

# Finbee performance report

2023 Q4



finbee 

# Finbee CEO insights



We ended last year by issuing 40 percent more consumer loans, the amount of which reached **6.2 million euros**, and business loan issuance grew by 38 percent and reached **7.4 million euros**.

Throughout 2023 the amount of issued consumer loans amounted to **24.6 million euros**, and the amount of issued business loans for the first time in the history of our activity exceeded the amount of consumer loans and reached **27 million euros** and was even 78 percent higher than in 2022.

**Darius Noreika, CFA**

# Financing trends



Despite the rapid growth, **responsible credit risk assessment** remains one of our most important goals. The share of loans overdue for more than 90 days in both consumer and business loans did not change significantly in 2023.

In response to economists' predictions of an economic slowdown, **we raised interest rates** in the last quarter of last year to compensate investors for the increased uncertainty.

## **Weighted interest average exceeded 16 percent.**

The quality of the loan portfolio remains stable, so higher interest rates increase the returns earned by investors.

In the last quarter of last year, A-rated customers continued to make up 15 percent of all issued loans.

Thus, low-risk customers continue to borrow more actively from Finbee and see our platform as an alternative to traditional banks. **Currently, more than 99 percent of A-rated customers are not late**, so A-rated customers rightfully pay lower interest rates. And this allows investors to earn a slightly lower, but very stable return.

Compared to the last quarter of 2022, the amount transferred by investors for investments doubled in the last quarter, while the amount of free funds paid out fell by 12 percent. Thus, investors **not only actively invested additional sums of money, but also reinvested** returning funds and earned interest.

# Innovations for investors



Last quarter, we presented the following innovations to investors:

- **The possibility to cancel a bid** for a business loan.
- **A risk disclosure document** for investors that provides even deeper insights into the financial risks of business loans.
- **Detailing of security measures:** from now on, in the self-service you will see more information about different security measures, such as a car pledge.
- Updated data of [the best P2P calculator](#). Are your lending settings still the most efficient?

In the first half of this year, we will focus more on investors, making the changes most investors want:

- We will shorten the loading time of the **account statement**, because especially for those who have invested for a long time or have a large amount of loans in their portfolio, rendering the account statement may take a long time;
- We will work to **optimize** other slower platform windows, such as the monthly flow graph and overview window.





# Our investors

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## Investor: attractive stability.

“As an asset class, peer-to-peer lending platforms have two attractive features. The first is that this asset class is completely **uncorrelated** with other traditional asset classes. The second is **stability**.

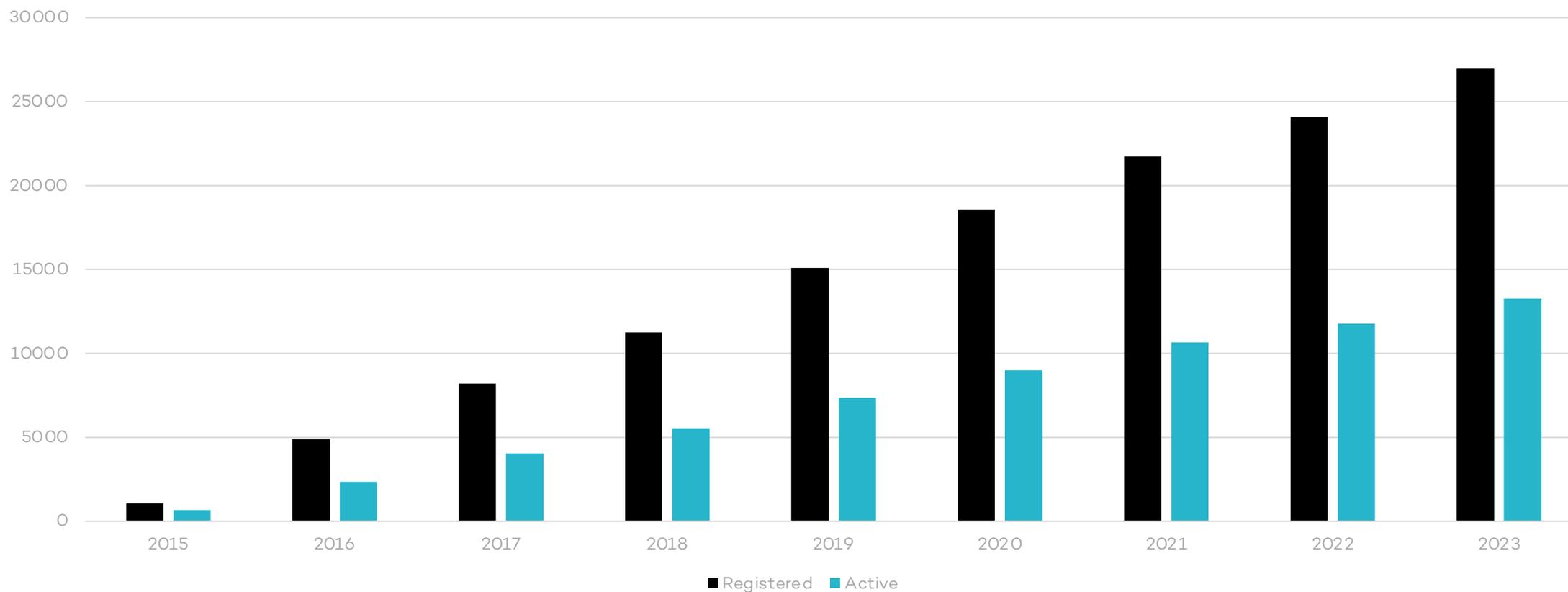
The monthly fluctuations in the portfolio are so small that you never have to wonder what the value of the p2p portfolio will be next month.” “

– investor, the **author of the blog Buliaus Anatomija**, shares his experience.

# Our investors

# 26.979

Number of investors in 2023 December 31. More than **13.275** of our investors have made **at least one investment.**



# Where do you rank?

Where do you rank by portfolio size?

Place	Portfolio size	Q3
TOP legal entity	<b>8.600.055 Eur</b>	+10%
TOP private investor	<b>533.622 Eur</b>	+2%
Top 10% active*	<b>6866 Eur</b>	-3%
Top 50% active*	<b>703 Eur</b>	-24%

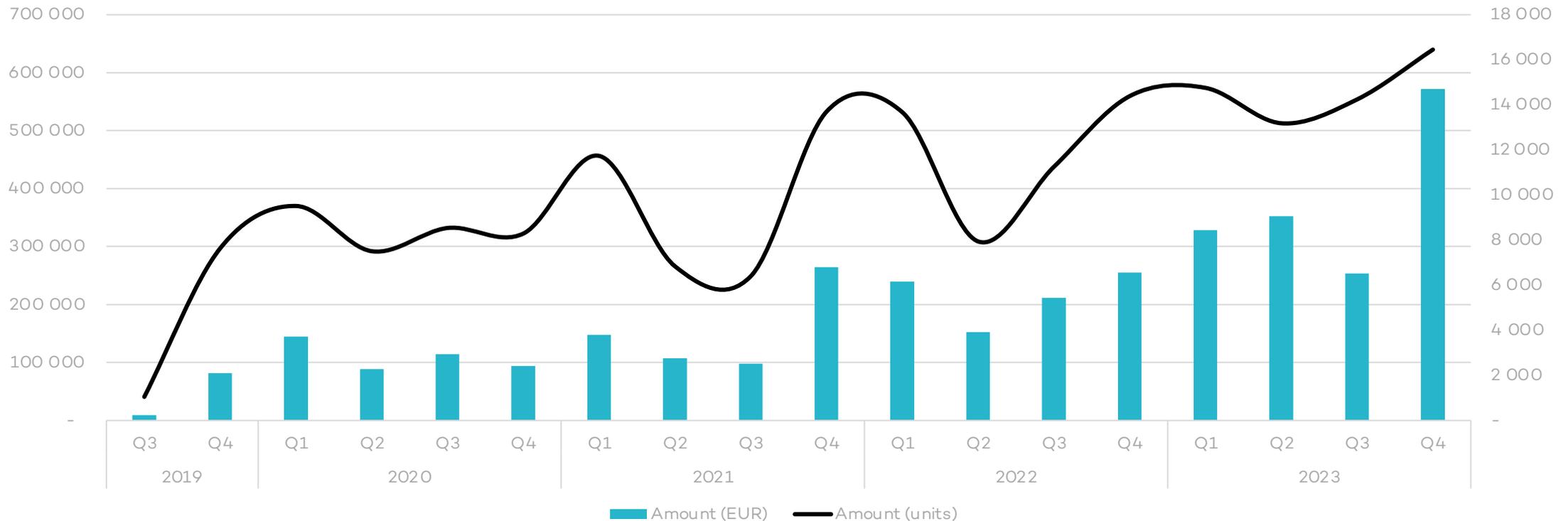
\*Among those who invested in at least one loan in 2023

# Secondary market statistics

Record breaking liquidity

# 571.910 Eur

Turnover on the secondary market in 2023 Q4. This is an **absolute record** for the quarter, surpassing secondary market turnover of all 2020.



