

Air Bank Group

Intro & financials

HOME
CREDIT

zonky.cz

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Air Bank Group consists of **three leading brands** with a high growth momentum and strong profitability

The group has grown its retail loan book by 17,6% annually (2016-2020) and combined for a net profit of CZK 1.5bn (EUR 57m) at ROTE 17.2% even in Covid affected 2020.

Best-in-class online skills and smooth customer facing processes make our brands leaders in their respective market segments. Our brands are recognized award winner across all product categories.

Air Bank is the largest and fastest growing neo-bank, one of the very few in the world that has reached both large and raving client base of 917k customers and healthy ROTE profitability.

Home Credit is a highly profitable brand occupying the near-prime lending market, contributing to the Group's impact with a 3% share on consumer loan market.

Zonky is a successful digital lending platform based on peer-to-peer lending proposition with current 4% market share on total consumer loan market.



Historical performance

	Years on market	Cumulative profit
Air Bank	11 years	CZK 5.4 billion
Home Credit	23 years	CZK 9 billion
Zonky	7 years	break even in 2021

Individually strong brands enjoy **significant synergies** to maximize market share and keep costs down

Strengths of individual brands...



The biggest and most popular neo-bank in the Czech Republic, fastest growing retail bank with 10% market share. Heralded customer experience and online banking champion with a proven business model and great growth potential.



Established in 1997, Home Credit is the biggest and most trustworthy non-bank consumer finance company running point-of-purchase financing, consumer loans, car loans and microloans. Home Credit repeatedly reaches top positions in independent safe lending reviews.



Youngest of the three, Zonky has quickly become a synonym for peer-to-peer lending. Zonky is priced much lower than typical P2P lenders due to 70/30 split between Air Bank and P2P funding, which leads to breakeven profitability and industry champion NPS of 68.

...are accelerated by group synergies

1

Managed by a strong management team with a vast experience in banking and consumer finance.

2

Deep know-how in consumer credit underwriting and collections as a member of Home Credit International.

3

Central finance, risk management and collections management keeping costs and risk levels low.

4

Purchasing synergies translating into lower cost of IT maintenance, advertising and payment processing.

5

Low cost and stable funding delivered by Air Bank retail customer base.

Air Bank Group multibrand strategy combines respective segment leaders for **22% market share in loans**



air/bank
CLEN SKUPINY PPF

#1 neo-bank



**HOME
CREDIT**

#1 consumer
finance company

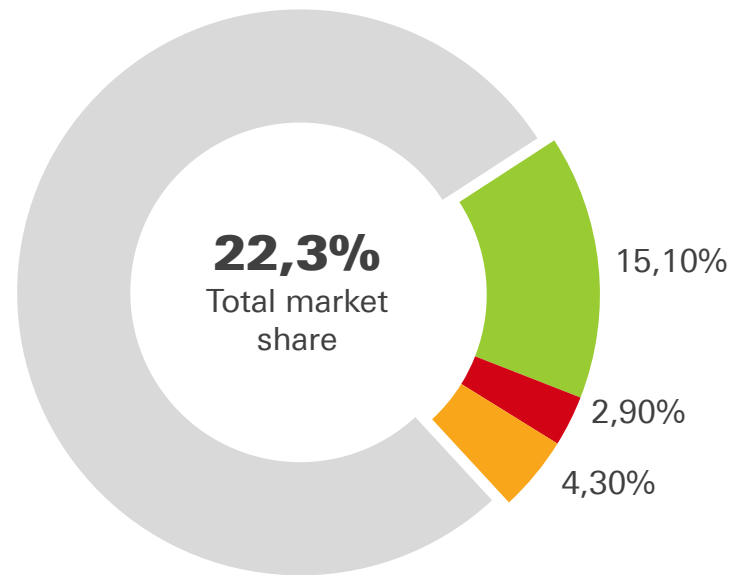


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#1 digital lending
platform

Market share in retail credit

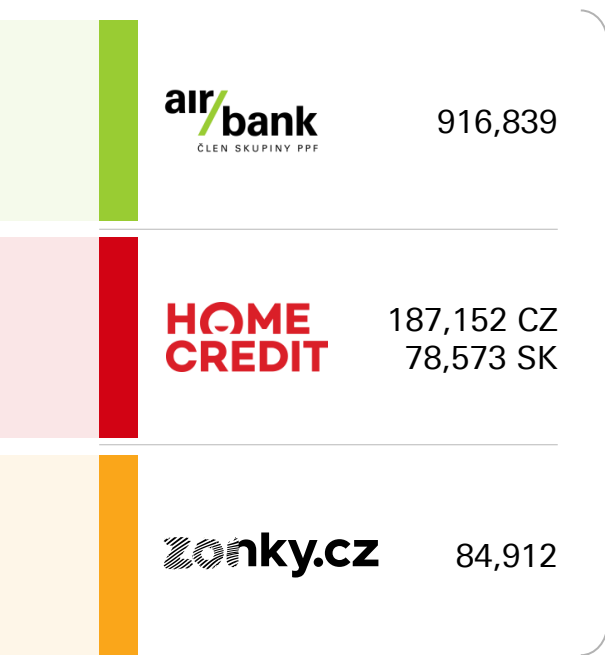
New gross loan volume in 2021, consumer loans



Businesses complement each other to reach 1,267k customers with less than 6% loan customer overlap

