



TBC LEASING

2023

**3Q 2023
RESULTS PRESENTATION**

Unaudited IFRS Figures

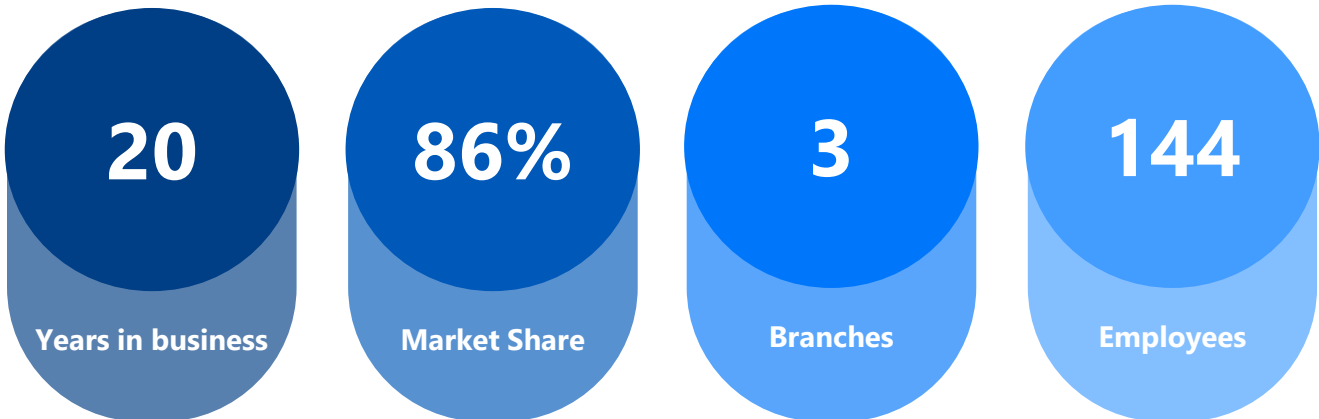
**TBC LEASING
AT A GLANCE**

INDUSTRY AND
MARKET OVERVIEW

PERFORMANCE
OVERVIEW

ANNEXES

AT A GLANCE | STRONG PRESENCE IN LEASING INDUSTRY



NO. 1 LEASING COMPANY IN ATTRACTING INTERNATIONAL FINANCIAL RESOURCES

BB, STABLE OUTLOOK
Highest among non-banking institutions

BARTA two-time Winner
Best Annual Report and Transparency, SME Companies

2003	2016	2018	2020	2021	2022	2023
TBCL Established	<ul style="list-style-type: none"> Retail business Launched Portfolio surpassed 100 MGEL 	Celebrating 15th Anniversary with 240 MGEL Portfolio	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Fitch Affirms TBC Leasing at 'BB-'; Outlook Stable Winner of BARTA 2022 in the nomination of the best Annual Report and Transparency 2022, Small and Medium Companies 	<ul style="list-style-type: none"> Public issuance of GEL 100 million senior bonds; Public issuance of GEL 15 million Green Bonds;

¹As of September 2023

STRATEGY ROADMAP

GROWTH

Double the portfolio for 2025
Increase Green Portfolio

PROCESS OPTIMIZATION

Lending Process Optimization
Product Optimization

PROFITABILITY AND EFFICIENCY

Income Growth
Cost Efficiency
Funding Optimization
Capital Optimization

LEASING MARKET GROWTH

Brand Awareness
Leasing Product Awareness

ENABLERS

PEOPLE

Employee-centric and competitive working environment to attract, promote and retain right people

TECHNOLOGIES

Constant improvement of digital environment, platforms and infrastructure to achieve business growth

ASSET MANAGEMENT

Develop expertise and knowledge in leasing asset-related services to provide consulting and value added services to clients

RISK MANAGEMENT

Prudent risk management by leveraging data analytics, having digital capabilities and experienced people

SUPERVISORY BOARD AND 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



Nugzar Loladze
Chief Financial Officer



Zurab Gugushvili
Chief Commercial Officer



Giorgi Maisuradze
Chief Risk Officer

TBC LEASING
AT A GLANCE

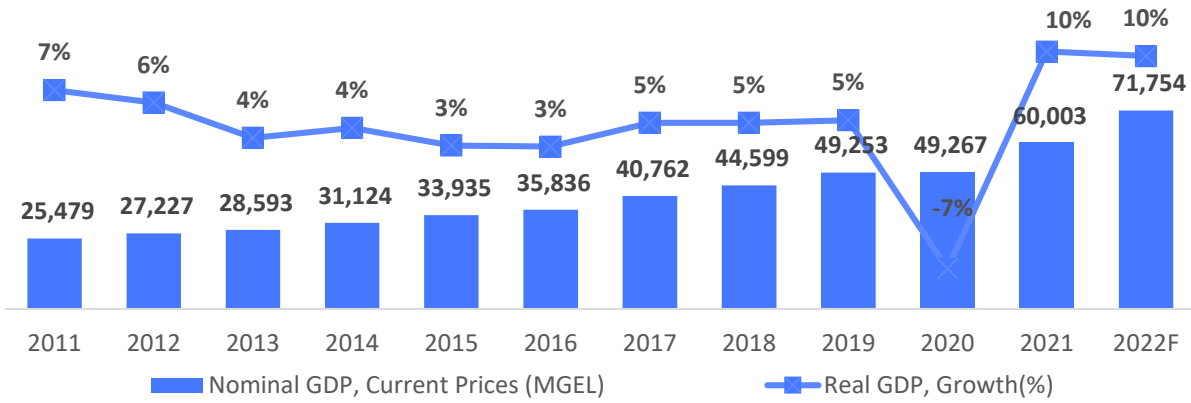
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POSITIVE ECONOMIC OUTLOOK

