



# Funding Circle

## FOUNDERS OF THE CARPHONE WAREHOUSE, BETFAIR AND PLAYFISH

### INVEST IN FUNDING CIRCLE

Charles Dunstone, founder of international mobile phone retailer The Carphone Warehouse, Edward Wray, co-founder of internet betting exchange Betfair, and Sami Lababidi, co-founder of social network gaming company Playfish have invested in Funding Circle, the UK's largest online marketplace where people lend to small businesses which has just finished actively trading for one year.

The three entrepreneurs join an impressive list of existing investors which includes Index Ventures and Jon Moulton, founder of private equity firm, Better Capital. Not only will each invest their own money into the business but they'll also bring specific and invaluable expertise to Funding Circle over the coming years.

Edward Wray, co-founder of Betfair who also joins the Funding Circle board as part of the agreement, said: "I am delighted to have invested in Funding Circle and joined the board. At a time when banks are reluctant to lend to small businesses and retail investors are getting poor levels of interest on their money, the timing is perfect for the Funding Circle business model, which solves both of these problems.

"The success that the business has enjoyed in its first year is evidence that the model is attractive to borrowers and lenders alike. I am excited about helping the business grow over the coming years."

[Funding Circle](#) enables small, well-established UK businesses to borrow between £5,000 and £100,000 from real people at affordable rates, giving creditworthy businesses access to funding within 10 days on average. To date, investors have offered £28.5m to small businesses via Funding Circle. For investors or savers, money lent to these approved small businesses earns an average gross yield of 8.4%.



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Samir Desai, co-founder and CEO of Funding Circle, said: “Funding Circle’s first year has been a success in creating a viable alternative platform to gain funding at a time when banks are failing to lend to small businesses. For too long, banks have charged small businesses high rates for finance and discouraged businesses from seeking finance in the first place by their laborious processes. Meanwhile, they are paying low interest to savers. Funding Circle brings new efficiency to the market to resolve both issues.

“Whilst we did not need the additional capital, we’re excited about working with our angel investors to add to the existing expertise of the business, helping to take it to the next level. Having three of the UK’s most successful entrepreneurs on board to do this is something we’re very proud of and we’re looking forward to working with them immensely.”

The three angel investments come just months after the closing of £2.5m of Series A financing from Index Ventures, co-investors and existing shareholders. The capital is being used to accelerate Funding Circle’s marketing efforts, launching new products while continuing to enhance the online customer experience.

Furthermore, Funding Circle has been recognised through a number of awards in its first year:

- Real Business: Redbull Future50
- One of the Daily Telegraph’s Top 100 Tech Start-ups: Class of 2011
- Highly Commended in the 2011 Business Moneyfacts Awards for Innovation in the SME Finance Sector
- Finalist in Credit Today’s Alternative Lender of the Year category

**ENDS**



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For more information, visit [www.fundingcircle.com](http://www.fundingcircle.com) or contact us via the below details.

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## **About Funding Circle:**

Funding Circle ([www.fundingcircle.com](http://www.fundingcircle.com)) is the first ever online lending portal to enable savers and investors to sidestep banks and lend directly to small businesses.

Funding Circle differs from other social lending platforms in that it facilitates loans to businesses, rather than consumers whilst also providing easy access to lenders' money at any time. It provides low cost finance for small, UK firms frustrated by the loan terms offered by the high street banks.

The monthly repayment loans available are for either one or three years and for between £5,000 and £100,000. Each loan is comprised of small amounts of borrowing from many different people who compete to lend to the business in question, enabling it to borrow at a better rate. With no bank in the middle, both lenders and borrowers achieve a better deal. Funding Circle lenders receive 8.3% interest on average.

Investor risk is minimised through several measures: the underwriting process ensures only creditworthy, established businesses are allowed onto the marketplace and many businesses provide personal guarantees. Investors lend to lots of businesses to minimise exposure and unlike other peer-to-peer lending websites, at Funding Circle any losses can be offset against capital gains tax over an indefinite period.

Funding Circle was co-founded in August 2010 by Samir Desai (formerly of Olivant & the Boston Consulting Group), James Meekings (formerly of OC&C Strategy Consultants) and Andrew Mullinger (formerly of Citigroup, Ernst & Young and Nomura).