

FY21 PRELIMINARY RESULTS PRESENTATION



February 17, 2021

- 01 TBCL AT A GLANCE**
- 02 INDUSTRY AND MARKET OVERVIEW**
- 03 PERFORMANCE OVERVIEW**
- 04 ANNEXES**

AT A GLANCE | *STRONG PRESENCE IN LEASING INDUSTRY*

18 YEARS IN BUSINESS	76% MARKET SHARE	3 BRANCHES	124 EMPLOYEES
282 PORTFOLIO, MGEL	57 INTEREST INCOME, MGEL	C.3,700 CONTRACTS	C.2,300 CLIENTS

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
TBCL Established

2016
Retail business Launched
Portfolio surpassed 100 MGEL

2018
Celebrating 15th Anniversary
with 240 MGEL 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

PROSPECTIVE PLANS

01

DEVELOPMENT OF TARGET GROUP PRODUCTS

INCREASE EXPOSURE TO GREEN, RENEWABLE ENERGY EFFICIENCY PROJECTS

02

CUSTOMER JOURNEY SIMPLIFICATION

03

DIGITAL SERVICE DEVELOPMENT

04

LEGAL AND REGULATORY FRAMEWORK HARMONIZATION WITH INTERNATIONAL BEST PRACTICES

05

MANAGEMENT AND 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



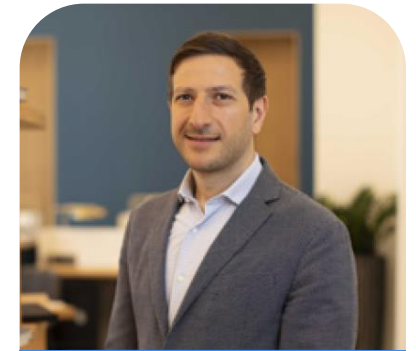
GAGA GOGUA
Chief Executive Officer



ZURAB GUGUSHVILI
Chief Commercial Officer



GIORGI MAISURADZE
Chief Risk Officer



NUGZAR LOLADZE