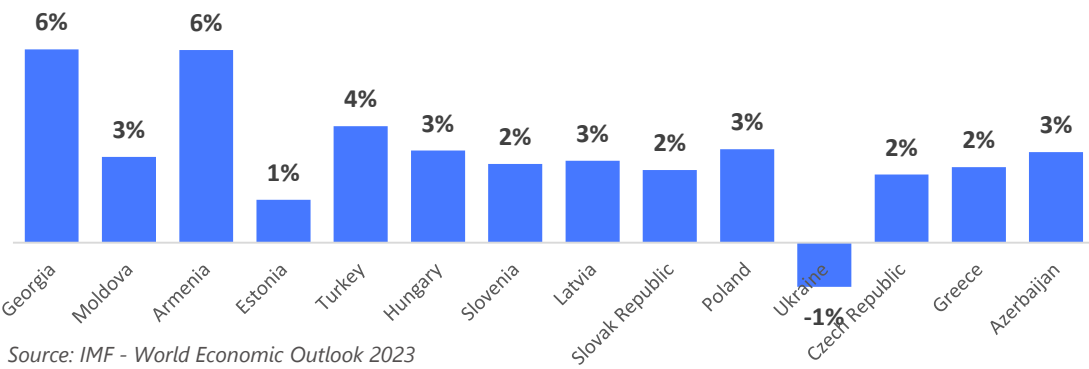
GROSS DOMESTIC PRODUCT



Source: Geostat, IMF - World Economic Outlook 2023

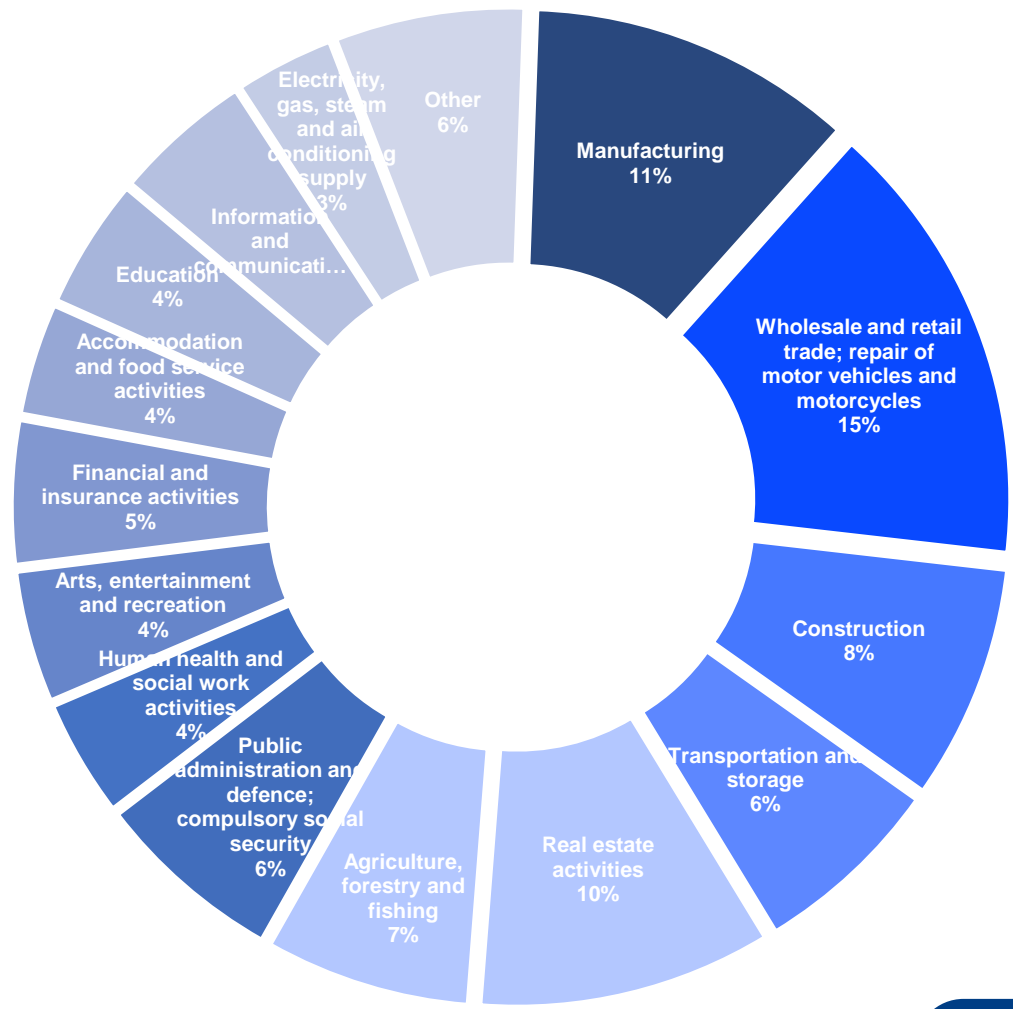
REAL GDP GROWTH | 2022-2027 AVERAGE

One of the fastest developing economies in the region



Source: IMF - World Economic Outlook 2023

NOMINAL GDP STRUCTURE | 2022

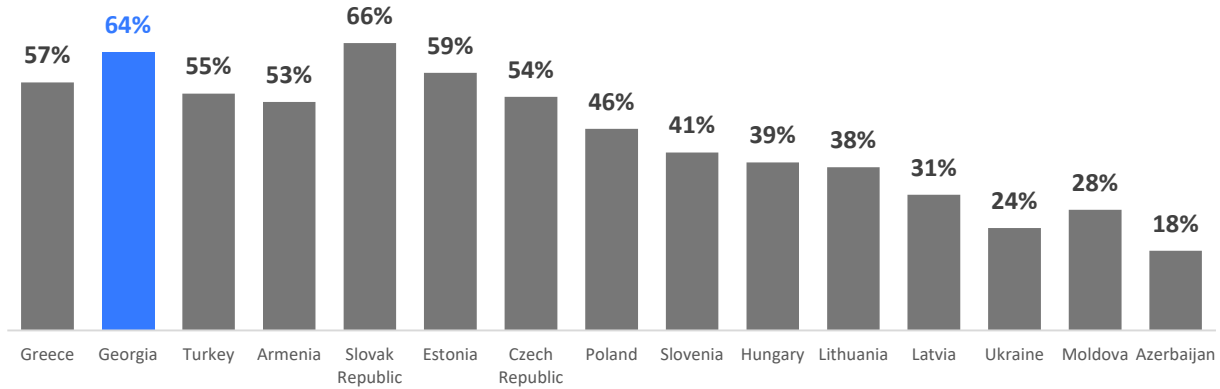


Source: Geostat, 2022

LONG-TERM, HIGH GROWTH PROSPECTS

PRIVATE SECTOR CREDIT-TO-GDP | 2022

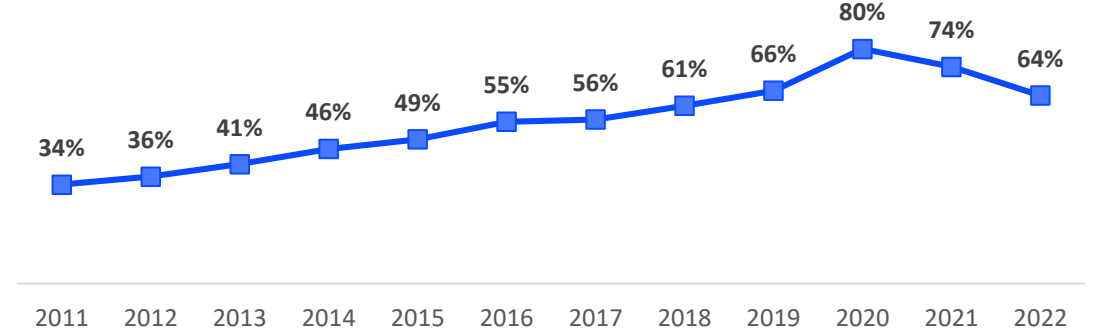
Georgia stands alongside Turkey and other peer countries



Source: World Bank

PRIVATE SECTOR CREDIT-TO-GDP | GEORGIA

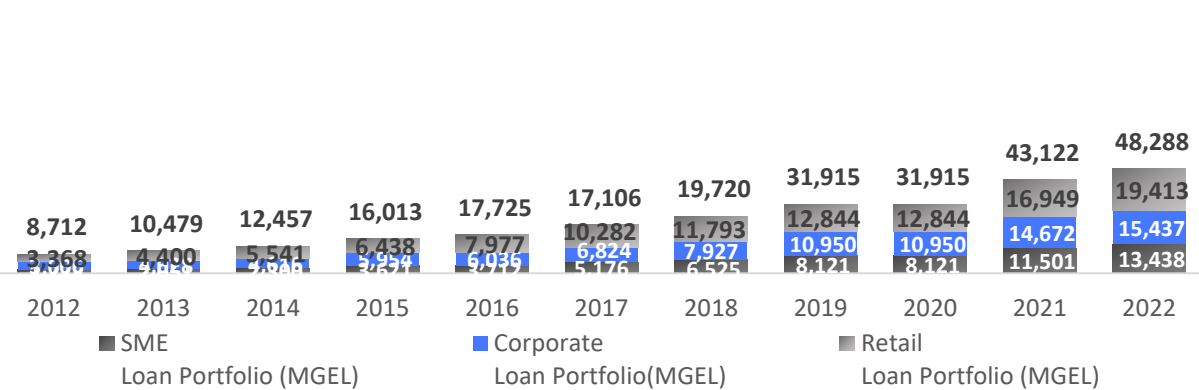
Expansion in financial activity reflects a favorable economic environment in Georgia



