



# Outcomes Statement

Year End December 2025

## Lendwise Ltd-Outcomes Statement

This is Lendwise’s Outcome Statement for the year ending 31 December 2025.

### What is an Outcomes Statement?

An Outcomes Statement is a document designed to help you understand how our loans have performed over the year, compared to our expectations. It sets out what our expected default rate was compared to the actual rate of default, set out by risk category. It also explains how we calculate the default rate and gives you an insight into why the actual rate might vary from the expected rate.

All peer-to-peer lending (“P2P”) platforms must prepare and publish an Outcomes Statement within 4 months of their financial year end. This allows you as an investor to compare platforms not only on the levels of default but also on how accurately the platform predicts default levels.

### 2025 Outcomes

The table below sets out the actual default rates of all our outstanding loans against our expected default rate.

Risk category	Expected default rate	Actual default rate
Lendwise overall loan balances as at 31 Dec 2025	3.67%	6.84%

To understand this better, it is useful to look at this in the context of our total loan book:

Loans	£’000	Defaults	£’000
Total loans outstanding at 1 Jan 25	£41,801	Total loans in default on 1 Jan 25	£1,529 – 3.67% <sup>1</sup>
New loans issued in the year	£16,420	New defaults in the year	£2,031
Repayments made in the year	(£12,314)	Recoveries in the year	(£207)
Interest & capitalisation in the year	£2,695	Net write-offs in the year	(£27)
Total loans on 31 Dec 25	£48,602	Total loans in default on 31 Dec 25	£3,326 – 6.84% <sup>1</sup>

It is important to remember that past performance is not a predictor of future performance. As with all investing, your capital and interest are at risk.

<sup>1</sup> Total loans in default as a percentage of total loans outstanding

## Understanding the outcomes

### Risk category

The Financial Conduct Authority (“FCA”) requires all P2P platforms to categorise the loan agreements they arrange into risk categories according to the risk of default. Default risk is the risk that the borrower won’t pay some or all of the loan and/or interest back. Broadly speaking the higher the risk of default, the higher the risk of the agreement.

Each risk category is expected to have a different risk of default at the time the loans are originated. This information allows you to diversify and allocate your investments according to your risk appetite.

### Risk categorisation at Lendwise

While we offer a number of different types of loan on the platform, we categorise the loans as a single risk category. That is because the loans have the following things in common:

- they are provided to private individuals;
- they are personal unsecured loans;
- they have a fixed interest rate and are for a fixed amount;
- they are generally related to financing the borrower’s (or their dependent’s) education;
- they are denominated in British Pounds; and
- they don’t require guarantors or cosigners.

While the interest rates applied to loans on our platform may vary based on a number of factors such as the Bank of England base rate at the time the loan is taken out, the loan term, the nature of the educational course, and the borrower’s credit profile, we apply strict eligibility criteria to ensure a uniform risk profile. That means we expect the default rate to be broadly the same across all the loans we originate. We will review and monitor this decision each year and update the risk categories if we believe it will better represent the risks of the loans.

### When do we put a loan into default?

A borrower may miss a payment or be late making a payment, but that won’t necessarily mean the loan is in default. The FCA sets out when a platform must consider a loan to be in default, so that it is standard across the P2P industry. Our agreements are personal unsecured loans, so a borrower is considered to be in default when they are past their contractual payment date by 90 days. We will also put an agreement into default where we know the borrower won’t be able to pay, for example if they become bankrupt, or if they breach key terms of the loan agreement.

### What is the expected default rate?

The expected default rate is our prediction of the percentage of agreements we have arranged that will go into default.

It is important to remember that this percentage is an average across all the loans we originate, as we use a single risk category. It doesn't mean that you can only lose 6.84% on the amount you invest. The default rate might change, or you might be invested in a single or small number of loans that go into default. That is why we recommend diversifying your investments over a number of loan agreements.

You can find out more about the risks of investing [here](#)

## How do we predict the expected default rate?

Our expected default rate is calculated by blending our historical performance data with forward-looking economic indicators. This approach considers all years of actual repayment data alongside a predictive factor tied to employment trends. By combining proven internal results with broader economic forecasts, we aim to provide a realistic projection of future loan performance.

## How do we calculate the actual default rate?

Our default rate is updated monthly on our [statistics page](#) on our website. To find this figure, we look at all loans that are past their contractual payment date by 90 days and compare that total to the overall outstanding amount due on the loan. This provides a clear snapshot of the portfolio's health.

## Why is the actual default rate different to the expected default rate?

Our expected default rate calculation uses a predictive unemployment rate. In 2025 unemployment rates were higher than expected, thereby increasing our actual default rate. We have seen a widening in graduate unemployment, with the swift rise in Artificial Intelligence and the reduction in the number of graduate positions available. This combined with economic instability has meant an increase in default rates.

## Forbearance at Lendwise

Along with rising default rates, we have also seen an increase in forbearance requests. Forbearance means varying the terms of a borrower's payment plan to allow them to make their repayments in a more manageable way. It can include payment holidays or extending the term of the loan while lowering the monthly payment.

Throughout 2025, the primary driver behind forbearance requests was disruption to borrowers' employment and income. A significant proportion of borrowers were either unemployed, actively seeking work, or experiencing delays in starting new roles, with many also impacted by redundancy or changes in income following new employment. In a number of cases, borrowers had recently secured employment but had not yet received their first salary or were transitioning into roles with reduced or uncertain income.

Alongside this, a smaller but notable number of borrowers experienced wider financial pressures, including increased household expenditure, existing debt obligations, or temporary cash flow issues. There were also instances of personal and health-related circumstances, such as illness, bereavement, maternity leave, and workplace disputes, which further impacted borrowers' ability to maintain contractual repayments.

Overall, this reflects a continued trend of income instability rather than long-term inability to pay, with many borrowers seeking short-term support while they stabilised their employment or financial position.

### **Reducing default risk**

Following an analysis of the characteristics of borrowers who default, we have implemented (and will continue to update) targeted risk-mitigation strategies which aim to reduce default rates and improve outcomes for lenders. These include for example, updating our eligibility criteria so that we don't lend to specific high-risk jurisdictions and academic programs, thereby improving the portfolio's overall credit quality.

Please do get in touch if you have any questions about this document. You can find details of how to reach us [here](#)

**Don't invest unless you're prepared to lose money. This is a high-risk investment. You may not be able to access your money easily and are unlikely to be protected if something goes wrong.**