



# **Q4 and FY 2022 CALL PRESENTATION**

Unaudited IFRS  
consolidated figures





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# KEY TAKEAWAYS OF FY 2022

The market leader in Georgia with robust profitability and strong growth supported by solid capital, coupled with excellent progress in Uzbekistan.

Robust profitability  
backed by solid  
capital

27.0% /  
29.9%<sup>1</sup>

ROE

15.5%

CET1

Strong portfolio  
growth

+16%

YoY loan growth<sup>2</sup>

+31%

YoY deposit growth<sup>2</sup>

Uzbek operations  
turned positive on the  
back of high growth

12%

Share in retail non-  
mortgage loan book

GEL 8 mln

Net profit

Q4 ROE 27.0%  
FY ROE 6.5%

Increasing our digital  
footprint across the  
Group

1.4 mln

+61% YoY  
DAU

3.8 mln

+48% YoY  
MAU

(1) Adjusted for one-off tax charge  
(2) Growth rates on a constant currency basis



# KEY MACRO HIGHLIGHTS OF FY 2022

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**Double digit GDP  
growth in 2022**



**Moderating  
inflation, falling  
below 10% by YE22**



**Stronger GEL  
broadly aligned  
with its long- term  
trend**



**Accumulated central  
bank reserves and  
improved fiscal  
stance**



# GEORGIA ONCE AGAIN DEMONSTRATED HIGH GROWTH POTENTIAL AND RESILIENCE

Real GDP Growth (%)



\* World Bank Projections  
 \*\*Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Montenegro, Poland, Romania, Serbia, North Macedonia, Kosovo  
 Source: Geostat, World Bank

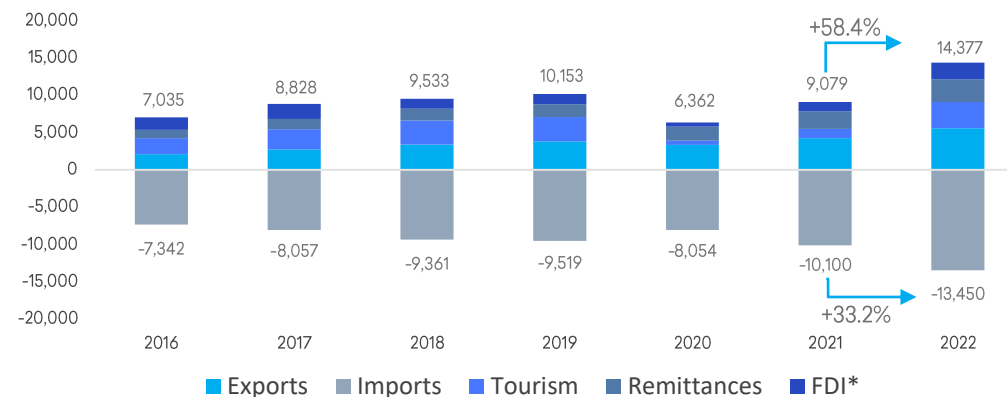
Share in Exports, Tourism, Remittances and FDI Inflows in 2022 in Georgia (%)<sup>1</sup>



Source: Geostat, NBG, TBC Capital

(1) The group comprises EU countries and Great Britain, FDI for Q4 2022 is an estimation, Remittances from Russia are adjusted for double counting with tourism inflows and other issues.

Export and Import of Goods, FDI, Tourism and Remittance flows in Georgia (mln USD)



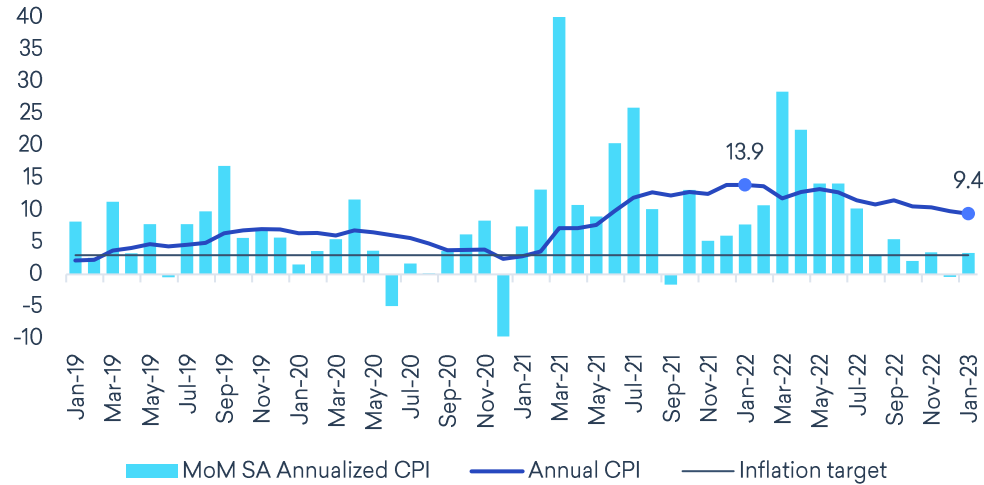
\*Note: FDI for Q4 2022 is an estimation, Remittances from Russia are adjusted for double counting with tourism inflows and other issues.  
 Source: Geostat, NBG, TBC Capital

- In contrast to the weak growth in the region, in 2022 the Georgian economy is estimated to grow by 10.1%.
- We expect around 5% GDP growth in 2023.
- There was further improvement in the net balance of trade in goods, tourism and remittance inflows.
- Inflows remain well diversified geographically, with EU having the largest share.



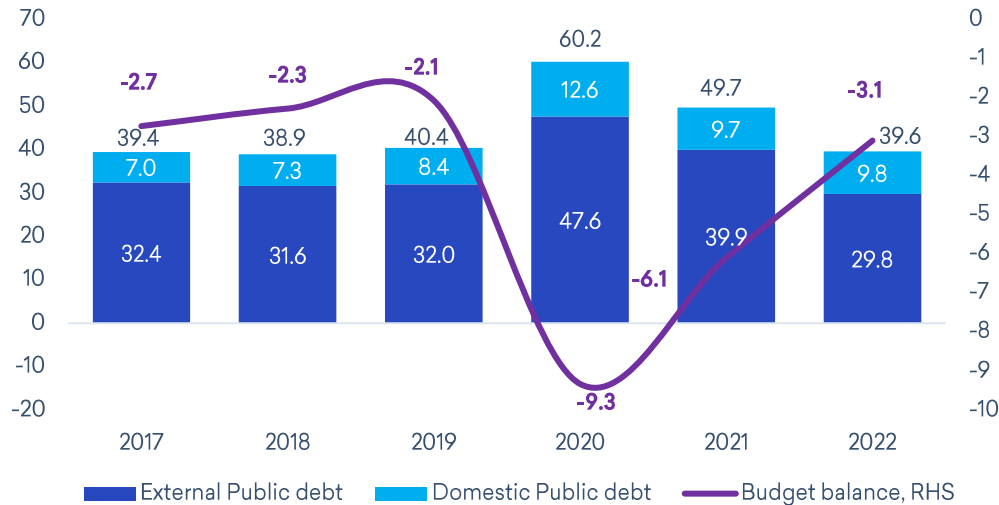
# INFLATION IS MODERATING, WHILE CENTRAL BANK AND FISCAL BUFFERS HAVE BEEN ACCUMULATING IN GEORGIA

Annual and Seasonally Adjusted Annualized Monthly Inflation (%)



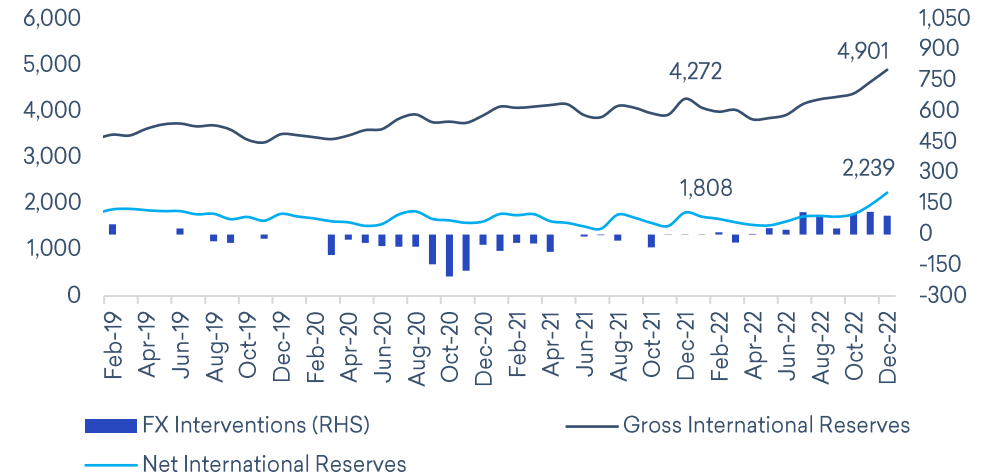
Source: Geostat, TBC Capital

Public Debt and Budget Balance (% of GDP)



Source: Geostat, NBG, TBC Capital

NBG's International Reserves and FX Interventions (mln USD)



Note: NIR level for Dec-2022 is calculated based on the assumed values for FX swap operations between the NBG and commercial banks and MoF liabilities to the IMF.

Source: NBG, MoF, TBC Capital

- CPI inflation has begun easing, especially in terms of monthly seasonally adjusted dynamics.
- 2022 was noticeable in terms of strong accumulation of international reserves and positive adjustment in both the fiscal deficit and public debt-to-GDP ratio. Fiscal deficit narrowed to 3.1% in 2022.
- During 2022, the NBG purchased USD 565 mln, while the public debt to GDP ratio fell from 49.7% to 39.6%.



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A circular graphic with a teal outer ring and a grey inner ring. The teal ring is partially broken, with a dotted teal line following its path. The text 'Business update' is centered in teal.

**Business  
update**

A circular graphic with a grey outer ring and a grey inner ring. The outer ring is partially broken, with a dotted grey line following its path. The text 'FY 2022 and Q4 2022 Financial Results' is centered in grey.

**FY 2022 and  
Q4 2022  
Financial  
Results**

A circular graphic with a grey outer ring and a grey inner ring. The outer ring is partially broken, with a dotted grey line following its path. The text 'Appendices' is centered in grey.

**Appendices**



# WHO WE ARE

- 1** Market leader in Georgia with diversified business across all market segments
- 2** Robust profitability and strong growth backed by solid capital
- 3** Advanced omni-channel distribution with best- in-class digital customer proposition and largest ecosystem network
- 4** Fast growing payments business in Georgia and Uzbekistan
- 5** Uzbek banking operations focused on consumer lending supporting our growth

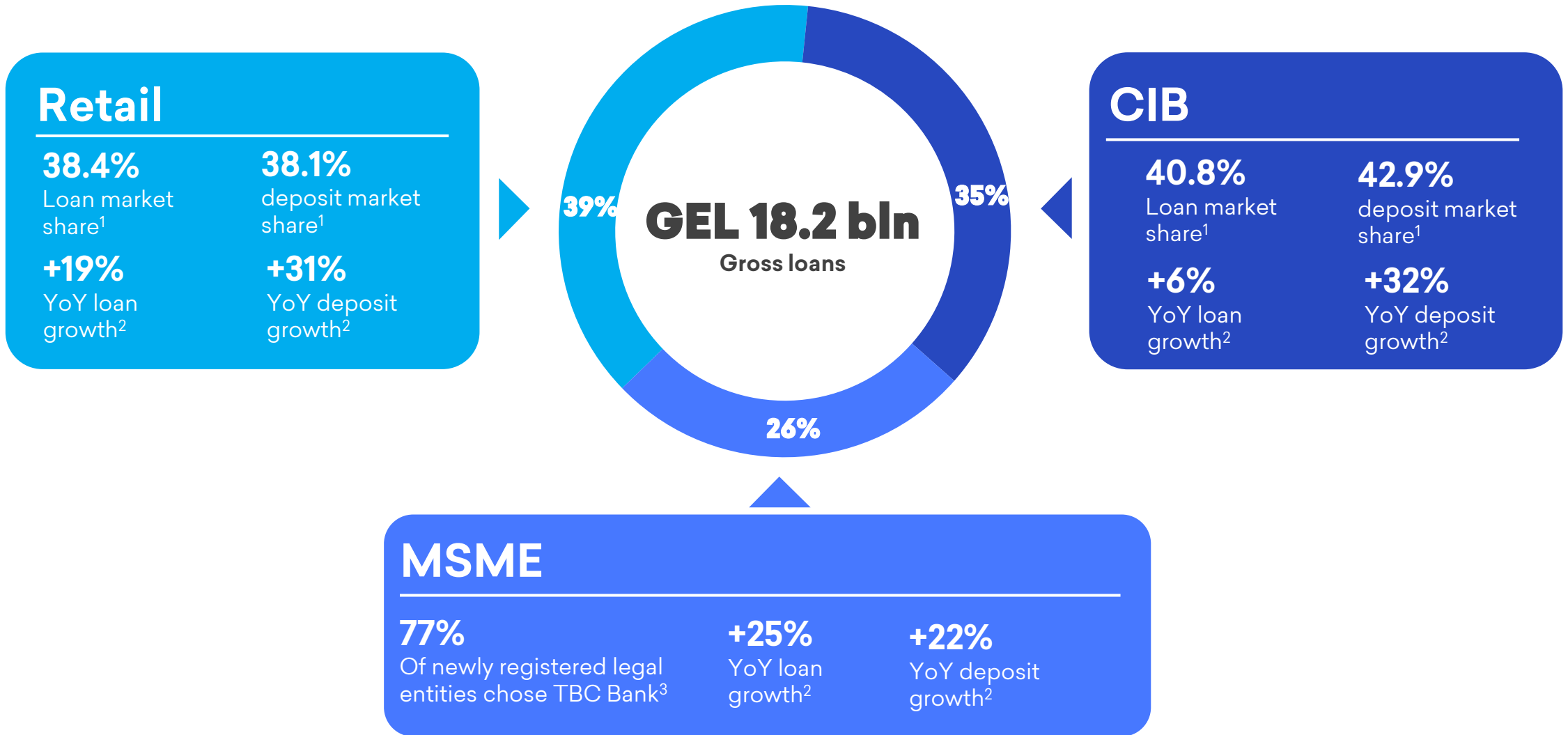


(1) TBC UZ and Payme figures calculated separately on a standalone basis  
(2) An individual who has at least one active product as of 31.12.2022 or performed at least one transaction during the past month  
(3) A user who logged into the application at least once during the month





# STRONG LEADING POSITION ACROSS ALL SEGMENTS IN GEORGIA



All figures on slide are as of 31 December 2022, unless otherwise stated

(1) Market shares are based on data published by the National Bank of Georgia. In this context retail refers to individual customers and CIB refers to legal entities

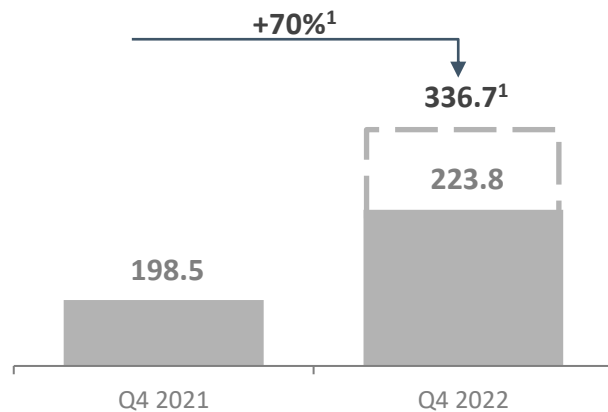
(2) Growth rates at constant currency

(3) Based on data shared by National Statistics Office of Georgia

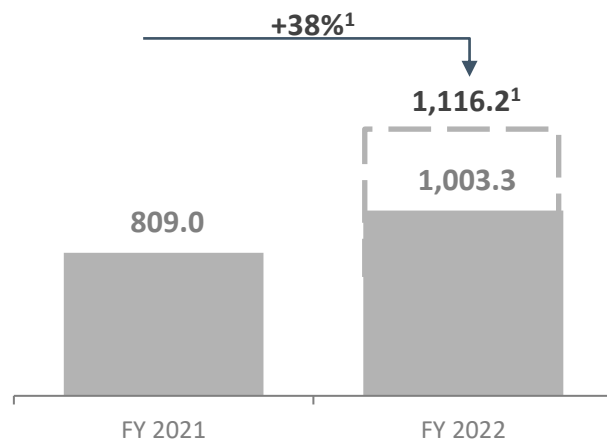


# ROBUST PROFITABILITY

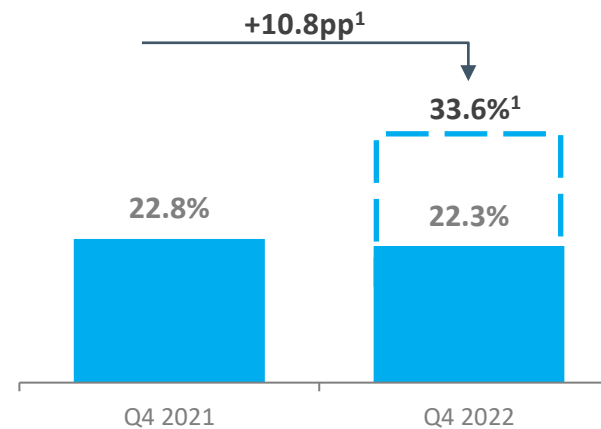
### Q4 Net profit (GEL mln)



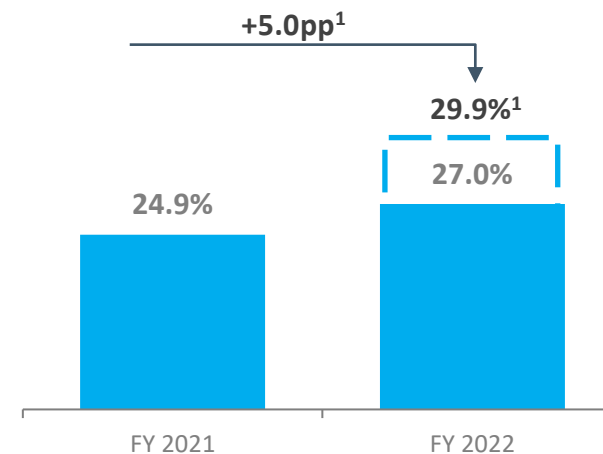
### FY Net profit (GEL mln)



### Q4 ROE



### FY ROE

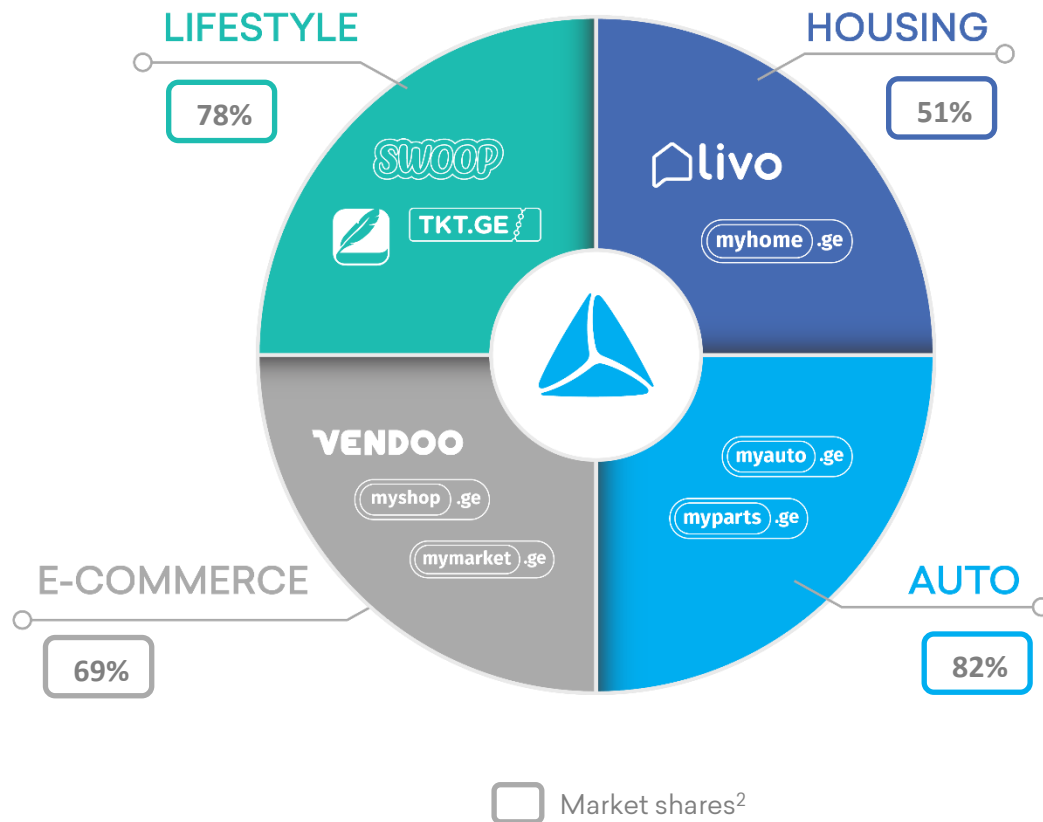


(1) Figures adjusted for one-off tax charge  
Source: IFRS Group Data



# THE LARGEST DIGITAL ECOSYSTEM IN GEORGIA: TNET

TNET accounts for 40% of internet traffic on Georgian websites<sup>1</sup>



## Our aspiration

to leverage **our large customer base and datahub** capabilities to:

- Generate net fee and commission income
- Create leads for loans
- Strengthen customer loyalty
- Increase customer engagement

## How we utilize our big data

- Annual unique users reached **1.9 mln** in 2022, accounting for **67%** of the adult population in Georgia.
- **C.560K users** have given consent on processing their personal data allowing us to target them with specialized offers.
- Resulting in better tailored loan leads and a **conversion rate of 7%**;

(1) Based on internal estimates

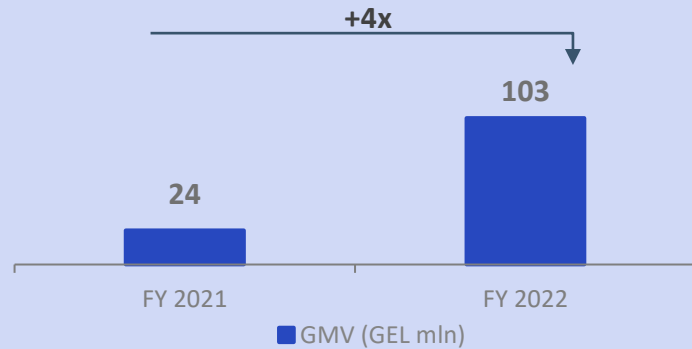
(2) Source: Similarweb, market shares are calculated based on number of unique visitors as of 31 Dec 2022



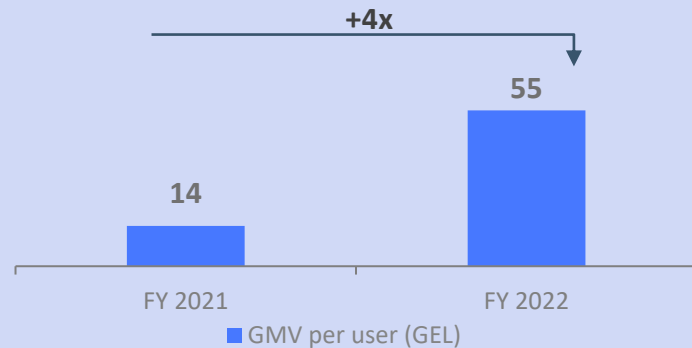
# OUR DIGITAL ECOSYSTEM IS GROWING RAPIDLY

## GMV

Total GMV is growing rapidly...

