

# 1Q22 RESULTS PRESENTATION

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Note: The results are based on International Financial Reporting Standards ("IFRS"), are unaudited and extracted from management accounts.

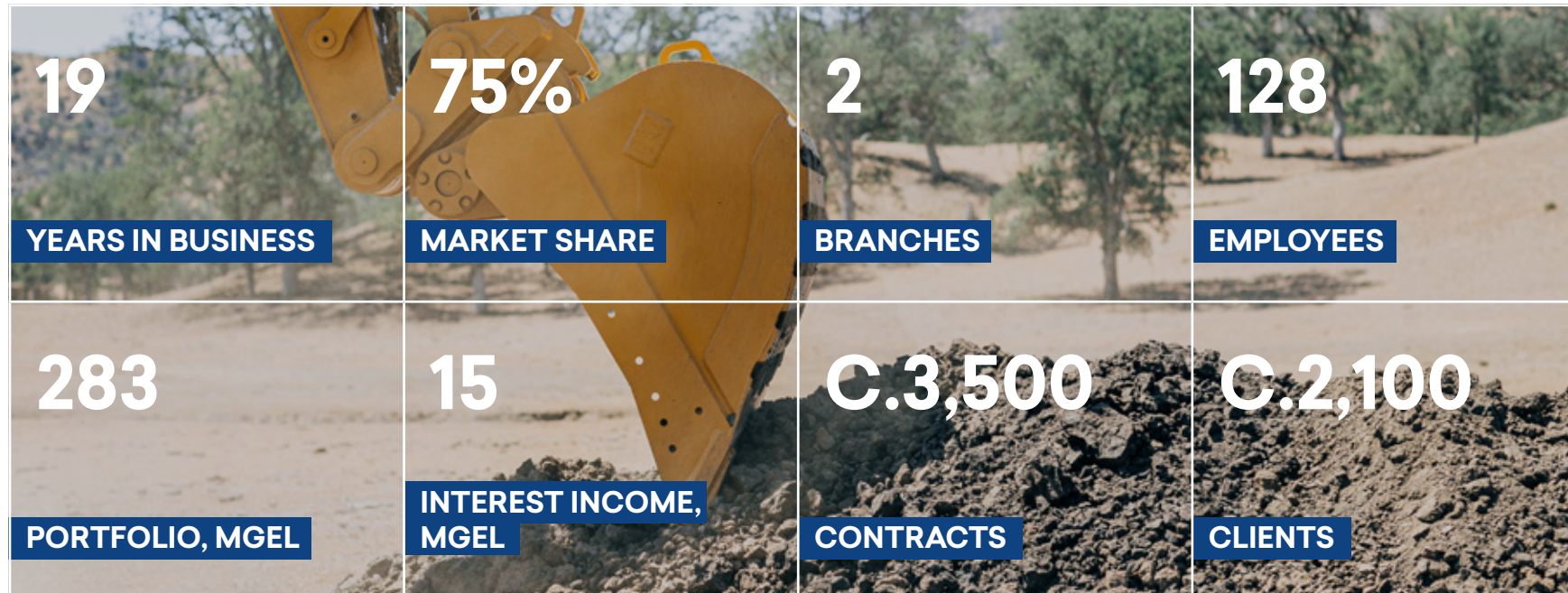
March, 31 2022

## **01 TBCL AT A GLANCE**

## **02 INDUSTRY AND MARKET OVERVIEW**

## **03 PERFORMANCE OVERVIEW**

## **04 ANNEXES**



**NO. 1 COMPANY IN ATTRACTING INTERNATIONAL FINANCIAL RESOURCES AMONG LEASING COMPANIES**



**STABLE FITCH CREDIT RATING**  
Highest among non-banking institutions



**BEST ANNUAL REPORT 2021**  
SME COMPANIES



**2003**

TBC LEASING ESTABLISHED



**2016**

RETAIL BUSINESS LAUNCHED, PORTFOLIO SURPASSED 100 M GEL



**2018**

CELEBRATING 15TH ANNIVERSARY WITH 240M GEL PORTFOLIO



**2020**

NO. 1 COMPANY IN THE MARKET WITH THE LARGEST PLACEMENT OF GEL PUBLIC BONDS ON GEORGIAN STOCK EXCHANGE; FITCH CREDIT RATING ASSIGNED; ENABLED CLIENTS TO TAKE ADVANTAGE OF THREE-TIME GRACE PERIOD



**2021**

FITCH AFFIRMED CREDIT RATING AND REVISED OUTLOOK TO STABLE; WINNER OF BARTA 2021 IN THE NOMINATION OF THE BEST ANNUAL REPORT AND TRANSPARENCY 2021, SMALL AND MEDIUM COMPANIES



# MANAGEMENT TEAM

## SUPERVISORY BOARD



**GEORGE TKHELIDZE**  
Chairman  
Deputy CEO, Corporate &  
Investment Banking  
TBC Bank Group PLC



**NINO MASURASHVILI**  
Deputy Chairman  
Deputy CEO, Chief Risk Officer  
TBC Bank Group PLC



**TORNIKE GOGICHAISHVILI**  
Member  
Deputy CEO, Retail Banking  
TBC Bank Group PLC



**MERI CHACHANIDZE**  
Member  
Managing Director  
TBC Capital LLC



**ZURAB PICHKHAIA**  
Independent Member  
Head of Audit Committee  
TBC Leasing JSC

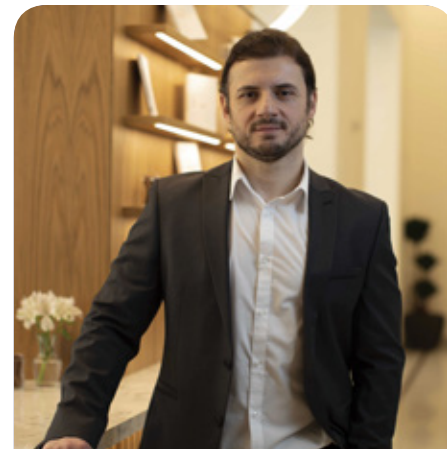
## MANAGEMENT



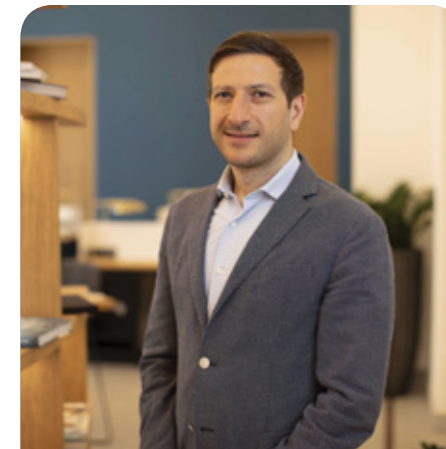
**GAGA GOGUA**  
Chief Executive Officer



**ZURAB GUGUSHVILI**  
Chief Commercial Officer



**GIORGI MAISURADZE**  
Chief Risk Officer



**NUGZAR LOLADZE**  
Chief Financial Officer

**01 TBCL AT A GLANCE**

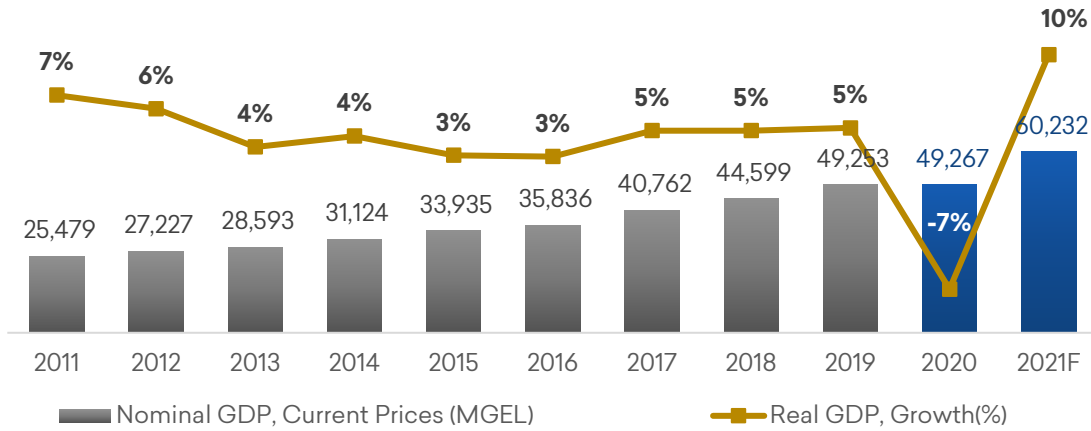
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# POSITIVE ECONOMIC OUTLOOK

