



**Isodev**

FINANCER  
AUTREMENT

# **Isodev**

**Leader of alternative lending SME in France**

*November 2014*

# A two-year track-record

## Legitimacy with French and European institutions:



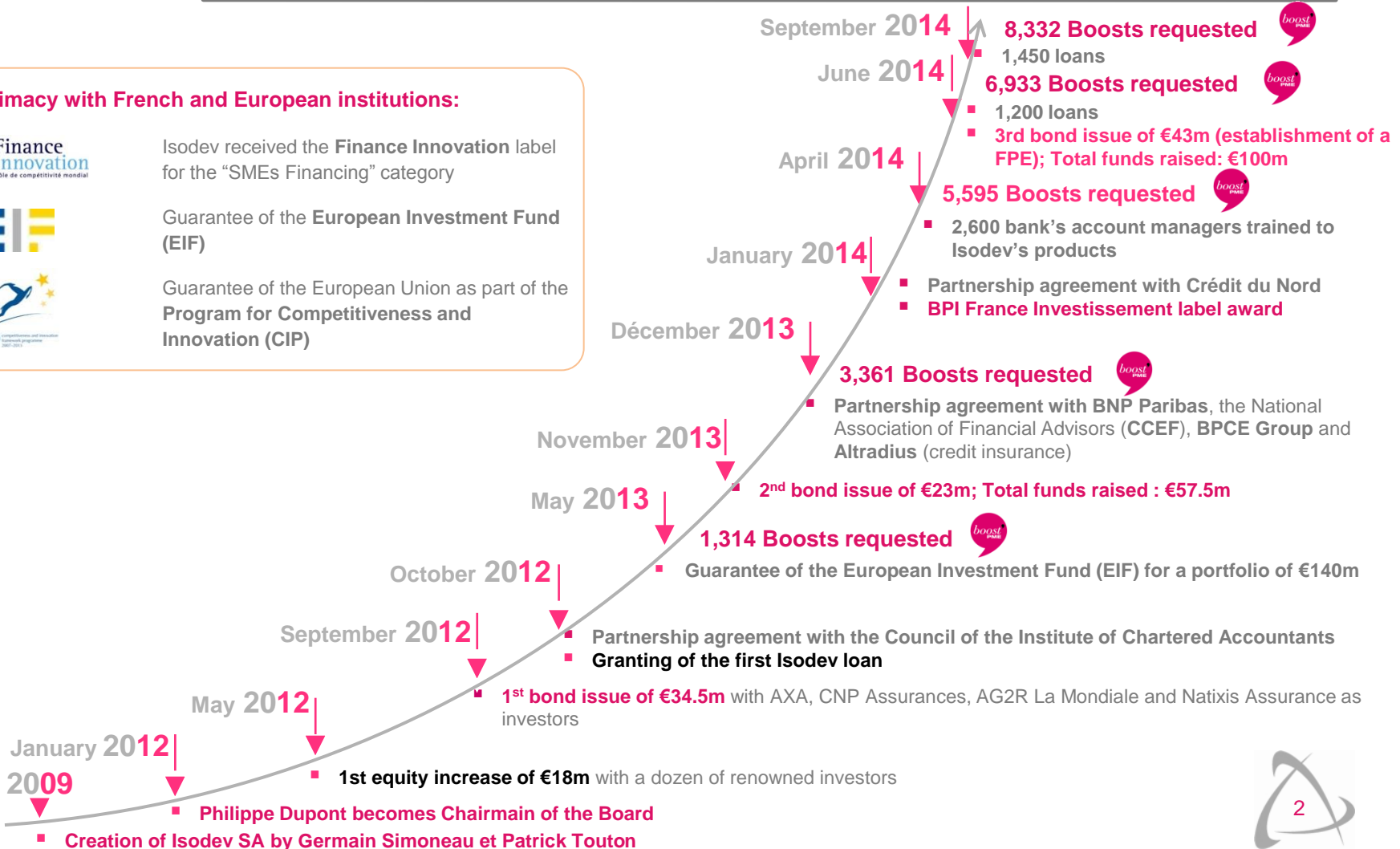
Isodev received the **Finance Innovation** label for the "SMEs Financing" category



Guarantee of the **European Investment Fund (EIF)**



Guarantee of the European Union as part of the **Program for Competitiveness and Innovation (CIP)**



# Strong strategic fundamentals

## The combination of Basel III and the digital revolution

- Basel III constrains structurally the credit supply to VSEs - SMEs
- Isodev is part of these new funding opportunities for SMEs :
- The digital revolution disrupts the banking industry: <http://www.octo.com/fr/publications/14-banque-digitale-les-fintechs-cannibalisent-la-banque>



