



UAB NEO Finance

Board report 2017Q4

Vilnius

2018-01-10

Press releases



P2P platforms in Lithuania are the most regulated

[Read more](#)

Paskolų klubas granted loans for 10 000 000€

[Read more](#)

Comment on Paskolų klubas launch success

[Read more](#)



Social events



October

Training sessions for beginners and experts in P2P lending in Kaunas

Special event with Practica Capital in Vilnius



November

Training sessions for beginners in P2P lending in Klaipėda, Šiauliai, Panevėžys



December

Training sessions for experts and beginners in P2P lending in Vilnius

Special event with Business Angels Fund

Material events



- Evaldas Remeikis became a Chair of Fintech Lithuania Infobalt association group
- Shareholder equity raised to 1 921 503 EUR, total amount invested in company's capital exceeds 2.55M;
- A milestone of 10 million EUR of accumulated loans issued by the end of November, 2017
- A milestone of 1 million EUR loans issued per month in November, 2017

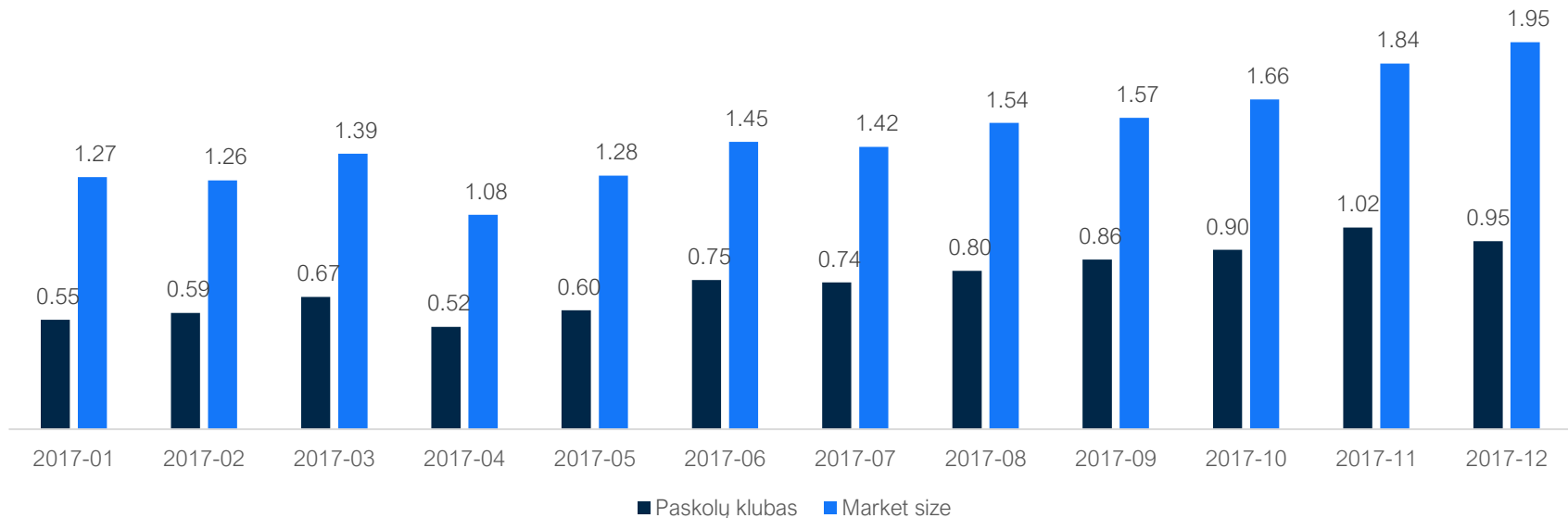
P2P consumer loan market in Lithuania



In 2017 Q4 P2P consumer loan market size reached **5.46 million EUR**. Compared to 2016 Q4 year on year the issued loans volume grew by **82%** from **2.99 million EUR**. **“Paskolų klubas”** market share during 2017 Q4 remained stable at **53%** with **2.87 million EUR** of loans issued.

