

## 4FINANCE REPORTS RESULTS FOR THE NINE MONTHS ENDING 30 SEPTEMBER 2016

### *REVENUE UP 25%, NET PROFIT EUR 49.2 MILLION, SHOWING CONTINUED PROFITABLE GROWTH*

Riga, Latvia, 9 November 2016. 4finance Holding S.A. (the 'Group'), Europe's largest online and mobile consumer lending group, today announces unaudited consolidated results for the nine months ending 30 September 2016 (the 'Period').

#### *Financial Highlights*

- Revenue up 25% to EUR 287.3 million in the Period compared with EUR 229.3 million in the prior year period.
- Adjusted EBITDA was EUR 101.8 million for the Period, up 16%, leading to an adjusted interest coverage ratio of 4.0x.
- The Group's profit from continuing operations for the nine months to 30 September 2016 was EUR 49.2 million, an increase of 7% from EUR 46.0 million in 2015.
- Net loan portfolio reached EUR 510.4 million as of 30 September 2016, up 66% during the year.
- Cost to revenue ratio for the Period was 47%, vs. 39% for the nine months to 30 September 2015, reflecting a significant increase in staff numbers during the year, acquisitions and investment for future growth.
- Financial strength remains solid following recent acquisitions, with a capital to assets ratio of 26% as of 30 September 2016 and a capital to net loans ratio of 44%.
- Credit discipline maintained, with a non-performing loans to online loan issuance ratio of 9.6% as of 30 September 2016, within the expected range, and stable asset quality within banking portfolios.

#### *Operational Highlights*

- The number of registered online lending customers reached 5.7 million as of 30 September 2016, up 32% from a year ago, with a further 1.4 million registered banking customers added through TBI Bank.
- Continued product diversification in existing European markets: introduced the line of credit product in Latvia in September (kimbi.lv) and instalment loans in Romania in August (onnen.ro).
- Targeted expansion in new markets: launch of single payment loans in Dominican Republic in August (vivus.com.do).
- TBI Bank purchase finalised and showing a strong financial performance post acquisition in mid-August.
- Friendly Finance delivered 9% of overall Q3 online lending issuance volumes and was profitable for the quarter.
- Developed the responsibleborrowing.com financial education platform with customer advice websites now active in 9 countries.

George Georgakopoulos, CEO of 4finance, commented:

*With revenue growth of 25% and net profit of EUR 49.2 million, our nine months results are further evidence that 4finance is building a strong track record of delivering solid profits whilst growing the business. We have successfully adapted to market changes this year and strengthened our competitive position.*

*The acquisitions we have carried out have contributed to profitable growth in the third quarter. Friendly Finance is seeing strong volume growth as we coordinate marketing efforts. TBI Bank is seeing growth in both consumer lending and deposits in a liquid local market.*

*We are excited about the potential of our Latin American operations, with more than 1,500 loan applications now processed daily across three countries, over half of which are via smartphone.*

*We have invested significantly over the last couple of years in new products, new markets and acquisitions. Our growth plans are well supported and the capabilities are in place to deliver revenue growth and build a diversified, sustainable business."*

## Key Financial Ratios

	Nine Months Ended 30 September 2016	Nine Months Ended 30 September 2015	Year Ended 31 December 2015 audited	Year Ended 31 December 2014 audited
	2016	2015	2015	2014
Net loan portfolio (in millions of EUR) <sup>(1)</sup>	510.4	299.1	308.3	241.4
Capital/assets ratio <sup>(2)</sup>	26%	38%	40%	35%
Capital/net loan portfolio <sup>(3)</sup>	44%	54%	56%	47%
Adjusted interest coverage <sup>(4)</sup>	4.0x	4.2x	4.2x	3.7x
Profit before tax margin <sup>(5)</sup>	22%	26%	23%	27%
Return on average equity <sup>(6)</sup>	33%	45%	41%	54%
Cost/revenue ratio <sup>(7)</sup>	47%	39%	42%	37%
Net impairment to revenue ratio <sup>(8)</sup>	24%	25%	25%	25%
Non-performing loans to loan issuance ratio <sup>(9)</sup>	9.6%	9.0%	9.0%	8.8%

### Notes:

- (1) Gross loan portfolio less provisions for bad debts.
- (2) Total equity/total assets (2014 assets adjusted for effect of bond defeasance).
- (3) Total equity/net loan portfolio.
- (4) Adjusted EBITDA/adjusted fixed charges (interest expense excluding interest on deposits).
- (5) Profit before tax/interest income.
- (6) Profit from continuing operations/average equity (total equity as of the start and end of each period divided by two).
- (7) General administrative expenses/interest income.
- (8) Net impairment losses on loans and receivables/interest income.
- (9) Non-performing loans with a delay of over 90 days/value of loans issued, excluding acquisitions. The value of loans issued represents loans issued for the two-year period before commencement of the 90 day past-due period, eg for 30 September 2016: 1 July 2014 to 30 June 2016.

## Contacts

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## Conference call

A conference call with management to discuss these results is scheduled for Thursday, **November 10 at 15:00 UK time**. To register, please visit [www.4finance.com/investors](http://www.4finance.com/investors).

## About 4finance

Established in 2008, 4finance is the largest and fastest growing online and mobile consumer lending group in Europe with operations in 16 countries. Putting innovative data-driven analysis into all aspects of the business, 4finance has grown rapidly, issuing over EUR 3.5 billion in single payment and instalment loans to date.

4finance operates through a portfolio of market leading brands with strong regional presence including Vivus, SMSCredit and Zaplo. A responsible lender, offering simple, convenient and transparent products and service, 4finance is meeting growing customer demand from those under-served by conventional lending.

4finance has group offices in Riga (Latvia), London (UK) and Miami (USA), and currently operates in Argentina, Armenia, Bulgaria, the Czech Republic, Denmark, the Dominican Republic, Finland, Georgia, Latvia, Lithuania, Mexico, Poland, Romania, Spain, Slovakia and Sweden. The group also provides consumer and SME lending through TBI Bank, its EU licensed banking operations in Bulgaria and Romania.

## Forward looking statements

Certain statements in this document are “forward-looking statements”. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements.