



# Consumer lending market review 6M 2023

  
**SIGNET**  
BANK

# 6M 2023 Consumer lending market review



## Sector highlights

- Companies included in the review overall reported good developments during 6M 2023. The customer demand is rather robust across all markets, allowing all companies to increase their new loan issuance. As a result, also net loan portfolio growth was recorded for all companies, positively impacting their revenue base and in most cases, their net profit as well.
- In July 2023, in connection with the exchange offer for EUR 2019/2023 bonds, IuteCredit placed an additional EUR 10m tap on EUR 2021/2026 bonds. The yield to maturity for the exchange offer-related bonds amounts to 12.3%. After the tap issue, EUR 2021/2026 bonds outstanding amount increased to EUR 125m.
- During August 2023, DelfinGroup issued two new bonds. In order to strengthen its equity base, the Group started a gradual placement of 5-year subordinated bonds in the total amount of EUR 5m and floating coupon rate of 11.5% + 3M EURIBOR. While proceeds from the second 2.5-year bond issue, in a total amount of EUR 15m and floating coupon rate of 9.0% + 3M EURIBOR, were used to refinance bonds maturing in August 2023.
- Going forward, Eleving Group will have to address the maturity of its Latvian bonds. These bonds, in a total amount of EUR 30m, will mature on March 2024 and the Group is already planning to refinance them during the second part of the year.
- During the last quarter, bond prices remained relatively stable, experiencing minimal fluctuations.

Eleaving GROUP

Sun Finance

delfin group  
custom finance solutions

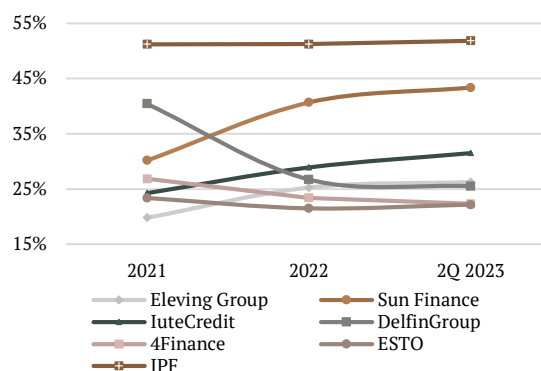
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4 FINANCE

International Personal Finance

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## Capitalization ratio



## 6M 2023 Financial highlights

EUR m	Eleaving Group	Sun Finance	Delfin Group	Iute Credit	4 finance	IPF	ESTO
Revenue	90.6	146.8	23.7	51.9	210.9	441.9	9.2
EBITDA	38.5	54.1	8.2	20.1	60.1	104.4	4.1
Net profit	12.4	33.5	3.4	7.0	16.9	21.7	1.5
Net loan portfolio	295.1	175.5	78.1	208.0	972.1	1038.5	54.1
Total Equity	77.5 <sup>1</sup>	76.1	19.9	65.6	217.2	538.3	12.0 <sup>1</sup>

<sup>1</sup>Including subordinated loans

## Important notice

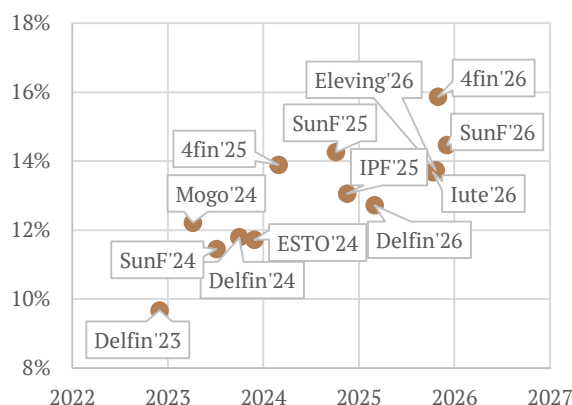
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## Yield to Maturity (YTM)



# 6M 2023 Eleving Group



Eleving GROUP

## Key parameters

<b>Founded:</b> 2012	<b>Products:</b> Car financing; Consumer loans
<b>Headquarters:</b> Latvia	
<b>Net portfolio:</b> EUR 295.1m	<b>Key markets</b>
<b>Bonds outstanding:</b> EUR 150m	<ul style="list-style-type: none"> <li>Latvia</li> <li>Romania</li> </ul>
<b>Auditor:</b> BDO Audit (IFRS)	<ul style="list-style-type: none"> <li>Kenya</li> <li>Uganda</li> </ul>
<b>Rating:</b> B- from Fitch	<ul style="list-style-type: none"> <li>Georgia</li> <li>Moldova</li> </ul>
	<ul style="list-style-type: none"> <li>Lithuania</li> </ul>

## Financial highlights

- The Group's revenue growth during 6M 2023 was rather modest, with an increase of 1% y/y, which may be explained by the rundown of the Ukrainian consumer lending portfolio and the Belarusian loan portfolio, both of which were high-yielding portfolios (the rundown was initiated due to the start of war in Ukraine). As of end 6M 2023, the Group was close to exiting Ukraine, and the current loan portfolio in Belarus had decreased to around EUR 10m (the portfolio in Belarus corresponded to EUR 19.3m as of end 2021, right before the war).
- The Group's net loan portfolio during 6M 2023 has reached EUR 295.1m (+7% y/y), of which vehicle finance accounted for EUR 223.9m (+4% y/y) and consumer finance accounted for EUR 71.2m (+19% y/y).
- Because of the decreased expenditure basis, the Group's EBITDA during 6M 2023 reached EUR 38.5m (+19% y/y). While administrative and other operating costs during 6M 2023 were generally in line with 6M 2022, the largest benefit to the Group's EBITDA came from a drop in provision expense (-22% y/y or a decrease of EUR 5.7m).
- The lower cost base during 6M 2023 contributed to the Group's net profit, which reached EUR 12.4m (+68% y/y), while it was negatively impacted by the FX loss in the amount of EUR 1.2m (-25% y/y). As a result, the Group's capitalization has increased to 26%, a 4 percentage point improvement compared to 6M 2022.