# Finbee co-financing

During Q4 2023, together with you, we invested:



**2,33** M EUR

to business loans

**21%**

\*



**1,44** M EUR

to consumer loans

**51%**

\*



**11,46** M EUR

active portfolio

**10%**

\*

We know that we generate good returns for the whole hive and we invest together!!

\*Compared to 2023.09.30



# Business loans

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# Finbee COO insights



You may have noticed that recently we have been offering more business loans **with real estate collateral** on the platform.

So far, **our investors have not lost a single euro** investing in real estate secured loans, and we are increasing the offer of these loans, which are especially popular with our investors.

We have **updated the display** of real estate loans on the platform, which will help investors get an even better picture of the pledged property, and we will soon offer real estate development projects as well.

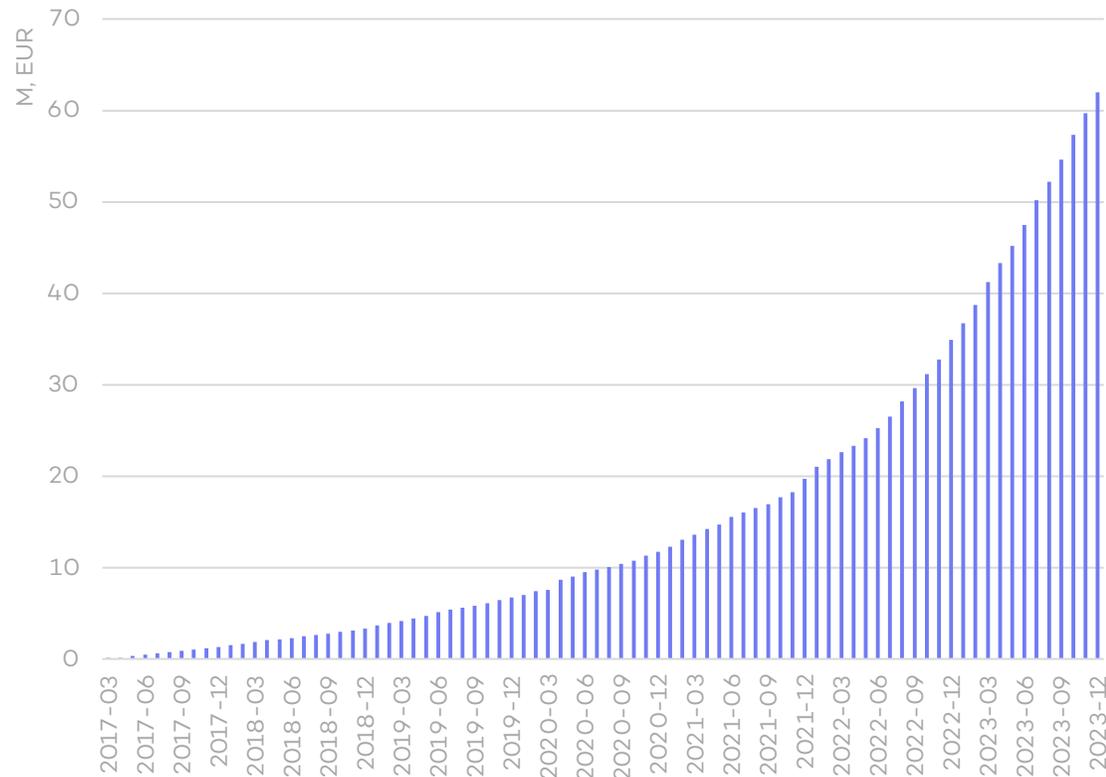
I have been evaluating real estate development projects for the past four years and look forward to helping you earn even greater returns.

**Tomas Paliulis, COO**

# Finbee business loans

## 68%

YoY growth



8 years

in the market

4.153 units

loans issued



63,6M EUR

loans issued



15.335 EUR

average loan amount



5,32M EUR

interest paid out to the investors



\*Compared to 2023.09.30

# Loan volume

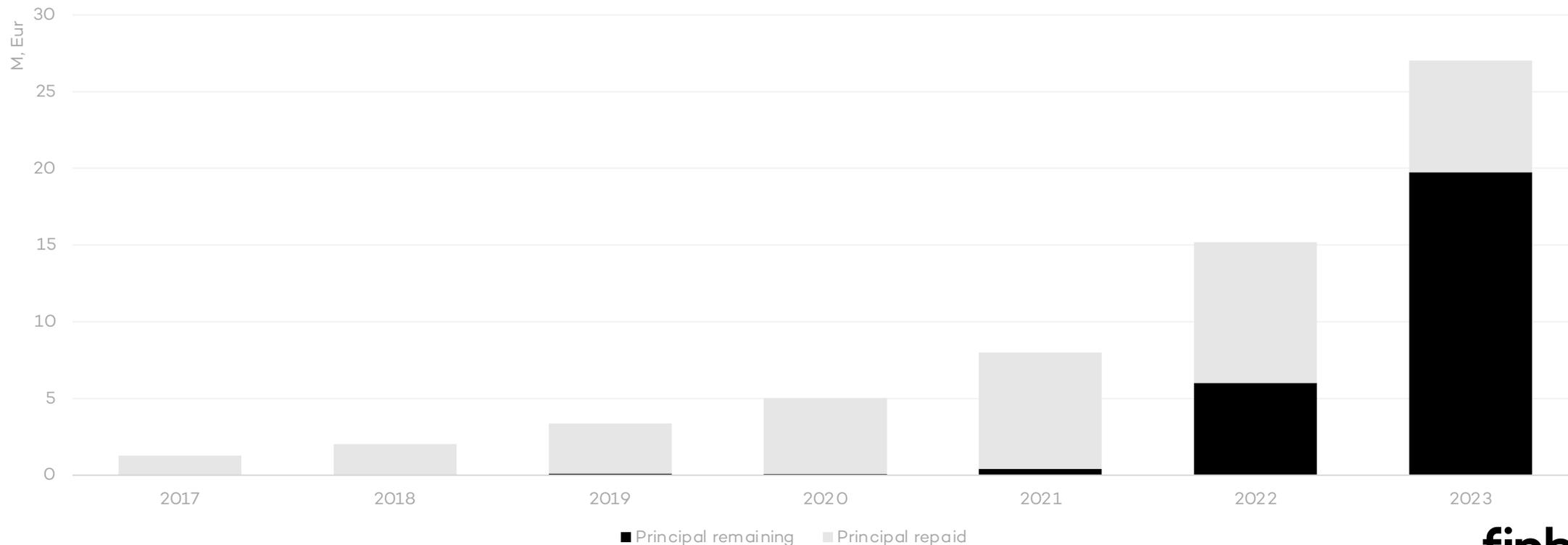
Already 50% of the loans issued in 2022 have been repaid