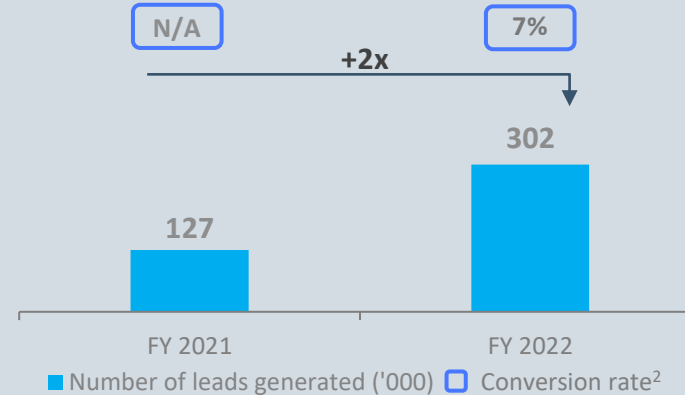


... as our users are becoming more engaged

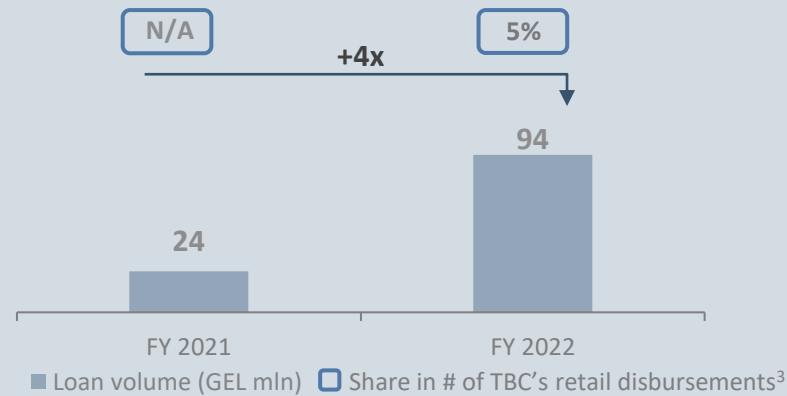


## Lead generation<sup>1</sup>

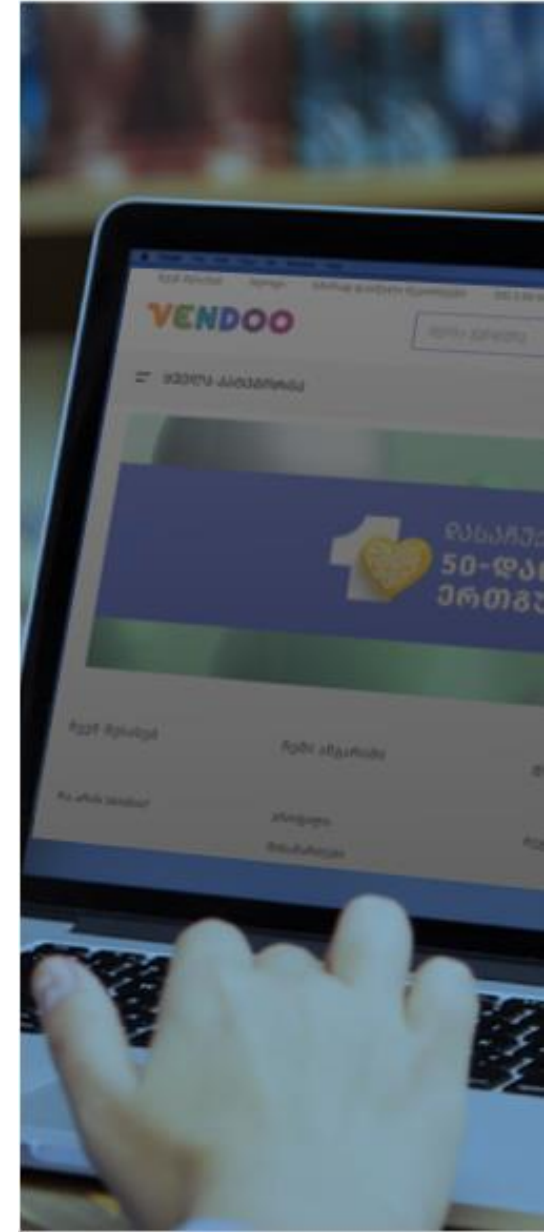
Strong lead generation...



... results in increased loan disbursement



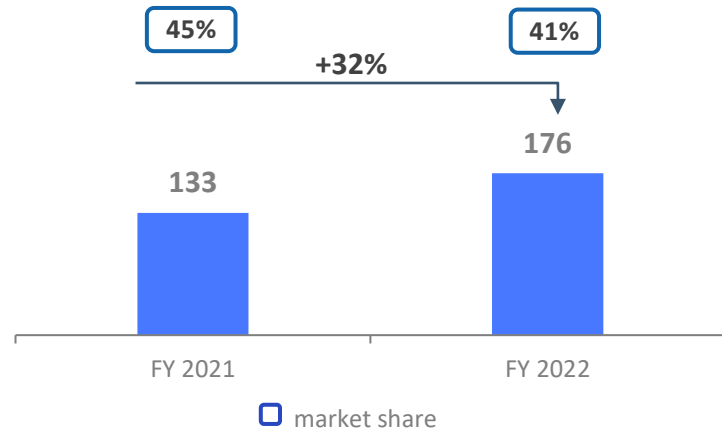
(1) TBC leads account for around 90% of all leads generated.  
 (2) TBC lead conversion rate  
 (3) Retail disbursements include consumer, fast consumer, mortgage and fast instalment loans  
 Note: the terms are defined in glossary at the end of the presentation



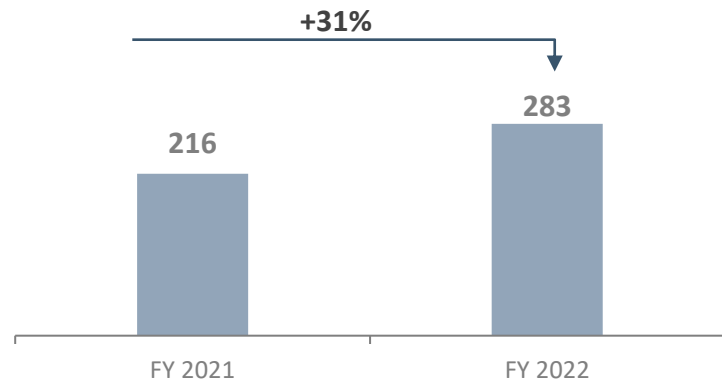


# SOLID GROWTH OF OUR GEORGIAN PAYMENTS BUSINESS SUPPORTING DIVERSIFICATION OF OUR INCOME

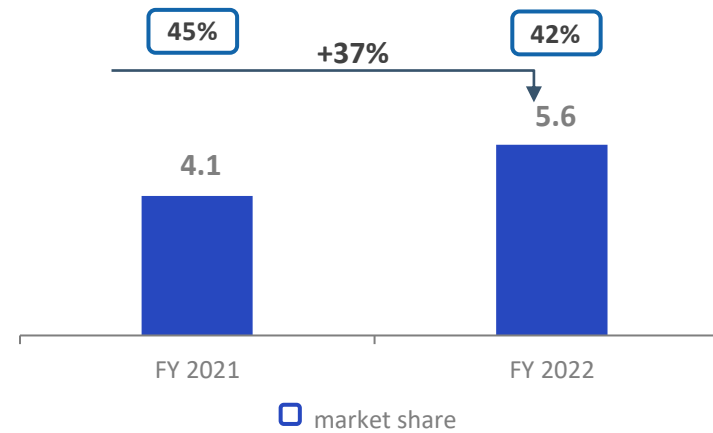
### POS transactions number<sup>1</sup> (mln)



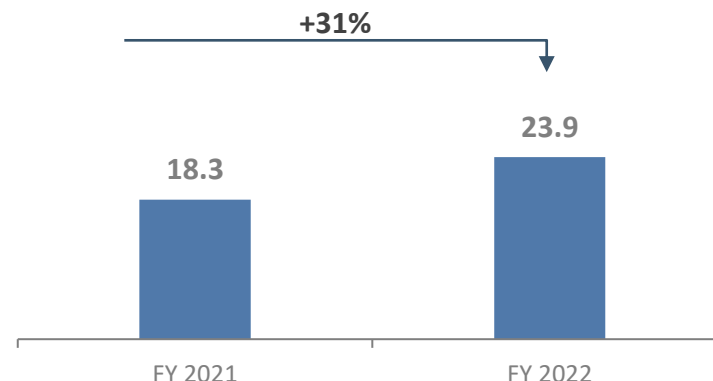
### Number of transactions with TBC cards<sup>2</sup> (mln)



### POS transactions volume<sup>1</sup> (bln GEL)



### Volume of transactions with TBC cards<sup>2</sup> (bln GEL)



### FY 2022:

- POS to cash ratio by number of transactions stood at 89%.
- POS to cash ratio by volume of transactions stood at 39%.



Georgia ranks 1st in contactless payments penetration globally<sup>3</sup>:

- 99% of all TBC card transactions domestically were contactless in 2022.

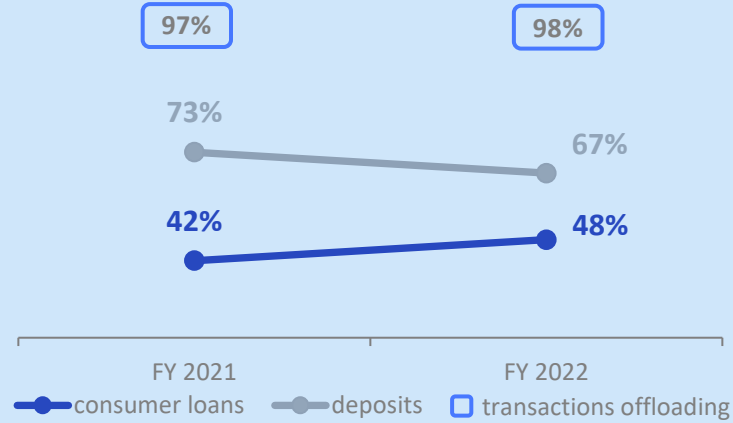
(1) Transactions conducted through TBC's POS terminals  
 (2) Transactions conducted through POS, ecommerce and ATMs by debit and credit cards issued by TBC  
 (3) Per official VisaNet data



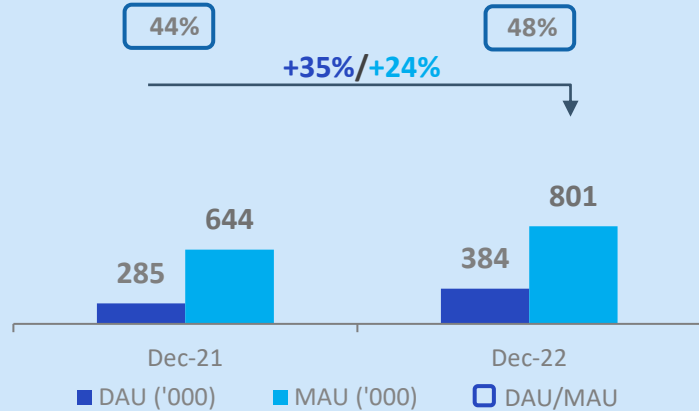
# STRONG PROGRESS IN DIGITAL CHANNELS

## Georgia

Good progress in loans offloading

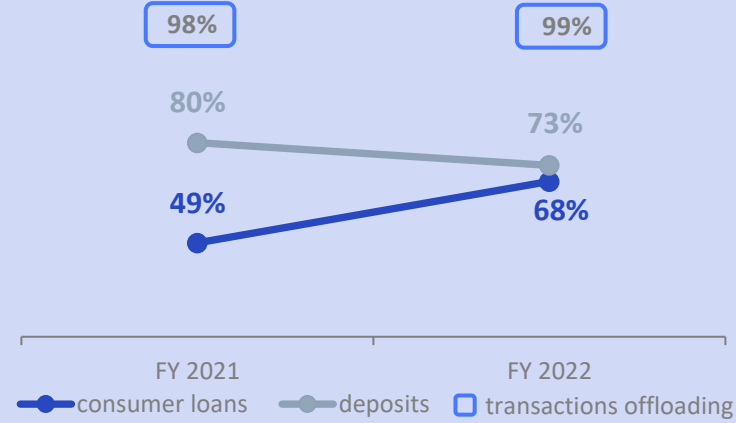


High digital customer engagement

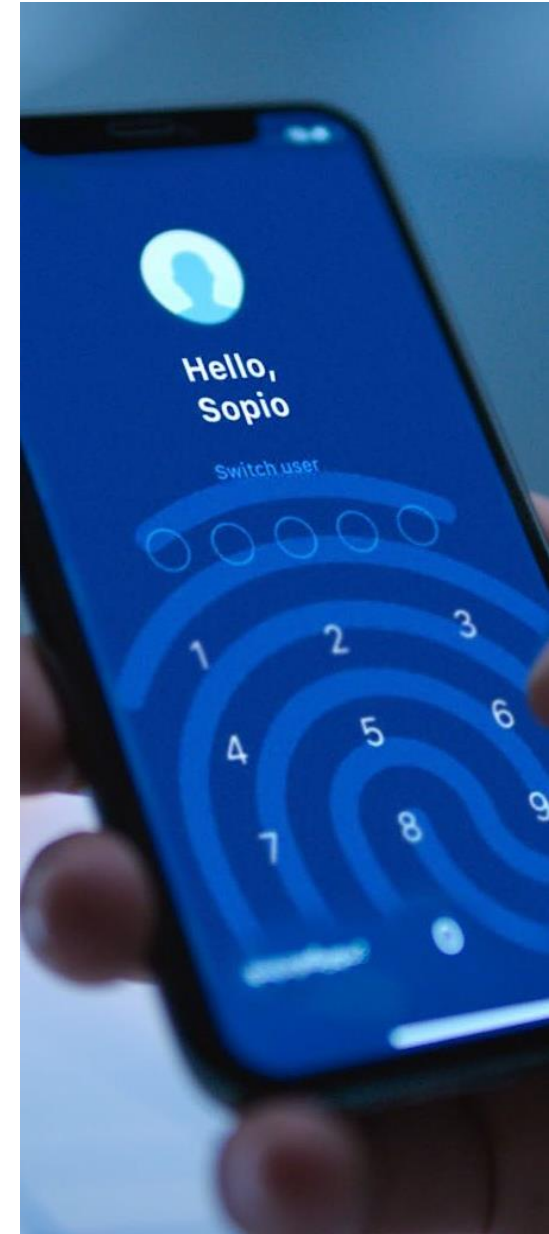
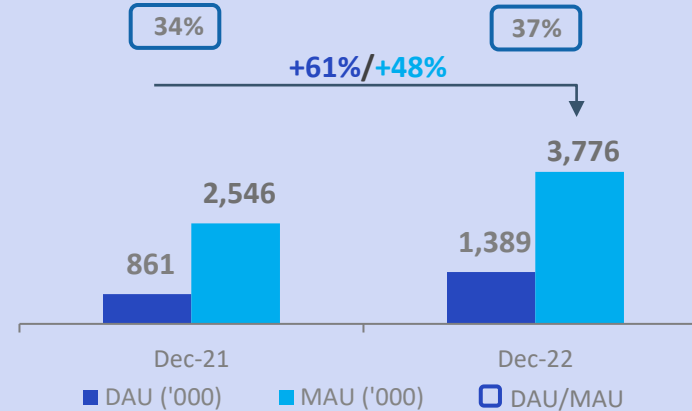


## TBC Group

Good progress in loans offloading



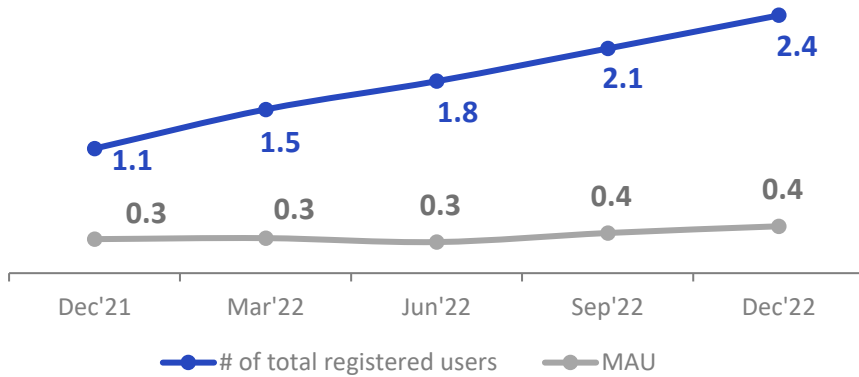
High digital customer engagement



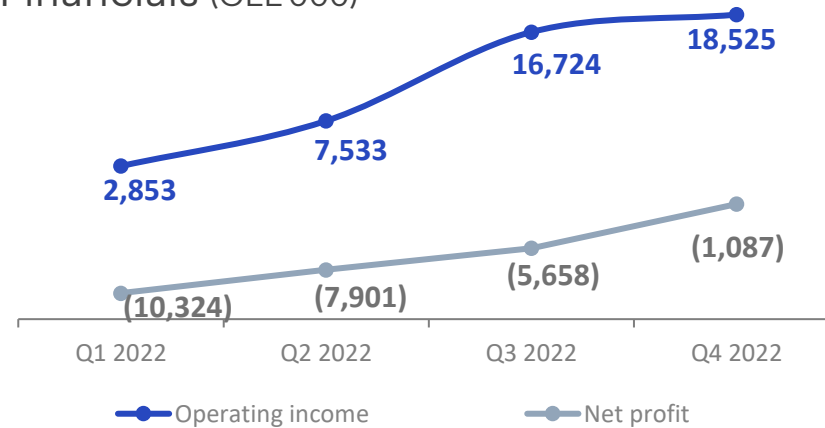


# TBC UZ BANK - RAPID GROWTH OF BANKING OPERATIONS IN UZBEKISTAN

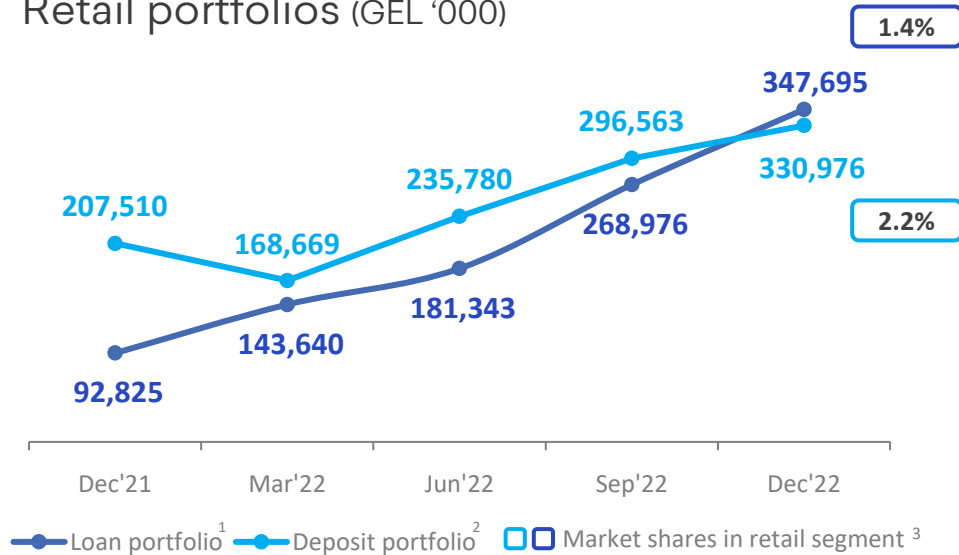
Number of users (mln)



Financials (GEL'000)



Retail portfolios (GEL '000)



As of 31 December 2022, TBC UZ bank was present in all major regions, reaching 97%+ of the population.

- 10 showrooms and 42 customer acquisition points across the country.

As of 31 December 2022, TBC UZ bank has:

- 676K TBC UZ cards in issue, up by 50% QoQ;
- 1.0 mln other banks' cards attached to the app, up by 22% QoQ.



