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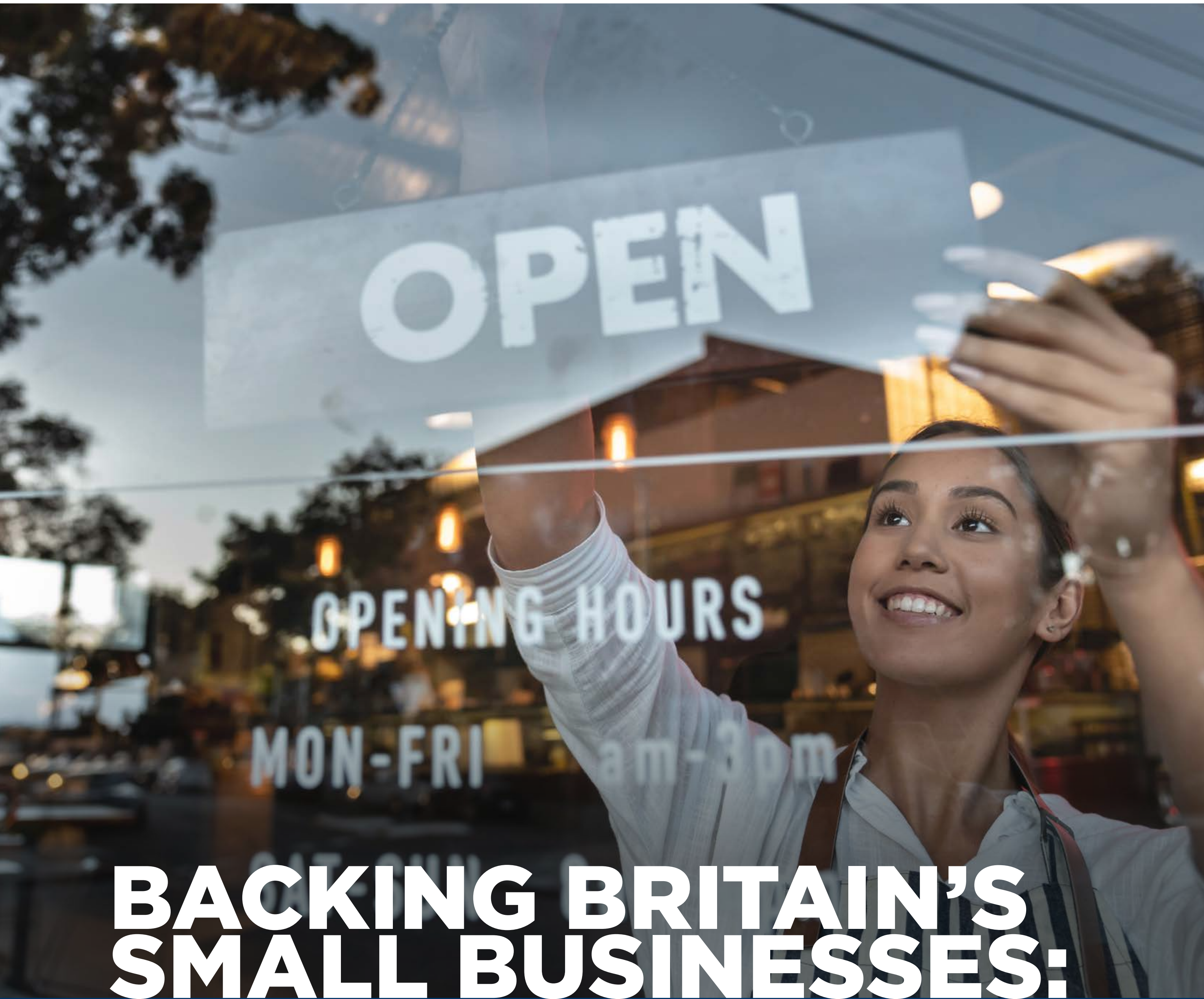
Funding Circle



BACKING BRITAIN'S SMALL BUSINESSES: FUNDING CIRCLE'S 2023 IMPACT

MAY 2024

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EXECUTIVE SUMMARY

78%

of UK SMEs felt more resilient following the years' challenges.

Small and medium enterprises (SMEs) continued to face challenges in 2023, characterised by tighter monetary policy placing pressure on their finances. Demand concerns were at the forefront for SMEs in 2023, whereas in previous years, supply chain issues and rising costs were their primary concerns. Despite this, there was evidence of continued strength, as more than three quarters (78%) of SMEs felt that the economic challenges they faced during the year increased the resilience of their business.

The three distinct groups of SMEs that emerged during the pandemic, continued to navigate the challenges they faced in a similar way. They can be categorised into the following groups:

- *Survivors*—those most negatively impacted by the economic environment;
- *Hedgers*—those focused on precautionary measures, such as building up or maintaining cash reserves; and
- *Thrivers*—those who continued to adapt, invest, and grow their businesses.

Although the pressures facing SMEs have evolved since the pandemic, the prevailing economic conditions in 2023 resulted in minimal change across group sizes. While the *hedger* and *thriver* groups appeared to increase in size in Q2 2023, this positive momentum was not sustained towards the end of 2023, likely due to higher borrowing costs, and the proportions of businesses in each group remained the same as at the end of the previous year.

9-percentage-point rise

in the number of SMEs reporting no concerns for their business.

Green shoots are emerging with SMEs showing increased resilience and clear signs of optimism when looking at medium-term growth ambitions. Despite the challenging economic conditions, the share of SMEs that reported growth within their business in the first half of the year increased to the highest level seen since 2019. As a result, SMEs showed greater confidence in the survival of their businesses. Data from the ONS reveal, on average, a 9-percentage-point rise in the number of small businesses that had no concerns for their business at the end of 2023 compared with a year earlier.

Despite the tougher credit conditions, Funding Circle remained committed to providing finance to SMEs during the year, with lending reaching SMEs in every corner of the UK. Loans through the platform helped SMEs located in every one of the 650 parliamentary constituencies, with an average of £1.5 million and median of £1.3 million in lending per constituency.

Lending through Funding Circle reached businesses in all 650 parliamentary constituencies.

Funding Circle's technology and data are at the heart of the platform and enable a simple borrowing process for SMEs. Funding Circle's expanding range of products ensures that SMEs can get the credit they need quickly and without fuss. The platform provides instant decisions on 80% of all UK applications, with applications taking just 6 minutes on average, lending decisions made in as little as nine seconds, and funds arriving in the borrower's account within 24 hours.

At the end of 2023, we estimate Funding Circle's loans under management supported a £6.9 billion total contribution to UK GDP and sustained over 95,800 jobs. In addition to these core contributions, we also estimate that lending through the platform was associated with activity stimulating £1.6 billion in tax revenues.

£6.9 billion

Contribution to UK GDP, 95,800 jobs, and £1.6 billion in tax revenues supported by Funding Circle's lending in 2023.

