

Consumer loans

4.2
million EUR paid
of interest to investors.

16%
effective interest rate

9.8%
average default rate

89%
recovered of default of loans
that defaulted in 2016.

13.8%
expected pre-tax return*

By the end of 2019 we have issued nearly 10,000 consumer loans via Finbee. Disbursed loans amounted to 21.5 million EUR. Borrowers have already repaid 12 million EUR of loans and paid 4.2 million EUR of interest to investors.

In Q4, 2019 nominal interest rate was 17.37%. Due to the changed loan disbursement procedure effective interest rate was 16%. Compared to other platforms operating in Lithuania interest rate was in line with current market conditions.

Over the past 4 years number of defaults has not increased within the same period after loan disbursement date. This indicates that the risk of Finbee consumer loans has not change significantly. Credit ratings show a strong correlation between default rates. The average default rate for all consumer loans is 9.8%.

We have recovered 89% of outstanding principal at the time of default of loans that defaulted in 2016. Credit rating has no significant effect on recovery rate.

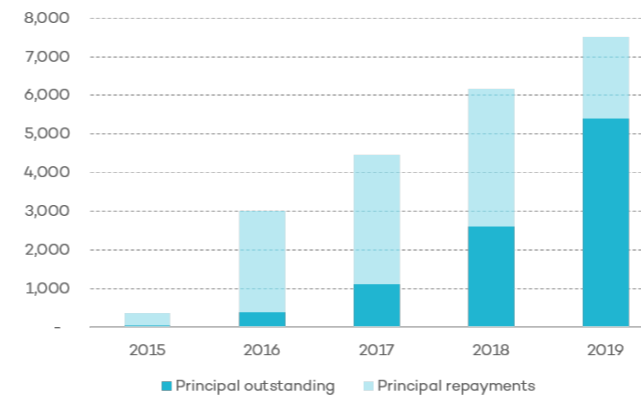
Based on current interest rates and historical recoveries investors can expect to earn a pre-tax return of 13.8%*. Based on historical data lower credit score loans generated higher return on investments.



Loanbook performance

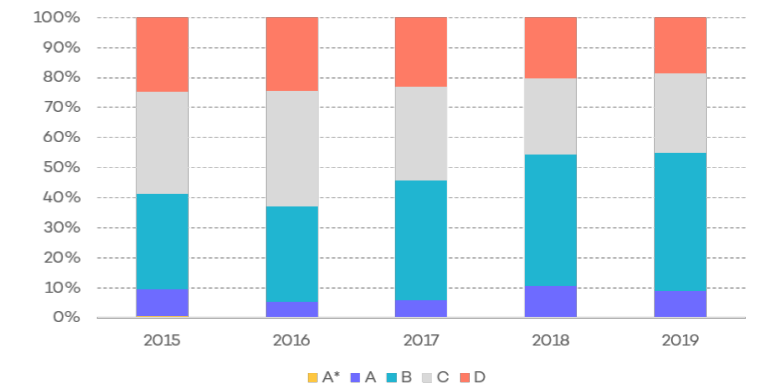
Year originated	Loans, units	Loans, TEUR	Principal repayments	Principal outstanding	Principal repaid	Interest payments	Interest outstanding	Interest repaid	Number of defaults, units	Default rate
2015	216	360	326	34	91%	147	13	92%	25	11.6%
2016	1,318	3,019	2,632	387	87%	1,131	114	91%	163	12.4%
2017	2,162	4,463	3,347	1,115	75%	1,157	331	78%	236	10.9%
2018	3,161	6,179	3,580	2,599	58%	1,165	803	59%	384	12.1%
2019	3,168	7,510	2,118	5,392	28%	634	1,838	26%	179	5.7%