Source: World Bank

CORPORATE LOAN PORTFOLIO | GEORGIA

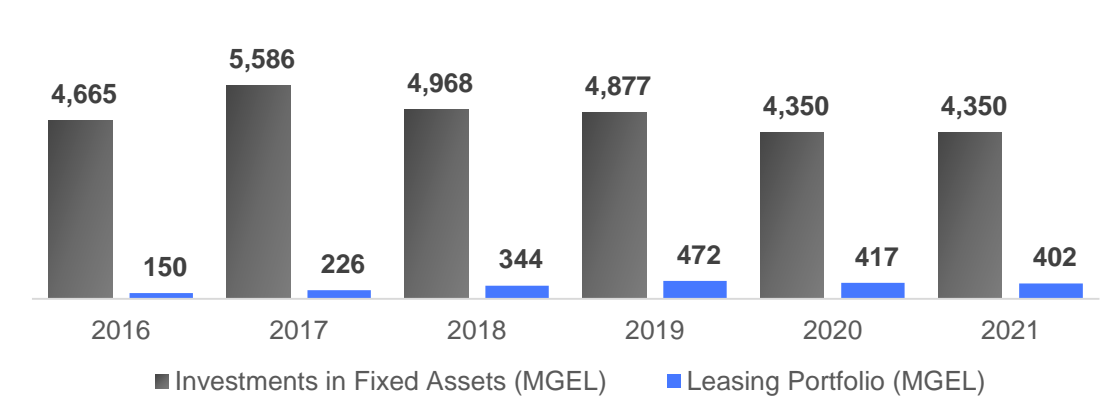
Volume of the SME portfolio has increased almost eight fold since 2012



Source: National Bank of Georgia, Annual Report 2022

INVESTMENTS IN FIXED ASSETS VS LEASING PORTFOLIO

Capacity-wise Georgia has substantial room for growth

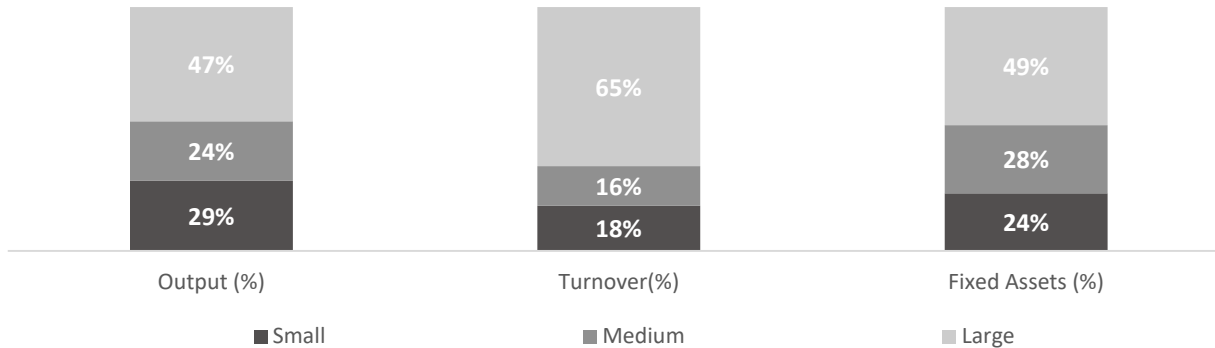


Source: Geostat

LONG-TERM, HIGH GROWTH PROSPECTS *continued*

SMES DOMINATE THE ENTERPRISE LANDSCAPE IN GEORGIA

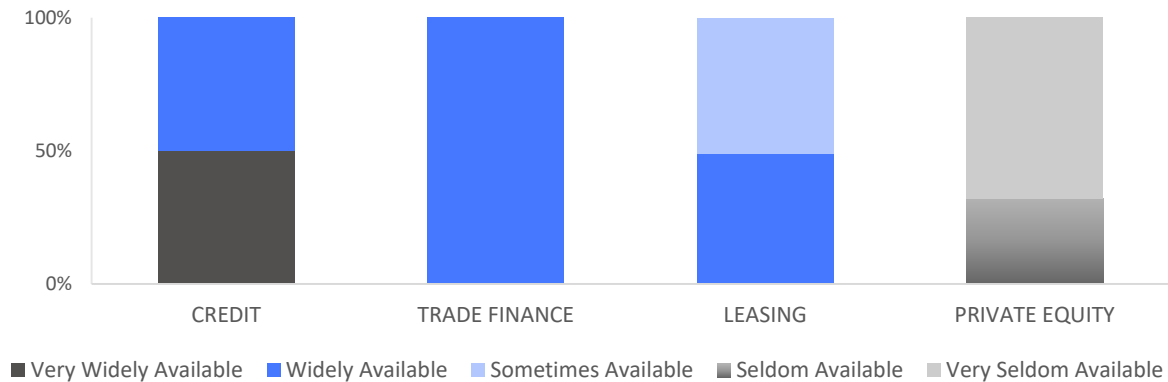
SMEs account for 53% of total production value and 34% of turnover of private sector



Source: Geostat

AVAILABILITY OF FINANCIAL INSTRUMENTS IN SMES

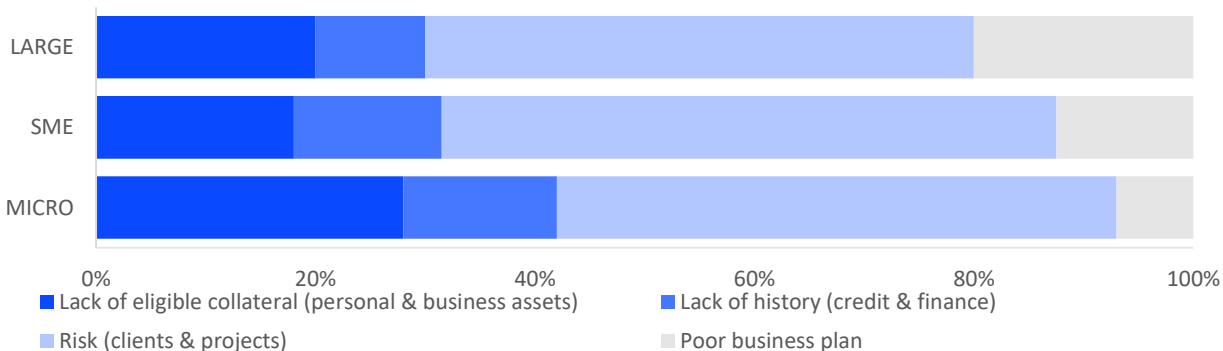
Leasing has progressively gained importance