## Strong growth of lending marketplaces in the US and UK

- Originally a very disruptive market positioning :
- Spectacular succes stories :
  - Lending Club: <http://crowdfundbeat.com/765/lending-clubs-ipo-and-the-next-phase-of-crowdfunding/>
  - Funding Circle : <http://www.bloomberg.com/news/2014-09-28/lenders-disrupt-u-k-finance-funding-startups-banks-avoid.html>
- On highly favorable markets:

### Lending Club's IPO of Crowdfunding

By Steve Cinelli, CrowdFunding Beat



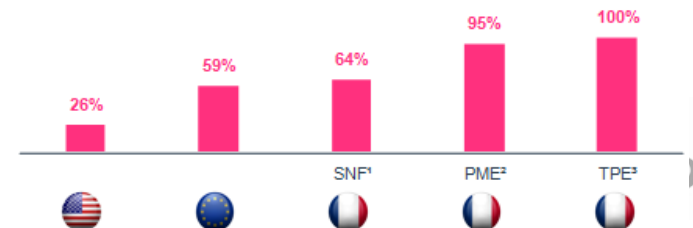
### Lenders Disrupt U.K. Finance Funding Borrowers Banks Snub

By Edward Robinson Sep 28, 2014 1:01 AM GMT+0200 0 Comments Email Print



## The particularities of French market

- Contrairement aux USA et au UK, l'économie française reste fortement dépendante des financements bancaires:
- Banks' strategy: « flight to quality »
  - bank interest rates remain unusually low
  - difficulty of access to credit for many SMEs



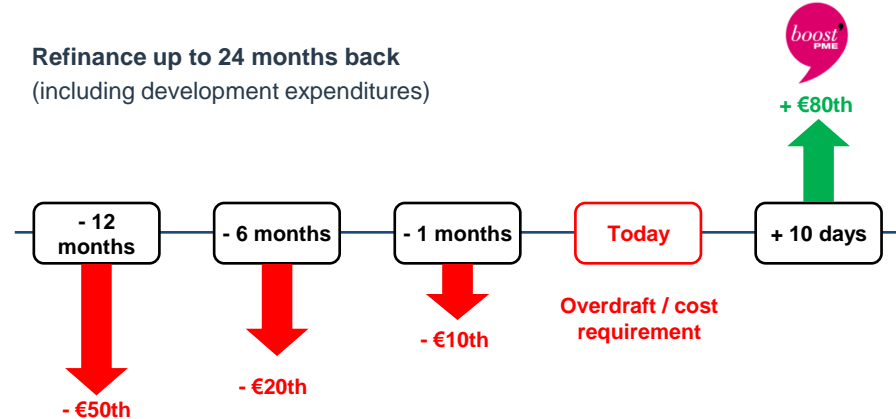
# A product addressing SMEs financing needs

## A single product for mass distribution

- “Prêt participatif” : quasi equity
  - Amount: €15,000 to 150,000
  - Total duration: 60 months amortising
  - Remuneration : fixed, from 11% to 15%
  - Security: no guarantee or capital dilution
  - Decision : answer within 48 hours
  - Availability of funds: 10 days
- ▶ Isodev replaces VSEs – SMEs self-financing

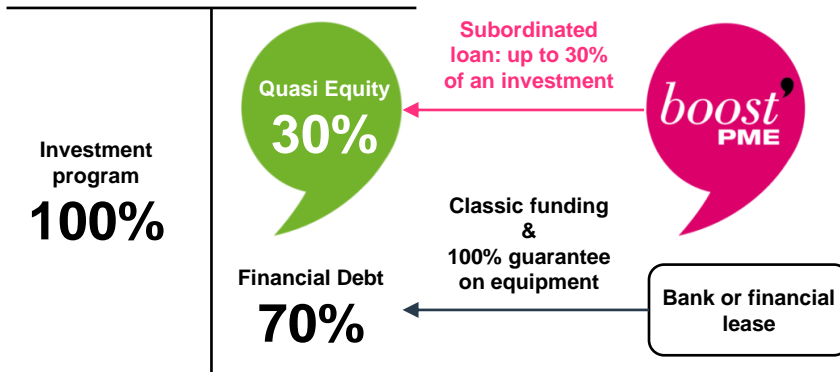
## 1st need: refinance capital expenditures a posteriori

Refinance up to 24 months back  
(including development expenditures)



