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Больше чем деньги

Business model

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Target market audience
1. Clients living paycheck to paycheck.
2. Runet users buying products and services in online stores.
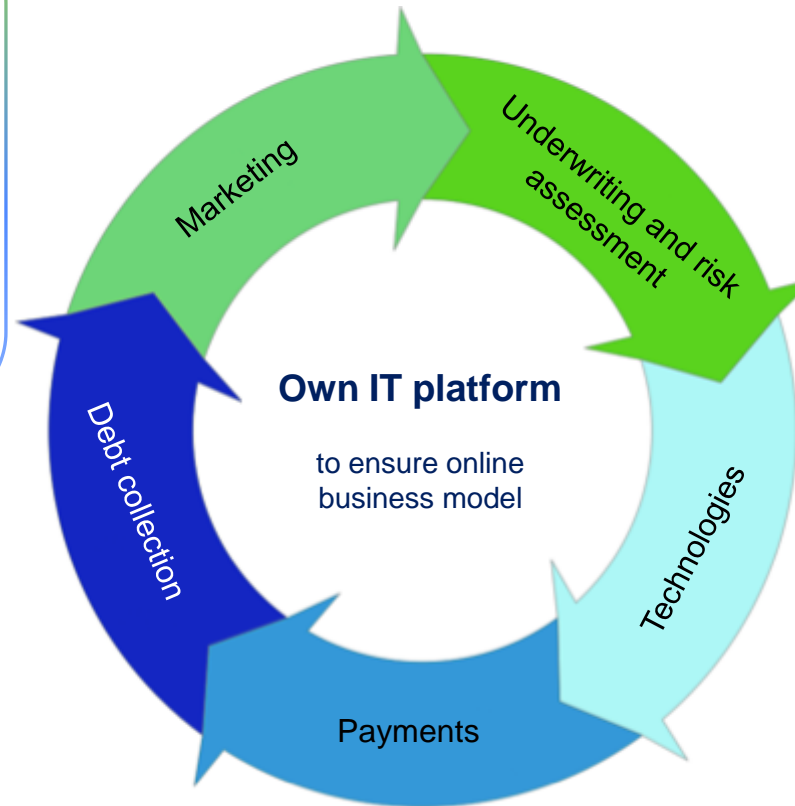
Positioning
Cloud purchase service.

Attraction channels
Direct and partnership websites (online ticket sales on credit).

Scoring
Multifactorial scoring based on socio-demographic analysis and credit history. Big data

Risk Management System
LTV Model (lifetime value of a client), allows to employ customer segmentation and identify key differentiators that divide customers into groups that can be targeted + to select a profit or amount maximization strategy at any one time.

Marketing

Underwriting and risk assessment

Debt collection

Own IT platform

to ensure online business model

Technologies

Payments

Diversified collection system
outsourcing and sale of late delinquency stages (90+) + internal remote collection service at early delinquency stages (till 90th day)

Automatic CRM to work with delinquency

Application
Web, mobile app, partner's website
Money transfer
1. A loan origination through a money transfer system Contact (over 300 thsd points in Russia).
2. Use of technology for instant loan origination via debit cards issued by any Russian bank (VISA and MasterCard).
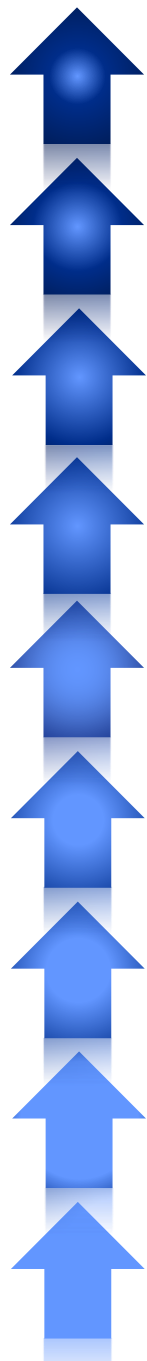
Repayment
Using the method of direct debit – setting up automatic payments from a customer's card\bank account (VISA, Mastercard)

Alternative ways of repayment
Payment via the system Zolotaya Korona (MTS or Svyaznoy retail network), money transfer system Contact, QIWI, Yandex Money, etc.

