FitchRatings

JSC TBC Leasing

Ratings

Foreign Currency

Long-Term IDR	BB-
Short-Term IDR	B

Local Currency

Long-Term IDR	BB-
Short-Term IDR	B
Shareholder Support Rating	bb-

Sovereign Risk

Long-Term Foreign-Currency IDR	BB
Long-Term Local-Currency IDR	BB
Country Ceiling	BBB-

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (January 2022)

Country-Specific Treatment of Recovery Ratings Criteria (January 2021)

Related Research

Fitch Affirms TBC Leasing at 'BB-'; Outlook Stable (July 2022)

Fitch Affirms TBC Bank JSC at 'BB-'; Outlook Stable (June 2022)

Fitch Affirms Georgia at 'BB'; Outlook Stable (February 2022)

Sovereign Dashboard: War and Pandemic Increase Prevalence of EM Twin Deficits (June 2022)

Global Economic Outlook (March 2022)

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Key Rating Drivers

Support Drives Ratings: JSC TBC Leasing's (TBCL) Issuer Default Ratings (IDRs) are driven by support from its parent, TBC Bank JSC (BB-/Stable). Fitch Ratings believes the propensity of TBC Bank, Georgia's largest bank, to support TBCL is high. This reflects the high reputational implications of a subsidiary default, as well as full ownership, size, integration, common branding and a record of capital and funding support. TBCL is the market leader in leasing and caters to a risky segment of clients, but has collateral available.

Reputational Risk Drives Support: TBCL's foreign lenders are largely the same international financial institutions (IFIs) and impact investors from which TBC Bank sources a material portion of its own wholesale funding. Fitch believes a failure to support TBCL would significantly damage TBC Bank's reputation with its key lenders, undermining its business model and growth potential.

Extensive Record of Support: TBC Bank has provided both capital and funding in recent years to support TBCL's growth and ensure TBCL's compliance with covenants. TBC Bank has approved an injection of GEL2.5 million (USD0.8 million), to be disbursed based on TBCL's needs. TBC Bank provides TBCL subordinated and senior loans as well as letters of support to enable third-party borrowing. It also facilitates TBCL's bond placements.

Increasing Role in the Group: TBCL operates in Georgia, the group's domestic market. The company accounts for a modest 2% of group's assets, but its role in TBC Bank's products offering is increasing following recent regulatory changes. TBCL is wholly owned by TBC Bank and aligns its strategy and risk policies with those of the parent, while retaining some operational independence. TBCL shares TBC Bank's brand and generates most of new leases through the parent's branches. Funding is largely coordinated by the parent for the whole group.

Weaker Standalone Profile: TBCL's standalone profile is constrained by its monoline business model and high leverage, as well as by its high risk appetite and weak asset quality. TBCL tightened underwriting standards during the pandemic and delayed new higher-risk, higher-yielding products. Impaired receivables were a high 23% of total receivables at end-2021, but earnings recovered (pre-tax income/average assets of 3% in 2021). Fitch's view of leverage (gross debt to tangible equity at 5.9x at end-1Q22) is weighed down by the large unprovisioned portion of impaired loans.

Secured Debt Equalised with IDR: TBCL's senior secured debt rating is equalised with the company's Long-Term IDR, notwithstanding the bond's secured nature and an outstanding buffer of contractually subordinated debt. This reflects uncertainty about asset recoveries in a scenario where TBCL and TBC Bank would be in default, a scenario likely to be accompanied by considerable macroeconomic stress in Georgia.

Rating Sensitivities

Parent's Rating: TBCL's Stable Outlook mirrors that of TBC Bank and its ratings would reflect changes in the bank's ratings.

Support Is Key: A material weakening in TBC Bank's propensity or ability to support TBCL might result in a notching differential from the parent. This could be driven by a weak performance, a greater risk of regulatory restrictions on support, or a reduction in TBCL's strategic importance.

Relative Ranking of Securities: Changes to TBCL's Long-Term IDR would be mirrored in the company's senior secured bond rating. The possible conversion of the bond to unsecured would not lead to a rating downgrade of the issue, provided this is accompanied by a similar conversion of TBCL's other funding facilities.

Debt Rating Classes

Rating level	Rating
Senior secured debt	BB-

Source: Fitch Ratings

Fitch has assigned a senior secured debt rating of 'BB-' to TBCL's GEL58 million bond issuance. The issue rating is equalised with TBCL's Long-Term Local-Currency IDR of 'BB-'. The absence of an uplift reflects the high uncertainty about asset recoveries in a scenario where TBCL and TBC Bank were in default, which would likely be accompanied by considerable macroeconomic stress in the country.

