



# 4finance Holding S.A.

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Investor presentation for three month  
2025 results

21 May 2025



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# The sale of TBI Bank: context and rationale

## Background & rationale

- Initial strategic rationale for purchase in 2016 (neither deployed in practice):
  - Potential requirement for banking license in other EU markets
  - To access bank's lower cost of funds
- Although operationally independent, the bank has been a strong and attractive financial investment
- Since the acquisition in 2016, its book value has grown by 4x, highlighting its strong capital position and profitability
- Advent is a global private equity firm with strong credentials

## Transaction overview

- Total transaction value exceeds the bank's 2024 year-end book value (€282m)
- c.€250m to be paid at closing, with the remainder covered by an earn-out over the following 18 months
- Closing expected in Q4 2025, subject to customary regulatory approvals

## Outlook

- The transaction enhances strategic focus on the Online business and provides financial flexibility to reshape the capital structure
- Focus on investing in the Online business within existing markets, and developing through careful startups in greenfield projects and acquisitions
- 4finance remains committed to maintaining good relationships with the bond markets

Moody's Ratings affirms 4Finance ratings at B2; outlook stable

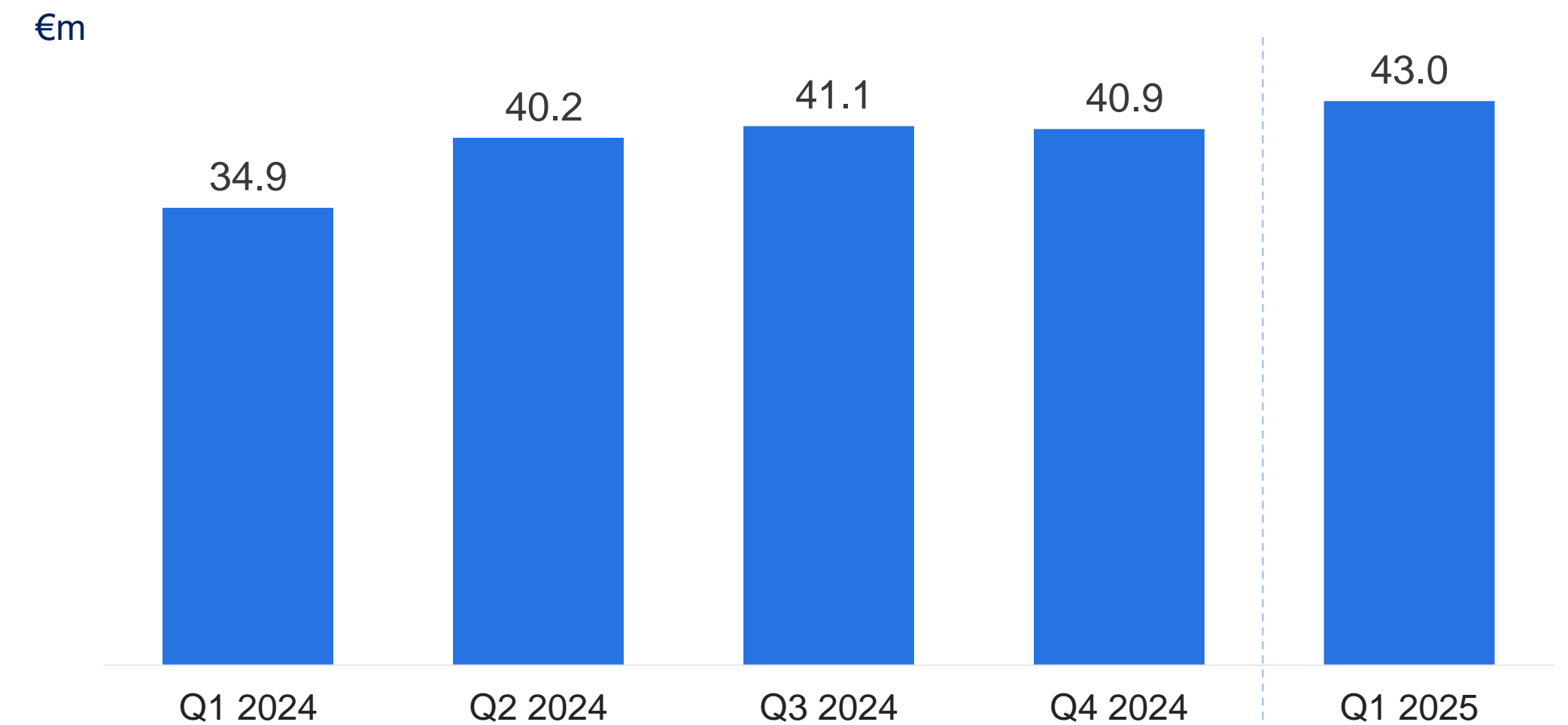
Fitch Affirms 4finance Holding S.A.  
at 'B'; Outlook Stable



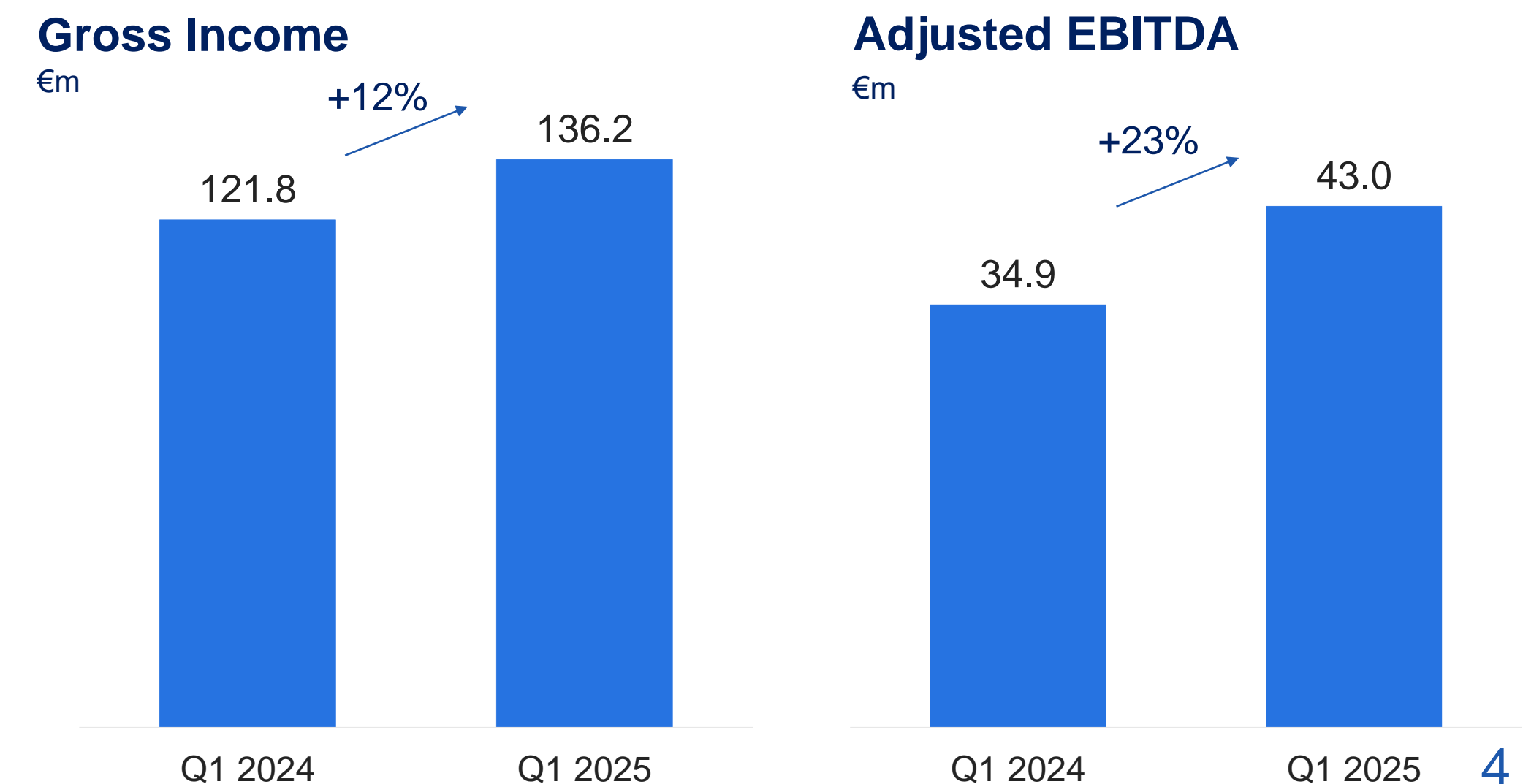
# Q1 2025 results summary

- Agreement to sell TBI Bank to Advent
- Strong Q1 2025 results with good performance in core markets and a continued focus on efficiency and profitability
- Online net profit up 17% YoY. Overall net profit up 53% YoY to €15m, and topline income up 12% to €136m in Q1 2025
- Online Adjusted EBITDA up 23% YoY to €13m in Q1. Overall Adjusted EBITDA €43m in Q1, up 23% YoY; EBITDA margin of 37%
- Maintained a step-by-step approach to new markets:
  - UK joint venture: continued growth
  - Repurchase of Bulgarian online business *vivus.bg* from TBI
- Cost/income ratio at 38% in Q1 2025 vs 43% in Q1 2024
- Further improvement in overall cost of risk, supported by stronger in-house collections and continued focus on customer quality
- Robust balance sheet supported by high cash levels and solid liquidity

## Adjusted EBITDA by quarter

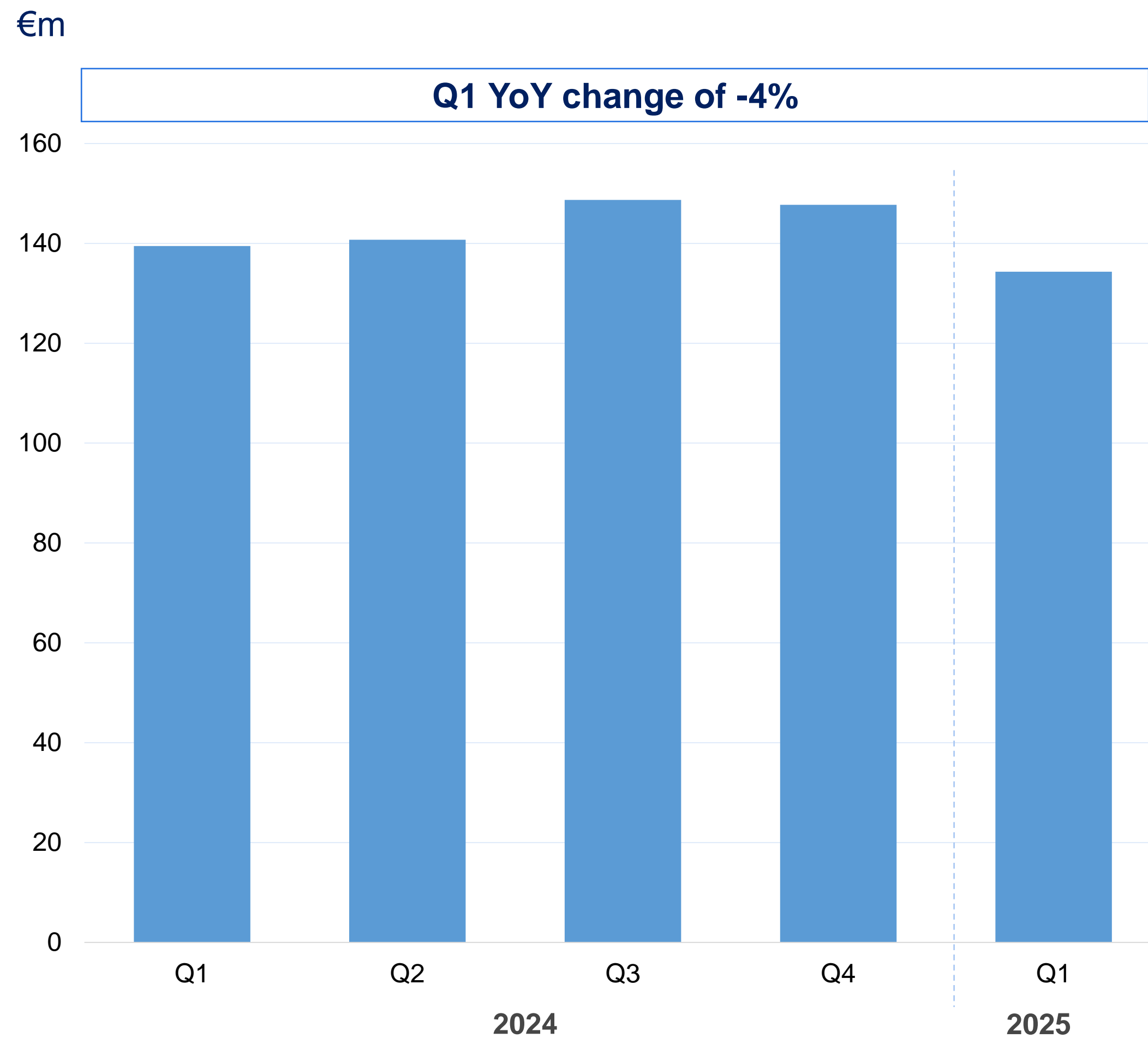


## Year-on-year comparison



# Online loan issuance: growth in existing and new markets

## Online loan issuance: prioritising profitability <sup>(1)</sup>



Note (1): Loan issuance in all online markets (excludes TBI)

