

# Finbee performance report 2021 Q4



# Finbee CEO insights



**Darius Noreika, CFA**  
Finbee CEO

## We are growing

“ Despite the Covid-19 pandemic we had a record year of 2021. Last year we granted 12.7M Eur of **consumer loans** what is **47% more than in 2020**. Also, we granted 8M Eur of **business loans** what is **59% more than in 2020**.

## We invest together with you

*In 2021 we invested even more actively with you in consumer loans. In order to have a well-diversified portfolio **we invest at least 15% in each consumer loan issued through the Finbee platform. During 2021 we have invested 4.2M Eur in consumer loans.** At the end of the year, our loan portfolio amounted to 2M Eur. In December we started co-investing in business loans and invested 0.8M Eur.*

“

# We innovate and create more convenience to you

“

*In 2021 we introduced these innovations:*

- *We have created and shared with you a **possibility to download Finbee portfolio data and repayment schedules in CSV file**. We have created an opportunity for investors to analyze their personal and whole Finbee portfolio in an easier and more flexible way. We are transparent and open to our customers. To my knowledge, there are only a few platforms in Europe that have opened their data to investors and no other platform offers such an opportunity in Lithuania.*
- *Also, **we have created a possibility to see information about borrower's active / repaid Finbee loans in the primary and secondary market**. This information is especially important because we only provide loans to customers who pay their loan installments on time. In general, existing customers in credit companies are considered to be less risky.*
- *A **new client money account at Citadele bank has been opened**. We have chosen this bank because they can offer SEPA instant payments. This will enable you to deposit and withdraw funds faster. I hope that in the future we will further improve the conditions for customers by introducing an instant payment service, which will allow Finbee accounts to be replenished even faster.*

”



# We are moving forward

“ In 2022 we will put even more efforts to increase our lending volumes and enable investors to earn **double-digit return**. I am happy that we are one of the few countries where investors have an opportunity to earn double-digit return by investing through peer-to-peer lending platform. This year we will continue to improve our processes, communication with investors and actively attract borrowers by offering financial solutions that meet everyone's needs all while maintaining the friendly service that has made Finbee distinctive from other platforms.

On behalf of the whole team I want to thank you for this successful partnership.

Darius Noreika  
CEO





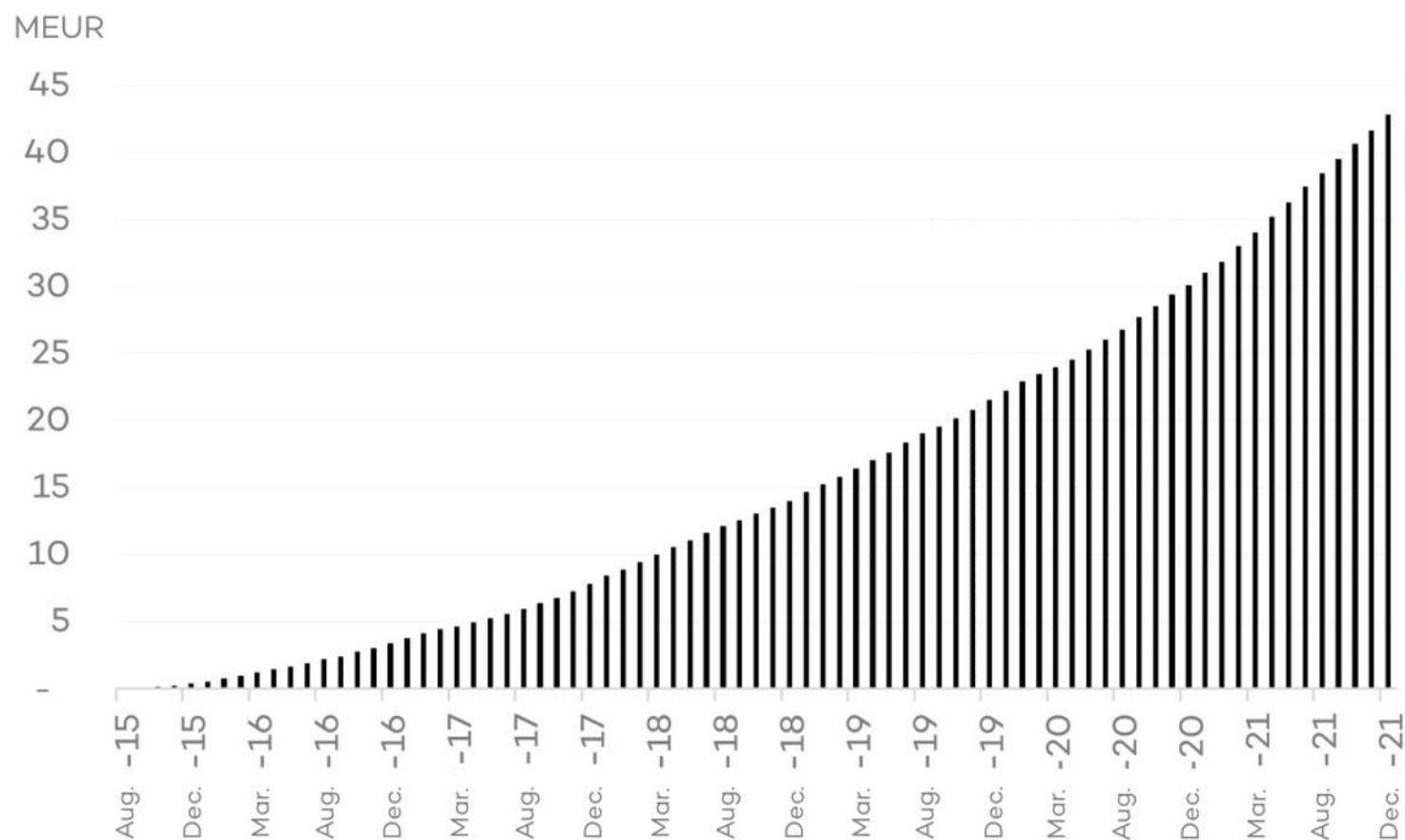
A group of three women are shown in a warm, golden-hour setting, likely outdoors. The woman in the foreground is seen from the side, wearing a dark, textured sweater. The woman in the middle is wearing glasses and smiling. The woman in the background is wearing a dark hat and a light-colored sweater, also smiling. The background is softly blurred, showing what appears to be a building or structure.