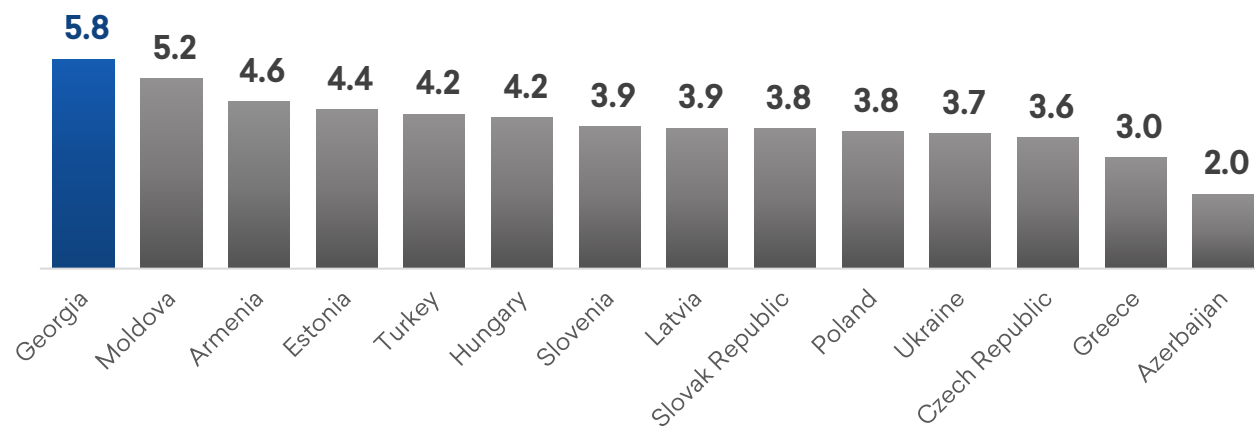
## GROSS DOMESTIC PRODUCT



Source: Geostat (data for 2021 is preliminary), IMF - World Economic Outlook 2022

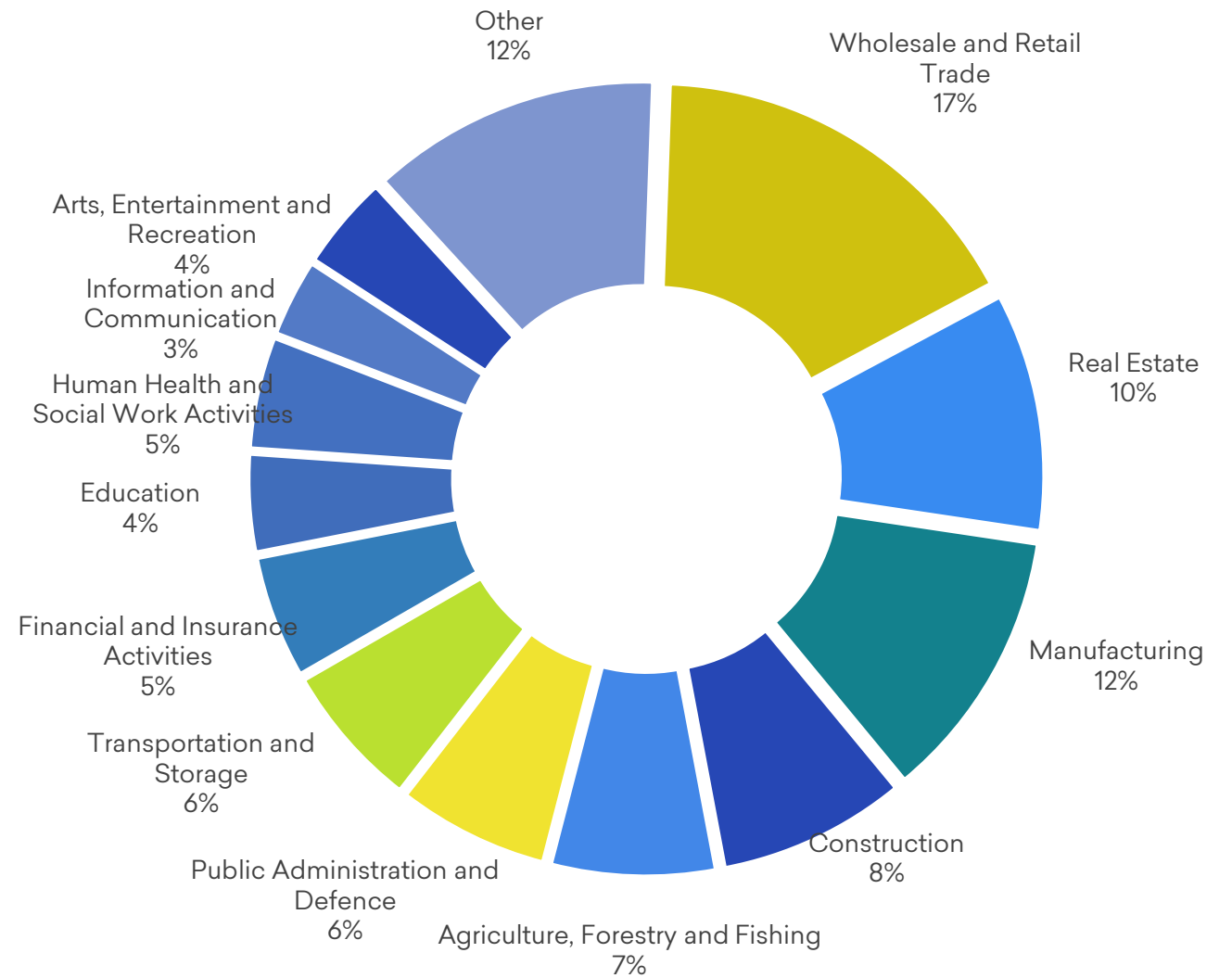
## REAL GDP GROWTH | 2021-2026 AVERAGE

One of the fastest developing economies in the region



Source: IMF - World Economic Outlook 2022

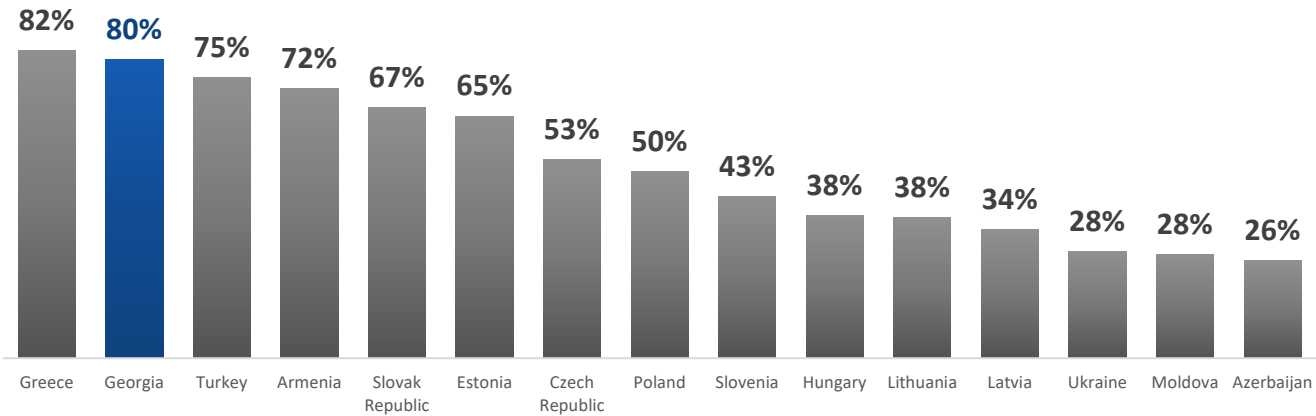
## NOMINAL GDP STRUCTURE | FY21



Source: Geostat, 2021 preliminary data (Revised data will be published on November 15, 2022)

## PRIVATE SECTOR CREDIT-TO-GDP | 2020

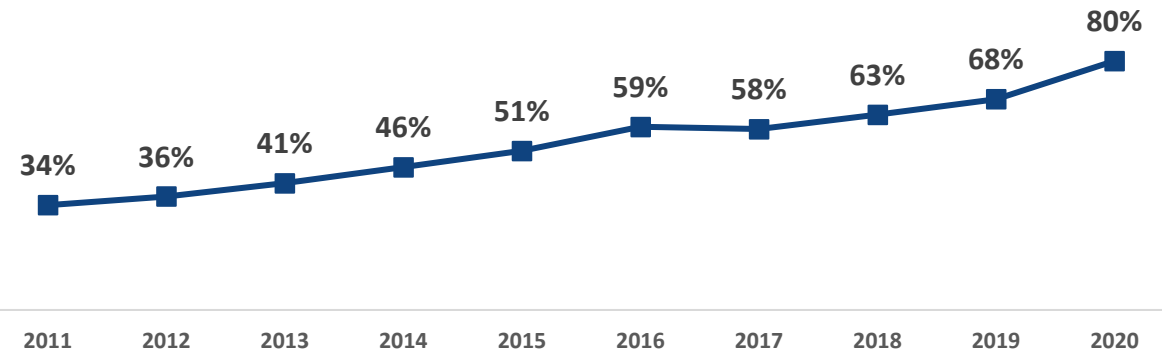
Georgia stands alongside Turkey and other peer countries



