

TBC Group

Sustainability

Report

2022



TBC

**TBC Group
Sustainability
Report**

2022

30
years
of growth and
innovation

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CEO STATEMENT



This year marked three decades of TBC Bank. Since the beginning of our operations, TBC Bank has always recognized its responsibility in the development of society and, therefore, we have implemented the highest standards of social obligation and sustainable development. At TBC, we are guided by strong ethical values, and we retain an inherently strong culture. Although once just a financial institution, TBC has come to have a sizable influence on the financial, economic and social development of Georgia for the past 30 years. While we have accomplished a great deal over the past 30 years, I remain extremely enthusiastic about the journey that lies ahead.

2022 turned out to be a year of drastic instability, across the region, following the outbreak of the devastating war in Ukraine. The Russia-Ukraine War took the lives of countless innocent people, which lead to a humanitarian crisis due to the forcible displacement of millions of people. Naturally, this disturbed the global geopolitical and economic landscape. I remain confident that Ukraine will prevail in its fight for freedom. In the meantime, we will continue to stand by Ukraine - offering our support to those who have suffered from the hardships of the war through various programmes, charity activities and fundraisers.

Our strategy directs us to be a commendable company by raising awareness and establishing environmental, social and governance (ESG) values in the country and the broader region. At TBC, we have an enthusiastic group of professionals who work to uphold responsible business practices concerning our employees, customers, investors, community and our environment. We provide green financing to support sustainable business models and business strategies and monitor their supply chains, making sure to avoid companies that have adverse environmental and social practices in place. At TBC, we advocate for a vision of sustainability both within our company and outside of it. In support of our aspirations, we developed the concept of the ESG Academy, a branded educational channel, which was established in February 2023 to raise awareness and knowledge on ESG topics, including green and social financing, regulatory requirements, diversity and affirmative approaches, sustainable business models and practices among the Bank's customers as well as TBC staff.

In 2022, we continued to enhance our environmental, social and governance (ESG) efforts that are stipulated in our ESG strategy. We determined and followed targets in the areas of sustainable lending, net-zero emissions, climate change, social procurement, workplace diversity, and women's empowerment. Our sustainable portfolio reached GEL 782 million, which constitutes an increase of 16% compared to the previous year. We aim to have a GEL 1 billion sustainable loan portfolio in 2023 and to increase our impact further thereafter. We made significant advancements in terms of implementing the disclosure recommendations of TCFD (the Task Force on Climate-related Financial Disclosures) and published our second TCFD report.

At TBC, the heart of our business and our most valuable asset is our employees. This year, we celebrated our 30th anniversary together with 10,000 employees. We believe that besides financial benefits, we can create positive environments for people to work in, which sparks passion, enables career opportunities and increases the desire to stay in the company for years to come. We encourage cooperation and teamwork and offer employees a fair, healthy and safe work ecosystem. At TBC, we pay particular attention to creating equal opportunities and have a strong anti-discrimination policy set in place. TBC engages closely with its employees to ensure there is communication and clarity around their careers and aspirations, health and safety, diversity, learning and development, remuneration and rewards and other key issues.

Our mission is to make people's lives easier. Our customers are our key stakeholders in everything we do. At TBC, we make decisions on strategy, products and services with this mission in mind. This year, TBC continued to monitor and respond to customer needs through its robust framework of branches, award-winning digital channels, social media and contact centers. Looking after our customers is of daily importance for every employee at TBC. We are focused on driving superior customer experience and delivering the best commercial outcomes for our customers. In the digital era, dependence on information systems is growing rapidly, creating a need for technological improvement and proliferation in everyday life. In 2022, TBC continued its efforts to further refine our customer journey in digital channels by introducing new products and services, increasing the accessibility of payments options, as well as upgrading branches to create a more friendly environment for customers.

During our 30 years of operations, TBC has always supported young talented people, many of whom are now successful artists, scientists, and professionals, enjoying prominent careers in different fields in Georgia as well as abroad. In 2022, TBC continued to stand by the young generation with various initiatives. TBC has also established a number of academies in Georgia, which provide free education opportunities to individuals interested in IT, risk management and other business fields, along with the opportunity of being employed by TBC. At the end of 2022, TBC launched a new large-scale education initiative at least 1,000 schoolchildren in Georgia, aimed at providing the possibility of studying basics of various directions of programming to students of pre-graduation years (tenth and eleventh grades). Firstly, the educational program is dedicated to the broader goal of giving starting package of knowledge to Georgian youth that is useful for their future, despite the profession and carrier path that they will choose later in their life. The second goal is to help schoolchildren in pre-graduation years and their families in making the right decision regarding higher or post-school professional education. The program is organized with local computer class provider and supported by USAID and PH International.

In 2022, we also made the decision to develop and adopt independent ESG Strategies for eight material subsidiaries within TBC Group. During the elaboration process, specific initiatives and KPIs tailored to each subsidiary's business-specifics were defined and incorporated in their ESG strategies. Although each ESG Strategy was adapted individually to each subsidiary, the general framework, directions and main KPI's were the same and complied with the group's overall ESG Strategy and its commitment to making a long-term, sustainable contributions and to being the leading supporter of ESG principles in the country and the wider region.

For a consecutive year, TBC was awarded a prize for its outstanding efforts to foster the UN's Sustainable Development Goals (SDGs) in the country, at the prestigious Corporate Responsibility Award Ceremony 2022 "Business for SDGs", organized by the Global Compact Network Georgia with support from the Swedish Government and the USAID Civil Society Engagement Program. TBC Bank was awarded in the nomination "Peace, Justice and Strong Institutions" for its support of the Ukrainian people. We take pride in showcasing these values at TBC over the past three decades and will stay in adherence to them to bring long-term benefits to both the company and society.

Vakhtang Butskhrikidze
CEO

1 June 2023



WHO WE ARE – TBC AT A GLANCE

Our Mission

How We Are Different ?

Highlights

External ESG Benchmarks

Awards

Subsidiaries



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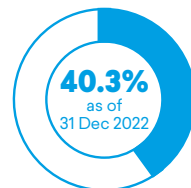
WHO WE ARE – TBC AT A GLANCE

TBC Bank Group PLC is a public limited company registered in England and Wales. It is listed on the premium segment of the London Stock Exchange and is a FTSE 250 constituent.

The leading financial group in Georgia
with a full suite of financial products
and services across all client segments.



Market share¹
of total loans
38.8% as of 31 Dec 2021



Market share¹
of total deposits
40.4% as of 31 Dec 2021

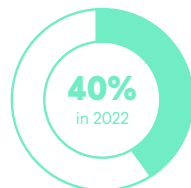
Powered by **TBC Bank**

- Leading retail bank in Georgia
- Number one banking choice for MSMEs
- Number one trusted partner for corporate and investment banking (CIB) clients

Additional financial
services provided:

- **TBC Insurance**
- **TBC Pay**
- **TBC Leasing**

The largest digital ecosystem in Georgia
backed by a powerful data hub.



of total Georgian
internet traffic²



Powered by **TNET**

The largest digital
ecosystem in Georgia,
operating in four verticals:
e-commerce, lifestyle,
housing and auto

Fully-digital consumer banking and
payments market disruptor in Uzbekistan.



6.3 million
as of 31 Dec 2021



1.9 million
as of 31 Dec 2021

Powered by
TBC UZ

A fully digital consumer bank
in Uzbekistan

Payme

A leading payments provider
in Uzbekistan

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OUR MISSION

To make people's lives easier

This approach is deeply embedded in TBC's culture and defines everything we do and the way we do it: all our products and offerings are created with this idea in mind and we strive to combine excellence with simplicity.





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ESTABLISHMENT OF THE LEADING FINANCIAL BANKING INSTITUTION IN GEORGIA

1992

TBC Bank is established with founding capital of just US\$500 to focus on the corporate segment.

2000

International financial institutions IFC and DEG become shareholders in TBC Bank, which also becomes the first Georgian company to obtain an international credit rating.

2001

TBC Bank launches its first internet banking services.

2006

TBC Bank develops a retail banking offering.

2009

The shareholder base expands, as the EBRD, FMO, JP Morgan and Ashmore acquire stakes in TBC Bank and the IFC and DEG contribute additional capital.

2013

TBC Bank launches the SME Business Support Programme, with support from the IFC and ADB.

START OF THE NEW ERA - BECOMING A PUBLIC COMPANY

2014

TBC Bank successfully completes IPO, listing GDRs on the main market of the LSE.

2015

TBC Bank completes the merger with Bank Constanta, giving TBC Bank clear leadership in the rapidly growing microfinance segment.

2016

TBC Bank moves to the LSE's premium segment via the listing of TBC PLC shares and announces acquisition of 100% of Bank Republic, making it Georgia's number one banking group based on most key metrics.

2017

TBC Bank successfully completes the merger with Bank Republic on May 8, well ahead of schedule.

2018

TBC Bank launches a fully-digital bank "Space".

EXPANSION - INTERNATIONAL AND ECOSYSTEM

2019

TBC Bank acquires a 51% stake in Inspired LLC, a leading payment platform in Uzbekistan trading under the Payme brand.

2020

TBC Bank launches banking operations in Uzbekistan.

2022

TBC Bank establishes the largest digital ecosystem in Georgia - TNET.



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SUSTAINABILITY HIGHLIGHTS - PROGRESS OVER YEARS

OUR BEGINNING

OUR ACCOMPLISHMENTS AS OF 2022

2007

TBC Bank received the first green fund, USD 10 mln for Caucasus Energy Efficiency Program from EBRD.



The volume of sustainable funding reached GEL 1 billion.

2008

TBC Bank disbursed the first green loan - GEL 4.8 mln for rehabilitation of a hydro power station.



TBC Bank's sustainable loan portfolio equals to GEL 782 mln.

2012

Environmental and Social Risk Management in lending based on IFC and EBRD standards was implemented



50% of TBC Bank's loan portfolio is screened.

2012

TBC Bank became a member of the UN Global Compact Network.



TBC Bank was awarded for outstanding efforts to champion the SDGs by UN Global Compact Network Georgia (2021)

2013

SABA e-books house was launched.



7500 books in Georgian language were digitalized.

2016

TBC Business program and SME Academy were initiated.



In total, 33 000 participants - individuals, businesses and their representatives - participated in various courses.

2016

TBC Business Awards was established.



3500 companies were attracted during 7 years.

2017

The program "Startuperi" was launched for supporting startup companies.



Around 55,000 startup companies are covered with various activities.

2018

The Environmental Management System (EMS) was established in TBC Bank.



The EMS of TBC Bank received the ISO 14001:2015 certification (2020)

2019

The first GRI referenced sustainability report was published.



TBC became the winner of the Best Annual Report and Transparency Award (BARTA) 2021.

2021

TBC Bank became a signatory of the UN Women Empowerment Principles.



TBC Bank as the first company in Georgia signed a strategic memorandum with the UN Women.





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HIGHLIGHTS 2022

LEADING UNIVERSAL BANK IN GEORGIA

A LEADER IN THE RETAIL BANKING SEGMENT IN GEORGIA

c. 1.5 mlnNUMBER OF MONTHLY
ACTIVE CUSTOMERS**GEL 7.1 bln**

VOLUME OF LOANS

GEL 6.9 bln

VOLUME OF DEPOSITS

THE LEADING PARTNER BANK FOR MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) IN THE COUNTRY¹

58 KNUMBER OF MONTHLY
ACTIVE CUSTOMERS**GEL 4.8 bln**

VOLUME OF LOANS

GEL 1.8 bln

VOLUME OF LOANS

THE LEADING CORPORATE AND INVESTMENT BANKING (CIB) INSTITUTION IN GEORGIA

7.7 KNUMBER OF CIB
CUSTOMERS**GEL 6.3 bln**

VOLUME OF LOANS

GEL 9.0 bln

VOLUME OF DEPOSITS

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BEST-IN-CLASS DIGITAL CHANNELS

1.4 mlnNUMBER OF DIGITAL
DAILY ACTIVE USERS (DAU)**3.8 mln**NUMBER OF DIGITAL MONTHLY
ACTIVE USERS (MAU)**37%**

DAU/MAU

4.9 starsMOBILE BANKING APP RATING
ON APPLE APP STORE**98%**OF ALL RETAIL
TRANSACTIONS
CONDUCTED REMOTELY

MULTI-CHANNEL DISTRIBUTION NETWORK

142NUMBER OF
BRANCHES**4.3 K**NUMBER OF SELF-SERVICE
TERMINALS**695**NUMBER OF ATMS²**29 K**NUMBER OF ACTIVE
MERCHANT TERMINALS³

¹ Based on internal estimates as of 31 December 2022, 77% of newly registered businesses choose TBC Bank.

² Not including partner banks

³ Active merchant terminals include POS terminals and ecommerce with at least one transaction conducted during the month



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OUR RESPONSIBLE BANKING

#1 BANK AMONG PARTICIPANTS IN THE GOVERNMENT CREDIT GUARANTEE SCHEMES¹ IN GEORGIA

GEL 304 mln

PORTFOLIO COVERED BY TBC

51%

TOTAL LOANS APPROVED²

“PRODUCEN IN GEORGIA” “HOST IN GEORGIA” AND “PREFERENTIAL ARGO CREDIT”³

3,800

NUMBER OF LOANS

GEL 475 mln

VOLUME OF LOANS

PROGRAM FOR STARTUP ENTERPRISES

567

NUMBER OF LOANS

GEL 131 mln

VOLUME OF LOANS

A LEADING PARTNER IN LOCAL RENEWABLE ENERGY FINANCING⁴

65%

IN OUR ENERGY SECTOR FINANCING⁵

GEL 571 mln

VOLUME OF OUR LOCAL RENEWABLE ENERGY FINANCING

OUR CUSTOMERS

61%

CUSTOMER NET PROMOTER SCORE⁶

BANK BRANCHES EQUIPPED WITH RAMPS TO SUPPORT ACCESSIBILITY

86%

BRANCHES IN TBILISI

95%

BRANCHES IN REGION

OUR EMPLOYEES

COLLABORATIVE & DYNAMIC CORPORATE CULTURE

10,267

NUMBER OF EMPLOYEES

63%

SHARE OF WOMEN EMPLOYEES

37%⁷

WOMEN IN THE INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AREA

85%

EMPLOYEE HAPPINESS INDEX⁸

89%

EMPLOYEE ENGAGEMENT INDEX⁹

59%

NET PROMOTER SCORE (ENPS)¹⁰

OUR ENVIRONMENT AND COMMUNITY

ISO 14001:2015

RE-CERTIFICATION

GEL 1.6 mln

ALLOCATED FOR SOCIAL EVENTS AND CHARITY¹¹

1 A security provided by the government for up to 90% of the principal amount for each loan disbursed by the bank within the framework of the program for the following economic activities: Production and processing, Hotel industry, Electricity generation, Educational activities, Training centers, Export of services, High-tech medical laboratories. The program is implemented by “Enterprise Georgia” – an agency, established by the Ministry of Economy and Sustainable Development of Georgia, together with the Ministry of Agriculture.

2 Source: “Enterprise Georgia” – the government agency

3 Projects are initiated in close partnership with Georgian government schemes. Within these programmes, borrowers can apply for a subsidy from the government to lower their interest expense.

4 According to the internal estimations

5 According to the internal data

6 The Net Promoter Score (NPS) was measured based on survey conducted by the independent research company IPM in December 2022

7 Out of the employees who are working in the ICT fields in TBC Bank

8 Employee Happiness Index was assessed internally based on comprehensive survey prepared with the assistance of the world's leading consulting firm and measures whether employees feel happy and satisfied with their job. The index was measured in July 2022 for the Bank's employees.

9 Engagement Index was measured in October 2022 by an independent consultant for the Bank's employee's and measures how much employees feel involved and committed to TBC Bank.

10 Employee Net Promoter Score was measured in October 2022 by an independent consultant for the Bank's employees

11 Including TBC scholarships, SABA, supporting Museums and other CSR projects



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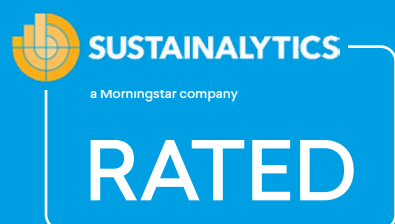
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EXTERNAL ESG BENCHMARKS

SUSTAINALYTICS

In July 2022, TBC Bank Group PLC received an ESG Risk Rating of 13.9 and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.



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MSCI ESG RATING

In April 2023, TBC Bank Group received a rating of “AA” (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

MSCI
ESG RATINGS



CCC B BB BBB A **AA** AAA

MSCI Disclaimer statement

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ISS ESG SCORE

ISS ESG

TBC Bank Group PLC attained the below mentioned QualityScore ratings from ISS as of 1 May 2023

- ① Governance
- ③ Environment
- ② Social

Lower Governance Risk = 1 Higher Governance Risk = 10
Higher E&S Disclosure = 1 Lower E&S Disclosure = 10

FTSE4GOOD INDEX SERIES

TBC Bank Group PLC is a constituent company in the FTSE4Good Index Series



FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that TBC Bank Group PLC has been independently assessed according to the FTSE4Good Criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

MOODY’S ESG SOLUTIONS

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



Robust

For more information please refer to Moody’s ESG solutions website: www.moody.com/esg-solutions



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A LIST OF THE MAIN MEMBERSHIPS OF INDUSTRY OR OTHER ASSOCIATIONS AND NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS

- Georgian Banking Association
- American Chamber of Commerce (AMCHAM)
- European Union - Georgia Business Council (EUGBC)
- Business Association of Georgia (BAG)
- International Chamber of Commerce (ICC Georgia)
- Deutsche Wirtschaftsvereinigung (DWV)
- UN Global Compact Network Georgia
- UN Women Empowerment Principles (WEPs)

AWARDS

TBC Bank is one of the most award-winning banks in Georgia.

In 2022, the list of awards was enriched with sustainability-related awards:

- TBC Bank has been awarded the UN Global Compact Network Award for its contribution to SDG 16 “Peace, justice, and strong institutions” by supporting the Ukrainian people;
- TBC Bank received a Silver award of the EBRD Annual Sustainability Awards for the best environmental and social practice.

The full list of more than 150 awards received by TBC Bank is given at: www.tbcbankgroup.com.

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Subsidiaries

Subsidiary	Ownership / voting % as of 31 December 2022	Country	Year of incorporation	Industry	Total Assets (after elimination)	
					Amount GEL'000	% in TBC Group
JSC TBC Bank	99.9%	Georgia	1992	Banking	27,827,755	95.85%
United Financial Corporation JSC	99.50%	Georgia	1997	Card processing	24,988	0.09%
TBC Capital LLC	100.00%	Georgia	1999	Brokerage	5,038	0.02%
TBC Leasing JSC	100.00%	Georgia	2003	Leasing	363,856	1.25%
TBC Kredit LLC	100.00%	Azerbaijan	1999	Non-banking credit institution	23,082	0.08%
TBC Pay LLC	100.00%	Georgia	2009	Processing	50,613	0.17%
Index LLC	100.00%	Georgia	2011	Real estate management	106	0.00%
TBC Invest LLC	100.00%	Israel	2011	PR and marketing	321	0.00%
TBC Asset management LLC	100.00%	Georgia	2021	Asset Management	1	0.00%
JSC TBC Insurance	100.00%	Georgia	2014	Insurance	107,360	0.37%
Redmed LLC	100.00%	Georgia	2019	E-commerce	1,719	0.01%
TBC NET LLC*	100.00%	Georgia	2019	Asset Management	34,968	0.12%
LLC Online Tickets	100.00%	Georgia	2015	Software Services	6,629	0.02%
TKT UZ	100.00%	Uzbekistan	2019	Retail Trade	53	0.00%
Artarea.ge LLC	100.00%	Georgia	2021	PR and marketing	56	0.00%
Marjanishvili 7 LLC	100.00%	Georgia	2020	Food and Beverage	798	0.00%
Space JSC	100.00%	Georgia	2021	Software Services	0	0.00%
Space International JSC	100.00%	Georgia	2021	Software Services	50,686	0.17%
TBC Group Support LLC	100.00%	Georgia	2020	Risk Monitoring	1	0.00%
Inspired LLC	51.00%	Uzbekistan	2011	Processing	40,909	0.14%
TBC Bank JSC UZ	60.20%	Uzbekistan	2020	Banking	466,837	1.61%
TBC Fin Service LLC	100.00%	Uzbekistan	2019	Retail Leasing	26,399	0.09%



ABOUT THIS REPORT

Reporting Period

Scope of the Report

Reporting Framework



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ABOUT THIS REPORT

In this Report, we are presenting data for TBC Bank and TBC Group (referred to as TBC) where possible. TBC Group represents TBC Bank and a group of companies that principally operate in Georgia in the financial sector and other closely related fields. Recently, we expanded our banking operations in Uzbekistan, where we pursue an asset light and highly digitalized strategy.

We are listed on the premium segment of London Stock Exchange and our investors expect us to comply with global standards of a sustainability. Our business is developing and becoming more and more diversified. We enter new markets, new customer segments. Thus, this report is designed for all interested parties and groups in Georgia as well as abroad and aims to give them clear, fact-based information about the social, economic and environmental impact of our activities in 2022. The report presents our endeavors for creating value for our employees, clients, suppliers, partners and society as a whole.

REPORTING PERIOD

The figures in the report cover period from January 1st to December 31, 2022. Where reasonable, the narrative part of the report includes projects from 2023.

SCOPE OF THE REPORT

The information presented in the report represents TBC Bank, unless otherwise stated. TBC Group's impact is predominantly dependent on TBC Bank, because TBC Bank holds a dominant share in TBC Group, according to all major indicators. Thus, data presented for the bank is well representative of the group's impact. Part of the data is presented on group level, whenever it was possible to assemble it thoroughly. In addition, the majority of policies and approaches discussed in the report, cover the whole group and guide the whole group's every day work practices.

REPORTING FRAMEWORK

For preparing the report, we used GRI standards, which are an internationally recognized format for sustainable reporting.

This report is a report with reference to the GRI standards, addressing the majority of the core option requirements and reporting management approach for all material topics applying GRI 103: Management Approach standard. Please see the list of referenced GRI standards attached at the end of the report: GRI Content Index, pg. 205. Here, interested parties can easily find specific data related to the GRI Standards).

This report also serves as a Communication on progress for the UN Global Compact and on the UN Women Empowerment Principles.

If you would like to provide feedback, or you have questions on this report or our corporate responsibility performance, please contact us via the following e-mail: sustainability@tbcbank.com.ge.

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STAKEHOLDER ENGAGEMENT

Section 172 Statement by the Board

Our Engagement

Feedback in 2022

Our Response



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SECTION 172 STATEMENT BY THE BOARD

The Board's Role

As set out in Section 172 ("s172") of the Companies Act, the role of the Board is to promote the long-term sustainable success of the Company, generating long-term value for shareholders and making a positive contribution to wider society. The Board recognises the importance of ensuring that the interests of all parties that have a stake in the Company are factored into our decision-making process, both as a general principle and as part of each Director's s172 duty under the Companies Act 2006. The Board's decisions can have a significant impact on one or a number of its stakeholder groups, and it is therefore important to engage with those groups in a way that helps and supports an understanding of the potential wider, long-term impact of those decisions.

Stakeholders

As it has done in previous years, the Board continues to identify the Group's customers, employees, and investors, as well as the community and the environment it operates in, as its primary stakeholders.

Stakeholder Engagement

In 2022, the Board considered the provisions of the UK Corporate Governance Code in respect of stakeholder engagement, and the duties of each Director to consider the Company's stakeholders and the long-term interest of the Company in accordance with s172 of the Companies Act 2006.

The Company communicates with its stakeholders through a range of channels. The Board is informed of these engagement activities and the key themes arising from such engagement via a number of ways.

During the year, the Chairperson, supported by the Company Secretary, ensured that the Board received the necessary information on issues affecting its key stakeholders and had adequate time to discuss these issues at its meetings. In doing so, the Chairperson set up the Board's annual schedule of work and detailed agendas for each meeting specifically to incorporate stakeholder considerations when making decisions. The Chairperson, together with the Company Secretary, also ensured that all Board members received relevant training on stakeholder-related matters, and that the induction received by new Directors was fit for this purpose.

It is important for all members of the Board to gain sufficient understanding of the issues relating to each of the key stakeholder groups. Board members are invited to provide updates during Board meetings on any engagement that they have had with stakeholders. The Chairs of the Committees are also given a standing agenda item to update the Board on the views and recommendations made by the relevant Committee.

In addition to ensuring that stakeholder interests are clearly presented in Board materials and considered during the decision-making process, the Board organised and attended meetings in Georgia to engage directly with the Company's employees on-site. During the Board's visits to Georgia, and when using online platforms, the Directors also engaged with and considered the interests of the Company's other stakeholders, including engaging with the National Bank of Georgia, the regulating entity of the Company's biggest subsidiary, JSC TBC Bank.

In October 2022, the Board attended meetings in Uzbekistan, where Directors visited local branches and met with customers and investors to further broaden their understanding of the stakeholder needs and how these were being met in practice. The Chairperson and CEO also met informally with various government departments during this visit.

The Company continues to develop its stakeholder engagement programme to ensure that the Board has had regard to its duties under s172. As explained in the Governance Report, the Board considers that it has complied with its duties under s172 of the Companies Act 2006 through its active engagement with stakeholders. The following Report sets out further information about our stakeholder engagement activities, and the Board's consideration towards all stakeholder groups throughout the year.

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STAKEHOLDER ENGAGEMENT

OUR CUSTOMERS

Our goals and aspirations: Our mission is to make people's lives easier. Its customers are key stakeholders in everything it does. The Company makes its decisions on strategy, products and services with this mission in mind.



OUR ENGAGEMENT

We engage with our customers every day through the multiple touch points we have developed to deliver our banking and digital ecosystem products. This year, we continued to work with leading independent research companies to carry out a focused analysis of customer feedback in Georgia, and in 2022 this included a focused look at the Mass Retail and SME sectors. The Bank continues to monitor and respond to customer complaints through its robust framework of branches, award-winning digital channels, social media, and call centres in Georgia.

The Company continues to focus on its Uzbek fintech businesses and has built strong brand recognition as a digital bank and payments fintech. There has been a steady growth in transactions, and the businesses have increased their customer base to 10.6 million registered users in 2022.

OUR COLLEAGUES

Our colleagues are at the core of the business, and the Bank engages closely with its employees to ensure there is communication and clarity around their careers and aspirations, health and safety, diversity, learning and development, remuneration and rewards and other key issues.



We engage with our employees in a number of ways, including in person focus groups, targeted online surveys. In addition, the CEO and Executive Management hold regular meetings with the full workforce on topics related to delivering strategy and achieving objectives, as well as workforce health and safety and mental health.

The HR team provide regular updates to employees on matters related to mental health and wellbeing, and workshops on mental health issues are provided in conjunction with an external company to provide support where needed.

The Board regularly receives and discusses reports from the designated Non-Executive Director for workforce engagement.

Through these engagements, the Bank measures the workforce's engagement index and net promoter score, both of which remain high despite the global-economic challenges.

FEEDBACK IN 2022

The Bank's customers have continued to show resilience in their financial recovery and growth in the face of an uncertain geopolitical and macroeconomic environment.

One area highlighted by customers for improvement was on how "pain points" were addressed. An example of this was a short period where digital bank account balances were not showing correctly due to an issue with the technical architecture. The Bank's response to this issue, and other "pain point" matters, is outlined opposite.

In 2022, the Bank launched a series of videos and podcasts with the aim on increasing the level of financial education among the population of Uzbekistan.

OUR RESPONSE AND IMPACT ON BOARD DECISIONS

Following feedback from customers on "pain points" at various points in the service process, the Company has developed a customer pain management system to address pain points early on, to allow these to be addressed more rapidly and efficiently.

The Company further uses the output from this system to develop appropriate OKRs and KPIs for teams, which builds on the improvement of the customer experience.

The output from these responses has led to an improvement in the resolution of such pain points, and the Company will continue to develop this in 2023 to ensure further noticeable improvements for customers.

Colleagues have provided positive feedback and ongoing interest in the Company's efforts to promote employee well-being and mental health awareness initiatives in particular during 2022, and employees have been encouraged by the importance placed on these matters.

The workforce also appreciated the development opportunities provided to them for career progression, and expressed an interest in further educational opportunities, which the Bank responded to.

Feedback from the designated Non-Executive Director for workforce engagement included the desire for further training and the desire for clarity on job grades and pay structures.

The Board's decision-making maintains a special focus on our employees as key drivers and stakeholders in the Company's overall success. The Board ensures that strategic decisions are supported by the appropriate talent availability, compensation, and work arrangements. The Board made sure that a robust human resources strategy was in place at all levels of management to recruit, identify, train and promote talent throughout the Group. Additionally, the Board, with support from the Remuneration Committee, ensured that clear and competitive compensation policies and principles were in place for the Group, including in its subsidiary in Uzbekistan.

The Company continued to train its workforce internally through the free digital and in-person TBC Academy programmes, and in 2022 introduced five new programmes available to employees.



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OUR INVESTORS

The Company continues to create value and generate sustainable returns for its diverse shareholder base through a strong and diverse business model. It also works to maintain effective, long-term relationships with its debt investors and partners, as well as with its shareholders.



OUR ENGAGEMENT

During 2022, we undertook our regular extensive investor relations programme, which offers investors various opportunities to engage with senior management through quarterly financial results calls, post-results roadshow meetings and regular participation in investor conferences.

During 2022, the Board members actively engaged with the Group's Investor Relations function to enhance the annual investor relations communications strategy. The Board continues to emphasise transparency, openness, and availability to increase stakeholders' understanding of the strategy, business direction and how the Company generates value for its shareholders through its various offerings. The Company continues to develop its reporting and disclosure actively as a means to achieve these ambitions.

OUR COMMUNITY AND ENVIRONMENT

The Company's continued success is placed in the context of the society and environment where its customers and employees live and work. TBC Bank Group plc aspires to have a positive impact by investing in areas that will stimulate sustainable economic growth and prosperity in the community, as well as preserve the environment in which it operates.



We are an integral part of the communities where we operate. We depend on these communities and understand the positive role we can play in developing them. Strong corporate social responsibility has been in our DNA since its founding, 30 years ago. We are committed to making a positive long-term improvement and engages closely with communities. Ways in which the Board engaged with its community and environment during the year included:

- Regular updates on the process of developing its ESG Strategy and setting ESG targets through the active work of the ESG and Ethics Committee
- Frequent updates from the Bank's Chief Economist on the macroeconomic dynamics in the Bank's primary markets of operation.

FEEDBACK IN 2022

Geopolitics and macroeconomics were the most popular topics raised by shareholders, especially in the first half of the year, as many investors were worried about the impact of the Russia-Ukraine war on Georgia.

However, the strong performance of the Georgian economy and the stability of the GEL eased the concerns towards the second half of the year.

Investors were impressed by the outstanding financial performance of the Group driven by strong income generation on the back of the improved net interest margin and a strong growth in net fee and commission income. The strong capital generation was also positively noted as it allowed the Company to distribute an interim dividend and final dividend, and to conduct a share buyback programme.

The Company's Uzbek operations also received a lot of attention and were an important part of discussion at every meeting. Investors were keen to understand the competitive landscape, the Company's plans in relation to TBC UZ and Payme operations and potential merger, as well as receiving more detailed financial information.

In addition, the corporate website provides a dedicated investor section which contains all London Stock Exchange regulatory announcements and a copy of all of the Company's Annual Reports. Webcasts of the results and other investor presentations are also available to shareholders.

Communities in Georgia are primarily concerned with access to finance and education, development opportunities for the youth and support for small businesses and entrepreneurship.

OUR RESPONSE AND IMPACT ON BOARD DECISIONS

The Board, represented by the Company's Chief Executive Officer and the Group Chief Financial Officer, and supported by the Investor Relations function of the Group, has remained actively engaged with shareholders. Disclosure to the market remains detailed and consistent, providing timely assurance of the strength of the business to its investors.

At the Group's Capital Markets Day in Samarkand in November 2022, management reiterated our mid-term target of 25-35% dividend pay-out. In addition to this, in 2022, the Group conducted a GEL 75 million buyback, of which GEL 25 million is contributing to the EBT and GEL 50 million is for share cancellation.

The Board is supported in ESG matters by the ESG and Ethics Committee, and more information on this committee's work can be found in Chapter 5 of this report. The Board reviewed the Modern Slavery Statement to ensure it accurately reflected any changes in the portfolio composition and geographical locations.

This year the Company established a fund in support of the Ukrainian people, as well as supporting Georgian organisations assisting Ukrainians in Georgia. The Company's efforts have led to a Corporate Responsibility Award from Global Compact Network Georgia, with support from the Swedish Government and the USAID Civil Society Engagement Program. This support will be continued into 2023.

The Company also continued to work actively with small businesses and entrepreneurs in Georgia. It continued to support young children with monthly financial assistance for their education and continued to collaborate with the Young Researchers and Innovators Annual Competition - Leonardo da Vinci, for high school students. The Company also continued to sponsor various projects in arts and culture, including its flagship literary award, Saba. The employee health fund continued to display the inspiring capacity for charity and incredible team spirit of the workforce.

Celebrating 30 years of success



SCAN TO WATCH THE VIDEO

THIS YEAR, WE CELEBRATED OUR 30TH ANNIVERSARY
TOGETHER WITH 10,000 EMPLOYEES IN TSINANDALI ESTATE



OUR MATERIAL TOPICS

How We Define Our Material Topics and Report Content

Materiality Matrix

Our Contribution to UN Sustainable Development Goals



OUR MATERIAL TOPICS

The term 'Material Topics' is one of the key terms in sustainable development reports, including the Global Reporting Initiative (GRI) report. Every organization, through its activities and decisions, impacts the lives of people - be it the organization's employees, customers, suppliers or other members of society. They also impact partner or competitor organizations, the environment, and social and economic systems. The impact can be positive as well as negative. Depending upon the specific organization, the impact can be insignificant in some fields of activity, but substantial in others. In terms of the GRI report, material issues are those that have the most significant social, economic and environmental impact, both positive and negative. Issues that are important to stakeholders and can have substantial impact on their opinion or decisions, are also considered to be material. According to the GRI standard, our GRI report structure is based on material issues.

HOW WE DEFINE OUR MATERIAL TOPICS AND REPORT CONTENT

To conduct our materiality analysis and determine the content of this report, we considered various international standards and best practices, the outcomes of sector research, and the opinions of our multiple internal and external stakeholders.

- We considered: the GRI Standards; the G4 Financial Services Sector Disclosures; and other international and sector-specific standards, such as the SASB Standards, the UN Global Compact ten principles, information requirements for environmental, social and governance (ESG) ratings, and the questionnaires and recommendations of the main sustainability indexes, such as FTSE4Good.
- We performed multiple research projects and inquiries in 2022 with our customers and employees. We also held continuous communication with other stakeholders, to understand their concerns, needs, priorities and the matters on which they would like to have more information.
- We held individual interviews with middle and top management representatives, during which the main impacts of the company and the list of material topics were discussed.
- While developing our environmental, social and governance (ESG) Strategy, we considered various international standards and concept papers (European Central Bank, European Banking Authority, TCFD, Global Reporting Initiative and the Four accounting firms), reports about climate change in Georgia, criteria of ESG rating agencies and expectations in relevant expert papers.

Based on identified and prioritized material topics, we defined the content of this report and information to be included in it. In particular, we structured the report contents based on the following GRI principles: Sustainable Development Context; Materiality; Completeness; and Stakeholder Inclusiveness. Those topics that were evaluated as important based on these four principles, were included in the report. Our specific focus in this report on certain topics, coupled with the volume of data provided, reflect the significance of those topics to our company and its stakeholders.

MATERIALITY MATRIX

We have grouped our material sustainability topics according to the core sustainability impacts of our operations. Detailed information on our material topics, their relative significance, their boundaries, and our responses, is available in the tables below, p. 42-43. The last column of the table presents the specific report sections and chapters, where further information can be found.

OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

On September 25th, 2015 UN member countries agreed on the new agenda of sustainable development entitled, "Transformation of our world: 2030 agenda on sustainable development", which includes 17 global goals. These goals aim at reaching long term and sustainable results in economic, social and environmental areas, such as the reduction of poverty, inequality and injustice, protection of the environment, and the minimization of climate change. Every sector of the economy and every organization has a specific role to play in implementing the 2030 agenda. Currently, we operate multiple social and environmental protection programmes, through which we are contributing to the implementation of the 2030 agenda.





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In 2021, we developed a sustainability focused, ESG strategy and subsequent action plans. The strategy enables us to make a more tangible contribution towards reaching the sustainable development goals. We continued our actions to contribute to SDGs and our efforts have been acknowledged with a special prize for our outstanding efforts to champion the SDGs in the country at the prestigious Corporate Responsibility Award Ceremony 2021, organised by UN Global Compact Network Georgia. With our sustainable loan portfolio, we focus on energy efficiency, youth support and women in business loans financed by special purpose funds received from IFIs, as well as on loans financing renewable energy, which include all hydro power plants financed by the Bank. 2022 was particularly important for us in terms of SDG 13: Climate Action as we became the first commercial bank in the Caucasus region to receive accreditation by the Green Climate Fund (GCF). The accreditation enables the Bank to have direct access to GCF funding to finance projects for adaptation to, and mitigation of, climate change and contribute to combatting climate change locally in Georgia and subsequently globally in the world. The tables on pages 44-45 presents those sustainable development goals to which the results of our current activities and programs are linked. It should be mentioned that the level of our contribution differs topic by topic.

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UN GLOBAL COMPACT AWARD 2022



TBC received the UN Global Compact Network Award for its support of the Ukrainian people.

Corporate Responsibility Award 2022 'Business for SDGs' was organized by UN Global Compact Network Georgia. TBC Bank was awarded in the nomination "Peace, Justice and Strong Institutions" for the support of the Ukrainian people. It should be noted that this nomination considers organizations that contribute to the building of peaceful and inclusive societies, their sustainable development, access to justice for all, effective, accountable institutions and corporate culture at all levels.



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MATERIALITY MATRIX

Material issue	Importance (high/medium/ low)	The Boundary for the material topic
CORPORATE GOVERNANCE, ETHICS AND FAIR OPERATIONS		
Anti-corruption, Ethics, & Countering money laundering	High	Within/external
Good Corporate governance	High	Within
Risk management and social and economic compliance	High	Within/external
ECONOMIC IMPACTS		
Financial performance	High	Within/external
Responding to macroeconomic issue	High	External
Attracting investments	High	Within/external
Economic impacts created by taxes, employment, procurement and our loans	High	External
EMPLOYEE RELATIONS		
Workforce well-being, conduct and culture	High	Within
Diversity and inclusion	High	Within
Employee development, training, education and leadership	High	Within
Occupational health and Safety	High	Within/external
CLIENTS AND SERVICES		
Improving customer satisfaction and experience	High	External
Responsible sales and marketing	High	External
Privacy and data security	High	Within/external
Digital innovation and new products	High	Within/external
PROMOTING SOCIETY WELL-BEING		
Investing in economic well-being and greater prosperity of local communities	High	External
Financial education, inclusion and accessibility of financial services	High	External
MSME development and encouraging entrepreneurship	High	External
DIRECT ENVIRONMENTAL FOOTRPINT		
Paper & waste	Medium	Within/external
Energy	Medium	Within/external
GHG emissions	Medium	Within/external
INDIRECT SOCIAL AND ENVIRONMENTAL IMPACTS OF OUR OPERATIONS		
Responsible lending, investing and procuring	High	External
Responsibility towards suppliers	High	External
Climate change	Medium	Within/external

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RELEVANT GRI STANDARD IN THE REPORT

Relevant GRI Standard in the report	How we are addressing the topic (report section)
CORPORATE GOVERNANCE, ETHICS AND FAIR OPERATIONS	
205. Anti-corruption; 206. anti-competitive behaviour; 102. General disclosures (102:16; 102:17) 102. General disclosures (4. Governance) 307. Environmental compliance; 419. Socioeconomic Compliance; 102:30 Effectiveness of risk management processes	Ch.6 Governance and Sustainability Management Pg.59
ECONOMIC IMPACTS	
201. Economic performance 201. Economic performance 201. Economic performance 201. Economic performance 203. Indirect economic impacts 204. Procurement practices	Ch.8 Our Economic Impacts Pg.79
EMPLOYEE RELATIONS	
401. Employment 405. Diversity and equal opportunity; 406. Non-discrimination 404. Training and education 403. Occupational health and safety	Ch.10 Responsible Employer Pg.107
CLIENTS AND SERVICES	
417. Marketing and Labeling; 418. Customer privacy 417. Marketing and Labeling 418. Customer privacy 413. Local Communities; 418. Customer privacy; Financial Services Sector Disclosures: FS 16: Initiatives to enhance financial literacy	Ch.11 Treating our Customers Responsibly Pg.141
PROMOTING SOCIETY WELL-BEING	
413. Local communities Financial Services Sector Disclosures: FS13: Access points in low-populated or economically disadvantaged areas; FS16: Initiatives to enhance financial literacy 413. Local communities; 203. Indirect Economic Impacts	Ch.14 Supporting Communities Pg.179
DIRECT ENVIRONMENTAL FOOTRPINT	
301. Materials; 306. Effluents and Waste 302. Energy 305. Emmissions	Ch.09 Environmental Responsibility Pg.91
INDIRECT SOCIAL AND ENVIRONMENTAL IMPACTS OF OUR OPERATIONS	
203. Indirect Economic Impacts; 204: Procurement Practices; FS7- FS8: Financial Services Sector Disclosures (Aspect: Product Portfolio) 102-9 Supply chain; 204: Procurement Practices	Ch.13 Treating our Suppliers Responsibly Pg.171



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MAPPING OUR ACTIVITIES TO THE SDG GOALS

UNSDG	How we contribute	Report Section
1 NO POVERTY 	<ul style="list-style-type: none"> through our community programs and social investments; through our SMSE development program 	Chapter 14 Supporting Communities Pg.179
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> through ensuring social protection and occupational health and safety to our employees 	Ch.10 Responsible Employer Pg.107
4 QUALITY EDUCATION 	<ul style="list-style-type: none"> through our community programs oriented at education; through providing educational opportunities to our employees; through educational programs in ICT areas 	Ch.14 Supporting Communities Pg.179
5 GENDER EQUALITY 	<ul style="list-style-type: none"> through our employee diversity programs;-through our credit lines designed for women; through educating and providing job opportunities for women and girls in ICT, thus promoting equality in male dominated areas though awareness-raising and increasing the representation of women at different managerial roles 	Ch.10 Responsible Employer Pg.107
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> through financing energy efficient projects and renewable energy 	Ch.09 Environmental Responsibility Pg.91 Ch.13 Treating our Suppliers Responsibly Pg.171
8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> through ensuring good work and development environment to our employees; through internship programs for youth; through community programs oriented at education; through supporting digital innovation and promoting entrepreneurship; through including local suppliers in our supply chain 	Ch.10 Responsible Employer Pg.107 Ch.14 Supporting Communities Pg.179 Ch.11 Treating our Customers Responsibly Pg.141 Ch.13 Treating our Suppliers Responsibly Pg.171
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> through programs promoting entrepreneurship and supporting startups; through financial products designed specifically for MSMEs (Financing micro-enterprises, SMEs) thus increasing their access to finances; through Youth Support Program, offering affordable credit to the youth 	Ch.14 Supporting Communities Pg.179

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UNSDG	How we contribute	Report Section
10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> through ensuring inclusion of all employees, clients and other stakeholders, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status; through ensuring equal opportunities and reducing inequalities in the workplace 	Ch.10 Responsible Employer Pg.107
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> through our initiatives for recycling paper and plastic through reduction measures in energy, paper and water usage 	Ch.09 Environmental Responsibility Pg.91
13 CLIMATE ACTION 	<ul style="list-style-type: none"> through considering environmental aspects in our corporate lending and investment decisions and developing green financial products, thus reducing our indirect impact on climate and stimulating renewable energy generation; through reducing our direct carbon footprint; through promoting climate-friendly practices and approaches within and outside the bank; through setting targets within the ESG Strategy 	Ch. 05 ESG Strategy Pg. 47 Ch.09 Environmental Responsibility Pg.91 Ch.13 Treating our Suppliers Responsibly Pg.171
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<ul style="list-style-type: none"> through our anticorruption and anti-money laundering policies and practices; through applying our exclusion list to our credit decisions and thus contributing to elimination of illicit financial and arms flows and all forms of organized crime through supporting Ukraine over the past 2 years 	Ch. 06 Governance and Sustainability Management Pg.59
17 PARTNERSHIPS FOR THE GOALS 	<ul style="list-style-type: none"> through our partnership under the state subsidies programs; through our partnerships with international organizations 	Ch.01 Who we are Pg. 7 Ch.14 Supporting Communities Pg.179



ESG STRATEGY

**Our Environmental, Social and
Governance (ESG) Strategy**

Direct and Indirect Environmental Impact

Social Impact

Governance

2023 Priorities



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OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) STRATEGY

Our aspiration to contribute to sustainable development comes from our role as a leading financial institution in Georgia's development. We are aware that we have an impact on the country's economy, business development, employment and societal progress as a whole. With the international expansion of our operations, sustainable development approaches are incorporated into our subsidiaries, as well. Our role is connected to our responsibility to contribute to a better future through innovation and technology to increase the accessibility of financial services and to enable our customers to be a part of the globalized world. While pursuing our aspirations, we conduct our activities in line with international sustainability standards and principles, making them a part of the strategy, culture and day-to-day operations of our company.

