



Ibancar is bringing secured lending into the mainstream consumer credit market through its digital lending platform. Ibancar has redesigned the “car title loan” model and made it scalable for use in the huge online alternative lending space.

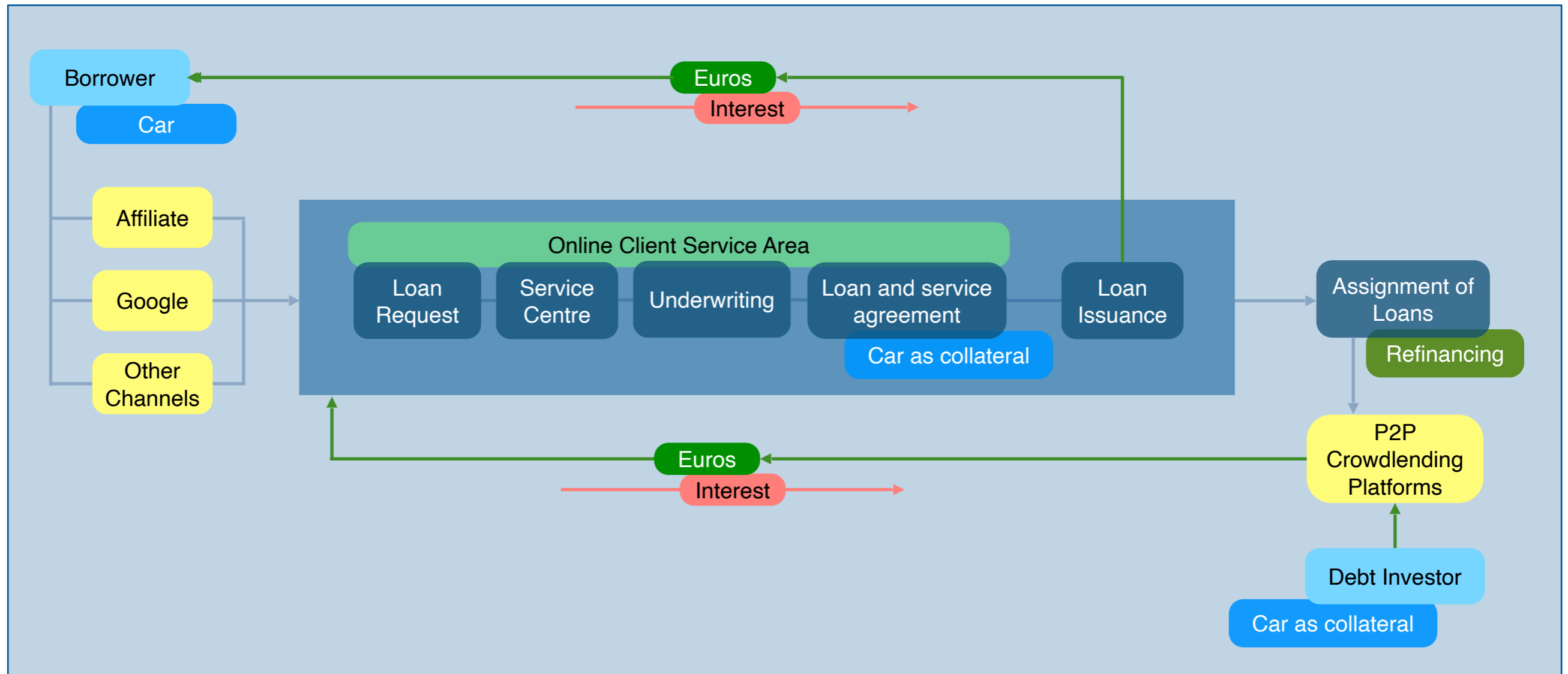
- Ibancar offers personal loans secured against second hand cars
- Established online lender with a five year track record
- Safe and ethical consumer credit alternative delivered 100% online
- Proprietary risk management platform with LTV based scoring
- Senior management with extensive banking and risk management experience



- **Over the past years Ibancar has designed and refined a business model that:**
- Is available to all online borrowers
- Integrates modern digital marketing techniques for lead acquisition and processing
- Is 100% online and does not require physical presence of the borrower nor the car
- Allows a fast and simple application process that can be completed from a smartphone
- Generates excellent results with high annual returns
- Is profitable on an EBITDA basis since 2018
- Has incurred no credit losses
- Offers investors exceptional capital security

# Business Model : Quick Overview

Ibancar has a fully integrated business model that has been carefully developed over 5 years and is supported by proprietary software.



