



TBC BANK GROUP PLC

4Q AND FY 2021 FINANCIAL RESULTS

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TBC BANK
Group PLC

TBC BANK GROUP PLC (“TBC Bank”) 4Q 2021 UNAUDITED CONSOLIDATED FINANCIAL RESULTS AND FY 2021 PRELIMINARY UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Forward-Looking Statements

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

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

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

Fourth Quarter and Full Year 2021 Consolidated Financial Results Conference Call

TBC Bank Group PLC ("TBC PLC") publishes its unaudited consolidated financial results for the fourth quarter 2021 and preliminary consolidated financial results for the full year 2021 on Friday, 18 February 2022 at 7.00 am GMT (11.00 am GET). The results call will be held at 14.00 (GMT) / 15.00 (CET) / 9.00 (EST).

Please click the link below to join the webinar:

<https://tbc.zoom.us/j/94960387119?pwd=ejRmMC93dnlFQTRNNm94VDhsMTN4QT09>

Webinar ID: **949 6038 7119**

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Or, use the following dial-ins:

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

Webinar Instructions:

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

Call Instructions:

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TBC Bank announces unaudited 4Q & preliminary unaudited FY 2021 Consolidated Financial Results

Continued delivery of robust profitability and steady growth, supported by solid capital Strong progress in exploiting our international growth potential

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

Key Highlights

The economic recovery continued in 4Q

Starting in the second quarter of 2021, the Georgian economy has rebounded from the pandemic at a remarkable speed, with real GDP increasing by 28.9% and 9.1% in the second and third quarters of 2021, respectively. According to the initial estimates of the National Statistics Office of Georgia, the recovery of economic activity continued in the last quarter of the year with 9.5% year-on-year real GDP growth. The Georgian economy is expected to have expanded by 10.6% during 2021, surpassing the 2019 level by 3.1%.

The group generated record high levels of profitability in 2021 ... – Our net profit amounted to GEL 198.5 million (almost doubling year-on-year) and GEL 809.0 million (increasing by more than 2.5 times year-on-year), respectively, in 4Q 21 and FY 2021. This growth was driven by strong income generation across all categories, as well as strong improvement in asset quality. As a result, our ROE for the fourth quarter and the full year stood at 22.1% and 24.4%, respectively.

... coupled with prudent management of our capital and liquidity levels – As of 31 December 2021, CET1, Tier 1 and Total Capital ratios stood at 13.7%, 16.7% and 20.3%, respectively, and remained comfortably above the minimum regulatory requirements by 2.0%, 2.7% and 1.9%, respectively. As of 31 December 2021, our net stable funding (NSFR) and liquidity coverage (LCR) ratios stood at 127.3% and 115.8%, respectively, comfortably above the regulatory minimum of 100%.

Our Georgian banking franchise maintained its leadership position... - We continue to be market leaders in total loans and deposits. In 2021, our loan book increased by 18.0% year-on-year in constant currency terms, in line with the overall growth of the banking sector, which translated into a 38.8% market share. Over the same period, our deposit base increased by 25.1% in constant currency terms, significantly outpacing market growth. As a result, our market share in total deposits amounted to 40.4% as of 31 December 2021, up by 3.2 pp year-on-year.

...while our Uzbek business continued to expand – As of 31 December 2021, TBC UZ was present in all major regions of Uzbekistan, reaching more than 97% of the population, while the number of registered and monthly active users¹ of our digital banking app reached 1.1 million and 141,000 respectively. At the end of December 2021, the Bank's retail deposit portfolio amounted to GEL 207.5 million, while the retail loan book stood at GEL 92.8 million.

In parallel, we continued to expand our Uzbek payments business, Payme, by introducing new products and services as well as increasing our network. As a result, the number of registered users reached 5.2 million, while the number of monthly active users² amounted to 1.1 million by the end of 2021. Over the same period net profit was GEL 18.0 million, up by 111.7% year-on-year.

Increasing our digital footprint- In December 2021, the monthly active digital users³ increased by 16.0% year-on-year, while average daily active digital users⁴ increased by 23.9% over the same period. This resulted in 44.2% DAU/MAU,⁵ up by 2.7 pp year-on-year.

¹ Users who conducted at least one transaction during the month.

² Users who conducted at least one transaction during the month.

³ Users of TBC Bank internet and mobile banking, who logged in to the system at least once during the month.

⁴ Users of TBC Bank internet and mobile banking, who logged in to the system at least once during the day.

⁵ The average daily active retail digital users divided by the monthly active retail digital users.

Letter from the Chief Executive Officer

2021 was a year of strong recovery for TBC, coupled with remarkable progress in Uzbekistan. Having successfully adjusted to the post-COVID reality, we concentrated our efforts on increasing and diversifying our income streams in Georgia, while continuing to invest in our Uzbek banking operations to support future growth. The macroeconomic environment was also supportive throughout the year. As a result, our net income amounted to GEL 809 million and we delivered a record high return on equity of 24.4% in 2021.

The economic recovery continued into the fourth quarter

The Georgian economy continued its firm recovery in the fourth quarter of 2021. For the full year, real GDP growth reached 10.6%⁶, which was an exceptional performance. Importantly, this growth was broad-based and was reflected in almost all sources of inflows as well as in domestic demand, only FDI lagged behind, as investment demand takes longer to recover. Domestic demand was fueled by the normalization of saving levels after pandemic related highs and by low USD deposit rates, while the appreciation of the GEL in the second half of the year led to improved consumer and business sentiment. Furthermore, the 18.3% expansion in bank lending also provided much needed support to the economic recovery. Going forward, we expect a significant decrease in fiscal stimulus, although it should be more than compensated by continued strong exports, remittance inflows and the forecast recovery in tourism and FDI.

Strong financial results across the board backed by the solid capital

In 2021, our operating income amounted to GEL 1,452 million, up by 25.7% year-on-year, driven by an increase in both net interest income and non-interest income. The increase in the former was related to a higher net interest margin of 5.1%, compared to 4.7% in 2020, as well as 12.2% year-on-year growth in our loan book. Over the same period, net fee and commission income grew by an impressive 35.7%. The increase was broad-based and demonstrated the strength of our business model. In addition, other operating income⁷ grew by 46.5% and made a meaningful contribution to the overall profitability, mainly driven by FX operations and the sale of investment property. Our robust income streams were further supported by strong performance on the asset side across all segments, with the cost of risk standing at minus 0.3% (ie. net recoveries) in 2021. This allowed us to continue investing in our Uzbek business, while keeping our cost to income ratio at 37.6% in 2021, slightly below the 2020 level of 37.9%. As a result, we recorded a return on equity of 24.4% and return on assets of 3.4% for the full year 2021.

Strong income generation, coupled with prudent management of our capital, allowed us to maintain strong capital positions. Our CET1, Tier 1 and Total Capital ratios stood at 13.7%, 16.7% and 20.3%, respectively, and remained comfortably above the minimum regulatory requirements by 2.0%, 2.7% and 1.9%, respectively. At the same time, we continued to operate at high liquidity with the net stable funding (NSFR) and liquidity coverage (LCR) ratios standing at 127.3% and 115.8%, respectively, as of 31 December 2021.

A steady progress in our core banking business in Georgia

We continue to be market leaders in total loans and deposits. In 2021, our loan book increased by 18.0% year-on-year in constant currency terms, in line with the overall growth of the banking sector, which translated into a 38.8% market share. Importantly, the quality of our loan book improved, with the non-performing loan ratio decreasing to 2.4% by the end of 2021, compared to 4.7% at the end of 2020. Over the same period, our deposit growth significantly outpaced market growth and increased by 25.1% in constant currency terms. As a result, our market share in total deposits amounted to 40.4% as of 31 December 2021, up by 3.2 pp year-on-year.

I am also delighted to report that our digitalization levels continue to increase. In the fourth quarter of 2021, the number of active retail digital users⁸ increased by 8.1% year-on-year and reached 744,000. In addition, we made significant progress in expanding the number of monthly and daily active digital users⁹, which reached 644,000 (up by 16.0% year-on-year) and 285,000 (up by 23.9% year-on-year) respectively in December 2021. The proportion of digital sales of our consumer loans amounted to 45%, while the deposit sales offloading ratio stood at 73%.

⁶ According to our estimates based on Geostat preliminary data.

⁷ Total non-interest income less net fee and commission income.

⁸ Users of TBC Bank internet & mobile banking, Space & TBC Pay app, who logged in to the system at least once in the past 3 months.

⁹ Monthly and daily active digital users include only TBC Bank internet and mobile banking users.

Furthermore, to ensure the maximum safety of our customers and employees, we ran a wide-scale campaign to encourage our staff to get vaccinated. As a result, around 85% of all our employees were vaccinated, or were scheduled to receive a vaccine, by the end of 2021.

Strengthening our position on the Uzbek market

I am very pleased with the progress that our fully digital Uzbek bank, TBC UZ, achieved in its first year of operations. Since launching our operations from scratch in Tashkent in October 2020, we have been steadily expanding our presence. By the end of 2021, we covered all major regions, representing around 97% of the country's population, through our 35 customer acquisition points and 10 showrooms, while the number of registered and monthly active users¹⁰ of our digital banking app reached 1.1 million and 141,000, respectively. By the end of the year, our customer proposition in Uzbekistan expanded to unsecured consumer loans, current accounts and savings deposits as well as various payment solutions such as P2P transfers, bill payments, debit cards and the ability to attach other banks' cards to our mobile app. In addition, we launched auto loans in a friends and family mode in December 2021 and introduced term deposits and virtual cards to a wider public. In 2021, our retail loan and deposit books grew at a fast pace and reached GEL 92.8 million and GEL 207.5 million, respectively, as of 31 December 2021, which translated into retail market shares¹¹ of 0.5% and 2.0% accordingly. I am also delighted that TBC UZ has been named "the Best Digital Bank in Uzbekistan 2021" by Global Economics.

In parallel, we continued to expand our Uzbek payments business, Payme, by introducing new products and services as well as increasing our network. In the fourth quarter of 2021, we launched a virtual Visa card and added payments capabilities for railway and plane tickets. In addition, we signed partnership agreements with large international retailers such as Carrefour and Magnum enabling QR payments with the Payme app in these stores. As a result, the number of registered users reached 5.2 million, while the number of monthly active digital users¹² amounted to 1.1 million by the end of 2021. In 2021, the number and volume of transactions increased by 66.4% and 79.6%, respectively, year-on-year. In terms of financial results, revenues increased by 91% year-on-year and amounted to GEL 28.8 million, while net profit was GEL 18.0 million, up by 111.7% year-on-year.

Outlook

Our outstanding results for 2021 provide me with much confidence that we are on the right track and that our strategy is working. While our Georgian banking business will remain core to our strategy, the Uzbek market should give us a competitive edge by providing a material contribution to our growth and diversification over the years to come.

Finally, I would also like to re-iterate our medium-term guidance: ROE of above 20%, a cost to income ratio below 35%, a dividend pay-out ratio of 25-35% and annual loan growth of around 10-15%.

Thank you

I would like to close my letter by thanking our colleagues for their hard work and dedication and recognizing their individual contributions to our success. We have an exciting journey ahead of us and I am eagerly looking forward to it.

¹⁰ Users who conducted at least one transaction during the month.

¹¹ Based on data published by the Central Bank of Uzbekistan.

¹² Users who conducted at least one transaction during the month.

