4finance Holding SA

Investor Presentation for three month 2018 results

25 May 2018

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Agenda

- Operational progress update
- Review of 3M 2018 results
- Loan portfolio and asset quality
- Conclusion

Key metrics for Q1 2018

Interest income

+18.0%
YoY

Instalment loan issuance

2.2x
YoY

Pre-provision operating profit

+28.0%
YoY

Adjusted EBITDA

€32.1m
+13% QoQ

Cost to income ratio

54.0%
4% improvement YoY

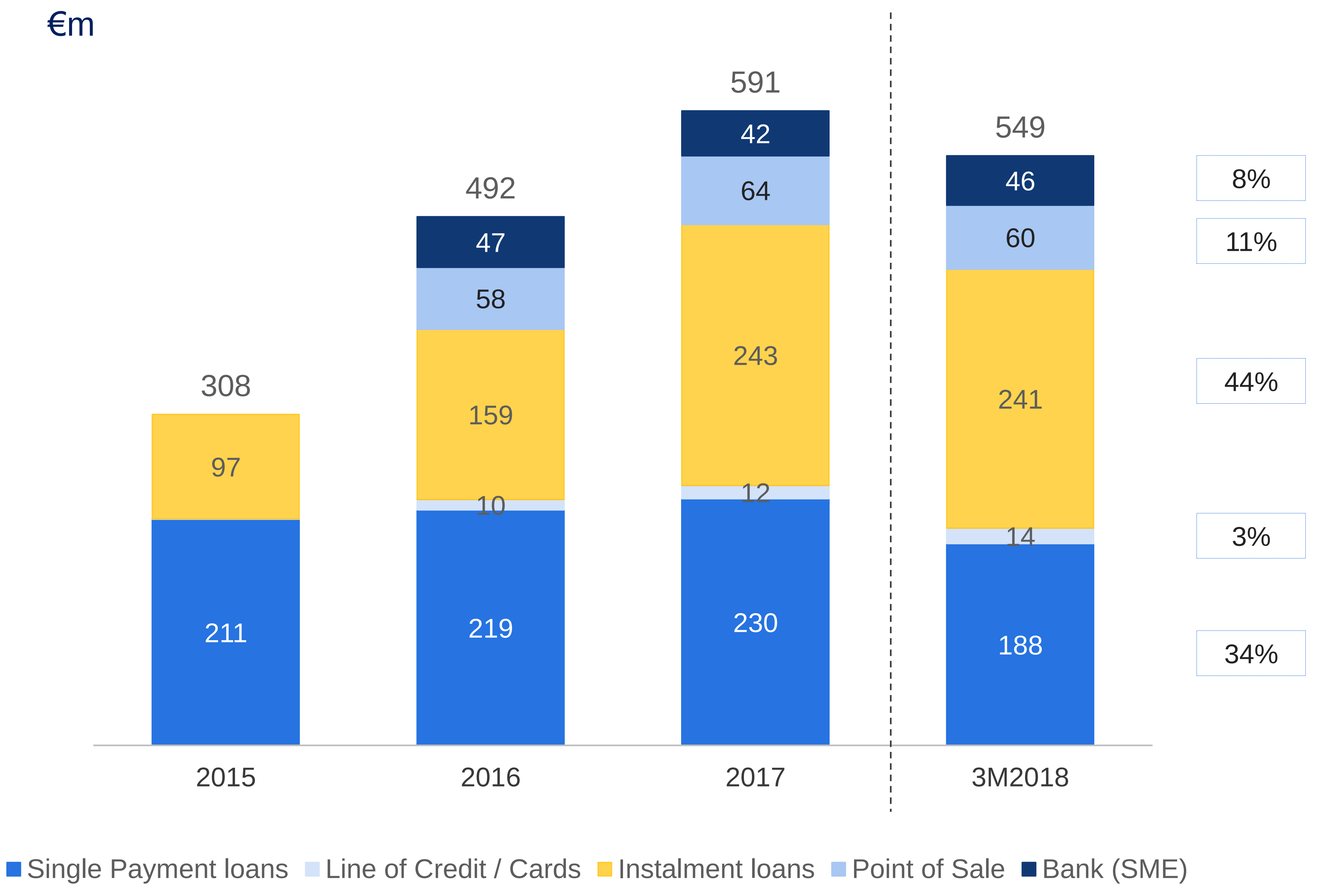
Gross NPL ratio

19.5%
7% improvement QoQ

Operational progress update

- Growth in our core markets, complemented by further product and market diversification
- Careful review of lending appetite, portfolio performance and focus on discipline across all markets
- Products or markets which do not meet our internal financial targets will be rationalised
- Cost reduction drive continues, with a focus now on improving HQ efficiency and effectiveness
- Friendly Finance integration and rationalisation almost complete
- Investment continues in strengthening our AML, GDPR and other strategic compliance priorities
- Nearing rollout of new IT platform, first beta underway in June.
- Near-prime project in Sweden on track for pilot launch in June, existing near prime initiatives in Spain and Lithuania showing promise
- Nearing the launch of our funding platform, enabling us to diversify our funding sources over time
- Streamlining our brand strategy

Net receivables by product



	Single Payment Loan count (k)			Instalment loan count (k)		
DPD	**Dec'16**	**Dec'17**	**Mar'18**	**Dec'16**	**Dec'17**	**Mar'18**
0-90	441.2	443.5	436.2	119.1	142.4	161.3
91-360	192.5	131.1	137.1	26.9	28.5	29.9
361-730	212.4	161.0	-	32.4	24.3	-
Total	**846.1**	**735.7**	**573.3**	**178.4**	**195.2**	**191.2**

Data shown for online loans excluding Friendly Finance

Responsible lending

Taking action to **put customers first**, and seek to **deliver good customer outcomes**

- **Customer Charter** draft established, and firm wide **Code of Conduct** introduced
- **Corporate Values** defined and rolled out
- **Whistle Blower** website introduced
- Addressing “edge cases” of **extension promulgation** in high interest markets
- Working to deploy **risk based pricing** in order to give customers the best price possible, and to retain customers of the highest quality

Continuous refinement of credit policies to **ensure we only lend to people who can afford to repay**

- Broadening use of **risk based lending limits**
- Additional **predictive variables** in our scorecards to better assess affordability
- Working to ensure **customers have safe landings** when they signal difficulties

Developing **meaningful and mutually beneficial regulatory relationships**

- Ensuring we **understand the regulatory arc**
- Helping regulators and legislators gain a solid **understanding of our business**
- Ensuring we have a **seat at the table**

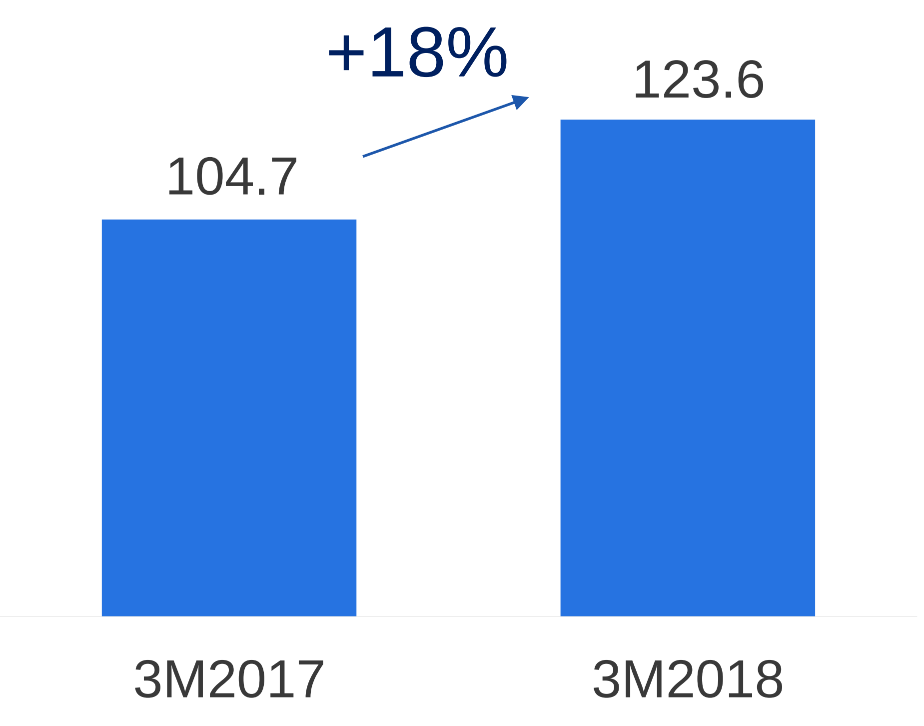
Review of 3M 2018 results

Summary of three month 2018 results

- 3M18 interest income up 18%, pre-provision operating profit up 28% year-on-year
  - Record €124m quarterly interest income, up 2% from Q4 2017
  - Adjusted EBITDA of €32m, down 8% year-on-year, after absorbing IFRS 9 impairment charges
  - Pre-provision operating profit of €52m, up 28% from last year
  - Profit before tax of €15m, down 10% from last year
- Interest income highlights by market and product
  - Strong growth in Poland coupled with solid performance across many European markets
  - Instalment loan interest income up 21% QoQ (growth and visibility)
  - TBI Bank solid performance driven by consumer lending growth
- Cost efficiency initiatives ongoing
  - Costs grew at lower rate than interest income
  - Costs reduced from Q4 2017 despite more conservative approach to Capex
  - Strategic approach to costs with longer term view / investment where appropriate
- Continued improvement in NPL ratios, following IFRS 9 and write-off period change
  - Gross NPL ratio improvement
  - Net impairment/interest income at 30% compared to 23% for Q1 2017
- Several portfolio growth metrics and ratios impacted by IFRS 9 adjustments to 1 January 2018 opening balance sheet