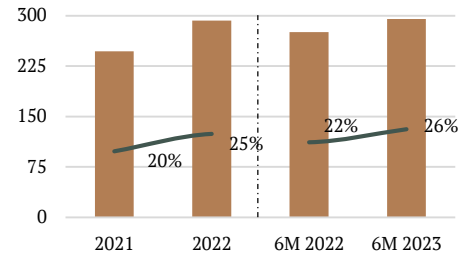
## Other developments

- During 6M 2023, the Group paid out dividends in a total amount of EUR 5.4m.
- The Group announced the acquisition of EC Finance Group in July 2023. EC Finance Group, also known by the brand name ExpressCredit, is a consumer lending company that operates in four Southern African nations. The EC Finance acquisition should result in a positive equity effect due to the merger, but further details will be revealed in Q3 2023 results.
- During the same month of July, the Group sold its Renti Plus business operations in Latvia. The deal involved the sale of more than 100 automobiles as well as an active customer portfolio.
- At the end of the second quarter of the year, Fitch Ratings affirmed the Group's long-term issuer default rating at 'B-', with a Stable Outlook, emphasizing strong profitability, improved leverage, adequate funding and liquidity profile, and its experienced management team. While frequent strategy changes and willingness to grow in volatile countries are rating weaknesses.

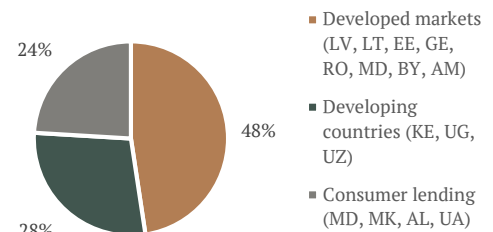
## Financial highlights, EUR m

	6M 2022	6M 2023		FY 2021	FY 2022	
<b>Revenue</b>	90.0	90.6	+1%	153.7	183.9	+20%
<b>EBITDA</b>	32.3	38.5	+19%	52.6	74.1	+41%
<b>EBITDA margin</b>	36%	42%	+7pp	34%	40%	+6pp
<b>Net profit</b>	7.4	12.4	+68%	11.2	20.6	+84%
<b>Net loan portfolio</b>	275.8	295.1	+7%	247.3	293.0	+18%
<b>Cash</b>	13.2	18.7	+42%	10.1	13.8	+37%
<b>Total Equity</b>	61.7	77.5	+26%	48.7	72.9	+50%
<b>Total borrowings</b>	258.9	271.3	+5%	250.7	272.8	+9%
<b>EBITDA / Interest expense</b>	2.0x	2.3x	+15%	1.8x	2.3x	+28%
<b>Capitalization ratio</b>	22%	26%	+4pp	20%	25%	+5pp

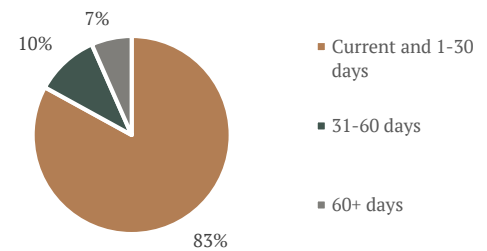
## Net loan portfolio and Capitalization ratio, EUR m



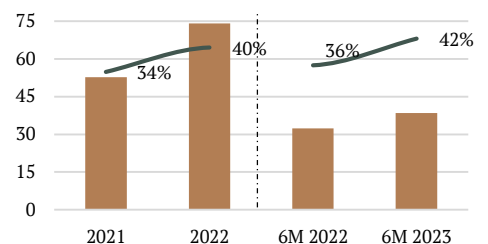
## Net loan portfolio split by markets



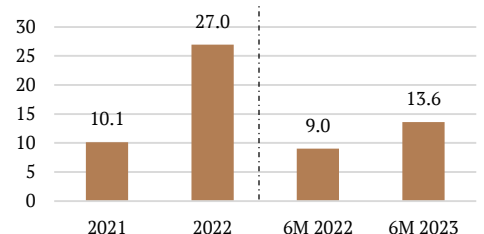
## Net car loan portfolio by delay buckets



## EBITDA and EBITDA margin, EUR m



## Net profit before FX, EUR m



# 6M 2023 Sun Finance

## Key parameters

<b>Founded:</b> 2017	<b>Products:</b> Short term loans; Line of credit, Installment loans
<b>Headquarters:</b> Latvia	
<b>Net portfolio:</b> EUR 175.5m	<b>Key markets</b>
<b>Bonds outstanding:</b> EUR 75m	<ul style="list-style-type: none"> <li>• Latvia</li> <li>• Poland</li> <li>• Sweden</li> <li>• Denmark</li> <li>• Kazakhstan</li> <li>• Mexico</li> <li>• Philippines</li> </ul>
<b>Auditor:</b> Baker Tilly (IFRS)	

## Financial highlights

- Despite steadily decreasing new loan issuance volumes in Vietnam, the Group achieved growth by widening the product offering in current countries and growing newly released products in new markets, such as the Philippines, resulting in new loan issuance totaling EUR 384.4m during 6M 2023, compared to EUR 316.7 during 6M 2022 (+21% y/y). As of end 6M 2023, the Group had stopped active operations in Vietnam.
- While the South East Asia HUB net loan portfolio during 6M 2023 decreased significantly due to the Group's exit from Vietnam (-78% y/y), the overall Group's net loan portfolio increased by 36% y/y and reached EUR 175.5m – the largest growth was achieved in the Central Asia HUB, which increased by EUR 32m or 61% y/y.
- The Group's revenue during 6M 2023 reached EUR 146.8m (+27% y/y) as a result of the larger loan portfolio. Although the revenue increased on a yearly basis, it has been on a downward trend for the previous two quarters as a result of exiting from the higher-yielding market of Vietnam.
- Further expansion in the total loan portfolio, along with strict cost control, has resulted in a notable improvement in the Group's EBITDA. The Group's EBITDA during 6M 2023 reached EUR 54.1m (+24% y/y), while the EBITDA margin was just one percentage point lower at 37%.
- The above mentioned factors led to an increase in the Group's net profit, which during 6M 2023 reached EUR 33.5m (+37% y/y), with a two percentage point increase in net profit margin. Improved net profit also had a positive impact on the Group's capitalization ratio, which during the last twelve months increased by four percentage points, and as of end 6M 2023 reached 43%.

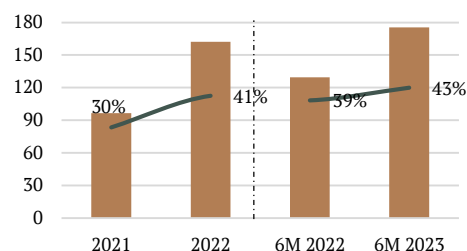
## Other developments

- The Group, shortly after June 2023, announced their entry into the African market with the acquisition of a majority stake in AS Zenka Group, which is a Kenyan online lending company. As of end 2022, Zenka Group's net loan portfolio was around EUR 9m.
- As of 30 June 2023, the Group had stopped active operations in Vietnam, and its exit received considerable media attention.