## 2nd need: complete the funding of an investment

### VSEs/SMEs balance sheet



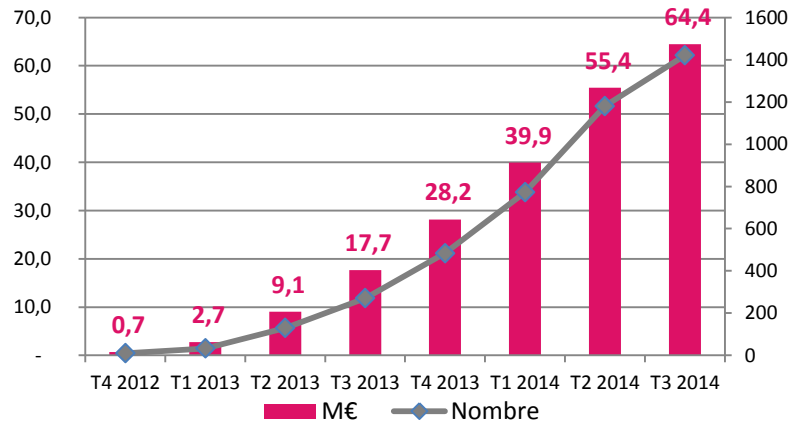
## 3rd need: acquisition of goodwill / “fonds de commerce”

Double the buyer’s contribution  
(30% of goodwill max.)

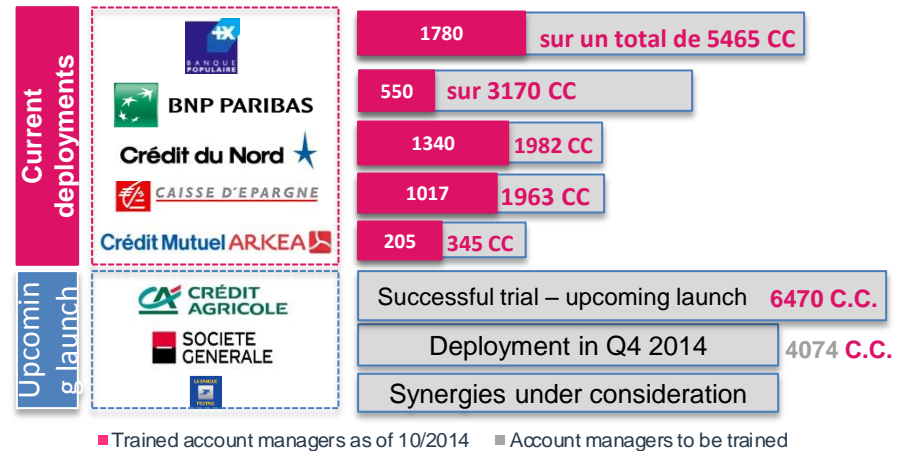


# Key Performance Indicators

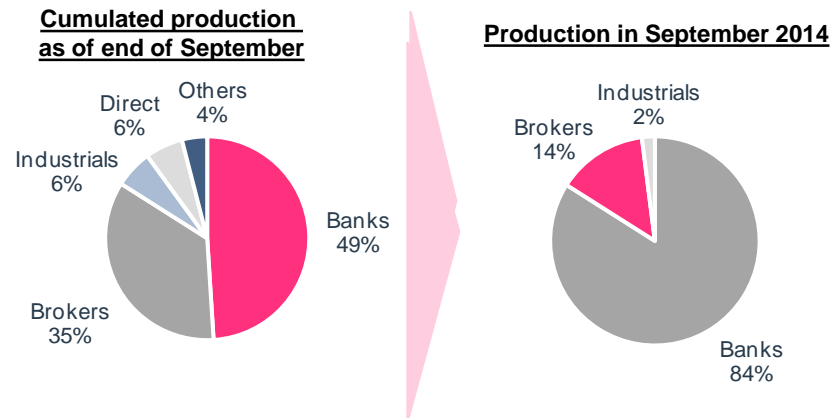
## Cumulated commercial production (in number of loans and m€)



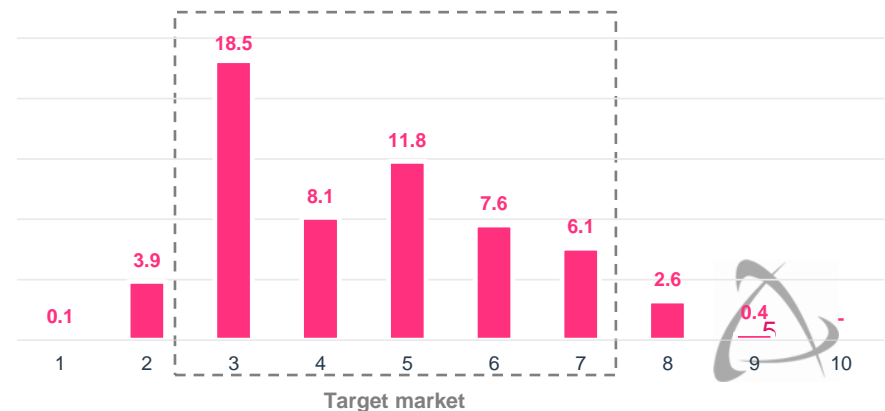
## Rise of banking partnerships (number of account managers)