Our ESG Strategy reaffirms our commitment to make a long-term, sustainable contribution to the country and the broader region.

TBC Group's ambition is to be the leading supporter of ESG principles in Georgia and the wider region. We aspire to make our direct environmental impact net-zero by 2025, and develop a plan to drive our indirect impact through financing to net-zero.

The ESG Strategy defines several key areas and targets for different time horizons:

Enhanced governance of ESG and climate-related risks and opportunities

Sustainable loan portfolio growth

Access to green and sustainable financing sources

Customer awareness, investor confidence and employee diversity

Impact measurement and reporting

The ESG Strategy follows a strategic road map, which reflects the milestones of our sustainability journey for the following years. In 2022, we actively continued the implementation of our initiatives and targets, which are divided into four pillars.

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Pillars 1 and 2: Direct and indirect Environmental impact

ESG Strategy target / initiative	2022 status	2023 target
Increase sustainable loan portfolio up to GEL 750 mln	GEL 782 mln	GEL 1 billion
Set up a system for measuring impacts on sustainability across the Group, customers, employees and society	Climate-related framework in line with the requirements of the Task force on climate-related Financial Disclosures (TCFD) established	Increased granularity and automation of reporting, regular reporting on climate-related risks, scenario analysis, stress testing
Implementation of the green loan framework	Green loan procedure implemented	Harmonisation of the green loan procedure and the green taxonomy of the National Bank of Georgia
Green Taxonomy of the National Bank of Georgia	The National Bank of Georgia introduced the Green Taxonomy, developed in line with the best international taxonomies; The implementation process has been finalised.	The Green taxonomy is in force starting as of from 1st January 1, 2023.
Group's Policy on Climate Change	Climate Change Policy developed and approved ¹	Development of sectoral guidelines
ESG profiles for corporate customers	The framework on ESG profiles for corporate customers developed	Starting a pilot project with existing Top 20 corporate customers
Incorporation of ESG matters in risk appetite	Development of ESG risk appetite	Establishment of regular monitoring and review

In 2022, our main focus was on sustainable portfolio growth, the enhancement of the TCFD framework and internal capacity building in environmental and climate-related topics.

TBC strives to increase its positive impact on society and the economy through introducing new financial products and services that are designed to deliver a specific social or environmental benefit. The Green Lending Procedure and the implementation of the Green Taxonomy of the National Bank of Georgia sets the necessary framework for desired growth of the sustainable portfolio. Furthermore, the total volume of the sustainable portfolio² in 2022 reached GEL 782 million, which constitutes a growth of 15.6% in comparison with the end of 2021 (GEL 676 million).

¹ www.tbcbankgroup.com.

² Our sustainable loan portfolio includes energy efficiency, youth support and women in business loans financed by special purpose funds received from IFIs, as well as loans financing renewable energy, which include all hydro power plants financed by the Bank.



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SUSTAINABLE AGRICULTURE - “UDABNO” PROJECT

As part of the “Udabno” project, the Adjara Group Holding (www.adjaragroup.com) purchased 15,000 ha of land in Kakheti region and turned it into agricultural land. The almond orchard, vineyard with endemic grape varieties and the dairy farm are located in this territory.

Along with 1,500 ha of almond orchards, small vineyards have been successfully cultivated, in which many endemic to Georgia grape varieties thrive. The development of the dairy farm is also planned, for which the company has already purchased buffaloes and goats. It is also planned to make a hotel and a restaurant with the “farm to table” concept.

“Udabno” project is playing an important role in fighting desertification, while bringing biodiversity in the region. Importantly, with more than 25 kilometers of water pipes already laid down, as well as the efficient, automated irrigation systems, “Udabno” has been establishing modern, efficient and sustainable agricultural practices in Georgia.

In 2021, the Adjara Group Holding received a special award at the TBC Business Award ceremony for its outstanding contribution to the development of the country’s economy.

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“**Udabno**” is the first regenerative ecosystem that integrates agriculture, agritourism, vocational education opportunities and the “farm to table” concept.

Adjara Group Holding’s innovative project is being developed with support of TBC Bank.



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In 2021, we published our first TCFD (Task-force on Climate-related Financial Disclosures) report to demonstrate our commitment towards taking active measures to mitigate climate change, to assess and mitigate climate risks and to identify climate opportunities. In 2022, we advanced our TCFD framework further, especially in strategic planning and risk management. We took significant steps to develop scenario analysis capabilities to better understand and act on the implications of climate-related risks and opportunities for our business and customers. The development of climate-related scenario analysis is a big challenge, as the availability, accessibility and suitability of climate data and sub-sector information for financial risk analysis, as well as climate-related risk modelling capabilities in the countries of our operations are very limited and still evolving. Despite these limitations, the scenario analysis allows us to test a range of possible future climate pathways and understand the nature and magnitude of the risks they present. In 2022, we continued working with an external consultant and developed a stress testing model covering various economic sectors in Georgia in order to capture the stress testing impact on the whole credit portfolio of TBC Bank.

These developments are described in the TCFD section on pages 120-133 of the Annual Report 2022 (Please see the full report at: www.tbcbankgroup.com).

We understand, that the transition to a lower-carbon and sustainable economy requires internal knowledge building, as well as awareness raising among customers, businesses and the public. In 2022, we focused on internal capacity building, involving in-house and external experts on various topics: green lending, the NBS green taxonomy, the impact of climate change, climate-related risks and scenario analysis.

Please see more details in Chapters 09 Environmental Management System and 12 Responsible Banking, pp. 91 and 159, respectively.

Pillar 3: Social Impact

ESG Strategy target / initiative	2022 status	2023 target
Enhance the diversity of our employees	Diversity, Equality and Inclusion (DEI) Policy, targets and action plan defined	Share of women in middle managerial positions at 43%
Increase customer loyalty and employee motivation	Comprehensive ESG training framework covering all TBC employees and different responsibility levels established	Measure ESG awareness among employees and customers

In order to expand our focus on diversity, gender and inclusion issues, we have developed a Diversity, Equality and Inclusion Policy (available at our website, www.tbcbankgroup.com), which sets targets and establishes a methodology to advance diversity, equality and inclusion, integrating its approach into the company's operations and management processes and focusing on diverse areas including gender, multicultural, multigenerational and disability backgrounds. We remain committed to having a gender-balanced workforce and culture that supports and empowers women. In 2021, we set a target at the Bank level to increase the number of women in middle managerial positions from the current level of 36% to 40% by 2023. By the end of 2022, this indicator remained unchanged. Starting from 2023, the agile managerial positions - Product Owners and Chapter Leads - will be included in the calculations of the Middle Management in order to reflect the organisational transformation and structure in the Bank. In 2019, TBC was the first company in Georgia to introduce an agile structure which creates a more dynamic working environment, instills an open culture and empowers women and men in various roles and functions. The agile structure differs from the traditional organisational set-up and is founded on cross-functional teams. As of 31 December 2022, representation of women

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in newly classified middle managerial positions stood at 41%. Therefore, we adjusted the targets for the share of women in middle managerial positions and set them at 43% in 2023 and 45% in 2024, respectively. Furthermore, in 2022, we expanded our approach to certain subsidiaries of the Group and incorporated individual diversity targets within their ESG strategies.

Please see more details in Chapter 10 Responsible employer, pp. 107.

Pillar 4: Governance

ESG Strategy target / initiative	2022 status	2023 target
Enhance the ESG governance framework	ESG governance framework established at both Board and executive management levels	Enhance ESG governance and achieve a higher maturity level
Set up a system for measuring impacts on sustainability across the Group, customers, employees and society	Regular reports on key parameters to the ESG-related Committees at Board and executive management level established	Increased granularity and automation of reporting, regular reporting on climate-related risks, scenario analysis, stress testing, ESG risk appetite
ESG strategies in material subsidiaries	Separate ESG Strategies developed	Implementation of ESG Strategies in subsidiaries

The Group ESG Strategy is reviewed and approved by the Board of Directors annually, while implementation is overseen by two ESG-related committees at the Board and executive management level.

The ESG and Ethics Committee was established in 2022, and the first meeting was held in March 2022. During the year, the Committee supported and provided steering on the implementation of strategy, policies and programmes in relation to ESG matters for the Group and its subsidiaries, ensuring that the Group's ESG Strategy is implemented effectively, meeting the set-out objectives, across all business areas.

In 2022, we started to develop individual ESG strategies in significant subsidiaries of TBC Bank and the Group. Several workshops were conducted with staff from the subsidiaries and working groups were established, including subsidiaries' responsible employees and the Investment Risk Management Department of TBC Bank. As a result of intensive cooperation, we developed tailored ESG strategies for eight different subsidiaries¹. For more details on ESG strategies in subsidiaries, please see Chapter 15 Subsidiaries, p. 197.

¹ TBC Leasing, TBC Insurance, TBC Capital, TBC PAY, TBC UZ, Space Int., UFC and TNET.



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ADVOCACY FOR ESG TOPICS

Advocacy for ESG matters is an integral part of TBC culture and activities. We actively support ESG-related events, organized by our local and international partners. During 2022, members of the board and executive management were actively involved in increasing awareness surrounding ESG issues. To list only some of them: The Ring the Bell for financial inclusion (Georgia); The First Women Entrepreneurs Expo (Georgia); Ring the Bell for financial inclusion (Armenia); Regional event: The Power of Resilience, co-organized by the European Fund for Southeast Europe and the Green for Growth Fund (Moldova), UN Global Compact Network event (Uzbekistan).

Furthermore, representatives of TBC Bank are involved in various working groups on environmental, gender and other ESG matters at the Parliament of Georgia, the National Bank of Georgia and the UN Women Georgia.

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The first large-scale Women Entrepreneurs Expo, initiated by **UN Women** and supported by **TBC Bank**, has been held.

At the opening ceremony of the event, Chief Risk Officer of TBC Bank Nino Masurashvili spoke about the role of women entrepreneurs in the economic development of Georgia and underlined the importance of their reinforcement.



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2023 Priorities

In 2023, we continue to follow our strategic plan and will focus on the following topics:

Competence enhancement in ESG matters at Board and executive management level

Capacity building in green financing at Bank level

GEL 1 billion target for the sustainable loan portfolio

Establishment of the ESG Academy - green financing training courses for employees and customers

TCFD implementation – completion of the second stage and action plan

Regular reporting on climate-related risks, scenario analysis, stress testing, ESG risk appetite

Measure ESG awareness among employees and customers

Implementation of the affirmative recruitment approach

Mentorship programmes

Measure the Group's direct performance in relation to the Paris Agreement targets for GHG emissions reduction

Increase granularity and automation of ESG reporting

VARIOUS INITIATIVES AND PROGRAMMES TO SUPPORT THE TARGETS SET BY THE ESG STRATEGY

Sustainable financing | Sustainable loan portfolio growth KPIs

In 2021, ESG KPIs were linked to senior management remuneration over the medium term to reflect our mid-term strategy. In 2022, we continued to incorporate ESG-related KPIs for bank-level positions and established sustainable loan portfolio growth targets for business segments – retail, MSME and corporate: the target for green and social loans for 2023 has been set at a total volume of GEL 1 billion.

ESG awareness | ESG Academy

Our expertise is essential in driving transition, providing relevant solutions to the economic actors and increasing knowledge about climate-related and ESG matters. In 2023, we are taking a more structured approach and launching an ESG Academy with an extended scope for both our employees and customers. The academy will cover various topics, including green and social financing, financial inclusion, regulatory requirements, diversity and affirmative approaches, sustainable business models and practices. The first training programme 'Green mind-set and green financing' will include extensive training over two days for 900 employees and a one-day's training for to 300 retail, MSME and corporate customers. The programme will be supported by partner IFIs – the Green for Growth Fund (GGF) and the European Fund for Southeast Europe (EFSE) and will run for 22 months.

Paris alignment | Science-based targets

In 2022, we built internal capacity on relevant GHG emissions calculation methodologies and approaches. This was achieved via training and use of external consultancies. As the next step, we are committed to measure our performance in line with internationally-established standards and align with science-based targets.

ESG awareness among employees and customers

In 2022, 98% of TBC Bank employees participated in ESG-related training. In 2023, we aim to develop a framework for measuring ESG awareness among employees in order to track the results regularly and identify areas for further improvement. Furthermore, we will seek to establish an approach for customer engagement on ESG topics.

Talent programmes for Information and communication technologies (ICT)

As technology is key to TBC, ICT is a priority area. In 2023, we will commence a new ICT programme, consisting of eight new training courses in programming, information security and other technologies. Our diversity targets focus on the empowerment of women, girls, talented young people from the regions and rural areas as well as on age-diverse recruitment. Under the industry-led skills programme co-funded by USAID, around 750 people from a diverse range of backgrounds, ages and genders are expected to participate in the programme over the next 24 months. A number of the graduates will be employed by TBC and TBC's partner companies.

ESG Strategies in significant subsidiaries

In 2023, we will have several priorities: establishment of ESG-related governance structures, implementation of ESG-related policies and training framework, development of the regular reporting, as well as internal capacity building in our subsidiaries.



GOVERNANCE AND SUSTAINABILITY MANAGEMENT

Corporate Governance Framework

- Board of Directors
- Board Operations
- Board Composition
- Board Diversity
- Board Committees
- Division of Responsibilities
- Annual Board Effectiveness Evaluation
- Training Agenda

Risk Management Model

- Risk Management Framework
- Governance

Sustainability Governance

Managing Conflicts of Interest

Compliance with Laws and Regulations in the Social and Economic Area



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GOVERNANCE AND SUSTAINABILITY MANAGEMENT

CORPORATE GOVERNANCE FRAMEWORK

Our approach is to ensure that our governance structure is fit for purpose and in line with best practice. The primary responsibility of TBC Bank Group PLC's Board of Directors (the "Board") is to ensure that the Group applies the highest principles of corporate governance and that such principles are embedded into the culture and operations of our business.

As a London Stock Exchange premium segment listed company, we are subject to and fully comply with the requirements of UK Corporate Governance Code (the "UK Code"). In addition, since our subsidiary JSC TBC Bank (the "Bank") is a regulated entity in Georgia, our governance structure also complies with the National Bank of Georgia Corporate Governance Code for Commercial Banks (the "NBG Code").

TBC Bank Group PLC (the "Company") and the Bank have a "Mirror Boards" governance structure. Under this structure, key aspects of the Board of Directors and the Supervisory Board of the Bank (the "Supervisory Board") are aligned with and mirror each other in terms of non-executive membership:

- The Board and the Supervisory Board have the same non-executive members;
- The Chairperson of the Board also serves as the Chairperson of the Supervisory Board;
- The Senior Independent Director ("SID") of TBC Bank Group PLC also serves as the SID of the Supervisory Board; and
- The Board's Committee chairs and members also serve as the equivalent committee chairs and members of the Supervisory Board.

This Mirror Boards governance structure maximizes efficiencies in the management and supervision of the Group's business and adds stability to the Group's governance.

The Board of Directors

The Board is the principal decision-making body of the Group and is collectively responsible for promoting the Group's purpose, culture, values, long-term success strategy and the delivery of sustainable value to stakeholders by establishing and overseeing the strategic direction of the Company and its business. The Board is led by the Chairperson and provides challenge, oversight and advice to ensure the Company's success. The Chairperson ensures that there is constructive debate in the boardroom to create and maintain an environment in which the Board remains open to different viewpoints and ideas.

The Board is responsible for the long-term sustainable success of the Company by setting its strategy and purpose, promoting the desired culture and ensuring that an appropriate risk management framework is in place. The Board has the following principal roles:

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Role	Description
Purpose, values and culture	To help management to shape the core values and culture that will best enable the Group to deliver its mission to make life easier. More details on the Company's purpose, values and culture are provided later in this report.
Corporate strategy setting and monitoring	To approve the strategic plan and objectives. The Board sets and reviews performance indicators to assess progress on the agreed upon strategy.
Organisation and leadership effectiveness	To ensure that the organisation's leadership, design, capabilities and supporting systems match the requirements of the Group and the diverse strategies of our current and future businesses.
Operational and financial performance	We review the performance of the Group in light of strategic aims, business plans and budgets. With the support of the Audit Committee, we approve the Group's annual and interim financial statements.
Shareholder and Stakeholder engagement	We put the balance of stakeholder interests and the long-term interests of the Group at the heart of all our decision-making.

The Board maintains a formal schedule of matters which are reserved solely for its approval and which sets out the Board's responsibilities in full. This is regularly reviewed and is available on our website at www.tbcbankgroup.com.

Board Operations

The Board and all Board-level Committees have a detailed schedule of work, which structures the Board's workload throughout the year in line with the schedule of matters reserved for the Board and the Terms of Reference for each principal Committee. The Board and its Committees rely on management to raise items for approval. The processes of agenda-setting and reporting to the Board are reviewed as part of the Board performance evaluation. Directors are expected to attend all meetings of the Board and all meetings of the Committees to which they belong. Please see the respective chart below:

Board Member	Board	Audit Committee	Risk Committee	Corporate Governance & Nomination Committee	ESG & Ethics Committee	Technology & Data Committee
Arne Berggren	26/26	-	-	10/10	-	-
Tsira Kemularia ¹	26/26	11/11	-	1/1	5/5	-
Per Anders Fasth	26/26	11/11	17/17	-	-	-
Eran Klein	26/26	-	17/17	-	5/5	5/5
Thymios Kyriakopoulos	26/26	11/11	17/17	-	-	5/5
Rajeev Sawhney	26/26	-	-	9/10	5/5	5/5
Nino Suknidze	26/26	11/11	-	9/10	-	-
Maria Luisa Cicognani ²	20/20	-	13/13	7/7	-	-

¹ Tsira Kemularia stepped down from the Corporate Governance and Nomination Committee on 28 January 2022.

² Maria Luisa Cicognani stepped down from the Board on 14 September 2022.



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Board Composition

In accordance with the 2018 Code, the majority of the Board are independent Non-Executive Directors. At the time of this Report's publication, the Board comprises [eight] independent Non-Executive Directors: Arne Berggren (Chairperson), Tsira Kemularia (SID), Per Anders Fasth, Thymios P. Kyriakopoulos, Eran Klein, Nino Suknidze, Rajeev Sawhney and Janet Heckman and one executive Director, CEO Vakhtang Butskhrikidze.

All Directors of the Board will be standing for either election or re-election at this year's Annual General Meeting. Biographical details of the Directors are included on pages [152-156] of the Annual Report.

Board Diversity

The Board recognises the importance of ensuring diversity and sees significant benefits to our business in having a Board and management team drawn from diverse backgrounds, as this brings a range of expertise, cultural knowledge and different perspectives in discussions and improves the quality of decision making.

The Board adopted a Board Diversity Policy in September 2020, which was most recently reviewed in December 2022. The Policy allows the PLC Board to ensure that PLC Board appointments contribute to the Group-wide ambitions of diversity and inclusion. In 2021 and 2022 the Board focused on the appointment and embedding of its newest non-executive members and on fostering the cultures and values of the TBC PLC within the boardroom, to ensure balanced leadership. The PLC Board Diversity Policy is available at www.tbcbankgroup.com. In 2023 the Board will consider how this Policy is applied to its key committees.

The Board meets the recommendation of the Parker Review that at least one of its members should be black, Asian or an ethnic minority (BAME), and the Group intends to continue to abide by that recommendation. The Board is committed to ensuring that the targets of the FTSE Women Leaders Review on gender diversity are met. As at the date of this Annual Report, three (33%) of the nine members are female, and one of the senior board positions is held by a woman. Following the resignation of Maria Luisa Cicognani in 2022, the Nomination Committee was mindful of the need to ensure the search for an additional Non-Executive member of the PLC Board considered the strength that diversity can bring to boards. The Board will continue to consider future appointments to support the Board's diversity aims.

Board Committees

The Board delegates some of its responsibilities to, and is supported by, its committees, which provide oversight and make recommendations on matters delegated to them by the Board.

The Board has established four principal Board Committees:

- The Risk Committee focuses on the possible risks and capital issues of the Company.
- The Audit Committee deals with external auditors, internal controls, and financial reporting, as well as communication with the market and regulators.
- The Remuneration Committee leads on remuneration-related issues, such as determining the right level of compensation to attract and retain employees, bearing in mind the level of compensation that is acceptable to our stakeholders.
- The Corporate Governance and Nomination Committee is responsible for talent management, including nomination and succession planning for the Board and the executive team.

Two committees were established during 2021 and 2022 to provide further support to the Board in three key strategic areas: technology, ESG Strategy and climate change. The Technology and Data Committee supports the Board in its oversight of key enablers of strategy, data, and cyber issues, and Company IT resources. The ESG and Ethics Committee ensures that the Company stays focused on the ESG issues that are key for all our stakeholders. Terms of References for each principal Board Committee is available on our website (www.tbcbankgroup.com).

Division of Responsibilities

The Company and the Bank have adopted a "Mirror Boards" policy, which means that the Board composition and committee composition in terms of non-executive membership mirrors the Supervisory Board and its committee composition.



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Therefore, there are in practice two equivalent supervisory bodies, the Board and the Supervisory Board, within the Group, which are separate but share the “Mirror Boards” policy for structure and non-executive membership. However, the work of the Board, the Supervisory Board and their respective committees is carefully balanced, dividing functions according to whether they are supervisory matters that affect the Group or solely those concerning the Bank. As a result, the Group’s governance structure ensures adequate oversight and accountability, as well as the clear segregation of duties.

There is a clear division of responsibilities between the Chairperson, the Chief Executive Officer, and the senior independent non-executive Director. As Chairperson, Arne Berggren is responsible for leading the Board to ensure that the Board performs a full and constructive role in the development and determination of the Group’s strategy and overall commercial objectives. He also oversees the Board’s decision-making processes. The Chief Executive Officer, Vakhtang Butskhrikidze, is responsible for the Company’s day-to-day management and has the principal responsibility of running the Group’s business.

If there is a need for independent advice in exercising any part of its remit, the Board or any of its members can seek this directly at the Company’s expense. There is an established procedure for Directors, in relevant circumstances, to obtain independent professional advice at the Company’s expense. Directors’ and Officers’ Liability Insurance is maintained for all Directors.

The full document detailing the division of responsibilities between the Chairperson, the Chief Executive Officer and the senior independent non-executive Director is available on our website at www.tbcbankgroup.com.

Annual Board Effectiveness Evaluation

The Company engaged Lintstock Ltd, a market-leading provider of board performance evaluation services to FTSE companies, in line with the UK Code’s requirement to perform a Board effectiveness external evaluation. Lintstock designed a three-year, externally facilitated board evaluation programme for us, which is overseen by the Corporate Governance and Nomination Committee. The results of the evaluation for 2022, along with a description of the process and an action plan for 2023, are provided on pages 167-170 of the Company’s 2022 Annual Report.

Training Agenda

The Board of Directors of TBC Bank Group PLC has established a diverse and comprehensive training agenda, which is reviewed annually. The Group’s Company Secretarial team creates a general training catalogue at the beginning of each year, which covers all relevant areas of Risk, Audit, Remuneration and Governance. Between 2020 and 2022, additional attention was paid to ESG and climate-related matters, regulatory compliance, reporting, shareholder views and impact. The catalogue includes an effective mix of publicly available and client-tailored webinars, analytical materials, and opportunities for live discussion with industry participants. The providers of these training opportunities include the Big Four accounting firms, external legal advisors, chartered institutes (such as the Institute of Directors and the Governance Institute), and, where relevant, senior professionals with specific subject matter expertise. Directors use the training catalogue to create their bespoke training calendars and exchange knowledge during Board meetings or via the Group’s dedicated Board platform. In 2023, further topic-specific training sessions on climate-related issues are considered that will equip members of the Board of Directors, the executive management of TBC Bank, and other relevant employees with detailed knowledge about the TCFD, climate change-related risks and opportunities, and the operative tools available to implement the ESG Strategy.

In December 2022, the Board of Directors of TBC Bank Group PLC reviewed and approved a Board succession planning policy to ensure a comprehensive and self-improving programme was in place to support the medium and long-term needs of the Board. In 2023, we will be working to carry out an in-depth analysis of the skills and competencies of our Board.

RISK MANAGEMENT MODEL

The Group operates a strong, independent, business-minded risk management system. Its main objective is to contribute to the sustainability of risk-adjusted returns through the implementation of an efficient risk management system. The Group has adopted four primary risk management principles to better accomplish its major objectives:

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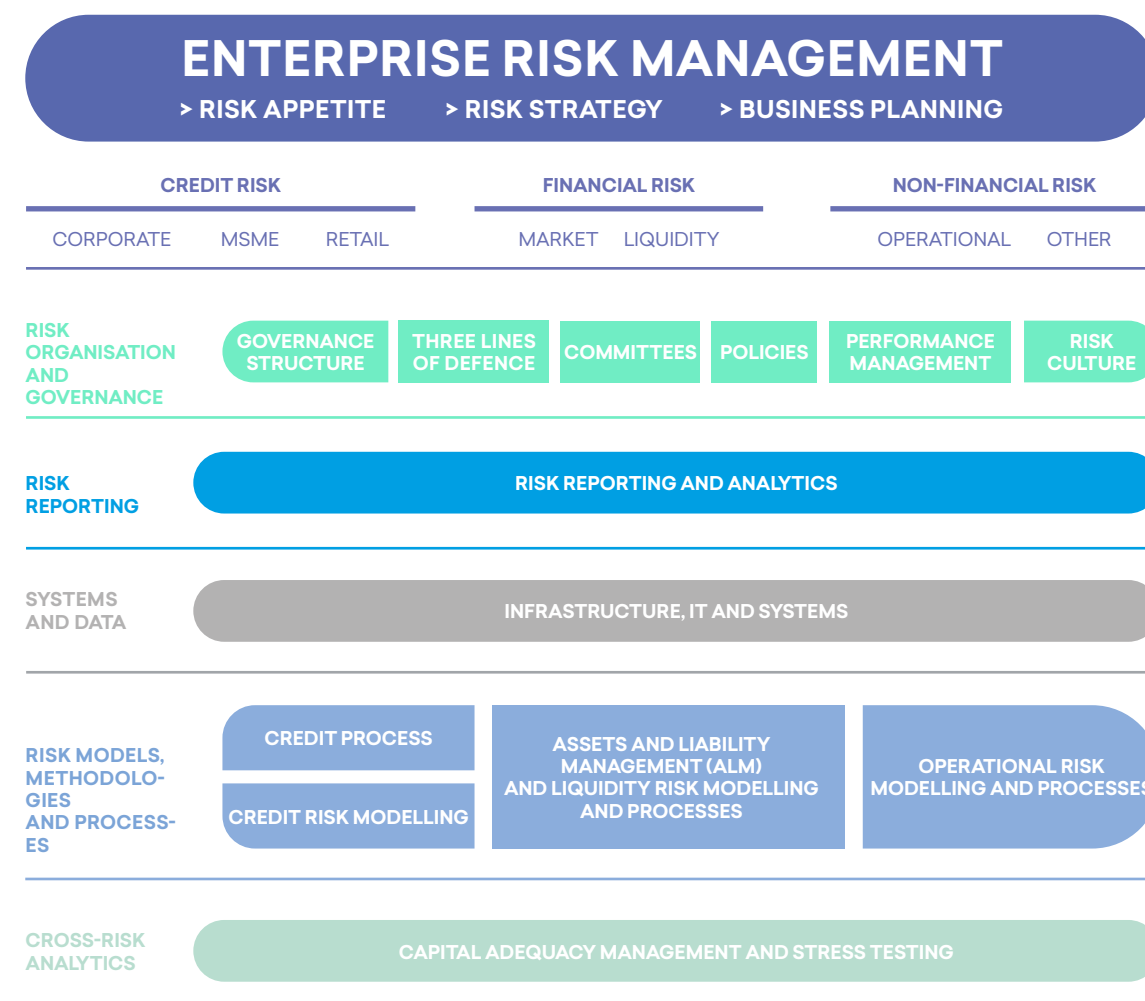
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- Manage risks transparently to obtain understanding and trust. Consistency and transparency in risk-related processes and policies are essential to gain the trust of multiple stakeholders. Communicating risk goals and strategic priorities to governing bodies and providing a comprehensive follow-up in an accountable manner are key priorities for staff members responsible for risk management.
- Manage risks prudently to promote sustainable growth and resilience. Risk management acts as a backstop against excessive risk-taking. Capital adequacy management and strong forward-looking tools and decision-making ensure the Group’s sustainability and resilience.
- Ensure that risk management underpins the implementation of strategy. Staff members responsible for risk management provide assurance on the feasibility of achieving objectives through risk identification and management. Identifying and adequately pricing risks, as well as taking risk mitigation actions, supports the generation of desired returns and the achievement of targets.
- Use risk management to gain a competitive advantage. Comprehensive, transparent, and prudent risk governance facilitates understanding and trust from multiple stakeholders, ensuring the sustainability and resilience of the business model and the positioning of risk management as the Group’s competitive advantage and strategic enabler.

Risk Management Framework

The Group’s risk management framework incorporates all the necessary components for comprehensive risk governance. It is comprised of enterprise risk management, credit, financial and non-financial risk management, risk reporting and supporting IT infrastructure, and cross-risk analytical tools and techniques such as capital adequacy management and stress testing. The following diagram depicts the risk management framework:





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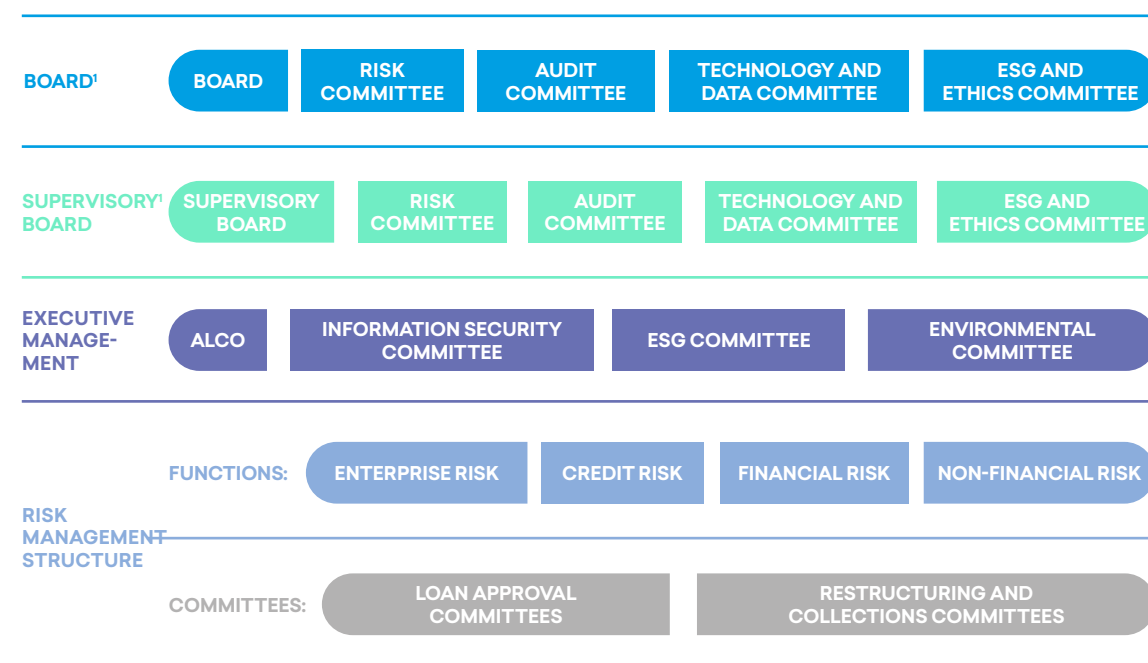
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Risk Governance

The Group conducts its risk management activities within the framework of its unified risk management system. The involvement of all governance levels in risk management, the clear separation of authority, and effective communication between the different entities facilitate clarity regarding the Group's strategic and risk objectives, adherence to the established risk appetite, and sound risk management.

The Group's governance structure ensures adequate oversight and accountability, as well as a clear segregation of duties. The Board and the Supervisory Board have joint overall responsibility to set the tone at the top of the Group and monitor compliance with the established objectives, while the Management Board governs and directs the Group's daily activities.



Board level oversight, coupled with the permanent involvement of senior management in the Group's risk management and the exercise of top-down risk allocation by the enterprise risk management function, ensures clarity regarding risk objectives; intense monitoring of the risk profile against risk appetite; the prompt escalation of risk-related concerns, and; the establishment of remediation actions.

The daily management of individual risks is based on the three lines of defence principle. While business lines are the primary owners of risks, the respective risk teams act as the second line of defence by sanctioning transactions, tools and techniques for risk identification, analysis, measurement, monitoring, and reporting. The committees established at operational levels are charged with making transaction-level decisions as part of a framework comprised of clear and sophisticated delegations of authority, based on the "four-eyes" principle. All new products and projects pass through risk teams to ensure that the risks are comprehensively analysed.

Credit, liquidity, market, environmental and social, operational, and other non-financial risks are each managed by dedicated teams. In addition to the risk teams subordinated to the Chief Risk Officer, the compliance department reports directly to the CEO and is specifically in charge of anti-money laundering and compliance.

As a third line of defence, the internal audit department is responsible for providing independent and objective assurance and recommendations to the Group to promote the further improvement of operations and risk management.

SUSTAINABILITY GOVERNANCE

TBC's activities for managing sustainability risk are aligned with its generally low tolerance of risk. Sustainability risk management is carried out within a framework of established processes for risk management.

According to our vision, a sustainable bank is a profitable institution that offers adequate, affordable and need-based services to its clients, treats its employees, suppliers and all other stakeholders with a high sense of responsibility, and strongly supports the development of society. It is also a technologically advanced and environmentally aware bank that is trusted by society.

The sustainability risks are related to the Group's different roles as a lender, asset manager, service provider, purchaser and employer. Of particular interest in the area of sustainability are risks related to compliance, conduct and digitalization, as well as human rights, working conditions, the environment, climate change, financial crime, and information and IT security.

Sustainable development policies and management structures are represented in various policy documents and management domains. TBC has developed several thematic policies and codes that regulate various social and environmental protection issues related to company activity. They include: the Code of Ethics, the Incident Management Policy, the Anti-Corruption Policy, the Personal Data Protection Policy, the Conflict of Interests Management Policy, the Green Purchase Recommendations etc.

In January 2022, the Group established an Environmental, Social and Governance ("ESG") and Ethics Committee at the Board level, as well as at the Supervisory Board level of the Company's main subsidiary, JSC TBC Bank, in line with the Company's "mirror boards" policy. This reflects the importance of sustainability in TBC's corporate governance and allows the Board members to dedicate more time and focus to ESG topics. The role of the Committee is formalized to support and advise the Board of Directors in its oversight of the implementation of (i) strategy (ii) policies and (iii) programs of the Company and its subsidiaries in relation to Environmental, Social and Governance matters and ensuring that the ESG strategy is implemented across all relevant businesses of the Group. Furthermore, the ESG and Ethics Committee supports the Board of Directors in promoting its collective vision of values, conduct and culture and overseeing management's efforts (i) to foster a culture of ethics (ii) appropriate conduct, and (iii) employee ethical engagement within the Group.

At the executive level, responsibility for climate change-related risks and opportunities is assigned to the ESG Committee, which was established by the Management Board in March 2021 and is responsible for implementing the ESG strategy and approving the annual as well as separate, detailed action plans for key projects. Among other matters, the ESG Committee's responsibilities include the review and monitoring of climate-related risks and opportunities as well as the establishment of an effective mitigation and control system to manage identified (material) climate related risks. At the first meeting of the ESG Committee in March 2021, the annual action plan covering various ESG matters was approved. For major projects such as the implementation of the recommendations of the TCFD and the Gender Policy, separate action plans have been developed and key implementation steps defined. The progress and implementation status of action plans are monitored at the ESG committee's meetings which meets on a quarterly basis. Furthermore, ESG KPIs linked to senior management remuneration in the medium term were defined to reflect our mid-term strategy.

The implementation of the ESG strategy is supported by the various organizational functions responsible for ESG matters: Environmental and Social Risk Management Team, the ESG Coordinator and the ESG competence center.

At the TBC Bank level, the Environmental Committee oversees the implementation and operation of the Environmental Management System, which includes implementing an internal environmental management system and addresses the resource consumption and other environmental impacts of daily operations in TBC Bank. The committee meets on a quarterly basis. The Environmental and Social Risk Management Team regularly reports on the environmental management plans and results to the Environmental Committee. The Environmental Committee reports directly to the Chief Risk Officer.



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BOARD

BOARD

ESG AND ETHICS COMMITTEE

SUPERVISORY
BOARD

SUPERVISORY BOARD

ESG AND ETHICS COMMITTEE

EXECUTIVE
MANAGEMENT

ESG COMMITTEE

ENVIRONMENTAL COMMITTEE

RISK
MANAGEMENT
STRUCTURE

FUNCTIONS:

ESG COORDINATION
DEPARTMENTENVIRONMENTAL AND
SOCIAL RISK MANAGEMENT TEAM

Activities of the Committees during the year included the following topics:

- Review of regular updates on the ESG Strategy, the development of the ESG framework and how behavioural change was being achieved
- Review of updates on the Climate Action Strategy and the requirements of the TCFD maturity map, the TCFD implementation road map and the TCFD Report of the Company
- Review and approval of the Sustainability Report for 2021
- Review of the Diversity, Equality and Inclusion Policy and its subsequent recommendation for Board approval
- Set the training agenda for Ethics, ESG and Climate-related matters for 2022/23
- Review of updates on the National Bank of Georgia regulations in relation to sustainability matters
- Review of updates on the fair treatment of customers of TBC Bank, and the policies, practices and framework of ethics and conduct supporting this
- Kept informed of external developments in the ESG landscape.
- In addition, the Committee reviewed the regular updates on gender diversity across the Group, along with focused reports on the advancement and development of initiatives and programmes that have been established to increase the percentage of women in middle management positions.

Please see more details in Chapter 05 ESG Strategy, pp. 47.

MANAGING CONFLICTS OF INTEREST

We qualify conflicts of interest as situations in which the personal (or related) interests of an employee may be satisfied at the expense of a bank or a client of a bank, which can harm one or both parties. This definition is based on the National Bank Regulation, UK Listing Rules and IAS standards. Identification and prevention of potential conflict of interests, especially at the management level, is one of the basics of practicing business fairly and one of the priorities of sound corporate governance.

In order to prevent conflicts of interest, we have developed and implemented the following policies and practices:

1. A Code of Conduct that includes the definition of a conflict of interest and defines standards of acceptable conduct.
2. A Related Party Transaction Policy that defines a conflicts of interest management process, according to the National Bank of Georgia “Conflicts of Interest Management Provisions” document, UK Chapter 11 Listing Rules and DTR.7.3.

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3. An Ecosystem Governance Policy that is compliant with the principles of ecosystem management guidelines developed by the NBG, as well as the laws and regulations governing: (i) the principles of ethical behavior by banks; (ii) personal data protection; (iii) conflict of interest; and (iv) competition and other relevant applicable rules.
4. Each member of management is obliged to disclose information about their related parties immediately after changes and on a quarterly basis.
5. Each member of management is obliged not to take part in transactions where conflicts of interest could potentially exist.

In accordance with the requirements of the Companies Act 2006 and the Company’s articles of association (the “Articles of Association”), the Company requires Directors to declare actual or potential conflicts of interest that could interfere with the interests of the Company. The Directors are required, prior to Board meetings, to declare any conflict of interest they may have in relation to the matters under consideration and, if so, to abstain from voting and decision-making in relation to the matter in question. Directors have a continuing duty to notify the Chairperson and Company Secretary as soon as they become aware of any potential or actual conflicts.

The Related Party Transaction Policy has been implemented in the Bank since 2001 and was renewed in 2015, according to the requirements of the NBG’s “Conflict of Interests Management Provisions”. The last update was applied in December 2022. The policy is revised annually, and amendments are approved by the Supervisory Board.

The Compliance Department is responsible for the adequate functioning of the conflict of interest management framework. We have three lines of defense. The first level of responsibility lies with the employee. All employees are responsible to comply with the Bank’s Policy and internal instructions requirements. The second level of responsibility lies with the Compliance Department, which ensures implementation of policies, procedures and control mechanisms, and raises employee awareness of conflicts of interest.

The third level of protection is related to the Internal Audit Department, which periodically conducts audits concerning the matter and provides additional information to the Bank Audit Committee and Supervisory Board on the efficiency of management systems. Any kind of conflicts of interest are identified by Internal Audit and are disclosed to the Audit Committee and Supervisory Board.

The National Bank of Georgia regulation sets limits above which the Bank Supervisory Board is obliged to approve concrete transactions with the related parties. We report to the NBG on related party transactions and provide them with up-to-date list of related parties on a monthly basis.

UK Listing Rules require the Company to disclose and obtain Board approval for related party transactions above a certain threshold.

COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA

Compliance with the law is the foundation on which our company activity is based. The Compliance, Human Capital and Risks Management Departments are responsible for compliance with laws and regulations in the social and economic areas. The company has created sound monitoring mechanisms to ensure legislative compliance. In 2022, no fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area have been identified.



ETHICS AND INTEGRITY

Business Ethics and Ethical Conduct

- TBC Code of Ethics
- Informing Employees on the Code of Ethics
- Informing External Stakeholders on the Code of Ethics
- Code of Conduct
- Informing Employees on the Code of Conduct

Anticorruption, Countering Bribery and Money Laundering

- Company Anti-Corruption Policies and Procedures
- Anti-Corruption Policy Implementation, Monitoring and Response
- Informing Employees about Anti-Corruption Policies and Procedures
- Operations Assessed for Risks Related to Corruption

Policy and Practices to Prevent Anti-Competitive Behavior and Anti-trust Practices

Public Policy and Government Relations

Incident Management Policy / Whistleblowing and Non-retaliation Policy

Training Concept of Healthy and Ethical Working Environment



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ETHICS AND INTEGRITY

BUSINESS ETHICS AND ETHICAL CONDUCT

In order to gain customers' and partners' trust and successfully do our business, we have to ensure that the behavior of our employees and our business decisions are in line with the highest standards of ethics.

