



# UAB NEO Finance

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Sales report 2018Q2

Vilnius

2018-07-10

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# Events



## Social events

- **April**  
NEO Finance team participated in Soft-Landing programme in the Netherlands;
- **May**  
2 training sessions for beginners and experts in P2P lending in Vilnius and Kaunas;
- **June**  
NEO Finance team attended London Tech Week event;
- VIP event for investors in Vilnius „How to become a business angel when investing from EUR 5000?“;
- NEO Finance team attended Copenhagen Fintech Week event;

- Shareholder equity increased by 160K. Total amount invested in company's capital exceeds 2.88M;
- Business continuity plan was updated and Bank of Lithuania was informed;
- GDPR implementation;
- External audit completed;
- New platform feature introduced, allowing borrowers to choose an installment date;

# Management accounts



The vast majority of revenues related to P2P lending activities are distributed throughout the loan period. Management accounts represent future broker fee income as the result of specific quarter loans issued amount.

	2018 Q2	2018 Q1	Δ, %	2017 Q2	Δ, %
Loans issued, K EUR	3,171	2,990	6%	1,870	70%
Broker fee income, K EUR*	230	227	2%	160	44%
Other income, K EUR	150	130	15%	65	129%
Total income, K EUR	380	356	7%	226	68%

At the end of 2018 Q2 receivable broker fee amounted to **1.84 mln. EUR**

\* Broker fee income in the table is represented as a result of the loans issued at the same quarter, which will be received throughout the loan period. E.g. 230 thousand EUR is a result of 3,171 thousand EUR issued, and will be received throughout 60 months.