Company milestones

2020 – offerred to clients own programs of debt restructuration, loans refinancing; active selling of expired portfolio

2019 – the growth of Installment loans in portfolio, rising experience of cession

2018 – started of Payday and POS loans issuance with grace period

2017 – gained microfinance company status (the highest status in this area)

2016 – started of avia tickets internet-shopping project as consumer online-loans; connecting partners

2015 – started of the first program of banking traffic

2014 – started of internet-shopping project of purchasing avia tickets (online ticket reservation system)

2013 – loans origination to Russian bank cards, average time to money transfer – 5 min; establishing a debt collection system

2012 – included in the state register of microfinance organizations, tested of loans origination
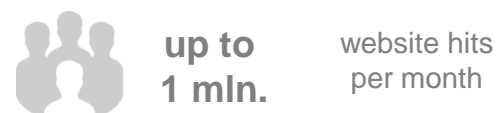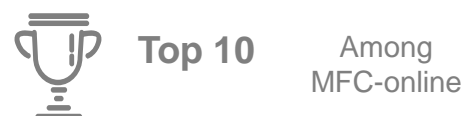
3

Company goals for 2022

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New Company's positioning:

✓ Changing issuance structure from PDL to diversified product line:

- Payday loans (PDL) – 30% of portfolio

- Installment loans (IL) – 70% of portfolio

- Service products without credit risk

✓ Commission income from service products is expected to increase to 40% of total revenue

✓ Getting a credit rating

Diversification of funding methods:

✓ Signing a credit line agreement with institutional investors;

✓ Additional funding from institutional investors in the company's capital

Current position of our company (2020 results):		Planned position of our company till the end of 2022:	
Top 10	Among MFC-online	Top 3	Among MFC-online
200K	Active client base	1 mln	Active client base
up to 1 mln.	website hits per month	up to 4 mln.	website hits per month
52%	Retention rate - volume of recurring IL	65%	Retention rate - volume of recurring IL
45	Employees	Up to 100	Employees
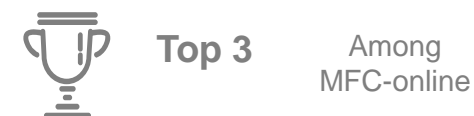
Competitive advantages

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Diversified product line
- online payday loans
- online installment loans
- online POS loans
- online deposit platform

Powerful base of operations
- Central Bank license (microfinance company) – possibility to attract investments from individuals
- professional and highly motivated team, the top management hasn't changed since the foundation of the company
- high level of customer loyalty
- effective work with a refusal bank traffic

Developed IT platform
- fully automated, high-quality proprietary solution of IT platform
- scoring and making a decision to issue a loan - 30 seconds, on average .
- time for issuing - 1 minute, on average

Balanced risk model
- scoring model based on big data with the use of data from external and internal sources being received online on the basis of customer LTV
- advanced and trainable anti-fraud model

High operational efficiency
- the most compact operational platform in the market
- high money turnover, 90% of the cohorts turn around in 2 months
- 88% of the costs are variable, relating to the issue of loans

Management

Pay P.S. managers graduated from top Russian universities and have extensive and relevant experience in retail lending

YURIY SOLOVYEV

Co-founder, CEO

Developing & strategy of company and products
Head of company since the foundation (2012)
- ✓ 7-year experience in banking retail
- ✓ Headed the Refinancing department at the City Mortgage Bank
- ✓ Participated in the first transactions on the securitization of mortgage assets
- ✓ During the mortgage crisis led a project to work with distressed mortgage loans

DMITRIY KULAKOV

CTO

IT infrastructure management & development
Head of IT-department since the foundation (2012)
- ✓ 7-year experience in software development
- ✓ Payment systems development and advertising automation in digital agency

NICOLAY EVSTAFYEV

COO

Operating unit (collection & customer service)
- ✓ 6-year experience in banking retail
- ✓ Headed operating unit in MFC Platiza
- ✓ Developed business processes in BMW Bank, founded in 2008, and worked there for 5 years

Products & process

Products	Loan amount (from – to)	Term (from – to)	Rate (from – to)	NPL (av.)
PDL new	2 500 – 30 000 RUR	6 - 25 days	0 - 2%	23,00%
PDL old	2 500 – 30 000 RUR	6 - 35 days	0,9 - 1%	17,74%
IL old	5 000 – 50 000 RUR	2 - 9 months	0,1 - 0,9%	16,13%

Borrower Requirements

✓ Age 19 - 65,
✓ Mandatory registration in the Russian Federation,
✓ Borrowers can have other active loans, if it is not our loan,
✓ Credit history: positive in accordance with our assessment

Borrower assessment procedures (rejection rate, fraud, etc.)