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# Consumer loans

# Finbee consumer loans

**34%** average YoY growth



**6 years**  
in the market

**17,000 units**  
loans originated

**43M EUR**  
loans originated

**2,500 EUR**  
average loan amount

**8M EUR**  
interest paid to  
investors



# Loan volume

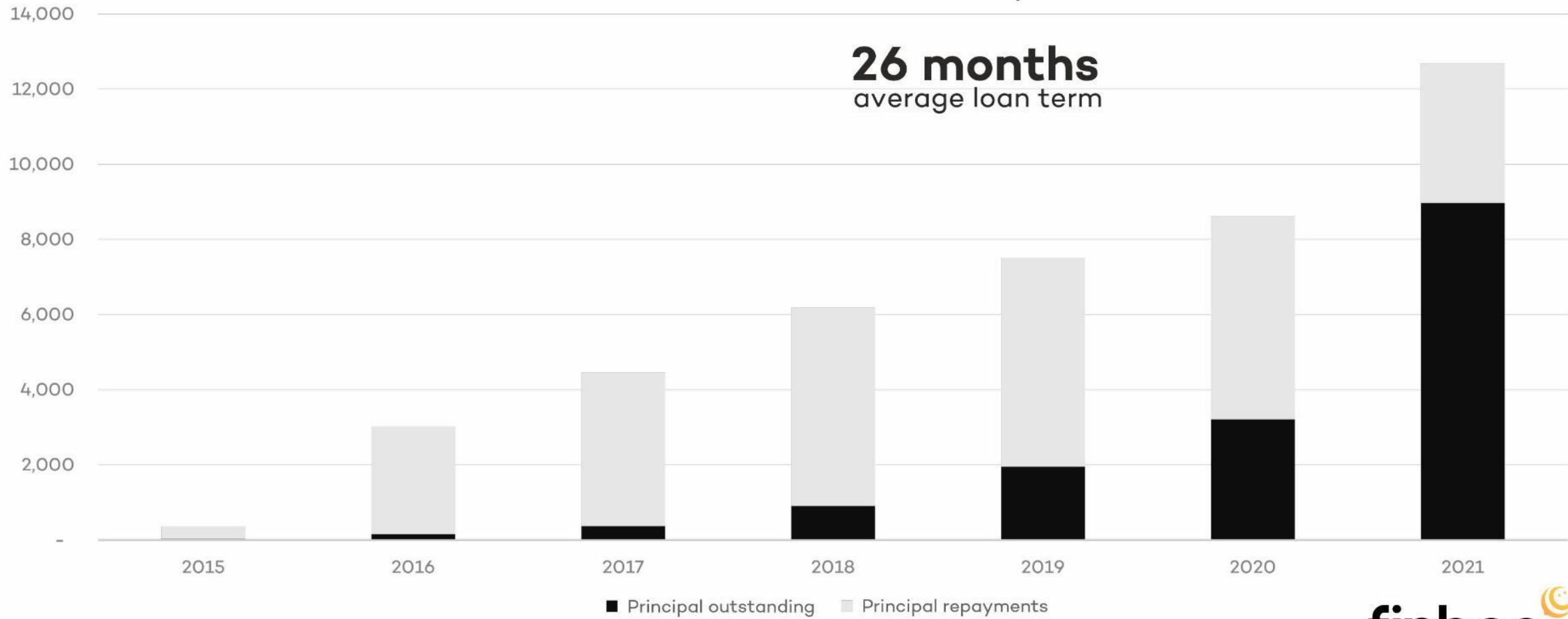
# 15.4M EUR

active loan portfolio at the end of 2021

## 26 months

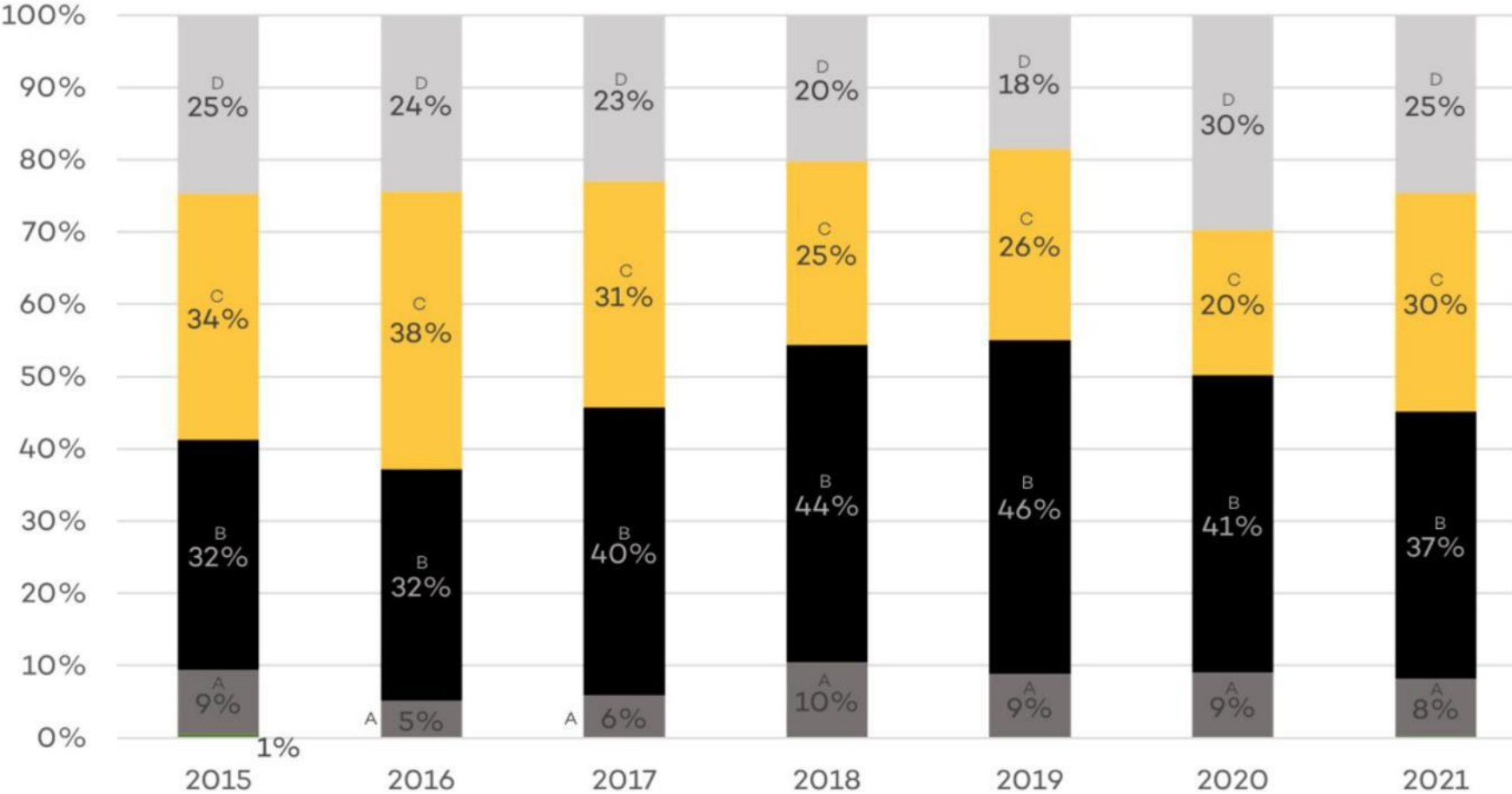
average loan term

Loan volume, TEUR



# Distribution of loans, by rating, %

The loan portfolio is well diversified. 45% of loans originated in 2021 were issued to very low risk clients.



**A\*** - lowest risk customers. Minimal chance of delays. Very low interest rate paid by customers.  
**A** - very low risk customers. Low probability of default.  
**B** - low risk customers. Small delays are likely, but offset by a higher interest rate.  
**C** - medium risk customers. Higher delays and defaults are likely. This is compensated by customers paying a higher interest rate.  
**D** - High risk customers. High likelihood of solvency problems for the customer, but the risk is compensated by a high interest rate. Historically generates the highest returns for investors.

■ A\* ■ A ■ B ■ C ■ D





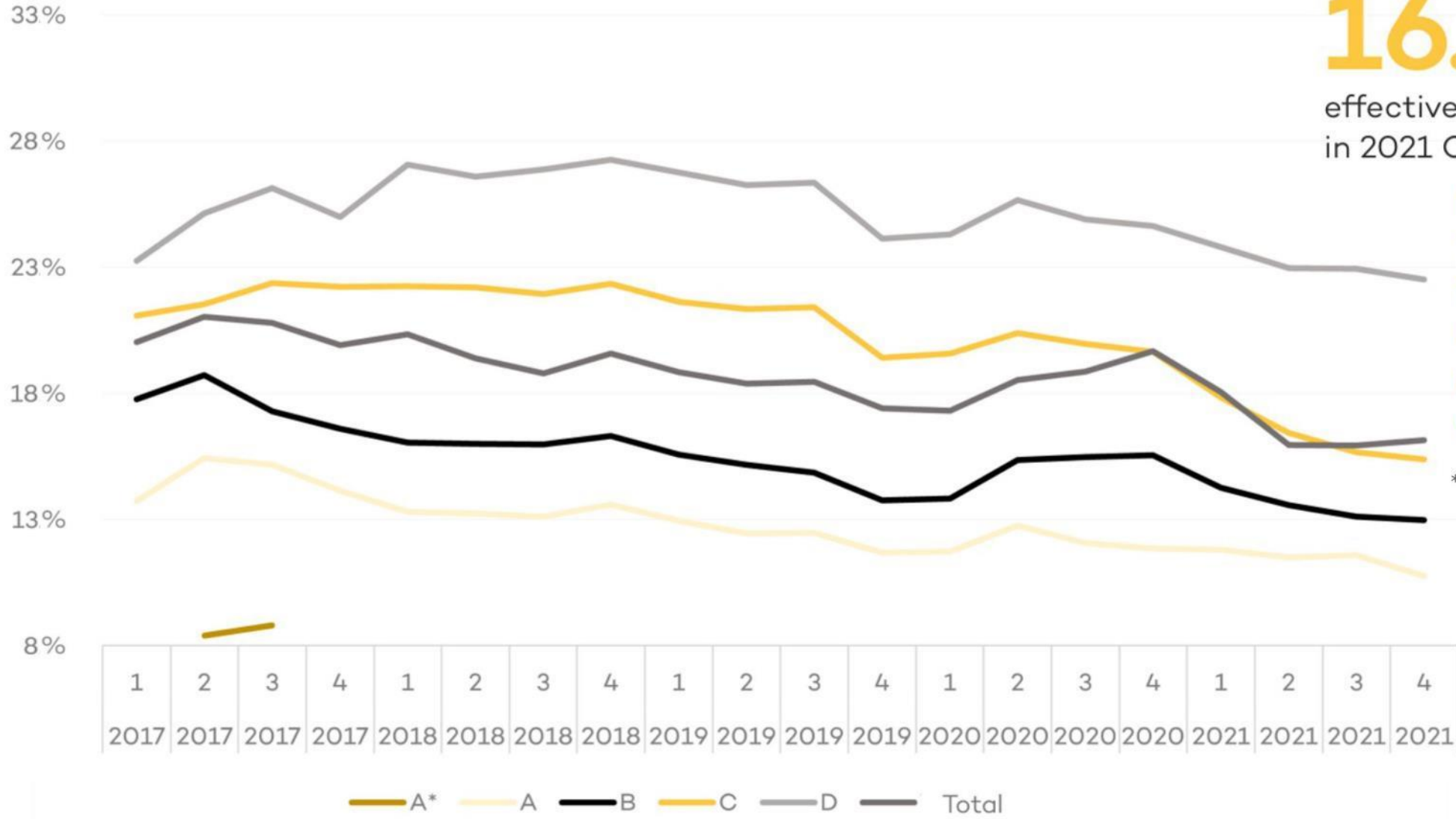
# Interest rate, %

**16.1%**

effective annual interest rate in 2021 Q4\*

Interest rates tend to fall over the long term, therefore, investing more now is more likely to earn more in the future.

\*The effective interest rate reflects the actual rate of return on the investment, net of interest.



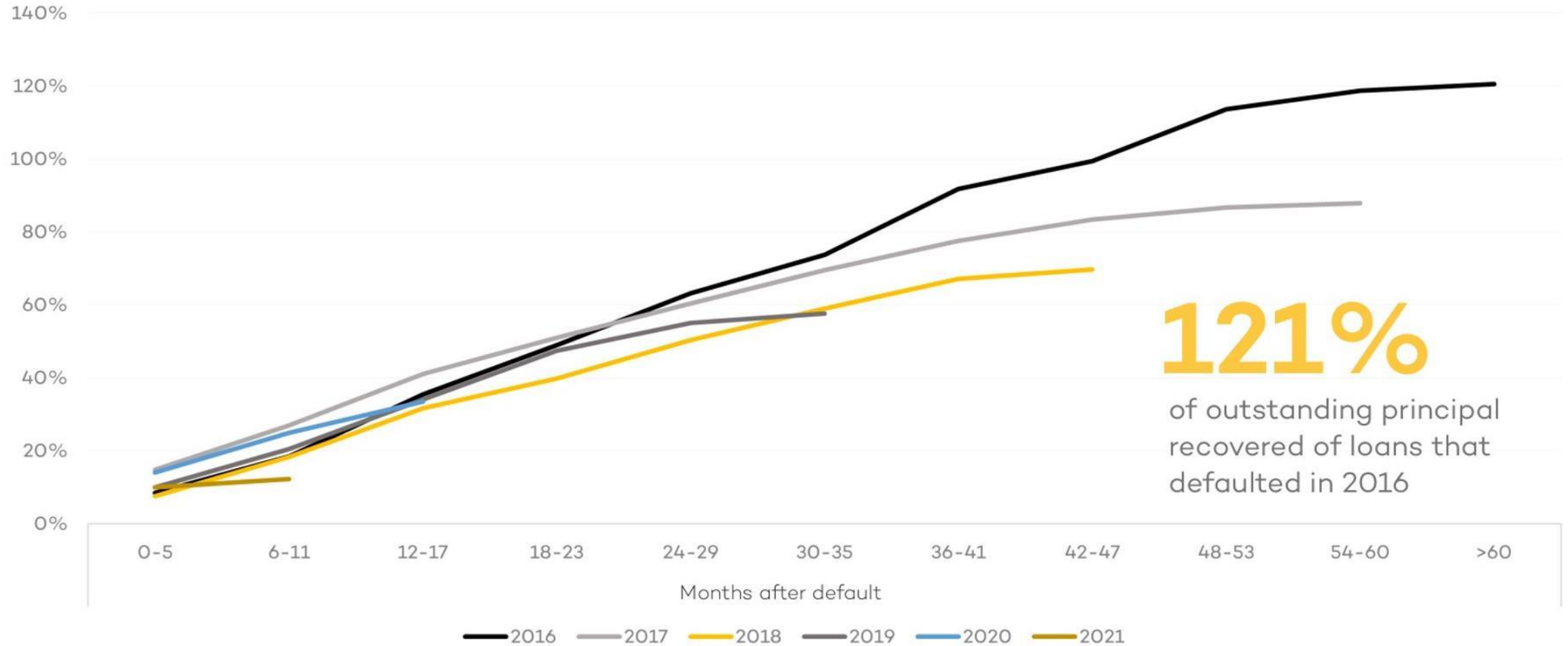
# Debt collection process





# Loans recovered

during equal number of months after the start of recovery, % of outstanding principal



**121%**

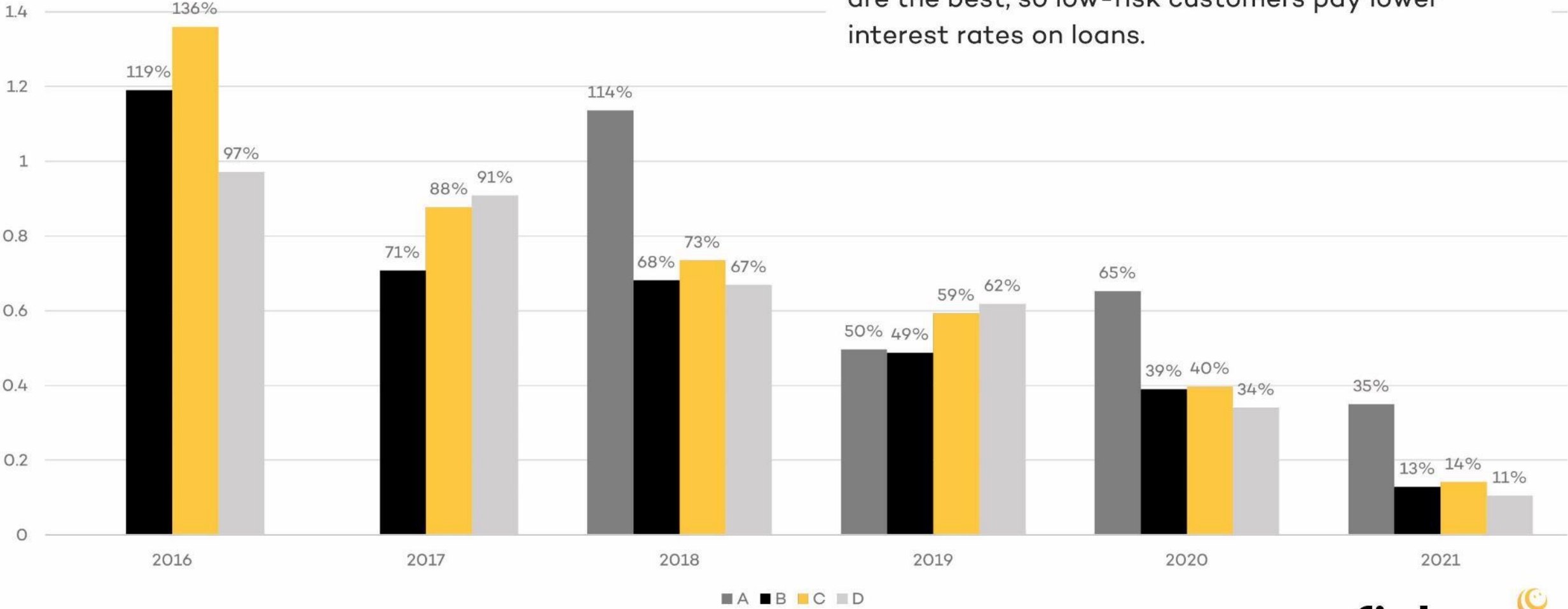
of outstanding principal recovered of loans that defaulted in 2016

A recovery of more than 100% means that we have recovered not only outstanding principal but also interest.