1. SMALL BUSINESS YEAR IN REVIEW

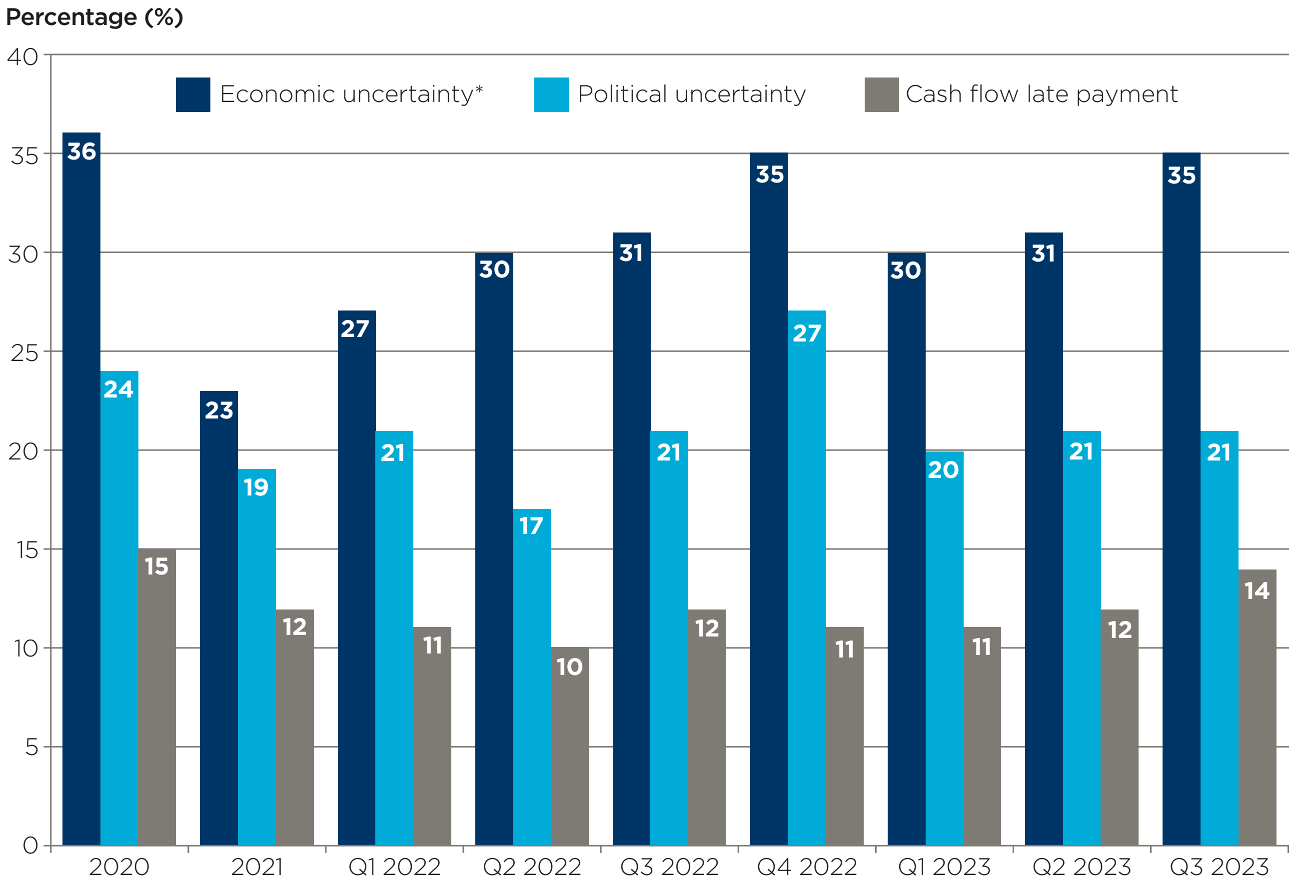
1.1 SMES CONTINUED TO NAVIGATE SIGNIFICANT CHALLENGES

The economic climate for SMEs remained challenging in 2023. Across the course of the year, monetary policy continued to tighten, with the Bank Rate rising from 3.5% to 5.25% by the end of the year.[1] In the second half of 2023, there was a marked loss of momentum as the UK slipped into a "technical recession", GDP decreased for two consecutive quarters, with a fall of 0.3% in Q4 2023, and a 0.1% fall in the previous quarter.[2] Overall, annual GDP growth in 2023 was only 0.1%, the lowest growth on record since 2009, excluding the impact of the pandemic in 2020.

Nonetheless, the inflation shock is gradually fading. Headline inflation has steadily dropped from its late-2022 peak of 11.1%, reaching 4.0% in December 2023.[3] Energy prices have been the main driver of the slowdown, but food price inflation has also started to cool.

Notwithstanding the relative tailwind of falling inflation, 35% of SMEs viewed economic uncertainty as a barrier to their business, according to the latest available data (Fig. 1). This was only marginally below that at the peak of the pandemic in 2020.[4] It also continued to be perceived as a larger barrier than political uncertainty, which was seen as a concern by around one-fifth (21%) of SMEs.

Fig. 1: Percentage of SMEs reporting issues as a major barrier to their business

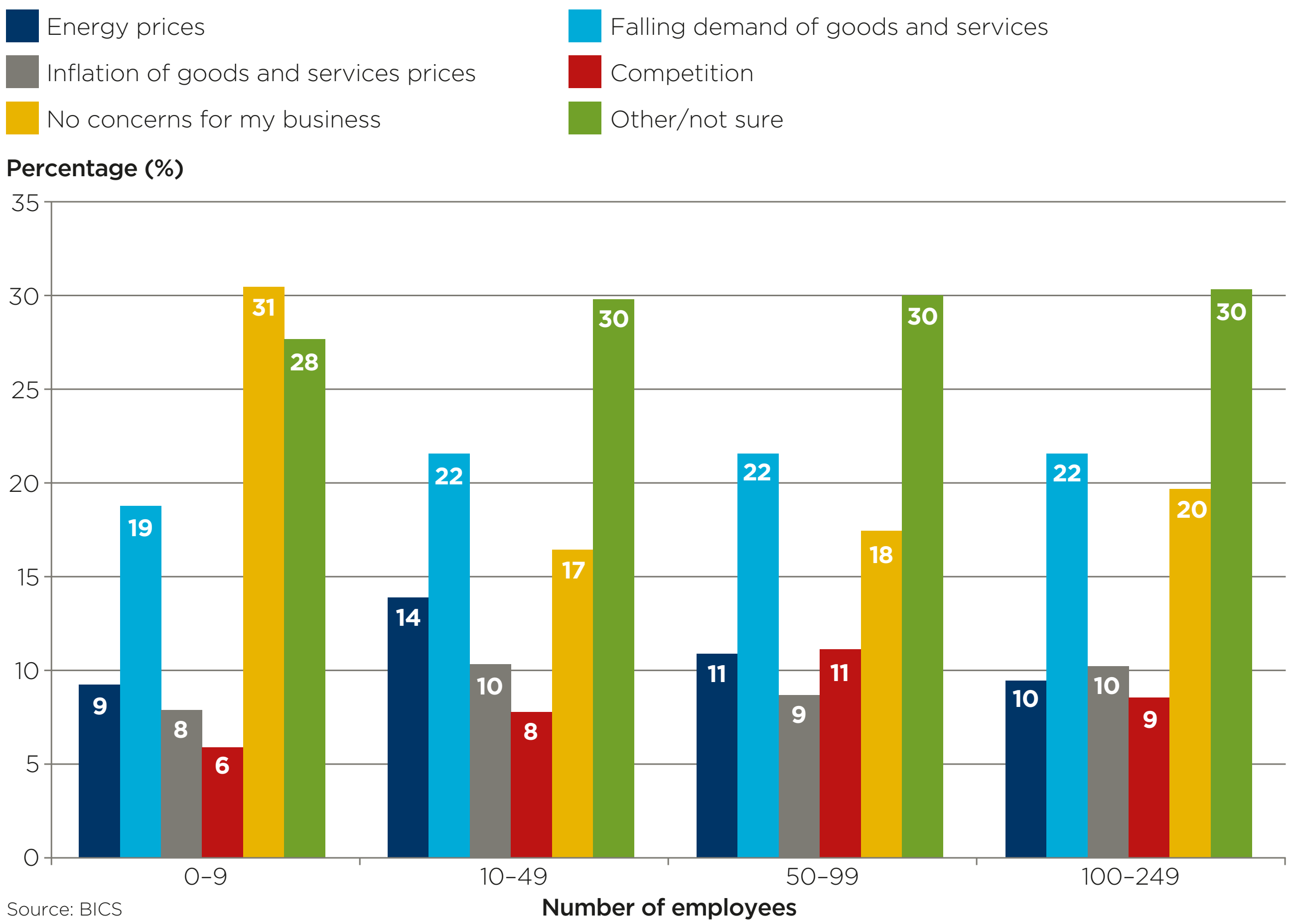


Source: BVA BDRC

*defined as conern for the current economic climate

[1] Bank of England, 'Bank Rate history and data', 2023, accessed November 2023
[2] ONS, 'GDP quarterly national accounts, UK: October to December 2023', accessed April 2024
[3] ONS, 'Consumer price inflation, UK: December 2023', accessed April 2024
[4] Latest data available is Q3 2023; BVA BDRC, 'SME Finance Monitor', 2023, accessed March 2024

Fig. 2: Main concern for SMEs, December 2023



Source: BICS

Cash flow became more of a challenge for SMEs. One in seven (14%) SMEs identified cash flow as a major barrier facing their business in Q3 2023, up from 11% at the start of the year (Fig. 1).[5] The same survey revealed that around two-fifths of SMEs claimed their need for finance was cash flow-related-either to cover short-term funding gaps, working capital to help with cash flow, or to help cope with trading difficulties.[6] Both rising interest rates and worsening economic conditions could help to explain this finding.