Economic Overview

Economic growth

Starting from the second quarter of 2021, the Georgian economy has rebounded from the pandemic at a remarkable speed – real GDP increased by 28.9% and 9.1% in the second and third quarters of 2021, respectively. According to the initial estimates of the National Statistics Office of Georgia, the recovery of economic activity continued in the last quarter of the year with 9.5% year-on-year real GDP growth. According to initial estimates, the Georgian economy expanded by 10.6% year-on-year in 2021, surpassing the 2019 level by 3.1%

External sector

The external sector continued its strong performance in 4Q 2021, with exports growing by 34.2% year-on-year and by 18.6% compared to 4Q 2019. Notably, despite re-exports having a lower base effect from a year ago, domestic exports still led the recovery with the share of domestic value-added exports in total exports increasing significantly, from 61.3% in 4Q 2019 to 76.2% in 4Q 2021. Despite the slower recovery in tourism-related imports and re-exports, imports of goods also went up by 31.6% YoY in 4Q 2021 and by 10.1% when compared to the same period in 2019. Importantly, the rebound in the trade in goods was broad-based, reflecting increased overall external as well as domestic demand.

Remittance inflows remained strong, increasing by 16.7% year-on-year in 4Q 2021 and by 35.0% when compared to the same period in 2019. Although part of the rebound compared to 2019 can be attributed to border closures and the greater transfer of cash remittances through digital channels, overall growth is still substantial given that the share of cash inflows is only likely to be around 10.0%-15.0%, according to NBG estimates.

The recovery in tourism inflows continued with an eightfold year-on-year increase in 4Q 2021, equaling 55.3% of such inflows in the same period in 2019. Notably, this growth was primarily led by the return of tourists from higher-spending countries. Total tourism inflows during 2021 amounted to 38.1% of their 2019 level.

FDI inflows are taking longer to recover. While in 3Q, the latest period for which data is available, there was an increase of 1.4% YoY, this was on the back of higher reinvested earnings as equity and debt financing declined sharply.

Fiscal stimulus

The fiscal stimulus, although still sizable, negatively affected growth in 2021 as the deficit amounted to around 6.3% of GDP, after an expansionary 9.3% of GDP in 2020. Importantly, the major source of deficit financing in 2020-2021 was external, largely compensating for the pandemic-related drop in net inflows. According to the Ministry of Finance, fiscal consolidation is expected to take place in the coming years with deficit-to-GDP ratios of 4.4%, 3.0% and 2.7% in 2022, 2023 and 2024, respectively. At the same time, government debt, which reached its mandated ceiling of 60% of GDP in 2020, is already normalized at an estimated 51.1% of GDP by the end of 2021. Going forward, amid fiscal consolidation, the debt-to-GDP ratio is expected to decline gradually to 49.0% by the end of 2024.

Credit growth

By the end of 2021, bank credit growth increased to 18.3% year-on-year, compared to 15.8% year-on-year growth by the end of 3Q 2021. In terms of segments, retail lending growth accelerated the most, increasing from 13.2% at the end of 3Q 2021 to 18.0% year-on-year growth at the end of 4Q 2021, mostly on the back of stronger non-mortgage credit. MSME lending also increased from 20.6% at the end of 3Q 2021 to 22.4%. Corporate lending growth remained largely unchanged, increasing by 0.2 pp from 3Q 2021 to 4Q 2021 and amounted to 15.6% year-on-year. Higher expansion in the retail segment was highly pronounced, moving from 4.8 pp in the previous quarter to.

Inflation, monetary policy and the exchange rate

Despite challenges such as the unprecedented weakening of the TRY, the GEL remained stable throughout Q4 2021. During the quarter, the GEL appreciated slightly against the USD from 3.12 to 3.10, whereas the real effective exchange rate appreciated by 6.8%.

At the end of 2021, annual inflation remained elevated at 13.9%, although monthly inflation dynamics are already around their target level. In December 2021, the NBG increased its policy rate by 0.5 percentage points from 10.0% to 10.5%. Assuming moderating inflation, a continued recovery in tourism inflows and a stable exchange rate, we expect the NBG to start cutting rates in 2022, although such plans may be put on hold if significantly increased geopolitical risks and the continued uncertainty related to the pandemic put the GEL under renewed pressure.

Going forward

According to TBC Capital expectations, GDP growth is likely to be around 6.0% in 2022. This is based on assumption that tourism inflows will reach 80.0% of 2019 inflows in USD terms (after only reaching 38.1% in 2021). Thereafter, the economy will gradually normalize, expanding by 5.5% in 2023 and by 5.0% in 2024 – close to its trend rate of around 5.2%.

According to the World Bank's latest projections¹³, the Georgian economy is forecast to grow by 5.5% and 5.0% in 2022 and 2023, respectively.

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

¹³ [World Bank, Global Economic Prospects, January 2022](#)

Unaudited Consolidated Financial Results Overview for 4Q 2021

This statement provides a summary of the unaudited business and financial trends for 4Q 2021 for TBC Bank Group plc and its subsidiaries. The quarterly financial information and trends are unaudited.

TBC Bank Group PLC's financial results has been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority (FCA).

Please note that there might be slight differences in previous periods' figures due to rounding.

Financial Highlights

Income Statement Highlights					
<i>in thousands of GEL</i>	4Q'21	3Q'21	4Q'20	Change YoY	Change QoQ
Net interest income	275,445	259,390	231,325	19.1%	6.2%
Net fee and commission income	71,068	68,631	52,199	36.1%	3.6%
Other operating non-interest income ¹⁴	42,159	43,952	38,573	9.3%	-4.1%
Total credit loss allowance*	(6,040)	(5,106)	(84,186)	-92.8%	18.3%
Operating profit after expected credit losses*	382,632	366,867	237,911	60.8%	4.3%
Operating expenses*	(157,213)	(131,695)	(123,134)	27.7%	19.4%
Losses from modifications of financial instrument	(31)	(104)	(5,082)	-99.4%	-70.2%
Profit before tax	225,388	235,068	109,695	NMF	-4.1%
Income tax expense	(26,915)	(27,921)	(8,994)	NMF	-3.6%
Profit for the period	198,473	207,147	100,701	97.1%	-4.2%

* Certain amounts do not correspond to 4Q 2020 operating expense figures and operating income after expected credit losses as they reflect the reclassifications made by the management between net impairment of non-financial assets and administrative and other operating expenses.

Balance Sheet and Capital Highlights					
<i>in thousands of GEL</i>	Dec-21	Sep-21	Dec-20	Change YoY	Change QoQ
Total Assets	24,508,561	23,701,241	22,577,805	8.6%	3.4%
Gross Loans	17,047,391	15,963,520	15,200,520	12.2%	6.8%
Customer Deposits	15,038,172	14,338,537	12,572,728	19.6%	4.9%
Total Equity	3,692,229	3,448,193	2,935,934	25.8%	7.1%
CET 1 Capital (Basel III)	2,759,894	2,565,560	1,911,233	44.4%	7.6%
Tier 1 Capital (Basel III)	3,379,414	2,955,910	2,385,181	41.7%	14.3%
Total Capital (Basel III)	4,102,927	3,693,637	3,137,912	30.8%	11.1%
Risk Weighted Assets (Basel III)	20,217,629	19,143,450	18,301,477	10.5%	5.6%

Key Ratios	4Q'21	3Q'21	4Q'20	Change YoY	Change QoQ
ROE	22.1%	24.1%	13.7%	8.4 pp	-2.0 pp
Bank's standalone ROE ¹⁵	23.2%	30.9%	15.4%	7.8 pp	-7.7 pp
ROA	3.3%	3.6%	1.8%	1.5 pp	-0.3 pp
Bank's standalone ROA ¹⁵	3.4%	4.5%	1.9%	1.5 pp	-1.1 pp
NIM	5.4%	5.3%	4.8%	0.6 pp	0.1 pp
Cost to income	40.4%	35.4%	38.2%	2.2 pp	5.0 pp
Bank's standalone cost to income ¹⁵	32.2%	25.8%	33.4%	-1.2 pp	6.4 pp
Cost of risk	-0.1%	-0.1%	2.0%	-2.1 pp	0.0 pp
NPL to gross loans	2.4%	3.1%	4.7%	-2.3 pp	-0.7 pp
NPL provision coverage ratio	99.9%	94.3%	85.6%	14.3 pp	5.6 pp
Total NPL coverage ratio	175.3%	169.3%	159.4%	15.9 pp	6.0 pp
CET 1 CAR (Basel III)	13.7%	13.4%	10.4%	3.3 pp	0.3 pp
Tier 1 CAR (Basel III)	16.7%	15.4%	13.0%	3.7 pp	1.3 pp
Total CAR (Basel III)	20.3%	19.3%	17.1%	3.2 pp	1.0 pp
Leverage (Times)	6.7x	6.9x	7.7x	-1.0x	-0.2x

¹⁴ Other operating non-interest income includes net insurance premium earned after claims and acquisition costs.

¹⁵ For the ratio calculation, all relevant group recurring costs are allocated to the bank.

Net Interest Income

In 4Q 2021, net interest income amounted to GEL 275.4 million, up by 19.1% YoY and 6.2% on a QoQ basis.

The YoY rise in interest income by GEL 56.2 million, or 12.4%, was mostly attributable to an increase in interest income from loans related to an increase in the respective portfolio of GEL 1,846.9 million, or 12.2%, together with a rise in the respective yield by 0.5 pp. This rise was related to a hike in the refinance rate and a shift of the portfolio composition towards GEL loans.

On a YoY basis, interest expense increased by GEL 12.0 million, or 5.3%, mainly driven by an increase in interest expense from deposits. This increase was related to growth in the respective portfolio of GEL 2,465.4 million, or 19.6% YoY, which was partially offset by a decrease in the cost of deposits by 0.2 pp on the back of a sharp drop in the rates of FX deposits. Over the same period, the share of the deposits portfolio in total liabilities went up to 72%, compared to 64% a year ago.

The increase in interest income on a QoQ basis of GEL 33.4 million, or 7.0%, was mainly driven by an increase in interest income from loans to customers, related both to an increase in the loan portfolio by GEL 1,083.9 million, or 6.8%, and to a 0.2 pp rise in loan effective rates. The higher yields in 4Q were attributable to the shift of the portfolio composition towards high-yield GEL loans.

The interest expense increased by GEL 17.3 million, or 5.7% on a QoQ basis. This growth was driven by an increase in interest expense from bonds issued in November 2021, as well as a rise in interest expense from NBG loans due to an increase in the refinance rate. Another driver was a rise in interest expense from deposits related to the growth in the respective portfolio by 4.9% YoY, although this effect was partially offset by a 0.1 pp lower cost of deposit in 4Q.

In 4Q 2021, our NIM stood at 5.4%, up by 0.6 pp YoY and 0.1 pp on a QoQ basis.

<i>In thousands of GEL</i>	4Q'21	3Q'21	4Q'20	<i>Change YoY</i>	<i>Change QoQ</i>
Interest income	510,035	476,636	453,874	12.4%	7.0%
Interest expense	(239,839)	(226,991)	(227,786)	5.3%	5.7%
Net gains from currency swaps	5,249	9,745	5,237	0.2%	-46.1%
Net interest income	275,445	259,390	231,325	19.1%	6.2%
NIM	5.4%	5.3%	4.8%	0.6 pp	0.1 pp

Non-Interest Income

Total other non-interest income amounted to GEL 113.2 million in 4Q 2021 and increased by 24.7% YoY, remaining stable on a QoQ basis.

The growth in net fee and commission income was particularly impressive and was spread across various categories including payments, settlements, and other operations. Such a strong growth was related to the revival of business activities, as 4Q 2020 was adversely affected by COVID-19 related restrictive measures.