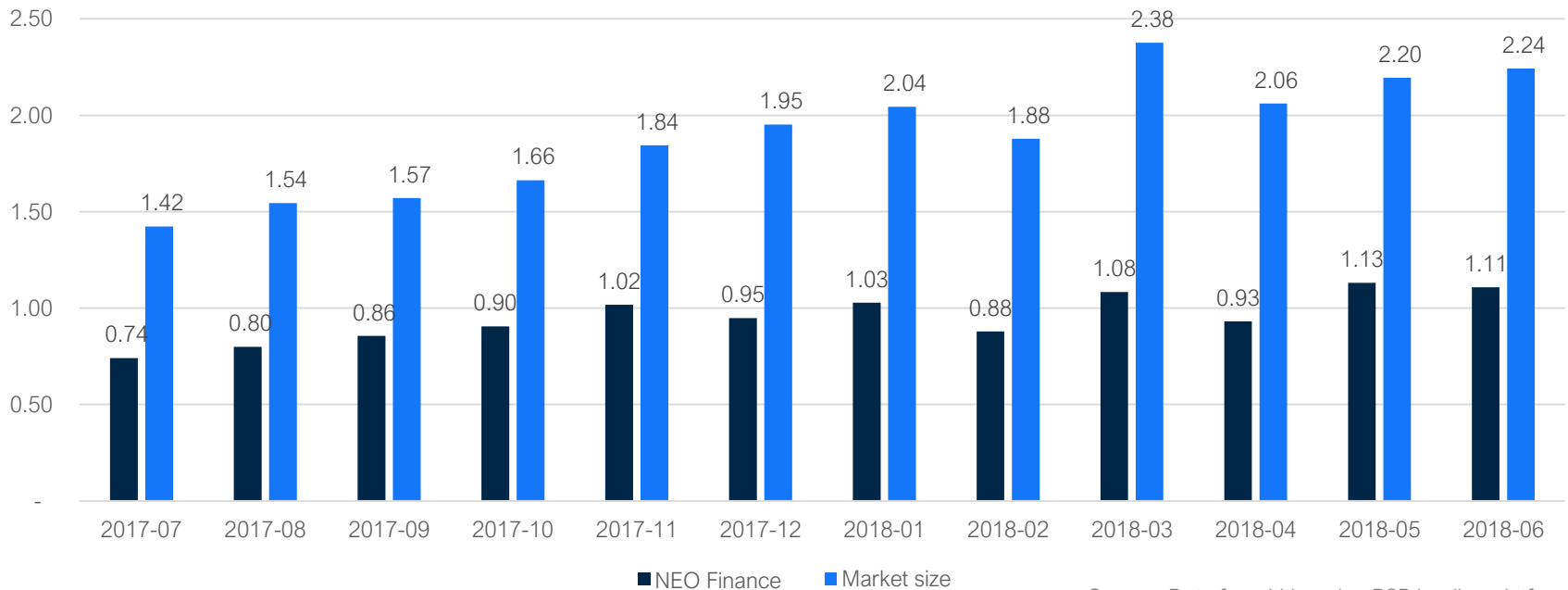
# P2P consumer loan market in Lithuania



In 2018 Q2 P2P consumer loan market size reached **6.50 million EUR**. Compared to 2017 Q2 year on year the issued loans volume grew by **71%** from **3.81 million EUR**. **“NEO Finance”** market share during 2018 Q2 was **49%** with **3.17 million EUR** of loans issued.

Monthly amount of issued consumer loans through all Lithuanian platforms reached a peak of **2.38 million EUR** in March. **“NEO Finance”** reached a record of **1.13 million EUR** financed in May. Compared to the same month in 2017, **“NEO Finance”** issued loans volume grew by **88%**.

P2P consumer market, loans issued, million EUR



Source: Data from Lithuanian P2P lending platforms

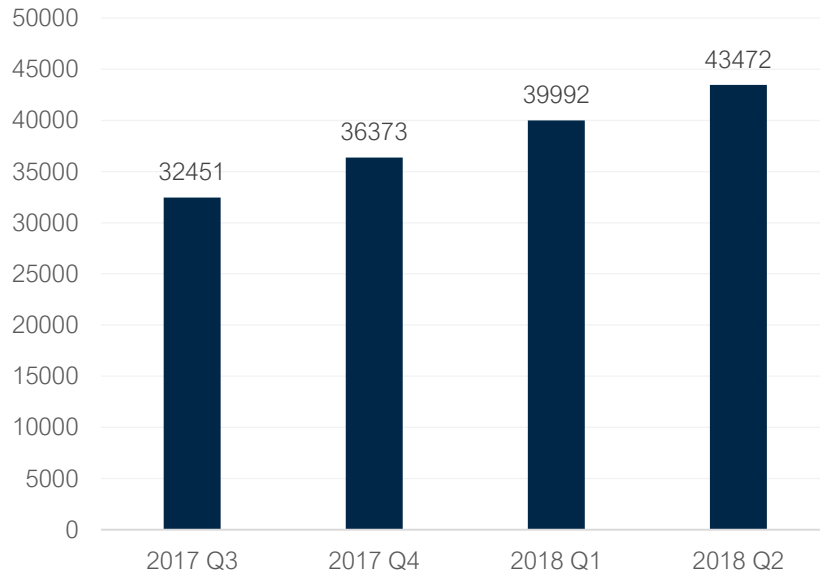
# Borrowers



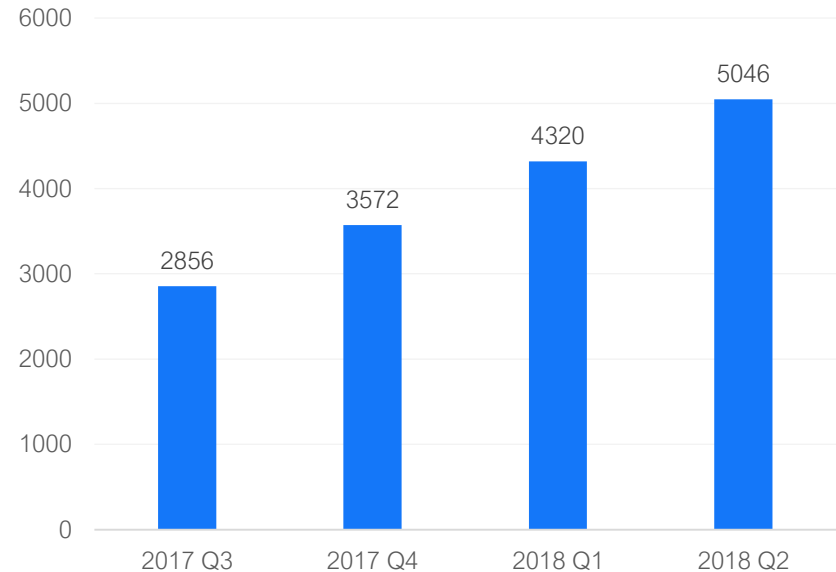
In 2018 Q2 low fees and increasing brand awareness attracted **3 480 new registered borrowers**. At the end of 2018 Q2 the number of registered borrowers grew to a total of **43 472**. Compared to 2017 Q2, the number of registered borrowers grew by **50%**.