Falling demand was the biggest concern weighing on SMEs in 2023. Where in previous years, supply chain issues and rising costs were primary concerns for UK SMEs, data from the Office for National Statistics (ONS) reveals falling demand for goods and services as a prominent challenge for small businesses of all sizes in 2023 (Fig. 2).[7] Similarly, data from the Funding Circle survey showed that 25% of SMEs viewed customer demand as their biggest concern.

[5] BVA BDRC, 'SME Finance Monitor', December 2023, accessed March 2024
[6] BVA BDRC, 'SME Finance Monitor', Q4 2023, accessed April 2024
[7] ONS, 'Business Insights and Conditions Survey (BICS)', data downloaded December 2023

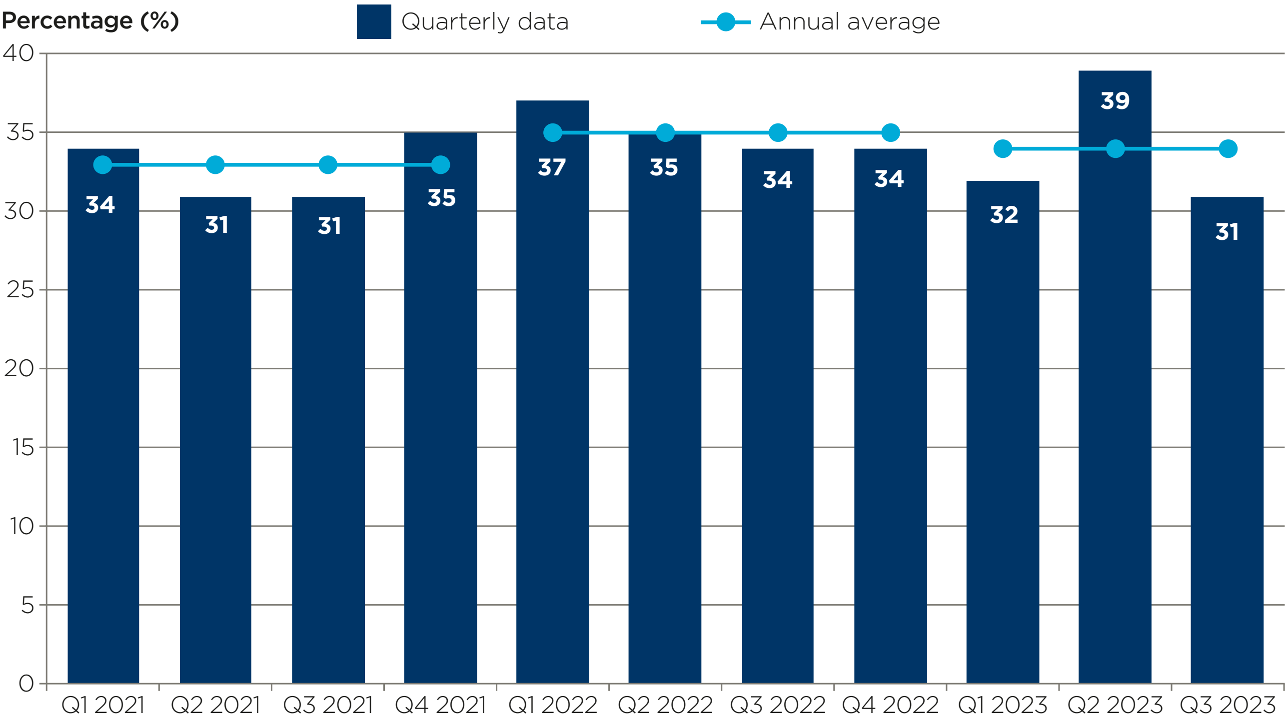
1.2 THESE CHALLENGES CONTINUED TO IMPACT ALL SME GROUPS

The three distinct groups of SMEs that emerged during the pandemic continued to navigate the challenges they faced in a similar way. Detailed in Funding Circle's prior impact reports, the first category of SMEs are the *survivors*—those most negatively impacted by the economic environment. The second group, *hedgers*, are concentrated on precautionary measures, such as accumulating cash reserves. A third group, *thrivers,* is comprised of businesses that persist in adapting, investing, and expanding their operations.

The prevailing economic conditions in 2023 resulted in minimal change across group sizes. While the *hedger* and *thriver* groups appeared to increase in size in Q2 2023, this positive momentum was not sustained towards the end of 2023, likely due to higher borrowing costs, and the proportions of businesses in each group remained the same as in the previous year.

The proportion of SMEs with cash reserves fluctuated throughout 2023. The share of SMEs with £10,000 or more in credit balances peaked halfway through 2023 at 39% of SMEs (Fig. 3), signalling heightened caution over investment and an increase in the share of hedgers. This could indicate that SMEs preferred to wait for signs of a demand recovery before committing to investments. However, with the downturn in economic activity in the second half of 2023, the share of SMEs that expected to increase investment in the near-term stalled towards the end of 2023.[8] This is evident in the latest Funding Circle survey data which shows 45% of SMEs paused, delayed, or cancelled an investment in 2023.[9] Therefore, despite the eagerness to invest, SMEs were not able to follow through and may have become survivors.

Fig. 3: SMEs holding £10,000 or more in credit balances



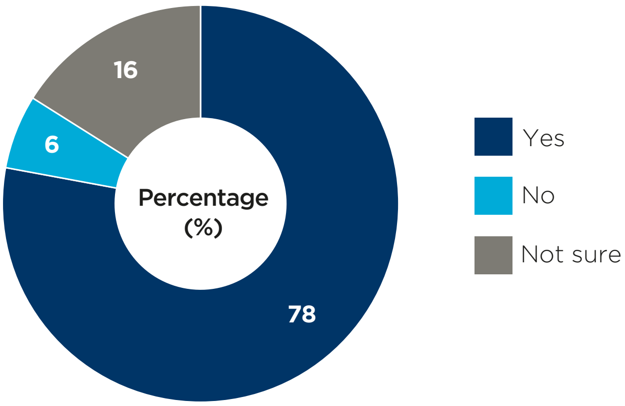
Source: BVA BDRC

[8] FSB, 'Voice of Small Business Index Quarter 3 2023', 2023, accessed December 2023
[9] In January 2024, respondents were asked 'In the past 12 months, has the economic environment contributed to you pausing, delaying or cancelling a business investment decision?'

1.3 GREEN SHOOTS ARE EMERGING DESPITE THE CHALLENGING ECONOMIC CONDITIONS

SMEs are showing increased resilience and clear signs of optimism when looking at medium-term growth ambitions. More than three quarters (78%) of SMEs felt that the economic challenges they faced during the year increased the resilience of their business (Fig. 4).