Active customers

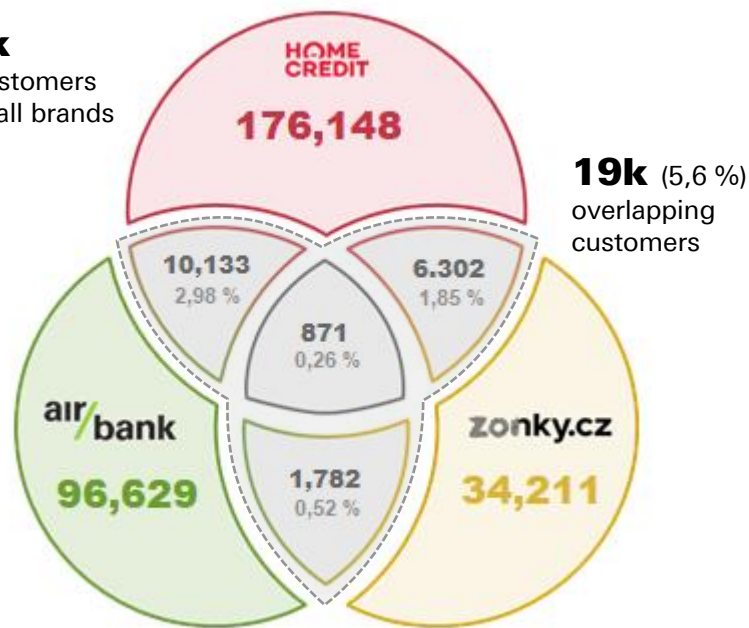
September 2021



1,267k
active customers
across all brands

Number of unique and overlapping consumer loan customers

340k
loan customers
across all brands



Note: Overlap percentages as of September 2021.

Group Financials

(Including Forward Looking Plans)

Air Bank Group showed resilience during 2020 pandemic hit and delivered decent ROE

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Forecast	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Loan book growth¹	16.8%	15.3%	23.6%	2.2%	14.5%	14.1%	16.1%	13.9%	10.7%
Total operating income, CZK	4,926m	5,091m	5,949m	5,781m	5,931m	7,526m	7,856m	8,435m	9,023m
Net profit, CZK	1,290m	1,545m	1,780m	1,502m	1,945m	2,822m	2,893m	3,194m	3,508m
Cost of risk²	36 bps	(32) bps	3 bps	109 bps	20 bps	61 bps	63 bps	61 bps	59 bps
Cost to income ratio	62%	62%	61%	58%	57%	47%	47%	46%	44%
Return on tangible equity	25.5%	25.7%	22.8%	17.2%	20.5%	25.4%	25.5%	27.7%	27.6%

Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18. Benxy (Zonky) included in the combined perimeter starting 1 January 2019.

¹YoY, Net Customer Loans

²% Avg Net Customer Loans

Air Bank Group **simplified financial statements**

3Q 2021, CZKbn

Assets	151.0	Liabilities	139.1
Cash and equivalents	46.8	Air Bank deposits	134.4
Air Bank loans	41.7	Other liabilities	4.7
Home Credit loans	15.9		
Benxy loans	5.8	Equity	11.9
Government bonds	30.4		
Other assets	10.4		

Asset yield @ 4.2%

Cost of funds @ 0.2%

Income statement (YTD)

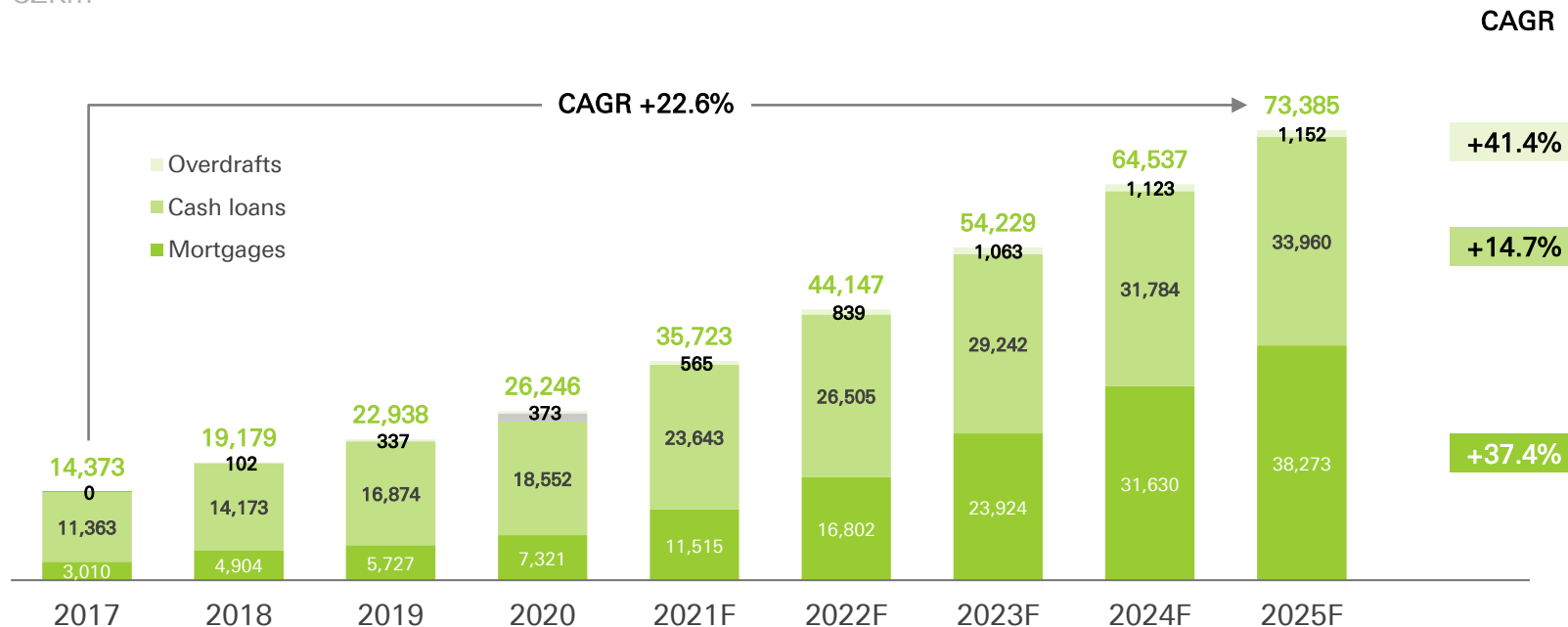
Operating income	4.3
Operating expenses	(2.5)
Cost of risk	0.04
Profit before tax	1.9
Income tax expense	(0.4)
Profit for the period	1.5