As we are a part of a community and have diverse stakeholders, every decision we make impacts employees, customers, business partners, other stakeholders and society as a whole. The Group's code of ethics is a "moral compass" assisting us with our decision-making framework. It serves as a guidance for our team on ethical conduct and for making the right decisions in specific circumstances.

For many years, TBC has been promoting ethical conduct in all its activities. We have invested time and energy in identifying non-ethical and dishonest behavior risks and creating prevention mechanisms.

The TBC Code of Ethics and Code of Conduct are two core documents that describe our principles of ethics and conduct, and they apply to all employees within the group.

TBC Code of Ethics

The TBC Code of Ethics document represents our vision and values, and establishes the ethical principles for professional and personal conduct that we expect from all employees. It applies to the whole group. The Code of Ethics considers local regulations, international standards and best practices.

The initial version of the Code was developed in 2013. It has been regularly updated, based on various legislative changes or internal policy amendments. The last update of the Code of Ethics was conducted in 2022. The Code of Ethics has been approved by the Board and Supervisory Board.

Training Employees on the Code of Ethics

In order to efficiently implement the Code of Ethics and raise awareness of its principles, we develop a training plan each year. It is of the utmost importance to ensure that all employees have received comprehensive information about the Code of Ethics and understand it.

In order to deliver this training efficiently, especially during the pandemic, the Compliance Department developed online training modules. The topics related to the Code of Ethics were covered in different types of training:

- Training for existing employees and internal trainers;
- Welcome trainings and an information package for new employees, including the Code of Ethics and Code of Conduct; and
- Various specialized training modules such as Sales and Customer Service.

In 2022, 6373 employees were trained in the Code of Ethics and the Code of Conduct topics via the distant learning platform. 6259 employees received whistle-blowing policy training, as well. This equals to the participation of 95%.

Informing External Stakeholders about the Code of Ethics

The TBC Code of Ethics is publicly available at the following address in English: www.tbcbankgroup.com.

We strive to inform society about the importance of ethical conduct for our company through various activities and channels.

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This is often part of our communication activities. Although the fulfillment of the Code of Ethics by third parties cooperating with us is not binding, our cooperation agreements include clauses that consider ethical conduct requirements such as the fight against corruption, the fight against tax avoidance, confidentiality requirements, etc.

Code of Conduct

One of the instruments for implementing the Code of Ethics in TBC is the Code of Conduct, which is a mandatory document for every employee, breaches of which may be subject to disciplinary action.

The Code of Conduct is based on the main ethical values and principles of the company and regulates such issues as labor rights, conflicts of interests, relationships with clients, personal data protection and more.

The Code of Conduct is revised annually, with the last update conducted in 2022. All amendments to the Code of Conduct are approved by the Board and the Supervisory Board.

The code of conduct is available both for internal usage in the intranet and for public access at the following address: www.tbcbankgroup.com.

The Human Capital Department is responsible for implementing the Code of Conduct among employees. Internal audit, security, operational risk and compliance teams carry out regular monitoring of fulfillment of the Code of Conduct.

Training Employees on Code of Conduct

The Code of Conduct is an indispensable part of the labor agreement. Every new team member receives the Code of Conduct via e-mail, and the Code is covered further during their induction training. A post-training test checks how well they understood and remembered it. At regular intervals, employees receive push message reminders from the intranet portal, recommending them to review the Code of Conduct and refresh their understanding.

ANTICORRUPTION, COUNTERING BRIBERY AND MONEY LAUNDERING

Company Anti-corruption Policies and Procedures

Any form of financial crime is unacceptable for TBC. We strive to implement all possible measures in order to implement strict controls and risk prevention. The Group has implemented internal policies, procedures and detailed instructions to prevent itself from being used or involved in money laundering, financing of terrorism or in other unlawful activities such as bribery, corruption or tax evasion.

The TBC Anti-Corruption Policy, which covers anti-bribery, anti-corruption and the prevention of the facilitation of tax evasion policy, is publicly available at: www.tbcbankgroup.com.

The Code of Ethics, the Code of Conduct and Sponsorship Procedures also include important clauses about anti-corruption.

TBC prohibits any form of bribery and corruption, including but not limited to accepting, offering, paying, giving, soliciting or authorizing bribes, by promoting internal integrity and fulfilling the obligation towards the stakeholders of TBC.

TBC has zero tolerance for financial crime, regulatory breaches and any attempt to circumvent the Group's financial crime policies and controls. Combatting financial crime is a common objective throughout the all levels.

The Policy defines high-risk areas and sets behavioral guidelines for employees, who are expected to seek prior written approval from the Compliance Department for all gifts received or offered with a higher value of limit set in the Bank's Code of Conduct. Employees are prohibited from acting for personal gain, facilitating payments, receiving cash or cash equivalent gifts, offering or providing any kind of hospitality with intention to influence the recipient to act in an improper way.



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Anti-Corruption Policy Implementation, Monitoring and Response

The Compliance Department is responsible for implementing and renewing the anti-corruption policy. The policy is approved by the Board. The coordination of anti-corruption policy implementation is carried out on a Group level.

Monitoring of the Anti-Corruption Policy is included in various internal control processes, internal audits and clients' complaints management. The quarterly report to the Supervisory Board Audit Committee covers anti-corruption topics, if any. The response to violations of the anti-corruption policy depends upon the severity of the breach. The sanctions are described in detail in the internal Code of Conduct.

Training Employees about Anti-Corruption Policies and Procedures

The organization's anti-corruption policies and procedures have been communicated to all employees, including all members of the governance bodies. New employees receive the Anti-Corruption Policy as a part of their welcome package, including all policies and procedures, and are trained in anti-corruption matters. The anti-corruption policy is also a part of the Compliance Department trainings that are delivered to those employees who, due to their specific responsibilities, are more exposed to risk. Employees periodically have online trainings and testing on the subject. In 2022, 6459 employees received training on the anti-bribery and anti-corruption policy.

Operations Assessed for Risks Related to Corruption

The Bank has identified high-risk activities, such as third party relations, and has implemented dedicated actions to minimize the risks (such as gifts and hospitality procedures, an agreement with third parties template, trainings, process escalation rules, etc.). The policy is applied to the whole group, and is publicly available on our website: www.tbcbankgroup.com.

When evaluating third party corruption risks, the Bank takes into account the country corruption index, where the third party operates, country regulation in relation to anti-corruption and anti-bribery, third party fields of activity, the transaction context and implementation channels, contract value and other aspects.

The agreement with third parties (suppliers, partners, etc.) includes clauses about anti-corruption policy.

POLICY AND PRACTICES TO PREVENT ANTI-COMPETITIVE BEHAVIOR AND ANTI-TRUST PRACTICES

TBC believes that vigorous and fair competition makes the whole industry more prosperous. The Compliance Policy of the Bank provides anti-trust and fair competition general provisions. Since TBC is committed to open and fair behavior:

- it is prohibited from making a cartel agreement with other banks;
- any provided information should be kept in a transparent, fair and accurate manner; and
- group member companies are obliged to comply with Ecosystem Companies' Governance principles. These include:
 - Ecosystem Companies should provide services to TBC and to all other interested banks/ companies on an arm's length principle and in accordance with the common pricing policy;
 - The Group Member companies should be open to unrelated ecosystems, as well
 - Exclusive terms of relationship are forbidden between the Group member companies.

PUBLIC POLICY AND GOVERNMENT RELATIONS

According to company policy, financing or lobbying political parties, as well as publicly expressing the political views of the company's management, is prohibited. The company has a clear apolitical, neutral position. As one of the largest financial institutions, we understand the scale of influence on economic and social systems, and therefore we strictly restrain from using this power for any kind of political influence. TBC holds a constructive dialogue with the government in relation to various economic and social issues that are directly linked to the company's activity.



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INCIDENT MANAGEMENT POLICY / WHISTLEBLOWING POLICY

One of the instruments for implementing ethical principles and the anti-corruption policy in our everyday operations is our Incident Response Policy/Whistleblowing Policy, which enables us efficiently to reveal cases of a breach of the Code of Ethics, Code of Conduct or Anti-Corruption Policy. The aim of the Incident Response Policy is to ensure responsible and honest conduct within the Bank, as well as to promptly identify and respond to potential breaches that may jeopardize employee work effectiveness, the Bank's reputation and the Bank's business. The policy ensures whistleblower protection from an immediate supervisor or other employees or from the imposition of any other sanctions. The policy supports employees in the appropriate reporting of any suspected violations and concerns. The Incident Response Policy is applied to the whole Group and each employee is responsible to comply with its requirements. According to this policy, the employee is obliged to raise the alarm (speak up, blow the whistle) in case of employee oppression, bullying, or an employee entering a corrupt/ fraudulent scheme, etc. Employees can communicate the problem openly or anonymously. The Incident Response Policy is renewed annually, and was last updated in December 2022. The policy is applied to the whole group and is publicly available on our website: <https://www.tbcbankgroup.com>.

Ensuring Policy Implementation

The policy and its amendments are approved by the Board and Supervisory board. The Compliance Department is responsible for:

- Sharing the policy in available portals to all employees;
- Conducting trainings on this policy;
- Analyzing the incidents communicated through anonymous channels and starting the inquiry process.

Every quarter the department provides information on incidents to the Audit Committee of the Supervisory Board. Each company in the Group is responsible for implementation of this policy and for reporting any incidents to TBC Bank Compliance Department.

Complaints and Response Mechanisms

Employees can deliver complaints/information through the following open and anonymous communication channels:

Bank internal phone: 2 27 27 27 (*1998)

Anonymous communication web-site: <https://www.tbcbank.ge/web/ka/web/guest/anonymous-hotline>

E-mail: incident_compliance@tbcbank.com.ge.

Anonymity is preserved in the following ways: the Bank internal number 2 27 27 27 (*1998) can be dialed from internal as well as external networks. On this number, the incoming call and the caller telephone number are not recorded if the caller does not want to present the identity.

When leaving a message on the anonymous website, the IP address is not identified, while information received through the website is automatically transferred to an outsourced company in an encrypted form and only afterwards becomes available to the Bank.

Anonymous complaints are received by two employees of the Compliance Department, the Head of the Compliance Department and the Head of the Compliance and Controlling Unit. If the issue concerns fraudulent operation by employees, the Operational Risk Department is involved in the process of the inquiry. If the matter concerns employee oppression, bullying or discrimination, the Human Capital Department is involved. In other cases, the Compliance Department manages the process.

In total, 89 incidents were identified through various inputs, such as client complaints, internal control processes and anonymous hotline calls. Out of these, 8 were anonymous.

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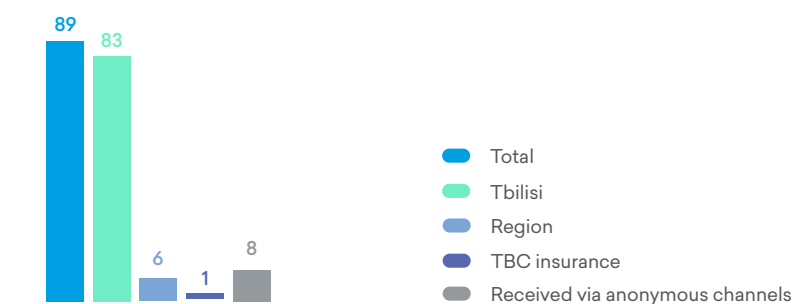
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NUMBER OF DIFFERENT CATEGORIES OF INCIDENTS



Training Concept of Healthy and Ethical Working Environment

A new training concept combines different issues such as Code of Ethics and Conduct of Conduct, operational and fraud risks, employee protection and safety, environmental, social and governance matters under one umbrella of a healthy and ethical working environment, which is an equal, development-oriented and safe space, free from discrimination and harassment, and in which everyone is respected and valued.

Furthermore, we run mandatory training for all employees of the bank in the areas such as code of conduct and ethics, information security, environmental issues, and operational risks.

Our policies are largely an internal guidance document, outlining strategic priorities and processes for integrating diversity, equality and inclusion perspectives throughout the company. They promote high ethical standards, values and respect toward human rights and encourage its employees to act honestly and responsibility regard each other and other stakeholders.

The Compliance Department regularly conducts employee training sessions in order to raise awareness and highlight the importance of anti-corruption, anti-bribery and ethical and human rights issues.

These complex topics are explained to employees based on contextual information. The trainings are based on the description and analysis of different real cases and processes; as a result, such content trainings are much closer to the real work process, which includes many different factors at the same time. The development of the training is carried out jointly by different responsible departments and incorporates specific examples. The aim of the trainings is to raise the awareness of our employees, strengthen responsibility and culture of ethics. The new concept also includes videos, blogs and regular newsletters, additional meetings with the senior management and responsible departments. Periodic awareness measurements are considered, as well. Please see more details on ESG-related training courses in Chapter 10 Responsible Employer, pp. 107.



OUR ECONOMIC IMPACT

Introduction

Direct Contribution to the Economy

- International Fund Raising
- TBC Impact Through Taxes
- TBC Impact Through Suppliers

Indirect Impact on the Economy

- Advanced Resource Allocation Practices

Financial Technologies

MSME Financing, Trainings, Projects, Startup Programs

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OUR ECONOMIC IMPACTS

INTRODUCTION

Georgia's financial sector is dominated by the banking sector, as other sources of financing are relatively limited in size. The Georgian economy sustained its robust growth in 2022, following the recovery from the pandemic in 2021. According to the preliminary estimates from Geostat (National Statistics Office of Georgia), real GDP increased by 10.1% year-on-year. Rise in commodity prices and increased rental costs due to migration, triggered by the Russian aggression against Ukraine in February, resulted in upward pressures on already elevated inflation and initially depreciated national currency. However, due to strong inflows and tight monetary policy, the GEL eventually regained its value against the USD, appreciating to 2.68 at the end of December 2022 from 3.10 by the end of 2021. Inflation also moderated to 9.8% from double-digit levels throughout the year supported by disinflationary pass-through from global markets. Nevertheless, awaiting for the more pronounced evidence for the easing of the still elevated inflation pressures, the NBG, after tightening in April, kept its monetary policy rate at 11% until the end of the year. Bank credit increased by 12.1% year-on-year as of December 2022, at constant exchange rates, compared to 18.2% growth at the end of 2021, with all segments experiencing a slowdown in growth. Moderation in bank lending coupled with strong economic growth and GEL appreciation helped Georgia improve its credit penetration level - domestic credit provided by the banking sector relative to GDP stands at 62%, down from 71.5% in 2021. The improvement was also evident in terms of asset quality as non-performing loans declined further to 1.8% per IMF definition. TBC Bank, as the largest financial institution in Georgia, represents the most important credit provider in the country and assumes leading positions across numerous sectors. TBC's share in total credit extended by the banking sector stood at 39.5% in 2022, equivalent to 24.9% of GDP, per initial estimates. In terms of segments, TBC accounts for 39.8% of loans to legal entities and 38.3% of retail lending, significantly contributing to investment and consumption activities in each of these segments. TBC is especially active in housing finance, with a 46.8% share in the retail mortgage portfolio: the Bank is the first choice for homebuyers in Georgia. Capital market development is high on the agenda of the country's economic policy and TBC Group actively contributes to the development of the non-banking sector through TBC Capital, the investment-banking arm of TBC Bank. As a shareholder of the Georgian Stock Exchange, TBC Capital plays an active role in the development of the infrastructural and legal aspects of capital markets in Georgia.

In 2022, TBC Capital strengthened its leading position on the market by placing a record-high number of bonds on local and international markets, issuing 230 research reports and having the largest growth rate in its brokerage assets under management (AUM). As a 100% subsidiary of TBC Bank, TBC Capital has been growing array of services and coverage of market segments. TBC Capital is uniquely positioned to provide customized solutions in the areas of sector and macroeconomic research, corporate finance advisory, brokerage, and debt and equity capital markets advisory. TBC Capital client-centric approach and the quality of services are improving every year, as measured by the NPS survey (2020 - 50%; 2021 - 60%; 2022 - 67%).

TBC Capital leading market position in debt capital market (DCM) services is a result of being an innovator and reinforcing the development of the local capital market. The corporate bonds arranged by TBC Capital in the period March 2022 – February 2023 (both private and public placements) amounted to USD 561 Million, constituting 78% of the market share of total corporate and IFI bonds issued from Georgia (both public and private placements). TBC Capital works closely with the corporate clientele of TBC and raises awareness on the capital markets. TBC Capital actively communicates with the clients the benefits of diversified financing structure, having a new investor base, moving towards better corporate governance and transparency through capital markets. Also promote the opportunity of issuing green and sustainable bonds, which could enable the companies to reach a wider base of investors and have a development impact on sustainable economy of Georgia.

Since October 2020, the Group has expanded its banking operations to Uzbekistan to exploit the exciting growth opportunities offered by the Uzbek market. The Uzbek economy is well diversified with no major reliance on a particular industry. It has one of the lowest public debts as a percentage

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of GDP in the region and high international reserves, implying macroeconomic stability as well as room for future high growth. The government of Uzbekistan plans to reform the economy and open it up to foreign investment. Despite the negative impact of the COVID-19 pandemic, Uzbekistan's economy grew by 1.9% in 2020. According to the statistics office of Uzbekistan, the economy further expanded by 7.4% in 2021 and 5.7% in 2022.

DIRECT CONTRIBUTION TO THE ECONOMY

Economic Impact: Value Generation and Distribution

GEL'000	2022	2021	2020
Direct Economic Value Generated			
Net interest Income	1,290,052	1,002,732	835,432
Non-Interest Income	780,712	449,288	320,158
Non-Operating Income	2,070,764	1,452,020	1,155,591
Administrative and other operating costs	212,253	156,250	125,359
Depreciation and Impairment Charges	236,297	62,964	424,538
Direct Economic Value Generated	448,550	1,232,806	605,694
Direct Economic Value Distributed			
Shareholder (dividends and comprehensive income attributable to non-controlling interest)	276,022	103,469	4,737
Governments (corporate income tax expense)	243,205	112,361	-3,383*
Employees (salaries and bonuses)	374,816	309,302	244,043
Community (community Investments)	854	418	3,530
Direct Economic Value Distributed	894,897	525,550	248,927

International Fund Raising

Providing solutions that contribute to the sustainable development of local businesses has been an important target for TBC's sustainability agenda. To achieve its ESG objectives, the Bank has continued to mobilize financial resources, focusing on the country's inclusive economic growth and sustainable development. In 2022, the Bank mobilized the wholesale portfolio of USD 485 million in total, from its International Financial Institutions (IFIs) partners, including EBRD, ADB, FMO, DEG, BOMF, AIIB, PROPARCO, EFSE, Responsibility, DFC and USAID. Attracted funds, were well-aligned with TBC's ESG objectives of reducing inequalities, supporting sustainable lending and increasing financial inclusion, with an emphasis on MSME entrepreneurs, youth, women-entrepreneurs and start-ups.

Throughout 2022, the Bank has continued contributing to the de-dollarization of Georgia's economy via the mobilization of much-needed local currency funds. Overall, up to 70% of attracted funds were local currency facilities, provided by ADB, FMO, EBRD and AIIB. Channeling the stable local currency funding into the economy, the Bank has contributed to a reduction in customer dependence on foreign currency exposures and hence supported the sustainable development of the local businesses as well as individuals without creating a foreign exchange risk. The local currency funds attracted by the bank served several purposes, including dedicated mortgage loan facility for retail customers, provided by ADB, aiming to provide long-term, local currency mortgage loans to Georgian citizens, and to improve their living conditions.



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JSC “SAKCABLE”

With support of TBC Bank, solar panels were installed on the roofs of the buildings of “Sakcable” - an enterprise in Zestafoni. A solar power plant with an capacity of 500 kW was installed.

The electricity generated by the power plant is used directly in the production process and replaces the share of energy imported from the grid. The energy obtained from the solar power plant covers one third of the total annual consumption of the enterprise. Consequently, it significantly reduces annual electricity costs.

Joint Stock Company “SAKCABLE” is the largest manufacturer of cable products in Georgia. The company was established in 1958. The Company presently produces 74 cable types with over 2,000 specifications. Since 2018, the cable products, before being sent to the customer, undergo a detailed inspection in the factory’s accredited quality control laboratory, which was updated in accordance with the Euro regulations, namely the Euro Directive LVD (Low voltage Directive) and CPR (Construction Products Regulation). “Sakcable” products have been awarded CE (Conformité Européene) marking, which confirms that the product meets European legislation on health, safety and environmental compliance and allows free trade in the European market.

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Energy is a strategically important sector for both TBC Bank and Georgia, as a whole. TBC Bank actively supports projects that serve to find and utilize alternative sources of renewable energy, the ultimate goal of which is to improve the country’s energy security and reduce dependence on imports.

TBC Bank’s market share in the local renewable energy sector is 70% (according to internal estimates).



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In line with its strategy, TBC continued to strongly support the development of micro, small and medium-sized businesses (MSMEs), primarily by providing financial resources to MSMEs to grow businesses and hire more employees. 60% of the funds mobilized in 2022, amounting to USD 290 million, was dedicated to finance the working capital and long-term investment needs of MSMEs in urban and rural areas. In addition, TBC has successfully completed loan guaranty program with DFC and USAID, further allowing the Bank to accelerate the financing of Georgian MSMEs, with a special focus on women-led businesses, startups, and the development of Georgia's regions. Through the investment of borrowed funds in MSMEs, the Bank continued to strengthen competitiveness and the sustainable development of this segment, thus contributing to the further economic growth and job creation in Georgia.

Moreover, IFIs have continued to support TBC's commitment to expand green financing engagement and contribute to a green economy transition in Georgia. To intensify efforts towards green financing, TBC has successfully collaborated with partner organizations in 2022 and mobilized green facilities in the amount of USD 40 million, thus, enabling the Bank to continue the financing of energy efficient, renewable energy and resource efficient projects. Green facilities were provided together with free technical assistance programs, to support local businesses with the green investment project identification as well as implementation process. Green funds, also include financing under the EU4Business-EBRD Credit Line, provided by EBRD and the European Union (EU). The facility further offers business borrowers, who are willing to raise the quality of their products to EU standards and invest in green technologies, grant incentives.

TBC acknowledges, that the empowerment of women and their strong integration into economic processes are important prerequisites for growth in employment and the sustainable economic development of the country. Therefore, to support women entrepreneurship, of total borrowings, USD 20 million financing was mobilized specifically for female borrowers, which includes loans, as well as the above-mentioned guarantee instrument provided by DFC and USAID.

The funds attracted from various partner financial institutions also have solid targets for start-ups and youth as well, segments which TBC has been supporting and promoting for many years. By providing dedicated offerings and tailor-made banking products, TBC strives to create development opportunities for young people and contribute to the development of the start-up company environment. Of total borrowed funds, USD 35 million was dedicated to those target groups.

Attracted facilities are a testament to TBC's strong commitment to supporting the sustainable economic growth of local businesses, thereby contributing to job-creation and bringing long-lasting benefits to the country.

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TBC impact through taxes

TBC creates substantial value via its tax contributions. The impact is most significant in Georgia.

Georgia	Other tax	Profit tax	Total
TBC Bank JSC	96,283,013	234,600,000	330,883,013
TBC Leasing JSC	24,846,562	101,820	24,948,382
TBC Pay LLC	2,481,017	914,297	3,395,314
TBC Capital LLC	919,398	-	919,398
UFC	2,858,100	-	2,858,100
TBC Insurance JSC	4,010,372	2,793,504	6,803,876
Space International JSC	4,801,825	-	4,801,825
TBC Group Support LLC	475,570	-	475,570
Online Tickets LLC	760,944	-	760,944
TBC Net LLC	4,216,144	-	4,216,144
Vendoo LLC	553,969	-	553,969
Uzbekistan			
TBC Bank JSC (UZ)	5,283,153	-	5,283,153
Inspired LLC (UZ)	2,079,550	41,954	2,121,503
TBC FIN SERVICE (UZ)	911,665	-	911,665
Azerbaijan			
TBC Kredit LLC (AZ)	195,357	32,000	227,357
Great Britain			
TBC Bank Group PLC (UK)	1,911,295	-	1,911,295

TBC Impact through Suppliers

TBC Bank recognizes that it has a considerable impact on the economy through its procurement activities. TBC Bank is one of the largest purchasers in Georgia. Moreover, through our procurement procedures we ensure inclusion of a wide range of suppliers in our supply chain and, consequently, we cooperate with small startups, large companies, as well as individual providers. 84% of the total volume was purchased from local suppliers. All this underscores TBC Banks's contribution to stimulating the economy by boosting local procurement and encouraging local business development.

INDIRECT IMPACT ON THE ECONOMY

Advanced Resource Allocation Practices

A core function of the Bank lies in the identification of productive investment opportunities and the allocation of depositor resources to sectors which can make the most out of them. TBC has been actively increasing its loan portfolio over the last couple of years, with annual growth rates of 7.5% in 2020, 17.8% in 2021 and 12.9% in 2022, all excluding the FX effect, per NBG reporting standards. At the same time, given the systemic importance of TBC Bank, it is important to invest client deposits responsibly and without excessive risk-taking. Solid portfolio quality performance over the last couple of years is an indicator of sound risk management practices, which have been the defining feature of TBC Bank. Aside from the direct positive impact of advanced risk management concerning TBC's clients, its economy-wide effects are also considerable as investments flow to the most productive sectors, as evidenced by the low level of problem loans. In 2022, Georgia demonstrated low NPL levels compared to its Central and Eastern European peers when calculated using the IMF's methodology, indicating not only a healthy banking sector, but also its significance in terms of overall macroeconomic stability. Despite a surge in 2020 due to the impact of the pandemic, NPLs as defined by the NBG's local standards (the percentage of total loans classified by the Bank as Substandard, Doubtful and Loss) declined both in 2021 and 2022, returning to pre-pandemic levels.



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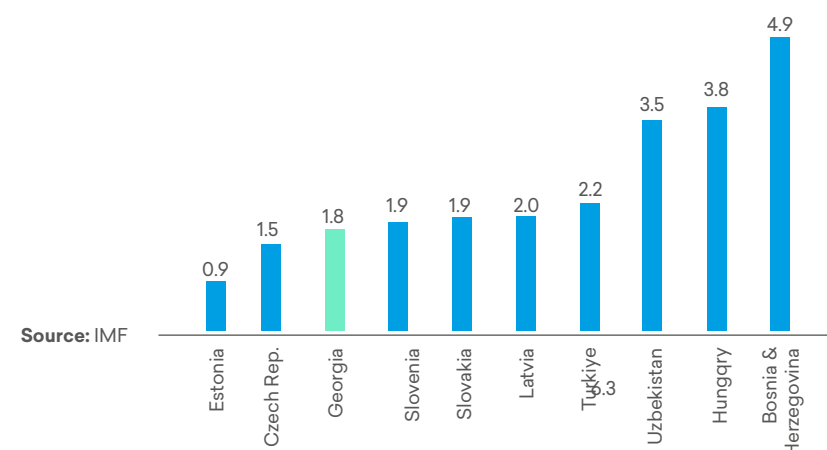
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NON-PERFORMING LOANS TO GROSS LOANS (% AS OF 2022-Q3) FINANCIAL TECHNOLOGIES



Non-performing loans in Georgia (NBG methodology)

% of Gross Loans	2022 Q3	2021	2020	2019
Market	4.5	5.2	8.2	4.4
TBC	3.5	3.9	7.7	3.1

Source: NBG

TBC is constantly striving to improve its payment technologies and offer advanced online banking services to its customers. With 98% of transactions currently conducted by retail customers outside its branches, TBC significantly contributes to the improvement of productivity in the economy through lowering transaction costs. TBC Bank balances its economic rationale with the responsibility of giving access to financial services to the customers, creating strong coverage of economically advanced as well as less prominent regions. Our digital solutions are very simple and easy to use and allow our customers to conduct most of their banking operations comfortably online. TBC Mobile Banking was named as the Best Corporate/Institutional Mobile Banking App 2021 in Central and Eastern Europe by Global Finance in 2021. The Bank offers contactless payment services and serves clients through a call-center and chat-bots. The bank operates 4,300 self-service terminals, 920 ATMs and 29,000 active merchant terminals. In addition, digital offerings increase financial inclusion of people (e.g. self-employed customers) who otherwise would have an issue in getting products and services, and customers from remote areas, with no access to physical branches. In 2022, TBC continued its efforts to further refine our customer journey in digital channels by introducing new products and services, increasing the accessibility of payments options, as well as upgrading branches to create a more friendly environment for customers. In addition, TBC continued to leverage our analytical capabilities to generate more tailored offerings and increase profitability. The bank also expanded offerings to the younger generations.

MSME FINANCING, TRAININGS, PROJECTS, STARTUP PROGRAMS

Small and Medium Enterprises (SMEs) play a major role in the Georgian economy as they contribute to job creation and economic development. In 2022, SME accounted for 57.8% of employment and 53.6% of production value created by all enterprises in Georgia. At the same time, access to finance is a key constraint to the growth of the SME sector, which emphasizes the responsibility of financial institutions in its development. As of 2022, TBC Bank serves 58,000 active MSME customers and is continuously designing and developing products and services specially adapted for their needs. Moreover, TBC is willing to share knowledge and expertise to help the SME sector. In 2017, we launched “Startuperi”, a new program aimed to help SMEs; at present, around 55,000 startups have been registered in the program’s various activities. The outstanding portfolio of the programme is comprised of 567 active loans, in the total amount of GEL 131 million as of 31 December 2022.

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PROMOTING GEORGIA INTERNATIONALLY

As a publicly listed company, TBC Bank directly contributes to the economy through its active engagement with existing and potential investors and serves as the first touchpoint for many investors interested in opportunities in Georgia. TBC Bank’s management regularly performs roadshows, in which a significant part of the discussion and analysis focuses on the Georgian economy. Spreading the word about the domestic economy and its potential amongst investors from various parts of the world sparks interest in Georgia and significantly enhances the chances for the country to attract additional investment and accelerate economic growth domestically.

TBC CAPITAL BROKERAGE SERVICE

Similar to DCM advisory, TBC Capital’s brokerage business marked the record high growth year for its business in terms of AUM, fee income and number of clients growth. TBC Capital has continued its digital development and the evolution of its services by launching an upgraded trading platform that gives its clients access to more than 60 stock exchanges across 20 countries. Meanwhile, the brokerage unit was actively involved in the distribution, placing, and trading in both local corporate bonds and Eurobond issuance and secondary trading.

In 2022, TBC Capital further extended its Corporate Advisory services, complementing its dedicated team with experienced vice presidents and analysts. In 2022, the Corporate Advisory team secured a solid pipeline of more than 44 high-quality assets, closed one small sell-side M&A transaction as of February 2023 with the total value of USD 1 Million, and executed two landmark strategic advisory projects for large corporates with an international shareholder base.

With its unique access to the deal flow, the strong secured deal pipeline and a highly competent team, TBC Capital’s Corporate Advisory direction is well positioned to drive the mergers and acquisitions (M&A) market and provide high-quality advisory services in the coming years. Recently, we also launched a private website for investors, which gives access to all current investment opportunities of TBC Capital’s Corporate Advisory arm, which will ensure ease of access to information in a timely manner.

RESEARCH

TBC Capital’s research unit focuses on market-oriented, up-to-date publications, covering the overall macroeconomic environment, capital markets and business sectors. TBC Capital dedicated research professionals provide clients and a wider audience with comprehensive analysis and expert views, enabling them to better understand what hides behind the numbers, which is essential – especially in these turbulent times.

Regular weekly, monthly and quarterly reports and updates allow readers to keep track of the main macro, financial and sectoral developments, and to understand the pulse of the market and where it might lead. TBC Capital promptly reacts to major events in the economy or specific sectors and provide relevant content. In 2022, as the war in Ukraine continued and further deepened global and regional turbulence, TBC Capital actively and regularly provided impact analysis to Georgian economic actors, covering the impact of the war on the overall Georgian economy as well as on specific sectors such as tourism, foreign trade, real estate, and consumer sectors. TBC Capital also offers customized reports tailored specifically to clients’ needs.

Due to the coverage of a wide variety of topics and in-depth analysis, timely reports are of paramount importance to local and international investors. TBC Capital’s researchers are regular guest speakers in all major media outlets. In 2022, TBC Capital held 20 individual and large-scale presentations and conferences with clients and wider audiences on such topics as Georgia in turbulent times, the immediate impact of the war on the wine industry, transport and logistics in the new reality, the automotive sector in Georgia, the education sector, the FMCG sector, etc. In addition, TBC Capital continues to publish research reports to Bloomberg and Refinitiv, offering our expertise to an international audience. To make research reports more accessible, TBC Capital launched a new webpage with sophisticated UX functions. Social media pages regularly feature infographics that give a timely snapshot of new reports. The full list of reports is available at www.tbccapital.ge.



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THE FIRST GREEN SECURED BONDS ON THE LOCAL MARKET

JSC “Georgia Renewable Energy Operations” (“GRPO”) - a 100% subsidiary of Georgia Capital PLC, one of the leading platforms for renewable energy assets throughout Georgia, with support of JSC “Galt & Taggart” “ and LLC “TBS Capital”, successfully placed the first green secured bonds on the Georgian market.

The transaction is expected to encourage the issuance of green and sustainable bonds in the country and give other developers additional motivation to meet high environmental, social and governance standards.

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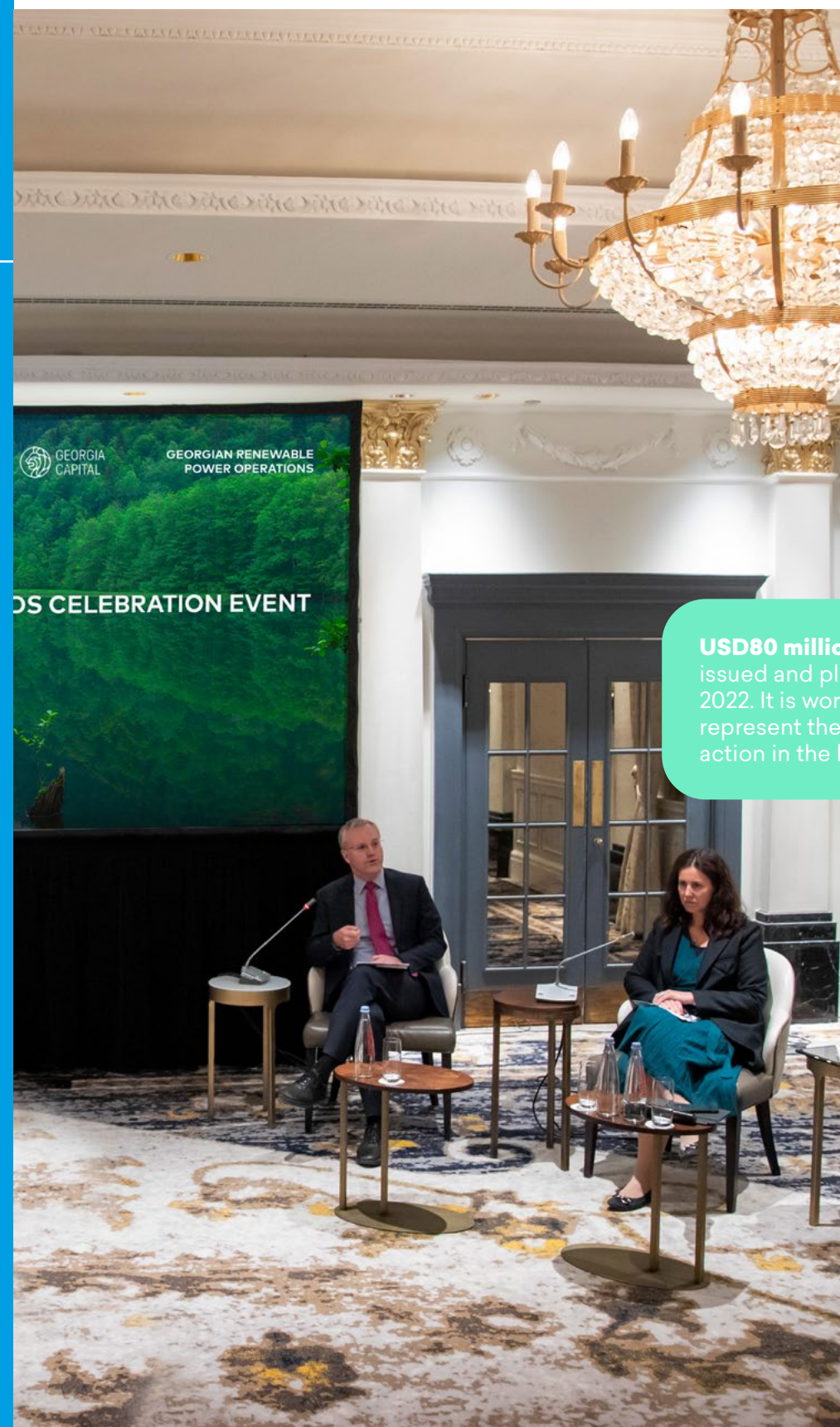
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USD80 million 5-year bonds were issued and placed on October 12, 2022. It is worth noting that the bonds represent the largest corporate transaction in the local market.

Through the first locally issued green bond and the largest bond placed in Georgia, TBC Capital contributes to the development of the local capital market in Georgia.



ENVIRONMENTAL RESPONSIBILITY

Environmental Policy and Management Approach

- Policy
- Management Approach
- Risk Management and Legislative Compliance
- Employee Involvement in Implementing Environmental Policy

How do We Manage our Environmental Impact

- Material Usage - Paper
- Energy Usage
- Water
- GHG Emissions
- Waste



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ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL POLICY AND MANAGEMENT APPROACH

Policy

Since the environmental and climate change issues are accelerated worldwide, we comprehend our role and contribution in the process of adaption and mitigation and are committed to manage our direct and indirect environmental and social impacts stemming from our operation by developing the continuous enhancement of TBC's Environmental Management System (hereafter EMS). Based upon this perception, in 2020, we took active measures to manage the environmental and social risks associated with our activities. We further strengthened our EMS across the Group and obtained ISO 14001:2015 certificate. TBC is the first company in the country that, in parallel with the challenging reality, has successfully completed this process. In 2022, TBC Bank has successfully passed the third year surveillance audit of the environmental management system. This certificate serves as testament to our EMS's full compliance with international standards. In addition to being a great achievement, it also confers the responsibility to maintain and further develop our EMS.

TBC's Environmental policy governs our EMS within the Group. The policy ensures that we comply with applicable environmental, health and safety, and labor regulations and use sound environmental, health and safety, and labor practices, as well as take reasonable steps to make sure that our customers also fulfill their environmental and social responsibilities. Our Environmental Policy defines our values, system, goals and tasks.

The Environmental Policy:

- Defines the environmental aspects and impacts of our business activity;
- Elaborates and develops measures to minimize our negative impact on the environment;
- Takes efficiency and responsible resource management into account;
- Ensures our compliance with applicable environmental, health, safety and labor regulations;
- Raises awareness among our staff/customer/suppliers;
- Prevents the Bank from financing businesses that have a negative effect on the environment and society; and
- Promotes sustainability finance among our clients.

OUR EMS IS BASED ON FOUR PILLARS:

- [Internal environmental activities;](#)
- [Environmental and social risk management in lending;](#)
- [Sustainable finance; and](#)
- [External communications.](#)

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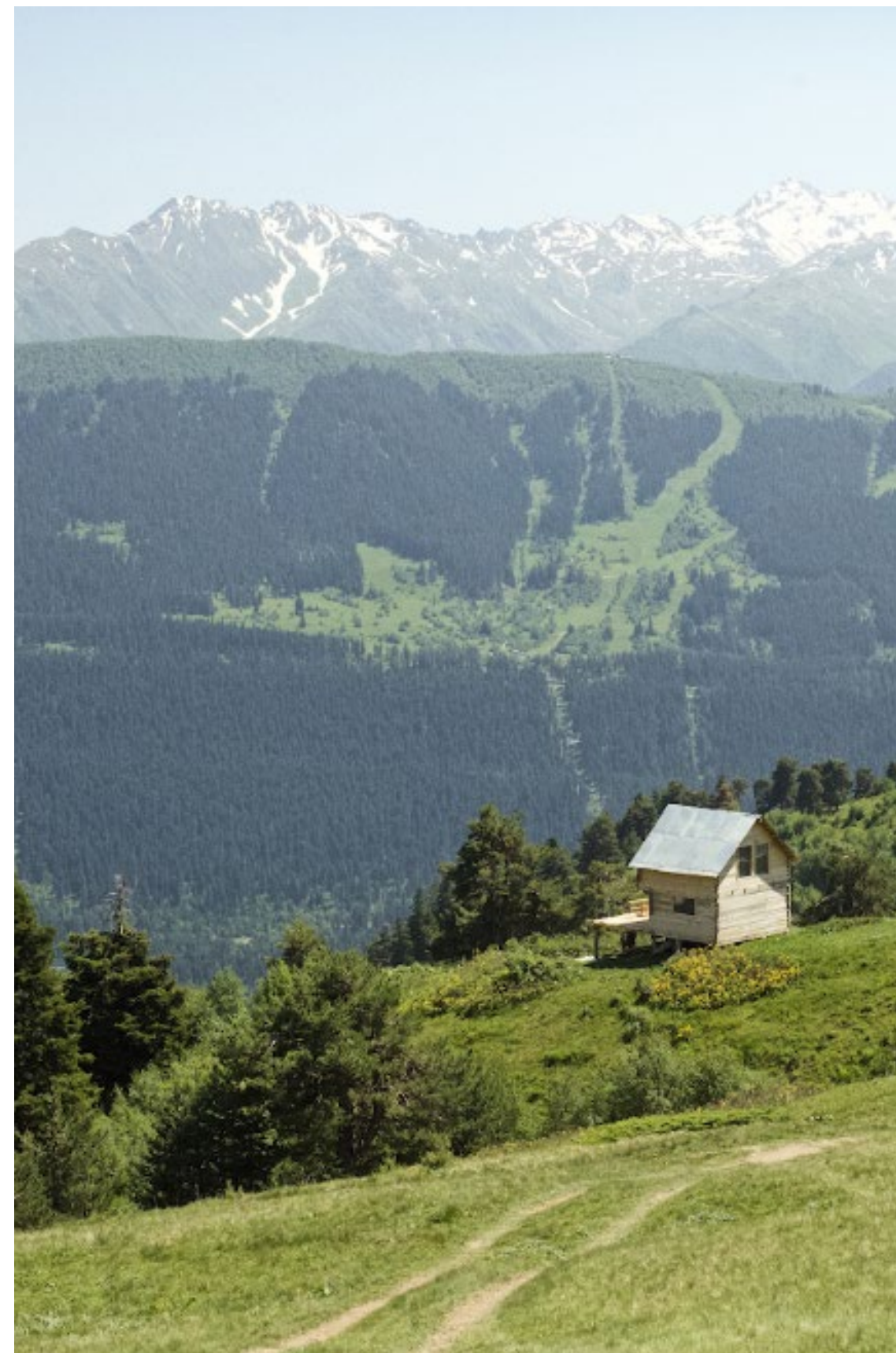
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The Environmental and Social Risk Management Team developed the policy, with the active participation of the Corporate Lending, Small and Medium Enterprise, Credit Risk Management, Logistics, Operational Risks and Compliance Departments. Top management was also actively involved in the process, and has reviewed and approved the policy.

In addition to this policy, we have elaborated additional policies and procedures that regulate the environmental impact of specific activities, such as the Waste Management Manual, the Green Procurement Recommendations, TBC Bank's Procedure for addressing external Environmental & Social queries and concerns, and others.

Our Environmental Policy is publicly available at: www.tbcbankgroup.com.