(1) Current, savings and time accounts. Deposits in Uzbekistan are accepted in local currency

(2) Loans in Uzbekistan are disbursed in local currency

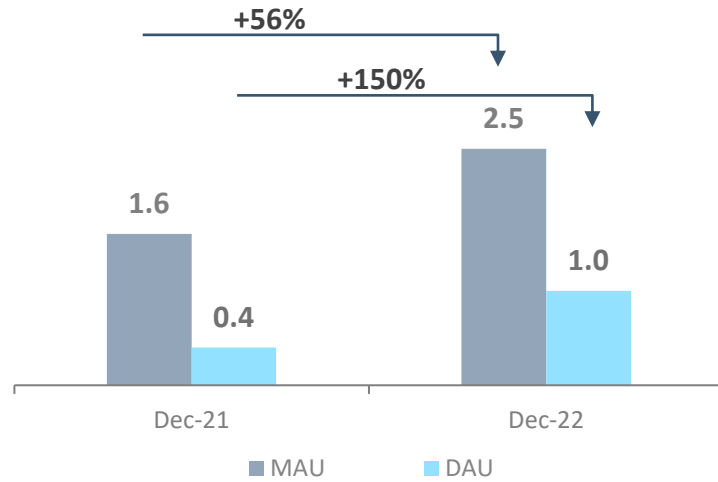
(3) Source: Central Bank of Uzbekistan, as of 1 January 2022 respectively



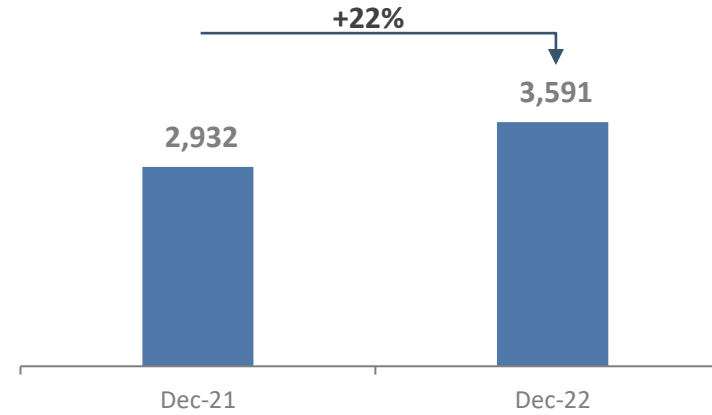
# PAYME - EXPANDING OUR PAYMENTS BUSINESS IN UZBEKISTAN

FY 2022 AND Q4 2022 CALL PRESENTATION

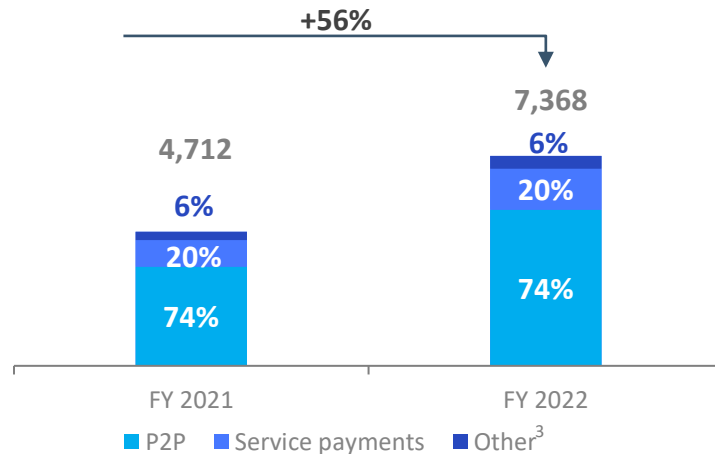
### Number of users (mln)



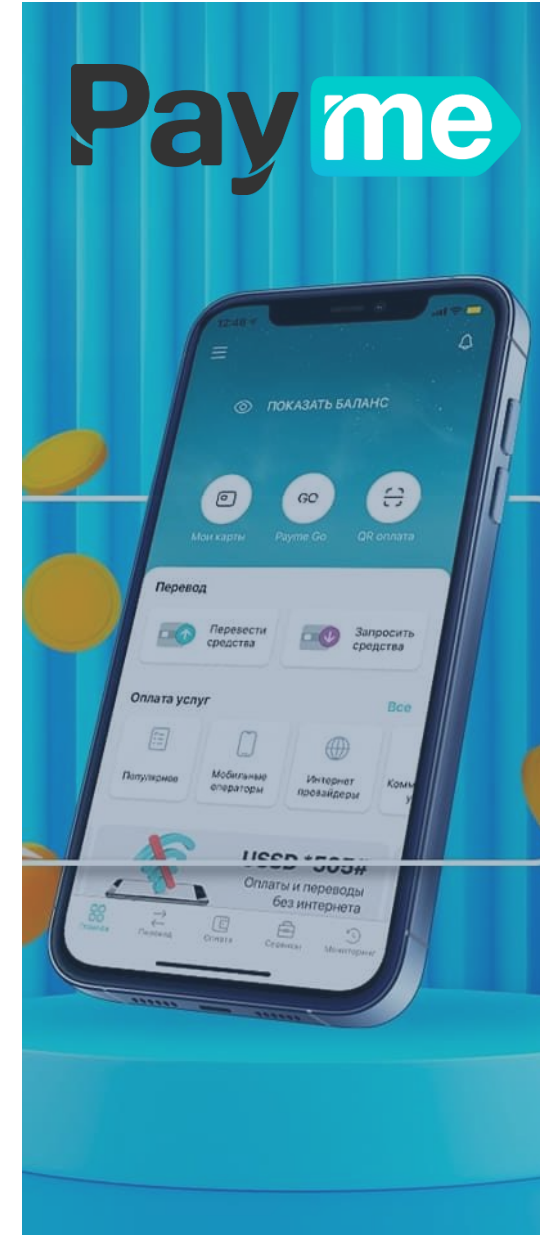
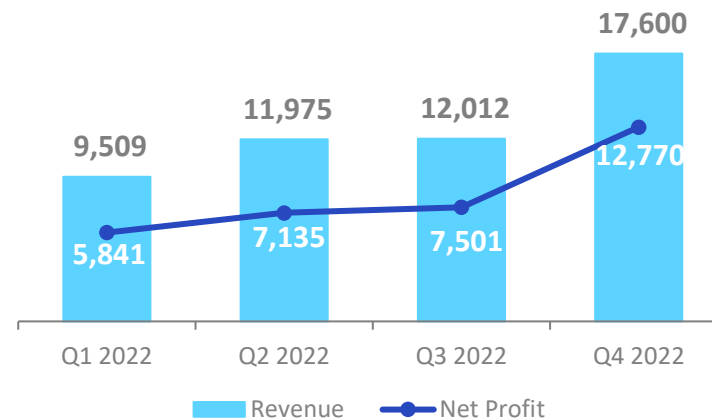
### Active merchants<sup>1</sup>



### Payments volume<sup>2</sup> (GEL mln)



### Financials (GEL '000)



(1) Merchants that have conducted at least one transactions during the month  
 (2) 99% of all transactions are fee-generating  
 (3) Mainly includes utility payments






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A circular icon with a grey border and a dotted line on the left side, containing the text "Business update".

**Business  
update**

A circular icon with a blue border and a dotted line on the left side, containing the text "FY 2022 and Q4 2022 Financial Results".

**FY 2022 and  
Q4 2022  
Financial  
Results**

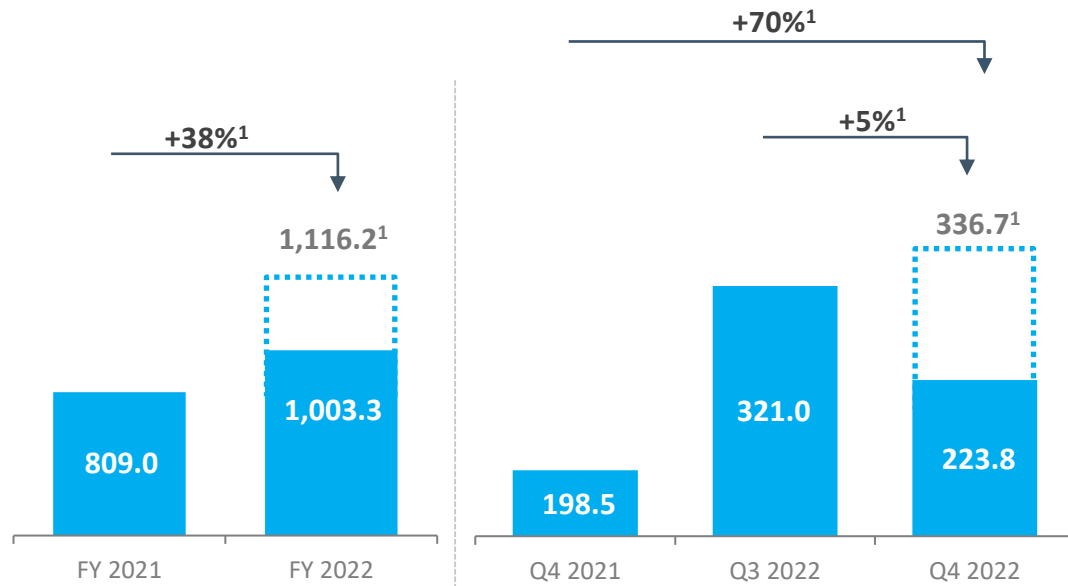
A circular icon with a grey border and a dotted line on the left side, containing the text "Appendices".

**Appendices**

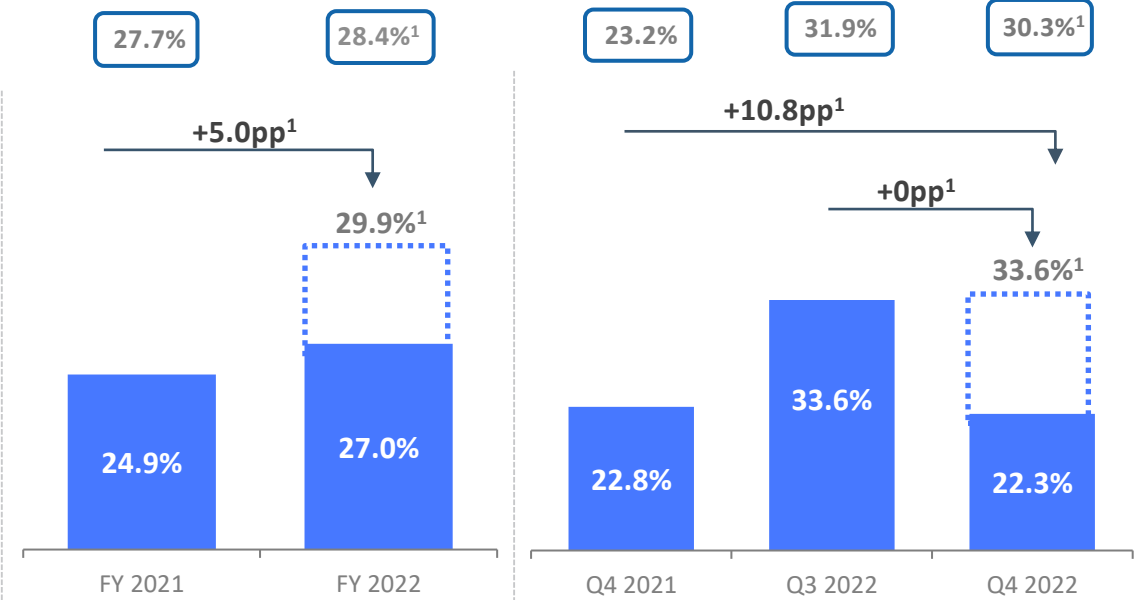


# A STRONG SET OF FINANCIAL RESULTS IN FY AND Q4 2022

### Net profit (mln GEL)



### ROE



■ ROE    □ Bank's underlying standalone ROE<sup>2</sup>

- In FY 2022 our net profit was driven by robust income generation across the board with substantial contribution from non-interest income.
- In Q4, we incurred a one-off tax charge in the amount of GEL 112.9 mln due to changes in Georgia's taxation model.
- Tax-adjusted net profit increased by 5% QoQ.
- FY and Q4 2022 ROE adjusted for one off tax charge stood at 29.9% and 33.6%, respectively.

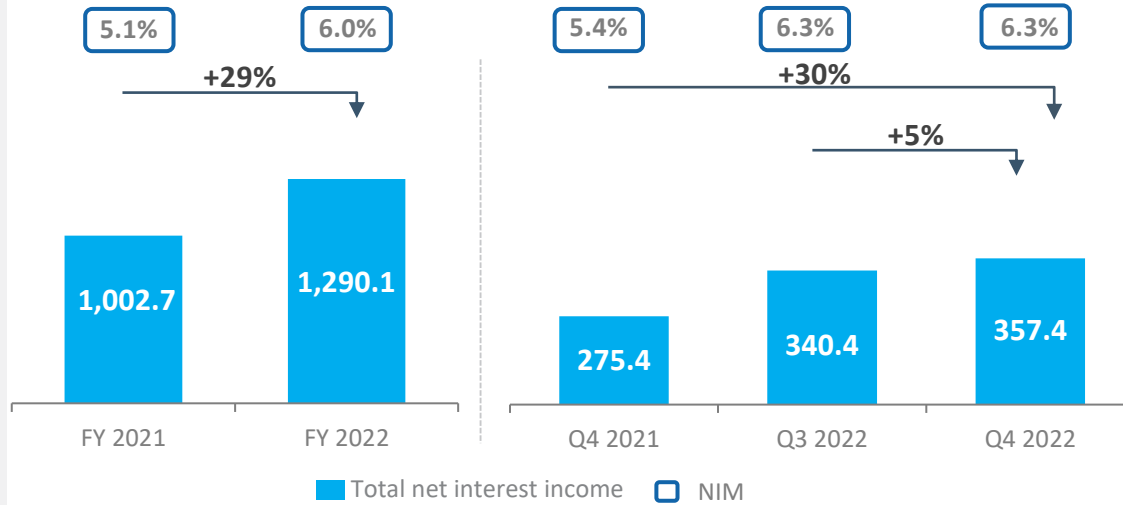
(1) Figures adjusted for one-off tax charge  
 (2) For the ratio calculation all relevant group recurring costs are allocated to the bank.  
 Source: IFRS Group Data



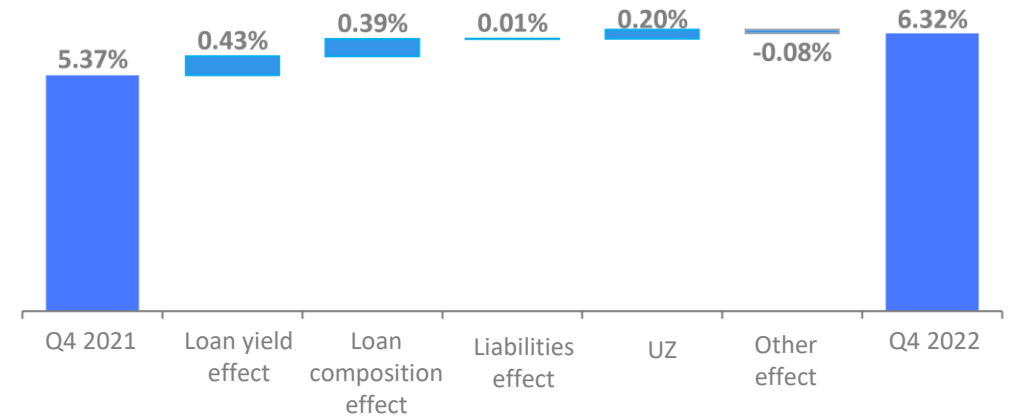
# GROWING OPERATING INCOME BASED ON DIVERSIFIED EARNINGS STREAM

FY 2022 AND Q4 2022 CALL PRESENTATION

Total net interest income (mln GEL)



NIM evolution YoY



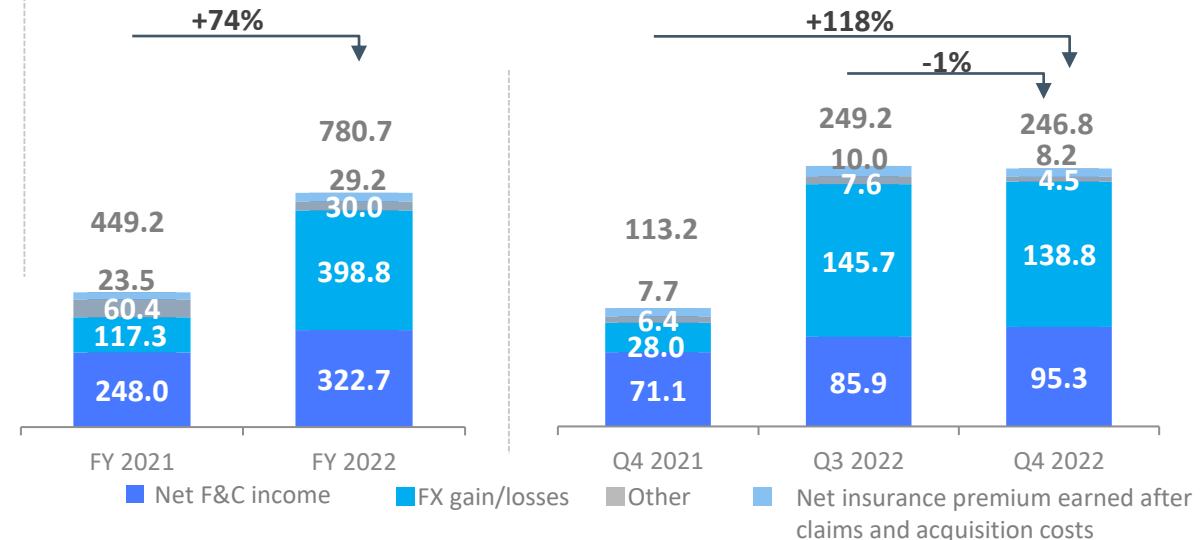
## Net interest income

- In Q4 2022, the strong growth in NIM was mainly driven by loan yield and composition effects, with TBC UZ contributing 0.2%.

## Non-interest income

- In 2022, our non-interest income growth YoY was driven by:
  - Strong FX gains due to high transaction volume and wider spreads.
  - Increase in net F&C income due to growth in payments.
- In 2022, decrease in other income was mainly due to non-recurring gain of GEL 26.3 mln related to sale of investment property in 2021.

Non-interest income (mln GEL)



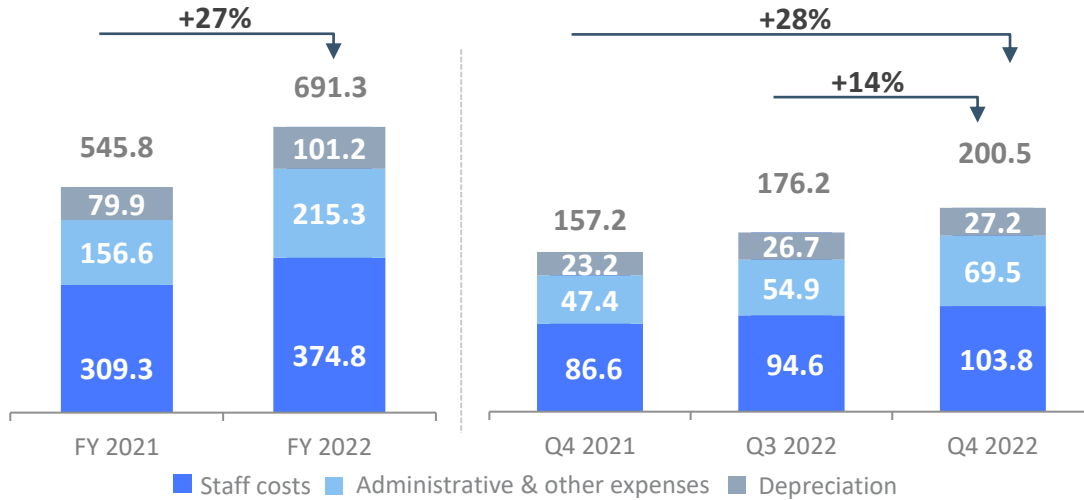
Source: IFRS Group Data



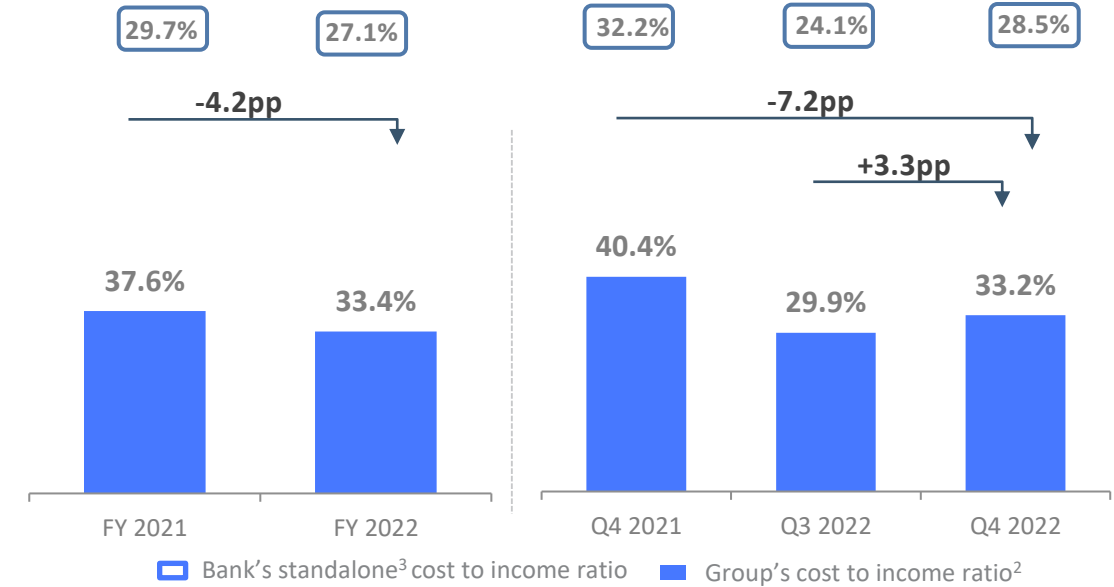
# INVESTING IN THE FUTURE WHILE MAINTAINING HIGH EFFICIENCY

FY 2022 AND Q4 2022 CALL PRESENTATION

Total operating expenses (mln GEL)



Cost to income



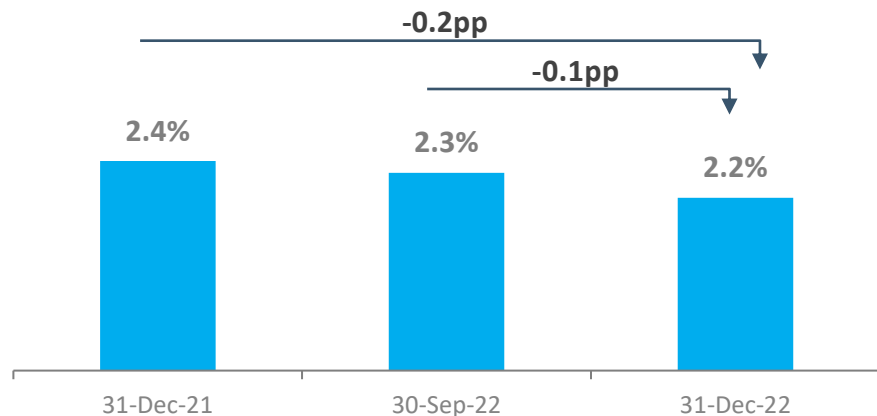
- For FY 2022, the growth in operating expenses was related to:
  - Increase in staff costs due to expansion of business both locally and internationally as well as higher performance-related costs.
  - Increase in admin & other expenses mainly related to investments in our IT capabilities and business development.
  - For FY 2022, our cost to income ratio improved by 4.2 pp and reached 33.4% as a result of positive operating leverage.
- The QoQ increase in operating expenses was driven by seasonally high costs.

(1) Growth rate for Bank standalone C/I ratios.  
 (2) Net modification loss in the amount of GEL 1.7 mln for FY 2021 is not included in C/I.  
 (3) For the ratio calculation all relevant group recurring costs are allocated to the bank.  
 Source: IFRS Group Data



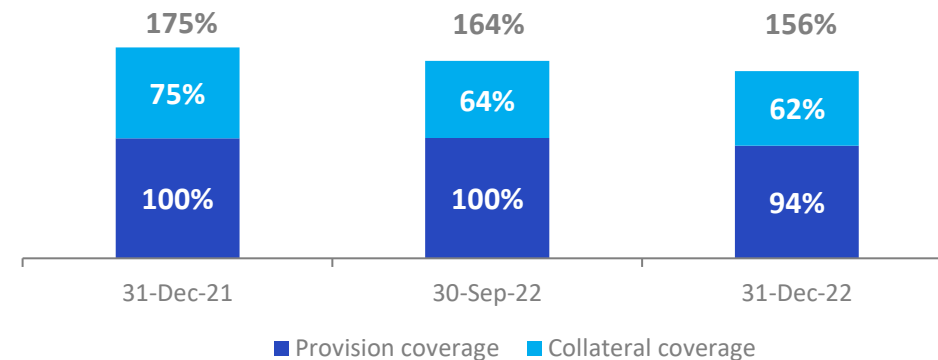
# STRONG ASSET QUALITY

## NPLs

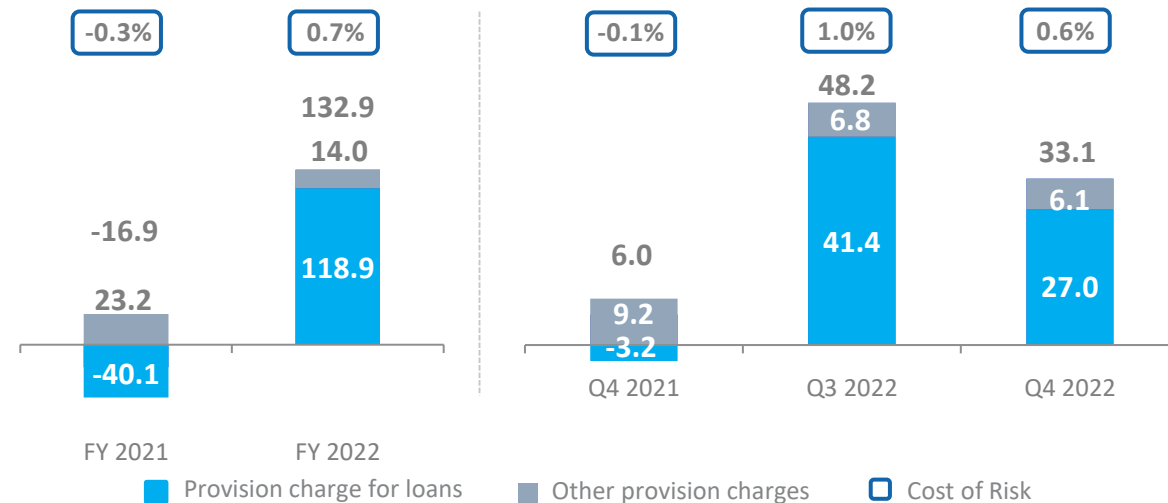


- NPL ratio improved both QoQ and YoY across all segments and stood at solid 2.2% for FY 2022.
- In Q4 the cost of risk decreased to 0.6% mainly driven by improvement in macroeconomic assumptions, as well as strong performance of the overall portfolio bringing FY 2022 cost of risk to 0.7%.
- Top 20 and top 10 borrowers to gross loans stood at 8.3% and 5.3%. Related party to gross loans ratio remained stable at 0.1%.