Source: World Bank

## PRIVATE SECTOR CREDIT-TO-GDP | GEORGIA

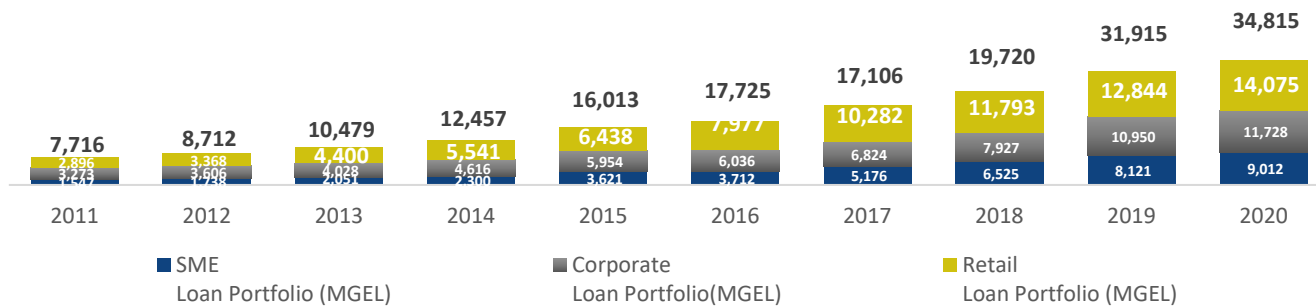
Expansion in financial activity reflects a favorable economic environment in Georgia



Source: World Bank

## CORPORATE LOAN PORTFOLIO | GEORGIA

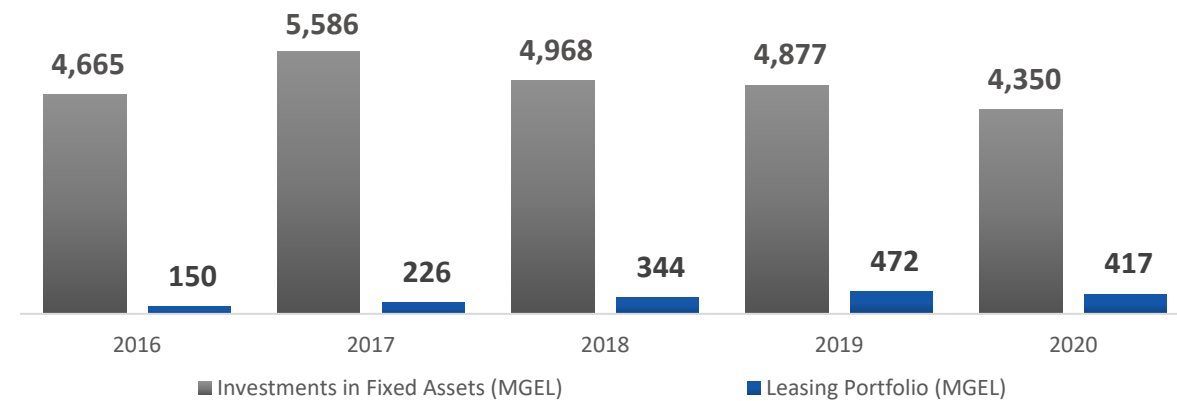
Volume of the SME portfolio has increased almost six fold since 2011  
26% of all loans are provided to the SME segment



Source: National Bank of Georgia, Annual Report 2020

## INVESTMENTS IN FIXED ASSETS VS LEASING PORTFOLIO

Capacity-wise Georgia has substantial room for growth

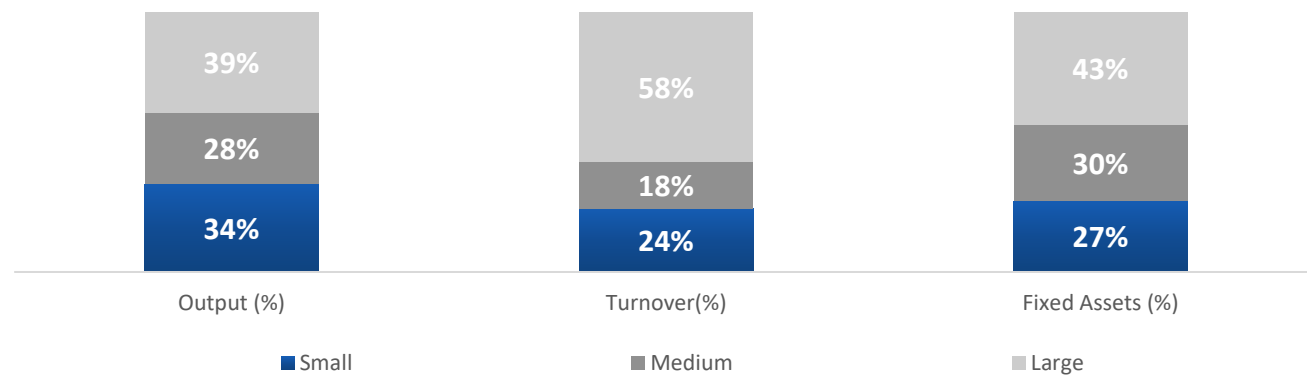


Source: Geostat



## SMES DOMINATE THE ENTERPRISE LANDSCAPE IN GEORGIA

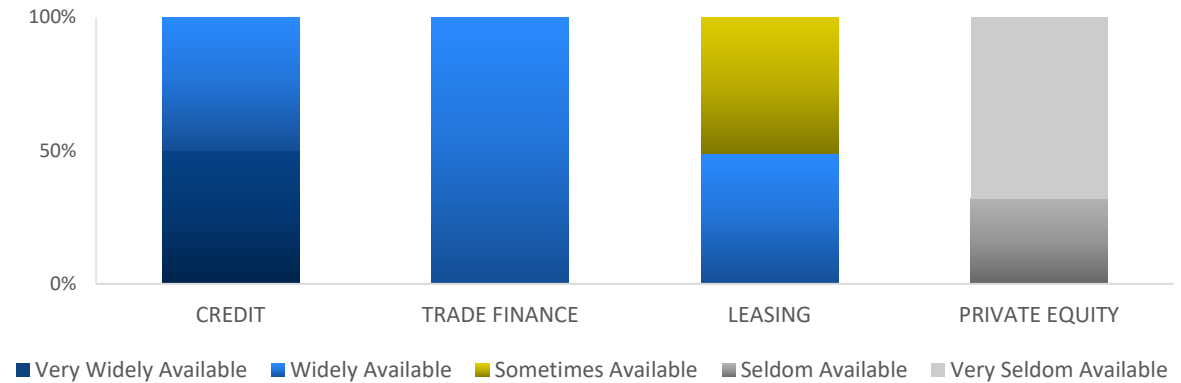
SMEs account for 62% of total production value and 42% of turnover of private sector



Source: Geostat

## AVAILABILITY OF FINANCIAL INSTRUMENTS IN SMES

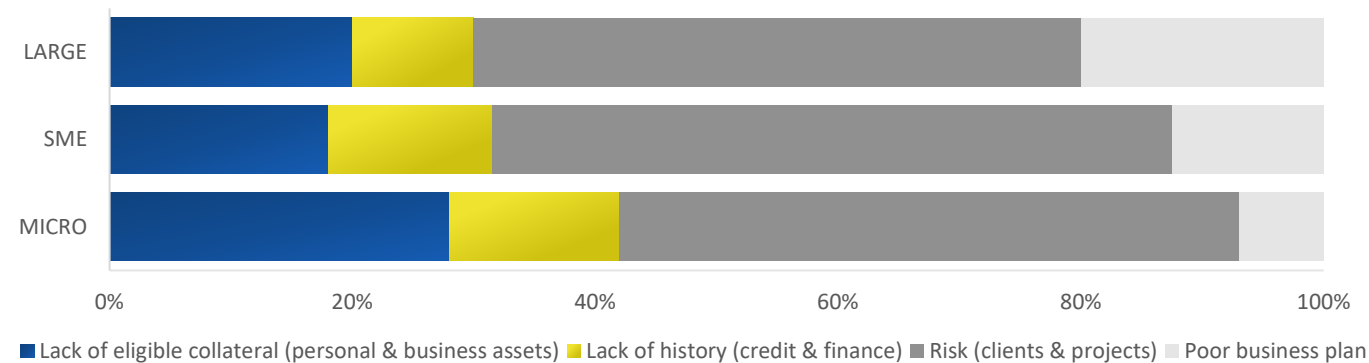
Leasing has progressively gained importance