Monthly amount of issued consumer loans through all Lithuanian platforms reached a peak of **1.95 million EUR** in December. **“Paskolų klubas”** reached a record of **1.02 million EUR** financed in November. Compared to the same month in 2016, **“Paskolų klubas”** issued loans volume grew by **145%**.

P2P consumer market, loans issued, million EUR



Borrowers



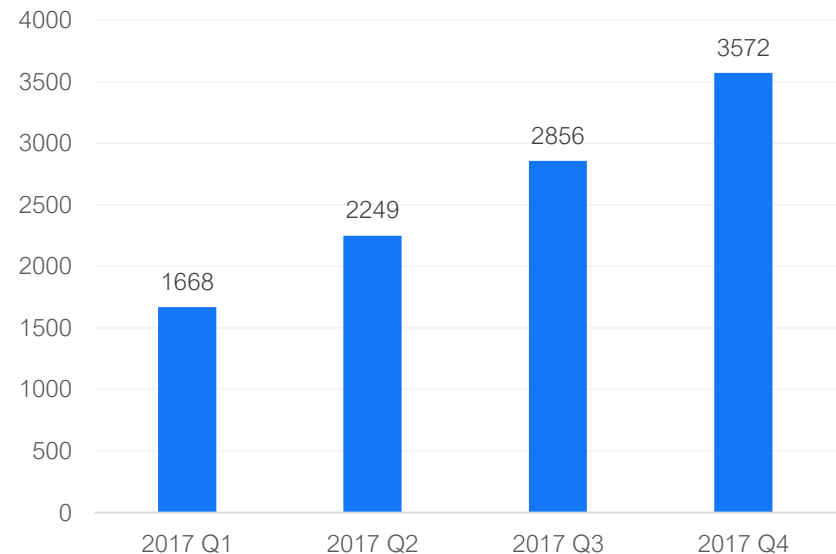
In 2017 Q4 low fees and brand growth attracted **3 922 new registered borrowers**. At the end of 2017 Q4 the number of registered borrowers grew to a total of **36 373**. Compared to 2016 Q4, the number of registered borrowers grew by **86%**.

In 2017 Q4 the number of active borrowers grew by **716 users**. At the end of 2017 Q4 the number of active borrowers reached a total of **3 572**. Compared to 2016 Q4, the number of active borrowers grew by **240%**.

