QUARTERLY STATEMENT FOR THE PERIOD 1 JANUARY – 31 MARCH, 2020

ferratum

Q1 HIGHLIGHTS

EUR 65.6M	**Group revenue** down 10.4% year-on-year	EUR 318M	**Customer deposits** +31.5% vs Dec 31 2019
EUR -2.3M	**Operating profit** (EBIT)	2.79	**Net debt to equity**

•Revenue y-o-y down by -10.4% to EUR 65.6 million mainly due to reduced lending activities in some markets and to COVID-19

•EBIT at EUR -2.3 million as a result of the revenue decrease and higher impairments related to increased risk reserving due to deteriorated macroeconomic forecasts

•Early management measures on COVID-19: Liquidity strengthened, risk appetite reduced, cost reduction plan introduced, preparing to re-activate growth post pandemic

Financial Overview

Financial highlights, EUR '000	Jan - Mar 2020	Jan - Mar 2019
REVENUE	65,604	73,196
Operating profit	(2,292)	9,707
Profit before tax	(8,283)	6,204
Net cash flows from operating activities before movements in loan portfolio and deposits	27,541	35,539
Net cash flow from operating activities	88,002	(21,036)
Net cash flow from investing activities	(3,583)	(2,567)
Net cash flow from financing activities	(22,251)	5,662
Net increase/decrease in cash and cash equivalents	62,168	(17,942)
Profit before tax %	(12.6)	8.5

Financial highlights, EUR '000	31 Mar 2020	31 Dec 2019
Loans and advances to customers	366,388	386,167
Deposits from customers	318,435	242,161
Cash and cash equivalents	213,158	155,518
Total assets	661,807	618,827
Non-current liabilities	178,666	174,236
Current liabilities	364,827	315,453
Equity	118 314	129,138
Equity ratio %	17.9	20.9
Net debt to equity ratio	2.79	2.59

Calculation of key financial ratios

$$\text{Equity ratio (\%)} = 100 \times \frac{\text{Total equity}}{\text{Total assets}}$$

$$\text{Net debt to equity ratio} = \frac{\text{Total liabilities} - \text{cash and cash equivalents}}{\text{Total equity}}$$

$$\text{Profit before tax (\%)} = 100 \times \frac{\text{Profit before tax}}{\text{Revenue}}$$

$$\text{Loan coverage ratio (\%)} = 100 \times \frac{\text{Reserves}}{\text{Loans and advances to customers}}$$

KEY DEVELOPMENTS & PERFORMANCE

Financial Performance

In Q1 2020 Ferratum's group revenue stood at EUR 65.6 million, which is a decrease of 10.4% compared to the respective period of the previous year (Q1 2019: EUR 73.2 million). The Group has reduced its lending activities in some markets during Q1, and, mainly as an early reaction to COVID-19, reduced disbursement rate for new loans, tightened its scoring, reduced its overall risk appetite and temporarily suspended lending in Poland and Spain markets. Early management actions on COVID-19 have been taken to strengthen Ferratum's liquidity position and to navigate through the pandemic with a substantial lower risk exposure.

Operating profit (EBIT) for the quarter came in at EUR -2.3 million and decreased by EUR 12 million compared to EUR 9.7 million in Q1 2019. The EBIT decline is a result of the lower revenue and of higher impairments. Impairments on loans increased y-o-y by 24.1% to EUR 35.6 million (Q1 2019: EUR 28.7 million). It is important to note that the increase in impairments is mainly a result of macroeconomic factors which are forecasted to deteriorate throughout Europe. Ferratum reflected the anticipated macroeconomic change by increasing its credit loss impairments, even while actual payment behavior has remained solid in most of its markets. The change in the macroeconomic conditions has increased impairments by 7.8 million in Q1 2020. The profit after tax stood at EUR -7.1 million (Q1 2019: EUR 5.2 million).