<i>In thousands of GEL</i>	4Q'21	3Q'21	4Q'20	<i>Change YoY</i>	<i>Change QoQ</i>
Non-interest income					
Net fee and commission income	71,068	68,631	52,199	36.1%	3.6%
Net income from currency derivatives, foreign currency operations and translation	27,984	29,102	28,085	-0.4%	-3.8%
Net insurance premium earned after claims and acquisition costs ¹⁶	7,654	6,019	3,263	NMF	27.2%
Other operating income	6,521	8,831	7,225	-9.7%	-26.2%
Total other non-interest income	113,227	112,583	90,772	24.7%	0.6%

¹⁶ Net insurance premium earned after claims and acquisition costs can be reconciled to the standalone net insurance profit (as shown in Annex 3) as follows: net insurance premium earned after claims and acquisition costs less credit loss allowance, administrative expenses and taxes, plus fee and commission income and net interest income.

Credit Loss Allowance

In 4Q the cost of risk amounted to -0.1%, driven by the strong performance of the CIB segment, while the higher CoR in 4Q 2020 was driven by COVID-19 related uncertainties.

<i>In thousands of GEL</i>	4Q'21	3Q'21	4Q'20 (as restated)	Change YoY	Change QoQ
Recovery of/(charges to) credit loss allowance for loan to customers	3,171	4,389	(75,711)	NMF	-27.8%
Credit loss allowance for other transactions*	(9,211)	(9,495)	(8,475)	8.7%	-3.0%
Total credit loss allowance*	(6,040)	(5,106)	(84,186)	-92.8%	18.3%
Operating profit after expected credit losses*	382,632	366,867	237,911	60.8%	4.3%
Cost of risk	-0.1%	-0.1%	2.0%	-2.1 pp	0.0 pp

* Certain amounts do not correspond to 4Q 2020 operating expense figures and operating income after expected credit losses as they reflect the reclassifications made by the management between net impairment of non-financial assets and administrative and other operating expenses.

Operating Expenses

In 4Q 2021, our operating expenses expanded by 27.7% YoY and 19.4% on a QoQ basis.

The YoY increase in our operating expenses was mainly driven by staff annual bonuses and seasonal increase of administrative expenses, mainly discretionary costs. The increase on a QoQ basis was due to seasonally high costs in 4Q.

Our cost to income ratio amounted to 40.4%, while the Bank's standalone cost to income stood at 32.2%.

<i>In thousands of GEL</i>	4Q'21	3Q'21	4Q'20 (as restated)	Change YoY	Change QoQ
Operating expenses					
Staff costs	(86,589)	(74,643)	(67,782)	27.7%	16.0%
Provisions for liabilities and charges	90	(54)	(724)	NMF	NMF
Depreciation and amortization	(23,203)	(19,988)	(18,838)	23.2%	16.1%
Administrative & other operating expenses*	(47,511)	(37,010)	(35,790)	32.7%	28.4%
Total operating expenses*	(157,213)	(131,695)	(123,134)	27.7%	19.4%
Cost to income	40.4%	35.4%	38.2%	2.2 pp	5.0 pp
Bank's standalone cost to income¹⁷	32.2%	25.8%	33.4%	-1.2 pp	6.4 pp

* Certain amounts do not correspond to 4Q 2020 operating expense figures and operating income after expected credit losses as they reflect the reclassifications made by the management between net impairment of non-financial assets and administrative and other operating expenses.

Net Income

In 4Q, we continued to deliver strong profitability and generated GEL 198.5 million in net profit. The YoY increase was attributable to the revival of business activities, while on a QoQ basis it remained broadly stable.

As a result, our ROE and ROA for the fourth quarter reached 22.1% and 3.3%, accordingly.

<i>In thousands of GEL</i>	4Q'21	3Q'21	4Q'20	Change YoY	Change QoQ
Losses from modifications of financial instruments	(31)	(104)	(5,082)	-99%	-70%
Profit before tax	225,388	235,068	109,695	NMF	-4%
Income tax expense	(26,915)	(27,921)	(8,994)	NMF	-4%
Profit for the period	198,473	207,147	100,701	97.1%	-4%
ROE	22.1%	24.1%	13.7%	8.4 pp	-2.0 pp
Bank's standalone ROE¹⁷	23.2%	30.9%	15.4%	7.8 pp	-7.7 pp
ROA	3.3%	3.6%	1.8%	1.5 pp	-0.3 pp
Bank's standalone ROA¹⁷	3.4%	4.5%	1.9%	1.5 pp	-1.1 pp

¹⁷ For the ratio calculation, all relevant group recurring costs are allocated to the bank.

Funding and Liquidity

As of 31 December 2021, the total liquidity coverage ratio (LCR), as defined by the NBG, was 115.8%, above the 100% limit, while the LCR in GEL and FC stood at 107.7% and 120.8% respectively, above the respective limits of 75% and 100%. Over the same period, NSFR stood at 127.3%, compared to the regulatory limit of 100%.

	Dec-21	Sep-21	Change QoQ
<i>Minimum net stable funding ratio, as defined by the NBG</i>	100.0%	100.0%	0.0 pp
Net stable funding ratio as defined by the NBG	127.3%	127.1%	0.2 pp
Net loans to deposits + IFI funding	100.9%	97.5%	3.4 pp
Leverage (Times)	6.7x	6.9x	-0.2x
<i>Minimum total liquidity coverage ratio, as defined by the NBG</i>	100.0%	100.0%	0.0 pp
<i>Minimum LCR in GEL, as defined by the NBG</i>	75%	75%	0.0 pp
<i>Minimum LCR in FC, as defined by the NBG</i>	100.0%	100.0%	0.0 pp
Total liquidity coverage ratio, as defined by the NBG	115.8%	116.5%	-0.7 pp
LCR in GEL, as defined by the NBG	107.7%	98.0%	9.7 pp
LCR in FC, as defined by the NBG	120.8%	125.5%	-4.7 pp

Regulatory Capital

As of December 2021, our CET1, Tier 1 and Total Capital ratios stood at 13.7%, 16.7% and 20.3%, respectively, and remained comfortably above the minimum regulatory requirements by 2.0%, 2.7% and 1.9%, accordingly.

The increase on a QoQ basis in CET1 was mainly driven by net income generation, which was partially offset by growth in the loan book, while the higher Tier 1 and total capital adequacy ratios were further supported by issuance of AT1 Bond in the amount of USD 75 million in November 2021 (which had 1.1% positive effect on both ratios).

<i>In thousands of GEL</i>	Dec-21	Sep-21	Change QoQ
CET 1 Capital	2,759,894	2,565,560	7.6%
Tier 1 Capital	3,379,414	2,955,910	14.3%
Total Capital	4,102,927	3,693,637	11.1%
Total Risk-weighted Exposures	20,217,629	19,143,450	5.6%
<i>Minimum CET 1 ratio</i>	11.7%	11.3%	0.4 pp
CET 1 Capital adequacy ratio	13.7%	13.4%	0.3 pp
<i>Minimum Tier 1 ratio</i>	14.0%	13.5%	0.5 pp
Tier 1 Capital adequacy ratio	16.7%	15.4%	1.3 pp
<i>Minimum total capital adequacy ratio</i>	18.4%	17.9%	0.5 pp
Total Capital adequacy ratio	20.3%	19.3%	1.0 pp

Loan Portfolio

As of 31 December 2021, the gross loan portfolio reached GEL 17,047.4 million, up by 6.8% QoQ, or up by 8.0% on a constant currency basis.

The proportion of gross loans denominated in foreign currency decreased by 1.0 pp QoQ and accounted for 53.9% of total loans, while on a constant currency basis the proportion of gross loans denominated in foreign currency decreased by 0.5 pp QoQ and stood at 54.5%.

As of 31 December 2021, our market share in total loans stood at 38.8%, up by 0.4 pp QoQ. Our loan market share in legal entities was 39.1%, up by 0.5 pp QoQ, and our loan market share in individuals stood at 38.6%, up by 0.4 pp QoQ.

<i>In thousands of GEL</i>	Dec-21	Sep-21	Change QoQ
Loans and advances to customers			
Retail	6,358,345	5,950,915	6.8%
Retail loans GEL	3,580,468	3,313,791	8.0%
Retail loans FC	2,777,877	2,637,124	5.3%
CIB	6,547,741	6,136,232	6.7%
CIB loans GEL	2,188,776	1,941,958	12.7%
CIB loans FC	4,358,965	4,194,274	3.9%
MSME	4,141,305	3,876,373	6.8%
MSME loans GEL	2,082,204	1,936,230	7.5%
MSME loans FC	2,059,101	1,940,143	6.1%
Total loans and advances to customers	17,047,391	15,963,520	6.8%

	4Q'21	3Q'21	4Q'20	Change YoY	Change QoQ
Loan yields	10.7%	10.5%	10.2%	0.5 pp	0.2 pp
Loan yields GEL	15.4%	15.4%	15.3%	0.1 pp	0.0 pp
Loan yields FC	6.7%	6.6%	6.8%	-0.1 pp	0.1 pp
Retail Loan Yields	12.2%	12.0%	12.0%	0.2 pp	0.2 pp
Retail loan yields GEL	16.4%	16.3%	16.8%	-0.4 pp	0.1 pp
Retail loan yields FC	6.9%	6.6%	7.1%	-0.2 pp	0.3 pp
CIB Loan Yields	9.2%	9.1%	8.4%	0.8 pp	0.1 pp
CIB loan yields GEL	14.2%	14.1%	13.0%	1.2 pp	0.1 pp
CIB loan yields FC	6.8%	6.8%	6.9%	-0.1 pp	0.0 pp
MSME Loan Yields	10.6%	10.5%	9.9%	0.7 pp	0.1 pp
MSME loan yields GEL	15.1%	15.0%	14.6%	0.5 pp	0.1 pp
MSME loan yields FC	6.0%	6.0%	6.3%	-0.3 pp	0.0 pp

Loan Portfolio Quality

Total PAR 30 ratio stood at 2.0%, down by 0.3 pp on a QoQ basis. This decrease was driven by the Retail and MSME segments.

In 4Q, NPL improved across all segments, mainly driven by resumed repayments of restructured loans in the Retail and MSME segments.

Our NPLs provision coverage stood at 100% as of 31 December 2021, with an additional 75% collateral coverage. Only 18% of NPLs were unsecured loans¹⁸ with strong provision coverage of 281%.

Par 30	Dec-21	Sep-21	Change QoQ
Retail	2.2%	2.7%	-0.5 pp
CIB	0.6%	0.5%	0.1 pp
MSME	4.0%	4.6%	-0.6 pp
Total Loans	2.0%	2.3%	-0.3 pp

Non-performing Loans	Dec-21	Sep-21	Change QoQ
Retail	2.4%	3.6%	-1.2 pp
CIB	1.4%	1.5%	-0.1 pp
MSME	4.0%	4.7%	-0.7 pp
Total Loans	2.4%	3.1%	-0.7 pp

¹⁸ Secured loans are those that are secured with cash, gold, real estate and other PPE

NPL Coverage ¹⁹	Dec-21		Sep-21	
	Provision Coverage	Total Coverage	Provision Coverage	Total Coverage
Retail	158.8%	224.6%	120.7%	189.3%
CIB	56.8%	126.4%	82.5%	151.2%
MSME	68.0%	155.5%	68.7%	154.5%
Total	99.9%	175.3%	94.3%	169.3%

Cost of risk

Our cost of risk improved significantly on a YoY basis and remained the same QoQ. The YoY decrease was mainly driven by provision recoveries in the CIB segment, which was attributable to a few stage 3 borrowers and the strong performance of the CIB segment in 2021.

Cost of risk	4Q'21	3Q'21	4Q'20	Change YoY	Change QoQ
Retail	1.2%	-0.2%	2.7%	-1.5 pp	1.4 pp
CIB	-1.5%	-0.2%	0.2%	-1.7 pp	-1.3 pp
MSME	0.1%	0.1%	3.9%	-3.8 pp	0.0 pp
Total	-0.1%	-0.1%	2.0%	-2.1 pp	0.0 pp

Deposit Portfolio

The total deposits portfolio increased by 4.9% QoQ, or 5.8% on a constant currency basis, and amounted to GEL 15,038.2 million.