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

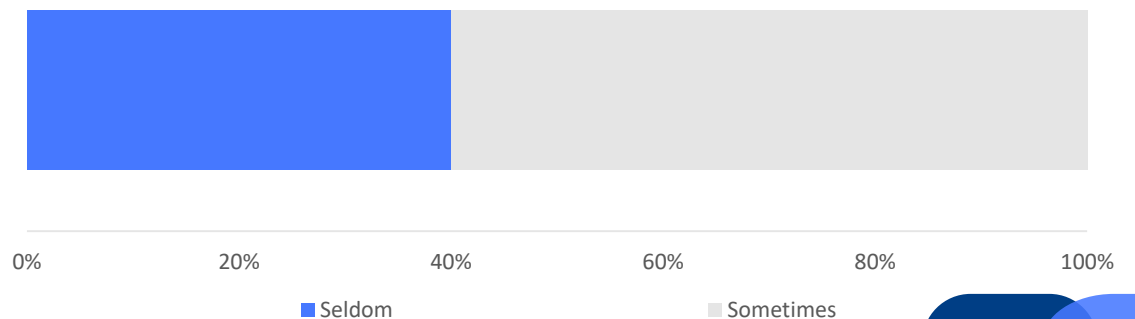
Lack of eligible collateral reflects the inability of firms to comply with banks' collateral requirements – making leasing more attractive way of financing



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

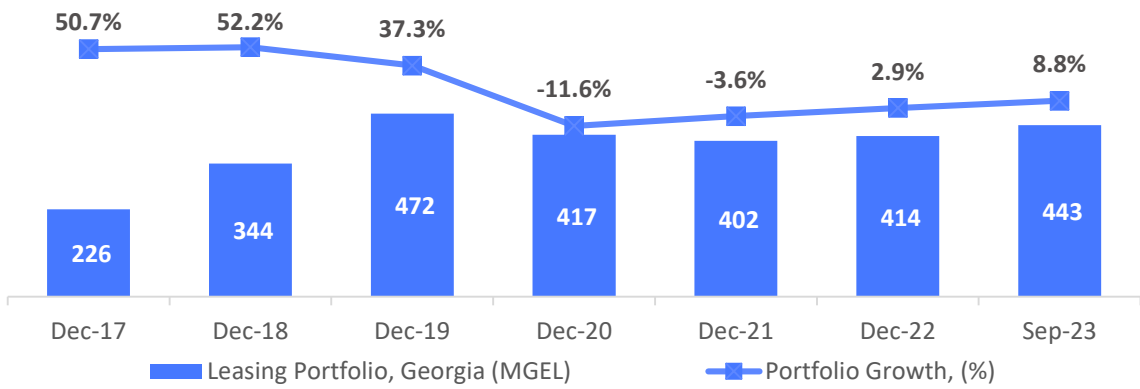


Source: European Investment Bank - Financing in Georgia: Small and medium enterprises and the private sector, 2018 EIB Bank Lending Survey

CLEAR MARKET LEADER | Supporting countries economic growth

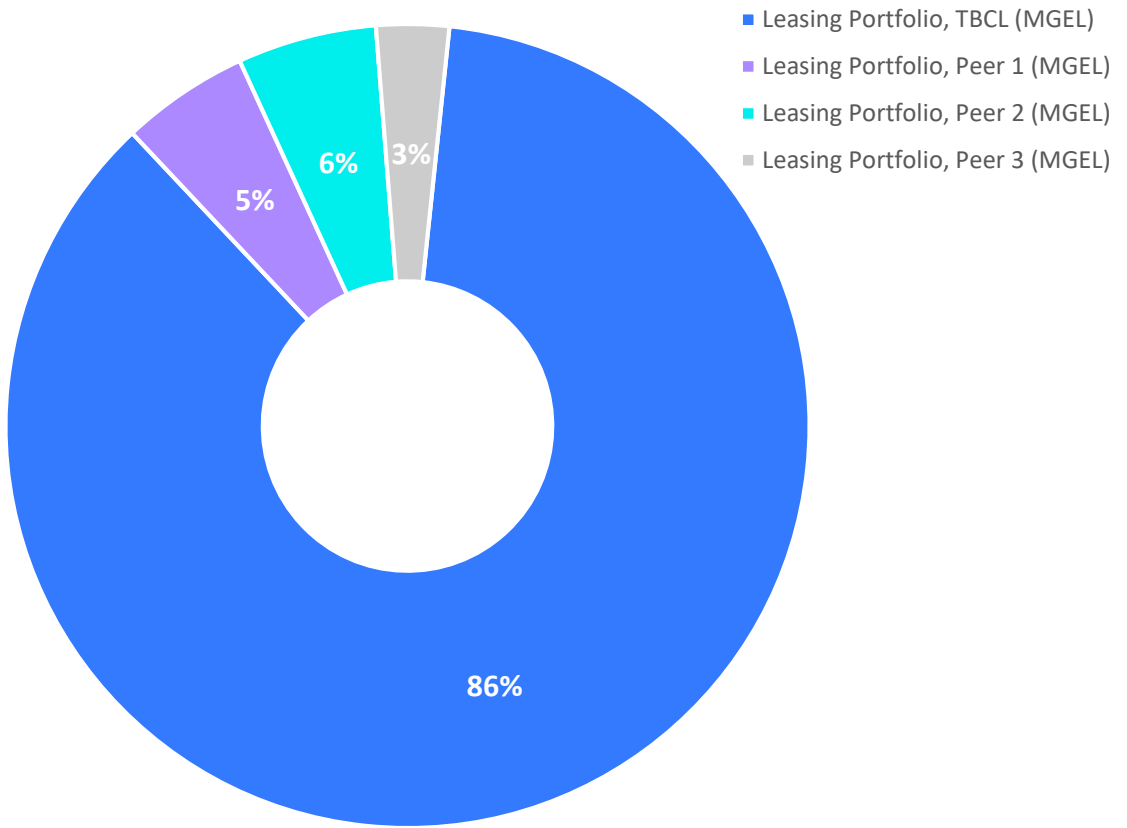
GROWTH IN LEASING MARKET EXPECTED TO CONTINUE

Leasing industry has grown with c.20% CAGR last six years and currently represents c.1% of GDP compared to c.5% in peer countries



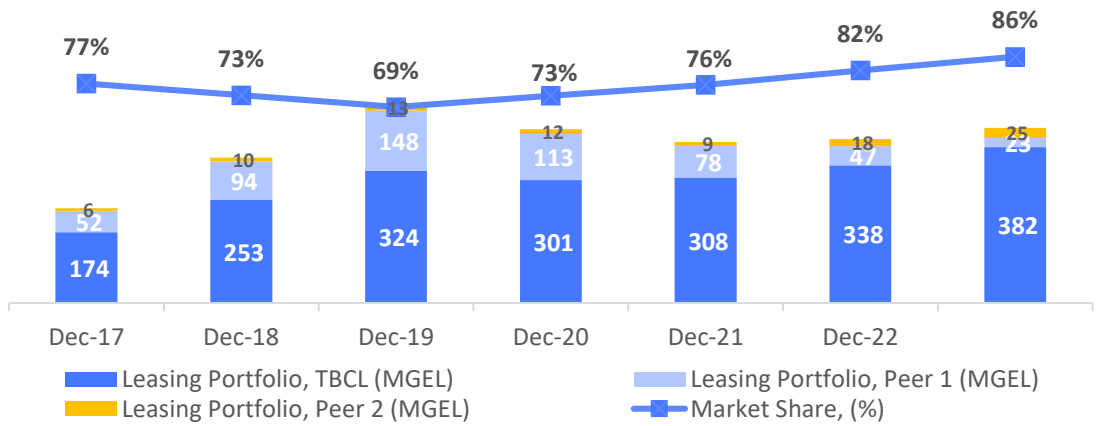
MARKET SHARES | 3Q23

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 during 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. However, as economy went to normal grounds and business activity ramped up, NBV generation started to grow during 2022.



