TBC BANK Group PLC

TBC BANK GROUP PLC
1Q 2023 FINANCIAL RESULTS

www.tbcbankgroup.com

TBC BANK GROUP PLC (“TBC Bank”)
1Q 2023 UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Forward-Looking Statements

This document contains forward-looking statements; such forward-looking statements contain known and unknown risks, uncertainties and other important factors, which may cause the actual results, performance or achievements of TBC Bank Group PLC (“the Bank” or “the Group”) to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on numerous assumptions regarding the Bank’s present and future business strategies and the environment in which the Bank will operate in the future. Important factors that, in the view of the Bank, could cause actual results to differ materially from those discussed in the forward-looking statements include, among others: the achievement of anticipated levels of profitability; growth, cost and recent acquisitions; the impact of competitive pricing; the ability to obtain the necessary regulatory approvals and licenses; the impact of developments in the Georgian and Uzbek economies; the impact of COVID-19; the political and legal environment; financial risk management; and the impact of general business and global economic conditions.

None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises, nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects are based are accurate or exhaustive or, in the case of the assumptions, entirely covered in the document. These forward-looking statements speak only as of the date they are made, and, subject to compliance with applicable law and regulations, the Bank expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in the document to reflect actual results, changes in assumptions or changes in factors affecting those statements.

Certain financial information contained in this presentation, which is prepared on the basis of the Group’s accounting policies applied consistently from year to year, has been extracted from the Group’s unaudited management accounts and financial statements. The areas in which the management accounts might differ from the International Financial Reporting Standards and/or U.S. generally accepted accounting principles could be significant; you should consult your own professional advisors and/or conduct your own due diligence for a complete and detailed understanding of such differences and any implications they might have on the relevant financial information contained in this presentation. Some numerical figures included in this report have been subjected to rounding adjustments. Accordingly, the numerical figures shown as totals in certain tables might not be an arithmetic aggregation of the figures that preceded them.

1Q 2023 Consolidated Financial Results Conference Call Details

TBC Bank Group PLC ("TBC PLC") published its unaudited consolidated financial results for the first quarter of 2023 on Thursday, 11 May 2023 at 7.00 am BST. The management team will host a conference call on the day at 2.00 pm BST to discuss the results.

Please click the link below to join the webinar:

https://tbc.zoom.us/j/97362691166?pwd=RUE0NFA1Y3dHNVZWWVNwQ3E3bmFKUT09
Webinar ID: **973 6269 1166**
Passcode: **859674**

Other international numbers are available at: https://tbc.zoom.us/u/ax59I7ipl

The call will be held in two parts: the first part will comprise presentations, while participants will have the opportunity to ask questions during the second part. All participants will be muted throughout the webinar.

Webinar Instructions:
In order to ask questions, participants joining the webinar should use the "hand icon" visible at the bottom of the screen. The host will unmute those participants who have raised hands one after the other. Once the question is asked, the participant will be muted again.

Call Instructions:
Participants who use the dial-in number to join the webinar should dial *9 to raise their hand.

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1Q 2023 Unaudited Consolidated Financial Results Announcement

1Q 2023 Unaudited Consolidated Financial Results

Robust profitability with 1Q 2023 net profit reaching GEL 255 million, up by 14% YoY, with ROE 25.2%.

European Union Market Abuse Regulation EU 596/2014 requires TBC Bank Group PLC to disclose that this announcement contains Inside Information, as defined in that Regulation.

Financial highlights[1]

Key profit & loss highlights

1Q 2023

Robust profitability – In 1Q 2023, our net profit totalled GEL 255 million, up by 14% YoY, and our ROE and ROA stood at 25.2% and 3.6%, respectively.

Strong income generation – In 1Q 2023, our operating profit amounted to GEL 532 million, up by 29% YoY, driven by strong income generation across the board. In 1Q 2023, our net interest margin (NIM) stood at 6.4%, up by 0.8 pp YoY.

Efficient cost management – In 1Q 2023, our cost to income ratio improved by 2.3 pp YoY and stood at 34.3%.

Low cost of risk– In 1Q 2023, our cost of risk was within our normalised range of 1% for Georgian operations, resulting in 1.1% at the Group level.

Our Uzbek operations continue to generate positive returns – During 1Q 2023, the operating income of our Uzbek operations increased more than three times YoY and amounted to GEL 40 million, while net profit reached GEL 13 million. Over the same period, the combined ROE for our Uzbek businesses stood at 28.1%.

Key balance sheet highlights

Healthy asset quality – As of 31 March 2023, our NPL to gross loans stood at 2.2%, while NPL provision and total coverage ratios stood at 93% and 155%, respectively.

Prudent capital and liquidity levels – As of 31 March 2022, our CET1, Tier 1, and Total Capital ratios per the new IFRS methodology stood at 17.7%, 20.1% and 22.2%, respectively, and remained comfortably above the minimum regulatory requirements by 3.4 pp, 3.4 pp and 2.5 pp, accordingly. At the same time, our net stable funding (NSFR) and liquidity coverage (LCR) ratios per the new IFRS methodology stood at 131% and 136%, respectively, comfortably above the regulatory minimum of 100%.

Strong growth in Georgia – By the end of the 1Q 2023, our loan book increased by 17% YoY in constant currency terms, which translated into a 39.1% market share, up by 0.2 pp over the year. Over the same period, our deposit base increased by 28% in constant currency terms and our market share in total deposits amounted to 39.3% as of 31 March 2023, down by 1.0 pp YoY.

Continued rapid growth of our Uzbek banking operations – By the end of March 2023, TBC UZ Bank's retail loans and deposits amounted to GEL 408 million and GEL 384 million, compared to GEL 144 million and GEL 169 million a year ago. As a result, our retail micro loan and deposit market shares reached 10.8% and 2.5% at the end of 1Q 2023.

Operational highlights

Fast growing customer base

million	**31-Mar-2023**	**31-Mar-2022**	***Change YoY***
Total number of registered users	14.8	10.4	*42%*
Total MAU	5.1	3.5	*46%*
MAU Georgia	1.5	1.4	*7%*
MAU Uzbekistan	3.6	2.1	*71%*

[1] Note: For better presentation purposes, certain financial numbers are rounded the nearest whole number.

Expanding digital footprint across the Group

thousands	**31-Mar-2023**	**31-Mar-2022**	***Change YoY***
Digital DAU Georgia	368	291	*26%*
Digital MAU Georgia	829	672	*23%*
Digital DAU/MAU Georgia	**44%**	**43%**	***1 pp***
Digital DAU Group	1,401	963	*45%*
Digital MAU Group	4,432	2,832	*56%*
Digital DAU/MAU Group	**32%**	**34%**	***-2 pp***

Solid growth of our Georgian and Uzbek Payments businesses

In billions of GEL	**1Q’23**	**1Q’22**	***Change YoY***
Merchant acquiring transactions volume in Georgia	2.5	2.1	*19%*
Volume of transactions with TBC cards in Georgia	6.4	4.8	*33%*
Payments volume of Payme in Uzbekistan	2.2	1.4	*57%*

The largest digital ecosystem in Georgia

in millions of GEL	**1Q'23**	**1Q'22**	***Change YoY***
Gross merchandise value (GMV)	30	15	*100%*
Loans disbursed through leads	24	22	*9%*

Letter from the Chief Executive Officer[2]

After a highly successful 2022, we continued to deliver robust financial results in 1Q 2023. As a result, our net profit amounted to GEL 255 million, up by 14% year-on-year, while our return on equity stood at 25.2% and our return on assets was 3.6%. The macroeconomic environment was also supportive. After double-digit expansion for two consecutive years, the Georgian economy maintained its strong growth momentum with real GDP increasing by 7.2% in 1Q 2023. This growth was driven by strong inflows across the board, from net exports to tourism and remittances.

Our healthy capital generation enabled the Board to recommend a final dividend for 2022 of GEL 2.95 per share at the upcoming 2023 AGM which, together with the interim dividend paid in October 2022, equals a total dividend for 2022 of GEL 5.45 per share. In addition, we have completed a share buyback in the amount of c. GEL 50 million. This represents a 30% dividend payout ratio, supplemented by a buyback equivalent of c. 5%, bringing total distribution as a share of net profit to 35% for 2022.

A strong start to the year

In 1Q 2023, our operating income amounted to GEL 532 million, up by 29% year-on-year, driven by both interest and non-interest income. The growth in net interest income was led by an improved net interest margin, which increased by 0.8 pp year-on-year and reached 6.4% in 1Q 2023. Over the same period, net fee and commission income grew by an excellent 40% year-on-year, while other operating income[3] increased by 25%, mainly driven by FX operations.

