

TBC Bank Group PLC (TBC Bank) is the UK-incorporated parent company of JSC TBC Bank and its subsidiaries, which is the largest banking group in Georgia. TBC Bank offers a broad range of products and services through its extensively developed retail, corporate and MSME banking business lines.

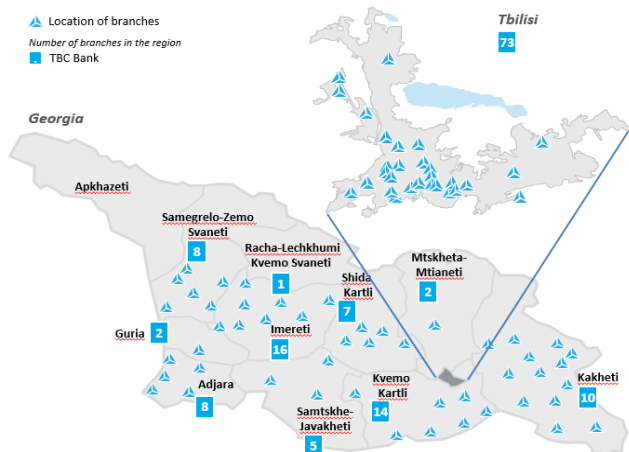
TBC Bank is a FTSE 250 constituent with a listing on the London Stock Exchange's premium segment.

> Key Facts (31 March 2019)

- Number one bank in Georgia
- The market shares in total assets, loans and deposits of 37.4%, 38.4% and 40.4% respectively
- Around 2.5 million customers and around c. 7,000 employees
- Well-developed multichannel distribution platform with strong focus on digital
- 99.8% of assets concentrated in Georgia
- Offloading ratio in mass retail reached 91.9%¹

Visit the IR [website](#) for more information

TBC branch network (Q1 2019) -148 branches (146 branches in Georgia, 2 in Azerbaijan)



Financial Highlights Q1 2019 (IFRS consolidated unaudited results)

	GEL million	USD million
Total Assets	15,172	5,637
Gross Loans	10,367	3,852
Customer Deposits	9,167	3,406
Equity	2,348	872
Net interest income	197.0	73.8
Net fee and commission income	41.8	15.7
Other operating non-interest income	33.2	12.4
Provision expenses	-33.1	-12.4
Operating expenses	-102.5	-38.4
Profit before tax	136.3	51.1
Net profit for the period	133.3	50.0

Key Ratios

	Q1 2019	Q1 2018
ROE	23.8%	21.0%
ROA	3.6%	3.2%
NIM	6.1%	6.9%
Cost to Income	37.7%	38.1%
Cost of Risk	1.4%	93.2%
NPL to Gross Loans	3.3%	3.1%
NPL Coverage Ratio including collateral	210.8%	225.8%
Basel III Tier 1 CAR	13.8%	13.8%
Basel III Total CAR	19.1%	17.7%

Letter from the Chief Executive Officer

The letter from the CEO has been adapted for the Factsheet

I am pleased to present the financial results for the first quarter 2019 and update you on our operating performance as well as provide an overview of the recent macroeconomic developments in Georgia.

Our consolidated net profit for the first quarter of 2019 reached GEL 133.3 million, up by 36.7% year-on-year, while our return on equity was 23.8% and our return on assets stood at 3.6%. Our robust profitability was supported by strong growth in net fee and commission income of 19.7% and other operating income of 16.9% year-on-year, as well as positive operating jaws leading to the reduction of the cost to income ratio by 0.4 percentage points to 37.7%. Over the same period, cost of risk remained at 1.4%. As anticipated, our net interest margin decreased in the first quarter of 2019 mainly due to the new regulation limiting the banks' ability to lend money to higher-yield retail customers. The requirement came into force at the beginning of the year leading to the contraction in net interest margin by 0.5 percentage points. A further decrease of 0.1 percentage points was related to our higher than usual liquidity levels resulting in a net interest margin of 6.1% in the reporting period. Over the same period, our effective interest rate on loans decreased by 0.7 percentage points quarter-on-quarter and stood at 11.5% in first quarter 2019 driven by new regulation as well as decrease in NBBG refinancing rate.

