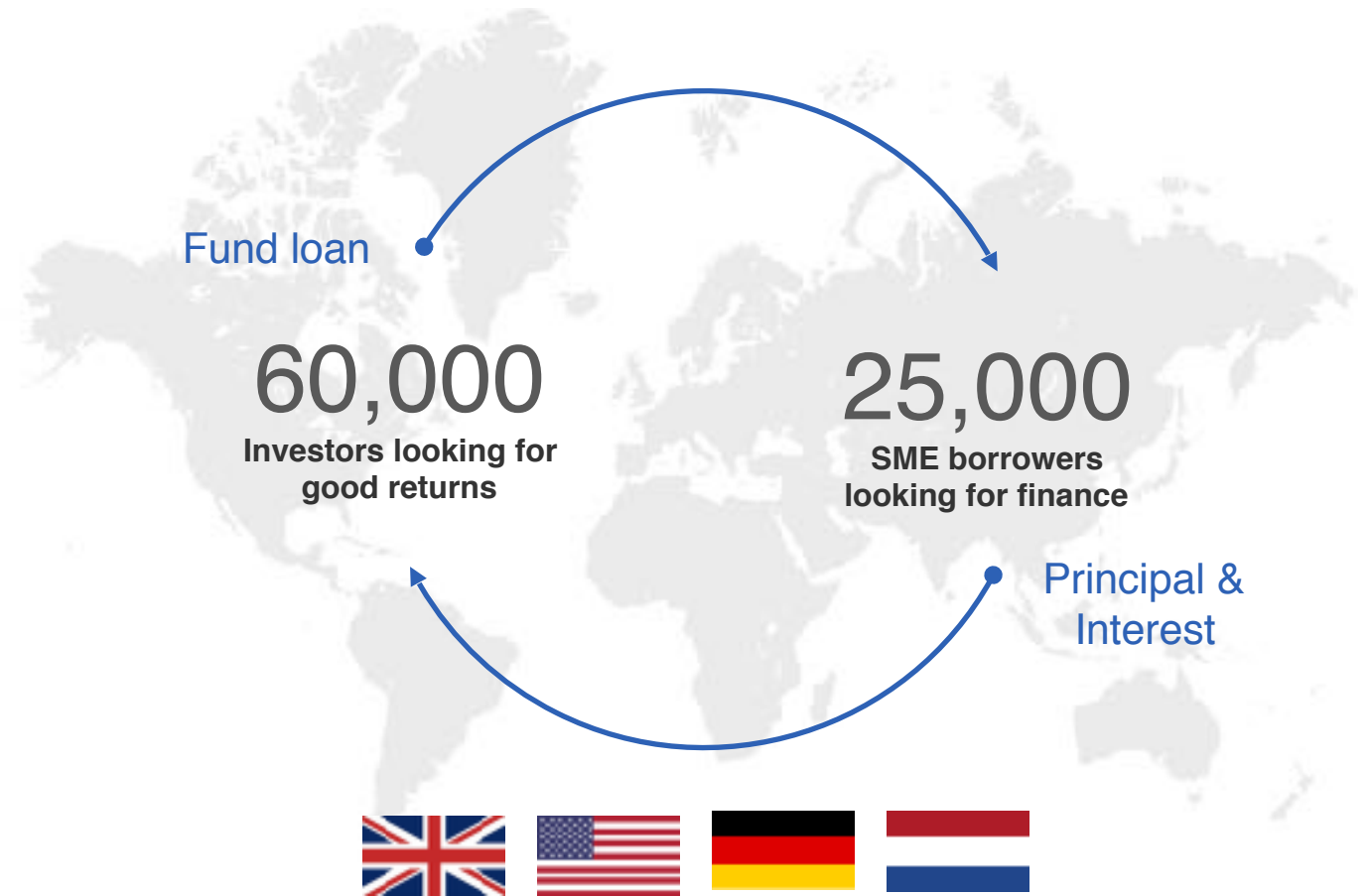


Our strength is affirmed by our 2017 equity capital raise

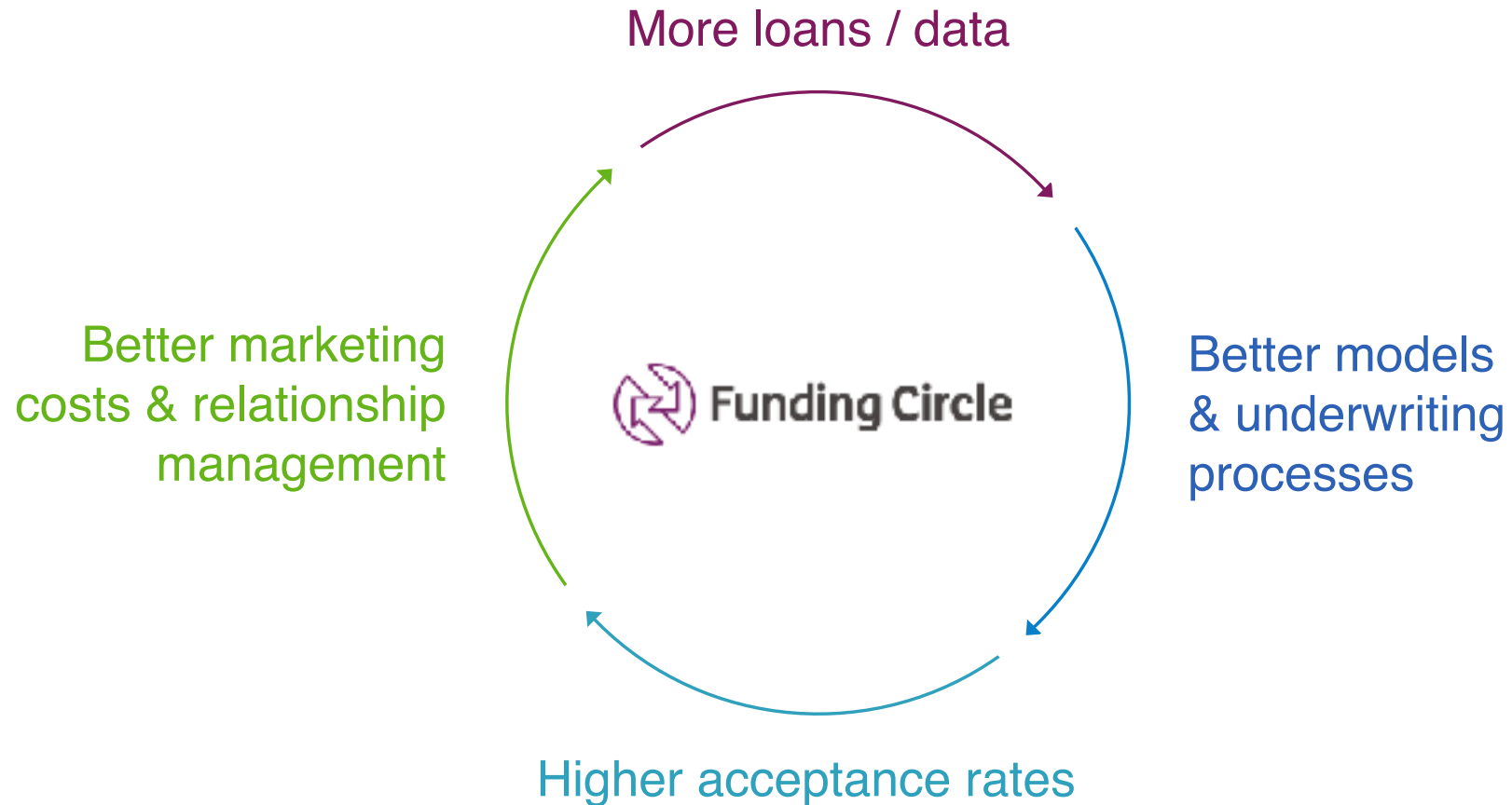




Funding Circle has established itself as the global leader in marketplace lending to small businesses



Scale creates a virtuous cycle of data





Partnerships drive down acquisition costs and increase access for borrowers



Funding Circle



intuit.

credit karma

nerdwallet

H&R BLOCK

ondeck



Angie's list.

