4finance Holding SA

Investor Presentation for 9 month 2016 results

10 November, 2016

Summary of first nine months of 2016

- **4finance has established a leading business**
  - European market leader in online and mobile consumer finance
  - Diversified business, including EU licensed bank, with strong financial track record
  - Total assets have doubled in a year, net loans over EUR 500 million
- **Solid results for first nine months, driven by core business**
  - Strong revenue growth, +25%, and Adjusted EBITDA generation, +16%
  - Sound business performance following changes in regulation
  - Costs held flat Q3 from Q2 in core business, risk metrics in line with expectations
- **Acquisitions finalised and contributing to profitable growth**
  - TBI Bank solid results post acquisition, strategy in place to enhance IT infrastructure
  - Friendly Finance delivering volume growth and coordinating on marketing and risk
- **New market and product investments not yet mature: 15 of our 33 product instances launched H2 2015 onwards**
  - Latin America market entry showing good indications (Mexico, Argentina)
  - Instalment loan rollout (Poland, Spain, Romania...)
  - Line of credit (Latvia)
- **Large scale, market leading operator with capabilities in place to deliver future growth**

4finance: what has been achieved already

The European leader in online and mobile consumer lending:
Putting our customers first, providing a convenient and transparent service using cutting edge data-driven technology

33%
9M’2016 return on average equity

25%
9M’2016 revenue growth

80%
9M’2016 returning customer rate

22%
9M’2016 profit before tax margin

16
Countries of operation [(1)]

9
Leading market positions

3,500
9M’2016 full time employees[(2)]

400
Highly qualified IT engineers[(3)]

First nine months of 2016…

5,500,000+
online applications reviewed

2,500,000+
online loans issued

7,000,000+
registered customers

€840,000,000
online loans issued

Notes:
(1) Includes Friendly Finance acquisition in June 2016 and Dominican Republic launched in August 2016
(2) Including Friendly Finance and TBI Bank
(3) Includes 190 in-house IT specialists and more than 200 third-party contractors

Capabilities in place to deliver revenue growth

Only half of our product 'instances' are mature

- 33 online product sites live by year end
- 15 launched in Q3 2015 onwards

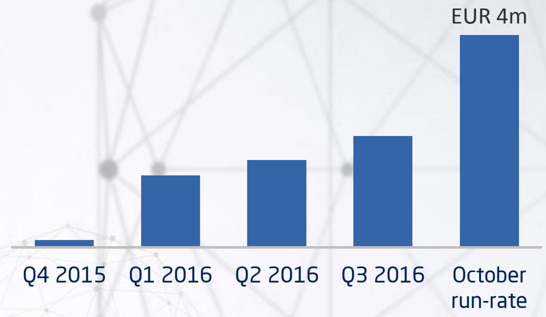
Latin American expansion on track

- Argentina & Mexico volumes increasing
- Dominican Republic launched in August
- Pipeline: Guatemala, Brazil…

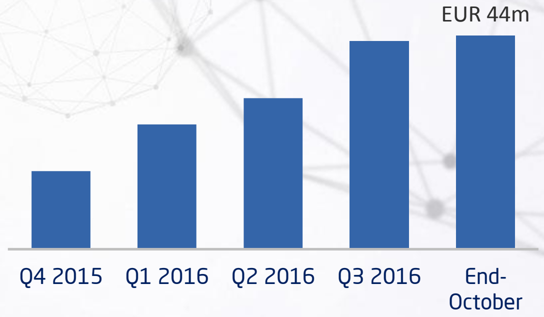
Instalment loan roll out

- Recent instalment launches in larger markets Denmark (Q3 '15), Poland (relaunch Q4 '15), Spain (Q2 '16) & Romania (Q3 '16)
- Pipeline: Czech Republic, Mexico…

Quarterly Issuance (Latin America)



Gross portfolio (new instalment loans)



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Highlights of 9M 2016 results: EUR 49.2m profit