Loan volumes, TEUR

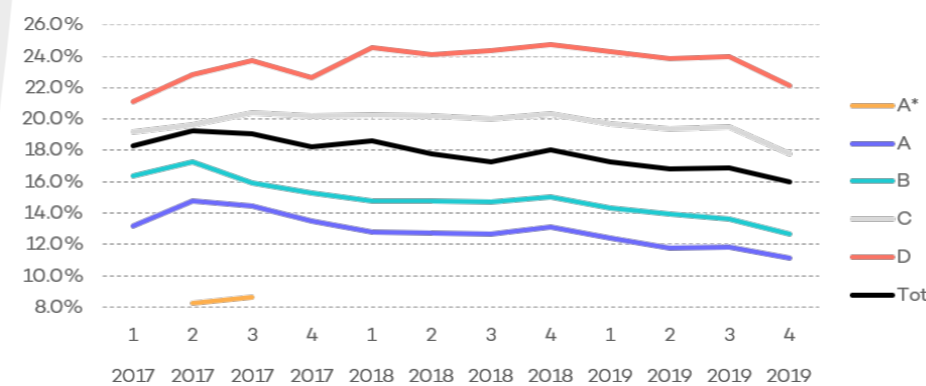


Performance report

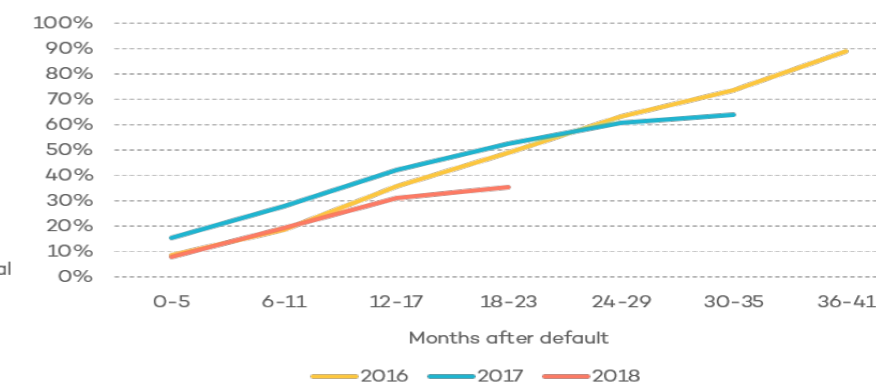
Loan volumes by rating



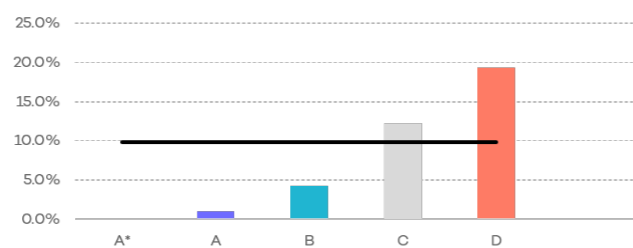
Interest rate, %



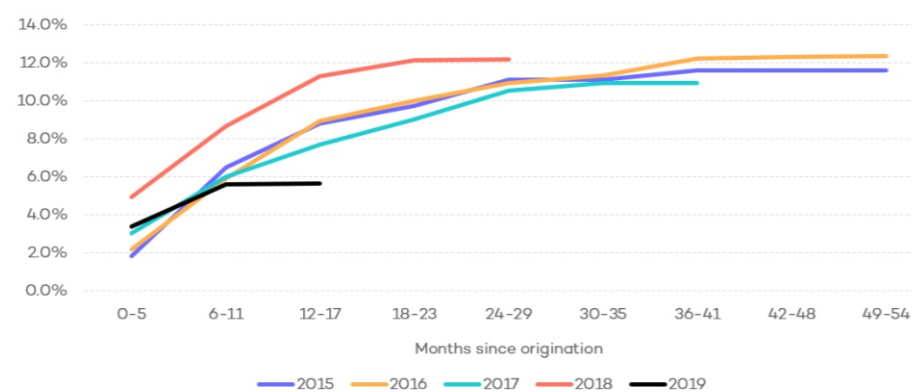
Recovery rate, %



Default rate by ratings



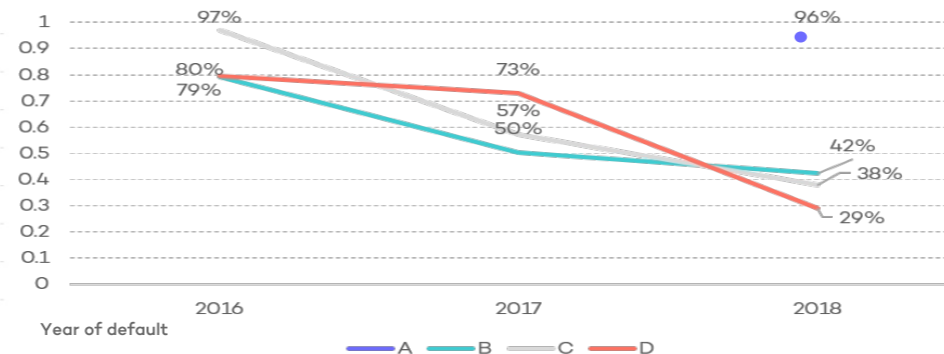
Default rate, % of loan units



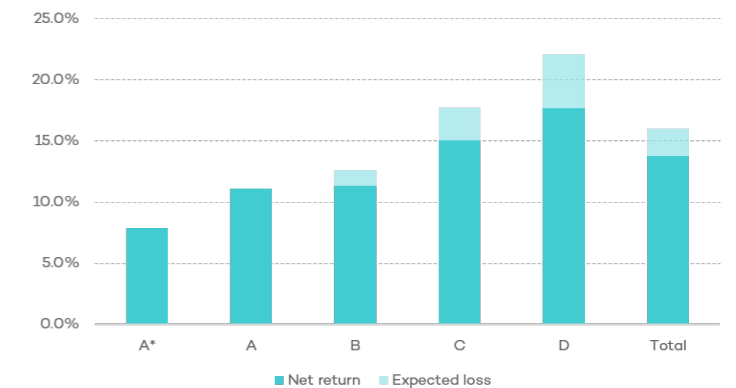
Performance by ratings

Credit score	Loans, units	% by Number of Loans	Loans, TEUR	Principal repayments	Principal outstanding	Interest payments	Interest outstanding	Number of defaults, units	Default rate	Exposure at default	Recoveries	Recovery Rate
A*	5	0%	12	12	0	1	0	0	-	-	0	-
A	732	7%	1,752	899	853	248	201	7	10%	91%	3	22%
B	4,062	41%	9,037	4,844	4,193	1,547	1,292	171	4.2%	81%	78	22%
C	2,872	29%	6,238	3,647	2,592	1,415	1,111	353	12.3%	87%	233	31%
D	2,354	23%	4,493	2,640	1,853	1,032	936	456	19.4%	84%	218	32%
Total	10,025	100%	21,531	12,041	9,490	4,243	3,540	987	9.8%	85%	533	29%

Recovery rate by ratings, %



Net return of current portfolio*



* Results of the past only reflect the performance of the loan portfolio for the previous period. Past results does not guarantee future results. Finbee does not guarantee the return on investment or make investment recommendations.

Important! Investing through peer to peer lending platform, as well as investing in other financial instruments, involves risk taking. Therefore, before you start investing in loans, you must properly assess your financial situation, as well as financial situation of your family or your business, your investment experience and knowledge of risks associated with investing. If you think you do not understand the potential risks associated with the financing transaction you are making, consider contacting specialists.