# Debt collection performance by rating

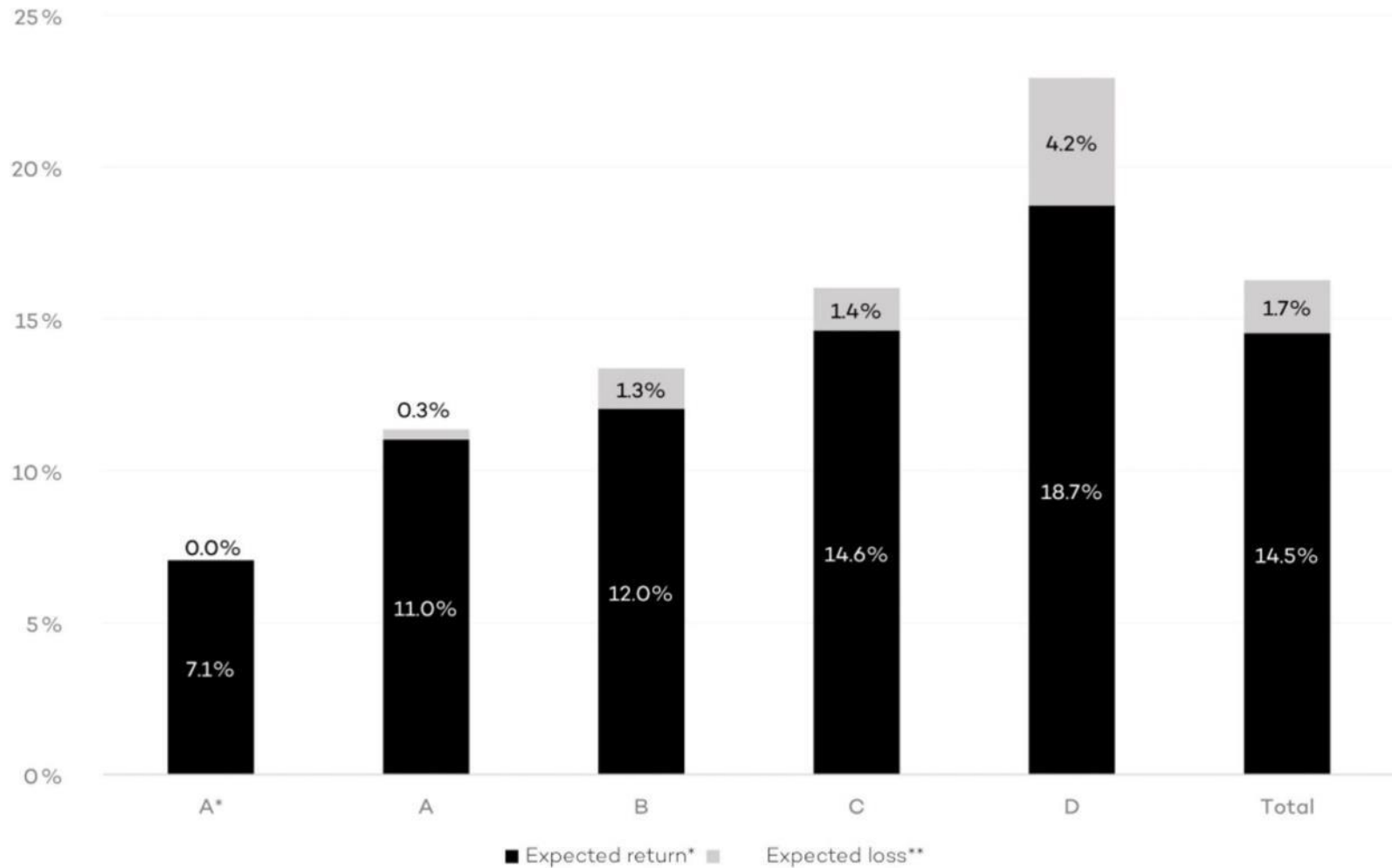
Debt collected, % of the loan balance

The debt collection results of A-rated customers are the best, so low-risk customers pay lower interest rates on loans.





# Return on loan portfolio, %



14.5%

return on consumer loan portfolio

\* The expected return is calculated as:  
 Weighted average interest rate (%) - expected loss (%) on the original loan amount  
 \*\* Expected loss (%) = PDw x EAD x (1-RR)  
 PD : Probability of default (%) = Number of defaulted loans at origination / Number of total loans originated  
 EAD: Loan balance at the date of the first default event (%) = Loan balance at the time of default / Loan amount at origination  
 RR: Recovery rate, the proportion (%) that is recovered on the loan balance at the time of default = Amount recovered after default events / EAD



# The impact of the COVID-19 pandemic on customer solvency

The pandemic situation did not have a significant impact on Finbee loans portfolio

**1.5%**

of Finbee customers postponed their loan payments.

During 2020-2021 period we had 79 clients who faced financial difficulties so we agreed to postpone their installments.

**73-74%**

of Finbee customers pays their monthly installments on time.

The part of customers who pays on time did not change significantly in 2020-2021.





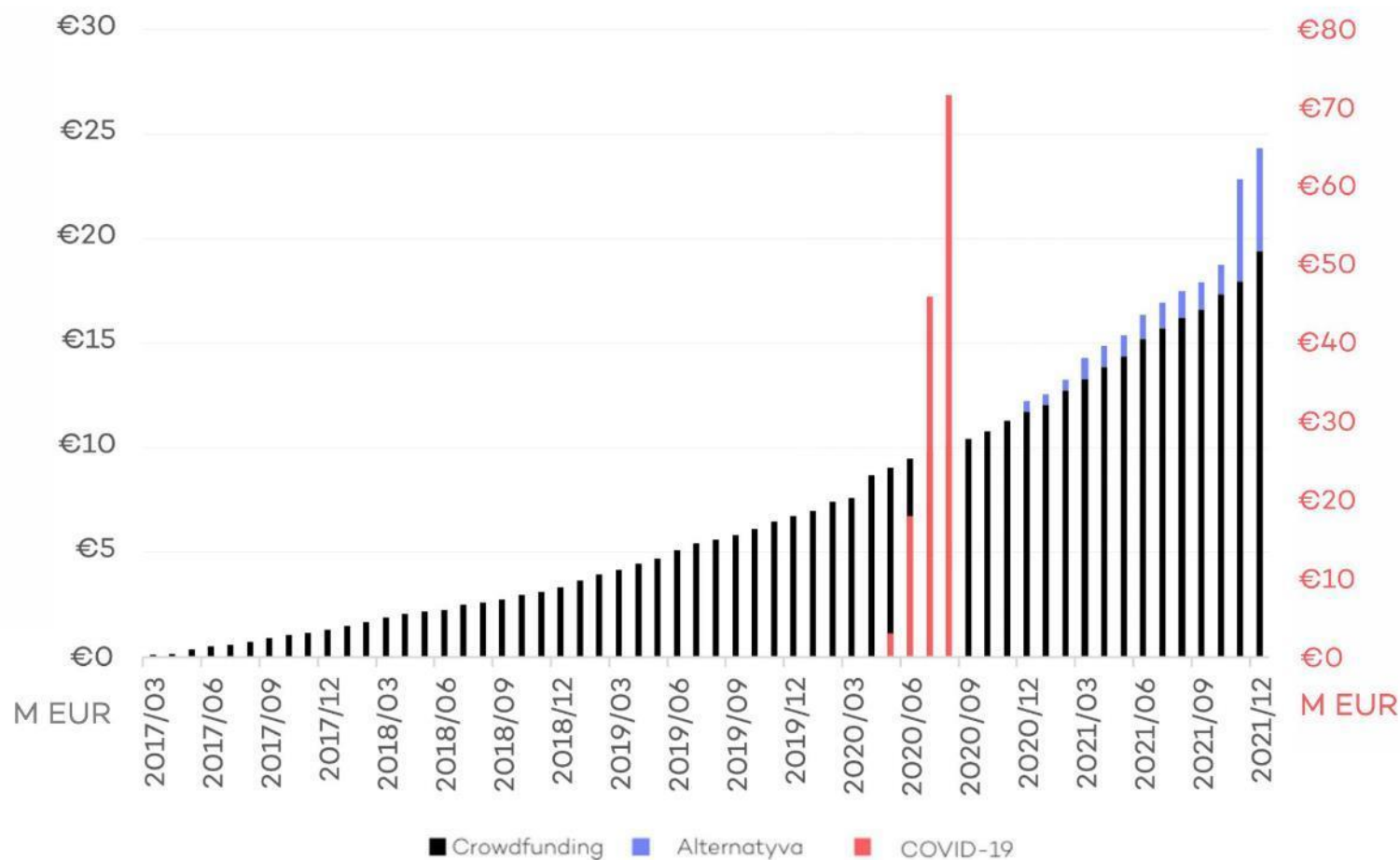
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# Business loans