# 28,1M EUR



active loan portfolio at 2023.12.31

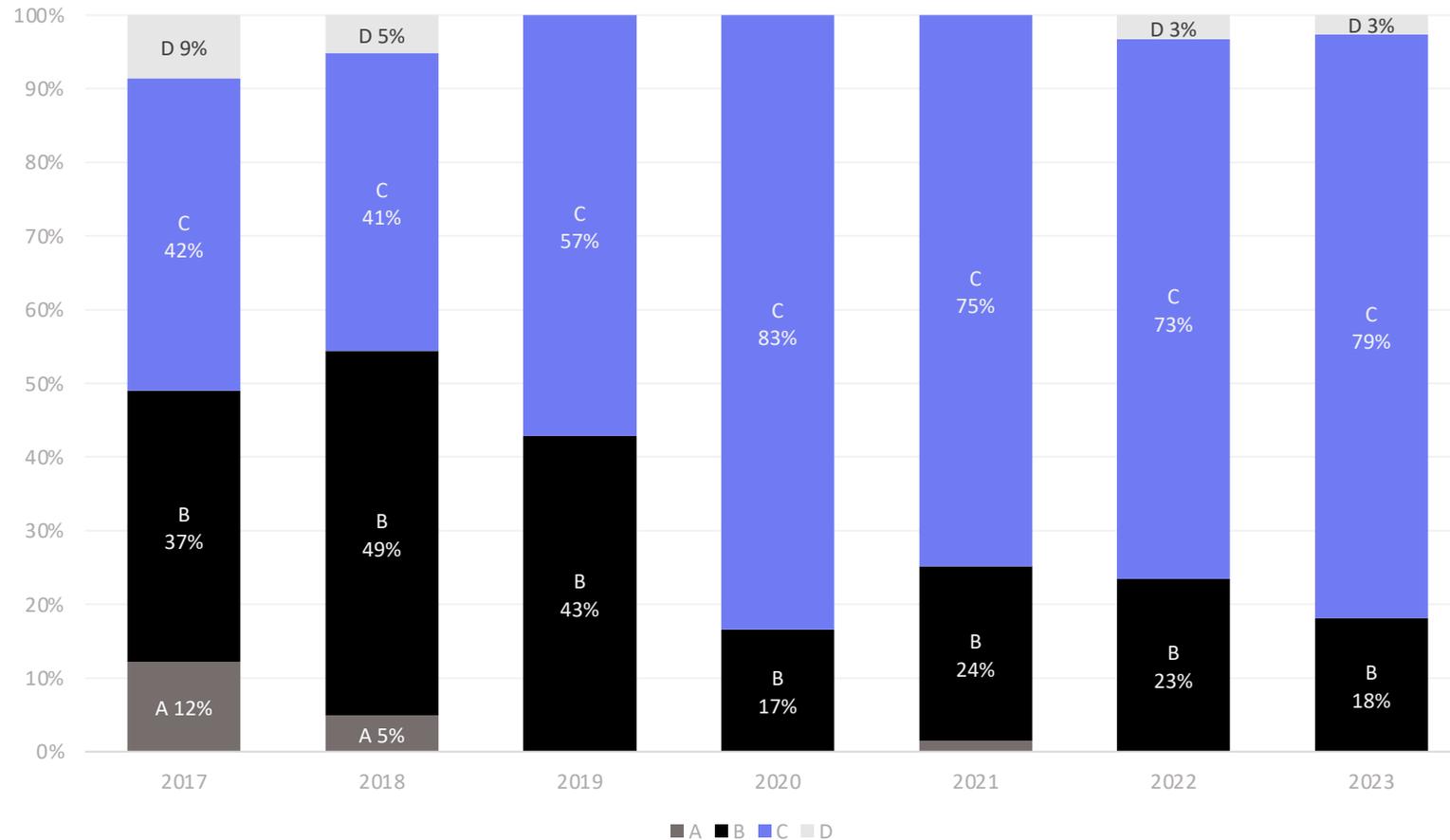
**21 months** average loan duration



\*Compared to 2023.09.30

# Business loans by rating, %

Stable composition of the portfolio



**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.

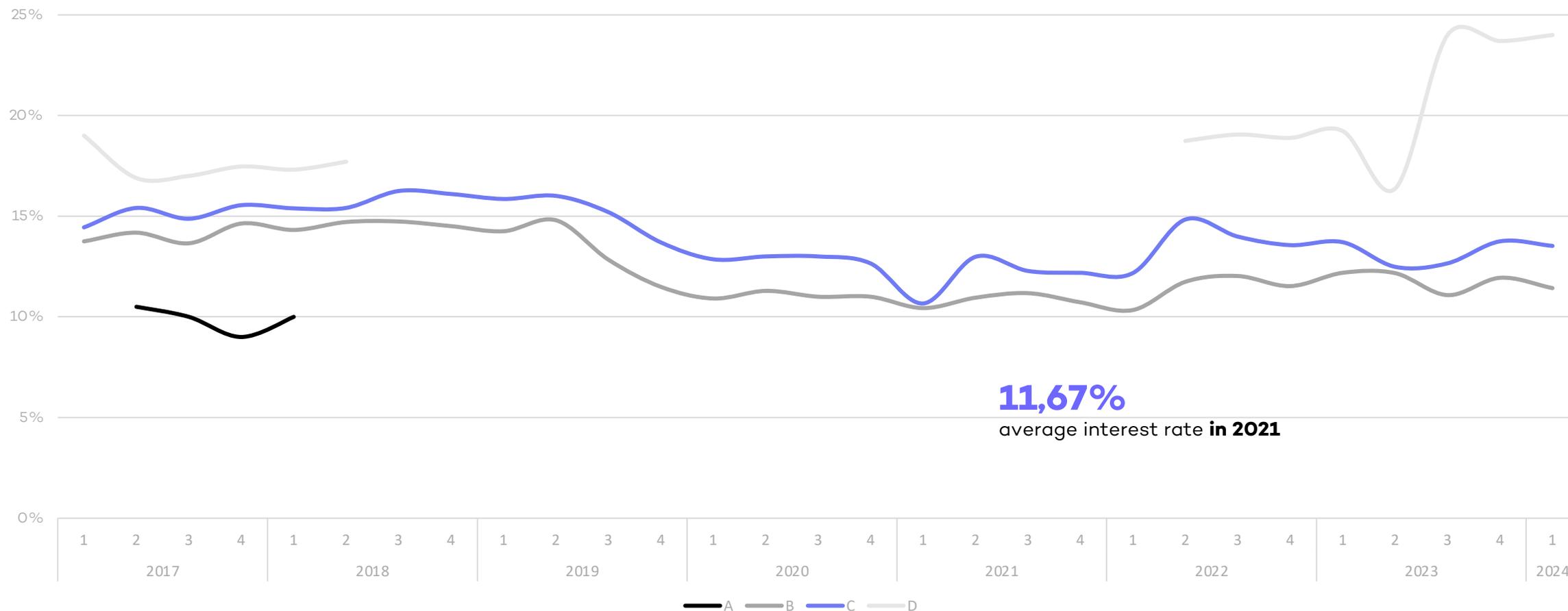
**C** - medium risk customers. Higher delays and defaults are likely. This is compensated by customers paying a higher interest rate.

**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, %

# 13,81%

average interest rate at **2023.12.31**



# Active debt prevention

In Q4:

## Recovery

How do we deal with late borrowers?