Chief Financial Officer

01 TBCL AT A GLANCE

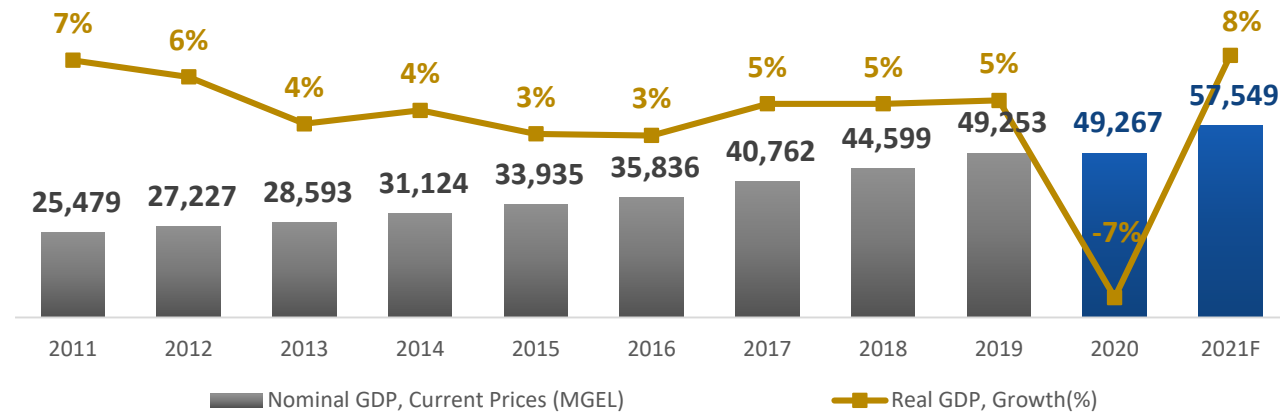
02 INDUSTRY AND MARKET OVERVIEW

03 PERFORMANCE OVERVIEW

04 ANNEXES

POSITIVE ECONOMIC OUTLOOK

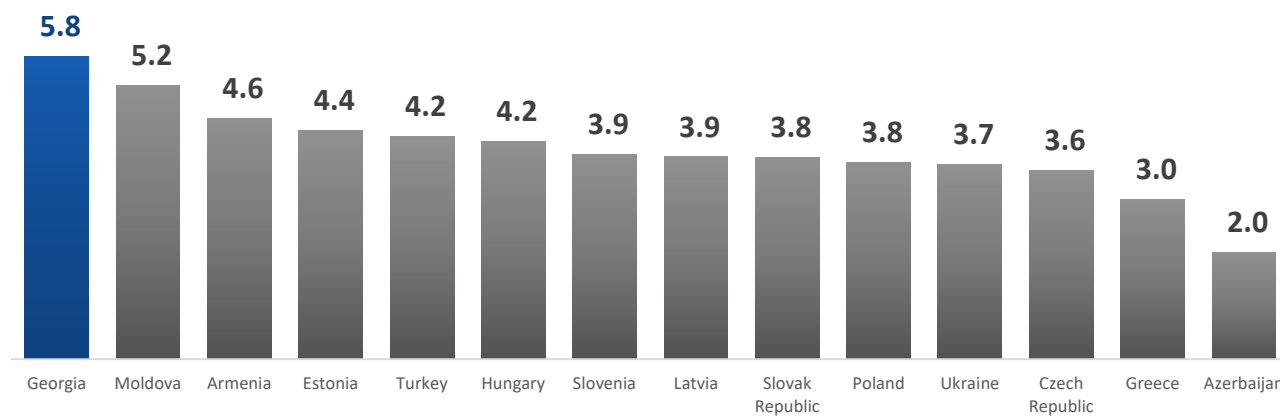
GROSS DOMESTIC PRODUCT



Source: Geostat, IMF - World Economic Outlook 2022

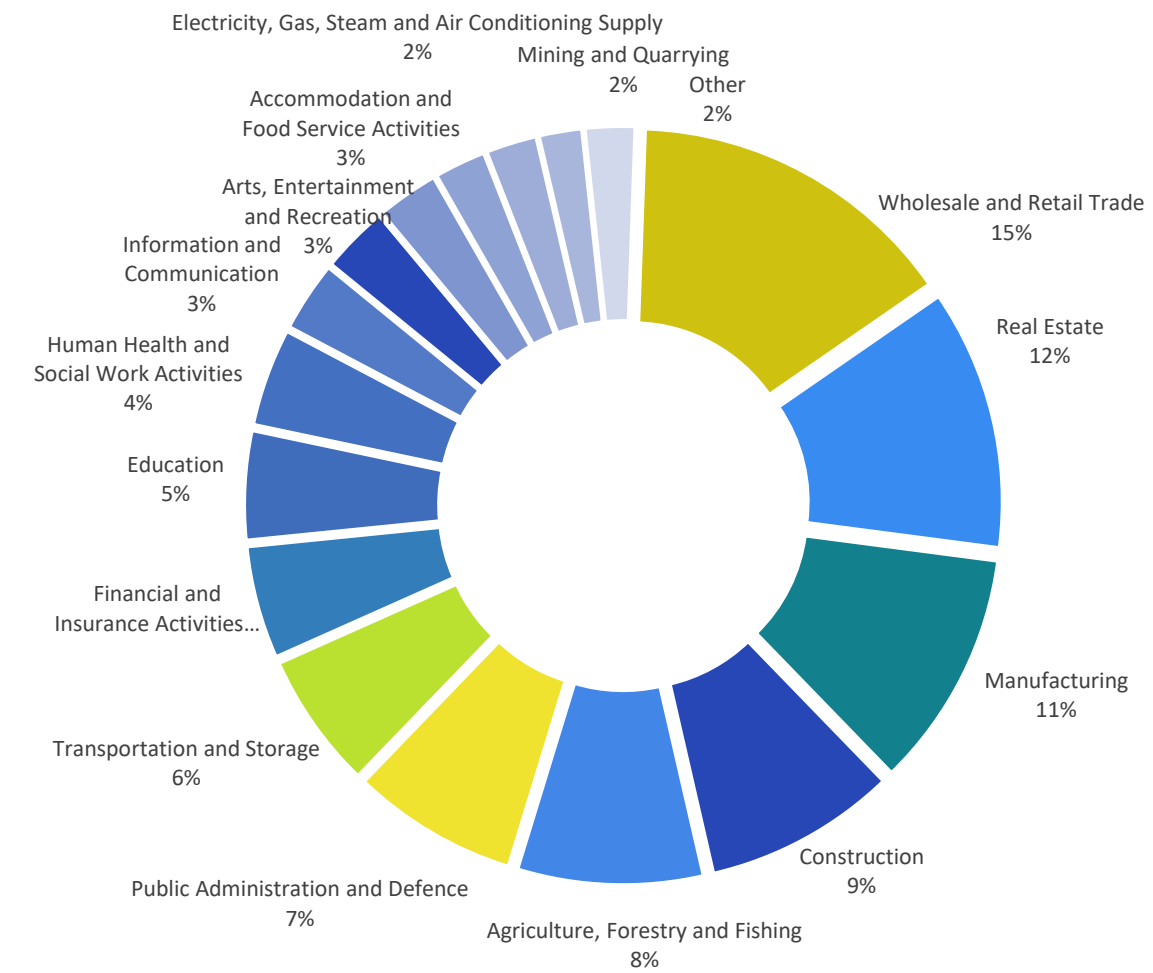
REAL GDP GROWTH | 2021-2026 AVERAGE

One of the fastest developing economies in the region



Source: IMF - World Economic Outlook 2022

NOMINAL GDP STRUCTURE | FY20

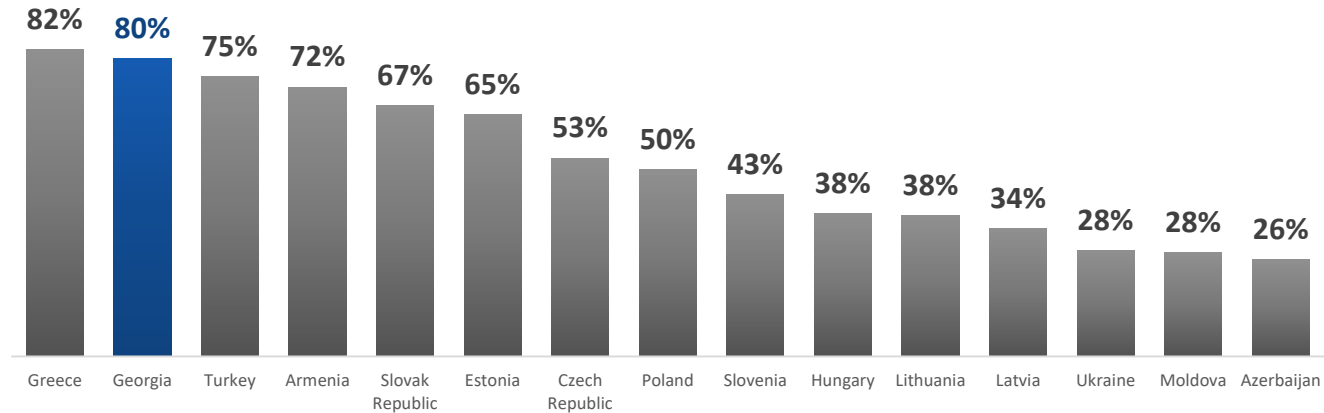


Source: Geostat

LONG-TERM, HIGH GROWTH PROSPECTS

PRIVATE SECTOR CREDIT-TO-GDP | 2020

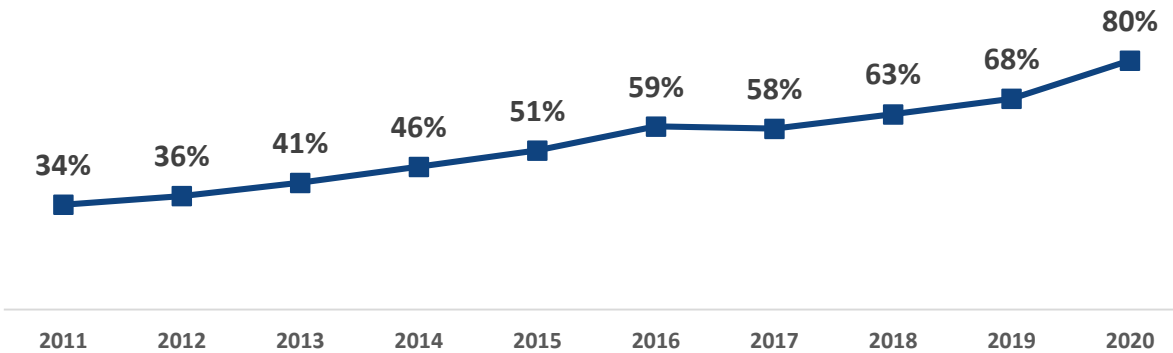
Georgia stands alongside Turkey and other peer countries



Source: World Bank

PRIVATE SECTOR CREDIT-TO-GDP | GEORGIA

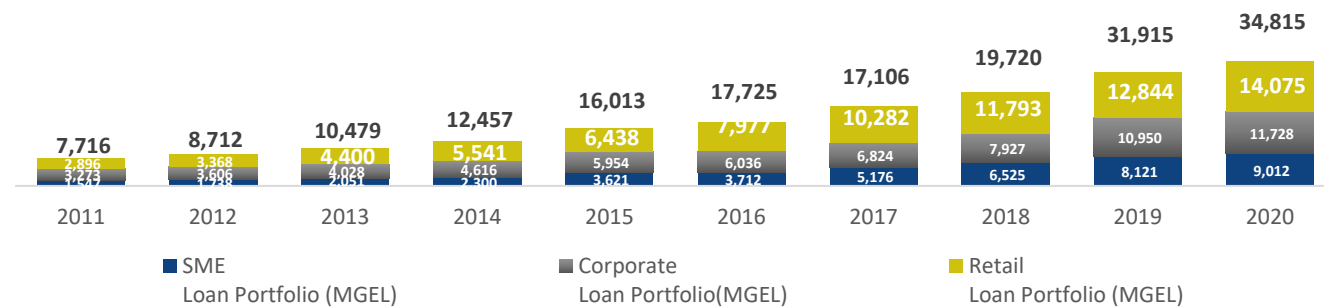
Expansion in financial activity reflects a favorable economic environment in Georgia



Source: World Bank

CORPORATE LOAN PORTFOLIO | GEORGIA

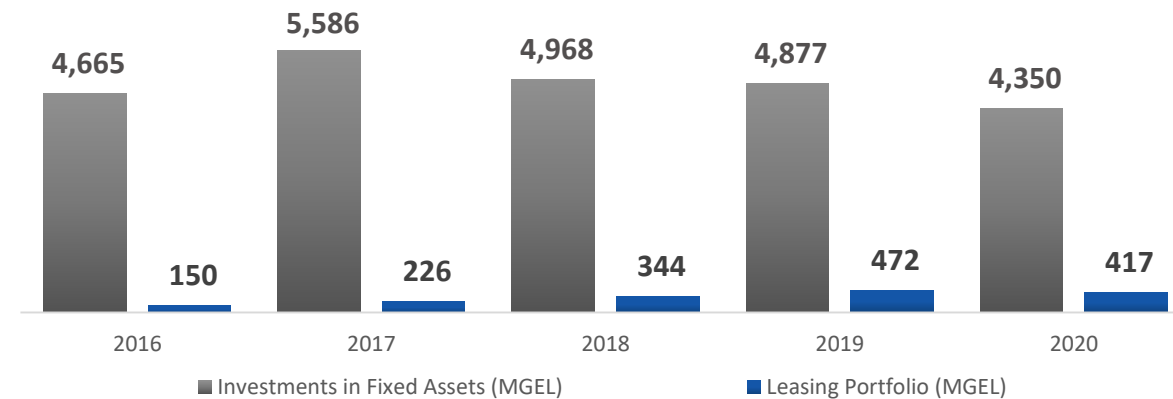
Volume of the SME portfolio has increased almost six fold since 2011
26% of all loans are provided to the SME segment