The proportion of deposits denominated in a foreign currency decreased by 0.2 pp QoQ and accounted for 63.5% of total deposits, while on a constant currency basis the proportion of deposits denominated in foreign currency increased by 0.1 pp QoQ and stood at 63.8%.

As of 31 December 2021, our market share in deposits amounted to 40.4%, up by 0.3 pp QoQ, while our market share in deposits to legal entities stood at 40.5%, up by 0.5 pp QoQ. Our market share in deposits to individuals stood at 40.3%, up by 0.1 pp QoQ.

In thousands of GEL	Dec-21	Sep-21	Change QoQ
Customer Accounts			
Retail	5,837,333	5,593,535	4.4%
Retail deposits GEL	1,492,325	1,353,608	10.2%
Retail deposits FC	4,345,008	4,239,927	2.5%
CIB	7,330,543	6,834,386	7.3%
CIB deposits GEL	2,934,167	2,681,148	9.4%
CIB deposits FC	4,396,376	4,153,238	5.9%
MSME	1,558,676	1,433,603	8.7%
MSME deposits GEL	756,135	688,598	9.8%
MSME deposits FC	802,541	745,005	7.7%
Total Customer Accounts*	15,038,172	14,338,537	4.9%

* Total deposit portfolio includes Ministry of Finance deposits in the amount of, GEL 477 million and GEL 312 million as of 30 Sep. and 31 Dec 2021, respectively.

	4Q'21	3Q'21	4Q'20	Change YoY	Change QoQ
Deposit rates	3.4%	3.5%	3.6%	-0.2 pp	-0.1 pp
Deposit rates GEL	6.8%	6.9%	6.6%	0.2 pp	-0.1 pp
Deposit rates FC	1.5%	1.6%	2.0%	-0.5 pp	-0.1 pp
Retail Deposit Yields	2.4%	2.3%	2.6%	-0.2 pp	0.1 pp
Retail deposit rates GEL	4.9%	4.8%	5.1%	-0.2 pp	0.1 pp
Retail deposit rates FC	1.6%	1.5%	1.8%	-0.2 pp	0.1 pp
CIB Deposit Yields	4.8%	4.5%	4.2%	0.6 pp	0.3 pp
CIB deposit rates GEL	8.9%	8.5%	7.8%	1.1 pp	0.4 pp
CIB deposit rates FC	1.6%	1.9%	2.5%	-0.9 pp	-0.3 pp
MSME Deposit Yields	0.6%	0.9%	1.0%	-0.4 pp	-0.3 pp
MSME deposit rates GEL	1.1%	1.6%	1.7%	-0.6 pp	-0.5 pp
MSME deposit rates FC	0.2%	0.2%	0.3%	-0.1 pp	0.0 pp

¹⁹ In 1Q 2021, we updated the calculation methodology of NPL collateral coverage; please refer to annex 5 for more details.

Segment definition and PL

Business Segments

The segment definitions are as follows:

- Corporate and Investment Banking (CIB) – a legal entity/group of affiliated entities with an annual revenue exceeding GEL 12.0 million or which has been granted facilities of more than GEL 5.0 million. Some other business customers may also be assigned to the CIB segment or transferred to the MSME segment on a discretionary basis. In addition, CIB includes Wealth Management private banking services to high-net-worth individuals with a threshold of US\$ 250,000 of assets under management (AUM), as well as on a discretionary basis;
- Retail – non-business individual customers; or individual customers of the fully digital bank, Space.
- MSME – business customers who are not included in the CIB segment;
- Corporate centre and other operations – comprises the Treasury, other support and back office functions, and non-banking subsidiaries of the Group.

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

Income Statement by Segments

4Q'21	Retail	MSME	CIB	Corp. Centre	Total
Interest income	189,455	106,840	150,152	63,588	510,035
Interest expense	(35,616)	(2,494)	(80,581)	(121,148)	(239,839)
Net gains from currency swaps	-	-	-	5,249	5,249
<i>Net transfer pricing</i>	(51,544)	(46,096)	24,351	73,289	-
Net interest income	102,295	58,250	93,922	20,978	275,445
Fee and commission income	61,906	15,970	33,328	12,689	123,893
Fee and commission expense	(15,939)	(9,681)	(22,992)	(4,213)	(52,825)
Net fee and commission income	45,967	6,289	10,336	8,476	71,068
Net insurance premium earned after claims and acquisition costs	-	-	-	7,654	7,654
Net gains/(losses) from currency derivatives, foreign currency operations and translation	11,102	8,899	18,922	(10,939)	27,984
Gains less losses from disposal of investment securities measured at fair value through other comprehensive income	-	-	888	(636)	252
Other operating income	2,362	170	550	3,116	6,198
Share of profit of associates	-	-	-	71	71
Other operating non-interest income and insurance profit	13,464	9,069	20,360	(734)	42,159
Recovery of/(charges to) credit loss allowance for loans to customers	(18,935)	(1,473)	23,579	-	3,171
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	(69)	77	5,963	-	5,971
Recovery of credit loss allowance for net investments in leases	-	-	-	2,052	2,052
Credit loss allowance for other financial assets	(15)	-	(421)	(5,927)	(6,363)
Recovery of credit loss allowance for financial assets measured at fair value through other comprehensive income	-	-	174	163	337
Net impairment of non-financial assets	(294)	(1,441)	(7,976)	(1,497)	(11,208)
Operating income after expected credit and non-financial asset impairment losses	142,413	70,771	145,937	23,511	382,632
Staff costs	(35,274)	(13,459)	(17,017)	(20,839)	(86,589)
Depreciation and amortization	(14,604)	(3,333)	(1,541)	(3,725)	(23,203)
Provision for liabilities and charges	-	-	-	90	90
Administrative and other operating expenses	(19,231)	(5,148)	(6,749)	(16,383)	(47,511)
Operating expenses	(69,109)	(21,940)	(25,307)	(40,857)	(157,213)
Losses from modifications of financial instruments	-	-	(31)	-	(31)
Profit/(loss) before tax	73,304	48,831	120,599	(17,346)	225,388
Income tax expense	(8,694)	(6,039)	(16,070)	3,888	(26,915)
Profit/(loss)	64,610	42,792	104,529	(13,458)	198,473

Consolidated Financial Statements of TBC Bank Group PLC
Consolidated Balance sheet

<i>In thousands of GEL</i>	Dec-21	Sep-21 (as restated)
Cash and cash equivalents	1,722,137	1,960,441
Due from other banks	79,142	64,894
Mandatory cash balances with National Bank of Georgia	2,087,141	2,095,848
Loans and advances to customers	16,637,145	15,504,311
Investment securities measured at fair value through other comprehensive income	1,938,196	2,253,510
Bonds carried at amortized cost	49,582	1,118
Net investments in leases	262,046	237,557
Investment properties	22,892	32,444
Current income tax prepayment	194	4,856
Deferred income tax asset	12,357	9,216
Other financial assets ²⁰	453,115	383,890
Other assets	397,079	352,191
Premises and equipment	392,506	378,514
Right of use assets	70,513	52,944
Intangible assets	319,963	305,088
Goodwill	59,964	59,964
Investments in associates	4,589	4,455
TOTAL ASSETS	24,508,561	23,701,241
LIABILITIES		
Due to credit institutions	2,984,176	3,361,515
Customer accounts	15,038,172	14,338,537
Other financial liabilities ²⁰	139,811	165,710
Current income tax liability	86,762	16,559
Deferred income tax liability	10,979	7,684
Debt securities in issue	1,710,288	1,507,969
Provision for liabilities and charges	25,358	28,275
Other liabilities	130,972	137,086
Lease Liabilities	66,167	53,627
Subordinated debt	623,647	636,086
TOTAL LIABILITIES	20,816,332	20,253,048
EQUITY		
Share capital	1,682	1,682
Shares held by trust	(25,489)	(25,489)
Share premium*	283,430	283,430
Retained earnings	3,007,132	2,793,033
Merger reserve*	402,862	402,862
Share based payment reserve	(5,135)	(8,811)
Fair value reserve	(10,862)	(1,207)
Cumulative currency translation reserve	(9,450)	(7,065)
Net assets attributable to owners	3,644,170	3,435,849
Non-controlling interest	48,059	9,758
TOTAL EQUITY	3,692,229	3,448,193
TOTAL LIABILITIES AND EQUITY	24,508,561	23,701,241

* Certain amounts do not correspond to September 2021 consolidated statement of financial position as they reflect the reclassifications made by the management for merger reserve.

²⁰ Other financial assets and liabilities do not contain offset amounts of omnibus accounts for TBC Capital (nominee accounts, where TBC Capital acts as a fiduciary on a client's behalf).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of GEL</i>	4Q'21	3Q'21 (as restated)	4Q'20 (as restated)
Interest income	510,035	476,636	453,874
Interest expense	(239,839)	(226,991)	(227,786)
Net gains from currency swaps	5,249	9,745	5,237
Net interest income	275,445	259,390	231,325
Fee and commission income*	123,893	110,546	87,748
Fee and commission expense*	(52,825)	(41,915)	(35,549)
Net fee and commission income	71,068	68,631	52,199
Net insurance premiums earned	18,883	16,818	12,542
Net insurance claims incurred and agents' commissions	(11,229)	(10,799)	(9,279)
Net insurance premium earned after claims and acquisition costs	7,654	6,019	3,263
Net gains/(losses) from currency derivatives, foreign currency operations and translation	27,984	29,102	28,085
Gains less losses from disposal of investment securities measured at fair value through other comprehensive income	252	3,863	578
Other operating income	6,198	4,798	6,890
Share of profit of associates	71	170	(243)
Other operating non-interest income	34,505	37,933	35,310
Recovery of/(charges to) credit loss allowance for loans to customers	3,171	4,389	(75,711)
Recovery of/(charges to) credit loss allowance for net investments in leases	2,052	142	(1,459)
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	5,971	(6,697)	2,067
Credit loss allowance for other financial assets	(6,363)	(3,037)	(3,364)
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	337	424	(903)
Net impairment of non-financial assets*	(11,208)	(327)	(4,816)
Operating profit after expected credit losses*	382,632	366,867	237,911
Staff costs	(86,589)	(74,643)	(67,782)
Depreciation and amortization	(23,203)	(19,988)	(18,838)
(Provision for)/ recovery of liabilities and charges	90	(54)	(724)
Administrative and other operating expenses*	(47,511)	(37,010)	(35,790)
Operating expenses*	(157,213)	(131,695)	(123,134)
Losses from modifications of financial instruments	(31)	(104)	(5,082)
Profit before tax	225,388	235,068	109,695
Income tax expense	(26,915)	(27,921)	(8,994)
Profit	198,473	207,147	100,701
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in fair value reserve	(9,657)	(1,375)	3,163
Exchange differences on translation to presentation currency	(2,385)	(1,866)	(1,211)
Other comprehensive income for the period	(12,042)	(3,241)	1,952
Total comprehensive income for the period	186,431	203,906	102,653
Profit attributable to:			
- Shareholders of TBCG	196,721	204,892	99,371
- Non-controlling interest	1,752	2,255	1,330
Profit	198,473	207,147	100,701
Total comprehensive income is attributable to:			
- Shareholders of TBCG	184,659	201,662	101,297
- Non-controlling interest	1,772	2,244	1,356
Total comprehensive income for the period	186,431	203,906	102,653

* Certain amounts do not correspond to 3Q 2021 and 4Q 2020 Consolidated Statement of Profit or Loss and Other Comprehensive Income as they reflect the reclassifications made by the management between a) net impairment of non-financial assets and administrative and other operating expenses; and b) commission income and commission expenses.