## NPL coverages



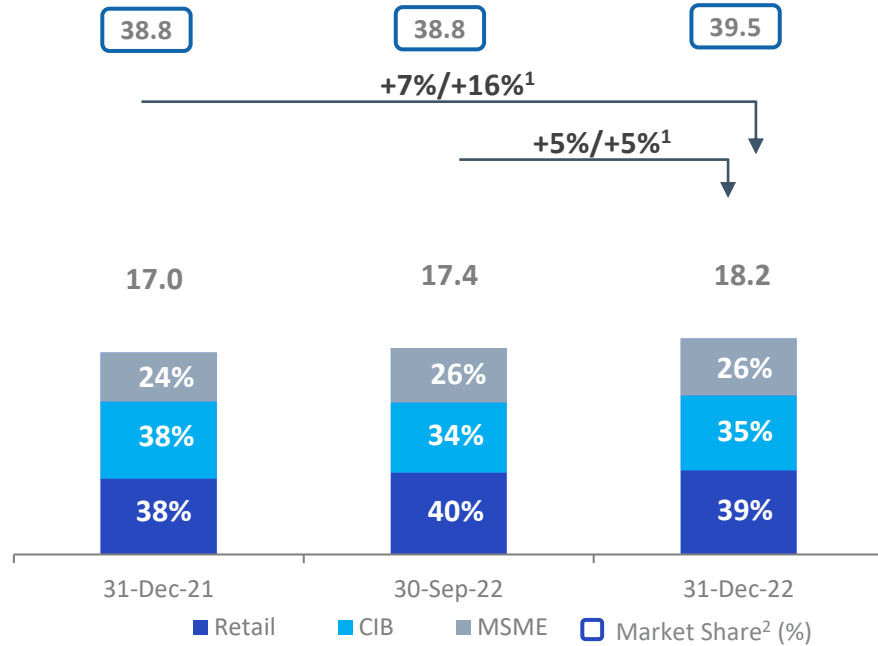
## Provision charges (mIn GEL)





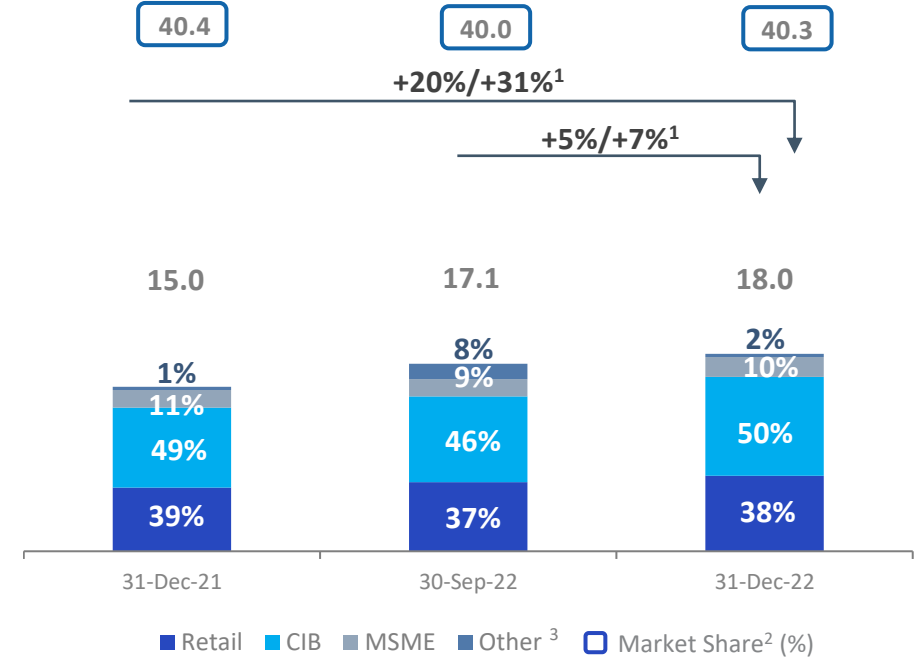
# MAINTAINING MARKET LEADERSHIP IN BOTH LOANS AND DEPOSITS

### Gross loan portfolio breakdown (bln GEL)



- YoY, our loan book grew due to retail and MSME segments.
- QoQ, our loan book growth was spread across all segments.

### Deposit portfolio breakdown (bln GEL)



- Deposits grew across all segments both YoY and QoQ.
- The high growth was related to our liquidity needs.

(1) Growth rates at constant currency

(2) Market shares are per NBG data and are referring to balances with "individuals" and "legal entities" as opposed to "Retail" and "CIB" segments under TBC Bank definition

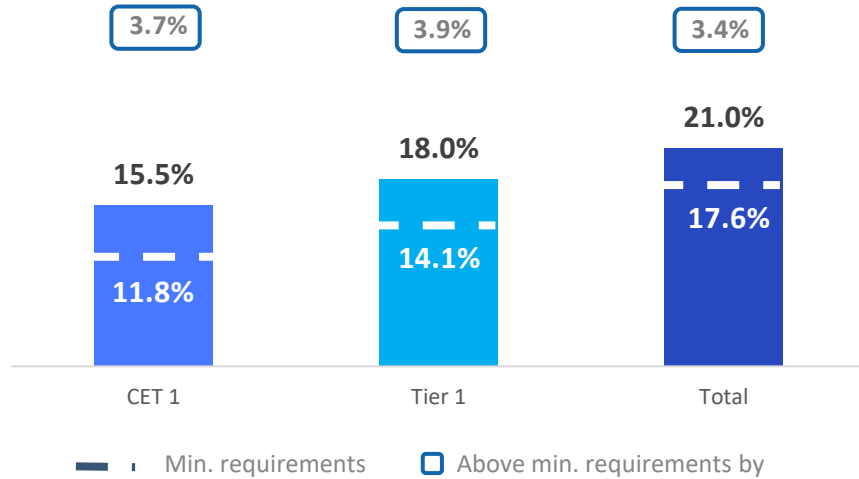
(3) Other includes Ministry of Finance (MOF) deposits

Source: IFRS Group Data



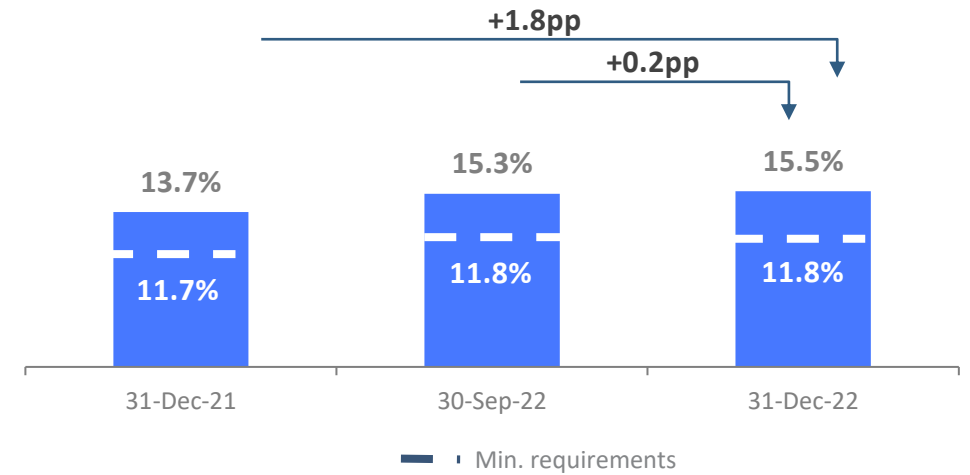
# SOLID CAPITAL POSITION

Capital Adequacy Ratios as of 31 December 2022

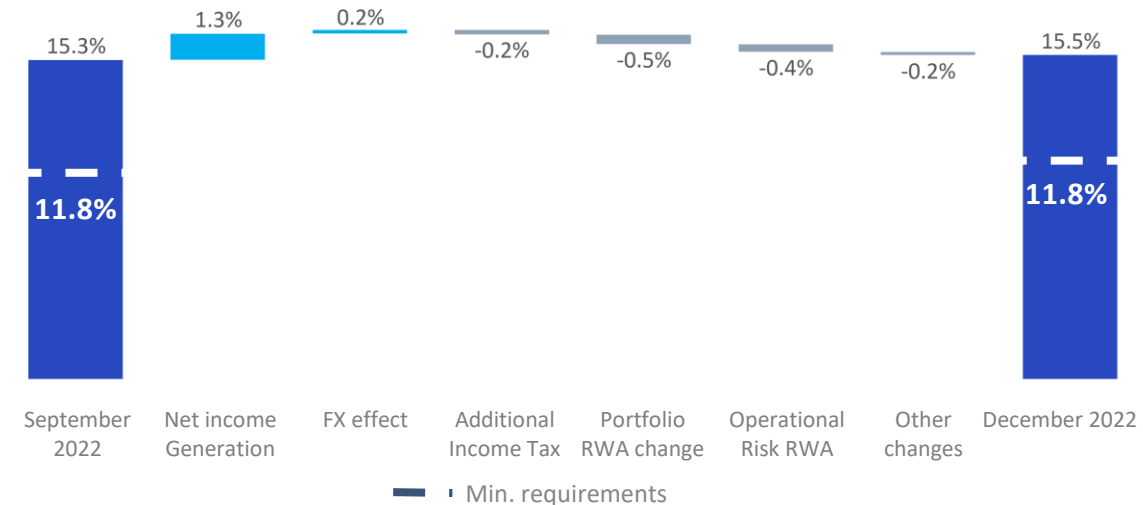


- Our capital ratios remained at prudent levels, and as of 31 December 2022, were well above the minimum regulatory requirements.
- Our CET1 capital adequacy ratio increased by 0.2pp QoQ driven by net income generation.

CET 1 CAR



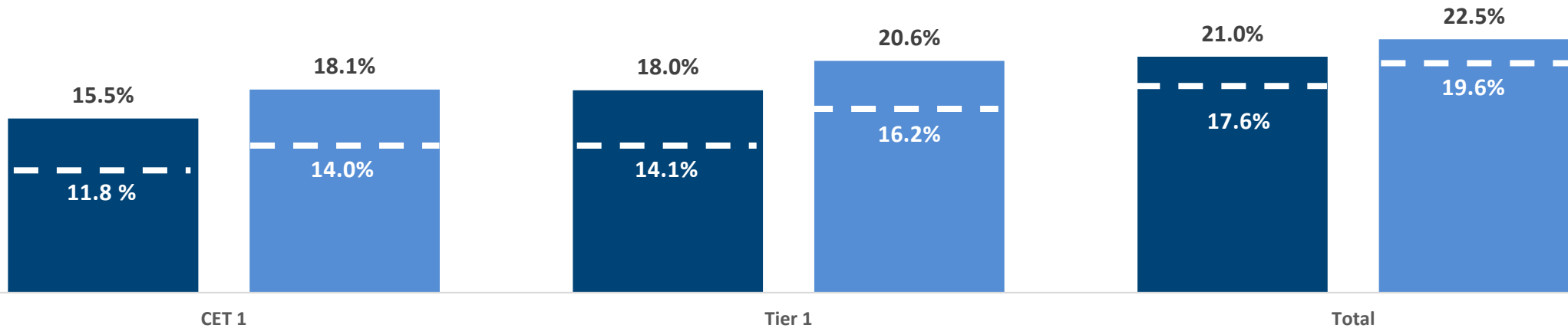
CET 1 movement on a QoQ basis





# TRANSITION TO IFRS BASED CAPITAL REQUIREMENTS

- From 1st January 2023, commercial banks must comply with capital adequacy requirements based on IFRS per the NBG amended regulations.
- Under the IFRS transition process, the NBG introduced a credit risk adjustment (CRA) buffer. The CRA buffer was implemented as a Pillar 2 requirement and was fully set on CET 1 capital. The CRA buffer covers credit portfolio and repossessed asset provisioning differences between NBG to IFRS.
- General reserve, which was a part of Tier 2 capital, was eliminated in the IFRS based capital requirements.
- The transition positively impacted CET and T1 capital, while reduced total capital. The bank remains well above of the regulatory requirements for all tiers.



— — Min. requirements    □ Excess above min. requirements    ■ NBG    ■ IFRS<sup>1</sup>

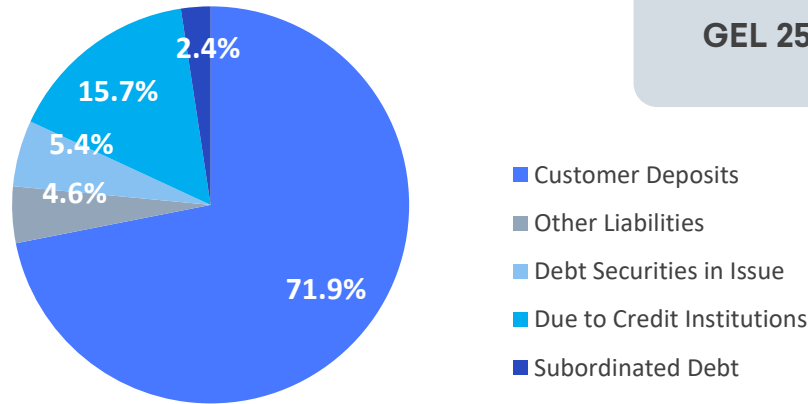
(1) Capital adequacy ratios under IFRS are our internal estimates and are not officially approved by the NBG, since they were not mandatory as of the 31 Dec 2022.





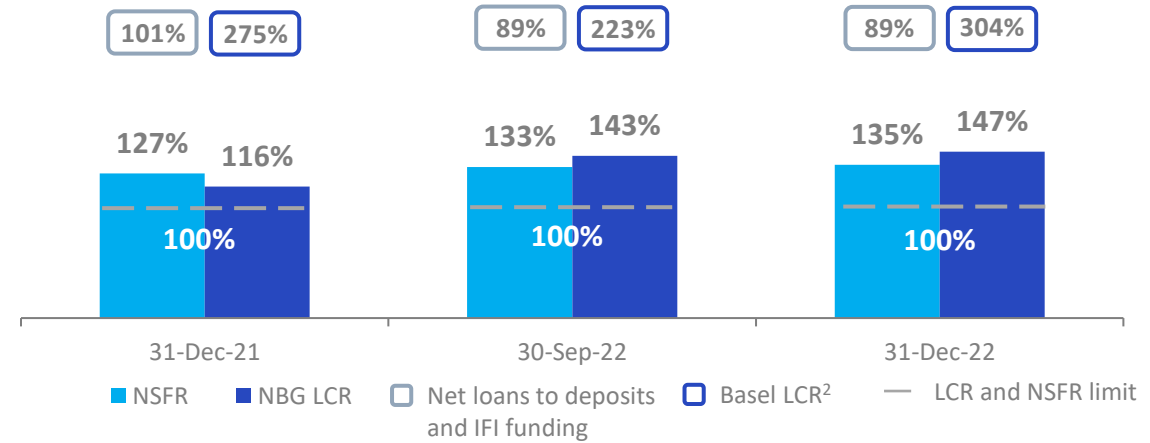
# STRONG LIQUIDITY AND DIVERSIFIED FUNDING BASE

Liability structure  
as of 31 December 2022



Total liabilities  
**GEL 25.1 bln**

Liquidity ratios<sup>1</sup>



- The total IFI funding, including senior and subordinated loans, stood at GEL 2.1 bln (8% of total liabilities) as of 31 December 2022.
- The share of customer deposits in total liabilities increased by 1pp YoY to 72%.

(1) NSFR and NBG LCR ratios are calculated per NBG regulation

(2) These type of LCR calculations for illustrative purposes can be seen for all Georgian commercial banks through Pillar 3 reports disclosed by NBG via the following link: <https://nbg.gov.ge/supervision/banking-supervision?pageKey=pilar3Quarter>

Source: IFRS Group Data



# UZBEK BUSINESS FINANCIALS IN 2022

## Uzbek business profitability<sup>1</sup>

FY 2022 GEL mln	TBC UZ	Payme	Total
Operating income	45.6	51.1	96.7
Total provision charges	(15.8)	-	(15.8)
Operating expenses and income tax	(54.8)	(17.9)	(72.7)
Net profit/(loss)	(25.0)	33.2	8.2

## Uzbek business mid-term targets

**30%+**  
ROE

**5 mln**  
MAU

**10-15%**  
Share of Uzbek  
business in  
Group's net  
income

## Financial highlights

### FY 2022 highlights

#### Uzbek Operations

**6.5%**  
ROE

#### TBC UZ Bank

**14.5%**  
NIM

**6.8%**  
Cost of risk

### Q4 2022 highlights

#### Uzbek Operations

**27.0%**  
ROE

#### TBC UZ Bank

**17.2%**  
NIM

**7.6%**  
Cost of risk

### 31 December 2022 highlights

#### TBC UZ Bank

**GEL 507 mln**  
Total assets

**GEL 143 mln**  
Total equity

(1) The figures shown are before deducting minority interest.  
Source: IFRS Data



# PROGRESS AGAINST OUR MID-TERM TARGETS

Target	Actual performance FY 2022
<b>7 mln</b> Monthly active users (MAU)	<b>4.4 mln</b>
<b>10-15%</b> Share of Uzbek business in Group's net income	<b>Immaterial</b>
<b>10-15%</b> Annual loan book growth (gross)	<b>16% YoY</b> <b>at constant currency basis</b>
<b>20%+</b> ROE	<b>27.0% / 29.9%<sup>1</sup></b>
<b>&lt;35%</b> Cost to income ratio	<b>33.4%</b>
<b>25-35%</b> Dividend payout ratio	<b>Interim dividend of GEL 2.5 per share for 2022</b> <b>Share buyback in the amount of GEL 50 mln</b>

(1) Adjusted for one-off tax charge



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**Business  
update**

A circular graphic with a grey border and a dotted line on the left side.

**FY 2022 and  
Q4 2022  
Financial  
Results**

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**Appendices**  
Corporate governance



# BOARD OF DIRECTORS

The experienced and diverse independent board is well placed to drive forward the group's ambitious strategy



**Arne Berggren**  
Chairman  
Joined TBC in 2019

- Member of the board of Bank of Cyprus and Piraeus Bank.
- Served as a board member of Turkish asset management company, LBT Varlik Yonetim and Slovenian bank asset management company, DUBT Ltd.
- Held a number of senior leadership and advisory roles at prominent financial institutions including the IMF, World Bank, Swedbank, Carnegie Investment Bank AB and the Swedish Ministry of Finance and Bank Support Authority.



**Per Anders Fasth**  
Independent non-executive Director  
Joined TBC in 2021

- Chairman of Lyra Financial Wealth, a wealth management company
- Chairman of Pepins Group, listed on Nordic GM for SMEs
- Board member of Atle Investment Management/Services
- Has been senior executive for 20 years - at the leading North-European Bank SEB and as CEO of SBAB Bank - as well as top-tier consultant for 10 years at McKinsey and QVARTZ (now Bain & Company).



**Rajeev Sawhney**  
Independent non-executive Director  
Joined TBC in 2021

- Executive Chairman and board member of OXSIGHT Ltd
- A corporate growth executive with 40 years of global experience in digital technologies, serving across various industry sectors in Europe, North America and Asia.



**Tsira Kemularia, CDir**  
Senior independent non-executive Director  
Joined TBC in 2018

- Vice President of Corporate and UK Country Controller, Shell International Ltd
- Chartered Director with Institute of Directors (IOD), London United Kingdom
- Trustee Director of the British Gas Trustee Solutions Ltd, a closed pension fund (post British Gas acquisition by Shell)
- Board member of FaRiG (Friends of Academic Research in Georgia)
- Held a number of senior finance positions within Shell in the UK, Russia and the Caribbean.



**Thymios P. Kyriakopoulos**  
Independent non-executive Director  
Joined TBC in 2021

- Board member of the Hellenic Corporation Of Assets And Participations
- Served as an executive general manager and chief risk officer of Piraeus Bank S.A, a listed leading Greek Bank, managing director at Goldman Sachs Inc. in the fixed income currencies and commodities trading division.



**Vakhtang Butskhrikidze**  
CEO  
Joined TBC in 1992

- Leading banker in the Caucasus and Eastern European region.
- Extensive strategic and financial leadership experience of over 25 years.
- Robust knowledge and expertise of strategic planning and development, startup and fintech management, mergers and acquisitions, and equity and debt capital debt raising and investor relations.



**Eran Klein**  
Independent non-executive Director  
Joined TBC in 2021

- Non-Executive Director and Chair of the Risk Committee at Privatbank, Ukraine.
- Held senior roles over two decades in leading financial institutions such as Commerzbank, Citibank, ING Financial Markets and Deutsche Bank across both developed and emerging markets.



