4finance Covid-19 update

Business resilience plans and support for customers

3 April 2020. 4finance Holding S.A. (the "Group"), one of Europe's largest digital consumer lending groups, provides the following update on the impact of Covid-19 on its business and its response.

Operationally, the Group has rapidly adapted its operations to working from home and has been able to provide continuous service to its customers. The executive committee and crisis team meet daily to monitor the situation and lead the firm's response.

As a responsible lender, the Group has introduced a range of options to support customers whose plans have been disrupted by the current coronavirus pandemic. These include offering discounted or free payment deferrals of typically 1-3 months, depending on the market and product. Regulators are also encouraging or mandating similar, and in some cases additional, forbearance measures in several markets including the Czech Republic, Lithuania, Poland, Romania and Spain. As of the end of March, there was not yet a significant impact on overall collections in the online business and a reduction of less than 10% in TBI Bank.

In Poland, the government has introduced a temporary reduction in non-interest cost caps for a period of one year. Since March 2016, the caps have been 25% fixed cost plus 30% annual cost with a 100% total limit. The new caps for loans of 30 days or more, effective as of 1 April 2020, are 15% fixed cost plus 6% annual cost with a 45% total limit. The Group has already adapted its Vivus short-term loan product to comply with the new pricing, however the Zaplo instalment loan offering is under review.

The Group has seen an impact on new loan issuance volumes from mid-March, resulting from both lower customer demand and its own tightening of underwriting criteria, particularly for new customers. Compared with the averages for January and February 2020, loan issuance in March was down by 11% in the online business and by 12% in TBI Bank. The impact has varied widely by market, with the largest impact so far seen in Spain and in offline bank lending.

The Group's liquidity position remains strong, with current cash levels in the online business of over €80 million, slightly above the level at the start of the year. This is after the repurchase of $10.4 million notional of its USD 2022 bonds and €10.5 million notional of EUR 2021 bonds since the beginning of March. TBI Bank also has liquidity ratios well above statutory minimums, with an increase in deposits since year end, and no significant reduction of balances or premature withdrawals of deposits seen in recent weeks. The Group has no debt maturities in 2020 and will give an update on plans in respect of the EUR 2021 bonds on its Q1 results conference call.

Oyvind Oanes, CEO of 4finance, commented:

"As a digital consumer lender, we've been able to move swiftly to a homeworking model, protecting our colleagues and customers. Within TBI, the majority of our branches or service points are also open and operating in line with local healthcare guidance. I am grateful to colleagues across the business for the way they have responded to the challenge and that our operating model is generally well-suited to making these changes.

"Safe working for our staff and continuity of service for our customers remains our priority. We are working carefully to ensure that we can support those customers whose livelihoods are affected. And for new lending, we need to balance taking on a prudent level of risk while ensuring that creditworthy borrowers, particularly our returning customers, continue to have access to a regulated, digital option to obtain the credit they need.

"The months ahead will be challenging. We are reviewing our product range and cost structure across the business to ensure we are best positioned for this. But this crisis will recede, and it is also important that, as an industry leader in most markets, we prepare to make the most of the opportunities that recovery will present."

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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.

Notes to Editors

About 4finance

Established in 2008, 4finance is one of Europe's largest digital consumer lending groups with operations in 14 countries. Leveraging a high degree of automation and data-driven insights across all aspects of the business, 4finance has grown rapidly, issuing over €7 billion since inception in single payment loans, instalment loans and lines of credit. 4finance operates a portfolio of market leading brands, through which, as a responsible lender, the firm offers simple, convenient and transparent products to millions of customers who are typically underserved by conventional providers. 4finance has group offices in Riga (Latvia), London, Luxembourg and Miami, and currently operates in 12 countries in Europe as well as in Argentina and Mexico. The Group also offers deposits, in addition to consumer and SME loans through its TBI Bank subsidiary, an EU licensed institution with operations primarily in Bulgaria and Romania.