Consolidated Statement of Cash Flows

<i>In thousands of GEL</i>	Dec-21	Sep-21
Cash flows from (used in) operating activities		
Interest received	1,981,768	1,393,345
Interest received on currency swaps	28,143	22,894
Interest paid	(867,209)	(658,355)
Fees and commissions received	414,505	284,273
Fees and commissions paid	(188,214)	(133,149)
Insurance and reinsurance received	96,601	68,437
Insurance claims paid	(36,806)	(26,354)
Income received from trading in foreign currencies	113,043	58,592
Other operating income received	75,378	53,477
Staff costs paid	(307,633)	(227,775)
Administrative and other operating expenses paid	(195,188)	(114,125)
Income tax paid	(13,756)	(11,893)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>	1,100,632	709,367
Net change in operating assets		
Due from other banks and mandatory cash balances with the National Bank of Georgia	393,174	57,244
Loans and advances to customers	(3,085,488)	(1,650,871)
Net investments in lease	(499)	28,358
Other financial assets	(213,126)	(159,404)
Other assets	5,077	5,740
Net change in operating liabilities		
Due to credit institutions	132,826	91,328
Customer accounts	2,821,952	2,287,018
Other financial liabilities	(144,867)	(115,735)
Other liabilities and provision for liabilities and charges	36,791	23,992
<i>Net cash flows from operating activities</i>	1,046,472	1,277,037
Cash flows from/ (used in) investing activities		
Acquisition of investment securities measured at fair value through other comprehensive income	(797,285)	(598,141)
Proceeds from disposal of investment securities measured at fair value through other comprehensive income	1,025,775	929,431
Proceeds from redemption at maturity of investment securities measured at fair value through other comprehensive income	412,204	-
Acquisition of bonds carried at amortised cost	(47,784)	-
Proceeds from redemption of bonds carried at amortised cost	26,296	28,351
Acquisition of premises, equipment and intangible assets	(163,222)	(111,148)
Proceeds from disposal of premises, equipment and intangible assets	20,826	13,833
Purchase of additional interest from minority shareholders	(17,215)	-
Proceeds from sale of investment to NCI	57,039	-
Proceeds from disposal of investment property	23,639	44,464
<i>Net cash flows from investing activities</i>	540,273	306,790
Cash flows from (used in) financing activities		
Proceeds from other borrowed funds	1,750,443	1,755,171
Redemption of other borrowed funds	(3,338,139)	(2,914,700)
Repayment of principal of lease liabilities	(12,825)	(8,417)
Redemption of subordinated debt	(12,562)	(12,562)
Proceeds from debt securities in issue	295,457	49,346
Dividends paid	(87,723)	(84,159)
<i>Net cash used in financing activities</i>	(1,405,349)	(1,215,321)
<i>Effect of exchange rate changes on cash and cash equivalents</i>	(94,664)	(43,470)
<i>Net increase in cash and cash equivalents</i>	86,732	325,036
<i>Cash and cash equivalents at the beginning of the year</i>	1,635,405	1,635,404
<i>Cash and cash equivalents at the end of the year</i>	1,722,137	1,960,440

Key Ratios

Average Balances

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

Key Ratios

<i>Ratios (based on monthly averages, where applicable)</i>	4Q'21	3Q'21	4Q'20
Profitability ratios:			
ROE ¹	22.1%	24.1%	13.7%
ROA ²	3.3%	3.6%	1.8%
Cost to income ³	40.4%	35.4%	38.2%
NIM ⁴	5.4%	5.3%	4.8%
Loan yields ⁵	10.7%	10.5%	10.2%
Deposit rates ⁶	3.4%	3.5%	3.6%
Cost of funding ⁷	4.6%	4.5%*	4.7%*
Asset quality & portfolio concentration:			
Cost of risk ⁹	-0.1%	-0.1%	2.0%
PAR 90 to Gross Loans ⁹	1.1%	1.3%	1.5%
NPLs to Gross Loans ¹⁰	2.4%	3.1%	4.7%
NPL provision coverage ¹¹	99.9%	94.3%	85.6%
Total NPL coverage ¹²	175.3%	169.3%	159.4%
Credit loss level to Gross Loans ¹³	2.4%	2.9%	4.0%
Related Party Loans to Gross Loans ¹⁴	0.1%	0.0%	0.0%
Top 10 Borrowers to Total Portfolio ¹⁵	6.8%	7.7%	7.9%
Top 20 Borrowers to Total Portfolio ¹⁶	10.5%	11.4%	12.1%
Capital & liquidity positions:			
Net Loans to Deposits plus IFI** Funding ¹⁷	100.9%	97.5%	101.2%
Net Stable Funding Ratio ¹⁸	127.3%	127.1%	126.0%
Liquidity Coverage Ratio ¹⁹	115.8%	116.5%	134.2%
Leverage ²⁰	6.7x	6.9x	7.7x
CET 1 CAR (Basel III) ²¹	13.7%	13.4%	10.4%
Tier 1 CAR (Basel III) ²²	16.7%	15.4%	13.0%
Total 1 CAR (Basel III) ²³	20.3%	19.3%	17.1%

*The Group enters into swap agreements denominated in foreign currencies with a view to decrease cost of funding. Respective interest effect is presented within net interest income, but has not been previously included in the cost of funding ratio calculation. As the contracts reached significant volume, the Group revisited the presentation of effects in the cost of funding ratio and decided to include interest effect from swap agreements in the calculation of cost of funding. The change was made retrospectively and ratios of previous periods have also been restated.

** International Financial Institutions

Ratio definitions

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

Exchange Rates

To calculate the QoQ growth of the Balance Sheet items without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.1228 as of 30 September 2021. For the calculations of the YoY growth without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.2766 as of 31 December 2020. As of 31 December 2021 the USD/GEL exchange rate equaled 3.0976. For P&L items growth calculations without currency effect, we used the average USD/GEL exchange rate for the following periods: 4Q 2021 of 3.1254, 3Q 2021 of 3.1204, 4Q 2020 of 3.2705.

Unaudited Consolidated Financial Results Overview for FY 2021

This statement provides a summary of the unaudited business and financial trends for FY 2021 for TBC Bank Group plc and its subsidiaries. The financial information and trends are unaudited.

TBC Bank Group PLC's financial results has been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority (FCA).

Financial Highlights

Income Statement Highlights

<i>in thousands of GEL</i>	FY'21	FY'20	Change YoY
Net interest income	1,002,732	835,433	20.0%
Net fee and commission income	248,000	182,767	35.7%
Other operating non-interest income ²¹	201,288	137,391	46.5%
Total credit loss allowance*	16,900	(358,008)	NMF
Operating profit after expected credit losses*	1,468,920	797,583	84.2%
Operating expenses*	(545,834)	(437,462)	24.8%
Losses from modifications of financial instrument	(1,726)	(41,015)	-95.8%
Profit before tax	921,360	319,106	NMF
Income tax expense/(credit)	(112,361)	3,383	NMF
Profit for the period	808,999	322,489	NMF

* Certain amounts do not correspond to 2020 Consolidated Statement of Profit or Loss and Other Comprehensive Income as they reflect the reclassification made by the management between net impairment of non-financial assets and administrative and other operating expenses.

Balance Sheet and Capital Highlights

<i>in thousands of GEL</i>	Dec-21	Dec-20	Change YoY
Total Assets	24,508,561	22,577,805	8.6%
Gross Loans	17,047,391	15,200,520	12.2%
Customer Deposits	15,038,172	12,572,728	19.6%
Total Equity	3,692,229	2,935,934	25.8%
CET 1 Capital (Basel III)	2,759,894	1,911,233	44.4%
Tier 1 Capital (Basel III)	3,379,414	2,385,181	41.7%
Total Capital (Basel III)	4,102,927	3,137,912	30.8%
Risk Weighted Assets (Basel III)	20,217,629	18,301,477	10.5%

Key Ratios

	FY'21	FY'20	Change YoY
ROE	24.4%	11.7%	12.7 pp
Bank's standalone ROE ²²	27.7%	13.1%	14.6 pp
ROA	3.4%	1.6%	1.8 pp
Bank's standalone ROA ²²	3.8%	1.7%	2.1 pp
NIM	5.1%	4.7%	0.4 pp
Cost to income	37.6%	37.9%	-0.3 pp
Bank's standalone cost to income ²²	29.7%	32.7%	-3.0 pp
Cost of risk	-0.3%	2.4%	-2.7 pp
NPL to gross loans	2.4%	4.7%	-2.3 pp
NPL provision coverage ratio	99.9%	85.6%	14.3 pp
Total NPL coverage ratio	175.3%	159.4%	15.9 pp
CET 1 CAR (Basel III)	13.7%	10.4%	3.3 pp
Tier 1 CAR (Basel III)	16.7%	13.0%	3.7 pp
Total CAR (Basel III)	20.3%	17.1%	3.2 pp
Leverage (Times)	6.7x	7.7x	-1.0x

²¹ Other operating non-interest income includes net insurance premium earned after claims and acquisition costs.

²² For the ratio calculation, all relevant group recurring costs are allocated to the bank.

Net Interest Income

In 2021, net interest income amounted to GEL 1,002.7 million, up by 20.0% YoY, whereby interest income and interest expense increased by 13.1% and 6.8%, respectively.

The YoY increase in interest income was primarily related to an increase in interest income from loans, which was related both an increase in the gross loan portfolio of GEL 1,846.9 million, or 12.2%, and a rise in loan yield of 0.2 pp. The upper loan rate was due a shift of the portfolio composition towards GEL loans.

The increase in interest expense was primarily related to an increase in interest expense from deposits, which was due to an increase in the respective portfolio of GEL 2,465.4 million, or 19.6%. Over the same period, the cost of deposits declined by 0.2 pp. In addition, the change in the liability structure towards deposits (from 64% as of 31 December 2020 to 72% as of 31 December 2021, as mentioned above) had a positive effect on the cost of funding. As a result, the cost of funding decreased by 0.3 pp YoY and stood at 4.5% in 2021.

In 2021, our NIM stood at 5.1%, up by 0.4 pp YoY.

<i>In thousands of GEL</i>	FY'21	FY'20	Change YoY
Interest income	1,885,856	1,667,999	13.1%
Interest expense	(911,267)	(853,516)	6.8%
Net gains from currency swaps	28,143	20,950	34.3%
Net interest income	1,002,732	835,433	20.0%
NIM	5.1%	4.7%	0.4 pp

Non-Interest Income

Total other non-interest income increased by 40.3% YoY and amounted to GEL 449.3 million in 2021. The YoY growth was driven by a strong rebound across all categories, further amplified by a gain from sale of one of our investment properties in 2Q 2021 (the gain from this transaction is included in other operating income).

<i>In thousands of GEL</i>	FY'21	FY'20	Change YoY
Non-interest income			
Net fee and commission income	248,000	182,767	35.7%
Net income from currency derivatives, foreign currency operations and translation	117,270	98,018	19.6%
Net insurance premium earned after claims and acquisition costs ²³	23,546	19,485	20.8%
Other operating income	60,472	19,888	NMF
Total other non-interest income	449,288	320,158	40.3%

NMF – no meaningful figures

Credit Loss Allowance

Total credit loss allowance in 2021 amounted to GEL 16.9 million. This significant decrease on a year-on-year basis was driven by improved performance across all segments in 2021 and by a high base in 2020, due to the reflection of COVID-19 impact on the credit loss allowances.

<i>In thousands of GEL</i>	FY'21	FY'20 (as restated)	Change YoY
Recovery of/(charges to) credit loss allowance for loans to customers	40,123	(330,811)	NMF
Credit loss allowance for other transactions*	(23,223)	(27,197)	-14.6%
Total credit loss allowance*	16,900	(358,008)	NMF
Operating income after expected credit and non-financial asset impairment losses *	1,468,920	797,583	84.2%
Cost of risk	-0.3%	2.4%	-2.7 pp

* Certain amounts do not correspond to 2020 operating income after expected credit and non-financial asset impairment losses as they reflect the reclassifications made by the management between net impairment of non-financial assets and administrative and other operating expenses.