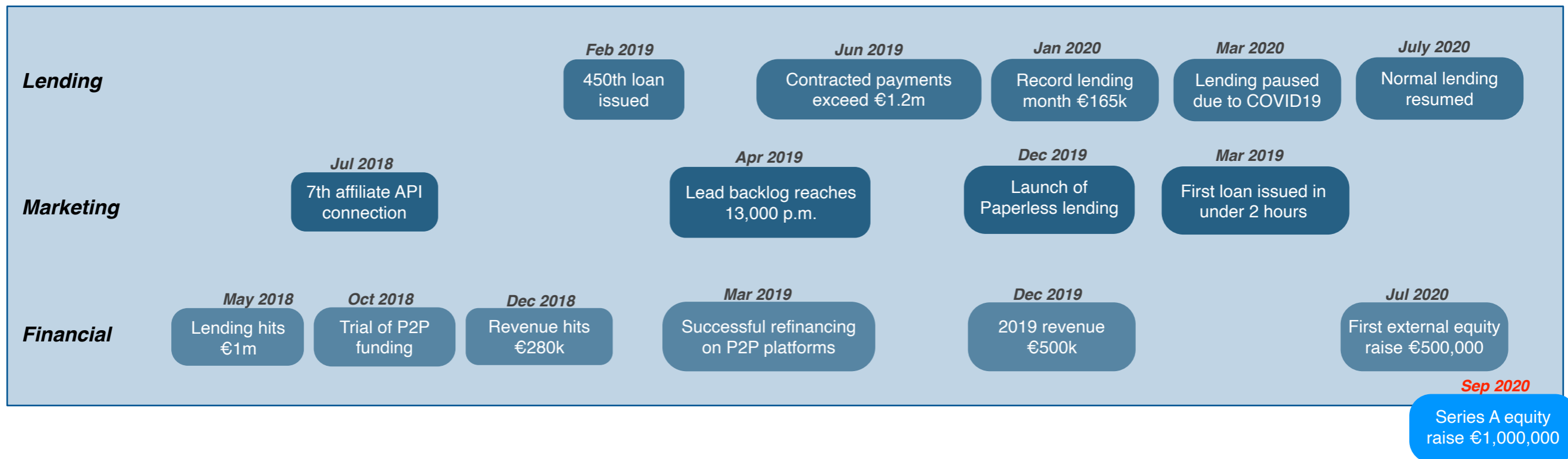
**P2P DEBT INVESTORS RETURN BETWEEN 10% AND 12% P.A. BACKED BY COLLATERAL WITH A 45% LTV AND ZERO CREDIT LOSSES SINCE 2015**

# Ibancar, an Established and Stable Business

Ibancar started working on its business model in 2015 and the team has been working continuously to develop a hugely scalable platform that offers better and more suitable loans to its clients at the same time as it offers higher and safer returns to investors.



To date the business has grown organically at a pace that has enabled us to develop, test and fine tune the model and all its variables.



## Problems in the Consumer Credit Market Affect all Borrowers

In our post financial crisis world getting a loan has become impossible for many and difficult for most.

Most banks do not offer 100% online loans that are available with a few clicks.

Bureaucracy means physical presence is required to get a traditional loan.

Scoring algorithms create a system where banks are mostly offering loans to the clients who don't need them.

And then there are millions who do not have access to any form of credit because regulation, compliance and risk have changed forever.

For many others the only way to obtain a fast loan is to turn to a payday lender but these do not always offer what the borrower needs as they lend only small amounts for short periods at rates that exceed 800% and need to be redeemed or renewed monthly.

A borrower who wants several thousand euros has very few online options as alternative lenders are reticent to offer larger amounts in the online market where non performing loan rates can exceed 35% and capital recovery is slow and uncertain.

**This has created a need for alternative lenders and the use of collateral brings all potential borrowers into the market. With its fast, simple, collateralised online loans Ibancar serves the entire market.**

## Ibancar Solves these Problems And Makes Every Borrower a Potential Client

Prime borrowers are taking out Ibancar loans because:

- They think their bank won't lend to them
- Their bank does not offer an online process
- They believe a bank loan will be slow and complicated to obtain
- They don't like or trust banks

Subprime borrowers take out Ibancar loans because:

- They don't have credit cards
- There are very few online lenders open to problem borrowers
- Payday lenders do not offer what they need
- They use the internet to apply simultaneously to multiple lenders

# Ibancar Operates Ethically to Support the Financial Wellbeing of its Clients

**Our business is not primarily about collateral, it is about psychology.**

**With a traditional loan the “worry” remains with the lender but with a secured loan this “worry” is transferred to the borrower.**