TBC Bank has a dedicated Environmental and Social Risk Management (hereafter ESRM) Team, which is comprised of three full-time employees. Our ESRM team is responsible for overseeing the implementation and operation of our EMS across the Group. It provides assistance to our subsidiaries on environmental and social issues and conducts trainings on a regular basis. It is also accountable for reporting environmental management plans and results to the Environmental Committee at least three times a year. Our ESRM team is part of the Corporate Credit Risk Department, which reports directly to the Chief Risk Officer.

Management Approach

An Environmental Action Plan is developed annually and includes activities and projects to be implemented Group-wide during the year.

Our top management is actively involved in implementation of the Environmental Policy. The Environmental Committee meets a minimum of three times a year and at least one representative of the Board of Directors always participates in it. In 2022, three committee meetings were held. At the Group level, environmental topics and policy implementation are coordinated through the production of the annual Greenhouse Gases Emission Report. Based on the results, respective action plans for the coming year(s) regarding resource usage and decreasing direct impact on environment are developed.

The Environmental Management System efficiency is assessed annually by the Internal Audit Department.

Risk Management and Legislative Compliance

Based on activity specifics, the direct and indirect environmental impact of the company is identified and corrective measures and action plans are developed.

TBC regularly monitors compliance of its activities with legislative requirements. Annually, compliance status is assessed based on the mandatory Environmental Legal Check document. This document describes all those environmental issues that are specific to company business activity and regulated by legislation. The Environmental and Social Risk Management Group is responsible for document renewal and process control. Starting from 2020, within the framework of the Environmental Policy, the individual Environmental Legal Check documents were developed in subsidiaries and they are subject to annual review and updating, as well.

As per local legislation, TBC Group's activity is not subject to an environmental impact assessment. However, we do identify and assess our direct and indirect impact on the environment and society and strive to manage it responsibly through applying preventive and mitigating actions and initiatives.

In 2022, the company had no fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

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TBC ESG AMBASSADORS FOR CLEAN ENVIRONMENT



TBC organized two clean-up events with the public organization "Sadagi".

TBC and the guild of cleaners of Georgia "Sadagi" have organized two cleanup events as part of their cooperation. TBC employees and TBC ESG ambassadors volunteered for cleanup events held in Zestaponi and Tbilisi.

"Sadagi" is a public organization. Its goal is to clean the territories of Georgia and protect its nature. The organization wants to show importance of volunteering and participating in environmental activities. In this way, we can address environmental issues and take care of the environment, nature and people.



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Employee Engagement in implementing the Environmental Policy

TBC Bank's ESRM Group's main motto is "start from yourself". It is very important to ensure that employees have a sufficient level of awareness, motivation, involvement and participation. In order to raise their awareness, our Environmental and Social Risk Management Group regularly holds trainings and discussion meetings. In that regard, an Environmental and Social training program was developed, which includes:

- Training for new employees;
- Green Lending training for credit staff;
- Annual mandatory online EMS e-learning course for all staff, followed by a self-evaluation test.

In 2022, 97% of all staff including the executive management of TBC successfully passed online course and a self-evaluation test about TBC's EMS.

In 2022, several Green Lending training sessions were held and 91 employees were trained, including SME Credit experts, MSME Credit Risk Managers and Business SME Lending/Sales Coordinators.

For better and effective communication, the video was created that briefly describes TBC's EMS, structure and approaches. It is used both for training with staff and for meeting with partners and stakeholders.

Information about our internal environmental activities, projects, environmental reports and news is available for each employee via the internal network (TBC Intranet) and e-mail.

HOW WE MANAGE OUR DIRECT ENVIRONMENTAL IMPACT

TBC Bank has reviewed all the operational activities, procured items and outsourced services that it can control (present and planned) and has identified all the material environmental aspects relevant to the business. These are sub-categorized into indirect and direct environmental aspects, analyzed based on a comprehensive scorecard and managed accordingly.

TBC Bank has established a comprehensive internal environmental system to manage and report its GHG emissions within the Group and is committed to reducing its GHG emissions by closely monitoring its consumption of energy, water and paper.

In order to evaluate the significance of impact for each of the categories, we have elaborated a comprehensive evaluation methodology and applied it to the whole Group. Based on this, an evaluation company decides the significance of impact, defines annual goals and elaborates specific initiatives and programs to reach them.

As a result of the 2022 GHG emissions count, annual environmental action plans tailored to their business specifics have been defined for the subsidiaries as well which cover resource efficiency, GHG emissions reductions and relevant KPIs.

Calculation Methodology

For the GHG inventory, the following steps have been set: defining organizational boundaries, operational boundaries, gathering data and calculation of carbon dioxide (CO₂) equivalent. This report describes all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 (Scope 1 and 2) and, in addition, the emissions under Scope 3 that are applicable to the business. In preparing the emissions data, the emissions factors from the UK Government's Greenhouse Gas Conversion Factors for Company Reporting 2017 and National IPCC emission factors for electricity (tCO₂*/MWh) were used. The required data was collected and a report developed for the boundaries of TBC PLC's main activities, as follows:

Scope 1 (combustion of fuel and operation of facilities) includes emissions from the combustion of natural gas, diesel and/or petrol in equipment at owned and controlled sites; and the combustion of petrol, diesel fuel, natural gas, etc. in owned transportation devices;

Scope 2 (purchased electricity for own use for lighting, office appliances, cooling, etc.) includes emissions from used electricity at owned and controlled sites; to calculate the emissions, the conversion factor for National IPCC emission factors for electricity (tCO₂*/ MWh) was used;

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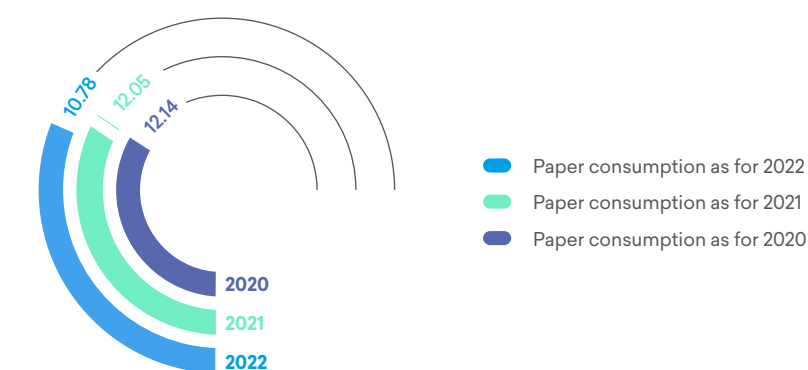
Scope 3 includes emissions from air business travels (short haul, medium haul, long haul and international haul); it should be noted that information on the travel class was considered and an "economy class" conversion factor was used for the emissions calculation from the following link: www.atmosfair.de.

Material Usage - Paper

Based on the specifications of the company activity, a significant share of materials used is represented by paper usage. TBC strives to decrease its impact through various projects and digitalization initiatives.

Compared to previous year, paper consumption per person in reams on a group-wide is decreased by 10% due to the increase the number of staff within the group.

PAPER CONSUMPTION PER PERSON IN REAMS (TBC PLC)



Target: for the year 2023, it is planned to control the paper usage increase below 4%.

PAPER RECYCLING

Since 2015, TBC Bank has contracted a company for paper recycling. TBC delivered more than 250 tons of paper for further processing.

The company produces household paper.

Energy Usage

Energy usage is one of the most significant sources of our environmental impact. It is represented by electricity consumption for premises and equipment, the usage of heating and cooling systems, transportation and more. In 2019, the Bank implemented controls on purposeful and sustainable consumption of energy. In TBC Bank, we use energy-efficient LED lighting and operate energy efficient heating and cooling systems in our offices. Furthermore, we optimized the lighting during the non-working hours and reduced the lighting in our branches.

TBC Bank operates green car fleet, which is comprised of electric and hybrid vehicles.



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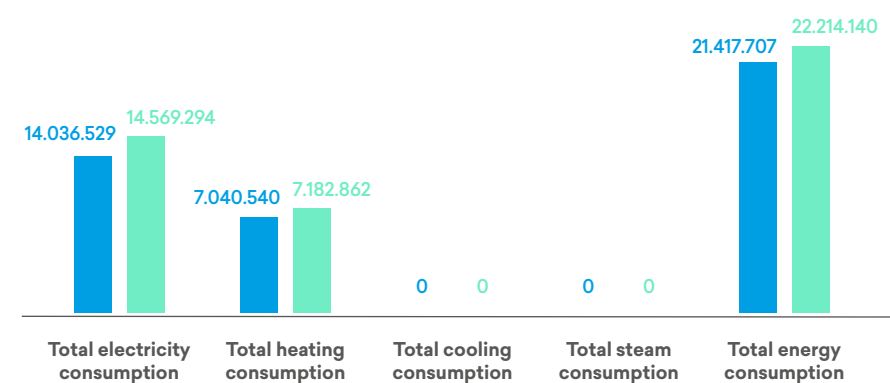
Energy Consumption data

Measured in kW/h

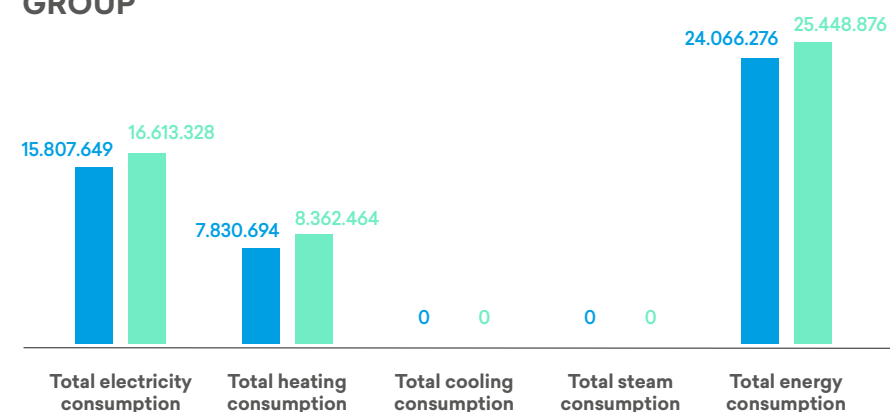
Energy Consumption 2021

Energy Consumption 2022

TBC BANK



GROUP



Energy consumption was increased by 2% for the whole Group in 2022, including electric energy, heating systems and fuel for generators.

Total electricity consumption of TBC Bank Group PLC in CO₂ was increased by 13%. This was mainly driven by the introduction of the new data centre premises equipped with special ventilation and air-conditioning services leading to the additional emissions of 532,765 kWh per year (equivalent to 50 080 kgCO₂/y).

Target: for the year 2022, it is planned to control the energy usage increase below 6%.

Water

The efficient and sustainable usage of water is described in the Environmental Policy document and is applied to the whole Group. Water consumption also is regulated by our Code of Ethics.

Water consumption in 2022 reached 82 147 m³ Group-wide (TBC Bank – 65 998 m³; others – 16 149 m³). Water consumption in 2021 reached 82 567 m³ Group-wide (TBC Bank – 69 522 m³; others – 13 045 m³).

In order to implement the efficient and sustainable consumption of water, various initiatives were launched in cooperation with different departments. Awareness raising activities were held.

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In 2022, the water consumption per employee decreased by 11% year-on-year compared to the 2022 target level to control the water consumption increase below 1.5%.

Target: It is planned to control the water consumption increase below 2% in 2023.

GHG Emissions

We pay special attention to greenhouse gas emissions and try to strengthen our contribution to decreasing greenhouse gas emissions. This subject is addressed in the TBC Group Environmental Policy document.

TBC greenhouse gas (GHG) emissions derive mostly from the following sources: vehicles, international flights, electricity generators, air conditioners and cooling systems, heating systems, computer accessories, ATMs, electronic waste, masts and inverter batteries.

TBC Bank has established a comprehensive internal system to manage its GHG emissions within the Group. The guidelines for documenting environmental data were developed and responsible staff was assigned in subsidiary companies to collect and provide the required data. TBC Bank also commissioned an independent Health, Safety, Environment (HSE) consulting company to verify the measurements of its GHG emissions. It is to note, that the Group is a low energy user in the United Kingdom and does not consumer more than 40,000 kwh of energy.

A Greenhouse Gas Emissions Report is produced annually Group-wide and is verified by G&L Management LTD, an independent Health, Safety and Environmental (HSE) consulting company. Based on the report, goals and annual action plans are being developed.

Scope 1 Emissions

Scope 1 - (combustion of fuel and operation of facilities) includes emissions from the combustion of natural gas, diesel and/or petrol in equipment at owned and controlled sites, and the combustion of petrol, diesel fuel, natural gas, etc. in owned transportation devices.

TBC's direct GHG emissions in 2022 amounted to 3,360 tons of CO₂.

Scope 2 Emissions

Scope 2 - Purchased electricity for own use (lighting, office appliances, cooling, etc.) includes emissions from used electricity at owned and controlled sites. To calculate the emissions, the conversion factor for National IPCC emission factors for electricity (tCO₂*/ MWh) was used.

TBC's gross market-based energy indirect GHG emissions reached 1.934 tons of CO₂. Emissions in the base year equaled 1,712 tons of CO₂.

Total electricity consumption of TBC Bank Group PLC was increased by 13%. This was mainly driven by the introduction of the new data centre premises equipped with special ventilation and air-conditioning services leading to the additional emissions of 532,765 kWh per year (equivalent to 50 080 kgCO₂/y).

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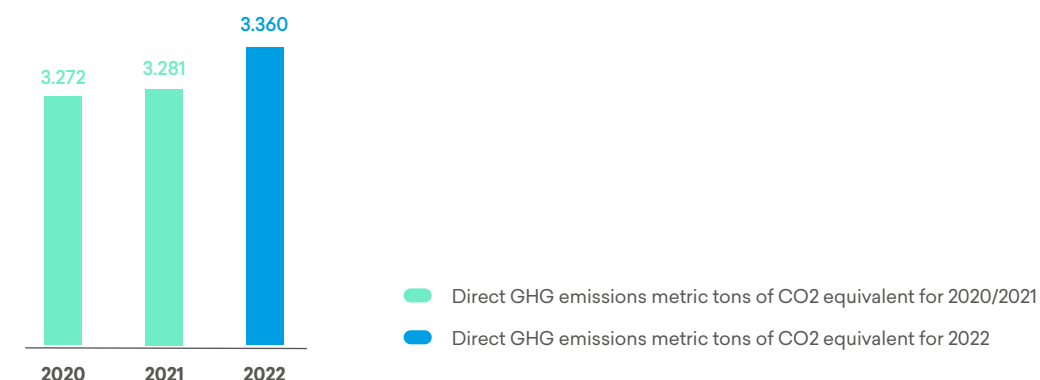
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Direct GHG emissions metric tons of CO₂ equivalent

Gross direct (Scope 1) GHG emissions

GROUP



Scope 3 Emissions

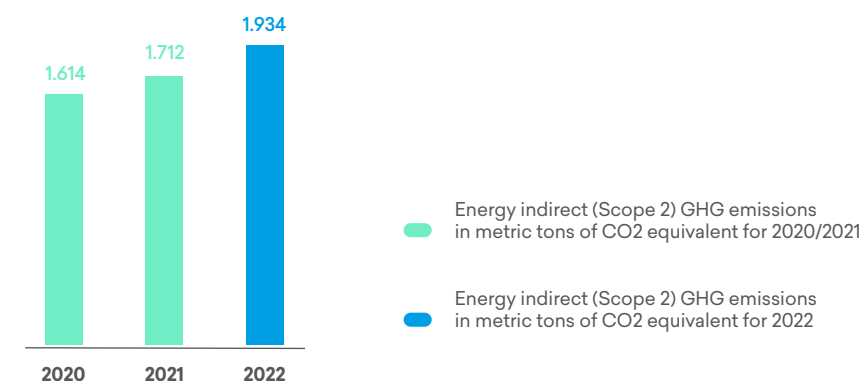
Scope 3 - includes emissions from air business travel (short haul, medium haul, long haul and international haul). It should be noted that information on the travel class was considered and an “economy class” conversion factor has been used for the emissions calculation from the following link: www.atmosfair.de.

Total scope 3 emissions constituted 778 tons of CO₂ (the gases included in the calculation were CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃). Base year emissions constituted 72 tons of CO₂. In 2022, business flights went back to normal after a considerable slowdown in previous year due to COVID-19 pandemic.

Energy indirect GHG emissions, metric tons of CO₂ equivalent

Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent. Gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent

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In order to calculate the GHG emissions deriving from business trip flights, the detailed route of each trip (including transfers between international flights), the type of flight class (first, business, and/or economy), and the number of persons on each business trip were taken into account.

Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source -www.atmosfair.de.

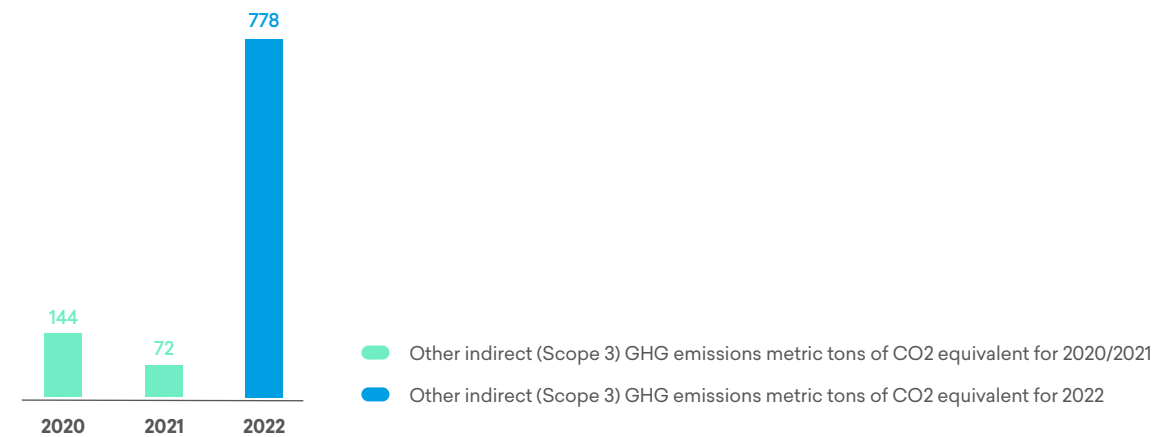
Other Indirect Scope 3 Emissions

Overall, in 2022 GHG emissions increased by 1 007 000 kg of CO₂ group-wide and increased by 638 000 kg of CO₂ bank-wide.

Generally, the Group increased total GHG emissions due to flights and electricity consumption. In addition, staff number grew during the year by 600 employees.

Other indirect (Scope 3) GHG emissions metric tons of CO₂ equivalent

GROUP



Consumption Targets 2023

GROUP

total GHG emissions (CO2) (Tonnes) and KPIs (increase)		
	2022	2023
Scope 1 - Fuel Combustion (heating, vehicles, generators)	Below 4%	Below 6%
Scope 2 - (Electricity consumption)	Below 2%	Below 7%
Total emissions (tCO ₂)	Below 3%	Below 6%
Total emission per full time employee (CO ₂ t/pp)	Below 3%	Below 6%
Water consumption per employee (m ³ /pp)	Below 1.5%	Below 2%
Printing paper per person in reams	Below 0.4%	Below 4%

Intensity Ratio

According to the LSE and investor requirement, we calculated Intensity Ratios in line with Stream-lined Energy and Carbon Reporting (SECR):

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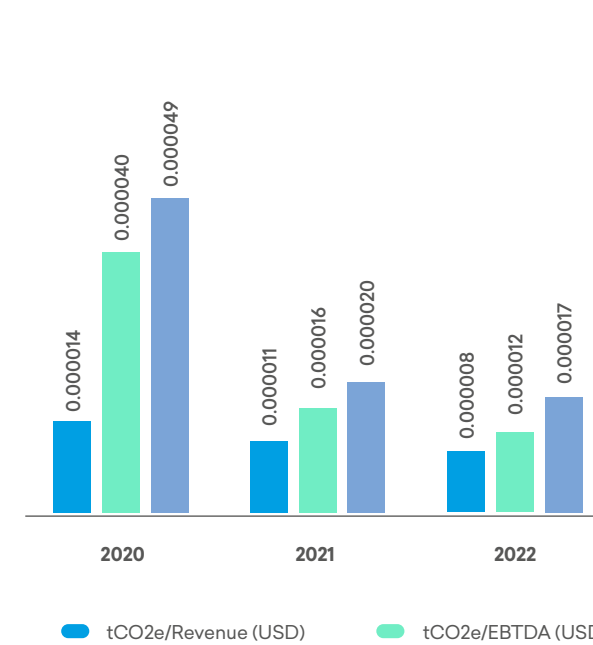
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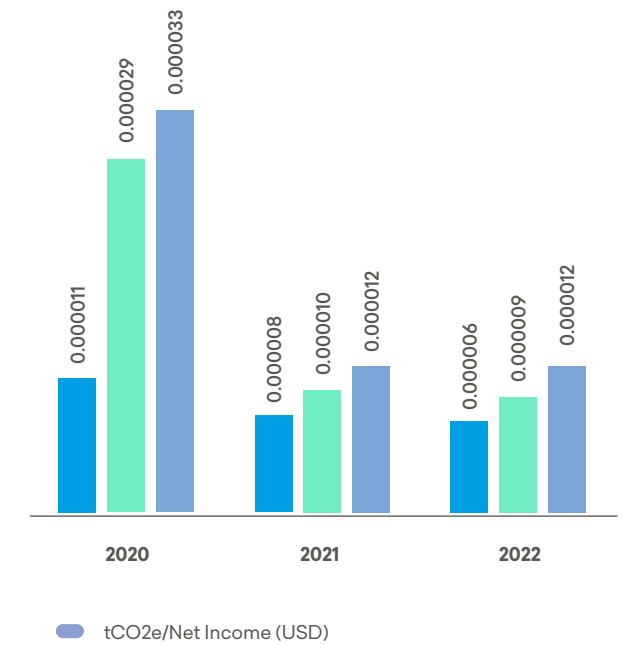
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TOTAL CO₂ INTENSITY RATIOS TBC PLC (TONS)



TOTAL CO₂ INTENSITY RATIOS TBC BANK (TONS)



Waste

TBC Bank operates a waste management system. The Waste Management Manual defines the key standards and recommendations for managing waste in accordance with legislative requirements. It includes waste separation, e-waste and hazardous waste management procedures. The identification of waste-related impacts is done based on legal requirements and standards.

Starting from 2023, plastic recycling project is initiated. Plastic will be collected in TBC Bank branches and Head Offices for further processing.



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PLASTIC RECYCLING

To celebrate the Earth Day on April 22, TBC and the company “Polyvim” started a long-term cooperation. Within the framework of the partnership, TBC, with the involvement of customers and employees, started collecting plastic waste and transferring it to “Polyvim” for further recycling. The goal is to reduce plastic waste, create value-added products, and promote the development of a circular economy in Georgia.

“Polyvim” collects, sorts and processes used plastic waste in accordance with international standards. As a result of several stages of plastic processing, a high-quality fiber fabric is obtained, which can be used in such industries as, for example, sewing clothes and making things.

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TBC

POLYVIM LLC
შპს პოლივიმი

#TBCFORENVIRONMENT

TBC started collecting plastic waste for recycling.

Plastic waste collection bins are located at 19 locations - TBC Bank branches and head offices.



RESPONSIBLE EMPLOYER

Policy and Management Approach

- Management Systems
- Grievance Procedure
- Informing Employees about the Grievance Procedure
- Submitting Complaints/Grievances
- Investigation in HR
- Number of Incidents

Our Employees

Diversity and Equal Opportunities

Salary and Benefits, Employee Social Protection

Family Friendly Bank

“Tibiselebi” Fund – Employees Supporting Each Other

Employee Safety and Health, Professional and Occupational Sickness Prevention

Work Climate, Employee Motivation and Engagement

- Satisfaction and Happiness Research

Talent Management (Recruitment, Trainings, Professional Development and Leadership)

- Recruitment
- Performance Review
- Career Development
- Startup-leave



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RESPONSIBLE EMPLOYER

TBC is one of the largest employers in the country. As of the end of 2022, TBC Bank employed 7,706 people. The total number of TBC Group employees is 10,267. We understand how our corporate culture and employment policy impact the well-being of our employees, their families and society as a whole.

We strongly believe that people are vital capital for TBC. With an effective Talent Development framework, we support TBC's strategy and create maximum value for both business and employees. Talent Acquisition aims to fulfil organizational needs by finding top talent and convincing them to bring their unique skills to TBC Group. For TBC to become tech-driven organization it is important to develop Tech Talent and Capability and make the company an attractive place for tech people.

We are focused on driving superior customer experience and delivering the best commercial outcomes for our customers, being the best employer in the country, supporting the technical transformation of the Group, increasing leadership capabilities and achieving a high level of engagement among employees.

Our employees are one of our most valuable assets and one of our most important stakeholders. Our business success depends on them. It is our responsibility to create a system that is capable of attracting and keeping the best people, developing their talents and professional skills, cultivating team spirit and nurturing a corporate culture that supports employee happiness, engagement and, company success.

For TBC, having a sustainable and successful business means treating all employees equally and fairly, supporting and coaching them throughout their whole career. We provide a safe work environment free from any kind of discrimination in which every employee is valued, respected, and treated equally regardless of race, colour, sex, language, age, citizenship, origin, place of birth, place of residence, social or property status, profession, religion or belief, nationality, ethnicity or social belonging, profession, family/marital status, health, disabilities, sexual orientation, gender identity and expression, political opinion or other beliefs.

In 2022, the Board of Directors approved the Diversity, Equality and Inclusion Policy (an upgraded version of the Gender Policy dated 25th of November 2021), which sets targets and establishes a methodology to advance diversity, equality, and inclusion, integrating its approach into the operations of the company and focusing on diverse areas including gender, multicultural, multigenerational and disability backgrounds.

The Diversity, Equality and Inclusion policy ("the Policy"), institutional structures and respective initiatives support company's approach which sets targets and establishes a methodology of advancing diversity, equality and inclusion, and integrating its approach into the operations and management processes of the company, focusing on diverse areas including gender, multicultural, multigenerational and disability backgrounds.

We remain committed to having a gender-balanced workforce through a workplace environment and culture that supports and empowers women. 71% of employees at TBC Bank are women while the share of women in senior roles is 36% (36% in 2021). Starting from 2023, the agile managerial positions - Product Owners and Chapter Leads will be included in the calculations of the Middle Management in order to reflect the organisational transformation and structure in the Bank. As of 31 December 2022, the representation of women in newly classified middle managerial positions stood at 41%.

We treat our employees with the utmost respect and strive to offer them a fair and diverse environment, in which people feel valued and have the motivation to realise their full potential and perform to a high standard. We plan to further improve the gender balance at the managerial level.

We launched a leadership school in 2021, which aims to identify top talent within the company and support their development. Within the scope of this programme, we introduced an extensive leadership programme for middle management, in partnership with a leading international training com-

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pany. This programme includes four modules: a strategic mindset, managing change, cross-functional trust, and leadership. Going forward, we plan to introduce tailored development programmes for selected candidates and offer targeted rotations to expand the required skill sets. Eight courses have already started at the Leadership Academy so far, from 2021 to 2022 the number of participants is 120, including 55% of women.

We also have a good mix of people comprised of employees with extensive working experience and across different age groups. We have a diverse recruiting process to ensure the recruitment of bright talents with innovative and fresh ideas who have just graduated from top universities in Georgia and abroad. We believe that age diversity creates more dynamic and higher-performing teams leading to better results.

Staff Categories	2020			2021			2022			2022 – subsidiary*		
	20-30	30-50	>50	20-30	30-50	>50	20-30	30-50	>50	20-30	30-50	>50
Front Office	61%	37%	1%	59%	39%	1%	56%	41%	1%	71%	23%	0%
Back Office	47%	49%	4%	45%	51%	4%	42%	52%	5%	49%	42%	1%
Middle Management	4%	92%	4%	3%	90%	7%	3%	92%	5%	18%	77%	5%
Technical Staff	59%	38%	3%	41%	56%	4%	54%	40%	3%	23%	66%	11%

*Subsidiaries: TBC UZ, Insurance, Leasing, Pay, UFC, Space, Capital

During 2022, our main priorities were: talent acquisition and development, performance management, engagement and motivation, as well as ensuring equality and diversity.

Post COVID-19, we introduced hybrid working arrangements, allowing our employees to work from wherever they choose. Today, most of our back-office employees work outside the office, which has resulted in higher employee satisfaction levels and increased efficiency across the Group.

Importantly, this initiative not only resulted in improved employee satisfaction levels, but also increased efficiency across the Group. In order to maintain close contact with our employees in this new digital reality, our senior management regularly holds online meetings with employees to update them regarding the Group's achievements and future plans, and address any concerns that they might have.

In addition to above mentioned, our target was to fulfill hiring of tech profiles, specifically with middle and high seniority levels. Taking into consideration, that demand of tech profiles is high, however we have scarcity of talents in the Georgian market, our hiring strategy moved to international staffing. For that reason, we have contracted several international headhunting companies over the world, in addition to work of our experienced recruiters. As of December 2022, we have 29 active international tech professionals.

Last year was active for the company in the scope of recruitment, as was updated and reviewed recruitment policy and procedure, that covers equal employment opportunities requirements, operational risks and compliance teams policies in the frame of external and internal hiring, ensures a smooth process flow, that at the end should cover the best results for the company and candidates itself. Team has finalized successfully implementation of the new ATS (Applicant tracking system) which aims to create modest and comfortable working environments for the applicants and all stakeholders, involved in the hiring process. Finally, the number of TBC staff members grew by 458.

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POLICY AND MANAGEMENT APPROACH

TBC is committed to running a business that promotes high ethical standards and values, respects human rights, cares about the environment and community and encourages its employees to act with integrity and responsibility towards each other and other stakeholders. Relationships at work are regulated by our Code of Ethics, Code of Conduct, and a range of policies and procedures. The key policies are: the Remuneration Policy, the Human Rights Policy, the Disciplinary Sanctions Policy, the Employee Confidentiality Policy, the Anti-Harassment Policy, the Complaint Policy, Incident Management Policy and the Diversity, Equality and Inclusion Policy. Relevant procedures and instructions include the New Employee Hiring Procedure, the Vacation Procedure, the Procedure on Engaging in Other Business Activities, the Parental Leave Procedure, the Employee Learning Co-Financing Procedure and others. These policies and procedures ensure that employee relationships are aligned with local legislation, international standards, and best practices. Therefore, the processes are carried out in accordance with the policies. These HR policies apply to the Bank. In 2021, TBC Bank's human capital management team started working on harmonizing policies and procedures across the whole of TBC Group. TBC works to integrate Bank's policies in the operation of the Group's subsidiaries. Furthermore, the employees of the subsidiaries will be trained to have a clear understanding of the importance and the objectives of these integrated policies. In 2022, the bank started sharing mandatory trainings with TBC Group in order to raise awareness about processes and harmonize the procedures. We strengthen our culture by collaborating with different departments. We continue together to enhance effective management and consider the relevant tools and governance in decision-making processes, focused on the continuous improvements within the group governance and management processes.

We remain committed to workplace diversity and inclusion. To expand our approach with more gender-focused topics, we elaborated a Gender Policy, based on the Women Empowerment Principles (WEPs), which offer guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace and community. This policy is implemented by detailed action plans. In 2021, we elaborated a Gender Action Plan in partnership with UN Women. The Gender Action Plan was developed in accordance with the WEPs and contains clearly defined indicators, with designated units for the implementation of each activity. In 2022, furthermore, to include and address broader range of issues, the Gender Policy was expanded and became a Diversity, Equality and Inclusion Policy, considering other priority areas of the policy, which are multicultural, multigenerational and disability backgrounds.

In addition, in 2022, we have introduced an Employee Discrimination, Violence and Harassment policy and a Health safety and Environment policy at the Bank level and plan to introduce these across the Group going forward.

The policy applies to all employees, customers and all persons with whom employees have a relationship to provide services. The policy covers rules and detailed procedures in cases of violence defined as physical and/or mental violence committed by a person while receiving any service, as well as the threat of damage to a person or property, other forms of violence, verbal abuse, psychological pressure, sexual harassment, etc. The policy establishes a committee which is responsible for reviewing the cases and decision-making, including cancelation of services, if it is deemed to appropriate. The policy is important for the Group, as an employer, to provide a safe and secure environment for employees, both in the front and back office.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office



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A secure work environment is where employees feel secure and appreciate a secure space, company values, and a positive co-working environment that energizes respect for everyone.

Management System

Our management system aims to create mechanisms that efficiently comply with company policies and relevant legislation. Incidents and non-compliance are monitored through a range of channels and tools. Because our company is constantly evolving, more and more information needs to be processed and consolidated. The Human Resource Management System (HRMS) enables us to collect, store and process very large amounts of information, which is used by the Human Capital Department in decision-making. It allows the company to keep track of all its employees and employee data, as well as information on benefits, such as enrollment and status changes.

In 2023, we are pleased to announce that we are in the process of implementing a new Human Resource Management System (HRMS) to provide better employee experience. The new system will help us to develop new payroll system, self-services and other customizations, which is expected to enhance our HR processes and provide better visibility and access to HR information. In 2021, the Human Capital department implemented an electronic confirmation process for employee contracts. An electronic confirmation process for employee contracts involves using digital methods to streamline the process of confirming and signing employee contracts. This process eliminates the need for paper-based contracts, which can be time-consuming and prone to errors. We believe that this is a very important breakthrough, as the process is faster, transparency is increased, compliance and data integrity is improved, and associated costs are reduced. Even in 2022, the electronic confirmation process is working very efficiently.

Grievance Procedure

We have implemented a Grievance Procedure and provided a grievance mechanism for employees to raise workplace related concerns. This procedure is linked to the Bank's Code of Ethics and Code of Conduct, as well as its Incident Management Policy. According to these procedures, every employee is eligible to provide information about incidents, either openly or anonymously, including any kind of harassment, be it moral, physical or psychological. Therefore, employees have the opportunity to freely report existing problems.

Informing Employees about the Grievance Procedure

The Grievance Procedure and the Incident Management Policy are mandatory documents, which every employee has to be familiar with. We ensure this through the following actions: 1. Each new employee welcome package includes these documents, together with other important policies and procedures. 2. New employees have classroom trainings in which the Incident Management Policy and the Grievance Procedure feature as one of the key topics. 3. Any changes to the Incident Management Policy or the Grievance Procedure are delivered to all employees by e-mail. 4. These documents are available on the intranet to all employees of the Bank. 5. Employees are regularly tested on the Incident Management Policy.

When it comes to informing employees about the grievance process, it is important to provide clear and concise information to ensure that employees understand their rights and the steps they need to take to file a complaint or grievance.

By informing employees about the grievance process, we can help create a positive work environment that is fair and respectful. It can also help prevent misunderstandings and conflicts by providing a clear and transparent process for employees to voice their concerns.

Submitting Complaints/Grievances

Employees can submit complaints verbally or in writing through an open or anonymous letter to the HR manager, HR team, or their own management. They are highly encouraged to report incidents of harassment, discrimination, or other grievances without delay to ensure their quick processing. The anonymous channels for submissions are:



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- Anonymous Hotline: +995 32 2 27 27 27 *1998
- Anonymous website: <https://www.tbcbank.ge/web/ka/web/guest/anonymous-hotline>
- Anonymous letter: Incident_Compliance@tbcbank.com.ge

Incidents related to money laundering, terrorism financing, related party transactions, trades based on insider information, Code of Ethics breaches and legislative regulation breaches are reviewed by the Compliance Department. If an incident relates to employee harassment, or physical, moral, or psychological pressure, the HR team manages the case, in cooperation with the Compliance Department.

Incidents related to fraud, falsification, and conflicts of interest are transferred to the Operational Risk Management and Security team.

Incident Management by HR

The examination prepare starts instantly after an occurrence is identified. When a case is mysterious, the complainant cannot be reached. However, in non-anonymous cases, the employee is contacted to specify the details and, in certain cases, is informed about the decision. The HR Manager and/or HR Senior Staff, together with the complainant's line manager (unless the complaint was made against the immediate line manager or the complainant objects to the involvement of the line manager) investigate the complaint (be it harassment or anything else) with the utmost confidentiality. The reason of the starting appraisal is to set up whether the charges are founded and whether there might be a case.

If the complaint is unfounded or unsustainable, the complainant will be informed accordingly and disciplined by HR for unnecessarily bringing a charge against another employee. If there is a case, HR in liaison with the complainant's line manager will decide on further actions in the Grievance Committee, together with the employee or their representative. Depending on the seriousness of the case, things may be brought to the consideration of the senior management. In case this happens, administration manager will take an interest within the Grievance Committee. When complaints are anonymous, HR in liaison with the Head of HR department / Deputy CEO will decide on further actions. Actions could take the form of a verbal warning, a written warning, or other disciplinary actions, including dismissal.

Number of Incidents

There was a total of 89 incidents in 2022 (75 in 2021), 8 of which were send via anonymous channels. They were all related to breaches of the Code of Ethics and the Code of Conduct, and all of them were reviewed and decided upon. Depending on the incident's severity, the Bank took a range of measures: in some cases, this took the form of a discussion with the employee and rotation to another position, while in other cases stricter disciplinary measures were applied. To support our corporate culture, TBC Bank has implemented a whistleblowing policy, which is available to all employees. The policy identifies the rules and conduct required of all individuals working for the Group and defines employee rights and responsibilities. For more information, see Chapter 07, Ethics and Integrity.

OUR EMPLOYEES

TBC Bank is one of the largest employers in the country. At the end of 2022, the Bank employed a total of 7,706 people. For 2021 reporting, we started to collect and report the information from subsidiaries. For 2022, we included with the biggest employers and continue to cover all group companies.

Number of Employees, gender breakdown:

	2020		2021		2022	
	%	Number	%	Number	%	Number
Total	100%	6,659	100%	7,310	100%	7,706
Female	70%	4,680	71%	5,200	71%	5,471
Male	30%	1,979	29%	2,110	29%	2,235

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Number of Employees, contract type and gender breakdown:

Employees	2020		2021		2022	
	%	Number	%	Number	%	Number
Short term contract		1,062		1,104		981
Female	86%	912	84%	931	83%	815
Male	14%	150	16%	173	17%	166
Long term contract		5,597		6,206		6,725
Female	67%	3,768	69%	4,269	69%	4,656
Male	33%	1,829	31%	1,937	31%	2,069

Compared to 2021, the number of employees with long-term contracts increased in 2022. We believe that switching from a short-term to a long-term contract is beneficial, when an employee brings essential knowledge and value to the company. Overall, switching from a short term to a long-term contract can provide a range of important benefits for both individuals and businesses, including greater stability, cost savings, improved relationships and investment. Therefore, we view the increase portrayed in the table above as a positive change and aim to increase it more, thereby strengthening our commitment to the rights, safety, and well-being of our employees.

Number of Employees, full time/part time employment breakdown:

Employees	2020		2021		2022	
	%	Number	%	Number	%	Number
Full time		6,555		7,192		7,571
Female	70%	4,580	71%	5,092	71%	5,350
Male	30%	1,975	29%	2,100	29%	2,221
Part time		104		118		135
Female	96%	100	92%	108	92%	121
Male	4%	4	8%	10	8%	14

Number of Employees, Tbilisi/Region breakdown:

Front	2020		2021		2022	
	%	Number	%	Number	%	Number
Employees						
Total	100%	3,976	100%	4,345	100%	4,410
Tbilisi	65%	2,592	66%	2,851	66%	2,803
Outside the capital	35%	1,384	34%	1,494	34%	1,607
Back / Head Office						
Employees						
Total	100%	2,683	100%	2,965	100%	3,296
Tbilisi	94%	2,525	95%	2,812	95%	3,136
Outside the capital	6%	158	5%	153	5%	160



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DIVERSITY AND EQUAL OPPORTUNITIES

Our corporate culture values the individual differences of our employees, business, and society. We treat all employees equally and fairly, supporting and coaching them to succeed. We understand that ensuring equal opportunity in all areas of human resources management such as selection, promotion, training, and development are critical to retaining employee engagement and satisfaction across our workforce. We understand that recognising and harnessing the advantages of diversity in the workplace enables our employees to achieve their full potential, contributing to a successful business.

To mainstream gender equality and women empowerment, we have set different goals last year. In effort to achieve the planned goals, we developed a group-wide Diversity, Equality and Inclusion Policy and action plan that identify specific priority areas where further enhancement can be made; in our ESG Strategy, we established company-wide goals and targets to support gender equality, women's empowerment and employee diversity and measure progress through clear performance indicators;; we started to widely communicate the gender equality and employee diversity strategy and goals to staff and a wider audience; we advocate for gender equality, employee diversity and women's empowerment and promote the company's commitment in public forums; we take a proactive role in promotion of women to management positions to reduce the gender pay gap; we collect, analyze and report sex-disaggregated data; through various platforms, we regularly train staff on discrimination, sexual harassment, domestic and gender-based violence topics; we aim to establish support services for survivors of violence and harassment; we create a suitable infrastructure in our branch offices to employee persons with mobility disabilities; and report annually on progress in the implementation of the Women's Empower. In this chapter, we will discuss the results of the listed activities in detail, portray our progress towards achieving the goals set in the previous report and describe the implementation process and the faced challenges.

Committing to gender equality: To express support for advancing equality between women and men, in August 2021, TBC Bank signed the Women's Empowerment Principles (WEPs) and started integrating them into the gender equality and employee diversity strategy. The WEPs are a set of principles offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace, and community. By becoming a signatory of the WEPs, we are committed to using working practices that empower women and men equally through creating a safe, decent, and inclusive environment for them. In addition, we regularly inform our employees and the community about the process of integrating WEPs in the company's operations and the progress made towards their implementation. We use internal and external communication channels to disseminate information on gender mainstreaming activities among our employees and a range of other stakeholders.

Partnership for women empowerment: In 2022, TBC became the first company in Georgia to sign a strategic partnership memorandum with UN Women. The strategic partnership has the following strategic directions: supporting women's professional development; supporting women-owned and women-led entrepreneurship in urban and rural areas; enhancing women's and girls' upskilling and employment in information and communication technologies (ICT); capacity development of TBC management and staff; and public awareness-raising on gender equality. Within this partnership, TBC participated in different projects and initiatives aimed at women empowerment, including supporting women entrepreneurs, training women in ICT areas, training employees on diversity and equality and raising public awareness on gender equality and women empowerment.

TBC is committed to the highest standards of corporate governance and aims to develop an organizational culture that respects and supports human rights in all its undertakings. In 2022, we developed Human Rights Policy, which provides an overview of TBC's commitment to respect human rights and outlines how TBC applies human rights principles in its activities and relationships with stakeholders, with respect to its various roles: employer; provider of products and services to its clients; corporate citizen in the communities it serves; partner of local and international organizations.

To mainstream diversity, gender and inclusion and strengthen our efforts toward integrating the WEPs in our business, we have developed a Diversity, Equality, and Inclusion Policy (DEI Policy), which was approved by the Board of Directors of TBC Bank Group PLC in September 2021. Through this policy, TBC emphasized the importance of gender equality and the empowerment of women and girls in the sustainability of the company and its stakeholders, including customers, employees, suppliers, partners, and the community.



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WEPs - Principle 1

Create high-level corporate leadership for gender equality

Our contribution to WEPs 1: The Risk Committee, Corporate Governance and Nomination Committee and ESG and Ethics Committee assist the Supervisory Board in monitoring and evaluating compliance with DEI Policy by the Management Board of the TBC Bank. The ESG Committee supports the Management Board in the implementation process. The ESG Coordination Department / ESG coordinator integrates diversity, gender and inclusion mainstreaming among involved parties, identifies opportunities for improvement, provides knowledge, and leads the competence center for ESG (diversity, equality, and inclusion) topics. To ensure timely and proper implementation of the action plan and its coordination with the WEPs, TBC has a full-time employee as a Diversity and Gender Specialist, who coordinates diversity, gender and inclusion-related action plans, the monitoring and evaluation of diversity, gender and inclusion-specific projects, initiatives, and research.



