



FINANCING BUSINESSES

Fast, flexible and convenient **business loans** to SME's across Eastern Europe

Start





First Finance is a non-bank lender that offers loans to small and medium-size businesses in Lithuania as well as personal loans. Company has demonstrated sustainable financial growth since establishment in 2012. The majority of borrowers are individual entrepreneurs or small companies who are seeking capital for their business and are happy to provide collateral. First Finance has developed an effective customer creditworthiness evaluation process. The client are required to have a good credit history and a strong cash flow from their income.



Invoice Financing

Flexible financing solutions for companies that has locked their capital in produced goods that have already been delivered to buyers that have ability to postpone payments.



Secured Car Loans

Fast and transparent car leasing solutions for businesses.



Real Estate Projects

Short-term property backed loans



Short-term Business Loans

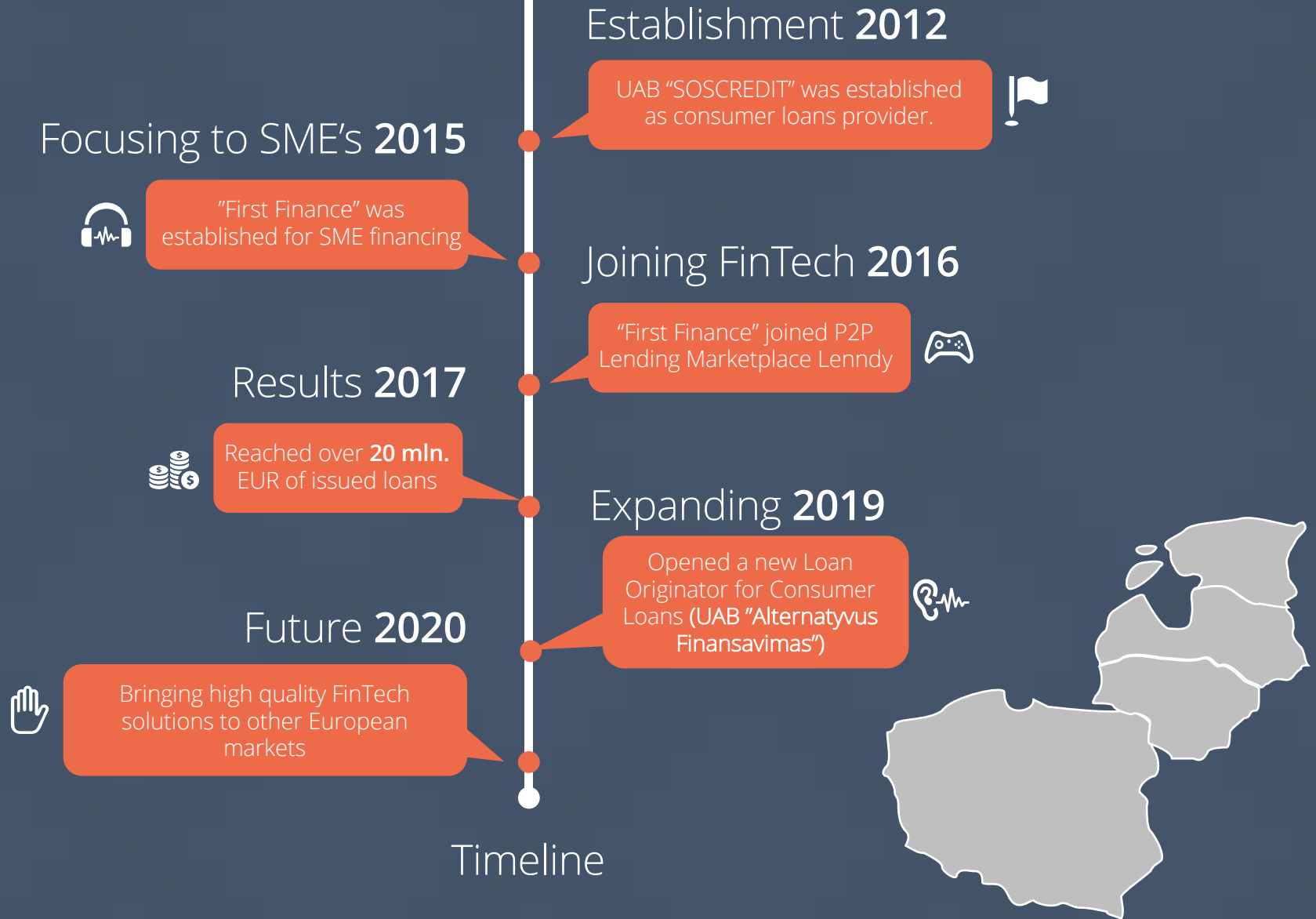
Special type of short-term business loans for companies with good risk rating and personal guarantee.