Source: National Bank of Georgia, Annual Report 2020

INVESTMENTS IN FIXED ASSETS VS LEASING PORTFOLIO

Capacity-wise Georgia has substantial room for growth



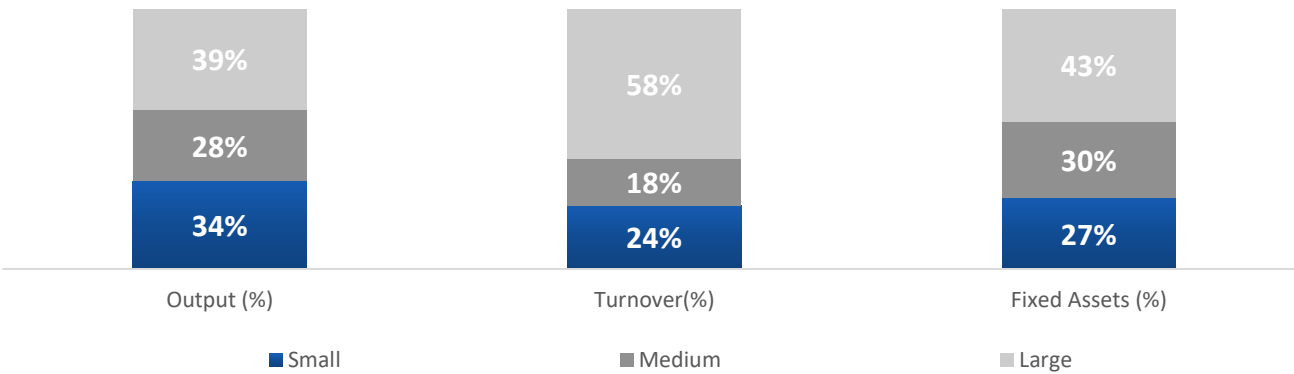
Source: Geostat

LONG-TERM, HIGH GROWTH PROSPECTS

continued

SMES DOMINATE THE ENTERPRISE LANDSCAPE IN GEORGIA

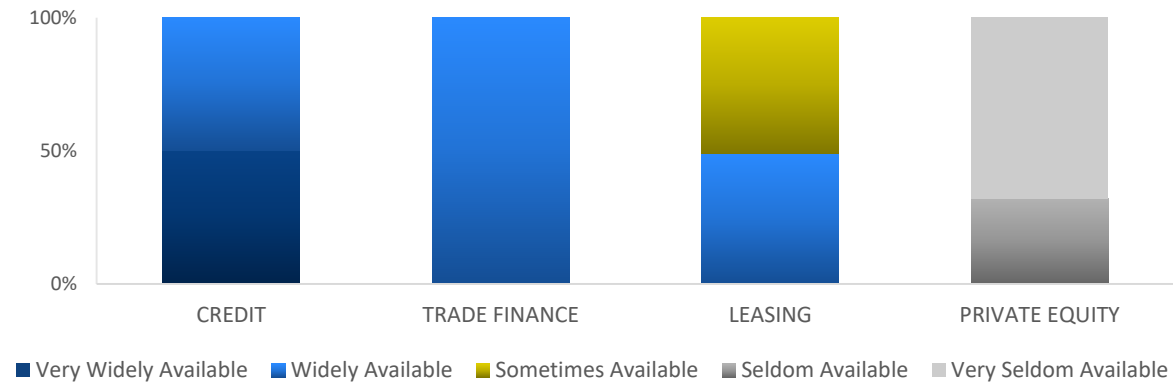
SMEs account for 62% of total production value and 42% of turnover of private sector



Source: Geostat

AVAILABILITY OF FINANCIAL INSTRUMENTS IN SMES

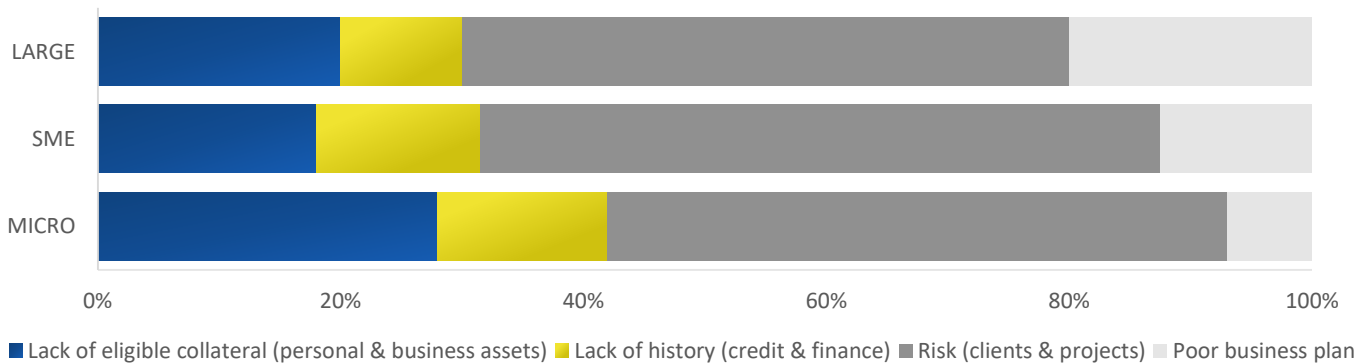
Leasing has progressively gained importance



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

SME LOAN APPLICATION REJECTION FREQUENCIES

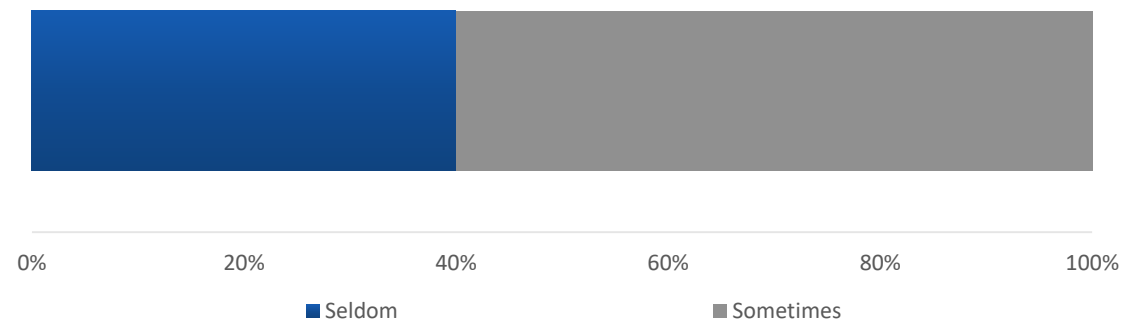
Lack of eligible collateral reflects the inability of firms to comply with banks' collateral requirements – making leasing more attractive way of financing



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

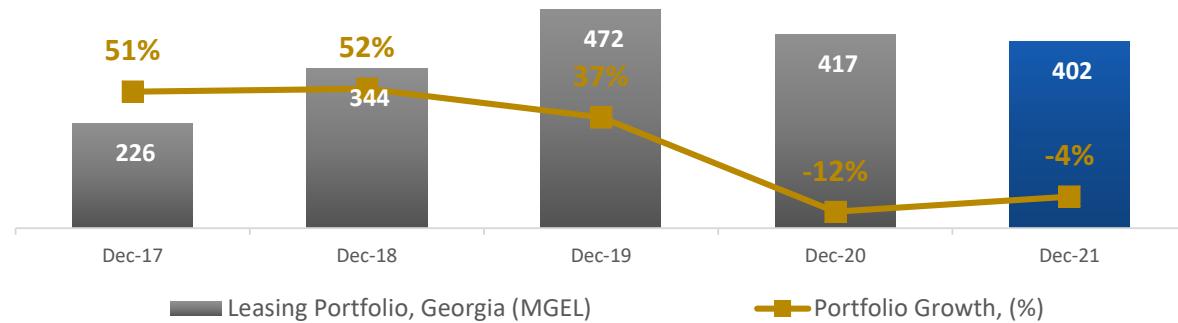
According to the EIB Bank Lending Survey, a significant level of loan rejections persists in the Georgian market