Our asset quality also performed strongly, which translated into cost of risk of 1.1% in 1Q 2023, while the cost of risk for our Georgian operations was only 1.0%. Over the same period, the NPL ratio remained stable at 2.2%. At the same time, our cost to income ratio improved by 2.3 pp year-on-year and amounted to 34.3% on the back of positive operating jaws.

In terms of balance sheet growth, our loan book increased by 17% year-on-year in constant currency terms, mainly driven by the retail and MSME segments, translating into a total loan market share of 39.1% in Georgia. Over the same period, customer deposits increased by 28% in constant currency terms, leading to a total deposit market share of 39.3% in Georgia.

Our liquidity and capital positions remain strong. Our CET1, Tier 1 and Total Capital ratios under the new IFRS methodology adopted by the NBG stood at 17.7%, 20.1% and 22.2%, respectively, and remained comfortably above the minimum regulatory requirements by 3.4 pp, 3.4 pp and 2.5 pp, accordingly. At the same time, we continued to operate at high liquidity with our net stable funding (NSFR) and liquidity coverage (LCR) ratios standing at 131% and 136%, respectively, as of 31 March 2023 under the new IFRS methodology.

Growing customer base and digital engagement driven by our profitable Uzbek fintechs

We continued to grow our customer base across the group, with retail monthly active users (MAU) exceeding 5 million by the end of March 2023, out of which our Uzbek customers accounted for around 70%, compared to 3.5 million a year ago. In terms of digital engagement, the number of digital MAU also grew significantly and reached 4.4 million at the Group level, up by 56% year-on-year, driven by Uzbek operations which are fully digital. This resulted in a group DAU/MAU ratio of 32% as of March 2023, while the DAU/MAU ratio for the Georgian business stood at 44%.

Importantly, after reaching breakeven in 3Q 2022, our Uzbek fintech businesses (TBC UZ and Payme) continued to generate positive returns with their combined net profit amounting to GEL 12.7 million for 1Q 2023, while return on equity stood at an excellent 28.1%. Moreover, we are delighted to announce that TBC UZ became profitable on a standalone monthly basis at the beginning of 2023, after just two years of operations.

We also achieved strong results on the balance sheet side in Uzbekistan. In 1Q 2023, TBC UZ retail loans amounted to GEL 408 million, up by 17% quarter-on-quarter, which translated into retail micro loan market share[4] of 10.8%. Over the same period, retail deposits reached GEL 384 million, up by 16% quarter-on-quarter, accounting for 2.5% of the retail deposit market share[4]. In parallel, we continued to expand our Uzbek payments business, Payme, which grew its payments volume by 57% year-on-year, reaching GEL 2.2 billion.

Launching the first Georgian supper app

I am also pleased to report that our digital ecosystem TNET launched the first super app in the country in late March 2023. Currently, the app combines two lifestyle platforms (TKT.ge and Swoop) and one e-commerce platform (Vendoo) into a

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[2] Note: For better presentation purposes, certain financial numbers are rounded the nearest whole number.
[3] Total non-interest income less net fee and commission income.
[4] Based on data published by the Central Bank of Uzbekistan.

single consumer app. Over time, other TNET platforms will also be integrated into the super app. I am confident that with its high customer base of 1.5 million MAU, TNET has great potential to become a must-have app for Georgians in the years to come and to make a positive contribution to the Group's fee and commission income and retail loan generation. In 1Q 2023, TNET continued to generate strong growth, with its gross merchandise value doubling year-on-year to reach GEL 30 million.

Looking ahead

Finally, I would like to reiterate our medium-term targets: ROE of above 20%, a cost to income ratio below 35%, a dividend payout ratio of 25-35%, and annual loan growth of around 10-15%. We also aim for our Uzbek operations to contribute 10-15% of the Group's net profit and to achieve 7 million active monthly users at the Group level in the medium-term.

Economic Overview

Economic growth

After expanding by 10.1% in 2022, economic growth in Georgia started to normalise in the first quarter of 2023. According to Geostat's estimates, real GDP grew by 7.2% on average in the first quarter of 2023.

External sector

Despite lower international commodity prices, which negatively affected both exports and imports, external sector activity still remained strong in 1Q 2023. Specifically, exports and imports increased by 24.7% and 21.0% YoY, respectively. The price dynamics especially affected domestic commodity exports, while re-exports maintained at strong performance. On the imports side, investment goods constituted a considerable share of imports, indicating positive investment sentiment. The terms of trade remained broadly stable, supporting economic growth and the GEL.

Having the highest growth contribution, tourism inflows adjusted for the migration impact by the NBG, increased by a remarkable 102.0% YoY in 1Q 2023. Remittances also maintained robust growth even after adjustment for Russia, expanding by 35.1%[5] YoY over the same period. FDIs slowed down in 4Q 2022 and decreased by 21.2% YoY, though, for the full year 2022, FDIs still increased by an impressive 61.1% YoY. Importantly, higher FDI levels not only arose on the back of reinvested earnings but were also due to much stronger additional equity investments.

Fiscal stimulus

The fiscal stimulus, although still sizable, negatively affected growth in 2021 as the deficit amounted to around 6.3% of GDP, after an expansionary 9.3% of GDP in 2020. In 2022, the deficit was even lower, at 2.5%. According to the Ministry of Finance, fiscal consolidation is expected to take place in the coming years with deficit-to-GDP ratios of 2.8% and 2.3% in 2023 and 2024, respectively.

Credit growth

As of March 2023, bank credit increased by 13.8% YoY, against 12.1% growth at the end of 2022, at constant exchange rates. Amid moderation in inflation, the real credit growth strengthened even more from 2.3% YoY in December 2022 to 8.3% at the end of March 2023.

Inflation, monetary policy, and the exchange rate

The US$/GEL exchange rate continued its strong performance, further appreciating to 2.50 at the end of April from 2.68 by the end of 2022, on the back of strong external inflows, coupled with tight monetary policy and improved sentiments.

As a result of a stronger GEL and disinflationary pass-through from international markets, CPI inflation declined sharply from 9.8% at the end of 2022 to 2.7% in April 2023. While the import component caused headline inflation to cool down significantly, the NBG kept its monetary policy rate at 11% throughout the quarter, cutting the rate by 0.5% only in May following the evidence of cooling in underlying measures such as domestic inflation.

Going forward

After double-digit growth for two years in a row, the consensus projection indicates that growth will normalize in 2023 with the IMF, the World Bank and the NBG projecting 4% real GDP growth and the Georgian government, 5%. According to TBC Capital's projections, the economy is expected to grow by around 6% in 2023.

More information on the Georgian economy and financial sector can be found at www.tbccapital.ge.

[5] Remittances from Russia are adjusted for double counting with tourism inflows and other similar effects, based on TBC Capital estimates.

Unaudited Consolidated Financial Results Overview for 1Q 2023

This statement provides a summary of the unaudited business and financial trends for 1Q 2023 for TBC Bank Group plc and its subsidiaries. The quarterly financial information and trends are unaudited.

Total equity and total liabilities were restated for 31-Mar-2022 due to a change in accounting of option contracts. As a result, ROE and leverage ratios were restated for 1Q 2022. For more details, please refer to the additional disclosure section on page 24. Please also note that there might be slight differences in previous periods' figures due to rounding.