Consumer Loans

Personal loans to individuals with or without collateral

Summary



Our Key to **Success**

Clear vision and innovative ideas help our company develop and grow

Established reputation



Our brand is well-known in Lithuania as we have a strong marketing strategy and several partners that we work with.

High yield



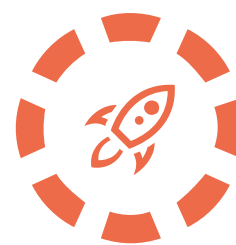
Our loan portfolio is generating 20-30% annual return.

Exponential growth



We are diversifying by selling part of our loans via Latvia's P2P Marketplace Lenndy.

Innovative ideas



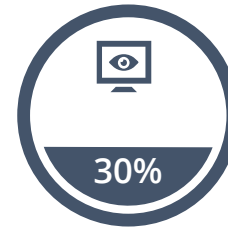
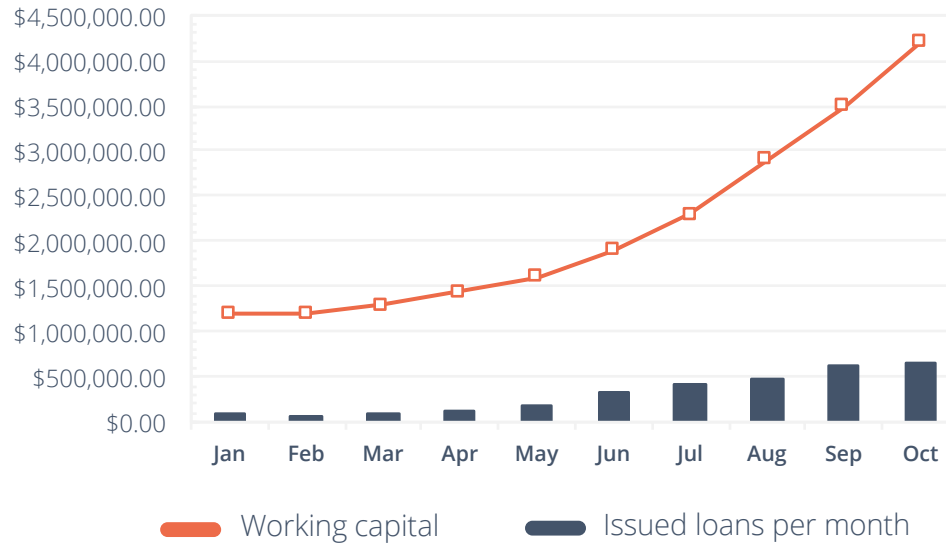
We managed to create a unique loan management system that allows us to have fast and smooth processes.

Our Portfolio

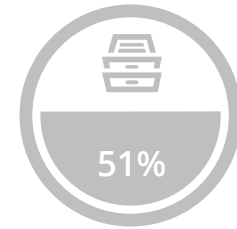
Our portfolio demonstrates exponential growth

Sustainable growth has been achieved due to developed risk management model, competent team and the trust of our investors. We issue between 50 and 100 loans per month. Over 30% loans are issued to existing clients. Lenndy platform plays a major role in the growth of our company.