Investments made through the platform are not covered by the law of deposits and liabilities to investors of Lithuanian Republic, nor is it guaranteed that the client to whom you borrowed the money will properly fulfil its financial obligations, therefore each investor assumes the risks associated with the investment when making a financing transaction on the platform, including partial or full loss of all invested funds, loss of expected profit as well as limited or no liquidity. Finbee does not assume any liability for losses incurred by investors but seeks to ensure the security of invested funds and the return on investment in every possible way.

**Expected net return is calculated as:
Weighted average interest rate (%) - Expected Loss (%) from initial loan amount
Expected loss (%) = PDw x EAD x (1-RR)

PDw: Weighted Probability of Default (%)= Number of defaulted loans / Total number of issued loans (€)

EAD: Exposure at Default (%)= Remaining balance of loan at the date of default / Initial loan amount

RR: Recovery rate (%)= Amount recovered after the date of default until now / EAD

Business loans



0,6

mln. EUR interest paid to investors

14,3%

average interest rate in 2019

7%

average rate of default

57%

recovery rate of loans defaulted in 2018

11,9%

average rate of return*

By the end of 2019 FinBee Business platform issued 739 loans to small businesses for a total amount of EUR 6.7 million. EUR 4.5 million has already been repaid to investors. Investors have also received EUR 600 thousand in payments of interest.

All loans issued are secured by a personal guarantee of the manager or shareholder of the borrower, or by the mortgage of real estate. A personal guarantee means that in the event of borrower's default, the loan will be enforced from the borrower and the guarantor.

The interest rate paid to investors has gradually decreased but remains one of the highest when compared to other crowdfunding platforms that provide business loans in Lithuania.

Over the past 3 years, the default rate had been significantly reduced (chart name: "Default rate by ratings"). The average default rate is 7%.

Platform achieved 57% recovery rate on loans that defaulted in 2018.