Financial Highlights

Income Statement Highlights

in thousands of GEL	**1Q'23**	**4Q'22**	***Change QoQ***	**1Q'22**	***Change YoY***
Net interest income	366,791	357,446	*2.6%*	288,619	*27.1%*
Net fee and commission income	92,438	95,332	*-3.0%*	65,890	*40.3%*
Other operating non-interest income[6]	73,010	151,454	*-51.8%*	58,283	*25.3%*
Operating profit	**532,239**	**604,232**	***-11.9%***	**412,792**	***28.9%***
Total credit loss allowance	(53,168)	(33,054)	*60.9%*	(13,736)	*NMF*
Operating expenses	(182,780)	(200,495)	*-8.8%*	(150,950)	*21.1%*
Profit before tax	**296,291**	**370,683**	***-20.1%***	**248,106**	***19.4%***
Income tax expense	(41,331)	(146,909)	*-71.9%*	(24,125)	*71.3%*
Profit for the period	**254,960**	**223,774**	***13.9%***	**223,981**	***13.8%***
EPS, GEL	**4.57**	**3.98**	***14.8%***	**4.11**	***11.2%***
Diluted EPS, GEL	**4.50**	**3.91**	***15.1%***	**3.99**	***12.8%***

Balance Sheet and Capital Highlights

in thousands of GEL	**Mar-23**	**Dec-22**	***Change QoQ***	**Mar-22**	***Change YoY***
Total Assets	27,189,182	29,032,176	*-6.3%*	25,056,340	*8.5%*
Gross Loans	18,321,341	18,204,971	*0.6%*	17,320,213	*5.8%*
Customer Deposits	17,297,630	18,036,533	*-4.1%*	15,081,429	*14.7%*
Total Equity	4,238,958	3,965,950	*6.9%*	3,642,420	*16.4%*
CET 1 Capital (Basel III)*	3,667,479	3,835,846	*-4.4%*	n/a	*n/a*
Tier 1 Capital (Basel III)*	4,179,559	4,376,246	*-4.5%*	n/a	*n/a*
Total Capital (Basel III)*	4,601,884	4,784,099	*-3.8%*	n/a	*n/a*
Risk Weighted Assets (Basel III)*	20,767,052	21,219,008	*-2.1%*	n/a	*n/a*

** Numbers are calculated per the new IFRS methodology. The numbers as of 31-Dec-2022 are pro forma.*

Key Ratios	**1Q'23**	**4Q'22**	***Change QoQ***	**1Q'22**	***Change YoY***
ROE	25.2%	22.3%	*2.9 pp*	26.0%	*-0.8 pp*
Bank's standalone ROE[7]	23.0%	19.6%	*3.4 pp*	25.6%	*-2.6 pp*
ROA	3.6%	3.1%	*0.5 pp*	3.7%	*-0.1 pp*
Bank's standalone ROA[7]	3.6%	3.0%	*0.6 pp*	3.9%	*-0.3 pp*
NIM	6.4%	6.3%	*0.1 pp*	5.6%	*0.8 pp*
Cost to income	34.3%	33.2%	*1.1 pp*	36.6%	*-2.3 pp*
Bank's standalone cost to income[7]	28.8%	28.5%	*0.3 pp*	28.7%	*0.1 pp*
Cost of risk	1.1%	0.6%	*0.5 pp*	0.3%	*0.8 pp*
NPL to gross loans	2.2%	2.2%	*0.0 pp*	2.4%	*-0.2 pp*
NPL provision coverage ratio	92.9%	93.7%	*-0.8 pp*	96.0%	*-3.1 pp*
Total NPL coverage ratio	154.8%	155.6%	*-0.8 pp*	167.9%	*-13.1 pp*
Leverage (Times)	6.4x	7.3x	*-0.9x*	6.9x	*-0.5x*
CET 1 CAR (Basel III)*	17.7%	18.1%	*-0.4 pp*	n/a	*n/a*
Tier 1 CAR (Basel III)*	20.1%	20.6%	*-0.5 pp*	n/a	*n/a*
Total CAR (Basel III)*	22.2%	22.5%	*-0.3 pp*	n/a	*n/a*

** Ratios are calculated per the new IFRS methodology. The ratios as of 4Q 2022 are pro forma.*

[6] Other operating non-interest income includes net insurance premium earned after claims and acquisition costs.
[7] For the ratio calculation, all relevant group recurring costs are allocated to the Bank.

Net Interest Income

In 1Q 2023, net interest income amounted to GEL 366.8 million, up by 27.1% and 2.6% on a YoY and QoQ basis, respectively.

The YoY rise in interest income of GEL 144.4 million, or 27.4%, was mostly attributable to an increase in interest income from loans related to a rise in the respective yield by 1.6 pp, as well as an increase in the loan portfolio of GEL 1,001.1 million, or 5.8%.

The QoQ increase in interest income of GEL 27.2 million, or 4.2%, was mainly related to an increase in interest income from loans related to a 0.3 pp rise in the respective loan yield, as well as an increase in the loan portfolio of GEL 116.4 million, or 0.6%. Another contributor to the interest income was the increased portfolio of investment securities as well as increased yield.

Interest expense increased by GEL 66.2 million, or 27.7%, on a YoY basis, mainly related to an increase in the deposit portfolio of GEL 2,216.2 million, or 14.7%, and a 1.2 pp growth in deposit costs.

On a QoQ basis, interest expense increased by GEL 17.8 million, or 6.2%, primarily driven by the increased average portfolio in 1Q 2023 compared to 4Q 2022, as well as higher deposit rates in up by 0.6 pp in 1Q.

In 1Q 2023, our NIM stood at 6.4%, up by 0.8 pp and 0.1 pp on YoY and QoQ basis, respectively.

In thousands of GEL	1Q'23	4Q'22	*Change QoQ*	1Q'22	*Change YoY*
Interest income	672,150	644,981	*4.2%*	527,743	*27.4%*
Interest expense*	(305,359)	(287,535)	6.2%	(239,124)	*27.7%*
Net interest income	**366,791**	**357,446**	***2.6%***	**288,619**	***27.1%***
NIM	**6.4%**	**6.3%**	***0.1 pp***	**5.6%**	***0.8 pp***

** Interest expense includes net interest gains from currency swaps*

Non-Interest Income

In 1Q 2023, total non-interest income increased by 33.2% on a YoY basis and decreased by 33.0% on a QoQ basis, amounting to GEL 165.4 million.

Net fee and commission income increased by an excellent 40.3% YoY and decreased by 3.0% on a QoQ basis. The YoY increase was mainly related to increased payments transactions, while the quarterly decrease was related to the seasonally low activity in 1Q 2023. Importantly, our Uzbek operations contributed around 18% to the Group net fee & commission income.

In 1Q 2023, net gains from FX operations increased by 26.6% on a YoY basis, while they decreased on a QoQ basis. The annual increase was related to a high volume of transactions and a wider spread, while the quarterly decrease was related to the normalisation of the high base in 4Q 2022.

Net insurance profit in 1Q 2023 increased by 45.7% YoY, while it decreased by 24.3% on a QoQ basis. The annual increase in net insurance premium was mainly related to business growth, while the quarterly decrease was mainly driven by increased losses and in motor insurance products, caused by the inflationary effect on repair costs.

In thousands of GEL	1Q'23	4Q'22	*Change QoQ*	1Q'22	*Change YoY*
Non-interest income					
Net fee and commission income	92,438	95,332	*-3.0%*	65,890	*40.3%*
Net gains from currency derivatives, foreign currency operations and translation	60,601	138,777	*-56.3%*	47,857	*26.6%*
Net insurance premium earned after claims and acquisition costs[8]	6,218	8,218	*-24.3%*	4,267	*45.7%*
Other operating income	6,191	4,459	*38.8%*	6,159	*0.5%*
Total other non-interest income	**165,448**	**246,786**	***-33.0%***	**124,173**	***33.2%***

[8] Net insurance premium earned after claims and acquisition costs can be reconciled to the standalone net insurance profit (as shown in Annex 3) as follows: net insurance premium earned after claims and acquisition costs less credit loss allowance, administrative expenses and taxes, plus fee and commission income and net interest income.

Credit Loss Allowance

Credit loss allowance for loans in 1Q 2023 amounted to GEL 50.0 million. In 1Q 2023, cost of risk was within our normalised range of 1% for Georgian operations, resulting in 1.1% at the Group level.

In thousands of GEL	1Q'23	4Q'22	*Change QoQ*	1Q'22	*Change YoY*
Credit loss (allowance)/recovery for loans to customers	(50,040)	(27,002)	85.3%	(11,497)	NMF
Credit loss allowance for other transactions	(3,128)	(6,052)	-48.3%	(2,239)	39.7%
Total credit loss allowance	**(53,168)**	**(33,054)**	**60.9%**	**(13,736)**	**NMF**
Operating profit after expected credit losses and non-financial asset impairment losses	**479,071**	**571,178**	**-16.1%**	**399,056**	**20.1%**
Cost of risk	**1.1%**	**0.6%**	***0.5 pp***	**0.3%**	***0.8 pp***

Operating Expenses

In 1Q 2023, our operating expenses expanded by 21.1% on a YoY basis and decreased by 8.8% on a QoQ basis.

The YoY increase was mainly driven by an overall expansion of business, while the QoQ decrease was largely attributable to the seasonally high base in 4Q 2022.

Our cost to income ratio amounted to 34.3%, while the Bank's standalone cost to income stood at 28.8%.