Registered borrowers



Active borrowers



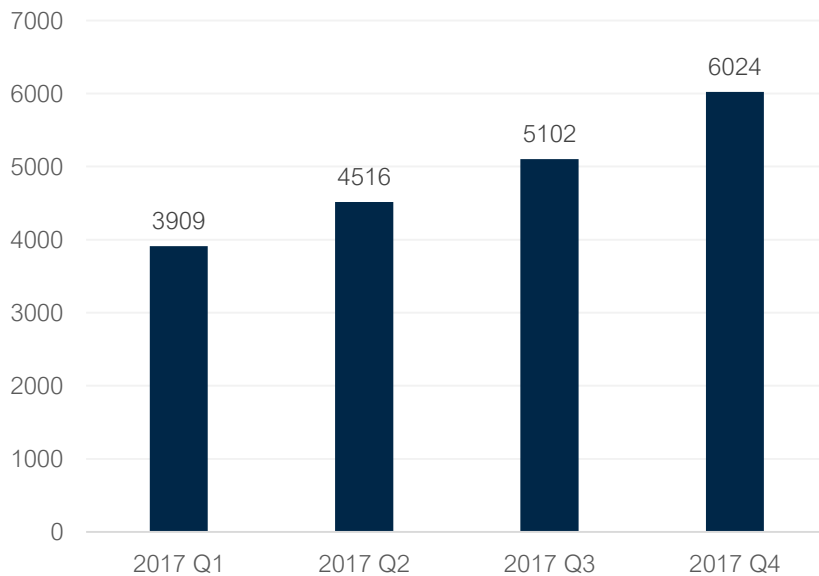
Investors



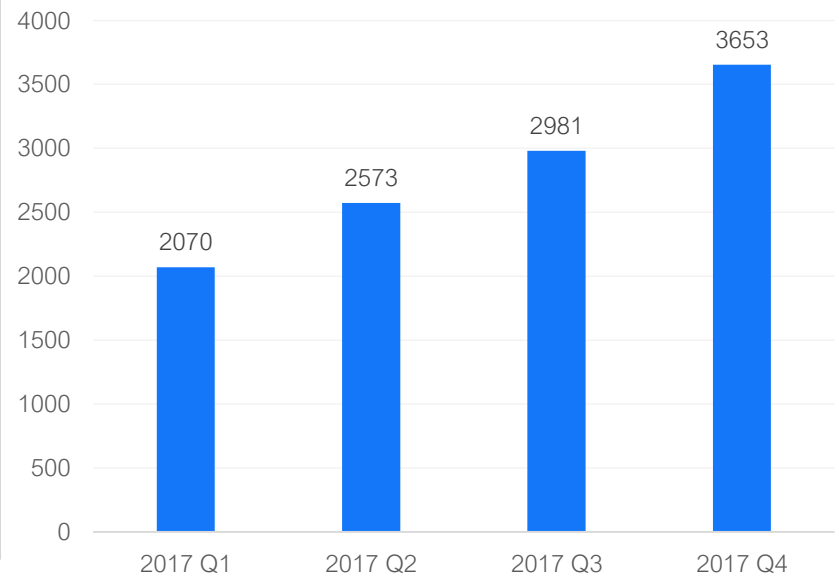
In 2017 Q4 investors' trust, stable returns and transparent communication attracted **922 new registered investors** to a total of **6 024**. Compared to 2016 Q4, the number of registered investors grew by **96%**.

In 2017 Q4 the number of active investors grew by **672**. At the end of 2017 Q4 the number of active investors reached a total of **3 653**. Compared to 2016 Q4, the number of active investors grew by **130%**.

Registered investors



Active investors



Investors have already earned 1 million EUR in returns.

