

# Finbee performance report 2022 Q3



# Finbee CEO insights



“ *Despite the still tough economic times, our loan originations continued to grow at a record pace. In Q3 we issued **4,9M euro consumer loans, that is 49 percent more** than in the corresponding period last year, and **4,3M euro business loans – 3-fold increase** compared to a corresponding period last year. August was a record-breaking month, during which we issued 3,4M euro loans.*

***Late loan rate remains stable**, but we understand that delays may increase during the winter season. In order to be ready to effectively deal with a larger number of overdue customers, we are strengthening the debt collection team and optimizing processes.*

“

**Darius Noreika, CFA**

# Platform updates

“ In 2022 Q3 we presented the following important updates to our investors:

- **Free-form debt collection remarks.** The recovery comment templates used in our internal system were not always helpful in conveying exceptional recovery situations. We've added the ability for collection team members to write free-form collection comments in order to give you a more accurate picture of what's going on with the borrower.
- **We check real estate ownership.** From now on, we check whether the information provided by private individuals about real estate ownership is correct in the Registry Center register. We check the information only after the borrower indicates that he has his own real estate and borrows larger loan amounts.
- **We have released a million euro calculator.** For your convenience, we have prepared a compound interest calculator ([download](#)) where you can enter the numbers of your investments and you will know when you will accumulate a seven-figure sum. Maybe the number surprised you?

“

# Our plans

“ This quarter, we will present to you the possibility of **depositing accounts in an instant way** and easier identification process for newly registering investors.

*I understand that the most fun and anticipated updates are the ones you can use, but a significant part of the platform improvements are features that are not directly visible to customers, but necessary for the security and stability of Finbee's operations. In the last quarter of this year, **we will improve the process of continuous customer monitoring** in order to fully implement the requirements of the legislation regarding the prevention of money laundering and terrorist financing. We will **further automate the assessment of credit scoring**, which will reduce the burden on our customer service team. This will allow us to focus on even better customer service, increase the volume of loan issuance and offer investors more investment opportunities.*

*In response to increased cyber attacks against Lithuanian businesses, we take preventive measures and **invest in solutions that increase the security of the IT system.***

“

**We invest  
together!**

**“** *This May we signed a contract with the German asset management company nordIX for 5M EUR investments in consumer loans issued on our platform.*

*In Q3 we invested 2,1M euro in consumer and business loans together with you, part of which we transferred to the nordIX fund.*

***Thank you for trusting and being together!*** *We will continue to strive to grow and provide our investors with security, promptness, professional support and, of course, competitive returns.* **“**

**Darius Noreika, CFA**

A group of people are silhouetted against a vibrant sunset sky. They are standing on a dark, elevated surface, possibly a cliff or a hill. One person on the left is crouching and operating a camera on a tripod. Another person stands next to a flagpole with a flag. The rest of the group is standing and looking towards the horizon. The sky transitions from a deep blue at the top to a bright orange and yellow near the horizon.

finbee

# Our investors



finbee

## Investor: *numbers don't lie*

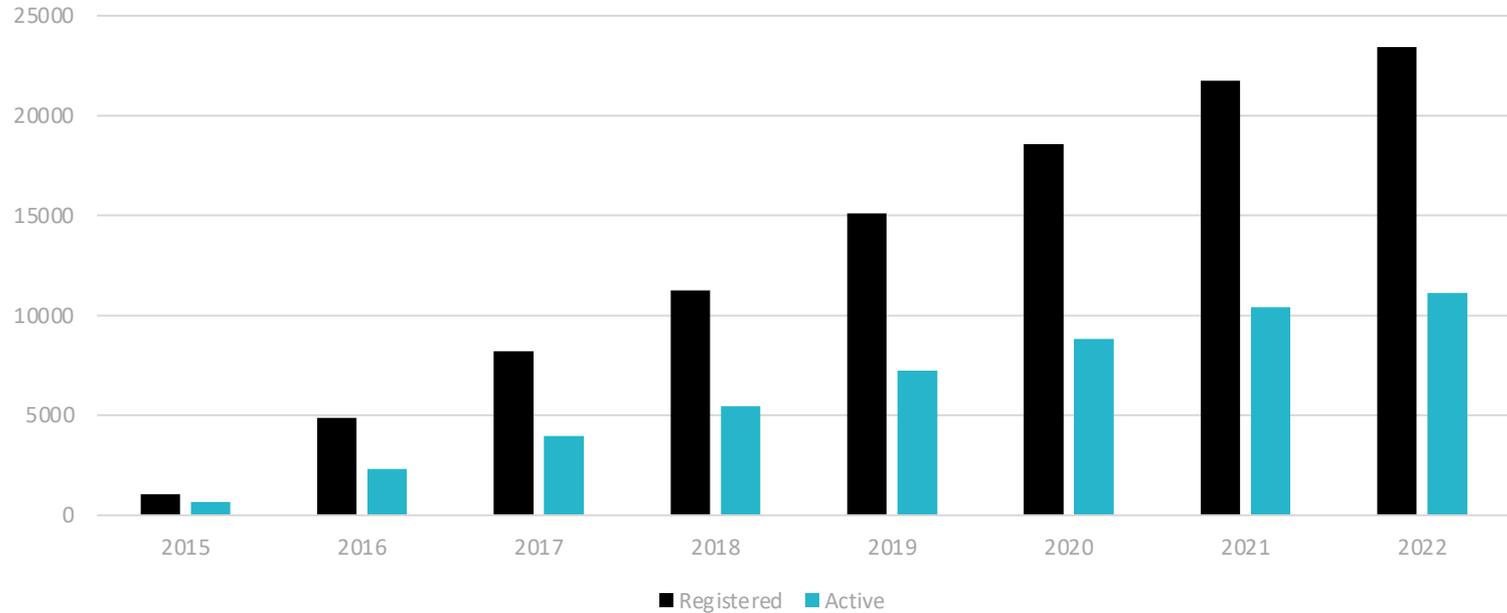
---

*"I want to thank you for the interesting articles and statistics. It impressed me today because **my initial impression was ruined** in a way. As they say, numbers don't lie. :)"*

-our investor **Edita L.** shares her experience.

# Our investors

**23.435** The amount of registered investors at the end of 2022 Q3. More than **11.000** of our investors have made **at least one investment**.



# Where are you?

## Where do you rank by portfolio size?

| Place            | Portfolio size | Q2    |
|------------------|----------------|-------|
| TOP legal entity | 3.345.700 Eur  | 23% ↑ |
| TOP private      | 462.580 Eur    | 10% ↑ |
| Top 10%*         | 5.763 Eur      |       |
| Top 50%*         | 619 Eur        |       |
| Top 90%*         | 58 Eur         |       |

