

**4FINANCE S.A.**

**Moderator: Kieran Donnelly**  
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Kieran Donnelly: Good afternoon, everyone, and thank you very much for taking the time to dial in. Thank you for your interest in 4finance.

I'm going to start off with a summary. So, the Full Year 2020 Results, but I think there's an emphasis in our comments and throughout the presentation on the fourth quarter as we've already had previous calls on the earlier part of the year.

So, during the fourth quarter, interest income held up at EUR71 million, which was in line with the second and third quarter levels, which when you take into consideration the fact that we had the impact of changes in Denmark and with products winding down over time, holding that level of interest income up in the fourth quarter was actually quite good going and we were pleased with that.

Think our second point about our EBITDA number is something that we're more focused on and we think is something that shows up quite well in the fourth quarter, where we had EBITDA of EUR23.1 million.

And this is driven by not only the interest income holding up, but we were able to bring costs down and we had better risk experience during the fourth quarter. So, that fourth quarter number is quite a turnaround from what we saw in the second and the third quarter and a nice trend moving back up. And we're very encouraged by this.

We have much more work to do, but we get the feeling we're very much back on track and heading in the right direction. This turnaround and combined

with the fact that there hasn't been a huge demand for money, as we've talked about in the past, has led to a quite strong cash position even during the course that's after – during the course of 2020, we bought back about 47 million nominal of the bonds. So, we've been using that cash judiciously and we've been very careful with our cash and not running out, letting it burn hole in our pockets and trying to force lending.

So, we're keeping our discipline and that the cash level now is just over the online segment of the business. Just over EUR80 million.

Other good news, and something, we've talked about quite a lot over the past, is using TBI to fund the near prime loans in our business. And we were successful in passporting to Lithuania and have actually begun to sell near prime loans off of the Lithuanian balance sheet onto the TBI balance sheet.

And that's something that has started and will accelerate over the course of the next few months. It is also very positive situations of liquidity in our cash.

I mentioned earlier that our EBITDA has been improved. Some of that has come from improved risk experience. And in the fourth quarter, we did have a very strong underpinning to the risk side of things.

And while these numbers here are focused on NPL and impairments, as if we were to drill down into the core risk numbers, we would see that it supported the base levels of what we're seeing, particularly on the online side of the business.

So, with that, I'd like that overall summary, I'd like to hand over to James to walk through the – some more detail on that business.

James Etherington: Thank you, Kieran. Good afternoon or good morning to everyone on the call. So, if I can start with slide five. So, this shows our loan issuance in recent months as an interest income by quarter.

We were able to rebuild the lone issuance quite quickly in Q2 last year and into the summer and we're able to sustain that level through to the end of the year, despite the return of lockdowns in many markets.

December is seasonally strong, but we did well again here. And looking at January in the active products, we're basically back at the same level as January last year.

So, under the circumstances, we see this is quite a good result and it reflects our approach of staying open for business last year. And then, what does this mean for our interest income? As Kieran said, we're reporting another quarter with just over EUR70 million of top line in Q4, similar to second and third quarters. And this is quite encouraging as well, given the reduced contribution from the markets or products that we've exited.

You can see the growth in the active products in the graph. And in particular, Spain has been an important contributor to that growth, as we had cut back a bit further in that market in the second quarter.

TBI Bank has also been a steady contributor to the income line and that has picked up gradually in Q4 with the portfolio growth that we've had in the second half of the year in the bank.

And turning to slide six to look at the interest income by country, I think we have a really clear focus now on the seven markets in the online business, plus TBI Bank in its two markets. We've got strong brands and opportunity in each market and we can really focus our efforts and energy on optimizing the businesses in each one.

We've taken the decision to exit the markets we didn't see as being profitable. And this will help our margins over time and also avoid spreading management time too thinly. But, importantly, there's still a good diversified blend of revenue, as you can see in the pie chart.

Another important aspect is regulation. We have a clearer regulatory framework now and, in many markets, it's the main financial supervisory authorities of the national banks. And that's quite a shift over the last two to three years.