Results show continued progress

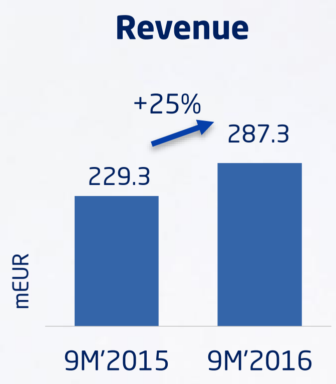
- Revenue up 25% to EUR 287.3 million, Adjusted EBITDA up 16%
- Cost to revenue ratio 47%, stable from previous quarters
- Net profit EUR 49.2 m

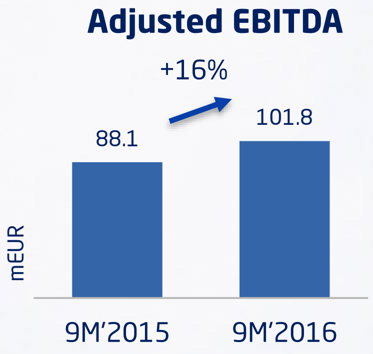
Positive contribution from acquisitions

- TBI Bank: EUR 8m revenue, EUR 3m net profit (two months)
- Friendly Finance: EUR 6m revenue, EUR 0.6m net profit (three months)
- Synergies on marketing, risk and IT infrastructure

Asset quality trends in line with expectations

- Stable online NPL/sales ratio of 9.6% and impairment/revenue ratio 25%
- Profitable portfolio sales demonstrate prudent policies
- TBI Bank asset quality stable (NPL/gross loans ratio 10.5% with 101% provision coverage on consumer loans & strong SME collateral coverage)





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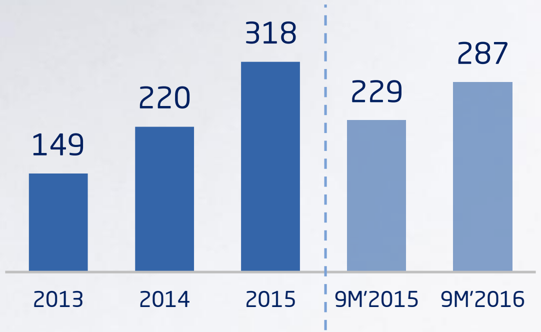
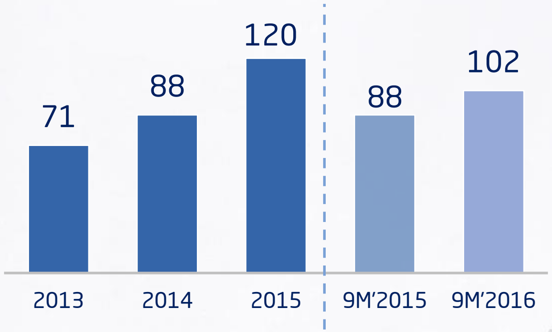
Financial highlights - profitable growth

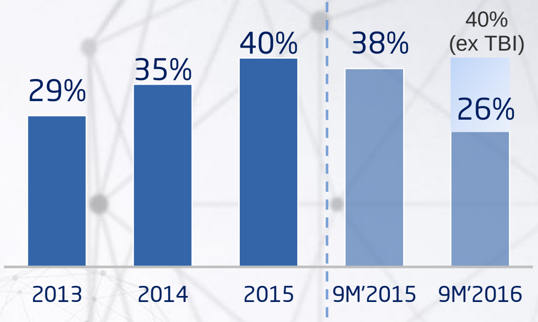
Revenue, m EUR



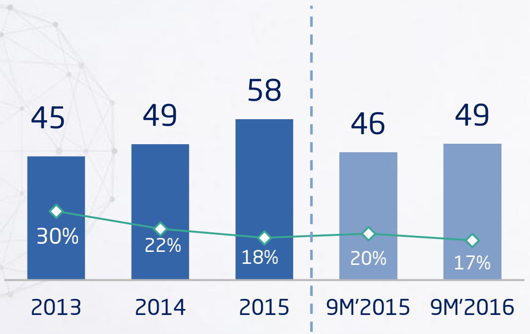
Adjusted EBITDA, m EUR



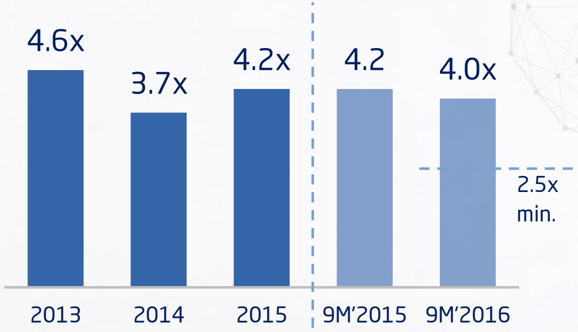
Capital to assets ratio, % (1)