Note: Unaudited combined IFRS figures
Figures in chart may not add up due to rounding differences

Air Bank NEA growth is driven **mostly by mortgages**

Air Bank NEA growth by product category

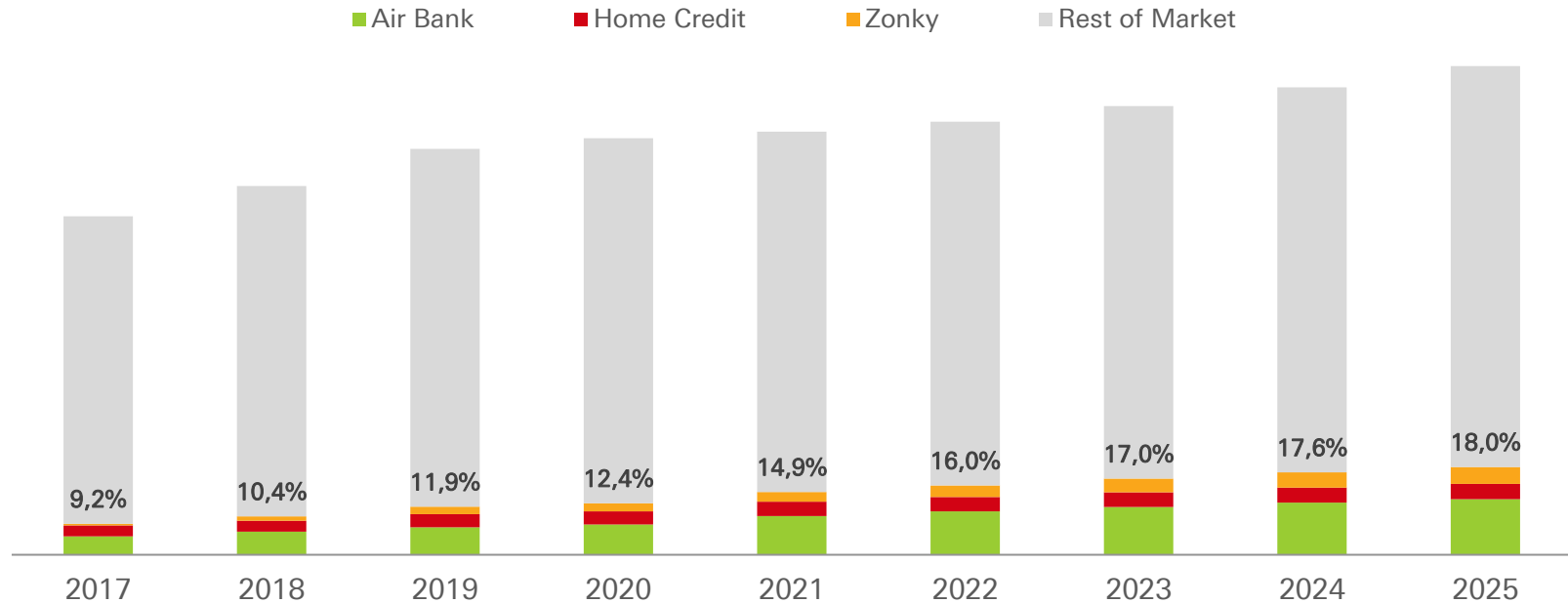
CZKm



Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18, 2021-2025 forecasted figures. Benxy (Zonky) included in the combined perimeter starting 1 January 2019. Figures in chart may not add up due to rounding differences.

The Group is **growing cash loan market share steadily in terms of outstanding balance**

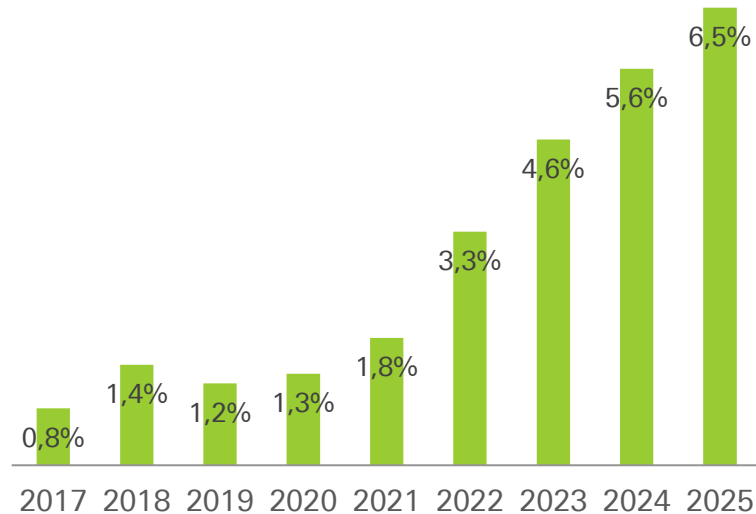
Cash loan market share (balance)



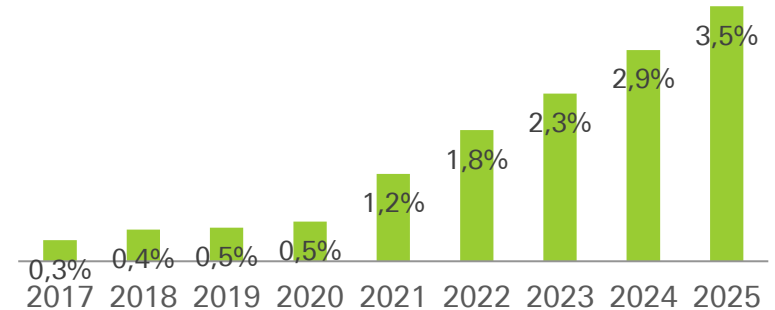
Note: Total market cash loan balance is calculated as bank cash loan balance reported by ČNB, increased by Zonky and Home Credit cash loan balances.