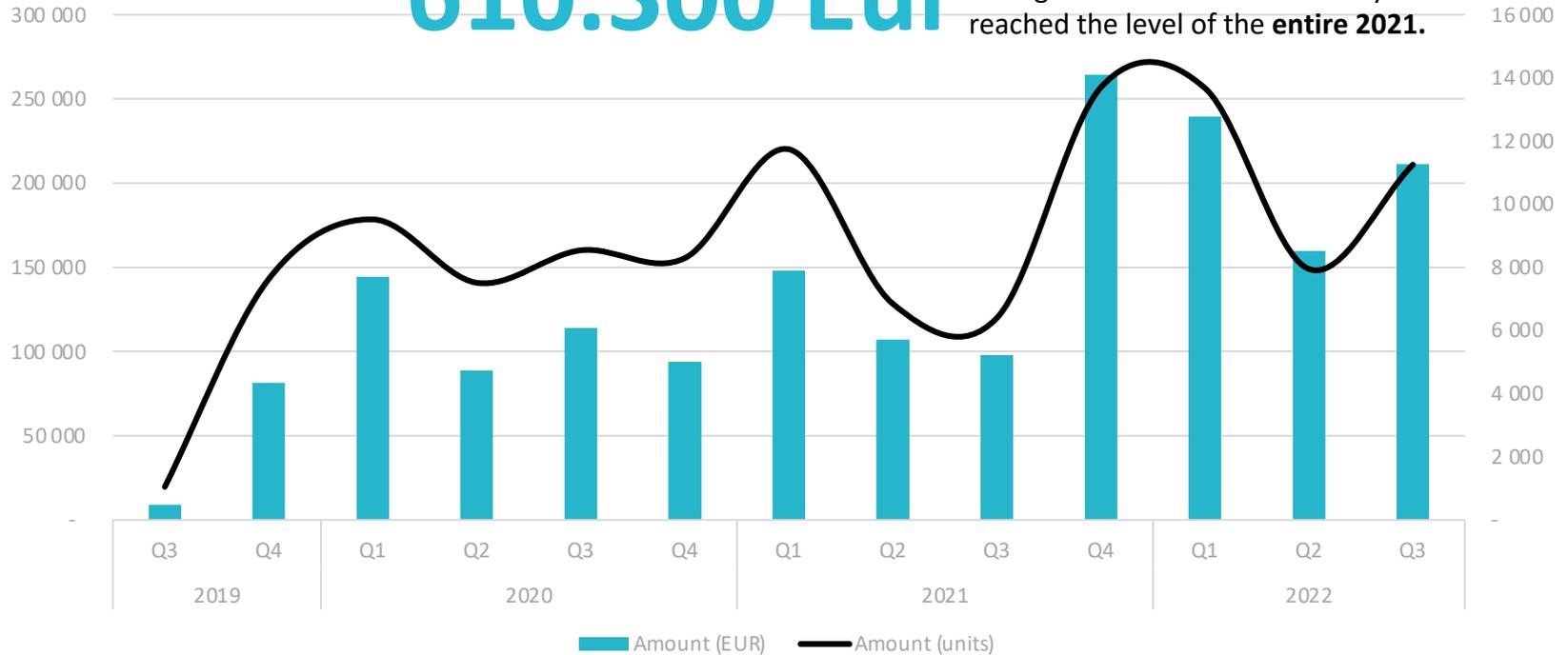
*\*Between investors that made at least 1 bid in 2022*

# Secondary market statistics

Active year

## 610.300 Eur

The amount of loans bought in secondary market during 2022. Total turnover this year has almost reached the level of the **entire 2021**.



**Where  
are  
you?**

## Where do you rank by secondary market trade volume in 2022?

| Position | Bought     | Sold       |
|----------|------------|------------|
| TOP      | 64.126 Eur | 95.086 Eur |
| TOP 10%  | 1.976Eur   | 1.191 Eur  |
| TOP 50%  | 63 Eur     | 72 Eur     |
| TOP 90%  | 5 Eur      | 6 Eur      |

**We know that  
we generate  
great returns  
for our hive  
and  
we invest  
together!**

# Finbee co-investment

In 2022 Q3 we have co-financed:



**0,7M EUR**  
of consumer loans



**1,4M EUR**  
of business loans

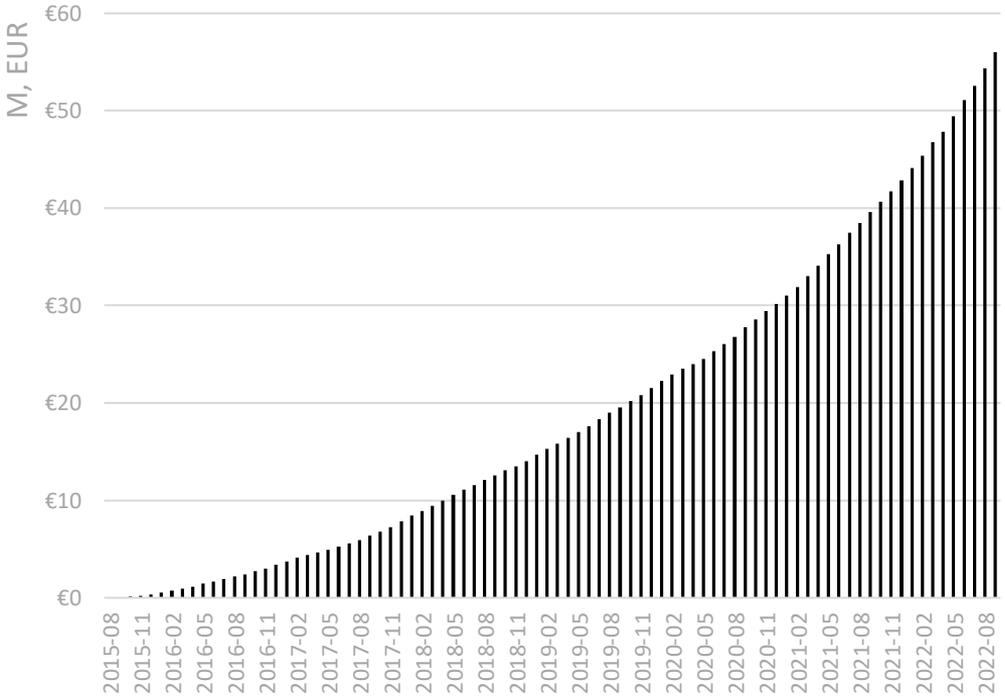
A photograph of three people from behind, standing on a balcony or rooftop. They are looking out at a sunset with their arms raised in the air. The person on the left is making a 'rock on' hand gesture, the middle person has their hand open, and the person on the right is making a peace sign. The sky is filled with soft, colorful clouds in shades of orange, pink, and blue. The overall mood is joyful and carefree.