✓ **Hard Rules** – the rules by which we identify and cut off some loans recognized as fraud (incorrect passport data, age discrepancy, etc.), some of the rules are related to credit history (fraud, bankruptcy, a large number of overdue loans),
✓ **Scoring** – internal and external (BKI + partners),
✓ **Rules for issuing a credit card** – if there are grounds to consider the application fraudulent, the borrower is asked for bank account details or is offered to receive money through Contact.

The underwriting procedure:
✓ Customer identification
✓ Checking the correctness of filling out the application
✓ Sending a request to the credit history bureau and other sources
✓ Client's score calculation according to internal scoring model (NPL90+, Recovery, probability of applying for a second loan, probability of default on repeated loans)
✓ Making a decision on issuing a loan to a client
✓ Identification through partners or by company's employee (providing scanned copy of clients passport)

Risk Model: description, key milestones of development

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Companies' risk model evolution from 2013 till 2021:

2013 →→→ 2021

1 generation
- The first loan default probability prediction model

2nd generation
- The primer PDL loans model
- Primer IL model

3rd generation
- The primer PDL loans model
- Primer IL model
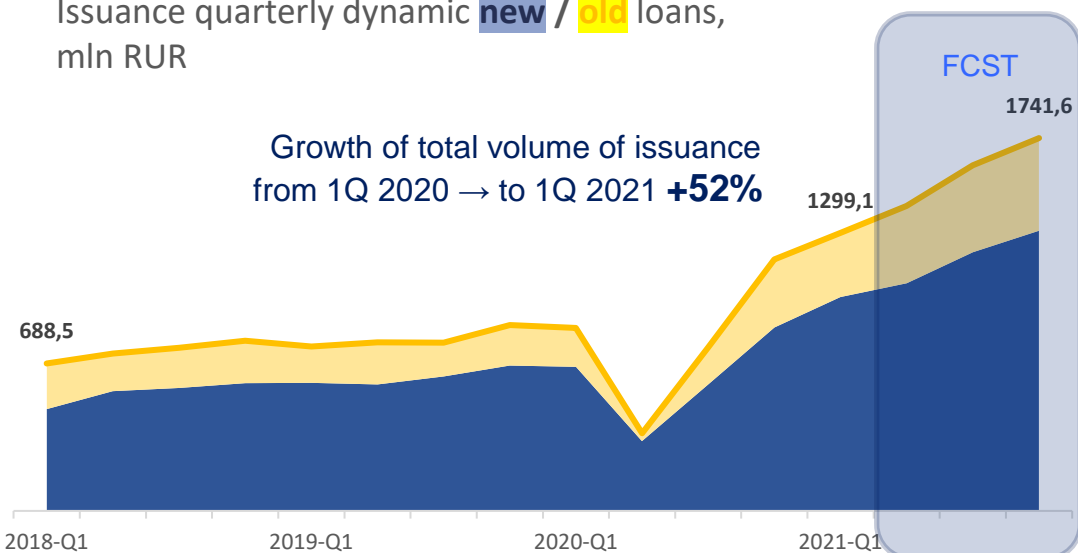- The recurring loans model

4th generation
- LTV model for primer loans considers the possibility of the default on the first loan, the possibility of recurring loans, the possibility of the default on the recurring loan.
- Model for recurring clients with personal limits counting.