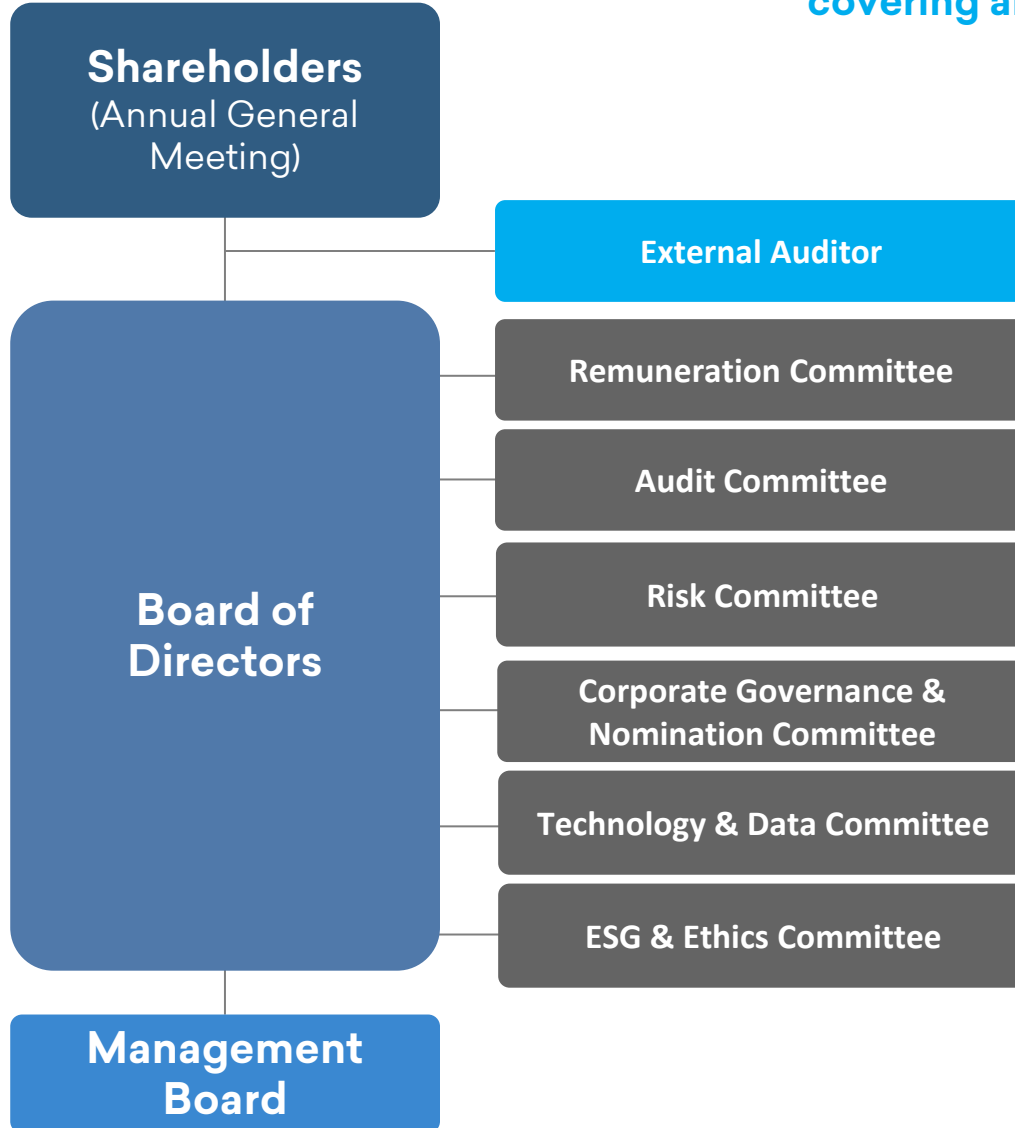
**Nino Suknidze**  
Independent non-executive Director  
Joined TBC in 2021

- Vice President at Georgian Chamber of Commerce and Industry
- Board member at Care Caucasus, a charity organisation in Georgia
- The managing partner of the law firm Suknidze & Partners LLC.
- A business lawyer, with 19 years of experience on the Georgian market who has built excellent reputation over the years in various areas of practice among Georgian and international clients.



# CORPORATE GOVERNANCE STRUCTURE

The Board oversees the execution of the Group's strategy and operates via its 6 committees covering all major directions.



- All 7 Non-executive Directors are independent both under UK and Georgian Code.
- Our Board structure is fully in line with the diversity and inclusion targets set by the Hampton-Alexander Review and the Parker Review<sup>1</sup>.
- TBC held #8 position among FTSE 250 companies in terms of women on boards and in leadership and #1 within the banking sector based on FTSE Women Leaders Report 2021.
- The recently established ESG and Ethics committee will support and advise the Board in relations to ESG matters and its collective vision of values, conduct and culture.

(1) In September 2022, one of our female Board Members, Maria Luisa Cicognani stepped down as an Independent Non-Executive Director. We are currently in the process of finding a new female Board member.



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**Business  
update**

A circular graphic with a grey border and a dotted line around it, containing the text 'FY 2022 and Q4 2022 Financial Results'.

**FY 2022 and  
Q4 2022  
Financial  
Results**

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**Appendices**  
Loan portfolio  
quality



# BORROWERS WITH FX INCOME IN GEORGIA

31 December 2022	share of foreign currency loans	of which exposures with largely mitigated currency risk
<b>Retail</b>	<b>35%</b>	<b>27%</b>
Non-mortgage	10%	48%
Mortgage	50%	25%
<b>CIB</b>	<b>61%</b>	<b>57%</b>
<b>MSME</b>	<b>45%</b>	<b>10%</b>
<b>Total</b>	<b>47%</b>	<b>37%</b>

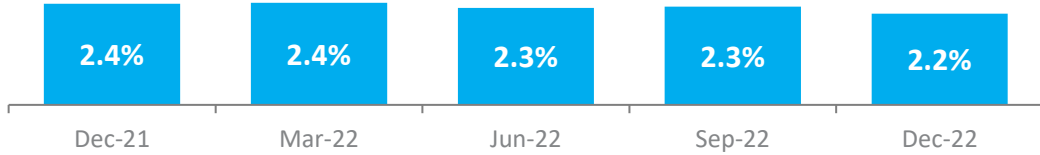
Since TBC Uzbekistan only lends in local currency (UZS), these numbers are reported for TBC Bank Georgia only.



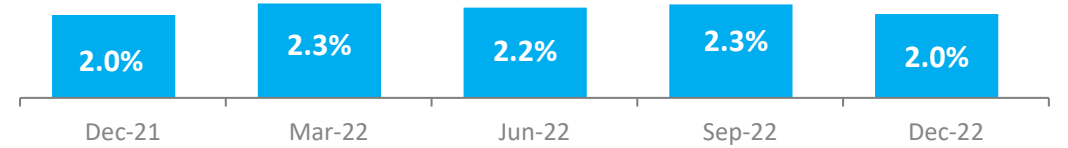


# TOTAL PORTFOLIO ASSET QUALITY

## NPLs

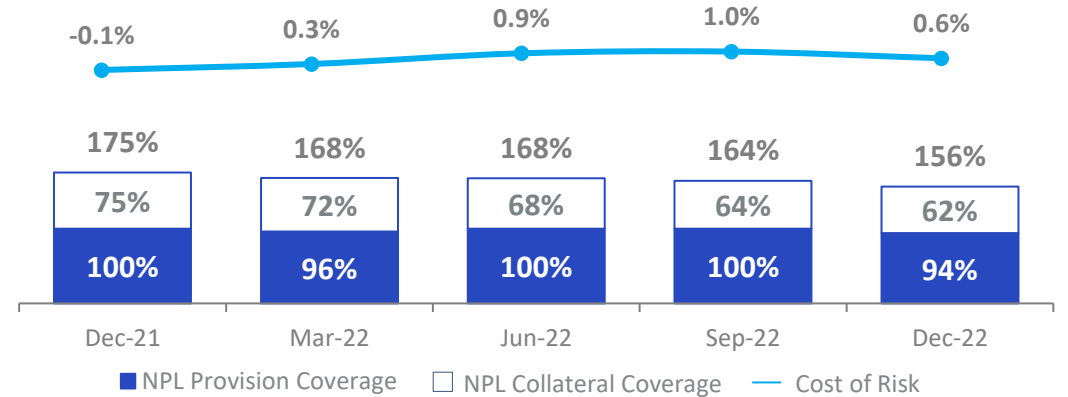


## PAR 30



- NPL ratio improved both QoQ and YoY across all segments and stood at solid 2.2% for FY 2022.
- PAR 30 improvement on QoQ basis is mainly driven by the SME sub-segment and the unsecured retail portfolio.
- In Q4 the cost of risk decreased to 0.6% mainly driven by improvement in macroeconomic assumptions, as well as strong performance of the overall portfolio.

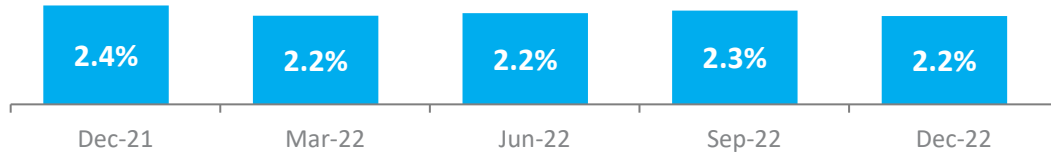
## Asset quality



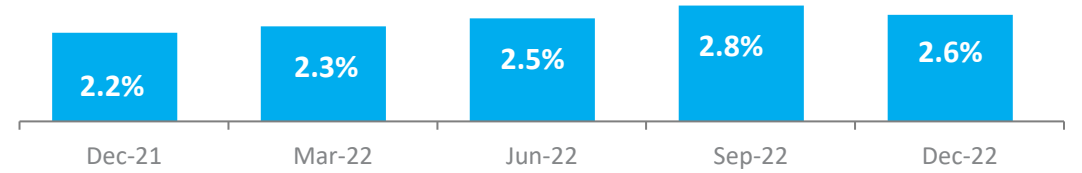


# RETAIL PORTFOLIO ASSET QUALITY

## NPLs

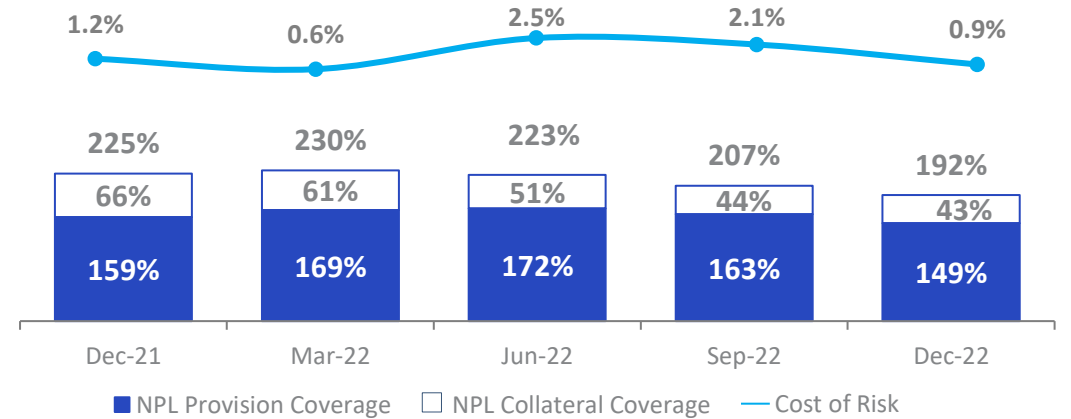


## PAR 30



- NPL remained broadly stable QoQ. YoY improvement is mainly driven by the mortgage portfolio.
- The YoY increase in Par 30 ratio was driven by unsecured consumer loan portfolio which started to normalize in Q4.
- Retail CoR amounted 0.9% mainly driven by changes in macroeconomic assumptions and continued the normalization trend from the previous quarter.

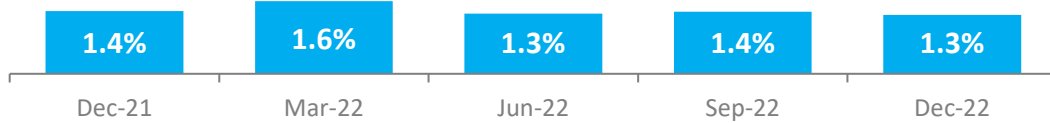
## Asset quality



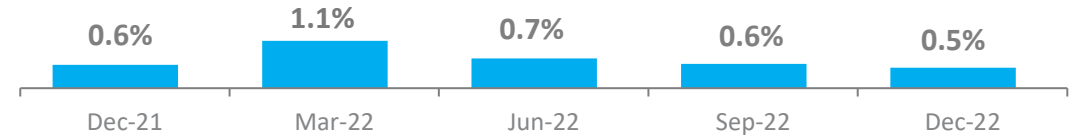


# CIB PORTFOLIO ASSET QUALITY

## NPLs

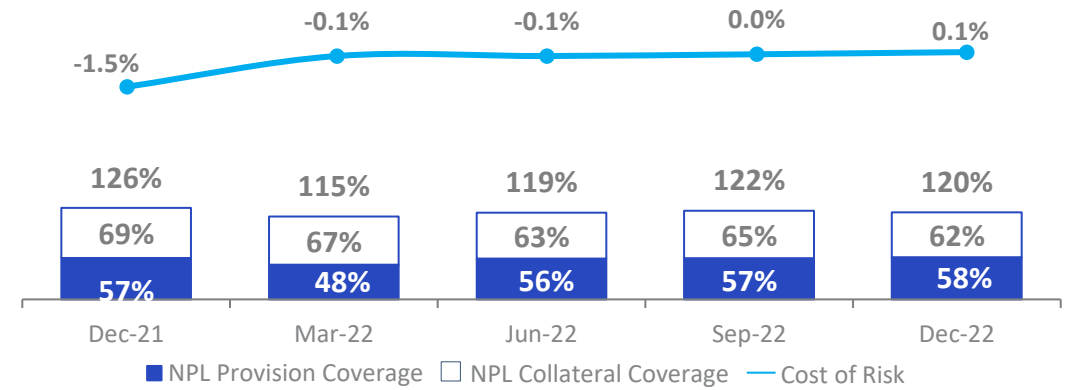


## PAR 30



- NPL and Par 30 ratios remained broadly stable both QoQ and YoY.
- In Q4, CIB CoR amounted to 0.1%, attributable to the overall strong performance of the portfolio.

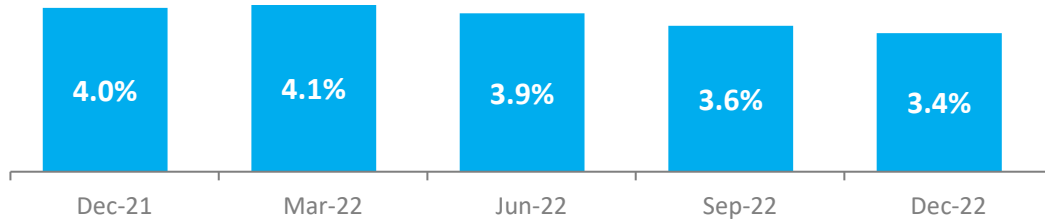
## Asset quality



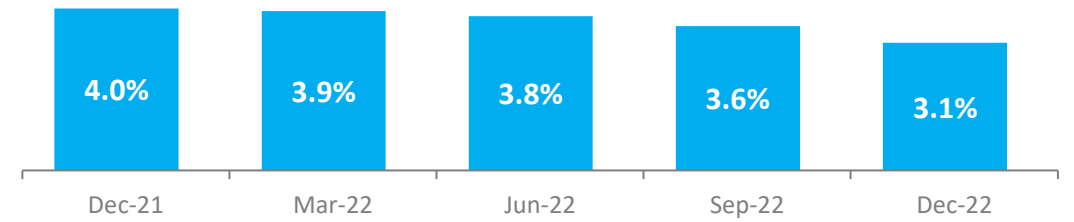


# MSME PORTFOLIO ASSET QUALITY

## NPLs

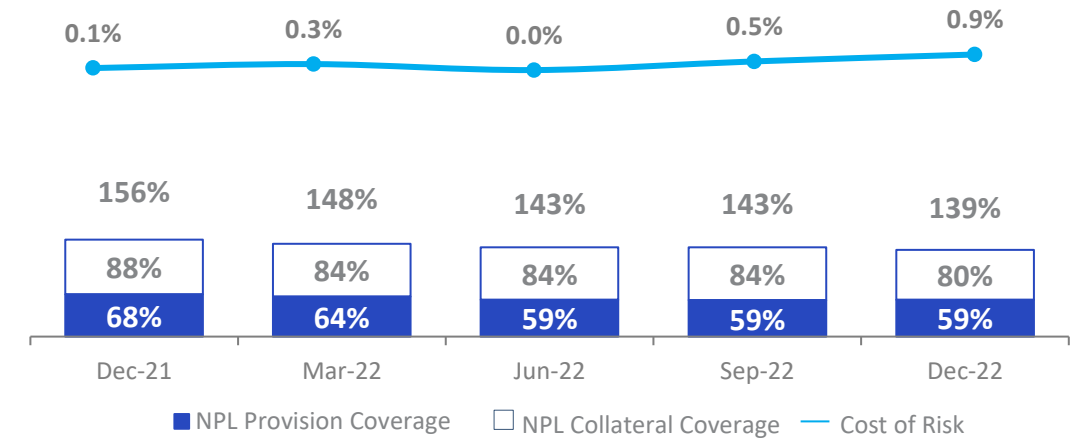


## PAR 30



- QoQ improvement in NPL and PAR 30 is attributable to the SME sub-segment.
- YoY improvement in NPL is mainly driven by micro sub-segment, while improvement in PAR 30 is mainly attributable to SME sub-segment.
- In Q4, MSME CoR continued to normalize and amounted to 0.9%.

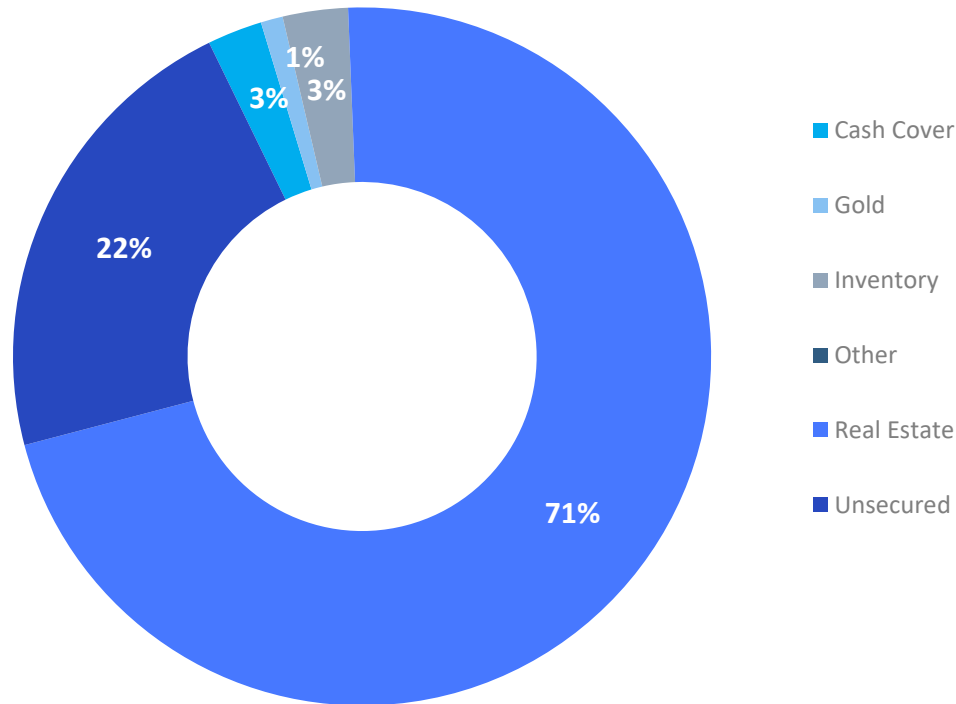
## Asset quality



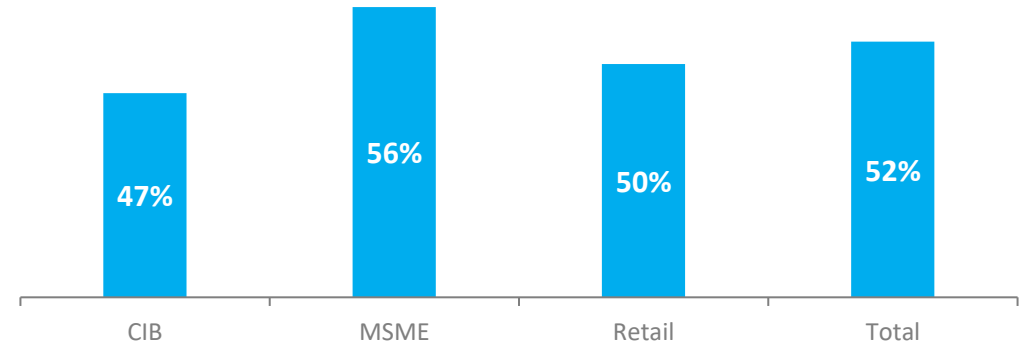


# STRONG COLLATERALIZATION AND LOW LTVs ACROSS SEGMENTS

75% of the loan book is secured by cash, gold and real estate as of 31 December 2022



LTVs by segments as of 31 December 2022



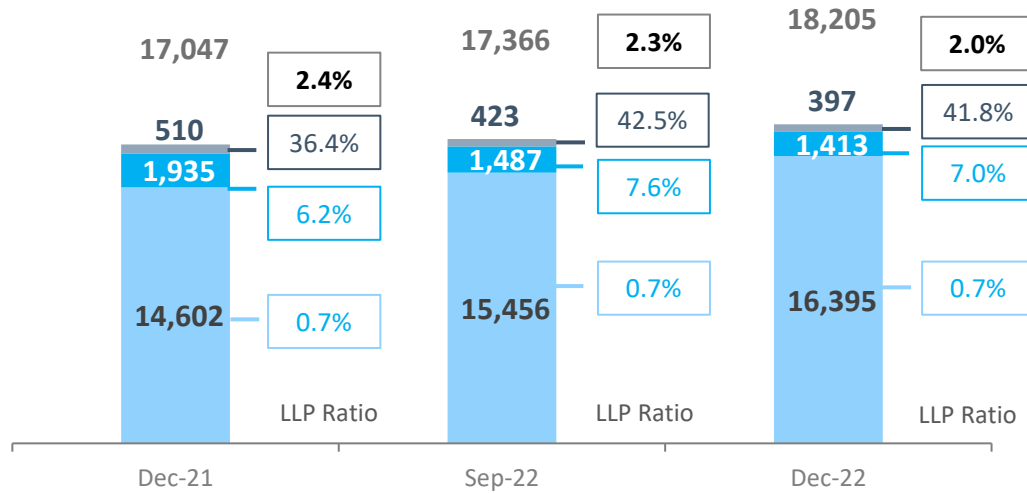
• LTV of mortgage loans stood at 39% as of 31 December 2022.