The bond matures in March 2023 and is denominated in local currency. It is priced on a floating basis (the three-month Tbilisi interbank interest rate, plus a spread). The bond is secured with a portfolio pledge by TBCL and ranks pari passu with all other senior secured lenders.

Collateral Release Would Not Affect Rating

TBCL's bond includes an option to release the portfolio pledge and turn the bond into an unsecured instrument. The option is triggered if all TBCL's bilateral secured lenders (local banks and international impact investors) agree to release the portfolio pledges they received from TBCL. In this event, bondholders would be able to either put the bond or accept a higher coupon rate for its remaining maturity.

The conversion of all secured borrowings would not lead to an issue rating downgrade, provided that negative pledge covenants hold and the relative ranking of issued securities is unchanged. Fitch would then assign a new Senior Unsecured Debt Rating to the issue and withdraw the Senior Secured Debt Rating.

Ratings Navigator

Institutional Support			Value
Parent IDR			BB-
Total Adjustments (notches)			+0
Institutional Support:			**BB-**
Support Factors (negative)	**Equalised**	**1 Notch**	**2+ Notches**
Parent ability to support and subsidiary ability to use support			
Parent/group regulation		✓	
Relative size	✓		
Country risks	✓		
Parent Propensity to Support			
Role in group		✓	
Potential for disposal		✓	
Implication of subsidiary default	✓		
Integration		✓	
Size of ownership stake	✓		
Support track record	✓		
Subsidiary performance and prospects		✓	
Branding	✓		
Legal commitments		✓	
Cross-default clauses			✓

Bar Chart Legend

Tick Colours – Influence on Shareholder Support Rating

- Higher influence
- Moderate influence
- Lower influence

Institutional Support Assessment

TBCL's Failure Would Jeopardise TBC Bank's Access to Funding

Fitch deems that TBC Bank has a strong propensity to support TBCL because a failure to support TBCL would jeopardise TBC Bank's own access to international wholesale funding. TBC Bank borrows a material share of its wholesale funding from IFIs (about 31% at end-1Q22) and other impact investors. It also relies on them as equity co-investors in its foreign expansion.

IFIs and other impact investors provided 68% of TBCL's non-parental funding at end-1Q22 and receive non-binding letters of support from TBC Bank.

Long Record of Support from TBC Bank

Past capital injections have been required chiefly to ensure TBCL's compliance with its loans' covenants, as portfolio growth outpaced internal capital generation. TBC Bank injected GEL6 million (19% of total capital) in 2019 and approved a further GEL2.5 million, which was not yet required due to TBCL's slow growth during the pandemic. TBCL also has a GEL2.4 million subordinated loan from TBC Bank, maturing in July 2023.

TBC Bank also provides funding to TBCL, with a USD30 million credit line (undrawn at end-1Q22). TBCL relies on the parent to attract third-party funding, through non-binding letters of support and TBC Kapital, the group's investment banking arm.

TBCL has usually met TBC Bank's ambitious financial targets (return on average equity (ROAE) above 20%, lease portfolio growth of above 30% a year, a cost of risk of under 2% and a cost-to-income ratio of under 40%). A sustained weakening in TBCL's performance may reduce its strategic importance and so the availability of capital and funding support from TBC Bank.

TBCL reports now to the Corporate and Investment Banking division of TBC Bank, following an internal reorganisation of areas of competence among TBC Bank's five deputy chief executives in 1Q21. This does not affect our assessment of parental support.

Company Summary

Dominant Market Position in Georgia's Leasing Industry

TBCL dominates Georgian leasing market with a share of total net investement in leases of about 76%. Recent regulatory tightening of the banking and microcredit sectors have increased the potential for still-unregulated leasing companies. Fitch believes that TBCL will remain the market leader, but its market share will gradually reduce.

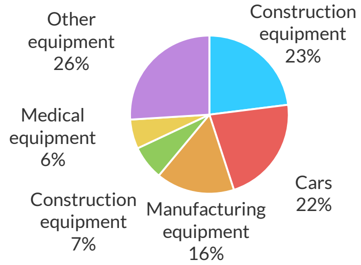
TBCL's franchise benefits from the strong brand recognition of its parent, TBC Bank, which is Georgia's largest bank (about 40% of total sector loans and deposits at end-1Q22). TBCL increasingly generates new business through referrals from TBC Bank's branch network (about 30% of new leases), but it is operationally autonomous in key functions - lease underwriting, risk management, IT systems. Fitch takes a positive view of the growing integration of TBCL into TBC Bank's strategy and product offering, which should support volume growth.