5th generation
- LTV model for primer loans (3 models inside)
- LTV for recurring loans considering client migration from product to product matrix (4 scoring models inside)
- Scoring collection model– predicts the possibility of collection

Sources of information →→→

- 1 credit burau
- Clients' personal data

- 2 credit buraus
- Clients' personal data
- Clients' devise information (information from clients' browser)

- 2 credit buraus
- Clients' personal data
- Clients' devise information (information from clients' browser)
- Payments information from cell phone (Qiwi data)

- 2 credit buraus
- Clients' personal data
- Clients' devise information (information from clients' browser)
- Social networks data (mail.ru data)
- Payments information from cell phone (Qiwi data)

- 2 credit buraus
- Clients' personal data
- The information on the website requisition making manner (clickstream)
- Clients' devise information (information from clients' browser)
- Social networks data (mail.ru data)
- Payments information from cell phone (Qiwi data)
- Cell phone information from phone operators

Issuance dynamic & dynamic of income

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Issuance quarterly dynamic **new** / **old** loans, mln RUR

FCST

1741,6

Growth of total volume of issuance
from 1Q 2020 → to 1Q 2021 **+52%**

1299,1

688,5

2018-Q1   2019-Q1   2020-Q1   2021-Q1

Issuance quarterly dynamic **PDL** / **IL** loans, mln RUR

FCST

854,4

Growth of issuance in type of loan
from January 2020 → to January 2021
✓IL **+37%**, PDL **+68%**

602,7

105,2

887,2

583,3

696,4

2018-Q1   2019-Q1   2020-Q1   2021-Q1
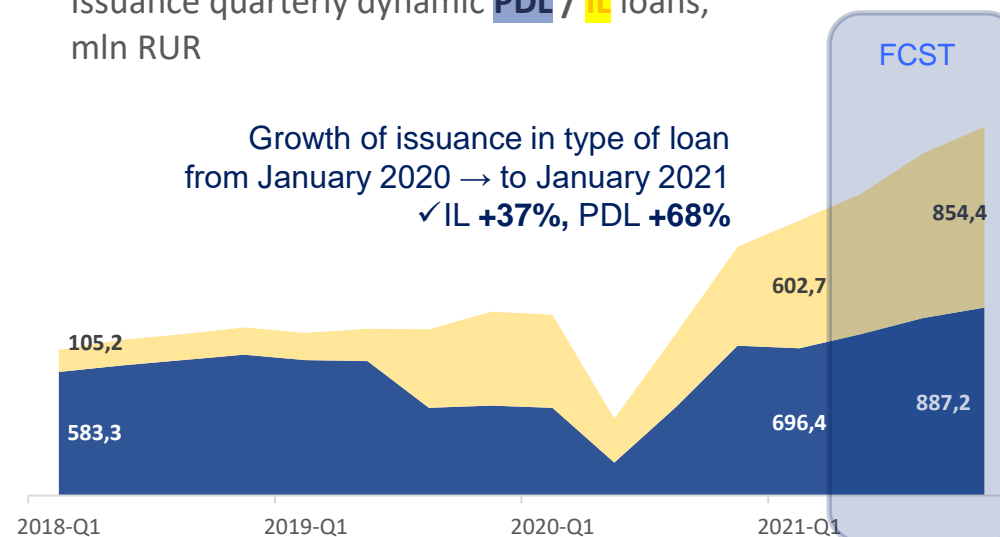
Dynamic of **commission income** in total, %

Stable growth of commission income and share in total income
(% accrued (net of provision) + commission income)
✓2019 – **137,1** mln RUR **(11,96%)**
✓2020 – **158,1** mln RUR **(28,09%)**