Fig. 4: SMEs' response when asked if economic challenges over the past year had made their business more resilient

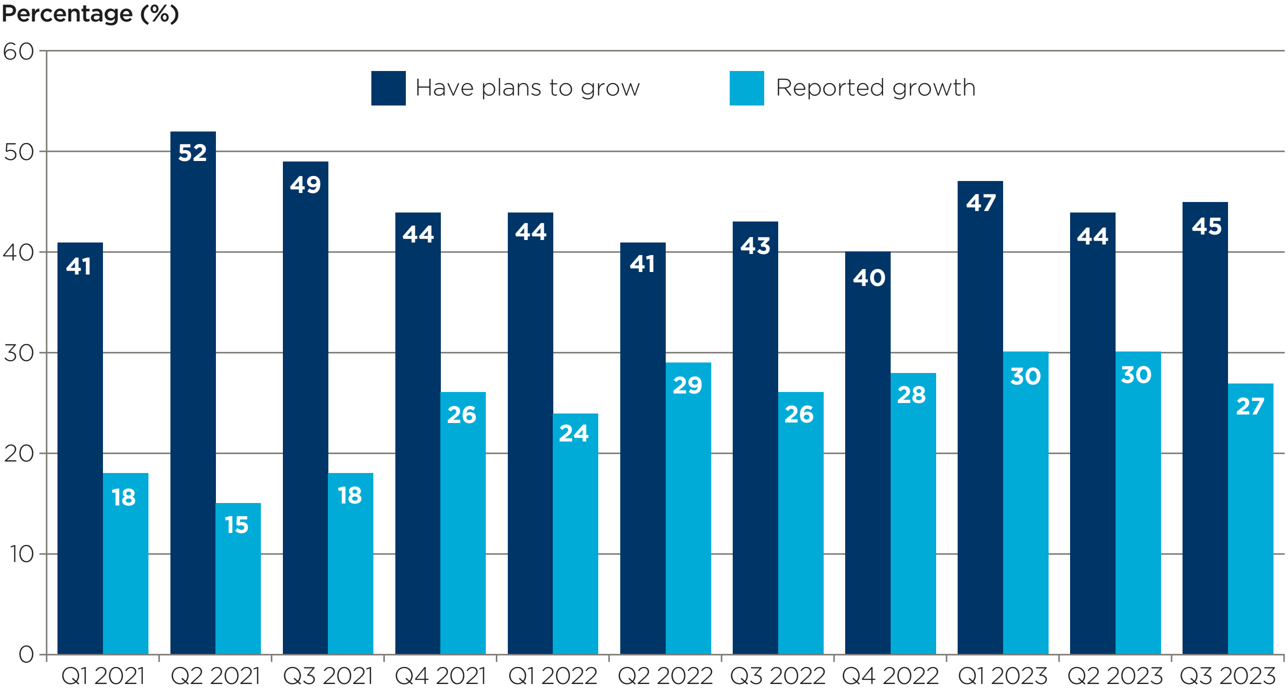


Source: Funding Circle   Note: totals may not sum due to rounding

When asked if they had plans to grow, the percentage of SMEs that said yes was almost half (47%) in Q1 2023 (Fig. 5).

Throughout the first three quarters of 2023, this proportion remained consistently above the levels of the prior three quarters, supporting the notion that SMEs had adapted to the ongoing economic challenges despite the clear impact it had on them. At the same time, the share of SMEs that reported growth in the first half of the year increased to the highest level seen since 2019, signalling some green shoots of recovery.

Fig. 5: Percentage of SMEs with plans to grow their business

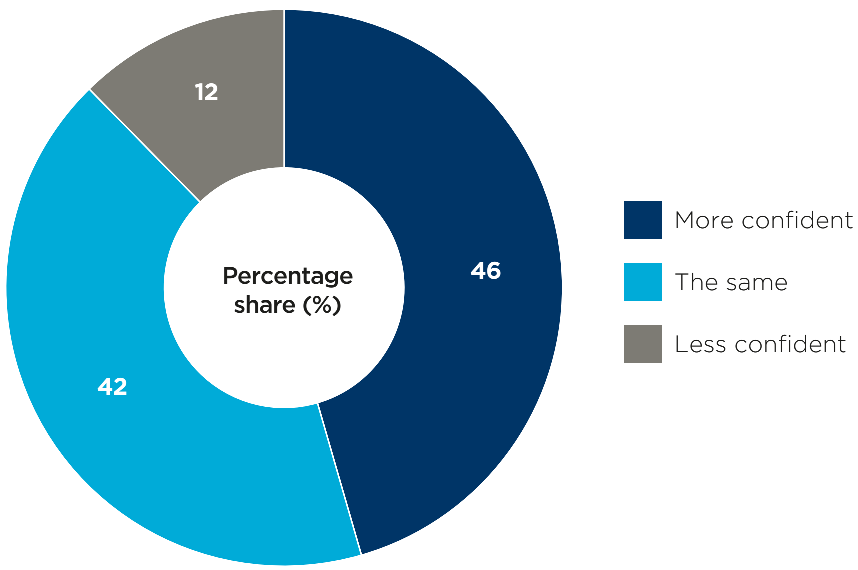


Source: BVA BDRC

Encouragingly, turnover generated by SMEs in most major industries increased in real terms since 2022, with the accommodation and food service industry experiencing the highest growth rate as per the ONS Business Population Estimates.[10] According to the ONS BICs survey, the share of SMEs reporting reductions in revenue (relative to normal expectations) fell from the heights of the pandemic but remained at around one-in four in 2022 and 2023, with little variation across SME firm size.

As a result, SMEs showed greater confidence in the survival of their businesses. Data from the ONS reveal, on average, a 9-percentage-point rise—from 12% to 21%—in the number of small businesses that had no concerns for their business at the end of 2023 compared with a year earlier.[11] Funding Circle survey data also indicated that 88% of small businesses felt more optimistic or had neutral sentiments for their business performance for the next 12 months, supporting an improved outlook for the UK economy (Fig. 6).

Fig. 6: SME confidence for the next 12 months, compared to the previous year, 2023



Source: Funding Circle

Note: This question received 429 repsonses

[10] Adjusted for inflation, ONS, 'Business population estimates 2023', accessed December 2023
[11] ONS, 'Business Insights and Conditions Survey (BICS)', data downloaded December 2023

2. FUNDING CIRCLE'S 2023 ECONOMIC IMPACT

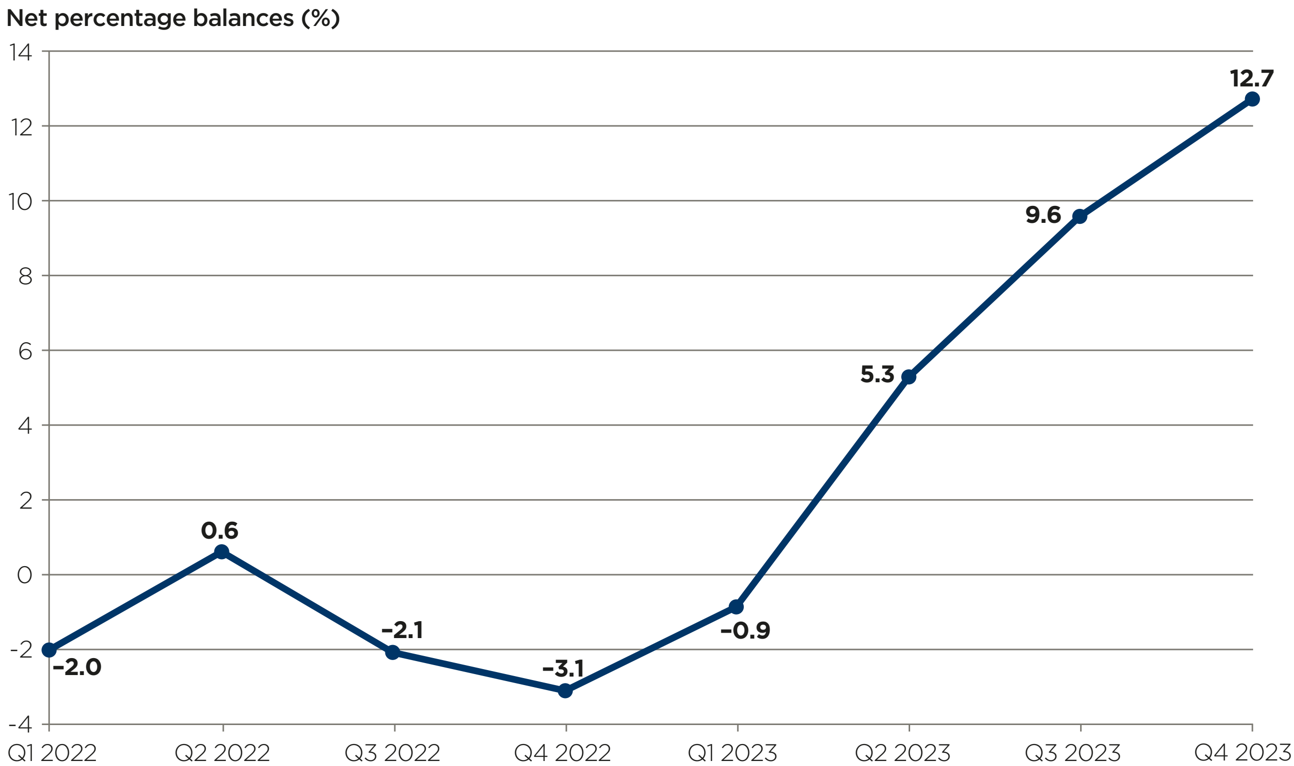
2.1 FUNDING CIRCLE CONTINUED TO SUPPORT SMES WITH ACCESS TO FINANCE ACROSS THE UK IN 2023