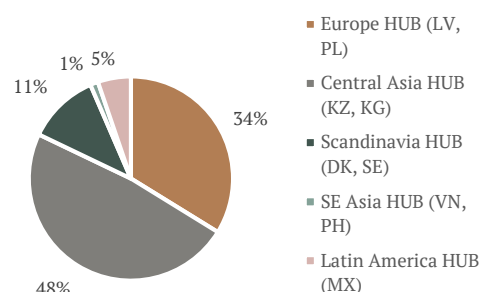
## Financial highlights, EUR m

	6M 2022	6M 2023		FY 2021	FY 2022	
<b>Revenue</b>	115.9	146.8	+27%	195.1	273.9	+42%
<b>EBITDA</b>	43.5	54.1	+24%	79.5	107.3	+35%
<b>EBITDA margin</b>	38%	37%	-1pp	41%	39%	-2pp
<b>Net profit</b>	24.4	33.5	+37%	51.0	65.5	+28%
<b>Net loan portfolio</b>	129.4	175.5	+36%	96.6	162.3	+68%
<b>Cash</b>	6.8	17.0	+151%	7.2	8.7	+21%
<b>Total Equity</b>	50.7	76.1	+50%	29.1	66.0	+127%
<b>Total borrowings</b>	106.9	128.3	+20%	93.5	122.4	+31%
<b>EBITDA / Interest expense</b>	7.5x	7.8x	+4%	7.0x	8.6x	+23%
<b>Capitalization ratio</b>	39%	43%	+4pp	30%	41%	+10pp

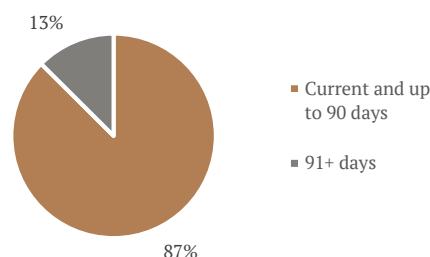
## Net loan portfolio and Capitalization ratio, EUR m



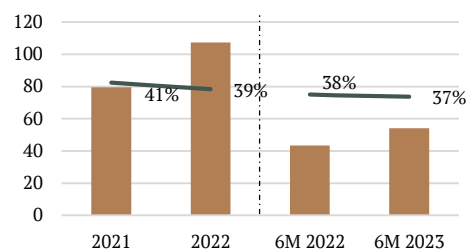
## Net loan portfolio split by markets



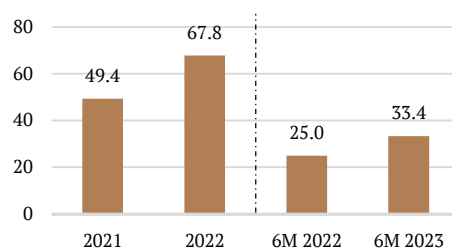
## Gross portfolio by delay buckets



## EBITDA and EBITDA margin, EUR m



## Net profit before FX, EUR m



# 6M 2023 DelfinGroup

## Key parameters

<b>Founded:</b> 2009	<b>Products:</b> Pawn broking loans; Consumer loans; Sale of pre-owned goods
<b>Headquarters:</b> Latvia	
<b>Net portfolio:</b> EUR 78.1m	<b>Key markets</b>
<b>Bonds outstanding:</b> EUR 24.9m	• Latvia
<b>Auditor:</b> KPMG Baltics (IFRS)	

## Financial highlights

- After a remarkable run of quarterly rises in new loan issuance that began in Q2 2021, it came to a stop in Q2 2023, when new loan issuance fell to EUR 21.8m, the lowest level in a year. The Group limited the volume of loan issuance to ensure compliance with financial covenants, which set a specific capitalization level (Equity to Net loan portfolio). Despite reduced issuance in Q2 2023, during 6M 2023, new loans of EUR 45.8m were issued, representing a 29% y/y increase.
- Despite decreased new loan issuance during Q2 2023, the Group's net loan portfolio increased year on year, reaching a new high of EUR 78.1m (+45% y/y) as of end 6M 2023. Consumer lending loan portfolio share in the overall portfolio has been fairly consistent, and as of end 6M 2023, constituted 92%, with pawn loan portfolio accounting for the remaining 8%.
- The growth of the loan portfolio contributed to the Group's revenue, which during 6M 2023 reached EUR 23.7m compared to EUR 15.7m during 6M 2022 (+51% y/y). Interest income from consumer loans accounted for 67% of the Group's revenue during the 6M 2023, interest income from pawn loans for 13%, and the remaining coming from sales of pre-owned goods.
- While the Group's revenue rose significantly, expenditures increased as well, most notably interest and provision expenses. The increase in interest expenses was anticipated since the total amount of borrowings continuously increased, as did the cost of funding, while provision costs increased due to the overall growth of the loan portfolio and loan movements among delay buckets, according to the management. However, the Group's EBITDA during 6M 2023 showed a growth of 47% y/y and reached EUR 8.2m, with an EBITDA margin of 35% (-1pp y/y).
- Despite cost increases, the Group's profitability remains good, with net profit during 6M 2023 reaching EUR 3.4m (+36% y/y). With continuous dividend payouts and growth in the loan portfolio, the Group's capitalization ratio has decreased to 26% as of end 6M 2023, from 30% as of end 6M 2022.

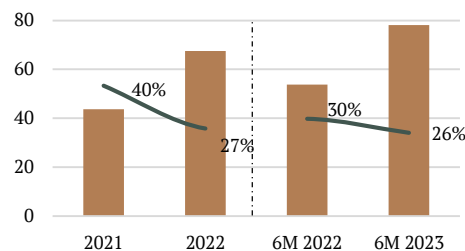
## Other developments

- In August 2023, the Group announced two new bond issues. Funds from the gradual placement of subordinated bond issuance in the total amount of up to EUR 5m, will strengthen the Group's capitalization, while unsecured floating rate bonds in the amount of up to EUR 15m were issued in order to refinance bonds maturing in August 2023 and support further growth.