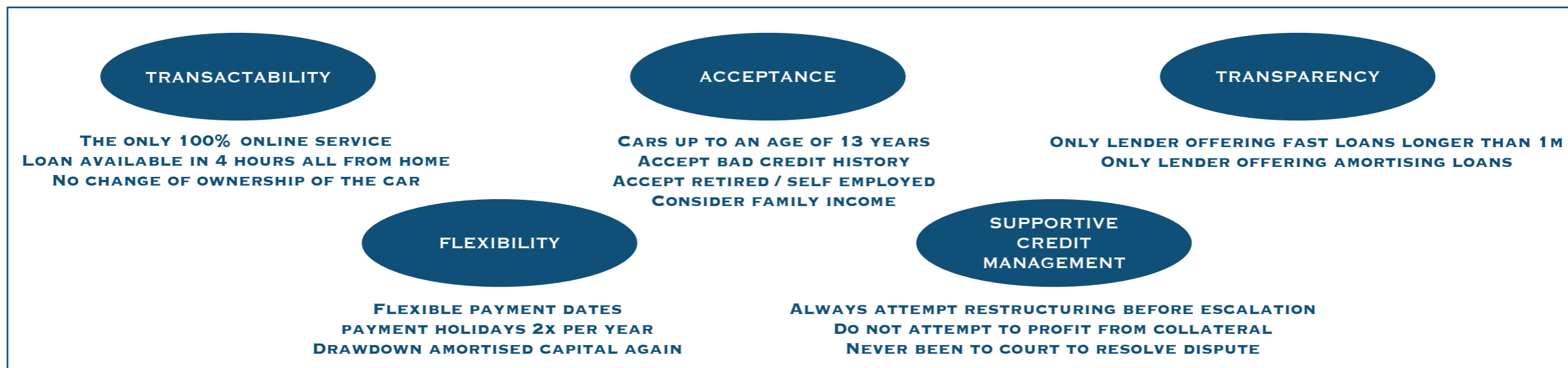
**Our role is to help our clients obtain credit and then to help them maintain the ownership of their car.**

Being a responsible and ethical lender in this sector goes beyond numbers and percentages - we have to price our loans so that they:

- Reflect the credit profile of the average borrower
- Remain attractive in comparison to alternatives
- Allow us to build a sustainable business

We have both an economic and a social purpose because the cheapest forms of credit are simply not available to the majority of borrowers and many more have either been totally excluded from the market or only have access to loans at rates in excess of 100% p.a.

Our goal is to be a responsible lender in a sector where there is great need and we remain very aware that many of our clients are experiencing financial difficulties. Putting our clients in an even worse financial situation will not benefit us so we believe it is imperative to operate ethically and our culture and processes are firmly rooted in this philosophy. This applies to how products are structured and priced but, more importantly, how NPLs are managed.



**Supporting our clients is the best way to support our investors**

## Carefully Developed Product and Credit Process To Ensure the Returns and Recovery of Capital

We have developed our own credit scoring process and combine technical and behavioural analysis - this means client behaviour has an impact on our credit decisions.

We verify the condition and value of the collateral first, ensuring that after we have received photographs of the car, that is taxed, insured, free of finance and road legal. If the collateral is acceptable we look at the borrower.

Our base scenario is **acceptance** and our scoring works with LTV reduction criteria which ensure that there remains enough free equity in the car to encourage the borrower to pay the instalments.

We value the cars according to tables published quarterly by the National Association of Car Dealers and the maximum LTV offered to the borrower increases with the value of the car. Currently the maximum LTV is 63% of the average purchase price paid by dealers for that specific brand, model and year.

We then adapt this maximum loan amount to take into account the borrowers monthly income.

Our underwriting process does not result in a binary “yes” or “no”, instead we ask ourselves how much should we lend to this borrower based on the following criteria:

- *Value of the collateral*
- *Ability to repay*
- *Social network profile*
- *Behaviour*
- *Credit history*
- *Employment status*

We verify every IP address, email and phone number. If technical requirements are met and backed by valid documentation we process the application also taking into account age, educational and social background. We use Google and social networks to assess risk.

Our entire process, from lead acquisition to customer service to credit approval to payment management to performance reporting is integrated into our proprietary software. We do not rely on external developers and prefer to maintain the agility that comes with building and maintaining our own software.