Despite tougher credit conditions, Funding Circle, among other lenders, remained committed to providing loans to SMEs. Data from UK Finance shows that in 2023, 59% of SME lending came from outside of the main high street banks, and compared to 2022, there was an increase in the credit made available to SMEs (Fig. 7).[12]

Lending through Funding Circle helped SMEs located in areas facing socioeconomic challenges. In 2023:

- **13%** of Funding Circle's lending went to businesses located in the 10% of local authority districts with the highest unemployment rates;
- **14%** of Funding Circle's lending went to businesses located in the 10% of local authority districts with the lowest rankings in the English Index of Multiple Deprivation[13]; and
- **12%** of Funding Circle's lending went to businesses located in the 10% of local authority districts with the highest rates of economic inactivity.

Fig. 7: Quarterly change in the availability of credit to SMEs in the UK

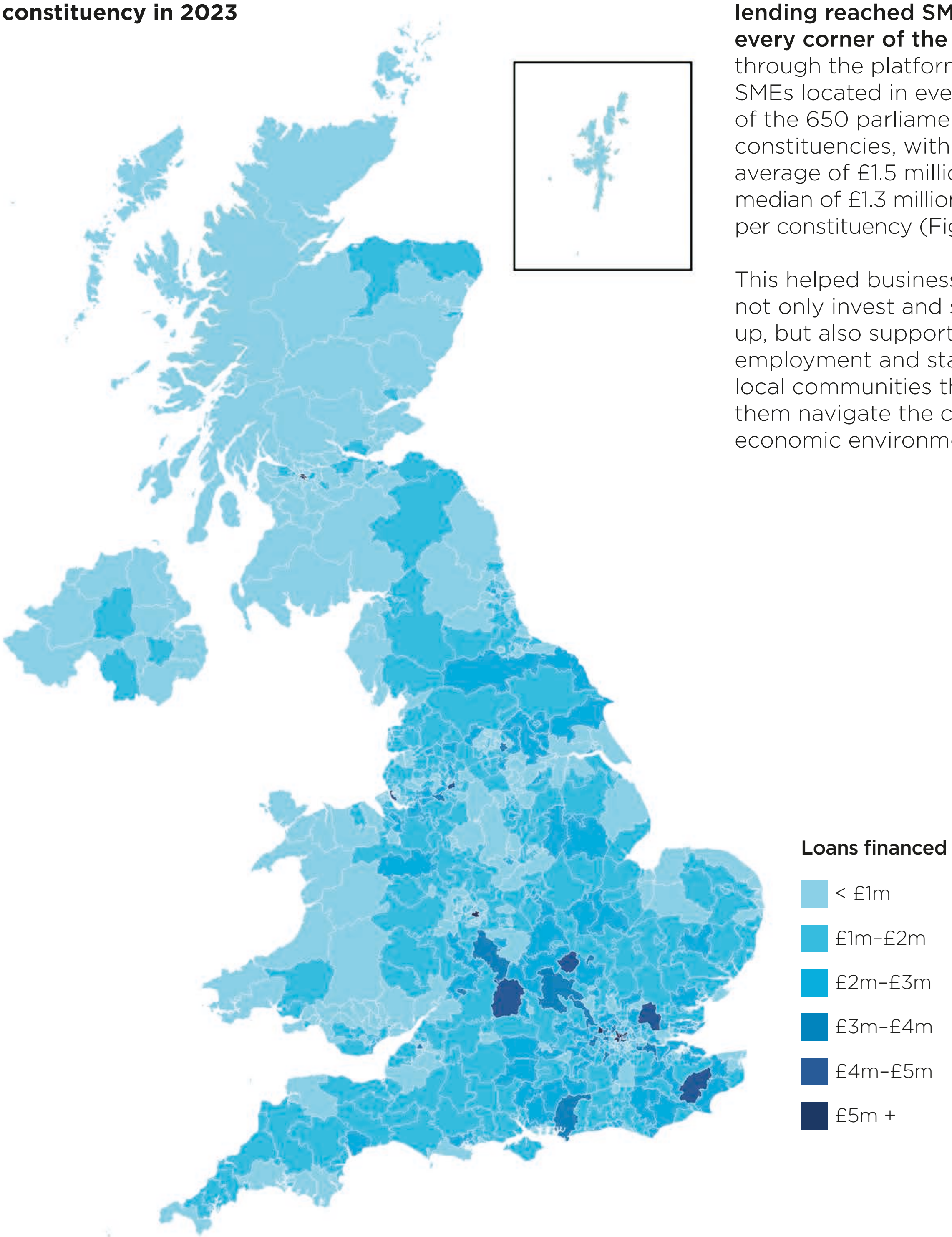


Source: Bank of England

[12] UK Finance, 'SME demand for finance returning', accessed March 2024

[13] The Index of Multiple Deprivation (IMD) is a relative measure of deprivation used across the UK. The lower the IMD rank the more deprived the area is. The areas with the lowest rankings in the IMD account for 12% of GDP (as per latest ONS data). We therefore infer the 14% is relatively high and the spending in these areas is over-indexed.