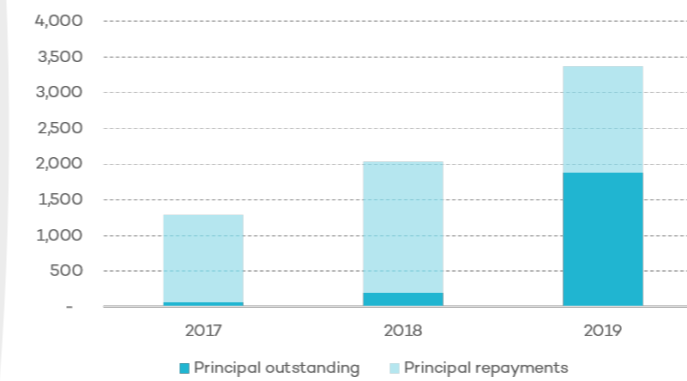
Taking into account historical interest rates and rate of recovery, platform investors investing in business loans could expect to earn 12% of annual pre-tax return. Historical data also show that investments in different ratings brings similar results.



Loanbook performance

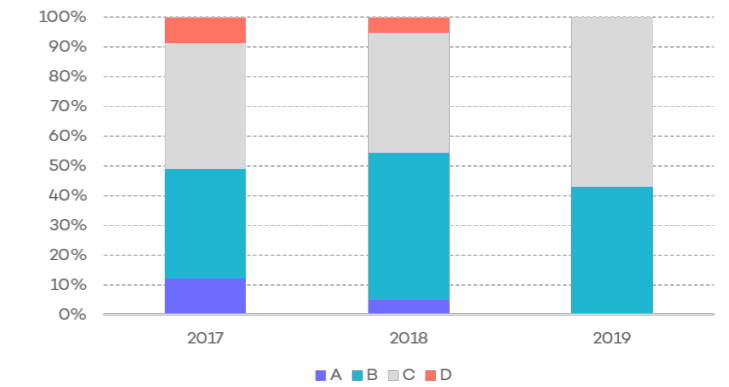
Year originated	Loans, units	Loans, TEUR	Principal repayments	Principal outstanding	Principal repaid, %	Interest payments	Interest outstanding	Interest repaid, %	Loans defaulted, units	Default rate (unweighted)	Defaulted loans (amounts at origination)	Default rate (weighted by amount originated)
2017	140	1291	1230	61	95%	140	5	97%	20	14.3%	211	16.4%
2018	244	2033	1837	196	90%	216	15	93%	23	9.4%	161	7.9%
2019	355	3373	1494	1879	44%	238	175	58%	17	4.8%	143	4.2%