In thousands of GEL	1Q'23	4Q'22	*Change QoQ*	1Q'22	*Change YoY*
Operating expenses					
Staff costs	(103,426)	(103,764)	*-0.3%*	(86,159)	*20.0%*
(Allowance)/recovery of provision for liabilities and charges	(71)	(140)	*-49.3%*	(64)	*10.9%*
Depreciation and amortisation	(28,361)	(27,181)	*4.3%*	(23,011)	*23.2%*
Administrative and other operating expenses	(50,922)	(69,410)	*-26.6%*	(41,716)	*22.1%*
Total operating expenses	**(182,780)**	**(200,495)**	***-8.8%***	**(150,950)**	***21.1%***
Cost to income	**34.3%**	**33.2%**	***1.1 pp***	**36.6%**	***-2.3 pp***
Bank's standalone cost to income[9]	**28.8%**	**28.5%**	***0.3 pp***	**28.7%**	***0.1 pp***

Net Profit

In 1Q 2023, our income tax expenses increased on a YoY and decreased on a QoQ basis and amounted to GEL 41.3 million. The YoY increase was related to the increased tax rate due to changes in the taxation model in Georgia, as well as increased profit for the period, while the QoQ decrease was related to a one-off income tax expense in 4Q 2022, in the amount of GEL 112.9 million.

Our net profit increased by 13.8% and 13.9% on a YoY and QoQ basis, respectively and amounted GEL 255 million. Without the one-off tax charge mentioned above, net profit would have decreased by 24.3% on a QoQ basis.

As a result, in 1Q 2023 our ROE stood at 25.2%, while our ROA reached 3.6%.

In thousands of GEL	1Q'23	4Q'22	*Change QoQ*	1Q'22	*Change YoY*
Profit before tax	**296,291**	**370,683**	***-20.1%***	**248,106**	***19.4%***
Income tax expense	(41,331)	(146,909)	*-71.9%*	(24,125)	*71.3%*
Profit for the period	**254,960**	**223,774**	***13.9%***	**223,981**	***13.8%***
ROE	**25.2%**	**22.3%**	***2.9 pp***	**26.0%**	***-0.8 pp***
Bank's standalone ROE[9]	**23.0%**	**19.6%**	***3.4 pp***	**25.6%**	***-2.6 pp***
ROA	**3.6%**	**3.1%**	***0.5 pp***	**3.7%**	***-0.1 pp***
Bank's standalone ROA[9]	**3.6%**	**3.0%**	***0.6 pp***	**3.9%**	***-0.3 pp***

[9] For the ratio calculation, all relevant Group recurring costs are allocated to the Bank.

Funding and Liquidity

As of 31 March 2023, the total liquidity coverage ratio (LCR), as defined by the NBG per the new IFRS methodology, was 135.7%, above the 100% limit, while the LCR in GEL and FC stood at 164.2% and 116.5%, accordingly, above the respective limits of 75% and 100%.

Over the same period, the net stable funding ratio (NSFR), as defined by the NBG per the new IFRS methodology, stood at 131.3%, compared to the regulatory limit of 100%.

	Mar-23	Dec-22	Change QoQ
Minimum net stable funding ratio, as defined by the NBG	100.0%	100.0%	*0.0 pp*
Net stable funding ratio as defined by the NBG*	131.3%	139.7%	*-8.4 pp*
Net loans to deposits + IFI funding	92.9%	88.5%	*4.4 pp*
Leverage (Times)	6.4x	7.3x	*-0.9x*
Minimum total liquidity coverage ratio, as defined by the NBG	*100.0%*	*100.0%*	*0.0 pp*
Minimum LCR in GEL, as defined by the NBG	*75%*	*75.0%*	*0.0 pp*
Minimum LCR in FC, as defined by the NBG	*100.0%*	*100.0%*	*0.0 pp*
Total liquidity coverage ratio, as defined by the NBG*	135.7%	147.9%	*-12.2 pp*
LCR in GEL, as defined by the NBG*	164.2%	164.4%	*-0.2 pp*
LCR in FC, as defined by the NBG*	116.5%	137.9%	*-21.4 pp*

** Ratios are calculated per the new IFRS methodology. The ratios as of 31-Dec-2022 are pro forma.*

Regulatory Capital

As of 31 March 2023, our CET1, Tier 1 and Total Capital ratios stood at 17.7%, 20.1% and 22.2%, respectively, and remained above the minimum regulatory requirements by 3.4 pp, 3.4 pp and 2.5 pp, accordingly, per the new IFRS methodology.

The QoQ decrease of our capital adequacy ratios was mainly driven by accrual of pending dividends and group investments, which were partly offset by GEL appreciation and net profit generation.

In thousands of GEL	Mar-23	Dec-22	Change QoQ
CET 1 Capital	3,667,479	3,835,846	*-4.4%*
Tier 1 Capital	4,179,559	4,376,246	*-4.5%*
Total Capital	4,601,884	4,784,099	*-3.8%*
Total Risk-weighted Exposures	20,767,052	21,219,008	*-2.1%*
Minimum CET 1 ratio	*14.3%*	*14.0%*	*0.3 pp*
CET 1 Capital adequacy ratio	17.7%	18.1%	*-0.4 pp*
Minimum Tier 1 ratio	*16.7%*	*16.2%*	*0.5 pp*
Tier 1 Capital adequacy ratio	20.1%	20.6%	*-0.5 pp*
Minimum total capital adequacy ratio	*19.7%*	*19.6%*	*0.1 pp*
Total Capital adequacy ratio	22.2%	22.5%	*-0.3 pp*

Ratios and numbers are calculated per the new IFRS methodology. The ratios and numbers as of 31-Dec-2022 are pro forma.

Loan Portfolio

As of 31 March 2022, the gross loan portfolio reached GEL 18,321.3 million, up by 5.8% YoY and 0.6% QoQ, or up by 17.3% YoY and 3.0% QoQ on a constant currency basis.

The proportion of gross loans denominated in foreign currency decreased by 4.9 pp YoY and increased by 0.7 pp on a YoY and QoQ basis and accounted for 48.9% of total loans. On a constant currency basis, the proportion of gross loans denominated in foreign currency increased by 0.1 pp on a YoY basis and stood at 53.9%.

In thousands of GEL	Mar-23	Dec-22	Change QoQ	Mar-22	Change YoY
Loans and advances to customers					
Retail	**7,159,209**	**7,113,087**	**0.6%**	**6,582,652**	**8.8%**
Retail loans GEL	*4,421,734*	*4,374,224*	*1.1%*	*3,763,609*	*17.5%*
Retail loans FC	*2,737,475*	*2,738,863*	*-0.1%*	*2,819,043*	*-2.9%*
CIB	**6,493,610**	**6,282,469**	**3.4%**	**6,461,554**	**0.5%**
CIB loans GEL	*2,371,886*	*2,435,737*	*-2.6%*	*2,040,940*	*16.2%*
CIB loans FC	*4,121,724*	*3,846,732*	*7.1%*	*4,420,614*	*-6.8%*
MSME	**4,668,522**	**4,809,415**	**-2.9%**	**4,276,007**	**9.2%**
MSME loans GEL	*2,577,034*	*2,627,760*	*-1.9%*	*2,191,308*	*17.6%*
MSME loans FC	*2,091,488*	*2,181,655*	*-4.1%*	*2,084,699*	*0.3%*
Total loans and advances to customers	**18,321,341**	**18,204,971**	**0.6%**	**17,320,213**	**5.8%**

	1Q'23	4Q'22	Change QoQ	1Q'22	Change YoY
Loan yields	**12.4%**	**12.1%**	***0.3 pp***	**10.8%**	***1.6 pp***
Loan yields GEL	*14.9%*	*15.1%*	*-0.2 pp*	*15.5%*	*-0.6 pp*
Loan yields FC	*9.7%*	*9.0%*	*0.7 pp*	*6.9%*	*2.8 pp*
Retail Loan Yields	**14.3%**	**14.0%**	***0.3 pp***	**12.6%**	***1.7 pp***
Retail loan yields GEL	*15.5%*	*15.8%*	*-0.3 pp*	*16.5%*	*-1.0 pp*
Retail loan yields FC	*12.3%*	*11.1%*	*1.2 pp*	*7.6%*	*4.7 pp*
CIB Loan Yields	**11.0%**	**10.6%**	***0.4 pp***	**9.2%**	***1.8 pp***
CIB loan yields GEL	*13.9%*	*14.0%*	*-0.1 pp*	*14.1%*	*-0.2 pp*
CIB loan yields FC	*9.2%*	*8.6%*	*0.6 pp*	*6.9%*	*2.3 pp*
MSME Loan Yields	**11.5%**	**11.4%**	***0.1 pp***	**10.6%**	***0.9 pp***
MSME loan yields GEL	*14.9%*	*15.0%*	*-0.1 pp*	*15.1%*	*-0.2 pp*
MSME loan yields FC	*7.3%*	*7.0%*	*0.3 pp*	*6.0%*	*1.3 pp*

Loan Portfolio Quality

PAR 30 ratio increased on a QoQ and YoY basis. The increase was mainly attributable to two exposures in the CIB segment, one of which was resolved as of April 2023, while the other of which is expected to be resolved in May 2023.