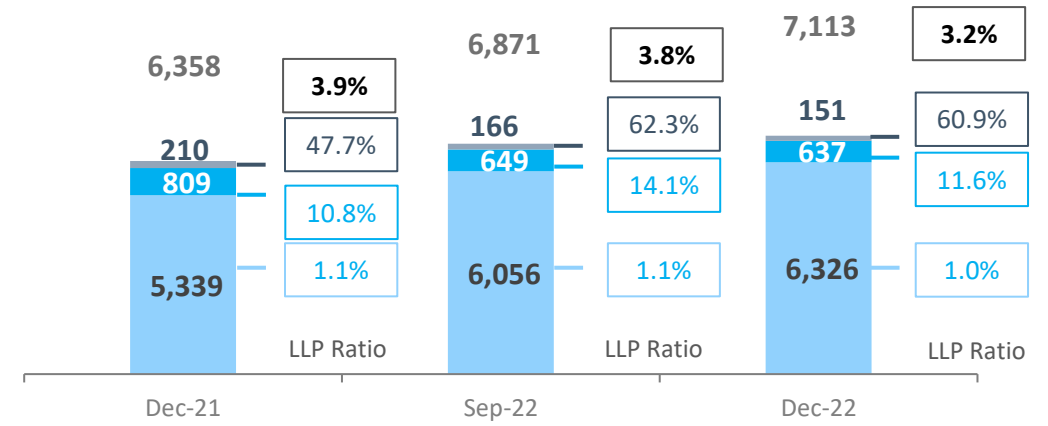
# LOAN BOOK BREAKDOWN BY STAGES ACCORDING TO IFRS 9

FY 2022 AND Q4 2022 CALL PRESENTATION

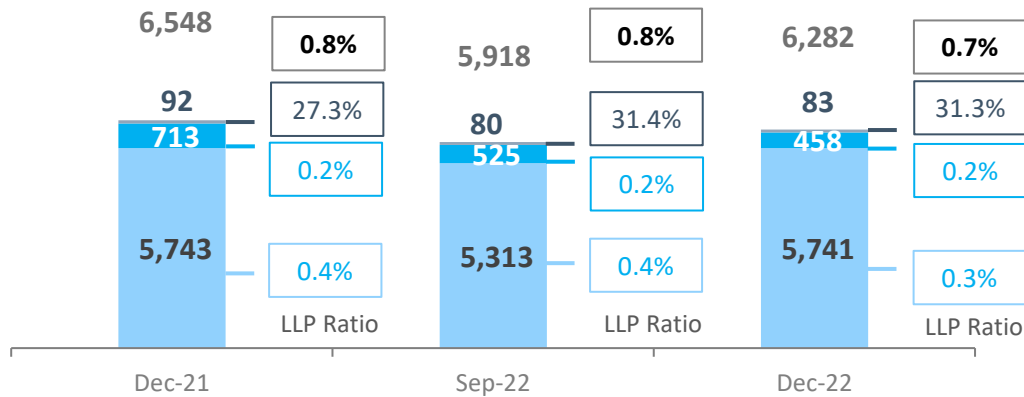
Total: gross loan (mln) & LLP ratio<sup>1</sup>



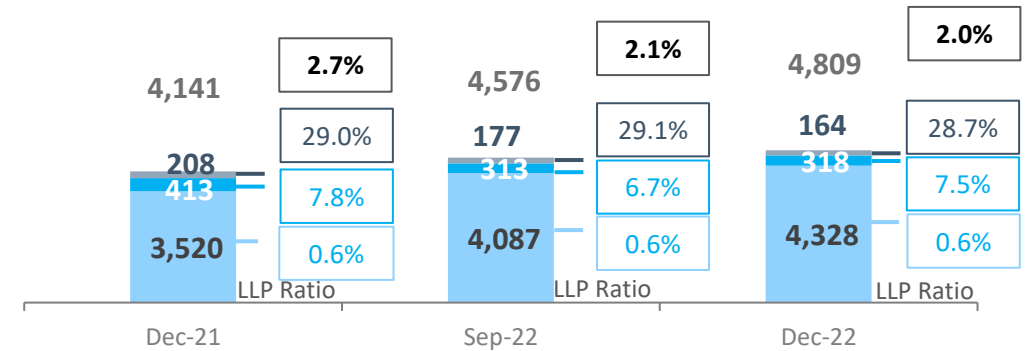
Retail: gross loan (mln) & LLP ratio<sup>1</sup>



CIB: gross loan (mln) & LLP ratio<sup>1</sup>



MSME: gross loan (mln) & LLP ratio<sup>1</sup>



■ Stage 1   ■ Stage 2   ■ Stage 3   □ LLP ratio<sup>1</sup>

(1) LLP rate is defined as credit loss allowances divided by gross loans  
Source: IFRS Group Data



# MACROECONOMIC ASSUMPTIONS FOR IFRS PROVISIONING

## Baseline scenario – 50% weight

	2023	2024	2025
GDP (YoY)	3.5%	5.4%	5.2%
USD/GEL (Level, EOP)	2.80	2.65	2.60
RE Price (in USD, comp. to 2019, EOP)	33.7%	29.7%	30.8%
Employment (comp. to 2019, EOP)	4.8%	4.0%	3.8%

## Upside scenario – 25% weight

	2023	2024	2025
GDP (YoY)	5.2%	7.9%	8.4%
USD/GEL (Level, EOP)	2.47	2.31	2.24
RE Price (in USD, comp. to 2019, EOP)	42.6%	46.9%	57.3%
Employment (comp. to 2019, EOP)	5.6%	5.5%	6.1%

## Downside scenario – 25% weight

	2023	2024	2025
GDP (YoY)	1.7%	2.7%	1.9%
USD/GEL (Level, EOP)	3.06	2.92	2.90
RE Price (in USD, comp. to 2019, EOP)	17.4%	1.0%	-9.8%
Employment (comp. to 2019, EOP)	4.1%	2.7%	1.8%

### Macroeconomic Assumptions

- In Q4 2022, the Bank has updated three macroeconomic scenarios to estimate expected credit losses (ECL). Scenarios include the projections of macroeconomic parameters for the future three-year period. Baseline scenario was assigned a probability weighting of 50% with upside and downside scenarios having the weights of 25% each. The weighted average of all scenario results was used to estimate ECLs.
- In the baseline scenario, 2023 GDP growth is expected to normalize to 3.5% due to the base effect, global economic slowdown expectations and assumption of migrants' partial outflow. Thereafter, in the baseline scenario, the economy is expected to expand by 5.4% in 2024 and by 5.2% in 2025.
- As for the other parameters, strong net FX inflows and a tight monetary policy stance have led to the GEL's substantial appreciation. Going forward, the GEL is expected to slightly depreciate against the USD in 2023 on the back of the current somewhat above-trend appreciation of the GEL REER, normalization of inflows and inflation, and possible weakening of the RUB. Thereafter, the GEL appreciation against the USD is assumed due to the likely gradual end of a strong dollar cycle. At the same time, real estate price parameters are expected to stay elevated in 2023 before a likely adjustment in 2024. As for the employment, number of jobs is expected to increase considering actual data of recovery of the labor market along with positive impact of migrants and economic growth.



# ACTUAL AND EXPECTED MINIMUM REGULATORY CAPITAL REQUIREMENTS WITH IFRS TRANSITION

	Dec-22 Per NBG	Mar-23 Per IFRS	Dec-23 Per IFRS
CET 1	11.8%	14.4%	14.4%
Tier 1	14.1%	16.8%	16.8%
Total	17.6%	19.9%	19.9%

- Due to the IFRS Transition process, Credit Risk Adjustment (CRA) buffer will be introduced in 2023. CRA buffer will be fully implemented in CET 1 capital.
- CET 1 and Tier 1 requirements will further increase in March 2023 due to finalization of gradual introduction of capital requirements under Basel III. No changes are applied to the total capital requirements.





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**Business  
update**

A circular graphic with a grey double-line border and a dotted grey outer ring. The text is centered in a bold, grey font.

**FY 2022 and  
Q4 2022  
Financial  
Results**

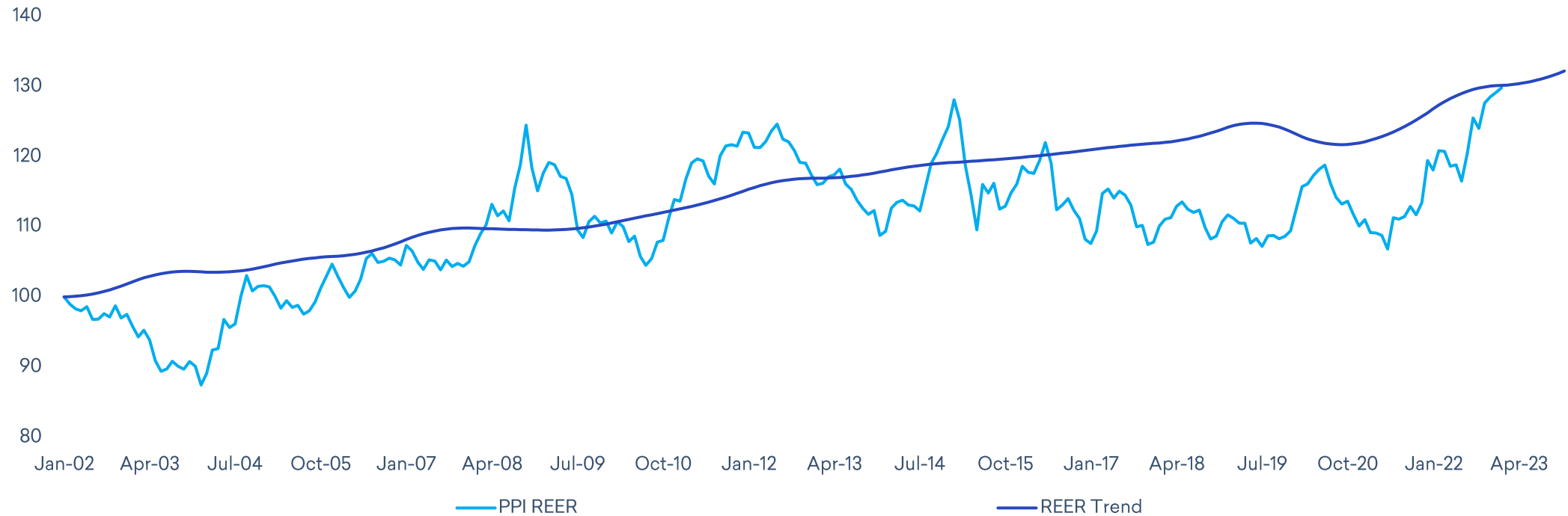
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**Appendices**  
Macro update



# THE GEL REMAINS AROUND ITS LONG-TERM TREND

GEL REER actual and fitted REER  
(increase means GEL appreciation)



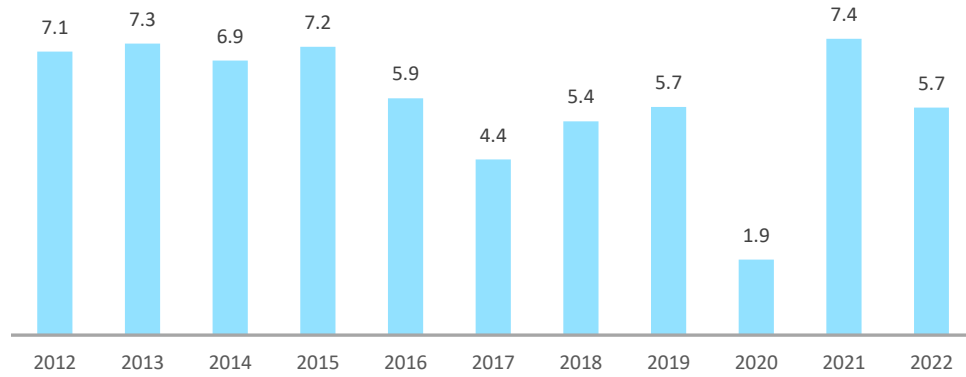
Note: PPI REER data is estimated from January 2013  
REER Trend is estimated based on GDP per capita growth differential between Georgia and its main trading partners using relative tradeweights and adjusted for the share of non-tradable sector  
Source: NBG, IMF, WB, TBC Capital

- The GEL has strengthened, however it remains around its long-term trend and does not appear overvalued.

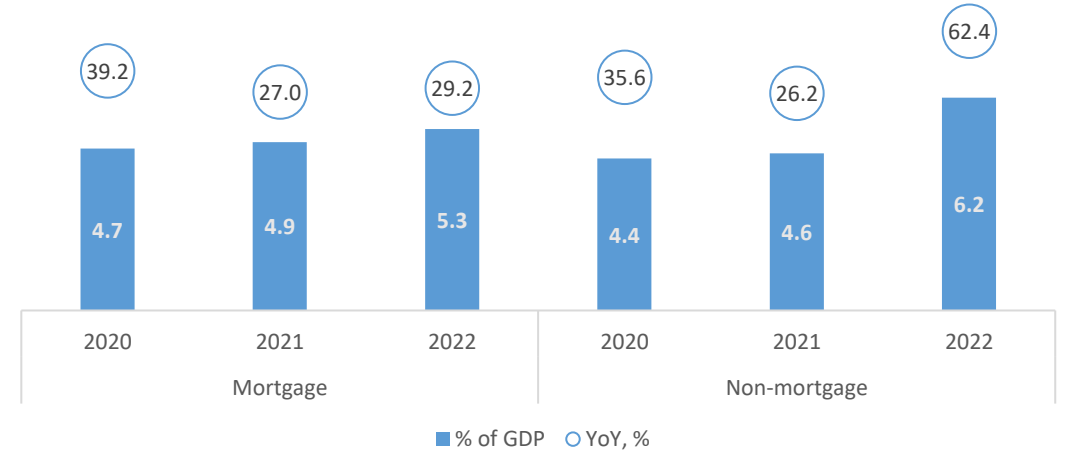


# UZBEKISTAN: HAWKISH MONETARY POLICY; STRONG GROWTH IN RETAIL CREDIT

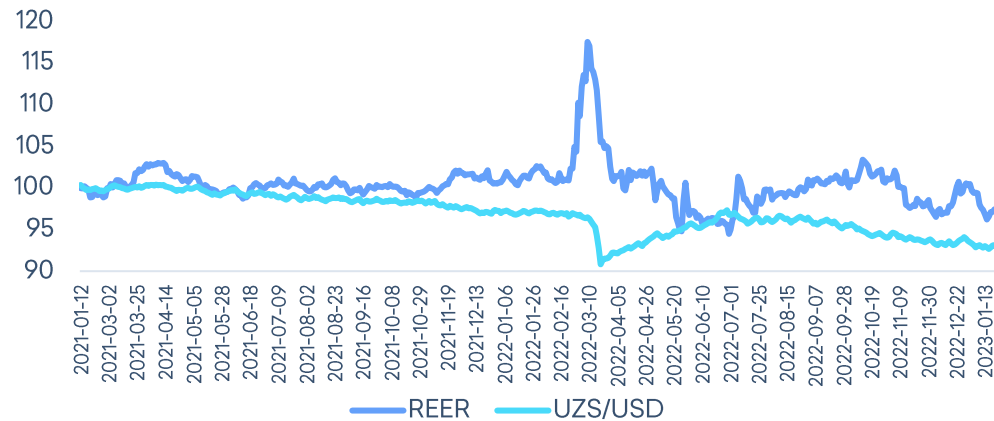
### Real GDP Growth in Uzbekistan(%)



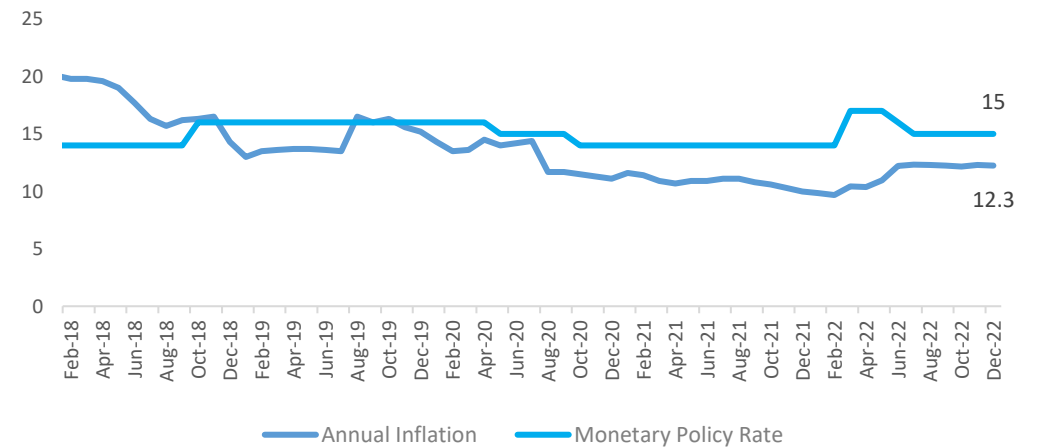
### Retail Loans in Uzbekistan (%)



### Daily estimates of UZS REER and UZS/USD (as of 25-Jan-23; increase means UZS appreciation, Jan-21 = 100)



### Inflation and Monetary Policy Rate (%)



Source: Bruegel Database, The state committee of the republic of Uzbekistan on statistics, TBC Capital



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**Business  
update**



**FY 2022 and  
Q4 2022  
Financial  
Results**

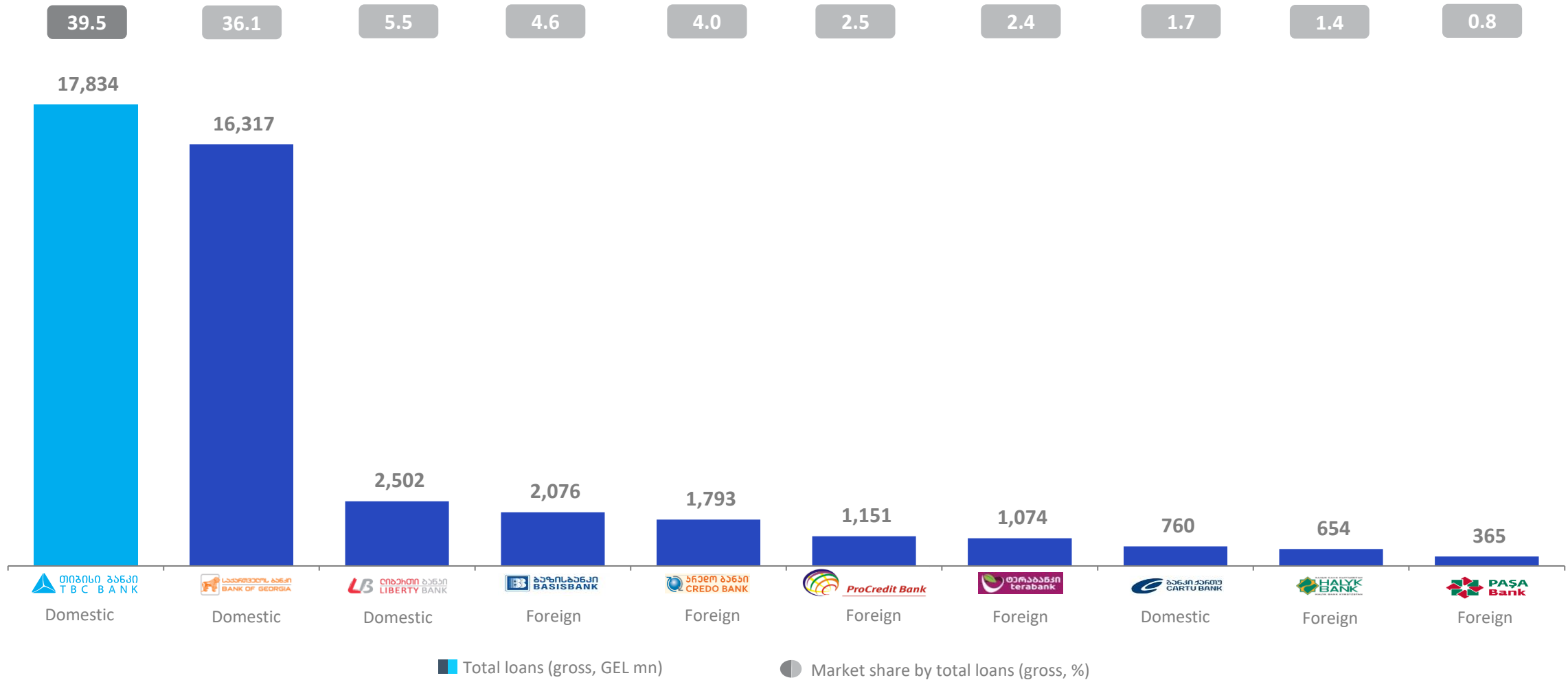


**Appendices**  
TBC positioning in the  
market



# LEADING POSITION IN GEORGIA

Top 10 largest banks by loans in Georgia, as of 31 December 2022 (GEL mln)





# TBC UZ COMPETITIVE LANDSCAPE

	As of 1 January 2023	TBC	ANORBANK	IPAK YO'LI BANKI	SQB	IPOTEKA BANK	KAPITALBANK	ALOQABANK	InfinBANK	TENGE BANK	Apelsin
General information	Conventional/digital only	Digital	Digital	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	Digital
	State/Private	Private	Private	Private	State	State <sup>1</sup>	Private	State	Private	Private	Private
	Local/Foreign	Foreign	Local	Local	Local	Local	Local	Local	Local	Foreign-subsubsidiary of Halyk Bank	Local
	Segment	Retail	Retail, corporate	Retail, corporate	Retail, corporate	Retail, corporate	Retail, corporate	Retail, corporate	Retail, corporate	Retail, corporate	Retail, corporate
Value proposition	Remote onboarding	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No
	Daily Banking (Debit cards, P2P, Bill payments)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Loans, client balances and deposits	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
	International cards (Visa/MC)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Selected information as of 1-Jan-2023	Retail loan market share	1.4%	2.0%	1.1%	5.4%	15.4%	10.2%	2.4%	1.9%	1.1%	N/A
	Retail deposits market share	2.2%	2.8%	3.8%	6.5%	5.0%	18.3%	2.8%	4.3%	1.3%	N/A
	Cards in circulation market share	2.4%	3.4%	6.2%	5.8%	9.2%	1.9%	3.8%	1.7%	0.3%	N/A
	NPL share	2.1%	2.5%	1.9%	2.8%	2.5%	1.2%	2.0%	0.6%	7.3%	N/A

Source: Central Bank of Uzbekistan  
 (1) OTP agreed to buy Ipoteka Bank in December 2022



# ESG RATINGS AND SCORES

**MSCI**  
ESG RATINGS



CCC B BB BBB A **AA** AAA




In April 2021, TBC Bank Group received a rating of “AA” (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment, which represents an upgrade from the previous rating of “A” assigned in October 2019

**MSCI Disclaimer statement**

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**TBC Bank Group PLC attained the below mentioned QualityScores from ISS as of 1 February 2023**

+ 	<b>Governance</b>	<b>1</b>
+ 	<b>Environment</b>	<b>2</b>
+ 	<b>Social</b>	<b>2</b>



FTSE4Good

**TBC Bank Group PLC is a member of the FTSE4Good Index Series since June 2020**

FTSE4Good is a global sustainable investment index series, designed to identify companies that demonstrate strong Environmental, Social and Governance (ESG) practices measured against international standards.



To view our Sustainalytics ESG Risk Rating, please visit our website:

<https://tbcbankgroup.com/esg/esg-ratings/>



In November 2022, TBC Bank Group PLC received a Robust ESG score of 52 out of 100 from Moody's ESG solutions.



# CONTENTS

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A circular graphic with a grey border and a dotted line around it, containing the text "Business update".

**Business  
update**

A circular graphic with a grey border and a dotted line around it, containing the text "FY 2022 and Q4 2022 Financial Results".

**FY 2022 and  
Q4 2022  
Financial  
Results**

A circular graphic with a blue border and a dotted line around it, containing the text "Appendices" and "Financial and operational performance details".