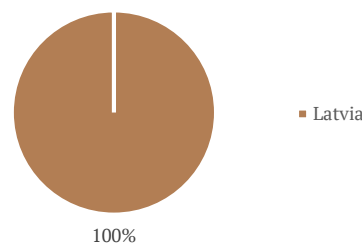
## Financial highlights, EUR m

	6M 2022	6M 2023		FY 2021	FY 2022	
<b>Revenue</b>	15.7	23.7	+51%	25.2	35.8	+42%
<b>EBITDA</b>	5.6	8.2	+47%	10.0	13.1	+32%
<b>EBITDA margin</b>	36%	35%	-1pp	40%	37%	-3pp
<b>Net profit</b>	2.5	3.4	+36%	4.0	6.0	+48%
<b>Net loan portfolio</b>	53.8	78.1	+45%	43.8	67.5	+54%
<b>Cash</b>	2.3	3.0	+30%	2.5	2.4	-4%
<b>Total Equity</b>	16.0	19.9	+24%	17.5	18.1	+4%
<b>Total borrowings</b>	40.5	65.9	+63%	29.4	54.0	+84%
<b>EBITDA / Interest expense</b>	3.0x	2.3x	-24%	2.6x	2.8x	+8%
<b>Capitalization ratio</b>	30%	26%	-4pp	40%	27%	-13pp

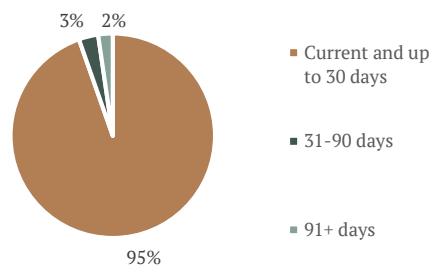
## Net loan portfolio and Capitalization ratio, EUR m



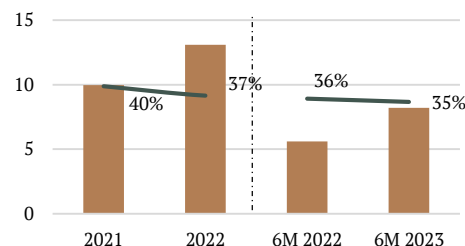
## Net loan portfolio split by markets



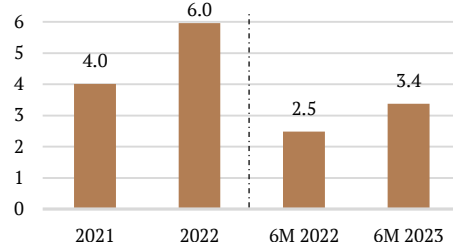
## Gross consumer loan portfolio by delay buckets



## EBITDA and EBITDA margin, EUR m



## Net profit, EUR m



# 6M 2023 IuteCredit



## Key parameters

<b>Founded:</b> 2008	<b>Products:</b> Dealer loans; Cash loans; Car loans; Bank
<b>Headquarters:</b> Estonia	
<b>Net portfolio:</b> EUR 208.0m	<b>Key markets</b>
<b>Bonds outstanding:</b> EUR 125m	<ul style="list-style-type: none"> <li>• Moldova</li> <li>• North Macedonia</li> <li>• Bulgaria</li> <li>• Albania</li> <li>• Bosnia and Herzegovina</li> </ul>
<b>Auditor:</b> KPMG Baltics (IFRS)	

## Financial highlights

- Following a slight decline in new loan issuance during Q1 2023, the Group returned to growth in Q2 2023, resulting in a total of EUR 133.8m new loans issued during 6M 2023 (+12% y/y).
- As a result of increased lending activity, the Group's net loan portfolio as of end 6M 2023 reached EUR 208.0m (+22% y/y). Energbank's share in the total net loan portfolio during the last year has declined to 26% (29% as of end 6M 2022) while Albania accounted for 30%, Moldova for 28%, Macedonia for 13%, and Bosnia and Bulgaria combined for 5%.
- The Group's revenue during 6M 2023 has reached EUR 51.9m (+29% y/y), of which 18% is attributed to Energbank's business and the rest to IuteCredit – Energbank's share in total revenue has been stable for the past year.
- During 6M 2023, the Group's expenses showed a notable increase – total operating expenses increased by 23% y/y, or EUR 4.2m; interest expense increased by 41% y/y, or EUR 3.8m; and provision expense increased by 23% y/y, or EUR 2.2m. However, the revenue growth outweighed the increase in expenses, allowing the Group to improve its profitability – the Group's EBITDA margin during 6M 2023 reached 39% (+1pp y/y).
- Although the Group's net profit contracted during 6M 2023 compared to 6M 2022, the 6M 2022 result was positively impacted by the one-off gain from the Energbank acquisition, making comparison difficult. Without the Energbank acquisition and the FX gain impact from the 6M 2022 results, the net profit would be EUR 3.1m, compared to EUR 4.0m (without the FX effect) for the 6M 2023 results.
- The Group's profitability has also improved its capitalization, with the Group's capitalization ratio reaching 32% as of end 6M 2023 (+2pp y/y).

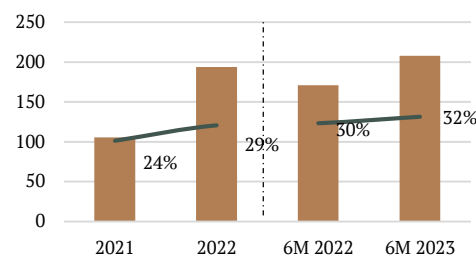
## Other developments

- During July, the Group placed a EUR 10m tap on EUR 2021/2026 bonds in connection with an exchange offer for EUR 2019/2023 bonds. Of this amount, EUR 7.2 million was attributable to holders of the EUR 2019/2023 bond who exercised the exchange offer, while EUR 2.8 million of the new EUR 2021/2026 bonds were subscribed by the company's shareholders. After the tap issue, EUR 2021/2026 bonds outstanding amount increased to EUR 125m.