In terms of balance sheet, our loan book expanded by 22.9% year-on-year, supported by growth across all business segments, which resulted in a market share of 38.4%, up by 0.6 percentage points year-on-year. Over the same period, deposits increased by 20.4%, expanding our deposit market share to 40.4%, up by 1.5 percentage points year-on-year.

I am also pleased with the results of our insurance subsidiary, TBC Insurance, which continues to generate strong growth and strengthen its position as a leading player in the market. In the first quarter of 2019, its P&C and life insurance market share increased by 3.3 percentage points year-on-year and stood at 22.8%, while over the same period its market share in the retail segment amounted to 39.8%².

I would like to update you on our progress towards our strategic priorities:

Digitalization

In the first quarter of 2019, our offloading ratio in the retail segment reached 91.9%³, up by 2.9 percentage points year-on-year, while sales conducted through digital channels amounted to 44.7%. Furthermore, our mobile banking penetration increased by 5.7 percentage points year-on-year and amounted to 36.7%, while the mobile or internet banking penetration ratio grew by 3.9 percentage points to reach 41.9%.

Agile transformation

We have also successfully completed the first wave of our agile transformation and established the new organisation structure for our back office operations, which we believe will lead to faster time-to-market, improved productivity and higher employee engagement.

Ecosystems

We continue to actively develop our e-commerce platform, Vendoo by deploying a brand new cloud technology based on open source. The launch of the marketplace is scheduled in May 2019 with electronics and personal care products. In relation to our real estate platform, we have designed a target agile operating model, implemented data mining and lead generation practices and started the rebranding process.

Finally, I would also like to update you on the progress made during recent months in relation to our international initiatives:

Azerbaijan

I am proud to report that our joint efforts with Nikoil Bank's management continue to pay off. The bank has generated a net profit of USD 1.8 million in the first quarter 2019 on the back of improved income generation and cost efficiency.

Uzbekistan

In April 2019, we acquired a 51% stake in Payme, a leading payment platform in Uzbekistan, for a consideration of USD 5.5 million. Payme supplies high-quality payment solutions to its 1.3 million customers through facilitating utility payments, P2P transfers, loan repayments, mPOS for QR-based payments and e-commerce purchases. It also provides a marketplace platform for loans from selected Uzbek banks. Payme has grown rapidly in recent years, increasing the number of clients by around 70% during 2018, while during the same period its revenue and net profit grew by 41.9% and 24.5% respectively. The steady growth also continued in the first quarter 2019 with revenue and net profit growing by 21.9% and 73.0% quarter-on-quarter respectively. The acquisition of Payme is another important step in our planned expansion into Uzbekistan. It will enable us to gain immediate access to a large customer base in the country and use our core digital strengths in Georgia to innovate in the Uzbek market. With Payme joining our effort, we intend to further develop the payment business and also use it as a platform to develop new ecosystems in the country.

Vakhtang Butskhrikidze, Chief Executive Officer

¹ Number of transactions conducted through remote channels divided by total number of transactions

² The calculation of the market share figure excludes the mandatory third-party liability (MTP) insurance that foreign vehicles entering Georgia are required to buy at the border. This was introduced in March 2018 and the premium collected is shared evenly between 17 insurance companies, thus reducing our market share. Including the MTP, our total market shares stood at 21.3% and our retail market share amounted to 32.9% as of 1Q 2019.

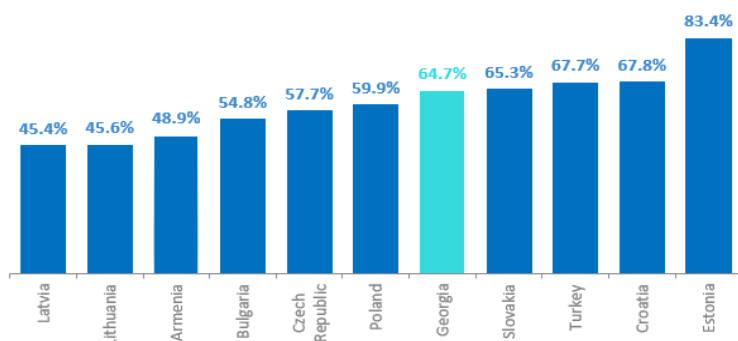
³ The number of transactions conducted through remote channels divided by the total number of transactions.