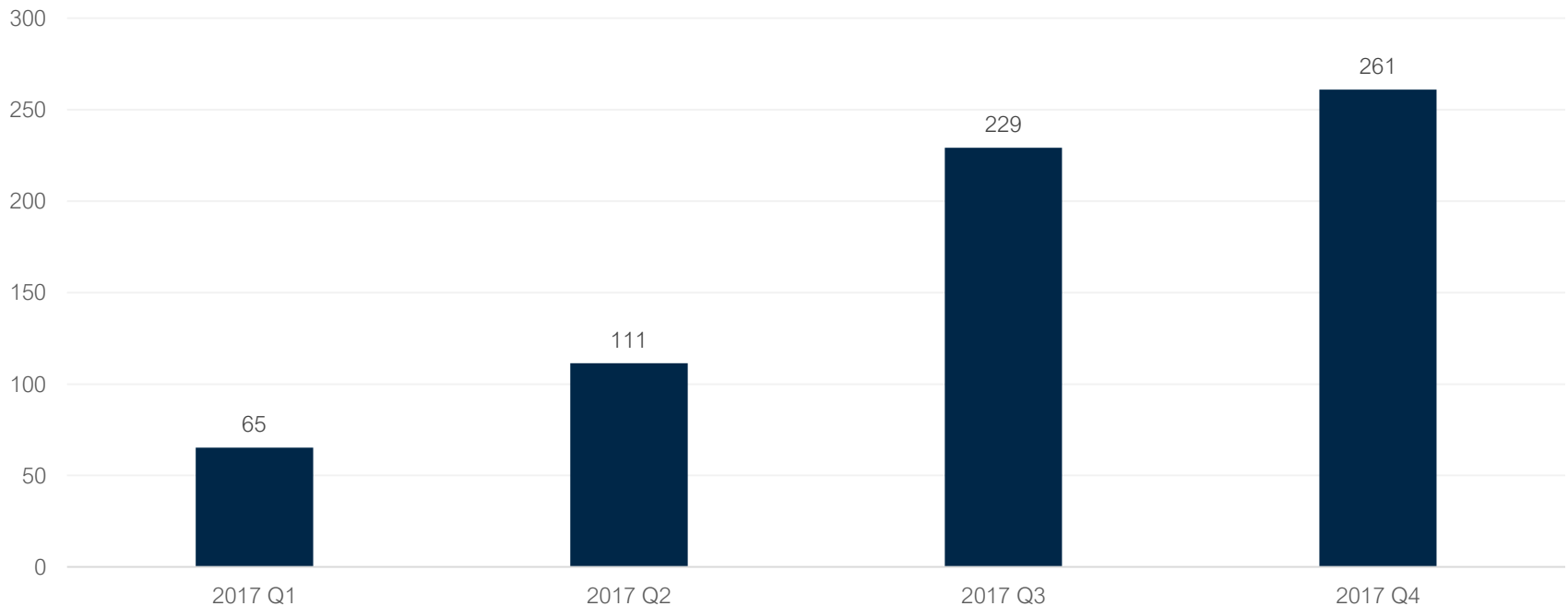
UAB NEO Finance investments



UAB NEO Finance, as a consumer credit provider, co-invests into loans together with investors. A policy of avoiding conflicts of interest is provided to every investor. In 2017 Q4 **UAB NEO Finance** invested **261 thousand EUR**.

Since the launch in December, 2015 **UAB NEO Finance** investments into loans reached **895 thousand EUR**.

NEO Finance investments, K EUR



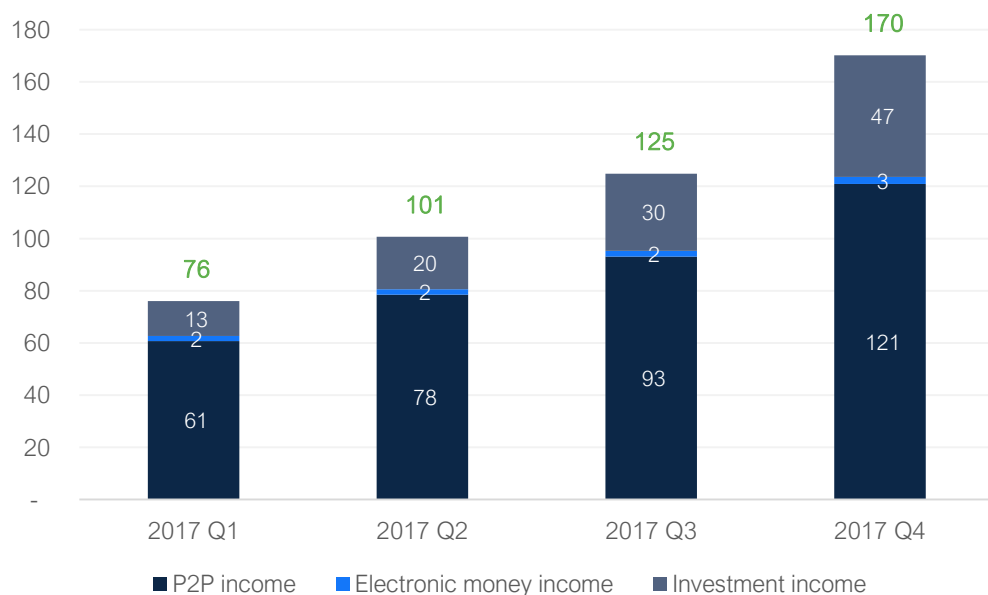
Revenues

UAB NEO Finance earns income from three revenue streams:

- Revenues related to P2P lending
- Revenue related to the issuance and processing of electronic money
- Investment income

It should be noted that the vast majority of revenues related to P2P lending activities are distributed throughout the loan period, and this income is obtained only by actual repayment of the monthly instalment of the consumer credit recipient. The company chose this type of income collection due to the requirement of the Law on Consumer Credit and because it has the maximum interest itself not only in origination of the loan, but also in the return of the principal and interest to investors. When an enterprise collects a brokerage fee in this way, the company's income in the financial accounting is deferred to future periods, therefore the company's income calculation procedure differs significantly from other market participants and therefore is not comparable. It needs to be emphasized that during the inspection of the company, the Bank of Lithuania noted that such method of collecting revenue is the only way in full compliance with the requirements of legal acts.

