

PRESS NOTICE
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THIRD QUARTER DATA REVEALS CONTINUED PEER-TO-PEER GROWTH

Investors lending through peer-to-peer platforms have lent cumulatively almost £6.5 billion in data published today by the P2PFA covering the period up to the third quarter of 2016.

The figures show strong and sustained growth in the sector, with more than £700 million of new lending transacted between July and September, as well as a continued increase in the number of borrowers and lenders.

Commenting on the data, the P2PFA Chair, Christine Farnish, said: *'data from the third quarter of 2016 highlight the strength of peer-to-peer lending in the United Kingdom, and underscore the value that this form of alternative finance is providing to the economy for borrowers – both business and consumer – as well as lenders. Peer-to-peer lending continues to deliver a competitive alternative to traditional lending'*.

She continued: *'As Lord Turner said last week: at an accelerating pace, direct non-bank lending has extended to segments previously almost entirely dominated by banks. The direct lending industry will grow and play a useful role in our overall credit supply system'*.

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Notes to Editors

1. Peer-to-peer lending – regulated by the Financial Conduct Authority since April 2014 – involves direct matching of funds between investors and borrowers through an on-line platform. Investors range from retail consumers to institutional investors as well as the government. Borrowers range from consumers, small businesses, property developers and buy-to-let. Peer-to-peer lending platforms match investors and borrowers directly for a fraction of the cost of traditional financial services entities, providing benefits to customers on both sides of the transaction.
2. The Peer-to-Peer Finance Association (P2PFA) was established in 2011 as a representative and self-regulatory body for debt-based peer-to-peer lending. The P2PFA seeks to inform and educate, promote high standards of business conduct, and work with policy-makers and regulators to ensure an effective regulatory regime. P2PFA members are required to meet robust

standards for the transparent, fair and orderly operation of peer-to-peer lending, and the eight member platforms comprise more than seventy-five per cent of the total UK peer-to-peer lending market. These platforms are: Funding Circle, Landbay, Lending Works, LendInvest, Market Invoice, RateSetter, Thin Cats and Zopa.

3. The table below shows aggregate levels of peer-to-peer lending by member platforms of the Peer-to-Peer Finance Association over the last two quarters.

	Q1 2016	Q2 2016	Q3 2016
Cumulative lending	£5,114,000,000	£5,802,000,000	£6,502,783,000
o/w lending to individuals	£2,164,873,000	£2,416,000,000	£2,687,040,000
o/w lending to businesses	£2,949,182,000	£3,386,000,000	£3,815,743,000
Base stock of loans (outstanding loan book)	£2,446,000,000	£2,609,000,000	£2,812,988,000
o/w lending to individuals	£1,097,145,000	£1,178,000,000	£1,263,565,000
o/w lending to businesses	£1,348,620,000	£1,431,000,000	£1,549,423,000
New Lending	£715,000,000	£658,000,000	£700,616,000
o/w lending to individuals	£270,070,000	£252,000,000	£271,138,000
o/w lending to businesses	£445,350,000	£406,000,000	£429,478,000
Capital repaid	£414,000,000	£485,000,000	£494,975,000
o/w lending to individuals	£150,909,000	£170,000,000	£185,082,000
o/w lending to businesses	£263,194,000	£315,000,000	£309,893,000
Net Lending Flow	£304,000,000	£174,000,000	£205,287,000
o/w lending to individuals	£119,161,000	£82,000,000	£86,057,000
o/w lending to businesses	£185,296,000	£92,000,000	£119,230,000
Number of current lenders	141,321	150,376	161,466
Number of current borrowers	306,885	332,107	363,201
o/w are individuals	284,762	307,713	335,803
o/w are businesses	22,123	24,394	27,398

4. The table below shows cumulative Peer-to-Peer Finance Association platform level lending data during 2016:

	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Funding Circle	£1,007,208,000	£1,189,770,000	£1,341,573,000	£1,524,427,000
Landbay	£20,622,000	£37,318,000	£42,665,000	£42,948,000
Lendinvest	£496,243,000	£611,432,000	£699,544,000	£776,112,000
Lending Works	£18,774,000	£25,092,000	£29,959,000	£33,636,000
Market Invoice	£510,396,000	£587,572,000	£671,563,000	£754,325,000
RateSetter	£962,039,000	£1,124,328,000	£1,277,189,000	£1,442,743,000
Thincats	£146,540,000	£161,975,000	£183,700,000	£196,907,000
Zopa	£1,236,813,000	£1,401,415,000	£1,555,972,000	£1,731,685,000
Total	£4,398,635,000	£5,138,902,000	£5,802,165,000	£6,502,783,000

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