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**PERFORMANCE
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OPERATIONAL HIGHLIGHTS

INTRODUCTION OF NEW PRODUCTS



CAR DEALER COOPERATION



COOPERATION WITH TOP VENDORS



SIGNIFICANT SYNERGY WITH PARENT

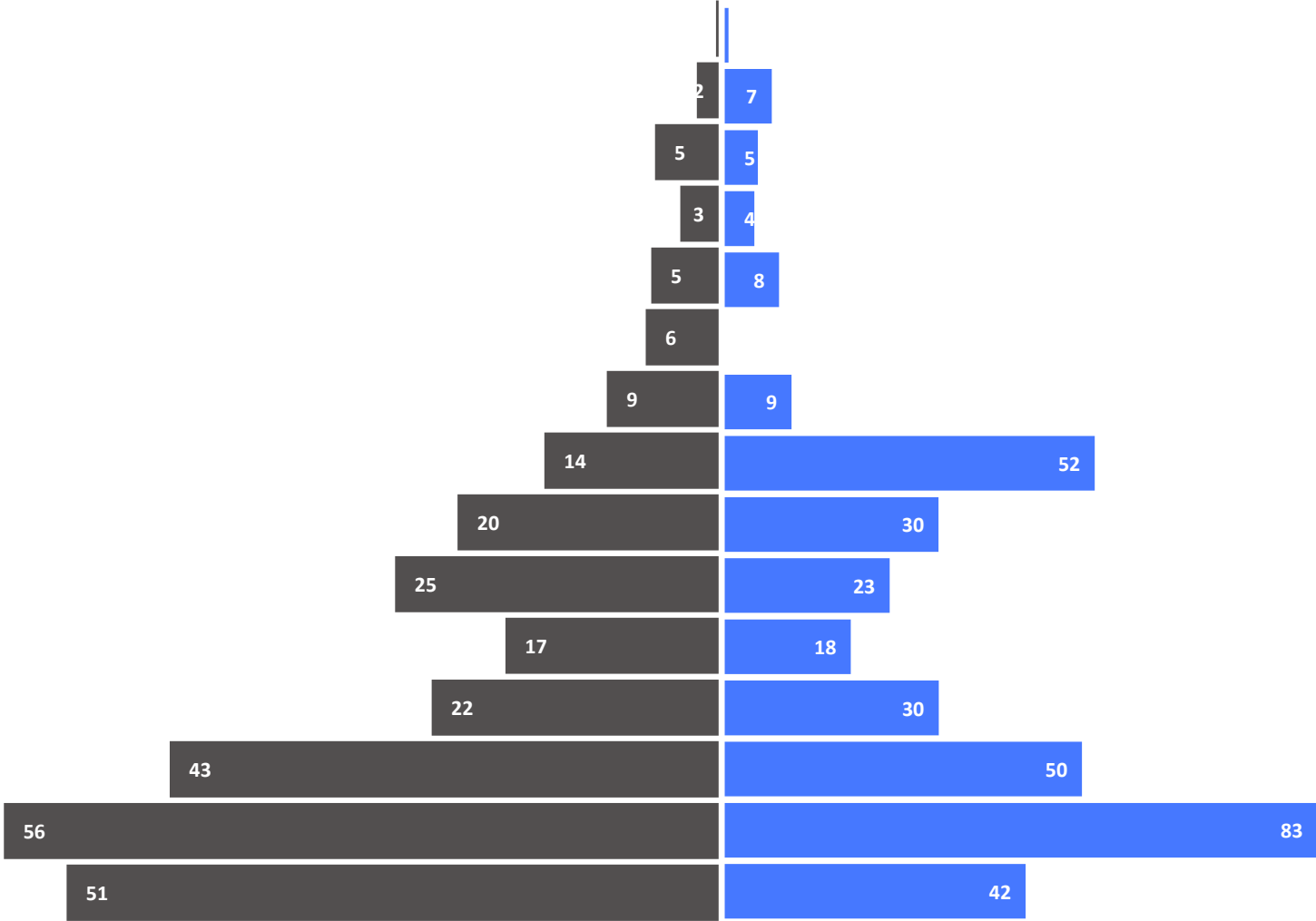


DIVERSIFIED PORTFOLIO ACROSS ALL SECTORS

PORTFOLIO GROWTH BACK TO PRE-CRISIS LEVEL
c.58 MGEL new business volume generated in 3Q23 (16% growth compared to 3Q22)

CHANGE 3Q22 – 3Q23

- Distribution
- FIG
- Food & Beverage
- TMT
- Transportation
- Road Construction
- Energy
- Development
- Trade
- Agriculture
- Medicine
- Retail
- Service
- Construction
- Manufacturing