NMF – no meaningful figures

²³ Net insurance premium earned after claims and acquisition costs can be reconciled to the standalone net insurance profit (as shown in Annex 3) as follows: net insurance premium earned after claims and acquisition costs less credit loss allowance, administrative expenses and taxes, plus fee and commission income and net interest income.

Operating Expenses

In 2021, our total operating expenses expanded by 24.8% YoY.

In 2021, the increase in our operating expenses was mainly driven by staff costs, due to higher performance related costs, including management's variable compensation, which was waived in 2020, as well as to the growing scale of our Uzbek business. At the same time, the increase in administrative and other expenses across the board was due to low base in 2020 and increased business activities.

The cost to income ratio stood at 37.6%, down by 0.3 pp YoY, while the Bank's standalone cost to income was 29.7%, down by 3.0 pp over the same period.

<i>In thousands of GEL</i>	FY'21	FY'20 (as restated)	Change YoY
Operating expenses			
Staff costs	(309,302)	(244,043)	26.7%
Provisions for liabilities and charges	27	(2,706)	NMF
Depreciation and amortization	(79,891)	(68,392)	16.8%
Administrative & other operating expenses*	(156,668)	(122,321)	28.1%
Total operating expenses*	(545,834)	(437,462)	24.8%
Cost to income	37.6%	37.9%	-0.3 pp
Bank's standalone cost to income²⁴	29.7%	32.7%	-3.0 pp

* Certain amounts do not correspond to 2020 operating expense figures as they reflect the reclassifications made by the management between net impairment of non-financial assets and administrative and other operating expenses.

Net Income

In 2021, our record high profitability was driven by strong income generation across all categories, as well as by reversals of provision charges.

As a result, our ROE stood at 24.4%, ROA stood at 3.4%.

<i>In thousands of GEL</i>	FY'21	FY'20	Change YoY
Losses from modifications of financial instruments	(1,726)	(41,015)	-95.8%
Profit before tax	921,360	319,106	NMF
Income tax expense/(credit)	(112,361)	3,383	NMF
Profit for the period	808,999	322,489	NMF
ROE	24.4%	11.7%	12.7 pp
Bank's standalone ROE²⁴	27.7%	13.1%	14.6 pp
ROA	3.4%	1.6%	1.8 pp
Bank's standalone ROA²⁴	3.8%	1.7%	2.1 pp

Funding and Liquidity

In 2021, we utilized access liquidity generated in 2020 and our liquidity coverage ratio, as defined by the NBG was 115.8%, above the 100% limit, while the LCR in GEL and FC stood at 107.7% and 120.8% respectively, above the respective limits of 75% and 100%.

As of 31 December 2021, NSFR stood at 127.3%, compared to the regulatory limit of 100%.

	Dec-21	Dec-20	Change YoY
<i>Minimum net stable funding ratio, as defined by the NBG</i>	100.0%	100.0%	0.0 pp
Net stable funding ratio as defined by the NBG	127.3%	126.0%	1.3 pp
Net loans to deposits + IFI funding	100.9%	101.2%	-0.3 pp
Leverage (Times)	6.7x	7.7x	-1.0x
<i>Minimum total liquidity coverage ratio, as defined by the NBG</i>	100.00%	100.0%	0.0 pp
<i>Minimum LCR in GEL, as defined by the NBG</i>	75%*	n/a	NMF
<i>Minimum LCR in FC, as defined by the NBG</i>	100.00%	100.0%	0.0 pp
Total liquidity coverage ratio, as defined by the NBG	115.8%	134.2%	-18.4 pp
LCR in GEL, as defined by the NBG	107.7%	132.2%	-24.5 pp
LCR in FC, as defined by the NBG	120.8%	134.9%	-14.1 pp

* In May 2021, NBG restored the NBG GEL LCR limit, which was temporarily removed for one year

²⁴ For the ratio calculation, all relevant group recurring costs are allocated to the bank.

Regulatory Capital

On a YoY basis, the Bank's CET1, Tier 1 and Total capital adequacy ratios increased by 3.3 pp, 3.7 pp and 3.2 pp, respectively. This increase was mainly driven by strong net income generation, the issuance of an AT1 Bond in November 2021 in the amount of USD 75 million, and by local currency appreciation, which was partially offset by an increase in the loan book.

<i>In thousands of GEL</i>	Dec-21	Dec-20	Change YoY
CET 1 Capital	2,759,894	1,911,233	44.4%
Tier 1 Capital	3,379,414	2,385,181	41.7%
Total Capital	4,102,927	3,137,912	30.8%
Total Risk-weighted Exposures	20,217,629	18,301,477	10.5%
<i>Minimum CET 1 ratio</i>	11.7%	7.4%	4.3 pp
CET 1 Capital adequacy ratio	13.7%	10.4%	3.3 pp
<i>Minimum Tier 1 ratio</i>	14.0%	9.2%	4.8 pp
Tier 1 Capital adequacy ratio	16.7%	13.0%	3.7 pp
<i>Minimum total capital adequacy ratio</i>	18.4%	13.7%	4.7 pp
Total Capital adequacy ratio	20.3%	17.1%	3.2 pp

Loan Portfolio

As of 31 December 2021, the gross loan portfolio reached GEL 17,047.4 million, up by 12.2% YoY or by 18.0% on a constant currency basis. The proportion of gross loans denominated in foreign currency decreased by 5.5 pp YoY and accounted for 53.9% of total loans, while on a constant currency basis the proportion of gross loans denominated in foreign currency was down by 3.2 pp YoY and stood at 56.2%.

As of 31 September 2021, our market share in total loans stood at 38.8%, down by 0.2 pp YoY, while our loan market share in legal entities was 39.1%, up by 0.5 pp over the same period, and our loan market share in individuals stood at 38.6%, down by 0.8 pp QoQ.

<i>In thousands of GEL</i>	Dec-21	Dec-20	Change YoY
Loans and advances to customers			
Retail	6,358,345	5,846,274	8.8%
Retail loans GEL	3,580,468	3,007,484	19.1%
Retail loans FC	2,777,877	2,838,790	-2.1%
CIB	6,547,741	5,831,871	12.3%
CIB loans GEL	2,188,776	1,599,857	36.8%
CIB loans FC	4,358,965	4,232,014	3.0%
MSME	4,141,305	3,522,375	17.6%
MSME loans GEL	2,082,204	1,559,127	33.5%
MSME loans FC	2,059,101	1,963,248	4.9%
Total loans and advances to customers	17,047,391	15,200,520	12.2%

	FY'21	FY'20	Change YoY
Loan yields	10.3%	10.1%	0.2 pp
Loan yields GEL	15.1%	15.3%	-0.2 pp
Loan yields FC	6.5%	6.7%	-0.2 pp
Retail Loan Yields	11.7%	11.5%	0.2 pp
Retail loan yields GEL	16.1%	16.5%	-0.4 pp
Retail loan yields FC	6.1%	6.6%	-0.5 pp
CIB Loan Yields	9.0%	8.6%	0.4 pp
CIB loan yields GEL	13.7%	13.2%	0.5 pp
CIB loan yields FC	7.0%	7.0%	0.0 pp
MSME Loan Yields	10.2%	10.2%	0.0 pp
MSME loan yields GEL	14.9%	14.9%	0.0 pp
MSME loan yields FC	6.0%	6.3%	-0.3 pp

Loan Portfolio Quality

On a YoY basis, total par 30 improved by 0.6 pp. The decrease was mainly driven by the Retail segment on the back of write-offs of the unsecured loans and strong performance of the mortgage portfolio.

Our NPL ratio improved by 2.3 pp YoY and amounted to 2.4%. The recovery was observed in all segments, mainly driven by resumed repayments on COVID-19 restructured loans.

Par 30	Dec-21	Dec-20	Change YoY
Retail	2.2%	3.5%	-1.3 pp
CIB	0.6%	1.0%	-0.4 pp
MSME	4.0%	3.7%	0.3 pp
Total Loans	2.0%	2.6%	-0.6 pp

Non-performing Loans	Dec-21	Dec-20	Change YoY
Retail	2.4%	5.8%	-3.4 pp
CIB	1.4%	2.4%	-1.0 pp
MSME	4.0%	6.5%	-2.5 pp
Total Loans	2.4%	4.7%	-2.3 pp

NPL Coverage	Dec-21		Dec-20	
	Provision Coverage	Total Coverage	Provision Coverage	Total Coverage
Retail	158.8%	224.6%	102.4%	170.3%
CIB	56.8%	126.4%	77.1%	148.0%
MSME	68.0%	155.5%	66.4%	150.5%
Total	99.9%	175.3%	85.6%	159.4%

Cost of risk

The total cost of risk for 2021 stood at -0.3%, down by 2.7 pp YoY. This significant decrease on a year-on-year basis was driven by improved performance across all segments in 2021 and by a high base in 2020 due to the reflection of COVID-19 impact on the credit loss allowances.

Cost of Risk	FY'21	FY'20	Change YoY
Retail	0.5%	3.8%	-3.3 pp
CIB	-1.0%	0.6%	-1.6 pp
MSME	-0.2%	3.0%	-3.2 pp
Total	-0.3%	2.4%	-2.7 pp

Deposit Portfolio

The total deposits portfolio increased by 19.6% YoY across all segments and amounted to GEL 15,038.2 million, while on a constant currency basis the total deposit portfolio increased by 25.1% over the same period. The proportion of deposits denominated in foreign currency was down by 2.8 pp YoY and accounted for 63.5% of total deposits, while on a constant currency basis the proportion of deposits denominated in foreign currency increased by 1.2 pp YoY and stood at 65.1%.

As of 31 December 2021, our market share in deposits amounted to 40.4%, up by 3.2 pp YoY, and our market share in deposits to legal entities stood at 40.5%, up by 6.0 pp over the same period. Our market share in deposits to individuals stood at 40.3%, up by 0.8 pp YoY.

<i>In thousands of GEL</i>	Dec-21	Dec-20	Change YoY
Customer Accounts			
Retail	5,837,333	4,975,661	17.3%
Retail deposits GEL	1,492,325	1,236,594	20.7%
Retail deposits FC	4,345,008	3,739,067	16.2%
CIB	7,330,543	5,717,347	28.2%
CIB deposits GEL	2,934,167	1,833,122	60.1%
CIB deposits FC	4,396,376	3,884,225	13.2%
MSME	1,558,676	1,368,490	13.9%
MSME deposits GEL	756,135	661,941	14.2%
MSME deposits FC	802,541	706,549	13.6%
Total Customer Accounts*	15,038,172	12,572,728	19.6%

* Total deposit portfolio includes Ministry of Finance deposits in the amount of GEL 511 million and GEL 312 million as of 31 December 2020 and 31 December 2021, respectively.