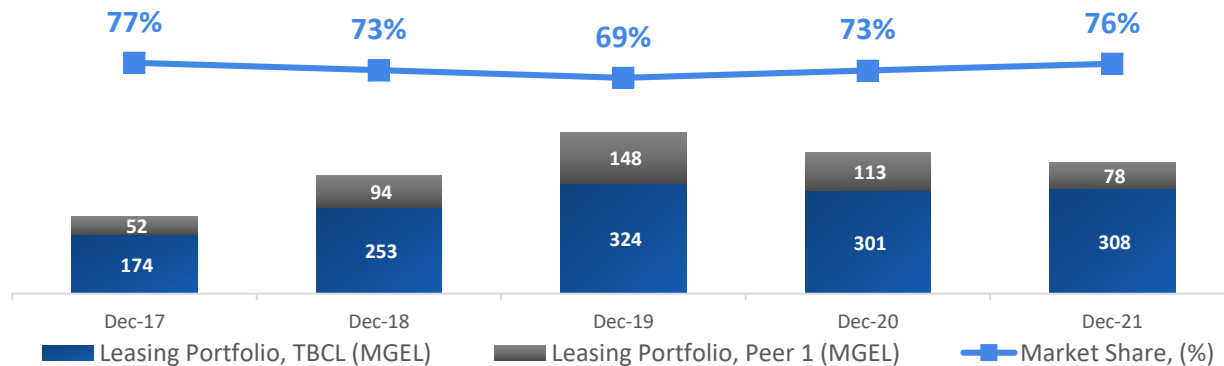
Source: European Investment Bank - Financing in Georgia: Small and medium enterprises and the private sector, 2018 EIB Bank Lending Survey

CLEAR MARKET LEADER | Supporting countries economic growth

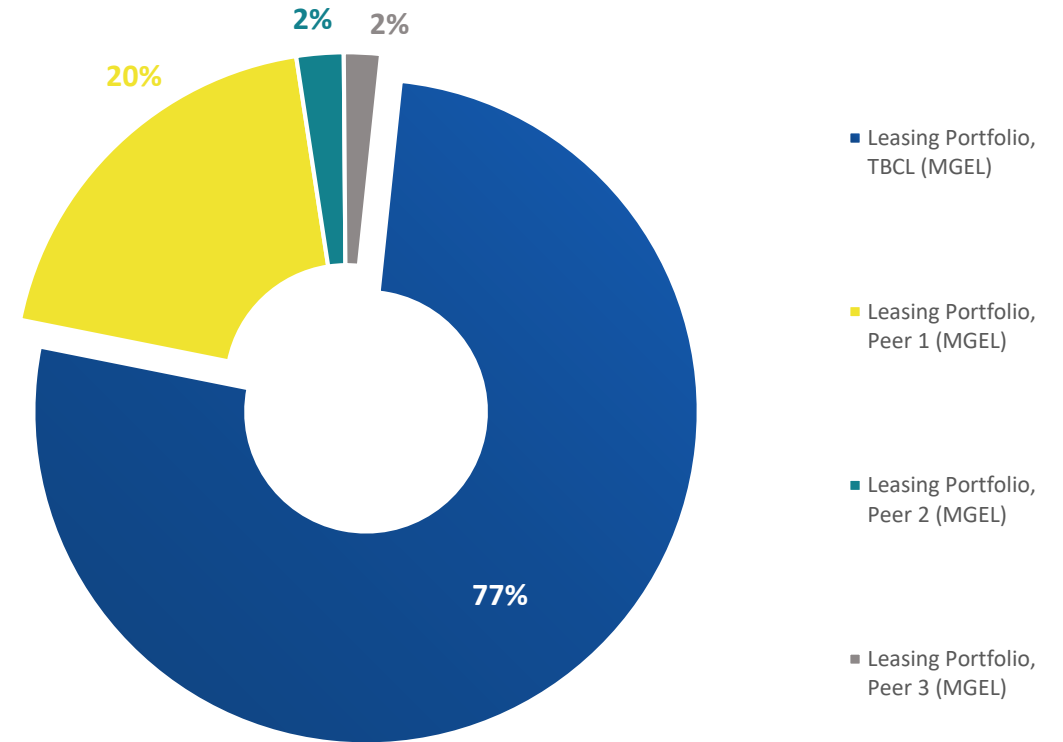
GROWTH IN LEASING MARKET EXPECTED TO CONTINUE
Leasing industry has grown with c.16% CAGR last five years and currently represents c.1% of GDP compared to c.5% in peer countries



MARKET SHARE DYNAMICS
Leader in Georgia with established #1 market position



MARKET SHARES | FY21
Significantly concentrated market



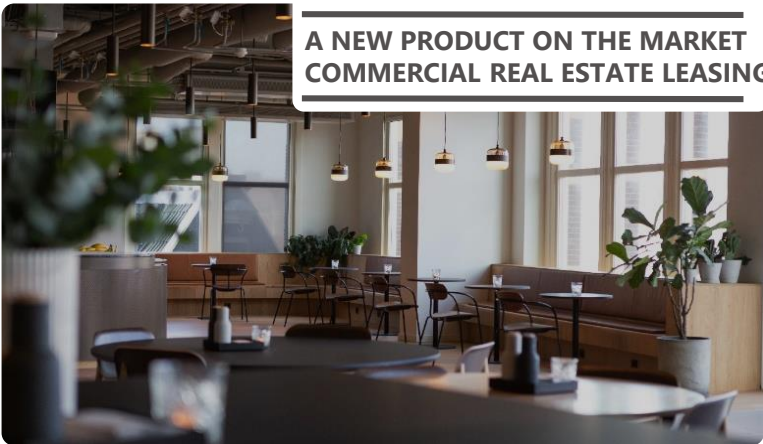
Macroeconomic impact analysis has shown that most industries have experienced downturn, thus Portfolio growth was challenged in 2021 due to Georgian government's rapid response to stop the spread of virus by the imposed restrictions on mobility in the which resulted the significant decrease in business 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.

