



Type of risk	Event	Probability	Impacts	Most likely outcome
Political	Terrorist attack in the UK	AVERAGE	AVERAGE	The property market of London is resilient and one of the most stable real estate markets in the world. There has never been a decline in property prices in the city due to threats of terrorist attacks.
Monetary	Increase / decrease in interest rate	AVERAGE	LOW	Our loan note is not dependent on the central bank base rate. All our term loans are on fixed interest rates.
Covid-19	Another lockdown in the UK	LOW	LOW	The UK exited lockdown on 19 July 2021. With 77% of the population aged 16 and above having been double vaccinated by 25 August 2021, there is no prospect of another lockdown in the UK. The pandemic caused a temporary recession in the UK increasing the number of individuals who can no longer repay their loans; therefore, the Covid-19 situation has accelerated the rate at which houses are being repossessed.
Climate	Natural calamities	LOW	AVERAGE	While unpredictable, the weather in London has never caused a natural disaster that would affect house prices.
Company	Bankruptcy of London Bonds/default	LOW	HIGH	Investor security is the company's number one priority. In the event of default, the Security Trustee will have the benefit of a fixed legal charge over all the assets of the company, including any properties purchased and any funds on account.
Company	Changes in financial forecast of the business plan	LOW	AVERAGE	The lockdown and temporary recession in the UK have been beneficial to London Bonds due to the increasing number of repossessions expected in Q2 2021 and 2022. Therefore, their financial forecasts have not needed to be adjusted.
Company	Failure to raise the full amount of £50,000,000	AVERAGE	LOW	London Bonds have already raised over 10% of this amount and are operating successfully in the market. It is expected within the business model of London Bonds that the full amount of £50,000,000 will be raised by 2023.
Economic	Insufficient demand for real estate	LOW	HIGH	London is one of the most heavily invested real estate markets in the world and there has always been a significant demand for real estate, both from local and international buyers. Moreover, one of the exit strategies of London Bonds is to sell property to their investors at a discount, which creates additional demand.
Economic	Recession of the UK economy	HIGH	LOW	Recessions are generally beneficial for London Bonds since they create an unprecedented amount of available repossessions and distressed sale properties.
Economic	Insufficient number of repossessions	AVERAGE	AVERAGE	Due to the end of mortgage payment holidays, a surge in repossessions is expected: according to the forecast, provided by UK Finance, home repossessions will increase tenfold to 22,300 by 2022.
Financial	Fluctuations of the financial markets	HIGH	LOW	Not correlated to the financial markets.
Legislative	Legal restrictions	LOW	HIGH	The Company is not engaged in active legal or arbitration proceedings, which are having or may have a significant effect on the Company's financial position.
Geopolitical	High / low oil price	AVERAGE	LOW	No relationship.