finbee<sup>©</sup>

# Consumer loans

# Consumer loan portfolio

**34%** average YoY growth



**7 years**  
in the market

**20.400 units** ↑ 7%\*  
loans originated

**56M EUR** ↑ 12%\*  
loans originated

**2.744 EUR** ↑ 2%\*  
average loan amount

**9,6M EUR** ↑ 6%\*  
interest paid to investors

\* Compared to 2022.06.30



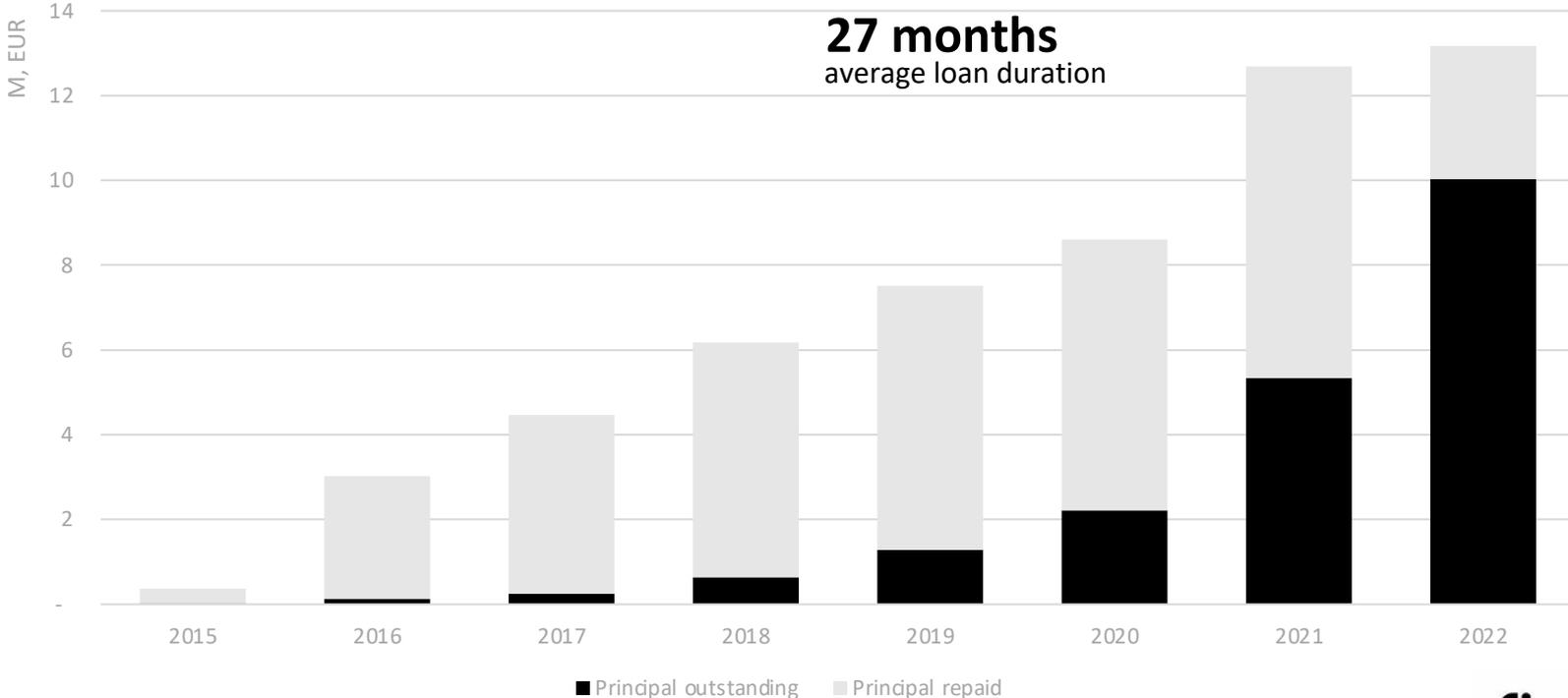
# Loan volume

# 19,9M EUR

↑9%\*

active loan portfolio at 2022.09.30

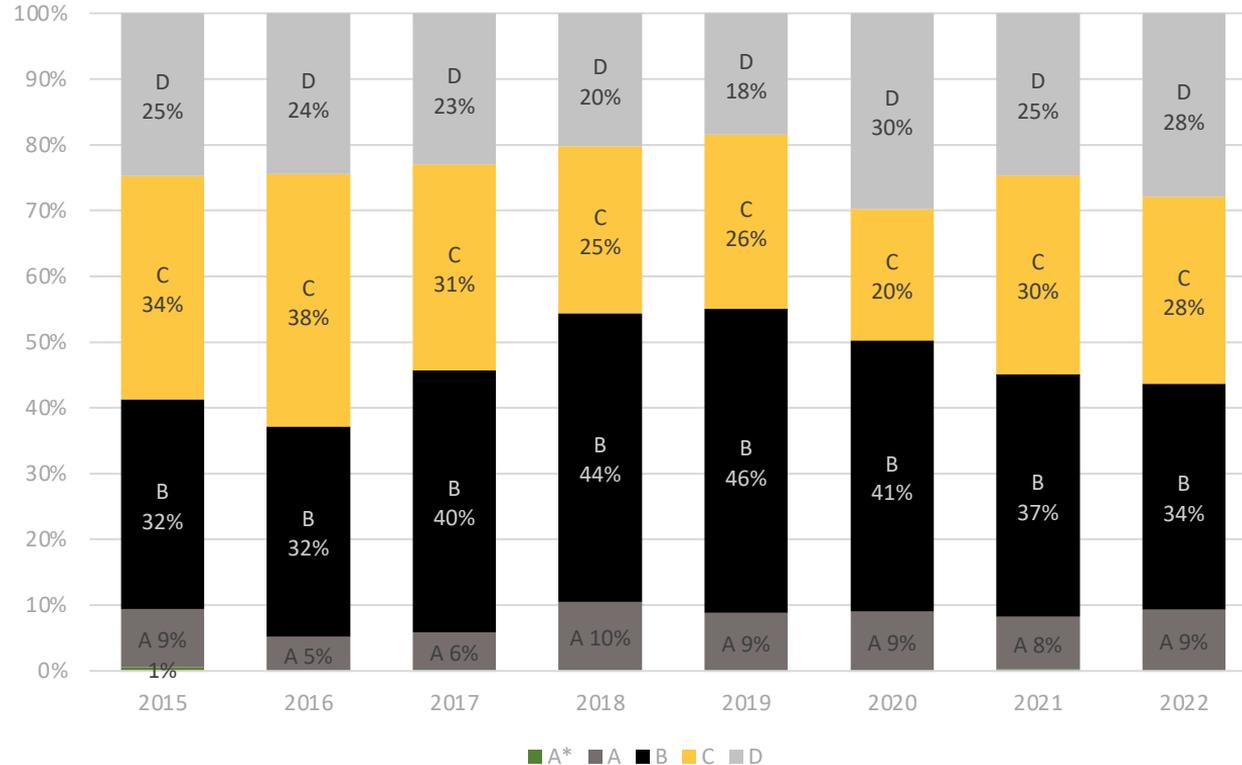
**27 months**  
average loan duration



\* Compared to 2022.06.30



# Distribution of loans, by rating, %



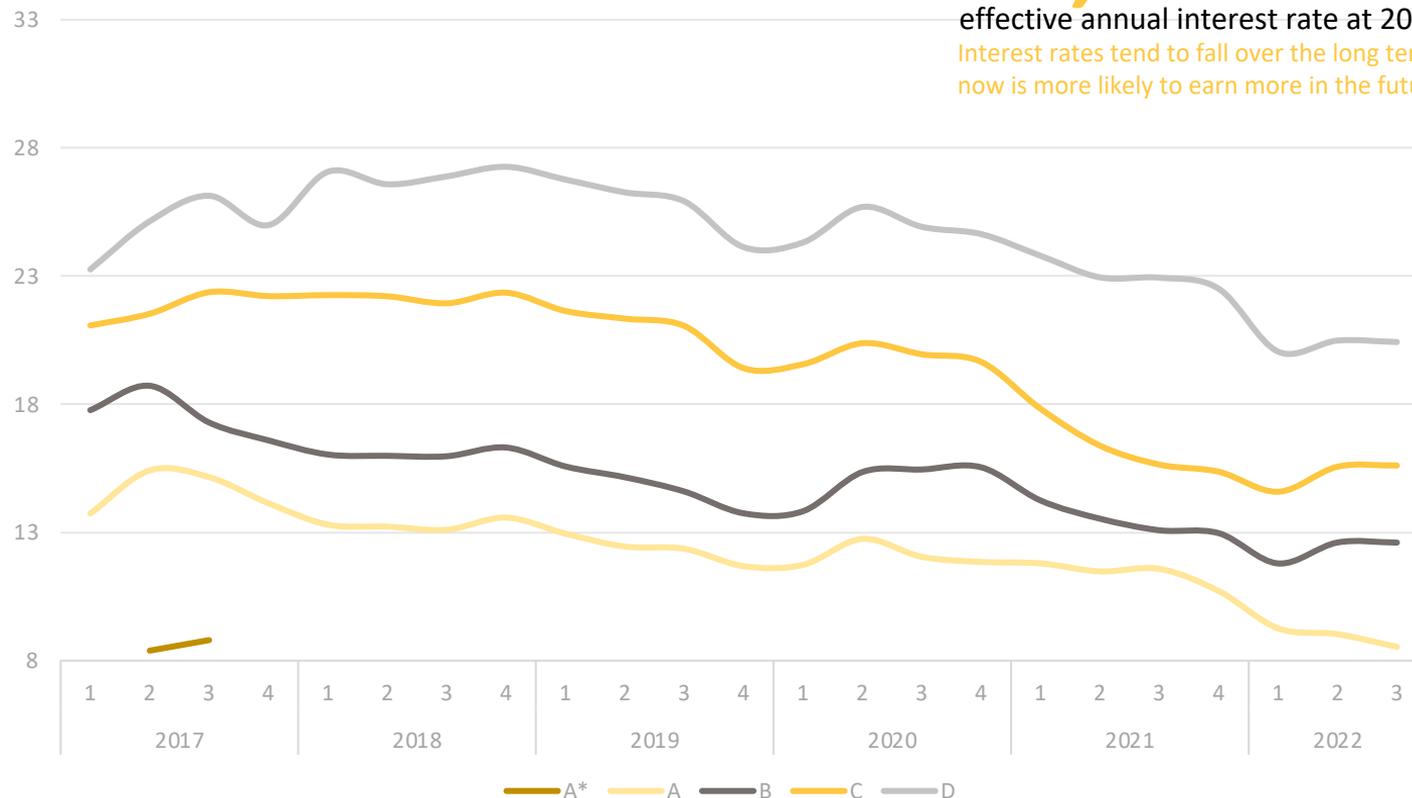
- A\*** – lowest risk customers. Minimal chance of delays. Very low interest rate paid by customers.
- A** – very low risk customers. Low probability of default.
- B** – low risk customers. Small delays are likely, but offset by a higher interest rate.
- C** – medium risk customers. Higher delays and 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.