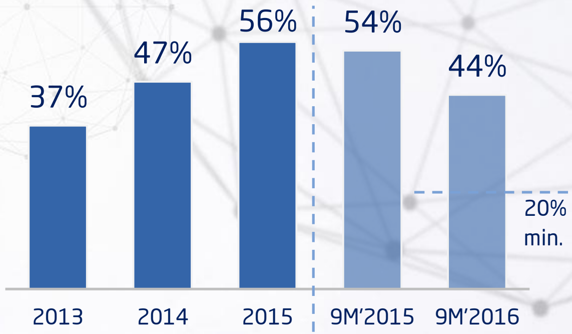
Net profit from continuing operations (m EUR) and net margin



Adjusted interest coverage ratio

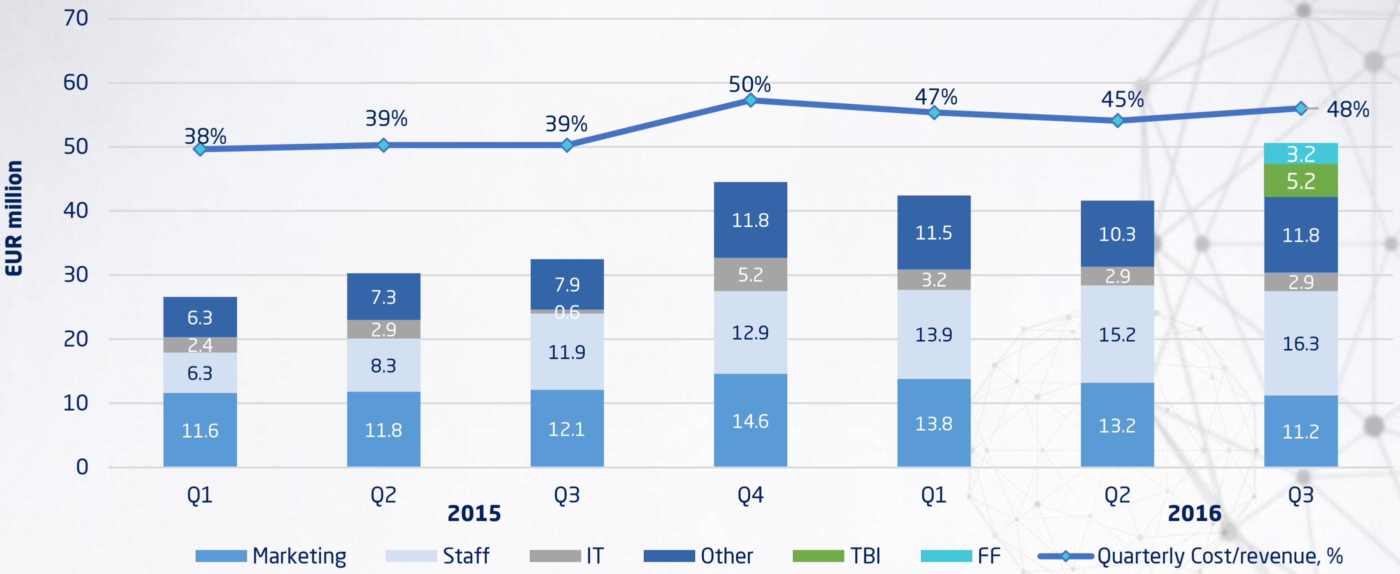


Capital/net loans, %



(1) Total assets figure for 2014 adjusted for the effect of bonds defeasance

Quarterly expenses breakdown



- Marketing efficiency improving: marketing expense / revenue (ex-acquisitions) decreased to 14.0% (9M16) from 15.5% (9M15)
- Focus on cost discipline and cost effective investments to support future growth (costs held flat in Q3 flat Q2)
- Acquisitions now included in cost base: marginal increase in cost/revenue ratio for Q3