Loan volumes, TEUR

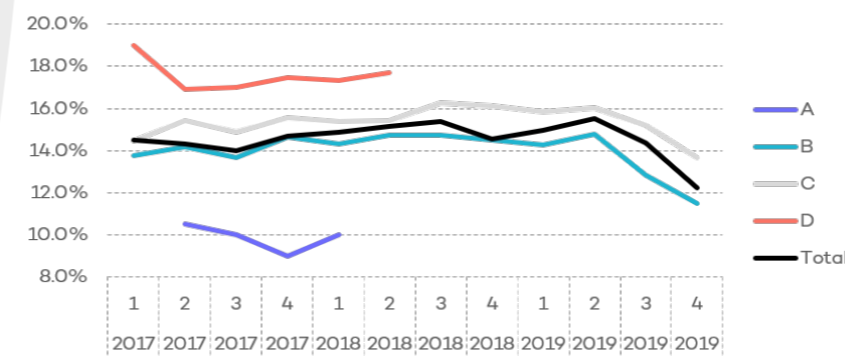


Performance report

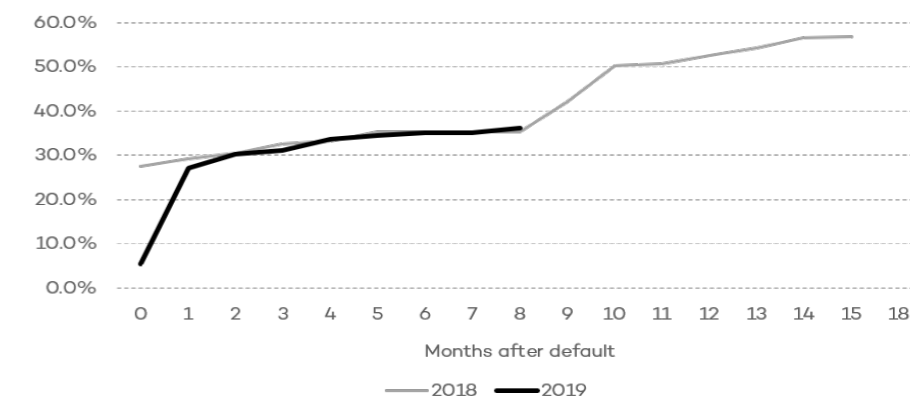
Loan volumes by rating



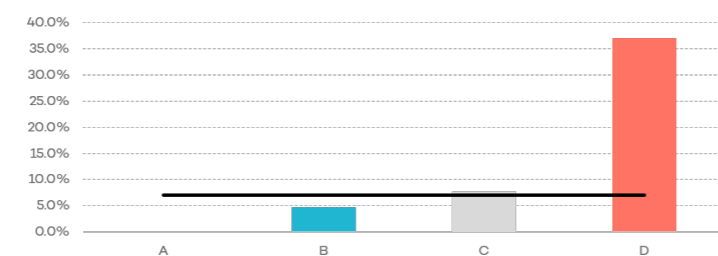
Interest rate, %



Recovery rate, %



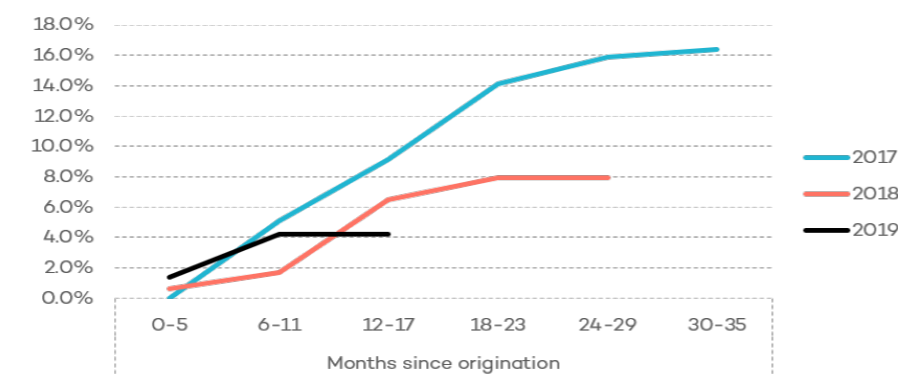
Default rate by ratings



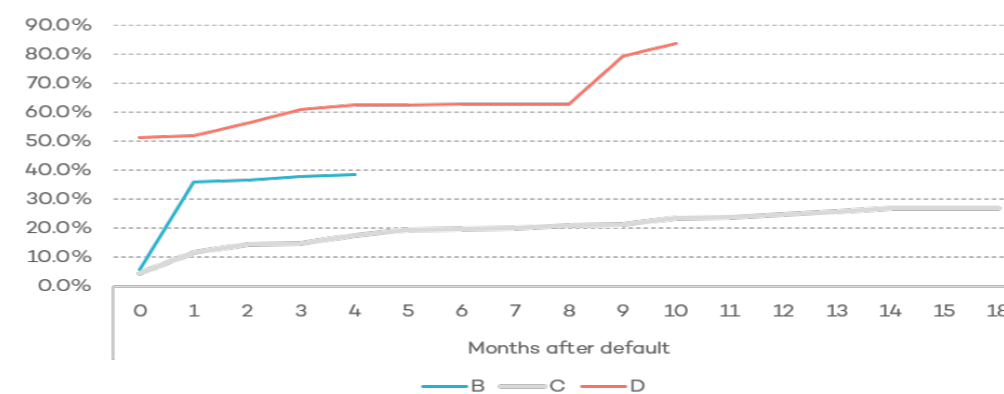
Performance by ratings

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A	11	1%	258	242	16	19	2	-	0.0%	n/a	n/a	n/a
B	253	31%	3,076	2,052	1,023	258	98	101	4.7%	70%	39	39%
C	507	62%	3,794	2,083	1,712	294	170	169	7.7%	59%	46	27%
D	43	5%	215	205	10	27	1	43	37.0%	54%	36	84%
Total	814	100%	7,343	4,582	2,761	598	271	313	7.0%	61%	121	39%

Default rate, % (weighted by volume)



Recovery rate by ratings, %



Net return of current portfolio**



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