Core SME Portfolio, with Growth Plans in Retail and Real Estate

TBCL is a monoline leasing company, focusing on SMEs (legal entities represented about 90% of the portfolio at end-2021) and providing financial leasing (about 95% of leasing income). TBCL's main products include automotive vehicles, construction equipment and medical equipment. The launch of real estate operational leases (such as office premises) was postponed due to the pandemic but TBCL will reconsider it, subject to macroeconomic conditions.

Retail leasing of cars amounted to 12% of the end-2021 portfolio. However, we expect this segment to grow quickly after the end of the pandemic, due to new car sales to retail clients and because TBCL may introduce consumer goods leasing as an alternative to unsecured consumer loans (e.g. electronics, white goods). Operatingleasing of cars is still a minor share of TBCL's portfolio (under 1% of total assets at end-2021).

Portfolio by Leased Assets



Data at end-2021
Source: Fitch Ratings, TBC Leasing

Qualitative Assessment Factors

Operating Environment

Regulatory Changes Drive Leasing Growth in Georgia

Recent regulatory tightening aims at curbing fast credit growth and retail indebtedness. Banks and microfinance organisations are subject to maximum loan-to-value and payment-to-income ratios, tighter underwriting and higher capital requirements through risk-weighting. Leasing companies remain out of scope of this regulation allowing them to cater to riskier, more leveraged clients. Leasing companies retain legal title of the leased assets for quick repossession and the leased assets do not count towards the lessee's total indebtedness.

Fitch expects the National Bank of Georgia (NBG) to increase its scrutiny of the leasing sector in the medium term. Prudential regulation of leasing companies is limited to the general interest rate cap (of 50%) and to the requirement for all loans below GEL200,000 to be denominated in Georgian lari.

Risk Appetite

Heightened Risk Appetite, Mitigated by Collateral Availability

Fitch expects TBCL to gradually take over a riskier, but higher-yielding portion of TBC Bank's clients, owing to its unregulated status. In the medium term, Fitch believes that TBCL will increase its exposure to subprime retail clients, through consumer leasing, and to residual value risk, through the operating leasing of real estate and construction machinery. A revision of the risk appetite framework in 2022, including revised collection practices, reflects, in Fitch's view, an attempt to reduce the stock of problem exposures accumulated since 2018.

TBCL has limited direct exposure to market risk, but it is highly exposed to foreign-currency-induced credit risk. TBCL is willing to issue foreign-currency leases to unhedged borrowers, and about 50% of the lease portfolio is denominated in foreign currency. TBCL also aims to issue most of the leases above GEL200,000 in foreign currency, positively with higher downpayments than lari leases.

Financial Metrics

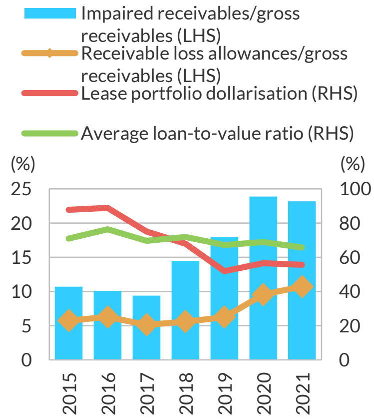
Asset Quality

High Impaired Exposures Reflect Risk Appetite

Total Stage 3 exposures remain elevated (over 20% of total receivables at end-2021) and are defined as all leases and other receivables in Stage 3 under IFRS 9. The latter include receivables from terminated leases and loans issued to lessees. A high generation of impaired receivables (6% of opening portfolio in 2021, 16% in 2020) keeps the stock elevated, despite sizeable write-offs (30-40% of the opening stock) and some recoveries (20%-30% of the opening stock).

Reserve coverage is modest at 46% at end-2021 (40% at end-2019), but still reflects TBCL's reliance on collateral. Sound collateral management results in limited write-offs and adequate impairment costs of about 2% of the average lease portfolio on average (1.7% in 2021). In 2022 TBCL intensified collection and repossessed collateral increased to GEL21 million at end-1Q22. TBCL expects to work it out it faster owing to recently improved collateral liquidity and pricing.