## Breakdown of production per channel

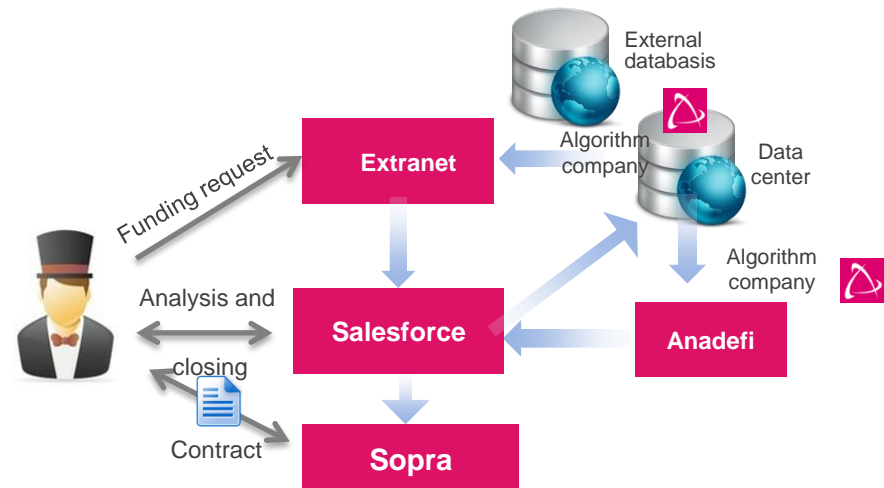


## Performing loans portfolio by risk category (in €m)



# The importance of data and algorithms

- An extensive use of external data
- Using proprietary algorithms and external scores
- A highly automated processing
- Analysis of behavioral data



# Refinancing and EIF guarantee

## Refinancing through a securitization vehicle+ EIF guarantee

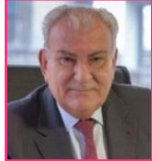


Guarantee of the European Union as part of the **Program for Competitiveness and Innovation (CIP)**

- Guaranteed portfolio: €140m
- Chargeable amount: 10% of net loss, i.e. €14m
- Guarantee rate: 50% of net loss, **i.e. €7m**

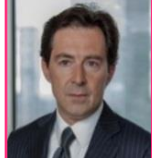
# A team with extensive knowledge of the underlying VSEs – SMEs business and their financing

## Entrepreneurship and Development



### Philippe Dupont – Chairman of the Board

- 25 years of experience as CEO of various banking groups
- Former CEO of Banque Populaire Group, Natixis and Chairman of the BPCE Board



### Germain Simoneau – Managing Director

- 25 years in entrepreneurship
- Created and expanded businesses in various sectors, of which ORANE, specialized in SME refinancing



### Patrick Touton – Senior Executive, in charge of Innovation and R&D

- 20 years of experience in the banking sector at BPCE Group
- Former CEO of OCEORANE, Regional Managing Director of OCEOR and Caisse d'Epargne Group

## VSEs – SMEs distribution



### Bernard Somma – Senior Executive

- 25 years of experience in banking groups, then Managing Director of the financing entities of GE Capital
- Specialized in BtoB and BtoC financing in France and abroad



### Philippe Lacquehay – Development Manager

- 10 years of European experience in corporate funding and tangible assets
- Worked at Credit Suisse then IKB Leasing, where he created the French subsidiary and managed the industrial partnership with STILL



### Julien Gonon – Partnerships Manager

- 10 years of experience in business development in the banking sector
- Formerly in charge of business development at Allianz Group

## Structured finance and Transformation



### Clotilde Bouchet – CFO

- 25 years of experience in structured finance and financial control of numerous financial services groups
- Former CFO of Amundi, ABN Amro France, AXA IM, CEP (LBO) and in charge of strategy at Credit Agricole



### Matthieu Hoffmann – Human Resources Director

- 10 years of experience in recruitment and HR management (companies up to 400 people)
- Understanding of the legal, regulatory and social aspects of the business

## VSEs and SMEs risks



### Alain Elkaim – Risks and Operations Director

- 10 years of experience in risk management and a deep knowledge of SMEs
- Former Risk Manager at Bibby FS and Managing Director of the Risk and Internal Control subsidiary



### Thierry Morisseau – Risks Manager

- 20 years of experience in the corporate financing sector and its associated risks
- Worked at Banque Populaire Group (VSEs – SMEs funding) and Coface



### Matthieu Brun – Statistical Data Manager

- 7 years of experience in SMEs ratings modelling – ENSAE engineer
- Worked in the statistical department of Banque de France and at Caisse Nationale des Caisses d'Epargne





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