In 2018 Q2 the number of active borrowers grew by **726 users**. At the end of 2018 Q2 the number of active borrowers reached a total of **5 046**. Compared to 2017 Q2, the number of active borrowers grew by **124%**.

## Registered borrowers



## Active borrowers



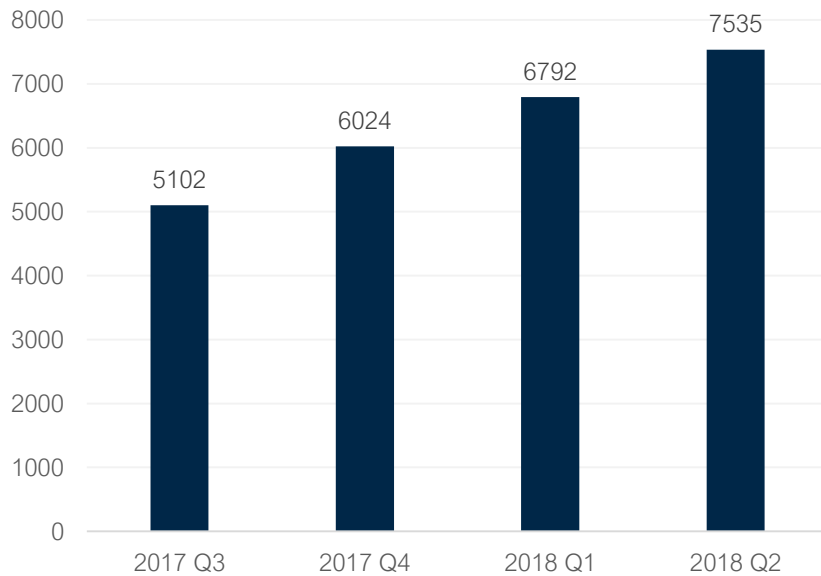
# Investors



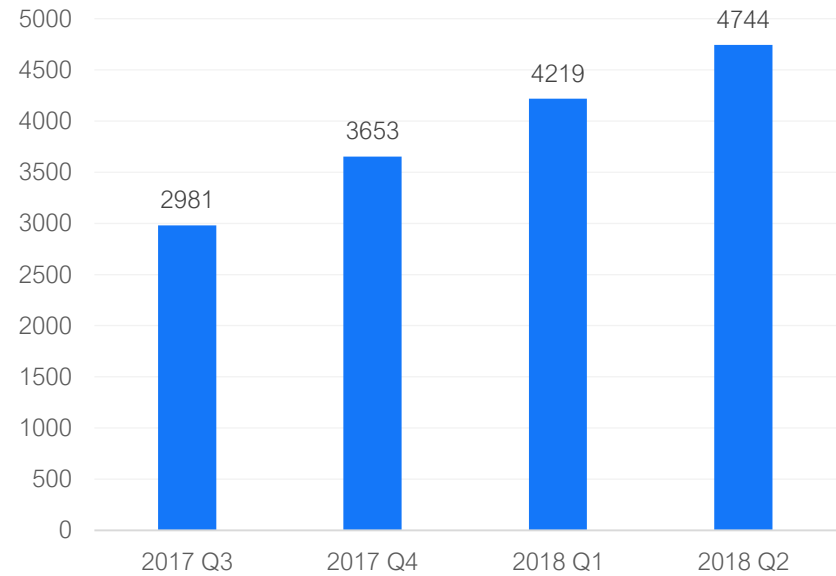
In 2018 Q2 investors' trust, stable returns, transparent communication, timely management reports and audited financial reports attracted **743 new registered investors** to a total of **7 535**. Compared to 2017 Q2, the number of registered investors grew by **67%**.