Total non-performing loans (NPL) remained stable on a QoQ basis and improved on a YoY basis, across all segments. In MSME, the main driver of YoY improvement was SME sub-segment.

Par 30	Mar-23	Dec-22	Change QoQ	Mar-22	Change YoY
Retail	2.6%	2.6%	*0.0 pp*	2.3%	*0.3 pp*
CIB	1.9%	0.5%	*1.4 pp*	1.1%	*0.8 pp*
MSME	3.4%	3.1%	*0.3 pp*	3.9%	*-0.5 pp*
Total Loans	**2.5%**	**2.0%**	***0.5 pp***	**2.3%**	***0.2 pp***

Non-performing Loans	Mar-23	Dec-22	Change QoQ	Mar-22	Change YoY
Retail	2.1%	2.2%	*-0.1 pp*	2.2%	*-0.1 pp*
CIB	1.4%	1.3%	*0.1 pp*	1.6%	*-0.2 pp*
MSME	3.4%	3.4%	*0.0 pp*	4.1%	*-0.7 pp*
Total Loans	**2.2%**	**2.2%**	***0.0 pp***	**2.4%**	***-0.2 pp***

NPL Coverage	Mar-23		Dec-22		Mar-22	
	Provision Coverage	Total Coverage*	Provision Coverage	Total Coverage*	Provision Coverage	Total Coverage*
Retail	147.1%	190.9%	149.4%	191.8%	169.3%	230.1%
CIB	51.4%	114.6%	57.9%	119.9%	47.5%	115.0%
MSME	66.1%	143.8%	58.8%	139.2%	64.3%	147.7%
Total	**92.9%**	**154.8%**	**93.7%**	**155.6%**	**96.0%**	**167.9%**

** Total NPL coverage ratio includes provision and collateral coverage.*

Cost of Risk

In 1Q 2023, cost of risk was within our normalised range of 1% for Georgian operations, resulting in 1.1% at the Group level.

The increase in MSME CoR was related to the micro unsecured loan portfolio, while the Uzbek portfolio contribution to the total retail cost of risk was 0.2 pp.

Cost of risk	1Q'23	4Q'22	*Change QoQ*	1Q'22	*Change YoY*
Retail	1.6%	0.9%	*0.7 pp*	0.6%	*1.0 pp*
CIB	-0.1%	0.1%	*-0.2 pp*	-0.1%	*0.0 pp*
MSME	2.0%	0.9%	*1.1 pp*	0.3%	*1.7 pp*
Total	**1.1%**	**0.6%**	***0.5 pp***	**0.3%**	***0.8 pp***

Deposits Portfolio

The total deposits portfolio amounted to GEL 17,297.6 million, up by 14.7% YoY and down by 4.1% QoQ, or up by 28.1% YoY and down by 1.4% QoQ on a constant currency basis.

The proportion of deposits denominated in a foreign currency decreased by 10.7 pp and 1.1 pp on a YoY and QoQ basis, respectively, and stood at 53.7% of total deposits. On a constant currency basis, the proportion of deposits decreased by 5.8 pp YoY and accounted for 58.6% of total deposits.

In thousands of GEL	Mar-23	Dec-22	*Change QoQ*	Mar-22	*Change YoY*
Customer Accounts					
Retail	**6,823,290**	**6,866,003**	**-0.6%**	**5,618,872**	**21.4%**
Retail deposits GEL	*1,941,188*	*1,905,377*	*1.9%*	*1,461,142*	*32.9%*
Retail deposits FC	*4,882,102*	*4,960,626*	*-1.6%*	*4,157,730*	*17.4%*
CIB	**8,273,622**	**9,001,120**	**-8.1%**	**7,567,725**	**9.3%**
CIB deposits GEL	*4,630,163*	*4,931,741*	*-6.1%*	*2,844,528*	*62.8%*
CIB deposits FC	*3,643,459*	*4,069,379*	*-10.5%*	*4,723,197*	*-22.9%*
MSME	**1,591,435**	**1,756,968**	**-9.4%**	**1,487,665**	**7.0%**
MSME deposits GEL	*824,807*	*902,611*	*-8.6%*	*657,057*	*25.5%*
MSME deposits FC	*766,628*	*854,357*	*-10.3%*	*830,608*	*-7.7%*
Total Customer Accounts*	**17,297,630**	**18,036,533**	**-4.1%**	**15,081,429**	**14.7%**

** Total deposit portfolio includes Ministry of Finance deposits in the amount of GEL 609 million, GEL 412 million and GEL 407 million as of 31 Mar 2023, 31 Dec 2022 and 31 Mar 2022, respectively.*

	1Q'23	4Q'22	Change QoQ	1Q'22	Change YoY
Deposit rates	**4.9%**	**4.3%**	***0.6 pp***	**3.7%**	***1.2 pp***
Deposit rates GEL	*8.8%*	*7.9%*	*0.9 pp*	*7.5%*	*1.3 pp*
Deposit rates FC	*1.6%*	*1.6%*	*0.0 pp*	*1.5%*	*0.1 pp*
Retail Deposit Yields	**3.7%**	**3.3%**	**0.4 pp**	**2.7%**	**1.0 pp**
Retail deposit rates GEL	*7.2%*	*5.7%*	*1.5 pp*	*5.3%*	*1.9 pp*
Retail deposit rates FC	*2.4%*	*2.4%*	*0.0 pp*	*1.8%*	*0.6 pp*
CIB Deposit Yields	**6.1%**	**5.2%**	**0.9 pp**	**4.5%**	**1.6 pp**
CIB deposit rates GEL	*10.3%*	*9.6%*	*0.7 pp*	*9.4%*	*0.9 pp*
CIB deposit rates FC	*0.9%*	*1.0%*	*-0.1 pp*	*1.4%*	*-0.5 pp*
MSME Deposit Yields	**0.7%**	**0.7%**	**0.0 pp**	**0.7%**	**0.0 pp**
MSME deposit rates GEL	*1.2%*	*1.2%*	*0.0 pp*	*1.1%*	*0.1 pp*
MSME deposit rates FC	*0.2%*	*0.2%*	*0.0 pp*	*0.2%*	*0.0 pp*

TBC BANK Group PLC

Additional Disclosures

1) TBC Bank – Background

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. TBC PLC also offers non-financial services via TNET, the largest digital ecosystem in Georgia. Since 2019, TBC PLC has expanded its operations into Uzbekistan by operating fast growing retail digital financial services in the country. TBC PLC is listed on the London Stock Exchange under the symbol TBCG and is a constituent of the FTSE 250 Index. It is also a member of the FTSE4Good Index Series and the MSCI United Kingdom Small Cap Index.

TBC Bank is the largest banking group in Georgia, where 97.3% of its business is concentrated, with a 37.8% market share by total assets. It offers retail, CIB and MSME banking nationwide.