Source: European Investment Bank - Financing in Georgia: Small and medium enterprises and the private sector, 2018 EIB Bank Lending Survey

## REASONS FOR LOAN APPLICATION REJECTIONS

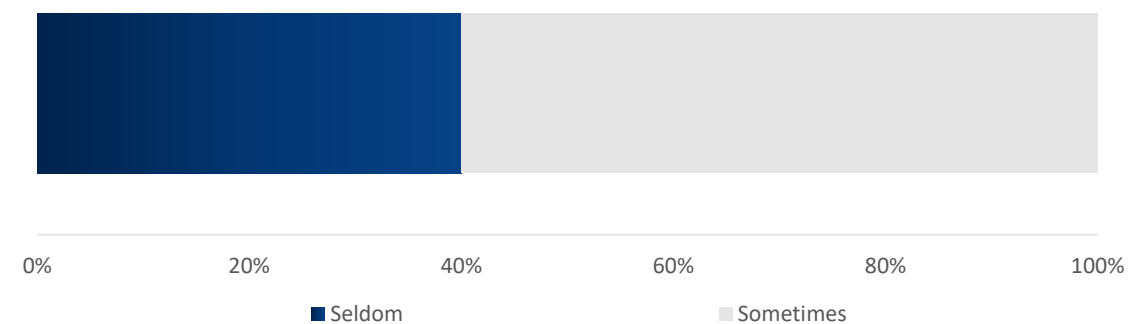
Lack of eligible collateral reflects the inability of firms to comply with banks' collateral requirements – making leasing more attractive way of financing



Source: European Investment Bank - Financing in Georgia: Small and medium enterprises and the private sector, 2018 EIB Bank Lending Survey

## SME LOAN APPLICATION REJECTION FREQUENCIES

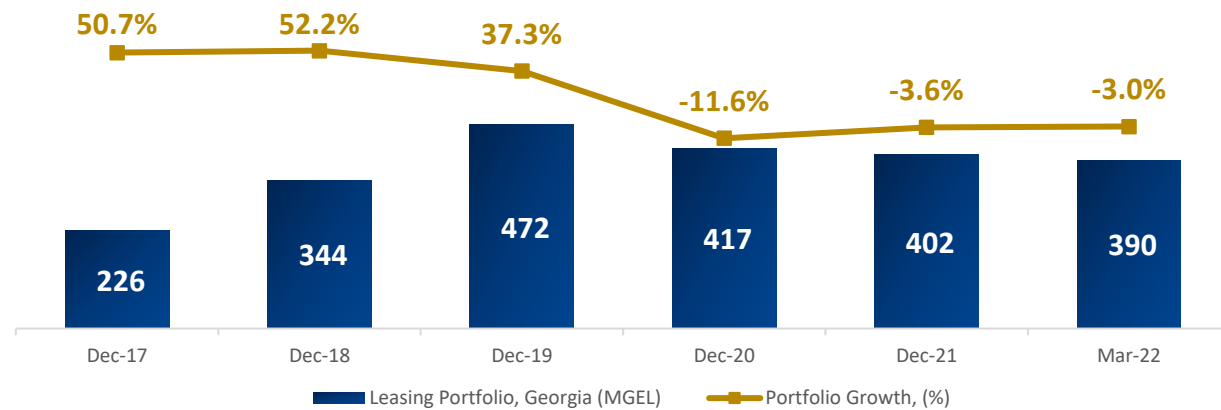
According to the EIB Bank Lending Survey, a significant level of loan rejections persists in the Georgian market



Source: European Investment Bank - Financing in Georgia: Small and medium enterprises and the private sector, 2018 EIB Bank Lending Survey

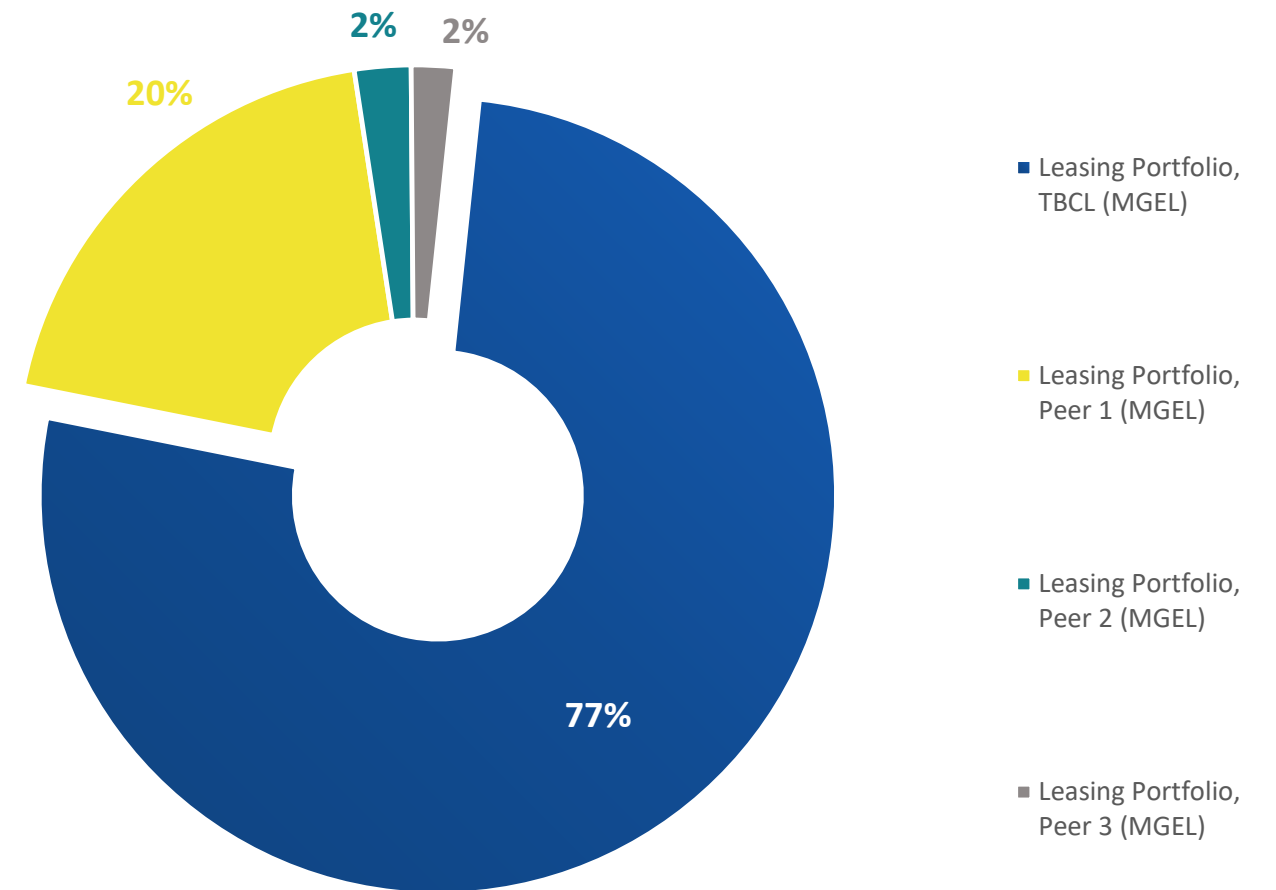
## GROWTH IN LEASING MARKET EXPECTED TO CONTINUE

Leasing industry has grown with c.16% CAGR last five years and currently represents c.1% of GDP compared to c.5% in peer countries