	FY'21	FY'20	Change YoY
Deposit rates	3.4%	3.6%	-0.2 pp
Deposit rates GEL	6.7%	6.5%	0.2 pp
Deposit rates FC	1.5%	2.0%	-0.5 pp
Retail Deposit Yields	2.4%	2.6%	-0.2 pp
Retail deposit rates GEL	4.9%	5.3%	-0.4 pp
Retail deposit rates FC	1.3%	1.7%	-0.4 pp
CIB Deposit Yields	4.3%	4.4%	-0.1 pp
CIB deposit rates GEL	8.5%	8.1%	0.4 pp
CIB deposit rates FC	2.0%	2.5%	-0.5 pp
MSME Deposit Yields	0.8%	0.9%	-0.1 pp
MSME deposit rates GEL	1.4%	1.6%	-0.2 pp
MSME deposit rates FC	0.2%	0.3%	-0.1 pp

Segment definition and PL

Business Segments

The segment definitions are as follows:

- Corporate and Investment Banking (CIB) – a legal entity/group of affiliated entities with an annual revenue exceeding GEL 12.0 million or which has been granted facilities of more than GEL 5.0 million. Some other business customers may also be assigned to the CIB segment or transferred to the MSME segment on a discretionary basis. In addition, CIB includes Wealth Management private banking services to high-net-worth individuals with a threshold of US\$ 250,000 of assets under management (AUM), as well as on discretionary basis;
- Retail – non-business individual customers; or individual customers of the fully digital bank, Space.
- MSME – business customers who are not included in the CIB segment;
- Corporate centre and other operations – comprises the Treasury, other support and back office functions, and non-banking subsidiaries of the Group.

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

Income Statement by Segments

FY'21	Retail	MSME	CIB	Corp. Centre	Total
Interest income	691,257	384,337	562,055	248,207	1,885,856
Interest expense	(131,233)	(11,343)	(274,093)	(494,598)	(911,267)
Net gains from currency swaps	-	-	-	28,143	28,143
Net transfer pricing	(169,947)	(154,827)	71,408	253,366	-
Net interest income	390,077	218,167	359,370	35,118	1,002,732
Fee and commission income	212,867	52,806	111,777	34,582	412,032
Fee and commission expense	(38,191)	(33,858)	(80,717)	(11,266)	(164,032)
Net fee and commission income	174,676	18,948	31,060	23,316	248,000
Net insurance premium earned after claims and acquisition costs	-	-	-	23,546	23,546
Net gains/(losses) from currency derivatives, foreign currency operations and translation	35,946	27,496	57,102	(3,274)	117,270
Gains less losses from disposal of investment securities Measured at fair value through other comprehensive income	-	-	1,412	9,744	11,156
Other operating income	8,001	877	2,677	36,924	48,479
Share of profit of associates	-	-	-	837	837
Other operating non-interest income and insurance profit	43,947	28,373	61,191	67,777	201,288
Recovery of/(charges to) credit loss allowance for loans to customers	(26,795)	7,175	59,743	-	40,123
Recovery of credit loss allowance for performance guarantees and credit related commitments	369	199	636	-	1,204
Credit loss allowance for net investments in leases	-	-	-	(321)	(321)
Credit loss allowance for other financial assets	(3,307)	-	(513)	(10,906)	(14,726)
Recovery of credit loss allowance for financial assets measured at fair value through other comprehensive income	-	-	1,104	1,498	2,602
Net impairment of non-financial assets	(59)	(1,373)	(7,954)	(2,596)	(11,982)
Operating income after expected credit and non-financial asset impairment losses	578,908	271,489	504,637	113,886	1,468,920
Staff costs	(135,918)	(53,828)	(50,727)	(68,829)	(309,302)
Depreciation and amortization	(51,558)	(11,663)	(5,339)	(11,331)	(79,891)
Provision for liabilities and charges	-	-	-	27	27
Administrative and other operating expenses	(75,295)	(20,221)	(18,459)	(42,693)	(156,668)
Operating expenses	(262,771)	(85,712)	(74,525)	(122,826)	(545,834)
Losses from modifications of financial instruments	(688)	(93)	(945)	-	(1,726)
Profit/(loss) before tax	315,449	185,684	429,167	(8,940)	921,360
Income tax expense	(32,200)	(21,135)	(48,857)	(10,169)	(112,361)
Profit/(loss)	283,249	164,549	380,310	(19,109)	808,999

Consolidated Financial Statements of TBC Bank Group PLC
Consolidated Balance sheet

<i>In thousands of GEL</i>	Dec-21	Dec-20 (as restated)
Cash and cash equivalents	1,722,137	1,635,405
Due from other banks	79,142	50,805
Mandatory cash balances with National Bank of Georgia	2,087,141	2,098,506
Loans and advances to customers	16,637,145	14,594,274
Investment securities measured at fair value through other comprehensive income*	1,938,196	1,527,268
Bonds carried at amortized cost*	49,582	1,089,801
Net investments in leases	262,046	271,660
Investment properties	22,892	68,689
Current income tax prepayment	194	69,888
Deferred income tax asset	12,357	2,787
Other financial assets ²⁵	453,115	171,302
Other assets	397,079	266,960
Premises and equipment	392,506	372,956
Right of use assets	70,513	53,927
Intangible assets	319,963	239,523
Goodwill	59,964	59,964
Investments in associates	4,589	4,090
TOTAL ASSETS	24,508,561	22,577,805
LIABILITIES		
Due to credit institutions	2,984,176	4,486,373
Customer accounts	15,038,172	12,572,728
Other financial liabilities ²⁵	139,811	227,432
Current income tax liability	86,762	853
Deferred income tax liability	10,979	13,088
Debt securities in issue	1,710,288	1,496,497
Provision for liabilities and charges	25,358	25,335
Other liabilities	130,972	87,842
Lease Liabilities	66,167	58,983
Subordinated debt	623,647	672,740
TOTAL LIABILITIES	20,816,332	19,641,871
EQUITY		
Share capital	1,682	1,682
Shares held by trust	(25,489)	(33,413)
Share premium*	283,430	283,430
Retained earnings	3,007,132	2,281,428
Merger reserve*	402,862	402,862
Share based payment reserve	(5,135)	(20,568)
Fair value reserve*	(10,862)	11,158
Cumulative currency translation reserve	(9,450)	(2,124)
Net assets attributable to owners	3,644,170	2,924,455
Non-controlling interest	48,059	11,479
TOTAL EQUITY	3,692,229	2,935,934
TOTAL LIABILITIES AND EQUITY	24,508,561	22,577,805

* Certain amounts do not correspond to the 2020 consolidated statement of financial position as they reflect the reclassifications made by the management: a) between merger reserve and share premium and b) change in business model for investment securities transferring them from under FVTOCI classification.

²⁵ Other financial assets and liabilities do not contain offset amounts of omnibus accounts for TBC Capital (nominee accounts, where TBC Capital acts as a fiduciary on client's behalf).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of GEL</i>	FY'21	FY'20 (as restated)
Interest income	1,885,856	1,667,999
Interest expense	(911,267)	(853,516)
Net gains from currency swaps	28,143	20,950
Net interest income	1,002,732	835,433
Fee and commission income*	412,032	306,177
Fee and commission expense*	(164,032)	(123,410)
Net fee and commission income	248,000	182,767
Net insurance premiums earned	65,990	53,359
Net insurance claims incurred and agents' commissions	(42,444)	(33,874)
Net insurance premium earned after claims and acquisition costs	23,546	19,485
Net gains from currency derivatives, foreign currency operations and translation	117,270	98,018
Gains less losses from disposal of investment securities measured at fair value through other comprehensive income	11,156	(624)
Other operating income	48,479	20,512
Share of profit of associates	837	-
Other operating non-interest income	177,742	117,906
Recovery of/(charges to) credit loss allowance for loans to customers	40,123	(330,811)
Credit loss allowance for net investments in leases	(321)	(8,398)
Recovery of credit loss allowance for performance guarantees and credit related commitments	1,204	3,238
Credit loss allowance for other financial assets	(14,726)	(14,067)
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	2,602	(1,809)
Net impairment of non-financial assets*	(11,982)	(6,161)
Operating profit after expected credit losses*	1,468,920	797,583
Staff costs	(309,302)	(244,043)
Depreciation and amortization	(79,891)	(68,392)
Recovery of liabilities and charges	27	(2,706)
Administrative and other operating expenses*	(156,668)	(122,321)
Operating expenses*	(545,834)	(437,462)
Losses from modifications of financial instruments	(1,726)	(41,015)
Profit before tax	921,360	319,106
Income tax (expense)/credit	(112,361)	3,383
Profit	808,999	322,489
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Movement in fair value reserve	(22,020)	17,633
Exchange differences on translation to presentation currency	(7,326)	4,707
Other comprehensive income for the period	(29,346)	22,340
Total comprehensive income for the period	779,653	344,829
Profit attributable to:		
- Shareholders of TBCG	800,782	317,752
- Non-controlling interest	8,217	4,737
Profit	808,999	322,489
Total comprehensive income is attributable to:		
- Shareholders of TBCG	771,436	340,092
- Non-controlling interest	8,217	4,737
Total comprehensive income for the period	779,653	344,829

* Certain amounts do not correspond to 2020 Consolidated Statement of Profit or Loss and Other Comprehensive Income as they reflect the reclassifications made by the management between a) net impairment of non-financial assets and administrative and other operating expenses; and b) commission income and commission expenses.

Consolidated Statements of Cash Flows

<i>in thousands of GEL</i>	Dec-21	Dec-20
Cash flows from/(used in) operating activities		
Interest received	1,981,768	1,462,815
Interest received on currency swaps	28,143	20,950
Interest paid	(867,209)	(839,258)
Fees and commissions received	414,505	297,024
Fees and commissions paid	(188,214)	(133,385)
Insurance and reinsurance received	96,601	86,447
Insurance claims paid	(36,806)	(27,139)
Cash (paid)/received from trading in foreign currencies	113,043	(92,191)
Other operating income received	75,378	48,402
Staff costs paid	(307,633)	(238,577)
Administrative and other operating expenses paid	(195,188)	(134,348)
Income tax paid	(13,756)	(46,268)
Cash flows from operating activities before changes in operating assets and liabilities	1,100,632	404,472
Net change in operating assets		
Due from other banks and mandatory cash balances with the National Bank of Georgia	393,174	(353,975)
Loans and advances to customers	(3,085,488)	(1,059,684)
Finance lease receivables	(499)	(2,902)
Other financial assets	(213,126)	(41,774)
Other assets	5,077	33,109
Net change in operating liabilities		
Due to other banks	132,826	(32,294)
Customer accounts	2,821,952	1,432,051
Other financial liabilities	(144,867)	115,370
Other liabilities and provision for liabilities and charges	36,791	(8,153)
Net cash flows from operating activities	1,046,472	486,220
Cash flows from/(used in) investing activities		
Acquisition of investment securities measured at fair value through other comprehensive income	(797,285)	(763,531)
Proceeds from disposal of investment securities measured at fair value through other comprehensive income	1,025,775	287,917
Proceeds from redemption at maturity of investment securities measured at fair value through other comprehensive income	412,204	165,632
Dividend received	-	694
Acquisition of bonds carried at amortised cost	(47,784)	(668,477)
Proceeds from redemption of bonds carried at amortised cost	26,296	413,038
Acquisition of premises, equipment and intangible assets	(163,222)	(164,379)
Proceeds from disposal of premises, equipment and intangible assets	20,826	3,627
Proceeds from disposal of investment properties	23,639	13,513
Purchase of additional interest from minority shareholders	(17,215)	
Proceeds from sale of investment to NCI	57,039	
Net cash flows from/ (used in) investing activities	540,273	(711,966)
Cash flows from/(used in) financing activities		
Proceeds from other borrowed funds	1,750,443	4,036,810
Redemption of other borrowed funds	(3,338,139)	(3,324,230)
Repayment of principal of lease liabilities	(12,825)	(13,251)
Redemption of subordinated debt	(12,562)	-
Cash paid for share buy-back	-	(25,493)
Proceeds from debt securities in issue	295,457	104,838
Dividends paid	(87,723)	(1,344)
Net cash (used in)/from financing activities	(1,405,349)	777,330
Effect of exchange rate changes on cash and cash equivalents	(94,664)	80,238
Net increase in cash and cash equivalents	86,732	631,822
Cash and cash equivalents at the beginning of the year	1,635,405	1,003,583
Cash and cash equivalents at the end of the year	1,722,137	1,635,405