Air Bank presence in the mortgage market will continue to grow supported also by product enhancements*

Mortgage market share (new volume)



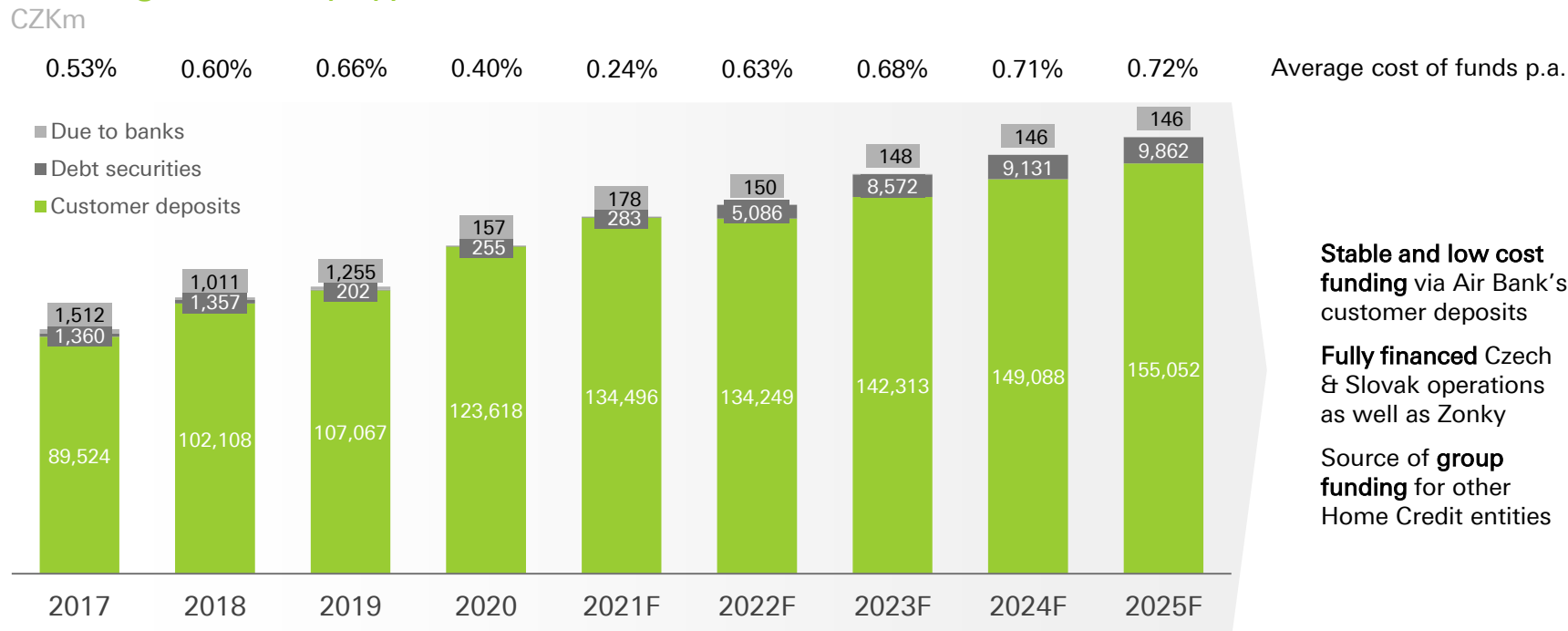
Mortgage market share (balance)



Note: Current product support only purposes of purchase and refinancing. In early 2022 will be introduced further product enhancement for purposes of development and individual constructions (approximately 35% of market). Current distribution model does not involve mortgage brokers (currently approx. 50% of market)

Retail deposits provide **low cost and stable source of funding** for the whole group

Funding source by type



Stable and low cost funding via Air Bank's customer deposits

Fully financed Czech & Slovak operations as well as Zonky

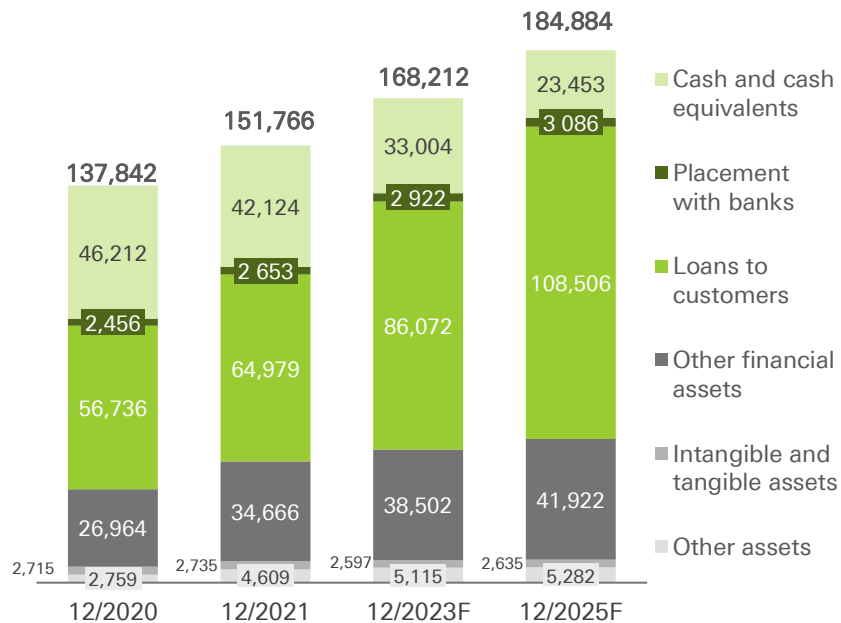
Source of **group funding** for other Home Credit entities

Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18, 2021-2025 forecasted figures. Benxy (Zonky) included in the combined perimeter starting 1 January 2019. Figures in chart may not add up due to rounding differences.