Asset Quality



Source: Fitch Ratings, TBC Leasing

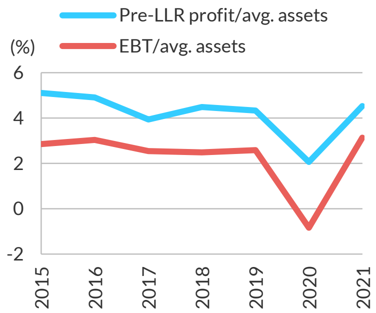
Earnings & Profitability

High Risk, High Reward Model

TBCL returned to pre-pandemic profitability in 2021 owing to lower impairment charges and higher interest income. The latter was driven by higher policy rates in Georgia (up by 250bp in 2021) and a lower negative carry as the company moderated its cushion of liquid assets, accumulated during the pandemic (GEL46 million at end-2021, compared with GEL91 million at end-2020). We expect earnings for 2022 to be in line with TBCL's pre-pandemic performance.

Fitch sees positively TBCL's sound profitability (return on average equity of 29% in 2021; 26% in 2015-2019), as it underpins TBCL's role in its parent's strategy. TBCL's return is driven by its high portfolio yield (about 17% on average), which leaves a sound margin of about 5% net of the cost of funding, impairments and insurance expenses. We expect TBCL's portfolio yield to remain solid in the medium term, despite competition from regulated lenders (i.e. banks and microfinance). Operating costs are modest on average (6% of average gross leases, plus another 2% for insurance costs).

Profitability



Source: Fitch Ratings, TBC Leasing

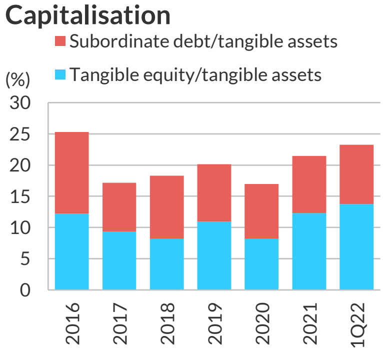
Capitalisation & Leverage

High Leverage, Capital Optimisation at Group Level

Fitch believes that TBCL has a high leverage appetite, constrained by loan covenants with IFIs. The lower leverage at end-1Q22 (gross debt/tangible equity of 5.9x; end-2020: 10.8x) reflects low new business origination in 2021 (portfolio grew by 4%) and earnings retention. However, TBCL is ready to resume lending once macroeconomic pressure abates.

TBCL's leverage is considerably weaker than at independent peers resulting from TBC Bank's group-wide capital optimisation policy. This is aggravated by weak asset quality (net problem exposures were 91% of tangible equity at end-2021), a high risk appetite and high asset concentration (the 10 largest exposures represented 1.2x tangible equity at end-1Q22). Fitch assigns no equity credit to TBCL's subordinated debt of GEL34 million (10% of total debt at the end-1Q22) and treats it as debt, as it matures in less than five years (mostly by January 2023).

Capitalisation



Source: Fitch Ratings

Funding, Liquidity & Coverage

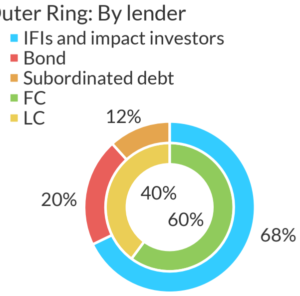
Secured Funding and Support from the Parent

About 90% of TBCL's funding is secured with its lease portfolio, to guarantee pari passu across TBCL's third-party senior lenders, some of which originally lent on a secured basis. In addition, NBG regulation mandates that all lending from TBC Bank to TBCL must be on a secured basis, as the latter is a related party outside the regulatory perimeter. TBCL has the consent to release the collateral from its bilateral lenders, conditional to all outstanding lenders accepting and to TBC being able to lend on an unsecured basis. The collateral could be released in the medium term, pending changes in NBG regulation.

TBCL's access to third-party funding is helped by parental support. TBC Bank also provides a USD30 million funding line to TBCL. A potential increase of the size of the credit line is constrained by regulatory requirements.