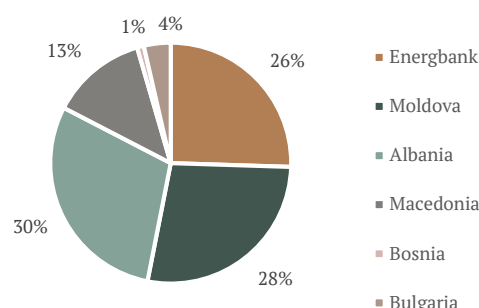
## Financial highlights, EUR m

	6M 2022	6M 2023		FY 2021	FY 2022	
<b>Revenue</b>	40.2	51.9	+29%	61.2	90.8	+48%
<b>EBITDA</b>	15.1	20.1	+33%	23.7	33.4	+41%
<b>EBITDA margin</b>	38%	39%	+1pp	39%	37%	-2pp
<b>Net profit</b>	13.0	7.0	-46%	6.1	19.6	+223%
<b>Net loan portfolio</b>	171.0	208.0	+22%	105.4	193.9	+84%
<b>Cash</b>	66.3	75.8	+14%	46.3	65.6	+42%
<b>Total Equity</b>	50.6	65.6	+30%	25.6	56.1	+119%
<b>Total borrowings</b>	239.5	270.0	+13%	135.7	253.4	+87%
<b>EBITDA / Interest expense</b>	1.6x	1.6x	+0%	1.6x	1.7x	+0%
<b>Capitalization ratio</b>	30%	32%	+2pp	24%	29%	+5pp

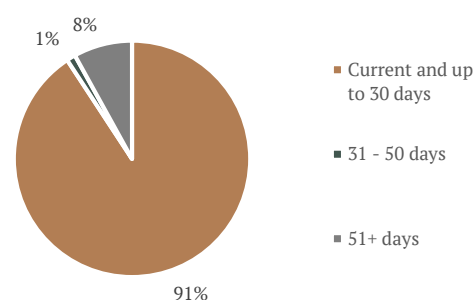
## Net loan portfolio and Capitalization ratio, EUR m



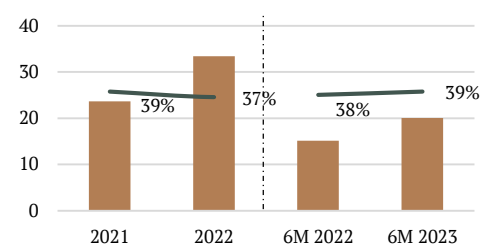
## Net loan portfolio split by markets



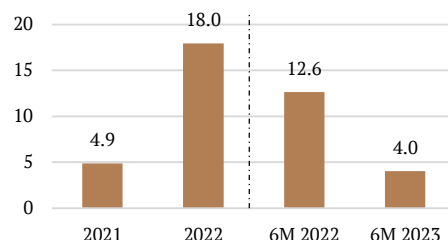
## Net loan portfolio by delay buckets



## EBITDA and EBITDA margin, EUR m



## Net profit before FX, EUR m





## Key parameters

<b>Founded:</b> 2008	<b>Products:</b> Short-term loans, Credit lines, Consumer loans, Bank
<b>Headquarters:</b> Latvia	
<b>Net portfolio:</b> EUR 972.1m	<b>Key markets</b>
<b>Bonds outstanding:</b> EUR 253.7m	<ul style="list-style-type: none"> <li>Spain</li> <li>Latvia</li> <li>Lithuania</li> <li>Romania</li> <li>Bulgaria</li> <li>Czech Republic</li> </ul>
<b>Auditor:</b> PKF Audit & Conseil (IFRS)	
<b>Rating:</b> B- from S&P, B2 from Moody's	

## Financial highlights

- The Group's new loan issuance during 6M 2023 was fueled by TBI Bank's growth, which increased lending by 35% y/y and reached EUR 427.8m, allowing the Group's total new loan issuance to increase by 5% y/y. Online business issuance decreased by 21% y/y, or EUR 75.5m, to EUR 275.9m.
- Similar trends can be seen in the Group's net loan portfolio, with the Group's total net loan portfolio showing a growth of 38% y/y due to TBI Bank's net loan portfolio increasing by 51% y/y. The Online business net loan portfolio contracted by 10% y/y to EUR 138.4m, whereas TBI Bank's increased to EUR 833.7m as of end 6M 0223. The decline in Online business is mostly explained by the Group's pullout from the Polish market.
- Higher new loan issuance, as well as a larger net loan portfolio, resulted in an increase in the Group's revenue, which during 6M 2023 reached EUR 210.9m (+32% y/y). Interest income during 6M 2023 increased by 29% y/y, while net fee and commission income grew by EUR 35% y/y. During 6M 2023, the Group's three largest markets accounted for 67% of interest income (Romania, Bulgaria, and Spain, respectively).
- While the Group focused on operational efficiency, the overall expense base increased faster than revenue, resulting in a slight decrease in the Group's EBITDA margin for 6M 2023 – the Group's EBITDA margin during 6M decreased to 28% (-4pp y/y), but EBITDA increased to EUR 60.1m (+14% y/y).
- As a result, the Group's net profit during 6M 2023 reached EUR 16.9m, a 12% decrease compared to 6M 2022. The Group's capitalization ratio declined by six percentage points during 6M 2023 compared to end 6M 2022, and now stands at 22%.

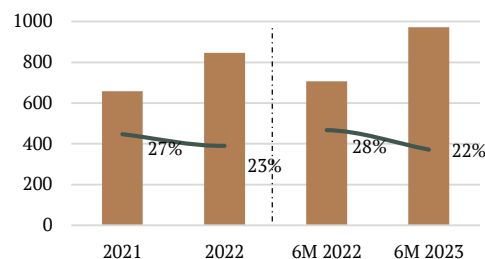
## Other developments

- The Group is planning to launch its operations in the Mexican market starting from the fourth quarter of this year, and a possible entry into the Indian market is being considered.
- In June, the Group sold a nominal amount of EUR 8m of 2025 bonds held in treasury to its subsidiary TBI Bank EAD at market price.