Key Ratios

Average Balances

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

Key Ratios

<i>Ratios (based on monthly averages, where applicable)</i>	FY'21	FY'20
Profitability ratios:		
ROE ¹	24.4%	11.7%
ROA ²	3.4%	1.6%
Cost to income ³	37.6%	37.9%
NIM ⁴	5.1%	4.7%
Loan yields ⁵	10.3%	10.1%
Deposit rates ⁶	3.4%	3.6%
Cost of funding ⁷	4.5%	4.8%*
Asset quality & portfolio concentration:		
Cost of risk ⁹	-0.3%	2.4%
PAR 90 to Gross Loans ⁹	1.1%	1.5%
NPLs to Gross Loans ¹⁰	2.4%	4.7%
NPL provision coverage ¹¹	99.9%	85.6%
Total NPL coverage ¹²	175.3%	159.4%
Credit loss level to Gross Loans ¹³	2.4%	4.0%
Related Party Loans to Gross Loans ¹⁴	0.1%	0.0%
Top 10 Borrowers to Total Portfolio ¹⁵	6.8%	7.9%
Top 20 Borrowers to Total Portfolio ¹⁶	10.5%	12.1%
Capital & liquidity positions:		
Net Loans to Deposits plus IFI** Funding ¹⁷	100.9%	101.2%
Net Stable Funding Ratio ¹⁸	127.3%	126.0%
Liquidity Coverage Ratio ¹⁹	115.8%	134.2%
Leverage ²⁰	6.7x	7.7x
CET 1 CAR (Basel III) ²¹	13.7%	10.4%
Tier 1 CAR (Basel III) ²²	16.7%	13.0%
Total 1 CAR (Basel III) ²³	20.3%	17.1%

*The Group enters into swap agreements denominated in foreign currencies with a view to decrease cost of funding. Respective interest effect is presented within net interest income, but has not been previously included in the cost of funding ratio calculation. As the contracts reached significant volume, the Group revisited the presentation of effects in the cost of funding ratio and decided to include interest effect from swap agreements in the calculation of cost of funding. The change was made retrospectively and ratios of previous periods have also been restated.

** International Financial Institutions

Ratio definitions

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

Exchange Rates

To calculate the QoQ growth of the Balance Sheet items without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.1228 as of 30 September 2021. For the calculations of the YoY growth without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.2766 as of 31 December 2020. As of 31 December 2021 the USD/GEL exchange rate equaled 3.0976. For P&L items growth calculations without currency effect, we used the average USD/GEL exchange rate for the following periods: FY 2021 of 3.2306, FY 2020 of 3.1097.

Additional Disclosures

1) TBC Bank – Background

TBC Bank is the largest banking group in Georgia, where 98.7% of its business is concentrated, with a 38.6% market share by total assets. It offers retail, CIB, and MSME banking nationwide.

These unaudited financial results are presented for TBC Bank Group PLC (“TBC Bank” or “the Group”), which was incorporated on 26 February 2016 as the ultimate holding company for JSC TBC Bank Georgia. TBC Bank became the parent company of JSC TBC Bank Georgia on 10 August 2016, following the Group’s restructuring. As this was a common ownership transaction, the results have been presented as if the Group existed at the earliest comparative date as allowed under the International Financial Reporting Standards (“IFRS”), as adopted by the United Kingdom. TBC PLC is listed on the London Stock Exchange under the symbol TBCG and is a constituent of the FTSE 250 index. It is also a member of the FTSE4Good Index Series and the MSCI United Kingdom Small Cap Index.

TBC Bank Group PLC’s financial results have been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 ‘Interim Financial Reporting’ and the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority (FCA).

2) Subsidiaries of TBC Bank Group PLC²⁶

Subsidiary	Ownership / voting % as of 31 December 2021	Country	Year of incorporation	Industry	Total Assets (after elimination)	
					Amount GEL’000	% in TBC Group
JSC TBC Bank	99.9%	Georgia	1992	Banking	23,564,174	96.13%
United Financial Corporation JSC	99.5%	Georgia	1997	Card processing	19,886	0.08%
TBC Capital LLC	100.0%	Georgia	1999	Brokerage	3,926	0.02%
TBC Leasing JSC	100.0%	Georgia	2003	Leasing	351,563	1.43%
TBC Kredit LLC	100.0%	Azerbaijan	1999	Non-banking credit institution	22,216	0.09%
TBC Pay LLC	100.0%	Georgia	2009	Processing	44,256	0.18%
Index LLC	100.0%	Georgia	2011	Real estate management	1,566	0.01%
TBC Invest LLC	100.0%	Israel	2011	PR and marketing	312	0.00%
TBC Asset management LLC	100.0%	Georgia	2021	Asset Management	0	0.00%
JSC TBC Insurance	100.0%	Georgia	2014	Insurance	80,175	0.33%
Redmed LLC	100.0%	Georgia	2019	E-commerce	1,498	0.00%
TBC NET LLC*	100.0%	Georgia	2019	Asset Management	58,302	0.24%
Swoop JSC**	N/A	Georgia	2010	Retail Trade	657	0.00%
LLC Online Tickets	55.0%	Georgia	2015	Software Services	3,027	0.01%
TKT UZ	75.00%	Uzbekistan	2019	Retail Trade	103	0.00%
My.ge LLC**	N/A	Georgia	2008	E-commerce, Housing and Auto	25,656	0.10%
Vendoo LLC (Geo)	100.0%	Georgia	2019	Retail Leasing	3,920	0.02%
Mypost LLC	100.0%	Georgia	2019	Postal Service	108	0.00%
Billing Solutions LLC	51.00%	Georgia	2019	Software Services	412	0.00%
All property.ge LLC**	N/A	Georgia	2013	Real estate management	4,578	0.02%
LLC F Solutions	100.0%	Georgia	2019	Software Services	11	0.00%
TBC Connect LLC**	N/A	Georgia	2020	Software Services	4	0.00%
Marjanishvili 7 LLC	100.0%	Georgia	2020	Food and Beverage	840	0.00%
Artarea.ge LLC	100.0%	Georgia	2021	PR and marketing	63	0.00%
Saba LLC	85.0%	Georgia	2012	Education	63	0.00%
TBC Art Gallery LLC	100.0%	Georgia	2012	PR and marketing	0	0.00%
Space JSC	100.0%	Georgia	2021	Software Services	31,683	0.13%
Space International JSC	100.0%	Georgia	2021	Software Services	31,683	0.13%
TBC Group Support LLC	100.0%	Georgia	2020	Risk Monitoring	1	0.00%
Inspired LLC	51.0%	Uzbekistan	2011	Processing	30,417	0.12%
TBC Bank JSC UZ	60.2%	Uzbekistan	2020	Banking	222,039	0.91%
LLC Vendoo (UZ Leasing)	100.0%	Uzbekistan	2019	Retail Leasing	3,920	0.02%

* The company was renamed from TBC Ecosystem companies LLC to TBC Net LLC during 2021.

** The companies were merged with TBC Net LLC during 2021.

²⁶ TBC Bank Group PLC became the parent company of JSC TBC Bank on 10 August 2016.

3) TBC Insurance

TBC Insurance, a wholly owned subsidiary of TBC Bank, is one of the leading players on the Georgian non-health insurance market. The company was acquired by the Group in October 2016 and has since grown significantly, becoming the second largest player on the property and casualty insurance and life insurance (non-health) market and the largest player in the retail segment, holding 26.7% and 40.0% market shares²⁷ without border motor third party liability (MTPL) insurance, respectively, in 4Q 2021 or 21.8% and 37.1% in the whole of 2021.

TBC Insurance serves both individual and legal entities and provides a broad range of insurance products covering motor, travel, personal accident, credit life and property, business property, liability, cargo, agro, and health insurance products. The company differentiates itself through its advanced digital channels, which include TBC Bank's award-winning internet and mobile banking applications, a wide network of self-service terminals, a web channel, and B-Bot, a Georgian-speaking chat-bot that is available through Facebook messenger.

In 2019, we entered the health insurance market, with a strategy to target the premium segment by providing a superior customer experience coupled with the most innovative approach to products and services. In 2021, as we accumulated sufficient market knowledge and claims statistics, we expanded our value proposition to the mid-premium segment.

In 2021, net profit including health insurance increased considerably related to business growth and non-recurring reinsurance adjustment in 4Q 2021.

Information excluding health insurance	4Q'21	3Q'21	4Q'20	FY'21	FY'20
<i>In thousands of GEL</i>					
Gross written premium	25,571	26,125	21,322	95,790	77,652
Net earned premium ²⁸	20,124	19,238	16,595	74,609	63,954
Net profit	5,704	3,951	2,512	16,062	11,473
Net combined ratio	72.2%	80.2%	87.1%	79.1%	82.5%

Information including health insurance	4Q'21	3Q'21	4Q'20	FY'21	FY'20
<i>In thousands of GEL</i>					
Gross written premium	33,039	28,851	23,077	113,819	86,369
Net earned premium	24,497	22,268	18,696	87,435	71,359
Net profit	5,122	3,598	2,299	13,760	10,041
Net combined ratio	80.2%	85.0%	90.1%	85.5%	86.8%

Note: IFRS standalone data

²⁷ Market shares are based on internal estimates. Source is Insurance State Supervision Service of Georgia. Total non-health and retail market share in 4Q 2021 including MTPL stood at 25.3% and 35.8% respectively or 20.9% and 33.6% in total 2021.

²⁸ Net earned premium equals earned premium minus the reinsurer's share of earned premium.

4) Fast growing digital bank in Uzbekistan

<i>in thousands</i>	Jan'21	Mar'21	Jun'21	Sep'21	Dec'21
# of total registered users	28	98	302	667	1,140
# of downloads	29	103	391	897	1,548
Retail gross loan portfolio* (GEL)	153	953	25,239	52,493	92,825
Retail deposit portfolio** (GEL)	1,108	2,839	15,543	91,979	207,510
# of total cards issued (cumulative figures)	8	31	66	117	224
# of other cards attached (cumulative figures)	4	29	126	328	386
Total monthly number of transactions	27	203	563	906	1,739

* Loans in Uzbekistan are disbursed in local currency

** Current, savings and time accounts. Deposits in Uzbekistan are accepted in local currency.

5) Loan book breakdown by stages according IFRS 9

Total (in million GEL)

Stage	31-Dec-21		30-Sep-21		31-Dec-20	
	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	14,602	0.7%	13,557	0.9%	11,861	1.1%
2	1,935	6.2%	1,737	5.7%	2,448	5.8%
3	510	36.4%	670	34.9%	892	37.4%
Total	17,047	2.4%	15,964	2.9%	15,201	4.0%

CIB (in million GEL)

Stage	31-Dec-21		30-Sep-21		31-Dec-20	
	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	5,743	0.4%	5,285	0.9%	4,701	1.2%
2	713	0.2%	728	0.5%	965	0.9%
3	92	27.3%	124	20.1%	166	28.0%
Total	6,548	0.8%	6,137	1.2%	5,832	1.9%

MSME (in million GEL)

Stage	31-Dec-21		30-Sep-21		31-Dec-20	
	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	3,520	0.6%	3,206	0.7%	2,633	0.8%
2	413	7.8%	445	6.6%	630	7.4%
3	208	29.0%	225	32.3%	260	32.9%
Total	4,141	2.7%	3,876	3.2%	3,523	4.3%

Retail (in million GEL)

Stage	31-Dec-21		30-Sep-21		31-Dec-20	
	Gross	LLP rate*	Gross	LLP rate*	Gross	LLP rate*
1	5,339	1.1%	5,066	1.1%	4,527	1.2%
2	809	10.8%	564	11.8%	853	10.3%
3	210	47.7%	321	42.5%	466	43.2%
Total	6,358	3.9%	5,951	4.4%	5,846	5.9%

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