Consequently, the Group's equity increased by 5.7% to EUR 118.3 million at the end of Q1 2020 compared to the end of Q1 2019 (EUR 111.9 million). The equity ratio remains at a strong level of 17.9% (Q1 2019: 21.3%). Ferratum's management decided to reduce the Group's risk appetite as an early reaction on the outbreak of COVID-19 in Europe. Therefore, net loans to customers were at the end of Q1 2020 down by -5.1% compared to December 31, 2019 (386.2 million) to EUR 366.4 million. Furthermore, the decrease has in addition been driven by the increased impairments on loans. As of March 31, Net debt to equity stood at 2.79, slightly above the ratio as of December 31, 2019 (2.59). In Q1 2020, management has, inter alia, focused on improving the Group's liquidity position. Cash and cash equivalents increased strongly by EUR 57.6 million or 37.1% to EUR 213.2 million compared to Q4 2019.

Early introduction of a COVID-19 action plan

Ferratum remains committed to meet the expectations set by its customers and all our stakeholders throughout the extraordinary circumstances caused by the COVID-19 pandemic. As an immediate reaction on the outbreak the Group focused on the safety and wellbeing of its employees on continuation of all services. Over 95% of Ferratum's employees have been working remotely from home while the highest level of operational functionality and stability has been secured. The company has continued, without any interruption, to cater for its customers' needs with the digital real-time offering and services Ferratum is known for. The pandemic has not had any effects on the product offering and service quality of the Group.

The COVID-19 pandemic has reinforced Managements earlier decision of continued streamlining and increased automation and process improvement to reduce costs. The Group managed during Q1 2020 to make further progress in raising operational efficiency and decreasing its operational cost base. Ferratum has continued to focus on reducing marketing costs and has been able to reduce marketing/net sales from 14.7% in Q1 2019 to 10.8% in Q1 2020 in line with reduced lending activities and by continued improvements in its processes and further centralization of marketing functions.

At the end of the first quarter 2020, the Group had 771 employees, a decrease from Q1 2019 (881 employees). Personnel expenses were y-o-y down by 6.4% at EUR 10.0 million (2019 Q1: EUR 10.6 million).

Ferratum has, in addition, introduced a four-stage action program to navigate through the COVID-19 pandemic and to strengthen its position post pandemic: Strengthening liquidity and financial metrics, reducing risk appetite, implementing a cost cutting program, preparing for re-activating growth post crises.

As highlighted above, Ferratum ends the first quarter with strong financial metrics, especially in terms of the Group's cash position, low level of leverage and a strong equity-ratio. Measures to decrease credit risk have been implemented by decreasing the loan disbursement, tighter scoring and temporarily suspension of lending in Spain and Poland.

The current pandemic will likely accelerate the pace of driving financial services towards digitalization. Providing real-time and mobile financial services is Ferratum's origin and corporate DNA. Ferratum's management is convinced of the Groups its ability to navigate through the COVID-19 outburst and to re-activate growth post pandemic.

Risk management

Ferratum decided during the early stages of the COVID-19 pandemic to mitigate for a future economic downturn. Actions taken include suspension of lending to new customers in highly affected countries such as Spain and Poland. The group has, in addition, limited its lending activities in areas and customer groups with an increased risk profile in both the consumer lending and SME lending segments. This includes lending to companies and consumers that operate in, or are employed by, sectors that have been faced with extraordinary difficulties due to the pandemic, such as the travel and hospitality industries.

Ferratum has during the pandemic revised its scoring algorithms and policy rules in order to identify customer patterns that are more robust in an economic downturn. Parameters, such as age, length of employment contract, profession, education, employer type, self-employed status have gained an increased relevance.

During times of high volatility and uncertainty, Ferratum has further increased its daily monitoring of KPIs in order to identify any early signs of deteriorating payment behaviour and credit quality. These rigorous scoring measures have resulted in an increased rejection rate and as a result, decreased loan disbursement volume.