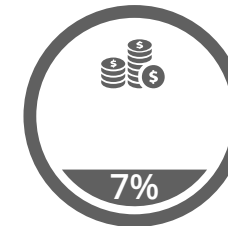
Year 2017



Invoice Financing



Secured Car Loans



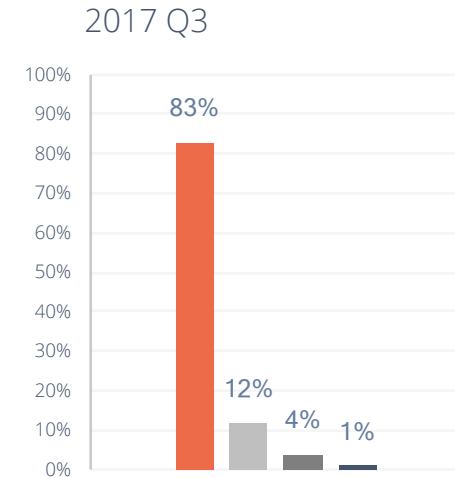
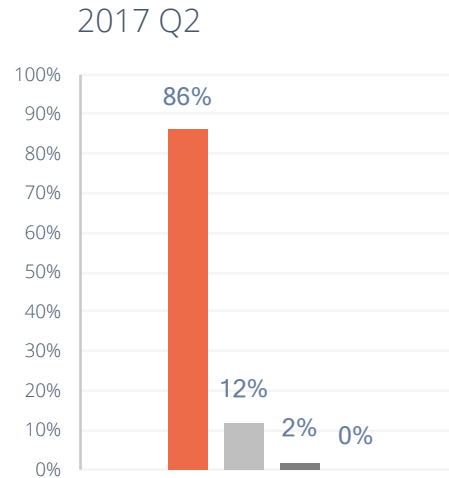
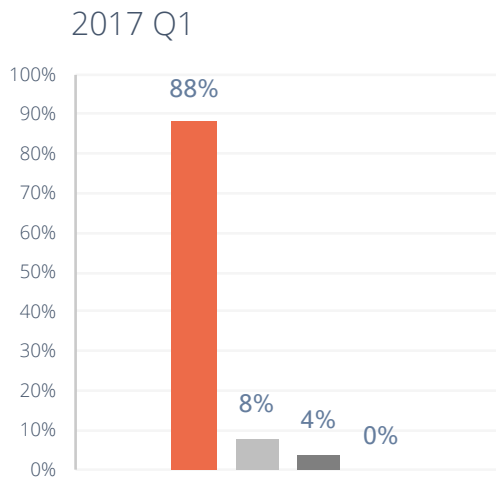
Business loans