# Interest rate, %

# 15,09%

effective annual interest rate at 2022.09.30\*

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

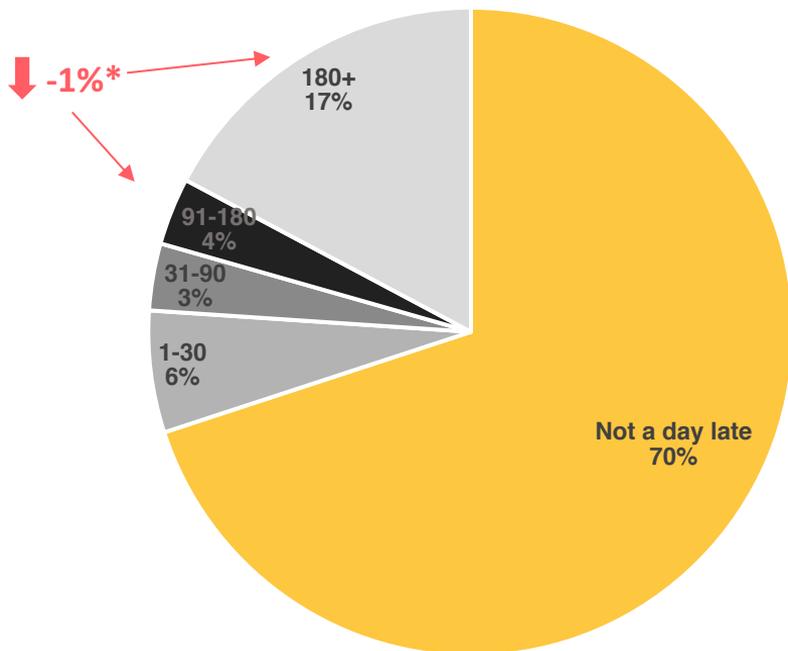


\*The effective interest rate reflects the actual rate of return on the investment, net of interest.

# Portfolio composition

by days late, units

**70%** borrowers not a day late



■ Not a day late ■ 1-30 ■ 31-90 ■ 91-180 ■ 180+

\* Compared to 2022.06.30

**70%**  
not a day late

**82,9%**  
borrowers made a  
payment in the  
last 30 days

**7,7%**  
loans originated in 2021  
have defaulted

# Active debt prevention

In Q3:



**80.475** emails and **27.834**  
text messages sent to  
borrowers



We have made **5.291** calls to  
late borrowers (business loans  
included)