Highly liquid and strong combined balance sheet

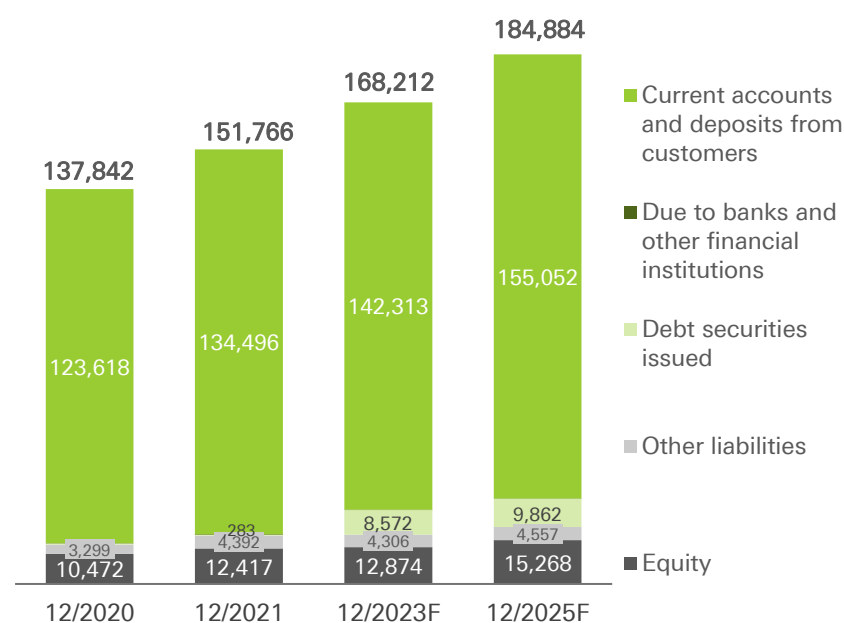
Assets

CZKm



Liabilities and equity

CZKm

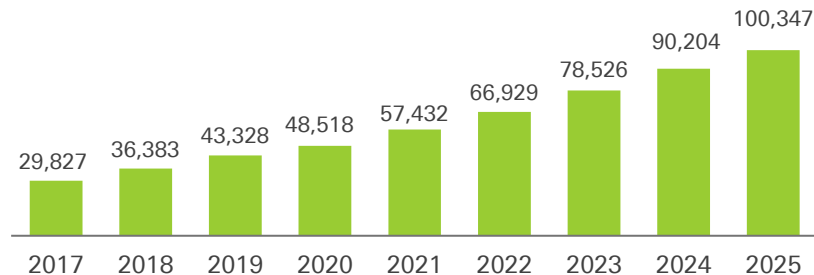


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Low cost of risk as a result of solid risk management

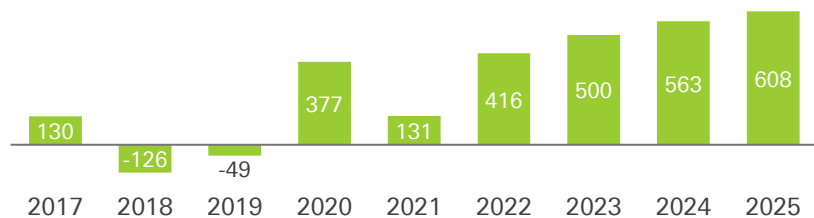
Net retail loan portfolio balance

CZKm



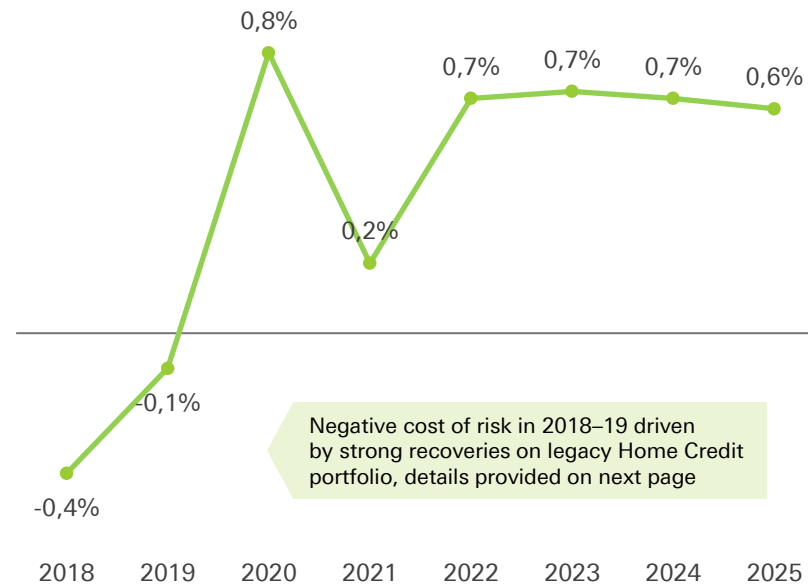
Net impairments, retail loans

CZKm



Cost of risk, retail loans

Annualized



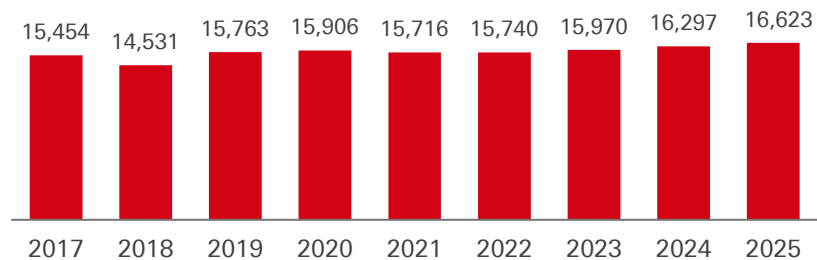
Negative cost of risk in 2018–19 driven by strong recoveries on legacy Home Credit portfolio, details provided on next page

Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18, 2021–2025 forecasted figures. Benxy (Zonky) included in the combined perimeter starting 1 January 2019. Figures in chart may not add up due to rounding differences.