This is a more sustainable environment for us to operate in. It suits us quite well as one of the larger, better resourced players. And we also have learnings from across the business in how we adapt our products, particularly within the Nordic and Baltic regions with their lower APR cap environment.

Lastly, we do look at opportunities beyond this scope. We're looking at pilots of different product approaches, like credit cards, for example, potential acquisition opportunities in other subprime markets or adjacent areas like receivables management.

And the difficult market situation means there are interesting things for us to review. But we will have a very high bar for proceeding with anything. Overall, the main message here is we know the markets we're focusing on and execution on that is very important in bringing the online business back to profitability.

Moving to slide seven on costs, this is clearly an important factor in restoring profitability and arguably the one we have the most direct control over. So we've made some good progress in 2020 with over EUR40 million of reduction year-on-year in the overall operating costs. And particularly, in the online business, we go into 2021 with a much lower quarterly run rate of costs.

Some of that was reduced marketing spend, of course, last year and we do plan to invest more this year. But it'll only be when the environment supports it so we're still being very disciplined at the moment.

Structurally, a key area we're looking at is headquarters. We're asking ourselves "What functions do we need HQ to be doing?" and streamlining this where possible.

I think, if you started the business from scratch today to its current footprint, you probably wouldn't have some of the overheads and bureaucracy that we do have. That doesn't mean it was the wrong thing for the business a few years ago. Just that we're revisiting what is useful for us now and aiming to make it more efficient, both in country and in HQ.

In the IT area, I would particularly highlight the infrastructure team who've made some great progress last year in areas like our servers moving to cloud-based scalable set ups, with savings reaching seven digits annually.

And there's also opportunities for how we use technology in the business. For example, increased automation that's possible in the customer care function in some markets.

Overall, cost is a big focus for us. We want to see that cost income ratio coming back down towards 50 percent by the end of 2021.

Turning to slide eight, which summarizes the key financial metrics, the overall revenue and profitability for 2020 was clearly down year-on-year. I think that's obvious to everyone. But there are two things I would draw out from this slide though.

Firstly, we've maintained consistent and strong balance sheet capitalization levels. Actually, I think the balance sheet quality has improved with over EUR20 million reduction in intangible assets during the year and reduced leverage as well.

And secondly, and this is important, with the quarterly EBITDA back above EUR20 million in Q4, that's an EBITDA run rate of about EUR90 million a year, which would put that interest coverage back above the two-times level.

Given the circumstances, these indicators are holding up fairly well and we believe we can make further progress on them this year. And with that, I'd like to hand over to Marek.

Marek Kujawa: Thanks, James. Hello to everyone and nice to be with you. I'll spend some few minutes on the risk numbers. So, starting from the slide nine, of our loan portfolio, looking at the portfolio structure, definitely we're keeping it diversified. Of course, this year the share of different countries varied over Quarter Two to Quarter Four. Sales that are determined by COVID-19 demand, job losses in specific markets has an increase. But, overall, the diversification is a priority that we want to keep here.

As for the loan issuance, after slowdown that is visible in the results coming from the period of March to June 20 and majority of the reasoning was the lower demand on the major markets, Spain and Poland as equates to the COVID circumstances and risk policy tightening. Over Quarter Three and Quarter Four we're able to rebuild our main product lines, like SPLs and Installment loans. Basically, we keep stable the near prime issuance level. So, as an overall result, the Q4 issuance were very close to pre-COVID level. And it brings like a good perspective for the future.

Now, you can move to slide 10. Oh, maybe one point from slide Nine. To sum it up, it is important to mention that the NPL ratio year-to-year, so December 19 to December 20 dropped from 20.7 to 17. That I believe is a kind of good measure and kind of proof that we are doing quite well in this – in this area despite the COVID situation.

Now, let's move to slide 10. Net impairment charge and cost of risk. Obviously, what we can – what we can say was said before. We observed the reduction in the third quarter net impairment charge. We observed the improvement of the main fundamental risk parameters. (That's called PD and LDG) here. Of course, part of it, Q2, Q3 was determined by the – quite cautious and responsible answer for the COVID situation.

