



CROWDPROPERTY

Outcomes Statement

2023

Confidential

Introduction

The Outcomes Statement is a regulatory requirement by the Financial Conduct Authority (FCA), which came into effect on 9th December 2019. CrowdProperty will publish this every year within 4 months of the end of our financial year.

This statement is designed to show you the expected and actual default rate of all marketplace lending available on The CrowdProperty platform over the last financial year, and also enables you to compare the advertised target interest rates with the actual returns achieved.

CrowdProperty will disclose borrower default where: a) the borrower is unlikely to meet its obligations under the marketplace lending agreement without the platform enforcing any relevant security interest; or b) the borrower is past the contractual due date by more than 180 days.

When you invest in marketplace lending Property loans, there is always a possibility that some of them will not be repaid on time (a Default) or you might lose some or all of the money you invested (a Loss). It's important to note that a Default doesn't always mean that there will be a Loss.

Please see the full statistics table on our website: <https://www.crowdproperty.com/statistics>

Loan book Performance

This table displays the advertised target interest rate against the actual return for all investment accounts for the calendar years up to 2023. As part of CrowdProperty Loan Agreements, penalty interest may be payable on loans that run late, which can provide a higher than targeted return if repaid. Due to the nature of property loans and the average length being longer than 12 months, performance is reported by calendar year. For comparison a snapshot of the Statistics Table is included for the reporting period.

In line with the new regulations, we are obliged to show our defaults as well as any assumptions used when determining a future potential default rate.

Year	Number of Loans	Contract Rate	Actual Rate ¹	Technical Defaults ²	Number of Recoveries	Number of Loans Losing Any Capital	Number of Loans Losing Any Interest
2018	32	8.00%	8.18%	3	2	0	0
2019	80	7.86%	8.04%	8	6	0	0
2020	127	7.93%	8.07%	12	4	0	0
2021	154	7.64%	7.72%	21	6	0	0
2022	189	7.34%	7.47%	2	0	0	0
Cumulative	686	7.71%	8.02%	48	20	0	0

1. Performance is reported using cumulative figures which are weighted by loan amount.
2. Technical Default is defined as an active loan being 180 days or more past the contracted end date.

DETAILED STATISTICS BY YEAR										
	2015	2016	2017	2018	2019	2020	2021	2022	2023 (YTD)	TOTAL
Total Originated	£2,290,000	£5,182,000	£4,407,000	£24,607,500	£36,642,000	£56,695,574	£84,413,849	£124,307,723	£38,306,750	£376,852,396
Total Lent	£2,288,000	£4,026,000	£4,403,000	£15,217,401	£28,345,517	£51,938,837	£71,101,594	£95,720,062	£33,093,419	£306,133,830
Average Size of Loan	£326,857	£335,500	£550,375	£475,544	£354,319	£408,967	£461,699	£506,455	£429,785	£446,259
Number of Loans	7	12	8	32	80	127	154	189	77	686
Average Project Size	£381,667	£518,200	£629,571	£793,790	£718,471	£699,945	£917,542	£1,479,854	£1,741,216	£981,386
Total GDV Funded	£4,486,000	£11,713,500	£8,852,000	£45,478,000	£62,326,590	£85,327,520	£167,392,730	£225,265,493	£62,239,478	£673,081,311
Total Units Funded	30	71	69	287	345	465	719	721	275	2982
Average Loan Term (months)	10	13	16	15	13	12	13	13	13	13
Loan to current market value ¹	60.0%	64.2%	69.3%	59.6%	60.7%	55.8%	61.6%	62.4%	57.8%	60.5%
Loan to GDV Excluding Interest ²	55.1%	47.4%	53.2%	52.0%	55.8%	54.1%	59.6%	59.6%	60.6%	57.0%
Loan to GDV Including Interest ³	60.2%	52.3%	60.1%	59.4%	60.6%	56.9%	61.9%	63.0%	64.2%	60.7%
Defaulted Projects (>180 Days) ⁴	0	2	0	3	8	12	21	2	0	48
Defaulted Projects (>180 Days) Repaid	0	2	0	2	6	4	6	0	0	20
Actual Losses ⁵	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Anticipated Losses ⁶	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Actual Capital Losses ⁵	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Capital Paid Back	£2,287,500	£4,026,000	£4,403,000	£14,855,530	£26,820,513	£46,398,512	£53,126,007	£24,216,336	£739,090	£176,872,488
Total Investor Interest Paid Back	£243,719	£404,763	£449,589	£1,790,333	£2,635,678	£3,446,703	£4,092,849	£2,352,272	£279,730	£15,695,636
Total Paid Back	£2,531,219	£4,430,763	£4,852,589	£16,645,863	£29,456,191	£49,845,215	£57,218,856	£26,568,608	£1,018,820	£192,568,124
Borrower Contract Rate ⁷	11.71%	10.00%	10.00%	10.00%	9.83%	9.97%	9.85%	9.73%	10.00%	9.88%
Borrower Actual Rate ⁸	15.67%	10.17%	10.25%	10.47%	10.23%	10.29%	10.32%	9.95%	10.00%	10.38%
Investor Contract Rate ⁷	9.71%	8.00%	8.00%	8.00%	7.86%	7.93%	7.64%	7.34%	7.92%	7.71%
Investor Actual Rate ⁸	13.04%	8.17%	8.07%	8.18%	8.04%	8.07%	7.72%	7.47%	7.70%	8.02%