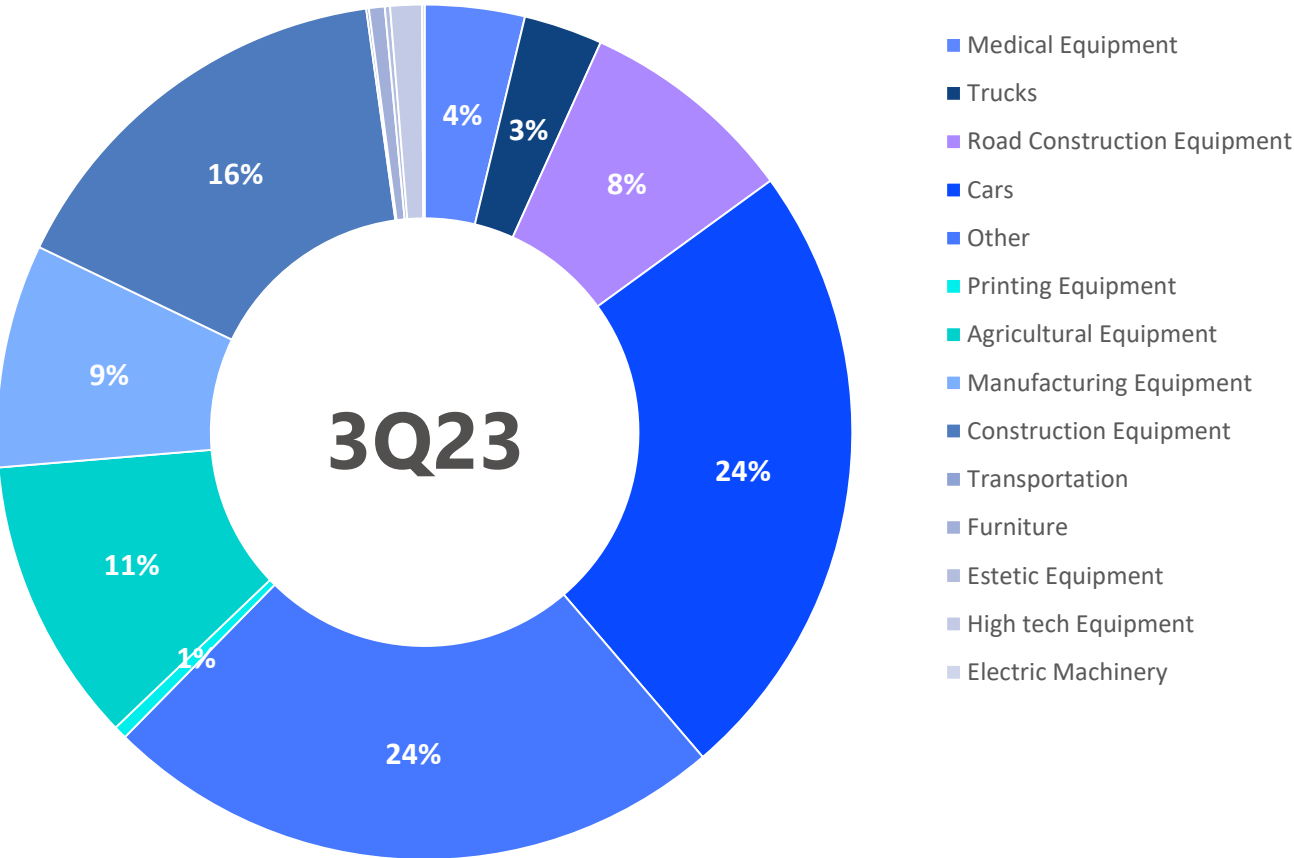
276 MGEL PORTFOLIO
3Q22

361 MGEL PORTFOLIO
3Q23

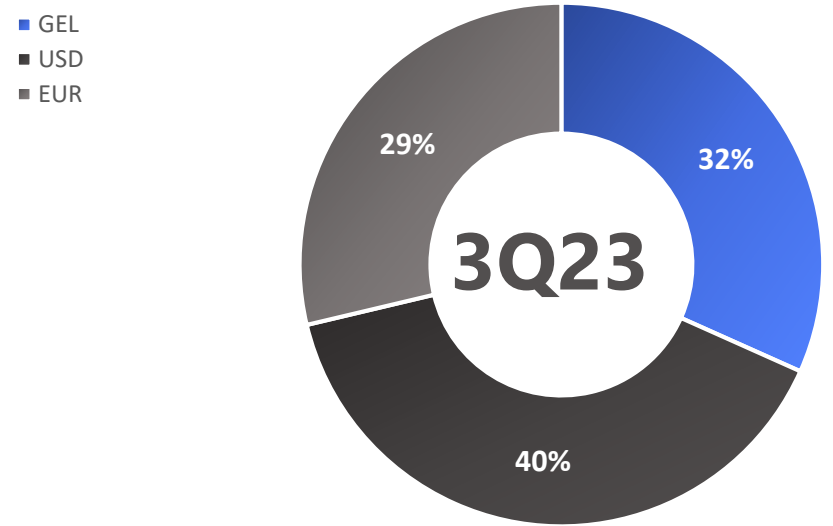
VALUE	PERCENTAGE
0	0%
0	164%
5	291%
0	-6%
1	40%
2	46%
(6)	-100%
38	284%
10	48%
-2	-8%
1	7%
8	35%
7	18%
28	50%
-8	-17%