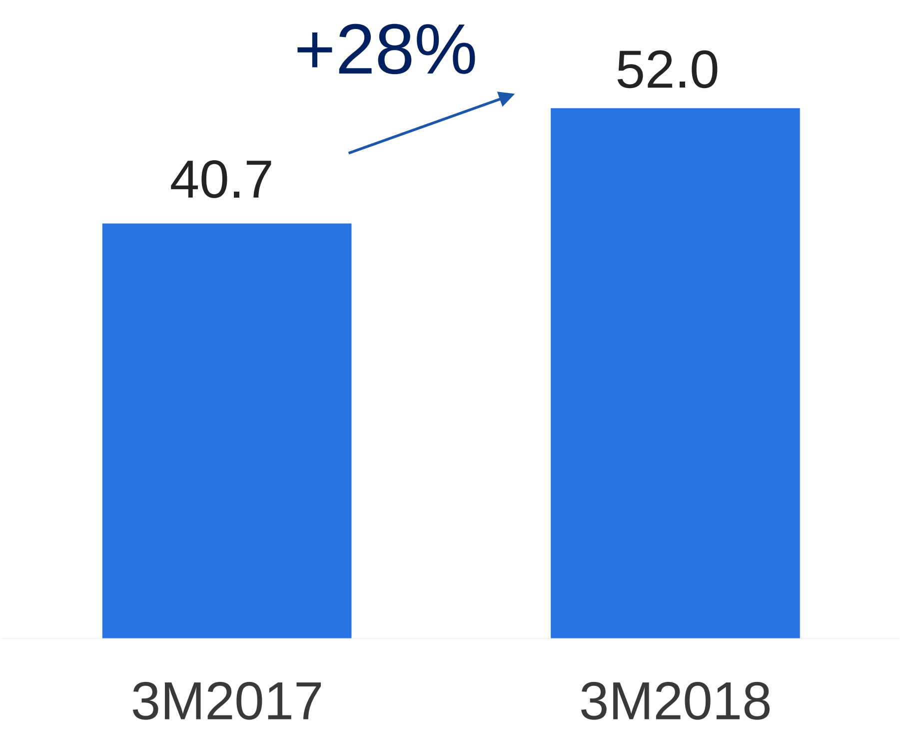
Interest Income

€m



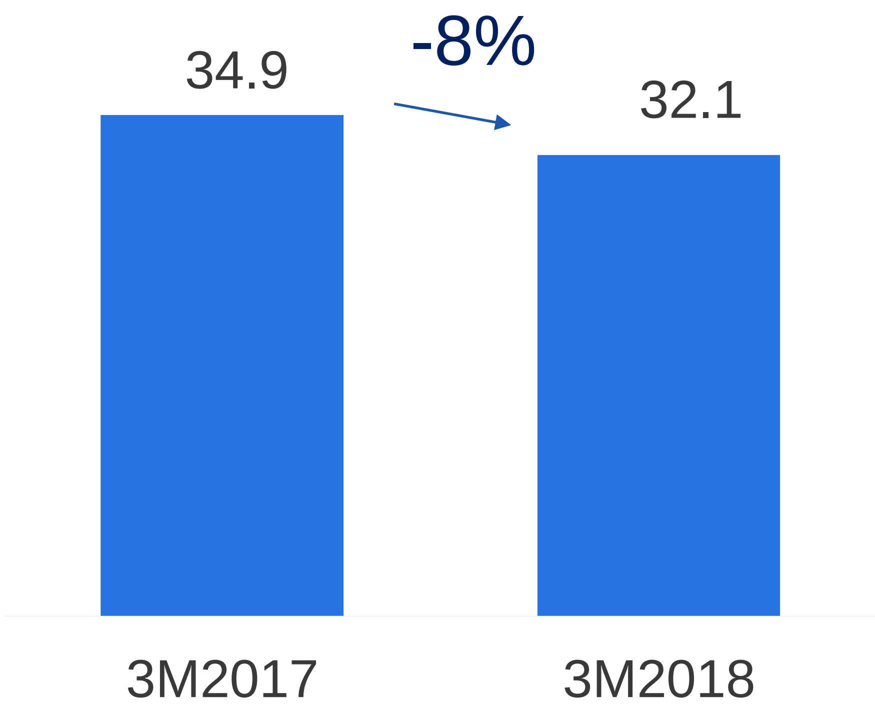
Pre-provision operating profit

€m



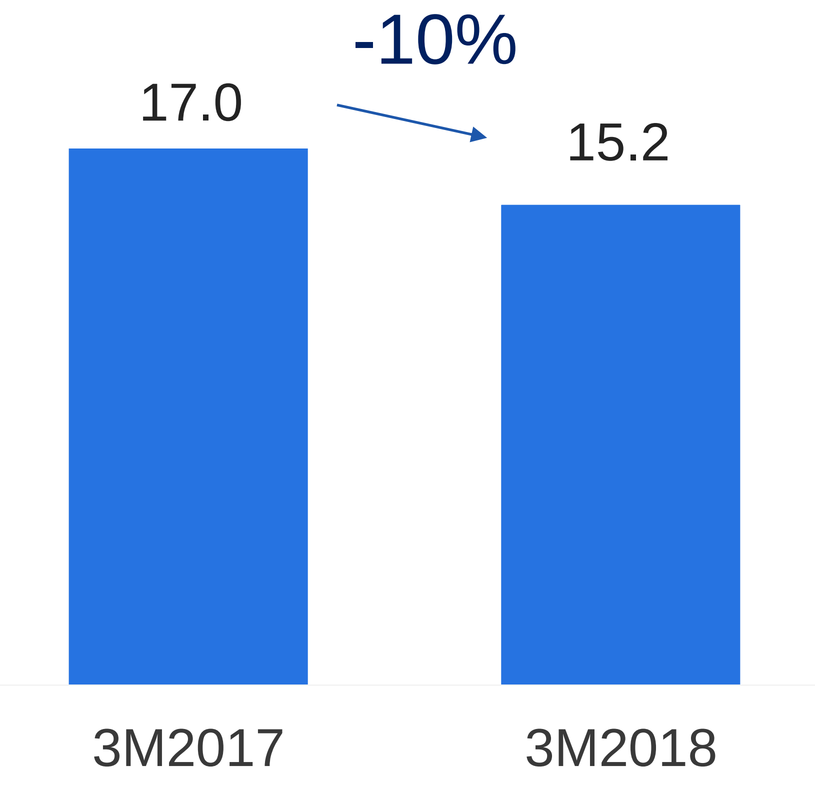
Adjusted EBITDA

€m



Profit before tax

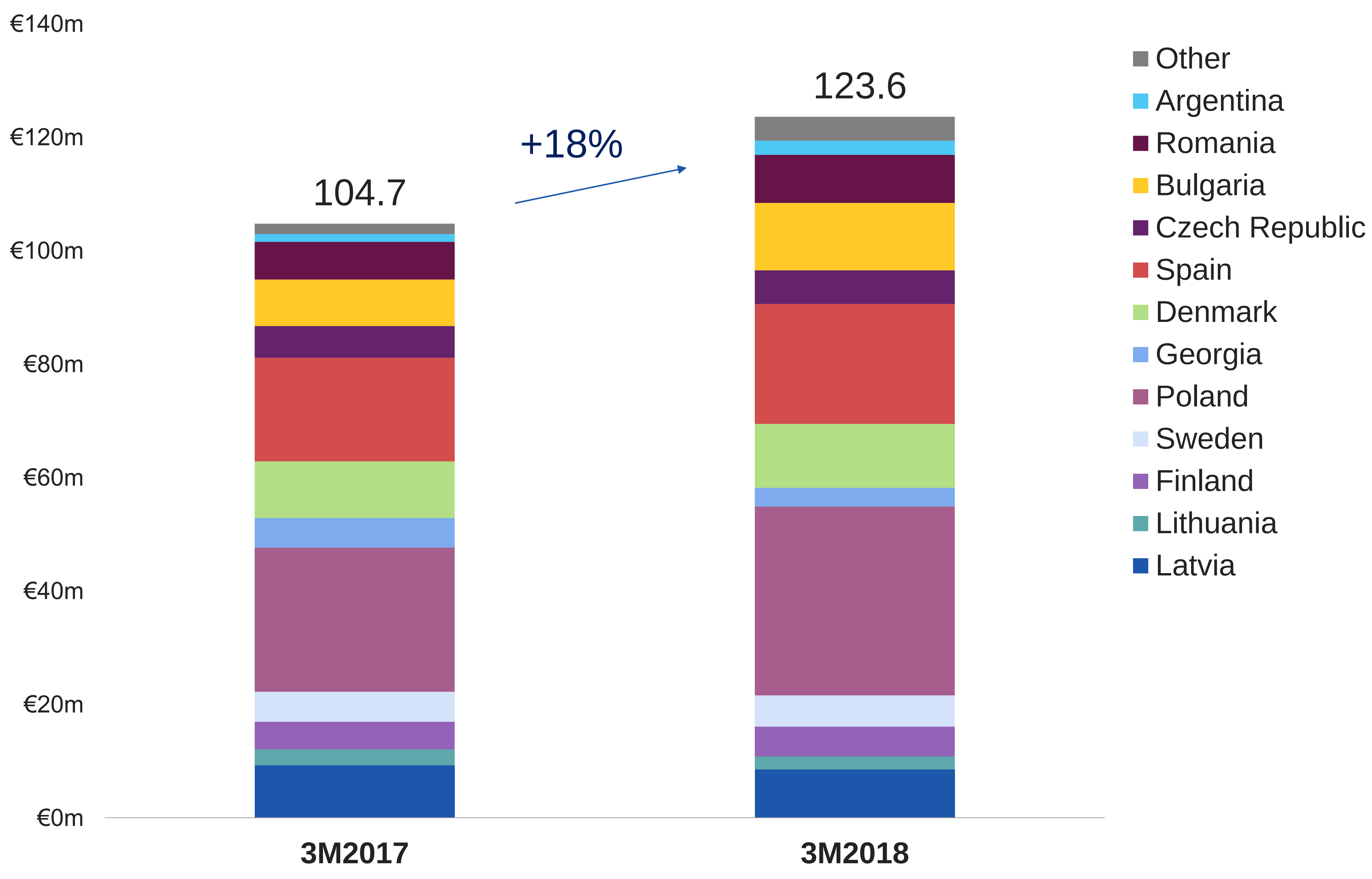
€m



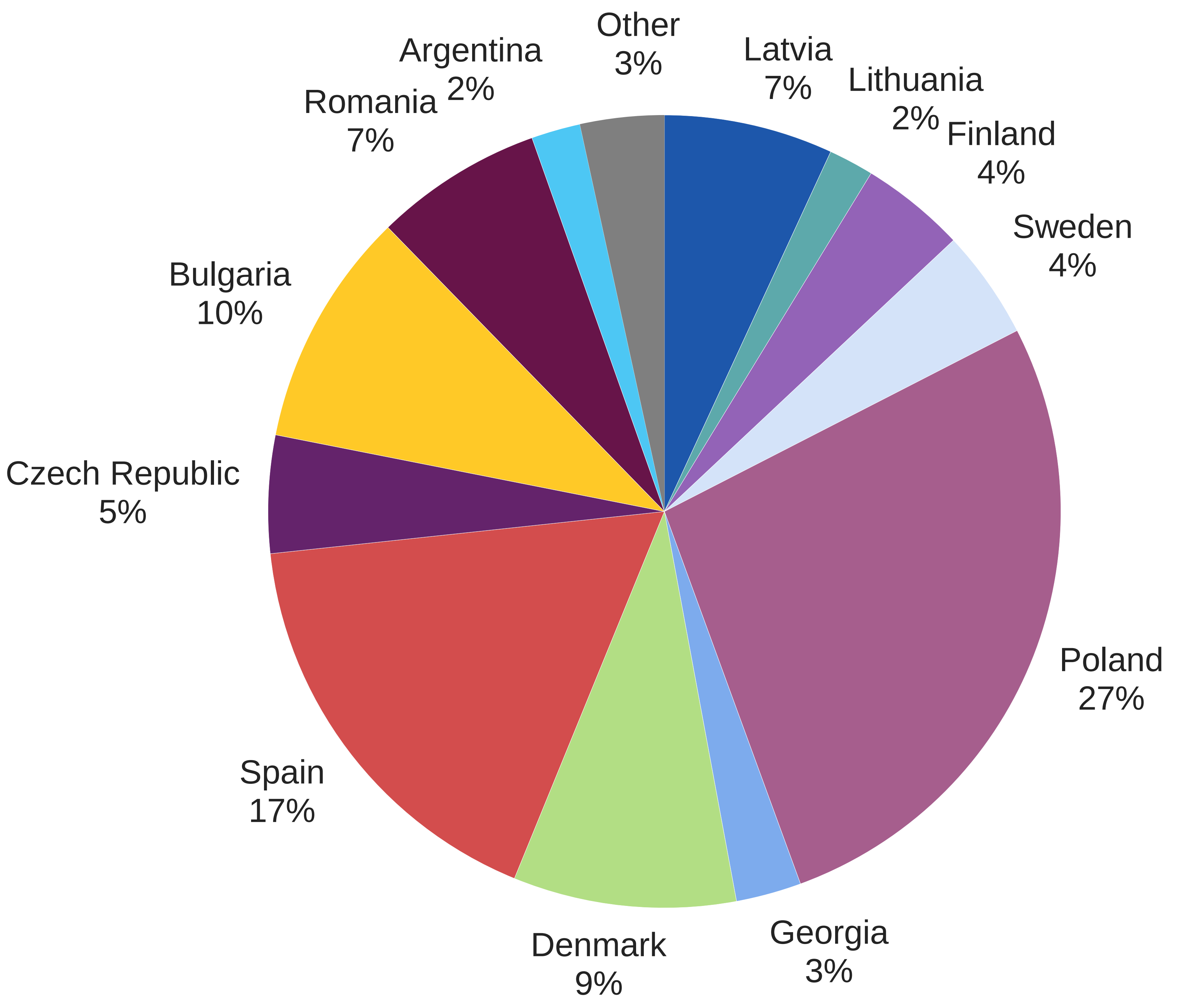
See appendix for definitions of key metrics and ratios