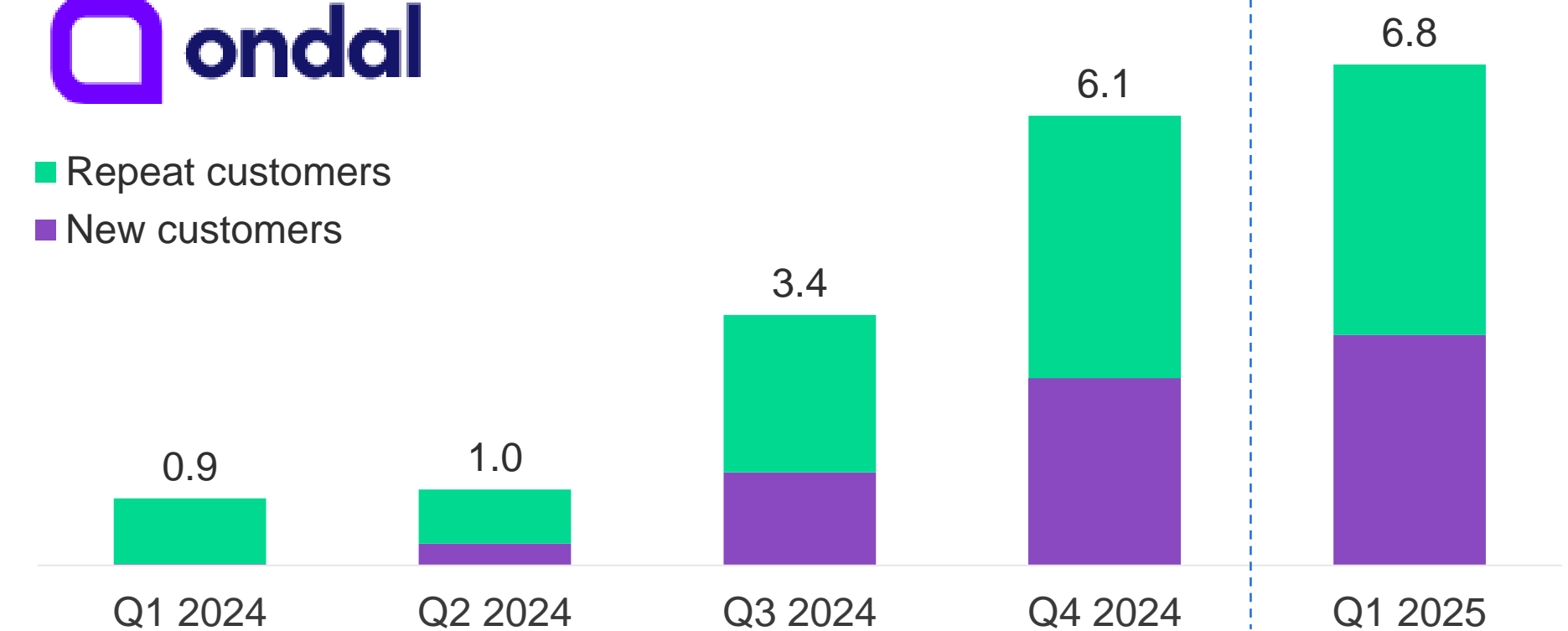


## UK joint venture loan issuance

€m

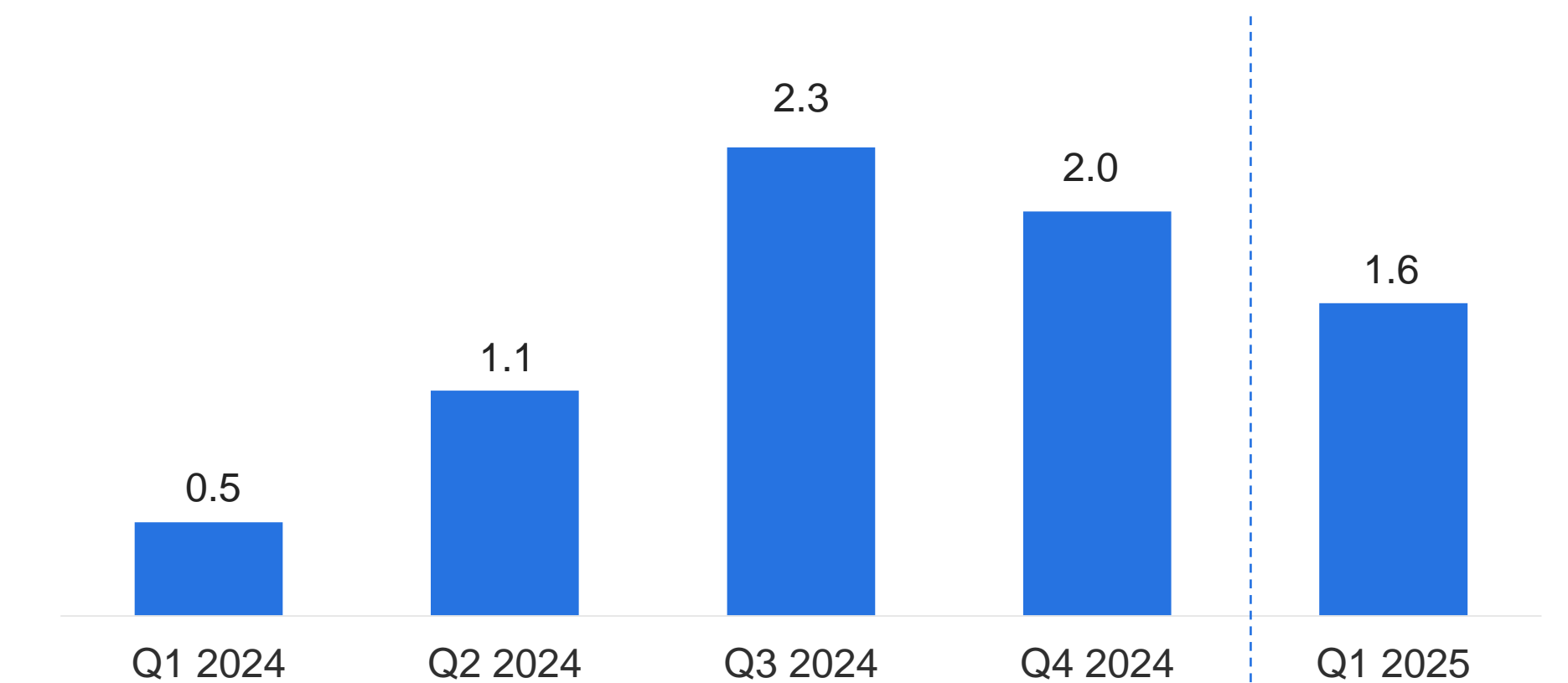


Repeat customers  
New customers



## Loan issuance: Mexico and Georgia

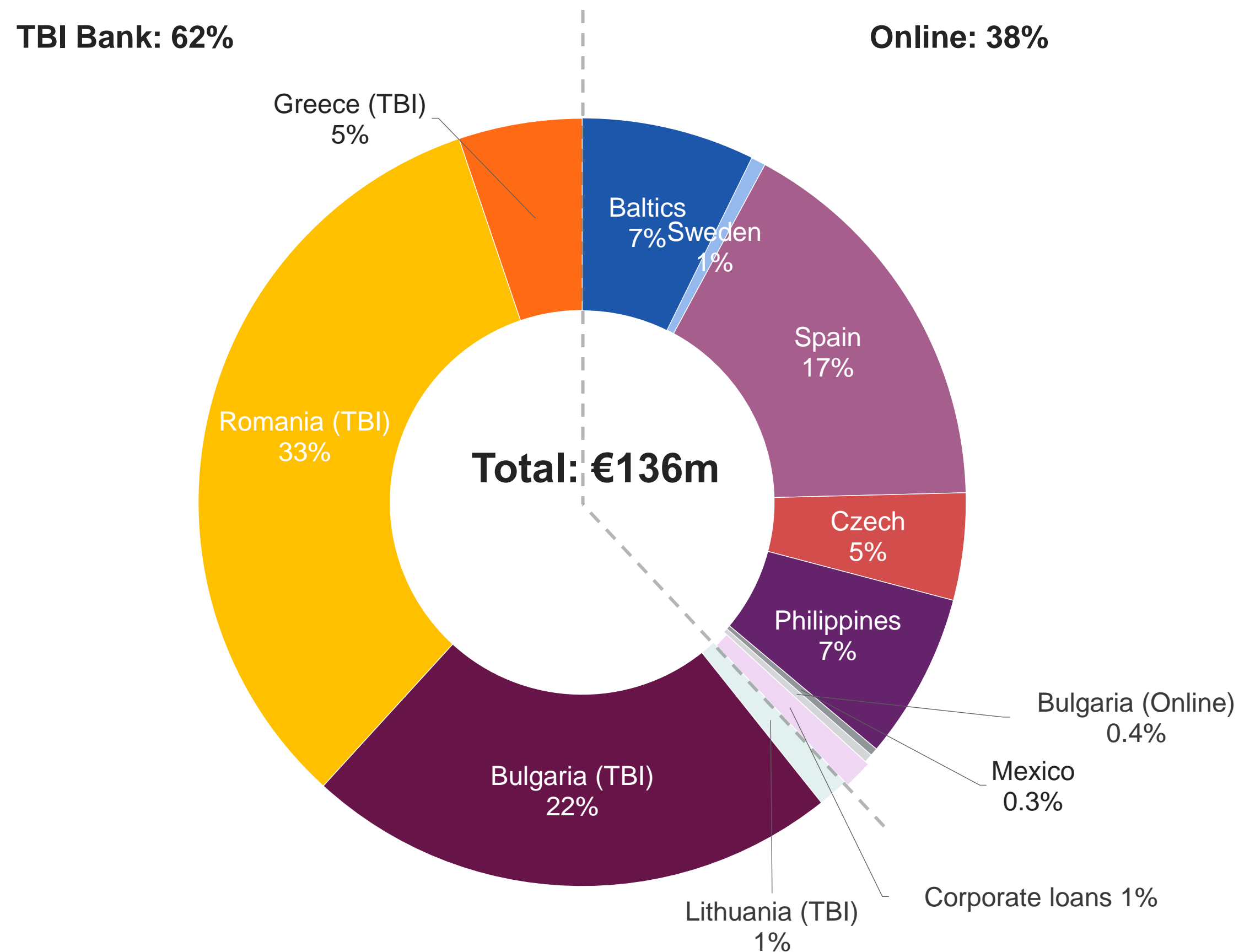
€m





# Our income continues to diversify

## 3M 2025 gross income by country

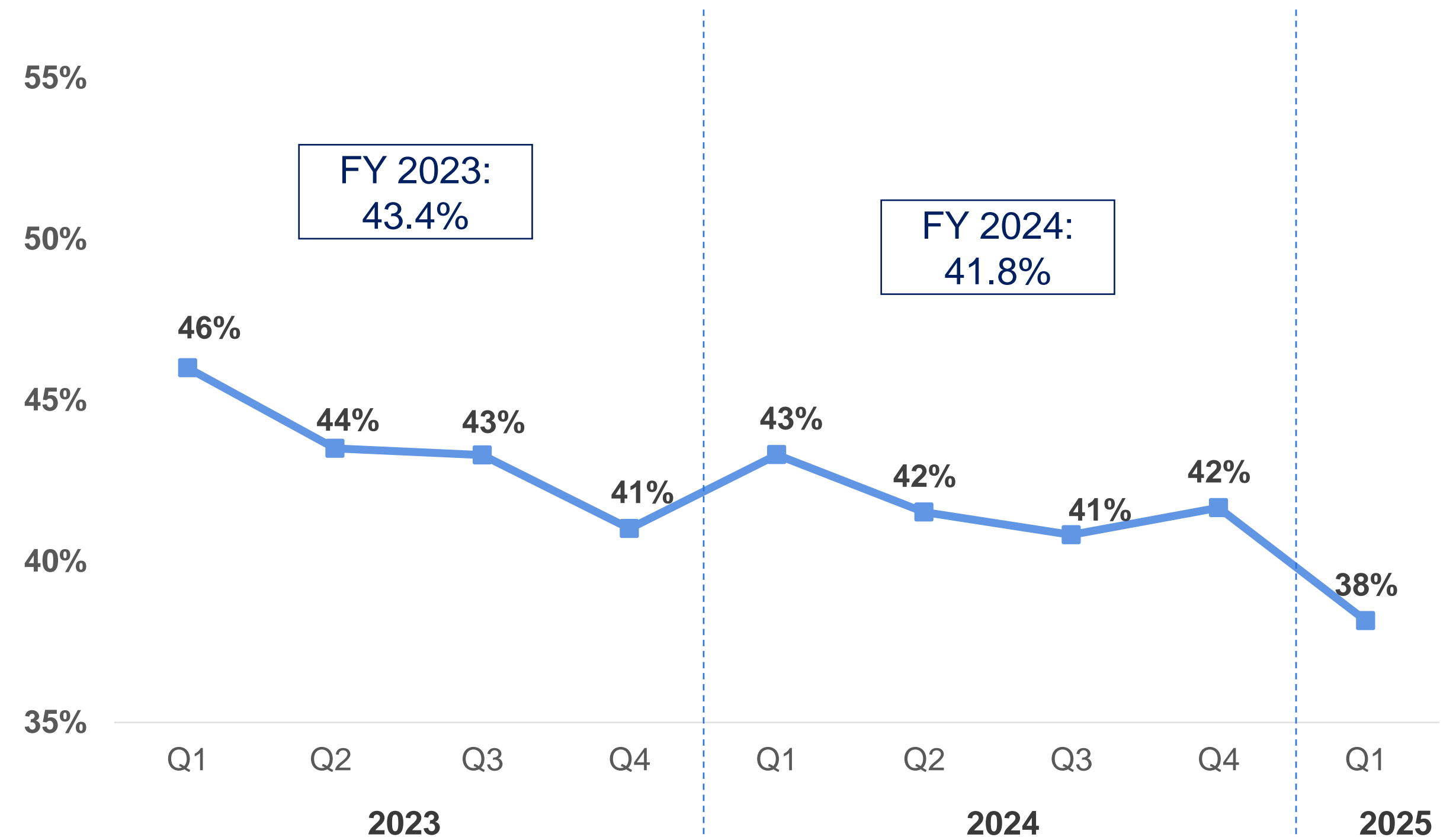


- Footprint in 10 online markets plus TBI Bank
  - Baltics: Latvia & Lithuania
  - Sweden
  - Spain
  - Czech Republic
  - Philippines
  - United Kingdom
  - Mexico
  - Georgia
  - Bulgaria
- Clear regulatory framework in place in most markets
  - Contrast to position of 4+ years ago
  - Demonstrated ability to adapt and share best practice
- Disciplined approach to further growth opportunities
  - Initial launch in Georgia, currently in pilot phase
  - Investing for growth at TBI Bank, including Greece
  - Exploring opportunities in other markets, including India

# Operating cost drivers

- Business continues to demonstrate effective cost discipline with cost-to-income ratio in Q1 2025 reaching a new record low level of 38%
- Focus on leveraging operational efficiency
- Product unit economics supports optimisation of costs and smart investment in marketing across all products
- TBI Bank continues investing into new initiatives and growing business. Some one-off reductions in Q1 2025

## Quarterly cost-to-income ratio, %



## Quarterly operating costs <sup>(1)</sup>

€m	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Online	19.0	18.3	19.2	17.7	16.8
TBI Bank	25.8	26.6	27.7	31.3	27.4
<b>Total costs</b>	<b>44.7</b>	<b>44.9</b>	<b>46.9</b>	<b>49.0</b>	<b>44.3</b>