WEPs - Principle 2

Treat all people fairly at work, respecting and supporting non-discrimination and human rights

Our contribution to WEPs 2: As a leading financial institution and one of the largest employers in the country, we understand our influence and responsibility in terms of employment. We commit to creating an inclusive workplace culture and remove gender-based discrimination from all policies, practices, and daily operations. Our effort starts with the recruitment process as we strive to pay attention to the communication used in vacancy announcements, and application forms to attract a diverse range of applicants. The candidate evaluation and selection process are based on fairness, transparency, and applicants' demonstration of their ability to perform the job as expected. At the interview stage, we aim to mitigate any unconscious bias by having structured interview process and show our commitment to diversity through affirmative approaches. We make sure all candidates are treated equally, are allocated the same amount of time and are informed in advance of all hiring steps in the process.

We also aim to address gender inequalities in so called non-traditional professions by supporting women and girls in boosting their ICT skills through training, internship, mentoring and employment opportunities. As a part of our culture, we promote diversity and do not discriminate against potential and existing employees based on their race, nationality, religion, or disability. Since our employees are citizens of 11 different countries, we ensure a diverse and inclusive working environment for them. We also take special care of our colleagues with disabilities and strive to improve our work environment to make it more flexible. Furthermore, we support them to have the same access to learning, development, and job opportunities.

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WEPs - Principle 3

Ensure the health, well-being and safety of all workers, whether male or female

Our contribution to WEPs 3: We understand that violence of any kind can occur within and beyond the workplace that could impact the well-being of a person negatively. To ensure the health, safety and well-being of all women and men workers, it is crucial to recognize the signs of and eliminate violence and sexual harassment against workers in a timely manner. To this end, in 2021, we developed a training module on sexual harassment for our employees with subsequent testing as a monitoring tool. Since then, our employees are annually tested. It helps our employees to identify and properly address any sign of violence. During 2023, we are developing the training module for security staff and managers to recognize signs of violence against women, human trafficking, labour, and sexual exploitation. We also plan to establish legal and psychological support services for the victims/survivors of domestic violence and inform employees about them, to make sure they feel protected and safe within the environment of TBC.



WEPs - Principle 4

Promote education, training and professional development for women

Our contribution to WEPs 4: Training is a crucial component in supporting equality, diversity, and inclusion. It helps to raise awareness, providing an understanding of the context and issues across a range of topics. It also provides the means to deal with sensitive subjects such as unconscious bias. We understand that an effective and long-term approach to fostering an inclusive workplace culture is cooperation with our employees. To this end, we ensure they receive accurate and comprehensive knowledge and information about equal opportunities and diversity. Therefore, we partnered with UN Women to commence a series of training on gender equality in the workplace, thus contributing to the incorporation of principle 4 of the WEPs: education and training for gender equality.

- In February, March and April of 2022, five online training sessions were conducted for 155 middle managers, regional managers and HR department employees.
- Starting from April 2023, our employees receive weekly face-to-face training sessions on healthy working environment (stereotypes, discrimination and their impact, forms of violence and their identification, the importance of equality and equity in the workplace and in society). We aim to train up to 1700 employees by the end of 2023 and continue until we reach all of them. The session provides theoretical knowledge and information for the participants, allows them to engage in discussion and practical exercises.
- Two face-to-face sessions were conducted for the senior and executive management to discuss gender equality issues in general, women empowerment in the company, and the effective integration of the WEPs in the business.
- All employees receive mandatory training on gender, equality, and diversity issues within training modules on sexual harassment; stereotypes and discrimination; diversity and equality; forms of violence. The modules consist of training videos and materials and their effectiveness is measured through regular tests for the employees elaborated based on the prepared materials within each module. Starting from March 2023, our employees can participate in mandatory training modules on specifically designed education platform. In 2022, three out of five modules were successfully completed by 7085 employees.



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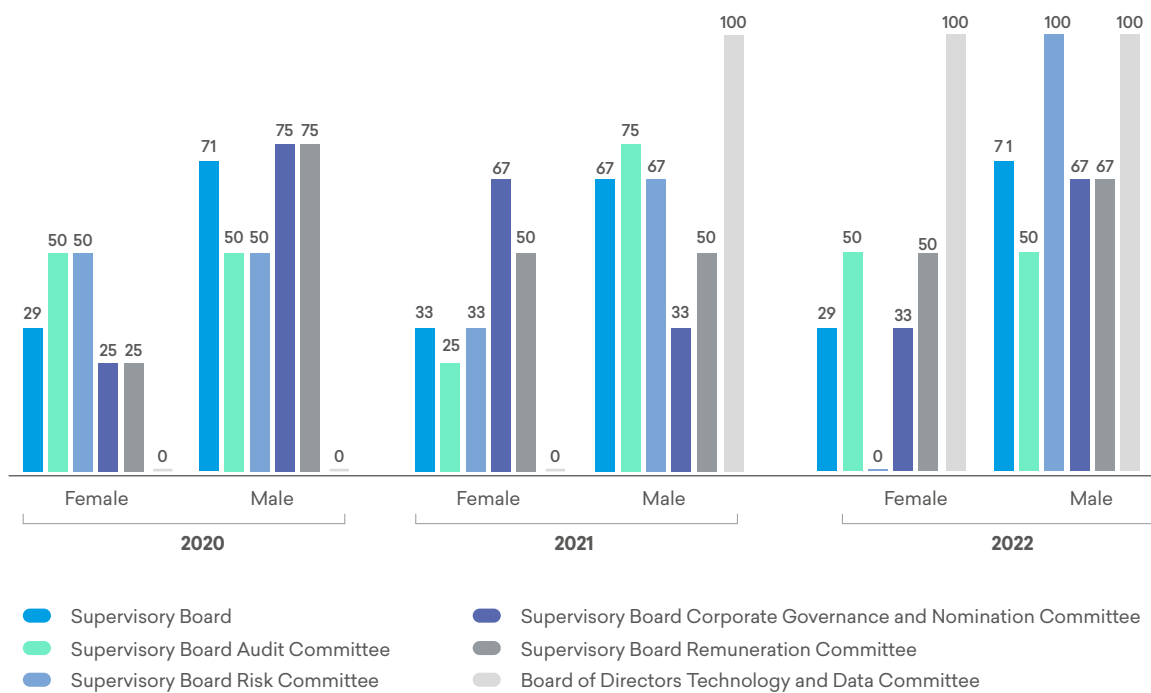
WEPs - Principle 7

Measure and publicly report on progress to achieve gender equality

Our contribution to WEPs 7: To support and demonstrate inclusion through fair and transparent operations, we review and evaluate our policies, procedures, and practices, including employee performance, career progression, remuneration, recruitment, complaints, disciplinary cases, benefits, employee turnover, learning and development. Additionally, for monitoring and evaluation purposes, we collect, analyze and report sex-disaggregated data on monthly basis to create the baseline and measure the outcomes, impacts of our efforts and progress toward our internal diversity targets for specific positions. We present the findings from the reporting on the Group and Bank level committees quarterly. Moreover, every year we participate in annual assessment of WEPs signatory companies conducted by UN Women Georgia, where we report data, progress and implemented thematic activities and projects relevant for each WEPs principle.

GENDER DIVERSITY IN GOVERNANCE BODIES

(in%)

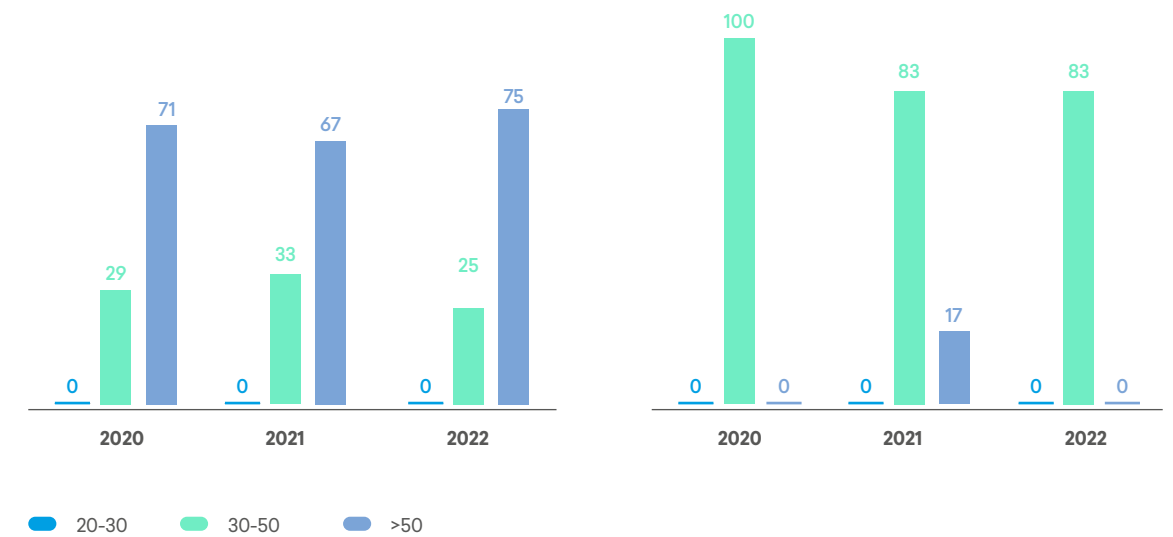


AGE DIVERSITY

(in %)

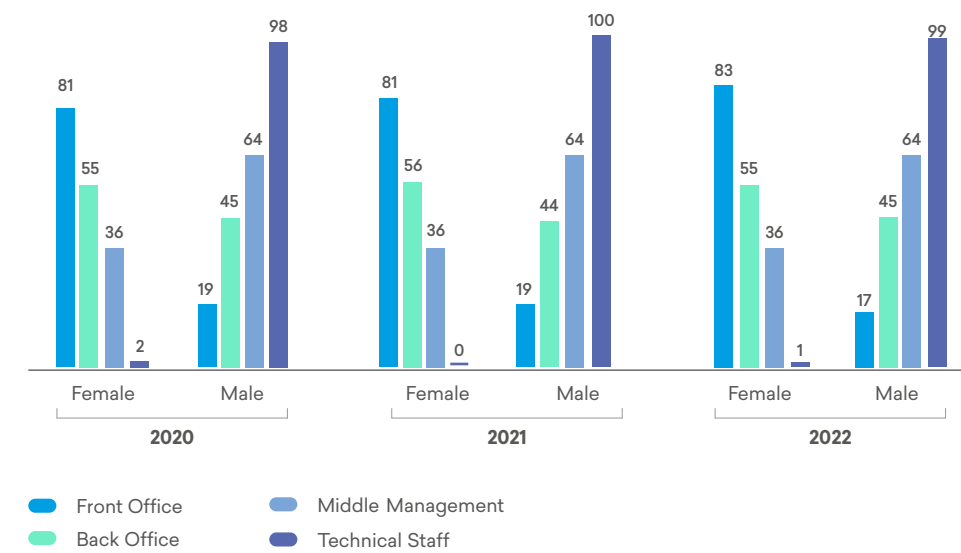
Supervisory Board

Board of Directors



GENDER DIVERSITY - VARIOUS STAFF CATEGORIES

(in %)





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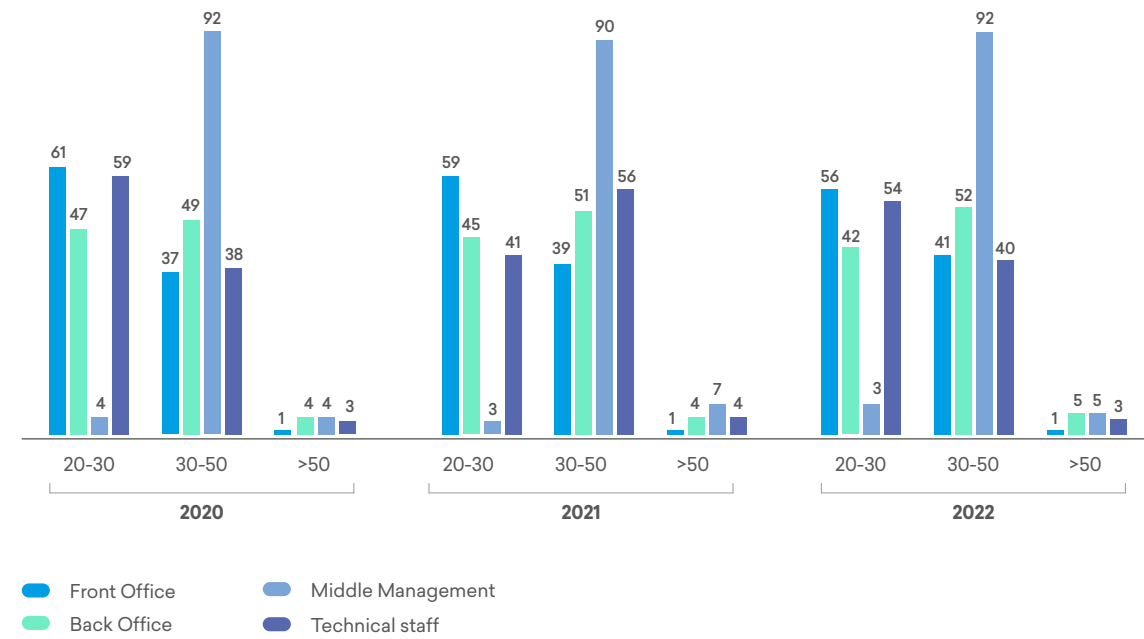
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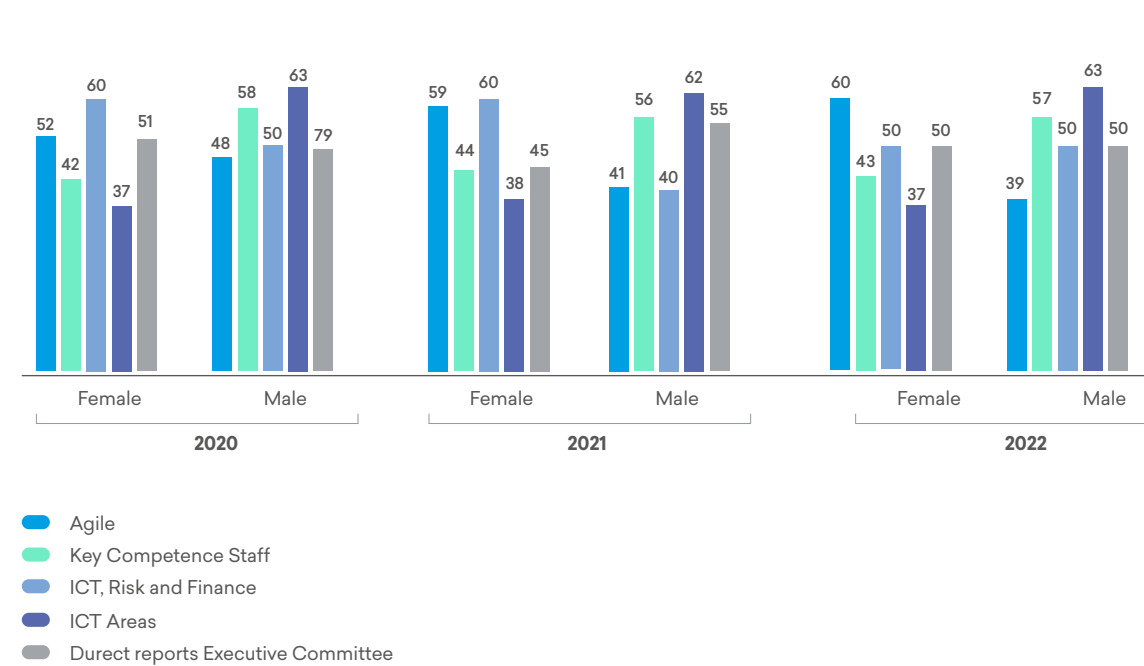
AGE DIVERSITY – VARIOUS STAFF CATEGORIES

(in %)



GENDER DIVERSITY IN VARIOUS CATEGORIES

(in %)



SALARY, BONUSES, BENEFITS AND EMPLOYEE SOCIAL PROTECTION

We believe that one of the most important issues that influences an employee's well-being is fair remuneration and social protection. Our employees should have adequate remuneration and envisage their future with feelings of hope and stability. The remuneration package includes monthly salary, a performance-related bonus, private healthcare and life assurance. Monthly salary that rewards a position in accordance with level of responsibility, skills and professional experience. We also provide an attractive benefits package. The benefits listed below apply to all permanent employees, both full-time and part-time.

We are pleased to announce that we planned to activate health insurance for temporary employees in 2022 and implemented it in 2023.

Total compensation includes fixed, variable pay - performance-based bonuses and benefits package. It is the key focus of our remuneration framework, with variable pay differentiated by performance and adherence to the TBC Core Values. We monitor employee pay trends via labour market compensation surveys in the financial sector and in local international organizations. The results of the survey and the analysis of internal data have confirmed that the Bank remains a competitive employer. By designing a comprehensive total compensation program, we can attract and retain top talent, promote employee satisfaction and engagement, and support the long-term success of our organization.

We regularly review our pay levels and make sure that men and women are paid equally for doing the same type of job. As shown in Tables below, the average gender pay and bonus gaps are in favour of men. This is mainly due to the higher number of women being employed in junior roles, including customer service positions at front office, which is related to our business model (as shown in the gender distribution chart below). We remain committed to achieving a better gender balance and increasing the proportion of women working in senior roles.

The gender pay gap is based on data from April 1, 2021 to April 30, 2022. The gender bonus gap is based on data from April 6, 2021 to April 5, 2022.

We ensure pay equity between female and male employees through regular pay level reviews. In 2022, the mean gender pay gap for Bank employees was 44%, slightly higher than the previous year's 43%. This disparity is mainly due to a larger number of women in junior positions such as front-office customer service roles. The mean gender pay gap for middle management was negative, at -5% in 2022 and -4% in 2021, indicating that women in these roles were better remunerated than men.

Mean Gender Pay Gap in hourly pay, %

	2020		2021		2022	
	Middle Management	Total Bank	Middle Management	Total Bank	Middle Management	Total Bank
Mean gender pay gap in hourly pay	-7.3%	44.0%	10.9%	43.0%	-4%	44%
Median gender pay gap in hourly pay	-14.9%	33.0%	-9.9%	42.9%	-14%	45%
Mean bonus gender pay gap	-40.0%	53.2%	-6.4%	48.8%	12%	53%
median bonus gender pay gap	-82.4%	41.7%	-89.1%	33.6%	-25%	51%
Number of employees	218	6,631	222	6,804	230	7,706
Share of women	37%	70%	35%	70%	35%	70%

¹ The number includes the agile managerial positions - Product Owners and Chapter Leads. As of 31 December 2022, representation of women in newly classified middle managerial positions stood at 41%.



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	2020	2021	2022
Front Office	%		
mean gender pay gap in hourly pay	10.9%	-4%	45%
median gender pay gap in hourly pay	-9.9%	-14%	41%
mean bonus gender pay gap	-6.4%	12%	65%
median bonus gender pay gap	-89.1%	-25%	72%
Number of employees	3976	4345	4410
Share of women	81%	81%	83%

	2020	2021	2022
Back Office	%		
mean gender pay gap in hourly pay	24.70%	21%	23%
median gender pay gap in hourly pay	17.70%	15%	13%
mean bonus gender pay gap	25.90%	26%	29%
median bonus gender pay gap	11.30%	3%	20%
Number of employees	2683	2965	3296
Share of women	53%	56%	55%

FAMILY-FRIENDLY BANK

TBC's work structures and culture confirms that the creation of a family-friendly work environment is a driving factor of gender equality and women's leadership. We are committed to ensuring that TBC bank is workplace, where everyone feels supported, valued, and respected. We started working in 2022, to introduce family friendly policies according to the UNPFA guidelines to expand the support approach and mechanisms for our employees, while working on the policy, we take into account many factors, so we will implement it in 2023.

According to one of the factors, work-life balance is important for promoting overall health and well-being, improving job satisfaction and productivity, and enhancing personal relationships and creativity. We prioritize work-life balance are more likely to attract and retain top talent and create a positive and productive workplace culture.

To that end, we work in several directions, including good parental leave conditions, support to multi-child families, support to marriage, child-birth support and more.

Families with Multiple Children

In order to support employees who have multiple children, the Bank has introduced a special program, according to which every employee who becomes the parent of a fourth or fifth child receives 10,000 GEL. For the sixth child and above, the parent receives 50,000 GEL. This program applies to full-time employees with a long-term contract. The Bank also issues various benefits for employees with multiple children, such as one more day off per quarter.

Multi-child support 2022

	2020	2021	2022
Number of employees who received bank support (for the 4th, 5th or more children)	11	15	13
Total support in Gel (Gross)	140,306	242,347	165,816

Marriage and Child Birth Support

We operate a marriage and childbirth support program. The Bank issues a one-time financial benefit to employees who get married and give birth to a child. This support is valid for all employees with long-term contracts.

The total value of financial assistance in 2022 under the marriage and child support program amounted to GEL 481,889.

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Parental Leave

According to local legislation, a company is not obliged to remunerate parental leave; however, TBC employees receive paid parental leave based on their full remuneration rate for 183 or 200 days, depending on whether they had a standard or complicated delivery. In 2022, 370 employees in total received parental leave pay.

Parental leave

	2020	2021	2022
Parental Leave	Number	Number	Number
Employees who became parents	411	446	518
Female (all)	339	383	428
Female (Permanent)	297	375	370
Male (all)	72	63	90
Male (Permanent)	72	63	90
Employees who took the leave and received parental leave pay (permanent)¹	298	375	370
Female	297	375	370
Male	1	0	0
Employees who returned to work from parental leave	271	321	308
Female	271	321	308
Male	0	0	0
Employees whose parental leave ended during the last two years and who were still employed 12 months after their return to work	441	537	615

The Tibiselebi Fund – Employees Supporting Each Other

The Tibiselebi Fund (“Tibiselebi”) was founded in 2009. It currently unites employees of JSC TBC Bank and six other subsidiaries from TBC Bank Group PLC as donors and beneficiaries. Employees donate 1% or 2% of their monthly salary on a voluntary basis to the Tibiselebi Fund, which in turn supports its contributing employees and their immediate family members financially in case of significant health issues. Specifically, the Fund provides financing to support cases where sickness represents a danger to health or life, or to purchase additional hearing aids, wheelchairs, special nutrition or artificial insemination. Tibiselebi has a rotating, representative Board, made up of delegates from participating companies, which makes all financing on how to allocate its funds through majority voting. In 2021, Tibiselebi provided funding for 356 applications, totaling more than GEL 1,440,000. In 2022, these data increased and Tibiselebi provided funding for 502 applications, totaling GEL 1,825,475.

EMPLOYEE SAFETY AND HEALTH, PROFESSIONAL AND OCCUPATIONAL SICKNESS PREVENTION

Since our employees are our most valuable asset, it is our obligation to ensure protection of their lives, health and safety. Although workplace-related health and safety risks in the financial sector are not as high as in many other industries, they still exist. The biggest potential risks in our field include customer aggression, attacks on frontline employees, risks related to cash collection and car park management activities. Furthermore, creating a safe environment inside and outside the workplace for women and men is our priority. We ensure employee health, safety, well-being, and freedom from violence in the workplace under several policies. We prioritize flexibility and work-life balance through providing equal access to health insurance and promoting employees’ well-being, improving productivity, and supporting long-term retention.

By creating a safe environment in the workplace, we can help ensure the well-being of our employees and reduce the risk of accidents, injuries, or other safety incidents. A safe workplace can also increase employee job satisfaction and productivity.

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Remote working has become increasingly popular in recent years, and even more so due to the COVID-19 pandemic. The past year prompted us to reflect on how and where we work best to balance the needs of our employees. We quickly adapted our work environments to prioritise the health and safety of our colleagues, listened to our people to understand their needs and we empowered leaders to utilise and support the best working environments. Our hybrid working model seeks to enable what is best for our teams. With our people’s physical and mental health being a priority, we have appointed “one day in office”, that helps our teams with better communication and integration.

Furthermore, we have developed a remote working policy and “golden rules” to keep our employees safe and effective. We have also redesigned the onboarding rules for new colleagues.

In 2021 once the situation changed after the pandemic, we conducted research amongst employees, which revealed their willingness to move to a hybrid work model. In 2022, we started moving to this model. Remote working can be a positive experience for both employers and employees, offering benefits such as increased productivity, reduced costs, and greater flexibility. However, it’s important to establish clear guidelines and expectations, ensure effective communication, and provide the necessary resources and support to make remote working a success.

Where possible, and in line with local government guidance, we have undertaken a programme to gradually increase the number of colleagues returning to working in the office. We encourage colleagues to work flexibly to balance and integrate their work-life balance. We gave the opportunity to many colleagues to work in a hybrid way, spending part of their time working from the office and part of their time working from home. Hence, we give our colleagues more choice on how and where to work.

According to Georgian legislation, since September 2019 every company has been obliged to hire a Health, Safety and Environment (HSE) specialist to ensure implementation of the HSE management system and standards. Currently, we outsource HSE management to an experienced company that, together with the Bank’s team, is in the process of developing an HSE policy and strategy. Once every four months, HSE specialists carry out inspections and develop specific reports about the risks and hazards in all branches and offices. Twice a year, HSE specialists measure the microclimate and light in every branch and office to make a more comfortable working environment for employees. Risk assessments are updated every four months, highlighting which risks and hazards should be controlled. Every six months, we conduct fire and evacuation drills. Once a year we conduct trainings for all employees in HSE, fire, electric, ergonomics, emergency action plan, stress and human factors. The Health and Safety framework applies to all employees and contractors, both full-time and part-time.

In 2022, two incidents took place:

- In the warehouse, a representative of the contractor company injured his leg. An ambulance was called, they were taken to a medical facility and the necessary procedures were performed;
- In a branch, a citizen crashed into the glass doors, broke the glass and injured his forehead. An ambulance was called, they were taken to a medical facility and the necessary procedures were performed.

In 2022, the procedure related to Health, Safety and Environment (HSE) was updated.

Employee protection is an important aspect of workplace safety, and violence prevention is one key component of that protection. Employers have a responsibility to provide a safe working environment for their employees and take steps to protect them from violence in the workplace.

There are employees in such a position in the bank that face special health and safety risks:

Drivers

Bank drivers constitute a group of contractors that face special health and safety risks. Risks related to car park management and driver activities are mitigated by instructions for TBC Bank drivers that regulate issues such as speed limits, working hours, health control and driver vigilance. Implementation of these instructions is monitored with the help of GPS systems.

¹ Employees with temporary contracts can benefit from parental leave, however, the parental leave is not paid by the company additionally; the employees received compensation according to the Labour Code.



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Cash Collection

Due to the specific nature of cash collection activities, cash collectors face the highest health and safety risk amongst Bank employees. Two types of cash collection activities are performed in the Bank: 1. ATM cash collection is done by a Bank cash collector, who is escorted by security police; 2. Branch network and client cash collection is carried out by security police who train with the Ministry of Internal Affairs. All cash collectors of the Bank receive regular safety training.

Front Office Staff

Since the most important health and safety related risks in the financial sector are aggressive customers, attacks and robberies, the Bank conducts special learning activities for front-office staff concerning workplace safety. Every branch employs several security administrators who ensure the timely and efficient identification and prevention of risks. As a result, only two cases of attempted robbery have taken place in TBC Bank over the last 19 years of operation. We also have a contract with security police, who attend to any incident as soon as it is identified.

Employees which face particular health and safety risks must be protected by high safety standards. Protecting employees from violence in the workplace is crucial for maintaining a safe and healthy work environment. We take a proactive approach to preventing workplace violence by developing and implementing a comprehensive policy, providing training to employees, conducting background checks, implementing security measures, and encouraging the reporting of incidents.

WORK CLIMATE, EMPLOYEE MOTIVATION AND ENGAGEMENT

We are focusing on learning to drive better customer experience and make sure the way we work helps deliver the best commercial outcomes for our customers, to be the best employer in the country, support technical transformation, increase leadership capabilities and achieve high level of engagement among employees.

Despite the worldwide challenges, our colleagues quickly adapted to the changing environment. They developed new skills, provide good service for our customers and working more flexibly than ever before. Our team's main goal is to make people's life easier and constantly improve the quality of our services in every day.

Our key initiatives in this regard are as follows:

- We actively use a wide range of communication channels for internal communications, including Facebook, the intranet, and e-mail.
- In the post-pandemic world, we allow all back-office employees to work remotely or from the office. This initiative not only resulted in improved employee satisfaction levels, but also increased efficiency across the Group.

Our CEO plays a special role in promoting the corporate culture and values through regular communication and conducts online meetings.

We aim to create the corporate culture where people can develop professionally by providing training and development for career enhancement.

Top management regularly conducts online meetings with employees. They share the Group's strategy and information on recent achievements with employees. Online meetings are interactive and each employee can join the discussion.

We care for our employees' development and encourage them to actively participate in internal selection process. Every employee have opportunity to move from one grade to another, or change job family. For certain positions we have implemented special career mapping program, which includes advance career interviews, identifying their development plans and goals. In 2022, the promotion rate in the bank was around 15%, 4% less compared to the last year.

We listen to our colleagues and conduct an annual survey to accurately measure satisfaction and engagement levels. The results of the survey are thoroughly analyzed and presented to the management board to plan future actions.

We have a rewards and recognition program to increase service culture and customer focus among employees. The mentioned program includes and serves several categories: frontline, Internal Voice of Customer, Painkiller Award and Extra Mile Story Award. Winners of all given categories are given the chance to attend the final event of the year, the TBCX Awards, where the winners of the year will be announced and awarded.

As a part of our organizational culture, we celebrate TBC anniversary together with our employees in a family-friendly environment. This year on October 8th were invited out team members from different parts of Georgia and other countries to celebrate the 30th anniversary. The event hosted almost 10 000 TBC Group employees from 16 different countries at Tsinandali Estate, where each one had an opportunity to enjoy various interesting and fun activities, get to know each other and interact.

The challenge to maintain a safe work environment remains our top priority. Our whole team constantly seeks new and effective ways to improve employee mental health and maintain efficiency:

- Mental Health monthly newsletters for employees;
- Meetings and workshops for branches and head office staff with different external speakers.

Satisfaction and Happiness Research

We annually conduct employee engagement survey and analyze the results. Provided outcomes from this research are converted into actionable plans to improve employee loyalty, create comfortable working conditions, and motivate employees with a range of benefits. We adhere to local regulations on employment rights, while simultaneously aiming to implement international standards and best practices.

Since 2012, we monitor staff engagement and in 2015, started measure of ENPS (employee net promoter score) indicator. Every year, a survey is conducted in partnership with leading international universities and research firms. The survey provides a clear picture of our strengths and weaknesses as perceived by our employees. In 2022, a Bank-wide survey was conducted by an independent consultant, in which 5,780 employees, constituting 78% of the total workforce, participated. Every year the research results are presented to management. Work teams are established to review the research results, analyze the problems, and develop action plans. The HR annual action plan includes activities that respond to the challenges revealed by the research.

We carefully listen to our colleagues and conduct an annual survey to measure their satisfaction and engagement levels. 78% of employees participated in the satisfaction survey this year and our employee net promoter score remained high at 59%¹. The results of the survey are thoroughly analysed and presented to the management and Board to plan future actions.

In 2022, the staff turnover rate in the Bank was 15.7%, compared to 12.8% in 2021 and 8.3% in 2020.

In 2022, ENGAGEMENT INDEX stays at 89%², ENPS³ - at 59%.

TALENT MANAGEMENT (RECRUITMENT, TRAININGS, PROFESSIONAL DEVELOPMENT AND LEADERSHIP)

We understand that our success derives from our employees: how we manage to attract and keep the best of them, and how we support their professional growth and motivation. We believe that our approach has been successful in attracting, retaining and developing our employees despite strong competition. This process is dynamic, requiring us to continuously enhance our human resources management system to attract and maintain top talent. Talent management is regulated based on the Bank's Code of Conduct, the Learning and Qualification Development Procedure and Testing Instructions.

In 2022, the recruitment team worked on, implementation of new ATS system. To ensure efficient selection process, one pool of different profile talents and recruitment automated analytics. TBC values are represented by a person who shows a firm attitude and strong belief that all will be fine, is

¹ Employee Net Promoter Score was measured in October 2022 by an independent consultant for the Bank's employees.

² Engagement Index was measured in October 2022 by an independent consultant for the Bank's employee's and measures how much employees feel involved and committed to TBC Bank

³ Employee Net Promoter Score was measured in October 2022 by an independent consultant for the Bank's employees.



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delighted with work, is always eager to look into causes, is bold enough to look for and implement new opportunities, admits mistakes, always articulates ideas decently, and feels and takes responsibility for their own words and deeds.

In 2022, TBC Bank finalized the acquisition of an application tracking system (ATS) solution, which will help to increase hiring efficiency, and enable HR Recruitment reporting and analytics.

In 2022, TBC Bank recruited 3,000 employees in total, including full staff employment and temporary employment agreements. In addition, 946 employees were promoted to new positions and 992 people were horizontally transferred to the new roles.

Recruitment	male	female
ICT	144	46
Risk & Finance	6	5
Tbilisi	173	62
Regions	0	0
"<20"	7	2
20-30	120	43
30-50	43	17
">50"	3	0

Attracting New Talents

We are committed to attracting, developing and retaining a diverse and inclusive workforce and providing equal opportunities. We encourage young talents to enter the innovative working environment of TBC. We also emphasize the importance of well-balanced diversity in teams for both women and men and promote ICT and risk management among girls.

In 2023, one of our major recruitment priorities is to strengthen our team with high seniority level IT staff, including international personnel in order to support our digital transformation. By the end of 2022, we had 19 new hirings from different countries/nationalities.

In order to promote ICT employment opportunities among young people, we established an IT Academy in 2019. We have run an internal IT academy, which offers courses in front-end and back-end development for both our existing employees as well as potential ones. This programme is free of charge for selected candidates and is run by experienced staff members and leading professionals from relevant fields. Since its establishment, we have trained up to 800 people and recruited 290 people.

IT Academy	2019		2020		2021		2022	
Total Number of participants	45		290		310		286	
Women	9	20%	75	26%	68	22%	68	24%
Men	36	80%	215	74%	242	78%	218	76%
Total Number of course graduate	25		212		200		181	
Women	6	67%	41	55%	60	30%	41	23%
Men	19	53%	171	80%	140	70%	140	77%
Employed by the Group	25		102		111		81	
Women	6	100%	26	63%	32	29%	15	19%
Men	19	100%	76	44%	79	71%	66	81%

At the end of 2020, we also established the Risk Academy, which offers various courses in risk management to young professionals. The aim is to equip them with specific banking sector knowledge in risk management, which is not usually taught in universities, and better prepare them for their future careers. All courses are offered free of charge and the best students will be offered employment at TBC Bank. In 2022, the main focus was on key analytical skills, which is important for entry-level risk positions. The training topics include SQL, Microsoft Excel, Data Visualization in Power BI, and Data Science. In 2022, two groups were selected, each of 20 candidates. After graduating from the Risk Academy, we employed 5 candidates in 2022; further 2 graduates were employed in 2023.

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IT ACADEMY

Special attention is given to the recognition of achievements by our team members by sharing success stories in our internal communication channels.



"I started working as a Back Office manager in TBC Bank during the pandemic. Last year, I discovered TBC IT Academy and registered for SQL and Manual Tester courses. After completing both courses, I moved to the position of Quality Assurance Manager in the Payments Development League, and have been working here for 10 months now."

TBC Bank enabled me to change my profession. Even though I finished my bachelor's degree and master's degree in Banking and Finance, I found myself in the field of IT, in which the bank makes a great contribution. I think we should be constantly ready for innovations and challenges. We should not stop, work for self-development and wait for the moment that will change everything for the better."

Dea Chkoidze who graduated TBC IT academy currently is a Quality Assurance Manager in the Payments Development League.



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Trainee Programs

Since 2011, we have run a wide-scale internship programme for the best students from Georgia's leading universities. This program has been very successful, helping us to identify new talents who are part of our team today. This year, out of 94 participants (37men and 57 women) who were involved in our internship program, 59 are still with us, out of which 25 people became full-time TBC employees in various departments including finance, risks, corporate, marketing, IT and data analytics. 34 still are interns. Overall, since its establishment, we have recruited 600 students under this program.

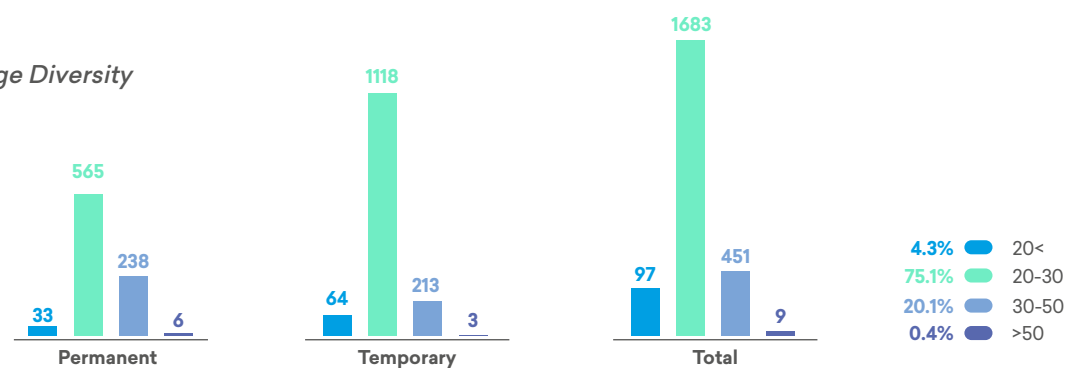
Furthermore, we continue to run TBC Camp, a program that was established in 2019 and runs a Stock Pitch Competition for fourth year finance students. This competition is comprised of intensive online lectures, trainings, and the preparation of real investment cases in selected companies, which are presented to a panel of judges. The two selected teams are awarded a special prize in the form of TBC shares.

TBC Camp combine priority directions for TBC such as new generation and education. Our goal is to raise investment banking awareness in the young generation and support education in this direction. In the scope of the program students gain actual working experience, and get acquainted with financial markets, and investors' expectations. Program winners represent the new generation of financial specialists. It is noteworthy that, winners of the previous intake of the program are members of TBC Capital for 1 year already, and successfully work in the direction of financial markets, obligations, and reporting.

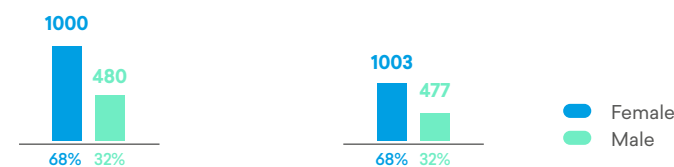
TBC Camp helps to increase awareness of investment banking among young people, and helps us to identify bright talents and recruit them into the corporate investment banking department.

NEW EMPLOYEES - 2022¹

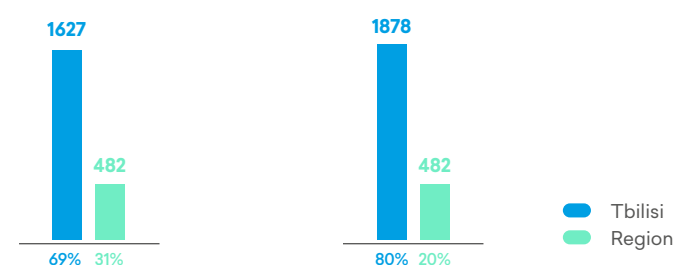
Age Diversity



Gender Diversity



Regional Diversity



Performance Review

Through effective performance management system, we strive to promote a growth mindset, boost employee productivity, and reinforce a feedback culture.

Our performance management system is based on three core principles: clarity, fairness, and integrity. We make sure that our colleagues have a clear understanding of their role in the company and are actively engaged in setting their personal goals. Employees are also given appropriate coaching by their supervisors to help them achieve these goals. Regular employee feedback and constructive dialogue are important parts of our performance appraisal system and have been incorporated into middle management's KPIs starting from 2021.

We use different assessment systems for front and back-office staff, depending on the positions held.

For the front office staff targets are set monthly and bonuses are determined by the sales figures and customer service quality.

Middle Managers, as well as our back-office staff are assessed by KPI & Competency based system. Those metrics enable to measure efficiency and the quality of the work company's employees carry out. Rewards are based on the KPI achievement and the level of the relevant competencies.

For our middle managers, as well as employees who are part of the agile structure, and Back-office employees we run a 360-degree evaluation that provides each employee with the opportunity to receive feedback from his/her supervisor, peers, and subordinates. 360-degree feedback allows our employees to understand how their performance is viewed by others; it also helps them to identify their strengths and weaknesses and develop new skills. In 2022, 2500 employees were engaged in the 360-evaluation process. To strengthen feedback culture in the organization and facilitate feedback sessions among leaders and subordinates, we conducted trainings for the employees. In 2022, 400 employees went through effective feedback training. In addition, feedback's importance in the performance management process was talked over recurrently on Friday Meetings with CEO, where employees were sharing their experiences, challenges and approaches regarding the feedback and performance management issues.

Performance Review

Employees who had a regular performance review	2020	2021	2022
Female	3,612	4,784	5,084
Male	1,645	1,893	2,027
Front office	3,049	4,042	4,115
Back Office	2,208	2,635	2,996
<20	1	66	61
20-30	2,534	3,384	3,526
30-50	2,570	3,045	3,321
>50	152	182	203
Tbilisi	3,960	5,130	5,455
out of capital	1,297	1,547	1,656

We encourage internal promotions and under equal circumstances give priority to internal candidates.

¹ The unique number of employees hired during the year. It includes the number of temporary employees who were called to work in 2022 but were recruited in previous years.



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During 2022, around **15%** of our employees were promoted to more senior positions.

Career Development

TBC, as a group of diverse companies, offers a wide range of career growth opportunities. Employees can have career growth within one organization or be transferred to another, to engage in new directions or be promoted to a higher position. In 2022, 946 employees were promoted, which is 15% of staff.

Employees Promoted	2020	2021	2022
Total	904	1,132	946
Female	644	795	670
Male	260	337	276
<20 years	8	5	1
20-30 years	530	667	571
30 - 50 years	360	452	365
> 50 years	6	8	9
Tbilisi	771	928	719
Out of Capital	133	204	227
Front office	392	568	597
Back office	512	564	349

Middle Managers promoted	2020	2021	2022
Total	37	22	30
Female	18	8	10
Male	19	16	20

Training

We are proud to operate an efficient digital learning system, through which employees are trained, and tested on, issues such as operational risks, IT security ESG, Code Of Conduct, compliance etc. In total, seventeen different trainings were organized in 2022.

Trainings were conducted online which gave us an opportunity to involve more employees. In 2022, also we conducted different kinds of trainings (Soft skills and Hard skills) 363 via Teams and classroom, in which 7,871 unique number of employees participated. In 2021, we held 339 sessions, in which a total of 7,828 unique number of employees participated. In 2020, the number of unique participants were 4,640.