**Appendices**  
Financial and operational  
performance details

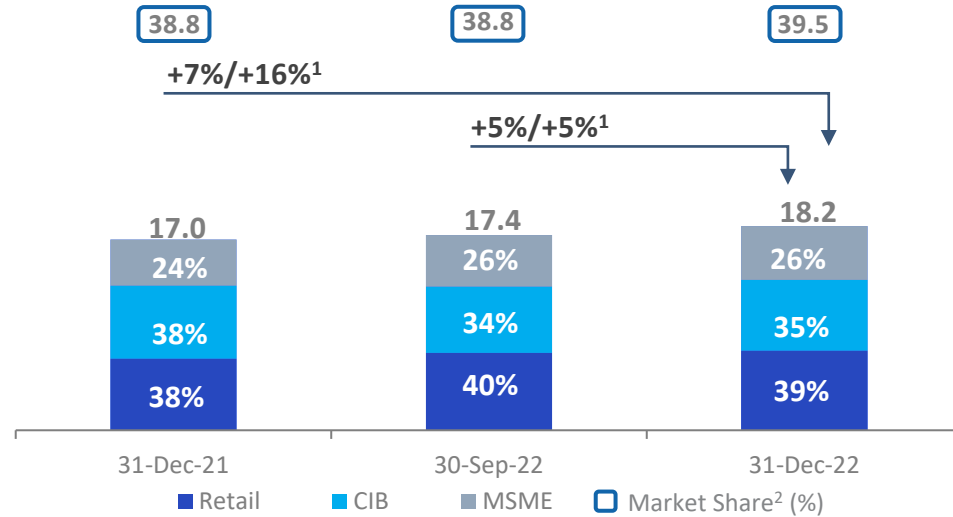




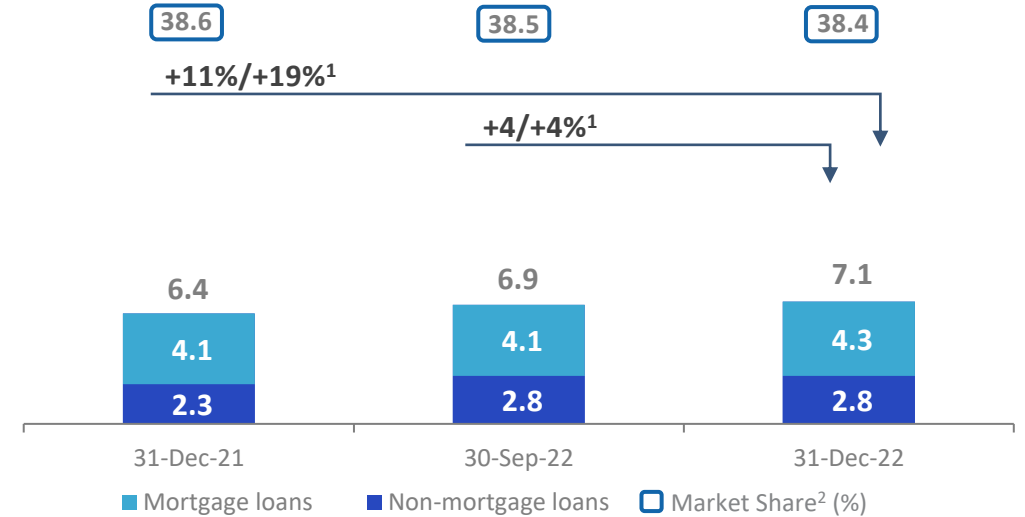
# LOAN BOOK GROWTH ACROSS ALL SEGMENTS YoY

FY 2022 AND Q4 2022 CALL PRESENTATION

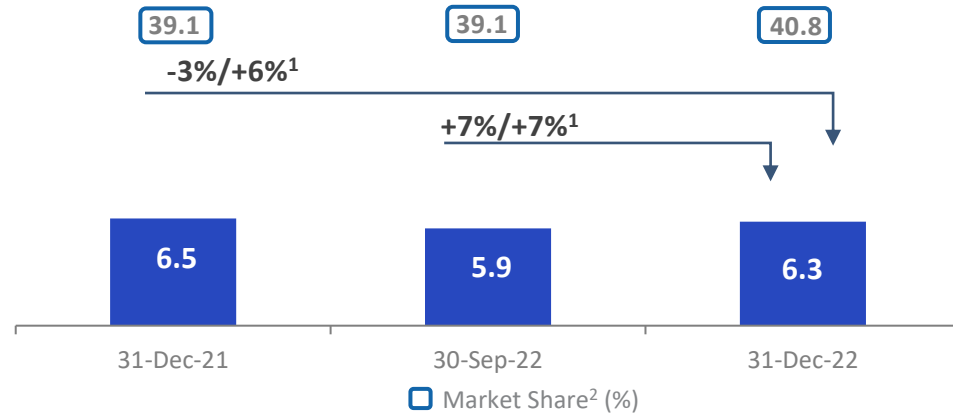
Gross loan portfolio breakdown (bln GEL)



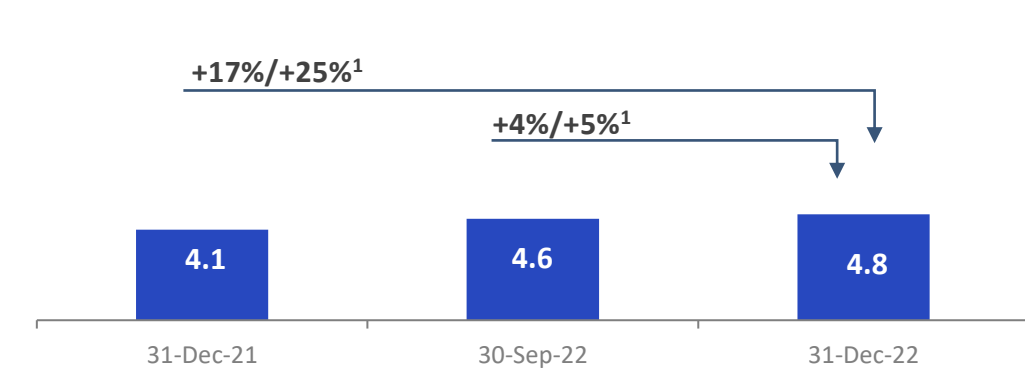
Retail banking gross loans (bln GEL)



CIB gross loans (bln GEL)



MSME gross loans (bln GEL)



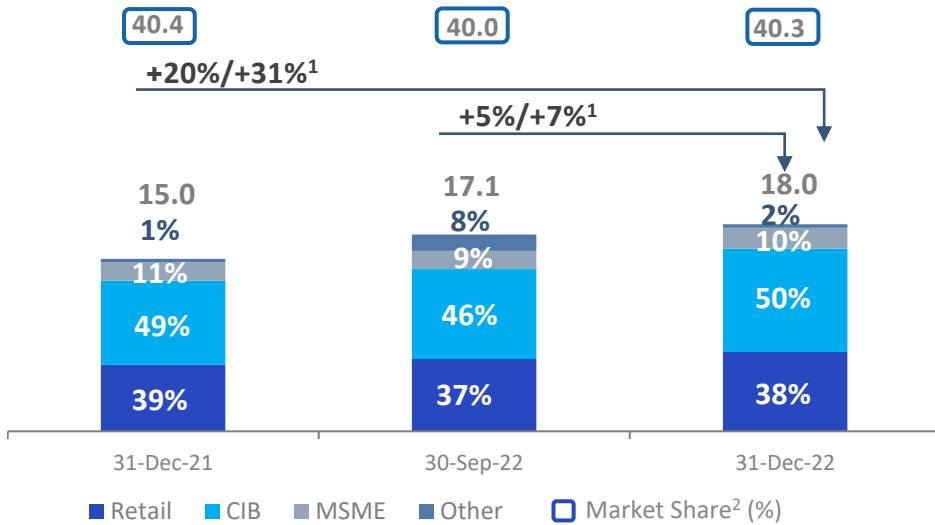
(1) Growth rates at constant currency  
 (2) Market shares are per NBG data and are referring to balances with "individuals" and "legal entities" as opposed to "Retail" and "CIB" segments under TBC Bank definition  
 Source: IFRS Group Data



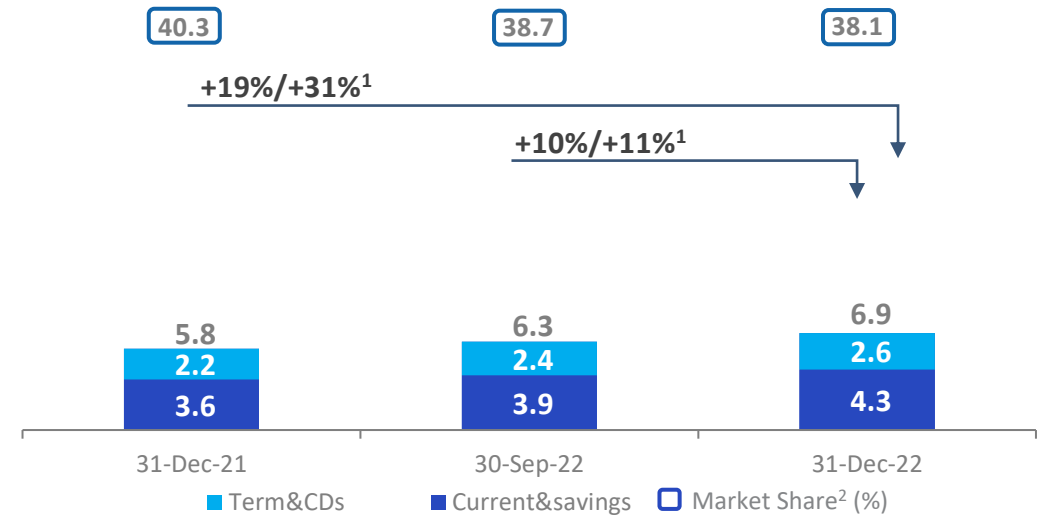
# CUSTOMER DEPOSITS GROWTH ACROSS ALL SEGMENTS YoY

FY 2022 AND Q4 2022 CALL PRESENTATION

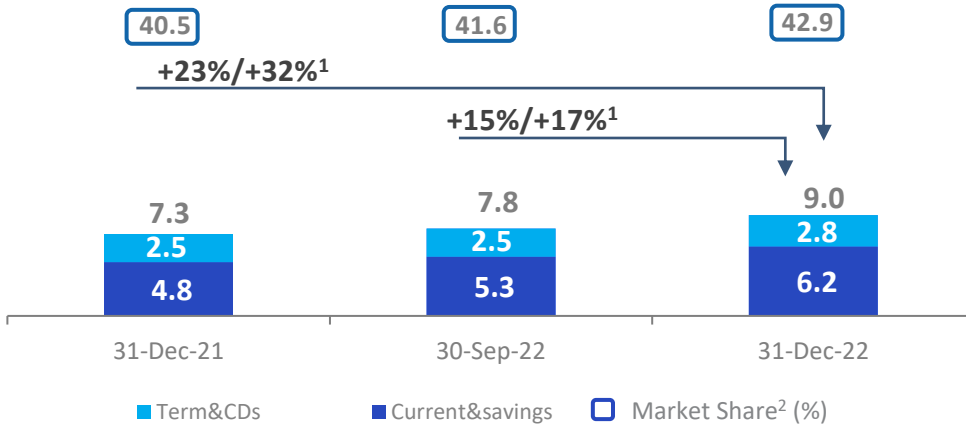
### Deposit portfolio breakdown (bln GEL)



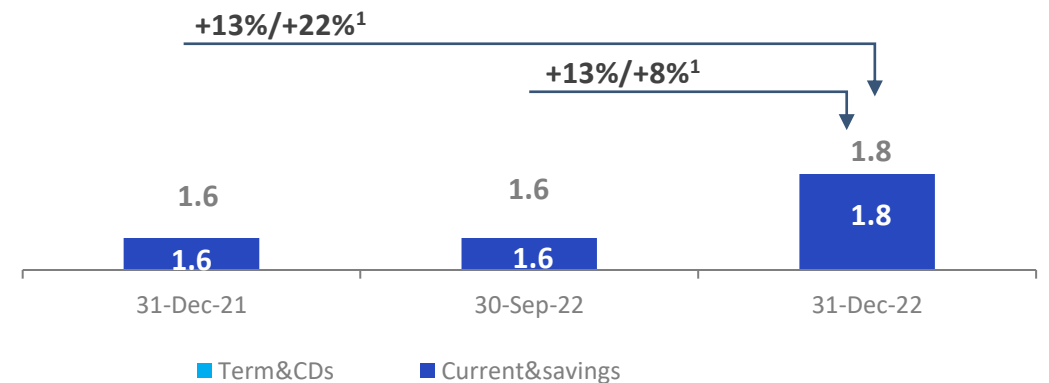
### Retail banking deposits (bln GEL)



### CIB deposits (bln GEL)



### MSME deposits (bln GEL)



(1) Growth rates at constant currency

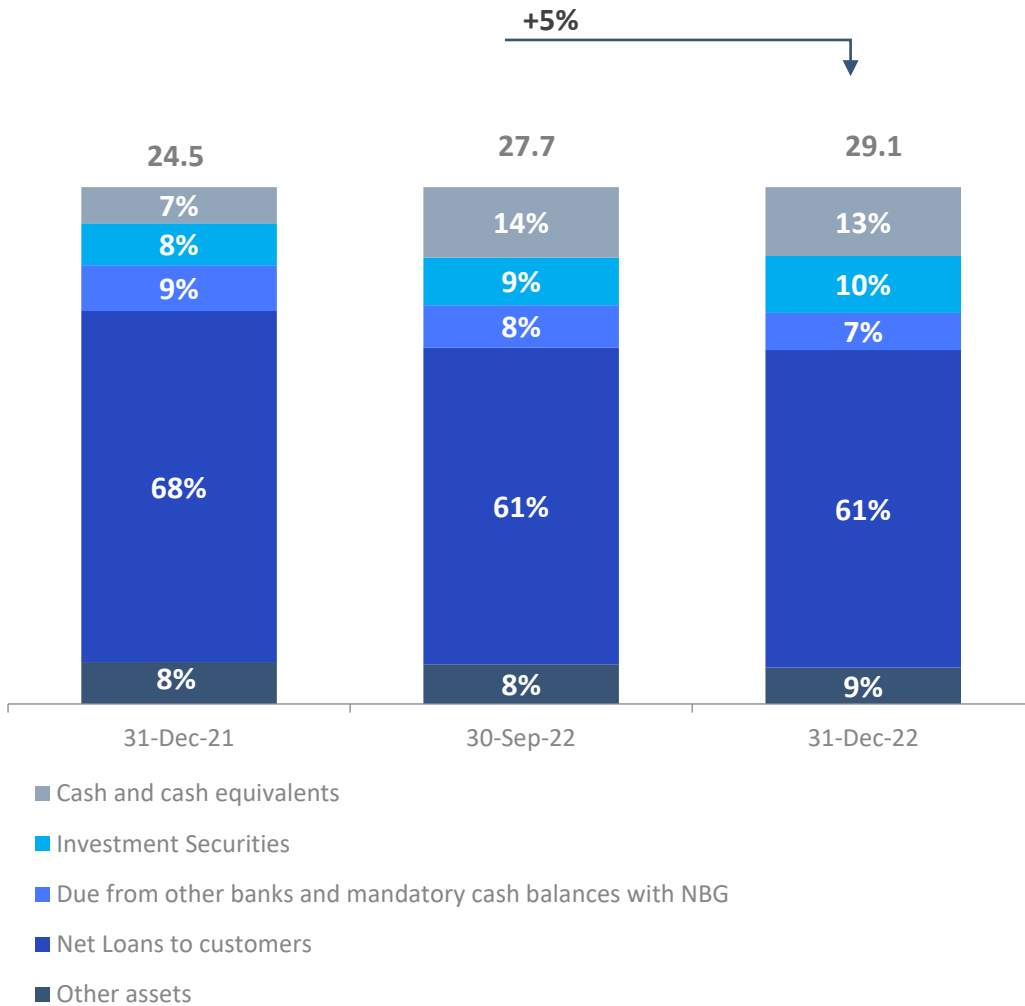
(2) Market shares are per NBG data and are referring to balances with "individuals" and "legal entities" as opposed to "Retail" and "CIB" segments under TBC Bank definition

Source: IFRS Group Data

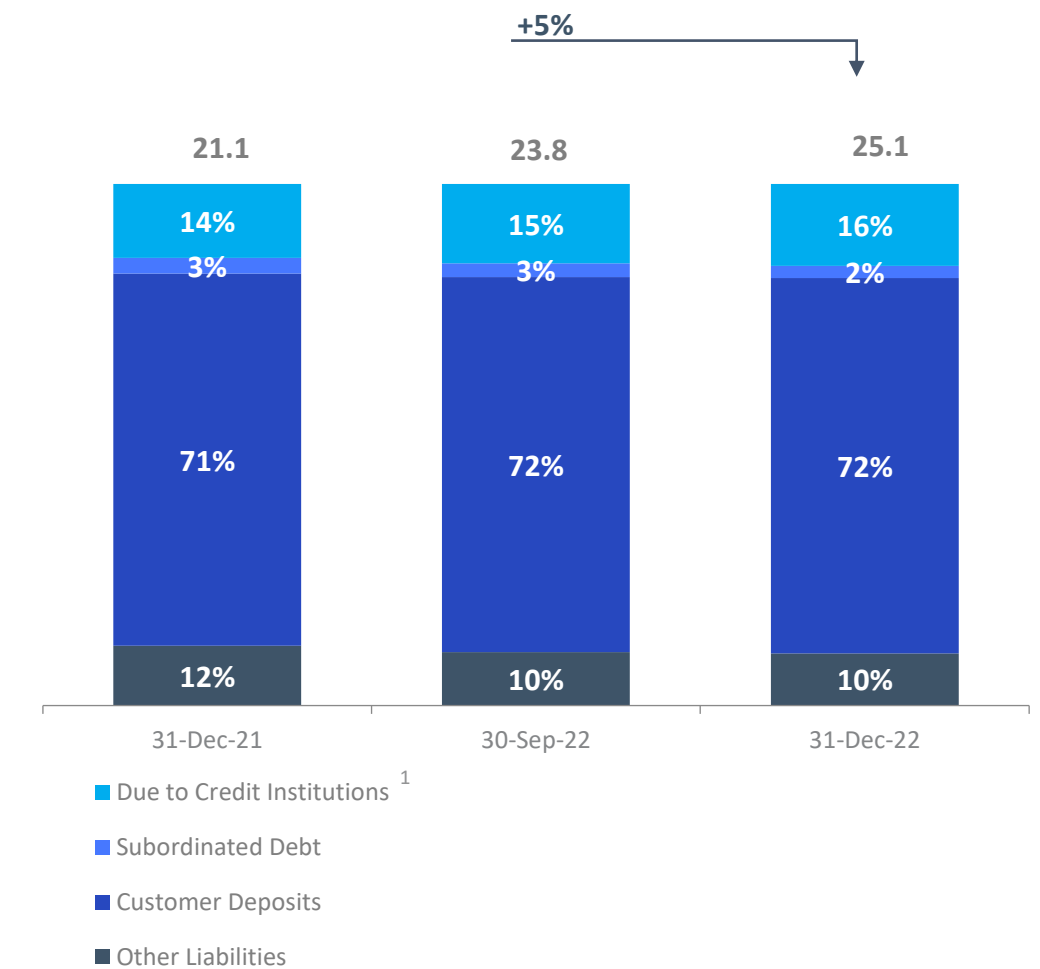


# BALANCE SHEET STRUCTURE

### Assets Structure (bln GEL)



### Liabilities Structure (bln GEL)



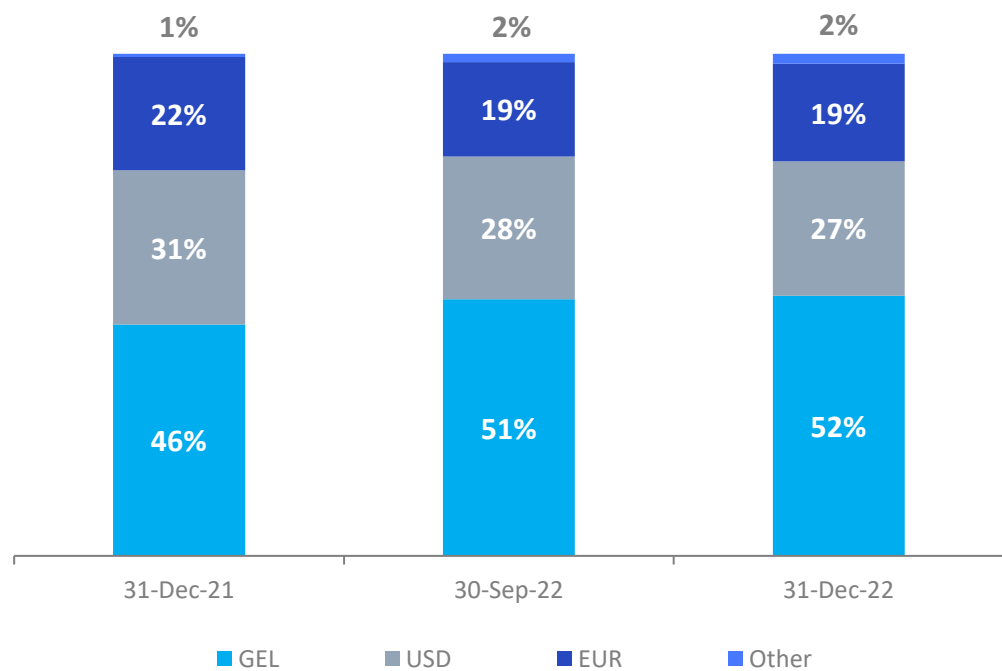
Source: IFRS Group Data

(1) Due to credit institutions comprise due to other banks and other borrowed funds

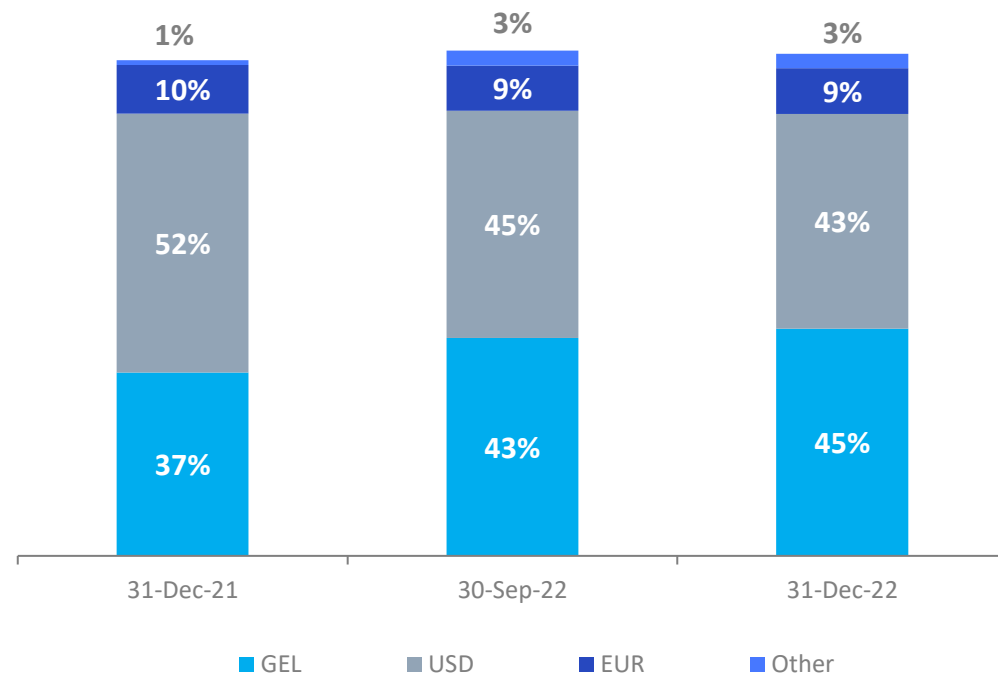


# FX EXPOSURE OF LOAN AND DEPOSIT PORTFOLIOS

### Gross Loans



### Deposits

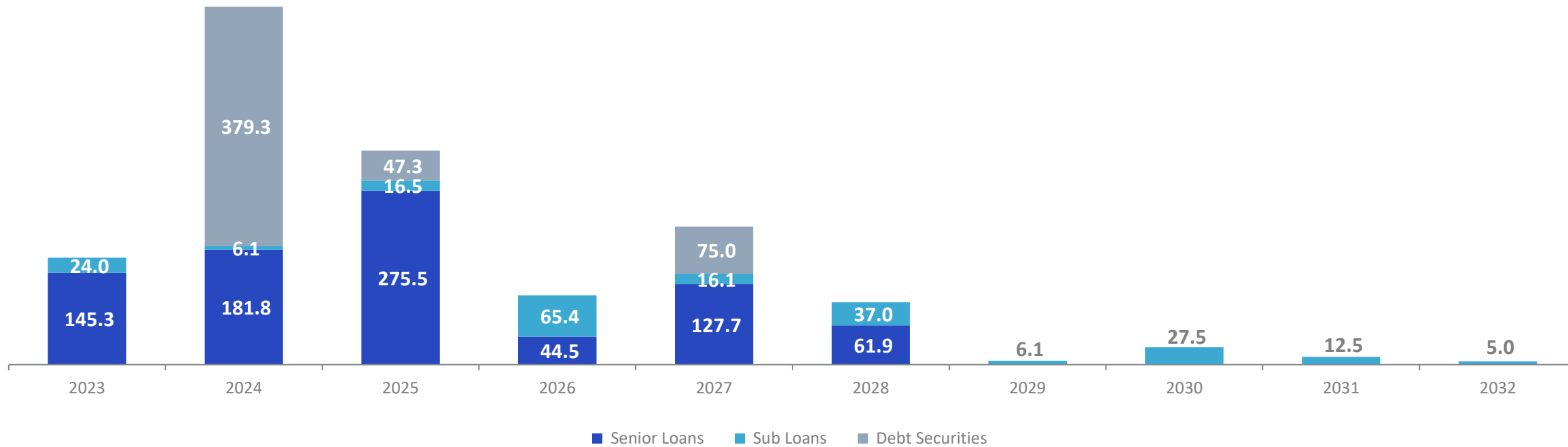


Source: IFRS Group Data



# FUNDING REPAYMENT LADDER

Debt securities, subordinated and senior loans' principal amount repayments by years (USD mln)<sup>1</sup>



(1) Revolving non-IFI loans from NBG are excluded  
Source: IFRS Group data



# SENSITIVITY ANALYSIS AND FC DETAILS FOR SELECTED P/L ITEMS

## Sensitivity analysis

	10% Currency Depreciation Effect
NIM <sup>1</sup>	-0.10% to -0.13%
<b>Regulatory CAR would decrease by:</b>	
For Total capital would decrease by	-0.60%
For Tier 1 would decrease by	-0.70%
For CET 1 would decrease by	-0.83%

The table shows the effect of a 10% currency depreciation on TBC Bank's balance sheet as of 31 December and Q4 2022 income statement, as applicable.