Interest income - growth and diversification

Interest income by country



3M2018 interest income: €124m

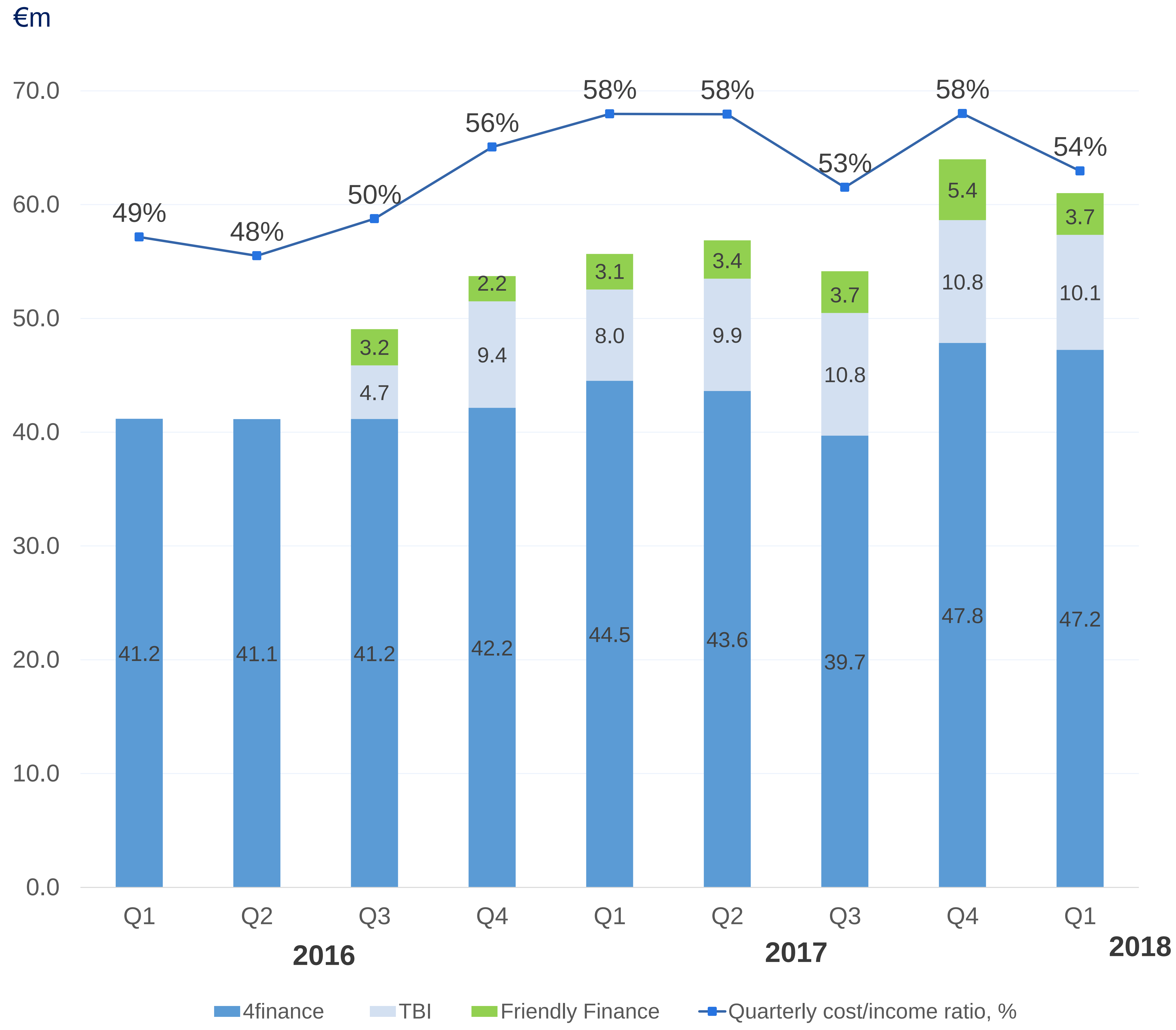


Note: Interest income from TBI Bank and Friendly Finance is allocated within the corresponding country

Operating cost drivers

- Year-on-year cost growth of 10%, substantially lower than increase in interest income
  - Year-on-year growth excluding acquisitions is only 6%
  - Q1 2018 includes IT development spend which would have been capitalised in Q1 2017, so ‘like for like’ cost increase in core business is less than 6%
  - D&A expenses removed from operating costs to better show controllable cash costs
  - 3M18 cost/income ratio improved at 54% compared to 58% in 3M17
- Cost efficiency projects ongoing with focus on cost/income ratio
  - Improved internal analytics and monitoring
  - Friendly Finance integration expected to yield savings later in 2018 after an increase in Q4 2017 & Q1 2018
  - New IT platform is key to unlocking material savings in the medium term
  - Greater ‘return on investment’ focus for all areas of investment (strategic, marketing, new products, etc)

Total operating costs

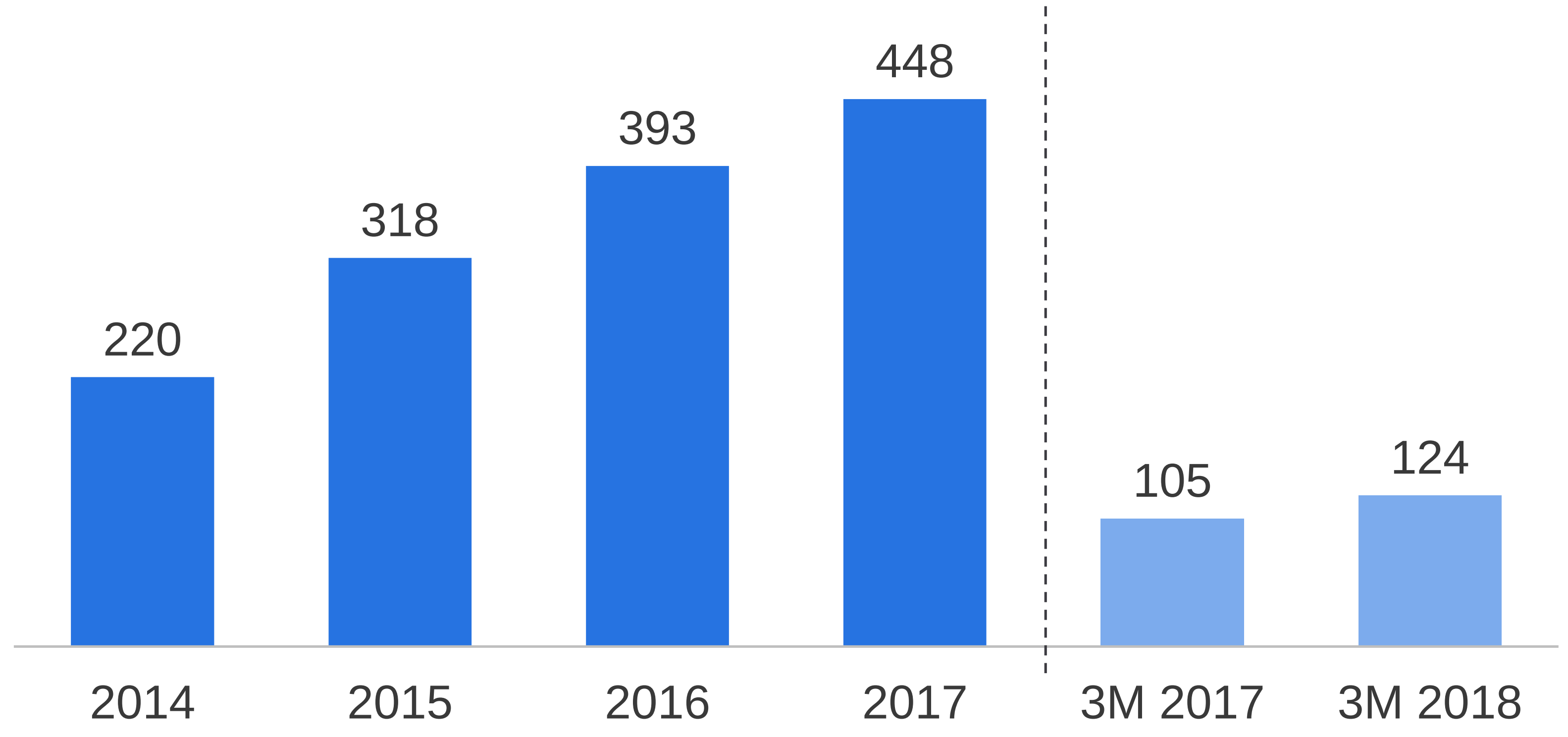


Note: 2017 quarterly costs reflect as-reported quarterly numbers. Totals do not match with 2017 audited financials due to capex de-recognition as part of year end one-off adjustments to intangible assets