As the actions described above were implemented at a very early stage of the pandemic, the group has not seen a significant impact on materialized credit losses, to date.

Ferratum manages its risk provisioning in accordance with IFRS 9, that relies on a forward oriented methodology. Based on future macroeconomic indicators and previously recorded correlations, the reserving model is adjusted in accordance with the macroeconomic outlook. Ferratum has based on this rigorous reserving model increased its credit loss provisioning by EUR 7.8 million although realized losses have remained stable.

Redemption of Ferratum Bank p.l.c. bond

Ferratum Bank p.l.c. (a wholly owned subsidiary of the Group and a credit institution licensed by the Malta Financial Services Authority (MFSA) repaid an EUR 40 million 6.25% p.a. above 3 month EURIBOR (incl. floor at 0%) Senior unsecured bond (ISIN: FI4000232830) in March 2020.

Rating updates

Fitch Ratings affirmed in March the Long-Term Issuer Default Rating (IDR) of both Ferratum Oyj and the senior unsecured callable floating rate bond, issued by Ferratum Capital Germany GmbH (ISIN: SE0012453835), at 'BB-'. The Outlook on the Long-Term IDR was Stable. The rating was in April downgraded to B+ due to coronavirus-related risks. Fitch assessed that the Outlook on Ferratum's Long-Term IDR is Negative.

Creditreform Rating downgraded the rating of Ferratum Oyj from BBB- to BB with a negative outlook. Creditreform Rating states in their rating letter that the current rating assessment is particularly characterized by the serious global disruption as a consequence of the upcoming global financial and economic crisis.

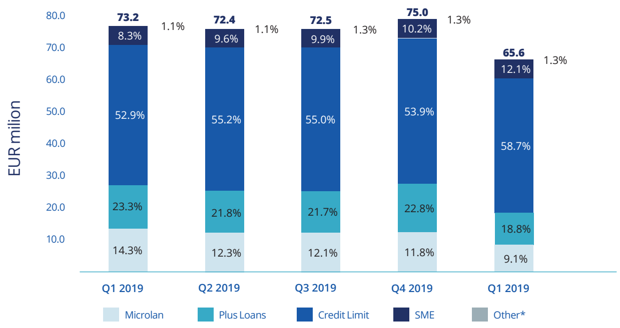
Changes in shareholding

Ferratum received on 23 March a notification from Universal-Investment-Gesellschaft mbH that the shareholding of SPSW Capital GmbH had reached the 10% threshold on 19 March 2020.

The Group received on 9 April a notification from Universal-Investment-Gesellschaft mbH, stating that the company's ownership in Ferratum Oyj has, on 6 April 2020, decreased below the threshold of 10%.

Revenue

Group Revenue

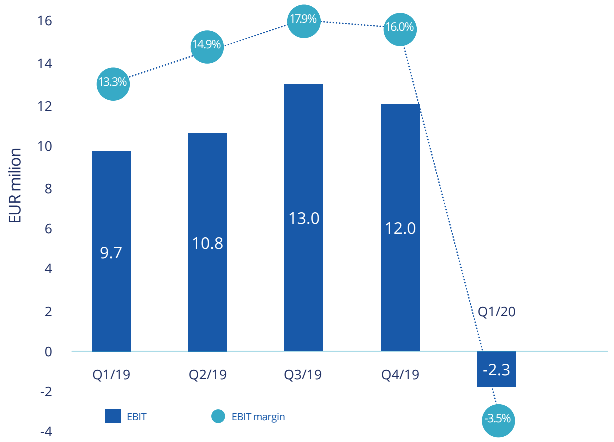


Revenue decline of -10.4%:

(1) COVID-19 impact as of early March 2020,

(2) Restricted lending in selected markets during Q1

Operating profit (EBIT)