- 01 TBCL AT A GLANCE
- 02 INDUSTRY AND MARKET OVERVIEW
- 03 PERFORMANCE OVERVIEW**
- 04 ANNEXES

OPERATIONAL HIGHLIGHTS

INTRODUCTION OF NEW PRODUCTS

A NEW PRODUCT ON THE MARKET
COMMERCIAL REAL ESTATE LEASING



HEAVY & DISTRIBUTION
EQUIPMENT LEASING



SCOOTER LEASING



CAR DEALER COOPERATION

GROWTH OF THE USED AUTO
BUSINESS WITH COOPERATION
WITH TOP CAR DEALERS

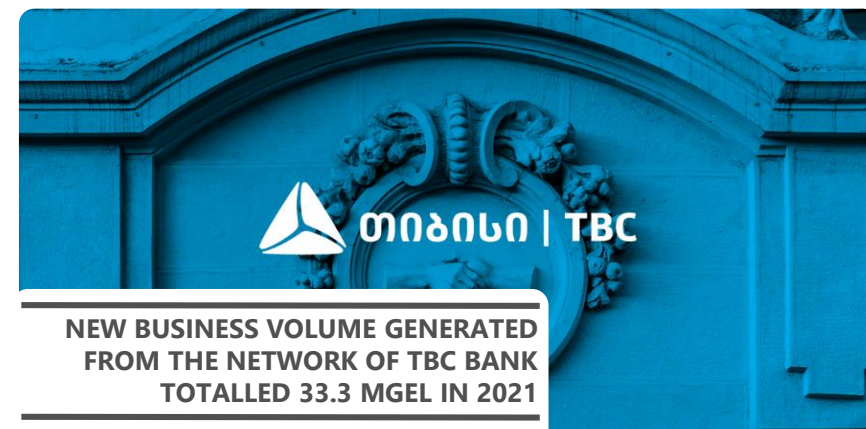


COOPERATION WITH TOP VENDORS

GROWTH IN HEAVY
EQUIPMENT LEASE



SIGNIFICANT SYNERGY WITH PARENT

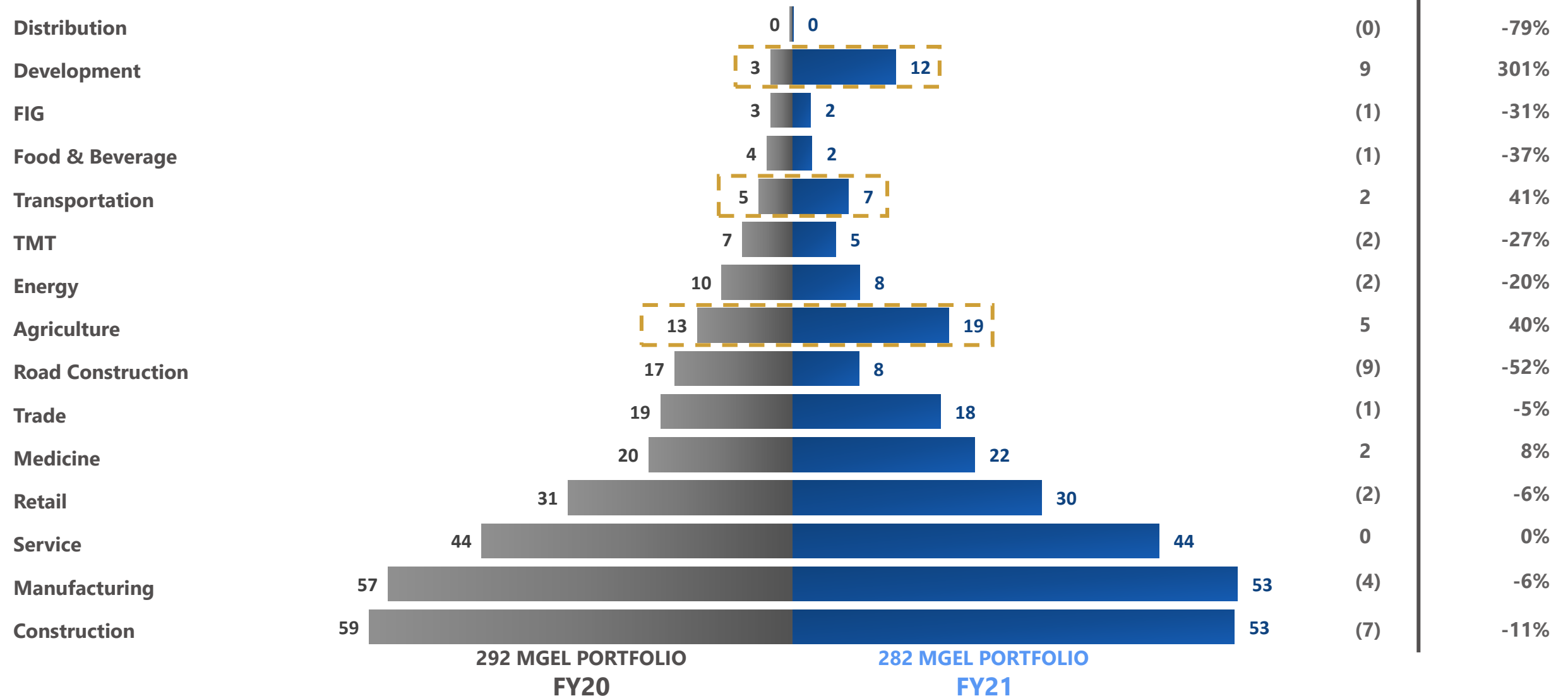


NEW BUSINESS VOLUME GENERATED
FROM THE NETWORK OF TBC BANK
TOTALLED 33.3 MGEL IN 2021

DIVERSIFIED PORTFOLIO ACROSS ALL SECTORS

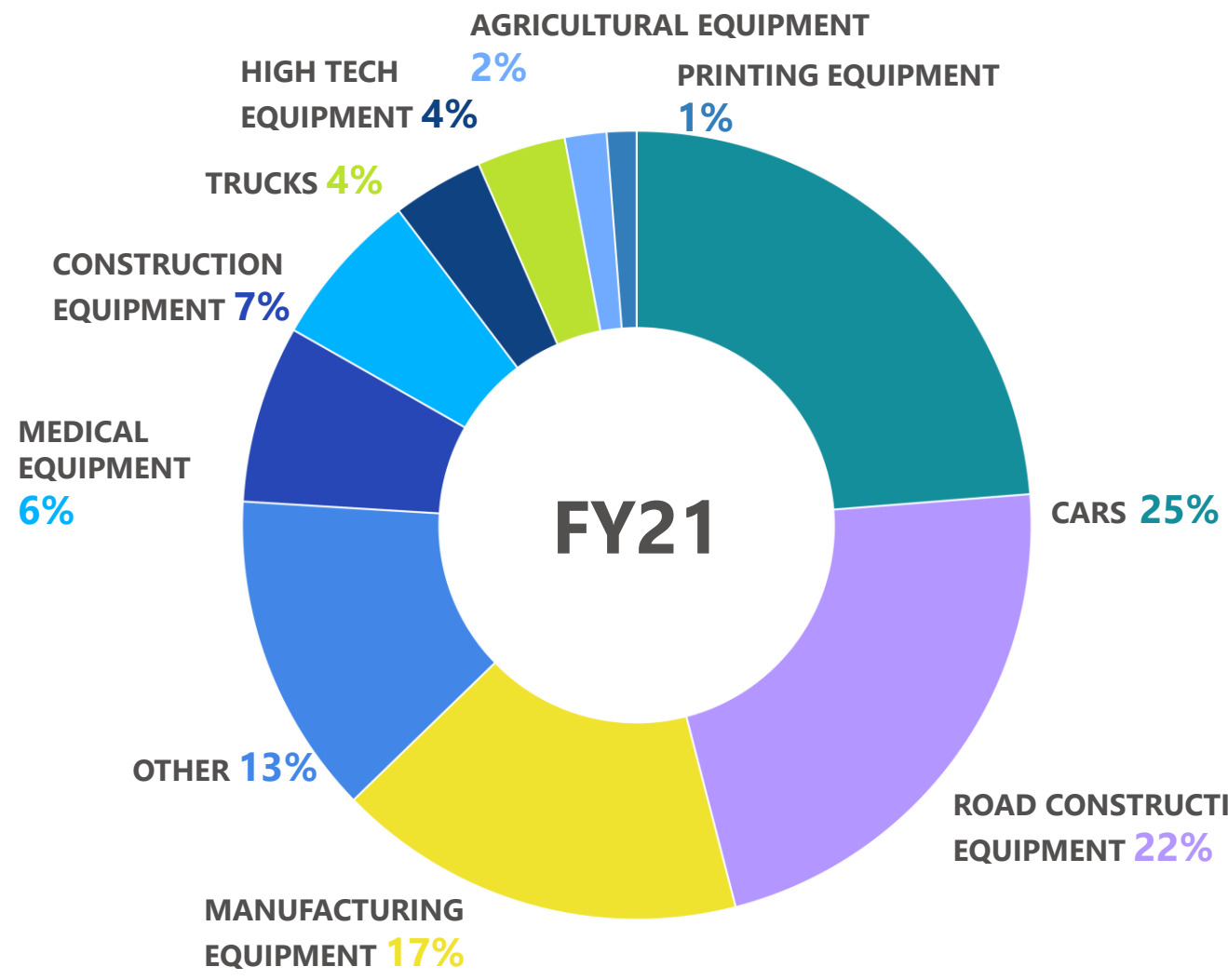
PORTFOLIO GROWTH BACK TO PRE-CRISIS LEVEL
c.62 MGEL new business volume generated in 4Q21 (52.5% growth compared to 4Q19)