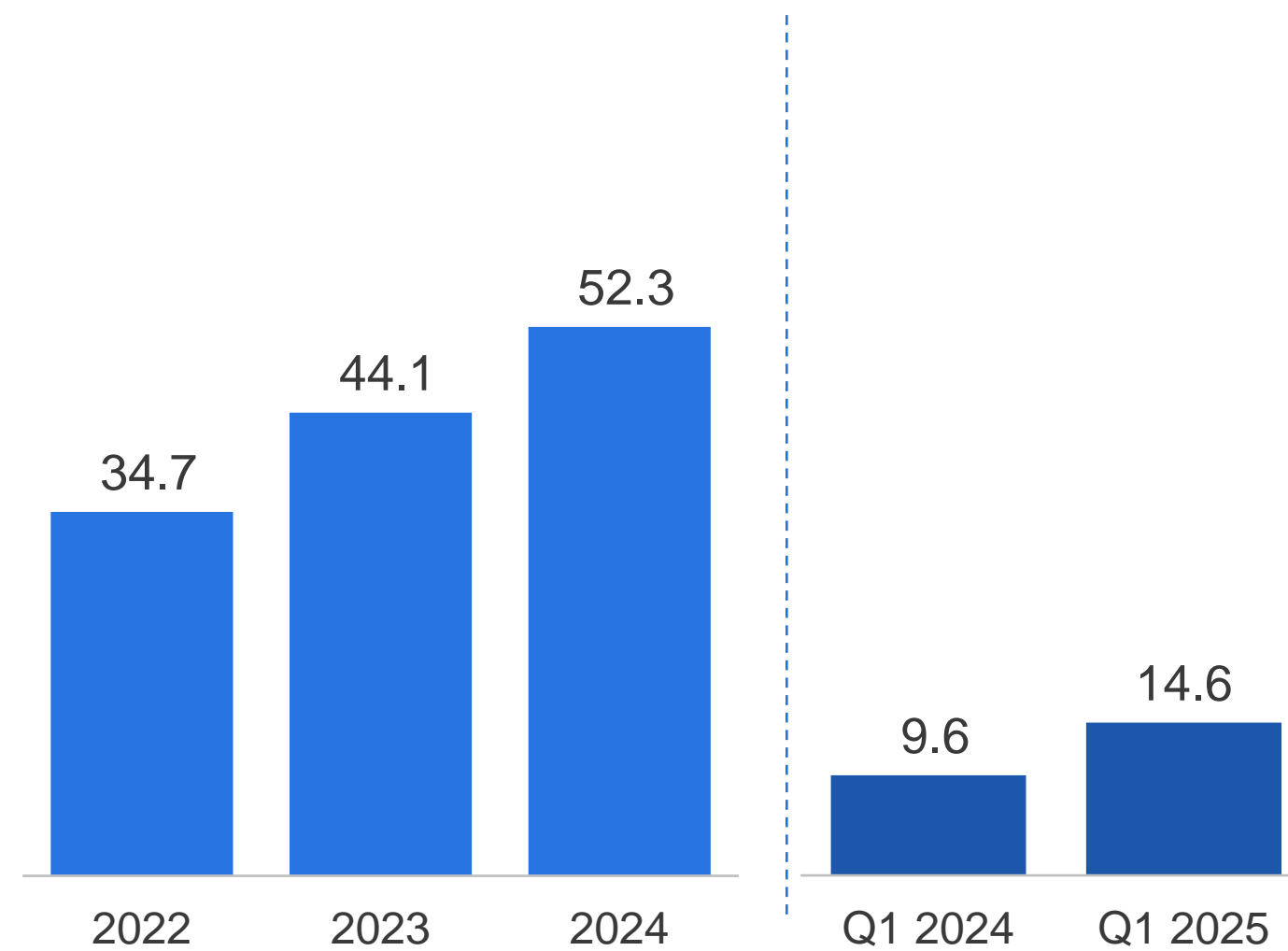
See appendix for definitions of key metrics and ratios

Note (1): Q4 costs for 2024 have been adjusted to reflect audited figures

# Strong track record of profitability

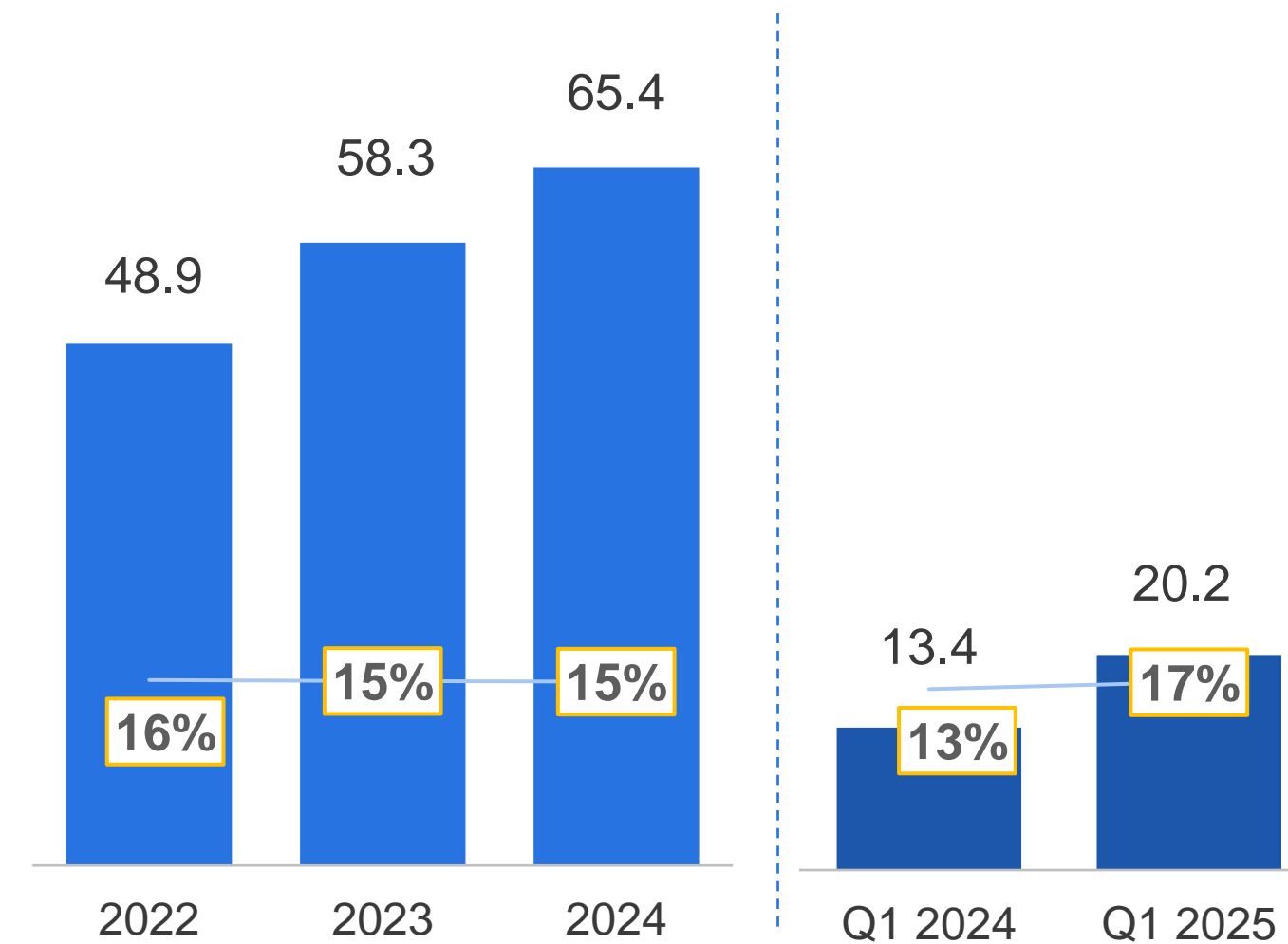
## Profit after tax<sup>(1)</sup>

€m



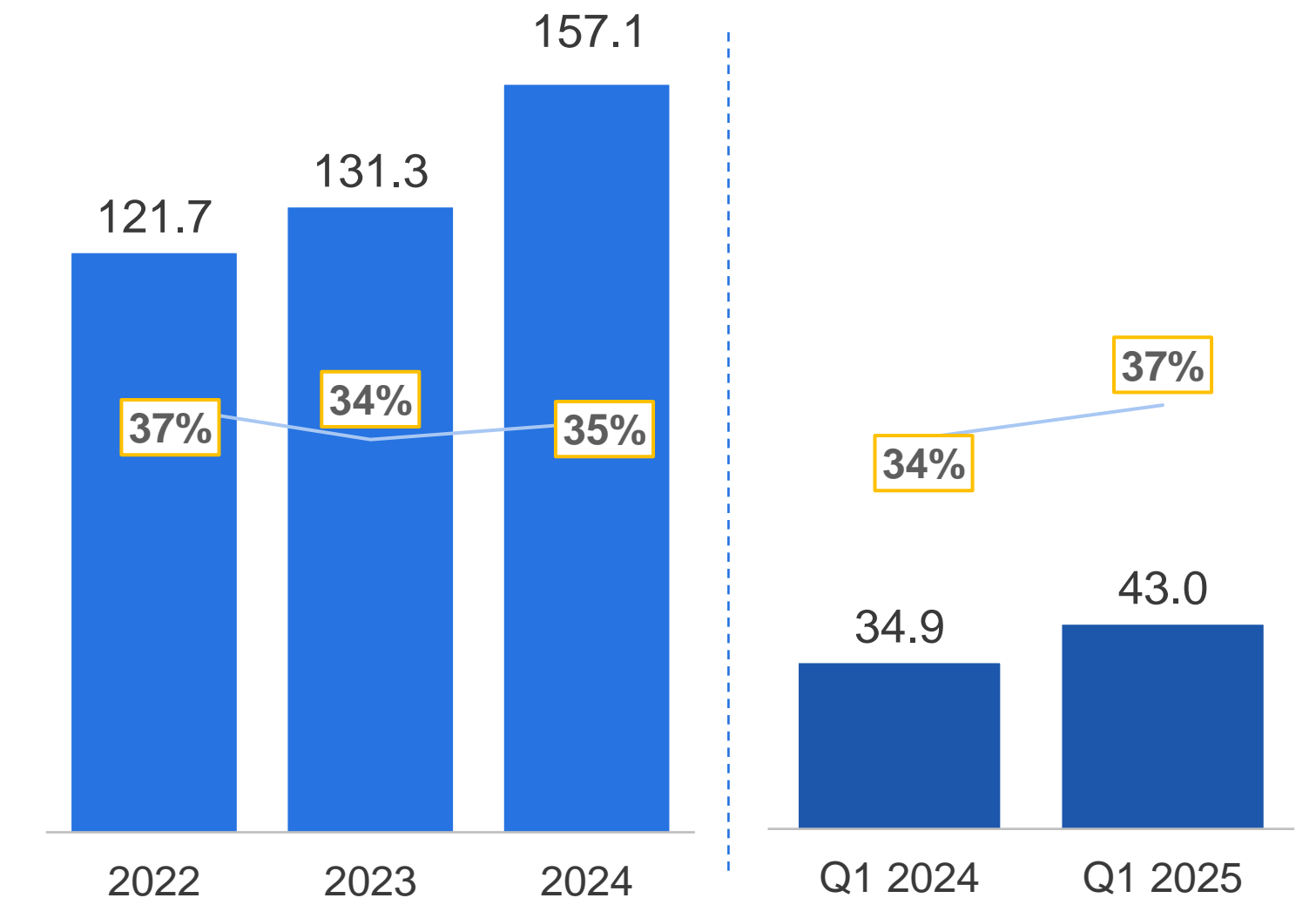
## Profit before tax / PBT margin<sup>(1)</sup> (%)

€m, %



## Adj. EBITDA / Adj. EBITDA margin (%)<sup>(2)</sup>

€m



- Strong track record of profitability and EBITDA generation, both in the online business and TBI Bank
  - Online business profit after tax up 17% year-on-year to €3.1m in Q1 2025
- Delivering attractive EBITDA and PBT margins
- Investing for further growth, but with deliberate, step by step approach to maintain appropriate returns

Notes:

(1) 2022 figure reflects continuing operations

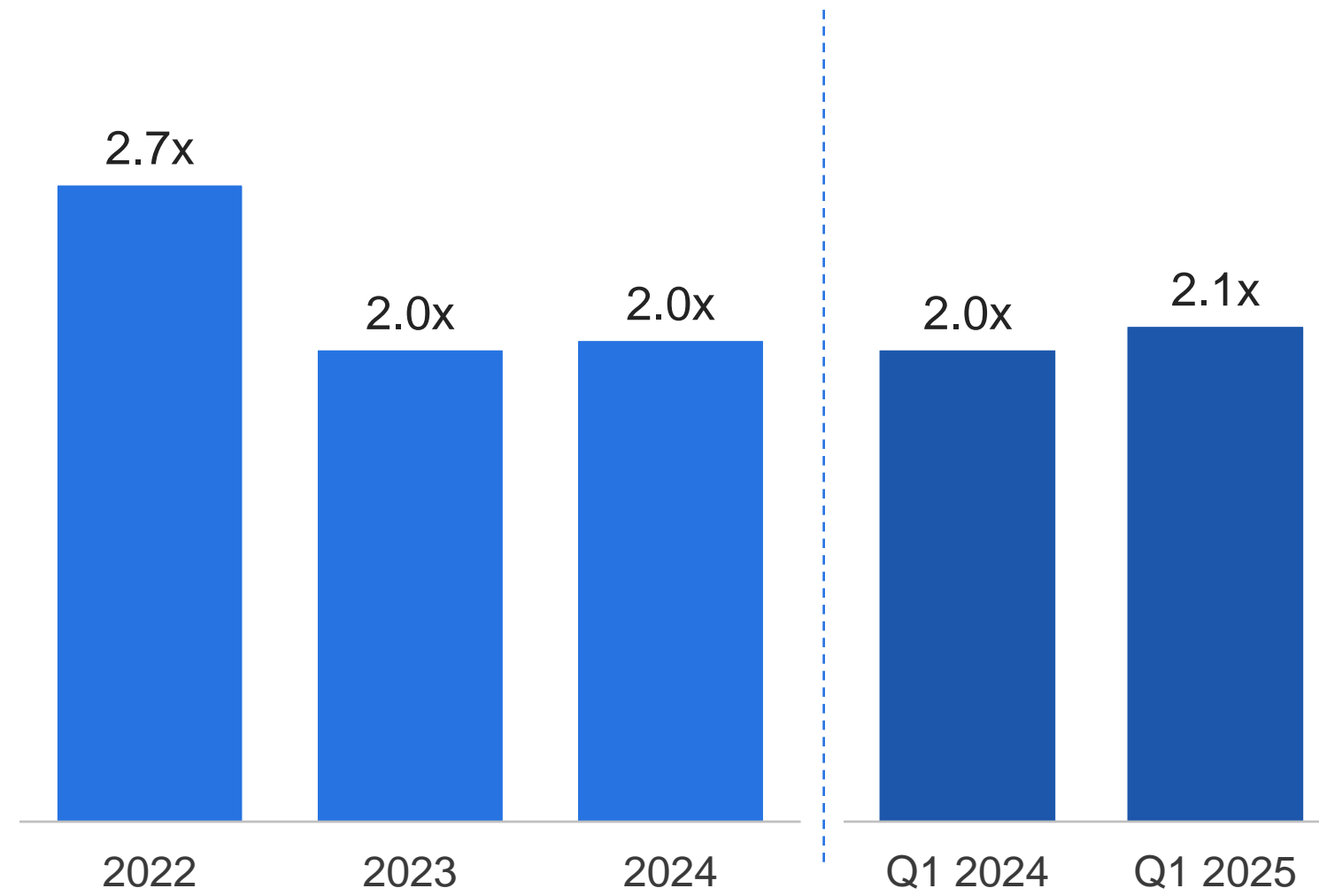
(2) Poland not reflected as discontinued operations for 2022