In 2018 Q2 the number of active investors grew by **566**. At the end of 2018 Q2 the number of active investors reached a total of **4 219**. Compared to 2017 Q2, the number of active investors grew by **104%**.

### Registered investors



### Active investors



**Investors have already earned 1.8 million EUR in returns.**

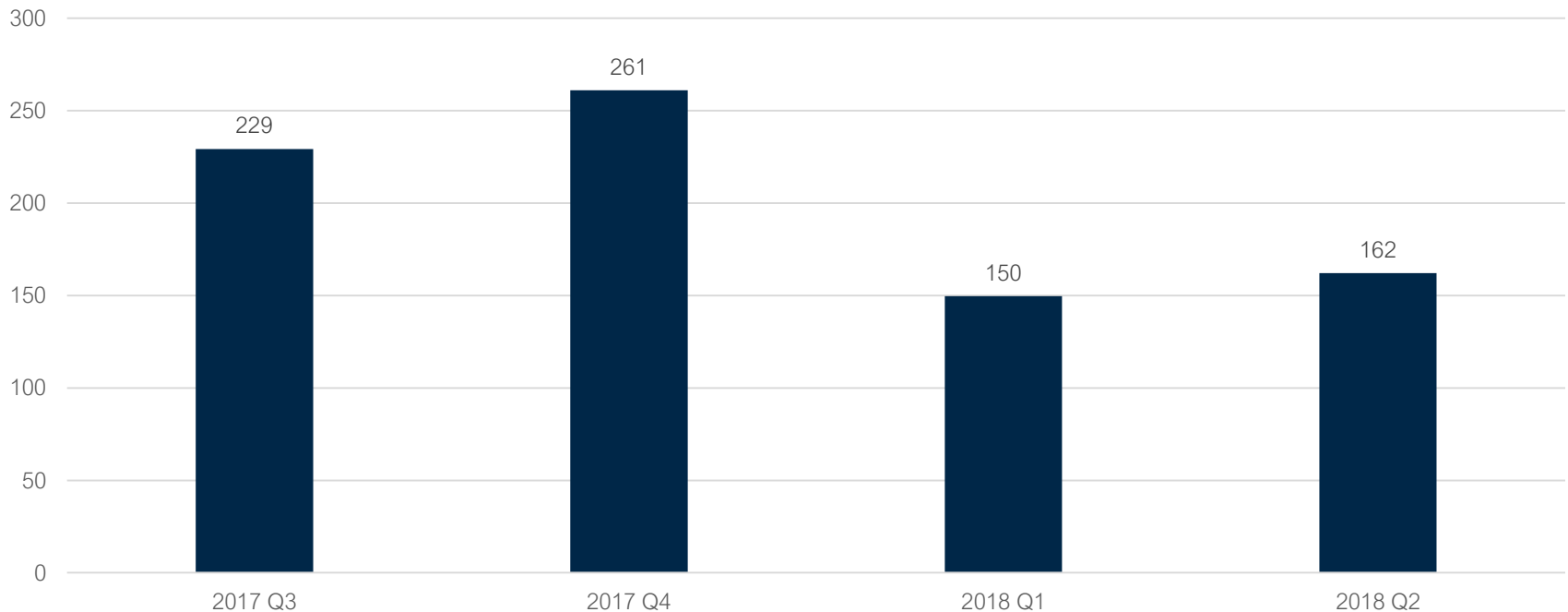
# NEO Finance investments



“**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 2018 Q2 “**NEO Finance**” invested **162 thousand EUR**.