# Finbee business loans

**77%** average YoY growth



**5 years**  
in the market

**2,500 SMEs**  
financed

**24M EUR**  
loans originated

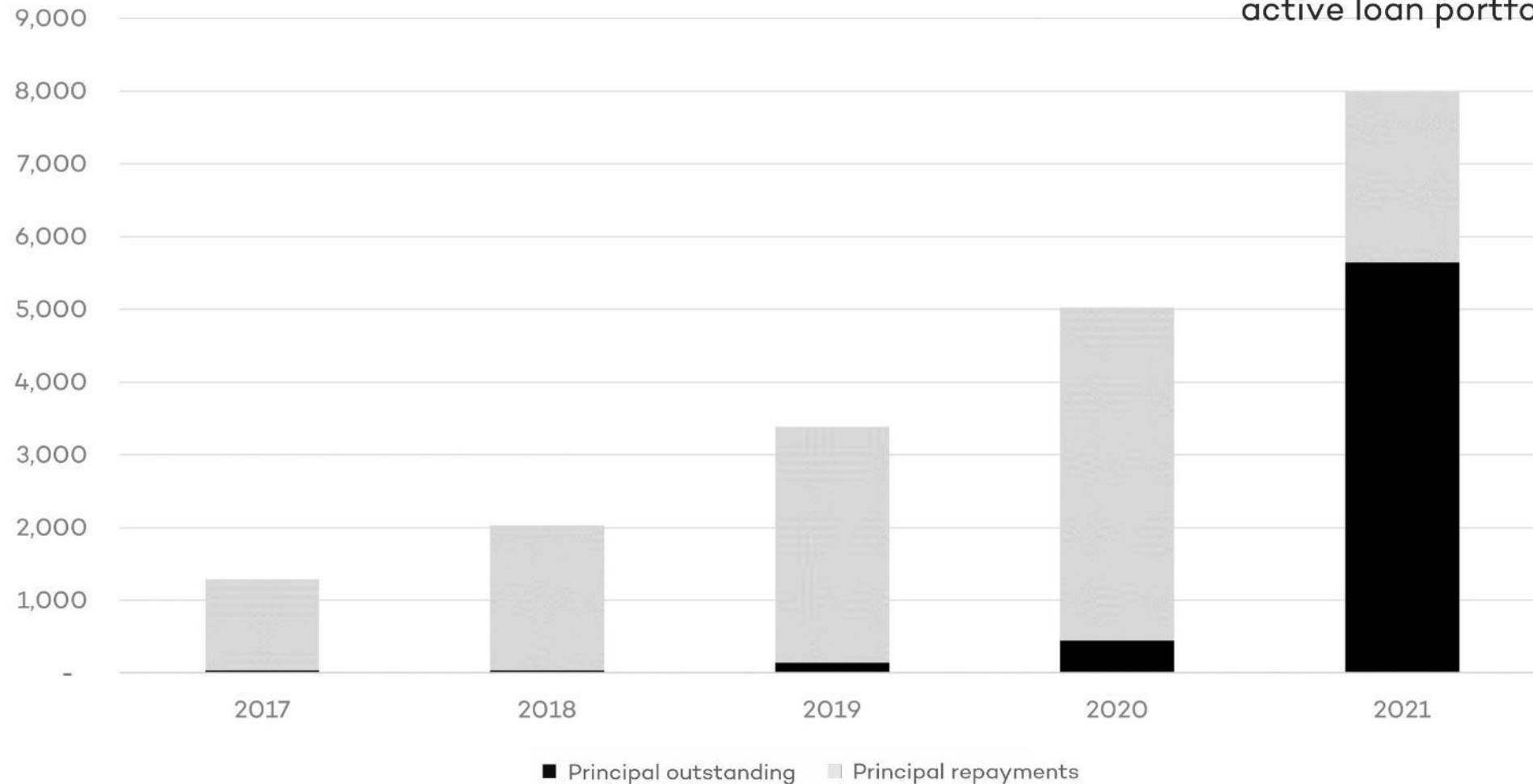
**71M EUR**  
Invega soft loans issued to  
affected businesses

**13%**  
average interest rate



# Loan volume

Loan volumes, TEUR

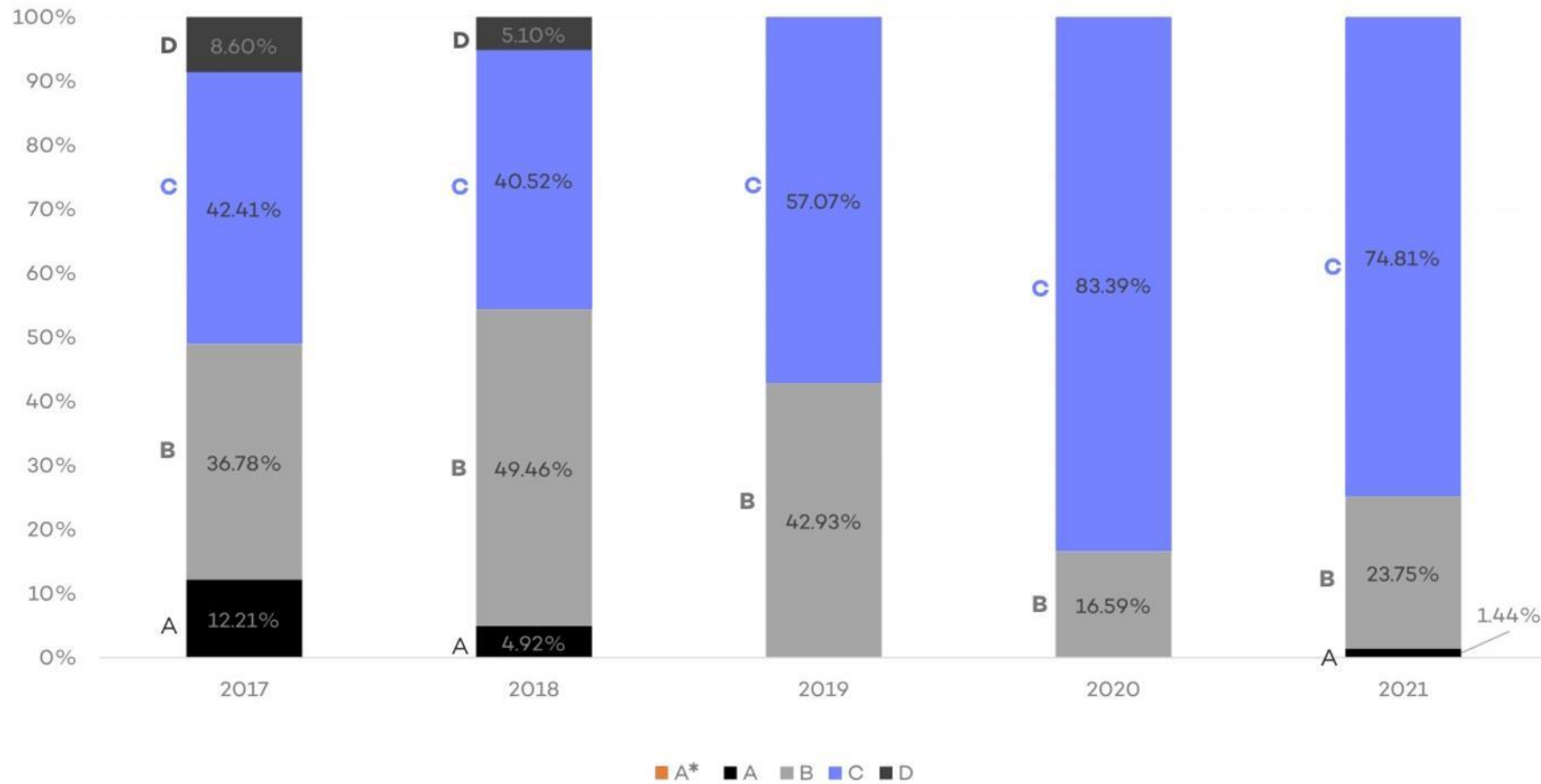


## 6.3M EUR

active loan portfolio at the end of 2021

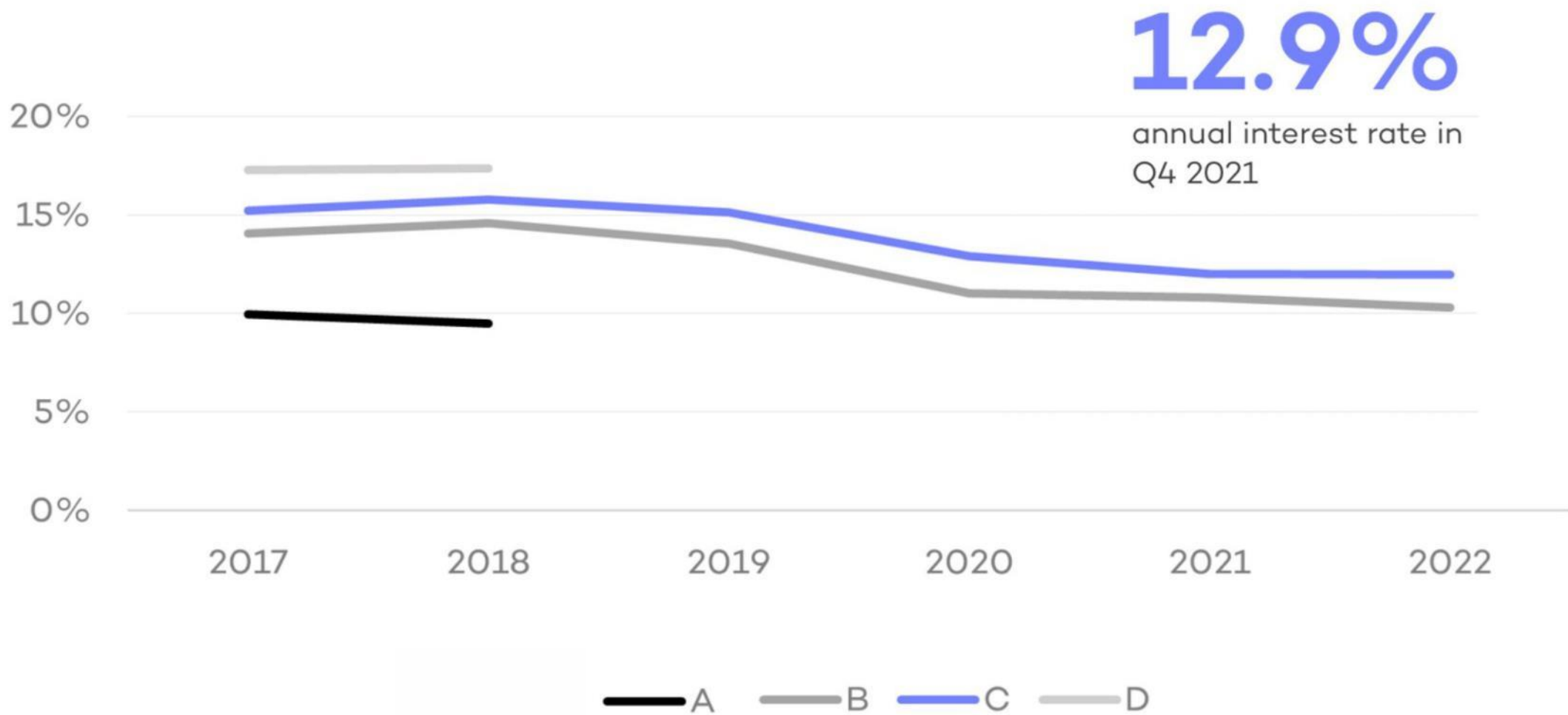
**17 months**  
average loan term

# Business loans by rating



- A\*** - lowest risk customers. Minimal chance of delays. Very low interest rate paid by customers.
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# Interest rate, %