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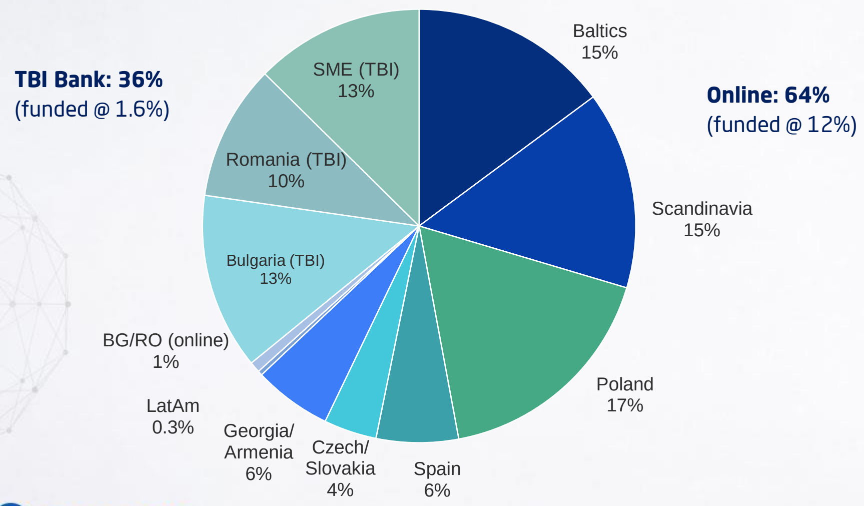
Note: Other includes debt collection, legal and consulting, application inspection costs, communications, bank expenses, travel, rent and utilities, depreciation & amortisation and other expenses
Q1-3 figures reflect reported unaudited results and Q4 figures reflect balance to FY 2015 audited results

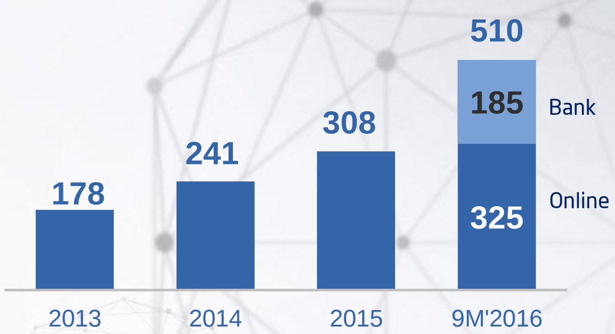
Diversified overall loan portfolio

- **Net portfolio over EUR 500m following inclusion of TBI Bank**
  - 87% consumer loans
  - 64% online loans / 36% banking
  - Online loans issued in 9M'2016: EUR 841m
    - growth of 7% from 9M'2015

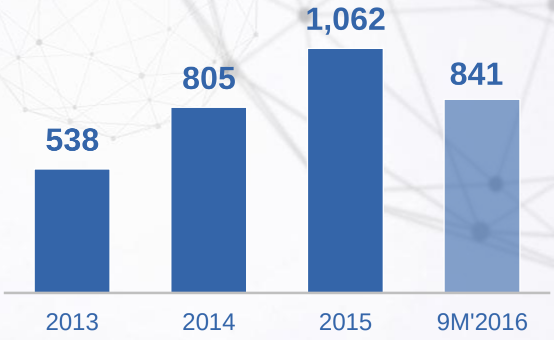
Net loan portfolio, 30/09/2016



Net loan portfolio(1), mEUR



Online loans issued(2), mEUR

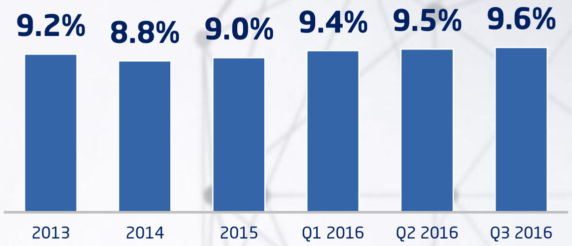


(1) Gross loan portfolio less provisions for bad debts (2) Continuing operations only