Mortgage Loans

Portfolio Performance

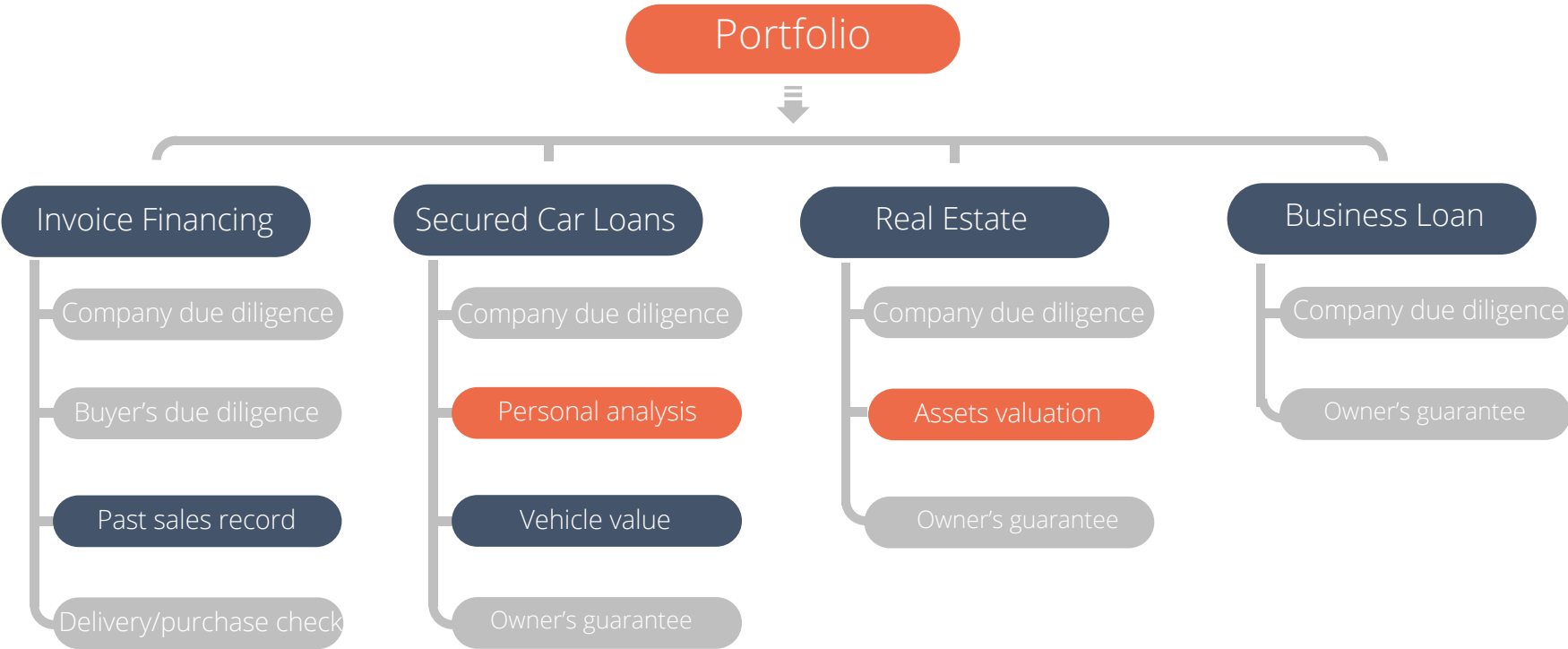
FIRST FINANCE STATISTICS – Current, overdue and defaulted loans.



Active Late 0-60 d. Late 61-90 d. Defaulted

Risk management

First Finance established dynamic risk management process for clients' evaluation and is able to keep default rate close to zero.



Secured Car Loans for Business:

This business product is attractive for huge market in Europe and effective risk management model which is used by First Finance. This product generates annual yield of 30% - 35%. This product is very attractive for taxi companies, companies engaged in vehicle import and sales, small logistics companies and the whole medium-sized business segment which provides vehicles for its employees.

The main risk-reducing processes in auto-leasing funding:

- Until the loan is fully settled, ownership of the vehicle belongs to First Finance. In the case of insolvency of the customer, the vehicle is repossessed and sold in the secondary market or leased to the other customers. All necessary steps are in place to prevent investors from experiencing any losses.
- The vehicles are tracked with GPS transmitters in order for First Finance to locate the vehicle for repossession.
- All vehicles are insured with the civil insurance and more expensive vehicles are insured with kasko insurance.
- The company and the shareholders provide personal guarantees for the whole funding amount. If the amount for the sale of the vehicle is not sufficient to cover the debt, this process ensures recovery of the remaining balance from the company or the shareholders.
- There is the initial contribution of around 10-20% of the vehicle's value. It is required in order to maintain a sufficient loan to value ratio.

Invoice financing

This business funding product is taken from the banks and is one of the fastest growing products among small and medium-sized businesses in the whole Europe.