2) Consolidated Financial Statements and Key Ratios 1Q 2023

Consolidated Balance Sheet

In thousands of GEL	**Mar-23**	**Dec-22**	**Mar-22**
Cash and cash equivalents	2,188,553	3,860,813	1,962,460
Due from other banks	38,738	41,854	58,348
Mandatory cash balances with National Bank of Georgia and Central Bank of Uzbekistan	1,817,145	2,049,985	2,243,280
Loans and advances to customers	17,953,053	17,832,606	16,917,292
Investment securities measured at fair value through other comprehensive income	3,047,598	2,885,088	1,898,005
Bonds carried at amortised cost	30,967	37,392	48,565
Repurchase receivables	-	267,495	-
Finance lease receivables	316,247	312,334	254,087
Investment properties	21,080	22,154	20,396
Current income tax prepayment	856	430	817
Deferred income tax asset	13,867	16,705	14,368
Other financial assets	301,697	273,805	330,750
Other assets	432,978	429,121	429,996
Premises and equipment	448,041	442,886	406,855
Right of use assets	112,977	112,625	76,251
Intangible assets	401,326	383,198	331,618
Goodwill	59,964	59,964	59,964
Investments in associates	4,095	3,721	3,288
TOTAL ASSETS	**27,189,182**	**29,032,176**	**25,056,340**
LIABILITIES			
Due to credit institutions	2,596,880	3,940,660	3,353,903
Customer accounts	17,297,630	18,036,533	15,081,429
Lease liabilities	79,989	84,770	71,891
Other financial liabilities	326,683	275,781	136,479
Current income tax liability	6,659	1,647	4,563
Debt Securities in issue	1,324,815	1,361,573	1,737,192
Deferred income tax liability	114,300	112,877	9,424
Provisions for liabilities and charges	35,503	34,988	26,019
Other liabilities	119,282	149,920	106,836
Redemption liability	464,805	477,329	254,340
Subordinated debt	583,678	590,148	631,844
TOTAL LIABILITIES	**22,950,224**	**25,066,226**	**21,413,920**
EQUITY			
Share capital	1,676	1,681	1,682
Shares held by trust	(37,239)	(7,900)	(7,900)
Treasury shares	-	(25,541)	-
Share premium	261,719	269,938	283,430
Retained earnings	3,993,387	3,744,727	3,230,348
Merger reserve	402,862	402,862	402,862
Share based payment reserve	(2,815)	1,090	(18,362)
Fair value reserve for investment securities measured at fair value through other comprehensive income	13,503	5,467	(24,006)
Cumulative currency translation reserve	(41,024)	(35,858)	(15,276)
Other reserve	(464,805)	(477,329)	(254,340)
Net assets attributable to owners	**4,127,264**	**3,879,137**	**3,598,438**
Non-controlling interest	111,694	86,813	43,982
TOTAL EQUITY	**4,238,958**	**3,965,950**	**3,642,420**
TOTAL LIABILITIES AND EQUITY	**27,189,182**	**29,032,176**	**25,056,340**

Consolidated Income Statement and Other Comprehensive Income

In thousands of GEL	1Q'23	4Q'22	1Q'22
Interest income	672,150	644,981	527,743
Interest expense*	(305,359)	(287,535)	(239,124)
Net interest income	**366,791**	**357,446**	**288,619**
Fee and commission income	151,801	166,042	112,893
Fee and commission expense	(59,363)	(70,710)	(47,003)
Net fee and commission income	**92,438**	**95,332**	**65,890**
Net insurance premiums earned	24,099	25,088	20,215
Net insurance claims incurred and agents' commissions	(17,881)	(16,870)	(15,948)
Net insurance premium earned after claims and acquisition costs	**6,218**	**8,218**	**4,267**
Net gains from currency derivatives, foreign currency operations and translation	60,601	138,777	47,857
Net gains from disposal of investment securities measured at fair value through other comprehensive income	2,012	926	2,117
Other operating income	3,905	3,388	4,097
Share of profit of associates	274	145	(55)
Other operating non-interest income	**66,792**	**143,236**	**54,016**
Credit loss (allowance)/recovery for loans to customers	(50,040)	(27,002)	(11,497)
Credit loss recovery/(allowance) for finance lease receivable	(1,073)	558	(1,445)
Credit loss (allowance)/recovery for performance guarantees and credit related commitments	337	(1,217)	589
Credit loss allowance for other financial assets	(1,954)	(4,416)	(1,690)
Credit loss (allowance)/recovery for financial assets measured at fair value through other comprehensive income	(296)	(521)	85
Net impairment of non-financial assets	(142)	(456)	222
Operating income after expected credit and non-financial asset impairment losses	**479,071**	**571,178**	**399,056**
Losses from modifications of financial instruments	-	-	-
Staff costs	(103,426)	(103,764)	(86,159)
Depreciation and amortisation	(28,361)	(27,181)	(23,011)
(Allowance)/recovery of provision for liabilities and charges	(71)	(140)	(64)
Administrative and other operating expenses	(50,922)	(69,410)	(41,716)
Operating expenses	**(182,780)**	**(200,495)**	**(150,950)**
Profit before tax	**296,291**	**370,683**	**248,106**
Income tax expense	(41,331)	(146,909)	(24,125)
Profit for the period	**254,960**	**223,774**	**223,981**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in fair value reserve	8,036	12,147	(13,150)
Exchange differences on translation to presentation currency	(5,166)	(17,919)	130
Other comprehensive income for the period	**2,870**	**(5,772)**	**(13,020)**
Total comprehensive income for the period	**257,830**	**218,002**	**210,961**
Profit attributable to:			
- Shareholders of TBCG	248,668	217,756	224,666
- Non-controlling interest	6,292	6,018	(685)
Profit for the period	**254,960**	**223,774**	**223,981**
Total comprehensive income is attributable to:			
- Shareholders of TBCG	251,538	211,984	211,646
- Non-controlling interest	6,292	6,018	(685)
Total comprehensive income for the period	**257,830**	**218,002**	**210,961**

** Interest expense includes net interest gains from currency swaps*

Key Ratios

Average Balances

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

Ratios (based on monthly averages, where applicable)	**1Q'23**	**4Q'22**	**1Q'22**
Profitability ratios:			
ROE[1]	25.2%	22.3%	26.0%
ROA[2]	3.6%	3.1%	3.7%
Cost to income[3]	34.3%	33.2%	36.6%
NIM[4]	6.4%	6.3%	5.6%
Loan yields[5]	12.4%	12.1%	10.8%
Deposit rates[6]	4.9%	4.3%	3.7%
Cost of funding[7]	5.4%	5.0%	4.8%
Asset quality & portfolio concentration:			
Cost of risk[9]	1.1%	0.6%	0.3%
PAR 90 to Gross Loans[9]	1.3%	1.2%	1.3%
NPLs to Gross Loans[10]	2.2%	2.2%	2.4%
NPL provision coverage[11]	92.9%	93.7%	96.0%
Total NPL coverage[12]	154.8%	155.6%	167.9%
Credit loss level to Gross Loans[13]	2.0%	2.0%	2.3%
Related Party Loans to Gross Loans[14]	0.1%	0.1%	0.1%
Top 10 Borrowers to Total Portfolio[15]	6.0%	5.3%	6.7%
Top 20 Borrowers to Total Portfolio[16]	9.0%	8.3%	10.2%
Capital & liquidity positions:			
Net Loans to Deposits plus IFI* Funding[17]	92.9%	88.5%	101.4%
Net Stable Funding Ratio** [18]	131.3%	139.7%	n/a
Liquidity Coverage Ratio** [19]	135.7%	147.9%	n/a
Leverage[20]	6.4x	7.3x	6.9x
CET 1 CAR** (Basel III)[21]	17.7%	18.1%	n/a
Tier 1 CAR** (Basel III)[22]	20.1%	20.6%	n/a
Total 1 CAR** (Basel III)[23]	22.2%	22.5%	n/a

** International Financial Institutions*
*** Ratios are calculated per the new IFRS methodology. The ratios as of 31-Dec-2022 are pro forma.*

Ratio definitions

1. Return on average total equity (ROE) equals net profit 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 profit 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. 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.
5. Loan yields equal interest income on loans and advances to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
6. Deposit rates equal interest expense on customer accounts divided by monthly average total customer deposits; annualised where applicable.
7. 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; annualised where applicable.
8. Cost of risk equals credit loss allowance for loans to customers divided by monthly average gross loans and advances to customers; annualised 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 TBC Bank standalone, based on IFRS.
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 TBC Bank standalone, based on IFRS.
20. Leverage equals total assets to total equity.
21. 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 TBC Bank standalone, based IFRS.
22. 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 TBC Bank standalone, based on IFRS.
23. 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 TBC Bank standalone, based on IFRS.

Exchange Rates

To calculate the QoQ growth of the Balance Sheet items without the currency exchange rate effect, we used the US$/GEL exchange rate of 2.7020 as of 31 December 2022. For the calculations of YoY growth without the currency exchange rate effect, we used the US$/GEL exchange rate of 3.1013 as of 31 March 2022. As of 31 March 2023, the US$/GEL exchange rate equalled 2.5604. For P&L items growth calculations without currency effect, we used the average US$/GEL exchange rate for the following periods: 1Q 2023 of 2.6366,4Q 2022 of 2.7339, 1Q 2022 of 3.1136.