# Resilient credit ratios, influenced by growth of TBI

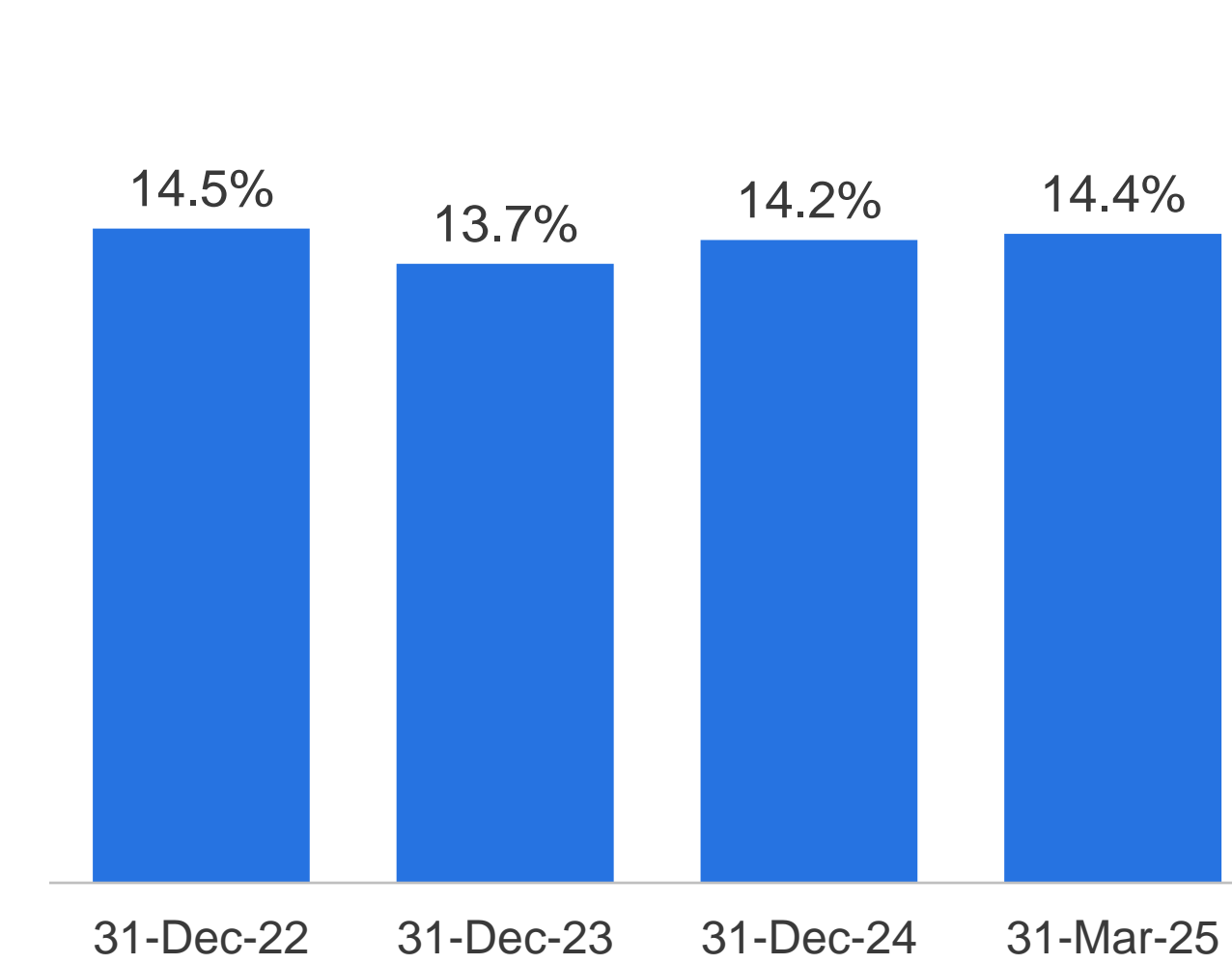
## Covenant interest coverage ratio<sup>(1)</sup>

Times



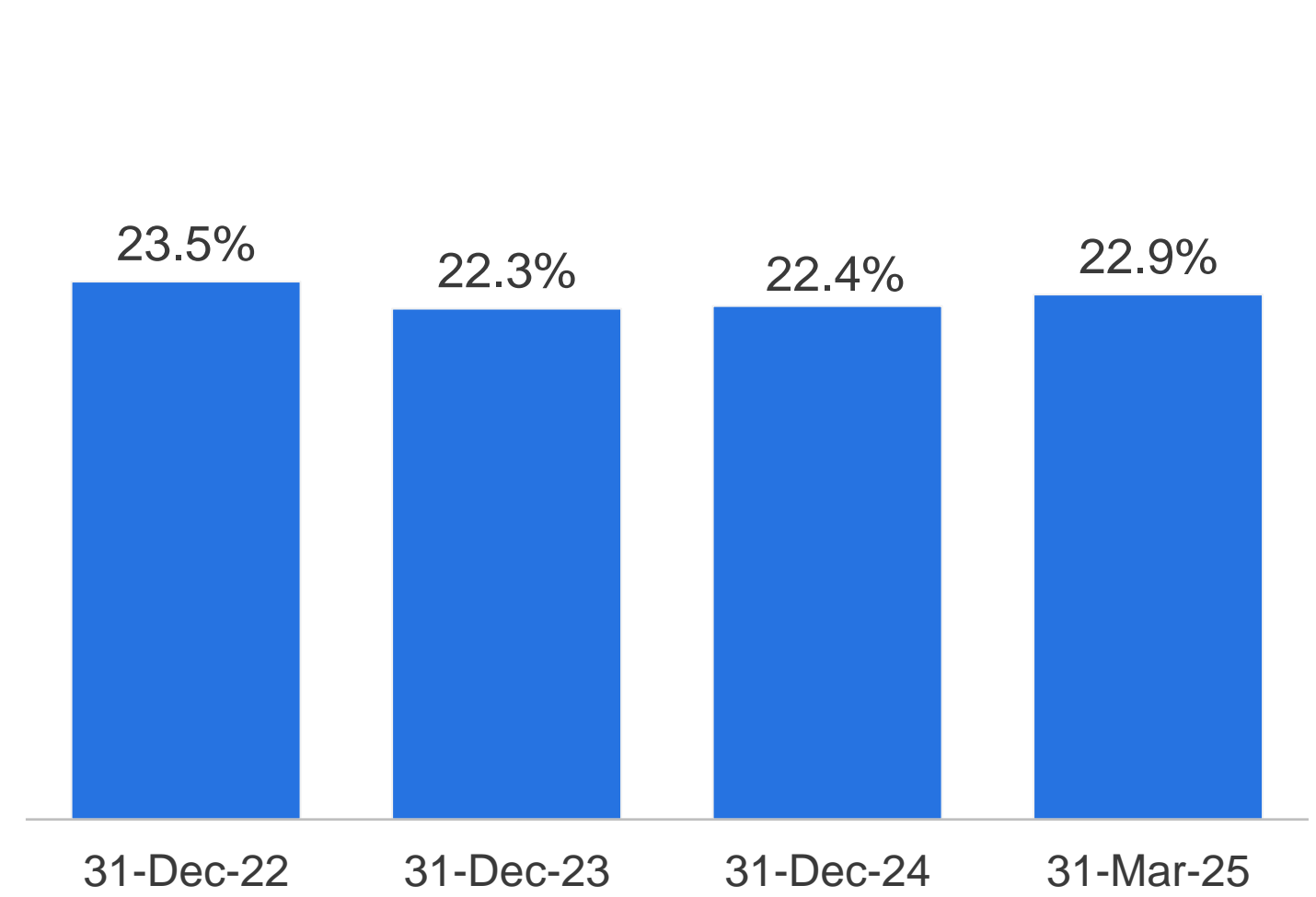
## Equity to assets ratio

%



## Equity to net receivables ratio<sup>(2)</sup>

%



- Strong overall balance sheet capitalisation and funding position
- Comfortable credit ratios for interest coverage and equity to assets / receivables
  - A slight improvement in the interest coverage ratio in Q1 2025 to 2.1x
- Growth of TBI Bank in recent years has heavily influenced both ratios
  - TBI's interest expense increased from €13m in 2022 to €37m in 2023, impacting overall coverage ratio despite reduction in bond debt

Notes:

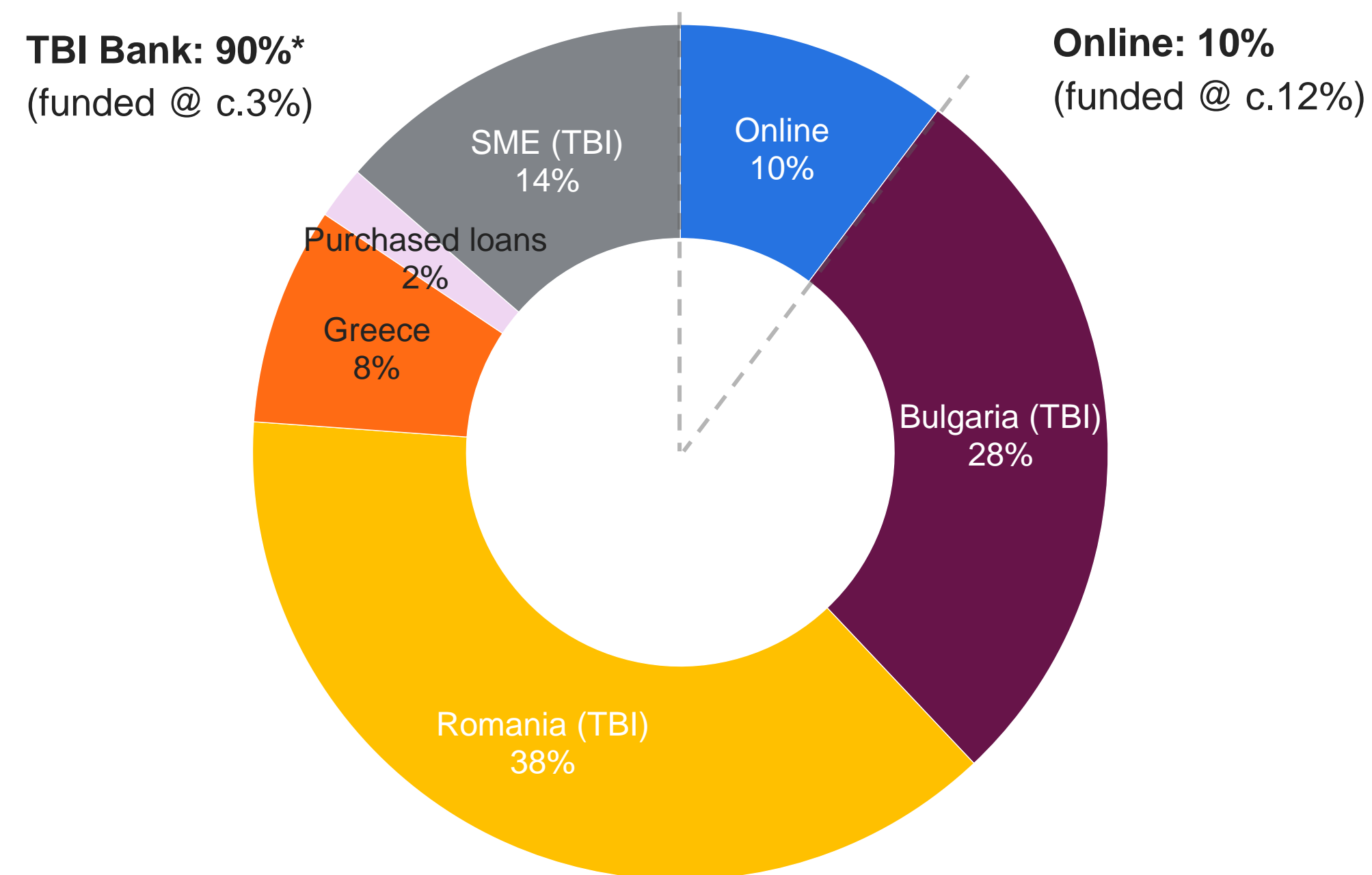
(1) The graph is shown based on the calculation of interest coverage ratio as described in results report, based on proforma last twelve-month figures, as at the date of publication of the respective period results

(2) The full covenant calculation of equity/net loans includes other loans and finance leases, and is currently 22%

# Diversified and growing loan portfolio

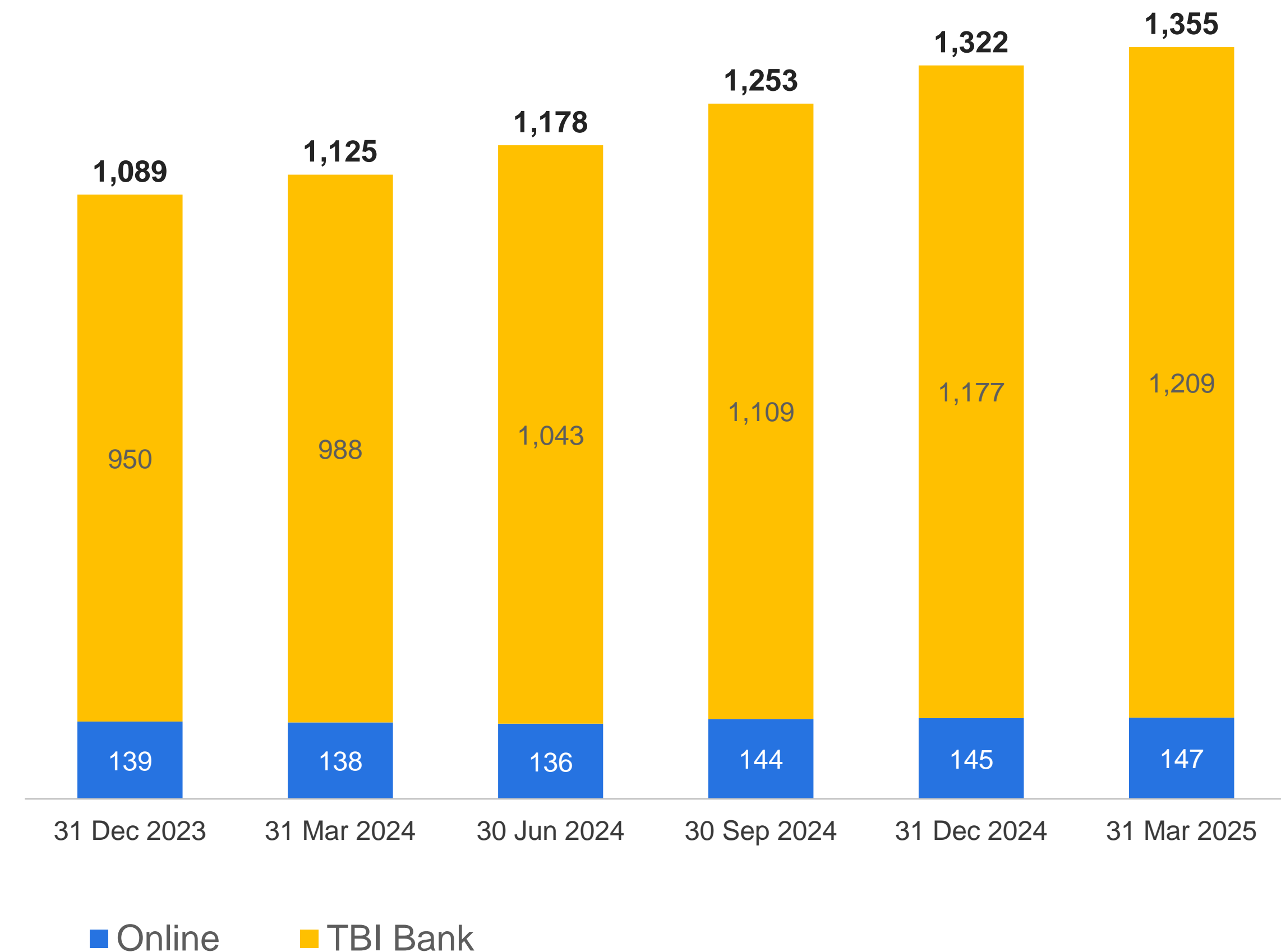
- TBI Bank's net receivables grew 3% QoQ, while Online business remained stable, contributing to overall solid performance
- Overall net receivables of €1,355m
  - 2% increase during Q1 2025
  - 86% consumer loans