Income, K EUR



	2017 Q4	2017 Q3	Δ, %	2016 Q4	Δ, %
Income	170	125	36%	43	300%
P2P income	121	93	30%	45	171%
Electronic money income	3	2	19%	1	164%
Investment income	47	30	57%	-3	-

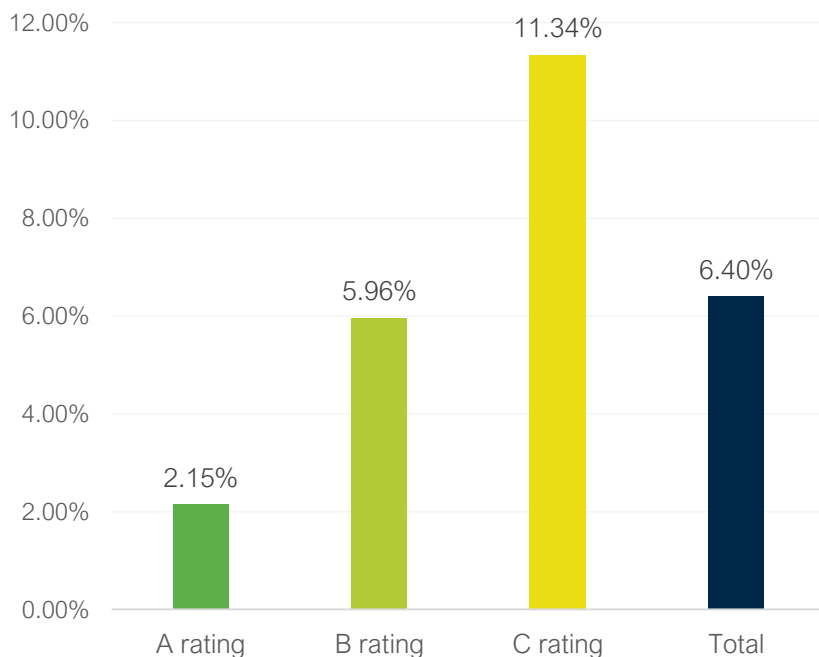
Overdue loans



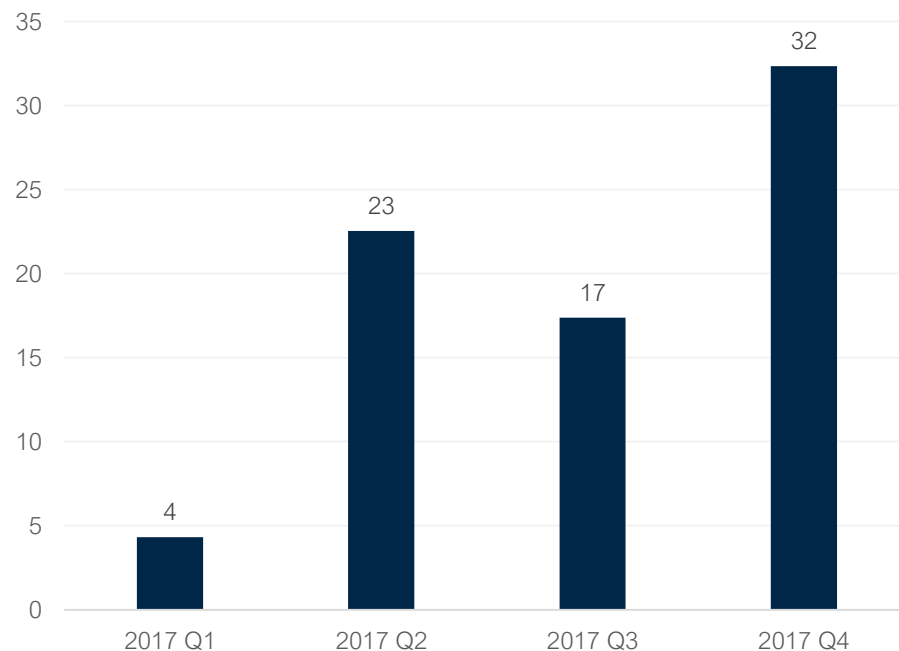
At the end of 2017 Q4 out of **4736 issued loans** - **284 loans**, or **6.00%**, were overdue for more than 90 consecutive days. Respectively, out of **11.51 million EUR** financed – **737 thousand EUR** or **6.40%** were overdue more than 90 days.