The share of selected FC denominated P/L Items, Q4 2022

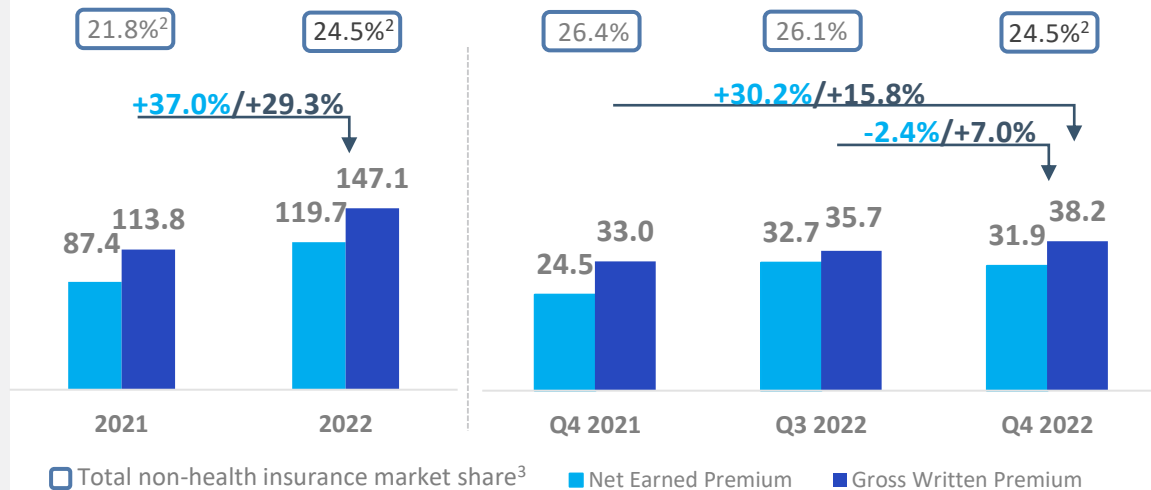
	FC % of respective totals
Interest income	35%
Interest expense	28%
Net interest income	40%
Fee and commission income	32%
Fee and commission expense	63%
Operating expenses	18%

(1) Linear depreciation is assumed for NIM sensitivity analysis.  
Source: IFRS statements and Internal Reporting



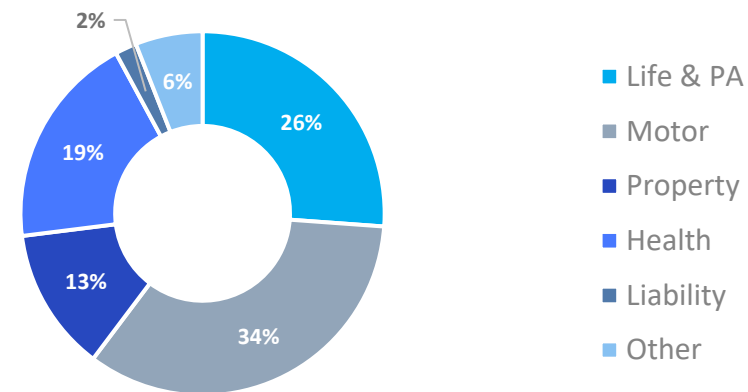
# TBC INSURANCE STANDALONE PERFORMANCE

## Net Earned Premium<sup>1</sup> & GWP (mln GEL)

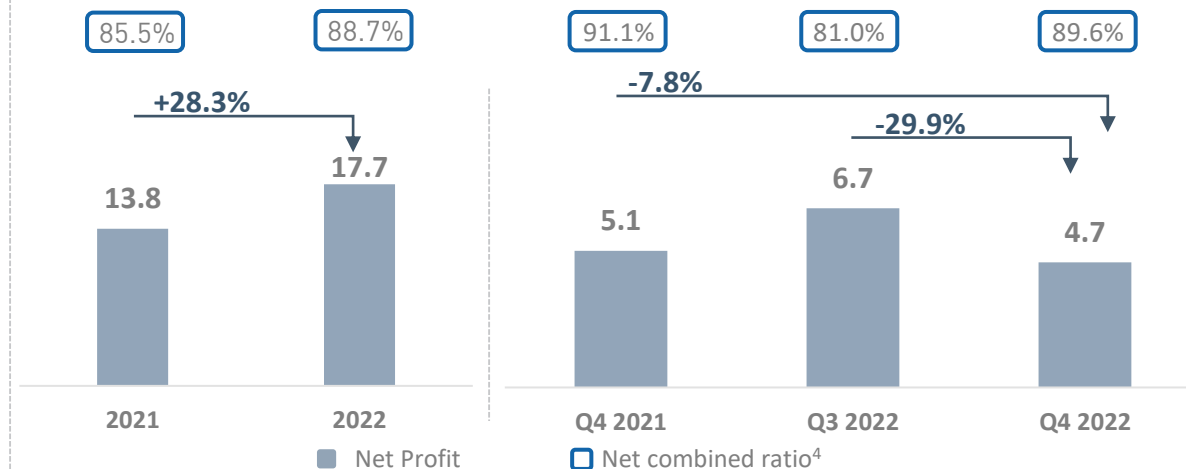


- TBC Insurance is the second largest player on the non-health insurance market and the largest in the retail segment, holding 24.5%<sup>2</sup> and 38.4%<sup>2</sup> market shares respectively in Q4 2022.
- The QoQ decrease in net profit was driven by decreased net earned premium on seasonal agro product. While YoY decrease in net profit was mainly driven by high base of net profit in Q4 2021.

## GWP distribution by products as of 31 December 2022



## Net profit (thousand GEL)



(1) Net earned premium equals earned premium minus reinsurer's share of earned premium.

(2) Based on internal estimates.

(3) Source: Insurance State Supervision Service of Georgia.

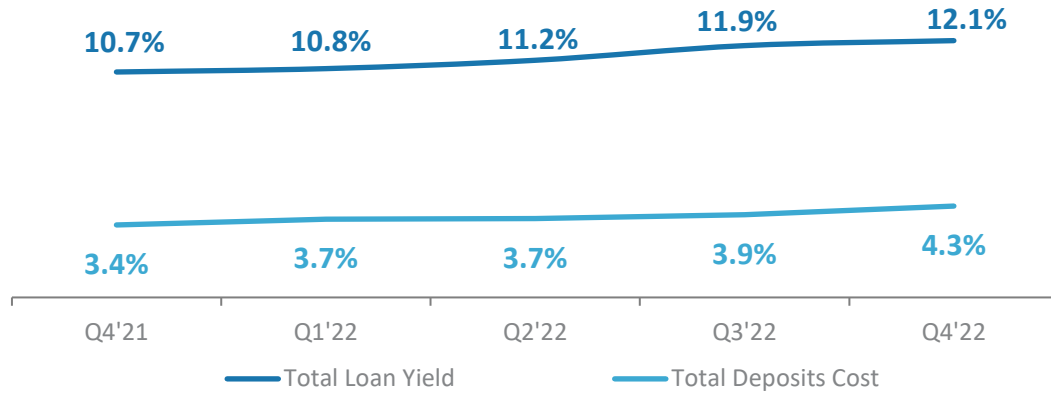
Market shares are given without mandatory border MTPL. With mandatory border MTPL, total non-health and retail market shares in Q4 2022 stood at 22.9% and 32.9% respectively.

(4) Net insurance claims plus acquisition costs and administrative expenses divided by net earned premium. Source: IFRS standalone data; figures are provided including subsidiary of TBC Insurance Redmed.

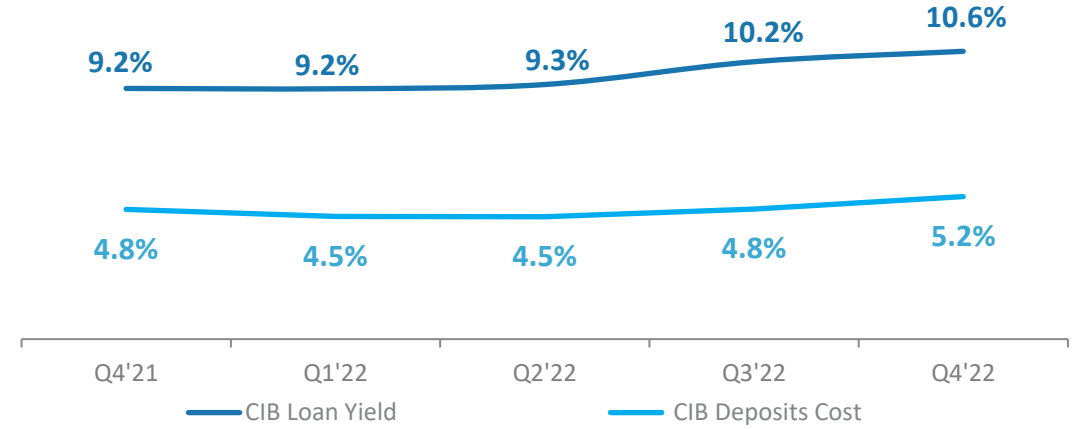


# LOAN YIELDS AND DEPOSIT COSTS BY SEGMENTS

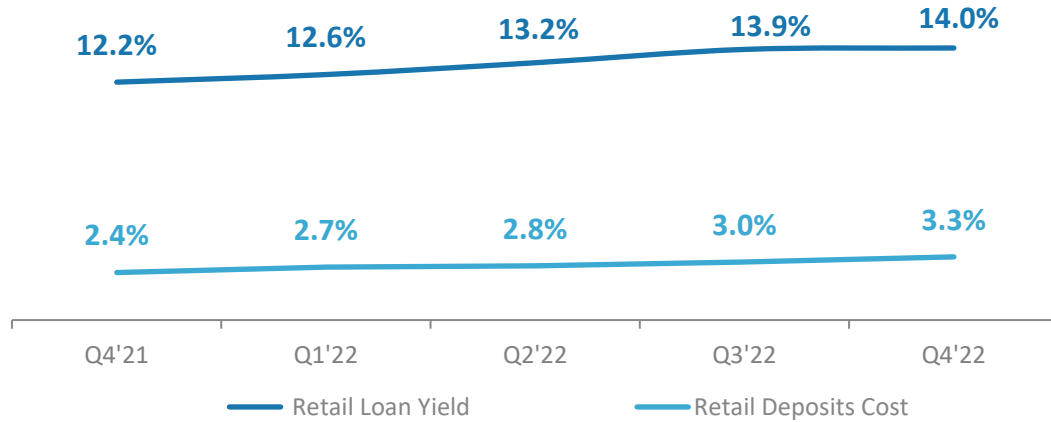
Total portfolio: loan yield and deposit cost



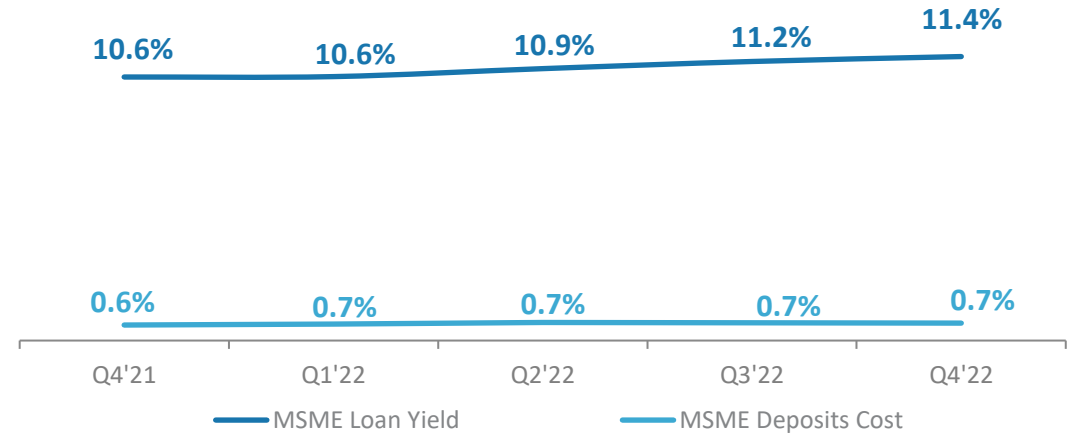
CIB: loan yield and deposit cost



Retail: loan yield and deposit cost



MSME: loan yield and deposit cost



Source: IFRS Group Data





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update**

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**FY 2022 and  
Q4 2022  
Financial  
Results**

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**Appendices**  
Key ratios



# SELECTED RATIOS CALCULATED BASED ON MONTHLY AVERAGES

Average balances included in this document are calculated as the average of the relevant monthly balances as of each month-end. Balances have been extracted from TBC's unaudited and consolidated management accounts prepared from TBC's accounting records and used by the Management for monitoring and control purposes.

Ratios (based on monthly averages, where applicable)	FY 2022	FY 2021	Q4 2022	Q3 2022	Q4 2021
ROE <sup>1</sup>	27.0%/29.9% <sup>1</sup>	24.9%	22.3%/33.6% <sup>1</sup>	33.6%	22.8%
ROA <sup>2</sup>	3.8%/4.3% <sup>1</sup>	3.4%	3.1%/4.7% <sup>1</sup>	4.8%	3.3%
Cost to income <sup>3</sup>	33.4%	37.6%	33.2%	29.9%	40.4%
Cost of risk <sup>4</sup>	0.7%	-0.3%	0.6%	1.0%	-0.1%
NIM <sup>5</sup>	6.0%	5.1%	6.3%	6.3%	5.4%
Share of non-interest income in total income	37.7%	30.9%	40.8%	42.3%	29.1%
Loan yields <sup>6</sup>	11.6%	10.3%	12.1%	11.9%	10.7%
Deposit rates <sup>7</sup>	3.9%	3.4%	4.3%	3.9%	3.4%
Cost of funding <sup>8</sup>	4.9%	4.5%	5.0%	4.8%	4.6%
PAR 90 to gross loans <sup>9</sup>	1.2%	1.1%	1.2%	1.3%	1.1%
NPLs to gross loans <sup>10</sup>	2.2%	2.4%	2.2%	2.3%	2.4%
NPL Provision coverage <sup>11</sup>	93.7%	99.9%	93.7%	99.6%	99.9%
Total NPLs coverage <sup>12</sup>	155.6%	175.3%	157.1%	164.2%	175.3%
Provision level to gross loans <sup>13</sup>	2.0%	2.4%	2.0%	2.3%	2.4%
Related party loans to gross loans <sup>14</sup>	0.1%	0.1%	0.1%	0.1%	0.1%
Top 10 borrowers to total portfolio <sup>15</sup>	5.3%	6.8%	5.3%	6.0%	6.8%
Top 20 borrowers to total portfolio <sup>16</sup>	8.3%	10.5%	8.3%	9.0%	10.5%
Net loans to deposit +IFI <sup>17</sup>	88.5%	100.9%	88.5%	89.1%	100.9%
Net stable funding ratio <sup>18</sup>	135.3%	127.3%	135.3%	133.1%	127.3%
Liquidity coverage ratio <sup>19</sup>	146.6%	115.8%	146.6%	142.8%	115.8%
Leverage <sup>20</sup>	7.3x	7.1x	7.3x	7.1x	7.1x
Basel III Regulatory CET 1 capital <sup>21</sup>	15.5%	13.7%	15.5%	15.3%	13.7%
Basel III Regulatory Tier 1 capital <sup>22</sup>	18.0%	16.7%	18.0%	18.0%	16.7%
Basel III Regulatory Total capital <sup>23</sup>	21.0%	20.3%	21.0%	21.4%	20.3%

(1) Adjusted for one-off tax charge

Source: IFRS Group Data for ratios, except for regulatory capital ratios which are calculated per NBG standards for TBC bank standalone



# RATIO DEFINITIONS

1. Return on average total equity (ROE) equals net income attributable to owners divided by the monthly average of total shareholders' equity attributable to the PLC's equity holders for the same period; annualised where applicable.
2. Return on average total assets (ROA) equals net income of the period divided by monthly average total assets for the same period; annualised where applicable.
3. Cost to income ratio equals total operating expenses for the period divided by the total revenue for the same period. (Revenue represents the sum of net interest income, net fee and commission income and other non-interest income).
4. Cost of risk equals credit loss allowance for loans to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
5. Net interest margin (NIM) is net interest income divided by monthly average interest-earning assets; annualised where applicable. Interest-earning assets include investment securities (excluding CIB shares), net investment in finance lease, net loans, and amounts due from credit institutions.
6. Loan yields equal interest income on loans and advances to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
7. Deposit rates equal interest expense on customer accounts divided by monthly average total customer deposits; annualised where applicable.
8. Cost of funding equals sum of the total interest expense and net interest gains on currency swaps (entered for funding management purposes), divided by monthly average interest bearing liabilities; annualized where applicable.
9. PAR 90 to gross loans ratio equals loans for which principal or interest repayment is overdue for more than 90 days divided by the gross loan portfolio for the same period.
10. NPLs to gross loans equals loans with 90 days past due on principal or interest payments, and loans with a well-defined weakness, regardless of the existence of any past-due amount or of the number of days past due divided by the gross loan portfolio for the same period.
11. NPL provision coverage equals total credit loss allowance for loans to customers divided by the NPL loans.
12. Total NPL coverage equals total credit loss allowance plus the minimum of collateral amount of the respective NPL loan (after applying haircuts in the range of 0%-50% for cash, gold, real estate and PPE) and its gross loan exposure divided by the gross exposure of total NPL loans.
13. Credit loss level to gross loans equals credit loss allowance for loans to customers divided by the gross loan portfolio for the same period.
14. Related party loans to total loans equals related party loans divided by the gross loan portfolio.
15. Top 10 borrowers to total portfolio equals the total loan amount of the top 10 borrowers divided by the gross loan portfolio.
16. Top 20 borrowers to total portfolio equals the total loan amount of the top 20 borrowers divided by the gross loan portfolio.
17. Net loans to deposits plus IFI funding ratio equals net loans divided by total deposits plus borrowings received from international financial institutions.
18. Net stable funding ratio equals the available amount of stable funding divided by the required amount of stable funding as defined by NBG in line with Basel III guidelines. Calculations are made for the Bank only, based on local standards.
19. Liquidity coverage ratio equals high-quality liquid assets divided by the total net cash outflow amount as defined by the NBG. Calculations are made for the Bank only, based on local accounting standards.
20. Leverage equals total assets to total equity.
21. Regulatory CET 1 CAR equals CET 1 capital divided by total risk weighted assets, both calculated in accordance with requirements of the NBG Basel III standards. Calculations are made for the Bank only, based on local accounting standards.
22. Regulatory tier 1 CAR equals tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG Basel III standards. Calculations are made for the Bank only, based on local accounting standards..
23. Regulatory total CAR equals total capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG Basel III standards. Calculations are made for the Bank only, based on local accounting standards.

## Exchange Rates

To calculate the QoQ growth of the Balance Sheet items without the currency exchange rate effect, we used the USD/GEL exchange rate of 2.8352 as of 30 September 2022. For the calculations of the YoY growth without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.0976 as of 30 December 2021. As of 30 December 2022 the USD/GEL exchange rate equaled 2.702. For P&L items growth calculations without currency effect, we used the average USD/GEL exchange rate for the following periods: Q4 2022 of 2.7329, Q3 2022 of 2.8245, Q4 2021 of 3.1253.



# SEGMENT DEFINITIONS

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## Segment Definitions (updated in 2022)

CIB: – a legal entity/group of affiliated entities with an annual revenue exceeding GEL 15.0 million or which has been granted facilities of more than GEL 6.0 million. Some other business customers may also be assigned to the CIB segment or transferred to the MSME segment on a discretionary basis. In addition, CIB includes Wealth Management private banking services to high-net-worth individuals with a threshold of US\$ 250,000 on assets under management (AUM), as well as on discretionary basis;

Retail – Non-business individual customers including the fully-digital bank, Space; The business is broadly divided into two segments:

- Mass Retail
- Affluent Retail (eligible for affluent retail, >3,000 GEL Monthly Income)
- Since 2021, the WM & VIP individual customers are managed in CIB directory;

MSME – Business customers (Legal entities and private individual customers, that generate income from business activities), who are not included in CIB segment; and

Corporate Centre and Other Operations: - comprises the Treasury, other support and back office functions, and non-banking subsidiaries of the Group.

Business customers: legal entities or individuals who have been granted a loan for business purpose.



# GLOSSARY

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<b>Terminology</b>	<b>Definition</b>
Consumer loans offloading	Consumer loans offloading ratios includes the number of consumer loans disbursed via the remote channels divided by total number of such loans issued.
Conversion rate	Conversion rate is number of loans (or other products) disbursed from generated leads
DAU/MAU	Average daily active users divided by monthly active users. TBC Group figure includes TBC's digital channels in Georgia, as well as those at TBC UZ and Payme.
Deposits offloading ratio	Deposit offloading ratio includes the number of time and savings deposits opened via remote channels divided by total number of such deposits opened for TBC Georgia and all deposits for TBC UZ.
Digital daily active users (DAU)	The number of retail digital users, who logged into our digital channels at least once per day.
Digital monthly active users (MAU)	The number of retail digital users, who logged into our digital channels at least once a month.
Gross Merchandise Volume (GMV)	GMV equals total value of sales over the given period, including auctions through housing and auto platforms, as well as listing fees.
Lead	Lead is a potential client who has expressed interest in the product.
Retail offloading ratio	The retail offloading ratios measures the share of transactions conducted in our remote channels, that is outside the branches.



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