Home Credit stand alone risk performance

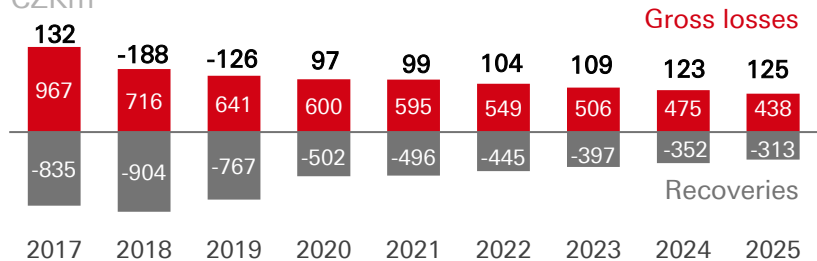
Net retail loan portfolio balance

CZKm



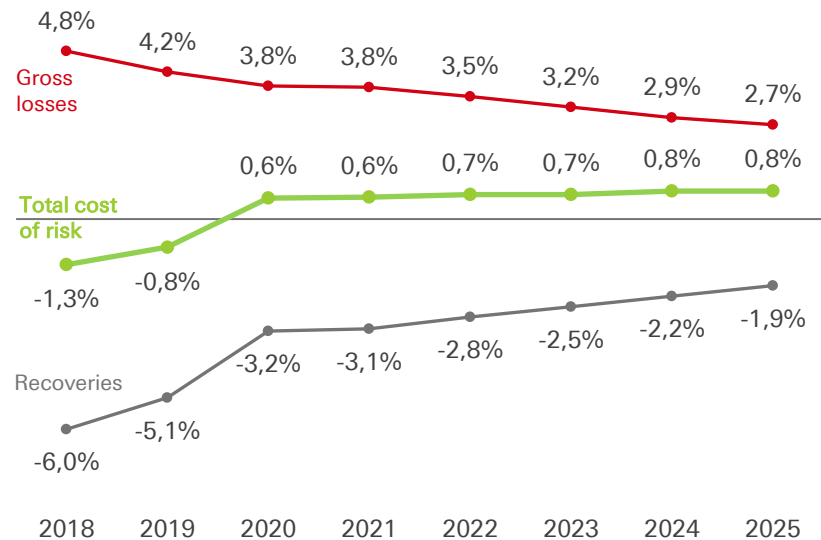
Net impairments, retail loans

CZKm



Cost of risk, retail loans

Annualized

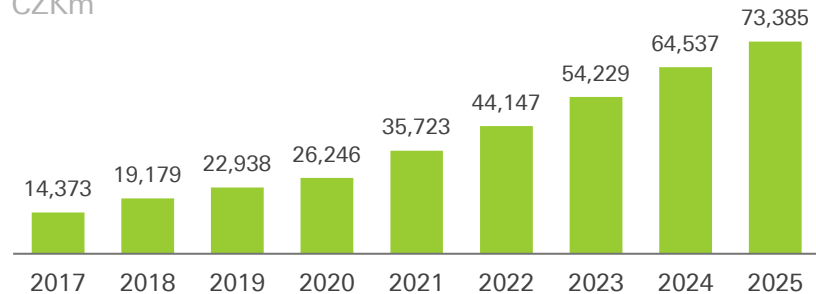


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Air Bank stand alone risk performance

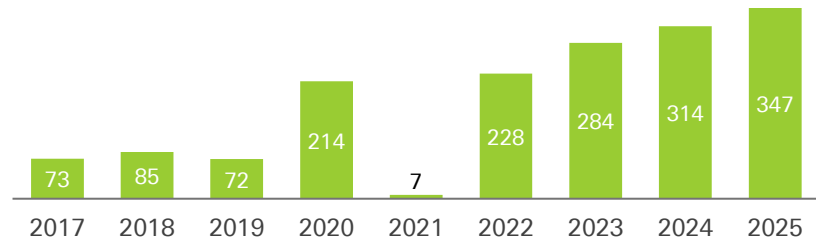
Net retail loan portfolio balance

CZKm



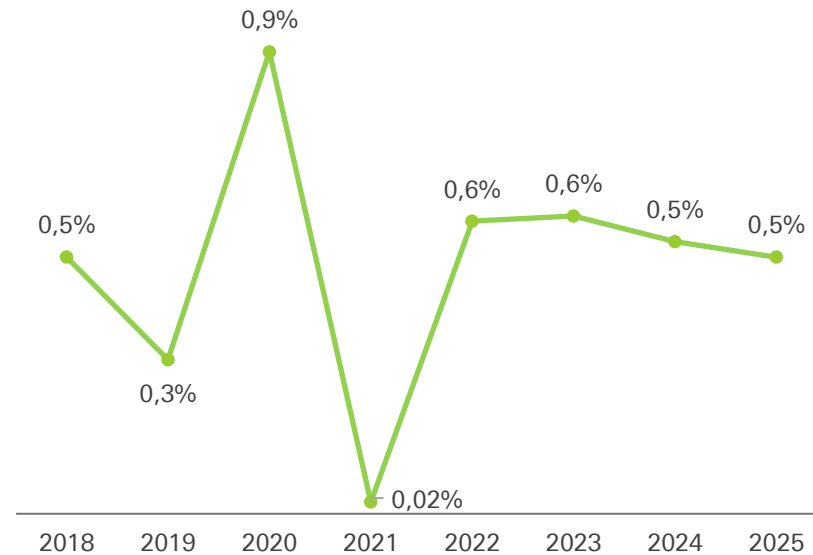
Net impairments, retail loans

CZKm



Cost of risk, retail loans

Annualized

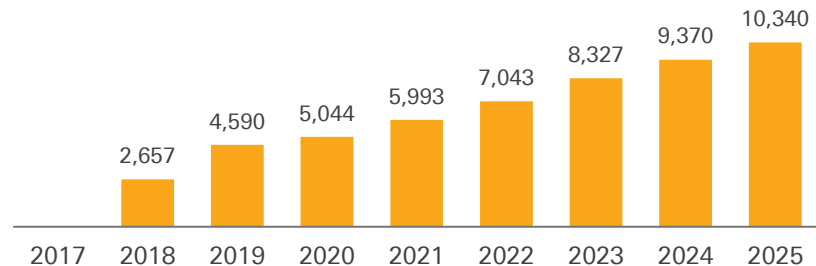


Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18, 2021-2025 forecasted figures.
Benxy (Zonky) included in the combined perimeter starting 1 January 2019. Figures in chart may not add up due to rounding differences.