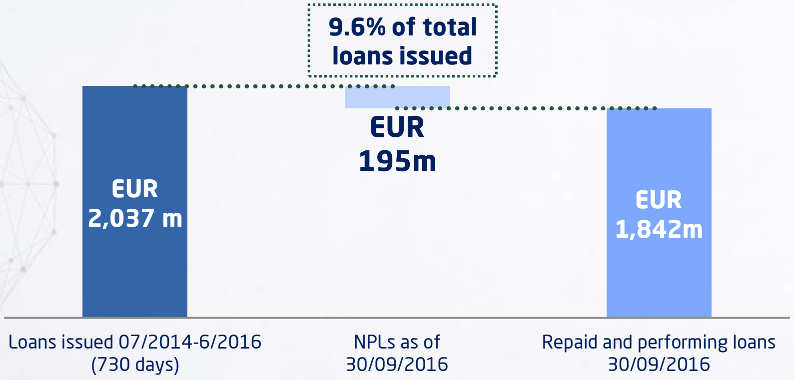
Online: non-performing loans and provisioning stable

- Loans that are overdue more than 90 days are considered as non-performing (NPLs)
- At the end of Q3 2016, NPLs represented 9.6% of total issued loans over the last 730 days (excluding acquisitions)
- Actual loss experienced on NPLs is approximately 50% (53% as of 30/09/2016)
- Provisions for default are typically 5-10 p.p. higher

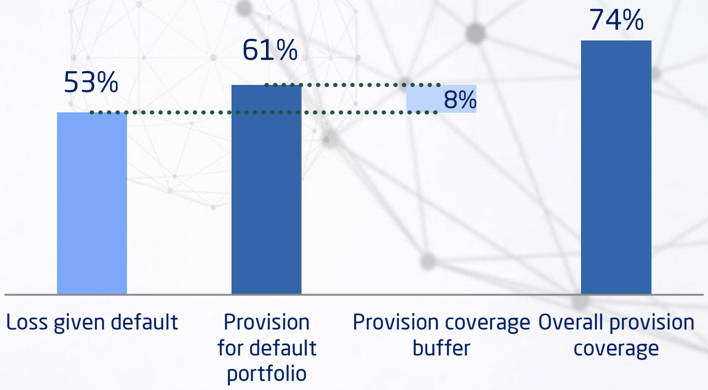
Stable NPLs to issued loans ratio[1]



Non-performing loans (NPLs) as % of total loans issued[1]