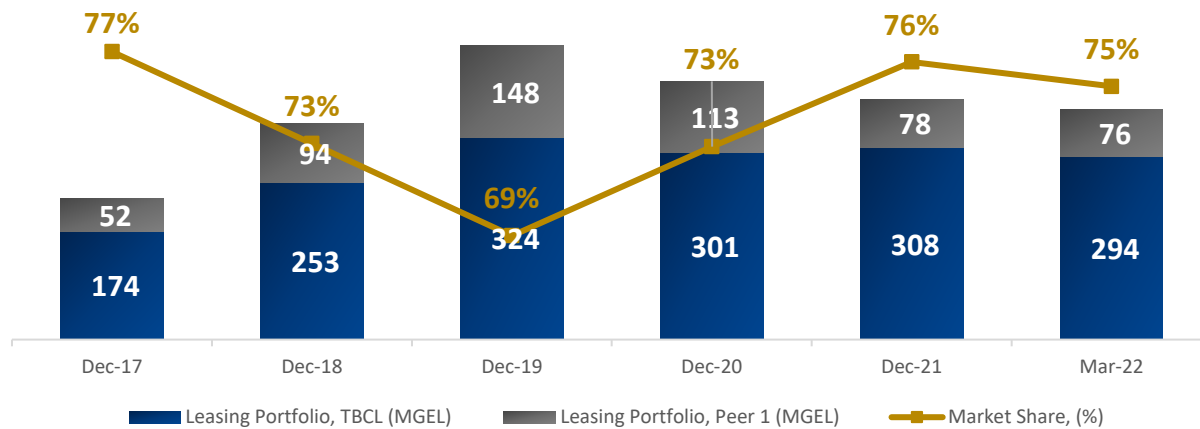
## MARKET SHARES | 1Q21

Significantly concentrated market



## MARKET SHARE DYNAMICS

Leader in Georgia with established #1 market position



Macroeconomic impact analysis has shown that most industries have experienced downturn, thus Portfolio growth was challenged in 2021 due to Georgian government's rapid response to stop the spread of virus by the imposed restrictions on mobility in the which resulted the significant decrease in business activity and consequently in modest generation of NBV for leasing companies. It is expected that COVID-19 impacts will only have mild short-term effect on the local economy as activities bounce back, at present government actions for ramifications on human behavior and business activity are liberalized to lessen the blow to the economy and raise prospects of country's economic recovery. Subsequently, transitory effect was seen by ramped up business activities from top performing industries to make up for pandemic losses.

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**02 INDUSTRY AND MARKET OVERVIEW**

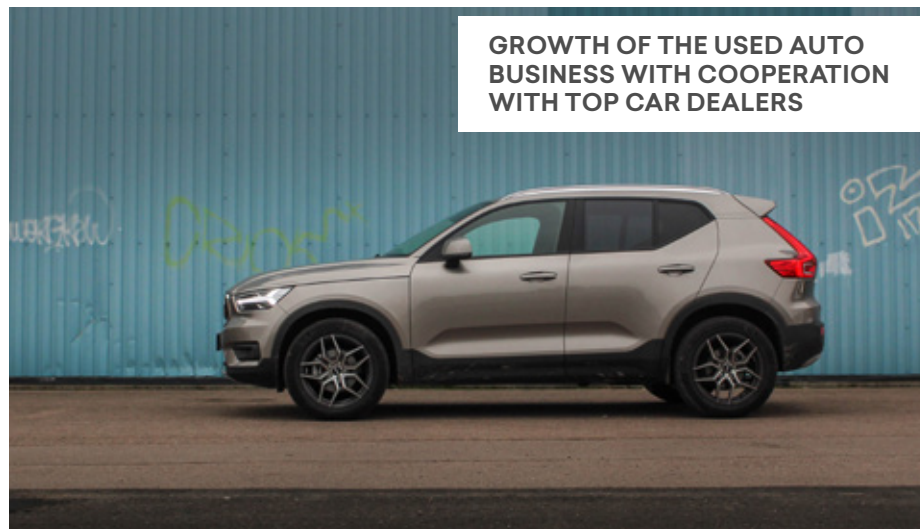
**03 PERFORMANCE OVERVIEW**

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## INTRODUCTION OF NEW PRODUCTS