Financial highlights – profitable growth

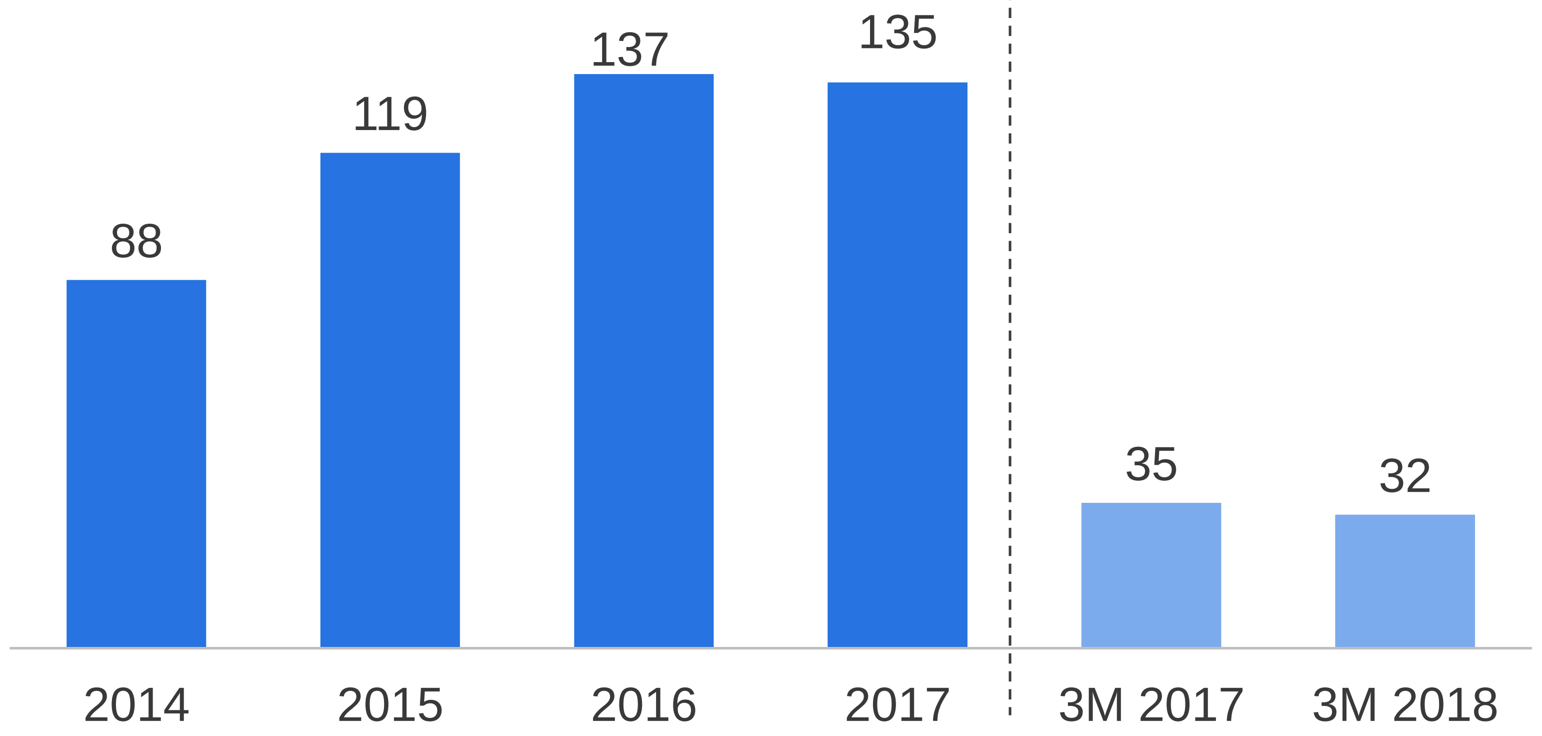
Interest income

€m

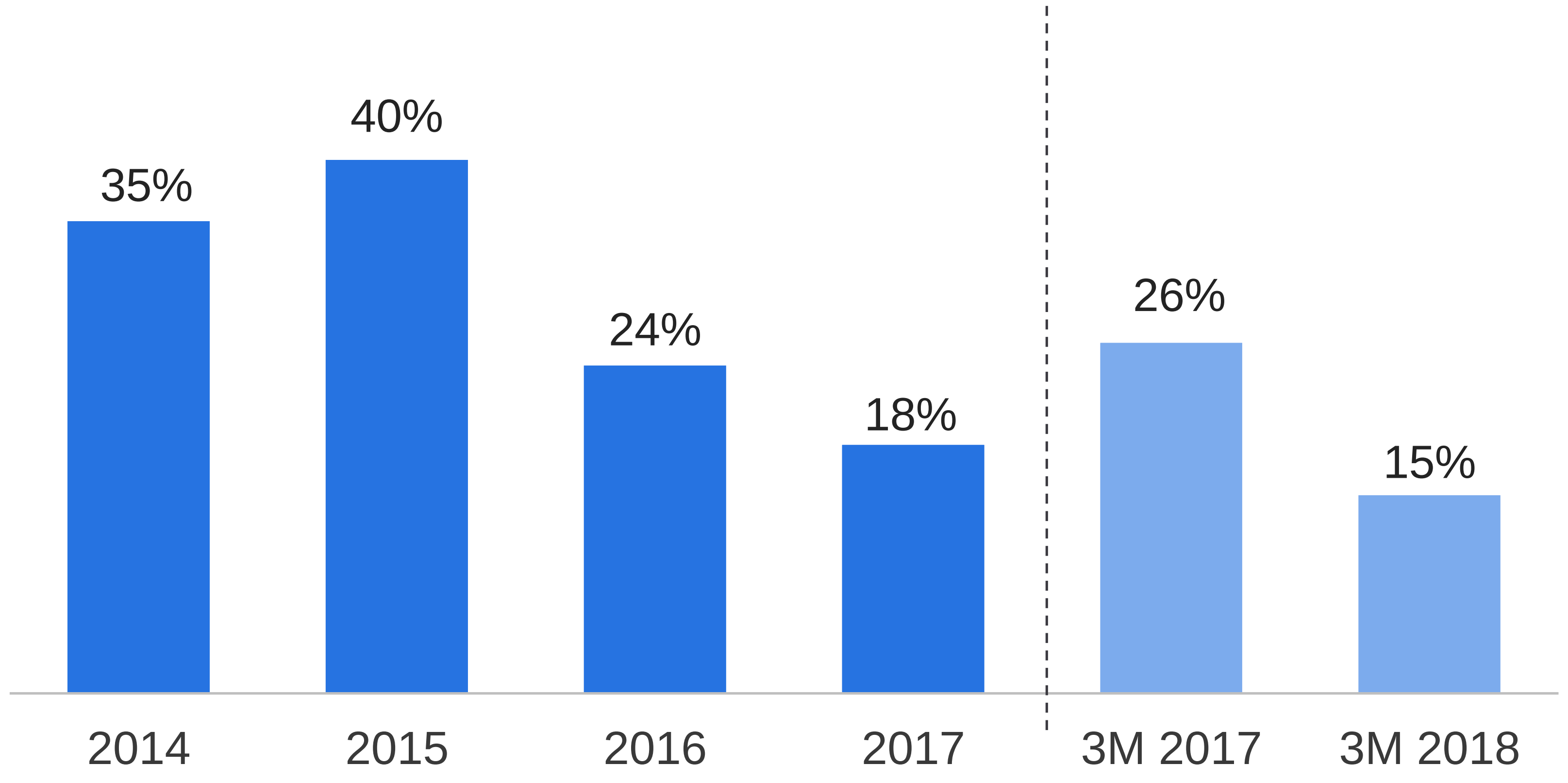


Adjusted EBITDA

€m

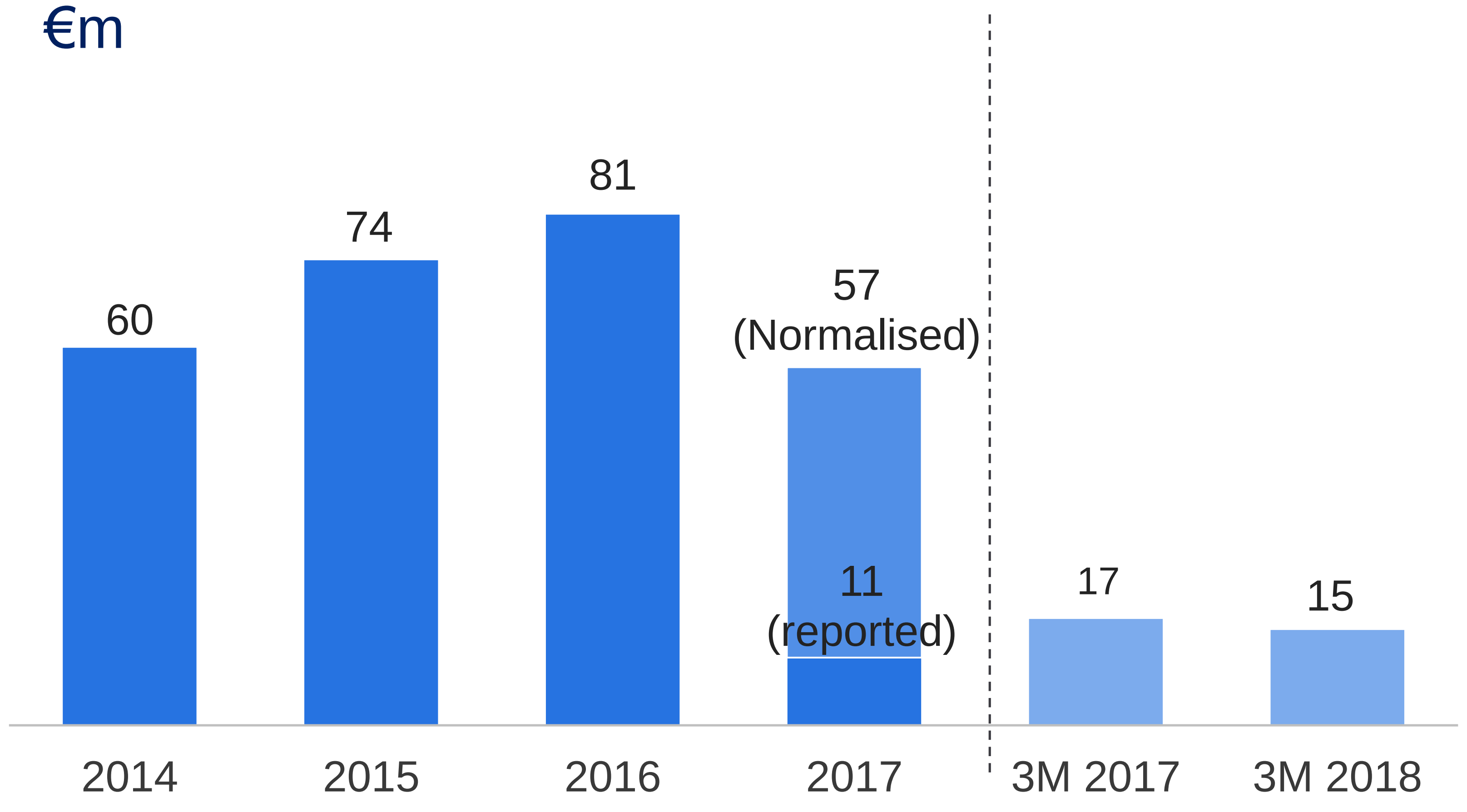


Equity to assets ratio, % (1)