37,6%

33,1%

8,1%

Jan-19   May-19   Sep-19   Jan-20   May-20   Sep-20   Jan-21   May-21

9
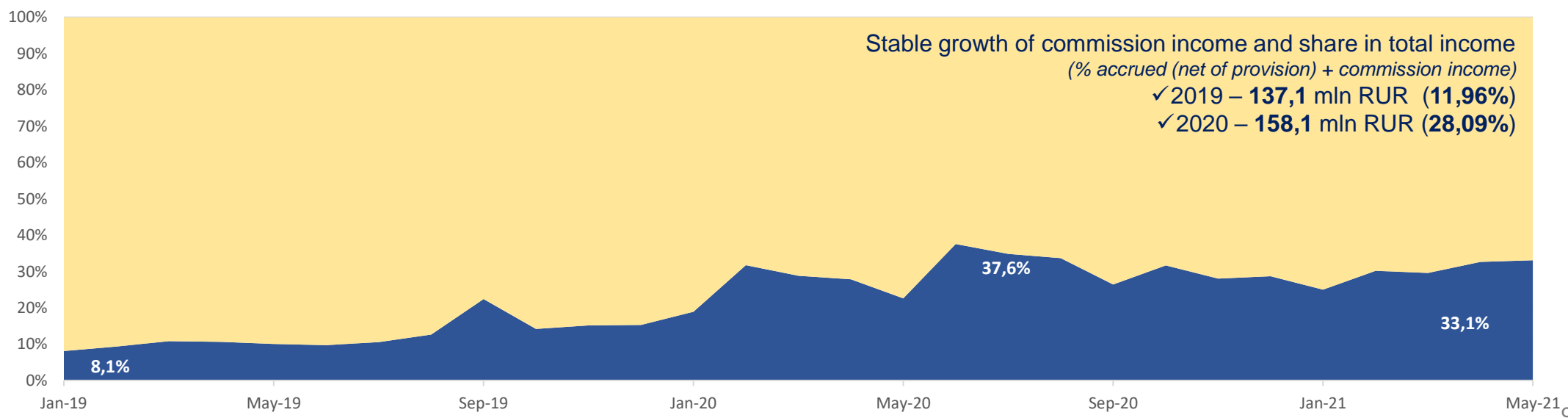
Portfolio statistic

The annual growth rate of the IFRS net of provision portfolio for the year was 250%

795

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
318													
IL	241	254	266	280	259	274	299	321	338	364	392	401	422
PDL	77	74	96	120	154	198	254	284	322	321	323	325	373

■ PDL ■ IL

Dynamic of net IFRS portfolio by products (PDL / IL loans)
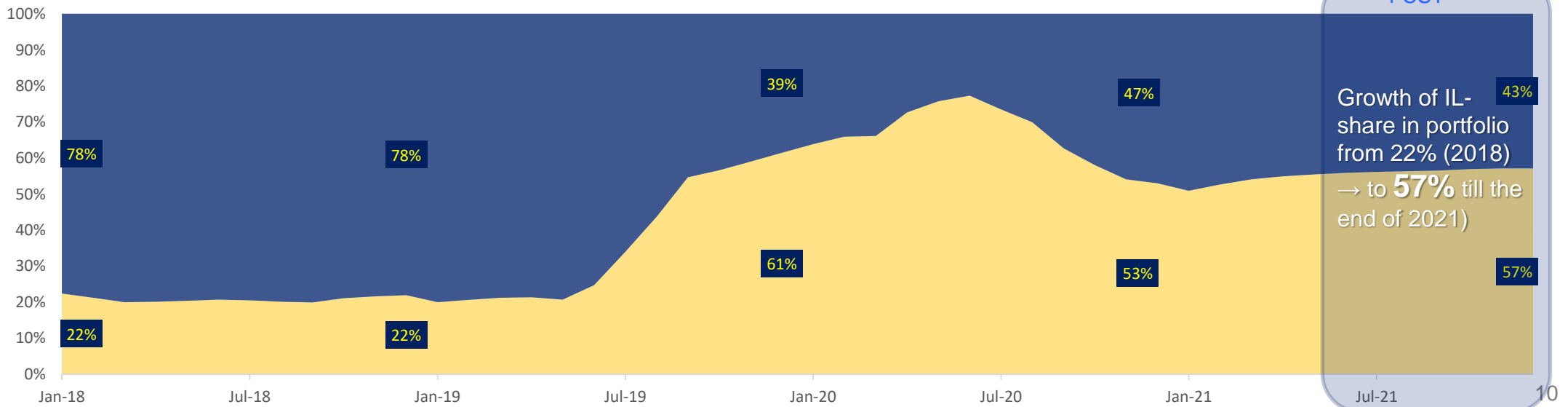
FCST

Growth of IL-share in portfolio from 22% (2018) → to **57%** till the end of 2021)

78% 78% 39% 47% 43%

22% 22% 61% 53% 57%

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Investor presentation