

PRESS NOTICE
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FOURTH QUARTER DATA CONFIRMS 2016 AS ANOTHER STRONG YEAR FOR PEER-TO-PEER LENDING

The publication by the Peer-to-Peer Finance Association (P2PFA) of lending data for the fourth quarter of 2016 has demonstrated continued growth, with the expansion in lending volumes confirming increasing levels of confidence.

During the final three months of 2016, more than £800 million of new lending was transacted through P2PFA member platforms, with a total of almost £3 billion lent during the year – and strong growth in the number of investors and borrowers.

Commenting on the data, Robert Pettigrew, Director of the P2PFA, said: *'2016 has been another year of impressive growth in peer-to-peer lending in the UK: further consolidating the sector's position in the future of financial services. Whilst uncertainties in the broader economy attract much comment, it is clear from the robust growth in levels of peer-to-peer lending that P2PFA platforms and their investors are positive about the future'*.

Reflecting on the strong growth in levels of business lending, he observed: *'levels of lending to businesses through P2PFA platforms has gained considerable momentum over the course of recent quarters, and as investors focus on what might emerge from the post-referendum uncertainty, the position of peer-to-peer lending as a major part of the solution in a post-Brexit world is unquestionable'*.

Concerning developments in consumer lending, he stated: *'the continued growth in lending to consumers reflects increasing customer awareness and choice. There is evidence that consumers are being more selective in choosing loan providers, assisted by improved price comparisons and increased use of digital channels which serves to make research easier'*.

He concluded: *'the performance of P2PFA platforms in 2016 bodes well for 2017: this is a very exciting time for the sector with growing confidence, the development of new opportunities – such as the*

Innovative Finance ISA – and increasing awareness of the role peer-to-peer lending can play in broadening access to lending and returns’.

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Notes to Editors

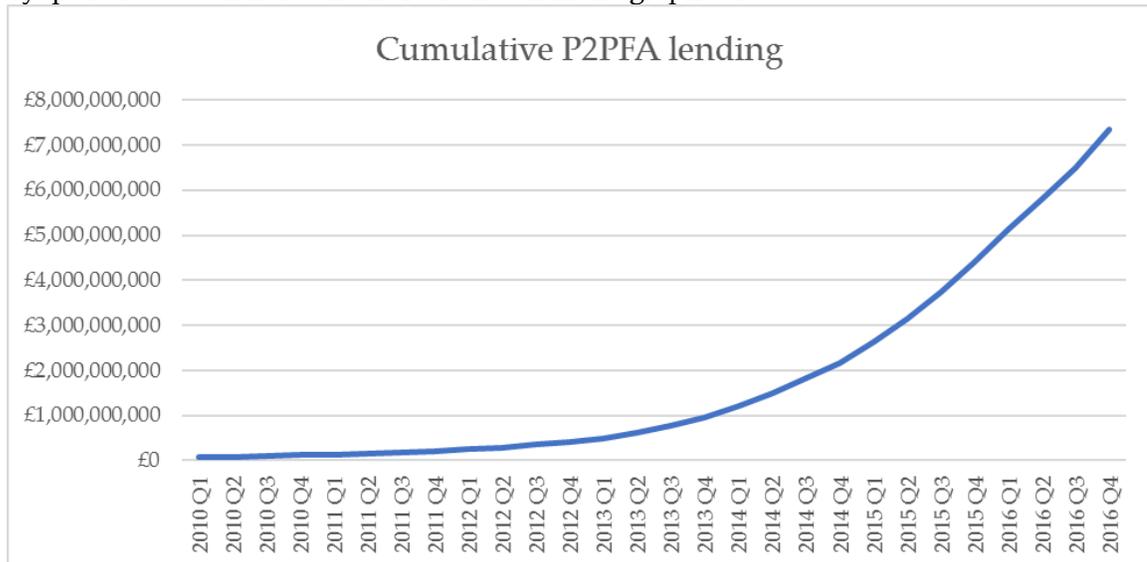
1. Peer-to-peer lending – regulated by the Financial Conduct Authority since April 2014 – involves direct matching of funds between investors and borrowers through an on-line platform. Investors range from retail consumers to institutional investors as well as the government. Borrowers range from consumers, 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 during 2016.

	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Cumulative lending	£5,114,000,000	£5,802,000,000	£6,502,783,000	£7,347,991,895
o/w lending to individuals	£2,164,873,000	£2,416,000,000	£2,687,040,000	£2,988,270,526
o/w lending to businesses	£2,949,182,000	£3,386,000,000	£3,815,743,000	£4,359,721,369
Base stock of loans (outstanding loan book)	£2,446,000,000	£2,609,000,000	£2,812,988,000	£3,093,692,787
o/w lending to individuals	£1,097,145,000	£1,178,000,000	£1,263,565,000	£1,367,767,161
o/w lending to businesses	£1,348,620,000	£1,431,000,000	£1,549,423,000	£1,725,925,626
New Lending	£715,000,000	£658,000,000	£700,616,000	£843,917,964
o/w lending to individuals	£270,000,000	£252,000,000	£271,138,000	£299,939,490
o/w lending to businesses	£445,350,000	£406,000,000	£429,478,000	£543,978,474
Capital repaid	£414,000,000	£485,000,000	£494,975,000	£561,088,544
o/w lending to individuals	£150,909,000	£170,000,000	£185,082,000	£195,737,268
o/w lending to businesses	£263,194,000	£315,000,000	£309,893,000	£365,351,277
Net Lending Flow	£304,000,000	£174,000,000	£205,287,000	£287,228,652
o/w lending to individuals	£119,161,000	£82,000,000	£86,057,000	£104,202,222
o/w lending to businesses	£185,296,000	£92,000,000	£119,230,000	£183,026,430
Number of current lenders	141,321	150,376	161,466	169,747
Number of current borrowers	306,885	332,107	363,201	392,111
o/w are individuals	284,762	307,713	335,803	360,410
o/w are businesses	22,123	24,394	27,398	31,701

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

	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Funding Circle	£1,189,770,000	£1,341,573,000	£1,524,427,000	£1,830,397,245
Landbay	£37,318,000	£42,665,000	£42,948,000	£43,142,119
LendInvest	£611,432,000	£699,544,000	£776,112,000	£855,354,293
Lending Works	£25,092,000	£29,959,000	£33,636,000	£39,368,050
Market Invoice	£587,572,000	£671,563,000	£754,325,000	£837,793,900
RateSetter	£1,124,328,000	£1,277,189,000	£1,442,743,000	£1,604,406,564
ThinCats	£161,975,000	£183,700,000	£196,907,000	£211,446,000
Zopa	£1,401,415,000	£1,555,972,000	£1,731,685,000	£1,926,083,724
Total	£5,138,902,000	£5,802,165,000	£6,502,783,000	£7,347,991,895

5. The growth in cumulative levels of peer-to-peer lending through P2PFA member platforms by quarter between 2010 and 2016 is shown in the graph below:



Contact

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