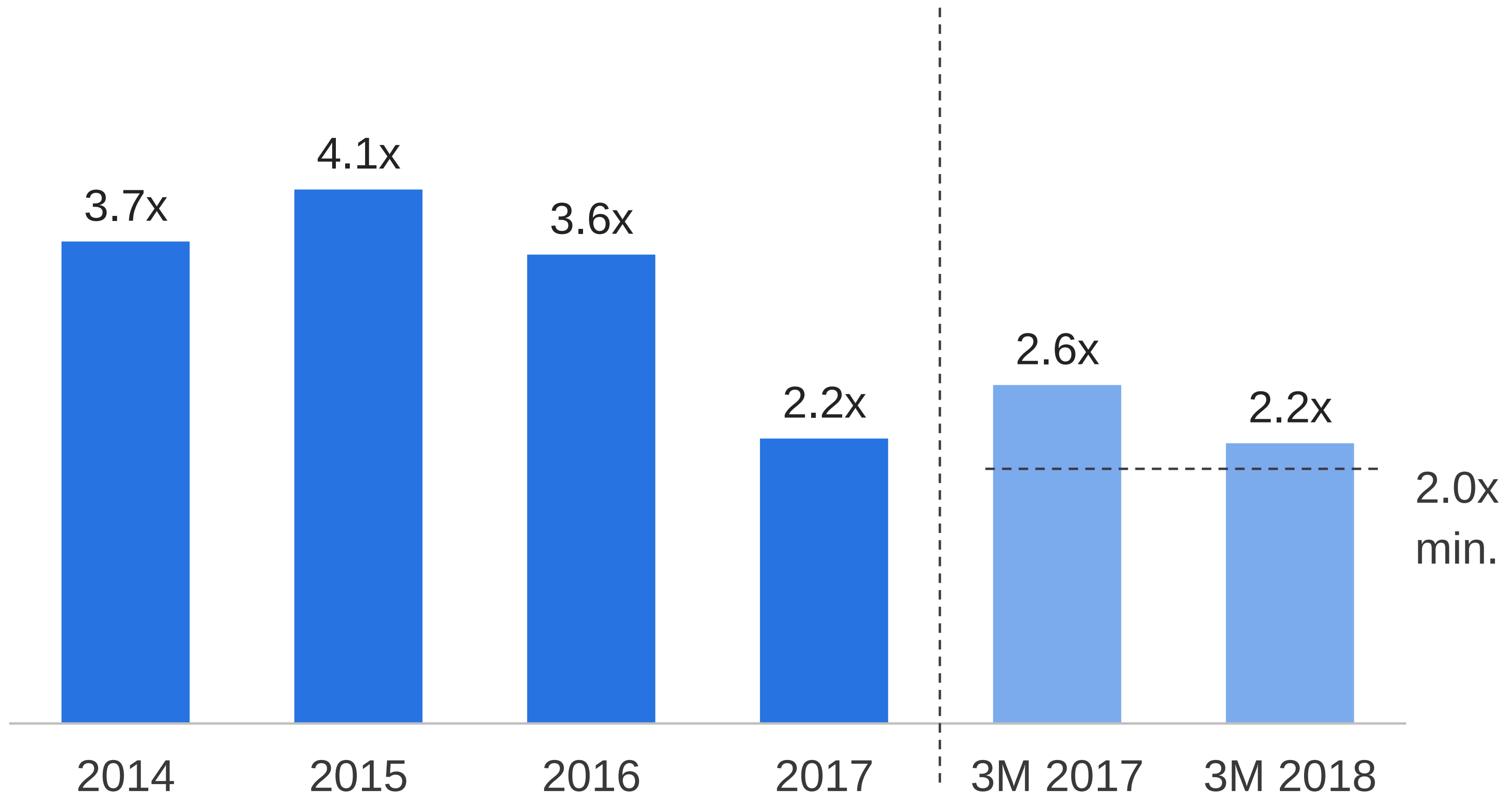


Profit before tax

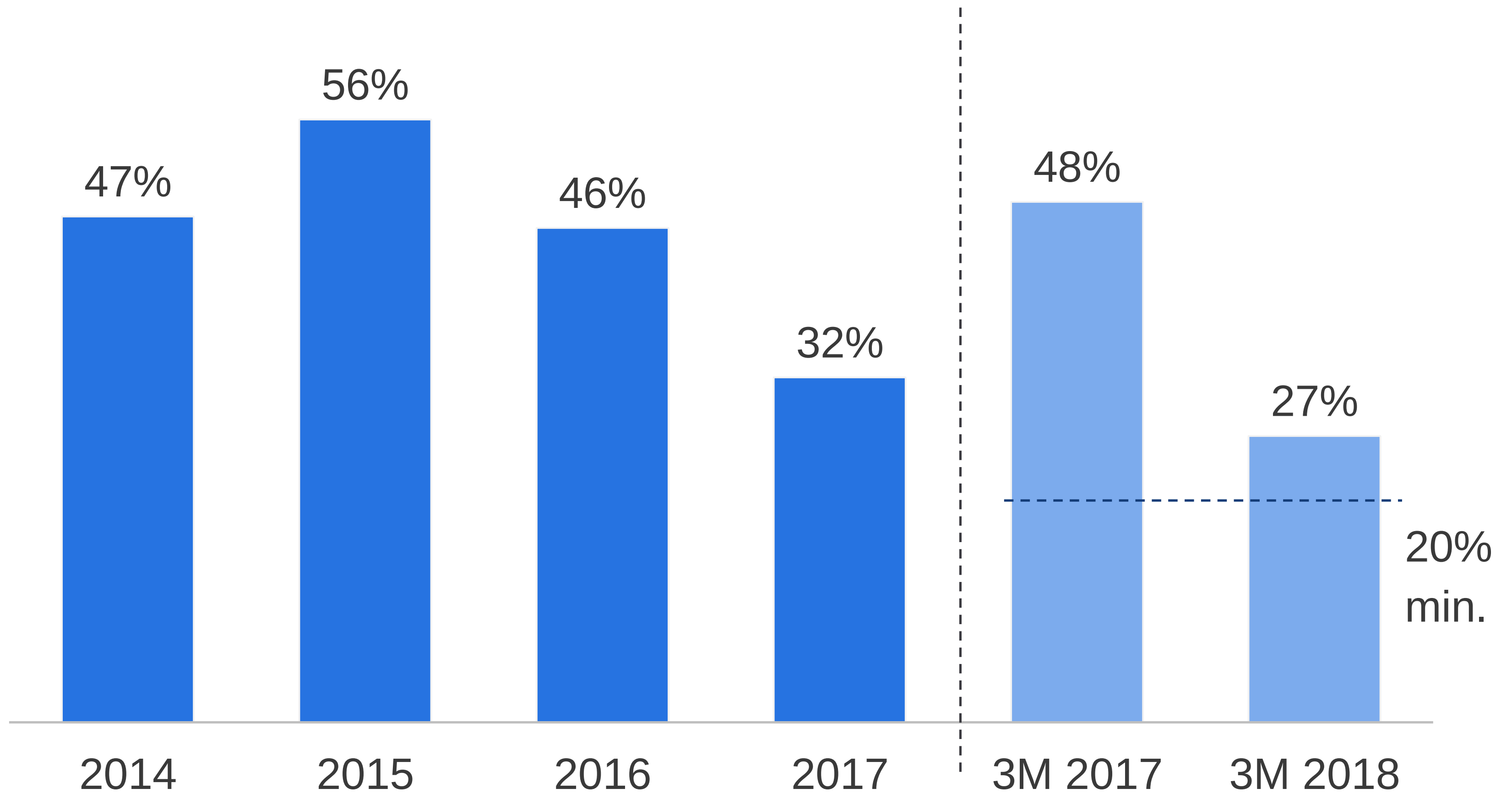
€m



Adjusted interest coverage ratio



Equity/net receivables, %



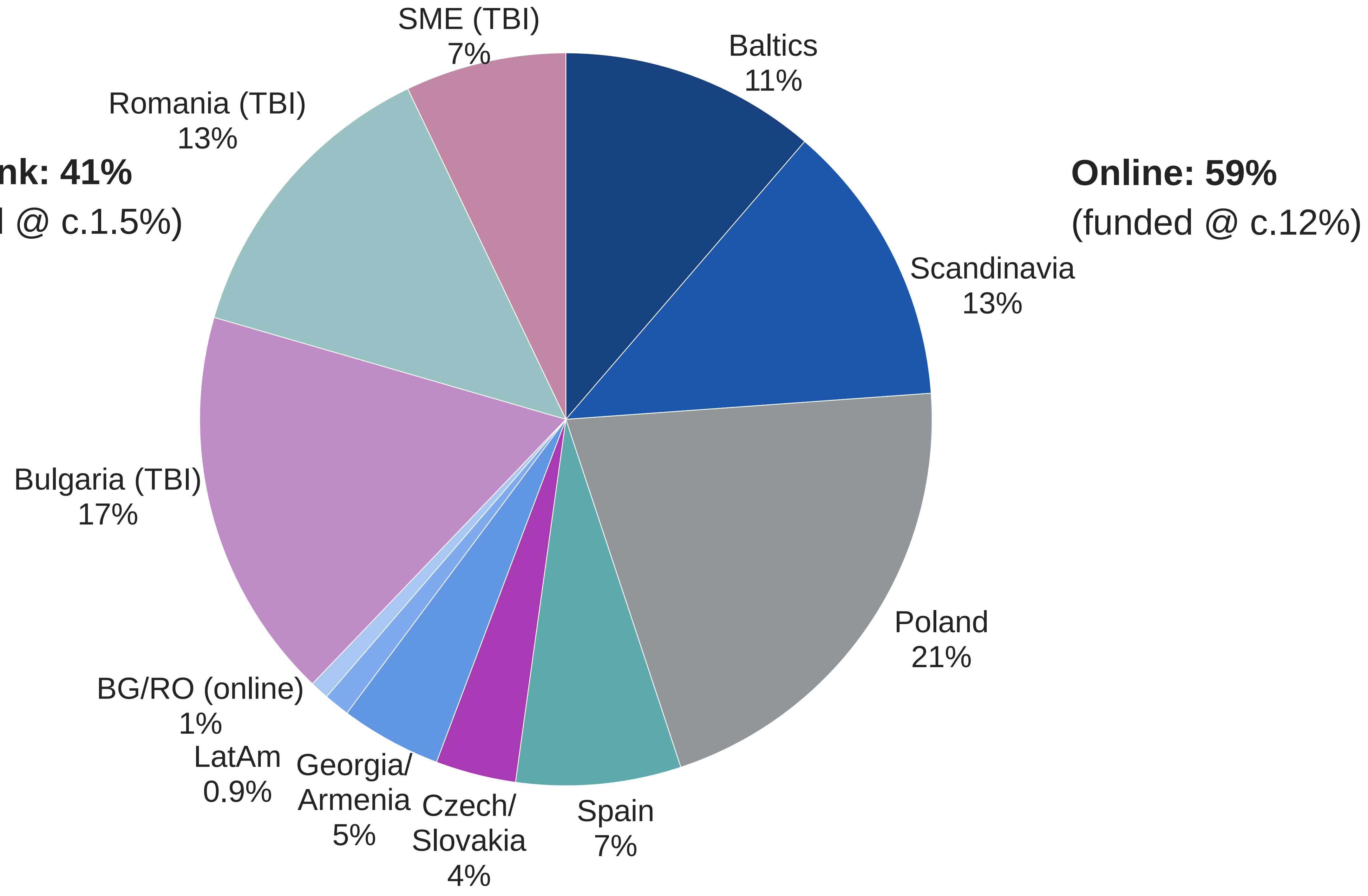
See appendix for definitions of key metrics and ratios