1. **Loan to current market value** is the average of the first release of capital to the borrower divided by the Current Market Value of the property being offered as security. In 2019, we introduced serviced bridging loans with up to 75% LTV. This means that the average LTV in 2019 may be higher than in previous years.

2. **Loan to GDV Excluding Interest** is the planned total capital facility divided by the RICS assessed Gross Development Value (GDV) averaged over all projects.

3. **Loan to GDV Including Interest** is the planned total capital facility plus interest divided by the RICS assessed Gross Development Value (GDV) averaged over all projects.

4. **Defaulted Projects (>180 Days)** The FCA definition of default in relation to loans secured by property, is any loan which is past the contractual payment due date by more than 180 days.

5. **Actual Losses** this is the actual loss of capital invested, if any, on a loan in Default, after any money we've been able to get back from the borrower. To keep losses to a minimum, we take the First Legal Charge on all loans as security. CrowdProperty attempts to continue collection and this number may reduce as more funds are recovered.

6. **Anticipated Losses** are only 1% of capital invested due to retaining First Charge security on all projects we fund through the platform. Retaining the First Legal Charge on behalf of lenders gives CrowdProperty the legal right to take ownership of a property in the unlikely event that a property professional defaults on their loan. The First Legal Charge is the highest level of security, the holder of which is paid out both capital and accrued interest first in case of default and controls any required recovery processes. This gives CrowdProperty the same rights that a mortgage company holds on a person's home if they fail to keep up repayments.

7. **Contracted Rates** for Borrower and Lenders are the averages across all loan agreements.

8. **Actual Rates** show the real returns for Investors and the actual paid by Borrowers. This is based on the actual interest paid for all projects. Some actual rates will be higher than the contract rate for Investors as some loans which run late will be subject to a higher rate. Only rates for paid back projects are included.

All reporting is based on the year of origination.
 For all averages, subsequent raises are not included in the averages to ensure no double counting.
 RICS - Royal Institution of Chartered Surveyors

Predicted and Actual Losses

To provide risk band segmentation the most accurate quantitative measure of probability of any loss is Loan to GDV (LTGDV), the tables below shows how each band has performed for each calendar year cohort.