But then, over time, we're able to adjust it properly to relax it properly, based on the market circumstances. At the end of the day, despite the fact that COVID is ongoing and still isn't finished in most of countries, we were able to achieve more and more better and better results over the – over the quarter.

That small outlier we can see in the fourth quarter. But there was quite pretty clear reason for it, like a season in TBI in the banking sector. I will say it's harvest in December. And also, the unfortunate Armenia versus Azerbaijan state of war that occurs in fourth quarter. We observed the impact, especially in October and November.

But I can say now it's gone. So, next month, we observe a significant improvement. As a quarter our overall cost of risk, 14.2%, 2020 including TBI versus 17.1%. So, much significant improvement year-to-year.

Online cost of risk also improves to 24% from 27% a year before & the same ratios impairment to interest income. What I mentioned before the fundamental risk indicators, yes, we observed this in a vast majority of the countries PD is improving because it is improving.

At the end, maybe it's worth to mention the moratorium because it was a topic previously very important and was mentioned on a previous quarter results.

I'm glad to say that online business moratorium has finished also in 2020 and in this TBI also finished. We haven't experienced any deterioration from the debt collection perspective and also from the risk parameters there.

When needed, there was like forced by government or by the local regulations, easements, but after these easements finished, we again, we didn't observe the deterioration and the proof of it, like a factor that confirms the story is also the case that in most of the markets, we are able to reveal the debt sale process and, obviously, during second and third quarter, our situation was not certain that debt collectors company were waiting to see what is happening – what will happen.

And well, we can definitely say, in the Fourth Quarter, you can see in the chart, we're able to get back to the previous levels. So, it means, basically, we can say – the situation is going normalized now. So, that prospect for the future is promising here.

Thanks a lot for the attention and I'm passing the voice to Kieran.

Kieran Donnelly: Thanks, Marek. So, I'll just try to wrap some things up before we open up to questions, which is probably the more important part of the presentation.

So, we've really focused on returning the online segment of the business to profitability. We have solid performance in TBI Bank and that's something that's there, but we can't just lean on that. So, we've been really focused on

streamlining the footprint and rightsizing the cost base. As James mentioned, we're really looking at what do we need from headquarters, given the fact that we're now seven countries.

We're optimizing the subprime business itself and I think that's also a little bit of – perhaps, over time, there was some complacency of being the largest player in some markets. And so, we've been focusing more and really making sure that we are optimizing and protecting our position and taking what we can from that market. And there is opportunity and we're finding it.

So, our near prime business, we are, as I mentioned, really making sure that it's in line with the funding availability so that the profit margin is there. And we're very happy about the success we've had recently in having TBI Bank passported to Lithuania and actually now selling loans from that balance sheet onto TBI Bank. So, that's very much supporting that near prime part at the right margins.

And TBI Bank, I said, keeps rolling along and we're happy about that and it's building momentum and really building a strong base in their marketplace.

The operating market we're in now I think – well, we're all living in it, right? So, the demand for credit is subdued. It's down but I would say also that, while that is lower in some markets, I would say, for example, in Spain, in February, overall demand for loans in our segment was down about 30 percent over say, if you compared it to say, December.

But our demand for us is down about 15 percent. So, the market condition is difficult, but, on a relative basis, we're doing pretty well. Not that we're satisfied, but it's going along.

In the Baltics, Nordics, Czech – things are performing like it says OK. Things are going well in Poland and, in Poland, you know what, quite as I said, we're a bit behind in Spain from where we'd like to be, but we're working on closing that gap.

Denmark, the regulatory environment is uncertain – has been covered a lot in the press around that and I would say, if we're looking forward, the biggest



concerns we have is what's happening in Denmark. But our forecast and our budgeting process is not assuming that Denmark gets sorted anytime soon. So, that's something that, if it becomes clearer, that creates more opportunity for us.

Which brings me to really some upside. Poland, they announced that the non-interest charges cap, which they put in place during COVID, would be lifted mid this year.