Sent **26.447** (+13%\*) emails and **8.397** (+56%\*) SMS to borrowers



**36** (+28%\*) contracts terminated



**1.391** (+35%\*) calls made to late borrowers



**38** (+46%\*) borrowers put to court

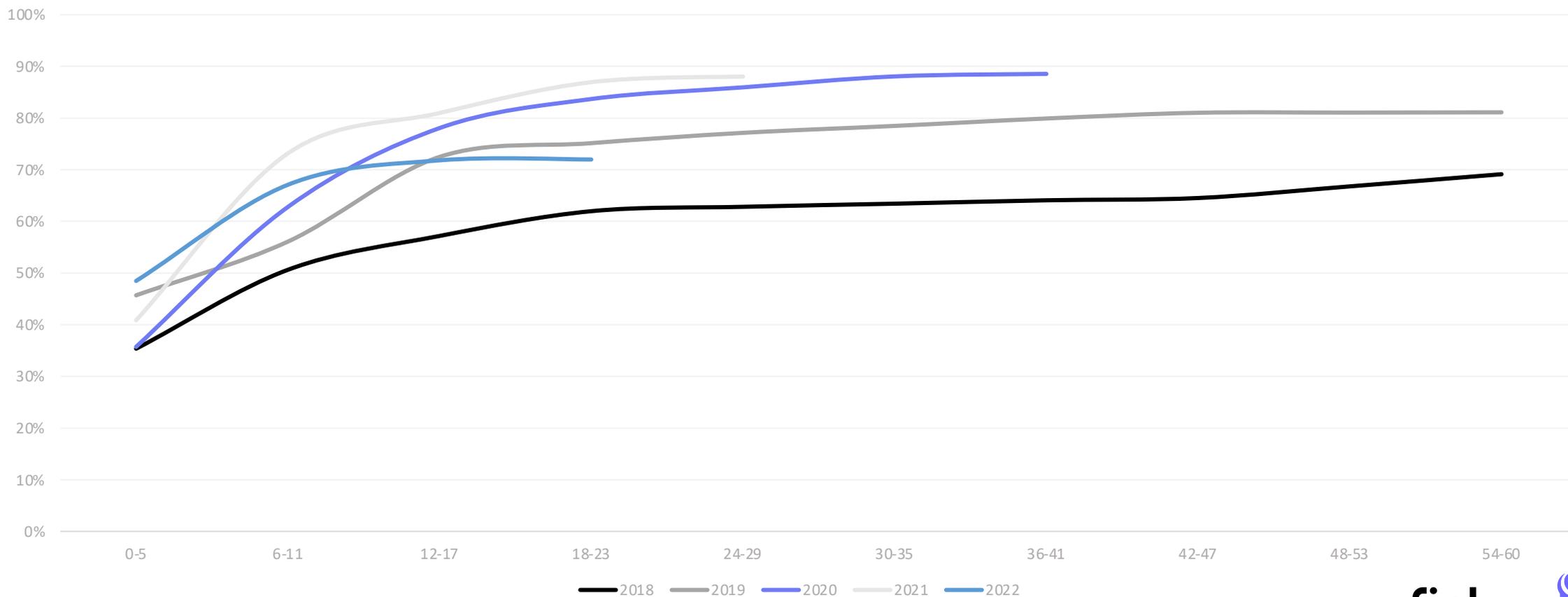
\* Compared to 2023.09.30

# Loans recovered

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

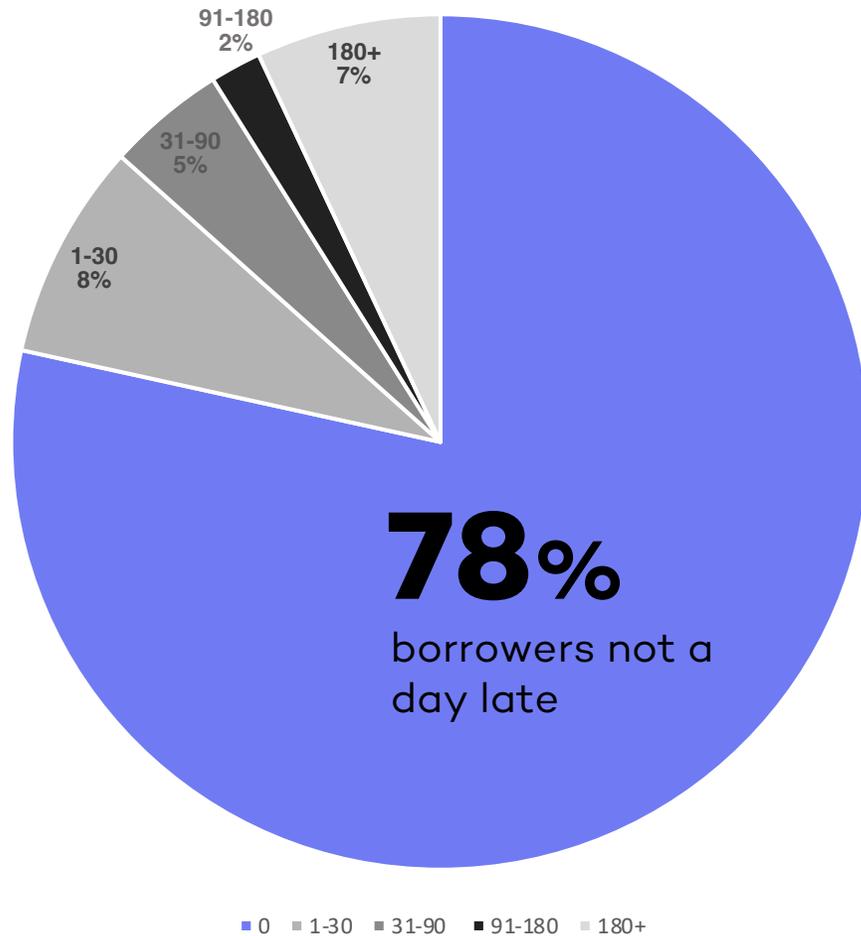
# 88%

of outstanding principal recovered of loans that defaulted in 2021



# Portfolio composition

by days late, units



**77,5%**

borrowers made a payment in the last 30 days

**6%**  
\*

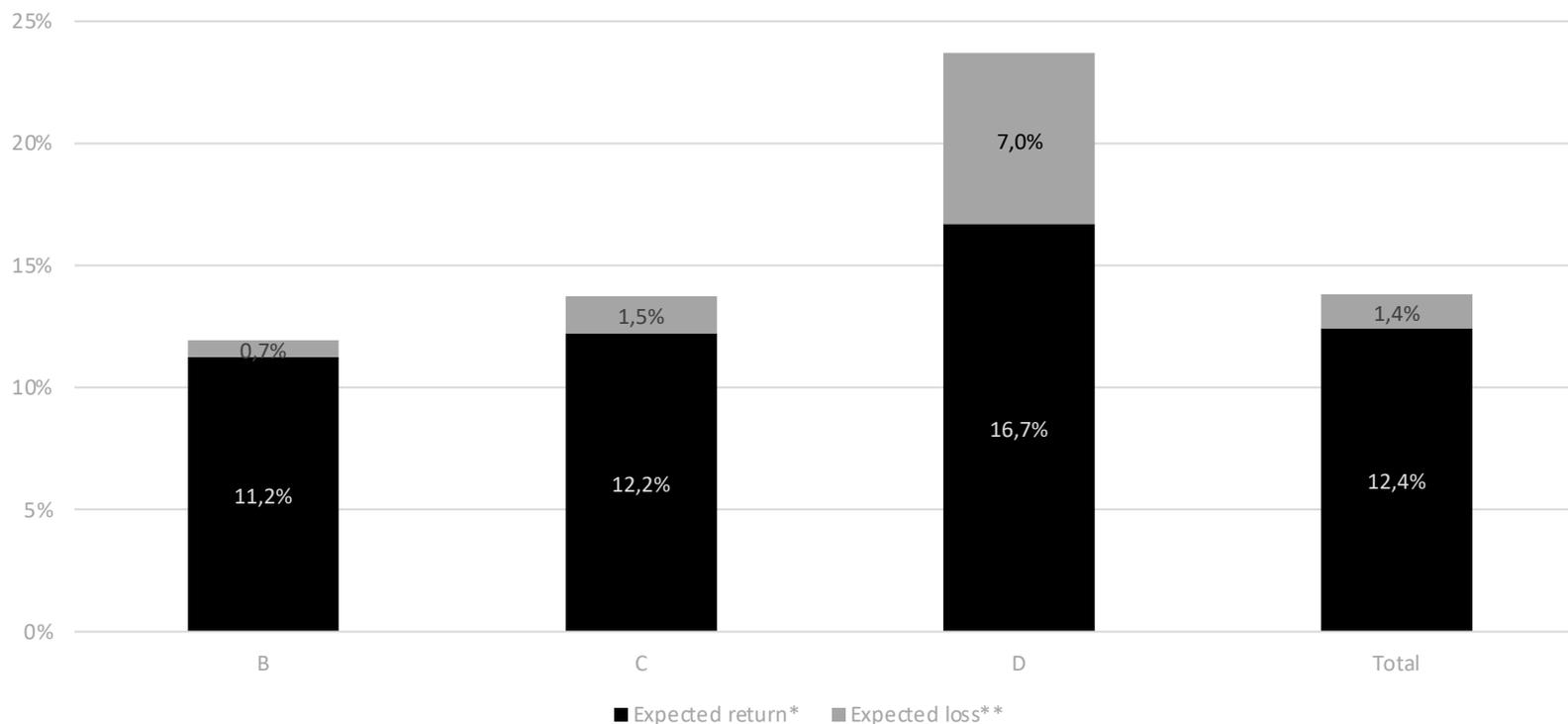
**3,06%**

loans originated in 2023 have defaulted

# Return on loan portfolio

# 12,4%

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

\*\*\* We renewed the provision of D-rated  
loans in 2022, the expected recovery rate  
was equated to 60%.