Fig. 8. Value of loans originated per Parliamentary constituency in 2023



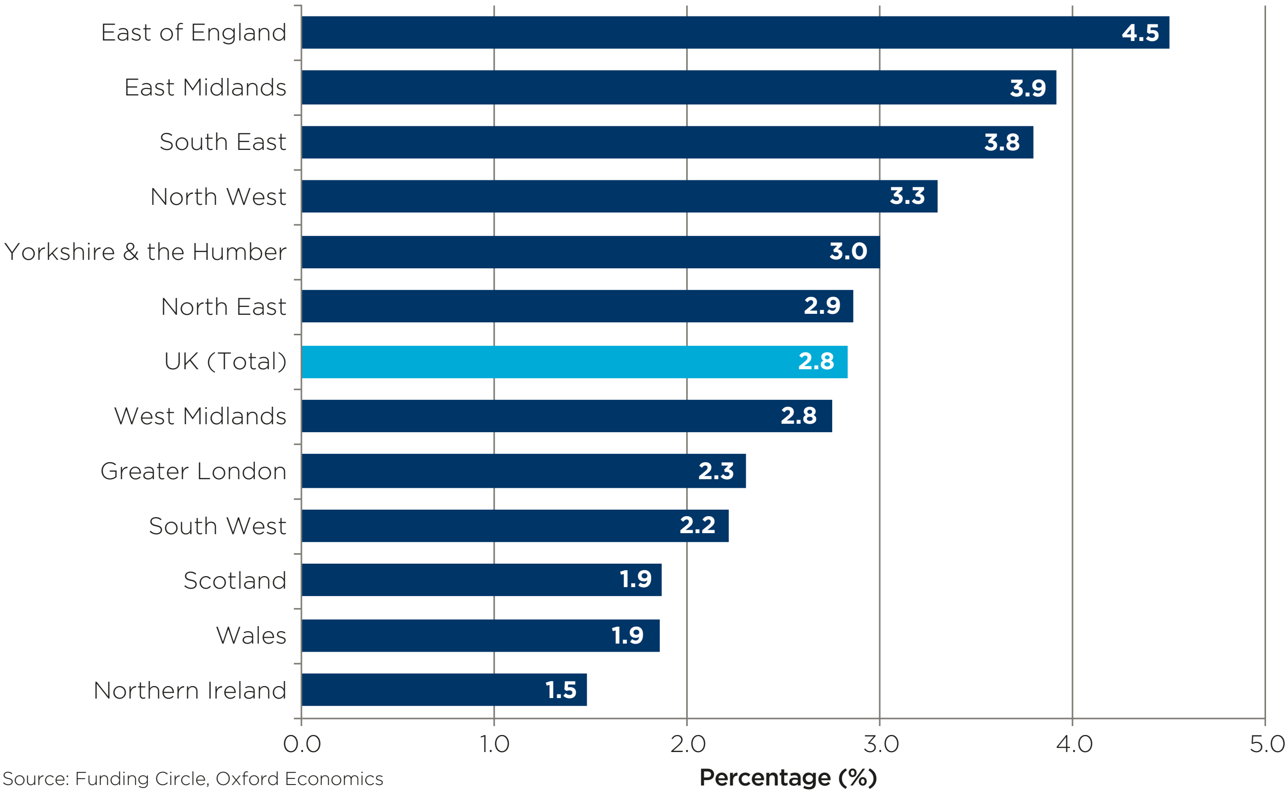
Source: Funding Circle

In 2023, Funding Circle's lending reached SMEs in every corner of the UK. Loans through the platform helped SMEs located in every one of the 650 parliamentary constituencies, with an average of £1.5 million and median of £1.3 million in lending per constituency (Fig. 8).

This helped businesses to not only invest and scale up, but also supported employment and stability in local communities that helped them navigate the challenging economic environment.

A large share of Funding Circle's lending supported SMEs outside of London, where small businesses typically face greater difficulty in accessing finance through traditional channels.[14] Funding Circle's loans under management accounted for 4.5% of all outstanding SME lending in the East of England and 3.9% in the East Midlands (Fig. 9).[15] Considering specific communities, Funding Circle loans also played a significant role in Glasgow Central (Scotland), where the loans under management constituted 4.0% of the total outstanding SME lending in the area. This was followed closely by Leeds Central (Yorkshire & the Humber), which accounted for 3.8%, and Kingston upon Hull West and Hessle (Yorkshire & the Humber) for 3.0%.

Fig. 9: Funding Circle loans under management as a share of total outstanding SME lending



Source: Funding Circle, Oxford Economics

[14] British Business Bank, 'Nations and Regions Tracker: Small Business Finance Markets 2023', 2023, accessed February 2024
[15] UK Finance, 'SME lending within UK postcodes', 2023

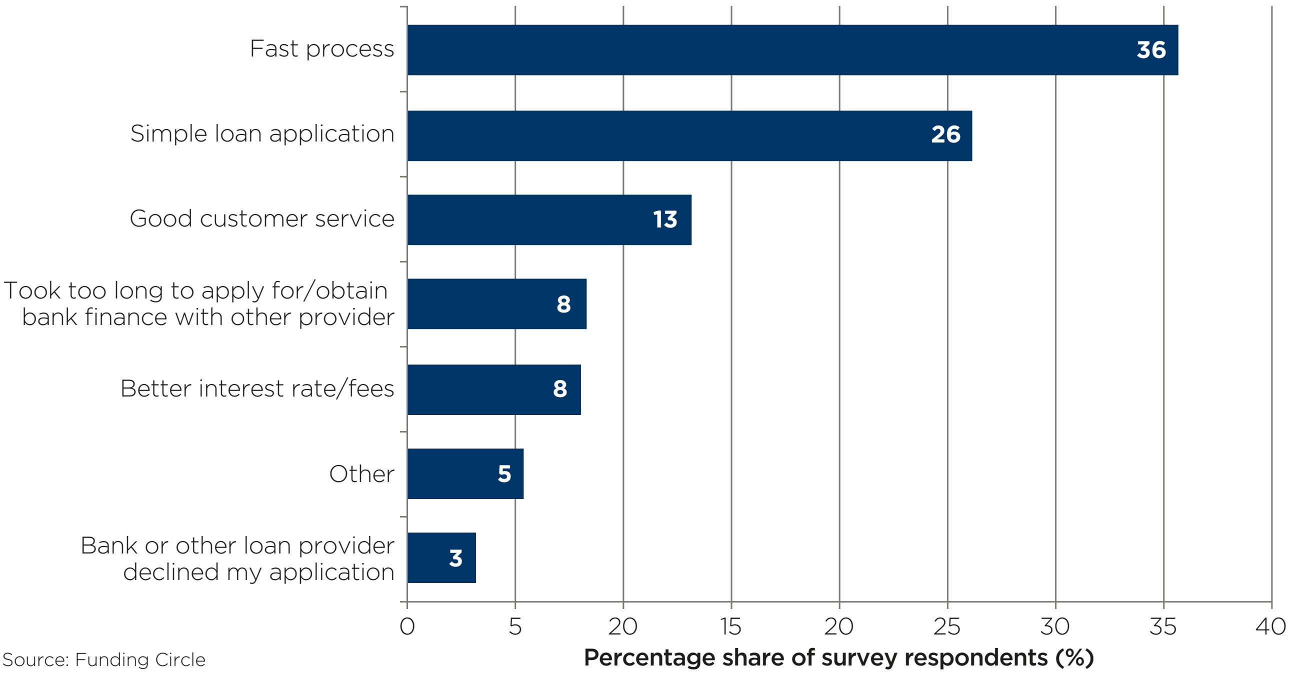
2.2 FUNDING CIRCLE'S DATA AND TECHNOLOGY BOOSTS ACCESS FOR THOSE SEEKING FINANCE

Funding Circle delivers a seamless experience, simplifying the complex borrowing processes SMEs face when applying for funding. Data from Open Banking Expo (OBE), covering all sources of finance including banks, show that 47% of small businesses struggle to answer all the questions in loan application forms.[16] In contrast, Funding Circle's borrowers highlighted the speed and ease with which they were able to obtain a loan from the platform: 26% cited the simplicity of the business loan application process as their main reason for choosing Funding Circle, and 36% most valued the speed of the process (Fig. 10).

Funding Circle's tech and data are at the heart of the platform, enabling SMEs to access finance quickly and easily. 80% of all UK applicants receive instant decisions, with applications taking just 6 minutes on average, and lending decisions made in as little as nine seconds, allowing funds to be in the borrower's account within 24 hours.

Funding Circle's multi-product capabilities serve a wide range of SMEs' financial needs alongside business loans. With cash flow issues persisting and increasing in prevalence, SMEs in the UK rely on convenient and fast access to short-term credit. In a survey by the FinTech Times, SMEs reported that 36% of payments in an average month arrived late, stressing the importance of flexible, short-term financing options.[17] Funding Circle's FlexiPay product was created as a solution to this problem faced by SMEs, and active customers are now typically using FlexiPay 1.3 times per month.