Since the launch in December, 2015 “**NEO Finance**” investments into loans reached **1.21 million EUR**.

NEO Finance investments, K EUR



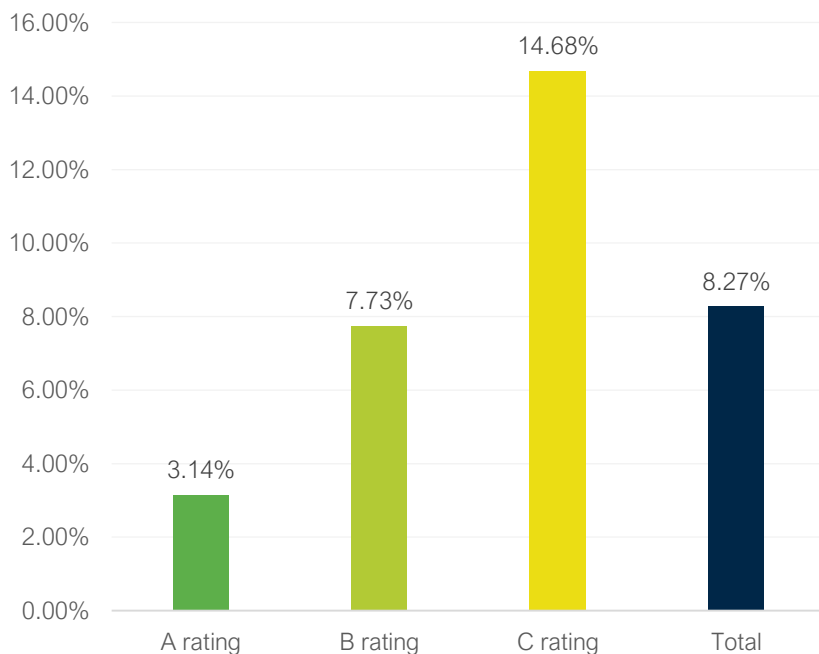
# Overdue loans



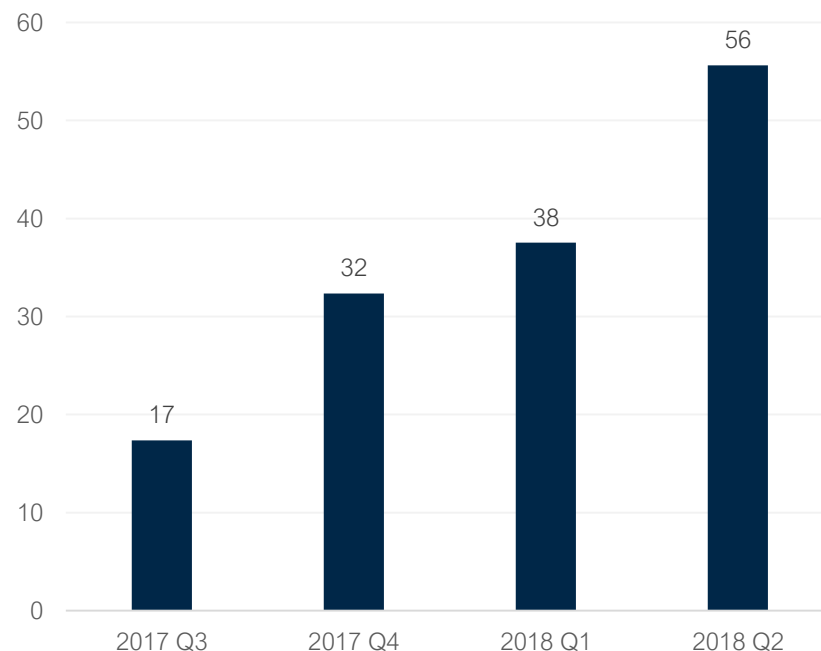
At the end of 2018 Q2 out of **6 995 issued loans** - **528 loans**, or **7.55%**, were overdue for more than 90 consecutive days. Respectively, out of **17.7 million EUR** financed – **1.46 million EUR** or **8.27%** were overdue more than 90 days.