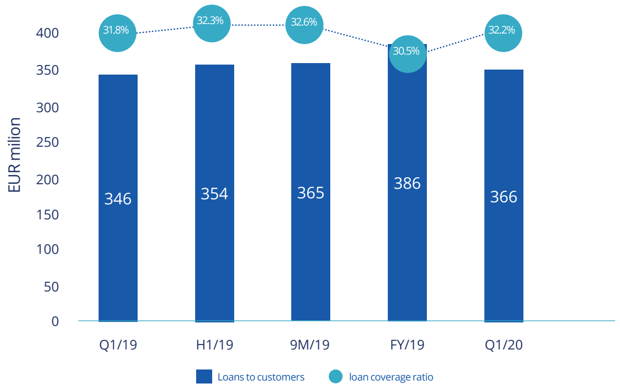


EBIT EUR -2.3 million:

– Reduced revenues compared to Q1 2019

– COVID-19 provisions of impairments impacted due to forecasted detoriorating macroeconomic forecasts throughout Europe: one-off impairment 7.8 million

Loan to customers



Loans to customers (net) down by -5.1% % to EUR 366 million

Management actions to reduce lending activities on reaction to COVID-19

Customer Base

	Jan - Mar 2020	Jan - Mar 2019	Growth in %
Active customers*	681,508	793,775	-14.1%

** Customers with a Mobile Bank account and lending customers who have had an open balance in the last 12 months. If loans are >24m overdue, the customer is not considered active.*

Consolidated Income Statement for the Period 1 January to 31 March, 2020

	3 months ended 31 March	
EUR '000	**2020**	**2019**
REVENUE	65,604	73,196
Other income	5	5
Impairments on loans	(35,592)	(28,671)
Operating expenses:		
Personnel expenses	(9,956)	(10,642)
Selling and marketing expenses	(7,068)	(10,771)
Lending costs	(4,075)	(4,163)
Other administrative expenses	(290)	(645)
Depreciations and amortization	(3,144)	(2,226)
Other operating expenses	(7,775)	(6,377)
Operating profit	**(2,292)**	**9,707**
Financial income	43	31
Finance costs	(6,034)	(3,534)
Finance costs – net	(5,990)	(3,503)
Profit before income tax	**(8,283)**	**6,204**
Income tax expense	(92)	(1,000)
Profit for the period	**(8,375)**	**5,204**
Earnings per share, basic	**(0,39)**	**0.24**
Earnings per share, diluted	**(0,39)**	**0.25**
Profit attributable to:		
– owners of the parent company	(8,375)	5,204
– non-controlling interests (NCI)	0	0

Consolidated Statement of Comprehensive Income for the Period 1 January to 31 March, 2020

	3 months ended 31 March	
EUR '000	**2020**	**2019**
Profit for the period	(8,375)	5,204
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Translation difference	(2,558)	490
Total items that may be subsequently reclassified to profit or loss	(2,558)	490
Total comprehensive income	**(10,932)**	**5,694**
Allocation of total comprehensive income to:		
– owners of the parent company	(10,932)	5,694
– non-controlling interests (NCI)	0	0

Consolidated Statement of Financial Position

EUR '000	31 Mar 2020	31 Dec 2019
ASSETS		
Non-current assets		
Property, plant and equipment	4,084	3,896
Right-of-use assets	6,041	6,693
Intangible assets	36,184	35,281
Government bonds	0	0
Deferred tax assets	10,135	10,813
Other financial assets	4,383	3,829
Total non-current assets	**60,827**	**60,512**
Current assets		
Loans and advances to customers	366,388	386,167
Other receivables	11,860	14,448
Derivative assets	7,692	15
Current tax assets	1,882	2,167
Cash and cash equivalents	213,158	155,518
Total current assets	**600,980**	**558,315**
Total assets	**661,807**	**618,827**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,134	40,134
Treasury shares	(142)	(142)
Reserves	(6,051)	(1,098)
Unrestricted equity reserve	14,708	14,708
Retained earnings	69,666	75,536
Total equity	**118,314**	**129,138**
of which related to non-controlling interests		
LIABILITIES		
Non-current liabilities		
Borrowings	174,910	169,164
Lease liabilities	3,492	4,400
Deferred tax liabilities	264	672
Total non-current liabilities	**178,666**	**174,236**
Current liabilities		
Current tax liabilities	3,372	4,539
Deposits from customers	318,435	242,161
Borrowings	20,363	47,514
Derivative liabilities	(56)	2,215
Trade payables	7,883	5,235
Lease liabilities	2,427	2,398
Other current liabilities	12,403	11,390
Total current liabilities	**364,827**	**314,453**
Total liabilities	**543,493**	**489,689**
Total equity and liabilities	**661,807**	**618,827**