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Employees Trained and Training Hours

Employees Trained in 2021	Number (Unique) 2021	Employees Trained in 2022	Number (Unique) 2022
Total (Hired before 2020)	7,828	Total (Hired before 2022)	7,871
Female	5,480	Female	5,621
Male	2,348	Male	2,250
Total (New employees)	2,549	Total (New employees)	2,598
Female	2,003	Female	1,819
Male	858	Male	779
Training Hours 2021	Hours (Total) 2021	Training Hours 2022	Hours (Total) 2022
Existing employees	1,317		11,520
New employees	2,621		1,830
Front office	3,719		6,007
Back office	648		7,343

TBC Academy

In addition, TBC Academy, which was established in 2011, continues to offer various development opportunities to our employees. During 2022, more than 1,200 employees took various courses, such as business development, banking, change management, leadership, financial analytics and many more. We also provide financial support to our employees to attend various external courses and gain international certifications such as MBA, CFA, FRM, ACCA and others.

Outsourced Trainings/Learning Financed by the Company for Employees

Financing outsourced trainings for employees that help them to develop their talents and succeed in their career is a common practice in TBC Bank. In 2022, we financed trainings in banking products, coaching and talent development, data science, power BI and the agile work system. Employees also received financing to complete international certification programs such as:

Association of Chartered Certified Accountants, A Chartered Financial Analyst, International Compliance Association, Excel, Scrum Product Owner Certification I, Professional Scrum Product Owner™ II Certification, Global OKR Coach OKRs Training, Certified Anti-Money Laundering Specialist, DevSecOps stands for development, security, and operations, International Compliance Association. Employees also received funding to attend summits such as: Next MBA web summit in Lisbon and Touch Summit.

During 2022, 1247 employees received financial support for external trainings.

Employees who received financing

2020

Detail info	Number of staff trained	Female	Male
External trainings	810	56%	44%

2021

Detail info	Number of staff trained	Female	Male
External trainings	1,140	57%	43%

2022

Detail info	Number of staff trained	Female	Male
External trainings	1,247	60%	40%

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Financing Local Studies and Abroad

In 2012, we established the TBC Scholarship Fund, which provides co-financing to our top employees to study at the world's leading universities. Financing opportunities are open to any employee who has a long-term contract with the Bank. We offer financing of 100% or co-financing of 70%, 50% and 30%. The selection process is managed through a dedicated procedure that lists the decision-making criteria. In total, 53 employees have received financing and co-financing to study abroad as well as in local universities from the Bank. In 2022, 4 employees have received financing and co-financing to study abroad, one of them were women. Total amount of financing was GEL 85,233.36.

Startup-leave

Startup leave is an innovative project that aims at promoting entrepreneurship and innovation among employees, as well as supporting the development of a startup eco-system in the country in general. Any employee who has worked with TBC Bank for more than 18 months is eligible to participate and to submit a business idea. Twice a year, an independent jury reveals the most innovative business idea and gives the authors a chance to use fully remunerated Startup leave for up to 6 months, to develop their startup. At the same time, Startup leave employees can use "Startuper" services - a special package of offers developed by our Bank for startups.

The process

- In the first round, electronic applications are submitted
- An independent jury draws up a shortlist
- In the second round, teams have to pitch their idea
- The evaluation criteria are predefined in the program charter
- The number of potential winners is unlimited

In 2022, 14 applications were submitted to the Startup leave project. This year, out of many interesting and original business ideas, jury selected 3 winner teams. One of the winner teams consists of 2 women founders.



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TBC STARTUP-LEAVE NEW WINNERS

The TBC Startup-leave program was created in 2018, and its goal is to promote and support innovative ideas of both TBC employees and startups in general. During this time, Startup Leave has put together a number of success stories. This year, three teams won the Startup Leave.

Winner ideas:

LFG - A digital channel for gamers, where you can find new team members and participate in various tournaments.

CX Hub - It considers creation of a platform, which is an outsourcing system of user experience management.

„SHARA“- This platform will make agile practices even more accessible, flexible, and most importantly, easy to use, both for teams and large organizations.

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The goal of TBC is to contribute to the development of the startup ecosystem. Therefore, employees full of ideas were given time and space to try their hand at a startup.

This photo shows the members of the winner teams of CX Hub, a platform, which is an outsourcing system of user experience management.



TREATING OUR CUSTOMERS RESPONSIBLY

Customer Privacy and Data Protection

Personal Information Protection Policies

Identifying and Addressing Information and Cyber Security Risks

- Informing and Training Employees in Security Issues and Related Risks
- Informing and Educating Clients

Protecting Customers' Personal Information

Business Integrity in Client Relationships

- Responsible and Fair Marketing and Sales Activities

Clients' Complaints Management

Responding to Our Customers' Needs

- Ensuring Client Satisfaction

Digital Innovation and Financial Inclusion

Ecosystems



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TREATING OUR CUSTOMERS RESPONSIBLY

Excellent customer service is the cornerstone of the TBC's brand. We treat our customers with respect and professionalism. We put our customers' best interests at the forefront of everything we do.

We understand diverse client needs, add value, and build trust and relationships that endure. We are committed to offering solutions of the highest quality to our clients. We constantly strive to anticipate the rapidly changing needs of our clients and to develop new services to meet those needs. In providing our services, we keep our commitments, deliver what we promise, and act with honesty and integrity while pursuing our values.

We place clients at the center of our activities. We treat our customers fairly and in a manner which is compliant with all regulatory requirements.

TBC Bank is a leader in the retail banking segment in Georgia. In 2022, the number of our monthly active customers was 1.5 million, of those, 106, 000 were affluent customers.

We have a well-diversified loan portfolio, serving 7,700 corporate clients across all major sectors of the economy.

TBC Bank is the number one partner bank for micro, small and medium enterprises (MSMEs) in the country. We serve 58,000 monthly active MSME customers. In 2022, 77% of newly registered legal entities chose TBC Bank.

CUSTOMER PRIVACY AND DATA PROTECTION

In the digital era, dependence on information systems is growing rapidly, creating a need for technological improvement and proliferation in everyday life. With the increased use of technology and data, cyber security issues also arise. Intelligently defending cyber systems, together with providing superb customer service, is one of the most important tasks for us.

TBC Bank's activities constantly require obtaining, processing and keeping data, documents and information pertaining to customers, employees, business partners, financial transactions and contracts. We have a legal and ethical responsibility to safeguard the confidentiality of information regarding customers, employees, business partners and other third parties.

TBC Bank has amended the internal Data protection Policy that applies to the whole Group (TBC Bank Group PLC and its subsidiaries). The Policy sets the requirements for the Group how to handle the personal data of the Group's customers, suppliers, employee, workers and other third parties.

TBC Bank's Compliance Department has a function of the Data Protection Officer (DPO) and appointed the compliance officer, whose primary responsibilities are:

- to assess the internal processes from data protection laws perspective,
- to coordinate the regulatory requirements within TBC Bank,
- to conduct data protection impact assessments together with the Security Department,
- to provide training to employees and
- to support the different business units on data privacy issues.

The bank has EU representative – Bird & Bird.

It is mandatory to deliver Data Privacy trainings for new employees, additionally, 6259 employees were trained in the Data Privacy topics via the distant learning platform in 2022.

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INFORMATION SECURITY POLICIES

TBC has adopted an information security document that encompasses general principles approved by the Board of Directors, underlining their support for information security programs. This is the main document defining the company's approach in the information security field.

In addition, all thematic documents relevant to the functioning of the Information Security Management System in compliance with ISO 27001 are in place and fully operational, and define concrete procedures. These include the IT Operations Management Security Policy, the Cloud Security Policy, the Systems Development and Acquisition Security Policy, the Cyber Security Incident Management Policy and methodology, the Business Continuity Policy and methodology, the Information Security and Business Continuity Risk Management Policy and methodology etc., which cover most of the Group's companies.

Information security and cyber security fall under the responsibility of the Information Security Department, whose main objective is to minimize information security related risks. The department reports to the Chief Risk Officer and the Information Security Steering Committee, chaired by the CEO. The committee is responsible for continuously improving information security and business continuity management processes and minimising information security risks. The committee was formed to centralise the information security function, including physical security, HR security, data security, IT security and business continuity.

TBC's activities are also regulated by the Cyber Security Framework Document, which is based on the National Institute of Standards and Technology (NIST) Cyber Security Framework adopted by the National Bank of Georgia, which has been mandatory for all commercial banks since 2019.

Our Information Security Management System is in compliance with ISO 27001. Furthermore, in 2022, we successfully maintained ISO 27001 certification.

In 2021, Payment Service (PSD2) Directive (EU) 2012/2366 was adopted by TBC. The regulation is stipulated by the National Bank of Georgia and will increase the alignment of local data privacy standards with international best practices.

Starting from 2022, the three largest banks in Georgia are categorized as entities with critical information infrastructure. This means that the three major banks are categorized as being of strategic importance to the country's economy. The Law of Georgia on Information Security defines the requirements for information and cyber security management for these three banks, which are mostly based on ISO 27001.



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CYBER CONFERENCE

A regional conference – DevSecOps Inspire 2022 was held with the support of TBC and organized by HT Solutions. The purpose of the conference was to share accumulated experience and latest trends and technologies in the direction of DevOps and IT security.

DevSecOps is a trending practice used in the context of application security that involves implementing security in a timely manner throughout the software development life cycle (SDLC). In addition, implementing these practices deepens collaboration between development and operations teams, while security teams are better integrated into the software delivery cycle.

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This year's conference was unique because, in addition to **DevOps**, it was also dedicated to cyber security.

TBC as a technology company fully supports DevSecOps Inspire.



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IDENTIFYING AND ADDRESSING INFORMATION AND CYBER SECURITY RISKS

Threat Landscape

In order to adequately address challenges coming from cyber attacks, we are continuously analysing cyber threat landscape of the group and assessing all relevant threat scenarios and actors, considering their intentions and capabilities, as well tactics, techniques and procedures they are using or may use during their campaigns. Our focus is to be prepared against advanced persistent threats. Among many different threat vectors we are covering and monitoring, below is list of TOP 5:

1. Attacks against internet facing applications and infrastructure
2. Software supply chain attacks
3. Phishing attacks against our customers
4. Phishing attacks against our employees
5. Ransomware attacks

Our Vision and Strategic Objectives

Information and cyber security is integral part of group's governance practices and strategic development. Cyber security vision and strategy is fully aligned with business vision and strategy and addresses all the challenges which are identified during threat landscape analysis.

Our vision is to strengthen security in depth approach, enable secure and innovative business and maintain continuous improvement cycle. Our strategic objectives are:

- To maintain defence in depth approach by strengthening our team and implementing cutting-edge technologies, in order to maintain resilience against advanced persistent threats, that may come from State Sponsored actors or Organized Cybercriminal:
- To maintain compliance with industry leading information and cyber security standards, maintain continuous improvement cycle for information and business continuity management systems, and be one step ahead of regulatory requirements
- To optimize and automate security processes, and provide security services seamlessly to the business (where possible).

Our Security in Depth Approach and Cyber-resilience Program

In order to follow our vision and achieve strategic objectives we are running effective information and cyber security programs, functions and systems:

- Layered preventive controls are in place, covering all relevant logical and physical segments and layers of organization and infrastructure in order to minimize likelihood of successful initial access:
 - Data security controls
 - Identity and access controls
 - Endpoint security controls
 - Infrastructure security controls
 - Application security controls
 - Internal and perimeter network security controls
 - Physical security controls
- Professional team is in charge of effectively implementing, assuring effectiveness, maintaining and fine-tuning above mentioned preventive controls. Number and level of expertise of team members has positive tendencies. Our team members holding industry leading certificates and working daily bases to strengthen and extend their professional skill sets.
- Layers of preventive controls in conjunction with comprehensive awareness program is the best combination in order to minimize likelihood of successful attacks. Our robust awareness program helps employees and customers to improve cyber hygiene, understand the risks associated with their actions, identify cyber-attacks they might face during day-to-day operations and improve overall level of risk culture. Awareness program provides relevant materials to all key different roles, starting from the management board to IT engineers and developers. It covers annual trainings and attestations for all employees, new comer trainings and attestations, social engineering simulations, security tips and notifications for all employees, security awareness rising campaigns for customers and more.

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- We believe, that 100% prevention is not achievable, therefore, threat hunting capabilities and security operations centre is in place, which monitors every possible anomalies in near real-time that is identified across the organization's network to detect potential incidents timely and response effectively to minimize negative impact of possible attacks. To be up-to-date and track adversaries techniques and tactics, we are elaborating cyber threat intelligence procedures according to the industry best practices.
- Information security governance and effective risk management processes ensures that bank has correct guidance, business are making risk informed decisions in compliance with risk appetite, compliance with regulatory requirements are met and continuous improvement cycle is achieved. Information Security Committee chaired by CEO has ultimate responsibility to assure that appropriate level of security is maintained and continuous improvement cycle of management processes are achieved.
- On top of all above mentioned, to strengthen our cyber resilience, we have effective Business Continuity Management System in place and cyber insurance policy, in order to manage contingencies and recover with minimum possible impact from serious disruptions.

How We Measure and Assure Acceptable Level of Security?

For assessing and assuring acceptable level of information and cyber security, we are relaying on external/internal audit reports, read teaming exercise reports, penetration testing results which are conducted by high professional internal team and external reputable 3rd party partners.

- On an annual basis we conduct:
 - External Audit of SWIFT customer protection framework
 - External Audit of National Bank of Georgia's cyber security framework which is based on NIST cyber security management framework
 - External surveillance audits of ISO 27001
 - Penetration test against internet facing applications and critical infrastructure with help of our partners
- Our internal team is in charge of continuous penetration tests of internal and external applications and infrastructure
- On a regular basis we conduct Red Teaming exercise and assessing our security capabilities against real world advanced threat actors.

Informing and Training Employees in Security Issues and Related Risks

Since employees play a crucial role in information security, regular mandatory training sessions are conducted for all employees, comprised of remote learning courses on security issues, fraud and phishing simulations, and informative emails to further assist our employees with information security matters.

New employees also receive this training as part of their induction process. These measures ensure that employees are fully aware of their responsibilities and are prepared for various security threats.

Simulation is another approach used by TBC Bank to educate its employees. Simulated fraud letters, also known as "phishing", are sent to employees to teach employees how to react to them.

Furthermore, employees receive regular, informational letters on key cyber security topics.

Each employee is obliged to enrol in a distance learning course and receive certification on information security issues. In 2022, 98% of TBC Bank employees were enlisted in the course.

TBC Bank's policies and management systems cover the majority of the Group's companies, where local teams manage these issues. The Bank's information security department carries out group-level coordination.

The Bank proactively monitors incidents and, in case of fraudulent activity, blocks transactions and informs clients immediately, giving information about any suspicious transaction attempted through a client's card, account, internet or mobile bank application.

In light of the normalisation of remote working, the Group activated secure remote working policies, which ensure that homeworking environments are protected against relevant cyber threats and that the security team can provide effective oversight of teleworking channels. Although there has been



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a noticeable increase in phishing attempts against employees, there have been no major incidents. The Security Operation Centre and Threat Hunting teams have successfully adopted effective remote collaboration and communication tools and practices.

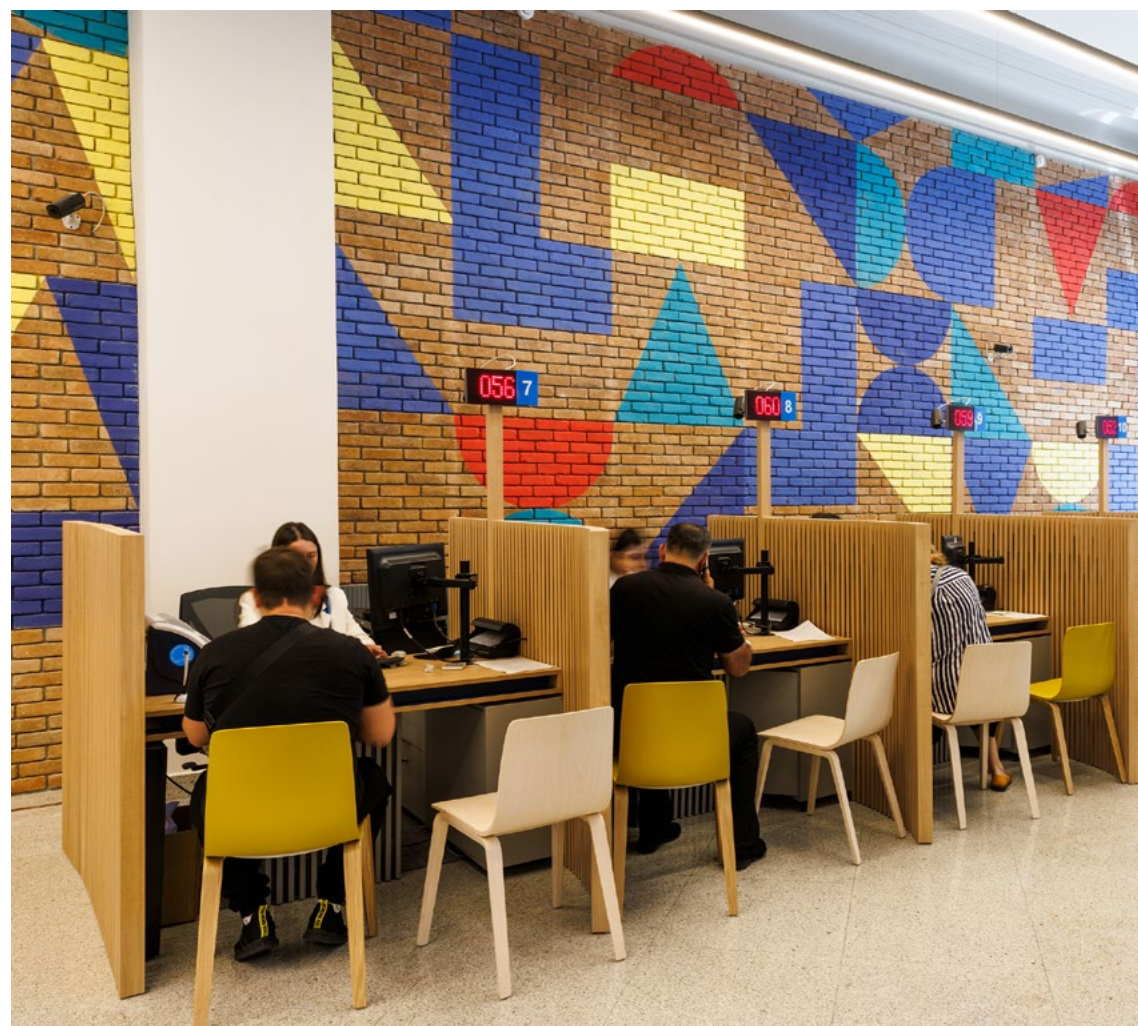
Informing and Educating Clients

TBC Bank has elaborated an Information Security Incidents Management Policy, procedures, and hotline for clients to report fraud. If a TBC client is a victim of fraud or suspects unauthorized activity related to personal data or accounts, they can contact the hotline 24/7 for advice, while the TBC team starts to react immediately to the reported incident.

In 2022, bank has effectively used Edufin platform in order to raise awareness level among customers – a Facebook platform for financial education where information security tips for users are promoted in an easy-to-understand and readable format.

The weekly TV column “Financial Security Tips” was initiated by TBC. The host of the TV column was Giorgi Kepuladze, the founder of “Society and Banks”, who explains in simple and understandable language to people how to protect themselves from phishing, what is cyber fraud and other topics related to financial security. The TV column continued in 2022.

In communication, we actively use regional online media and newspapers with the highest circulation. In almost every region, we have published articles that simply and clearly explain what phishing is, what form fraudsters use in this case, and what recommendations we should consider. TBC publishes useful information via blogs, posters and short videos.



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PROTECTING CUSTOMERS' PERSONAL INFORMATION

Providing constantly improving and diversifying digital services enables TBC to be a leading bank in innovation and increases our capacity to deliver financial services to the whole population. At the same time, we pay utmost attention to protecting personal information and customers' privacy. Ethical treatment of client data is a cornerstone of the high level of trust that customers have in TBC. As a financial institution, we ensure that client data is used only for proper purposes in ways that serve clients' needs and respect the clauses defined in their contracts.

TBC Bank has implemented a Data Leak Prevention System that enables automatic monitoring. In case a leak is identified, the system blocks the process and informs the staff in charge about the incident.

TBC Bank also has an access control policy, which regulates the so-called Need To Know and Least Privilege principles. Under the policy, employees have access to the maximum amount of information needed for their work, with access and data usage limited to the actions needed to fulfil their responsibilities.

The policy and related procedures also ensure the proper involvement of third parties with Bank data. The policy considers the legal and operational risks and limitations and ensures that only risk-free information transfers can be carried out with any third party. In 2022, in TBC Bank, no major personal data leak was detected, nor was any such customer report received.

BUSINESS INTEGRITY IN CLIENT RELATIONSHIPS

Responsible and Fair Marketing and Sales Activities

By treating customers fairly we mean that:

- Products and services promoted and sold are designed to meet the needs of identified customer groups and are targeted accordingly;
- Customers are provided with clear and accurate information in a timely manner;
- Where customers receive advice, the advice is suitable and takes account of their needs and financial circumstances;
- Customers are informed about significant risks, restrictions and limits related to specific financial products;
- Customers are provided with contracts drafted in line with the requirements of the Consumer Protection Law;
- The provided information is not intended to influence clients to make the wrong decisions
- All promotion materials are drawn up based on Consumer Protection Law requirements
- We do not encourage customers to purchase any unnecessary financial products for the purpose of fulfilling our sales plan; and
- Customers do not face unreasonable post-sale barriers imposed by firms to change product, submit a claim or make a complaint.

Regulators require that clients be provided with full information before making a decision on a financial product purchase. The Bank practices full compliance with regulators' demands. There were only five minor cases when the information provided to the client was not sufficient. The total amount of fines was GEL 3,000.

TBC Bank has an internal instruction that regulates customers' rights protection, which underlines the necessity to provide information about the Bank's products, using clear language understandable for any customer. The Bank also implemented standards enabling it to serve visually impaired customers.

Another document regulating transparent and fair relationship practices with customers is the Code of Ethics, which covers financial products' transparency, is based on best practices defined by law and covers the whole TBC Group. The document is available publicly at www.tbcbankgroup.com



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CUSTOMERS' COMPLAINTS MANAGEMENT

TBC has elaborated a client Complaints Management System, which is described in the Complaint Management Process Document.

Customers are informed with the complaints fixing channels and the complaint processing timeline through the TBC webpage and all legal contracts that they sign.

Customers have the possibility to address the Bank with a complaint in written form or verbally through the contact centre, branches, internet banking, social network and the official webpage (www.tbcbank.ge).

Complaints are discussed and addressed by the Complaint Management Team in the Customer Support Department. Received complaints are uploaded on the CRM module. A complaint management specialist assesses the complaint in the timeframe defined by law. After the complaint is uploaded in written form, the client receives the following SMS: "This is to confirm the receipt of your complaint. We will get back to you with the answer within one month at the latest (depending on the substance of the complaint). More details regarding the timeframe of handling complaints are available on the Bank's official website www.tbcbank.ge". The reasons for the complaint are analysed, recommendations are prepared, and subsequently, the people responsible are addressed. A decision is made after the analysis and is communicated to the client by phone or in written form.

Reports on complaints received are submitted to the National Bank of Georgia on a monthly basis.

In 2022, TBC Bank received 5834 complaints, compared to 4,787 in 2021 and 5,041 in 2020. The number of complaints filed during 2022 increased by 22% compared to 2021. Main factors increasing of complaints are as follows:

- Increased customer activity (more transactions and products sold)
- Rate of changes in our systems (new products, system updates etc. which produces minor and temporary errors)
- Legislative changes
- NBG's active involvement in customer protection, which encourages customer activity.
- World events (such as sanctions caused by war in Ukraine)

The content of the complaints (in 2022) breaks down as follows:

- Quality of Service: 54%
- Negotiation related to credit product terms: 8%
- Product terms and contract details: 22%
- Correction of commissions, penalties, and interest rates: 8%
- Transaction-related: 1%
- Demand for additional information or documents: 5%
- Other: 3%.

100% of all complaints were analysed and addressed. Client claims were satisfied in 43% (36% in 2021) of the cases.

During 2022, a total of 115 initiatives and recommendations were initiated by the Complaints Management Unit, compared to 103 in 2021, aimed at the revision of standards/agreements, website information editing/update, elimination of the detected systemic gaps, new IT orders, etc.

In order to incorporate customer complaints management in the overall risk management framework, customer complaints appetite limits were integrated into the Risk Appetite Framework, which was approved by the Board of Directors. The methodology requires that these metrics are monitored and reported on by the respective business units. As a result, the business lines responsible for products and services per segments were identified and assigned to the first line of defence against risks.

RESPONDING TO OUR CUSTOMERS' NEEDS

Ensuring Client Satisfaction

One of the most important values for TBC Bank, as a service company, is customer care, well-being, and satisfaction. We dedicate significant time and effort to exploring our clients' banking needs and preferences, and we constantly transform our products and services in order to deliver an outstand-

ing experience through all our channels. Our customers' interests are our top priority, and we are committed to making their lives easier by acting as a trusted partner, always ready to help.

TBC took further steps to consolidate our knowledge and experience around customers. In 2022 Consumer management and Marketing directions were combined to create a brand experience team. In addition, a new role and position, called Customer Experience Partner, was established. This position is a bridge between customers and the agile teams. Their main task is to listen to customer feedback and take it into account while creating a new product or simplifying existing processes. Furthermore, TBC initiated a process of design transformation. Bringing design practices into the business improves user experience (UX) approaches and makes our design thinking methodology more organic when creating products and service. This means that all processes start and end with the customer, and that TBC teams are increasingly basing the process of creating products and services on customer needs.

We regularly request feedback from our clients to analyse their needs and fine-tune our value proposition accordingly. We regularly measure customer satisfaction levels based on a range of surveys conducted by independent third-party companies and maintain the highest scores in the Georgian banking sector. We have changed the research methodology conducted by an external independent research company, and instead of the best service provider, we conduct an NPS study with a direct competitor, we hold one of leading positions in banking sector. The reason for the change in the research methodology is the management's focus on the international index, NPS and benchmarking with the direct competitor.

Since 2020, in order to reinforce our customer-centric culture, the Bank conducts an after-service SMS survey, through which a CSI (Customer Satisfaction Index) is compiled on a daily basis. The survey tracks a total of 30,000 customer voices per month across Georgia grouped by regions, branches and individual employees, which allows us to constantly monitor our customers' experience and feedback and further improve the quality of service provided in our branches.

In 2021, TBC Bank further expanded its research digitalisation and acquired a special platform that enables live surveys to be deployed on any channel, provides instant feedback to customers, and increases our understanding of customers' needs. We have already implemented trigger-based surveys in Retail Mobile Bank, Business App and Business Internet bank. The trigger-based surveys are conducted immediately after an operation or transaction, asking the opinion of the customer. In 2023, we intend to increase coverage of digital channels.

Based on regular customer satisfaction surveys, we identify employees and teams who demonstrate exceptional customer care. They are recognized by the top management and are awarded special gifts at an annual TBCX Award ceremony.

Our service quality assurance approach is described in the Service Standards and Code of Ethics documents, which cover fairness and transparency issues. Service quality evaluation is based on an international standard Service Level Agreement (SLA), operational excellence metrics, and client satisfaction survey results through which internationally recognized customer experience parameters like NPS (Net Promoter Score), CSAT (Customer Satisfaction Score), and CES (Customer Effort Score) are calculated. Base line quality standards are elaborated based on exceptional customer experience. Concrete, quantifiable Key Performance Indicators (KPIs) apply to concrete processes, such as waiting time, client pulse, NPS, Monitoring index etc.

A Quality Dashboard is drawn up every month. It contains statistical data from all departments that have a direct or indirect connection with clients, covering SLAs, Satisfaction Survey results, monitoring indexes and targets for each given component. Subsequently, components with unsatisfactory results are discussed with the relevant departments, and actions for improvement are planned. Since 2021, a Quality Dashboard is employed on the Power BI platform, leading to a more flexible and intuitive way to visualise quality management metrics and share experiences between teams.

Since 2021, top management also receives day-to-day indexes of user experience, highlighting the areas in which customers experience "pain" and how quickly the underlying causes are identified and addressed. This practice increases the transparency and responsibility of the relevant teams and speeds up the resolution process.

In TBC, each employee participates in creating the best customer experience. In order to foster this culture of involvement, a micro-bug system has been created specifically for TBC employees, which allows an employee to fix a bug in any channel, space, product or service on any TBC channel



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at any time and be sure that the response will be instant. This helps the company to involve each employee in solving problems as soon as they know about them.

Customer Experience Management Competence Center implements service culture improvement initiatives annually. Their initiatives include:

- An Outstanding Customer Service Training Package for front and back-office department employees, based on an exceptional service skills matrix;
- Extra-mile service stories to highlight cases of special customer experience and ensure recognition;
- TBCX award to identify and encourage employees with extraordinary customer care, based on customer satisfaction survey results;
- A “voice of the internal customer” survey for head office departments to evaluate each other’s service and provide support to colleagues;
- In 2022, we continued working on the Customer Experience (CX) Appetite project, which envisages the creation of a CX measurement framework for both the Bank and its subsidiaries in the development of quality management models. The project helps agile teams reconsider the value created for the customer and the ambition that creates the outstanding customer experience as much as possible, and at the same time plan the relevant activities for its measurement and execution;
- In 2022, Customer Pain Points management system continued to be our main focus, which allows us to identify the top issues for customers across the Bank’s segments, products and services; to assign each “pain” to the teams responsible for solving it; to run rating system; and to encourage the best Pain Killer teams. In 2022, we also introduced the nomination of Painkiller award under TBCX award system in order to recognize the Best Painkiller team;
- In 2022, we’ve already developed and introduced a WOW experience guideline to our agile team members. A WOW experience guide defines what is what kind of experience makes customer to say WOW, in which areas to look for, how to deliver and measure wow moments. In 2023, we will have to switch our focus from painkiller positioning to WOW experience creator bank;
- In 2022, we’ve announced that employee experience is as important point of our strategy as customer experience. So, we have created a role of employee experience (EX) Partner who’s main role is to identify and address employee pain points and to take care of improving TBC employee experience.

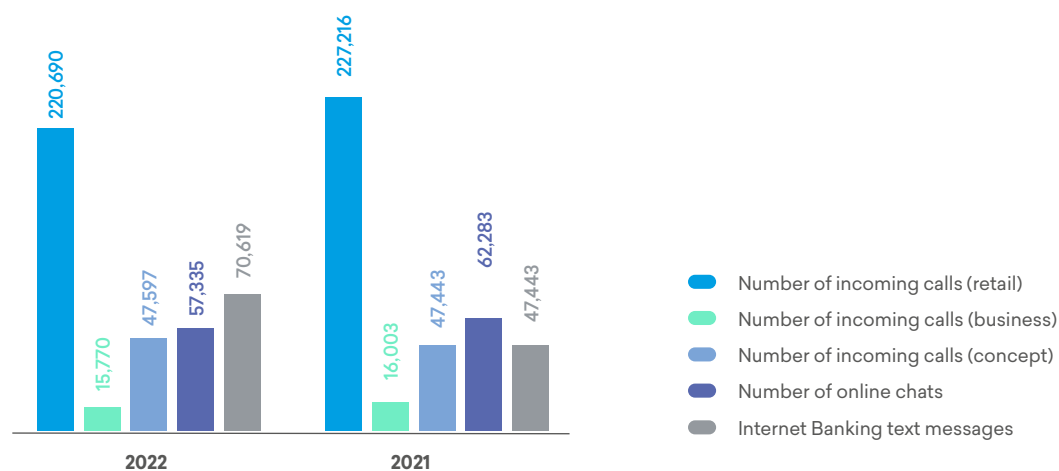
TBC conducts customer surveys with the help of both internal and external, independent research companies. The average annual number of survey participants is more than half a million.

Contact Center

During the pandemic, the contact centre played a key role in communicating with clients and supporting them. The functions of the call centre were expanded and additional processes were transferred to the call centre channel.

In 2022, the total number of calls served by the TBC Bank call centre reached 2,968,279 (2,878,281 in 2021 and 2,824,317 in 2020).

NUMBER OF INCOMING CALLS - MONTHLY AVERAGE



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DIGITAL INNOVATION AND FINANCIAL INCLUSION

Access to financial services is important for the financial stability of the country and for giving people the opportunity to better manage their income and expenses and plan their financial future. To have a modern and transparent economy, the country needs well-established, accessible financial services, with the strong digital as well as physical infrastructure that TBC provides. As a leader in the financial sector, TBC ensures that its branch, ATM and self-service terminal network covers the whole country, including both economically important centers and remote areas with less commercial activity. Although it has a well-established physical network, which gives access to a whole spectrum of financial services to the population of Georgia, TBC's main strategic direction is the constant development of digital financial services. TBC Mobile Banking was named as the Best Corporate/Institutional Mobile Banking App 2021 in Central and Eastern Europe by Global Finance in 2021. The Bank offers contactless payment services and serves clients through a call-center and chat-bots. The bank operates 4,300 self-service terminals, 920 ATMs and 29,000 active merchant terminals. TBC is developing its digital footprint on a group level as well: TBC Insurance provides clients with online insurance products, while TNET offers an online shopping experience, customized for local needs. Citizens can also read or listen to literature, buy real estate, and order goods delivery – all by using TBC group companies.

TBC has grasped digital possibilities in all areas and has been able to adapt to the new reality in a short time so that neither consumers nor business processes are affected. This is especially important today, both for customers, TBC employees and the economy in general, which has faced enormous challenges caused by the pandemic and could adapt a new reality with support of digital services.

In 2022, the daily engagement of our digital users went up as the growth in the number of digital daily users surpassed the growth of digital monthly active users. 98% of transactions were conducted via remote channels by retail customers. In December 2022, the number of digital monthly active users increased by 24% year-on-year and reached 801,000 representing 54% of total monthly active individual customers. Over the same period, the average number of daily digital active users grew 35% year-on-year to 384,000.

After introducing Apple Pay in 2019, in 2022, we launched Google Pay for Android users. The year under review also saw us focus on digital card issuance. As a result, the share of mobile wallet payments as a proportion of total contactless payments increased from 22% to 30% by the end of 2022, while 99% of all transactions conducted domestically by TBC cards were contactless in 2022.

After entering Tbilisi's transport payments network in 2020, in 2022 TBC expanded presence in three other large cities of Georgia – Kutaisi, Gori and Poti. In these cities, customers can now pay using any of their debit or credit cards, or by dedicated transport cards issued by TBC. Transport cards are very easy to obtain and use. They are nameless cards, which are not tied to any bank account and have no expiration date. The transport card can be purchased in our branches, as well as several store chains. At the end of 2022, the number of active transport cards amounted to 38,520.

Another initiative on the payments side was the introduction of a simplified dispute process for unauthorized card transactions, which allows us to decrease the review period from 35 to 3 days. Furthermore, we increased the number of cases for which customers could get reimbursement in case of unauthorized card usage. These services are available for all insured cards, TBC Concept and wealth management customers, and they are also included in certain subscription options for our mass retail clients.

We are always looking to provide more convenient and efficient services to our customers and in line with this, the year under review saw us upgrade our existing subscription plan with new products better tailored to their needs. The upgraded subscription plan offers several packages and combines financial products with an extensive range of non-financial services, such as exclusive face-to-face and group meetings, seminars and workshops with leading specialists in various areas, as well as special offers from our partners. By the end of the year, around 40% of our MSME clients had subscribed to this service compared to 25% a year ago. We also started working on the development of a new user-friendly IT tool. This will provide a 360-degree view of our customers and will help us analyse their needs more comprehensively and more efficiently. In addition, we are developing a Machine learning (ML) model, which will be able to estimate the probability of churn for each MSME client and will enable us to take proactive measures in a timely manner.

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During 2022, we focused our efforts on expanding our active customer base both by gaining new customers and by increasing engagement with our existing clients. In addition, we increased our penetration levels among payroll clients, who provide a good source of fee and commission income. We also grew our youth customer base as part of our strategy to foster relationships with clients from a young age.

The multi-channel financial and non-financial services as well as a variety of innovative products give choice to customers to utilize those which meet their needs and expectations the most. Simplicity of usage is an essential factor for TBC as a technology driven company that seeks to make people's lives easier. In parallel, we make sure that functionalities and conditions are clear for customers and information is provided through different means: call center, instructions and guidelines on platforms, frequently asked questions sections, informative e-mails, blogs, and branches creating the interaction possibilities for customers of almost any age. Respectively, the numbers of users in all channels are increased that gives indications about the increased accessibility of services and information.

99% of all retail transactions conducted domestically by TBC cards were contactless in 2022.

98% of all our retail transactions were conducted remotely in 2022

The TBC Internet and Mobile Bank is tailored to the customer as much as possible, through voice commands, design, and its ability to support different operating systems. In 2022, our internet and mobile banking remained the preferred channel of communication for our customers. We continue to enrich it with new features, introducing several new offerings, including:

- Open banking, which enables our customers to add other Georgian bank accounts to mobile banking applications and manage their banking operations centrally;
- An IBAN scanner, which simplifies money transfers;
- A number of new features such as a new module for utility payments and automatic payments as well as allowing transfers using any foreign currency.
- Since 2017, TBC has operated the online lending platform called "TBC credit" (www.tbccredit.ge), which enables customers to obtain a loan remotely and easily. We continued to polish our online lending platforms TBC credit (www.tbccredit.ge) and TBC installment platform (www.tbccredit.ge). As a result, the share of consumer loans sold via remote channels grew from 38% in 4Q 2020 to 45% in 4Q 2021. Over the same period, the share of time and savings deposits being opened remotely stood at high 73%.

ECOSYSTEMS

In 2022, various digital platforms were combined in the largest technology company in Georgia and the region – TNET. These platforms are: www.myauto.ge, www.vedoo.ge, www.tkt.ge, www.livo.ge, www.mymarket.ge, www.myhome.ge, www.myparts.ge and www.swoop.ge.

The digital platforms included in TNET have up to 1.9 million unique annual visitors, which is 70% of the country's adult population, and in total, they hold 40% of all Georgian Internet traffic.

TNET offers customers perfect products and services in four main directions. These are lifestyle, e-commerce, auto and real estate.

The company employs about 300 employees, most of whom are representatives of the IT field. In the future, the number of employees in this direction will increase to 500, thus the company will become the largest employer in the IT field in Georgia. TNET will offer a 3-year professional development plan to all employees. The technologies, frameworks and languages used by TNET are diverse: Node. Js; Python; Laravel; C – sharp; Vue Js, React, Angular, iOS, Android, Flutter.

In total, TNET combines eight websites and five iOS and Android applications, it is planned to create new platforms as well.



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TNET - SUPERAPP

“Our mission is to simplify people’s lives through technology and to offer services and products that save them money and time. The establishment of TNET also serves this mission. Our ambition is to become the largest technological company in the region and to make it even easier for users to get the desired service with our services and products,” said Giorgi Chumashvili, General Director of TNET.

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The purpose of creating the **Super app** is to combine the services people use every day in one application, which will be enhanced over the years and will be as useroriented and customized as possible with simple navigation.

*TNET plans to further diversify the **SUPER APP**, which will be manifested by the integration of new services and operations into the application.*



RESPONSIBLE BANKING

Introduction

Transaction Qualification and Categorization

- Screening Against the Exclusion List
- E&S Risk Categorization

Mitigation and Control

Monitoring and Reporting

Awareness and Competence Raising

External Communications

- Grievance Mechanism

Products and Services Offering

- Green Lending Development
- NBG Sustainable Finance Taxonomy

Social and Environmental Added Value



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RESPONSIBLE BANKING

INTRODUCTION

The top management of TBC BANK GROUP PLC is showing leadership and commitment to the EMS by defining an Environmental Policy framework (including Environmental Principles) and ensuring its implementation. The top management has an overall responsibility to coordinate the implementation of the EMS, making the needed resources available, giving responsibilities and authorities to relevant staff, and communicating and promoting the importance of effective environmental management and continual improvement of the company's environmental performance.

A significant share of our environmental and social impact is linked to our activity as a financial intermediary. In many cases, this exceeds the direct impact generated by our company. The incorporation of sustainable development principles in our lending and investment policies, as well as in our products and services, is of the greatest importance for us. It enables us to effectively manage our indirect impacts and our complex social, environmental and reputational risks. In 2012, TBC Bank was one of the first banks in the country to develop an Environmental and Social Management System (ESMS). Our partner International Financial Institutions (IFIs) provided expertise and guidance throughout the process to ensure that the Bank implements an advanced and comprehensive system, based on the highest standards of international best practice. For all commercial transactions, TBC Bank endeavours to ensure that its customers demonstrate an organized and systematic approach to environmental and social risk management and comply with local and international environmental, social, health and safety, and labour regulations and standards. For this purpose, TBC Bank has developed Environmental and Social Risk Management (ESRM) Procedures to ensure that an appropriate, risk-based, sector specific, environmental and social risk assessment is applied to its commercial lending activities. These procedures are fully integrated in the credit risk management process in TBC Bank and are applied to all commercial lending. The procedures incorporate appropriate consideration of IFC's Performance Standards (PSs), EBRD's Performance Requirements (PRs) and ADB's Safeguard Requirements (SRs).

THESE PROCEDURES INCLUDE:

- Transaction qualification and risk categorization;
- Identification and appropriate assessment;
- Mitigation and control; and
- Monitoring and reporting.

By assessing and monitoring the environmental and social impacts as part of the credit risk analysis of business clients, incentivizing the use of environmental best practices in their businesses, and engaging in sustainability financing, TBC Bank strives to mitigate the negative environmental impact of financed businesses.

Implementation of the Environmental and Social Risk Management System is the direct responsibility of the Environmental and Social Risk Management team of the Bank. Corporate, small and medium business credit staff and risk managers are also actively involved.

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TRANSACTION QUALIFICATION AND CATEGORIZATION

Screening Against the Exclusion List

Each employee from the Corporate and SME Sector is responsible for checking the IFI Exclusion List to determine whether the proposed business activity is excluded from financing.

The list of activities excluded from financing by TBC Bank is based on the Exclusion Lists of the EBRD, IFC, DEG and ADB. We reject financing activities that violate local legislative requirements, international conventions and declarations of human rights, labour rights and so on. To see the full list of excluded business activities, please visit: www.tbcbankgroup.com.

E&S Risk Categorization

The environmental and social risks of commercial transactions at TBC Bank are categorized according to the following risk categories, using a modified version of IFIs' Environmental and Social Risk Categorization Guide:

Low – Transactions with minimal or no adverse social or environmental impacts, which are not generally subject to further assessment (beyond their identification as such), except for the requirement for customers' compliance/non-compliance with local and national environmental, health and safety, and labour laws and regulations.

Medium – Transactions with limited potential for adverse social or environmental impacts that are few in number, generally site-specific, largely reversible, clearly evident at the time of the assessment, and readily addressed through mitigation measures. These transactions typically require a limited or focused environmental and/or social assessment, or straight-forward application of environmental setting, pollution standards, design criteria, or construction standards.

High – Transactions with potentially highly significant, negative and/or long-term environmental and/or social impacts, the magnitude of which may be difficult to determine at the loan application stage, which typically require analysis of the environmental and social risks and impacts in the context of the total area of influence of the customer's operations. As part of the risk assessment, the client will identify individuals and groups that may be differentially or disproportionately affected by its operations.

A category - With potentially significant adverse social or environmental impacts, which may be diverse, irreversible or unprecedented, the assessment of which usually requires the inputs of independent external experts, and may require the involvement of IFI E&S specialists in the due diligence assessment process.

TBC Bank's E&S risk assessment standard is in line with IFC/EBRD Performance Standards and Performance Requirements (PS/ PR).

THE PS/PR QUESTIONNAIRE COVERS THE FOLLOWING TOPICS:

- Social and environmental assessment and management system;
- Labour and working conditions;
- Pollution prevention, resource conservation and energy efficiency;
- Community health, safety and security;
- Land acquisition and involuntary resettlement;
- Biodiversity conservation and sustainable natural resource management;
- Indigenous peoples; and
- Cultural heritage.