## CAR DEALER COOPERATION



## COOPERATION WITH TOP VENDORS



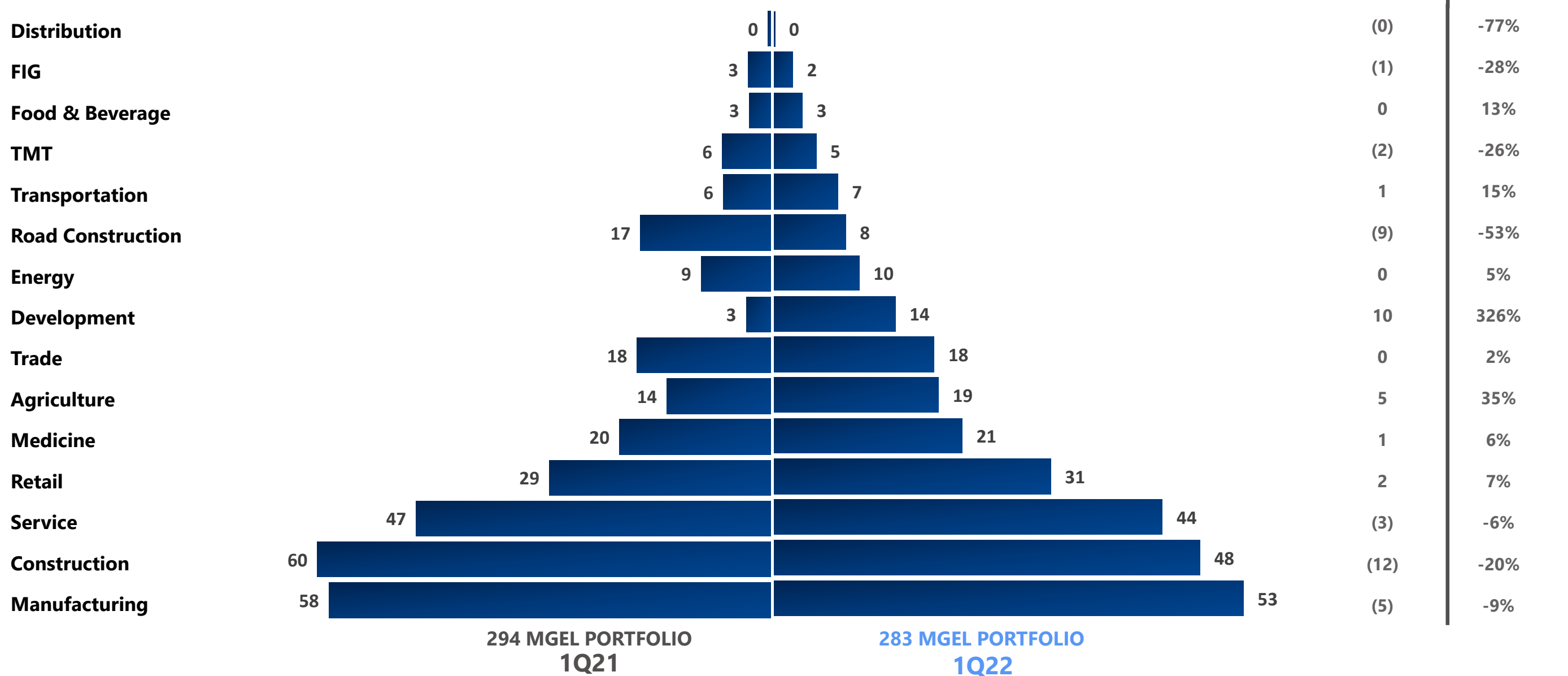
## SIGNIFICANT SYNERGY WITH PARENT



# DIVERSIFIED PORTFOLIO ACROSS ALL SECTORS

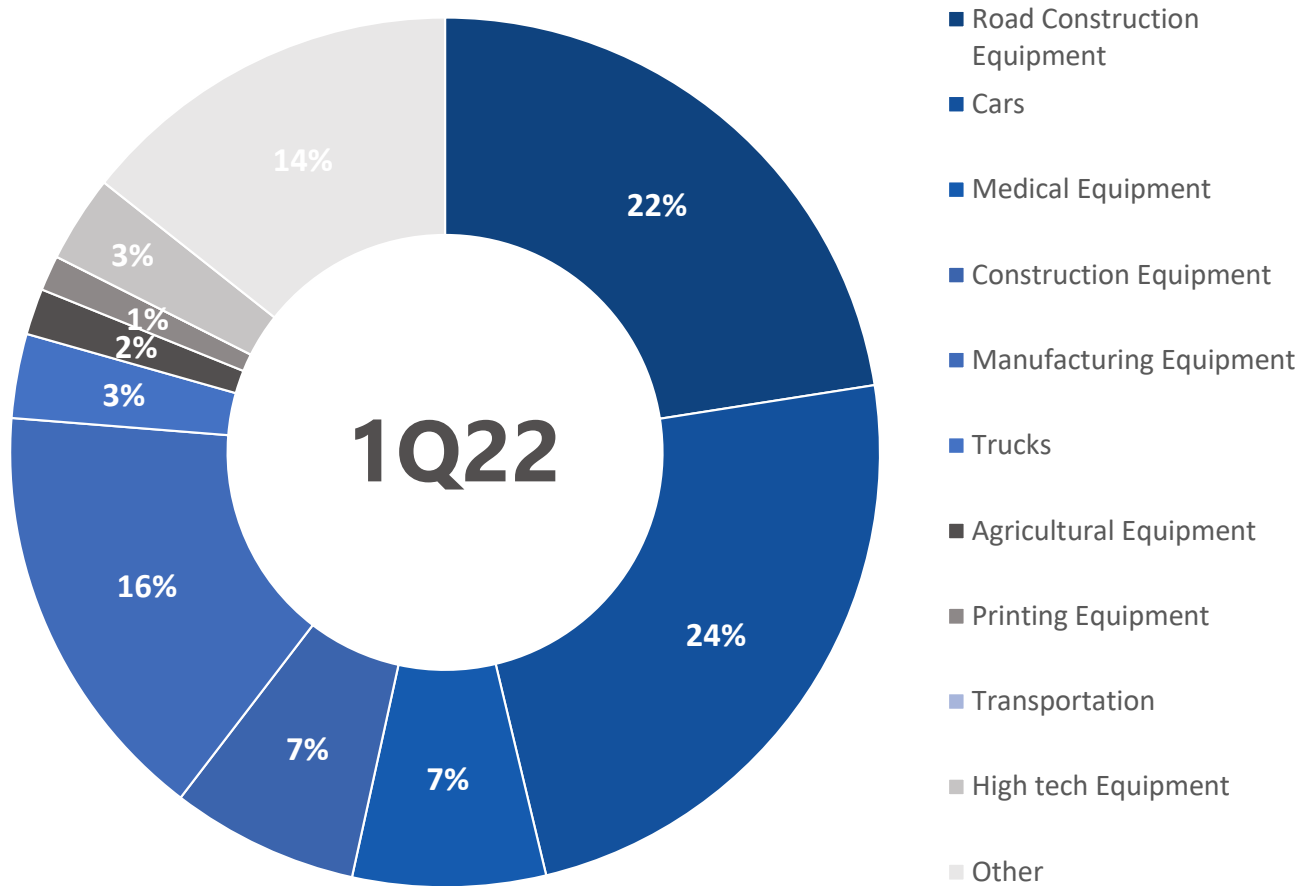
## PORTFOLIO GROWTH BACK TO PRE-CRISIS LEVEL

c.30 MGEL new business volume generated in 1Q22 (20% growth compared to 1Q21)

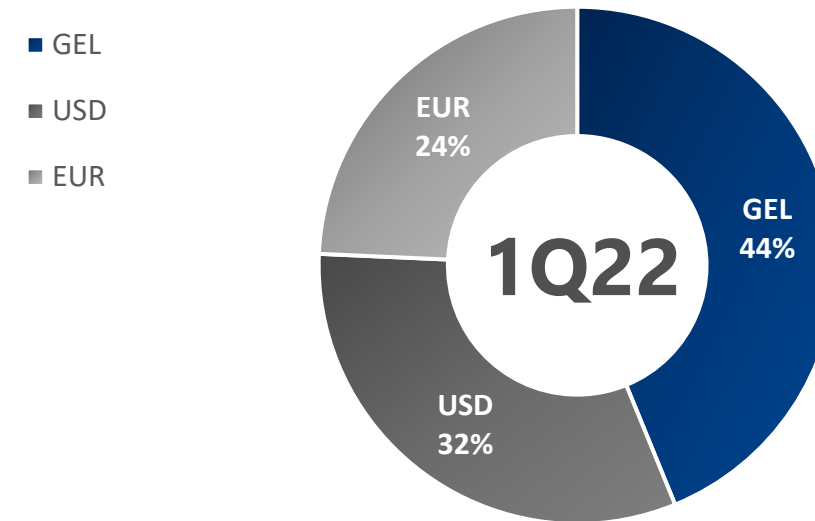


# POTFOLIO HIGHLIGHTS

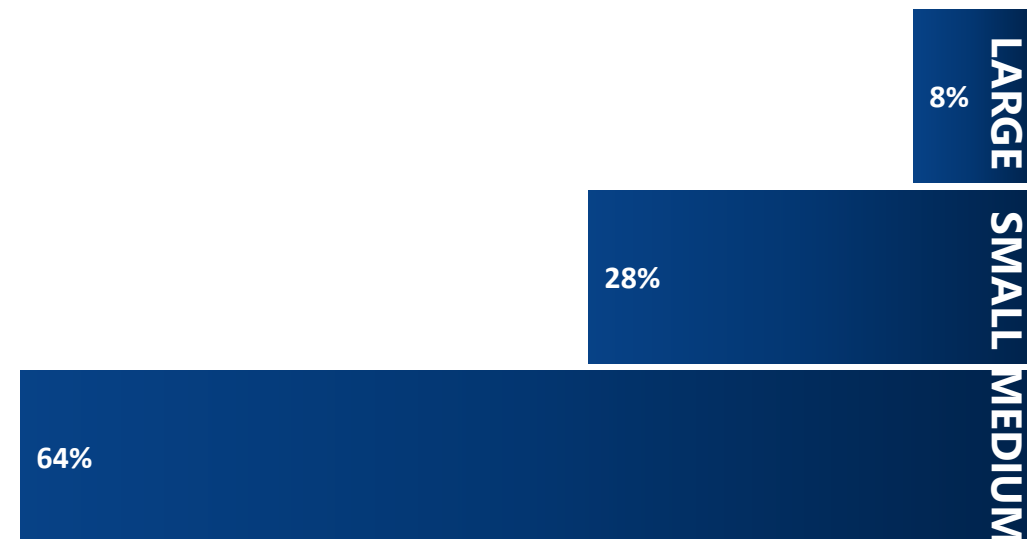
## PORTFOLIO BREAKDOWN BY ASSET TYPE



## PORTFOLIO CURRENCY COMPOSITION

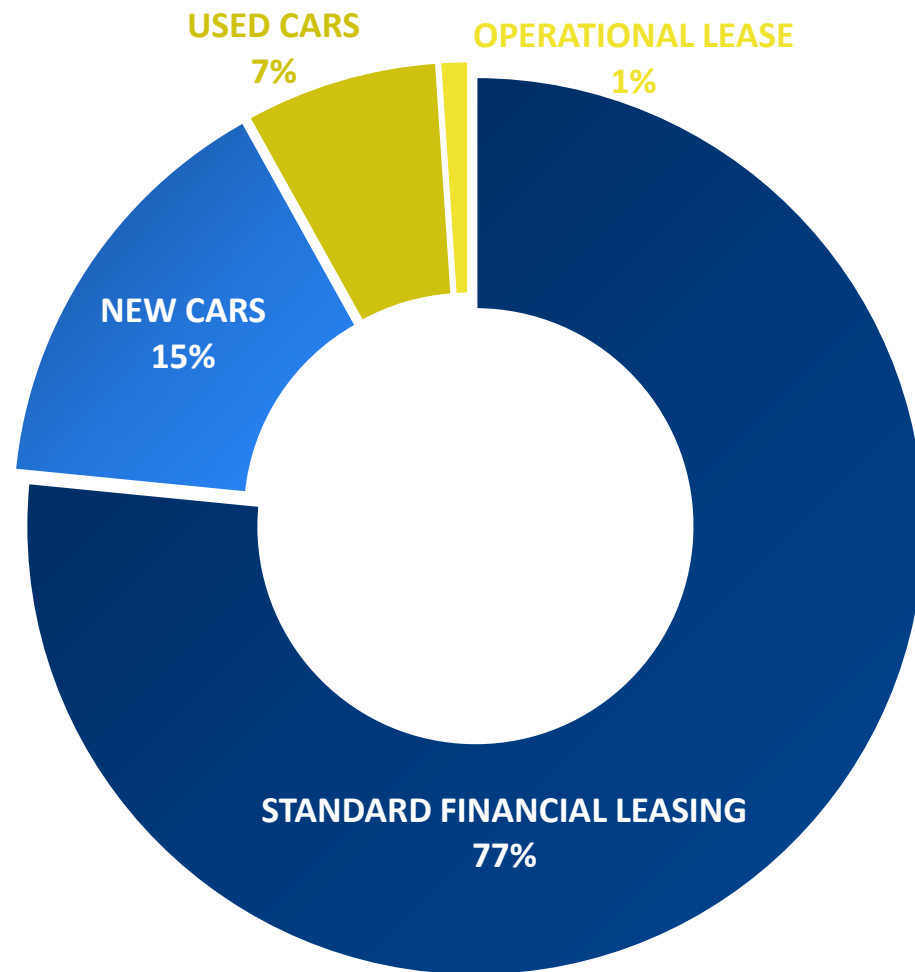


## CLIENT BASE BY COMPANY SIZE



# LEASE PORTFOLIO STRUCTURE BY PRODUCTS

## LEASE PORTFOLIO STRUCTURE BY PRODUCT



## PRODUCT TERMS

### STANDARD FINANCIAL LEASING

Term: **12-84 months**  
Financed Amount: > **\$5,000**  
Customer down payment: > **20%**