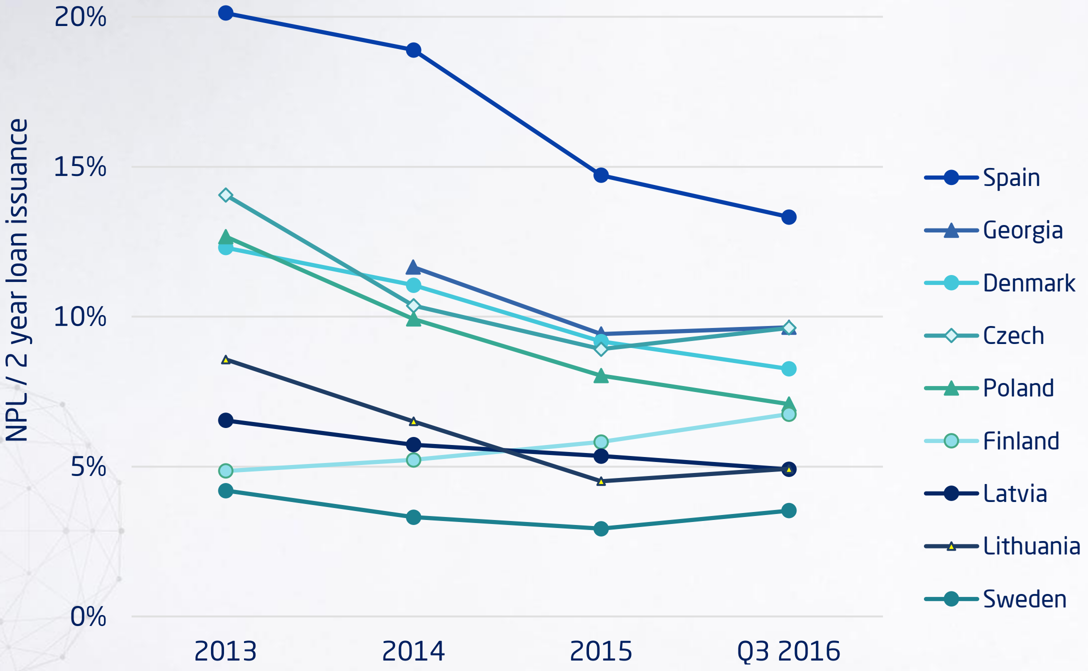


Conservative online loan provision coverage



(1) Total issued loans include the amount of loans issued, excluding Friendly Finance and TBI Bank, during 730 days ending 90 days prior to the end of period

Online: asset quality trends for single payment loans



- Non-performing loans to loan issuance ratio tends to improve over time in each market
    - More data: better scorecards
    - More experience: better debt collection
    - More returning customers
- Different characteristics for each market
    - Portfolio mix shift drives overall Group NPL/sales ratio (eg growth in Spain)
    - Current trend is in line with expectations
    - Increases in some markets with lower new issuance (Finland, Lithuania, Sweden)
- Higher NPL ratio countries also have higher interest rates and revenue
    - Impairment / revenue ratio stable

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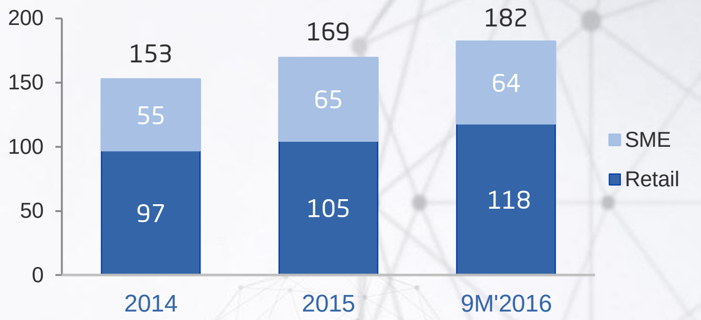
TBI Bank: loan portfolio and asset quality

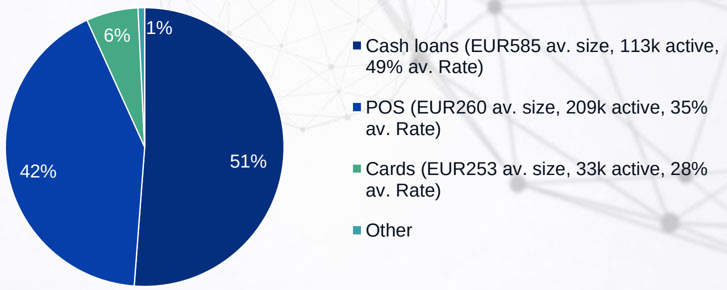
TBI portfolio overview

- **Diversified loan portfolio**
  - 65% consumer, 35% SME/leasing
  - Even split Bulgaria/Romania
- **Consumer portfolio similar to 4finance**
  - Very granular, small ticket sizes, cash/POS/Cards
  - c. EUR 250 average balance for POS and Cards and c.EUR 600 for cash loans
  - Average tenor 13/20 months for POS/cash loans in Bulgaria and 26/36 months in Romania
- **SME portfolio is well diversified**
  - Diversified by economic sector
  - Top 10 exposures total 10% of gross portfolio
  - Average tenor 4-5 years
- **Overall NPL / Gross loans ratio 10.5%**
  - Consumer portfolio 8.9% with 101% provision coverage
  - SME/leasing portfolio 13.7% with 27% provision coverage and 56% average loan-to-value collateral
- **Impairment / revenue ratio of 15%**

Net loan portfolio(1), 30/9/2016, mEUR



Consumer gross portfolio by type, 30/9/2016



(1) Gross loan portfolio less provisions for bad debts, based on management reporting, book value