“**NEO Finance**” is highly concerned about loan repayments, therefore great effort was put in a recovery of payments from terminated loans . During 2018 Q2 a total of **56 thousand EUR** were recovered and distributed to investors.

EUR, overdue >90 days, %.



Amount recovered, K EUR



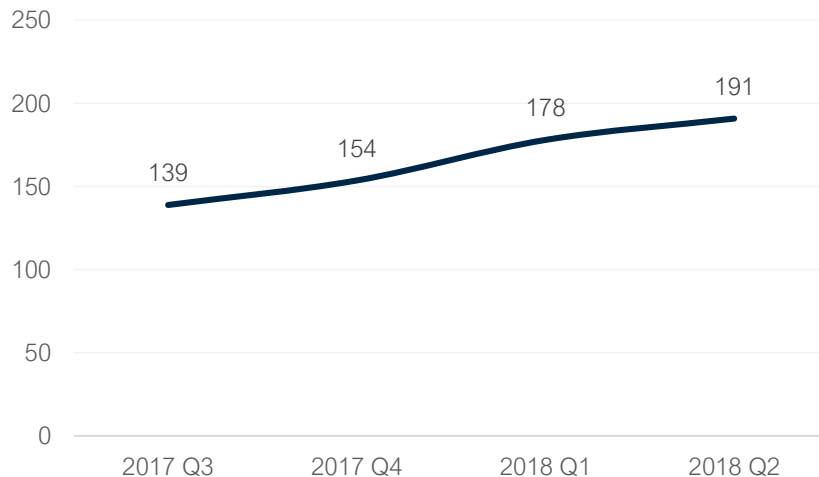


# Provision fund

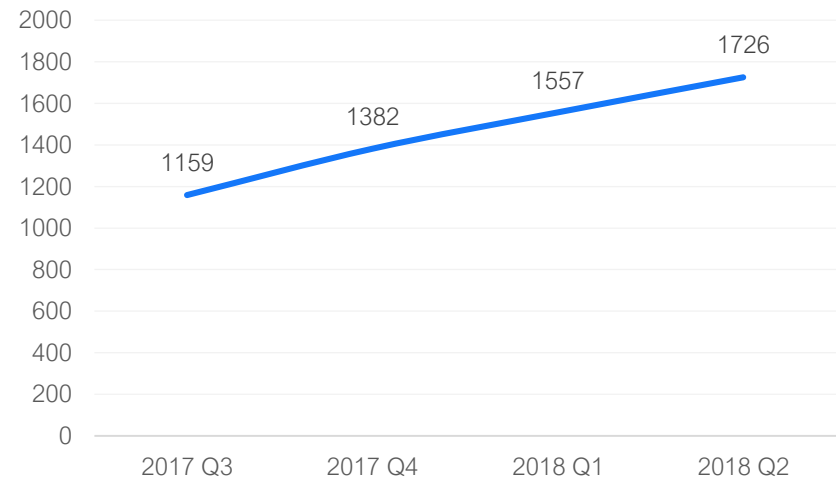
“NEO Finance” offers a „Provision Fund” service, which allows investors to reduce their investment risk. If a loan defaults – “NEO Finance” guarantees to repay the investor with all of the assets. During 2018 Q2 the service covered **84 927 EUR**.

For liquidity risk management, “NEO Finance” 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 **12 816 EUR**. At the end of 2018 Q2 there were **190 790 EUR** of accumulated funds, and the total guaranteed amount was **1 725 727 EUR**, resulting in **11%** coverage ratio.