“Paskolų klubas” is highly concerned about loan repayments, therefore great effort was put in a recovery of payments from terminated loans. During 2017 Q4 a total of **32 thousand EUR** were recovered and distributed to investors.

EUR, overdue >90 days, %.



Amount recovered, K EUR

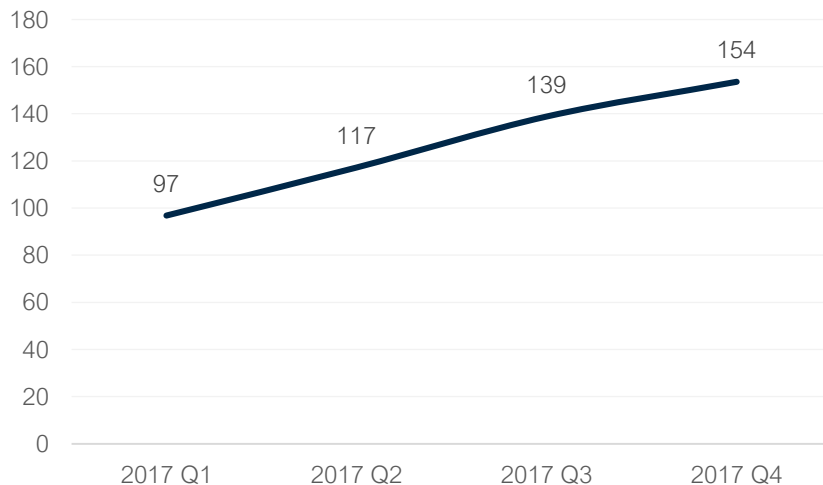


Provision fund

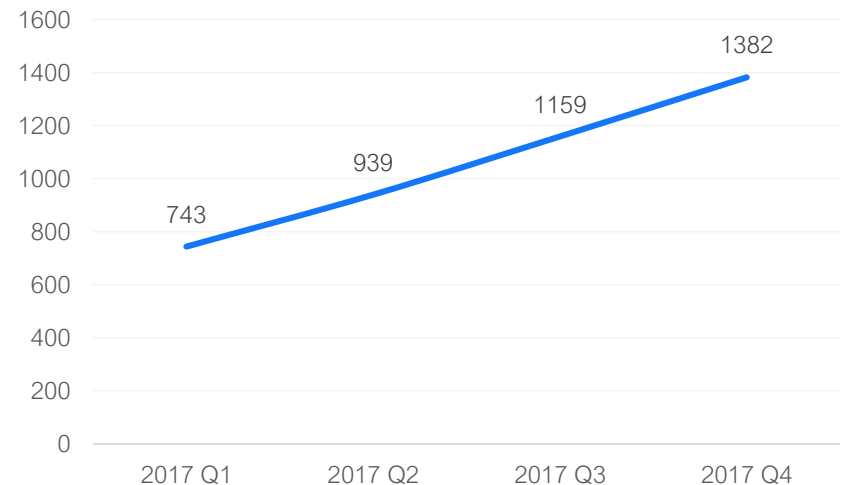
“Paskolų klubas” offers a „Provision Fund” service, which allows investors to reduce their investment risk. If a loan defaults – “Paskolų klubas” guarantees to repay the investor with all of the assets. During 2017 Q4 the service covered **59 367 EUR**.

For liquidity risk management, “Paskolų klubas” calculates the sufficiency of funds to cover liabilities under “Provision fund” and holds these funds in a separate bank account. The purpose of this account is to ensure the company's internal cash flow management. In order to fulfill its obligations to investors, the company may, if necessary, use other assets of the company. The fund's growth amounted to **14 738 EUR**. At the end of 2017 Q4 there were **153 605 EUR** of accumulated funds, and the total guaranteed amount was **1 381 864 EUR**, resulting in **11%** coverage ratio.