POTFOLIO HIGHLIGHTS

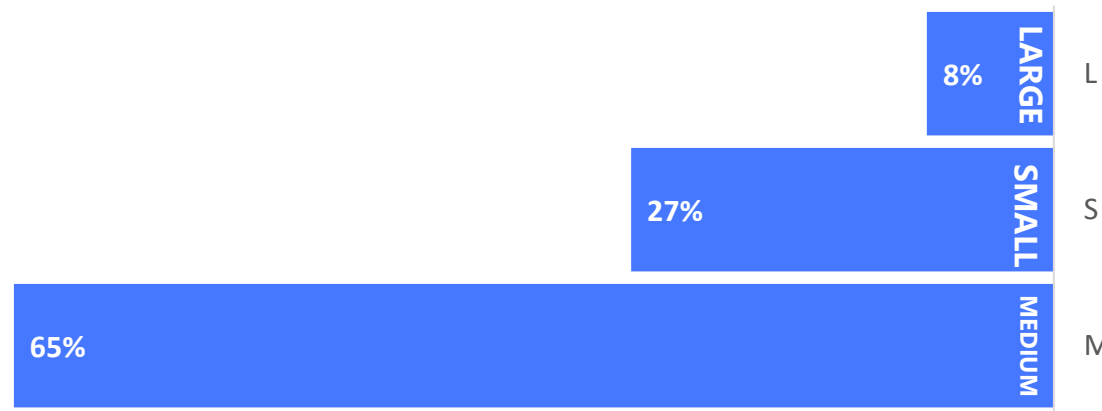
PORTFOLIO BREAKDOWN BY ASSET TYPE



PORTFOLIO CURRENCY COMPOSITION

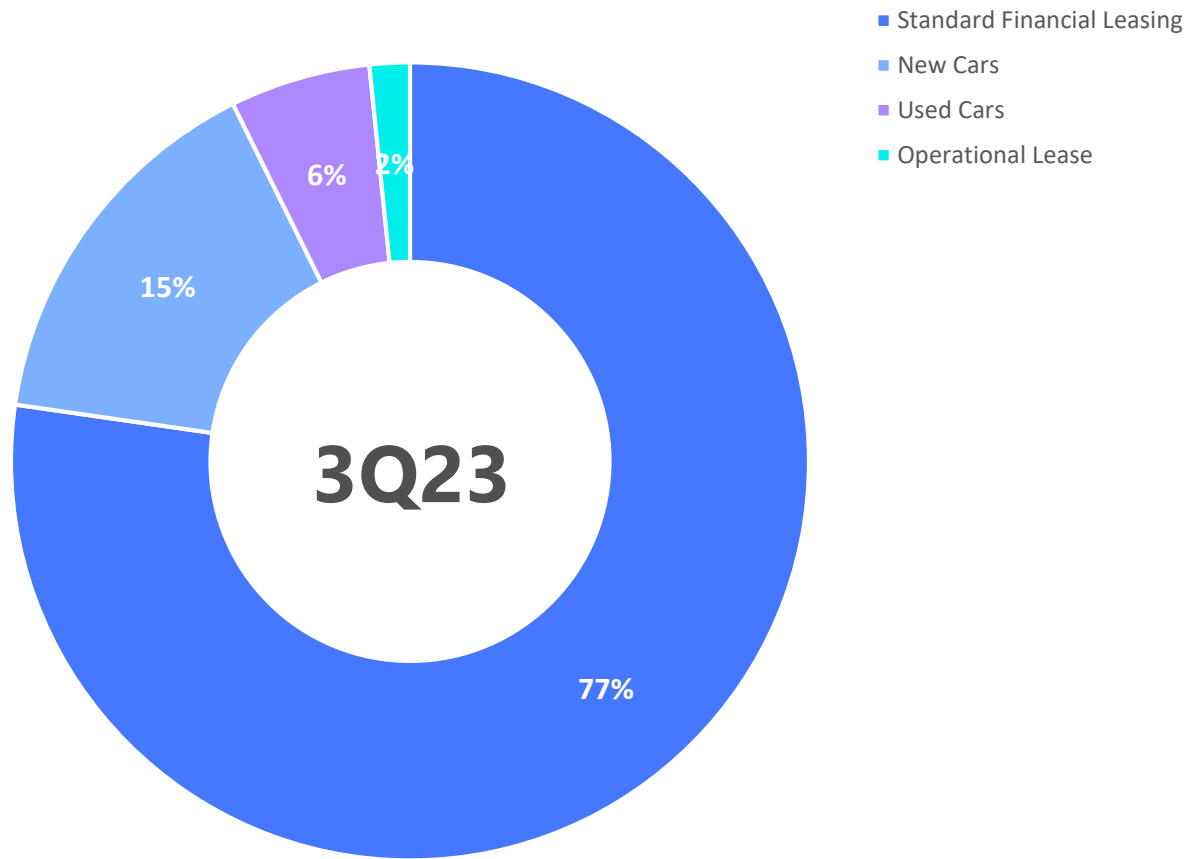


CLIENT BASE BY COMPANY SIZE



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

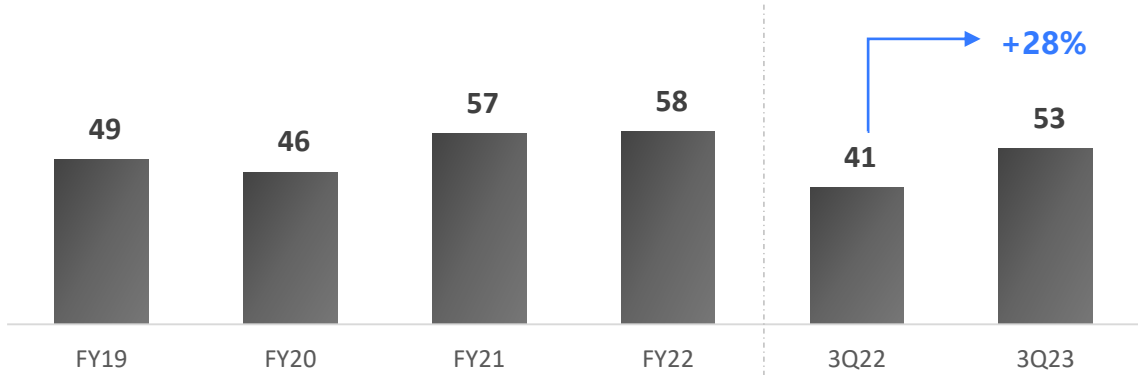
Term: **12-60 months**
Financed Amount: **\$5,000 - \$60,000**
Customer down payment: > **20%**

OPERATIONAL LEASE

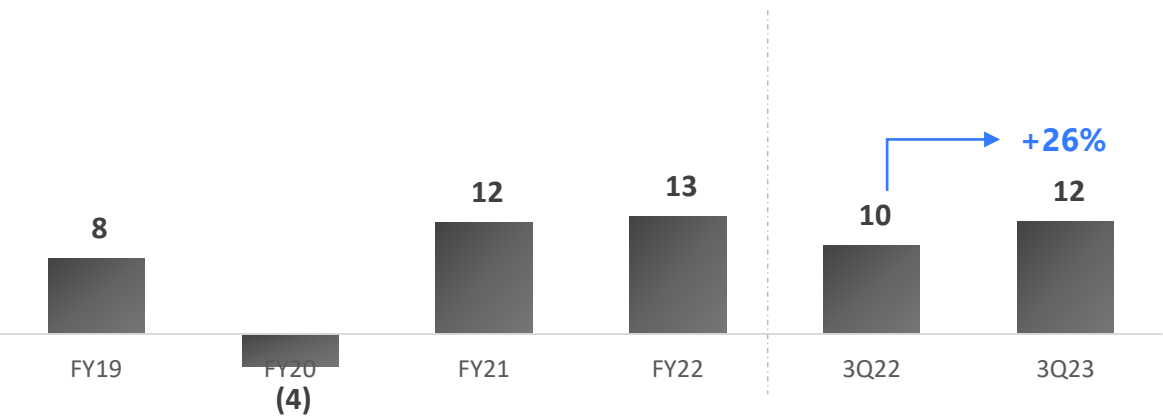
Term: **12-60 months**
Financed Amount: **\$10,000 - \$500,000**
Customer down payment: **5-30%**

PERFORMANCE OVERVIEW

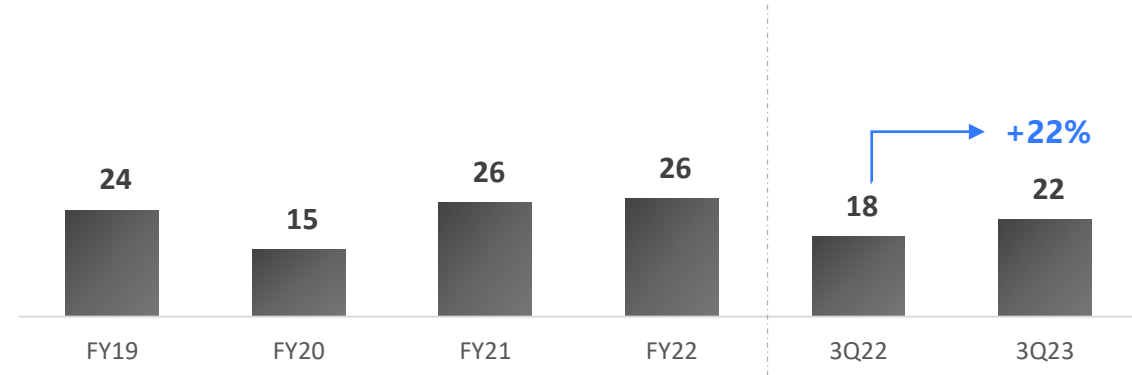
INCOME ON INVESTMENT IN LEASES (MGEL)
Increasing income generation in line with growing portfolio



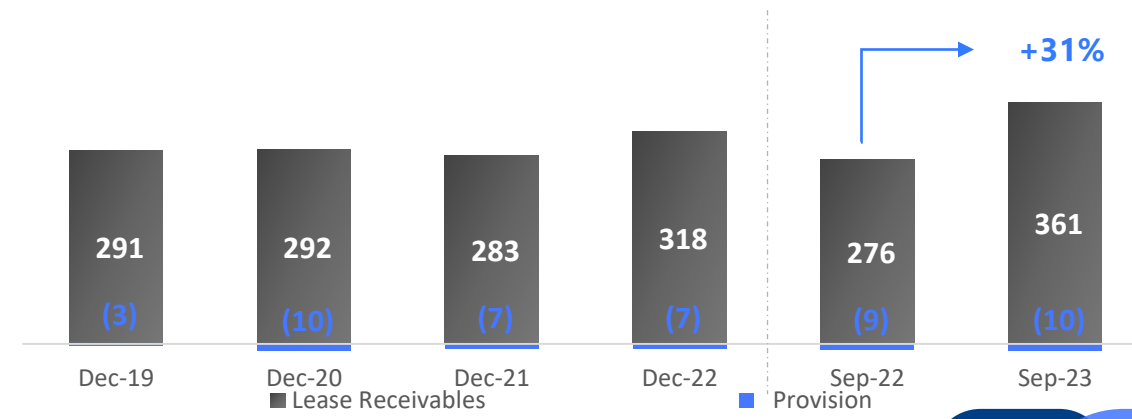
NET INCOME (MGEL)
Posted record high net income in 2022



NET INTEREST INCOME (MGEL)



LEASE RECEIVABLES
Delivering steady portfolio growth with 20% CAGR over last six years



FINANCIAL STATEMENTS

P&L (GEL, millions)	3Q23	3Q22	FY22	FY21	FY20	FY19
Interest Income	53	41	58	57	46	49
Net Interest Income	22	18	26	26	15	24
Operating Provision	(4)	(4)	(5)	(6)	(11)	(6)
Administrative Costs	(8)	(7)	(10)	(10)	(9)	(10)
Non Operating Income/Expense	3	2	1	2	2	0
Net Income	12	10	13	12	(4)	8

CHANGE 3Q22 – 3Q23 (Y-o-Y)	CHANGE FY21 – FY22 (Y-o-Y)
+28%	+1%
+22%	+3%
-1%	-7%
+17%	-2%
+45%	-22%
+26%	+5%

BS (GEL, Millions)	Sep-23	Sep-22	Dec-22	Dec-21	Dec-20	Dec-19
Lease Receivables	361	276	318	283	292	291
Provision	(10)	(9)	(7)	(7)	(10)	(3)
Net Lease Receivable	352	267	311	275	281	288
Total Assets	457	351	416	371	406	342
Borrowings	(358)	(269)	(313)	(300)	(358)	(273)
OFL	(24)	(25)	(42)	(23)	(13)	(29)
Equity	(75)	(58)	(61)	(48)	(35)	(39)
Total Liabilities and Equity	(457)	(351)	(416)	(371)	(406)	(342)

