

## 2020 retail outcomes statement

Until lending was paused in April 2020, individual investors lent through two options: conservative and balanced. The below tables show the expected and actual annualised returns for loans acquired through each of these products between 1 January 2020 and 17 April 2020.

We provide historical data on overall loan performance for each year of lending on our [Statistics Page](#).

### 2020 returns

The actual annualised returns, after fees and bad debt.

Loans acquired 1/1/2020 - 17/4/2020	Expected annualised lifetime return	Expected annualised return - 11 months after acquisition	Actual annualised return - 11 months after acquisition
Conservative	4.3 - 4.7%	6.2%	6.3%
Balanced	4.5 - 6.5%	7.6%	7.8%

### 2020 defaults

The current percentage of loans, by loan amount, that have defaulted.

Loans acquired 1/1/2020 - 17/4/2020	Expected lifetime defaults	Expected defaults - 11 months after acquisition	Actual defaults - 11 months after acquisition
Conservative	4.0 - 5.5%	1.0%	0.8%
Balanced	8.2 - 14.7%	2.1%	1.6%

More detail on how these metrics are calculated can be seen [here](#).

## Explaining these numbers

A range of measures have been introduced to support small businesses through the impact of Covid-19, including payment plans offered by Funding Circle and government stimulus measures.

This has helped businesses to weather extended periods of trading restrictions and has reduced the number of loans that defaulted in 2020. As defaults lower the return earned by investors, the actual annualised return is higher than it would be if this support was not in place. As economic conditions return to normal through 2021, we expect this to be reflected in an increase in loan defaults and a reduction in the actual annualised return.

The latest return projections for each year of lending can be seen on the [Statistics page](#).

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## Disclaimer

This material contains a number of statistical analyses that have been prepared by Funding Circle. Some of the metrics shown contain forward-looking estimations, which should not be relied upon as a warranty, promise or guarantee as to the future performance of any loans. Any historical information contained in this statistical information is not indicative of future performance. Subject to applicable regulations, no person is under any obligation to update or revise the information. By lending to businesses, your capital is at risk.