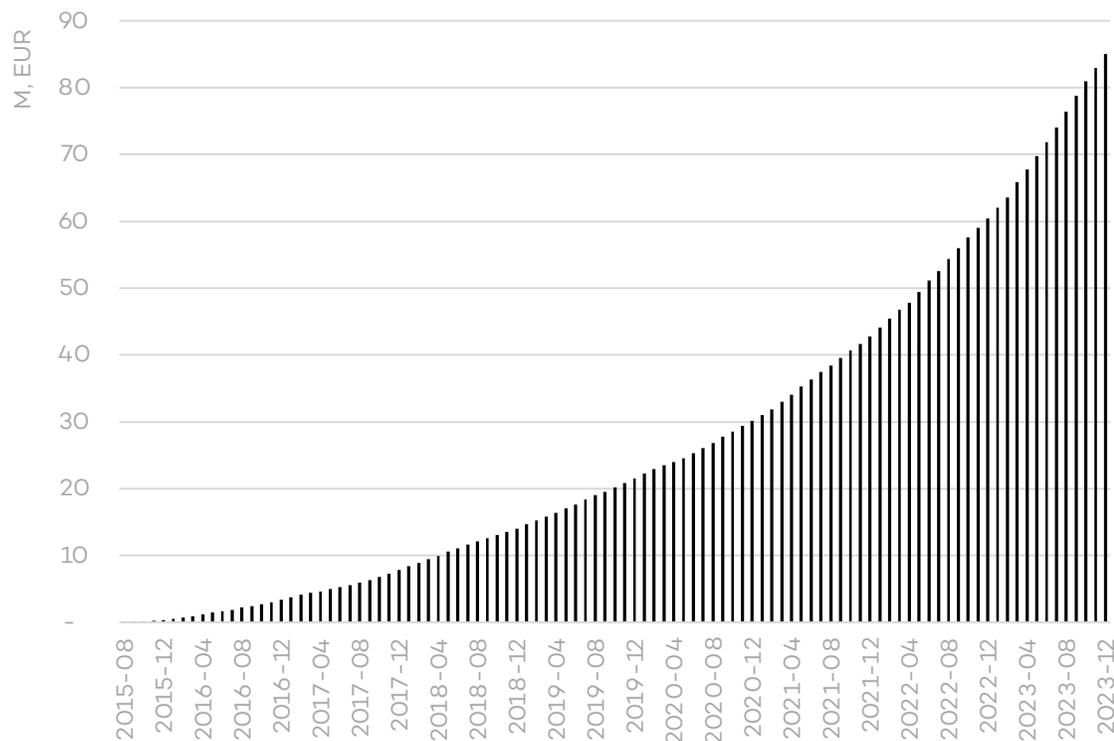
# Consumer loans

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# Consumer loans

## 35%

YoY growth



8 years

in the market

31,498 units

loans issued

10%

84,9M EUR

loans issued

8%

2,698 EUR

average loan amount

21%

13,3M EUR

interest paid out to the investors

7%

\*Compared to 2023.09.30

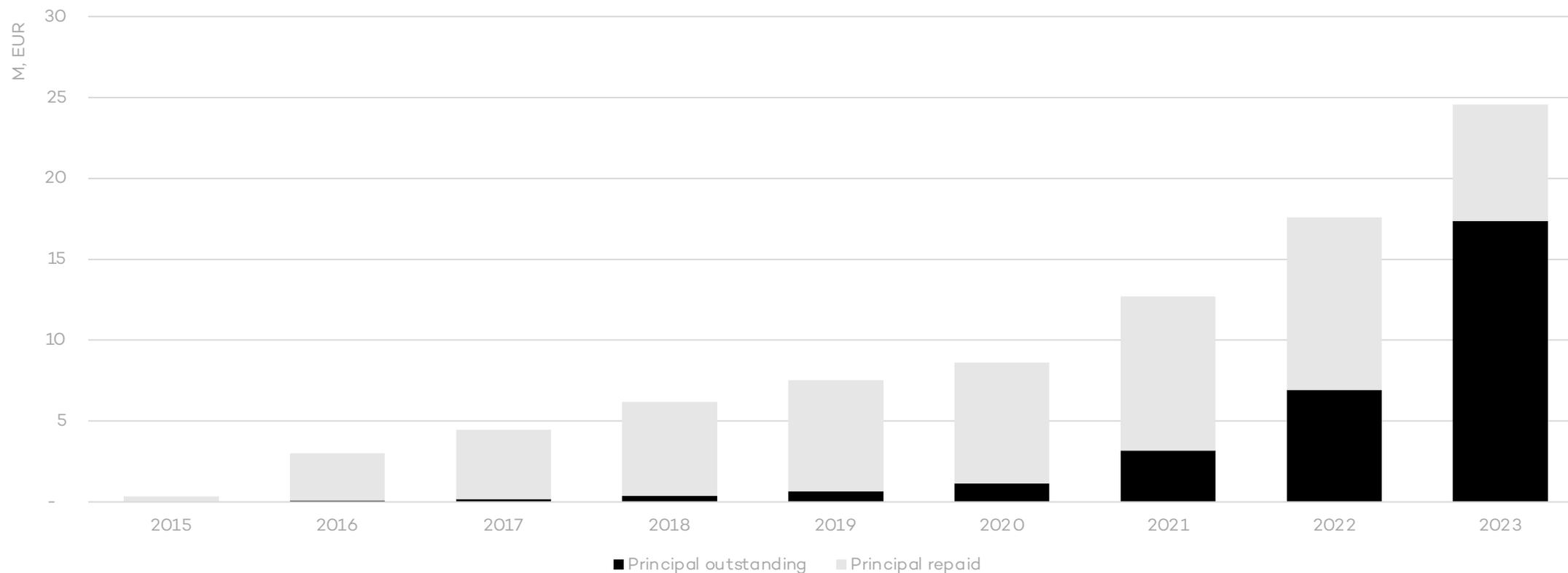
# Loan volume

29,9 M EUR



61% of loans issued in 2022 were paid back already

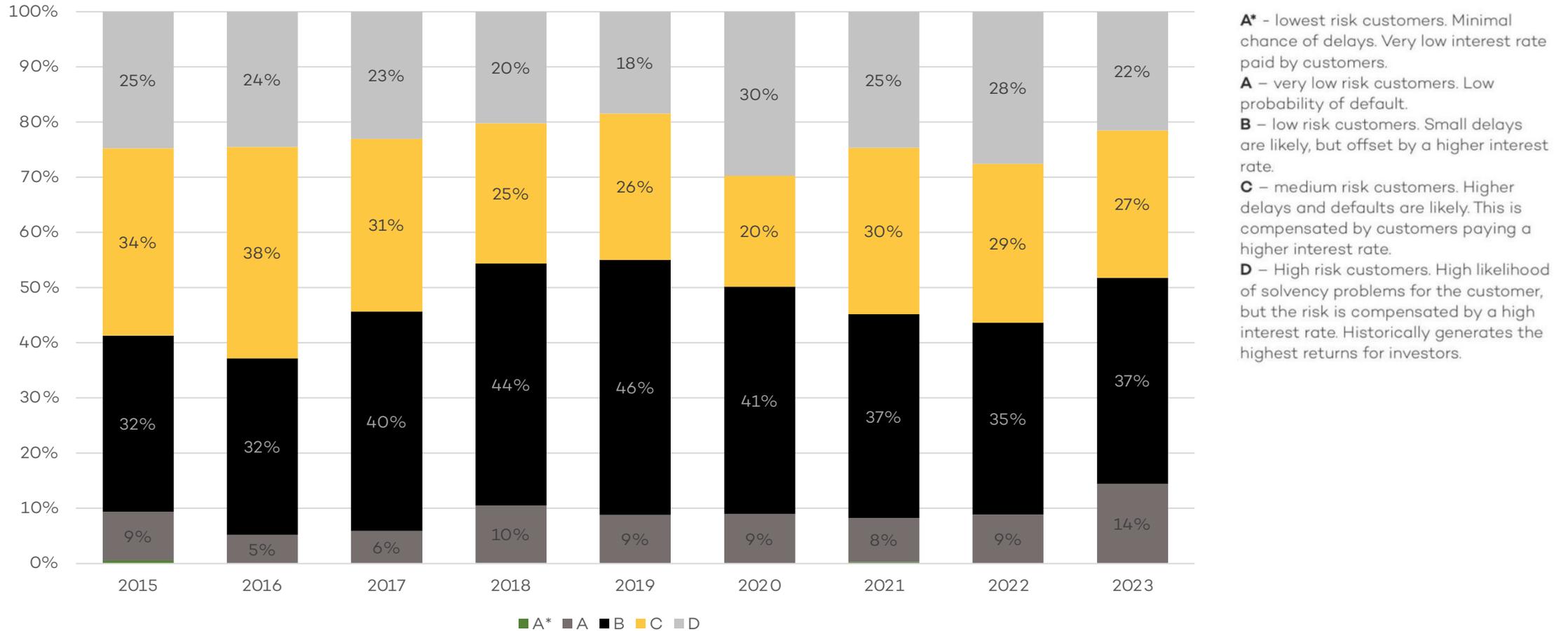
active loan portfolio at 2023.12.30  