CHANGE Sep-22 – Sep-23 (Y-o-Y)	CHANGE Dec-21 - Dec-22 (Y-o-Y)
+31%	+613%
+10%	+1%
+32%	+13%
+30%	+12%
+33%	+5%
-2%	+82%
+29%	+27%
+30%	+12%

KEY PERFORMANCE INDICATORS

Ratio	FY19	FY20	FY21	FY22	3Q22	3Q23
C/I	35.4%	53.0%	35.6%	33.4%	36.2%	33.5%
COR	2.4%	4.0%	2.1%	1.9%	1.7%	2.2%
ROA	2.6%	-0.8%	3.2%	3.6%	3.1%	3.8%
ROE	27.6%	-8.1%	29.4%	23.9%	21.0%	24.0%
Tier 1	12.1%	11.3%	14.7%	16.4%	18.5%	18.7%
Tier 2	21.8%	22.6%	25.1%	25.2%	28.4%	29.1%

Significant cost efficiency and optimization measures translated in decreased cost to income margin of 33.4% in 2023

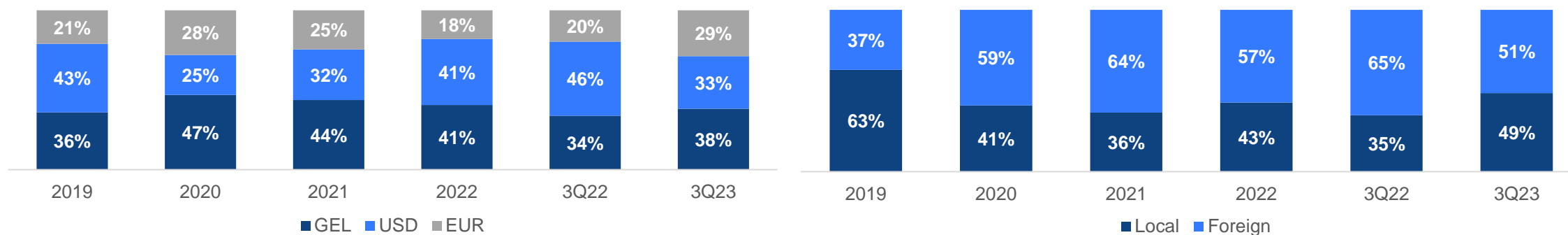
In 2022, cost of risk decreased to 1.9% as a result of improved portfolio quality, however went slightly up during 3Q23 by 0.3 pp which is natural for the company's business cycle

Increased profitability contributed to the improvement of ROA

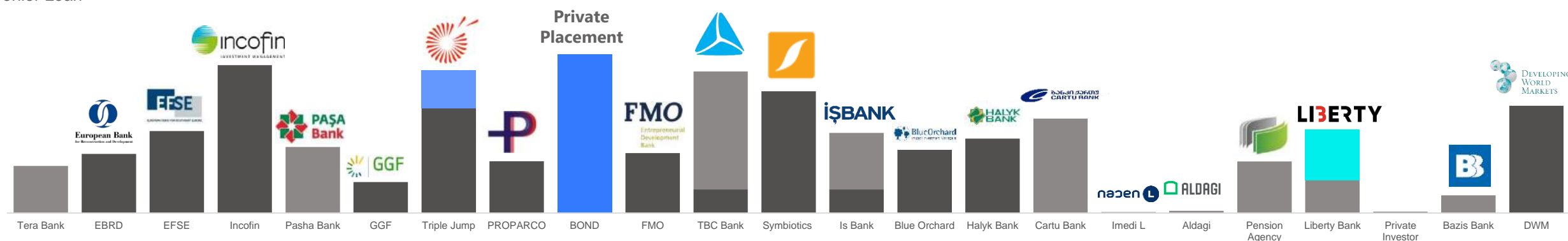
ROE reflects desirable level of company's profitability and efficiency

FUNDING DISTRIBUTION

WELL-DIVERSIFIED FUNDING STRUCTURE¹



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



¹As of September 2023

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E&S INITIATIVES | PROMOTING ENERGY EFFICIENT PROJECTS

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 last two years, 14 solar panel projects have already been financed, financing totaled 2.4¹ MGEL, part of which was granted by European Union under the EU4Energy Initiative.

GREEN PORTFOLIO

As part of our sustainability drive, we support our clients to shift towards a greener future by financing sustainable assets. We are actively developing new products that will help increase the financing volume of energy efficient assets as well as the production of renewable energy.

Many of our projects focus on the environment and clean energy – such as solar panels, wind power and small-scale hydro power plants. As of September 2023 Green Portfolio outstanding was 28 MGEL.

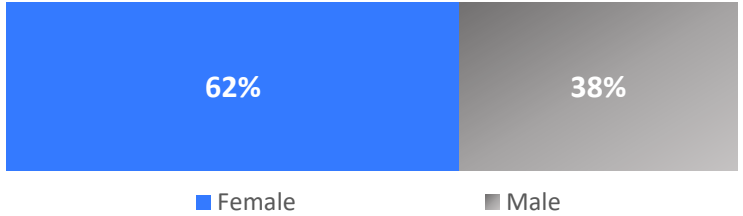
¹ As of September 2023



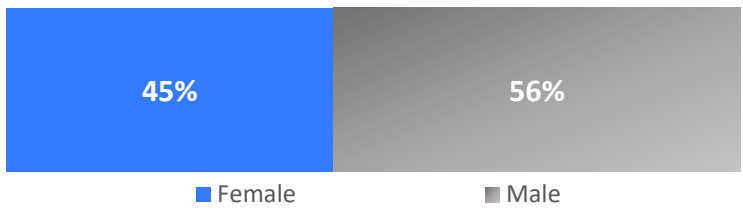
E&S INITIATIVES | EMPLOYEE MATTERS

EQUALITY AND DIVERSITY

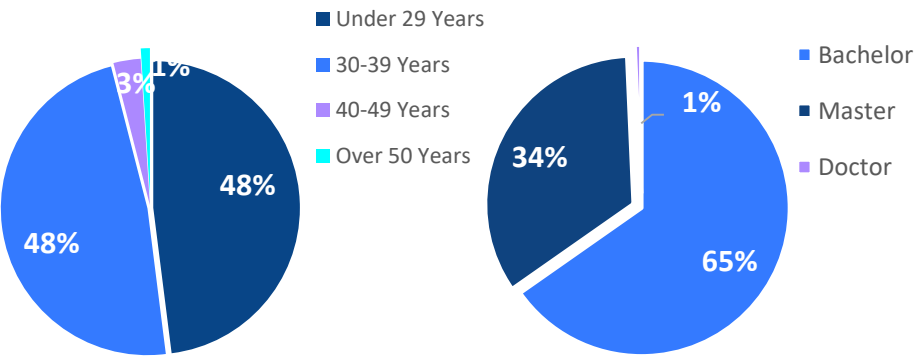
GENDER-BALANCED WORKFORCE¹



MIDDLE MANAGEMENT GENDER COMPOSITION¹



GRATE MIX OF YOUNG AND EXPERIENCED EMPLOYEES¹



144
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 September 2023



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

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