

## **TBC Group Tax Strategy**

### **Introduction**

TBC Bank Group PLC ("TBC PLC") is a public limited company registered in England and Wales. TBC PLC is the parent company of JSC TBC Bank ("TBC Bank") and a group of companies that principally operate in Georgia in the financial sector and other closely related fields. TBC PLC has also expanded its operations in Uzbekistan since 2019.

### **Our approach to tax risk management**

TBC is committed to complying with all applicable tax laws in all jurisdictions where TBC Group operates, including in the UK. In particular, we aim to pay the correct amount of tax within applicable time limits.

Our objectives are built around the following key principles:

- ✓ transparency;
- ✓ responsibility; and
- ✓ effective interaction with tax authorities.

We ensure that the management of tax risk and proper governance around our tax operations is supported by appropriately trained personnel who have clear responsibilities to identify, analyse, assess and manage tax risks.

TBC has robust tax risk management procedures in place which include risk review processes, internal assurances and, where necessary, discussions with tax authorities and/or consultations with reputable external advisors.

### **Governance**

Tax risk governance is part of the TBC Group's risk management system. The TBC Group's governance structure ensures adequate oversight and accountability, as well as clear segregation of duties. The Board and the Supervisory Board of TBC have joint overall responsibility to set the tone at the top of the TBC Group and monitor compliance with the established objectives, while the Management Board of each TBC Group company governs and directs the relevant company's daily activities.

The in-house tax team of TBC Group manages its ongoing tax affairs, including in relation to UK taxation. The team reports to the Chief Financial Officer, who along with respective executives is also actively involved in the tax governance of the Group as well as in assessing any complex tax matters that may arise for Georgian, UK or other entities.

TBC's Audit Committee has oversight of the TBC Group's tax matters to ensure tax risk is monitored, controlled and mitigated in accordance with the relevant laws and TBC Group's objectives.

### **Attitude toward tax planning**

We only undertake tax planning that supports our business objectives and reflects genuine commercial and economic activity.

All transactions and dealings by TBC Group in any jurisdiction (including in the UK) are reviewed from a tax perspective by suitably qualified and experienced individuals. Where there is uncertainty in the application of tax law, we may engage with our external advisers to provide us with necessary support. In addition, we aim to:

- ✓ conduct intergroup transactions on an arm's-length basis.
- ✓ reject any tax planning that is aggressive and for tax avoidance purposes.

We only look to claim relevant reliefs and incentives where they are available to us under the laws of the relevant jurisdiction.

### **Level of tax risk accepted**

On the basis that TBC is a holding entity, it is not exposed to material operational risk and is not engaged in substantial transactions with others (other than as a result of its activities as a public limited company that is listed on the London Stock Exchange). As a result, it does not encounter significant UK tax risk.

On a global level, we seek to ensure that every transaction is evaluated and any tax risk is managed appropriately and aligned with the objectives of the TBC Group and our values. We aim to align our activities with our low risk approach to dealing with tax matters.

### **Approach to dealing with tax authorities**

We are committed to being transparent with tax authorities in all jurisdictions (including HM Revenue and Customs) regarding our tax affairs and support open discussions with them. In this regard, we proactively communicate with them and, where possible, aim to obtain advance rulings to confirm any unclear tax issues.

With regard to Georgian tax matters, TBC Group proactively analyses new tax regulations and as soon as new Georgian tax proposals or government initiatives become known, and where appropriate seeks external advice and/or engage in discussions with the Georgian government.

This tax strategy applies to the Company and its subsidiaries, as required under Schedule 19, Finance Act 2016, for the year ended 31 December 2022.