TBI Bank: well capitalised, with low cost of funds

Capital and funding overview

- **Capital essentially all core tier 1 equity**
  - Tier 1 ratio 24%
  - Capital adequacy 24%
- **Vast majority of funding is customer accounts and deposits**
  - EUR 186m customer accounts / deposits
  - EUR 18m other loans & borrowings
- **Strong performance in recent Bulgaria National Bank Asset Quality Review and Stress Tests**
  - Full comprehensive review published August 2016
  - 2nd best Tier 1 capital ratio under stressed scenario
  - No additional provisioning recommended

Deposit dynamics by market

- **Attractive funding cost**
  - Blended cost of funds of 1.6% for Q3 2016
- **Bulgaria (c.75%)**
  - Focus on growing retail deposits (retail interest rates halved in last 12 months)
  - 70% retail deposits, annual rate 1.7%
  - 30% corporate deposits, annual rate 0.6%
- **Romania (c.25%)**
  - Market wide reduction in deposit rates
  - Generated with only 5 branches
  - 28% EUR deposits, currently offering 12 month rates of 1.15%
  - 72% RON deposits, currently offering 12 month rates of 1.95-2.15%

Adapting successfully to market changes

- **As a responsible lender, we welcome appropriate regulation**
  - Active in regulatory / legislative consultations through industry associations
  - Supportive of clear regulatory frameworks
  - Clear, transparent products and pricing with IT/development resources to adapt products where needed
  - Launch of **'responsible borrowing'** global website (www.responsibleborrowing.com) with local sites in 9 markets
  - Secured Consumer Credit company license from Finansinspektionen in Sweden in September
- **Adapted successfully to regulatory and other changes in key markets in 2016**
  - Poland and Latvia: product diversification has sustained revenues
  - Lithuania: reduced marketing and volumes during regulatory change, ready to participate strongly
  - Google changes: diversified marketing channels and in-house digital agency mitigated impact
- **Active preparation / monitoring of upcoming regulatory changes and proposals**

Conclusion

- 4finance has established a leading business
- Solid results for first nine months
- Acquisitions finalised and contributing to profitable growth
- New market and product investments not yet mature: 15 of our 33 product instances launched H2 2015 onwards
- Large scale, market leading operator with capabilities in place to deliver future growth

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Appendix

Income statement

INCOME STATEMENT, M EUR	9M'2015	9M'2016	% Change
Interest income	**229.3**	**287.3**	**25%**
Interest expense	(21.1)	(26.2)	24%
Net interest income	**208.2**	**261.1**	**25%**
Net impairment losses on loans and receivables	(57.0)	(69.7)	22%
General administrative expenses	(89.0)	(134.6)	51%
Other income/(expense)	(2.9)	5.9	n.m.
Profit before tax	**59.3**	**62.6**	**6%**
Tax	(13.3)	(13.4)	1%
Profit from continuing operations	**46.0**	**49.2**	**7%**
Discontinued operations, net of tax	5.3	-	(100)%
Net profit	51.3	49.2	(4)%
Net impairment to revenue ratio %	25%	24%	
Cost to income ratio %	39%	47%	
Net profit margin, %	20%	17%	

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Balance sheet

BALANCE SHEET, M EUR	9M'2015	9M'2016	% Change
Loans and advances	**299.1**	**510.4**	**71%**
Cash and cash equivalents	47.5	86.2	81%
Intangible assets (IT platform)	2.7	31.0	n.m.
Goodwill	0.6	33.6	n.m.
All other assets	73.8	185.3	151%
Total assets	**423.7**	**846.5**	**100%**
Loans and borrowings	226.9	348.3	54%
Customer deposits	8.3	197.2	n.m.
All other liabilities	28.0	78.6	81%
Total liabilities	**263.2**	**624.1**	**137%**
Total equity	**160.5**	**222.4**	**39%**
Total equity and liabilities	**423.7**	**846.5**	**100%**

KEY RATIOS	9M'2015	9M'2016
Capital/assets ratio	38%	26%
Capital/net loan portfolio	54%	44%
Adjusted interest coverage ratio	4.2x	4.0x
Return on average equity(1)	45%	33%
Return on average assets(1)	15%	10%

(1) RoAE and RoAA based on net profit from continuing operations