We haven't budgeted for that. We've budgeted the year, assuming that that cap would remain in place for the entire year. So, if it happens mid-July as has been announced, fantastic. If it gets extended, not bad either. It's probably worse for some of our competitors. So, we're prepared for that. We're prepared for the upside as well.

We have hopes that restrictions will be lifted more in across Europe as vaccinations rollout across – obviously, they're not rolling out as quickly as everyone would like, but we're hoping that numbers of COVID cases will decrease and restrictions will be lifted as we move forward.

We're still in that tight lockdown moment. Particularly we see in Czech Republic and some other places, but if those get lifted that's going to give us upside, which we really haven't budgeted for going forward. And we do have the growth potential with depleted competition, especially the smaller players who – having kind of stayed the course and the ability to bounce back. So, that also is a potential upside for us during this year.

Our funding liquidity position is strong. As we mentioned earlier, we have strong cash position in the online business. TBI is very well-funded through their retail deposit base. So, we have no worries on that side and we're moving those, as now mentioned, a couple times from Lithuania over to TBI Bank.

And TBI Bank has reserved a dividend of EUR15 million. Now, that is subject to a restriction right now because of COVID, but that money has been set aside and is available to dividend up when the restriction is lifted.

So, that's a basic summary. We're pretty much encouraged about the way things have turned towards the end of the year and, frankly, how things have started off so far this year. Again, a lot more work to do, but we certainly have turned the corner and are moving in the right direction.

So, with that, I'd like to open up to questions and we'll do our best to answer them.

Operator: Thank you very much, sir. Ladies and gentlemen, as a reminder, if you wish to ask a question, please press star one on your telephone keypad and wait for your name to be announced. If you find your question has already been answered, you can press star two to remove yourself. So, again, that's star one to ask a question.

And the first question is from Ray Zucaro from RVX Asset Management. Please go ahead.

Ray Zucaro: Hi, yes. Hello, Kieran. Question for you. You said you had repurchased some of the bonds. Did you purchase the dollar tranches or the euro tranches?

Kieran Donnelly: The vast majority of what we purchased were the dollar tranche.

Ray Zucaro: OK. And can you disclose more or less what price?

Kieran Donnelly: It was various prices and below par. At various times during the year, I don't have the price at hand, but I'm sure we can fish that out for you.

Ray Zucaro: OK. Are they still outstanding?

Kieran Donnelly: It's in the – it's in the financial statements.

Ray Zucaro: OK, perfect. And are they still outstanding and, if so, do you have plans to extinguish them?

Kieran Donnelly: They are still outstanding, actually. James and I discussed this not long ago as to what should we do. Should we extinguish them or not?

Right now, the accounting treatment is that they are held in treasury, but they're taken out of the calculation for interest expense, et cetera. So, economically speaking, it's as if they were extinguished in what you see in the financial statements. But, yes, it's still kind of an opening consideration what – should we extinguish it now and that's something we're talking about.

Ray Zucaro: When you say, from the financial statements – from an interest point of view, but how about the potential accretion? Because if you purchase them below par, the reduction of the liability. That gain, is that – is that reflected in the financials or would it only be reflected upon ...

Kieran Donnelly: Yes. The gain – the gain is reflected in the financials. So, it would be as if we did – from an accounting point of view or from a financial point of view, there's no difference as we're – as we're accounting for them as if we extinguish them.

Ray Zucaro: OK. Then I guess a little bit ...

Kieran Donnelly: The profit – the profit on the below par that we purchased, and we purchased them in the 90s and the 80s. I think we might've even had a couple tickets in the high 70s. So, exactly the average, I don't know, but that difference between the purchase price in part is reflected in the results of 2020, when thereby and now when we calculate our interest expense – that interest expense on those bonds is taken out.

Ray Zucaro: OK. And I guess, another question on the bonds and such. I know they're 2022, but what are your market plans in terms of addressing the maturities?