**12.9%**

annual interest rate in Q4 2021

— A — B — C — D

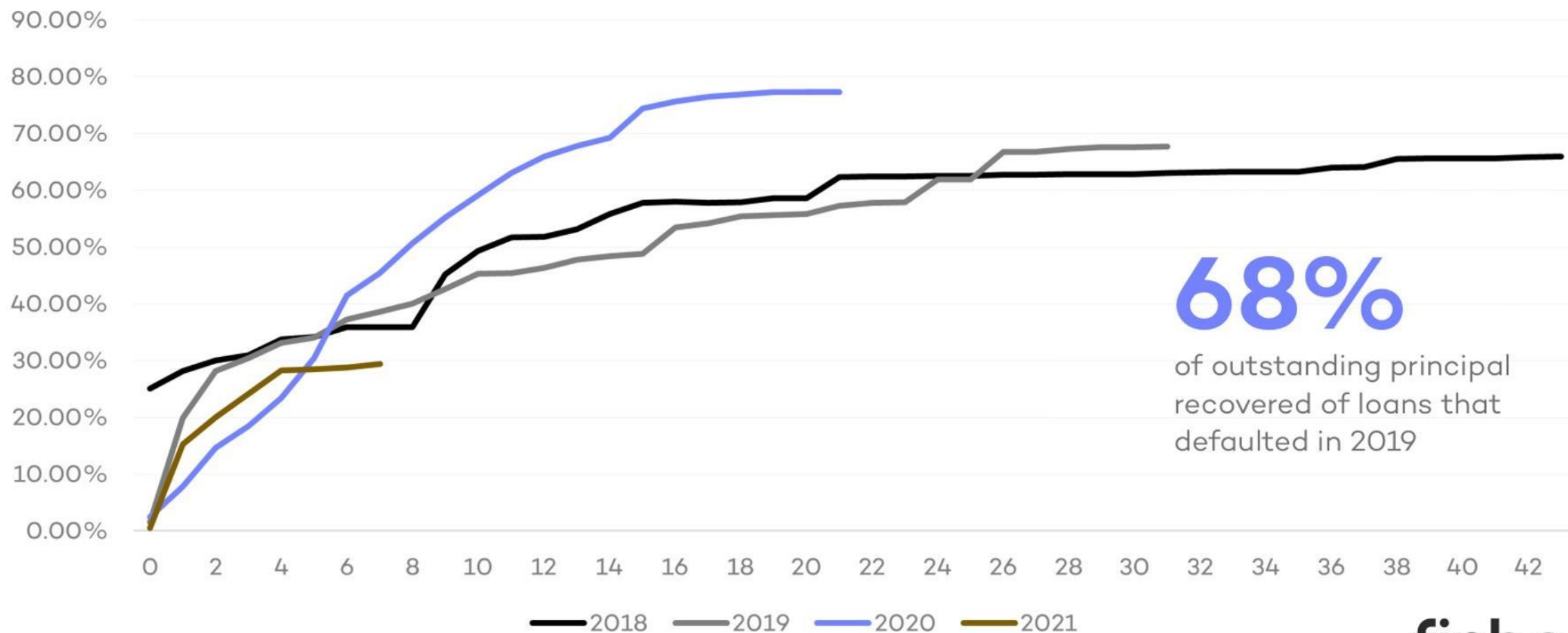


# Debt recovery process



# Loans recovered

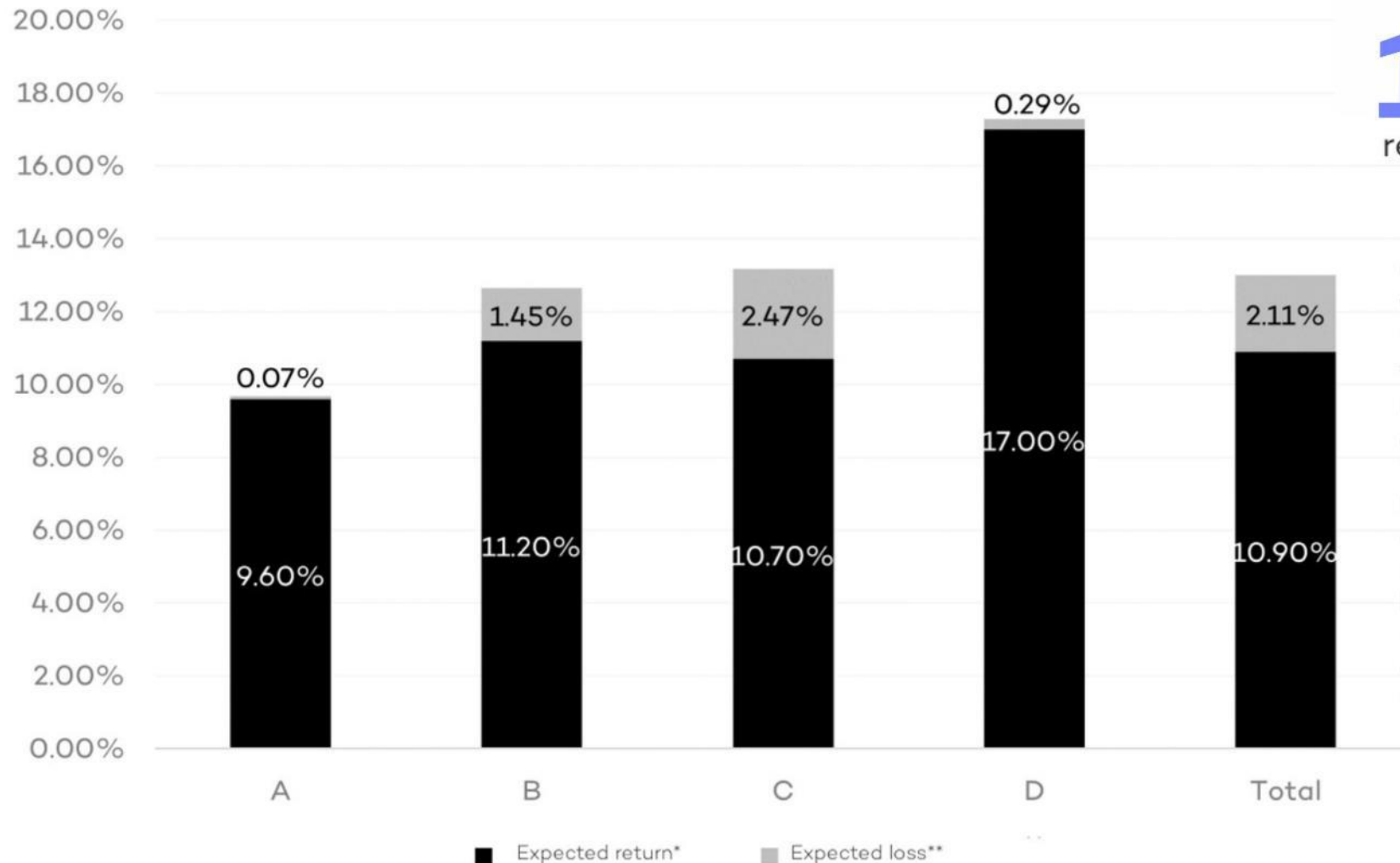
during equal number of months after the start of recovery, % of outstanding principal



**68%**

of outstanding principal recovered of loans that defaulted in 2019

# Return on loan portfolio, %



## 10.9%

return on business loan portfolio

\* The expected return is calculated as:

Weighted average interest rate (%) - expected loss (%) on the original loan amount

\*\* Expected loss (%) =  $PDw \times EAD \times (1-RR)$

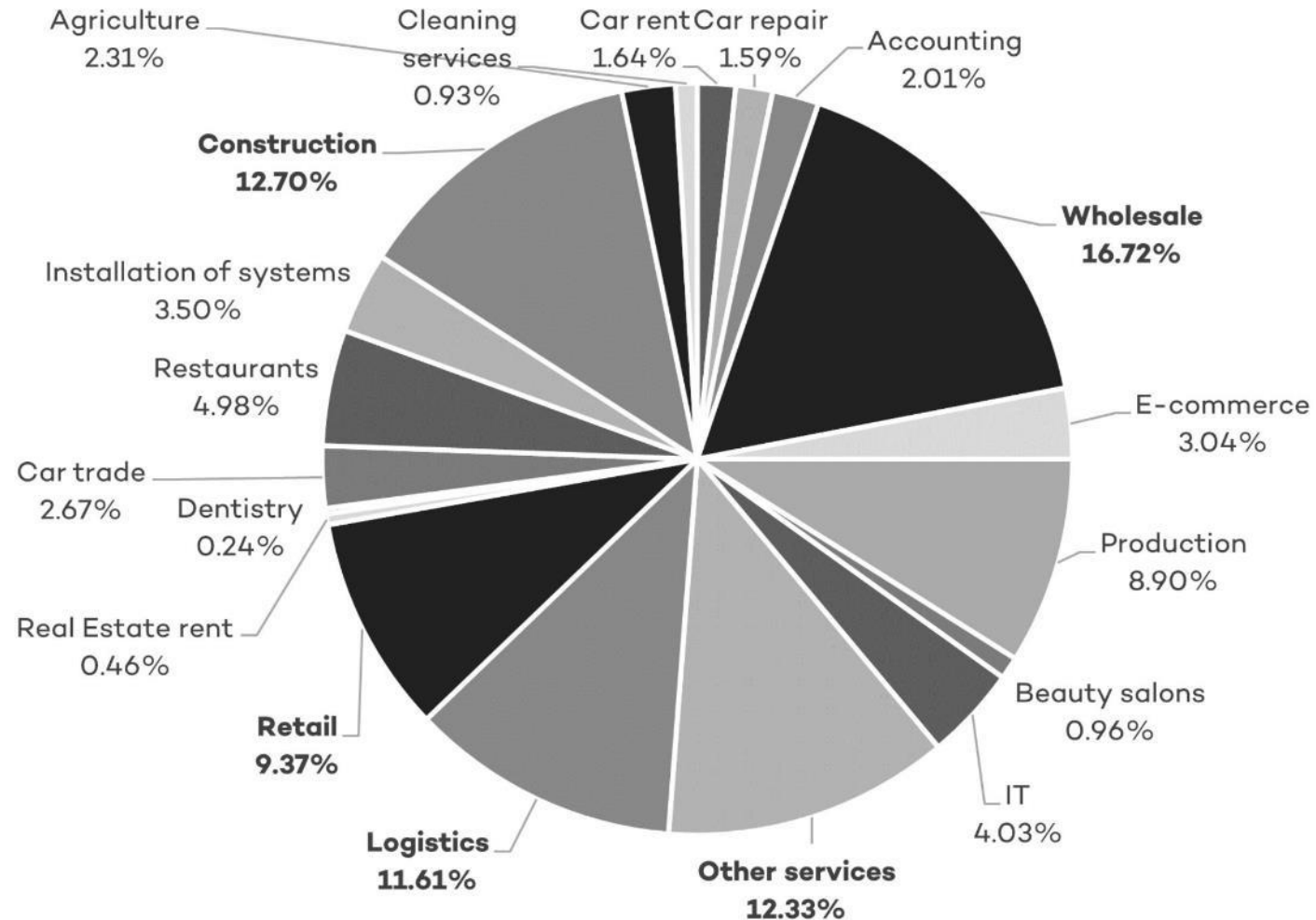
PD : Probability of default (%) = Number of defaulted loans at origination / Number of total loans originated

EAD: Loan balance at the date of the first default event (%) = Loan balance at the time of default / Loan amount at origination

RR: Recovery rate, the proportion (%) that is recovered on the loan balance at the time of default = Amount recovered after default events / EAD



# A well-diversified business loan portfolio



Loan sum, EUR

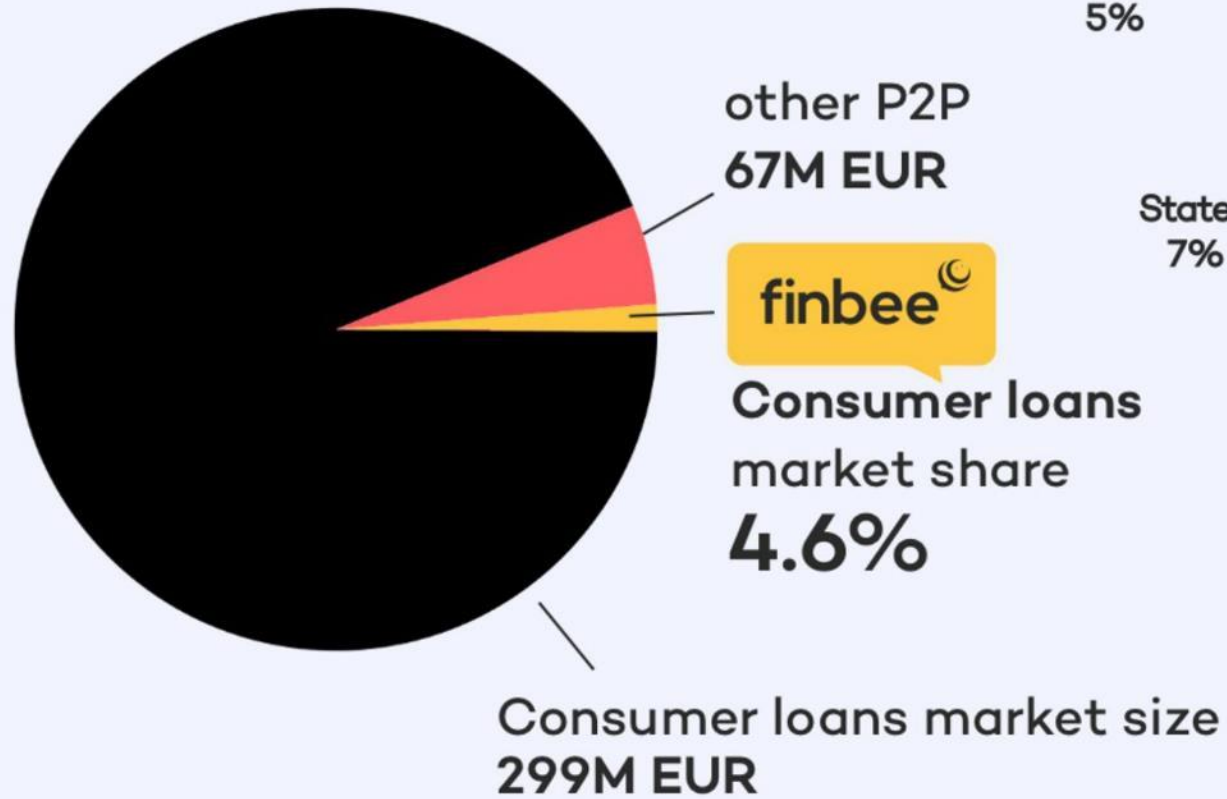
A top-down photograph of five hands of different ethnicities and ages stacked on a dark wooden table. From left to right: a dark-skinned hand with a black watch, a medium-skinned hand, a light-skinned hand with manicured nails, a darker-skinned hand, and a light-skinned hand. The word "Market" is overlaid in white text on the left side.

# Market

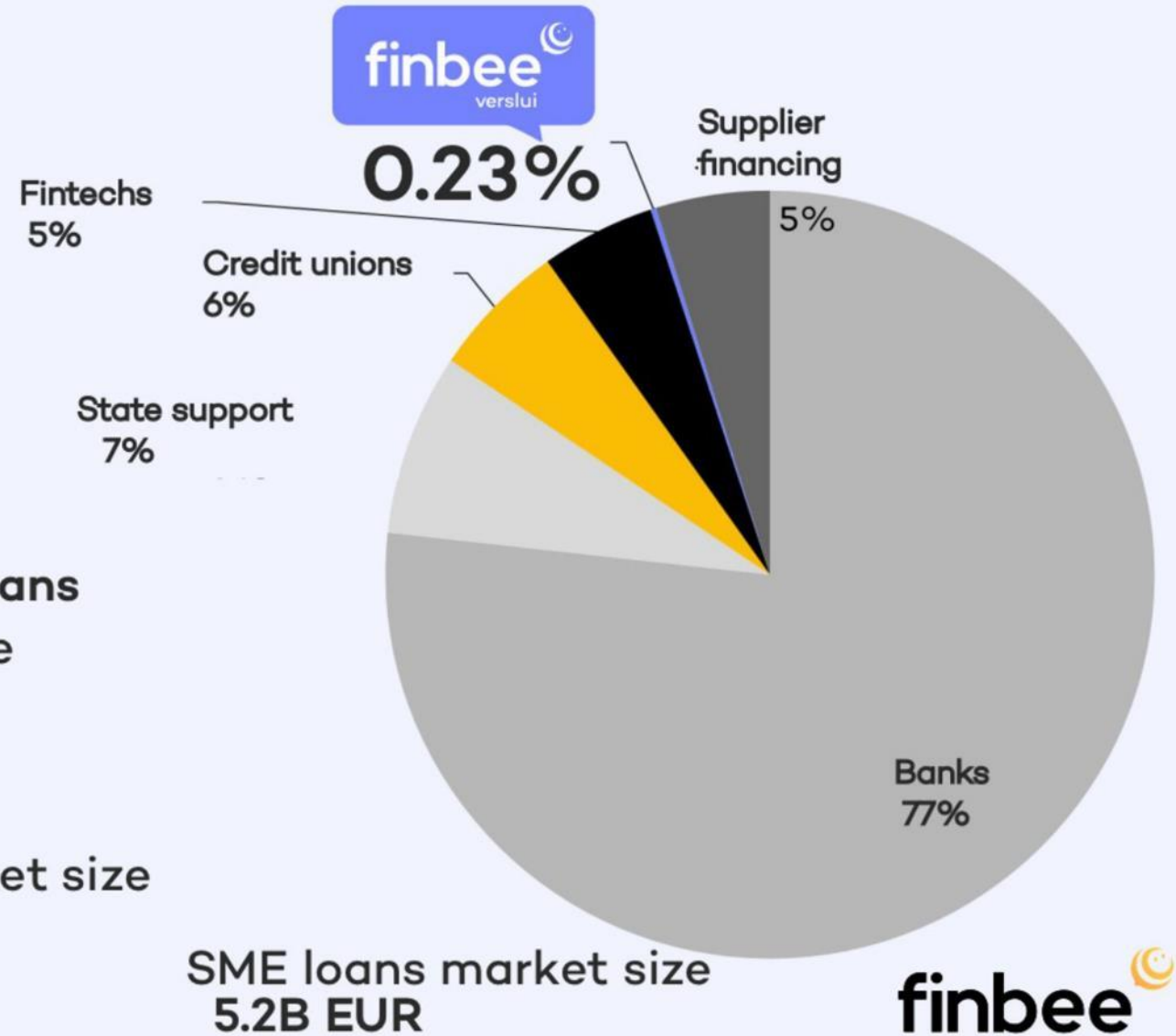
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# Lithuanian market