CHANGE FY20 - FY21

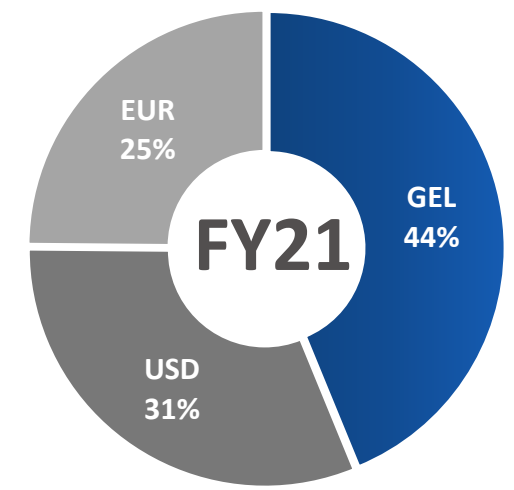


POTFOLIO HIGHLIGHTS

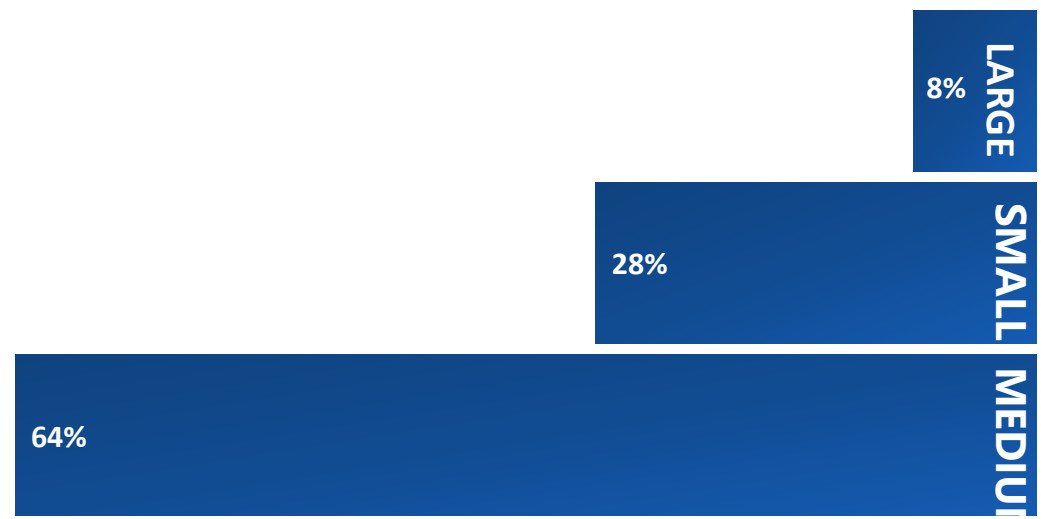
PORTFOLIO BREAKDOWN BY ASSET TYPE



PORTFOLIO CURRENCY COMPOSITION



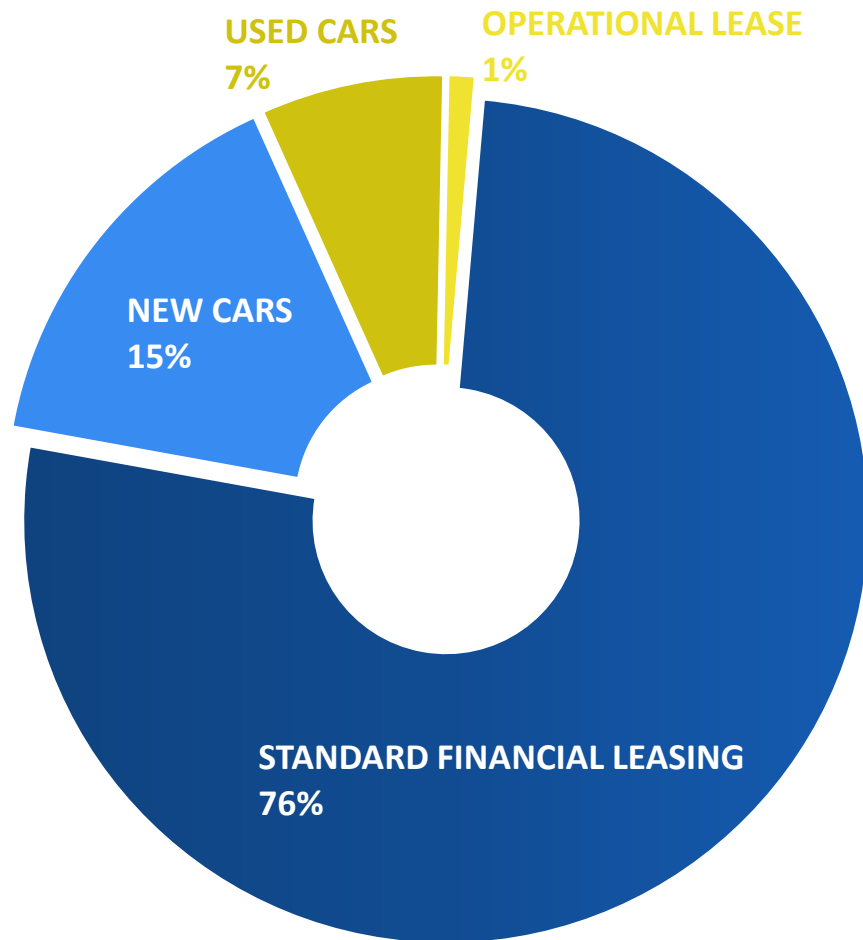
CLIENT BASE BY COMPANY SIZE



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**

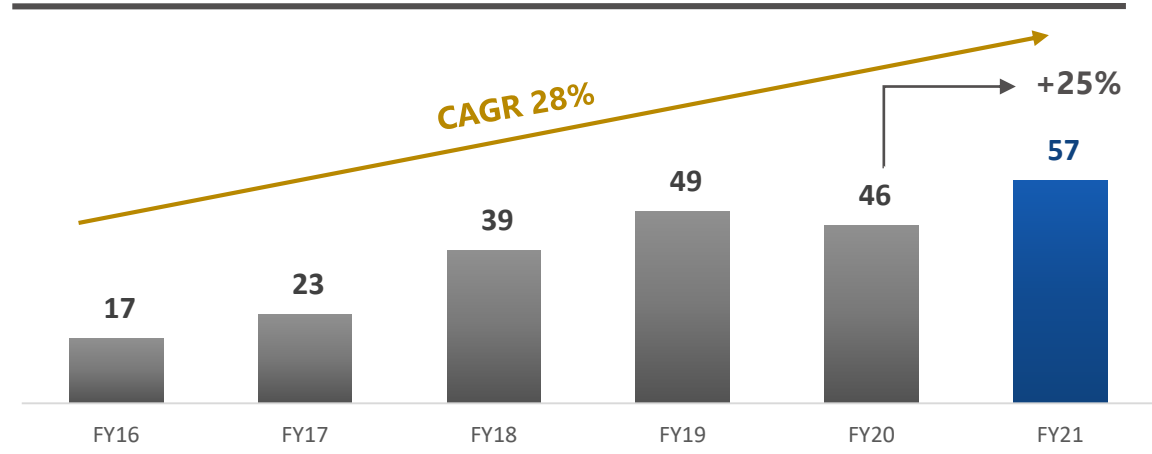
Financed Amount: **\$10,000 - \$500,000**