Kieran Donnelly: So well, this is how – I think, right now, the most important thing we need to do is deliver today, is focus on getting things back. So, the turnaround that we've been driving during the fourth quarter and now forward into the first quarter where we've done our EBITDA to above EUR23 million for the quarter, this is going to be the most important thing to do about addressing the bonds in '22 and delivering it.

So, I think that we're still – we're still in this COVID situation. Things are turning in the right direction. We are moving forward and I think our – we've

talked about is probably – the time for us to be talking in earnest about this is towards the end of this year or the autumn of this year is a time for us to be addressing that. And right now, the key thing for us is to focus on delivering operationally what’s right in front of us.

Ray Zucaro: OK. All right. Well, thank you again, Kieran.

Kieran Donnelly: Yes. Good to hear you, Ray.

Ray Zucaro: Same.

Operator: Our next question is from Frank Lehmann from THELO. Please go ahead. Your line is open.

Frank Lehmann: Yes. Good afternoon, gentlemen, and thank you for the presentation and taking my question. And just as a matter of notice, I think you made good progress on this footprint, which you called the geographical footprint.

And with using that, can I safely assume that those five countries that are mentioned on Page Six, I think, in the footnote – Finland, Armenia, Slovakia, Argentina, Mexico – these are in a hard unwind. You’re looking for buyers of the portfolio so you just let them run off. Is that what’s happening there?

Kieran Donnelly: Yes. That’s correct. We’re actively working on closing those – winding those down from a full legal point of view.

James, perhaps you want to add a little more color there?

James Etherington: Yes. Sure. Thanks, Kieran. Just to run through them – hey, Frank. So, in Finland, we actually sold that business, we’ve sold most of the portfolio already, just technically given that it used to be a guarantor entity ...

Frank Lehmann: Yes.

(James Etherington): ... we’ve sold that out of the bond group – that’s the sort of standard practice we use. Armenia was a larger portfolio. And yes, that’s in the process of wind down over the next few months. But already the portfolio is at a very low level. We’re just focusing on getting the cash back there.

Slovakia, again, had been – only at a very tiny level, we were just waiting for the national bank approval to formally sell that entity. That will happen next week, actually.

And then, Mexico, I think, was sold a while ago. That was back in June last year. And lastly, Argentina, again, the portfolio has just been running off very gradually. And I think we're just in the process actually of tendering for some of the remaining portfolios. So, that will be in the next few months, I think.

Frank Lehmann: OK. OK. Good. Good.

Kieran Donnelly: I would just add there that that's kind of one of the cost items that if – look, going forward, we're continuing to incur cost on these wind downs and exits over the course of, say, the next six months, which are gradually going down. But that is also something that will help us in our cost income ratio as we move forward.

Frank Lehmann: OK. So, that's the geographical thing. The guy previously speaking on the call here, he did talk about the bonds. And I'm taking a much different approach to the bonds. I look at the bonds and I look at what's outstanding and I see that you refinanced yourself 10 points better in the bank and I guess we addressed that before. That's why you are focusing on the transfers. You mentioned it in the summary and you have a nice chart here on Page 20, which I'm just pulling up here. One second.

Now, Kieran, could it in the long run be that the online business is purely an originating operation that will push all the origination into the bank? Because, let's face it, I think your interest you pay on the bonds – the interest differential between the bank and the bonds would easily be EUR30 million – EUR35 million or so per year right now.

And of course, everything would be EUR30 million or EUR35 million better if you could fund everything out of the bank instead of 4finance, the parent. So, have you thought about that? Where this is going to end up?

First you do the near prime operation and push it into the bank, but is it possible to move more of what's on the balance sheet and the 4finance into the bank? What's the perspective there?

Kieran Donnelly: I don't think the appropriate – I don't think the appropriate term is to ask “do we think about it?”, it's more like we dream about it.

Frank Lehmann: Yes, OK. Sorry, Kieran.

Kieran Donnelly: The challenge with the issue there, they're twofold. One is that it's horses for courses. It's getting the right product into the bank, right? So, some of the product that's originated by the online business, or I like to call the core business or the original business, some of that is subprime business in those markets, which doesn't sit as well on a bank – regulated bank's balance sheet. That's kind of the whole original premise for the founding of the company. It was it was not a bank, all right? And doing some lending that banks wouldn't do. So, I think we need to separate by product.