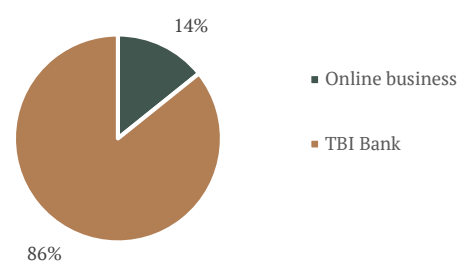
## Financial highlights, EUR m

	6M 2022	6M 2023		FY 2021	FY 2022	
<b>Revenue</b>	160.3	210.9	+32%	282.1	358.9	+27%
<b>EBITDA</b>	52.6	60.1	+14%	89.0	112.3	+26%
<b>EBITDA margin</b>	33%	28%	-4pp	32%	31%	-0pp
<b>Net profit</b>	19.1	16.9	-12%	20.5	34.7	+69%
<b>Net loan portfolio</b>	706.7	972.1	+38%	658.1	846.4	29%
<b>Cash</b>	140.5	175.3	+25%	180.0	221.6	23%
<b>Total Equity</b>	198.4	217.2	+9%	176.8	198.6	12%
<b>Total borrowings</b>	283.4	295.9	+4%	313.0	284.8	-9%
<b>EBITDA / Interest expense</b>	2.5x	2.2x	-14%	1.9x	2.5x	+34%
<b>Capitalization ratio</b>	28%	22%	-6pp	27%	23%	-3pp

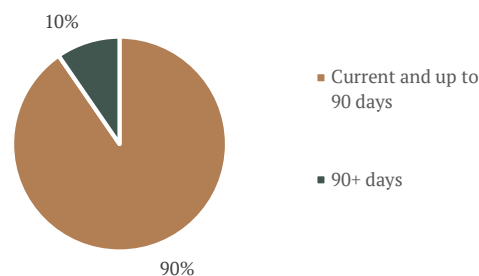
## Net loan portfolio and Capitalization ratio, EUR m



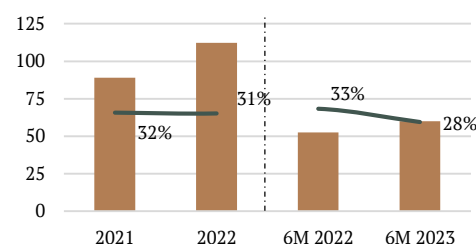
## Net loan portfolio split by markets



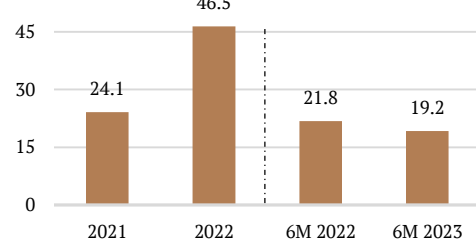
## Gross portfolio by delay buckets



## EBITDA and EBITDA margin, EUR m



## Net profit before FX, EUR m



# 6M 2022

## International Personal Finance



### Key parameters

<b>Founded:</b> 1997	<b>Products:</b> Home credit (Cash loans, Micro-business loans), IPF Digital (Credit lines, Instalment loans)
<b>Headquarters:</b> United Kingdom	
<b>Net portfolio:</b> EUR 987.3m	
<b>Bonds outstanding:</b> EUR 476m	
<b>Auditor:</b> Deloitte (IFRS)	<b>Key markets</b>
<b>Rating:</b> BB- from Fitch, Ba3 from Moody's	<ul style="list-style-type: none"> <li>• Mexico</li> <li>• Poland</li> <li>• Czech Republic</li> <li>• Hungary</li> <li>• Romania</li> <li>• Estonia</li> <li>• Latvia</li> <li>• Lithuania</li> <li>• Spain</li> <li>• Australia</li> </ul>

### Financial highlights

- During 6M 2023, the Group's lending activity slightly increased and reached EUR 673m (+13% y/y), of which EUR 536.3m came from the Home credit segment and EUR 136.7m from IPF Digital. This new loan issuance split among segments was similar a year ago.
- Due to strong demand for the Group's products in its operating markets, its net loan portfolio continued to grow, and as of end 6M 2023 reached EUR 1.04bn (+16% y/y). The Mexican Home Credit segment achieved the fastest growth with an increase of EUR 40.7m (+25% y/y), while the European Home Credit loan portfolio increased by EUR 74.4m (+15% y/y). IPF Digital segment's loan portfolio during 6M 2023 increased by EUR 27.9m (+13% y/y), posting the slowest tempo of growth due to contraction in Poland.
- The Group showed very good growth in terms of revenue, which during 6M 2023 reached EUR 441.9m (+28% y/y), mostly due to growing loan portfolio amounts and rising revenue yields. European Home Credit segment revenue increased the most in absolute terms, rising by EUR 50.5m (+29% y/y), while Mexican Home Credit revenue grew at the fastest pace, increasing by 35% y/y (+ EUR 37.6m).
- During 6M 2023, the Group's expenses increased notably – impairment expense doubled (+106% y/y), administrative expense increased by 15% y/y, and other operating expenses increased by 7% y/y. The increase in expenses largely offset the growth in revenue, and the Group's profit before tax during 6M 2023 reached EUR 44.0m, compared to EUR 39.3m during 6M 2022 (+12% y/y).
- The Group's net profit during 6M 2023 was EUR 21.7m, 39% lower than during 6M 2022. Net profit during 6M 2022 was positively impacted by exceptional tax income in the amount of EUR 12.2m, therefore making comparability difficult.

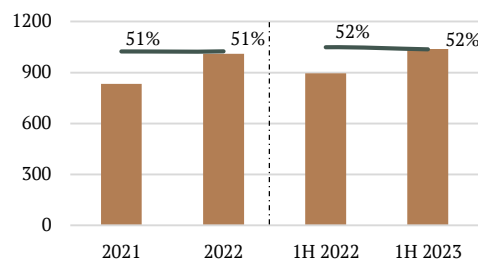
### Other developments

- The Group declared a 15% increase in the interim dividend to 5.1 pence per share, while the Group's capitalization ratio as of end 6M 2023 stood at 52%.

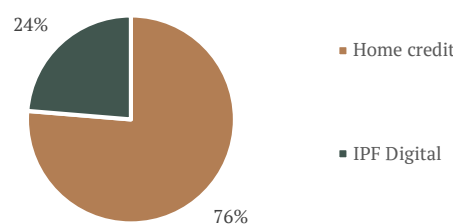
### Financial highlights, EUR m

	H1 2022	H1 2023		FY 2021	FY 2022	
<b>Revenue</b>	345.8	441.9	+28%	623.5	733.5	+18%
<b>EBITDA</b>	89.2	104.4	+17%	170.9	196.4	+15%
<b>EBITDA margin</b>	26%	24%	-2pp	27%	27%	-1pp
<b>Net profit</b>	35.8	21.7	-39%	47.6	52.6	+11%
<b>Net loan portfolio</b>	895.2	1038.5	+16%	814.5	987.3	+21%
<b>Cash</b>	50.8	32.8	-35%	47.4	57.6	+22%
<b>Total Equity</b>	469.5	538.5	+15%	417.2	540.9	+30%
<b>Total borrowings</b>	590.2	608.1	+3%	535.9	623.6	+16%
<b>EBITDA / Interest expense</b>	2.5x	2.4x	-1%	2.8x	2.5x	-9%
<b>Capitalization ratio</b>	52%	52%	-1pp	51%	55%	+4pp