Customer down payment: **5-30%**

PERFORMANCE OVERVIEW

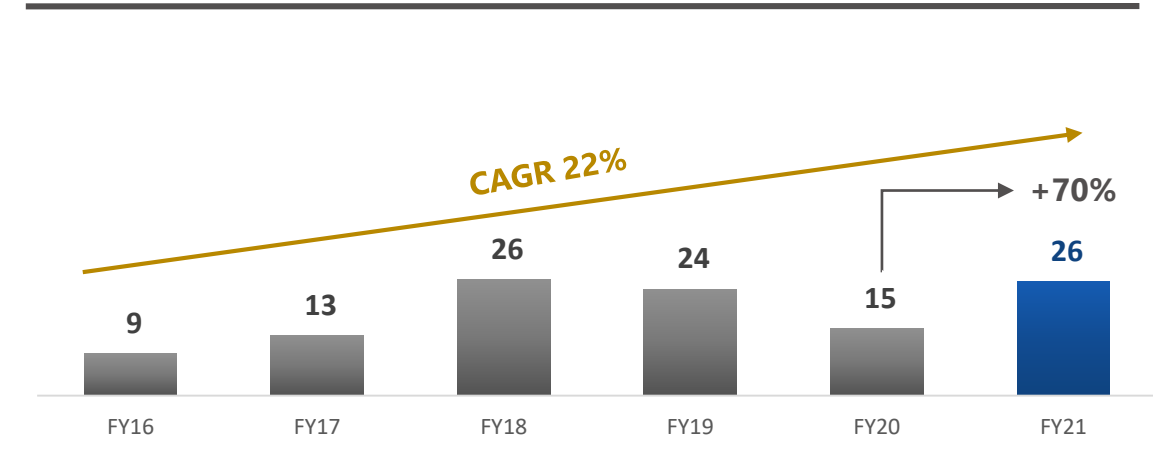
INCOME ON INVESTMENT IN LEASES (MGEL)

Increasing income generation in line with growing portfolio



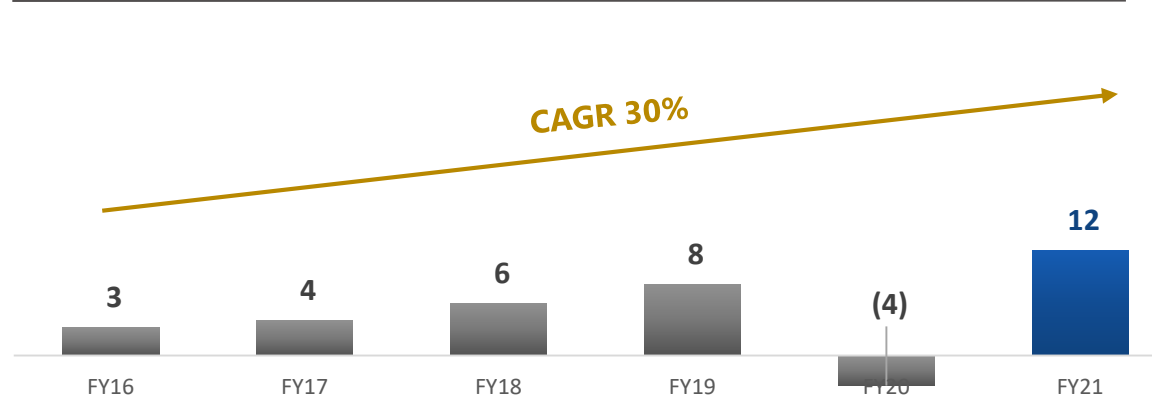
NET INTEREST INCOME (MGEL)

Back to normal levels, posting 70% y-o-y growth



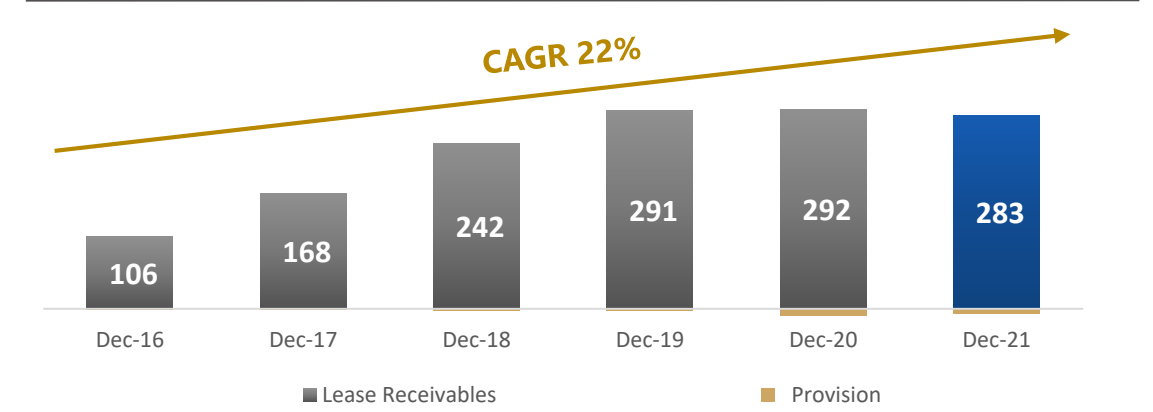
NET INCOME (MGEL)

Posted record high net income



LEASE RECIEVABLES

Delivering steady portfolio growth with 22% CAGR



FINANCIAL STATEMENTS

P&L (GEL, millions)	FY21	FY20	FY19	GROWTH FY20 – FY21 (Y-o-Y)	GROWTH FY19- FY20 (Y-o-Y)
Interest Income	57	46	49	25%	-7%
Net Interest Income	26	15	24	70%	-37%
Operating Provision	(6)	(11)	(6)	-49%	97%
Administrative Costs	(10)	(9)	(10)	8%	-11%
Non Operating Income/Expense	2	2	0	3%	NMF
Net Income	12	(4)	8	NMF	-143%

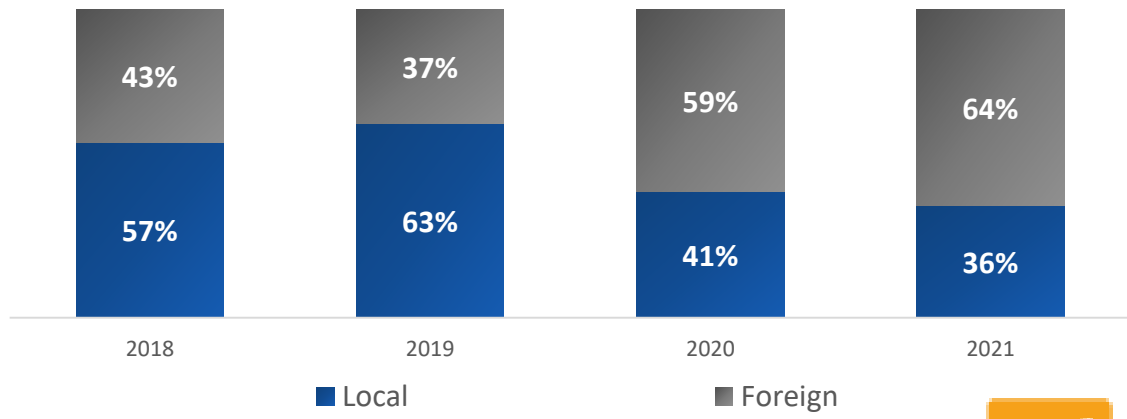
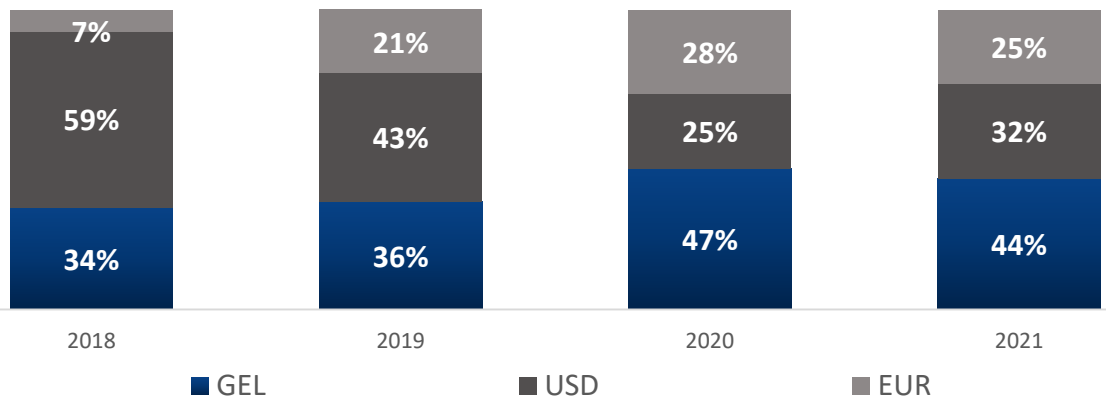
BS (GEL, Millions)	Dec-21	Dec-20	Dec-19	GROWTH DEC-20/DEC-21 (Y-o-Y)	GROWTH DEC-19/DEC-20 (Y-o-Y)
Lease Receivables	283	292	291	-3%	0%
Provision	(7)	(10)	(3)	-29%	284%
Net Lease Receivable	275	281	288	-2%	-2%
Total Assets	371	406	342	-9%	19%
Borrowings	(300)	(358)	(273)	-16%	31%
OFL	(23)	(13)	(29)	74%	-56%
Equity	(48)	(35)	(39)	35%	-9%
Total Liabilities and Equity	(371)	(406)	(342)	-9%	19%