TBC BANK Group PLC

3) Segment Definitions

Business Segments

- Corporate – 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 (WM) private banking services to high-net-worth individuals with a threshold of US$ 250,000 on assets under management (AUM), as well as on a discretionary basis;
- Retail – Non-business individual customers including the fully-digital bank, Space. The business is broadly divided into two segments:
    - Mass retail; and
    - Affluent retail (customers eligible for affluent retail have >3,000 GEL in monthly income).

  Since 2021, individual WM and VIP customers have been managed in the CIB directory;
- MSME – Business customers (Legal entities and private individual customers that generate income from business activities), who are not included in the CIB segment;
- Corporate centre and other operations – comprises the Treasury, other support and back-office functions, and non-banking subsidiaries of the Group.

Business customers are all legal entities or individuals who have been granted a loan for business purposes.

4) Segments Profitability 1Q 2023

Income Statement by Segment

1Q'23	Retail	MSME	CIB	Corp. Centre	Total
Interest income	251,042	132,560	176,123	112,425	**672,150**
Interest expense	(62,894)	(2,769)	(126,980)	(112,716)	**(305,359)**
Net transfer pricing	(50,002)	(56,411)	76,516	29,897	-
Net interest income	**138,146**	**73,380**	**125,659**	**29,606**	**366,791**
Fee and commission income	99,209	7,707	22,163	22,722	**151,801**
Fee and commission expense	(46,439)	(4,000)	(3,229)	(5,695)	**(59,363)**
Net fee and commission income	**52,770**	**3,707**	**18,934**	**17,027**	**92,438**
Insurance profit	-	-	-	6,218	**6,218**
Net gains from currency derivatives, foreign currency operations and translation	19,936	11,818	24,285	4,562	**60,601**
Net gains from disposal of investment securities measured at fair value through other comprehensive income	-	-	-	2,012	**2,012**
Other operating income	1,601	253	273	1,778	**3,905**
Share of profit of associates	-	-	1	273	**274**
Other operating non-interest income and insurance profit	**21,537**	**12,071**	**24,559**	**14,843**	**73,010**
Credit loss (allowance)/recovery for loans to customers	(28,212)	(23,571)	1,743	-	**(50,040)**
Credit loss allowance for finance leases receivables	-	-	-	(1,073)	**(1,073)**
Credit loss recovery for performance guarantees and credit related commitments	113	182	42	-	**337**
Credit loss allowance for other financial assets	(73)	-	(1,170)	(711)	**(1,954)**
Credit loss allowance for financial assets measured at fair value through other comprehensive income	-	-	(190)	(106)	**(296)**
Net recovery/(impairment) of non-financial assets	183	103	25	(453)	**(142)**
Operating profit after expected credit and non-financial asset impairment losses	**184,464**	**65,872**	**169,602**	**59,133**	**479,071**
Staff costs	(44,934)	(19,414)	(15,518)	(23,560)	**(103,426)**
Depreciation and amortisation	(15,767)	(4,662)	(2,924)	(5,008)	**(28,361)**
Provision for liabilities and charges	-	-	-	(71)	**(71)**
Administrative and other operating expenses	(21,593)	(6,939)	(4,066)	(18,324)	**(50,922)**
Operating expenses	**(82,294)**	**(31,015)**	**(22,508)**	**(46,963)**	**(182,780)**
Profit before tax	**102,170**	**34,857**	**147,094**	**12,170**	**296,291**
Income tax expense	(11,179)	(5,059)	(20,698)	(4,395)	(41,331)
Profit for the period	**90,991**	**29,798**	**126,396**	**7,775**	**254,960**

5) TBC Bank UZ

Balance Sheet

In thousands of GEL	Mar-23	Dec-22	Mar-22
Cash and cash equivalents	139,530	54,083	18,921
Due from other banks	2,825	2,439	1,922
Gross loans and advances to customers	407,993	347,695	143,640
Provisions for loans impairment	(15,510)	(12,532)	(4,069)
Investment securities measured at fair value through other comprehensive income	22,650	33,632	47,019
Finance lease receivables	24,075	23,448	13,647
Deferred income tax asset	13,423	14,589	12,252
Other assets	10,705	6,487	7,227
Premises and equipment	10,272	11,732	8,124
Right of use assets	6,061	7,442	10,155
Intangible assets	21,149	18,443	22,095
Goodwill	1,912	1,912	-
TOTAL ASSETS	**645,085**	**509,370**	**280,933**
LIABILITIES			
Due to banks	-	3,489	5,569
Customer accounts	383,713	330,976	168,669
Borrowed funds	19,877	6,828	11,075
Lease liabilities	6,736	8,214	8,100
Other financial liabilities	598	273	1,335
Other liabilities	19,222	11,502	5,699
TOTAL LIABILITIES	**430,146**	**361,282**	**200,447**
EQUITY			
Share capital	276,694	213,427	131,940
Share premium	27,860	18,416	7,424
Share based payment reserve	-	-	1,525
Retained earnings	(65,608)	(66,714)	(56,496)
Other reserve	(24,007)	(17,041)	(3,907)
Profit for the year	-	-	-
TOTAL EQUITY	**214,939**	**148,088**	**80,486**
TOTAL LIABILITIES AND EQUITY	**645,085**	**509,370**	**280,933**

Income Statement

In thousands of GEL	1Q'23	4Q'22	1Q'22
Interest income	46,266	39,193	16,881
Interest expense	(23,048)	(21,344)	(12,298)
Net interest income	**23,218**	**17,849**	**4,583**
Fee and commission income	5,309	1,207	483
Fee and commission expense	(5,063)	(513)	(1,762)
Net fee and commission income	**246**	**694**	**(1,279)**
Net gains/(losses) from currency derivatives, foreign currency operations and translation	66	(18)	(451)
Other operating income	27	-	-
Other operating non-interest income	**93**	**(18)**	**(451)**
Credit loss (allowance)/recovery for loans to customers	(5,241)	(5,880)	(1,167)
Other credit loss (allowance)/recovery	(430)	(1,634)	(198)
Operating income after expected credit and non-financial asset impairment losses	**17,886**	**11,011**	**1,488**
Staff costs	(6,773)	(5,971)	(6,901)
Depreciation and amortization	(1,862)	(1,970)	(1,737)
Administrative and other operating expenses	(7,835)	(5,614)	(5,555)
Operating expenses	**(16,470)**	**(13,555)**	**(14,193)**
Profit before tax	**1,416**	**(2,544)**	**(12,705)**
Income tax (expense)/credit	(311)	1,457	2,380
Profit for the period	**1,105**	**(1,087)**	**(10,325)**

6) Market shares[10] in Georgia

Market shares	31-Mar-2023	31-Dec-2022	*Change YoY*	31-Mar-2022	*Change YoY*
Total loans	**39.1%**	**39.5%**	***-0.4 pp***	**38.9%**	***0.2 pp***
Individual loans	38.4%	38.4%	*0 pp*	38.6%	*-0.2 pp*
Legal entities loans	39.8%	40.8%	*-1 pp*	39.3%	*0.5 pp*
Total deposits	**39.3%**	**40.3%**	***-1 pp***	**40.3%**	***-1.0 pp***
Individual deposits	37.7%	38.1%	*-0.4 pp*	39.6%	*-1.9 pp*
Legal entities deposits	41.1%	42.9%	*-1.8 pp*	41.0%	*0.1 pp*

7) Subsidiaries of TBC Bank Group PLC[11]