Zonky stand alone risk performance

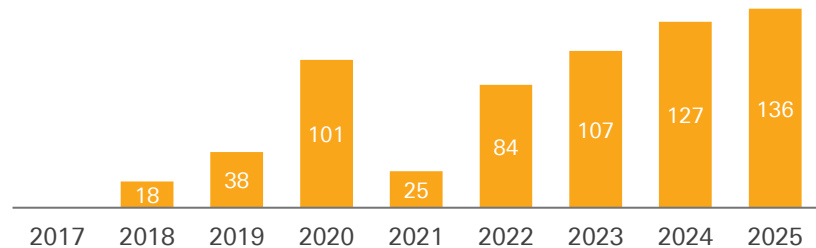
Net retail loan portfolio balance

CZKm



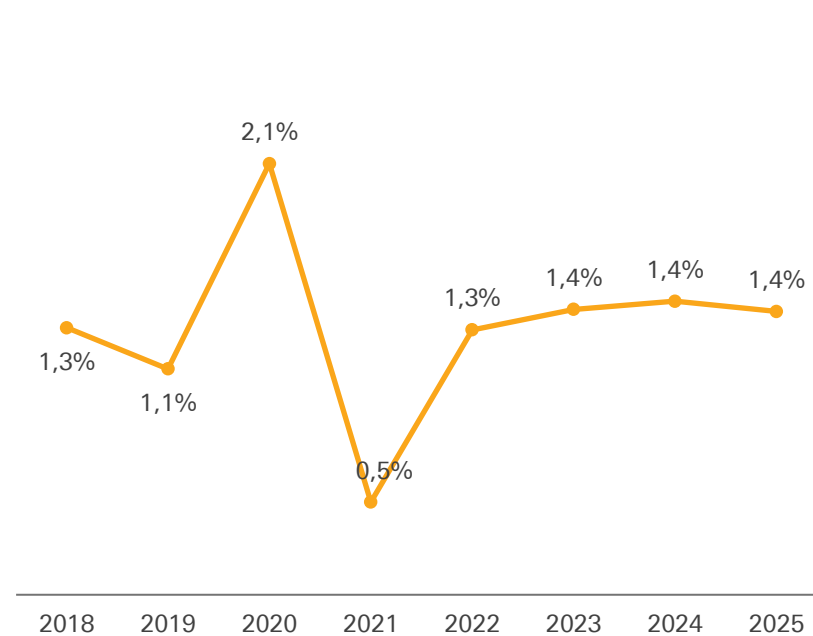
Net impairments, retail loans

CZKm



Cost of risk, retail loans

Annualized



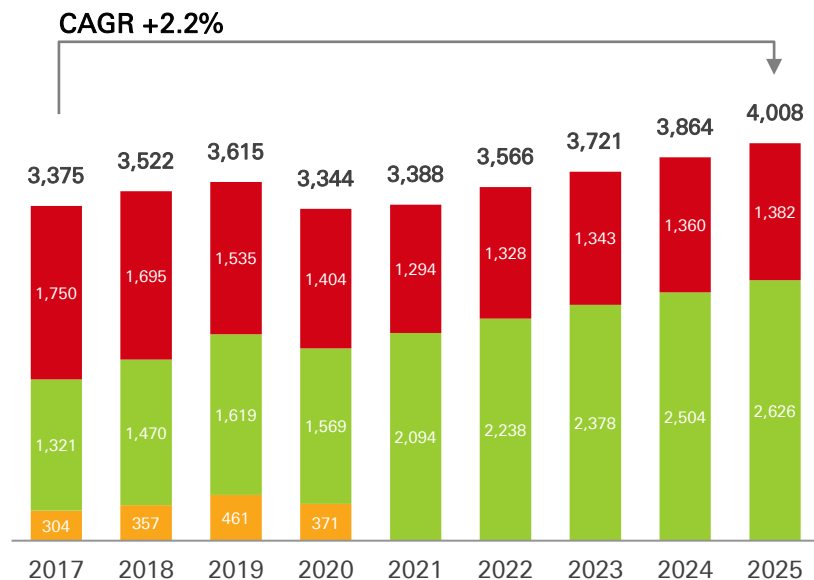
Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18, 2021-2025 forecasted figures. Benxy (Zonky) included in the combined perimeter starting 1 January 2019. Figures in chart may not add up due to rounding differences.