Fig. 10: Main reason for borrowing through Funding Circle in 2023



Source: Funding Circle

[16] OBE, 'UK lenders call on government to support better data sharing to help SMEs access funding', 2023, accessed January 2024
[17] The FinTech Times, 'UK SMEs Grapple with £20,000 in unpaid invoices', 2023, accessed December 2023

2.3 FUNDING CIRCLE'S UK ECONOMIC IMPACT

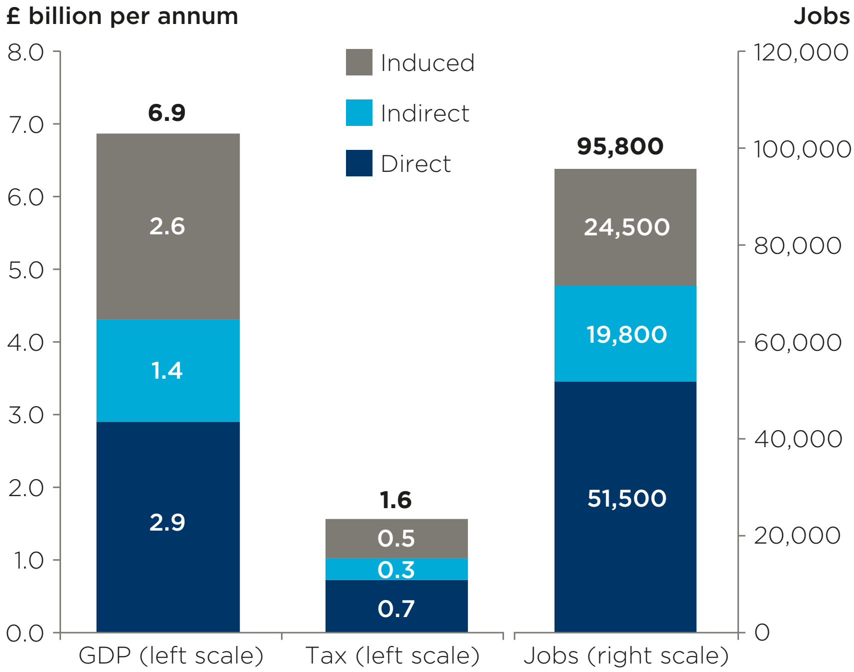
At the end of 2023, we estimate Funding Circle's loans under management supported a £6.9 billion total contribution to UK GDP and sustained over 95,800 jobs (Fig. 11). In addition to these core contributions, we also estimate that lending through the platform was associated with activity stimulating £1.6 billion in tax revenues. This economic impact was generated through three key channels of impact—the direct, indirect, and induced.

Lending via Funding Circle directly contributed £2.9 billion to UK GDP and supported 51,500 jobs. Using the findings of Funding Circle's UK SME survey, we estimate that Funding Circle customers generated £4.8 billion in annual revenues in 2023. Approximately 6% of this revenue can be linked to loans through the platform, based on the loans' share of these companies' liabilities. Of this loan-related revenue, the firms' employment, capital costs, and net profits contributed some £2.9 billion—known as the ***direct impact***. Additionally, we calculate this activity directly supported 51,500 jobs and £0.7 billion in tax revenues.

The economic impact of Funding Circle's lending stretched beyond its direct contribution to the UK economy. We gauge the ***indirect impact***, which encompasses the activity stimulated by Funding Circle customers' procuring goods and services from their UK supply chains. We estimate that SMEs spent £1.6 billion of Funding Circle loans on purchases from UK suppliers in 2023. This expenditure generated an estimated contribution of £1.4 billion to UK GDP, supporting an additional 19,800 jobs and £0.3 billion in tax revenues.

Funding Circle lending also promoted further economic activity as its customers' employees and those employed in their UK supply chains spent their wages. Known as the ***induced impact***, we calculate that Funding Circle contributed an additional £2.6 billion to UK GDP, 24,500 jobs, and £0.5 billion in tax revenues.

Fig. 11: Funding Circle's UK economic impact in 2023, by channel



Source: Oxford Economics

Note: totals may not sum due to rounding

CASE STUDY: THE FOUNDRY

With a lifelong interest in rugby and a professional background in the sport, Ben Gotting made a bold career shift from recruitment to personal training and founded an outdoor bootcamp for women. Under the motto "Where the strong belong", his bootcamp focuses on empowering women to reach their potential, helping them enhance their physical fitness, confidence, and mental wellbeing.

Drawing inspiration from the camaraderie and team spirit he developed from playing rugby, Ben decided to establish a permanent site in Vauxhall, south London, known as the Foundry. When Ben and the team looked at opening another gym, they were faced with significant equipment costs. Seeking assistance from Funding Circle, they secured a loan that facilitated the purchase of vital gym equipment, including bikes, barbells, dumbbells, and plates.

Now with six sites across London and 100 members at each gym, the Foundry has gone from strength to strength. Its focus remains on empowering those in the community who often feel apprehensive to join a gym, particularly women, who make up around 65% of its membership.

Ben remains committed to fostering a sense of enjoyment and community in every workout session:

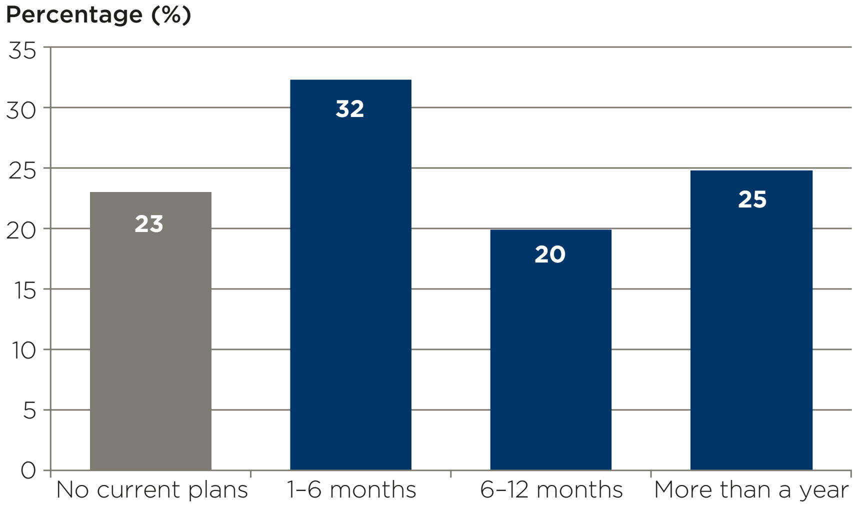
"The most important thing for me is for the members to enjoy their sessions. Obviously, I want them to be safe and develop in strength, but their workout could be the one hour of the day when they don't have to think about work or home, so I want it to be fun".

3. FUNDING SMES' GROWTH IN 2024

3.1 BOOSTING ACCESSIBILITY TO FUNDING FOR SMES REMAINS CRUCIAL

Looking ahead, access to finance remains crucial for supporting SMEs' investment and growth ambitions. To date, 27% of SMEs believe there is scope for improvement with technology assisting them with funding.[18] Over three-quarters of SMEs expect to need more finance in the future, and more than half expect to need it within the coming year (Fig. 12)—a three-percentage point increase from 2022. Of the respondents that needed funding, 73% expect to use this for investment and growth. This is corroborated by results from the SME Confidence Tracker, which indicate that while a significant portion (38%) relied on financing to sustain their daily operations, the primary purpose of external finance for SMEs was to fund expansion (49%).[19]

