



# Kiva

Your **reliable** loan

# INTRO

## About us

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### Our mission

We provide top-quality fintech service compared to traditional banking, offering significantly higher time-to-money speed, less bureaucracy, more focus on fintech and availability of our service to underbanked population (targeted audience).



### Our goals

Our main goal is to be among the top 10 microfinance service providers in Russia by the end of 2020, measured by money disbursed per month. To achieve this, Kiva should disburse 8 EURm loans per month. We are pursuing this goal in parallel with improving operating profitability starting from Feb 2020.



### Our team

Presently, we have 130+ employees on the ground, including a fully established management team represented by high caliber professionals. The Company is ready for rapid and sustainable growth.

The Company's CEO is Ivan Merinov. Ivan holds higher educations (incl. Ph.D. in fintech from MIT, USA) and has over 12 years of hands on experience in international financial institutions and venture capital funds specializing in fintech startups. Before joining our team, Ivan has worked as CEO of one of the leading MFI company in Russia.

Our recruitment approach dictates two primary criteria: we seek candidates who have wealth of experience and ability to work in a team. We are confident that this approach will propel Kiva towards successful development.

# MARKET OVERVIEW

Russian microfinance market

## Loan Portfolio, EURb



## Disbursements, EURb



- Sources: RA Expert rating agency (Russia); the Central Bank of Russia
- Note: EUR values were derived from ones in RUBs with 70 RUB/EUR FX rate

### Proven past performance and exciting growth prospects.

Russian MFI market has demonstrated strong growth in the last years: portfolio CAGR was 31% in 2016 – 2019, disbursements exceeded 4 EURb in 2019. This growth was driven by the following factors (which will persist in the forthcoming years):



1. *MFI industry development.* Key industry players have sufficiently increased their expertise in the last 5 years, especially in marketing, customer care, UI/UX, scoring/anti-fraud procedures, regulatory compliance;



2. *Increase in consumer lending* to compensate for shrinking personal disposable income. Since there are no structural reforms in the Russian economy, weak growth will continue to decrease personal disposable income in real terms. The latter supplemented with people's adherence to certain standards of living will increase consumer lending;



3. *Market development.* The number of MFI clients has increased from mere few to more than 10m customers in 2019 (out of 147m population). At the same time, the share of underbanked population in Russia remains quite high. These prospective clients will bolster further market development;



4. *Regulatory transparency.* The Central Bank of Russia completed its regulatory overhaul of the MFI industry in 1H 2019 aimed at achieving higher market transparency and compliance. These regulations would allow companies with strong operational and risk/anti-fraud processes have less competition and higher margins, as weaker companies will leave the market.

# OUR PRODUCT

## Product features



Loan amount: 40 - 430 EUR



Loan term options: 16, 23, 30 days



The expected average loan amount for a new customer: 110 EUR



Payment at maturity, but could be partially or fully repaid at any day



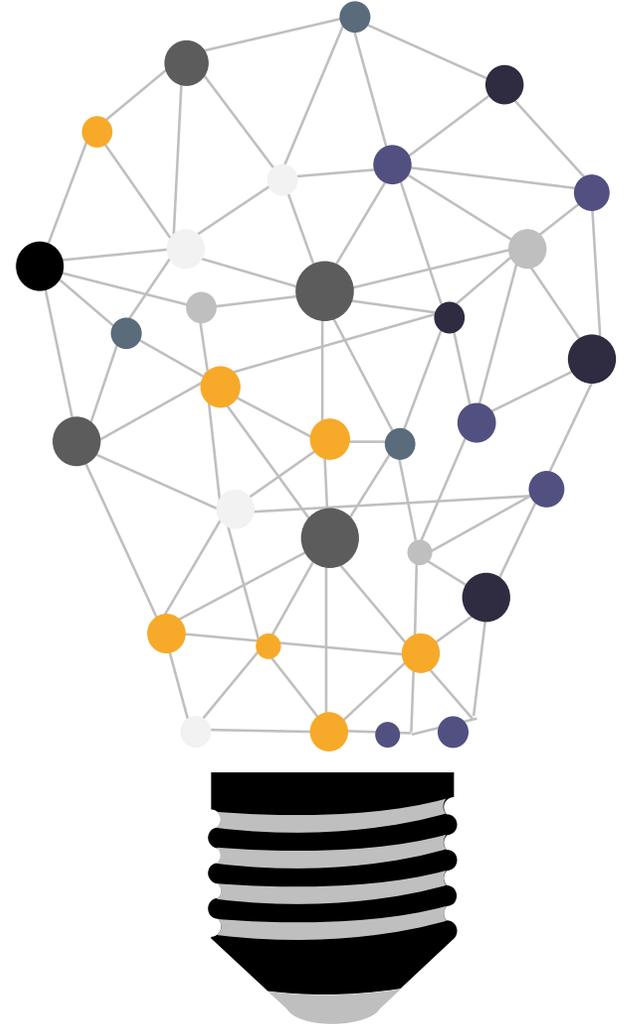
Extension options to main term: +7, +14, +30 days



