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RateSetter reports 2017-18 revenue growth of 47 per cent

RateSetter has announced its results for the year ended 31 March 2018.

Revenues were £34.3m, up 47 per cent from the previous year (£23.4m). At year end, there were 44,441 active investors on the platform with loans under management of £700m.

The loss after tax was £26.7m, which included a one-off goodwill impairment of £13.5m from the acquisition of two motor finance businesses in May 2017. Both businesses have been integrated into the group, expanding RateSetter's product range and distribution.

During the current financial year, RateSetter has rapidly reduced operating losses. The business recently completed a £15m equity raise reflecting the progress being made towards becoming cash flow positive. The raise valued the business at £261m. RateSetter has always raised ordinary equity, choosing not to use the preference share structures typically favoured by venture capital-backed fintechs.

Other events during 2017-18 included CEO Rhydian Lewis receiving an OBE for innovation in financial inclusion in June 2017; the arrival of Paul Manduca as RateSetter's Non-Executive Chairman in July; RateSetter receiving full regulatory authorisation from the FCA in October; and launching the RateSetter ISA in February 2018. Since launch RateSetter's ISA has attracted over £150m.

Rhydian Lewis, RateSetter's CEO and founder, commented:

"We will look back on 2017 as a formative year. Building a new asset class and disrupting the status quo was always bound to be a bumpy journey. The key is to emerge stronger, and this is exactly what we have done.

From a customer perspective, it was another good year and the number of active RateSetter investors has already increased to 50,000 in the current year. This number continues to increase as our reputation grows and the RateSetter brand becomes more widely known as a low risk way for people to earn more on their money, including in their ISA".

ENDS

Notes to Editors

For further information please contact:

John Battersby
Head of Communications and Policy
020 3735 7343
john.battersby@ratesetter.com

About RateSetter

RateSetter launched in 2010 to give people the opportunity to earn more on their money by allowing them to lend directly. This new asset class fills a gap for the retail investor between the low risk, low reward of cash and the high return, high volatility of shares.

RateSetter has originated £2.9bn of loans to individuals and businesses across the UK and generated over £115m in interest for its investors.

RateSetter has pioneered many firsts in peer-to-peer lending, including the Provision Fund model. The Provision Fund diversifies each investors' risk across all loans under management and provides protection against bad debt. As a result, to date, every individual RateSetter investor has received their capital and interest in full. Lending with RateSetter is an investment and capital is at risk. The investment is not covered by the Financial Services Compensation Scheme.

RateSetter brings together those providing capital with those seeking it. The interest rate on the platform is set by supply of and demand for money, resulting in a daily market rate that is becoming a benchmark for what lenders can earn.

RateSetter has won Best Peer-to-Peer Lender in the *FT and Investors Chronicle Awards* for four consecutive years. It has been the highest rated P2P lender by *Which?* readers for the last three years. In January 2018, it won Best Peer-to-Peer Provider in the *MoneyFacts Consumer Awards* for the third consecutive year.

In 2014, RateSetter became the first peer-to-peer lender to launch with a retail licence in Australia. In June 2017, RateSetter's CEO and founder, Rhydian Lewis, was awarded an OBE for contribution to financial services and specifically innovation in financial inclusion. The term *financial inclusion* normally refers to 'access to credit'; the purpose of RateSetter is also to give 'access to returns'. RateSetter is regulated by the Financial Conduct Authority.

More information is available at www.ratesetter.com. Follow us on Twitter [@RateSetter](https://twitter.com/RateSetter).