Debt Sources at End-1Q22

Inner Ring: Foreign or local currency
Outer Ring: By lender



Source: Fitch Ratings. TBC Leasing

Environmental, Social and Governance Considerations

FitchRatings **JSC TBC Leasing**

Non-Bank FI Ratings Navigator
Finance & Leasing Companies

Credit-Relevant ESG Derivation

JSC TBC Leasing has 5 ESG potential rating drivers

- JSC TBC Leasing has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	6	issues	2
	3	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Operating Environment	5
Energy Management	2	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Appetite	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above	Operating Environment; Risk Appetite; Asset Quality	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy; Earnings & Profitability; Capitalization & Leverage; Funding, Liquidity & Coverage	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities	Company Profile; Earnings & Profitability	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

As support-driven issuers have strong linkages to their support providers, the ESG Relevance Scores assigned to the 'supported' subsidiaries often mirror those of their corporate and financial institution parents. This reflects our opinion that many of the ESG elements at the parent level are credit relevant for the subsidiary.

TBCL's scores are mostly aligned with those of TBC Bank. We score TBCL differently from TBC Bank on 'GHG Emissions' and 'Energy Management' at '2'. This reflects that these two credit relevance scores are irrelevant for TBCL, but relevant for the broader leasing sector.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. ESG issues are credit neutral or have only a minimal credit impact on TBCL, either due to their nature or the way in which they are being managed. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Income Statement

(GEL 000)	2021 (USD)	2021	2020	2019	2018	2017	2016	2015
Revenues								
Interest income	19,253	59,539	48,796	52,296	41,391	22,805	16,767	15,242
Interest expense	-8,015	-24,786	-25,466	-20,680	-15,356	-9,345	-7,357	-6,209
Direct leasing costs	-2,925	-9,044	-8,220	-7,701	-5,693	-3,285	-2,561	0
Net interest income	**8,314**	**25,709**	**15,110**	**23,915**	**20,342**	**10,175**	**6,849**	**9,033**
Operating expenses	-3,290	-10,174	-9,277	-10,371	-9,110	-5,692	-3,619	-4,653
Other income, net	1,006	3,110	3,310	1,269	820	820	849	958
FX gains/losses, net	-276	-854	-2,128	-1,323	-283	967	1,023	-82
Gain (loss) on repossessed and other assets	-71	-221	712	196	-789	71	480	-650
Impairment expenses	-1,756	-5,430	-10,885	-5,520	-4,886	-2,256	-2,139	-2,037
Pre-tax income	**3,926**	**12,140**	**-3,158**	**8,166**	**6,094**	**4,085**	**3,443**	**2,569**
Income tax	0	0	0	0	0	0	-166	-502
Net income	**3,926**	**12,140**	**-3,158**	**8,166**	**6,094**	**4,085**	**3,277**	**2,066**
Other comprehensive income	85	264	-394	162	0	0	0	0
Total comprehensive net income	**4,011**	**12,404**	**-3,552**	**8,328**	**6,094**	**4,085**	**3,277**	**2,066**

Source: Fitch Ratings, Fitch Solutions, JSC TBC Leasing

Balance Sheet

(GEL 000)	2021 (USD)	2021	2020	2019	2018	2017	2016	2015
Assets								
Cash & equivalents	4,613	14,265	19,589	19,357	18,639	7,829	2,636	5,283
Due from banks & restricted cash	10,191	31,516	71,768	0	0	4,468	2,641	5,557
Gross lease receivables	**91,408**	**282,674**	**291,602**	**290,541**	**242,232**	**170,994**	**105,977**	**85,794**
Memo: impaired lease receivables included above	8,923	27,594	48,905	29,924	18,372	5,161	2,227	3,947
Less: lease receivable loss allowances	-2,364	-7,309	-10,487	-2,731	-2,457	-1,459	-1,292	-800
Net lease receivables	**89,045**	**275,365**	**281,115**	**287,810**	**239,775**	**169,535**	**104,685**	**84,994**
Gross other financial receivables	15,957	49,346	27,109	27,286	19,544	12,003	10,114	6,878
Less: receivable loss allowances	-9,137	-28,257	-19,943	-17,175	-12,218	-7,956	-5,963	-4,476
Other financial receivables, net	**6,280**	**21,089**	**7,166**	**10,111**	**7,326**	**4,047**	**4,151**	**2,402**
Operating leasing assets	**875**	**2,705**	**5,370**	**6,598**	**8,429**	**2,348**	**0**	**0**
Prepayments	883	2,732	3,089	3,552	2,490	3,013	1,028	1,075
Financial derivatives	18	56	1,791	0	0	0	0	0
Goodwill and intangible assets	812	2,510	2,381	1,725	1,160	717	508	87
Tax assets	2,207	6,825	2,795	2,974	1,019	2,463	764	2,048
Repossessed collateral	3,209	9,924	7,583	6,129	7,805	3,328	2,573	4,463
Fixed & other assets	1,293	3,997	3,824	4,062	3,041	3,081	2,559	141
Total assets	**119,965**	**370,984**	**406,471**	**342,318**	**289,684**	**200,829**	**121,545**	**106,051**
Liabilities								
Advances from customers	5,471	16,918	8,623	18,836	17,726	12,907	7,044	6,699
Secured debt from financial institutions	67,143	207,635	264,246	242,196	204,369	135,782	68,236	66,056
Issue securities	18,866	58,342	58,114	0	8,094	7,798	13,261	4,798
Subordinated debt	10,895	33,691	35,412	31,227	29,247	15,685	15,834	15,073
Other liabilities	2,102	6,501	4,583	11,014	5,531	9,257	1,855	2,502
Total liabilities	**104,477**	**323,087**	**370,978**	**303,273**	**264,967**	**181,429**	**106,229**	**95,128**
Total equity	**15,488**	**47,897**	**35,493**	**39,045**	**24,717**	**19,401**	**15,316**	**10,924**
Total liabilities and equity	**119,965**	**370,984**	**406,471**	**342,318**	**289,684**	**200,830**	**121,545**	**106,051**

