

Zaim Credit Systems

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Zaim Credit Systems says dealing with coronavirus crisis is the main focus

- Russia-based payday lender
- Has a 300,000-strong customer base around Moscow
- Listed on the standard section of the main market

What it does

Zaim Credit Systems PLC (LON:ZAIM) styles itself as a micro-finance/fintech company; however, it's actually a payday loan business.

Not only that, it's a Russian payday loans business.

Zaim has 300,000 customers who borrow an average of £95 for 20-25 days and they'll use the service two or three times per year, paying 1% in interest per day.

Almost 100 stores

Currently, customers can call into one of 97 Zaim stores in the greater Moscow area and receive a loan decision in seven minutes. The cash is paid directly to a Mastercard. The service also operates online and on the phone.

Zaim's credit rating system, meanwhile, means the delinquency rate is less than 10%.

The company is the 'micro-finance' leader in western Russia and ranks 15th in the country.

Growing market

The market itself is growing at a fair clip. In 2018 the volume of loans grew by 35% to £1.9bn.

Analysts reckon that figure represents a fraction of Russia's micro-finance potential.

Driving this expansion is a banking sector that underserves working families who sometimes require short-term finance to meet unexpected calls on the household budget.

Zaim has been around since 2011.

How it is doing

Zaim said its lending business, Zaim-Express, is not impacted by Russia's closure of non-essential business during the coronavirus pandemic and that the microfinance sector is deemed to be critically important in meeting the needs of the Russian population.

Price: 2.18

Market Cap: £9.53 m

1 Year Share Price Graph



November 2019 March 2020 October 2020

Share Information

Code: ZAIM

Listing: LSE

52 week	High	Low
	4	1.63

Sector: Financial Services

Website www.zaimcreditsystemsplc.com

Company Synopsis:

Zaim Credit Systems plc is the holding company of a Russian based financial services company Zaim Express LLC ("Zaim" or ("Zaim Express LLC")). In 2011, Zaim entered Russia's burgeoning microfinance sector following the introduction of the Microfinance Business Law which enabled non-bank institutions to provide loans to citizens and companies. Zaim's core product is providing microloans to Russian consumers.

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Stores are open in compliance with international safety guidelines.

In June, Zaim said the coronavirus outbreak has become the key challenge for the company and although the management has experience of crisis periods, the current pandemic is exceptional and so it had decided to reduce the loan amounts issued to keep business at a financial and economic break-even level on a cash-flow basis for the period of lockdown.

In the near term, the group plans to expand its online offering while maintaining its existing levels of funding via the existing stores within Moscow and surrounding regions.

"As of the end of May, the lockdown is beginning to be eased in Russia and we are seeing demand increase accordingly. We are starting to again increase the amount of loans to customers and consistent with trends observed throughout the world, are seeing very strong growth in demand for our online offering," Zaim said.

What the boss says: Siro Cicconi, chief executive

"The long-term impact of COVID-19 on the Russian economy remains uncertain."

"However, our strong capital and liquidity positions makes us confident in the sustainability of the company's operations. We are going to continue providing our customers easy and convenient access to affordable financial solutions, which is very important in this volatile environment".

Inflexion points

- **Mobile growth gathers pace as coronavirus affects in-store business**
- **Bad debts continue to decline**
- **Loan book increases and the company expands geographically**

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