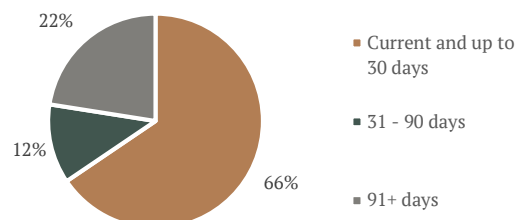
### Net loan portfolio and Capitalization ratio, EUR m



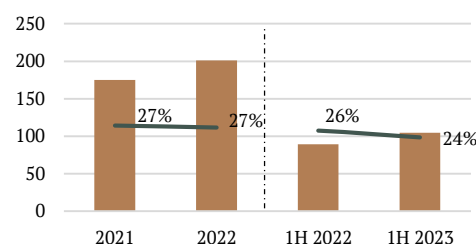
### Net loan portfolio split by products



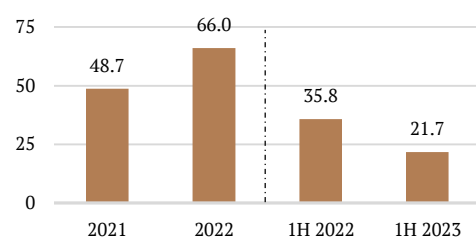
### Home credit net loan portfolio quality



### EBITDA and EBITDA margin, EUR m



### Net profit, EUR m





# 6M 2023 ESTO Holdings

esto



## Key parameters

<b>Founded:</b> 2017	<b>Products:</b> Buy now pay later (BNPL)
<b>Headquarters:</b> Estonia	<b>Key markets</b>
<b>Net portfolio:</b> EUR 50.1m	<ul style="list-style-type: none"> <li>• Estonia</li> <li>• Latvia</li> <li>• Lithuania</li> </ul>
<b>Bonds outstanding:</b> EUR 16m	
<b>Auditor:</b> KPMG Baltics (IFRS)	

## Financial highlights

- The Group's new loan issuance during 6M 2023 increased by 48% y/y and reached EUR 32.2m, allowing the Group to grow its net loan portfolio and revenue base.
- The Group's net loan portfolio during 6M 2023 reached EUR 54.1m (+52% y/y). Latvia and Lithuania saw a little increase in their share of the Group's net loan portfolio – Latvia, as of end 6M 2023, accounted for 4.8%, while Lithuania accounted for 4.7%.
- The Group's revenue during 6M 2023 reached EUR 9.2m (+52% y/y), with interest income accounting for 87% of revenue. Interest income during the period increased by 54% y/y and reached EUR 7.9m, while fee and commission income increased by 37% y/y and reached EUR 1.2m.
- While the Group's revenue showed solid growth, the increase in expenses largely offset it. Personnel expenses increased by 44% y/y, other operating expenses increased by 45% y/y, but provision expenses more than doubled. Cost increases also impacted the Group's EBITDA margin, which during 6M 2023 fell to 45% (-5pp y/y).
- As a result, the Group's net profit during 6M 2023 showed a modest increase of 3% compared to 6M 2022 and reached EUR 1.5m. The Group's capitalization ratio as of end 6M 2023 stood at 22%, without significant changes over the last twelve months.

## Other developments

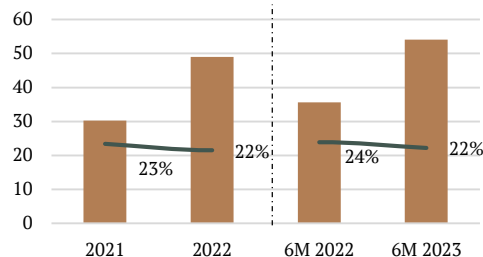
- During the second quarter of 2023, the Group encountered a regulatory issue in the Estonian market, which resulted in the issuance of a fine in the amount of EUR 32 000. The Group is actively working with the regulator to address the issues raised and improve systems and procedures to prevent similar situations in the future.

## Financial highlights, EUR m

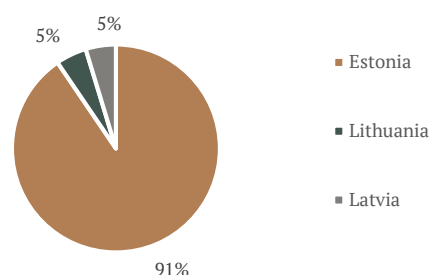
	6M 2022	6M 2023		FY 2021	FY 2022	
<b>Revenue</b>	6.0	9.2	+52%	10.3	13.4	+30%
<b>EBITDA</b>	3.0	4.1	+38%	5.8	5.8	+1%
<b>EBITDA margin</b>	49%	45%	-5pp	56%	43%	-13pp
<b>Net profit</b>	1.4	1.5	+3%	2.7	2.3	-15%
<b>Net loan portfolio</b>	35.7	54.1	+52%	30.2	49.0	+62%
<b>Cash</b>	0.2	1.7	+774%	0.8	0.9	+14%
<b>Total Equity*</b>	8.5	12.0	+41%	7.1	10.5	+49%
<b>Total borrowings</b>	28.7	46.1	+61%	25.5	41.5	+63%
<b>EBITDA / Interest expense</b>	1.9x	1.5x	-20%	2.0x	1.7x	-18%
<b>Capitalization ratio</b>	24%	22%	-2pp	23%	22%	-2pp

\*Including shareholder subordinated loans

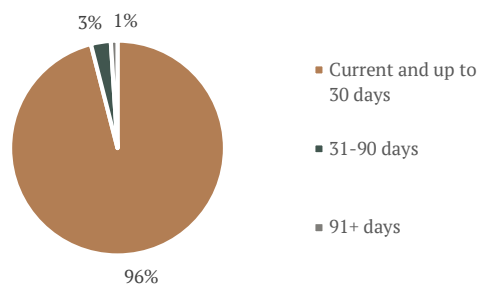
## Net loan portfolio and Capitalization ratio, EUR m



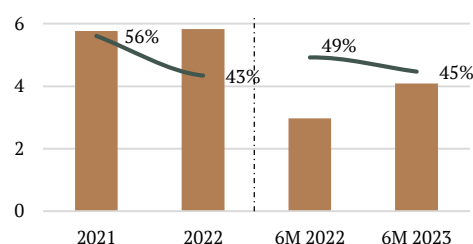
## Net loan portfolio split by countries