Source: Fitch Ratings, Fitch Solutions, JSC TBC Leasing

Summary Analytics

	2021	2020	2019	2018	2017	2016	2015
Asset quality metrics (%)							
Impaired receivables/gross receivables	23.2	23.9	18.0	14.5	9.4	10.1	10.7
Receivable loss allowances/impaired receivables	46.2	40.0	34.8	38.7	54.9	62.3	53.9
Receivables impairment charges/average gross receivables	1.7	3.4	1.9	2.2	1.5	2.1	2.5
Growth of gross receivables	4.2	0.3	21.4	43.0	58.6	25.9	31.5
Impaired receivables generation	5.9	16.4	16.4	14.5	n.a.	n.a.	n.a.
Lease in FX/gross leases	55.7	56.6	51.8	67.9	75.0	88.9	87.7
Average loan-to-value ratio	65.7	68.8	67.1	71.8	69.5	76.3	70.9
Earnings and profitability metrics							
Pre-tax income/average assets	3.1	-0.8	2.6	2.5	2.5	3.0	2.8
Net income/average equity	29.1	-8.5	25.6	27.6	23.5	25.0	22.7
Operating expenses less insurance costs/net revenues	39.6	38.1	43.4	30.7	42.6	38.9	34.3
Insurance/avg. GLP	1.6	1.7	1.5	1.6	1.3	1.6	1.3
Impairment charges/pre-impairment op. Profit	30.9	140.9	40.3	44.5	35.6	38.3	44.2
Interest income/average gross receivables	17.5	14.3	17.0	17.6	15.1	16.2	18.9
Interest expense/average debt	7.5	8.1	8.0	7.7	7.3	8.0	8.7
Net interest income less insurance and loss allowances/average gross receivables	6.7	1.1	5.5	6.2	5.0	4.5	6.3
Capitalization and leverage metrics							
Gross debt/tangible equity (x)	6.6x	10.8x	7.3x	10.3x	8.5x	6.6x	7.9x
Net debt/tangible equity (x)	6.3x	10.2x	6.8x	9.5x	8.1x	6.4x	7.4x
Gross debt/tangible equity plus subordinated debt (x)	3.8x	5.2x	4.0x	4.6x	4.6x	3.2x	3.3x
Tangible equity/tangible assets (%)	12.3	8.2	11.0	8.2	9.3	12.2	10.2
Impaired receivables less loss allowances/tangible equity (%)	91.2	137.7	100.0	98.7	41.5	29.7	41.7
Open FX position/tangible equity (%)	-33.9	3.4	-19.1	-65.3	20.3	61.6	0.0
Funding and liquidity metrics (%)							
Unsecured debt/total debt	11.2	9.9	11.4	12.1	9.8	16.3	17.5
Short-term debt/total debt	30.0	22.6	64.2	48.0	41.9	26.9	29.4
Debt in FX/total debt	58.1	54.6	66.2	65.9	75.8	87.0	89.7
Liquid assets/total assets	4.5	4.8	5.7	6.4	3.9	2.2	5.0
Aggregate maturity gap/tangible equity	42.2	26.2	37.5	3.3	9.1	51.3	29.1

Source: Fitch Ratings, Fitch Solutions, JSC TBC Leasing

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.