# Dealing with Non Performing Loans

## Escalation and Resolution

As a responsible lender **it is not our objective to repossess cars nor to profit from the collateral**. We do not want to dedicate resources to car logistics and our priority when dealing with non performing loans is the recovery of capital and after that, wherever possible, the full or partial payment of interest arrears and penalties.

Borrowers who do not meet their payment obligations are taken through a series of proven internal and external legal and administrative steps which in most cases lead to the repayment of the loan with penalties.

Non performing loans are escalated quickly and our capital recovery procedure starts 26 days after a missed payment. **We escalate progressively, giving the borrower an opportunity at each stage to resolve the problem.**

**The escalation procedure starts just days after failure to pay and repossession process starts just three weeks later**

### Step 1: Relationship Management

Given our initial interaction during the approval process most clients cooperate when we attempt to resolve a late payment problem. When a client acts in good faith and is actively communicating with us we are generally able to restructure the loan without entering legal proceedings and the client can once again meet his payment obligations.

### Step 2: Administrative / Legal Pressure

Borrowers who become uncommunicative are taken through a series of legal and administrative steps which in most cases lead to the repayment or restructuring of the loan. Our debt recovery procedure has been developed, refined and proven over a four year period and is extremely efficient.

### Step 3: Enforcement

In extreme cases we start the process of repossessing the car. From that point we also have the option to make it illegal for the borrower to continue to use the car. We also include the borrower in a nationwide credit blacklist (ASNEF EQUIFAX) and blocks the borrower from obtaining any further credit.

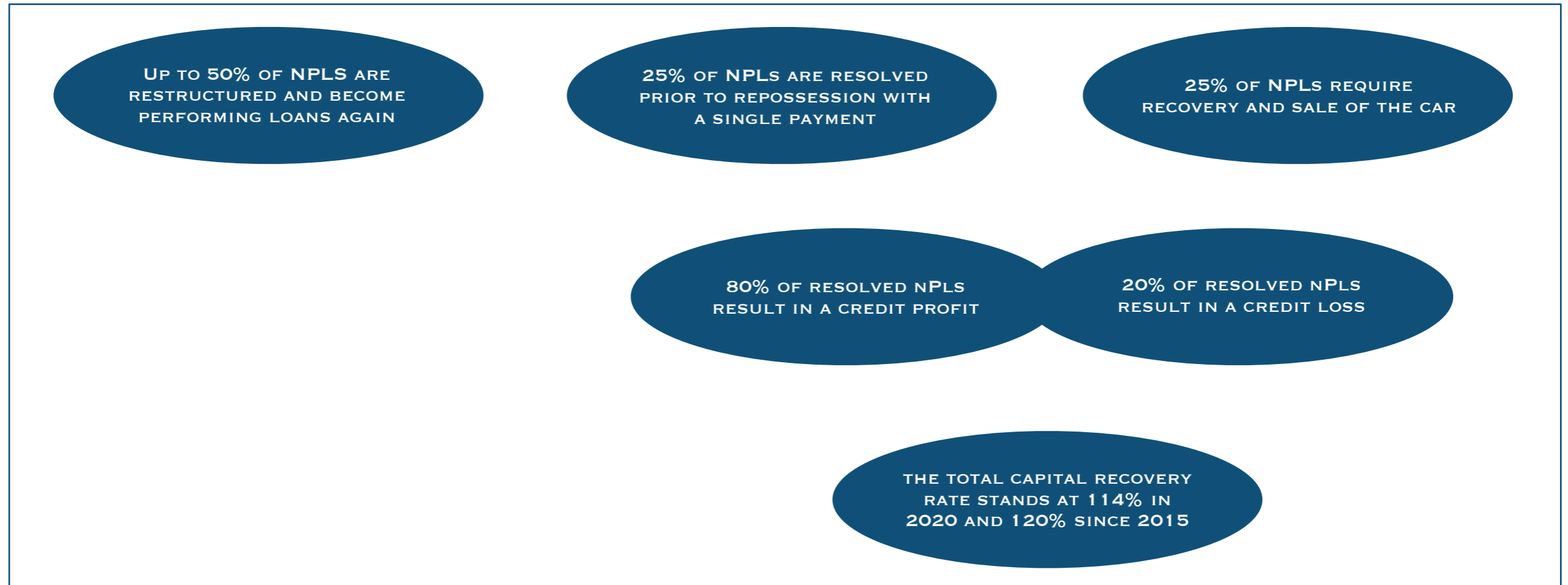
**LESS THAN 30% OF NON PERFORMING LOANS REACH THE END OF THE ESCALATION PROCESS AND RESULT IN PHYSICAL REPOSSESSION OF THE CAR**

# Loan Book Zoom

## Historical Resolved Non Performing Loans

Having issued over 800 loans over 5 years Ibanicar has accumulated **credit profits** resulting from an above par recovery rate. Our clients need their cars and even if they are unable to keep up contractual payments a new payment schedule can usually be agreed. Repossession is a last resort and we do not aim to profit from the cars. We approach every NPL with the desire to reach an amicable solution.