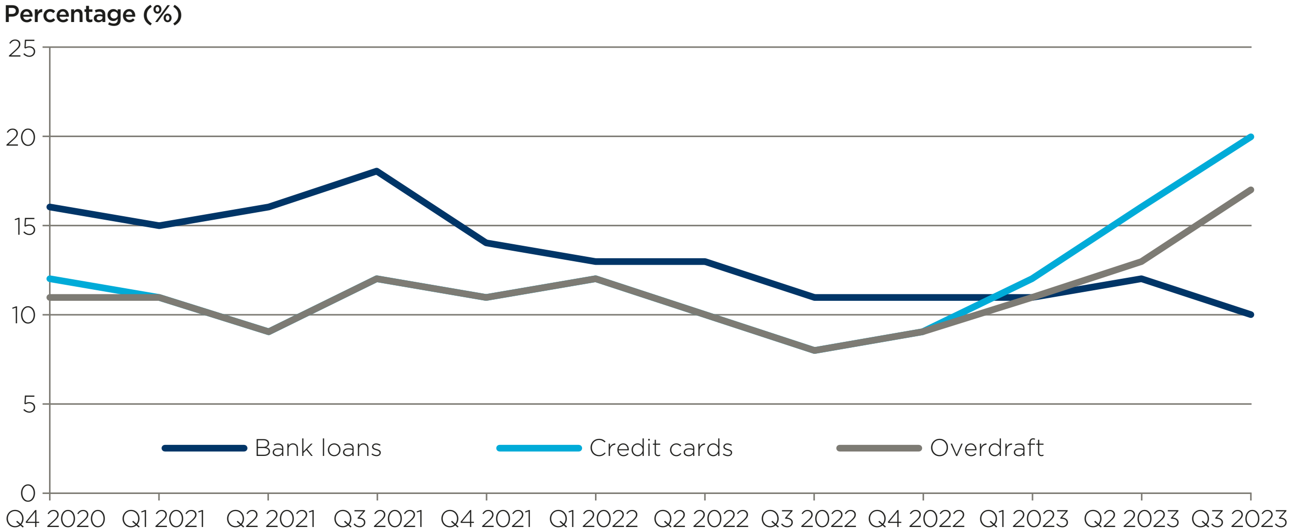
Fig. 12: SMEs' expectations for future financing needs



Source: Funding Circle

SMEs are looking for a range of financial products to meet working capital needs. As shown in Fig. 13, the upswing in the use of loans between Q1 and Q3 2021 reflected the Government support given to businesses during the pandemic. Subsequently, credit cards and overdrafts emerged as the most favoured financing options for SMEs and, as of Q3 2023, were used by 20% and 17% of SMEs, respectively, compared with the 10% that used bank loans.

Fig. 13: Forms of funding by SMEs



Source: BVA BDRC

[18] Praetura, 'Financing the future of UK SMEs', 2023, accessed January 2024
[19] Bibby Financial Services, 'SME Confidence Tracker', 2023

Government schemes continue to play an important role in SMEs' access to finance. The Recovery Loan Scheme has been extended until 2026 and will be renamed to the Growth Guarantee Scheme from July 2024. The terms of the scheme will remain unchanged and will ensure continued support for SMEs in an environment of heightened credit costs.[20] The government also has a role to play in improving the environment for data sharing and open banking. Improvements to programmes such as the Commercial Credit Data Sharing Scheme could enable more choice in the SME lending market by opening up more information and helping lenders like Funding Circle automate application and approval processes. Research from Open Banking Limited (OBL) indicates that sharing bank data with lenders through open banking could help bridge a £22 billion funding gap for SMEs in the UK.[21]

3.2 FUNDING CIRCLE IS MEETING THE DIVERSE NEEDS OF SMES WITH AN EVOLVING FINANCIAL ECOSYSTEM

> **“If you have a VAT bill, salaries to pay, a supplier invoice—you can use it (FlexiPay) for anything really. I've actually recommended it to a few friends who have businesses.”**
>
> *Vik, 8 Rocks Deli & Wine, London*

SMEs' financing needs are diverse and are continuing to evolve. As we have seen, this is due to a combination of factors; an ongoing unstable economic environment and a rapidly changing business landscape, innovation in technology, and the typical and everyday difficulties of running a small business. In the last two years, Funding Circle has adapted to service these needs, transitioning from a single product line to one that today enables SMEs to not only borrow over the medium to long-term, but also spend on day to day business purchases.

FLEXIPAY: Created to help with cash flow management, FlexiPay provides flexible financial management options to fulfil SMEs' needs around short-term finance. Through FlexiPay, businesses have a flexible line of credit and can choose how to access their funds—by either transferring funds for immediate payment to suppliers or for bills; or using the FlexiPay card for purchases online and in store. As Funding Circle continues serving this growing need for flexible and short-term credit, FlexiPay transactions quadrupled to £234m in 2023.

TERM LOANS: Providing SMEs with the funding they need to invest in the future. Funding Circle's term loans aim to offer fast, simple, and hassle-free small business loans. They aim to simplify the lending process for SMEs, with a six-minute application time. Successful applicants can have funds in their accounts within 24 hours. In 2023, Funding Circle provided £1.5bn of finance to SMEs through prime and near prime term loans.

MARKETPLACE: Opening doors to finance solutions from across the market. Funding Circle's Marketplace service strives to broaden the scope of SME financing, by finding the right finance for customers that aren't served by the existing product range. Through Marketplace, businesses can gain access to a wide range of products, whilst benefiting from the speed and efficiency of Funding Circle's technology. In 2023 alone, more than £100 million was lent through Marketplace to UK businesses. At the end of 2023, Funding Circle launched a new asset finance proposition to enable SMEs to directly apply for asset finance on the website, potentially supporting a total addressable market of £34bn.

[20] British Business Bank, 'British Business bank Spring Budget Response, 2024, accessed March 2024
[21] ibid

APPENDIX: METHODOLOGY

ESTIMATING THE ECONOMIC IMPACTS

In 2023, a share of Funding Circle's SME clients in the UK were asked to complete a survey about their loans and business, which received 429 responses. To enable Oxford Economics to carry out the economic impact study for this report, survey respondents were asked about their company's latest annual revenue, purchases from other firms, share of imports in those purchases, and employment levels.

Direct impacts

The direct "gross value added" contribution to GDP of these respondents was taken to be the difference between their 2023 revenues and the value of their purchases from other firms that year. Their direct employment was taken straight from the survey answers.

The "Funding Circle share" of those values then had to be calculated. Each company that responded to the survey was matched with its record in Funding Circle's entire loan book, as adjusted to capture only loans under management and not in default at the end of 2023. This enabled the value of the company's outstanding loan, and industrial sector, to be identified.

The industrial sector was used to split each firm's value added between employment costs and the "gross operating surplus" (i.e., capital costs plus net profits—equivalent to earnings before tax, interest, and depreciation in company accounts). This required sector-by-sector data from the national accounts, adjusted to be more specific to smaller firms by taking into account relevant ratios from national statistical agencies' data.

The gross operating surplus was then used to estimate the size of each company's balance sheet (i.e., its net value plus all outstanding liabilities), using a balance-sheet-to-gross-earnings multiple of three. This ratio was chosen as being within the various ranges recommended by experts in the field—although it is towards the lower end of the scale to reflect the small size of the firms involved. The ratio of each firm's Funding Circle loan to its estimated balance sheet size was then used to scale down from total direct value and jobs, to the share supported by Funding Circle's financing.

The gross value added and employment impacts for the sample of firms surveyed were then scaled up, to arrive at impacts for the entire Funding Circle loan book. Revenues, purchases from other firms, and business taxes paid were also scaled up in the same way. Direct tax contributions of all kinds were worked out from direct gross value added, using various tax-to-income and tax-to-spending ratios derived from national accounts and tax authority data.

Indirect and induced impacts

Next, the indirect and induced impacts were calculated. The pattern of firms by industrial sector, both in the survey and across the entire loan book, was reasonably similar to that of the wider business sector, excepting the relative absence of mining and energy firms. The pattern of economy-wide procurement found in the official "input-output table", by type of product purchased and domestic-versus-imported supplier split, was therefore adjusted to exclude non-business entities, and mining and energy firms, and applied to our estimate of Funding Circle borrowers' total purchases from other firms.

The pattern of procurement from domestic suppliers, excluding imports, was then fed into Oxford Economics' economic impact models, which are based on the entire pattern of transactions between industrial sectors (as found in an input-output table). The direct employment costs of Funding Circle's borrowers were also fed in. The indirect and induced gross value added, employment, and tax impacts were then calculated within the model, which also incorporates the latest gross value added-to-jobs, tax-to-income, and tax-to-spending ratios, on a refined industry-by-industry basis.

The results show the economic contribution supported by lending through Funding Circle per annum, based on all loans under its management at the end of 2023. They are not cumulative, so do not show the economic impact of Funding Circle since its creation.

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