Operating model of the invoice financing:

- a) Company X issues an invoice for goods or services to company Y.
- b) Usually company Y pays the invoice within 1-3 months from the day of delivery of the goods or services.
- c) Company X, which has delivered the services, is forced to wait for the money and encounters the lack of working capital.
- d) First Finance buys claim rights to the issued invoice and takes over the control of the receivables from the invoice.
- e) Company X, which has delivered the goods, receives 90% of the invoice amount within a day from First Finance. Company X may use the money for its business without waiting for 1-3 months.
- f) Company Y completes the payment according to the terms of the invoice directly to the First Finance bank account.
- d) First Finance charge interest and other applicable fees and then transfers the remaining amount to Company X.

The invoice financing is usually used by smaller companies engaged in production, import and export activities. By using this service, companies are able to maintain production and serve further order. In most cases such short-term funding is provided fast and expeditiously, therefore, borrowers can tolerate higher interest rate. Use of the working capital allows further provision or manufacturing of products, thus, the profitability of the companies increase. This product is attractive for investors as the invoices are usually paid by huge and stable companies with a very low default risk.

Invoice financing usually cost about 2-2.5% per month.

The main risk reducing processes in invoice financing products:

- a) Accuracy of the documents is verified. It is verified whether the goods or services were actually delivered and whether the transfers of money were made. Written approval is obtained from the companies paying the invoices to prove that they do not have claims regarding the goods or services delivered.
- b) Guarantees of the company and the shareholders for the whole financing amount. This process ensures that in the cases of failure to pay the invoice the debt would be covered by the company which has delivered the goods or the services.
- c) Control of bank accounts. The invoices are paid to the account of First Finance directly.
- d) International trade insurance. Some of the companies which pay the invoices are insured by international trade insurance which ensures debt collection in the case of insolvency.

Short-term funding with the **pledged properties (real estate)**

Short-time business funding with pledged property.

This business funding product offers the opportunity for small and medium-sized businesses to borrow money for their primary activities by pledging their property as a collateral. The loan amount is usually much lower than the value of the pledged asset. In case of borrower's insolvency, it is much easier to sell pledged property and recover full loan . **This business funding product generates 20% - 24% annual return.**

The main risk reducing processes in funding with the real estate pledge:

- a) Mortgage is signed at the notary and First Finance is the beneficiary.
- b) Property liquidity is verified and expert property valuation is performed.
- c) Loan to value ratio does not usually exceed 80%.
- d) Shareholders/management of the company signs personal guarantees.

Consumer Loans

UAB "Alternatyvus Finansavimas"

Consumer Loans in Lithuania

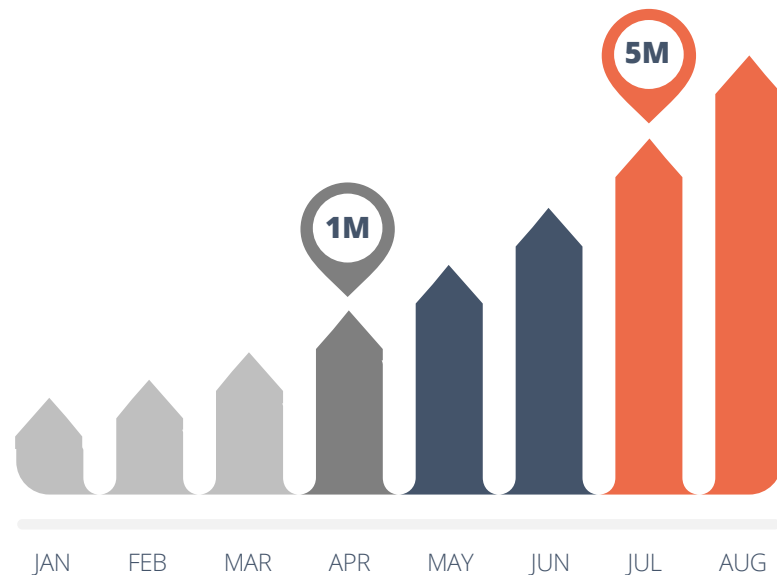


ENG First Finance is a non-bank financial institution that provides lending to business in Eastern Europe since 2012. Year 2018 was a year of expansion that led to establishing a subsidiary company which offers consumer loans, personal car lease and mortgage loans. Clients can get a loan online or by visiting First Finance office. In 2019 company UAB "Alternatyvus finansavimas" received licence and was included in official Bank of Lithuania list of consumer credit providers. Therefore, the company is strictly following responsible lending and credit risk management guidelines. We value sustainable 4 months average income and liabilities to income ration no more than 40%.