**170** contract were terminated



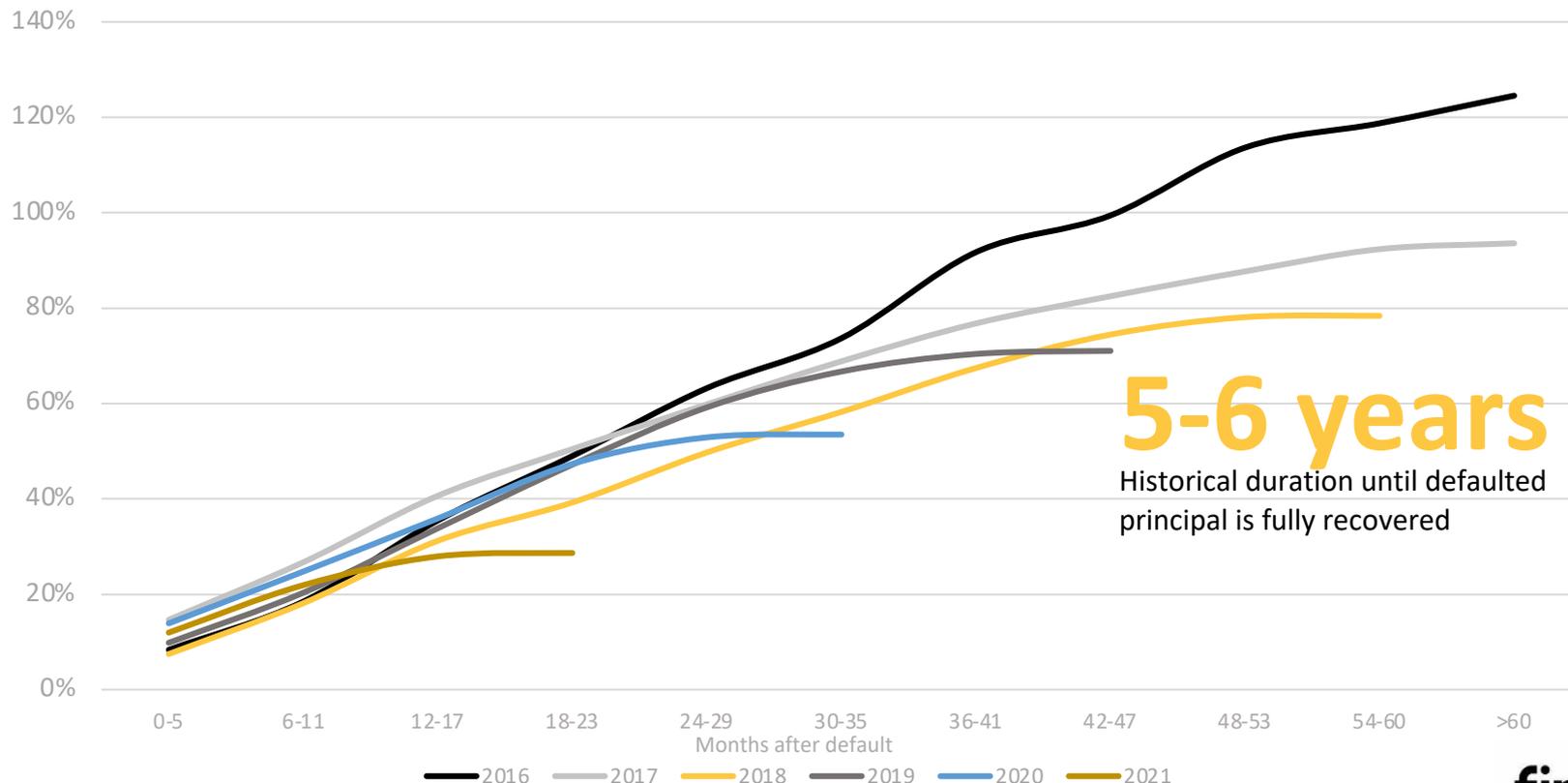
**263** borrowers put to court

## Recovery

**How do we deal with late  
borrowers?**

# Loans recovered

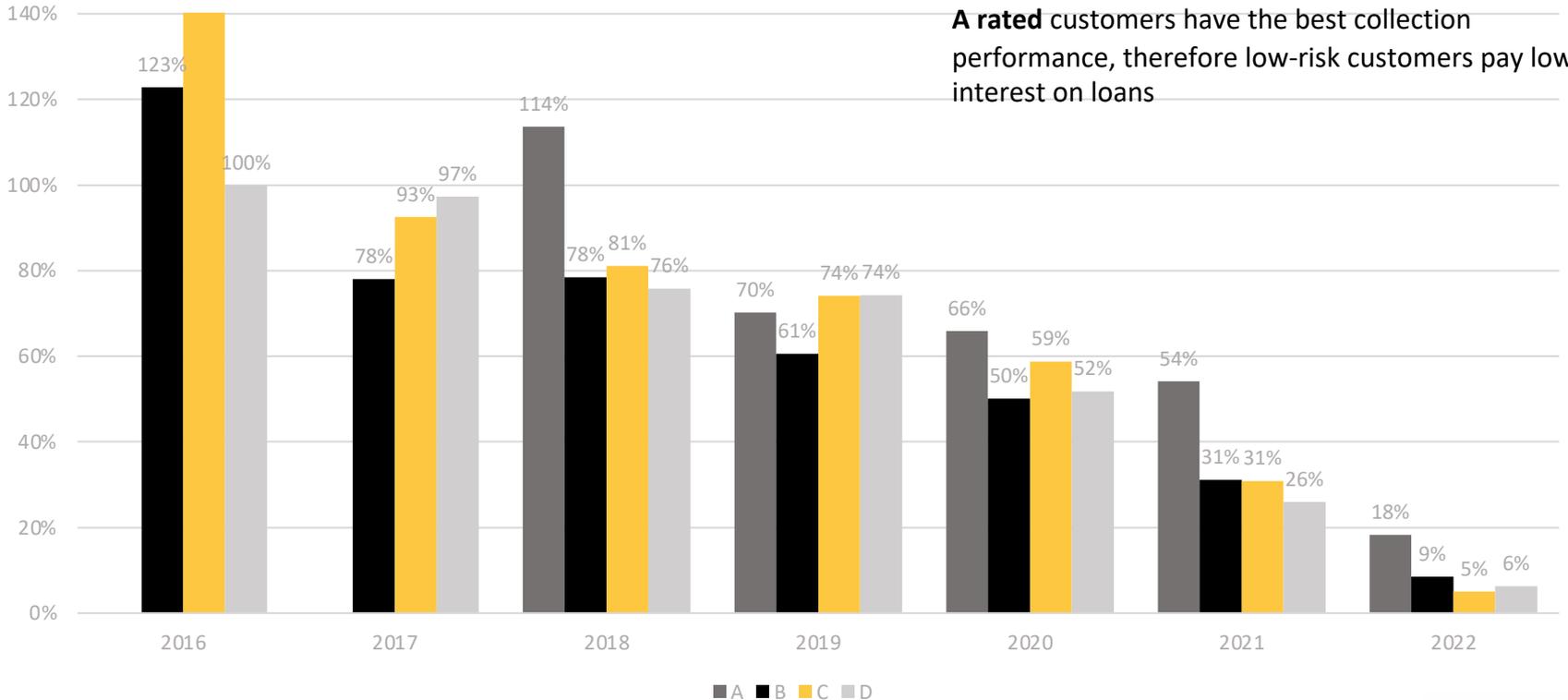
during equal number of months after the start of recovery, % of outstanding principal at default



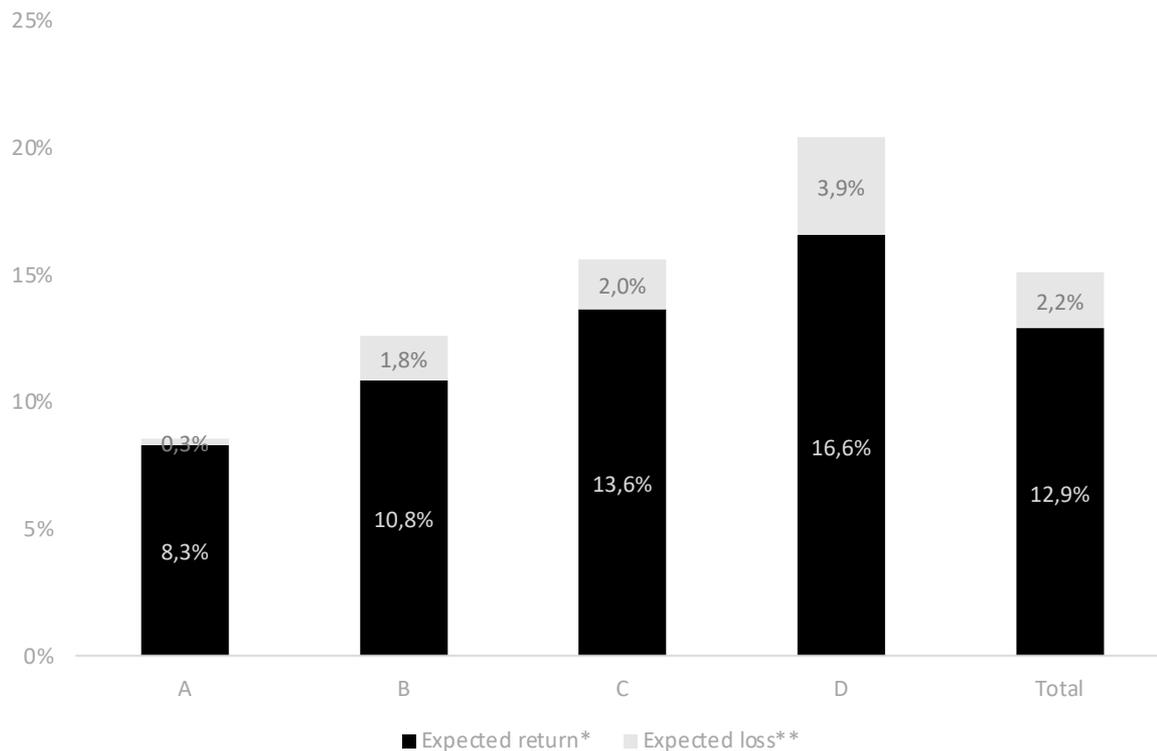
A recovery of more than 100% means that we have recovered not only the loan principal but also the interest.

# Debt collection performance, by rating

Debt collected, % of outstanding principal at default



# Return on loan portfolio



# 12,9%

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)**

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

**EAD:** Loan balance at the date of the first default moment (%) = 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 person is seen from behind, sitting in a bright green hammock that is strung between two trees. The hammock is positioned over a rocky stream with a small waterfall. The surrounding forest is dense with tall, thin trees, and sunlight filters through the canopy, creating a dappled light effect. The overall scene is peaceful and natural.

finbee  
verslui

# Business loans

# Finbee Business CEO insights



“ *The recent period still poses challenges for small and medium-sized businesses: high energy prices, negative consumer sentiment, ongoing inflation.*

*We inevitably react too. When evaluating financing applications, we look more **conservatively at sectors that are significantly dependent on energy prices**, such as manufacturing, logistics companies. We also pay special attention to businesses operating in service sectors.*

*However, despite the challenges, we are approached by more and more successful businesses that meet our criteria. The results testify to that. During this quarter, we paid out 4,3M euros loans, when last year at the same time the amount reached 1,4M euros.*”

**Tomas Mačiulaitis**

*“ We are happy that so far the risks are successfully managed and our **portfolio remains as solvent as ever** - in September 89% of business customers made their payments on time, compared to an average of 83% last year.*

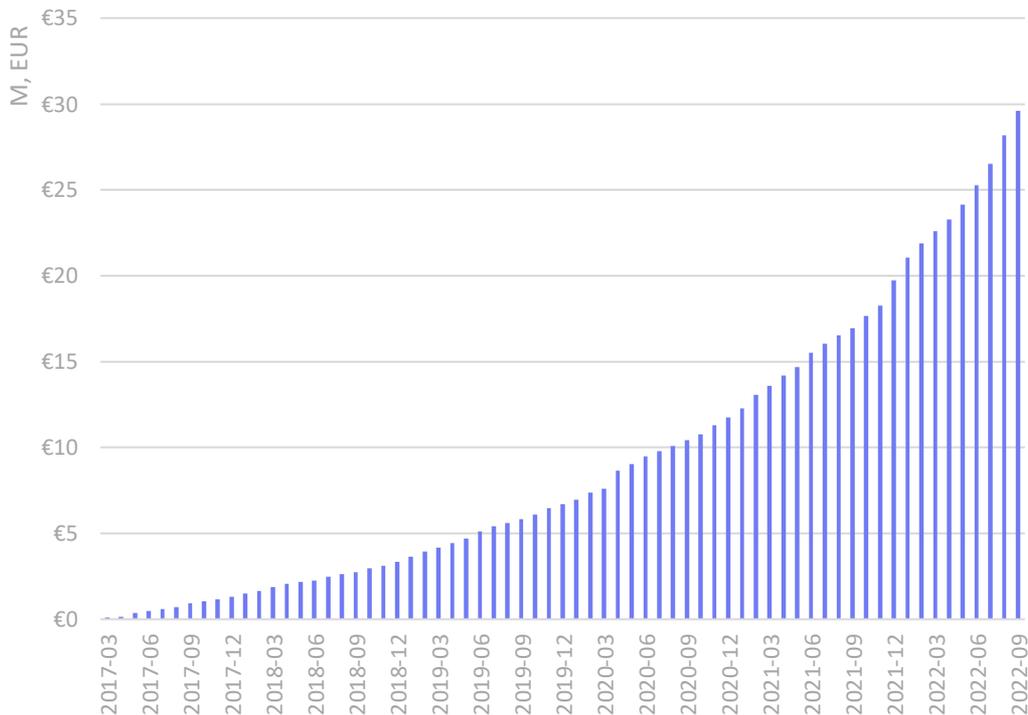
*We continue to closely monitor current events and our loan portfolio and react immediately. If necessary, we will take additional steps to ensure stable returns for investors.*