2018 Cohort as of 30/04/2023

Risk Band	LTGDV	Contract Rate	Expected Loss Rate	Expected Rate	Actual Loss	Actual Return ¹
A	<=50%	8.00%	0.50%	7.50%	0%	8.00%
B	50%<=60%	8.00%	0.75%	7.25%	0%	8.29%
C	60%<=65%	8.00%	1.00%	7.00%	0%	8.13%
D	65%<	8.00%	1.25%	6.75%	0%	8.23%

1. Actual Return is only calculated on paid back loans as of 30/04/2023.

2019 Cohort as of 30/04/2023

Risk Band	LTGDV	Contract Rate	Expected Loss Rate	Expected Rate	Actual Loss	Actual Return ¹
A	<=50%	7.24%	0.50%	6.74%	0%	7.24%
B	50%<=60%	7.91%	0.75%	7.16%	0%	8.01%
C	60%<=65%	7.86%	1.00%	6.86%	0%	8.04%
D	65%<	7.94%	1.25%	6.69%	0%	8.13%

1. Actual Return is only calculated on paid back loans as of 30/04/2023.

2020 Cohort as of 30/04/2023

Risk Band	LTGDV	Contract Rate	Expected Loss Rate	Expected Rate	Actual Loss	Actual Return ¹
A	<=50%	8.36%	0.50%	7.86%	0%	8.40%
B	50%<=60%	8.13%	0.75%	7.38%	0%	8.40%
C	60%<=65%	8.22%	1.00%	7.22%	0%	8.25%
D	65%<	8.78%	1.25%	7.53%	0%	9.16%

1. Actual returns are only measured by paid back loans, as rates vary within the Risk Bands, Actual Returns can be below Contract Rates without losses occurring as not all loans have repaid in full as of 30/04/2023.

2021 Cohort as of 30/04/2023

Risk Band	LTGDV	Contract Rate	Expected Loss Rate	Expected Rate	Actual Loss	Actual Return ¹
A	<=50%	7.25%	0.50%	6.75%	0%	7.37%
B	50%<=60%	7.51%	0.75%	6.76%	0%	7.62%
C	60%<=65%	7.64%	1.00%	6.64%	0%	7.67%
D	65%<	7.28%	1.25%	6.03%	0%	7.18%

1. Actual returns are only measured by paid back loans, as rates vary within the Risk Bands, Actual Returns can be below Contract Rates without losses occurring as not all loans have repaid in full as of 30/04/2023.

2022 Cohort as of 30/04/2023

Risk Band	LTGDV	Contract Rate	Expected Loss Rate	Expected Rate	Actual Loss	Actual Return ¹
A	<=50%	6.73%	0.50%	6.23%	0%	6.73%
B	50%<=60%	7.11%	0.75%	6.36%	0%	7.40%
C	60%<=65%	7.32%	1.00%	6.32%	0%	7.27%
D	65%<	7.30%	1.25%	6.05%	0%	6.99%

- Actual returns are only measured by paid back loans, as rates vary within the Risk Bands, Actual Returns can be below Contract Rates without losses occurring as not all loans have repaid in full as of 30/04/2023.

External Economic Challenges

We are continuing to maintain close on-site monitoring of each individual loan that is currently live on the platform. This is to verify that each borrower is able to service their ongoing credit obligations in relation to our lender base. Any forecasted difficulties will be addressed by the firm in a proactive manner to ensure that the loans remain performing for as long as possible, and that expectations on returns are appropriately managed in a timely manner, with any progress on loans provided as updates.

Investor Diversification

As part of assessing the performance of investments with CrowdProperty, it is important to take into account a measure of diversification. A highly diversified investment portfolio is important to mitigate exposure to defaults or losses from an individual loan. Investors are able to achieve a diversified portfolio through CrowdProperty's many loan offerings and opportunities to invest via Self Select and AutoInvest. All investors are treated fairly and are able to gain access to loans as they launch. These investment options have been made available to actively encourage diversification.

% of Lender Capital	>= 5 Loans	>= 10 Loans
Cumulative to 2019	73.00%	48.60%
Cumulative to 2020	80.40%	58.51%
Cumulative to 2021	92.39%	87.93%
Cumulative to 2022	93.91%	90.65%

For diversification data, lenders with only 1 loan are discounted as well as lenders whose first pledge was less than 180 days from the reporting date.

Important note

Nothing contained within the information provided is or should be relied upon as a warranty, promise, or representation, express or implied, as to the future performance of any loan through CrowdProperty. Any historical information contained in this statistical information is not indicative of future performance.