**27 months** average loan duration



\*Compared to 2023.09.30

# Distribution of loans, by rating, %

Due to Klix loans\*, the share of customers with the lowest risk has increased significantly



- 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.

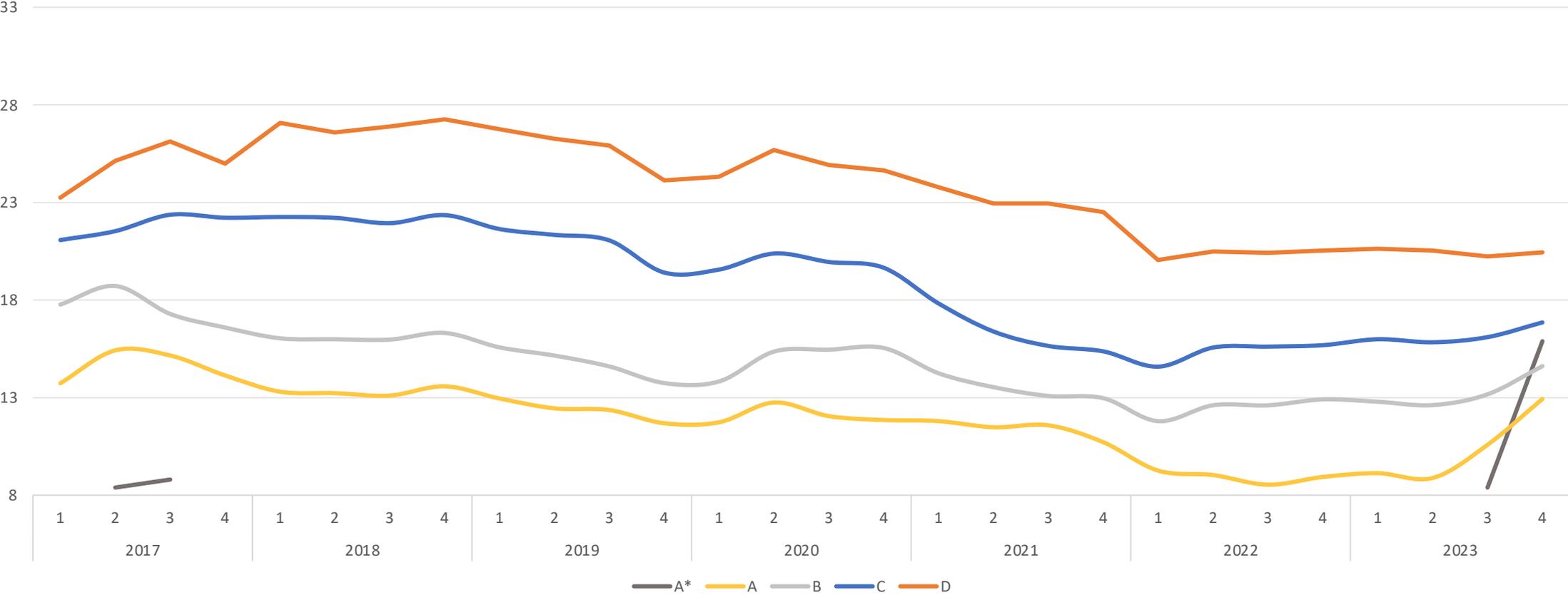
\* Loans when buying goods in partner e-stores

# Interest rate, %

# 16,31%

effective annual interest rate at 2023.12.30

Average interest rate hit their **highest point** since 2021 Q4



# Active debt prevention

In Q4:

## Recovery

How do we deal with late borrowers?