## Net receivables, 31 March 2025



## Net receivables\*\*

€m



See appendix for definitions of key metrics and ratios

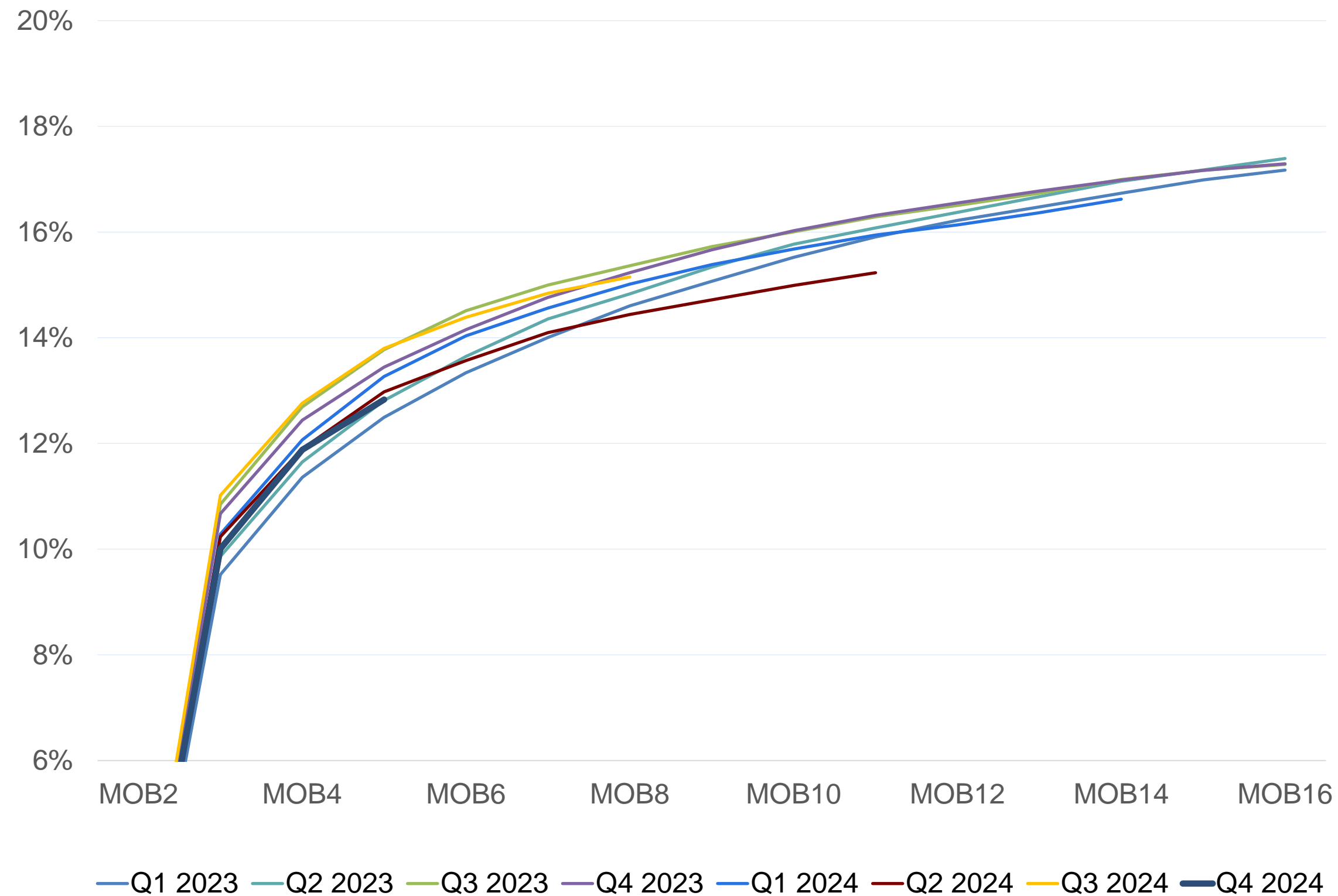
\* Includes TBI bank and €27m of purchased Lithuanian portfolio

\*\* Includes loan to UK JV and online portfolio related to income classified under other operating income based on IFRS 15

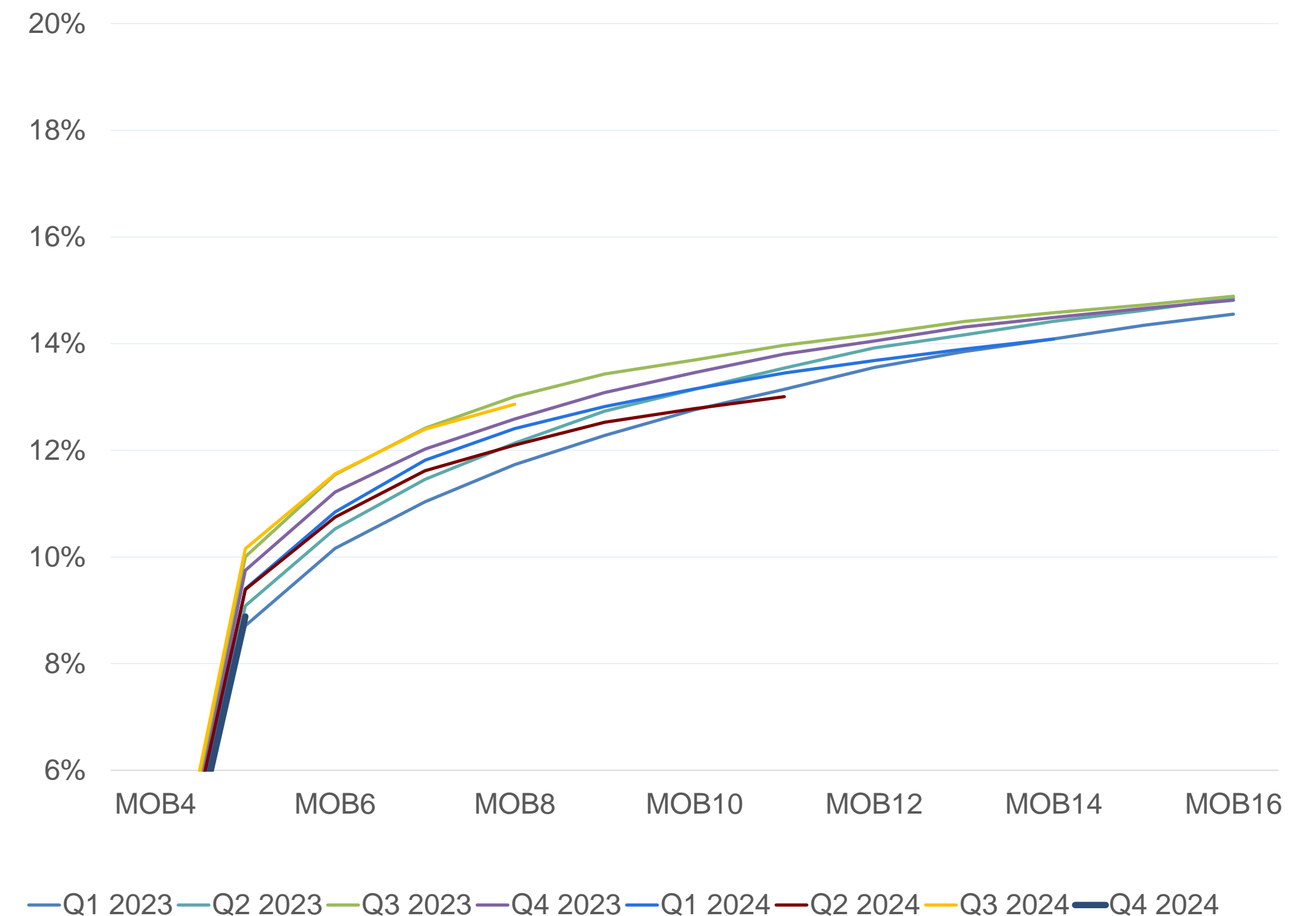


# Online portfolio asset quality

## Vintage 'ever' 30+ DPD (1)



## Vintage 'ever' 90+ DPD (1)

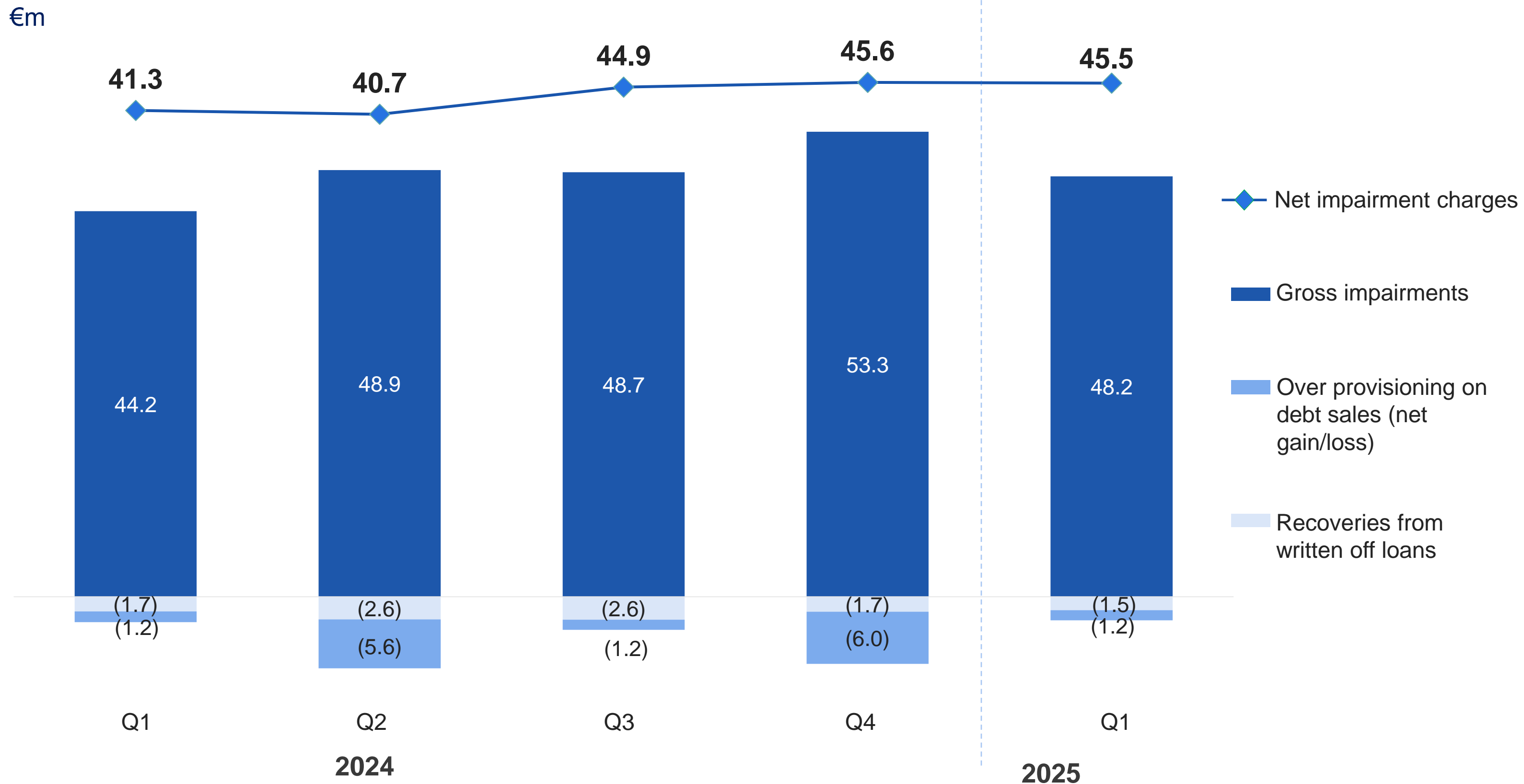


- Portfolio vintages demonstrate broadly stable asset quality, with various product/market specifics being addressed
- Parameters vary between products and markets, so changing mix of portfolio impacts overall averages

Note (1): Vintages 'ever' = outstanding amount of principal at the moment of entering 90+ and 30+ DPD to total principal issued for all online loans in the analysed period. MOB = months on book. Excludes recent launch in Mexico

# Analysis of net impairment charges

## Net impairment charges by quarter <sup>(1)</sup>



- Overall net impairment charges remained stable QoQ, while the overall cost of risk continued its downward trend, reaching 12.2% in Q1 2025
- Online gross impairments decreased significantly in Q1 2025, continuing to reflect the focus on product profitability and calibrating the product risk parameters
- Effective improvements in our in-house collections capabilities – best practices being shared across the group
- TBI Bank net impairment charges
  - Cost of risk at TBI for Q1 2025 reflects fewer debt sales vs previous quarter

### Annualised cost of risk <sup>(2)</sup>

	Q1 2024	H1 2024	9M 2024	FY 2024	Q1 2025
TBI Bank	6.8%	6.4%	6.6%	6.8%	7.7%
Overall	13.4%	13.0%	12.9%	12.8%	12.2%