### There are different routes to the recovery of capital



**The fact that we almost always recover capital means defaults do not affect our balance sheet.**

**We are not weakened and our equity is not affected because the borrower repays the loan either with cash or with his car.**

**This makes our buyback guarantee one of the safest in the market.**



# The Team

Senior management brings both in depth finance and corporate expertise. We are banking and finance experts who have moved into the tech world and not, as is the case with many alternative lenders, tech experts who have moved into finance.

## Founder, Owner & CEO



**Alexander Melis (Dutch)** is an ex investment banker who was MD in Fixed Income at Credit Suisse and BNP Paribas. Prior to his banking career Alex spent 10 years working as a management consultant and besides his financial knowledge brings management and organisational skills to the table.  
**Contact: [a1@ibancar.com](mailto:a1@ibancar.com)**

## Board Member, Non Executive Director



**Roger Welsch (Dutch)** is a Director at ING Investment Bank. Previously he was involved in Treasury management at Dutch public sector bank BNG. He is fixed income specialist with 25 years experience of debt capital markets, derivatives and debt structuring. Alex and Roger have known each other for 20 years.  
**Contact: [rw@ibancar.com](mailto:rw@ibancar.com)**

## Board Member, Non Executive Director



**Johan Kampe (Swedish)** iManaging Director of the Harbert European Growth Capital Fund which provides specialty debt financing to European growth businesses, predominantly in the technology, life sciences and environmental sectors. Johan has more than 15 years of experience in technology lending and financing.  
**Contact: [jk@ibancar.com](mailto:jk@ibancar.com)**

## Board Member, Non Executive Director



Ibancar will appoint a fourth Board Member in mid September, this person will be nominated by the Venture Capital fund investing in Ibancar

## Board Member, Non Executive Director



Ibancar will appoint a fifth Board Member in mid September, this person will be an independent director nominated by the the Board

Full profiles are available on [LinkedIn](#)

# Transparency Observations and Commitments

Today:

- Ibanicar is a Spanish company, our full name is Ibanicar World SL and our tax number is B93145001
- We are NOT licensed / regulated and there is currently no requirement for us to do so in Spain
- The ONLY reason we are not licensed is that the resources required and cost are prohibitive for a business of our size
- We ARE registered as lenders at the Ministry of Finance
- We do not operate offshore and we have no connections with tax havens
- From September 2020 onwards 100% of Ibanicar Spain will be owned by a UK Holding company
- The ownership of the Holding company is as follows:
  - *88% owned by the founders, directors and employees*
  - *9% owned by a syndicate of finance professionals*
  - *9% owned by a Venture Capital fund*
- The founders own their shares in the business through a family holding company, also based in the UK
- The business holds bank accounts with Santander, Sabadell, Bankinter, Revolut and Qonto
- We do not use any payment gateways

In the short to medium term:

- Ibanicar has raised a €500k tranche of fresh equity and will raise another €1.5m in September (already signed)
- Ibanicar will probably raise another €3m-€5m new equity in late 2021 or early 2022 to launch the business internationally
- We will publish all loans assigned to P2P marketplaces on our website for as long we continue to raise debt from private investors
- We will also publish our quarterly leverage ratios, NPLs percentage and capital recovery rates on the same website
- As soon as the equity raise is completed (Q4) we will be audited by BDO on an ongoing basis giving further confidence to investors
- We foresee an international future for Ibanicar with a credit license from a EU country as soon as we are large enough to justify it

# Key Figures Following First Equity Raise

Following the first tranche of raised equity our balance sheet shows:

- *Loan book €1,200,000*
- *Cash €620,000*
- *Total assets €2,000,000*
  
- *Secured debt €840,000*
- *Corporate debt €130,000*
- *Equity and retained earnings €900,000*

Loan Book Performance as per 31/07/2020

- Active loan book composed of 461 loans at a LTV of 39%
- Late payments (less than 26 days late) at the end of July were 0.64% of capital
- NPLs (more than 26 days) at end of July were 6.58%, and the LTV on these NPLs is 56%
- Total accumulated capital recovery on resolved NPLs this year is 114%