Consolidated Statement of Cash flow

EUR '000	3 months ended 31 March 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss for the period	**(8,375)**	**5,204**
Adjustments for:		
Depreciation and amortization	3,144	2,226
Finance costs, net	5,990	3,503
Tax on income from operations	92	1,000
Transactions without cash flow	105	401
Impairments on loans	**35,592**	**28,671**
Working capital changes:		
Increase (-) / decrease (+) in other current receivables	(5,643)	(9,363)
Increase (+) / decrease (-) in trade payables and other current liabilities	1,399	6,796
Interest paid	(3,752)	(2,230)
Interest received	46	22
Income taxes paid	(1,058)	(690)
Net cash from operating activities before movements in loan portfolio and deposits	**27,541**	**35,539**
Deposits from customers	76,274	(718)
Movements in the portfolio:		
Movements in gross portfolio	15,359	(42,136)
Movements in credit loss allowance	(31,173)	(13,720)
Net cash (used in) / from operating activities	**88,002**	**(21,036)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(3,583)	(2,567)
Net cash used in investing activities	**(3,583)**	**(2,567)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	**12,796**	**6,080**
Repayment of short-term borrowings	**(39,947)**	**(35)**
Proceeds from long-term borrowings	**5,746**	**131**
Repayment of finance lease liabilities	**(846)**	**(515)**
Dividends paid / distribution of funds	**-**	**-**
Net cash (used in) / from financing activities	**(22,251)**	**5,662**
Net (decrease) / increase in cash and cash equivalents	**62,168**	**(17,942)**
Cash and cash equivalents at the beginning of the period	**155,518**	**115,559**
Exchange gains/(losses) on cash and cash equivalents	**(4,528)**	**(826)**
Net increase/decrease in cash and cash equivalents	**62,168**	**(17,942)**
Cash and cash equivalents at the end of the period	**213,158**	**96,790**

1. Summary of Significant Accounting Policies

1.1 Basis of Presentation

Ferratum Group's interim financial statements have been prepared in accordance with the accounting policies set out in the annual report for the year ended 31 December 2019. New IFRS standards or interpretations have not had any material impact to the accounting policies. The group has chosen not to apply IAS 34 Interim Financial Reporting in preparing these interim financial statements but applies the recognition and measurement principles of IFRS. The interim report for the first quarter of 2020 are materially prepared using the same accounting principles and calculation methods as described in the Annual Report 2019.

2. SEGMENT INFORMATION

Operating segments are based on the major product types provided by Ferratum: Microloans, PlusLoans, Credit Limit, Ferratum Business (SME) and Mobile bank incl. Primeloan.

Attributable product margin is defined and calculated as a difference between the revenue, other income and directly attributable costs of each product segment. Costs non-directly attributable are allocated according the share in revenue and finance costs are allocated according the portfolio size of related types of products, i.e. their share in loans and advances to customers.