*Thank you for being together!* ”

# Quality portfolio

# Our business loans

**63%** average YoY growth



**5 years**  
in the market

**2.488 units** **↑ 11%\***  
loans issued

**29M EUR** **↑ 16%\***  
loans issued

**11.900 EUR** **↑ 5%\***  
average amount

**2,1M EUR** **↑ 16%\***  
interest paid to the  
investors

\* Compared to 2022.06.30

# Loan volume

M, Eur

12  
10  
8  
6  
4  
2  
0

2017 2018 2019 2020 2021 2022

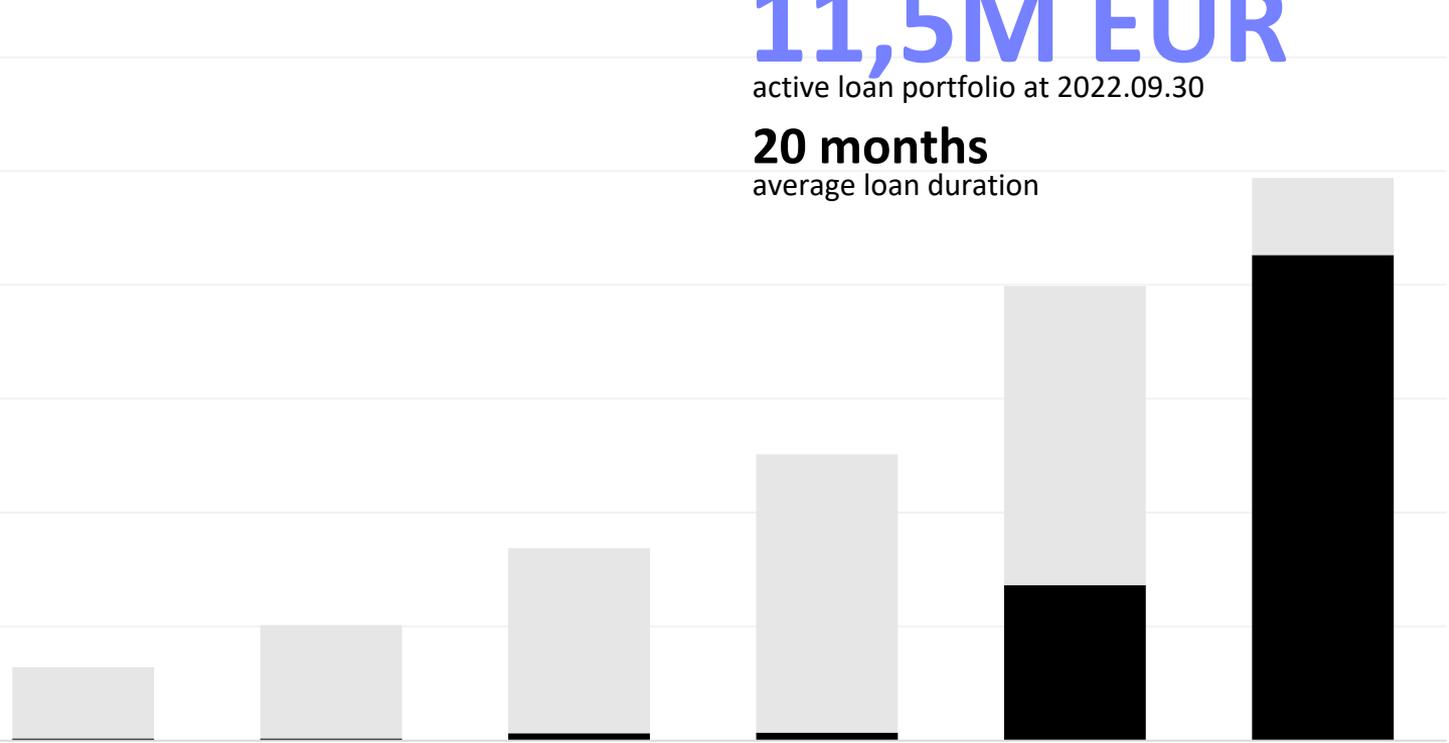
■ Principal remaining ■ Principal repaid