Notes: (1) Q4 figures for 2024 have been adjusted to reflect audited figures

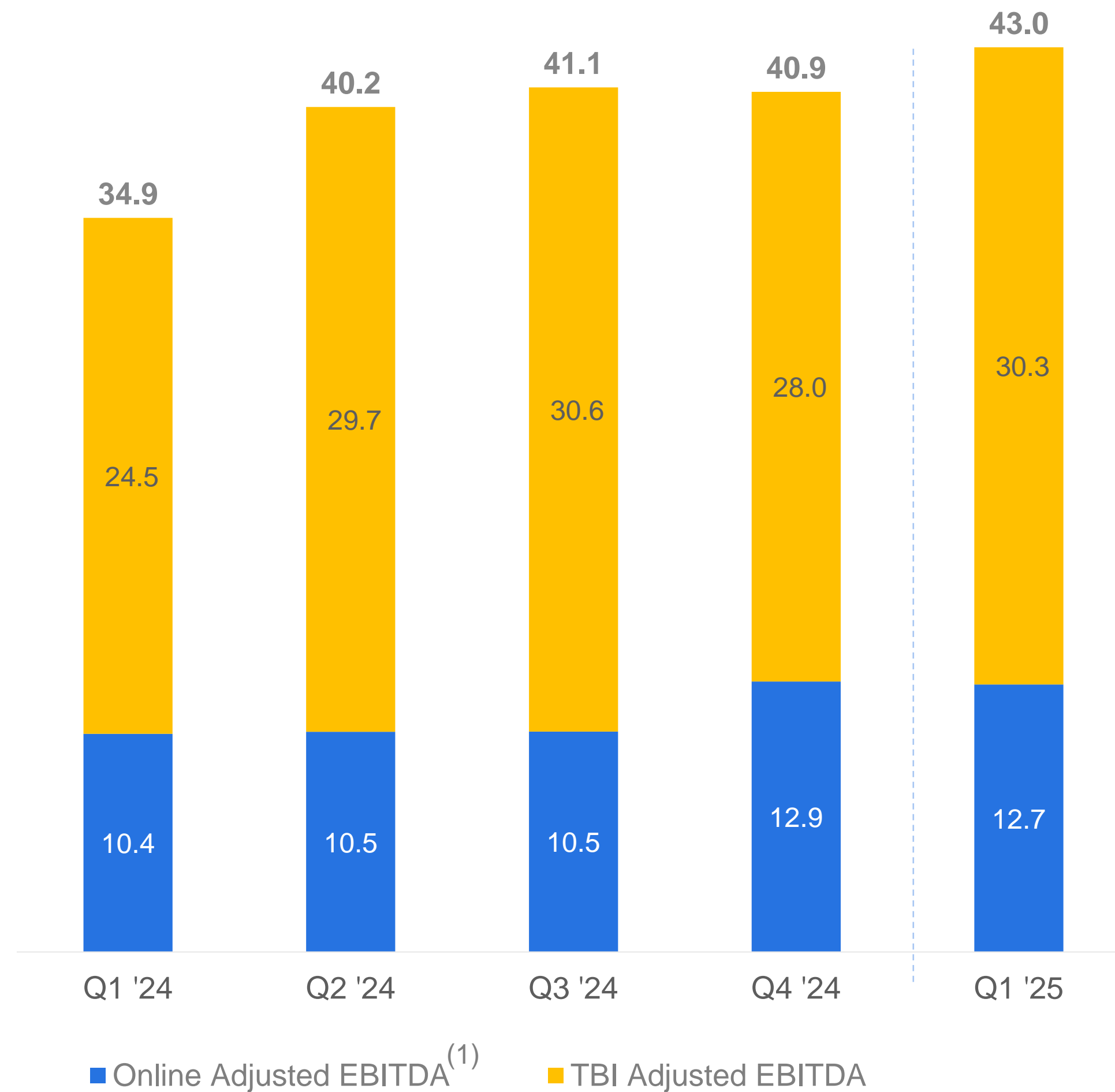
(2) Annualised net impairment charges / average gross receivables (average total gross receivables as of the start and end of each period) based on the audited figures for FY2024



# Improved EBITDA and bond leverage metrics

## Proforma Adjusted EBITDA

€m



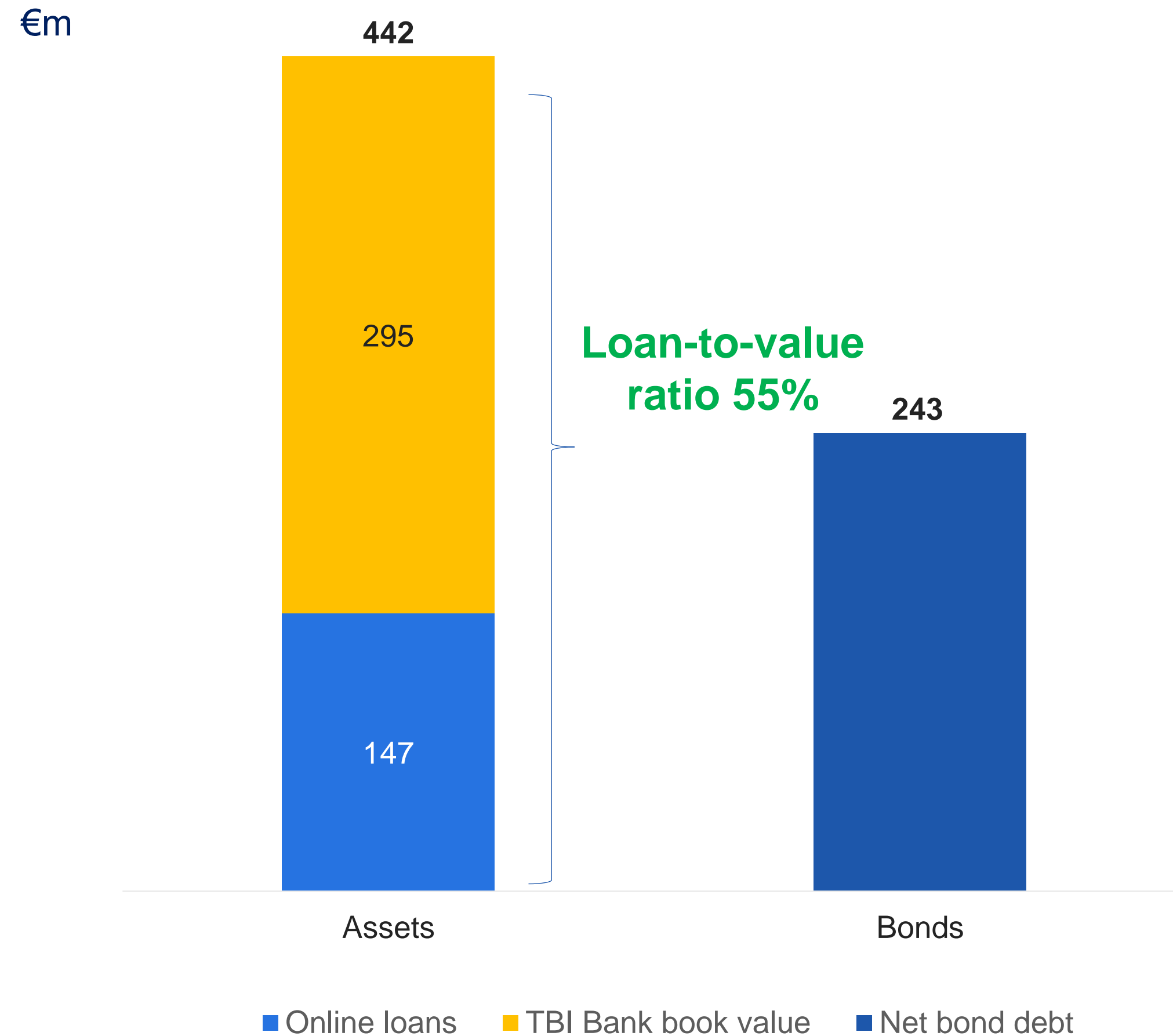
- Strong overall quarterly EBITDA of €43 million
- Online business alone is delivering EBITDA of c.1.75x bond interest on current run-rate
- Balanced maturity profile: preparing for the next maturity in October 2026 and exploring broad range of options
- Continuing to improve access/research on bonds
  - Credit ratings from Fitch and Moody's, agencies with coverage of European sector peers
- Overall credit metrics improved significantly from pre-Covid levels. In approximate run-rate terms:

	Early 2020	Q1 2025
Net bond debt (€m)	~360	~245
Adj. EBITDA (€m)	~90	~165
Multiple	~4x	~1.5x

Note: (1) Online EBITDA includes income from loan sales to TBI that is eliminated on consolidation. Additionally, vivus.bg is included in Online EBITDA for the last four quarters

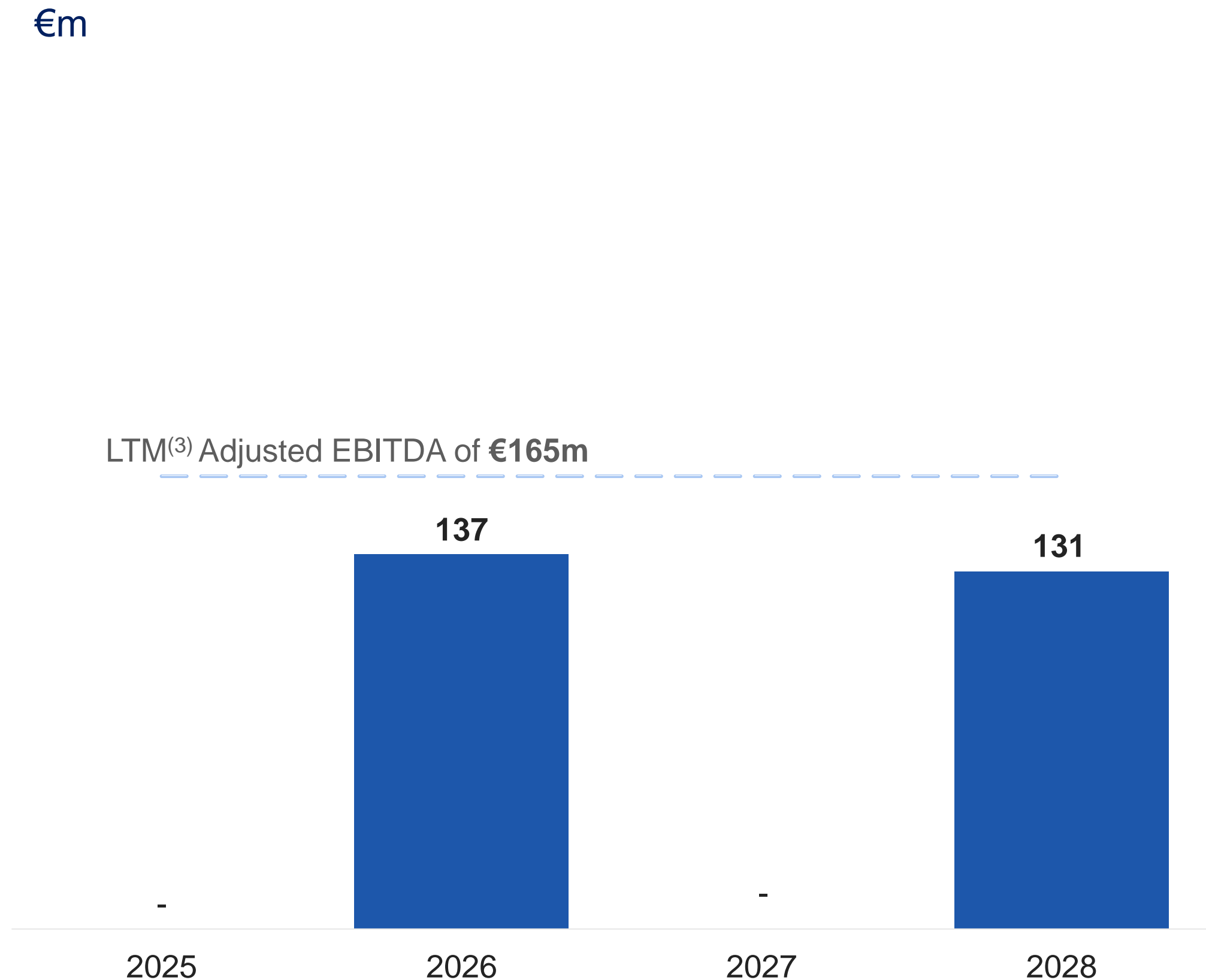
# Strong asset coverage, balanced maturity profile

## “Loan to value” illustration, 31-Mar-2025 <sup>(1)</sup>



Note (1): Online loans include loan to UK JV. Analysis shows selected balance sheet asset and liability items only.  
 Net bond debt represents notional of EUR 268m outstanding (excluding bonds held in treasury), net of EUR 25m surplus cash

## Bond maturity schedule <sup>(2)</sup>



Notes

(2): Represents the principal value of public bonds outstanding that comes due in each respective period, net of buybacks

(3): LTM – Last twelve months, ie pro-forma last 4 quarters Adjusted EBITDA



# Summary

## **Strong Q1 2025 results with focus on credit quality and profitability**

- Online net profit up 17% year-on-year to €3m in Q1 2025. Overall net profit of €15m in Q1, up 53% year-on-year
- Online Adjusted EBITDA up 23% year-on-year to €13m in Q1 2025. Overall Adjusted EBITDA of €43m in Q1, up 23% year-over-year; EBITDA margin of 37%
- Cost to income ratio at record low of 38% in Q1 2025 vs 43% last year, reflecting strong cost discipline

## **Sale of TBI Bank**

- Sale of the bank to a high-quality buyer
- Pending regulatory approval and expected to close in Q4 2025
- Focus on proceeds: bond refinancing, investing in existing business, developing new businesses, and acquisitions

## **Well-positioned and robust balance sheet**

- High cash levels even before closing of TBI Bank sale
- A balanced maturity profile with next maturity in October 2026 and very manageable bond sizes (c. €135m each)

## **New markets: the deliberate step-by-step approach remains, with increased potential for future growth**





**Thank you and Questions**



# **Appendix – ESG, responsible lending and regulatory overview**



# ESG at 4finance

## Creating a sustainable future

- 4finance aims to be a good corporate citizen everywhere it operates, working respectfully with customers, employees, regulators and other stakeholders to deliver a great service
- Established public policies on Data Security, Privacy, Whistleblowing, Conduct, Health and Safety, AML/CTF, Tax and Ethics
- Continuous progress on our ESG strategy with growing recognition of our approach
- A seven-point leap to 28 in our S&P Global Corporate Sustainability Assessment ESG rating. 4finance indexes well above average for our sector (FBN Diversified Financial Services) in both Social and Governance matters
- Participant of the UN Global Compact as of 4 July 2023, we published our first Communication on Progress in July 2024<sup>(1)</sup>

Notes:

Full ESG statement available on our website: [www.4finance.com](http://www.4finance.com)

(1) <https://www.4finance.com/ungc>

# Sustainability through good governance and responsible lending

## Operating as a mainstream consumer finance business

- “Bank-like” policies and procedures with strong compliance function
- Continued investment in AML, GDPR, whistleblowing and other strategic compliance priorities
- Robust corporate governance
- Increasingly regulated by main financial supervisory authorities
- Diversification of portfolio and consequent reduction of reliance on single payment loans
- Clear corporate values and code of conduct
- Listed bond issues with quarterly financial reporting
- Developing and sharing our ESG approach and credentials

## Developing meaningful and constructive 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
- Engaging through the anticipated implementation process of EU Directives into local legislation, particularly in RO, ES, GR and CZ

## Responsible lending: putting customers first

- Offering simple, transparent and convenient products
- Continuous improvements in credit underwriting
- Ensuring products are used appropriately
- Working to ensure customers have safe landings when they signal difficulties



# Regulatory overview

Country		% of gross income (Q1 2025)*	Products <sup>(1)</sup>	Regulator	CB <sup>(2)</sup>	License required <sup>(3)</sup>	Interest rate cap <sup>(1)</sup>	Status
Bulgaria		0.4%	SPL	Bulgarian National Bank	Yes	Yes	APR (inc. fees), penalties	Stable framework
Czechia		5%	SPL, IL, MTP	Czech National Bank	Yes	Yes	-	Stable framework***
Latvia		7%	MTP, IL	Consumer Rights Protection Centre	-	Yes	Nominal, fees & TCOC	Stable framework
Lithuania		2%	IL	Central Bank of Lithuania	Yes	Yes	Nominal, fees & TCOC	Stable framework
Mexico		0.3%	SPL	National Financial Services Consumer Protection Commission	-	Yes	-	Stable framework
Philippines		7%	SPL, IL	Securities and Exchange Commission	-	Yes	Nominal, fees, penalties & TCOC	Cost caps introduced in March 2022. New general consumer protection rules in May 2023
Spain		17%	SPL, IL	N/A	-	-	-	Stable framework***
Sweden		1%	MTP	Swedish Financial Supervisory Authority	Yes	Yes	Nominal & TCOC	New nominal interest rate cap from 1 March 2025 and a proposal for a new consumer lending licensing regime with a transition period until July 2026
UK		N/A	SPL	Financial Conduct Authority	-	Yes	Nominal & TCOC	Stable framework. License held by JV partner
TBI Bank Markets								
Bulgaria		22%	IL, LOC, SME	Bulgarian National Bank	Yes	Yes	APR (inc. fees), penalties	Stable framework
Greece		5%	IL, SME	Bulgarian National Bank and Bank of Greece**	Yes	Yes**	Penalties	Stable framework***
Romania		33%	IL, LOC, SME	National Bank of Romania	Yes	Yes	-	Stable framework***

