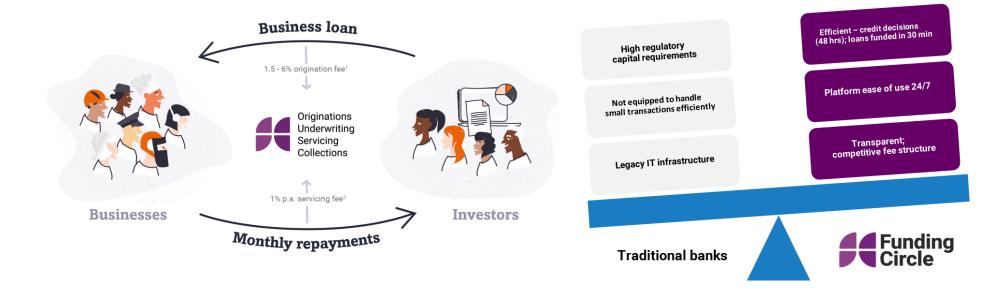


Funding Circle: Credit risk management and collection strategies

The Business Model



94% of our borrowers would come back us first in the future

25% of our UK borrowers have taken more than one loan



Our Credit Assessment Approach Combines The Best Of Statistical Models and Expert Judgement

	Policy Criteria	Credit Models	Expert Judgement
Key Activities	 Minimum acceptance criteria Industry exclusions Fraud prevention checks KYC checks 	 Risk assessment based on: Firmographics Company credit history Directors' credit history Financial ratios Credit bureau scores Borrowers ranked, ordered and grouped into 6 risk classes 	 Verification of all credit application documents Loan affordability analysis Manual assessment of key financial figures Credit assessor decision on accept/decline and loar size 86 Underwriters globally¹
Tools and Processes	Detailed Checks using numerous tools: Companies House CIFAS Credit Bureaux	Comprehensive Scoring	Detailed Evaluation

We apply the same approach globally, adjusted to the specifics of each market



Our Approach to Collections & Recoveries

Global strategy implemented across all geographies

Key Objectives



Take all reasonable steps to maximise recoveries for investors



Establish fair and affordable solutions for borrower (Survival for Revival)



Communicate clearly with all stakeholders as to the status of loans and recoveries

Key Stages

On-going late loan monitoring 2 Collection & Recoveries