Consumer Loan Types

UAB "Alternatyvus finansavimas" can offer a three types of consumer loans



Personal loan

Personal loans are offered from 300 EUR to 3000 EUR. Customers can get a loan with another person's guarantee or get a loan to refinance an older loan. Loans are issued only by following strict credit risk management guidelines.

Car loan

Customers can get a car leasing for up to 100% of a car's price. Clients ability to return the loan is also analyzed by the strict credit risk management guidelines.

Mortgage loan

Consumer Loans with Real Estate as a collateral can be provided for people who are seeking for a best interest rates in the market. First Finance can offer a loan for up to 80% LTV ratio. Clients ability to return the loan is also analyzed by the strict credit risk management guidelines.

Financial Statements

Balance Sheet

Category	2016	2015	% CHANGE
Assets			
Non-current assets	126,010 €	136,183 €	-7%
Fixed assets	4,161 €	16,002 €	-74%
Other fixed assets	121,849 €	120,181 €	1%
Current assets	1,574,179 €	1,291,207 €	22%
Inventory	191,535 €	181,416 €	6%
Other current assets	1,368,266 €	1,106,092 €	24%
Cash and cash equivalents	14,378 €	3,699 €	
Total assets	1,741,551 €	1,430,227 €	22%
Equity and liabilities			
Equity	153,215 €	121,051 €	27%
Total liabilities	1,587,858 €	1,309,176 €	21%
Current liabilities	1,240,979 €	951,691 €	30%
Long-term debt	346,878 €	357,485 €	-3%
Total equity and liabilities	1,741,073 €	1,430,227 €	22%

Financial Statements

Income statement

Category	2016	2015	% CHANGE
SALES REVENUE	542,621.00 €	511,406.00 €	6%
COST OF GOODS SOLD	338,322.00 €	260,456.00 €	30%
GROSS PROFIT	204,299.00 €	250,950.00 €	-19%
OPERATING EXPENSES	109,955.00 €	105,276.00 €	4%
Sales expenses	1,151.00 €	25,880.00 €	-96%
General and administrative	108,804.00 €	79,396.00 €	37%
OPERATING PROFIT	94,344.00 €	145,674.00 €	-35%
OTHER ACTIVITIES	14,723.00 €	5,909.00 €	149%
Revenue	21,205.00 €	12,193.00 €	74%
Expenses	6,482.00 €	6,284.00 €	3%
FINANCING AND INVESTING	-75,093.00 €	-102,734.00 €	-27%
Revenue	29,659.00 €	2,922.00 €	915%
Expenses	104,752.00 €	105,656.00 €	-1%
INCOME BEFORE TAX	33,974.00 €	48,849.00 €	-30%
INCOME TAX	1,809.57 €	507.00 €	257%
NET PROFIT	32,164.43 €	48,342.00 €	-33%

More about **Portfolio**

Current portfolio statistics

Total Funded Loans

Over 15 mln. EUR

Active portfolio

5.5 mln. EUR

Average Funding Term

1 year

Loan Recovery Rate

100 %

Equity

195 215 EUR

Number of funded Loans

Over 1800 loans

Average Interest Rate

28 %

Average Loan Amount

7000 EUR

Client Retention Rate

40 %



FEEL FREE to contact us!

We are constantly looking for new partnership and growth opportunities. You can get in touch with us by writing to info@firstfinance.lt