Investor friendly economy with a strategic location at the gateway of trade between Europe and Asia

Real GDP growth averaged 4.7% in 2018 per initial estimates, almost unchanged from 2017—a strong growth especially taking into account developments in Turkey and a tight fiscal policy throughout the year.

Along with the continued strong growth performance, the CA deficit also improved from 8.8% in 2017 to 7.7% in 2018, indicating a more sustainable growth path. Along with the strong inflows and moderate import demand, the central bank continued to replenish reserves, improving the sustainability indicators of the economy.

Banking sector lending to the economy remained strong, supporting the economic growth. As of the end of 2018, the total loan portfolio expanded by 17.2% YoY compared to 16.4% growth a year ago at a constant exchange rate. Over the same period, lending to the business grew by 18.3% YoY and retail segment increased by 16.0% YoY, without currency effect.

Loans to GDP (2018)

Selected Macroeconomic Data
Real GDP Growth Forecast 2018

- NBG: 5.0%
- EBRD: 4.5%
- IMF 4.6%

Exchange rate and Foreign Trade

- USD/GEL exchange rate stood at 2.69 at 31.03.2019, down by 0.6% QoQ
- Exports: up by 12.8% YoY in Q1 2019
- Imports: down by 5.2% YoY in Q1 2019

Selected BOP items

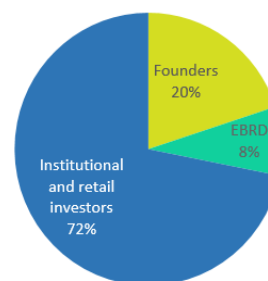
- Tourism revenue increased by 5.7%* YoY in Q1 2019
- Remittances increased by 6.5% YoY in Q1 2019
- The CA deficit to GDP ratio improved by 1.1 pp in 2018 and stood at 7.7%
- FDI inflows amounted to USD 1,232 mln or 7.9% of GDP in 2018, down by 34.9% YoY

* Estimates for March 2019 growth
Source: NBG, Geostat, Ministry of Finance

Credit Ratings

Ratings

 (affirmed on 25 April 2019)	BB- / Positive (FC Long Term IDR) B (FC Short Term IDR)
 (affirmed on 22 January 2019)	Ba3 /NP(Bank Deposits – Fgn Curr) Ba2/NP (Bank Deposits – Dom Curr)

TBC Bank Group PLC Shareholding Structure


TBC Bank Group PLC owns 99.88% of JSC TBC Bank's shares

Note: Based on third party data

The Management and IR Contacts

Vakhtang Butskhrikidze
CEO

Mr. Butskhrikidze joined TBC Bank in 1993. Since 1998, he has held the position of CEO of the Bank. Mr. Butskhrikidze is also a member of the Supervisory Boards of the Association of Banks of Georgia and is the Chairman of the Financial Committee of the Business Association of Georgia. He earned his MBA degree from the European School of Management in Tbilisi in 2001. In 2011 he was recognized as the "Best Banker 2011" by GUAM – Organization for Democracy and Economic Development award. Mr. Butskhrikidze was named as the CEO of the Year 2014 in Central and Eastern Europe and the CIS by EMEA Finance magazine.


Giorgi Shagidze
Deputy CEO, CFO

Mr. Shagidze serves as the Deputy CEO and Chief Financial Officer of TBC Bank since 2010. Between 2008 and 2010, Mr. Shagidze acted as a Global Operations Executive for Barclays Bank Plc. Prior to this he served on a number of senior executive positions at Tbiluniversalbank, Bank of Georgia and the Peoples Bank of Georgia. Since 2014, Mr. Shagidze serves as the members of the Supervisory Board of the Georgian Stock Exchange. He obtained an MBA degree from the University of Cambridge Judge Business School in 2008. He is also a CFA Charterholder and the member of the CFA Society in the UK.

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