2.1 Business Segments in Q1 2020

EUR '000	Microloan	PlusLoan	Credit Limit	SME	Mobile bank and Primeloan	Total
REVENUE	5,987	12,322	38,486	7,956	853	65,604
Share in Revenue, %	9.1	18.8	58.7	12.1	1.3	100.0
Other income	0	1	3	1	-	5
Directly attributable costs:						
Impairments	(3,623)	(9,977)	(16,643)	(4,102)	(1,248)	(35,592)
Marketing	(521)	(1,441)	(3,480)	(1,512)	(114)	(7,068)
Attributable Product Margin	**1,843**	**906**	**18,366**	**2,343**	**(509)**	**22,949**
Attributable Product Margin, %	30.8	7.4	47.7	29.5		35.0
Non-directly attributable costs:						
Personnel expenses	(900)	(1,853)	(5,787)	(1,196)	(219)	(9,956)
Lending costs	(377)	(775)	(2,422)	(501)		(4,075)
Other administrative expenses	(6)	(13)	(40)	(8)	(223)	(290)
Depreciation and amortization	(215)	(442)	(1,380)	(285)	(823)	(3,144)
Other operating income and expenses	(653)	(1,345)	(4,200)	(868)	(709)	(7,775)
Total Non-directly attributable costs	**(2,151)**	**(4,428)**	**(13,829)**	**(2,859)**	**(1,974)**	**(25,241)**
Operating profit	**(308)**	**(3,522)**	**4,537**	**(516)**	**(2,483)**	**(2,292)**
Gross Product Margin, %	(5.1)	(28.6)	11.8	(6.5)		(3.5)
Unallocated finance income						43
Finance expenses	(207)	(817)	(2,115)	(943)	(189)	(4,271)
Unallocated finance expense						(1,763)
Finance costs, net	(207)	(817)	(2,115)	(943)	(189)	(5,990)
Profit before income tax	**(515)**	**(4,339)**	**2,422**	**(1,458)**	**(2,673)**	**(8,283)**
Net Profit Margin, %	(8.6)	(35.2)	6.3	(18.3)		(12.6)
Loans and advances to customers	17,767	70,072	181,428	80,874	16,248	366,388
Unallocated assets						295,419
Unallocated liabilities						543,493

2.2 Business Segments in Q1 2019

EUR '000	Microloan	PlusLoan	Credit Limit	SME	Mobile bank and Primeloan	Total
REVENUE	10,478	17,088	38,718	6,083	830	73,196
Share in Revenue, %	14.3	23.3	52.9	8.3	1.1	100.0
Other income	1	1	2	0	-	5
Directly attributable costs:						
Impairments	(4,948)	(7,126)	(12,437)	(3,113)	(1,046)	(28,671)
Marketing	(1,210)	(1,941)	(5,837)	(1,388)	(375)	(10,771)
Attributable Product Margin	**4,320**	**8,021**	**20,426**	**1,583**	**(592)**	**33,758**
Attributable Product Margin, %	41.2	46.9	52.8	26.0		46.1
Non-directly attributable costs:						
Personnel expenses	(1,497)	(2,442)	(5,533)	(869)	(300)	(10,642)
Lending costs	(603)	(983)	(2,227)	(350)	-	(4,163)
Other administrative expenses	(53)	(86)	(195)	(31)	(280)	(645)
Depreciation and amortization	(274)	(447)	(1,013)	(159)	(332)	(2,226)
Other operating income and expenses	(888)	(1,448)	(3,281)	(516)	(244)	(6,377)
Total Non-directly attributable costs	**(3,315)**	**(5,406)**	**(12,250)**	**(1,925)**	**(1,156)**	**(24,052)**
Operating profit	**1,005**	**2,615**	**8,176**	**(342)**	**(1,747)**	**9,707**
Gross Product Margin, %	9.6	15.3	21.1	(5.6)		13.3
Unallocated finance income						31
Finance expenses	(318)	(594)	(1,348)	(510)	(89)	(2,859)
Unallocated finance expense						(675)
Finance costs, net	(318)	(594)	(1,348)	(510)	(89)	(3,503)
Profit before income tax	**686**	**2,022**	**6,826**	**(852)**	**(1,836)**	**6,204**
Net Profit Margin, %	6.6	11.8	17.6	(14.0)		8.5
Loans and advances to customers	38,709	72,184	163,971	62,075	10,786	347,724
Unallocated assets						177,363
Unallocated liabilities						413,148