Subsidiary	**Ownership / voting** **% as of 31-Mar 2023**	**Country**	**Year of incorporation**	**Industry**	**Total Assets (after elimination)** **Amount** GEL'000	**% in TBC Group**
JSC TBC Bank	**99.9%**	**Georgia**	**1992**	**Banking**	**25,832,361**	**95.01%**
United Financial Corporation JSC	99.5%	Georgia	2001	Card processing	26,224	0.10%
TBC Capital LLC	100.0%	Georgia	1999	Brokerage	5,449	0.02%
TBC Leasing JSC	100.0%	Georgia	2003	Leasing	375,557	1.38%
TBC Kredit LLC	100.0%	Azerbaijan	1999	Non-banking credit institution	19,783	0.07%
TBC Pay LLC	100.0%	Georgia	2008	Processing	42,966	0.16%
Index LLC	100.0%	Georgia	2009	Real estate management	153	0.00%
TBC Invest LLC	100.0%	Israel	2011	PR and marketing	331	0.00%
TBC Asset management LLC	100.0%	Georgia	2021	Asset Management	193	0.00%
JSC TBC Insurance	**100.0%**	**Georgia**	**2014**	**Insurance**	**119,415**	**0.44%**
Redmed LLC	100.0%	Georgia	2019	E-commerce	1,792	0.01%
T NET LLC	**100.0%**	**Georgia**	**2019**	**Asset Management**	**35,459**	**0.13%**
Online Tickets LLC	100.0%	Georgia	2015	Software Services	5,912	0.02%
TKT UZ	100.0%	Uzbekistan	2019	Retail Trade	46	0.00%
Artarea.ge LLC	100.0%	Georgia	2012	PR and marketing	52	0.00%
Marjanishvili 7 LLC	**100.0%**	**Georgia**	**2020**	**Food and Beverage**	**798**	**0.00%**
Space JSC	**100.0%**	**Georgia**	**2021**	**Software Services**	**0**	**0.00%**
Space International JSC	100.0%	Georgia	2021	Software Services	56,376	0.21%
TBC Group Support LLC	**100.0%**	**Georgia**	**2020**	**Risk Monitoring**	**40**	**0.00%**
Inspired LLC	**51.0%**	**Uzbekistan**	**2011**	**Processing**	**33,795**	**0.12%**
TBC Bank JSC UZ	**60.2%**	**Uzbekistan**	**2020**	**Banking**	**606,082**	**2.23%**
TBC Fin Service LLC	100.0%	Uzbekistan	2019	Retail Leasing	26,398	0.10%

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[10] Based on data published by the National Bank of Georgia as of 31 December 2022.
[11] TBC Bank Group PLC became the parent company of JSC TBC Bank on 10 August 2016.

8) Impact of Changed Accounting Treatment for Option Contracts

TBC Bank Group entered into put/call arrangements in April 2019 for the remaining 49% of Payme (RNS #7827V) and in September 2021 for the EBRD/IFCs 40% stake in TBC UZ Bank (RNS #5753N). The exercise prices are dependent on a set of commercial and financial parameters. Subsequently, there has been strong growth in the Group's Uzbek business.

In 4Q 2022, the Group re-assessed the accounting treatment for these options. Per IAS 32 requirements, in each case the present value of the put option exercise price should have been recognised as a redemption liability, even if the put option is out of the money and not expected to be exercised, with a corresponding effect on equity from when the option was entered into – not only at a potential option exercise date. Such a requirement arises because the put option agreement was signed with holders of the non-controlling interest (NCI) of the subsidiary entity.

The Group has therefore re-stated previous year balances by recognising a redemption liability for put options and the equal and opposite effect on other reserves in equity. Should the Group consequently purchase the shares of the NCI shareholders the additional impact on equity should be limited to any potential subsequent remeasurement of the redemption liability, as far as other reserves in equity have already been recognised. Moreover, the recognition of the redemption liability has no direct effect on the profit and loss statement or regulatory capital ratios of TBC Bank.

In 1Q 2022, the Group recognised GEL 254 million as a redemption liability and the equal and opposite effect on other reserves in equity.

	1Q'22	
	Reported	Restated
ROE	24.3%	26.0%
Leverage (times)	6.4x	6.9x

7) TBC Insurance

TBC Insurance is a wholly owned subsidiary of TBC Bank, which was acquired by the Group in October 2016 and is the main bancassurance partner for the Bank, with a share of around 25.0% in its total gross written premium (GWP) as of 31 March 2023.

The company is represented in both the non-health and health insurance segments. In 2022, TBC Insurance was well regarded by its customers with an NPS[12] of 73.5% - the best score among its peers.

In 1Q 2023, net profit amounted GEL 4,074 thousand, up by 59.1% YoY, or down by 13.0% on a QoQ basis. The YoY increase in net profit was mainly driven by overall business growth., while the QoQ decrease in net profit was driven by the increased loss ratio on motor products, caused by the inflationary effect on repair costs.

	1Q'23	4Q'22	*Change QoQ*	1Q'22	*Change YoY*
In thousands of GEL					
Gross written premium	44,420	38,190	*16.3%*	34,138	*30.1%*
Net earned premium	31,025	31,913	*-2.8%*	25,856	*20.0%*
Net profit	4,074	4,681	*-13.0%*	2,560	*59.1%*
Net combined ratio	93.50%	89.60%	*3.9 pp*	96.50%	*-3.0 pp*

Note: IFRS standalone data

Market shares[13]	**1Q'23**	**4Q'22**	**1Q'22**
Retail non-health segment	39.4%	39.7%	40.4%
Total non-health	22.6%	26.9%	25.1%
Corporate health insurance	15.7%	13.7%	10.1%

[12] Net Promoter Score (NPS) was measured in January 2023, by Darti. an independent company.
[13] Market shares are based on internal estimates, excluding border motor third party liability (MTPL) insurance. The source is the Insurance State Supervision Service of Georgia.

9) Expanding Our Payments Business in Uzbekistan

	Mar'23	Dec'22	QoQ	Dec'21	YoY
Monthly active users (MAU),,mln	3.1	2.5	*24%*	1.6	*56%*
Active merchants[14] (GEL, thousands)	3.4	3.6	*-6%*	2.9	*24%*
Payments volume[15] (GEL, bln)	2,209	2,304	*-4%*	1,448	*59%*

10) Uzbek Financials

in millions of GEL

TBC UZ Bank	1Q'23	4Q'22	QoQ	1Q'22	YoY
Operating income	23.6	18.5	*28%*	2.9	*714%*
Net profit	1.1	(1.1)	*-200%*	(10.3)	*-111%*

Payme	1Q'23	4Q'22	QoQ	1Q'22	YoY
Operating income	16.5	17.6	*-6%*	9.5	*74%*
Net profit	11.6	12.8	*-9%*	5.8	*100%*

Combined financials for Uzbek businesses	1Q'23	4Q'22	QoQ	1Q'22	YoY
Operating income	40.1	36.1	*11%*	12.4	*223%*
Net profit	12.7	11.7	*9%*	(4.5)	*-382%*

Combined financial metric for Uzbek businesses	1Q'23	4Q'22	QoQ
ROE (%)	28.1%	27.0%	*1.1 pp*

Financial metrics for TBC UZ Bank	1Q'23	4Q'22	QoQ
NIM (%)	19.7%	17.2%	*2.5 pp*
Cost of risk (%)	5.6%	7.6%	*2.0 pp*

11) Loan Book Breakdown by Stages According IFRS 9

Total (GEL million)	31-Mar-23		31-Dec-22		31-Mar-22	
Stage	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	16,470	0.6%	16,395	0.7%	14,977	0.7%
2	1,461	7.1%	1,413	7.0%	1,848	6.1%
3	390	41.8%	397	41.8%	495	37.1%
Total	**18,321**	**2.0%**	**18,205**	**2.0%**	**17,320**	**2.3%**

CIB (GEL million)	31-Mar-23		31-Dec-22		31-Mar-22	
Stage	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	5,980	0.3%	5,741	0.3%	5,664	0.4%
2	424	0.2%	458	0.2%	695	0.2%
3	90	30.0%	83	31.3%	103	23.9%
Total	**6,494**	**0.7%**	**6,282**	**0.7%**	**6,462**	**0.8%**

MSME (GEL million)	31-Mar-23		31-Dec-22		31-Mar-22	
Stage	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	4,147	0.6%	4,328	0.6%	3,714	0.6%
2	354	8.5%	318	7.5%	353	7.2%
3	168	31.1%	163	28.7%	209	30.4%
Total	**4,669**	**2.3%**	**4,809**	**2.0%**	**4,276**	**2.6%**

Retail (GEL million)	31-Mar-23		31-Dec-22		31-Mar-22	
Stage	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	6,344	0.9%	6,326	1.0%	5,599	1.1%
2	682	10.7%	637	11.6%	801	10.6%
3	133	63.2%	150	60.9%	183	52.0%
Total	**7,159**	**3.0%**	**7,113**	**3.2%**	**6,583**	**3.7%**

** LLP rate is defined as credit loss allowances divided by gross loans*

[14] Merchants that have conducted at least one transaction during the month.
[15] 99% of all transactions are fee-generating.

12) Glossary

Terminology	Definition
Digital daily active users (Digital DAU)	The number of retail digital users, who logged into our digital channels at least once per day.
Digital monthly active users (Digital MAU)	The number of retail digital users, who logged into our digital channels at least once a month.
Gross merchandise value (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.
Net combined ratio	Net insurance claims plus acquisition costs and administrative expenses divided by net earned premium.