Provision fund, K EUR

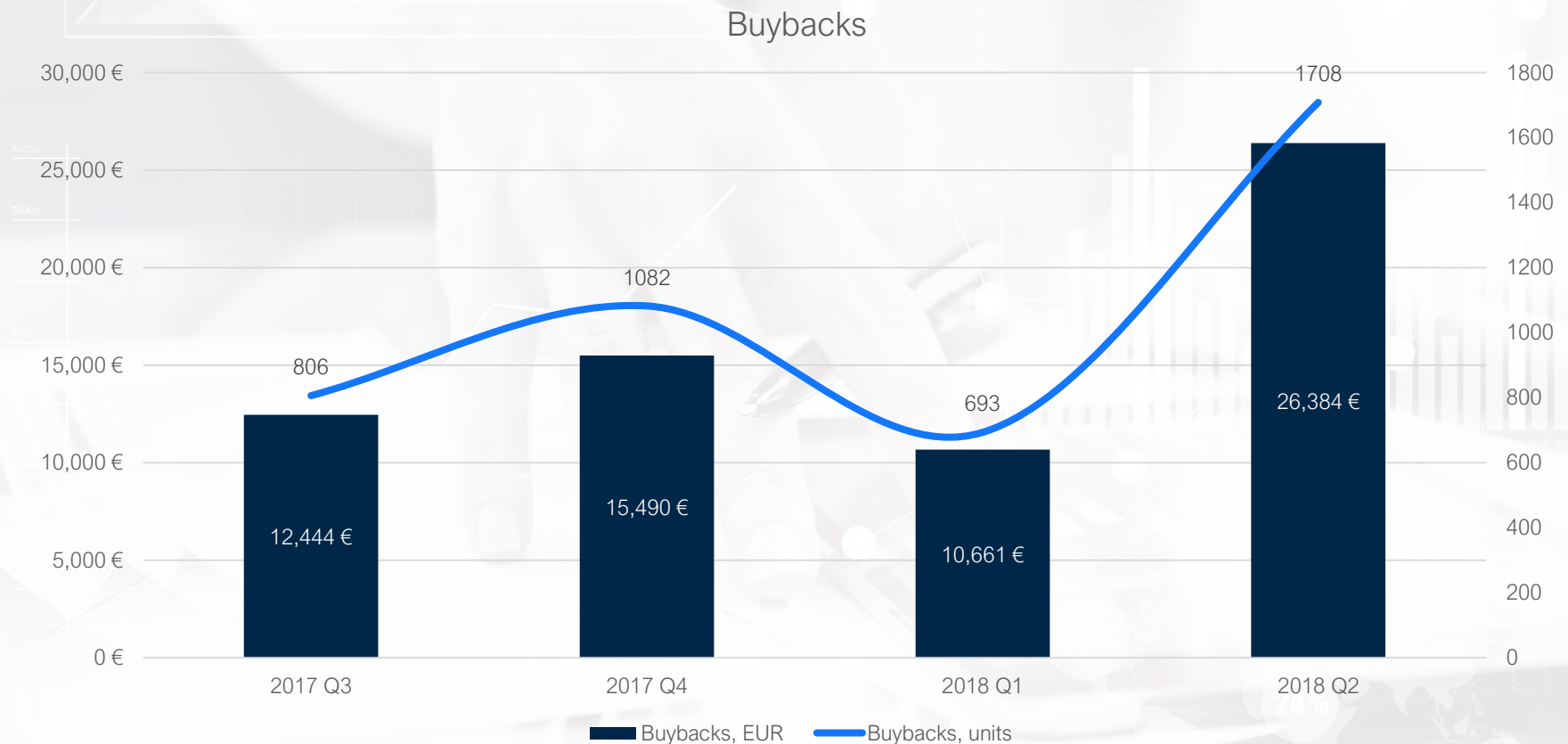


Guaranteed amount, K EUR



# Buybacks

“**NEO Finance**” 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 “**NEO Finance**”. In 2018 Q2 investors sold **1 708 investments for 26 384 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 2018 Q2 secondary market turnover reached **179 184 EUR**. Average transaction was **31.67 EUR**.



# Main statistics

Since launch till the end of 2018  
Q2

**4744**

Active investors

**3,736 €**

Average amount  
invested

**1,832,327 €**

Interest received

**17,674,242 €**

Issued loans

**604,077 €**

Investments sold in  
secondary market

**12,494,378 €**

Outstanding principal