2.3 Revenue

EUR '000	Jan – Mar 2020	Jan – Mar 2019
Revenue, international	56,346	61,438
Revenue, domestic	9,258	11,758
Total revenue	**65,604**	**73,196**

3. FINANCE INCOME

EUR '000	Jan – Mar 2020	Jan – Mar 2019
Interest income from cash and cash equivalents	43	20
Derivatives held for trading – net gain	-	11
Total finance income	**43**	**31**

4. FINANCE COSTS

EUR '000	Jan – Mar 2020	Jan – Mar 2019
Interest on borrowings	(4,271)	(3,240)
Interest expenses on leases	(100)	(85)
Foreign exchange loss	(1,663)	(209)
Total finance costs	**(6,034)**	**(3,534)**

5. LOANS AND ADVANCES TO CUSTOMERS

Ferratum Group calculates the expected credit losses (ECL) for its loans and advances to customers on a collective basis, given that its portfolio of micro-credit facilities is composed of homogenous groups of loans that are not considered individually significant, using three main components: probability of default (PD), loss given default (LGD) and exposure at default (EAD). These three components are multiplied together effectively calculating the forward-looking ECL, which is then discounted back to the reporting date. The discount rate used in the ECL calculation is the originated effective interest rate or an approximation thereof.

The ECL is measured on either a 12-month or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). Group uses an allowance account to recognize the impairment losses on loans and advances to customers. The following tables shows the reconciliation of movements in the allowance account. For further information about loans and advances to customers and the ECL calculation methodology, please refer to note 2 and note 3 in the group's annual financial statements for the year ended 31 December 2019.

EUR '000	Jan – Mar 2020	Jan – Mar 2019
Loans and advances to customers (gross)	**540,554**	**509,948**
Provision for impairment on January 1	**(169,747)**	**(147,273)**
Impairments on loans for the period	(35,592)	(28,671)
Other movements	31,173	13,720
Provision for impairment on March 31	**(174,166)**	**(162,224)**
Loans and advances to customers (net)	**366,388**	**347,724**

Ferratum Group manages the credit quality of its loans and advances to customers by using internal riskgrades, which provide a progressively increasing risk profile ranging from 'Regular' (best quality, less risky) to 'Loss'. These risk grades are an essential tool for the Group to identify both non-performing exposures and better performing customers. The internal risk grades used by the Group are as follows:

•Performing: Internal grade 'Regular'

•Under performing: Internal grades 'Watch' and 'Substandard'; and

•Non-performing: Internal grades 'Doubtful' and 'Loss'.

Regular

The Group's loans and advances to customers which are categorised as 'Regular' are principally debts in respect of which payment is not overdue by 30 days and no recent history of customer default exists. Management does not expect any losses from non-performance by these customers, which are considered as fully performing.

Watch

Loans and advances to customers that attract this category principally comprise those where

(i) payment becomes overdue by 30 days, but does not exceed 60 days where a loan is deemed to be as non-performing when past due for more than 90 days;

(ii) and payment becomes overdue by 30 days but does not exceed 45 days where a loan is deemed to be as non-performing when past due for more than 60 days.

Substandard

Exposures that are categorised within this category comprise those where

(i) payment becomes overdue by 61 days but does not exceed 90 days for where a loan is deemed to be as non-performing when past dues for more than 90 days.

(ii) and where payment becomes overdue by 46 days, but does not exceed 60 days where a loan is deemed to be as non-performing when past due for more than 60 days.

Doubtful

Loans and advances which attract a 'Doubtful' grading are principally those assets in respect of which

(i) repayment becomes overdue by 61 days and over but not exceeding 180 days for where a loan is deemed to as non-performing when past due for more than 60 days;

(ii) and repayment becomes overdue by 91 days and over but not exceeding 180 days for a loan is deemed to be as non-performing when past due for more than 90 days

Loss

Loans and advances in respect of which payment becomes overdue by 180 days.