## Notes:

(1) APR – Annual Percentage Rate; IL – Instalment loans; LOC – Line of Credit / Credit Cards; MTP – Minimum to pay; SPL – Single Payment Loans; SME – Business Banking; TCOC – Total Cost of Credit

(2) Indicates whether the regulator is also the main banking supervisory authority in the relevant market

(3) Indicates license or specific registration requirement

\* Remaining income comes from other corporate loans and Denmark

\*\* Passported branch of TBI Bank, Bulgaria

\*\*\* Following the adoption of the EU Consumer Credit Directive (in Autumn 2023), Member States will have to introduce measures against excessive interest rates, which may include cost caps

## **Appendix – financials and key ratios**

# TBI Bank profitable growth with well diversified funding

- Strong issuance growth, up 20% YoY, driving operating income increase
- Further growth in deposits (over €1.3bn) with proactive management of funding sources and cost. Granular retail deposit base with average term deposit size of €12.1k
- Ongoing progress in Greece, with over 6,200 merchant partner check-out points, banking app and insurance product, and monthly lending volume amounting to €11m
- Increasing proportion of customers onboarded to market-leading banking App: 86% in Mar'25 in Bulgaria, with more self-service features
- Demand for direct-to-consumer neon card with shopping limit continues to grow with number of issued cards currently nearly 240k; neon card available in Google Pay and Apple Pay
- Further digitisation initiatives across the business, including onboarding and risk management
- Moody's rating reaffirmed in May 2025; outlook upgraded from stable to positive

## tbi bank

Book value 31 March 2025

**€295m**

Operating income Q1 2025

**€72m** (+22% YoY)

Net profit Q1 2025

**€14m** (+21% YoY)

ROE 31 March 2025

**19.5%**

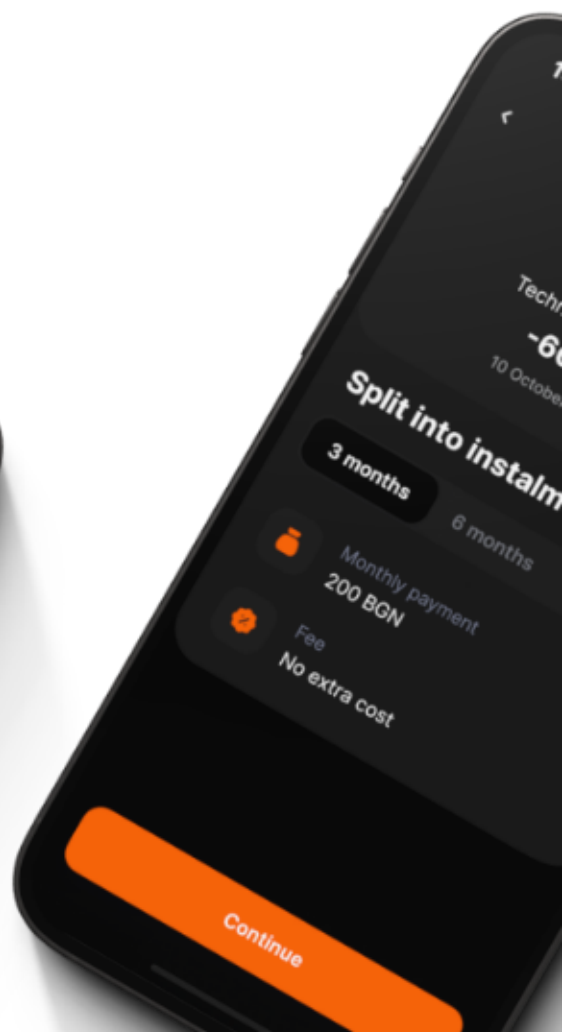
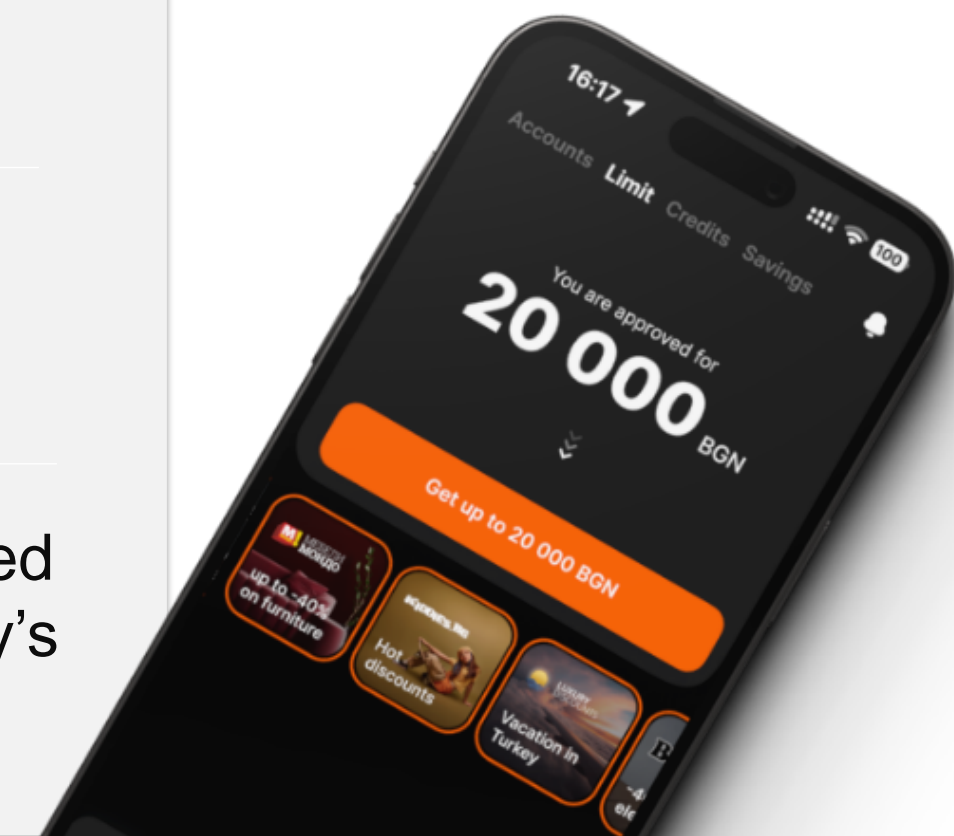
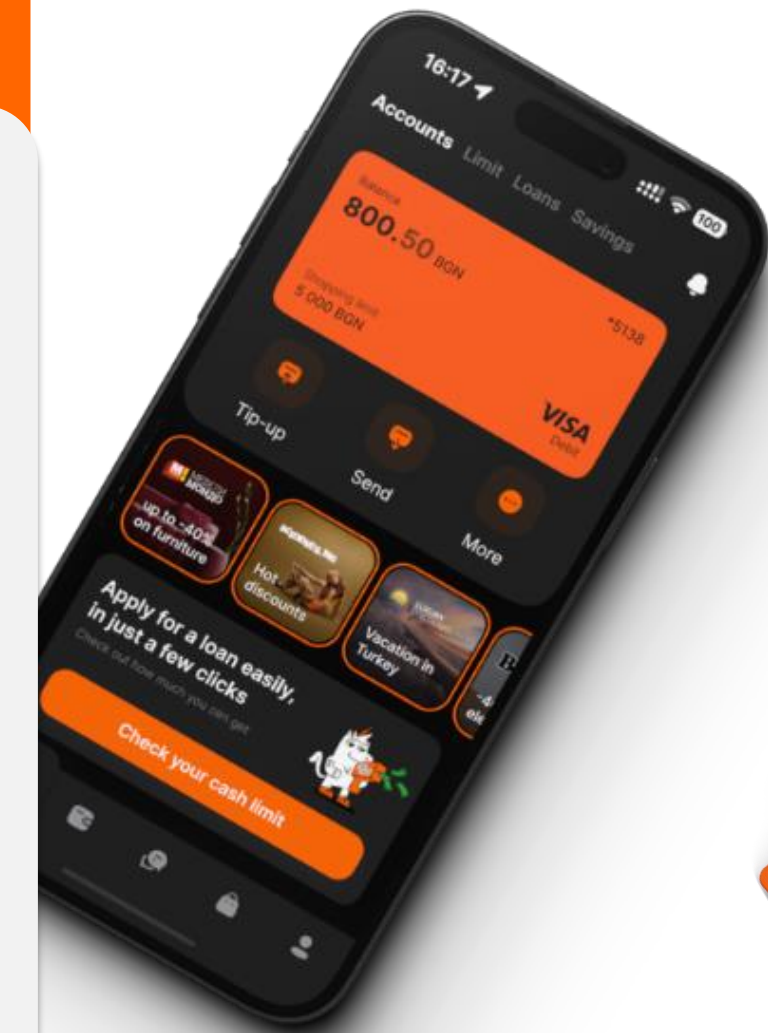
9-year operating income CAGR