**89.872** (+1%\*)  
emails and **39.322**  
(+28%\*) SMS sent  
to the borrowers



**172** (+21%\*)  
contracts  
terminated



**3.291** (+121%\*)  
calls made to  
late borrowers

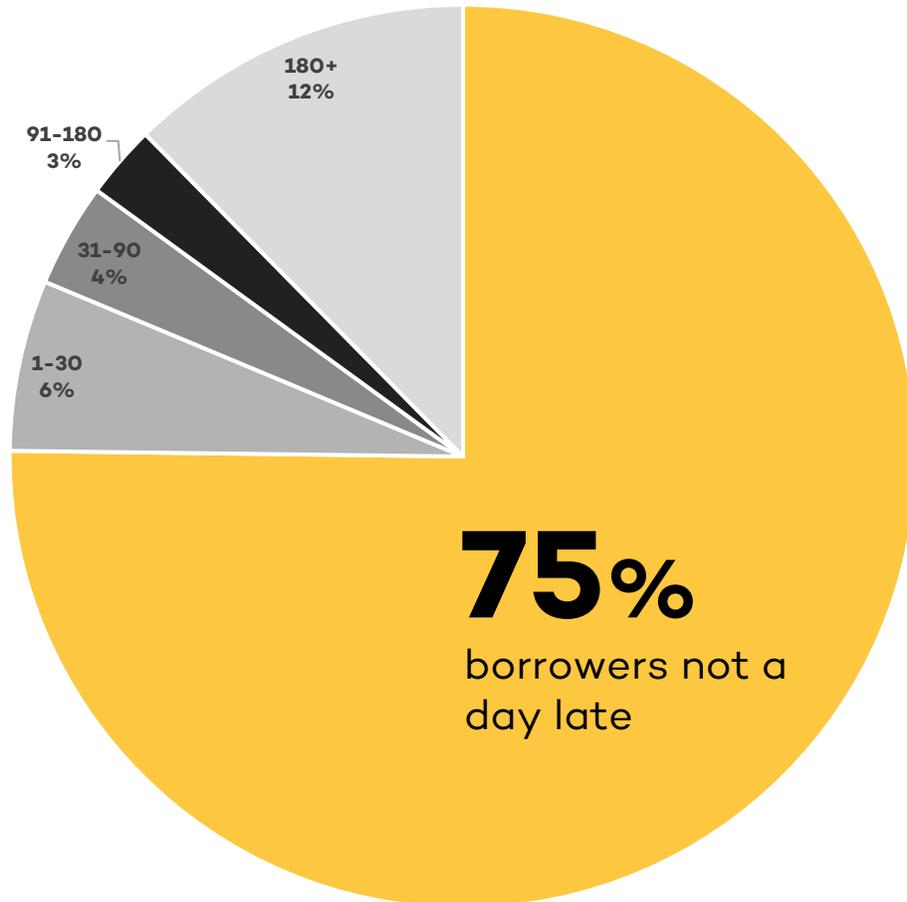


**164** (+22%\*)  
borrowers put to  
court

\*Compared to 2023.09.30

# Portfolio composition

By days late, units



■ Nevêluoja ■ 1-30 ■ 31-90 ■ 91-180 ■ 180+

**81,9%**

borrowers made a payment in the last 30 days

**1,9%**

**1,51%**

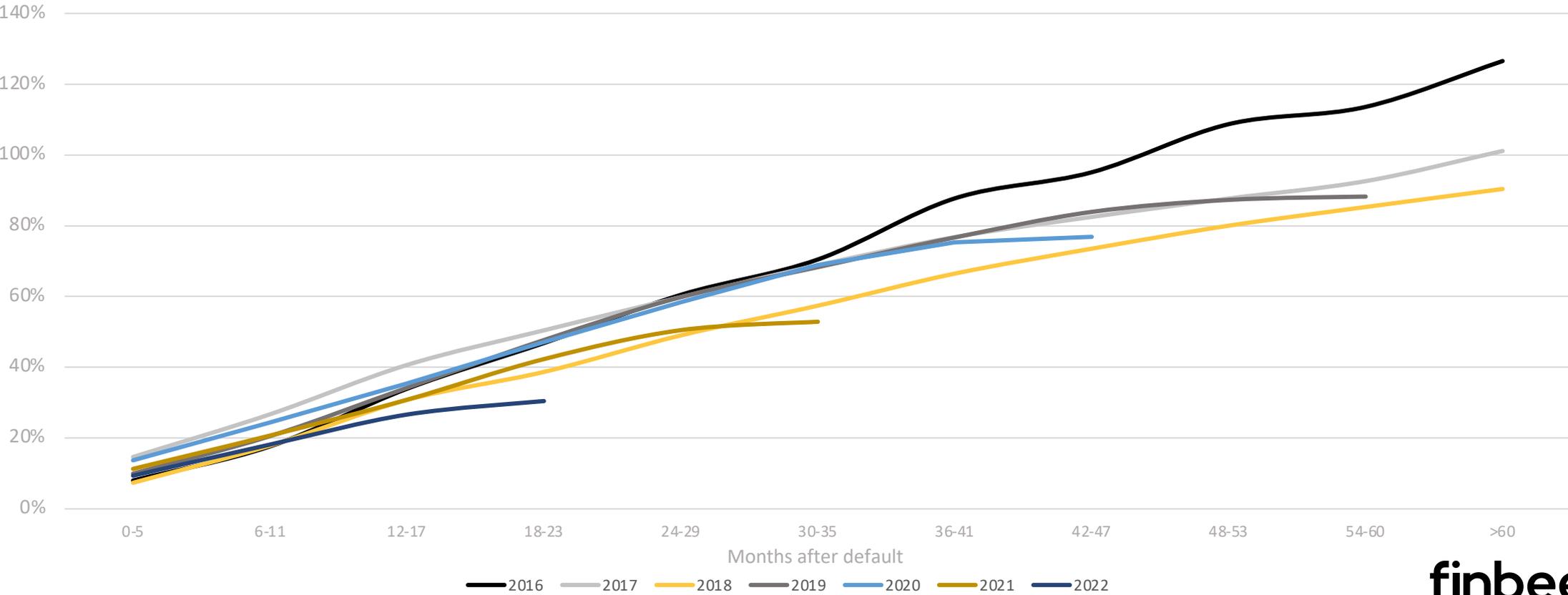
loans originated in 2023 have defaulted

# Loans recovered

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

# 5-6 years

Historical duration until defaulted principal is fully recovered

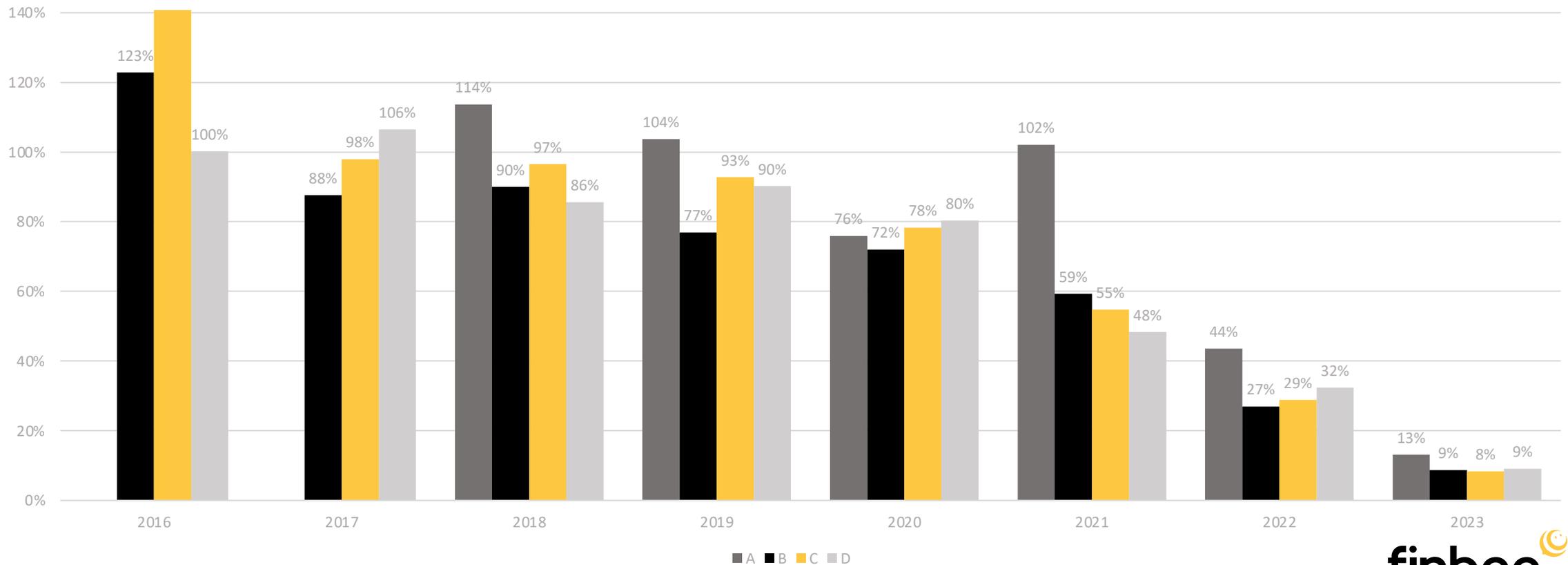


# Debt collection performance, by rating

Debt collected, % of outstanding principal at default

## A rated

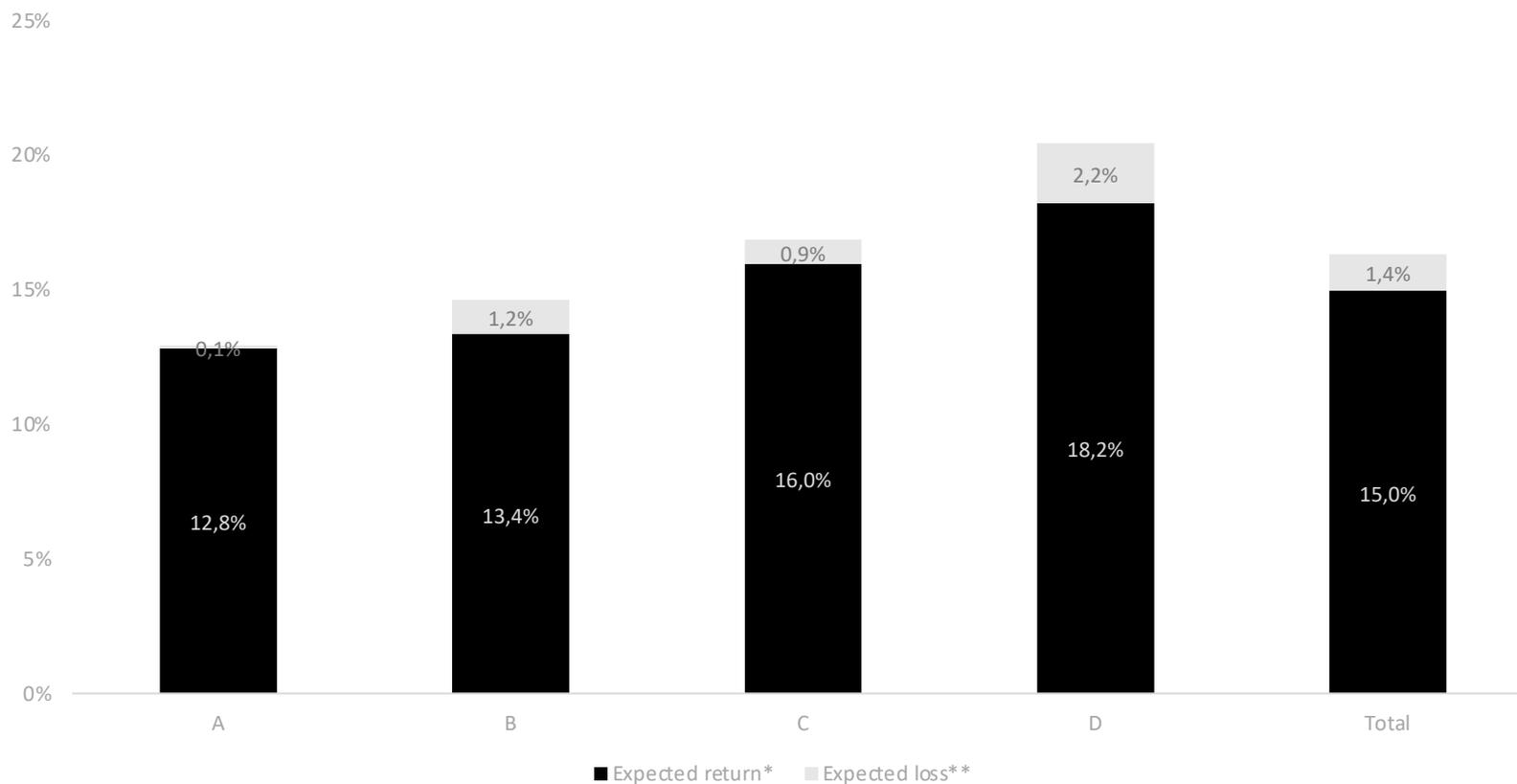