The Group does not have a material amount of individually impaired loan receivables. The ageing analysis of loan receivables which are collectively assessed for impairment is as follows:

EUR '000	31 Mar 2020				31 Dec 2019
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
Loans and advances to customers					
Regular	313,157	-	-	313,157	321,722
Watch	-	19,459	-	19,459	21,371
Substandard	-	14,949	-	14,949	11,715
Doubtful	-	-	33,540	33,540	32,154
Loss	-	-	159,450	159,450	168,952
Gross carrying amount	**313,157**	**34,408**	**192,990**	**540,554**	**555,914**
Loss allowance	**27,765**	**12,343**	**134,059**	**174,166**	**169,747**
Carrying amount	**285,392**	**22,065**	**58,932**	**366,388**	**386,167**
Impaired Loan Coverage Ratio (ICLR)	**8.9 %**	**35.9 %**	**69.5 %**	**32.2 %**	**30.5 %**

The following tables explain the changes in gross carrying amount between the beginning and the end of the period March 31, 2020:

EUR '000	31 Mar 2020			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loans and advances to customers				
Gross carrying amount as at 1 January 2020	**321,722**	**33,086**	**201,106**	**555,914**
Total changes in gross carrying amounts arising				
From transfers in stages, originations and derecognitions	1,726	2,453	4,793	8,972
Write-offs			(6,566)	(6,566)
FX and other movements	(10,292)	(1,131)	(6,343)	(17,765)
Total net change during the year	**(8,566)**	**1,322**	**(8,115)**	**(15,359)**
Gross carrying amount as at 31 March 2020	**313,157**	**34,408**	**192,990**	**540,554**

The following tables explain the changes in the loss allowance between the beginning and the end of the period March 31, 2020:

EUR '000	31 Mar 2020			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loans and advances to customers				
Loss allowance as at 1 January 2020	**23,330**	**8,822**	**137,594**	**169,747**
Increases in allowances- charge to profit or loss	4,859	3,857	26,876	35,592
Total net P&L charge during the year	4,859	3,857	26,876	35,592
Other movements				
Loans and advances written off and sold during the year	-	-	(21,776)	(21,776)
Exchange differences	(424)	(337)	(8,636)	(9,397)
Loss allowance as at 31 March 2020	**27,765**	**12,343**	**134,059**	**174,166**

For further information about gross carrying amount and loss allowances please refer to note 3 in the Group's annual financial statements for the year ended 31 December 2019.

The following tables explain the changes in gross carrying amount between the beginning and the end of the period

EUR '000	31 Mar 2019			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers				
Gross carrying amount as at 1 January 2019	**262,280**	**24,359**	**181,172**	**467,811**
Total changes in gross carrying amounts arising				
From transfers in stages, originations and derecognitions	19,358	3,159	20,107	42,661
Write-offs			(326)	(326)
FX and other movements	(110)	(11)	(78)	(198)
Total net change during the year	**19,249**	**3,184**	**19,703**	**42,136**
Gross carrying amount as at 31 March 2019	**281,529**	**27,543**	**200,875**	**509,948**

The following tables explain the changes in the loss allowance between the beginning and the end of the period March 31, 2019:

EUR '000	31 Mar 2019			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers				
Loss allowance as at 1 January 2019	**22,325**	**7,351**	**117,597**	**147,273**
Increases in allowances- charge to profit or loss	1,303	817	26,551	28,671
Total net P&L charge during the year	**1,303**	**817**	**26,551**	**28,671**
Other movements				
Loans and advances written off during the year	-	-	(432)	(432)
Impact of unwinding ECL provisions	-	-	(13,832)	(13,832)
Exchange differences	10	6	528	544
Loss allowance as at 31 March 2019	**23,638**	**8,174**	**130,412**	**162,224**

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