Note: (1) Total assets figure for 2014 adjusted for the effect of bonds defeasance

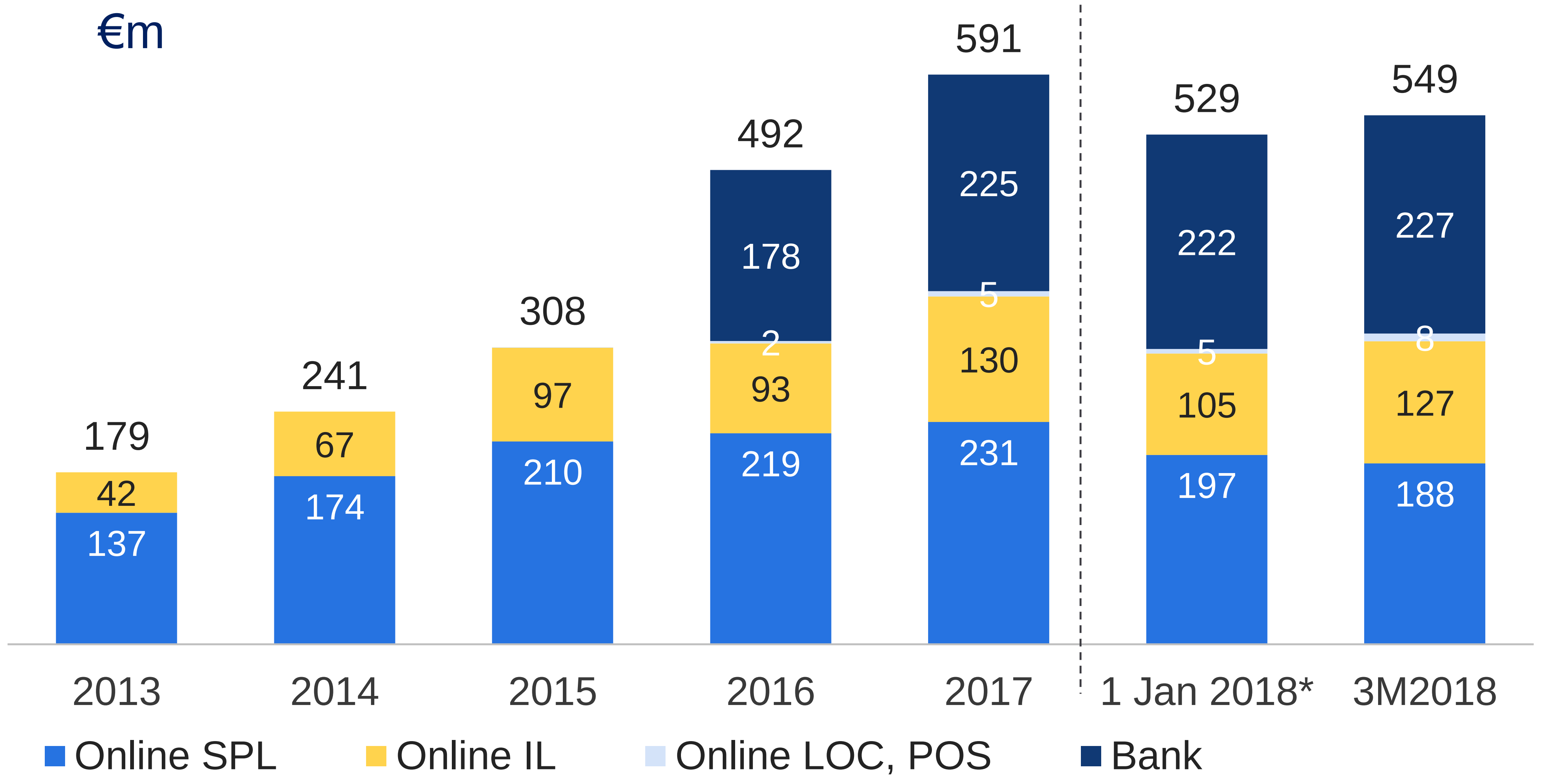
Growing and diversified loan portfolio

- 11% year-on-year growth in online loan issuance to €337m in 3M18
- Overall net receivables totals €549m
  - 4% growth during Q1 2018 (post IFRS 9)
  - 92% consumer loans
  - 59% online loans / 41% banking

Net receivables, 31/3/2018

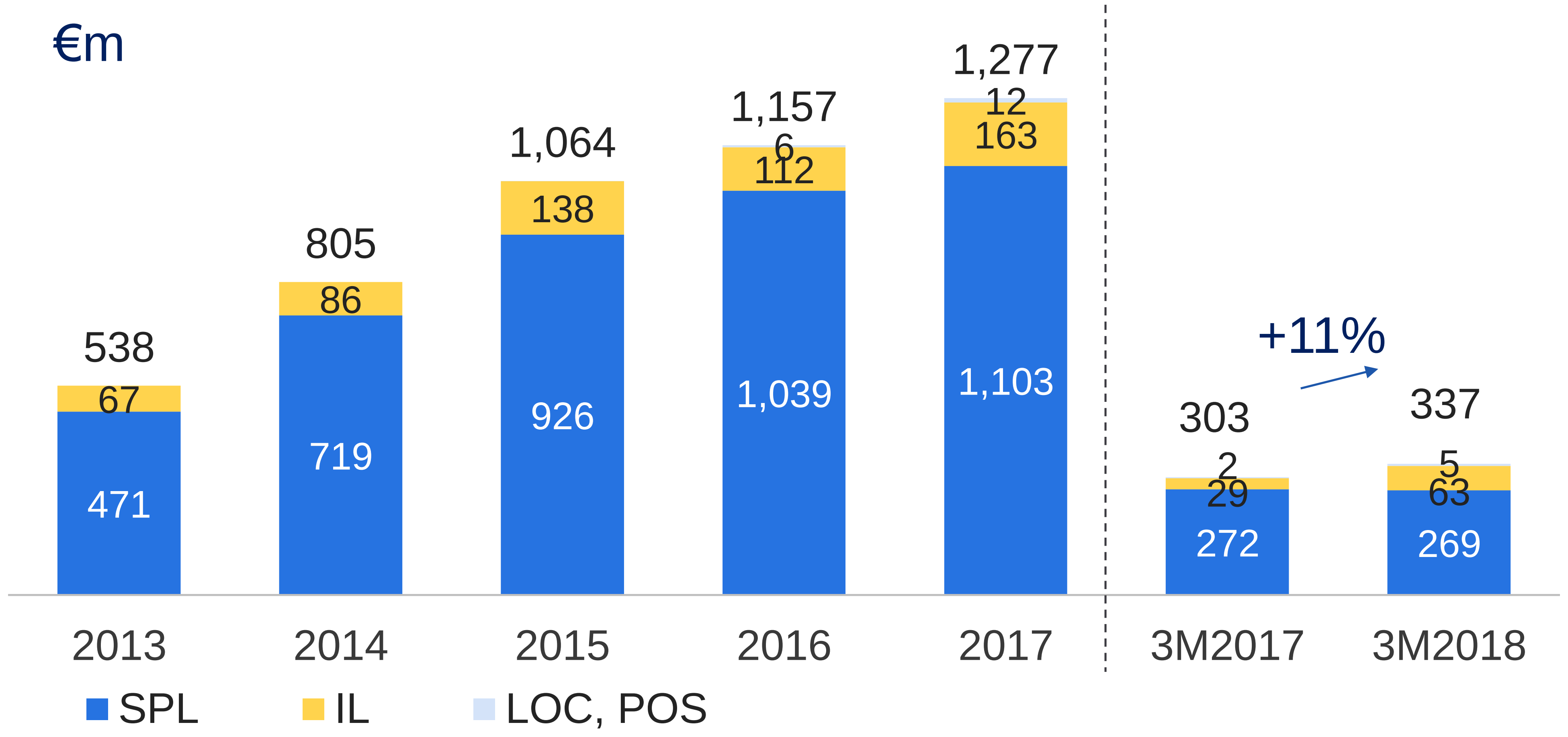


Net receivables(1)



* Post IFRS 9

Online loans issued

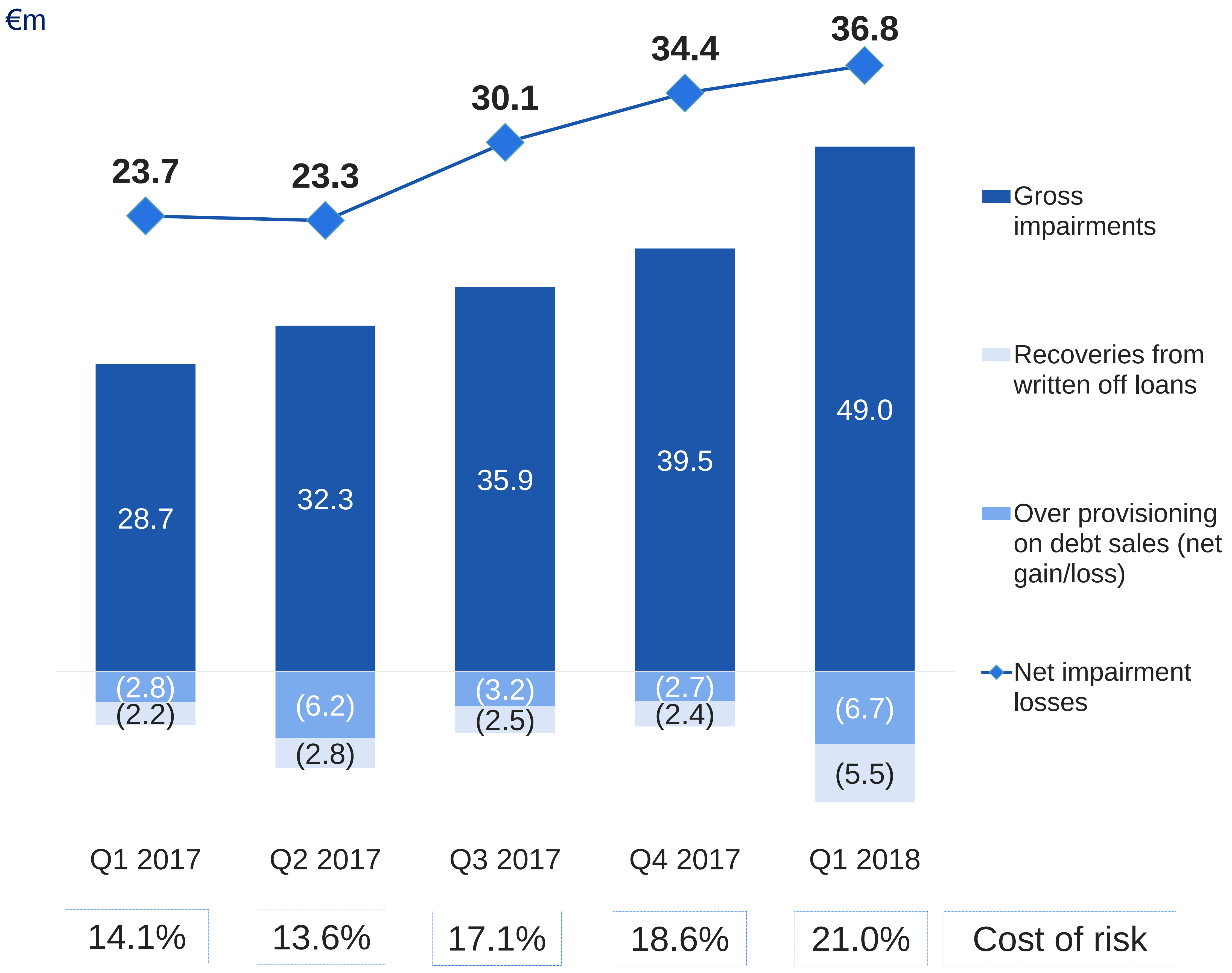


See appendix for definitions of key metrics and ratios

Note: (1) Bank receivables in 2017 include c. €1m from pilot transfer of Swedish instalment loans