Multiple loan extension possibility



Max interest rate 1% per day



# DEDICATED TEAMS

Areas of responsibility

CEO

CMO

COO & CMO share a time of the product, portfolio & risks analytics teams

COO

Acquisition

Conversion

Retention

Product dvlpmt and analytics

Sales

Underwriting

IT

HR

Risks (score-making, antifraud)

Call Center

Debt collection

Finance & Accounting

Legal

Portfolio mngmnt & analytics

Training and Quality Control

Client complaints team

Risks & Analytics

'Front' team

'Back' team

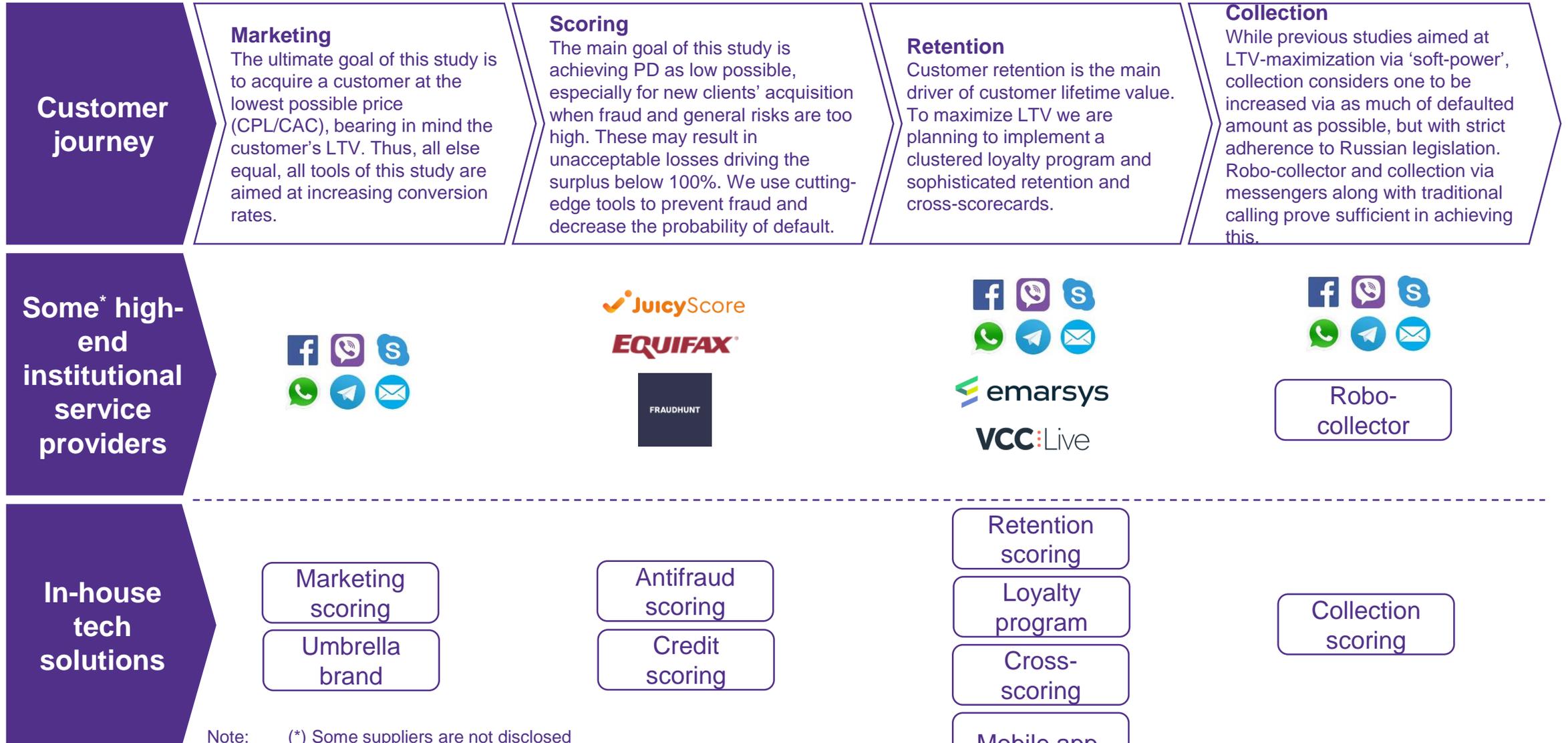
## Top management credentials

The CEO of the Company is Ivan Merinov, Ph.D. in fintech at MIT, USA. Ivan has 12 years of experience. Before joining Kiva's team, Ivan worked as CEO at the top-5 online MFI company in Russia. Among his projects/achievements were a 2x increase in disbursements (1Y), 2.8x decrease in CPL/CAC (8mo), industry-leading antifraud and scoring procedures (1.5Y). Before joining MFI industry, Ivan worked as M&A and financial executive in international financial institutions and VC funds specializing in fintech startups.