Credit Analysts and Environmental and Social Risk Management team members are involved in assessing clients' E&S risks.

Since 2019, TBC Bank's Environmental and Social Risk Management team applies sector-specific, risk based Environmental and Social Due Diligence (ESDD) Forms, which unify IFIs' E&S standards and local legislative requirements.

The automation of the E&S Risk Assessment Process provides more flexibility to staff and reduces their manual work, which in turn limits errors and mistakes during the risk classification and selection process.

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MITIGATION AND CONTROL

Credit analysts are responsible for ensuring appropriate risk control measures based upon the assessment of associated environmental and social risks and upon the steps determined by the client to mitigate E&S risks. Depending upon the perceived environmental and social risks, the risk control strategy may involve requiring the client to take specific actions, make specific investments, or develop and implement specific environmental or social action plans to avoid or mitigate environmental and/or social impacts, and/or specific monitoring and reporting requirements. Such requirements may be covenanted in the Loan Agreement.

As a minimum, the Loan Agreement requires all clients to certify in writing that, to the best of their knowledge, their operations comply with all local and international environmental, health and safety, and labour regulations and standards, or to disclose to the Bank known areas of material non-compliance.





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MONITORING AND REPORTING

Monitoring

Environmental and social risk monitoring is carried out at least once every 12 months. In case of deadlines set by the Corrective Action Plan (CAP), monitoring is conducted after each deadline on a regular basis. To ensure a high quality environmental and social risk assessment and monitoring process, the Environmental and Social Risk Management Group conduct additional, spot-check monitoring based on a random selection of ESDD reports. Spot-check monitoring is carried out at least semi-annually. In addition, the Environmental and Social Risk Management Group conduct quarterly monitoring to ensure full implementation of ESRM procedures, to identify any internal procedural difficulties/barriers, and to eliminate them by through appropriate action.

Monitoring of Corrective Action Plans is conducted distantly. Monitoring of Corrective Action Plans (CAPs) has been conducted regularly, once every fortnight. In 2022, a total of 69 clients' Corrective Action Plans were developed and 69 monitoring reports were prepared.

Reporting

TBC Bank prepares an Annual Environmental and Social Performance Report (AESPR) for its partner IFIs. This report summarizes the financial year in terms of ESRM and outlines all the updates and changes that came about during the reporting year. In 2020, the annual reporting form was enhanced, leading to more detailed reporting. In addition, TBC Bank obliges its customers to provide non-financial reporting, such as information about their companies' E&S management system, issues etc.

AWARENESS AND COMPETENCE RAISING:

- Training for new employees;
- E&S training for credit staff;
- An annual, mandatory online EMS e-learning course for all staff, followed by a self-evaluation test;

In 2022, 97% of all staff including the top management of TBC successfully passed the online course and self-evaluation test about TBC's EMS. In 2022, several Green Lending training sessions were held. In total, 91 employees were trained, including SME Credit experts, MSME Credit Risk Managers and Business SME Lending/Sales Coordinators.

To ensure more effective communication, a video was created that briefly describes TBC's EMS, structure and approaches. It is used both for training staff and in meetings with partners and stakeholders.

TBC Bank's ESRM team members endeavour to raise their qualifications and expertise by participating in different workshops, webinars, and training sessions. These include: National Conference on Resource Efficient and Cleaner Production (RECP) as a means of Green Transition for industrial enterprises in Georgia by Energy Efficiency Centre Georgia; Sustainable finance forum by National Bank of Georgia (NBG); Training Course – on Environmental & Social Risk Management for Financial Intermediaries by EBRD; Online course – GGF Green Finance Expert – Advanced by Green for Growth Fund (GGF) and Renewables Academy (RENAC).

We strive to help our clients and potential clients in compliance with E&S requirements to receive financing and to fulfil the actions agreed upon in the contract. In addition, TBC Bank's E&S Risk Management team periodically participates in business forums organized by TBC, in which participants (existing and potential business clients) receive information about the Bank's E&S risk management standards, as well as local legislation requirements.

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Follow-up Visits

The feedback and recommendations received from our international partners and other stakeholders enable us to continuously improve our performance. In 2022, a two-day due diligence process was held by FMO (Dutch Entrepreneurial Development Bank); several meetings were held with TBC Bank's ESMR team, as well as on-site visits of customers of TBC Bank were conducted. In consequence, TBC's EMS was evaluated positively.

DEG (Deutsche Investitions- und Entwicklungsgesellschaft) representatives met with the ESRM team remotely and discussed in detail the TBC's EMS and management practices regarding environmental and social risks related to the activities of the Bank's business clients.

EXTERNAL COMMUNICATIONS

Grievance Mechanism

Transparency and open communication are an essential part of our daily activities. The feedback and recommendations received from our stakeholders and other interested parties enable us to continuously improve our performance. In doing so, we have developed a grievance mechanism to enable interested parties to provide their complaints related to E&S issues. Records of all communication are stored, including responses in line with the TBC Bank's procedure for addressing external E&S queries and concerns. Interested parties may submit their query on the webpage: www.tbcbank.ge or to the following e-mail address: E&Srisk@tbcbank.com.ge.

During 2022, no such complaints were received related to environmental and social issues.

The main purpose of this procedure is to inform stakeholders and ensure and increase their proper involvement.

PRODUCTS AND SERVICES OFFERING SOCIAL AND ENVIRONMENTAL ADDED VALUE

TBC strives to increase its positive impact on society and the economy through introducing new financial products and services that are designed to deliver a specific social or environmental benefit.

Green Lending Development

TBC Bank acknowledges the importance of sustainable lending and is actively involved in developing a standardized approach to sustainable finance, including energy efficiency, renewable energy and resource efficiency financing for its private and business clients. TBC is a leading partner in Georgia in local renewable energy financing with a core segment in hydropower stations.

To make our contribution to the development of sustainable financing countrywide, we conducted local market research to determine how to adapt TBC's green criteria to the Georgian reality and developed Green Lending procedure, in cooperation with Green for Growth Fund (GGF) Technical Assistance Facility, represented by Finance in Motion GmbH and financed by the European Union under the EU4Energy Initiative. This procedure helps the Bank to identify green and environmentally friendly initiatives and encourages private companies to move to sustainable investments in their businesses.

TBC, TOGETHER WITH PARTNER ORGANIZATIONS, OFFERS NUMEROUS BENEFITS FOR CONSUMERS WHO MEET THE CRITERIA SET BY THE PROJECT, SUCH AS:

- Green Economy Financing Facility (GEFF) is the product of the EBRD designed to make businesses more competitive, while minimizing their impact on the environment. GEFF provides finance and advice that can be used for variety of purposes, whether to invest in "green" technologies, or finance "green" projects.
 - How can GEFF benefit the business?
 - Better energy performance through installation of high-performing energy efficient and renewable energy technologies



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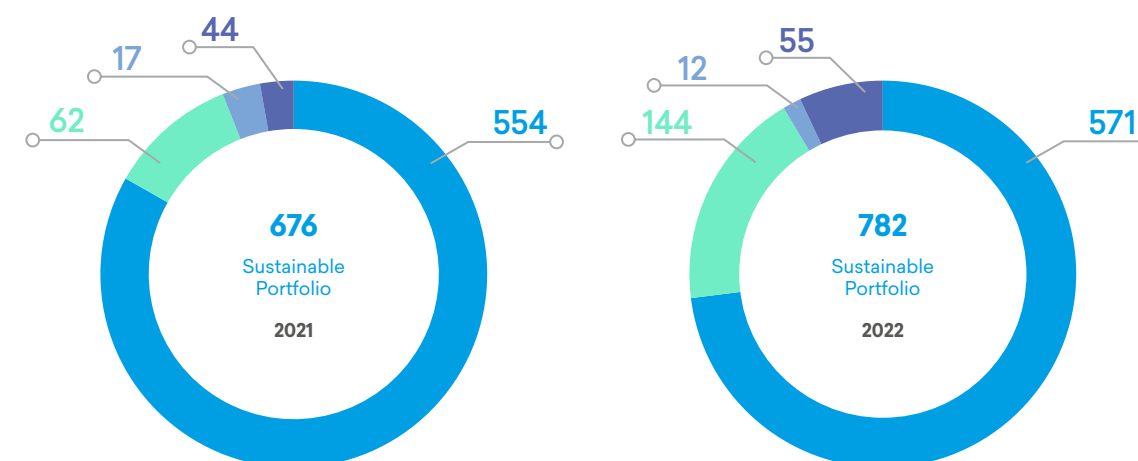
- Reduced energy, water and resource consumption, and thus lower operation costs
 - Greater productivity and reliability of equipment
 - Improvements in product quality and company image
 - Increased profitability and competitiveness
- DCFTA same as EU4Business-EBRD credit program - A joint initiative of the EBRD and the European Union, provided by the EU4Business-EBRD credit line program and in cooperation with TBC Bank, aims to finance sustainable investments of local micro, small and medium enterprises ("MS-MEs"). The program combines financing, free technical assistance, and an incentive grant component that involves paying back up to 15% of the loan amount. The initiative is designed to bring Georgian small and medium-sized businesses into compliance with EU directives, which ensures product quality improvement, enterprises' competitiveness and reduces the negative impact on the environment.
 - The joint financing program of **TBC Bank and the Green for Growth Fund (GGF)** allows clients to invest in energy efficiency, resource efficiency and renewable energy projects, where primary energy and/or CO₂ savings of at least 20 percent are achieved. Green financing comes with free technical support.
 - Joint financing program of **TBC Bank and Global Climate Partnership Fund (GCPF)**. It helps local businesses to increase their competitiveness and reduce the negative impact of their business activities on the environment. The program finances energy efficiency and renewable energy projects. Funding is supported by free consulting support that can be used during the implementation of projects.

The ESG Strategy sets targets for the growth of our total sustainable loan portfolio, including financing energy efficient, renewable energy and resource efficient projects, women-led and women-owned business, start-ups and rural businesses. TBC aims to have a GEL 1 billion sustainable portfolio for 2023.

BREAKDOWN OF SUSTAINABLE LOAN PORTFOLIO (IN GEL'm)

TYPE OF SOCIAL AND ENVIRONMENTAL BENEFIT

- Renewable Energy (RE) • Cleaner energy generation from Hydro power plants
- Youth Support* • Financing energy efficient projects including fuel-efficient vehicles, housing and home improvement
- Women in Business (WiB)* • This financing supports women's empowerment
- Energy Efficiency (EE)* • To support the young generation through education and development





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“SASHUALA” HYDRO POWER PLANTS

In Guria, Chokhatauri Municipality, on the Sashuala river, the Energy Development Georgia operates the cascade of hydro power plants (HPPs) with a total installed capacity of 15.25 MW. The three HPPs were built with the support of TBC Bank.

The 3rd hydro power plant in a row - Sashuala 0, with a total installed capacity of 2.25 MW - was launched in January, and Sashuala 1 and Sashuala 2 were launched in 2019-2020.

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A total of **42 hydro power plants** are financed by TBC Bank throughout the country.

35 HPPs are already operating, and 7 are under construction.



TREATING OUR SUPPLIERS RESPONSIBLY

Introduction

Our Suppliers in 2022

- Proportion of Spending on Local Suppliers
- Supplier Selection and Payment Policies

Dialogue with Suppliers

- Complaint and Grievance Management
- Supplier Remedy

Managing the Environmental and Social Risks of Our Purchases

- Green Procurement Recommendations
- Responsible Procurement Training
- Supplier Screening – Environmental and Social
- Risk Management Questionnaire

Strategic Budgeting and Procurement Directions



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TREATING OUR SUPPLIERS RESPONSIBLY

TREATING OUR SUPPLIERS RESPONSIBLY

The data presented in this chapter applies to TBC bank only.

OUR SUPPLIERS IN 2022

TBC is one of the largest purchasers in the country. Therefore, our responsible purchasing practices and relationships with suppliers can have a significant impact on the well-being, financial stability and development of suppliers, as well as on the economy as a whole. We understand the scale of our impact, treat our suppliers responsibly, strive to have permanent dialogue with them, and understand and respond to their needs. We also stimulate implementation of environmental and social risk management standards in our purchasing activities. TBC Bank cooperates with a wide range of suppliers, from small startups to large companies, as well as individual providers of services, with resident companies and those from abroad. We pay special attention to small local suppliers and promote their inclusion in our supply chain. The Bank operates a project called Startuperi, through which we support local start-up companies - producers of products and services, as well as importers. We strive to support startups through offering them various tailor-made banking products and involving them in our purchasing activities. We understand that, as a very large buyer, the Bank can significantly contribute to start-up company development through its procurement deals. We are always ready to involve suppliers with little experience in our supply chain and, with more effort, contribute to their development. TBC cooperates with 9,407 (7523 in 2021) different suppliers.

Proportion of Spending on Local Suppliers

The share of local suppliers remained constant in 2022, with 89% of the Bank's suppliers being registered in Georgia. Under the category "local suppliers", we consider Georgian resident companies that sell locally produced, as well as imported goods or services. This is a clear indicator of our input into local economic development. At the same time, we also understand that operations with local suppliers help to decrease CO2 emissions related to the transportation of goods.

The culture and principles under which TBC collaborates with its suppliers are harmonized and shared Group-wide, including TBC UZ and TBC Insurance. The procurement procedure, which is the main guideline to reflect the approaches mentioned above, is harmonized with those of the Bank and undergo a permanent renewal process.

Procurement by Type

In 2022, the main procurement categories, with at least 2% share in the total procurement or significance from strategic point of view, were as follows:

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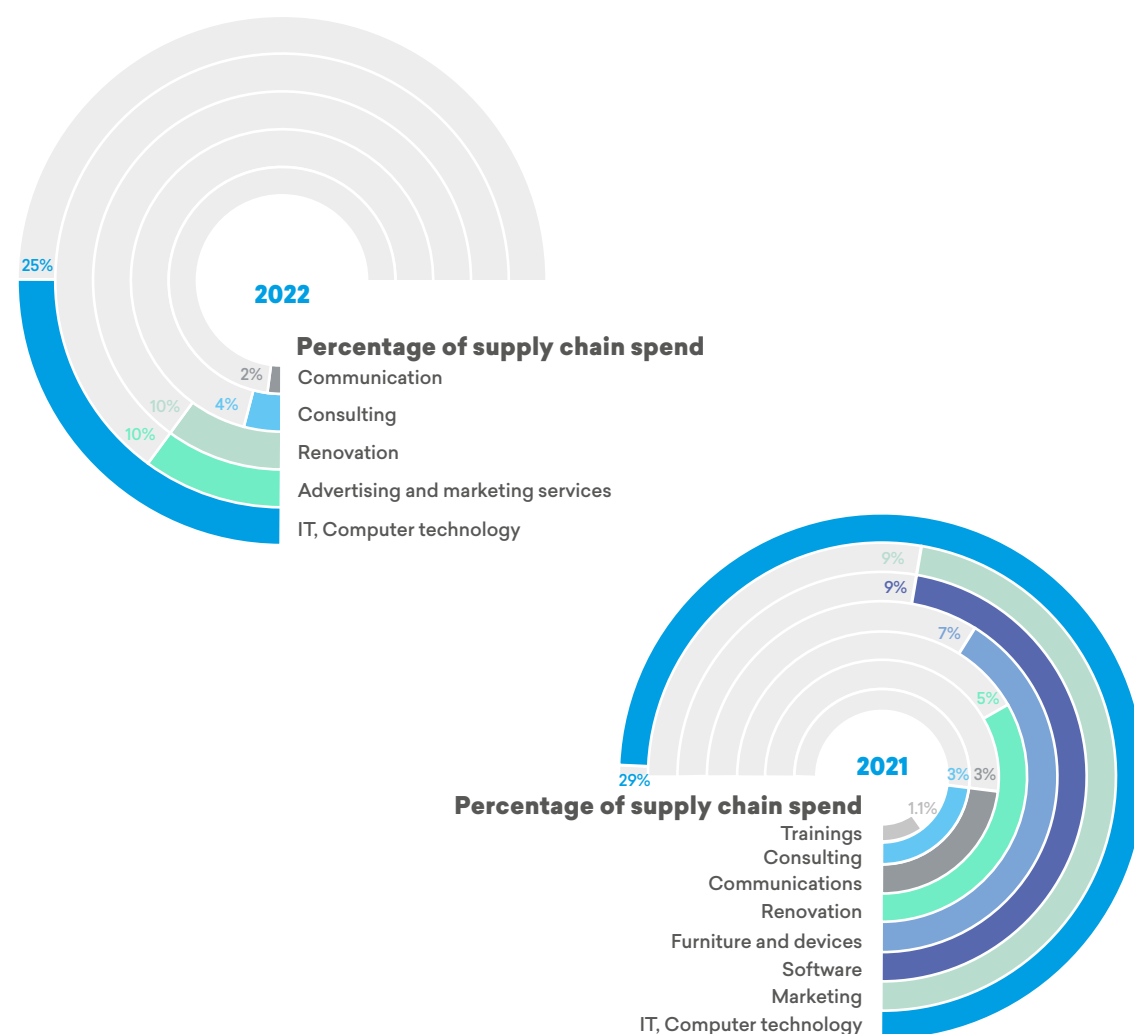
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BANK SUPPLY CHAIN EXPENDITURES 2021



Supplier Selection and Payment Policies

TBC Bank supplier selection and payment processes are regulated through the Procurement Policy. When selecting new suppliers, we operate based on the principles of equality, transparency, and fair competition. Selection is made in most cases through electronic tenders, for which the Bank uses third party online platforms. Bids are received and bargaining is performed online mostly, with companies given the opportunity to track the tender details. If, based on inquiries, the tender requirements are corrected, all participants are informed accordingly.

The Bank intends to establish partnerships with suppliers, not only contracts. The supplier relationship process is optimized in three different ways: decreasing bureaucracy, shortening the decision-making time, and updating contracts. We clearly understand that one of the most important aspects of cooperation with suppliers is the company payment policy. We strive to adapt our payment policy to supplier needs and, at the same time, consider the company's financial stability. TBC Bank applies various approaches, including a flexible policy of advance payments. As for the payment period, the Bank takes responsibility for paying for the contracts in short periods, thus contributing positively to suppliers' cash flow. Although this is one more activity to support our partners, this approach also pushes the Bank to be faster.

DIALOGUE WITH SUPPLIERS

According to TBC, efficient dialogue with suppliers means assessing their needs and satisfaction levels, creating complaints and grievance mechanisms, and responding to them accordingly. It is very important to us how suppliers evaluate our procurement policy and practice. We use various communication channels to understand their needs, ideas and initiatives, and ensure their satisfaction whilst also staying competitive.

The Covid-19 pandemic brought new topics to the agenda of procurement teams. Dialogue and partnership became even more important and intense, requiring new solutions for processing requests and documentation. Integrating electronic signatures into the procurement process is one of the areas where further development is foreseen in 2023.

Complaint and Grievance Management, Supplier Remedy

TBC Bank operates a Supplier Complaint Management Procedure and Supplier Remedy System. We regularly conduct market research to understand their satisfaction levels and needs. The Supplier Complaint Management system and process are described in the Bank's Procurement Procedure. Complaint rules are communicated in the tender documentation, requiring the presentation of complaints to the Procurement Division Curator Director within three days once the tender outcome has been communicated to suppliers. As soon as a complaint is received, the potential supplier is invited to a meeting in which the complaint is discussed. In most cases, the complaint response is sent to the potential supplier in written form, via e-mail or official correspondence. In 2022, no complaints were received.

MANAGING THE ENVIRONMENTAL AND SOCIAL RISKS OF OUR PURCHASES

As one of the largest purchasers in the country, we acknowledge and understand the social, economic and environmental impact of our procurement decisions and operations, as well as the requirements towards suppliers. Hence, we strive to manage environmental and social risks as well as opportunities in our supply chain with a high sense of responsibility. We prioritize the use of green and energy-efficient products in our everyday activities by incorporating environmental and social assessments into the procurement process. We strive to promote sustainability by encouraging suppliers to act responsibly and adhere to environmental standards, thereby decreasing our indirect negative impacts. To decrease environmental and social risks in the supply chain, we require all suppliers to sign TBC personal data protection, anti-corruption, environmental and tax avoidance clauses, which constitute an indispensable part of the contract and are mandatory for implementation.

Green Procurement Recommendations

The Environmental Policy of the Group includes Green Procurement Recommendations that should be considered during purchases. These recommendations point towards the procurement of more environmentally friendly products and services, products that have better environmental procurement criteria, products that are certified according to environmental standards, etc. The recommendations also apply to construction/renovation works, heating-cooling and ventilation systems, office and other technology purchases that gradually help in implementing energy efficiency standards. TBC Bank has also developed the Green Construction Standard as part of its Green Procurement Recommendations, which provides green recommendations for building and renovating TBC offices. The respective terms are inserted into contracts, which are maintained in agreement with the Bank. If a party challenges the wording of the terms, the legal team and the E&S Risk Management Group are alerted. The standards and criteria presented in the Green Procurement Recommendations are applied wherever possible, with the active involvement of the Environmental and Social Risk Management Group, along with the Logistics and Procurement Departments. The Green Procurement Recommendations document is available to all employees.

Supplier Screening - Environmental and Social Risk Management Questionnaire

In 2019, we developed an Environmental and Social Risk Management Questionnaire to screen suppliers. The screening process helps the Bank to decide about cooperation with suppliers. We regularly assess our long-term contractor companies' environmental and social risks. In case any



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non-compliance with our E&S standards is detected, respective Environmental and Social Action Plans (hereafter ESAPs) are provided. In 2022, we assessed seven of our long-term contractor companies' environmental and social risks. As a result of the assessment, the need to develop the Environmental and Social Action Plans (ESAPs) for contractor companies was not identified. We continually provide assistance to and ensure monitoring of the implementation of the ESAPs.

The topics included in the questionnaire are based on the IFC & EBRD PS/PR Questionnaire and cover the followings:

1. The company's Environmental Management System;
2. Pollution Prevention and Waste Management Systems;
3. Working Conditions;
4. Labor Rights;
5. Labor Safety; and
6. HR Management.

The evaluation of suppliers is carried out by the Environmental and Social Risk Management Group and the Logistics and Procurement Departments.

Since 2021, a Know Your Partner (KYP) questionnaire for suppliers is implemented. The questionnaire allows for deeper analysis of a company's profile and gives a comprehensive overview of its management, areas of operations, relations with the Bank, general contract terms etc.

Strategic Budgeting and Procurement Directions

Our responsible purchasing practices and relationships with suppliers can have a significant impact on the well-being, financial stability and development of suppliers, as well as on the economy as a whole. In 2021, we committed to develop more tailored approaches towards green procurement initiatives, women-owned companies, startups and local (made in Georgia) businesses and to set targets, where feasible. As a result, we incorporated those targets in our ESG Strategy with a procurement volume goal of GEL 5 million in 2022-2023. Since the deployment of advanced responsible procurement policies requires additional resources, knowledge and tools, we will review our procurement policies in order to incorporate best practices and intensify our cooperation with partner organizations, such as UN Women, Tbilisi Impact Hub, which support different economic actors that require an affirmative and responsible procurement approach.



SUPPORTING COMMUNITIES

Supporting Ukraine

Supporting the Georgian Business Community

- Tbcbusiness.ge
- Business Awards
- Startuperi.ge
- Supporting Rural Enterprises

Education and Entertainment Platforms

- Digital Platforms
- Financial Literacy
- TBC Scholarship
- ICT Education Program for 1000 Schoolchildren

Partnerships for Positive Impact

Georgian Literature and Writing

- The Saba Literary Award
- E-books House Saba

Physical Network



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SUPPORTING COMMUNITIES

TBC continues to run its multi-year initiatives that aim to sustainably empower different groups of society. TBC is always working to increase its positive impact on society. We try to define possible areas of impact improvement through dialogue with various stakeholders, research, and analysis. TBC, as an institution with a major social and economic impact, contributes to the development of areas defined as crucial by the countries' public sector and cooperates with the National Bank of Georgia and other government institutions in key areas like financial education, job creation, investment attraction, etc. Apart from information gathered from external sources, TBC assesses its own strengths and competencies and chooses areas of involvement accordingly. We have several principles that guide the choice of initiatives to be implemented. Each project must:

- Increase its positive impact on society and the country in the long term and have growth potential.
- Be a part of TBC knowledge and expertise: Before getting involved in a certain area, TBC builds expertise in it by increasing its knowledge internally and collaborating with external stakeholders that can contribute to the process with their experience.
- Aim at co-participation not just funding: TBC works with partners, supporting them not only by funding specific projects, but also by sharing expertise in communication project management and more.

The main projects are described below.

SUPPORTING UKRAINE

TBC has been involved in the process of helping Ukrainians since the first days of the war and continues to support them today.

To support Ukraine, anyone interested in TBC's charity account can deposit the amount they want to contribute to the charity. Many citizens and companies have joined this initiative. Through joint efforts, more than 1.7 million GEL has been raised to help Ukraine. The amount was transferred in full to the official charity account of the National Bank of Ukraine. TBC Bank itself contributed GEL 200,000 to the fund on behalf of the team. TBC has also simplified the process of donation for customers through digital channels by creating a special "Support Ukraine" template in the TBC app. In addition, any charitable and humanitarian transfers to Ukraine are free, with the Bank covering commission fees in full.

During this difficult period, the company has stood by its Ukrainian team members and their families, financed the shipment of humanitarian aid, assisted the government, the private sector, and international organisations in the implementation of important projects, and organised sectoral research and workshops / meetings to help businesses overcome related difficulties.

The financial, psychological, logistical, and other assistance provided to Ukrainians who came to Georgia is another priority. Donations made by citizens and organisations to the TBC Charitable Account have been gradually transferred to the accounts of those non-governmental organizations operating in Georgia that are best suited to help Ukrainian people with their needs.

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SAFE HAVEN INITIATIVE

A Year of Entrepreneurship and Study in Georgia for Young Ukrainian Women



TBC is one of the founding partners of the "Safe Haven" initiative, which is an educational-entrepreneurship programme in Georgia through which Ukrainian students/ young women startups have opportunity to study in Georgia and gain new entrepreneurship experience for one full year. The program gives the young women the opportunity to develop their entrepreneurial skills.

The Ukrainian women will continue to study at different universities of Georgia, integrate into the Georgian startup community and use the gained knowledge and expertise to help rebuild their country and contribute to its development after returning home.

Up to a dozen private local and international companies, donor organizations and educational institutions came together to support the initiative. In support of the initiative, a charity accounts were opened at TBC for donating to the „Safe Haven“ project.



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The TBC Bank's initiative was joined by companies belonging to the TBC Group: TBC Insurance offered health insurance to Ukrainian citizens in Georgia completely free of charge. Digital platforms - Mymarket.ge, Vendoo.ge and myhome.ge - 3% of the proceeds from the products sold to the TBC Charitable Foundation were used to help the Ukrainian people; Several new digital services have been set up to support the people of Ukraine, which could be used for free.

A special announcement form was added to Mymarket: a citizen who was unable to deliver humanitarian aid to the Ukrainian embassy could upload information about the items and the address on the website. The Mymarket courier took it all to the embassy, from where, along with other humanitarian aid, it was sent to Ukraine.

A special section was set up at Vendoo where it was possible to purchase various items to help the Ukrainian people. Transportation of items at the Embassy of Ukraine was provided by the Vendoo team.

Myhome has created a special platform for Ukrainians seeking asylum in Georgia - those who could not return home due to the current situation. It was possible to upload real estate information on the website, which for a certain period of time was provided to Ukrainian citizens free of charge. Interested parties could easily view the information on a single platform.

SUPPORTING THE GEORGIAN BUSINESS COMMUNITY

Tbcbusiness.ge

We remain firmly committed to supporting business development in Georgia. We offer our SME customers a unique, full-scale business support program consisting of educational resources, a business blog, business support tools, an annual business award and a start-up program. All these services are united on a single platform www.tbcbusiness.ge.

We are committed to facilitating the success of our business clients by providing them with a full-scale business support program, enriched with extensive educational resources and technological tools, which are accessible from a single platform www.tbcbusiness.ge. We have the largest business education program in Georgia, which has attracted over 5,000 attendees in 2022. The program has been developed in partnership with the Asian Development Bank and provides free access to live lectures on various relevant topics, such as technology, digital marketing, human resources etc. To help businesses find and utilize the most suitable tools and software, we created an online platform www.businessstools.ge. This platform connects developers with users and offers a convenient way to find, compare and review various programs created for accounting, IT management, project management and other fields. Interested persons may sign up to attend the trainings or access the resources using our business support platform www.tbcbusiness.ge free of charge.

Regional Forums

In 2022, TBC held a series of regional forums across Georgia to support business. Supporting business and promoting regional development are priorities for TBC. The purpose of the regional forums is to support local businesses, keep abreast of current developments in the sector, and provide information.

On September 25, 2022, TBC hosted a business forum in Zugdidi, in which up to 100 representatives of small and medium businesses participated. The purpose of the forum was to bring businesses together, support networking and activate their community, to share ideas and experiences with each other. The forum gathered participants from Zugdidi and other areas of Samegrelo region.

On November 5, 2022, TBC hosted the final regional forum in Kakheti. More than 200 representatives of small and medium businesses of Kakheti region participated in the event.

In 2022, the series of regional forums covered the following regions: Shida Kartli, Imereti, Samegrelo, Adjara and Kakheti.

Business Awards

Small and medium businesses represent the backbone of the global economy. They contribute to the reduction of unemployment and poverty and boost economic growth. To assist the growth of the SME sector, TBC has rolled out several programs in recent years, covering a range of issues such as

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REGIONAL FORUMS

TBC holds business forums in all regions of Georgia during the year. Business support and regional development promotion are priority directions for TBC.

The speakers of the forum are experienced experts in the field, who will discuss topics relevant to business, including export opportunities for agricultural products, implementation of financial accounting standards, important tax changes in legislation, and current issues of branding and marketing.

One of the goals of the forum is to bring businesses together and activate their community, sharing ideas and experiences with each other.

The regional forums gathered about 2000 participants in different cities of Georgia.





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easing access to capital, sharing knowledge and expertise, developing products and services specially adapted to small business needs, the inclusion of small enterprises in TBC's supply chain, and the promotion of products.

To encourage entrepreneurship in Georgia, since 2016, we have been organizing an Annual Business Awards ceremony in partnership with EFSE. Up to 3,500 companies have participated in the Business Award over the last 7 years. In 2022, the event was organized in partnership with EFSE and Forbes Georgia and attached 41.3 million views in media.

The Business Award had the following nominations in 2022:

- Product/Service of the Year
- Exceptional Corporate Social Responsibility
- Innovative Startup of the Year
- Special Contribution to Regional Development
- Best Customer Experience
- Two special awards - for Gender Equality and Green Initiatives.

In 2022, TBC decided to establish two special awards: for Gender Equality and for Green Initiative. The objective was to identify and honor companies that support women empowerment and gender equality as well as companies that have significant environmental responsibility and contribute to important green initiatives. Special awards were supported by TBC partners: UN Women Georgia and Global Climate Partnership Fund (GCPF).

Startuperi.ge

We remain committed to supporting early-stage businesses as well as fostering entrepreneurship in Georgia. In this regard, since 2017 we have run "Startuperi", an innovative program that offers financial and non-financial support for startups. Since 2017, over 55,000 startups have been registered in the platform's various activities.

We offer entrepreneurs general purpose loans, as well as special loans for restaurants, hotels and agro businesses. In addition, this year we introduced a "Startup enterprise" loan, which offers favorable terms for loans used to set up local production. Other financial offers include leasing, business cards, free internet banking and digital pass registration. The outstanding portfolio of the program is comprised of 567 active loans, in the total amount of GEL 131.0 million as of December 31, 2022.

Apart from training, products and promotional support, TBC supports startups through its procurement policies, which allow contracts to be assigned in exceptional cases to startup companies, without the usual tender procedures.

Supporting Regions and Rural Enterprises

To foster business development in rural areas and help create new job opportunities, we actively support local businesses through the provision of affordable finance.

We aim to support Georgia's rural communities by providing local businesses with affordable finance. We partnered with three government programs, "Produce in Georgia", "Host in Georgia" and "Preferential Agro Credit", to support agricultural and hospitality businesses. The programs offer lowered interest rates through governmental subsidies. In 2022, we disbursed 3,800 loans in the amount of GEL 240 million within these programs. The total outstanding portfolio of these loans amounted to GEL 475 million as of December 31, 2022, making us the biggest partner bank for these programmes.

TBC offers new products to start-up farmers to develop fruit and poultry farming in the country. The product can be used by all persons who own land or long-term leased land from the state and want to start a fruit or poultry business. The main condition of the agro-startup is that the novice farmer should consult with the agro-company selected by TBC, which will share his experience and knowledge. TBC partnership in the field of fruit growing will be provided by the company "Agro-Com", which has been successfully operating in the Georgian market for many years. In the field of poultry, TBC will cooperate with the company "Nutrimax", which is a leader in the local market in the production of poultry and animal feed. TBC has been financing startups in various fields of agriculture since 2016 and has issued more than 80 million GEL in this direction. However, until now, funding was provided only to those who had some experience, and the new project is a good opportunity for beginners who do not have the relevant knowledge to start an agribusiness. The financial resources that TBC offers to farmers range

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from 20 thousand GEL to 1.5 million GEL. The maximum loan term is 10 years. It should be noted that part of the fruit growing can be fully funded under the state program “Preferential Agro Credit”, which fully finances fixed assets, which includes the cost of cultivating and maintaining gardens before commercial use (fencing, planting seedlings, irrigation systems and maintenance).

EDUCATION AND DEVELOPMENT PLATFORMS

Digital Platforms

Web portal www.helloblog.ge is aimed at the Georgian public. Hello Blog hosts interesting articles about culture, arts, technology, music, travel, education, parenting tips and other interesting topics. This is the biggest advertisement-free online resource in the Georgian language, where readers can enjoy high quality analytical and news articles. The content includes TBC projects and developments in the world of literature, modern art, music, etc. in Georgia. Hello Blog has up to 500,000 visitors per month, with its top articles being viewed by over 50,000 readers.

Tsa-Music (Sky-Music) is a platform that enables young Georgian musicians to promote themselves. It is a storytelling platform for musical projects, collaborations, and events happening in the modern Georgian musical landscape. Tsa-Music also provides interesting articles for music lovers about trends in world music and some historical content. Its content is hosted on Hello Blog. However, Tsa-Music has its own Facebook page with over 45,000 followers: <https://www.facebook.com/TheSkyMus>

Blue Mountains is a platform supporting Georgian mountain tourism by creating engaging content about alpinism, skiing, hiking, and other mountain activities. The platform hosts content about Georgian mountain resorts, life in the mountains, and the activities of professional alpinists, skiers, mountain bikers and mountain life lovers in general. Blue Mountains has over 90,000 followers on Facebook and hosts its content on Hello Blog.

Both Tsa-Music and Blue Mountains are aimed at the young generation, to give them stimulating educational content and ideas for hobbies or maybe even for their future professions.

Financial Literacy

TBC recognizes financial literacy as one of the key factors for the country’s economic development and stability. Responsible lending, customer education to promote savings, and the digitalization of banking services for greater transparency and customer comfort are among TBC’s top priorities. TBC has been actively promoting financial literacy for several years. In 2022, our main activities were:

- Cooperation with the National Bank of Georgia, organizing a contest for over 1,000 children on financial literacy.
- “World Savings Day” - Within the framework of the savings week, ESG Ambassadors conducted lessons in different schools of Tbilisi and regions, the purpose of which was to introduce the culture of financial management among students and raise their awareness.
- ESG Ambassadors is one of the initiatives planned and implemented by the ESG team. Within this project, 16 people from TBC were selected. ESG ambassadors are TBC employees who participate in the planning and implementation of ESG goals and initiatives. They have the opportunity to contribute to the sustainability of the company and its integration in relations with employees, customers, environment and society through various activities, projects and implementation of international ESG standards.
- Promoting financial literacy topics through the Facebook page Edufin, which is designed to popularize financial literacy through interactive posts, videos, and blogs, attracting respectable authors, who are well known in Georgian society, to contribute to the page and thus make financial literacy an attractive topic.
- Holding a campaign related to financial literacy in the digital world and cyber security, through blogs, podcasts, communication with clients via internal channels, and the sponsorship of discussions in TV.
- TBC, together with other Georgian commercial banks, works with the Banking Association to create common approaches and shared communication campaigns to educate the public in financial literacy, cyber security and the effective use of banking products in general.

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TBC Scholarship for Schoolchildren

Supporting the new generation is extremely important for TBC. We must contribute to the development and education of young people to prepare skilled and educated professionals for the Georgian economy and to show different pathways for self-development and employment.

TBC cooperates with 14 high profile organizations, who have an opportunity to choose talented youngsters for the TBC Scholarship program. These are special schools with enhanced STEM or ART education; various competition programs for youth covering STEM, Financial Literacy, Entrepreneurship, Fiction Literature, English language and other subjects; Sport Federations and schools from socially vulnerable regions. In this way, TBC makes sure that its scholarship is available to maximally diverse set of young people in Georgia. The TBC scholarship program for schoolchildren began in 2019. Each year, 200 children receive 100 GEL per month for twelve months. In total, for 4 years, more than 400 schoolchildren participated in the program. In 2022 the program had 197 participants (97 girls and 102 boys).

Apart from the monthly scholarship, TBC offers lectures and educational gatherings for participants. TBC uses the cultural and educational events it organizes and supports, to engage scholarship participants and provide them with interesting new experience with entertainment and education components.

ICT Education Program for 1000 Schoolchildren

TBC launched a new large-scale education initiative in Georgia, aimed at providing the possibility of studying basics of various directions of programming to students of pre-graduation years (tenth and eleventh grades). TBC pursues two goals with this project. Firstly, understanding the world of coding and technology, in general, is useful not only for those who want to work in this field in future, but for everybody to be successful in any profession and field of life. Thus, the educational program is not dedicated to the narrow purpose of preparing programmers, but to the broader goal of giving starting package of knowledge to Georgian youth that is useful for their future, despite the profession and carrier path that they will choose later in their life. However, it has to be noted that the courses provided give a good basis for those who decide to pursue their carrier in computer science and technology. The second goal is to help schoolchildren in pre-graduation years and their families in making the right decision regarding higher or post-school professional education. ICT professions are very popular at the moment in the whole world, but it is also obvious that there are many other opportunities and many important and lucrative careers in the world, so we expect that part of the students enrolled in the TBC program will find out that they want something else for their profession.

The program is organized with local computer class provider SME businesses and supported by USAID, and PH International, which provide accessibility to Georgian public schools and direct communication with teachers and local communities in regions.

In 2023, TBC plans to have at least 1,000 graduates in all its following courses: web development, chat-bot building, and computer games.

PARTNERSHIPS FOR POSITIVE IMPACT

Social Impact Award 2022 – Supporting Youth

In 2021, TBC and UNDP Georgia signed a memorandum to support local startups, small and medium-sized enterprises, empower young people, improve access to finance in the regions, and support women in business development.

In 2022, Social Impact award took a place, with Impact Hub Tbilisi, supported by TBC, EU for Georgia, Mercy Corps Georgia.

The largest student entrepreneurship program in the field of social entrepreneurship, this award program is implemented in 15 countries and focuses on the education of students in the field of social entrepreneurship. The program offers young people a ten-month training course to implement their own business ideas. During the program, students go through the whole process from generating an idea to drawing up a business plan, which gives them the opportunity to actually start a social business.



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STORY OF A SOCIAL IMPACT AWARD WINNER

In 2022, among 6 teams that made it to the finals, the jury named three winners. All three projects respond to current social problems and offer innovative ways to solve them. The winners received a cash prize for their business idea and attend the International Social Impact Award Summit. The winners of the 2022 Social Impact Award were:

Nebula - a social enterprise that creates learning technology and world-class courses in general education. Nebula.ge helps teachers to teach and students to learn.

Virtual Story - a digital interactive book application that allows the user to have a decisive influence on the course of history

Convobridge - an inclusive messaging app with integrated Braille keyboard for visually impaired and blind people.

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More than 100 applications were submitted within the framework of the Social Impact Award this year. One of the winning teams "Virtual Story" is on the photo.

"With the activation of social media, fewer and fewer people read literature, which is proven by numerous studies. Therefore, our goal is that children who spend a lot of time in the game can get valuable information and have fun with the help of this product" - Miranda Namichheishvili, co-founder of Virtual Story.



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The Social Impact Award consists of several stages and includes a series of workshops for young people living in Tbilisi, Kvemo Kartli, Racha-Lechkhumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria, Kakheti and Imereti. In the second phase of the program, finalist teams selected by an independent jury undergo a two-month incubation period, during which they develop a business model with the help of individual mentors, draw up business plans, and prepare their presentations to the jury. The final phase of the program identifies the winning teams, who will receive financial support to implement their business ideas and participate in the International Social Impact Award Summit.

Through the Social Impact Award, TBC supports young people in business and helps empower them in the regions. TBC is participating in the project with a startup program, which has been supporting the establishment and development of new and diverse business ideas in Georgia since 2016.

The program is supported by TBC Startup, Mercy Corps, EU for Georgia.

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- Nebula is an online platform that creates educational technology and offers courses in various fields of global education. Nebula.ge assists learners in their education and assists students in learning.
- Virtual Story is a digital interactive book application that allows users to experience immersive storytelling.
- Convobridge is an inclusive messaging application that includes a Braille keyboard for visually impaired individuals and is designed for non-native speakers.

In 2022, International festival of Social Impact Award (SIA) was held in Vienna, Austria in the format of five main directions: education, practical work, peer-to-peer meetings, community and networking events. With the help of these formats, participants were able to learn more about financial planning, fundraising, public speaking, CSR, climate change, social impact, team building, and many other important issues, which are essential for effective management of a powerful and socially responsible organization.

Grace Hopper awards – Promoting Women in ICT

TBC, as a technology-driven company, puts a special emphasis on women's empowerment in tech industries. Since 2021, the company partnered with USAID Economic Security Program as the main sponsor and established Grace Hopper Award Program, which recognizes and inspires more Georgian women in the ICT industry. The mission of the Grace Hopper Award is aligned with the company's deeply rooted aspiration to support and encourage more women's active involvement in Tech industries. Youth development, equality and women empowerment are a strong part of TBC's culture and represent a set of priorities that the company pursues with the outmost dedication. In 2023, for the third consecutive year, the Grace Hopper Award Program will acknowledge outstanding individuals, programs, and organizations in six categories (Emerging leader, ICT champion, Tech startup, Program award, Industry award, Supporter award). The Award ceremony will be held on June 16th and like the previous year, TBC will provide the winners of the Emerging Leader and Tech startup categories with specially tailored capacity-building programs to support their professional growth and/or business expansion.

500 Women in Tech – The Development of Future Tech Talents

One of the most effective ways to break gender stereotypes and empower women is to support women and girls in technology.

500 Women in Technology is being implemented with the support of UN Women and with the involvement of Business and Technology University, TBC Bank, the Women's Empowerment Principles (WEPs) signatory companies and IT representatives. Five hundred women across Georgia will be selected and will be trained in information and communications technology (ICT). The programme is for both beginners and experienced candidates. The programme integrates important modules such as Front-End Development, Back-End Development, UI/UX Design, Graphic Design, Digital Marketing, Digital Product Testing and more. In addition to technology modules, the program offers women in-

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tensive English language courses and a career boot. Women will receive training in leadership, teamwork, critical thinking, entrepreneurship, business communication and career planning.