Build as a scalable platform with **OPEX** increase much slower than assets or revenues

Combined operating expenses

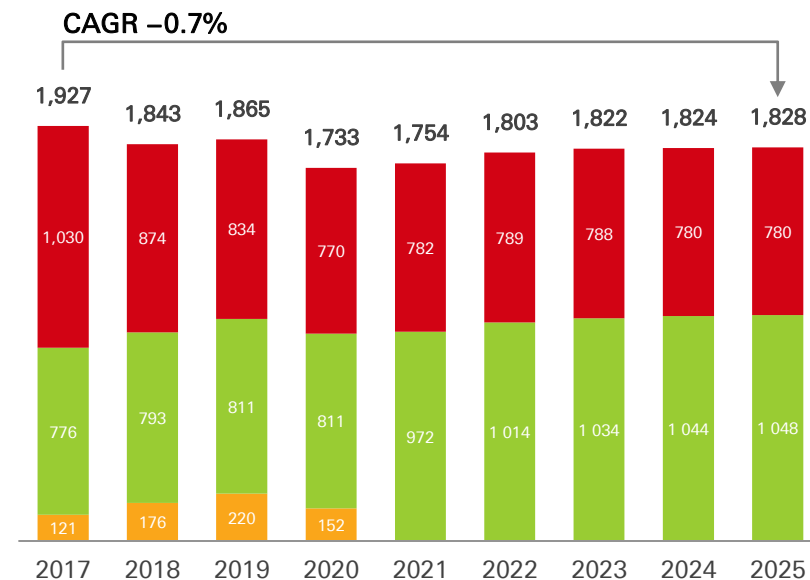
CZKm

■ Zonky ■ Air Bank ■ Home Credit CZ+SK



Combined headcount

■ Zonky ■ Air Bank ■ Home Credit CZ+SK



Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18, 2021-2025 forecasted figures.

Benxy (Zonky) included in the combined perimeter starting 1 January 2019 and merged with Air Bank in 2021. Figures in chart may not add up due to rounding differences.

Combined statement of financial position

CZKm

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Actual	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
Cash and cash equivalents	34,457	42,694	40,798	46,212	42,124	36,239	33,004	27,736	23,453
Placement with banks	2,899	3,131	2,055	2,456	2,653	2,868	2,922	3,037	3,086
Loans to customers	38,939	44,900	55,492	56,736	64,979	74,125	86,072	98,049	108,506
Net receivables, retail loans	29,827	36,383	43,328	48,518	57,432	66,929	78,526	90,204	100,347
Net receivables, corporate loans	9,112	8,517	12,164	8,218	7,547	7,196	7,546	7,845	8,159
Other financial assets	20,267	20,019	18,784	26,964	34,666	36,725	38,502	40,310	41,922
Intangible assets	1,784	1,801	1,966	1,955	1,961	1,971	1,983	1,988	2,008
Property and equipment	408	341	915	760	774	609	614	621	627
Other assets	3,010	2,574	2,808	2,759	4,609	4,982	5,115	5,229	5,282
TOTAL ASSETS	101,764	115,460	122,818	137,842	151,766	157,519	168,212	176,970	184,884
Current accounts and deposits from customers	89,524	102,108	107,067	123,618	134,496	134,249	142,313	149,088	155,052
Due to banks and other financial institutions	1,512	1,011	1,255	157	178	150	148	146	146
Debt securities issued	1,360	1,357	202	255	283	5,086	8,572	9,131	9,862
Other liabilities	2,210	2,523	3,367	3,340	4,392	4,277	4,306	4,467	4,557
Total liabilities	94,606	106,999	111,891	127,370	139,349	143,763	155,338	162,833	169,616
Total equity	7,158	8,461	10,927	10,472	12,417	13,756	12,874	14,137	15,268
TOTAL LIABILITIES AND EQUITY	101,764	115,460	122,818	137,842	151,766	157,519	168,212	176,970	184,884

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Combined net income statement

CZKmn

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Actual	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
Interest income	5,168	5,751	6,695	6,287	6,068	7,973	8,253	8,756	9,241
Retail loans	4,419	4,238	4,409	4,697	4,814	5,292	5,923	6,506	7,032
Corporate loans	612	891	1,086	1,043	663	722	688	722	751
Other financial assets	137	623	1,200	547	591	1,959	1,642	1,528	1,457
Interest expense	(507)	(589)	(704)	(464)	(318)	(861)	(993)	(1,104)	(1,163)
Current accounts and deposits from customers	(391)	(482)	(628)	(425)	(298)	(741)	(725)	(738)	(770)
Other	(116)	(107)	(76)	(39)	(20)	(120)	(268)	(367)	(393)
▶ Net interest income	4,661	5,162	5,991	5,823	5,750	7,113	7,260	7,651	8,078
Fee and commission income	773	777	928	930	1,090	1,255	1,491	1,701	1,884
Fee and commission expense	(886)	(872)	(1,010)	(1,035)	(1,075)	(1,135)	(1,200)	(1,270)	(1,345)
▶ Net fee and commission income	(113)	(95)	(82)	(105)	15	120	291	431	539
▶ Other operating income	378	24	40	63	166	294	306	353	406
▶ Operating income	4,926	5,091	5,949	5,781	5,931	7,526	7,856	8,435	9,023
▶ Impairment losses	(132)	136	(13)	(613)	(123)	(420)	(504)	(563)	(614)
Retail loans	(130)	126	49	(377)	(131)	(416)	(500)	(563)	(608)
Other	(2)	10	(62)	(236)	8	(4)	(4)	0	(6)
▶ General operating expenses	(3,071)	(3,166)	(3,616)	(3,344)	(3,388)	(3,566)	(3,721)	(3,864)	(4,008)
▶ Operating expenses	(3,203)	(3,030)	(3,629)	(3,957)	(3,511)	(3,986)	(4,224)	(4,428)	(4,622)
▶ Profit before tax	1,723	2,061	2,320	1,824	2,420	3,540	3,632	4,008	4,401
▶ Income tax expense	(433)	(516)	(540)	(322)	(475)	(718)	(739)	(813)	(893)
▶ Profit for the period	1,290	1,545	1,780	1,502	1,945	2,822	2,893	3,194	3,508

Note: Audited combined IFRS figures for 2019-20, unaudited combined IFRS figures for 2017-18, 2021–2025 forecasted figures. Benxy (Zonky) included in the combined perimeter starting 1 January 2019. Figures in chart may not add up due to rounding differences.

Scope of combined financial information



Macroeconomic assumptions applied in financial projection outlined in this document has been taken from the most recent macroeconomic forecast published by CNB at <https://www.cnb.cz/cs/menova-politika/prognoza/> on 4 November 2021.