# 11,5M EUR

active loan portfolio at 2022.09.30

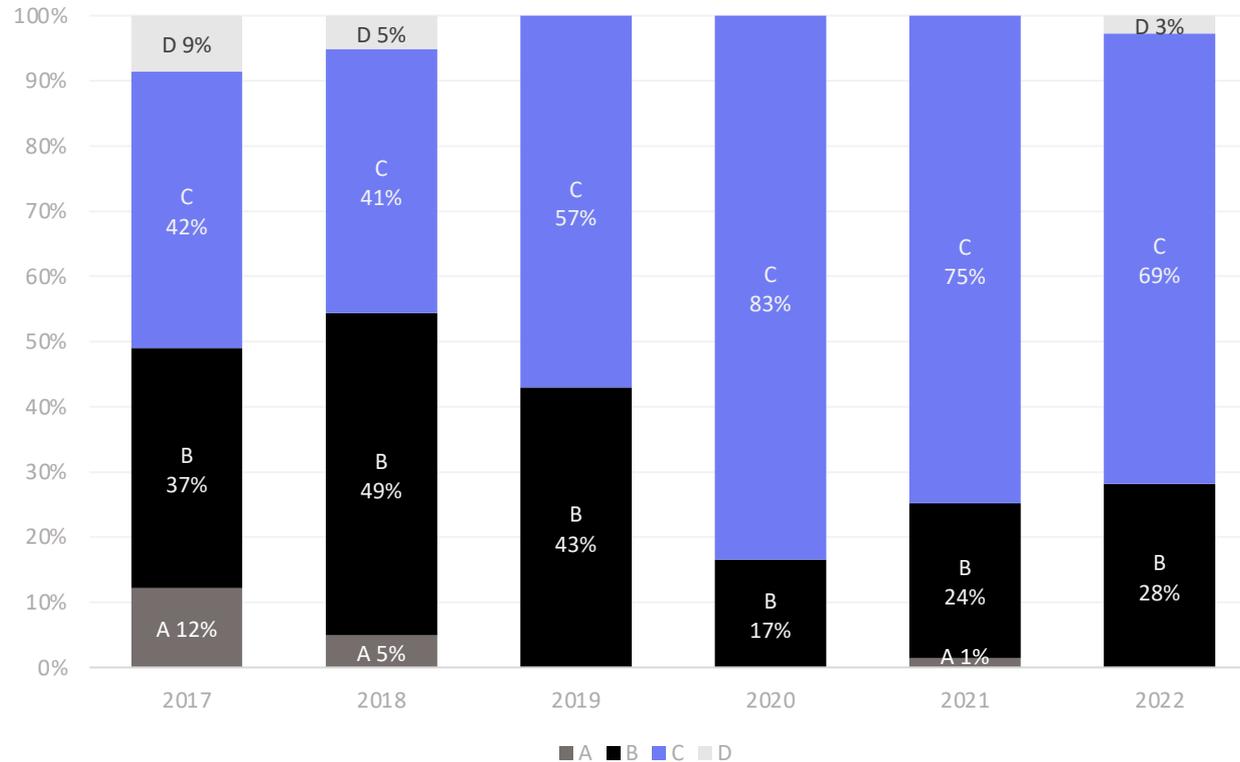
## 20 months

average loan duration



# Business loans by rating, %

Growing originations of B rating



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

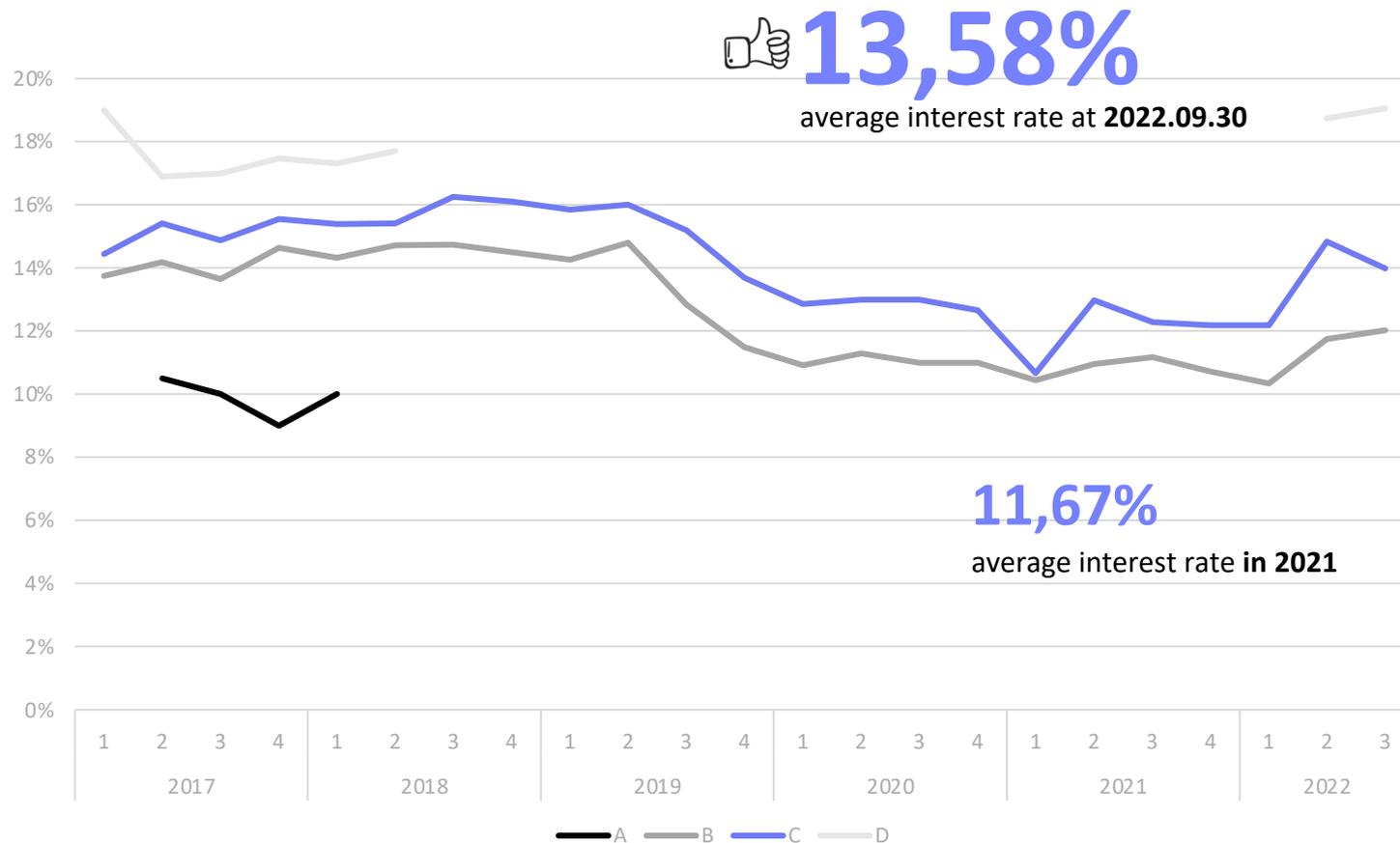
**A** - very low risk customers. Low probability of default.

**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.

# Interest rate, %



# Active debt prevention

In Q3:



Sent **17.605** emails and **3.512** text messages to the borrowers



Made **5.291** calls to the late borrowers (including private individuals)



Terminated **27** loan agreements



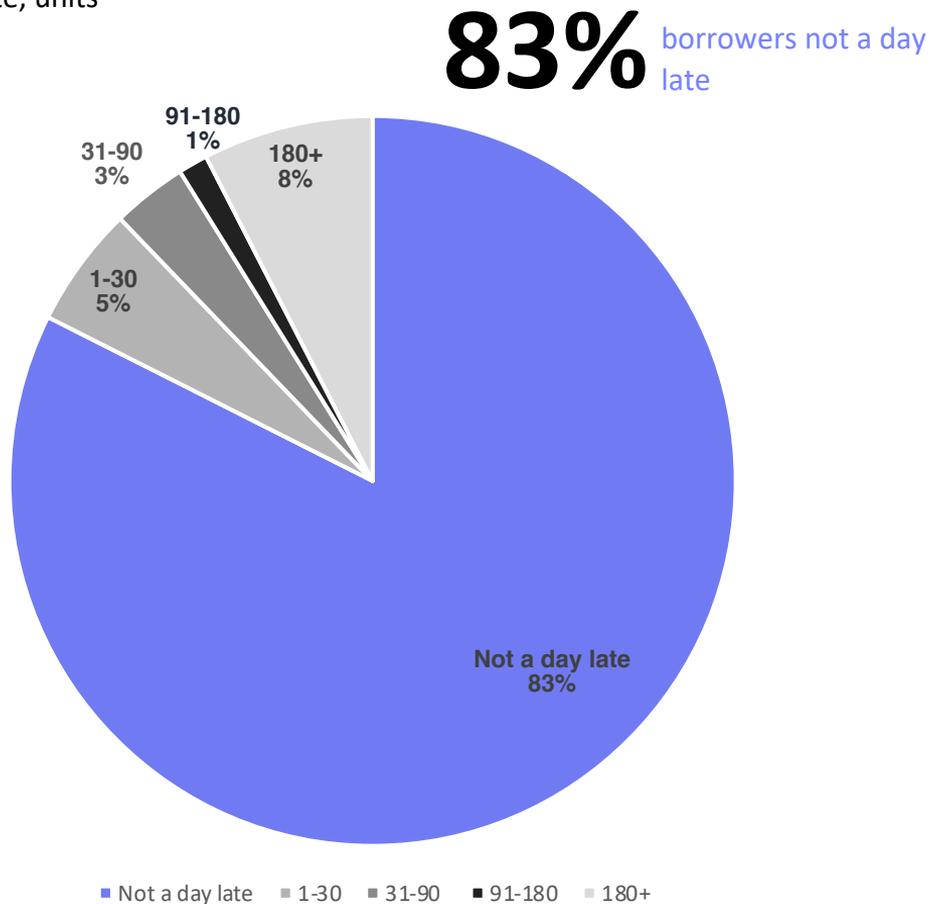
Put **28** late borrowers to the court

## Recovery

How do we deal with late borrowers?