Frank Lehmann: Yes.

Kieran Donnelly: And if we look at – there's product that is profitable, that's well-managed, that has gone through a lot of regulatory change, but still stands up and still has very positive unit economics. And that part stays outside the bank and then there's the part of the business which needs to be funded that the more near time – prime for the business.

And I think, if we look back over the last couple of years, one of the challenges for 4finance was in shifting in that product mix and getting it in the right place.

Frank Lehmann: Yes.

Kieran Donnelly: And in some ways, kind of ran too far ahead with product that needed to be funded from a bank's balance sheet.

Frank Lehmann: Yes.

Kieran Donnelly: And now, that's why we kind of readjusted and, as we said, we're now really moving ahead with this and you're absolutely right. It's originated and then sold. And that's what we're looking – so, we're now carefully aligning the ability because it's taken a lot of effort to get that passport into Lithuania.

Frank Lehmann: Yes.

Kieran Donnelly: It's taken a lot of effort for all the – it's now an automated process ...

Frank Lehmann: Yes.

Kieran Donnelly: Transferring those loans across. There was a lot of investment to make that happen. Now, we've got that set up. It works. We can do it for other countries. So, it opens up an opportunity for us, but it has to be in the scale of the size of the bank and then you have to – the second part of the ...

Frank Lehmann: Yes.

Kieran Donnelly: Limitation on that is a diversification, or within the bank's balance sheet, of how much the regulators are happy for it to have from countries outside of its own deposit base. And so, we're working very carefully with the regulators there.

Frank Lehmann: Yes.

Kieran Donnelly: And we have clearly – OK, what amount from each country we can do and it's all, at this point, growing and kind of step-by-step and that's the approach we're taking. It's very much in line step-by-step. So, yes, we do dream about if we could have all of that funding, but we have to understand that that's appropriate for certain of our product, but not for all.

Frank Lehmann: Yes. And if you would look forward, and I think it has been addressed on these calls before, that would also lead to a much lower refinancing amount. You wouldn't refinance the nominals that are outstanding as they are. You would kind of cap that onto a significantly smaller number, right? You just don't need all the cash on the parent anymore, right? Yes.

Kieran Donnelly: Well, I think if you look a little bit to the – and the question that Ray Zucaro asked about the ...

Frank Lehmann: Yes.

Kieran Donnelly: Do we extinguish. We have this \$100 million of bonds.

Frank Lehmann: Yes.

Kieran Donnelly: That's directly to that question, right? So, that obviously – we're not using that \$100 million, right?

Frank Lehmann: Yes.

Kieran Donnelly: So, that's a lower amount and the amount of cash we have. So, now, we have to look and see where we are as the business, we believe the world economy ...

Frank Lehmann: Yes.

Kieran Donnelly: ... not just ourselves, but the whole economy is going to get back on track at some point ...

Frank Lehmann: Yes.

Kieran Donnelly: ... during this year. The demand for loans will increase and then that's where we'll look and see to make sure. And I think the key point here is to be right-sized.

Frank Lehmann: Yes.

Kieran Donnelly: On our – right-sized on our capitalization on our balance sheet – on our funding. So, we need to be right-sized on all aspects of our business.

Frank Lehmann: Yes. And it would be too much to ask a question towards forward-looking of the outstanding parent business, the online business, which is about of the net receivables, which is about 33 percent. Where would – where would that



percentage end up in a few years? Would that be 15 to 20 or would it go further down or is this – would you have a rough perspective on that?

Kieran Donnelly: I don't know if James does.

Frank Lehmann: Yes.

Kieran Donnelly: I would say it's a little bit hard to call that – far out. Because there's a lot of different factors ...

Frank Lehmann: Yes.

Kieran Donnelly: ... including the fact that, as we've discussed in the – in this the fact that, we are looking at the opportunity of not just staying with the seven countries we have as our core countries, but looking to expand those. What's going to happen with TBI – how is TBI going to grow?