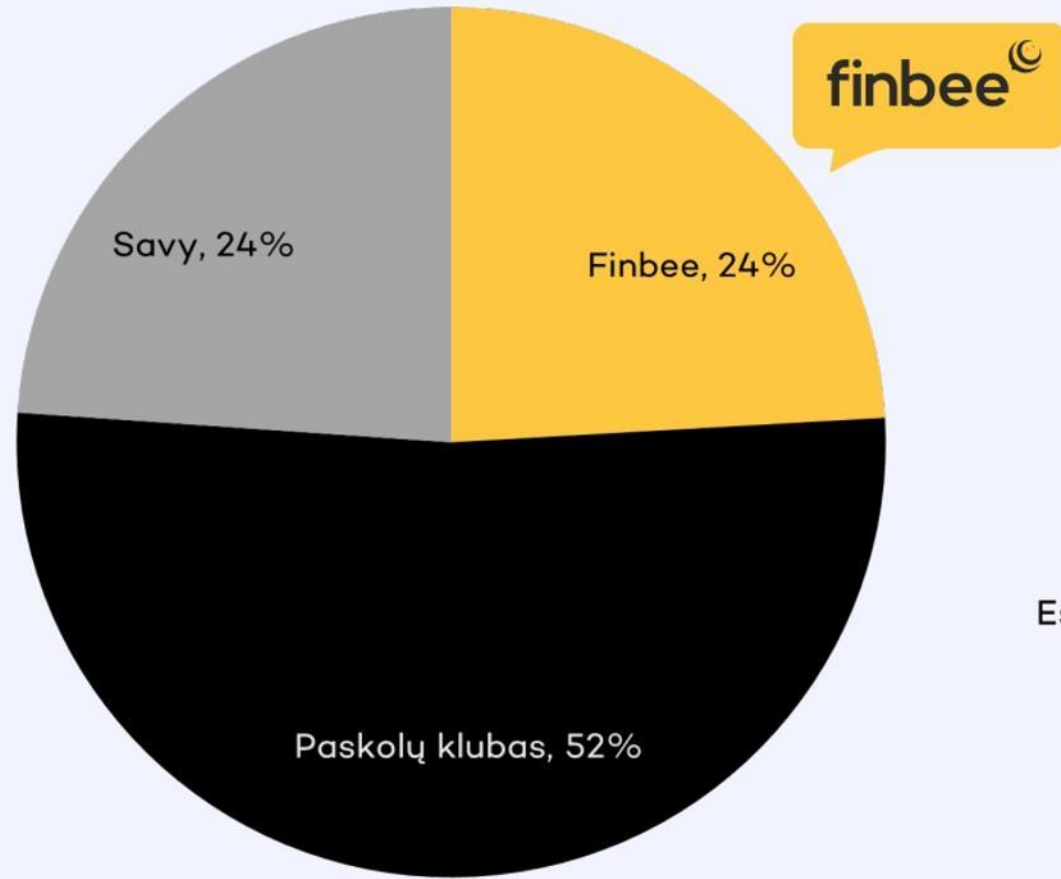


## Market share of SME loans

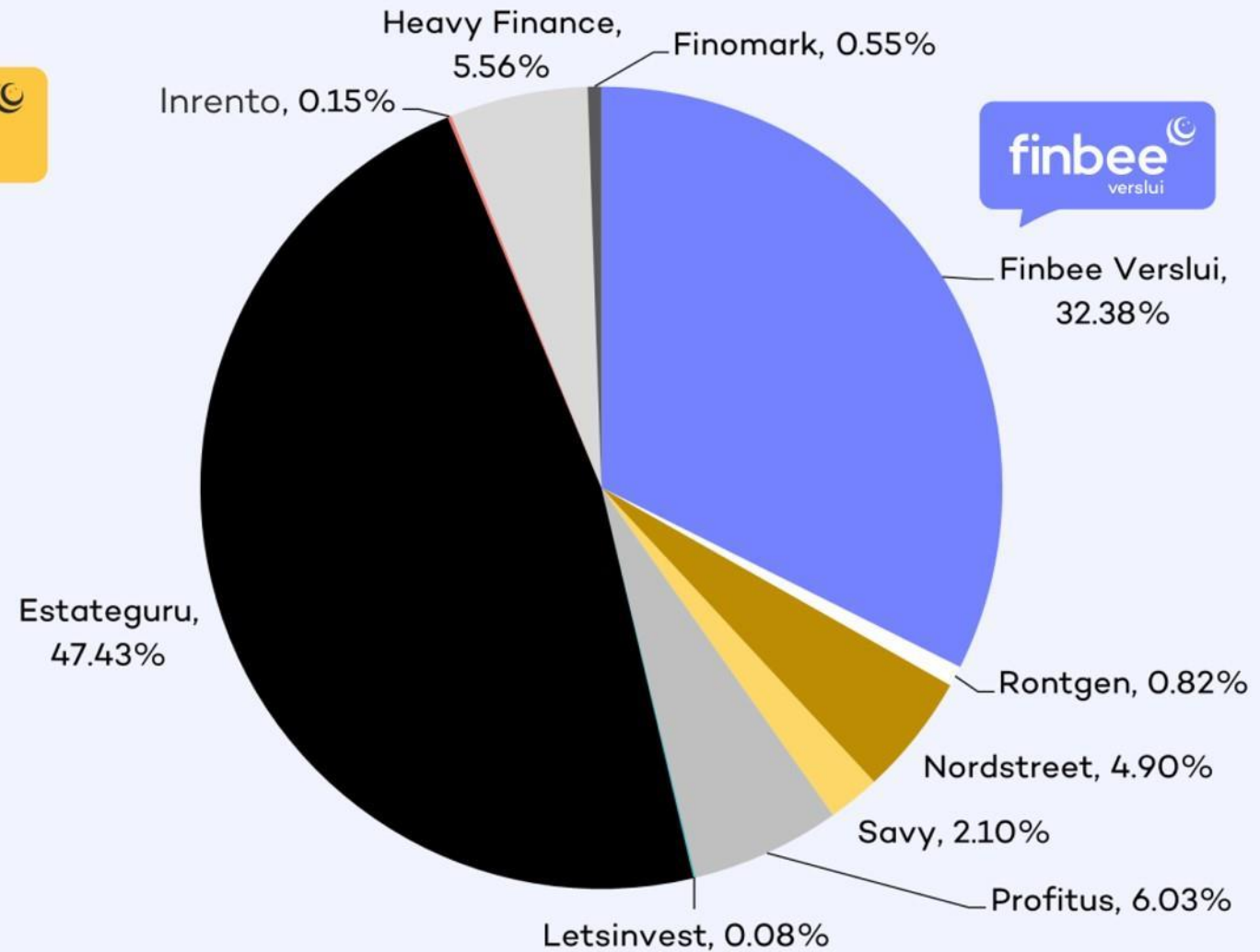




## P2P lending market by loans originated in 2021



## Crowdfunding market by loan originations Q1-Q3 2021



# Foreign P2P lending market

Data from 2021



**One of the largest P2P lending platforms in Lithuania: consumer loans**

Loans originated: 43M EUR  
Investment return: 14.5%



**One of the most active crowdlending platforms in Lithuania: business loans**

Loans originated: 24M EUR  
Investment return: 10.9%



**Leading P2P lending platform in the UK**

Loans originated: 6B EUR  
Investment return: 4.0 - 5.1%



**Leading crowdlending platform in the UK**

Loans originated: 13.1B EUR  
Expected return: 5.1-6.1%



**Leading P2P lending platform in Finland**

Loans originated: 910M EUR  
Investment return: 6%



**Leading crowdlending platform in Europe**

Loans originated: 685M EUR  
Investment return: 5.1-6.1%



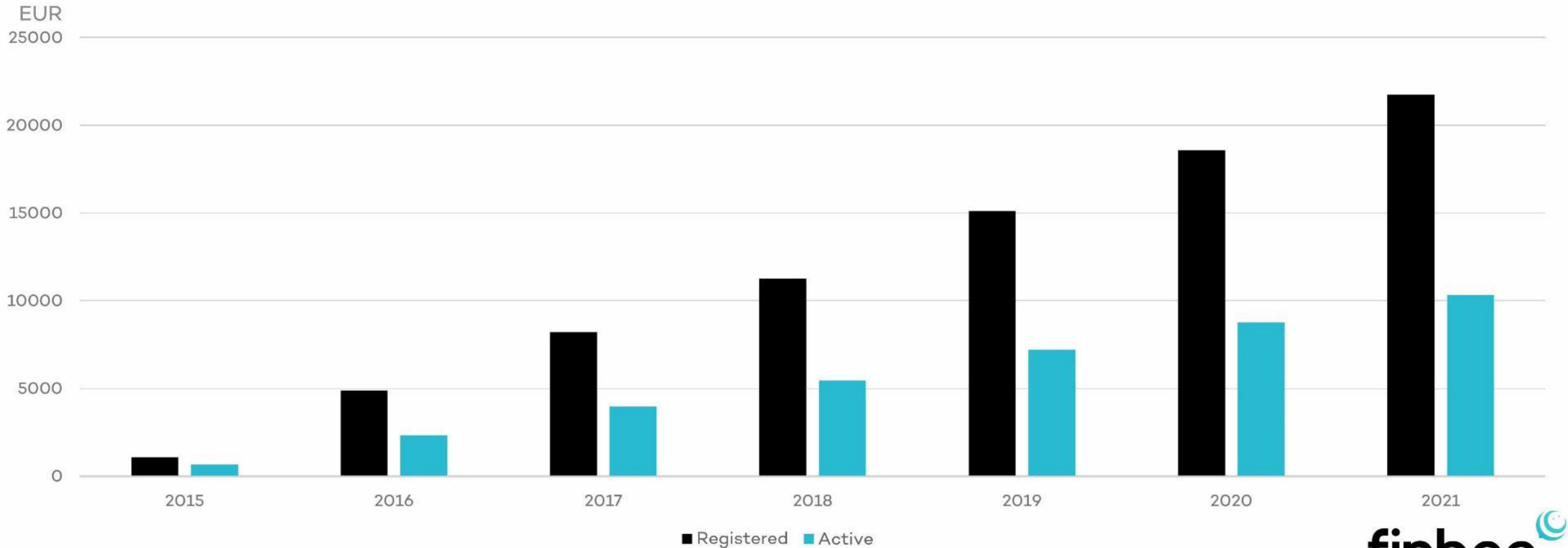
# Finbee investors



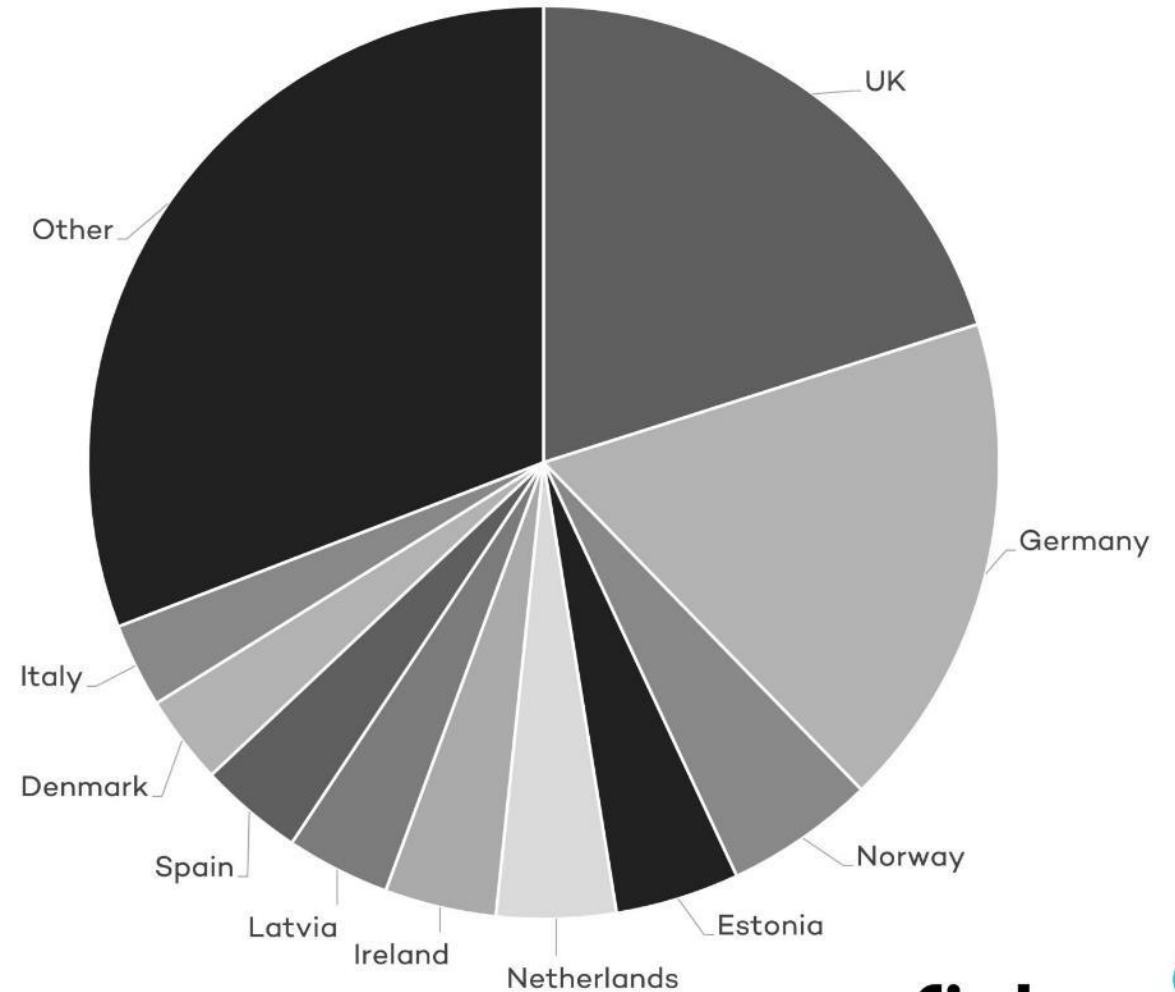
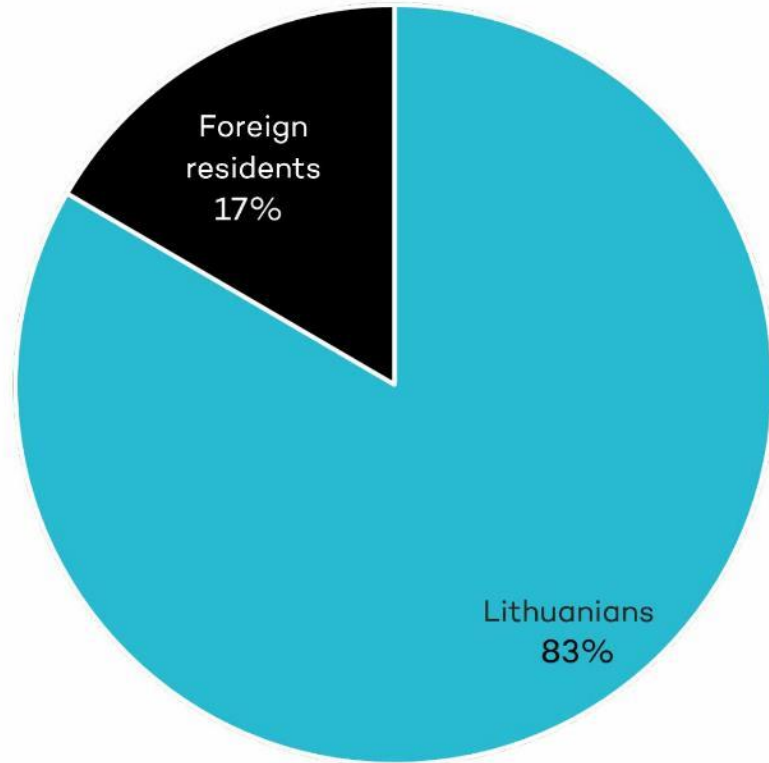
# Finbee investors: number

# 22,000

The number of Finbee registered investors at the end of 2021.  
More than 10,000 of Finbee investors have made at least one bid.