customers have the best collection performance, therefore low-risk customers pay lower interest on loans



# Return on loan portfolio

# 15,0%

Return on consumer loan portfolio



\* **The expected return is calculated as :**  
Weighted average interest rate (%) – expected loss (%) on the original loan amount

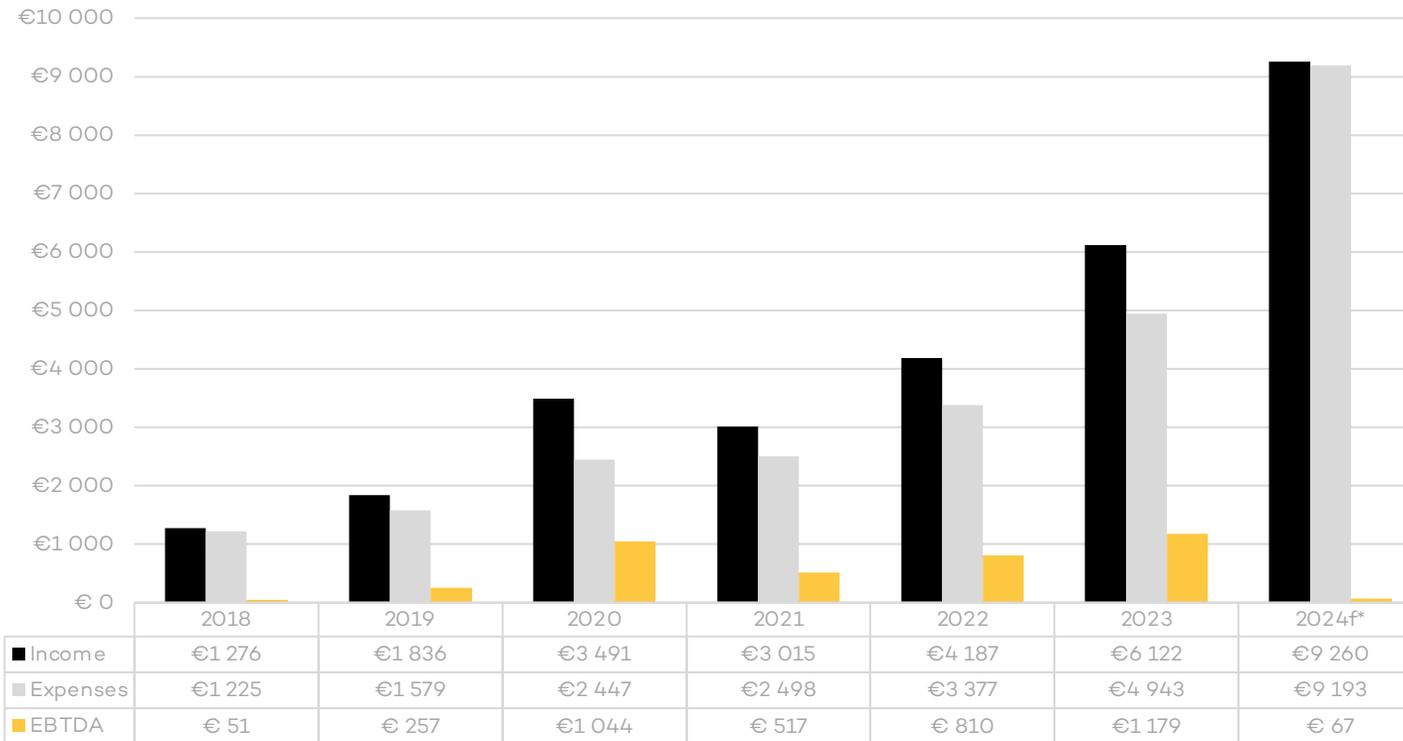
\*\* **Expected loss (%) = PDw x EAD x (1-RR)**

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**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

# Finbee financial results, '000 Eur



Profitable and fast-growing business

in 2023 Q4 we issued **38% more business and 40% more consumer loans** than 2022 Q4

\*expenses will increase due to investments in international expansion and new financing products

# 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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