**21%**

Active customers

**~930k**

**Ba2** deposit rating / **Ba3** senior unsecured debt rating (positive outlook) from Moody's

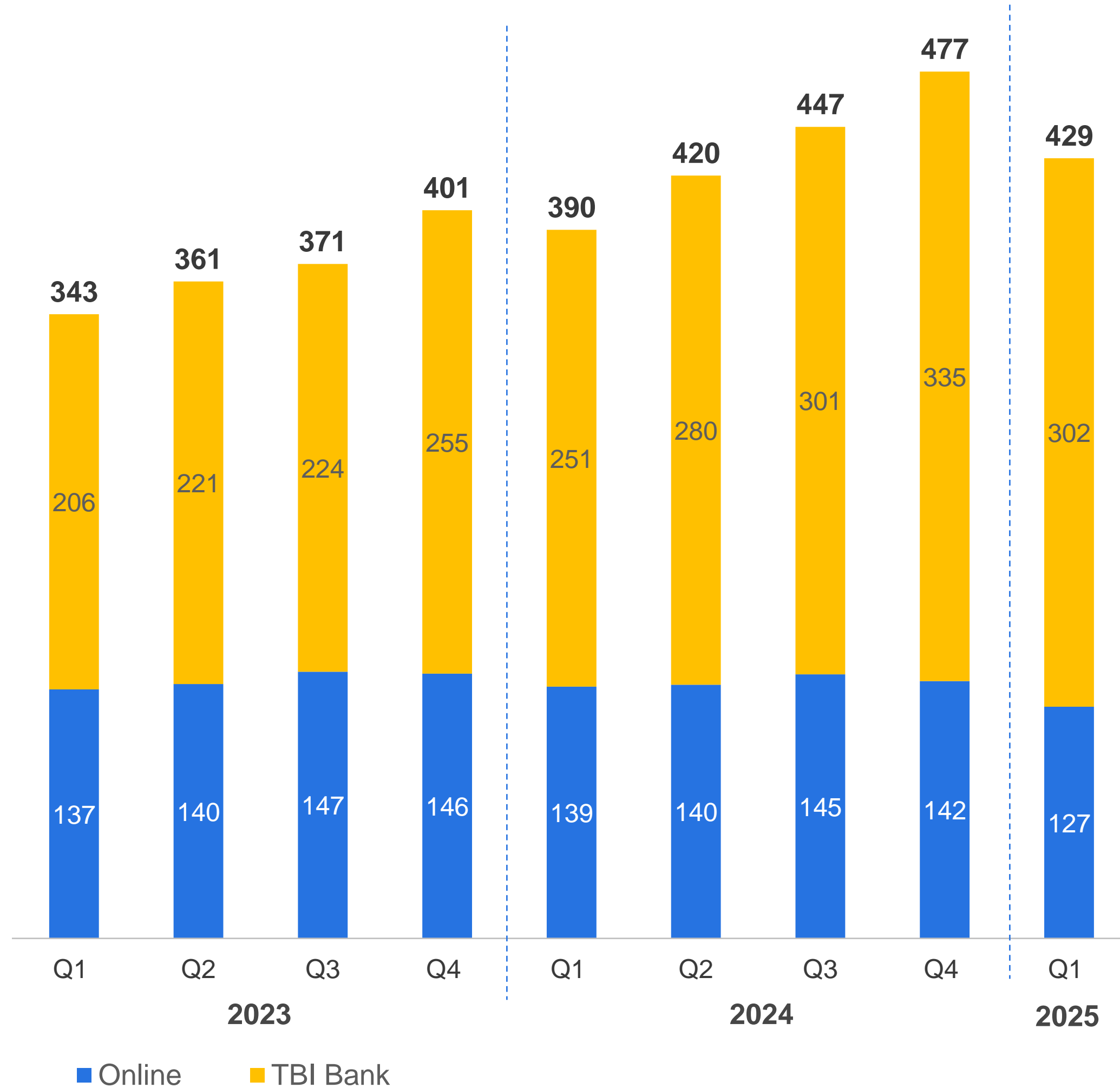




# Overall loan issuance and gross income

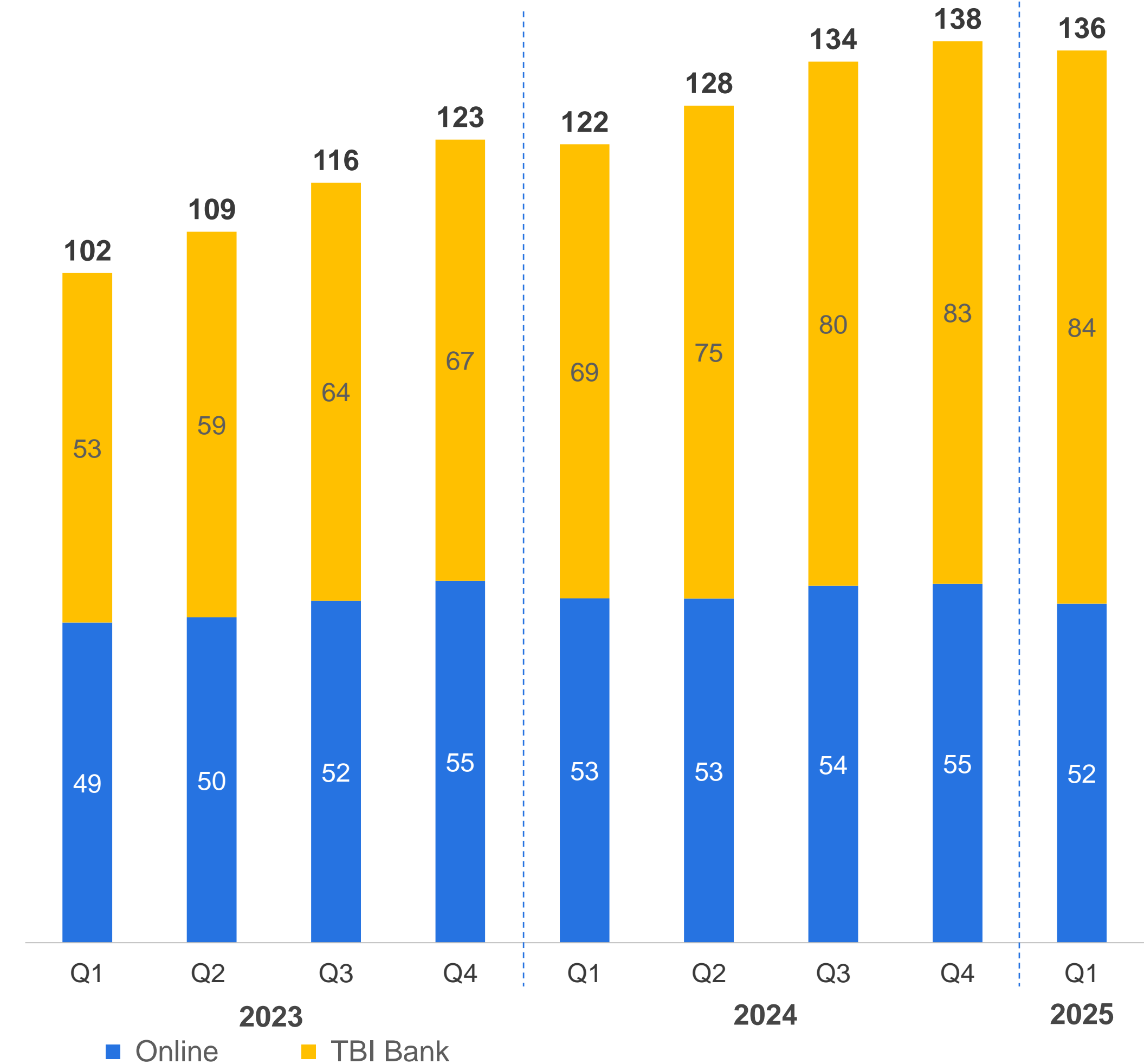
## Quarterly loan issuance

€m



## Quarterly gross income <sup>(1)</sup>

€m



Note (1): Gross income includes interest income, net fees & commissions and other operating income

# Income statement

<i>In millions of €</i>	3M 2025	3M 2024	% change YoY
Interest Income	117.7	103.9	+13%
Interest Expense	(20.2)	(18.5)	+9%
<b>Net Interest Income</b>	<b>97.5</b>	<b>85.4</b>	<b>+14%</b>
Net F&C Income	13.2	12.1	+9%
Other operating income	5.3	5.8	(9)%
<b>Non-Interest Income</b>	<b>18.5</b>	<b>17.9</b>	<b>+3%</b>
<b>Operating Income (Revenue)</b>	<b>116.0</b>	<b>103.3</b>	<b>+12%</b>
<b>Total operating costs</b>	<b>(44.3)</b>	<b>(44.7)</b>	<b>(1)%</b>
<b>Pre-provision operating profit</b>	<b>71.7</b>	<b>58.6</b>	<b>+22%</b>
Net impairment charges	(45.5)	(41.3)	+10%
<b>Post-provision operating profit</b>	<b>26.3</b>	<b>17.3</b>	<b>+52%</b>
Depreciation and amortisation	(3.5)	(2.3)	+49%
Non-recurring income/(expense)	(1.4)	(1.5)	(12)%
Net FX gain/(loss)	(1.2)	(0.1)	nm
<b>Profit before tax</b>	<b>20.2</b>	<b>13.4</b>	<b>+51%</b>
Income tax expense	(5.6)	(3.8)	+47%
<b>Profit for the period</b>	<b>14.6</b>	<b>9.6</b>	<b>+53%</b>

# Quarterly income statement

<i>In millions of €</i>	Q1 2025 (unaudited)	Q4 2024 (unaudited)	Q3 2024 (unaudited)	Q2 2024 (unaudited)	Q1 2024 (unaudited)	QoQ % change	YoY % change
<b>Interest Income</b>	<b>117.7</b>	<b>117.7</b>	<b>114.0</b>	<b>108.8</b>	<b>103.9</b>	<b>+0%</b>	<b>+13%</b>
Interest Expense	(20.2)	(20.0)	(19.6)	(19.5)	(18.5)	+1%	+9%
<b>Net Interest Income</b>	<b>97.5</b>	<b>97.7</b>	<b>94.4</b>	<b>89.2</b>	<b>85.4</b>	<b>(0)%</b>	<b>+14%</b>
Net F&C Income	13.2	14.0	14.3	13.5	12.1	(6)%	+9%
Other operating income	5.3	6.0	6.2	5.5	5.8	(11)%	(9)%
<b>Non-Interest Income</b>	<b>18.5</b>	<b>20.0</b>	<b>20.5</b>	<b>19.0</b>	<b>17.9</b>	<b>(7)%</b>	<b>+3%</b>
<b>Operating Income (Revenue)</b>	<b>116.0</b>	<b>117.7</b>	<b>114.8</b>	<b>108.2</b>	<b>103.3</b>	<b>(1)%</b>	<b>+12%</b>
<b>Total operating costs</b>	<b>(44.3)</b>	<b>(49.0)</b>	<b>(46.9)</b>	<b>(44.9)</b>	<b>(44.7)</b>	<b>(10)%</b>	<b>(1)%</b>
<b>Pre-provision operating profit</b>	<b>71.7</b>	<b>68.6</b>	<b>68.0</b>	<b>63.3</b>	<b>58.6</b>	<b>+5%</b>	<b>+22%</b>
Net impairment charges	(45.5)	(45.6)	(44.9)	(40.7)	(41.3)	(0)%	+10%
<b>Post-provision operating profit</b>	<b>26.3</b>	<b>23.0</b>	<b>23.1</b>	<b>22.6</b>	<b>17.3</b>	<b>+14%</b>	<b>+52%</b>
Depreciation and amortisation	(3.5)	(3.6)	(2.8)	(2.9)	(2.3)	(4)%	+49%
Non-recurring income/(expense)	(1.4)	(0.8)	(2.4)	(2.7)	(1.5)	nm	(12)%
Net FX gain/(loss)	(1.2)	0.1	(0.9)	(0.9)	(0.1)	nm	nm
<b>Profit before tax</b>	<b>20.2</b>	<b>18.8</b>	<b>17.1</b>	<b>16.2</b>	<b>13.4</b>	<b>+7%</b>	<b>+51%</b>
Income tax expense	(5.6)	(4.1)	(2.4)	(2.8)	(3.8)	+37%	+47%
<b>Net profit/(loss) after tax</b>	<b>14.6</b>	<b>14.8</b>	<b>14.6</b>	<b>13.4</b>	<b>9.6</b>	<b>(1)%</b>	<b>+53%</b>
 <b>Adjusted EBITDA</b>	 <b>43.0</b>	 <b>40.9</b>	 <b>41.1</b>	 <b>40.2</b>	 <b>34.9</b>	 <b>+5%</b>	 <b>+23%</b>
 <b>Online business key metrics</b>							
Net profit after tax <sup>(1)</sup>	3.1	4.4	2.4	2.2	2.6	(29)%	+18%
Proforma Adjusted EBITDA	12.7	12.9	10.5	10.5	10.4	(1)%	+23%

(1) Internal management view of 'online' net profit, attributing cost of capital of 11% on EUR 75m net purchase price and excluding certain other TBI related costs



# Balance sheet

<i>In millions of €</i>	31 March 2025 (unaudited)	31 December 2024	<i>In millions of €</i>	31 March 2025 (unaudited)	31 December 2024
<b>Assets</b>			<b>Liabilities</b>		
<b>Cash and cash equivalents, of which:</b>	<b>372.0</b>	<b>294.7</b>	Loans and borrowings	372.6	332.1
- Online	73.3	79.1	Deposits from customers	1,353.0	1,335.2
- TBI Bank	298.7	215.6	Income tax liabilities	10.1	11.4
Placements with other banks	48.0	40.5	Other liabilities	108.6	99.0
Gross receivables due from customers	1,516.8	1,475.6	<b>Total liabilities</b>	<b>1,844.3</b>	<b>1,777.7</b>
Allowance for impairment	(169.6)	(159.7)	Share capital	35.8	35.8
<b>Net receivables due from customers, of which:</b>	<b>1,347.2</b>	<b>1,315.9</b>	Retained earnings	304.1	289.5
- Principal	1,329.6	1,294.2	Reserves	(30.7)	(30.6)
- Accrued interest	17.6	21.8	<b>Total equity</b>	<b>309.2</b>	<b>294.7</b>
Net investments in finance leases	1.0	0.9	<b>Total shareholders' equity and liabilities</b>	<b>2,153.5</b>	<b>2,072.4</b>
Net loans to related parties	38.0	20.7			
Net loans to other parties	0.2	2.5			
Property and equipment	19.1	18.1			
Financial investments	186.3	239.0			
Prepaid expenses	4.4	3.4			
Tax assets	20.3	25.4			
Intangible IT assets	40.4	39.4			
Goodwill	27.1	27.4			
Other assets	49.4	44.4			
<b>Total assets</b>	<b>2,153.5</b>	<b>2,072.4</b>			

# Statement of cash flows

In millions of €

3 months to 31 March

	2025	2024
<b>Cash flows from operating activities</b>		
<b>Profit before taxes</b>	<b>20.2</b>	<b>13.4</b>
<i>Adjustments for:</i>		
Depreciation and amortisation	3.5	2.3
Net loss / (gain) on foreign exchange from borrowings and other monetary items	1.4	(0.9)
Impairment losses on loans	48.2	44.2
Reversal of provision on debt portfolio sales	(1.2)	(1.2)
Write-off and disposal of intangible and property and equipment assets	0.6	0.5
Interest income from non-customers loans	(1.8)	(2.2)
Interest expense on loans and borrowings and deposits from customers	20.2	18.5
Non-recurring finance expense / (income)	-	(0.1)
Other non-cash items, including loss/(gain) on disposals	0.6	0.2
<b>Profit before adjustments for the effect of changes to current assets and short-term liabilities</b>	<b>91.6</b>	<b>74.7</b>
<i>Adjustments for:</i>		
Change in financial instruments measured at fair value through profit or loss	0.0	0.6
(Increase) in other assets (including TBI statutory reserve, placements & leases)	(3.7)	(2.3)
Increase in accounts payable to suppliers, contractors and other creditors	8.3	4.3
<b>Operating cash flow before movements in portfolio and deposits</b>	<b>96.2</b>	<b>77.4</b>
Increase in loans due from customers	(85.8)	(86.5)
Proceeds from sale of portfolio	7.6	6.8
Increase in deposits (customer and bank deposits)	17.8	75.6
Deposit interest payments	(11.1)	(10.2)
<b>Gross cash flows from operating activities</b>	<b>24.8</b>	<b>63.2</b>
Corporate income tax (paid), net of refunds received	(2.1)	(4.8)
<b>Net cash flows from operating activities</b>	<b>22.7</b>	<b>58.4</b>

In millions of € (continued)

3 months to 31 March

	2025	2024
<b>Cash flows from / (used in) investing activities</b>		
Purchase of property and equipment and intangible assets	(3.9)	(3.1)
Net cash from (Purchase) / Sale of financial instruments	52.0	(43.0)
Other / related party loans issued	(17.3)	(0.2)
Other / related party loans repaid	2.3	—
Interest received on other / related party loans	0.7	2.3
Disposal of subsidiaries, net of cash disposed	—	(0.3)
<b>Net cash flows from / (used in) investing activities</b>	<b>33.8</b>	<b>(44.3)</b>
<b>Cash flows from / (used in) financing activities</b>		
Loans received and notes issued	36.0	0.7
Interest payments	(4.6)	(4.2)
FX hedging margin	(0.0)	(0.8)
Payment of lease liabilities	(0.9)	(0.8)
<b>Net cash flows from / (used in) financing activities</b>	<b>30.4</b>	<b>(5.1)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>86.9</b>	<b>9.0</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>137.0</b>	<b>133.5</b>
Effect of exchange rate fluctuations on cash	0.1	0.1
<b>Cash and cash equivalents at the end of the period</b>	<b>224.0</b>	<b>142.6</b>
<b>TBI Bank minimum statutory reserve</b>	<b>148.0</b>	<b>141.3</b>
<b>Total cash on hand and cash at central banks</b>	<b>372.0</b>	<b>283.9</b>

# Key financial ratios

	3 months to 31 March	
	2025	2024
<b>Capitalisation</b>		
Equity / assets	14.4%	13.5%
Tangible common equity / tangible assets	11.0%	10.1%
Equity / net receivables	22.9%	22.4%
Interest coverage ratio	2.1x	2.0x
TBI Bank consolidated capital adequacy	21.2%	21.5%
<b>Profitability</b>		
Net interest margin:		
- Online	99.3%	100.1%
- TBI Bank	17.7%	17.6%
- Overall group	26.5%	28.4%
Cost / income ratio	38.2%	43.3%
Post-provision operating profit margin	22.6%	16.7%
Normalised Profit before tax margin	19.4%	14.4%
Normalised Return on average equity	22.8%	18.1%
Normalised Return on average assets	3.3%	2.5%

	3 months to 31 March	
	2025	2024
<b>Asset quality</b>		
Cost of risk:		
- TBI Bank	7.7%	6.8%
- Overall group	12.2%	13.4%
Net impairment / interest income	37.1%	37.9%
Gross NPL ratio:		
- Online	13.4%	13.9%
- TBI Bank	9.2%	9.3%
- Overall group	9.7%	9.9%
Overall group NPL coverage ratio	115.0%	108.1%
Loan loss reserve / gross receivables	11.2%	10.8%



# 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
- **Cost of risk** – Annualised net impairment charges / 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 (revenue)
- **Equity / assets ratio** – Total equity / total assets
- **Equity / net receivables** – Total equity / net customer receivables (including accrued interest)
- **ESG** – Environment, Social and Governance
- **Gross income** – consists of interest income, net fees & commissions and other operating income
- **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 and corporate/other loans
- **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 effective annualised yield** – annualised interest income (excluding penalties) / average net loan principal
- **Net impairment / interest income ratio** – Net impairment charges on loans and receivables / interest income plus relevant fee income (interest income and other income from contracts with customers in Philippines and Lithuania under IFRS 15)
- **Net interest margin** – Annualised net interest income / average gross loan principal (total gross loan principal as of the start and end of each period divided by two)
- **Net receivables** – Gross receivables (including accrued interest) less impairment provisions
- **Non-performing loans (NPLs)** – Loan principal or receivables that are over 90 days past due (over 30 DPD in the Philippines) and, for TBI Bank, shown on a customer level basis
- **Normalised** – Adjusted to remove the effect of non-recurring items, discontinued operations, net FX and one-off adjustments to intangible assets
- **Overall group NPL coverage ratio** – Overall receivables allowance account / non-performing receivables
- **Profit before tax margin** – Profit before tax / interest income
- **Return on Average Assets** – Annualised net profit / average assets (total assets as of the start and end of each period divided by two)
- **Return on Average Equity** – Annualised net profit / 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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