Frank Lehmann: Yes.

Kieran Donnelly: So, there's different factors at play on that and I don't think we're – it's not a target KPI for us. Our target KPI is cash generation, EBITDA and ...

Frank Lehmann: Yes.

Kieran Donnelly: What we do. So, that shift will be dictated by that, rather than by any focus specifically. I hope I answered your – I'm not trying to duck it or – that's not easy to answer.

Frank Lehmann: Yes. No, I get the notion where the – where the ship is steering to and, of course, going back to the bond overhang or the upcoming maturities and what you have on the books already and what you have in cash and what will happen in 2021. How much free cash flow you generate, et cetera, et cetera.

My last question would be, I see the dividend. There is a dividend stop here in the – in the European Union – European area in the euro area, I guess. Yes.

Kieran Donnelly: Yes.

Frank Lehmann: Is that – is that EUR15 million a viable payment or is it still subject to them removing their dividend stop?

Kieran Donnelly: Well, it's from a financial point of view.

Frank Lehmann: Sure.

Kieran Donnelly: From a preparation in the bank, from the availability of the funds, from the availability of the capital in the bank in order to make it – that's all there.

So, it's really – it's a government call and the government call has been dictated by COVID. So, I think, as we see progress – so, we were hopeful that there might be some lifting of that earlier in the year.

Now it looks like that could go on to longer. So, we'll see. We're ready ready to move that money. Just waiting for the government to see if the coast is clear. So, who knows when that will be.

Frank Lehmann: Yes.

Kieran Donnelly: But it can't be forever. That's for sure.

Frank Lehmann: No. And the pressure comes in all – it's not just in Bulgaria or Romania. It's also in any other European country.

Last question on the Polish operations, the Polish operations are – have in the past been highly profitable area, if I understand your business, right? So, you really look forward – I heard you say you're OK if it continues, but there's upside if the ...

Kieran Donnelly: We'd prefer – we'd prefer if it didn't for sure.

Frank Lehmann: No, no, for sure. But it's not – it's not – doesn't kill you, right? It's not – you don't rely on it, you're prepared for it.

Kieran Donnelly: It doesn't kill us. It doesn't kill us and we've adapted ...

Frank Lehmann: Yes.

Kieran Donnelly: ... to it and so it's there and we haven't budgeted or planned.

Frank Lehmann: Yes.

Kieran Donnelly: So, if it comes, it's something that'll be upside for us. So, that's where we are on that one.

Frank Lehmann: And we also have until the first half – can I assume that the tax rate will come down a bit because my assumption of the past has been that your rather high tax payments have, to a certain degree, been conducted or paid in Poland, right? So, the first half ...

Kieran Donnelly: The tax – yes, the tax regime in Poland is difficult.

Frank Lehmann: Right.

Kieran Donnelly: As a non-bank financial institution, you don't have a favorable tax environment.

Frank Lehmann: Yes.

Kieran Donnelly: And that's still the case. So yes, as the risk situation changes that will impact the tax number because it's really driven by the lack of deductibility on the provisioning side. So, we'll just have to wait and see what is it going to be for the thing, but this has been the case for years now.

Frank Lehmann: Yes. Well, thank you very much and thanks for answering my questions and best of luck and for 2021. I'm sure we'll speak again. Thank you.

Kieran Donnelly: Thank you – thank you very much.

Operator: Ladies and gentlemen, if there are any further questions, please press star one on your telephone.

No further questions are coming through, sir.

Kieran Donnelly: OK. Well, thank you very much everyone for dialing in. I'd also remind everyone that we're available, reach out to James or to myself or to Marek.

We're happy to help bring you along with the story as much as we're allowed to disclose, of course. But we really want people to understand the journey we're on, where we're going and what we're doing to get there. So, we're happy to be in dialogue and happy to answer any questions you have before the next call. You do not need to wait.

Thanks again. Have a great day.

Operator: Thank you very much, sir. Ladies and gentlemen, that does conclude the call. Thank you all for joining. You may now disconnect.

END