Provision fund, K EUR

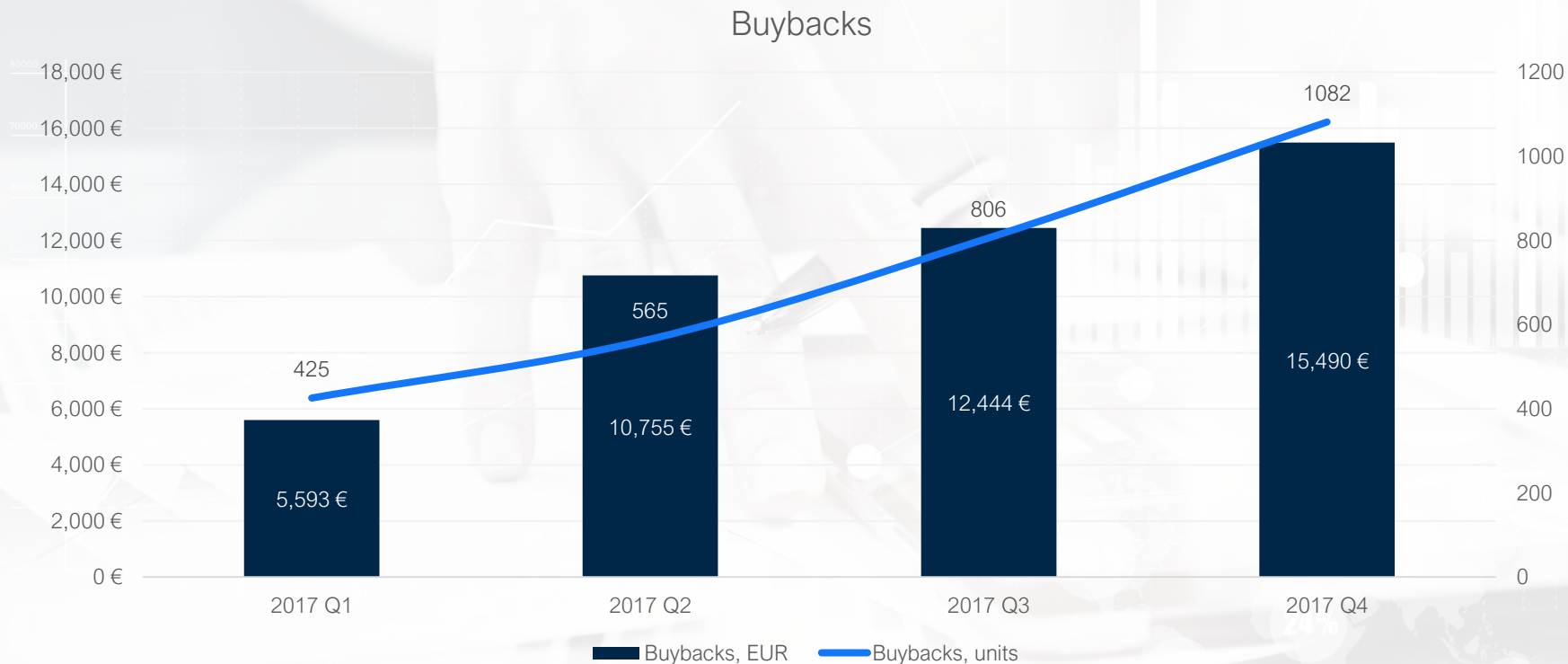


Guaranteed amount, K EUR



Buybacks

“Paskolų klubas” offers a buyback service. When an agreement with a borrower is terminated, investors have an option to sell their investment for **50-80%** of it's face value to “Paskolų klubas”. In 2017 Q4 investors sold **1082 investments for 15 490 EUR**.



Secondary market

Secondary market is a feature where investors can sell or buy investments. It allows investors to adjust their risk exposure in pursuit of aggressive returns, or sell a nonperforming investment. It also provides liquidity when an investor feels the need to cash out. During 2017 Q4 secondary market turnover reached **106 078 EUR**. Average transaction was **20.23 EUR**.



Main statistics

Since launch till the end of 2017
Q4

3653

Active investors

3,145 €

Average amount
invested

1,007,180 €

Interest received

11,513,562 €

Issued loans

306,485 €

Investments sold in
secondary market

8,866,304 €

Outstanding principal