Kabbage



sage Payment Solutions

LendingClub



Alibaba Group

Our government partnerships are also growing





Scrutiny on the industries is increasing, and we continue to invest in controls

- Operational Quality & Controls
- Credit Performance
- Stability of Funding Sources

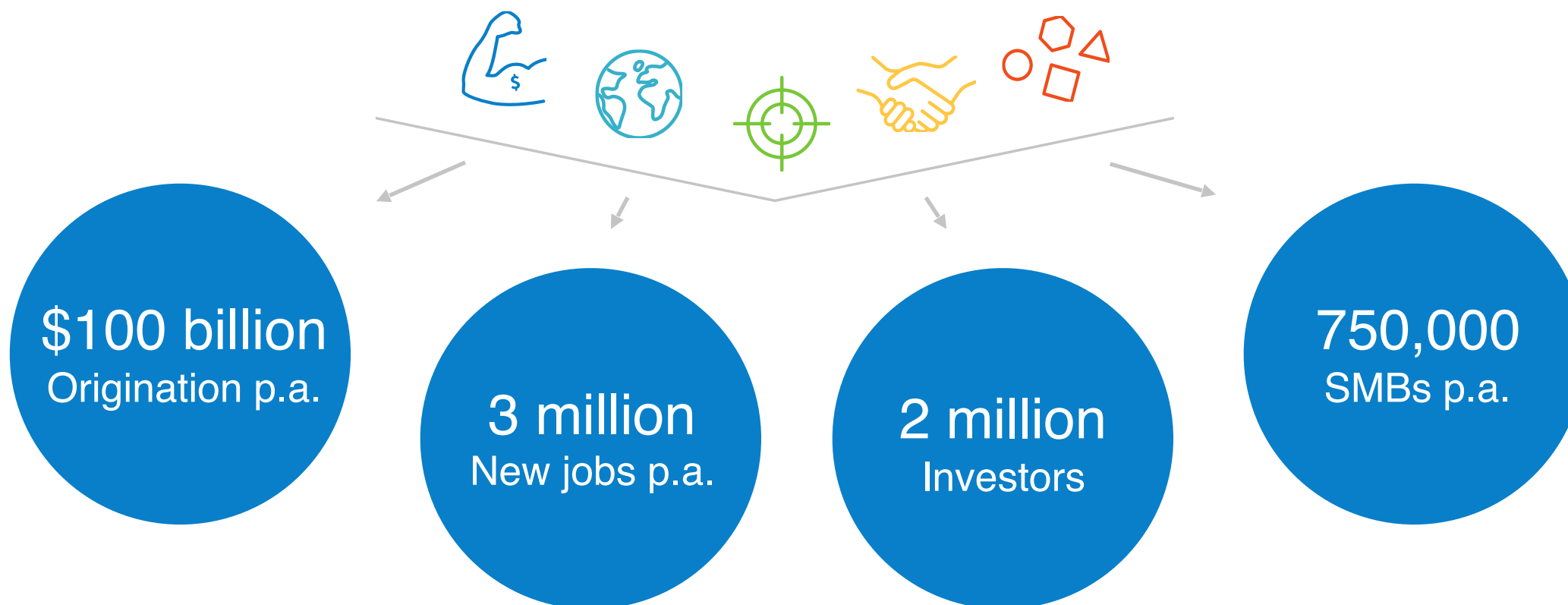



Our capital sources are both diverse and global



Our vision is steady: originate \$100B a year

Stimulating job creation and economic growth in local communities across the globe

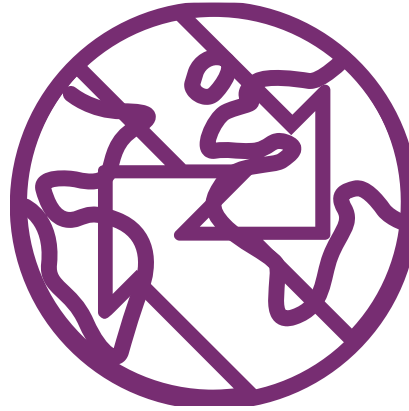


A man in a dark blue blazer and light-colored trousers is sitting on a large purple beanbag chair. He is smiling and looking down at a small, colorful object he is holding in his hands. The room is brightly lit and colorful, with shelves in the background holding various items like books, toys, and bags. In the foreground, there is a white circular table with a laptop and some papers on it. The overall atmosphere is warm and professional.

"I thought banks would like to take part in our success and help us grow — but I found out that they don't. [Funding Circle is] so customer-service oriented and the process is really easy. They will understand your small business's needs - and potential."

Eyal Levy
Owner of Yogibo in
Nashua, New Hampshire

We are here to
support small
businesses



Marketplace = global