### NEW CARS

Term: **12-60 months**  
Financed Amount: **\$2,000 - \$300,000**  
Customer down payment: > **10%**

### USED CARS

Term: **12-60 months**  
Financed Amount: **\$5,000 - \$60,000**  
Customer down payment: > **20%**

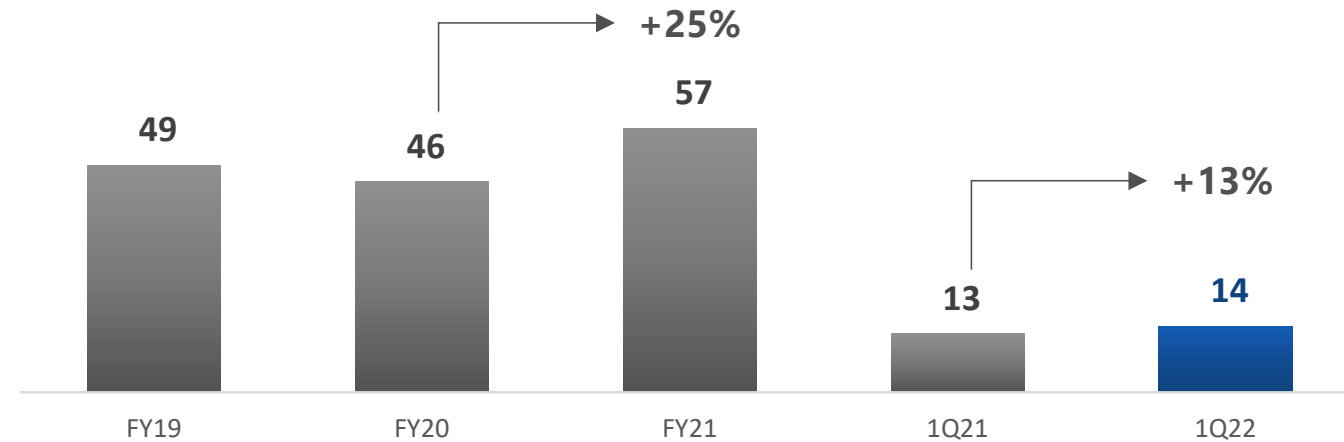
### OPERATIONAL LEASE

Term: **12-60 months**  
Financed Amount: **\$10,000 - \$500,000**  
Customer down payment: **5-30%**

# LONG-TERM, HIGH GROWTH PROSPECTS

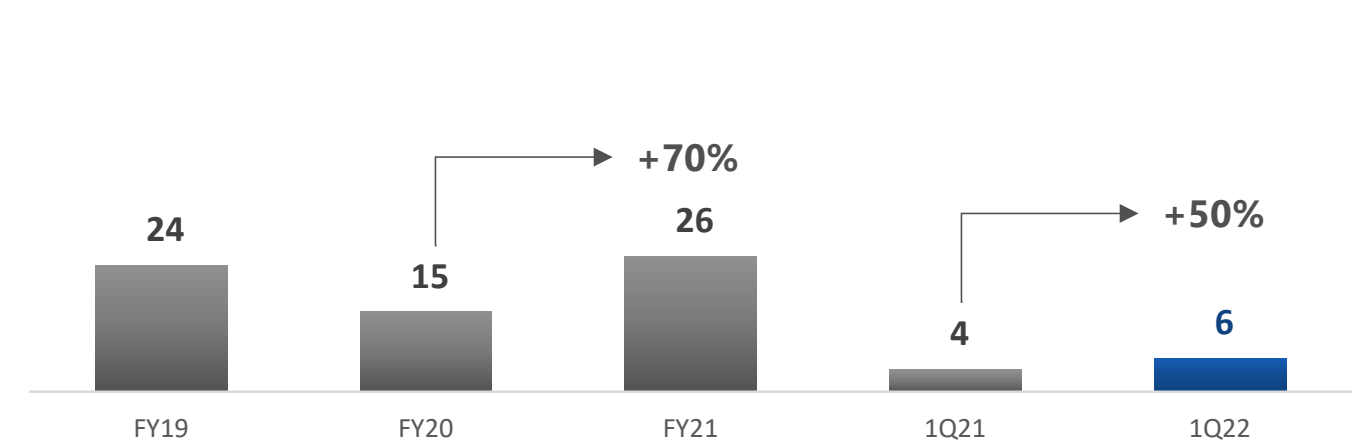
## INCOME ON INVESTMENT IN LEASES (MGEL)

Increasing income generation in line with growing portfolio



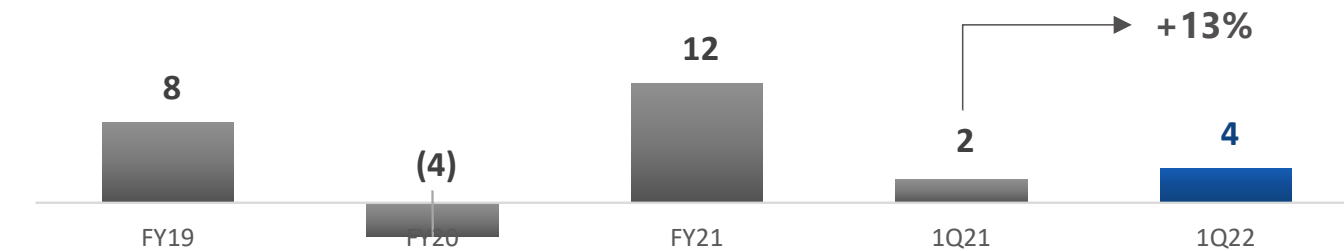
## NET INTEREST INCOME (MGEL)

Back to normal levels, posting 50% y-o-y growth in 1Q22



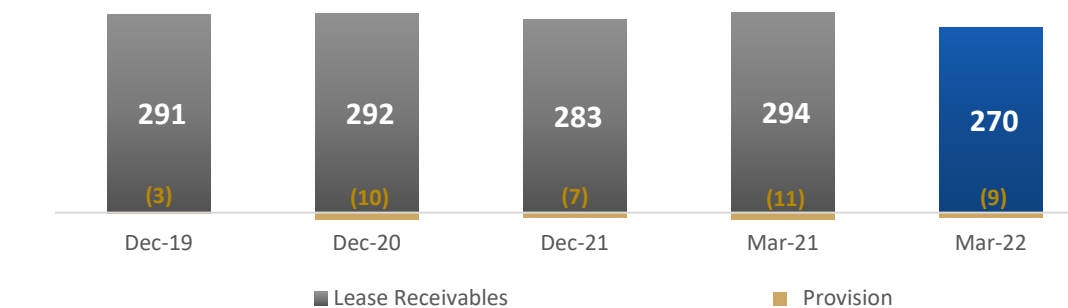
## NET INCOME (MGEL)

Posted record high net income in 2021



## LEASE RECEIVABLES

Delivering steady portfolio growth with 22% CAGR over last five years





# FINANCIAL STATEMENTS

P&L (GEL, millions)	1Q22	1Q21	FY21	FY20	FY19
Interest Income	14	13	57	46	49
<b>Net Interest Income</b>	<b>6</b>	<b>4</b>	<b>26</b>	<b>15</b>	<b>24</b>
Operating Provision	(2)	(1)	(6)	(11)	(6)
Administrative Costs	(2)	(2)	(10)	(9)	(10)
Non Operating Income/Expense	1	2	2	2	0
<b>Net Income</b>	<b>4</b>	<b>2</b>	<b>12</b>	<b>(4)</b>	<b>8</b>

GROWTH 1Q22 – 1Q21 (Y-o-Y)	GROWTH FY20 – FY21 (Y-o-Y)
+13%	+25%
<b>+50%</b>	<b>+70%</b>
+86%	-49%
-8%	+8%
-34%	+3%
<b>+44%</b>	<b>NMF</b>