Analysis of net impairments and cost of risk

Net impairment losses by quarter



- First quarterly results post IFRS 9 adoption are in line with anticipated trend, with a relatively small increase in Q1'18 to €36.8m vs €34.4m in Q4'17
  - Higher gross impairments largely offset by increases in debt sales and recoveries
  - Gross impairments also increased due to strong instalment loan origination during Q1 2018 and TBI Bank Romanian consumer portfolio
- Asset quality metrics under IFRS 9 are not easily comparable to prior year periods under IAS 39
  - Net impairment / interest income 30% (3M18) vs 23% (3M17)
  - Online cost of risk 27.2% (3M18) vs 17.9% (3M17)
  - Overall cost of risk 21.0% (3M18, including TBI Bank)
- Focus on continuous improvement in credit underwriting
  - Integration of additional data sources
  - Faster iterations of scorecards with regular recalibration

See appendix for definitions of key metrics and ratios

Asset quality and provisioning

- **Gross NPL ratios significantly improved following move to 360 DPD write-off period, with coverage ratios now well over 100%**
  - Online gross NPL ratio improved to 22.1% as of March 2018 from 33.5% as of December 2017
  - Overall gross NPL ratio improved to 19.5% as of March 2018 from 26.7% as of December 2017

	31 March 2018				1 January 2018 (post IFRS 9)				31 December 2017			
In millions of €, except percentages	Gross amount	Impairment allowance	Net amount	% of Gross Amount	Gross amount	Impairment allowance	Net amount	% of Gross Amount	Gross amount	Impairment allowance	Net amount	% of Gross Amount
Online receivables												
Performing[1]	359.2	(61.8)	297.3	77.9%	343.2	(56.7)	286.4	77.8%	343.2	(34.6)	308.6	66.5%
Non-performing[2]	101.9	(76.8)	25.1	22.1%	97.7	(77.5)	20.1	22.2%	172.5	(114.5)	58.0	33.5%
Online total	**461.1**	**(138.7)**	**322.4**	**100.0%**	**440.8**	**(134.3)**	**306.5**	**100.0%**	**515.7**	**(149.1)**	**366.6**	**100.0%**
TBI Bank receivables												
Performing[1]	217.2	(8.5)	208.6	85.3%	214.5	(7.0)	207.5	87.3%	214.5	(4.4)	210.1	87.3%
Non-performing[2]	37.3	(19.3)	18.0	14.7%	31.1	(16.2)	14.9	12.7%	31.1	(16.6)	14.5	12.7%
TBI Bank total	**254.5**	**(27.8)**	**226.7**	**100.0%**	**245.6**	**(23.2)**	**222.4**	**100.0%**	**245.6**	**(21.0)**	**224.6**	**100.0%**
Overall group receivables												
Performing[1]	576.4	(70.4)	506.0	80.5%	557.7	(63.7)	493.9	81.2%	557.7	(39.0)	518.7	73.3%
Non-performing[2]	139.2	(96.1)	43.1	19.5%	128.7	(93.7)	35.0	18.8%	203.6	(131.1)	72.5	26.7%
Overall total	**715.6**	**(166.5)**	**549.1**	**100.0%**	**686.4**	**(157.5)**	**529.0**	**100.0%**	**761.3**	**(170.1)**	**591.2**	**100.0%**

Notes:
(1) Performing receivables 0-90 DPD
(2) Non-performing receivables 91+ DPD

Conclusion

- The opportunity for 4finance is significant: uniquely positioned given existing scale and experience
- Strong start to 2018 with good top line growth and solid profitability
  - Improvement in cost/income ratio
  - Absorbed impact of move to IFRS 9 provisioning standard
  - Equity levels starting to build again following one-off Q4'17 adjustments
- Refined focus as a business sets us on a good trajectory
  - New IT platform initiative well underway
  - Instalment loan growth continues, with careful monitoring of risk metrics
  - Pilots of near-prime products and securitisation platform imminent
- Succession plan in place for upcoming leadership transition

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Thank you and Questions

Appendix – regulatory overview

Regulatory overview

Country	% of interest income (Q1 2018)	Products[1]	Regulator	CB[2]	License required [3]	Interest rate cap	Status
Argentina	2%	SPL	Consumer Protection Directorate	-	-	-	
Armenia	1%	IL	Central Bank of the Republic of Armenia	Yes	Yes	-	
Bulgaria – Online	1%	SPL, IL, POS	Bulgarian National Bank	Yes	Yes	Yes	
Bulgaria - Bank	9%	IL, LOC, POS, SME					
Czech Republic	5%	SPL, IL	Czech National Bank	Yes	Yes	-	License granted in May 2018
Denmark	9%	SPl, IL	Consumer Ombudsman	-	-	-	
Finland	4%	SPL, LOC	Finnish Competition and Consumer Authority	-	-	Yes[4]	New proposals on rate caps under review
Georgia	3%	SPL, IL	National Bank of Georgia	Yes	Yes	Yes	Potential reduction in rate cap
Latvia	7%	SPL, IL, LOC	Consumer Rights Protection Centre	-	Yes	Yes	
Lithuania	2%	SPL, IL	Central Bank of Lithuania	Yes	Yes	Yes	
Mexico	1%	SPL	Natioanl Financial Services Consumer Protection Commission	-	Yes	-	
Poland	27%	SPL, IL	Office of Competition and Consumer Protection	-	-	Yes	
Romania – Online	1%	SPL, IL	National Bank of Romania	Yes	Yes	Under discussion	Interest rate cap proposal being debated
Romania – Bank	6%	IL, LOC, POS, SME					
Slovakia	1%	SPL	National Bank of Slovakia	Yes	Yes	Yes	
Spain	17%	SPL, IL, POS	N/A	-	-	-	
Sweden	5%	SPL, IL	Swedish Financial Supervisory Authority	Yes	Yes	-	Cap on interest rate and total cost of credit passed as law in May 2018

Notes:
(1) Abbreviations: SPL – Single Payment Loans; IL – Instalment loans; LOC – Line of Credit / Credit Cards; POS – Point of Sale; SME – Business Banking (Small-Medium Sized Enterprise
(2) Indicates whether the regulator is also the main banking supervisory authority in the relevant market
(3) Indicates license or specific registration requirement
(4) Rate cap applies to loans below €2,000. New proposals under review

Appendix – financials and key ratios

Income statement

€ m	Q12018 (unaudited)	Q12017 (unaudited)	% change YoY	Q42017 (unaudited)	% change QoQ
Interest Income	123.6	104.7	+18%	120.8	+2%
Interest Expense	(14.9)	(13.3)	+12%	(16.4)	(9)%
Net Interest Income	**108.7**	**91.4**	**+19%**	**104.4**	**+4%**
Net F&C Income	2.3	2.0	+13%	3.0	(24)%
Other operating income	2.1	2.2	(2)%	2.3	(10)%
Non-Interest Income	**4.4**	**4.2**	**+5%**	**5.4**	**(18)%**
Operating Income	**113.1**	**95.6**	**+18%**	**109.8**	**+3%**
Total operating costs	**(61.0)**	**(55.7)**	**+10%**	**(64.0)**	**(5)%**
Non-recurring income/(expense)	-	4.4	nm	0.3	nm
Net FX gain/(loss)	2.4	(1.6)	nm	(1.7)	nm
Depreciaction and amortisation	(2.5)	(2.0)	+25%	(2.4)	+3%
One-off adjustments to intangible assets	-	-	nm	(46.1)	nm
Pre-provision operating profit	**52.0**	**40.7**	**+28%**	**(4.1)**	**nm**
Net impairment losses	(36.8)	(23.7)	+55%	(34.4)	+7%
Profit before tax	**15.2**	**17.0**	**(10)%**	**(38.5)**	**nm**
Income tax expense	(4.6)	(4.6)	0%	(12.5)	(63)%
Net profit/(loss) after tax	**10.6**	**12.4**	**(14)%**	**(51.0)**	**nm**
Adjusted EBITDA	**32.1**	**34.9**	**(8)%**	**28.4**	**+13%**

Balance sheet

€ m	Q12018 (unaudited)	1 January 2018 (post IFRS 9)	FY 2017
Cash and cash equivalents, of which:	153.8	154.9	154.9
- Online	53.5	65.8	65.8
- Bank	100.3	89.2	89.2
Placement with other banks	5.7	7.0	7.0
Gross receivables due from customers	715.6	686.4	761.3
Allowance for impairment	(166.5)	(157.5)	(170.1)
Net receivables due from customers	**549.1**	**529.0**	**591.2**
Net investments in finance leases	9.3	10.5	10.5
Loans to related parties	63.1	65.7	66.6
Property and equipment	9.6	10.1	10.1
Financial assets available for sale	18.3	18.4	18.4
Prepaid expenses	8.7	10.8	10.8
Income tax assets	21.2	21.5	20.7
Deferred tax assets	37.1	33.3	29.4
Intangible IT assets	28.1	28.6	28.6
Goodwill	21.4	21.4	21.4
Other assets	67.8	57.3	57.3
Total assets	**993.2**	**968.4**	**1,026.9**
Loans and borrowings	467.2	465.0	470.2
Deposits from customers	272.8	271.0	271.0
Deposits from banks	9.4	—	—
Corporate income tax payable	17.8	19.8	19.8
Other liabilities	79.9	76.5	76.5
Total liabilities	**847.1**	**832.3**	**837.5**
Share capital	35.8	35.8	35.8
Retained earnings	147.5	135.0	188.3
Reserves	(34.3)	(32.3)	(32.3)
Total attributable equity	**149.0**	**138.5**	**191.8**
Non-controlling interests	(2.8)	(2.4)	(2.4)
Total equity	**146.1**	**136.2**	**189.4**
Total shareholders' equity and liabilities	**993.2**	**968.4**	**1,026.9**