The TBC IT Academy took the responsibility to train participants within different courses. It is noteworthy that successful graduates will also have the opportunity to be employed by TBC and its subsidiary companies. In addition to training, TBC is involved in capacity-building activities. TBC employees mentor project participants, holding meetings to discuss the importance of and opportunities in tech professions. We also participate in boot camps and employment forums held for the students. TBC as a tech-driven company is prioritizing the education of young people as well as the development of future tech talents not only in Georgia but beyond. Since 2019, up to 800 people completed various courses at the TBC IT Academy, and up to 300 successful students have been employed by TBC Group, 24% of course participants were women.

Women's Entrepreneurship Expo 2022

On October 1-2, 2022, in partnership with TBC, the UN Women Georgia Country Office, within the framework of a regional initiative from UN Women Europe and its Central Asia Office, hosted the first large-scale exhibition for the sale of products and services created by women entrepreneurs in Georgia.

The expo provided opportunities for women entrepreneurs to showcase their businesses, join workshops and develop their skills, access business tools, receive feedback from mentors, learn about investment pitching techniques and grow their networks.

During the two-day event, around 100 participants from all over the country had the opportunity to present their products to various attendees, sell them on the spot and establish important connections with potential customers. The event combined three priority directions for TBC: business support, women's economic empowerment, education and professional skills development.

Strategic partnership between USAID and TBC - Strengthening the economy

On March 23, 2022, USAID and TBC signed a Strategic Partnership Memorandum.

In partnership with USAID, TBC works to expand access to finance and business support services, which will encourage inclusive economic growth, empower women economically, and develop the skills needed for business growth.

Under the memorandum, USAID and TBC will contribute to Georgia's inclusive economic growth, market diversification and the creation of high-paying jobs. It is planned to mobilize \$30 million in financial resources to support micro, small and medium-sized businesses in the country in the future. Priority will be given to rural enterprises and businesses run by women; More than 1,200 high-paying jobs will be created and help businesses generate USD 6 million in sales.

One of the focus areas of this partnership is supporting local communities in Georgia. TBC Business and USAID programs join forces to support MSMEs and farmers in Georgia's regions. As part of this commitment, we have successfully implemented two projects: the Berry International Forum which was held in September 2022, serves as a vital platform, fostering collaboration among farmers and value chain actors in Georgia's berry industry. The second project is ongoing in Adjara and Imereti regions. We're partnering with a consulting company to provide 15 companies with individual sessions, aimed at enhancing their financial statements and overall financial standing.

GEORGIAN LITERATURE AND WRITING

Saba Literary Award

The annual SABA literary award was established in 2003. The aim of the award is to support Georgian writers and promote a reading culture in the country. Many currently well-known modern Georgian writers received their first public recognition through the SABA Award. With 20 years of history, SABA is the most prestigious literary prize in Georgia. SABA motivates writers with a prestigious award, as well as monetary prizes: 6,000 GEL for the winners of each category, and 10,000 GEL for the winner of the Special Contribution to Georgian Literature. Prizes are given to nine categories:



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- Best Novel
- Best Poetry
- Best Prose
- Best Play
- Best Literary Debut
- Best Literature Critique
- Best Non-fiction literature
- Best Translation from Foreign Language into Georgian
- Special Contribution to Georgian Literature

The award committee consists of five members who change every year. Members of the committee are writers and people from literary fields, whose works are not eligible for entry that year. The final decision is left up to the award committee: the winner of the closed primary selection should receive at least 3 votes from committee members. The committee member list is kept confidential until the award ceremony day, when it is disclosed during the ceremony.

In 2022, the Saba awards were presented for the 20th time in a special ceremony that was also broadcasted live through a social media channel.

SABA is the most prestigious award given for Georgian-language literature. In 20 years, more than 4,0000 books have been evaluated, 200 awards were given to 160 authors, 85 different members served in the committee and up to 1,000,000 GEL in total was awarded.

This year, Saba Literary Award added one nomination, “Readers Saba”, which will be awarded to one of the debuting writers. In this case, the winner will be decided not by a professional jury but by a group of the most dedicated readers in the Saba Reader App. Five Saba App users who will read and listen to books in Saba App during May and June will receive the possibility to evaluate and decide the winner for Saba Award Ceremony, which will be held in September 2023. In this way, Saba and TBC pay tribute to reading lovers, giving them a voice in the most important literary process in Georgia.

Year	Women	Man
2022	8	3
2021	7	7
2020	4	7
2019	3	7
2018	4	8
2017	5	9
2016	4	9

Saba e-Books House

In 2013, TBC decided to give readers the opportunity to access Georgian and foreign literature in Georgian language online. With the growing importance of digitalization, it became clear that an on-line book house in the native language would give readers a perfect way of enjoying literature, having books one click away. For this purpose, the webpage www.saba.com.ge was set up, providing access to a range of Georgian and foreign literary works, modern best-sellers and the works of Saba award nominees and winners. This platform gives people the opportunity to be up to date with literary developments and to have their favorite books at hand. Together with the webpage, users can download the Saba Reader app, which contains more than 7,500 built-in books, audio books, podcasts, lectures, and more. Users of the app have unlimited access to literature and receive an outstanding, modern experience.

Along with the Literary Award SABA, the House of Electronic Books was founded in 2012 by TBC. During these 11 years SABA Collected More than 200,000 registered users and 10,000 active monthly readers.

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PHYSICAL NETWORK

As a leader in the financial sector, TBC ensures that its branch, ATM and payment box network covers the whole country, including both economically important centers and remote areas with less commercial activity. In parallel to the physical coverage, TBC improves the accessibility of its facilities for people with disabilities. 86 (79% in 2021) of all branches have been modernized and necessary changes in building constructions has been carried out. In the regions, the share of adapted branches is even higher at 95% (87% in 2021). In 2022, further locations will be added.

Branches	Tbilisi	Other big cities:	Rest of the Country:	Total
		Kutaisi, Batumi, Rustavi,	Economically less developed	Georgia
		Gori, Poti, Zugdidi	Rural areas and small towns)	
Total at the beginning of 2022	66	24	45	135
Change in 2022	-4	1	-2	-5
Total for the beginning of 2023	62	25	43	130
Population of Georgia (according to 2014 census of National Statistics Agency)	1,108,717 (30%)	558,183 (15%)	2,046,905 (55%)	3713804

ATMs	Tbilisi	Other big cities:	Rest of the Country:	Total
		Kutaisi, Batumi, Rustavi,	Economically less developed	Georgia
		Gori, Poti, Zugdidi	Rural areas and small towns)	
Total at the beginning of 2021	369	126	127	622
Change in 2022	8	4	2	14
Total for the beginning of 2023	376	147	145	668
Population of Georgia (according to 2014 census of National Statistics Agency)	1,108,717 (30%)	558,183 (15%)	2,046,905 (55%)	3,713,804

Payment Boxes	Tbilisi	Other big cities:	Rest of the Country:	Total
		Kutaisi, Batumi, Rustavi,	Economically less developed	Georgia
		Gori, Poti, Zugdidi	Rural areas and small towns)	
Total at the beginning of 2022	1707	1205	746	3658
Change in 2022	231	-170	296	357
Total for the beginning of 2023	1938	1035	1042	4015
Population of Georgia (according to 2014 census of National Statistics Agency)	1,108,717 (30%)	558,183 (15%)	2,046,905 (55%)	3,713,804



SUBSIDIARIES

Environmental, Social and Governance (ESG) Strategies in Subsidiaries

- TBC Leasing
- TBC UZ
- TBC Insurance



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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) STRATEGIES IN SUBSIDIARIES

In 2022, separate ESG Strategies have been developed and adopted in eight subsidiaries of the TBC Group.



A wholly owned subsidiary of TBC Bank, TBC Leasing was founded in 2003. The company offers its individual and business clients all-round asset finance solutions and other complementary advisory services, including financial leasing, operating leasing, sale and leasebacks, all of which are tailored to the individual customer's needs.

- Leading leasing services provider in Georgia with an 80% market share as of December 31, 2022
- Green leasing portfolio of the company is GEL 25 million as of December 31, 2022.

Since 2016, TBC Insurance, a wholly owned subsidiary of TBC Bank, has become the number one in the retail segment of non-health insurance with a 38.4% market share as of 31 December 2022. The company's non-health services cover motor, travel, personal accident, life, property, business property, liability, cargo and agro products. TBC Insurance has a strong presence in health insurance market as well, serving both individuals and business clients.

- In 2022, TBC Insurance was a pioneer insurance company in Georgia which introduced a new category to its insurance coverages - Mental Health for Wholesome Living
- Total number of insured physical persons was 66,363 and number of companies benefiting from TBC Insurance service was 2,167 as of December 31, 2022.



TBC Capital is a leading provider of investment, brokerage, research and corporate finance solutions in Georgia. The investment banking arm of the TBC Bank, of which it is a 100% subsidiary, is the largest research house in Georgia, providing sectoral, macroeconomic and equity market reports.

- First-ever USD 80 million Secured Green Bond placement in Georgia
- In 2022, TBC Capital issued more than 230 publications covering in-depth and timely macroeconomic and sectoral analyses of Georgia and the wider region.



TBC Pay is a wholly owned subsidiary of TBC Bank and has been operating in Georgia since 2008. The company offers a wide range of services, including utility payments, mobile top-ups, payments for public transportation, loan repayments and money transfers through a wide and easily accessible distribution network.

- Number of self-service terminals across the country – 4.3k
- Up to 85 transactions per minute
- 50000-60000 users per day
- Payments transaction volume in 2022 – GEL 8.1 bln.

TBC UZ, a newly established digital bank with a strong focus on innovative digital solutions, currently serves retail customers. The platform itself is a cloud-based modular solution with on-premises deployment options. In just three years, operations in Uzbekistan have managed to attract 30% of the country's population.

- Named by World Economic Magazine as the Best Digital Bank in Uzbekistan 2022
- Customer base of around 10.6 million registered users as of December 31, 2022.



Space is a digital banking platform developed back in 2018 and offers simple, friendly and gamified user experience that is completely different from traditional banking. It also offers attractive loyalty programmes tailored to the younger generation.

- Fully digital bank doesn't have service centers and customers can get any kind of support online or via phone call
- Introduced and tested in Georgia at first, Space was subsequently launched in Uzbekistan in 2020 and it currently serves TBC Bank's clients in both countries.

UFC is the first Georgian Processing Center which was established in January 1996. Currently, the company with the widest and most diverse network of card system services is serving 25 financial institutions in Georgia. UFC provides a full range of services according to VISA International, MasterCard Worldwide, UPI (Union Pay International) regulations, and PCI (Payment Card Industry) data security standards. The company's objective is to offer sustainable, flexible, and secure innovative payment tools to clients and partners through high-tech, internationally-certified services.

- In 2022, UFC issued cards for 1 246 311 clients
- Number of digital cards issued - 155 465.





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TBC Group seeks to expand its value proposition beyond banking by building a digital ecosystem in four major marketplace verticals: e-commerce, auto, housing and lifestyle. This allows to capture clients' daily needs and provide them with convenient digital solutions supported by a variety of payment or installment options. In early 2022, TBC Group merged most of its ecosystem companies into a single entity, TNET.

- The largest digital ecosystem in the country accounting for 40% of Georgia's total internet traffic
- 1.9 million unique visitors, which amounts to 67% of the country's adult population.

During the elaboration process of the strategies, initiatives and KPIs tailored to each subsidiary's business specifics were defined and included in their ESG strategies. Although each ESG Strategy is adapted individually to each subsidiary, the general framework, directions and main KPI's are the same and comply with the Group ESG Strategy, its commitment to making a long-term, sustainable contribution, and to be the leading supporter of ESG principles in the country and the wider region.

The ESG strategy of each subsidiary is approved by the respective Board of Directors and, starting from 2023, supervised on a regular basis. The subsidiaries' ESG Strategies define several key areas for the coming years:

- A strong ESG governance within the company
- Sustainable financing
- Resource and energy efficiency
- Employee diversity, equality and inclusion
- A system and approach for impact measurement and reporting
- Responsible procurement
- Renewable energy usage and
- Supporting the Group's Net-Zero GHG emissions targets.

These long-term aspirations are supported by different measures outlined in the ESG strategies for short- and medium-term periods. The initiatives and targets are aligned with each subsidiary's business activity and might differ in each of them. The summary of key components for 2023 and 2024 are listed below:

Annual targets for sustainable loan portfolio

Annual targets for reduction of energy usage

Initiatives to reduce usage of plastic, paper and water

Environmental and social risk assessment in lending

E&S screening of long-term contractors

Implementation of different policies such as Green and Social Procurement Policy, Human Rights Policy, Diversity, Equality and Inclusion Policy, ESG in risk appetite

Targets of women in managerial positions

Implementation of ESG related trainings for all employees

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The progress and implementation status of ESG Strategies are monitored through quarterly, semi-annual and annual reports provided by each subsidiary company and regular meetings which take place on a monthly basis. Furthermore, to support the implementation of ESG strategies, several thematic workshops are planned throughout the year.

Some of our subsidiaries have been active on ESG matters for years. In this report, we bring several outstanding initiatives together.

TBC Leasing

3 million Euros to support small and medium enterprises

TBC Leasing continues to support local businesses, especially small and medium-sized enterprises. For this purpose, TBC Leasing attracted EUR 3 million from its reliable partner - the European Bank for Reconstruction and Development (EBRD). At least 70% of the resources will be directed to finance investments in green technologies, which, in turn, will give us the opportunity to support local enterprises in expanding their green activities and increasing their competitiveness.

This programme – the credit line of EU4Business-EBRD includes a grant component which is supported by the EU and is one of the most successful investment instruments in the Eastern-Partnership countries, as well as among MSMEs in Georgia. The aim of the programme is to enhance the ability of local businesses to increase their competitiveness, to meet European standards and to make investments in green technologies.

The main benefit of the project is that in line with the financial support, the business will receive an incentive grant and free technical assistance from high-level international consultants. After the full implementation of the project and a successful verification process, the company will be able to receive back up to 15% of the leasing cost in the form of the grant.

Under the initiative, the following asset costs can be covered: • agricultural technologies; food manufacturing equipment; heating/cooling systems; industrial auxiliary equipment; recycling technologies; solar panels, etc.

Collaboration with Green for Growth Fund (GGF) to develop a digital platform equipped with a leasing and an impact calculator for solar PV systems

In addition, we commenced collaboration with the Green for Growth Fund (GGF) to develop a digital platform, which will allow our customers to submit requests for funding for prospective solar photovoltaic projects and obtain quotes from TBC Leasing in a more efficient way. This platform will be integrated into TBC Leasing's website and will be equipped with a leasing and an impact calculator for solar PV systems – enabling potential clients to estimate the leasing rates from different technology suppliers, including the main impact metrics such as energy and carbon dioxide (CO2) emission reduction, savings in monetary terms and estimated payback period. The platform is expected to go live in the first quarter of 2023.

As a result, our green leasing portfolio has grown to GEL 25 million from just GEL 3 million last year. We plan to further increase our green leasing portfolio in the coming years.

TBC Leasing as a Supporter of Georgian Startups

Micro, small and medium enterprises lack access to finances to purchase new equipment and technologies for increasing their production and/or making their activity more resource and energy efficient. Therefore, providing financing for the MSMEs is one of the main priorities for TBC Leasing.

In 2022, TBC Leasing was actively financing and supporting startups. Dozens of startup projects of Georgian production were financed, some of which are going to be exported to the foreign market.

To popularize those small and medium businesses financed by TBC Leasing, 20th international exhibition Agro, Food, Drink, Tech, Expo 2022 has been held in ExpoGeorgia with the support of TBC Bank and TBC Leasing. The exhibition was participated by up to 70 companies from seven countries. Among participants, six clients of TBC Leasing were also introduced to around 7000 visitors during three days of exhibition which was a great opportunity to those enterprises to increase popularity in public and promote their production.



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GREEN LEASING BUCKSWOOD SCHOOL

Buckswood School was founded in Tbilisi in 2000 under the name of “United Nations Association International School”. This is the first educational space built on the traditional British educational model in Georgia. During the development period, each new academic year of Buckswood proved the professional vision and the right values of its founders.

Buckswood School’s vision is based on the highest standard British and Georgian educational principles. Every academic, infrastructural or internal cultural innovation serves only to educate future generations as full-fledged and worthy members of society, hard-working, purposeful, responsible, fair and successful citizens.

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In order to give the right values to the next generation, the school cares not only about safety, but also about **eco-friendliness**, which is evidenced by its decisions.

Buckswood School’s campus is fully energy efficient; the solar power plant within the school territory was built with the financing of TBC Leasing.



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TBC UZ - a Fully Digital Bank

In 2019, TBC Group expanded its geographical footprint by entering the Uzbek market. Since then, TBC continues to harness the great potential of the Uzbek market of 35 million people through its two fintech firms - Payme and TBC UZ – both of which are demonstrating dynamic growth.

TBC UZ is the first digital bank in the country, with the ambition of transforming traditional daily banking into a much simpler, more transparent and intuitive experience, as well as allowing customers to be in complete control of their finances through best-in-class payment, savings and loan products that are only a click away. TBC UZ serves retail customers through its online banking app, while its smart, next-generation showrooms and smaller, more compact customer acquisition points are meant for client advising and consulting purposes.

TBC UZ has been named the Best Digital Bank in Uzbekistan 2022 by World Economic Magazine.

Renewable Energy Usage

In 2022, TBC UZ started working on the implementation of the project for renewable energy usage in the Head Office. As a result, in April 2023, 19 pieces of solar panels generating 10 kW electricity and an inventory system has been installed in the TBC UZ office. The total area of surface that is covered by solar panels is 69 sq.m.

TBC Insurance

Mental Health for Wholesome Living

The pandemic and global crises of the past few years have brought mental health into focus. It has become increasingly difficult to remain emotionally stable and live a truly wholesome life. As a response to this challenge, TBC Insurance adopted a new healthcare coverage category - Mental Health for Wholesome Living - through which customers can consult with therapists or psychiatrists of their choice with 50% copay.

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MENTAL HEALTH VACATION IN TBC INSURANCE

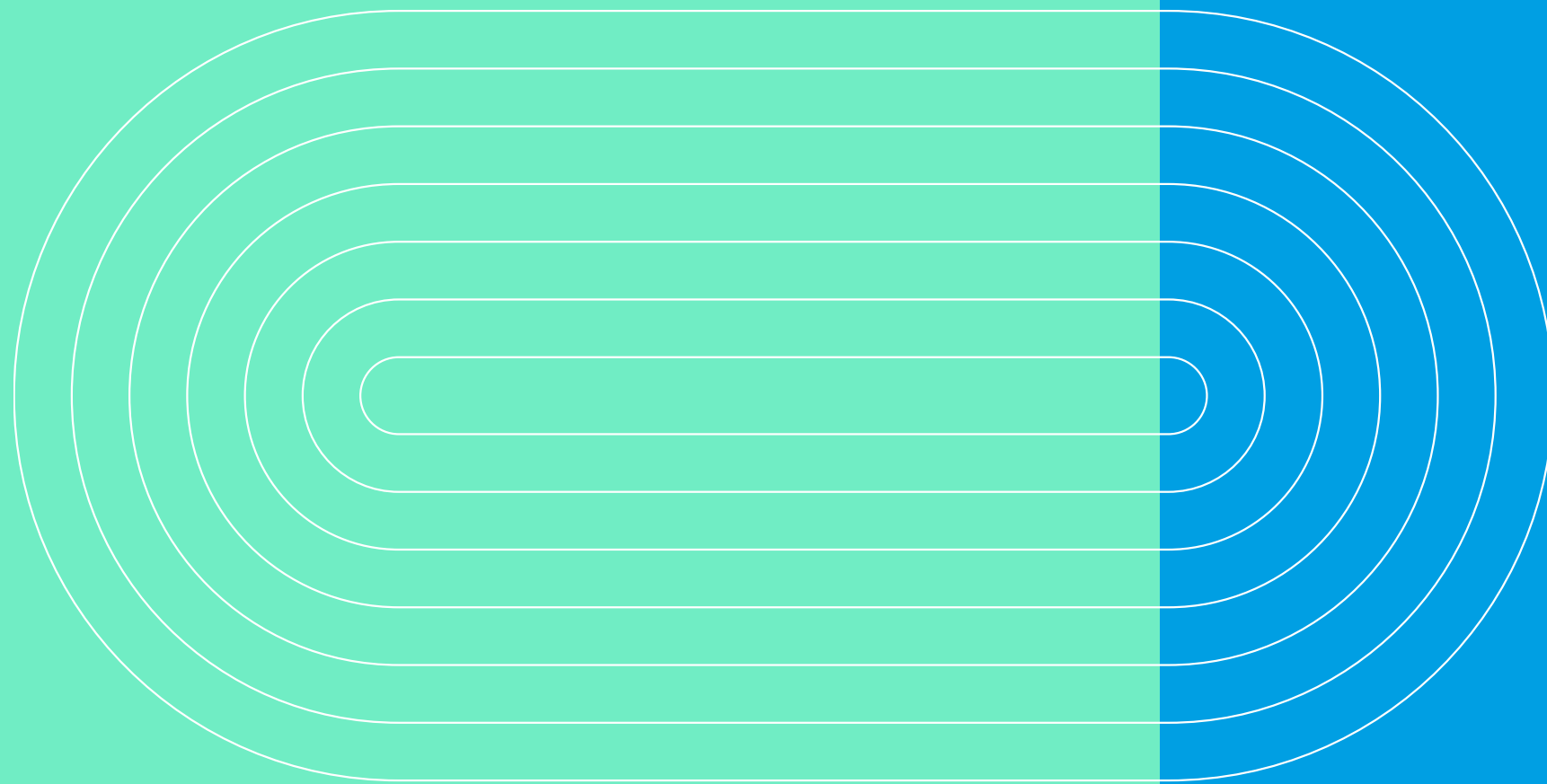


“As a mental health supporter company, we wanted to re-emphasize the importance of emotional well-being and create an environment for our employees where their work is both rewarding and comfortable. That is why it is not another day off and just an extension of vacation. We are the first insurance company that introduced mental health insurance in the Georgian market, because we understand its role in a fulfilling life. We believe that there is no general well-being without mental health and we want to look after both customers and employees equally,” - Paata Ghadzadze, General Director of TBC Insurance.

TBC Insurance employees can already take mental health leave, which means that in addition to the standard 24-day vacation, they will enjoy an additional 5 days of vacation. To use mental health leave, TBC Insurance's employee doesn't need to submit any documentation or provide a special reason. These 5 days can be taken in the same way as other vacation days. The main purpose of these extra leave days is to let employees take care of themselves and have time for their emotional well-being. TBC insurance is the first company in the region to implement this practice and maintains standards for the number of days off.



GRI Content Index





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GRI CONTENT INDEX

This report has been prepared in accordance with GRI Standards. The table below includes the list of standards and specific disclosures referenced in this report and indication of reporting status for each disclosure

Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
GRI 101: Foundation 2016 [GRI 101 does not include any disclosures]				
GRI 102: General Disclosures 2016				
1. ORGANIZATIONAL PROFILE				
102-1	Name of the Organization	01. Who we are	7	Fully
102-2	Activities, brands, products and services	01. Who we are	7	Fully
102-3	Location of headquarters	TBC corporate headquarters: 7 Marjanishvili St. Tbilisi, Georgia 0102		Fully
102-4	Location of operations	01. Who we are	7	Fully
102-5	Ownership and legal form	01. Who we are	7	Fully
102-6	Markets served	01. Who we are	7	Fully
102-7	Scale of the organization	01. Who we are	7	Fully
102-8	Information on employees and other workers	10. Responsible Employer > Our Employees	114	Fully
102-9	Supply chain	08. Our Economic Impacts > TBC Impact through suppliers; 13. Treating our Suppliers Responsibly > Our suppliers in 2022	85; 171	Fully
102-10	Significant changes to the organization and its supply chain	N/A		
102-11	Precautionary Principle or approach	"09. Environmental Responsibility > Risk management and legislative compliance.	69	Fully
102-12	External initiatives	TBC is a signatory to the UN Global Compact since 2012 and to the UN Women Empowerment Principles		Fully
102-13	Membership of associations	01. Who we are	20	Fully
2. STRATEGY				
102-14	Statement from senior decision-maker	CEO statement	4	
3. ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behavior	07. Ethics and Integrity > Business ethics and ethical conduct	72	Fully
102-17	Mechanisms for advice and concerns about ethics	07. Ethics and Integrity > Incident Management, Whistleblowing and non-retaliation policy; 10. Responsible Employer > Incident Management. In addition, external concerns can be raised via our call centers, Anonymous Hotline and Environmental and Social Queris and Concerns online channel at our website: www.tbcbank.ge .	76; 114	Fully

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Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
4. GOVERNANCE				
102-18	Governance structure	06. Governance and sustainability management > Corporate Governance	60	Fully
102-20	Executive-level responsibility for economic, environmental, and social topics	06. Governance and sustainability management > Sustainability governance; 05. ESG Strategy	67; 48	Fully
102-22	Composition of the highest governance body and its committees	06. Governance and sustainability management > Corporate Governance	67	Fully
102-23	Chair of the highest governance body	06. Governance and sustainability management > Chair of the highest governance body	61	Fully
102-24	Nominating and selecting the highest governance body	06. Governance and sustainability management > Nominating and selecting the highest governance body	60	Fully
102-25	Conflicts of interest	06. Governance and sustainability management > Managing conflicts of Interests	68	Fully
102-28	Evaluating the highest governance body's performance	06. Governance and sustainability management > Evaluating the highest governance body's performance	64	Fully
102-30	Effectiveness of risk management processes	06. Governance and sustainability management > Risk management model	64	Fully
102-32	"Highest governance body's role in sustainability reporting"	The sustainability report is reviewed and approved by the Board and CEO		Fully
102-35	Remuneration policies	06. Governance and sustainability management > Corporate governance framework	60	Fully
102-36	Process for determining remuneration	06. Governance and sustainability management > Corporate governance framework	60	Fully
5. STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	03. Stakeholder Engagement	28	Fully
102-41	Collective bargaining agreements	0% of employees are covered by collective bargaining agreements		Fully
102-42	Identifying and selecting stakeholders	03. Stakeholder Engagement	28	
102-43	Approach to stakeholder engagement	03. Stakeholder Engagement	28	Fully
102-44	Key topics and concerns raised	03. Stakeholder Engagement	28	Fully
6. REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	01. Who we are	21	Fully
102-46	Defining report content and topic Boundaries	04. Our material issues	38	Fully
102-47	List of material topics	04. Our material issues > Materiality Matrix	42	Fully
102-48	Restatements of information	N/A		Fully
102-49	Changes in reporting	N/A		Fully



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Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
102-50	Reporting period	02. About this report	24	Fully
102-51	Date of most recent report	02. About this report	24	Fully
102-52	Reporting cycle	02. About this report	24	Fully
102-53	Contact point for questions regarding the report	02. About this report	24	Fully
102-54	Claims of reporting in accordance with the GRI Standards	02. About this report	24	Fully
102-55	GRI Content Index	Indexes	205	Fully
102-56	External assurance	The report does not have external assurance		Fully
Topic specific standard disclosures				
Economic standards (GRI 200)				
201. Economic performance (2016)				
Management approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	08. Our Economic Impacts; 06. Governance and sustainability management > Risk management model	80; 65	Fully
103-3	Evaluation of the management approach	08. Our Economic Impacts; 06. Governance and sustainability management > Corporate governance	80; 65	Fully
201-1	Direct economic value generated and distributed	08. Our Economic Impacts > Direct contribution to economy	81	Fully
201-3	Defined benefit plan obligations and other retirement plans	According to Georgian legislation, starting from January 1, 2019 the accumulated pension system is mandatory for legally employed people under 40, for those above the age of 40 enrolment in the programme is voluntary. This system applies to employees of both the public as well as private sectors. The system works on a 2+2+2 scheme. Each employee, employer and the government make a contribution of 2% of the gross volume of the employee's income to an individual retirement account. TBC does not have any other retirement plan of its own beyond mentioned one.		Fully
201-4	Financial assistance received from government	No financial assistance has been received from government.		Fully
203. Indirect Economic Impacts (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	08. Our Economic Impacts; 06. Governance and sustainability management > Risk management model	80; 65	Fully
103-3	Evaluation of the management approach	08. Our Economic Impacts; 06. Governance and sustainability management > Corporate governance	80; 60	Fully

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Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
203-1	Infrastructure investments and services supported	No significant investments to infrastructure and services have been made in 2022		
203-2	Significant indirect economic impacts	"08. Our Economic Impacts > Indirect impact on the economy"	85	
204. Procurement practices (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	13. Treating our Suppliers Responsibly	172	Fully
103-3	Evaluation of the management approach	13. Treating our Suppliers Responsibly	172	Fully
204-1	Proportion of spending on local suppliers	13. Treating our Suppliers Responsibly > Proportion of spending on local suppliers; 08. Our Economic Impacts > TBC Impact through suppliers	172, 85	Fully
205. Anti-corruption (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	07. Ethics and Integrity > Anticorruption, countering bribery and money laundering; Incident Management, Whistleblowing and non-retaliation policy	73	Fully
103-3	Evaluation of the management approach	07. Ethics and Integrity > Anticorruption, countering bribery and money laundering	73	Fully
205-1	Operations assessed for risks related to corruption	07. Ethics and Integrity > Operations Assessed for Risks Related to Corruption	75	Fully
205-2	Communication and training about anti-corruption policies and procedures	"07. Ethics and Integrity > Informing Employees about Anti-Corruption Policies and Procedures"	75	Fully
Environmental Standards (GRI 300)				
301 Materials (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	09. Environmental Responsibility > Environmental policy and management approach; Material usage;	92	Fully
103-3	Evaluation of the management approach	09. Environmental Responsibility > Environmental policy and management approach;	92	Fully
301-1	Materials used by weight or volume	09. Environmental Responsibility > Material usage - paper	97	Partially
302. Energy (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully



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Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
103-2	The management approach and its components	09. Environmental Responsibility > Environmental policy and management approach; Energy Usage.	92; 97	Fully
103-3	Evaluation of the management approach	09. Environmental Responsibility > Environmental policy and management approach;	92	Fully
302-1	Energy consumption within the organization	09. Environmental Responsibility > Energy Usage.	99	Fully
302-4	Reduction of energy consumption	09. Environmental Responsibility > Energy Usage.	98	Fully
303. Water and Affluents (2018)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	09. Environmental Responsibility > Environmental policy and management approach; Water	92; 98	Fully
103-3	Evaluation of the management approach	09. Environmental Responsibility > Environmental policy and management approach;	92	Fully
303-5	Water consumption	09. Environmental Responsibility > Water	98	Fully
305. Emissions (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	09. Environmental Responsibility > Environmental policy and management approach; GHG Emissions	92; 100	Fully
103-3	Evaluation of the management approach	09. Environmental Responsibility > Environmental policy and management approach; GHG Emissions	92; 100	Fully
305-1	Direct (Scope 1) GHG emissions	09. Environmental Responsibility > GHG Emissions	100	Fully
305-2	Energy indirect (Scope 2) GHG emissions	09. Environmental Responsibility > GHG Emissions	100	Fully
305-3	Other indirect (Scope 3) GHG emissions	09. Environmental Responsibility > GHG Emissions	102	Fully
305-5	Reduction of GHG emissions	09. Environmental Responsibility > GHG Emissions	102	Fully
307. Environmental compliance (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	09. Environmental Responsibility > Risk Management and Legislative Compliance	94	Fully
103-3	Evaluation of the management approach	09. Environmental Responsibility > Risk Management and Legislative Compliance	94	Fully
307-1	Non-compliance with environmental laws and regulations	09. Environmental Responsibility > Risk Management and Legislative Compliance	94	Fully

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Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
Social Standards (GRI 400)				
401. Employment (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	10. Responsible Employer > Policy and management approach	112	Fully
103-3	Evaluation of the management approach	10. Responsible Employer > Policy and management approach	112	Fully
401-1	New employee hires and employee turnover	10. Responsible Employer > Diversity and Equal Opportunities	117	Partially
401-3	Parental leave	10. Responsible Employer > Parental leave	126	Fully
403. Occupational Health and Safety (2018)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	10. Responsible Employer > Policy and management approach; Employee Safety and Health, professional and occupational sickness prevention	112; 126	Fully
103-3	Evaluation of the management approach	10. Responsible Employer > Policy and management approach;	112	Fully
403-1	Occupational health and safety management system	10. Responsible Employer > Employee Safety and Health, professional and occupational sickness prevention	126	Fully
404. Training and Education (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	10. Responsible Employer > Policy and management approach; Talent management	112; 129	Fully
103-3	Evaluation of the management approach	10. Responsible Employer > Policy and management approach	1152	Fully
404-1	Average hours of training per year per employee	10. Responsible Employer > Employee Trainings, Learning and Development	132	Partially
404-2	Programs for upgrading employee skills and transition assistance programs	10. Responsible Employer > Employee Trainings, Learning and Development	132	Fully
404-3	Percentage of employees receiving regular performance and career development reviews	10. Responsible Employer > Performance Review	133	Fully
405. Diversity and Equal Opportunities (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	10. Responsible Employer > Policy and management approach; 05. Our Environmental, Social and Governance (ESG) Strategy > Employee Diversity	112; 52	Fully



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Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
103-3	Evaluation of the management approach	10. Responsible Employer > Policy and management approach; 05. Our Environmental, Social and Governance (ESG) Strategy > Employee Diversity	112; 52	Fully
405-1	Diversity of governance bodies and employees	10. Responsible Employer > Diversity and Equal Opportunities	117	Fully
405-2	Ratio of basic salary and remuneration of women to men	10. Responsible Employer > Diversity and Equal Opportunities"	117	Fully
413. Local Communities (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	12. Supporting Communities	180	Fully
103-3	Evaluation of the management approach	12. Supporting Communities	180	Fully
413-1	Operations with local community engagement, impact assessments, and development programs	03. Stakeholder Engagement; 12. Supporting Communities	28; 180	Partially
415. Public Policy (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	This topic is non-material. See also: 07. Ethics and Integrity > Public Policy and Government Relations.	72	Fully
103-2	The management approach and its components	07. Ethics and Integrity > Public Policy and Government Relations.	72	Fully
103-3	Evaluation of the management approach	07. Ethics and Integrity > Public Policy and Government Relations	72	Fully
415-1	Political contributions	TBC has clearly apolitical and neutral position. According to to company policy, financing or lobbying political parties is prohibited No poliitical contributions have been made by TBC in 2022 directly or inderectly to any political party.		Fully
417. Marketing and Labeling (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	11. Treating our Customers responsibly > Business integrity in client relationships; Clients' complaints management	149; 150	Fully
103-3	Evaluation of the management approach	11. Treating our Customers responsibly > Business integrity in client relationships; Clients' complaints management	149; 150	Fully
417-1	Requirements for product and service information and labeling	11. Treating our Customers responsibly > Responsible and fair marketing and sales activities	149	Fully

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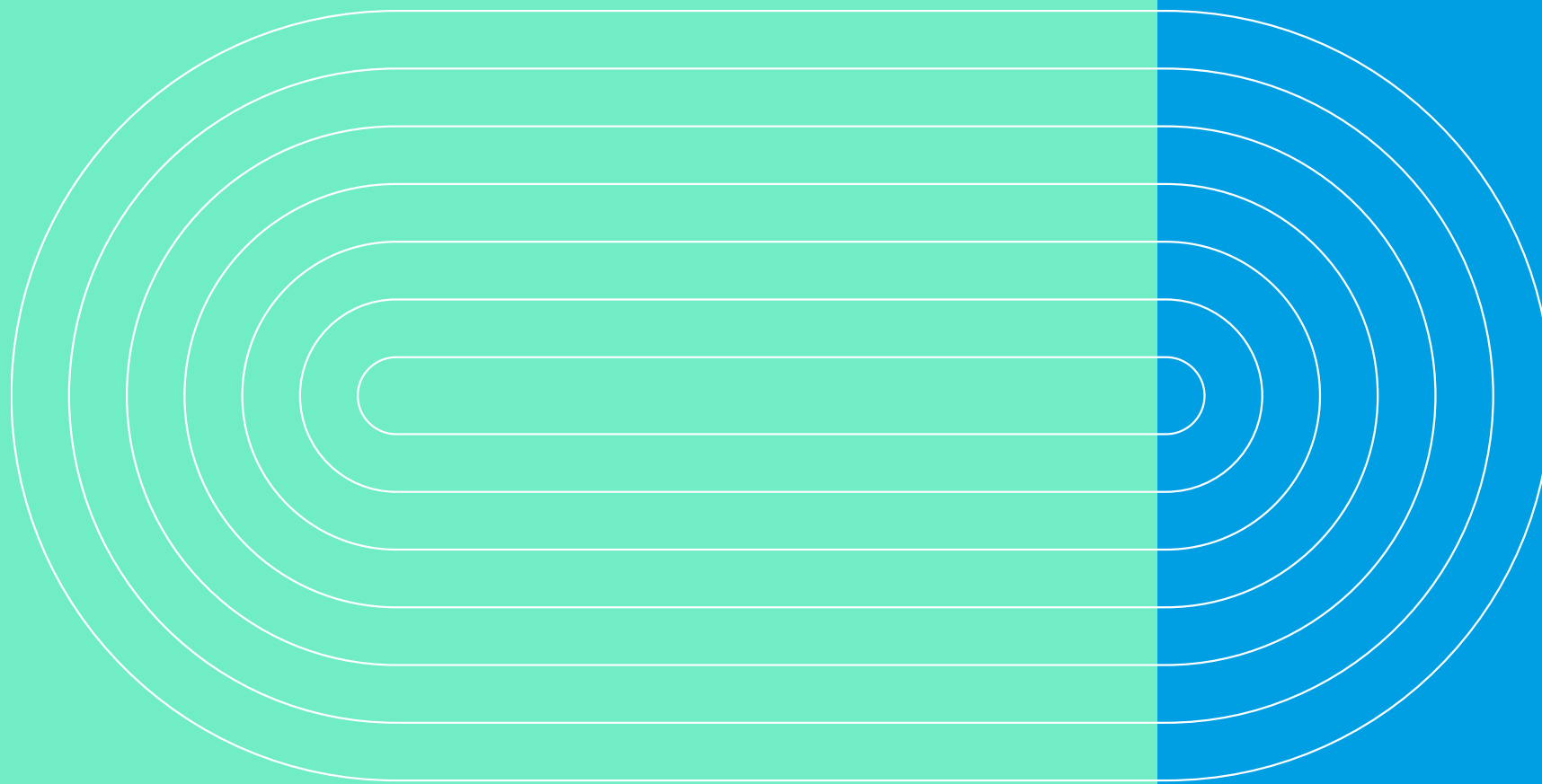
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Disclosure Number	Disclosure Title	Location within Report (Section)	Page(s)	Reporting Status
417-2	Incidents of non-compliance concerning product and service information and labeling	11. Treating our Customers responsibly > Responsible and fair marketing and sales activities	149	Fully
417-3	Incidents of non-compliance concerning marketing communications	11. Treating our Customers responsibly > Responsible and fair marketing and sales activities	149	Fully
418. Customer privacy				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	11. Treating our Customers responsibly > Customer privacy and data protection	146	Fully
103-3	Evaluation of the management approach	11. Treating our Customers responsibly > Customer privacy and data protection	146	Fully
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	11. Treating our Customers responsibly > Protecting customers' personal information	149	Fully
419. Socioeconomic Compliance (2016)				
Management Approach - GRI 103 (2016)				
103-1	Explanation of the material topic and its boundary	04. Our Material Issues > Materiality Marix	42	Fully
103-2	The management approach and its components	05. Governance and sustainability management > Risk management model; Compliance with laws and regulationsin the social and economic area	64; 69	Fully
103-3	Evaluation of the management approach	05. Governance and sustainability management > Risk management model; Compliance with laws and regulationsin the social and economic area	64; 69	Fully
419-1	Non-compliance with laws and regulations in the social and economic area	05. Governance and sustainability management > Compliance with laws and regulationsin the social and economic area	69	Fully



UN Global Compact COP Index





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UN GLOBAL COMPACT COP INDEX

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	10. Responsible Employer - Employee Safety and Health, Professional and Occupational Sickness Prevention	126
	10. Responsible Employer - Diversity and Equal Opportunities	117
	11. Treating our Customers responsibly - Customer Privacy and Data Protection	142
Principle 2: Make sure that they are not complicit in human rights abuses	06. Governance and sustainability management	60
	09 Environmental Responsibility - Environmental Policy and Management Approach	92
	10. Responsible Employer - Employee Safety and Health, Professional and Occupational Sickness Prevention	126
	11. Treating our Customers responsibly - Business Integrity in Client Relationships	149
Labor		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	10. Responsible Employer - Policy and Management approach	112
	07. Ethics and Integrity - Business Ethics and Ethical Conduct	72
Principle 4: The elimination of all forms of forced and compulsory labour	10. Responsible Employer - Policy and Management approach	112
	14. Responsible Banking - Transaction Qualification and Categorization	162
Principle 5: The effective abolition of child labour	10. Responsible Employer - Policy and Management Approach	112
	14. Responsible Banking - Transaction Qualification and Categorization	162
	10. Responsible Employer - Diversity and Equal Opportunities	117
Principle 6: The elimination of discrimination in respect of employment and occupation	10. Responsible Employer - Salary and Benefits, Employee Social Protection	123

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	14. Responsible Banking - Transaction Qualification and Categorization	162
	09. Environmental Responsibility - Environmental Policy and Management Approach	92
Principle 8: Undertake initiatives to promote greater environmental responsibility	14. Responsible Banking - Transaction Qualification and Categorization	162
	14. Responsible Banking - Products and Services Offering Social and Environmental Added Value	165
	14. Responsible Banking	160
Anti-Corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	09. Environmental Responsibility	92



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GLOSSARY

Bank	Joint Stock Company TBC Bank
Board	Board of Directors of TBC Bank Group PLC
Chairperson	Chairperson of Board of Directors of the Company
Code	The UK Corporate Governance Code
Company	TBC Bank Group PLC
Corporate segment	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 the threshold of USD 250,000 on assets under management (AUM), as well as on discretionary basis.
Digital daily active users (DAU)	Monthly average number of individual digital users who logged into our digital channels at least once per day
Digital monthly active users (MAU)	An individual user who logged into the digital application at least once during the month
Director(s)	Members of the Board of TBC Bank Group PLC
ENPS (Employee Net Promoter Score)	The employee net promoter score measures employee loyalty and reflects the likelihood of our colleagues recommending their workplace to their friends and family
Executive Management	Executive Management of Joint Stock Company TBC Bank
Group	TBC Bank Group PLC and its subsidiary companies
Management Board	Management Board of Joint Stock Company TBC Bank
Micro loans	Includes collateralised business and agri loans up to GEL 1 million, as well as micro businesses with a maximum turnover of GEL 2 million
MSME (Micro, Small and Medium) segment	Business customers (legal entities and private individual customers that generate income from business activities) who are not included in the CIB segment
NPS (Net Promoter Score)	Net promoter score measures how willing customers are to recommend our products and services to others.
Retail segment	Non-business individual customers.
Supervisory Board	Supervisory Board of Joint Stock Company TBC Bank
TBC Bank	TBC Bank Group PLC and its subsidiary companies
TBC Bank Group PLC	A public limited company registered in England and Wales. It is the parent company of JSC TBC Bank (the Bank) and a group of companies that principally operate in Georgia in the financial sector and other closely related fields. TBC Bank Group PLC is listed on the London Stock Exchange under the symbol TBCG.
TBC JSC	Joint Stock Company TBC Bank
TBC PLC	TBC Bank Group PLC
TBC UZ	JSCB TBC Bank in Uzbekistan, subsidiary of the TBC Bank Group PLC

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AUTHORS OF THE PHOTOS USED IN THIS REPORT

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