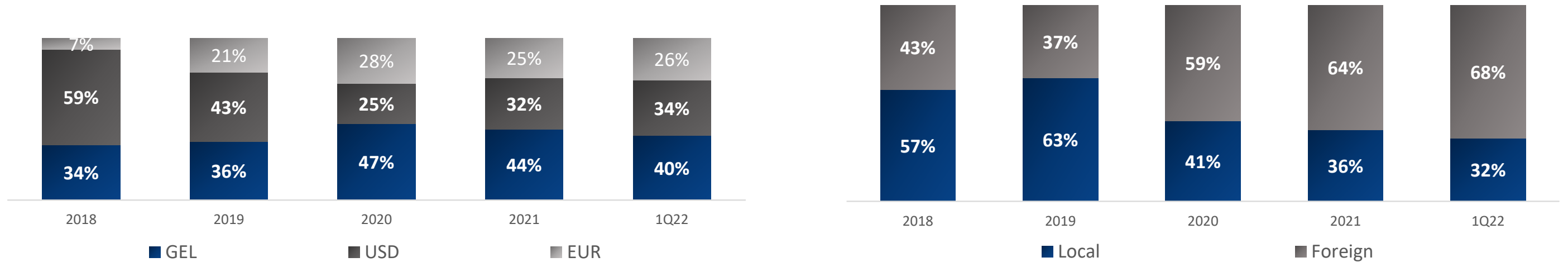
BS (GEL, Millions)	Mar-22	Mar-21	Dec-21	Dec-20	Dec-19
Lease Receivables	270	294	283	292	291
Provision	(9)	(11)	(7)	(10)	(3)
Net Lease Receivable	261	283	275	281	288
<b>Total Assets</b>	<b>357</b>	<b>395</b>	<b>371</b>	<b>406</b>	<b>342</b>
Borrowings	(287)	(343)	(300)	(358)	(273)
OFL	(19)	(12)	(23)	(13)	(29)
<b>Equity</b>	<b>(51)</b>	<b>(40)</b>	<b>(48)</b>	<b>(35)</b>	<b>(39)</b>
<b>Total Liabilities and Equity</b>	<b>(357)</b>	<b>(395)</b>	<b>(371)</b>	<b>(406)</b>	<b>(342)</b>

GROWTH Mar-21 – Mar-22 (Y-o-Y)	GROWTH Dec-20 – Dec-21 (Y-o-Y)
-8%	-3%
-18%	-29%
-8%	-2%
<b>-10%</b>	<b>-9%</b>
-16%	-16%
+48%	+74%
<b>+29%</b>	<b>+35%</b>
<b>-10%</b>	<b>-9%</b>

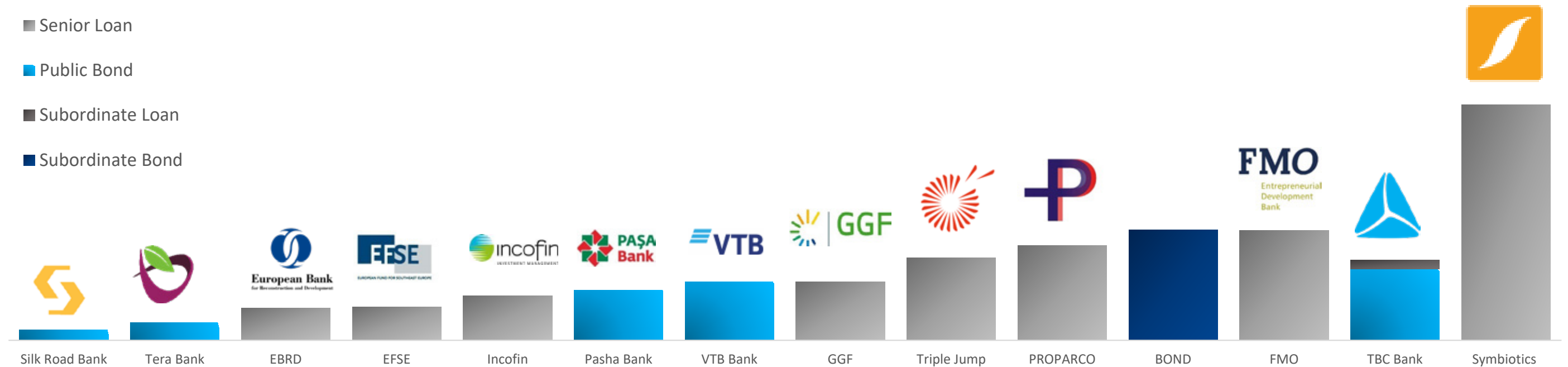
	FY19	FY20	FY21	1Q22
<b>C/I</b>	35.4%	53.0%	35.6%	26.1%
<b>COR</b>	2.4%	4.0%	2.1%	2.2%
<b>ROA</b>	2.6%	-0.8%	3.2%	3.7%
<b>ROE</b>	27.6%	-8.1%	29.4%	30.4%
<b>Tier 1</b>	12.1%	11.3%	14.7%	16.4%
<b>Tier 2</b>	21.8%	22.6%	25.1%	27.1%

# FUNDING DISTRIBUTION

## WELL-DIVERSIFIED FUNDING STRUCTURE



- Senior Loan
- Public Bond
- Subordinate Loan
- Subordinate Bond



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## AS COMPANY'S LONG-TERM DEVELOPMENT STRATEGY, TBCL IS COMMITTED IN FINANCING A WIDE RANGE OF ENVIRONMENTALLY CONSCIOUS AND SUSTAINABLE PROJECTS

ACTIVE COOPERATION WITH INTERNATIONAL FINANCIAL INSTITUTIONS SUCH AS FINANCE IN MOTION, EBRD, FMO AND GGF



### SOLAR PANEL FINANCING

TBCL actively started developing new products that will help increase the financing volume of energy efficient assets as well as finance the production of renewable energy such as wind power and solar panels.

During 2021, three solar panel projects have already been financed, financing totaled c.1.2<sup>1</sup> MGEL, out of which c.58<sup>1</sup> KGEL was subsidized with the funding by the European Union under the EU4Energy Initiative.

### GREEN PORTFOLIO

Actively started developing new products that will help increase the financing volume of energy efficient assets as well as finance the production of renewable energy. As of March 2022 Green Portfolio outstanding was c. 4.1 MGEL.



**C.1.2 MGEL**

Financed Solar Panel Projects<sup>1</sup>

**C.58 KGEL**

Total Sponsorship Granted to Clients<sup>1</sup>

<sup>1</sup>As of December 2021

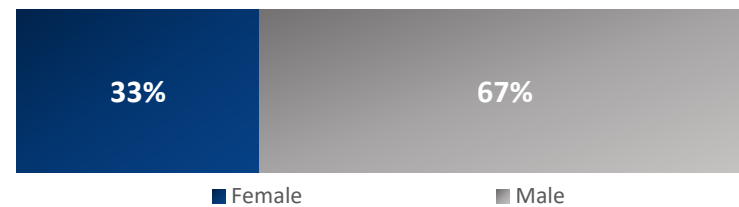


## EQUALITY AND DIVERSITY

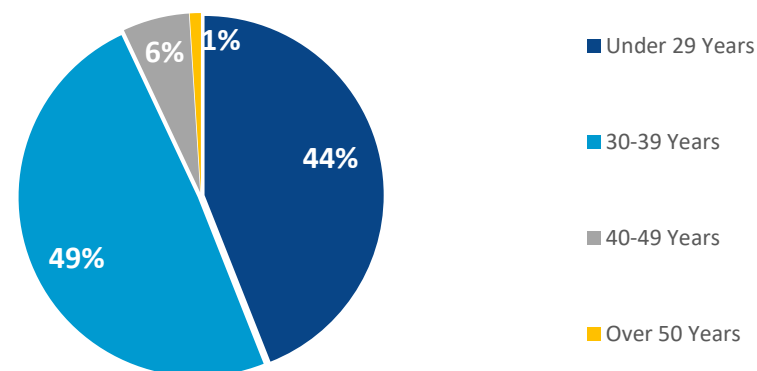
### GENDER-BALANCED WORKFORCE<sup>1</sup>



### MIDDLE MANAGEMENT GENDER COMPOSITION<sup>1</sup>



### GRATE MIX OF YOUNG AND EXPERIENCED EMPLOYEES<sup>1</sup>



<sup>1</sup> As of March 2022



**128**

Total Number of Employees<sup>1</sup>

**EMPLOYEES WITH AN EXTENSIVE WORKING EXPERIENCE YOUNG TALENTS WITH INNOVATIVE AND FRESH IDEAS WHOSE COLLABORATION BRINGS VALUE AND GIVES THE BEST RESULTS**



For more information, news and financial reports you can visit  
<https://tbcleasing.ge/for-investors>

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