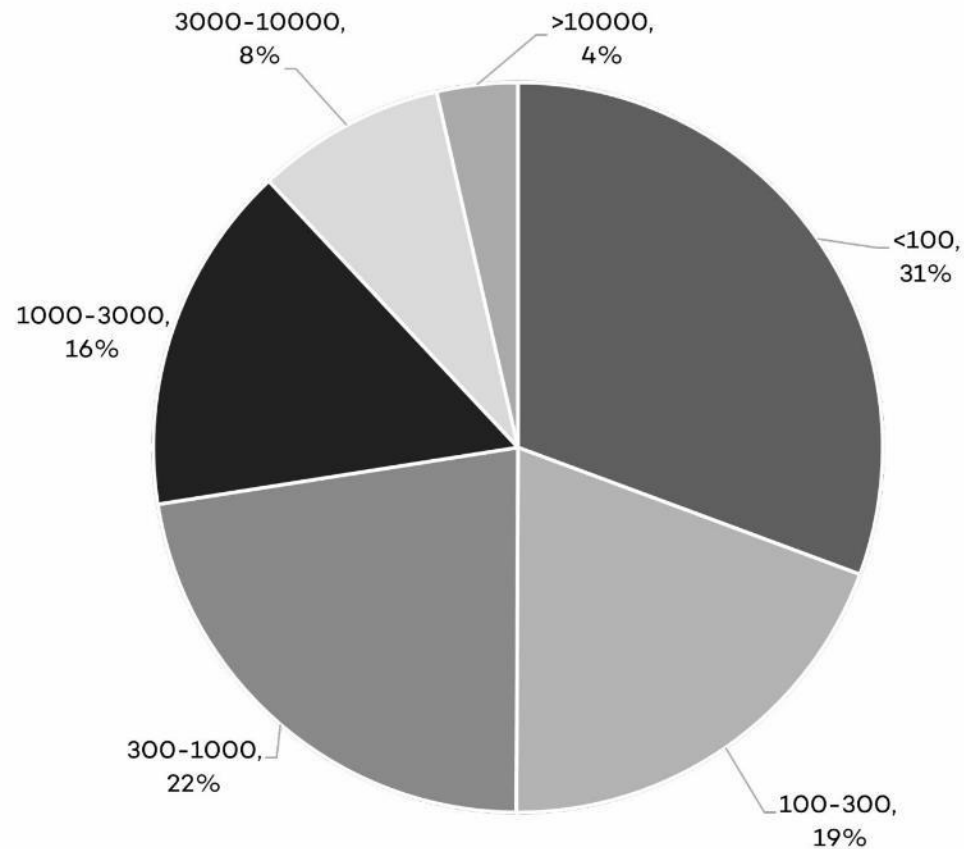


# Finbee investors: **by place of residence**

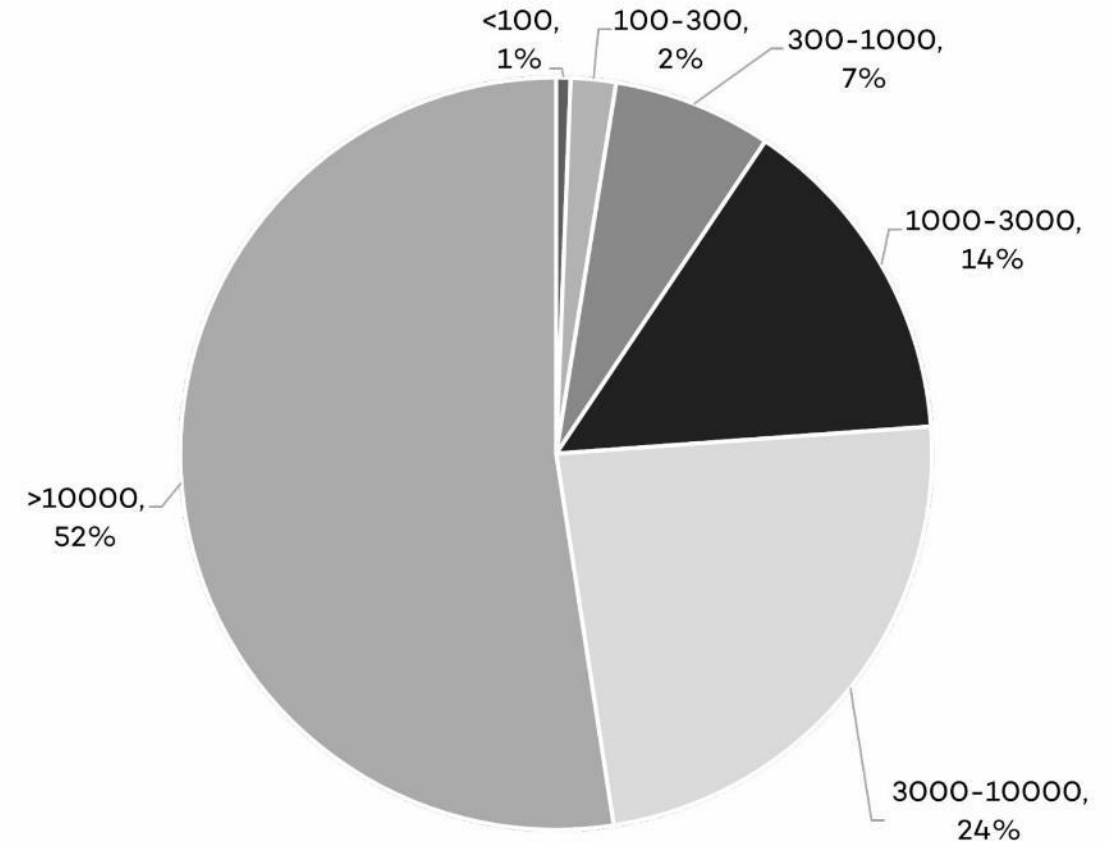


# Finbee investors: **invested amount**

Number of investors  
by portfolio size, EUR



Proportion of the loans financed by investors  
according to the size of investors portfolio, EUR





A person wearing a brown, textured sweater is sitting at a desk, typing on a silver laptop. The person's hands are visible, and they are wearing several gold bangles on their left wrist. The background is slightly blurred, showing a wooden desk and a window.

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# A good reserve for the future

“Children have grown up, they have their jobs, they don't need much help. Our family invests to save for traveling in Europe, buying a household item or just pamper ourselves by buying jewelry or getting a massage - why not. In addition, the retirement is getting closer, FinBee investment can also be a good reserve for the future.”

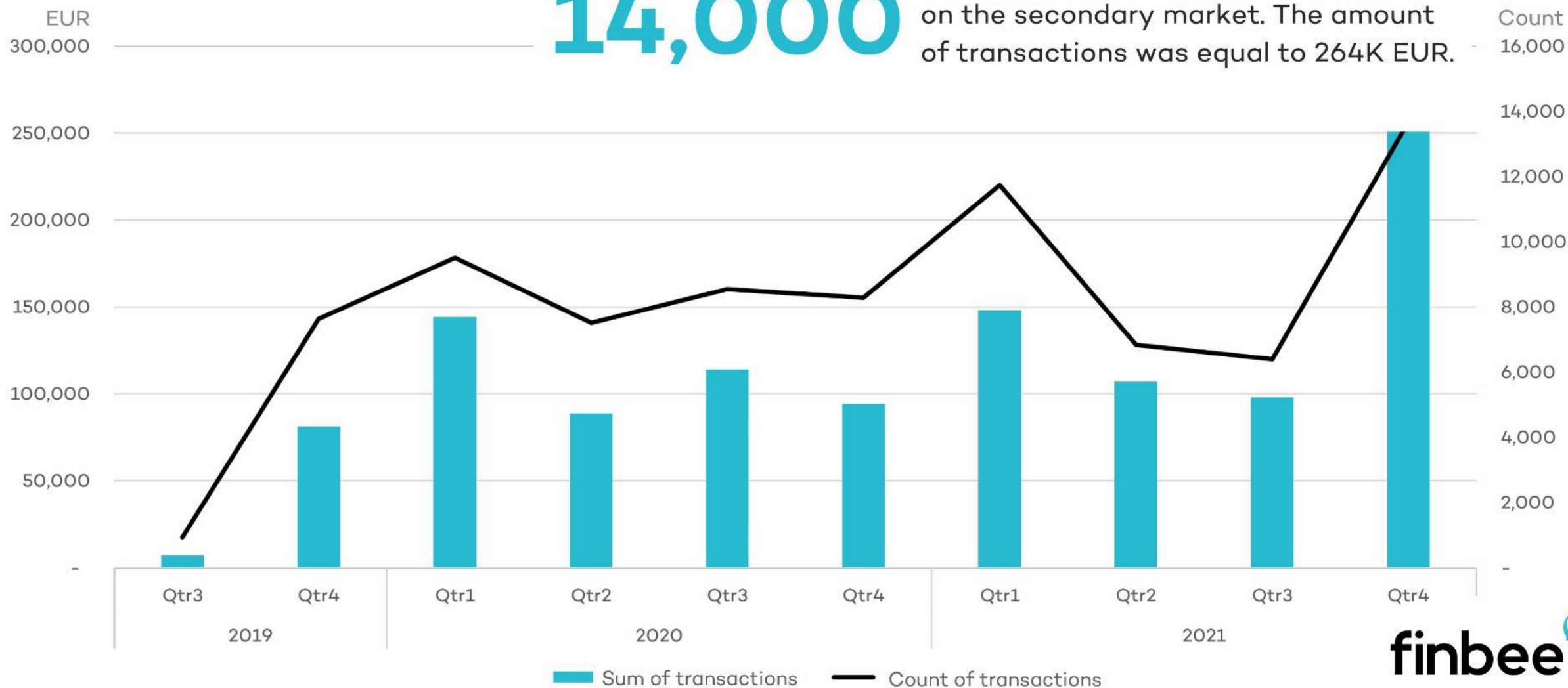
- Finbee investor Aušra shares her experience



# Secondary market

14,000

During the 2021 Q4 14K loans were sold on the secondary market. The amount of transactions was equal to 264K EUR.



We are confident that Finbee can generate great return for our investors that is why we are investing with you!

# Finbee co-investment

Together with you we have invested:



**4.2M EUR**  
in consumer loans



**0.8M EUR**  
in business loans

We started to co-invest in business loans in December of 2021.

# Financial results



# Financial results 2018-2021

Thous. EUR	2018	2019	2020 *	2021**
Revenue	1,276	1,836	3,582	3,087
Fees	1,228	1,694	3,347	2,721
Consumer	1,005	1,362	1,478	1,745
Business	223	332	1,869	975
Net interest income	-	-	20	155
Other income	47	142	215	212
Expenses	1,225	1,579	2,539	2,413
EBTDA	51	257	1,043	674
Depreciation	56	51	52	69
Income tax	1	14	146	91
Net profit (Loss)	<b>-6</b>	<b>192</b>	<b>845</b>	<b>514</b>
Assets	1,679	2,454	76,528	67,267
Deposit account of an e-money institution	1,186	1,371	1,976	2,197
COVID-19 soft loans	-	-	70,840	52,476
Equity	-310	-101	1,088	1,902
Accounts payable and other liabilities	1,988	2,554	75,398	65,363
Deposit account of an e-money institution	1,186	1,371	1,976	2,197
COVID-19 soft loans	-	-	71,414	53,963

**We are  
working  
profitably  
and we are  
growing**

2021 we issued 47% more consumer loans and 59% more business loans than in 2020.

\* Audited financial results

\*\* Preliminary financial results

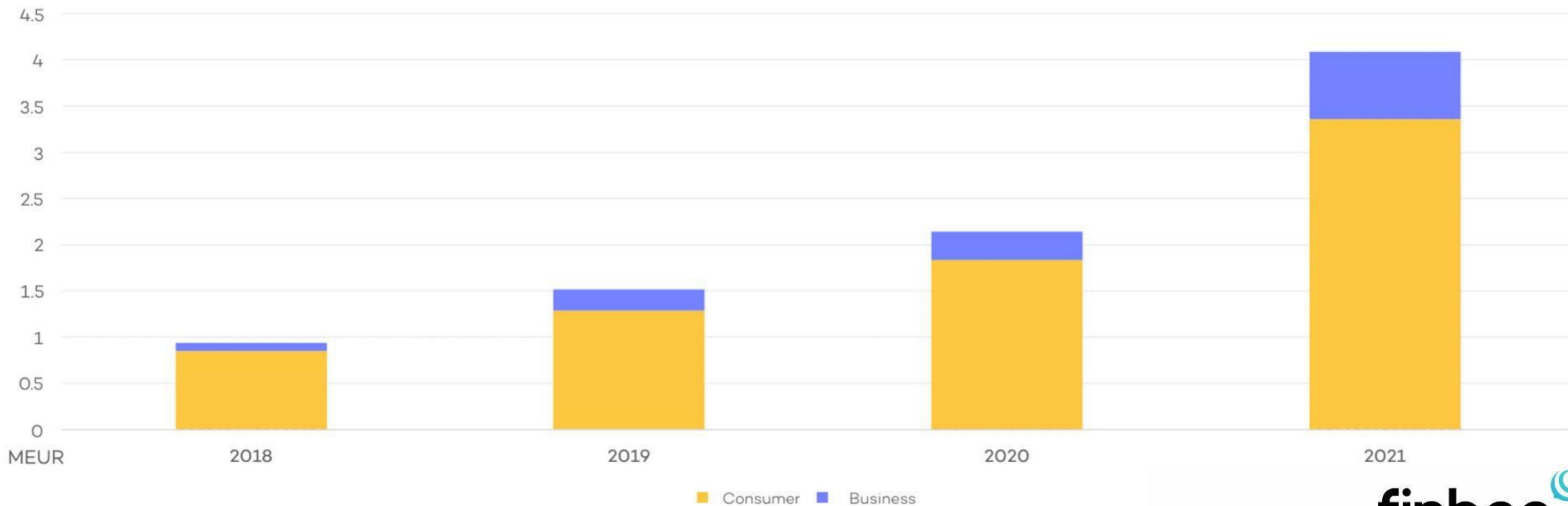


# Monthly administration fees receivable

## 4.1M EUR

This is the amount of future income we had accrued at the end of 2021 under existing loan agreements.

Our pricing model ensures that commissions are earned not only at the time of disbursement but also during the life of the loan as a monthly administration fee. This ensures the stability of the platform.



# Finbee strategy

Increase market share  
and platform efficiency  
by ensuring  
sustainable returns  
for investors.

# Important!

Investing through crowdfunding 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 and Finbee Verslui 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.



**Thank you for  
your friendship!**

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**www.finbee.it**



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