The COO is Viacheslav Krykhtin, MSc in Corporate Finance at HSE, Moscow, and MSc in Engineering at Bauman University. Viacheslav has 11 years of experience. Before joining Kiva, Viacheslav has been working for 2 years as Head of Analytics at one of the leading MFI companies in Russia. Before that, he had been working as Manager at KPMG (Valuation and M&A Dept.).

# TECH SOLUTIONS

Some tools and techniques



Note: (\*) Some suppliers are not disclosed

# BUSINESS MODEL

Progressive tools



Structure – MFI with object limited to granting microloans



Core business segment – unsecured consumer single payment loans



Reliable client identification through state-of-the-art tech solutions



Target audience – private individuals in 20-70 years age bracket

## Our approach

We are focused on tuning the product (core product being SPL) for the Russian market. The experience of recent years has shown us a clear direction - portfolio segmentation with an emphasis on customer retention (loyalty) through a omni-channel communication model

We believe that the key to success in the microfinance business is personalized offers. This is why prior to the project's launch we thought about saturating the client's behavioral model with advanced data, such as social portrait, Internet behavior, preferred purchases. To do this, we assembled an excellent team of analysts and focused on delivering world-class service

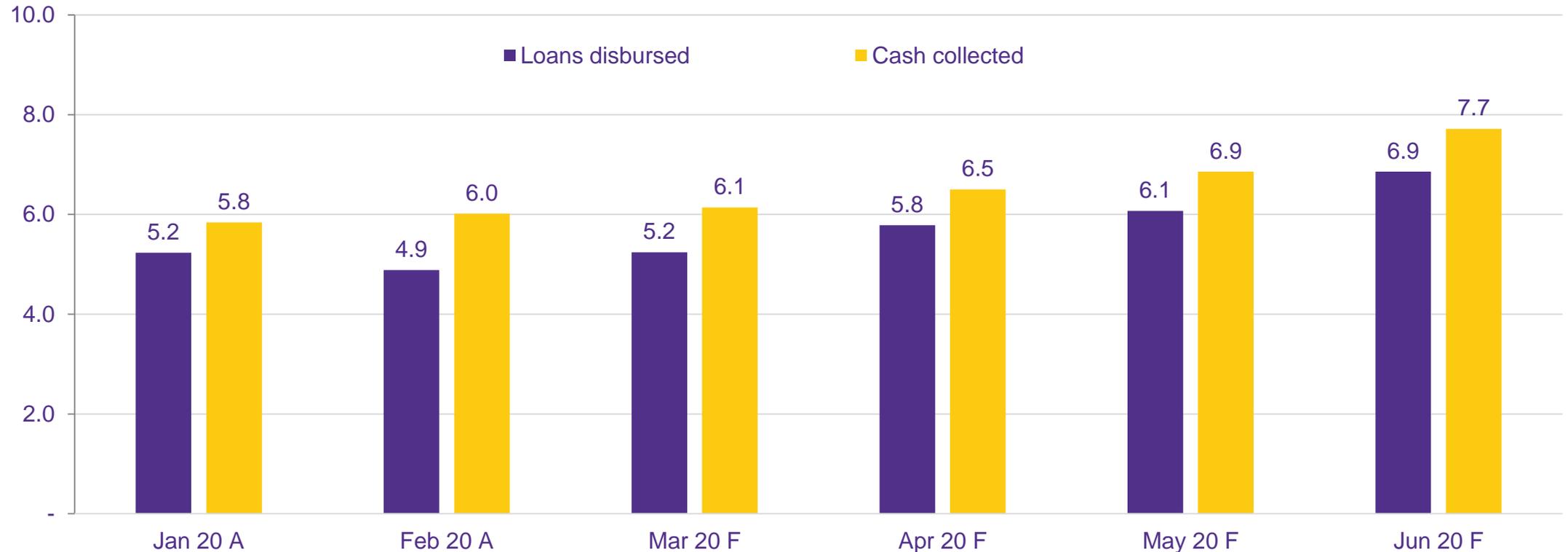
An important element of the planned profitability is diligent work with peripheral products, such as prolongations, insurance, as well as a strong emphasis on customers' segmentation and lean approach to OpEx



# INDICATIVE CASH FLOW @ 1H 2020

Key financials

## Disbursements and CF collected, EURm



We plan quite cautious growth in disbursements in 1H 2020.

Our marketing is set up, the conversion funnel has passed several tests, and our managers are looking forward to a stream of customers.

Join Us