# Portfolio composition

by days late, units



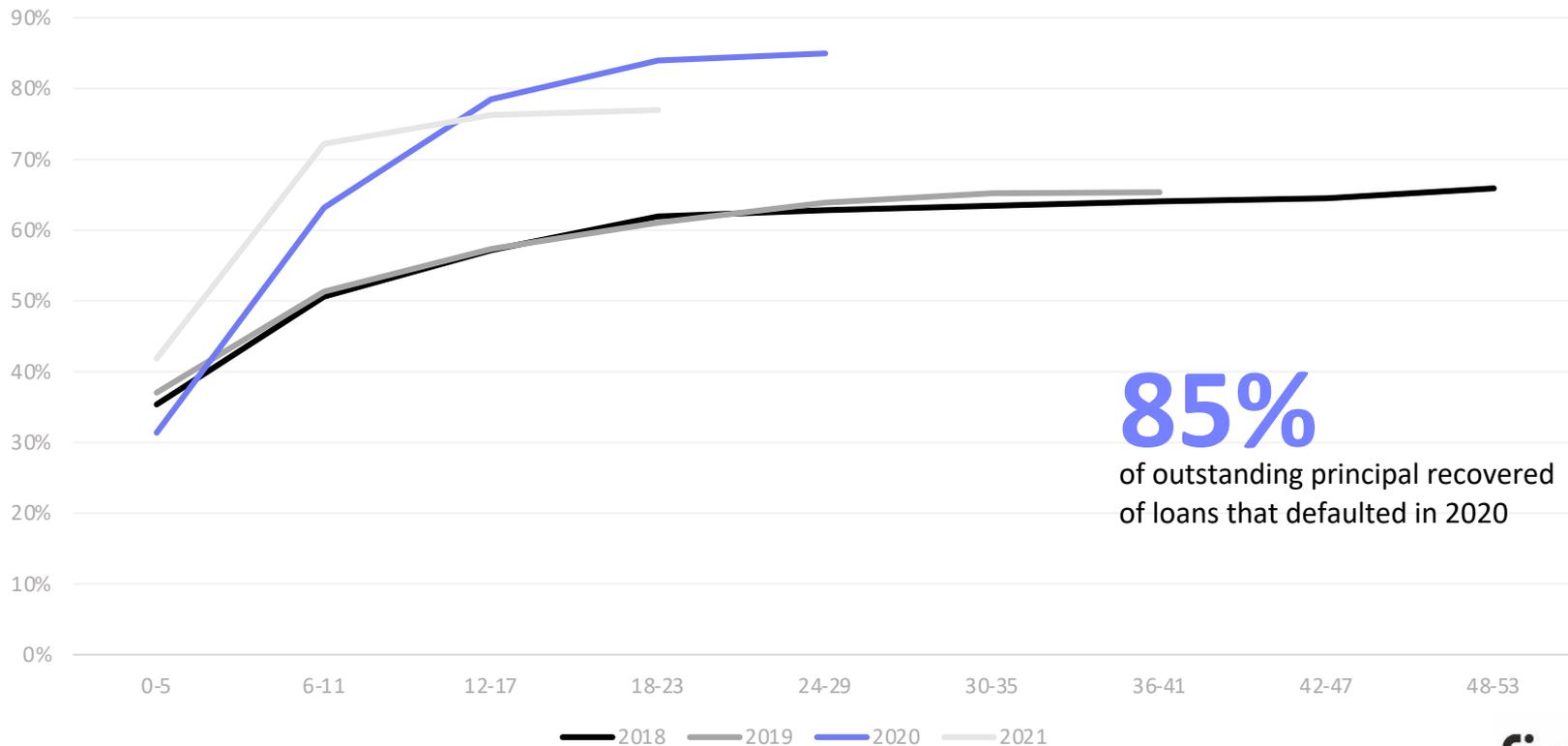
**83%**  
not a day late

**88.7%**  
borrowers made a  
payment in the  
last 30 days

**1,33%**  
loans issued in 2022 have  
defaulted

# Loans recovered

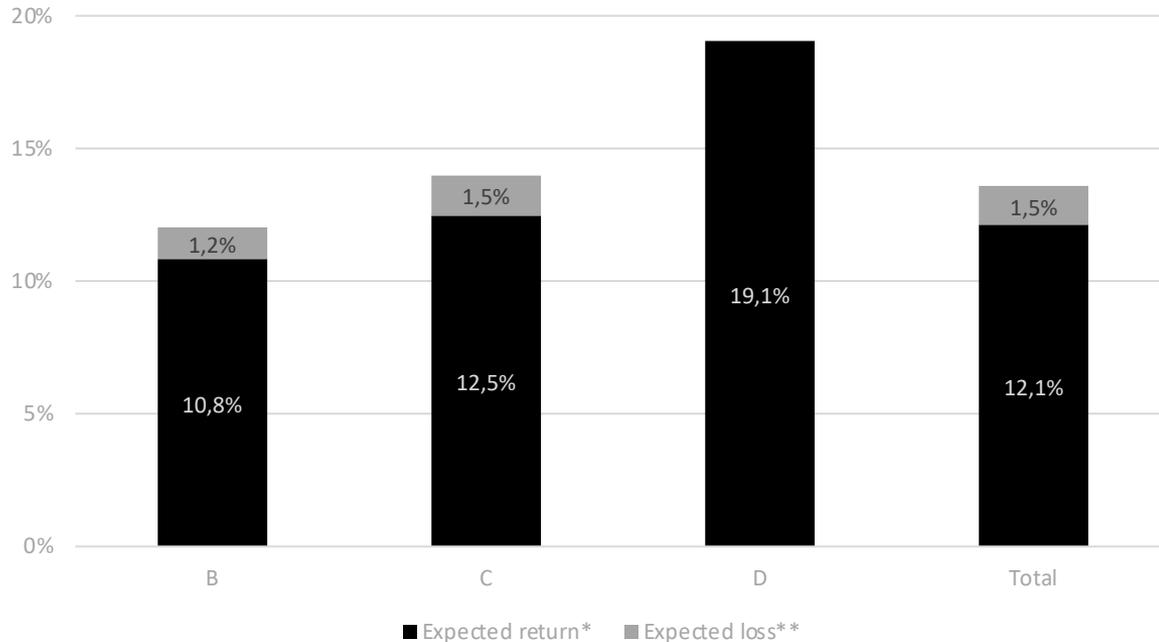
during equal number of months after the start of recovery, % of outstanding principal at default



**85%**

of outstanding principal recovered  
of loans that defaulted in 2020

# Return on loan portfolio



# 12,1%

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 x EAD x (1-RR)**

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

**EAD:** Loan balance at the date of the first default moment (%) = 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 small brown glass bottle with a sprig of rosemary is the central focus, sitting on a light-colored table. The background is a blurred restaurant setting with wooden chairs and tables. In the foreground, there are rolled-up blue napkins and a pen. The text "Financial results" is overlaid in white.

# Financial results

# Finansiniai rezultatai 2018 - 2021 m.

| Thous. EUR                                | 2018         | 2019         | 2020*        | 2021*         |
|---|--------------|--------------|--------------|---------------|
| <b>Revenue</b>                            | <b>1 276</b> | <b>1 836</b> | <b>3 491</b> | <b>3 015</b>  |
| 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           | 139           |
| Other income                              | 47           | 142          | 125          | 156           |
| <b>Expenses</b>                           | <b>1 225</b> | <b>1 579</b> | <b>2 431</b> | <b>2 498</b>  |
| <b>EBTDA</b>                              | <b>51</b>    | <b>257</b>   | <b>1 060</b> | <b>517</b>    |
| Depreciation                              | 56           | 51           | 68           | 69            |
| Income tax                                | 1            | 14           | 141          | 73            |
| <b>Net profit (Loss)</b>                  | <b>- 6</b>   | <b>192</b>   | <b>851</b>   | <b>374</b>    |
| <b>Assets</b>                             | <b>1 679</b> | <b>2 454</b> | <b>4 991</b> | <b>12 704</b> |
| Deposit account of an e-money institution | 1 186        | 1 371        | 1 976        | 2 192         |
| <b>Equity</b>                             | <b>- 310</b> | <b>- 101</b> | <b>1 087</b> | <b>1 761</b>  |
| Accounts payable and other liabilities    | 1 988        | 2 554        | 3 904        | 10 943        |
| Deposit account of an e-money institution | 1 186        | 1 371        | 1 976        | 2 192         |
| <b>Net profit margin</b>                  | <b>-0,5%</b> | <b>10,5%</b> | <b>24,4%</b> | <b>12,4%</b>  |

\*Audited financial results

We are  
profitable  
and  
growing

In 2021 we have issued **47% more consumer** and **59% more business loans** than in 2020

# 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!**

**investuok@finbee.it**

**www.finbee.it**



**finbee** 