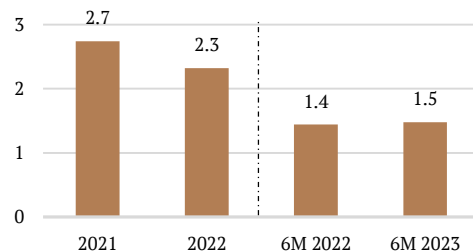
## Net portfolio by delay buckets



## EBITDA and EBITDA margin, EUR m










## Net profit, EUR m

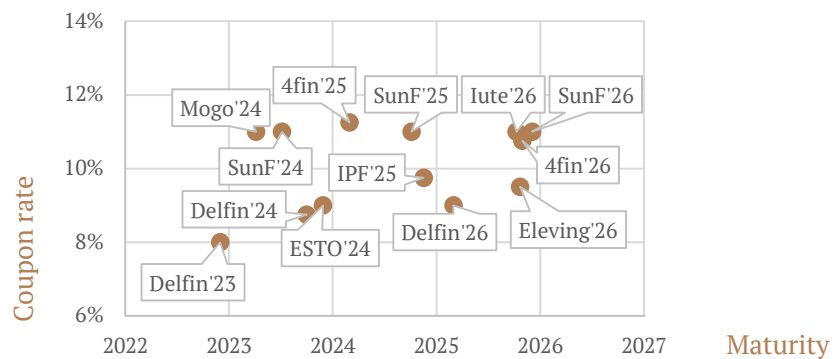
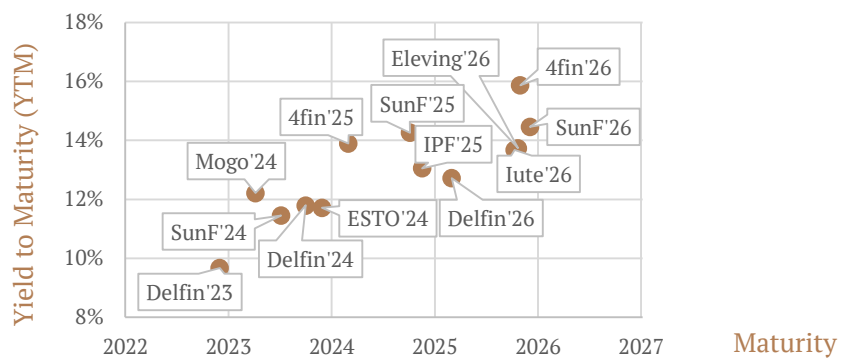


# Current bond issues



Company	Issuer	ISIN	Maturity	Coupon	Issue size	YTM <sup>1</sup>	BID Price	Call option	Collateral	Listing
	AS «mogo» (Latvia)	LV0000802452	31.03.2024	11.00%	EUR 30 000 000	12.21%	99.36	Call @101%	Unsecured	Nasdaq Baltic First North
Eleving <sup>GROUP</sup>	Eleving Group S.A. (Luxembourg)	XS2393240887	18.10.2026	9.50%	EUR 150 000 000	13.73%	89.60	Call @ 104.75% (18.10.2024); @ 102.375% (18.10.2025); @ 100% after	Secured	Frankfurt Stock Exchange and Nasdaq Riga
		LV0000802494	30.06.2024	11.00%	EUR 20 000 000	11.45%	99.65	Call @102% (30.06.2022) @101% after	Senior Unsecured	Nasdaq First North
	Sun Finance Treasury Ltd. (Malta)	LV0000860112	30.09.2025	11% + 3M EURIBOR	EUR 50 000 000	14.26%	100.50	Call @ 102% (30.09.2023) @101% (30.09.2024)	Senior Unsecured	Nasdaq First North
		LV0000802692	30.11.2026	11% + 3M EURIBOR	EUR 50 000 000	14.46%	100.00	Call @102% (30.06.2024) @100.5% (31.08.2026)	Senior Unsecured	-
	luteCredit Finance S.à r.l. (Luxembourg)	XS2378483494	06.10.2026	11.00%	EUR 125 000 000	13.68%	95.45	Call @105.5% (06.10.2025); @102.75% after	Secured	Frankfurt Stock Exchange and Nasdaq Tallinn
		LV0000802536	25.11.2023	8.00%	EUR 10 000 000	9.67%	99.60	Call @101% (25.05.2023)	Senior Unsecured	Nasdaq First North
	AS DelfinGroup (Latvia)	LV0000850055	25.09.2024	8.75% + 3M EURIBOR	EUR 10 000 000	11.79%	100.50	Call @ 101% (25.09.2023)	Senior Unsecured	Nasdaq First North
		LV0000802718	25.02.2026	9.00% + 3M EURIBOR	EUR 15 000 000	12.73%	100.00	Call @101% (25.02.2024)	Senior Unsecured	-
		LV0000802700	25.07.2028	11.50% + 3M EURIBOR	EUR 5 000 000	15.22%	100.00	Call @101% (on every coupon payment day)	Subordinated Unsecured	-
		XS1417876163	23.02.2025	11.25%	EUR 150 000 000	13.89%	96.89	Call @104% (08.07.2021)	Senior Unsecured	Frankfurt Stock Exchange
	4finance S.A. (Luxembourg)	NO0011128316	26.10.2026	10.75%	EUR 175 000 000	15.87%	89.02	Call @ 105.375% (26.04.2025); @ 102.688% (26.10.2025); @ 101.344% (26.04.2026); @ 100% after	Senior Unsecured	Nasdaq Stockholm
		XS1417876163	23.02.2025	11.25%	EUR 150 000 000	13.89%	96.89	Call @104% (08.07.2021)	Senior Unsecured	Frankfurt Stock Exchange
	International Personal Finance plc (United Kingdom)	XS2256977013	12.11.2025	9.75%	EUR 341 228 000	15.05%	94.01	Call @ 104.875 (12.11.2022); @ 102.4375% (12.11.2023); @ 100% after	Senior Unsecured	London Stock Exchange
	ESTO Holdings OU (Estonia)	EE3300002294	22.11.2024	9.00%	EUR 16 000 000	11.72%	97.00	Call @102% (22.11.2025); @ 100.25% (22.08.2024)	Secured	-

<sup>1</sup>Source: Bloomberg, Nasdaq Riga. Data as of 14 September 2023





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