Cashflow summary

€ m	Q12018 (unaudited)	Q12017 (unaudited)	FY2017 (audited)
Operating cash flow before movements in portfolio and deposits	**61.4**	**41.0**	**219.0**
Net cash flows from operating activities	(2.3)	16.0	1.7
Net cash flows from investing activities	2.7	(1.6)	(30.1)
Net cash flows used in financing activities	(3.0)	(17.5)	22.3
Net decrease/increase in cash and cash equivalents	(2.6)	(3.1)	(6.1)
Cash and cash equivalents at the beginning of the period	**131.9**	**137.0**	**137.0**
Effect of exchange rate fluctuations on cash	0.3	(0.4)	1.0
Cash and cash equivalents at the end of the period	**129.6**	**133.5**	**131.9**
TBI Bank Minimum statutory reserve	24.2	24.3	23.0
Total cash on hand and cash at central banks	**153.8**	**157.8**	**154.9**

Key ratios – profitability

Profitability	Q12018	Q12017	Q42017
ROAA, %* (1)	4.3%	5.2%	1.7%
ROAE, %* (2)	30.1%	21.0%	7.2%
ROATE, %	75.5%	39.1%	11.9%
Interest Income/Average Interest Earning Assets, % (3)	69.9%	61.5%	64.7%
Interest Income/Average Gross Loan Receivables, %	70.5%	62.4%	65.1%
Interest Income/Average Net Loan Receivables, %	91.7%	83.7%	84.1%
Interest Expense/Interest Income, %	12.1%	12.7%	13.6%
Cost Of Funds, % (4)	7.1%	7.5%	7.9%
Cost Of Interest Bearing Liabilities, % (5)	8.1%	8.3%	8.8%
Net Spread, % (6)	61.8%	53.2%	55.9%
Net interest margin, %			
- Online	81.0%	66.2%	70.5%
- TBI Bank	27.8%	25.1%	28.7%
- Overall group	62.0%	54.4%	56.3%
Net Fee & Commission Income/Total Operating Income, %	2.0%	2.1%	2.8%
Net Fee & Commission Income/Average Total Assets, %*	0.9%	0.9%	1.1%
Net Non-Interest Income/Total Operating Income,%	3.9%	4.4%	4.9%
Net Non-Interest Income/Average Total Assets,% *	1.8%	1.8%	2.0%
Operating Leverage, ppts			
Recurring Earning Power,% * (7)	22.4%	17.9%	16.7%
Earnings Before Taxes/Average Total Assets*	6.0%	7.2%	2.8%

Notes:
* *Normalised ratios adjusted* to remove the effect of the one-off adjustments to intangible assets in Q4 2017 (for 2017 ratios) and adjusted to reflect the opening balance of 2018 balance sheet after IFRS 9 effects (for 2018 ratios)

(1) ROAA equals: Net Income of the period divided by average total assets for the same period
(2) ROAE equals: Net Income of the period divided by average total equity for the same period
(3)Interest Earning Assets include: Placement with other banks and Gross Loan Receivables

(4) Interest expense of the Period/Average Total Liabilities for the same period

(5) Interest expense of the period/Average Interest Bearing Liabilities for the same period. Interest Bearing Liabilities include Loans and Borrowings and Deposits from customers and banks

(6) Interest income of the period/Average Interest Earning Assets for the same period less Cost of Interest Bearing Liabilities

(7) Profit(Pre-discretionary bonus) Before Net impairment losses of the period/Average Total Assets for the same period

Key ratios – efficiency

Efficiency	Q12018	Q12017	Q42017
Cost / income ratio, %	54.0%	58.2%	58.3%
Total Assets/Employee, (in thousands of €)*	286	277	305
Total Operating Income/Employee, (in thousands of €)	130	110	123
Total Recurring Operating Costs/Average Total Assets, %*	24.9%	23.5%	23.6%
Total Operating Income/ Average Total Assets, %*	46.1%	40.4%	40.4%
Total Recurring Cash Costs/Average Total Assets, %* (1)	24.9%	23.5%	23.6%
Net Income (Loss)/Employee, (in thousands of €)*	12	14	5
Personnel Costs/Average Total Assets, %*	11.3%	10.3%	9.6%
Personnel Costs/Total Recurring Operating Costs,%	45.6%	44.0%	40.8%
Personnel Costs/Total Operating Income,%	24.6%	25.6%	23.8%
Net Operating Income/Total Operating Income, %*	46.0%	42.6%	38.2%
Net Income (Loss)/Total Operating Income,% *	9.4%	13.0%	4.1%
Profit before tax (Loss)/Interest income*	12.3%	16.2%	6.2%

Notes:
* *Normalised ratios adjusted* to remove the effect of the one-off adjustments to intangible assets in Q4 2017 (for 2017 ratios) and adjusted to reflect the opening balance of 2018 balance sheet after IFRS 9 effects (for 2018 ratios)

(1) Total Recurring Operating Costs plus Discretionary Bonus Pool less Depreciation & Amortisation of the period divided by Average Total Assets for the same period

Key ratios – asset quality

Asset Quality	Q12018	Q12017	Q42017
Cost of Risk, %			
- Online	27.2%	17.9%	24.5%
- TBI	9.8%	4.8%	6.8%
- Overall group	21.0%	14.1%	18.6%
Gross NPL ratio, %			
- Online	22.1%	40.9%	33.5%
- TBI	14.7%	12.7%	12.7%
- Overall group	19.5%	32.8%	26.7%
Loan Loss Reserve/Gross Receivables from Clients, %	23.3%	25.2%	22.3%
Average Loan Loss Reserve/Average Gross Receivables from Clients, %	23.1%	25.5%	22.6%

Key ratios – liquidity and capitalisation

Liquidity	Q12018	Q12017	Q42017
Net Loan Receivables/Total Assets, %*	55.3%	52.8%	54.6%
Average Net Loan Receivables/Average Total Assets, %*	55.0%	52.9%	52.9%
Average Net Loan Receivables/Average Client Balances & Deposits,%	198.2%	200.7%	216.8%
Net Loan Receivables/Total Deposits,%	201.3%	194.4%	218.8%
Net Loan Receivables/Total Liabilities, %	64.8%	70.9%	70.8%
Interest Earning Assets/Total Assets, %*	72.6%	72.0%	70.9%
Average Interest Earning Assets/Average Total Assets,%*	72.1%	71.9%	68.7%
Liquid Assets/Total Assets,%* (1)	16.1%	17.8%	14.9%
Liquid Assets/Total Liabilities,%	18.8%	23.8%	19.3%
Total Deposits/Total Assets,%*	27.5%	27.1%	25.0%
Total Deposits/Total Liabilities,%	32.2%	36.5%	32.4%
Total Deposits/Shareholders' Equity (Times)*	1.9x	1.1x	1.1x
Leverage (Total Liabilities/Equity), Times* (2)	5.8x	2.9x	3.4x
Tangible Common Equity/Tangible Assets* (3)	6.6%	15.7%	16.7%
Tangible Common Equity/Net Receivables	10.9%	26.3%	28.2%
Net Loan Receivables/Equity (Times)*	3.8x	2.1x	2.4x

Capitalisation and ICR	Q12018	Q12017	Q42017
Equity/Assets ratio, %	14.7%	25.5%	18.4%
Equity/Net receivables, %	26.6%	48.4%	32.0%
TBI Bank capital adequacy ratio, %	27.6%	28.9%	23.2%
Adjusted interest coverage (Times)	2.2x	2.6x	1.7x

Notes:

* *Normalised ratios adjusted* to remove the effect of the one-off adjustments to intangible assets in Q4 2017 (for 2017 ratios) and adjusted to reflect the opening balance of 2018 balance sheet after IFRS 9 effects (for 2018 ratios)

(1) Liquid Assets include Cash and Cash Equivalents and Placements with other banks

(2) Tangible Equity is Total Equity less Goodwill and Intangible Assets. Tangible Assets are Total Assets less Goodwill and Intangible Assets

(3) Tangible equity is Total Equity less Goodwill and Intangible Assets. Tangible Assets are Total Assets less Goodwill and Intangible Assets.

Glossary/Definitions

- **Adjusted EBITDA –** a non-IFRS measure that represents EBITDA (profit for the period plus tax, plus interest expense, plus depreciation and amortization) as adjusted by income/loss from discontinued operations, non-cash gains and losses attributable to movement in the mark-to-market valuation of hedging obligations under IFRS, goodwill write-offs and certain other one-off or non-cash items. Adjusted EBITDA, as presented here, may not be comparable to similarly-titled measures that are reported by other companies due to differences in the way these measures are calculated. Further details of covenant adjustments can be found in the relevant bond prospectuses, available on our website
- **Adjusted interest coverage** – Adjusted EBITDA / interest expense
- **Cost of risk –** Annualised net impairment loss / average gross receivables (total gross receivables as of the start and end of each period divided by two)
- **Cost / income ratio** – Operating costs / operating income
- **Equity / assets ratio –** Total equity / total assets
- **Equity / net receivables** – Total equity / net customer receivables (including accrued interest)
- **Gross NPL ratio** – Non-performing receivables (including accrued interest) with a delay of over 90 days / gross receivables (including accrued interest)
- **Gross receivables** – Total amount receivable from customers, including principal and accrued interest, after deduction of deferred income
- **Intangible assets –** consists of deferred tax assets, intangible IT assets and goodwill
- **Interest income** – Interest and similar income generated from our customer loan portfolio
- **Loss given default –** Loss on non-performing receivables (i.e. 1 - recovery rate) based on recoveries during the appropriate time window for the specific product, reduced by costs of collection, discounted at the weighted average effective interest rate
- **Net impairment to interest income ratio –** Net impairment losses on loans and receivables / interest income
- **Net interest margin –** Annualised net interest income / average gross receivables (total gross receivables as of the start and end of each period divided by two)
- **Net receivables** – Gross receivables (including accrued interest) less impairment provisions
- **Non-performing receivables (NPLs) –** Receivables that are over 90 days past due
- **Normalised –** Adjusted to remove the effect of the one-off adjustments to intangible assets in Q4 2017 (for 2017 ratios) and adjusted to reflect the opening balance of 2018 balance sheet after IFRS 9 effects (for 2018 ratios)
- **Overall provision coverage** – Allowance account for provisions / non-performing receivables
- **Profit before tax margin** – Profit before tax / interest income
- **Return on Average Assets** – Annualised profit from continuing operations / average assets (total assets as of the start and end of each period divided by two)
- **Return on Average Equity** – Annualised profit from continuing operations / average equity (total equity as of the start and end of each period divided by two)
- **Return on Average Tangible Equity** – Annualised profit from continuing operations / average tangible equity (tangible equity as of the start and end of each period divided by two)
- **Tangible Equity** – Total equity minus intangible assets
- **TBI Bank Capital adequacy ratio** – (Tier One Capital + Tier Two Capital) / Risk weighted assets (calculated according to the prevailing regulations of the Bulgarian National Bank)

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