KEY PERFORMANCE INDICATORS

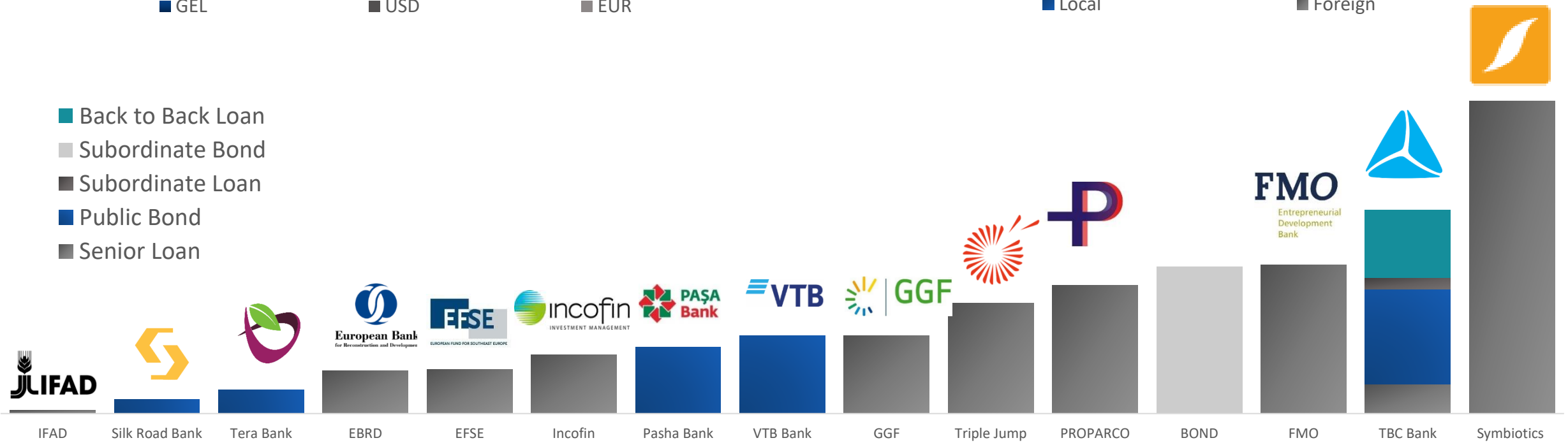
	FY19	FY20	FY21
C/I	35.40%	52.95%	35.61%
COR	2.40%	4.00%	2.11%
ROA	2.60%	-0.79%	3.23%
ROE	27.60%	-8.10%	29.40%
Tier 1	12.10%	11.30%	14.70%
Tier 2	21.80%	22.55%	25.10%

FUNDING DISTRIBUTION

WELL-DIVERSIFIED FUNDING STRUCTURE



- Back to Back Loan
- Subordinate Bond
- Subordinate Loan
- Public Bond
- Senior Loan



- 01 TBCL AT A GLANCE**
- 02 INDUSTRY AND MARKET OVERVIEW**
- 03 PERFORMANCE OVERVIEW**
- 04 ANNEXES**

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.1.2¹ MGEL, out of which c.58¹ KGEL was subsidized with the funding by the European Union under the EU4Energy Initiative.

GREEN PORTFOLIO

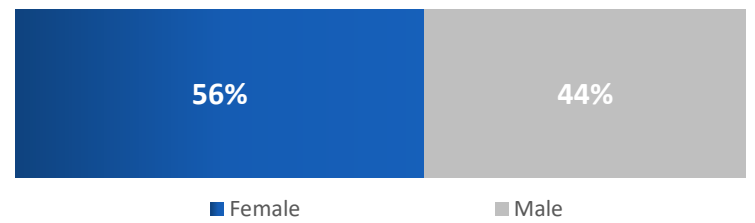
Actively started developing new products that will help increase the financing volume of energy efficient assets as well as finance the production of renewable energy. As of December 2021 Green Portfolio outstanding was c. 3.2¹ MGEL.

¹ As of December 2021

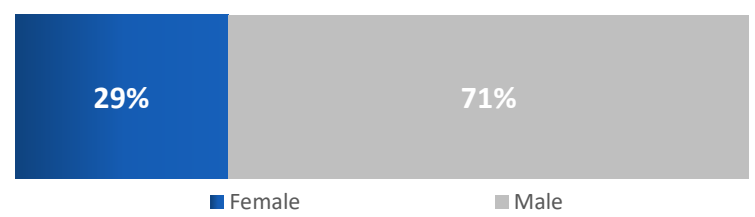


EQUALITY AND DIVERSITY

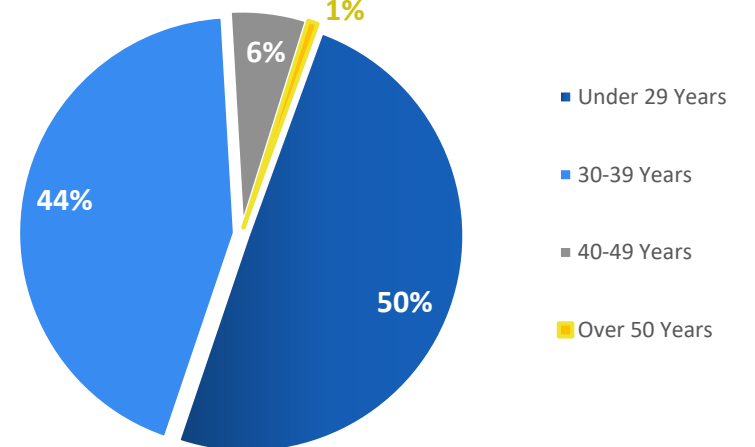
GENDER-BALANCED WORKFORCE¹



MIDDLE MANAGEMENT GENDER COMPOSITION¹



GRATE MIX OF YOUNG AND EXPERIENCED EMPLOYEES¹



124
Total Number of Employees¹

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

¹As of December 2021



FOR MORE INFORMATION, NEWS AND FINANCIAL REPORTS YOU CAN VISIT

[HTTPS://TBCLEASING.GE/FOR-INVESTORS](https://tbcleasing.ge/for-investors)

THE INFORMATION AND OPINIONS CONTAINED IN THIS DOCUMENT ARE RECORDED AND EXPRESSED IN GOOD FAITH AND IN RELIANCE ON SOURCES BELIEVED TO BE RELIABLE. THE INFORMATION MAY NOT BE USED, PUBLISHED OR REDISTRIBUTED WITHOUT THE PRIOR CONSENT OF TBC LEASING.